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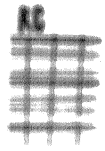

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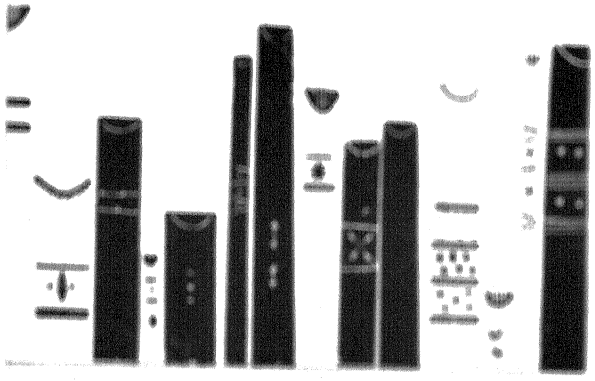

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TENTH VOLUME

(FOR PREVIOUS REPORTS PLEASE CONSULT VOLUMES I - IX, JULY 1, 1931 - DECEMBER 31, 1954)

JANUARY 1—8, 1955

A. FRANCE. — Paris Agreements on Germany and the Saar ratified by National Assembly.

At the end of a prolonged debate, which began on Dec. 21 and ended on Dec. 30, the French National Assembly ratified the Paris agreements providing for the rearming of the German Federal Republic, its entry into the NATO and the Western European Union, and the restoration of its sovereignty. The Franco-German agreement on the Saar, signed in Paris on Oct. 23, was approved at the same time

Prior to the opening of the debate, the various Commissions of the National Assembly had considered the Paris agreements on Germany and the Franco-German agreement on the Saar. Their recommendations to the Assembly were as follows:

Foreign Affairs Commission. (1) On the rearming of Western Germany and her entry into the NATO and the Western European Union—approved by 16 votes to 15 (a majority of only one vote), with 11 abstentions General Billotte (A.R S [Dissident Gaullist]) acted as *rapporteur* (2) On the restoration of West German sovereignty—approved by 24 votes to 15, with 3 abstentions (*rapporteur*—M. Isorni, *Paysan*) (3) On the Saar agreement—approved by 24 votes to 6, with 12 abstentions (*rapporteur*—M. Vendroux, Social Republican [Gaullist])

The 16 votes for the rearming of Germany were cast by the eight Socialist members of the Commission, five Independent Republicans and *Paysans*, two Dissident Gaullists, and a Radical, whilst the 15 opposing votes were cast by seven Communists and *Progressistes*, five Social Republicans, two Independent Republicans, and one Radical The abstentions included six M R.P. members and three Radicals, among them M. René Mayer.

In recommending the ratification of the Saar agreement, the *rapporteur* on this matter (M. Vendroux) said that the Commission did so with two essential reservations: (*a*) that the French interpretation of the agreement should be formally maintained and (*b*) that the restoration of German sovereignty should be conditional on German ratification of the Saar agreement.

Finance Commission. (1) On the rearming of Western Germany and her entry into the NATO and the W.E.U —rejected by 18 votes to 12, with 11 abstentions (2) On the restoration of West German sovereignty—approved by 20 votes to 7, with 11 abstentions (3) On the Saar agreement—the Commission recommended (by 21 votes to 10, with 10 abstentions) that the Assembly should adjourn its debate on this matter. M. Liautey (*Paysan*) acted as *rapporteur* in each case

Industrial Production Commission. (1) On the rearming of Western Germany, her entry into the NATO and the W E.U., and the restoration of West German sovereignty—approved by 13 votes to 10, with 15 abstentions (*rapporteur*—M. Lapie, Socialist) (2) On the Saar agreement—approved by 15 votes to 7, with 15 abstentions (*rapporteur*—M Chupin, U.D.S R)

National Defence Commission. This Commission recommended by 15 votes to 1, with 19 abstentions, that the National Assembly should adjourn its debate on all the agreements, including that on the Saar. M. Badie (Radical) acted as *rapporteur*.

Economic Affairs Commission. The ratification of all the agreements, including that on the Saar, was recommended by 10 votes to 7, with 10 abstentions M Hugues (Radical) acted as *rapporteur*

Overseas Territories Commission. The ratification of all the agreements, including that on the Saar, was recommended by 11 votes to 9, with 5 abstentions. M. Devinat (Radical) acted as *rapporteur*

The National Assembly's debate largely followed the same lines as the debates held on Oct. 7-8 (see 13859 A), Aug. 28-30 (see 13749 A), and earlier occasions. The principal speakers during the first three days (Dec. 21-23) were General Aumeran (Ind. Republican), M. Soustelle (Social Republican), M. Jules Moch (Socialist), M. Teitgen (M.R.P.), M. Paul Reynaud (Ind. Republican), M. Robert Schuman (M.R.P.), M. Herriot (Radical) and M. Mendès-France, the Prime Minister, extracts from whose speeches are given below.

General Aumeran declared that the first duty of France, "in the face of the German peril," was to look to her own defences, and to participate in the defence of other countries, before involving herself in "the system directed against Russia" Emphasizing the future dangers which the rearming of Germany might involve, he declared: "Once the German Army is formed, the Atlantic alliance runs the risk of finding itself confronted one day with a *fait accompli* In 15 years the NATO guarantee will disappear, and with them the American and British divisions. We shall then find ourselves face to face with Germany, and associated with her in a system whose duration is envisaged as 45 years. We are invited to negotiate with the Soviet Union from a 'position of strength'. To negotiate what? The reunification of Germany, postulating the return to that country of the territories now incorporated in Poland? Does anyone believe that Russia will consent to that? Will the Western countries go to war to satisfy the Germans' No! They [the Germans] must resign themselves to the fact that the territories beyond the Oder-Neisse line are definitely lost to them There is only one way in which we can prevent our children from being killed in new holocausts: to refuse to give arms to those who will use them, not to defend their country, but to extend it."

M. Soustelle expressed the fear that ratification of the Paris agreements might lead to the rupture of the Franco-Soviet alliance and to an eventual *rapprochement* between Germany and the Soviet Union, and—like General Aumeran—believed that Germany's entry into the NATO would give that organization an offensive instead of a defensive character He believed that Germany would attempt to utilize the North Atlantic alliance for territorial aggrandizement, and in this connexion, referred to the fact that Dr Adenauer in his memorandum to the *Bundestag* on the Saar agreement, had said that Germany considered her frontiers to be identical with those of 1937. M. Soustelle also opposed the ratification of the Saar agreement on the ground that Dr. Adenauer's subsequent interpretation of the agreement differed from that of France "For France," M. Soustelle declared "the [Saar] agreement is a final settlement but to Germany it is a 'point of departure'."

M. Jules Moch (who had been suspended from membership of the Socialist Party because of his opposition to the E D C Treaty—see 13767 A) argued that the Soviet Union showed no sign of launching an aggressive war, and dwelt on the horrors of atomic and nuclear warfare if a new conflict were to break out The ratification of the Paris agreements he said, would not only mark a new stage in the 'cold war' but might lead to the denunciation of the Franco-Soviet treaty by the U S S R and to "military counter-measures" by the Soviet bloc After expressing disquiet at Sir Anthony Eden's suggestion that negotiations with Russia should only be undertaken after the Paris agreements had been ratified M. Moch urged that such negotiations should commence immediately, and argued that, if successful, they would make the Paris agreements redundant.

M. Mendès-France, intervening in the debate, emphasized that there would be no question of any four-Power negotiations if the Assembly rejected the Paris agreements: in that case there might, at a later date, be a two-Power or three-Power meeting. In such an eventuality France would no doubt remain in the Atlantic alliance, but would no longer have any influence in that organization If, on the other hand, the agreements were ratified, France would have an important role to play both in the NATO and in any future four-Power negotiations Speaking "with the utmost gravity," the Prime Minister warned the National Assembly that acceptance of the Paris agreements "by a feeble majority" would be "as serious as a rejection"

Both **M. Teitgen** and **M. Paul Reynaud** compared the Paris agreements unfavourably with the E D C. Treaty, and expressed the view that Britain's participation in the Western European Union would block the movement towards greater European integration M Reynaud declared in this connexion that the new arrangements would give political hegemony in Western Europe to Britain and military hegemony to Germany **M. Daladier** (Radical), the pre-war Prime Minister, was also strongly critical of the agreements in all their aspects, and urged renewed negotiations with the Soviet Union in an attempt to resolve all outstanding problems.

M. Robert Schuman (the former Foreign Minister), in a conciliatory speech, dwelt on the importance of an integrated Europe in which Germany would take her place with equal rights and duties. He regretted that at present the only form of integration—and that of a solely military character—was within the framework of the Atlantic alliance, and urged that it should be supplemented by a 'solid, strong and durable" structure of specifically European character In his view, the Western European Union would be "a sort of Little Entente" within NATO, in which France, unfortunately, would not play the leading role. He agreed, nevertheless, that the Atlantic alliance should be strengthened in conformity with the Paris agreements, and, moreover, saw an important political advantage in those agreements—the fact that they would tend to check the "neutralist" tendencies which were growing increasingly stronger in Germany. After recalling that the Assembly had heeded Marshal Juin's criticisms of the E D.C., he appealed to it now to take heed of a recent warning by the Marshal of the need for strengthening and reinforcing the NATO forces. Although he [M. Schuman] believed that a minimum balance of strength was essential between East and West, he nevertheless felt that Russia had a right to safeguard her own security, and hoped that M Mendès-France would bear this in mind at the next four-Power conference

M. Herriot opposed the Paris agreements on the same grounds as those on which he had opposed the E D C (see 13749 A, page 13754), and announced that he could not vote for them. **M. Duclos** and other Communist speakers strongly attacked the Paris agreements—particularly the rearming of Germany—and called for immediate four-Power negotiations for a settlement of the German problem.

M. Mendès-France, replying to the debate on Dec 23, reiterated his warning that acceptance of the Paris agreements by only a small majority, or with many abstentions, would have a most unfavourable effect abroad. If the Assembly were to divide into three almost equal parts [i e. for the agreements against the agreements, and abstentions] the allies of France could have no confidence in the permanence of her decision, whilst the Soviet Union would be encouraged in speculating further on divisions among the Western allies. Whilst no-one could deny the "repugnance" felt in France at the prospect of even a limited rearmament of Germany, two facts had to be borne in mind that the Russians had been rearming Eastern Germany since 1950, and that France's allies had been insisting on the need for rearming Western Germany since the same year "Last September," M Mendès-France declared, "we were within one millimetre of seeing Germany rearmed without our consent and without controls [A reference to the situation that had arisen after the rejection of the E D C. by the French National Assembly] The Assembly must realize that even if it refuses German rearmament, it would come about just the same"

The aim of the Paris agreements, the Prime Minister continued, was the same as that of the E.D C —to "chain Germany to the West" How, he asked, could Germany escape from the West when British and American troops would be permanently stationed on her soil, and when her own forces would be under the control of the Supreme Allied Commander? The 'pessimistic prophecies" of M Soustelle and other members were, he believed, completely unfounded, and reflected only an "inferiority complex" which was prevalent in France After expressing his conviction that the effect of the agreements would be to restrain German territorial aspirations rather than encourage them, he declared: "These [territorial] claims will not disappear if Germany is rearmed and uncontrolled The risks then would be greater still Would she not then be free to enforce her claims? The agreements before you reduce these risks. They will be reduced if you vote for the agreements, but if you refuse to do so, the risks will be increased."

Whilst emphasizing his desire for four-Power talks with the Soviet Union, M. Mendès-France strongly criticized the entire trend of Soviet post-war policy. In this connexion he pointed out that, although France and Russia were allies, the U.S.S.R had not invited France to take part in the Yalta and Potsdam conferences, that she had attempted to prevent France from having a zone of occupation in Germany, and that, if France had such a zone today, "it is only due to Sir Winston Churchill and to the tenacity of General de Gaulle."

After an all-night sitting on Dec. 23-24, the Assembly voted at 5.30 a m. on Dec. 24 on three separate Bills:

(1) A Bill authorizing the President of the Republic to ratify the agreements relating to the admission of the German Federal Republic to the Western European Union (the expanded Brussels Treaty Organization), involving the rearming of Western Germany, and to the NATO This Bill consisted of the following three articles:

(i) Authorizing the President to ratify the agreements relating to the entry of Western Germany and Italy into the W.E.U., the raising of German armed forces within the framework of that organization, and the creation of an agency to control the armaments of W.E U. member-countries.

(ii) Authorizing the President to ratify the agreements relating to the entry of the German Federal Republic into NATO.

(iii) Making all the relevant agreements under (i) and (ii) above part of the Bill.

(2) A Bill authorizing the President to ratify (*a*) the agreements relating to the restoration of West German sovereignty and the ending of the occupation regime, and (*b*) the convention on the continued maintenance of American, British and French forces in Western Germany.

(3) A Bill authorizing the President to ratify the Franco-German agreement on the Saar which had been signed in Paris on Oct. 23 by M. Mendès-France and Dr. Adenauer.

The voting on these Bills was as follows:

(1) The first article of Bill (1)—that relating to the rearming of Western Germany and her admission to the W.E.U.—was rejected by 280 votes to 259, with 73 abstentions. The Assembly thereupon by-passed the remaining articles of that Bill and proceeded to vote on the second and third Bills.

(2) The Bill for the restoration of German sovereignty and the ending of the occupation regime was adopted by 393 votes to 180, with 38 abstentions.

(3) The Bill for the ratification of the Saar agreement, including the associated Franco-German economic and cultural agreements, was adopted by 361 votes to 147, with 102 abstentions.

In the voting on the first (rejected) article of the first-mentioned Bill, it was noteworthy that nearly 100 deputies who voted for the Government after the debate on the London Conference opposed the Government in the division on Dec. 24 —among them 26 Radicals, 25 Social Republicans (Gaullists) and 21 Socialists. Detailed voting figures in this division were as follows:

	For	Against	Abstentions
Communists and *Progressistes*	—	98	—
Socialists	83	21	—
Radicals	45	26	5
U D S R	18	2	4
M R P. (Popular Republicans)	6	61	16
Overseas Independents	8	5	—
Social Republicans (Gaullists)	34	25	12
Independent Republicans	23	15	14
Independent *Paysans*	11	4	13
Paysans	10	8	1
Dissident Gaullists (A R S.)	17	8	8
Non-inscrits	4	7	—

After these votes (none of which was made a question of confidence) had been taken, M. Mendès-France announced that when the Assembly re-convened on Dec. 27 after the Christmas recess he would ask for a vote of confidence on the second and third articles of the first Bill (i.e. those articles relating to Western Germany's admission to the NATO). He added that he would ask the Assembly at the same time.

(*a*) To approve the inclusion in the Bill of an amendment (moved by M Gaston Palewski, Gaullist, and accepted by the Government) declaring that all the Paris agreements should be regarded as an indissoluble whole, and that all instruments of ratification of the various protocols and conventions should be deposited simultaneously.

(*b*) To reject an amendment (moved by M Loustaunau-Lacau, *Paysan*) proposing that the Bill should only come into effect after the signature of an additional protocol by all member-countries promising the "strict implementation" of the Paris agreements

(*c*) To reject an amendment by M Palewski proposing that the agreements should only be ratified on Dec. 1, 1955, "if no agreement has been reached in the meantime by France, the U S.A , the U.K., and the Soviet Union on the terms of a general disarmament on the basis of the Franco-British proposals [i e. those presented to the U.N. Disarmament Commission in June, 1954—see 13681 C] and on the settlement of the German problem."

M. Mendès-France also announced that he would ask for a second vote of confidence on the Bill as a whole after the rejected Article 1 of the first Bill had been dealt with separately.

The debate on the remaining Articles of the first Bill was accordingly resumed on Dec. 27.

M. Mendès-France, speaking on that date, made an urgent appeal for the support of the 350 deputies who, in October, had voted for the Government after the debate on the London Conference decisions. Since then, he emphasized, Britain had made the historic decision to retain troops on the Continent, and France had obtained a settlement of the Saar question for which she had striven for ten years. A vote against the Government would not only nullify these advantages but would mean the complete isolation of France from her allies and in international affairs generally. To reject the agreements because they did not go far enough or speedily enough towards European integration would close the door to any such integration. As regards the demand for a last attempt at negotiating with the U S S.R. before ratification of the Paris agreements, the Prime Minister said that if he had thought that there was a serious chance of success, he would have regarded it as his duty to try it. He agreed with the British, however, that the chances of success would be greater after ratification Had the Soviet Union wished "to take a step forward," she had had ample opportunities for months past, especially after the rejection of the E.D C. treaty.

"It is the Atlantic pact which is at stake," the Prime Minister declared. "Either we keep our place in the Atlantic alliance or we become isolated We may go on sitting in NATO, but what will our presence be worth if we are opposed to all the other members? . . If we reject the agreements, our credit with our allies will be non-existent; and from the moment we are thus isolated, I doubt whether our credit with Russia will be worth much either . . . Not to ratify the agreements would make a four-Power conference more difficult than ever. There might be a two-Power or three-Power conference, but France might not be invited because she would, in effect, have left the Atlantic alliance . . ." In conclusion, M. Mendès-France emphasized that if the Assembly rejected the Paris agreements, he knew of no further alternative to propose to the Western allies. Moreover, he had no reason to believe that the allies would be willing to consider new negotiations

After further debate, during which M. Loustaunau-Lacau and M. Palewski agreed—in response to strong appeals by the Prime Minister—to withdraw their amendments [(*b*) and (*c*) above], M. Mendès-France was given a vote of confidence by 289 votes to 251, with 78 abstentions—a Government majority of 38. The voting by parties was as follows:

	For	Against	Abstentions
Communists and *Progressistes*	—	98	—
Socialists	86	17	—
Radicals	44	27	5
U D.S R.	18	3	3
M R P. (Popular Republicans)	17	50	17
Overseas Independents	8	5	2
Social Republicans (Gaullists)	38	18	14
Independent Republicans	30	11	12
Independent *Paysans*	14	3	11
Paysans	12	7	3
Dissident Gaullists (A R S.)	18	4	11
Non-inscrits	4	8	—

Analysis of the voting figures showed that the Government was supported by a number of deputies—principally from the M.R.P., Independent Republicans, and *Paysans* but also including some Gaullist and Socialists—who, in the division on Dec. 24, had either voted against the Government or had abstained.

During the early hours of Dec. 28, however, a procedural deadlock arose when the Assembly's Foreign Affairs Commission, by 20 votes to 19, refused to re-submit the first (rejected) article of Bill (1) to the Assembly, as had been demanded by M. Mendes-France. The Prime Minister thereupon re-introduced the disputed article in the form of a completely new Bill, returned it to the Foreign Affairs Commission in this form (at 3 30 a.m.), and announced that he would ask for a vote of confidence on it.

The redrafted Bill authorized the President of the Republic to ratify the agreements for the conversion of the Brussels Treaty Organization into the Western European Union, the admission of Western Germany and Italy to the W.E.U., the provision by member-countries, including Germany, of armed forces of agreed strength under the W.E.U. arrangements, and the creation of an armaments agency responsible to the Council of the Western European Union. It included an amendment by M. Léon Noel (Gaullist), which had been accepted by M. Mendès-France during the previous debate, providing for the setting-up of two parliamentary sub-committees (one in each House) which would observe the application of the W.E.U. agreements, and which would be consulted by the Government before it gave its agreement in time of peace to any increase in the permitted levels of the national forces of the Western European Union. In addition the new Bill incorporated M. Palewski's amendment declaring that all the Paris agreements should be regarded as an indissoluble whole, and that all ratifications of those agreements should be deposited simultaneously.

With the addition of M. Noel's and M. Palewski's amendments, the new Bill was therefore identical with the first Article of the original Bill which had been rejected by the Assembly on Dec. 24.

The Assembly's Foreign Affairs Commission approved the new Bill in the early hours of Dec. 28 by 18 votes to 17, with four abstentions, and re-submitted it to the National Assembly, which resumed its debate on Dec. 29 to consider the two confidence votes still outstanding, i.e. (*a*) the vote on the new Bill "reviving" Article 1 of the first Bill; (*b*) the vote on the remaining Articles (2 and 3) of the first Bill, taken "as a whole."

The principal speakers in the resumed debate were M. Guy Mollet, secretary-general of the Socialist Party, and M. Gaston Palewski (Gaullist).

M. Mollet, putting forward the majority view of the Socialist Party, emphasized that every Socialist in France was disturbed at the thought of a rearmed Germany only nine years after the ending of the Second World War. However, the policy pursued since 1945 by the Soviet Union had made a German military contribution to the defence of the free world essential, and it was only because of Russian policy since the end of the war that America, Britain, and other allies of France had insisted on the rearming of Germany. In a strong attack on Russian post-war policy, M. Mollet said that the Soviet Union had failed to demobilize its forces, had maintained a high level of armaments, and had destroyed the liberty of "a fantastic number of people"—all of which represented a threat to the free nations, who were necessarily forced to take measures for their own self-defence. He believed, nevertheless, that Russia would never unleash a war if she believed that the U.S.A. might be involved, and was therefore of the opinion that the presence of American forces in Europe provided the most effective means of avoiding war. Had there been even one American division in Europe in 1939, M. Mollet declared, the Second World War would never have taken place. He regretted that the German Social Democrats, alone among the Socialist parties of Western Europe, were opposed to a German military contribution to Western defence, but believed that this was explainable by their preoccupation with the question of German reunification, to the exclusion of all other considerations. In conclusion, M. Mollet promised the Socialist Party's full support for M. Mendès-France in the division.

M. Palewski contended that a straight ratification of the Paris agreements would constitute "an immense national defeat" by setting German rearmament automatically in motion without proper safeguards. If M. Mendès-France thought that he could retard this he was wrong, as it would be the other Allies who would determine the speed of German rearmament, wishing, as they did, to bring it about before the start of four-Power negotiations. Already, he pointed out, the Moscow Conference had decided on a tightening-up of the Soviet and "satellite" military machine in the face of West German rearmament. Whilst this "perhaps might only be bluff," no-one could deny that the delay of the last four years on the decision to rearm Germany, far from causing an increase in international tension, had brought about an increasing *détente*.

Mme. de Lipkowski (*non-inscrit* and a former Gaullist), in an impassioned appeal to the Assembly on behalf of the families of Resistance members and those who were deported by the Germans during the war, declared that a vote for the agreements would constitute "a crime against peace."

A further procedural difficulty arose, however, owing to the that fact M. Noel, shortly before the beginning of the debate, had withdrawn his amendment, which the Government had incorporated in the new Bill reviving Article 1. On the demand of several Communist deputies and other opponents of the Paris agreements, who maintained that the basis of the confidence motion had thereby been altered, it was eventually decided that the vote on this Bill should be postponed for another 24 hours to meet the constitutional requirements. Attempts to postpone also a final vote on the remainder of the first Bill (i.e. Articles 2 and 3, with the "Palewski amendment") failed, however, owing to the Prime Minister's insistence on an immediate vote. When this was taken in the early hours of Dec. 30, the Bill for the entry of Western Germany into NATO was adopted "as a whole" by 287 votes to 256, with 78 abstentions—a Government majority of 31.

Later on Dec. 30 the debate was resumed on the final vote of confidence on the new Bill relating to the Western European Union and the rearming of Western Germany, which was eventually adopted by 287 votes to 260, with 74 abstentions—a Government majority of 27. Detailed voting figures in the final division were as follows:

	For	Against	Abstentions
Communists and *Progressistes*	—	98	—
Socialists	86	18	—
Radicals	44	27	5
U.D.S.R.	18	2	4
M.R.P. (Popular Republicans)	16	53	15
Overseas Independents	8	5	3
Social Republicans (Gaullists)	37	23	11
Independent Republicans	30	11	12
Independent *Paysans*	14	3	11
Paysans	12	7	3
Dissident Gaullists (A.R.S.)	19	5	9
Non-inscrits	3	8	1

The votes cast by some of the prominent party leaders in the final division on this Bill are listed below:

Socialists. *For*—M. Felix Gouin, M. Daniel Mayer, M. Jules Moch, M. Guy Mollet. *Against*—M. Max Lejeune, M. Naegelen.

Radicals. *For*—M. Mendès-France (the Prime Minister), M. Bourgès-Maunoury, M. Delbos, M. Edgar Faure, M. André Marie, M. Martinaud-Déplat, M. René Mayer, M. Henri Queuille. *Against*—M. Daladier, M. Edouard Herriot.

U.D.S.R. *For*—M. Mitterrand, M. Claudius-Petit. *Abstained*—M. René Pleven.

M.R.P. *For*—M. Paul Coste-Floret, M. Pflimlin. *Against*—M. Letourneau, M. Louvel, M. de Menthon, M. Maurice Schumann, M. Teitgen. *Abstained*—M. Georges Bidault, M. Robert Schuman.

Social Republicans (Gaullists). *For*—M. Chaban-Delmas, General Corniglion-Molinier. *Against*—M. Gaston Palewski, M. Soustelle. *Abstained*—M. Pierre de Gaulle (brother of General Charles de Gaulle), General Koenig, General de Monsabert, M. Léon Noel.

Independent Republicans. *For*—M. Guy La Chambre, M. Jacquinot. *Against*—General Aumeran. *Abstained*—M. Pierre Montel, M. Antoine Pinay, M. Paul Reynaud.

Dissident Gaullists. *For*—General Billotte, M. Frédéric-Dupont.

Among the *non-inscrits*, M. André Marty and M. Auguste Lecoeur (both of whom had been expelled from the Communist Party) voted against the Government.

Five former Prime Ministers supported the Government (MM. Gouin, André Marie, Queuille, Faure and René Mayer), two voted against (MM. Daladier and Herriot), and five abstained (MM. Bidault, Reynaud, Schuman, Pleven, and Pinay). M. Laniel was absent through illness.

The final vote—the result of which was received in silence—marked the end of four years' discussions in the French National Assembly on the general question of a Western European defensive system, and on German rearmament within the framework of such a system. The debate on this matter had begun when the E.D.C. project—now superseded by the Western European Union—was first brought forward in 1950.

After the Assembly's session of Dec. 30 had ended, the Communist deputies—who had bitterly opposed the Government's Bills at all stages of the debate—demonstrated against M. Mendès-France and, in particular, against M. Mollet and other Socialist leaders, whom they denounced as "nazis" and "assassins."

The French Assembly's adverse vote on Dec. 24 had caused grave disquiet in Britain, America, and other NATO countries, the following statement being issued by the British Foreign Office on that date:

"The Paris treaties are still under discussion in the French Chamber and there is to be a further vote. . . . What is at stake is the unity of the Western Allies. The rejection of the Paris agreements would not mean that German rearmament would not take place. The

issue is not whether the German Federal Republic will rearm but how. The U.K. commitment to maintain British forces on the Continent of Europe depends on the ratification of the Paris agreements by all the parties."

Although no official statement was issued in Washington, the President's press secretary said that President Eisenhower regarded the National Assembly's vote with the "utmost seriousness." The President (who was then on holiday in Georgia) had two telephone conversations with Mr. Dulles after the result of the vote had become known in Washington, and Mr. Dulles had a conversation with the British Ambassador, Sir Roger Makins.

The final ratification of the Paris agreements by the National Assembly, however, was warmly welcomed in all the Western capitals, the following statement being issued by President Eisenhower on Dec. 30:

"The recent series of actions taken by the French Assembly is a matter of great gratification, not only to the United States but to the entire free world. There are, of course, further steps to be taken both in France and elsewhere before a satisfactory foundation for Western defence has been achieved. But of particular importance is the fact that the French Deputies, after initial hesitations against bringing Germany into Western defence arrangements, have now voted to ratify the new treaties signed in Paris last October . . . Once sovereignty is restored to the Federal Republic, with German participation in the NATO, there will be added defensive strength and general solidarity in Western Europe. As decisive co-operation supplants age-old antagonism, so the prospect for a general and lasting peace will be definitely improved, and a measure of encouragement may therefore even now be felt by all who are earnestly striving to maintain and improve the unity and harmony of the free world."

Statements welcoming the French Assembly's decision were also made by Dr. Adenauer, the Federal German Chancellor; by Signor Scelba, the Italian Prime Minister; by Mr. Lester Pearson, the Canadian Minister for External Affairs; and by the British, Belgian and Netherlands Foreign Offices.

Dr Adenauer expressed the satisfaction of the Federal Parliament, and of himself personally, at the French National Assembly's vote. "The proceedings of the National Assembly," he added, "have shown what extraordinary difficulties of a political and psychological character still remain on the way to a Europe capable of unified action. Many of these difficulties are explained by the tragic past, which, we hope, will be finally closed by the realization of the treaties. The Federal Republic will make its contribution with good will, persistence, and moderation to the common work of the European nations, in the conviction that the freedom and peace of the Western world can be maintained only in this way."

Signor Scelba paid tribute to the "courage and tenacity" which M. Mendès-France had displayed in facing "a not too easy parliamentary battle" and expressed his pleasure at the fact that the French Parliament, "faced with a hard choice between alternatives," had finally given its approval to the Paris agreements. "By this vote," he added, "another decisive lap in the consolidation of European unity has been covered." [The Italian Chamber of Deputies had ratified the agreements on Dec. 23—see 13974 D].

Mr. Lester Pearson issued the following statement in Ottawa: "We must now prove that the rearmament of Germany, not unlimited or uncontrolled but within the context of NATO and Western European Union, is not only no menace to France or to any other country, but, on the contrary, will help to associate Germany with the free Western world in such a way that peace and security will be strengthened."

In London, the Foreign Office said that the National Assembly's decision would "hearten all those who have joined together in the Atlantic alliance for the defence of the free world . . . A good start has now been made in France, Italy, Britain, and other countries. We must hope that the process of ratification can now be pushed on and completed as soon as possible"

The leader of the German Social Democrats, Herr Ollenhauer, said that his party's opposition to the Paris agreements remained unchanged, that it would continue to demand four-Power negotiations on German unification before Western Germany was rearmed, and that the closeness of the voting in the French National Assembly showed "how disputed these treaties are among the democratic forces in the partner-States." (Le Monde, Paris - Le Figaro, Paris - Times - New York Times - Frankfurter Allgemeine Zeitung - Giornale d'Italia, Rome)

(Prev. rep. Paris Agreements, 13869 A; Paris Conference, 13850 A; London Conference, 13809 A; Saar Agreement, 13845 A; M. Mendès-France, 13910 A; French Debate on London Conference Decisions, 13859 A; Rejection of E.D.C. Treaty 13749 A.)

A. GERMANY. — Population Figures.

The Federal Statistics Office in Bonn stated on Jan. 4 that the total population of Germany was 71,581,249, distributed as follows: 49,652,000 in Western Germany, 17,600,000 in Eastern Germany, 2,194,600 in West Berlin, and 1,175,000 in East Berlin. The figure included the population of the Saar (959,649), which since the end of the war has been an independent territory closely linked with France. (Frankfurter Allgemeine Zeitung)

(Prev. rep. 11477 E.)

B. UNITED KINGDOM. — Railway Reorganization Scheme. - Membership of Railway Area Boards.

The six area boards which, under the railways' reorganization scheme, will be responsible (as from Feb. 1, 1955) for running the railways in the various regions of British Railways, were officially set up on Jan. 1. Their membership had been announced on Dec. 29, 1954, by the British Transport Commission, as follows:

London Midland Area. Chairman—Lord Rusholme, member of the Commission. Members—Mr. Leonard Cooke, vice-president, Co-operative Wholesale Society Ltd.; Sir Francis Glyn, chairman and managing director, Glyn Mills & Co. Ltd.; Major-General Sir John Kennedy, lately Governor of Southern Rhodesia; Sir Basil McFarland, director, Belfast Banking Co. Ltd.; Mr. R. F. Summers, director, United Steel Companies Ltd.

Eastern Area. Chairman—Sir Reginald Wilson, member of the Commission. Members—Sir Edmund Bacon, Lord-Lieutenant of Norfolk; Mr A. F. Pegler, vice-chairman, Northern Rubber Co. Ltd, Mr. Jack Tanner, ex-president, Amalgamated Engineering Union; Mr. H. U. Willink, Q.C., Master of Magdalene College, Cambridge.

North-Eastern Area. Chairman—Mr. T. H. Summerson, hon. vice-president, Association of British Chambers of Commerce, and chairman of the Tees-side Industrial Development Board. Members—Dr. James Armit, member of the Tees-side Conservancy Commission and the Tees-side Chamber of Commerce; Sir John Benstead, member of the Commission (his appointment to the Area Board was a temporary one), Sir Mark Hodgson, ex-president, Confederation of Shipbuilding and Engineering Unions; Mr. G. H. Kitson, member of the council of Leeds Chamber of Commerce; Mr. P. D. Priestman, president of Hull Chamber of Commerce.

Scottish Area. Chairman—Sir Ian Bolton, member of the Commission. Members—Lord Bilsland, chairman of the Scottish Council (Development and Industry); Lieut.-Colonel D. H. Cameron of Lochiel, member of the Commission; Mr. J. C. Denholm, president, Chamber of Shipping of the U.K. in 1954; Councillor Peter L. Meldrum, deputy chairman of Glasgow Corporation and chairman of the Clyde Valley Regional Planning Advisory Committee; Sir Hugh Rose, chairman, Scottish Provident Institution, and a director of the Union Bank of Scotland, Mr W. G. N. Walker, member of the Scottish Board for Industry.

Southern Area. Chairman—Sir Philip Warter, chairman of the Associated British Picture Corporation Ltd. Members—Mr. J. E. Binks, ex-president, National Union of Railwaymen; Mr. H. F. B. Iles, chairman, Margate Estates Co. Ltd.; Mr. H. L. R. Matthews, director, Abbey National Building Society; Mr K. Preston, chairman and managing director, J. Stone & Co. (Holdings) Ltd., and a director of the Midland Bank; Mr. A. B. B. Valentine, member of the Commission.

Western Area. Chairman—Sir Herbert Merrett, chairman of Powell Duffryn Ltd and Cory Bros. & Co. Ltd. Members—Mr. Arthur Chamberlain, managing director, Hercules Cycle & Motor Co. Ltd. and director, Tube Investments Ltd.; Alderman F. A. Parish, chairman, Bristol Dock Labour Board; Sir John Carew Pole, chairman of Cornwall County Council; Mr. John Ryan, member of the Commission; Captain Hugh Vivian, a director of Associated Electrical Industries Ltd.

A motion giving effect to the railways' reorganization scheme had been carried by the House of Commons on Nov. 23 by 286 votes to 266. The Labour Party maintained its opposition to devolution through area boards, contending that the Transport Commission possessed all the powers necessary to carry out reorganization.—(Times - Daily Telegraph)

(Prev. rep. Reorganization Scheme, 13698 A.)

C. PERSIA - SOVIET UNION. — Agreement on Soviet War Debt Payment and Frontier Delimitation.

An agreement was signed in Teheran on Dec. 2, 1954, under which (*a*) the Soviet Union agreed to pay its war debt to Persia, amounting to 11 tons of gold and over $8,000,000 (£2,700,000); (*b*) both countries agreed to map their common frontier, some points of which had been in dispute for over a century. The war debt settlement arose out of the agreement whereby the Soviet Army occupied northern Persia during the war, and represented the cost of billeting the Soviet occupation forces, their food, transport and communications facilities, and the use of plant.—(Times - Manchester Guardian)

(13172 B.)

D. KOREA. — U.N. Command. - Areas north of 38th Parallel transferred to South Korean Administration.

On the recommendation of the U.N. Commission for the Unification and Rehabilitation of Korea (UNCURK), the U.N. Command decided on Aug. 14, 1954, to transfer to the South Korean Government the responsibility for administering the 2,300 square miles of territory north of the 38th Parallel which remained under U.N. control after the signing of the armistice agreement (see map, page 13078). The area in question, with a population of 130,000, includes rich farmlands and several tungsten mines.—(New York Times)

(Prev. rep. Korea, 13874 A.)

A. SUDAN. — Cabinet Crisis. - Major Salem's Visit to Khartoum. - Cabinet Reorganization. - Mr. Azhari's Visit to Britain and Western Europe. - Appointment of Sudanese to Provincial Government Posts. - Resignation of Sir Robert Howe. - Sir Knox Helm appointed Governor-General of the Sudan.

A major crisis developed in the Sudanese Cabinet during December as a result of a difference between the Prime Minister, Mr Ismail Azhari, and a group of Ministers who favoured a more independent policy in relations with Egypt. The Ministers in question—Mr. Khalafalla Khalid (Defence), Mr. Mirghani Hamza (Education, Agriculture, and Irrigation), and Mr. Ahmed Jali (Minister of State), all of whom are closely associated with Sir Sayed Ali el-Mirghani, leader of the Khatmia sect—were removed from office on Dec. 23, the Cabinet being reconstituted two days later.

Signs of friction between the Khatmia sect and the pro-Egyptian Ministers drawn from the former Ashigga Party had appeared during September and October, when Mr. Khalid made a number of public statements declaring that the Government would never accept Egyptian domination, and that the Sudan must become and remain a sovereign State. As a result Major Salem, the Egyptian Minister for Sudanese Affairs, paid a sudden visit to Khartoum from Sept. 30 - Oct. 12, had talks with Mr. Azhari and other Ministers, and made a number of public statements in which he emphasized that Egypt did not intend to dominate the Sudan and wished to see the Anglo-Egyptian agreement "carried out in the letter and the spirit."

Major Salem's visit was strongly resented by the Umma Party, which alleged that it was "an open breach" of the Anglo-Egyptian agreement and formally protested against it to the Governor-General and to the British and Egyptian Governments. After a speech by Major Salem promising support to the Khatmia sect, the Umma Party threatened on Oct 12 that if the Government did not stop Egyptian interference in Sudanese affairs, it (the Umma Party) would refer the question to the United Nations. [The Umma Party draws its support mainly from the rival Ansar sect.]

Mr. Azhari, in a statement issued on Dec 19, revealed that when he had returned on Dec. 3 from his visit to Europe (see below) he had learned that "a certain Minister" (believed to be Mr. Jali) had asked for the removal of certain members of the Cabinet, and had given warning that "in the event of failure to meet the demand, the author of the message and other Ministers not named will co-operate with the pro-independence Opposition Umma Party, cause the Cabinet to fall, and form another Government." Although Mr. Azhari had considered this "most serious," he had preferred to postpone a decision until the Sudanization programme was completed, and on Dec. 12, before leaving for a visit to Darfur, had called a special Cabinet meeting at which he had emphasized the importance of completing that programme according to plan before Jan 1, 1955. "Another Minister" (believed to be Mr. Hamza), however, had refused to attend Cabinet meetings during his absence, and two others (Mr. Jali and Mr Khalid) had deliberately absented themselves, "thus hindering the Sudanization procedure owing to the lack of a quorum." In conclusion, Mr Azhari declared that this state of affairs would lead to "harmful consequences" for the country if it was allowed to continue.

Mr. Hamza, Mr. Khalid, and Mr Jali, in a statement issued on Dec. 20, denied that they had threatened to co-operate with the Umma Party to overthrow the Government, and accused the Prime Minister of having had secret meetings with Major Salem during his visit to the country, of favouring certain Ministers and giving them access to Government secrets, and of ignoring others who did not accept "Egyptian domination." "Azhari's allegations," the statement added, "cannot influence us to depart from our advocacy of Sudanese sovereignty and freedom. We maintain that the Government should define its political programme immediately."

At Mr. Azhari's request, the Governor-General (Sir Robert Howe) dismissed the three "rebel" Ministers from office on Dec. 23. A reconstruction of the Cabinet was announced on Dec. 25 as follows:

Mr. Ismail Azhari	Prime Minister, Interior, and Defence.
Mr. Hammad Tewfik	Finance.
Mr. Mubarak Zarouk	Communications.
Mr. Mudathir el-Bushi	Justice.
Mr. Ibrahim el-Mahallawi ..	Mineral Resources.
Mr. Santino Deng Teng ..	Stores and Supplies.
Mr. Dak Dei	Mechanical Transport.
Mr. Khader Hammad .. .	Irrigation.
Mr. Ali Abdel Rahman.. ..	Education.
Mr. Yahia el-Fadli	Social Affairs.
Mr. Mohammed Ahmed el-Mardi	Local Government.
Mr. Hassan Awadalla . .	Agriculture.
Mr. Ibrahim el-Mufti .. .	Economic Affairs.
Dr. Amin es-Sayed	Health.
Mr. Bullen Alir Debiar ..	Animal Husbandry.

The reconstituted Cabinet involved the creation of three new Ministries—those of Mineral Resources, Stores and Supplies, and Mechanical Transport.

In a broadcast from Cairo on Dec. 29, Major Salem violently attacked Mr Hamza, Mr. Khalid and Mr. Jali as "traitors" who had co-operated with the Umma Party and the British to serve "British imperialist purposes." Mr Azhari, however, made a strong protest to the Egyptian Government on Dec. 21 against "biassed and irresponsible" attacks on the three Ministers by the Egyptian radio and Press, which, he said, did not serve the cause of Sudanese - Egyptian relations.

Mr. Azhari, together with Mr. Yahia el-Fadli and Mr. Ali Abdel Rahman, had previously visited Britain from Nov. 8-18 as the guest of the British Government, and while in London was received by the Queen and met Sir Winston Churchill and Sir Anthony Eden. Mr. Fadli stated on Nov. 8 that the delegation would discuss the question of long-term credits to the Sudan, notably for public works in Kordofan Province. The three Ministers afterwards visited Paris from Nov. 18-21 at the French Government's invitation, and had talks with French Ministers, including M. Chaban-Delmas (Minister of Public Works and Transport), with whom Mr Azhari discussed the possibility of French technical and scientific aid to the Sudan. After leaving Paris Mr. Azhari visited Brussels, Bonn (where he met President Heuss and Dr. Adenauer) and Rome (where he had discussions with Signor Scelba), returning to Khartoum on Dec. 3.

Before his visit to Europe Mr. Azhari had made a tour from Oct. 15-26 in the Southern provinces of the Sudan, where demands had been put forward for a greater degree of autonomy for the South and for increased Southern representation in the Sudanese Government and the administration. Although in general he was given a friendly reception by the people, an attempt on his life was made at Malaki (Upper Nile Province) by a Southern official, who was arrested while attempting to stab the Prime Minister.

While Mr Azhari was making his tour of the Southern Sudan, some 500 tribal representatives took part in a conference at Juba on Oct. 18, which had been called by the Southern Party to discuss the attitude of the Southern Provinces toward constitutional questions. The organizers of the conference announced on Oct 26 that it had adopted a resolution advocating the establishment of an independent Sudanese republic and opposing union with Egypt, and that it had decided to send a message to the British and Egyptian Governments demanding that the Sudan should be organized on federal lines.

Mr. Azhari announced on Aug 17 that nine Sudanese administrators had been promoted to the posts of Provincial Governors, eight to Deputy Governors, 32 to District Commissioners, and 35 (including four Southerners) to Assistant District Commissioners, in place of British members of the Sudan Political Service. This was the first occasion on which Sudanese had been promoted to Provincial Government posts.

It was announced in Khartoum on Jan. 2-4, 1955, that all British members of the Sudan Judiciary had given notice of their resignation to the Governor-General, and had requested their release in February or March; that all five British specialists at the Ministry of Health had given similar notice of resignation; and that 71 British technicians had done likewise. All these notices of resignation were given under the compensation ordinance, which laid down that the service of every expatriate official could be terminated, either by the Government or by the official concerned, by six months' notice in writing given on or after Jan. 1, 1955. [When the present Sudanese Government came to power a year ago there were 1,344 British "expatriates" in Government employment, of whom 104 have since left.] The last British senior official in the Sudan Government (Mr. G. W. Bell, Permanent Under-Secretary of the Interior) left the country on Dec. 14.

The British Foreign Office announced on Dec. 30 that Sir Robert Howe had informed the British and Egyptian Governments of his wish to retire for personal reasons, and that Sir Knox Helm had been appointed to succeed him. In accordance with the procedure laid down in the Anglo-Egyptian Condominium Agreement of 1899, the appointment was formally made by the Egyptian Government on the British Government's recommendation. Sir Knox Helm (61) was formerly Minister to Hungary (1945-47), Minister to Israel (1947-51) and Ambassador to Turkey (1951-53).—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Cabinet, 13377 A; Relations with Egypt, 13929 A; Sudanization, 13729 E.)**

B. GENOCIDE CONVENTION. — Ratification by German Federal Republic.

The international Genocide Convention of 1951, outlawing the destruction of national, religious, ethnic or racial groups, was ratified on Nov. 24 by the German Federal Republic, which became the 47th country to deposit its instrument of ratification with the United Nations.
(Frankfurter Allgemeine Zeitung) **(Prev. rep. 13748 E.)**

A. UNITED KINGDOM. — Dock Labour Disputes. - The Hull and London Strikes. - Dispute between Transport and General Workers' Union and National Amalgamated Stevedores' and Dockers' Union. - Increase in Dockers' Guaranteed Minimum Wage.

A number of labour disputes involving serious stoppages of work took place at British ports during 1954, culminating in a strike which broke out in the Port of London at the beginning of October and quickly spread to other ports, until before the end of that month it was estimated that at least half of the country's overseas trade had been brought to a standstill. Details of the various strikes and disputes are given under cross-headings below.

The Hull Grain-handling Strike. This unofficial stoppage, which paralysed the port of Hull for about 10 days, began on Aug. 17, when 12 dockers who had been transferred by the National Dock Labour Board from Cardiff refused to fill sacks in the holds of vessels discharging grain (as is customary at Hull when elevator-equipped berths are not available) on the grounds that this practice was injurious to health because of the dust involved, and had been abandoned at other ports Although the Cardiff dockers were at once replaced by local men, these also subsequently ceased work, rejecting an appeal by officials of their union (the Transport and General Workers' Union) to remain at work pending negotiations with the employers. The strike spread rapidly throughout the port, and despite a union warning that the strikers would get no support from union funds, 4,600 dockers and 63 ships were idle by Aug 18. On Aug. 22, however, about one-quarter of the strikers voted to return to work, and on Aug. 26 (when the number of ships idle had risen to 88) the remainder decided to resume on the understanding that discussions between the port employers and the T.G.W.U. on grain handling would begin immediately. Brief stoppages had taken place at Goole on Aug 21-22 and Aug. 25-26 in protest against the alleged diversion to that port of small perishable cargoes originally destined for Hull.

Dispute between T.G.W.U. and National Amalgamated Stevedores' and Dockers' Union. Notwithstanding the resumption of work at Hull, much resentment was voiced by the former strikers at the refusal of the Transport and General Workers' Union to support the strike, and on Sept 14 it was announced that about 2,700 Hull dockers had applied to join the National Amalgamated Stevedores' and Dockers' Union (whose membership had hitherto been drawn exclusively from London port workers) and that their applications had been accepted. In a statement on Sept 15, Mr. Arthur Deakin (general secretary of the T G W U) denounced the N A S D.'s acceptance of the applications as an "infringement of the Bridlington agreement," and declared that, in consequence, the T.G W.U. could take no further joint action with the N.A.S.D., which could "no longer be regarded as a constituent part of the National Joint Council for the Port Industry" [The "Bridlington agreement" controls relations between unions affiliated to the T.U.C , and stipulates that no union may accept members of another union which is engaged in a trade dispute, or begin organizing activities at any industrial establishment where the majority of workers are members of another union which negotiates wages and conditions, except by arrangement with the union concerned.] Mr Deakin added · "What is taking place at Hull is not a revolt against the T.G W.U. but a studied attempt by the Stevedores' Union—amongst whose members are several well-known Communists—to create chaos and confusion at British ports. By imperilling accepted agreements they are doing a great disservice to dockers"

The N A S D. nevertheless decided on Sept. 17 to open an office at Hull, and on the same day dissatisfied dockers at Birkenhead urged their fellow-workers to break away from the T.G.W.U. and to join the N.A.S.D. Although the T.G.W.U. issued a statement pointing out that the Birkenhead port employers had been under agreement since 1912 to employ only T.G W U. members, 800 Birkenhead dockers voted on Sept. 19 in favour of leaving the T.G.W.U. and enrolling with the N.A S.D. On Sept. 22 the T.U.C General Council ordered the N.A S D to stop recruiting provincial members and to "reverse any action already taken to enrol them." It also warned the general secretary of the N.A S.D. (Mr. Barrett) that if, after investigation, his union was found to have contravened Rule 13 of the T U.C. Standing Orders (which forbids any union to engage in "activities detrimental to the trade union movement or the declared principles of Congress"), it would be liable to be suspended from T.U.C. affiliation until the next Congress.

In spite of the warning from the T U.C. General Council, the executive of the N.A.S.D. decided on Sept 25 to open membership recruiting offices at further ports. It was stated that applications to join the union had been received from 1,650 dockers at Birkenhead (about half the number employed there), as well as from many others at Liverpool and Manchester. The Birkenhead applicants were admitted to membership on Oct. 3 and members were also subsequently recruited at Liverpool, whereupon the T.U.C General Council, on Oct. 25, suspended the union from affiliation for disobedience [The N.A.S.D. had previously been expelled from T.U.C. affiliation for "poaching" members from the T.G.W.U. in 1925, and had not been readmitted until 1945.]

The London Meat-handling Strike. An unofficial stoppage took place at the London "Royal" docks on Sept. 28, when about 1,000 dockers handling meat cargoes ceased work in support of their demand for the reintroduction of the pre-war system of making special payments for sorting meat by grade and destination. These payments had been suspended during the period of meat rationing, when sorting was unnecessary, but when free trading in meat was restored the men had demanded their reintroduction because of the time involved in handling meat cargoes, which are paid for at piece-rates. The T.G.W U had agreed to negotiate with the employers and had eventually reached agreement with them, but the N A.S D., representing a minority of the men employed in meat handling, had held aloof from the talks The strike quickly spread to other ships in the Royal docks, but on Oct 1, when 2,200 men and 24 ships (only seven of them carrying meat) were idle, the strike was settled on the understanding that larger gangs would be employed for unloading and sorting meat, and that the men would be paid an extra 5s. per four-hour period whenever sorting took place.

The "Overtime" Strike. This strike, by far the most serious stoppage which had taken place at British ports for many years, broke out in the Port of London on Oct. 4 and lasted until Nov. 1. It had its origins, however, as far back as Jan. 3, 1954, when certain dockers, including an N.A S D official, were "disciplined" by the Dock Labour Board for refusing to work overtime when called upon to do so The N A S.D. (representing about 7,000 London port workers, compared with about 21,000 represented by the T.G.W.U) then declared a ban on overtime (see 13572 A) until the employers agreed that it was "voluntary" and not "compulsory," whereupon the employers refused to negotiate with the N.A.S.D. on any issues whatever until this ban was lifted

The strike was called by the N.A.S.D. on Oct. 4 following the employers' refusal to discuss with it the meat-handling dispute (see above); Mr Barrett explained to a mass meeting of N.A.S.D. members on that day that it was proposed to continue the stoppage until the employers agreed to discuss with the union all outstanding matters, including overtime Despite an appeal by Mr. Deakin to T.G.W.U. members not to take part in the strike (described by him as "a reckless attempt to throw British ports into chaos"), and a promise that the T G.W.U. would support any of its members who were precluded by the strike from working, the stoppage spread rapidly, and by Oct. 5 about 11,000 workers (including about 4,000 T.G.W.U men) had ceased work and 81 ships—more than half of those in the port—were idle. On the same day the T.G W.U. issued a statement saying that the trade union side of the National Joint Council for the Port Industry had decided to apply for an increase in all dockers' "attendance money" and "fall-back rates," and had confirmed its intimation to the N.A S D. that that union could "no longer be regarded as being a party to the joint negotiations in the dock industry."

The strike nevertheless continued to spread, and by Oct. 10 about 18,000 dockers and stevedores had ceased work, 114 ships were idle, and all loading and discharging had ceased throughout the port except at Tilbury and Northfleet, where 11 ships were still working. Although many men employed by the Port of London Authority on a weekly basis returned to work on Oct. 11, T.G.W.U. members at Tilbury decided to join the strike, whilst on Oct. 12 the executive of the Watermen, Tugmen, Lightermen and Bargemen's Union recommended their members to cease work in support of the demand for "voluntary" overtime, and the (unofficial) London dockers' strike committee threatened to call "sympathetic" strikes of dockers at all British ports.

On Oct. 14, when 132 ships throughout the port—i.e. all except one—were idle and 21,000 men were on strike (7,000 of them being N.A.S.D. members on official strike and 14,000 T.G.W.U. men who had stopped work in sympathy), Sir Walter Monckton, the Minister of Labour, invited representatives of the employers, the T.G.W.U., and the N.A S.D. to discuss the situation with him. These discussions, however, proved fruitless, and a strikers' meeting at the Albert Hall to hear a T.G.W.U. appeal for a return to work broke up in disorder. Afterwards, the employers issued a statement pointing out that the working of "reasonable overtime" at the docks had always been recognized as necessary, and was obligatory under the National Dock Labour Scheme The statement added that the interpretation of "reasonable overtime" presented no difficulty since individual dockers had the right to find substitutes if they themselves were unable or unwilling to work on. "The return to normal working conditions, including overtime," the statement concluded, "can and will be followed at once by conversations to settle any outstanding difficulties."

On Oct. 15 Sir Walter Monckton announced that the Government had decided to set up a court of inquiry into the dispute, which was "seriously affecting the export trades, endangering food supplies, and threatening to cause unemployment in other industries." He appealed to the strikers to resume work immediately, but stressed that the inquiry would be opened as soon as possible even if the stoppage continued, and that "resumption of work" did not necessarily mean the lifting of the ban on overtime before the court's findings had been promulgated. The composition of the court of inquiry was announced on Oct. 17 as follows : Sir Raymond Evershed, Master of the Rolls (chairman); Sir Godfrey Mitchell, chairman of George Wimpey and Co. Ltd (the contractors); and Mr. James Crawford, general secretary of the National Union of Boot and Shoe Operatives.

Meanwhile, however, London lightermen and tugmen had joined the strike on Oct. 15 and the "weekly" men at the Port of London Authority again came out, whilst on Oct. 17 the strike spread to Liverpool and Birkenhead. The number of dockers on strike on Merseyside rose by Oct. 19 to nearly 9,000 (about half the men employed at Liverpool and all those employed at Birkenhead), the total number of workers on strike at London, Liverpool and Birkenhead on that date being 25,000, or nearly one-third of the national total of 76,000. On Oct. 20 (when the strike spread to Hull) Sir

Walter Monckton announced in the House of Commons that the Government would "take any steps to protect the national interests," and the T.U.C. General Council issued a statement expressing "grave concern at the attempts being made to extend the dispute by unofficial and unconstitutional action in violation of workers' agreements and obligations." After stressing that the trade unions could not "stand aside and see the whole movement brought into disrepute and their members' well-being sacrificed by unilateral action of this kind," the statement appealed for an immediate end to "a dispute which can achieve nothing and which must finally be settled by the usual process of collective bargaining."

A further appeal by Sir Walter Monckton on Oct. 22 for a resumption of work, and a warning that the Government would introduce military labour at the docks if necessary, was followed by a decision by the P.L.A. "weekly" men (numbering about 2,000) to return by Oct. 25. Meanwhile, however, the strike had spread to Southampton, Garston, and Rochester, the number on strike on Oct. 22 being estimated at 35,000-37,000 and the number of ships held up at British ports being put at 324. On the same day a Ministry of Labour spokesman estimated the value of imports detained at the various ports at £58,000,000 - £65,000,000, and the value of exports held up as £45,000,000 - £50,000,000, the principal goods affected being motor-vehicles, cycles and motor-cycles, steel manufactures, cables and wire, machine-tools, photographic and cinematographic apparatus, watches and clocks, mechanical handling equipment, portable power plant, electronic equipment, food machinery, springs and screws, plastic manufacturing machinery, and chemicals.

On Oct. 23 the T.G.W.U. issued a further appeal to its members to return to work. It stressed that "with a resumption of work there can be a full discussion of the means by which overtime, which all unions agree is vitally necessary, can be worked without hardship to the individual," and gave a warning that prolongation of the strike would "menace the prospects of maintaining full employment."

The Committee of Inquiry published an interim report on Oct. 26 which upheld the employers' contention that dockers were required under the National Dock Labour Agreement to work overtime "in so far as is reasonable in the circumstances of each man," and which stressed that the "narrow overtime issue" should be "capable of solution without difficulty within the industry's negotiating machinery." It therefore found the N.A.S.D. "in breach of the dock labour scheme and of the national conciliation agreement in imposing the ban on overtime and calling the subsequent strike."

The publication of the Committee's report was followed by a partial resumption of work in London (where about 2,500 men returned), Hull, and Liverpool, although about 600 men ceased work on Oct. 26 at Manchester, and ships at Southampton, Birkenhead and Garston were reported on that date to be completely idle. On Oct. 29, however, a meeting in London of strike leaders from all the ports concerned decided to recommend a full resumption of work on Nov. 1, and to call a further meeting in a month's time to review the progress made "on the proposed agreement covering the principle of voluntary overtime." General resumption of work on Nov. 1 was nevertheless interrupted by a further stoppage of about 2,500 London dockers, who refused to load goods on to lorries driven by non-union men who were alleged to have accepted goods from ships during the main strike. These strikers returned to work on Nov. 3, but 6,840 other dockers came out at various ports on an unfounded report that the London men had been victimized; they resumed work on the following day.

Sir Walter Monckton stated on Nov. 1 that the total value of imports and exports held up by the "overtime" strikes at the various ports was estimated at about £200,000,000. Mr. Butler, the Chancellor of the Exchequer, gave a warning that the consequences "might be felt long after most of us have forgotten about the strikes," and said that "some of the damage can perhaps never be made good."

A national delegate conference of dockers, meeting in London on Jan. 6, 1955, accepted an offer of increases of 16s. 6d. weekly in the guaranteed minimum wage (the "fall-back" money) and of 1s. a turn in attendance money, bringing the rates up to £5. 4s. 6d. weekly and 6s. per turn respectively. [This meant that all dockers would be guaranteed a minimum wage of £5. 4s. 6d. if they reported daily for work, whether or not work was available for them at the moment.] These increases, which will affect about 70,000 dockers, were the first in "fall-back" and "attendance" money since the introduction of the national dock labour scheme in 1947. They had been proposed to the port employers by the three unions on the workers' side of the national joint council for the industry (after the exclusion of the N.A.S.D.)—i.e., the T.G.W.U., the Scottish T.G.W.U., and the National Union of General and Municipal Workers.—(Lloyd's List and Shipping Gazette - Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 13572 A; 11501 A; 11314 A; National Dock Labour Scheme, 8482 D; 8332 A.)

A. IRAQ.—Suspension of Diplomatic Relations with the Soviet Union.

It was announced in Baghdad on Jan. 3 that the Iraqi Government had informed the Soviet Union that it had decided to suspend diplomatic relations between the two countries for the time being. No official reason was given for the decision. The Iraqi Government had closed its Legation in Moscow on Nov. 6, 1954. (Times - Manchester Guardian)

B. CZECHOSLOVAKIA. — General Elections. - New Siroky Cabinet. - Cancellation of Arrears of Compulsory Agricultural Deliveries.

The first general elections held in Czechoslovaika since May, 1948, took place on Nov. 28, 1954, for the election—for a six-year term—of 368 deputies to the National Assembly and 104 to the Slovak National Council. Voting was compulsory, and employees in factories and offices and tenants of blocks of flats marched in procession to the polling stations headed by bands. Of the 8,708,102 persons (99.1 per cent of the electorate) who went to the polls, 97.8 per cent voted for the candidates put forward by the Communist-led National Front, while the remaining 2.2 per cent expressed their opposition by spoiling their ballot papers. Members of the German minority were allowed to vote for the first time.

Under a new electoral law (adopted in May, 1954) which increased the membership of the Assembly from 300 to 368, candidates were elected individually, as in the Soviet Union, instead of by the "fixed list" system previously used. Nomination of candidates was confined to the National Front (comprising the Communist, Czechoslovak Socialist, Czechoslovak People's, Slovak Revival, and [Slovak] Freedom parties, the trade union and youth movements, and "other organizations of the working people") and only one officially nominated candidate was put forward in each constituency. Public meetings were held before the elections in towns, villages, factories, barracks, etc., to approve the nominated candidates; according to the official Czechoslovak News Agency, in "rare instances where a suggested candidate did not meet with the approval of the electorate of a particular constituency" he was "replaced by a more suitable one."

The candidates elected, only one-quarter of whom had sat in the previous Assembly, included all members of the Government except Dr. Havelka (Minister for Church Affairs) and M. Maurer (Minister without Portfolio); 60 Communist Party officials, including the whole of the party's Politburo and about half the members of its Central Committee, about 20 Army officers, including General Svoboda (a former Vice-Premier and Defence Minister), who had played no part in public life since his removal from office in 1951; and 65 representatives of private and co-operative farmers.

The new Assembly met on Dec. 13 and unanimously re-elected Dr. Zdenek Fierlinger (a member of the Politburo of the Czechoslovak Workers' [Communist] Party, and a former Social Democratic leader) as its President. On the previous day the Prime Minister M. Siroky had tendered the resignation of his Government to President Zapotocky, who asked him to form a new Ministry. Its membership was announced on Dec. 13, the only changes in portfolios as compared with the previous Cabinet being as follows:

Mme. Ludmila Jankovcova ..	Vice-Premier.
Dr. Vaclav Skoda	Vice-Premier.
Dr. Jan Bartuska . ..	Justice.
M. Jindrich Uher..	Food.
M. Marek Smida	Agriculture.
M. Krosnar	Timber Industries.
Mme. Ozena Machacova.. ..	State Purchasing.
Professor Ladislav Stoll .. .	Culture.
Dr. Frantisek Kahuda	Education.

The portfolios of the Interior, Defence, State Control, Finance, Labour, Engineering, Transport, Fuel and Energy, Local Industries, and Building remained in the same hands as before (see 13156 A), whilst M. Nejedly remained a Minister without portfolio.

The only new Ministers were Mme. Machacova (a member of the Central Committee of the Communist Party), Dr. Bartuska (formerly Deputy Minister of Justice), and Dr. Kahuda (formerly Deputy Minister of Education). Of the other Ministers affected by the changes, Mme. Jankovcova was formerly Minister of Food; Dr. Skoda was Minister of Justice; M. Uher was Minister of Agriculture and a Vice-Premier; M. Smida was Minister for Timber Industries; M. Krosnar was Minister for State Purchasing, and Professor Stoll was Minister of Education. M. Kopecky, the former Minister of Culture, remained a Vice-Premier, the number of Vice-Premiers thus being increased from four to five: M. Jaromir Dolansky, General Cepicka (Minister of Defence), M. Kopecky, Mme. Jankovcova, and Dr. Skoda.

It was noted in the Western Press that three of the Ministries involved in the changes (those of Agriculture, Food, and State Purchasing) were concerned with food supplies, a sector of the national economy which had recently been the subject of criticism by Government leaders.

The Czechoslovak Government announced on Nov. 24 that, in order to encourage agricultural production, it would cancel all arrears in compulsory deliveries for 1953 from private and collective farmers who delivered to the State their full 1954 quotas of grain, potatoes, and sugar-beet, or other products as substitutes. The arrears of those who failed to deliver their quotas for the current year, however, would be added to their obligations for 1955. (Times - Le Monde - Neue Zurcher Zeitung)

(Prev. rep. 1948 Elections, 9445 A; Cabinet, 13156 A.)

A. PAKISTAN. — New Cabinet Appointments. - Mr. Suhrawardy appointed Law Minister. - West Pakistan Unification Proposals approved by Provincial Legislative Assemblies. - Details of Unified Administration. - Setting-up of Council for Administration of West Pakistan. - New Governors in Punjab and East Bengal. - Mr. Ikramullah appointed High Commissioner in London.

Additional appointments to Mr. Mohammed Ali's reconstituted Cabinet were announced in Karachi during November, December, and January as follows: Major-General Mirza as Minister for Kashmir Affairs in addition to his present post as Minister of the Interior (Nov. 6), Colonel Syed Abid Husain Shah, to whom no specific portfolio was allotted (Dec. 18); Mr. H. S. Suhrawardy as Minister for Law (Dec. 20); Mr. H. L. Rahimtoola as Minister for Commerce (Dec. 20); Mr. Mumtaz Ali Khan, to whom no specific portfolio was allotted (Dec. 22); and Mr. Abu Hosain Sarkar, to whom also no portfolio was allotted (Jan. 4, 1955).

Mr. H. S. Suhrawardy (61), who took over the Law portfolio from Mr. Pathan, is leader of the All-Pakistan Awami Moslem League. He was formerly Chief Minister in undivided Bengal, and was one of the leaders of the United Front which defeated the Moslem League in last year's elections in East Bengal. At a press conference on Dec 20 he stated that his portfolio included responsibility for constitutional affairs and elections, and gave an assurance that there would be no undue delay in holding elections, though pointing out that they would have to be based on an effective Constitution which must be worked out first He added that he had entered the Government in an individual capacity and not as a representative of the United Front, and on the understanding that it was a non-party administration. Mr. Suhrawardy's inclusion in the Cabinet was regarded as of major importance, since it was seen as ensuring the support both of East Bengal and of an important section of the Opposition for the Government's constitutional proposals.

Mr. Rahimtoola had been Governor of the West Punjab; **Mr. Mumtaz Ali Khan** is a member of the Punjab Legislative Assembly; and **Mr. Sarkar** comes from East Pakistan. **Mr. Isphani,** whose Commerce portfolio was transferred to Mr. Rahimtoola, remained Minister for Industry. [The portfolios of Commerce and Industry had been given to Mr. Ispahani—then High Commissioner in London—in the earlier Cabinet reorganization. Mr Ispahani was subsequently succeeded in London by Mr. Ikramullah—see below.]

The Government's proposals for the integration of West Pakistan into a single administrative unit, as announced by Mr. Mohammed Ali on Nov. 22, were subsequently endorsed by the various Provincial Assemblies and were generally welcomed throughout West Pakistan, although some opposition was expressed in Sind and Karachi, where student demonstrations took place. Resolutions approving the scheme were adopted by the Legislative Assembly of the North-West Frontier Province unanimously on Nov. 25; by the Punjab Legislative Assembly by a large majority on Nov. 30; by the Sind Legislative Assembly on Dec. 11; and by the *Shahi Jirga* of Baluchistan on Nov. 29. The Khan of Kalat expressed his support on Nov. 23, and it was announced on Jan. 3, 1955, that an agreement had been signed by the Khan and the other Rulers of the States forming the Baluchistan States Union for the merger of all these States (Kalat, Makran, Las Bela, and Kharan) in a unified West Pakistan.

It was also announced on Dec. 1 that the Punjab had agreed to accept for 10 years a limitation of its representation in the future West Pakistan Legislature to only 40 per cent of the Legislature's total membership, although on a population basis it was entitled to 56 per cent of the seats.

Mr. Mohammed Ali gave further details of the Government's plan in a broadcast on Dec. 1. He paid a high tribute to the Punjab's "magnanimous" gesture, which, he stated, was intended to remove all fears that any one area of West Pakistan would seek to dominate the rest.

An expert committee, he announced, was preparing recommendations on the administrative structure of the proposed Province of West Pakistan, and its report would be considered by a conference of Provincial Governors and Chief Ministers. There was no intention of making the city of Karachi (hitherto a Federal area) into a separate unit, and only the area comprising the Central Secretariat, Government Offices, the Federal Court, the Central Parliament, and Government official residences would be outside the jurisdiction of West Pakistan and remain Federal territory. The decision to constitute West Pakistan into a single Province would, however, not alter his previous assurance that if Kashmir elected to accede to Pakistan, its constitutional status would be determined in accordance with its people's wishes. In conclusion, the Prime Minister compared the Government's proposals with the union of England and Scotland in 1707, observed that Scotland's surrender of her independent nationality "sprang from a desire to strengthen Great Britain and thereby strengthen Scotland itself," and declared that "here in Pakistan today we feel the need for the same unity and solidarity throughout the country."

A conference of Ministers of the Central Government, Provincial Governors and Chief Ministers, and Rulers of States, presided over by Mr. Mohammed Ali, decided unanimously on Dec. 14 in favour of the unification of West Pakistan, and on Dec. 17 approved the following administrative proposals:

(1) The administrative structure of the new Province of West Pakistan would follow the normal Provincial pattern, i.e., there would be a single Governor, Cabinet, Legislature, and Secretariat Heads of departments would be located at Provincial headquarters or at other suitable places in accordance with the requirements of the administration and convenience of the public.

(2) West Pakistan would be divided into 50 Districts and Agencies, grouped into ten Commissioners' Divisions There would be maximum delegation of power to Commissioners and District Officers so that matters affecting the daily life of the people would so far as possible, be decided within the district or division in which they lived.

(3) All areas in West Pakistan at present administered directly by the Centre, including the Tribal Areas and Karachi (but excluding the Federal Area), would be administered by the new Provincial Government The administration of Karachi would be in charge of an officer with the rank of Commissioner No change was contemplated in the present system of administration in the Tribal Areas, but the new Provincial Government would appoint a Resident Minister for Tribal Affairs, with special responsibility for the welfare and progress of the people of those areas.

(4) In order to develop West Pakistan as a single economic unit, major development projects would be entrusted to a single body known as the West Pakistan Power and Projects Authority. It would operate as a semi-autonomous body under the Provincial Government and would execute schemes for the development of hydro-electric and other power, and major projects for irrigation, flood control, inland navigation, and land reclamation.

(5) A Council for the Administration of West Pakistan would be immediately set up, under Section 135 of the Government of India Act of 1935, to effect the above-mentioned arrangements and to deal with the formation and organization of the new Provincial Government. It would be part of the Council's function to make recommendations to the Central Government in regard to the formation of a common Secretariat for the new Government of West Pakistan; the organization of the various departments; the integration of existing Provincial and State cadres, and all other matters incidental to bringing the new Province into being The Council (which was expected to complete its work in about three months) was authorized to set up committees of officials drawn from the Central, Provincial and States Governments concerned to assist it in formulating its recommendations.

The Council would consist of the Governors and Chief Ministers of Sind, the Punjab, and the Frontier Province and the Governor-General's Agent in Baluchistan, whilst the Chief Minister of Khairpur, the Adviser of Bahawalpur State and the *Wazir-i-Azam* of Kalat would be associated with it in regard to matters affecting those States.

(6) The Federal Court would be consulted in the administration of justice at High Court level under the new arrangements.

(7) No change was contemplated in the present recruitment policy which ensured due representation in the Central services to the various areas of Pakistan. Recruitment to posts in the Provincial services, which had hitherto been made on a district, divisional or other zonal basis, would continue to be made in this manner. Where, however, recruitment was to be made on an all-Province basis (e.g. in regard to the higher Provincial services) arrangements would be made for a 10-year period to ensure representation to the inhabitants of the Frontier Province, Baluchistan and the Baluchistan States Union, Sind, Khairpur, and Bahawalpur, including the Tribal Areas of the Frontier Province and Baluchistan, in proportion to their population. These arrangements might be continued beyond the 10 year period for the representation of the Tribal Areas in the Services.

(8) Officers and staff employed by the existing Provincial and State Governments were given an assurance that their conditions of service would be fully safeguarded and their prospects of promotion maintained as far as possible.

The Council for the Administration of West Pakistan was set up by an Order of the Governor-General on the same day, and began its work on Dec. 18.

Mr. M. A. Gurmani, formerly Minister for the Interior, States, and Frontier Regions, was appointed Governor of the Punjab on Nov. 25 *vice* Mr. Rahimtoola, whilst Mr. Justice Shahabuddin, a judge of the Federal Court, was appointed Acting Governor of East Bengal on the same date *vice* Sir Thomas Ellis (an Englishman). Major-General Mirza had resigned the Governorship of East Bengal on his appointment to the Central Government.

Mr. Mohammed Ikramullah (51), Pakistani Ambassador in Paris since October 1953, and formerly High Commissioner in Ottawa, was appointed High Commissioner in London on Dec. 28 in succession to Mr. Ispahani. A graduate of Trinity College, Cambridge, he held important positions in the Indian Civil Service before 1947, and after the establishment of Pakistan held senior posts in the Ministries of Foreign Affairs and Parliamentary Affairs.—(Pakistan High Commissioner's Office, London) **(Prev. rep. Cabinet Changes, West Pakistan Unification, 13893 A; Punjab Governor, 13786 E; East Bengal, 13746 A.)**

A. GREECE. — M. Markezinis leaves Greek Rally. - Dispute with Field-Marshal Papagos on German Contracts. - New Greco-German Economic Agreement. - Cabinet Reorganization.

M. Spyros Markezinis, who resigned in April last as Minister for Economic Co-ordination, announced on Nov. 11 that he had left the Greek Rally (the Government party) and would sit as an Independent deputy. This development followed the publication of a statement by Field-Marshal Papagos (the Prime Minister) accusing M. Markezinis of having assumed economic obligations towards Western Germany without informing the Government.

Field-Marshal Papagos said that M. Markezinis had exchanged letters with the West German Minister of National Economy (Dr Erhard), who was due to arrive in Athens within a few days, undertaking that the German firms of Siemens and Telefunken would be granted the right to operate and supervise the Greek telephone and broadcasting systems. He accused M Markezinis of having entered into these obligations without informing either him (the Prime Minister) or the Government, but said that the undertakings to the German firms would nevertheless be respected, and that the Greek Government desired close economic relations with the German Federal Republic M. Markezinis, in reply, claimed that he had kept the Prime Minister fully informed of all the negotiations which he had conducted during his visit to Bonn in 1953 (see 13487 A), and denied that he had committed the Government in his discussions with the Siemens and Telefunken firms.

The German Ambassador in Athens (Dr. Kordt) handed to Field-Marshal Papagos on Nov. 11 the text of two letters which had been written to Dr. Erhard by M Markezinis during the latter's visit to Germany in 1953. It was stated that M. Markezinis had agreed that the Telefunken company should build a radio station and operate a radio network in Greece, and that Siemens should have technical control of the Greek telephone network.

Dr. Erhard paid a three-day visit to Athens from Nov. 17-19, during which he had discussions with Field-Marshal Papagos and other Ministers. A new Greco-German economic agreement was signed under which it was agreed (*a*) that a mixed commission would be set up to promote German investment in Greece; (*b*) that Germany would make credits available for Greek industrial reconstruction; (*c*) that German property seized in Greece after the war would be returned to the Federal Republic; (*d*) that credits granted by Krupps for the exploitation of lignite deposits would be extended to March 1955 (these credits were due to have expired in December); and (*e*) that the Greek Government would be relieved of its obligations to the Siemens and Telefunken companies in respect of the proposed radio and telephone contracts.

Following M. Markezinis' decision to leave the Greek Rally, the Ministers of Finance (M. Kapsalis) and Economic Co-ordination (M. Papayanis), both friends of M. Markezinis, tendered their resignations to Field-Marshal Papagos. On Dec. 14, at the Prime Minister's request, all the Ministers resigned to enable him to carry out a Cabinet reorganization, the result of which was announced on Dec. 15 as follows:

Field-Marshal Alexander Papagos	Prime Minister.
M. Stefanopoulos	Deputy Premier and External Affairs.
M. Kanellopoulos	Deputy Premier and National Defence.
M. Eftaxias	Finance.
M. Nikolitsas	Interior.
M. Theofanopoulos	Justice.
M. Papaligouras	Economic Co-ordination.
M. Karamanlis	Public Works and Communications.
M. Levandis	Agriculture.
M. Yerokostopoulos	Education.
M. Voyatzis	Merchant Marine.
M. Protopapadakis	Industry.
M. Stratos	Labour.
M. Leon Makkas	Commerce.
M. Polizogopoulos	Social Welfare.
General Kosmas	Minister for Northern Greece.
M. Rallis	Minister attached to the Prime Minister's Office.
M. Tsouderos, M. Exindaris	Ministers without portfolio.

The only new Ministers to enter the Cabinet were M. Makkas (a member of the Greek delegation at the Council of Europe), who took over the Commerce portfolio from M. Papaligouras; M Polizogopoulos, who took over the portfolio of Social Welfare from M. Solomonidis; General Giorgios Kosmas (a former Chief of General Staff), who became Minister for Northern Greece; M. Stratos, who became Minister of Labour *vice* M. Gonis; and M. Eftaxias, who succeeded M. Kapsalis as Minister of Finance M. Papaligouras, the former Commerce Minister, succeeded M. Papayanis as Minister for Economic Co-ordination. All other Ministers held the same portfolios as in the previous Cabinet.

Prior to the Cabinet reorganization, the Greek Parliament had passed a Bill on Dec. 13 providing for the appointment of two Deputy Premiers—posts to which the Ministers of Foreign Affairs (M. Stefanopoulos) and Defence (M. Kanellopoulos) were appointed, whilst retaining their former portfolios.—(Times - Le Monde, Paris) **(Prev. rep. Cabinet, M. Markezinis, 13529 C; Greco-German Economic Agreement, 13487 A.)**

B. UNITED KINGDOM. — December Gold and Dollar Deficit. - Gold and Dollar Reserves at end of 1954.

The sterling area had a gold and dollar deficit in December of $163,000,000 after taking account of (1) the payment of (*a*) $181,000,000 as service of the U.S. and Canadian lines of credit, the U.S. Lend-Lease loan, and the Marshall Aid loans, (*b*) the quarterly instalment of $8,000,000 on the Canadian interest-free loan of 1942, and (*c*) $2,000,000 to creditors of the E.P.U. in bilateral settlements; (2) receipts of (*a*) $8,000,000 in U.S. defence aid, and (*b*) $3,000,000 from the E.P.U. in respect of transactions in November. As a result of the December deficit, the sterling area's gold and dollar reserves fell to $2,762,000,000 on Dec 31, compared with $2,518,000,000 on Dec. 31, 1953.

The monthly gold and dollar movements in 1954 are shown in the following table:

	Gold Payments to (−) or Receipts from (+)				Change in Reserves	Reserves at end of Month
	E.P.U.*	Other Countries	Total	U.S. Aid		
			($ million)			
January	− 4	+ 14	+ 10	+ 15	+ 25	2,543
February	+ 7	+ 2	+ 9	+ 31	+ 40	2,583
March	+ 2	+ 86	+ 88	+ 14	+102	2,685
April	+ 7	+119	+126	+ 9	+135	2,820
May	+39	+120	+159	+ 6	+165	2,985
June	+15	+ 14	+ 29	+ 3	+ 32	3,017
July	+ 4	− 23†	− 19	+ 15	− 4	3,013
August	+11	−117‡§	−106	+ 11	− 95	2,918
September	−12	− 14§	− 26	+ 9	− 17	2,901
October	+ 8	+ 10§	+ 18	+ 17	+ 35	2,936
November	+ 7	− 32§	− 25	+ 14	− 11	2,925
December	+ 3	−174§‖	−171	+ 8	−163	2,762
Year 1954	+87	+ 5	+ 92	+152	+244	—

* Gold payments to or receipts from the E P.U. in each month as a result of operations in the preceding month † This net figure includes the payment by the U.K. of $99,000,000 in bilateral settlements of part of the U.K. deficit with the E P.U. (see 13716 B). ‡ Including the repayment of $112,000,000 to the I.M F. (see 13772 D) § Including $2,000,000 paid to creditors of the E.P.U. under bilateral agreements ‖ Including $189,000,000 in special payments (see above and 13957 A).

Provisional figures for the E.P.U. December settlement showed that the U.K. had a deficit of $19,600,000 (£7,000,000), which would be settled in January half in gold and dollars and half by an increase in the U.K. deficit with the Union.
(Treasury Press Office, London) **(Prev. rep. 13928 C; 13344 C.)**

C. SOVIET UNION. — Return of U.S. Naval Vessels.

The U.S. State Department announced on Dec. 23 that the Soviet Union had agreed to return a further 27 small U.S. naval craft which she had borrowed during the war, and that discussions were continuing for the return of an additional 121 warships still in Soviet hands. It was stated that the 27 vessels—consisting of four submarine-chasers, eight motor torpedo-boats and 15 infantry landing craft—would be turned over to the U.S.A. at the Japanese port of Maizuru in June and July. Their immediate return was impossible because of the prevailing ice conditions in Vladivostok and northern waters where the ships were based.—(New York Times) **(13598 D.)**

D. JAPAN. — U.S. Compensation Payment for Injuries caused by Bikini Hydrogen Bomb Test.

It was announced in Tokio on Jan. 4 that the Japanese Government had accepted an American offer to pay $2,000,000 (£714,000) compensation for the injuries and losses suffered by Japanese fishermen and the Japanese fishing industry as a result of the hydrogen bomb test carried out at Bikini on March 1, 1954.—(New York Herald Tribune)
(Prev. rep. 13932 C; 13485 A.)

E. SOUTH AFRICA. — Cabinet. - Mr. Eric Louw appointed Minister for External Affairs.

The South African Prime Minister, Mr. Strydom, announced on Jan. 4 that Mr. Eric Louw, the Minister of Finance, had been appointed Minister for External Affairs, and would at the same time retain the Finance portfolio.—(Cape Times) **(13941 A.)**

A. INDIA. — Formation of Industrial Credit and Investment Corporation. - Participation of British and U.S. Capital. - International Bank Loan of $10,000,000. - Mr. Beale appointed General Manager.

It was announced in New Delhi on Nov. 15, 1954, that a company to be called the Industrial Credit and Investment Corporation of India had been set up, with the support of the Indian Government and the participation of private British and American capital, to encourage and finance private industrial development in India by granting loans either to new industries or to existing firms for the expansion and rehabilitation of their businesses. It might also take shares in some firms or underwrite equity issues, and, in addition, would assist technical progress in Indian industry by helping to recruit experts from abroad.

The formation of the Corporation followed a visit by an International Bank mission to India in February, 1954, and the setting-up of a steering committee of five prominent Indian businessmen under Sir Ramaswami Mudaliar to formulate definite plans for its organization.

It was announced that the Corporation would have an authorized share capital of Rs.250,000,000 (about £18,750,000, or $52,500,000), in addition to which the Indian Government would make a 30-year interest-free advance of Rs.75,000,000 (about £5,625,000, or $15,750,000), repayable in 15 equal annual instalments beginning in 1971. The authorized capital would be divided into 500,000 Ordinary shares (common stock) and 2,000,000 unclassified shares, all with a par value of 100 rupees each. Only Rs.50,000,000 of Ordinary shares would be issued initially, of which Rs.35,000,000 would be offered at par in India (Rs.20,000,000 by public subscription and Rs.15,000,000 by private placement), Rs.10,000,000 in the United Kingdom, and Rs.5,000,000 in the United States.

The British group subscribing to the Corporation's capital consisted of a number of eastern exchange banks (including the Chartered Bank of India, Australia & China, the Hongkong & Shanghai Banking Corporation, the Mercantile Bank of India, and Grindlays Bank); a large number of British insurance companies (including nearly all the principal ones); the Commonwealth Development Finance Company; and certain industrial and commercial companies (Associated Electrical Industries Ltd., the English Electric Co. Ltd., the General Electric Co. Ltd., Guest, Keen & Nettlefolds Ltd., and Gray Dawes & Co.) It was reported in the U.K Press that the equity subscription of the British group was divided as follows: eastern exchange banks, £330,000; insurance companies, £227,500; Commonwealth Development Finance Co., £180,000; industrial and commercial companies, £12,500.

The U.S. investors were the Bank of America, Rockefeller Bros., the Olin Mathieson Chemical Corporation, and the Westinghouse Electric International Corporation.

The International Bank announced on Dec. 23 that it had approved a loan of $10,000,000 to the Industrial Credit and Investment Corporation, which would be used to buy imported materials, equipment and services needed to carry out private industrial projects financed by the Corporation. The loan, which would be guaranteed by the Indian Government, would bear interest at 3⅝ per cent, plus 1 per cent per annum commission, and would be repayable within 15 years, starting on Jan. 1, 1960. This was the bank's seventh loan to India.

The Bank of England announced on Dec. 5 that, Mr. P. S. Beale, its chief cashier (whose signature appears on all banknotes), was resigning in January to become the first general manager of the Industrial Credit and Investment Corporation. The International Bank, in its announcement of Dec. 23, said that the Corporation's Board of Directors was expected to include Sir Ramaswami Mudaliar, Sir Biren Mookerjee (Martin Burn, Ltd., of Calcutta), Mr. Kasturbhai Lalbhai (a prominent Bombay textile industrialist), Mr. A. D. Shroff (Tata & Sons Ltd., of Bombay), Mr. G. D. Birla (Birla Bros. Ltd., of Calcutta), Mr. W. R. Cockburn (Chartered Bank of India, Australia & China), Mr. J. G. Beevor (Commonwealth Development Finance Co. Ltd., and Legal and General Assurance Society, Ltd.) and Mr. Russell Smith (Bank of America).—(The Statesman, Calcutta - Indian High Commissioner's Office, London - International Bank, Washington - Financial Times) **(Prev. rep. Industrial Development Corporation, 13856 B.)**

B. UNITED KINGDOM. — Parliamentary Approval for Geneva Agreements and S.E. Asia Defence Treaty.

A Government motion "that this House approves the policy of H.M. Government in South-East Asia as expressed in the agreements reached at Geneva and in the Manila Treaty" (i.e., the S.E. Asia Collective Defence Treaty, or SEATO) was approved without a division by the House of Commons on Nov. 8, 1954. The Parliamentary Labour Party had previously decided by a large majority not to oppose the motion. (Times) **(Prev. rep. 13891 C; 13806 B; 13761 A.)**

C. UNITED KINGDOM. — Captain Peter Baker expelled from the House of Commons.

Captain Peter Baker (33), Conservative M.P. for South-West Norfolk, was sentenced at the Central Criminal Court on Nov. 30 to seven years' imprisonment on each of six charges of uttering forged documents to which he had pleaded "guilty," the sentences being ordered to run concurrently. His plea of "not guilty" to a seventh charge was accepted by the prosecution.

Mr. Christmas Humphreys, for the prosecution, said that the frauds were all concerned with guarantees given by the defendant to finance houses or banks in respect of money or overdrafts he required in connexion with the various companies with which he was concerned. The offences all took place within five months and by means of these forged guarantees Captain Baker had obtained over £103,000 for his companies. Of the 17 companies with which the defendant was associated, eight were now in liquidation and there was a deficiency of at least £652,000. Among the companies concerned were the Falcon Press and the Peregrine Press.

Formal notification of the sentence imposed on Captain Baker, and of the charges on which he had been found guilty, was conveyed to the Speaker of the House of Commons on the same day by Mr. Justice Lynskey. On Dec. 16 Captain Baker was expelled from the House of Commons after a motion to that effect had been moved by Mr. Crookshank, Leader of the House.

Before the motion was put, the Speaker read a letter which had been written to him by Capt. Baker from Wormwood Scrubs prison. In this letter Capt. Baker asked the House to accept his sincere apologies, and his regret, remorse and repentance, for any discredit he had brought upon it. He pointed out that he had hastened the proceedings against himself in every possible way, and had refused to appeal, "so that you [the Speaker] can dispossess me of my seat without delay."

Mr. Crookshank, in moving "that Mr. Peter Arthur David Baker be expelled this House," said that it was "a most melancholy task" and added: "Cases of this sort are fortunately very rare . . . I hope the House will not desire to go further in this matter." The motion was agreed to without debate.

The case was the first of its kind for 32 years, the last such occasion having been in 1922, when Horatio Bottomley was expelled from the House of Commons after he had been sentenced to seven years' penal servitude for fraudulent conversion. (Times - Daily Telegraph)

D. ITALY. — Ratification of Paris Agreements.

A single-article Bill authorizing the President of the Italian Republic to ratify the Paris agreements on the admission of Italy and the German Federal Republic to the expanded Brussels Treaty Organization (the Western European Union), and the admission of Western Germany to NATO, was passed by the Chamber of Deputies on Dec. 23 by 335 votes to 215—a Government majority of 120—after a debate which had begun on Dec. 13. The Bill was supported not only by the four parties of the Government coalition (the Christian Democrats, Democratic Socialists, Liberals, and Republicans) but also by the two Monarchist parties and the neo-Fascist M.S.I. It was opposed by the Communists and Left-wing (Nenni) Socialists, as well as by a small number of Government supporters.

By a show of hands, the Government accepted a "recommendation" that Italy, after depositing her instruments of ratification, should take the initiative in convening a conference of Western and Eastern European countries for the purpose of extending, along the lines envisaged in the Paris agreements, a system of arms controls "with the aim of achieving effective disarmament for peace and co-existence between nations." The motion to this effect was moved by Signor Gonella (Christian Democrat)

By 316 votes to 239 the Chamber rejected a motion by Signor Melloni (Christian Democrat), supported by the Communists and Nenni Socialists, seeking to delay the ratification of the Paris agreements for a three-month period. Signor Melloni explained that while he supported the agreements, he believed that their ratification should be delayed for a time so as to give the Russians a chance to make a "sincere gesture" for peace before the agreements were finally ratified. A Communist motion seeking to suspend all further consideration of the Bill was defeated on a show of hands.

The Foreign Minister (Dr. Martino), replying to the debate, emphasized that ratification of the Paris agreements in no way excluded future conversations with the Soviet Union for a final settlement of outstanding European problems.

As regards German rearmament, he said that to keep Germany still longer under a crushing weight of "moral condemnation" would only mean a repetition of past mistakes, in which connexion he said that the lack of support given by the Western Allies to the Weimar Republic had "helped to play Hitler's game." It was therefore essential that Germany should become an active member of the association of free nations which were engaged in progressively extending the area of organized peace.

Signori Melloni and Bartesaghi, who had announced that they would vote against the ratification Bill, were expelled from the Christian Democratic Parliamentary Party on Dec. 24. (Giornale d'Italia, Rome - Corriere della Sera, Milan)

(Prev. rep. French Ratification, 13965 A.)

A. IRISH REPUBLIC - NORTHERN IRELAND. — I.R.A. Raids on Military Establishments in Northern Ireland. - Prison Sentences on I.R.A. Members. - Statements by Northern Irish and Eire Ministers. - Use of Force denounced by Cardinal d'Alton, Mr. Costello and Mr. de Valera.

Eight members of the Irish Republican Army (I.R.A.) organization were sentenced to long terms of imprisonment—one to 12 years and the other seven to ten years each—at the Ulster Assizes in Belfast on Dec. 15 after having been found guilty on three counts of treason-felony—a charge described by the N.I. Attorney-General (Mr. Warnock, Q.C.) as meaning that the accused had prepared for, and intended to wage, war to force political or constitutional changes on Northern Ireland. The men concerned, all of whom were nationals of the Irish Republic, refused to recognize the court's jurisdiction, but on the instructions of the judge (Lord MacDermott, the Lord Chief Justice) pleas of "not guilty" were entered.

The men concerned were Eamonn Boyce (27), labourer, of Dublin, who received 12 years' imprisonment, and Liam Mulcahy (22), baker, of Cork; Phillip Clarke (21), civil servant, of Dublin; Sean O'Callaghan (21), auditor's clerk, of Cork; Sean O'Hegarty (20), post office engineer, of Cork; Thomas J Mitchell (23), bricklayer, of Dublin; John McCabe (33), builder's labourer, of Dublin, and Patrick J. Kearney (28), bus conductor, of Dublin—all of whom received 10 years' imprisonment

Statements were made by the accused men declaring, *inter alia*, that they were waging war not against Irishmen but against "a foreign Queen" who was maintaining "British forces of occupation on our soil." They also declared that they were not "common criminals or desperadoes" but "prisoners of war"

The charges arose out of a raid carried out on Oct. 17 by two groups of armed men who entered the military depot of the Royal Inniskilling Fusiliers at Omagh (County Tyrone) with the apparent intention of raiding the armoury. Shots were exchanged and five soldiers were injured during the attack, but the raiders were eventually repulsed. The above-mentioned eight men were subsequently arrested by the police, who conducted a search throughout the whole of Northern Ireland. On Oct. 18 the I.R.A. issued a statement admitting responsibility for the raid.

The attack on Omagh barracks was the second raid to be made on a military establishment by the I.R.A. during the year. On June 12, 1954, a group of 15 men, some wearing British Army uniforms, had broken into the Royal Irish Fusiliers' depot at Gough Barracks, Armagh, held up the sentry and two other men on duty, and removed about 300 rifles and automatic weapons from the armoury. On this occasion no shots were fired, and the raiders escaped in spite of an extensive police search.

Following this incident, the Northern Ireland Government decided on June 17 to restore to the police the special security powers which had been introduced in 1922, but which had nearly all been revoked in 1949. The revived regulations gave the police powers, *inter alia*, to enter forcibly any premises "being used for any purpose prejudicial to the preservation of the peace"; they also provided that a person might be imprisoned for failing to answer questions put by the police.

It was confirmed on Oct 17 that in the early hours of Oct. 11 a time-bomb had exploded in the grounds of the residence of the G.O.C., Northern Ireland (Lieut.-General Sir John Woodall), without causing any casualties Information that the I R A. might attempt to seize arms led to precautionary measures being taken in all ships and service establishments in the Liverpool area during the week-end Nov. 13-14—measures which were intensified on Dec 9 after the theft of a small quantity of arms and ammunition from a Home Guard armoury in Liverpool. In Northern Ireland, police raided a hall at Annaghmore (County Armagh) on Nov. 18 and arrested 14 young men who were subsequently charged with having a rifle and ammunition in their possession under suspicious circumstances, and who were remanded in custody. On the night of Dec 6 a Northern Irish Customs officer was shot and wounded after a van driving towards the south had been stopped just north of the border near Aughnecloy, County Tyrone; four men escaped by running across the border, and a small quantity of arms and ammunition was found in the van

The recurrence of incidents involving the I.R.A. gave rise to statements by Lord Brookeborough (Prime Minister of Northern Ireland) at Stormont and by Mr. Costello (Prime Minister of the Irish Republic) and Mr. de Valera (Leader of the Opposition) in Dublin.

Lord Brookeborough referred in the N.I Parliament on Oct. 15 to reports of speeches by Mr Costello and Mr. de Valera in which they had said that nothing could be achieved by the use of force. He added: "I want to tell them . . that nothing will accomplish the unity of Ireland. We are part of the United Kingdom and the Commonwealth and, no matter what action anybody can take, we shall remain part of Great Britain and of the Commonwealth and will continue to fly the Union Jack . I do not think there is a man who would not like to see friendly relations—really friendly relations—established between all the people of this country If the separate constitutions and separate viewpoints of Northern Ireland and the Republic of Ireland and their different Governments based on different ideals, are accepted, we could then work for the good of the people, both North and South But it is necessary as a preliminary that these raids and these continued demands that Northern Ireland should subjugate herself to the South should stop"

Mr. Costello, speaking in the Dail on Oct. 28, denounced the use of force by minority groups to end partition as "immoral, un-Christian, and likely to endanger the vital interests of the nation." Referring to Lord Brookeborough's assertion that nothing would accomplish the unity of Ireland, Mr Costello said that "there never was a political prophet more deceived." He asserted that the unity of Ireland would be restored because history and tradition, and the facts of race, geography, and economics, showed that Ireland was in fact one nation In the Irish Republic there was, however, only one authority on the question of peace or war—the Dail Unless those who advocated the use of force had first convinced a majority of the electorate and a majority of members of the Dail that the employment of force was the correct policy, it would be an "intolerable usurpation" on the part of such persons to arrogate to themselves "the power of war and peace and life and death." "Even if it lay in our power to achieve the unity of our country by force of arms and by beating into sullen submission the recalcitrant minority in the north-east," declared Mr Costello, "it would in my judgment still be the course of wisdom to pursue a policy of peace and reconciliation Let us have a united nation, but let it be a union of free men and not a united nation in which a fifth of the population have been cowed by force or fear and feel themselves enslaved."

Mr. de Valera said that he was in entire agreement with the *Taoiseach*, and that *Fianna Fail* supported the Government in its attitude "The nature of the position is such that I believe that the unity of this country is inevitable," he declared. "That being so, would it not be better to save all the misery that is going to take place in the intervening period and deal with it now?" Mr. de Valera suggested that the first step towards a peaceful solution of the problem was obviously some form of conference between the Governments of the Irish Republic and Northern Ireland.

Cardinal d'Alton (Archbishop of Armagh and Primate of All Ireland), speaking in St Patrick's Cathedral, Armagh, on Dec. 25, appealed to young Irishmen not to have recourse to violence, nor to join any "unauthorized force", in their eagerness to end partition. Whilst declaring that the partition of Ireland was "so glaring that it could not continue," the Cardinal said that there was "surely sufficient good will on both sides to bring about a settlement that will be satisfactory to all, that will respect honestly-held convictions, and help to remove old prejudices and allay fears, however ill-founded they may seem."

In a pamphlet published on Dec. 2, the "Army Council of the I.R.A." denied allegations that "recent military operations" had been carried out for propaganda purposes, and said that the sole reason for raids on the North had been the capture of arms. It also declared that it had no intention of resorting to aggressive military action in "the Twenty-six Counties" (i.e. the Irish Republic), but condemned politicians of all parties in the Irish Republic for "unanimity on that greatest of all national evils—the continued occupation of part of our country by the British Army."—(Irish Times, Dublin - Belfast Telegraph - Manchester Guardian) **(Prev. rep. I.R.A. 10914 D.)**

B. UNITED KINGDOM. — Financial and Monetary Policy. - Conversion Operations.

The Treasury announced on Sept. 15 that holders of 3 per cent Defence Bonds purchased between Jan. 1 and May 5, 1945, and maturing between Jan. 1 and May 5, 1955 would be invited to continue their Bonds until July 1, 1955. Those accepting would then be paid a full six months' interest at 3 per cent and the maturity premium of £1 per cent, and their bonds would be exchanged into the same amount of 3½ per cent Defence Bonds (Conversion Issue). The terms of the latter would be the same as those of the 3½ per cent Defence Bonds currently on sale, except that interest would be payable on Jan. 1 and July 1.

On Nov. 26 the Treasury further announced that holders of 2½ per cent Exchequer Stock, 1955, of which £734,000,000 was outstanding, would be offered conversion at par on Feb. 15, 1955, into either (*a*) a new 2 per cent Exchequer Stock, 1960, or (*b*) a further tranche of 3 per cent Funding Stock, 1966-68. Holders accepting conversion into the Funding Stock would receive a full six months' interest on Aug. 1, 1955.

It was announced on Dec. 7 that about £650,000,000, or over 88 per cent, of the Exchequer Stock outstanding had been tendered for exchange (about £448,000,000 into the 2 per cent Exchequer Stock and £202,000,000 into the 3 per cent Funding Stock), leaving only about £84,000,000 to be paid off on Feb. 15, 1955.—(Treasury Press Office - Financial Times) **(13710 C.)**

A UNITED KINGDOM. — The New Year Honours.

The New Year Honours List was published on Jan. 1, the principal awards being set out below.

Barons. Dr. Edgar Douglas Adrian, O M , President of the Royal Society, President of the British Association, and Master of Trinity College, Cambridge : Sir William Fraser, chairman, Anglo-Iranian Oil Co Ltd ; Sir Arnold Gridley, M.P. (Conservative, Stockport South), for political and public services

Privy Councillor. Mr. Nigel Birch, M P , Minister of Works.

Companions of Honour. Captain Harry Crookshank, M.P., Lord Privy Seal and Leader of the House of Commons ; the Rev Hugh Martin, for services to the National Free Church Federal Council and the British Council of Churches

[M. René Massigli, the retiring French Ambassador to the Court of St. James's (see 13876 B), was invested with the Order of the Companions of Honour on Dec. 21 by H.M the Queen.]

Knights Bachelor. Mr. W. G Bennett, M P. (Conservative, Woodside division of Glasgow), for political and public services , Mr. D. A Scott Cairns, Q.C , chairman, Monopolies and Restrictive Practices Commission ; Professor W E Le Gros Clark, Dr Lee's Professor of Anatomy, Oxford University , Mr W R M. Cockburn, chief general manager, Chartered Bank of India, Australia and China ; Mr. Arthur Colegate, M.P. (Conservative, Burton), for political and public services ; Mr. Ivor Cox, for services as managing director, Metropolitan-Vickers Electrical Co. Ltd. , Mr W. C Crocker, lately President of the Law Society ; Professor L. S. P. Davidson, Professor of Medicine, Edinburgh University, and President of the Royal College of Physicians of Edinburgh , Colonel C. V Fitton, for political and public services in the North Riding of Yorkshire ; Mr A A. Gemmell, President of the Royal College of Obstetricians and Gynaecologists ; Mr. G. F. Hamer, Lord-Lieutenant of Montgomeryshire, for public services in Wales ; Mr Basil Henriques, for services to youth welfare , Alderman Archer Hoare, for political and public services in Middlesex ; Mr. Oscar Hobson, City Editor of the *News Chronicle*, for services to journalism ; Mr. Ian Horobin, M P (Conservative, Oldham East), for political and public services ; Alderman H. W. Seymour Howard, Lord Mayor of London , Mr. Ronald Howe, Deputy Commissioner, Metropolitan Police Force , Colonel Francis Jackson, for political and public services in Manchester and Cheshire , Mr N. V Kenyon (leader of the Conservative Party on the London County Council), for political and public services in Paddington , Mr C S. McFarlane, for political services in Scotland , Professor R. R. Macintosh, Nuffield Professor of Anaesthetics, Oxford University ; Mr R. A. Maclean, for services to industry in Scotland ; Mr. John Mann, Convener of Lanarkshire County Council : Brigadier Frank Medlicott, M.P. (National Liberal and Conservative, Central Norfolk), for political and public services , Mr. Philip Millbourn, hon adviser on shipping in port to the Minister of Transport , Mr Keith Murray, chairman, University Grants Committee , Professor John Ernest Neale, Astor Professor of English History, London University ; Mr W. J. Neden, Chief Industrial Commissioner, Ministry of Labour and National Service , Mr. A. C Richmond, chairman of the Land Settlement Association and of the Federation of Agricultural Co-operatives in Great Britain and Ireland ; Mr. Alfred Roberts, general secretary, National Association of Card, Blowing and Ringroom Operatives ; Mr Sydney Gordon Russell, the designer and artist, Director of the Council of Industrial Design ; Mr. R. D. Scott, M.P. (Conservative, Penrith and Border), for political and public services ; Mr. Leonard Sinclair, chairman and managing director, Esso Petroleum Co Ltd. , Rear-Admiral Matthew Slattery (retd), chairman and managiug director, Short Brothers and Harland Ltd , Belfast ; Mr. Henry Spurrier, managing director, Leyland Motors Ltd ; Professor Graham Sutton Director of the Meteorological Office , Mr. W. W Tong, for political and public services in Bolton , Colonel G A Wade, for political and public services in Staffordshire · Mr. R B Waterer, Solicitor to the Board of Inland Revenue , Mr. T. A. Wedderspoon, for political and public services in Angus

[Mr. George Titman received a knighthood on Dec. 21 on his retirement from the post of secretary to the Lord Chamberlain's Office, a position he had held since 1939.]

Other recipients of knighthoods, apart from those enumerated above, included the following :

Prime Minister's List (K C.B., K.C.M G and K.B.E.) Colonel R. S Clarke, M P. (Conservative, East Grinstead), for political and public services ; Mr. E A Fellowes, Clerk of the House of Commons ; Mr G. C Gibbs, chairman, Advisory Council, Export Credits Guarantee Dept ; Mr L. N. Helsby, First Commissioner, Civil Service Commission ; Mr. E A. Seal, Deputy Secretary, Ministry of Works ; Mr. O. H. Wansbrough-Jones, Chief Scientist, Ministry of Supply.

Foreign Office List. Mr. John Carmichael, Under-Secretary, Ministry of Finance, Sudan Government ; Mr Robert Hankey, H M. Ambassador in Stockholm ; Mr. G W. Harrison, Assistant Under-Secretary of State, Foreign Office ; Mr. R. K. Jopson, H M. Ambassador in Bogotá , Mr. C. N Stirling, H.M. Ambassador-designate in Lisbon ; Mr. C. H. Summerhayes, H.M. Ambassador in Khatmandu

Commonwealth of Australia List. Mr. G. T. Chippindall, Director-General of Posts and Telegraphs, Commonwealth of Australia ; Dr. A. J Collins, President of the British Medical Association of Australia ; Mr. A. A. Fitzgerald, chairman, Commonwealth Grants Commission ; Judge W. K. Fullagar Justice of the High Court of Australia ; Judge F. W. Kitto, Justice of the High Court of Australia ; Air Marshal J. P. J. McCauley, Royal Australian Air Force ; Mr. Roland Wilson, secretary to the Commonwealth Treasury.

New Zealand List. Major-General W. H. Cunningham, Crown Prosecutor in Wellington, for services to law ; Judge G. P. Finlay, Senior Puisne Judge of the Supreme Court , Mr. Leslie Knox Munro, N Z Ambassador in Washington.

Commonwealth Relations Office List. Recipients of knighthoods included Mr T S Chegwidden chairman of the Interim Public Service Commission, Federation of Rhodesia and Nyasaland ; Mr. J S Shearer, Indian Civil Service (retd), formerly a Puisne Judge of the High Court of Judicature at Patna , and the Sultan of Lahej (H.H Ali bin-Abdul al-Karim), Aden Protectorate.

Colonial Office List. Recipients of knighthoods included Mr. Edward Beetham, Governor of the Windward Islands ; Mr. J. T. Gilbert, Q C , Chief Justice of Bermuda ; Mr Eric Hallinan, Chief Justice of Cyprus ; Mr E F. Hitchcock, for public services in Tanganyika (Mr Hitchcock who controls large sisal interests in East Africa was Warden of Toynbee Hall, London, as a young man) ; Mr Kobina Arku Korsah, Puisne Judge, Gold Coast ; and Mr. Patrick Rennison, Governor of British Honduras

Royal Navy List, Army List, and Royal Air Force List. Recipients of knighthoods in the armed forces included Vice-Admiral (E.) F. T. Mason, Vice-Admiral J F. Stevens, Instructor Rear-Admiral W. A. Bishop, Lieut.-General Edwin Herbert, Major-General R. K. Scoones, and Acting Air Marshal L. G. Harvey.

D B.E. Awards. The D B E. was conferred on Miss Elizabeth Cockayne Chief Nursing Officer, Ministry of Health ; the Countess of Rosebery, for public services in Scotland : Air Commandant Nancy Marion Salmon, Women's Royal Air Force ; and Air Commandant Roberta Mary Whyte, Princess Mary's Royal Air Force Nursing Service.

Among other awards (C.M.G., C.B.E., O.B.E. and M.B.E.) were the following :

Recipients of the **C.M.G.** included Mr. Robert McCall, assistant director of B.B.C. television, whilst recipients of the **C.B.E.** included Mr. C. H O'D. Alexander, the British chess master, who is a Foreign Office official ; Mr. Eric Shipton, the explorer and mountaineer, whose reconnaissance of Everest paved the way for the successful ascent by the British Expedition ; Mr. W. G. Grimes, Director of the London Museum, who was in charge of the excavations which led to the discovery of a Temple of Mithras in the City of London dating from the Roman occupation , and Mr. A V. Bridgland, chairman of the company which owned the site on which the discovery was made, and through whose agency the remains of the Mithraic temple are to be preserved Recipients of the **O.B.E.** included the Rev. F H House, head of religious broadcasting at the B.B.C , and Miss Freda Lingstrom, head of children's television programmes, B.B.C. Recipients of the **M.B.E.** included Mr. John Landy, holder of the world record for the mile (the award was announced in the Commonwealth of Australia List).

The conferment of a peerage on Sir Arnold Gridley will cause a by-election at Stockport South.—(Times - Daily Telegraph)

(Prev. rep. Birthday Honours, 13611 A.)

B. UNITED STATES.—Launch of U.S.S. "Forrestal."

The aircraft carrier *Forrestal* (59,650 displacement tons), the largest warship in the world and the biggest ship ever built in the United States, was launched at Newport News on Dec. 11 by flooding the drydock in which she had been constructed. Named after the late Mr. James Forrestal (the former Secretary of Defence) she has a length of 1,036 feet and a breadth of 252 feet, and when completed will have cost about $198,000,000. She will carry about 90 aircraft, including atom-bombers and fighters having a range of about 1,000 miles. Her design incorporates two British inventions added after her keel was laid down in July 1952—the angled flight deck and the steam catapult. Two sister ships—the *Saratoga* and *Ranger*—are under construction, with a fourth "supercarrier" authorized.—(New York Times - New York Herald Tribune)

(Prev. rep. 12349 D.)

C. EGYPT. — Sterling Balances released by Britain.

It was announced in London on Dec. 30 that Britain would release a further £15,000,000 of Egypt's blocked sterling balances on Jan. 1, 1955. Of this amount, £10,000,000 represented the unconditional annual release under the 1951 agreement, whilst the other £5,000,000 was released under the article of the same agreement which provided for the release of a further £5,000,000 a year whenever Egypt's current sterling resources fell below £45,000,000.—(Treasury Press Office, London)

(Prev. rep. 13712 D.)

D. EHTIOPIA. — Tribal Areas on Somaliland Border restored to Ethiopian Sovereignty.

The British Foreign Office announced on Jan. 4 that an Anglo-Ethiopian agreement had been signed in London on Nov. 29, 1954, providing for the return to Ethiopian administration of certain tribal areas bordering on British Somaliland which had been under temporary British administration since 1944. The agreement preserved the right of tribes in British Somaliland (recognized under the Anglo-Ethiopian treaty of 1897) to graze their flocks in the areas concerned. (Times)

JANUARY 8—15, 1955

A. COLOMBO POWERS. — Bogor Conference of Prime Ministers of Colombo Powers. - Proposals for Conference of Asian and African Governments. - Dr. Sastroamidjojo's Visit to India and Burma.

The Prime Ministers of the five countries which had taken part in the Colombo Conference of April-May, 1954 (India, Pakistan, Ceylon, Burma, and Indonesia) held a further meeting on Dec. 28-29 at Bogor, near Jakarta, at which it was agreed that 25 Asian and African countries should be invited to take part in a conference to be held in Indonesia at the end of April, 1955. The Indonesian Prime Minister, Dr. Sastroamidjojo, who had originally suggested the holding of such a conference, had visited New Delhi from Sept. 22-26 to discuss the idea with Mr. Nehru. A joint communiqué issued on Sept. 25 stated that the two Prime Ministers had had informal talks on matters of common concern, including the proposed Asian-African conference and developments in S E. Asia since the Colombo Conference ; that they had agreed that such a conference was desirable and would be helpful in promoting the cause of peace and a common approach to the problems facing the area ; and that they considered it advisable that a further meeting of the Colombo Powers should take place before the conference met.

In a speech to both Houses of the Indian Parliament on Sept. 23, Dr. Sastroamidjojo referred to the *Pantja Sila*, or five basic principles of the Indonesian State, which he defined as " belief in God and in religious freedom for everyone : humanitarianism or internationalism —a respect for humanity throughout the world ; nationalism—belief in the national unity of all Indonesians ; democracy—the principle of representative government, social justice—belief in social, economic, and political equality for everyone in our nation."

Turning to international affairs, he continued : " The area of conflict between the two great Power blocs has in recent months moved from Europe to Asia. The ' cold war ' is upon us, and in some parts of Asia it has become a war in fact and not only in name The nations of Asia have done their utmost to prevent the outbreak of fighting and to build a durable peace, for only when there is such a peace can we tackle and solve the enormous problems which confront us.

" To our way of thinking, keeping in mind the principles of *Pantja Sila*, peace in our part of the world cannot be assured by military pacts such as that recently concluded in Manila. There is a better way—that of co-operation and co-existence. In this respect the Colombo Conference opened a new road. It had a direct and immediate effect on the Geneva Conference, in which Asian nations intervened with success. This showed the world that Asian problems cannot be solved without the co-operation of Asian nations.

" . . . The Asian nations have already become an important factor, not only in Asian affairs, but in world affairs as well. The advantage we have gained must be followed up The Colombo principles must be followed up and expanded. We nations of Asia have friends amongst nations of the African Continent. To a large extent their position is the same as ours ; to a large extent they face the same problems. Close African-Asian co-operation can be realized and, I believe, will immeasurably strengthen the forces making for peace . . ."

After leaving New Delhi, Dr. Sastroamidjojo paid a three-day visit to Rangoon, where he had informal talks with the Burmese Prime Minister, U Nu. A joint statement issued on Sept. 28 said that they had discussed common problems, including concerted steps for easing world tension, particularly in South-East Asia ; that they had also discussed Japanese war reparations ; and that they had agreed on the desirability of holding the Asian-African conference at an early date, of closer economic, political, and cultural co-operation among the countries of S.E. Asia, and of the maintenance of close contacts between Burma and Indonesia.

Dr. Sastroamidjojo, Mr. Nehru, U Nu, Mr. Mohammed Ali (the Prime Minister of Pakistan), and Sir John Kotelawala (the Prime Minister of Ceylon) met for discussions at Bogor on Dec. 28-29, and at the conclusion of their talks issued the following communiqué :

Asian-African Conference. " The Prime Ministers agreed that an Afro-Asian conference will be held under their sponsorship, and have reached agreement on all consequent matters. The purposes of the Afro-Asian conference will be :

(*a*) To promote good will and co-operation among the nations of Asia and Africa ; to explore and advance their mutual as well as common interests ; and to establish and further friendliness and neighbourly relations.

(*b*) To consider the social, economic, and cultural problems and relations of the countries represented.

(c) To consider problems of special interest to the Asian and African peoples—e.g., problems affecting national sovereignty, and of racialism and colonialism.

(*d*) To view the position of Asia and Africa and their peoples in the world of today, and the contribution they can make in the promotion of world peace and co-operation.

The conference will meet in Indonesia in the last week of April, 1955, the Government of Indonesia having agreed to make the necessary arrangements A conference secretariat representing the sponsoring countries will be set up in Indonesia

The Prime Ministers agreed that the conference will have a broad and geographical basis. All countries in Asia which have independent Governments will be invited With minor variations and modifications of this basic principle, they have decided to invite the following 25 countries : Afghanistan, Cambodia, the Central African Federation, the People's Republic of China, Egypt, Ethiopia the Gold Coast, Persia, Iraq, Japan, Jordan, Laos, Lebanon, Liberia, Libya, Nepal, the Philippines, Saudi Arabia, the Sudan, Syria, Siam, Turkey, North and South Vietnam, and the Yemen.

Representation at the conference will be at Ministerial level, and it is hoped that each country invited will be represented by her Prime Minister and/or Foreign Minister, together with such other representatives as each Government might wish to include in its delegation The conference will determine its own procedure and agenda, the general scope of which is set out in the purpose of the conference

The Prime Ministers wish to point out that acceptance of the invitation by any one country would in no way involve or even imply any change in its view of the status of any other country. It implies only that the country invited is in general agreement with the purpose of the conference They have also borne in mind the principle that the form of government and way of life of any one country should in no way be subject to interference by any other Any view expressed at the conference by one or more participating countries will not be binding on, or be regarded as accepted by, any other unless the latter so desires

The basic purpose of the conference is that the countries concerned should become better acquainted with one another's point of view. The Prime Ministers hope that this clarification will enable all the invited countries to accept the invitation The Prime Ministers wish to state that in seeking to convene an Afro-Asian conference they were not actuated by any desire for exclusiveness in respect of the membership of the conference They did not decide, either, that the participating countries should build themselves into a regional bloc "

Geneva Agreements. " The Prime Ministers expressed gratification at the result of the Geneva Conference on Indo-China and the cessation of hostilities. They expressed the hope that the Geneva Agreements would be fully respected and implemented by all concerned, and that there would be no outside interference which would hinder their successful implementation."

Dutch New Guinea. " The Prime Ministers, in the context of their well-known attitude towards colonialism, took note of the case of West Irian (Dutch New Guinea) The Prime Ministers of Burma, Ceylon, India, and Pakistan supported the position of Indonesia in this matter They expressed the earnest hope that the Netherlands Government would reopen negotiations to implement her obligations under the solemn agreement concluded by her with Indonesia."

Tunisia and Morocco. " The Prime Ministers expressed their continued support for the demands of the peoples of Tunisia and Morocco for their national independence and their legitimate right to self-determination."

Nuclear Explosions. " The Prime Ministers reiterated their great concern in respect of the destructive potential of nuclear and thermo-nuclear explosions for experimental purposes, which threaten not only their countries but the world, and their far-reaching and yet unascertained effect, which may do permanent damage to human life and civilization. They earnestly request all concerned to bring about a cessation of such experiments. They also request the Disarmament Commission to take this matter into immediate consideration."

Economic Co-operation between Asian Countries. " The economic development of Asian countries, which is urgently necessary for the happiness and well-being of their peoples, requires a planned approach with a view to the utilization in the most effective manner of the available resources. An essential pre-requisite of such an approach is full knowledge of the resources. Surveys of physical resources, particularly of the mineral and subsoil wealth of each country, should therefore be conducted, and co-operation in the supply of technical personnel and in other ways should be made available. The Prime Ministers considered that co-operation in the economic sphere for the supply of technical personnel and in all other ways should engage the attention of their Governments. They considered that a committee of experts should be set up to consider economic questions of common interest to their countries."

Conclusion. " The Prime Ministers, meeting on the eve of the New Year, expressed their earnest hope that the year would witness a further growth in the friendly co-operation of the countries represented at the conference, and further the course of world peace."

According to press reports from Bogor, some differences of opinion arose as to which countries should be invited to the proposed larger conference, and especially on the question of inviting Israel. Despite opposition from U Nu, Israel was eventually omitted on the suggestion of Mr. Mohammed Ali, who pointed out that if she were invited the Arab countries might refuse to take part. Mr. Nehru, at a press conference on Dec. 30, answered questions on the reasons for the non-invitation of certain countries.

Israel, he said, though fulfilling the qualifications laid down, had been excluded because the Arab countries were hostile to her and " we wanted to proceed by unanimity " Asked why the Chinese

Nationalist Government in Formosa had not been invited, Mr. Nehru said that Formosa was "an island but not a State" The question of South Africa had not been discussed, but it had been mentioned that she could not be invited "because of her very aggressive racial policy." As regards Korea and Indo-China, both were "in a fluid state," but in a sense the Colombo Powers had a special responsibility in regard to Indo-China because their earlier proposals had been largely accepted by the Geneva conference; in addition, India was chairman of the international commissions in Indo-China That direct responsibility, however, did not arise in Korea, and for this reason "Korea had been left out" Asked why Turkey had been invited, Mr. Nehru said the fact remained that Turkey was in Asia, whilst Soviet Asia had not been invited because it was politically part of a European unit, namely, the Soviet Union.

Sir John Kotelawala stated at the same press conference that the reason for the omission of South Africa was obvious, as it was a country which "blacklisted" Asians.

While on their way to Jakarta, Mr. Nehru and U Nu visited Bangkok on Dec. 26 as the guests of the Siamese Government, being the first foreign Prime Ministers ever to visit Siam.—(Indian and Pakistani High Commissioners' Offices, London - The Hindu, Madras - Indonesian Embassy, London - Ceylon Government Information Dept., Colombo - Burmese Government Information Dept., Rangoon)

(Prev. rep. Colombo Conference, 13576 A.)

A. UNITED KINGDOM. — Coal Production in 1954.

Provisional figures published by the Ministry of Fuel and Power on Jan. 5, 1955, gave the total output of saleable coal in 1954 as 223,795,100 tons (213,551,200 tons deep-mined and 10,243,900 tons opencast), compared with 223,519,000 tons (211,820,900 tons deep-mined and 11,698,100 tons opencast) in 1953. The output of saleable mined coal in 1953 and 1954 was as follows:

	52 weeks ended	
	Jan. 1, 1955	Jan 2, 1954
Division	Tons	Tons
Scottish	22,576,100	22,822,600
Northern*	13,480,700	13,390,900
Durham	25,912,600	25,898,800
North-Eastern	45,612,800	44,906,400
North-Western	15,642,100	15,566,600
East Midlands	45,568,600	44,453,100
West Midlands	18,037,100	18,108,600
South-Western	25.059,800	24,962,600
South-Eastern	1,661,400	1,711,300
	213,551,200	211,820,900

* Northumberland and Cumberland.

The increase of only 1,730,000 tons, or about 0.82 per cent, in deep-mined coal fell considerably short of the increase of 5,000,000 tons, or nearly 2.4 per cent, which had been agreed upon between the National Coal Board and the National Union of Mineworkers as reasonable in view of the existing manpower when the last wage increases were granted in January 1954. (Ministry of Fuel and Power - Manchester Guardian) **(Prev. rep. Production in 1953, 13613 A; Quarterly Figures, 13848 A; Wage Increases, 13419 B.)**

B. MALTA. — Post-war Emigration.

It was stated in the *New Commonwealth* (issue of Nov. 25, 1954) that 38,311 Maltese had emigrated in the eight post-war years 1946 to 1953, of whom 20,465 were adult males—a figure amounting to almost one-third of the gainfully-occupied male population of Malta and Gozo, and equivalent to the entire labour force at present serving in H.M. naval, military and air establishments in the island. Post-war emigration had raised the estimated number of Maltese settled in other countries to 102,000, of whom 38,000 had emigrated to Australia, 23,000 to the United States, 16,000 to the United Kingdom, 10,000 to Canada, and 15,000 to other countries, including New Zealand, South Africa, France, and Latin American nations. Malta, which is only 110 square miles in area, had a population of 320,613 at the end of 1953—one of the highest population densities in the world.—(New Commonwealth) **(13664 C).**

C. GUATEMALA. — Restoration of Expropriated Estates to United Fruit Company.

An agreement concluded on Dec. 29 between the new Guatemalan Government of Colonel Castillo Armas and the U.S.-owned United Fruit Company restored to the company all the estates which had been expropriated under the land reform legislation promulgated by the Arbenz Government in June 1952. In return the company undertook to pay income and profits taxes in conformity with Guatemalan legislation, with an upper limit of 30 per cent of any profits made, and also agreed to withdraw its official complaint against Guatemala arising out of the land expropriation, and its demand for $15,000,000 compensation.—(New York Times) **(13465 A.)**

D. SOVIET UNION. — Trial and Execution of Viktor Abakumov and Associates.

It was officially announced in Moscow on Dec. 23 that four former "accomplices" of the late Lavrenti Beria had been sentenced to death in Leningrad by a military tribunal of the Soviet Supreme Court on charges of treason and political sabotage, and that the sentences had been carried out by shooting. Those executed were Viktor S. Abakumov (former Minister of State Security, and at one time private secretary to M. Malenkov), A. G. Leonov (former chief of the investigating department in the Ministry of State Security), V. I. Komarov, and M. T. Likhachev, the last two having been M. Leonov's deputies. The announcement also said that two former employees of the Ministry of State Security (Y. M. Broverman and I. A. Chernov) had been sentenced to 25 and 15 years' imprisonment respectively for bringing false accusations against Soviet citizens who had been imprisoned as a result of those accusations.

The announcement said that Abakumov, who had been placed in his post by Beria, had been "a direct participant of the criminal subversive group which carried out Beria's orders directed against the Central Committee of the Communist Party and the Soviet Government." It added that Abakumov had fabricated the so-called "Leningrad case" of several years earlier in which a number of Communist Party officials in that city had been arrested and imprisoned on the false accusation of organizing opposition against the party's Central Committee and the party as a whole [This trial had taken place under the Stalin regime when Beria was Minister of the Interior.] It was also stated that the military tribunal which had tried Abakumov and the other defendants had established "many other falsifications of criminal cases and unpardonable violations of Soviet laws by Abakumov and his associates"; that all the defendants had committed "numerous political adventures and provocations" and had extracted false confessions from many party members and Government officials; and that they had, moreover, prevented the falsely-arrested persons from appealing to the party's Central Committee and to the Soviet Government.

The announcement added that the persons who had been wrongly imprisoned by Abakumov and his associates had been "fully rehabilitated as Soviet citizens." (Izvestia, Moscow)

(Prev. rep. Riumin, 13718 A; Beria, 13363 A.)

E. METEOROLOGY. — International Codes for Weather Information.

New universal codes adopted by the World Meteorological Organization (a U.N. agency) came into force throughout the world on Jan. 1, 1955. They will be used by about 7,800 stations of the international meteorological network, 3,000 transport and reconnaissance aircraft, and 2,400 ships transmitting daily some 100,000 weather observations relating to the surface of the earth, and a further 10,000 observations relating to weather conditions in the upper atmosphere. These observations, made at least four times a day, are collected by a network of national, regional and continental centres, which incorporate them in composite messages and transmit them by all modern forms of telecommunication so that meteorological services throughout the world can begin preparing weather charts half an hour after the observations have been made. These charts, in turn, serve as bases for studies and analysis culminating in forecasts for agriculture, aviation, shipping, etc. (U.N. Information Centre, London) **(Prev. rep Meteorology, 13290 E; W.M.O., 11564 C.)**

F. UNITED KINGDOM. — Army Appointments. - Major-General Lathbury appointed C.-in-C., East Africa.

The War Office announced on Jan. 10 that Major-General G. W. Lathbury, Vice Adjutant-General at the War Office, would succeed General Sir George Erskine as C.-in-C., East Africa (with temporary rank of lieutenant-general) with effect from May, and that Sir George Erskine would return to Britain to become G.O.C.-in-C., Southern Command, with effect from November.

Major-General Lathbury (48), who will direct operations against the Mau Mau terrorists, commanded airborne troops in Sicily and North Africa during the war, and led the 1st Airborne Division at Arnhem. He became Commandant of the Staff College, Camberley, in 1951.

The following appointments were announced at the same time: Lieut.-General Sir Maurice Chilton, G.O.C.-in-C., Anti-Aircraft Command, as Quartermaster-General to the Forces *vice* General Sir Ouvry Roberts; and Major-General E. M. Bastyan, G.O.C. 53rd (Welsh) Division, T.A., as Vice Adjutant-General at the War Office *vice* Major-General Lathbury.—(Times)

(Prev. rep. 13960 A; General Erskine, 13065 A.)

G. INDIA. — New Chief Justice.

Mr. Bijan Kumar Mukherjee, the senior judge of the Supreme Court, was sworn-in on Dec. 23 as Chief Justice of India in succession to Mr. Mahajan, who had retired from that office. (The Statesman, Calcutta - The Hindu, Madras) **(13373 E.)**

A. UNITED STATES. — President Eisenhower's State of the Union Message. - Appointment of Chairmen of Congressional Committees.

President Eisenhower delivered his annual State of the Union message to a joint session of the 84th Congress on Jan. 6. His principal proposals and recommendations were as follows

(1) The reduction of U.S tariff restrictions and other trade barriers, and continued aid to under-developed countries.

(2) Extension of the Selective Service Act, together with proposals designed to prevent the wastage of trained men and to build up the civilian reserves.

(3) The extension for a further two years of the Defence Production Act and part of the first War Powers Act of 1941 for expansion of industry in case of emergency.

(4) Removal of "injustices" in the McCarran - Walter Immigration Act.

(5) Revision of the Taft-Hartley Labour Act, as recommended in 1954.

(6) The raising of the minimum wage from 75 cents to 90 cents an hour, together with an expansion of its coverage.

(7) Adoption of a constitutional amendment to lower the voting age from 21 to 18, as recommended in 1954.

(8) Enactment of a Federal health reinsurance programme, as well as of a programme to improve medical care for those receiving public assistance.

(9) A new programme of Federal aid to education to help overcome the "unprecedented classroom shortage."

(10) Extension of the Small Business Act, due to expire in June 1955.

(11) A "substantial" increase in the salaries of members of Congress and of the judiciary, and pay increases for Federal employees.

(12) The granting of Statehood to Hawaii, with similar action later for Alaska, and the extension of voting rights to citizens of the District of Columbia.

(13) Creation of a Federal Arts Commission.

A summary of the President's speech is given below.

Introduction. "At the outset I believe it would be well to remind ourselves of this great fundamental in our national life: our common belief that every human being is divinely endowed with dignity and worth and inalienable rights. This faith, with its corollary—that to grow and flourish, people must be free—shapes the interests and aspirations of every American From this deep faith have evolved three main purposes of our Federal Government (1) to maintain justice and freedom among ourselves, and to champion them for others so that we may work effectively for enduring peace, (2) to help keep our economy vigorous and expanding, thus sustaining our international strength and assuring better jobs, better living, better opportunities for every citizen, and (3) to concern ourselves with the human problems of our people, so that every American may have the opportunity to lead a healthy, productive, and rewarding life. . Foremost among these broad purposes of government is our support of freedom, justice, and peace

It is of the utmost importance that each of us understands the true nature of the struggle now taking place in the world. It is not a struggle merely of economic theories, or of forms of government, or of military power At issue is the true nature of man Either man is the creature whom the Psalmist described as 'a little lower than the angels' . or man is a soulless, animated machine to be enslaved, used, and consumed by the State for its own glorification. It is, therefore, a struggle which goes to the roots of the human spirit, and its shadow falls across the long sweep of man's destiny This prize, so precious, so fraught with ultimate meaning, is the true object of the contending forces in the world."

International Affairs. "In the past year there has been progress justifying hope, both for continuing peace and for the ultimate rule of freedom and justice in the world Free nations are collectively stronger than at any time in recent years. Just as nations of this hemisphere, in the historic Caracas and Rio conferences, have closed their ranks against imperialistic Communism and strengthened their economic ties, so free nations elsewhere have forged new bonds of unity. Recent agreements between Turkey and Pakistan have laid a foundation for increased strength in the Middle East With our understanding support, Egypt and Britain, Yugoslavia and Italy, Britain and Persia, have resolved dangerous differences. The security of the Mediterranean has been enhanced by an alliance between Greece, Turkey, and Yugoslavia. Agreements in Western Europe have paved the way for unity to replace past divisions which have undermined Europe's economic and military vitality. The defence of the West appears likely at last to include a free, democratic Germany participating as an equal in the councils of NATO. In Asia and the Pacific, the Manila Pact supplements our treaties with Australia, New Zealand, the Philippines, Korea, and Japan, and our prospective treaty with the Republic of China. These pacts stand as solemn warnings that future military aggression and subversion against the free nations of Asia will meet a united response. The Pacific Charter, also adopted at Manila, is a milestone in the development of human freedom and self-government in the Pacific area. Under the auspices of the U.N. there is promise of progress in our country's plan for the peaceful use of atomic energy.

Today the world is at peace. It is, to be sure, an insecure peace. Yet all humanity finds hope in the simple fact that for an appreciable time there has been no active major battlefield on earth. This same fact inspires us to work all the more effectively with other nations for the well-being, the freedom, the dignity, of every human on earth These developments are heartening indeed, and we are hopeful of continuing progress But sobering problems remain

The massive military machines and ambitions of the Soviet Communist bloc still create uneasiness in the world All of us are aware of the continuing reliance of the Soviet Communists on military force, of the power of their weapons, of their present resistance to realistic armament limitation, and of their continuing effort to dominate or intimidate free nations on their periphery Their steadily growing power includes an increasing strength in nuclear weapons This power, combined with the proclaimed intentions of the Communist leaders to communize the world, is the threat confronting us today.

To protect our peoples from the catastrophe of a nuclear holocaust, free nations must maintain countervailing military power to persuade the Communists of the futility of seeking their ends through aggression If the Communist rulers understand that America's response to aggression will be swift and decisive—that never shall we buy peace at the expense of honour or faith—they will be powerfully deterred from launching a military venture engulfing their own peoples and many others in disaster This, of course, is merely world stalemate. But in this stalemate each of us may and must exercise his high duty to strive in every honourable way for an enduring peace

The military threat is but one menace to our freedom and security. We must not only deter aggression, we must also frustrate the efforts of the Communists to gain their goals by subversion. To this end free nations must maintain and reinforce their cohesion, their internal security, their political and economic vitality, and their faith in freedom. In such a world America's course is clear. We must tirelessly labour to make the peace more just and durable We must strengthen collective defence under the U N Charter, and gird ourselves with sufficient military strength and productive capacity to discourage resort to war and protect our nation's vital interests. We must continue to support and strengthen the United Nations At this very moment, by vote of the U N General Assembly, its Secretary-General is in Communist China on a mission of deepest concern to all Americans, seeking the release of our never-to-be-forgotten American aviators and all other U.N prisoners wrongfully detained by the Communist regime.

We must also encourage the efforts being made in the U N to limit armaments and to harness the atom to peaceful use We must expand international trade and investment, and assist friendly nations whose own best efforts are still insufficient to provide the strength essential to the security of the free world. We must be willing to use the processes of negotiation whenever they will advance the cause of just and secure peace to which the U S A and other free nations are dedicated."

Foreign Trade and Assistance. After referring to the necessity for a vigorous prosecution of information and educational exchange programmes, the President continued: "The recent economic progress in many free nations has been most heartening It promises us allies who are strong and self-reliant; it promises a growing market for the products of our mines, factories, and farms. But only through steady effort can we hope to continue this progress. Barriers still impede trade and the flow of capital needed to develop each nation's human and material resources. Wise reduction of these barriers is a long-term objective of our foreign economic policy—a policy of an evolutionary and selective nature, assuring broad benefits to our own and other peoples.

We must gradually reduce certain tariff obstacles to trade These actions should, of course, be accomplished by a similar lowering of trade barriers by other nations, so that we may move steadily toward greater economic advantage for all. We must further simplify Customs administration and procedures. We must facilitate the flow of capital and continue technical assistance, both directly and through the U.N., to less developed countries to strengthen their independence and raise their living standards. . "

Defence. The President pointed out that major U.S. national security programmes accounted for two-thirds of the entire Federal Budget and that 4,000,000 Americans—servicemen and civilians—were on the rolls of the defence establishment, but said that "many thousands of millions of dollars" of defence expenditure had been saved during the past two years by reorganization and economies. He then went on to enumerate the following "fundamentals" underlying the U.S. defence programme

"(1) A realistic limitation of armaments and an enduring, just peace remain our national goals. We maintain powerful military forces because there is no present alternative—forces designed for deterrent and defensive purposes alone, but able instantly to strike back with destructive power in response to an attack.

(2) We must stay alert to the fact that undue reliance on one weapon or preparation for only one kind of warfare simply invites an enemy to resort to another. We must, therefore, keep in our armed forces balance and flexibility adequate for our purposes and objectives.

(3) To keep our armed forces abreast of the advances of science, our military planning must be flexible enough to utilize the new weapons and techniques which flow ever more speedily from our research and development programmes. The forthcoming military budget therefore emphasizes modern air power in the Air Force, Navy, and Marine Corps and increases the emphasis on new weapons, especially those of rapid and destructive striking power. It assures

the maintenance of effective, retaliatory force as the principal deterrent to overt aggression It accelerates the continental defence programme and the build-up of ready military reserve forces It continues a vigorous programme of stockpiling strategic and critical materials and strengthening our mobilization base. The budget also contemplates the strategic concentration of our strength through re-deployment of certain forces. It provides for reduction of forces in certain categories and their expansion in others, to fit them to the military realities of our time. These emphases in our defence planning have been made at my personal direction after long and thoughtful study. In my judgment, they will give our nation a defence accurately adjusted to the national need

(4) Pending a world agreement on armament limitation, we must continue to improve and expand our supplies of nuclear weapons for our land, naval, and air forces, while at the same time continuing our encouraging progress in the peaceful use of atomic power.

(5) In the administration of these costly programmes, we must demand the utmost in efficiency and ingenuity. We must assure our people not only of adequate protection but also of a defence that can be carried forward from year to year until the threat of aggression has disappeared."

To help maintain this kind of armed strength and improve its efficiency, I must urge the enactment of several important measures in this session

The first concerns the Selective Service Act, which expires next June 30. For the foreseeable future, our standing forces must remain much larger than voluntary methods can sustain. We must therefore extend the statutory authority to induct men for two years of military service.

The second . . . concerns the rapid turnover of our most experienced servicemen. This process seriously weakens the combat readiness of our armed forces and is exorbitantly expensive. To encourage more trained servicemen to remain in uniform, I shall propose a number of measures to increase the attractions of a military career. These measures will include more adequate medical care for dependants, survivors' benefits, more and better housing, and selective adjustments in military pay and other allowances.

Thirdly, I shall present a programme to rebuild and strengthen the civilian components of our armed forces . . . designed to make better use of our manpower of military age. Because it will go far in assuring fair and equitable participation in military training and service, it is of particular importance to our combat veterans. In keeping with the historic military policy of our Republic, this programme is designed to build and maintain powerful civilian reserves immediately capable of effective military service in an emergency, in lieu of maintaining active duty forces in excess of the nation's immediate need "

Internal Security. " Maintenance of an effective defence requires continuance of our aggressive attack on subversion at home. In this effort we have, in the past two years, made excellent progress. F.B.I. investigations have been powerfully reinforced by a new internal security division in the Department of Justice; the security activities of the Immigration and Naturalization Service have been revitalized; an improved and strengthened security system is in effect throughout the Government; the Department of Justice and the F.B.I. have been armed with effective new legal weapons forged by the 83rd Congress.

We shall continue to ferret out and to destroy Communist subversion. We shall, in the process, carefully preserve our traditions and the basic rights of our citizens "

Civil Defence and Defence Production. " Our civil defence programme is also a key element in the protection of our country. We are developing co-operative methods with State Governors, mayors, and voluntary citizen groups, as well as among Federal agencies, in building the civil defence organization Its significance in time of war is obvious: its swift assistance in disaster areas last year proved its importance in time of peace.

An industry capable of rapid expansion, and essential materials and facilities swiftly available in time of emergency, are indispensable to our defence. I urge therefore a two-year extension of the Defence Production Act and of Title II of the first War Powers Act of 1941. These are cornerstones of our programme for the development and maintenance of an adequate mobilization base."

Bipartisan Policy. " . . . Our quest for peace and freedom necessarily presumes that we who hold positions of public trust must rise above self and section—that we must subordinate to the general good our personal pride and prejudice. Tirelessly, with united purpose, we must fortify the material and spiritual foundations of this land of freedom and of free nations throughout the world. As never before, there is need for unhesitating co-operation among the branches of our government

At this time the Executive and Legislative branches are under the management of different political parties. This fact places both parties on trial before the American people. In less perilous days of the past, division of government responsibility among our great parties has produced at times a paralysing indecision. We must not let this happen in our time. We must avoid a paralysis of the will for peace and international security.

In the traditionally bipartisan areas—military security and foreign relations—I can report that I have already had, from the leaders of this Congress, assurances of unreserved co-operation. Yet the strength of our country requires more than maintenance of mere military strength and success in foreign affairs; these vital matters are in turn dependent upon concerted and vigorous action in a number of supporting programmes.

I say therefore to the 84th Congress · In all areas basic to the strength of America, there will be—to the extent I can ensure them —co-operative, constructive relations between the Executive and Legislative branches of this government Let the general good be our yardstick on every great issue of our time."

The Economic Position. " Our efforts to defend our freedom and to secure a just peace are of course, inseparable from the second great purpose of our government: to help maintain a strong, growing economy—an economy vigorous and free, in which there are ever-increasing opportunities, just rewards for effort, and a stable prosperity that is widely shared

In the past two years, many important governmental actions helped our economy to adjust to conditions of peace; these and other actions created a climate for renewed economic growth. Controls were removed from wages, prices and materials Tax revisions encouraged increased private spending and employment Federal expenditures were sharply reduced, making possible a record tax cut.

These actions, together with flexible monetary and debt management policies, helped to halt inflation and stabilize the value of the dollar. A programme of co-operation and partnership in resource development was begun. Social security and unemployment insurance laws were broadened and strengthened. New laws started the long process of balancing farm production with farm markets. Shipbuilding and stockpiling programmes strengthened key sectors of the economy, while improving our mobilization base. A comprehensive new housing law brought impressive progress in an area fundamental to our economic strength, and closed loopholes in the old laws that permitted dishonest manipulations. Many of these programmes are just beginning to exert their main stimulating effect upon the economy generally and upon specific communities and industries throughout the country.

The past year—1954—was one of the most prosperous years in our history. Business activity now surges with new strength Production is rising Employment is high Towards the end of last year average weekly wages in manufacturing were higher than ever before Personal income after taxes is at a record level So is consumer spending. Construction activity is reaching new peaks Export demand for our goods is strong State and local government expenditures on public works are rising. Savings are high, and credit is readily available. So, today, the transition to a peace-time economy is largely behind us.

The economic outlook is good The many promising factors . . do not guarantee sustained economic expansion; however, they do give us a strong position from which to carry forward our economic growth If we, as a people, act wisely, within ten years our annual national output can rise from its present level of about $360,000,000,000 to $500,000,000,000, measured in dollars of stable buying power . . ."

Discussing some general economic problems, President Eisenhower went on: " Government efficiency and economy remain essential to progress towards a balanced budget More than $10,000,000,000 were cut from the spending programme first proposed in the Budget of Jan. 9, 1953. Expenditures of that year were $6,500,000,000 below those of the previous year. In the current fiscal year, Government spending will be nearly $4,500,000,000 less than in the fiscal year which ended last June. New spending authority has been held below expenditures, reducing Government obligations accumulated over the years. Last year we had a large tax cut and, for the first time in 75 years, a basic revision of Federal tax laws. It is now clear that defence and other essential Government costs must remain at a level precluding further tax reductions this year Although excise and corporation income taxes must, therefore, be continued at their present rates, further tax cuts will be possible when justified by lower expenditure and by revenue increases arising from the nation's economic growth. I am hopeful that such reductions can be made next year."

Development of Natural Resources. With regard to natural resources, the President said . " I believe that the nation must adhere to three fundamental policies: (1) to develop, wisely use and conserve basic resources from generation to generation; (2) to follow the historic pattern of developing these resources primarily by private citizens under fair provisions of law, including restraints for proper conservation; (3) to treat resource development as a partnership undertaking—a partnership in which the participation of private citizens and State and local governments is as necessary as Federal participation." This policy of partnership and co-operation was producing good results because it had encouraged local public bodies and private citizens to plan their own power sources, and the Federal Government and local and private organizations to co-ordinate their developments. Moreover, the Federal Government must shoulder its own partnership obligations by undertaking projects of such complexity and size that their success required Federal development. The 1956 Budget would recommend appropriations to start six new reclamation and more than 30 new Corps of Engineers projects of varying size.

" Although this partnership approach is producing encouraging results," the President declared, " its full success requires a nation-wide comprehensive water resources policy firmly based in law. Such a policy is under preparation and, when completed, will be submitted to Congress "

Transport and Public Works. " A modern highway system is essential to meet the needs of our growing population, expanding economy, and national security. We are accelerating our highway improvement programme as rapidly as possible under existing State and Federal laws and authorizations. However, this effort will not in itself assure our people an adequate highway system. On my recommendation this problem has been carefully considered by the

conference of State Governors and by a special advisory committee, composed of leading private citizens I have received the recommendations of the Governors' conference and will shortly receive the views of the special advisory committee Aided by their findings, I plan to submit . . . detailed recommendations which will meet our most pressing national highway needs.

In further recognition of the importance of transportation to our economic strength and security, the Administration, through a Cabinet Committee, is thoroughly examining existing Federal transportation policies to determine their effect on the adequacy of transportation services . Legislation will be recommended to correct policy deficiencies which we may find.

The nation's public works activities are tremendous in scope It is estimated that more than $12,000,000,000 will be expended in 1955 for the development of land, water and other resources; control of floods, and navigation and harbour improvements; construction of roads, schools, and municipal water supplies; and disposal of domestic and industrial wastes . . . Efficient planning and execution of the nation's public works require both the co-ordination of Federal activities and effective co-operation with State and local governments. The Council of Economic Advisers, through its public works planning section, has made important advances during the past year in effecting this co-ordination and co-operation In view of the success of these initial efforts, and to give more emphasis and continuity to this essential co-ordination, I shall request Congress to appropriate funds for the support of an Office of Co-ordinator of Public Works, in the Executive office of the President "

Agriculture. ". . . Through vigorous administration and new authority provided by the 83rd Congress, surplus farm products are now moving into consumption. From February 1953 to November 1954, the rate of increase of Government-held surpluses has been reduced by our moving into use more than $2,300,000,000 worth of Government-owned farm commodities; this amount is equal to more than 7 per cent of a year's production of all our farms and ranches. Domestic consumption remains high, and farm exports will be higher than last year As a result of the flexibility provided by the Agricultural Act of 1954 (see 13991 A) we can move towards less restrictive acreage controls.

Thus, farm production is gradually adjusting to markets, markets are being expanded, and stocks are moving into use. We can now look forward to an easing of the influences depressing farm prices, to reduced Government expenditures for purchase of surplus products, and to less Federal intrusion into the lives and plans of our farm people Agricultural programmes have been re-directed towards better balance, greater stability and sustained prosperity. We are headed in the right direction I urgently recommend to Congress that we continue resolutely on this road

Greater attention must be directed to the needs of low-income farm families. Twenty-eight per cent of our farm operator families have net cash incomes of less than $1,000 per year. Last year, at my request, careful studies were made of the problems of these farm people. I shall later submit recommendations designed to assure the steady alleviation of their most pressing concerns.

Because drought also remains a serious agricultural problem, I shall recommend legislation to strengthen Federal disaster assistance programmes . . ."

Small Business. " The prosperity of our small business enterprises is an indispensable element in the maintenance of our economic strength . . . I recommend that Congress extend the Small Business Act of 1953, which is due to expire next June."

Housing. " As part of our efforts to provide decent, safe and sanitary housing for low-income families, we must carry forward the housing programme authorized during the 83rd Congress We must also authorize contracts for a programme of 35,000 additional public housing units in each of the next two fiscal years This will meet the most pressing obligations of the Federal Government into the 1958 fiscal year, by which time the private building industry, aided by the Housing Act of 1954, will have had the opportunity to assume its full role in providing adequate housing for our low-income families."

Health. " . . . Constant advances in medical care are not available to enough of our citizens . . . Two fundamental problems confront us . (1) high and ever-rising costs of health services; (ii) serious gaps and shortages in these services.

By special message . . . I shall propose a co-ordinated programme to strengthen and improve existing health services. This programme will continue to reject socialized medicine It will emphasize individual and local responsibility. Under it the Federal Government will neither dominate nor direct, but serve as a helpful partner. Within this framework, the programme can be broad in scope. My recommendations will include a Federal health reinsurance service to encourage the development of more and better voluntary health insurance coverage by private organizations I shall also recommend measures to improve the medical care of that group of our citizens who, because of need, receive Federal-State public assistance. These two proposals will help more of our people to meet the costs of health services.

To reduce the gaps in these services, I shall propose: (*a*) new measures to facilitate construction of needed health facilities and help reduce shortages of trained health personnel; (*b*) vigorous steps to combat the misery and national loss involved in mental illness; (*c*) improved services for crippled children and for maternal and child health; (*d*) better consumer protection under our existing pure food and drug laws; (*e*) strengthened programmes to combat the increasingly serious pollution of our rivers and streams, and the growing problem of air pollution . . ."

Education. " . . Today we face grave educational problems. Effective and up-to-date analyses of these problems and their solutions are being carried forward through the individual State conferences and the White House conference to be completed this year However, such factors as population growth, additional responsibilities of schools, and increased and longer school attendance have produced an unprecedented classroom shortage. This is of immediate concern to all our people Positive, affirmative action must be taken now. Without impairing in any way the responsibilities of our States, localities, communities, or families, the Federal Government can and should serve as an effective catalyst in dealing with this problem. I shall forward a special message to Congress . . presenting a programme dealing with this shortage."

Juvenile Delinquency and Narcotic Addiction. "To help the States do a better and more timely job, we must strengthen their resources for preventing and dealing with juvenile delinquency. I shall propose Federal legislation to assist the States to promote concerted action in dealing with this nation-wide problem. I shall also carry forward the vigorous efforts of the Administration to improve the international control of the traffic in narcotics and in co-operation with State and local agencies, to combat narcotic addiction in our country."

Wages and Working Conditions. ". . During the past years, certain industrial changes and the readjustment of the economy to conditions of peace brought unemployment and other difficulties to various localities and industries These problems are engaging our most earnest attention But for the overwhelming majority of our working people, the past year has meant good jobs. Moreover, the earnings and savings of our wage-earners are no longer depreciating in value. Because of co-operative relations between labour and management, fewer working days were lost through strikes in 1954 than in any year in the past decade.

The outlook for our wage-earners can be made still more promising by several legislative actions:

(1) In the past five years we have had economic growth which will support an increase in the Federal minimum wage. In the light of present economic conditions, I recommend its increase to 90 cents an hour I also recommend that many others, at present excluded, be given the protection of a minimum wage.

(2) I renew my recommendation of last year for amendment of the Labour-Management Relations Act of 1947 [Taft-Hartley Act] . . I especially call to the attention of Congress amendments dealing with the right of strikers to vote in representation elections, and the need for equalizing the obligation under the Act to file disclaimers of Communist affiliation.

(3) The Administration will propose other important measures, including occupational safety workmen's compensation for longshoremen and harbour workers, and the 'eight-hour laws' applicable to Federal contractors Legislation will also be proposed respecting non-occupational disability insurance and unemployment compensation in the District of Columbia."

Federal Government Employees. The President stated that he would propose (1) a pay adjustment plan for Federal civilian employees outside the postal field service to correct inequities and increase individual pay rates; (2) voluntary health insurance on a contributory basis for Federal employees and their dependants; (3) a modern pay plan, including pay increases for postal field employees. As part of this programme, and to help eliminate the large annual postal deficit, he would renew his request for an increase in postal rates, and for the delegation of the fixing of rates to an impartial, independent body.

More adequate training programmes to equip career employees of the Government to render improved public service would also be recommended, together with improvements in the laws affecting employees serving on foreign assignments.

Increased Salaries for Congressmen and the Judiciary. "I also urge Congress to approve a long overdue increase in the salaries of members of Congress and of the Federal judiciary to a level commensurate with their heavy responsibilities."

Revision of Immigration Laws. " Two years ago I advised the Congress of injustices under existing immigration laws Through humane administration, the Department of Justice is doing what it legally can to alleviate hardships . . Certain provisions of law, however, have the effect of compelling action in respect of aliens which are inequitable in some instances and discriminatory in others. These provisions should be corrected in this session of Congress."

Statehood for Hawaii. " As the complex problems of Alaska are resolved, that territory should be expected to achieve statehood. In the meantime, there is no justification for deferring the admission to statehood of Hawaii. I again urge approval of this measure."

Extension of Suffrage. " We have three splendid opportunities to demonstrate the strength of our belief in the right of suffrage. (1) I again urge that a constitutional amendment be submitted to the States to reduce the voting age for Federal elections [i e. from 21 years to 18]. (2) I renew my request that the principle of self-government be extended and the right of suffrage granted to the citizens of the District of Columbia. (3) I again recommend that we work with the States to preserve the voting rights of citizens in the nation's services overseas."

Veterans' Benefits. " . . . We now have under study the system of benefits for veterans and for surviving dependants of deceased veterans and servicemen. Studies will be undertaken to determine the need for measures to ease the readjustment to civilian life of men required to enter the armed forces for two years of service."

Federal Encouragement of the Arts. "In the advancement of the various activities which will make our civilization endure and flourish, the Federal Government should do more to give official recognition to the importance of the arts and other cultural activities. I shall recommend the establishment of a Federal advisory commission on the arts within the Department of Health, Education and Welfare, to advise the Federal Government on ways to encourage artistic and cultural endeavour and appreciation. I shall also propose that awards of merit be established whereby we can honour our fellow citizens who make great contribution to the advancement of our civilization and of this country."

Improvement of Government Organization. ". . . I strongly recommend extension of the Reorganization Act and the law establishing the Commission on Inter-governmental Relations, both of which expire this spring. Thus Congress will assure continuation of the excellent progress recently made in improving Government organization and administration . . ."

When the new Congress assembled on Jan. 5, Senator Lyndon B. Johnson (Texas) was elected Democratic leader in the Senate and Senator William F Knowland (California) Republican leader. In the House of Representatives, Mr. Sam Rayburn (Democrat, Texas) was elected Speaker, Mr. John W. McCormack (Massachusetts) was elected Democratic leader, and Mr. Joseph W. Martin jr. (Massachusetts), the former Speaker, was elected Republican leader. The chairmen of the more important Congressional committees were subsequently named by the Democratic Party as follows:

Senate.

Foreign Relations, Senator Walter F. George (Georgia)
Finance, Senator Harry F. Byrd (Virginia).
Armed Services, Senator Richard B. Russell (Georgia).
Banking and Currency, Senator J. William Fulbright (Arkansas).
Appropriations, Senator Carl Hayden (Arizona)
Judiciary, Senator Harley M. Kilgore (West Virginia)
Rules and Administration, Senator Theodore F. Green (Rhode Island).
Agriculture, Senator Allen J. Ellender (Louisiana).
Government Operations, Senator John L. McClellan (Arkansas).

House of Representatives.

Foreign Affairs, Representative James P. Richards (South Carolina).
Armed Services, Representative Carl Vinson (Georgia).
Appropriations, Representative Clarence Cannon (Missouri)
Banking and Currency, Representative Brent Spence (Kentucky).
Rules, Representative Howard W. Smith (Virginia).
Judiciary, Representative Emanuel Celler (New York).
Agriculture, Representative Harold D. Cooley (North Carolina)
Government Operations, Representative William L. Dawson (Illinois).
Un-American Activities, Representative Francis E. Walter (Pennsylvania).
Ways and Means, Representative Jere Cooper (Tennessee)

Senator Wayne Morse (Independent), on whose vote the Democrats will rely for control of the new Senate, was nominated by the Democrats to the Foreign Relations and Banking Committees. Senator Alben Barkley, the former Democratic Vice-President, was nominated to the Foreign Relations and Finance Committees in virtue of his senior position in the Democratic Party; his recent election as the junior Senator for Kentucky would not normally have entitled him to a Committee appointment, as these appointments are customarily awarded on the basis of seniority as a Senator.—(New York Times - New York Herald Tribune) **(Prev. rep. 1954 Message, 13352 A; Committee Chairmen, 12701 A.)**

A. UNITED KINGDOM. — National Debt.

A White Paper issued on Nov. 1, 1954, gave the total National Debt of the U.K. as at March 31, 1954, as £26,583,032,762, representing an increase of £531,819,510 over the total of £26,051,213,252 as at March 31, 1953.

Of the total National Debt at March 31, 1954, £3,846,949,001 constituted Funded Debt, £11,500,000 was the estimated capital liability of Terminable Annuities, £4,819,365,000 represented the Floating Debt, £15,790,670,646 represented other internal Unfunded Debt, and £2,114,548,115 represented debt payable in external currencies (excluding debt arising out of the First World War). Total debt conversions effected in the year ended March 31, 1954, amounted to £1,340,892,992.

More than half of the net increase in the National Debt over the year was caused (*a*) by the issue of £243,593,078 of 3½ per cent Treasury Stock, 1979-81, when the Treasury assumed all liabilities in respect of British Iron and Steel 3½ per cent Guaranteed Stock under the Iron and Steel Act, 1953, and (*b*) by the issue of a further £47,405,713 Stock as compensation under the Coal Industry Nationalization Act, 1946.
(Treasury Press Office, London - Cmd. 9297)
(Prev. rep. National Debt, 13484 A.)

B. CHILE.—Governmental Crisis. - Congress revokes State of Siege imposed by President Carlos Ibañez. - Reorganization of Chilean Cabinet.

A governmental crisis arose in Chile towards the end of December when both Houses of the Chilean Congress repealed a decree, issued by President Ibañez on Sept. 20, imposing a state of siege after a series of strikes in the copper-mining industry.

From the middle of August onwards the copper-mining industry had been virtually paralysed by strikes arising out of the workers' demands for higher wages to meet the increased cost of living The Government, however, alleged that the strikes were fomented largely by Communist agitation, and on Sept. 20 imposed a state of siege—which meant, in effect, martial law—over all parts of the country with the exception of some of the southern provinces. The decree was issued by President Ibañez under a Constitutional provision empowering the President to take such action for the maintenance of law and order, if required, whenever the Chilean Congress was not in session The same Constitutional provision, however, laid down that any such action would need the subsequent approval of Congress Although the copper strikes were settled under an agreement of Oct. 2, which gave a 26 per cent wage increase to copper miners and certain other categories of workers, the state of siege nevertheless remained in force

The Chilean Congress, which had been reconvened in extraordinary session, voted on Dec 22 to repeal the state of siege on the ground that it was illegal The Chamber of Deputies also voted to impeach the Minister of the Interior (Señor Olavarria, who had succeeded General Parra in that post in November) for having declared in a broadcast that the state of siege would remain in force, irrespective of Congressional action, until the Supreme Court had given a ruling on whether or not the President's decree was valid. The Senate, by 23 votes to nine, repealed the stage of siege on the ground that the Government's powers under the "law for the internal security of the State" (see 13499 A) were sufficient to maintain public order.

The Congressional vote of Dec. 22 was followed by a deadlock for nearly a week, during which period the Government refused to revoke the state of siege. Señor Olavarria, accusing Congress of wishing to deprive the Government of its powers to maintain order, insisted that the Congressional decision was unconstitutional, and notified provincial governors that the state of siege would remain in force despite the Congress's action. The deadlock was resolved on Dec. 29, however, when the Government agreed to revoke the state of siege and the Chilean Congress agreed to withdraw its demand for the impeachment of Señor Olavarria.

The Cabinet thereupon tendered its resignation to President Ibañez on Dec. 30, and was re-formed on Jan. 6, 1955, with the following membership:

Sr. Sergio Recabarren, Interior; Sr. Osvaldo Koch, Foreign Affairs, Sr Francisco Cuebas, Finance; Sr. Rafael Tarud, Economy; Sr. Tobias Barros. Defence; Colonel Benjamin Vidala, Public Works, General Eduardo Yanez, Labour, Sr Arturo Zuñiga, Justice, Sr. Roberto Infante, Agriculture, Sr. Oscar Herrera, Education, Sr. Enrique Casas, Lands and Colonization

The new Cabinet, drawn mainly from the Agrarian Labour party, included several new Ministers, whilst some of the former Ministers took new portfolios—e.g., Sr. Osvaldo Koch, formerly Minister of Justice, succeeded Sr. Roberto Aldunate as Minister for Foreign Affairs. Señor Olavarria was not reappointed to the Cabinet.—(New York Times - New York Herald Tribune - Le Monde, Paris - Times)
(Prev. rep. Chile, 13697 D; 13499 A.)

C. SCOTLAND.—Appointment of New Lord Justice-General, Lord Advocate, and Solicitor-General.

It was announced on Dec. 24 that Lord Cooper, Lord Justice-General and President of the Court of Session of Scotland, had resigned because of ill-health, and that the Queen had approved the appointment of Mr. J. L. Clyde, Q.C., M.P., as his successor. Mr. Clyde, Conservative M.P. for Edinburgh North since 1950, had been Lord Advocate since 1951.

On Dec. 30 it was announced that Mr. W. R Milligan, Q.C., the Solicitor-General for Scotland, had been appointed Lord Advocate in succession to Mr. Clyde, and had also been appointed a Privy Councillor, whilst on Jan. 11 it was announced that Mr. William Grant, Q.C., had been appointed to succeed Mr. Milligan as Solicitor-General for Scotland. Mr. Milligan (56), who is not a member of Parliament, was adopted on Dec. 30 as Conservative candidate in the North Edinburgh by-election caused by Mr. Clyde's elevation to the Bench.
(The Scotsman, Edinburgh) **(Prev. rep. 11831 A.)**

D. PAKISTAN. — Cabinet Change.

It was announced in Karachi on Jan. 12 that Sardar Mumtaz Ali Khan, who joined the Pakistan Cabinet in December, had taken over the portfolio of Information and Broadcasting from Mir Ghulam Ali Talpur, who would retain the Education portfolio.—(Pakistan High Commissioner's Office, London)
(Prev. rep. 13972 A.)

A. ARGENTINA. — President Perón's Allegations against Roman Catholic Ecclesiastics. - Arrest of Priests. - Abolition of Church Control of Religious Education. - Legalization of Divorce and Prostitution.

In a broadcast on Nov. 10, 1954, President Perón accused a number of Roman Catholic priests and the Catholic Action organization (*Acción Católica Argentina*) of infiltrating into the trade unions, the universities, and other sections of the national life, and alleged that the Bishops of Córdoba, La Rioja, and Santa Fé were engaging in "intrigues" against the State. Whilst refraining from criticizing the Church as a whole, the President mentioned the names of 20 or 30 priests who, he alleged, had openly attacked the Government, and gave a warning that anyone who engaged in such activities would be imprisoned, irrespective of his position. The broadcast, made after discussions between President Perón and leaders of the *Peronista* party and the General Confederation of Labour, followed a campaign in the *Peronista* Press accusing a number of Roman Catholic ecclesiastics of attempted "infiltration" into State organizations.

About ten Roman Catholic priests were arrested in different parts of the country—mainly in Córdoba Province—during the following six weeks; most of them were subsequently released. On Nov. 14 a parish priest was arrested at Villa Maria (Córdoba Province) on a charge of "spreading false rumours," whilst on Nov 18 two of the priests mentioned in President Perón's broadcast were arrested on charges of having fomented public disturbances [The two priests—Fr. Bordagaray, spiritual adviser to the Catholic University Athenaeum at Córdoba, and Fr. Olmos, a parish priest in the same city, were subsequently sentenced to five days' detention.] On the same day (Nov. 18) the police raided students' clubs at the Universities of Córdoba and Santa Fe, seized a large quantity of literature and pamphlets, and arrested seven students.

Another priest (Fr Carboni) was arrested on Nov. 21 and sentenced to 30 days' imprisonment for preaching a sermon in the Church of San Rosa de Lima (Buenos Aires) in which he compared President Perón's treatment of the Church in Argentina with Hitler's persecution of the Catholics in Germany Forty-five professors, including five priests, were dismissed on Dec. 28 from Córdoba University on the orders of a special representative of President Perón

A pastoral letter signed by Cardinal Copello (Archbishop of Buenos Aires and Primate of Argentina) and a majority of the Argentine bishops was conveyed to the Foreign Minister (Dr. Remorino) on Nov. 23, and was read in all Roman Catholic Churches on the following Sunday. It expressed "astonishment" at the President's denunciation of the Bishops of Córdoba, La Rioja and Santa Fé, and also at the denunciation of a small number of priests, and asked for official information of the charges against these priests so that the ecclesiastical authorities could take any necessary action.

The pastoral letter said *inter alia*: "No priest can take part in the struggles of political parties without compromising the Church. Against atheistic and materialistic Communism, against divorce, and on the subject of lay schools and other vital questions, a priest cannot remain indifferent but must firmly and calmly defend eternal values Catholic Action, similarly, should remain outside and above the political parties . ."

A mass demonstration, organized by the *Peronista* party and the General Confederation of Labour, was held in Buenos Aires on Nov. 25 to protest against "clerical infiltration," and was addressed by President Perón, who declared that "no force in the world can control our government and place it in opposition to the people." Large crowds of *Peronista* supporters marched to the demonstration carrying banners bearing such slogans as '*Perón yes, priests no!*', '*No more religious teaching*,' and '*We want divorce*,' and police guards were stationed outside the residence of Cardinal Copello.

In defiance of a Government law banning demonstrations without official permission, a big counter-demonstration was held in the capital on Nov. 28 in which several thousand Catholics assembled outside the Cathedral and Cardinal Copello's residence to protest against the Government's anti-clerical policy. The demonstrators, who were not interfered with, chanted such slogans as '*Argentina is Catholic*' and '*Long Live the Pope*.'

Three measures directed, in effect, against the Roman Catholic Church were authorized by the Argentine Government during December: (1) a decree abolishing Church control of religious education in schools; (2) a Bill legalizing divorce; (3) a decree legalizing prostitution, which had been banned in Argentina for the past 18 years.

(1) A decree was issued by President Perón on Dec. 2 abolishing the Department of Religious Instruction in the Ministry of Education, and abrogating a law of 1947 under which the appointment of teachers had been made subject to prior approval by the Church. A preamble to the decree said that the 1947 law had become "inadequate, inefficient and onerous," and that it conflicted with the Government's "exclusive powers" under the Constitution to make educational appointments The funds hitherto made available to the Department of Religious Instruction were reassigned for school health purposes.

(2) A Bill legalizing divorce in Argentina (for the first time in the country's history) was passed through all its stages by both Houses of Congress on Dec 14, and was signed by President Perón on Dec. 22. Although both Houses passed the Bill on second reading without a division, the vote in the Chamber of Deputies was taken only after a stormy debate in which the Radical (Opposition) members walked out after having voted against the Bill's first reading. The legislation, which was sponsored by the *Peronista* party, amended the existing marriage law by declaring that either spouse, after obtaining an order of judicial separation, could request the judge to dissolve the marriage in order to enable both parties to remarry. Hitherto divorce had not been possible in Argentina, and divorces obtained abroad by persons married in the Argentine had not been recognized

(3) Prostitution, which had been banned in Argentina since 1936, was legalized under a decree of Dec. 30, signed by President Perón and all Cabinet Ministers, which authorized Provincial Governments, local authorities, and the municipality of Buenos Aires to open brothels and to report to the Ministry of the Interior on "the establishments concerned" The Ministry retained the right to refuse permits for the opening of such premises if it thought fit The decree, which involved the amendment of the "social prophylaxis" law of 1936 (under which prostitution and *maisons de tolerance* had been abolished), said that the re-opening of brothels was "an imperative necessity" because the 1936 law had led to a great increase in sexual crime and venereal disease.

The Vatican newspaper *Osservatore Romano*, in its issue of Dec. 23, said that the policy of the regime in Argentina had become "not repressive of slight abuses but oppressive of Catholicism, of the religious and moral freedom of the faithful, and of the rights of the Church." In a further article on Dec. 29, the *Osservatore* said that recent actions by the *Peronista* Government appeared to be "incompatible with the doctrine and rights of the Church," and that an apparent attempt was being made to "consecrate not only the principle of absolute separation between religion and politics" but also "the pre-eminence of 'reasons of State' over those of duty and religious conscience." In particular, the *Osservatore* protested against the legalization of divorce and the denial of the Church's right to participate in the education of the young.

(New York Times - New York Herald Tribune - Times - The Universe - Le Monde, Paris)

B. UNITED KINGDOM. — Book Production in 1954.

During 1954 a total of 19,188 titles, of which 5,846 were reprints or new editions, were issued by British publishers, both figures being the highest ever recorded in Britain. The 1954 figure was 931 greater than that of 1953 and 447 greater than that of 1952, the previous record year. Annual figures of British book-publishing since 1937 are as follows:

Year	Total	Reprints and New Editions
1937	17,137	5,810
1938	16,219	5,307
1939	14,904	4,493
1940	11,053	3,530
1941	7,581	2,326
1942	7,241	1,499
1943	6,705	1,201
1944	6,781	889
1945	6,747	921
1946	11,411	1,503
1947	13,046	2,441
1948	14,686	3,924
1949	17,034	5,110
1950	17,072	5,334
1951	18,066	4,938
1952	18,741	5,428
1953	18,257	5,523
1954	19,188	5,846

The biggest increases in 1954 were in children's books (1,966, against 1,590 in 1953) and educational books (1,680, against 1,365). In fiction, the biggest category, there was a decline from 4,301 titles in 1953 to 4,204 in 1954, compared with 5,097 in 1937. Books on art and architecture were more than double the pre-war figure, whilst books on politics were below, and those on sociology above, pre-war. (The Bookseller)

C. SPAIN. — Cultural Agreement with Germany.

It was announced in Bonn and Madrid on Dec. 15 that the Spanish and Federal German Governments had concluded a cultural agreement providing for the exchange of teachers and students, the establishment of University chairs for the study of the other country's language, history and institutions, and the holding of exhibitions, concerts, theatrical and cinematographic performances, etc. (Frankfurter Allgemeine Zeitung)

A. INTERNATIONAL BANK. — New Loans and Issues. - Ninth Annual Report. - Discussions on Convertibility and Overseas Investment Problems. - Governmental Support for International Finance Corporation.

In addition to the loan of $10,000,000 to the Industrial Credit and Investment Corporation of India (see 13974 A), the International Bank for Reconstruction and Development made the following loans in recent months (dates of announcement in parentheses) :

Austria. The equivalent of $12,000,000 in Italian lire and Swiss francs to the *Draukraftwerke* (Drava River Power Company) and the *Verbundgesellschaft* (Austrian Electric Power Company) to help finance the Reisseck-Kreuzeck hydro-electric power scheme which, when completed, will increase Austria's generating capacity by 112,000 kilowatts and enable more power to be supplied to northern Italy. The loan—the first to be made to Austria by the International Bank—was guaranteed by the Austrian Government. Terms : 3¾ per cent p.a. interest, plus 1 per cent p.a. commission, repayable within 25 years starting on July 15, 1959 (July 19, 1954).

Belgium. It was announced on Dec. 15 that, in a combined operation which would be the first of its kind the Belgian Government would borrow $50,000,000, of which $30,000,000 would be issued in international markets and $20,000,000 would be lent by the International Bank. The loan would help to finance the modernization of Belgium's inland waterways and the port of Antwerp. Terms of the Bank loan : 3⅝ per cent p.a. interest, plus 1 per cent p.a. commission, repayable within 15 years starting on Feb. 15, 1965.

The public issue would be offered by an underwriting group of 71 U.S. investment firms and banks headed by Morgan Stanley and Co. and Smith, Barney and Co.; apart from that sold to U.S. investors, a substantial portion of the issue would be sold to foreign dealers in Belgium, the Netherlands, Switzerland, Britain, etc. It would be divided by maturities as follows : $5,000,000 of 3-year 3⅜ per cent, $5,000,000 of 4-year 3½ per cent, and $5,000,000 of 5-year 3⅝ per cent bonds, all offered at par, and $15,000,000 of 10-year 4 per cent sinking fund bonds, offered at 99½ per cent.

Ceylon. The equivalent of $19,110,000 in various currencies to the Ceylon Government to enable it to start the second stage of the Aberdeen-Laksapana hydro-electric scheme for power supply to south-western Ceylon. Terms : 3¾ per cent p.a. interest plus 1 per cent p.a. commission, repayable within 25 years beginning on Jan. 15, 1959. (June 18, 1954).

Colombia. $5,000,000 to the *Caja de Credito Agrario, Industrial y Minero*, an autonomous credit institution, which will place orders for agricultural machinery on behalf of established distributors who will subsequently sell the machinery at reasonable prices to farmers, co-operatives, etc. The Bank of the Manhattan Company and the First National Bank of Boston participated in the loan, without the International Bank's guarantee, to the extent of $2,000,000 and $1,000,000 respectively. Terms of the loan, which was guaranteed by the Colombian Government : 3½ per cent p.a. interest, plus 1 per cent p.a. commission, repayable within 7 years beginning on May 15, 1957. (Dec. 30, 1954).

El Salvador. $11,100,000 to the Government of El Salvador to cover the foreign exchange costs of completing the "all-weather" road extending along the Pacific Coast from the Guatemalan border to the port of La Union, on the Gulf of Fonseca. Terms : 3½ per cent p.a. interest, plus 1 per cent p.a. commission, repayable within 12 years starting on April 15, 1959. (Oct. 12, 1954).

France. $7,500,000, guaranteed by the French Government, to the *Office central des chemins de fer de la France d'outre-mer* for the purchase of 69 diesel locomotives and the improvement of other facilities on the French West African railways. J. P. Morgan and Co., the U.S. bankers, participated in the loan, without the International Bank's guarantee, to the extent of $609,000. Terms : 3½ per cent p.a. interest, plus 1 per cent p.a. commission, repayable within 12 years starting on Dec. 1, 1956. (June 10, 1954).

India. $16,200,000 to help finance the foreign exchange costs of a thermal electric power plant designed to relieve the power shortage in Bombay and surrounding industrial areas. The loan, which was guaranteed by the Indian Government, was made to the Tata Hydro-electric Power Supply Co., the Andhra Valley Power Supply Co., and the Tata Power Co., and $1,364,000 of the total was supplied by the National City Bank of New York without the International Bank's guarantee. Terms : 3¾ per cent p.a. interest, plus 1 per cent p.a. commission, repayable within 20 years starting on Oct. 15, 1958. (Nov. 20, 1954).

Mexico. $61,000,000, guaranteed by the Mexican Government, to the Pacific Railroad of Mexico for its modernization programme, estimated to cost $80,000,000. The Bank of the Manhattan Company and the Chemical Bank and Trust Company participated in the loan, without the International Bank's guarantee, to the extent of $2,420,000. Terms : 3⅝ per cent p.a. interest, plus 1 per cent p.a. commission, repayable within 15 years starting on June 1, 1959. (Aug. 24, 1954).

Pakistan. £5,000,000 to the Sui Gas Transmission Company (see 13442 A). Six British banks—the Chartered Bank of India, Australia and China, the Eastern Bank, Grindlay's Bank, Lloyds Bank, the the Mercantile Bank of India, and the National Bank of India—agreed to participate in the loan, without the International Bank's guarantee, to the extent of $1,806,000. The loan was guaranteed by the Pakistani Government. Terms : 3¾ per cent p.a. interest, plus 1 per cent p.a. commission, repayable within 20 years beginning on Aug. 1, 1956. (June 3, 1954).

Peru. $5,000,000 to the *Banco de Fomento Agropecuario del Peru* (a government institution for providing agricultural credits and other help to agriculture) to increase its lending facilities and to finance imports needed to stimulate Peruvian agricultural production. The New York Trust Company participated in the loan, without the International Bank's guarantee, to the extent of $748,000. Terms : 3½ per cent p.a. interest, plus 1 per cent p.a. commission, repayable within 8 years starting on Aug. 1, 1957 (Nov. 13, 1954).

Mr. Eugene Black, the president of the International Bank, stated on Aug. 12 that money was flowing back into the Bank so freely that it had been decided not to proceed with a further bond issue on the U.S. capital market as had originally been intended for the autumn of 1954. Mr. Black explained that money was being recovered in three main ways : (1) by amortization payments on loans ; (2) by pre-payments such as that by the Netherlands (see below) ; and (3) by selling to private investment institutions parts of the International Bank's loan portfolio. In this last connexion, he said that $41,487,965 worth of loans (most of them maturing in 1-5 years) had been sold to private investors, $8,286,198 bearing the guarantee of the Bank and the rest without guarantee.

It had been announced on Aug. 12 that the Netherlands Government had redeemed $52,215,000 and 12,498,000 Belgian francs of the balance of $190,362,000 still outstanding on the $195,000,000 loan received from the International Bank in 1947 (see p. 11596). Since these pre-payments covered the longest maturities of the loan, the Netherlands Government thereby saved interest of over 8,000,000 guilders a year.

On Sept. 16 it was announced that K.L.M. (Royal Dutch Airlines) would repay the balance of $5,600,000 of the $7,000,000 loan received in 1952 (see 12129 B) by means of a new four-year loan concluded with two New York banks (the Chase National Bank and the National City Bank), each of which was re-financing $2,800,000.

The ninth annual report of the International Bank (covering its activities for the year ended June 30, 1954), which was published on Sept. 25, gave total lendings of the bank since its inception as $1,914,000,000. The distribution of this total (less $40,000,000 cancelled or refunded), according to geographical area and purpose, was as follows :

(In million dollars)

Purpose	Asia and Middle East	Africa	Australasia	Europe	Western Hemisphere	Total
Reconstruction	—	—	—	497	—	497
Electric power	63	88	33	35	290	509
Transport	86	71	74	63	103	397
Communications	2	—	—	—	24	26
Agriculture and forestry	47	—	71	29	20	167
Manufacture and mining	32	—	26	90	20	168
General development	2	40	—	68	—	110
Total	232	199	204	782	457	1,874

The following issues and sales of bonds were recently made by the International Bank :

(1) Can.$25,000,000 3½ per cent 15-year bonds were offered for public subscription on the Canadian market at 99¼ per cent on June 15 by an underwriting syndicate of 27 Canadian banks and investment firms, headed by A. E. Ames and Co. Ltd., Wood, Gundy and Co. Ltd., and the Dominion Securities Corporation Ltd.

(2) 40,000,000 guilders 3½ per cent bonds, repayable in 10 equal annual instalments as from 1960, were offered at par for public subscription in the Netherlands on July 12 by an underwriting syndicate of 14 Dutch banks headed by the *Nederlandse Handels Maatschappij*.

(3) £5,000,000 3½ per cent 1969-74 bonds were offered for public subscription in Britain at 98 per cent on July 21 by a group of merchant banks headed by Baring Brothers and Co.

(4) The International Bank announced on Sept. 20 that it had sold $50,000,000 2½ per cent Five-year Bonds to private investors in 23 countries outside the U.S.A. This was the first time that an issue of International Bank dollar bonds had been sold exclusively outside the United States.

The ninth annual joint meeting of the International Monetary Fund and the International Bank was held in Washington from Sept. 24-29, being attended by delegates from the 57 member-nations. The chief topic of discussion was the possibility of restoring convertibility.

Whereas **Dr. Erhard** (the West German Minister for Economic Affairs) claimed that conditions for restoring convertibility had never been so favourable as at present, **M. Faure** (the French Finance Minister) contended that the basic requirements had not yet been attained, whilst the South African delegate described convertibility as "a will-o'-the-wisp until the price of gold is brought into line with the general price level."

Mr. R. A. Butler (the British Chancellor of the Exchequer), speaking "as what is known as the banker for the sterling area and as one who realizes that sterling finances about half of the world's trade" emphasized that a mood of the utmost responsibility was essential in deciding upon such a great concept as convertibility, and pointed

out that there were certain factors—such as U S aid, U S military expenditure overseas (including offshore purchases), and continued European discrimination against dollar imports—which could not be regarded as durable and lasting. Although the official gold and dollar reserves of countries outside the U.S.A. had risen by $3,500,000,000 between December 1951 and March 1954, these reserves amounted in many instances to only a small proportion of the total annual imports, and were in general still inadequate to support by themselves a decisive move forward to convertibility. In his view, some more stable factors, such as increased production in certain countries, increased opportunities for trading and more willingness to invest overseas—were required. The British Government believed that the I.M.F. would have many opportunities to play a constructive role in the movement towards convertibility, and Mr. Butler suggested that the executive directors should be asked to study the I.M.F.'s role in the more permanent arrangements which would lie ahead.

Mr. George Humphrey (U.S. Secretary of the Treasury) gave an assurance that his Government was determined to implement its liberal trade programme, but pointed out that it would have to be based on "the most efficient use of capital and resources consistent with our national security and interests," and on the maintenance of a high level of domestic economic activity. "We shall continue," he added, "to do our part in trade, in financial support, and in other ways, in the movement towards healthier and freer trade and payments under the programme set forth by the President in his March 30 message to our Congress" (see 13590 A).

In a discussion of investment problems, both **Mr. Butler** and **Mr. Humphrey** reiterated that, apart from an attractive return on capital, private investors sought an assurance that the host country would be willing to allow the remittance of profits and the repatriation of capital.

Before leaving Washington, Mr. Butler spoke again of international investment and the prospects of convertibility in an address to the National Press Club.

Calling for more American investment in under-developed territories and a more liberal U.S. trade policy, Mr. Butler said: "We in Britain are placing about 1½ per cent of our national income in fresh investment overseas. If you were to do this much, then the sum would be no less than $5,000,000,000 (£1,785,700,000) a year. One-and-a-half per cent of your national income for overseas investment and one per cent of your market for manufactured goods—these are not figures which would make your giant economy shiver." There were, he thought, five sectors in which "hard work had to be done" before convertibility could be achieved: (1) Europe—where convertible and inconvertible currencies had to be reconciled; (2) the sterling area—where progress in perfecting internal policies had to be consolidated; (3) the United States—where President Eisenhower's trade liberalization policies had to be carried forward, (4) the I.M.F.—which should develop more elastic credit policies, (5) GATT—where the task of reviewing and confirming a code of international trade rules had to be accomplished.

Although the International Bank stated in its report that the proposal to set up an International Finance Corporation for helping under-developed areas had made no progress during the year, Mr. George Humphrey announced only a few weeks later (on Nov. 11, 1954) that the U.S. Government would seek Congressional approval for U.S. participation in the Corporation. Mr. Butler likewise stated in the House of Commons on Dec. 2 that, subject to certain conditions, the British Government would be ready to seek Parliamentary approval for U.K. participation. (International Bank, Washington - New York Times - Financial Times) **(Prev. rep. 13544 D.)**

A. UNITED KINGDOM. — Agricultural Industry. - Wage Increases for Farm Workers.

The Agricultural Wages Board, on Jan. 5, 1955, confirmed the proposals made on Dec. 1, 1954, to increase the minimum wages of adult male farm workers by 7s. weekly to £6. 7s. for a 47-hour week, and to increase the wages of women farm-workers by 5s. to £4. 16s. (except in four areas where women's wages were related to a 40-hour week and the minimum would be £4. 10s. weekly). Proportionate increases were granted in overtime, juvenile, and casual workers' rates. The increases, which will come into force on Jan. 24, 1955, and will affect about 618,000 farm workers, were expected to add about £12,000,000 yearly to the agricultural industry's wages bill.

On June 14, 1954, the Board had rejected a claim by the National Union of Agricultural Workers for "substantial" wage increases, and on Dec. 1 had rejected a further claim for an increase of £1 weekly to bring the weekly minimum for adult males up to £7. The workers' side (which claimed that farm workers' pay was dropping behind that of industrial workers, with the result that there was "a serious drift from the land") thereupon put forward the proposal for a 7s. increase, which was carried against the opposition of the employers' side and with the support of the independent members of the Board.

Weekly increases of 8s. (men) and 5s. (women) for Scottish farm workers, effective from Feb. 14, 1955, were approved by the Scottish Agricultural Wages Board on Dec. 13, 1954. (Times - Daily Telegraph - The Scotsman, Edinburgh) **(Prev. rep. Farm Wages, 13128 A.)**

B. FRANCE.— M. Schneiter succeeds M. Le Troquer as President of National Assembly. - Re-election of MM. Monnerville, Sarraut, and Roche to Presidencies of Council of the Republic, Assembly of the French Union, and Economic Council.

The French National Assembly met on Jan. 11 to elect its President for 1955, five candidates being nominated. M. André Le Troquer (Socialist), the outgoing President, M. Pierre Schneiter (M.R.P.), M. Robert Bruyneel (Independent *Paysan*), M. Gaston Palewski (Social Republican), and M. Marcel Cachin (Communist). M. Schneiter was elected on the third ballot, the voting being as follows:

	First ballot	Second ballot	Third ballot
M. Schneiter	103	226	232
M. Le Troquer	150	192	158
M. Cachin	87	88	86
M. Bruyneel	101	—	—
M. Palewski	70	—	—
Others	14	8	—

Under the rules governing the election of a President of the Assembly, an absolute majority of those voting is required for the first two ballots only, a simple majority being sufficient on the third. After the first ballot, which was indecisive (the necessary votes required being 263), MM. Bruyneel and Palewski announced that they would withdraw their candidatures, whilst M. Cachin announced that the Communists would refuse to give their votes to M. Le Troquer (as they had done in 1954) because of the Socialist Party's support for M. Mendès-France's policy in the recent debate on the ratification of the Paris agreements. On the second ballot M. Schneiter, though moving into first place, still failed to obtain the absolute majority required (258 votes), but on the third ballot he was successful owing to the Communists' continued support of M. Cachin's candidature.

M. Schneiter (49) served in the French Air Force in 1939-40 and, after the fall of France, organized one of the resistance movements together with his brother André, who was later killed by the Gestapo. Appointed Under-Prefect of Reims (his birthplace) after the liberation, he has been a member of the two Constituent Assemblies, and of the National Assembly since 1945. He was an Under-Secretary for Foreign Affairs in the Gouin and Bidault Governments of 1946, and State Secretary for German and Austrian Affairs in the first Schuman Cabinet of 1947-48, before becoming Minister of Public Health and Population—a post which he held uninterruptedly from July 1948 to August 1951 in the André Marie, Schuman, Queuille, Bidault, and Pleven Cabinets. In December 1953 M. Schneiter was appointed by the Committee of Ministers of the Council of Europe to investigate, and seek practical solutions for, the problems of refugees and over-population in Western European countries (see 13404 A). A member of the Assembly's Foreign Affairs Commission, he abstained in the recent ratification debate on the Paris agreements.

M. Gaston Palewski (Social Republican) was re-elected senior vice-president of the Assembly, the other vice-presidents being M. Robert Lacoste (Socialist), M. André Mercier (Communist), M. Jules-Julien (Radical), M. Godin (A.R.S.-Dissident Gaullist), and M. Robert Bruyneel (Independent *Paysan*). All had been vice-presidents in 1954 except M. Lacoste, who succeeded M. Raymond-Laurent (M.R.P.).

M. Gaston Monnerville (Radical) was re-elected President of the Council of the Republic on the same date, whilst M. Albert Sarraut (Radical Socialist) was re-elected President of the Assembly of the French Union and M. Emil Roche (Radical Socialist) President of the Economic Council. Both M. Monnerville and M. Sarraut were opposed by Communist candidates.—(Le Monde, Paris - Le Figaro, Paris) **(Prev. rep. 13359 A.)**

C. PAKISTAN.—Ending of Rice Rationing. - Abolition of Rationing in East Bengal.

The Pakistani Food Minister (Mr. Pathan) announced on Nov. 22, 1954, that, in view of the improvement in the country's food position, all controls on the price, purchase, and sale of rice would be lifted, as well as all restrictions on the movement of rice inside Pakistan, excluding the border areas. Exports of rice from West Pakistan would be free, subject to checks to be exercised by the Pakistan State Bank, although exports of each variety would be allowed only up to an exportable surplus assessed by the Ministry of Food, and solely against cash. Rice exports from East Pakistan would remain controlled. The East Bengal Commissioner of Civil Supplies (Mr. Bakar) announced in Dacca on Nov. 27 that rationing would be completely abolished in the Province from Dec. 13, and that the Civil Supplies Department would be wound up by March 31, 1955.—(Pakistan High Commissioner's Office, London) **(Prev. rep. Food Position, 12887 A; East Bengal, 13746 A.)**

A. NATIONALIST CHINA. — Mutual Security Treaty with the United States. - Further Coastal Clashes with Communist Forces. - Loss of Nationalist Destroyer. - Seizure of Soviet and Polish Vessels.

The signing of a mutual security treaty between the United States and the Chinese Nationalist Government in Formosa was announced in Washington on Dec. 1, the following statement being issued :

" The treaty will follow the general pattern of other security pacts which the United States has concluded in the Western Pacific. The treaty will recognize the common interest of the parties in the security of Taiwan (Formosa) and the Pescadores, and of the Western Pacific islands under the jurisdiction of the United States. It will provide for inclusion by agreement of other territories under the jurisdiction of the parties It is directed against threats to the security of the treaty area from armed attack. and provides for continuing consultation regarding any such threat or attack

" This treaty will forge another link in the system of collective security established by the various collective defence treaties already concluded between the U.S A. and other countries in the Pacific area. Together these arrangements provide the essential framework for the defence by the free peoples of the Western Pacific against Communist aggression. Like the other treaties, this treaty between the United States and the Republic of China will be defensive in character. It will reaffirm the dedication of the parties to the purposes and principles of the U.N. Charter "

Mr. Dulles, the U.S. Secretary of State, answered questions about the implications of the treaty at a press conference on the same day.

Asked if an attack on Formosa by the Chinese Communists would be followed by a state of war with the U.S.A , Mr. Dulles replied that " that would be the probable result." As regards a possible Communist invasion of Quemoy and other offshore islands, Mr. Dulles drew attention to President Eisenhower's statement (see 13785 A) that the position would have to be considered in the first instance by the U.S military authorities, after which the President would make the final decision. Asked how the treaty changed the *status quo* in the Formosa area, Mr Dulles replied that as far as treaty relationships were concerned, Formosa and the Pescadores would now be placed in the same category as South Korea, the Philippines, Australia, and New Zealand. Replying to other questions, Mr. Dulles said that the U.S.A. would not automatically include in the treaty's protective area any part of mainland China which might be invaded and held by the Chinese Nationalists

President Eisenhower sent a special message to the U.S. Senate on Jan. 6 asking it to give " early and favourable consideration " to the mutual defence treaty, which was designed to " deter any attempt by the Chinese Communist regime to bring its aggressive military ambitions to bear against the treaty area."

The following statement on the treaty was made to the British House of Commons on Dec 8 by the Foreign Secretary, Sir Anthony Eden ·

" H.M. Government have been kept generally informed in recent weeks of the U.S. Government's intentions in this matter H.M. Government are satisfied that the treaty is in fact purely defensive, and that its object is to place relations between the U.S. Government and the Nationalist Chinese on such a basis as will result in a closer degree of consultation. No special representations have been made to the U.S. Government. Our views were made clear in the course of our consultations with them about the situation in the Far East." In reply to questions, Sir Anthony made it clear that Britain was in no sense a party to the treaty.

A denunciation of the treaty, coupled with a warning that the U.S. Government would be responsible for " all the grave consequences " if it did not withdraw its armed forces from Formosa and other Nationalist-held islands, was issued on Dec. 8 by Mr. Chou En-lai, Prime Minister of the Chinese People's Republic.

After condemning the treaty as " a warlike provocation against the People's Republic of China," Mr. Chou declared · " By this treaty the U.S. Government attempts to legalize its armed seizure of Taiwan (Formosa) and, with Taiwan as a base, to extend its aggression against China and prepare a new war. The liberation of Taiwan and the liquidation of the traitorous Chiang Kai-shek clique is a matter which falls entirely within the scope of China's sovereignty, and no interference by any foreign country will be tolerated . . . The Chiang Kai-shek clique has no authority whatsoever to conclude any treaty with any country. The ' mutual security treaty ' between the U.S A. and Chiang Kai-shek has no legal basis whatever, and is null and void . . ."

The Soviet Government issued a statement on Dec. 15 condemning the treaty as " an interference in the internal affairs of China " ; supporting " the demands of the Chinese People's Republic for the withdrawal of American troops from Formosa and the Pescadores " ; and expressing its " understanding " of " the determination of the Chinese people to liberate Formosa and the Pescadores, which are an integral part of Chinese territory."

The Nationalist-held Tachen Islands (off the Chekiang coast, about 200 miles north of Formosa) were heavily raided by Communist aircraft from Nov. 1-4, 1954, and on Jan. 10, 1955. The attack on the latter date was carried out by over 60 bombers and fighter-bombers (two of which were claimed by the Nationalists to have been shot down), causing considerable damage and a number of civilian casualties. During the last three months of 1954 the Nationalist Air Force carried out attacks from time to time on Communist batteries, supply dumps, etc., on the Chekiang and Fukien coasts, whilst intermittent artillery duels continued between Nationalist batteries on Quemoy Island and Communist batteries on the Chinese mainland. On Nov. 14 the Chinese Nationalist destroyer-escort *Tai Ping* (1,400 tons) was sunk by four Communist torpedo-boats near the Tachen Islands, about 40 of her crew of 200 being lost. The *Tai Ping*, the largest Nationalist warship so far sunk by the Communists, was one of six destroyer-escorts handed over to China by the United States after the Second World War.

A strong protest at the seizure of a Soviet tanker by the Chinese Nationalists was made by the Soviet Government on June 24, 1954, to the U.S. Government, whilst similar protests were made by Poland in October and November regarding the seizure of two Polish merchant ships by the Nationalist authorities.

The Soviet Note said that the Soviet tanker *Tuapse*, with a cargo of paraffin oil, had been stopped on the high seas south of Formosa on June 23 by " a naval vessel of destroyer type " and had been compelled to change course under threat of armed action, the subsequent fate of the vessel and its crew being unknown. After declaring that it was " obvious that the seizure of a Soviet tanker in waters controlled by the U.S. Navy could only be carried out by naval forces of the United States," the Note demanded the immediate return of the *Tuapse* and her crew, the punishment of " the American officials involved," and measures to prevent " a repetition of such actions, which flagrantly violate the freedom of shipping on the high seas." The U S. Government s reply, presented on June 26, rejected " as completely without foundation the allegation that U S. naval forces seized or otherwise interfered with the Soviet tanker in question."

The Chinese Nationalist Government announced on June 26 that the *Tuapse* had been stopped by a Nationalist warship while bound for the " Communist bandit " port of Shanghai, and had been brought into a Formosan harbour The seizure of the vessel was justified on the ground that she was attempting to ship oil to Communist China in defiance of the Nationalist blockade.

The Nationalist Government further announced on Oct 15 that it had confiscated the 8,000-ton Polish tanker *Praca* and would probably confiscate the 5,000-ton Polish freighter *Prezydent Gottwald*. [The former vessel had been seized earlier in October, and the latter in May, while carrying cargo to or from Communist China] It was stated in Washington on Oct. 17 that the U S State Department had requested the Department of Justice to allow 23 Polish seamen from the *Praca* and the *Prezydent Gottwald* to enter the U S A. as political refugees at their own request.

The Polish Government presented Notes to the U S A. on Oct. 12, Oct. 26 and Nov. 20 protesting at the " forcible detention " of the *Praca* and *Prezydent Gottwald* by the Chinese Nationalists, and declaring that these vessels had been the victims of " piratical assaults committed by units of the Chiang Kai-shek clique subordinated to the United States." After declaring that the crew of the *Prezydent Gottwald* had for the last six months " been imprisoned and denied the right to return to their homeland and families," the Note of Nov. 20 protested at " the recruitment, by the help of moral pressure and terror, of a group of Polish sailors and their transportation to the U.S.A. for the purpose of using them as obedient tools in anti-Polish propaganda." The Note demanded the return of both vessels, with their crews and cargoes, and the punishment of those responsible for their detention.

The U S. Government, in its reply (Dec 8). dissociated itself completely from the seizure of the two Polish ships, and from the decision of the 23 sailors to seek asylum in the United States. It suggested that the Polish Government should enter into direct diplomatic negotiations with the Chinese Nationalist Government on this matter, through diplomatic channels.

The Soviet Government, on Aug. 4, 1954, drew the U.S. Government's attention to the fact that American planes had on several occasions flown over Soviet ships in the Formosan area at a " provocatively " low level, and asked that such " impermissible " practices should cease. The U.S. reply, delivered on Nov. 29, said that the incidents mentioned apparently referred to " the identification by U.S. naval aircraft of commercial vessels operating on the high seas around the island of Formosa." It denied that such identification procedure was in any way illegal or a violation of international law, and said that it was made in order to detect the presence of ships which might be hostile to the U.S. Seventh Fleet.—(New York Times - New York Herald Tribune - Times)

(Prev. rep. Formosa, 13785 A.)

A. SOVIET UNION. — M. Malenkov on International Problems. - Replies to U.S. Correspondent.

The Soviet News Agency (Tass) gave the text on Jan. 1 of replies made by M. Malenkov, Prime Minister of the U.S.S.R., to a series of questions put to him by Mr. Charles E. Schott, manager of the Washington Bureau of Telenews Production Inc (an American television newsreel agency).

Q. "What is the best way of maintaining peace between our two countries?"

A. "The maintenance of peace between the U S S R and the U S A. requires, in the first place, that both sides should sincerely desire peace and strive for it, and that in their relations they should start from the possibility and need of peaceful co-existence with each other, on the basis of their legitimate mutual interests. The Soviet Union, guided by these principles, is ready to do everything in its power to ensure firm and lasting peaceful relations between the U.S.S.R and the U S A and is ready to settle existing differences on the assumption that similar readiness will also be displayed by the United States."

Q. 'What, in your opinion, is the chief cause of the tension between the Soviet Union and the United States?"

A. "The chief cause of tension is the policy of certain American circles aimed at re-establishing a revenge-seeking West German army, at an arms drive, and the creation of a network of American military bases around the Soviet Union and other peace-loving States—a policy which can be regarded in no other light than as preparation for a new war. At present the threat to peace and the war danger are growing through the fault of the Western Powers, which have concluded the London and Paris agreements. In order to remove tension in the relations between the U.S S R and the U.S.A., and to establish a firm foundation for peaceful co-operation between our countries, it is essential that an end should be made to the policy of re-establishing German militarism—a militarism which has brought incalculable calamities upon mankind—and that the arms drive should be ended and a stop put to the policy of encircling the peace-loving States with military bases"

Q. "Would you welcome diplomatic talks on the settlement of existing differences in the Far East?"

A. Yes, talks between the States concerned in the settlement of Far Eastern questions should be welcomed The experience of the Geneva Conference, in which the People's Republic of China took part together with other Powers, shows that such talks yield good results."

Q. "What are your views on the question of international control over atomic weapons, and do you think it possible to work out a successful plan acceptable to all the parties concerned?"

A. "The U S S.R. stands for the unconditional prohibition of atomic weapons, for their complete removal from the armaments of States, and for the establishment of strict international control over the fulfilment of the agreement"

Q. "Would you welcome diplomatic talks that would lead to a conference between the heads of the Governments of France, Great Britain, the Soviet Union, and the United States?"

A. "On this question it should first of all be said that the U.S A., Britain and France have recently been doing everything to prevent a satisfactory solution of the question of a conference of the heads of Governments of the four Powers. It is well known that the three Western Powers are trying to reach a separate settlement of very important international questions—those relating to Germany in the first instance. Is it not clear that it is impossible to follow such a policy and at the same time to spread illusions among the peoples regarding a four-Power conference? The gist of the matter is that a conference of the heads of Governments of France, Great Britain, the U.S.S.R and the U.S A. must not be faced with the *facts accomplis* of separate decisions on questions which are to be examined at the four-Power conference."

In conclusion, M. Malenkov sent his "heartfelt greetings and best wishes for the New Year" to the American people.
(Soviet Weekly) **(Prev. rep. M. Malenkov, 13614 A.)**

B. UNITED KINGDOM. — Quarterly Trade Figures. - Provisional Figures for Year 1954.

Trade figures for the last quarter of 1954, and provisional figures for the year 1954 as a whole, are shown in the following table:

	Imports	Exports	Re-exports	Adverse Balance
		(£ million)		
October	228 2	214 9	9.2	4 1
November ..	333 8	196.5	5.5	131.8
December* ..	314.5	255.7	8.4	50 4
Year 1954* .	3,382.5	2,674.0	100 5	608 0

* Provisional.

Exports in 1954 were the highest on record, and the adverse balance for the year was about £47,000,000 lower than in 1953. The trade figures for the last quarter of 1954 were seriously affected by the dock strikes (see 13970 A); imports in October and exports in November were lower than customary, whilst imports in November and exports in November and December were higher.—(Board of Trade Journal) **(Prev. rep. 13902 C; 1953 Figures, 13495 A.)**

C. WESTERN GERMANY. — Recall of Chargé d'Affaires in London. - Federal Government's Statement on alleged Remarks of Frau Schlitter.

The German Federal Government issued a statement on Jan. 3 describing as "extremely regrettable" the "inexcusable" remarks which were alleged to have been made on Dec. 20 by Frau Daisy Schlitter, the wife of the acting Chargé d'Affaires in London (Herr Oskar Schlitter), at a Christmas party given to members of the German diplomatic mission in London.

According to press reports, Frau Schlitter was alleged to have said: "My husband and I find again and again what treacherous ground London can be, and we realize again and again that we live among enemies We . must stick together in hostile foreign territory, for after two world wars we are still living in a hostile environment. Even those of the British who approach us with friendliness are in fact inimically disposed towards us"

The statement issued by the Federal Government was worded as follows:

"On Dec. 20 a Christmas party was held for the members of the German diplomatic mission in London The invitations were issued by Herr Schlitter and his wife because Dr Schlange-Schoningen, the Charge d'Affaires, is on sick leave. Shortly after the party began Herr Schlitter had to leave because, on official orders, he had to attend a reception at the British Foreign Office His wife took over the task of welcoming the members of the mission and addressing a few words to the guests. Frau Schlitter, who was faced with this task unprepared, after the usual Christmas and New Year wishes described the position of Germans abroad She wanted to remind her listeners that every German, especially every member of a German mission abroad, should always bear in mind that he was in a foreign country, and that the memories of the terrible events of the last war had by no means been effaced Frau Schlitter chose in this connexion the inexcusable expression 'hostile foreign territory' (*feindliches Ausland*), which gave offence to her guests and which found its way into the British Press. Frau Schlitter most deeply regrets this lapse, which was due to her nervousness and inexperience.

Investigation showed that the accounts of the affair had undoubtedly been exaggerated, and that some statements attributed to Frau Schlitter had not been used by her in the form reported in the Press Evidence from many observers of Herr Schlitter's activities in London, and from competent judges of his behaviour during the Nazi regime, shows that his political convictions, and those of his wife, are above all suspicion. Any political conclusions which might have been drawn from this regrettable affair are therefore without foundation."

It was pointed out in Bonn that Frau Schlitter, a former actress and beauty queen, had had no sympathies whatsoever with the Nazi regime; that she had belonged to one of the resistance groups connected with the anti-Hitler bomb plot of July 20, 1944, and that she had lost four members of her family in the purges which followed the attempt on Hitler's life.

Following the alleged remarks of Frau Schlitter, an investigation was carried out at the German diplomatic mission in London by the head of the Personnel Department of the German Foreign Office, on the personal instructions of Dr. Adenauer. It was announced in Bonn on Jan. 3 that Herr Schlitter had been recalled from London, had voluntarily offered to resign from the German Diplomatic Service, and had been placed on leave of absence. [Herr Schlitter had served in the consular department of the German Embassy in London before the war.]

Frau Schlitter, who returned to Germany with her husband, was reported on Jan. 5 to have entered a hospital at Bad Godesberg for the treatment of an illness which had not yet been diagnosed. (Times - Daily Telegraph)

D. INDIA.—Cabinet. - New Ministers of Defence and Home Affairs. - Abolition of Ministry of State Affairs.

It was announced in New Delhi on Jan. 10 that Mr. Nehru, the Indian Prime Minister, had relinquished the post of Defence Minister, although he would remain chairman of the Cabinet Defence Committee; that Dr. Katju, the Minister for Home Affairs, had taken over the Defence portfolio; and that Pandit Pant, the former Chief Minister of Uttar Pradesh, had been appointed Minister for Home Affairs.

Earlier, on Jan. 4, it had been announced that President Prasad had issued an Order merging the Ministry of State Affairs with the Ministry of Home Affairs as from Jan. 10.
(The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London) **(Prev. rep. 13934 C.)**

E. UNITED KINGDOM. — B.B.C. - Mr. Thomas Johnston appointed National Governor for Scotland.

Mr. Thomas Johnston (72), chairman of the Scottish Tourist Board, joined the Board of Governors of the B.B.C. on Jan. 1 as national governor for Scotland and chairman of the Broadcasting Council for Scotland. He succeeded Lord Clydesmuir, who died on Oct. 31. Mr. Johnston, Labour M.P. for West Stirlingshire from 1922-45, was Secretary of State for Scotland in the wartime Coalition Government. Lord Rosebery succeeded Mr. Johnston as chairman of the Scottish Tourist Board.
(Times - The Scotsman, Edinburgh) **(13622 F; 12305 A.)**

A. NORTH ATLANTIC TREATY ORGANIZATION. — Paris Meeting of North Atlantic Council. - Civilian Responsibility for Use of Atomic Weapons. - Infrastructive Programme for 1955. - NATO Air Defence Technical Centre to be established in Holland.

The North Atlantic Council met in Paris on Dec. 17-18 under the chairmanship of the Greek Foreign Minister, M. Stephanopoulos, the following communiqué being issued at the end of the meeting (cross-headings inserted):

(1) **Introduction.** "The North Atlantic Council, meeting in Paris under the chairmanship of Mr Stephanopoulos . . . was attended by Ministers of Foreign Affairs, Defence, Finance, Economic Affairs, and Defence Production.

(2) **Secretary-General's Progress Report.** The Council noted the progress report by the Secretary-General covering activities and developments in the organization during the past twelve months. Ministers welcomed the extension of political consultation within the Council. They noted with interest the steady progress in the infrastructure programmes and in emergency planning in the civil field, and recommended the continuance of these studies and of this work, in particular in civil defence. The report referred to the dissemination of information about NATO and to the forthcoming publication of the Secretary-General's five-year report. It also emphasized the value of the visits of parliamentarians, of the development of voluntary organizations interested in NATO, and of tours of journalists to member-countries.

(3) **Disarmament.** The Council exchanged views on matters of common concern in the international situation. It welcomed the efforts being made under the aegis of the United Nations for a world-wide agreement for a general limitation and control of armaments.

(4) **Soviet Policy.** The Council agreed that Soviet policy, backed as it is by ever-increasing military power, continues, in spite of some outward signs of flexibility, to be directed towards weakening and dividing the Western nations. Soviet policy contributes no constructive solution for ensuring world security and for maintaining the freedom of peoples. It provides no ground for believing that the threat to the free world has diminished.

The Council reaffirmed its will to build for peace on solid foundations of unity and strength. It noted with satisfaction the progress which has been made toward bringing into effect the Paris agreements, which it regards as an essential contribution to the unity of Europe, to the security of the free world, and thereby to the cause of peace.

(5) **Air Defence Technical Centre.** The Council took note of a progress report submitted by the Military Committee. It noted with satisfaction that a request by the Supreme Allied Commander, Europe, had led to negotiations between the Netherlands and the United States, the recent completion of which will permit the establishment of a SHAPE Air Defence Technical Centre in The Hague at which scientists of all member-nations will be able to contribute to the development of air defence The Council also noted that the NATO Defence College . . . has made a valuable contribution of qualified personnel to staffs and agencies of NATO and of member-Governments.

(6) **Civilian Control over Use of Atomic Weapons.** The Council considered a report by the Military Committee on the most effective pattern of NATO military defensive strength over the next few years, taking into account modern developments in weapons and techniques It approved this report as a basis for defence planning and preparations by the NATO military authorities, noting that this approval did not involve the delegation of the responsibility of Governments to make decisions for putting plans into action in the event of hostilities

(7) **Future Programmes, Infrastructure, Forces' Strength, etc.** The Council considered the report on the annual review for 1954. which sets forth the co-ordinated NATO defence programmes for the next three years. The review was based on the Council directive, adopted in December 1953, that it would be necessary for member-countries to support over a long period forces which, by their balance, quality, and efficiency would be a major factor in deterring aggression.

The Ministers considered and accepted as military guidance a report by the Military Committee giving its comments on the 1954 annual review. This report stressed that the level of forces for the defence of the NATO area should be maintained as planned.

The Council noted that there had been an increase in the strength of NATO forces and further steady improvement in their efficiency over the past year. This improvement in quality resulted primarily from the large-scale combined exercises held by NATO land, sea and air forces, from the increases in operational and support units, and from the supply of large quantities of new equipment.

The Council expressed its satisfaction at the expansion of European production of defence equipment, as well as the continued provision of North American equipment, and urged continued co-operation in research and development.

Following the recommendations made in the annual review report, the Council adopted firm force goals for 1955, provisional goals for 1956, and planning goals for 1957 The force goals agreed upon for 1955 are of about the same numerical strength as those for 1954, but further improvements in training, equipment, and effectiveness are provided for. The German defence contribution under the Paris agreement remains, in the opinion of the Council, an indispensable addition to the defence of the West.

(8) **Economic Progress.** The Council noted with satisfaction the encouraging economic developments in many member-countries over the past year, and particularly the expansion of production in several European countries. The additional resources thus made available have enabled further improvements to be made in general welfare and social progress, while at the same time permitting a continued contribution toward increases in the strength and effectiveness of NATO forces The Council recognized that further steady growth in the economic strength of the alliance as a whole is essential in order to preserve and increase the well-being and security of all member-countries, and that to this end it is necessary to strengthen economic co-operation between member-countries."

One of the most controversial matters before the North Atlantic Council was the question of the use of atomic weapons in the event of an attack on the member-countries, and of the responsibility for their employment in such an eventuality. As stated in (6) above, it was decided that SHAPE should be given authority to plan its defensive strategy "taking into account modern developments in weapons and techniques," but that the decision on the use of these weapons should be left in civilian hands. Another important decision, as mentioned in (5) above, was the creation of a NATO Air Defence Technical Centre at The Hague.

Discussions on the current international situation were held in Paris on Dec. 18 between Sir Anthony Eden, Mr. Dulles and M. Mendès-France, all of whom were attending the meeting of the North Atlantic Council. No official statement was issued, but it was understood that Britain and the U.S.A. had decided to guarantee the Franco-German agreement on the future status of the Saar.

Other recent NATO developments are summarized below under cross-headings:

Infrastructure Programme for 1955. The NATO Information Division announced on Dec 13 that an £81,000,000 infrastructure programme had been approved for the year 1955 as part of the overall £700,000,000 infrastructure programme, of which £650,000,000 had so far been authorized for specific NATO projects during the past 5½ years Approximately 40 per cent of the 1955 programme would be used for the construction of additional airfields and for improvements to existing airfields; 20 per cent would be used to expand the oil pipeline system (which, it was pointed out, already represented a £76,000,000 NATO investment); 10 per cent would be spent on telecommunications; and the remaining five per cent would go to finance the construction of radar warning installations, radio navigational aids, and headquarters.

The following details were released of NATO infrastructure progress during 1954: (1) 132 airfields would be available for NATO purposes by the end of the year, including 12 which had been completed during 1954. (2) Eight countries had started work during the year on a 6,000-kilometre pipeline system, complete with pumping stations, storage facilities, etc, which had "progressed from the stage of planning and engineering to that of execution", the system called for a Central European network of pipelines with ports on both the Channel and Mediterranean coasts in order that it could be supplied by the tanker fleets of the NATO nations. (3) Far-reaching progress had been made in the NATO telecommunications system, and experts had stated that European national plans for the improvement of communications "have been advanced by 10 to 15 years through the NATO programme."

U.S. Air Bases. It was disclosed on Jan. 7, 1955, from U.S Air Headquarters at Wiesbaden (Germany) that the U S. Air Force was maintaining 53 operational bases in Europe and North Africa for Western defence against aggression; that 40 of these bases were tactical and 13 administrative; and that the U.S. Air Force in Europe numbered 83,400 airmen.

Military Appointments. The following NATO appointments were announced on Jan 6 and Jan. 10 respectively: Air Vice-Marshal E. M F. Grundy, of the British Joint Services Mission in Washington, as chairman of the NATO Military Agency for Standardization; and Major-General R H Bower, Commanding Officer of the East Anglian District (U.K.), as Chief of Staff at Allied Forces H.Q., Northern Europe.

The NATO Secretary-General (Lord Ismay) announced on Dec. 13 that Signor Giuseppe Cosmelli (Italy) had been appointed Assistant Secretary-General for Political Affairs in succession to Signor Sergio Femoaltea, recently appointed Italian Ambassador in Ottawa. Signor Cosmelli has held many important posts in the Italian Diplomatic Service, including those of Minister to South Africa and Ambassador to Austria. (NATO Information Division, Paris - Le Monde, Paris - Times - Manchester Guardian - New York Times - New York Herald Tribune) **(Prev. rep. North Atlantic Council 13850 A; Infrastructure, etc., 13640 A; 13426 A.)**

B. AUSTRALIA. — Adoption of Belgian Rifle.

The Army Minister (Mr. Francis) announced on Jan. 13 that the Australian Army would discard the Lee-Enfield .303 rifle in favour of the Belgian FN.30 automatic rifle, which had been adopted by NATO.—(Australian News Bureau) **(13357 A.)**

A. GERMANY. — Release of Baron von Neurath, Field-Marshal Milch, and other War Criminals.

Baron von Neurath, the former German Foreign Minister under the Nazi regime, was released on Nov. 6 from Spandau prison, where he was serving the sentence of 15 years' imprisonment imposed on him by the International Military Tribunal at Nuremburg in 1946 for war crimes committed during his tenure of the post of Reich Protector of Bohemia-Moravia. The immediate release of von Neurath (81), on account of his age and ill-health, had been proposed on Nov. 2 by M. Pushkin, the Soviet High Commissioner in Germany, and had been agreed to by the three Western High Commissioners.

M. Pushkin's letters to the Western High Commissioners stated that the Czechoslovak Government had agreed to his proposal for von Neurath's release. The Western High Commissioners, in their replies, expressed agreement with the Soviet proposal and recalled that they themselves had previously made representations to the Soviet authorities on several occasions expressing concern about von Neurath's health. It was stated in the Press that von Neurath was suffering from heart trouble and from an eye cataract, whilst a Government spokesman in Bonn stated on Nov. 7 that von Neurath's release fulfilled a wish which the Chancellor had repeatedly supported on purely humanitarian grounds. Von Neurath had served eight years of his 15-year sentence at the time of his release.

On March 25, 1954, it had been announced by the Allied High Commissioners in Bonn that they had proposed to the Soviet High Commissioner (then M. Semeonov) certain relaxations in the regulations applied to the seven major war criminals imprisoned at Spandau. These proposals, which were made in response to an appeal from Dr. Adenauer, provided that normal prison regulations should be introduced; that the prisoners should accordingly be allowed to receive more mail, parcels, and visitors; that sentences might be reduced for good behaviour; that, instead of the previous arrangements under which deceased prisoners would have been cremated and their ashes buried in the prison garden, relatives should be allowed to claim the body of any prisoner who died in prison; and that seriously ill prisoners should be eligible for medical parole. An Allied spokesman said that if the Russians accepted all the Western proposals, at least two of the seven major Nazi war criminals—von Neurath and ex-Admiral Rader—would be eligible for medical parole.

Mr. Eden, replying to a question by Mr. Arthur Lewis (Lab.) in the House of Commons on March 29, 1954, stated that he had raised with M. Molotov during the Berlin Conference, in agreement with the French and U.S. Foreign Ministers, the question of providing hospital treatment for sick prisoners and arranging for the disposal of the bodies of dead prisoners, and had suggested that these matters should be examined by the four High Commissioners. He had now received a message from M. Molotov saying that the Soviet High Commissioner was ready to take part in such discussions. Mr. Eden denied that he had ever suggested to the Soviet authorities that any of the Spandau prisoners should be released.

After M. Semeonov had agreed to the Western proposals, representatives of the four High Commissioners met in Berlin on April 6 to discuss the proposed alleviations. After two further meetings on April 26-27 it was announced that agreement had been reached with regard to relaxations in the living conditions of prisoners, increased visits by relatives, and the removal of prisoners who were seriously ill to an outside hospital, if warranted by their condition. No agreement was reached on the question of medical parole.

On Sept. 14 it was announced that Walther Funk, the former Nazi Minister of Economics, had been taken from Spandau prison to the British Military Hospital in Berlin for an operation under the terms of the four-Power agreement. Funk was subsequently returned to Spandau. Ex-Admiral Karl Doenitz, who was serving a ten-year sentence in Spandau, was also taken to the British Military Hospital on Jan. 5, 1955, for an operation, which was successfully performed on the following day.

Amongst the war criminals released by the Allied authorities during the second half of 1954 were the following:

Erhard Milch, the former Field-Marshal and Inspector-General of the *Luftwaffe*, who had been sentenced by the U.S. War Crimes Tribunal at Nuremberg in 1947 to life imprisonment for employing slave labour in Nazi aircraft factories. This sentence had been reduced by the then U.S. High Commissioner (Mr. McCloy) in 1951 to 15 years. Milch was released by the U.S. authorities from Landsberg prison on July 1, 1954, on the ground of good conduct.

Kurt Meyer, a former S.S. major-general and commander of the Hitler Youth Division, who had been sentenced by a Canadian military court in 1945 for inciting his troops to refuse quarter to Allied soldiers, and for responsibility for the shooting of 18 Canadian P.O.W.s. The death sentence had first been commuted to life imprisonment, whilst in January 1954 the Canadian Government (acting on the recommendation of the Mixed Consultative Clemency Board in the British Zone) had reduced the sentence to 14 years. Meyer's release by the British authorities from Werl prison on Sept. 7, 1954, was on the grounds of good conduct and the time he had spent in custody before sentence.

Hermann Reinecke, a former S.S. general and a member of the tribunal which sentenced the leaders of the anti-Hitler plot of July 1944. He had been sentenced to life imprisonment in 1948. His release by the U.S. authorities from Landsberg on Oct. 1 was on the ground of good conduct.

The U.S. High Commissioner's Office in Bonn announced on July 3 that Dr. Siegfried Handloser, the former head of the German Army's medical service, had died in a Munich hospital to which he had been admitted on medical parole. Handloser had been sentenced by the U.S. War Crimes Tribunal to life imprisonment (later reduced to 20 years) for ordering medical experiments on concentration camp inmates.

The U.S. High Commission announced on March 25, 1954, that it would no longer announce the names of German war criminals on their release from Landsberg prison. The British High Commission announced on May 19 relaxations in the detention of German war criminals at Werl prison, it was stated that all those still detained had been moved to a separate part of the prison where they would no longer be "in continuous close proximity" to other prisoners, that they would have better accommodation than before, and that there would also be some modifications in the day-to-day regulations, including permission to meet more often in recreation rooms and to have meals in groups. It was also recommended that, in co-operation with the German Federal Government, an inspection would be made once a year by the chairman of the Prison Commission for England and Wales and a senior German official. In addition, a panel of three independent persons would be appointed by the High Commissioner, and would be permitted to visit Werl at any time to see conditions, hear complaints, and make suggestions to the High Commissioner.

Further releases on the recommendation of the Mixed Clemency Board, or on the ground of good conduct or for medical reasons, were announced from time to time during the year by the British, U.S., and French authorities in Germany. On Dec. 7 Professor Oberlander, the Federal Minister for Refugees, stated that only 371 Germans were still detained by the Western allies for war crimes (177 in Germany and 194 abroad), whilst 266 war criminals had been released during the year. He also announced that during 1954 a total of 1,609 German prisoners-of-war and civilian internees had been released by the Communist countries: 1,186 by the Soviet Union, 234 by Czechoslovakia, 148 by Poland, 33 by Hungary, five by Rumania, and three by Albania.—(Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times - New York Herald Tribune - Frankfurter Allgemeine Zeitung) **(Prev. rep. War Criminals, 13355 A; von Neurath, 8227 A; Milch, Handloser, 9477 A.)**

B. UNITED KINGDOM. — Capital Issues in 1954.

New capital issues in the U.K. in 1954 amounted to £471,130,000, as compared with £396,031,000 in 1953. Of the 1954 total, £410,040,000 (87 per cent) was for the home market, £54,470,000 (11.6 per cent) for Commonwealth and Empire countries, and £6,620,000 (1.4 per cent) for foreign countries.

Issues in respect of the home market were divided into the following categories: Public Bodies, £224,543,000; Production, £138,418,000; Trade, £10,265,000; Transport, £205,000; and Finance, £36,610,000. Classified by industrial and other groups, the total of all capital issues (home and overseas) was divided as follows: Governments, £35,123,000; Local Authorities, £18,243,000; Public Boards, £211,200,000; Railways, £90,000; Gas and Water, £4,225,000; Electric Light and Power, £3,518,000; Telegraph and Telephone, £2,405,000; Road Transport, nil; Shipping, Canals and Docks, £205,000; Banking, Insurance, Investment and Finance £42,329,000; Property, £2,280,000; Coal, Iron, Steel and Engineering, £19,566,000; Motors and Aircraft, £21,321,000; Mining, £7,249,000; Oil, nil; Tea, Coffee, and Rubber, £546,000; Breweries and Distilleries, £5,630,000; Miscellaneous, £97,200,000.

The above figures exclude all borrowings by the British Government; shares issued to vendors; allotments arising from the capitalization of reserve funds and undivided profits; sales of already issued securities which add nothing to the capital resources of the company whose securities have been offered; issues in replacement of securities previously held in the United Kingdom; and private placings for which no market quotations are obtained. (Midland Bank Ltd.) **(13356 D.)**

C. INDIA - PERSIA. — Treaty of Commerce and Navigation. - Signature and Provisions.

A treaty of commerce and navigation between India and Persia was signed in Teheran on Dec. 15 by the Persian Foreign Minister (Mr. Entezam) and the Indian Ambassador (Mr. Tara Chand). The treaty regulated on a reciprocal basis the rights and obligations of nationals of either country in the territory of the other in such matters as the carrying on of lawful occupations and of engaging in commerce, industry, and trade; acquisition and disposal of movable and immovable property; lawful protection of property and just compensation in case of confiscation or seizure; taxation; commercial enterprises; access to courts of law; exemption from compulsory military service; and facilities for shipping. (The Statesman, Calcutta)

A. VATICAN. — The Pope's Christmas Message.

The text of the Christmas message which is customarily broadcast by the Pope was released by the Vatican Press Office on Jan. 3. Discussing the present division of the world between two great Power blocs, Pope Pius XII described the existing state of affairs as a "cold peace"; contrasted the present "co-existence in error" with the real "co-existence in truth" that was needed between the nations; and criticized statesmen on both sides of the "Iron Curtain" for placing "blind faith" in the "imaginary mystic force" of economics as a solution for the world's problems, instead of seeking to build world unity and peace on spiritual foundations.

"We had hoped," said the Pope, "and many others had hoped with us, that once the rage of hatred and revenge [after the war] had finally ceased, there would have dawned a period of secure peace Instead, there continued that agonizing state of uneasiness and danger which public opinion described as the 'cold war,' because in reality it had little or nothing in common with true peace and had much of the character of a truce that trembled at the slightest touch. . . The 'cold war' has been slowly replaced by a period of decreased tension between the opposing parties, as if they were giving each other a longer breathing-space Not without irony, this decreased tension has been given the name of the 'cold peace' . . . 'Cold peace' is only an uncertain calm which depends on fluctuations in fear and the calculation of strength

"Each of the groups into which the human family is divided tolerates the existence of the other because it does not wish itself to perish. By thus avoiding the fatal risk, the two groups do not live together. They co-exist It is not a state of war, but neither is it peace. Each of the two groups smarts under the fear of the other's military and economic power. In both of them there is grave fear of the catastrophic effects of the newest weapons The absurdity of the situation resulting from such a wretched state of affairs is this present policy, while dreading war as the greatest of catastrophes, at the same time puts all its trust in war as if it were the only expedient for existence and the only means of regulating international relations This, in a certain sense, is putting trust in what is loathed above everything else

"There remains the alternative way which, based on the fear of God and helped by Him, leads to true peace . . . Not only fervent believers but millions of other people in both camps in whom the imprint of Christ is preserved, should be called on to work for human unity It is true that in one of the two camps the voice of those who stand resolutely for truth, for love, and for the spirit is forcibly suffocated by the public authorities, while in the other, people suffer from excessive timidity in proclaiming aloud their worthy desires It is, however, the duty of any policy of unification to encourage the former and make heard the sentiments of the latter. Particularly in that camp where it is not a crime to oppose error, statesmen should have greater confidence in themselves . . . They should show more active wisdom in preserving and increasing the ranks of men of good will, especially of believers in God, who everywhere adhere in great numbers to the cause of peace.

"There is an increase in the number of those who rebel against the idea of having to be satisfied with mere co-existence; of having to renounce relationship of a more vital nature with other groups, of being forced to live their lives in an atmosphere of enervating fear They have come to consider the problem of peace and war as a fact involving a higher and Christian responsibility before God and the moral law Once the problem is elevated to this higher plane, which alone is worthy of rational creatures, there clearly appears the absurdity of that doctrine that has held sway in the political schools of the last few decades—that war is one of the many admissible forms of political action and, as it were, the natural result of irreconcilable disputes between two countries, that war, therefore, has no relation to moral responsibility It is equally absurd and inadmissable that a ruler who declares war should be guilty only of having made a political mistake if the war be lost . .

"With all its uneasiness, the 'cold peace' shows signs of taking the first step towards a true moral order . . This goal will be attained if on all sides men will sincerely—almost religiously—come to consider war as a violation of the moral order, constituting guilt that shall not go unpunished. In practice, the goal will be attained if statesmen will recognize that they are personally subject to the eternal moral law and will treat the problem of war as a question of conscience before God. In the present situation there is no other way to free the world of this agonizing incubus except by a return to the fear of God.

"The existing 'co-existence in fear' has therefore only two possible prospects:

Either it will elevate itself to a co-existence in the fear of God, and thence to truly peaceful life together, inspired and protected by the divine moral order;

Or it will shrivel more and more into a frozen paralysis of international life, the grave dangers of which are even now foreseeable."

Speaking of 'co-existence in error,' his Holiness continued "A mistake made on both sides of the Iron Curtain is the belief that economic developments can lead to a breaking down of the 'cold war' barriers Economics, with apparently unlimited ability to produce goods without number, exercises over many of our contemporaries a fascination greater than its possibilities, and extends to fields outside economics The error of placing such trust in modern economics is shared by the two camps into which the world is today divided. On the one side it is taught that, since man has given such proof of being able to create technical and economic marvels, he will also be able to organize the liberation of man from all the privations and evils he suffers, and in this way effect a kind of self-redemption The conception gains ground in the opposing camp that the solution of the problem of peace must be sought in economics, particularly in a specific form thereof—free exchange. History has shown the baselessness of such teachings Nor will the result be otherise if there persists that blind faith which confers on economics an imaginary mystic force

'A still more serious error concerns the very principles which animate the respective unities of the two great world camps One of the camps bases its internal cohesion on a false idea—an idea violating primary human and divine rights, yet at the same time efficacious The other, forgetful that it already possesses an idea that is true and has been successfully tested in the past, seems instead to be tending towards political principles which are evidently destructive of unity During this last decade since the war, a great yearning for spiritual renovation has urged souls to unite Europe with the purpose of putting an end to the traditional rivalries [between peoples] and assuring a united protection for their independence and their peaceful development It was believed that Europe would have easily found within herself the animating idea for her unity. But the ensuing events and recent agreements which, as is believed, have opened the way to a 'cold peace,' no longer have for a basis the idea of a more extensive European unification Many, in fact, believe that the governing policy is for a return to a kind of nationalistic State closed within itself, centralizing its forces, unsettled in the choice of its alliances, and therefore no less perilous than that which had its time of highest development during the last century. Too soon have been forgotten the enormous number of lives sacrificed by this kind of State, and the crushing economic and spiritual burdens imposed by it

"But the real error consists in confusing national life in the proper sense with nationalistic policies The first, the right and prized possession of a people, should be promoted The second, as a germ infinitely harmful, can never be too strongly repelled If the European community is to move forward on this road [towards nationalism], its cohesion will become, as a result, much weakened in comparison with that of the opposing camp Its weakness would certainly be revealed on that day of a future peace destined to regulate, with foresight and justice, the questions still in abeyance. Nor should it be said that, in new circumstances, the dynamism of the nationalistic State no longer represents a danger for other peoples . . .

"Europe still awaits the reawakening of her consciousness Meanwhile, in what she stands for—wisdom, the art of living in association, the influence of culture—she seems to be losing ground in not a few regions of the earth. Especially among some peoples hitherto considered colonial, the process of organic development towards autonomy, which Europe should have guided with perception and care, has rapidly turned into nationalistic outbreaks It must be confessed that these eruptions, damaging to the prestige and the interests of Europe, are, at least in part, the fruit of her own bad example."

After outlining the meaning of "co-existence in truth," his Holiness continued. "Although it is a sad thing to note that the present rupture of the human race took place in the beginning, between men who knew and adored the same Saviour, still there appears to be a well-founded hope that, in His name, a bridge of peace may yet be built between the opposing shores . . . Since, however, this bridge must be of a spiritual nature, those sceptics and cynics are certainly not qualified for the task who, in accordance with the doctrines of a more or less disguised materialism, reduce the loftiest truths and the highest spiritual values to the level of physical reactions, or consider them mere ideologies

"Nor are those fit for the task who do not recognize absolute truth, nor admit moral obligations in the sphere of social life. These latter have already in the past—often unknowingly, by their abuse of freedom and by their destructive and unreasoning criticism—prepared an atmosphere favourable to dictatorship and aggression. Now they rush forward again to obstruct the work of social and political pacification initiated under Christian inspiration In some places it happens not rarely that they raise their voices against those who, conscientiously, as Christians, take a rightful active interest in political problems and in public life in general Sometimes they disparage the firmness and strength that Christians draw from the possession of absolute truth, and spread abroad the conviction that it is to modern man's honour, and redounds to the credit of his education, that he should not be bound to any spiritual world. They forget that it was precisely from these principles that the present confusion and disorder originated; nor will they remember that it was those very Christian forces they now oppose that succeeded in restoring, in many countries, the freedom which they themselves have dissipated It is not upon such men that the common spiritual foundation can be laid and the bridge of truth built . "

The Pope was unable to broadcast his Christmas message owing to the fact that he had been in ill-health for several months.—(The Universe) **(Prev. rep. Pope Pius, 13551 D; 1954 Christmas Message, 13336 A.)**

B. LIBYA. — Embassies in France and Italy.

It was announced in Benghazi on Jan. 3 that the Libyan Government would set up Embassies in Paris and Rome, that M. Mansour Kadara (formerly Minister in London) would become the first Ambassador in Paris, and M. Fethi Kekhia (Libyan Ambassador in Washington) would be transferred to the Rome Embassy.—(Le Monde, Paris) **(Prev. rep. 11917 A.)**

A. UNITED STATES. — Agriculture. - The Agricultural Adjustment Act of 1954. - Flexible Price Support System for Basic Crops. - Acreage Reductions and Support Prices in 1955. - Farmers' Approval in Referendum. - Enactment of Agricultural Surplus Disposal Bill. - U.S. Stocks of Surplus Agricultural Commodities. - President's Report on Surplus Disposals. - New Zealand and Australian Protests against U.S. Sales of Surplus Dairy Products on World Market.

The Agricultural Adjustment Act of 1954, providing for the introduction of a flexible system of price supports for five of the " basic " crops, and embodying most of the Administration's other major recommendations with regard to agriculture, was signed by President Eisenhower on Aug. 28, 1954. Its main provisions were as follows:

(1) Flexible price supports, ranging from 82 5 to 90 per cent of " parity " (see 13162 B), would be introduced from Jan. 1, 1955, for cotton, wheat, maize (corn), peanuts and rice (previously supported at 90 per cent).

(2) The flexible system of price supports for dairy products (butter, cheese and dried milk), ranging from 75 to 90 per cent of " parity " would be retained.

(3) Surplus agricultural produce to the value of $2,500,000,000 would be set aside as a stockpile to be drawn upon in times of national emergency or for domestic or foreign relief. This stockpile would not be included in the stocks taken into account for the purpose of calculating the level of price support, and the products affected would consequently tend to receive a higher support price

(4) A new system of direct payments to wool-growers would be introduced in 1955 under which they would receive a direct Treasury payment representing the difference between a support price—not to exceed 110 per cent of " parity "—and that which they received in the open market The programme was designed to increase domestic wool production from about 229,000,000 lb. to 300,000,000 lb. annually as a security measure. Previously wool was supported at 90 per cent of " parity " through loans

(5) A modernized " parity " formula (which would generally reduce the level of support prices) would become effective in 1956 for the five basic crops mentioned under (1) To avoid too sudden a decline, however, the Bill provided that any reductions in support prices which might result should be limited to five points a year until the formula became fully effective.

The Administration's proposals for the introduction of a flexible system of price support for the basic crops was vigorously opposed in Congress by the powerful " farm bloc," which wanted a continuation of price support at 90 per cent of " parity." A flexible system of price support ranging from 75 to 90 per cent (as the Administration proposed) had been due to come into effect automatically at the end of 1954 under the terms of an earlier Agriculture Act, but had been made inoperative by subsequent extensions of rigid price supports at 90 per cent of " parity." The House Agriculture Committee, in passing the Bill on June 28 (by 21 votes to eight), voted for a continuation of supports at 90 per cent of " parity," as did the Senate Agriculture Committee when it passed the measure (by 13 votes to two) on July 9. In the Senate Committee, however, the voting on this particular clause had been only eight in favour of rigid supports and seven against, and majority and minority reports were subsequently issued which outlined the main arguments on the question.

The majority report argued that the advocates of a flexible system of price supports envisaged " ruthless price competition among farmers " to bring about lower agricultural output and less Federal control, and declared that this was " neither fair nor justified without a fair trial of control programmes .. administered largely by farmers themselves " The report claimed that agricultural history was " rampant " with instances of farmers offsetting lower prices by increasing their output in order to obtain sufficient revenue, and therefore expressed the belief that, even if flexible price supports had been in effect since 1952, there was no good reason to believe that the present agricultural surpluses would have been any less.

The minority report—the signatories of which included Senator Aiken (Rep.), chairman of the committee—pointed out that the fixing of " parity " had been designed by the Government as an incentive to production during wartime, and asserted that it had been " distorted into a peace-time programme for temporarily guaranteeing profits for a minority of farmers." " As unmanageable surpluses pile up and the right to produce is restricted " it declared, " the demand for the continuance of these rigid supports shifts from one of guaranteeing profit to one of providing relief."

When the Bill was debated by the full House, Republican leaders suggested as a compromise on July 1 that the proposed flexible system should operate only between 82½ and 90 per cent of " parity," and this was approved when the House passed the Bill by 228 votes to 170 on the following day. The Senate, which passed the Bill by 49 votes to 44 on Aug. 9, also approved a flexible system within this range.

Another strongly contested clause was that relating to the level of support for dairy products. The action of the Secretary of Agriculture in reducing the support price to 75 per cent of " parity " on April 1 had been vigorously criticized by representatives from the most important dairying States, the Bill passed by the House included a clause providing for an increase in the support price from 75 to 80 per cent of " parity," whilst the Senate Agriculture Committee raised it still further to 85 per cent The full Senate, however decided on Aug 9 by 49 votes to 43 to retain the existing flexible system, after President Eisenhower had expressed the opinion that it would be a " grave error " to raise the level of dairy price supports because the only people who would benefit would be middlemen or processors

The Bill in its final form was approved by the House (by 208 votes to 47) on Aug. 17 and by the Senate (by 44 votes to 28) in the early hours of Aug. 18. Mr. Benson, the Secretary of Agriculture, announced on Sept. 15 that his department planned an initial " set-aside " under the Act of 400,000,000 bushels of wheat and 1,000,000,000 bales of cotton, worth together about $1,174,000,000.

American wheat farmers, in a national referendum on July 23, voted for the second year running in favour of continued marketing quotas and Government price support for their wheat crops; nearly complete returns showed that 195,801 had voted in favour and 71,303 against—a majority of 73.3 per cent in favour, or more than the two-thirds majority required. Mr. Benson, announcing the referendum on June 21, stated that the acreage to be sown to wheat for the 1955 crop would be reduced by about 11 per cent to 55,000,000 acres, the minimum permitted by law.

Mr. Benson also announced on that date details of a new and far more restrictive scheme for major agricultural crops, under which farmers would have to comply in 1955 with (*a*) Federal acreage allotments for all crops in order to be eligible for subsidies on any one crop, and (*b*) a " total acreage allotment " on their land. Mr. Benson said that he greatly regretted this action, but that there was no other immediate choice in view of the surplus of grain and the Government's high price-support programme. The " total acreage allotment," which was designed to prevent the land affected by reductions in major crops from being sown to other crops that might produce fresh surpluses, was, however, strongly criticized in the major agricultural areas, and on Sept. 15 Mr. Benson announced that it would be abolished.

Denying that any pressure had been brought upon him to alter his original decision in view of the November Congressional elections, Mr. Benson said that he had never liked the " total acreage allotment " plan because it was " uneconomical, unfair and ineffective." He added that he had now abolished it in order that cases of hardship in the areas seriously affected by drought could be alleviated by increasing the production of feeding-stuffs.

The following acreage restrictions and support prices for the major crops were announced in the second half of 1954.

Cotton. Cotton growers, in a national referendum on Dec 14, voted overwhelmingly in favour of strict acreage controls and continued price support for the 1955 crop; nearly complete returns showed that 313,561 growers, or 92.2 per cent, had voted in favour and only 27,020 against. The Dept of Agriculture had announced on Oct 14 that the acreage allotment for the 1955 crop would be 18,113,208 acres (a 15 per cent reduction on 1954) and the marketing quota 10,000,000 bales, both of which were the lowest permitted by law.

Maize. It was announced on Oct 1 that the 1954 maize crop would be supported at 90 per cent of " parity," or $1.62 a bushel, in officially-designated maize-producing areas, and at $1.22 outside those areas; the support rate for the 1953 crop was $1.62 for the whole country. In order to become eligible for price support, growers would have to comply with Federal maize acreage allotments.

Rice. On Dec. 30 Mr. Benson fixed the rice acreage allotment for the 1955 crop at 1,859,099 acres, 24 7 per cent less than the estimated 1954 plantings, and ordered a referendum among rice producers on Jan. 28 to determine whether or not they wanted a continuation of marketing quotas and Federal price support.

Wheat. Mr Benson stated in his announcement of Sept. 15 that the 1955 wheat crop would be supported in the commercial wheat areas at 82½ per cent of " parity," or at a national average of $2.06 a bushel, the minimum permitted under the new Act This figure compared with 90 per cent, or $2 24 a bushel, for the 1954 crop.

Wool. It was announced on Oct. 12 that the new " incentive price " which would be paid to wool-growers in the form of cash subsidies would be at the rate of 106 per cent of the current " fair earning power " parity level, or about 62 cents a lb. This compared with 90 per cent of parity, or 53.2 cents a lb., for the 1954 wool clip under the previous loan and purchase agreement programme.

Another Bill designed to deal with the mounting U.S. surpluses of agricultural products was signed by the President on July 11 after Congressional approval. It authorized:

(*a*) The negotiation of agreements with friendly countries for the sale of $700,000,000 worth of agricultural commodities for foreign currencies in the next three years.

(*b*) The allocation of $300,000,000 worth of such commodities in the same period to friendly countries to meet famine or other emergency requirements.

(*c*) The allocation of surplus commodities by the Commodity Credit Corporation to areas in the U.S A. declared by the President to be distress areas.

On May 6, 1954, the Dept. of Agriculture had announced that it would sell its surplus stocks of butter abroad at world prices and not, as previously, at the U.S. domestic price. (The Department was estimated to be holding some 360,000,000 lb. of butter which it had been offering for sale at over 60 cents a lb., compared with a world market price of 42-46 cents a lb.). The New Zealand Government, in a Note on May 11, drew the attention of the U.S. Government to the serious effects which the disposal of the surplus butter, as well as of other surplus dairy products whose disposal had been announced earlier, would have on the world market for these products, and especially on the New Zealand economy, which was so largely dependent on the sale of dairy products.

The New Zealand Note pointed out that the U.S.A. had recently offered to sell abroad 380,000,000 lb. of cheddar cheese, 590,000,000 lb. of non-fat dry milk solids, and the 360,000,000 lb. of butter, and said that these quantities were equivalent to more than 40 per cent of the world's annual trade in butter, over 50 per cent of world trade in cheese, and more than 250 per cent of world trade in non-fat dry milk solids. The amounts offered were so large in relation to world trade that they constituted "a clear danger to the stability of commercial markets." As New Zealand was among the largest exporters of all three products, her interests might well be "seriously prejudiced" by the U.S. offers.

New Zealand's trade in dairy products accounted for more than one-third of her total earnings (the Note continued), and the nature of the N.Z. economy was such that it was not feasible for the country to offset losses in dairying by recourse to other industrial activities. The existence of U.S. surpluses of dairy products had already contributed to reduced output in some New Zealand dairy factories, and the standard of living of the New Zealand people would "clearly be endangered" by any serious disruption of the world market. After suggesting that "a substantial proportion" of the surpluses might be taken up by increased U.S. consumption if the U.S. domestic price were lowered, the Note drew attention to the fact that "export sales at prices below the cost of production constitute dumping in the terms in which dumping is defined in the General Agreement on Tariffs and Trade," and as such were open to "serious objection in principle." The N.Z. Government also considered that unilateral action by the U.S.A. of the kind now being taken might prejudice the value of the common efforts being made under the aegis of the U.N. Food and Agriculture Organization to evolve a satisfactory solution to the surplus problem.

The N.Z. Minister of Agriculture (Mr. Holyoake) stated on Sept. 9 that further representations had been made to the U.S.A. about the disposal of agricultural surpluses, as a result of which the U.S. authorities had given assurances that every effort would be made to ensure that New Zealand's markets for dairy produce would not be damaged by their actions. On the same day, however, a policy statement was issued in Washington with the President's approval which said that whilst the liquidation of surpluses would be "orderly and gradual," the U.S.A. could not accept a limitation of its sales in world markets in order to enable other countries to dispose of their production. "The adjustment of world supply to demand," it added, "will require adjustments in other countries as well as the United States." An Executive Order issued by the President on that date provided that the local currency proceeds of the overseas sales of surplus agricultural products should be released for the following purposes:

(1) The development of new markets for U.S. agricultural commodities; (2) the acquisition of strategic and critical materials; (3) the procurement of military equipment, materials and facilities; (4) the purchase of goods or services for other friendly countries; (5) the promotion of balanced economic development and trade among nations; (6) the payment of U.S. obligations abroad; (7) the promotion of multilateral trade and economic development; (8) international educational exchange activities.

Further protests were made by New Zealand and Australia in January following an announcement that the U.S. Government intended to dispose of 10,000,000 lb. of surplus butter on the world market.

The New Zealand protest, announced on Jan. 13, declared that the effect of the disposal would be to "export domestic difficulty at the risk of grave injury to the economics of smaller and weaker countries such as New Zealand," and reiterated that the current U.S. butter surpluses could be substantially reduced, or entirely disposed of, by the adjustment of U.S. domestic prices. The Australian Minister for Commerce (Mr. McEwen), announcing in Canberra on Jan. 14 that a protest would be made in Washington, stated that whilst Australia did not wish to prevent any orderly disposal of U.S. surpluses, these should not be marketed at prices or in quantities that would dislocate normal market values. If American sales were made to Britain, he said, a "fundamental issue" would be at stake because, if Britain bought American butter at heavily subsidized and virtually "distress" prices, she would damage the market for important Australian export products; this must raise the question of whether Britain could have this advantage and at the same time expect to enjoy heavy protection for her own exports on the Australian market.

The Department of Agriculture, in a report published on Sept. 16, stated that at the end of the fiscal year on June 30, 1954, investment by the Federal Government in surplus agricultural products totalled $6,005,511,000, compared with $3,476,330,000 at the end of the previous fiscal year. The report stated that the Government had lost $419,477,074 on its farm price operations during the year, and estimated its potential losses on stocks held at June 30 as $1,037,010,000.

Of the total Government investment in surplus stocks at June 30, 1954, $3,668,222,000 represented the cost value of commodities owned outright by the Government and $2,337,289,000 covered loans outstanding on agricultural products. Some of the principal stocks held by the Government and their values, were: 766,099,000 bushels of wheat ($1,953,552,000); 447,000,000 lb. of butter ($298,926,000), 428,382,000 lb. of cheese ($172,466,000), and 233,511,000 lb. of dried milk ($38,506,000). The bulk of the outstanding loans were for cotton, maize, tobacco and wheat.

President Eisenhower sent a report to Congress on Jan. 10, 1955, on the first six months' operations of the Agricultural Surplus Disposal Act. It stated that sales of surplus agricultural products totalling $453,000,000 (including shipping costs) had been completed or were being negotiated, and that grants totalling $125,000,000 had been arranged or were being worked out to help friendly Governments in meeting famine or other urgent relief needs. Of the total sales, $205,500,000 was for Western Europe, $44,000,000 for South America, $30,300,000 for the Middle East (solely Turkey so far), and $173,000,000 for South-East Asia.—(New York Times - New York Herald Tribune) **(Prev. rep. 13374 A; Disposal of Surpluses, 13636 B; 13317 A; 13089 A; Wheat Crop Controls, 13162 B; Wheat Export Price, 13654 A.)**

A. UNITED KINGDOM. — South Norfolk By-election.

The South Norfolk by-election, caused by the expulsion of Capt. Peter Baker (Conservative) from the House of Commons (see 13974 C), was held on Jan. 13 with the following result:

Hill, J. E. B. (Conservative)	15,119
Stewart, J. M. (Labour)	14,254
No change. Conservative majority ..	865

At the general election the figures were: P. Baker (C.) 19,610, L. Scutts (Lab.) 16,371—Conservative majority, 3,239. The Conservative proportion of the poll in the by-election was 51.47 per cent and the Labour proportion 48.53 per cent, compared with 54.50 and 45.50 per cent respectively at the general election, the Labour poll thus increased by just over 3 per cent. 66.61 per cent of the electorate of 44,092 voted in the by-election, compared with 82.40 per cent at the general election, when the electorate numbered 43,668.

The new member, Mr. John Hill (42), is a Suffolk farmer.

The by-election was the 43rd of the present Parliament, the Conservatives (including Ulster Unionists) having retained 25 seats and Labour 17 seats, with one Conservative gain from Labour at Sunderland South.—(Times - Daily Telegraph) **(Prev. rep. By-elections, 13955 A.)**

B. BELGIUM. — Communist Party Reorganization.

The Belgian Communist paper *Le Drapeau Rouge* announced on Dec. 14 that a party congress held on Dec. 11 had decided to abolish the post of General Secretary of the party and to replace it by a three-man National Secretariat. The paper also disclosed that neither M. Edgar Lalmand (the party's General Secretary since July 1943) nor M. Jean Terfve (its Press chief and second-in-command) would be a member of the National Secretariat; that a third member of the former executive, M. Jean Borremans, had also been relieved of his post; and that all three had been excluded from the party's Political Committee, though remaining members of its Central Committee. The new National Secretariat would consist of MM. René Beelen, Ernest Burnelle and Gerard Van Moerkerke, none of whom had hitherto played a prominent part in the party's activities.—(La Nation Belge) **(Prev. rep. 10911 D.)**

C. SOVIET UNION. — Protest to Iraq at Suspension of Diplomatic Relations. - Closing of Baghdad Legation.

Following the Iraqi Government's decision to suspend diplomatic relations with the U.S.S.R., a Soviet Note was presented in Baghdad on Jan. 3 declaring that this action "testified to the unfriendly nature of the policy of the Iraqi Government towards the Soviet Union" and "contributed to an increase in international tension." The Note added that "such actions of the Nuri es-Said Government are directly connected with its foreign policy, which is aimed at drawing Iraq and other Arab countries into the aggressive blocs that America and Britain are building in the Near and Middle East." The Soviet Legation in Baghdad was closed on Jan. 12.
(Soviet Weekly) **(Prev. rep. 13971 A.)**

JANUARY 15—22, 1955

A. UNITED NATIONS. — Ninth Session of General Assembly. - Proceedings and Decisions.

The ninth session of the U.N. General Assembly was held in New York from Sept. 21 to Dec. 17, 1954. Some 70 items were included in the Assembly's agenda, the principal subjects discussed and decisions taken being summarized below under cross-headings.

Election of Assembly President.

Dr. E. N. van Kleffens, permanent Netherlands delegate to the U.N., and concurrently Netherlands Minister to Portugal, was elected President of the General Assembly in succession to Mrs. Vijayalakshmi Pandit (India). The ballot, held at the opening session, resulted in 45 votes for Dr. van Kleffens and three for Prince Wan Waithayakon (the Foreign Minister of Siam), with 12 abstentions. Prince Wan, however, had formally withdrawn his candidature—which had been supported by the United States—before the session opened.

Dr Eelco Nicolaas van Kleffens (60) was born at Heerenveen (Friesland) graduated in law at the University of Leiden, and served in the Legal Department of the League of Nations from 1919-21 He entered the Netherlands Foreign Ministry in 1922 and became Foreign Minister of the Netherlands in 1939, holding that post at the time of the German invasion in 1940 He escaped to Britain and throughout the war was Foreign Minister in the Netherlands Government-in-exile in London. After the war he was appointed permanent Netherlands delegate to the U.N., and concurrently Ambassador in Washington. For reasons of health he subsequently assumed the lighter duties of Minister in Lisbon, while remaining head of his country's delegation at the United Nations.

Chairmen of Assembly Committees.

Elections for the chairmen of the various committees of the Assembly resulted as follows:

Political and Security Committee	Dr Francisco Urrutia (Colombia)
Special (*Ad Hoc*) Political Committee	Hr. Thor Thors (Iceland)
Economic and Financial Committee	Sir Douglas Copland (Australia)
Social, Humanitarian and Cultural Committee	M. Jiri Nosek (Czechoslovakia)
Trusteeship Committee	M Rafik Asha (Syria)
Budgetary Committee	M. Pote Sarasin (Siam)
Legal Committee	Dr. Francisco Garcia Amador (Cuba)

Elections to Security Council, etc.

Elections to the Security Council and the Economic and Social Council were held on Oct. 6 and resulted as follows:

Security Council. Belgium, Persia and Peru were elected for two-year terms (beginning in January 1955) in succession to Denmark, the Lebanon and Colombia. The other three non-permanent members of the Council are Brazil, New Zealand and Turkey, whose terms expire at the end of 1955. Persia and Peru received 56 votes each and Belgium 52, whilst Burma, Haiti, India and Panama received one vote each.

Economic and Social Council. Argentina, France, Egypt, and Nationalist China were re-elected for three-year terms, whilst the Netherlands and the Dominican Republic were elected for three-year terms in place of Belgium and Cuba. The other members of the Economic and Social Council are: Australia (until 1956), Czechoslovakia (until 1957), Ecuador (until 1957), India (until 1956), Norway (until 1957), Pakistan (until 1957), Turkey (until 1956), the U.S.S.R. (until 1957), the United Kingdom (until 1957), the United States (until 1956), Venezuela (until 1956) and Yugoslavia (until 1956).

International Court of Justice. Elections were also held to fill six vacancies on the International Court of Justice—see 13897 B.

Disarmament Resolution.

The General Assembly unanimously approved a resolution, sponsored jointly by Great Britain, the United States, the Soviet Union, France, and Canada, calling for the resumption of discussions by the "London sub-committee" of the U.N. Disarmament Commission with the aim of reaching agreement on an international disarmament convention which would include the prohibition of nuclear weapons. (The sub-committee consists of the same five countries which sponsored the resolution.) The resolution was the first to be sponsored jointly by the Soviet Union and the Western Powers since January 1946, when the resolution setting up the U.N. Atomic Energy Commission was adopted by the Assembly.

M. Vyshinsky (U.S.S.R.), speaking in the plenary session on Oct. 1, presented a new Soviet resolution on disarmament which, he claimed, was based to a considerable extent on the Anglo-French proposals presented to the "London sub-committee" in June 1954 (see 13681 C). Moreover, the new Soviet proposals involved the abandonment of the Soviet Union's former opposition to the international inspection of atomic resources The resolution, which was unanimously placed on the General Assembly's agenda, contained the following provisions:

(1) The U.N. Disarmament Commission should prepare and submit for the approval of the Security Council a draft international convention "aimed at the strengthening of peace and security and providing for the prohibition of atomic hydrogen, and other weapons of mass destruction, for a substantial reduction of armaments, and for the establishment of international control to enforce these decisions adopting as a basis the proposals of France and Britain of June 11, 1954"

(2) Under this convention, all the States concerned would, within a period of six months or one year, simultaneously reduce their armaments armed forces, and military expenditure by 50 per cent. In the case of armaments and armed forces, the reduction would be made from the levels obtaining at Dec. 31, 1953 whilst the 50 per cent cut in military expenditure would be made from the level of such expenditures during the calendar year 1953

(3) To control the fulfilment by States of the above-mentioned undertakings, the convention would provide for the setting-up of an International Control Commission, under the Security Council, which would have the right to request from the States concerned all necessary information on the measures taken to reduce their armaments and armed forces Such information would be periodically submitted to the Commission on specific dates

(4) As soon as the States concerned had reduced their armaments and armed forces by 50 per cent, there would be a complete prohibition on the manufacture of atomic and hydrogen bombs and all other weapons of mass destruction All such weapons would be removed from the armaments of States, and all existing atomic materials used solely for peaceful purposes The fulfilment of these undertakings would be completed "not later than the fulfilment of the measures for the reduction of armaments and armed forces."

(5) A permanent international body would be set up under the convention to ensure that all States were fulfilling their obligations under (4) above This body would have "the right to exercise control, and also inspection on a permanent basis, to the degree that may be necessary to ensure the fulfilment of this convention by all States."

(6) The Anglo-French proposals of June 11, 1954, to "prohibit the use of nuclear weapons, with the exception of their use for defence against aggression," should be remitted to the Disarmament Commission for "concrete study" and recommendations

Mr. Selwyn Lloyd (then British Minister of State), speaking in the subsequent debate in the Political Committee said that M Vyshinsky's resolution "holds out the possibility of progress in this important field," and noted that the Soviet Government appeared to have moved towards the Anglo-French proposals which had been submitted to the sub-committee during the London discussions. Although the Soviet resolution would require careful examination, and although many important problems still remained to be "ironed out," he thought they were "nearer common ground" "We should be able quickly to list what we want to prohibit and what we want to reduce," Mr. Lloyd continued. "It will be a more complicated matter to decide on the level to which the reductions will have to be made in types of weapons, manpower, and resources However, I sincerely hope that there will not be years of protracted negotiations on these matters Let us aim at speed and simplicity." The Western Powers, he pointed out, believed that before anyone could be expected to carry out substantial prohibitions or reductions, an international control organ must be in existence and its officials stationed in all the countries concerned, ready and able to supervise the prohibitions and reductions agreed upon If, however, the U.S.S.R. had really abandoned its demand for an unsupervised ban on nuclear weapons, this was a step forward Mr Lloyd added: "The Soviet Government proposes a control commission under the Security Council to supervise the first stage of the disarmament programme. We have to be very sure that that would provide the necessary certainty that the agreed reductions were in fact taking place . . . Would the commission be given over-riding authority? Are its decisions subject to a veto in the Security Council? These are all questions that will have to be answered"

M. Guérin de Beaumont (France) expressed "great satisfaction" at the Soviet proposals and welcomed the fact that the Soviet Government had for the first time, taken a "forward step" towards disarmament. **Mr. James Wadsworth** (U.S.A.) also described the new Soviet proposals as "the first ray of hope that we have received in many years," but added that they would require "much elaboration" on many points before they became "really meaningful."

M. Vyshinsky, replying on Oct. 11 to some of the questions raised during the debate, said that his Government's position with regard to the use of the veto was as follows. no veto would ever apply to the work of the control organ itself, but if the Security Council were to deal with a matter pertaining to the control organ, the provisions of the U.N Charter would apply. On the question of percentage reduction of armaments, he maintained that the new Soviet plan met all earlier objections "Start with conventional armaments, where we are supposed to be strongest," he said, "and at the appropriate stage have the prohibition of the atomic bomb and the institution of a control organ within a specific time-limit of, say, six months or a year or something like that."

After prolonged discussions in the Political Committee, it was announced on Oct. 22 that the Soviet Union had agreed to sponsor, jointly with Britain, the U.S.A., France, and Canada a revised disarmament resolution which, while incorporating many of the original Soviet proposals, also included several changes proposed by the Western Powers. The provisions of the new resolutions were as follows.

(1) A further effort should be made to reach agreement on comprehensive and co-ordinated proposals to be embodied in a draft international disarmament convention This convention should provide for ·

(*a*) The regulation, limitation and major reduction of all armed forces and all conventional armaments

(*b*) The total prohibition of the use and manufacture of nuclear weapons and weapons of mass destruction of every type, together with the conversion of existing stocks of nuclear weapons for peaceful purposes.

(*c*) The establishment of effective international control, through a control organ ' with rights, powers and functions adequate to guarantee the effective observance of the agreed reductions of all armaments and armed forces and the prohibition of nuclear and other weapons of mass destruction, and to ensure the use of atomic energy for peaceful purposes only "

The whole programme should be such that no State would have cause to fear that its security was endangered.

(2) The Disarmament Commission should seek " an acceptable solution of the disarmament problem," taking into account the five-Power resolution, the Soviet resolution introduced by M. Vyshinsky, and the Anglo-French proposals of June 11, 1954.

(3) The Disarmament Commission should reconvene the [London] sub-committee and report to the Security Council and the General Assembly " as soon as sufficient progress has been made."

The five-Power resolution was unanimously approved on Oct. 27 by the Political Committee, which also approved (*a*) a second resolution by the same five Powers referring to the Disarmament Commission an Indian resolution urging that the Commission should study, *inter alia*, the possible establishment of an " arms truce " pending the conclusion of an international disarmament convention , (*b*) an Australian-Philippine resolution requesting the U N. Secretariat to prepare an information paper setting out the present positions of the great Powers on the question of disarmament. The voting on (*a*) was 58 in favour (including India) and one against (Nationalist China), with no abstentions, whilst (*b*) was adopted without opposition

The full Assembly, meeting on Nov. 4, approved the five-Power resolution by unanimous vote, the Indian proposal by 57 to one (Nationalist China), and the Australian-Philippine resolution by 56 to nil, with two abstentions. The unanimity of the vote was warmly welcomed by **Dr. van Kleffens,** who said " Until now, our Organization has progressed very slowly with the question of disarmament, but today we have taken an important step forward Naturally, no-one can foresee the results of the discussions which are mentioned in the resolution, but, apart from this uncertainty, there is one important point—that there is now a possibility of making progress in the field of disarmament. This is the basic meaning of the resolution which has been adopted by the General Assembly " **Sir Pierson Dixon** (U.K.) said there was " cause to be soberly satisfied with the progress that has been made " , **Mr. Wadsworth** (U.S.A.) welcomed not only the unanimity with which the resolution had been approved, but also the unanimity with which the delegates had " openly recognized that we have a long and rocky road to travel " ; whilst **M. Vyshinsky** also noted that there were still " a host of difficulties ahead of us," but added · " The difficulties are there to be overcome .. The Soviet Union approaches the task on the basis of seeking positions which will be acceptable to all parties and all States."

It was subsequently announced that the sub-committee of the U.N Disarmament Commission would resume its discussions in London in February 1955.

Peaceful Uses of Atomic Energy.

In addition to adopting unanimously the five-Power resolution on disarmament, the 60 member-nations unanimously endorsed President Eisenhower's " atoms for peace " plan, calling for the immediate establishment of an international atomic energy agency under the aegis of the United Nations (see 13793 A, 13285 A). It was also unanimously agreed that an international scientific conference on the peaceful uses of atomic energy should meet in the summer of 1955, probably in Geneva. During the debate the U.S. and British delegates announced that their Governments would contribute nuclear materials for projects approved by the proposed international agency.

Mr. Dulles (U.S. Secretary of State), addressing the plenary session on Sept. 23, asked the Assembly to put on its agenda a four-point American plan which was directed primarily to the following ends : (1) the creation of an International Atomic Energy Agency whose work, it was hoped, would start " as early as next year " and whose membership would include " nations from all regions of the world " ; (2) the convening of an international scientific conference in 1955, under U N. auspices, " to consider this whole vast subject " , (3) the opening in the U S.A early in 1955 of a Reactor Training School where students from foreign countries could learn the working principles of atomic energy " with specific regard to its peacetime uses " ; (4) invitations to " a substantial number of medical and surgical experts from abroad " to participate in the work of U.S. cancer hospitals where atomic energy techniques were used—techniques which were " among the hopeful approaches to controlling this menace to mankind "

In announcing this plan, Mr Dulles said that the U S Government were determined that President Eisenhower's proposal for the establishment of an atomic energy " pool " for peaceful uses, made at the eighth session of the Assembly (see 13285 A), " shall not languish until it dies " He expressed regret that the discussions between the U S A and the U.S S R on this matter (see 13793 A) had been unsuccessful, and declared that the Soviet Union had, in effect, said—" we will not co-operate to develop peacetime uses of atomic energy unless it is first of all agreed to renounce all those uses of atomic energy which provide the free nations with their strongest defence again aggression " Mr Dulles added, however, that the Soviet Government, " breaking a five-months' silence," had delivered a Note on the previous day (i e Sept 22) " affirming its readiness to talk further," though giving no indication that the U S S R had ' receded from its negative position " He emphasized, in conclusion, that he wished to make it " perfectly clear that our planning excludes no nation from participation in this great venture," and that " all nations interested in participating . will be welcome to join with us in the planning and execution of this programme."

The resolution, which was warmly supported by a large number of delegates, was unanimously placed on the agenda at the proposal of **M Vyshinsky,** who emphasized his Government's willingness to continue negotiations with the U S A. on President Eisenhower's " atoms for peace " plan.

The U N. Secretary-General, **Dr. Hammarskjold,** informed the Assembly on Oct 1 that he had appointed an inter-departmental committee, composed of five members of the U N Secretariat, which would undertake " a preparatory study of the responsibilities that may accrue to the United Nations as a consequence of the establishment of an international agency for the development of the peaceful uses of atomic energy " Specifically, this committee would consider two questions : (1) " appropriate methods, procedures, and organizational arrangements for the convening and conduct " of the international scientific conference which it was proposed to hold in 1955 ; and (2) the " possible organizational relationship " between the U.N. and the proposed new agency. The committee, which would submit its report to the Secretary-General at the earliest possible moment, would be under the chairmanship of Dr. Ralph Bunche (Under-Secretary without portfolio in the U.N Secretariat), its other members being Mr Roy Blough (Principal Director of the Dept of Economic Affairs), Mr. Martin Hill (Director of Co-ordination for Specialized Agencies and Economic and Social Matters), Dr Dragoslav Protich (Under-Secretary of the Dept of Legal Affairs), and M. Constantin Stavropoulos (Principal Director of the Legal Department)

Mr. Cabot Lodge (U S.A.), supported by **Sir Pierson Dixon** (U K.) and **Mr. Paul Martin** (Canada), formally presented the U S. proposals in the Political Committee on Nov 3, all three delegates expressing the hope that the Soviet Union would participate in the project. Discussing the functions of the proposed Agency, **Mr. Lodge** said that it should (1) encourage world-wide research and development of the peaceful uses of atomic energy ; (2) arrange for nuclear materials " to meet the needs of research, development, and practical application to all manner of peaceful activities, including the eventual production of power " , (3) foster the interchange of information on peaceful uses of atomic energy ; (4) " conduct its activities in such a way as to prepare for the time when the use of atomic energy for peace becomes the predominant and perhaps exclusive use of this great force " The U.S Government, he said, believed that the Agency should be created by a treaty ; that all States which ratified the treaty should become members of the Agency, " with provision for accepting additional members " ; and that all members should " accept an obligation to supply materials and information for the work of the Agency, financial support, and facilities for open discussion and contacts among scientists engaged in peaceful research activities " The U.S A., he added, had originally visualized the possibility that the Agency itself should hold fissionable materials, " but after the Soviet rejection of the U S proposals, all the negotiating States concluded that it might be preferable that the Agency should act as a clearing-house for requests made to it by the various beneficiaries " Under this plan, he explained, donor States would " earmark fissionable materials for the Agency's operations " and would transfer them directly to projects approved by the Agency.

Turning to the proposed international conference, Mr Lodge said that his Government had " long believed that such a conference .. would materially contribute to the knowledge of the participants, and correspondingly benefit their countries." The primary purpose of the conference would be " to discover the fields in which progress would be technically feasible and to develop procedures whereby the nations of the world can make known their wants." He expressed his belief that the conference should discuss such matters as probable world power requirements, the possible contribution of atomic energy to meeting deficits in conventional fuels, the economics of nuclear power, and the health and safety aspects of atomic energy

Both **Sir Pierson Dixon** and **Mr. Lodge** proposed that the conference should be held in Geneva, that an Advisory Committee should be set up to assist Dr Hammarskjold in the necessary preparations, and that this committee should be " a widely representative and technically qualified body." **M. Vyshinsky,** speaking on Nov. 8, objected to Mr Lodge's attempt to depict the Soviet attitude on this matter as " basically negative," and said that such an interpretation was " in complete contradiction with the facts." The Soviet Government had made known its views and had stressed, in particular, the advisability of working out an agreement whereby the participating countries would undertake not to resort to weapons of mass destruction. However, it had never made acceptance of this proposal a prior condition for negotiations, and in its last Note to the U S.A. had stressed the importance of reconciling the Soviet and U.S. positions on this question

Mr. Lodge informed the Political Committee on Nov. 15, with the authorization of President Eisenhower, that the U S Atomic Energy Commission had allocated 100 kilograms (over 230 lb.) of

fissile material to serve as fuel in experimental atomic reactors in other countries—a quantity sufficient to activate a considerable number of reactors throughout the world At the same time he challenged the Soviet Union to make public the design of the atomic electrical power plant which she claimed to have put into operation (see 13685 E) **Mr. Nutting** (U.K.) announced on the following day that H M. Government were prepared to make available 20 kilograms of fissionable material for the same purpose. **Mr. Krishna Menon** (India) subsequently informed the Committee that his Government were prepared to make substantial quantities of uranium available to the proposed Agency provided an assurance was given that it would not be used for the manufacture of atomic weapons

After discussions between the various delegations, **Mr. Lodge** announced on Nov 18 that agreement had been reached on the text of a seven-Power resolution for the establishment of an International Atomic Energy Agency and the convening of a technical and scientific conference in 1955. After explaining that the resolution embodied several changes resulting from consultations between the sponsoring Powers and other countries, notably the U.S S R. and India, he expressed the hope that the new proposals would "start a new chain reaction for the benefit of humanity"

The seven-Power resolution (sponsored jointly by the U.S.A., Great Britain, France, Canada, Australia, South Africa, and Belgium) was unanimously adopted by the Political Committee on Nov. 23, the vote being hailed by Mr. Lodge as "an historic moment." Its provisions were as follows:

After recalling President Eisenhower's initiative, set forth in his speech at the eighth session of the Assembly, noting that negotiations were in progress "for the establishment as quickly as possible of an International Atomic Energy Agency to facilitate the use by the entire world of atomic energy for peaceful purposes, and to encourage international co-operation in the further development and practical application of atomic energy for the benefit of mankind"; expressing the hope that the Agency would be established without delay, and suggesting that the Agency, when established, should negotiate "an appropriate form of agreement" with the United Nations, the resolution:—

(1) Proposed that an international technical conference of Governments should be held under the auspices of the U N "to explore means of developing peaceful uses of atomic energy through international co-operation, and, in particular, to study the development of atomic power and to consider other technical areas, such as biology, medicine, radiation protection, and fundamental science, in which international co-operation might most effectively be accomplished."

(2) Invited all States who were members of the U.N or its specialized agencies to participate in the conference and to include among their representatives "experts competent in the atomic energy field."

(3) Suggested that the conference should be held not later than August, 1955, at a place to be determined by the Secretary-General and the Advisory Committee (see below)

(4) Requested the Secretary-General, acting upon the advice of an Advisory Committee composed of representatives of Brazil, Canada, France, India, the U.S S.R., the U K., and the U.S A., to issue invitations to this conference and to prepare a detailed agenda

(5) Suggested that the Secretary-General and the Advisory Committee, in making plans for the conference, should consult the U N. specialized agencies, in particular the Food and Agriculture Organization, the World Health Organization, and the Educational, Scientific and Cultural Organization.

(6) Invited these specialized agencies to send representatives to the conference.

(7) Requested the Secretary-General to circulate a report on the conference to all members of the U.N and to "other Governments and specialized agencies participating in the conference"

Two Soviet amendments were rejected before the final vote in the Committee: (*a*) an amendment proposing that the Agency should be responsible to the Assembly and, in the cases laid down by the Charter, to the Security Council (negatived by 53 votes to 5 (the Soviet group), with 12 abstentions; and (*b*) another which would have extended the invitation to the conference not only to all States who were members of the U.N. and its specialized agencies, but also to all countries which expressed a desire to take part (rejected by 36 votes to 6). After these amendments had been rejected, the U S S.R. voted for the seven-Power resolution, which was subsequently adopted by the full Assembly—also by unanimous vote—on Dec. 4.

Dr. Hammarskjöld informed the Assembly on Dec. 7 (i) that he had appointed Dr. Gunnar Randers, Research Director in the Norwegian Department of Defence, and Director of the Joint Netherlands-Norwegian Atomic Research Project, to assist him in carrying out his responsibilities under the resolution; (ii) that invitations had been sent to the U.S.A, the U.K., the U.S S.R., France, Canada, India, and Brazil to appoint representatives to the Advisory Committee mentioned in the resolution, and (iii) that the five-member Secretariat committee under Dr. Bunche had presented its report, and had accordingly been dissolved.

The seven-member Advisory Committee held its first meeting at U.N. Headquarters on Jan. 15, 1955. Its members (all distinguished atomic scientists) were: Sir John Cockroft (U.K.), head of the British Atomic Energy Research Establishment at Harwell, Dr Isidor Rabi (U S.A), Professor of Physics at Columbia University, and chairman of the General Advisory Committee of the U.S Atomic Energy Commission; M. Dmitri Skobeltzin (U.S.S.R), of the Soviet Academy of Sciences, and a member of the former U.N. Atomic Energy Commission; M. Bertrand Goldschmidt (France), who had also served on the U N. Commission, Dr. Homi Bhabha (India), chairman of the Indian Atomic Energy Commission and secretary of the Indian Department of Atomic Energy; Dr W. B Lewis (Canada); and Dr Jayme de Barros Gomes (Brazil). Dr. Hammarskjöld, who presided, was unanimously elected chairman of the Advisory Committee

Soviet Complaint against U.S. "Aggression" in China. - Allegations of "Piracy" against Chinese Nationalists.

The Assembly agreed to place on its agenda two Soviet resolutions (*a*) one alleging that the U S.A. was responsible for "acts of aggression" against the Chinese People's Republic; (*b*) a second alleging that the Chinese Nationalist Government in Formosa had violated the freedom of the seas by "piratical attacks" against the shipping of other countries. The first resolution was defeated by 44 votes to 5 (the Soviet group), with eight abstentions, whilst the second was withdrawn by the Soviet delegation after it had been debated by the *Ad Hoc* Committee.

M. Sobolev (U.S S.R.), introducing the first resolution in the *Ad Hoc* Committee, denounced the mutual assistance treaty between the U S A. and Nationalist China (see 13986 A) as "a new act of aggression" against the Chinese People's Republic, declared that it constituted a threat to peace and security in the Far East, and asked the Assembly (*a*) to "note with concern that military forces controlled by the U S A in the area of Formosa and the China Sea have engaged in aggressive acts which lead to attacks against the towns and villages of China"; and (*b*) to call on the U.S Government to take the "necessary steps" to end such acts

Mr. C. D. Jackson (U.S.A) said that the resolution was designed solely "to serve as a platform for hostile propaganda against my country" After declaring that the U S A had neither seized nor occupied Formosa, and pointing out that the U S military mission in that island, numbering 800-900 men, had been sent there at the request of the Nationalist Government, he accused the Communists of deliberately distorting the defensive actions of Nationalist China in meeting attacks launched by the Chinese Communists He referred in this connexion to the Communist artillery and air attacks against Quemoy Island and the Tachen Islands (see 13986 A; 13785 A), and said that, had it not been for the presence of the U S. Seventh Fleet, the Chinese Communists might already have launched "the hideous spectacle of a fresh armed assault against a freedom-loving people"

The resolution was rejected by the above-mentioned vote both by the *Ad Hoc* Committee and, on Dec 17, by the full Assembly.

M. Vyshinsky, presenting the second resolution on Sept. 30, referred to the seizure by the Chinese Nationalists of the Soviet tanker *Tuapse* and the Polish vessels *Praca* and *Prezydent Gottwald* (see 13986 A), and also to Nationalist attacks on the merchant shipping of Britain, Denmark, and other countries He called upon the Assembly to condemn "this gross violation of the freedom of the seas," the responsibility for which "lies not only with the Chiang Kai-shek forces but with those who encourage them" **Dr. Tsiang** (Nationalist China) declared that his Government was engaged in a "struggle for existence" and was "resorting to the world-recognized right of self-defence", he justified the seizure of the Soviet and Polish vessels on the ground that they were carrying cargoes of oil to Communist China in defiance of the Nationalist blockade, and pointed out that the sale of oil and other strategic materials to the Communists had been banned by the United Nations After debate, the Soviet delegation agreed to withdraw its resolution, and on Dec. 15 the *Ad Hoc* Committee adopted a three-Power resolution (presented by the U S.A., Cuba, and the Philippines) inviting member-States to submit to the International Law Commission their views on navigation on the high seas. The voting was 35 to 5 (the Soviet group), with 15 abstentions, including India, Burma, Yugoslavia, Indonesia, Bolivia, Israel and the Yemen The resolution was subsequently adopted by the full Assembly by a similar majority.

Imprisoned U.S. Airmen in China.

By 45 votes to 5 (the Soviet group), with six abstentions (Afghanistan, Burma, India, Indonesia, Yemen and Yugoslavia) and four delegations absent (Costa Rica, El Salvador, Saudi Arabia and Syria), the plenary session of the Assembly adopted a resolution on Dec. 10 which (*a*) called upon the U.N. to act "promptly and decisively" to bring about the release of the 11 U.S. airmen imprisoned in Communist China (see 13927 A), and also of all other captured personnel of the U.N. Command still detained in that country; (*b*) requested the Secretary-General (Dr. Hammarskjold) to take immediate action to this end and to report progress by Dec. 31. The resolution, sponsored by the 16 nations contributing forces to the U.N. Command in Korea, had been presented to the Assembly as a matter of urgency by Mr. Cabot Lodge (U.S.A.) and had been placed on the agenda against Soviet opposition.

Dr. Hammarskjold told the Assembly that he accepted his responsibilities under the resolution "with a sense of the importance of the issue," but that he did not interpret the date mentioned (Dec. 31) as a "deadline." He disclosed on Dec. 11 that he had already sent a cable to Mr. Chou En-lai, the Chinese Prime Minister, requesting a meeting with him in Peking in the immediate future to discuss the release of the American airmen and other U.N. personnel detained in China.

The Cyprus Question.

Against strong British opposition, the Greek delegation presented a resolution calling upon the Assembly to consider the situation in Cyprus, with special reference to the demand for *Enosis* (union with Greece) put forward by the Greek-speaking population of the island. The Political Committee, however, adopted a New Zealand resolution—subsequently approved by the full Assembly—declaring that "for the time being it does not appear appropriate to adopt a resolution on Cyprus."

M. Alexis Kyrou (Greece) asked the Assembly's Steering Committee on Sept 23 to place on the agenda his country's request for consideration of her claim for the union of Cyprus with Greece After referring to the Greco-British dispute on this matter as "a quarrel between friends," he said that his Government had "exhausted all remedies and applied all diplomatic methods" in an effort to achieve a solution of the problem; that the continuance of the "present unsatisfactory state of affairs" had created a situation which made it appropriate for the U.N. to discuss the question; and that the root of the present "unhappy situation" lay in the "unwillingness of the London Government to implement the self-determination of Cypriots." He argued that the case came within the scope of Article 14 of the U N. Charter, which said that the General Assembly could "recommend measures for the peaceful adjustment of any situation, regardless of origin, which it deems likely to impair the general welfare or friendly relations among nations . . ."

Mr. Selwyn Lloyd (U K), after referring to the "deep and long-standing friendship" between Britain and Greece, spoke as follows: "It causes us great pain to have this disagreement with Greece . . I must say frankly that we deeply regret the action of the Greek Government, which can only divide friends and allies and so weaken the structure of peace. If the Greek item is inscribed on the agenda it would establish the principle that a member-State may raise in the U.N. the future of a territory, sovereignty over which has been settled in a treaty to which that State was a party. The effect of setting such a precedent would be far-reaching . . . I do not think I shall be guilty of misrepresentation if I say that it is the aim of the Greek Government not only to terminate British sovereignty but, through *Enosis*, to acquire for themselves sovereignty over Cyprus. Greece is, in effect, asking the U N. to interfere in the domestic affairs of a foreign Power so as to effect a territorial change favourable to herself . . . If it [the Greek resolution] is inscribed on the agenda, the flood-gates would be opened to claim and counter-claim, friction and bad feeling, and subversive activities among ethnic groups everywhere A deplorable precedent would be set . . A discussion on British administration in Cyprus, based on the avowed object of transferring sovereignty, is so flagrant a violation of Article 2, paragraph 7, of the Charter that H.M. Government feel impelled to take a firm stand. The inscription of this item will be bound to have very serious consequences on our relations with the United Nations . . ."

Mr. Lloyd pointed out, *inter alia*, that the Turkish population of Cyprus, numbering 100,000 out of the island's total population of 500,000, was strongly opposed to *Enosis*; that Cyprus had never been under Greek rule except for a short time during the fourth century; that Britain had acquired rights in Cyprus through a treaty with the Sultan of Turkey in 1878, that Cyprus had come directly under the British Crown at the outbreak of the First World War; and that British sovereignty had been recognized by Turkey in the Lausanne Treaty of 1923, to which Greece was a party.

Despite the British protest, the Steering Committee decided to place the Cyprus question on the Assembly's agenda. The decision was taken by 10 votes (the U.S S.R., Czechoslovakia, Burma, Chile, Nationalist China, Cuba, Ecuador, Iceland, Siam and Syria) to three (Britain, France and Australia), with three abstentions (the U.S.A., Colombia, and Dr. van Kleffens, in his capacity as chairman of the committee).

When the matter came before the Political Committee on Dec. 14, **Mr. Leslie Munro** (New Zealand) introduced a resolution asking that the Assembly should not give further consideration to the Greek request. "Cyprus," he declared, "is an essential part of any Middle Eastern and Mediterranean defence system. The security of this area is of concern to countries of the Middle East, to the members of the Balkan Treaty, to the members of NATO, and to members of the British Commonwealth, including New Zealand. Any territorial dispute among the countries directly concerned with this area carries the danger of a deterioration not only in their own relations but in the stability and security of the area itself. Any public airing of such a dispute can only provide opportunities for mischief-making on the part of those—and we know who they are—to whom the weakening of the stability and security of the area is a desirable objective. Is it not significant that among the strongest supporters of *Enosis* is the Communist Party of Cyprus? Is it contended by anyone that the Communists in Cyprus are animated by a desire to be governed by the present Government of Greece? Surely it is not."

Mr. Nutting (U K) said that H M. Government were not prepared to enter into a "purposeless and useless" discussion on Cyprus. Nevertheless, as the matter had been placed on the agenda, Britain was prepared to accept the New Zealand resolution.

The New Zealand resolution, as presented by Mr Munro, said that it was "not appropriate" for the Assembly to discuss the Cyprus question. The Colombian and Salvadorean delegates, however, moved that the words "for the time being" should be inserted, and this amendment was accepted by 44 votes (including those of Britain and Greece) to nil, with 16 abstentions. The amended resolution as a whole was thereupon adopted by 49 votes (including those of Britain, Greece, the U S A . and Turkey) to nil, with 11 abstentions (including the Soviet group), its wording being as follows "The General Assembly, considering that for the time being it does not appear appropriate to adopt a resolution on Cyprus, decides not to consider further the [Greek] item entitled . 'Application . of the principle of equal rights and self-determination of peoples in the case of the population of Cyprus'" The resolution was adopted by the full Assembly on Dec 17 by 50 votes to nil, with eight abstentions.

Both the British and Greek delegates expressed satisfaction with the resolution, though for different reasons Whereas **Mr. Nutting** declared that the result was "gratifying," inasmuch as the Colombian-Salvadorean amendment had in no way prejudiced the British position, **M. Kyrou**—who expressed "delight" at the amendment—said that "this is not a closed issue, as my British colleague seems to think, but an international issue." **Dr. Urquia** (El Salvador) declared, however, that the amendment had been moved with the object of "postponing the question *sine die*"

Dutch New Guinea.

An Indonesian resolution (subsequently re-worded in a compromise form by eight other Powers) was presented calling for a resumption of negotiations between the Netherlands and Indonesia on the question of Dutch New Guinea. Though adopted by the Political Committee, it failed to obtain the necessary two-thirds majority in the full Assembly and was therefore not passed.

The original Indonesian resolution called upon the Dutch and Indonesian Governments to resume negotiations on the status of Dutch New Guinea (West Irian) "without delay" with a view to reaching early agreement, and invited the U N Secretary-General to assist the parties and, if he and they considered it necessary, to "appoint a person to render his good offices" in the negotiations. The Indonesian request for this resolution to be placed on the agenda was supported in the Steering Committee by the Soviet Union, Czechoslovakia, Burma, Siam, Syria, Cuba and Ecuador, and was opposed by Britain, France, and Australia The Netherlands (as an interested party), the U S.A , Nationalist China, Colombia and Iceland abstained from voting.

Dr. Sunarjo (Indonesian Foreign Minister) said that West Irian—which he claimed was "an integral part of Indonesian territory"—still remained in dispute between Indonesia and the Netherlands, despite "agreements reached with Holland in 1949 on the holding of further negotiations" and despite "repeated efforts by Indonesia to reopen discussions" Although the situation had become more serious as a result of the "continuous Dutch refusal to resume the talks broken off in 1952," and of "the reinforcement of Dutch occupation forces in West Irian," the Indonesian Government would continue to exert all its efforts towards a peaceful settlement It felt, nevertheless, that it was necessary to bring the matter before the U N because it constituted "an instance of colonialism, a territorial dispute between two countries, and a question of vital concern threatening peace and security in South-East Asia"

After expressing his surprise at Australia's support for Holland on the "West Irian" question (see 13759 A), and declaring that "Indonesia has no quarrel with the Australian Government or people on this issue," Dr. Sunarjo said . "Our disagreement is with Holland and not with Australia Naturally, Indonesia recognizes that Australia, as the administering authority in East Irian [i e. Australian New Guinea], has an understandable interest in developments in West Irian, but the forcefulness of Australia's reaction seems disproportionately emphasized. The Indonesian Government has never made any claim, and has no claim, to East Irian It is concerned solely with the former Netherlands East Indies territories, the boundaries of which are the national boundaries of Indonesia. In raising this matter in the U.N , we are attempting to complete the independence of our countrymen from colonial rule . . ."

Mr. van Balluseck (Netherlands), speaking in the Political Committee on Nov. 23, stated that—as had been formally announced earlier in the year—his Government could not "entertain any further proposals for a resumption of negotiations concerning Netherlands New Guinea," and that "it would really be asking too much to expect that we should lend ourselves once again to participation in negotiations which, as experience has unfortunately shown, cannot lead to any practical results." "We have more than fulfilled our obligations to negotiate," he declared. "We have not been negative. We have proposed a number of solutions, all of which were rejected. We have now reached the end of our willingness and our ability to proceed along a road which can only lead to renewed failure."

After asserting that Indonesia had requested U N. intervention "with the ultimate aim of promoting the annexation of Netherlands New Guinea by the Republic of Indonesia," Mr. van Balluseck emphasized that his Government had, of its own accord, "repeatedly declared that it will, at the appropriate time, give the inhabitants of Netherlands New Guinea the opportunity to determine their own future These declarations were made long before the issue of West New Guinea came before the Assembly. If we repeat them here and now, it is because they represent the considered policy of the Netherlands Government, by which it will abide." In conclusion, he maintained that "a threat to peace could only occur if Indonesia were to resort to aggressive action," and that there was no movement whatever among the indigenous population of West New Guinea for independence or for affiliation with Indonesia.

Sir Percy Spender (Australia) declared that there was "no logic or validity" in the Indonesian claim, that the U.N. was not competent to deal with the question, that the transfer of the territory of a sovereign State to another would be a gross violation of U.N. principles; and that there was no proof whatsoever that the people of Netherlands New Guinea desired to pass under Indonesian sovereignty. After recalling that Indonesia had refused to submit her dispute with Holland to the International Court, and emphasizing that the lessons of the Second World War had shown that New Guinea would always be a "potential springboard" for the invasion of Australia by an enemy, Sir Percy declared: "There is not one dissentient voice in Australian political or individual, which would deny that the security of Australia and the security of New Guinea are indivisible. We have a continuing interest that the whole of this area should remain stable and secure, both under present arrangements and when its peoples are ready to work out their own destiny. . . . New Guinea has been shown to be the very key to Australia's defence. . . . The destiny of Australia is closely bound up with this island. We cannot view with anything but the utmost gravity the plea that the U.N. should endorse the claim that sovereignty of the Western part should be transferred. . . . The Allied stand in New Guinea marked the turning-point in the South-West Pacific phase of the war."

Mr. Nutting (U.K.) similarly declared that there was "no case whatever" for Indonesia's claim to Dutch New Guinea. He said that Britain would vote against the resolution, "believing that in doing so we are not only upholding the Charter but the interest and well-being of the people of West New Guinea." **M. Van Langenhove** (Belgium) also maintained that the Assembly was not competent to intervene in the matter and, under the Charter, was in fact prohibited from doing so since the question of sovereignty was involved. He pointed out that the inhabitants of Western New Guinea were among the most primitive people in the world, that they could play only a passive role in any transfer of sovereignty, and that, if such a change ever took place, they would not even be aware of the alteration in their political status.

Mr. Baruah (India) maintained that the Dutch claim to jurisdiction over Western New Guinea was untenable, and that the continued deadlock over this question was adversely affecting the political climate of South-East Asia. After declaring that the Netherlands, for a century or more," had failed to do anything to uplift the people of Western New Guinea, he asked why that country "should now be entrusted with the responsibility for the rapid advancement of these people." He added that "the colonial Power [Holland] can have neither the moral strength nor the spiritual incentives necessary to be able to respond to the challenge of poverty, ignorance and disease in these areas." Speeches in support of the Indonesian resolution were also made by the Polish, Czechoslovak, Burmese, Liberian and Afghan delegates.

After further debate, a compromise resolution was submitted on Nov. 30 jointly by Argentina, Costa Rica, Ecuador, El Salvador, India, Syria and Yugoslavia which "expressed the hope" that Indonesia and the Netherlands would "try to find a solution in conformity with the principles of the United Nations," and which omitted the invitation (contained in the original Indonesian resolution) to the U.N. Secretary-General to "assist" the parties. The resolution was adopted in the Political Committee by 34 votes to 14, with 10 abstentions. The countries voting in favour were Afghanistan, Argentina, Bolivia, Burma, Byelorussia, Costa Rica, Cuba, Czechoslovakia, Ecuador, Egypt, El Salvador, Ethiopia, Greece, Guatemala, Honduras, India, Iraq, Lebanon, Liberia, Mexico, Pakistan, Paraguay, Peru, Persia, Poland, Saudi Arabia, Syria, Siam, the Soviet Union, the Ukraine, Uruguay, Venezuela, Yemen, and Yugoslavia, whilst the opposing votes were cast by Australia, Belgium, Colombia, Denmark, France, Great Britain, Iceland, Luxemburg, Netherlands, New Zealand, Norway, Sweden, South Africa and Turkey. Ten countries abstained from voting (Brazil, Canada, Chile, Nationalist China, Dominican Republic, Indonesia, Israel, Nicaragua, Philippines, and the U.S.A.), whilst Panama and Haiti were absent.

When the resolution came before the full Assembly on Nov. 30, however, it failed to obtain the two-thirds majority required for adoption, the voting being 34 in favour and 23 against, with three abstentions. Seven countries which had abstained in the Political Committee voted against the resolution in the full Assembly (Brazil, Canada, Chile, Nationalist China, the Dominican Republic, Israel and Nicaragua); Peru, which had supported the resolution in the Political Committee voted against it in the full Assembly; and Guatemala, which had also voted for the resolution in the Political Committee, abstained in the plenary session.

A statement was issued in The Hague on Nov. 30 by the Netherlands Foreign Minister (Mr. Luns) welcoming the failure of the resolution in the General Assembly, but regretting the fact that the U.S.A. had not supported the Netherlands but had abstained from voting. In Jakarta, the Indonesian Government issued a communiqué on Dec. 12 declaring that it would not give up "the struggle for the restoration of West Irian to Indonesia," and that it would continue its efforts to secure recognition of "the Indonesian national claim."

South African Racial Policy.

By 40 votes to 10, with 10 abstentions, the Assembly adopted a resolution by its *Ad Hoc* Committee on the question of South Africa's racial (*apartheid*) policy. It commended the efforts made by the three-member U.N. Commission which had been set up in 1952 to study this matter; invited the South African Government "to conform to its obligations under the U.N. Charter," bearing in mind the obligations imposed on all States to respect human rights and fundamental freedoms; asked it to take into consideration the Commission's suggestions for the peaceful settlement of the racial problem in South Africa; and called upon the Commission to continue its efforts and to report to the tenth session of the Assembly.

The report of the three-member Commission set up in 1952—with Dr. Hernan Santa Cruz (Chile) as chairman and M. Laugier (France) and M. Bellegarde (Haiti) as its other members—was presented to the General Assembly on Oct. 20. It said that South Africa's *apartheid* legislation was incompatible with the obligations assumed by that country under the U.N. Charter relating to human rights; gave a warning that *apartheid* constituted a grave threat to South Africa's internal situation and foreign relations, and stressed that "any measures to reduce racial conflicts must be the result of efforts initiated within the Union itself." Although the South African Government had refused to co-operate with the Commission, and had allowed it no facilities for on-the-spot investigations, the Commission nevertheless formulated a number of proposals, notably (i) the abolition of the system of migrant labour, (ii) removal of the statutory restrictions on the settlement of non-Whites in urban areas; (iii) recognition of the Bantu people's right to become permanent city dwellers; (iv) genuine acceptance by the European population of the right of non-Whites to settle in the cities and to own urban property; (v) a programme of fundamental adult education; (vi) elimination of the "colour bar" and recognition of the principle of equal pay for equal work, (vii) reorganization of the apprenticeship system, (viii) abolition of the "pass laws", (ix) enactment of new legislation to enable Bantus, Coloureds, and non-Europeans in general to participate with full rights and equality in all negotiations for the peaceful settlement of labour disputes.

Emphasizing the serious psychological effects of *apartheid*, the Commission said that the resentment felt by the non-European population created "a permanent current of conflict and revolt," whilst the White population, on the other hand acquired a feeling of insecurity. The result was a gradual disappearance of mutual trust and of the human contacts that were essential to normal existence and development in a civilized society. After drawing attention to a speech by the Union Minister of Native Affairs (Dr. Verwoerd), in which he had remarked that Africans were being increasingly employed in South African industry but that "increased employment of Natives should not be regarded as integration," the report went on: "In another speech, delivered at Vereeniging last May, the same Minister declared that if economic integration existed because Natives were employed in industry and on the farm, then asses, oxen and tractors used by the farmers are also integrated into the country because they, too, are indispensable. Such words, which reduce human labour to the level of beasts of burden, are utterly revolting. Statements of this kind undoubtedly create trouble and tension."

Asserting that a responsible South African Government spokesman had "admitted that the Government's policy has not succeeded in arresting the inter-penetration of ethnic groups in the economic field," the report stated, as a broad conclusion: "Europeans, Bantus and Coloureds must necessarily wend their way together. We might almost go so far as to say that they are doomed to live together and to build an organic community. The road of gradual integration is the only one that seems . . . likely to lead to a peaceful future acceptable to all parties. To travel that road successfully, one side will have to jettison theories of racial superiority which give a semblance of legality to political supremacy . . . The other [side] will have to realize that the ideas of fraternal equality and collaboration enshrined in the U.N. Charter . . . cannot become reality at a stroke of a magic wand . . ."

The Commission recommended to the General Assembly (*a*) that it should continue its study of the South African racial question with the aim of suggesting measures "to help alleviate the situation and promote a peaceful settlement", (*b*) that an offer be made to the South African Government to set up a committee of experts to list all the ways in which the U.N. and its specialized agencies could help South Africa to settle her racial problems peacefully; and (*c*) that the proposed committee should consist of technical experts specializing in plans for economic and social development.

Appended to the report was a survey of the effect of *apartheid* policies on the South African economy, carried out by Mr. Paul Guenault, of the University of Wales. After stating that *apartheid* involved "very considerable burdens" on South Africa's economy, hampered the industrialist in the efficient use of labour, and weakened the incentive of both European and native workers, Mr. Guenault said *inter alia*: "Though economic activity has greatly increased since the Union was formed, the overall picture is still one of poverty for the bulk of the population. The mass of the population thus constitutes a poor and restricted market for goods, and the development of secondary industry has been impeded."

The Commission also transmitted to the Assembly two letters from Sir Pierson Dixon (permanent British representative at the U.N.) in which it was stated that the British Government regarded the Commission as an "illegal body, and its establishment as "an obvious intervention in the domestic affairs of a member-State."

In the *Ad Hoc* Committee's debate on Dec. 9, the South African Government's *apartheid* policy was criticized by the Indian, Burmese, Iraqi, Mexican, and other delegates. **Mr. Tricumdas** (India) accused the South African Government of "following a course of conduct unworthy of decent human behaviour—conduct which the whole civilized world condemned in the brutal Hitlerite Nazis, with their insane notions of racial superiority." After declaring that South Africa was every day passing legislation which reduced a majority

of the population to a "status of slavery or worse," he added: "The spirit of freedom and democracy is on the march. Asia largely gained her freedom as a result of this spirit. The African giant has awakened and will not long tolerate a status of slavery for the greater glory of the 'master race'. He is asking for his rights and no more. Either these rights will be conceded peacefully or the world may witness a period of race conflict and race war in which the ultimate result could only be the elimination of either the black or the white races from the continent of Africa."

Mr. du Plessis (South Africa) described the report of the U.N. Commission as "a study in intellectual arrogance," and reiterated his Government's contention—expressed at former sessions of the Assembly—that the Commission was "an illegal body set up under an unconstitutional resolution." **Lord Fairfax** (U.K.) likewise declared that the *apartheid* question was "essentially within the domestic jurisdiction" of South Africa, and described the U.N. Commission and all its activities as "illegal."

The above-mentioned resolution (presented jointly by 20 countries, including India, Pakistan, Burma, Indonesia, Egypt, Lebanon, Persia, Iraq, Yugoslavia and Chile) was adopted in the *Ad Hoc* Committee by 34 votes to nine. The opposing votes were cast by Australia, Belgium, Colombia, Canada, France, the Netherlands, New Zealand, South Africa, and the U.K., whilst 10 countries abstained (Argentina, Brazil, Nationalist China, Cuba, Denmark, Guatemala, Peru, Turkey, the U.S.A. and Venezuela). The voting in the full Assembly (on Dec. 16) was as given above, Luxemburg joining the nine countries which had opposed the resolution in the Political Committee.

Indian Community in South Africa.

By 47 votes to one (South Africa), with 10 abstentions, the *Ad Hoc* Committee adopted a resolution (presented by Brazil and seven other Latin American nations) suggesting that India, Pakistan, and South Africa should try to settle by "direct negotiations" the question of the treatment and status of the Indian community in South Africa—an issue which had been before the General Assembly since 1946. The resolution was subsequently adopted by the Assembly.

The three-man Good Offices Commission appointed by the Assembly at its seventh session (see 12749 A, pp. 12751-52) reported on Sept. 20 that it had been unable to arrange negotiations between the three countries concerned owing to the un-co-operative attitude of the South African Government, and was consequently unable to submit any proposals for a settlement of the dispute. "As a last effort," a formal invitation had been extended to the South African permanent representative at the U.N. to attend a meeting of the Commission "to explore the possibilities of implementing the Assembly's resolution on the subject." In reply, however, the Commission had been informed that the attitude of the South African Government remained unchanged, that it regarded the Assembly's resolution as unconstitutional, and that, in consequence, it could not recognize the Commission.

Mr. du Plessis (South Africa) informed the *Ad Hoc* Committee on Oct. 24 that his Government regarded the question of the Indian minority as essentially within its domestic jurisdiction, and that it was therefore unable to accept any resolution on the matter.

The eight-nation resolution proposed (1) that direct negotiations should be sought between India, Pakistan, and South Africa, (2) that the parties concerned should jointly appoint a mediator in the dispute (either a Government, an agency, or a person); (3) that a mediator should be appointed by the U.N. Secretary-General if no agreement had been reached within six months, (4) that the Secretary-General should report to the tenth session of the Assembly. India and Pakistan supported the resolution, whilst South Africa (as stated above) cast the only dissenting vote. The 10 countries abstaining were Australia, Belgium, Canada, Colombia, the Dominican Republic, France, the Netherlands, New Zealand, Turkey, and the United Kingdom.

Admission of New Member-States.

No progress was made on the admission of new member-States to the United Nations. After debate in the *Ad Hoc* Committee, lasting from Oct. 28 to Nov. 12, the Assembly unanimously adopted a resolution referring all pending applications (21 in number) to the Security Council "for further consideration and positive recommendation."

The 21 applicant countries were Albania, Austria, Bulgaria, Cambodia, Ceylon, Finland, Hungary, the Irish Republic, Italy, Japan, Jordan, North Korea, South Korea, Laos, Libya, Mongolia, Nepal, Portugal, Rumania, North Vietnam, and South Vietnam. Fourteen of these countries whose membership had been sponsored by the Western Powers had been kept out of the U.N. by the Soviet veto in the Security Council, whilst the seven applications supported by the Soviet Union had failed to obtain the required number of votes (i.e. seven out of 11) in the Council.

The three-man Good Offices Committee set up by the Assembly at its eighth session (see 13369 A, page 13372) reported on Sept. 13 that it had been unable to resolve the deadlock on the question of admitting new members to the U.N. It felt, nevertheless, that the possibilities of reaching an understanding had not been exhausted, and that further efforts should be made to seek agreement in the Security Council.

Four resolutions were presented in the *Ad Hoc* Committee: (1) a resolution, presented jointly by Australia, Pakistan and Siam, proposing the admission of Cambodia and Laos to the U.N.; (2) a resolution, sponsored by Argentina, Cuba and El Salvador, for the admission of Austria, Ceylon, Finland, the Irish Republic, Italy, Japan, Jordan, Libya, Nepal and Portugal, (3) a U.S. amendment to this resolution adding South Korea and South Vietnam to the list; (4) the Soviet "package" proposal (presented at earlier sessions of the Assembly) for the simultaneous admission of 14 countries (Albania, Austria, Bulgaria, Ceylon, Finland, Hungary, the Irish Republic, Italy, Jordan, Libya, Mongolia, Nepal, Portugal and Rumania).

After debating these resolutions, the *Ad Hoc* Committee adopted on Nov. 12 a four-Power resolution (sponsored by India, Argentina, Cuba and El Salvador) which (i) referred all pending membership applications to the Security Council "for further consideration and positive recommendations"; (ii) suggested that the Security Council should hold periodic high-level meetings (as provided for under the U.N. Charter) in an attempt to resolve this question; and (iii) asked the Good Offices Committee to continue its efforts and to report progress. The resolution was passed by 59 votes to nil (with no abstentions and Costa Rica absent), and was adopted unanimously by the full Assembly on Nov. 23.

At the opening plenary session on Sept. 21, M. Vyshinsky (U.S.S.R.) introduced a resolution for the admission of the Chinese People's Republic to the United Nations. Mr. Cabot Lodge (U.S.A.), however, moved an amendment deferring consideration of the matter for a further year, and this amendment, after having been given precedence on the agenda, was adopted by 48 votes to 11 (the Soviet group, Denmark, Norway, Sweden, Yugoslavia, India and Burma), with six abstentions (Afghanistan, Egypt, Indonesia, Saudi Arabia, Syria and the Yemen).

Shortly before the session opened, the U.S. delegation had circulated to all member-States a memorandum listing 39 "warlike" acts committed by the Chinese Communists against the shipping and aircraft of Western nations, covering the period from July 1950 to June 1954, in which 29 American and British nationals had lost their lives. They included seven incidents involving Britain (including the shooting-down of a British airliner off Hainan on July 22, 1954), five involving the U.S.A., two each involving Denmark and Panama, and one each involving France, Norway and Portugal.—(United Nations Review, New York - U.N. Information Centre, London - Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - Soviet Weekly - Algemeen Handelsblad, Amsterdam - Netherlands News Agency - Indonesian Embassy, London - Cape Times - The Statesman, Calcutta) **(Prev. rep. General Assembly, Eighth Session, 13369 A; 13285 A; 13269 A.)**

A. INDIA. — Former French Settlements grouped into State of Pondicherry.

The Indian Government announced on Jan. 6 that the former French Settlements of Pondicherry, Karikal, Yanam, and Mahé would in future constitute a single State of the Indian Union under the name of the State of Pondicherry. Mr. Nehru had previously told the House of the People on Dec. 16, 1954, that it would be preferable to make Pondicherry a separate unit, rather than merge it with surrounding districts, so that India could fulfil her undertaking that Pondicherry would remain a centre of French culture. The membership of the Indo-French commission entrusted with the settlement of all questions pending at the time of the *de facto* transfer, consisting of three officials of either side, had been announced on Nov. 17.

The French India National Congress decided on Nov. 8 to delete the words "French India" from its name, and to make other amendments to its constitution to suit the changed conditions created by the merger with India. Mr. Subramaniam, leader of the Congress, emphasized that it had operated as a nationalist organization for the past seven years, and had no connexion with the former Socialist Party, which had recently re-named itself the National Congress Party.

Mr. Nehru paid an official visit to Pondicherry on Jan. 16, 1955, and received an enthusiastic welcome from the population. (Indian High Commissioner's Office, London - The Hindu, Madras - The Statesman, Calcutta) **(Prev. rep. 13857 A.)**

B. EGYPT - PHILIPPINES. — Treaty of Friendship.

A treaty of friendship between Egypt and the Philippines, stipulating that there should be "perpetual peace and everlasting amity between the two Republics and their peoples", was signed in Washington on January 18.

(New York Herald Tribune)

C. GERMANY. — New French Commandant in Berlin.

General Pierre Manceaux-Demiau, the French Commandant in West Berlin, relinquished that post on Jan. 1 to take up other duties, and was succeeded by Brigadier-General Gèze.

(Le Monde, Paris) **(Prev. rep. 12648 C.)**

A. YUGOSLAVIA. — Ratification of Trieste Agreement and Balkan Treaty.

The Yugoslav National Assembly (the two Houses of the Yugoslav Parliament meeting in joint session) unanimously ratified on Oct. 23 the Italo-Yugoslav agreement on Trieste and the treaty of alliance concluded between Greece, Turkey, and Yugoslavia. It also approved the principles of foreign policy previously set out by President Tito, and expressed its agreement with the recommendations of the Greek, Turkish and Yugoslav Foreign Ministers that a three-Power Consultative Assembly should be set up under the Balkan Pact.

President Tito, in his report to the National Assembly, said that German rearmament within the Brussels Treaty was "an improvement on the E.D C" because it had taken into account some of the factors disturbing France's relations with Western Germany. The simultaneous Franco-German agreement over the Saar also showed the possibility of removing such obstacles The integration of Europe, he said, would be facilitated if the new organization's primary task was the removal of such internal antagonisms, but it would miss its end if it permitted itself to acquire the character primarily of a military grouping with military aims Whilst the new Western European Union did not fully correspond with Yugoslav conceptions of the surest means of solving international problems, Yugoslavia could "not adopt a negative attitude towards it", on the contrary, she felt it necessary to try to find, 'together with our allies Greece and Turkey," corresponding forms of co-operation on a regional basis with the members of the new organization

As regards the Trieste agreement, President Tito promised the inhabitants of the former Zone B that they would be "the subject of our special care and attention," and gave an assurance that the Italian minority would be given equal possibilities and full rights so that the area could become a 'live link in the further development of our relations with neighbouring Italy" In spite of the sacrifices entailed, Yugoslavia was satisfied that the problem had been "finally removed from the agenda" and that there were prospects of a new and happier future in the relations of the two peoples

Speaking of Yugoslav relations with the Soviet bloc, President Tito said the process of restoring normal contacts had lately yielded "concrete results." Besides barter agreements signed with Russia and several other East European countries, preparations were now in hand for the conclusion of a similar agreement with Poland—the one East European country which had yet to follow the Russian example in seeking a resumption of normal diplomatic relations with Yugoslavia. These trade arrangements, as well as various other developments—the dissolution of anti-Titoist emigré organizations behind the Iron Curtain, the ending of Cominform propaganda, and the cessation of radio 'jamming" of Yugoslav broadcasts—encouraged the hope that the restoration of normal relations would be continued, although there were still many "complicated problems" which had not yet been touched upon

An Order was issued by President Tito on Oct. 23, 1954, abolishing military government in the former Zone B as from midnight of Oct. 24-25. In the early hours of Oct. 25 Yugoslav troops entered the small strip of the former Zone A which had been ceded to Yugoslavia under the agreement with Italy. An amnesty for political crimes committed in the former Zone B was proclaimed by the Governor (Colonel Stovanovich) on Oct. 24.—(Tanjug Agency, Belgrade) **(Prev. rep. Trieste, 13821 A; Balkan Alliance, 13725 A; President Tito on Soviet-Yugoslav Relations, 13001 A; on E.D.C. 13806 C.)**

B. UNITED KINGDOM. — Orpington By-election.

The by-election in the Orpington division of Kent, caused by the death of Sir Waldron Smithers (Conservative), was held on Jan. 20 with the following result

Sumner, W. D. M. (Conservative) . .	20,082
Williams, R. D. Vaughan (Labour) . .	10,426
No change. Conservative majority . .	9,656

The figures at the general election were : Sir Waldron Smithers (C.) 27,244, R. D. Vaughan Williams (Lab.) 16,241—Conservative majority, 11,003. The Conservative candidate received 65 83 per cent of the votes in the by-election and the Labour candidate 34.17 per cent, compared with general election percentages of 62.65 and 37.35 per cent respectively The Conservative proportion therefore increased, and the Labour proportion fell, by 3.18 per cent. 55.39 per cent of the electorate voted, compared with 82.01 per cent at the general election The electorate numbered 55,069, compared with 53,023 in 1951.

Mr. Sumner (42), a barrister, was chairman of the Orpington Conservative Association prior to his election.

The by-election was the 44th of the present Parliament. (Times - Daily Telegraph) **(Prev. rep. By-elections, 13992 A.)**

C. TURKEY. — Cabinet Change.

It was announced in Ankara at the beginning of December that M. Samet Agaoglu had been appointed Minister of Industrial Development in succession to M. Fethi Celikbas. M. Agaoglu had held various posts in Cabinets headed by M. Menderes, including those of Deputy Prime Minister and Minister of State.—(Turkish Embassy, London) **(13597 A.)**

D. CHINA. — Analysis of Population Census.

A detailed analysis of the first nation-wide census taken in China (see 13883 B), was brought by the *Eastern Economist* (New Delhi) in its issue of Dec. 10, 1954, from which the following information is taken :

Method of Computation. Of the total Chinese population of the world, given in the census as 601,938,035, it was stated that the figure of 574,205,940 was gained through direct census, whilst the remainder, 27,732,095, was arrived at by indirect census The latter figure included 7,590,298 in Formosa Taiwan), which had "yet to be liberated," 11,743,320 Chinese residing or studying abroad, and 8,397,477 in remote border regions where local elections had not taken place or where transport facilities were exceptionally bad (As explained in 13685 A, the census was carried out simultaneously with nation-wide urban and rural district elections.)

Distribution of Population. The distribution of the Chinese population among the three largest cities, the provinces (including Formosa), Tibet, Inner Mongolia, and Overseas Chinese was enumerated as follows

Peking (the capital)	2,768,149	Shensi Province	15,881,281
Shanghai	6,204,417	Kweichow ,,	15,037,310
Tientsin	2,693,831	Shansi ,,	14,314,485
		Fukien ,,	13,142,721
Szechwan Province	62,303,999	Kansu ,,	12,928,102
Shantung ,,	48,876,548	Heilungkiang ,,	11,897,309
Honan ,,	44,214,594	Kirin ,,	11,290,073
Kiangsu ,,	41,252,192	Jehol ,,	5,160,822
Hopei ,,	35,984,644	Sinkiang ,,	
Kwangtung ,,	34,770,059	(Chinese Turkestan)	4,873,608
Hunan ,,	33,226,954	Sikang Province	3,381,064
Anhwei ,,	30,343,637	Chinghai ,,	1,676.534
Hupeh ,,	27,789,693	Inner Mongolian	
Chekiang ,,	22 865,747	Autonomous	
Kwangsi ,,	19,560,822	Region	6,100,104
Liaoning ,,	18,545,147	Tibet	1,273,969
Yunnan ,,	17,472,737	Taiwan (Formosa)	7,591,298
Kiangsi ,,	16,772,865	Overseas Chinese	11,743,320

Population by Nationalities. The distribution of the population by nationalities was given as follows

Chinese (*Han*)	547,283,057	Mongolians	1,462,956
Tibetans	2,775,622	*Tribal peoples	20,824,421
Manchus	2,418,931	Other nationalities	6,718,025

* Including the many aboriginal or primitive tribes (Miao, Uighur, Chuang, Hui, etc) living in remote areas of western, south-western and north-western China.

Among other information, it was stated that 51.82 per cent of the Chinese population were males and 48.18 per cent females; that there were 3,384 centenarians; and that the Chinese birth-rate now averaged 37 and the death-rate 17 per thousand, giving a natural rate of increase of 20 per 1,000. Attention was also drawn to the rapid growth of the urban population, particularly in the industrial and mining cities of Manchuria.—(Eastern Economist, New Delhi)

(Prev. rep. 13883 B; 13685 A.)

E. SWITZERLAND. — Election of Federal President and New Members of Federal Government.

M. Max Petitpierre (55), head of the Political (Foreign Affairs) Department of the Swiss Federal Council, was elected President of the Swiss Confederation for 1955 at a meeting of the Federal Assembly (i.e., the two Houses of Parliament sitting together) on Dec. 16, 1954.

On the same date the Federal Assembly elected three new members of the Federal Council (Government) to replace M. Rodolphe Rubattel and Dr. Karl Kobelt, who had resigned, and Dr. Joseph Escher, who had died on Dec. 10. The new members were Dr. Thomas Holenstein, who took over the Department of Posts and Railways administered by the late Dr. Escher; M. Paul Chaudet, who succeeded M. Rubattel in the Department of Economics; and Signor Giuseppe Lepori, who succeeded Dr. Kobelt as head of the Military Department.

Dr. Holenstein (58), a Roman Catholic Conservative from St. Gallen, is president of the Federal Banking Commission. M. Chaudet (50) is a Radical from Canton Vaud, and Signor Lepori (52) a Roman Catholic Conservative from Canton Ticino.

The new Federal Government consists of three Radicals, three Roman Catholic Conservatives, and one member of the Farmers' Party, compared with four Radicals, two Roman Catholic Conservatives, and one member of the Farmers' Party in the previous Government

In the inter-party negotiations preceding the election of the new members of the Federal Council, the Social Democrats (who have not been represented in the Federal Council since 1953) had claimed two seats in the Government on the ground that they had received the largest number of votes at the last general election. This demand was refused by the other parties of the Government coalition, who wished to concede only one seat to the Social Democrats, whereupon the latter refused to participate in the Government.

(Neue Zurcher Zeitung) **(Prev. rep. 13354 G.)**

A. WESTERN EUROPEAN UNION. — French Proposals for European Armaments Production Agency. - M. Mendès-France's Visits to Rome and Baden-Baden. - Discussions with Italian Ministers on Franco-Italian Economic Co-operation. - Italian and German Attitude towards French Arms Pool Proposal. - Franco-German Agreement on Implementation of Saar Statute.

It was announced in Paris on Jan 7 that the French Government had sent to the other member-countries of the proposed Western European Union a memorandum on the creation of a European Agency for Armaments Production, as distinct from the Armaments Control Agency envisaged under the London and Paris agreements. It was stated that the memorandum was intended to serve as a " basis for discussion " at a meeting of the working group of member-countries of the Western European Union, including Western Germany and Italy, which would open in Paris on Jan. 17.

The memorandum (dated Jan. 3) defined the three objectives of creating an arms pool between the W E U. member-countries as :

(1) In the military sphere, the increased efficiency of their military forces and improvement in their logistical systems

(2) In the budgetary and industrial spheres, the better use of armaments credits and the reduction of retail prices

(3) In the economic sphere, the sharing of responsibilities and tasks to the common benefit of the participants.

It explained that the functions of the proposed Agency would cover the standardization of armaments, the laying-down of manufacturing programmes, the allocation of armaments orders to the member-countries of the Union, the execution of these programmes, the distribution of armaments between the forces of the member-countries, and the planning and co-ordination of investments for the development of productive capacity. Any extension of the productive capacity for armaments in any of the member-countries would require the authorization of the Agency, in which connexion areas would be zoned according to their vulnerability to enemy attack The Agency would also receive and distribute U S and Canadian military aid and " offshore " orders, and would conclude agreements to that effect with the United States and Canada

To overcome initial difficulties, the memorandum proposed that the new organization should come into being in two stages There would be a transitional period until Dec 31, 1956, during which member-countries would adapt themselves for the subsequent establishment of the supranational authority During this period decisions would be taken by member-countries through two committees—a military standardization committee and an armaments production committee, in both of which unanimity would be required. However, if no unanimity could be achieved in the military committee about certain measures of standardization, it would be open to some of the member-countries to adopt these decisions between themselves, with the possibility of other members adhering later. The armaments production committee would distribute production contracts for standardized *matériel* with the aim of extending joint production to the largest possible number of individual programmes, and its consent would be required for the execution of " offshore " orders.

As from Jan 1, 1957—the beginning of the second stage—the proposed Agency would assume full powers. It would work under a Director and a permanent committee consisting of the Defence Ministers of the member-countries, under the overall authority of the Council of the Union. Both the Council and the permanent committee would take their decisions by a two-thirds majority, and extensive executive powers would be vested in the Director of the Agency. The Council of the Union would approve the annual production programmes, investment plans, and decisions (which, contrary to the two-thirds majority rule, would require unanimity) on the standardization of equipment. As an alternative to this set-up, it was suggested that the central authority of the Agency might be akin to the High Authority of the European Coal and Steel Community, consisting of a fully supranational committee whose members would have no links with their Governments.

In addition to the suggestion of a transitional period, the new French proposals differed from those put forward by M. Mendès-France at the London conference in that they envisaged that the projected European Armaments Community should cover the whole territory of all member-countries of the Union, including Great Britain.

The French proposals formed one of the subjects which M. Mendès-France discussed with Italian and German Ministers during subsequent visits to Rome and Baden-Baden.

The Rome discussions with Signor Scelba (the Italian Prime Minister) and Professor Martino (the Foreign Minister) took place on Jan. 11-12 after M. Mendès-France had paid a brief visit to President Einaudi at Naples. During his stay in Rome M. Mendès-France also had talks with Signor Saragat (the Italian Deputy Premier) and saw Signori Gronchi and Merzagora (Presidents of the Chamber of Deputies and the Senate respectively) and the leaders of the principal Italian parties, including Signor Fanfani (Christian Democrat), Signor Nenni (Left-wing Socialist), and Signor Togliatti (Communist). On Jan. 13 M. Mendès-France was received in audience by the Pope. Concurrently with the Ministerial discussions, talks also took place in Rome between French and Italian industrialists on such questions as the commercial relations between the two countries in the light of French trade liberalization measures, Italian industrial collaboration in French Union territories, and other subjects of joint interest to the industries of the two countries.

On Jan. 12 the following communiqué was issued in Rome on M. Mendès-France's discussions with Signor Scelba and Professor Martino

" Conscious of the fundamental character of the solidarity created by the Western Powers through their common policy within the framework of the North Atlantic Treaty, the French and Italian Ministers considered that the Paris agreements constitute an important stage in the building of a united Europe. The provisions relating to the voluntary limitation and reciprocal control of armaments should inspire more far-reaching agreements which may result from the initiative taken by friendly countries in the United Nations [i e., the Anglo-French proposals on disarmament: see 13181 A] · Firmly attached to the maintenance of existing European organizations, and resolved to ensure for Western Europe a continued development in the economic, social, cultural, and political spheres, the Ministers took the opportunity of considering all the eventual measures concerning armaments production. They believe that still closer Franco-Italian co-operation will allow the two countries to make their full contribution to the consolidation of peace and to the continued improvement of the living standards of their peoples. They also confirmed their wish to maintain close personal contact, followed by the exchange of information and mutual consultations.

" Furthermore, they reviewed other questions of an international character which are of interest to their two Governments . . . and found their views in complete agreement. The progress already accomplished in the organization of Western Europe must, in their opinion, constitute the starting-point for action by the Allied countries aimed at an international *détente* and the peaceful co-operation of all peoples.

" Having found that the aims of their two Governments in various international organizations dealing with monetary and financial questions, such as the O E E C. and G A T.T., are in complete accord, the Ministers agreed that their representatives in these organizations should, within the framework of general co-operation, continue to proceed by joint action with a view to bringing about an expansion of international trade within a multilateral trade and payments system of as wide a character as possible. As regards trade exchanges between their two countries, they recognized that France's progressive return to trade liberalization will tend to facilitate the harmonious development of Franco-Italian economic relations The latest stage in the liberalization of French trade exchanges, in particular, was recognized as a positive element which would help to remove certain obstacles hitherto hindering Franco-Italian trade.

" The Ministers paid special attention to the various forms in which a more active and fruitful Franco-Italian economic co-operation can be brought about In this respect they will support private plans which may be submitted to them with the aim of achieving a better specialization in the production of the two countries, especially in the industrial sphere. The French Prime Minister stressed his particular interest in Franco-Italian economic and financial co-operation, not only in Europe but also overseas, where new resources can be developed through joint European action The Italian Ministers, for their part, expressed themselves in favour of the development of Franco-Italian industrial co-operation, and notably of the participation of joint Franco-Italian undertakings in the development of Southern Italy. They also discussed the prospects which the present Italian development plans could open to the French economy, and decided to set up a joint commission, consisting of specially qualified persons, which will promote and facilitate the various kinds of collaboration on a permanent basis.

" The conference was preceded by a meeting of experts who examined and settled various problems to be dealt with in a separate announcement."

A second communiqué was published during the night of Jan. 12-13 dealing with " special questions relating to the Franco-Italian discussions." It stated that the French and Italian Ministers had examined the following questions during their talks ·

Cultural Questions. The discussions had shown the importance attached by both Governments to the development of Franco-Italian cultural exchanges. The Ministers had taken note of the " steady and very satisfactory " progress made in this sphere, which had manifested itself not only in the direct cultural relations of their countries but also in the friendly co-operation of their representatives in international cultural organizations Wishing to go farther along this road, they had stressed the importance they attached to the mutual knowledge of their languages, and had agreed to strengthen contacts between the youth of both countries by means of an increase in study tours, research scholarships, and exchanges of professors and students. Particular attention had been paid to the question of the validity of school and university diplomas in either country, and this question would be considered by a cultural commission to be set up in the near future.

Emigration Questions. The Ministers had examined the various aspects of Italian emigration to France, had expressed satisfaction about the existing co-operation in this sphere, and had studied means of developing it still further. M. Mendès-France had surveyed French plans for the immigration of foreign labour in 1955, " which, as usual,

reserve first place to Italian labour," and had stressed his Government's policy of progressively increasing French economic activity whilst maintaining full employment. The Ministers thought that certain increases in French building activities would be possible, and examined specifically a plan for the immediate employment of Italian workmen in the French house-building programme.

Other Questions. M Mendès-France and the Italian Ministers had signed a consular convention, a convention on mutual judicial aid, and a provisional agreement on the working of the Gran Scala power station in the Mont Cenis area (which provides electric power for Turin and belonged to Italy before the Italian Peace Treaty). After discussing the construction of the projected Mont Blanc tunnel (see 13783 C) the Ministers had agreed on a number of measures aimed at facilitating transport and communications across their common frontier, including the widening of the road linking Menton and Ventimiglia. Agreement was also reached on free transit facilities for the inhabitants of Corsica, Sardinia, and Elba.

A further statement was made to the Press by Professor Martino on Jan. 14 in which he spoke of Italy's attitude towards M. Mendès-France's proposal for a European armaments pool.

Professor Martino stated that in principle the Italian Government viewed the French proposals favourably, although, before the conversations began, they had had reservations about some of its possible economic effects on Italy—particularly the possible repercussions on the Italian armaments industry if insufficient orders were placed with it, involving consequent danger of unemployment. Italian concern in this respect had, however, been appreciated by the French Premier and steps would be taken to safeguard Italian interests, in particular, it was envisaged that new armaments factories might be set up in the depressed areas of Southern Italy and in the Italian islands. Italy was also particularly concerned about the apparent French intention that all arms supplied by countries outside the "pool," such as the U.S.A. and Canada, should be supplied to and distributed by the "pool" itself, and not by the member-countries. M Mendès-France, however, had shown himself "adaptable," and Italy's attitude to this aspect of the proposals might be modified if satisfactory technical arrangements could be made.

Professor Martino also mentioned that the Italian Ministers had raised the question of the Franco-German agreement on the Saar, and had expressed concern lest the bilateral Franco-German economic agreements envisaged under that pact might be injurious to the Italian economy. M Mendès-France, however, had given a formal assurance that no Franco-German economic arrangements would be made which were not open to other member countries of the Western European Union. Similar assurances, he added, had been received from the Federal German Government.

M. Mendès-France went from Rome to Baden-Baden, where he had a 12-hour discussion with Dr. Adenauer on Jan. 14 on international and Franco-German problems. Professor Erhard (the Federal Minister of Economics) took part in the discussions on the French proposals for a European Armaments Production Agency.

In a statement issued in Bonn on Jan. 9, Professor Erhard had denied a Press report that the Federal Republic was prepared to "renounce" the production of tanks and heavy artillery and would be content to buy these weapons from other members of NATO. He pointed out that the limits on the future German armaments industry were clearly defined in the Paris treaties, which gave the Federal Republic the right to produce all armaments outside those expressly excepted. There was no question of giving up these rights, although this did not mean that the Federal Republic was interested in herself producing "all the armaments necessary for military use." On the contrary, the Federal Government were anxious to see "international co-operation and international division of labour" extended to the field of armaments production.

The following communiqué was issued at the end of the discussions between the French Prime Minister and the German Federal Chancellor:

"During the Baden-Baden talks M. Mendès-France and Dr. Adenauer examined the problems raised by the co-operation of their two Governments in the international sphere, as well as certain specific Franco-German questions.

East-West Relations. The Prime Minister and the Federal Chancellor began their exchange of views by an examination of the general political situation, and expressed the determination of their Governments to carry out fully their obligations for the maintenance and consolidation of peace, and to pursue, in agreement with the other free countries, their efforts aiming at a *détente* between the East and the West. They subsequently examined the following questions: (1) armaments production; (2) implementation of the Saar agreement; (3) cultural collaboration; (4) economic co-operation.

The Armaments Agency. Regarding the question of armaments, which will be studied by the working party of representatives of the member-countries of the future Western European Union, meeting on Jan. 17, Professor Erhard explained to the French Prime Minister various suggestions which will be communicated to the other participants in the forthcoming meeting. The Ministers were in agreement on the necessity of standardizing war materials in consultation with NATO, and of communicating to each other their armaments programmes with the aim of harmonizing them and thereby achieving the best possible utilization of their resources, as well as a reduction in expenditure, with proper regard to their national interests and to the elimination of cartels and other restrictive agreements. They rejected any idea of autarky as regards armaments production. They agreed on the necessity of ensuring that armaments production and exports would not endanger the economic and social position of their countries.

The Saar. The Ministers discussed the measures required to permit, after consultation with the Saar Government, the application of the Saar agreement of Oct. 23, 1954. They examined in particular those questions relating to the preparation of, and the holding of the referendum on, the future Statute. As the Statute will be based on the Western European Union, they agreed that it would be desirable to hold the referendum under the supervision of an international commission, on the constitution of which they will jointly approach the other member-Governments of the Union.

The question of the functions of the Saar Commissioner, who must be appointed by the Council of the Western European Union, was examined in detail. Agreement was reached for the settlement, within the framework of the Western European Union, of any disputes which might arise in connexion with the application of the Saar Statute. Both Ministers reviewed the measures which will be taken to give effect to the economic provisions of the agreement. Finally, they decided to approach jointly the U.S. and British Governments with the request that they should guarantee the Statute in conformity with Article 8 of the agreement.

The Saar Commissioner will be called upon to assume the functions of Minister of Foreign Affairs and of National Defence. He will also be entrusted with the application of Article 6 of the Saar Statute (see 13845 A). He will make his decisions in the spirit of the Human Rights Convention signed by the member-countries of the Council of Europe.

Economic and Cultural Questions. The Ministers studied in a positive spirit all the problems concerning navigable waterways in the frontier areas.

The Chancellor drew the attention of the Prime Minister to the cases of certain Germans sentenced and detained in France.

As regards bilateral economic relations, the Ministers found that commercial exchanges have continued to develop in a satisfactory manner and that future prospects are favourable. They put the final touches to the trade agreement for the current half-year, which they signed; it provides for a substantial increase in French agricultural exports to the Federal Republic, notably a doubling of wheat supplies.

The Chancellor and the Prime Minister approved the principles which will govern the long-term trade agreement envisaged in the La Celle-Saint-Cloud talks, and it was decided that this agreement should be valid for three years and should be renewable by tacit extension.

The formation of a joint Franco-German Chamber of Commerce, envisaged since last October, has since reached the stage of realization.

Finally, the Ministers discussed the implementation of the cultural agreement concluded on Oct. 23, 1954, and on the means of widening its application.

The satisfactory course of their discussions has reinforced the conviction of the Prime Minister and the Federal Chancellor that France and Germany will make a still more efficacious contribution to the well-being of their two peoples, to the unification of Europe, and to the peace of the world, by collaborating ever more closely in all spheres with the community of free nations."

After a short joint Press conference with the Federal Chancellor, M. Mendès-France took leave of Dr. Adenauer and returned to Paris. Press comment, both in France and Germany, stressed the personal warmth and friendliness which had characterized the discussions and which had found expression in the closing paragraph of the joint communiqué.

The conference on a European Armaments Agency opened in Paris on Jan. 17, the delegations from the seven member-countries of the W.E.U. being headed by their permanent delegates to the North Atlantic Council (except the German delegation, which was led by Professor Erhard). The chief British delegate was Sir Christopher Steel, and the French delegate M. Alexandre Parodi. American observers were also present.—(Le Monde, Paris - Le Figaro, Paris - Times - Daily Telegraph - Manchester Guardian - Corriere della Sera, Milan - Frankfurter Allgemeine Zeitung) **(Prev. rep. Paris Agreements, 13869 A; Saar Statute, 13845 A.)**

A. AUSTRALIA. — Weapons Research Establishment.

The Australian Minister for Supply (Mr. Beale) announced on Jan. 14 that the Woomera rocket range and its associated long-range weapons establishment, high-speed aerodynamics laboratory, and chemical and physical research laboratories would be amalgamated into a single new organization under the name of the Weapons Research Establishment.
(Australian News Bureau) **(Prev. rep. 13222 A; 13111 A.)**

B. GREECE. — Ratification of Balkan Pact and Paris Agreements on German Entry into NATO.

The Greek Parliament, meeting on Jan. 18, unanimously ratified the Balkan military alliance signed by Greece, Turkey and Yugoslavia in August 1954. The Paris agreements for the admission of the German Federal Republic to NATO were ratified at the same time.—(Times) **(13869 A; 13725 A.)**

A. SOVIET UNION. — Warnings to Western Powers against Ratification of Paris Agreements. - Threat to annul Anglo-Soviet and Franco-Soviet Treaties.

The Soviet Government sent Notes to Britain, France and the United States on Dec. 9 warning them against the consequences of ratifying the Paris agreements, and protesting in particular against the rearming of Western Germany. In addition, Notes were sent to France on Dec. 16 and to Britain on Dec. 20 declaring that the ratification of the Paris agreements would lead the Soviet Government to denounce the Anglo-Soviet and Franco-Soviet treaties of mutual assistance concluded during the war. Notes were also sent on Dec. 17 to those countries (other than Britain, France and the U.S.A.) which had not responded to the Soviet invitation to take part in a general European security conference in Moscow.

Notes to Britain, France and U.S.A. The Notes of Dec 9 declared that the " restoration of German militarism " envisaged under the Paris agreements, and the inclusion of Western Germany in " the aggressive North Atlantic bloc," would compel the Soviet Union " and other peace-loving countries " to take without delay " every necessary step to oppose the growing armed forces of the aggressive States." After declaring that the ' paper guarantees " in the Paris agreements " do not enjoy the confidence of the European peoples for obvious reasons." the Soviet Notes stated that the ratification of those agreements would " lead to the intensification of the armaments race," " create new obstacles to reaching agreement on the control of armaments." "lead to a considerable intensification of the danger of a new war in Europe," and " make four-Power talks on the unification of Germany void of substance." The Notes drew attention to the declaration adopted at the Moscow Conference on Dec. 2 (see 13936 A) and to China's support of that declaration

Note to France. The Note of Dec 16 declared that the Paris agreements " fundamentally contradicted " the obligations assumed by France under the Franco-Soviet treaty of alliance and mutual assistance concluded on Dec. 1, 1944 After recalling that both France and the U S S.R had agreed under that treaty to adopt " all necessary measures . . to eliminate any new threat from Germany and to bar the way to any kind of initiative directed at the possibility of a new German attempt at aggression," the Note continued " These [the Paris] agreements envisage the remilitarization of Western Germany and the formation of a West German army headed by the former Hitlerite generals who not long ago were pursuing a Fascist regime of bloody terror and oppression in the occupied territories of France, the Soviet Union, Poland, Czechoslovakia, Yugoslavia. Norway, Belgium, and other European countries. Not only is a large German Army being created with air forces, tanks, and heavy artillery, but the entire heavy industry of the Ruhr is again being re-geared for the production of armaments. In violation of existing international agreements, the [Paris] agreements place atomic, chemical and bacteriological weapons in the hands of the West German militarists . . with incalculable consequences."

After accusing the French Government of having entered into " aggressive military alignments with the United States," the Soviet Note declared that the ratification of the Paris agreements would cancel and annul the Franco-Soviet treaty of 1944, and that full responsibility would rest with the French Government

Note to Britain. The Note to Britain, which was in almost identical terms to the Note to France, gave a similar warning that the implementation of the Paris agreements would involve the annulment of the Anglo-Soviet treaty of alliance and mutual assistance of May 26, 1942, and said that " entire responsibility for the consequences will rest with Britain and the British Government." *Inter alia*, the Note accused the British Government of " exerting strong pressure " on other European countries with the aim of speeding-up the ratification of the Paris agreements.

Notes to Other Countries. Notes were sent on Dec 17 to Belgium, the Netherlands, Denmark, Norway, Italy, Finland, Luxemburg, Sweden, Yugoslavia, Iceland, Switzerland, Greece and Turkey expressing regret that these countries had not responded to the Soviet Government's invitation to participate in a general European conference on collective security, and recapitulating the Soviet Government's objections to the Paris agreements, particularly to the rearming of Western Germany. In its Note to Finland, however, the Soviet Government said that the " positive attitude " shown by that country on questions relating to collective security led it to hope that Finland would make " a contribution to the cause of establishing a collective security system in Europe "

The following statement was issued by the British Foreign Office on Dec. 21 :

" H.M Government would much regret it if the Anglo-Soviet Treaty of 1942, to which they have always attached importance, were to be cancelled or annulled by the Soviet Government. At the same time they deplore both the manner and the context in which that Government now threatens such annulment They cannot accept the argument used in the Soviet Note There is no justification for the Soviet contention that the Paris agreements are incompatible with the treaty. H.M. Government will continue to pursue their chosen policy of consolidating Western European unity."

No official statement was issued in Paris or Washington on the Soviet Notes.—(Soviet Weekly - Times - Le Monde, Paris - New York Times) **(Prev. rep. Moscow Declaration, 13936 A ; Paris Agreements, French Ratification, 13965 A.)**

B. MIGRATION AND REFUGEE PROBLEMS. — Plans for Migration from Europe in 1955.

The eighth session of the Provisional Inter-governmental Committee for European Migration (ICEM) met in Geneva on Nov. 30. As a result of the entry into force of the agreement setting up the ICEM as a permanent body (ratification by Argentina and Norway having brought the ratifying governments up to the required number of 16), the meeting automatically became the first session of the Council of the ICEM.

The Council, representing 24 nations, adopted on Dec. 4 a programme for the migration of 143,320 Europeans to overseas countries during 1955, at a total cost of $46,500,000. The programme called for the emigration of 58,300 persons from Italy, 31,100 from Germany, 15,820 from Greece, 15,500 from the Netherlands, 12,550 from Austria, and 10,050 from other areas, including refugees in Trieste and the Near and Far East. The principal recipient country would be the U.S.A. (46,500), followed by Australia (31,200), Argentina (22,270), Brazil (18,500), Venezuela (8,150), Canada (8,100), Chile (2,700), Uruguay (2,300) and Israel (1,650), whilst 1,950 migrants would be settled in other countries.

Speaking at the opening session on Nov. 30, the Director of the ICEM (Mr. Hugh Gibson) said that 40 per cent of all migration from Europe was now under international auspices ; that he was confident that overpopulation problems in Europe could be solved within ten years at the present rate of migration ; and that over 250,000 Europeans had been resettled overseas —mostly in the U.S.A., Argentina, Canada, and Australia— since the establishment of the ICEM in 1952. He added that 42 per cent of all those assisted had been refugees, and that the committee was ' well on the way to a solution of the refugee problem in Trieste." In addition, the Council heard a report from M. Pierre Schneiter, special representative of the Council of Europe for Refugee and Over-population Questions, and now President of the French National Assembly (see 13985 B).

Mr. Gibson (71) died suddenly on Dec. 12. He had been appointed to the post of Director of the Provisional Intergovernmental Committee for the Movement of Migrants from Europe in June, 1952.—(Council of Europe, Strasbourg - Times - Neue Zurcher Zeitung) **(Prev. rep. 13898 A ; I.C.E.M., 12074 A ; Mr. Gibson, 12275 A.)**

C. RUMANIA. — Abolition of Food and Clothes Rationing. - Price and Wage Increases.

It was announced in Bucharest on Dec. 26 that the Central Committee of the Rumanian Workers' (Communist) Party and the Rumanian Government had decided that the rationing of food and clothing should end with immediate effect. The decision was stated to have been taken because of the great increases in the production of agricultural produce and consumer goods during 1954.

At the same time it was announced (*a*) that prices of goods formerly rationed would be fixed at the level of the higher off-ration prices quoted in State and co-operative stores prior to derationing, and (*b*) that the new prices, whilst being higher than those previously fixed for rationed goods, would still be lower than the prices prevailing in the free peasants' markets. Moreover, price reductions varying between 10 and 42 per cent would be made for maize flour (the staple diet of the poorer sections of the people), ready-made clothes, footwear, metal and electrical goods, agricultural machinery, etc., although price increases would take place for meat, eggs, milk, and beans.

To compensate workers for the difference between the new fixed State prices and the old ones, it was announced that they would receive monthly cash allowances paid directly by the Government as a wage settlement, these allowances varying according to the type of ration-card held. A scale was published showing that the supplementary allowances would amount to about 10 per cent of wages.

The statement said that the 1954 cereal and grain harvest had amounted to over 9,000,000 tons and had exceeded that of 1953 , that cattle-breeding had been improved , that investments in the consumer goods industry in 1954 had been 27 per cent above those in 1953 ; that new goods had been put into mass production in the food, electrical, metal and chemical industries , and that " marked increases " in the supply of farm and other foodstuffs on the open markets by individual smallholders had led to a fall of prices on these markets and to a general improvement in the supply position.

Rationing had been in force chiefly for bread, flour, meat, clothing, linen, and footwear.—(Agerpres, Bucharest) **(13511 A.)**

D. YUGOSLAVIA. — Establishment of Diplomatic Relations with Chinese People's Republic.

It was announced in Belgrade on Jan. 10 that Yugoslavia and the Chinese People's Republic had decided to establish diplomatic relations at Embassy level. (Tanjug, Belgrade)

A. UNITED KINGDOM.—Steel Production in 1954. - Price Changes. - Denationalization of Dorman Long and Co., Ltd. and Colvilles Ltd. - Other Resale Transactions. - Import Duties suspended on Iron and Steel Products.

Figures published by the Iron and Steel Board on Jan. 11 showed that U.K. steel production in 1954 reached the record figure of 18,520,000 tons (compared with 17,609,000 tons in 1953), thus exceeding the year's objective of 18,500,000 tons. Production of pig-iron, at 11,883,000 tons, was also a record, comparing with 11,175,000 tons in 1953. The Board estimated that the industry would be capable of raising steel production to 19,500,000 tons in 1955.

Detailed monthly figures for the fourth quarter of 1954 are given below, with 1953 figures for comparison

	1954		1953	
	Weekly Average Tons	Annual Rate Tons	Weekly Average Tons	Annual Rate Tons
	Steel Ingots and Castings.			
October	375,000	19,472,000	355,000	18,460,000
November	377,000	19,606,000	363,000	18,878,000
December	355,000	18,442,000	339,000	17,624,000
Year		18,520,000		17,609,000
	Pig-Iron			
October	231,000	11,998,000	222,000	11,519,000
November	235,000	12,236,000	229,000	11,883,000
December	234,000	12,149,000	225,000	11,723,000
Year		11,883,000		11,175,000

Recent developments in the industry are summarized below:

New Steel Plants. The Steel Company of Wales announced on Oct. 29 that it had received permission from the Iron and Steel Board to proceed with an expansion scheme designed to increase the output of cold-reduced sheets at its Abbey Works (Port Talbot) mill by about 2,700 tons a week. The scheme will cost about £1,500,000.

The December issue of the British Iron and Steel Federation's Monthly Bulletin stated that Messrs. Steel, Peech & Tozer (a subsidiary of the United Steel Companies) planned to build a new medium-strip mill at their Rotherham (Yorks.) works at an estimated cost of about £3,000,000. The plant, expected to take nearly three years to complete, will be able to roll up to 6,000 tons of steel weekly.

Price Changes. The Iron and Steel Board announced on Dec. 3 price increases, averaging about one per cent, for a number of iron and steel products, including pig-iron, forging ingots, alloy and stainless steel, rails and fishplates, rolled steel products, and steel strip. Prices of high-grade steel scrap were also raised sharply.

Public Offers of Steel Shares. The Iron and Steel Holding and Realization Agency announced on Nov. 9 the offer for sale (on Nov. 18-19) of 15,000,000 £1 Ordinary shares in Dorman, Long & Co., Ltd. at 22s. 6d. each, with special consideration for applications from former shareholders. On Nov. 23 it was announced that about 52,400 applications had been received for a total of about 75,000,000 shares, including about 6,600 applications from former shareholders; these latter had been granted in full up to 400 shares, and to the extent of about 18 per cent above that amount, whilst other applications had been accepted in full up to 200 shares and to the extent of about 10 per cent above.

On Jan. 20 a further (the sixth) offer for sale by public subscription was made by the Agency—viz., 10,000,000 £1 Ordinary shares in Colvilles Ltd. at 26s. each, again with special consideration for applications from former shareholders. The Company had announced on Jan. 16 that loans would be available to employees over 21 years of age who wished to apply for blocks of 50, 100, 150, or 200 shares, repayment being made at the rate of 3d. a share for 104 weeks. On Jan. 21 it was announced (*a*) that about 150,000 applications had been received for 130,000,000 shares, including 5,000 from former stockholders and 1,200 from employees, (*b*) that these classes had been granted in full up to 200 shares, (*c*) that applications from the general public for from 50-100 shares had received 50 shares, and larger applications 100 shares, and (*d*) that the remaining shares would be allocated amongst former shareholders applying for more than 200 shares.

Resale and Grouping Transactions. It was announced early in December that the Iron and Steel Holding and Realization Agency had resold to Thomas W. Ward Ltd., Sheffield, the whole capital of the Wolverhampton Steel and Iron Co. (1946) Ltd., and its subsidiary, Birchley Rolling Mills Ltd. The price paid by Messrs. Ward was £782,500, the exact figure at which the two companies (then separate subsidiaries of Messrs. Ward) had been nationalized in 1951.

The Agency announced on Dec. 14 that it had resold its holding of the entire share capital of the Lilleshall Iron and Steel Co. Ltd. to the Lilleshall Co., Ltd., for £95,000. The compensation paid when the company was nationalized was £129,382.

It was announced on Jan. 5 that the Agency had transferred to its wholly-owned subsidiary, the Staveley Iron and Chemical Co. Ltd., its direct interest in the Sheepbridge Co. Ltd., which would thus become a wholly-owned subsidiary of Staveley Iron and Chemical Co.

The Board of Trade announced on Jan. 7 (*a*) that import duties on a wide range of iron and steel products considered by the Iron and Steel Board as likely to be in short supply in 1955 would be suspended until Sept. 18, 1955, and (*b*) that the suspension of import duties on cold rolled steel (announced in August 1954) would be extended until March 31, 1955.
(Times - Financial Times) **(Prev. rep. 13862 D; 13732 A.)**

B. SOUTH AFRICA. — Formation of National Conservative Party. - Mr. Bekker elected Party Leader.

A new South African political party—the National Conservative Party—was formed on Nov. 29 at a congress in Bloemfontein which had been convened by supporters of Mr. Bailey Bekker, M.P., and other members of the Independent United Party (see 13431 D). In addition to Mr. Bekker, who was elected party leader, the new party includes the other six M.P.s who left the United Party with Mr. Bekker in 1953 and subsequently formed an Independent U.P. group in the House of Assembly.

The intention of the Independent U.P. group to convert itself into a new national political party had been announced on Aug. 26, 1954, by Mr. Bekker, who gave a press conference on that date with Dr. A. H. Jonker, M.P., and Mr. B. Coetzee, M.P., two other members of the group. Mr. Bekker maintained that the National Party was, for all practical purposes, exclusively an Afrikaans party; that the United Party was becoming an exclusively English-speaking party; and that it was essential to set up a new party "as a political home for reasonable people of both sides." After declaring that the new party (the name of which had not then been chosen) desired "national unity between English- and Afrikaans-speaking South Africans as a first approach to our problems," Mr. Bekker outlined its policy as follows:

(1) Native Policy.—"We stand for traditional South African *apartheid*—the separate development of European and Bantu. We may differ on the method and application of this principle. For instance, we oppose completely territorial *apartheid* as being impractical and unwise. Other *apartheid* measures must be weighed on their merits and . . . on the well-being of the Natives. While we accept that the Bantu will always be with us in considerable numbers, the provision of a national home for him, with possibilities of full development, is the crux of positive *apartheid* . . . As to the Bantu workers, separate but adequate housing is the first priority, together with their general economic and spiritual upliftment."

(2) Commonwealth Relations.—"Within our borders we stand for South Africa first, and beyond our borders for the Commonwealth . . . Our association with the Commonwealth is of vital importance for South Africa. We are not republicans. We believe that a republic is not of vital importance, as there are far more pressing problems around us. But if the Prime Minister can persuade the people to ask for a republic by the broad will of the majority, we shall honour and respect their wishes."

(3) The Constitution.—"We shall countenance no change in the Constitution except in the manner prescribed in the Constitution. We demand that the status and prestige of our courts remain inviolate. We shall fight Communism and assist the Government in fighting it. While the democratic framework must be upheld, we are convinced that you cannot fight Communism by ordinary processes of law."

The party's economic policy was outlined on Nov. 30 by Dr. Vernon Shearer, and included the following points: protective tariffs to aid the expansion of industry; Government organization of research for the benefit of industry; the building of factories as near as possible to sources of raw materials and power; encouragement to small investors; and the sharing of the benefits of industrialization among the greatest number of people, including the non-European population.—(Cape Times - Cape Argus) **(Prev. rep. 13431 D.)**

C. BELGIUM. — Cabinet Change.

M. Adolphe Van Glabbeke, the Minister of Public Works, resigned on Jan. 13 after having been criticized by the Opposition for allegedly favouring his brother-in-law in the placing of a contract for the building of a school in Ostend. He was succeeded as Minister of Works on Jan. 15 by Senator Vanaudenhove (Liberal), a leading member of the Belgian Resistance movement during the war, in which he was deported to Germany and imprisoned in various concentration camps.
(La Nation Belge, Brussels) **(Prev. rep. 13574 A.)**

D. CHINA - SOVIET UNION. — Soviet Shares in Joint Companies transferred to China.

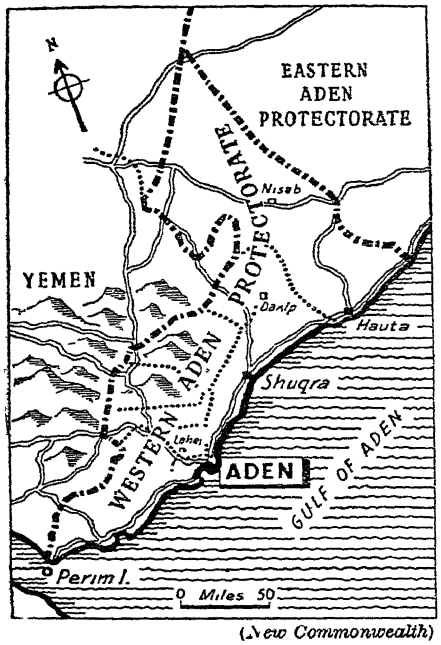
The Soviet shares in the former joint Sino-Soviet undertakings were transferred by the U.S.S.R. to the Chinese People's Government on Jan. 1, in implementation of the Sino-Soviet agreement of Oct. 11, 1954. The undertakings concerned were four non-ferrous mines and the petroleum industry in Sinkiang, shipbuilding yards at Dalny (Manchuria), and civil airlines flying services between Peking and Alma Ata, Irkutsk and Chita—(Le Monde, Paris) **(13855 A.)**

E. PAKISTAN. — Cabinet Portfolios.

It was announced in Karachi on Jan. 20 that Mr. Abu Hossain Sarkar, who recently joined the Pakistani Cabinet, had been assigned the Health portfolio, whilst Sardar Mumtaz Ali Khan, recently appointed Minister of Information and Broadcasting, had taken over in addition the portfolio of Kashmir Affairs.—(Pakistan High Commissioner's Office, London) **(Prev. rep. Cabinet, 13982 D.)**

A. ADEN PROTECTORATE - YEMEN. — Federation Proposals for Western Aden Protectorate. - Acceptance in Principle by Arab Rulers. - Opposition by Yemeni Government. - Frontier Incidents on Aden-Yemen Border. - Arab League Support for Yemen. - Egyptian Military Mission to train Yemeni Army.

At a conference held at Aden on Jan. 7, 1954, the Arab sultans and sheikhs of nine territories in the Western Aden Protectorate agreed in principle to form a federation of their States within the Protectorate. Proposals submitted to the conference by the Governor, Sir Tom Hickinbotham, envisaged the formation of two separate federations, one in the Western and one in the Eastern Protectorate, under a High Commissioner exercising the powers at present wielded by the Governor.



(New Commonwealth)

It was proposed that each federation should have a Council of Rulers, acting as an Upper Chamber, a Legislative Council consisting of officials and members nominated by the rulers, and an Executive Council composed of two officials, two rulers, and two members of the Legislative Council. Education, public health, communications, and posts and telegraphs would become federal subjects, and would be financed by transferring to the federation all Customs revenue and the grants made for these subjects by the U.K. Government. All other subjects would continue to be dealt with by the State rulers or by the Governor. The nine States concerned were those having both advisory and protectorate treaties with Britain. It was laid down that other territories within the Aden Protectorate should remain the responsibility of the British agent for the Protectorate, who would also be chief adviser to the proposed federation.

The acceptance of these proposals led to a serious deterioration in the relations between Britain and the Yemen, which claims the Western Aden Protectorate as part of its own territory. Under the Treaty of Sana'a, signed in 1934, the British and Yemeni Governments agreed to "maintain the situation existing in regard to the frontier on the date of the signature of this treaty" until 1974, and to "prevent by all means at their disposal any violation by their forces of the above-mentioned frontier, and any interference by their subjects, or from their side of the frontier, with the affairs of the people inhabiting the other side." In 1951 the two Governments agreed to set up a joint frontier demarcation commission and to "refrain from taking any action which may alter the *status quo* existing in the disputed areas." The frontier commission, however, was never brought into operation because the Yemen refused to participate unless Britain agreed to discuss the future of the whole Protectorate, and in particular the suspension of the federation proposals, which it regarded as a breach of the *status quo* agreement. The British Government, on the other hand, interpreted both the 1934 and 1951 agreements as referring only to a narrow strip of territory between the Yemen and the Protectorate, and considered the federation plan to be a purely internal affair concerning only the sultans and the Aden Government.

Throughout 1954 frequent incidents occurred on the frontier of the Western Aden Protectorate, leading to an exchange of protests between the British and Yemeni Governments.

The Yemeni Legation in London alleged on June 10 that tribal levies and "Aden levies of the so-called Protectorate" had raided Yemeni territory on May 20 and June 5. The British Foreign Office, however, described the first charge as without foundation, and maintained that the raid on June 5 had been made from the Yemeni side of the frontier. A British protest of June 24 against a Yemeni raid on June 18 was rejected by the Yemen, which alleged that the raid had been made by tribesmen from the Protectorate with the support of British military aircraft.

A subsequent British Note, presented in July, stated that between May 1 and May 24 some 28 raids into the Protectorate had taken place from the Yemeni side of the border, that the towns of Mukeiras and Martaa had been attacked on June 10 and June 18 respectively; and that some 80 regular troops and 400 tribal levies had taken part on the latter occasion. The Yemeni Government was also accused of fomenting rebellion in the Protectorate by giving encouragement, money, and arms to lawless elements. It was emphasized that whereas the British Government had done its best to observe the 1934 and 1951 agreements, the Yemeni Government's actions "give colour to the belief that they lay claim to the whole of the Aden Protectorate and have no intention of settling the problem of the frontier." Britain firmly rejected any such claim, and called on the Yemen to stop its attacks and the fomenting of unrest inside the Protectorate. The Yemeni Government (the Note pointed out) had recently agreed that the frontier authorities should consult together with a view to restoring tranquillity, and the Governor of Aden had been invited to make appropriate arrangements. If the attacks continued, however, H.M. Government reserved the right "to take such steps, including direct action in the frontier areas as may be necessary to protect the territory and inhabitants of the Aden Protectorate."

The Yemeni Government, in a Note of July 10, protested against alleged low-altitude flights by R.A.F. aircraft over the Yemeni town of Beida, which it described as "open acts of provocation," and expressed the hope that the British Government would "take the necessary steps to prevent that aggression, so as to maintain the atmosphere which the two Governments are working to achieve." The British reply denied that any R.A.F. planes had flown over Beida, and stated that although civil aircraft might have passed near it while circling to land at Mukeiras, they had done this for years past and had never practised low-flying in the area.

At the invitation of the Imam of Yemen, Sir Tom Hickinbotham visited Sana'a (the Yemeni capital) on Oct. 2 to discuss means of restoring tranquillity. [The occasion was the first on which the Imam had received a colonial governor since the establishment of diplomatic relations between Britain and the Yemen.] Although negotiations on the subject were subsequently opened at Taiz (Yemen), further border incidents continued to occur on various occasions during the months of October and November.

The Council of the Arab League adopted a resolution on April 4, 1954, appealing to rulers of territories in the Western Aden Protectorate to refuse to commit themselves to any plan which was "contradictory to the national spirit" and which might separate them from their Arab colleagues, especially in the Yemen, and offering to co-operate with the Yemen in assisting the rulers of these territories to strengthen their positions and preserve Arab integrity. Major Salem, the Egyptian Minister of National Guidance, visited the Yemen at the beginning of July at the Government's invitation. It was stated in the Egyptian Press on July 10 that an agreement had been concluded whereby an Egyptian military mission would "train the Yemeni Army in modern warfare by the introduction of artillery, planes, and tanks."—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 11329 A.)**

B. LIBYA. — Assassination of Minister for Palace Affairs. - Crisis in Libyan Royal Family.

Said Ibrahim Shalhi (60), the Minister for Palace Affairs and a close personal friend of King Idriss, was shot dead in Benghazi on Oct. 5 by Sharif Muhieddin el-Senussi (19), a nephew of the Queen of Libya and, on his father's side, also a nephew of the King. The assassin gave himself up to the police, was subsequently tried by a criminal court, and was sentenced to death on Dec. 11, an appeal being lodged against the sentence. The assassination of Said Ibrahim Shalhi was believed to have been prompted by personal motives.

Seven members of the Libyan Royal family were ordered on Oct. 18 to be deported to the Hun Oasis, 150 miles from Benghazi, no reasons for the deportations being given. On Oct. 22 a Royal decree was issued declaring that the Royal family was confined to King Idriss, the Queen, the King's children, and the Crown Prince Muhammad el-Senussi, brother of King Idriss. The decree stated that "the remaining members of the Senussi family are not considered members of the Royal house, and all their privileges, titles and immunities are cancelled." In addition, the decree reaffirmed the validity of a Royal order, issued in December 1953, whereby the King's brother had been designated Crown Prince until a male child was born to King Idriss.

The members of the Royal family deported to the Hun Oasis were two brothers of Sharif Muhieddin el-Senussi, one of whom was First Secretary to the Libyan Embassy in London; two sons of the claimant to the throne; two sons of the Libyan Ambassador in Cairo; and the son of the Crown Prince.
(Times - Le Monde, Paris)

JANUARY 22—29, 1955

A. JAPAN. — Resignation of Mr. Yoshida. - New Government formed by Mr. Hatoyama. - Split in Liberal Party. - Formation of Democratic Party. - Merger of Socialist Parties. - Mr. Yoshida's World Tour. - Agreement on U.S. Economic Aid to Japan.

The Japanese Prime Minister, Mr. Yoshida, who had returned on Nov. 17, 1954, from a 53-day tour of North America and Western Europe, resigned on Dec. 7 and was succeeded as Premier on Dec. 9 by Mr. Ichiro Hatoyama, leader of the newly-formed Japan Democratic Party. The fall of Mr. Yoshida's Government followed a prolonged political crisis lasting nearly a year, during which its position had been weakened by charges of corruption brought against certain of its members and by a split in the Liberal Party, a large section of which merged with the Progressives and Japan Liberals on Nov. 24 to form the Democratic Party. Details of the main stages of the crisis, and of Mr. Yoshida's foreign tour, are given below under cross-headings.

The Shipbuilding Corruption Scandal.

During the early months of 1954 a major political scandal was caused by allegations that members of the Cabinet (including Mr. Ishii, the Minister of Transport, and Mr. Ono, Minister of State) and senior Liberal Party officials had accepted bribes from shipbuilding companies seeking Government subsidies. The Minister of Justice, Mr. Inukai, resigned on April 21 after he had refused the Public Prosecutor permission to arrest the secretary-general of the Liberal Party, Mr Sato, and a former Finance Minister in Mr. Yoshida's Government, Mr. Ikeda, on charges of corruption. Mr. Inukai, who was reported to have rejected the Public Prosecutor's request on Mr. Yoshida's orders, stated that he had done so because the action proposed by the Public Prosecutor would have probably forced the Cabinet to resign at a time when vital legislation was pending, including Bills affecting rearmament. A motion of no-confidence, sponsored by the Right- and Left-wing Socialists and supported by the Progressives, was defeated in the House of Representatives on April 24 by 228 votes to 208.

Mr. Kato (Minister of State) was appointed Minister of Justice on April 22. He resigned on June 19, however, and was succeeded by Mr. Ohara, who had served as Minister of Justice and Home Minister in a number of pre-war Governments. The appointment of Mr. Ohara (an Independent) was regarded as a conciliatory gesture on the part of the Government, which had been strongly criticized by the Press for its attempts to prevent the prosecution of its supporters.

The Speaker of the House of Representatives, Mr. Tsutsumi, summoned Mr. Yoshida on Sept. 14 to appear before the House Audit Committee, which was investigating the shipbuilding scandal; the Prime Minister, however, refused to do so, pleading pressure of business. After he had refused to comply with a second summons, the Committee voted on Sept. 18 that charges of contempt of the Diet be brought against him (a charge involving liability to a year's imprisonment, a fine, or both) and that he should cancel his projected foreign tour. Both Mr. Yoshida's tour and his refusal to appear before the Committee aroused strong protests from the Opposition parties. The Diet's Foreign Affairs Committee advised Mr. Yoshida on Sept. 17 not to leave the country, whilst the Opposition parties, in a joint statement issued on the same day, declared that if he "dares to go abroad, thus ignoring the Diet and the people, the Opposition will not be responsible for whatever may be the outcome."

Mr. Yoshida's Foreign Tour.

Despite these protests, Mr. Yoshida left Tokio by air on Sept. 26 for Canada, and on the following day arrived in Ottawa, where he met the Canadian Prime Minister, Mr. St. Laurent. On Sept. 29 he sailed from New York for France. After eight days in Paris, where he had discussions with M. Mendès-France and members of his Government, he visited Bonn. A joint statement issued on Oct. 15 by Mr. Yoshida and Dr. Adenauer, the German Federal Chancellor, declared that they wished to "renew and deepen the relations of traditional friendship that bind the German and Japanese peoples," and expressed the hope that negotiations then in progress would lead to an expansion of trade between the two countries. [The trade negotiations referred to by Mr. Yoshida and Dr. Adenauer were concluded in Tokio on Oct. 22, when an agreement was signed for the exchange of goods and services to the value of $52,000,000 between the two countries during the next 12 months.]

On Oct. 15 Mr. Yoshida flew to Rome, where in the course of a six-day visit he saw Signor Scelba and other members of the Italian Government. Arriving in London on Oct. 21, he was received in audience by H.M the Queen on Oct. 26; had discussions on Oct. 27 with Sir Anthony Eden (the Foreign Secretary), Mr. Butler (Chancellor of the Exchequer), Mr. Thorneycroft (President of the Board of Trade), and Mr. Boyd-Carpenter (Minister of Transport), met Sir Winston Churchill, and left for New York on Oct. 28.

At a Press conference in London on Oct 26, Mr. Yoshida said that his visit had no particular aim and that he would not raise the question of Japan's admission to the General Agreement on Tariffs and Trade (GATT) Discussing trading problems, he said that there was no question of a revival of such practices as dumping, as Japan's competitive power had been reduced by the dissolution of the great trading and manufacturing trusts under the anti-cartel laws, and by the far-reaching labour legislation introduced since the war—which, he said was not "consonant with Japan's economic situation." If direct talks between British and Japanese commercial interests on the piracy of British designs by Japanese manufacturers did not result in a satisfactory arrangement, he was ready to take the matter up and to forbid such practices Mr Yoshida denied that his Government intended to recognize the Chinese Communist Government

Mr. Yoshida arrived on Nov. 7 in Washington, where he met Mr. Dulles (the Secretary of State), Mr. Stassen (Director of the Foreign Operations Administration), Mr. Wilson (Defence Secretary), and Admiral Radford (chairman of the Joint Chiefs of Staff). He had a meeting on Nov. 9 with President Eisenhower, the following joint statement being issued afterwards:

"The President and the Prime Minister . . . declared that their Governments would, in co-operation with the free nations of Asia, continue their united efforts to maintain and promote the peace and prosperity of Asia. The Prime Minister reaffirmed his Government's determination to make a full contribution to those efforts, and in particular stressed Japan's desire to co-operate wherever possible in the development of economic strength by the free nations of Asia. The President and the Prime Minister declared that the goals of their Governments are peaceful and that their peoples desire peace and liberty for themselves and their neighbours.

Representatives of both Governments discussed Japan's economic situation in detail. It was agreed that the economic well-being of the Japanese people is a matter of importance to the entire free world. The achievement of improved economic conditions in Japan depends partly upon the ability of the Japanese people themselves to pursue sound and constructive internal monetary and other policies, and partly upon Japan's ability to expand her trade with other countries. By various means since the end of the war the U.S A has been able to contribute substantially to the economic progress which Japan has achieved The U.S A is aware of the efforts which Japan is making to solve her difficult economic problems, and will continue to examine sympathetically means whereby it can assist the Japanese people to advance their well-being.

General agreement was reached that the U.S A. would co-operate with Japan in her efforts to expand her foreign trade and achieve a better balance in her foreign economic relations It was further agreed that the U S A. would sell to Japan agricultural commodities, and that a substantial portion of the proceeds of these sales will be used for Japan's domestic economic improvement and defence support, and for regional economic development. Other steps were discussed, such as the establishment of a productivity programme in Japan and the mutual benefits which might arise from Japan's participation with the other free nations of South and South-East Asia in the economic development of that area. Both sides agreed that these measures would be of marked benefit to Japan, by improving her economic position and facilitating her efforts to attain a higher standard of living.

U.S. representatives expressed regret over the incident on March 1 in which 23 Japanese fishermen were injured—one fatally—by the fall-out of radioactive materials following a nuclear test in the Pacific. They emphasized their belief that peaceful uses of atomic energy would be steadily developed, and would eventually become of great value to Japan and other friendly nations throughout the world.

There was also discussion of the disposition of Japanese assets vested by the United States, and U.S representatives stated that this matter is under consideration. Among other subjects reviewed were Communist efforts to weaken and discredit the operations of free government in Asia, the request of Japan for expedited consideration of the cases of war criminals, and the status of the Ryukyu and Bonin Islands in the light of the present international situation, as well as the desire of Japan for the return to the Bonin Islands of former inhabitants."

U.S. Government officials explained that under the economic agreement referred to, the United States would supply Japan with surplus cotton, wheat, barley, rice, tobacco, and dried milk to the value of $100,000,000; about $10,000,000 worth of this would be in the form of a gift, and the remainder would be paid for in yen, of which 70 per cent would be used as a loan and the balance earmarked for U.S. purchases in Japan.

After his meeting with President Eisenhower, Mr. Yoshida had discussions on Nov. 10 with Mr. Humphrey (Secretary of the Treasury) and Mr. Eugene Black (President of the International Bank for Reconstruction and Development). He returned to Tokio on Nov. 17.

Speaking at a National Press Club luncheon in Washington on Nov 8, Mr Yoshida said that the attempts of the new, underdeveloped nations of Asia to establish stable democratic conditions and to raise living standards were hampered by "the gravitational pull of Communist China," the strong appeal of Communism for the poverty-stricken, and lack of capital He suggested a drastic increase in the supply of capital, through Government or international banking institutions, in such fields as education, transport, irrigation, power production, industrialization, sanitation, and health, in order to supply a foundation on which private investment could be safely undertaken This should be undertaken through an organization similar to the O E.E.C., in which all the countries involved were represented Japan, as the most industrially advanced Asian nation, would do everything in her power to make such a plan succeed In reply to questions, he said that his Government did not intend to establish relations with the U S.S.R or Communist China until they recognized the San Francisco peace treaty, that Japanese trade with the Communist countries would remain at a low level until normal diplomatic relations were restored; and that Japanese rearmament was proceeding within the limitations imposed by popular feeling against it, the provisions of the Constitution, and financial difficulties.

Formation of Democratic Party. - Resignation of Mr. Yoshida.

During Mr. Yoshida's absence from Japan, a major split within the Liberal Party was precipitated by the expulsion on Nov. 8 of Mr. Ishibashi (a former Finance Minister) and Mr. Kishi (a former Minister of Commerce), who had been engaged in negotiations with the Progressives (the principal Opposition party) for the formation of a new conservative party under a leader other than Mr. Yoshida. Thirty-three members of the House of Representatives, including Mr. Ando (Minister of State), and two members of the House of Councillors resigned from the Liberal Party on Nov 22, and on Nov. 24 joined the members of the former Progressive and Japan Liberal parties—both of which had been dissolved on the previous day—to form the Japan Democratic Party, with Mr Hatoyama (the leader of the dissident Liberals) as president and Mr. Shigemitsu (the former Progressive leader) as vice-president.

A policy statement issued by the new party declared that Japan was facing a crisis because political morality had fallen and industry and living standards were declining. It defined the aims of the new party as the enforcement of political discipline, the "eradication of the class struggle," the establishment of a "self-defence organization," and the promotion of "people's diplomacy" On Nov. 24 Mr. Hatoyama denounced Mr. Yoshida's "secret diplomacy" and the "hushing-up" of the shipbuilding scandal, and stated that the new party's first objective was the overthrow of the Government and a "clean-up of the political world."

As a result of the formation of the new party, the distribution of seats in the House of Representatives underwent the following changes during November:

	Nov 1	Nov. 30
Liberals	225	185
Progressives	70	—
Japan Liberals	8	—
Democrats	—	120
Left-wing Socialists	72	72
Right-wing Socialists	61	61
Minor parties	10	8
Independents	10	9
Others	4	4
Vacancies	7	8

The distribution of seats in the House of Councillors on Nov. 30 was as follows: Liberals 91, Democrats 20, Left-wing Socialists 44, Right-wing Socialists 26, *Ryokufukai* 49, Independents and minor parties 18, vacancies 2.

Following the mass resignations from the Liberal Party, Mr. Yoshida asked the party executive on Nov. 22 to consider whether he should resign. The executive decided on Nov. 25 to nominate Mr. Ogata (the Deputy Premier) as president of the party, and Mr. Yoshida accordingly agreed on the following day to resign from this post, whilst temporarily retaining the Premiership. The Liberal executive suggested to the Democrats on Nov. 28 that both parties should simultaneously dissolve themselves and should then unite to form a new party, the leader of which would be elected by the party membership. The Democrats, however, rejected this proposal, and on Dec. 6, together with the Socialist parties, introduced a motion of no-confidence accusing the Government of "secret diplomacy and erroneous economic policies," and referring to the degradation of political morals revealed by the shipbuilding and other scandals.

The Audit Committee had previously subpoenaed Mr. Yoshida on Nov 18, for the third time, to give evidence on the shipbuilding scandal; Mr. Yoshida, however, had again refused to do so, on the ground that his doctor had ordered him to rest. The committee accordingly issued another summons, and decided on Dec. 7 in favour of Mr. Yoshida's prosecution if he failed to obey it.

Mr Yoshida resigned both the Premiership and the Liberal Party leadership on Dec. 7, thereby automatically cancelling the motion of no-confidence, which was to have been debated later in the day. This decision was taken after a four-hour Cabinet meeting at which Mr. Yoshida—who had previously announced his intention of dissolving the Diet if the no-confidence motion were carried—was overruled by opponents of this policy, headed by Mr. Ogata.

Mr. Shigeru Yoshida had been Prime Minister continuously since October, 1948 (see 9608 C), and had been responsible for many developments of major importance in both foreign and home policy. These included the signing of the San Francisco peace treaty (11721 A), the agreement for the stationing of U S forces in Japan (11724 A), the U S-Japanese mutual assistance agreement (13450 B), the building-up of the Japanese armed forces (13621 C), the reversal of the occupation authorities' policies with regard to the police (13621 C), trade unions, and cartels, and the introduction of a deflationary policy following the end of the Korean War "boom" The Government's position, however, had been undermined since 1952 by splits within the Liberal Party, by Liberal losses in the 1953 general elections, which left the party in a minority in the House of Representatives (see 12956 A), and by Mr. Yoshida's refusal to allow action to be taken against those of his supporters accused of complicity in the shipbuilding scandal, or to explain his conduct before the Audit Committee

New Government formed by Mr. Hatoyama.

Mr. Hatoyama was elected Prime Minister on Dec. 9, receiving 257 votes in the House of Representatives against 191 for Mr. Ogata, and 116 in the House of Councillors against 85 for Mr. Ogata. The Socialists had previously agreed to support him on condition that the Democrats agreed to the dissolution of the Diet at the end of January and the holding of general elections in March. The membership of the new Cabinet was announced on Dec. 10 as follows:

Mr. Ichiro Hatoyama	Prime Minister.
Mr. Mamoru Shigemitsu	Deputy Premier and Foreign Minister.
Mr. Hisato Ichimada	Finance.
Mr. Shiro Hanamura	Justice.
Mr. Masazumi Ando	Education.
Mr. Yusuke Tsurumi	Welfare.
Mr. Ichiro Kono	Agriculture and Forestry.
Mr. Tanzan Ishibashi	International Trade and Industry.
Mr. Yutaro Takeyama	Construction.
Mr. Takeo Miki	Transport.
Mr. Yuki Takechi	Posts.
Mr. Saburo Chiba	Labour.
Mr. Tatsunosuke Takasaki	Minister of State for Economics.
Mr. Seiichi Omura	Minister of State for Defence.
Mr. Tadao Oasa	Minister of State for Police.
Mr. Takao Nishida	Minister of State for Local Government.
Mr. Hideyuki Miyoshi	Director of the Hokkaido Development Board.

Mr. Hatoyama (71), a member of the House of Representatives since 1915, held office as Minister of Education before the war and formed the Liberal Party in 1946 When about to take office in that year, following the Liberal victory in the first post-war elections, he was forbidden to do so by the U.S occupation authorities on the grounds that he had helped to suppress public liberties and had published a book praising Hitler and Mussolini. He thereupon relinquished the party leadership to Mr. Yoshida. Returning to public life in 1951, he formed a group inside the Liberal Party, opposed to Mr. Yoshida, which broke away in March, 1953, but reunited with the main party in the following November

Mr. Shigemitsu (67) served as Ambassador to Britain, the Soviet Union, and China before the war, was Foreign Minister from 1943-45, and represented Japan at the signing of the instrument of surrender. Sentenced in 1948 by the International Military Tribunal for the Far East to seven years' imprisonment as a war criminal, he was released in 1950 and allowed to re-enter public life in 1952. **Mr. Ichimada** had been president of the Bank of Japan since 1946. Of the 17 members of the Government, 10 had been "purged" from public life by the U.S occupation authorities after the war.

Ministerial Statements on Relations with Communist Countries.

In a statement issued on Dec. 11, Mr. Shigemitsu said that it was the new Government's policy to promote friendly relations with all countries and to ensure the security and stability of Eastern Asia through "an abiding co-operation with the free nations, especially the United States." Japan was prepared to provide for her own defence to the extent commensurate with her economic resources, and also to give technical and other assistance to the economic rehabilitation of other Asian countries, as a guarantee against Communist penetration. The Government also wished, however, "to restore normal relations with Russia and China on mutually acceptable terms,

without prejudice to our basic collaboration with the free nations," and would also welcome opportunities of expanding the volume of trade with both countries.

The Soviet Foreign Minister, M Molotov, in an official comment on Mr. Shigemitsu's statement, said on Dec 16 that "the normalization of Soviet-Japanese relations is not only in the interests of both States, but also in the interests of other countries which are concerned to strengthen peace in the Far East and to ease international tension." Recalling the joint declaration issued by the Soviet and Chinese Governments on Oct 12 (see 13855 A), he emphasized that the Soviet Union was "prepared to discuss practical measures connected with the question of the normalization of relations between the U.S S.R. and Japan if the Japanese Government really intends to take steps in that direction."

In a broadcast on Dec. 15, Mr. Hatoyama described both the Chinese Communist and Nationalist Governments as "fine independent regimes," and maintained that it was quite reasonable for Japan to trade with both. Mr. Shigemitsu stated in the Diet Foreign Affairs Committee on Dec. 16 that although Japan had no intention of recognizing both Communist and Nationalist China as sovereign States on the same footing, it was impossible to refuse *de facto* recognition to Communist China. On the following day he welcomed M. Molotov's statement as "a step forward."

In a further statement on Dec. 28, Mr. Hatoyama reaffirmed his Government's wish for improved relations with the Soviet Union and China, whilst giving an assurance that there would be no important change in Japan's relations with the U.S.A., and demanding that Japan should be allowed to rearm.

Declaring that Japan had an "inherent right" to rearm, Mr. Hatoyama maintained that this could be done within the framework of the Constitution by "clarifying the working" of the clause which forbade Japan to acquire the potential for aggressive war Japan's isolation from the Soviet Union and China, he continued, was neither normal nor natural, and he therefore wished, "within the boundary of international obligations committed to the free world," to facilitate trade with both countries. This was not incompatible with friendly relations with the U.S.A., which he wished to continue, but would rather tend to reduce the present unfriendly feeling of the Japanese people towards the U.S.A., which had arisen from popular suspicion that Mr. Yoshida's Government was "tied blindly" to U.S. policy. He therefore intended to abolish the "despotic diplomacy of the past" and to give "greater consideration to the people's wishes," thereby strengthening relations with the U.S.A. and reducing anti-American feeling. In conclusion, he stated that Japan desired normal relations with the countries of South-East Asia, and a settlement of the reparations question with the Philippines and other States.

As regards home affairs, the new Government announced on Dec. 11 that it would intensify the anti-inflationary policy inaugurated by Mr. Yoshida; that the Prime Minister would give up one of his official residences, as an economy measure; that Ministers would no longer be provided with official residences and bodyguards; and that measures would be taken to "establish political integrity." It was reported on Dec. 29 that the Government had decided to suppress the Undemocratic Activities Counter-measures Council (see 13899 B), which had been widely attacked in the Japanese Press as a "witch-hunting organization."

The two Socialist parties agreed in principle on Dec. 15 to conduct a joint electoral campaign, and to unite after the elections. The two parties had previously issued a joint statement on the rearmament question—the main issue dividing them—which had approved the formation of a small "task force" for essential defence requirements.

Mr. Hatoyama dissolved the Japanese Diet on Jan. 24 and announced that general elections would be held within 40 days. (Japanese Embassy Information Bulletin, London - Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune) **(Prev. rep. Cabinet, 13363 B; Relations with U.S.A., 13932 C; Relations with Communist Countries, 13855 A.)**

A. MAURITIUS. — Court of Criminal Appeal.

A Court of Criminal Appeal, the first of its kind in Mauritius, was set up in the Colony on Jan. 1. Although Mauritius has been a British colony since its annexation from France during the Napoleonic Wars, it had retained the French system of penal law, and the only right of appeal from a conviction in the Supreme Court of Mauritius had been to the Judicial Committee of the Privy Council. The new court will hear appeals from adjudications of the Supreme Court in the exercise of its original criminal jurisdiction. (Times)

B. BURMA. — New Cabinet Minister.

Thakin Chit Maung, Parliamentary Secretary to the Minister of Defence, was sworn-in as Minister for Housing in the Burmese Cabinet on Dec. 5, 1954.—(Burma Government Information Department, Rangoon) **(Prev. rep. 13954 D.)**

C. NATIONALIST CHINA - UNITED STATES. — Text of Mutual Security Treaty. - Ratification by Nationalist Government. - Chinese Undertaking to refrain from Attacks on Mainland without U.S. Consent.

The text of the mutual security treaty between Nationalist China and the United States was released in Washington on Dec. 2 and is given below:

"**Art. 1.** The parties undertake, as set forth in the U.N. Charter, to settle any international dispute in which they may be involved by peaceful means in such a manner that international peace, security and justice are not endangered, and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations

Art. 2. In order more effectively to achieve the objectives of this treaty, the parties separately and jointly by self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack and Communist subversive activities directed from without against their territorial integrity and political stability.

Art. 3. The parties undertake to strengthen their free institutions, to co-operate with each other in the development of economic progress and social well-being, and to further their individual and collective efforts toward these ends.

Art. 4. The parties, through their Foreign Ministers or their deputies, will consult together from time to time regarding the implementation of this treaty.

Art. 5. Each party recognizes that an armed attack in the West Pacific area directed against the territories of either of the parties would be dangerous to its own peace and safety, and declares that it would act to meet the common danger in accordance with its constitutional processes Any such armed attack, and all measures taken as a result thereof, shall be immediately reported to the U.N. Security Council Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

Art. 6. For the purposes of Articles 2 and 5, the terms 'territorial' and 'territories' shall mean, in respect of the Republic of China, Taiwan [Formosa] and the Pescadores, and in respect of the United States, the island territories in the West Pacific under its jurisdiction. The provisions of Articles 2 and 5 will be applicable to such other territories as may be determined by mutual agreement.

Art. 7. The Government of the Republic of China grants, and the Government of the United States accepts, the right to dispose such U.S. land, air and sea forces in and about Taiwan and the Pescadores as may be required for their defence, as determined by mutual agreement.

Art. 8. This treaty does not affect, and shall not be interpreted as affecting in any way, the rights and obligations of the parties under the U N Charter or the responsibility of the United Nations for the maintenance of international peace and security.

Art. 9. The treaty shall be ratified by the U.S A. and the Republic of China in accordance with their respective constitutional processes, and will come into force when instruments of ratification have been exchanged at Taipeh.

Art. 10. The treaty shall remain in force indefinitely. Either party may terminate it one year after notice has been given to the other party."

It was disclosed in Washington on Jan. 18 that the Chinese Nationalist Government had given a formal undertaking that its forces would not attack the Chinese mainland without prior consultation with the United States. This assurance, it was stated, had been given in an exchange of Notes signed by Mr. Dulles and Dr. Yeh (the Nationalist Foreign Minister) on Dec. 10. Whilst assuring to Nationalist China the "inherent right of self-defence" as far as Formosa and the Pescadores were concerned, the Notes declared: "In view of the obligation of the two parties under the [Sino-American] treaty, and of the fact that the use of force from either of these areas [i.e., Formosa or the Pescadores] by either of the parties affects the other, it is agreed that such use of force will be a matter of joint agreement subject to action of an emergency character which is clearly an exercise of the inherent right of self-defence." The *New York Times* commented that the effect of the commitment was "to restrain Generalissimo Chiang's forces to the defence of the islands they now hold."

The Sino-American mutual security treaty was unanimously ratified by the Chinese Nationalist Legislature on Jan. 14. (New York Times) **(Prev. rep. Sino-U.S. Treaty, 13986 A.)**

D. SPAIN. — Permanent Observer at United Nations.

It was announced from U.N. Headquarters on Jan. 25 that Spain had been given the status of a permanent observer at the U.N., and that an invitation to that effect had been sent by the U.N. Secretary-General (Dr. Hammarskjöld) to the Spanish Ambassador in Washington (Señor Manuel de Areilza). Other countries which have previously received a similar status pending admission as full members are Italy, Finland, Austria, the German Federal Republic, Japan, and South Korea.

(A.B.C., Madrid - New York Herald Tribune)

A. FRANCE. — Cabinet Reorganization. - M. Edgar Faure appointed Minister for Foreign Affairs. - New Minister for Oversea Territories expelled from M.R.P.

A Cabinet reorganization—the fourth since the formation of the Mendès-France Government in June 1954—was announced in Paris on Jan. 20. It involved (*a*) the relinquishment by M. Mendès-France of the Foreign Affairs portfolio, which he had hitherto combined with the Premiership; (*b*) the setting-up of a Ministry of the Armed Forces (additional to the Ministry of National Defence) which superseded the Secretariats of the Army, Navy, and Air Force; (*c*) the restoration of the Ministry of the Merchant Marine (previously attached to the Ministry of Public Works) as a separate Department, and (*d*) the creation of the post of Minister of State, to which M. Guérin de Beaumont, hitherto Minister of Justice, was appointed. The new Ministerial appointments were as follows:

M. Guérin de Beaumont (Ind. Republican)	Minister of State
M. Edgar Faure (Radical) .	Foreign Affairs.
M. Robert Buron (ex-M.R.P.) ..	Economic Affairs, Finance, and Reconstruction.
M. Emmanuel Temple (Ind Republican)	Justice.
M. Jacques Chevallier (Ind. Republican)	National Defence.
M. Bourgès-Maunoury (Radical) .. .	Armed Forces.
M. Jean-Jacques Juglas (M.R.P.) ..	*France d'outre-mer.*
M. Raymond Schmittlein (Social Republican - Gaullist)	Merchant Marine.

The following were appointed State Secretaries M Raymond Mondon (A R.S.—Dissident Gaullist), Interior (Local Administration), M. Henri Caillavet (Radical), Interior (Overseas Territories and Civil Defence); M Diomède Catroux (Social Republican), Armaments; M. Fouques-Duparc (Social Republican), Civil Aviation; M Joseph Conombo (Overseas Independent), Economic Affairs and French Union, M. Galy-Gasparrou (Radical), Information.

M. Faure had hitherto been Minister of Finance; M. Temple had held the National Defence portfolio; M. Guérin de Beaumont, as stated above, had been Minister of Justice; and M. Buron had held the portfolio of *France d'outre-mer*. M. Bourgès-Maunoury returned to the Government, from which he resigned in September last after the rejection of the E.D.C. treaty by the National Assembly M. Jacques Chevallier, the new Defence Minister, had previously been State Secretary of the Army, whilst M Diomède Catroux, who took over the State Secretariat for Armaments (which will come under the new Ministry of the Armed Forces), had previously been State Secretary for Air

M. Caillavet had hitherto been State Secretary for the Navy and M. Conombo State Secretary for the Interior. M. Galy-Gasparrou took over responsibility for the information functions formerly vested in M. Bettencourt (who remained State Secretary for the *Présidence du Conseil*), for broadcasting services (hitherto held by M. Ulver, the Minister for Industry and Commerce), and for legal questions affecting the Press (previously dealt with by M. Guérin de Beaumont as Minister of Justice). M. Caillavet, however, resigned his State Secretaryship on Jan. 21, declaring that he had only accepted it to prevent any delay in the Government reorganization.

The new members of the Government were MM Juglas, Schmittlein, Mondon, Fouques-Duparc, and Galy-Gasparrou. **M. Juglas,** a former school-teacher and a member of the wartime Resistance movement, has been a member of the Constituent Assemblies and the National Assembly since 1945, and is chairman of the Assembly's Commission for Overseas Territories **M. Schmittlein,** who before the war was Inspector-General of French teaching abroad and Director of the French Institute in Riga, fought at Narvik in 1940 during the German invasion of Norway, and later took part in the Syrian and Libyan campaigns of the Free French Forces. Appointed *Chargé d'Affaires* in Moscow by General de Gaulle, he negotiated the recognition of the Free French movement by the Soviet Union, and after the liberation of French North Africa co-ordinated the Resistance movements in the Overseas Territories He later returned to active service with the French Expeditionary Corps which took part in the landings in Italy. From 1945-51 he was Inspector-General of Education and Director-General of Cultural Affairs for the French High Commission in Germany, and in 1951 was elected to the National Assembly. He voted against the Paris agreements in the recent ratification debate

M. Mondon, Mayor of Metz, was twice arrested by the Gestapo during the last war for Resistance activities, but escaped on both occasions He has been a member of the National Assembly since 1946 and is a vice-president of the A.R S. (Dissident Gaullists). **M. Fouques-Duparc,** Mayor of Oran (Algeria), was elected to the Council of the Republic in 1948, and since 1951 has represented Oran in the National Assembly. **M. Galy-Gasparrou,** a judge, and a member of the wartime Resistance movement, has sat in the Constituent Assemblies and the National Assembly since 1945. He voted against the Paris agreements.

The reorganized Mendès-France Cabinet comprised 20 Ministers (instead of 16 as previously) and 17 State Secretaries (against 15) The new State Secretariats were those for Armaments, Economic Affairs, Information, Interior, and Civil Aviation, whilst, as stated above, those for the Army, Navy and Air were abolished.

M. Mendès-France, in his customary weekly broadcast on Jan. 22, recalled that he had hitherto had to devote most of his time to international affairs, but by relinquishing the Foreign Affairs portfolio, would now be able to give more time to economic questions. In this connexion he referred to the "second phase" of the Government's programme which was now opening, and which would be primarily concerned with internal matters and economic and social questions.

The executive of the M.R.P Parliamentary Party decided on Jan. 21 to expel M. Juglas for having joined M. Mendès-France's Government. A similar decision had previously been taken in the case of M. Robert Buron, now Minister of Finance. (Le Monde, Paris - Le Figaro, Paris) **(Prev. rep. 13891 B.)**

B. ORGANIZATION OF AMERICAN STATES. — Inter-American Economic Conference at Petropolis.

An Inter-American Conference of Ministers of Finance or Economy—the first of its kind—met at Petropolis (Brazil) from Nov. 22 to Dec. 2 under the chairmanship of Dr. Eugenio Gudin, the Brazilian Minister of Finance It was attended by representatives of all the 21 American republics, as well as by an observer from Canada and specially invited representatives from Britain, Western Germany, Belgium, France, the Netherlands, Italy, Portugal and Japan.

The conference, which was convened to discuss the economic problems not dealt with at Caracas (see 13669 A), and to prepare for a more comprehensive "Inter-American Economic Conference" in 1956, approved 49 resolutions covering such subjects as inter-American transport, regional trade development, economic integration, commodity marketing, encouragement of tourism, and Central Bank co-operation, both among member-countries and with the U.S Export-Import Bank and the I M F., to counteract the effects of temporary balance-of-payments difficulties. Several resolutions recommended measures of self-help in the field of economic development, one of which sought to increase foreign investments in Latin America by advocating the adoption of domestic policies designed to make the national economies more attractive to foreign investors, whilst another resolution recommended Governments to prepare economic development programmes and to inform capital-exporting countries of specific opportunities for profitable investment.

One of the principal resolutions was a Chilean proposal for the establishment of a stabilization fund with capital to be provided by the gold and dollar exchange reserves held abroad by the Latin American Governments This fund would provide money, when it could not be obtained from other sources, for (*a*) development projects, (*b*) the stabilization of commodity prices, and (*c*) the stabilization of the currency exchange market Although the U.S. delegates strongly opposed the creation of such a fund on the grounds that it would duplicate the functions of such bodies as the International Bank and the U S. Export-Import Bank, and that the U S A would be asked to provide the major share of the capital, a resolution proposing that the question should be studied by a small working group was adopted, with the U.S A. abstaining.

Mr Humphreys, the U S Secretary of the Treasury, informed the conference on Nov. 23 that the U.S A had revised its public lending policies and that the programme of loans to Latin American countries was to be extended, on the understanding that such further loans were intended to encourage private enterprise and not to displace it. He also announced that "under proper safeguards" the U S A. would be prepared to recommend a formula for relaxing double taxation on foreign investments

These U.S. concessions were strongly criticized by two U S Congressmen attending the conference as observers—Senator George A Smathers (Dem) and Representative James G. Fulton (Rep.)—who argued that the U S Government had not gone far enough in offering assistance to Latin America Mr Fulton declared that whilst the U S.A was "handing out billions" to Europe and Asia she was offering "a mere pittance" to Latin America, and said that he would submit to the House Foreign Affairs Committee (on whose behalf he was attending the conference) several recommendations which would include an immediate allocation of $1,000,000,000 to Latin American countries in long-term loans and outright grants-in-aid

It was decided at the closing session that the next Inter-American Economic Conference should be held in Buenos Aires in 1956.—(New York Times - Bank of London and South America) **(Prev. rep. Caracas Conference, 13669 A.)**

C. PORTUGAL. — Ratification of Paris Agreements.

The Portuguese National Assembly unanimously approved on Jan. 25 the admission of the German Federal Republic to NATO under the Paris agreements.
(New York Herald Tribune) **(Prev. rep. 13974 D.)**

A LONDON. — L.C.C. Approval for National Youth and Sports Centre at Crystal Palace.

A plan to develop part of the Crystal Palace site as a National Youth and Sports Centre, at a cost of £1,797,000, was unanimously approved by the London County Council on Nov. 16. The scheme was explained at a press conference on Nov. 11 by Sir Gerald Barry (Director-General of the Festival of Britain in 1951, and chief consultant to the L.C.C. on the development of the Crystal Palace site), Dr. Leslie Martin (architect to the L.C.C. and co-designer of the Royal Festival Hall), and Mr. I. J. Hayward (Leader of the L.C.C.). Its principal features are described below:

(1) The Centre—the most ambitious of its kind ever envisaged in Britain—would occupy about 40 of the 200 acres comprising the Crystal Palace and its adjacent park, the whole of which had been handed over to the L.C.C. two years earlier as a place "for education and recreation and for the promotion of industry, commerce and art."

(2) There would be a sports hall built on two levels, with a total floor area of about 63,000 square feet. It would contain large swimming and diving pools built to Olympic dimensions, with seating for 2,500 spectators, and a big gymnasium hall (divisible into three smaller halls) with seating for 1,500 - 1,800 people. On the lower level would be changing-rooms, practice rooms for fencing, boxing, etc., squash courts, and indoor cricket pitches. Most of the walls of this building would be of glass.

(3) The main entrance to the sports hall would be across a fly-over bridge, under which would be a covered running track. At the far end of the bridge would be a tall glass tower commanding a view of all outdoor tracks, pitches, etc., and housing television cameras and radio commentators.

(3) The playing-fields area on either side of the sports hall would provide for cricket, hockey, Rugby football, and netball, the netball pitches being convertible into an ice-hockey rink when flooded and frozen.

(4) In addition, there would be an amphitheatre for Association football and for track and field events, with stands seating some 12,000 spectators, apart from the standing accommodation. If further stands were built, the amphitheatre would be capable of accommodating 100,000 people.

(5) Finally, there would be a hostel and headquarters building, with accommodation for 136 people, which would be used as a residential centre for training athletes, sportsmen and coaches. Courses would be run by the Central Council of Physical Recreation in conjunction with such bodies as the M.C.C., the Rugby Union, the Amateur Athletic Association, etc., with the object of training British teams for Olympic, Empire, and European championships. The Centre as a whole would be used exclusively for the purposes of amateur sport, and one of its principal functions would be "the training of trainers." All training given, whether for coaches, athletes and other sportsmen, would be of Olympic standards.

It was announced that the King George VI Memorial Foundation had agreed in principle to contribute £100,000 for the erection of the headquarters and hostel building as a memorial to the late King. (Times - Daily Telegraph)

B. FRANCE. — Industrial Decentralization.

Under a decree published in the *Journal Officiel* on Jan. 8, aiming at a more even distribution of French industry, the erection of industrial buildings exceeding a certain size in the Paris area and other "over-populated zones" became subject to the consent of the Minister for Reconstruction, who would make decisions after consulting a special commission consisting of representatives of the Ministries of Industry, the Interior, Finance, Agriculture, and Labour. The buildings affected will be those with a floor area exceeding 500 sq. metres or employing more than 50 people, or any extension to such existing buildings exceeding 10 per cent of their present floor area or capacity; the only exceptions will be the construction of canteens, cloakrooms, rest rooms, etc. The restricted zones outside the Paris area—which are expected to include Lyons, Marseilles and Bordeaux—will be defined by Ministerial order. (Le Monde)

C. SPAIN. — Request to Soviet Union for Return of Gold shipped by Republican Government.

The Spanish Government announced on Jan. 12 that it had asked the Soviet Union for the return of $570,000,000 in gold coin and bullion shipped to the U.S.S.R. in 1936 by the Spanish Republican Government. A Foreign Ministry statement said that the Government had "well-founded intelligence" that part of the gold exported by the Soviet Union to make trade payments, "especially to Czechoslovakia, Finland, and Western European countries," was Spanish. It added that Notes had been delivered to Western Embassies in Madrid—including those of the United States, Britain and France—asking all Governments which traded with the Soviet Union to refuse payments made by Russia in gold until the Spanish request to Moscow had been met.

(A.B.C., Madrid - New York Times)

D. UNITED STATES. — New Travel Restrictions on Soviet Citizens in the U.S.A.

Details of new and more stringent travel restrictions for Soviet citizens in the United States were contained in a Note handed to the Soviet Ambassador in Washington (M. Zarubin) by Mr. Dulles on Jan. 3.

For the first time Soviet citizens were prohibited from entering specific areas, including many industrial areas, areas in which there were large military, naval and air installations, and areas of atomic research and development, covering in all about 2% per cent of the area of the United States. Specifically, the banned zones included (*a*) the whole of the States of Connecticut, Delaware, Massachusetts and Rhode Island, (*b*) a part of 35 other States, only Arkansas, Florida, Minnesota, Mississippi, North Carolina, Oregon, Utah, Vermont and Wyoming being entirely free from restrictions, (*c*) a strip 15 miles in depth along the whole of the border with Mexico (except Webb County, Texas), and along the shores of the Great Lakes bordering Canada.

The U.S. Note said that the new regulations were "comparable to those which the Soviet Union has imposed, presumably for reasons of security, on the movement of U.S. citizens in the Soviet Union." It added that should the Soviet Government decide to liberalize its regulations, the U.S. Government would in turn "be disposed to reconsider in the same spirit its own security requirements."

The new regulations also extended to all resident Soviet citizens the requirement to give 48 hours' notice of intention to travel more than 25 miles from Washington and New York, a restriction which had hitherto applied only to Soviet diplomats. Soviet citizens who were temporarily admitted to the U.S.A. for some specific purpose which did not involve temporary residence in Washington or New York would not, however, be subject to this requirement; at the discretion of the State Department they might also be granted admittance to a closed city or area if their presence there was germane to the purpose for which they had been admitted to the country. Soviet employees of the U.N. Secretariat, whose conduct was the responsibility of the U.N. Secretary-General, were also exempted.

A further U.S. regulation on Jan. 19 debarred Soviet citizens from sketching or photographing military objects, railway stations, radio installations, or other places or things in the U.S.A. which had possible strategic importance, and from purchasing aerial photographs, large-scale maps, navigational maps, or "detailed development plans of industrial cities." (New York Times - New York Herald Tribune)

(Prev. rep. 12141 A, page 12145; 13174 B.)

E. IRAQ. — Decision to terminate Anglo-Iraqi Treaty of Alliance. - Statement by General Nuri es-Said.

General Nuri es-Said, the Prime Minister of Iraq, informed the Iraqi Parliament on Dec. 15, 1954, that it was his Government's intention to terminate the Anglo-Iraqi treaty of alliance before the date of its expiry in October, 1957. He said that the question of future Anglo-Iraqi relations had been taken up in 1953, during the Premiership of Jamil el-Madfai, by a special committee which included himself, Tewfik es-Suwaidi and Ali Jawdat al-Ayubi (both former Prime Ministers) and Ahmed Mukhtar Baban (the present Deputy Premier). The report of this committee to the Cabinet had recommended three different ways in which the treaty could be brought to an end, and he hoped to make a full statement to Parliament in due course.

The Iraqi Foreign Minister (Musa el-Shabander) said in Cairo on Dec. 13 that in any revised treaty Britain would be given the right to return to the Habbaniyah air base if Persia was attacked after the expiration of the Anglo-Iraqi treaty in 1957. Iraq would also reserve the right to call in British troops to help defend her frontiers against attack, and these forces would be granted all facilities, the Iraqi Army itself, however, would not fight outside its own territory. He suggested that new arrangements for British use of the Habbaniyah base should be arrived at on the lines of the Anglo-Egyptian agreement for the evacuation of the Suez Canal zone.

The Anglo-Iraqi Treaty, concluded in 1930, is valid for 25 years from the date of Iraq's admission to the League of Nations in 1932, and is thus due to expire in 1957. Under its terms either party may request a revision at any time after 20 years—i.e., after 1952.—(Times - Manchester Guardian)

(Prev. rep. 11763 D.)

F. SOUTH AFRICA. — Diamond Sales in 1954.

Sales of diamonds in 1954 effected through the Central Selling Organization on behalf of South African and other producers totalled £62,153,125, of which £45,610,010 was from the sale of gems and £16,543,115 from the sale of industrial diamonds. One of the largest diamonds discovered for many years—a blue-white stone weighing 426½ carats and valued at about £100,000—was found at the Premier Mine, Pretoria, on June 3, 1954.—(Cape Times) **(Prev. rep. 13511 B.)**

A. UNITED NATIONS. — Ninth Session of General Assembly. - Proceedings and Decisions.

In addition to the subjects mentioned in 13993 A, the U.N. General Assembly dealt with a number of other matters during its ninth session from Sept. 21 to Dec. 17, 1954. The most important of these are described below under cross-headings.

Chinese Nationalist Forces in Burma. The question of the presence of Chinese Nationalist forces on Burmese territory—a matter which had been before the U N since 1953—was again raised by the Burmese delegate (Mr James Barrington). He pointed out that although some 5,500 Nationalist troops and their dependants had been evacuated to Formosa under the supervision of the three-man military committee (U S A., Siam, and Nationalist China), in conformity with the Assembly's earlier resolution, there were still some 6,000 Nationalist guerrillas in Northern Burma who had shown no evidence of "any desire to evacuate" In raising the matter once more, Mr. Barrington expressed the hope that the U N would take measures to bring about either the voluntary evacuation of these forces or their internment. If this could not be done, the Burmese Government might have to resort to force to deal with the problem. He added that his Government considered the Chinese Nationalist Government responsible "so long as a single Kuomintang soldier is running loose on the soil of Burma."

Dr. Chih-mai Chen (Nationalist China) said that the guerrillas still in Burma were men who had "defied the wishes of the Chinese Government" and were "completely beyond its influence or control." His Government had done all in its power to bring about their evacuation, and would neither maintain any relations with them nor furnish them with support of any description. The problem of these men was now an internal problem of the Burmese Government, which could take whatever action it thought fit without any objection from the Chinese Nationalist Government

By 57 votes to nil, with Nationalist China abstaining, the *Ad Hoc* Committee adopted on Oct. 13 a ten-nation resolution (sponsored by Australia, Canada, Great Britain, India, Indonesia, New Zealand, Norway, Pakistan, Sweden and Uruguay) calling on the Nationalist troops still on Burmese soil to submit to disarmament and internment; assuring Burma of continued U N support in solving this problem; and urging all States to prevent any aid going to the guerrillas. The resolution was adopted by the full Assembly on Oct. 15 by a similar vote, with Ecuador, Ethiopia and Liberia absent

French Morocco and Tunisia. The Moroccan and Tunisian questions were again brought before the U.N. by the 14-nation Asian-Arab group (Afghanistan, Burma, Egypt, India, Indonesia, Iraq, Lebanon, Pakistan, Persia, Philippines, Siam, Saudi Arabia, Syria and Yemen). The French delegation, as at the eighth session, was absent when these subjects were discussed in the Political Committee and the full Assembly, maintaining that they were solely within the jurisdiction of the French Republic and outside the competence of the United Nations

M. Ahmed Shukairi (Syria), speaking in the Political Committee on Dec. 9, accused France of having turned Morocco into a "concentration camp," of denying sovereignty and human rights to the Moroccan people, and of having "illegally" dethroned and deported the Sultan Sidi-Mohammed ben-Youssef. After describing the present division of Morocco into French, Spanish, and International Zones as a "source of unrest," he suggested that an international conference should be held with a view to "upholding the integrity and sovereignty of Morocco" This conference, he proposed, should be attended by the signatories of the Algeciras Treaty of 1906, under which the Sultan's independence and the integrity of the Sherifian Empire had been guaranteed. [The signatories of the Algeciras Treaty were France, Spain, Great Britain, the U S.A., Germany, Austria-Hungary, Italy, Russia, Sweden, Portugal, Belgium, the Netherlands, and Morocco]

After several days' debate, the 14-nation group presented a resolution which noted that the French Government had begun direct negotiations for a settlement in Morocco, and which recommended that the U.N. should adjourn discussion of the Moroccan question "for the time being." It was adopted by the Political Committee on Dec. 13 by 39 votes to 15, with four abstentions, the dissenting countries including Great Britain, the U.S A., Belgium, the Netherlands and South Africa. Sir Pierson Dixon (U.K.) explained that he had voted against the resolution because the British Government believed that the Moroccan question was outside the competence of the U N., whilst Mr. Cabot Lodge (U.S.A.) opposed the resolution on the ground that it might "hinder the progress of negotiations between France and Morocco." When the resolution came before the full Assembly on Dec. 17, a Dominican amendment was accepted (by 57 to nil, with South Africa abstaining) expressing confidence that a "satisfactory solution" of the Moroccan question would be achieved. The resolution, as amended, was approved by 55 to nil, with four abstentions (Great Britain, Australia, South Africa and Belgium) and France absent.

The Asian-Arab group also introduced a resolution on the Tunisian situation, noting "with satisfaction" that France and Tunisia had entered into negotiations which were still in progress; expressing confidence that "the said negotiations will bring about a satisfactory solution"; and asking the Assembly to postpone consideration of this item "for the time being." M. Shukairi (Syria), in presenting the resolution, said that M Mendès-France's proclamation of the internal autonomy of the Tunisian State (made on July 21, 1954) was "an historical document which might be the beginning of a new era in the relations between France and Tunisia," and might prove to be "a turning-point in the whole attitude of the Arab world towards the policy of France in North Africa."

The resolution was adopted in the Political Committee on Dec. 16 by 54 votes to nil with three abstentions (Great Britain, Australia and South Africa), and by the full Assembly on Dec 17 by 56 votes to nil, with the same three abstentions and France absent The British, Australian and South African delegations maintained that the Tunisian question, like the Moroccan, was outside the competence of the U.N and solely within the jurisdiction of France

South-West Africa. After considering the report of the Committee on South-West Africa which had been set up by the Assembly at its eighth session, the Assembly adopted a resolution (by 34 votes to 8, with 9 abstentions) which (1) expressed appreciation of the Committee's work, and took note of its report and observations, (2) noted "with concern" that, in the opinion of the Committee, "the administration of S W. Africa is in several aspects not in conformity with the obligations of the South African Government under the [League of Nations] mandate system", (3) noted "with satisfaction" that South Africa had participated in the Trusteeship Committee's discussions on this matter, (4) invited the Union Government to co-operate with the Committee on S W. Africa, and to submit reports on its administration of S.W. Africa, (5) requested the Committee to examine the extent to which U.N. specialized agencies could contribute to the social, economic and educational advancement of the people of S.W Africa. In addition, the Assembly adopted a resolution (by 40 votes to 3, with 11 abstentions) reiterating its view that S W Africa should be placed under the U.N. trusteeship system —a view which had been consistently opposed by the South African Government

Before adopting this resolution, the Assembly had decided on Oct. 11 that its decisions on questions relating to S W. Africa should be taken by a two-thirds majority—the procedure reserved under the U N Charter for "important questions." However, because several countries had raised doubts as to the legality of this decision, and for this reason had declined to sit on the Committee on S.W. Africa, the Assembly subsequently decided (by 25 votes to 11, with 21 abstentions) to ask the International Court of Justice (*a*) whether the Assembly was legally justified in adopting a two-thirds majority procedure for questions relating to S.W. Africa, and (*b*) if not, what voting procedure should be adopted.

The report of the Committee on South-West Africa had been presented to the U N on June 25, 1954. It found that the inhabitants of S.W. Africa, after 35 years of administration under the mandate system of the former League of Nations, were still not participating in the political development of the territory; that their participation in economic development was restricted to that of labourers, and that social and educational services for their benefit were still "far from satisfactory." The Committee added its regret at the refusal of the South African Government to submit reports on the territory. The report was debated by the Trusteeship Committee before going to the full Assembly.

Korea. Three resolutions on Korea were presented in the Political Committee on Dec 3 (1) A resolution, sponsored by the 16 countries contributing forces to the U N. Command, which (*a*) approved the report on the Geneva Conference which had been made by those countries at the time (see 13641 A, page 13644); (*b*) took note of the report submitted by the U.N. Commission for the Unification and Rehabilitation of Korea (UNCURK)—see below; (*c*) expressed the hope that progress would be made towards the objectives of a unified, independent and democratic Korea with a representative form of government, and the restoration of peace and security in the area; and (*d*) asked that the Korean question should be brought before the Assembly's tenth session. (2) An Indian resolution which differed from the 16-nation resolution only in "noting" (instead of "approving") the 16-nation report on the Geneva Conference, and in making no reference to UNCURK's report (3) A Soviet resolution proposing the convening of a conference of "interested States" at an early date with the aim of reaching a settlement "on the basis of the creation of a unified, independent and democratic Korean State."

The Soviet and Indian representatives, however, did not insist on putting their resolutions to a vote, and the 16-nation resolution was adopted on Dec 8 by 50 votes to 5 (the Soviet group), with 4 abstentions (India, Burma, Syria and Saudi Arabia). At the same time the Political Committee rejected (by 50 votes to 5) a Soviet resolution for the termination and dissolution of UNCURK. The 16-nation resolution was adopted by the full Assembly on Dec. 11, the vote being identical with that in the Political Committee.

The Economic and Financial Committee adopted a resolution on Dec 11 (by 38 votes to 5) commending the work of the U.N. Korean Reconstruction Agency (UNKRA) and urging all governments to contribute the financial support "necessary for the continuation of the Agency's programme." It was adopted by the full Assembly on Dec. 14 by 41 votes to 5 (the Soviet group), with Syria and the Yemen abstaining.

The UNCURK report (referred to above), issued on Sept. 27, pointed out that the seven-nation Commission had been unable to do anything about Korean unification, and drew attention to President Rhee's belief that such unification could be brought about only by military action In an analysis of the South Korean elections of May 1954 (see 13829 A), the report said that while the voters had been "relatively" free, there had been some interference by the police with Opposition candidates and their electoral campaigns.

Palestine Refugees. After considering the report presented by Mr. Henry Labouisse, Director of the U.N. Relief and Works Agency for Palestine Refugees (UNRWA)—see 13840 C—the *Ad Hoc* Committee adopted a resolution on Nov. 30 which (*a*) extended the mandate of UNRWA for five years, until June 30, 1960; (*b*) provided the

Agency with a relief budget of $25,100,000 and a rehabilitation budget of $36,200,000 for the current fiscal year, as recommended by Mr Labouisse, (c) maintained the existing $200,000,000 rehabilitation fund; and (d) asked the Governments of the area to co-operate with UNRWA in "seeking and carrying out projects capable of supporting substantial numbers of refugees." The resolution presented jointly by France, Britain, the U.S.A. and Turkey, was adopted by 41 votes to nil with 8 abstentions (the Soviet group, Burma, Iraq, and Israel), and was passed by the full Assembly on Dec 4 by an identical vote.

Collective Security. By 50 votes to 5 (the Soviet group), with India and Indonesia abstaining, the Political Committee approved on Nov 2 a report by the Assembly's Collective Measures Committee laying down four general principles to be applied in the event of future collective action by the U.N. against aggression. The report was embodied in a resolution, presented jointly by the U.S.A., Great Britain, France, Belgium, Nationalist China, Cuba, Greece, Israel, Mexico, New Zealand, Turkey and Yugoslavia, which set forth these principles as follows:

(1) In the event of collective U.N. action against aggression, the greatest possible number of States should make prompt and effective military, political, economic and financial contributions to the collective effort, in accordance with their individual capacities and resources

(2) The maximum contribution of effective military forces should be a primary objective of member-States in such an eventuality States supporting U.N. collective action should seek to maximize effective military contributions not only by contributing forces themselves, but also by providing logistic support to States desiring to participate but unable to provide for the training, equipment or supply of their forces. States not supplying military forces for U.N. collective action should assist those who were by giving such ancillary support as was possible, including the right of passage over or across their territories

(3) The U.N. should support any measures of collective self-defence undertaken by regional organizations or agencies, as provided for in the U.N. Charter

(4) Collective economic and financial measures against aggression should include, where appropriate, all practicable assistance to the victim of aggression.

The resolution was adopted by the full Assembly on Nov. 4 the vote being identical with that in the Political Committee. During the earlier debate, Mr. James Wadsworth (U.S.A.) had emphasized that the question of collective security was "global" and that the above-mentioned principles were derived from the lessons learned in the Korean War. The Soviet, Polish, Czechoslovak, and Ukrainian delegates strongly opposed the resolution on the ground that it was incompatible with the general resolution on disarmament then before the Assembly (see 13993 A).

Greenland. Prior to the opening of the ninth session, the Assembly's Committee on Information from Non-self-governing Territories had decided on Sept. 13, by unanimous vote, that it was no longer necessary for Denmark to submit reports on Greenland as a dependent territory. The Committee noted that Greenland, by the free choice of its people, had been integrated into the Kingdom of Denmark on an equal footing with other parts of the realm (see 12921 A); that the Greenlanders, through their elected representatives, had freely exercised the right of self-determination; and that, in view of this constitutional change, Denmark no longer had the obligation under the U.N. Charter to provide information with regard to Greenland, since the latter was no longer a dependent territory.

A resolution embodying this decision (presented jointly by Brazil, Guatemala, India and Peru) was adopted by the Trusteeship Committee on Nov. 12 by 34 votes to 4, with 12 abstentions, and by the full Assembly on Nov. 23 by 45 votes to one (Belgium), with 11 abstentions. The delegates of Belgium and of the 11 abstaining countries opposed a section of the resolution which affirmed the Assembly's competence to decide when a dependent territory had become self-governing

Togoland. By 42 votes (including Britain, France and the U.S.A.) to one (Belgium), with 11 abstentions, the Trusteeship Committee adopted on Dec. 11 an Indian resolution, amended by Poland and the Philippines, on the question of the unification of Togoland and the future of that part of Togoland under British administration. It (*a*) requested the U.N. Trusteeship Council to send a special mission to the Togoland Trust Territories to study their political future; (*b*) asked this mission to study the problem of unifying the two Togolands, and also the possible integration of British Togoland with the neighbouring British Colony of the Gold Coast when the latter territory became fully independent "in the near future"; and (*c*) asked the mission also to ascertain the desires of the people of British Togoland as to their political future, without prejudice to the solution eventually adopted—whether independence, unification with an independent French Togoland, unification with an independent Gold Coast, or any other status of self-government or independence. The resolution was adopted by the full Assembly on Dec. 14 by 44 votes to nil, with 12 abstentions.

Before the opening of the ninth session, the British Government had presented a memorandum to the U.N. on June 21 asking that the future of the Trust Territory of British Togoland should be placed on the Assembly's agenda. After pointing out that the question had become urgent because the Gold Coast, after the recent elections (see 13649 A), was now in the last stage before assuming complete responsibility for its own affairs, the memorandum urged that the trusteeship agreement should be terminated and the territory merged with the Gold Coast. It invited the U.N. to ascertain the views of the inhabitants of the territory on their future status, as laid down in the U.N. Charter, suggested that the Trusteeship Council should be asked to consider methods of doing this, if necessary by the holding of a plebiscite, and set forth the reasons, political and economic, why, in the British Government's opinion, the Trust Territory should be merged with the Gold Coast

Economic Aid for Under-developed Countries. The full Assembly, meeting on Dec 11, approved five resolutions on economic aid to under-developed countries, all of which had been previously adopted by the Economic and Financial Committee. They covered:

(1) The establishment "as soon as practicable" of a Special U.N. Fund for Economic Development (SUNFED). Adopted unanimously.

(2) A request to the International Bank to prepare draft statutes for an International Finance Corporation. Adopted by 50 votes to nil, with five abstentions (the Soviet group).

(3) Measures to promote the international flow of capital to under-developed countries. Adopted by 48 votes to nil, with eight abstentions.

(4) Measures to alleviate international taxation problems. Adopted by 51 votes to nil, with five abstentions.

(5) Encouragement of land reform programmes. Adopted by 50 votes to nil, with five abstentions.

The various resolutions are described in greater detail below

The SUNFED Resolution.

Before the opening of the ninth session, the U.N. had received a report from the special *rapporteur* (M. Raymond Scheyven, Belgium) appointed by the eighth session to analyse governmental positions on the proposed creation of a Special U.N. Fund for Economic Development in under-developed countries. The purpose of this Fund—which had first been suggested by a committee of experts in 1952—would be to make grants-in-aid and long-term, low-interest loans to such countries, thus helping to speed their development by financing essential but non-profit-yielding projects. After recalling that the General Assembly had made the establishment of SUNFED contingent upon sufficient progress in disarmament, M. Scheyven said in his report: "I am compelled to state that the international situation has not developed as favourably as the General Assembly had hoped. Internationally supervised world-wide disarmament is unfortunately not yet an accomplished fact. Major industrial powers, such as the U.S.S.R., the U.K., and the U.S.A., appear disinclined, at least at the present juncture, to lend their financial support to the establishment of an international fund for grants-in-aid and for low-interest long-term loans . . ." He added that many other advanced industrial countries "contemplate taking part in the Special Fund only if it is supported by the leading industrial Powers, and more particularly by the United States." Despite these conclusions, M. Scheyven said that he nevertheless viewed the future with some optimism, since "the public in the industrialized countries have for some time become increasingly aware that the economic development of under-developed countries presents an urgent problem, the solution of which would contribute to a relaxation of international tension and the attainment of lasting peace"

During the debate in the Economic and Financial Committee, statements were made by the British and U.S. delegates (respectively Sir Alec Randall and Mr. Roger Straus) explaining why their Governments could not support the establishment of SUNFED at the present juncture. Sir Alec Randall pointed out that Britain had made available the equivalent of more than $350,000,000 for economic development in under-developed areas during 1953, although at the same time bearing "enormous" commitments for defence. Whilst everyone agreed that the SUNFED proposal was a good one, differences nevertheless existed about its timing; even if limited additional resources became available, he felt that they should be applied to existing programmes where they would have the greatest immediate effect, and that it would be a "useless exercise" to draft the statutes of the proposed Special Fund. Mr. Straus similarly emphasized that his Government, while "fully aware of the urgent need" for raising living standards in many areas, felt that the U.N. should not in present circumstances undertake to create "a new global fund for economic development," for the following reasons: (1) the U.S.A. was not at present prepared to contribute to such a fund; (2) it did not appear that "contributions anywhere near large enough for the task envisaged" were likely to be forthcoming from other countries; (3) it would be "unwise, even unfortunate, for the U.N. to create the framework of an international development fund without sufficient resources to enable it to do a real job"

After discussing several alternative resolutions, the Committee set up a seven-member Working Group which, after ten meetings in closed session, presented a resolution expressing the hope that SUNFED would be established "as soon as possible," and recommending (*a*) that M. Scheyven should continue to serve as special *rapporteur* for another year; (*b*) that, with the assistance of the U.N. Secretary-General and experts, he should prepare "a further report giving a full and precise picture of the form or forms, functions, and responsibilities" which such a Fund should have; (*c*) that M. Scheyven should make a "final report" to the tenth session of the Assembly. The resolution—based upon one originally presented by Belgium—was adopted unanimously by the Economic and Financial Committee and, as stated above, by the full Assembly.

International Finance Corporation.

By 44 votes to nil, with five abstentions (the Soviet group), the Economic and Financial Committee approved a nine-nation resolution (sponsored by Brazil, Canada, France, Greece, Mexico, Pakistan, Peru, Turkey and the U.S.A.) on the establishment of an Inter-

national Finance Corporation to promote and encourage private investment in under-developed countries The possible establishment of such a Corporation, as a companion project to SUNFED, had been before the U N and the International Bank since 1951, when it was recommended by a committee of experts The resolution requested the International Bank (*a*) to prepare a draft charter for the proposed Corporation "in the light of the views expressed in the U N. and of the functions of existing financial institutions"; (*b*) to submit the draft charter to the Governments of countries which were members of the International Bank for their consideration, and to invite those Governments "to indicate what support may be expected from them in constituting the capital required for the establishment of the Corporation", (*c*) "to take steps to ensure agreement between its members on the draft charter"; and (*d*) to report to the next session of the U N. Economic and Social Council. which, in turn, was asked to submit a report on the matter to the tenth session of the Assembly

During the debate Mr Roger Straus announced the U.S. Government's decision to support such a Corporation and to seek Congressional approval for U S. participation therein, whilst Sir Alec Randall similarly announced Britain's support for the Corporation [Mr. George Humphrey, U.S. Secretary of the Treasury, and Mr. R A. Butler, British Chancellor of the Exchequer, had announced their Governments' support for the projected International Finance Corporation after the ninth annual meeting of the International Bank and the International Monetary Fund—see 13984 A]

Flow of Private Capital.

By 48 votes to nil, with 8 abstentions, the Committee adopted a series of recommendations aimed at creating a favourable climate for the investment of private capital abroad. *Inter alia*, it was recommended that countries seeking to attract private capital investment should re-examine their domestic policies in order to improve the "investment climate"; that they should avoid unduly burdensome taxation and discrimination against foreign investments, and that they should provide potential investors with the fullest possible information about investment opportunities, conditions and prospects in the countries concerned

International Tax Problems.

A related resolution asked the Secretary-General to continue his studies on taxation imposed by capital-exporting and capital-importing countries on the income from investments abroad, particularly those made in under-developed countries. These studies would go to the Economic and Social Council, which would transmit the results of its deliberations to the General Assembly.

Land Reform.

It was recommended that member-States, where appropriate, should institute measures to encourage land ownership by the largest practicable number of persons living in rural areas, and pursue fiscal and investment policies to expand the areas under cultivation and improve agricultural production methods. It was also recommended that, when implementing land reform programmes in the process of developing their economies, member-States should 'observe the principle of equitable treatment in the economic, political and social fields, with a view to improving the conditions of the rural population."

Five-Year Plan for Resettlement of Refugees. By 40 votes to 5 (the Soviet group), with 10 abstentions (Nationalist China, Egypt, India, Iraq, Lebanon, Saudi Arabia, Siam, Syria, Yemen and Yugoslavia), the Social, Humanitarian and Cultural Committee adopted an eight-nation resolution designed to solve the refugee problem, based on the five-year plan presented to the Economic and Social Council by Dr. van Heuven Goedhart, the U N. High Commissioner for Refugees (see 13898 A). The resolution, sponsored by Australia, Belgium, Costa Rica, Ecuador, France, Netherlands, Turkey and U.S.A , proposed (1) that the U.N Negotiating Committee for Extra-Budgetary Funds should approach member- and non-member-States for voluntary contributions to a new Refugee Fund, the amount of which would be decided on the basis of proposals presented by the High Commissioner, (2) that the High Commissioner should undertake a programme designed to achieve a permanent solution for refugee problems within the period of his current mandate (i e. until Dec. 31, 1958); (3) that the High Commissioner himself should be authorized to appeal for funds; (4) that Governments co-operating with the High Commissioner should give assurances that they would assume full financial responsibility for any refugees still requiring aid when the programme ended.

The resolution was adopted by the full Assembly on Oct. 22 by 44 votes to 5 (the Soviet group), with 8 abstentions. The Soviet delegate charged the High Commissioner's Office with sending refugees and displaced persons to overseas countries so that they could be "exploited as cheap labour," instead of returning them to their homelands, whilst the Polish, Ukrainian and Byelorussian delegates said that direct repatriation of all refugees and D.P s was "the only fair solution to all refugee problems"

Dr. van Heuven Goedhart presented a report stating that, of the approximately 2,500,000 refugees under his mandate, some 350,000 had not been assimilated, including 88,000 refugees still living in camps in Europe—mainly in Austria, Germany, Greece and Italy. He believed that the problem could be solved within five years by setting up a $12,000,000 fund to help finance projects for land resettlement, vocational training, and small loans for the establishment of refugees in trade and commerce.

Definition of Aggression. By 43 votes to 3 (Australia, South Africa and the U.S.A.), with 11 abstentions, the Assembly approved on Dec. 4 a Lebanese-Syrian-Yemeni resolution proposing that a special 19-member committee should be set up to prepare a draft definition of aggression; that it should meet at U N Headquarters in 1956, and that its recommendations should be presented to the 11th session of the Assembly. The resolution had been adopted by the Legal Committee

Forced Labour. An 11-nation resolution was adopted on Dec 14 by the Social, Humanitarian and Cultural Committee (by 31 votes to 5, with 12 abstentions) condemning all forms of forced labour and calling for their abolition, endorsing the condemnation of forced labour systems already made by the Economic and Social Council, appealing to all Governments to abolish such systems; and requesting a further report on this subject by the U N. Secretary-General and the Director-General of the I L O It was adopted by the full Assembly on Dec. 17 by 41 votes to 5, with 12 abstentions.

Status of Women. The Social, Humanitarian and Cultural Committee adopted on Dec 16 a resolution aimed at speeding-up the abolition of antiquated customs or laws "affecting the human dignity of women" It urged all Governments to take appropriate measures "to abolish customs, ancient laws and practices relating to marriage and the family and affecting the human dignity of women" so as to ensure, *inter alia*, complete freedom in the choice of spouse, the proper recording of all marriages and divorces, and the abolition of such practices as child marriage and the "bride price." The resolution was adopted by 39 votes to nil, with Australia, Canada, Great Britain, India, Liberia, Pakistan, South Africa and the U.S A. abstaining The delegates of these countries explained that while their Governments agreed with the spirit of the resolution, they felt that such measures could not be taken rapidly without causing grave social disturbances. Certain countries with federal forms of government also pointed out that the matters covered by the resolution were in some cases not within Federal jurisdiction.

The resolution was adopted by the full Assembly on Dec 17 by 41 votes to 5, with 10 abstentions

U.N. Documents in Arabic. A proposal that certain official U.N. documents should be published in Arabic, in addition to the five official languages of the United Nations (English, French, Spanish, Russian, and Chinese), was endorsed by the Administrative and Budgetary Committee on Nov 19 by 42 votes to 2 (Norway and Sweden), with 8 abstentions, and by the full Assembly on Dec 4 by 47 votes to nil, with 10 abstentions Material to be published in Arabic under this resolution will include documents and reports of interest to the Near and Middle East.

Delegates advocating the adoption of this resolution referred to the increasing role of the Arab States in U N. affairs On the other hand, Hr Carl Hambro (Norway) believed that the U N should be content with fewer instead of more languages, that the resolution would lead to pressure for other languages to be adopted, and that such a development would mean a "fragmentation" of the U N 's work.

World Food Reserve. By 46 votes to nil, with several abstentions (including the U S A.), the Assembly adopted on Dec 14 a recommendation by its Economic and Financial Committee asking the U.N Food and Agriculture Organization (FAO) to report on what was being done to establish a World Food Reserve The resolution to this effect, originally introduced by Costa Rica was sponsored by that country and Bolivia, El Salvador, Indonesia, Saudi Arabia and Uruguay The U S delegate, whilst agreeing that the establishment of a World Food Reserve was ultimately desirable, believed that under present conditions it would duplicate the activities of the U N and its specialized agencies.

The Costa Rican delegate (Father Benjamin Nuñez) had proposed the establishment of a World Food Reserve "to assume responsibility for feeding the entire population of the world," and had drawn attention to the marked success in his own country of the establishment of a national food reserve Whereas there had formerly been considerable dislocation in Costa Rica between food supplies and their distribution, a national food reserve had now been in operation for six years and was working smoothly, with the whole-hearted support of the farmers and the population generally "Until we adopted this plan," Fr. Nuñez explained, "we had acute scarcities of some foodstuffs, followed the next year by surpluses Now we store rice, corn, *frijoles* (beans) and butter in our silos and refrigeration plants. Every producer knows that if he has a surplus of any of these crops, the Government will buy it from him at a fair price; therefore he does not curtail production If a scarcity develops in any one crop, the reserves are opened and these supplies are brought on to the market at a normal price."

U.N. Budget. By 47 votes to 5 (the Soviet group), with no abstentions, the Budgetary Committee approved on Nov. 18 a revised scale of assessments for the U N. Budget for 1955, involving an increase in the Soviet contribution from 14.15 to 15.08 per cent and a decrease in the British contribution from 9.80 to 8.85 per cent The U.S contribution remained unchanged at 33 3 per cent Slight increases (in each case under 0 50 per cent) were also recommended for Australia, Byelorussia, Canada, Ethiopia, France, Mexico, the Ukraine, and Venezuela, and slight decreases for Argentina, Bolivia, Brazil, Chile, Cuba, Czechoslovakia, Denmark, Egypt, India, Indonesia, Iraq, Pakistan, Persia, and Sweden The revised scale was approved by the full Assembly on Dec. 4 by 49 votes to 5, with 2 abstentions.

The U N Budget for 1955 was fixed at $46,821,300.

U.N. Employees. The General Assembly unanimously agreed on Dec. 17 that compensation, amounting to $179,420, should be paid to the 11 former U S. employees of the United Nations who had been dismissed after refusing to answer questions by Congressional

committees during loyalty investigations. The payment of such compensation had previously been approved by the U N Administrative Tribunal, the validity of the Tribunal's decision having been upheld by the International Court of Justice—see 13712 C, 13633 A.

During the discussions in the Budgetary Committee, the U S representative had strongly urged that decisions of the Administrative Tribunal should be subject to judicial review, and had introduced a resolution to this effect, co-sponsored by a number of other countries. Nevertheless, the Committee decided (by 28 votes to 24, with 4 abstentions) not to endorse the principle of judicial review but, instead, to ask the Assembly to set up a special committee to study the matter and to request member-States to forward their views on the subject. When the matter came before the full Assembly, however, this recommendation was reversed by 36 votes to 5, with 17 abstentions, and it was agreed in principle that future decisions of the Administrative Tribunal should be subject to judicial review. Senator J. William Fulbright (U S A.) announced that his Government though dissenting from the Administrative Tribunal's decision, would not oppose the compensation payments to the former U N employees.

Universal Children's Day. By 47 votes to nil, with four abstentions (Iraq, Netherlands, New Zealand and South Africa), the Social, Humanitarian and Cultural Committee adopted a resolution—submitted by India and Uruguay—on Nov. 30 recommending that all countries, beginning in 1956, should institute a Universal Children's Day, which would be observed as a day of 'world-wide understanding and fraternity between children' and which would lay stress on the United Nations' work for children. The resolution, which was subsequently adopted by the General Assembly, invited "cultural, professional, trade union, workers' and social welfare organizations" to co-operate actively in the celebration of Children's Day, requested UNICEF (the U.N. Children's Fund) and UNESCO to promote its observance, and asked Governments to observe Children's Day on a date that each Government considered appropriate. The Dutch and New Zealand delegates abstained from voting because they considered that the institution of such a day should be left to the discretion of the private voluntary organizations concerned.

The 60 member-countries unanimously agreed to hold a tenth anniversary meeting of the General Assembly from July 20-26 in San Francisco, where the U.N. Charter was signed ten years ago.—(United Nations Review, New York - U.N. Information Centre, London) **(Prev. rep. 13993 A.)**

A. UNITED KINGDOM. — Increase in Bank Rate.

The Bank of England announced on Jan. 27 that the Bank Rate would be raised from 3 to 3½ per cent, the level at which it had stood on May 13, 1954.

Authoritative press comment stated that the decision to increase the Bank Rate, taken with the concurrence of the Government, had been due to the following factors: (*a*) the increase in market rates for long-term commercial and Treasury bills during the last two months, and the persistent weakness of gilt-edged securities; (*b*) signs of inflationary tendencies which had been apparent since the autumn of 1954 and had persisted in recent months, combined with a boom on the Stock Exchange, (*c*) the persistent weakness of sterling in foreign exchange markets beyond the normal period of seasonal pressure. The relatively small increase in the Bank Rate was therefore interpreted as a means of "applying the brake" gently to the signs of incipient inflation; of putting a curb on speculative activity on the Stock Exchange, and, by making money rates in London dearer, of attracting funds from abroad, thus increasing the demand for sterling.

The use of the Bank Rate as an active instrument of monetary control had been restored during the dollar crisis late in 1951, when the rate was raised (on Nov. 8, 1951) from 2 to 2½ per cent. It was further raised to 4 per cent on March 11, 1952, reduced to 3½ per cent on Sept. 17, 1953, and reduced to 3 per cent on May 13, 1954.—(Financial Times) **(13557 A.)**

B. FRANCE. — Socialist Party. - Expulsion of Opponents of Paris Agreements.

The National Executive of the French Socialist Party decided on Jan. 20, after an all-night session, to expel 16 Socialist deputies from the party because of their votes against the ratification of the Paris agreements in the recent National Assembly debate, contrary to the official party policy. Two other Socialist deputies (MM. Lejeune and Lapie) who also voted against ratification had been expelled previously (see 13859 A; 13767 A). The 16 deputies, who included M. Naegelen (a former Governor-General of Algeria and a prominent party member), were given the right to appeal against the Executive's decision to a special party congress which was called for Feb. 5-6.

The Executive's decision reduced the strength of the Socialist Party—hitherto the largest in the National Assembly—from 104 to 88, and thus left the Communists, with 94 deputies, as the strongest single party group.—(Le Monde, Paris) **(Prev. rep. 13891 B; 13859 A; Assembly Debate, 13965 A.)**

C. CUBA. — Outlawing of Communism.

A Bill outlawing Communism in all its forms was passed by the Cuban Government on Jan. 18. (New York Times)

D. NORWAY.—Resignation of Mr. Oscar Torp. - New Labour Government formed by Mr. Gerhardsen.

Mr. Oscar Torp, the Prime Minister of Norway, tendered his resignation on Jan. 14 to King Haakon, who called upon Mr Einar Gerhardsen (Mr. Torp's predecessor in the Premiership, and since then leader of the Parliamentary Labour Party) to form a new Cabinet. At a press conference after his resignation, Mr. Torp pointed out that he and many other Ministers of the Labour Government had held uninterrupted office for the past 20 years, and that both he and they felt that changes in the Cabinet were desirable. At the same time he emphasized that there were no differences in the Government or the Labour Party on the main lines of Norway's defence or foreign policy.

Although no official statement was issued as to the reasons for Mr. Torp's resignation, the Government had for some time been criticized on the grounds that it had not succeeded in checking inflationary tendencies, in reducing Norway's adverse trade balance or in stabilizing wages and prices.

The membership of the new Labour Government was announced in Oslo on Jan. 21, as follows:

Mr. Einar Gerhardsen	Prime Minister.
Dr. Halvard Lange	Foreign Affairs.
*Mr. Jens Chr. Hauge	Justice.
*Mr. Mons Lid	Finance.
Mr. Nils Handal	Defence.
Mr. Ulrik Olsen	Municipal Affairs.
*Mr. Olav Meisdalshagen	Agriculture.
Fru Rakel Seweriin	Social Affairs.
Professor Birger Birgensen	Education and Church Affairs.
Mr. Gustav Sjaastad	Industry.
*Mr. Arne Skaug	Trade.
*Mr. Kolbjorn Varmann	Communications.
*Mr. Nils Lyso	Fisheries.

* New Ministers.

Six former Ministers left the Cabinet in addition to Mr Torp—Mr. Nordbo, who was succeeded as Minister of Agriculture by Mr Meisdalshagen (Finance Minister in the former Gerhardsen Cabinet), Mr. Kai Knudsen, the former Defence Minister, who was succeeded by Mr Handal (formerly Minister for Industry); Mr Langhelle, who was succeeded at the Ministry of Trade by Mr Skaug, Mr Bratelli, whose portfolio of Finance was taken over by Mr. Lid, Mr. Pettersen, whose portfolio of Communications was taken over by Mr. Varmann; and Mr. Holt, who was succeeded as Minister for Fisheries by Mr Lysō. Dr. Halvard Lange, Fru Seweriin (the only woman member of the Norwegian Cabinet) and Professor Birgensen retained their former portfolios, whilst Mr. Sjaastad, formerly Minister of Justice, became Minister for Industry. The new Minister of Justice, Mr. Hauge, had held the portfolio of Defence when the Torp Cabinet was formed in 1951, but subsequently left the Government.

Mr. Einar Gerhardsen had been Prime Minister from 1945 to November 1951, when he relinquished the Premiership to Mr. Oscar Torp for reasons of health. It was announced that Mr. Torp would become President of the Storting.
(Aftenposten, Oslo) **(Prev. rep. 13623 E; 13258 B; 11840 A.)**

E. AUSTRALIA. — Completion of First Stage of Snowy Mountains Hydro-electric Scheme.

The Guthega dam, tunnel and power-station on the Snowy River, the first major stage of the Snowy Mountains hydro-electric project to be completed, was handed over to the Snowy Mountains Hydro-electric Authority on Jan. 7 by the Norwegian contractors responsible for the work (Selmer Engineering Proprietary Ltd.). Started in 1951 and built at a cost of over £7,000,000, the work consisted of a gravitation dam with a capacity of 1,150 acre-feet, a 60,000-kilowatt power-station, and a three-mile tunnel linking them through which the water falls 800 ft. to the turbines. The new power-station was expected to start supplying electricity to New South Wales in about a month.—(Australian News Bureau) **(13568 B.)**

F. SOUTH AFRICA. — Gold and Sterling Reserves.

South Africa's gold holdings, which had remained fairly constant throughout 1953 at about £62,000,000, rose slowly during the first nine months of 1954 to about £70,000,000, at which level they remained during the final quarter. Sterling holdings, on the other hand, more than recovered the decline which they had experienced in 1953, after rising gradually in the early months of the year, they fluctuated between £39,000,000 and £47,000,000 from May to October before rising steeply to over £70,000,000 in the last two months. On Dec. 31 the reserves stood at £145,601,000, comprising gold reserves of £70,563,000, sterling holdings of £72,007,000, and assets outside the Union of £3,031,000.
(Cape Times - Financial Times) **(Prev. rep. 13492 B.)**

A. EUROPEAN PAYMENTS UNION. — Settlements in Second Half of 1954. - Austrian Currency Concessions. - Benelux Agreement on Capital Transfers. - Increased French, West German, and Swedish Trade Liberalization. - Freeing of West German Blocked Mark Accounts. - Relaxation of Dutch Foreign Exchange Controls. - Turkish Import Restrictions.

Details are given in the following table of the net surpluses or deficits (in millions of units of account) incurred by members of the E.P.U. during the second half of 1954, the gold repayment instalments made during the same months in accordance with the bilateral arrangements for reducing outstanding debts (see 13378 A); and the cumulative accounting position of each country at the end of December after taking into account (*a*) the surpluses or deficits incurred and (*b*) the adjustments made by doubling the amount of the gold repayment instalments in order to keep the cumulative accounting position equal to twice the amount of credit outstanding.

	Net monthly surplus (+) or deficit (−)						Credit repaid by (+) or to (−) the member reflecting bilateral amortization instalments						Cumulative accounting surplus (+) or deficit (−) from July 1, 1950, to Dec 31, 1954‡
	July	Aug.	Sept.	Oct.	Nov.	Dec.	July	Aug.	Sept	Oct.	Nov.	Dec.	
Austria	+ 7.6	+ 5.1	− 3.9	− 5.6	−13.2	−16 5	− 0.1	− 0.1	− 0 7	− 0.1	− 0.1	− 0.3	+ 88.0
Belgium-Luxemburg	−14.9	+ 6.7	+ 1.1	+ 4.4	+10.3	+12 6	− 1.5	− 1.5	− 2.5	− 1.5	− 1.5	− 2.5	+296.6
Denmark	− 6.0	−13.6	−14.8	− 8.5	− 0.5	+ 7 3	+ 0 3	+ 1.5	+ 0 3	+ 0.3	+ 0.3	+ 0 3	−194 8
France	+ 0.0	−10.6	− 1.3	+ 6.2	+12.4	+15 3	+ 2 1	+ 2.1	+ 2 1	+ 2.1	+ 2 1	+ 2 1	−482.7*
Germany (Western)	+32.9	+45 2	+20 4	+11.0	+10.8	+17.0	−21 8	− 2.0	− 2 4	− 0.8	− 0.8	− 2.4	+995.7
Greece	−12 9	−16 2	− 8.1	+ 4.2	− 1.3	+ 2 2	—	—	—	—	—	—	− 54 8
Iceland	− 0 2	− 0.3	− 0.4	+ 0.1	+ 0.1	+ 0.0	—	—	—	—	—	—§	− 9.0
Italy	−23.6	− 6 5	+ 0 3	− 9.8	−19.3	−21.8	—	—	+ 3 3	—	—	+ 4 3	−233 8
Netherlands	− 3 0	− 5.6	+ 2.0	+ 3 2	+21.0	+26.2	− 1.0	− 1.0	− 1.0	− 1.0	− 1.0	− 1.0	+362.3
Norway	− 4.4	− 5.1	−12.1	− 7.0	−11 8	− 7.9	+ 0.5	+ 0.5	+ 0 5	+ 0.5	+ 0.5	+ 0.5	−197.1
Portugal	− 8 5	− 1 4	− 3 5	− 4 0	− 3 7	− 3.4	− 0 2	− 0.2	− 0.2	− 0.2	− 0.2	− 0.6	+ 13.1
Sweden	−14 7	+ 0.2	− 3.7	− 9.7	−14.9	−14.3	− 0 7	− 0.7	− 0.7	− 0.7	− 0.7	− 1.1	+ 80.5
Switzerland	+20 2	+26 2	+11.2	+ 0.7	+ 5 3	+ 0.2	− 0 7	− 0.7	− 1 4	− 0.7	− 0.7	− 1.4	+335.2
Turkey	+ 1.2	− 0.9	− 2.9	+ 1.1	− 0 2	− 2.1	—	—	—	—	—	—	−230.3
United Kingdom	+26 4	−23.3	+15.7	+13.8	+ 5.2	−14.9	+23.2†	+ 2.2	+ 2.7	+ 2.2	+ 2.2	+ 2.2	−686 9

§ Iceland made initial repayments totalling 1 400 000 units of account in the operations for December, 1954, to Belgium-Luxemburg, Germany, Netherlands and Switzerland, similar to those made and received in the operations for July 1954 by the other countries shown in the table. A further 4,000,000 units of account is covered by bilateral amortization agreements between Iceland and the four creditor countries.

† Including 21,000,000 units of account (£7,500,000) payable as an annual instalment to Germany but offset by the same amount due from Germany in settlement of post-war debts to the United Kingdom.

‡ Equal to double the amount of credit outstanding except as follows: (*a*) Greece . 54,800,000 units of account settled fully in gold or dollars under Art. 13(*a*) outside her debtor quota, which is frozen at zero, (*b*) Turkey: 60,000,000 units of debtor quota utilized, and 170,300,000 settled fully in gold or dollars under Art. 13(*a*) outside her debtor quota.

* Not including the 100 per cent gold payments by France for deficits beyond her quota up to June 30, 1954, which are outside the cumulative accounting position and which are recoverable by France if she has a net surplus for the period after June 30, 1954. Of the total of such payments (369,400,000 units), 18,100,000 units were repaid up to December 1954, leaving 351,300,000 units still recoverable.

General Note. In addition to taking into account current operations and adjustments made in connexion with the bilateral repayment instalments, the cumulative accounting position allows for (*a*) the net use of existing resources, initial balances, and special resources; (*b*) interest payments or receipts on credit received from or granted to the E.P.U.; (*c*) the special settlements of the Belgium-Luxemburg and Portuguese surpluses as at July 1, 1952; (*d*) the immediate gold repayments made at the time of the renewal of the E.P U. on July 1, 1954; (*e*) the initial repayments made by Iceland in the December 1954 operations (see footnote above); and (*f*) the first two repayments of the special credit granted by Belgium-Luxemburg.

Further details of the position of various countries, and of financial and economic measures taken by them during the period under review, are given below.

Austria. The continued improvement in the Austrian exchange position enabled the Austrian Government to announce several measures relaxing exchange controls. A decree of Aug. 16

(*a*) abolished the requirement that holdings of gold or E.P.U. currencies had to be declared and offered for sale to the Austrian National Bank, though trade in gold remained confined to authorized institutions, and E P.U. currencies had to be kept in foreign exchange accounts with the Austrian National Bank or with foreign exchange dealers;

(*b*) permitted the conversion of E P.U. currencies at the officially quoted rates into any other E P.U. currencies;

(*c*) authorized Austrian residents to use, without specific permits, their E.P U. currency accounts for payments abroad of any kind up to the equivalent of 500 schillings at a time, or to buy such currencies up to the same amount, the only restriction being that payments must not be used to build up currency holdings abroad;

(*d*) authorized the free use of E.P.U currencies beyond the 500-schilling limit to pay for any imports into Austria from E P.U. countries, provided that the imports had been bought on the importer's own account.

The restrictions were still further relaxed on Sept. 16, when the 500-schilling limit was abolished and the purchase or transfer of E.P.U. currencies was authorized for any payments which might be transacted through the E P.U. including amortization payments on loans but excluding all other kinds of capital transfers.

The Austrian Minister for Trade Reconstruction, Dr. Illig, announced on Oct. 19 that the liberalization percentage for imports from other O.E.E C. countries would be raised from 75 per cent to 82-83 per cent and would apply to all the three main groups (raw materials, agricultural products, and manufactured goods). The amended percentage came into operation on Dec 1, 1954.

Belgium-Luxemburg. A new agreement signed by the Benelux countries came into force on July 16 allowing the free transfer of capital between the monetary areas of Belgium-Luxemburg on the one hand and of the Netherlands on the other As a result of the agreement, Belgian capital in Holland—hitherto blocked under Dutch exchange control regulations—again became eligible for transfer to Belgium, and it became possible for one country to issue loans in the capital market of the other To prevent capital transactions from affecting the E P U. positions of the two monetary areas, it was agreed (*a*) that they would be carried out through specially-established free markets; (*b*) that payments for current foreign trade transactions would not be allowed to take place through these free markets; and (*c*) that the Netherlands Bank and the National Bank of Belgium might intervene in the free markets in order to avoid disorderly fluctuations between the free market exchange rates and those governed by established par values under the I M F. articles of agreement.

It was announced on Sept 17 that exporters in Belgium-Luxemburg receiving foreign exchange would in future be allowed to keep it in their own bank accounts and use it for permitted transactions calling for the same currency; by building up their own holdings of foreign currency they would thus be able to avoid the effects of fluctuations in the foreign exchange rates.

Denmark. The continued deterioration in the Danish foreign exchange reserves led to a number of remedial measures being taken by the Government, including the raising of the Bank Rate from 4½ to 5½ per cent on June 2. [A separate article on these developments will be given in a later issue.]

France. In accordance with the earlier undertakings of the French Government to extend the liberalization of French imports from other O E E.C. countries (see 13727 A), the liberalized trade percentage was raised from 52 per cent to 57 per cent on Sept. 30, to 62 7 per cent on Oct. 20, and to 65 per cent on Nov. 8. A further announcement of Dec. 1 stated that certain other import quotas would be abolished early in January 1955, bringing the extent of liberalization to 75 per cent, however, following a disagreement over whether or not certain farm products should be freed, this was eventually reduced to 73 per cent The list of goods affected was published on Jan. 11.

Goods affected by the first measure included iron and steel tubes, nickel and nickel alloys, leather, agricultural machinery, certain machine tools, synthetic fibres, a number of chemical products, and certain types of cotton yarn At the second stage, quantitative import restrictions were lifted on generators and electric motors, various textile and printing machines, cranes, paper and cardboard, shoes, certain types of clothing, paints and varnishes, quicksilver, etc. Certain leather goods and several kinds of timber were freed on Nov. 8, whilst the list published on Jan. 11 included some types of furniture, semi-finished aluminium products, books, hemp and hemp yarn, parts of motor-car chassis, and calculating machines.

All the freed goods were initially subjected to the special import duty of either 10 or 15 per cent (see 13727 A), but ladies' handbags, certain linen and cotton threads, and some special kinds of steel were subsequently exempted. A decree published in the *Journal Officiel* on Nov. 17 reduced the import duties on most of the remaining goods from 15 to 11 per cent and from 10 to 7 per cent. Most of the goods freed on Jan. 11, however, were subjected to a duty of 15 per cent.

Western Germany. With a view to reducing Germany's large and persistent surpluses in the E P U., it was announced on June 29 that, as from Sept. 1, tariff reductions ranging from 10 to 33 per cent would be made on 758 industrial items out of a total of 3,600, goods affected included motor cars, electric stoves, office equipment, toys, matches, and artificial resins On July 5 it was further announced that, from Aug 1, import licences would no longer be required for about 70 per cent of German imports—i.e. all liberalized goods and all those hitherto imported under the "open licence" system

Dr Schäffer, the Federal Minister of Finance, stated on July 28 that German export incentives in the form of income-tax deductions would be discontinued as from Dec. 31, 1955.

The *Bank Deutscher Länder* announced on Sept 14 that, as from Sept 16, all blocked DM accounts would, with immediate effect, become freely transferable, except into dollars, and would be renamed "liberalized capital accounts" Holders of such accounts would thus be able to use them in any of the following ways .

(*a*) transfer them directly abroad, except to dollar countries ;

(*b*) pay them into "restricted convertibility accounts" which would also be freely transferable, except to dollar areas ;

(*c*) transfer them into "liberalized capital accounts" of other foreigners (i e sell them),

(*d*) use them inside Germany for travel expenses, support of relatives and friends, etc ,

(*e*) use them for investment in Germany, which would now be easier inasmuch as loans maturing after a period of at least five years and yielding a rate of interest of not more than 4½ per cent would no longer require any individual authorization.

The statement added that henceforth no more distinction would be made in the treatment afforded to original holdings and acquired (i e purchased) holdings of blocked marks. It was stated in the Press that the amount of blocked marks involved was theoretically the total of foreign-owned assets (about DM 11,000,000,000) and restitution claims arising from the Nazi regime (about DM. 4,000 000,000 within 10 years) At the same time, however, it was pointed out that experience had shown that, of the number of D-marks previously entitled to be transferred, only a relatively small proportion had in fact been withdrawn

Greece. It was announced in Athens on Aug 8 that at the close of the fiscal year ended June 30, in which a large measure of trade liberalization had been introduced, the Greek balance-of-payments account showed a deficit of only $16 000,000 (£5,700,000)—an amount which was more than covered by U.S aid Exchange reserves over the year had increased by $29,000,000, a fact which was ascribed to the checking of inflationary pressure, an increase in the production of wheat, rice and cotton, the fall of international prices, and the fact that no exchange reserves had been used for buying gold.

Netherlands. In addition to the agreement with Belgium-Luxemburg which came into force on July 16 (see above), a number of other exchange control relaxations were announced by the Netherlands Bank. As from Aug. 9, Dutch foreign exchange banks were authorized to open free guilder accounts for non-residents from which all payments in guilders to residents, and in any currency to non-residents, might be made. On the same date the Canadian dollar and the Swiss franc were added to the currencies negotiable on the free exchange market

On Sept. 22 the Netherlands Bank announced that it was prepared to consider applications from Dutch residents wishing to buy foreign securities officially quoted in E.P U. countries, and also that Dutch residents would in future be allowed to dispose freely of balances of foreign currencies which they held abroad and which could not be transferred to Holland

Sweden. On Sept 24 the Swedish Ministry of Trade announced a list of commodities which could be freely imported from the dollar area after Oct. 1 The goods—which, valued at $698,400,000, accounted for 45 per cent of all Swedish imports in 1953—included nearly all chemical products, all paper other than newsprint, shoes, pottery and glassware, furs, leather goods, rubber and wood products, many kinds of dried fruit and canned goods, and practically all metal goods It was also announced that, for commodities still requiring an import licence, a more lenient policy would be applied.

Turkey. Because of the critical shortage of foreign exchange reserves, the Turkish Government announced a series of import restrictions on Sept. 22. All import licences awaiting the necessary foreign exchange were cancelled ; importers were required to obtain a certificate from Chambers of Commerce before applying to the Ministry of Commerce and Economy for a new licence ; and quantitative limits equivalent to a percentage of the goods imported by each importer in a selected post-war year (or, for new companies, based on their capital) were imposed. Restrictions on the transfer abroad of all capital amounting to more than £T500 were announced on Oct. 27.

United Kingdom. The U.K. surpluses (in sterling) of £9,442,500 in July and £5,602,857 in September, and the deficit of £8,338,214 in August, gave a net surplus during the third quarter of 1954 of £6,707,143. The surpluses of £4,937,857 in October and £1,842,500 in November, together with the deficit of £7,306,785 in December (taking into account an interest payment for credit outstanding since July 1, 1954), gave a net deficit of £526,428 during the fourth quarter. Each of the surpluses or deficits was settled half by the receipt or payment of gold from or to the E.P.U., and half by the reduction or increase of credit extended by the Union. As a result of these transactions and of the special repayments made each month in accordance with the bilateral arrangements agreed when the E.P.U. agreement was renewed, the total U.K. debt to the Union, which amounted to £138,082,143 on July 1, 1954 (i.e. half the cumulative accounting deficit), had been reduced to £122,653,214 by Dec. 31.

The British Board of Trade announced on Nov. 11 that import quotas would be abolished on a number of items from O.E.E C. countries, including manufactured drugs, films and plastic goods, musical instruments, and certain fruit juices. It was pointed out, however, that these concessions—some of which would come into force on Nov. 12, 1954, and the rest on Jan. 1, 1955—would not be sufficient to raise the British liberalization percentage above the existing level of 83 per cent. (O.E.E.C. Information Division, Paris - Times - Financial Times - Le Monde, Paris - Neue Zurcher Zeitung - Wiener Zeitung - Netherlands News Agency) **(Prev. rep. 13778 A.)**

A. UNITED KINGDOM. — Twickenham and North Edinburgh By-elections.

The Twickenham by-election, caused by the death of Sir Edward Keeling (Conservative), was held on Jan. 25 with the following result :

Cooke, R. Gresham (Conservative)	23,075
Pitman, Robert (Labour)	12,953
No change. Conservative majority ..	10,122

The figures at the general election were : Sir Edward (then Mr.) Keeling (C) 39,080, Miss Ethel Chipchase (Lab) 23,871—Conservative majority, 15,209. The Conservative candidate received 64.05 per cent of the votes in the by-election and the Labour candidate 35.95 per cent, compared with general election percentages of 62.08 and 37 92 per cent respectively ; the Conservative proportion thus rose by 1.97 per cent The percentage of the electorate voting in the by-election was 47 31, compared with 81 28 per cent at the general election The total electorate was 76,174, compared with 77,444 in 1951

Mr. Gresham Cooke (48) is director of the Society of Motor Manufacturers and Traders.

The North Edinburgh by-election, caused by the appointment of Mr. J. L. Clyde, Q.C. (Conservative)—now Lord Clyde—as Lord Justice-General and President of the Court of Session in Scotland (see 13982 C), was held on Jan. 27 with the following result :

Milligan, W. R. (Conservative)	11,413
Scott, Robert (Labour)	7,799
No change. Conservative majority ..	3,614

The figures at the general election were : J. L. Clyde (C.) 20,836, E. G. Willis (Lab) 14,604—Conservative majority, 6,232. The Conservative candidate received 59 40 per cent of the votes in the by-election and the Labour candidate 40.60 per cent, compared with general election percentages of 58 79 and 41.21 per cent respectively ; the Conservative proportion thus rose by 0.61 per cent. The percentage of the electorate voting in the by-election was 46.35, compared with 80 01 per cent at the general election. The total electorate was 41,446, compared with 44,294 in 1951.

Mr. Milligan, Q C. (56), formerly Solicitor-General for Scotland, had been appointed Lord Advocate on Dec. 30 in succession to Mr. J. L Clyde (see 13982 C).

The contests brought the number of by-elections during the present Parliament to 46.—(Times - The Scotsman, Edinburgh) **(Prev. rep. By-elections, 1 3999 B.)**

B. INDIA. — Opening of National Defence Academy.

The Indian National Defence Academy, built as a memorial to Indians who fell in the Second World War, was formally opened by the Chief Minister of Bombay (Mr. Morarji Desai) on Jan. 16 in the presence of the Commanders-in-Chief of the Armed Forces (General Rajendrasinhji, Admiral Sir Mark Pizey, and Air Marshal Mookerjee). Situated at Khadakvasla, 11 miles from Poona, the Academy will be an inter-Service institution and will provide a common three-year course for 1,500 cadets of the Indian Army, Navy, and Air Force. At the end of the three-year period cadets will receive specialized training with their respective Service establishments. Major-General Habibullah was appointed the first Commandant of the Academy, whose creation had been decided upon in 1945. (The Statesman, Calcutta - Times of India, Bombay - Indian High Commissioner's Office, London) **(Prev. rep. 7307 B.)**

C. CHINA. — New Ambassador in Moscow.

It was announced in Peking on Jan. 13 that Mr. Liu Hsiao had been appointed Chinese Ambassador to the Soviet Union in succession to Mr. Chang Wen-tien, who, it was stated, would return home to concentrate on his duties as Vice-Minister for Foreign Affairs. Mr. Hsiao, a prominent member of the Chinese Communist Party, was one of Mr. Chou En-lai's principal advisers at the Geneva Conference on Korea and Indo-China. (New York Times) **(Prev. rep. 13784 D.)**

A. YUGOSLAVIA. — Improvement in Relations with Soviet-bloc Countries. - Ending of Cominform Radio Campaign against Yugoslavia. - Trade Agreements with Soviet Union, Hungary, and Bulgaria.

The continued improvement in Yugoslav-Soviet relations in recent months was evidenced by the resumption of direct trade relations between the two countries, as well as by several steps taken by the Soviet Government *vis-à-vis* Yugoslavia.

A barter agreement ending the Soviet Union's six-year economic blockade of Yugoslavia was signed in Belgrade on Oct. 1, 1954, by a Soviet economic delegation and the Yugoslav Chamber of Foreign Trade.

An official Yugoslav spokesman stated that the agreement would be valid until the end of 1954 and that the Soviet Union would send Yugoslavia crude oil, cotton, manganese ore, anthracite, coal, and newsprint in return for meat, tobacco, ethyl alcohol, hemp, caustic soda, and calcium soda. He added that the Soviet Union had not been able to supply wheat, which Yugoslavia had asked for in view of her bad wheat harvest. It was subsequently announced in Belgrade that the total value of goods on either side would be $2,500,000.

The barter agreement with the Soviet Union had been preceded by similar barter arrangements with Hungary, Czechoslovakia, and Eastern Germany.

Following further negotiations in Moscow with a Yugoslav trade delegation, a Soviet-Yugoslav commercial and payments agreement for 1955 was signed on Jan. 5, 1955.

The agreement provided for Yugoslav exports of fresh and canned meat, tobacco, hemp, soda, and textile products, against Soviet exports of cotton, crude oil, petrol, newsprint, etc., the total exchanges of goods being valued at $20,000,000 on each side.

In the political sphere it was officially stated in Belgrade on Oct. 14, 1954, that Soviet jamming of Radio Belgrade's Russian-language broadcasts had ceased some days earlier. Moreover, the " Free Yugoslavia " radio station, whose broadcasts had been directed against President Tito's Government, had not been on the air since Sept. 29. [The " Free Yugoslavia " radio, which was staffed by *émigré* Yugoslav Communists who had remained in Moscow or who had subsequently escaped from Yugoslavia after that country's expulsion from the Cominform, relayed its broadcasts over a powerful transmitter which had been installed by the Russians at Temesvar, in western Rumania.]

On Oct. 15 it was announced in Belgrade that the Soviet Government had informed Yugoslavia that it was ready to agree to the return of a number of Yugoslav orphan cadets who had been sent for training to the Suvorov Military Academy in Moscow prior to Yugoslavia's break with the U.S.S.R. in 1948, and who had been detained in Russia ever since in spite of Yugoslav requests for their return. The actual number of young men involved was not known, but was stated to be at least 60, and probably higher.

A further indication of the improvement in mutual relations was given when M. Saburov (head of the Soviet Planning Department), speaking during the celebrations of the anniversary of the Bolshevik revolution on Nov. 6, appealed for " sincere friendship " between the Soviet Union and Yugoslavia and called for the " complete normalization " of their relations. This was followed on Nov. 28 by the presence of leading Soviet personalities at a reception at the Yugoslav Embassy in Moscow in honour of Yugoslavia's National Day, those present including M Malenkov, M. Molotov, Marshal Bulganin, and M. Khrushchev.

A barter agreement with Bulgaria, providing for exchanges worth about $500,000 on each side up to the end of 1954, was signed in Belgrade on Nov. 12, 1954, whilst a trade and payments agreement with Hungary, envisaging an exchange of goods worth $14,000,000 on each side during 1955, was signed on Jan. 14, 1955.

It was stated that Yugoslav exports to Hungary would comprise agricultural produce, tobacco, timber and timber products, chemicals, ores and metals, and machinery, whilst Hungary would export to Yugoslavia rolled steel products, various machinery, spare parts, chemicals, locomotives, and mining equipment. Discussions also took place about the use of Yugoslav railways and of sea and river ports for the transit of Hungarian goods

M. Nikolai Vujanovich, the first Yugoslav Ambassador accredited to Rumania since the resumption of diplomatic relations between the two countries, presented his credentials in Bucharest on Nov. 17.—(Tanjug Agency, Belgrade - Times - Manchester Guardian - Bulgarian News Bulletin, Sofia - Agerpres Agency, Bucharest) **(Prev. rep. Relations with Soviet Union, 13999 A; 13030 C; Bulgaria, Hungary, 13267 B; Rumania, 13764 B.)**

B. CEYLON. — New High Commissioner in India.

Sir Edwin Wijeyeratne, the new Ceylonese High Commissioner in India, presented credentials to President Prasad on Jan. 14.—(Ceylon Government Information Dept., Colombo) **(Prev. rep. 13396 E.)**

C. SCOTLAND. — Autonomous Electricity Authority for South of Scotland. - British Electricity Authority renamed Central Electricity Authority.

The Electricity Reorganization (Scotland) Bill, implementing the Government's policy of decentralizing the administration of the nationalized industries and of increasing Scottish control over Scottish affairs, was enacted on Nov. 25, 1954, after it had been given second readings in the House of Commons on Feb. 3, 1954 (by 285 votes to 255) and in the House of Lords on July 29, 1954. Its main provisions were :

(1) The functions previously exercised by the Minister of Fuel and Power in relation to the generation and distribution of electricity in Scotland would be vested in the Secretary of State for Scotland, with certain exceptions.

(2) A new autonomous body to be appointed by the Secretary of State for Scotland—the South of Scotland Electricity Board—would take over the functions of the British Electricity Authority in the South of Scotland from April 1, 1955, and would replace the existing S E Scotland and S.W. Scotland Electricity Boards. It would set up two executives, for the eastern and western parts of its area respectively, after Parliamentary approval had been obtained. General financial control and policy would remain with the Board, which was empowered to borrow up to £75,000,000 in addition to any temporary loans required for the settlement with the B E.A

(3) The North of Scotland Hydro-Electric Board would be released from its existing statutory obligations to obtain the approval of the British Electricity Authority before undertaking new constructional schemes

Mr. James Stuart (Secretary for Scotland), in moving the second reading, claimed that by substituting Scottish control of electricity supply for remote control from England, the Bill would ensure that responsibility was in the hands of those who knew the needs of Scottish consumers and were in constant touch with them. Opposition to the Bill was expressed by several Labour members, including **Mr. Woodburn,** who said that trade unionists feared that the creation of an autonomous authority for Southern Scotland would interfere with wage negotiations on a national basis; **Mr. J. Taylor,** who argued that Scottish Nationalists would regard it as " an unconditional surrender to their propaganda "; and **Mr. Hector McNeil,** who described the Bill as a " backdoor attack upon an efficient piece of nationalization."

In the House of Commons Committee stage (May 12) an amendment by Commander Charles Donaldson (Conservative) was agreed to, changing the name of the British Electricity Authority to " Central Electricity Authority " as from April 1, 1955. Commander Donaldson pointed out that the name " British Electricity Authority," which implied responsibility for electricity supplies throughout the United Kingdom, would no longer be appropriate after the Bill had come into force.

Mr. Stuart had announced on July 29, 1954, that when the Bill became law he intended to appoint Mr. J. S. Pickles and Sir Norman Duke, the chairmen of the South-West Scotland and South-East Scotland Electricity Boards, as chairman and deputy-chairman respectively of the new South of Scotland Electricity Board.—(Times - The Scotsman, Edinburgh - Glasgow Herald) **(Prev. rep. Electricity Bill, 8457 A; B.E.A. 1952-53 Report, 13181 A; Royal Commission on Scottish Affairs, Recommendations, 13904 A; North of Scotland Hydro-Electric Board, 1951 Report, 12552 A.)**

D. COLOMBO PLAN. — Canadian Financing of Assam Hydro-electric Project.

It was announced in New Delhi on Jan. 11 that letters had been exchanged between Mr. C. D. Deshmukh (Indian Finance Minister) and Mr. Escott Reid (Canadian High Commissioner in India) providing the basis of an agreement under which Canada would assist India in financing the Umtru hydro-electric project, which is part of the first Indian Five-Year Plan and is expected to cost Rs. 15,000,000 (£1,125,000).

The project, situated about 20 miles from Gauhati on the road to Shillong (the capital of Assam), is expected to be completed by 1956 and to benefit an area of approximately 1,000 square miles. The Canadian contribution—made under the Colombo Plan—will consist of engineering services and electrical equipment to the value of Can.$1,200,000 (Rs. 5,000,000), and the rupee equivalent of Can.$2,100,000 which will become available from the sale of Canadian raw materials supplied to India under the Colombo Plan.
(The Statesman, Calcutta - The Hindu, Madras)
(Prev. rep. 12851 A; Colombo Plan, 13956 A.)

E. AUSTRIA. — Cabinet Appointment.

It was announced in Vienna on Jan. 15 that Herr Hans Kapfer, a departmental head in the Ministry of Justice, had been appointed Minister of Justice in succession to Dr. Josef Gero, who had died on December 28. Herr Kapfer, like his predecessor, belongs to no political party. (Wiener Zeitung)
(Prev. rep. Cabinet, 13909 D.)

JANUARY 29—FEBRUARY 5, 1955

A CHINA - UNITED STATES. — Intensification of Communist Air Attacks on Tachen Islands. - Capture of Yikiangshan Island. - U.S. Support for Cease-fire Efforts by United Nations. - U.N. Intervention opposed by Mr. Chou En-lai. - President Eisenhower's Request for Congressional Authority to use American Forces for Defence of Formosa and the Pescadores. - Congressional Approval. - Sir Anthony Eden's Statement on Formosa Dispute. - New Zealand Initiative in U.N. for Cease-fire. - Communist China refuses Invitation to attend Security Council Discussions.

An international crisis broke out in the Formosa Straits in the middle of January, its stages being described below under cross-headings.

Capture of Yikiangshan Island. - Intensification of Communist Air Attacks on Tachen Islands.

The small Nationalist-held island of Yikiangshan, eight miles north of the Tachen Islands and some 200 miles north of Formosa, was captured on Jan. 18 by Chinese Communist forces who landed from an invasion fleet of about 70 vessels, including 20 warships, a number of motorized junks, and landing-craft. Although Peking radio claimed that the island had been captured within two hours, it was subsequently stated in Formosa that the small garrison, though greatly outnumbered by the invading force, had held out for several days before resistance ceased.

The invasion of Yikiangshan had been preceded by a Communist air attack—the heaviest so far launched against the offshore islands—in which 60 planes dropped over 200 bombs. Still heavier bombing raids were launched from the mainland on Jan. 19 against the Tachen Islands, which were attacked by some 200 Communist aircraft. The Nationalist Air Force carried out incessant retaliatory attacks on coastal military objectives, particularly in the Amoy and Swatow areas, on Communist shipping, and on coastal islands under Communist control, including Yikiangshan. In one of these attacks the British ship *Edendale* (1,700 gross tons) was sunk on Jan. 19 while unloading general cargo at Swatow; there were, however, no casualties among her crew of 51. It was announced in London that a strong protest would be lodged with the Nationalist Government, and that a claim for compensation would be presented if desired by the ship's owners (the Wing Li Steam Navigation Company, of Hong Kong).

President Eisenhower's Support for U.N. Intervention for Cease-fire.

In Washington, President Eisenhower stated at his press conference on Jan. 19 that he knew of no military authority which considered either Yikiangshan or the neighbouring Tachen Islands to be essential to the defence of Formosa and the Pescadores. He added, however, that the Tachens, which were manned by Nationalist regular troops, were more important defensively than Yikiangshan, which had been defended only by guerrillas, and that they had value as an outpost for Formosa. In reply to a question, the President said that he would like to see the United Nations try to arrange a cease-fire between the Nationalists and the Communists. The U.S. Secretary of State, Mr. Dulles, had also said on the previous day that the U.S. Government would be "not unsympathetic" to a U.N. attempt to bring about a cease-fire, and that such an objective would be in line with American policy.

Chinese Communist Opposition to U.N. Intervention. - Statement by Mr. Chou En-Lai.

In Peking, however, the Chinese Communist Premier and Foreign Minister (Mr. Chou En-lai) issued a statement on Jan. 24 declaring that his Government were determined to "liberate" Formosa, that it could not agree to a cease-fire, and that it could not recognize the right of the United Nations or of any foreign country "to intervene in the Chinese people's liberation" of Formosa. His statement, as broadcast by Peking radio, was as follows:

"The Government of the Chinese People's Republic has repeatedly declared to the world that the Chinese people are determined to liberate their own territory of Taiwan (Formosa). Since the successful liberation of Yikiangshan Island, the U.S. Government has . . . engineered a conspiracy for a so-called cease-fire through United Nations intervention in the Chinese people's liberation of Taiwan. Taiwan is an inalienable part of China's territory, and its liberation is a matter of China's sovereignty and internal affairs. No outside interference can be tolerated.

"Article 2, paragraph 7, of the U.N. Charter explicitly states. 'Nothing in the Charter shall authorize the U.N. to intervene in matters which are essentially within the domestic jurisdiction of any State, or shall require the members to submit such matters to settlement under the Charter.' Therefore, neither the U.N. nor any foreign country has the right to intervene in the liberation of Taiwan. The Government of the People's Republic of China absolutely cannot agree to a so-called cease-fire with the traitorous Chiang Kai-shek clique, which has been repudiated by the Chinese people.

"The exercise by the Chinese people of their sovereign rights in liberating China's mainland and many coastal islands has never caused tension in the Far East. The present tension in the Taiwan area can only be attributed to the fact that the U.S. Government has occupied Taiwan, shielded the Chiang Kai-shek clique, and incessantly directed subversive activities and war threats against the People's Republic of China. The so-called mutual security treaty concluded between the U.S. Government and the Chiang Kai-shek clique has further heightened this tension and is seriously threatening peace in the Far East. . . . The tension will be eliminated as a matter of course if the U.S. drops its intervention in China's internal affairs and withdraws its armed forces from Taiwan and the Taiwan Straits. . . ."

(*Economist*)

President Eisenhower's Message to Congress.

On Jan. 24 President Eisenhower sent a special message to Congress requesting authority—in his capacity of Commander-in-Chief of the U.S. forces—to take such military action as might be necessary to repel any Chinese Communist aggression in the area of the Formosa Straits, and specifically to assure the security of Formosa and the Pescadores. The President's message was worded as follows:

"The most important objective of our nation's foreign policy is to safeguard the security of the United States by establishing and preserving a just and honourable peace. In the Western Pacific, a situation is developing in the Formosa Straits that seriously imperils the peace and our security.

"Since the end of the Japanese hostilities in 1945, Formosa and the Pescadores have been in the friendly hands of our loyal ally, the Republic of China [i.e. the Chinese Nationalist Government]. We have recognized that it was important that these islands should remain in friendly hands. In unfriendly hands, Formosa and the Pescadores would seriously dislocate the existing, even if unstable, balance of moral, economic and military forces upon which the peace of the Pacific depends. It would create a breach in the island chain of the Western Pacific that constitutes, for the U.S.A. and other free nations, the geographical backbone of their security structure in that ocean. In addition, this breach would interrupt north-south communications between other important elements of that barrier, and damage the economic life of countries friendly to us.

"The United States and the friendly Government of the Republic of China, and indeed all the free nations, have a common interest that Formosa and the Pescadores should not fall into the control of aggressive Communist forces. Influenced by such conditions, our Government was prompt, when the Communists committed aggression in Korea in June 1950, to direct our Seventh Fleet to defend Formosa from possible invasion from the Communist mainland.

"These considerations are still valid. The Seventh Fleet continues under Presidential directive to carry out that defensive mission. We also provide military and economic support to the Chinese Nationalist Government, and we co-operate in every proper and feasible way with that Government in order to promote its security and stability. All of these military and related activities will be

continued In addition, there was signed last December a mutual defence treaty between this Government and the Republic of China covering Formosa and the neighbouring Pescadores. It is a treaty of purely defensive character That treaty is now before the U.S Senate.

" Meanwhile, Communist China has pursued a series of provocative political and military actions establishing a pattern of aggressive purpose. That purpose, they proclaim, is the conquest of Formosa. In September 1954 the Chinese Communists opened up heavy artillery fire upon Quemoy Island, one of the natural approaches to Formosa, which had for several years been under the uncontested control of the Republic of China. Then came air attacks of mounting intensity against other free China islands, notably those in the vicinity of the Tachen group to the north of Formosa. One small island [Yikiangshan] was seized last week by air and amphibious operations after a gallant few fought bravely for days against overwhelming odds There have been recent heavy air attacks and artillery fire against the main Tachen Islands themselves.

" The Chinese Communists themselves assert that these attacks are a prelude to the conquest of Formosa. For example, after the fall of Yikiangshan, Peking radio said that it showed a ' determined will to fight for the liberation of Taiwan [Formosa] Our people will use all their strength to fulfil that task.'

" Clearly, this existing and developing situation poses a serious danger to the security of our country and of the entire Pacific area and, indeed, to the peace of the world. We believe that the situation is one for appropriate action by the United Nations under its Charter, for the purpose of ending the present hostilities in that area. We would welcome assumption of such jurisdiction by that body.

" Meanwhile, the situation has become sufficiently critical to impel me, without awaiting action by the United Nations, to ask the Congress to participate now, by specific resolution, in measures designed to improve the prospects for peace. These measures would contemplate the use of the armed forces of the United States, if necessary, to assure the security of Formosa and the Pescadores. The actions that the U.S A. must be ready to undertake are of various kinds For example, we must be ready to assist the Republic of China to re-deploy and consolidate its forces if it should so desire.

" Some of these forces are scattered throughout the smaller off-shore islands as a result of historical rather than military reasons directly related to defending Formosa Because of the air situation in the area, withdrawals for the purpose of redeployment of Chinese Nationalist forces would be impractical without the assistance of the armed forces of the United States. Moreover, we must be alert to any concentration or employment of Chinese Communist forces obviously undertaken to facilitate attack upon Formosa, and be prepared to take appropriate military action

" I do not suggest that the United States enlarge its defensive obligations beyond Formosa and the Pescadores, as provided in the treaty now awaiting ratification. But, unhappily, the danger of armed attack directed against that area compels us to take into account closely related localities and actions which, under current conditions, might determine the failure or success of such an attack. The authority that may be accorded by Congress would be used only in situations which are recognizable as parts of, or definite preliminaries to, an attack against the main positions of Formosa and the Pescadores

" Authority for some of the actions which might be required would be inherent in the authority of the Commander-in-Chief. Until Congress can act, I would not hesitate, so far as my Constitutional powers extend, to take whatever emergency action might be forced upon us in order to protect the rights and security of the United States. However, a suitable Congressional resolution would clearly and publicly establish the authority of the President as C.-in-C. to employ the armed forces of this nation promptly and effectively for the purpose indicated if, in his judgment, it became necessary. It would make clear the unified and serious intentions of our Government, our Congress, and our people Thus it will reduce the possibility that the Chinese Communists, misjudging our firm purpose and national unity, might be disposed to challenge the position of the U.S.A. and precipitate a major crisis which even they would neither anticipate nor desire.

" In the interest of peace, therefore, the United States must remove any doubt regarding our readiness to fight, if necessary, to preserve the vital stake of the free world in a free Formosa, and to engage in whatever operations may be required to carry out that purpose. This would require not only Presidential action but also Congressional action. In a situation such as now confronts us, and under modern conditions of warfare, it would not be prudent to await the emergency before coming to Congress. Then it might be too late. Already the warning signals are flying.

" I believe that the threatening aspects of the present situation, if resolutely faced, may be temporary in character. Consequently, I recommend that the resolution expire as soon as the President is able to report to Congress that the peace and security of the area are reasonably assured by international conditions, resulting from U.N. action or otherwise. Again I say that we would welcome action by the U.N. which might, in fact, bring an end to the active hostilities in that area.

" This critical situation has been created by the choice of the Chinese Communists, not by us. Their offensive military intent has been flaunted to the whole world by words and deeds. Just as they created the situation, so they can end it if they choose

" What we are now seeking is primarily to clarify present policy and to unite in its application. We are not establishing a new policy. Consequently, my recommendations do not call for an increase in the U.S. armed forces, or any acceleration in military procurement or levels of defence production. If any unforeseen emergency arises requiring any change, I will communicate with Congress I hope, however, that the effect of an appropriate Congressional resolution will be to calm the situation rather than to create further conflict

" One final point The action I request is, of course, no substitute for the treaty with the Republic of China which we have signed and which I have transmitted to the Senate Indeed, present circumstances make it more than ever important that this basic agreement should be promptly brought into force, as a solemn evidence of our determination to stand fast in the agreed treaty area and to thwart all attacks directed against it If delay should make us appear indecisive in this basic respect, the pressures and dangers would surely mount

" Our purpose is peace That cause will be served if . . . we demonstrate our unity and determination In all that we do we shall remain faithful to our obligations as a member of the U N. to be ready to settle our international disputes by peaceful means in such a manner that international peace, security, and justice are not endangered For the reasons outlined in this message, I respectfully request that Congress take appropriate action to carry out the recommendations contained herein "

Congressional Resolution adopted by Senate and House of Representatives.

The following joint resolution was introduced in the Senate and the House of Representatives on the same day :

" Whereas the primary purpose of the United States, and its relations with all other nations, is to develop and sustain a just and enduring peace for all ;

" Whereas certain territories in the West Pacific under the jurisdiction of the Republic of China are now under armed attack, and threats and declarations have been made and are being made by the Chinese Communists that such armed attack is in aid of, and in preparation for, armed attack on Formosa and the Pescadores ;

" Whereas such armed attack, if continued, would gravely endanger the peace and security of the Western Pacific area and particularly of Formosa and the Pescadores ;

" Whereas the secure possession by friendly Governments of the Western Pacific island chain, of which Formosa is a part, is essential to the vital interests of the United States and all friendly nations in or bordering on the Pacific Ocean , and

" Whereas the President of the United States on Jan 6, 1955, submitted to the Senate . . . for ratification a mutual defence treaty between the U S A. and the Republic of China, which recognizes that an armed attack in the West Pacific area directed against territories therein described, in the region of Formosa and the Pescadores, would be dangerous to the peace and safety of the parties to the treaty ;

" Therefore be it resolved by the Senate and House of Representatives, in Congress assembled, that the President be and hereby is authorized to employ the armed forces of the United States as he deems necessary for the specific purpose of securing and protecting Formosa and the Pescadores against armed attack. This authority [is] to include the security and protection of such related positions and territories of that area now in friendly hands and the taking of such other measures as he judges to be required or appropriate in assuring the defence of Formosa and the Pescadores

" This resolution shall expire when the President shall determine that the peace and security of the area is reasonably assured by the international conditions, created by action of the United Nations or otherwise, and shall so report to Congress."

The resolution was unanimously adopted by the House Foreign Affairs Committee on Jan. 24, and by 409 votes to three in the full House of Representatives on Jan. 25. The dissenting votes were cast by Representatives Graham A. Barden (Dem., North Carolina), Timothy P. Sheeham (Rep., Illinois) and Eugene Siler (Rep., Kentucky).

The Congressional resolution was adopted jointly by the Senate Foreign Relations and Armed Services Committees on Jan. 26, by 27 votes to two, and by the full Senate on Jan. 28, by 85 votes to three.

When the resolution came before the two Senate Committees (meeting in joint session) on Jan 26, **Senator Wayne Morse** (Ind., Oregon) opposed it on the grounds that it implied the threat of " aggression " and of a " preventive war " by the United States. **Senator William F. Knowland** (the Republican floor leader) strongly denied this interpretation, and emphasized that the resolution was designed precisely to restore, and not to endanger, the stability of the Pacific. He declared : " There is not one iota of desire or intent for a preventive war or aggression I only hope and pray that the misinterpretation [i e Senator Morse's contention] has not already done great damage to our national security and the security of our Seventh Fleet."

In reply, **Senator Morse** emphasized that he whole-heartedly supported the President in his determination to protect Formosa and the Pescadores. He maintained, however, that the Congressional resolution left undetermined the area into which U.S. forces might be sent for this purpose—specifically, whether U.S. military action might be extended to include the islands of Quemoy and Matsu, which were just off the Chinese coast [see map, page 14017] In effect, he declared, the resolution said to the Chinese Communists : " We threaten you with aggression if you follow some course of action on your mainland that we think . . . may result in your making an attack on us."

Senator Hubert H. Humphreys (Dem., Minnesota) moved an amendment to delete the phrase in the resolution that would extend the President's authority in protecting Formosa and the Pescadores "to include the security and protection of such related positions and territories of that area now in friendly hands." Like Senator Morse, he argued that this phrase might involve U.S forces in the defence of Quemoy and Matsu, even though these islands were only a few miles from the Chinese coast After **Senator Knowland** had replied that the effect of Senator Humphreys' amendment would be to "set up a green light on Quemoy and Matsu telling the Communists just to come and get them," the amendment was rejected by 20 votes to eight Its supporters, in addition to Senator Humphreys, were Senators J William Fulbright (Dem , Arkansas), Harry F. Byrd (Dem., Virginia), John J. Sparkman (Dem., Alabama), Estes Kefauver (Dem., Tennessee), Mike Mansfield (Rep , Montana), William H. Langer (Rep , North Dakota) and Wayne Morse.

Senator Kefauver then moved an amendment which (like that of Senator Humphreys) would have pledged the U S.A. to defend Formosa and the Pescadores only, and which declared that the United Nations was the ultimate proper authority both to arrange a cease-fire in the Formosa Straits and to settle the ultimate status of Formosa It was defeated by an identical vote (20 to eight), its supporters being Senators Kefauver, Fulbright, Sparkman, Langer, Humphreys, Mansfield, Morse, and Henry M. Jackson (Dem., Washington). The Congressional resolution was thereupon adopted by 27 votes to two (Senators Morse and Langer).

In their report to the full Senate, the Foreign Relations and Armed Services Committees said that the possible invocation by the Chinese Communists of the Sino-Soviet mutual assistance treaty of 1950 was "a calculated risk which the United States must take." The report added, however, that the President and his advisers did not expect Russian intervention in the event of "further difficulties" between the U.S A. and Communist China Expressing doubt whether the 1950 treaty could apply to the Formosa area, the report said · "In the first place, it is not the intention of the U.S A. to take aggressive action against any country. In the second place, the language of the Soviet-Chinese treaty is open to widely different interpretations." After noting that a majority of the members of the Committee hoped that the United Nations "might soon be in a position to bring an end to hostilities in the Formosa Straits," the report said—in connexion with Communist China's opposition to U N intervention for a cease-fire—that the Senators "cannot agree that the use of force in this area is a matter of domestic concern to the Government of the Republic of China [i.e. the Chinese Nationalists] or to the Chinese Communist Government" As regards the position of Quemoy and Matsu, the report said that if American support for these islands were to be specifically forbidden, U S. forces might be deprived of "flexibility that may be needed to meet unforeseen situations" "In this particular case," it added, "it would seem unwise to define too precisely the geographic scope of the resolution."

Before adopting the Congressional resolution on Jan. 28, the Senate rejected the following three amendments :

(1) An amendment by **Senator Langer** to forbid the despatch of U.S. armed forces to the Chinese mainland or to any spot nearer than 12 miles from the Chinese coast. Rejected by 83 votes to 3—Senators Langer, Morse, and Herbert H. Lehman (Dem , New York)

(2) An amendment by **Senator Kefauver** which would have excluded the Quemoy and Matsu Islands from the area to be protected, if necessary, by U.S force of arms. Rejected by 75 votes to 11.

(3) An amendment by **Senator Lehman** to delete the phrase authorizing the President to "include the security and protection of related islands" [i e. Quemoy and Matsu] in defending Formosa and the Pescadores. Rejected by 74 votes to 13.

The Congressional resolution was approved by 83 votes to three (Senators Langer, Lehman, and Morse).

Eight Senators abstained from voting—Denis Chavez (Dem., New Mexico), J. Allen Frear (Dem., Delaware), John F. Kennedy (Dem., Massachusetts), Matthew M. Neely (Dem., West Virginia), Lyndon B. Johnson (Dem., Texas), Charles E. Potter (Rep., Michigan), Ralph E. Flanders (Rep , Vermont) and John W Bricker (Rep., Ohio).

President Eisenhower signed the Congressional resolution on Jan. 30, and at the same time issued the following statement :

". . The American people, through their elected representatives, have made it clear to the world that we are united . . . in our determination to help a brave ally and to resist Communist aggression. By so asserting this belief we are taking a step to preserve the peace in the Formosa area. We are ready to support a U.N. effort to end the present hostilities in the area, but we are also united in our determination to defend an area vital to the security of the United States and the free world."

President Eisenhower's Meetings with National Security Council and Service Chiefs.

On Jan. 27 the President had had a meeting with the National Security Council, and afterwards conferred with the Secretary of Defence (Mr. Wilson), the Secretaries of the Army, Navy, and Air Force (respectively Mr. Stevens, Mr. Thomas, and Mr. Talbott), the chairman of the Joint Chiefs of Staff (Admiral Radford), and the Army Chief of Staff, the Chief of Naval Operations, and the Air Force Chief of Staff (respectively General Ridgway, Admiral Carney, and General Twining). The following statement was issued from the White House after these discussions : "They discussed the deployment of U.S. air and naval forces in the Formosa area. The President made it clear that these forces were designed purely for defensive purposes, and that any decision to use U.S. forces other than in immediate self-defence or in direct defence of Formosa and the Pescadores would be a decision which he would take and the responsibility for which he has not delegated."

Sir Anthony Eden's Statement on Formosa Crisis.

In London, the British Foreign Secretary (Sir Anthony Eden) made a statement on the Formosa crisis to the House of Commons on Jan. 26, and replied to a number of questions by Mr. Clement Attlee, the Leader of the Opposition.

Sir Anthony Eden said : "H.M. Government have been in close and constant touch with the U S. Government in recent months concerning the dangerous situation arising out of Chinese Communist attacks upon the islands off the coast of China near the Formosa Straits. We have also maintained close contact with the Governments of the Commonwealth and particularly with New Zealand, which is the other Commonwealth member of the Security Council

'These small islands have been in Chinese Nationalist hands ever since the Japanese surrender in 1945. There had been a lull in attacks upon them between 1949-1954, but these were resumed in August last, shortly after the fighting had been ended in Indo-China by the Geneva settlement The attacks were accompanied by a marked increase in the vehemence of Chinese Communist demands for the transfer of Formosa to the administration of the Chinese Communist Government.

"In this situation the first concern of H M Government is to stop the fighting. They have therefore continued to urge on all concerned the importance of doing this and of preventing a wider conflagration. A solution of these delicate and difficult problems is not to be reached by force. A settlement can only be arrived at by the peaceful processes of patient negotiation The Government are convinced that the object of the U.S. Administration has also been to reduce the risks of any extension of the fighting. Their treaty with General Chiang Kai-shek, which defines their commitments, was concluded with this object in view

"President Eisenhower, in his message to Congress, has been careful to say that he is not suggesting that the U.S.A. should enlarge its defensive obligations beyond Formosa and the Pescadores as provided by the mutual defence treaty with General Chiang Kai-shek. The President has again emphasized the purely defensive nature of the arrangements with the Chinese Nationalists We in this country respect President Eisenhower and know that he would sanction the use of U.S. forces only with the greatest reluctance and when, in his view, the circumstances constituted an immediate and serious threat to the security of Formosa and the Pescadores This is not a new element in U.S. policy.

"On the other hand, the Government also understand the position of the Chinese Government in the matter of the coastal islands, and do not expect them to act in such a way as might seem to prejudice what they regard as their rights in this respect.

"The Government are, however, satisfied that the problem of the coastal islands is susceptible of a peaceful solution if all concerned are prepared to work for it In consultation with the U.S. and other friendly Governments, the Government are examining various courses of action which might further this aim. I will give the House additional information on this subject as soon as I am in a position to do so . . ."

Mr. Attlee. "It is, of course, clear that in this matter of Formosa and the islands there is an intervention in a civil war It is clearly an action by the U.S.A. and not an action of the United Nations But in view of the need for preventing hostilities and trying to get some peaceful arrangement, is it not clear that the right thing would be that China should occupy her proper position in the United Nations ? "

Sir Anthony Eden. "I am surprised that Mr. Attlee should couple Formosa with the offshore islands, because he must surely be aware that the islands have always been treated as separate areas, including during the period when he was responsible as Prime Minister Formosa has never in this century been a part of China, and the status of Formosa was dealt with by the treaty of San Francisco signed by the late Government, whereas the offshore islands have always been regarded by us as part of China. Therefore we have always been careful to draw the distinction, which, I think, the House should carefully maintain. No one knows better than the late Government what caused the delay in the admission of the present Chinese Government to the United Nations It was the act of aggression by the Chinese Communist Government in Korea which unfortunately held up the whole process of the admission of China to the U.N. It is not until we can get a settlement of these issues, the first stage of which is a cessation of fighting in this particular area, that we can hope that the wider issue can be settled."

Mr. Attlee. "The Foreign Secretary has left out some history. It is quite true that Formosa was seized from China by an act of aggression by Japan. It is equally true that at the end of the war Formosa was declared to be an integral part of China, and no-one stated that more clearly and with more emphasis than Chiang Kai-shek. The fact that he has been put out in favour of another Government does not alter that fact. Surely the question of the admission of China to the U.N was raised for some considerable time before the aggression in Korea, and it was denied to her ? "

Sir Anthony Eden. "The whole of that period was in the administration of the late Government. Therefore Mr. Attlee has no call whatever to charge us with any failure at that time."

Mr. Attlee. "I made no charge against the Government The line we took was that the Chinese Republic were the proper people to be represented, and not the remnant on Formosa"

Mr Aneurin Bevan (Lab) "The Foreign Secretary has stated that the position of Formosa is much different from that of the offshore islands This has been described in the U S A as a sort of jurisdictional line We have not been able to understand that situation at all because it has always been understood that Formosa, equally with the offshore islands, belongs to the mainland of China Does he now suggest that the situation has been altered by virtue of the fact that Formosa was stolen from China in 1896 ? Is it now an interpretation of international law that if you steal property from a thief you can hold it ? "

Sir Anthony Eden. "I think we should be doing very little good to our relations with Peking if we were to indicate to the world that the position of the offshore islands was comparable to the position of Formosa It is, of course, no such thing, because throughout this period the offshore islands have been, beyond dispute, part of China whereas for well over half a century Formosa was part of Japan"

Mr. Attlee. 'The Foreign Secretary has made clear that acts of aggression alter these things It was the act of aggression of Japan that made the Powers accept the position that Formosa was an integral part of China and should be returned to her at the end of the war"

Sir Anthony Eden. "I do not think for a moment that the House would be wise to accept Formosa, which for half a century has not been part of China, as in the same position as these islands, which at all times and today are recognized as part of China"

Formosa Dispute before Security Council. - New Zealand Initiative for Cease-fire. - Invitation to Chinese People's Republic.

The New Zealand member of the U.N. Security Council (Sir Leslie Munro, chairman of the Council during January), on the instructions of his Government, convened a meeting of the Security Council for Jan. 31 to consider the situation in the Formosa Straits—a situation described by Sir Leslie as one which was "likely to endanger the maintenance of international peace and security." Sir Leslie Munro took this action on Jan. 28, with the full support of the British and U.S. members of the Council (Sir Pierson Dixon and Mr. Cabot Lodge).

On the same day (Jan. 28) the British Ambassador in Moscow, Sir William Hayter, called on M. Molotov to inform him of the British Government's views on the Far Eastern situation and to give him formal notification that New Zealand had raised the matter in the United Nations. A statement issued by the British Embassy in Moscow said that Sir William Hayter had given M. Molotov the British Government's general views "on the lowering of tension without prejudice to the claims of either side"; that he had expressed the hope that the Soviet Government would urge restraint on the Chinese Communists; and that it was the intention of both the British and U.S. Governments that the Chinese People's Republic should be invited to take part in the Security Council's discussions. The British Chargé d'Affaires in Peking (Mr. Humphrey Trevelyan) similarly informed the Chinese People's Government on Jan. 28 of New Zealand's intention to convene the Security Council with the aim of reaching a peaceful settlement of the question of the disputed islands.

The Tass Agency stated on Jan 31 that M Molotov had expressed to Sir William Hayter the Soviet Government's concern at the situation in the Formosa area, which had been intensified by the "aggressive actions" of the United States It added that the Soviet Government shared the British Government's opinion that the matter should be discussed in the Security Council, that instructions had accordingly been sent to the Soviet representative on that body; that the Soviet Union desired to lessen the tension in the Far East and to "co-operate in strengthening peace throughout the world", and that M Molotov had passed on to Peking the British view that a cease-fire was necessary to guard against the danger of a general war.

The Security Council met on Jan. 31, under the chairmanship of Sir Leslie Munro, to consider the situation in the Formosa Straits and the islands off the Chinese coast.

M. Sobolev, the Soviet member, had previously presented a resolution accusing the U.S A. of "unprovoked attacks on Chinese town and coastal areas carried out by U.S armed forces," of "threatening the use of armed force against the People's Republic of China," and of "flagrant intervention in the internal affairs of China in violation of the principles of the U.N. Charter." The resolution called upon the Security Council (1) to condemn "these acts of aggression by the United States against the People's Republic of China"; (2) to recommend that the U S. Government should "take immediate steps to put an end to the said acts of aggression and to intervention in the internal affairs of China", (3) to call upon the U S Government "to withdraw immediately all its naval, air and land forces from the island of Taiwan and other territories belonging to China", and (4) to urge that "no military action should be permitted in the Taiwan area by either side, so that the evacuation from the islands of all armed forces not controlled by the People's Republic of China may be facilitated" M. Sobolev also presented a resolution asking that the Chinese People's Government should be invited to send a representative to take part in the Security Council's debate.

When the Council opened its debate, **M. Sobolev** moved a resolution to unseat the Chinese Nationalist representative (Dr. Tsiang) and to seat in his place a representative of the Peking Government. **Mr. Cabot Lodge** (U S.A) moved a counter-resolution that the membership of the Council should remain unchanged, and that his [Mr Lodge's] resolution should have priority over that presented by M Sobolev This was agreed to by ten votes to one, and the Soviet resolution therefore went by default

Sir Leslie Munro (New Zealand), opening the general debate, explained that his Government had taken the initiative in calling the Council with the sole aim of stopping the fighting in the Chinese islands and of preventing its possible extension into a general conflict. With the object of bringing about a cease-fire in the Far East, he proposed that the U N Secretary-General (Dr Hammarskjöld) should be authorized to invite the Chinese People's Republic to send a representative to take part in the Security Council's debate and present the views of his Government

M. Sobolev (U S S R) reiterated the allegations of U S. "aggression" contained in the Soviet resolution, and asserted that the question of Formosa and the other Chinese islands was an internal matter lying solely within the competence of the Government in Peking He made no comment on the New Zealand proposal for a cease-fire **Sir Pierson Dixon** (U K.), who strongly supported the New Zealand initiative, emphasized that Britain's motives were completely disinterested, that she desired only "to stop the fighting, remove tension, and promote peace," and that there was no question of "allocating blame to either side for the past" He felt that it would be proper for the Security Council to place both the New Zealand and Soviet resolutions on its agenda

Mr. Cabot Lodge (U S A) described the Soviet resolution as "a preposterous cold war fraud," saying in this connexion 'Here is the Soviet regime, which always interferes to the maximum possible extent in the internal affairs of all countries, which has interfered and is interfering with deadly effect and to the fullest extent of its power in the internal affairs of China . . making, if you please, a charge of interference against the United States " He added, however, that his Government would not oppose the inclusion of the Soviet resolution on the Council's agenda, and would in fact "welcome" a discussion on it **Dr. Tsiang** (Nationalist China) opposed not only the Soviet resolution but also that of New Zealand, on the ground that a cease-fire would "legalize the fruits of Communist aggression" and "sterilize" the situation in the Formosa Straits.

By ten votes to one (Nationalist China), with the Soviet Union abstaining, the Security Council agreed to invite the People's Republic of China to send a representative to discuss the New Zealand proposal for a cease-fire. It was also agreed, by ten votes to one (Nationalist China), to keep the Soviet resolution on the Council's agenda. An invitation to the Chinese People's Republic to participate in the Security Council's discussion was accordingly sent by Dr. Hammarskjold the same evening (Jan. 31).

Peking Rejection of U.N. Invitation.

It was announced on Feb. 3 in Peking that the Chinese People's Republic had rejected the invitation to attend the Security Council's discussions unless (1) the Chinese Nationalists were ousted from the Council and their seat given to the People's Republic; (2) the Council discussed only the Soviet resolution and not that presented by New Zealand.

The text of the reply sent by Mr Chou En-lai to Dr Hammarskjold, for transmission to the president of the Security Council—Dr. Victor Belaunde (Peru), who had succeeded Sir Leslie Munro as chairman of the Council for the month of February—was broadcast by Peking radio After reiterating the allegations of U S "aggression" against Formosa, denouncing the mutual security treaty between the U.S A. and the Chinese Nationalists, and accusing the U.S Government of despatching "large naval and air forces" to the area of the Formosa Straits with the aim of "war threats and war provocations against the Chinese people," it continued ·

". . The Government of the People's Republic of China fully supports the resolution submitted by the representative of the Soviet Union in the U N. Security Council . It is of the firm opinion that the Security Council should condemn the United States for its acts of aggression against China, and call upon the U.S A. to cease immediately its intervention in China's internal affairs and withdraw all its armed forces from Taiwan and the Taiwan Straits.

"Taiwan, the Penghu islands [the Pescadores], and other coastal islands are all inalienable parts of China's territory. The Chinese people's exercise of their own sovereign rights in liberating their own territory is entirely a matter of China's internal affairs and has never caused international tension, nor can it threaten peace and security. But the New Zealand representative proposes that the Council should consider the 'hostilities in the area of certain islands off the coast of the mainland of China' between the People's Republic of China and the traitorous Chiang Kai-shek clique This is obviously meant to intervene in China's internal affairs and to cloak the U S. acts of aggression against China, and is therefore in direct violation of the fundamental principles of the U.N. Charter The Government of the People's Republic of China is firmly opposed to this proposal.

"Since the U S A occupied Taiwan in 1950 the People's Republic of China has repeatedly lodged charges with the United Nations demanding that the U N should put an end to the acts of aggression against China by the United States. However, the U N. never took any action . . . and, on the contrary, repeatedly slandered the People's Republic of China.

"What is especially intolerable is the fact that the People's Republic of China representing the 600,000,000 Chinese people, is still deprived of its legitimate position and rights in the U.N., whilst the representatives of a small remnant of the traitorous Chiang Kai-shek clique, repudiated long ago by the Chinese people, continue to usurp the representation of China in the United Nations. Therefore the People's Republic of China cannot send a representative to take part in the discussion of the New Zealand proposal in response to the invitation of the Security Council. At the same time it must be pointed out that, without the participation of the People's Republic of China in the Security Council's discussions, all decisions taken in the Council on questions concerning China would be illegal and null and void.

"The People's Republic of China can send a representative to take part in the Security Council's discussions only for the purpose of discussing the Soviet resolution, and only when the representative of the Chiang Kai-shek clique has been removed from the Council and the representative of the People's Republic attends in the name of China.

"The People's Republic of China consistently works for the easing of tension in the Far East and the safeguarding of international peace. The tension in the area of Taiwan was brought about by the U.S. occupation of Taiwan and intervention in China's internal affairs. All genuine international efforts to ease and eliminate the tension caused by the United States in this area and in other areas of the Far East will receive the support of the People's Republic of China."

U.S. Naval Commanders' Visits to Formosa. - Reinforcement of U.S. Seventh Fleet.

Vice-Admiral Alfred M. Pride, Commander of the U.S. Seventh Fleet, arrived in Formosa on Jan. 23 in the cruiser U.S.S. *Helena* for discussions with General Chiang Kai-shek, the U.S. Ambassador (Mr. Karl Rankin), and the head of the U.S. Military Assistance Group in Formosa (Major-General William C. Chase). The Commander of the U.S. naval forces in the Pacific, Admiral Felix Stump, also paid a 12-hour visit to Formosa on Jan. 30 for discussions with General Chiang, Vice-Admiral Pride and Major-General Chase. In a press statement at Taipeh, Admiral Stump said that he had not yet received any instructions with regard to the evacuation of the Tachen Islands, and declared that the U.S. forces would defend themselves "any time and anywhere if attacked with intent." It was reported on Jan. 27 that a wing of U.S.A.F. *Sabre* jet fighters had arrived at Formosan airfields to reinforce the Seventh Fleet, whilst on Feb. 1 it was announced that the Seventh Fleet would be further reinforced by the 45,000-ton aircraft-carrier U.S.S. *Midway*, which had been visiting Singapore.—(New York Times - New York Herald Tribune - Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 14007 C; 13986 A.)

Note. The following comment on the legal status of Formosa and the other Chinese islands in dispute was given by the Diplomatic Correspondent of *The Times* on Jan. 27: "The position of Formosa and the Pescadores is clearly different from that of the coastal islands. *De jure* sovereignty over these presumably lies with the Communists, though *de facto* sovereignty is with the Chinese Nationalists. Formosa and the Pescadores were ceded by China to Japan in 1895. At the Cairo conference in 1943 it was decided that all the territories taken from China by the Japanese should be returned to the Republic of China. At Potsdam in 1945 it was agreed that the terms of the Cairo declaration should be carried out. At the end of the war the administration of Formosa and the Pescadores was taken over from Japan by the Chinese Nationalists, but this was not a cession of territory to China. The Japanese peace treaty of 1951 signified the relinquishment of Japanese sovereignty, but did not cede the territory to General Chiang Kai-shek's Government or to any other. Formosa and the Pescadores became territory the *de jure* sovereignty over which had still to be determined, and that is still the position. This view has throughout been held by the British Government, and it is clear . . . that it is also the view of the American Government."

A. UNITED KINGDOM. — Gold and Dollar Reserves in January. - Surplus of $1,000,000.

The sterling area had a gold and dollar surplus in January of $1,000,000 after taking account of (*a*) $13,000,000 received from the U.S.A. in defence aid; (*b*) $10,000,000 paid to the E.P.U. in respect of the December deficit; and (*c*) $2,000,000 paid to E.P.U. creditors in bilateral settlements. As a result, the gold and dollar reserves rose to $2,763,000,000 on Jan. 31.

Provisional figures for the E.P.U. January settlement showed that the U.K. had a surplus of $11 200 000 (£4,000,000), which will be settled in February.—(Treasury Press Office)

(Prev. rep. 13973 B.)

B. UNITED STATES. — Federal Mediation Service.

Mr. Joseph F. Finnegan, a New York lawyer, was nominated by President Eisenhower on Jan. 11 as Director of the Federal Mediation and Conciliation Service in succession to Professor Whitley P. McCoy, who had resigned.—(New York Times)

(Prev. rep. 13025 F.)

C. NETHERLANDS NEW GUINEA. — Repulse of Indonesian Commando Landing.

The Netherlands Foreign Ministry issued a statement on Nov. 8, 1954, in connexion with a landing by a party of armed Indonesians which had taken place on Oct. 21, 1954, in Etna Bay, Netherlands New Guinea. The statement refuted a denial by the Indonesian Government that it had had no part in these landings, and alleged that the Indonesian Army was directly involved in a "flagrant violation" of Netherlands territory.

The statement said that interrogation of prisoners and perusal of captured documents had proved that the landing had not only been launched from Indonesian territory but had also been planned with the full knowledge and approval of the Indonesian Army. The landing party of 48 men, equipped with Bren and Sten guns, mortars, and rifles, had belonged to a unit attached to the 25th Infantry Regiment of the Indonesian Army, and this semi-military unit had [it was alleged] been training personnel for organized infiltration into Dutch New Guinea with the aim of "fighting as guerrillas and creating unrest which might give the impression that a spontaneous people's movement existed in New Guinea." It was stated that the commander of the "training unit" was a Captain Sapiah, who was directly responsible to Lieut.-Colonel Sukawati, Commander of the 25th Infantry Regiment, that Sapiah's second-in-command, Lieut. Dimara, had been in charge of the landings; and that he [Dimara] had had orders to march inland, launch guerrilla warfare, make propaganda for the transfer of Dutch New Guinea to Indonesia, and try to induce Papuans to form rebel bands against the Dutch.

The Indonesian "commando group" had come from the Indonesian island of Dobo and had landed in Etna Bay from two boats flying the Netherlands flag. During the fighting that followed the landing Dutch Marines and police killed five of the Indonesians, captured 25, and seized arms and documents.

It was announced in The Hague on Jan. 26, 1955, that reinforcements had been sent by air to New Guinea.
(Netherlands News Agency) **(Prev. rep. Dutch New Guinea, U.N. Debate, 13993 A, page 13996.)**

D. PAKISTAN. — Diplomatic Appointments. - Rome Legation raised to Embassy Level.

The following diplomatic appointments were announced in Karachi during the second half of 1954: Mr. Mian Aminuddin, Governor of the Punjab, as Ambassador to Turkey; Mr. Mohammed Mir Khan to succeed Professor Ahmed Bokhari as Pakistan's permanent representative to the United Nations; Mr. Lal Shah Bokhari as Minister to Syria, the Lebanon and Jordan, Mr. Shahid Suhrawardy as Ambassador to Spain; Mr. S. Khalilur Rehman (a former Minister of Defence) as Ambassador to Burma, Chaudhuri Khaliquzzaman, formerly Governor of East Bengal, as Ambassador to Indonesia and concurrently Minister to the Philippines; Khwaja Shahabuddin, formerly Governor of the N.W. Frontier Province, as Ambassador to Saudi Arabia; Mr. Sultanuddin Ahmad, Ambassador in Rangoon, as Ambassador to the Chinese People's Republic; and Dr. Omar Hayat Malik as Ambassador to Japan.

On Jan. 15, 1955, it was announced that Pakistan and Italy had decided to raise their respective Legations to Embassy status, whilst on Feb. 1 it was announced that Pakistan had decided to establish diplomatic relations with Switzerland at Embassy level and with Austria and the Holy See at Legation level.—(Pakistan High Commissioner's Office, London)

(Prev. rep. 13607 C.)

E. ALGERIA. — New Governor-General.

M. Jacques Soustelle, a leading member of the Social Republican (Gaullist) party, was appointed Governor-General of Algeria on Jan. 26 in succession to M. Roger Léonard, who had held that post since 1951.

M. Soustelle (42), a distinguished ethnologist, took part before the war in several French scientific expeditions to little-known parts of Mexico and Central America, and is an authority on the pre-Columbian cultures of America. In 1938, at the time of the Munich crisis, he became secretary-general of the *Union des intellectuels français*, an anti-Fascist body formed to combat Nazi propaganda, and in 1940 joined the Free French movement under General de Gaulle. He held important posts in the French Committee of National Liberation during the war—including that of Commissioner for Information, and later for relations with the Resistance movement in France—and for a few months in 1945 was Minister for Information and for Oversea Territories. He retired from political life after the war but returned in 1947 as a member of General de Gaulle's French People's Rally (R.P.F.), of which he was secretary-general until 1951. He was elected to the National Assembly in the latter year as a Gaullist deputy for the Rhone *département*.

M. Roger Léonard was appointed president of the *Cour des Comptes*, a post analogous to that of paymaster-general in the French Government.—(Le Monde, Paris) **(Prev. rep. 11664 A.)**

A. WESTERN GERMANY. — Bavarian and Hessian Landtag Elections. - West Berlin Elections.

Elections to the *Landtage* of Bavaria and Hesse took place on Nov. 28 and to the House of Deputies in West Berlin on Dec. 5, 1954. The results were as set forth below:

Bavarian Elections.

	1954 *Landtag* seats	1950† *Landtag* seats
Christian Social Union*	83	64
Social Democrats	61	63
Bavarian Party	28	39
Free Democrats	13	12
Refugee Party (All-German Bloc)	19	26‡
Others	nil	nil

* The name of the Christian Democrats in Bavaria.

† Owing to changes in party affiliations, etc, the position at the dissolution of the former *Landtag* was: Christian Social Union 71, Social Democrats 61, Bavarian Party 32, Free Democrats 11, Refugee Party 24, German Community 2, Communists nil, others 3.

‡ Electoral coalition between the Refugee Party (All-German Bloc) and the Bavarian Right Block (German Community), which was subsequently terminated, the Refugee Party retaining 20 seats and the Bavarian Right Block 6 seats

The number of votes was as follows, those in the 1950 *Landtag* elections and the 1953 *Bundestag* (Federal) elections being shown for comparison:

	1954 *Landtag*	1953 *Bundestag*	1950 *Landtag*
Christian Social Union	3,690,362	2,426,982	2,527,370
Social Democrats	2,733,048	1,183,895	2,588,549
Bavarian Party	1,286,246	465,552	1,657,713
Free Democrats	702,783	315,214	653,741
Refugee Party	990,025	417,392	1,136,148
Bavarian Right Block	54,888	31,759	
Communists	205,174	81,656	177,768
Others	57,634*	106,147*	596,551

* Including 39,245 in 1954 and 28,231 in 1953 for the "neutralist" League of Germans headed by Dr. Josef Wirth (the former Reich Chancellor) and Dr. Heinemann (the former Federal Minister of the Interior).

Polling percentages in the three above-mentioned elections were respectively: Christian Social Union, 38.0 (1954), 47.9 (1953), 27.4 (1950); Social Democrats, 28.1, 23.3, 28.0; Bavarian Party, 13.2, 9.2, 17.9, Refugee Party, 10.2, 8.2, 12.3 (including Bavarian Right Block); Free Democrats, 7.2, 6.2, 7.1; Communists, 2.1, 1.6, 1.9; Bavarian Right Block, 0.6 (in 1954 and 1953); others, 0.6 (including 0.4 for the League of Germans), 2.1, 5.4.

The electorate totalled 6,081,148, of whom 82.6 per cent went to the polls.

Although the Christian Social Union considerably increased its vote as compared with the 1950 *Landtag* elections and emerged as the strongest party (a position previously held by the Social Democrats), it was nevertheless ousted from the *Land* Government, which had hitherto been based on a coalition between the Christian Social Union, the Social Democrats, and the Refugee Party, with Dr. Ehard (Christian Social Union) as Prime Minister. Christian Social efforts to form a new coalition with the Bavarian Party, to the exclusion of the Social Democrats, broke down on Dec. 7, and on Dec. 10 the Social Democrats, the Bavarian Party, the Free Democrats, and the Refugee Party announced that they had concluded a coalition agreement for the formation of a new Government.

The agreement included the following principles of policy: defence of Bavarian interests against any prejudicial action on the part of the Federal Government; early legislation to regulate the controversial question of the training of teachers, by requiring such training to be given at universities or teachers' training colleges, instead of at religious seminaries as had been advocated by the Christian Social Union; educational reforms, with special emphasis on furtherance of the democratic spirit; an undertaking not to engage in "economic experiments" and not to interfere with private property or private enterprise, a progressive social policy, with special concern for refugees and bombed-out families; increased industrialization; and support for agriculture, farm settlement, and agricultural training.

On Dec. 14 the new *Landtag* elected Dr. Wilhelm Hoegner (Social Democrat) as Prime Minister of Bavaria. Dr. Hoegner, who received 112 votes out of 197, formed a new *Land* Ministry the same day with the following membership:

Dr. Wilhelm Hoegner (Social Democrat), Prime Minister; Dr. Joseph Baumgartner (Bavarian Party), Deputy Premier and Agriculture; Dr. August Geislhoringer (Bavarian Party), Interior, Dr. Fritz Koch (Social Democrat), Justice; Professor August Rucker (non-party), Education; Herr Friedrich Zietsch (Social Democrat), Finance; Herr Otto Bezold (Free Democrat), Economy and Communications; Herr Walter Stain (Refugee Party), Labour. In addition, two Social Democrats, two members of the Bavarian Party, two Refugee Party members, and one Free Democrat were appointed State Secretaries.

Dr. Hans Ehard, the former Premier, had been elected President of the Bavarian *Landtag* on Dec. 13.

Hessian Elections.

	1954 *Landtag* seats*	1950 *Landtag* seats
Social Democrats	44	47
Christian Democrats	24	12
Free Democrats	21	13
Refugee Party	7	8

* Total number of seats increased from 80 to 96.

The number of votes was as follows, those in the 1950 *Landtag* elections and the 1953 *Bundestag* (Federal) elections being shown for comparison:

	1954 *Landtag*	1953 *Bundestag*	1950 *Landtag*
Social Democrats	1,065,537	862,439	821,268
Christian Democrats	603,541	848,825	348,148
Free Democrats	513,314	502,490	588,739
Refugee Party	192,273	163,403	
Communists	83,991	63,785	87,878
Others	41,873	115,191	5,054

Polling percentages in the three above-mentioned elections were respectively. Social Democrats 42.6 (1954), 33.7 (1953), 44.4 (1950); Christian Democrats, 24.1, 33.2, 18.8, Free Democrats, 20.5, 19.7, 31.8 (Free Democrats and Refugee Party together); Refugee Party, 7.7 (1954), 6.4 (1953); Communists, 3.4, 2.5, 4.7; other parties, 1.7, 4.5, 0.3.

The electorate totalled 3,115,988, of whom 82.1 per cent went to the polls.

The Christian Democrats, by gaining 12 seats, nullified the absolute majority hitherto held by the Social Democrats, whilst the Free Democrats also made important gains by increasing their seats from 13 to 21. The Social Democrats, who had hitherto been in power without the support of other parties, concluded a coalition agreement with the Refugee Party on Dec. 12, thereby securing the support of 51 members of the *Landtag* out of the total membership of 96. Both parties agreed that Dr. Zinn, the outgoing Premier, should preside over the new *Land* Government, whose composition was announced on Jan. 19, 1955, as follows:

Dr Georg August Zinn (Social Democrat), Prime Minister and Justice, Herr Heinrich Schneider (Social Democrat), Interior; Dr. Heinrich Troger (Social Democrat), Finance; Herr Arno Hennig (Social Democrat), Education; Herr Gotthard Franke (Refugee Party), Economic Affairs; Herr Gustav Hacker (Refugee Party), Agriculture

West Berlin Elections.

	1954 Seats	1950 Seats
Social Democrats	64	61
Christian Democrats	44	34
Free Democrats	19	32

The votes cast for the various parties were as follows, those in the 1950 elections to the House of Deputies being shown for comparison:

	1954 Votes	1954 Percentage	1950 Votes	1950 Percentage
Social Democrats	684,646	44.0	654,211	44.7
Christian Democrats	466,595	30.0	361,050	24.6
Free Democrats	196,845	12.7	337,589	23.0
German Party	75,159	4.8	53,810	3.7
Refugee Party	39,205	2.5	31,918	2.2
Socialist Unity Party	51,225	2.7	nil	nil
Others	30,778	2.0	25,892	1.8

The East German Socialist Unity (Communist) Party had announced on May 6, 1954, that it would contest the forthcoming West Berlin elections for the first time. A proposal by the Free Democrats for an official ban on the Communists in West Berlin had been overruled by the Social Democrats and Christian Democrats, and on Oct 4 it was announced that the West Berlin Senate (the City Government) had decided—in accordance with a four-Power agreement of 1946, and in implementation of the principle of free speech—that the Socialist Unity Party should have the same electoral rights and duties as the other parties.

The electorate numbered 1,697,278, of whom 91.6 per cent went to the polls.

Following the elections, the Social Democrats and the Christian Democrats agreed, after prolonged negotiations, to form a coalition without the participation of the Free Democrats, who had declined to take part in any coalition with the Social Democrats. West Berlin had been governed by a Christian Democrat - Free Democrat coalition since the death of Professor Ernst Reuter (the former Chief Burgomaster) in September 1953.

In accordance with the coalition agreement, Dr. Suhr (Social Democrat), previously President of the House of Deputies, was elected Chief Burgomaster on Jan. 11, by 104 votes out of 126. The other members of the new City Senate were elected on Jan. 22 as follows:

Herr Franz Amrehn (Christian Democrat), Second Burgomaster; Herr Joachim Lipschitz (Social Democrat), Interior; Herr Otto Theuner (Social Democrat), Communications; Herr Günther Klein (Social Democrat), Federal Affairs; Herr Paul Hertz (Social Democrat), Economic Affairs, Herr Rolf Schwedler (Social Democrat), Construction; Frau Ella Kay (Social Democrat), Youth, Herr Friedrich Haas (Christian Democrat), Finance; Herr Joachim Tiburtius (Christian Democrat), Education, Herr Heinrich Krel (Christian Democrat), Labour and Social Welfare; Herr Hans Schmiljan (Christian Democrat), Health; and Herr Valentin Kielinger (Christian Democrat), Justice

Herr Willy Brandt (Social Democrat) was unanimously elected President of the House of Deputies on Jan. 11.
(Frankfurter Allgemeine Zeitung - Suddeutsche Zeitung, Munich - Tagesspiegel, Berlin) **(Prev. rep. Bavaria, Hesse, 11124 A; West Berlin, 13256 A; 11142 C.)**

A. SOUTH AFRICA. — Suppression of Communism Act. - Sentence on Mr. Sam Kahn. - Further Restriction Orders. - Total of "Named" Persons under Act.

Two former M.P.s, Mr. Sam Kahn and Mr. Brian Bunting, together with a Mr. Wolf Kodesh, were arrested at a party at Mr. Bunting's house on July 10, 1954, and charged with contravening an order issued under the Suppression of Communism Act forbidding them to attend any gatherings for two years. Mr. Kahn was sentenced by the Cape Town Regional Court on Oct. 12 to three months' imprisonment (two months of which were suspended for three years), an appeal against this sentence being rejected by the Cape Supreme Court on Dec. 30. A further appeal was lodged by Mr. Kahn in the Supreme Court's Appellate Division. The case against Mr. Bunting and Mr. Kodesh was postponed until March 7, 1955.

A number of other actions taken in recent months under the Suppression of Communism Act are described below.

Mrs. Z. Gool, a member of the Cape Town City Council, was "named" as a Communist under the Act on Oct. 22 [Mrs. Gool, who described the action as "completely unjustifiable," is one of the six non-European members of the Council.] Among persons recently banned under the Act from attending any gathering for two years, and ordered to resign from certain organizations to which they belonged, were the following: Mr J. M. Maseko, a member of the National Executive of the African National Congress (June 30, 1954); Mr Thomas Esitang, secretary of the Cape Town Stevedoring and Dock Workers' Union (Sept. 14); Mr. Joseph Nkatlo, Cape regional president of the South African Congress of Democrats, and a member of the Cape Town branch of the African National Congress (Sept. 14); Mr. Alex Bono, an executive member of the African National Congress Youth League and of the African Commercial Distributive Workers' Union (Sept. 14); Mr. Nonjolo Ntunja, a member of the African National Congress (Sept. 27); Mr. M. P. Naicker, vice-president of the Natal Indian Congress (Oct. 15); Dr. H. J. Simons, a lecturer at the University of Cape Town, and husband of Miss Ray Alexander—see 13580 A—(Oct. 29); Miss Ruth First, a journalist (Oct. 29); and Miss Rebecca Lan, acting general secretary of the Canning Workers' Union (Nov. 2).

On Jan. 6, 1955, Mr Greenwood Ngotyana, secretary of the Action Council of the Congress of the People, was banned by the Minister of Justice from attending gatherings for five years. Mr Ngotyana, who had not been "named" under the Suppression of Communism Act, was believed to be one of the first persons to receive notices banning them for five years, all previous notices having been for two years only. Three former Indian Congress leaders—Ahmed Kathrada, former secretary of the South African Indian Youth Congress; H. Thandray, acting secretary of the Transvaal Indian Congress; and Paul Joseph, a member of the executive committee—were arrested in Johannesburg on Jan. 13 following a raid on the headquarters of the Transvaal Indian Congress, and formally charged with contravening orders issued to them under the Suppression of Communism Act.

The printing, publication and dissemination in the Union and South-West Africa of the weekly newspaper *Advance* was prohibited by the Government on Oct. 22. *Advance*, which was edited by Mr. Brian Bunting, had succeeded *The Guardian*, the publication of which had been banned in May 1952 (see page 12245).

A special police force order, issued on Oct. 20, made liable to expulsion any policeman, European or Native, who associated with persons "named" as Communists under the Suppression of Communism Act. Attached to the order were the names and addresses of the 576 people who had been "named" under the Act up to that date.—(Cape Times) **(Prev. rep. 13580 A.)**

B. AUSTRALIA. — New Ambassador to Indonesia and High Commissioner in India.

The Secretary for External Affairs (Mr. Casey) announced on Jan. 12 that Mr. W. R. Crocker, at present Australian High Commissioner in India, would succeed Mr. C. Kevins as Ambassador to Indonesia. The appointment of Mr. Peter R. Heydon as Australian High Commissioner in India, *vice* Mr. Crocker, was announced on Feb. 3. Mr. Heydon (41) had been High Commissioner in New Zealand since 1953.
(Australian News Bureau) **(Prev. rep. 13480 G.)**

C. DENMARK. — Death of Hr. Hedtoft. - Hr. H. C. Hansen appointed Prime Minister.

Hr. Hans Hedtoft, Prime Minister of Denmark, died suddenly on Jan. 29 in Stockholm, where he was attending a meeting of the Nordic Council. He was 51 years of age.

Born at Aarhus (Jutland), and largely self-educated, Hans Hedtoft started life as a lithographer's apprentice, subsequently becoming a trade union official. A prominent member of the Social Democratic Party, he was elected party chairman in 1936 but was forced to resign in 1941 on account of his outspoken opposition to the German invaders after the occupation of Denmark. He played an active part in the Danish Resistance movement during the war years and was a member of the first post-liberation Government. In 1947, at the age of 43, he became Prime Minister—one of the youngest in the country's history—but went out of office in 1950 when the Social Democrats were replaced by a Conservative-Agrarian coalition. He returned to office in 1953, after the elections of that year, as head of a Social Democratic minority government. Hr Hedtoft was one of the principal architects of the Nordic Council—formed in 1951 to promote closer co-operation between the Scandinavian countries—and a strong supporter of Denmark's entry into the North Atlantic Treaty Organization.

Hr. H. C. Hansen (49), Foreign Minister in Hr. Hedtoft's Cabinet, was appointed Prime Minister by King Frederick on Feb. 1, and on the same day was unanimously elected chairman of the Social Democratic Party. It was announced that he would continue to hold the portfolio of Foreign Affairs concurrently with the Premiership. Hr. Hansen had been Foreign Minister since the formation of Hr. Hedtoft's Government in 1953, and had been Minister of Finance from 1947-50 and also in 1945.—(Politiken - Berlingske Tidende, Copenhagen)
(Prev. rep. Hr. Hedtoft, 13268 B; Hr. Hansen, 13172 A.)

D. LITERATURE. — Book Selections for January.

Selected books of the month published in Great Britain, the United States, France and Denmark are given below:

Great Britain. Carswell, John—"The Old Cause: Three Biographical Studies in Whiggism" (Cresset Press, 30s)
Diole, Philippe—"The Seas of Sicily" Translated from the French (Sidgwick & Jackson, 12s 6d)
Hoare, Geoffrey—"The Missing Macleans" (Cassell, 12s 6d.)
Jameson, Storm—"The Hidden River." (Macmillan, 12s 6d.)
McKenzie, R. T.—"British Political Parties: The Distribution of Power within the Conservative and Labour Parties" (Heinemann, 30s)
Migot, André—"Tibetan Marches" Translated from the French. (Rupert Hart-Davies, 18s)
Paul, Robert—"The Lord Protector. Religion and Politics in the Life of Oliver Cromwell" (Lutterworth Press, 35s)
Stamp, L. Dudley—"Man and the Land." (Collins, New Naturalist series, 25s)
Wedgwood, C. V.—"The King's Peace, 1637-1641" The Great Rebellion, Volume I (Collins, 25s.)

United States. Cochran, Louis—"Hallelujah, Mississippi" (Duell, Sloan & Pearce, New York, $3 50)
Notestein, Wallace—"The English People on the Eve of Colonization, 1603-1630." (Harper & Bros., New York, $5 00.)
"The Secret Diary of Harold L. Ickes: Volume III—The Lowering Clouds, 1939-1941" (Simon & Schuster, New York, $6 00.)

France. Bauer, Gérard—"L'Europe sentimentale." (Editions Ventadour, Paris.)
Billy, André—"Les frères Goncourt." (Flammarion, Paris, 950 francs)

Denmark. Bredsdorff, Elias—"H.C. Andersen og England." (Hans Andersen and England) (Rosenkilde & Baggers Forlag, Copenhagen, 27 50 kr)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 13957 B.)**

E. UNITED KINGDOM. — Public Employees.

The Parliamentary Secretary to the Ministry of Labour (Mr. Watkinson) announced on Feb. 1, in a written reply, that the total number of persons employed by the Central Government, local authorities, nationalized industries, and other public corporations in Great Britain in June, 1954, was estimated at 6,170,000, divided as follows:

	Estimated number	Per cent of working population
Central Government (including H.M. Forces)	1,970,000	8½
Local authorities (including police) ..	1,490,000	6½
Nationalized industries and other public corporations	2,710,000	11½

The third category covers the National Coal Board, the British Transport Commission, the gas and electricity supply industries, the water boards, the Iron and Steel Holding and Realization Agency, hospital boards, the airways corporations, the B.B.C., and a few small corporations and commissions. Doctors and dentists, other than those in the service of hospital boards, are excluded.

The information was supplied in answer to a question by Mr. David Renton (Nat. L. and C.), who had asked how many people were being paid wages and salaries from public funds.
(Times)

A. UNITED KINGDOM. — Fifteen-year Plan for Reorganization of British Railways at Cost of £1,240,000,000. - Replacement of Steam Locomotives by Electric and Diesel Traction.

Details of a comprehensive plan put forward by the British Transport Commission for the modernization of British Railways at a capital expenditure of £1,240,000,000 were published on Jan. 24. The plan, which is scheduled for completion within 15 years, and envisages the complete replacement of steam locomotives by electric and diesel traction designed to give "reliable and speedy transport on a large scale," is summarized below.

(1) Track and signalling would be improved to make higher speeds possible over trunk routes and to provide for better use of the railways' physical assets. There would be an extended use of colour light signalling, track circuits, automatic train control, power-operated signal boxes, and modern telecommunication services, and centralized traffic control would be installed where conditions were suitable. Estimated cost—£210,000,000.

(2) Electric or diesel traction would be rapidly introduced as the plan developed, involving the electrification of large route mileages and the introduction of several thousand electric and diesel locomotives. Estimated cost—£345,000,000.

(3) Much of the existing steam-drawn passenger rolling-stock would be replaced, largely by multiple-unit electric or diesel trains, and the remaining stock would be modernized. The principal passenger stations and parcels depots would also require large expenditure. Estimated cost—£285,000,000.

(4) Freight services would be drastically remodelled. Continuous brakes would be fitted to all goods wagons, leading to faster and smoother operation of freight traffic; marshalling yards (to be reduced in number) and goods terminal facilities would be re-sited and modernized; larger wagons would be introduced, especially for mineral traffic; and loading and unloading appliances would be modernized. Estimated cost—£365,000,000.

(5) Other items would cover improvements at packet ports, staff welfare, office mechanisms, and at least £10,000,000 for development and research work in connexion with the plan. The cost of these items was put at about £35,000,000.

The Commission believed that the plan would result in "a transformation of virtually all the forms of service now offered by British Railways," and that the expenditure envisaged would "ultimately attract a return of at least £85,000,000 yearly," besides benefiting the public directly by making possible better services and lower charges, and contributing to the relief of road congestion Remodelling of passenger operations would provide fast, clean, regular and frequent services, either diesel or electric, in all large urban areas; inter-city main-line trains would be accelerated and made more punctual; and services on other routes would either be made reasonably economic or transferred to road. In freight operations there would be a complete reorientation to speed up movement, reduce costs, provide direct transits for the main streams of traffic, and attract "a due proportion of the full-load merchandise traffic which now passes by road."

The Commission anticipated that "the remarkable growth in personal travel of the last few years" was likely to continue, and that, in spite of air transport and private motoring, there would remain "a large pool in which the railways will take a greater share once the quality and cost of the services are transformed" They also believed that the demand for freight transport would grow, and that the railways' share would depend on their ability to provide improved services at lower cost, the possibilities in this direction being described as "great."

Details of the 15-year plan are given below under cross-headings:

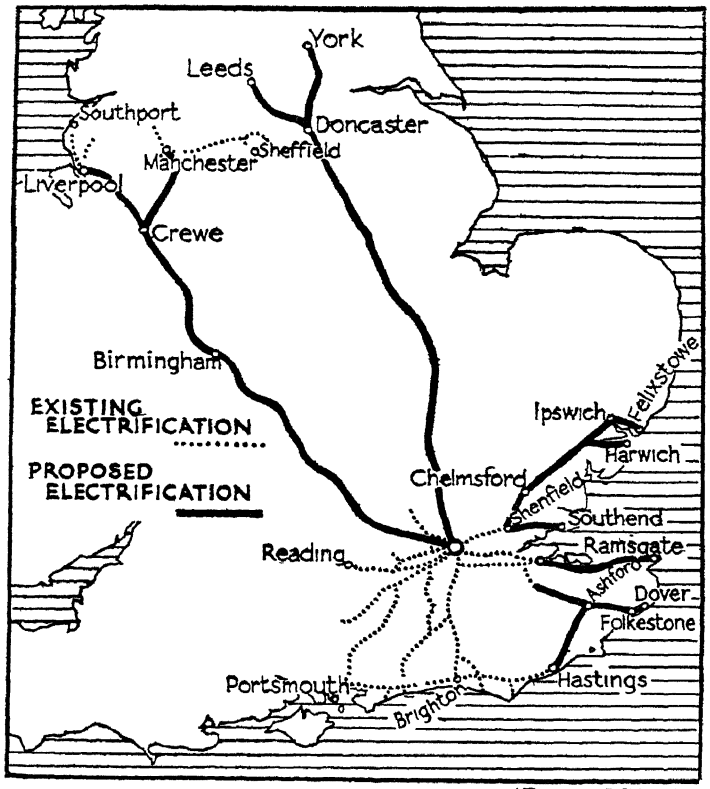
Track and Signalling. The Commission stated that although the engineering standards of the main trunk lines were "still among the best in the world," these lines were "sorely in need of replanning and improvement to meet future needs" In particular, it was intended to remove permanent speed restrictions by improving the track on important trunk routes, especially at curves and junctions, with the aim of achieving on main lines, and where conditions permitted, "speeds of at least 100 m.p h" On certain sections of the line a system of centralized traffic control (already widely used in America and elsewhere) would be introduced allowing the operation from a central control of all points and signals over a considerable length of line Expenditure of £20,000,000 had also been assumed for the progressive introduction of automatic train control

The End of the Steam Era and the Change to Electricity and Diesel Power. Declaring that "although the steam locomotive has served the railways well, many factors combine to indicate that the end of the steam era is at hand," the Commission stressed that a widespread change to electric or diesel traction was "a prerequisite of the improved quality of service which will be required by the industry and the travelling public in future," and which it intended to provide. It was therefore proposed to build no new express passenger or suburban steam locomotives after the 1956 programme, and to discontinue the building of steam locomotives altogether within a few years.

Discussing the respective merits of diesel and electric traction, the Commission pointed out that both had the advantage of cleanliness, acceleration, and uniform performance The chief disadvantage of electrification was the extensive engineering work needed, on the other hand the potential economies on heavy-traffic lines were greater than with diesel traction, and electrification would make it possible to realize any advantages which might flow from the use of atomic power at electricity-generating stations [In this connexion it was explained that the indirect use of atomic power seemed more probable than the development of atomic-powered locomotives] After stressing that "it is not a question of choosing between electricity and diesel traction, but rather of combining the two to the best advantage," the Commission claimed that the plan was flexible enough to take advantage of any other technical developments, including gas-turbine propulsion. It was proposed to electrify "a substantial proportion" of suburban services, two major trunk routes, and a third main-line route of lesser traffic density, and to use diesel traction for other principal main-line services as soon as possible.

Suburban Electrification. The proposals for suburban electrification covered the following lines, the approximate mileage and estimated cost of fixed equipment being shown in parentheses (*a*) London, Tilbury and Southend (85 miles, £11,000,000), (*b*) Liverpool Street to Enfield and Chingford (20 miles £2,000,000), (*c*) Liverpool Street to Hertford and Bishop's Stortford (35 miles, £4,000,000); (*d*) King's Cross and Moorgate to Hitchin and Letchworth, including Hertford loop (60 miles, £5,000,000, excluding signalling); (*e*) Glasgow suburban lines (190 miles, £18,000 000) Total—390 miles at a cost of £40,000,000.

In addition, it had always been the intention that as soon as circumstances permitted, all main routes of the Southern Region east of a line from Reading to Portsmouth should be electrified—thus extending to the coast the electrified zone which now terminated at Gillingham, Maidstone, and Sevenoaks, and carrying electric services to Ramsgate, Dover, Folkestone, and Hastings (*via* Ashford) In conjunction with diesel services to be introduced, this would eliminate steam traction from all Southern Region lines in the area mentioned, and would entail the electrification of about 250 route miles at a cost, for fixed equipment, of about £25,000,000.



(*Financial Times*)

Main-Line Electrification. The two major schemes planned were. (1) the main line of the Eastern and North-Eastern Regions from King's Cross to Doncaster, Leeds, and possibly York; (2) the main line of the London Midland Region from Euston to Birmingham, Crewe, Liverpool, and Manchester The subsidiary main-line scheme would consist of the extension of the existing electrification from Liverpool Street (which would soon reach Chelmsford) to Ipswich, including the Clacton, Harwich, and Felixstowe branches. These schemes would together mean the virtual elimination of steam from important areas of Britain at an estimated cost of about £125,000,000 for fixed installations and about £60,000,000 for the 1,100 electric main-line locomotives required The Commission stated that it was taking advice about the capacity of available technical staff and the electrical manufacturing industry to carry out "this very large programme"; if it proved necessary to limit it, one of the main routes concerned would be converted in the meantime to diesel traction, without prejudice to its eventual electrification.

Conversion to Diesel Traction. The plan envisaged a great improvement in net revenue through a much-extended use of diesel-powered trains, ranging from single-units to six-coach sets These would be used for three main types of service (*a*) city-to-city expresses; (*b*) secondary and cross-country routes, (*c*) branch lines An estimated 4,600 diesel vehicles would be required, including the 300 now on order or already in use. In addition, about 1,500 steam engines used for shunting and trip-working would be replaced within the next 15 years by about 1,200 diesel locomotives (apart from those already authorized) at a cost of about £25,000,000 The Commission pointed out that diesel traction had many of the advantages of electricity, could be introduced more quickly, and was essentially flexible; a "very substantial" investment was therefore proposed, beginning forthwith, in order to achieve 'a quick and complete changeover from steam in specified areas." By this means (it was explained) the maximum economies would be obtained by closing steam motive-power depots, and it would also be possible to obtain experience of the operating costs of diesel units without mixed working involving two forms of traction It was intended to standardize design as much as possible

The Commission stated that about 2,500 main-line diesel locomotives, estimated to cost £125,000,000. would be in use by the end of the 15 years covered by the plan On the Western Region it was intended to eliminate all steam working west of Newton Abbot (Devon), and also to employ diesel units based in that area to haul many of the passenger and freight trains from the West to Bristol and London and back. On the Southern Region, diesel locomotives would be employed in place of steam between Waterloo and Exeter, and between Waterloo and Southampton, Bournemouth and Weymouth. These two schemes would require about 200 main-line diesel locomotives in place of about 300 steam locomotives changes to diesel traction in other areas would be effected progressively. By taking full advantage of the high availability for work of diesel units, it would be possible to reorganize time-tables both for the greater convenience of the public and for more economical working, since when timing trains allowance would no longer have to be made for locomotive changing or refuelling

The Gradual Withdrawal of Steam Locomotives. Since many of the 19,000 steam locomotives at present in service were of modern design, it was proposed to make a careful selection of types for the "condemnation programme," so as to eliminate quickly the less efficient types and small classes for which it would not be economical to maintain spares Some capital expenditure on steam motive-power depots would be necessary to meet essential requirements, but in the main the object would be to eliminate steam depots in areas chosen for complete conversion as soon as electric or diesel maintenance centres had been constructed. The Commission estimated that £10,000,000 should cover expenditure on steam depots.

Improvements at Passenger Stations and Parcels Depots. £55,000 000 would be allotted under the plan to improvements at passenger stations, parcels depots, and carriage-cleaning and servicing depots. The Commission explained that it felt that "an improved quality of train service might not make its proper impact on the public if the standard of station accommodation and amenities lags behind" Moreover, realizing that "dirty carriages are a frequent cause of complaint," it acknowledged "a commercial need to provide the public with rolling-stock which is thoroughly clean, inside and outside." This, in turn, would require more highly mechanized carriage-cleaning depots.

Passenger Carriages. Important changes were also proposed in both the number and type of passenger carriages, at present numbering 42,000 A large carriage-building programme would be necessitated by the changeover to multiple-unit diesel or electric vehicles, and the main-line electrification schemes (including the Southern Region extensions) alone would entail the construction of about 3,600 multiple-unit vehicles. Some reduction in total stock, however, could be achieved through more extensive use, and by the end of the 15-year period all steam-hauled non-corridor carriages would have been replaced In this connexion it was explained (*a*) that certain stopping and branch-line services (now carried on at heavy loss) used non-corridor carriages, and would be replaced by diesel multiple-unit trains if there was a reasonable prospect of stimulating traffic, or else by road services; (*b*) that non-corridor coaches would be retained only on certain suburban electric services for their high seating capacity and loading advantages. No change had been assumed in the number of dining cars, but there might be big changes in design.

During the period of the plan about 31,000 new passenger carriages would be built at a cost of about £230,000,000, the aim being an ultimate carriage stock of 36,200 (compared with 42,300 at present), divided as follows: locomotive-hauled vehicles, 23,200 (against 37,200); electric multiple-unit vehicles, 8,400 (4,800); diesel railcars and multi-unit vehicles, 4,600 (300).

Reorganization of Freight Services. The Commission believed that a freight service giving shorter transit times and greater reliability and punctuality in deliveries could be achieved by (*a*) improved forms of motive power; (*b*) the adoption of continuous brakes on goods vehicles; (*c*) the re-siting and modernization of marshalling yards, (*d*) new or reconstructed goods stations. In regard to (*b*) it was proposed to spend £75,000,000 on fitting continuous brakes to wagon stock, the report pointing out that Britain was the only major industrial nation with so much freight still carried in loose-coupled wagons. The Commission estimated that the higher average speeds of train-movements and the greater punctuality as a result of this "most important" improvement would reduce the number of locomotives required by about 2,000. In respect of (*c*) and (*d*). about 55 marshalling yards would be constructed or reconstructed and about 150 existing yards closed or partially closed, at an estimated cost of about £80,000,000. whilst about £50,000,000 would be spent on new and reconstructed goods stations

It was proposed to reduce the stock of wagons from the existing level of 1,141,500 to about 752,000 in 1974, partly by building larger wagons and partly through an overall reduction of about 30 per cent in wagon turn-round time The total number of wagons to be built by 1974 was 297,000, at a cost of £177,000,000, and 255,000 of these (costing £130,000,000, included in the plan) would be built in the period 1956-70.

Sundry Items. These included £12,000,000 to be spent on packet ports, but no provision was made for new ships, which, in general, would be built (as now) as renewals of existing ships Besides the £10,000,000 to be provided for research, sums had been included for office accommodation for the additional technical staff required, and for office appliances such as electronic computing machines.

Staff Training. A big increase would be necessary in the Commission's technical staff, and outside assistance would also have to be enlisted Trainees would be recruited to strengthen the traffic staff, and men already in the service would be trained for the special working resulting from the plan.

Financing the Plan. As detailed priorities for individual works within the regions had not yet been worked out, it would not be possible at the present stage to forecast dates for the completion of the major components of the plan, which must be "pushed on at the fastest pace possible" The statement continued: "It would be useless or worse than useless, to limit the plan so that the investment incurred would do no more than enable the railway services to continue in more or less their present form. This would still require almost half the investment now proposed; yet this outlay would not be offset by improved results, nor would the trend towards obsolescence be arrested. On the other hand, if the total outlay of £1,200,000,000 were spread evenly over 15 years, it would represent an annual investment of about £80,000,000, or about 5 per cent of the gross capital formation of the country in 1953." Of this total outlay of £1,200,000,000, it was estimated that about £400,000,000 would be provided from internal sources such as depreciation provisions, leaving £800,000,000 to be borrowed from external sources The annual charge for interest and redemption on these borrowings could be estimated at £40,000,000. In addition, it would be necessary to meet increased depreciation charges of £15,000,000, whilst to put the railways in a healthy state traffic receipts ought to be increased by £25,000,000. Against the £80,000,000 represented by these three requirements, the actual return from the investment should be at least £85,000,000 annually, and possibly much more.

Explaining how this minimum economic improvement of £85,000,000 was arrived at, the Commission said that the major economy under the plan would lie in the reduction of direct cost of train movement, resulting mainly from changes in motive-power and methods of operation It was estimated that diesel power and electrification should together effect an improvement of over £30,000,000 yearly in the margin between movement costs and passenger receipts, reduction being also expected in the cost of terminal and commercial services. Provided that the passenger service as a whole could be overhauled, and an improved and highly competitive service offered in those fields in which the railways had a natural advantage, there should be an aggregate improvement of £35,000,000 annually. In freight services there should be an improvement of about £30,000,000 a year as a result of the introduction of continuous brakes, the smaller number of wagons needing maintenance, and improved marshalling and terminal facilities. A further £10,000,000 would be yielded by mechanization of goods-handling at freight terminals, and, taking other factors into account, the total improvement from freight services should amount to almost £60,000,000 From the total estimated economies of £95,000,000 from passenger and freight services, the Commission deducted £10,000,000 for increased expenses, leaving a net amount of £85,000,000

The Commission added that the plan should result in practically all forms of traffic covering at least the direct costs of their movement, and that the importance of this from the point of view of healthier finances could "hardly be exaggerated"

The House of Commons, after rejecting a Labour amendment, adopted a Government motion on Feb. 3 which expressed the conviction that "the steps proposed by the British Transport Commission will, with the co-operation of all concerned, lead to the establishment of a modern and economic railway system for the benefit both of industry and of the travelling public."

Mr. R. A. Butler (Chancellor of the Exchequer) commended the "courageous and imaginative" conception of the modernization plan, and said that he had no reason to think that the Transport Commission counted on any Exchequer subsidy to help them in fulfilling their statutory duty to achieve a balanced revenue account, taking one year with another. Allowing for all the uncertainty of forecasting for 15 years ahead, there was a "reasonable prospect" that the Commission's plan would pay its way, and the Government therefore considered that funds for the plan must be found. This meant that over the period of the plan, sums of the order of £800,000,000 must be borrowed on the market; subject to the details of the plan proving satisfactory, the Government would do all it could to facilitate the borrowing programme. The Chancellor emphasized that these sums would be raised "on the market," and

that there was no question of the Exchequer advancing any part of the money to the railways In reply to a question by Mr. Herbert Morrison (Lab), Mr Butler said that the Transport Commission would be able to borrow on the market with a Treasury guarantee.

Earlier in his speech Mr Butler had referred to the Opposition's amendment (see below) as follows: "The amendment appears to suggest that to make the railways pay, there has to be a continuous subsidy from road to rail. We say that is undesirable It would be a continuous drain on the road-haulage industry and its customers, and it would remove from the railways the incentive to cure their own ills It is important that the railways should pay and that the roads should pay, and it is not right that one should milk the other to live Our policy is to proceed with the modernization of the railways and to look forward, at the same time, to the profitability of the appropriate British Road Services' fleet which remains."

Mr. Herbert Morrison (Deputy Leader of the Opposition) moved an amendment accusing the Government of having "wrecked the policy of transport co-ordination and integration pursued by the Labour Government" Whilst agreeing that British Railways were "not perfect," he maintained that substantial improvements had been secured over the past six years—e g., in greatly increased freight traffic compared with pre-war, in reducing considerable arrears of maintenance, and in staff reductions After declaring that "the dream of the transport man—co-ordination between road and rail —had been coming true," Mr. Morrison said that "the Government, for mere doctrinaire, spiteful, catty, political reasons, has gratuitously barged into this matter and wrecked the whole basis of co-ordination and integration."

The Labour amendment was negatived by 302 votes to 265, and the Government's motion adopted without a further division.—(Times - Daily Telegraph - Manchester Guardian - Financial Times) **(Prev. rep. B.T.C. Report, 13903 A; 13228 B; Signalling, 13099 C.)**

A. UNITED STATES. — Land Speed Record.

The U.S. Air Force disclosed on Dec. 27 that Lieut -Colonel John Paul Stapp, an aero-medical scientist, had set up a land speed record of 632 m.p.h. in a rocket-propelled sled during tests carried out at Alamagordo, New Mexico. Colonel Stapp's speed was 229 m.p h. higher than the previous land record of 403 m.p.h. set up by the late John Cobb in 1947 (see 8846 C).

It was explained that Colonel Stapp was strapped to a 2,000-lb tubular steel sled mounted on steel rails and propelled by nine rockets giving a thrust of 40,000 lb. The sled reached top speed (i e 632 m p h) five seconds after starting and within a space of 2,800 feet, and was halted by a water-brake method in 1½ seconds. Colonel Stapp, who wore no special equipment except for a plastic helmet and visor to cover his face, withstood sudden deceleration forces up to 35 times his own weight, and a wind pressure of more than two tons. He suffered no ill effects except for small blood blisters from dust particles in the air, and two black eyes as a result of their sudden movement forward against the eye-lids during deceleration

The record was set up during a series of tests designed to discover how quickly and safely a human being could come to a dead stop after travelling at great speeds. The tests were designed to help paratroopers and aircrews who had to bale out of aeroplanes travelling at supersonic speeds.

(New York Times - New York Herald Tribune)

B. SOVIET UNION. — Resignation of M. Mikoyan.

It was announced in Moscow on Jan. 24 that the Presidium of the Supreme Soviet had acceded to a request by M. Anastas Mikoyan to be released from his duties as Minister of Trade, and that he would be succeeded in that post by M. Dimitri Pavlov. No reasons were given for M. Mikoyan's resignation, nor was it known whether or not M. Mikoyan continued to remain a Deputy Premier and a member of the presidium of the Communist Party of the Soviet Union. M. Mikoyan (an Armenian), one of the leading personalities in the Soviet Government, had been concerned for nearly 30 years with Soviet trade policy.—(Times - Manchester Guardian) **(Prev. rep. Soviet Cabinet, 12869 A.)**

C. MOUNTAINEERING. — Everest Foundation.

A company known as the Mount Everest Foundation, the object of which is to encourage expeditions "for the exploration of the mountain regions of the earth, etc," was formed in London on Feb. 3, its committee consisting of Brigadier Sir John Hunt (leader of the British Everest Expedition of 1953), General Sir James Marshall-Cornwall, Lord Nathan, and Major-General R. L. Brown. Sir John Hunt said that the foundation would administer the money from lectures, books, films, and "all other means by which we have endeavoured to tell the story of Mount Everest to the world." It would encourage people to make their own plans for expeditions, and to ask for any financial backing they might need.

(Manchester Guardian) **(Prev. rep. 13955 C; 12949 A.)**

D. ETHIOPIA. — The Emperor Haile Selassie's Tour of North America and Europe.

The Emperor of Ethiopia, H.M. Haile Selassie I, made an extensive tour of North America and Europe during 1954 in the course of which he paid State visits to 14 countries—the U.S.A., Canada, Mexico, Yugoslavia, Greece, Great Britain, France, the Netherlands, Western Germany, Sweden, Norway, Denmark, Switzerland, and Austria, in that order. The tour was the first of its kind ever undertaken by an Ethiopian sovereign.

During his visit to the United States (May 25 - June 3) the Emperor stayed at the White House as the guest of President Eisenhower, addressed a joint session of the U.S. Congress, and visited the headquarters of the United Nations in New York, where he was received by the U.N. Secretary-General, Dr. Hammarskjold. In his speech to the U S. Congress (May 28) the Emperor stressed that the system of collective security, having been successfully applied by the U.N in Korea, must be supported "fearlessly" and "at whatever cost" to resist aggression, in whatever part of the world it might occur After recalling that U.S. and Ethiopian troops had fought side by side in Korea to resist aggression, the Emperor declared . "Collective security is either a universal principle or no principle at all It cannot admit of regional application or be a regional responsibility. That is why we, like you, sent troops half-way round the world to Korea . . ."

During his State visit to Britain (Oct. 14-27) H M. the Queen gave a banquet in the Emperor's honour at Buckingham Palace, at which the speeches of her Majesty and the Emperor were broadcast. The Emperor was also received by the Lord Mayor (then Sir Noel Bowater) and Corporation of the City of London at Guildhall. On the occasion of the State banquet at Buckingham Palace (Oct. 14) her Majesty conferred the Order of the Garter on the Emperor, who, in turn, conferred the Order of the Seal of Solomon on the Queen and the Order of the Queen of Sheba on the Duke of Edinburgh. [According to the Ethiopian national saga, the *Kebra Nagast* ("Glory of the Kings"), the Ethiopian dynasty claims descent from Menelik I, the son of King Solomon and the Queen of Sheba.]

While in Britain, the Emperor visited Bath on Oct. 18 to receive the Freedom of that city, which had been conferred on him in recognition of his "eminent services as friend and ally of Great Britain" and his close association with Bath. [The Emperor resided in Bath from 1936, following the Italian occupation of his homeland, until 1941, when he returned to take part in the liberation of his country. He still possesses a residence in the city, whose only other living Freeman is Sir Winston Churchill.] The Emperor visited Oxford on Oct. 20 to receive the honorary degree of Doctor of Civil Law from Viscount Halifax, Chancellor of the University

In the course of his tour of North America and Europe the Emperor visited many educational institutions, hospitals, and industrial installations, including the Donzère-Mondragon hydro-electric scheme in France, the Rotterdam shipbuilding yards, and the Ruhr industrial area His visits to Yugoslavia, Western Germany and Austria were the first paid by a Head of State to those countries since the war.

The Emperor's tour of North America lasted for some seven weeks in May, June and July, and was followed by visits to Yugoslavia and Greece (at the end of July) before his return to Addis Ababa. He left Ethiopia again on Oct 5 for his State visits to Britain and other Western European countries, which took place in October, November, and the first few days of December. He arrived back in Addis Ababa on Dec. 6, 1954.

The Emperor was accompanied throughout his tour by his son, the Duke of Harar.

(Times - Le Monde, Paris - New York Times)

E. FRANCE. — Ratification of SEATO Pact.

M. Mendès-France informed the Foreign Affairs Commission of the National Assembly on Feb. 1 that President Coty had signed a decree on Jan. 12 ratifying the South-East Asia collective defence treaty, and that parliamentary approval was unnecessary since the Manila pact and the accompanying Pacific Charter represented a defensive alliance. The Foreign Minister, M. Faure, explained on the same day (Feb. 1) that the French Constitution did not require parliamentary approval for the ratification of a defensive treaty, although the Government could, if it wished, consult Parliament before authorizing the President of the Republic to sign the documents of ratification. Although it was true that the NATO pact had been submitted for parliamentary approval, whilst the SEATO pact had not, M. Faure pointed out that the former constituted a "turning-point" in French policy, which was not the case with the SEATO pact —(Le Monde, Paris) **(13944 B.)**

F. UNITED KINGDOM. — National Savings in 1954.

The National Savings Committee announced on Jan. 2 that savings during 1954 totalled £1,248,000,000 (compared with £1,142,000,000 in 1953) and withdrawals £1,127,000,000 (£1,147,000,000 in 1953). The excess of net savings over withdrawals thus amounted to £121,000,000 (a net improvement of £126,000,000 over 1953), making 1954 the best National Savings year since 1948.—(Financial Times) **(13892 A.)**

A. SOVIET UNION - WESTERN POWERS. — Soviet Declaration on "Normalization" of Relations with German Federal Republic. - Ending of State of War with Germany. - British and French Replies to Soviet Notes on Possible Annulment of Anglo-Soviet and Franco-Soviet Treaties. - Soviet Notes to W.E.U. Countries. - Allegations of Infringement of Geneva Protocol on Chemical and Bacteriological Weapons.

The Soviet Government issued a declaration on Jan. 15 expressing its readiness to "normalize" its relations with the German Federal Republic on condition that the Paris agreements were not ratified. This declaration was followed on Jan. 25 by a decree, issued by the Presidium of the Supreme Soviet, ending the state of war between the U.S.S.R. and Germany, which had existed since the German invasion of the Soviet Union on June 22, 1941. Prior to these developments, the Soviet Government had sent Notes on Jan. 11 to all member-countries of the Western European Union except the German Federal Republic (i.e. to Britain, France, Italy, Belgium, Holland, and Luxemburg) alleging that the Paris agreements violated the Geneva Protocol of 1925 by permitting the W.E.U. countries to stockpile bacteriological and chemical weapons, as well as atomic weapons. On the Western side, the British and French Governments sent Notes to the U.S.S.R. on Jan. 26, in reply to the Soviet Notes of Dec. 16 and Dec. 20 (see 14002 A), repudiating the Soviet contention that ratification of the Paris agreements would "fundamentally contradict" the Anglo-Soviet and Franco-Soviet treaties of alliance concluded during the war.

Soviet Declaration on Germany.

The Soviet declaration issued on Jan. 15 made the following three points:

(1) "The most important and urgent matter for settling the German problem is to solve the task of restoring German unity. In order to carry out this task, talks are necessary between the U.S.A., Britain, France and the Soviet Union, on the question of restoring the unity of Germany on the basis of free all-German elections. Such talks would lose all point and would become impossible if the Paris agreements were ratified."

(2) The Soviet Union, which had "good relations with the German Democratic Republic" (i.e. Eastern Germany), was "likewise prepared to bring about normal relations between the U.S.S.R. and the German Federal Republic" with the aim of "promoting better mutual understanding and the search for more successful ways of carrying out the task of restoring German unity."

(3) "If the Paris agreements are ratified, a new situation will be created in which the Soviet Union would concern itself, not only with further strengthening friendly relations with the German Democratic Republic, but also, through the joint efforts of the peace-loving European States, with helping to strengthen peace and security in Europe."

The declaration said that the ratification of the Paris agreements would "draw the German Federal Republic into adventurist plans for preparing a new war," "establish the division of Germany for long years to come," and "be an obstacle in the way of the peaceful restoration of German unity" It added: "There are still possibilities, which have not been utilized, of reaching agreement on the question of German unification with due consideration for the legitimate interests of the German people, and for the holding in 1955 of free all-German elections with this end in view. Such possibilities exist if the main obstacle that now stands in the way of German reunification—the plans for the remilitarization of Western Germany and its inclusion in military groupings—is removed. The German people should be given the opportunity, by free general elections throughout Germany, including Berlin, to express their will freely, so that a united Germany can again arise as a great Power occupying a worthy place among the other Powers . . .

"The Soviet Government considers it possible, in the event of assent by the German Democratic Republic and the German Federal Republic, to come to an understanding on the establishment of appropriate international supervision over the holding of all-German elections. In this connexion, no section of Germany must be bound by any conditions of separate agreements regarding its participation in military groupings . .

"The German people must make a choice. They must choose the road they are to follow. One road leads to the restoration of German unity and the establishment of normal relations with all European States This road precludes participation by any section of Germany in military groupings directed against other States, and can best be ensured by Germany's participation in a system of European collective security. The other road, on to which the Paris agreements are dragging the German people, leads to the division of Germany, the restoration of militarism in Western Germany, and the inclusion of Western Germany in the plans for preparing a new war. There can be no doubt that the overwhelming majority of the German people reject this militarist road—a road of hopeless new military adventures which Germany has tried more than once, and which holds out to the German people nothing but new and still more terrible disasters . ."

An official statement issued in Bonn on Jan. 16 described the Soviet declaration as a new move in the "continuing struggle of the Soviet Union" to prevent the unity of the Western world. It denied *in toto* the allegation that the Paris agreements would mean the remilitarization of Western Germany; declared that negotiations with the Soviet Union on the reunification of Germany had no chance of success until the "alliance of the free peoples" had come into being; and recalled that the Soviet Government itself, at the Berlin Conference of 1954, had refused free all-German elections and had blocked "every step towards the reunification of Germany in peace and freedom."

Ending of State of War with Germany.

The decree issued on Jan. 25 by the Presidium of the Supreme Soviet, ending the state of war between Germany and the U.S.S.R., was worded as follows:

"On June 22, 1941, as a result of the treacherous attack by Nazi Germany, the Soviet Union found herself in a state of war with Germany. In its self-sacrificing struggle, waged together with the peoples of the countries belonging to the anti-Hitlerite coalition, the Soviet people smashed the Hitlerite aggressors and freed the peoples of Europe, including the German people, from Fascist enslavement.

"At the Potsdam Conference held in 1945 the lines of the future development of Germany as a united, peace-loving and democratic State were defined, and the necessity of concluding a peace treaty with Germany was confirmed The Presidium of the Supreme Soviet considers it as anomalous that although some 10 years have elapsed since the cessation of military activities against Germany, Germany is still in a state of division and has no peace treaty, while the German people continue to remain in a state of legal inequality as compared with other peoples.

"The Presidium takes cognizance of the fact that the policy of the U.S.A., Britain, and France aimed at remilitarizing Western Germany and integrating her into aggressive military alignments, which has found its expression in the London and Paris agreements, has made it impossible to reach the necessary agreement on restoring the unity of Germany along peaceful and democratic lines and to conclude a peace treaty with Germany.

"Having in view the strengthening and extension of peaceful and friendly mutual relations between the Soviet Union and the German Democratic Republic, based on the recognition of the principles of sovereignty and equality; taking into consideration the opinion of the Government of the German Democratic Republic; and taking into account the interests of the population of both East and West Germany, the Presidium of the Supreme Soviet declares:

(1) The state of war between the Soviet Union and Germany is terminated, and peaceful relations are being re-established.

(2) All judicial restrictions occasioned by the war in respect of German citizens who were regarded as citizens of an enemy State are abolished.

(3) The declaration on the ending of the state of war with Germany does not alter her international obligations, and does not affect the rights and obligations of the Soviet Union which derive from existing international agreements of the four Powers concerning Germany as a whole."

Great Britain had terminated the state of war with Germany on July 9, 1951 (see 11589 A), France on July 13, 1951 (11589 A), and the United States on Oct. 24, 1951 (11811 D). Many other Allied countries had taken similar action, but the Soviet Union and Eastern European countries had remained technically at war with Germany.

It was officially stated in Bonn on Jan.26 that the Soviet termination of the state of war would be a practical step towards the restoration of normal Russo-German relations only if the Soviet Government were to agree to "really free elections for the whole of Germany," and to the negotiation of a peace treaty with a free all-German Government. The hope was expressed that the Soviet Government, as a first step towards the normalization of relations, would release all German prisoners-of-war and civilians still in its custody.

British and French Replies to Soviet Notes.

Both the British and the French Governments replied on Jan. 26 to the Soviet Notes presented in December.

British Reply. The British Note was worded as follows: "H.M. Government have noted the statement in the Soviet Government's Note of Dec. 20 that, after the ratification of the Paris agreements, they will submit to the Presidium of the Supreme Soviet a proposal for the annulment of the Anglo-Soviet Treaty of Mutual Assistance concluded in 1942.

"In view of the sacrifices of the two countries during the Second World War, and of their common interest in co-operation thereafter, H.M. Government believed that the Anglo-Soviet Treaty would lead to real and fruitful collaboration between the two countries. They hoped that the U.K. and the Soviet Union would not only assist one another in the tasks of reconstruction, but would join together with other countries in restoring security and prosperity to Europe.

It is a matter of deep regret to H M Government that it has not hitherto proved possible to find a basis for such collaboration with the Soviet Government They must, however, reject the suggestion that the responsibility for this lies with British policy. It is not H M. Government who have imposed harsh political, economic and social barriers across Europe It is rather the policies of the Soviet Government which have led to this tragic and dangerous division of Europe

" In particular, the policies of the Soviet Government have been directly responsible for the division of Germany, the three Western Zones of which have long been united The Soviet Zone has long possessed considerable armed forces, organized in regular military, naval, and air units In this situation the German Federal Republic manifestly cannot any longer be denied its rights including the right to defence. Confronted with the great weight of Soviet and Soviet-controlled armaments, the Western nations have felt impelled, in accordance with the clearly expressed views of their freely elected Governments, to join in an association to which a German defence contribution can be made The Paris agreements provide for such an association. Under these agreements a system of controls, limitations and prohibitions is established, to be applied to the forces and armaments of all members Any member is thus precluded from having independent recourse to the threat or use of force.

" In view of the allegations in the Soviet Note, H M Government feel impelled once more to repeat that the NATO, of which the German Federal Republic is now to become a member, is purely defensive. As the Soviet Government must be well aware the military provisions of the treaty will enter into effect only in the event of an armed attack against one or more of the members of NATO The North Atlantic Treaty is not directed against any country, and is in no way inconsistent with the Anglo-Soviet Treaty.

" In consequence, H M Government are unable to accept the assertion in the Soviet Note that the participation of H.M Government in the Paris agreements is contrary to their obligations under the Anglo-Soviet Treaty They deplore the Soviet Government's declared intention of using this pretext to annul the Treaty which H M. Government, for their part, believe could still make an important contribution to Anglo-Soviet relations as well as to European security. But H.M Government cannot allow themselves to be deflected by any threats from their chosen course They are convinced that the association of like-minded nations, which is being built up in Western Europe, will serve the promotion of European security and contribute to the cause of peace "

French Reply. The French Note, which was worded in similar terms, described the Soviet Government's attitude as " completely unjustified," and denied that the principles underlying the Paris agreements were in any way incompatible with the Franco-Soviet Mutual Assistance Treaty of 1944 It reiterated the French Government's determination to seek every opportunity of negotiating a settlement of all outstanding problems with the Soviet Union, as had been made clear by M Mendès-France in his speech to the U N General Assembly (see 13910 A), emphasized that France, for her part, would remain faithful to the spirit of the Franco-Soviet Treaty, and declared that the Soviet Government would incur " the entire responsibility " if it annulled the treaty.

Soviet Notes to W.E.U. Countries.

As stated above, the Soviet Government sent Notes on Jan. 11 to all the W.E.U. countries (excluding Western Germany) alleging that the Paris agreements " contain clauses contradicting the Geneva Protocol of June 17, 1925, on the prohibition of the use in war of asphyxiating, poisonous or other similar gases, and of bacteriological weapons."

After recalling that the Geneva Protocol had been adhered to by 50 countries, including all the W E U. member-States (among them Germany), the Notes said *inter alia* . " . The Geneva Protocol played an outstanding role in preventing the use of chemical and bacteriological weapons during the Second World War Not even the Hitler Government, whose chief members were condemned by the International Tribunal as war criminals, dared to use chemical and bacteriological weapons and to violate the Geneva Protocol . . Protocol No. 3 of the Paris agreements states that the partners of the military bloc shall set up, alongside stocks of atomic weapons . . . stocks of chemical and bacteriological weapons . . . The Soviet Government considers it its duty to issue a warning, in particular, that the Paris agreements give chemical and bacteriological weapons, as well as atomic weapons, to the West German Army whose establishment is stipulated in those agreements. Such a situation cannot fail to increase the threat of a chemical and bacteriological war of annihilation in Europe, with all its grave consequences . "

The Interim Commission of the Western European Union (representing all seven W.E U. member-countries, including the German Federal Republic), met in London on Jan. 20 to draft a joint reply to the Soviet Note of Jan 11.—(Times - Daily Telegraph - Le Monde, Paris - Frankfurter Allgemeine Zeitung - Soviet Weekly) **(Prev. rep. Soviet Notes, 13002 A.)**

A. ISRAEL. — Merger of Religious Parties.

Two of the four religious parties in Israel—the *Mizrachi* (Religious Conservative) and *Hapoel Hamizrachi* (Religious Workers') parties—decided on Jan. 17 to merge into a single party under the name of the *Mizrachi-Hapoel Hamizrachi* party. The combined party has ten members in the 120-member Parliament (*Knesset*) and two Ministers in the Israeli Cabinet. (New York Times) **(Prev. rep. 13383 B.)**

B SOUTH AFRICA. — Mr. Strydom's Message to Bantu Population.

The Prime Minister of South Africa, Mr. Strydom, sent the following Christmas message to the Bantu population of South Africa on Dec 21, 1954

' When I addressed the people of South Africa over the radio (see 13941 A) I pointed out that we were mindful of the fact that we acknowledged the sovereignty and guidance of Almighty God in the destiny of countries and peoples, and that we seek the development of our country along Christian national lines. I went on to explain that everything possible would be done by this Government to see that justice and fairness were meted out to all sections of the community

This Government will continue, as in the past, to guide you on the road of self-development towards maturity. The Bantu of South Africa still have a long way to go, but everything possible will be done to help you along the road ahead. Through the Bantu Authorities, the Bantu Education Act, and other measures, my colleague, the Minister of Native Affairs, has already opened the road for you that leads to self-reliance and self-dependency There are those who, in their ignorance, tell you that you are not yet ripe for this, that you should continue being dependent on others, that self-development is an idle dream My reply to them is that they do not have the welfare of their people at heart

There lies a great task ahead of you You must learn to develop and reclaim your own areas so that your homeland can become prosperous You must learn to govern yourselves in your areas You must learn to become your own traders, builders, carpenters, doctors, welfare workers, and so forth This is separate development and must be based on your own way of life. In all respects you must learn to make your own communities self-sufficient All these things will come about in time.

We hope the day will soon dawn when each Bantu will serve his own community, and be of service to his fellow-Bantu This is a necessary prerequisite for the healthy development of the Bantu peoples along their own lines towards a future that holds much in store for them Those who oppose separate development wish to be absorbed in a mixed community The resistance of the European and the wise Bantu will make this impossible. Why should one strive after an impossible ideal in which one's nation would perish, instead of setting as an objective the preservation of one's heritage and development on those lines ?

It is a difficult but just road that you will have to travel—to preserve your racial identities and develop on your own. When the final goal is reached, however, the prize will be worthwhile."

Mr Strydom's message was issued through the African paper *Bantu World*.—(Cape Times) **(Prev. rep. 13941 A.)**

C. INDIA. — Diplomatic Appointments. - Minister appointed to Cambodia. - "De Facto" Recognition of Laos and North Vietnam.

The following appointments in the Indian Foreign Service were announced in New Delhi during November and December : Mr. Bhagwan Sahay, Chief Commissioner of Bhopal, as Ambassador to Nepal ; Mr. Y. D. Gundevia, Ambassador in Berne, as Deputy High Commissioner in London ; Mr. B. R. Sen, Ambassador in Rome, as Ambassador to Japan ; Mr. Naranjan Singh Gill as Ambassador to Ethiopia ; and Mr. Rajeshwar Dayal, Ambassador in Belgrade, to serve concurrently as the first Indian Minister to Rumania. Mr. C. C. Desai, lately High Commissioner in Ceylon, was appointed High Commissioner to Pakistan on Jan. 25, 1955.

It was announced on Dec. 13, 1954 that India had decided to establish a diplomatic mission in Cambodia, with Mr. B. K. Acharya (Deputy High Commissioner in Dacca) as Minister in Pnom-Penh. Indian *de facto* recognition of Laos and the Democratic Republic of Vietnam (North Vietnam) was announced on Dec. 15.—(Indian High Commissioner's Office, London - The Statesman, Calcutta) **(Prev. rep. 13827 E.)**

D. UNITED KINGDOM. — Stockport By-election.

The by-election at Stockport South, caused by the conferment of a peerage on Sir Arnold Gridley (Conservative) in the New Year Honours—see 13976 A—was held on Feb. 3 with the following result

Steward, H. M. (Conservative)	..	16,321
Davies, Herbert (Labour)	..	13,758
No change. Conservative majority	.	2,563

The figures at the general election were : Sir Arnold Gridley (C) 22,075, F. Bibby (Lab) 18,675—Conservative majority, 3,400. The Conservative candidate received 54 26 per cent of the votes in the by-election and the Labour candidate 45.74 per cent, compared with general election percentages of 54.17 and 45 83 per cent respectively —the Conservative proportion of the poll thus increasing by 0.9 per cent. The percentage of the electorate voting in the by-election was 64 60, compared with 84.17 at the general election. The electorate numbered 46,559, compared with 48.413 in 1951.

Mr Harold Steward (50) is a production engineering manager

The by-election was the 47th during the present Parliament. (Daily Telegraph) **(Prev. rep. By-elections, 14015 A.)**

A. RHODESIA AND NYASALAND FEDERATION. — Legislation for Promotion and Control of Immigration. - Immigration Statistics. - Southern Rhodesian Racial Legislation. - Proposals for Recognition of Native Trade Unions. - Statement by Mr. Garfield Todd.

An Immigration Bill, empowering the Governor-General to prohibit the entry into the Rhodesia and Nyasaland Federation of any class of persons deemed to be undesirable inhabitants on economic grounds, or because of their standards and habits of life, was introduced into the Federal Parliament on July 8, 1954 Other clauses in the Bill provided (*a*) that the Minister for Home Affairs might grant exemption from the prohibition to individual members of a class which had been deemed undesirable, (*b*) that the Minister might declare a person a prohibited immigrant on information received from any Government through official or diplomatic channels, (*c*) that intending immigrants should be able to read and write a European language, (*d*) that an inter-departmental fact-finding committee should advise the Minister on the absorptive capacity of the Federation; and (*e*) that an Alien Immigrants Selection Board should be set up and regulations on immigration quotas and related matters issued.

Moving the second reading on July 21, **Mr. J. M. Greenfield** (Minister for Home Affairs) said that the keynote of the Federal Government's policy was the introduction into the Federation of the largest possible European population that could be absorbed, but on a selective basis It wanted to maintain the greatest possible flow of immigrants from Britain, but the continent of Europe, and particularly Western Europe, must also be regarded as "a potential source of very useful immigrants" Whereas the proportion of non-British immigrants into the Federal area for 1952 was only 6 per cent, the corresponding figures for other Commonwealth countries for 1953 were: Australia, 52 per cent; New Zealand, 23 per cent; Canada, 76 per cent, South Africa, 57 per cent In recent years there had been a slowing of the tempo of emigration from the United Kingdom, and the Government therefore proposed to maintain in Britain both a selection board and an immigration attaché, whose business would be to stimulate emigration to the Federation In addition, certain classes of British emigrants would be given financial assistance in the form of loans to cover the cost of their passage

Replying to the debate, Mr Greenfield declared on Aug 2 that it was the Government's policy to maintain the British way of life and not to permit any further Indian or Asian immigration, with certain exceptions covering teachers, ministers of religion, and the wives of persons already in the country. He subsequently pointed out in this connexion that the Government were standing on the provisions accepted at the Imperial Conference of 1919, at which it had been agreed that self-governing members of the Commonwealth should have the right to determine the character of immigrants entering each particular country

In the Committee stage two amendments were adopted, one of which deleted a clause prohibiting the entry of persons who were not prepared to swear that they were not Communists. The other amendment provided (*a*) that a person deemed to be an undesirable immigrant might make representations in writing to the Ministry within 24 hours of his non-admission; (*b*) that the Minister might inform such persons of the reasons for his decision, if there was no question of breach of confidence with the source of his information.

The Bill was given a third reading on Aug. 25, 1954, and came into operation on Nov. 1. On Oct. 28 the Governor-General (Lord Llewellin) had issued an Order declaring all indigenous Africans of the Union of South Africa to be undesirable immigrants under the Act. Immigrants Selection Boards were set up on Oct. 28 in Salisbury (Southern Rhodesia) and London, under the chairmanship respectively of Sir Eric Thomas (a former Judge of the High Court of Southern Rhodesia) and Mr. J. W. Miller, who was also appointed immigration attaché. Under Federal regulations which also came into force on Nov. 1, it was laid down that three-monthly immigration quotas would be fixed so as to permit adjustments to be made to meet variations in economic conditions and the demand for manpower.

Immigrants entering Southern Rhodesia in 1953 totalled 10,305, compared with 14,560 in 1952 Of the 1953 total, 4,389 (43 per cent) came from the U.K., 4,309 (42 per cent) from South Africa, 857 from other African countries (the majority from British Colonies), and 750 were aliens (including 205 from the Netherlands and 107 from Italy). The capital declared by immigrants amounted to £3,439,330 (£3,272,916 in 1952)

Immigrants entering Northern Rhodesia in 1953 totalled 8,861, or 16 per cent more than in 1952 Of these, 8,283 were British subjects (including 2,955 U.K citizens, 3,819 South Africans, 414 Southern Rhodesians, and 648 Asians), whilst 578 were aliens.

It had been announced in March 1954 that the Southern Rhodesian Government had concluded an agreement with the Netherlands whereby emigration facilities would be made available for Dutch skilled workers wishing to settle in Southern Rhodesia.

The Central African Statistics Office stated on Nov 1, 1954, that although 16,770 European immigrants had entered the Federation during the year ending June 30, 1954, the net gain in population was only 2,200, as about 14,500 Europeans had emigrated. During this period the population had increased by 169,000 (160,000 Africans, 6,700 Europeans, and 2,300 Asians and Coloureds) and on June 30 totalled 6,876,000, of whom 6,630,000 were Africans, 220.000 Europeans, and 26,400 Asians and Coloureds

The Aliens (Registration and Status) Bill and the Aliens Deportation Bill were also given third readings on Aug 25, 1954.

The former Bill, which came into effect on Nov. 1, required all aliens (except diplomatic representatives, tourists, and aliens in transit) to carry identity cards, to supply photographs and finger- and palm-prints when applying for them, and to notify the authorities of changes of employment or address

The latter Bill provided that the Home Minister might issue an order directing any alien (defined as any person who was neither a British subject, a British-protected person, nor a citizen of the Irish Republic) to leave the Federation within a specified period; that failure to comply with an order would be punishable by imprisonment for up to six months, a fine of up to £100, or both, that any person aiding or abetting an alien to contravene any provision of the Act would be liable to imprisonment for up to two years; that aliens would not have the right to be heard before or after the issue of a deportation order; and that the courts would have no jurisdiction to review or quash an order The Bill also provided for the deportation of criminals, with the exception of (*a*) persons born within the Federation, and (*b*) British subjects who had lived in the Federation for seven years before the coming into force of the Act, and who had not been convicted of certain specified offences.

The Inter-Territorial Movement of Persons (Control) Bill, which received its third reading in the Southern Rhodesian Parliament on Aug. 27 and came into force on Nov 1, provided that Asians, persons previously declared prohibited immigrants, and persons who had been convicted of certain offences might not enter Southern Rhodesia from Northern Rhodesia and Nyasaland without a permit. It prohibited the entry of persons who might engage in activities likely to endanger public order, and authorized the deportation of persons contravening the provisions of the Act.

The Immigration Act and the Inter-Territorial Movement of Persons (Control) Act aroused strong resentment from the Asian community in the Federation and from the Government of India. Asians in Southern Rhodesia protested to the Territorial Government against the latter Act on the ground that Asians would be denied the freedom of movement granted to other races, and Nov. 1 (the day on which both Acts came into force) was observed as a "day of mourning" by Indians throughout the Federation A press statement issued by the Indian Ministry of External Affairs on Oct 6 observed that, although the Federation had started with a solemn declaration against any policy of racial discrimination, within a year the Federal Parliament had "given clear indication of the discriminatory measures to be applied against the African and Asian communities."

Mr Garfield Todd (the Southern Rhodesian Premier), replying to Asian criticisms on Oct 25, emphasized that the Act in no way diminished the existing rights of Asians living in Southern Rhodesia, nor was it intended to prohibit visits for business or holiday purposes to Southern Rhodesia by Asians living in Northern Rhodesia and Nyasaland There would also be no change in the practice of permitting children of Asians resident in Northern Rhodesia and Nyasaland to enter Southern Rhodesia for educational purposes, and "in the practical applications of the laws to Asiatic visitors as little restriction as possible will be imposed"

Recent Southern Rhodesian legislative measures affecting racial policy are summarized below.

The Land Apportionment (Amendment) Act. A Bill to amend the Land Apportionment Act, which was published on Oct 8 and received a second reading on Nov 11 by 19 votes to 10, provided (*a*) that African professors, lecturers, and students at the proposed Rhodesia University (see 13001 B), together with their wives and children, should be permitted to live on the University site, which is in the European area of Salisbury, (*b*) that the Minister of Native Affairs might permit the establishment of inter-racial clubs and hotels, and of recreational facilities—such as sports fields for Africans—in the European areas of towns, if requested by the local authority; and (*c*) that African professional men might rent premises in European areas, with the Minister's permission, if adequate facilities were not available elsewhere. The Confederate Party strongly condemned the Bill as a "blatant infringement of the principle of racial separation established in the country," and a petition of protest bearing nearly 4,000 signatures was presented to Parliament by Mr Keller (Independent Labour), who declared that if the Bill were accepted it would be "the beginning of the end" for White people in Southern Rhodesia.

The Government, which had announced its intention of resigning if the Bill were defeated, accepted a number of amendments in the Committee stage, whereby (*a*) only the families of African professors and lecturers, and not those of students, might live on the university site, (*b*) inter-racial clubs were required to confine themselves to cultural, welfare, and religious activities, (*c*) only Africans normally resident outside the Federation would be permitted to stay in inter-racial hotels, (*d*) no African professional men except advocates would be permitted to practise in European areas, and such permission would apply only in Salisbury and Bulawayo

The Bill, as amended, passed its third reading on Nov 18 by 19 votes to 10, six Government supporters voting with the Opposition.

The Native Industrial Workers' Unions Bill. A Bill granting a limited measure of recognition to Native trade unions, for the first time in Southern Rhodesia, was introduced into Parliament on Nov. 9 and referred to a select committee. Under the Bill, unions would be enrolled by the Registrar of Native Industrial Unions, and would be required to make available to him copies of their minutes and audited accounts; when the Registrar was satisfied that a union was functioning properly, he would allow it to proceed to full registration. Unions would be organized on an industrial and not a craft basis, only one being allowed in each industry in each centre; the new system, however, would not cover agricultural or domestic workers, nor Africans working in mines with fewer than 300 employees. Conditions of service would be regulated through Native Labour Boards (on which employers and registered unions would be represented), under an independent chairman, and strikes by Native unions would be forbidden.

Mr. Garfield Todd stated on Nov. 9 that the Government would be prepared to go farther than the Bill proposed, and to permit the creation of unions to which both Africans and Europeans could belong, if the Europeans desired it. The select committee would be able to go fully into the matter and could if it thought fit, bring forward a new Bill Mr. Todd pointed out that, although they were not officially recognized, many African unions already existed, and negotiated in the settlement of wage disputes. Some were well conducted and deserved recognition and aid, whilst others were not well run and were not subject to any form of control. Some important industries had no organization whatever such as the Wankie Colliery, where earlier in the year 8,700 Africans had gone on strike. There was no doubt that the strikers had had just grievances, but it had been difficult to get any contact with them because they had no trade union organization of any kind. It was important (Mr. Todd continued) that the Government should know whether workers had just complaints, and that there should be an organization or organizations through which these complaints could be brought to official notice The Government therefore considered that legislation was necessary, but the Bill could only be regarded as an interim measure. Many people and organizations were deeply concerned with the subject, including the existing trade unions, the employers, and the Africans themselves, who had definite ideas and strong feelings on these matters, and the Bill could be improved with their assistance.

The Minister for Native Affairs (Mr. P. B. Fletcher) announced on Oct. 15 that a Native Councils Bill, which would enable the Government gradually to hand over the responsibility for local government in Native townships to the Native residents, would be presented to the Southern Rhodesian Parliament in 1955. Mr. Fletcher was speaking at Seki (near Salisbury), one of the first two African townships in Southern Rhodesia where Africans can obtain freehold title to land, at the handing-over of the agreement of purchase to the first African to buy land in the township. Under the Government's scheme, Africans are able to buy a plot of land at Seki or Ntabazinduna, near Bulawayo, for £25, on condition that a building valued at not less than £150 is erected on it within two years. Seki, when completed, is planned to be a self-contained township covering 5,000 acres, with a population of 25,000, and possessing its own schools, hospitals, churches, business centres, light industries, and recreational facilities.—(Federal Information Department, Salisbury - Cape Times) **(Prev. rep, Immigration, 13333 A.)**

A. UNITED KINGDOM. — Football Pool Figures.

In accordance with the terms of the Pool Betting Act (see 13730 A), which came into force on Jan. 1, 1955, figures were published for the first time on Jan. 19 by the large football pool firms giving their percentage deductions for expenses and commission from the amounts subscribed to the pools for matches played on Jan. 1. These were: Cope's (London), 20.49 per cent; Shermans (Cardiff), 22 per cent; Littlewoods (Liverpool), 19.6 per cent; Vernons (Liverpool), 19.4 per cent; Murphy's (Edinburgh), 19.5 per cent; Clarion (London), 29.6 per cent.

Cope's, Littlewoods, Vernons, and Murphy's are members of the Pool Promoters' Association. Clarion Pools are run by the Labour Party, and, of the 29.6 deduction, 7.5 per cent was distributed to local Labour parties participating in the scheme. Under the terms of the Act, all the figures had to be certified by an accountant appointed by the respective local authority. (Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 13730 A; 13529 B.)

B. INDIA. — Hydro-electric Development. - Opening of First Bhakra-Nangal Power Station.

The Ganguwal power station, the first hydro-electric station completed under the Bhakra-Nangal project, was opened by President Prasad on Jan. 2. The station, which lies on the Nangal Hydel canal 50 miles from Chandigarh (capital of the Indian Punjab), will produce 48,000 kilowatts of energy and will provide electric power for the States of Punjab, PEPSU, Rajasthan, and Himachal Pradesh. A second power-house on the Nangal Hydel canal at Kotla is scheduled for completion by the end of 1955.—(The Hindu, Madras - Indian High Commissioner's Office, London) **(Prev. rep. 13789 A.)**

C. UNITED STATES. — Foreign Bids for U.S. Contracts. - Easing of Conditions.

President Eisenhower issued an Executive Order on Dec. 17, 1954, which considerably lowered the preference given to American tenders for U.S. Government contracts under the "Buy American" Act. The Order directed Government departments to reject U.S. bids as "unreasonable" if they were more than 6 per cent higher than foreign tenders, including tariff duties and all delivery costs, or more than 10 per cent higher excluding such charges, compared with the previous preference of some 20-25 per cent. It was laid down, however, that the 6 per cent rule could be disregarded if the U.S. tenderer with the lowest bid undertook that the work would be performed in an officially certified area of "substantial unemployment" (i.e. areas where 6 per cent or more of the working population were unemployed). At the time of the Order 48 major urban centres out of 148 listed by the Labour Department had been certified as having substantial unemployment, and an additional 97 minor areas were also in this category.

The modifications had been foreshadowed in the President's message to Congress on March 30, 1954, on U.S. foreign trade policy (see 13590 A) They followed representations by Britain and other European countries about the discrepancy between the rejection of their bids on contracts and the avowed American policy of "trade not aid."

On June 23, 1954, a further rejection by the U.S. Army of two lowest British bids had been announced These were for two generators at the Chief Joseph Dam and for two smaller generators at the Dalles Dam on the Columbia River, near Portland (Oregon), for which the English Electric Export and Trading Company had tendered $1.976,428 and $815,393 respectively; the contracts were, however, awarded to the Westinghouse Electric Corporation (the lowest American bidder), which had tendered $2,180,714 and $835,938 Mr. Heathcoat-Amory (then Minister of State, Board of Trade) stated in the House of Commons on June 29, 1954, that the difference between the British tender and the lowest American one was "substantial" and that the result was therefore "extremely disappointing" Representations stressing the importance which Britain attached to the decisions on these contracts had been made while they were under consideration by the U.S. authorities, and further instructions had been sent to H.M. Ambassador in Washington to make representations "at the highest level" expressing "our disappointment that this decision does not follow the more liberal policy which appeared to be foreshadowed by the President's Message to Congress" Mr. Thorneycroft President of the Board of Trade, said in a further statement on Oct. 21 that the U.S. Government had confirmed, in their reply to the British representations, that the U.K. firm's bids were the lowest which complied fully with the technical requirements, but had stated that, after weighing all the factors involved, the bid of the domestic firm had not been considered "unreasonable" under the provisions of the "Buy American" Act.

A subsequent low bid by English Electric for two turbines at the Table Rock Dam on the Mississippi-Arkansas border was, however, accepted by the U.S. Army on Nov. 5. The English Electric bid was $1,066,662, or $143,000 less than that made by the Newport News Shipbuilding and Drydock Co., the lowest American bidder—a difference of 11.82 per cent, or about 21 per cent after allowing for transport costs and tariff charges.—(New York Times - New York Herald Tribune) **(Prev. rep. Chief Joseph Dam, 13012 A; U.S. Trade Policy, 13685 C.)**

D. EGYPT. — Ratification of Suez Treaty.

The Egyptian Foreign Minister (Dr. Fawzi) announced on Nov. 20, 1954, that the Anglo-Egyptian agreement for the progressive withdrawal of British forces from the Suez Canal Zone had been ratified by the Egyptian Government—which, he explained, had both legislative and executive powers—and had been signed by Colonel Nasser, the acting head of State. Instruments of ratification were exchanged in Cairo on Dec. 6 by British and Egyptian representatives.

The Egyptian War Ministry had announced on Nov. 2 that Egyptian troops had taken charge of security arrangements in the Suez Canal Zone. The appointment of Major-General Taha Fath el-Din as G.O.C., Land Forces, Suez Canal Zone, had been announced by the Egyptian Government on Oct. 28. (Times - Daily Telegraph) **(Prev. rep. 13833 A; 13701 A.)**

E. ISLE OF MAN. — Abolition of Double Taxation.

A Bill abolishing double taxation for people residing in the Isle of Man who derive their income from the United Kingdom was approved on Feb. 1 by the House of Keys. By arrangement with the Inland Revenue, the Bill will mean an additional income of approximately £85,000 a year to the Island, as the British Treasury will pay the Manx exchequer the difference between the U.K. standard rate of income tax (9s. in the £) and the Manx standard rate of income tax (5s. in the £).

(Manchester Guardian)

A. UNITED KINGDOM. — Sir Winston Churchill's Woodford Speech. - Parliamentary Statement on "German Arms" Telegram.

In the course of a speech made by Sir Winston Churchill at Woodford (his constituency) on Nov. 23, 1954, the Prime Minister said *inter alia*: "I believe I was the first well-known person to publicly state the fact that we must have Germany on our side against Russian Communist aggression. Even before the war had ended, and while the Germans were surrendering in hundreds of thousands . . . I telegraphed to Lord Montgomery directing him to be careful in collecting the German arms, to stack them so that they could easily be issued again to the German soldiers whom we should have to work with if the Soviet advance continued."

The Prime Minister's remark aroused much comment in Britain and abroad. *The Times*, in an editorial on Nov. 25, said that it was "impossible to see what purpose or good it can serve at this time," and added: "Sir Winston Churchill was the architect of victory, the first to awaken the Western mind to the nature of the Soviet threat after the war, and now the most tireless and most sincere in seeking an accommodation with the Communist Powers . . How much greater the pity that he threw in his ill-timed remark. It will certainly not help to convince the Russians that the Western Powers are straightforward in their declarations of peace today Nor, by suggesting that we were ready to use Nazi-indoctrinated troops in 1945 will it help the cause of West German rearmament now . . ."

The Moscow paper *Pravda*, in its issue of Nov. 28, attacked Sir Winston Churchill for what it described as the "betrayal" of Russia as a war-time ally, and described his Woodford statement as "the self-exposure of a politician who has many a time concealed his aggressive plans by hypocritical phrases"

In response to a question by Mr. Sydney Silverman (Lab.), who asked the Prime Minister whether he would publish the text of the messages he had sent in 1945 to General Eisenhower [then Supreme Allied Commander in the West] "relating to the storing and preservation of German armaments with a view to their re-issue in certain eventualities," the following written reply was made by Sir Winston Churchill on Nov. 25:

"The relevant message to General Eisenhower has already been published. I included it in Volume VI of *The Second World War* (page 499). It read as follows:

'May 9, 1945.—I have heard with some concern that the Germans are to destroy all their aircraft *in situ*. I hope that this policy will not be adopted in regard to weapons and other forms of equipment We may have great need of these some day, and even now they might be of use, both in France and especially in Italy. I think we ought to keep everything worth keeping. The heavy cannon I preserved from the last war fired constantly from the heights of Dover in this war.'

"I may also direct attention" (the Prime Minister added) "to the reference to the situation in Denmark made in a message sent a few days earlier to the Foreign Secretary, of which the following extract was published on page 469 of the same volume:

'May 5, 1945.—In the North Eisenhower threw in an American corps with great dexterity to help Montgomery in his advance on Lübeck. He got there with 12 hours to spare. There were reports from the British Naval Attaché at Stockholm, which we are testing, that, according to Swedish information, the Russians have dropped parachutists a few miles south of Copenhagen and that Communist activities have appeared there. It now appears there were only two parachutists. We are sending in a moderate holding force to Copenhagen by air, and the rest of Denmark is being rapidly occupied . . . by our fast-moving armoured columns. I think therefore, having regard to the joyous feeling of the Danes and the abject submission and would-be partisanship of the surrendered Huns, we shall head our Soviet friends off at this point too . . .'"

The matter was again raised in the House of Commons on Dec. 1 by Mr. Shinwell (Minister of Defence in the Labour Government), who said that Sir Winston's Woodford speech had caused "confusion and bewilderment" in the public mind.

After pointing out that there was no reference whatever in *The Second World War* to the telegram mentioned by the Prime Minister, nor any mention of the possibility of rearming surrendered German troops, Mr. Shinwell suggested that the Prime Minister might in fact never have sent such a telegram but might have confused it with the many other messages he had sent at the time. He also pointed out that Sir Winston's messages to President Truman and General Eisenhower in 1945, though expressing concern at the spread of Communism in the Balkans and the possibility of a Russian threat to Scandinavia, also made no mention of the rearming of surrendered German soldiers.

Sir Winston Churchill, in reply, said that an extensive search had failed to disclose any trace of the telegram he had mentioned in his Woodford speech, and agreed with Mr. Shinwell that the telegram might never have been sent at all or that he (the Prime Minister) might have confused it with other messages sent at the time. Sir Winston made the following statement to the House setting forth the considerations which had been in his mind at the time of the German surrender.

"When I spoke at Woodford I was under the rooted impression that not only had I sent this telegram to Field-Marshal Montgomery, but also that I had published it in the sixth volume of *The Second World War*. In fact, the telegram was not published in the book. I am sorry that in my speech at Woodford I failed to observe the rule which I have so often inculcated in others: 'Always verify your quotation.' Otherwise I should certainly not have made this particular point . . . Therefore, I express my regrets to the House for what I said last week.

"It may well be that I never used these precise words in a telegram to Field-Marshal Montgomery. Indeed. it may be, as Mr. Shinwell has suggested, that it was never sent at all. At any rate, it has not been traced in the official records, although a search of the utmost extent has been made and is still continuing. I have asked Field-Marshal Montgomery and he has replied that he would, at my request, look through any private records that he may have.

"There are, as Mr Shinwell said, various explanations of this. I do not exclude one, which he himself suggested, that the message might have been mixed up. He said that I might have been confused in my mind, 'You know the sort of thing that happens'—those, I think, were his words We all make factual mistakes from time to time. It may be that there are some other reasons, however. It may be that the telegram to General Eisenhower, which has been published in my book, superseded my original intention of sending such a message to General Montgomery. In any case, all was happily overtaken in a few days by events. An entirely new situation presented itself. The immediate emergency did not mature.

"No Cabinet assent was sought for this particular telegram. It was only of a precautionary character and, if it were sent at all, it went only as one of scores of similar messages which were passing at the time about the German surrender Anyhow, if there is any telegram and any question of responsibility for it, I accept it for myself.

"When I come to the facts of what I did in 1945, what I intended to do, and the motives animating them, I have no misgivings. In those days of victory the thought which filled my mind was that all the efforts we had made to free Europe from a totalitarian regime of one kind might go for nought if we allowed so much of Europe to fall into the grip of another totalitarian regime from the east. This is the theme of the sixth volume of my book This was the tragedy which came on us in our hour of triumph. The realization of it filled many of the messages which I sent at that time. I sent an awful lot at different levels. I may easily have been in error as to any particular one.

"The attitude of our Russian allies at that time gave ample grounds for this fear. We had taken up the sword in 1939 on behalf of the independence of Poland. What was happening to Poland in 1945? What has happened to it since? I also had the gravest anxieties about the fate of Denmark in May, 1945. If the Soviet forces had overrun Denmark they would have controlled the Baltic, with all that that involved In such circumstances the same kind of situation would have arisen as that which, four years later, compelled the Western world to create NATO, to contemplate the E.D.C. arrangements, and now to sign the London and Paris agreements.

"The situation which we faced in May, 1945, was grave and threatening. I can find no better words to describe it than those which I used in my telegram of May 12 [1945] to President Truman, the telegram which I have called 'the Iron Curtain telegram' As it states absolutely my line of thought. I ask the indulgence of the House to read it. This was [the telegram] to President Truman:

'I am profoundly concerned about the European situation. I learn that half the American Air Force in Europe has already begun to move to the Pacific theatre The newspapers are full of the great movement of the American armies out of Europe. Our armies are also . . . likely to undergo a marked reduction. The Canadian Army will certainly leave. The French are weak and difficult to deal with. Anyone can see that in a very short space of time our armed power on the Continent will have vanished except for moderate forces to hold down Germany.

'Meanwhile, what is to happen about Russia? I have always worked for friendship with Russia but, like you, I feel deep anxiety because of their misinterpretation of the Yalta decisions, their attitude towards Poland, their overwhelming influence in the Balkans, except in Greece, the difficulties they make about Vienna, the combination of Russian power and the territories under their control or occupied, coupled with the Communist technique in so many other countries, and above all their power to maintain very large armies in the field for a long time What will be the position in a year or two when the British and American Armies have melted and the French has not yet been formed on any major scale; when we may have a handful of divisions, mostly French, and when Russia may choose to keep two or three hundred on active service?

'An Iron Curtain is drawn down upon their front. We do not know what is going on behind. There seems little doubt that the whole of the region east of the line Lübeck-Trieste-Corfu will soon be completely in their hands. To this must be added a further enormous area conquered by the American armies between Eisenach and the Elbe, which will, I suppose, in a few weeks be occupied by the Russian power when the Americans retreat. All kinds of arrangements will have to be made by General Eisenhower to prevent another immense flight of the German population westward as the enormous Muscovite advance into the centre of Europe takes place. And then the curtain will descend again to a very large extent, if not entirely. Thus a broad band of many hundreds of miles of Russian-occupied territories will isolate us from Poland. Meanwhile the attention of

our peoples will be occupied in inflicting severities upon Germany, which is ruined and prostrate and it would be open to the Russians in a short time to advance if they chose to the North Sea and the Atlantic

'Surely it is vital now to come to an understanding with Russia, or to see where we are with her before we weaken our armies mortally or retire to the zones of occupation This can only be done by a personal meeting. I should be most grateful for your opinion or advice Of course we may take the view that Russia will behave impeccably, and no doubt that offers the most convenient solution To sum up, this issue of a settlement with Russia before our strength has gone seems to me to dwarf all others'"

The Prime Minister continued: "Even if the telegram does not exist [i.e the telegram mentioned in the Woodford speech], in general spirit it is not contrary to my thoughts In addition to what would inevitably have come to pass had the Soviets continued their advance into the Low Countries and towards the sea, there was another set of considerations to be borne in mind As we had in General Montgomery's theatre alone more than 1,000,000 disarmed German prisoners-of-war who had surrendered to us, I felt we were responsible for taking measures for their protection; and if we were unable to carry out our terms of capitulation or to afford them that protection for which we were responsible, it might become a matter of honour as well as of policy to give them back their arms

"No trouble could in any case have arisen with the Soviets unless they had continued their advance to a point at which they forced the breaking-out of a new war between Russia and her Western allies. To prevent such a disaster, it might have been a help to warn them that in such a case we should certainly rearm the German prisoners in our hands, who altogether, including those in Italy, numbered 2,500,000 It was never necessary to tell them because they did not do what I felt we had to consider . . .

"I may say that I did not judge the German Army of that time, whatever may have been their political label, by that label I think the majority were ordinary people compelled into military service and fighting desperately in defence of their native land. I also suggest to the House that in modern times war should not be decided on questions of nationality or of the past conduct of any nation, but only on the new guilt of aggression Resistance to aggression must be our dominating thought. That was where I stood at the moment of victory in 1945, and that is where I believe a large majority of the House stands today I am not unduly disheartened by the Russian reaction to what I said last week *Pravda*, like the *Daily Worker*, can always be turned on or off at will. I have always tried to measure what are the true Russian interests at this present time in history. There lies the key. Personally, I believe their interest is in peace and plenty . . ."

In a further statement to the House on Dec. 7, the Prime Minister said that it had not been possible to find "the text of any message sent by me to Field-Marshal Montgomery in May, 1945, concerning captured German arms"; that every effort was being made to find it; and that it would be officially published if it were found. (Times - Daily Telegraph)

A. TANGANYIKA. — Constitutional Reform. - Composition of New Legislature.

The Governor of Tanganyika (Sir Edward Twining) announced on Dec. 2 that, as from the start of the next session in April, 1955, the unofficial membership of the Legislative Council would consist of 10 Africans, 10 Asians (including Arabs), and 10 Europeans, a total of 30 unofficial members against 31 on the official side. The announcement implemented the recommendation of the Committee on Constitutional Development that the Council's unofficial members should be drawn equally from the three races in the Territory, though originally it had been stated that there would be 28 official and 27 unofficial members—nine of each race, representing each of the eight provinces and the municipality of Dar-es-Salaam. The proposal to increase the unofficial membership by a further three members—with a consequent increase in official members to maintain their majority of one—followed discussions with the British Colonial Secretary, Mr. Lennox-Boyd, who visited Tanganyika in October. The three additional unofficial members will represent interests not fully covered by the geographical representation.

Sir Edward Twining also announced (*a*) that he had asked organizations representing different communities and interests to submit names of persons whom they considered most suitable for nomination by him; and (*b*) that, if a general wish existed, the electoral principle would be encouraged on local government bodies such as municipal or town councils

The present Legislative Council consists of 15 official members and 14 unofficial members, of whom seven are European, three Asian, and four African.—(Times - Manchester Guardian)
(Prev. rep. 13639 A.)

B. FRANCE.—Seine-Inférieure Department renamed.

It was announced in Paris on Jan. 21 that the *département* of Seine-Inférieure, on the Channel coast, had been authorized by the Government to change its name to Seine-Maritime. The *département* includes Rouen, Le Havre and Dieppe.
(Le Monde, Paris)

C. JORDAN. — London Discussions on Revision of Anglo-Jordanian Treaty. - New Financial Agreement.

The Prime Minister of Jordan, Tewfik Abulhuda, informed the Jordanian House of Deputies on Nov. 7, 1954, that "in view of the international situation, the altered situation in Egypt, and the expected change of situation in Iraq," his Government thought of amending the Anglo-Jordanian treaty of 1948, and that negotiations would start shortly. The British Foreign Office confirmed on Nov. 8 that the Jordanian Government had made "informal approaches" about a revision of the treaty "in certain respects."

It was pointed out at the Foreign Office that although there was no provision in the treaty (which runs for 20 years but may be revised after 15 years) for a revision of its terms before 1963, the British Government would be prepared to consider any suggestions which Jordan might wish to make [An annex to the treaty provides for the maintenance of R A F. units at Amman and Mafrak airfields, and for the co-ordination of defence questions by the British and Jordanian Governments through a permanent joint advisory body. Britain also has the right to station troops in Southern Jordan and, under the treaty, pays an annual subsidy of £7,500,000 for the support of the Arab Legion This subsidy is paid into an account of the Legion in London, and not to the Jordanian Government.]

Discussions on a possible revision of the treaty were accordingly held in London on Dec. 21-23, the Jordanian Government being represented by Tewfik Abulhuda and Anwar Nuseibi (the Defence Minister), whilst Britain was represented by Mr. Nutting, Minister of State at the Foreign Office, and Mr. Evelyn Shuckburgh, Assistant Under-Secretary for Middle East Affairs, Foreign Office. It was stated on Dec. 23 that the talks had been "purely exploratory." King Hussein of Jordan had arrived in London on Dec. 19 together with his Prime Minister and Defence Minister but took no direct part in the negotiations.

Details of a new Anglo-Jordanian financial agreement were announced in London on Dec. 22, following discussions between a Jordanian delegation, led by the Ministers of Finance and Economics, and British Treasury officials. The agreement provided for British financial assistance to Jordan amounting to £2,500,000 in the financial year beginning April 1955, of which £750,000 would be a grant-in-aid to help the Jordanian Government balance its budget, and £1,750,000 would be an interest-free loan to be spent on a number of agreed projects included in Jordan's five-year economic development plan. The grant-in-aid for 1955-56 was the same as the amounts granted in 1953-54 and 1954-55, whilst the loan compared with £500,000 in 1953-54 and £1,600,000 in 1954-55.

The Jordanian five-year plan (1953-58) covers such projects as irrigation, canalization of the Yarmuk River, food production, exploitation of mineral resources, and improvement of communications by the construction of roads, railways, and a new port at Aqaba.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. U.K.-Jordanian Treaty, 9175 A; Financial Aid, 13261 B; Five-year Plan, 13048 A.)**

D. UNITED KINGDOM. — Purchase Tax Changes.

It was announced on Jan. 21 that the Chancellor of the Exchequer had issued Orders (subject to parliamentary approval) altering the rates of purchase tax on the following classes of goods as from Jan. 24:

Fur skins, fur apparel and fur rugs—reduced from 75 to 50 per cent; paper serviettes, doyleys, table covers, shelf paper, and similar paper articles—reduced from 50 to 25 per cent; household mops—exempted, scientific and clinical thermometers and barometers—no longer liable to the tax charges on similar articles used as household appliances; auxiliary motors for attachment to pedal cycles—hitherto free, now made subject to a tax of 25 per cent.

It was authoritatively stated that the reduction of purchase tax on fur goods, without waiting until the Budget, was a measure of relief to a craft industry similar to that given to the jewellery industry in the pre-Budget tax reductions of January 1954. The heavy rate of purchase tax had affected the home market for the more expensive fur coats to such an extent that production had had to be reduced and foreign buyers were turning for their purchases to Paris or New York rather than to London.

The net cost to the Exchequer of all the changes in a full year was estimated at just under £500,000.
(Treasury Press Office) **(Prev. rep. 13557 A; 13484 A.)**

E. RELIGIOUS LIFE. — Church of England. - New Bishop of Chester.

The Rt. Rev. Gerald Ellison (44), Suffragan Bishop of Willesden, was nominated by H.M. the Queen on Jan. 11 as Bishop of Chester in succession to Dr. Douglas Crick, resigning on Feb. 1.—(Church Times) **(Prev. rep. 13952 B.)**

FEBRUARY 5—12, 1955

A. SOVIET UNION. — Resignation of M. Malenkov. - Marshal Bulganin appointed Prime Minister. - Marshal Zhukov becomes Minister of Defence. - M. Malenkov appointed Minister for Electrical Power Stations.

The Supreme Soviet of the U.S.S.R. (consisting of the Soviet of the Union and the Soviet of Nationalities, sitting in joint session) met in Moscow from Feb 3 to Feb. 9. The following important Government changes were announced during the session: the resignation of M. Malenkov from the post of Chairman of the Council of Ministers (Prime Minister), which he had held for nearly 23 months since Marshal Stalin's death; the appointment as Prime Minister of Marshal Bulganin, hitherto Minister of Defence; and the appointment of Marshal Zhukov as Defence Minister *vice* Marshal Bulganin.

At the Supreme Soviet's session on Feb. 8, the chairman of the Soviet of the Union (M. Volkov) read a letter from M. Malenkov in which he asked to be relieved of his duties as Prime Minister, and in which he admitted his "fault and responsibility" for the "unsatisfactory state of affairs" which had arisen in Soviet agriculture. The Supreme Soviet unanimously agreed to accept the resignation of M. Malenkov, who was present when his letter of resignation was read. The letter was worded as follows:

"I beg to be relieved of the post of chairman of the Council of Ministers of the U.S.S.R. My request is prompted by business-like considerations of the need to strengthen the leadership of the Council of Ministers and the desirability of having a Chairman who possesses greater experience in government activities

I clearly see that my inadequate experience in local work and in the direct supervision of particular branches of the national economy has had a detrimental effect upon the fulfilment of the complicated and important duties of Chairman of the Council of Ministers . . . I see particularly clearly my fault and responsibility for the unsatisfactory state of affairs in agriculture, because, for a number of years, I had been entrusted with the duty of controlling and guiding the work of the central agricultural bodies, and of the local party and government organizations in the sphere of agriculture .

On the initiative and under the leadership of the Central Committee of the Communist Party, a general programme has been worked out to overcome the lag in agriculture, and to achieve its rapid development This programme is based on the only correct principle —the further development of heavy industry to the maximum. The fulfilment of this programme can alone create the necessary conditions for a real advance in the output of all the consumer goods needed

It is to be expected that various bourgeois sensation-mongers will resort to slanderous inventions with regard to my statement, and to the fact of my release from the post of Chairman of the Council of Ministers. But we will ignore these lies and slanders. To everyone of us the interests of our country, our people, and the Communist Party come above all else.

In requesting to be released from the post of Chairman of the Council of Ministers, I want to assure the Supreme Soviet that, in the new field placed in my charge, I shall, under the leadership of the Central Committee of the Communist Party and the Soviet Government, fulfil conscientiously those responsibilities with which I shall be entrusted."

When the Supreme Soviet reconvened some two hours later, M. Nikita Khruschev (First Secretary of the Communist Party of the U.S.S.R.) proposed that Marshal Nikolai Bulganin should succeed M. Malenkov as Chairman of the Council of Ministers. M. Khruschev praised Marshal Bulganin for his "great experience in political, State, and economic activities," and expressed confidence that a Government headed by him would "secure the development of heavy industry and, on this basis, of the light and food industries and agriculture." Marshal Bulganin's appointment as Chairman of the Council of Ministers was unanimously confirmed by the Supreme Soviet.

Marshal Nikolai Bulganin (60), who is not a professional soldier, was born at Nizhni-Novgorod (now Gorki), and is reputedly of middle-class origin. The son of a factory accountant, he attended a commercial secondary school, interested himself in economic and financial questions, and joined the Communist Party before the October revolution. During the early years of the Communist regime he was mainly concerned with organizational and counter-intelligence work, and in the 'thirties helped to organize the electrical industry. He was Mayor of Moscow from 1933-1937, and was also chairman of the State Bank. After the German invasion in 1941 he became a member of the Military Council, and was entrusted by Marshal Stalin with the co-ordination of several departments vital to the Soviet war effort—the ferrous and non-ferrous metals, rubber, cellulose and other industries. He organized the civilian defence of Moscow with great ability at the time of the German advance on the capital, and was subsequently given the task of supervising the political indoctrination of the armed forces. Created a Marshal of the Soviet Union towards the end of the war, he succeeded Marshal Stalin as Minister for the Armed Forces in 1946, and at the same time became a Vice-Premier. He relinquished the post of Minister for the Armed Forces in 1948, but re-entered M. Malenkov's Cabinet in 1953, after the death of Marshal Stalin, as a Vice-Premier and Minister of Defence.

Marshal Bulganin made his first speech as Prime Minister to the Supreme Soviet on Feb. 9, extracts being given below:

Heavy Industry. "Heavy industry is the basis of the defensive capacity of our country and our military forces. Without our heavy industry we should not have achieved victory during the war . . . Heavy industry provides for the development of all branches of our national economy, and is the source of the constant growth of the well-being of our people."

Agriculture. One of the Government's most important tasks would be to put into effect the measures worked out by the Communist Party on agriculture, which were directed towards satisfying the growing demands of the population. Among the means of achieving this goal were increased crop yields, lower losses during the harvest, and the reclamation of virgin land The further development of agriculture required an increased supply of tractors and other machinery, which could be provided only by heavy industry. The production of consumer goods would be expanded during the present year "on the basis of heavy industry and agriculture."

Productivity Problems. Special attention would have to be paid to scientific research and its application to production In spite of many technical achievements, there were still "many shortcomings" in the application of modern methods to production The year 1955 would be "a year of further improvement in the well-being of the Soviet people," since industrial production would be increased by 9 5 per cent over 1954 and by 80 per cent over 1950 One of the most important factors was an increase in labour productivity, "but in this vital matter there are serious shortcomings Only on the basis of increasing labour productivity can we raise the production of consumer goods" The cost of the Government apparatus would have to be reduced, and bureaucracy brought to an end.

Relations with the West. Marshal Bulganin said that friendly relations had existed during the war between the United States, Britain, France, and the Soviet Union, and that it was "not our fault that they have changed" He declared that the Western Powers were basing their policy not on friendship and co-operation but on "positions of strength," while the Soviet Union stood for "negotiations and relations which lead to a reduction of international tension" These negotiations could only be successful if all parties strove towards this end

Formosa. After declaring that the United States was following "a dangerous road" over Formosa, Marshal Bulganin said: "One is astonished at the attitude which is taken in connexion with that problem by the United Nations Until now it has not condemned the aggressive action of the U S A against China, and has not demanded from the U S A the immediate withdrawal of her armed forces from Formosa and the restoration of the legitimate rights of the Chinese People's Republic. The policy of the Chinese Government concerning that problem has the complete approval and support of our side. The Chinese People's Republic has the sympathy of the Soviet people and of all progressive mankind because she is leading a struggle for a just cause, for the honour and independence of her country. In that noble cause, the Chinese people can count upon the help of their faithful friend, the Soviet Union."

Defence. Since the war the Government had done "tremendous work" in supplying the Soviet armed forces with modern weapons, and the armed forces were "ready to fulfil any instructions of the Communist Party and Soviet Government." Marshal Bulganin added that history had shown that "all who have attacked us have met their doom," and that "our people have always been able to stand up for themselves" The country's defensive capacity would continue to be one of the Government's main concerns.

Marshal Grigori Zhukov—who commanded the Soviet forces which captured Berlin in 1945, and who, unlike Marshal Bulganin, is a professional soldier—was appointed Minister of Defence on Dec. 9 in succession to Marshal Bulganin.

Marshal Zhukov (58) entered the Russian Army in 1918, joined the Communist Party a year later, and has had an exclusively military career Chief of the Soviet General Staff during the Second World War, he halted the German offensive at the gates of Moscow, subsequently organized the Soviet Army's break-through from Leningrad, and in November, 1944, took over command of the armies which, in a series of great counter-offensives, drove the Germans from Russia and Poland, advanced into Eastern Germany, and captured Berlin. He accepted the surrender of the German Army in 1945 on behalf of the Soviet High Command. For some time after the war he was Soviet C-in-C and High Commissioner in Germany, and maintained cordial relations with General Eisenhower and Field-Marshal Montgomery, the U S. and British commanders-in-chief. In July, 1946, Marshal Zhukov was released from that post and appointed to the relatively minor post of commander of the Odessa garrison. For some years thereafter he remained in obscurity and received little or no mention in the Soviet Press, though continuing to be a member of the Communist Party's Central Committee After Marshal Stalin's death he entered the Malenkov Cabinet as First Deputy Minister of Defence. Marshal Zhukov holds many high Soviet decorations, and was made a Knight of the Bath by the British Government for his part in the defeat of Germany.

It was announced at the final session on Feb. 9 that M. Malenkov had been appointed Minister for Electrical Power Stations (a post hitherto held by M. Alexei Pavlenko) and would also be a Deputy Premier in the Council of Ministers.
(Soviet Weekly - Times - Manchester Guardian)

(Prev. rep. Supreme Soviet, 13614 A.)

A. UGANDA. — Test Case on Deposition of Kabaka of Buganda. - Report and Recommendations of Hancock Commission. - Ending of State of Emergency. - Formation of All-Uganda Party.

A civil action to test the legality of the British Government's deposition and deportation of the Kabaka of Buganda in November, 1953, was heard in the Uganda High Court from Sept. 27 to Oct. 7, 1954, before the Chief Justice of Buganda, Mr. J. B. Griffin, Q C The case was brought by three of the Kabaka's nominees in the Lukiko against four unofficial members and the Attorney-General of Uganda, Mr. Ralph Dreschfield, Q.C. It was claimed that the Kabaka's deposition was null and void and that the Lukiko members were not entitled to take their seats because their appointments had not been confirmed by him. The Attorney-General was named in the case "because it is obviously directed at the British Government."

For the plaintiffs, Mr W J. K. Diplock, Q.C , conceded that in dealing with the Kabaka and with subsequent events the Crown would have had a perfect right to withdraw from the Uganda Agreement of 1900 by act of State, and that no court could then have questioned its action The Crown had purported, however, to fulfil the 1900 Agreement, and although the British Government were therefore still subject to its provisions they had not acted in conformity with them He also argued that if the Kabaka, the chiefs, and the people had all not co-operated loyally there might have been grounds under the Agreement for withdrawing recognition from the Kabaka, but in actual fact the charge had only been made against the Kabaka alone

Mr. Diplock recalled that the Governor, on the instructions of the British Government, had endeavoured to induce the Kabaka to sign three undertakings promising to abide by the Government's decision. The Kabaka, however, had refused to sign without consulting the appropriate constitutional organ set up under the 1900 Agreement to represent the people of Buganda [i e. the Lukiko], and for this reason recognition had been withdrawn from him Mr Diplock challenged the right of the Secretary of State to be the sole judge of whether the Kabaka, the chiefs and the people were co-operating loyally according to the terms of the agreement. He contended that the Governor had deported the Kabaka before the emergency had been proclaimed and had infringed the 1900 Agreement by appointing regents, an eventuality only provided for during the Kabaka's minority , submitted that the Governor had no right to bring emergency powers into force on Nov. 30, 1953, as the country was entirely tranquil ; and claimed that if recognition had been withdrawn from the Kabaka under the Agreement, the Kabaka's powers could not be carried out by Ministers as regents, even under customary law.

Mr. Dreschfield, for the defendants, argued that the withdrawal of recognition and the appointment of regents were acts of State under the Foreign Jurisdiction Act, 1890, and were outside the court's jurisdiction At best, all that the court could do was to submit the question to the Secretary of State, whose answer would be final The court could no more inquire into the withdrawal of recognition from the Kabaka than it could into a withdrawal of recognition "from the King of Spain or the Emperor of Abyssinia" Mr S Chapman (also appearing for the defendants) contended that the Uganda treaty had never been laid before the British Parliament and that nothing in it could alter its status as a quasi treaty—quasi because it had been made with a native ruler who was not recognized as head of a sovereign State. In any case, it gave the British Government powers to protect and overrule, and left their prerogative unfettered and unimpaired.

The Kabaka, in evidence taken in London and read to the court, stated that he invariably consulted his three Ministers on every major matter of administration and policy and that, although he had the theoretical right to reject their advice, he had never done so in any major matter. He denied that there had been any difference between himself and his Ministers on the question of signing the undertakings presented to him by the Governor, saying that it was, in fact, on the advice of his three Ministers that he had refused all the Governor's requests at their final meeting. When asked by Mr. Dreschfield whether the memorandum of March, 1953, on constitutional reform had been kept secret from the Lukiko until it had been agreed and signed, the Kabaka, whilst denying that he had signed it, nevertheless admitted that he had agreed to it without consulting the Lukiko ; he had done this, he said, because the document stated that the Lukiko would be consulted on matters that concerned it.

The Chief Justice, delivering judgment on Nov. 4, rejected the plaintiffs' case on the ground that the Kabaka had no legal right to recognition, and that the Crown could not therefore be forced to recognize him as African ruler of Buganda. However, in case the question went to appeal and his ruling was found to be wrong, the Chief Justice discussed the question of whether any right to withdraw recognition under Article 6 of the Uganda Agreement of 1900 had arisen on Nov. 30, 1953. He found in this respect that the Colonial Secretary had been mistaken because, although the Kabaka had certainly failed to abide by decisions of policy, in which case the Crown could have invoked Article 20, there had been no failure of the kind visualized in Article 6—i.e., failure to co-operate loyally in matters of the day-to-day administration and organization of the Kingdom of Buganda.

The Kabaka's refusal to abide by decisions of policy as communicated to him, said the Chief Justice, "clearly at that stage constituted a disregard on his part of his duty under the terms of the Agreement to acknowledge and abide by the overrule of the Crown through the Protectorate Government." It was manifest that, the Kabaka having evinced an intention to pursue a disloyal policy, the Crown could perfectly correctly have exercised its rights under Article 20 and brought the agreement to an end Similarly, recognition could have been withdrawn by an act of State In fact, however, the withdrawal had been made under Article 6, which did not deal with co-operation in the abstract but with co-operation in the organization and administration of Buganda—an obligation not placed on the Kabaka alone, but on the Kabaka, chiefs and people conjunctively. Article 20, in contrast, did not deal exclusively with organization and administration but with wider matters of policy, and the obligations which it placed upon the Kabaka, chiefs, or people existed disjunctively The Chief Justice recognized that if the Kabaka had consulted the Lukiko a situation might quickly have arisen in which all three parties might have failed in their obligations, "but that stage had not been reached." He found, therefore, in the event of an appeal against his decision being successful, that "a right under Article 6 of the agreement to withdraw recognition had not arisen on Nov 30, 1953." The Attorney-General's argument that withdrawal was an act of State was rejected on the ground that the British Government, in withdrawing recognition from the Kabaka, had purported to apply its legal rights under Article 6 of the Agreement of 1900.

Apart from this, the Chief Justice held that the Governor had a perfect right to bring the emergency powers Order-in-Council into operation, and that the regents had been lawfully appointed

The agreed recommendations of the Conference, which had met from June 24 to Sept. 17, 1954, at Namirembe (near Kampala) under the chairmanship of Sir Keith Hancock to consider the constitutional problems of Buganda, were published as a White Paper on Nov. 16. The Conference proposed, among other things, that the Kingdom of Buganda, under the Kabaka's government, should continue to be an integral part of the Protectorate ; that the conduct of public affairs in Buganda should be in the hands of Ministers ; and that, while all the traditional dignities of the Kabaka should be fully safeguarded, Kabakas should in future be constitutional rulers bound by a Solemn Engagement to observe the conditions of the agreements regarding the Constitution and not to prejudice the security and welfare of the Buganda people and the Protectorate.

The White Paper also contained (*a*) an explanatory memorandum issued by the Namirembe Conference, and (*b*) a statement by the Governor of Uganda (Sir Andrew Cohen) on a number of separate recommendations regarding the Executive and Legislative Councils of Uganda, as an immediate step towards implementing the Government's policy of constitutional development for Uganda as a whole.

It was stated in an introductory section to the White Paper, and announced in the House of Commons on the same day by the Colonial Secretary (Mr. Lennox-Boyd), that the judgment of the Chief Justice of Buganda in the test case before the Uganda High Court, and the constitutional proposals of the Namirembe Conference ("which, if accepted by the Lukiko, will settle satisfactorily the points of difference which arose last year") had created "a new situation in which there is both need and opportunity for a new approach to the question of the Kabaka." The statement continued . "H.M. Government, after full consultation with the Governor, have therefore decided that, subject to certain conditions and after a suitable interval, the Lukiko should be given the opportunity to choose whether a new Kabaka should be elected or whether Kabaka Mutesa II should return as Native Ruler of Buganda."

These conditions were as follows .

"(1) The agreed recommendations of the Namirembe Conference should be accepted as a whole by the Great Lukiko.

"(2) H.M Government and the Lukiko should agree the terms of the Solemn Engagement recommended by the Namirembe Conference to be entered into by the Kabaka. The amendments and additions to the 1900 Agreement to give effect to the agreed recommendations should also be agreed by H.M. Government and the Great Lukiko, and the Amending Agreement should be formally executed by the Governor on behalf of H M. Government and by the regents and representatives of the Lukiko on behalf of Buganda, and be brought into effect.

"(3) In order that the new arrangements may be well established before it is called upon to make the decision, the choice of the Great Lukiko whether Kabaka Mutesa II should return as Native Ruler or whether a new Kabaka should be elected should be made nine months after the new arrangements have been brought into effect H.M. Government will, however, be glad to shorten the period if they are convinced before the end of it that the constitutional arrangements have become well established and are working satisfactory. H.M. Government will make every effort to ensure that they are brought into effect by March 31 next year."

The statement added that when the choice of the Lukiko had been made "the Kabaka will be required to enter into the Solemn Engagement and to sign and thereby confirm the amending Agreement before he is recognized by H.M. Government."

It was also announced that H.M. Government had accepted the Governor's recommendations on the constitutional reforms for Uganda, and that these would be put into effect "as early as possible."

A summary of the recommendations of the Namirembe Conference, and of the Governor's separate recommendations, is given below.

Recommendations of Namirembe Conference.

Constitutional Arrangements in Buganda (Arts. 1-29). The Kingdom of Buganda under the Kabaka's Government should continue to be an integral part of the Uganda Protectorate. The monarchical constitution of Buganda should be retained, as well as the traditional status of the Kabaka, who, it was recommended, should retain all his traditional styles and dignities and continue to be the symbol of the unity of the people of Buganda. Succession would, as hitherto, be by descent and election by the Lukiko, subject, however, to approval by the British Government, without which "no person shall be recognized as Kabaka." The conduct of public affairs should be the responsibility of six Ministers, each of them politically responsible for his own department. They should be elected by the Lukiko, approved by the Governor and formally appointed by the Kabaka.

The duration of a Lukiko should be five years and a Ministry's term of office should be coterminous, provided that it had not earlier been defeated by a two-thirds majority of the Lukiko's membership on a vote of confidence on an "important matter," or collectively dismissed by the Governor in Council for failing to act upon formal advice given to it by the Governor in Council Ministers could be individually dismissed in cases of conviction for grave criminal offences, physical or mental incapacity, or persistent failure to carry out the Minister's policy in important matters. A permanent Civil Service would be established, controlled by an Appointments Board set up by the Kabaka on the advice of the Katikiro (Chief Minister) and with the approval of the Governor. The composition and method of election of the Great Lukiko should remain unaltered for the present.

Article 28 laid down that "every Kabaka shall henceforward on becoming Kabaka enter a Solemn Engagement with the Great Lukiko and people of Buganda and with H.M. Government, formally accepting and agreeing to be bound by these articles and by the Uganda Agreement, 1900, and any amendments thereto, and undertaking not to prejudice the security and welfare of his people and the Protectorate." Article 29 declared that "so long as the Kabaka shall observe his Solemn Engagement, H M. Government agrees to recognize the Kabaka as the ruler of the Kingdom of Buganda."

Relationship of Buganda with the Protectorate (Arts. 30-43). The functions entrusted to the Kabaka's Government would be formally defined in a document which would be brought into operation simultaneously with the present agreement; meanwhile the arrangements of March 1953, whereby important new functions were to be taken over by the Buganda Government, were reaffirmed The Buganda and Protectorate Governments would keep in close touch with each other through consultative committees—consisting of Ministers, high officials, and the Lukiko Committee concerned—on matters of education, local government and community development, medical and health questions, and natural resources. The Protectorate Government would also help the Buganda Government through the advice of Protectorate officers and through the inspection services transferred to the Buganda Government

Disputes between the two Governments which could not be resolved through the consultative committees would be referred to a joint meeting of the Executive Council and the Buganda Ministers under the chairmanship of the Governor; such a meeting (which could also be convened to resolve any disagreement arising out of a reply by the Governor to a resolution of the Lukiko) "shall not only have regard to the general interests of the Protectorate but shall also take fully into account and give due weight to the views of Buganda" If, after these consultative processes had been exhausted, an issue remained unresolved which, in the opinion of the Governor in Council, affected "peace, order, or good government," the Governor in Council could give formal advice to the Buganda Ministry, and if the latter then refused or failed to act in accordance with such advice the Governor in Council could dismiss the Ministry. In agreeing to laws passed by the Lukiko the Governor should be entitled to act in his discretion, after consultation with his Executive Council on any question of principle.

The financial needs of Buganda would be reviewed periodically by the two Governments, so that Protectorate grants to Buganda might be on a firm basis for periods of at least three years. The agreed recommendations also dealt with the development of local government bodies and the appointment of suitably qualified Baganda as Assistant Residents.

Citizenship (Art. 44). H M. Government should be requested to consider the question of creating a citizenship of Uganda, whereby a sense of unity might be fostered.

Justice and Local Administration in Buganda (Arts. 45-47). The work of separating the Judiciary from the Executive should be started immediately, and a committee appointed to examine the problems involved in developing a system of courts of common jurisdiction for all races and for urban and rural areas alike, and in the provision of legal training facilities for Africans A committee should also be set up to consider, as a question of urgency, the establishment of new local authorities in Buganda.

Review (Art. 48). In order to secure a period of stability, no major changes in the above constitutional arrangements should be introduced for six years, after which time there should be a review.

Uganda Agreement of 1900 (Art. 49). This should be amended to the extent required by agreement on the above Articles, but should otherwise continue in its present form.

Governor's Recommendations on Uganda.

General Changes. A ministerial system should be introduced. Seven members of the public (including five Africans) should be invited to join the Government and sit on the Government side of the Legislative Council; five of the seven (including three Africans) would become members of the Executive Council with the status of Ministers, and the two remaining Africans would be appointed Parliamentary Under-Secretaries. Of the five Ministers, two—one African and one other—would have full executive responsibility under the Governor for groups of departments; one (an African) would be an Assistant Minister working under the Minister concerned with Social Services (covering education, health, African housing, and labour); and the two others would be expected to concern themselves with particular spheres of Government activity, without having executive responsibility The selection of these Ministers and Parliamentary Under-Secretaries, and the allocation of responsibilities to them, would be in the Governor's discretion.

Executive Council. The membership should be reduced from 16 to 15, comprising the Governor, nine official members (including the Attorney-General) and the aforementioned five unofficial members (including three Africans) Six or seven of the official members should have ministerial status and executive responsibility for departments. The Executive Council would be the principal instrument of policy and its members would be required publicly to support any policy decided upon by it, whilst the Governor would not act against its advice "save in exceptional circumstances."

Legislative Council. This body had recently been reorganized and enlarged (see 13150 C) and no large-scale alteration was therefore recommended Nevertheless, as Buganda (with three members) was somewhat under-represented, it was proposed that the number of representative members from Buganda be increased to five To make this possible the European and Asian members of the Council had each stated their willingness to give up one of their seven seats, the two members concerned transferring to the Government side of the Council on what was at present the cross-bench; as this would increase the Government side of the Council from 28 to 30, the representative side should be similarly increased by the addition of two further African members and would thus consist of 18 Africans, six Asians and six Europeans.

The Government side of the Council, in addition to 10 or 11 official members, would include the above-mentioned seven members of the public, i e, the five new Ministers and the two African Parliamentary Under-Secretaries. With the introduction of "so substantial an element drawn from the general public on to what has hitherto been the official part of the Government side of the Council (said the Governor) I can see no reason for the retention of the cross-bench in its present form," and it should therefore be converted into a Government back-bench, its members still being free—as at present—to speak and vote as they liked except on a motion of confidence. With these changes, the number of Africans on the Council would be increased to 30 (18 on the representative side, 12 on the Government side) out of a total membership of 60

Review of Arrangements. In order that a period of stability might be secured, no major changes should be made in these constitutional arrangements for six years. Assuming that they were introduced in 1955, the position should be reviewed early in 1961 with a view to introducing any agreed changes early in 1962.

Question of East African Federation. After quoting the assurance on East African Federation given by the Colonial Secretary in the House of Commons on Dec. 2, 1953 (see p. 13346, col 2), the Governor reiterated that this was a "solemn and morally binding pledge" which provided "a full safeguard for the future." He added: "In order to ensure that, should the occasion ever arise in the future, public opinion throughout the Protectorate should be able to express itself fully and clearly, I am prepared to recommend to the Secretary of State [for the Colonies] that it should be laid down now that, should the occasion ever arise in the future to ascertain public opinion in terms of this pledge, the Protectorate Government would at that time consult fully with the Buganda Government and the other Authorities throughout the country as to the best method of ascertaining public opinion."

The Government's decision, which was read to the Lukiko by Sir Andrew Cohen, was misinterpreted by the large crowd who listened to a translation relayed to them over loud-speakers outside the building. The crowd appeared to have been under the impression that the interpreter had said that a new Kabaka should be elected, and their shouts drowned the statement that, alternatively, Kabaka Mutesa II might be allowed to return. Although the Governor was heard in respectful silence by the Lukiko, and although the Katikiro appealed for quiet, the continuing tumult outside the chamber eventually compelled the Governor to break off his speech.

In a broadcast later the same day (Nov. 16) he emphasized that he would not be diverted from a policy which was of "vital importance" to the country by "the ill-mannered action of irresponsible crowds."

In the British House of Commons, Mr. James Griffiths welcomed "the new approach to this problem" on behalf of the Opposition. Mr. C. J. Alport (C) asked whether, in view of the definite position taken up by the Governor 12 months ago, this change of policy was fully acceptable to him or whether any pressure had been brought to bear on him to accept the change of view. Mr Lennox-Boyd, deprecating the phrase "change of policy," stressed in reply that there had been a change of situation which had created both an opportunity and the need for a new approach, and that the Government's decision had been taken after full consultation with the Governor

The Kabaka, in a statement issued in London, expressed satisfaction at the British Government's decision and declared: "My future is now in the hands of the Lukiko. If they decide that they want me back, I hope that I shall return with the least possible delay."

The Lukiko, meeting on Nov. 17, passed a resolution affirming that it would elect no other Kabaka so long as Mutesa II was alive, and also decided to apologize to Sir Andrew Cohen for the events of the previous day. It then adjourned to consider the constitutional proposals, and on reassembling on Dec. 21 decided to appoint a committee of seven Africans to discuss, in conjunction with two legal experts, the implications of the proposals. Replying to the Lukiko's decision on Jan. 13, the Governor raised no objection to the establishment of a new committee, but warned the Lukiko that this was likely to delay the possibility of the return of Kabaka Mutesa II.

The reply pointed out that the Namirembe recommendations, which provided a "very substantial political advance for the Baganda," were closely interrelated and required to be read and decided upon as a whole. "H.M. Government, having accepted the Namirembe recommendations, are most unlikely to be willing to enter into fresh negotiations on the same subject, or to agree to new recommendations as a result of the work of a second Lukiko committee," it stated, adding that it was not clear what the appointment of the new committee was likely to achieve. If the new precedure delayed the bringing into force of their recommendations, responsibility for postponing the possibility of Mutesa's return would rest with the Lukiko.

Before the publication of the recommendations of the Namirembe Conference, the formation had been announced in Kampala on Oct. 20 of a new party under the name of the All-Uganda Party. Formed by a group of African professional and businessmen, the new party had as one of its main aims the return of the exiled Kabaka as a constitutional monarch.

Orders ending the state of emergency in Buganda, lifting the publication ban on the *Uganda Post* and *Uganda Express*, and rescinding the deportation order against the editor of the *Uganda Express*, were signed by Sir Andrew Cohen on Jan. 10. (Times Daily Telegraph - Manchester Guardian)

(Prev. rep. 13794 C.)

A. SOUTH AFRICA. — Election of Senate Natives' Representatives. - Formation of Joint Senate-House Group. - Dr. Colin Steyn elected to Senate.

In elections on Dec. 8, 1954, for the Natives' Representatives in the Senate the two sitting members were re-elected, Mr. W. G. Ballinger (Liberal) defeating Mr. R. F. G. Pretorius for the Transvaal and Orange Free State seat, and Major C. Cowley (Independent) defeating Mr. Sidney Smith for the Natal seat. Mr. Ballinger, who stood as an advocate of equal partnership between the races and as an opponent of "unjust racial discrimination," received 593,902 votes against 386,834 for Mr. Pretorius, who supported the Nationalists' *apartheid* policy. The two other Natives' Representatives in the Senate were returned unopposed—Mr. W. M. N. Campbell (Independent) for the Transkei electoral division of Cape Province, and Mr. Leslie Rubin (Liberal) for the Cape Province outside the Transkei.

The four newly-elected Natives' Representatives in the Senate, together with the three in the House of Assembly (see 13954 F), agreed on Jan. 20 to work as a single group in Parliament, irrespective of their party affiliations, and to hold regular meetings to discuss a common approach to all aspects of Native policy. Mrs. Ballinger was elected chairman of the group.

Dr. Colin Steyn, leader of the United Party in the Orange Free State, who lost his seat in the House of Assembly in the 1953 general election (see 13005 A), was elected a Senator for Natal by the Natal Electoral College on Dec. 8 in succession to Mr. G. Heaton Nicholls, leader of the Union Federal Party, who had resigned after the recent Provincial elections.

(Cape Times - Die Burger, Cape Town - South African High Commissioner's Office, London) **(Prev. rep. 13954 F.)**

B. SOVIET UNION. — Offer to disclose Data on Peaceful Uses of Atomic Energy. - Aid in Atomic Research offered to China and East European Countries.

The Soviet Government issued a statement on Jan. 14 which (1) referred to the fact that the first industrial electric power-station working on atomic energy had gone into operation in the U.S.S.R during 1954; (2) announced that the Soviet Union was prepared to make public the scientific and technical experience gained in this field, as a contribution towards international collaboration in the peaceful uses of atomic energy; and (3) expressed its readiness to submit details of the industrial power-station and its working to the international conference on the peaceful utilization of atomic energy which would be held in Geneva during 1955, in accordance with the resolution adopted at the ninth session of the U.N. General Assembly.

A further announcement was issued in Moscow on Jan. 17 stating that the Soviet Government was ready to give scientific and technical assistance in the utilization of atomic energy for peaceful purposes to the Chinese People's Republic, Poland, Rumania, Czechoslovakia, and Eastern Germany.

The announcement added (1) that the Soviet Union had proposed to these countries that it should give them "all-round assistance in designing, supplying equipment for, and constructing experimental atomic piles of a thermal capacity of up to 5,000 kilowatts"; (2) that these countries would also be allocated "the necessary quantities of fissionable material for atomic piles and scientific work"; (3) that scientists and engineers of the countries concerned would be given the opportunity "to acquaint themselves with scientific research work being carried out in the U.S.S.R. in the sphere of utilization of atomic energy for peaceful purposes, and with the operation of experimental atomic piles", and (4) that, as a result of this co-operation, the countries concerned would be enabled "to develop scientific research in nuclear physics on an extensive scale, to obtain from the experimental atomic piles sufficient quantities of radioactive isotopes for use in medicine and biology, and to train scientific and engineering *cadres* for the further development of work for the peaceful use of atomic energy."

It was stated that consideration was being given to the question of extending the number of countries which the Soviet Union would be prepared to assist in utilizing atomic energy for peaceful purposes.—(Soviet Weekly) **(Prev. rep. U.N. Resolution, 13993 A, page 13994; Soviet Atomic Power Station, 13685 E.)**

C. UNITED STATES. — Congressional Elections. - Final Voting Figures.

Final voting figures for the mid-term Congressional elections on Nov. 2, 1954, tabulated by the Associated Press and published on Dec. 20, showed that the total vote for House candidates was 42,577,696, of which the Democrats received 22,281,988 (52.3 per cent) and the Republicans 20,096,661 (47.2 per cent). The Democratic majority of 2,185,327 included 171,000 Liberal Party votes for Democratic candidates in New York and nearly 18,000 Republican votes cast for the Democratic candidate in New York's 18th District, where the Republicans had no candidate. Outside the traditionally Democratic southern States (where the Democrats received 3,006,063 votes to the Republicans' 656,050), however, the Republicans had a majority of 164,686, with 19,440,611 votes against the Democrats' 19,275,925. The Democrats received a majority of votes in 26 States (including 11 in the South) and the Republicans in 22 States.—(New York Times) **(13881 A.)**

D. BRAZIL - BOLIVIA. — First Rail Link.

A railway linking the Brazilian town of Corumbá, in the State of Mato Grosso, and the Bolivian town of Santa Cruz de la Sierra was opened on Jan. 5 at a ceremony attended by President Café Filho of Brazil and President Paz Estenssoro of Bolivia. The railway, the first rail link between the two countries, has a length of 680 kilometres (425 miles) and took 15 years to build. It was financed jointly by Brazil and Bolivia and marked the penultimate stage in the completion of a transcontinental rail route between the Brazilian port of Santos and the Chilean port of Arica. The remaining stage of the route will consist of a 511-km. stretch in central Bolivia between Santa Cruz de la Sierra and Vila Vila, crossing the Andes. (Bank of London and South America)

E. AUSTRIA. — New Envoys in London and Rome.

It was announced in Vienna on Jan. 13 that Dr. Johannes Schwarzenberg, Austrian Ambassador in Rome, would succeed Dr. Lothar Wimmer (retiring) as Ambassador in London, and that Dr. Max Löwenthal-Chlumecky, the Ambassador in Buenos Aires, would succeed Dr. Schwarzenberg at the Rome Embassy.—(Wiener Zeitung) **(Prev. rep. 13377 E.)**

A. BURMA. — U Nu's Visit to China, North Vietnam, and Cambodia. - Appeal for Friendship between China and the United States.

The Burmese Prime Minister, U Nu, paid a visit to China from Nov. 30 to Dec. 16, 1954, stopping *en route* at Hanoi on Nov. 29 for a meeting with President Ho Chi-minh of North Vietnam. A communique issued in Hanoi on that date said that both Governments were "interested in the problem of consolidating peace in Indo-China," and were in complete agreement on the five principles of peaceful co-existence laid down in the Sino-Indian and Sino-Burmese joint declarations (see 13661 A; 13711 B).

After staying in Peking from Dec. 1 to Dec. 5, during which period he had discussions with President Mao Tse-tung, Mr. Chou En-lai, and other Chinese Government leaders, U Nu made a four-day tour of Manchuria, inspecting industrial enterprises at Mukden and other cities. On Dec. 10 he returned to Peking, where he made an important speech—at a dinner attended by members of the Chinese Government—appealing for friendship between the U.S.A. and China, and giving an assurance that Burma would not allow her territory to be used as a base for unfriendly activities against China.

Declaring that "very firm foundations" had been laid for Sino-Burmese friendship, U Nu continued: "Since our first meeting in Rangoon, and in the course of our subsequent meetings, I mentioned to Prime Minister Chou how we had at one time entertained grave apprehensions about the possibility of interference by the People's Republic of China in our internal affairs" China, he continued, might have similar apprehensions lest Burma should allow herself "to be used as a stooge by the enemies of China" by supplying air and naval bases for a possible attack, and facilities for espionage and sabotage. He could give "an unequivocal assurance," however, that "we will under no circumstances be stooges of any Power," and that Burma would never go back on her pledges of friendship to China. Burma was engaged in constructive long-term plans for uplifting her people, and for that reason was determined to do everything possible for the maintenance of peace.

"I feel," U Nu went on, "that most of the tensions in East Asia will be relaxed if an understanding can be brought about between the People's Republic of China and the United States I also feel that it would not be very difficult to bring about this understanding. If only some people with courage and sincerity can bridge the gulf between these two countries, instead of setting them against one another, most of the tensions between them will be considerably relaxed, if not totally eliminated. Neither of these two countries can be termed evil. Let each of them follow its own political system. Any political system which is accepted by the majority of the people of a country must be considered as the best for that country.

"As a people, the Americans are very generous and brave. In the sphere of scientific knowledge, the Americans have developed to such an extent that they can make this world a happy and prosperous place to live in. The Chinese people are also very generous and brave. They enjoyed a high degree of civilization at a time when the rest of the world were barbarians. Therefore we have a great affection and regard for both these peoples. Our regard for the Chinese is perhaps greater, since the Chinese and the Burmese peoples are close neighbours and have suffered alike in history . . . The Government which I have the privilege of leading, far from accepting one-sided aid that may cause apprehension in either of these two countries, will not even entertain thoughts of accepting such aid. Nor will it pursue any course of action at the behest of one that will cause concern to the other . . . We do not want these two great countries to confront each other with bitterness and hostility. As a friend of both, we want them to be on the friendliest of terms. I want to take this opportunity of assuring Premier Chou En-lai that I will do my utmost to bring about an understanding between the People's Republic of China and the United States . . ."

A communiqué issued in Peking on Dec. 12 stated that the talks between U Nu and members of the Chinese Government had taken place "in a very cordial and friendly atmosphere," and that agreement had been reached on the following points:

(1) The "five principles of peaceful co-existence" had been re-affirmed as a basis for relations between the two countries.

(2) Each country would establish Consulates-General in appropriate cities of the other country in the near future.

(3) Preparations would be made for the opening of an air service, the restoration of road traffic, and the conclusion of a postal and telegraphic agreement between the two countries.

(4) During 1955-57 China would import 150,000 - 200,000 tons of rice annually from Burma, and Burma would import industrial equipment and other goods from China.

(5) Each Government would encourage its nationals living in the other country "to respect the laws and social customs of the country in which they reside, and not to take part in the political activities of that country," and would protect the rights and interests of the other country's nationals resident in its territory. Negotiations on the question of the nationality of such residents would be undertaken at the earliest opportunity through diplomatic channels.

(6) The delimitation of the Sino-Burmese frontier would be settled at an appropriate time through diplomatic channels.

U Nu left Peking on Dec. 12, and after visiting Nanking, Shanghai, Hangchow, and Canton arrived in Phnom-Penh on Dec. 16, where he met the Cambodian Prime Minister, M. Penn Outh. He returned to Rangoon on Dec. 19, and on the following day stated at a press conference that he intended to submit proposals for a reconciliation between China and the United States to Mr. Chou En-lai and President Eisenhower.
(Burmese Government Information Department, Rangoon)
(Prev. rep. Chou En-lai, Rangoon Visit, 13711 B.)

B. UNITED KINGDOM. — Motor Vehicle Production in 1954. - Expansion Plans in Motor-car Industry.

The Society of Motor Manufacturers and Traders announced on Jan. 20 that 1,038,834 motor vehicles had been produced in Britain in 1954, this being the first time that the figure had exceeded a million. The total comprised 769,165 cars and 269,669 commercial vehicles (both figures being a record), compared with 595,000 cars and 240,000 commercial vehicles in 1953. Car exports rose by nearly 64,000 units to 366,000 and exports of commercial vehicles by over 15,000 to 126,700; in addition, the number of agricultural tractors exported rose by 15,000 to the record figure of 110,500. The total value of exports by the motor industry reached the unprecedented level of £340,000,000.

During the latter half of 1954 a number of British motor manufacturers had announced plans to expand their productive facilities, as described below.

Vauxhall. An expansion of the Vauxhall Motors factories at Luton and Dunstable at a cost of £36,000,000 was announced on Sept. 22 by Mr. H. H. Curtice, president of General Motors Corporation, which owns all the shares in the British company. Mr. Curtice said that the programme, which would take five years to complete and would entail an increase of 1,500,000 sq. feet of factory space at Luton and 1,100,000 sq feet at Dunstable, would enable the output of Vauxhall cars and Bedford trucks, at present 130,000 units a year, to be doubled.

British Motor Corporation. Sir Leonard Lord, chairman of the B.M.C, stated on Sept. 27 that the corporation's expansion plans included the spending of £9,000,000 for extensions to the Longbridge (Austin) works, the Cowley (Morris) works and the Fisher and Ludlow body plant, and that output was expected to be raised from 7,450 to 12,500 cars a week by the end of 1956.

Rover. Mr. S. B. Wilkes, managing director of the Rover Company, announced on Oct. 6 that his company would spend £3,000,000 a year on doubling the production of Land Rovers (to 50,000 a year) and on raising output of cars by 50 per cent (to 15,000 a year).

Rootes. Sir William Rootes, chairman of the Rootes Group, stated on Oct. 6 that the Group's assembly plants in five continents were being extended by a floor area of over 50 per cent, and that planned expenditure on expansion work had been increased from £5,000,000 to £10,000,000.

Ford. The Ford Motor Company announced on Oct. 17 that it would spend £65,000,000 during the next five years on an expansion programme which would involve the enlargement and modernization of its factory at Dagenham, the building of new factories at Basildon (one of the New Towns) and Aveley, in Essex, and the taking-over of certain buildings at Woolwich Arsenal No estimate was given of the increased production likely to result from this expansion.

Standard. Mr. A. S. Dick, managing director of the Standard Motor Company, announced on Nov. 8 that production of motor vehicles was planned to be raised to 100,000 units in the year ending Aug. 31, 1955 (compared with 73,000 in the previous financial year) and that production of tractors would be about 61,500, approximately the same as in 1953-54. On the following day the company issued an offer of 3,000,000 5½ per cent £1 cumulative preference shares, the prospectus stating that the money was required for new plant, re-tooling, and major reorganization of works layouts.

The B.M.C. announced on Aug. 26 that it had acquired a 20-acre site with 250,000 sq. ft. of buildings at Fisherman's Bend, Melbourne, for the assembly of B.M.C. parts imported from Britain and components and materials made in Australia. The corporation also announced that its factory at Victoria Park, Sydney, was being extended and would be producing 1,000 engines a week within 12 months. Sir Leonard Lord, giving details of the plans, said that the new Melbourne site was "an integral part of our future long-term world planning" and that its activities would be co-ordinated with the Corporation's other plants in Australia; the whole project, including purchase of the new site, extensions to existing plants, and the installation of machinery, would cost "not far short of £2,000,000."—(Times - Daily Telegraph - Financial Times)
(Prev. rep. Motor Industry, 13555 A.)

C. CZECHOSLOVAKIA. — Ending of State of War with Germany.

Prague radio announced on Feb. 3 that the Czechoslovak Government had ended the state of war with Germany.
(Manchester Guardian) **(Prev. rep. 14027 A.)**

A. BRITISH COMMONWEALTH. — London Conference of Commonwealth Prime Ministers.

A conference of Prime Ministers of the Commonwealth countries was held in London from Jan. 31 to Feb. 8. The United Kingdom, Canada, Australia, New Zealand, India, Pakistan, Ceylon, and the Rhodesia and Nyasaland Federation were represented by their Prime Ministers (respectively Sir Winston Churchill, Mr. Louis St. Laurent, Mr. Robert Menzies, Mr. Sidney Holland, Mr. Jawaharlal Nehru, Mr. Mohammed Ali, Sir John Kotelawala, and Sir Godfrey Huggins) and South Africa by Mr. C. R. Swart, the Minister of Justice, who deputised for Mr. Strydom.

A wide range of subjects was discussed at the meetings, most of which were presided over by Sir Winston Churchill. Two communiqués were issued at the end of the conference, one describing the general scope of the talks and the other relating specifically to regional defence discussions which had taken place during the London meetings. Their texts were as follows (cross-headings inserted):

General Communiqué.

The International Situation. "The Governments of the member-nations of the Commonwealth are resolved to do their utmost to ease international strain. It is their aim, not only to bring any open hostilities to an end, but to promote conditions in which real peace can grow and thrive so that freedom and plenty may be enjoyed by all peoples.

Since the last meeting of Commonwealth Prime Ministers in 1953, agreements have been reached in various parts of the world which have had the effect of removing differences and widening the area of understanding among Governments and peoples. The Prime Ministers welcomed the settlement of the Trieste dispute. They recorded their satisfaction that, in the Middle East, the United Kingdom's differences with Egypt and Persia had been resolved. They looked forward to closer collaboration between all the countries of that area so that its economic development and the welfare of its peoples could be advanced. They welcomed, in South-East Asia, the end of hostilities in Indo-China and stressed the need for strict adherence to the conditions of the Geneva agreement and for increased welfare and stability in that area.

The Prime Ministers were informed that the Commonwealth countries associated with the North Atlantic Treaty were convinced that the early ratification of the agreements reached in London and Paris, and the acceptance of Federal Germany into the community of the Western nations, would mark an important advance towards the security and cohesion of Western Europe."

The Formosa Crisis. "The Prime Ministers met at a time of tension in the Far East. In view of developments which occurred during their meeting [see 14017 A] their discussions of this problem assumed a special significance. They were united in their conviction that it was necessary that incidents should be avoided while means were sought for a peaceful outcome. They were confident that the intimate and personal discussions which they had held at this meeting would be a valuable foundation for future consultations with one another and with other countries directly concerned, and for the development of their policies on this question."

Economic Policy. "The Prime Ministers noted the improvement in the outlook for world trade and prosperity which had taken place since the Commonwealth Finance Ministers met at Sydney in January, 1954. They recognized that Commonwealth countries had made a substantial contribution to this by maintaining the stability of their currencies, by continuing their development programmes, in which the Colombo Plan had played its part, and by expanding their production. They had also continued their progressive approach towards the widest practicable system of trade and payments, which best serves the interest of the sterling area and Canada.

The Prime Ministers affirmed their determination to continue these policies of economic progress. They agreed, in particular, that all Commonwealth countries should strive to develop further their resources and their earning power. By these means they could best consolidate their strength and make an increased contribution to economic stability throughout the world."

Nuclear Energy. "The Prime Ministers gave anxious thought to the problems of nuclear energy. The latest discoveries confront humanity with a force which is almost beyond the capacity of man's brain to comprehend or measure. They present a choice and a challenge. Is this vast power to be developed for the benefit of man, or is it to be used to bring ruin upon the human race?

The Prime Ministers once again declare that their countries will never embark upon aggression. Indeed, it is their hope that, when the peoples of the world understand the magnitude of the disaster which world war would bring, all nations will shrink from violence and follow peaceful means of settling their differences. The annihilating power of the new weapons renders it imperative that sanity should prevail and that war should be prevented.

It is the aim of the Commonwealth countries to work for a disarmament agreement which includes forces and weapons of all kinds, and is both comprehensive and effective. Commonwealth Governments have already devoted much time and thought to producing and furthering practical plans to achieve this purpose, and two of the Commonwealth countries are members of the sub-committee of the U.N. Disarmament Commission.

With international accord on disarmament, it would become possible to turn the vast resources of atomic energy increasingly into channels which benefit mankind. The Prime Ministers were informed of the progress made by the U.K. Government in the use of atomic energy for industrial and other peaceful purposes. They looked forward to the prospects of continued close co-operation between the U.K. and other Commonwealth countries in the development of the civil uses of atomic energy."

Pakistan and the Commonwealth. "In the course of the meeting the Prime Minister of Pakistan informed the other Prime Ministers that Pakistan was about to adopt a republican form of constitution but desired to remain a member of the Commonwealth. They were assured that the people of Pakistan were resolved to maintain, in spite of this constitutional change, their steadfast adherence to the Commonwealth and their recognition of the Crown as the symbol of the free association of its sovereign members. In a declaration issued on Feb. 4 [see below] they signified their agreement that Pakistan should continue on this basis to be a full member of the Commonwealth after becoming a republic. All the Prime Ministers reaffirmed that their countries would remain united as free and equal members of the Commonwealth, freely co-operating in the pursuit of peace, liberty, and progress."

Conclusion. "The Commonwealth is a unique association. Its countries contain a fourth of the world's population, embracing people of many races and religions. Among its members are countries of importance in all quarters of the globe. Its strength and influence in the world today are derived from this and from a common outlook which, in spite of differences of geography, religion, and race, evokes a broadly similar response to most international problems of the day. The Commonwealth countries do not pursue any selfish purpose. They seek no aggrandizement and will always oppose aggression. In concert with all who share their ideals, they are resolved to do their utmost to further the cause of peace throughout the world."

Communiqué on Regional Defence Problems.

"While the Commonwealth Prime Ministers were in London the opportunity was taken to hold a series of additional meetings on regional defence problems. These meetings covered the main areas in which the forces of Commonwealth countries may have to be deployed in the event of war. Each was attended by representatives of those Commonwealth countries whose forces might in war be operating in the particular area under discussion. Their purpose was to enable the representatives of those countries to join together in reviewing the plans for the defence of each area.

The representatives of the Commonwealth countries concerned with these regional defence plans recognized that the advent of thermo-nuclear weapons involves fundamental changes in the strategic approach to defence problems. They agreed that the overwhelming superiority of the Western Powers in nuclear weapons offers at the present time the most effective and practical assurance that world peace will not be disturbed by any deliberate act of aggression. They agreed that their defence policies should be founded on the principle that world war can be prevented if the free democracies are resolved to maintain in readiness forces sufficiently strong to deter any potential aggressor.

In Europe great progress has already been made in building up the defensive shield provided by the forces of the North Atlantic Treaty Powers; and the Commonwealth representatives who took part in these discussions welcomed the steps which are being taken to increase the strength of those forces by a military contribution from Western Germany. The defence problems of the Middle East were reviewed in the light of recent developments, and agreement was reached on the basis for a new approach to defence planning in this area.

Discussion of the defence problems of South-East Asia covered plans to help the countries in that area, not only to resist aggression but also to strengthen their internal security. The four Commonwealth countries which are signatories of the Manila Treaty took this opportunity of reviewing, in preparation for the forthcoming conference at Bangkok, progress in making that treaty an effective instrument for these purposes.

The opportunity was taken to discuss, as one element in the defence of the Manila Treaty area, the security of Malaya, which is regarded by the U.K., Australia, and New Zealand as of vital importance. The strategic position of the area was clarified by these discussions and it was considered that, in future, joint planning among the three Governments and discussions with other participants in the Manila Treaty would go forward more effectively.

Throughout these regional defence discussions it was accepted that military plans must be concerted with other countries involved in the defence of these areas. The Commonwealth countries concerned also recognized the need for the closest association with the U.S.A. in all defence measures. They agreed that on this basis regional defence planning can afford a solid foundation for the preservation of peace."

The following declaration was issued by the Commonwealth Prime Ministers on Feb. 4 in connexion with the status of Pakistan within the Commonwealth when that country became a republic:

"The Government of Pakistan have informed the other Governments of the Commonwealth of the intention of the Pakistan people that, under the new Constitution which is about to be adopted, Pakistan shall become a sovereign, independent republic. The Government of Pakistan have, however, declared and affirmed Pakistan's desire to continue her full membership of the Commonwealth of Nations and her acceptance of the Queen as the symbol of the free association of its independent member-nations, and as such the Head of the Commonwealth.

The Governments of the United Kingdom, Canada, Australia, New Zealand, South Africa and Ceylon, the basis of whose membership is not hereby changed, accept and recognize Pakistan's continuing membership in accordance with the terms of this declaration. The Government of India the basis of whose membership is also unaltered similarly recognize Pakistan's continuing membership

In notifying the other Prime Ministers of Pakistan's intention, Mr Mohammed Ali reaffirmed his country's steadfast adherence to the Commonwealth The other Prime Ministers, in accepting this proposal, welcomed Pakistan's continued association and co-operation as a member of the Commonwealth, and assured Mr Mohammed Ali that the friendship and goodwill of their countries towards Pakistan would remain unaffected by this constitutional change

Accordingly, the United Kingdom, Canada, Australia, New Zealand, South Africa, India, Pakistan and Ceylon hereby declare, as they did in 1949 when a similar decision was taken in respect of India, that they remain united as free and equal members of the Commonwealth of Nations, freely co-operating in the pursuit of peace, liberty and progress."

Among British Ministers participating in the conference were Sir Anthony Eden (Foreign Secretary), who attended the sessions at which the international situation and the Formosa crisis were discussed; Mr. R A. Butler (Chancellor of the Exchequer), who gave a review of the general economic situation, with special reference to the balance of payments of Britain and the sterling area; Mr. Harold Macmillan (Defence Minister), who attended the discussions on regional defence matters; and Lord Swinton, Secretary of State for Commonwealth Relations. British and Commonwealth military advisers also took part in the discussions on regional defence questions.

A communiqué issued on Feb 3 said that Mr Butler had given "a review of the general economic situation and an account of the state and prospects of the balance of payments of the U K and the sterling area." It added: "The Prime Ministers reaffirmed their support of the proposals for a collective approach towards a multilateral system of trade and payments which were formulated by the Commonwealth economic conference of 1952. They noted the satisfactory progress made towards the attainment of economic strength and stability in the sterling area as a whole, but recognized the continuing need for further developments of economic resources and earning power throughout the Commonwealth"

In addition to the formal meetings, a number of private and informal discussions took place between the Prime Ministers attending the conference. During the week-end Feb. 5-6 the Formosa crisis was discussed by Sir Anthony Eden and Mr. Nehru at the Hampshire residence of Lord and Lady Mountbatten, where they were guests. Mr. Krishna Menon (permanent Indian representative at the U.N.) and Mrs. Pandit (Indian High Commissioner in London) were also present at these talks.

Discussions on the Indo-China situation took place on Feb. 6 at Chequers between Sir Winston Churchill, Mr. St. Laurent, Mr. Nehru, Sir Anthony Eden and Mr. Lester Pearson (the Canadian Secretary for External Affairs).

Mr. Menzies paid four-day visits to Colombo and Karachi while *en route* to London, whilst Mr. Mohammed Ali, after his arrival in London on Jan. 20, flew for a brief official visit to Ottawa pending the opening of the Prime Ministers' conference. It was announced at the end of the conference that Mr. Menzies would pay an official visit to France from Feb. 18-22 before returning to Australia, and that Sir John Kotelawala had accepted an invitation from the Prime Minister of the Irish Republic, Mr. Costello, to visit Dublin on Feb. 9-10.

Mr. Swart, who left London on Feb. 6, said before his departure that the conference had been "valuable and informative." He added that the conference had not discussed the question of a republican status for South Africa.
(Times - Daily Telegraph) **(Prev. rep. 13365 A; 12957 A.)**

A. RELIGIOUS LIFE. — Rockefeller Fund for Promotion of Protestant Education in the U.S.A.

Securities bearing a market value of approximately $20,000,000 (£7,000,000) were presented on Jan. 11 by Mr. John D. Rockefeller jr. as a gift "to strengthen and develop Protestant theologial education" in the United States. The fund for this purpose will be administered by Sealantic Fund Inc, a corporation with a board of trustees set up in 1938 by Mr. Rockefeller to administer his philanthropic benefactions. The gift was believed to be the largest ever made for the promotion of religious education. (New York Times)

B. UNITED KINGDOM. — G.C.V.O. conferred on the Archbishop of York.

The Archbishop of York, Dr. Cyril Garbett, was made a Knight Grand Cross of the Royal Victorian Order by H.M. the Queen on Feb. 6, on the occasion of his 80th birthday. (Times)

C. WESTERN EUROPEAN UNION. — Repudiation of Soviet Allegations of Infringement of Geneva Protocol.

Notes were presented in Moscow on Feb. 3 by the British, French, Italian, Netherlands, Belgian and Luxemburg Governments repudiating the allegation, contained in the Soviet Notes of Jan. 13 (see 14027 A, page 14028), that the Paris agreements were incompatible with the Geneva Protocol of 1925, which prohibited the use in war of chemical and bacteriological weapons.

The British Note made the following points (1) The Geneva Protocol did not prohibit the manufacture of chemical and bacteriological weapons, but banned their use in war, and both the British and Soviet Governments reserved the right at the time to retaliate in kind if such weapons were used against them (2) The Paris agreements in no way obliged the signatories to produce these weapons, and therefore did not provide (as the Soviet Government had alleged) for the creation of large stocks of such weapons. (3) Moreover, the agreements envisaged an international agency for the control of bacteriological and chemical weapons, as well as of other types of armaments, the British Note said in this connexion that "no comparable system is understood to exist in Eastern Europe" (4) The Soviet Government had apparently assumed that because conditions were laid down in the Paris agreements for the production of chemical and bacteriological weapons (which would be banned in Western Germany), the Western European Union Powers were planning to extend their output and stocks of such weapons, such an assumption misrepresented the essential purpose of the agreements. (5) After recalling that the Soviet Note had suggested that the existence of the Geneva Protocol, rather than the fear of retaliation, had prevented the use of chemical and bacteriological weapons in the Second World War, the British reply added "This was evidently not the view held by the Soviet Government in 1942. At that time they welcomed the assurance that the British Government would use their stocks of gas weapons against Germany in retaliation for any use of poison gas against the U.S S R." In support of this, the British Note quoted a message sent by Marshal Stalin to Sir Winston (then Mr.) Churchill on March 30, 1942.

Whilst repudiating the Soviet allegations, the Note stressed that Britain would continue to respect the Geneva Protocol "as scrupulously as hitherto."

The replies of the other W.E.U. countries were in similar terms.—(Times - Daily Telegraph - Le Monde, Paris)
(Prev. rep. Soviet Notes, 14027 A.)

D. AFGHANISTAN. — Foreign Minister's Visit to Karachi. - Meetings with Pakistani Government Leaders.

The Afghan Foreign Minister, Prince Sardar Mohammed Naim Khan, visited Karachi at the beginning of November 1954, for discussions with Mr. Ghulam Muhammad (the Governor-General), Mr. Mohammed Ali (the Prime Minister) and other members of the Pakistani Government.

In a press statement in Karachi on Nov 7 Prince Naim Khan declared that the basic differences between Pakistan and Afghanistan did not involve any territorial adjustment. He referred, however, to the question of giving the people of "Pushtoonistan" [the Pathan areas of the N.W. Frontier Province, alternatively known as "Pathanistan"] opportunities to express themselves on "their status and way of living." Replying to a question on the possibility of common defence, he said that as both Afghanistan and Pakistan were Moslem countries and in the same geographical region, "neither could be indifferent to the security of the other." The national interests of both countries were similar and there were good possibilities of close economic co-operation.

The Afghan Minister in Karachi, Sardar Mohammed Attiq Khan Rafiq, said in Peshawar on Nov. 11 that the two countries had made "a notable advance towards coming closer to each other," and that the Afghan Foreign Minister's visit to Karachi "might well prove to be the turning-point in relations between Pakistan and Afghanistan." Mr. Mohammed Ali likewise declared that Prince Naim Khan's visit had led to "quite an improvement" in the relations between the two countries.

Marshal Shah Mahmud Khan Ghazi, Prime Minister of Afghanistan until 1953, saw Mr. Mohammed Ali in Karachi on Jan. 14, 1955.—(Pakistan High Commissioner's Office, London)
(Prev. rep. 11077 A.)

E. BRITISH COLONIAL EMPIRE.—Nuffield Foundation Grants for Colonial University Colleges.

It was announced on Nov. 18, 1954, that the Nuffield Foundation had set aside the sum of £250,000 for grants to University Colleges in the Colonial Empire. The first two grants made under this scheme were (*a*) £50,000 to the University College of Ibadan, Nigeria, mostly to finance a Nuffield visiting professorship, and (*b*) a like amount to the University College of the West Indies, Jamaica, to establish a Nuffield endowment fund. It was stated that the first Nuffield visiting professor at Ibadan would be Professor P. W. Richards, an authority on tropical rain forests and Professor of Botany in the University of Wales.—(Times) **(13050 A.)**

A. YUGOSLAVIA - INDIA - BURMA. — President Tito's Visits to India and Burma. - Address to Indian Parliament. - Tito-Nehru and Tito-U Nu Statements. - Yugoslav Acceptance of "Five Principles of Peaceful Co-existence." - Yugoslav Military Equipment for Burma. - Burmese Rice Gift to Yugoslavia.

President Tito of Yugoslavia paid State visits to India and Burma from Dec. 16, 1954 to Jan. 25, 1955, at the invitation of the Governments of the two countries, during which he had discussions with their Prime Ministers, Mr. Nehru and U Nu. President Tito's visit was the first paid by the head of a foreign State to either country since their attainment of independence.

Landing at Bombay on Dec. 16 from the Yugoslav cruiser *Galeb*, President Tito—who was accompanied by Vice-President Rankovich and M. Popovich (the Foreign Minister)—arrived at Delhi on the following day. While in the Indian capital he attended a number of official functions and addressed a joint session of the two Houses of the Indian Parliament.

President Tito declared in his speech that India and Yugoslavia, in spite of their geographical separation, were linked together by their common desire for the maintenance of their national independence, of peace, and of peaceful co-operation with other countries. It was incorrect, however to suggest that his visit and the strengthening of Indo-Yugoslav relations was an attempt to create a "third bloc," as their aim was rather "to increase the number of States and nations who place the safeguarding of peace above all else, and who struggle for relations based on equality, for peaceful co-operation between nations, and for the active co-existence of States with different systems."

Referring to the argument that the existence of a one-party system in Yugoslavia meant that there was no democracy in that country, he claimed that Yugoslavia's social development provided "the material basis for a new type of democracy, different from the normal or Western European type." "Our democracy rests on material foundations," he said, "and its growth is inseparable from, and parallel to, the economic progress of the country . . . Such a democracy could not possibly develop while the system of State capitalism prevailed in our country, in other words, before the economic enterprises were placed under the management of workers' collectives. While the system of State capitalism was necessary for a certain period, it later became an obstacle to the further development of our social life along democratic and Socialist lines."

After affirming Yugoslavia's attachment to the principles of the United Nations, President Tito suggested that among the reasons why the U N 's achievements had been less substantial than might have been wished were the exclusion of certain countries, "certain shortcomings of a structural nature, such as the right of veto in the Security Council," and the division of the world into "blocs," which had hampered the U N.'s work. In the immediate post-war years, he continued, Yugoslavia had been disappointed by the "far from friendly" attitude of the Western Powers, particularly in connexion with the peace treaties, and had depended mainly on Soviet support. The Soviet Union, however, had also not paid much heed to Yugoslavia's interests These experiences had strengthened Yugoslavia's determination to rely upon herself, not to become "the appendage of anyone else's foreign policy," and not to permit any interference in her internal affairs. As a result, the Soviet Union and other Eastern European countries had embarked on a violent campaign against her which had lasted more than five years, and their economic blockade had forced Yugoslavia to turn from the East to the West President Tito said in this connexion: "It must be acknowledged that . . . we found [among the Western countries] support and understanding, and that we did not for a moment jeopardize our independence, whether in the field of foreign policy or in that of our internal development. We were never seriously confronted with any conditions which sought to do that . ."

Yugoslavia, he continued, favoured equality as the basis of relations between States, and opposed interference in the domestic affairs of other nations Four fundamental elements lay at the root of all the evils from which humanity at present suffered · lack of equality between States and nations; interference in the internal affairs of other nations; the division of the world into spheres of influence and blocs; and colonialism. Only when these elements had been eliminated from international relations would mankind be freed from fear regarding its fate. The formation of military and ideological blocs, aimed at achieving military superiority for the purpose of settling international issues by force rather than by diplomatic methods or through the U.N., was fraught with the greatest perils for world peace. In opposition to this policy, Yugoslavia favoured "not passive co-existence but active co-operation between nations and States with different systems," as well as "broad co-operation between large and small States" and material and technical assistance for underdeveloped countries from those which were more highly developed.

Turning to relations between Yugoslavia and the Soviet Union, President Tito stated that the initiative for the resumption of normal relations between them had come from the U.S S R, and had been followed by a statement on the part of the present Soviet leaders [not hitherto published] that Yugoslavia had been wrongly treated and condemned in 1948. They had also declared that they respected the principle of equal relations and non-interference in Yugoslavia's internal affairs, and had agreed that normal relations should not be achieved at the expense of Yugoslavia's relations with the Western countries. Relations with other Eastern European countries were also improving, and conditions along Yugoslavia's frontiers had become normal The change in the Soviet attitude towards Yugoslavia, President Tito concluded, "does not merely result from a recognition of the fact that there had, up to the time of Stalin's death, been people in the Soviet Union who knowingly preferred false charges against Yugoslavia, but is due to an even greater degree to a change in domestic and foreign policy which is being brought about by the present leaders of the Soviet Union, although they themselves are unwilling to admit the change"

A joint statement by President Tito and Mr. Nehru, summarizing the results of their talks and affirming their support for the five principles of peaceful co-existence already subscribed to by India, China, and Burma (see 13661 A), was laid before the Indian Parliament on Dec. 23.

The statement emphasized that the policy of non-alignment pursued by both countries "is neither neutrality nor neutralism . . . but a positive, active, and constructive policy seeking to lead to collective peace, upon which alone collective security can really rest" It continued: "The President and the Prime Minister state as their considered view that the relations of their two countries are, and must continue to be, based on the principles of recognition of each other's sovereignty, independence and integrity, of non-aggression, of equality, of mutual respect, of non-interference in the domestic affairs of each other or other countries, and on the promotion both for themselves and for the world of the conditions of peaceful co-existence This basic conception should govern international relations, and be the foremost element in the policy and work of the United Nations.

"It follows, therefore, that the policy of their two countries and their approach to world peace cannot be based upon force or upon the accumulation of armaments as an instrument either of negotiation or of solution of conflicts. The President and the Prime Minister therefore repudiate the erroneous conception that has become prevalent in some quarters of a 'third bloc' or 'third force' of non-aligned countries This is a contradiction in terms, because such a bloc would involve them in the very system of alignments which they regard as undesirable

"The President and the Prime Minister are convinced that the principles on which they have agreed for the governance of their mutual relations are capable of wider application. If they were so accepted they would make a substantial contribution to a lessening of world tension and the resolution of pending conflicts They would widen the area of peace and diminish the terrible prospect of war, promote greater confidence, and open up greater opportunities of world co-operation."

After stating that the two Governments would seek to promote and strengthen economic and cultural relations between their countries, the statement concluded: "The President and the Prime Minister, believing that a lessening of world tension is an essential prelude to the development of collective peace, welcome certain signs of easing tension in the world which have appeared lately, and at the same time will devote their sincere endeavours to a further easing of world tension and the prevention of its growth. The President and the Prime Minister wish to affirm solemnly that the hope of advance of the peoples of the world, and even the survival of civilization, make the acceptance of peaceful co-existence not merely an alternative but a necessity."

After leaving Delhi on Dec. 22, President Tito visited Simla, Gwalior, Agra, and Lucknow, and on Jan. 1, 1955, had further talks with Mr. Nehru on the latter's return from the Bogor conference of the Colombo Powers.

In a statement to Yugoslav journalists before leaving India, President Tito paid tribute to the social progress achieved in India during the past six years, and suggested that industrialization would help to promote national unity by drawing workers of different races and communities closer together. The existence of a large number of political parties, in his opinion, hampered India's development, and it would be necessary for these parties to have at least "a single goal and a picture of what India should look like." Everything that was being done, he concluded, was done in a very democratic way, and many countries, including Yugoslavia, could benefit by India's experiences.

President Tito sailed from Calcutta in the *Galeb* on Jan. 3 and arrived on Jan. 6 at Rangoon, where he was welcomed by President Ba U and Premier U Nu. He subsequently visited the Shan States and Mandalay, in company with U Nu and other members of the Burmese Government, and returned to Rangoon by boat on the Irrawaddy River. It was announced on Jan. 17 that President Tito had offered, as a gift, the supply by Yugoslavia to Burma of equipment for an infantry brigade, and that Burma, in return, would supply rice as a gift to Yugoslavia. The military equipment in question, it was stated, would not be that originally given to Yugoslavia by the United States and Britain.

A joint statement issued by President Tito and U Nu on Jan. 17 said that discussions between them had shown that "Yugoslavia and Burma have hitherto adopted basically the same attitude towards the main problems, and that at the present time their views on these problems are identical" The statement, which was broadly similar to that issued by President Tito and Mr. Nehru, stressed the two Governments' determination to "continue their endeavours towards the strengthening of world peace and the promotion of international co-operation." It rejected "passive neutralism," alignment with either of the existing blocs, or the setting-up of a new grouping of States; reaffirmed the principles of peaceful co-existence, and declared

that the two Governments would "continue their efforts, in the United Nations and elsewhere, for this principle of co-existence to be applied in the conduct of international relations" In conclusion, it was stated that cultural ties between Yugoslavia and Burma would be strengthened, and that special attention had been given to measures for the improvement and intensification of their economic relations.

President Tito left Rangoon on Jan. 17 and, after paying a short visit to southern India, during which he visited Madras, Bangalore, and Mysore, sailed from Cochin on Jan. 25. While in Madras he again met Mr. Nehru, and on Jan. 21 addressed the Indian National Congress session at Avadi (see 14044 A). (Tanjug Agency, Belgrade - Indian High Commissioner's Office, London - Burmese Government Information Department, Rangoon - The Hindu, Madras - The Statesman, Calcutta)

A. NETHERLANDS. — Union of Holland, Surinam, and Netherlands Antilles. - New Statute of the Realm.

A new Statute of the Realm was signed by Queen Juliana on Dec. 15, 1954, under which Holland, Surinam (Dutch Guiana), and the Netherlands Antilles (the Dutch West Indies) were constituted as a single realm under the House of Orange, the former colonial status of Surinam and the Netherlands Antilles being ended. The Statute laid down (*a*) that the three constituent parts of the realm would possess full autonomy in their domestic and internal affairs; (*b*) that defence and foreign relations would be regarded as of common concern to the realm as a whole; and (*c*) that defence and foreign policy would be decided by a Council of the Realm consisting of Ministers appointed by the Crown and Ministers Plenipotentiary appointed by the Governments of Surinam and the Netherlands Antilles. The Statute came into force on Dec. 29, when it was formally promulgated in The Hague, Paramaribo (Surinam) and Willemstad (Curaçao).

The drafting of such a Statute had been under discussion for the past six years, and had been the subject of three round-table conferences held at The Hague during that period. The first two conferences (in 1948 and 1952) were unsuccessful but the third, held from May 20 to June 3, 1954, resulted in final agreement between the heads of the three delegations—Professor Willem Kernkamp (Minister for Realm Affairs and leader of the Netherlands delegation), Dr M F. da Costa Gomez (representing the Netherlands Antilles) and Dr Raymond Pos (representing Surinam). It was agreed that the Statute would have to be ratified by a two-thirds majority in the Netherlands States-General and the *Staten* (Assemblies) of Surinam and the Netherlands Antilles before it could take effect, and that there would be no change in the existing autonomous status of Surinam and the Netherlands Antilles as regards their internal affairs [Since 1950 both territories had possessed their own Governments and elected representative bodies to deal with matters of domestic concern.]

The Statute of the Realm was approved by the Lower House of the Netherlands States-General on July 16, 1954, by 75 votes to 19; by the Upper House on Oct. 27, 1954, by 34 votes to four; by the *Staten* of the Netherlands Antilles on Aug. 26, 1954, by a unanimous vote; and by the Surinam *Staten* on Sept. 10, 1954, also by a unanimous vote.

The opposing votes in the Lower House of the States-General were cast by the parliamentary leader of the Anti-Revolutionary Party (Dr. Schouten), eight of the nine members of the Party of Freedom and Democracy (Liberals), the five Communist members, two members of the Political Reform (Calvinist) party, the two representatives of the Catholic National party, and one member of the Christian Historical Union.

The Statute of the Realm was signed by Queen Juliana on Dec. 15 at a ceremony in the historic *Ridderzaal* (Hall of Knights) in The Hague which was attended by Dr. Willem Drees (Prime Minister of the Netherlands), Professor Kernkamp, Mr. E Jonckheer (Premier of the Netherlands Antilles) and Mr. A. Currie (Premier of Surinam), all of whom counter-signed the document.—(Algemeen Handelsblad - Nieuwe Rotterdamse Courant - Haagse Courant - Netherlands News Agency)

Note. The Netherlands Antilles consist of the islands of Curaçao, Aruba, Bonaire, St Eustatius, St Martin (half of which is Dutch and half French), and Saba. Curaçao, Aruba and Bonaire are off the Venezuelan coast, whilst the other three islands are in the Leeward group, about half-way between the British Leeward Islands and the American Virgin Islands The total area of the Netherlands Antilles is 436 square miles and the total population about 200,000, of whom 75,000 live in Willemstad, the capital of Curaçao. The latter island, the largest in the Netherlands Antilles, has great economic importance because of its extensive oil refineries. In addition to Willemstad, the other administrative centres are Oranjestad (Aruba), Kralendijk (Bonaire), Philipsburg (St. Martin), Oranjestad (St. Eustatius), and Bottom (Saba).

Surinam, on the mainland of South America, is bordered on the east by French Guiana, on the south by Brazil, on the west by British Guiana, and on the north by the Atlantic. The area is 54,000 square miles and the population is estimated at about 200,000, of whom some 75,000 live in Paramaribo, the capital. Surinam possesses some of the world's largest deposits of bauxite, the raw material from which aluminium is made. (Ed. K.C.A.)

B. WORLD VETERANS' FEDERATION.—Admission of New Ex-Servicemen's Organizations. - M. Vincent Auriol elected Ambassador-at-Large.

The World Veterans' Federation, representing 112 war veterans' associations throughout the world with a total membership of some 18,000,000, held its annual session in Vienna from Nov. 27 to Dec. 2, 1954. Four new countries were admitted to membership—Australia, New Zealand, Indonesia, and Siam—bringing the number of countries represented in the W.V.F. to 29. In addition, a second German ex-servicemen's association, the West German *Reichsbund*, was admitted to membership of the Federation.

The *Reichsbund* was admitted to the W.V.F. by unanimous vote (only the Israeli delegation abstaining) after its president had made a statement dissociating it from the former Nazi regime. [The other German ex-servicemen's association in membership of the Federation is the *Verband der Kriegsteilnehmer*.] The secretary-general of the Federation (Mr. Newcomb) speaking on Nov 30, praised the two German member-organizations for their "unequivocal stand" in preventing the rebirth of excessive nationalism and militarism in Germany, he added that while there were still some German ex-servicemen's associations clinging to "negative and dangerous" attitudes, "our group in Germany has done much to check this trend and to avoid the mistakes from which the German people themselves, in common with the rest of the world, have suffered so much"

On the proposal of the *Verband der Kreigsteilnehmer*, the Federation elected M. Vincent Auriol (the former President of the French Republic) as its honorary president and ambassador-at-large, in which capacity he will represent the Federation at international organizations, including the United Nations. M. Auriol paid special tribute to the fact that he had been nominated by a German ex-servicemen's organization—"a symbolic meaning which will escape no-one."
(Times - Le Monde, Paris - Wiener Zeitung - New York Times) **(Prev. rep. 12453 A.)**

C. ARGENTINA. — New Base in Antarctica.

The Argentine Chief of Naval Operations (Admiral Ramón Brunet) announced in Buenos Aires on Jan. 17, on behalf of the Minister of Marine, that a new Argentine base had been established in the Antarctic only 800 miles from the South Pole. The base, situated on the shores of the Weddell Sea in latitude 78 deg. south, longitude 39 deg. west, was claimed to be the southernmost scientific station in the world.

Admiral Brunet explained that a new icebreaker—the *General San Martin*, recently built in Germany—had made it possible for Argentina to establish the base. The *General San Martin*, after sailing from Buenos Aires, reached the South Orkneys on Dec 27, 1954, and continued southwards through 1,250 miles of icefields—in parts over nine feet thick—until, on Jan. 3, 1955, she had reached a latitude where no ship had ever been before, thereby opening up the most westerly route in the history of Antarctic exploration He added that this route was patrolled by helicopters of the Argentine air and naval forces

The new base—the eighth established by Argentina in the Antarctic—was named General Belgrano in honour of the hero of the Argentine war of independence.
(Times - New York Times) **(Prev. rep. 13636 C; 12891 A.)**

D. UNITED KINGDOM. — Unemployment Figures.

The total number of unemployed in the United Kingdom at Dec. 6, 1954, was 289,222 (256,308 in Great Britain and 32,914 in Northern Ireland), of whom 276,806 (including 5,036 casual workers) were wholly unemployed and 12,416 temporarily stopped. Figures of registered unemployed in Great Britain during the last five months of 1954 (see 13788 B for the first seven months) were as follows:

	Men	Boys*	Women	Girls*	Total
August 9 ..	140,350	16,260	68,939	14,060	239,609
September 13 .	140,073	8,996	78,193	8,765	236,027
October 11 .	153,570	6,029	87,524	6,791	253,914
November 15 .	160,651	5,223	91,037	6,148	263,059
December 6 ..	158,685	4,666	87,229	5,728	256,308

* Under 18.

The December figure of 256,308 unemployed (which included 46,570 married women) was the lowest December total since the war. It represented 1.2 per cent of the total number of employees, the comparable percentage in December, 1953, having been 1.5.—(Ministry of Labour Gazette) **(13788 B.)**

E. LONDON.—Freedom conferred on Mr. St. Laurent.

The Freedom of the City of London was conferred on Feb. 7 upon Mr. Louis St. Laurent, Q.C., the Prime Minister of Canada, who was in London at the time for the conference of Commonwealth Prime Ministers. The ceremony at Guildhall was attended by Sir Winston Churchill and the other Commonwealth Prime Ministers.—(Times) **(Prev. rep. 14038 A.)**

A. FRANCE. — War Crimes Trials.

A number of trials of former German and French members of the German armed forces and the Gestapo took place in France between December, 1952, and October, 1954, on charges of war crimes, and are described below under cross-headings. The most important of these were the trial of 21 Germans and Alsatians accused of participation in the Oradour massacre, and that of General Oberg, head of the German police in France during the occupation.

The Oradour Trial. The trial of seven Germans (a former adjutant, Karl Lenz, and six N.C.O.'s and privates) and 14 Frenchmen of Alsatian origin on charges of participating in the Oradour massacre opened before a military court at Bordeaux on Jan 12, 1953. One of the Alsatians, Georges-René Boos, had volunteered for service in the S.S., whilst the other 13 had all been conscripted into it after the annexation of Alsace by Germany in 1940. The commanding officer of the company which carried out the massacre (Captain Kahn, who was reported to be living in Sweden) and 43 other S S men were tried *in absentia*

The prisoners were tried together under the French "Collective Responsibility Law" of Sept 15, 1948, which laid down, with retroactive effect, that any member of a unit declared guilty of a war crime by the International Tribunal at Nuremberg must share the legal responsibility for it, unless he could prove that he had not participated in the action in question. The report rejected the plea of the Alsatians' counsel for a separate trial, which was opposed by the Germans' counsel, but reserved the right to separate the cases of the Germans and the Alsatians if the evidence should justify it It was also decided that Boos (who was originally to have been tried separately for treason) should be tried with the other defendants.

The indictment described how on June 10, 1944, a detachment of the S.S. *Das Reich* Division had entered the village of Oradour-sur-Glane (near Limoges, in the Haute-Vienne *département*) and herded the men into barns and garages and the women and children into the church. The men had then been mown down with machine-guns and their bodies burned, whilst the women and children had been driven into the church, which was then set on fire; in all, 190 men, 245 women, and 207 children were slaughtered in the Oradour massacre. Particularly grave charges were brought against Boos, who was accused by two of the other Alsatian defendants of having killed two women in cold blood, set fire to the church, and machine-gunned the women and children inside.

Evidence was given by seven villagers who survived the massacre: five men who had escaped by shamming death; a young man who was a boy of eight at the time, and had succeeded in running away and hiding: and a woman who had escaped by climbing through a window of the church. Officials, doctors, and priests who had visited Oradour immediately after the massacre stated that the bodies of 15 children who had been burned alive had been found in the church; that many of the bodies had been deliberately mutilated, and that most of the victims had probably been buried while still living. Defence witnesses, who included leading members of the Alsatian Resistance movement, stressed that young Alsatians had been subjected to intense pressure to force them to join the German Army, and that their parents had been warned that they would themselves be deported if their sons deserted.

After hearing the evidence, the court ordered on Feb. 3, 1953, that the cases of the Germans and the Alsatians should be proceeded with separately, in accordance with the National Assembly's vote of Jan. 27 (see below).

Presenting the case against the Germans, the prosecutor emphasized that "every soldier knows that he cannot break certain rules with impunity," and described other atrocities committed by the S.S. unit, the massacre, he pointed out, had been planned beforehand and had been carried out, with the whole unit's co-operation, in less than three hours He demanded the death penalty for the officers and N.C O 's and sentences of imprisonment for the remainder. Defence counsel argued that the Germans had acted under orders; that Lenz's functions had been principally administrative, and that the other participants in the massacre had been very young at the time

After the court had rejected a defence plea that it had no jurisdiction over the Alsatians, in view of the repeal of the Collective Responsibility Law (see below), the prosecutor pointed out that they had been stationed in France and could have deserted, but had not done so "so long as the war consisted of oppressing the civil population," although most of them had gone over to the Allies when they found themselves under fire He therefore demanded the death penalty for Boos and sentences of imprisonment for the rest. Defence counsel pleaded that the Alsatians had had no alternative, as refusal to obey would have meant death, and desertion would have brought reprisals on their families

On Feb. 13, 1953, the court found all the defendants guilty except one of the Germans, and sentenced Lenz and Boos to death; two of the other Germans to 12 and three to 10 years' imprisonment; and the 13 other Alsatians to terms of imprisonment ranging from eight to five years. All the 44 Germans tried *in absentia*, with one exception, were found guilty and sentenced to death.

While the trial was in progress, the National Assembly adopted on Jan. 27, 1953, a motion proposed by M. Massot (Radical) which (*a*) repealed the clauses of the law of 1948 which established the principle of collective responsibility; (*b*) authorized the trial by military courts of persons individually responsible for war crimes; and (*c*) provided for the separation of the cases of the Germans and the Alsatians after the hearing of evidence. The voting was 364 to 188, with five abstentions and 57 deputies not taking part in the division. The Assembly was sharply divided on the motion, which was supported by most M.R.P deputies, Gaullists (R.P.F.), Independent Republicans, *Paysans*, and Overseas Independents; only the Communists and *Progressistes* opposed it *en bloc*. Of the Socialists, 52 voted against the motion, 25 for, and 25 did not take part in the vote The Radicals (49 for and 25 against), Dissident Gaullists (A R S), and U D S R deputies were similarly divided. The Council of the Republic approved the motion on Jan. 29, 1953, by 212 votes to 93

Widespread indignation was caused in Alsace both by the decision to try the Alsatian and German prisoners together and by the sentences passed upon the former. All the Alsatian deputies in the National Assembly, except M. Rosenblatt (Communist), issued a statement on Feb. 14, 1953, demanding the immediate suspension of the sentences on the Alsatian prisoners, and protest demonstrations were held in Strasbourg and many other Alsatian towns.

A Bill granting a general amnesty to all Frenchmen forcibly enlisted in the German Army, and thereby automatically cancelling the sentences on all the Alsatians except Boos, was introduced into the National Assembly on Feb. 18, 1953, by M. Violette (Radical), with the Government's approval, and was passed on the following day by 319 votes to 211, with 55 deputies abstaining and 28 not taking part in the vote. As with the motion of Jan. 27, 1953, voting did not follow party lines, those supporting the Bill, however, included most of the Gaullist (R P.F.), M R.P., Dissident Gaullists, and Overseas Independent deputies, whilst the Communists again voted against *en bloc*. Of the Socialists, 76 voted against and 8 for, whilst 8 abstained and 13 did not take part in the vote, the Radicals were equally divided, 37 supporting the Bill, 21 opposing it, and 14 abstaining, of the Independent Republicans, 35 voted for and 15 abstained; of the *Paysans*, 36 supported the Bill, 3 opposed it, and 8 abstained; and of the U.D.S.R , 9 voted for and 2 against, whilst 2 abstained and 10 did not take part in the vote.

The Council of the Republic passed the Bill on Feb. 19, 1953, by 174 votes to 79, and the National Assembly accepted the Bill in slightly amended form on Feb. 20 by 324 votes to 216. All the Alsatian prisoners were released in consequence on Feb. 21, 1953, with the exception of Boos, who had previously been tried by the Bordeaux military court on a charge of having voluntarily borne arms against France, and had been sentenced on Feb 19, 1953, to 15 years' imprisonment.

Both the repeal of the "Collective Responsibility" law of 1948 and the granting of the amnesty to the Alsatians aroused strong feeling in Haute-Vienne. Over 40,000 people took part in a demonstration at Limoges on Feb. 3, 1953, protesting against the repeal of the 1948 law, whilst on Feb. 20 the municipality of Oradour, as a protest against "the rehabilitation of the murderers," returned to the Government the *Croix de Guerre* which had been conferred upon the village. In Western Germany, on the other hand, the amnesty was widely criticized, notably by Dr. Dehler (the Federal Minister of Justice), on the ground that it made an unfair distinction between the Alsatian and the German prisoners.

The *Cour de Cassation* (the French Supreme Court of Appeal) rejected the appeals of Boos and Lenz on July 23, 1953. It was reported in the French Press over a year later (on Sept 14, 1954), however that the death sentences on Boos and Lenz had been commuted by President Coty to life imprisonment.

Trial of General Oberg. The trial for war crimes of S.S. General Karl Oberg, commander of the German police forces in France in 1942-44, and of his principal assistant, Colonel Helmuth Knochen, opened before a military court in Paris on Feb. 22, 1954, but was broken off on Feb 24, when the presiding judge, by a slip of the tongue, stated that Oberg was "not a prisoner-of-war but a war criminal," instead of "a civilian accused of war crimes." The prosecution immediately demanded that the case should be transferred to another court, in order to avert the probability that the court's decision would be annulled on the ground that the judge was prejudiced

The indictment against Oberg and Knochen, which covered 241 pages, accused them of responsibility for the deportation of 140,000 Jews, only 10,000 of whom had returned, and of 80,000 political suspects, about half of whom had died in concentration camps; of the deportation, in particular, of MM. Herriot, Blum, Reynaud, Daladier, and Jouhaux, and General Gamelin; of the murder of M. Georges Mandel, the former Cabinet Minister; of the execution of about 1,000 hostages, and of the torture and summary execution of many members of the Resistance movement Oberg, after having been arrested in Germany in 1945, had been sentenced to death by a British court in 1946 for the murder of British prisoners-of-war, but the sentence was subsequently commuted to 20 years' imprisonment The preparation of the French indictment—which was largely based on evidence given at previous trials, notably that of Otto Abetz (see 10151 A)—had been completed by November, 1950, but the opening of the trial had been delayed by a number of appeals made by the defence against the decision to try Oberg a second time on other charges of war crimes

The second trial of Oberg and Knochen opened in Paris on Sept. 13, 1954, evidence being given, among others, by M. Reynaud, who described his imprisonment in Germany, and M. Bousquet, formerly secretary-general for police in the Vichy Government. Documentary evidence was put forward that in 1942 Oberg had ordered that where "saboteurs" could not be traced, the male members of their families should be punished with death and the women and children with deportation, and that both the accused had suggested to Himmler the deportation of members of the French intelligentsia. The prisoners, whilst admitting most of the charges against them, pleaded

in their defence that they had passed on and enforced orders from their superiors On Oct 10, 1954, the court found both defendants guilty and sentenced them to death An appeal was lodged against the verdict.

The " Rue de la Pompe " Trial. The trial before a military court in Paris of 11 Frenchmen, a Frenchwoman, and two Germans accused of taking part in the murder and torture of members of the Resistance Movement ended on Dec 22, 1952. The prisoners belonged to an organization known as the " Gestapo of the Rue de la Pompe " (from the Paris street in which it had its headquarters), which was held responsible for the deaths of 60 people and the deportation of 120. Eight of the accused, as well as seven other members of the group who were tried *in absentia*, were sentenced to death, three to life imprisonment, the woman to 20 years' imprisonment, and one of the Germans to five years' imprisonment, the other being acquitted Three of the condemned men—Theodore Leclercq, Georges Favriot, and Ferdinand Poupet—were executed by a firing-squad on May 22, 1954.

The Struthof Trials. Two German doctors, Eugen Haagen and Otto Bickenbach, were found guilty by a military tribunal at Metz on Dec. 22, 1952, of carrying out scientific experiments on prisoners in the Struthof concentration camp (Alsace), and were sentenced to life imprisonment. Haagen was accused of injecting batches of prisoners with typhus germs, whilst Bickenbach (a former professor of Heidelberg University) was alleged to have exposed prisoners to phosgene gas, and to have given no treatment to those who survived in order that the effects of the gas might be better observed. Both the accused claimed in their defence to have acted from " humanitarian motives in the interests of science." Two other doctors attached to the camp, one of whom was accused of ordering the murder of prisoners for use as anatomical specimens, were condemned to death *in absentia*, and a third was acquitted, also *in absentia*

The sentences on Haagen and Bickenbach were quashed on appeal by the *Cour de Cassation* on Jan 14, 1954, on the ground that not all the witnesses for the defence had been heard The case was accordingly transferred for retrial to the military tribunal at Lyons, which found both the accused guilty on May 14, 1954, and sentenced each to 20 years' imprisonment.

A former commandant of Struthof, Fritz Hartjenstein (who subsequently died in hospital), and five subordinate officials of the camp were condemned to death by the military tribunal at Metz on July 2, 1954, on charges of illegal executions, torture, and systematic cruelty. Another former commandant, Hans Hutting, was sentenced to life imprisonment, and nine of the camp guards to terms of imprisonment ranging from six to 20 years, whilst two of the accused were acquitted, 43 other members of the camp staff were sentenced to death and 15 to seven years' imprisonment *in absentia* During the trial evidence had been given by many former prisoners in the camp, where about 3,000 people died or were murdered during 1941-44.

The judgment was, however, quashed by the *Cour de Cassation* on Dec 2, 1954, on appeals by the defendants, on the ground that the military tribunal at Metz had been wrongly composed The case was accordingly sent to the military tribunal in Paris for retrial.

The Schirmeck Trials. Karl Buck, the former commandant of Schirmeck concentration camp in Alsace (who had previously been condemned to death for the murder of British parachutists and later pardoned), and Karl Nussberger, an official of the camp, were condemned to death by a military court at Metz on Jan. 21, 1953, on charges of torturing and murdering prisoners. Evidence was given during the trial by former inmates of the camp that prisoners had been beaten, attacked by savage dogs, and subjected to other tortures, and that many had been murdered, including two youths of 17 who were shot for attempting to escape. Four other members of the camp staff were sentenced to terms of imprisonment ranging from five to 20 years, four to death *in absentia*, and two to 20 years' imprisonment *in absentia*

The sentence on Buck was quashed by the *Cour de Cassation* on April 18, 1953, on the ground that the tribunal which had tried him had been constituted as if he were an officer of the German Army, whereas he was a police official Buck and Nussberger were accordingly brought to trial again on July 7, 1953, before a military tribunal in Paris

The Bordeaux Gestapo Trials. The Bordeaux military tribunal found on March 1, 1953, that two former officials of the Gestapo at Périgueux were guilty of murder One of the defendants, Michael Hambrecht, was sentenced to death and the other to 10 years' imprisonment, a third being acquitted. The defendants were accused, *inter alia*, of responsibility for the murder of 50 hostages at Brantôme, 58 at Mussidan, and 39 at Périgueux, for the deportation of several thousand Jews and others, and for many acts of arson and looting Of four other Germans tried *in absentia*, one was condemned to death and three to 20 years' imprisonment, whilst the case of an Alsatian who acted as interpreter to the group was ordered to be tried separately in view of the repeal of the Collective Responsibility Law.

Three former officials of the Gestapo at Bordeaux (Friedrich Dohse, Hans Luther and Anton Heizelberger) were found guilty on May 5, 1953, to atrocities against Resistance members, and were sentenced to terms of imprisonment ranging from four to seven years; as they had already been awaiting trial for several years, however, they were immediately released. Anton Fillip, a German officer of Czechoslovak origin, who had been in prison since July, 1945, was similarly sentenced at Bordeaux on May 12, 1953, to eight years' imprisonment for war crimes, which meant in practice that he would be released within two months Werner Gartner, formerly head of German counter-espionage at Bordeaux, was sentenced on June 17, 1953, to 10 years' imprisonment for ordering the execution of members of the Resistance Movement.

The Marseilles War Crimes Trials. General Bittrich, former commander of the *Hohenstaufen* Division, who was charged with responsibility for the execution of 17 members of the Resistance movement at Nîmes but denied his guilt, was sentenced by the military tribunal at Marseilles on June 23, 1953, to five years' detention after witnesses had confirmed that the execution order had been given not by him but by his Chief of Staff. One of his officers, Lieutenant Gutmann, was sentenced to 20 years' hard labour for his participation in the executions, whilst five former Gestapo agents were sentenced on Dec. 3, 1953, to life imprisonment, four others being condemned to death *in absentia*.

Major Muehler and Lieutenant Schoerer, the heads of the Gestapo at Marseilles during the occupation, were sentenced to death on Jan. 31, 1954, on charges of ordering the execution of hostages. The *Cour de Cassation*, however, quashed the sentences on July 28, 1954, and ordered a new trial, on the ground that the men should have been tried as members of a police corps and not as Army officers, and that the composition of the military tribunal had therefore been wrong.

The Korf Case. A former Gestapo agent, Wilhelm Korf, was sentenced to death by the military tribunal in Paris on Dec. 9, 1953, for murder, complicity in murder, torture of prisoners, and robbery committed in the Melun district during the occupation. The most serious charge related to the shooting of five monks, suspected of collaboration with the Resistance Movement, at the monastery of La Brosse-Monceaux in 1944, which was described by three monks who had witnessed the murder

The Renouf Case. A Frenchwoman, Madeleine Renouf, was sentenced by a military court at Metz on Dec. 19, 1953 to 10 years' imprisonment for intelligence with the enemy. Evidence was given that she had acted as a Gestapo agent during the occupation, had won the confidence of a member of the Resistance Movement who had subsequently revealed the names of members of his group under torture, and after the liberation had denounced to the French police the former collaborators whom she had known

The Grenoble Gestapo Trial. Paul Heimann, Gestapo chief at Grenoble during the German occupation, and two of his assistants were sentenced to death by the military tribunal in Lyons on Nov. 25, 1954, on charges of responsibility for the unlawful arrest, deportation, and murder of French citizens Specifically, he was found guilty of having ordered the arrest of 600 French people during an Armistice Day ceremony on Nov 11, 1943, of whom 395 were subsequently deported Two other Gestapo agents in Heimann's office were sentenced to nine and eight years' hard labour respectively.

The Ernst Case. Dr Robert Ernst, Mayor of Strasbourg during the German occupation, who had been acquitted by a Strasbourg court in 1947 on a charge of treason against France, was released on Jan 16, 1954. This followed decisions by the appeal courts at Colmar and Nancy which rejected the prosecution's appeal against Ernst's acquittal and confirmed that Ernst, born in Strasbourg at a time when Alsace belonged to the German Empire, was to be regarded as a German national because of his emigration to Germany in 1918 on the return of Alsace-Lorraine to French rule, and his subsequent service in the German Army Ernst was, however, rearrested on the day of his release when he tried to cross the frontier. His case was considered by M. Laniel (then Prime Minister) and other members of the French Cabinet, and on Jan. 21, 1954, it was announced that he would be tried as a war criminal on charges of provoking Frenchmen to treason, complicity in the enrolment of Frenchmen in the German Army, offences against the liberty of citizens, sequestration of French property, and looting The French Government's decision evoked strong criticism in the West German Press, and a Note of protest calling for Dr Ernst's release was submitted on Jan. 21, 1954, by the Federal Chancellor, Dr. Adenauer.

The new trial of Dr. Ernst—delayed by his appeal to the *Cour de Cassation*, against the decision to try him again—opened before the military court at Metz on Jan. 10, 1955. On Jan 13 Ernst was found guilty of inciting Frenchmen to treason, encouraging Frenchmen to join the German Army, and sharing responsibility for the deportation of several residents of Strasbourg to Germany, but was acquitted of complicity in the enrolment of Frenchmen in the German Army; the charge of looting had earlier been dropped by the prosecution. The court sentenced Ernst to eight years' imprisonment, confiscation of his property, and 20 years' banishment from French territory. As Ernst had been under detention since 1945, however, he was held to have served his sentence, and was released on the same day and conducted to the Franco-German frontier.

Charles Develle, a former member of the Vichy militia, was sentenced to life imprisonment by a military court at Lyons on Feb. 24, 1953, for the murder of M. Jean Zay, a former Minister of Education, who was shot near Riom by a party of the militia on June 20, 1944. Three of Develle's accomplices were tried *in absentia*, two being sentenced to death and one to 10 years' imprisonment.—(Le Monde, Paris - Le Figaro, Paris) (Prev. rep. War Crimes Trials, 10175 D ; Oradour, 10053 C.)

A. UNITED KINGDOM. — Fiduciary Issue Changes.

The following changes were made in the fiduciary issue during 1954 :

Jan. 27, £1,575,000,000 ; March 17, £1,625,000,000 ; June 2, £1,675,000,000 , July 13, £1,725,000,000 ; July 28, £1,750,000,000 ; Aug. 18, £1,700,000,000 ; Sept. 1, £1,675,000,000 , Dec. 2, £1,725,000,000 ; Dec. 15, £1,775,000,000.

On Jan. 20, 1955, the fiduciary issue was reduced again to £1,725,000,000.—(Economist) (Prev. rep. 13431 C.)

A. INDIA. — 60th Session of Indian National Congress. - Resolutions on Economic Policy and International Affairs. - Recognition of "Socialistic Pattern of Society" as Party's Aim. - New Working Committee.

The 60th session of the Indian National Congress met at Avadi (Madras) from Jan. 21-23, the proceedings being summarized below.

Resolution on Socialism. The session adopted a resolution on economic objectives which stated that "planning should take place with a view to the establishment of a Socialistic pattern of society in which the principal means of production are under social ownership or control, production is progressively speeded up, and there is equitable distribution of the national wealth"

Submitting this resolution on Jan. 19 to the All-India Congress Committee [which met before the Avadi session] Dr Kalam Azad (the Minister of Education) emphasized that the phrase "Socialistic pattern of society" rather than "Socialism" had been deliberately used in order to make it clear that no change in the party's constitution was intended, and that it was not being bound to any dogma or doctrine. The important thing was that distribution of wealth should be on an equitable basis, and whether this was achieved through nationalization or not was another matter The private sector of the national economy would have its full place in achieving the Socialistic pattern of society, and would receive Government help in increasing production, although prices and profits would be subjected to some control. Nationalization was bound to retard production, as the State personnel who might take over existing industries would not have the experience of their present owners; it would, therefore, be better to use the money that would otherwise go in payment of compensation to nationalized private industries for the establishment of new State enterprises in key industries.

During the ensuing debate the motion was criticized by some members of the Committee as a departure from the principles laid down by the late Mahatma Gandhi, and by others, on the ground that no time-limit was given for the fulfilment of the objective specified in the resolution. It was, however, finally approved by an overwhelming majority.

Economic Policy. A resolution on economic policy, which was also adopted, expressed satisfaction at the improvement in India's economic situation, and particularly in the food situation. It declared: "The time has come for a substantial advance on the economic and social plane with the definite objective of increasing production greatly, raising standards of living, and having progressively fuller employment, so as to lead to full employment within a period of 10 years. The national aim is a Welfare State and a Socialist economy This can only be achieved by a considerable increase in national income and a much greater volume of goods and services and employment. Economic policy must therefore aim at plenty and at equitable distribution The second Five-Year Plan must keep these objectives in view, and should be based on the physical needs of the people, which should be mainly provided for by production within the country. This necessitates the building-up of heavy industry as well as a wide extension of small-scale and cottage industries."

The resolution went on to say that the State would necessarily "play a vital part in planning and development," and, in particular, would "(1) initiate and operate large-scale schemes providing services such as power, transport, etc , (2) have overall control of resources, social purposes and trends, and essential balances in economy , (3) check and prevent evils of anarchic industrial development by the maintenance of strategic controls, prevention of private trusts and cartels, and maintenance of standards of labour and production ; (4) plan the economy of the nation in its basic and broad aspects." Although the public sector of the national economy must play a progressively greater part, particularly in the establishment of basic industries, the private sector and voluntary enterprises—such as co-operatives and small-scale industries—would continue to "have a definite place in our economy at present," provided that they functioned in terms of the national plan

Moving the resolution in the A.I.C.C , Mr. Nehru said : "We have to keep always before us a picture of the Socialistic pattern of society we want to build. What does not hinder us in building it up should be left to flourish . . We therefore propose to control only obstacles created by the private sector in the way of attaining a Socialistic pattern. But even here we want to remove these obstacles slowly." In India, he declared, Socialism would have to be achieved by peaceful methods, and it would be "foolish" for the Indian people to go through the "class war" troubles experienced in Europe. The pattern they had in view must conform to Indian conditions and have its roots in India's soil, and could not be a mere imitation of Socialism as practised in any other country In this connexion he compared the position with that in China, where, although the Government was composed of Marxists, they were interpreting Marxism very differently from the Russians and still retained plenty of private enterprise.

Foreign Policy. A resolution on international affairs (also adopted by the Congress) welcomed recent developments which had contributed to some lessening of international tension, notably the Geneva Agreements, and expressed the hope that the future of Indo-China would be decided by its peoples without outside interference or pressure, and that steps would be taken to continue negotiations for a peaceful settlement of the Korean question. It deplored the establishment of SEATO on the grounds that it had "added to the insecurity of that region and extended the area of cold war", warmly welcomed the "five principles" or *Panch Sila* set out in the joint statements issued by India, China, Burma, and Yugoslavia (see 14038 A, 13361 A), and expressed the opinion that "these principles must basically govern international relations and establish peaceful co-existence, which is imperative in the circumstances of today for the survival of civilization." The resolution regretted the continued exclusion of the Chinese People's Republic from the U.N. as retarding "the progress of peace and stability in Asia and the world," and expressed the hope that during 1955 "China will take her rightful place in the United Nations" After welcoming the proposal for an Asian-African conference, the resolution concluded by calling for the total prohibition of the manufacture and use of atomic, hydrogen, and other weapons of mass destruction, the cessation of experiments in their use, and immediate consideration of the matter by the U N Disarmament Commission.

Foreign Settlements. A resolution on foreign settlements in India expressed gratification at the *de facto* transfer of the French Settlements, and welcomed "the assurance given that French culture will continue to be preserved in Pondicherry, and thus add to the richness of India's life and culture." "The Congress is confident," the resolution added, "that the Portuguese Settlements in India will also join the Indian Union before long, and thus satisfy the aspirations of the people of India"

Party Organization. Two resolutions on party discipline were adopted. The first of these expressed serious concern at tendencies within the party's organization which were "symbolic of a general deterioration in social and moral standards," and directed the Working Committee to "take firm and adequate measures to see that organizational purity is maintained, discipline observed, and any attempt at group or individual aggrandizement effectively checked" The other called on all Congress members to take an active part in constructive activities, such as the Land Gift movement, the organization of co-operatives, and community projects.

Miscellaneous Resolutions. Other resolutions called for the abolition of the caste system and the repression of communalism ; the abolition of all social and legal disabilities affecting women ; the speedy implementation of the Government's proposals for land reform , and the extension of co-operative and other credit facilities in the villages.

The new Congress President, Mr. U. N. Dhebar, announced the membership of the new Working Committee on Jan. 22. This consisted of Mr. Nehru, Dr. Azad, Pandit Pant (the Home Minister), and Mr. Morarji Desai (Premier of Bombay), who, together with Mr. Dhebar, would form the Central Parliamentary Board , Mr. S. N. Agarwal and Mr. K. P. Madhavan Nair, the two general secretaries ; and Dr. B. C. Roy, Mr. S. Sinha, Mr. J. Ram, Mr. N. Chowdhry, Mr. G. S. Musafir, Mr. B. Mehta, Mr. A. V. Kukamalu, Mr. M. Ibrahim, Mr. K. Nadar, Mr. M. M. Chowdhry, Mr. Adityendra, and Mr. T. R. Deogirikar. The last five members had not previously served on the Congress Working Committee.

It was announced on Sept 25 that the "primary" membership of the Congress Party had fallen from 8,800,000 in 1952 to 6,100,000 in 1953, and that the party's "active" membership had fallen during the same period from 300,000 to 71,000.
(The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London) **(Prev. rep. 13916 A.)**

B. UNITED KINGDOM. — Bank of England. - New Directors and Chief Cashier.

It was announced on Feb. 4 (*a*) that Lord Kindersley, Sir Charles Hambro and Mr. L. J. Cadbury had been reappointed to the Court of the Bank of England for four years from March 1, 1955 ; (*b*) that Mr. W. J. Keswick had been appointed for the same period in succession to Sir Patrick Ashley Cooper (whose term of office expires on Feb. 28) ; (*c*) that Lord Braintree was resigning with effect from Feb. 28, and that Sir Harry Pilkington had been appointed for the remainder of Lord Braintree's term, until Feb. 29, 1956.

Mr. Keswick (51) is chairman of Matheson and Co., governor of the Hudson's Bay Company, and a director of a number of other companies. Sir Harry Pilkington (49), is chairman of Pilkington Brothers (the glass manufacturers) and has been president of the Federation of British Industries since 1953.

Mr. L. K. O'Brien (46) was appointed chief cashier of the Bank of England on Dec. 10 in succession to Mr. Beale, whose appointment as general manager of the new Industrial Credit and Investment Corporation of India had been announced on Dec. 5 (see 13974 A).—(Financial Times) **(Prev. rep. 13551 B.)**

C. COLOMBIA - PERU. — Resumption of Normal Diplomatic Relations.

Normal diplomatic relations between Colombia and Peru were re-established on Feb. 4 following the settlement of the five-year-old dispute between the two countries over Señor Haya de la Torre, the Peruvian political leader who had been granted asylum in the Colombian Embassy at Lima in 1949, and who had been allowed to leave for Mexico in April 1954.
(New York Herald Tribune) **(Prev. rep. 13698 B.)**

FEBRUARY 12—19, 1955

A. UNITED KINGDOM.—Atomic Power for Industry. - Launching of Ten-year Plan. - Construction of 12 Atomic Power Stations at Cost of £300,000,000.

A White Paper (Cmd. 9389) outlining the Government's plans for atomic power developments over the next ten years, and potential plans for the succeeding ten years, was published on Feb. 15 under the title *A Programme of Nuclear Power*. Its main points were as follows:

(1) £300,000,000 would be spent over the next ten years on the building of 12 nuclear power stations, capable by 1965 of generating between 1,500 and 2,000 megawatts of electricity—the equivalent of between 8 and 11 per cent of the present output capacity of the British Electricity Authority. When the whole programme was completed, the 12 stations were expected to save five to six million tons of coal a year. It was estimated that the cost of generating electricity from the first commercial nuclear power stations would be about 0.6d. per unit.

(2) Work on the first two stations would start in 1957 and be completed in 1960-61. The next two stations, which would be of an improved type, were expected to be in operation by 1963.

(3) Eight more stations, which would be of a still more efficient design, and each of which would have a capacity of 150-200 megawatts, would come into operation by 1965.

The White Paper is summarized below under cross-headings.

Preliminary Considerations.

"An important stage has been reached in the development of nuclear energy for peaceful purposes," said the White Paper "Hitherto work in this country has consisted of a military programme, a broadly based research and development programme, and the production and use of radio-isotopes The military programme continues to be of great importance but the peaceful applications of nuclear energy now demand attention . . Our future as an industrial country depends both on the ability of our scientists to discover the secrets of nature and on our speed in applying the new techniques that science places within our grasp. The exact lines of future development in nuclear energy are uncertain, but this must not deter us from pressing on with its practical application wherever it appears promising . . The application that now appears practicable on a commercial scale is the use of nuclear fission as a source of heat to drive electric generating plant. This comes at a time when the country's great and growing demand for energy, and especially electric power, is placing an increasing strain on our supplies of coal and makes the search for supplementary sources of energy a matter of urgency. Technical developments in nuclear energy are taking place so fast that no firm long-term programme can yet be drawn up But if progress is to be made, some indication must be given of the probable lines of development so that the necessary preparations can be made in good time . . H.M. Government have therefore prepared a provisional programme of nuclear power which covers the next ten years in some detail and gives an indication of the probable developments in the following ten years. It will be constantly modified as time goes on, and at each stage final decisions will not be taken until the last possible moment so that new technical developments can be used to the fullest advantage."

Probable Lines of Development of Nuclear Power.

After pointing out that the experimental nuclear power station under construction at Calder Hall (Cumberland) was "the first attempt in the U.K. to produce electricity from nuclear energy on a large scale," the White Paper continued: "Future developments, so far as they can now be foreseen, are likely to be directed at two main objectives: using the main nuclear material, uranium, more efficiently; and reducing the capital cost per kilowatt of a nuclear power station, in terms both of the construction of the reactor and of its initial charge.

"During the next ten years two types of reactor are likely to be brought into use on a commercial scale. The first type will be similar to those now being constructed at Calder Hall, but improvements in design during the period should enable the later models to show a great advance in efficiency compared with the earlier ones. They will be gas-cooled graphite-moderated 'thermal' reactors using as fuel natural uranium or slightly 'enriched' uranium, i.e fuel having a slightly higher fissile content than natural uranium. The first improved models could be designed and built so as to come into operation in about six years' time. These first reactors will burn only a very small proportion of the natural uranium placed in them, but they will produce, in addition to heat, the element plutonium, which does not occur in nature. This plutonium, which can be extracted chemically from the used fuel, is potentially very valuable: it is a pure fissile material, whereas natural uranium contains only one part in 140 of fissile material.

"The second type of reactor that may be built for commercial operating during the next ten years is a liquid-cooled 'thermal' reactor. This type requires more complicated techniques which at present would result in higher costs. But with further development liquid-cooled reactors should be able to give a much higher heat rating than the first gas-cooled reactors for the same capital costs. [The heat rating of a reactor is the rate of production of heat from each ton of fuel in the reactor. They might therefore eventually prove more economic than the gas-cooled reactors . . . The first commercial liquid-cooled reactors might be built during the latter part of the next ten years and begin operating about 1965

"Development after 1965 may take various forms thorium may be used, at first in conjunction with plutonium, as an alternative fuel. 'homogeneous' and 'fast breeder' reactors may be developed. It has already been decided to build a full-scale experimental model of a 'fast breeder' reactor capable of producing power at Dounreay, Caithness [see 13467 A]."

Probable Cost of Nuclear Power.

This subject was discussed under the headings of Capital and Overhead Costs, Fuel Costs, and The Cost of Electricity and the Credit for the Plutonium By-product, as summarized below

Capital and Overhead Costs. "A reasonably accurate estimate of the constructional costs of the first commercial stations can be made. A station of the same type, but designed to produce fissile material for military purposes as well as electricity, is already being built at Calder Hall at a cost of £15-£20 million. Even the first commercial reactors of the Calder Hall type can be expected to show a higher heat rating than those now under construction so that the capital cost per kilowatt will be lower A new station might have an electrical output of 100-150 megawatts or even 200 megawatts. We have no experience on which to base an estimate of the working life of a reactor in a commercial station, but a life of 10 - 20 years seems to be a reasonable technical assumption As nuclear stations will have a higher capital cost and a lower running cost than other stations they will be run as base-load stations at a higher load factor, perhaps 80 per cent [The load factor of a station is the ratio of the average load to the peak load carried by the station in each year. The stations having the lowest running costs are operated on the 'base load' (i.e., they are used to supply the demand that is present the whole time) and therefore have a high load factor.] On these assumptions a rough figure for the annual overhead cost for each unit of output can be calculated . . Developments in reactor design such as the introduction of liquid cooling should gradually lead to much higher heat ratings without much increase in capital cost. This would reduce still further the capital cost per kilowatt and thus reduce the overheads"

Fuel Costs. "The fuel cost depends on three things the cost of the raw material, uranium; the processing cost; and the level of irradiation,' i.e., the amount of heat that can be got from each ton of fuel in the reactor before it has to be taken out. H.M. Government consider that enough uranium will be available for the civil programme over the next ten years, after making the best assessment possible of world supplies and of world requirements for all purposes. The cost of the initial charge of fabricated uranium for one of the early types of station similar to Calder Hall may amount to about £5,000,000; a new charge costing the same will be needed every 3-5 years The cost of processing uranium . . . is known from the processes now being worked at the Springfields and Windscale factories for the military programme. In the early stages of a power programme the processing costs will be similar, but big reductions can be expected later when new factories are built. It is expected that it will be possible to extract as much as 3,000 megawatt-days of heat from every ton of fuel. This is the equivalent of the heat from 10,000 tons of coal. There is as yet no practical experience of this level of irradiation at high temperatures, and the metallurgical behaviour of the fuel elements is uncertain. But there are many lines of development which should overcome such metallurgical defects as may appear."

The Cost of Electricity and the Credit for the Plutonium By-product. "Some credit should be allowed for the fissile by-product plutonium. It is in many ways equivalent to Uranium-235, another form of fissile material. But plutonium can be extracted by chemical means from a power reactor's used fuel for only a fraction of the cost of separating Uranium-235 from natural uranium in a diffusion plant. When concentrated fissile material is available in quantity, there will be great scope for the design and development of more advanced and more efficient reactors that need 'enriched' material and will not operate on natural uranium. Looking further ahead, concentrated fissile material in the form of either Uranium-235 or plutonium is required for a 'fast breeder' reactor or for starting a thorium system. In this manner the early reactors will be producing not only electricity but also the capital equipment (i.e. the initial charge of fissile material) for future power stations. Without the plutonium it would not be possible to build up a system of nuclear power stations of steadily advancing efficiency.

"In the early stages of an expanding nuclear power programme it is to be expected that concentrated fissile material will be scarce and that if there were a free market its price would be high. It will be required for enriching the fuel charge in new commercial reactors, and also for many experimental and development purposes, including the fuelling of prototypes of advanced design. Eventually the system will reach the stage where more plutonium is produced than the new power stations require, its 'market' price will then fall and it might be used as a substitute for natural uranium rather than as concentrated fissile material. This is unlikely to happen for 15 or 20 years.

"It is not obvious what is the right value to put on the plutonium produced, although the effect on the net cost of electricity could be considerable . . . Limits can be set to the value of the plutonium by considering the uses to which it might be put. At worst it could be fed back into a reactor as fuel in place of natural uranium; and since natural uranium contains only one part in 140 of fissile material, plutonium should be worth at least 140 times as much, weight for

weight. At best plutonium is not likely to be worth more than the cost of Uranium-235 separated from natural uranium in a diffusion plant. There is a wide range between these limits, but both values can be measured in terms of thousands of pounds sterling for a kilogram of plutonium In the early period it is thought right to allow for the plutonium at a rate of many thousands of pounds a kilogram, the value should eventually fall but would have a significant effect on the cost of generating electricity.

"On the assumptions set out above, and taking what appears to be a reasonable value for the plutonium, the cost of electricity from the first commercial nuclear stations comes to about 0 6d a unit. This is about the same as the probable future cost of electricity generated by new coal-fired power stations"

A Provisional Programme.

After pointing out that "the programme outlined below is provisional and must be considered only as the best indication that can now be given of the probable line of development," and that "types of stations, numbers, and dates are all subject to change" the White Paper continued:

"The [nuclear power] stations will be built in the normal way by private industry for the Electricity Authorities, who will own and operate them [These are at present the British Electricity Authority, the North of Scotland Hydro-Electric Board, and the Northern Ireland Electricity Board. On April 1, 1955, the South of Scotland Electricity Board will come into existence and the Central Electricity Authority will replace the British Electricity Authority—see 14016 C.] The Atomic Energy Authority will be responsible for giving technical advice on the nuclear plant. British industry and consulting engineers have as yet no comprehensive experience of nuclear technology They will be faced with a major task in training staff, in creating the necessary organization and in designing the stations. This work has already begun. Owing to its complexity and diversity, teams drawn from several firms may have to be formed The preparatory work will call for great efforts from all concerned, and even so it will not be practicable to start building any commercial stations before 1957.

"It is intended that the Electricity Authorities and private industry should obtain as quickly as possible the practical experience in designing and building nuclear power stations that will be the necessary foundation for a big expansion in the later stages of the programme The Atomic Energy Authority, while giving as much assistance and advice to industry as possible, will remain primarily a research and development organization and will continue to design, build and operate pioneering types of power reactor. They will also be responsible for buying uranium, fabricating the fuel elements, processing the used fuel, and extracting the plutonium from it There will therefore have to be a continuous process of co-operation and of financial adjustment between the Electricity and Atomic Energy Authorities."

Nuclear Power Stations. "The provisional programme for the construction of nuclear power stations is as follows:

(1) The construction of two gas-cooled graphite-moderated stations (each with two reactors) would be started about mid-1957. These stations should come into operation in 1960-1961.

(2) The construction of two further stations would be started about 18 months later, i.e in 1958-1959. These would also have two reactors each and would be similar in type to the earlier two stations, but should show an improved performance, particularly in heat rating. Each of the eight reactors in these early stations would have a net output of electricity of 50 to 100 megawatts, so that the total output from the four stations, which should all be in operation by 1963, would be somewhere between 400 and 800 megawatts.

(3) The construction of four more stations might perhaps start in 1960, and then a further four 18 months later, say in 1961-1962. These might come into operation in 1963-1964 and in 1965. It is difficult to specify what type of station these would be, but it is probable that each station would consist of only one reactor, which would be much more highly rated than the reactors in the first four stations. The stations begun in 1960 might be developments of the gas-cooled graphite-moderated type The last four stations might be of the liquid-cooled type, which might by then have been developed sufficiently to be economically satisfactory. The total installed capacity of the eight stations in this group should be well over 1,000 megawatts.

"The ten-year programme would provide a capacity of about 1,500 to 2,000 megawatts. By the end of the ten years this country would probably be needing new generating capacity at the rate of over 2,000 megawatts a year, and the new nuclear stations coming into operation each year would be meeting something like a quarter of this. On the assumption that nuclear stations would be used as base-load stations, they would by 1965 be producing electricity at a rate equivalent to that produced by about five to six million tons of coal a year Assuming that the programme continued to expand rapidly, this contribution towards the country's energy needs should also rise rapidly thereafter."

Cost of the Programme. "The capital expenditure on the . . . programme will be considerable. The cost of the first two stations together would probably be between £30 million and £35 million The next two stations . . . would cost perhaps slightly more, while the cost of the last eight stations would be in the region of £125 million in total. The cost of the initial charges of uranium, including fabrication, might amount to a further £40 million. The new ancillary plant that would be required within the 10-year period might cost £30 million. The concurrent capital expenditure on prototype development might be £30 million to £40 million The cost of the ten-year programme might therefore come to £300 million. The rate of expenditure on the commercial applications of nuclear power would rise steadily during the period and the total over the ten years would amount to more than the £300 million, since it would include expenditure on stations that would not be completed until after 1965 and do not appear in the present programme.

"This investment will not be a wholly additional demand on the economy The nuclear power stations will be built instead of other types of station The investment by the Electricity Authority in new coal or oil-fired generating capacity over the next ten years would, in the absence of nuclear power, probably be of the order of £1,200 million With a nuclear power programme there will be a significant reduction in this figure which can be set off against the investment in nuclear power. The National Coal Board should also be able to reduce its investment programme in some ten years time below what would have been necessary in the absence of nuclear power

"No accurate assessment can be made so far ahead of the amount of additional investment that the economy will be able to afford All that can be said is that, given a normal rate of growth of gross national product, and given that a reasonable proportion of the increase in resources is made available for an increase in investment, there would not appear to be any great difficulty in accommodating a nuclear power programme on the scale proposed. It is unlikely that the rate of expansion of investment in the fuel and power industries over the next ten years, even including this programme, will exceed the rate of the expansion in real terms that has taken place since 1948"

The Long-term Prospect. "On the provisional programme the new nuclear power stations would by 1965 be meeting a quarter of the total requirement of new generating capacity. How quickly it would be possible to expand the programme to match the whole of this requirement will depend upon the progress made in the first ten years . . . The possibilities of expansion will depend to a great extent on the speed with which the necessary techniques are mastered by industry at large. The Atomic Energy Authority will continue to make new information available and to provide training; with this help industry should acquire wide experience in carrying out a 10-year programme of the type that has been outlined, and this would make possible a much greater expansion after 1965 If all went well, it might be practicable by the early 1970s to expand the rate of construction of nuclear power stations to match our total requirement of new generating capacity, which by this time might amount to about 3,000 megawatts a year On this assumption the total nuclear power station capacity installed by 1975 would be of the order of 10,000-15,000 megawatts . . . The nuclear power stations would then be producing electricity at a rate equivalent to that produced by about 40 million tons of coal a year

"Another possible limitation on the rate of expansion in the later years is the supply of nuclear fuel, particularly the more highly enriched material that will be needed for some of the advanced types of reactor. By the late 1960s the early reactors should be producing plutonium in quantity, and this would be available for the later reactors. The provisional programme and the further expansion thereafter will also call for increased supplies of uranium, and no doubt other countries will be increasing their commercial demands at the same time. Recent evidence suggests that uranium is more plentiful than was once thought, considerable workable deposits of medium-grade ore are known, while the widespread evidence of low-grade ores implies that adequate quantities can be produced from them if necessary. Moreover the expansion in the requirement of uranium should be mitigated by the greater economy in its use that will by then have been achieved, and by the possible development of the substitute fuel thorium, which should be available in considerable quantities if it is required. For these reasons H.M. Government are confident that the necessary supplies of raw material will be available to meet the increases in demand."

Siting and Safety. "The history of the development of nuclear energy has made everyone aware of its destructive possibilities, and it would be natural to ask whether there were any special dangers associated with nuclear power installations The first important thing to recognize is that it is impossible for an 'atomic explosion' to take place in a power reactor . . . The main hazards in a nuclear power station are caused by the concentration of highly radioactive materials. But these are known dangers which can be guarded against, both by precautions in the design of the reactor itself and, if necessary, by enclosing some or all of it in a gas-tight container. The reactors that will be built for the commercial production of electricity will present no more danger to people living nearby than many existing industrial works that are sited within built-up areas. Nevertheless the first stations, even though they will be of inherently safe design, will not be in heavily built-up areas.

"The disposal of radioactive waste products should not present a major difficulty The problem is primarily one for the chemical processing plants and not for the power stations The volume of waste will be small, and great efforts are being made to determine the most economical methods of storing or disposing of it. There are many valuable uses for it which may be able to absorb a great part of the output Any material that is discharged will be tested to ensure that it is of extremely low radioactivity, so that it will be harmless and comparable in effect to the natural background radioactivity which is always present."

The Programme and the Government's Fuel Policy.

The White Paper went on to discuss how the development of nuclear energy would "fit in with the energy requirements of this country and with the supply of other fuels," with special reference to electricity and coal supplies.

Electricity. "... There is no sign that the demand for electricity is even beginning to approach saturation point either in this country or anywhere else ... The demand in the U.K. is likely to be some 3½ times the present level in 20 years' time. To meet this growth in demand ... it is estimated that the installed generating capacity, which averaged 20,000 megawatts in 1954 will have to be increased to 35,000-40,000 megawatts by 1965 and to perhaps 55,000-60,000 megawatts by 1975. If the provisional programme suggested above were completed—in practice it is certain to be modified one way or the other—it would provide 1,500 to 2,000 megawatts of nuclear power by 1965 and somewhere between 10,000 and 15,000 megawatts by 1975. The nuclear power stations would be operated on base load and would supply a higher proportion of the total power than the ratio of these figures would suggest."

Coal Supplies. "Without nuclear power the rate of consumption of coal (or its equivalent as oil) by the power stations alone would increase on the assumption in the last paragraph by perhaps 2½ times over the next 20 years, reaching about 65 million tons a year by 1965 and 100 million tons a year in the 1970s ... On the basis of the provisional programme of nuclear power, the coal required by power stations would level off in the region of 60 to 70 million tons a year during the 1960s. This levelling-off ... would come none too soon to help with the difficulties of finding manpower for the mines and of producing at reasonable cost enough coal for the other users of solid fuel, whose demand would have been steadily rising meanwhile.

"Since the war the production of coal from deep mines has increased from 175 million tons in 1945 to 214 million tons in 1954. But the demands of our expanding home industries have been rising even faster. We have had to supplement output from the deep mines by opencast coalmining and by importing coal; even so, supplies for the householder are still restricted and there is not enough for exports. The National Coal Board have in hand a large programme of capital investment, but a great part of this will be needed to maintain the output of the mines at the present level. Greater efficiency in the use of coal, and the substitution of oil for coal in certain processes, including electricity generation, will give some limited relief but the increasing demand for fuel cannot be met without exploiting to the full any new and economic technique available. The provision of enough men for the mines is one of our most intractable problems, and is likely to remain so ... Any relief that can come from other sources of energy, such as nuclear power, will do no more than ease the problem of finding and maintaining an adequate labour force. There can be no question of its creating redundancy. The mining industry will in any case remain one of the major employing industries of the country, but it may hope to be relieved by the advent of nuclear power of the excessive strains which are now being put upon it."

Conclusion.

The White Paper concluded as follows: "Our civilization is based on power. Improved living standards, both in advanced industrial countries like our own and in the vast under-developed countries overseas, can only come about through the increased use of power ... Whatever the immediate uncertainties, nuclear energy will in time be capable of producing power economically. Moreover, it provides a source of energy potentially much greater than any that exist now. The coming of nuclear power therefore marks the beginning of a new era ... It is a major industrial development that will bring with it revolutionary changes in technique.

"The programme described here is provisional and will be altered in many ways in the course of time. But it is hoped that it gives a clear enough picture of the probable scale, scope, and timing of developments to put nuclear power in its proper perspective and to show how it will fit in as one of the sources of energy that will be available to meet the rapidly growing needs of our expanding economy.

"The large-scale production of nuclear power cannot be brought about quickly. The first commercial, as opposed to experimental, stations will not be in operation for at least five years. But if proper preparations are made now, it will be possible for nuclear power to be produced commercially in significant quantities within ten years. The experience gained during these ten years should make possible a much more rapid expansion thereafter at home and abroad.

"New technical developments that cannot at present be foreseen may perhaps lead to a more rapid improvement in the performance of stations than has been assumed. If so, we should be in a good position to take advantage of such developments. On the other hand, the provisional programme may turn out to be too optimistic: the stations may take longer to design and to build; they may cost more; the amount of development work needed may have been under-estimated. If any of these things happened, nuclear power would come later or be more expensive than the programme suggests. H.M. Government consider that these risks must be accepted.

"This formidable task must be tackled with vigour and imagination. The stakes are high, but the final reward will be immeasurable. We must keep ourselves in the forefront of the development of nuclear power so that we can play our proper part in harnessing this new form of energy for the benefit of mankind."

The Government's nuclear power programme was announced in the House of Lords on the same day by Lord Salisbury (who, as Lord President of the Council, is the responsible Minister for the development of atomic energy) and in the House of Commons by Mr. Geoffrey Lloyd, the Minister of Fuel and Power. In a subsequent press statement, Mr. Lloyd said that it was "an historic day for Britain" and that the decision to construct the nuclear power stations was the most momentous ever made by any Minister of Fuel and Power. He added: "These decisions open up tremendous prospects; they offer the possibility of a new industrial revolution with a continuing increase in productivity and in the standards of living of our country. I know of no other nation that has yet launched a nuclear power programme on this scale." In his statement to the House, Mr. Lloyd had said that the programme was "fundamentally based on the brilliant work of Sir John Cockcroft and his research team at Harwell."
(Cmd. 9389 - Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. 13854 A; 13729 D; 13467 A.)

A. LIBYA - FRANCE. — Libyan Demand for Withdrawal of French Troops from Fezzan. - French Refusal. - Franco-Libyan Negotiations.

The Libyan Government informed the French authorities on Nov. 13, 1954, that it did not propose to renew a provisional agreement, concluded in December, 1951, and due to expire on Dec. 31, 1954, under which France had been permitted to maintain 400 troops and an air base in the Fezzan. This attitude was reaffirmed on Dec. 9 by the Libyan Prime Minister, M. Mustafa Ben Halim, who declared in the Libyan Parliament that his Government would "not tolerate the prolongation of the occupation of our territory by French troops."

In an interview on Dec. 14 with a correspondent of *Le Monde*, M. Ben Halim denied that his policy was in any way hostile to France, and stated that his Government had demanded the withdrawal of French troops from the Fezzan because "we are proud of our independence and wish to feel ourselves free." Asked why he objected to the presence of a small French force, although much larger British forces were stationed in Cyrenaica and the U.S.A. had been granted the use of an air base in Tripolitania, he said that the military alliance with Britain was sufficient to protect the country, whilst the U.S.A. was financing the greater part of Libya's economic development. Libya did not therefore need a French alliance, but was prepared to conclude a treaty of friendship with France "on condition that the principle of military evacuation is recognized."

During a debate in the French National Assembly on Dec. 6, M. de Moustier (then State Secretary for Foreign Affairs) announced that France had informed the Libyan Government that she could not accept the Libyan demand for the evacuation of French troops and that she would not modify the existing situation until a permanent agreement had been concluded; he also said that the French Government had consulted Britain and the U.S.A. on the subject. The Assembly voted that the French financial contribution to Libya in 1955 should be reduced from 360,000,000 to 260,000,000 francs (£260,000), the latter sum representing the counterpart of the French bases in the Fezzan.

At the French Government's invitation, a Libyan delegation headed by M. Ben Halim arrived in Paris on Dec. 31 for discussions after it had paid a short visit to London for talks with Lord Reading, the British Minister of State for Foreign Affairs. The Paris negotiations, in which M. Mendès-France took part, concluded on Jan. 6, 1955, when the Quai d'Orsay issued a communiqué stating that "the two delegations have examined in a spirit of friendship and co-operation the problems arising from the negotiation of a treaty of friendship and good neighbourliness," and that the conversations would be continued in Libya. M. Ben Halim claimed on Jan. 9 that the talks had been "satisfactorily concluded" and that the French Government had agreed to withdraw its troops from the Fezzan; this, however, was not confirmed in Paris, although an official spokesman said that the French Government might consider a gradual withdrawal from the Fezzan "under certain indispensable guarantees and conditions."

Discussions were resumed in Benghazi on Jan. 28, the French delegation being led by M. Maillard, of the Quai d'Orsay.
(Le Monde, Paris - Le Figaro, Paris) **(Prev. rep. U.K.-Libyan Agreement, 13046 D; U.S.-Libyan Agreement, 13790 B.)**

B. INDIA. — New Governor of Bombay.

Mr. Harekrishna Mahtab, a former Chief Minister of Orissa and a prominent Congress leader, was appointed Governor of Bombay on Jan. 29 in succession to Sir Girja Shankar Bajpai, who died on Dec. 5, 1954.—(Times of India, Bombay) **(12209 A.)**

C. SIAM. — Execution of Assassins of the late King Ananda Madihol.

The three former Court officials who were found guilty in October, 1954, of the murder of King Ananda Madihol in 1946 were executed on February 17. (Manchester Guardian)
(Prev. rep. 13848 B.)

A **COSTA RICA. — Invasion by Costa Rican Exiles from Nicaraguan Territory. - Fact-finding Mission appointed by Organization of American States. - U.S. Fighters sent to Costa Rican Government. - Repulse of Insurgent Forces. - Creation of Demilitarized Zone on Costa Rican-Nicaraguan Frontier.**

Costa Rica was invaded on Jan. 11 by a rebel force of Costa Rican exiles, reported to be several hundreds strong, who crossed the frontier from Nicaragua with the apparent intention of overthrowing Dr. Figueres, the President of Costa Rica, and seizing control of the country After an 11-day campaign, however, and after the intervention of the Organization of American States (O.A.S.), the insurgent force was driven back across the Nicaraguan frontier.

It was announced on Jan. 11 in San José (the Costa Rican capital) that "unknown forces" had crossed the frontier from Nicaragua, had made a deep penetration into Costa Rican territory, and had captured the town of Villa Quesada (30 miles north of San José and 50 miles south of the Nicaraguan border), as well as the small towns of Puerto Soley, Pena Blanca and La Cruz, in the north-western part of the country near the Nicaraguan border. Diplomatic relations were immediately broken off with Nicaragua, the Nicaraguan Chargé d'Affaires in San José was declared *persona non grata*, a state of emergency was proclaimed throughout Costa Rica, and President Figueres broadcast an appeal for volunteers to assist the Civil Guard in repelling the invasion, which he described as "an act of aggression which has been in preparation for several years."

Scattered attacks were made by insurgent aircraft on Jan. 12 against several Costa Rican towns, including a machine-gun attack on San José by a single plane. A Costa Rican communiqué said the attacks had been made by aircraft flying from the direction of Nicaragua, that two of the machines bore Venezuelan markings, and that the plane responsible for the attack on San José had subsequently been shot down by anti-aircraft fire near the town of Liberia, in north-west Costa Rica. No casualties were reported in San José, and very few elsewhere.

The Council of the O.A.S. met in emergency session in Washington on Jan. 11 in response to an urgent appeal by the Costa Rican Government, which invoked the Treaty of Rio de Janeiro and demanded collective assistance from the other American Republics in helping to repel the aggression, as provided for under the Rio treaty. The Nicaraguan representative on the O.A.S. strongly denied Costa Rican allegations that his Government were aiding the insurgents, whilst the Venezuelan representative similarly denied that his country was in any way implicated in the dispute between Costa Rica and Nicaragua. It was decided, after discussion, to send a five-man fact-finding mission to Costa Rica to investigate the situation on the spot and to draw up a preliminary report.

The fact-finding mission, consisting of a U.S. representative (Mr. John Dreier) and the Brazilian, Mexican, Paraguayan and Ecuadorean Ambassadors in Washington, arrived in San José on Jan. 13 in a U.S. plane. It reported to the O A.S. on Jan. 14 (1) that foreign aircraft were flying illegally over Costa Rican territory and had attacked San José and other Costa Rican towns; (2) that there were "serious indications" that the insurgents were using arms supplied from foreign sources; and (3) that, up to Jan. 13, military operations had been taking place in north-western Costa Rica, near the Nicaraguan border. After expressing its conviction that "a substantial part" of the insurgents' war *matériel* had been "introduced across the northern frontier of Costa Rica's territory" [i.e. from Nicaragua], the fact-finding mission called upon the Council of the O.A.S. (*a*) to "send immediately a formal call to the Government of Nicaragua emphasizing the seriousness of the situation," and (*b*) to "contemplate at once the measures which, in accordance with the Treaty of Rio de Janeiro, should be applied if the circumstances demand."

The Council of the O.A.S., meeting the same evening (Jan. 14), condemned the attack by foreign forces on Costa Rica, called upon Nicaragua to take steps to stop the flow of war *matériel* to the insurgents; requested the fact-finding mission to send observers to "any place which might be utilized for the transport of troops and military equipment towards Costa Rica"; and asked the Governments of all the American Republics to consider a place and date for a meeting of Foreign Ministers, if the circumstances demanded such action.

After a further all-night session on Jan. 15-16, the Council of the O.A.S. decided to call upon all the American Republics to give "prompt consideration" to a Costa Rican request for aircraft to enable her to defend herself against air attacks. [The request had been made after the O.A.S. had been officially informed of another insurgent air attack on the town of Liberia, and after the Costa Rican Government had pointed out that it possessed no air force to enable her to repel such attacks.] In conformity with the Council's decision, the U.S. Government announced on Jan. 16 that it would immediately supply Costa Rica with four P-51 fighters and a *Globemaster* transport plane, at a price which would be merely nominal. The planes were accordingly flown from Texas to San José on Jan. 17 by U.S. pilots, handed over to the Costa Rican Government, and manned by Costa Rican aviators. The supply of U.S. aircraft was hailed with great satisfaction in Costa Rica, and was regarded by the U S. Press as an historic decision inasmuch as it was the first occasion on which an American republic had received aid under the Rio treaty to enable it to repel external aggression.

The President of Nicaragua, General Anastasio Somoza, complained on Jan 17 that the provision of U S fighter aircraft for Costa Rica was "putting dangerous toys in the hands of a lunatic," and demanded that the U.S Government should sell similar machines to Nicaragua. In an earlier press statement on Jan. 12 in Managua (the Nicaraguan capital), President Somoza had declared that the Nicaraguan Government had nothing whatever to do with the invasion of Costa Rica, that there was no question of Nicaragua being used as a springboard to attack the regime of President Figueres, and that he would welcome an on-the-spot investigation by the O A S.

Military operations against the insurgents, which had been practically at a standstill during the visit of the fact-finding mission, were resumed on Jan. 18, when Costa Rican forces, supported by the fighter planes acquired from the U.S.A., advanced rapidly northwards along the Inter-American Highway after having liberated Villa Quesada. A Costa Rican communiqué of Jan. 21 announced that the insurgents had been driven from all the towns in the north-western part of the country which they had seized at the beginning of the invasion, that all resistance to the Government forces had ceased, and that the remaining insurgent forces were fleeing across the Nicaraguan frontier. It was claimed in San Jose that many prisoners had been taken and that Teodoro Picado—described as the insurgent leader, and the son of a former Costa Rican President—had been killed in action.

Both Costa Rica and Nicaragua accepted on Jan. 20 a plan, proposed by the O.A S., for a demilitarized zone on each side of their common frontier extending from the Pacific coast to Lake Nicaragua.

The plan, which went into immediate effect, laid down (1) that there would be a "buffer" zone three miles wide and 18 miles long on both sides of the frontier between Lake Nicaragua and the Pacific; (2) that neither side would send ground forces into this zone; (3) that Nicaraguan and Costa Rican military aircraft would not fly over the zone; (4) that the Nicaraguan Government would disarm and intern all insurgents crossing the frontier from Costa Rica; (5) that the O.A.S investigation commission would place patrols in the "buffer" zone to ensure that the provisions of the agreement were being observed. It was subsequently announced that 300 insurgents—the last rebel group on Costa Rican territory—had crossed into Nicaragua and had been interned

An article in the *New York Times* (issue of Jan. 12, 1955) gave a "background" description of the hostility between Nicaragua and Costa Rica, and in particular of the hostility between the Presidents of the two countries. The following extracts are taken from the article:

"Enmity between Costa Rica and Nicaragua is a result of animosity between the Presidents of these countries dating back to 1948. Communism, an issue of the Guatemalan revolt, is of no consequence in this situation Communists are barred in Nicaragua and the Communist Party in Costa Rica, though legal, is small and in strong disfavour with the Government . . .

The bad feeling between the countries began when José Figueres—now President of Costa Rica—antagonized General Somoza, President of Nicaragua, by leading a revolt in 1948 that deposed Teodoro Picado as President of Costa Rica Señor Picado was a friend of the Nicaraguan dictator . . . Until then Señor Figueres . had not been conspicuous in politics. Though he had led the revolt to success, he insisted that Señor Ulate take office [as President of Costa Rica]. However, in 1953 Señor Figueres was overwhelmingly elected President . . .

Thereafter relations between Costa Rica and Nicaragua deteriorated steadily. Last April Costa Rica accused Nicaragua of moving troops to their common border The Nicaraguan Government said it was taking precautions because of an attempt to assassinate President Somoza. In May Costa Rica was accused of plotting against the life of General Somoza . . On Nov. 27 President Figueres said . . . that a plot to invade Costa Rica simultaneously with a revolt had failed . . ."

Costa Rica (area 19,650 square miles, population 800,000) abolished its army in 1948 (see 9672 D), the country's defence being entrusted to a national police force known as the Civil Guard. Until the acquisition of the four fighter planes from the United States, Costa Rica also possessed no air force. Nicaragua (area 148,000 square miles, population 1,000,000) has a well-trained army of about 7,500 and one of the strongest air forces in Central America, particularly since the purchase of 25 fighter planes (P-51s) from Sweden in December, 1954.

(New York Times - New York Herald Tribune),

A. FRANCE. — Constitutional Reforms.

The Bill amending 11 Articles of the French Constitution of 1946, which had been passed by the National Assembly on first reading on July 23, 1953 (see 13147 A), was considered by the Assembly on second reading on Nov 29-30, 1954. It had previously been passed on March 18, 1954 (by 240 votes to 47) by the Council of the Republic, which had made a number of amendments.

The most important of these amendments were (*a*) a reversal of the Assembly's decision that in future a simple majority would be sufficient for the *vote d'investiture* for a new Prime Minister, instead of the absolute majority required under the 1946 Constitution, (*b*) a stipulation that a simple majority would be sufficient for a no-confidence vote or a vote of censure, contrary to the Assembly's wish to retain an absolute majority for such votes, (*c*) certain changes in the *navette* "shuttle") system provided for in the case of disagreement between the two Chambers on pending legislation (see 13147 A); and (*d*) a demand that the "procedure of urgency" for a Bill should not be invoked by the Assembly without the prior agreement of the Council of the Republic in the case of legislation involving ratification of an international treaty

During the second reading debate the Assembly accepted many of the amendments proposed by the Council of the Republic, but insisted on its original version in the case of several important points. The provisions as finally adopted were as follows:

(1) A state of siege could be declared "under conditions laid down by law" (Art. 7).

This version had been proposed by the Council of the Republic and was accepted by the Assembly, which had originally detached from the Bill for further consideration the clause relating to the imposition of a state of siege.

(2) The Assembly would meet on the first Tuesday in October and, after sitting for at least seven months (excluding adjournments lasting more than eight full days), might be adjourned by the Prime Minister through a Government decree (Art. 9).

The only change made by the Council of the Republic in the Assembly's original text was the stipulation that only adjournments exceeding eight "full" days would count as interruptions of the session. The Assembly accepted this on second reading.

(3) Each Chamber would elect its *bureau* at the beginning of the session "according to the conditions provided for by its rules" (Art. 11).

The Assembly's original version had stipulated that these elections should be by majority vote, but on second reading the Assembly accepted the version recommended by the Council of the Republic.

(4) If the Assembly was not in ordinary session its *bureau* could convoke an extraordinary meeting of Parliament, whilst the President of the Assembly would be required to summon such a meeting if requested by the Prime Minister or by at least half the deputies. An extraordinary session could be closed by the Prime Minister on the same conditions as laid down in Art. 9, but not until Parliament had dealt with the matters for which it had been specially convened (Art. 12).

The Council of the Republic had proposed a number of amendments (all of which were rejected by the Assembly) providing, *inter alia*, that only the National Assembly could be convened in emergency session.

(5) Legislation (except Bills for the ratification of treaties or on budgetary and other financial matters, which would always be initiated by the National Assembly) might be initiated by the Assembly or the Council of the Republic, and would be passed on to the other Chamber for consideration after its adoption (Art. 14).

The Council of the Republic had proposed that those provisions of the Constitution dealing with the consultation of the Assembly of the French Union and of the Economic Council should also be applicable to Bills examined in the first instance by the Council of the Republic. This, however, was rejected by the National Assembly as unnecessary.

(6) Every Bill would be examined in turn by the two Chambers with a view to the adoption of an identical text. A Bill first introduced in the National Assembly would be voted upon by the Council of the Republic within two months of its adoption by the Assembly, and would then pass backwards and forwards between the two Chambers (the "*navette*" procedure) until agreement was reached. After the second reading in the Council of the Republic each Chamber would be allowed the same period as had been taken up by the other during its preceding consideration, with a minimum of seven days. If, however, there was no agreement within 100 days from the date when the Bill had been remitted to the Council of the Republic for a second reading, the Assembly would have the final say by adopting its previous version, either with or without any of the Council's amendments.

Special provisions were laid down for (*a*) Budget and financial legislation, for which the period allowed for agreement between the two Houses would in no case exceed the time previously spent by the National Assembly on the legislation in question; (*b*) all matters to which the Assembly had given priority (*procédure d'urgence*), in which case the period allowed for the Council of the Republic's consideration would be double the time allowed for the Assembly's deliberations. The time-limit of 100 days was reduced in the case of Budget and financial legislation to one month, and in the case of matters declared by the Assembly to be urgent to 15 days.

If the Assembly exceeded the time-limits laid down for it, the maximum period for final agreement between the two Houses would be extended accordingly. However, any periods during which parliamentary sessions were suspended would not count in the allotted time-limits, which, moreover, could be extended by decision of the Assembly (Art. 20).

This amendment proved to be the most controversial of all those under consideration. Originally, the Assembly's Universal Suffrage Commission had rejected the clause inserted by the Council of the Republic that any delay on the part of the Assembly beyond the period of time laid down for its deliberations would automatically extend the period allowed for agreement between the two Chambers. Following a lengthy debate, M. Mendès-France appealed to the Assembly to make this small concession to the Council of the Republic, and it was only after the Prime Minister's intervention that an amendment maintaining the Council's version was passed by 307 votes to 305. The Article as a whole was then passed by 315 votes to 208.

(7) No Deputy or Senator could be prosecuted or arrested while Parliament was in session without the permission of the Chamber of which he was a member, unless arrested in the act of breaking the law. Between sessions no member of Parliament could be arrested without the permission of the Chamber to which he belonged, unless he was arrested in the act of breaking the law, or his prosecution had been authorized, or a final sentence was being executed. A Deputy or Senator arrested between sessions could vote by proxy when Parliament met again until the Chamber had agreed to the suspension of his parliamentary immunity; if his immunity had not been lifted within 30 days of the opening of the session, he would automatically be released (Art. 22).

The Council of the Republic had deleted the proxy vote for arrested Deputies or Senators, but the Assembly reinserted its original text. On the other hand, it accepted the Council's proposals concerning the arrest of members between sessions

(8) The Prime Minister-designate would choose the members of his Cabinet before presenting his programme and policy to the Assembly, and would take office if he received a simple majority of members present and voting on a *vote d'investiture* (Art. 45). Hitherto a Prime Minister-designate was required to obtain an absolute majority of the Assembly's membership (i.e. at least 314 votes out of 627) on a *vote d'investiture*.

As stated above, the Council of the Republic had proposed that the requirement of an absolute majority of the Assembly's membership, as laid down in the 1946 Constitution, should remain unaltered. The National Assembly, however, rejected an M.R.P. amendment supporting the Council's version by 412 votes to 201, and restored its original proposal for the simple-majority procedure

(9) A motion of confidence could be voted upon 24 hours after it had been moved, instead of after an interval of 48 hours as hitherto required under the Constitution. The rejection of a confidence motion would still require an absolute majority of the Assembly's membership (Art. 49).

The Assembly rejected (by 500 votes to 117) the Council of the Republic's proposal that a simple majority should be sufficient for the rejection of a confidence motion, and reinserted its original text.

(10) Voting on a motion of censure would take place under the same conditions as on a motion of confidence (Art. 50).

In this case the Assembly similarly insisted on its previously adopted text, and rejected the Council of the Republic's proposal for a simple majority

(11) In the event of a dissolution of Parliament, the Cabinet would continue in office unless the dissolution was preceded by the adoption of a motion of censure. In the latter eventuality the President of the Republic would nominate the President of the Assembly as Prime Minister and Minister of the Interior, the other Ministers remaining in office (Art. 52).

Although the Council of the Republic had rejected the Assembly's text concerning the nomination of the President of the Assembly as Prime Minister and Minister of the Interior if a censure motion was adopted, the Assembly insisted that its original text should remain unaltered.

After adopting a clause which provided that the provisions of Article 9 concerning the sessions of the Assembly would come into force on the first Tuesday in October after the promulgation of the constitutional reforms, the Bill as a whole was passed by the National Assembly on second reading (by 412 votes to 141, with 58 abstentions) on Nov. 30 1954.

The 412 supporters of the Bill comprised 103 Socialists, 74 Radicals, 61 Social Republicans (Gaullists), 51 Independent Republicans, 23 U.D.S.R. deputies, 49 *paysans* and Independent *paysans*, 33 Dissident Gaullists (A.R.S.), 10 M.R.P. deputies, two Overseas Independents, and six *non-inscrits*. The 141 dissenting votes comprised 98 Communists and *progressistes*, 21 M.R.P. deputies, 13 Overseas Independents, and nine others, whilst the 58 abstentions comprised 50 M.R.P. deputies, seven Social Republicans and an Independent Republican. Five deputies did not take part in the vote and nine (including four M.R.P. members and two Independent Republicans) were absent.

The Bill thus obtained both the absolute majority and the two-thirds majority required to bring it into operation at once, except for the new provisions of Article 9 and those connected with the election of the parliamentary *bureaux*, which, as mentioned above, will only come into force at the beginning of the new parliamentary session in October 1955.
(Le Monde, Paris - Le Figaro, Paris) **(Prev. rep. 13147 A.)**

A. UNITED STATES. — New Supreme Court Judge.

Judge John Marshall Harlan (55) of New York, a Republican, was nominated by President Eisenhower on Nov. 9 as an Associate Justice of the U.S. Supreme Court in succession to Justice Robert H. Jackson, who had died on Oct. 9.

Judge Harlan, who was appointed to the Second Federal Circuit Court of Appeals in March 1954, was previously a New York lawyer and was appointed by Governor Dewey in 1951 as chief counsel to the State Crime Commission. A former Rhodes Scholar, he is a grandson of a former Justice of the Supreme Court—John M. Harlan, a member of the Court from 1877 to 1911.

The other eight Justices of the Supreme Court are as follows, the dates of their appointment being given in parentheses: Chief Justice Earl Warren (1953), Justice Hugo L. Black (1937), Justice Stanley F. Reed (1938), Justice Felix Frankfurter (1939), Justice William O. Douglas (1939), Justice Harold H. Burton (1945), Justice Tom C. Clark (1949), Justice Sherman Minton (1949).—(New York Times) **(Prev. rep. 13204 B.)**

B. INDIA. — New Army Commander-in-Chief.

It was announced in New Delhi on Jan. 27 that Lieut.-General S. M. Shrinagesh had been appointed Chief of Army Staff and Commander-in-Chief of the Indian Army, with the rank of general, in succession to General Rajendrasinhji (retiring).

General Shrinagesh, the son of a physician to the Nizam of Hyderabad, was educated at Cambridge and passed through Sandhurst. During the Second World War he fought in the Burma campaign and became Commander of the 64th Indian Infantry Brigade. After the war he was deputy chief of the Indian Military Mission in Germany from 1945-46, and subsequently served as G.O.C., Madras Area (1947), Adjutant-General of the Army (1948), G.O.C.-in-C. Western Command (1949), and G.O.C.-in-C., Southern Command (1953). He commanded the Indian forces in Kashmir during the fighting in that State.

The new Commander-in-Chief is 51 years of age.
(The Statesman, Calcutta) **(Prev. rep. 12426 D.)**

C. SOUTH AFRICA. — Termination of Guaranteed Gold Sales Agreement with Britain.

The South African Minister of Finance (Mr. Louw) announced on Feb. 4 that, because of the increased strength of sterling, there was no longer any need for the South African guarantee to sell 4,000,000 oz. (about £50,000,000) of gold to the Bank of England annually, and that the British Chancellor of the Exchequer had therefore "cordially agreed" that the agreement of 1950 should not be extended beyond the end of 1954. Mr. Louw said that because of the "highly successful" anti-inflationary policies followed by Britain during recent years, she was again in a position to acquire the major portion of South African gold production in open competition on the world market.—(Cape Times - Financial Times) **(12130 A.)**

D. GIBRALTAR. — New Governor.

It was announced in London on Feb. 16 that Lieut.-General Sir Harold Redman, Vice-Chief of the Imperial General Staff, had been appointed Governor of Gibraltar in succession to General Sir Gordon Macmillan, retiring. Sir Harold Redman (55) was successively Head of the British Military Mission in France, Director of Military Operations at the War Office, and principal staff officer to Field-Marshal Lord Montgomery at SHAPE before becoming Vice-Chief of the Imperial General Staff in 1952.—(Times) **(Prev. rep. 12296 A.)**

E. LIBYA.—Execution of Sharif Muhieddin el-Senussi.

Sharif Muhieddin el-Senussi, a nephew of the Queen of Libya, was hanged on Feb. 6 for the murder of the Minister for Palace Affairs in October last.—(Manchester Guardian) **(Prev. rep. 14004 B.)**

F. ITALY - TURKEY. — Turkish Ministerial Visit to Rome. - Joint Communiqué.

The Turkish Prime Minister and Foreign Minister, M. Adnan Menderes and Professor Fuat Koprulü, arrived in Rome on Jan. 30 as guests of the Italian Government, and had discussions with the Italian Premier and Foreign Minister—respectively Signor Scelba and Professor Martino—from Jan. 31 to Feb. 2.

A communiqué issued on Feb. 2 spoke of the "close relations of friendship" between the two countries, and recorded the Ministers' agreement "on the fundamental importance of the Atlantic alliance and on the need to strengthen it in all its aspects, including the economic and social spheres." In particular, the Ministers had agreed "on the value of the contributions of their countries to common defence, and on the special functions which fell to them in the Mediterranean as two of the major strongholds of Western defence"; they had also been "unanimous in recognizing that . . . the best way of ensuring a just peace is to neglect nothing to strengthen the means for its protection, in the closest possible solidarity with all countries sincerely pledged to defend it." A "wide survey" of international problems had been made during the talks, and special attention had been paid to Italo-Turkish economic relations and cultural exchanges.

It was authoritatively stated that detailed consideration had been given to the question of how Turkey could be linked to the Western European Union (of which Italy is a member), as well as the co-ordination of the NATO security system with the Balkan alliance and the possibility of a future invitation to Italy to join the latter grouping. The economic discussions, it was reported, had dealt largely with the settlement of Turkey's trade debt to Italy (amounting to about 20,000,000,000 lire, or approximately £11,000,000), in which connexion the Ministers had confirmed recent agreements on additional Turkish exports of grain, tobacco, and cotton to Italy.

During their visit M. Menderes and Professor Koprulu were received in audience by the Pope, this being the first occasion on which Turkish statesmen had been received in Papal audience.—(Corriere della Sera, Milan - Giornale d'Italia, Rome - Turkish Embassy Press Office, London) **(Prev. rep. 13340 B.)**

G. UNITED KINGDOM. — Financial and Monetary Policy. - Treasury Sale of Dollar Securities.

Mr. Butler, the Chancellor of the Exchequer, stated in a parliamentary reply on Feb. 3 that he had decided to start selling on the London market the dollar securities vested in the Treasury which had originally been taken over from U.K. holders as collateral for the wartime loan of $425,000,000 received from the U.S. Reconstruction Finance Corporation in 1941.

These dollar securities were released from pledge when the balance of the loan was repaid on Oct. 1, 1951, the whole of the direct dollar investments and a small part of the marketable securities, which had only been "borrowed" by the Treasury from the holders, were then returned to them, but by far the larger proportion of the marketable securities, which had been bought outright by the Government, was retained by the Treasury.

Mr. Butler added that the first sale would cover about $15,000,000 worth of these securities, that the sale would be made "during the next few months," and that similar sales might be made from time to time in the future. The list of securities to be put on sale was published on the same day.
(Times - Daily Telegraph - Financial Times) **(11772 C.)**

H. UNITED STATES. — Bicentenary of Columbia University.

The bicentenary of Columbia University, New York, was celebrated on Oct. 31, 1954, the celebrations being attended by scholars from all parts of the world and by a number of distinguished guests, including Queen Elizabeth the Queen Mother (see 14053 B), Sir Sarvepalli Radhakrishnan (the Vice-President of India), Dr. Adenauer (Chancellor of the German Federal Republic), and M. Spaak (the Belgian Foreign Minister), on all of whom honorary degrees were conferred.

Columbia University, founded in 1754 by King George II of Great Britain under the name of King's College, is today the sixth largest university in the United States, with 25,000 students and a teaching staff of over 3,400. The present President of Columbia is Dr. Grayson Kirk.
(New York Times - New York Herald Tribune)

I. PAKISTAN. — Nationalization of Civil Airlines.

The Pakistani Government issued an Ordinance on Jan. 10 nationalizing all civil airlines in the country and setting up the Pakistan International Airlines Corporation to provide and develop co-ordinated and cheaper services, both within Pakistan and on international air routes. The new corporation, which took over Orient Airways Ltd. and the National Air Company, has an authorized share capital of 60,000,000 rupees (over £5,000,000). In addition to an existing service from Karachi to Dacca (East Pakistan) and Bombay (India), a new service to London was inaugurated on Jan. 19.
(Pakistan High Commissioner's Office, London)

A. CHINA. — Adoption of New Constitution. - Re-election of Mao Tse-tung and Chou En-lai as President and Prime Minister. - General Chu Teh elected Vice-President. - Cabinet Changes.

China's first Parliament, the National People's Congress, unanimously approved on Sept. 20, 1954, a new Constitution intended to replace the "Common Programme" adopted in 1949 (see 10441 A) and to cover the period of transition to Socialism. The main provisions of the Constitution are summarized below.

Preamble. This defined the Chinese People's Republic as "a people's democratic State led by the working class and based on the alliance of the workers and peasants," and stated that its central task during the period of transition to Socialism would be "the Socialist industrialization of the country and the Socialist transformation of agriculture, handicrafts, and capitalist industry and commerce," under the leadership of the Communist Party. [This was the only mention of the Communist Party in the Constitution.] China's "indestructible friendship with the great Union of Soviet Socialist Republics and the People's Democracies" was emphasized, whilst the preamble also referred to the war in Korea and to China's role in "resisting U.S. aggression."

General Principles. This section, dealing with the fundamental political and economic principles of the State, recognized State ownership, co-operative ownership, individual ownership, and capitalist ownership of property, and guaranteed State protection for privately-owned incomes, savings, houses, and "means of life," as well as the right of inheritance. The State also protected "the ownership of means of production and other property by capitalists according to law," but reserved the right to "buy, take over, or nationalize" such property, and to transform it into "various forms of State-controlled economy." The peasants might own land and other means of production, but the "rich peasant" economy would be "restricted and gradually eliminated." All forms of economic life would be subordinated to the State plan.

The statement of political principles provided for the equality of all nationalities, but (unlike the Soviet Constitution) made no mention of the right of secession. Article 19 laid down that "the Chinese People's Republic . . . suppresses all kinds of treasonable and counter-revolutionary activity and punishes all traitors and counter-revolutionaries."

National People's Congress. The National People's Congress, described as "the highest organ of State power," would be elected by local government bodies, the armed forces, and "Chinese resident abroad" for a four-year term, which might be extended if exceptional circumstances made elections impossible. It would meet at least once a year to adopt the Budget, the economic plan, and major laws, to elect the highest executive and judicial officials, and to exercise all other functions which it considered necessary; it was also empowered to amend the Constitution. During the time it was not in session its Standing Committee [corresponding to the Presidium of the Supreme Soviet in the U.S.S.R.] would have power to convene emergency sessions of the Congress, to conduct elections, to issue decrees, to appoint or remove Ministers and judges, to supervise the work of the courts, and to annul decisions of legislative bodies at lower levels.

The President and Vice-President. The Chairman or President of the Republic would be elected for four years by the National People's Congress, and would have power to appoint or dismiss the Prime Minister and the State Council (Cabinet), to promulgate laws and decrees, to ratify treaties, to declare war, and to proclaim martial law, in accordance with the decisions of the Congress or its Standing Committee. He would act as Commander-in-Chief of the armed forces and as chairman of the National Defence Council. In order to decide on questions of policy, he might summon a Supreme State Conference comprising the Vice-Chairman of the Republic, the chairman of the Standing Committee of the People's Congress, the Prime Minister, and others concerned. The Vice-Chairman of the Republic, who would also be elected by the People's Congress for four years, would deputize for the Chairman and, in the event of his death, would succeed him.

[The provisions relating to the Chairman differed strikingly from those of the Soviet Constitution, under which the nominal head of the State (the chairman of the Presidium of the Supreme Soviet) has strictly limited powers. The powers granted to the Chairman resemble those of the U.S. President, although the Chinese Constitution, unlike that of the United States, also provides for a Prime Minister. The system whereby the Vice-Chairman automatically succeeds the Chairman on his death also resembles that existing in the United States. It was suggested in the Western Press that this provision, as well as the reduction of the number of Vice-Chairmen from six to one, was intended to prevent a struggle for power after the death of Mao Tse-tung.]

State Council. The State Council, or Cabinet was described as "the highest administrative organ of the State," and would consist of 35 Ministers. Its tasks would include the direction of foreign policy, the strengthening of the armed forces, the carrying-out of the economic plan, and the control of foreign and domestic trade.

Local Government. For administrative purposes the country was divided into provinces, autonomous regions, and municipalities directly subordinate to the central authority. The provinces and autonomous regions were further divided into autonomous *chou*, counties, autonomous counties, and municipalities, and the counties and autonomous counties were again sub-divided into *hsiang*, nationality *hsiang*, and towns. [A *chou* is an administrative district intermediate between a county and a province, whilst a *hsiang* is an administrative area comprising several villages.] Municipalities directly subordinate to the central authority, and other large municipalities, were sub-divided into districts.

The People's Congresses (legislative bodies) of the smaller administrative units would be elected directly by all citizens over 18 except "former feudal landholders and reactionary elements," who would be deprived of the franchise. These Congresses would elect members to the higher bodies, which in turn would elect the members of the Provincial Congresses. Higher local government authorities were empowered to "suspend the carrying-out of unsuitable decisions by the People's Congresses of lower levels," and to revise or annul "unsuitable decisions" by those bodies.

Judiciary. The judicial branch of the Government would consist of the Supreme People's Court (which would be responsible to the National People's Congress and its Standing Committee and would thus not be an independent judicial body), local courts, and special courts established by law. Trials would be public unless otherwise specified by law, and the accused would have "the right to defence."

Attitude towards Private Capital. "The policy of the State towards capitalist industry and commerce is to use, restrict, and transform them. The State makes use of the positive sides of capitalist industry and commerce which are beneficial to national welfare and the people's livelihood; restricts their negative sides which are not beneficial to national welfare and the people's livelihood, and encourages and guides their transformation into various forms of State-capitalist economy, gradually replacing capitalist ownership by ownership by the whole people. This it does by means of control exercised by administrative organs of the State, the leadership given by the State sector of the economy, and supervision by the workers."

Rights and Duties of Citizens. A concluding section on fundamental rights and duties of the citizen included the right to work, the right to rest, and freedom of speech, the Press, assembly, association, procession, demonstration, and religious belief. No citizen might be arrested except by order of a court or a public prosecutor, and the homes of all citizens were declared inviolable. Duties of the citizen included the payment of taxes and the performance of military service.

The draft Constitution, which had been prepared by the central committee of the Chinese Communist Party, was submitted on March 23, 1954, to a committee of the Central People's Government Council, which approved it on June 14. It was published on the following day for discussion by local government bodies, which submitted in all 1,180,420 proposed amendments, a number of which were adopted. In its final form the Constitution was approved on Sept. 9, 1954, by a special session of the Central People's Government Council.

The National People's Congress met in Peking for the first time on Sept. 15, 1954, to approve the Constitution and elect the President, Vice-President, and Prime Minister. Of the 1,226 deputies, 1,136 (elected by local government bodies) represented the 25 provinces, the autonomous region of Inner Mongolia, Tibet, the district of Tchamdo, and the 14 leading cities; 60 deputies were elected by the armed forces; and 30 represented Chinese citizens resident abroad. Nearly 12 per cent of the Congress's members (147) were women, whilst 150 members represented the various national minorities. The deputies from Tibet included the Dalai Lama and the Panchen Lama. The new Constitution was approved on Sept. 20 without a dissentient vote.

In his opening speech to the Congress, President Mao Tse-tung said that China's main tasks were "to unite the people of the whole country, to win the support of our friends in all nations, to build a great Socialist State, to defend peace between nations, and to further the cause of human progress." With this aim they must "learn from the advanced experience of the Soviet Union" and "be prepared, in the course of several five-year plans, to build up our country, at present economically and culturally backward, into a great industrialized nation with a high standard of modern culture."

Mao Tse-tung was followed by Liu Shao-chi (speaking on behalf of the constitutional committee), who said that the new Constitution was based on "the complete victory of the Chinese people in their struggle against imperialism, feudalism, and bureaucratic capitalism." He claimed that with the Soviet Union's assistance China had "ended its former position as a colony or vassal State under the rule of foreign imperialism" and had emerged as a great Power and "a bulwark in the defence of world peace."

The Dalai Lama, in a speech to the Congress on Sept. 16, promised loyal support for Mao Tse-tung, whom he described as the "great and beloved leader of all China's nationalities." Repudiating "enemy slanders that the Communist Party and the People's Government would eliminate religion," he declared that the Tibetan people enjoyed full religious freedom. He also announced that the Panchen Lama, who had lived in China since his investiture, would return to Tibet to strengthen the country's unity.

On Sept. 27 Mao Tse-tung was elected Chairman (i.e. President) of the Republic, General Chu Teh Vice-Chairman, Chou En-lai Prime Minister, and Liu Shao-chi chairman of the Standing Committee of the Congress. Both Chu Teh and Liu

Shao-chi had previously been Vice-Presidents. Of the four other former Vice-Presidents, three—Soong Ching-ling (Mme. Sun Yat-sen, widow of the founder of the Chinese Republic), Li Chi-sen (leader of the Revolutionary Kuomintang Committee), and Chang Lan (leader of the Democratic League)—were elected vice-chairmen of the Standing Committee, but no mention was made in the official reports of the fourth—Kao Kang, who had been appointed chairman of the State Planning Committee in 1953. The Dalai Lama was elected a vice-chairman and Peng Chen (the Mayor of Peking) secretary of the Standing Committee, which, it was decided, would have 13 vice-chairmen and 65 members. Tung Pi-wu became president of the Supreme Court and Chang Ting-cheng Public Prosecutor.

Biographical details of Mao Tse-tung, Chu Teh, and Chou En-lai are given in an earlier volume (see 9957 A). Liu Shao-chi (54), the fourth-ranking leader in the Chinese Communist hierarchy, comes from a peasant family in Hunan, joined the Communist Party on its formation in 1921 while a student, and devoted himself to trade union organization. He is general secretary of the Chinese Communist Party (being regarded as the party's leading theoretician) and a vice-chairman of the World Federation of Trade Unions. Mao Tse-tung, Chu Teh, Chou En-lai, Liu Shao-chi, Peng Chen, and Tung Pi-wu are all members of the Politburo of the Chinese Communist Party.

Before adjourning on Sept. 28, 1954, the Congress approved the new State Council and Defence Council. The State Council, in which Chou En-lai retained the post of Foreign Minister as well as the Premiership, included 10 Vice-Premiers: General Peng Teh-huai (the former commander of the Chinese forces in Korea, who was appointed to the new post of Defence Minister), General Li Hsien-nien (the Finance Minister), General Lin Piao, General Ho Lung, General Chen Yi, Li Fu-chung, Chen Yung (a member of the Communist Party's Politburo), Teng Hsiao-ping, Teng Tze-hui, and U Lan-fu (Governor of Inner Mongolia). The Defence Council consisted of 15 vice-chairmen, four of whom (Generals Cheng Chien, Chang Chih-chung, Fu Tso-yi, and Lung Yun) were former Nationalist commanders, and 81 other members.

Following the adoption of the new Constitution, the leading organs of government were renamed as shown below, their former nomenclature also being given:

New name.	*Former name.*
1. National People's Congress	1. Chinese People's Political Consultative Conference.
2. Standing Committee of National People's Congress.	2. Central People's Government Council.
3. State Council.	3. Government Administration Council.
4. National Defence Council.	4. Revolutionary Military Committee.

General Li Hsien-nien had become Finance Minister on June 25, 1954, in succession to Teng Hsiao-ping, who had taken over that post on Sept. 19, 1953, from Po Yi-po. Generals Lin Piao, Ho Lung, and Chen Yi had previously been regional commissioners for South-Central, South-West, and East China respectively before the reorganization of regional administration on June 21, 1954 (see 13819 C).—(Times - Manchester Guardian - Le Monde, Paris - New York Times - New York Herald Tribune - Economist - The Statesman, Calcutta) **(12784 E.)**

A. PAKISTAN. — Establishment of Press Commission. - Boycott by Newspaper Editors.

Mr. Mohammed Ali, the Pakistani Prime Minister, announced on Sept. 16, 1954, that the Government had decided to set up a Press Commission to make recommendations regarding the development of the Press in Pakistan. The first meeting of the Commission, held in Karachi under the chairmanship of Mr. Justice Khurshid Zaman, ended on Oct. 18, when decisions were taken on the scope of the inquiry and the procedure to be adopted. The Council of Pakistan Editors, however, decided on Dec. 1 to boycott the Commission on the ground that that body, as constituted, would not be able "to meet the aims and objects of a Press Commission."

(Pakistan High Commissioner's Office, London)

B. UNITED KINGDOM. — New Peerages.

The following titles were taken by the three recipients of peerages in the New Year Honours: Dr. E. D. Adrian, O.M., Master of Trinity College, Cambridge—Baron Adrian, of Cambridge in the County of Cambridge; Sir William Fraser, chairman of the Anglo-Iranian Oil Company—Baron Strathalmond, of Pumpherston in the County of Midlothian; Sir Arnold Gridley, lately M.P. (Conservative) for Stockport South—Baron Gridley, of Stockport in the County Palatine of Chester.—(London Gazette) **(Prev. rep. 13976 A.)**

C. URUGUAY. — General Elections. - New Council of Government.

Elections were held in Uruguay on Nov. 28, 1954, for a new National Council of Government, the nine-member body—modelled on the Swiss Federal Council—which was created in 1952 (see 12078 A) to supersede the former Presidential system of government. At the same time elections were held for a new Senate (31 members) and a new Chamber of Deputies (99 members).

Out of a total of 831,595 votes cast, the *Colorado* (Liberal) party received 387,803 and the *Blanco* (National) party 266,960, the balance going to a number of minor parties, including the Catholic "Civic Union" group (39,368), the National Independents (27,927), the Socialists (26,368) and the Communists (17,773). As that faction of the *Colorado* party led by Señor Luis Batlle Berres—the *Batllistas*—received an overall majority of the votes cast for the *Colorados* (221,490 out of 387,803), it thereby became entitled, under the Uruguayan Constitution, to six of the nine seats on the Council of Government. The other three seats went to that faction of the *Blanco* party headed by Dr. Luis Albert Herrera—the *Herreristas*—as the second largest political group. The new Senate consisted of 17 *Batllistas*, 11 *Herreristas* and three representatives of minor parties, whilst the new Chamber of Deputies consisted of 51 *Batllistas*, 36 *Herreristas* and 13 others. All those elected—the members of the National Council of Government, the Senators, and the Deputies—will hold office for four-year terms.

It was announced that Señor Batlle Berres would serve as President of the National Council of Government for the year 1955-56 (commencing on March 1) and that Señor Alberto Zubiría—formerly president of the *Banco de la República*—would hold that office in 1956-57. [The Uruguayan Constitution lays down that each of the members of the majority party in the National Council shall serve in rotation as President of that body for periods of one year each—a system analogous to the Presidency of the Swiss Confederation.] Señor Batlle Berres was President of Uruguay for most of the period 1946 to 1950. (Uruguayan Embassy, London) **(Prev. rep. 12078 A.)**

D. FRANCE. — Socialist Party. - Expulsion of Opponents of Paris Agreements confirmed.

An extraordinary congress of the French Socialist Party, held at Puteaux on Feb 5-7, decided to confirm the expulsion of the 16 Socialist deputies from the party because of their votes against the ratification of the Paris agreements. The resolution provided, however, that if the expelled deputies were prepared within one month to sign an undertaking accepting party discipline in future, they would be automatically reinstated with full rights and without further formality. This proviso was also made applicable to M. Max Lejeune, who had been previously expelled from the party.

The 16 expelled deputies were MM. Auban (Haute-Garonne), Audegui (Gironde), Baurens (Gers), Binot (Seine-Inférieure), Bouhey (Côte-d'Or), Briffod (Haute-Savoie), Coffin (Cher), Desson (Ardennes), Doutrellot (Somme), Gourdon (Gard), Mabrut (Puy-de-Dôme), Eugène Montel (Haute-Garonne), Naegelen (Basses-Alpes), Rey (Haute-Garonne), Sibué (Savoie), and Titeux (Ardennes).

The voting on the resolution was 1,899 to 1,653, with 43 abstentions.—(Le Monde, Paris - Le Populaire, Paris)

(Prev. rep. 14013 B; 13965 A.)

Corrigendum. The 18th deputy who had voted against ratification of the Paris agreements was not M. Lapie (as stated in 14013 B) but M. Béchard, who, however, was not affected by the expulsion measure because this was his first violation of party discipline (Ed. K.C.A.)

E. CANADA. — Reduction in Bank Rate.

The Bank of Canada reduced its Bank rate from 2 to 1½ per cent on Feb. 15. An official statement said that yields on Treasury bills and short-term Government bonds had declined materially over the past 18 months, and that the Bank rate at the old level had consequently ceased to bear a reasonable relationship to other short-term interest rates. The statement further explained that although the Bank rate in Canada had been changed infrequently in the past, and little use had been made of the Bank's facilities, "the growth in the breadth and scale of activity in the short-term money market over the past two years make it desirable that the Bank rate be made more flexible and bear a closer (though unfixed) relation to other short-term interest rates."—(Montreal Star - Financial Times)

(Prev. rep. 11079 A.)

F. CEYLON. — New President of Senate.

Senator Cyril de Zoysa was elected President of the Ceylonese Senate on Jan. 24 in succession to Sir Nicholas Attygalle, who had resigned in order to become Vice-Chancellor of the University of Ceylon in succession to Sir Ivor Jennings.

(Ceylon Government Information Dept., Colombo) **(12506 D.)**

A. PANAMA. — Assassination of President Remón. - Subsequent Impeachment and Imprisonment of President Guizado. - Installation of President Arias Espinosa.

The President of Panama, Colonel José Antonio Remón, was assassinated on Jan. 2 while visiting the Juan Franco racecourse near Panama City. The assassins, who were concealed in a hedge some 20 yards away and subsequently escaped, opened fire on the President and his suite with a sub-machine gun, the President being riddled by bullets and dying later in hospital. Two other persons were killed, one of them a member of the President's bodyguard.

José Antonio Remón (46), a professional soldier, was born in Panama City, educated at the Military Academy in Mexico City, and became Chief of Police in 1947. In 1949 he took part in the *coup d'état* which brought President Arnulfo Arias to power, but two years later he broke with President Arias and joined the campaign which led to his deposition in favour of President Arosemana At the end of 1951 he resigned as Chief of Police in order to stand for the Presidency, to which he was elected in May 1952. During his tenure of that office he carried through a number of economic, financial and agricultural reforms, outlawed all forms of Communism and Fascism, and negotiated a new and more favourable treaty with the United States with regard to the Panama Canal In November, 1953, he received Queen Elizabeth II and the Duke of Edinburgh while they were passing through Panama *en route* for New Zealand.

The Panamanian Government immediately suspended constitutional guarantees for a ten-day period, offered a reward for information leading to the arrest of the assassins of President Remón, and called in the help of U.S. and Cuban police officers in an endeavour to trace those responsible for the crime. A number of arrests were made in different parts of the country, among those taken into custody being Dr. Arnulfo Arias (a former President), several of his supporters, and two U.S. citizens. Although the police found the weapon with which the assassination had been committed—a sub-machine gun of German manufacture—the assassins themselves remained untraced.

Señor José Ramón Guizado (55), the First Vice-President and Minister for Foreign Affairs, took office as President of Panama following the assassination of President Remón, in accordance with the Panamanian Constitution. On Jan. 15, however, a letter was read in the National Assembly from Señor Ruben Miro—a lawyer, and a member of a well-known Panamanian family—confessing that he had assassinated President Remón, and alleging that President Guizado and other persons were implicated. After hearing the text of this letter, the National Assembly decided that President Guizado should be impeached and arrested. Señor Guizado—who was reported the previous day to have been under house arrest—denied Miro's allegations and demanded that he should be given " leave of absence " in order to prepare his defence. The National Assembly declined to accede to this request.

In his letter of confession to the National Assembly, Miro alleged that President Guizado, Sr Ramón José Guizado jr. (the President's son), and two businessmen—Sr. Rodolfo St.-Malo, described as a business associate of President Guizado, and Sr. José Nieves Perez—were implicated with himself in the plot to assassinate President Remón. Specifically, he alleged that President Guizado had promised him the post of Minister of Justice in his new Government so that he [Miro] could get money to pay off heavy gambling debts, that President Guizado had gone back on his word; and that the two businessmen mentioned, together with Sr Guizado jr., had acted as intermediaries between himself [Miro] and President Guizado in informing the latter of the plot to assassinate President Remón.

Prior to Señor Miro's confession, the National Assembly had heard statements by two Panamanian cadets, Luis Carlos Hernandez and Edgardo Tejada—both of whom had been taken into custody—admitting that they had been involved in the sale of the machine-gun used in the assassination of President Remón. The statements had been preceded by a confession on the part of a girl friend of Tejada in which she said that Tejada had taken part in the fighting in Guatemala in August 1954 on the side of Señor Arbenz Guzman, the former Guatemalan President; that he had returned to Panama after the overthrow of the Arbenz Guzman regime; and that he had brought back with him a machine-gun of German manufacture which he had sold to Hernandez. It was alleged that this machine-gun had subsequently been sold to Miro

As a result of these disclosures, seven persons were held in detention while awaiting trial on charges of complicity in the assassination of President Remón: Ruben Miro, ex-President Guizado, Sr. José Ramón Guizado jr., Sr. Rodolfo St.-Malo, Sr José Nieves Perez, and the two cadets—both of whom, it was stated, had been trained at the Guatemalan Military Academy. The persons previously taken into custody—Dr. Arias, his supporters, and the two U.S. citizens—were all released.

An investigating committee of the Panamanian National Assembly issued a report on Feb. 10 recommending that ex-President Guizado should be indicted for complicity in the assassination of his predecessor. The main conclusions of the report were (1) that Miro was the actual slayer of President Remón; (2) that Rodolfo St.-Malo had been implicated by his own testimony; and (3) that ex-President Guizado had also been implicated by his own testimony and by the testimony of other witnesses, including that of his son.

Whilst no suggestion was made that ex-President Guizado was implicated in the act of murder, the report recommended his indictment under those articles of the Penal Code covering cases of homicide The confession made by Miro was in general accepted by the committee, though it was stated that several particulars in his alleged original confession had been proved false since investigation began Excerpts from the transcript of proceedings showed that whereas Miro and other witnesses were specific in describing the time and place of alleged discussions with Guizado or his business partner, Rodolfo St.-Malo, about the overthrow of President Remón, Guizado's denials of these allegations were in vague terms The transcript also included evidence that Miro had planned to organize the overthrow of President Remón's predecessor, President Arosemana, in 1951. It was pointed out in this connexion that Guizado was First Vice-President in the Arosemana administration, and would therefore probably have become President had Señor Arosemana been ousted

Following the impeachment and imprisonment of President Guizado, Señor Ricardo Arias Espinosa (42)—the Second Vice-President in the Remón administration—was sworn-in on Jan. 15 as President of Panama. The new President—Panama's third within 13 days—is the son of a former prominent political leader (Francisco Arias Paredes) and was educated at Georgetown University, Washington (U.S.A.) and the Catholic University of Santiago, Chile.

(New York Times - New York Herald Tribune - Times)

(Prev. rep. President Remón, 13368 B.)

B. UNITED STATES - CANADA. — Visit of H.M. Queen Elizabeth the Queen Mother.

At the invitation of President Eisenhower, H.M. Queen Elizabeth the Queen Mother paid an official visit to the United States from Oct. 26 - Nov. 12, 1954, which was followed by a four-day visit to Ottawa as the guest of the Governor-General of Canada, Mr. Vincent Massey.

Her Majesty arrived in New York on Oct. 26 in the liner *Queen Elizabeth*. During a six-day visit to the city she received the honorary degree of Doctor of Law of Columbia University, then celebrating its bicentenary (see 14050 H); was the guest of honour at a dinner given by the English-Speaking Union, at which she formally accepted the proceeds of the King George VI Memorial Fund in America (see 12913 C), and visited Mrs. Eleanor Roosevelt, widow of President Franklin D. Roosevelt.

While in Washington (Nov. 4-9) her Majesty stayed for part of the time at the White House as the guest of President and Mrs. Eisenhower, and subsequently at the British Embassy During her stay in the U.S. capital she visited the Library of Congress, the Pentagon (the Defence Department), the Smithsonian Institution, the National Gallery of Art, and the Arlington National Cemetery. On Nov 8 she paid a visit to Annapolis (the capital of Maryland), where she inspected the U.S. Naval Academy and saw some of the city's historic buildings dating from the British Colonial period

During a three-day tour of Virginia (Nov. 10-12) the Queen Mother visited Richmond (the State capital). Jamestown (the site of the first permanent British settlement in North America) and Williamsburg (formerly the capital of British America). While in Williamsburg she visited the College of William and Mary, the oldest academic institution of university status in the United States

During her stay in Ottawa (Nov 13-16) the Queen Mother was the guest of honour at a State dinner given by the Governor-General, visited the National Gallery of Canada, opened new bridges across the Rideau River, and paid a visit to the city of Hull, across the Ottawa River from the Federal capital.

The Queen Mother, who received an enthusiastic welcome at all the places she visited in the U.S.A. and Canada, sailed from New York for Southampton on Nov. 18 in the liner *Queen Mary*. (Times - New York Times - Montreal Star)

C. ITALY. — Parliamentary Immunity lifted from Five Communist Deputies.

The Italian Chamber of Deputies decided on Jan. 27-28 to lift parliamentary immunity from five Communist deputies: Signori Calendrone, Moranino, Mario Montagnana, Faletra, and Maglietta. Signor Moranino (an Under-Secretary for War in the third De Gasperi Cabinet of 1947) was facing allegations of responsibility for ordering the shooting of five members of a Resistance group, and of the wives of two of these men, in 1944. The other four deputies were facing allegations of having made libellous and defamatory speeches against the Government and of having incited recruits to rebellion.

(Giornale d'Italia, Rome - Corriere della Sera, Milan)

D. LUXEMBURG.—Ratification of Paris Agreements.

The Paris agreements on the rearmament of Western Germany and her entry into NATO were ratified by the Luxemburg Council of State on Feb. 1.—(Times) **(14008 C.)**

A. INDIA. — Political Developments in Indian States and Party Organizations.

A special convention of the Travancore-Cochin State Congress Party decided on Dec. 12 that the party should withdraw its support from the Praja Socialist Government holding office in the State.

A resolution was adopted by the convention alleging that the Government had never consulted the Congress Party on its measures, had openly conducted a campaign of "vilification, ridicule, and abuse" against the Congress, had used its influence to "cripple" the Congress-dominated Indian National Trade Union Congress, and had heightened the estrangement between the Tamils living in the south of the State and the rest of the population. In order to remove the wrong impression in the public mind that the Government had the moral support of the Congress Party, the latter had therefore decided to go into opposition.

This decision was approved on Dec. 17 by the Congress Central Parliamentary Board, which gave the Congress Legislature Party freedom to oppose measures which it considered incompatible with Congress principles or the interests of the State, while stressing the importance of not taking any step which might necessitate the imposition of President's rule. On Dec. 13 the Chief Minister of the State (Mr. P. T. Pillai) had repudiated the Congress Party's charges, and had announced that his Government would not resign unless it were defeated on a motion of confidence or an important question of policy.

The Congress Party's allegations that the Government had heightened the estrangement between the Tamils and the rest of the population referred to the police measures employed against a *satyagraha* (civil disobedience) campaign launched on July 9, 1954, by the Travancore Tamil Nad Congress Party (T.T.N.C.) in support of its demand for the merger of the Tamil-speaking areas of the State with Madras. Although the leaders of the movement had emphasized that it would be confined to strictly non-violent methods (e.g. refusal to pay taxes) serious riots broke out on Aug. 11 in a number of towns in South Travancore, four people being killed by police fire at Puthukadda and five T.T N.C. members of the State Assembly being arrested. Mr. Justice Sankaran, of the Travancore-Cochin High Court, who had been appointed to conduct an official inquiry into the riots, stated in a report issued on Dec. 13 that the evidence had shown that the action of the police was fully justified in the circumstances.

Following the Puthukadda incident, Dr. R. M. Lohia resigned his position as general secretary of the Praja Socialist Party and demanded the resignation of the Travancore-Cochin State Ministry; the party executive, however, adopted a resolution which, while regretting the incident, stated that it was unnecessary for the Government to resign. This resolution was endorsed by 303 votes to 217 at a special party convention held at Nagpur from Nov. 26-28.

It was pointed out in the Indian Press that the controversy on the situation in Travancore-Cochin reflected a long-standing division of opinion inside the Praja Socialist Party on its attitude towards the Congress, dating back to 1953, when Mr. J. P. Narain (then a member of the national executive) took part in negotiations with Mr. Nehru on the possibility of Praja Socialist co-operation in the Central Government and in certain State Governments The majority of the party leadership advocated that it should oppose the Congress only in States where the Communists and communal parties were weak; on the other hand, Dr. Lohia, who was supported by a large section of the party and particularly by its younger members, maintained that no distinction should be drawn between rival parties.

The party chairman, Mr. J. B. Kripalani, who stated that he differed radically from the party's policy, and found himself unable to discharge his functions because he felt that he was not the natural and accepted leader of the party, announced his resignation and that of the executive on Nov. 27. The convention accordingly elected Mr. Narendra Dev as his successor on the following day, and authorized Mr. Dev to nominate his own executive. The 18 members of the new executive, whose names were announced on Dec. 7, included Dr. P. C. Ghosh, Mr. Asoka Mehta, and Mrs. Kripalani. Mr. Narendra Dev stated that Mr. Kripalani and Dr. Lohia had both refused to serve on the executive, but had promised their co-operation.

Recent political developments in other Indian States are summarized below.

Uttar Pradesh. Pandit G. B. Pant, who had been appointed a member of the Central Government on Dec. 1, resigned his post as Chief Minister of Uttar Pradesh on Dec. 18 and was succeeded by Dr. Sampurnanand, the former Home and Labour Minister. The membership of the new Council of Ministers was announced on Dec. 28 as follows: Dr. Sampurnanand (Chief Minister, General Administration, and Home Affairs); Mr. Hafiz Muhammad Ibrahim (Finance, Power, Forests, and Co-operation); Mr. Hukam Singh (Agriculture, and Relief and Rehabilitation); Mr. Girdhari Lal (Excise and Registration); Mr. Chandra Bhanu Gupta (Planning, Health, Industries, and Civil Supplies); Mr. Gharan Singh (Revenue and Transport); Mr. Syed Ali Zaheer (Justice and Local Government); Mr. Hargovind Singh (Education and *Harijan* Welfare); Mr. Kamalapati Tripathi (Information and Irrigation); Mr. Vichitra Narain Sharma (Public Works); and Mr. Jugal Kishore (Labour and Social Welfare—a new Ministry). Mr. Kishore had hitherto been Vice-Chancellor of Lucknow University.

Saurashtra. Mr. U. N. Dhebar, the Chief Minister of Saurashtra, resigned on Dec. 19 following his election as president of the Indian National Congress. A new Ministry was formed on the same day by Mr. R. U. Parikh (the former Home Minister), its other members being Mr. M M. Shah, Mr. J. K. Modi, Mr. G. C. Oza, Mr. D. T. Dave, and Mr. Ratubha Adani.

PEPSU. Following the death on Jan. 7 of Colonel Raghbir Singh, the Chief Minister of PEPSU, Mr. Brish Bhan was appointed his successor on Jan. 8. Mr. Brish Bhan had hitherto been Minister of Finance, Rehabilitation, Education, Local Self-government, Industries, Supplies, and Labour. The new Cabinet was sworn in on Jan. 12.

Mr. M. C. Sharma resigned both from the presidency of the Jan Sangh and from that party on Nov. 3, following internal differences between the party's "authoritarian" wing, led by the R.S.S.S. (see 10246 E), and its "democratic" leaders.

In a statement issued on that date Mr. Sharma said that "acute differences of opinion on the question of interference by the R.S.S.S. in the affairs of the Jan Sangh" had been growing for over a year; that many R S.S.S. workers had been admitted to membership because leaders of the R.S.S.S. had declared that it was a purely cultural body having nothing to do with politics; but that this had not been the case in practice. After declaring that it was essential to maintain "the two basic principles of the Sangh as laid down in its constitution—namely, secular nationalism and unflinching faith in democracy," Mr. Sharma asserted that "domination by those used to authoritarian methods" would "necessarily lead to the dissociation from the Jan Sangh of all free-thinking, progressive, and democratic elements."

Mr. Premnath Dogra, president of the Jammu and Kashmir Praja Parishad, was appointed successor to Mr. Sharma on Nov. 27. The affiliation of the Praja Parishad with the Jan Sangh had been approved by the working committee of the latter party on Nov. 8.—(The Hindu, Madras - The Statesman, Calcutta) **(Prev. rep. Travancore-Cochin, 13490 A; Uttar Pradesh, 12291 A; Saurashtra, 12081 A; PEPSU, 13490 A; Praja Socialist Party, 13032 E; Jan Sangh, 12775 B; R.S.S.S., 10246 E; Praja Parishad, 13236 A.)**

B. WESTERN GERMANY. — Diplomatic Service. - New Envoys in London and Paris.

It was announced in Bonn on Jan. 18 that Herr Hans Herwarth von Bittenfeld had been appointed head of the German diplomatic mission in London in succession to Dr. Schlange-Schoningen, and that Baron Vollrath von Maltzan had been appointed to the similar post in Paris *vice* Professor Hausenstein.

Herr Herwarth von Bittenfeld (50) entered the German diplomatic service in 1927, served at the Moscow Embassy as a third secretary from 1931-39, and during the war years was liaison officer between the German Foreign Office and the armed forces. He entered the service of the Bavarian Government in 1945 (serving in the office of the *Land* Premier) and after the foundation of the Federal Republic became Chief of Protocol, first to the Federal President and later to the Federal Government and the Federal Foreign Ministry. He was never associated with the Nazi party, and his immediate superior during the war was executed for complicity in the attempt on Hitler's life in 1944.

Baron von Maltzan (55) was head of the Foreign Trade Department in the Federal Foreign Ministry at the time of his new appointment. A career diplomat since 1925, he served before the war in Warsaw and Paris, but left the Diplomatic Service for political reasons in 1938 and was for a time with the I.G. Farben concern. After the war he was in charge of the bizonal economic administration at Minden and later at Frankfurt.

Dr. Schlange-Schoningen and Professor Hausenstein left the diplomatic service on reaching the retiring age.
(Frankfurter Allgemeine Zeitung) **(13562 A; 12759 A.)**

C. INTERNATIONAL RED CROSS. — New President.

It was announced in Geneva on Feb. 7 that the International Committee of the Red Cross had accepted the resignation of Dr. Paul Ruegger from its presidency as from Aug. 31, 1955, and that it had unanimously elected Professor Leopold Boissier as its new president with effect from Sept. 1, 1955. Dr. Ruegger, who had been president of the International Committee since May 1948, agreed to hold himself at the committee's disposal for the study of special legal problems, particularly in connexion with the Geneva Conventions of 1949 which were concluded during his term of office. Professor Boissier, formerly secretary-general of the Inter-Parliamentary Union (a post he had held for 20 years), has been vice-president of the International Red Cross Committee since 1946, and has been a member of the Swiss Diplomatic Service.—(Neue Zurcher Zeitung)
(Prev. rep. 9536 A.)

A. UNITED KINGDOM. — Miscellaneous Legislation.

Miscellaneous legislation enacted during 1954 (other than legislation covered in separate reports) is summarized below.

The Agriculture (Miscellaneous Provisions) Bill was given a second reading in the House of Commons on Jan. 19, 1954, and enacted on July 4. It (1) continued without time-limit the Minister of Agriculture's powers (due to expire in August 1954) under the Agriculture Act to make grants for field drainage and water supplies in England and Wales, (2) extended for five years the Minister's power to make Exchequer contributions towards the cost of agricultural liming in the United Kingdom, with power to extend it for further five-year periods, subject to Parliamentary approval; (3) amended the method of appointing land tribunals by providing that the two nominated members on each tribunal should in future be appointed by the chairman from panels selected by the Lord Chancellor, who, in turn, would make his selections from lists provided by representative agricultural bodies; (4) extended the provisions of the Corn Returns Act to Scotland so as to allow the prices of wheat, barley, and oats to be calculated on a uniform basis throughout the country

The Baking Industry (Hours of Work) Bill. This Bill, intended to restrict night work in the baking industry, and based on the recommendations of a committee under Sir Frederick Rees which reported in 1951, was given a second reading in the House of Commons on Jan. 26 1954, and enacted on July 30. It prohibited night baking (i.e. between 10 p.m. and 5 a.m.) unless the employer had notified the Minister of Labour of his intention to use his establishment as a night bakery. In the latter case night work would be permitted, but no worker might be employed between 6 p.m and 6 a.m. for more than 26 weeks in any year, or work at night for more than four consecutive weeks without the Minister's consent Exceptions from the Bill's provisions were allowed in order to cater for the week-end trade, the Jewish Sabbath, or public holidays, or because of breakdowns or emergencies. Master bakers and foremen, and certain directors of bakery establishments were exempted from the restrictions (thus enabling family concerns to work when they chose), and the Minister was authorized to exempt from the Bill employers covered by voluntary collective agreements The Bill may be brought into effect by Ministerial Order on Jan. 1, 1957, but otherwise will come into operation on Jan 1, 1958

The British Industries Fair (Guarantees and Grants) Bill (House of Commons second reading Feb 23; enactment April 14) The Bill implemented the Government's decision (see 13349 C) to transfer the running of the London section of the B.I.F to a limited company, and empowered the Treasury to guarantee loans to the company up to £100,000, provided that they were repaid before June 30, 1959. It also authorized the making of Treasury grants towards advertising costs.

The Development of Inventions Bill, extending and amending the Development of Inventions Act (see 9462 D), was given a second reading in the House of Commons on Jan. 26, 1954, and enacted on March 18.

Mr Thorneycroft (President of the Board of Trade) stated during the debate that the National Research Development Corporation set up under the Act had received about £750,000 capital from the Government and held about 500 patents at home and 227 overseas, including a large number connected with an electronic brain devised by Professor Williams and a research team at Manchester University. As yet, however, only a few of the inventions covered by the patents had reached the final stage when revenue would begin to come in

The Gas and Electricity (Borrowing Powers) Bill, given a second reading in the House of Commons on July 19, 1954, and enacted on July 30, raised the borrowing limits of the British Electricity Authority from £700,000,000 to £1,400,000,000, and of the Gas Council and the Area Gas Boards from £250,000,000 to £450,000,000.

Mr Geoffrey Lloyd (Minister of Fuel and Power), who moved the second reading, explained that, together with money to be found by the industries themselves, the Bill would allow of investments during the next six years of £1,440,000,000 for electricity and £366,000,000 for gas, this "vast expenditure" being needed to meet the ever-growing demand for power in industry and on farms, and for light, heat, and labour-saving appliances in homes

During the debate Mr Lloyd announced that it had been decided to set up an independent inquiry into the working of the nationalized electricity supply industry The chairman would be Sir Edwin Herbert and the other members would be Mr F. C. Bagnall (managing director, British Nylon Spinners Ltd.), Professor Ronald Edwards (the economist), Mr. Albert Healey (a director of the Dunlop Rubber Co. Ltd), Mr. Lawrence Robson (president of the Liberal Party) and Mr. Jack Tanner (then chairman of the T U.C.)

The Hill Farming Bill, repealing that clause of the Hill Farming Act (see 8310 C) which restricted Government grants for the erection or reconditioning of cottages in hill farming areas to "non-tied" dwellings, was introduced in the House of Commons on Nov. 24, 1953, and enacted on March 26, 1954.

The Industrial Diseases (Benefit) Bill. (House of Commons second reading, Nov. 23, 1953; enactment, March 9, 1954) This Bill amended the Pneumoconiosis and Byssinosis Act of 1951 (which provided for the payment of benefits in the event of total disablement or death from these pulmonary diseases, which affect miners and cotton operatives respectively) by empowering the Minister of National Insurance to pay flat-rate allowances of 20s. weekly to partially-disabled sufferers from the diseases, provided they had not received workmen's compensation and were not entitled to benefits under the National Insurance (Industrial Injuries) Act. It also empowered the Minister to make schemes in respect of other diseases where compensation, though provided for under the Workmen's Compensation Acts, could not in fact be paid owing to delay in the onset of disablement

Mr. Osbert Peake (Minister of Pensions and National Insurance) stated during the debate that about 15,000 partially-disabled workers were expected to benefit from the Bill, at an annual cost of about £750,000 for pneumoconiosis and £50,000-£60,000 for other diseases.

The National Gallery and Tate Gallery Bill. This Bill, originally called the National Art Collections Bill, was given a second reading in the House of Lords on Nov 24, 1953, its name being changed during the Committee stage. After passing through both Houses (Commons second reading, Oct 29, 1954) it was enacted on Nov. 25. 1954. As originally introduced, it (1) set up the Tate Gallery as an institution independent of the National Gallery, and vested the Tate art collection in the Tate Gallery trustees, (2) empowered the trustees of either gallery to lend works of art for exhibition abroad; (3) authorized them to sell unwanted works, subject to the proviso that if they had previously been exhibited as part of either collection, details must first be given to Parliament, (4) provided for the transfer of pictures from one gallery to the other; (5) empowered the Treasury, if it thought fit, to allocate gifts and bequests to the nation to other national collections, instead of to the National Gallery.

In the House of Lords Committee stage (March 31, 1954) an amendment by the Duke of Wellington was agreed to deleting the clause permitting the gallery trustees to sell works of art abroad, and also cancelling the power to sell pictures, etc., which had been conferred on the National Gallery trustees by the National Gallery Act of 1865. A Government amendment was agreed to in the Report stage (April 18) prohibiting the lending abroad of foreign pictures believed to have been painted before 1700, unless this had been approved by Treasury Order subject to negative Parliamentary resolution. In the House of Commons Committee stage (Nov. 10) a Government amendment was agreed to limiting the number of art works on loan at any one time to one-twentieth of the total number vested in the National Gallery trustees and one-tenth of the total number in the Tate Gallery

The Overseas Resources Development Bill. This Bill, enacted on Nov. 25, 1954, provided for the dissolution of the Overseas Food Corporation and the transfer of its remaining assets to a new statutory corporation—the Tanganyika Agricultural Corporation—which would be set up by the Tanganyika Government to carry on the development work on which the O F.C had been engaged (see 13651 B)

Mr. Lennox-Boyd, the Colonial Secretary, explained during the debate that the O.F.C.'s surplus assets were valued at over £7,000,000, against which it had paid or would pay about £2,100,000 into the Exchequer, making a loss of over £4,900,000 on the winding-up of the scheme The Tanganyika Government had already passed legislation providing for the setting-up of the new Tanganyika Agricultural Corporation.

The following private members' Bills, including several relating to the protection, and prevention of cruelty to, birds and animals, were enacted during 1954 (names of sponsors in parentheses):

The Juries Bill (Mr. Frederick Harris, C), was introduced in the House of Commons on Nov. 20, 1953, and enacted on July 5, 1954. It amended the Juries Act of 1949 (see 10005 C) in respect of payments to jurymen by abolishing the statutory limitation on "loss of earnings" allowances and leaving their amount entirely in the discretion of the Home Secretary (in Scotland, to the Secretary of State) and the Treasury.

The Law Reform (Enforcement of Contracts) Bill. (Mr. T. C. Skeffington-Lodge, Lab.). This Bill, originally entitled the Law Reform (Miscellaneous Provisions) Bill, repealed the clauses of the Statute of Frauds of 1677 and the Sale of Goods Act of 1893 which required certain forms of contract—including marriage settlement contracts and contracts for the sale of goods valued at £10 and upwards—to be set forth in writing in order to be enforceable. As a result of the Bill, the only contracts now required to be in writing are contracts for the sale of land or any interest in land, and contracts of guarantee, all other contracts, even though made only by word of mouth, may be proved in court by the ordinary processes of evidence. (House of Commons second reading, Feb. 12, 1954, enactment, June 4.)

The Law Reform (Limitation of Actions) Bill. (Mr J. W. Peyton, C.). This Bill was given a second reading in the House of Commons on Dec. 4, 1953, and enacted on June 4, 1954 It (*a*) repealed the Public Authorities Protection Act, which prescribed that actions for damages against local authorities must be brought within 12 months of the incidents giving rise to them; and (*b*) substituted a universal limitation period of three years for all actions for personal injuries and actions under the Fatal Injuries Act (whether against local authorities or private persons or firms) instead of the previous limitation periods (applicable only to actions against private persons or firms) of six years and one year respectively

The Marriage Act (1949) Amendment Bill (Mr. Tudor Watkins, Lab.), which was given a second reading in the House of Commons on March 26, 1954, with Government support, and enacted on July 30, abolished a particular residential qualification on the marriage of Nonconformists. Mr. Watkins explained during the debate that the existing law required Nonconformists to be married either in a Registry Office or in the district where one party lived, with the exception that marriages could take place in the usual place of

worship of either party, provided that this was not more than two miles outside the registration district in which one of the parties lived. The Bill abolished the two-mile restriction, which had caused many difficulties.

The Protection of Animals (Amendment) Bill. (Mr P. F. Remnant, C.). Commons second reading, Feb. 12; enacted July 5, 1954. The Bill increased the maximum penalty for offences involving cruelty to animals from £25 to £50, and empowered the Courts to disqualify persons convicted of such offences from having control of any animal for such periods as the Court might think fit, under penalties of up to £50 fine or three months' imprisonment, or both.

The Protection of Animals (Anaesthetics) Bill (Lady Davidson, C.), making it compulsory to use anaesthetics in all surgical operations (with certain minor exceptions) upon animals where pain was involved, was given a second reading in the House of Commons on Feb. 12, 1954, and enacted on July 30.

The Protection of Birds Bill (Lady Tweedsmuir, C.). This Bill received a second reading with Government support in the House of Commons on Dec. 4, 1953, and was enacted on June 4, 1954. It (1) provided for the protection of certain wild birds, their nests, and their eggs, as well as of captive birds; (2) authorized the creation of additional bird sanctuaries; (3) prohibited certain methods of killing or taking wild birds (including the use of baited boards, bird-lime, and live birds as decoys); and (4) placed restrictions on the sale of live or dead wild birds and their eggs, as well as on the importation of wild birds

The Bill scheduled (*a*) a list of 44 birds which would be protected at all times, including all species of eagle, the hoopoe, avocet, golden oriole, osprey, and Montagu's harrier; (*b*) wild birds that might not be killed or taken inside a "closed season," including the capercailzie, coot, moorhen, golden and grey plover, common and jack snipe, 10 species of duck, four species of geese, and woodcock; (*c*) 61 birds that might not be sold alive, including the cuckoo, chaffinch, lark, and owl In general, offences under the Bill were made punishable by fines up to £25 or imprisonment for up to three months, or both.

The Rights of Entry (Gas and Electricity) Bill, sponsored by Miss Irene Ward (C.), was introduced into the House of Commons on Dec. 2, 1953 and enacted on March 18, 1954. The Bill regulated the statutory rights of gas and electricity officials to enter private premises, and provided that they might only do so in emergency cases or after obtaining a warrant from a Justice of the Peace or sworn information in writing.

The Slaughter of Animals (Amendment) Bill (Mr. Arthur Moyle, Lab.). This Bill, given an unopposed second reading in the House of Commons on Jan. 29, 1954, and enacted on July 30, 1954, provided for (1) the licensing of premises used as slaughter-houses or knackers' yards, as well as of slaughtermen; (2) the regulation of the treament of animals in slaughterhouses; (3) increased penalties for offences under the Slaughter of Animals Act. During the debate Mr. Moyle stated that over 50,000 horses were slaughtered annually in Britain, the number of horses on agricultural holdings having declined from 845,000 in 1949 to 316,000 in 1952.

The provisions of the National Gallery and Tate Gallery Act came into force on Feb. 14, 1955, when the Tate Gallery —for the first time since it was opened in 1897—became an institution completely independent of the National Gallery.

(Times - Daily Telegraph - Manchester Guardian)

A. POLAND. — Ending of State of War with Germany.

It was announced in Warsaw on Feb. 1 that the Polish Government had decided to terminate the state of war between Poland and Germany. The announcement referred to the recent Soviet decision to end the state of war between Germany and the U.S.S.R.; declared that the Polish People's Republic, like the Soviet Union, "desires to contribute to a peaceful stabilization of relations in Europe and to the normalization of its relations with Germany"; and said that, in addition to strengthening still further the "bonds of friendship with the German Democratic Republic," Poland also "considered it possible to normalize her relations with the German Federal Republic." On the other hand, the statement expressed Poland's "firm opposition" to "the revival of German militarism in any shape" and, in particular, to the Paris agreements. It gave a warning that "should . . . the Western Powers and the German Federal Government succeed in forcing through the ratification of the Paris agreements and the remilitarization of Western Germany, the Polish People's Republic, together with other peace-loving States, will take all necessary measures to ensure the security of Poland and other nations."—(Polish Embassy Press Office, London)

(Prev. rep. 14072 A; 14037 C; 13936 A.)

B. RHODESIA AND NYASALAND FEDERATION. — Appointment of U.K. High Commissioner.

It was announced in London on Feb. 15 that Mr. M. R. Metcalf, an assistant secretary in the Commonwealth Relations Office, had been appointed U.K. High Commissioner in the Federation of Rhodesia and Nyasaland (as from August 1955) in succession to Mr. I. M. R. Maclennan, whose term of office would be completed during the present year. Mr. Metcalf was formerly U.K. deputy High Commissioner in Ceylon.—(Times)

(Prev. rep. 13250 C.)

C. FRANCE. — Population Census.

Following the publication in October last of the preliminary results of the population census taken in May, 1954 (see 13834 B), more detailed figures were subsequently issued by the *Institut National de la Statistique* and are summarized below.

The census returns gave the population of Metropolitan France as 42,774,445 (excluding 187,000 servicemen outside the metropolitan territory, as well as officials and their families in the French zones of Germany and Austria), compared with 40,502,513 in 1946 and 41,907,056 in 1936. They showed, therefore, that France had not only increased her population by over 2,000,000 since the end of the war, but had also made good the losses suffered during the war and the occupation.

Of the 90 *départements*, the population of 51 had increased since 1936, that of 36 had declined, and the population of the other three had remained almost stationary. Increases of over ten per cent were registered in Seine-et-Oise (17.2), Haute-Garonne (14.6), Haute-Savoie (13.1), Loire-Inférieure (11.2), Seine-et-Marne (10.7) and Moselle (10.4), whilst the biggest decreases were recorded in Corsica (24.4 per cent), Lozère (16.3), Bouches-du-Rhône (14.3), Creuse (14.1) and Haute-Loire (12.2).

The returns showed that there were 24 cities with over 100,000 inhabitants (six more than in 1936), their populations being given below:

	1936	1946	1954
Paris	2,829,746	2,725,374	2,850,189
Marseilles	914,232	636,264	661,492
Lyons	570,622	460,748	471,270
Toulouse	213,220	264,411	268,863
Bordeaux	258,348	253,751	257,946
Nice	241,916	211,165	244,360
Nantes	195,185	200,265	222,790
Strasbourg	193,119	175,515	200,921
Lille	200,607	188,871	194,616
St.-Etienne	190,236	177,966	181,730
Toulon	150,310	125,742	141,117
Le Havre	169,299	111,004	139,810
Nancy	121,301	113,477	124,797
Rennes	98,538	113,781	124,122
Reims	116,687	110,749	121,145
Rouen	122,832	107,739	116,540
Grenoble	95,806	102,161	116,440
Clermont-Ferrand	101,128	108,090	113,391
Dijon	96,257	100,664	112,844
Le Mans	84,525	100,455	111,891
Brest	118,700	74,991	110,713
Roubaix	107,105	100,978	110,067
Limoges	95,217	107,857	105,990
Angers	87,988	94,408	102,142

Whereas some of the leading cities—notably Marseilles, Lyons and Lille—had declined considerably in population since 1936 (that of Marseilles having fallen by over 250,000), cities such as Grenoble, Le Mans, Nantes, Rennes and Dijon had registered considerable gains owing to the fact that they were becoming increasingly important as industrial centres. The population of Paris showed little change over the past two decades. Cities with a population of 50,000-100,000 numbered 63 (ten more than in 1936), the 50,000 mark having been passed since 1936 by La Rochelle, Aix-en-Provence, Bourges, Saint-Quentin, Nanterre, Poitiers, Vitry-sur-Seine, Drancy, Vincennes, and Cannes.

The census showed a progressive decline in the number of foreigners living in France—from 2,445,524 (5.8 per cent of the population) in 1936 to 1,670,621 (4.1 per cent) in 1946 and to 1,452,000 (3.4 per cent) in 1954. The foreign population of the Seine *département* (Paris and its environs) had fallen from 459,498 in 1931 to 186,164 in 1954. An analogous decline was shown in nearly all *départements* and particularly in Bouches-du-Rhône (which includes Marseilles), where the foreign population had fallen from 248,800 in 1931 to 54,308 in 1954.

The results of a census taken on July 1, 1954, in the four oversea *départements* of Réunion, Martinique, Guadeloupe, and French Guiana (constitutionally parts of Metropolitan France), published in the *Journal Officiel* on Feb. 6, 1955, gave their populations as follows: Réunion 274,370, Martinique 239,130, Guadeloupe 229,120, French Guiana 27,863. Only Réunion showed an appreciable increase.—(Le Monde, Paris)

(Prev. rep. Population Census, 13834 B.)

D. UNITED NATIONS. — New President of International Court of Justice.

Mr. Green H. Hackworth, the U.S. judge in the International Court of Justice, was elected President of the Court on Feb. 9 in succession to Sir Arnold McNair (Great Britain), who had not sought re-election to the International Court. Mr. Hackworth, formerly legal adviser to the State Department, will hold the position for a three-year term. Dr. Abdul Hami Badawi (Egypt) was elected Vice-President of the Court.

(New York Herald Tribune) **(Prev. rep. 13897 B.)**

FEBRUARY 19—26, 1955

A. TURKEY - IRAQ. — Turkish-Iraqi Defence Treaty. - Opposition in Egypt and Syria. - Cairo Conference of Arab Prime Ministers. - Non-attendance of Prime Minister of Iraq. - Breakdown of Cairo Conference. - Deadlock in Arab League.

The Turkish Prime Minister, M. Adnan Menderes, accompanied by Professor Koprülü (the Foreign Minister) and M. Zeytinoglu (Minister of Public Works), visited Baghdad from Jan. 6-14 for discussions with General Nuri es-Said, the Prime Minister of Iraq. At the conclusion of the talks the following joint communiqué was issued, announcing that the two Governments would conclude a mutual defence treaty as soon as possible:

"Turkey and Iraq have decided to conclude a treaty to bring into effect, and to expand as soon as possible, co-operation for the stability and security of the Middle East. The signatories will undertake to co-operate, in conformity with the right of legitimate defence under the U.N Charter, against any aggression which may be made against them from within or without the region—that is, from any quarter —in accordance with the right of legitimate self-defence as stipulated by Article 51 of the U.N. Charter. The Turkish and Iraqi Governments believe that such a treaty will serve to establish security in the Middle East in a manner conforming with the U N. Charter. Therefore they deem it useful and necessary that other like-minded States, taking into consideration their geographical position and the means at their disposal, should join this treaty. Consequently, before the treaty is drawn up, Turkey and Iraq will remain in close contact with those States which express a desire to act in concert with them, and will make every endeavour to persuade those States to sign the treaty simultaneously with them. Should this not prove feasible, they will continue to make the same efforts after the treaty has been signed."

In a press statement before leaving Baghdad, M Menderes claimed that the decision of Iraq and Turkey to co-operate for their mutual defence marked "the beginning of a new era for the common good of the whole Middle East and the entire community of peace-loving nations." Stressing that they wished to achieve multilateral and not bilateral co-operation, M. Menderes declared. "In establishing our co-operation neither Turkey nor Iraq ever had it in mind to secure for themselves material or moral advantages, or any particular superiority . . . It never occurred to us to reserve for ourselves the quality of founder-members."

On his return journey M. Menderes paid a short visit to Damascus, where he met M. Faris el-Khoury (the Prime Minister) and other members of the Syrian Government. He proceeded to Beirut later the same day (Jan. 14) for talks with the Lebanese Government. The Lebanese Foreign Minister, M. Naccache, stated on Jan. 15 that M. Menderes had invited Lebanon to join the proposed Turkish-Iraqi pact, and that Professor Köprulu had given an assurance that Turkey would not enter into similar arrangements with Israel; a communiqué issued before M. Menderes' departure, however, merely stated that the two Governments had agreed to continue conversations for strengthening relations between Turkey, Lebanon, and the other Arab countries. M. Menderes explained in a press statement that the Lebanese Government had expressed the desire to see a sound Middle Eastern defence organization established, but was unwilling to take independent action without the approval of the Arab League.

Strong opposition was expressed in Syria both to the proposed Turkish-Iraqi pact and to M. Menderes' visit to Damascus, which was criticized by Left-wing members in the Syrian Chamber of Deputies. A student demonstration in Damascus was broken up by the police on Jan. 13, and 45 demonstrators were arrested at Aleppo on Jan. 15. Further student demonstrations against the projected Iraqi-Turkish pact occurred in Aleppo on the following day, in which 50 demonstrators and 32 policemen were injured.

The Egyptian Government proposed on Jan. 16 that an emergency meeting of the Prime Ministers of all countries which had signed the Arab League collective security pact should be held in Cairo on Jan. 22 to discuss the "serious blow to Arab unity" caused by the Turkish-Iraqi agreement. Major Salem (the Minister of National Guidance) said that Egypt had envisaged the Arabs as an independent force in international affairs, pursuing a unified foreign policy and taking the responsibility for the defence of their region through the Arab League collective security pact, and had believed that the other Arab countries unanimously accepted this policy. Iraq, however, by declaring her intention of concluding a separate treaty with Turkey without consulting any of the other Arab Governments, had taken a serious step which might "threaten the very existence of the Arab League and endanger the Arab nations as a whole."

In the light of the Egyptian and Syrian denunciations of the proposed Iraqi-Turkish pact, the Iraqi Government issued an official statement on Jan. 18.

The statement said that Iraqi foreign policy was based on two principles laid down by the late King Faisal I: to serve the vital aims of the Arabs, and to assure Iraq's safety. In accordance with the first principle, Iraq had taken part in the foundation and work of the Arab League and had signed the Arab security pact. In pursuit of the second principle she had sought to consolidate relations with her neighbours and with those Powers whose interests were associated with her own, e g., by the treaties of friendship with Turkey, Persia, and Afghanistan, by the Saadabad pact, and by a treaty of alliance with Britain. Iraq considered the joint implementation of these two complementary principles to be "the only logical method of realizing the common interests of the Arabs." Recognizing, as she did, the right of each Arab country to take such measures as were required by its particular interests, she had welcomed the Anglo-Egyptian treaty because she regarded it as a good augury for Arab-Turkish-British relations. The proposed treaty with Turkey was complementary to this agreement and was open to other Arab States, as well as to other countries concerned with the maintenance of peace in the Middle East; moreover, it did not conflict with either the U.N. Charter or the Arab League collective security pact, being based on Article 51 of the former and Article 11 of the latter.

The conference of Arab Prime Ministers met in Cairo on Jan. 22, being attended by the Premiers of Syria, Lebanon, Jordan, and Saudi Arabia, who were later joined by the Premiers of the Yemen and Libya. General Nuri es-Said, however, expressed his inability to attend on the grounds of illness, and proposed that the conference should be postponed until he was well enough to be present. This suggestion was rejected by the Egyptian Government, and allegations were made in the Egyptian Press—which had conducted a violent campaign against Iraq since the announcement of the proposed pact—that General Nuri's illness was "diplomatic."

At the opening session on Jan. 22 the Egyptian Prime Minister, Colonel Nasser, was reported to have strongly criticized the proposed Turkish-Iraqi pact, maintaining that a Turkish alliance would be of no military value to Iraq, which was already sufficiently protected by her treaty with Britain and was also receiving military aid from the United States. Linking the agreement with the Iraqi Government's recent suspension of diplomatic relations with the Soviet Union (see 13971 A), he alleged that Iraq intended to "tie herself completely to the Western Powers"

It was decided on Jan. 22 not to proceed with the business of the conference until it was known whether General Nuri es-Said would be able to attend, and if so, when. In reply to a telegraphic inquiry, the Iraqi Prime Minister stated on Jan. 23 that he hoped to be able to visit Cairo within a few days. On Jan. 25, however, the conference proposed that if General Nuri was still unable to attend he should send a deputy. Dr. Jamali (the former Prime Minister), Sayid Bashayan (deputy Foreign Minister), and Khalil Ibrahim (Director of Propaganda) accordingly joined the conference on Jan. 20 as Iraq's representatives.

Dr. Jamali told the Egyptian Press on Jan. 27 that it was "necessary for the free nations to co-operate in accordance with the principles of the U N. Charter." He added that "neutralism is impossible in existing circumstances" and that "we have an interest in profiting from the economic and military advantages of the West for our own defence" The Egyptian Government organ *Al Goumhouria*, on the other hand, expressed the hope that Dr Jamali would try to convince General Nuri es-Said that it was not in Iraq's interest "that Arab States should be dragged one after the other into Western alliances, either directly with the U.S.A. and Britain or indirectly through Turkey."

At the conference's session on Jan. 27 the Iraqi delegation put their Government's view on the pact, and afterwards had a private meeting with Colonel Nasser, Major Salem, and Dr. Fawzi. During their discussions, which were reported to have been heated, the Egyptian spokesmen were said to have emphasized the danger of a split in the Arab League and to have drawn attention to the hostile reactions which the pact had aroused in Arab countries. After the meeting a member of the Egyptian delegation made a statement again alleging that General Nuri es-Said's illness was feigned, and that other Iraqi political leaders were opposed to his policy. In reply to the latter allegation, however, Dr. Jamali announced on Jan. 29 that a statement had been issued in Baghdad, with the backing of six former Prime Ministers, reasserting Iraq's right to make such treaties as she considered necessary for the protection of her own interests.

In an attempt to reach agreement, a committee drawn from the Iraqi, Egyptian, Syrian, Lebanese, and Jordanian delegations was appointed on Jan. 28 to draft a compromise resolution. On Jan. 30, however, the conference adjourned for four days as the committee had failed to agree on the wording of the resolution. It was decided that in the interim a delegation composed of Major Salem, M. Sami Solh (the Lebanese Premier), M. Faydi el-Atassi (the Syrian Foreign Minister), and M. Waleed Salan (the Jordanian Foreign Minister) should visit Baghdad to discuss the situation with the Iraqi Govern-

ment. Before the Cairo conference adjourned, the Egyptian Government announced that if Iraq proceeded with the Turkish treaty Egypt would take "definite steps"; these, it was reported in the Egyptian Press, would be Egypt's withdrawal from the Arab League collective security pact, and the abandonment of the Egyptian proposals for unifying the armies of the Arab countries.

The delegation visited Beirut on Jan. 31 for talks with the Lebanese President, M. Chamoun, and flew to Baghdad later the same day. The discussions in Baghdad ended on Feb. 2, when it was announced that General Nuri es-Said had accepted a Lebanese proposal that he should meet President Chamoun and Colonel Nasser in Beirut, at a date to be fixed, in an attempt to resolve their differences. It was, however, stated that the Iraqi Prime Minister had rejected an alternative proposal by President Chamoun that Iraq should postpone the signature of her pact with Turkey for a specific period.

When the conference was resumed in Cairo on Feb. 3, Colonel Nasser refused to meet General Nuri es-Said unless Iraq agreed in advance to accept the decision of the majority of the Arab States as to whether she should conclude the Turkish treaty; General Nuri es-Said, however, refused to accept this condition, and the Lebanese proposal for a meeting automatically lapsed. After an Egyptian resolution proposing that the Arab States should not conclude defence pacts with Powers outside the Arab League had been rejected by Syria, Lebanon, and Jordan, the conference ended on Feb. 6 without any statement having been issued.

In an article published on Feb. 7, Major Salem declared that the conference had been a complete failure because of the "wavering" attitude of some of the delegations, which had agreed not to join the Turkish-Iraqi pact but had refused to support a formal resolution to that effect. The delegations, he added, had even failed to agree on whether the Cairo conference should be postponed or terminated, with the result that it had been left "hanging in mid-air." At a press conference on the same day Major Salem stated that Egypt would withdraw from the Arab League collective security pact on the day that Iraq signed the treaty with Turkey, but would simultaneously sign a pact with all other Arab States which undertook not to enter into alliances with Turkey or other non-Arab countries. He also claimed that during his discussions with General Nuri es-Said in August 1954 (see 13787 A), and again at the last meeting of Arab Foreign Ministers in Cairo in December, it had been agreed that no Arab State should conclude a pact outside the Arab League.

The Iraqi Chamber of Deputies unanimously adopted on Feb. 6 a vote of confidence in the Government's foreign policy. During the debate General Nuri es-Said pointed out that the joint statement issued after his visit to Turkey in October (see 13854 C) had not been queried by any Arab State, either at the time or subsequently. He emphasized that the proposed treaty was in accordance with Article 51 of the U.N. Charter —unlike the Anglo-Egyptian agreement, which was bilateral in character and on which the other Arab States had not been consulted.

A spokesman of the Egyptian Foreign Ministry announced on Jan. 24 that Egypt had rejected a Turkish invitation to join the proposed alliance. An offer by M. Menderes to meet Colonel Nasser in Cairo, Ankara, or any other place which he might select was conveyed through the Turkish Ambassador in Cairo on Jan. 23, but was also rejected by the Egyptian Government. The Saudi Arabian Prime Minister (Emir Feisal) had announced in Cairo on Feb. 8, after discussions with Colonel Nasser, that if Egypt seceded from the Arab League collective security pact when Iraq signed her proposed defence treaty with Turkey, Saudi Arabia would immediately follow the Egyptian example.

The Turkish-Iraqi treaty of alliance was signed in Baghdad on Feb. 24 by General Nuri es-Said, on behalf of Iraq, and M. Adnan Menderes and Professor Fuat Koprulu, on behalf of Turkey. It was announced that it would come into force upon ratification by both countries.

The Turkish-Iraqi defence pact was welcomed in Pakistan, where the Ministry of Foreign Affairs and Commonwealth Relations issued a statement on Jan. 20 describing it as "an important step towards the establishment of a collective security system for the region in which Pakistan, by reason of her geographical position, her vital national interests, and her close religious and cultural affinities with the other Middle Eastern countries, must naturally be closely concerned." The Pakistani Prime Minister, Mr. Mohammed Ali, declared in a press interview in New York on Jan. 27 that he would welcome a tripartite alliance between Pakistan, Turkey, and Iraq.
(Turkish Embassy Press Office, London - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - Pakistan High Commissioner's Office, London) **(Prev. rep. 13854 C.)**

A. UNITED STATES. — Trade Unions. - Agreement on Merger of A.F.L. and C.I.O.

An agreement for the merger of the American Federation of Labour and the Congress of Industrial Organizations, the two trade union groups to which the majority of U.S. unions are affiliated, was signed on Feb. 9 by Mr. George Meany, president of the A.F.L., and Mr. Walter Reuther, president of the C.I.O. The agreement marked the end of a 20-year split in the U.S. labour movement, which began with the formation of a Committee for Industrial Organization inside the A.F.L. in 1935. In 1936 this committee and the unions affiliated to it were expelled from the A.F.L. for trespassing on the jurisdiction and practices of other A.F.L. unions, and in 1938 the C.I.O. was established as a separate trade union federation under its present name. A number of subsequent attempts to reunite the two labour groups broke down, largely because of the personal animosity between their leaders, and the movement towards unity made no appreciable progress until the deaths of Mr. William Green (A.F.L.) and Mr. Philip Murray (C.I.O.) in November, 1953, and the subsequent election of new leaders of the two organizations.

The principal provisions of the merger agreement were as follows:

(1) A "single trade union centre" would be formed in the U.S.A. through a merger process which would preserve the integrity of each affiliated national and international union. It was recognized as a "fundamental basis" for the merger that each affiliated union should become, by virtue of the merger, an affiliate of the unified federation.

(2) A "department" known as the Council of Industrial Organizations would be established within the unified federation, which would have the status of, and in general be comparable to, the existing "departments" of the A F.L. (which would themselves be continued) This "department" would be open to all industrial unions within the unified federation.

(3) The unified federation would take over all the assets of the A F L. and assume all its liabilities and contractual obligations. It would also succeed to the corresponding assets and liabilities of the C I.O., the balance of whose assets (after meeting all liabilities) would go to the proposed Council of Industrial Organizations.

(4) The A F.L. - C.I.O. "no-raiding" agreement (see 13639 E) would be preserved and, with the consent of the signatories, be extended for a further two years from its present date of expiry. It would be amended so as to make it effective between all unions signatory to it, irrespective of their former affiliation. The existing A.F.L. and C I.O. internal agreements on inter-union disputes would remain in force, and a joint committee would be formed to draw up plans for incorporating these two agreements and the "no-raiding" agreement into a single "no-raiding and organizational jurisdictional disputes agreement."

(5) The merger would be effected by the following procedure: (*a*) the merger agreement would first be approved by the executive council of the A.F L and the executive board of the C.I.O., after which a proposed constitution for the unified federation, based on the provisions of the merger agreement, would be drafted by a joint A.F.L. - C.I.O. committee; (*b*) after approval by the executives of the A F.L. and C.I.O. the new constitution, together with the merger agreement, would be submitted to separate conventions of the A F.L. and C I O; (*c*) after the constitution and merger agreement had been approved by the separate conventions, a joint convention would be held The merger of existing State and local bodies of the A F.L. and C.I.O. would be accomplished within two years of the merger of the main organizations.

Latest published figures gave the membership of the A.F.L. as 9,605,840 and of the C.I.O. as about 6,000,000. The principal trade unions outside the two organizations are the United Mineworkers' Union (headed by Mr. John L. Lewis) and the four railway "operating brotherhoods," with a combined membership of over 2,000,000.

The merger agreement was unanimously approved by the executive board of the A.F.L. on Feb. 10, and by the executive board of the C.I.O. (with one union dissenting) on Feb. 24.
(U.S. Information Service - New York Times) **(13639 E.)**

B. CHILE - BOLIVIA. — Economic Treaty.

President Ibañez of Chile and President Paz Estenssoro of Bolivia met at Arica on Jan. 31, on the occasion of the signing of an economic treaty between the two countries. The treaty provided for an increase in mutual trade; reciprocal capital investment; revision of Customs tariffs; greater facilities for the transit of goods across the respective frontiers; improvements in transport and communications between the two countries; and the construction of a pipeline between Oruro and Iquique for the export of Bolivian oil. A permanent Chilean-Bolivian commission will be appointed to supervise the implementation of the treaty and to study and recommend supplementary agreements. (Chilean Embassy, London)

A. SOVIET UNION. — M. Molotov's Foreign Policy Speech to Supreme Soviet. - British and American Press Comments on Soviet Governmental Changes. - President Eisenhower's Tribute to Marshal Zhukov.

During the recent session of the Supreme Soviet, an extensive review of the Soviet Government's foreign policy was made by M. Molotov on Feb. 8. Extracts from M. Molotov's speech are given below under cross-headings.

Introduction. M Molotov began by declaring that the most important result of the First World War was "the transformation of Russia into a Soviet Socialist state," whilst the most important result of the Second World War was "the formation, alongside the world capitalist camp, of the world camp of socialism and democracy headed by the Soviet Union and the People's Republic of China." After reviewing the changes that had occurred in Asia since the end of the war, he continued :

"Of great historical significance is the fact that colonial India no longer exists but the Republic of India . . The international prestige of India is a new and important factor in strengthening peace and friendship among the nations, and is steadily growing. Alongside India, Burma and Indonesia have also cast off the yoke of the colonial regimes Let us hope that Pakistan, Ceylon, and other Asian peoples will find their way to genuine national freedom and economic regeneration . We cannot say that the national liberation movement in the countries of the Arab East has attained the power and sweep that it has in a number of Asian States. The countries existing there, particularly those possessing big oil resources, are still heavily dependent on the Western countries, which have laid their hands on local oil and other natural resources . . The peoples of Africa, in the majority, still live in conditions of colonial oppression . . . North and South America are still off the historic highroad upon which the peoples of Europe and Asia have embarked . . ."

The Berlin and Geneva Conferences. After declaring that the Soviet Union stood for "the strengthening of the forces of peace and an easing of international tension," whereas U S. foreign policy "rests on the setting-up of ever new aggressive blocs and groupings, and finds its latest expression in open propaganda and preparation for an atomic war," M Molotov discussed the international situation, with special reference to the Far East and Germany. Although the Berlin Conference had not succeeded in reaching decisions on German unification—for which M Molotov blamed the U.S , British and French representatives, who "did not co-operate with us in this matter"—it had nevertheless had "important and constructive" results, since it had led to the subsequent Geneva Conference on Far Eastern problems. He said in this connexion : "The significance of the Berlin Conference consists primarily in the fact that, after a five-year interval, a beginning was made in the holding of new international conferences by the great Powers for settling urgent international issues. The decision was taken in Berlin to hold another conference, which took place at Geneva and yielded positive results . If the decision to call the Geneva Conference was a success for the Berlin Conference, then the constructive results of the Geneva Conference confirmed how necessary China's participation in that meeting was. The Geneva Conference did not discharge its tasks to the end, since it made no progress in settling the Korean question. It reached agreement, however, for ending the eight-year war in Vietnam, and also for ending hostilities in Laos and Cambodia."

The SEATO Pact. M. Molotov went on to accuse the United States of having made "open attempts" at Geneva to "prevent the re-establishment of peace in Indo-China." He continued : "As soon as the Geneva Conference was over, Mr. Dulles convened a conference of his own at Manila . . . with the obvious aim of preventing the carrying-out of the Geneva decisions . A so-called collective defence treaty for South-East Asia was signed at Manila—a military bloc of such colonial Powers as the U S.A , Britain and France, and certain Asian countries dependent on them such as the Philippines, Siam, and Pakistan. This treaty is filled with a desire to strangle the national liberation movement in Asia, and is obviously spearheaded against the Republic of China . . ."

The Formosa Crisis. Turning to the Formosa Straits crisis, M. Molotov said "Formosa and the Pescadores, not to mention the other offshore islands, are indisputably the territory of China . . . Notwithstanding this, these islands have been seized by the U.S.A., which maintains there Chiang Kai-shek's criminal gang . . Recently matters have gone to such a length that the President and Congress of the United States . . . have openly started to threaten war against the Chinese people, who are upholding their rights to these islands and are defending their national honour and sovereignty . We consider the Formosa question to be a domestic affair of China's, and regard the predatory actions of the U S A , and its threat of war, as aggression which must be condemned unreservedly by the United Nations if it prizes its authority. It is no longer possible to tolerate a situation where the legitimate rights of China in the U.N. have not yet been restored because of opposition by the United States. The U.S.A. must withdraw from Formosa and the Formosa Straits all its armed forces, including air and naval forces. Then hostilities in the Far East will cease and peace will be established . . ."

Germany and the Paris Agreements. As regards the German question, M. Molotov said · "Both the rejected E.D C. project and the Paris agreements boil down to the same thing in the final analysis —both projects pave the way for the resurgence of German militarism and the integration of a remilitarized Western Germany in the aggressive military groupings of the Western Powers . . All this is being done in flagrant violation of international agreements bearing the signatures of the four Great Powers and designed to prevent the revival of German militarism It is also in flagrant violation of the Anglo-Soviet and Franco-Soviet treaties . . Notwithstanding all the pressure from without, and all the U S. threats against those who do not believe in the Paris agreements, it was only a minority of the deputies that voted to approve the Paris agreements in the French Parliament. It was also only a minority of M.P s that voted for the agreements in the British Parliament, where the Labour group decided to abstain in a body In Western Germany, the trade union and mass party organizations of the working-class . . have declared themselves resolutely against the Paris agreements and against remilitarization ; for the German people, naturally, cannot forget the dire consequences of the two world wars for Germany . . . It would be wrong, nevertheless, to underestimate the dangerous consequences of the Paris agreements should they be ratified and put into effect. . . . Should the agreements be ratified, they will become the chief obstacle to the settlement of the German problem and will make the re-establishment of Germany's unity impossible for a long time to come . Abandonment of the Paris agreements, and an agreement by the four Powers—France, Britain, the U.S A., and the U.S.S.R. —would, on the contrary, make it possible to hold free all-German elections this year with the aim of re-establishing Germany's unity on a peaceful and democratic basis"

The Moscow Conference of East European Countries. After referring to the declaration issued at the Moscow Conference on Dec. 2, 1954 (see 13936 A), M Molotov continued : "The eight States that were parties to the Moscow Conference declared categorically that, should the Paris agreements be ratified, they would take all necessary steps to strengthen their international positions and to safeguard European peace and security . First and foremost among such measures is the preparation of a treaty of friendship, co-operation and mutual assistance between the eight countries . . Among the measures that we will have to take in the event of West European military groupings being formed with the participation of a remilitarized Western Germany, the setting-up of a joint military command should be mentioned This follows from the need to strengthen the defensive power of the Soviet Union and other peace-loving European States with a view to forestalling any chance accidents and surprises When such a joint military command is set up, I am pretty sure that the aggressive circles will refrain from hatching adventurist schemes and will behave in a more peaceful way . . "

Relations with Foreign Countries. M. Molotov went on to speak of Soviet relations with foreign countries—specifically, the Western Powers, the neighbour-States of the Soviet Union, India, Japan, Austria, Yugoslavia, and China and the "people's democracies."

Soviet-American relations, he said, "needed improving," and he believed that it was "quite possible" to bring about such an improvement "if not only the Government of the Soviet Union but also the Government of the United States desires it" As regards relations with Britain and France, M Molotov said : "The quite good development that had recently begun in our relations with Britain and France has run up against submerged rocks—the Paris agreements . . Should matters irrevocably proceed along the road of ratifying those agreements, it would mean that Britain and France not only do not value the treaties they concluded with the Soviet Union during the Second World War, but have annulled them . . . The Paris agreements . . . are compatible neither with the Anglo-Soviet nor the Franco-Soviet treaties."

Relations with Finland were developing "in conformity with the treaty of friendship, co-operation and mutual assistance of 1948"; the visit of a Finnish governmental delegation to Moscow in 1954 (see 13847 C), and the return visit of a Soviet governmental delegation to Helsinki, had "promoted the further improvement of Soviet-Finnish relations based on better mutual understanding." As regards relations with Norway, the Soviet Government was "compelled to reckon with the fact that Norway has joined the aggressive North Atlantic bloc," and the Norwegian people "should not forget that the maintenance of good neighbourly relations between the U S.S R and Norway is in the interests not only of our country but of Norway as well"

The Turkish Government, said M. Molotov, had "continued to adhere to positions which do not conform to good neighbourly relations" and had "converted their territory and coastal waters into a sort of arena for military manoeuvres and demonstrations by foreign, and especially American, armed forces." On the other hand, there had been "a certain improvement" in Soviet-Persian relations, as evidenced by the recent agreement on frontier and financial matters (see 13968 C). M Molotov expressed the hope that Soviet-Persian relations would "not be hindered by unceasing pressure upon Persia from foreign forces, who have set themselves the aim of drawing that country into aggressive military and political groupings in the Near and Middle East" Soviet relations with Afghanistan were "developing normally" in accordance with the interests of both countries.

M. Molotov expressed "great satisfaction" at the development of relations between the Soviet Union and India, saying in this connexion . "Political, economic, and cultural relations are developing successfully and are helping to bring closer together the peoples of our countries, who have mutual respect for and sincere sympathy with each other. We have recently concluded an important economic agreement under which the Soviet Union has undertaken to build in India a big iron and steel plant with an annual output of more than a million tons of steel and a corresponding amount of rolled steel products. The Soviet Union will supply all the equipment and will render the necessary technical aid, including the sending of highly qualified specialists. We gladly complied with the request, since the

development of the iron and steel industry in India should help to secure the national independence and economic progress of that great and ancient country" M. Molotov welcomed the fact that Mr. Nehru, the Prime Minister of India would be paying an official visit to the Soviet Union during the summer.

As regards Iraq's action in breaking off relations with the Soviet Union (see 13992 C), M. Molotov said that this could be "explained by the fact that the present Iraqi Government are in too much of a hurry to dance to the tune of the Western imperialists"

The Soviet Union, he continued, was striving to normalize its relations with Japan, to this end it had lately established direct contact with the Japanese Government (see page 14006), and expected "appropriate positive results."

As regards Austria, M. Molotov said that the Soviet Union attached "great importance" to the "restoration of the independence of a democratic Austria" and to the rapid conclusion of a State treaty with that country At the same time, however, it was necessary to "take into account the dangers involved in the plans to remilitarize Western Germany under the Paris agreements," and the Soviet Government had arrived at "the following conclusions with regard to the Austrian question": (1) It was necessary "first and foremost to reckon with the fact that the settlement of the Austrian question cannot be considered apart from the German problem, particularly in view of the plans to remilitarize Western Germany, which intensifies the danger of an *Anschluss*. In concluding a State treaty for Austria, such a solution must be found as would preclude the possibility of Germany carrying out a new *Anschluss*, which involves the taking of appropriate agreed measures by the four Powers on the German question In this event the withdrawal of the troops of the four Powers from Austria could be carried out without waiting for the conclusion of a peace treaty with Germany."

(2) "Austria must undertake not to join any coalitions or military alliances directed against any Power that took part with its armed forces in the war against Hitler Germany and in liberating Austria, and not to permit the establishment of foreign military bases on its territory. The U.S.A., Britain, France and the Soviet Union must similarly undertake to carry out these provisions."

(3) "For the earliest settlement of the Austrian issue, a four-Power conference must be called without delay to examine the German problem, as well as the question of concluding a State treaty with Austria . . . It should, however, be borne in mind that in the event of the ratification of the Paris agreements, which open the way for the resurgence of militarism in Western Germany, a serious danger of an *Anschluss* would be created, and consequently a threat to Austria's independence."

M. Molotov went on to speak of the "successes recently achieved in the relations between the Soviet Union and Yugoslavia" (see 14016 A), saying in this connexion "We do not consider that everything has been done in this direction, but we believe that this depends no less upon Yugoslavia than upon the Soviet Union. In recent years Yugoslavia has apparently departed in some degree from the course she embarked upon after the war. That, of course, is entirely her own domestic concern. The Soviet Union is striving to develop Soviet-Yugoslav relations in the economic, political, and cultural spheres . . . We are convinced that the positive trend in the development of Soviet-Yugoslav relations is in the interests of both peoples."

Relations with Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, and Albania, with the German Democratic Republic, and with the People's Republic of China, the Korean People's Democratic Republic [North Korea], the Democratic Republic of Vietnam [North Vietnam], and Mongolia were developing "on the basis of brotherly friendship and overall co-operation" M. Molotov added that the Soviet Union was "bound to the great People's Republic of China by ties of friendship and fraternal relations which are growing stronger from year to year."

Declaring that the Soviet Union, China, and the "people's democracies," with a total population of 900,000,000, represented "a monolithic camp of peace, democracy, and socialism," M. Molotov said: "The Soviet Union and the countries of the socialist camp have not set up, and are not setting up, any military blocs directed against other States. Nor will they do so in the future, but they will be compelled to unite their forces in order to safeguard their security if aggressive plans, with the help of which it is intended to revive German militarism, continue to be carried out."

M. Molotov expressed the Soviet Government's support for the "five principles of peaceful co-existence" to which India, China and Burma had subscribed (see 13661 A; 14037 A); declared that the Soviet Union had always based its foreign policy upon those principles; and added: "We have a right to ask the Governments and Parliaments of all countries—why could not these principles become a common platform for the maintenance and consolidation of peace for all nations?"

Denunciation of U.S. Policy. Denouncing what he described as the American "policy of strength," M. Molotov said that this policy was "chiefly expressed in the establishment of all sorts of military and political blocs and aggressive groupings." He continued: "The North Atlantic grouping set up by the Anglo-American bloc is prominent in this respect . . . In addition there are other military and political groupings, also set up under the aegis of the U.S.A., of which the following could be mentioned: the treaty between the U.S.A., Australia and New Zealand [the ANZUS treaty]; the treaty between the U.S.A. and Japan; the South-East Asian Treaty [SEATO]; the treaty between the U.S.A. and the bankrupt Chiang Kai-shek; the treaty between the U.S.A. and the Syngman Rhee clique in South Korea; the treaty between the U.S.A., France, 'Bao Dai' Vietnam, Laos, and Cambodia . . In this group of blocs can be included the recent agreement between Turkey and Pakistan, as well as the agreement now being prepared between Turkey and Iraq (see 14057A). The Paris agreements provide for a West European military alliance which is to become, so to speak, the assault column of the North Atlantic bloc . . . The military groupings which the U.S.A. is building up in Europe are spearheaded against the Soviet Union and the people's democracies, and in Asia against the People's Republic of China and the peoples friendly to it . . ."

M. Molotov added: "In an entirely special position is the treaty between Turkey, Greece and Yugoslavia, insofar as only two of its members belong to the North Atlantic bloc whilst the third, Yugoslavia, does not. The Balkan peoples, however, cannot but display corresponding caution and attention in this respect."

Atomic Warfare. In the course of an attack on what he described as "propaganda for atomic war" in the U.S.A., M. Molotov claimed that "the Soviet people have made such progress in the manufacture of hydrogen weapons that it is the United States that is lagging behind, and not the Soviet Union." After declaring that the Soviet Union stood for "a substantial reduction of all armaments and unconditional prohibition of atomic and other weapons of mass destruction," he added: "The unleashing of a third world war would inevitably end sadly for the aggressor . . . It is not world civilization which would perish, but the already moribund social system with its imperialist foundations . . . a system which is doomed for its exploitation of the working people and the oppressed peoples."

Conclusion. M. Molotov concluded as follows: "The foreign policy of the Soviet Union is based on Lenin's principles of the co-existence of different social systems . . . We uphold these principles because in co-existence there is a full possibility to ensure peace and freedom for the peoples, peaceful relations between countries, and continued human progress."

In addition to the appointment of Marshal Bulganin as Prime Minister of the U.S.S.R. in succession to M. Malenkov, and of Marshal Zhukov as Minister of Defence *vice* Marshal Bulganin, a number of other decisions were taken by the Supreme Soviet at its session in Moscow from Feb. 3 to Feb. 9, as summarized below:

Cabinet Appointments. The following Cabinet appointments were approved during the session, the Ministers concerned possessing "technical" and not policy-making duties: M. Evgeny Kozhevnikov, Transport and Building; M. Ivan Kozyulya, Urban and Rural Construction; M. Viktor Bakayev, Merchant Marine; M. Zosim Shashkov, River Fleet, M. Alexander Sheremetyev, Ferrous Metallurgy; M. Feodor Loginov, Construction of Electric Power Stations, M. Mikhail Evseyenko, Construction of Petroleum Industry Enterprises; M. Dimitri Pavlov, Trade. The last-named succeeded M. Anastas Mikoyan (see 14026 B), whose resignation was accepted by the Supreme Soviet, and who was present at the Moscow session.

M. Ivan Serov, head of the State Security Committee (see page 13615, col. 2), was given a seat in the Soviet Cabinet.

Supreme Court Judges. Six judges of the Soviet Supreme Court were relieved of their posts and seven new judges appointed. [The Supreme Court consists of some 70 judges and 35 "people's assessors," its members being elected for a five-year term by the Supreme Soviet.]

Foreign and Defence Ministries in Union Republics. The Supreme Soviet authorized each of the 16 Union Republics to set up their own Ministries of Foreign Affairs and National Defence if they desired. It was subsequently announced by Moscow radio that Armenia was the first republic to avail itself of this privilege.

[Towards the end of the war the Ukrainian and Byelorussian Soviet Republics had been given permission to set up their own Foreign and Defence Commissariats—see 6249 A. Both republics were subsequently admitted to the United Nations.]

Foreign Policy Declaration. The Supreme Soviet adopted a declaration on foreign policy which recapitulated, in brief, the principal points made by M. Molotov in his speech on Feb. 8. *Inter alia*, it called for the establishment of a collective security system in Europe; for universal reduction in armaments; for the banning of atomic and other weapons of mass destruction, accompanied by effective international control: and for relations between countries "based on the principles of equality, non-interference in domestic affairs, non-aggression, and respect for sovereignty and national independence" It added: "The observance of these principles, which already underlie the relations of such States as the Soviet Union, China, India, and a number of other countries, will ensure the peaceful co-existence of nations irrespective of their social and State systems." In addition, the Supreme Soviet said that it would "sincerely welcome the establishment of direct contacts between Parliaments, the exchange of parliamentary delegations, and addresses by parliamentary delegations of one country in the Parliament of another," all of which would help to "develop friendly relations and co-operation" between the nations.

British and American Press comment on the governmental changes in the Soviet Union is given below in the following extracts from editorial articles in *The Times*, the *Manchester Guardian* and the *New York Times*:

The Times. "'The job was too much for me.' That, in essence, is the reason Mr. Malenkov gives for resigning his high office as Prime Minister of the Soviet Union . . . There is a note of sincerity in the letter that was read on his behalf . . . and these professed reasons may be accepted as valid up to a point . . . They are valid in the sense that, during the time of Mr. Malenkov's leadership, the Soviet Union has run into two acute difficulties on the home front

Far too high a production of consumer goods was set under way and there has now had to be a return to a drive first and foremost, for the expansion of heavy industry. Secondly, agriculture has not been sufficiently developed or well enough organized to meet the growing needs of the cities and towns Mr. Malenkov has taken the blame . . .

Yet clearly far more is involved for Russia and the world than the failings of one man. Malenkov was encircled by men as ruthless and ambitious, and as devoted to the Soviet cause, as ever he was himself, and the basic reason for [the] change is to be found in the fact that the succession to Stalin has not yet been decided. The experiment in 'collective leadership' has not stood the strain in the clash of personalities and policies After Stalin's death the party was determined that there should be no return to the rule of one man In carrying out this prudent resolution Malenkov made his first big mistake. He had hardly become Prime Minister than he gave up his post of First Secretary of the party in favour of Khrushchev . . . Since then, especially during the past few months, the world has been following the rise into prominence of Khrushchev, a man older than Malenkov, but dynamic, impulsive, vigorous, regularly making speeches on policy while Malenkov was silent. Now Khrushchev apparently judges that he is strong enough to take Russia back to the form of leadership and control that marked the middle period of Stalin's rule Until the imminence of war forced him to take over the post of Prime Minister, Stalin wielded his great power simply as General Secretary of the party, leaving the Council of Ministers to be the technical administrative body. Khrushchev had evidently such an arrangement in mind now.

The pattern is clear. So are Khrushchev's intentions And it would seem that Marshal Bulganin is a fitting choice as the new Prime Minister. Above all, he is a man of great administrative ability, having been everything from mayor of Moscow and president of the State Bank to Minister of Defence Some may see army influence and support behind the appointment No doubt Bulganin has the good will of many soldiers, but he is not first and foremost a soldier himself He remains the party man and the administrator. The only question is whether he and Khrushchev will go on seeing the role of Prime Minister in the same light. Both are strong and able men, and there have been too many surprises since Stalin's death for anyone to imagine that everything is now finally and happily arranged . ."

Manchester Guardian. " . . . It is hard to dismiss the thought that all the reasons given or implied for Mr. Malenkov's eclipse are pretexts, that the first step came when Mr Khrushchev replaced him in the party Secretariat shortly after Stalin's death, and that the end of the struggle is not yet . . The most significant passage of Mr. Malenkov's letter is no doubt that in which he admits 'responsibility for the unsatisfactory state of affairs which has arisen in agriculture.' Now agriculture has notoriously been the weakest part of the Soviet economy since the war, indeed since the beginning of the Five-Year Plans. Here the Communist prescription has proved least apt and production has often failed to keep pace either with the requirements of the plan or with the needs of an increasing urban population . . .

What is odd is that Mr. Malenkov should take all the blame. If anyone has been concerned with agriculture in recent years it is Mr Khrushchev Since September, 1953, he has carried on a campaign against mismanagement and low production in agriculture. This culminated in a long speech to the Central Committee of the party a fortnight ago . . . With some acerbity he criticized Ministries for 'lagging behind,' 'irresponsibility,' 'red tape,' 'scandalous mismanagement,' 'inertia' and so on . . . This, together with the not very impressive record of light industry in the attempt to give the Soviet citizen more of the good things of life, may help to account for the latest overturn in the Kremlin.

Mr. Malenkov's departure is only the latest and most striking sign that the Soviet rulers are giving up the fairly mild policy which they embarked upon after Stalin's death It may be that Mr. Malenkov has resigned not so much because he was the only or the chief advocate of that policy, as because the party needed a scapegoat or a symbol of the change In foreign affairs there is less talk of easing tension and establishing co-existence Instead we have had stiffer warnings against the consequences of going through with the ratification of the Paris Agreements. Mr Molotov went out of his way, first to assert that Russia is stronger than the United States in hydrogen weapons, and secondly to flatter the 'uncommitted' countries of Asia . . . One of the mysteries within the larger enigma is Mr. Molotov's ability to keep up a fairly clever line of propaganda in recent months while, presumably, the inner councils of party and Government must have been less than united or comfortable . . "

New York Times. " . . Evidence of a Soviet change of line and of shifts of power among Soviet leaders has mounted steadily these past few months. Mr. Khrushchev's increasing influence and Mr. Malenkov's increasing obscurity have been plain in the Soviet press. . . . So far as can be judged from the information available, Khrushchev is now closer to being the single ruler of the Soviet Union than anyone has been since Stalin's death. While the façade of 'collective leadership' may be maintained for a time, Khrushchev's impressive demonstration of his power in single-handedly—so far as public evidence goes—bringing about the present change in economic policy is completely in the Stalinist tradition . . . As Stalin did for many years, Khrushchev apparently chooses to rule from the supreme post of First Secretary of the Communist Party, leaving the Premier's post to Mr. Bulganin, a man of obviously inferior stature. But his symbolic superiority to Bulganin is clear from his role in nominating the new Premier.

The real mystery that must be solved before we can fully concede Stalin's mantle to Khrushchev is the role of the military leaders. That [the] change could have been brought about without their active support is dubious . . . The party secretary's power is basically derived from his control of the party apparatus, as was Stalin's after Lenin's death But if future discord should arise between the party and the military cliques, then the real test of Khrushchev's power may be had

There can be little doubt, however, that a new major purge is in the making, one whose first victims, Malenkov and Mikoyan, are far from the last . . . Perhaps the darkest omen for Malenkov personally is the linkage of his 'resignation' with the failure of Communist agricultural policy In all truth, it was Khrushchev—the apostle of super-collectives—who made agricultural policy in Stalin's last years. But now Malenkov takes the blame, thus edging over to the abyss which claimed Beria. The latter, we may recall, was purged in part because, in *Pravda's* words, he 'hindered in every way the solution of very important, urgent problems in the sphere of agriculture' For the free world the chief importance of these events lies in the clues they give to Soviet foreign policy Mr. Molotov's bellicose speech is not a good omen . . ."

President Eisenhower, at his weekly press conference on Feb. 9, replied to a number of questions about the governmental changes in Russia and gave permission for his replies to be quoted directly. He spoke warmly of his former association with Marshal Zhukov (the new Soviet Defence Minister) and said that he did not exclude the possibility of reviving his post-war invitation to the Marshal to visit the United States.

Before replying to questions, the President said: " We have seen this change in the rulership in the Soviets. We know, of course, when any major change of that kind takes place, that it does express dissatisfaction with what has been going on internally. What this means to the world . . won't be apparent for some time It does not change our basic policy—a just and lasting peace . . . While we watch every change in the situation, there is no reason for us changing our basic attitude."

Asked by Mr. Marvin Arrowsmith (Associated Press) whether he thought that " this shake-up in the Soviet Government means a calculated tougher policy towards the U.S.A," President Eisenhower replied: " I would not at the moment speculate on exactly what it is going to mean. It doesn't necessarily mean that, because they would say anything that would suit their purposes at the moment of a great significant change of this kind in their Government I would say that we must be watchful and alert, and pursue our policies as we have been pursuing them."

Mr. Merriman Smith (United Press) asked the President whether he thought that the appointment of Marshal Zhukov—" one of your old friends and associates "—as Soviet Defence Minister indicated a " stronger " defence policy on the part of the Soviet Government, " possibly towards this country." President Eisenhower said in reply: " I can scarcely interpret that act in terms of a specific intent on their part. When I knew Marshal Zhukov, I will say this: He was a competent soldier . . . a well-trained, splendid military leader. He and I developed personally a practice of getting along and seeing eye to eye on a number of our local problems in Berlin . . . The last time I had a direct letter from him was April, 1946—a long time ago."

Asked by Mr. Robert E. Clark (International News Service), whether there was any cause to believe that M. Molotov's claim of Soviet superiority in atomic weapons was true, President Eisenhower said: " Certainly there is no proof to that effect. That would be rather a remarkable feat, but I believe it is not worth while speculating on."

Mr. Chalmers Roberts (*Washington Post and Times-Herald*) asked the President to comment on M. Molotov's statement that a third world war would not destroy civilization; at the same time he pointed out that this statement contrasted with an earlier declaration by M Molotov (in March 1954) in which the latter had said that both sides would be destroyed in a nuclear war President Eisenhower replied. " The thing is so serious that intelligent people ought to forego a great many lesser ambitions in the effort to achieve an understanding under a method where the whole world could be assured that that understanding was going to be obeyed by all parties concerned, which means there must be some kind of inspection service which all the world could trust, that we are not pushing toward that kind of a war So whether or not civilization is destroyed, I say it is so serious that we just cannot pretend to be intelligent human beings unless we pursue with all our might, with all our thought—with all our souls, you might say—some way of solving this problem."

Mr. Garnett Horner (*Washington Star*) drew attention to an interview given by Marshal Zhukov on the previous day (see below) in which he [the Marshal] had recalled that he had been invited by General Eisenhower in 1945 to visit the U S A, and had said that he still " dreamt of doing so." Asked by Mr. Horner whether the President could give his version of the 1945 conversation and his feelings about the prospects of such a visit, General Eisenhower replied: " When I asked him to visit our country I was acting as the agent of my Government, which directed me to do so, and more than that, arrangements had been made once. My plane had been put at his disposal, and my son was detailed as his aide. I remember he made the remark: 'Well, I shall certainly be very safe, with your plane and your son.' We were good friends and we could talk in that fashion "

Asked by Mr Joseph C Harsch (*Christian Science Monitor*) whether the invitation to Marshal Zhukov was still open, President Eisenhower replied "As a matter of fact this is the first time it has been mentioned to me since I have been in my present post. You can well imagine that I wouldn't stand here and suddenly issue an invitation without consulting my advisers" The President added that a visit by Marshal Zhukov "would be a remarkable thing at the present stage of affairs, but I certainly wouldn't hesitate to talk it over with my people if we found it desirable."

Marshal Zhukov gave an interview in Moscow on Feb. 9 to two American journalists—Mr. Randolph Hearst jr. (of the Hearst newspaper chain) and Mr. Kingsbury Smith—in which he spoke of his warm admiration for President Eisenhower and his "dream" of visiting the U.S A. when relations between the two countries were better. He recalled that, when they were in Berlin together in 1945, General Eisenhower had told him that the U.S.A. would never attack the Soviet Union, and that he (the Marshal) had made a similar pledge to General Eisenhower. After saying that they had spoken as soldiers who had seen no ground for war between their two countries, Marshal Zhukov added: "I consider I was not wrong in what I said, and I hope General Eisenhower was right in what he said. I know our relations will get better. Then I hope to be able to visit the United States."

Mr. Hearst was also accorded an interview on Feb. 12 by Marshal Bulganin, who, it was reported, had assured Mr. Hearst that the Soviet Government was sincere in its desire for better relations with the United States. Marshal Bulganin was quoted as having said that during the war with Germany "we did have good relations with the U.S.A., Britain and France, and we would be very satisfied now to have those good relations re-established."—(Soviet Weekly - Times - Manchester Guardian - New York Times) **(Prev. rep. 14033 A.)**

A. RHODESIA AND NYASALAND FEDERATION.—Viscounty conferred on Sir Godfrey Huggins.

It was announced from Buckingham Palace on Feb. 17 that H.M. the Queen had conferred a viscounty on Sir Godfrey Huggins, Prime Minister of the Federation of Rhodesia and Nyasaland. Sir Godfrey, who was in London at the time, had attended the recent conference of Commonwealth Prime Ministers.

On the same day on which this honour was conferred upon him, Sir Godfrey (who is 71) had broken the Commonwealth record for the longest period of continuous service as a Prime Minister, having completed 21 years 165 days of uninterrupted office, first as Prime Minister of Southern Rhodesia (1933-53) and subsequently as Prime Minister of the Rhodesia and Nyasaland Federation since its inception in 1953. The previous Commonwealth record for length of service as a Prime Minister had been that of the late Mr. Mackenzie King, who had been Prime Minister of Canada for 21 years 155 days between 1921 and 1946. Unlike Sir Godfrey Huggins, however, Mr. Mackenzie King was not Prime Minister uninterruptedly for that period, having been out of office for more than five years between 1921-46.
(Times - Daily Telegraph)

B. INDIA. — New Left-wing Party.

A new political party, provisionally named the Mazdoor Kisan Party of India, was formed on Jan. 29 out of the merger of five leftist parties whose representatives had met in Bombay. The new party elected a provisional central committee and appointed Mr. Khadilkar, general secretary of the Peasants' and Workers' Party (who had convened the conference), as its general secretary.

The Mazdoor Kisan Party will be based on the tenets of Marxism-Leninism Its aims include the ejection of the Congress Party from power and "the setting-up of a Socialist Government based on the alliance of the working-class, the peasantry, the poor middle class, toiling intelligentsia, and other sections of the working masses led by the working class." The announcement said that the new party "does not believe that the objective of Socialism can be reached through parliamentary means alone, but by the sanction of militant mass action."

The parties constituting the new party include the Peasants' and Workers' Party, the Revolutionary Socialist Party, the Mazdoor Communist Party, the Forward Communist Party, and the Socialist Party (The Hindu, Madras)

C. JAPAN. — Ambassadorial Exchanges with Ceylon, Persia, Cambodia, and South Vietnam.

It was announced on Feb. 20 in Tokio and the other capitals concerned that Japan would exchange Ambassadors with Ceylon, Persia, Cambodia, and South Vietnam, and that the diplomatic missions of these countries in Tokio would consequently assume Embassy status. (New York Herald Tribune)

D. CANADA. — Uranium Production. - Rio Tinto Participation in Development of Algom Uranium Mines.

The Rio Tinto Company Ltd. of London and Algom Uranium Mines of Canada jointly announced on Feb. 7 the conclusion of an agreement whereby (*a*) about $41,000,000 would be provided by Rio Tinto and an associated group to bring the Algom company's Quirke Lake and Nordic Lake properties in Northern Ontario into production, and (*b*) the Eldorado Mining and Refining Co. Ltd. (a Canadian Crown company) had undertaken to purchase the estimated output of uranium oxide concentrates over a five-year period. It was stated that Rio Tinto, whose managing director (Mr. J. N. V. Duncan) would join the Algom board together with two other Rio Tinto nominees, would be given a management contract, including the right to negotiate sales.

The agreement provided for the immediate purchase by Rio Tinto of 100,000 shares in Algom Uranium Mines at $11 each, and for loans to Algom totalling $40,000,000 These loans would carry option warrants entitling the holders to purchase up to a total of 1,500,000 Algom shares at $11 each, including 500,000 shares which might be bought by Rio Tinto If these options were all exercised, the issued capital of Algom would be brought up to 4,350,000 shares, and a further $16,500,000 of finance would be provided in addition to the above-mentioned $41,000,000.

The group headed by Rio Tinto includes the Commonwealth Development Finance Company, N. M. Rothschild and Sons, Robert Benson Lonsdale and Co., the Belgian-Canadian *Groupe Lambert*, Sogemines Ltd , and the Amsterdam Overseas Corporation. Other participating companies are Messrs Model, Roland and Stone, of New York, and Messrs. Gairdner and Co. and Messrs Burns Bros and Denton, both of Toronto.

The arrangement was stated to involve the largest investment of British capital yet made in any Canadian mining enterprise. It was explained that it was intended to bring the Quirke Lake and Nordic Lake properties into production as speedily as possible on a scale of about 3,000 tons of ore per day each, thereby making Algom Uranium Mines one of the largest producers of uranium in the world.—(Financial Times - Economist - Montreal Star) **(Prev. rep. Rio Tinto, 13766 D; Canadian Uranium, 13053 A; Commonwealth Development Finance Company, 13592 E.)**

Note. The Algom company's Quirke Lake and Nordic Lake properties, situated on the north shore of Lake Huron, are believed to have an overall uranium ore potential of upwards of 100,000,000 tons, although so far only 15,000,000 tons have been outlined by drilling. On the basis of an average grade of 0.1 per cent, 100,000,000 tons of ore would contain 224,000,000 lb. of uranium oxide, worth possibly $2,000,000,000.—(Financial Times)

E. CEYLON.—Establishment of Institute of Scientific and Industrial Research.

The International Bank in Washington announced on Feb. 18 that Dr. Francis Godwin, one of its industrial and scientific experts, had arrived in Colombo at the beginning of February to help in the establishment of the Ceylon Institute of Scientific and Industrial Research, of which he would be the first Director. The Institute would carry out research designed to develop new uses for Ceylon's natural resources, and to improve production processes and equipment used in Ceylonese industrial plants.

It was explained that the Government of Ceylon had already introduced legislation establishing the Institute and providing Rs. 1,000,000 ($210,000) annually for the first five years to cover its costs. The U.N. Technical Assistance Administration (T.A.A.) and the World Bank had jointly agreed to provide the Institute with the services of a Director and another top-level executive, and the T.A.A. would assist in providing additional experts. The Institute would carry on its work in such a way that as many Ceylonese as possible would receive technical training. It was intended that within five years its direction should be entirely, and its staff primarily, Ceylonese.

Dr. Godwin, formerly associate director of the Armour Research Foundation, has managed a similar research institute in Mexico. (International Bank, Washington)

F. SOUTH-EAST ASIAN TREATY. — Deposit of Instruments of Ratification. - Treaty in Force.

The South-East Asian collective defence treaty (the SEATO pact) came officially into force on Feb. 19, when instruments of ratification were deposited in Manila by the eight signatory countries—Australia, France, New Zealand, Pakistan, the Philippines, Siam, the United Kingdom and the United States.

The treaty was ratified by the U.S. Senate on Feb. 1, with only one dissenting vote (Senator Langer, Republican), by the Philippine Senate on Feb. 15, and by the New Zealand Government on Feb. 17. It had previously been ratified by the United Kingdom (see 13974 B), France (14026 E), Australia (13891 C), Siam (13806 B), and Pakistan (on Jan. 19, 1955).
(Times - New York Times) **(Prev. rep. SEATO Pact, 13761 A.)**

A FRANCE. — Campaign against Alcoholism.

Towards the end of 1954 the Government of M Mendès-France launched a determined campaign against excessive alcoholism, which had for some time been recognized as one of the gravest social evils in France. As a first step the Government issued on Nov. 20 a number of decrees intended to combat alcoholism by restricting the manufacture and sale of alcoholic drinks, the main provisions of which were as follows :

(1) Duties on all forms of alcohol except beer, cider, and light wines were increased by 20 per cent.

(2) The manufacture and sale (except for export) of *aperitifs* with a wine basis containing more than 18 degrees of alcohol, of spirits containing more than 30 degrees, and of aniseed drinks containing more than 45 degrees, was forbidden.

(3) The number of persons not engaged in agriculture who would be licensed to distil small quantities of alcohol free of duty (*bouilleurs de cru*) would be restricted to those exercising this privilege during 1954-55, and persons with mobile distilling equipment would be subject to strict controls

(4) The sale, installation, and repair of stills without the previous permission of the excise authorities was forbidden The authorities were empowered to purchase apparatus owned by persons no longer licensed as distillers, and to destroy illicit stills.

(5) A special committee responsible to the Prime Minister was set up to study the problem of alcoholism, to make recommendations to the Government, and to carry out a publicity campaign on the subject

The Government also submitted to the National Assembly in November ten Bills directed against alcoholism. These, however, were withdrawn on Dec. 31 and amalgamated into a single Bill in order to facilitate discussion in Parliament The principal provisions of this Bill were as set out below .

(1) The sale between the hours of 5 a.m and 10 a m of wine *apéritifs*, liqueurs, and spirits for consumption on the premises was forbidden. (This was directed against the common practice of drinking spirits with coffee in the morning while on the way to work)

(2) The penalties for being drunk in a public place were increased to a fine of 1,000 to 5,000 francs (about £1 - £5) for the first offence , eight days' imprisonment for the second ; and 15 days to three months' imprisonment, in addition to a fine of 24,000 fr to 300,000 fr., for the third, if it occurred within a year of the previous conviction. Habitual drunkards might also be deprived of civil rights for periods of between one and five years, and of the right to drive a car. Persons convicted of having made a minor under 20 drunk would become liable to imprisonment ranging from one month to a year, and a fine of 24,000 fr to 1,000,000 francs Barmen serving customers who were obviously drunk might be sentenced to a fine of 4,000 fr to 24,000 fr., and to imprisonment or loss of civil rights for a second offence

(3) Infringements of the decree limiting the alcoholic content of spirits, *apéritifs*, and aniseed drinks would be punishable by fines of from 1,000,000 fr. to 4,000,000 fr., whilst persons selling drinks containing more than the legal alcoholic content would become liable to fines of from 24,000 to 500,000 francs.

(4) The unauthorized sale, installation, or repair of stills would be punishable by fines of 100,000 fr. to 2,000,000 fr., and a second offence by a term of imprisonment ranging from one month to a year and a fine of not more than 10,000,000 francs

(5) The opening of new bars in towns already containing more than a fixed number of such establishments was forbidden

(6) Infringements of existing legislation restricting or forbidding the advertisement of spirits and *apéritifs* with an alcoholic basis would be punishable by fines ranging from 200,000 to 2,000,000 francs (Legislation against such advertisements had been passed in 1951, but in practice had remained virtually ineffective)

Further decrees were adopted by the Cabinet on Jan. 29, 1955, and a third series of decrees prepared by the Mendès-France Government was published in the *Journal Officiel* on Feb. 10.

The decrees of Jan. 29 amended the existing legislation on drinks licences by creating, both for shops selling drinks and restaurants serving them for immediate consumption, four different kinds of licences . (1) for non-alcoholic drinks ; (2) for wine, beer, cider, etc ; (3) for drinks of the first two groups as well as *apéritifs* , and (4) for any other alcoholic drinks. Licences would in future be divided into those allowing the sale of groups (1) and (2) or those for all four groups. Automatic machines for the sale of drinks would be treated like shops or restaurants, would become subject to licensing, and would be allowed to sell as a rule only non-alcoholic drinks. In order to encourage the consumption of pure (i.e non-alcoholic) fruit juices, or those containing less than one degree of alcohol, the turnover tax on these was considerably reduced.

The decrees of Feb. 10 provided *inter alia* that no bar might be opened by a person under 21, or by a person who had been imprisoned for more than a year ; that new bars might not be opened near hospitals, schools, sports grounds, prisons, or barracks , that women under 21 might not be employed in cafés , and that all bars must stock soft drinks.

In addition to these measures against alcoholism, M. Mendès-France's Government also took a number of steps designed to encourage the consumption of milk. At the end of November instructions were issued to all educational authorities to provide free milk for all primary schoolchildren throughout France, whilst on Dec. 8 the Government promulgated a decree adding milk to the obligatory food allocations for soldiers, and ordering (as from Jan. 1, 1955) that all Servicemen should be issued with one-eighth of a litre of milk daily with their morning coffee.

The Government's measures were largely inspired by a series of semi-official reports which revealed that alcoholism had become more widespread in France than in any other country for which statistics were available. Figures published by the *Institut National de la Statistique* showed that the average adult annual consumption of pure alcohol was 28 litres (just over 6 gallons) a head, as compared with 14.2 litres in Italy, 12 in Switzerland, 8.8 in the U.S.A., and 8 5 in Britain. [The maximum annual consumption compatible with health has been estimated at 23.2 litres.] The Institute's weekly statistical bulletin stated on Dec. 5 that the number of deaths in 1953 directly due to alcoholism had totalled 15,776, and had exceeded those due to tuberculosis (15,687). Although the number of deaths per 100,000 from alcoholism had fallen from 1.8 in 1940 to 0.5 in 1946, as a result of restricted supplies during the war, it had subsequently risen to 4.7 in 1953. Admissions to mental hospitals due to alcoholism had similarly fallen from 5.9 per 100,000 in 1940 to 1.9 in 1946, but had risen steeply to 17.5 in 1951. The number of deaths from cirrhosis of the liver (an ailment due to excessive consumption of alcohol) had risen from 3,490 in 1946 to 10,860 (6,630 men and 4.230 women) in 1952, or from 12.3 to 37.1 per 100,000. The highest death-rates from alcoholism and cirrhosis of the liver in 1953 occurred in Brittany (reaching 38 and 54 per 100,000 respectively in the Morbihan *département*) and in Normandy, whilst the lowest death-rates were found in Corsica (8 per 100,000 from cirrhosis of the liver, and none from alcoholism).

Another serious aspect of the problem was the widespread evasion of the law which had hitherto been practised. Although the number of licensed *bouilleurs de cru* had increased from 2,000,000 in 1940 to 3,650,000 in 1953, illicit distilling had become increasingly common and 33,000 litres of illegally distilled alcohol had been seized by the police during the six months January - July 1954. In certain *departements*, notably in Britanny and Normandy, attempts by excise officials to investigate the activities of *bouilleurs de cru* had met with forcible resistance.

The membership of the special committee against alcoholism (*haut comité d'étude et d'information contre l'alcoolisme*) was announced on Dec. 31, 1954. Dr. Robert Debré, a professor of medicine, was appointed chairman of the committee, whose nine other members were independent persons drawn from various parties and representing the major economic and financial interests. The committee's principal tasks, it was stated, would be " to ensure continuity of action on the part of the Government in the fight against alcoholism, and increased anti-alcoholic propaganda among the general public, and in schools, barracks, etc."—(Le Monde, Paris - Le Figaro, Paris)
(Prev. rep. 12792 A.)

B. SYRIA. — New Government.

The Cabinet headed by M. Faris el-Khoury tendered its resignation to President Atassi on Feb. 6 after the National Party (which held three ministerial portfolios) had decided to withdraw from the Government. A new administration was formed on Feb. 13 by M. Sabry Assali, secretary-general of the National Party, with the following membership :

MM. Sabry Assali, Prime Minister and Interior ; Khaled el-Azem, Foreign Affairs and Defence , Fakher Kayali, National Economy ; Léon Zammaria, Finance ; Abdulbaki Nizam ed-Din, Public Works ; Azem Mulki, Education ; Hamed Khouja, Agriculture ; Mamoun Khuzbery, Justice ; Wahib Ghanem, Health

The new Cabinet was a coalition of Nationalists and Independents, with one Socialist and one Tribal representative. Only one of the Ministers (Fakher Kayali) held office in the former administration, whilst two (M. Zammaria and M. Wahib Ghanem) were newcomers to ministerial office. Dr. el-Azem, a former Prime Minister, is leader of the Independent group in the Syrian Parliament, whilst M. Khuzbery was formerly Speaker of the National Assembly

M. Assali headed the first " caretaker " government after the overthrow of President Shishakli in 1954. (Le Monde, Paris)
(Prev. rep. 13889 C.)

C. ISRAEL. — Mr. Ben-Gurion rejoins Cabinet.

Mr. David Ben-Gurion, who retired from the Premiership and from political life in December, 1953, was appointed Minister of Defence in the Israeli Government on Feb. 17 in succession to Mr. Lavon, whose resignation was announced on the same date. No reasons were given for the resignation of Mr. Lavon who, like Mr. Ben-Gurion, is a member of the Israel Labour Party (*Mapai*). During his 14 months' absence from political life, Mr Ben-Gurion had been living in the southern desert (the Negev) as a shepherd and agriculturist.—(Times)
(Prev. rep. Cabinet, 13383 B ; Mr. Ben-Gurion, 13354 A.)

A. UNITED KINGDOM. — Wage Increases, Trade Disputes, and Industrial Accidents in 1954.

A general review of wage increases, working hours, industrial disputes, and accidents in British industry in 1954 was published in the January 1955 issue of the *Ministry of Labour Gazette*, and is summarized below :

Wages. The average increase in weekly wages during the year was about 4½ per cent. compared with about 3 per cent in 1953 and 6 per cent in 1952. This compared with a rise in the average level of retail prices during 1954 of about 4 per cent. as against a rise of only 1 per cent in 1953.

About 10,117,500 workers received increases totalling £3,487,600 weekly, an average of about 6s. 10d. per worker. The following table shows the approximate number of workers affected in each of the principal groups of industries, and the net amount of the weekly changes in wage rates :

	Approximate number of workers affected	Estimated net weekly increases £
Agriculture, Forestry, Fishing	55,000	18,000
Mining and Quarrying	452,000	172,600
Treatment of Non-metalliferous Mining Products other than Coal	201,000	58,900
Chemicals and Allied Trades	203 000	54,900
Metal Manufacture	231,500	91,100
Engineering, Shipbuilding and Electrical Goods Vehicles Metal Goods not elsewhere specified	2,353,000	823,100
Textiles	825,500	191,600
Leather, Leather Goods and Fur	50,500	11,000
Clothing	501 500	174 200
Food, Drink and Tobacco	430.500	129.200
Manufactures of Wood and Cork	189,000	54,300
Paper and Printing	284,500	44,000
Other Manufacturing Industries	46,000	13,000
Building and Contracting	1,190.000	518,200
Gas, Electricity and Water	239.500	56.100
Transport and Communication	1,224.000	543,500
Distributive Trades	651.500	245,300
Public Administration	773,000	240,500
Miscellaneous Services	216,500	48,100
Total	10,117,500	3,487.600

Of the wage increases granted, £1,577 200 (45 2 per cent) was obtained through direct negotiations, £811,600 (23 3 per cent) through joint industrial councils, 414.100 (11.9 per cent) through arbitration and mediation, £291,100 (8.3 per cent) under sliding scales based on the index of retail prices, £264,800 (7.6 per cent) through wages councils and other statutory wages boards, and £128,800 (3.7 per cent) through other standing joint councils or conciliation boards.

The index numbers of weekly rates of wages (June 30, 1947 = 100) for each month are shown below :

Date (end of month)	Men	Women	Juveniles	All Workers
1953 :				
December	136	143	149	138
1954 :				
January	137	143	150	139
February	137	143	150	139
March	138	144	150	139
April	140	145	152	141
May	140	146	153	142
June	141	146	153	142
July	141	146	154	142
August	141	147	154	143
September	141	147	154	143
October	142	148	155	143
November	142	148	155	144
December	142	148	155	144

Industrial Disputes. Industrial disputes involving stoppages of work during 1954 numbered 1,994, compared with 1,746 in 1953. About 446,900 workers (1½ per cent of the working population) were directly affected, the total number of working days lost being 2,470,000 (an average of about 5½ working days for each worker involved).

The biggest single stoppage (causing the loss of 485,000 working days) occurred in the Thames-side ship-repairing industry, where 8,700 men ceased work in mid-September in protest against the dismissal of certain workers, and resumed work only in December. The largest number of stoppages (1,468, accounting for nearly one-fifth of the aggregate time lost and for about two-fifths of the workers involved in all stoppages) occurred in the coalmining industry ; the most important strikes occurred in Co. Durham in February-March (39,000 working days lost) and in Yorkshire in May (15,000 days lost). Transport strikes accounted for nearly two-fifths of the aggregate time lost : about 748,000 working days were lost through the dock strikes at London, Hull, and Merseyside in August - November (see 13970 A), 82,000 days were lost in October in a stoppage of passenger transport workers in the London area in protest against revised schedules, and 24,000 days were lost in May in a protest strike of Western Region enginemen against the introduction of additional lodging turns. During July about 3,800 coke-oven and other workers employed by South Wales steelmakers stopped work in support of a wages claim (35,000 days lost), whilst aircraft workers struck at Gosport, Dunbristle (Fife), and Belfast in May-July as a result of a dispute between two craft unions (22,000 days lost), and also at Coventry in December in protest against the dismissal of four shop stewards. Stoppages also occurred in the electrical contracting industry (140,000 days lost in London—see 13572 A) ; the light engineering industry (22,000 days lost at Treforest Glamorgan, in October in protest against the employment of alleged " blackleg " labour) ; and the film industry (21.000 days lost at Elstree in March through a stoppage of laboratory workers).

A strike of printers broke out at midnight on Oct 10 at the printing offices of the *Daily Sketch*, as a result of an inter-union dispute Owing to an agreement between members of the Newspaper Proprietors' Association that, if one newspaper could not be printed, the others should not appear most of Britain was deprived of London newspapers on Oct. 11. The strike was, however settled on the latter date

The number of fatal industrial accidents (excluding accidents to seamen and fishermen) during 1954 was 1,324 (1,401 in 1953), comprising 436 in mining and quarrying, 721 in factories, foundries, engineering works, gas works, power stations, docks, and building operations, and 167 in the railway service. The number of fatal accidents among seamen and fishermen was 175. (Ministry of Labour Gazette) **(Prev. rep. 13394 A.)**

B. UNITED STATES. — The Petersen Case.

Mr. Joseph S. Petersen jr., a research analyst in the National Security Agency, was arrested on Oct. 9 and formally indicted on Oct. 20 on three charges : (1) that he had taken secret documents with the intention of using them to the detriment of the United States and to the advantage of a foreign Power ; (2) that he had " knowingly and wilfully used in a manner prejudicial to the safety and interest of the United States classified information concerning communications intelligence activities of the United States and foreign Governments " ; and (3) that he had unlawfully removed and concealed documents in his custody. Although he at first pleaded " not guilty " to all the charges, he subsequently changed his plea on the second charge to " guilty." He was sentenced on Jan. 4 by the Federal District Court at Alexandria (Virginia) to seven years' imprisonment on this charge, the other two charges against him being withdrawn.

The Netherlands Embassy in Washington stated on Oct. 19 that Petersen had been exchanging " secret intelligence " with its agents for years, and that it had assumed that he had been acting on the authority of his superiors. The U.S. State Department, in reply, said that it had " no reason to question the good faith of the Netherlands Government," but affirmed that Petersen's activities were " completely unauthorized by his Government and were carried out under his own personal responsibility without the knowledge of his superiors and in violation of the laws of the United States."

(New York Times - New York Herald Tribune)

C. POLAND. — Purge of State Security Officials.

The dismissal of three leading officials of the Ministry of State Security was announced on Jan. 17 in the newspaper *Trybuna Ludu*, official organ of the Polish Communist (United Workers') party. The officials concerned were Jacek Rozanski, director of the Ministry's investigations department, who had been arrested and would be put on trial for " gross misuse of his office " and for using " forbidden methods of investigation " ; Anatol Feygin, a departmental chief, who had adopted a " harmful attitude " towards the Communist Party and had been expelled from it ; and Roman Romkowski, the deputy Minister of State Security, who had been expelled both from the party's central committee and from the party itself, and who was accused of " gross cases of despotic action " and " ignoring the laws of justice."

It had been announced in Warsaw on Dec. 8, 1954, that the Ministry of State Security would be divided into two separate departments : a Ministry of Home Affairs (with control over the people's militia, the internal security forces, and frontier guards), headed by M. Wladyslaw Wicha, and a State Security Committee headed by M. Wladyslaw Dworakowski. It was announced at the same time that General Stanislaw Radkiewicz, Minister of State Security for the past eight years, had been relieved of that post and appointed Minister of State Farms. (Times - Manchester Guardian - Le Monde, Paris) **(13573 A.)**

D. CEYLON. — First Ceylonese Army Commander.

It was announced in Colombo on Jan. 31 that Colonel Anton Muttukumaru had been appointed Commander of the Ceylonese Army, with the rank of brigadier, in succession to Brigadier F. S. Reid. Brigadier Muttukumaru will be the first Ceylonese head of the Dominion's Army. (Ceylon Government Information Dept.)

A. SHIPPING. — World Construction and Tonnage Figures. - First Gas Turbine-driven Merchant Ship.

Lloyd's Register returns of merchant shipbuilding for the fourth quarter of 1954 gave the gross tonnage under construction at the end of 1954 throughout the world (excluding the U.S.S.R., Poland, and China, as well as vessels under 100 tons, barges, etc.) as 5,854,247 tons, of which 36.57 per cent was building in the United Kingdom and 63.43 elsewhere.

Ships building in Great Britain and Northern Ireland numbered 327 of 2,140,752 tons (steamers 1,236,896 tons, motorships 903,856 tons), including 2 steamers of over 30,000 tons, 20 steamers of 20,000-25,000 tons, and 14 steamers and 1 motorship of 15,000-20,000 tons Of the total, 239 ships (1,366,393 tons) were building for Great Britain and N Ireland, 23 (54,755 tons) for other British Commonwealth countries, 29 (379,370 tons) for Norway, 8 (132,700 tons) for Panama 7 (63,420 tons) for Liberia, 2 (42,000 tons) for the U.S A., 5 (34,450 tons) for Greece, 1 (6,500 tons) for Honduras, 5 (4,750 tons) for Burma, 1 (4,500 tons) for Peru, 2 (1,000 tons) for the U.S.S R, 1 small vessel each for Brazil and Iraq, and 3 ships (49,900 tons) for unspecified countries. Principal shipbuilding centres were . the Clyde (94 ships of 680,039 tons), the Tyne (38 ships of 376,195 tons), Belfast (20 ships of 248,780 tons), the Tees (22 ships of 239,496 tons), Sunderland (30 ships of 226,765 tons), Liverpool (18 ships of 133,798 tons), and Barrow (5 ships of 107,140 tons).

Ships building abroad numbered 842 of 3,713,495 tons (steamers 1,449,252 tons, motorships 2,264,243 tons), divided as follows . Germany 204 (772,012 tons), Netherlands 136 (529,679 tons), France 55 (449,096 tons), Sweden 65 (433,191 tons), Japan 47 (376,565 tons), Italy 42 (195,189 tons), Norway 54 (194,408 tons), Spain 62 (186,817 tons), Denmark 30 (130,533 tons), British Commonwealth countries 44 (117,181 tons), Belgium 17 (110,868 tons), the U S.A 15 (99,568 tons), Finland 29 (49,202 tons), Yugoslavia 16 (40,454 tons), Portugal 8 (20,122 tons), Turkey 10 (6,330 tons), Indonesia 5 (1,150 tons), the Irish Republic 1 (730 tons), Iceland 2 (400 tons). The total included 1 motorship of over 30,000 tons in the Netherlands, 1 steamer of 25,000-30,000 tons in Japan, 2 motorships of 20,000-25,000 tons in Sweden and one each in Italy and Norway, and 8 steamers of this size in France, 6 in Japan. 5 in Germany, 2 in the Netherlands, and 1 in Sweden.

Tankers of over 1,000 gross tons building throughout the world numbered 243 of 3,098,226 tons, including 86 (1,123,008 tons) in the U.K., 27 (374,000 tons) in the Netherlands, 24 (333,711 tons) in Germany, 17 (303,669 tons) in France, 20 (266,669 tons) in Sweden, 10 (180,700 tons) in Japan, and 15 (130,443 tons) in Norway.

The Cunarder *Ivernia* (22,000 gross tons), the second of the three liners of this size ordered for the Canadian service (see 13849 B), was launched from the Clydebank shipyards of John Brown and Co. on Dec. 14, 1954.

Figures published on Feb. 22 gave the total tonnage launched during 1954 as 5,252,581 tons, compared with 5,096,000 gross tons in 1953, the 1954 figure being the highest (apart from the war years) since 1920. Ships launched from British shipyards totalled over 1,400,000 tons (compared with 1,309,000 tons in 1953, and the highest since 1930), representing 26.8 per cent of the world total. Vessels launched abroad totalled 3,852,581 tons (3,787,000 tons in 1953), the largest amount of tonnage having been launched in Germany (963,114 tons), followed by Sweden (544,311 tons) and the U.S.A. (476,984 tons). Motorships launched throughout the world during 1954 comprised 55 per cent of world tonnage, compared with 58 per cent in 1953 and 65 per cent in 1952.

Statistical tables published by Lloyd's Register of Shipping on Feb. 3 gave the total of world shipping at June 30, 1954, as 97,422,000 gross tons, compared with 93,352,000 gross tons at June 30, 1953. The sizes of the principal national fleets (excluding ships under 100 tons, sailing vessels, and barges) at June 30, 1954, are shown in the following table, with 1953 figures for comparison :

	1954	1953
United States*	27,344,000	27,237,000
United Kingdom	19,014,000	18,584,000
Norway	6,805,000	6,263,000
Panama	4,091,000	3,907,000
France	3,841,000	3,826,000
Italy	3,798,000	3,455,000
Japan	3,578,000	3,250,000
Netherlands	3,443,000	3,372,000
Sweden	2,701,000	2,575,000
Liberia	2,381,000	1,434,000
Soviet Union	2,371,000	2,292,000
Germany (Western)	2,226,000	1,749,000
Denmark	1,614,000	1,529,000
Spain	1,309,000	1,271,000
Greece	1,176,000	1,222,000
Argentina	1,057,000	1,057,000

* Reserve fleet estimated at 14,000,000 gross tons at June 30, 1954 (13,000,000 tons at June 30, 1953).

Of the total world tonnage, the largest group consisted of ships of 6,000-8,000 gross tons, including a large number of U.S. and other wartime-built vessels now laid up. By far the greater proportion of ships built during the past five years, however, were of the 10,000-15,000 tons class, 82 per cent of ships of this size and age, and 91 per cent of those between 15,000 and 20,000 tons, were tankers

The world tanker fleet at June 30, 1954, totalled 24,624,000 gross tons, or about 25 per cent of all steamers and motorships, compared with 24 per cent at June 30, 1953. The largest tanker fleets were owned by the United Kingdom (4,955,000 tons), the U.S.A. (about 4,500,000 tons) and Norway (3,795,000 tons), but considerable expansions took place in the tanker fleets of Liberia (which increased by 666,000 tons to 1,696,000 tons) and Italy (increased by 433,000 tons to 1,144,000 tons).

Of world tonnage of all types, 33 per cent were motorships and 56 per cent oil-burning steamers, making a total of 89 per cent using oil fuel.

It was announced on Jan. 11, 1955, that the " Shell " tanker *Auris* (8,221 gross tons), one of whose four diesel engines had been replaced in 1949 by an experimental gas turbine unit, would be stripped of all her machinery and that a single 5,500 h.p. gas turbine of improved design would be substituted, making her the first merchant ship in the world to be powered entirely by gas turbines. (Lloyd's List and Shipping Gazette) **(Prev. rep. Construction, 13849 B ; Tonnage, 13612 A.)**

B. UNITED KINGDOM.—Wholesale and Retail Prices in Fourth Quarter of 1954. - Price Movements in 1954.

The movement of wholesale and retail prices in the fourth quarter of 1954 is shown below :

	October	November	December
Wholesale Prices (1930 = 100).			
Intermediate products	363.3	364 3	369.6
Iron and steel	369.3	369.7	372.0
Food and tobacco	301.2	305 6	315.4
All items	329.0	330.8	335.7
Retail Prices (Jan. 15, 1952 = 100).†			
Food	116 1	116 9	118 2
Rent and rates	112 5	112.7	113 2
Clothing	96 3	96 4	95.8
Fuel and light	111.0	113 7	114.5
Household durable goods	95.1	95 1	95.1
Miscellaneous goods	100 2	100 3	99.5
Services	112.2	112.4	112.5
Alcoholic drink	101 6	101.6	102.6
Tobacco	100.3	100.3	100.3
All items	108.7	109.2	109.8
All items (June 1947 = 100)	144.0	144.7	145.5

* Provisional † At Oct 12, Nov. 16, and Dec 14 respectively.

Over the year as a whole the retail prices index rose by four percentage points—from 105 8 in January to 109.8 in December. The principal rise was in the food index, which rose from 110.2 in January to 118 2 in December, though with fluctuations during the 12-month period, this increase was largely attributable to a rise of 4.4 percentage points in July as a result of the ending of rationing and price control on meat and bacon, and of a sharp increase in the price of eggs. The fuel and light index rose by 3.8 percentage points over the year; the rent and rates index by 3 3 points; and the services index by 3.0 points. The other five groups (clothing, household durable goods, alcoholic drink, tobacco, and miscellaneous items) remained more or less unchanged.

The Board of Trade Basic materials index in the last quarter (June 1949 = 100) was 132.2 in October, 132.5 in November and 133.1 in December.—(Board of Trade Journal) **(13948 C.)**

C. NEW ZEALAND. — Defence Appointments.

The N.Z. Defence Minister (Mr. T. L. Macdonald) announced on Jan. 28 that Brigadier C. E. Weir would succeed Major-General W. G. Gentry (retiring) as Chief of New Zealand General Staff. On Jan. 30 Mr. Macdonald announced that Captain J. E. H. McBeath, Commodore of the Royal Naval Barracks at Devonport (England), would succeed Commodore Sir Charles Madden as Chief of New Zealand Naval Staff, with the rank of rear-admiral. Sir Charles Madden's services had been loaned by the Royal Navy to New Zealand, and were due to expire in the present year.

It was explained by Mr. Macdonald that the Chief of New Zealand Naval Staff would in future hold the rank of rear-admiral, instead of commodore as hitherto, in recognition of the growing strength of the Royal New Zealand Navy and its increasing responsibilities in the Pacific. As a rear-admiral, he added, the Chief of Naval Staff would rank with the New Zealand Chief of General Staff and the Chief of Air Staff.
(Directorate of Information, Wellington) **(Prev. rep. 12110 D.)**

D. UNITED STATES. — Atomic Energy. - Sale of Heavy Water to India.

The U.S. Atomic Energy Commission announced on Feb. 12 that it had sold ten tons of heavy water to India for use in research into the peaceful application of atomic energy. The sale was authorized under President Eisenhower's " atoms for peace " proposals.—(New York Times)

(Prev. rep. U.N. Resolution, page 13994)

A. PAKISTAN. — Sind Chief Court's Ruling on Unconstitutionality of Dissolution of Constituent Assembly and Appointment of Ministers from outside Assembly. - Government Appeal to Federal Court.

A full bench of the Sind Chief Court, in a unanimous judgment given on Feb. 9, declared the Governor-General's proclamation of Oct. 24, 1954, dissolving the Pakistani Constituent Assembly to be illegal. It also ruled that the five members of the Central Government who were not members of the Assembly were not entitled to exercise the office of Minister. The Court was giving judgment on the petition filed on Nov. 8 by Mr. Tamizuddin Khan, President of the Constituent Assembly, in which he had applied (*a*) for a writ of *mandamus* against the Federation of Pakistan, Mr. Mohammed Ali (the Prime Minister), and members of his Cabinet to restore him to office and to restrain them from obstructing him in the exercise of his functions, and (*b*) for a writ of *quo warranto* against the above-mentioned five Ministers to determine the validity of their appointments.

The petitioner contended that the Assembly was a sovereign body and could pass any law without the Governor-General's consent As the Assembly had made a rule that it could not be dissolved without the consent of two-thirds of its members, the Governor-General had no authority to dissolve it, and he [Mr Tamizuddin Khan] was still its President and should be allowed to function as such. On the other hand, he contended that Major-General Mirza (Minister of the Interior), General M. A Khan (Defence Minister), Dr Khan Saheb (Minister of Communications), Mr. M. A. Ispahani (Minister for Industries), and Mir Ghulam Ali Talpur (Minister of Education), could not legally hold office as Ministers because they were not members of the Assembly.

When hearings on the petition opened on Dec 6, Mr. Fayyaz Ali (the Advocate-General) challenged the jurisdiction of the Court on the grounds (*a*) that the Governor-General had not given his assent to the Bill empowering the High Courts to issue writs ; (*b*) that the Governor-General could not be sued, nor could his Council of Ministers be cited as respondents in the case ; and (*c*) that the Federation of Pakistan was outside the competence of the Sind Chief Court. The Indian Independence Act of 1947, he maintained, had vested in the Governor-General the former royal prerogative of dissolving the Assembly, consequently, the Assembly's rule making a dissolution dependent on the consent of two-thirds of its members was *ultra vires* and could not be enforced. If, however, the Court required the respondents to submit proof of the facts asserted in the Governor-General's proclamation, they were prepared to show that the constitutional machinery had broken down, that the Assembly had lost the people's confidence, and that it could no longer function in accordance with the terms of the Indian Independence Act.

The Court granted Mr. Tamizuddin Khan the writs for which he had petitioned, but, at the request of the Attorney-General, granted 14 days' stay of execution to enable the respondents to file an appeal in the Federal Court.

In giving judgment, Chief Justice Sir George Constantine stated that the dissolution of the Assembly was "a nullity in law," and that both the Assembly and the office of President were still existent He affirmed the Court's power to issue a writ against any Government, including the Federation of Pakistan, and rejected the contention that the Governor-General's assent was necessary for all laws passed by the Assembly Mr. Justice Bachal concurred in this decision.

Mr. Justice Vellani expressed the opinion that the Independence Act did not bestow the power to dissolve the Assembly upon the Governor-General, whose only prerogative was that of pardoning convicts The supreme prerogative to amend and repeal existing laws and to frame and bring into force a new Constitution, which was the essence of Her Majesty's sovereignty, had been granted solely to the Assembly, and as the grant was without any limiting words the Assembly could exercise it as fully as Her Majesty could. Under the Government of India Act, the Governor-General could exercise no power of Her Majesty's unless it was assigned to him , the Assembly, on the other hand, being in place of Her Majesty, was a sovereign body of no prescribed life or duration, and was subject to no agency or instrument outside itself to affect its dissolution or to give its laws validity. The Ministers who were not members of the Assembly, he added, were not qualified for appointment under the Government of India Act as amended by the Assembly on Sept. 21, 1954. [This amendment provided that Ministers must be appointed from among the members of the Federal Legislature—see 13893 A.]

Mr. Justice Muhammad Baksh pointed out that there was no provision in the Government of India Act that the Governor-General could issue a proclamation, and observed : "It will be noticed that no provision of law has been cited in the proclamation. It does not say in clear words that the Constituent Assembly is dissolved. The language shows that those responsible for the draft could not think of any provision." In reply to the argument that the Governor-General was the Queen's representative in Pakistan, he maintained that he was only symbolic of the Queen, who "reigns but does not rule."

Major-General Mirza, commenting on the Court's judgment on Feb. 10, said that "these events should not cause any doubts in the minds of the public regarding the fate of matters like the unification of West Pakistan and the production of a healthy Constitution for the country. These necessary steps will be taken in any case."

The Government subsequently lodged its appeal with the Federal Court, which, on Feb. 22, ordered that the stay of execution should be continued. Mr. Mohammed Ali stated on Feb. 13, on his return from the Commonwealth Prime Ministers' conference in London, that the Government would regard the Federal Court's decision as binding, but that preliminary work on a new Constitution would meanwhile go ahead.

Mr. Tamizuddin Khan announced on Feb. 12 that he intended to summon a meeting of the Constituent Assembly on March 7. (Pakistan High Commissioner's Office, London - Dawn, Karachi - Times - Manchester Guardian) **(Prev. rep. 13893 A.)**

B. PANAMA - UNITED STATES. — Revision of Panama Canal Treaty.

A new U.S -Panamanian treaty on the Panama Canal, revising the provisions of the 1936 treaty (which themselves represented a revision of the original treaty of 1903), was signed in Panama City on Jan. 25 by the Panamanian Foreign Minister, Sr. Octavio Fabrega, and the U.S. Ambassador, Mr. Selden Chapin. Its principal provisions were as follows :

(1) The annuity paid by the U S A. to Panama for the use of Panamanian territory in the Canal Zone was increased from $430,000 to $1,930,000 [It was reported that Panama had asked for $5,000,000 a year or, alternatively, for some fixed percentage of annual receipts from the canal tolls.]

(2) Panama received the right to tax the incomes of some 17,000 workers in the Canal Zone who were not U.S. citizens and who lived outside the Zone. [These workers, mainly descendants of British West Indians who were employed as labourers on the construction of the canal, had not hitherto been taxed either by the U.S. or the Panamanian Governments] At the same time the privilege of buying from U S stores in the Zone, which these workers had hitherto enjoyed, was curtailed

(3) Certain areas of land—of an estimated value of $20,000,000 to $30,000,000—no longer needed by the U S A were returned to Panama.

(4) Distinctions between local employees and U.S. employees of the Canal Company (which operates the canal for the U S. Government) were abolished All jobs would in future be open on equal terms to all qualified persons, and there would be no discrimination in rates of pay on the basis of nationality.

(5) Supplies mined, produced, and manufactured in Panama and bought by the Canal Zone were exempted from the provisions of the "Buy American" Act, which gives certain preferences to U.S producers

(6) Panamanian ship chandlers would in future have the right to supply everything required by ships in transit through the canal, except fuel

(7) The U S.A received a 15-year right to a military manoeuvre area at Rio Hato , a 75 per cent reduction in the taxes on alcoholic drinks consumed in the Canal Zone ; and permission to build a military road within the Zone which might, if necessary be closed to civilian traffic

The treaty will come into force on ratification by the two Governments.—(New York Times - New York Herald Tribune) **(Prev. rep. 13368 B ; 2009 A.)**

C. NEW ZEALAND. — Immigration Policy.

The Minister of Immigration (Mr. J. R. Hanan) announced on Feb. 15 that the New Zealand Government had adopted the following recommendations of the Immigration Advisory Council : (1) an annual intake of 15,000 new settlers would be aimed at ; (2) there would be virtually no limitation on the immigration of British nationals , (3) selected immigrants from Scandinavia and Western Europe would also be encouraged. Mr Hanan explained that the total of immigrants was dropping from 17,000 to 10,000 a year, mainly because of favourable business conditions in Britain and Western Europe. He added that special encouragement would be given to the immigration of tradesmen and of single women from Britain, Scandinavia and Western Europe

It was announced in The Hague on Feb. 10 that the Netherlands and New Zealand Governments had agreed on a target figure of 2,000 - 3,000 Dutch immigrants into New Zealand during the current year. In 1954 only 1,000 Dutch emigrants went to New Zealand, compared with the peak figure of 5,000 in 1952.—(Directorate of Information, Wellington) **(Prev. rep. 13527 C ; 13538 E.)**

D. ARGENTINA. — Subsidies withdrawn from Roman Catholic Schools. - Priests dismissed from Teaching Staffs.

It was announced in Buenos Aires on Feb. 10 that the Argentine Government had withdrawn subsidies from some 80 Roman Catholic schools and had dismissed over 200 priests and nuns from their posts as teachers or inspectors in State-aided schools. These actions were taken under President Perón's recent decree aimed at abolishing ecclesiastical influence in schools receiving aid from the Ministry of Education. (Times - Manchester Guardian) **(Prev. rep. 13983 A.)**

A. UNITED KINGDOM. — Bank Rate raised to 4½ per cent. - Reintroduction of Hire Purchase Restrictions. - Support for Transferable Sterling.

The Bank of England announced on Feb. 24 an increase in the Bank Rate from 3½ per cent (the level to which it had been raised on Jan. 27) to 4½ per cent. Later the same day Mr. Butler, the Chancellor of the Exchequer, announced in the House of Commons two further measures to curb inflationary tendencies and to improve the position of sterling in international markets: (1) the reimposition of restrictions on hire purchase agreements, and a request to the Capital Issues Committee and the banks to cut down finance for hire purchase; (2) intervention by the Exchange Equalization Fund in transferable sterling markets abroad to discourage sterling being traded in at a discount to the disadvantage of U.K. traders and the sterling area's gold and dollar reserves. Mr. Butler's statement was as follows:

"The Government's policy is, and has been, to maintain a sound balance of payments position, which can be founded only on a healthy internal economy. I have on several occasions recently indicated that I was watching the balance of payments position closely and would not hesitate to take such action as appeared necessary to maintain a satisfactory balance in our external accounts.

In assessing the position and the action to be taken, we have borne in mind that our economy is fundamentally stronger than it has been at any time since the war, and that the industrial base is sound. What is needed, and what the Government now propose, are steps to moderate excessive internal demand and so to match the increase in our imports, which results from our ever increasing production—with which it is related—with a corresponding increase in our exports It is my policy to act as soon as there are signs that this is not happening, and I am determined not to allow an unhealthy position to develop in which the very prosperity we have enjoyed should have unhealthy effects on our balance of payments.

I have of course been in consultation with the Bank of England The Bank took the view that a further increase in the Bank Rate would be appropriate in present market conditions I agreed that such a step would be helpful in dealing with the general economic situation, of which I have just spoken. Accordingly, the Bank Rate has been increased to 4½ per cent.

There has recently been a marked expansion of hire purchase. As part of our general policy of limiting home demand, the Government have decided on certain measures of restraint For this purpose Orders have been made to restrict the terms on which cars, wireless, television sets furniture, and a wide range of other consumer goods may be bought by hire purchase. The Orders are designed to deal with the immediate situation. It is the Government's intention, as soon as opportunity offers, to seek permanent powers for this purpose.

At the same time I am asking the Capital Issues Committee and the banks to adopt a more restrictive attitude towards finance for hire purchase.

Then there are technical problems arising from the international use of sterling. Apart from the official market, there are other markets through which sterling is traded at a discount to the detriment both of our traders and of our reserves. I have now, in the interests of the whole sterling area, authorized the Exchange Equalization Account Authorities to use wider discretion in operating in these markets, so that they may be in a better position to carry out our general exchange policy and to make the most prudent use of our reserves.

In these and other ways H.M. Government propose to guard the best interests not only of our country but of the sterling area as a whole, and thus to maintain the living standards and full employment of our people."

Mr. Gaitskell (Lab.) said that the Chancellor's "grave statement" would come as "a very considerable surprise and shock to many people" who had been "gravely misled by the complacent and optimistic statements from the Government side of the House." He asked Mr. Butler if he intended by these measures not merely to restrict consumption, which was evidently the purpose of the hire-purchase restrictions, but also to diminish the scale of investment

Mr. Butler replied that he had taken every opportunity of putting the facts, as he saw them, before the nation "Only a short time ago," he added, "in a town in the North-West of England, I made perfectly plain what my opinion was of the situation directly the facts had come to my attention in the January trade figures" With regard to investment, the Chancellor said: "I am very glad to say that as a result of the measures in the last Budget there are very distinct signs of a marked improvement, not only in factory building, but also in machine-tools and in industrial investment generally."

Mr. Gaitskell then asked whether the Chancellor, if he desired to restrict consumption and not investment, would also take action to restrain the increase in dividend payments. **Mr. Butler** replied that he had always expressed his opinion that there should be restraint in dividend payments. He had never concealed the opinion that in many businesses the distribution of dividends might result in an increased flow of money which would lead to greater investment. He would not fall into "the error made by Mr. Gaitskell of attempting some artificial control of dividends, which would not be likely to work."

Mr. Harold Wilson (Lab.) asked whether the threat to the sterling area was largely due to the "reckless decontrol in commodity trading and oversea finances." Was the Chancellor telling the House that he was instructing the Equalization authorities to lose gold in operating further in some of the commodity markets? **Mr. Butler** replied that if there was any intervention it would mean expenditure of reserves He was satisfied, however, that the authorities, who had operated already with such skill, would so conduct their operations that the resultant loss would be less than if there had been no intervention.

Mr. Strachey (Lab.) asked whether it would not be far more logical, as the Chancellor had said that the prime cause of the critical situation was excessive imports, to re-establish the import controls he had scrapped, rather than indiscriminately cutting down the standard of living of the British people, which was what the statement amounted to. In reply, **Mr. Butler** described it as "a little exaggerated" to say that restrictions on hire purchase, which had got "out of bounds," meant restricting the standard of life of the British people. It would not be in the national interest, he added, to restrict imports or to re-impose controls, which would only result in retaliation against British exports.

In reply to another question, the Chancellor said it would be premature at the present moment to make a statement on the interest rate on local loans until the market adjustments after the Bank Rate change had been completed.

An Order reimposing restrictions on hire purchase deposits and repayment periods in respect of a wide range of goods was issued the same evening by the Board of Trade.

Under the Order, which came into effect on Feb. 25, the minimum deposit was fixed at 15 per cent of the cash price, and the maximum repayment period allowed was 24 months, for a list of goods which included radio and television sets, radiograms, and gramophones,; gas and electric fires; washing-machines, refrigerators, irons, wringers and mangles, floor polishers, vacuum cleaners, and water softeners; pressure cookers, food-mixing machines, electric kettles, electric cooking utensils, electric dry shavers and hair-driers, and sewing machines: domestic furniture, floor coverings, and mattresses, cars, motor-cycles, and bicycles, lawn-mowers, garden rollers, portable sheds and garages, perambulators and push-cars, etc., cameras, lenses, projectors, and binoculars, trunks, bags, and suitcases, and jewellery, clocks, and watches.

A repayment period of 48 months was allowed for a short list of items, including cookers, water heaters, and wash boilers

The Order covered a wider range of goods than those which were revoked when the restrictions were relaxed in July 1954; e.g., furniture, cameras, cookers, and jewellery were included for the first time. On the other hand, the new restrictions were less onerous than those which operated from February 1952 until July 1954, as the minimum deposit during that period was 33⅓ per cent with repayment over 18 months, except for bicycles (25 per cent deposit and 12 months repayment).

Expressly excluded from the Order were commercial vehicles, motor-coaches, taxis, ambulances, invalid carriages, and vehicles for disabled people, as well as office furniture, office machinery, and photographic equipment for industrial and scientific use

The Order also contained a revised definition of hire purchase which made it no longer possible to circumvent the restrictions by using "hire agreements"

It had been known for several months previously that the growth in hire-purchase business had been much larger than had been anticipated when the previous restrictions on consumer credit were removed in July 1954. Estimates published in the Press put the total amount of hire-purchase contracts outstanding at present at approximately £450,000,000, over half of which related to furniture; it was also estimated that about £100,000,000 of this amount had been contracted during 1954.

Figures available from *Hire Purchase Information* showed that the number of new cars sold on H.P. terms rose from 23,364 during the first half of 1954 to 29,430 during the second half, compared with 12,384 in the first half of 1953 and 14,100 during the second half of that year The number of H.P contracts for new cars in January 1955 was given as 6,069.

Used cars sold under H.P. agreements rose from 117,744 during the first half of 1954 to 135,720 during the second half, compared with 78,408 during the first half of 1953 and 89,233 during the second half of that year; in January, 1955, the number of new contracts amounted to 18,026. The total number of new cars sold under H.P. agreements in 1954 represented 14 per cent of total home sales, compared with 9 per cent in 1953. According to the Society of Motor Manufacturers and Traders, it was believed that about 17 per cent of all recent new car purchases had been financed by hire purchase, whilst it was also estimated that one in every three used cars was sold on hire purchase

Although the Chancellor did not specifically mention "commodity shunting," his concern about the growth of this practice in recent months was shown by the new powers conferred on the Exchange Equalization Account.

"Commodity shunting" is based on "transferable" sterling as opposed to "official" sterling. Transferable sterling, though not available to U.K. and sterling area residents, is widely used by traders on the Continent and in other non-dollar countries, and is quoted in a number of overseas centres, the most important of which are Zurich and New York. When transferable sterling stands at a substantial discount on official sterling—recently it had been around $2.72 against $2.78-$2.79 for official—commodity shunting becomes profitable.

The following example (taken from *The Times*) shows broadly how "shunting" is done. A Dutch trader buys tin from Malaya (a sterling country), paying in sterling borrowed from a London bank. He then ships the metal to the U.S.A., receives the dollars, and uses them to buy transferable sterling at a low rate in New York. The London bank is then repaid with this sterling. The Dutch trader, by "shunting" in this way, cuts out British metal traders. Because of the discount on transferable sterling, he can offer a rather better price to Malayan producers and charge a rather lower price to U.S. buyers than could British merchants.

The speech to which the Chancellor referred in his announcement, and in which he had given an earlier warning about the economic position, was made at Liverpool on Feb. 11 to the Merseyside Chambers of Commerce.

Speaking on the country's economic development during 1954, Mr. Butler said that the latest published figures showed signs of rising investment, new factories going up in larger numbers, and more of some types of new productive plant being ordered. In the first nine months of the year (the latest period for which figures were available) the floor area of new factories started had been the highest on record, and nearly double the rate of two years earlier. The value of new home orders for machine-tools was rising sharply, and judging by the latest figures 1954 looked like being "about half as high again as the year before and as good as the best previous post-war year." Early estimates of probable gross fixed investment in 1954 suggested a rise during the year in both the public and the private sectors. Mr. Butler added that the Government, which had a special responsibility for development in the basic industries, was "following its own prescription," referring in this connexion to the expansion schemes in the coal, electricity, and steel industries and the new plans for road and rail development.

Referring to the balance of payments, Mr Butler said that in 1954 the U.K. had a surplus big enough to pay off some foreign debt, to add £87,000,000 to the reserves, and to provide a margin for investment abroad. Nevertheless, the gain in the first half of the year had not been maintained in the second, partly owing to the repayment of debt. But even when allowing for the fact that all big debt repayments fell in the second six months, the result in that half-year had revealed the growing burden of imports. The country had used 7,000,000 tons more coal, so that they had had to import more and export less of it. They had imported more food and feeding-stuffs—the latter partly as a result of the bad season. Exports for the year had been above 1953 both in value and volume, but had not been rising fast enough to keep pace with imports. At the end of the year the prices of imports were rising again: by one per cent in November and by another one per cent in December. "While our exports have been rising," the Chancellor added, "those of our main competitors have been growing fast, so we have had difficulty in keeping up our share of the total of world trade. I undertake to watch the situation and to act wherever I can in the right way."

"A rising volume of production," he went on, "is calling for more imported raw materials and for more food and consumer goods to match the rising earnings that flow from higher output. We must make sure that this increase in imports is not allowed to get out of step with the increase in our exports. That means that if the standard of living is to rise as we want it to, the level of our exports must rise correspondingly. That imposes a duty both on industry and on the Government. If industry can continue its post-war record of ever-expanding overseas earning power, all will be well on that score. It has produced and sold a whole range of new exports—aircraft, tractors, harvesters, petrol, nylon yarn and stockings—so that nearly a tenth of the present great total comprises goods we neither made nor sold on a significant scale before the war And it has multiplied many times over the volume of some of our older exports.

"That is the mixture for industry—a blend of the well-established and the brand new, the proved and the promising. That, and aggressive salesmanship to keep us abreast of our powerful competitors, especially in markets where they have been showing a particular turn of speed of late years. The Government's duty relates to the maintenance of a due balance in our home economy so as to ensure that its demands do not conflict with the need to export. We want our economy to move forward and expand as far as possible—but not faster than our capacity to pay the bigger import bill that our home expansion presents to us. So a hand must be kept on the reins—even a gentle tug given now and again to keep us on a straight path."

In another speech in Manchester the same evening, Mr. Butler stated, with regard to his earlier remarks on new investment in productive industry, that expenditure on machine-tools in the third quarter of 1954 had been £13,200,000, compared with £7,500,000 in the previous year, and that new factory buildings approved in 1954 amounted to 16,800,000 sq. ft., compared with 9,800,000 sq. ft. in 1953. He also announced the provisional trade figures for January as follows: exports £248,700,000; re-exports £10,500,000; imports £332,600,000; excess of imports £73,500,000.

Following the action taken by him on the previous day, the Chancellor said in an address on Feb. 25 to the National Production Advisory Council on Industry: "The first signs are that sterling has recovered—whether on the official or the other rates. We have already taken the necessary turn. Whether we can hold on to that turn I would not dare to prophesy. But I am satisfied that we have taken it. By increasing production and increasing productivity we can hold the situation."

Mr. Butler explained in this speech that in the first half of 1954 the trade figures had been better than in the corresponding period of 1953, but in the second half the opposite had been true. There were two reasons for this. First, the terms of trade had recently moved against the U.K. By January, import prices had been 6 per cent higher than a year earlier, and a 6 per cent rise had added almost £200,000,000 a year to the cost of imports. Export prices, on the other hand, had been steady since the middle of 1953 as a result of keen competition in oversea markets. Second, the volume of imports was rising, without any evidence as yet of a marked forward movement in exports. In the four months October-January the value of imports had been £92,000,000 higher than in the corresponding months a year earlier. Coal was an important item in the increase in the import bill, and, in addition, the need to reduce exports had lessened its earning power abroad.

"The changes in our oversea trade which I have described are not violent," Mr. Butler went on, "and the fundamental position is sound. But we cannot afford a growing import bill unless we can look for a corresponding increase in export earnings. . . . The key to expansion in oversea trade lies in healthy conditions of the domestic economy. To get the best out of the highly competitive trading world, we require a tough, muscular home economy, able to cope with all comers and to turn changing circumstances to its own advantage."

Although production had risen by 6 per cent in 1954, Mr. Butler added, the rate of rise had tapered off in the final quarter. There might be a further rise in the working population in 1955, but the nation could not count on as much as the 350,000 by which it rose in 1954 In January of that year there had been 17¼ per cent more vacancies unfilled than a year earlier, whereas in January of the present year the difference had grown to 29 per cent. It was essential that the many-sided development programme for "future Britain" should continue without overstrain to the economy, and without interference from excessive demands for goods for immediate consumption; this explained the action on hire purchase—to try to take off some of the consumer demand and to keep it to what were the real essentials. "We want our rising standard of life," the Chancellor concluded, "but we must be sensible enough to take our progress at a reasonable pace—it will be all the surer in the end."

Prices of securities on the Stock Exchange fell heavily on Feb. 24 on the news of the higher Bank Rate and the reintroduction of hire purchase restrictions, but recovered somewhat on Feb. 25. Sterling improved further on Feb. 25, closing in terms of the U.S. dollar at $2.78\frac{3}{8}\frac{3}{7}$, against $2.78\frac{11}{16}$ on Feb. 24 and $2.78\frac{3}{4}$ on Feb. 23. Transferable account sterling was being dealt in on the Continent at about $2.75, compared with about $2.72 earlier in the week.

The new Bank Rate, at 4½ per cent, was the highest for 23 years.—(Times - Daily Telegraph - Manchester Guardian - Financial Times - Board of Trade Journal) **(Prev. rep. Bank Rate, 14013 A; Hire Purchase, 13755 A; 13696 D; Transferable Accounts, 13483 A.)**

A. ITALY. — Opening of Rome Underground Railway.

Rome's first underground railway, the Metropolitana, was officially opened by President Einaudi on Feb. 8. The line, which is approximately seven miles long, starts at the Termini station (the new main-line station in the centre of Rome, completed since the war) and passes under the Via Cavour, the Colosseum, and the Circus Maximus before emerging into the open air at the Pyramid of Cestius. It then runs through the old city walls to San Paolo fuori le Mura, and so on to its terminus at Laurentina, in open country south-west of the city. There are eight intermediate stations between the two terminals. The Metropolitana was originally conceived in 1938 by Mussolini, who intended it to run from the centre of Rome to a site on which it was planned to hold a World Fair in 1942. During the construction of the Metropolitana a number of mosaics, frescoes, and statues were found, as well as an early Christian crypt under the Via Cavour. The cost of construction was equivalent to about £10,000,000. (Giornale d'Italia, Rome)

B. SCIENTIFIC RESEARCH. — Ratifications of Convention of European Nuclear Research Organization.

Italy's instrument of ratification of the convention setting up the European Organization for Nuclear Research was deposited with the U.N. Educational, Scientific, and Cultural Organization (UNESCO) on Feb. 25. As Norway and Yugoslavia had previously ratified the convention, the Italian action completed the ratification process by all countries which had signed the convention.—(Neue Zurcher Zeitung) **(13889 A.)**

C. CANADA. — Sale of Toronto "Globe and Mail."

It was announced on Feb. 13 that the *Globe and Mail* (Toronto), one of Canada's leading newspapers, had been sold by the executors of the former owner (Mr. George McCullagh, who died in 1952) to Mr. R. Howard Webster, of Montreal. The purchase price was not disclosed. Mr. Howard Webster, the son of the late Senator Lorne C. Webster, is a director of a number of Canadian and U.S. companies. (Montreal Star)

FEBRUARY 26—MARCH 5, 1955

A. FRANCE. — Resignation of M. Mendès-France. - Defeat in National Assembly on North African Policy. - New Government formed by M. Faure.

The Government of M. Mendès-France was defeated in the French National Assembly on Feb. 4 on a vote of confidence in connexion with the Government's North African policy, on which a debate had been opened on Feb. 2. The debate was held after 15 "interpellations" had been addressed to the Government in respect of its North African policy by members of the centre parties, the Communists, and the Gaullists, as well as by a Moslem deputy from Algeria. Although the "interpellations" were all on developments in North Africa, the Government's general policy also came in for strong criticism during the debate, especially by M. Rene Mayer, deputy for Algiers and a member of the Prime Minister's own party (the Radicals).

General Aumeran (Ind. Republican *apparenté*), who opened the debate, asserted that it was "the arrival of M Mendes-France to power, his policy in Tunisia, his declarations, and those of his Minister of the Interior (M Mitterrand), which have set off the terrorist movement in Algeria" He complained that the Government had failed to take adequate measures against the "separatist" leaders or to prevent journeys to French Africa by leading British and U S trade unionists [a reference to recent visits by Mr Fenner Brockway, M P., and Mr Irving Brown], "in whose wake there always follows a recrudescence of disorder." He also accused M. Mitterrand, "this neophyte metropolitan reformer," of wishing to deprive the French population of Algeria of effective political representation and of introducing "ruinous" reforms without giving first priority to the restoration of order As regards the Franco-Tunisian negotiations, General Aumeran declared that the Tunisian Government aimed at making the French position "untenable", that Tunisian demands for the control of the police and the judiciary were based on a wrong conception of the internal autonomy which France was willing to grant; and that the signing of the Franco-Tunisian conventions would mean "giving complete independence to Tunisia, which would result in the whole of North Africa following Indo-China into anarchy."

MM. Bardoux (*Paysan*), **Dronne** (Gaullist), and **de Villeneuve** (*Paysan*) all protested against the evacuation of French forces from the Fezzan, as had been demanded by Libya. **M. Bardoux** strongly attacked Britain and the U.S A., referred to "foreign intrigues for the expulsion of France from North Africa," and alleged that British and American support had enabled the Libyan Government to flout French protests against the supply of aid by Libya to the Tunisian *fellaghas* **M. Dronne,** who described the Fezzan as the "key to the security of the Sahara and French Africa," alleged "sinister designs" on the part of Britain and expressed the fear that British forces might intervene "on the pretext of restoring order," in the same way as they had "expelled the French from Syria in 1945." After describing the policy of the Mendès-France Government as one of "scuttle," he declared "You have given half of Indo-China to the Communists and the other half to the Americans You have handed over the French possessions in India to Nehru . . The Government must recognize its errors and change its policy, otherwise the national interest demands that the Assembly should eject it" **M. de Villeneuve** warned M Mendès-France that any agreement with Libya for the relinquishment of French bases in the Fezzan would be "a crime to be judged by the High Court."

M. Crouzier (Ind Republican), who described the situation in Algeria as "extremely grave." declared that during his recent visit to that country the local population had clamoured for French protection against the rebels He spoke of a "psychosis of fear" in Algiers, and asserted that the population were beginning to lose their confidence in France because of the "impotence of the administration and the injustices sometimes committed" Denouncing most of the reforms envisaged by the Government as "premature and inopportune," he demanded that the first priority should be the speedy restoration of order. **M. Quilici** (Ind Republican deputy for Oran) maintained that, before the advent of the Mendès-France Government, Algeria had "slowly moved along the path of integration in the French community" and had found "political balance and harmony." In Tunisia, he alleged, a French army of 35,000 had "capitulated before 3,000 cut-throats," and the present Tunisian Government, "placed in office by M Mendès-France," had "taken a hand" in Algerian terrorism He demanded that there should be no reforms in Algeria until order had been restored **M. de Saivre** (Independent *Paysan*), another Oran deputy, and **M. Godin** (Dissident Gaullist) also strongly attacked M. Mendès-France and M Mitterrand.

General de Monsabert (Gaullist) asserted that the events in Algeria were the result of the "psychological error" which the Government had committed when offering an amnesty to the Tunisian *fellaghas*, and that France was now paying the price for the Government's dealings in Tunisia with "a totalitarian party determined to eliminate France." He advocated that Morocco and Tunisia should become fully integrated with France in the place of their present protectorate status. **M. Valle** (*Paysan*), another Algerian deputy, similarly attributed the Algerian rebellion to the Government's policy in Tunisia, which, he declared, had been regarded throughout North Africa as a complete "capitulation" **M. Sid-Cara** (Radical), also an Algerian deputy, declared himself in favour of the reforms contemplated by the Government, but called for the reconstitution of the French African Army to afford effective protection to the whole population against terrorism and banditry **M. Guyot** (Communist) accused the Government of "playing a double game" in the Franco-Tunisian negotiations, of wishing only "to gain time" in Morocco, and of "acts of oppression" in Algeria

M. Bendjelloul (an Algerian Moslem deputy for the Constantine *departement*) questioned whether Moslems really had the same rights as Frenchmen in Algeria, and said that the measures of repression taken against the Moslem population made him fear that the answer was in the negative There was a real danger, he declared, that this state of affairs would "sow the seeds of separatism," though there was still time to redress the situation by ending "terror," unjustified arrests, tortures, and such actions as the "bombing of Native villages with napalm"

M. René Mayer (Radical deputy for the Constantine *departement* of Algeria) referred critically to the Franco-Tunisian negotiations; pointed out that the Néo-Destour congress held in December had practically rejected the French offer of internal autonomy and demanded complete independence, and recalled that he had urged, during a previous debate on Dec 11, that it was important to bring the negotiations with Tunisia to a rapid conclusion lest the prolongation of differences should have a "contagious effect" on morale in Algeria In fact, he declared, the "climate" in Algeria had gravely deteriorated during the past six weeks, a general feeling of insecurity was prevalent, especially in the rural areas, and for the first time in eight years Europeans and Moslems were beginning to become separated.

After criticizing the appointment of M. Jacques Soustelle as Governor-General of Algeria, M Mayer declared that two things were essential in Algeria First, the Moslem population—the overwhelming majority of whom were faithful to France—must be adequately protected against the threats and terrorism to which they were subjected, in this connexion he read out a list of Moslems who, he said, had suffered through terrorist activities during the past few weeks because of their pro-French attitude. Secondly, they must recognize the urgency of economic and social reforms He added, however, that whilst France must certainly adapt herself to the modern world, he did not want to see the sort of "adaptation" that had occurred in Vietnam, or in the French Settlements in India, or in the Fezzan.

"It is not a matter of always saying 'no'," he concluded, "nor of wishing to settle everything by force. But we must convince everyone that, whilst we are animated by a desire for constructive progress in association with each other, we will offer determined opposition to everything which might lead to secession or to an exodus of Frenchmen of European origin. In view of . . the psychological errors which I am afraid it has committed, can the Government still engender in our fellow-citizens in Algeria the feeling that it has these two aims? My answer is in the negative . . ." Addressing M Mendès-France directly, M René Mayer declared: "If you demand a vote of confidence, I shall be unable to give you mine for reasons which refer not only to the subject under discussion but which affect the whole of your policy, especially in the international sphere. I do not know where you are going. A policy of action should be able to find some half-way position between *immobilisme* and adventure."

M. Benbhamed, an Algerian Moslem deputy, complained about the police methods used in Algeria to suppress the rebels. After citing instances in which, he alleged, torture had been used by the police against Moslem suspects, including people against whom there was no other evidence than a denunciation by unknown persons, he declared "France has nothing to gain from this sort of thing—just the opposite." The Government, he admitted, had certainly given orders that such practices should not be permitted, but a section of the Algerian police had not obeyed them. [Here **M. Mitterrand** intervened to say that whilst "regrettable incidents" had occurred, it was noteworthy that the Government's proposal to integrate the Algerian and Metropolitan police forces, which would have put an effective stop to any such malpractices, had met with the strongest opposition from Algerian leaders themselves.] **M. Benbhamed,** continuing, pointed out that a recent protest by the Bishop of Algiers against brutality by the police had been printed only in the Communist paper. After attacking a minority of Europeans in Algeria—who, he said "hold in their hands all the powers of the administration, finance, and the Press," and who merely wanted "to continue to rule the country for their personal benefit"—M. Benbhamed appealed to the Assembly to "forget its grudge" against the Government, and gave a warning that an adverse vote would be regarded by the Moslem population of Algeria as a clear condemnation of the Government's policy of reforms.

M. Christian Fouchet (the Minister for Tunisian and Moroccan Affairs) emphasized that the Franco-Tunisian negotiations were based on M Mendès-France's declaration of July 31, 1954; that responsibility for Tunisian foreign affairs and defence would remain exclusively in French hands; and that the Tunisian negotiators, who had at one stage demanded the right for Tunisia to have a small army and its own diplomatic service, had subsequently acknowledged the French point of view Therefore the question about the aims of the negotiations, which was so often asked, could be answered: "Autonomy—yes; independence—no."

In implementation of this principle, M. Fouchet stressed, all police powers connected with the security of the territory must continue to be exercised without limitation by the French authorities, though obviously some part of the police activities must belong to

the Tunisian State. The French delegation had accordingly suggested that for a certain period all police powers should depend on the French authorities, and that for a still longer period the highest functions in the police force should remain a French responsibility Another proposed limitation was that the judicial police should be French in the case of investigations against Frenchmen or in cases in which Frenchmen had been the victim of a crime. French rights in matters concerning the law courts would be equally protected, and the Tunisians had also declared their willingness to preserve the position of France in matters of currency, finance, and Customs.

In conclusion, M Fouchet stressed that the success of the Government's Tunisian policy would lie not so much in the conventions themselves but in the spirit of their application. "It is not in the interest of France," he added, "to make the Bey's Government a mere façade cut off from its public opinion and drawing its authority solely from the French."

M. Mendès-France, replying to the earlier speakers, said that the debate was, in reality, on the Government's general policy and not only on North Africa. For eight months there had been no change in the Government's policy, which had been approved by the Assembly again and again. If M René Mayer now attacked them for their "errors" and the "catastrophic consequences" flowing from them, the Government's responsibilities were shared by all those who had supported them hitherto, including M. Mayer himself—who, M. Mendès-France added, had discovered "six months late" that the Government had "committed treason, liquidated French North Africa, and was unworthy of the country's confidence."

Dealing with the Fezzan question, he blamed previous Governments for not having come to an agreement with Libya at an earlier date, when the French position was much stronger. He declared that the French forces would not be evacuated from the Fezzan until French interests had been met and the necessary guarantees had been obtained.

As regards the situation in Algeria, M. Mendès-France deprecated as "exaggerated" the accounts, such as those given by M. Crozier, which spoke of a "psychosis of fear" He pointed out that since Nov. 1, 1954, not a single Frenchman had been murdered in the whole of Algeria, apart from soldiers and *gendarmes* who had been killed in the execution of their duty. Nevertheless, the Government had done everything to protect the population, and they now had 175,000 soldiers in North Africa as a result of the ending of the war in Indo-China Rejecting the thesis that no economic and social reforms should be carried out in Algeria until order was restored, M. Mendès-France stressed that military measures alone would never be sufficient if at the same time they did not fight hunger, unemployment, and misery. In pursuance of this policy, the Government had increased its economic development aid to Algeria from 20,000,000,000 francs to the record figure of 40,000,000,000 francs in the 1955 Budget

As regards Tunisia, the Prime Minister reiterated his adherence to his proclamation of July 31. He maintained that if the conventions had not yet been signed, it was only because the Government had not given in on certain essential points Work on the conventions was, however, so far advanced that they could "look into the future with optimism," and none of the technical problems still left open was insoluble. All the conventions would form an integrated whole and would be of "undetermined and thus indefinite duration," except in certain specific cases where periods of 5, 10, or 20 years were provided With those exceptions, no amendment could be made to the conventions without express French agreement The purpose of the conventions, however, must be not only the protection of French interests but also the creation of a basis for the association between France and a democratic Tunisia, and the proposed system would permit "the greatest hopes" in this respect The Franco-Tunisian Customs union and currency co-operation would create between the two countries solid economic links conforming to their mutual interests, whilst the guarantees accorded to French companies, agricultural property-owners, and those entering into contracts would allow a fresh development of French private economic activity.

"In fact," M. Mendès-France summed up, "there are only two possible policies in North Africa one of *detente* and reform, or one of repression and force. The Government has chosen the former; part of the Opposition the latter . . . I cannot allow the policy which I think both salutary and necessary to be condemned, and I will defend it to the end . . . My only aim is to preserve and enrich the spiritual and material patrimony of France in that part of Africa in which her destiny unfolds itself"

During the subsequent *explications de vote,* **M. Viollette** (Radical), a former Governor-General of Algeria, pointed out that the situation which had arisen there was principally due to the general poverty of the people, and that the really important thing was to extend social security benefits and family allowances to Algeria, to improve housing and water supplies, and to ameliorate the lot of the 300,000 Algerian workers living in France. Still more tragic than the general poverty in Algeria, however, was "the lack of understanding by the European community for the Moslems." There was no comradeship and true friendship between Moslems and Europeans, and unless the antagonism created by the attitude of the Europeans towards Moslems was removed, mere political reforms would be useless, and it was doubtful whether Algeria could be saved.

Although **M. Verdier** expressed the Socialists' support for M. Mendès-France, **M. Ballanger** (Communist) declared that the fall of the Government would be "greeted with joy by all patriots." He accused M Mendès-France of having gone back on his initial policy, of having "tried to win the confidence of the colonialists" in North Africa, and "above all" of being "the man of German rearmament." **M. Coste-Floret** (M R.P.) said that his party agreed on the need for a policy of progress and reforms in North Africa, though they were critical of the means which the Government had applied to the situation. He expressed support for the Government's negotiations with the Tunisian nationalists, but added: "If your policy in North Africa has our consent to a certain extent, it calls for most serious reservations on other fundamental questions." In this connexion he asserted that the Government had "lost the battle for Germany," and that its policy entailed "the risk that the Germans might turn away from the West and look towards the East"

M. Mitterrand, replying to some of the criticisms made during the debate, repudiated allegations by a number of deputies that the Government had "filled the prisons" in North Africa, he pointed out that they had, on the contrary, released large numbers of people detained under previous Governments He also said that there had been no criticism previously of the speed with which the Government had sent reinforcements to Algeria, whilst since December the forces in action there had been increased still further. It was possible to draw up lists of victims of terrorists, but no list would ever be drawn up of the farms and villages which had been protected by the French troops from attack.

Political reforms, he declared, had always aroused opposition on principle from certain Algerian settlers What the Government was proposing, however, only meant the application of the statute which had been voted by the National Assembly in 1947; the implementation of this statute compelled the Government to bring into operation those municipal reforms which it had pledged itself to carry out.

After recalling the increased investment proposed by the Government in Algeria's economic and social development, M. Mitterrand rejected the criticism of the Government's alleged failure to impose its authority and to conquer the so-called "psychosis of fear" in Algeria. Describing the existence of such a psychosis as "greatly exaggerated," he alleged that fears had been deliberately fostered, at least in part, by the "insensate Press" of Algiers, which had tried to make the inhabitants of that city believe that they were abandoned by the French Government and hated by their Moslem fellow-citizens. M Mitterrand also emphatically denied the allegations made by M Bendjelloul that napalm bombardments had been carried out against Native villages in the "mopping-up" operations.

In conclusion, he reiterated that whilst he thought that Morocco and Tunisia should be integrated in the French Union, Algeria must remain an integral part of Metropolitan France, for which it constituted "the central pivot in Africa"

After another vigorous speech by M. Mendès-France, in which he maintained that none of his opponents had defined any alternative constructive policy, that the fall of the Government would be interpreted abroad as the abandonment of a policy which had yielded "resounding benefits" to France in the United Nations, and that the opposition consisted of "three incongruous parts" unable to agree on any coherent policy, the Government's motion of confidence was rejected by 319 votes to 273, with 22 abstentions.

The opposition to the Government consisted of the 94 Communists and 4 *progressistes,* 73 M.R P. deputies, 40 Independent Republicans (including MM. Laniel Pinay, and Paul Reynaud), 27 Dissident Gaullists (A.R.S.), 37 *Paysans* and *Indépendants Paysans,* 17 Gaullists (Socialist Republicans), 4 U.D.S R. (including M Pleven), and 3 *non-inscrits* (including MM. Lecoeur and Marty, both ex-Communists), as well as 20 Radicals headed by MM René Mayer, Martinaud-Déplat, and Médicin. Those voting for the Government comprised the 105 Socialists, 52 (out of 76) Radicals, 45 Gaullists (including MM Gaston Palewski and Pierre de Gaulle), 18 U.D.S.R., 16 Overseas Independents, 12 Independent Republicans, 10 *non-inscrits,* 5 M R.P. members, 5 Dissident Gaullists, and 5 *Paysans* and *Indépendants Paysans.* The 22 abstentions included 8 Gaullists, 4 M.R P., 3 Independent Republicans, and 2 Radicals (MM. Maurice Faure and Viollette).

It was pointed out in the French Press that the Government's defeat was due to the fact that the opposition against M. Mendès-France (the Communists, Moderates and M.R P.) had been reinforced by the 20 Radicals and by about 10 Gaullists who had abstained from voting in earlier North African debates.

After the vote, which was taken in the early hours of Feb. 5, M. Mendès-France was constantly interrupted while addressing the Assembly; he eventually left the Chamber amidst scenes of uproar and handed his resignation and that of his Government to President Coty at 5.30 a.m. on the same morning.

Following the resignation of M. Mendès-France, President Coty had consultations at the Elysée with the leaders of the political parties, and on Feb. 6 requested M. Antoine Pinay—a leader of the Independent Republican (Conservative) party, and Prime Minister in 1952—to attempt to form a new administration. M. Pinay accepted this task, announced his intention of forming a government on as broad a basis as possible, and began consultations with the various political parties. On Feb. 10, however, he informed President Coty that he had had to abandon the attempt as he had been unable to secure the support of the Socialists and the M.R.P. The Social Republicans (Gaullists) had also adopted a non-committal attitude and had made a number of reservations to his proposed programme.

President Coty thereupon requested M. Pierre Pflimlin (M.R.P.), a specialist in agricultural policy and a member of

many post-war governments, to form a new administration. After four days of consultations, however, M. Pflimlin relinquished the task after he had failed to enlist the support of the Socialists and Gaullists, and after the Radical Ministers in M. Mendès-France's Government had intimated that they were not prepared to take office under him. M. Pflimlin accordingly informed President Coty—at dawn on Feb. 14—that he had been unable to form an administration.

The President then entrusted the task of forming a government to M. Christian Pineau (Socialist), who accepted the commission and began further consultations with the party leaders. Although he failed to obtain support from the right-wing parties—the Gaullists, Dissident Gaullists (A.R.S.), Independent Republicans, and *Paysans*—or from the Overseas Independents, he nevertheless succeeded in enlisting the support of the Radicals, the M.R.P., and the U.D.S.R. group, in addition to that of his own party. On Feb. 17, accordingly, M. Pineau formed a Cabinet based on a coalition of the Socialists, Radicals, M.R.P., and U.D.S.R., and including also three Gaullist Ministers who, it was announced, had accepted "technical" portfolios in a personal capacity and not as members of their party.

The Cabinet formed by M. Pineau was as follows. M. Christian Pineau (Socialist), Prime Minister and Foreign Affairs; M. Yvon Delbos (Radical) and M. Robert Schuman (M.R.P.), Deputy Premiers; M. Edouard Bonnefous (U.D.S.R.), Minister of State in charge of Relations with NATO and the Council of Europe; M. Bourgès-Maunoury (Radical), Interior; M. Robert Lecourt (M.R.P.), National Defence; M. Robert Lacoste (Socialist), Finance and Economic Affairs; M. Albert Gazier (Socialist), Social Affairs (Labour, Health, and Civil Service); Senator Jean Berthoin (Radical), Education; M. André Morice (Radical), Public Works and Transport; M. Maurice Lemaire (Gaullist), Reconstruction; M. Jean-Marie Louvel (M.R.P.), Industry and Commerce; M. René Charpentier (M.R.P.), Agriculture; M. Gaston Defferre (Socialist), Overseas Territories; M. Jean Legaret (U.D.S.R.), War Veterans; M. Joseph Dumas (M.R.P.), Posts and Telegraphs. No appointment was made to the portfolio of Justice. Only two of the new Ministers—M. Charpentier and M. Legaret—had not held office in any previous government.

It was disclosed that General Corniglion-Molinier and M. Pierre Ferri (both Gaullists) had declined the portfolios of National Defence and of Posts and Telegraphs respectively.

M. Pineau presented his Cabinet to the National Assembly on Feb. 18 for a *vote d'investiture*, and outlined the policy which his Government intended to pursue. In the early hours of Feb. 19, however, he failed (by 312 votes to 268) to obtain a vote of confidence, and consequently handed his resignation to President Coty.

In the course of his speech M. Pineau undertook to secure the ratification of the London and Paris agreements (still pending in the Council of the Republic) with "the least possible delay." He also emphasized that his Government would lose no opportunity of promoting negotiations between the Western Powers and the Soviet Union for an international *détente* leading to a general reduction in armaments; that they would seek to supplement the Paris and London agreements by an "arms pool" between the signatory countries, in which British participation was "essential"; and that, without renouncing "European" ideas, they would not try to establish "over-ambitious" political organizations but would seek to make progress by necessary stages, such as the creation of specialized transport or power communities.

M. Pineau outlined his North African policy as follows: (1) In Tunisia, the Government would implement the "Carthage agreement" concluded between M. Mendès-France and the Beylical Government on July 31, 1954 [i.e. the agreement conferring home rule on Tunisia]. (2) In Morocco, the Government would try to create an association with France "based on inter-dependence and reciprocal understanding." (3) In Algeria, social and economic reforms would be accompanied by a policy whereby "native populations would be admitted to the rights that flow from French citizenship."

As regards internal policy, M. Pineau said that his Government's programme would include, *inter alia*, increased investment in agriculture; continued progress in the re-equipment and modernization of French industry generally; the raising of the statutory minimum wage (*salaire minimum*); and action to suppress tax evasions. He announced that he would seek a three-month extension of the special economic powers that had been conferred on M. Mendès-France's Government.

As stated above, M. Pineau failed to obtain a vote of confidence from the Assembly. The 312 adverse votes comprised 98 Communists and *progressistes*, 54 Gaullists, 46 *Paysans* and *Indépendants Paysans*, 44 Independent Republicans, 30 Dissident Gaullists (A.R.S.), 16 Overseas Independents, 12 Radicals, 9 U.D.S.R. deputies, and 3 *non-inscrits*, whilst the 268 votes cast for M. Pineau comprised 105 Socialists, 80 M.R.P., 57 Radicals, 12 U.D.S.R., 7 Gaullists, 1 *Paysan*, 1 Dissident Gaullist and 5 *non-inscrits*. There were 38 abstentions, including 10 Independent Republicans and 9 Gaullists.

Following M. Pineau's defeat in the National Assembly, President Coty called upon M. Edgar Faure (Radical), Foreign Minister during the last fortnight of M. Mendès-France's Government, and formerly Minister of Finance, to form an administration. During the next three days (Feb. 20-23) M. Faure obtained assurances of support from all the political parties except the Socialists, Communists, and Overseas Independents, and, in consequence, formed a Government on Feb. 23 drawn from the Radical, Gaullist, M.R.P., Independent Republican, *Paysan*, U.D.S.R. and Dissident Gaullist parties. [The Socialists informed M. Faure that they could not support any government whose economic policy fell short of the programme that had been outlined to the Assembly by M. Pineau.] The membership of the new Cabinet—the 20th since the liberation—was as follows:

M. Edgar Faure (Radical)	Prime Minister.
M. Gaston Palewski (Gaullist)	Minister attached to the *Présidence du Conseil.*
M. Antoine Pinay (Ind. Republican)	Foreign Affairs
M. Robert Schuman (M.R.P.)	Justice.
General Joseph Koenig (Gaullist)	National Defence and Armed Forces.
M. Maurice Bourgès-Maunoury (Radical)	Interior.
M. Pierre Pflimlin (M.R.P.)	Finance and Economic Affairs.
Senator Jean Berthoin (Radical)	Education.
M. Pierre-Henri Teitgen (M.R.P.)	Overseas Territories (*France d'outre-mer*)
M. Paul Bacon (M.R.P.)	Labour & Social Security.
General Edouard Corniglion-Molinier (Gaullist)	Public Works and Transport.
M. André Morice (Radical)	Industry and Commerce.
M. Jean Sourbet (Ind. *Paysan*)	Agriculture.
Senator Roger Duchet (Ind. Republican)	Reconstruction and Housing.
M. Bernard Lafay (Radical)	Public Health and Population.
M. Raymond Triboulet (Gaullist)	War Veterans.
M. Edouard Bonnefous (U.D.S.R.)	Posts and Telegraphs.
M. Paul Antier (*Paysan*)	Merchant Marine.
M. Pierre July (Dissident Gaullist)	Moroccan and Tunisian Affairs.

M. Faure presented his Cabinet to the National Assembly on the same day (Feb. 23) and was given a *vote d'investiture* by 369 votes to 210, a majority of 159. He outlined his Government's policy in a short speech which is summarized below.

As regards internal policy, M. Faure said that the Government would set itself the following "technical" objectives before June 30, 1956: (1) the raising of the industrial production index from its present level of 153 points (1938 = 100) to 180 points; (2) the raising of the standard of living by at least seven per cent, either through increases in wages or reductions in prices and taxation; (3) a seven per cent rise in the total revenue of agriculture, calculated on the basis of the size of the harvest, prices of agricultural products, and costs of production; (4) equilibrium in the balance of payments without any external aid of a "non-economic" character. In addition, he proposed to prepare before April, 1955, a plan of social reforms which would provide, *inter alia*, for wage increases linked with the rise in the national income. He also pledged his Government to the maintenance of full employment, intensification of the house-construction programme, continued efforts to combat excessive alcoholism, and measures to check tax evasions, in which connexion he announced his intention of presenting a tax reform Bill before the summer.

In the sphere of foreign policy, M. Faure said that the Government would complete the ratification of the London and Paris agreements in the shortest possible space of time. He pointed out that although the agreements involved the limited rearmament of Western Germany, they also brought the German Federal Republic into the community of Western nations—a result which was "worth the sacrifices we make for it." Whilst proceeding with the ratification of the London and Paris agreements, the Government would at the same time seek every opportunity for East-West peace by negotiation. "As soon as the agreements are ratified," M. Faure declared, "I shall propose that a study be undertaken, together with our allies, of the conditions for negotiations both in Europe and Asia." The two bases of the Government's foreign policy—an "assiduous search for peace through every opportunity for negotiation," and the organization of Western security in "irrevocable fidelity" to the Atlantic alliance—could, it was hoped, lead to a general and controlled reduction of armaments.

As regards North Africa, M. Faure said that his Government would strive for the implementation of the "Carthage agreement," and expressed his conviction that Franco-Tunisian agreement could be reached if both sides respected the "fundamental principles" already accepted. In Algeria—which, with Metropolitan France, comprised "a unity which nothing will be able to compromise"—the Government would carry out political, economic and social reforms, whilst maintaining the existing status.

The 369 votes cast for M. Faure on the *vote d'investiture* comprised 76 M.R.P., 67 Radicals, 59 Gaullists, 53 Independent Republicans, 48 *Paysans* and *Indépendants Paysans*, 29 Dissident Gaullists, 17 U.D.S.R., 16 Overseas Independents, and 4 *non-inscrits*. The 210

opposing votes comprised 105 Socialists, 98 Communists and *progressistes*, six *non-inscrits*, and one U.D.S.R. deputy There were 37 abstentions, including 9 Gaullists, 8 Radicals (among them M Mendes-France, a member of the same party as M. Faure), 6 M.R P. and 5 U D.S R. deputies.

M. Edgar Faure (46), a financial and economic expert, had previously held the Premiership for a short period from Jan. 18 to Feb. 28, 1952. In June, 1953, he became Minister of Finance under M. Laniel (for whom he prepared an 18-month plan of French economic expansion—the "Faure plan"), and continued to hold that office under M. Mendès-France until his appointment as Foreign Minister a fortnight before the fall of the late Government. A deputy for the Jura *département*, he is one of the youngest men to hold the office of Prime Minister. [A biography of M. Faure is given on page 12014, col. one.]

With the exception of M. Gaston Palewski, M. Triboulet, M. July, M. Sourbet and M. Lafay, all the other Ministers had previously held Cabinet office. M Schuman (architect of the "Schuman Plan," and formerly Foreign Minister), M. Pinay, and M. Pflimlin, however, had not been members of any Government since 1952, and M. Antier since 1951. Short biographies of Ministers entering the Cabinet for the first time are given below:

M. Gaston Palewski (54), a founder-member of the Gaullist Party (R.P.F.) and one of the closest associates of General de Gaulle, commanded a night-bomber squadron during the 1939-40 campaign, escaped to London and joined General de Gaulle after the Bordeaux armistice, and subsequently commanded the Free French Forces in East Africa (1941-42). Thereafter he served as *Directeur du Cabinet* to General de Gaulle in London, Algiers, and (after the liberation) Paris, until January 1946. He is a deputy for the Seine *département* and a Vice-President of the National Assembly. It was reported in the French Press that his duties as Minister attached to the *Présidence du Conseil* would include responsibility for matters relating to atomic energy.

M. Raymond Triboulet (48), a farmer, and Editor-in-Chief of *La Presse Paysanne*, spent ten months as a prisoner-of-war in Germany, took an active part in the Resistance movement after his release, and was secretary of the *comite de libération* in the Calvados *département*. He served as a regional inspector in the Rhineland-Palatinate (French Zone of Germany) before entering the National Assembly in 1946 as a deputy for Calvados.

M. Pierre July (48), a lawyer, served with distinction in the French Forces of the Interior (F.F I.) during the German occupation He was captured by the Gestapo, tortured, and deported to the Buchenwald concentration camp, but managed to escape before his arrival there. Entering the National Assembly after the war, he has been a member successively of the P.R.L. (right-wing conservative) party, the R P.F., and the Dissident Gaullists (A.R.S.). He is president of the Assembly's Commission for Overseas Territories, and served as a State Secretary in the Laniel Cabinet.

M Jean Sourbet (54), a wine-grower, is a deputy for Gironde, president of the *Indépendants Paysans* group in the Assembly, and chairman of the Assembly's *Commission des Boissons* (Drinks Commission). He was a State Secretary in the Faure Cabinet of 1952

M. Bernard Lafay (49), a doctor of medicine, is president of the Paris Municipal Council (Mayor of Paris). He played a distinguished part in the Resistance movement, particularly in the organization of medical services, and had been a member of the Council of the Republic since 1946 before his election to the National Assembly in 1951. He has done notable work for child health and welfare, particularly in the care of children suffering from infantile paralysis and tuberculosis. He held State Secretaryships in the first Faure Cabinet and also under M. Laniel

Of the 19 Ministers in the new Government, eight voted for the ratification of the London and Paris agreements during the National Assembly's debate (MM. Faure, Bourgès-Maunoury, Pflimlin, Morice, Lafay, Triboulet, Bonnefous, and General Corniglion-Molinier); four voted against the agreements (MM. Palewski, Teitgen, Bacon, and Antier); and five abstained (MM. Pinay, Schuman, Sourbet, July, and General Koenig). Senators Berthoin and Duchet, as members of the Council of the Republic, had not yet had an opportunity of voting on the agreements.

M. Faure appointed seven Secretaries of State in his new Government—M. Jean Médicin (Radical) and M. Léopold Senghor (Overseas Independent), State Secretaries to the *Présidence du Conseil*; M. Henri Laforest (Radical), Relations with the Associated States; M. Jean Crouzier (Ind. Republican), National Defence and Armed Forces; M. Gilbert Jules (Radical), Finance and Budget; M. Pierre Abelin (M.R.P.), Economic Affairs; M. Maurice Bayrou (Gaullist), *France d'outre-mer*. M. Médicin (Mayor of Nice) was placed in charge of relations between the *Présidence du Conseil* and Parliament, whilst M. Senghor (a Senegalese) was given responsibility for questions relating to economic research. The former Ministry for Relations with the Associated States of Indo-China was replaced by a State Secretaryship under M. Laforest, a lawyer with a distinguished war record.

M. Faure's Government, with 19 Ministers and seven State Secretaries, was the smallest since 1947. At the time of its fall the Mendès-France Government had 20 Ministers and 17 State Secretaries.—(Le Monde, Paris - Le Figaro, Paris) **(Prev. rep. 14008 A.)**

A. UNITED KINGDOM - NEW ZEALAND.—Wairakei Heavy Water Project. - Formation of Joint U.K.-N.Z. Company (Geothermal Development Ltd.).

The U.K. Atomic Energy Authority announced on Feb. 21 that a new company—Geothermal Development Ltd.—had been incorporated to undertake the construction of a factory and the subsequent production of heavy water and electric power from geothermal steam in the Wairakei district of New Zealand. The company would have a capital of £30,000, of which the N.Z. Government and the Authority (who would be the sole shareholders) would pay £20,000 and £10,000 respectively. The remainder of the company's capital requirements would be met by loans; those for the heavy water plant (estimated at £2,000,000) would come from the Authority and those for the electric power equipment (estimated at £4,000,000) from the N.Z. Government.

It was stated that the company's board of directors would comprise three representatives of the N.Z. Government and two from the U.K. Atomic Energy Authority. The first directors would be . For the Authority . Sir Donald Perrott (member for finance and administration) and Mr. A. S. White (head of the chemical engineering division at the Atomic Energy Research Establishment, Harwell) For the N.Z Government: Mr. B. C. Ashwin (Secretary of the Treasury) (chairman), Mr. A. E Davenport (general manager, State Hydro-Electric Department), and Mr. C. W. C. Turner (Engineer-in-Chief, Ministry of Works) The announcement added that Dr E. Marsden, a former head of the N.Z. Department of Scientific and Industrial Research, would be associated with the Board

The announcement said that it was envisaged that production of heavy water would begin late in 1957, and of electric power a few months later. The initial plant would produce electric power at a rate of about 40,000 kw. and a "useful" tonnage of heavy water for nuclear power reactors.—(Times - Financial Times - Directorate of Information, Wellington) **(13724 B.)**

Note. The Scientific Correspondent of the *Financial Times* explained on Feb. 22 that heavy water was an important "moderator" material which could be used in place of graphite in atomic reactors, and recalled that an experimental heavy water reactor, "Dimple," had been working at Harwell since August 1954 (see 13729 D) Although heavy water reactors could be smaller than graphite-moderated ones, were cheaper to build, and were in many ways more efficient, the high cost of heavy water (about £75,000 a ton) had hitherto been a drawback to their use However, as the Wairakei plant would produce heavy water at about £48,000 a ton, it was thought that it might be able to produce atomic power more cheaply. (Financial Times)

B. UNITED NATIONS. — New Soviet Representative on Security Council.

It was announced in Moscow on March 3 that M. Arkady Sobolev had been appointed Soviet permanent representative on the U.N. Security Council in place of the late M. Vyshinsky. M. Sobolev had held the posts of secretary-general in the Soviet Foreign Ministry, political adviser to the Soviet C.-in-C. in Germany, and Ambassador in Warsaw, and had been Assistant Secretary-General for Security Council Affairs at the United Nations from 1946-49. He had been acting Soviet representative on the Security Council since M. Vyshinsky's death in November. (United Nations Review, New York) **(Prev. rep. 13963 A.)**

C. NORTH KOREA. — Proposed Resumption of Relations with Japan.

Pyongyang radio announced on Feb. 25 that General Nam Il, the Premier and Foreign Minister of North Korea, had proposed to the new Japanese Prime Minister (Mr. Hatoyama) that negotiations should be opened with a view to establishing friendly relations between their two countries. The North Korean offer followed the recent statements by Mr. Hatoyama and M. Molotov expressing the desire for normal relations between Japan and the Soviet Union.—(Le Monde, Paris) **(Prev. rep. 14005 A.)**

D. UNITED STATES. — Steel Production.

U.S. steel production in 1954 totalled 88,311,652 tons, compared with the record figure of 111,609,719 tons in 1953. The country's steel capacity was estimated at 124,330,410 tons at the beginning of 1954, and over the year as a whole steel plants operated at 71 per cent of theoretical capacity. (New York Times) **(Prev. rep. 13444 D.)**

E. UNITED KINGDOM. — Civil Service.

A White Paper published on Feb. 25 showed that the number of non-industrial Civil Servants at Dec. 31, 1954, totalled 633,380, as compared with 668,536 on Jan. 1, 1953—a decline of over 35,000 in the past two years.—(Times) **(12935 B.)**

A. FINLAND. — Political Developments, 1951-54. - Cabinet Crises. - General Elections.

Political developments in Finland during the past four years, summarized below under cross-headings, were characterized by a series of recurrent Cabinet crises, due primarily to differences between the political parties on questions of economic policy and, in particular, on measures to check the continual rise in the cost of living. Two general elections were held during this period (in 1951 and 1954) and a succession of Cabinets formed by Dr. Kekkonen, Dr. Tuomioja, M. Torngren, and again by Dr. Kekkonen in October, 1954, as described below:

The General Elections of 1951. The three-party Cabinet formed in March 1950 by Dr Urho Kekkonen (see 10790 C) encountered serious difficulties towards the end of that year as a result of widespread dissatisfaction with the continued rise in the cost of living Drastic increases in the cost of food, clothing, and fuel led to demands for higher wages by many industrial unions, to a series of widespread strikes in the metallurgical and timber industries during the autumn of 1950, and to a threat of a general strike, which was only averted after the Government had agreed to wage increases in the two industries mentioned. In November, 1950, Dr. Kekkonen invited all parties to join a national coalition and, after prolonged negotiations, the Social Democrats agreed to enter his Cabinet (hitherto a coalition of the Agrarian Party, the Swedish People's Party, and the Liberals) On Jan. 17, 1951, the Kekkonen Government was accordingly remodelled to include seven Agrarians, seven Social Democrats, two Swedish People's Party representatives, and one Liberal, but on March 20 the Social Democratic Party withdrew from the Cabinet in protest against a proposed 43 per cent increase in the rents of certain types of houses President Paasikivi subsequently dissolved the Finnish Diet and ordered general elections for July 2-3, 1951 The results of these elections were as follows, comparison being given with the former (1948) elections:

	Votes	Percentage		Seats	
	1951	1951	1948	1951	1948
Social Democrats	479,998	26.4	26.3	53	54
Agrarians	425,747	23.4	24.2	51	56
Popular Democrats (Communists)	390,647	21 4	20 0	43	38
Conservatives	265,188	14.5	17.1	28	33
Swedish People's Party	137,151	7 5	7.7	15	14
Finnish People's Party (Liberals)	102,894	5.6	3.9	10	5

The principal features of the elections, as compared with those of 1948, were (*a*) the replacement of the Agrarians by the Social Democrats as the largest party in the Diet (a unicameral chamber of 200 members); (*b*) the gains made by the Popular Democrats (Communists and pro-Communists) and the Finnish People's Party, the latter being a new organization based on the amalgamation of the Liberal Party and certain Right-wing groups; and (*c*) the setback to the Agrarian and Conservative parties, both of which lost votes to the Social Democrats, the Popular Democrats, and the Finnish People's Party

The Kekkonen Cabinet of 1951. Following the elections, Dr Kekkonen formed a new Cabinet on Sept. 20, 1951, based on a coalition between the Agrarians, the Social Democrats, and the Swedish People's Party, and including one non-party member Its membership was Dr. Urho Kekkonen (Agrarian), Prime Minister, Dr. Sakari Tuomioja (non-party), Foreign Affairs, Professor Vaino Sukselainen (Agrarian), Interior, M Sven Högstrom (Swedish People's Party), Justice; M Emil Skog (Social Democrat), Defence, M. Penna Tervo (Social Democrat), Trade and Industry; M. Vilio Rantala (Social Democrat), Finance, M. Miikki (Agrarian), Deputy Minister of Finance, M Reino Oittinen (Social Democrat), Education; M Ralf Torngren (Swedish People's Party), Social Welfare, M. Emil Huunonen (Social Democrat) and M Lauri Murtomaa (Agrarian), Deputy Ministers of Social Welfare, M Martti Miettunen (Agrarian), Agriculture; M. Martti Lepisto (Social Democrat) and M Emil Luukka (Agrarian), Deputy Ministers of Agriculture; M Onni Peltonen (Social Democrat), Transport and Public Works; M Kleemola (Agrarian), Deputy Minister of Transport and Public Works The three parties represented in the Cabinet had 119 members in the new Diet, out of a total of 200

Cabinet Crises in 1952. Following differences with his own party (the Agrarians) on questions relating to economic stabilization—and, in particular, on the Cabinet's decision to reduce the price of butter, which was opposed by the Agrarians—Dr Kekkonen tendered his resignation to President Paasikivi on March 21, 1952, but subsequently agreed to withdraw it and to remain in office On Oct. 16 Dr. Kekkonen again announced his resignation after differences between the Agrarians and the Social Democrats, but was once more persuaded to withdraw it and to continue in office. [The dispute in the Cabinet had arisen after the Social Democrats had announced that they would only agree to a general increase in rents on condition that the Agrarians co-operated in measures to stabilize agricultural prices. An agreement to this effect was reached after Dr Kekkonen had withdrawn his intended resignation.]

Two Social Democratic members of the Cabinet—M Peltonen (Minister of Transport and Public Works) and M. Lepisto (Deputy Minister of Agriculture)—resigned on Nov. 28, 1952, after allegations by the Attorney-General that they had misappropriated public funds for the benefit of a private concern. They were succeeded respectively by M Karjalainen and M. Tiainen, both Social Democrats.

Social Democrats leave Government Coalition. - Resignation of Dr. Kekkonen after Cabinet Reshuffle. Growing differences between the Agrarians and the Social Democrats on economic policy led on June 27, 1953, to the resignation of Dr. Kekkonen A fortnight earlier Dr. Kekkonen had told the Social Democrats that the economic situation was so serious that it could be solved "not by political compromises but only by recognition of economic facts, however unpleasant." Among the measures he proposed to take was an all-round 10 per cent reduction in wage-rates, which, however, was strongly opposed by the Social Democrats on the ground that prices should be cut before wages Differences were also reported on the question of possible devaluation of the currency, which had been recommended in certain circles but on which no action was taken. [It was pointed out by foreign press correspondents in Helsinki that, after a period of exceptionally favourable trade terms for timber and wood-pulp products (commodities which dominate Finnish exports), both prices and demand from abroad had fallen to an extent which threatened Finland with serious unemployment and with inability to pay for her exports]

After M August Fagerholm (the Social Democratic leader, and Prime Minister before Dr Kekkonen took office in 1950) had declined an invitation by President Paasikivi to form a new Government, Dr. Kekkonen succeeded on July 9 in forming an administration (his fourth since 1950) based on the Agrarian and Swedish People's parties, together with three non-party members As compared with the former Cabinet, Hr. Ralf Torngren (leader of the Swedish People's Party) took over the Foreign Ministry from Dr Tuomioja; M. Kleemola (formerly Deputy Minister of Transport) became Minister of Defence, M. Teuvo Aura (a non-party expert) became Minister of Trade; M Juho Niukkanen (Agrarian) became Minister of Finance, with Dr Nils Meinander (Swedish People's Party) as Deputy Minister, M Johannes Virolainen became Minister of Education, M Lauri Hietanen (head of the *Sok* co-operative movement, and a non-party member) succeeded M. Torngren as Minister for Social Welfare; Mme. Vieno Simonen (Agrarian), the only woman member of the Cabinet, became Deputy Minister for Social Welfare, and M Eero Makinen (a non-party expert and industrialist) became Minister of Transport and Public Works, with M Kosti Eskola as Deputy Minister The other non-Socialist members of the former Government retained their existing portfolios

The new Cabinet—a minority administration dependent for support upon the Opposition parties—fell on Nov. 4, 1953, on which date Dr. Kekkonen tendered his resignation after the Opposition had moved a motion of no-confidence in the Government's housing policy

The Tuomioja Cabinet of 1953. At the request of President Paasikivi, Dr. Sakari Tuomioja (Governor of the Bank of Finland, and non-party Foreign Minister in Dr. Kekkonen's earlier Cabinets) agreed to try and form a coalition government on as broad a basis as possible. After inter-party negotiations, he succeeded on Nov 16, 1953, in forming a Ministry representing all the parties except the Social Democrats and Popular Democrats. It was agreed, however, that the new administration would be merely of a "caretaker" character, and that its members would serve in an individual capacity and not as representatives of the political parties to which they belonged

The membership of the new Cabinet was Dr Sakari Tuomioja (non-party), Prime Minister, M Ralf Torngren (Swedish People's Party), Foreign Affairs, M. Heikki Kannisto (Finnish People's Party), Interior, M Reino Kuuskoski (Finnish People's Party), Justice; M Olli Hetemäki (Conservative), Defence, Dr Tuure Junnila (Agrarian), Finance, Pastor Arvo Salminen (Conservative), Education; Dr Kalle Jutila (Swedish People's Party), Agriculture, M Henrik Kullberg (Swedish People's Party), Deputy Minister of Agriculture Hr Erik Serlachius (Swedish People's Party), Communications; Hr. Aulis Juuttila (non-party), Deputy Minister of Communications, M. Teuvo Aura (non-party), Trade and Industry, Professor Esa Kaitila (Conservative), Social Affairs; Mme Irma Helena Karvikko (Finnish People's Party), Deputy Minister of Social Affairs.

The General Elections of 1954. The new Government, however, failed to resolve the differences between the parties on matters of economic policy, with the result that President Paasikivi dissolved the Diet on Dec. 8, 1953, in preparation for new general elections. These took place on March 7-8, 1954, with the following result

	Votes	Seats
Social Democrats	511,043	54
Agrarians	470,063	53
Popular Democrats	417,276	43
Conservatives	239,412	24
Finnish People's Party	148,438	13
Swedish People's Party	132,088	13

As compared with the 1951 elections, the biggest gains were made by the Finnish People's Party (which won three additional seats and increased its poll by 53,000) and the Agrarians (two seats gained, 44,000 more votes) The Social Democrats gained a seat and polled 30,000 more votes than in 1951, whilst the representation of the Popular Democrats (who increased their poll by 29,000) remained unchanged The Conservatives suffered a further setback by losing four seats and dropping 25,000 votes, whilst the Swedish People's Party lost two seats and polled 5,000 votes fewer than in 1951. Out of some 2,500,000 registered voters, 1,993,128 went to the polls (77 per cent, compared with 75 per cent in 1951).

The Torngren Cabinet of 1954. After the Social Democrats had declined President Paasikivi's invitation to form a new Government, and had refused to enter into a coalition under Dr. Kekkonen, the leader of the Swedish People's Party (Hr. Torngren) succeeded on

May 5, 1954, after a five-week political crisis, in forming an administration representing all parties except the Finnish People's Party and the Popular Democrats. Its membership was: Hr Ralf Törngren (Swedish People's Party), Prime Minister; Dr. Urho Kekkonen (Agrarian), Foreign Minister; M. Vaino Leskinen (Social Democrat), Interior; M. Yrjo Pukakka (Conservative), Justice; M. Johannes Sukselainen (Agrarian), Finance; M. Emil Skog (Social Democrat) Defence; M. Martti Miettunen (Agrarian), Communications; M. Toimi Suniu (Social Democrat), Deputy Minister of Communications; M. Viljani Kalliokoski (Agrarian), Agriculture; M. Hannes Tiainen (Social Democrat), Deputy Minister of Agriculture; M. Penna Tervo (Social Democrat), Trade and Industry; M. Johannes Virolainen (Agrarian), Education; Mme. Tynne Leivo-Larson (Social Democrat), Social Affairs; Mme. Vieno Simonen (Agrarian), Deputy Minister of Social Affairs.

The Kekkonen Cabinet of 1954. The Törngren Cabinet resigned on Oct. 14, 1954, after the Agrarian and Social Democratic Ministers had split over the Government's proposals to reduce the cost of living, which had risen by 4 per cent since 1951. Whereas M. Torngren had proposed cheaper food by State subsidies, together with purchase tax reductions on a number of consumer goods, the Agrarians wanted higher prices for farm products than the subsidies would cover, whilst the Social Democrats insisted on lower food prices and the complete removal of purchase tax on a number of goods. On Oct. 17 the Finnish Trade Union Federation warned the Government that it would call a general strike for Nov. 1 unless the cost of living was brought down to the level of 1951, when stabilization of wages and prices had started. The Federation emphasized that prices had risen by four per cent during the three-year period whilst wages had remained unaltered, and that its claim for a general increase in wage-rates was therefore fully justified.

On Oct. 19, however, the Agrarian and Social Democratic parties reached agreement on a joint plan to reduce the cost of living, the principal features of which were: (1) a reduction in the prices of milk, butter, sugar, cereals, and sausage products by State subsidies; (2) reductions in the purchase tax on food, clothing and textiles, (3) an increase in subsidies to farmers (equivalent to £4,500,000); (4) the adoption of a new system for linking wages with the cost-of-living index, as recommended by the Finnish T.U Federation; (5) a reduction in the bank rate from 6 to 5 per cent, together with a 1½ per cent reduction in interest rates for housing loans. It was estimated that these measures would reduce the cost of living from 104 points to 98, in terms of 1951 = 100.

Following this agreement, Dr. Kekkonen formed a new Cabinet on Oct. 20 based on a coalition of the Agrarians and Social Democrats, the two largest parties. Its members were: Dr Urho Kekkonen, (Agrarian), Prime Minister; M Johannes Virolainen (Agrarian), Foreign Affairs: M. Vaino Leskinen (Social Democrat), Interior; M. Penna Tervo (Social Democrat). Finance; M. Veikko Vennamo (Agrarian), Deputy Minister of Finance; M. Emil Skog (Social Democrat), Defence; Mme. Kaerttu Saalasti (Agrarian), Education; M. Viljani Kalliokoski (Agrarian), Agriculture; M. Martti Miettunen (Agrarian), Communications; M. Hannes Tiainen (Social Democrat), Deputy Minister of Communications: M Aare Simonen (Social Democrat), Trade and *ad interim* Justice; M. Onni Peltonen (Social Democrat), Social Affairs: Mme. Tynne Leivo-Larson (Social Democrat), Deputy Minister of Social Affairs.

Dr. Kekkonen announced his resignation on Dec. 17, 1954, after the Finnish Diet had refused to approve a Bill conferring special powers on the Government to prolong State control. [The Government had received 140 votes out of 191, but needed a five-sixths majority for the adoption of such legislation.] After Dr. Tuomioja had declined an invitation from President Paasikivi to form a new administration, Dr. Kekkonen agreed on Dec. 19 to withdraw his resignation, and announced that the Government would draw up a modified Special Powers Bill which would be submitted to the Opposition parties before it was presented in the Diet.

Dr. Sakari Tuomioja, the former Prime Minister, was appointed Ambassador to the United Kingdom in November, and arrived in London on Feb. 28, 1955, to take up his post. His predecessor, M. Ossian Soravuo, had been appointed Ambassador in Warsaw. Dr. Tuomioja is Finnish representative on the International Monetary Fund and, as stated above, had been Governor of the Bank of Finland for several years. (Berlingske Tidende, Copenhagen - Politiken, Copenhagen - Svenska Dagbladet, Stockholm - Times - Manchester Guardian - New York Times - Le Monde, Paris) **(Prev. rep. 10790 C.)**

A. UNITED STATES. — Senator Wayne Morse joins Democratic Party.

Senator Wayne Morse (Oregon), who resigned from the Republican party in October, 1952, and had since then sat as an Independent, officially registered as a Democrat on Feb. 18. As an Independent he had voted with the Democrats on all major issues; as the Democrats had only one more seat in the Senate than the Republicans after the 1954 mid-term elections, his vote had been decisive in giving the Democrats a majority and enabling them to take over the chairmanships of the Senate committees. As a result of Senator Morse's formal adherence to the Democrats, party representation in the Senate will be: Democrats 49, Republicans, 47.
(New York Times) **(Prev. rep. 13797 A, p. 13982; 12526 B.)**

B. ANTHROPOLOGY. — The "Piltdown Hoax."

It was established during 1953 and 1954 that the "Piltdown skull," hitherto believed to be one of the most important anthropological specimen in existence, was in fact a forgery. The skull, originally discovered in a gravel pit at Piltdown (Sussex), had for the past 40 years been in the Natural History Museum in London.

The "Piltdown skull" was discovered in 1912 by Mr. Charles Dawson, a Hastings solicitor and an amateur antiquarian. Mr. Dawson had expressed the belief that the gravel pits in the Piltdown area (about seven miles from Lewes) were likely sites for fossil remains dating from the Pleistocene period, and had asked workmen engaged on the site to keep a look-out for such fossils during their excavations. In February, 1912, the workmen dug up fragments of a very thick human skull (as it was then thought to be) and handed them to Mr. Dawson who in turn, took them to Sir Arthur Smith Woodward, then Keeper of Geology at the Natural History Museum, and an authority of international reputation. Sir Arthur Woodward, who was greatly interested in the discovery, joined Mr. Dawson in a further examination of the Piltdown site, during which Mr Dawson dug up a fragment of a (presumed) human jawbone. In 1913 a distinguished French scholar, Father Teilhard de Chardin, also examined the Piltdown site and found a canine tooth (eye-tooth) which was thought to belong to the jawbone. Various other fragments, among them a bone implement, were also found on the site and in its immediate neighbourhood. The skull, jawbone and teeth were believed by eminent anthropologists to belong to a single individual, and were estimated at about 500,000 years old—i.e., dating from the Lower Pleistocene period. For many years the Piltdown fragments had been regarded as among the most important finds ever made in the field of anthropological research, since they were supposed to belong to one of the earliest types of primitive man—a being to which the name of "Piltdown Man" or *Eoanthropus* was given. Mr. Dawson, the discoverer of the so-called "Piltdown Man," died in 1916.

The announcement that the Piltdown remains were a forgery was first made on Nov. 20, 1953, by Professor W. E. Le Gros Clark (Professor of Anatomy at Oxford), Dr. K. P. Oakley (of the Natural History Museum) and Dr. J. S. Weiner (of Oxford University), writing in the *Bulletin* of the British Museum (Natural History).

The scientists explained that the various fragments of the Piltdown skull had been submitted in 1949 to fluorine tests to ascertain their age, with the following results: (1) whereas the skull itself was about 50,000 years old (not 500,000 years, as had originally been supposed), the fragments of teeth which were thought to belong to it—a large piece of mandible and the canine tooth—were "actually those of a modern ape (chimpanzee or orang-utan) deliberately faked to simulate fossil specimens"; (2) it had been established that the jawbone had been stained with bichromate of potash and iron, a fact explicable only by "the deliberate matching of the jaw of a modern ape with the mineralized cranial fragments"; (3) the molar teeth of the mandible, and also the isolated canine tooth, were found to have been artificially pared down. It was therefore evident that the jawbone and teeth—which, as stated, belonged to a modern ape, and therefore to an animal not represented in contemporary England—could only have been brought to Piltdown through some recent agency. In addition to the fluorine test, entirely independent tests of nitrogenous content had been made on the fragments, with identical results.

The writers added: "From the evidence which we have obtained it is clear that the distinguished palaeontologists and archaeologists who took part in the excavations at Piltdown were victims of a most elaborate and carefully prepared hoax. Let it be said, however, in exoneration of those who assumed the Piltdown fragments to belong to a single individual . . . that the faking of the mandible and canine is so extraordinarily skilful, and the perpetration of the hoax appears to have been so entirely unscrupulous and inexplicable, as to find no parallel in the history of palaeontological discovery."

On June 30, 1954, it was announced that the finds made at Piltdown in 1912 were even more fraudulent than had been believed at the time of the previous announcement in November, 1953. This announcement was made by the Director of the Natural History Museum—Professor G. R. (now Sir Gavin) de Beer—and other eminent scientists at a meeting of the Geological Society.

It was stated at this meeting that the main points resulting from investigations by a number of scientists were as follows: (1) the Piltdown jaw was almost certainly that of an immature orang-utan, as shown by anatomical evidence produced by Professor Le Gros Clark and Dr. Weiner; (2) the cranium had been artificially stained to match the surrounding gravel, as shown by X-ray analysis carried out by Dr. G F. Claringbull and Dr. M. H. Hey, of the Natural History Museum; (3) the canine or eye-tooth had been coloured with oil paint, as established by experts on the staff of the National Gallery: (4) the bone implement found at the Piltdown site was found to have been cut with a steel knife, as established by Dr. Oakley. The inference, therefore, was that the whole of the remains at Piltdown had been "planted."

The above-mentioned findings were set out by Sir Gavin de Beer and Dr. Weiner in the *Bulletin* of the British Museum (Natural History) published in January 1955. Dr. Weiner wrote that "exhaustive re-examination of all the Piltdown finds has completely confirmed the hypothesis of a hoax," whilst Sir Gavin de Beer said that it had been established that "not one of the Piltdown finds genuinely came from Piltdown."
(Times - Manchester Guardian)

A. UNITED KINGDOM. — Four-Year Roads Programme. - New Motor Roads. - Proposed Road Tunnel under Firth of Forth.

The Minister of Transport and Civil Aviation (Mr. Boyd-Carpenter) announced in the House of Commons on Feb. 2 that, "as a first instalment of an expanded road programme," the Government proposed to authorize an ultimate Exchequer expenditure of £147,000,000 on the roads during the next four years. In addition, they intended to begin work during the same period on "certain major projects of formidable cost," including motor roads from London to Yorkshire and from Preston through Lancashire to Birmingham, and a crossing of the Firth of Forth either by a road bridge or by a new method involving the laying of a tube tunnel on the bed of the Forth. To enable these projects to be proceeded with rapidly, the Government were considering charging tolls in suitable instances.

Mr. Boyd-Carpenter explained that it was intended to continue with "a substantial programme of road construction and improvement until the roads of this country are adequate for the traffic they have to bear." As there had been few major improvements and little new construction in the road system since 1939, the problem was now "immense" and the Government's plans would take many years to complete, but they were determined to provide an up-to-date road system. The plans included (*a*) entirely new motor roads of the most modern construction; (*b*) an ordered series of major and minor works on existing roads intended to convert them into modern all-purpose highways. Owing to statutory requirements, however, a considerable period must elapse before the line of the new roads could be determined and the necessary land acquired For this reason the work to be done in the early years of the programme must be mainly on the improvement of existing routes, and priority would be given to items which the Government considered to be of the greatest urgency for relieving congestion of traffic—particularly industrial traffic—and for promoting road safety In selecting these, regard had necessarily been paid to such essential preliminary considerations as the state of preparedness of schemes and the availability of the land.

Points from the Minister's statement are summarized under cross-headings below.

Financial Expenditure.

The work to be authorized in the financial year 1955-56 would represent an ultimate expenditure from the Exchequer of about £27,000,000, and the total to be authorized in the following three years would involve an ultimate expenditure of about £120,000,000 This amount, however, would not include "expenditure on the very large projects of national importance," and there would also be substantial complementary expenditure by local highway authorities on classified road schemes.

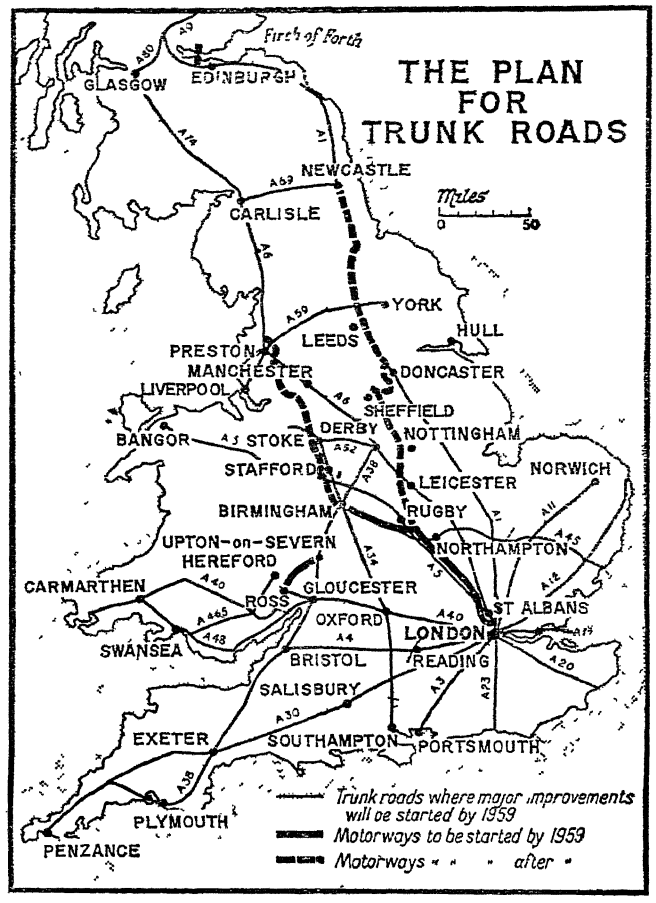
Mr. Boyd-Carpenter explained that it was not possible to forecast the precise scale of the programme after 1958-59, because this was dependent on the resources available and the financial conditions of the time.

Major Projects.

(1) **London - Yorkshire Motor Road.** The first major project, intended to be begun between 1956 and 1958, would be the initial section of this road which would be confined to motor traffic under the powers contained in the Special Roads Act It would have two carriageways, access to which would be severely restricted, and fly-overs or under-passes at all important junctions. This section, 70 miles long, would extend from St. Albans to a point near Rugby, with a connecting spur to the existing A 45 trunk-road to Birmingham (which would itself be given dual carriageways and by-passes), thus linking London with the Birmingham industrial area Later it would be extended to a point near Doncaster, and when completed would be about 150 miles long and take much of the heavy traffic now using the A 5 and A 45 trunkroads between London and Birmingham and the Great North Road (A 1). The scheme also involved the construction of by-passes at Doncaster and St. Albans The cost of the first section of this road was put at £15,000,000, and the total cost at £45,000,000.

(2) **Preston - Birmingham Motor Road.** This road, about 80 miles in length and estimated to cost about £20,000,000, would be put in hand after the first section of the London - Yorkshire motor road had been begun. It would cross Lancashire in a roughly north-south direction and pass to the west of Stoke and Stafford (avoiding the latter by a by-pass). Since the road would pass through a heavily industrialized area, connexions with the existing highway system would be more frequent than on the London - Yorkshire motor road

(3) **Firth of Forth Crossing.** With regard to this project, the Minister explained that "a scheme for the construction of a tube on the bed of the Firth of Forth as a less expensive alternative to a bridge" had recently been submitted to the Secretary for Scotland by "consultants of the highest standing," acting on their own initiative. The scheme, if decided upon, would be the first of its kind, and had been referred to the local authorities concerned; the Government would be prepared to discuss with them methods of assessing the relative merits of the proposed subway and of a conventional bridge. If the subway plan were adopted, the tunnel could be made available for traffic about three years after the start of construction, the cost being put at £5,500,000 (compared with £15,000,000 for a bridge). It was estimated that the subway would require 40,000 tons less steel than a high-level bridge, and it was also claimed that it would preserve the "beauty and dignity of the existing Forth railway bridge" by avoiding the need for a road bridge alongside. Moreover, it would be available for traffic at times when heavy gales might make it necessary to prohibit the passage of vehicles across a high-level road bridge.



(*Economist*)

Mr. Boyd-Carpenter added that if the subway alternative were adopted it would be constructed beneath the Forth between North and South Queensferry, on a line just upstream of the Forth railway bridge. The subway would comprise, within the body of a single structure, two roadways each 22 ft. wide, thus providing two lanes of traffic in each direction It would extend under water for a little over two-thirds of a mile, with its roof 50 ft below lowest tide level, thus permitting the largest ships to pass overhead at all states of the tide.

(4) **The Ross Spur Road.** Another major project under the programme was a 21-mile spur road to be built from Ross-on-Wye (Herefordshire) to a junction with the A 38 trunk road near Upton-on-Severn, in order to improve communications between the Midlands and South Wales.

Other Schemes.

The programme for the first four years would include many other by-passes, bridges, and road improvements, several of them costing over £500,000 each The most important schemes announced were:

(1) Schemes (each costing over £100,000) to be authorized in 1955-56, as follows.

Great North Road (A 1)—Second carriageways for certain stretches, a by-pass at Allerton Station, and the widening of the Stamford - Kesteven section.

Elephant and Castle (London)—Construction of a roundabout.

Albert Bridge, Chelsea (London)—This bridge, now in poor condition and restricted to loads of five tons, would be widened to provide a four-lane carriageway

Western Avenue (London)—A second carriageway between Park Royal Station and Greenford Halt.

Dartford - Purfleet Tunnel—This tunnel under the Thames—linking Kent and Essex—would be completed so as to provide two traffic lanes, with the necessary approach roads. The cost would be over £500,000 and passage through the tunnel would be subject to a toll.

Oxford Boundary - Islip Turn—This road, which had one of the worst accident-rates in Oxfordshire and was carrying 70 per cent more traffic than in 1938, would be reconstructed with a dual 22 ft. carriageway along a two-mile length.

Handcross By-pass, East Sussex—The pre-war scheme to by-pass the village of Handcross (where the London - Brighton road meets three other roads), suspended during the war, would now be completed.

(2) Schemes (each costing over £500,000) to be authorized between 1956-57 and 1958-59. Such schemes in England and Wales would include:

Great North Road (A 1)—Construction of by-passes at Grantham and Doncaster.

Kingston By-pass (Surrey)—Provision of a second carriageway from Robin Hood Gate to Burlington Road, with cycle tracks

Maidenhead By-pass—This by-pass (five to six miles long) would be built to motor-road standards, with dual 22 ft carriageways.

Maidstone (Kent) By-pass—This road, about 10 miles long, would by-pass Ditton and Maidstone to the north, and would also be constructed to motor-road standards with 22 ft carriageways.

Preston (Lancs.)—An 8-mile road with dual carriageways would be built, and would eventually become part of a motor road from Birmingham to Shap, Westmorland

(3) Other London Area schemes intended to be authorized within the four-year period would include the following:

Angel Road, Edmonton (part of the London North Circular Road)—A new railway bridge 84 ft wide with dual carriageways

Tilbury Docks Approach Road—A new road, 2½ miles long, necessitated by the development of Tilbury Docks.

Notting Hill Gate—The road between Kensington Palace Gardens and Ladbroke Terrace would be enlarged to a four-lane carriageway.

Staines By-pass (Middlesex)—To be built for about two miles north of Staines, with a new bridge over the Thames.

City of London—A roundabout at Ludgate Circus, and a new road (the first portion of Route 11) from Giltspur Street to Whitechapel High Street.

Holborn - Kingsway—A large roundabout system with a widening of existing roads.

Strand—To be widened between the Tivoli Cinema and Charing Cross Station.

St. Giles' Circus—A gyratory traffic system at the junction of Oxford Street, Tottenham Court Road, and Charing Cross Road.

(4) Schemes to be carried out in Scotland would include improvements to the A 9 trunk road at Bridge of Allan and Linlithgow Bridge (to be authorized in 1955-56); a number of schemes on the Glasgow - Carlisle road (A 74), which it was hoped to convert progressively into a first-class highway with dual carriageways throughout; and a second tunnel under the Clyde at Whiteinch, Glasgow.

Mr. Boyd-Carpenter explained that the Secretary for Scotland had been consulted about road schemes north of the Border, and would take over responsibility for Scottish roads in April, 1956. The Government intended to complete the Highlands road programme announced in 1953 and, in addition, to make a substantial increase in the work being done on the crofter counties' programme, beginning with a commitment of £350,000 in 1955-56 and aiming at annual commitments of about £750,000 in each of the next three years. Additional Highlands schemes would include a bridge over the River Ness at Inverness, which it was hoped to begin in 1956-57.

On Feb. 4 Mr. Boyd-Carpenter inaugurated the construction of the new Conway road bridge, to replace the existing suspension bridge built by Thomas Telford in 1826 and carrying the Chester - Bangor trunk road (A 55) over the River Conway. The new bridge, situated about 60 yards to the north of the existing bridge, will have a single span of 310 ft. and a width of 31 ft. 6 in. (allowing for a single 22 ft. carriageway and a footpath 7½ ft. wide). It will be built by Sir William Arrol and Co., Glasgow, at a cost of £430,000, the whole of which will be met by the Ministry of Transport and Civil Aviation.
(Times - Daily Telegraph - Manchester Guardian - The Scotsman, Edinburgh - Economist) **(Prev. rep. 13319 B.)**

A. LITERATURE. — Book Selections for February.

Selected books of the month published in Great Britain, the United States and France are given below:

Great Britain. Cecil, Henry—"Brothers in Law." (Michael Joseph, 10s. 6d.)

Graves, Robert—"Homer's Daughter." (Cassell, 10s. 6d)

Graef, Hilda C.—"The Scholar and the Cross: The Life and Work of Edith Stein." (Longmans, 18s.)

Lawrence, T. E.—"The Mint." A Day-Book of the R A F. Depot between August and December 1922, by 352087 A/C Ross. (Jonathan Cape, 17s. 6d.) Published posthumously.

Miller, J. D. B.—"Australian Government and Politics." (Duckworth, 15s.)

Moore, Patrick—"Guide to the Planets." (Eyre & Spottiswoode, 21s.)

Morton, H. V.—"A Stranger in Spain." (Methuen, 18s.)

Sandburg, Carl—"Abraham Lincoln. The Prairie Years and the War Years." (Jonathan Cape, 45s.)

Weiner, J S.—"The Piltdown Forgery." (Oxford University Press, 12s. 6d.)

Wertham, Fredric—"Seduction of the Innocent." A Study of the Effects of 'Horror Comics' on Juveniles. (Museum Press, 21s.)

United States. Allen, Gay Wilson—"The Solitary Singer A Critical Biography of Walt Whitman." (Macmillan, New York, $8.00.)

Salisbury, Harrison E.—"American in Russia" (Harper & Bros., New York, $4.00)

France. Morand, Paul—"L'eau sous les ponts." (Grasset, Paris, 570 francs.)

Yonnet, Jacques—"Enchantements sur Paris." (Denoël, Paris.)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 14023 D.)**

B. VATICAN. — Papal Encyclical on Position of Roman Catholic Church in China.

An Encyclical Letter was issued on Dec. 22, 1954, by Pope Pius XII calling upon the Roman Catholics of China, both clergy and laity, to resist the Communist Government's efforts to establish a "national" Roman Catholic church in China separated from the Holy See

The Encyclical began by praising the fortitude of the Chinese Catholics against the accusations and calumnies which were being directed against them, and against the Holy See, by the Communist Government. The Encyclical continued, however. "We cannot conceal the sadness and distress of our spirit on learning that although the overwhelming majority of [Chinese] Catholics remain steadfast in the Faith, there have not been lacking among you those who, either tricked in their good faith or because of fear, or misled by new and false doctrines, have given their support to dangerous 'movements' sponsored by the enemies of religion . . . As in olden times, the persecutors of the Christians falsely accuse them of not loving their country and not being good citizens . . But we wish again to proclaim that the Chinese Catholics are second to none in their love and fidelity to their most noble country"

After referring to the fact that his predecessor, Pope Pius XI, had personally consecrated the first six Chinese Bishops of the Roman Catholic Church, and that he himself had "for the first time in history conferred the dignity of the Roman Purple on one of your citizens" (i e Cardinal Tien, the first Chinese to be elevated to the Sacred College—see 7625 A), the Pope continued: "We desire that the day may come as soon as possible when you will have Bishops and priests, all of your nation and in sufficient numbers, to govern the Catholic Church in your immense country. Then there will no longer be any need for the assistance of foreign missionaries in the sphere of your apostolate Nevertheless, truth and conscience require it to be said that the missionaries are not inspired by earthly motives, and seek nothing but the illumination of the Chinese people with the light of the Gospel . .

"There are some among you who would wish that your Church be completely independent. They presume to make the claim of 'autonomy' for the teaching of Christian doctrine and in sacred preaching. We do not deny that the manner of preaching and teaching must differ in different places and must therefore conform as far as possible with the particular nature and character of the Chinese people, as well as with its ancient traditional customs . . What, however, is absurd even to imagine is by what right men, of their own choice, can interpret differently the Gospel of Christ according to the different nations . The sponsors of such movements, with the greatest cunning, seek to deceive the simple or the fearful, or to mislead them from the right path. To this end they falsely assert that the only true patriots are those who support the church of their design . . . In reality they are seeking to constitute eventually among you a 'national' church which could not be Catholic because it would be the denial of that universality by which the Society founded by Christ is above all nations and embraces them all . .

". . . It is impossible to please Christ and men alternately. If at times it happens that a man who wishes to remain faithful to the Divine Redeemer until death must suffer serious harm and loss, he must accept this with a calm and strong spirit We wish, however, to congratulate those who, under great difficulties, have distinguished themselves in their loyalty to God and the Catholic Church and thus have been deemed 'worthy to suffer reproach for the name of Jesus.' We encourage them to continue strong and intrepid along the path they have begun, keeping ever before their minds the words of Christ: 'Fear not them that kill the body and are not able to kill the soul, but rather fear him that can destroy both soul and body . . .'"

On the same day the Vatican issued a "balance-sheet" of losses suffered by the Roman Catholic Church in China as a result of Communist persecution, in which the following facts were given: 49 archbishops, bishops and prefects apostolic had been expelled, as well as the Papal Internuncio (Mgr. Riberi); 17 bishops and prefects apostolic were in prison; six archbishops and bishops had died in captivity; expelled priests numbered 2,645, of whom 98 were in prison; over 200 Chinese priests and laymen had died through persecution, and about 300 had been detained; most of the foreign nuns had been expelled, and the few still in China were in prison; the Chinese nuns were in prison or had been dispersed.

The Roman Catholic Bishop of Yihsien (Mgr. Tarcisio Martina), who had been sentenced to life imprisonment in 1951 on a charge of having taken part in an alleged plot to assassinate Mao Tse-tung, arrived in Hong Kong on Dec. 28 after having been allowed to leave China. He stated that he had been handcuffed and kept in shackles during the first four months of his imprisonment, but that he had subsequently been transferred to another prison where treatment was much better.
(Catholic Herald) **(Prev. rep. 12152 A; 12117 A.)**

Note. The estimated number of Roman Catholics in China is about 3,500,000. The Vatican statistics mentioned above stated that the Chinese Communist Government had confiscated three Roman Catholic universities, 216 hospitals, 781 dispensaries, and 254 orphanages, and had suppressed 25 religious periodicals.
(Manchester Guardian)

A. SOUTH AFRICA. — The Bantu Education Act. - Withdrawal or Reduction of Subsidies to Mission Schools. - Protests by Anglican, Roman Catholic, and Free Churches. - Closing of Mission Schools in Diocese of Johannesburg. - Dutch Reformed Church's Support for Government. - Inter-racial Conference of Protestant Churches. - South African Government Statements.

A serious crisis in the relations between the South African Government and the Churches developed during 1954 as a result of the implementation of the Bantu Education Act (see 13350 A). Under the Act (which is due to come into full operation on April 1, 1955) all grants-in-aid to mission schools which did not accept Government control were withdrawn, whilst subsidies to those which agreed to follow the Government curriculum were reduced by 25 per cent. Strong opposition to the Act was expressed by all the South African Churches, with the exception of the Dutch Reformed Church, although Church leaders differed on the policy to be adopted. Whilst the Roman Catholic Church refused all co-operation with the Government, the majority of the Anglican bishops decided in favour of leasing mission school buildings to the Government as a "lesser evil" than closing them; the Bishop of Johannesburg, however, ordered all mission schools in his diocese to be closed.

Feeling was further intensified by an official circular dated Sept. 3, 1954, which laid down that no sites in Native locations might be leased for mission purposes without the approval of the Minister of Native Affairs; that all such leases must be on a yearly basis; and that leases might be cancelled if, in the Minister's opinion, the activities of the occupier or any of his representatives were "such as to encourage or tend to encourage deterioration in the relations between Natives and the Government."

The reactions of the South African Churches to the Government's policy, and a number of related developments, are summarized below.

The Anglican Church.

The episcopal synod of the Church of the Province of South Africa, meeting at Umtata, adopted a statement on Nov. 10 condemning the Bantu Education Act, whilst at the same time announcing its decision to lease school buildings to the State.

The statement declared: "We have repeatedly affirmed our belief that it is morally wrong to follow a policy which has for its object the keeping of a particular racial group in a permanent position of inferiority. Because we are convinced of that, we cannot but deplore the Bantu Education Act.

"The policy underlying this Act has been officially interpreted by the Minister of Native Affairs. It condemns the existing educational system because it produces a class which 'feels that its spiritual, economic and political home is among the civilized community of South Africa—that is, the Europeans' Is civilization, then, for Europeans only?

"Large numbers of Africans must, as the Minister says, earn their living in the service of Europeans. For these large numbers there is to be no further education than is necessary to fit them for this. In the reserves there is a need for educated Africans, but the education system envisaged . . . is not calculated to produce these educated Africans, and even if it were, it is only the comparatively few that are to be developed to the fullest extent according to their aptitude and ability. The rest are to be educated as servants to the Europeans, who constitute 'the civilized community of South Africa.' We believe that the object of educational policy should be to produce an educated community, and to make the best of every child according to his aptitude and ability. A policy which does not aim at this stands self-condemned . .

"It is true that the Churches are allowed to make application for permission to retain control of schools for the time being with a reduced subsidy, but, to quote the Minister, this can only be a provisional arrangement which may be terminated when the Department is convinced that the transfer of control to the Bantu community is desirable or should be begun Training schools for teachers are excluded from this arrangement

"Both as to religious and secular teaching, it is our conviction that the Bantu Education Act will retard the future education of the African, and the majority of us are of the opinion that the Church should not make itself responsible for taking part in such an educational system. All we are prepared to do is to lease certain of our buildings to the State

"The majority of us think that in many cases it would be wrong to refuse to lease our buildings. Such a refusal would throw many teachers out of employment and leave many children without the opportunity of any kind of instruction. It is incompatible with our duty to the African people to take action which might lead to such results.

"We are faced with a grievous choice of evils, and we must choose the lesser. This does not imply that we approve in any sense of an Act which will retard the progress of African education and weaken the connexion of such education with the teaching of the Christian faith."

A second statement was issued by the synod on Nov. 11 condemning the circular of Sept. 3 as "a clear denial of the right of freedom of speech, an attempt to silence the Church, and a threat to our work." It continued:

"If it could be proved that any representative of the Church uses language that is subversive or incites persons to break the law, we should not deny the right of the State to take action against that person. But it seems to us unjust that the Church or any other body to which he belongs should be held responsible for his actions, and the terms of the circular go much further even than this They identify the State with certain Governmental persons, and appear to be an attempt to silence any criticism of the Government of the day Against such a threat we make the strongest protest. No Church can admit that a particular Minister of State has the right to be sole judge of the scope of the work it should undertake, either among Natives or any other part of the community . . "

The synod's proposal to lease school buildings to the Government, though not binding on the individual bishops, was accepted by all of them except Dr. Ambrose Reeves, the Bishop of Johannesburg, who on Nov. 21 ordered the 23 Anglican mission schools in his diocese, teaching over 10,000 African children, to be closed as from April 1, 1955.

Dr Reeves said in a press statement. "The policy of the Bantu Education Act is morally indefensible. In conscience I am bound to oppose it, and therefore cannot assist the Government, however remotely or indirectly, in implementing a policy which violates Christian standards It means a loss to the Church of buildings and contents valued at £45,000 It means depriving African children of benefits we would gladly continue to give. But there is no other way . . The Church could rent or sell the schools We refuse to consider either of these alternatives, because we want it to be clearly understood that we will have no part in a system of education whose objects are contrary to the principles which we believe ought to be the foundation of all education"

The Minister of Native Affairs (Dr. Verwoerd) declared on Nov. 24 that the Government would not be "intimidated" by Dr. Reeves's "threats." He asserted that the attacks made on the Government were not based upon moral considerations but upon disappointment that a sphere of influence, together with big financial grants, would disappear. He also accused the English-speaking Churches of using the State subsidies to Bantu education for the purpose of financing their mission work. The allegations that fewer children would receive education, he added, and that the education itself would be poorer under the new system, were "patently false."

In reply to Dr. Verwoerd, Dr. Reeves described the allegation that the Churches had used State subsidies for purposes other than education as "an accusation of misappropriation"; in this connexion he pointed out that since 1950 the Anglican Church in his diocese alone had spent more than £8,000 of its own money, over and above all Government grants, on the erection and maintenance of schools. "The Church has never alleged that less children will be educated," he added, "but it asserts boldly that the education will be poorer." Dr. Reeves emphasized that the Church's fundamental objection, to which Dr. Verwoerd had made no reference, was not only to an inferior kind of education, but to "a type of education which in our view will assign to the vast mass of Africans a place of permanent inferiority."

Dr Reeves announced on Dec 12 that the school buildings in his diocese would be used as family centres for biblical study, recreational activities, plays, and handicrafts, and that children and youths would be catered for during the day and adults during the evening He subsequently left for England on Dec 15 to raise funds for the scheme. The cost was estimated at £10,000, to which the Society for the Propagation of the Gospel agreed to make an immediate grant of £6,000 a year.

At a press conference in London on Jan 13, 1955, Dr. Reeves stated that all the 35 African clergy in his diocese, meeting without his knowledge, had signed a document approving his decision to close the schools Whilst agreeing that under the Bantu Education Act far more African children would be receiving something in the way of education than at present, he reiterated that the fundamental objection to the Act was that it was designed to train Africans for a predetermined status He quoted in this connexion a statement by Dr Verwoerd that "there is no place for him [the Native] in the European community above the level of certain forms of labour."

The Roman Catholic Church.

The Southern African Roman Catholic bishops' conference, which ended on Sept. 30, 1954, decided not to co-operate in implementing the Bantu Education Act. After a deputation of bishops which called upon Dr. Verwoerd had failed to obtain a compromise, a pastoral letter was issued on Dec. 12 announcing that a special fund would be established to make up the deficit when the Government's subsidies were reduced.

Replying to Dr. Verwoerd's statement of Nov. 24, which had attacked him by name, Dr Hurley (Roman Catholic Archbishop of Durban) stated on Nov. 29: "We are asked to stand aside from the field of education while the future of South Africa is hewn out with massive *apartheid* measures that fall like hammer-blows on the soul of the black man and the conscience of the white. The African can put up with a lot patiently and cheerfully—poverty, undernourishment, disease, low wages, separation from wife and family—but there is one thing he cannot abide for ever. It is the insult he

sees in every law and regulation of *apartheid*. The black man refuses to admit that these restrictions are good for him, simply because there is in him, as in every other man, the instinct of freedom, justice, human desire, and self-respect . . . "

The Free Churches.

A statement was issued by the Methodist Church of South Africa on Oct. 26, 1954, expressing its emphatic opposition to Dr. Verwoerd's educational policy, which, it declared, was in effect aimed at conditioning the African people to a predetermined position of subordination, and which was incompatible with Christian principles. "To provide for the immediate educational needs of the African people," the statement continued, "the Church feels compelled to relinquish control of its schools to the State, and to continue to exercise a Christian influence on education where possible."

Strong opposition to the Government's policy was also expressed by leaders of the Presbyterian and Congregational Churches in South Africa.

The Dutch Reformed Church.

The Synodal Commission of the Dutch Reformed Church (the only Church in South Africa supporting the Government on the *apartheid* question) issued a statement on Nov. 6, 1954, pointing out that it had tried for many years "to get the Government to accept responsibility for the control of Native education," which it described as "a natural development" similar to that which had occurred in European countries.

The statement welcomed "the opportunity which has been created by the new Act for the Natives themselves to accept responsibility for the education and rearing of their children"; "the opportunity which the Church still has of retaining some of its institutions on certain conditions"; and "the prospect created thereby of some education for tens of thousands of children who would otherwise not have gone to school, and the assurance that the education of Native children will now be carried out on a definite basis according to a Union-wide policy" It urged the Government, however, "to create more facilities for academic education for non-Europeans," and to make more provision in lower and secondary schools for Native pupils who could benefit from such education.

Inter-racial Church Conference.

On the proposal of the Dutch Reformed Church, an inter-racial Church conference, attended by representatives of 42 Protestant Churches, missions, and societies, met in Johannesburg from Dec. 7-10, 1954. The 172 delegates included 56 non-Europeans, who were seated apart from the European delegates. Although agreement was reached on a number of points, the conference made clear the wide difference of opinion dividing the Dutch Reformed Church from the other Churches on the *apartheid* question.

The view of the Dutch Reformed Church was put by the **Rev. C. B. Brink** (chairman of its Federal Council), who declared that the idea of the equality of all men "is not only the denial of the doctrine of creation but also of the true nature of the Kingdom of God"; and by the **Rev. A. G. J. Oosthuizen,** who maintained that "Christ . . does not deliver from social economic, and political slavery, but from the slavery of sin." The Anglican Bishop of Bloemfontein (the **Rt. Rev. C. W. Alderson**), on the other hand, denounced the colour bar as "the cruellest of human ills," and continued: "The cruelty is that a man knows that even if he breaks down all other bars, however much he may qualify himself for human fellowship and friendship, his colour is ineradicable. When that position is extended to the relationship of Christian men, cruelty has become, in my own judgment, sin." An African Congregational minister, the **Rev. S. W. T. Luzipho,** pointed out that if an African clergyman visited a White colleague "he is asked to go round to the kitchen because the 'policy of the country' must be followed," and observed that "because of the colour of his skin a man is denied human dignity."

The conference set up a committee, including representatives of the Anglican, Methodist, Presbyterian, and Dutch Reformed Churches, to promote co-operation between the Churches and to organize similar conferences at least once every three years. Resolutions were adopted stating that "the transfer of Bantu education to the State places a greater responsibility on the Church to concentrate on religious education"; calling upon all Christians to regard and treat every human being with "honour and respect"; and appealing to the Government to contribute an additional £10,000,000 a year for the social, economic, and industrial development of non-Europeans.

Reactions in Britain.

Strong condemnation of the South African Government's *apartheid* policy was expressed during this period by many Church leaders in Britain.

The Archbishop of Canterbury (Dr. Fisher) denounced it on Oct. 19 as "un-Christian in principle and bound in the long run to be catastrophic in its effects," and declared that "each detailed application of the principle of *apartheid* seems to us a fresh violation of Christian principle and common justice" **The Archbishop of York** (Dr. Garbett) stated on Nov. 4 that "we as Christians must make it clear that we regard the [South African] Government's policy and acts in the matter as un-Christian, tyrannical, and dangerous," and "must voice our protest as clearly and uncompromisingly as we did against Hitler's treatment, not of majorities, but of minorities in Germany." **The President of the Methodist Conference** (the Rev. W. Russell Shearer) described the new regulations on the leasehold of land occupied by missions as "a travesty of justice and an affront to the Gospel."

The British Council of Churches adopted a resolution on Oct. 27, 1954, declaring that the South African Government's policy, as expressed in the Natives Resettlement Act (see 13887 A) and the Bantu Education Act, was an offence "not only against human rights but also against the divine law," and calling upon the Archbishop of Canterbury, in consultation with the leaders of other Churches, to appoint a special group to advise on action which would strengthen the Churches in South Africa **The Society for the Propagation of the Gospel** issued a special appeal on Nov. 28 for funds to assist the Anglican Church in South Africa to initiate new educational work in place of that which was no longer possible; the S.P.G. subsequently announced on Jan 13, 1955, that it had guaranteed up to £25,000, which would be used to provide salaries for educational workers.

South African Government Statements.

Addressing a gathering of Transvaal Native chiefs and headmen on Nov. 13, 1954, Dr. Verwoerd denied that education for the Bantu would be in any way inferior to that for Europeans.

"The purpose of education," he stated, "is to teach the child, not only to earn money, but also to serve his family and people. When a Bantu child is taught, he will be taught to serve his own people. This does not mean that his education will be inferior. People who are going to be parsons, doctors, or teachers must have the education proper to parsons, doctors, and teachers." Dr. Verwoerd declared that the Bantu Education Act implied no intrinsic change, but merely meant that the money available for education would be spent by the source which provided it and not by other agencies, such as Provinces and Churches.

A statement issued on Oct. 25, 1954, by the Department of Native Affairs said that a four-year course would be offered to all Bantu children whose parents desired it, and that children who could benefit by further instruction would have not fewer but far greater facilities than hitherto. Academic education would still be available, and the number of secondary schools (at present about 200) would tend to increase *pari passu* with the demand for the services of the educated Bantu in the service of his own people. Technical instruction would also be made available for Bantu students who could not benefit by an academic course.

Draft syllabuses for lower primary schools, based on those previously used by the four Provincial administrations, were issued by the Department of Native Affairs on Nov. 26. They provided that the basic medium of instruction should be the mother tongue, and that an equal amount of time should be devoted to instruction in English and in Afrikaans. (Previously Afrikaans had not been taught in Native schools in the Cape and Natal) Nearly three hours a week were to be devoted to religious instruction, and provision would also be made for the teaching of arithmetic, writing, singing, handicrafts, and "environment studies" (history, geography, and civics). The aims of the curricula were defined as "the development of a healthy body, sound standards of conduct, understanding of the community and the individual's place in it, training in mental skills, some knowledge of the world beyond immediate surroundings, and training in the principles and practice of Christianity"

The Exchequer and Audit Amendment Bill.

The Exchequer and Audit Amendment Bill, which provided for the financing of Native education, passed its second reading in the House of Assembly on Jan. 31, 1955, and its third reading (by 77 votes to 49) on Feb. 4. Under the Bill, the Bantu education account will be credited with four-fifths of the revenue derived from the Native general tax, and an additional contribution of £6,500,000 every financial year. Money not spent in one year will be available for expenditure in the following year.

Dr. Verwoerd, in moving the second reading, said that the basic principles of the Bill were that the Natives themselves would share responsibility for the education of their children, and that the State would contribute a sum twice as large as the Natives' contribution. The aim of the Bill was that all Native children should receive at least elementary education as soon as possible.

In the ensuing debate the Bill was strongly criticized by the United and Labour parties, and by the Natives' representatives. **Mr. Lovell** (Labour) contended that the amount received for educational purposes from Native taxation would be inadequate to cope with even a gradual increase in Native educational requirements, and pointed out that in 1954 six out of 10 Natives never went to school at all, seven out of 10 were illiterate, 50 per cent of those attending Native schools were in the sub-standards, and only 0.05 per cent of those attending schools ever reached matriculation standard.

The African National Congress unanimously adopted a resolution on Dec. 19, 1954, expressing uncompromising opposition to "the moral and spiritual enslavement of our children" involved in "Dr. Verwoerd's evil Act," and calling upon African parents to withdraw their children from school indefinitely as from April 1, 1955.—(Cape Times - Die Burger, Cape Town - Times - Daily Telegraph - Church Times)

(Prev. rep. 13350 A.)

A. ISRAEL - JORDAN - SYRIA. — Border Incidents. - Security Council Debates. - Israel resumes Participation in Israeli-Jordanian Mixed Armistice Commission. - General Burns appointed Head of U.N. Truce Supervisory Commission. - Jordanian Appeal for Arab Military Aid. - Israeli Proposals for Peace Settlement with Arab States.

Frequent incidents occurred along the frontier between Israel and Jordan during the period from April to September, 1954, culminating in a series of raids across the border from both countries in August and September. The situation, however, improved during the autumn and winter as a result of measures adopted by the Jordanian authorities to stop Arab incursions into Israel. The most serious incidents during this period were a clash in Jerusalem extending over five days (June 30 to July 4) and a frontier engagement near the Jordanian village of Beit Liqya on Sept. 1-2. Some clashes also occurred on the Israel-Syrian border during the period under review.

The Jerusalem incident, the origins of which were obscure, led to the deaths of four Israelis and five Jordanians, and the wounding of about 25 persons on either side during exchanges of fire spread over several days. A cease-fire was arranged by Major-General Bennike (Chief of Staff of the U.N. Truce Supervisory Commission) on July 4, and the Israel-Jordan Mixed Armistice Commission held four sessions from July 11-15, with General Bennike in the chair, to investigate the incident. (This was the first occasion on which Israel had participated in the Mixed Commission since her earlier withdrawal.) The Israeli and Jordanian delegations each accused the forces of the other side of firing first, but General Bennike ruled that, in view of the conflicting evidence, it was impossible to determine the precise responsibility for the incident. He found that there was no evidence that the attack had been planned by either side, and expressed the opinion that the shooting might have begun spontaneously.

In apparent retaliation for a Jordanian raid on an Israeli village in the Jerusalem area, in which an Israeli was killed and another wounded on Aug. 28, an Israeli force crossed the frontier on the night of Sept. 1-2 and attacked the Jordanian village of Beit Liqya (11 miles N.W. of Jerusalem). An Arab Legion car carrying reinforcements to the village was wrecked by a land mine, after which Israeli troops opened fire from ambush, two Jordanians being killed and one wounded in the ensuing engagement. Another encounter between Arab Legion and Israeli forces took place farther to the north, three Jordanians being wounded.

Border clashes occurred in the Jenin, Tulkarm, Bethelehem and Hebron areas on various occasions during the period from April to December, 1954, with some loss of life—both military and civilian—on both sides. In some cases the responsibility was attributed by the Mixed Armistice Commission to Israel and in others to Jordan. There were also some incidents on the Syrian frontier, of which the most serious occurred on June 30, 1954, when Syrian forces opened fire on a patrol-boat on Lake Tiberias and killed two Israeli policemen. The Israeli-Syrian Mixed Armistice Commission censured both sides for the incident—Syria for having fired on the patrol-boat, and Israel for maintaining such craft on Lake Tiberias and for having fired on Syrian positions.

It was announced on Aug. 3 that General Bennike, whose term of office had already expired, would be succeeded by Major-General Burns, of the Canadian Army. Relations between General Bennike and the Israeli authorities had been strained for some months as a result, firstly, of Israeli resentment at his decision to order a cessation of work on the Jordan River hydro-electric project, and secondly, the refusal of the Mixed Armistice Commission to censure Jordan for the Scorpion's Pass massacre (see 13498 A). On April 1 the Israeli Government had submitted a resolution to the U.N. Secretary-General alleging that General Bennike's report of Feb. 24, 1954, had shown bias in Jordan's favour by omitting reference to incidents for which Jordan had been responsible, and that he had minimized Israel's attempts to reduce tension on the border. General Burns (57), who officially assumed his new post on Sept. 2, served with distinction in both World Wars, and commanded Canadian forces in Italy and Western Europe during 1943-45.

In his first report, submitted to the U.N. Security Council on Sept. 7, General Burns gave warning that recent incidents on the Jordanian border could develop into hostilities which might spread "like brushfire." The raid on Beit Liqya, which had alarmed Jordan, appeared to be "the culmination of a series of operations of lesser magnitude," some of which were said by Israel to have been reprisals for thefts or murders by infiltrators from Jordan. "Retaliation against marauding by means of armed raids," General Burns commented, "is contrary to the General Armistice Agreement and is a dangerous remedy," whilst "the non-co-operation of Israel in the work of the Mixed Armistice Commission precludes any investigation that could either prove or disprove these Israeli allegations of theft and murder."

An official Israeli reply to General Burns's report, dated Sept. 23, described it as incomplete in fact, since it was based solely on Jordanian evidence. The Beit Liqya incident, the reply maintained, had to be seen as the culmination of a situation which had become intolerable because of repeated acts of violence from the Jordanian side of the border. The Israeli Government therefore suggested that General Burns should undertake a general survey of border conditions, and should try to obtain Jordan's consent to a definite demarcation line.

Israel resumed participation in the work of the Israeli-Jordanian Mixed Armistice Commission on Oct. 20, when Commander Hutchison—whose ruling on the Scorpion's Pass massacre had led to Israel's withdrawal—was succeeded as chairman by Colonel Brewster, of the U.S. Army.

Other recent developments in the Palestinian situation are summarized below under cross-headings.

Security Council Debates on Jordanian and Israeli Complaints. The Jordanian Government submitted to the Security Council on April 1, 1954, as a matter of urgency, a complaint concerning the Israeli raid on the village of Nahalin (see 13498 A), which, together with a subsequent Israeli complaint against violations of the armistice by Jordan, was discussed by the Council during April and May.

The two complaints gave rise to a prolonged dispute on procedure, as the majority of the delegates advocated a general debate on the frontier situation, whilst Dr. Malik (Lebanon) and M. Vyshinsky (Soviet Union) maintained that the complaints should be considered separately in the order in which they had been submitted. On May 4 a motion in favour of a general debate, proposed by Brazil and Colombia, was adopted by eight votes (Britain, France, the U.S.A., Denmark, Turkey, New Zealand, Brazil, and Colombia) to two (Lebanon and the Soviet Union), with Nationalist China abstaining. Dr. Malik then introduced a resolution censuring Israel for the Nahalin raid, demanding the punishment of those responsible and the payment of compensation for the loss of life and damage to property caused; and calling upon all U.N. members to apply such measures against Israel as were necessary to prevent a repetition, including "complete or partial interruption of economic relations and of rail, sea, air postal, telegraphic, radio, and other means of communication, and severance of diplomatic relations." Mr. Eban (Israel), in reply, demanded that Jordan [which is not a member of the U.N.] should accept the provisions of the U.N. Charter for the pacific settlement of disputes. The debate was adjourned on May 12, and private talks were held on this point, the Jordanian representative (Mr. Rifai), however, announced on May 31 that he was no longer empowered by his Government to take part in the discussions. The Jordanian House of Deputies had previously (April 20) unanimously adopted a resolution thanking M. Vyshinsky for his "support of the Arab cause."

British and U.S. Proposals for Prevention of Incidents. The British and U.S. Governments submitted to Israel on June 20, 1954, a number of proposals for strengthening the U.N. Truce Supervisory Organization along the Israeli-Jordanian frontier, and for extending its authority. Although no details of the plan were officially published, its provisions were reported to be as follows: (1) precise demarcation of the border, (2) erection of physical barriers at suitable points on the frontier; (3) discussions on arrangements to allow the transit through Israel from Gaza of Arabs wishing to settle in Jordan; (4) freedom for U.N. observers to move about without escort or previous permission, (5) improved transportation for observers investigating incidents, including the use of helicopters; (6) permission for observers to use interpreters who were not nationals of the countries concerned, (7) resumption of meetings between local military and police officers at stated points along the border; (8) renewed participation by Israel in the Israel-Jordan Mixed Armistice Commission; (9) publication of details of penalties imposed on persons violating the armistice; (10) the chairmen of the Mixed Armistice Commissions (*a*) to have authority to propose resolutions, and (*b*) to take the initiative in proposing solutions to border problems.

The Israeli Government's reply, presented on Aug. 1, 1954, accepted in principle the first three proposals, as they were preventive in character, on condition that the demarcation of the border should be carried out by the two parties and not by U.N. observers, and that existing pockets of "no-man's-land" should be eliminated. The Note expressed disappointment, however, that most of the other proposals were concerned with procedure after the event rather than with the prevention of incidents, or would involve a departure from the terms of the armistice agreements, which could be brought about only by direct negotiations between Israel and Jordan.

Jordanian Appeal to Arab States for Military Aid. Following the fighting in Jerusalem from June 30 - July 4, 1954, King Hussein of Jordan appealed to all the Arab States for "immediate moral and financial aid" to enable Jordan to strengthen her defences. In response, General Neguib (then President of Egypt) assured the Jordanian Ambassador on July 6 that Egypt would take steps to fulfil King Hussein's request. The Saudi Arabian Ambassador in Cairo stated that King Saud was prepared to give all possible aid to Jordan, whilst King Faisal of Iraq announced on July 7 that he would grant £100,000 to the Jordanian National Guard.

International Reactions to Beit Liqya Incident. On Sept. 2, 1954, immediately after the raid on Beit Liqya, King Hussein informed the British and U.S. Ambassadors in Amman that unless Israel ended her "repeated aggressions," Jordan would be obliged to reconsider her attitude towards the armistice agreement, which, he claimed, she had always been careful to observe. The Jordanian Ambassador in London (Dr. Haikal) called at the Foreign Office on Sept. 4 and subsequently issued a statement declaring that "some kind of action by the great Powers and the Security Council has become imperative," as Israel was "encouraged in continuous acts of violence by the inaction of the great Powers and the United Nations."

The U.S. State Department informed the Israeli Minister in Washington (Mr Shiloah) on Sept. 4 that the U S A. viewed the attack on Beit Liqya with "great concern" Although the U S. Government recognized that infiltration from Jordan constituted a serious problem, Israel's apparent policy of armed retaliation—which had been condemned in the past—had increased rather than diminished tension along the armistice line.

Causes of Friction in Israeli-Syrian Demilitarized Zone. A report by General Burns to the Security Council on causes of friction in the demilitarized zone between Israel and Syria was issued on Jan. 14, 1955

The report declared that a lasting settlement might only be possible by negotiated revision of the terms of the Armistice Agreement, and suggested as a provisional arrangement that the zone should be divided into areas within which either Israel or Syria would have administrative responsibility, whilst the inhabitants would trade and traffic with contiguous portions of the State having such responsibility over them.

The report recalled that in spite of frequent incidents in the area over the past three years, the Mixed Armistice Commission had been unable to function because of (*a*) Israel's claim to sovereignty over the whole demilitarized zone, (*b*) the existence of Israeli police control over much of the area, and (*c*) the conflicting interpretations by both sides of the armistice terms relating to the zone. Because of this dispute Arabs living in the area had been subjected to serious hardships, which in certain instances Israel had unsuccessfully tried to lessen because of the Arabs' refusal to co-operate with the Israeli authorities, whilst in other instances the Israeli authorities had been "unhelpful."

Under the present arrangements the zone was theoretically subject to civil administration "on a local basis under the authority of the chairman of the Mixed Armistice Commission," but owing to lack of suitable personnel it had been almost impossible to establish this system in practice, with the result that administration had been exercised in the main by the central Israeli authorities As Israeli control was disputed by Syria and by most of the Arabs living in the area, many incidents had occurred.

General Burns's report followed the transmission to him of Syrian complaints, including one against Israel's denial of watering and fishing rights to the Syrian population in the area bordering the shores of Lake Tiberias.

The Israeli Government rejected General Burns's proposal for the division of the demilitarized zone in a letter published on Jan 18, on the grounds that the proposal "might lend itself to the interpretation that Syria's illegal encroachment upon the zone is accepted by the U.N. Truce Supervisory Commission as a fact to be recognized rather than rectified."

Israeli Detention of Syrian Aircraft. A Syrian passenger plane *en route* from Damascus to Cairo was intercepted by the Israeli Air Force on Dec. 12 while over Israeli territory (as alleged by the Israeli authorities) and was forced to land at Lydda airport. The pilot, crew of four, and five passengers (all Syrians except an American) were subsequently released by the Israeli authorities after investigations, whilst the aircraft itself was released on Dec. 14.

Although the Israeli Foreign Ministry stated that the pilot had admitted to being over Israeli territory, the Syrian Government sent a complaint to the Israeli-Syrian Mixed Armistice Commission in which it denied the Israeli allegations, claimed that the aircraft had been intercepted "at a great distance from the Palestine coast" over the high seas, and alleged that the Israeli action was "premeditated." No further action was taken by the Security Council because of the unconditional release of the aircraft, its crew, and its passengers.

Israeli Appeal to Arab States for Peace Settlement. In an Arabic broadcast on Sept 25, 1954, Mr. Gideon Raphael (head of the Middle Eastern section of the Israeli Foreign Ministry) appealed for a peaceful settlement of disputes between Israel and the Arab States. He announced that Israel was prepared (1) to grant Jordan facilities in Haifa harbour and transit rights for goods through Israeli territory, (2) to permit land communication by the Arab States across the Negev, provided that Israeli sovereignty was not infringed, (3) to set on foot a scheme for the payment of compensation to the Palestinian Arab refugees. As a further conciliatory gesture towards the Arab States, Israel announced at the same time that she was prepared to release all blocked Arab bank accounts, an agreement to this effect being subsequently concluded (see 13886 B).

The Ambassadors of the Arab States in Washington protested to Mr. Dulles on Nov. 3 against the U.S. Government's decision that the new U.S. Ambassador should present his credentials to the Israeli Government in Jerusalem. The State Department explained, however, that the decision "implies no change in our attitude regarding Jerusalem, nor does it imply any change in the location of the U.S. Embassy in Israel, which is at Tel Aviv." In reply to a similar protest presented by the Arab Ambassadors in London, Mr. Nutting (Minister of State for Foreign Affairs) said on Nov. 4 that the British Government had decided that the new British Ambassador should present his credentials in Jerusalem after consultation with the U.S.A. and France, and that this was purely a courtesy gesture with no political implications.—(U.N. Information Centre, London - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times - New York Herald Tribune)
(Prev. rep. 13498 A; 13787 A.)

A. EASTERN EUROPE. — Priority for Heavy Industry in Czechoslovakia, Hungary and Bulgaria.

Following the recent Soviet declarations that primary emphasis would be placed on the development of heavy industry (see 14033 A), a similar policy was adopted in a number of Eastern European countries, as described below:

Bulgaria. M. Chervenkov, the Bulgarian Prime Minister, announced on Feb 18 that the central committee of the Bulgarian Communist Party and the Bulgarian Government had agreed to ensure the country's agricultural development "on the basis of its industrialization."

Dealing with agricultural progress, he mentioned, *inter alia*, that co-operative farms had more than doubled in the last five years, that mechanization had been greatly developed, and that the acreages under sugar-beet, vegetables, fodder, etc., as well as the yields of cotton, tobacco, and maize, had all shown increases Nevertheless, the production plan for 1954 had not been fulfilled as regards wheat, rye, barley, and oats, and there were "serious weaknesses" in the organization of agriculture generally.

Czechoslovakia. M. Siroky, the Czechoslovak Prime Minister, announced in a broadcast on Feb. 14 that heavy industry would be the basis of Czechoslovak industry in future; that this policy had been approved by the central committee of the Czechoslovak Workers' (Communist) Party, and that the expansion of Czechoslovakia's industrial potential was the only way to increase her agricultural production He added that the central committee had also decided that an additional 500,000 acres should be brought under cultivation by 1957.

M. Siroky strongly criticized the Ministry of Agriculture for "weakness in controlling State tractor stations," for neglecting measures to aid "medium and small private landholders," and for failing to take the necessary steps to bring 360,000 acres of new land under cultivation during the present year in accordance with previous plans. To overcome the rural labour shortage, he urged the mass recruitment of women for agricultural work.

Hungary. The official Communist Party organ *Szabad Nep* aligned itself with the change in Soviet policy in a leading article published on Feb. 10 The article declared *inter alia*. "We must strengthen both heavy industry and the military potential of the country, so that we can support the camp of peace with all our resources." It gave a warning, however, that this could not be done "without restrictions and privations which the people must be prepared to undergo."

M. Hidas, one of the Hungarian Deputy Premiers, stressed on Feb. 14 the need to develop Hungary's heavy industry.
(Le Monde, Paris - Neue Zurcher Zeitung - Times - Daily Telegraph) **(Prev. rep. Bulgaria, 13578 A; Czechoslovakia, 13156 A; Hungary, 13296 A; 13014 A.)**

B. UNITED STATES. — Offshore Radar Chains.

A fleet of "flying radar stations," consisting of 30 Lockheed Super-Constellations, went into operation off the Atlantic coast of the United States on March 1. The machines, each of which carries 5½ tons of electronic equipment, will keep a round-the-clock watch against any "sneak" attack by an enemy, and will extend the present land-based radar network hundreds of miles out to sea. It was explained that this extension of the radar network would provide warnings of enemy attack much earlier than would otherwise have been the case; that it would enable jet interceptors to go into action much earlier; and that it would also permit civil defence measures to be put in hand earlier than would otherwise be possible. The 30 planes were grouped into a formation designated the 551st Early Warning and Control Wing, operating from the Otis Air Force Base at Falmouth, Massachusetts. The offshore extension of the radar network had been ordered by the Continental Air Defence Command.

A similar fleet of offshore radar planes, based on the McClellan Air Force Base at Sacramento, California, had been operating off the Pacific coast since the spring of 1954.
(New York Times) **(Prev. rep. 13896 A.)**

C. CHINA. — Currency Revaluation.

The yuan (the Chinese currency unit) was revalued on the basis of 10,000 old yuan for one new yuan under a currency reform which went into effect on March 1. The New China News Agency, announcing the impending revaluation on Feb. 20, said that it was designed "to improve China's currency system so as to facilitate transactions and accounting." All cash payments, contracts, claims, debts, Government securities, and bank accounts were calculated in the new currency as from March 1, from which date the official exchange rates for sterling and dollars were changed from 68,930 yuan = £1 to 6.893 yuan, and from 24,600 yuan = $1 to 2.46 yuan.
(Times - New York Times) **(Prev. rep. 10463 G.)**

MARCH 5—12, 1955

A. SOUTH-EAST ASIA (MANILA) DEFENCE TREATY. — First Council Meeting in Bangkok. - Setting up of Treaty Machinery. - Mr. Dulles's Statement on U.S. Strength in the Pacific. - Sir Anthony Eden's Visits to Cairo, Karachi, Singapore, Bangkok, Delhi, and Baghdad. - Mr. Dulles's Visits to Philippines, Burma, Indo-China, and Formosa. - U.S. Defence Treaty with Nationalist China in Force.

The first meeting of the Council established by the South-East Asia Collective Defence Treaty (the Manila Treaty) was held in the Siamese Parliament building in Bangkok from Feb. 23-25, under the chairmanship of Prince Wan Waithayakon, the Siamese Foreign Minister. The meeting was attended by the Foreign Ministers of Australia (Mr. Richard Casey); New Zealand (Mr. Thomas Macdonald); Pakistan (Mr. Mohammed Ali, Prime Minister and Foreign Minister); the Philippines (Señor Carlos P. Garcia, Vice-President and Foreign Secretary); Siam (Prince Wan Waithayakon); the United Kingdom (Sir Anthony Eden); and the United States (Mr. John Foster Dulles). In view of the French Cabinet crisis following the resignation of the Mendès-France Government, France was represented by M. Henri Bonnet, the former French Ambassador in Washington.

The military representatives accompanying the Ministers included Field-Marshal Sir John Harding, Chief of the Imperial General Staff (U.K.); Admiral Felix Stump, C.-in-C., Pacific Fleet (U.S.A.); Lieut.-General Wells (Chief of the Australian General Staff); Major-General Gentry (Chief of the New Zealand General Staff); Rear-Admiral Choudhry (C.-in-C., Royal Pakistan Navy); the Chiefs of Staff of the Philippine and Siamese armed forces; and Admiral Ortoli (French C.-in-C., Indian Ocean area).

Other members of the delegations included Sir Harold Caccia (Deputy Under-Secretary, Foreign Office) and Mr. Malcolm MacDonald (Commissioner-General for South-East Asia)—United Kingdom; Mr. Walter Robertson (Assistant Secretary of State for Far Eastern Affairs) and Mr. Harold Stassen (Director of the Foreign Operations Administration)—United States; and MM. Guillaume Georges-Picot and Raymond Offroy (Ambassadors in Mexico and Bangkok respectively)—France.

In their opening speeches the Foreign Ministers stressed the peaceful and purely defensive character of the treaty.

Mr. Casey declared that "this is not a sabre rattling conference," and continued: "We are not here to place ourselves in war-like postures, individually or collectively. We are here to make defensive arrangements designed to ensure the security of a threatened area, not only against the force of arms, but immediately against more subtle and insidious underground subversion, a subversion which is actually in progress now and which makes a mockery of the so-called principle of non-interference in the affairs of other States."

Mr. Dulles outlined the bases of American foreign policy in defence of liberty as, first, the Monroe Doctrine, which had now grown into the Rio pact and the Organization of American States; second, the long-standing U.S. concern for the political and territorial independence of China; thirdly, the U.S. concern for Europe which, after America's participation in the two world wars, was now expressed by her membership of NATO. If the U.S.A. now came to South-East Asia, he declared, that was "geographically something new to us," but, he added, "we come under the compulsion of our historic principles and to fulfil them."

Sir Anthony Eden said that a free and prosperous people was Communism's most formidable foe, and that, whilst it was necessary to strengthen defences, which threatened no one, there were many other ways of strengthening peace. British policy would always strive to extend the area of peaceful co-operation, and the main task of the meeting must be to build up effective machinery of co-operation for the South-East Asia area.

Mr. Mohammed Ali said: "The treaty establishes a regional defence alliance between Asian and Western countries, between great Powers and small nations, on the basis of equality and partnership, in pursuit of common ends and ideals. The peoples of S.E. Asia may note the fact that the Western nations which are parties to the treaty are pledged to respect the principle of equal rights and self-determination of peoples. Pakistan believes the treaty is not directed against any nation or people. It is a treaty purely for defence against aggression. . . It is a travesty of truth to charge that the treaty creates a sphere of influence in Asia. It respects the rule of international law to refrain from interfering in the internal affairs of other States."

The other Ministers spoke on similar lines.

The Council decided on its mode of operation and created the following machinery: (1) a permanent body of Representatives of ambassadorial rank with headquarters in Bangkok and with its own Secretariat; (2) a group of military advisers; (3) a body of experts on subversion; and (4) an economic working group. It was, however, decided that the groups under (3) and (4) would not have the character of permanent committees and that they, as well as the group of military advisers, would not be stationed at Bangkok but could meet anywhere within the treaty area.

The Council's decisions were summed up in the following communiqué issued on Feb. 25 (cross-headings inserted):

"The Council met in circumstances which give increasing urgency to the objectives of the United Nations and, in particular, asserted their hatred of war and their determination to take all possible measures to preserve and strengthen peace. They reiterated that such military arrangements as they may make will be purely defensive, in accordance with their international obligations, and will never be used for purposes of aggression."

Purposes of the Treaty. "The Council affirmed the aim of their Governments, as set forth in the Pacific Charter—to uphold the principle of equal rights and self-determination of peoples; to promote self-government and to secure the independence of all countries whose peoples desire it and are able to undertake its responsibilities, to continue to co-operate in the economic, social, and cultural fields in order to promote higher living standards, economic progress, and social well-being in this region; and to prevent or counter by appropriate means any attempt in the treaty area to subvert their freedom or to destroy their sovereignty or territorial integrity.

Upholding the principle of non-interference in the internal affairs of other States, the Council stressed the paramount need for the maintenance in peace of the integrity and authority of freely constituted governments in the area and of the right of peoples to determine their own destiny without external interference. They therefore condemned not only warlike action but also those subtle forms of aggression by which freedom and self-government are undermined and men's minds subverted.

This meeting has provided the members of the Council with an opportunity of bringing about closer co-operation among their Governments in achieving the purposes under the treaty. They believe that the treaty is already exerting a positive influence for the maintenance of peace in South-East Asia and the South-West Pacific, and that the solidarity of the member-nations, shown at the present meeting, will serve as an increasingly powerful deterrent against aggression. The Council recognized the continuing dangers to peace and security in the treaty area and agreed that these threats make it imperative that the member-Governments take steps to strengthen the common defence."

Defence against Subversion and Infiltration. "It was recognized that subversion and infiltration constitute a serious threat to the peace and security of the area, and that this demands special efforts in all aspects of the national life. The Council discussed specific attempts by elements directed from outside to subvert free institutions and governments in the treaty area. The Council viewed these subversive activities with grave concern and was determined to help the peoples of the area to resist them. There was agreement on the need for co-operation among the member-Governments to assist one another in combating the subversive activities of international Communism.

The Council decided to arrange for continuing consultation and mutual assistance and to make it possible for each member-Government to draw upon the experience of the others in dealing with this danger. In this connexion the Council received a valuable report on the Philippines' experience in combating internal dissidence and noted the statement of the U.K. delegation on the improved situation in Malaya."

Economic Questions. "The Council agreed upon the importance of implementing the article of the treaty which provides 'The parties undertake to strengthen their free institutions and to operate with one another in the further development of economic measures, including technical assistance designed both to promote economic progress and social well-being and to further the individual and collective efforts of governments towards these.' Arrangements were made for economic experts designated by member-Governments to meet periodically wherever appropriate and convenient on matters within the scope of this article.

The members of the Council recognized that while certain economic matters such as trade, international payments, development investment, and sound economic progress involved a wider geographic area and desirably included co-operation with many friendly States as well as with member-States, nevertheless special economic questions arise out of the treaty commitments of the member-Governments and may involve individual and co-operative steps which member-States could take to solve these questions. The economic experts designated will advise Council representatives on these measures. The first meeting of the economic experts will take place at an early date.

The Council noted with interest the statement by the U.S. delegation about the peaceful uses of atomic energy. The Council is deeply conscious of the potential contributions of atomic energy to the health and standards of living of the peoples of the member-nations and welcomed the proposed discussions relating to further co-operation and assistance in the atomic energy programmes directed towards achieving these benefits."

Indo-China. "Realizing the importance to the security of South-East Asia and the South-West Pacific of Cambodia, Laos, and the free territory under the jurisdiction of the State of Vietnam, the Council reaffirmed the determination of the member-Governments to support these three States in maintaining their freedom and independence as set forth in the protocol of the treaty. The Council was informed of assistance which had been extended to the three States and expressed the hope that member-Governments would offer further assistance."

Treaty Machinery.

"Having thus exchanged views, the members of the Council made the following arrangements to help carry out the provisions of the treaty.

Operation of the Council. The Governments will be represented on the Council by their Foreign Ministers or their designated representatives; the Council will meet at least once each year and more often when deemed necessary; it will usually meet in the treaty area; decisions of the Council will be taken by unanimous agreement.

Designation of Council Representatives. In order to assure close and continuing co-operation when the Council is not in session the Council has agreed to designate the Council representatives who will have their seat in Bangkok. The Council representatives will maintain continuing consultation on matters relating to the treaty, and will perform such special tasks as the Council may, from time to time, direct.

They may make agreed recommendations to the Council or, when it is not in session, to the member-Governments with respect to implementation of the treaty. Through the Council representatives the member-Governments may raise matters relating to the treaty and agree on the steps to be taken in carrying out its provisions.

The Council representatives may request the member-Governments to designate specially qualified personnel to assist them in specific tasks. Working groups composed of such personnel may meet here if appropriate and convenient The Council representatives will ensure appropriate exchange of information and close co-ordination of planning among such groups . . .

They will also make arrangements for a Secretariat to assist them, the personnel of the Secretariat being made available by the representatives on a contributed basis.

The Council directed that the Council representatives begin operations as soon as possible and that one of their first tasks should be to arrange meetings of specially qualified personnel designated by member-Governments to assist the Council representatives in considering means of strengthening co-operation in combating subversion and infiltration

The Council also requested the Council representatives to explore the opportunities for increasing cultural and technical co-operation among the member-Governments and to submit recommendations to the next meeting of the Council

Military Advisers. Each of the Governments agreed to designate a military adviser to its members of the Council The military advisers will make recommendations to the Council on military co-operation under the treaty. They will meet periodically as required, will formulate their own rules of procedure, and will make any necessary organizational arrangements.

The military advisers at the Council meeting met on Feb. 24-25. They exchanged views concerning the military aspects of the defence treaty and as a result of these discussions their staff planners will meet in Manila in April, 1955, to initiate plans for the implementation of certain military aspects of the treaty. Shortly thereafter the military advisers will again convene in Bangkok."

Peace and Security of the Area.

"Although they represent diverse nations and peoples, the members of the Council were unanimous in the belief that this meeting has enabled them to understand and appreciate the problems facing the Governments of the countries covered by the treaty in the common effort to ensure peace and security under the treaty. The progress achieved at this first Council meeting provides a solid basis for closer co-operation among the member-Governments for the good of the region as a whole. The members of the Council are united in their conviction that the common efforts of their Governments are contributing positively to the peace and security of the area, both for the member-Governments and for other free nations in the region. The Council expressed the hope that these free nations will associate themselves in the near future with the work to be undertaken under the treaty."

During the Ministers' discussions Mr. Dulles on Feb. 23 gave details of U.S. military strength in the Pacific, and also outlined the U.S. view of the various "fronts" in the defence of South-East Asia against Communism.

Mr. Dulles stated that, if new weapons were taken into account, the U.S.A. had now a greater potential strength in the Pacific than at the height of the war against Japan. In support of this statement he pointed out that there were now in the Far East 400 U.S. naval vessels, including the largest aircraft-carriers, with 350,000 men, including Marines; five U.S. Army divisions totalling 300,000 men, equipped with the latest weapons; and 30 U.S squadrons of jet fighters, bombers, and interceptors. with strategic air units in the U.S.A. capable of swift deployment.

Mr. Dulles also referred to the U.S. contributions to various countries in South-East Asia, mentioning the U.S. financing of 20 South Korean divisions at a cost of $500,000,000 - $600,000,000 a year, and of 300,000 Chinese troops on Formosa at an annual cost of $300,000,000, as well as expenditures of hundreds of millions of dollars per annum in support of Laos, Cambodia, and South Vietnam. In the latter connexion he stressed that all fronts against the Communist danger were "a part of the whole," that the anti-Communist forces in South Korea and Formosa formed part of South-East Asia's defences, and that not enough attention was paid to meeting the Communist menace "on a broad basis." "We must recognize," he was reported to have declared, "that the areas most vitally affecting the security of the Manila Pact Powers are not their own, but other areas—the Republic of Korea, Japan, the Republic of China (i.e., Formosa), Cambodia, Laos, and Free Vietnam."

Referring to the links between what he called the three Asian fronts against possible Communist aggression—the Korea-Japan front, the Formosa front, and the South-East Asia front—Mr. Dulles said that some Governments were critical of the regimes in South Korea and on Formosa, but, he pointed out, "we must recognize that these regimes are a further deterrent to Communist aggression." "Asia is three fronts," he added. "It is unlikely that any war started by Communist China would be confined only to Formosa or South Korea The forces on these two fronts exist as a common part of the forces deterring possible Communist aggression in South-East Asia" He also stressed that the Chinese in South-East Asian countries, with their great economic importance, would be much more likely to engage in internal subversion if they had no other focus for their Chinese loyalty than Communist China.

In connexion with suggestions made by the Philippine and Siamese Governments to the effect that U.S. troops should be stationed in their countries, Mr Dulles emphasized that the defence of the Western Pacific had to be viewed as a whole. He therefore deprecated the idea that U.S. forces in Asia should be "parcelled out" and said that it was better to keep mobile power available at focal points so as to be able to strike where attack would have the most effect.

Prior to the opening of the conference the Siamese Prime Minister, Marshal Pibul Songgram, had given a warning about the dangers threatening his country from Communist attack.

Addressing a Press conference on Feb. 22, Marshal Pibul Songgram said that 20,000 Communist "Free Thai" troops were massed in China close to Siam. The Thai rebels, who had set up a "Government" in Yunnan Province, might invade Siam through the Northern Laotian Provinces of Phongsaly and Samneua, which were controlled by the Communist-led *Pathet Lao*, the distance between the border of Yunnan and Siam being only 100 miles. "If we do not do anything about it," the Marshal went on, "Communism will move across the Mekong River, take over Siam, and dominate the whole of South-East Asia" He added that whilst Siamese troops could cope with the "Free Thai" forces, help would be needed if Communist China herself intervened. Siam therefore favoured the establishment of a permanent SEATO Army and would welcome SEATO armed forces on bases in Siamese territory.

During their stay in Bangkok Sir Anthony Eden and Mr. Dulles had a number of private conversations on the Formosa question. No statement was issued, but American sources suggested that the existing differences between the British and U.S. views had not been resolved.

Sir Anthony Eden's Visits.

On his way to Bankgok Sir Anthony paid brief visits to Cairo (Feb. 19-20) and Karachi (Feb. 21-22). Whilst in Cairo he had a long conversation at the British Embassy with Colonel Nasser, the Egyptian Prime Minister, and also saw Dr. Fawzi, the Foreign Minister, and Major-General Amer, the Minister of War. During his overnight stay in Karachi he had talks with Mr. Mohammed Ali, the Pakistan Prime Minister, and Mr. Ghulam Mohammad, the Governor-General.

After the conclusion of the Bangkok conference Sir Anthony Eden flew to Singapore, where on Feb. 27 he opened the annual conference of British Ambassadors, Ministers, High Commissioners, and Governors of Colonial territories in South and South-East Asia, the Far East, and the Pacific. On Feb. 28 he left Singapore for Kuala Lumpur, the capital of the Malayan Federation, and later the same day made a tour by helicopter of military establishments and units engaged in anti-terrorist operations; on his return to Kuala Lumpur he met members of the Executive Council of the Federation, as well as other Malayan political leaders.

After a brief stop at Rangoon, where he was welcomed by the Burmese Prime Minister, U Nu, and other members of the Burmese Government, Sir Anthony Eden arrived at New Delhi in the evening of March 2, and on the following day saw the Indian Vice-President, Dr. Radhakrishnan (in the absence of President Prasad), addressed members of both Houses of the Indian Parliament in a private session, and had a long conversation with Mr. Nehru, the Indian Prime Minister.

Speaking at a press conference on the Formosa situation, the Foreign Secretary said that "if some indications were given of a willingness to renounce the use of force on all sides," it would help "to establish conditions under which a settlement may be brought about by discussion and conciliation" Asked how soon a Formosa conference could be convened, Sir Anthony said that a good deal of groundwork had to be done to secure agreement on the objectives of such a conference and on the countries which should participate, and that India could play an important role in preparing the groundwork.

Asked whether it would be a violation of the Geneva agreement if Cambodia and Laos joined SEATO, the Foreign Secretary said it would be for the legal experts to express an opinion, but added that these countries had not been asked to join. Referring to the situation in Laos, he said that there was anxiety about the two Northern Provinces but that certain steps had recently been taken by the International Control Commission which might improve the situation.

During a State banquet on March 3 Mr. Nehru, after referring to the "symbolic character" of Sir Anthony Eden's visit, spoke on the new type of relationship between India and Britain.

"Our Vice-President this afternoon referred to the long history of contacts of India with England, a long history in which much had happened which was not agreeable to many people, which had even created bitterness And yet we meet here today, as we have met in the course of the last six or seven years here or elsewhere, in a spirit of friendship and co-operation. I have always thought that a rather remarkable thing and not easy to find a parallel in history. The Vice-President in his own way put his finger on the spot and said that we should have the capacity to forget what ought to be forgotten, and to remember what ought to be remembered. That is a very wise saying, because all of us have much to forget and have much to remember. If unfortunately we remember what we ought to forget, then there is difficulty; and if we forget what we ought to remember, that is bad And so this remarkable thing happened that, after a lengthy period of both good and ill, we came to an agreement, to a settlement, and forged a new type of relationship, which type in itself is a good example for others—that is, a relationship of being completely independent and yet representing an attempt to be friendly with each other, to co-operate with each other, and not to push each other against their will."

After referring to the Gandhian teaching that the means were more important than the end, Mr. Nehru said that in the present period of transition when there was ferment in the minds of men, the manner of approach to all problems was exemplified by the happy relationship that now existed between the U.K. and India. "We can meet," he continued. "We do meet often We discuss many problems. We agree often. We disagree sometimes, but that does not make any difference to our mutual regard for each other and our mutual respect for each other's *bona fides*, which is the main thing. And so, in effect, we agree far more than we might disagree and each has perfect freedom to continue along the lines of his own choice and find some kind of fulfilment."

In his reply, Sir Anthony Eden also spoke of the "historic occasion" of his visit, saying that it was the first time that the Foreign Secretary of the United Kingdom had been a guest of the Government of India in the Indian capital.

On March 4 Sir Anthony Eden arrived from Delhi in Baghdad, where he was received by King Feisal and had discussions with the Prime Minister, Nuri es-Said. [The joint statement issued after the talks will be recorded in a later article on Middle Eastern defence agreements.]

After a brief stay in Rome, where he saw Signor Scelba, the Italian Prime Minister, and Professor Martino, the Foreign Minister, Sir Anthony Eden returned to London on March 7.

Mr. Dulles's Visits.

Mr. Dulles, who on his way to Bangkok had paid a brief visit to Manila, where he saw President Magsaysay on Feb. 21, made a rapid tour of Burma and Indo-China after the Bangkok conference, and also visited Formosa.

Arriving on Feb. 26 at Rangoon, Mr. Dulles had a discussion with U Nu, the Burmese Prime Minister; he also visited the President of Burma, Dr. Ba U, and met other Burmese Ministers. Replying to journalists, who asked whether he had come to "woo U Nu," Mr. Dulles said that he had come to Rangoon "neither to woo nor to be wooed."

From Rangoon Mr. Dulles arrived on Feb. 27 at Vientiane, the administrative capital of Laos, where he saw Crown Prince Savang of Laos, the Laotian Prime Minister (M. Katay), and the Defence Minister (M. Souvanna Phouma). During his talks Mr. Dulles was reported to have said that in the American view there was no immediate danger of outright aggression against Laos, either from the Chinese or the Vietminh Communists, thanks to the Manila Treaty, but to have expressed concern about the internal progress of Communism in the *Lao Pathet*-held Provinces of Phongsaly and Samneua.

On Feb. 28 Mr. Dulles arrived in Saigon, having made a brief stop at Pnom Penh, the capital of Cambodia, where he visited King Norodom Sihanouk; he was reported to have told the King that the U.S. Government were ready to send officers to train the Cambodian Army, provided that they would have full responsibility and not be hampered by the French.

At Saigon Mr. Dulles had discussions with the South Vietnamese Prime Minister, M. Ngo Dinh Diem, to whom he promised the full support of the U.S.A. He also saw General Ely, the French High Commissioner (accompanied by M. Henri Bonnet), whom he assured that there was no desire on the part of the U.S.A. to supplant French economic interests in Indo-China, although the fact that the Indo-Chinese States were no longer tied to the French franc, were now receiving direct dollar aid from the U.S.A., and could therefore buy in the world markets (e.g., Japanese textiles), would inevitably lead to a weakening in the French economic position.

From Saigon Mr. Dulles flew to Manila, where on March 2 he opened a conference of U.S. Ambassadors in the Far East, and on March 3 he arrived at Taipeh, the capital of Formosa.

During his stay at Taipeh Mr. Dulles had a long discussion with General Chiang Kai-shek, Vice-President Chen Cheng, Mr. Yui, the Chinese Nationalist Prime Minister, and Dr. Yeh, the Foreign Minister. He also attended the ceremonial exchange of the ratification instruments of the mutual defence treaty between Nationalist China and the U.S.A.

In a Press statement before his departure later the same day, Mr. Dulles said that it was not possible now to state explicitly how the defence of the area covered by the mutual defence treaty would be conducted, but added: "I have made it clear that the U.S.A. will not enter into any negotiations dealing with the territories or rights of the Republic of China (i.e., Nationalist China) except in co-operation with the Republic of China." It could not be assumed, he went on, that the defence would be static, and confined to Formosa itself, or that an aggressor would enjoy immunity in respect of those areas from which an offensive was staged A decision on the use of U.S. armed forces would be made by the President of the United States himself, in the light of circumstances at the time and his appraisal of Communist intentions. The consultations, Mr Dulles emphasized, had also covered Quemoy and Matsu, "since these islands, now in friendly hands, have a relationship to the defence of Taiwan (Formosa) such that the President may judge their protection to be appropriate in assuring the defence of Taiwan and the Pescadores" Mr. Dulles concluded by saying that it was the "ardent hope" of the U.S.A. that the Chinese Communists would not insist on war as an instrument of their policy The Chinese Communists constantly professed a love of peace, he added. They now had a chance to practise what they preached The U.S.A. and the Republic of China had no alternative but to stand firm.

Prior to Mr. Dulles's visit to Formosa, Admiral Carney (U.S. Chief of Naval Operations), Admiral Stump (C.-in-C., U.S. Pacific Fleet), and Admiral Pride (Commander of the U.S. 7th Fleet) had arrived in Taipeh on March 2 for a conference on the military situation. It was reported afterwards that the chief decision taken had been to increase U.S. military aid to the Chinese Nationalists on a short-term basis, with accelerated deliveries of aircraft and long-range artillery. Admiral Carney himself stated after the talks that the defence of Formosa was no longer an academic question and had entered a more urgent phase.—(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris) **(Prev. rep. SEATO, 14062 F; U.S.-Chinese Treaty, 14007 C; Formosa, 14017 A.)**

A. INDIA. — Forward Bloc to rejoin Congress Party.

The central secretariat and the politburo of the All-India Forward Bloc decided at a joint meeting held on March 8 under the chairmanship of Sardar Mohan Singh, the party's chairman, to rejoin the Indian National Congress.

The reasons given for the decision were the recent adoption by the Congress Party of the aim of establishing a Socialistic pattern of society (see 13044 A); its "progressive and dynamic foreign policy" under Mr Nehru's leadership; and the need to do away with "the division of progressive elements into many small Socialist parties."

Active membership of the All-India Forward Bloc is said to exceed 40,000, and the number of general members 300,000. It has a strength of two in the House of the People. Its total strength in the State Legislatures is about 21, the biggest number being in West Bengal.—(The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London) **(Prev. rep. 14062 B.)**

B. UNITED KINGDOM. — Gold and Dollar Reserves in February. - Deficit of $82,000,000.

The sterling area had a gold and dollar deficit in February of $82,000,000 after taking account of (*a*) $15,000,000 received in U.S. defence aid; (*b*) $6,000,000 received from the E.P.U. in respect of the January surplus; and (*c*) $2,000,000 paid to E.P.U. creditors in bilateral settlements. As a result, the gold and dollar reserves fell to $2,681,000,000 on Feb. 28.

Provisional figures for the E.P.U. February settlement showed that the U.K. had a surplus of $5,600,000 (£2,000,000) which would be settled in March.—(Treasury Press Office) **(Prev. rep. 14021 A.)**

C. ALBANIA. — Rejection of U.S. Food Offer.

It was announced in Tirana on March 7 that the Albanian Government had rejected an offer made by President Eisenhower on March 4 to send U.S. food supplies to Albania in order to help alleviate the "current food shortage" in that country. The offer had been transmitted through the League of Red Cross Societies. The Albanian News Agency said that "the alleged American aid is unacceptable to the Albanian people, who reject with contempt this foreign interference in their own affairs."—(New York Times - New York Herald Tribune) **(Prev. rep. U.S. Aid to Iron Curtain Countries, 13884 A.)**

A. UNESCO. — Eighth General Conference. - Admission of New Members. - Amendments to Staff Regulations. - Suspension of U.S. Employees. - M. Maheu appointed Deputy Director-General. - Formation of International Scientific Research Council. - International Travel Coupons Scheme for Students. - Convention on Protection of Art Treasures in Wartime.

The eighth general conference of the U.N. Educational, Scientific, and Cultural Organization (UNESCO), attended by delegations from 69 of the 72 member-countries, was held at Montevideo from Nov. 12 to Dec. 10, 1954, under the chairmanship of Dr. Radhakrishnan, the Vice-President of India and leader of the Indian delegation. The Soviet Union, the Ukraine, and Byelorussia were represented for the first time, and Czechoslovakia, Poland, and Hungary for the first time since 1951. The main decisions adopted by the conference are summarized below.

Membership. A decision on membership applications by Rumania and Bulgaria, which had been approved by the U N. Economic and Social Council and the Executive Board of UNESCO, was postponed on Nov. 13 until the next general conference in 1956, the voting in favour of deferment being 28 to 12 in the case of Rumania and 29 to 11 in the case of Bulgaria. Rumania's admission was opposed by the U.S delegation, which accused that country of "flagrant violations of human rights and fundamental freedoms" (see 13729 A), and by Israel, on the ground of alleged persecution of Zionists (see 13820 A), as well as by Belgium, Brazil, Canada, Colombia, Italy, and Lebanon; the Soviet Union, Czechoslovakia, Poland, Denmark, and Yugoslavia supported Rumania's application, whilst several Latin American and Middle Eastern countries abstained from voting. The debate on Bulgaria followed similar lines. Albania's application for admission was rejected by the Economic and Social Council on Nov. 22 by 10 votes to eight.

The conference unanimously approved the admission as UNESCO's first associate members of a number of British Colonial territories, viz., the Gold Coast, Sierra Leone, the Federation of Malaya, the British Borneo group (Sarawak, North Borneo, and Brunei), and the British West Indies group (Jamaica, Trinidad, Grenada, Dominica, and Barbados). A Soviet proposal for the exclusion of Nationalist China and the admission of Communist China in its place was rejected.

Paraguay announced its adherence on Nov. 22, bringing the number of member-countries to 73.

Official Languages. It was decided to make Russian one of the languages of the conference as well as of the Executive Board, on which the Soviet Union obtained a seat for the first time (see below).

Finance. The conference approved an expenditure of $21,617,830 for the two years 1955-56 by 47 votes to 14, despite a plea by the British delegation for economy; this was the largest budget yet voted, comparing with $18,712,964 for 1953-54.

The U S. contribution was reduced from 33⅓ per cent to 30 per cent by 34 votes to 15 with two abstentions, Britain being among the countries voting against. The British contribution was also reduced, from $2,000,000 to $1,600,000 (about 7½ per cent). The Soviet Union's contribution was fixed at 13½ per cent, the Soviet delegation's proposal that it should be only 10 per cent, in view of the Soviet Government's difficulty in obtaining foreign currency, being rejected by 37 votes to three, with five abstentions.

Programme. Mr. Adiseshiah, Assistant Director-General of UNESCO, reported that about 300 requests had been received since 1951 for expert advice in developing the educational or scientific facilities of 48 countries; that about 350 experts had been sent to member-countries during this period; that 57 educational and scientific projects were in progress in 36 countries; and that 140 experts were in the field on technical assistance projects, 60 per cent of whom had been on location for over a year and 25 per cent for over four years. In addition, 329 fellowships had been granted to nationals of member-States, so that they could be trained to take over the duties of UNESCO specialists as quickly as possible; as a result the Governments concerned would continue the work begun by UNESCO through 28 projects which were due for completion by the end of 1954 or early in 1955.

The conference decided on a considerable reduction in the number of projects sponsored, 72 per cent of the total budget being appropriated for the continuation of projects already in progress. In the programme as approved the main emphasis was laid on fundamental, technical, and scientific education, scientific research (including projects for research into the problems of arid zones and into the peaceful uses of atomic energy), and scientific documentation centres.

Executive Board. The conference approved by a large majority a proposal put forward by the U.S.A., Britain, Australia, and Brazil, whereby the 22 members of the Executive Board, who had hitherto been elected by the general conference solely for their personal qualifications and not as representatives of their respective countries, would in future be nominated by their Governments and act as their spokesmen In support of this proposal (which had first been made by Britain in 1950) it was argued that it would give the Organization's decisions more weight and was desirable in the interests of responsible administration; strong opposition was expressed, however, by the French delegation, which maintained that it would deprive UNESCO of its neutral and non-political character, and would result in its being subjected to political pressure.

Dr. A. L. Mudaliar (India), Vice-Chancellor of Madras University, was selected by lot as chairman of the new Executive Board, after he had received the same number of votes as Dr. Vittorio Veronese (Italy) at a second ballot. Dr Veronese and Prof. Secco Ellauri (Uruguay) were elected vice-chairmen.

The other elected members of the Executive Board were: Dr. Awad (Egypt), Dr. Bender (Netherlands), Professor Carneiro (Brazil), Dr Estelrich y Artigues (Spain), Dr. Ferrara Marino (Cuba), Mr. Toru Haguiwara (Japan), Professor Johannes (Indonesia), Professor Henri Laugier (France), M Luan Pin Malakul (Siam), Mgr. Maroun (Lebanon), Dr Martinez Cobo (Ecuador), Professor Massaquoi (Liberia), Professor Jakob Nielsen (Denmark), Dr. Raadi (Persia), Dr Maria Schluter-Hermkes (Germany), Mr Sharif (Pakistan), Dr. Solodovnikov (Russia), Dr. Spilhaus (U S A.), and Sir Ben Bowen Thomas (U.K.)

Resolution on Peaceful Co-operation. The conference adopted by acclamation a resolution submitted by the U.S.A , Czechoslovakia, and India, which recalled the objectives of UNESCO; recognized that international tensions were impeding their realization; and declared its faith in the possibility of resolving all such tensions by peaceful means, through the exercise of restraint, tolerance, and goodwill.

Resolution on Freedom of News. A resolution calling on all member-countries "to assure freedom of expression and to remove barriers to the free flow of undistorted information" was adopted unanimously on Dec. 8. The resolution had been sponsored by Britain, France, the U.S.A., and the Soviet Union, as well as by Canada, Colombia, Czechoslovakia, Ecuador, India, Lebanon, Liberia, and Mexico, but during the debate the U S., delegate (Representative Hugh Scott) expressed concern over its wording because it referred to the free flow of "undistorted" information rather than to the free flow of information. This expression, he pointed out, "might be used as a pretext to impede rather than encourage the free flow of information" and "conjured up the spectre of censorship, Government control, and artificial restrictions upon the Press, radio, and films," which was "repugnant" to the American people. Nevertheless, Mr. Scott stressed that with this "important reservation" the U S.A. firmly supported the resolution. The Soviet delegation had previously presented a draft resolution calling for "measures to prevent the use of means of mass communication for war propaganda," but withdrew this in favour of the above resolution.

Next Conference. As UNESCO's permanent headquarters in Paris would not be ready in time for the next general conference in 1956, it was decided to accept the Indian Government's invitation to hold the conference in Delhi.

The most controversial issue raised at the conference was a proposal put forward by Dr. Luther Evans, Director-General of UNESCO, that the staff regulations should be so amended as to enable him to dismiss any employee in whom he had lost confidence.

Dr. Evans's proposals were the result of a prolonged controversy arising from investigations by the U.S. authorities into UNESCO employees of American nationality suspected of subversive activities. Mr. David Leff, a U.S. citizen employed by UNESCO in Paris, whose passport had been confiscated by the U.S authorities in 1951, refused in 1953 to obey a subpoena to appear before a Grand Jury in New York, on the ground that he might not be allowed to return to his family and his work, though he offered to give his testimony at the U.S. Embassy in Paris. In December of that year Dr. Evans ordered Mr. Leff to obey the subpoena, but subsequently agreed to suspend the order as a result of protests from the staff association, and on March 8, 1954, the UNESCO appeals board ruled that it was invalid. On March 11 proceedings against Mr. Leff for contempt of court were instituted in New York, and Dr Evans accordingly ordered him on March 22 to answer the charge Mr. Leff then appealed to the administrative tribunal of the International Labour Organization to rescind the order, maintaining that it was in substance the same as that previously issued by Dr. Evans and was therefore invalid. The tribunal, however, while upholding the appeals board's judgment on Dr. Evans's order of December 1953, ruled that, for procedural reasons, it was not competent to deal with the order of March 22 and referred the matter to the UNESCO appeals board

The dispute was further complicated by the refusal of seven out of the 15 U.S. employees of UNESCO in Paris to appear before a U.S. loyalty board in July, 1954 (see 13766 A). Dr Evans subsequently announced on Aug. 23 that four of these, including Mr. Leff, would not have their contracts renewed when they expired at the end of the year, and that he would raise the question of the other three, whose contracts were of indefinite duration, at the general conference. This decision was strongly criticized in October by Mr. Henry Cabot Lodge, head of the U.S. delegation to the U.N , who declared that Dr. Evans should have dismissed all the employees concerned, and accused him of hindering the Government's loyalty investigations. The UNESCO appeals board on Nov. 5, however, upheld an appeal by Mr. Leff and his three colleagues against their dismissal, on the ground that the Director-General had exceeded his powers.

The amendments to the staff regulations proposed by Dr. Evans empowered the Director-General to dismiss UNESCO employees if their conduct did not meet the highest standards of integrity, efficiency, and competence, or "if facts anterior to the appointment of a staff member and relevant to his present suitability and which reflect on his present integrity come to light, which if they had been known at the time of appointment should have precluded his appointment." They also restricted the exercise of political activities by employees

to the right to vote in elections. The conference approved the amendments on Dec. 1 by 34 votes to 10, with five abstentions, France, Belgium, the Netherlands, Switzerland, the Soviet Union, Byelorussia, the Ukraine, Poland, Czechoslovakia, and Hungary voting against.

Under the new regulations, which came into effect on Dec. 8, Dr. Evans, on Dec. 10, placed Mr. Leff and his colleagues on leave with pay until the expiry of their contracts, and suspended the three employees with long-term contracts pending hearings by a special advisory board.

Other recent UNESCO activities are summarized below under cross-headings.

International Scientific Research Council. The Executive Board approved on Dec 3, 1953, the formation of an international consultative council for scientific research, which among other activities would concern itself with cancer research, in co-operation with the World Health Organization.

Agreement on Duty-free Exchange of Books, etc. The British Government, on March 11, 1954, ratified the agreement of Nov. 22, 1950 (see 11239 E), providing for the exemption from Customs duties of books, newspapers, periodicals, works of art, musical scores, newsreels, educational films, scientific equipment consigned to approved institutions, and articles for the blind The French Government had previously put the agreement into effect on Nov. 2, 1953.

International Travel Coupons for Students. A system of international travel coupons sponsored by UNESCO, intended to enable students, teachers, and cultural and research workers from soft currency countries to study in hard currency areas, came into operation on March 24, 1954. Under this system intellectual workers whose applications were approved would be able to exchange their currency at the official rate for international travellers' cheques, issued by UNESCO and valid in hard currency countries participating in the scheme.

Conference on Protection of Art Treasures in Wartime. An intergovernmental conference on the protection of art treasures in wartime was held at The Hague, under the auspices of UNESCO, from April 21 to May 13, 1954, being attended by representatives of 46 countries, including the Soviet Union, the Ukraine, Byelorussia, Czechoslovakia, Poland, Hungary, and Rumania.

A convention adopted by the conference (to replace an earlier convention of 1907) provided that each of the contracting parties should respect cultural property situated within the territory of another contracting party, except in the case of imperative military necessity, and that cultural goods might be removed in wartime, at the request of the country concerned, under UNESCO's protection, such goods being marked by a solid blue equilateral triangle on a white circle A protocol which was also adopted laid down rules for the recovery and restitution of cultural goods removed by an enemy during an occupation.

The Soviet delegation proposed that the convention should forbid the use of atomic and other weapons of mass destruction, and also objected to the reference to "imperative military necessity" as a justification for the destruction of cultural property. This objection, however, was overruled by 20 votes to seven, with 14 abstentions, after the British delegation had argued that the convention must be "realistic."

The convention, which was signed by 44 of the 46 delegations, including those of Britain, France, the U.S.A., and the Soviet Union, will come into force upon ratification by five of the signatory countries.

Universal Copyright Convention. The U.S. Government ratified the Universal Copyright Convention (see 12639 B) on Nov. 7, 1954. The convention, which will enter into force after ratification by 12 countries, had previously been ratified only by Pakistan, Laos, Cambodia, Haiti, and Andorra.

M. René Maheu, who had acted as head of the Director-General's office since 1948, with special responsibility for the planning and organization of the various bodies dependent on UNESCO, was appointed to the new post of Deputy Director-General by the Executive Board on July 23, 1954. M. Maheu (49), a former lecturer on philosophy at Cologne University, the *Institut Français* in London, and the Franco-Moslem Moulay-Ydriss College in Morocco, had entered the service of UNESCO in 1946 as head of the Information Department.
(United Nations Review, New York - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times - New York Herald Tribune) **(Prev. rep. General Conference, 12680 A; Membership, 13783 B; Employees, 13766 A.)**

A. UNITED STATES. — Employment and Unemployment Figures.

The number of employed persons in the United States in December 1954 (over 14 years of age, but excluding the armed forces) was 60,688,000 (compared with 62,098,000 in June), of whom 5,325,000 were employed in agriculture. Unemployed persons numbered 2,838,000 at the end of the year, compared with 3,347,000 in June. An indication of the size of the armed forces was given by the difference between the total labour force and the civilian labour force, which amounted in December to 3,285,000.—(Federal Reserve Bulletin, Washington) **(Prev. rep. 13748 A.)**

B. SOVIET UNION. — Further Government Changes.

Further changes in the Soviet Government were announced in Moscow on Feb. 28, three weeks after the replacement of M. Malenkov as Prime Minister by Marshal Bulganin. Three Deputy Premiers—M. Mikhail Pervukhin, M. Anastas Mikoyan, and M. Maxim Saburov—were promoted to First Deputy Premiers, and four new Deputy Premiers—Colonel-General A. P. Zavenyagin, M. V. A. Kucherenko, M. Pavel Lobanov, and Lieut.-General Mikhail Khrunichev—were appointed. It was also announced that M. Malyshev (already a Deputy Premier) had been given charge of a group of Ministries dealing with machine building and had been replaced as Minister of Medium Machine Building by Colonel-General Zavenyagin.

Of the promoted and newly appointed Ministers, **M. Mikoyan** had been Minister of Trade until his resignation in January (see 14026 B) **M. Pervukhin** was Minister of Electric Power Stations and the Electrical Industry, and **M. Saburov** chairman of the State Planning Commission, at the time of their reappointment as Deputy Premiers in M Malenkov's Cabinet in December 1953 (see 13342 B). **General Zavenyagin,** a candidate member of the Central Committee, was director of the Magnitogorsk metallurgical plant until 1937, when he was appointed First Deputy Commissar of Heavy Industries, after the war he was for a time Deputy Minister of Internal Affairs in Marshal Stalin's Government **General Khrunichev,** a member of the party's Central Committee, became Minister of the Aircraft Industry in 1946 (see 7797 A) and since 1953 had been Deputy Minister of Defence Industry. **M. Lobanov** was appointed a First Deputy Premier and Minister of Agriculture in the Russian Federated Republic in 1954, having previously been Soviet Deputy Minister of Agriculture. **M. Kucherenko** was formerly a Deputy Minister concerned with the construction of engineering plants.

It was pointed out in the British and U.S. Press that the changes had the effect of making membership of the higher governmental offices more nearly identical with higher party offices, since all the three newly appointed First Deputy Premiers were also members of the Presidium of the Central Committee of the Communist Party (the old Politburo). The Communist Party leadership and principal members of the Soviet Government following the recent changes are as follows.

Communist Party. The leadership consists of the First Secretary (M Khruschev), the Presidium of the Central Committee, and the Central Committee of 125 members The Presidium of the Central Committee has the following nine members · M Khruschev, Marshal Bulganin (the Premier), Marshal Voroshilov (President of the Soviet Union), M. Molotov, M. Kaganovich, M. Pervukhin, M. Saburov, M Mikoyan, M Malenkov

Council of Ministers. This comprises the Premier, five First Deputy Premiers (M. Molotov, M Kaganovich, M Mikoyan, M Saburov, M Pervukhin), eight Deputy Premiers (M. Malyshev, M Kosygin, M. Tevosyan, M. Malenkov, General Zavenyagin, M. Kucherenko, M Lobanov, General Khrunichev), and 49 Ministers. The Premier and the five First Deputy Premiers constitute the Presidium of the Council of Ministers, a kind of inner Cabinet.

The First Deputy Premiers and the Deputy Premiers are normally put in charge of a major Government department or of a group of related Ministries, and the *New York Times*, in an analysis of the changes, suggested that on the basis of what was already known and the past experience of the members of the Government the allocation of responsibilities in the new Cabinet was as follows Foreign Affairs —M Molotov; Transport—M. Kaganovich, Trade—M. Mikoyan, Economic Planning—M. Saburov; Fuel Industries—M Pervukhin, Machinery Industries—M Malyshev, Consumer Goods—M. Kosygin, Metallurgy—M. Tevosyan, Electric Power—M. Malenkov; Medium Machine Building—General Zavenyagin; Factory Construction—M Kucherenko; Agriculture—M Lobanov; Conventional Weapons —General Khrunichev. It was also reported in the Western Press that the Ministry of Medium Machine Building was in fact the Soviet agency responsible for the development of atomic energy.

The dismissal of two Soviet Ministers—M. Zasyadko (Coal Industry) and M. Kozlov (State Farms)—was announced by Moscow Radio on March 2. M. Zasyadko, who was dismissed for "unsatisfactory work," was succeeded by M. A. S. Zademidko, Deputy Minister of the Coal Industry for the past two years, whilst M. Kozlov, dismissed because he "failed to cope with his work," was replaced by M. Ivan Benediktov, the Minister of Agriculture (see 13167 A, 7797 A) and for some months in 1953 Ambassador to India; M. Benediktov, the announcement stated, had been released from his duties as Minister of Agriculture on assuming his new post.—(Soviet Weekly - Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune) **(Prev. rep. 14059 A.)**

C. BRITISH WEST INDIES. — New Governors of Trinidad and the Windward Islands.

Sir Edward Beetham, Governor of the Windward Islands, was appointed Governor of Trinidad and Tobago on Feb. 10 in succession to Major-General Sir Hubert Rance, retiring. On March 3 it was announced that Mr. Colville Montgomery Deverell, Colonial Secretary in the Jamaican Government, would succeed Sir Edward Beetham as Governor of the Windward Islands.—(Times) **(Prev. rep. 13055 D; 10480 C.)**

A. ORGANIZATION FOR EUROPEAN ECONOMIC CO-OPERATION. — Decisions of January Council Meeting. - Repayment of French E.P.U. Debt. - Reports on U.S. Overseas Investment and European Recovery. - Yugoslav Observer. - Resignation of M. Marjolin.

The Ministerial Council of the O.E.E.C. met in Paris on Jan. 13-14 under the chairmanship of Mr. R. A. Butler, the British Chancellor of the Exchequer. As at its meeting in May, 1954, its deliberations were largely concerned with (1) the movement towards the reintroduction of convertibility of sterling and the other main European currencies (including the associated question of setting up a European Fund), and (2) the extension of trade liberalization. The discussions and decisions on these two matters are summarized below.

Convertibility.

The Ministerial Group set up in May, 1954, to study the problems connected with the reintroduction of convertibility by member-countries, approved a report on its conclusions on Jan. 12, and presented it to the full Council on the following day.

Mr. Butler announced on Jan. 14, in connexion with the eventual reintroduction of convertibility, that the Council had decided to set up a European Fund of between $500,000,000 and $600,000,000 to provide short-term credits for any member-country adversely affected by the convertibility of the currency of one or more of its neighbours. The Fund would be financed partly by contributions from members of the E.P.U. and partly from the residual funds of the Union itself, and the Managing Board of the E.P.U. had been instructed to submit a report by April 16 outlining the conditions for the formation of the Fund and the arrangements to be made for the eventual transition from the E.P.U. system to that of the European Fund. The Council had also decided that the E.P.U. itself should be continued beyond June 30, 1955, for a further year, and had instructed the E.P.U. Managing Board to report by April 16 on the conditions on which the E.P.U. agreement should be renewed.

Mr. Butler said that all the members of the Council were of the opinion that the essentials for convertibility were a general absence of inflationary pressures and a "code of behaviour" in trade and payments. In this connexion it was reported in the Press that the Council had also agreed that the Ministerial Group's study of the trade measures which should accompany convertibility should remain uncompleted until the ninth session of the General Agreement on Tariffs and Trade (GATT)—then meeting in Geneva—had ended.

Trade Liberalization.

During the Council's discussions M. Edgar Faure (then French Minister of Finance and Economic Affairs) announced that, in view of France's economic progress, she would liberalize, as from April 1, 75 per cent of her total imports and at least 60 per cent in each of the three main categories (i.e. raw materials, agricultural products, and manufactured goods). He explained that in fact France had already tentatively freed about 75 per cent of her imports from quantitative restrictions, but that this percentage would not become formally operative until April 1.

The Council subsequently agreed on the introduction of further liberalization measures and on the abolition of artificial export aids by member-countries.

Trade with Other Member-Countries. The Council decided :

(*a*) that within six months of April 1 (the date by which France had undertaken to reach the obligatory proportion of 75 per cent), O.E.E.C member-countries should free at least 90 per cent of their total imports from other members, and at least 75 per cent of imports in each of the three main categories ;

(*b*) that within three months of April 1, member-countries should in any event abolish quantitative restrictions on 10 per cent of those imports not free of such restrictions on June 30, 1954. (This meant that a country which had liberalized 92 per cent of its imports would be required to liberalize a further 0.8 per cent.)

Both decisions would be experimental, and member-countries unable to adopt the whole of these liberalization measures would be required to notify the O.E.E.C. of the reason within six months of April 1. Moreover, at the end of 18 months the Council would consider whether any amendments should be made, and any member-country which considered itself unable to continue to abide by the requirements would be able to retract.

Trade with the Dollar Area. It was decided that member-countries should inform the O.E.E.C. of any new measures which they took regarding restrictions on imports from, and invisible transactions with, the U.S.A. and Canada. In addition, periodic examinations of the policies followed in this respect both by member-countries and by the U.S A. and Canada would be undertaken, and the first report would be submitted to the Council before June 30, 1955.

Artificial Aids to Exporters. The Council approved a list of artificial aids to exporters which were to be discontinued by member-countries by Dec. 31, 1955. In the meantime, member-countries were forbidden to introduce new measures of a similar nature or to extend existing measures. The list enumerated the following artificial aids .

(*a*) currency retention schemes or similar practices which involved a bonus on exports or re-exports ;

(*b*) direct government subsidies to exporters ;

(*c*) the remission, calculated in relation to exports, of direct taxes or social welfare charges ;

(*d*) the remission or repayment, in respect of exported goods, of indirect taxes, to an amount exceeding that paid on the same products if sold for internal consumption ;

(*e*) the charging of insurance premiums for government export credit guarantees otherwise than in accordance with sound insurance principles ;

(*f*) charges below world prices in respect of deliveries by Governments or government agencies of imported raw materials for export business on terms different from those for domestic business.

Greece and Turkey were exempted from both decisions and France from the decision to abolish existing artificial aids by Dec. 31, but the French Government was asked to submit a report on France's economic position by Sept 30. In the light of this report, and of another by the Steering Board for Trade to be presented before Dec. 1, the Council would then decide when the decision was to apply to France.

Other Decisions.

The "Green Pool." The Council accepted the recommendation of the governmental representatives who met in July, 1954 (see 13778 A) to the effect that the "Green Pool" plan should be entrusted to the O E.E.C., and decided to set up a Ministerial Committee for Agriculture and Food. This Committee—the first O.E.E.C. committee to be set up at full Ministerial level—would periodically examine the problems of member-countries in the spheres of food and agriculture, and decide on measures to be taken by the responsible Ministers within the limits of their national competence.

An agreement with the Spanish Government, permitting Spain to take part in the work of the O.E E.C. in so far as it related to agriculture, was approved by the Council Spain will be able to send a full member to meetings of the Ministerial Committee, or of its committee of deputies, and an observer to Council meetings discussing agricultural matters.

Italian Economic Development. The Italian Minister of the Budget (Signor Vanoni) outlined his Government's 10-year Economic Development Programme—the "Vanoni Plan"—which aims to provide 4,000,000 new jobs in Italy by 1965, to balance the Italian economy, and to raise the standard of living in southern Italy Recognizing that it was "of importance for all member-countries that a satisfactory solution should be found for the problems to which the programme is directed," the Council set up a working committee to study the plan and to report as soon as possible both on the plan itself and on measures which might be taken by member-countries and by the O.E.E.C. to further its implementation.

French E.P.U. Debt. M. Faure announced that the French Government would immediately repay $80,000,000, i.e that part of its debt to the E.P U. which was not covered by the bilateral and amortization agreements of June, 1954. Repayment would be made on the settlement date for the January, 1955, operations, and would be apportioned between France's creditors as follows .

(million units of account)

Austria . .	3.241	Portugal ..	0 482
Belgium-Luxemburg	10.928	Sweden	2 967
Germany . ..	36.683	Switzerland .. .	12 350
Netherlands .. .	13.349		

It was pointed out by the O.E E.C. that, as a result of this settlement, the margin available to France within the Union for settling any deficit on the basis of 50 per cent gold and 50 per cent credit would be increased by double the amount of the repayment (i.e. $160,000,000) At the same time, each creditor country's claim on the E P.U. would be reduced by the amount of repayment it received, and its cumulative accounting surplus would be reduced by double that amount. On each side, therefore, the margins available within the E.P.U. for the settlement of new surpluses of deficits would be increased.

Other developments relating to the O.E.E.C. in recent months are described below :

U.S. Private Investment. A report on the role of U.S. private investment in the world economy, and in particular in the economies of O.E.E C. member-countries and their overseas territories, was published on Jan. 3, 1955.

The report—prepared after a meeting between members of the O.E E.C. Economic Committee and U.S. businessmen—said that "the most striking fact" emerging from the study was that the growth of U.S. private investment abroad since 1930 "has not kept pace with the growth of the U.S. economy, or even with that of the world economy." Whereas throughout the 1920s private American investors were investing in foreign countries at an average annual rate of $800,000,000 ("equivalent to about $1,600,000,000 in terms of present prices"), their net investment in the years 1947-53 had reached an annual average of only $859,000,000—"a figure hardly greater than that of the years 1926-30 in current dollars, and much lower in terms of dollars with constant purchasing power." Accordingly, private American long-term capital invested abroad, which in 1927-28 accounted for about 20 per cent of the total dollar receipts (excluding grants) of the rest of the world, had accounted for only about 6 per cent since the war.

The geographic distribution of the capital invested (said the report) had also changed. In 1929, nearly 20 per cent of direct U S. investment abroad had been in Europe, but by the end of 1952 this proportion had fallen to about 14 per cent; the relative importance of O E.E.C. countries as recipients of such capital had therefore "strikingly declined" Two-thirds of U S. private investment since the war had been in Canada and Latin America, against only 10 per cent in O.E.E.C. countries, and less than 3 per cent in their overseas territories.

The total net outflow of U.S private long-term capital to member-countries in 1947-53 had been about $668,000,000, or an annual average of $98,000,000. On the other hand, during the same period, U.S. income from past investments in member-countries had amounted to $1,914,000,000, of which $904,000,000 had been reinvested and $1,010,000,000 (or an annual average of $144,000,000) had been repatriated. In overseas territories of O.E.E.C. countries new private long-term capital from the United States had been about $32,000,000 a year and reinvested earnings about $28,000,000 a year, whilst earnings repatriated had amounted to about $82,000,000 a year.

In the world as a whole, 48 per cent of U S. direct investment abroad since the war had taken place in the petroleum industry. In a reference to the large volume of investment in Canada and Latin America, the report said that much of this had been due to "the strong appeal of petroleum which has attracted vast sums of American capital in areas not normally famous for the pleasantness of their investment climate" In the O.E.E C. member-countries, the petroleum industry had absorbed only about 25 per cent of total U.S. investment in the area, whilst manufacturing industry had attracted nearly 60 per cent.

The report stated that the counter-attraction of investing in the U.S.A. and Canada was the most powerful deterrent element to U.S. investment in Europe and overseas territories; other deterrents included the possibilities of war or revolution, blocked funds, depreciating currencies, the fear of expropriation, and the "widespread belief that business operations are impeded by all sorts of governmental controls and cartel-like arrangements" After declaring that "the American capital market is not interested in European issues," the report drew the conclusion that, "if the United States investor is to cross the Atlantic, he will have to be wooed aggressively."

Current Power Problems. It was announced on Dec. 23, 1954, that the O.E.E.C. was becoming increasingly concerned about the continued rise in current power production costs and the effect which this would have on the evolution of the European economy and the financial stability and living standards of member-countries. The Organization had therefore appointed M. Louis Armand, director-general of the *Société Nationale des Chemins de Fer Français* and a member of French organizations dealing with energy policy, to study these problems in detail, to decide how they should be dealt with both on the national and the inter-governmental level, and to submit a report to the O.E.E.C. Council.

European Productivity Agency. The second annual "programme of action" of the European Productivity Agency was published on Sept. 29, 1954. The programme, which was divided into three parts dealing respectively with problems relating to industry and commerce, to agriculture, and to factors affecting both, placed great emphasis on the need for wider dissemination of information in these spheres. Among the subjects selected for study in connexion with the Agency's practical research into the economic and social factors of productivity were statistics and productivity measurement, banking and credit, fiscal legislation and market structure, and the effect of systems of remuneration and marketing on the mobility of labour.

Building Efficiency. One of the projects from which significant results were expected by the European Productivity Agency was that concerned with research into the improvement of building efficiency, in connexion with which a meeting, organized by the Agency, was held in London on Oct 11-15. Attended by delegates from 12 countries—Austria, Belgium, Denmark, France, Western Germany, Greece, Italy, the Netherlands, Norway, Sweden, the U.K., and the U.S A.—the meeting was chiefly concerned with "modular co-ordination," a system under which the sizes of all building materials, components, and equipment are co-ordinated in terms of a fixed basic dimension known as the "module." [The architect works on a grid plan drawn to the scale of the "module," and the building worker on the site merely assembles components which—though they may come from different sources—are all designed to fit each other.] Results of further research into this system will be discussed at a meeting to be held in Paris in 1955

Post-war Economic Achievements. A survey showed that production per head had expanded twice as much in Western Europe during 1947-52 as it had done in the U S A , although, owing to the progress made during the Second World War, the U S.A was still more than 50 per cent ahead of Western Europe in terms of total expansion since 1938 These facts were set forth in *Statistics of National Product and Expenditure, 1938, 1947 to 1952*, published by the O E.E.C. on Sept. 14, 1954 By 1952, output per head in the U.S.A was 70 per cent higher than in 1938, while in Western Europe it was only 10 per cent higher.

The survey showed also that as early as 1948 Western Europe, with an 8 per cent higher population than pre-war, had largely regained the 1938 volume of total gross national product, consumption, and investment, whilst on a *per capita* basis the 1938 volume of gross national product had been reached by 1949 and that of personal consumption by 1950. Consumption had continued to rise by 1 per cent a year in 1951 and 1952, despite the sharp increase of 50 per cent in defence expenditure between 1950 and 1952

As regards progress in individual countries, Britain and the Scandinavian countries had reached or surpassed the pre-war level of output per head by 1947, whereas the member-countries of the European Coal and Steel Community (France, Western Germany, Italy, and the Benelux nations) were then still over 25 per cent short of such an achievement. In the years 1947-52, on the other hand, output per head had risen by 40 per cent in the E.C.S C area, whereas few other O E.E.C. countries had achieved as much as a 20 per cent increase in this period. As regards consumption per head, Britain had achieved the pre-war level by 1947 and remained at that level until 1952 , Italy did not reach the 1938 level until 1951; and Western Germany did not surpass the 1936 level until 1952. No figures were available to compare consumption per head in the Netherlands with a pre-war level.

Gross domestic capital formation in Western Europe, which in 1938 amounted to 15 per cent of total output, had by 1952 increased its proportion to 18 per cent—the same as in the U S A , whose pre-war percentage, however, was only 11 per cent

Yugoslav Representation in O.E.E.C. It was announced in Paris on March 3, 1955, that Yugoslavia would be represented by an observer at meetings of the O E E.C Council, and also on technical committees and sub-committees of the Organization.

It was announced on Nov. 10 that M. Robert Marjolin, who had been Secretary-General of the O.E.E.C. since its inception in 1948, had expressed the desire to retire in 1955 for personal reasons.—(O.E.E.C. Information Division, Paris - Times - Financial Times - Le Monde, Paris - Neue Zurcher Zeitung) **(Prev. rep. O.E.E.C. Council, 13778 A; E.P.U. etc., 14014 A; Reports, 13934 A.)**

Note. The following table was prepared by the O.E.E.C. Statistical Division to show the progress made in certain important sectors of the European economy since the inception of the O E.E.C. in 1948.

	Industrial Production Indices: 1950 = 100		Agricultural Production (total output for human consumption) Indices: (pre-war = 100)		Prices and Wages Indices (1950 = 100) Wholesale prices		Consumer prices		Wages		Trade Average value indices (1950 = 100) (a) Imports		(b) Exports		Terms of trade (b : a)	
	1948	1953	1947-48	1952-53 prelim.	1948	1953	1948	1953	1948	1953	1948	1953	1948	1953	1948	1953
Austria	64	117	51	97	59	141	69	141	73	152	52	161	57	137	110	85
Belgium	97	111	81	119	100	107	104	110	91	116	101	110	111	112	110	102
Luxemburg	100	112			—	—	91	110	—	—						
Denmark	84	100	84	122	87	116	95	117	91	..	95	113	103	111	107	98
France	90	110	78	108	92†	128	90†	129	81	.	68	113	80	119	118	106
Western Germany	55	138	65	116	101	118	108*	108	82	129	.	106	122	123	.	116
Greece	66	130	84	107	.	141	81	129	—	—	—	—	—	—	—	—
Iceland	.	.	—	—	—	—	82	141	—	—	60	.	72		120	.
Irish Republic	77	108	90	102	95	122	98	124		..	96	119	92	114	96	96
Italy	79	127	83	112	111	107	100	117	94	..	115	117	109	103	95	88
Netherlands	81	117	81	124	85	115	86	110	90	112	93	107	102	106	110	99
Norway	81	113	92	111	87	132	95	129		133	94	117	101	122	107	104
Portugal	.	.	109	113	94	108	98	99	—	—	100	..	91		91	
Sweden	92	104	98	114	94	131	97	126	92	147	88	122	100	136	114	111
Switzerland	.	.	91	108	107	105	102	107	98	106	123	110	108	107	88	97
Turkey	87	130	104	169	103	110	96	108	—	—	134	114	101	103	75	90
United Kingdom	87	106	95	126	83.5	125	95	123	93	125	87	115	93	120	107	104
All O.E.E.C. countries	80	116	82	117	—	—	—	—	—	—	125	113	131	117	105	104
Canada	93	117	116	165	92	105	94	112	88	132	91	99	92	110	101	111
United States	93	119	129	143	101	107	100	111	91	121	97	114	111	113	114	99

* July-Dec. † 1949.

(New York Herald Tribune)

A. UNITED STATES. — The 1955-56 Budget. - Expenditure of $62,408,000,000. - Estimated Deficit of $2,408,000,000. - President Eisenhower's Budget Message.

President Eisenhower submitted to Congress on Jan. 17 his Budget proposals for the fiscal year 1956 (July 1955 to June 1956). Total expenditure was estimated at $62,408,000,000 (of which $40,458,000,000, or 65 per cent, was for national security) and revenue at $60,000,000,000, leaving a budgetary deficit of $2,408,000,000. Detailed estimates of expenditure and revenue are shown in the following table:

	Actual 1954	Estimate 1955	Estimate 1956
		($ million)	
Estimated Expenditure:			
National Security	46,522	40,644	40,458
International Affairs and Finance	1,720	1,420	1,332
Veterans' Services and Benefits	4,256	4,431	4,640
Welfare, Health, and Education	2,248	2,316	2,312
Agriculture and Agricultural Resources	2,557	3,130	2,259
Natural Resources	1,213	1,133	953
Commerce and Manpower	1,577	2,550	2,186
General Government	1,209	1,222	1,566
Interest	6,470	6,558	6,378
Reserves*	—	110	325
Total	67,772	63,504	62,408
Estimated Receipts:			
Individual Income Taxes	32,383	30,700	32,500
Corporation Income and Excess Profits Taxes	21,523	18,466	17,034
Excise Taxes	10,014	9,073	9,350
Employment Taxes	5,425	6,080	7,095
Estate and Gift Taxes	945	930	970
Customs	562	570	570
Miscellaneous Receipts	2,320	2,302	2,486
Deduct.			
Appropriations to Federal old-age and survivors insurance trust fund	4,537	5,190	6,175
Appropriation to Railroad Retirement account, excluding military service credits	600	600	625
Refunds of receipts (excluding interest)	3,377	3,331	3,205
Total	64,655	59,000	60,000
Budget Deficit	3,117	4,504	2,408

* For contingencies and to cover the cost of proposed legislation.

Extracts from the President's Budget message are given below.

National Security. The principal items were: Air Force, $15,600,000,000; Navy, $9,700,000,000; Army, $8,850,000,000; foreign military assistance programme, $3,675,000,000; atomic energy programme, $1,910,000,000; strategic and critical materials, $783,000,000. The overall strength of the armed forces, under present plans, was to be reduced from about 3,200,000 to 3,000,000 by June 30, 1955, and to something over 2,800,000 by June 30, 1956; within this figure, however, the strength of the Air Force would be somewhat increased.

The Army was continuing to study the changes in its organization and doctrine required to meet atomic warfare, and it appeared probable that the Army of the future would be organized into smaller, but more mobile and self-contained, units with greater fire-power.

The Navy would operate approximately 1,000 active ships, including 400 warships; the number of carrier air groups was to be increased from 16 to 17, and an additional "attack carrier" equipped with modern aircraft would be added to the fleet. The Navy would continue to maintain 15 anti-submarine warfare squadrons

The Marine Corps would maintain three combat-ready divisions and three air wings, and the current level of approximately 10,000 Naval and Marine operating aircraft would also be maintained.

The Air Force was continuing its build-up towards the target of 137 wings, and was expected to have 130 wings in being by June 30, 1956—119 of which would be combat wings

About two-thirds of the projected defence expenditure in 1955-56 would be devoted to air power and related services, expenditure on which would be the largest in peace-time history. The total number of aircraft in the Air Force, the Navy, and the Marine Corps would be raised from over 34,000 on June 30, 1954, to 36,000 on June 30, 1956, compared with the ultimate objective of nearly 40,000 In addition, the Army would maintain 3,600 active aircraft, and the number of its helicopters would be increased by over 20 per cent during the next two years. "The growth in our effective air power," the President emphasized, "is far greater than these numbers indicate, for our aircraft continue to increase in size, speed, range, and striking power."

Expenditure on major items of equipment (i e., aircraft, tanks, guns, ships, etc.) would continue at about the same level, except for expenditure on ships; this would be increased in order to deal with the problem of "block obsolescence" of ships built largely during the Second World War. The proposed shipbuilding programme for 1955-56 included the start of a fifth aircraft-carrier of the 60,000-ton *Forrestal* class.

The Atomic Energy Commission's budget for 1955-56 provided for a record expenditure on projects to develop peaceful applications of atomic energy. The President said that whilst the U.S.A. would "continue unabated" her efforts to ensure that atomic energy was exclusively used for peaceful rather than warlike purposes, they had "no alternative but to strengthen further our most effective deterrent to armed aggression—the power of our nuclear weapons stockpile"—until the principle of the peaceful use of atomic energy had been universally accepted. Although the estimates of expenditure assumed a continued reduction in cost per unit, total operating costs would nevertheless rise because of increased production as new facilities were brought into operation Capital expenditure, on the other hand, would drop considerably in 1955-56 as new production plants authorized in former years neared completion.

The second atomic-powered submarine—the *Sea Wolf*—would be launched in 1955, two atomic-powered attack-type submarines had been financed in the 1954-55 fiscal year, and it was recommended that further submarines of this type should be started in 1955-56. Development work in 1955-56 would continue on improved types of submarine reactors and on a reactor to power larger naval vessels; research on atomic-powered aircraft would be expanded and accelerated; and work on a small transportable power reactor for military use would be continued.

International Affairs and Finance. Estimated expenditure under this head was reduced to the net figure of $1,332,000,000 after taking account of receipts of $425,000,000 from the Export-Import Bank, $79,000,000 from the Commodity Credit Corporation, and $4,000,000 from investment guarantees The principal expenditure items were $1,025,000,000 for non-military assistance under the Mutual Security Programme; $335,000,000 for loans by the Export-Import Bank; and $177,000,000 for emergency commodity assistance by the Department of Agriculture. A further $35,000,000 was included as the U.S share of the $100,000,000 capital of the proposed International Finance Corporation (see 14010 A).

Agriculture. The principal item was $968,000,000 for the price support, supply, and purchase programmes of the Commodity Credit Corporation, representing the difference between gross expenditure of about $4,200,000,000 and gross receipts of some $3,200,000,000.

Commerce and Manpower. The principal item was $725,000,000 for road development under proposals which would be submitted to Congress. Other important items included $116,000,000 for the promotion of defence production and $70,000,000 for civil defence and disaster relief.

The postal services were expected to incur a deficit in 1955-56 of $294,000,000. If, however, the postage rate increases which the President had submitted to Congress were approved, this would add $400,000,000 to receipts, which would be sufficient to cover the recommended pay increases of postal employees (totalling $130,000,000) and would reduce net expenditures to $24,000,000 The President proposed, as a long-term solution, that an independent commission should review further postage rate changes proposed by the Postmaster General in accordance with a basic formula laid down by Congress.

Expenditure on slum clearance was estimated at $94,000,000; 22 slum clearance projects would be completed and 364 other projects would be under way during the year.

The President proposed that the present Defence Production Act, due to expire on June 30, 1955, should be extended for a further two years He also proposed an extension beyond June 30, 1955, of the authority to grant loans to small businesses.

The total "new obligational authority" (i.e. authority to enter into commitments for which payment might not be made until future years) recommended in the Budget was $58,642,000,000.—(New York Times - New York Herald Tribune) **(Prev. rep. 13716 C; 13417 A.)**

B. UNITED KINGDOM. — Relative Increases in Wages, Prices, and Profits.

Mr. Maudling, Economic Secretary to the Treasury, stated in the House of Commons on Feb. 3, in reply to Mr. Ronald Bell (C.), that between 1938 and 1951 total earnings of wage-earners had risen by 166 per cent, retail prices of all consumer goods and services by 110 per cent, and total interest and dividends, before the deduction of tax, paid by companies and public corporations by 22 per cent.

Between 1951 and 1954, provisional estimates suggested that total earnings of wage-earners had risen by about 20 per cent, retail prices of all consumer goods and services by 10 per cent, and total interest and dividends, before deduction of tax, paid by companies and public corporations by about 30 per cent. Comparable figures for dividends paid by companies alone were not available because of changes in the company sector due to nationalization.

Between 1938 and 1954, therefore, earnings had risen by about 220 per cent, retail prices of all consumer goods and services by 131 per cent, and total interest and dividends, before deduction of tax, paid by companies and public corporations by about 60 per cent.—(Times) **(14065 B; 14064 A.)**

C. SOUTH AFRICA. — Gold Production in 1954.

Gold production in South Africa in 1954 totalled 13,227,847 oz., valued at £164,563,621, compared with 11,936,307 oz. valued at £147,511,747 in 1953.—(Cape Times) **(13470 A; 12015 C.)**

A. UNITED KINGDOM. — The Defence Estimates, 1955-56. - Britain to develop Hydrogen Bomb. - Plans for Home Defence against Nuclear Weapons.

The Government's Defence Estimates for 1955-56, providing for a total gross expenditure of £1,537,200,000, or £102,700,000 less than the amount planned for 1954-55, were published as a White Paper (Cmd. 9391) on Feb. 17. The 1955-56 total included expenditure of £43,000,000 to be covered by U.S. aid; allowing for this, the net expenditure was £1,494,200,000.

The U.S. aid was allotted as follows: Defence Support Aid, £8,000,000 (Navy £3,000,000, Army £5,000,000), Agricultural Commodity Aid, £8,500,000 (Navy £3,500,000, Army £5,000,000); Special Aircraft Purchase (Air Force) £16,500,000, Additional R A F Programme £10,000,000.

Detailed estimates of expenditure were as follows (1954-55 Estimates shown for comparison):

	Excluding receipts from U.S. Aid £ million		Including receipts from U.S. Aid £ million	
	1955-56	1954-55	1955-56	1954-55
Admiralty	347 00	367.00	340 50	353.00
War Office	484 00	561.00	474.00	535.00
Air Ministry	540 40	537 00	513.90	491 64
Ministry of Supply	147.50	151.00	147 50	151.00
Ministry of Defence	18.30	23.90	18.30	23 90
	1,537.20	1,639.90	1,494.20	1,554.54

The White Paper announced that, after full consideration of all the implications, the Government had decided that Britain must begin the development and production of the hydrogen bomb as a deterrent to war. It also announced that stocks of nuclear weapons were steadily growing; that a start would be made in 1955-56 on building a new class of guided-weapon ship to replace older cruisers; that the R.A.F. "V" bomber force would be built up to the highest possible state of preparedness; that reduced commitments overseas had made it possible to rebuild a strategic reserve of land forces at home; and that a Mobile Defence Corps, trained in fire-fighting and rescue work, would be formed as part of the Army and R.A.F. to defend the home base and to act as a vital link between the civil defence services and the armed forces. Principal points from the White Paper are summarized under cross-headings below:

Principles of Defence Policy. After declaring that "the emergence of the thermo-nuclear bomb" had overshadowed "all else in the year 1954" and that this development would have "far-reaching effects" on U.K. defence policy, the White Paper continued: "New and revolutionary problems are posed requiring courage and imagination for their solution. Nevertheless our problem is still fundamentally a dual one We have to prepare against the risk of a world war and so prevent it, it is on the nature of these preparations that the existence of thermo-nuclear weapons has its main effect. At the same time we must continue to play our part in the defence of the interests of the free world as a whole, and particularly of the Commonwealth and Empire, in the 'cold war', and we must meet the many other peace-time commitments overseas arising from our position as a great Power with world-wide responsibilities."

Thermo-nuclear Weapons. After pointing out that the U.S. Government had announced that they were proceeding with full-scale production of thermo-nuclear weapons, and that "the Soviet Government are clearly following the same policy, though we cannot tell when they will have thermo-nuclear weapons ready for use," the White Paper went on: "The United Kingdom also has the ability to produce such weapons. After fully considering all the implications of this step, the Government have thought it their duty to proceed with their development and production The power of these weapons is such that accuracy of aim assumes less importance, thus attacks can be delivered by aircraft flying at great speed and at great heights. This greatly increases the difficulty of defence. Moreover other means of delivery can be foreseen which will, in time, present even greater problems.

"If such weapons were used in war, they would cause destruction, both human and material, on an unprecedented scale. If exploded in the air, a hydrogen bomb would devastate a wide area by blast and thermal radiation If exploded on the ground, the damage by blast and thermal radiation would be somewhat less; but there would be additional extremely serious indirect effects. A great mass of atomised particles would be sucked into the air. Much of it would descend round the point of the explosion, but the rest would be carried away and descend as radio-active 'fall-out'. The effect on those immediately exposed to it without shelter would certainly be fatal within the areas of greatest concentration of the 'fall-out'; it would become progressively less serious towards the outer parts of the affected region. Large tracts would be devastated and many more rendered uninhabitable. Essential services and communications would suffer widespread interruption. In the target areas, central and local government would be put out of action partially or wholly Industrial production, even where the plant and buildings remained, would be gravely affected by the disruption of power and water supplies and by the interruption of the normal complex inter-flow of materials and components. There would be serious problems of control, feeding, and shelter. Public morale would be most severely tested. It would be a struggle for survival of the grimmest kind.

"It is essential that these facts should be known not only to our people but to all the world All should realize the magnitude of the disaster war would bring. Such understanding may bring home to people in all lands the consequences of war and generate a compelling will to peace, strong enough to enforce itself on the most arbitrary of rulers. That is the first implication of the nuclear weapon. It is one not of despair but of hope. In the hands of the free world, which at present has a marked superiority both in the weapon itself and in the means of delivering it, and which has no thought of aggression, it is a most powerful deterrent. In the Government's considered view this deterrent has significantly reduced the risk of war on a major scale.

"In these circumstances our immediate duty and our policy are clear To build up our own forces, in conjunction with those of our allies, into the most powerful deterrent we can achieve. By this means to work for peace through strength. Thus we shall hope to obtain real disarmament and relaxation of tension. But we must also so equip and train our forces and so organize the country as to enable us to survive and to defeat the enemy if all our efforts for peace should fail Nevertheless our long-term policy remains unchanged."

Disarmament. The White Paper stressed that the Government would continue to strive for a practical disarmament scheme and for "the abolition of the use, possession, and manufacture" of nuclear weapons and other weapons of mass destruction, together with "simultaneous major reductions of conventional armaments and armed forces to agreed levels which would reduce the present Communist superiority" This programme, however, would have to be carried out to an agreed time-table, with machinery to supervise and enforce agreed prohibitions and reductions. Although in September, 1954, the Soviet Government had announced that they were prepared to accept certain proposals put forward by the British and French Governments in the previous June, recent debates in the U.N. General Assembly had shown that they were still not prepared to agree to the essential safeguards contained in the proposals. "If the free world were to disarm without such safeguards," the White Paper declared, "it would incur a double risk. It would be threatened with conventional forces which it could not hope to match, and it would have no guarantee that such forces would not be reinforced by nuclear weapons over the clandestine production of which there would be no adequate control . . . Disarmament must be real and comprehensive, with secure and workable safeguards. Until the Communist world is prepared to accept such a system, our 'Grand Alliance' must build and maintain its strength."

Defences against "Cold War" Methods. - Commitments in Overseas Territories. After speaking of the significance of the London and Paris agreements, and of the close liaison being maintained at Service level with other British Commonwealth countries, the White Paper emphasized the importance of maintaining and consolidating political progress in the less developed countries which might otherwise be undermined by Communist infiltration. Although the existence of nuclear weapons might discourage overt intervention by the Communist Powers through fear that this might develop into general war, there was an equal possibility that it might "encourage the indirect approach through infiltration and subversion." It was therefore necessary, "in parallel with our effort to develop the deterrent and to prepare against a major war," to strengthen by all means, including the maintenance of adequate conventional forces, Britain's defences against this method of attack and, together with the other Commonwealth and Allied countries, to resist the spread of Communism throughout the world

As a result, U.K. overseas dependencies must if necessary be defended not only against external attack but also against internal disruption, especially as the rapid transition through which many Colonial societies were now passing in their progress towards self-government created conditions which were in some cases capable of being exploited by international Communist techniques. This need must increase—though it was hoped only temporarily—the actual and potential commitments for British forces in support of Colonial Governments and Administrations. On the other hand, reduced commitments in Trieste, Korea, and the Middle East had now made it possible to rebuild a strategic reserve of land forces in the U.K., and this, coupled with the mobility of the Navy and increasing use of air transport, would greatly increase Britain's ability to exercise her world-wide responsibilities effectively and economically.

Strategic Air Power and Use of Nuclear Weapons. "The deterrent against war," said the White Paper, "must rest primarily on strategic air power, armed with nuclear weapons, for the knowledge that aggression would be met by overwhelming nuclear retaliation is the surest guarantee that it will not take place. This counter-offensive strength is also the most effective defence against aggression, should it ever occur." In this connexion, the White Paper pointed out that because of the enormous power of nuclear weapons the outcome of the first few exchanges would be of major importance, and great advantages would probably flow from surprise and the first assault. "In these circumstances," it went on, "the enemy might well initiate the use of nuclear weapons at the outset of hostilities A prompt and overwhelming counter-offensive with the most powerful weapons available offers at present the surest means of limiting the scale of such attacks."

After saying that Britain could not rely on strategic air power alone, and that her defence policy must aim at impressing on a potential enemy that a sudden attack, even with nuclear weapons, would not be conclusive, the White Paper stressed the need to maintain naval forces which could seek out and destroy the enemy's naval forces and preserve effective sea communications. Turning to "the great preponderance of conventional land forces" maintained by the Communist world, it estimated that the Soviet Union and her

Eastern European satellites had about 6,000,000 men under arms, that on the German front the Soviet Army could be increased to over 100 divisions within 30 days; and that over the whole field of deployment, East and West, the Soviet and "satellite" land forces could be raised to the level of 400 divisions. "Even allowing for the essential German contribution," it went on, "the free world cannot put into the front line anything comparable to this strength in conventional forces. The use of nuclear weapons is the only means by which this massive preponderance can be countered. But with their aid and with the German contribution we can adopt a forward strategy on the ground in Europe and so defend the Continent."

After referring to the North Atlantic Council's decision of December 1954 on the use of nuclear weapons in a major war (see 13988 A), the White Paper declared: "Until the Soviet Union agrees to participate in a secure system of disarmament, the free nations must base their plans and preparations on the assumption that if a major war were precipitated by an attack upon them they would have to use all the weapons at their disposal in their defence. The consciences of civilized nations must naturally recoil from the prospect of using nuclear weapons. Nevertheless, in the last resort, most of us must feel that determination to face the threat of physical devastation, even on the immense scale which must now be foreseen, is manifestly preferable to an attitude of subservience to militant Communism, with the national and individual humiliation that this would inevitably bring. Moreover, such a show of weakness or hesitation to use all the means of defence at our disposal would not reduce the risk. All history proves the contrary."

Role of the Conventional Forces. The development of nuclear weapons did not mean, however, that the use of naval and land forces in a major war was obsolete or outmoded. "The Navy is still required to contain and destroy enemy forces at sea so as to allow free movement of supplies and troops and to give both our land and air forces support in their operations. We still need troops on the ground to hold the enemy well to the East in Europe in the vital initial stages of a war. This would give time for the effects of our strategic air offensive to be felt. It would also hold back from the U.K. the threat of shorter-range aircraft and ground-to-ground missiles. The presence of a firm shield of troops and tactical aircraft similarly reduces the danger that the Communists might be tempted to try to over-run Europe with conventional forces in the hope that the West would refrain from using nuclear weapons in its defence, or that it could be used as a pawn in a shameful negotiation. It is from this point of view that a German defence contribution is militarily so important."

At the same time, Britain must make all possible provision for the defence of the home base, thus demonstrating that she had no intention of surrendering even if it should come to nuclear warfare. "Home defence," continued the White Paper, "is no less vital than before . . . The whole country is involved and must be organized accordingly. For this work the Services must be trained, local civilian organizations developed, and a link provided between the two. The Government have therefore decided to form a Mobile Defence Corps as part of the Army and R.A.F. reserve force. We also need defensive strength to take toll of the enemy if he attacks. To this end the Reserve Army . . . will continue to play a vital role."

The Programmes of the Services. Reviewing the functions and programmes of the three Services, the White Paper stressed that in the "cold war" the main burden would continue to fall on the Army; the strategic reserve to be built up would be used to restore promptly "situations which might otherwise grow into serious or lasting commitments," and also to reduce the present high proportion of overseas service in the Army. The Navy's task in peace-time would, as in the past, be to sustain British foreign and colonial policy, but the Navy was also essential to the support of the strategic reserve, whilst in limited conflicts of the Korean type its mobility would enable it to provide powerful assistance to the land battle. The value of the R.A.F. in the "cold war" was exemplified by the squadrons now engaged in active operations in Kenya and the Far East. In this connexion, the White Paper said that the overseas Commands of the R.A.F. were being given new equipment and would continue to maintain close liaison with other British Commonwealth air forces. Special attention was also being paid to the re-equipment of Transport Command so as to provide increased mobility for the strategic reserves of land and air forces, as well as greater capacity for co-operation with the Army in tactical airborne operations.

In the event of a global or "hot" war, the threat of nuclear attack presented grave problems to the air defence forces, and the control and reporting system at home would therefore be further improved. The expansion of R.A.F. Fighter Command had been completed and its re-equipment was proceeding, with a further increase in the proportion of all-weather radar-equipped fighters. High priority would be given to the development of guided missiles and orders had been placed for air-to-air guided weapons, whilst progress was being made in the development of other types. The 2nd Tactical Air Force in Europe would be maintained at the highest possible efficiency, and Coastal Command would be strengthened by the addition of *Seamew* aircraft for short-range anti-submarine reconnaissance.

The Army in Europe was being maintained at a strength of four divisions equipped with a wide variety of up-to-date weapons. However, in view of the need to prepare for eventualities which might arise in the Far East or Middle East, experimental organizations (including transport) and a revised scale of weapons and equipment were being worked out to increase flexibility.

With regard to the Navy, a radical reorganization of the Reserve Fleet was being carried out in order to give immediate readiness in the event of war, and the further dispersal of the Reserve Fleet both within and outside the U.K. was being considered.

Summing up, the White Paper said: "Within the limit of our resources, we are planning for a better equipped and maintained Active Fleet and a reduced but much more highly prepared Reserve Fleet; a smaller, better disposed, more mobile Army; and a more powerful Air Force including, in particular, an effective strategic bomber force. All these forces must be armed with the most modern weapons."

Further points from the White Paper are summarized below:

Manpower. The estimated total strength of the Forces at April 1, 1955, and April 1, 1956, compared with the actual strength at April 1, 1954, was shown as follows:

	April 1, 1955 (Estimated)	April 1, 1956 (Estimated)	April 1, 1954 (Actual)
Regulars	518,700	483,300	524,400
National Servicemen	283,400	285,500	298,300
Women	21,200	19,200	23,100
Total	823,300	788,000	845,800

The apportionment of the male Regular strength (officers and men) between the three Services was as follows:

	April 1, 1955 (Estimated)	April 1, 1956 (Estimated)	April 1, 1954 (Actual)
Royal Navy ..	114,700	108,400	121,000
Army .	222,900	203,000	216,900
R.A.F .	181,100	171,900	186,500
Total	518,700	483,300	524,400

Regular Recruitment. Actual recruitment to the three Services in 1953-54, and estimated figures for 1954-55 and 1955-56 (excluding Women's Services), are shown in the following table:

	1953-54 (Actual)	1954-55 (Estimated)	1955-56 (Estimated)
Navy	9,100	8,100	8,100
Army	41,300	39,000	39,000
R.A.F ..	30,700	27,000	26,100
Total ..	81,100	74,100	73,200

The White Paper stated that the inducements to serving men to prolong their service had been "disappointing" as regards the Navy, but "definitely encouraging" in the R.A.F. In the Army, prolongations by men serving on the older (five year and longer) engagements had shown "a welcome increase," but it was still too early to assess the effect on men serving on the new short (three-year) engagements.

National Service. Requirements in 1955-56 were put at about 198,000 men (Navy 7,400, Army 130,500, R.A.F. 60,000).

Reserve and Auxiliary Forces. The strength of these forces rose during 1954 from 571,000 to 647,000, and the number of volunteers from 114,000 to 117,000.

Colonial Forces. The present strength of the armed forces raised by Colonial territories was about 63,000, but was expected to fall to 43,000 by March, 1956, as pioneer units hitherto employed in the Middle East were disbanded. In addition, in certain Colonial territories about 14,000 local personnel were enlisted in the U.K. forces, whilst about 5,000 U.K. officers and N.C.O.s were serving in Colonial forces to provide the necessary leadership.

Research and Development. After referring to the satisfactory development of manned bombers—at present the primary means of delivering nuclear weapons—and to the development work being carried out on ballistic rockets, the White Paper continued:

"The main effort in the development of guided weapons is devoted to providing defence against bombers flying at high speeds and at great altitudes. Against this threat heavy and medium A.A. guns will in the future be of little value. The future air defence system of the U.K. will have as its main components the manned fighter and the ground-to-air guided weapon. The balance between these weapons will vary with new developments, but it is clear that for a long time to come both will be needed to combat the bomber threat. The effectiveness of our manned fighters will be increased by fitting air-to-air guided weapons capable of engaging enemy aircraft at longer ranges and with a much greater certainty of success than is possible with aircraft armed only with cannon. Development of these air-to-air guided weapons, incorporating a variety of techniques, has reached an advanced stage. The surface-to-air guided weapons which are under development for use from the land and from ships are of greater complexity than air-to-air missiles, and the time required to develop an effective operational weapon system is necessarily longer. Nevertheless, good progress has been made and numerous trial firings are taking place both in this country and in Australia.

"There is close collaboration with the U.S.A. in the guided weapon field . . The nature of the potential threat from the air to the two countries differs in many significant aspects, and the weapons required by each country must often have different characteristics. Nevertheless, we derive great advantage from the larger development effort and the more extensive resources that the U.S.A. have been able to devote to the subject, and at the same time we make a valuable contribution of our own."

The White Paper also referred to the "considerable progress" made in improving high-speed submarines of great underwater endurance, in developing aircraft and weapons for use against fast heavily-armed cruisers; and in developing shipborne guided weapons. It added that the success of recent developments in aircraft-carriers would make it possible to use at sea heavier and faster fighters and attacking aircraft, the latter capable of carrying atomic bombs.

Production Programmes. Estimating the total amount to be provided for defence production in 1955-56 at about £600,000,000, the White Paper gave the following summary of the production programmes of the three Services.

Royal Navy—A new system of power-operated armament had now been tested sufficiently to make it possible to resume work on the three *Tiger* class destroyers, which would have exceptionally high fire-power. The submarine construction programme would continue and a high-speed experimental submarine would probably be completed in 1955-56. An experimental guided-weapon ship, converted from a maintenance ship, was nearing completion, with trials scheduled to begin in 1956; in the meantime an early start would be made on the construction of guided-weapon ships to replace older cruisers. Increased effort would be devoted to refitting ships of the Active and Reserve Fleets to improve their efficiency.

Army.—The long-term re-equipment plan would continue, and during the year there would be issued the first of a new range of wireless sets, new L.A.A. guns, new radar for the field forces, and new sub-machine guns. Large-scale trials of the (Belgian) F.N. rifle would be carried out at home and overseas.

R.A.F.—Re-equipment with more modern and advanced types of aircraft and equipment would be accelerated in 1955-56. The first stage of the expansion and modernization of the radar network in overseas theatres would be completed, and a start would be made on the next stage.

Offshore Procurement. The White Paper stated that U.S. contracts valued at about $200,000,000 had been placed in Britain during 1954 under the offshore procurement programme for the purchase of military equipment for NATO countries (bringing the total value of these contracts to $650,000,000), including aircraft (*Hunters, Javelins, Sea Hawks*), ammunition, Centurion tanks, and electronic equipment.

U.S. and Canadian Military Aid. Britain had continued to receive equipment under the U.S. Mutual Security Act, including some produced in this country under the offshore procurement programme. The U.S.A. had also helped to expand British capacity for the manufacture of propellants and explosives by providing plant under offshore contracts. Items received from Canada included anti-aircraft radar, ammunition, propellants and explosives.

Home Defence. The White Paper declared that "if war should come despite our efforts to prevent it, there is still much that can and must be done to mitigate the effects of a thermo-nuclear attack." It explained, however, that the Government had not been able finally to assess the implications of the latest weapon developments, particularly as regards "the extensive radio-active contamination which may be caused by the 'fall-out' from a hydrogen bomb burst at ground level." Until more was known, therefore, it would be unwise to embark on measures which might later prove to have been misdirected. The White Paper continued:

"We are not, nor shall we ever be, able to forecast the precise effect or the extent of any nuclear attack against this country. Some areas would be destroyed, some would be on the fringe of devastation, others would escape direct damage by blast and heat. Still less can we forecast the pattern of radio-active contamination which might result from the attack. It would be quite wrong for people to assume that their neighbourhood would be sure to receive a direct hit and that they would therefore be unable to help themselves or others. It would be equally mistaken to assume that any part of the country would escape the effects of the attack and have no need of help. We are all in it, and we must all learn to help ourselves and to help each other.

"Obviously the need for rescue, fire-fighting, and welfare operations would be as great as ever. The presence of radio-activity would have to be detected and measured, and the necessary warning given to the public. The first call would have to be met by the civilian services on the spot organized by the local authorities, with the help of the Civil Defence Corps, the Industrial Civil Defence Service, the Auxiliary Fire Service, and the Women's Voluntary Services, and by the National Hospital Services (including the National Hospital Service Reserve) supported by the voluntary aid societies. Every individual citizen would be needed."

These local services, however, would need to be supported by "all the formed and disciplined bodies of the armed forces available in Britain," and the Government had decided that all members of such forces, including the Home Guard, should in future receive training in elementary civil defence duties as part of their normal military training. As regards the Mobile Defence Corps, the aim was to build up over the next three to four years a force of 48 reserve battalions, each at least 600 strong; some battalions would be trained and equipped for fire-fighting duties, others for rescue and ambulance work. In an emergency, these battalions (which would be distributed throughout Britain) would be mobilized like other units of the reserve forces. Men would be selected from the Army and R.A.F., and would receive one month's wholetime training during their active service. Special training depots would be opened up in various parts of Britain to train about 10,000 men annually, and enough accommodation would be ready to receive the first intake of wholetime trainees towards the end of 1955. On completing their active service these men would be posted to battalions as near as possible to their homes, and would carry out their 15 days' annual reserve training with their battalions. The White Paper added that, as the scheme developed, the Government would consider the practicability of expanding the number of reserve battalions; that general responsibility for the Mobile Defence Corps would rest with the War Office, though a proportion of training depots and reserve battalions would be manned by the R.A.F.; and that the permanent instructional and administrative staffs at training depots would be found mainly within the active Army and the R.A.F.

The White Paper went on to point out that the distinction between evacuation, neutral, and reception areas would be far less easy to make than in the past, since the effects of "fall-out" might be felt over wide areas of the countryside and the relative safety of rural areas correspondingly reduced. Nevertheless, areas with the greatest concentration of population would still be more vulnerable than others, and there would therefore be some advantage in spreading the risk by a measure of dispersal so long as this enabled the community to continue to function effectively.

Within a few miles of the point of burst it would be quite impracticable to provide protection against the violent explosive power of a hydrogen bomb. Beyond this area of devastation by blast and heat a considerable degree of protection against the effects of "fall-out" could be secured by shelters of fairly simple construction, e.g. by trenches with overhead earth cover.

Planning of the casualty services would have to take account of the fact that a single hydrogen bomb explosion would "take very heavy toll" of life and leave large numbers injured or homeless, whilst very many others would be affected by radio-activity. Plans prepared in advance to deal with the situation would have to be supplemented by large-scale improvization.

In view of the vital importance of communications, the Post Office were building up a special cable and wireless network for use in the event of attack.

A large part of the country's imports entered through the major ports, which were vulnerable to thermo-nuclear attack. Plans had therefore been drawn up for the use of alternative facilities, including the use of smaller ports and harbours.

Stockpiling. It was stressed that after the initial attack there would probably be a period during which the importation of food and raw materials would be very seriously disrupted, and that it would therefore be necessary to have available stocks of essential commodities (mainly food and oil) widely distributed so that they might so far as possible escape destruction or contamination. During 1955-56 reserves of these essential supplies would be built up.

In conclusion, the White Paper stated that in the financial year 1955-56—an interim year while policy was being reshaped—£70,000,000 had been provided for defence by the Civil Departments, including loan expenditure by the Post Office. (Cmd. 9391 - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 13447 A; Strategic Reserve, 13931 A; Hydrogen Bomb Debate, 13623 A; Atomic Warfare, 13786 A.)**

A. UNITED STATES. — General Taylor appointed U.S. and U.N. C.-in-C. in the Far East. - New C.-in-C., U.S. Army in Europe.

It was announced in Washington on March 7 that General Maxwell D. Taylor, Commander of the U.S. 8th Army, had been appointed U.S. and U.N. Commander-in-Chief in the Far East, in succession to General Hull, who would retire on April 30. At the same time the Defence Department announced that General Lyman L. Lemnitzer, Deputy Chief of Staff of the U.S. Army for plans and research, would succeed General Taylor as 8th Army Commander.

Lieut.-General Anthony C. McAuliffe assumed command of the U.S. Army in Europe on Feb. 1 in succession to General Hoge, retiring.—(New York Times) **(Prev. rep. 13148 B.)**

B. UNITED KINGDOM. — Order of Merit conferred on Dr. Albert Schweitzer.

It was announced on Feb. 26 that H.M. the Queen had appointed Dr. Albert Schweitzer, the famous French medical missionary, philosopher and musician, as an honorary member of the Order of Merit. Dr. Schweitzer, recipient of the Nobel Peace Prize for 1954, had celebrated his 80th birthday on Jan. 14. The Order of Merit is confined to 24 members, together with such honorary foreign members as the Sovereign may wish to honour. The only living honorary foreign members of the Order are Dr. Schweitzer and President Eisenhower. (Times-Daily Telegraph) **(Prev. rep. Dr. Schweitzer, 13912 A.)**

C. BULGARIA - POLAND - RUMANIA. — State of War with Germany ended.

The Bulgarian National Assembly unanimously adopted a resolution on March 1 ending the state of war with Germany and Rumania announced the same step on March 8. The Polish Council of State had taken a similar decision on Feb. 18 in accordance with the Polish Government's recommendation of Feb. 1.—(Le Monde, Paris - Times - Polish Embassy Press Office, London) **(Prev. rep. 14056 A.)**

D. BURMA - CAMBODIA. — Diplomatic Relations.

Following Burma's *de jure* recognition of the Cambodian Government, it was announced in Rangoon on Jan. 10 that both Governments had agreed to establish diplomatic relations at Embassy level.—(Burmese Government Information Dept., Rangoon) **(Prev. rep. 14037 A; 13781 C.)**

A. YUGOSLAVIA. — Trial of M. Djilas and M. Dedijer for Propaganda against the State.

M. Milovan Djilas, the former Vice-President of the Yugoslav Federal Executive Council, and M. Vladimir Dedijer, a member of the Central Committee of the League of Communists (the Yugoslav Communist Party) and professor of modern history at Belgrade University, who had defended M. Djilas at the time of his expulsion from the Committee in January, 1954 (see 13409 A), both published statements in the foreign Press in December, 1954, criticizing the League of Communists and demanding greater freedom of discussion. M. Djilas also called for the establishment of an Opposition party of democratic Socialists, and personally attacked President Tito for opposing tendencies towards democratization.

M. Dedijer, who had been summoned on Dec. 15 to appear before the Control Commission of the League in order to answer charges of "slandering the League of Communists Yugoslav Socialist democracy, the Central Committee of the League, and certain of its members," refused to do so, on the ground that under the party statute his case could be discussed only at a plenary meeting of the Central Committee. On Dec. 21 he gave an interview to the Belgrade correspondent of *The Times* (London), in which he said that although he disagreed with many of M. Djilas's views, he had refused to obey party instructions to "boycott" him. He complained that certain "pressures" had in consequence been exerted on him; thus his name had been omitted from any reference in the Press to his biography of President Tito, and he had not been invited to attend a recent meeting of the Central Committee which had discussed the normalization of relations with the Soviet Union. After M. Djilas's expulsion, M. Dedijer added, he had expressed a wish to give up politics, because he believed that "there can be no development of Socialism without struggle of opinions."

M. Djilas, in an interview with a *New York Times* correspondent on Dec. 24, described the measures taken against M. Dedijer as "an attempt to frighten the democratic elements of the party," adding that "such elements exist, but they are unorganized, whereas the party itself is in the hands of undemocratic forces." The democratic trend inside the party, he asserted, had culminated in the Zagreb conference of November, 1952 (see 12813 A), but at a meeting of the Central Committee at Brioni in September, 1953, it had been decided, on the initiative of President Tito, to "strengthen the discipline of the party in the old anti-democratic Stalinist style." Although "a new atmosphere of freedom" had developed during 1950-51, this had been confined to certain fields, such as art and literature, and did not apply to "basic ideological and political questions," with the result that "political stagnation" had been reached. Denying that he intended to lead an Opposition movement against the Government, he continued: "I thought that the Communist Party must permit freedom of discussion. Now I see that this is impossible. Another political formation should be constructed. This could only be democratic and Socialist and must not entail the return of the old discredited Yugoslav parties, which were never entirely democratic and compromised themselves during the war." The situation was ripe for political democracy, he declared, but the regime, which (he alleged) was dominated by "the most reactionary elements," was preventing its development. The League of Communists was "depressed and without an ideology," and unless Yugoslavia continued to emphasize her ideological differences the normalization of relations with the Soviet Union would lead to a strengthening of Soviet influence. M. Djilas in conclusion described himself as "a democratic Socialist" and said: "The name Communism is good, but it has been compromised. It is a synonym for totalitarianism, in this country as well as in Russia."

Vice-President Kardelj, who was acting as head of the Government during President Tito's visit to India and Burma, strongly condemned MM. Djilas and Dedijer in a speech at Sarajevo on Dec. 27, in which he accused them of "placing themselves at the disposal of anyone who needed their services," in the belief that certain people had no sympathy with Yugoslavia's foreign policy, and especially with President Tito's journey to India. Describing them as "bankrupt politicians who have lost all feeling of responsibility towards their own people," he said that they hoped in vain to become a political factor in Yugoslavia with the help of *The Times* or the *New York Times*. A press conference called by M. Dedijer on the following day, at which he proposed to reply to this attack, and to which both foreign correspondents and the Yugoslav Press had been invited, was banned by the police.

Proceedings under Art. 118 of the criminal code, which provides that "propaganda against the State and the social order" shall be punishable with imprisonment for up to 20 years, were opened by the Belgrade district court on Dec. 30 against MM. Djilas and Dedijer; both however, were allowed to remain at liberty on condition that they made no further public statements. Earlier, on Dec. 28, the National Assembly had lifted M. Dedijer's parliamentary immunity and deprived him of his seat, whilst he was also suspended from all offices in the League of Communists. M. Djilas was expelled on Dec. 31 from the Socialist Union, the national political organization.

M. Stefanovich, the Minister of the Interior, described M. Djilas in the National Assembly on Dec 29 as "the rallying-point of class enemies and foreign agents," who, while maintaining that political freedom did not exist in Yugoslavia, made use of the country's democratic conditions to conduct hostile propaganda The security services, he stated, had discoverd 173 agents of "some Western intelligence services" during 1954, "which speaks for the seriousness of their actions."

The trial of MM. Djilas and Dedijer took place on Jan. 24, 1955, the case being heard *in camera* at the request of the Public Prosecutor, who stated that it involved discussion of Yugoslavia's relations with other countries which it would be contrary to the national interest to deal with in public.

The indictment alleged that the accused had made statements to the foreign Press calculated to damage Yugoslavia's reputation and to create difficulties in her international situation, in the hope of bringing about foreign interference in her internal affairs. These statements, which had been timed to divert attention from the success of the policy pursued by President Tito during his visit to India and Burma, had been intended to provoke pressure from abroad with a view to influencing Yugoslavia's internal and foreign policy, and to disturb the friendly relations between Yugoslavia and the West.

Both the accused, who admitted having made the incriminating statements, were represented by counsel, M Dedijer being defended by Dr. Politeo, a well-known lawyer who defended President Tito at his trial in 1928 and Cardinal Stepinac in 1946.

The court found both defendants guilty of having conducted propaganda hostile to Yugoslavia, and sentenced M. Djilas to 18 months' and M. Dedijer to six months' imprisonment; the sentence on M. Djilas, however, was suspended for three years and that on M. Dedijer for two, on condition that they did not commit an offence of equal or greater seriousness during that period. Notice of appeal was subsequently given by both defendants.—(Tanjug Agency, Belgrade - Times - New York Times) **(Prev. rep. 13409 A; 13592 B.)**

B. SOUTH AFRICA. — Statements by Mr. Strydom on Republic Issue and by Dr. Verwoerd on Application of "Apartheid" to the Western Province of the Cape.

During the course of a no-confidence debate in the House of Assembly on Jan. 25-28, initiated by the Leader of the Opposition, Mr. Strauss, important statements were made by the Prime Minister, Mr. Strydom, on the Government's policy with regard to South Africa becoming a republic, and by the Minister of Native Affairs, Dr. Verwoerd, on the application of *apartheid* to the Western Province of the Cape.

Mr. Strydom, speaking on Jan. 25, said that the constitution of the National Party laid down that a republic could be erected in South Africa only on the broad will of the people—"that is to say on the basis of an adequate and safe majority." In the light of what had happened in the Commonwealth when India had become a republic and had still retained her membership, the National Party had reviewed the whole situation and had decided that the questions of becoming a republic and of remaining a member of the Commonwealth were two entirely separate matters In answer to Mr. Strauss, who had asked why the National Party wanted a republic, Mr. Strydom said that there were two main language groups in South Africa and that his party were convinced that these two groups could work together in unity only under a republic.

Dr. Verwoerd, who made his statement on Jan. 28, said that the Western Province of the Cape was one of the easiest places for the first phase of *apartheid* to be applied, and that certain steps would be taken there, "and taken quickly." In the Western Province the "Black stream" was at its most dangerous and there was the greatest danger of the European population being swallowed up by the influx of Natives—an influx which was still quite new and much of which was migratory. Dr. Verwoerd emphasized that in this area the non-European element was not only strong but was growing rapidly, and mentioned that the number of Coloured people would grow from 1,250,000 to 3,500,000 in the next few years. In a place like Worcester there would be about 100,000 Natives in 10 years' time, whilst in the whole area of the Boland there would be about 1,250,000. It was therefore necessary for the people to know that the Native was not going to be a permanent inhabitant of the Western Province.

The Minister stressed, however, that although future policy must aim at rationalizing industry so that it could get along with as few Natives as possible, there was at present a need for Native labour and no one intended suddenly to remove it. For a while, in fact, the number of Native workers might increase, but the influx should not be regarded as permanent and the arrival of entire families would be severely discouraged. Hostels were to be built for the migratory workers, and when the Native labour was eventually withdrawn they could be converted into permanent homes for coloured families. *Apartheid,* Dr. Verwoerd said, was "a direction," and it would be followed in such a way as to cause the least possible economic damage.

Mr. Strydom also referred during the debate to the question of the sovereignty of Parliament, controversy about which had arisen over the Separate Representation of Voters Act (see 13672 A). "I can say that the sovereignty of this Parliament will be restored," he declared. "We shall not rest until we have restored the position. At the right time the matter will be put right."—(Cape Times) **(Prev. rep. 13941 A.)**

MARCH 12—19, 1955

A. UNITED KINGDOM. — House of Commons Debate on Defence White Paper. - Opposition Motion rejected. - Sir Winston Churchill's Statements on Thermo-Nuclear Warfare, Prospects of Peace, and High-Level Talks with Soviet Leaders. - Labour Split over Use of Hydrogen Bomb. - Mr. Attlee's and Mr. Bevan's Statements.

The House of Commons debated the Government's defence policy on March 1-2 on a motion moved by the Prime Minister expressing approval of the White Paper on defence of Feb. 17. The debate was opened by Sir Winston Churchill, who spoke as follows:

"We live in a period happily unique in human history, when the whole world is divided intellectually, and to a large extent geographically, between Communist discipline and individual freedom, and when at the same time that mental and psychological division is accompanied by the possession by both sides of the obliterating weapons of the nuclear age. We have antagonisms now as deep as those of the Reformation and its reactions which led to the Thirty Years War, but now they are spread over the whole world instead of only a small part of Europe. We have to some extent the geographical division of the Mongol invasion of the 13th century, only more ruthless and more thorough. We have forces of science, hitherto the servant of man, now threatening to become his master!

I am not pretending to have a solution for a permanent peace between nations which could be unfolded this afternoon. We pray for it. Nor will I try to discuss the cold war which we all detest. I can only venture to offer the House some observations, mainly of a general character, on which I have pondered long. I do not pretend to be an expert or to have technical knowledge of that prodigious sphere of science, but in my long friendship with Lord Cherwell I have tried to follow and even to predict the evolution of events." After quoting from an article he [Sir W. Churchill] had written 25 years ago, in which he had predicted the possibility of nuclear fission and the hydrogen bomb, the Prime Minister continued.

"Only three countries possess, in varying degrees, the knowledge and the power to make nuclear weapons. Of these the United States is the overwhelming chief. Owing to the breakdown in the exchange of information between us and the U.S.A. since 1946, we have had to start again on our own. Fortunately, executive action was taken immediately by Mr. Attlee to reduce so far as possible the delay in our nuclear development and production. By his initiative we have made our own atomic bombs. Confronted by the hydrogen bomb I have tried to live up to his standard, and we have started making that one, too. It is this grave decision which forms the core of the Defence Paper we are discussing.

Although the Soviet stockpile of atomic bombs may be greater than that of Britain, British discovery may well place us above them in fundamental science. . . There is an immense gulf between the atomic and hydrogen bombs. The atomic bomb, with all its terrors, has not carried us outside the scope of human control, or manageable events, in thought or action, in peace or war. But when Mr. Sterling Cole, the chairman of the U.S. Congressional Committee [on atomic energy] gave out, a year ago, the first comprehensive review of the hydrogen bomb, the entire foundation of human affairs was revolutionized and mankind placed in a situation both measureless and laden with doom."

Beating both hands on the despatch box in front of him, Sir Winston declared: "It is now a fact that a quantity of plutonium, perhaps less than would fill the box here on this table—and it is quite a safe thing to store—would suffice to produce weapons which would give indisputable world domination to any great Power which was the only one to have it. There is no defence, no absolute defence, against the hydrogen bomb, nor is any method in sight by which any country could be completely guaranteed against the devastating injury which even a score of them might inflict on wide regions.

What are we to do? Which way shall we turn to save our lives and the future of the world? It does not matter so much to old people. They are going soon anyway. But I find it poignant to look at youth in all its activity and ardour, and most of all to look at little children playing their merry games, and I wonder what would lie before them if God wearied of mankind.

The best defence would, of course, be *bona fide* disarmament all round. That is in everybody's heart, but sentiment must not cloud our vision. Facts are stubborn things. A renewed session of a sub-committee of the Disarmament Commission is now sitting in London, and is rightly attempting to conduct its debates in private. But we must not conceal from ourselves the gulf between the Soviet Government and the NATO Powers, which has hitherto for so long prevented agreement. The whole history and tradition of Russia make it repugnant to the Soviet Government to accept any practical system of international inspection. The second difficulty is that just as the U.S.A. on the one hand has, we believe, an overwhelming mastery in nuclear weapons, so the Soviets and the other Communist satellites have an immense superiority of what are called conventional weapons—those with which we fought the last war, but much improved.

The problem, therefore, is to devise a balanced and phased system of disarmament which would at no period enable any one of the participants to enjoy an advantage which might endanger the security of the others. A scheme on those lines was submitted last year by H.M. Government and the French Government, and was accepted by the late Mr. Vyshinsky as a basis for discussion. That is now being examined in London.

If the Soviet Government has not at any time since the war shown much nervousness about the American possession of nuclear superiority, that is perhaps because they are sure that it will not be used against them aggressively, even in spite of the many forms of provocation. On the other hand, the NATO Powers have been combined together by the continued aggression and advance of the Communists in Asia and Europe. That that should have eclipsed in a few years, and largely effaced, the fearful antagonism and memories that Hitler created for the German people is an event without parallel, but it has happened, or happened to a large extent. There is a widespread feeling throughout the free world that but for American nuclear superiority Europe would already have been reduced to satellite status; that the Iron Curtain would have reached the Atlantic and the Channel.

Unless a trustworthy and universal agreement upon disarmament, conventional and nuclear alike, can be reached, and an effective system of inspection is established and is actually working, there is only one sane policy for the free world in the next four years. That is what is called defence through deterrents. We have already adopted and proclaimed this. But deterrents may at any time become the parents of disarmament, provided they deter. To make the utmost contribution to the deterrent we must ourselves possess up-to-date weapons and the means of delivering them.

That is the position the Government occupies. It is not only a matter of principle. There are many practical reasons which could be given. Should war come, which God forbid, there are a large number of targets which we and the Americans must be able to strike at once. There are scores of airfields from which the Soviets could launch attacks with hydrogen bombs as soon as they have the bombers to carry them. It is essential to our deterrent policy, and to our survival, to have with our American allies the strength and numbers to be able to paralyse these potential Communist assaults in the first few hours of the war, should it come.

The House will note that I avoid using the word 'Russian' as much as possible. I have a strong admiration for the Russian people, for their bravery, their many gifts, and their kindly nature. It is the Communist Party, and the declared ambitions of the Communist Party and their proselytising activities that we are bound to resist, and that is what makes this great world cleavage.

There are also big administrative and industrial targets behind the Iron Curtain, and any effective deterrent policy must have the power to paralyse them at the outset or shortly after. There are also Soviet submarine bases and other naval installations which would need early attention.

Unless we make a contribution of our own we cannot be sure that in an emergency the resources of other Powers would be planned exactly as we would wish, or that targets which would threaten us most would be given what we consider the necessary or deserved priority in the first few hours. Those targets might be of such cardinal importance that it would really be a matter of life and death to us. All this must be borne in mind in deciding our policy about conventional forces, the existing Services.

Meanwhile, the U.S.A. has many times the nuclear power of Soviet Russia. I avoid any attempt to give exact figures. They have far more effective means of delivery. Our moral and military support of the U.S.A., our possession of nuclear weapons of the highest quality and on an appreciable scale, with the means of delivery, will greatly reinforce the deterrent power of the free world and will strengthen our influence within the free world. That, at any rate, is the policy we have decided to pursue, and that is what we are now doing. I am thankful it is endorsed by a mass of responsible opinion on both sides of the House and, I believe, the great majority of the nation.

A vast quantity of information—some true, some exaggerated, much out of proportion—has been published about the hydrogen bomb. The truth has inevitably been intermingled with fiction. I am glad to say that panic has not occurred. Panic would not necessarily make for peace. That is one reason why I have been anxious that irresponsible discussion on this matter should not take place on the B.B.C. or television, and I think I was justified in submitting that view of the Government to the authorities, which they at once willingly accepted. Panic would not necessarily make for peace, even in this country. There are many countries in which a certain wave of opinion might arise and swing so furiously into action that decisive steps might be taken from which there is no recall. As it is, the world population goes on its daily journey in spite of its sombre impression and earnest longing for relief. That is the way we are going on now.

I will content myself with saying about the power of this new weapon, the hydrogen bomb, that apart from all the statements about blast and heat effects over an increasingly wide area there are now to be considered the consequences of 'fall-out' of wind-borne radio-active particles. There is both an immediate direct effect on human beings in the path of such a cloud, and the indirect effect through animals, grass, and vegetables, which pass on the contagion to human beings through food. This would confront many who escaped the direct effects of the explosion with poisoning or starvation, or both.

Imagination stands appalled. There are, of course, the palliatives and precautions of a courageous civil defence, but our best protection lies—as I am sure the House will be convinced—in successful deterrents operated from a foundation of sober, calm, and tireless vigilance. Moreover, a curious paradox has emerged. Let me put it simply. After a certain point has been passed it may be said that the worse

things get the better. The broad effect of the latest developments is to spread almost indefinitely—or at least to a vast extent—the area of mortal danger. This would certainly increase the deterrent on Soviet Russia by putting her enormous spaces and scattered population on a basis of equality or near equality with our small densely populated island and with Western Europe. I cannot regard this development as adding to our danger: we have reached the maximum already. On the contrary, to this form of attack continents are as vulnerable as islands. Hitherto crowded countries like the United States and Western Europe have had this outstanding vulnerability to carry, but the hydrogen bomb with its vast range of distribution, and even wider area of contamination, would also be effective against nations whose populations have hitherto been so widely dispersed over a wide land area as to make them feel they are not in any danger at all. They, too, become highly vulnerable—not yet equally, but still highly and increasingly vulnerable.

Here again we see the value of deterrent against surprise, well understood by all persons on both sides who have the power to control events. That is why I have hoped for a long time for a top-level conference where these matters can be put plainly and bluntly, from one friendly visitor to the conference to another. Then it might well be that, by a process of sublime irony, we shall have reached a stage in this story where safety will be the sturdy child of terror and survival the twin brother of annihilation

Although the Americans have developed weapons capable of producing all the effects I have mentioned, we believe that the Soviets have so far tested by explosion only a type of bomb of intermediate power. There is no reason why they should not develop within the next four, three, or even two years more advanced weapons, and full means to deliver them on North American targets. Indeed, there is every reason to believe that within that period they will.

In trying to look ahead we must be careful to avoid the error of comparing the present state of our preparations with the stage the Soviets may have reached in three or four years' time. It is a major error of thought to contrast the Soviet position three or four years hence with our own position today. It is a mistake to do this either in the comparatively precise details of aircraft development or in the measureless sphere of nuclear weapons. The threat of the hydrogen bomb on this island lies in the future It is not with us now. According to the information I have been able to obtain—and I have taken every opportunity to consult all the highest authorities at our disposal—the only country able to deliver today a full-scale nuclear attack with hydrogen bombs at a few hours' notice is the United States. That surely is an important fact, and from some points of view for some of us not entirely without comfort.

It is, of course, conceivable that Soviet Russia, fearing a nuclear attack before she has caught up with the U.S.A. and created deterrents of her own, might attempt to bridge the gulf by a surprise attack with such nuclear weapons as she has already. American superiority in nuclear weapons, reinforced by Britain, must be so organized as to make it clear that no such surprise attack would prevent immediate retaliation on a far larger scale. That is an essential of the deterrent policy. For this purpose not only must the nuclear superiority of the Western Powers be stimulated in every possible way but the means of delivery of bombs must be expanded, improved, and varied.

It is probable—although we have not been told about it outside the NATO sphere—that a great deal of this has already been done by the United States. We should aid them in every possible way. I will not attempt to go into details, but it is known that bases have been and are being established in as many parts of the world as possible and that over all rests the U.S. Strategic Air Force, which in itself is a deterrent of the highest order and is in a constant state of readiness.

The Soviet Government probably knows in general the terms of the policy being pursued, and of the present U.S. strength, and of our own growing addition to it. Thus they should know that a surprise attack cannot exclude immediate retaliation. One might say: 'Although you might kill millions of our people and cause widespread havoc by surprise attack, we can within a few hours certainly deliver several, indeed many, times the weight of the nuclear material that you have used, and continue retaliation on that scale. We have already hundreds of bases for attacks from all angles, and made an intricate study of suitable targets.' Thus, it seems to me with some experience of wartime talks—and it is not wartime—you might go into dinner and have a friendly evening. I should not be afraid to talk things over as far as they can be. This, and the hard facts, might make the deterrent effective.

I must make one admission—and any admission is formidable. The deterrent does not cover the case of lunatics or dictators in the mood of Hitler when he found himself in his final dug-out. Happily we might find methods of protecting ourselves against that.

All these considerations lead me to believe that, on a broad view, the Soviets would be ill-advised to embark on major aggression within the next three or four years. One must always consider the interests of other people when one is placed in particular situations with them. Their interests might be the only guide available. We may calculate, therefore, that world war will not break out within that time, but if at the end of that time there should be a supreme conflict, the weapons I have described would be available on both sides, and it would be folly to suppose that they would not be used. Our precautionary dispositions and preparations must therefore be based on the assumption that, if war should come, these weapons would be used.

I repeat therefore that during the next three or four years the free world should and will retain an overwhelming superiority in hydrogen weapons. During that period it is most unlikely that the Russians will deliberately embark on major war or attempt a surprise attack, both of which would bring down on them at once a crushing weight of nuclear retaliation. In three or four years' time—it may be even less—the scene will be changed. The Soviets will probably stand possessed of hydrogen bombs and the means of delivering them, not only on the U.K. but also on North American targets.

They may even have reached a stage, not of parity with the U.S.A. and Britain, but of what is called saturation I must explain this term of art. Saturation in that connexion means the point where, although one power is stronger than the other—perhaps much stronger—both are capable of inflicting crippling or quasi-mortal injury on the other with what they have got. It does not follow that the risk of war would then be greater Indeed, it is arguable that it would even be less, for both sides would then realize that global war would result in mutual annihilation.

Major war of the future may therefore differ from anything we have known in the past in one significant respect; that each side at the outset will suffer what it dreads most—in fact, the loss of everything that we have ever known. The deterrents will grow continually in value. In the past any aggressor has been tempted by the hope of scoring an early advantage. In future he might be deterred by the knowledge that the other side has the certain power to inflict swift, inescapable, and crushing retaliation.

All will agree that a world-wide international agreement on disarmament is the goal at which we should aim. It is easy for the Communists to say: 'Ban all nuclear weapons.' The Communists' ascendancy in conventional weapons would then become overwhelming. That might bring peace, but only peace in the form of the subjugation of the free world to the Communist system.

The hydrogen bomb has made an astounding incursion into the structure of our lives and thoughts. Its impact is prodigious and profound, but I do not agree with those who say: 'Let us sweep away forthwith all our existing defence services and concentrate our energy and resources on nuclear weapons and their immediate ancillaries.' The policy of the deterrent cannot rest on nuclear weapons alone. We must, together with our NATO allies, maintain the defensive shield in Western Europe.

Unless we are prepared also to unleash a full-scale nuclear war as soon as some local incident occurs in some distant country, we must have conventional forces in readiness to deal with such situations as they arise. In war this defensive shield would be of vital importance as we must do our utmost to hold the Soviet and satellite forces at arm's length in order to prevent short-range air and rocket attack on these islands.

Thus, substantial strength in conventional forces has still a vital part to play in the policy of the deterrent It is, perhaps, of even greater importance in the 'cold war.' Though world war might be prevented by the deterrent power of nuclear weapons, the Communists might well resort to military action in furtherance of their policy of infiltration and encroachment in many parts of the world. There might well be limited wars on the Korean model, with limited objectives. We must be able to play our part in these, if called on by the U.N. Organization. In the conditions of today this is also an aspect of Commonwealth responsibility. We shall need substantial strength in conventional forces to fulfil our world-wide obligations in these days of uneasy peace and extreme bad temper.

To sum up this part of the argument. The development of nuclear weapons will affect the shape and organization of the armed forces and of civil defence. We have entered a period of transition in which the past and the future will overlap, but it is an error to suppose that because of these changes our traditional forces can be cast away or superseded The tasks of the Army, Navy, and Air Force in this transition period are set forth with clarity in the Defence White Paper. The means by which these duties will be met are explained in more detail in the departmental papers which have been laid before the House by the three Service Ministers.

No doubt nothing is perfect. Certainly nothing is complete, but considering that those arrangements have been made in the first year after the apparition of the hydrogen bomb, the far-seeing and progressive adaptability which is being displayed by all three Services is remarkable. I understand there is to be a vote of censure. Certainly nothing could be more worthy of censure than to try to use the inevitable administrative difficulties of the transitional stage as a utensil of party politics and would-be electioneering. I am not saying that anyone is doing it. We shall see when it comes to the vote.

The future aspect of Civil Defence is also indicated in broad lines in the Defence White Paper. Its outline will be filled in as the preparation of the new plans proceeds, but the need for an effective system of civil defence is surely beyond dispute. It presents itself today in its noblest shape—namely, the Christian duty of helping fellow mortals in distress. Rescue, salvage, and ambulance work has always been the core of Civil Defence, and no city, no family, or any honourable man or woman can repudiate this duty and accept from others help which they are not prepared to fit themselves to render in return. If war comes, great numbers may be relieved of their duty by death, but none must deny it as long as they live. If they do they might perhaps be put in what is called 'Coventry.'

The argument which I have been endeavouring to unfold and consolidate gives us in this island an interlude. We must not waste it. Let us hope we shall use it to augment or at least to prolong our security and that of mankind. But how? There are those who believe, or at any rate say: 'If we have the overwhelmingly powerful protection of the United States, we need not make the hydrogen bomb for ourselves or build a fleet of bombers for its delivery. We can leave that to our friends across the ocean. Our contribution should be criticism of any unwise policy into which they may drift or plunge. We should throw our hearts and consciences into that.'

Personally, I cannot feel we should have much influence over their policy or acts, wise or unwise, while we are largely dependent, as we are today, on their protection We, too, must possess substantial deterrent power of our own We must also never allow, above all, the growing sense of unity and brotherhood between the U K and the U.S.A., and throughout the English-speaking world, to be injured or retarded Its maintenance, its stimulation, and its fortifying is one of the first duties of every person who wishes to see peace in the world and who wishes to see the survival of this country.

Mercifully to conclude, there is time and hope if we combine patience and courage. All deterrents will improve and gain authority throughout the next 10 years By that time the deterrent may well reach its acme and reap its final reward. The day may dawn when fair play, love for one's fellow men, and a respect for justice and freedom will enable tormented generations to march forth, serene and triumphant, from the hideous epoch in which we have to dwell. Meanwhile, never flinch, never weary, never despair "

Mr. Shinwell (Minister of Defence under the Labour Government) moved the following amendment on behalf of the Opposition ·

" That this House regrets that the Statement on Defence, 1955, while recognizing that thermo-nuclear weapons have effected a revolution in the character of warfare, and that until effective world disarmament has been achieved it is necessary as a deterrent to aggression to rely on the threat of using thermo-nuclear weapons, fails to make proposals for the reorganization of H M Forces and of Civil Defence, to indicate what future defence expenditure may be called for, or to explain the grave and admitted deficiencies in the weapons with which H M Forces are at present furnished, in spite of the expenditure of some £4,000,000,000 for defence purposes over the past three years "

The decision to move the amendment had been taken the previous night at a special meeting of the Parliamentary Labour Party, presided over by Mr. Attlee; according to press reports it had been opposed by only a small minority of Labour members who were either pacifists or opposed to the decision to produce the hydrogen bomb in Britain.

Mr. Shinwell said that the Prime Minister's impressive speech would undoubtedly make its impact on millions throughout the world The Opposition agreed with many of his sentiments, and that Britain should make peace through disarmament her prime objective had long been the policy of the Labour Party. This policy, on which the Government had embarked with qualifications, should be pursued with the utmost expedition and deep-seated prejudices or ideological differences should not be permitted to impede progress

There was, however, nothing original in what the Prime Minister had said, and there was nothing particularly original in the proposal to provide a deterrent because the provision of an effective deterrent had been precisely the purpose behind the creation of NATO

It now seemed clear that NATO had decided that, in the event of a conventional attack of any sort, the intention was to retaliate with nuclear weapons. According to a statement by Field-Marshal Lord Montgomery, should a conventional attack be mounted we would, without hesitation or reservation, use nuclear weapons. It might be that in the circumstances this would be the right course to take because if one were aware of impending defeat one would retaliate with all one had got

The Opposition therefore agreed that a deterrent of some kind was necessary, and it might be this was the most effective, but if there was to be a deterrent it should be really effective to avoid the possibility of a dreadful clash Where the Opposition parted company was that they wanted to know why the Prime Minister clung to all the paraphernalia of an organization which might have served the country's purposes in bygone wars, but which was not relevant to the situation which the Prime Minister had described

If it was found that the deterrent was ineffective, the civil population would expect to have the assurance of some protection, Mr Shinwell went on From what the Prime Minister had said, the difficulties were grave, and nothing could obscure the fact that there was no adequate defence of the civil population against nuclear attack He [Mr Shinwell] was not sure whether the Government's assumption that in the event of nuclear war Britain would be attacked from the air, or that she should attack from the air, was correct If the evidence in the Opposition's possession was correct—and it must be in the Government's possession—the Russians, before long, if not now, would be capable of launching from sites in East Germany rockets with atomic war-heads of the nuclear variety, capable of reaching London, 450 miles away, or Paris, 400 miles, and capable of as much destruction—though not so much as an H-bomb—as anything that occurred in months during the last war.

If the censure motion was justified it was because of the tone of the Prime Minister's speech. Many of the sentiments he had expressed were acceptable to the Opposition, but the Government had lamentably failed and should be indicted for their lack of achievement in planning for the future, for their decision to use nuclear weapons in the event of a conventional attack, and for the absence of adequate or partial protection of the civilian population. " There is a terrible prospect before the nation," Mr. Shinwell concluded " The remedy does not lie with the Minister of Defence but with the Foreign Secretary. If he fails there is nothing the Minister of Defence can do to save the people of Britain."

Major Lloyd-George (the Home Secretary) then gave a survey of the civil defence position.

Saying that the problems of civil defence were " so formidable and the ramifications so complicated," that he could present only an interim report, **Major Lloyd-George** stated that it had been decided that the life-saving forces must be organized in three separate but related formations First, in every locality there must be an organization which, if the locality escaped danger, would help with the movement, feeding, and general care of those made homeless by enemy attack elsewhere; and if the locality were damaged would collate information about damage and casualties on which the control of life-saving operations would depend, and would at least make a start with life-saving operations, fighting fires, rescuing the trapped, helping the injured, and directing the homeless

Secondly, it was contemplated that in support of the local service, there should be reinforcements of trained mobile forces, strategically disposed and ready to be sent to help in the places hardest hit The advent of the hydrogen bomb enormously increased the scale of the reinforcement that would be required, and proposals to form 48 battalions, all with a strength of some 600, had been made in the White Paper, this force was as large as could be effectively handled administratively now.

Thirdly, the Government felt that in view of the appalling possibilities more was needed, and they had therefore decided that in future all members of the armed forces, including the Home Guard, would receive training in elementary civil defence duties as part of their normal military training This would ensure that all men in the active forces and the reserves would have a knowledge of the theory and practice of the kind of work It also meant that behind the mobile defence force would be the whole resources of the armed services not actively engaged in repelling the enemy. The armed forces were already equipped and trained to perform many of the duties with which Civil Defence was concerned, and their help would be of particular value in fighting fires and rescue operations.

For both those aspects of Civil Defence it was essential that there should be a nucleus, well trained and highly organized. For fire-fighting there were experienced brigades on which to build, but for rescue work there was no corresponding professional service. It had therefore been decided that the R A F " H " reservists were to be called up for a fortnight's training in each of the second and third years of their period on reserve Training would be given in Home Office establishments by instructors, seconded from regular fire brigades, although the men would be under the control of their own officers for discipline, they would be trained, commanded, and controlled by the Service departments, but would be at the disposal of the civil authorities in wartime It might be suggested that this was inadequate and should be extended, or even that there should be a whole-time professional body of rescue brigades for civil defence. However, experience with the Home Office experimental mobile column showed that in two months or so it would be possible to carry through a training syllabus of real value.

Continuing, Major Lloyd-George pointed out that the new problems, and especially those that would arise from the extensive radio-active contamination caused by a hydrogen bomb explosion, were so complex and had confronted the Government so recently that their plans for dealing with them had not yet reached the stage when they could be made public, these problems were, however, receiving the " most urgent " attention.

In protective measures for the civil population it was of no avail to provide deep shelters that would be proof against a hit or a near miss from a hydrogen bomb, although fairly simple shelters farther from the point of burst would give good protection against blast, heat, or " fall-out " It was equally important to decide how protection could best be given to the vast numbers who might be exposed to the hazard of radio-active " fall-out " far from the target. The Government were considering how best this protection could be given, but before reaching a decision they must be reasonably certain that measures taken were on the right lines

One obvious lead was an organization properly equipped with the necessary instruments to give warning and to make surveys of radio-activity in all parts of the country after an attack by thermo-nuclear weapons The Government fully recognized the necessity of encouraging the production of the specialized instruments required in sufficient numbers for equipping the warning organizations that would have to be set up Tentative plans for a wide variety of civil defence measures were being tested in careful operational studies at the Civil Defence Staff College, and the Service experts involved took part.

Emphasizing that the volunteer forces would remain the foundation of civil defence and that it would be necessary to rely on all civilian volunteer organizations, the Home Secretary announced that the Government had decided to extend throughout the country the encouragement so far given only in the likely target areas to the larger commercial and industrial concerns to form units of the Industrial Civil Defence Service. In conclusion he claimed that, though the problem of nuclear attack was not yet solved, they had at least advanced towards a solution. The view that there was no defence against thermo-nuclear attack, he said, was that of only a minority in the country, and in any event it was a view that no Government could take. It was purely defeatist, and he was certain that to do all that was possible to mitigate the effect of such an attack must be a right and proper part of the defence programme, as the country's best chance of avoiding such an attack was to make clear to the aggressor that they had made every possible preparation to meet it

During the further debate **Mr. Pargiter** (Lab.) and **Mr. Edelman** (Lab) announced that they would not only vote against the Government but would record their disapproval of the Opposition amendment by abstaining, as they were totally opposed to the manufacture of the hydrogen bomb in Britain. **Mr. Fienburgh** (Lab.), on the other hand, expressed the hope that the very manufacture of nuclear weapons would provide the deterrent which would prevent a nuclear war from ever happening, whilst **Mr. Denis Healey** (Lab.) criticized

the "ambiguity" of the White Paper as regards the possible use of nuclear weapons and said that the right line to take was that Britain should use whatever weapons were necessary to halt aggression including nuclear weapons **Mr. Woodrow Wyatt** (Lab.), who also supported the Opposition amendment, described as "ridiculous and dangerously misleading" the Government's claim that the U.K possessed an effective air defence and that it had a better defence against night attack than anyone else in the world.

Vice-Admiral Hughes-Hallett (C.) suggested that the Royal Navy and the R.A.F. should be merged, whilst both **Mr. Dudley Williams** (C.) and **Mr. Shackleton** (Lab.) protested against any alleged attempts on the part of the Navy to get the R.A.F. Coastal Command under Admiralty control. **Sir Leonard Ropner** (C.) criticized the White Paper's failure to mention anything about the Merchant Navy except by implication.

In the continued debate on March 3 statements were made by Mr. Strachey (Secretary for War in the Labour Government), representing the official Opposition view; Mr. Selwyn Lloyd (the Minister of Supply); Mr. Aneurin Bevan, as the chief spokesman of a dissenting Labour group; Mr. Clement Davies, for the Liberals; and Mr. Attlee (Leader of the Opposition). During Mr. Bevan's speech Sir Winston Churchill intervened with a statement on the reasons why it had not been possible to arrange for a top-level conference between Britain, the U.S.A., and the Soviet Union.

Mr. Strachey said that the development by Britain of her own thermo-nuclear weapon would put her into the position of a bee "The bee has a sting," he declared, "but if it uses that sting it dies. Therefore the bee will never use its sting except in the most ultimate necessity. On the other hand, it is true that the possession of a sting by the bee deters people from maltreating it in any way. That, no more and no less, is what the development of a thermo-nuclear weapon will do for us or for any other country."

Having accepted this, however, he criticized the White Paper as "profoundly unsatisfactory," contending that it failed to face the military consequences. In a thermo-nuclear war there would be nothing but mass destruction, mass suicide, and mass murder, and the claim that the new weapon did not radically alter the role of the three Services was "almost incredible" Though everyone must know that it revolutionized the role of the fighting Services, the "agonizing reappraisal" of their role had not been carried out by the Government, which adhered to a conventional arms programme and were "trying to get something of everything and succeeding in getting enough of nothing." Mr Strachey asserted that "the thermo-nuclear revolution" enormously strengthened the argument for a review and a progressive reduction of the two-year period of National Service, and for the return to a smaller, highly trained, and highly equipped long-service professional Army.

In conclusion, Mr. Strachey said that disarmament could only be brought about "as part of a general pacification, negotiation, and improvement in the relationships of the Great Powers." He believed that there was "an ever growing aspiration and impulse in the whole living generation of mankind to escape somehow from the nuclear death trap in which we find ourselves," and that if Britain persisted in pacification by all means at all times as a supreme object of national policy the apparently unsurmountable obstacles might be surmounted. The time to begin negotiation was now, he added. The West could not say that they had met with a stony refusal by the Russians to negotiate. Whatever their motives, the Russians had made offer after offer to negotiate, but the West had so far written off those offers as propaganda Saying that if the Western Powers did not take these offers up they would find that they were "terribly good propaganda" against them, he urged the Government "to take up each offer that is made, test and develop it, and make counter-offers at the present disarmament conference and at every level." "The Prime Minister would have done so," he declared, "but they stopped him."

Mr. Selwyn Lloyd took up Mr Strachey's references to disarmament and recalled having negotiated with the Russians on this subject for three years. "Again and again H.M. Government," he said, "have taken the initiative in putting forward new proposals. If there is any sincerity in this talk of disarmament at present, the Soviet Union has only to make the discussions going on at Lancaster House a success. Mr. Vyshinsky has said that they would accept the Anglo-French proposals as a basis. If the Soviet Government would only discuss those proposals in a reasonable manner and be patient, progress could be made quickly on a practical scheme for disarmament. It is not enough just to say 'peace, peace, peace' [a reference to Mr. Strachey's closing words]."

Dealing with the supply of military aircraft, Mr. Lloyd said that whereas it had taken 50 years to reach the speed of sound in flight, it looked as if it would take only 7-10 years to develop fighting machines which would go two or 2½ times the speed of sound. It was one thing to make flying machines which would travel at this tremendous speed, and another to produce a fighting machine. To illustrate the increasing complexity of the modern military aircraft, he mentioned that the pre-war bomber carried less than 150 lb. of radio and electrical equipment, whilst the latest carried 9 000 lb., and the number of radio valves had risen from 50 in a wartime bomber to 1,000 today. The approach to and progress beyond the sound barrier would lead in due course to the "heat barrier," one of the most serious problems facing those designing aircraft.

One of the major matters constantly agitating everyone was how to reduce the time taken to develop a new and modern breed of aircraft, said Mr. Lloyd. It was always possible to achieve greater speed of development at the expense of quality. It was true that the Russians appeared to have produced the *MIG 15* remarkably quickly—after British *Nene* engines reached them in 1947—but it was not known for what period of time the aircraft had been designed and developed before that The Government had been considering ways of reducing this development time, without sacrificing quality. The broad conclusion he had formed was that it was impossible to avoid having to plan six, seven or eight years ahead This involved difficult, long-range assessments of the nature and quality of the potential threat, and equally difficult judgments of what might be technically possible within such a space of time

An "astonishing" number of aircraft had been on order when the present Government took office in November, 1951. Many of the orders had been placed after the outbreak of the Korean war, and no one could complain about action taken in an emergency, but looking back one wondered how it was thought financially or physically possible for such a programme to be achieved A certain amount of sorting out and tidying up had to be done by the Government, and in the light of the international situation and the country's resources progress had to be reviewed and changes made. As a result, of 1,000 *Venoms* ordered in the first months of 1951, 750 had been cancelled, and of the *Canberras* ordered before November, 1951, about one-third had been cancelled.

Dealing with the production record since the Government's assumption of office, the Minister stated that between November, 1951, and the end of January, 1955, the total number of aircraft delivered for service had been 5,500 If one included the estimated total for delivery in February and March, 1955, the number was nearly 6,000, including over 200 *Hunters*

It had been said that all the aircraft delivered were obsolete, but if that were true one wondered they were ever ordered. For example, if the *Venom* night fighter was as ineffective as some Opposition members appeared to represent, why were 400 ordered by the late Administration in 1951? Over 200 had been ordered in September and October, 1951, at a time when delivery dates were well known to extend up to the middle of 1954. The previous Government, Mr. Lloyd said, thought presumably that those aircraft would be of value at least up to the middle of 1958—and he thought they were quite right. In fact they were not obsolete aircraft; the majority were useful interim types, and some, like the *Hunter* and the *Canberra*, were much better.

The *Valiant*, now entering squadron service with the R.A.F., although less advanced in design and performance than the other "V" bombers, would add greatly to the nation's deterrent strength Its performance as a medium bomber was superior to that of any other comparable aircraft in service The *Victor* and *Vulcan* bombers were progressing well in both development and production, and would further reinforce the nation's deterrent strength

The *Hunter* fighter was over its main development troubles. Some R.A.F. squadrons were equipped, and others were being equipped, with these aircraft. If war began tomorrow it could go into action as an extremely effective day fighter, comparing favourably with aircraft of any other country and capable of dealing adequately with anything an enemy could send against Britain within the next few years. Further *Hunters* would be ordered to replace the cancelled *Swifts*.

It might be said that the extent of the disappointment over the *Swift* should have been realized earlier and action taken in the early stages. Action had been taken, follow-on orders had not been placed, the manufacturers had themselves not begun production of the total number ordered, and during the last few months had, in close consultation with the Ministry, reduced the industrial effort on the *Swift* to save public money in case later cancellations should be necessary. Only last month had those responsible for giving the best technical advice been able to say that it was no longer likely that within a reasonable time the *Swift* could be made to match the *Hunter* in its performance as an interceptor fighter. When he became Minister last October the *Hunter*, as well as the *Swift*, had been in difficulties, and the decisive factor in the Government's present decision not to proceed with the *Swift* had been the success of the *Hunter*, which was not fully assured until the end of last year. "Of course," Mr Lloyd added, "it has been an unsatisfactory story. Any comparative failure is deeply to be regretted, but it is foolish to believe that every development plan will succeed. It is impossible to embark on a programme of the magnitude which the Labour Government started, and which the present Government has carried on, without there being comparative failures of this kind."

Dealing with night defence he admitted that the *Venom* and the *Meteor* were interim types, but stressed that there were many things which had to be considered about night fighters, such as the crew carried, equipment, and the serviceability. Taking all those matters into consideration, he would repeat categorically that it was the Government's view, based on the best advice obtainable, that the statement in the White Paper about the superiority of Britain's defences against night attacks was a truthful and accurate account of the present situation.

Speaking of the "unqualified success" of British aero-engines, Mr. Lloyd mentioned that since Nov. 1, 1951, over 12,300 engines would have been delivered for use in military aircraft in the U.K., and that this had been achieved at the same time as extensive development of engines for civil aircraft and the sale overseas of many engines. The pre-eminence of British aero-engines was shown by the fact that 120 manufacturing licences had been negotiated for them in nine countries for nine different engines, and that several British-designed turbine engines had been adapted for service with the U.S. forces. "When we are blamed for 'mess and muddles' in the production field," he added, "those facts should be known."

Turning to guided weapons, the Minister said they had no guided weapons in operational use at the present time, which was "a grave

and admitted deficiency." However, he did not wish to praise or blame the decisions of the late Government in this field. It might have been right to do practically nothing until 1947, and to decide then that only research should be undertaken and this almost entirely in Government establishments; it might have been right not to place any development contracts until 1949, and then of only two weapons, and to leave office in 1951 without placing production contracts; and it might have been right to lag three or four years behind the United States. But what was wrong was for those responsible for all that to come along and blame the present Government because they had not got the weapons in service Reasonable progress was now being made, the pace of which had been governed by decisions of six or seven years ago There was exchange of information with the U.S.A., and in spite of the U S lead in this field that lead was not being increased Representatives of major firms concerned were satisfied with their capacity to carry on in spite of the other great demands made on them.

After expressing gratitude for the Australian Government's co-operation in the extensive trials and tests of guided missiles at the Woomera range, Mr. Selwyn Lloyd stated that there was "a real sense of urgency," that production orders had been placed for one weapon, and that other orders were expected to be placed this year In the years 1955-56 10 times more would be spent on the guided weapons programme than in 1951, and 100 times more than in 1949 In electronics five times more had been spent in the year ending March 31, 1954, than in the year ending March, 1950, and had been accompanied by larger exports of the electronics industry—£29,300,000 in 1954, compared with £18,200,000 in 1950

Turning to other aspects of defence production, Mr Lloyd said that the U.K 's control and reporting system was the best in the world; that a new navigational and bombing system of very high performance had been developed since 1948 and that production had begun; and that a new aircraft navigational system based on entirely new principles had also been developed The Army had been re-equipped with *Centurion* tanks, and more than £100,000,000 of these tanks had been sold overseas. The *Conqueror* tank was now being issued to the Army. Ammunition production was five times that of 1950, and $50,000,000 worth had been supplied under the U S. offshore programme Design of the new anti-tank gun was proceeding fast, and more than £200,000,000 of work had been done on wheeled vehicles since 1951.

Whilst the process of development was certainly capable of improvement, he went on, it was essential to maintain a research programme ahead of current development, and never again would the mistake of ordering inadequate numbers of prototypes be made Thus it had been found possible to make modifications to the three "V" bombers without delaying production. It was clear that the space of 10 years between an aircraft and its successor was too long, as had been proved by the swept-wing fighter. Some 11 supersonic projects were now being worked on. Development of the *Javelin*, which he believed would be the most advanced all-weather fighter, was making good progress.

Although undoubtedly mistakes had been made, Mr. Lloyd concluded, the criticisms of what had been achieved had been "unfair and unbalanced" The Government were well aware of the urgency of the need to avoid over-straining the country's resources of scientific knowledge, skill, manpower, and materials, and they were determined to ensure a real spirit of co-operation between the manufacturer, the Service Ministries, and the Ministry of Supply Without being complacent he believed that a worthy effort was being made to achieve the deterrent power and defensive capacity appropriate to Britain's standing as a world Power.

Mr. Aneurin Bevan asserted that the Government's record had caused "great alarm" among the Government's supporters, and in newspapers which were "normally 101 per cent their supporters." *The Times* had talked of "trying to take too many steps," and the *Daily Telegraph* had suggested an examination of the capacity of the aircraft industry to find out whether too much was being attempted. It was not enough, however, to blame the difficulties on decisions taken or not taken by the Labour Government. "The country is tired of it," he said, 'and is getting tired of this Government who are showing an increasing incapacity to preserve the peace and a failure to provide the weapons to fight a war. It is exactly what happened before the last war, and is a grim picture."

Mr. Bevan went on to say that the assumption on which the programme was based was "as inaccurate as the assumptions underlying the Prime Minister's speech yesterday" "In 1950-51 they said we had three years. It has turned out to be more. Yesterday the Prime Minister said we had three or four years, but this might be wrong. They are merely wild guesses. The difficulty of the Prime Minister in making a speech in the House arises out of his extraordinary capacity for presentation. The mediocrity of his thinking is concealed by the majesty of his language." Sir Winston Churchill had told the nation and the world that the hydrogen bomb and the atom bomb between them had produced circumstances in which negotiation might be more fruitful What they wanted to know was when would the negotiations start? The Prime Minister's speech "fundamentally had no sense at all in it, though it was well garbed."

"I would warn members," he continued, "—and this applies not only to the Socialist Party but to Conservatives and the nation as a whole—that the ordinary man and woman is beginning spiritually to contract out of the quarrel. We are displaying a posture of little minds before big events, and the ordinary man in the street is beginning to sense it. He is beginning to realize that we have not got the stature of the occasion, as was revealed yesterday and today If it be true, and I think it is, what the Prime Minister said yesterday, will he tell the House why he does not insist upon meetings with the Russian leaders? It may be that they are not sincere in what they say, but there is only one way of finding out, and that is to meet them. It may be that the Prime Minister would like to do it but that the United States won't permit him. That is a sombre thing to say, it is a wicked thing to believe, but we have now reached a situation in Britain where we can in a few short years, run the risk of the extinction of British civilization and we cannot reach the potential enemy in time to arrive at an accommodation because we are now at the mercy of the United States"

Here **Sir Winston Churchill** intervened, making the following statement "It is absolutely wrong to suggest that the course which we have followed has been at the dictation of the United States It is quite true that I would have liked to have seen a top-level conference of the three Powers I would have liked to have seen it shortly after Mr. Malenkov took power, to see, as I said 'Is there a new look?' I wanted to do that, and my colleagues agreed. I had charge of the Foreign Office owing to the Foreign Secretary's illness I prepared to go over to see the President and hoped to arrange with him to invite a three-Power conference. However, I was struck down by a very sudden illness which paralysed me completely physically. I had to put it all off, and it was not found possible to persuade President Eisenhower to join in that process.

"I have also considered the possibility of a dual meeting at some neutral place like Stockholm While I was thinking about these matters—because I really have not been a ditherer on the subject—I have tried my very utmost. I would not retain the headship of our Government on a subject of this kind if they were not acting in what I thought was a sincere and honourable mood. I had hoped that after my last visit to America something like a dual meeting might take place at Stockholm, or somewhere, and that it might be a sort of go-between prelude to a meeting of the three, because we cannot settle anything alone that would be decisive But then the Soviet Government began a very elaborate process of trying to stop the ratification of E D C. which I thought had been more or less accepted. It was certainly a very harmless form of protection

"Therefore all this other matter has come up now and has stood in the way of further general talks. But when the ratification is complete any Government who are responsible at that time will be perfectly free to take up these negotiations and to hold either on the Foreign Office level or on the heads of Government level a perfectly open and free discussion."

Mr. Bevan welcomed the Prime Minister's statement but maintained that it was a complete confirmation of what he [Mr Bevan] had said The Prime Minister had wanted to visit President Eisenhower in the hope of converting him to the project, but failed to do so All regretted his illness, but for many months he had been in his usual robust health and there had been plenty of opportunity. The nation would read what he had said with considerable apprehension because "trivial reasons" seemed to be standing in the way of such an important project.

Since the Opposition amendment to the Government's motion had been put down, continued Mr. Bevan, a change had taken place in the interpretation of the White Paper, and they were now given to understand that when reference was made to hydrogen nuclear weapons as deterrents it was meant that they would be used at once in the beginning of any sort of hostilities "Do the leaders of the Opposition," he asked, turning to Mr. Attlee, "mean in their amendment what the Government meant in the White Paper? Do they mean that nuclear weapons will be used with the support of the British Labour movement against any sort of aggression? If the Leader of the Opposition says that is the interpretation of the amendment, then I do not propose to vote for it this evening, because we have never said, indeed it would be plain insanity for us to say it, that wherever aggression occurs in Europe, no matter of what sort, we answer it by the use of nuclear weapons, which the Prime Minister told us yesterday would involve the destruction of the British nation."

"We are told," he went on, "that here in atom war whatever happens we die The C.-in-C of the Allied Forces (Gen Gruenther) has said that whether or not the enemy uses the weapon at all we will use it at once. So that we immediately use the weapon which when used against us results in our extinction Does the Prime Minister think that if the people of this country understood that he would be in office for a week?"

All that the Prime Minister had said was that he was postponing discussion with the Soviet Union to get a German army that everyone knew would be of no use All the generals were saying that armies would be of no use It was true to say that if such a war broke out the armies would be farther away at the end than at the beginning because they would have to march away from the radio-active areas they created. "So if you want to be safe join the Army," he added.

"The Prime Minister said yesterday," Mr. Bevan concluded, "that he would meet the Soviet leaders, talk tough, and then have supper. The last supper, I presume? The world has reached a point where international difficulties have to be negotiated or man dies . . . The issue is simple. Is Britain to talk peace or to talk war? I beg the Government to measure up to the magnitude of the problem. Let the Prime Minister do deeds that match his great words, not attempt to delude the country by the majesty of his language but inspire it by the dedication of his behaviour. That is what we want from him. We also want an assurance from the leaders of the Opposition that the language they have used does not align this movement [i.e. the Labour Party] behind that recklessness. If we cannot have a lead from them let us give a lead ourselves"

Following Mr. Bevan's speech, both **Mr. Driberg** (Lab.) and **Mr. Yates** (Lab.) announced that they would not support the Labour amendment. **Mr. Daines** (Lab.), on the other hand, attacked Mr.

Bevan's attitude, saying that whilst Mr Bevan had criticized the Prime Minister's phrases and rhetoric, he [Mr. Bevan] was also "a master of phrasing." "The difference is," he added, "that the Prime Minister's phrases are premeditated and stand the test of time, while Mr Bevan's are not and do not stand the test of time." It was also important to recall that Mr. Bevan had been a member of the Government which decided to make the atom bomb, and that on moral grounds there was no difference between the atom bomb and the hydrogen bomb.

Mr. Clement Davies (L) said that the Prime Minister's massive speech on the previous day would probably rank as one of his greatest orations, but that his later intervention would be far more important In that intervention he had brought out that there was a distinct division of opinion in the free world—a matter which concerned the House more than anything else. Why had there been no top-level meeting, he asked, and how was it that Britain and the U S A could not agree on a common policy?

Mr. Attlee said that the Prime Minister had set out with great power the position in the world today. It was a pretty grim picture no less than the danger of the destruction of civilization if war should break out. "It is as well that everyone should know that," he added. "I have lived with this sombre topic for some time and it is present in my mind every day."

All recognized that there was no defence of Britain in the ordinary accepted sense of the word. Another war would mean not only a catastrophe to ourselves but to civilization. There would be no victor. We were, therefore, driven to rely on deterrence—the knowledge on the part of any would-be aggressor that retaliation would be devastating and certain. It was important to stress that word "certain," because in the past wars had broken out partly through uncertainty.

The rulers of Soviet Russia were not moved by sentiment or humanitarianism They had massacred hundreds of thousands of their own people But they were moved by self-interest, and somehow there had to be a meeting of the leaders of the great Powers to persuade the Soviet rulers that in their own interests peace must be preserved. They must also realize that the free peoples were resolved to preserve their freedom, that they had the means for instant retaliation, and that they would use those means in the event of open aggression. That might lead to the acceptance by the Soviet rulers of co-existence as the only alternative to co-annihilation, and might lead to an all-round reduction of arms

"I think the recognition that another war would mean a suicide of civilization really gives us a gleam of hope," Mr. Attlee declared. "That is why I cannot take such a gloomy view as was taken by some of my friends who think that this is the most terrible White Paper they have ever seen It is frightening perhaps, but there is a hope there. It is more hopeful than White Papers that contemplated wars with conventional weapons"

Continuing, he said that as the country's only defence was the power of counter-attack the whole defence organization must be viewed in the light of that entirely new condition In the White Paper there was, however, evidence of a divided mind, for the acceptance of the main thesis had not been carried to its logical conclusion, although there was an advance over the last White Paper with its "illusory" conception of broken-backed warfare.

Dealing with the civil defence proposals, he said that a hydrogen weapon, as it was now developed, could make an area the size of Wales unsafe for human beings. A comparatively small number of bombs could make this small island practically uninhabitable, and one had to take a realistic view of it. The Home Secretary talked of getting the people out of the towns, but where were they to be taken? Where was the safe area? It depended which way the wind was blowing and where they were dropping the bombs, and no one knew He knew nowhere where people could go in advance to escape, and he thought the prospects of evacuation, once the trouble had started, were small. It was necessary to have the Civil Defence Organization, but it had to be something very different from the Civil Defence of the last war, and he did not think it had been properly worked out to that extent.

Mr. Attlee thought that there was also no real acceptance of the changed conditions regarding the role of the armed forces. He could not conceive that in the event of a modern war they would be able to send large masses of people and ammunition across the Channel. It was difficult to see how big massed armies were going to operate at all if nuclear weapons could now be discharged from artillery, and there would have to be a far greater amount of dispersal. He agreed that there was a need for "a screen of some kind" on the Continent, but this could be "nothing like the mass to equal the 400 Soviet divisions" and should be "the minimum necessary." The time had come when what was wanted was something like Combined Operations—small, highly trained and highly skilled forces of all arms and all Services, which could be put in where they were needed. It also seemed doubtful whether capital ships could operate in narrow seas, and here again what was needed would be small units and dispersal.

Mr. Attlee therefore called for "an unprejudiced review" because Britain could not afford to have "an immense mass of so-called conventional arms and on top of it all the expense of the atomic or hydrogen weapon." He also demanded "a strong attitude" on the part of the Minister of Defence in withholding manpower which was not required, because "the more is put into armaments the less there is for the constructive work that is to be done all over the world of trying to prevent the spread of Communism in the least-developed parts of the world, which are the most favourable ground for the sowing of the seeds of Communism."

Referring to the disarmament conference now in progress he said that surely this was the time to make a big effort to rid the world of the menace of another war. He could not think there was anything so important as that, and he was sure the Prime Minister shared his wishes. "It means," he concluded, "that we should renounce any suggestion that we should try to enforce our views on others. The rulers of Russia must also give up their dream of enforcing Communism throughout the world, and they must accept co-existence. Britain, with her tradition and her position, is particularly well placed to make the greatest possible efforts for peace. We have influence in the world, which does not depend solely on the possession of weapons, though the fact that we do possess weapons has its effect on the rulers of other lands."

When **Mr. Bevan** asked if the Opposition amendment associated them with the statement that thermo-nuclear weapons would be used in hostilities although they were not used by the other side, **Mr. Attlee** replied "I am using [in the amendment] the most general terms, not referring to anything in the White Paper, on the general thesis —with which I think Mr. Bevan agrees—that deterrence, by the possession of the thermo-nuclear weapon, is the best way of preventing another war."

The debate was wound up for the Government by Mr. Macmillan, the Minister of Defence.

Describing the debate as a "rather queer" one, **Mr. Macmillan** said that at times it had not been clear "who was censuring whom," but that Mr. Attlee's speech had contained hardly one word with which anyone on the Government side would disagree There was one dangerous fallacy which the debate had done much to expose —that of partial disarmament. There was no halfway house in disarmament; indeed, it would leave the country in mortal danger. It was easy to start the cry "Ban the bomb!" It was no doubt started for humane reasons by the most humane people, but it was really an illusory conception Would war cease to be a black-guardly affair and become a gentlemanly affair again, Mr. Macmillan asked. Were those experiences of two great wars so tolerable that they could be looked at, even in retrospect, without horror? "If 'Ban the bomb' means going on with war without nuclear war, then I am against it," he added.

Ruling out nuclear warfare would involve a complete system of inspection and control of almost every detail of industrial production and scientific research If agreement could be reached on that, surely such a degree of understanding would have been reached that it ought not to be difficult to go on and reach agreement on the rest. "If we could go some of the way," Mr. Macmillan said, "we ought to be able to go the whole way What we cannot afford to do is to go half way and leave ourselves exposed."

As regards high-level talks, the Foreign Secretary had had 2½ months of discussion with Mr. Molotov, first in Berlin and then at Geneva, and more had been done to create the proper conditions for disarmament than ever before. When free Europe was consolidated and was no longer vulnerable to disruptive propaganda, the next stage could begin Meanwhile, the British representatives would go on working hard at the talks now going on in London with the hope of framing at least the first picture, the groundwork, for a system of disarmament, to which—and this was an important point—a rearmed Germany would have to conform

On the whole question of disarmament, continued Mr Macmillan, the Government's purpose was simple and their record clear. Any genuine disarmament must be based on two simple, vital principles: it must be comprehensive, including all weapons conventional and non-conventional; and control must provide for an effective international, or supranational, authority invested with real power

The argument that because the main deterrent force was American there ought not to be a British contribution was a dangerous doctrine. Politically it surrendered British power to influence American policy, and strategically and tactically it deprived Britain of any influence over the selection of targets and the use of her vital striking force. Possession of the deterrent would also give what democracies always needed—time. Democracies could never be mobilized to the hilt, but the tyrant's finger was always on the trigger. There might be no complete defence against thermo-nuclear attack, but there might be mitigation. That there was nothing they could do except lie down was an assumption they had no right to make.

Mr. Macmillan said he had been asked what would constitute a major war. Would some incident in one place or some minor attack in another count as a major war? That was a question easy to pose, but dangerous to answer. If he said "No," it would be an encouragement and an incitement to the Soviet to attack some Scandinavian country. It would be cold comfort to those small countries for him to say "No."

It was important that the aggressor should know what he might not do, but it was equally important that he should not be told too invitingly what he might do. Surely the decisions would depend upon what kind of attack. Some small incident would be dealt with by conventional weapons or diplomatic means, and one would hope that it would be stopped and never allowed to develop A massive attack upon a wide front could not be launched without some preparation that could be detected, a clash on such a scale would amount to total war Those decisions would not lie with generals, or even field-marshals, however distinguished. They lay with the Governments of the free countries.

The need to dispose of the "more normal incidents" by conventional weapons seemed to dispose of the argument that the Government should abandon such weapons altogether; indeed, they might prove the only means to prevent an incident from developing into a real war. It had been argued by Mr. Bevan that conventional

aggression should not be met with nuclear weapons, but presumably he intended to meet that sort of attack with something With what?" Mr Macmillan asked "Surely with conventional weapons Then what becomes of the talk about the useless army and the millions of pounds that have been wasted?"

Another argument underlining the continued importance of conventional forces and weapons was the fact that the more terrible the deterrent, and the more rapidly the rival forces reached a kind of stalemate, the more the Communist Powers might be encouraged to attempt infiltration and subversion, which could not be done by open warfare. In other words, the same forces which made a hot war less likely would, by a strange paradox, serve to increase the temper and fever of the cold war "The quiet, steady sense of support and security provided by a well-planned distribution of the armed resources of the U.K. and the Commonwealth is an essential element in fighting the cold war," Mr. Macmillan concluded. "For these dual functions, the preparation and prevention of the hot war and the guarding of freedom in the cold war, all three fighting Services have to be always ready, their roles are not competitive, but complementary."

On a division the Opposition amendment was rejected by 303 votes to 196—a Government majority of 107—and the Government motion adopted by 303 votes to 253.

Altogether 62 Labour members abstained from voting on the official Labour amendment. These were

Sir Richard Acland, Mr. Baird, Mr Bence, Mr. Beswick, Mr Bevan, Mr. F. G. Bowles, Mr. A. F. Brockway, Mr. T Brown, Mr. Carmichael, Mrs Barbara Castle, Mr. J Clunie, Mr Craddock, Mrs. Cullen, Mr Hadyn Davies, Mr S. O. Davies, Mr. Driberg, Mr Edelman, Mr. John Edwards, Mr. Fernyhough, Mr. Michael Foot, Mr Forman, Mr. W. J. Greenwood, Mr. D. R Grenfell, Mr William Griffiths, Mr. James Harrison, Mr. Hubbard, Mr James Hudson, Mr Emrys Hughes, Mrs. Jeger, Mr. F. E Jones, Mr T W Jones, Miss Jennie Lee, Mr. Arthur Lewis, Mr J. P. Mallalieu, Mr. Manuel, Mr Monslow, Mr. Orbach, Mr. W Owen, Mr. Wilfred Paling, Mr. William Paling, Mr. Pargiter, Mr. Parkin, Sir Leslie Plummer, Mr Rankin, Mr Reeves, Mr. William Reid, Mr. Hervey Rhodes, Mr. G O. Roberts, Mr. Kenneth Robinson, Mr Charles Royle, Mr Shurmer, Mr. Julius Silverman, Mr. S. S. Silverman, Mrs. Slater, Mr. Snow, Mr Sorensen, Mr. H. B. Taylor, Mr. Usborne, Mr. Warbey, Mr. Weitzman, Mr. L Williams, and Mr. Yates.

The difference between the number of Labour members voting in the first and second divisions was, however, only 57 (i.e., 196 and 253); this was accounted for by the fact that five Labour members who voted for the official Opposition amendment did not stay for the vote on the Government motion.

It was noted in the Press that some Labour members generally held to be in sympathy with Mr. Bevan's ideas—e.g., Mr. Harold Wilson, Mr. Wigg, Mr. R. H. S. Crossman, Miss Herbison, and Mr. Leslie Hale—did not follow his example, but supported the official Opposition attitude.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 14089 A.)**

Note. Sir Winston Churchill's remark about the nature of his illness in 1953 was the first public indication of the full reasons which caused the postponement in June 1953 of the proposed Bermuda conference between Sir Winston, President Eisenhower, and the French Prime Minister (then M. Laniel). At that time it had only been announced that the Prime Minister was in need of a complete rest (see 13004 A) After a prolonged stay at his home at Chartwell and a holiday in the South of France Sir Winston resumed his full duties at the end of September 1953 It was stated, however, that during his absence he had "not ceased at any time to hold and exercise the responsibility belonging to his office" and had been "consulted on every decision of policy" (see 13168 B) (Ed K.C.A.)

A. ANTARCTICA. — New Chilean Bases in Falkland Islands Dependencies. - British Protest.

A new Chilean naval base on Deception Island in the Falkland Islands Dependencies was officially inaugurated on Feb. 18 by the Chilean Defence Minister, Señor Tobias Barros. A British protest against the establishment of the base on British territory was rejected on March 8 by the Chilean Government, which claimed that the base was on Chilean soil. This was the fourth Chilean base to be established in British Antarctica since the war, the others being at Greenwich Island, South Shetlands (established in 1947); Discovery Bay, Grahamland (1948); and a further post in Grahamland (1948). (Times - Manchester Guardian - New York Times)

(Prev. rep. 13913 E; 12891 A.)

B. SOUTH AFRICA. — Parliamentary By-elections.

Mr. Jan de Klerk, Minister of Labour and of Public Works, was elected a Senator for the Transvaal on Feb. 18, 1955, in succession to Senator W. H. Scheepers, who had resigned on Dec. 8. The Speaker of the House of Assembly, Mr. J. H. Conradie, announced on Feb. 8 that Mr. H. A. Rust (National) had been returned unopposed to fill the vacancy in the Piketberg constituency caused by the resignation of the former Prime Minister, Dr. Malan.—(Cape Times)

(Prev. rep. 14036 A; 13941 A.)

C. SOVIET UNION. — Dr. Pontecorvo discloses his Presence in Russia. - Adoption of Soviet Nationality. - U.K. Proceedings for Withdrawal of British Nationality.

Dr. Bruno Pontecorvo, the British atomic scientist who disappeared in 1950 while on holiday from Harwell (the British atomic energy research establishment), disclosed in an article in the Moscow newspapers *Pravda* and *Izvestia* on March 1 that he had since been working in the Soviet Union. Although it had long been suspected that Dr. Pontecorvo had gone to the Soviet Union from Helsinki, his last known whereabouts in the Western world, this had never been confirmed.

In the article Dr Pontecorvo denied that he had been "kidnapped" by Soviet agents, stated that he had sought political asylum in the Soviet Union for his wife and family; and said that he was working with the Institute of Physical Problems of the Soviet Academy of Science, "carrying on, together with other scientists, scientific research work in the sphere of using atomic energy for peaceful purposes" Explaining his reasons for leaving Britain, Dr. Pontecorvo said that the situation for him in that country had become "intolerable" by 1950, he had been subjected to "direct questioning and systematic blackmail on the part of the police authorities," and this had convinced him that he could "no longer preserve my dignity where I was."

Most of the article was devoted to a plea for the prohibition of atomic and nuclear weapons, in which connexion Dr. Pontecorvo declared: "As a result of following world events with attention, I have become convinced that the imperialists of such countries as the U.S A. and Britain have . entirely subordinated the discovery of atomic energy to the interests of preparing for another war with the use of atomic and thermo-nuclear weapons to achieve world domination. The decisions adopted by the NATO in December 1954 once again confirmed it.

"The peace-loving proposals of the Soviet Government meet with no response on the part of the Governments of a number of capitalist countries; they are not being presented to the broad public opinion. Moreover, these proposals are being distorted by the bourgeois Press in order to confuse these countries and to foment a war psychosis and increase international tension. Having stayed in the Soviet Union for a long time, I am already sufficiently acquainted with the peace-loving policy of the country and have all grounds for speaking of the deep, misleading state of mind in which honest people, including my physicist acquaintances, find themselves in the capitalist countries . . .

"The seriousness of the situation created by the threat of a revival of German militarism and the intention of warmongers to prepare atomic war oblige every honest man, especially the scientist, to do everything in his power to ward off the creation of a new war. It is necessary to fight incessantly for the prohibition of the application of atomic and nuclear weapons, and to use atomic energy solely for peaceful means."

After denouncing the dropping of the first atomic bomb on Hiroshima, Dr. Pontecorvo urged his former colleagues in Italy, France, Britain, the U.S.A., and Canada to protest against the use of atomic energy for military purposes He said that he had become convinced that in the Soviet Union the main attention of scientific thought was directed at using atomic knowledge "for the well-being of humanity, in the interests of peace, progress, and bettering the material well-being of the people," and added "The conditions under which I work are splendid. The technical equipment is most excellent and the research work is being carried on on a large scale and at a high level All this has permitted me, together with a group of scientists, to carry on a number of researches, the results of which we are preparing for publication"

The article was signed "Bruno Pontecorvo, professor and Stalin prizewinner," this being the first indication that Dr Pontecorvo had been awarded a Stalin Prize

On March 4 Dr. Pontecorvo gave a press conference in Moscow to foreign correspondents, during which he disclosed that he had given up his British nationality and become a Soviet citizen in 1952.

Asked about the nature of the work he was doing, Dr Pontecorvo denied that he had ever worked on the military applications of atomic energy, and explained that, being interested in the physics of high energy, he was working at present on the "problems of the production of mesons in collision with particles of high energy and the diffusion of mesons" Asked how he would rate his own contribution to the development of Soviet atomic technique, he replied "My contribution to the development of the first atomic power station is equal to zero I can honestly say that my experience in this is less than that of Soviet scientists"

Dr. Pontecorvo again referred to the "aggressive character" of "the Atlantic bloc" and to the peaceful intentions of the Soviet Union, and accused "the reactionary Press in the capitalist countries" of "befuddling the minds of many people."

The British Home Secretary (Major Lloyd-George) announced in the House of Commons on March 10 that immediate steps were being taken under Section 20 of the British Nationality Act, 1948, to deprive Dr. Pontecorvo of his United Kingdom citizenship.—(Times - Manchester Guardian - New York Times)

(Prev. rep. 11421 C.)

A. UNITED KINGDOM - UNITED STATES. — Sir Anthony Eden's and Mr. Dulles's Statements on Return from Bangkok Conference.

A report on the Bangkok Conference of South-East Asia Defence Treaty Powers, his visits to various Asian countries, Middle Eastern defence, and the Formosa question, was given by Sir Anthony Eden, the British Foreign Secretary, in the House of Commons on March 8. In the course of his speech he stated that he had reluctantly come to the conclusion that the conditions did not yet exist for a conference on Far Eastern problems at which both the Chinese Communists and Nationalists could be present. He nevertheless pointed to various factors which indicated a relaxation of tension in the Far East, and suggested a number of objectives which, if realized, might lead to international consideration of Chinese representation in the United Nations and of the future status of Formosa. Sir Anthony's statement was as follows (cross-headings inserted):

Middle East. "... I found in the Middle East a general acceptance of the need to organize a safe shield of defence to protect the area from aggression from without. There is also a recognition that the security and prosperity of the area cannot be fully realized so long as the present disruptive relations persist between the Arab States and Israel, now unhappily aggravated by further recent incidents Thirdly, all the States I visited—Egypt, Pakistan, Iraq, and the Lebanon—were anxious to be able to pursue the plans for economic development on which they have embarked. The Government are in sympathy with all these aims and are ready to help in so far as they can to realize them.

While in Baghdad I discussed with the Prime Minister of Iraq the questions which would arise if H.M. Government were to accede to the Turco-Iraqi pact (see 14057 A) ... Our aim is to forge a new association with Iraq which will bring our relations into line with those which already exist with Turkey and our other partners in NATO. New weapons and changed political conditions should be reflected in a fresh approach to our joint arrangements for resisting external aggression in this area. Our common needs can now best be provided for in different and more up-to-date ways than those which were embodied in the Anglo-Iraqi Treaty more than 20 years ago."

South-East Asia. "The Bangkok Conference, while mainly organizational, has been none the less important ... [It] worked out an acceptable programme for defence policies and economic problems between the countries who are member-States; it also did nothing to hinder the subsequent association of other countries in this area. However this may develop, I have confidence that we shall see steadily improving relations between all the free countries in this part of the world whether members of SEATO or not. And that is the result we want to see.

But we recognize that this work of regional co-operation represents only one means of strengthening peace and stability in South-East Asia Another essential contribution to the same end was the agreement concluded at Geneva last summer which ended the fighting in Indo-China and established the independence of the three Associated States. The Governments represented at the Bangkok Conference reaffirmed their determination to support these States in maintaining their freedom and independence. When I went on to Singapore after the Bangkok meeting I discussed the situation in Vietnam, Laos, and Cambodia with our representatives in these States. This formed part of a wider meeting with the Commissioner-General in South-East Asia and our civil and military representatives throughout that region. This discussion was most valuable to me.

My visit to South-East Asia has brought home to me how closely the countries of the area cherish their independence. Each country wants to develop in its own way, and their own ways may differ widely. They want to shape their own destinies with the minimum of outside interference and pressure Democracy in those countries will grow stronger as they gain confidence from its practice and example.

From Singapore I flew to Malaya and spent a memorable day, with the help of helicopters, in seeing the work of our Commonwealth forces. The spirit in which these men are facing their daily ordeal of foul discomfort and danger is beyond praise, and the success they have won is a splendid tribute to their leadership and to them."

Formosa. "While I was in Bangkok I had separate and helpful discussions with Mr. Dulles about the situation in Formosa and the coastal islands. I also maintained during my journey the contacts which had been established with Moscow and Peking, and which are still continuing. In the light of these exchanges I again considered, on the subject of Formosa, whether any further progress could be made through a conference or other discussions. I had valuable conversations about this on my way home with the Prime Minister of Burma and with Mr. Nehru, who received me with the utmost kindness as the first British Foreign Secretary to visit the Indian capital. After these talks, and on the basis of the information about the attitude of the Chinese Government which reached me from Peking, I came reluctantly to the conclusion that the necessary conditions for progress do not yet exist. We are, however, going on working to try to bring them about and meanwhile to prevent incidents and further fighting.

We cannot, of course, impose our views upon the parties more directly concerned nor decide for them where their own true interests lie. Nor can the many different aspects of this tangled problem be settled all at once. But the House will wish to know ... what is the position of H.M. Government in this situation and what, in their view, are the lines along which progress is to be sought. Its main elements seem to me to be these:

(1) The U S. Government has already given positive proofs of its desire to relax tension and reduce the risks of war I am convinced —I say this with all the conviction in my power—that it wishes to see conditions created which would put an end to active military hostilities in the area and reduce the dangers of a wider conflict. In its treaty with Chiang Kai-shek it has explicitly limited its own formal commitments to the defence of Formosa and the Pescadores It has effectively restrained the Chinese Nationalists in recent weeks from initiating attacks against the Chinese mainland It has persuaded the Nationalists to evacuate the Tachen and Nanchi islands.

(2) The Chinese People's Government for its part has refrained from attacking Quemoy and the Matsu H.M. Government trust that it will continue to exercise this restraint and that it will make it apparent that, while maintaining intact in all respects its position in regard to Formosa and the Pescadores, it will not prosecute its claims by forceful means.

(3) It is equally desirable that the Chinese Nationalists for their part should also do two things. We would like to see them withdraw their armed forces from the other coastal islands We would also hope that they would let it be known that they too, while maintaining their claims, will not prosecute them by forceful means and will abstain from all offensive military action.

I suggest that, if these objectives could be realized, consideration could then be given internationally at an appropriate moment to the problem of Chinese representation in the U.N. and to the future status of Formosa Any attempt ... to make progress along these lines clearly raises grave problems of timing, of presentation, and of policy. But there is no problem, however intractable, which with time and patience cannot be made less so And if the attempt is not made in the case of Formosa and the coastal islands, the consequences may be grave indeed ..."

In reply to Mr. Herbert Morrison, Deputy Leader of the Opposition, who asked whether the U.S A. had accepted in principle the views which the Foreign Secretary had expressed, Sir Anthony Eden declared that what he had said on Formosa committed nobody except the British Government. He added that the position was difficult for the United States as any form of withdrawal was regarded as a stepping stone for further attack.

Mr. Dulles, the U.S. Secretary of State, returned to Washington from the Far East on March 6 and on March 8 made a nation-wide broadcast on the Far Eastern situation. In the course of his speech he declared that the U.S.A. must, if occasion offered, make it clear "that we are prepared to stand firm and, if necessary, meet hostile force with the greater force that we possess." Extracts from Mr. Dulles's broadcast are given below.

Bangkok Conference. "The Manila pact," Mr. Dulles said, "has three main purposes: defence against open armed aggression; defence against subversion; and the improvement of economic and social conditions.

"For military defence we shall rely largely upon mobile allied power which can strike an aggressor wherever the occasion may demand. That capacity will, we believe, deter aggression. We shall not need to build up large static forces at all points, and the U.S contribution will be primarily in terms of sea and air power I pointed out at Bangkok that, for military purposes, the Chinese Communist front should be regarded as an entirety, because if the Chinese Communists engage in open, armed aggression this would probably mean that they have decided on general war in Asia. They would then have to take into account the mutual defence treaties of the U.S.A. with the Republic of Korea and the Republic of China, and the forces maintained under them Thus general war would confront the Chinese Communists with tasks at the South, Centre and North, tasks which would strain their inadequate means of transportation.

"The Allied nations possess, together, plenty of power in the area The U.S.A. in particular has sea and air forces now equipped with new and powerful weapons of precision, which can utterly destroy military targets without endangering unrelated civilian centres. Our Treaty Council, after appraising the military factors, concluded that the available military power offered solid hope of deterring open armed aggression against the treaty area."

Turning to the problem of subversion, Mr. Dulles said that this was at present "perhaps the greatest danger to the area," though the danger would be diminished as it became better understood that the treaty nations had the power, and the will, to strike down an open, armed aggressor. It was primarily the responsibility of each Government concerned to deal with active subversion promoted from without, but countries could help each other by exchanging information, for example, about the movements and activities of international Communist agitators. Also, those who had dealt successfully with this problem could give advice which would help others of lesser experience. It had consequently been agreed at Bangkok that there should be meetings of experts to facilitate exchanges of views about these problems of subversion.

With regard to the question of improving economic and social conditions in the area, Mr. Dulles said that the first problem involved was that of meeting the cost of more effective security forces. The Council was not trying to build up vast new military establishments, but modest national forces were needed, which were well equipped and loyal, which could support the authority of each Government throughout its territory, and which could fight initial defence actions if there should be attack from without. Even these limited forces, however, involved an economic burden which some of the countries could not carry without help, and the strong countries would therefore have to help the weak ones by providing some military equipment and financial support.

Secondly, there was the need for a general improvement of economic conditions in the area, which entailed capital development in the form of increased industrialization, better roads, more irrigation works, and improved port facilities. There was particular need for a larger exchange of goods and services between the countries of South and South-East Asia and the Western Pacific, and Japan with her large capacity for industrial production and her need for food and raw materials, was an important element in this situation

This problem of economic improvement went beyond the immediate treaty area—which was not and never could be a self-contained economic unit. The great bulk of its trade was with outside areas and there was therefore a need for programmes to develop broadly the economic possibilities of all the free Asian countries. The treaty nations, said Mr Dulles, would study their problems from this viewpoint.

Mr. Dulles stated that he had reaffirmed President Eisenhower's declaration on the peaceful uses of atomic energy and had extended an invitation to the Manila pact nations to send representatives to the U.S.A. to study the good uses to which atomic energy might be put.

Burma. "Burma," Mr. Dulles continued, 'is one of the countries which has newly won its independence, and the Government and people are determined to maintain it. They feel that they can best do so by avoiding regional security groupings . . . Burma's evolution to independence had the strong moral support of our nation, and we want to see that independence preserved I talked fully and freely with the President, with the Prime Minister (U Nu), and with other members of the Government In this way we each came to a better understanding of the policies of the other. . ."

Indo-China. "After Burma I went to Laos, Cambodia and free Vietnam. These three nations are not themselves members of the Manila pact but their territories are covered by the pact In each of these countries I found leaders of great ability and of patriotic dedication to the independence of their country Also, they well realize the danger to their independence that comes from subversion inspired by international Communism . .

"The greatest problems confront the free Government of Vietnam It has the task of developing an efficient Government of its own in substitution for French rule. This task . . is now complicated by three abnormal problems:

(1) The problem of absorbing and resettling the refugees from the North. . . . So far, about 600,000 persons have fled from Northern Vietnam, and before the exodus is over the number of refugees will probably approach 1,000,000. . . . They need help. One dramatic response is Operation Brotherhood, privately sponsored by the Philippine Junior Chamber of Commerce. It provides Philippine doctors and nurses who work on a 24-hour-a-day basis at the refugee centres.

(2) The fact that various religious groups, known as the 'sects' have heretofore had virtual autonomy, maintaining their own police forces, collecting their own taxes, and acting largely independently of a central Government If Vietnam is to maintain its independence and the religious freedom desired by all, including the sects, there needs to be increasing allegiance to the central Government. . . .

(3) The greatest problem is that presented by the Communists in the North. Under the armistice they should have removed their forces from the South Instead, many of their soldiers there merely put on civilian clothes and faded into the local community as a source of future trouble Communist propaganda is rife, and in addition the free people of the South are subjected to the terrorizing threat of armed aggression from the North. As against this, local forces are being trained. But the principal reliance is the Manila pact and its deterrent power."

With regard to the forthcoming elections in Vietnam in 1956, Mr. Dulles said that there could be "little doubt" but that most of the people of Vietnam would want to unite under a genuinely independent and democratic Government. However, he thought that it would be hard to create in the North conditions which would allow genuine freedom of choice. Mr. Dulles also said that he had been "much impressed" by the Prime Minister of South Vietnam (Ngo Dinh Diem) and expressed the conviction that his Government deserved the support which the U.S.A. was giving to help to create an efficient, loyal military force and sounder economic conditions.

Philippines. "I stopped at Manila on both my outgoing and homecoming trips," Mr. Dulles continued. "Both times I talked with President Magsaysay . . . I am deeply impressed by his grasp of the Communist problem. He has given his full moral support to the anti-Communist position of the U S.A. in Asia The Philippine Republic is proving itself to be a staunch and effective ally"

Formosa. After referring to his conversations with the Chinese Nationalist leaders, to the coming into force of the U.S.-Chinese mutual defence treaty, and to the first meeting of U S. and Chinese Service chiefs under the terms of the treaty, Mr. Dulles went on "Let me make it clear that we have here to deal with two distinct matters—first, the political decision of what to defend, and then the decision as to how to defend it. The decision of what to defend has been taken. It is expressed in the treaty and also in the law whereby Congress has authorized the President to use the U.S. armed forces in the Formosa area. That decision is to defend Formosa and the Pescadores. However, the law permits a defence which will be flexible and not necessarily confined to a static defence of Formosa and the Pescadores themselves. How to implement this flexible defence President Eisenhower will decide, in the light of his judgment as to the over-all value of certain coastal positions to the defence of Formosa, and the cost of holding these positions. And his judgment would take account of consultations provided for by the mutual defence treaty.

"We hope that the present military activities of the Chinese Communists are not in fact the first stage of an attack against Formosa and the Pescadores. We hope that a cease-fire may be attainable We know that friendly nations, on their own responsibility, are seeking to find substance for these hopes Also, the U.N. is studying the matter in a search for peace. So far these efforts have not been rewarded by any success The Chinese Communists seem to be determined to try to conquer Formosa. The response of the United States will have importance both to Formosa itself and to all the South-East Asian and Pacific countries

'I come back from Asia greatly impressed by the spirit and the purpose of the Governments and the peoples with whom I had contact They want to preserve their freedom and independence. However, patriotism alone is not enough. Small nations cannot easily be self-confident when they are next door to Communist China. Its almost unlimited manpower would easily dominate, and could quickly engulf, the entire area were it not restrained by the mutual security structure which has been erected. But that structure will not hold if it be words alone Essential ingredients are the deterrent power of the United States and our willingness to use that power in response to a military challenge The Chinese Communists seem determined to make such a challenge.

"At the same time they are persistently trying to belittle our power and throw doubt on our resolution. They boast that in 1950, in Korea, they drove U.S forces back from the Yalu and gained a great victory They boast of their victory over the French Union forces in Indo-China at Dien Bien Phu and they misrepresent our non-participation as due to our weakness of will. When we recently helped the Chinese Nationalists to evacuate the Tachens and other coastal islands, the Chinese Communists claimed that this represented great 'victories' for them. They continue wrongfully to hold our fliers and citizens. In such ways Chinese Communist propaganda portrays the U S A as being merely a 'paper tiger.' It suggests to the small peoples whom they threaten that the U S A will always find reasons to fall back when faced by brutal and uncompromising force, and that Communist China is sure to win.

"The United States, in the interests of peace, has made great sacrifices and has shown great self-restraint That is nothing for which we should feel ashamed. Indeed, it is something in which we can take pride But we must always remember that the free nations of the Western Pacific and South-East Asia will quickly lose their freedom if they think that our love of peace means peace at any price We must, if occasion offers, make it clear that we are prepared to stand firm and, if necessary, meet hostile force with the greater force that we possess

"A big step in the right direction was taken by the Congress when, at the President's request, it passed the joint resolution which authorized the President actually to use the U.S. armed forces for the defence of Formosa and, to the extent that the President judges appropriate for that defence, to protect related positions in friendly hands. That non-partisan action, taken with virtual unanimity, did more than any other recent act to inspire our Asian friends with confidence in us. I believe that their confidence is not misplaced. . . ."

Before making his broadcast, Mr. Dulles had reported to President Eisenhower on the conference and on his tour and had also reported to the Senate Foreign Relations Committee and the House Foreign Affairs Committee.—(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune) **(Prev. rep. 14081 A.)**

A. BELGIUM. — Chamber ratifies Paris Agreements.

The Belgian Chamber of Representatives passed a Bill on Jan. 20 ratifying the Paris Agreements as far as they affected Belgium, the voting being 181 to 9, with two abstentions.

Winding up the debate, which had lasted from Jan 11-13, M Spaak, the Foreign Minister, declared: "If you reject rearmament of Western Germany you will send the Germans into the arms of Russia. A German-Russian agreement would mean the end of European and Western democracy." M Spaak maintained that the Paris Agreements gave full guarantees against a rebirth of German militarism, as the limits set for the maximum strength of the various military forces could only be increased by agreement of all members. Another guarantee was Dr. Adenauer's undertaking that Germany would not manufacture atomic weapons. "But," M. Spaak said, 'the greatest guarantee of all is the presence of British and American troops in Europe."

The Bill was supported by the three main political parties —the Socialists and Liberals (which form the present Government) and the Social Christians (the present Opposition); the nine dissenting votes were cast by the four Communists, four Socialists, and one Liberal.

M. Spaak announced during the debate that the Belgian Senate would not be called upon to vote on the Bill until the Agreements had been ratified by France and Germany.
(La Nation Belge, Brussels - Le Monde, Paris) **(14053 D.)**

Note. In the vote on Nov 26, 1953, the Bill ratifying the E.D C. Treaty had been passed by the Chamber by 148 votes to 49, with three abstentions (see 13569 A).

B. GREECE. — Reduction in Bank Rate.

The Greek bank rate was reduced on Jan. 1 from 10 per cent to 9 per cent.—(Federal Reserve Bulletin, Washington) **(Prev. rep. 13552 D.)**

A. AUSTRALIA. — Atomic Energy and Research. - Further Atomic Weapons Tests in 1955. - Development of Uranium Production. - Construction of Nuclear Reactor. - Collaboration with United Kingdom.

It was announced in Canberra and London on Feb. 25 that by arrangement between the Australian and U.K. Governments further atomic weapons tests would be conducted in Australia later in 1955 in an area north of the transcontinental railway line (the line across the Nullarbor Plain between South Australia and Kalgoorlie and Perth in Western Australia). The announcement said that the tests were "not atomic explosions, but detonations of high explosive charges to test techniques relating to atomic weapons," adding that there would be some radioactivity but that this would be limited to a small area in the immediate neighbourhood of the explosions. On March 10 the "protected area" of the Woomera rocket range was extended to include a large area in the western part of South Australia north of the transcontinental railway; it was stated that this area would be used for the next series of tests of atomic weapons and would become a permanent testing site if it proved suitable. Earlier, on Feb. 18, it had been officially denied in London and Canberra that any tests of thermo-nuclear weapons would be held on the Australian continent.

Other recent developments in Australian uranium production and atomic energy development and research are described below.

Rum Jungle Uranium Plant. Australia's first plant for refining uranium ore was opened at Rum Jungle (Northern Territory) by the Prime Minister, Mr. Menzies, on Sept 17, 1954. The plant, most of which was supplied by the U.S Atomic Energy Commission under Australia's 10-year contract with the U.S A. and Britain (see 12679 B), will reduce ore mined at Rum Jungle to uranium oxide, the last stage in the treatment of the mineral before smelting into uranium metal.

Opening of Radium Hill Mine. The uranium mine at Radium Hill (South Australia)—see 12202 B—was officially opened by the Governor-General of Australia, Sir William Slim, on Nov. 10, 1954 The Premier of South Australia, Mr Playford, announced at the opening ceremony that his Government planned to establish another uranium mine at Crocker's Well, about 75 miles west of Radium Hill, and to open it in about three years' time; to set up later a metal treatment plant in association with the chemical treatment plant now being built at Port Pirie; and to establish a nuclear power station as soon as technical conditions permitted

Mount Isa Uranium Plant. Mr. J. N. V Duncan, managing director of the Rio Tinto Company, announced in Brisbane on March 1,1955, that his company was to build a uranium processing plant at Mount Isa, in the Cloncurry region of Queensland, under an agreement with the Australasian Oil Exploration Company. He stated that Rio Tinto had agreed to a full-scale development of the area if it were justified by exploration surveys, and announced that, with this in mind, they had bought a controlling interest in Mary Kathleen Uranium Ltd

Discovery of New Uranium Field. The discovery of a new uranium field in the Northern Territory about 150 miles south of Darwin was reported on July 23, 1954. Situated near the headwaters of the Katherine river, about 72 miles east of Pine Creek and 20 miles east of the recently discovered Coronation Hill field (see 13057 B), the new field was reported, on the basis of surface findings, to be better and more extensive than that at Rum Jungle

Building of Nuclear Reactor. Mr. Beale, the Minister for Supply, announced on Oct. 11, 1954, that the Federal Government had approved the construction by the Australian Atomic Energy Commission of a nuclear reactor of advanced type, which would provide Australia with research facilities "as good as any in the world." He said that this was part of a five-year atomic research programme which the Australian Government was undertaking at a cost of more than £A5,000,000 to develop the best means of producing atomic power for Australian industry. Although the Australian programme would be self-contained, it was being undertaken in co-operation with Britain, and similar work being done in Britain would be related to the Australian programme in order to avoid wasteful duplication Britain was providing Australia with nuclear information which she had recently gained at the cost of large expenditure on research, Australia would therefore in one step bring herself up to date in the application of atomic energy for industry, and experts believed that atomic power for industry would become an economic proposition in some parts of the country within the next 10 years.

On Jan. 17 Mr. Beale announced that the A.E.C.'s research laboratory and nuclear reactor would be built between Sutherland and Menai, 17 miles south of Sydney, and that it was hoped to complete the major part of the laboratories by the end of 1956.

Professor C. H. Watson-Monro, Professor of Physics at Victoria College, Wellington, New Zealand, was appointed Chief of Research for the Australian Energy Commission on Nov. 3, 1954. During the war Professor Watson-Monro conducted radio research for the N.Z. Department of Scientific and Industrial Research, and later worked on atomic energy research in Britain, the U.S.A., and Canada.—(Australian News and Information Bureau - Times - Daily Telegraph - New York Times) **(Prev. rep. Atomic Weapons Tests, 13222 A; Uranium, 13057 B; A.E.C., 12607 D; Rio Tinto Co., 14062 D.)**

B. ITALY - UNITED KINGDOM. — Signor Scelba's and Professor Martino's Visit to London.

The Italian Prime Minister, Signor Scelba, and the Foreign Minister, Professor Martino, arrived in London on an official visit on Feb. 15. During their stay they had long discussions with Sir Winston Churchill and Sir Anthony Eden, the Foreign Secretary; saw Mr. Butler (Chancellor of the Exchequer), Mr. Thorneycroft (President of the Board of Trade), Major Lloyd-George (the Home Secretary); and met Mr. Attlee and Mr Herbert Morrison (the Leader and Deputy Leader of the Opposition). On Feb. 16 they were received by the Queen at Buckingham Palace, and called on Queen Elizabeth the Queen Mother. Speaking at a Foreign Press Association lunch on the same day, Signor Scelba expressed "great satisfaction" about the talks with Sir Winston Churchill and Sir Anthony Eden, and declared: "We have realized how close, and I would say identical, are our points of view." On Feb. 17 Signor Scelba addressed members of both Houses of Parliament at Westminster, and later both Ministers spoke to British journalists at a conference arranged by the Foreign Office. After visiting Cambridge on Feb. 18, the Italian Ministers left London on Feb. 20.

The following communiqué was issued from 10, Downing Street on Feb. 18 on the conclusion of the official talks:

"The recent developments in Anglo-Italian relations and the joint diplomatic activity of the two Governments in recent months have made possible an even closer and more cordial collaboration between Italy and the United Kingdom. The two Italian statesmen in the course of their visit have therefore had a very full exchange of views with Sir Winston Churchill, Sir Anthony Eden, and other of H.M. Ministers, on the situation throughout the world, as well as on all aspects of Anglo-Italian relations.

These conversations have revealed full agreement between the two Governments. They are determined to continue to do their utmost, in constant consultation between themselves and with other allied and friendly Powers, to safeguard peace, to build up the security of the free and democratic world, and to preserve the European heritage of civilization to which Italy and Great Britain have so greatly contributed

During their discussions the Ministers reaffirmed their full support of the Atlantic alliance and of the other international organizations of which the two countries are joint members. They agreed to do their utmost to bring the Western European Union into force at the earliest possible moment, in the conviction that this organization is essential for the promotion of closer co-operation within Western Europe The Ministers agreed that the early participation of the Federal Republic of Germany in this free association was essential to the unity and defence of the western community.

The Ministers examined together the discussions now taking place in the working group of Western European Union on the production and standardization of armaments. They confirmed the joint desire of their two Governments that these discussions should lead to practical and constructive arrangements in which the U.K. and Italy, with the other members of W.E.U., would both play their full part.

The Ministers had a most useful exchange of views on the relations between East and West in the light of recent major developments in the international sphere They also reviewed together the position in various areas of the world of mutual interest to their two countries, notably the Mediterranean.

In regard to matters directly concerning Italy and Great Britain, the conversations have confirmed to the satisfaction of both parties that there are no longer any serious problems at issue between the two countries and that their general interests are entirely in accord. The very cordial character of the discussions showed that relations between the U.K. and Italy have now happily returned to their old friendliness. The Ministers placed once more on record their determination to devote their efforts to the further development of these relations in a continuing atmosphere of confidence."

On their way to London Signor Scelba and Professor Martino spent a day in Paris, where, on Feb. 14, they visited Supreme Headquarters, Allied Powers in Europe, and saw General Gruenther. They also attended a session of the North Atlantic Council, and saw M. Mendès-France and M. Faure, the outgoing French Prime Minister and Foreign Minister respectively.—(Times - Daily Telegraph - Le Monde, Paris) **(Prev. rep. 13011 B.)**

C. EGYPT. — Allocation of U.S. Aid.

Four U.S.-Egyptian agreements were signed in Cairo on Feb. 23 which allocated $23,337,000 out of a total of $40,000,000 of U.S. aid to Egypt to four major development projects—road improvement, a pipeline for the supply of drinking water at Abou Homoss in the northern delta, improvement of the port of Alexandria and of inland waterways, and the purchase of equipment for the new machine-shops of the Ministry of Public Works. Egypt, for her part, undertook to contribute in cash, commodities, and services the equivalent of $32,607,000 to the completion of these projects.—(New York Times - Le Monde, Paris) **(Prev. rep. 13879 C.)**

A. INDIA. — Industrial Development.

A review of the major industrial projects established in India since the country achieved independence, apart from those already described in earlier articles, is given below under cross-headings:

Iron and Steel Production.

Soviet Contract for Building of Steel Plant. A Soviet-Indian agreement for the construction by the Soviet Union of a modern, integrated iron and steel plant in India was signed in New Delhi on Feb. 2, 1955, by the Soviet Ambassador (M. Menshikov) and the Secretary of the Indian Production Ministry (Mr. S. Khera). The agreement was the first of its kind between the two countries, and was also the first major agreement on technical and economic aid for industrialization extended by the Soviet Union to a non-Communist country.

The proposed plant, which will be situated in the Bhilai region of Madhya Pradesh, was planned to be in operation by Dec. 31, 1959, with an initial capacity of 1,000,000 tons of ingots to be rolled into about 750,000 tons of rolled-steel products, it would be designed, however, with a view to eventual expansion to a capacity of 1,000,000 tons of rolled steel. The cost of the plant, machinery and equipment to be supplied by the Soviet Union was estimated at Rs. 434,000,000 (excluding transport charges), and the technical fee for setting up the plant was fixed at Rs 25,000,000. The cost would be charged in instalments (according to the progress of deliveries), for which the Soviet Union would extend credit repayable in each case by 12 equal annual instalments, with interest at 2½ per cent p.a.; all payments would be in Indian rupees freely convertible into sterling.

The agreement also provided for visits by Indian experts to the Soviet Union to examine plants and factories of a similar nature, and for the training of a sufficient number of Indian technicians both in India and in the U.S.S.R. so that Indian personnel might man the plant to the maximum extent possible from the beginning. The Indian Government reserved the right to reject the scheme as given in the final report (to be submitted within nine months), with the proviso that it would pay all the expenses so far incurred by the Soviet Union—subject to a limit of Rs. 8,000,000—if the scheme were rejected.

Proposed British Participation in New Steel Plant. At the same time as negotiations were proceeding for the proposed Soviet steel plant, Mr. B. M. Birla, President of the Indian Chambers of Commerce and Industry, was making inquiries in London about the willingness of British businessmen to invest money in a further steel plant (in addition to, and not instead of, the Soviet-built plant). It was reported that Mr. Birla had suggested participation by private British capital in two alternative schemes: one for a plant with a capacity of 675,000 tons, to be built at a cost of £46,500,000, and another for a plant with a capacity of 1,000,000 tons, to cost £70,000,000. Mr. Birla himself undertook to mobilize about £11,250,000 of Indian capital, and had asked the Indian Government to contribute £15,000,000 and to guarantee the British investment of the balance. Although no official announcement was made about the proposals after Mr. Birla's return to India, it was authoritatively reported from New Delhi at the end of November that they had been rejected by the Indian Government because (1) the Government would have been expected to make guarantees available and to subscribe capital without participating in management, and (2) private ownership of new iron and steel works was contrary to Indian industrial policy.

On Jan. 3, 1955, however, the Metallurgical Equipment Export Company of London formally offered to build a steel plant with a capacity of 1,000,000 tons for the Indian Government, and it was subsequently reported that India had accepted this offer in principle. The Metallurgical Equipment Export Company represents a number of British engineering firms in the export market: Davy and United Engineering, Electric Furnace, Head Wrightson, Joseph Parks & Son, Simon Carves, and Wellman Smith Owen Engineering.

Location of German Steel Plant. It was announced in New Delhi on Feb. 16, 1954, that the steel plant to be built in India by the German firms of Demag and Krupp (see 13338 B) would be located at Rourkela, in Orissa. Three other sites had been examined—at Durgapur (West Bengal), Sindri (Bihar) and Bhilai (Madhya Pradesh)—but the Rourkela site had been considered the most suitable. The Indian Minister of Production, Mr. Reddy, announced on Sept. 24, 1954, that construction of the Rourkela works would be started at the end of 1955 and that the plant was expected to go into production four years later. Hindustan Steel Ltd., the Indo-German firm established for the construction and operation of the new plant, announced on Feb. 7, 1955, that it had appointed Dr. Klinar (a Yugoslav) as its technical expert in charge of installing the Rourkela steel plant; Dr. Klinar had formerly been employed by the Tata company and had lately served as adviser to the Yugoslav steel industry.

Expansion of Tata Steel Works. It was announced in New Delhi on Jan. 12, 1955, that the Indian Government had approved a proposal by the Tata Iron and Steel Company to expand its steel production by 500,000 tons annually.

On May 5, 1952, Tata's, in association with Stewarts and Lloyds Ltd., had announced that they were constructing a steel tube works at Jamshedpur (Bihar) which would draw its supplies of strip from a new strip-mill to be installed by Tata's. Mr. Stewart, chairman of Stewarts and Lloyds, announced at the company's annual meeting on Feb. 8, 1955, that the company, in association with Tata's, was erecting a continuous weld tubemaking plant at Jamshedpur.

General Steel Expansion Plans. Mr. Reddy, in a statement on Feb. 2, 1955, on the general steel situation in India, expressed confidence that the present output of 1,200,000 tons of steel a year would be raised to 6,000,000 tons during the second Five-Year Plan, taking into account the new plants and the extensions to existing works. Present Indian steel production, he said, would be raised to 2,300,000 tons if the existing expansion programme of Tata's and other companies were executed. In order to achieve the objective of 6,000,000 tons it was proposed to expand the Rourkela works immediately to a capacity of 1,000,000 tons, Tata's proposed to expand their plant by a further 500,000 tons; and the British, who had offered help for a third plant, had been contacted and invited to come to India. If this project went through, it would add another 1,000,000 tons to the country's capacity. Mr. Reddy added that he was thinking in terms of 10,000,000 tons of steel a year for the third Five-Year Plan.

Railway Locomotives and Rolling Stock.

The Chittaranjan Works. The Indian Railways locomotive manufacturing works at Chittaranjan (a new town some 150 miles west of Calcutta) were formally inaugurated on Jan. 26, 1950. Built at a cost of about Rs 140,000,000, the Chittaranjan works are situated near the proposed Maithon Dam on the Barakar River, the West Bengal coal belt, and the steel-producing centres of Asansol and Tatanagar. Under a five-year agreement with the Indian Government, concluded in 1949, the Locomotive Manufacturers' Co. Ltd. (representing the principal British locomotive builders), undertook to provide expert advice, technicians, and skilled supervisory staff for service at Chittaranjan, who would eventually be replaced by Indian technicians training in Britain. In return, the Indian Government placed an order with the company for 200 locomotives at a cost of Rs. 60,000,000 - Rs. 80,000,000.

The Chittaranjan works will eventually be able to build about 120 steam locomotives a year, and, together with Tata's locomotive factory, to make India ultimately self-sufficient in locomotives.

Perambur Railway Coach Factory. Mr. A. K. Chanda, Financial Commissioner of Indian Railways, stated in New Delhi on Oct. 10, 1952, on his return from Europe, that three Swiss firms—Schlieren, Neuhausen, and Schindler—had agreed jointly to participate in the financial and technical management of a railway coach factory to be built at Perambur (Madras State) at an estimated cost of about Rs. 50,000,000. Mr. Pande, chairman of the Railway Board, stated on Feb. 10, 1955, that the Perambur factory would go into operation towards the end of 1955. Production was planned to exceed one coach every working-day when full production rate was reached.

Locomotive Imports. The chairman of the Indian Railway Board (then Mr. Badhwar) announced on Nov. 27, 1953, that India had placed orders abroad for 480 locomotives at a cost of Rs. 180,000,000 and that negotiations were in progress for the supply of a further 250-300 locomotives by the end of 1955 under the U.S. technical aid programme and the Colombo Plan. Mr. Badhwar said that 125 goods steam-engines had been ordered from Japan; 150 passenger steam-engines, 100 goods steam-engines, and 20 diesel shunting-engines from Western Germany; 60 goods steam-engines from Austria; and 25 from Italy. British locomotive manufacturers had been unable to secure a share of the orders because their quotations were not competitive.

Cables, Telephones, and Electrical Equipment.

Rupnarainpur Cables Factory. A factory for the manufacture of telephone cables was inaugurated on Dec. 26, 1954, at Rupnarainpur, near Chittaranjan. Built in three years at a cost of some Rs.13,000,000, the factory has an initial output of about 500 miles of cable a year and is expected within three or four years to meet India's entire cable requirements. The factory was built by Standard Telephones and Cables Ltd., London, under an agreement concluded with the Indian Government on Dec. 6, 1949. In August 1952 the Indian Government had set up a limited liability company—Hindustan Cables Ltd—to take over the entire assets and liabilities of the factory.

Bangalore Telephone Factory. The foundation-stone of a new factory for the State-owned Indian Telephone Industries was laid at Bangalore on Oct. 12, 1948. The factory at first confined itself to assembling telephones from imported components, but it was planned that, when completed, it would manufacture all forms of telephone equipment.

On Feb. 1, 1950, Indian Telephone Industries was converted into a joint stock company, with the Indian Government holding 75 per cent of the shares, the Government of Mysore 20 per cent, and the Automatic Telephone and Electric Co. 5 per cent.

Bangalore Radio Equipment Factory. It was announced in New Delhi on Nov. 6, 1954, that Bharat Electronics Ltd. had been formed by the Indian Government to produce electronic equipment for the armed Services and for the other Government departments. The Government had signed a contract with the *Compagnie Générale de Telegraphie sans Fil* (Paris) for technical assistance in setting up the factory, which would be situated at Bangalore. Production was planned to start in 1956.

Motor Industry.

Government Policy Statement. The Indian Government announced on May 31, 1953, that they had accepted the Tariff Commission's recommendations that motor-vehicle production in India should be concentrated on five manufacturing firms, and that seven other firms which only assembled imported car parts should be closed down within three years. At the same time the Government announced a reduction in the import duty on motor-vehicle parts from an average of 63 per cent to 40 per cent, and laid down that by 1956 at least 50 per cent of the components used by Indian vehicle manufacturers must be made in India.

The five firms chosen to continue manufacture were: (1) Hindustan Motors (associated with Morris Motors—now part of the British Motor Corporation—and Studebaker), who would manufacture a light car, a big car, and a medium lorry; (2) Premier Automobiles Ltd. (associated with Dodge, the U.S. manufacturers), who would make a big car and a medium lorry; (3) Automobile Products of India Ltd. (associated with the British Rootes Group), who would manufacture a light car and a medium lorry; (4) Standard Motor Products of India Ltd (associated with the British Standard Motor Company), who would manufacture a medium car; (5) Ashok Motors Ltd. (associated with Austins, now part of the British Motor Corporation), who would concentrate on the manufacture of a heavy lorry and a small car.

The seven firms which would have to stop assembly work in three years were Deward of Calcutta, the French Motor Company of Bombay, General Motors, Mahindra & Mahindra, Addison & Company, Ford Motors, and the Peninsular Motor Company; Deward and Mahindra & Mahindra, however, would be allowed to continue the assembly of Land Rovers and Willys Overland jeeps, which are not at present manufactured in India.

The Tariff Commission's report estimated that the total number of motor-vehicles registered in India in 1951 had been 252,000, and that future demand would be about 25,000 annually (excluding the requirements of the Defence Ministry), of which about 40 per cent would be lorries and the balance motor-cars. The main problems facing the industry were the limited demand for automobiles, the scarcity of some of the required raw materials, the absence of ancillary industries, and the competition between assemblers and manufacturers. With regard to these difficulties, the report said that there was little likelihood of any increase in demand in the near future because of the generally low standard of living and the high price of cars, nor was there much hope of overcoming the shortage of certain principal raw materials, such as special type steels, which would still have to be imported from abroad. The development of ancillary industries, however, should be encouraged by suitable measures, one of which should be the standardization of the various types of components, whilst the competition between assemblers and producers would be dealt with by the concentration of production outlined above.

Daimler-Benz Agreement with Tata. An agreement between Daimler-Benz (the German motor manufacturers) and the Indian Tata Locomotive and Engineering Corporation was signed on March 9, 1954. During the first phase of the agreement Daimler would supply 3,000 heavy trucks annually and set up jointly with Tata a large assembly plant in Jamshedpur. The second phase envisaged the building of a motor-car plant, either at Jamshedpur or in Central India near Nagpur. The agreement was subject to approval by the Indian Government.

Bicycles.

Sen-Raleigh Factory at Kanyapur. A bicycle factory, built by Sen-Raleigh Industries of India Ltd. at Kanyapur near Asansol (some 145 miles west of Calcutta), was opened on June 21, 1952; it had an initial capacity of 100,000 cycles a year, rising gradually to 200,000. The firm's British associates, Raleigh Industries Ltd., provided technical assistance in planning the factory, in procuring scarce plant, and in training Indian personnel.

Review of Indian Cycle Industry. The Deputy Minister of Commerce and Industry (Mr. D P. Karmarkar) stated on Oct. 22, 1951, that the production of bicycles in India had risen from 64,425 in 1949 to 103,153 in 1950. Imports, which had risen from 264,392 in 1948-49 to 268,148 in 1949-50, had dropped sharply to 165,461 in 1950-51. Until 1950 the only firms manufacturing complete bicycles in India had been Hindu Cycles Ltd. (Bombay), and the Hindustan Bicycles and Industrial Corporation. Since then, however, T.I. Cycles of India (Madras), Sen-Raleigh Industries (Calcutta), and Atlas Cycle Industries (India) Ltd. (Sonepat), had all established factories for the manufacture of bicycles with the assistance—technical or otherwise—of foreign firms of repute.

Drugs, Dyes and Chemicals.

Poona Penicillin Factory. The foundation-stone of India's first penicillin factory was laid at Pimpri, near Poona, on March 10, 1952. The factory, whose cost will be about Rs. 20,000,000, was set up by the Indian Government in collaboration with the World Health Organization and the International Children's Emergency Fund (UNICEF), the W.H.O. providing the necessary technical assistance and training facilities. It is expected to be in operation early in 1955, and to produce 400,000 mega-units of penicillin monthly when in full production.

Delhi D.D.T. Factory. An agreement for the setting-up of a D.D.T. factory in Delhi was signed on July 19, 1952, by representatives of the Government of India, the W H.O. and UNICEF. UNICEF undertook to supply all the manufacturing equipment at a cost of $250,000; the U.N. Technical Assistance Administration agreed to provide the technical assistance at a cost of about $100,000; whilst India, for her part, undertook to provide land, buildings, power, etc., at a total cost of Rs. 2,300,000. The entire output of the plant—which is expected to begin operations early in 1955—was estimated at 1,568,000 lb. of D.D.T. annually, to be devoted to the development and expansion of public health campaigns.

Parnera Dyes and Chemicals Factory. The Atul Products Dyes and Chemicals Factory at Parnera (Bombay), the first major industry of its type in India, was opened by Mr. Nehru on March 17, 1952. Although the U.S. Cyanamids concern supplied raw materials, "know-how," and technical personnel, the erection and construction work was all done without the help of foreign technicians The initial capacity of the factory was 4,000,000 lb. of dyes and 100,000 lb. of sulpha drugs; it also produces aureomycin (an antibiotic) and folic acid (a vitamin widely used in treating malnutrition).

Petrol and Synthetic Petrol.

Opening of Second Bombay Refinery. The Burmah-Shell refinery at Trombay (near Bombay), the largest in India and the second of the three in construction at Bombay, went into preliminary production on Feb. 2, 1955. When the Caltex refinery—the last of the three—goes into production, India will be nearly independent in petroleum products.

Synthetic Oil Plant. It was announced in New Delhi on Jan. 21, 1955, that the Indian Government had accepted in principle the recommendations for the construction of a synthetic oil plant which had been made by a committee set up in May 1954. The committee recommended that the proposed plant should have an annual manufacturing capacity of 250,000 - 300,000 tons

Mirganj Power Alcohol Plant. The biggest power alcohol plant in India was opened at Mirganj, near Patna (Bihar), on April 13, 1949. With a daily capacity of 3,000 gallons, it was expected to increase India's motor-fuel resources considerably.

Machine Tools.

Ambarnath Machine Tool Factory. The Combined Machine Tool and Prototypes Factory at Ambarnath, near Bombay, built over three years in collaboration with the Swiss firm of Oerlikon, was opened by Mr. Nehru on Jan 13, 1953. The erection of such a factory had been recommended by the Indian Tariff Board in 1948.

Precision Instrument Factories. A precision instrument factory at Lucknow (Uttar Pradesh), described as the first State-owned concern of its kind in India, went into operation in July 1950.

The foundation-stone of new buildings for the National Instruments Factory at Jadavpur, Calcutta, was laid by Mr. Reddy on Feb. 22, 1953. The factory, formerly known as the Mathematical Instrument Office, was started in 1830 as a small repair and service depot for instruments used by the Survey of India, and during the two world wars was transformed into a full-scale factory producing prismatic binoculars, telescopes, prismatic compasses, sun compasses, thermometers, etc.

Newsprint.

India's first national newsprint factory went into production at Nepanagar (Madhya Pradesh) on Jan 12, 1955. The project, known as Nepa Mills, is based on the utilization of chemical pulp from bamboo and mechanical pulp from salai wood, about 30,000 tons and 22,500 tons a year respectively being required for the production of 100 tons of newsprint a day. Although the factory began operations with imported chemical pulp. it was expected to be able to dispense with imported raw material by October 1955, when its chemical section was completed On reaching full production it will meet one-third of India's annual newsprint requirements, and result in an annual foreign exchange saving of about Rs 13,000,000.

The following table, reproduced from *The Eastern Economist* (New Delhi), shows the progress since 1951 in the State-owned factories, together with the targets for 1955-56:

	Annual Production 1951-52	1952-53	1953-54	Target 1955-56
Indian Telephone Industries				
Telephones (nos.) ..	21,628	27,000	40,000	25,000
Exchange lines (nos.)	21,000	11,000	15,000	20,000
Sindri Fertilizer Factory				
Ammonium sulphate (tons)	34,800	230,000	249,000	315,000
Chittaranjan Locomotive Works				
Locomotives (nos.)	17	33	64	100
Hindustan Shipyard Ltd.				
Gross registered tonnage ..	10,208	15,336	10,260	15,818
Passenger Coach Works				
Number of coaches .	542	622	604	4,380*
Mysore Iron and Steel Works				
Pig iron ('000 tons)	23.0	36.4	52 6	100.0†
Finished steel ('000 tons) .	30.5	29.6	32 0	90.0†
Cement ('000 tons) . .	57.0	78.0	68.0	90.0†
Bangalore Electrical Equipment Factory				
Transformers (K.V.A) .	36,534	24,759	34,993	80,000†
U.P. Government Precision Instruments Factory				
Water meters (nos.). .	—	2,100	7,000	12,000
Microscopes (nos.) .. .	—	—	86‡	500

* Production during 5-year plan period, including the output of the private sector. † Represents planned capacity. ‡ Covers 1952-54.

A new coke-oven plant at the Sindri fertilizer factory, built at a cost of Rs. 25,000,000, was put into operation on Nov. 28, 1954. Consisting of 60 coke-ovens and designed to produce 600 tons of coke a day, the new plant was planned to make Sindri self-sufficient with regard to coke and, in addition, to produce 10,000,000 cubic feet of gas, 32-35 tons of tar, two tons of ammonia, and nine tons of crude benzol per day. A further extension of the Sindri works by the construction of two new fertilizer plants utilizing the coke-oven gas for the production of ammonium nitrate sulphate was approved by the Indian Government in January 1955. This extension, estimated to cost about Rs. 70,000,000, will be built by an Italian firm and is expected to be completed in about three years.

(Eastern Economist, New Delhi - The Statesman, Calcutta - The Hindu, Madras - Indian High Commissioner's Office, London) **(Prev. rep. Steel Production, 13338 B; Oil Refineries, 13935 D; 12031 A; Sindri Factory, 12077 A; Indian Five-Year Plan, 12851 A.)**

MARCH 19—26, 1955

A. MIDDLE EAST DEFENCE. — Ratification of Turkish-Iraqi Mutual Co-operation Treaty. - Treaty Provisions. - Egyptian, Syrian, and Israeli Reactions. - Sir Anthony Eden's Statement. - Proposed New Egyptian-Syrian-Saudi Arabian Military and Economic Pact. - Lebanese Attitude. - Syrian-Iraqi Talks.

Turkish-Iraqi Treaty.

The text of the treaty of mutual co-operation between Turkey and Iraq (which was in the English language) was published in Baghdad and Ankara on Feb. 25. Its provisions were as follows:

Art. 1. Consistent with Art 51 of the U N. Charter, the parties will co-operate for their security and defence. Such measures as they agree to take to give effect to this co-operation may form the subject of special agreements with each other

Art. 2. In order to ensure the realization and effect application of the co-operation provided for in Art. 1, the competent authorities of the parties will determine the measures to be taken as soon as the present pact enters into force. These measures will become operative as soon as they have been approved by the Governments of the parties.

Art. 3. The parties undertake to refrain from any interference whatsoever in each other's internal affairs They will settle any disputes between themselves in a peaceful way in accordance with the U.N. Charter.

Art. 4. The parties declare that the dispositions of the present pact are not in contradiction with any of the international obligations contracted by either of them with any third State or States They do not derogate from, and cannot be interpreted as derogating from, the said international obligations. The parties undertake not to enter into any international obligation incompatible with the present pact.

Art. 5. This pact shall be open for accession to any member-State of the Arab League or any other State actively concerned with the security and peace in this region and which is fully recognized by both of the parties. Accession shall come into force from the date on which the instrument of accession of the State concerned is deposited with the Ministry of Foreign Affairs of Iraq. Any acceding State . . . may conclude special agreements, in accordance with Art. 1, with one or more States parties to the present pact. The competent authorities of any acceding State may determine measures in accordance with Art. 2. These measures will become operative as soon as they have been approved by the Governments of the parties concerned.

Art. 6. A permanent council at ministerial level will be set up to function within the framework of the purposes of this pact when at least four Powers become parties to the pact. The council will draw up its own rule of procedure.

Art. 7. This pact remains in force for a period of five years, renewable for further five-year periods. Any contracting party may withdraw from the pact by notifying the other parties in writing of its desire to do so six months before the expiration of any of the above-mentioned periods, in which case the pact remains valid for the other parties

Art. 8. This pact shall be ratified by the parties and ratifications shall be exchanged at Ankara as soon as possible It shall come into force from the date of the exchange of ratifications

In an exchange of letters between M. Menderes, the Turkish Prime Minister, and Nuri es-Said, the Iraqi Prime Minister, the two countries placed on record their understanding that "this pact will enable our two countries to co-operate in resisting any aggression directed against either of them and that, in order to ensure the maintenance of peace and security in the Middle East region, we have agreed to work in close co-operation for effecting the carrying out of the U.N. resolutions concerning Palestine."

The treaty was ratified by the Turkish Grand National Assembly, as well as by the two Houses of the Syrian Parliament, on Feb. 26.

Turkey. In the National Assembly, which approved the treaty unanimously, Professor Koprulu, the Foreign Minister, stressed that the treaty was purely defensive and said that if any country protested against it Turkey was forced to assume that that country had aggressive intentions He also said that the pact did not conflict with Turkey's obligations under the North Atlantic Treaty or with Iraq's commitments under the Arab League pact After mentioning the exchange of letters between M. Menderes and Nuri es-Said concerning the Palestine question, Professor Koprulu pointed out that Turkey had been a member of the U.N. Conciliation Commission for Palestine, that the agreement laid down in the exchange of letters had not in any way changed Turkey's position in that matter, and that her friendly relations with Israel were in no way affected by it. Speakers of all parties welcomed the treaty as a "big step towards the establishment of peace and security in the Middle East"

Winding up the debate, M. Menderes drew particular attention to the distinction drawn in Art. 5 of the treaty between Arab countries who could automatically adhere to the pact and other countries interested in the defence of the Middle East who could join it after consultation with the two original members. He concluded: "We see in Turkey, as in Iraq, full unanimity concerning the usefulness and necessity of the pact The only shadow comes from the opposition of some Arab countries, but we do not lose hope and we are not irritated by unjust attacks We want to collaborate with all Arab countries, including Egypt."

Iraq. In the Chamber of Deputies Nuri es-Said expressed the hope that Britain and the U.S A. would adhere to the treaty, and said that Pakistan, Persia, and Afghanistan would also be welcome When Britain intimated her wish to join the pact, he added, Iraq would terminate the Anglo-Iraqi treaty of 1930 The basis of Iraq's co-operation with the other signatories, the Prime Minister said, would rest on three principles: (i) Iraq would not accept commitments outside her own frontiers, or outside the frontiers of Arab countries so far as laid down in the Arab League Collective Security Pact, (ii) the Iraqi Government was solely responsible for the defence of Iraq, and no one could dictate to her conditions for co-operation, (iii) Iraq's foreign policy was based on full sovereignty and equal rights between the contracting parties In conclusion, Nuri es-Said pledged continued co-operation with all the other Arab States, whether inside or outside the Arab League, and explained that the provision of Art 5, under which any country not recognized fully by Turkey and Iraq would not be allowed to join the treaty, applied particularly to Israel, which was not recognized by Iraq

The treaty was approved by the Iraqi Chamber of Deputies by 116 votes to four, and by the Senate by 26 votes to one.

Proposed Egyptian-Syrian-Saudi Arabian Treaty.

The ratification of the Turkish-Iraqi treaty led to renewed Egyptian and Syrian protests, and anti-Iraqi demonstrations occurred on Feb. 27 in Damascus and at Deir el-Zour, a town of 20,000 inhabitants near the Syrian-Iraqi border, where two people were killed and eight injured in party clashes. Major Salah Salem, the Egyptian Minister of National Guidance, who was staying in Damascus for discussions with the Syrian Government on measures to counter the Turkish-Iraqi treaty, announced on Feb. 27 that he had submitted details of a new Arab military, economic, and political treaty designed to supplant the Arab League Collective Security Pact and to exclude Iraq.

On March 2 a declaration on the principles of the new treaty was signed by the Syrian Prime Minister, Sabry Assali, and the Foreign Minister, Khaled el-Azem, for Syria, and by Major Salem and Brigadier Riad (director of Arab affairs at the Egyptian Foreign Ministry) for Egypt, and on March 3 Major Salem and Khaled el-Azem left Damascus together for a tour of the other Arab countries in order to gain their adherence. After visiting Amman on March 3, where they had discussions with the Jordanian Prime Minister (Tewfik Abulhuda) and the Foreign Minister (Waleed Salah), they went to Beirut on March 4 to see the Lebanese Government, and on March 5-6 to Riad, the capital of Saudi Arabia

A joint statement issued in Cairo, Damascus, and Riad on March 6 announced that Egypt, Syria, and Saudi Arabia had agreed on the new treaty which was designed to "strengthen the military, political, and economic structure of the Arab world" and was aimed at organizing Arab defensive and economic co-operation to meet aggression against any Arab member-country in the area. The signatories would pledge themselves not to join the Turkish-Iraqi pact or any other alliance without the consent of the other member-States, and the treaty would envisage the following measures:

Defence Co-operation. A joint military command would be set-up to supervise the training, arming, and organization of the military forces of the member-States, to deploy these forces in accordance with their joint defensive policy, and to co-ordinate defence industries and communications required for defence purposes

Economic Co-operation. The participating Governments would establish an Arab Bank and a common Arab currency, would take measures to strengthen inter-Arab trade, would encourage the formation of joint limited liability companies to carry out industrial and agricultural development in the Arab countries, and would set up an Arab Economic Council to co-ordinate these activities

The statement added that the three Governments would draft a treaty on these lines in consultation with other Arab Governments, and that when the draft treaty was ready, they would invite representatives of the other Arab countries to a conference—probably before the end of March—to give final approval to it.

The Yemeni Government announced on March 8 its support for the new Arab treaty proposals. The Lebanese Government, however, with whom Major Salem and Khaled el-Azem had further discussions on March 7 on their return from Riad, declined to commit themselves and, according to a statement made by Major Salem himself, emphasized their intention to follow a neutral course towards both the Turkish-Iraqi treaty and the proposed new Arab alliance. It was stated in Beirut on the same date that the Lebanese Government had suggested that the proposed new Arab treaty be amended to include

Iraq, and that Major Salem had agreed to this provided Iraq gave definite assurances that she would not conclude a separate peace with Israel. The Jordanian Ambassador in Cairo stated on March 8 that his Government (which has alliance treaties with both Britain and Iraq) was still considering the Egyptian-Syrian plan, and that a decision would have to await the return of King Hussein from his State visit to Pakistan.

Syrian-Iraqi Discussions.

In an effort to bridge the differences with Iraq, and also to discuss a number of economic questions outstanding between Iraq and Syria, Khaled el-Azem visited Baghdad with a Syrian Government delegation from March 14-19. In a statement on March 10 he had announced that Syria did not want to see Iraq excluded from the Arab community, and that he wished to explain the proposed new Arab pact and its benefits.

At the end of the discussions between Nuri es-Said and Khaled el-Azem, a joint communiqué was issued in Baghdad on March 19 which said that their talks had covered all Arab affairs, and which expressed mutual regard and hope for understanding and agreement among all Arab countries. The Syrian side, the communiqué went on, had received all clarifications of the Iraqi view for which they had asked, and they now "fully understand Iraq's point of view" and would submit it to the Syrian Government "with a view to the adoption of measures to close the ranks and to establish the desired understanding between the Arab States."

In view of the Baghdad talks the Egyptian Government decided to postpone for the time being the proposed meeting of Arab Prime Ministers which—according to a Cairo announcement on March 13—was to have opened in the Egyptian capital on March 20 to discuss the new Egyptian-Syrian-Saudi Arabian pact.

Tension between Turkey and Syria.

In Ankara the proposed new treaty between Egypt, Syria, and Saudi Arabia was considered to be a direct challenge to the Turkish-Iraqi pact.

M. Menderes, in a statement to the official Anatolian News Agency, expressed regret at the attitude adopted by Egypt, in spite of friendly overtures by Turkey, and criticized the provision in the proposed new Arab pact, which debarred Arab countries from entering into any agreement with non-Arab nations, as "tantamount to a limitation of their sovereignty" M. Menderes alleged that Syria had bowed to pressure exerted upon her by Egypt in becoming a party to the new agreement, and that she was forgetting that she had a long common frontier with Turkey which compelled both countries to be greatly interested in each other. Whilst expressing Turkey's desire to maintain friendly relations with Syria, he gave a warning that if the Syrian Government persisted in its anti-Turkish policy he could not help feeling "deep concern" about the future development of Turkish-Syrian relations

On March 10 the Turkish Government sent an official Note to Syria protesting against Syria's participation in the new alliance and expressing "anxiety" over the future of Turkish-Syrian relations if Syria persisted in "a policy hostile to Turkey." In its reply the Syrian Government denied that the proposed new pact with Egypt was directed against the Turkish-Iraqi treaty, and maintained that its purpose was to protect the Arab countries against an eventual menace from Israel. A second Turkish Note of March 13, however, refuted this argument; asserted that the origin of the new Arab agreement was Egypt's desire to isolate Iraq and to destroy the effects of the Turkish-Iraqi treaty; and reiterated its warning about the serious effects of Syria's persistence in its "hostile" attitude on Turkish-Syrian relations. The Syrian Government rejected this protest on March 20, but M. Menderes informed the Syrian Minister in Ankara that because of its terms the reply could not be accepted and that the relations between the two countries had consequently entered "a most serious phase."

Israeli and British Attitude to Turkish-Iraqi Treaty.

In Israel the Turkish-Iraqi pact met with strong criticism, though for reasons different from those put forward by Egypt and Syria, a Foreign Office spokesman in Jerusalem describing the treaty on Feb. 26 as "hostile to Israel" and "likely to encourage Arab belligerency towards Israel and to foment aggressive Arab ambitions." In an official communication to the Foreign Office in London and the State Department in Washington on March 3, Israel expressed her concern at the Turkish-Iraqi treaty and asked the British and U.S. Governments to issue statements expressing their reservations regarding the "anti-Israel aspects" of the treaty.

At the end of Sir Anthony Eden's visit to Baghdad on March 4 a statement was issued saying that Sir Anthony and Nuri es-Said had reviewed the world situation. The British Foreign Secretary had congratulated the Iraqi Government on the conclusion of the Turkish-Iraqi pact and had "expressed the hope that the pact would prove an important step in fortifying the security of the Middle East and in ensuring peace." It was also stated that Sir Anthony and Nuri es-Said had reviewed defence problems between the U.K. and Iraq and that these would be further examined on the Foreign Secretary's return to London.—(Turkish Embassy, London - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times - New York Herald Tribune)

(Prev. rep. 14057 A; Sir A. Eden, 14081 A.)

A. CANADA. — Ratification of Paris Agreements.

The Canadian House of Representatives approved on Jan. 27 the ratification of the Paris agreements on Western Germany's admission to NATO by 213 votes to 12, with five abstentions.

The vote was preceded by a five-day debate which had opened on Jan. 20 and during which **Mr. Lester Pearson**, the Canadian Secretary of State for External Affairs, had outlined the arguments in favour of Germany's admission to NATO. In the course of his speech Mr. Pearson said that continental defences for North America were certainly vitally important, but that any implication that they would ever be an adequate basis for security in themselves was quite another matter. A German contribution to Western defence was essential, and under the agreements German forces and arms production would be strictly controlled and it would be impossible for any NATO country to operate independently. "Many Canadians, and even more of our Allies, who are taking this decision with us," went on Mr Pearson, "bear in their bodies and minds scars from the German war machine. We remember how Hitler, with shocking and unscrupulous design—and with Soviet connivance and assistance—started World War II. It is, however, my considered view that support of these agreements, with the safeguards I have described, is both wise and far-sighted, and of all the courses open to us this is the best to follow in our effort to shape a better future."

After speaking of the rearmament of Eastern Germany under Soviet auspices, and the strength of the Soviet and satellite forces, Mr Pearson pointed out that under the agreements Canada would not be committed to war by an attack on Western Germany. He deprecated the suggestion that ratification would provoke Soviet "warlike retaliation," saying that the chances of the Soviet Government wishing "to pursue such a belligerent policy" were less now than they had been in the summer of 1954 after the rejection of E.D.C. The Western Powers, he stressed, wanted to negotiate with Russia, but not before the ratification of the London and Paris agreements, and the eventual reunification of Germany must remain their essential goal. "A conference designed by Moscow would not achieve constructive results," he added, but would "delay and prevent the ratification of these agreements."

Support for ratification was expressed by **Mr. Diefenbaker**, the foreign affairs spokesman of the Progressive Conservatives, **Mr. Coldwell**, leader of the C.C.F. Party, and **Mr. Solon Low**, the leader of the Social Credit Party, but part of the C.C.F. group opposed the agreements.

The feeling of uneasiness and apprehension felt by many speakers was epitomized by **Mr. Leon Crestohl** (Liberal), a member of the Jewish community in Montreal. "We cannot and must not forget," he said, "that we are being asked to ally ourselves with and to help arm a country that has been proven guilty of the most heartless atrocities in human history On the other hand, the intentions of the Soviet Union to communize the world are clear If this constitutes the greatest danger to world peace, it must be stopped regardless of any emotional revulsion which most of us feel at the thought of having to arm a people known to misuse military might."

German rearmament, he added, was therefore the lesser of two evils. The "Russian disease" seemed harder to cure than the "German disease," and if the antidote was a defensive force including Germany, this was a powerful consideration in reaching a decision. "During the last war," Mr. Crestohl concluded, "the Western leaders accepted what they considered the lesser of two evils and allied themselves with Russia Their cold and calculated reasoning and rationalization subdued their emotional and idealistic hate of Communism. History confirmed their judgment and proved them right. Today history repeats itself and democratic leadership again must make a choice . . ."

In the vote the resolution was supported by the Liberals, the Progressive Conservatives, and the Social Credit members. Of the 24 C.C.F. members, 12 voted against ratification, five approved it, five abstained, and two were absent.

The Canadian Senate approved the ratification unanimously on Jan. 27.—(Montreal Star) **(Prev. rep. 14501 A.)**

B. AUSTRALIA. — Royal Flying Doctor Service.

Sir Arthur Fadden, the acting Prime Minister, announced on March 25 that H.M. the Queen had consented to the title "royal" being given to the Australian Flying Doctor Service. This service, formed 28 years ago by a Presbyterian Minister, the Rev. John Flynn, links scattered homes in the Australian "outback" by radio to a chain of bases where doctors and pilots are always ready to answer calls. The Queen was reported to have been greatly impressed with the service during her Australian tour in 1954, and she spoke over the Flying Doctor radio network at Broken Hill to families living in remote homesteads and settlements throughout Central and North Australia (see 13531 A). (Australian News and Information Bureau)

A. HUNGARY. — Denunciation of M. Nagy's Implementation of "New Course" Economic Policy. - Condemnation of Prime Minister by Communist Party Central Committee. - Government Changes. - Formation of Patriotic People's Front. - Local Government Elections. - Releases of Political Prisoners. - Admission of Illegal Arrests and Convictions.

The Central Committee of the Hungarian Workers' (Communist) Party passed a resolution on March 4 condemning the Prime Minister, M. Imre Nagy, for "rightist deviation" in implementing the "new course" policy introduced in June 1953 (see 13014 A). The resolution said that although the decisions of June 1953 had "proved themselves completely correct and continue to be valid," they had been "seriously distorted" by the "rightist deviationist, anti-Marxist, and opportunist attitude" of M. Nagy and others, in particular their "belittling" of heavy industry. "Those who deny the importance of the leading role of heavy industry," it declared, "undermine, whether they want it or not, the defensive capacity of the country and so endanger in the crudest manner its freedom and independence . . . Comrade Nagy indulged in dangerous demagogy when he forgot the facts and in his speeches and writings led the toiling masses along the wrong path . . . This rightist deviation is most definitely condemned by the Central Committee."

The resolution enumerated various other failings resulting from this deviation, including leniency towards the "kulaks," failure to increase the number of collective farms, and "wrong-headed" support of private peasants. Though such support had to be continued in the interest of securing higher yields, it said, the ultimate goal was the strengthening and increasing of collectivization Mr Nagy was also accused of "denying the leading role of the [Communist] party" in all walks of life, and was criticized for trying to place the Patriotic People's Front (see below) above the party in the local councils.

The "dictatorship of the proletariat" alone remained the highest repository for State leadership, the resolution continued. This particular deviation had tended to undermine the unity of the party and make it incapable of any action. Criticism and self-criticism had been overdone and had taken on a "*petit bourgeois* character"; some individuals had even "slandered the party under the guise of self-criticism," whilst a further "deviation" was to be found in the "revival of nationalism"

The resolution ended by outlining a programme designed to tighten up the policy of the Government and to give priority to the development of heavy industry and the strengthening of the country's defensive capacity.

M. Nagy, who had not been seen in public since Jan. 25, was officially reported on Feb. 20 to be seriously ill with coronary thrombosis and to be unable to return to work until the end of April. The criticism of him by the Communist Party's Central Committee, and the denunciation of his "new course" policy (under which there had been a relaxation of the priority for heavy industry in favour of the production of consumer goods and a general easing of restrictions), was generally interpreted in Western countries as being a result of the similar policy change in the Soviet Union following M. Malenkov's resignation. As recently as Oct. 22 last the Central Committee had adopted a resolution openly threatening to purge all party members who failed to support wholeheartedly the "new course" policy, and it was noted in the Western Press that the resolution of March 4, whilst condemning M. Nagy's interpretation of the "new course" policy, did not condemn the policy itself.

The official condemnation of M. Nagy was also regarded as an indication of the return to power of M. Matyas Rakosi, First Secretary of the Communist Party, who had generally been considered the "strong man" of Hungary before M. Nagy formed his Government in 1953. Addressing a meeting of the Budapest committee of the party on March 11, M. Rakosi associated himself with the Central Committee's condemnation of M. Nagy, though without mentioning the latter by name. Another strong criticism was voiced on March 10 by *Szabad Nep*, the official party newspaper.

M. Rakosi reaffirmed that the decisions of June 1953 remained valid and that basically the Government's economic policy had not been changed, though, in view of international developments, special efforts would have to be made to strengthen the defence industry. Assistance would continue to be given to independent peasants, but at the same time everything must be done to increase the number of co-operative farms, entry into which would, however, remain strictly voluntary. In his apparent reference to M. Nagy, M Rakosi said that the "condemnation of the machinations of the right-wing deviationists" had been "a serious defeat for the enemy both at home and abroad." who for the past 18 months had had "hopes of driving a wedge into the ranks of the party in order to be able to overthrow the present order." This had been frustrated, the unity of the party had been assured, and the "straight and narrow way to the goal" had been clearly indicated.

Szabad Nep similarly declared that the trouble lay not in the resolutions of June 1953 but in the "opportunistic expositions of them, ideologically and in practice." It went on to say that during the past 18 months the struggle had been carried on exclusively against "leftist deviation," whilst the influence of anti-Marxist tendencies from the Right had been ignored "The fight against the danger from the Right was hampered," it said, "and confusion in the ranks of the party increased, by the fact that Comrade Nagy stood at the head of this trend, which on certain questions contradicted the party policy, and gave support and practical help to rightist opportunism."

Other recent political developments in Hungary are summarized below.

Government Changes. It was announced on Feb. 27, two days after the announcement of M. Nagy's illness, that M Ferenc Janosi, his son-in-law, had been relieved of his post as Chief Deputy Minister in the Ministry of Popular Culture (the Propaganda Ministry) and had been replaced by M György Hon, another Deputy Minister in the same Ministry. No reason was given for the change, but it was pointed out in the Western Press that whilst M Janosi had fully supported M Nagy's policies, M. Hon was a strong supporter of M. Rakosi. M. Kallai (see below) was appointed a Deputy Minister of Popular Culture on Feb. 21, 1955.

Another Government change linked with the new Hungarian industrial policy was the removal on Jan 23 of M. Zoltan Vas from the post of first secretary to the Council of Ministers and his appointment as Deputy Minister for Foreign Trade. M. Vas, who had been dismissed from his post as head of the State Planning Commission in April 1953 (see 13014 A) and, earlier, from the Politburo and the Central Committee of the Communist Party, had been re-elected to the Central Committee in May 1954 and made first secretary of the Council of Ministers, a new post in which he had the task of directing the "new course." M. Gergely Szabo, formerly first Deputy Minister for the Chemical Industry and Electric Power, was appointed first secretary of the Council of Ministers in succession to M Vas.

A number of organizational changes in the Government had earlier been announced in October 1954. Under these the Ministry of Heavy Industry was divided into two separate Ministries, one for coalmining and the other for chemicals and electric power; M. Istvan Hidas, formerly Minister of Heavy Industry, was appointed Minister of Chemical Industry and Electric Power; and M. Sandor Czottner became Minister of Coalmining It was announced at the same time that M. Mihaly Zsofinyecz had resigned as Minister of Metallurgy and Machine Industry on being appointed director of the Matyas Rakosi heavy engineering works in Budapest, and that he had been succeeded by M. Janos Csergo.

On Oct. 30 the setting up of a new Ministry of State Farms, headed by M. Georgy Pogacsas, and several other Government changes were announced as follows · M. Istvan Hidas was relieved of his post as Minister of the Chemical Industry and Electric Power and elected a Vice-chairman of the Council of Ministers (i e , a Deputy Premier), while M. Hegedus, already a Deputy Premier, was relieved of his post as Minister of Agriculture; it was stated that these changes had been made in order to strengthen the work of the Council of Ministers M Arpad Kiss, Minister of Light Industry, was appointed Minister of the Chemical Industry and Electric Power, being succeeded as Minister of Light Industry by M. Bela Szalai, chairman of the State Planning Office. M. Ferencz Erdei, Minister of Justice, was appointed Minister of Agriculture, the Justice portfolio being taken over by M. Erik Molnar, the President of the Supreme Court. M. Andor Berei was appointed chairman of the State Planning Office and M. Jozsef Domokos President of the Supreme Court.

Dr. Jozsef Roman was appointed Minister of Health and Welfare on Feb. 20, 1955, in succession to Dr. Sandor Zsoldas, who had died on Feb. 1.

Formation of Patriotic People's Front. A new political organization, called the Patriotic People's Front and designed to unite all parties and groups in Hungary, held its first congress in Budapest on Oct. 23-24. Inaugural meetings of the new organization had been held throughout Hungary in the preceding months and had elected delegates to the first Congress. M Jozsef Darvas, Minister of Popular Culture, emphasized at the congress that the P.P.F. was not a fusion of parties as the Independence People's Front had been, but was built up on much broader foundations in order to achieve the fullest possible unity. The National Council of the P.P.F. met after the foundation Congress under the chairmanship of Professor Ferenc Harrer (a former diplomat) and elected the following presidium: M Paul Szabo, the distinguished novelist (chairman), M. Jozsef Darvas, President Istvan Dobi, Professor Harrer, M. Imre Nagy, and M. Matyas Rakosi (vice-chairmen); and M. Ferenc Janosi (general secretary).

The Budapest daily newspaper *Magyar Nemzet* was adopted by the P.P.F. and appeared for the first time on Nov. 14 with the heading "Organ of the Patriotic People's Front."

Local Council Elections. Elections were held throughout Hungary on Nov. 28 for county, town, and village councillors, more than 104,000 candidates—all endorsed by the newly-formed P.P.F.—standing for election. Of the 6,595,736 votes cast (97.4 of the electorate), the P.P.F candidates received 6,290,541 (97.9 per cent); 111,295 votes were cast against, 172,256 voters abstained, and there were 21,644 spoiled papers. Electors had the choice only of accepting or rejecting the one candidate named on the ballot paper; 586 candidates were rejected, necessitating fresh elections.

It was announced on Oct. 27, 1954, that M. Gyula Kallai, who had been dismissed as Foreign Minister in April 1951 (see 11476 C) and detained for "Titoist activities," had been released from a concentration camp. On Nov. 21 it was stated

that Mme. Anna Kethly, a leading Hungarian Social Democrat, who was arrested in 1948 after opposing the fusion of her party with the Communists (see 9465 A), had been pardoned and released; with the news of her release came also the first official intimation that she had been tried and sentenced, apparently to 12 years' imprisonment, on charges of undermining the regime. The announcement of these releases followed a statement on Oct. 10 by M. Istvan Kovacs, First Secretary of the Budapest branch of the Communist Party, in which he admitted that the leaders of the former State Security Office had arrested many people by using "criminally improper methods" and that people had been convicted on the grounds of "invented and forged charges and evidence." "The strength of our party and Government," he said, "is proved by the fact that all cases of such prisoners were examined after the Peter case (see 13464 B), and those whose innocence was proved have been released."—(Hungarian Bulletin, Budapest - Times - Manchester Guardian - Le Monde, Paris - Neue Zürcher Zeitung - New York Times) **(Prev. rep. 14080 A; 13014 A.)**

A. EUROPEAN AGRICULTURAL CO-OPERATION. — First Meeting of Ministerial Committee. - Appointment of O.E.E.C. Director of Agriculture and Food. - Inauguration of Market News Service.

The Ministerial Committee for Agriculture and Food of the O.E.E.C. held its first meeting in Paris on March 8-9 under the chairmanship of Signor Medici, the Italian Minister of Agriculture; Yugoslavia was represented by an observer.

The Ministers decided that the Committee of Deputies should draw up by June 1955 a programme of work, paying particular attention to co-ordinating agricultural production and distribution policies and to methods designed to ensure the application of the recently adopted trade liberalization decisions to food and agriculture. The Ministerial Committee also agreed to the appointment of M. Louis-Georges Rabot as O.E.E.C Director of Agriculture and Food. M. Rabot, a former deputy director at the French Ministry of Agriculture, had been closely connected with the preparatory stages of the "Green Pool" and had recently been chairman of the interim committee set up before the establishment of the full Ministerial Committee.

A daily market news service on fruit and vegetables was inaugurated on March 8 under a scheme organized by the European Productivity Agency in conjunction with the U.S. Foreign Operations Administration.

The service—extending initially to Belgium, France, Western Germany, Italy, the Netherlands, and Switzerland—covers the collection and distribution of the latest information by Ministries of Agriculture or national organizations (in order to guarantee its impartiality), its exchange by teleprinter, and its incorporation in bulletins sent from various national centres to firms and individuals interested in the marketing of fresh fruit and vegetables. The service aims at assisting economical marketing, the information circulated comprising details of supply, demand, variety, quality, and prices of fresh fruit and vegetables in both consuming and producing countries, as well as indications of the movements of ships carrying such produce.

The announcement stated that it was hoped that eventually other O.E.E.C. countries would take part in the daily news service, but that they would first be asked to provide a fortnightly survey of their own markets.
(O.E.E.C. Information Division) **(Prev. rep. 14086 A.)**

B. JAPAN - SWITZERLAND. — Agreement on Japanese War Reparations.

An agreement regulating Japanese reparations payments to Switzerland to cover certain personal and material damages suffered by Swiss nationals in the Far East during the Second World War was signed in Berne on Jan. 21 by M. Petitpierre, head of the Swiss Political Department, and Mr. Hagiwara, the Japanese Minister to Switzerland.

The Japanese Government undertook to pay a global amount of 12,250,000 Swiss francs in settlement of all Swiss claims (estimated at about 22,000,000 frs.) in respect of material damage caused by the Japanese occupation authorities or forces in the Philippines, the Dutch East Indies, Indo-China, Singapore, Hong Kong, and other areas occupied by Japan during the last war. Japan also agreed to the action already taken by the Swiss Government in utilizing part of the former assets of the Japanese State in Switzerland to meet compensation claims (totalling 2,430,000 frs.) by Swiss nationals who had suffered bodily harm, arbitrary imprisonment, etc., in Japan or Japanese-occupied territories The Swiss Government agreed to release Japanese private assets in Switzerland (which were blocked in August 1945 after the Japanese surrender to the Allies) for Japanese reparations payments, and to unfreeze any balance of such assets when Japan had fulfilled her obligations.

As far as compensation for damages caused by military operations in Japan was concerned, the Japanese Government agreed to accord to Swiss nationals equal treatment with Japanese.—(Neue Zurcher Zeitung - New York Times)
(Prev. rep. Japanese Reparations, 13921 A).

C. UNITED KINGDOM. — Wrexham By-election.

The Wrexham by-election, caused by the death of Mr. Robert Richards (Labour), was held on March 17 with the following result:

Jones, J. I. (Labour)	23,402
Jones, Guthrie (C. and Nat.L.) .. .	12,476
Morgan, D. E. (Welsh Nat.)	4,572
No change. Labour majority . ..	10,926

The figures at the general election were. R. Richards (Lab) 33,759; W. G. Cooper (C and Nat L.), 19,124; A. D. Thomas (Welsh Nat.), 1,997; Labour majority, 14,635. The Labour candidate received 57.85 per cent of the votes in the by-election, the Conservative and National Liberal candidate 30.85 per cent, and the Welsh Nationalist 11.3 per cent, compared with the general election percentages of 61.51, 34 85, and 3.64 respectively; the Labour proportion thus fell by 3.66 per cent. The percentage of the electorate voting in the by-election was 62.43, compared with 84.77 at the general election, the total electorate being 64,788, compared with 64,736 in 1951. Mr Morgan forfeited his deposit.

Mr. J I. Jones (54) is a schoolmaster, and in 1951 unsuccessfully contested the Denbigh seat.

The by-election was the 47th of the present Parliament.
(Times - Daily Telegraph) **(Prev. rep. By-elections, 14015A.)**

D. SOVIET UNION. — Dismissal of Minister of Culture. - Appointment of Deputy Foreign Ministers.

It was announced in Moscow on March 21 that Professor G. F. Alexandrov, the Minister of Culture, had been dismissed "for having failed to manage the business of his Ministry," and that he had been succeeded by M. Nikolai M. Mikhailov, Ambassador to Poland. Professor Alexandrov, author of many works on philosophy, was relegated from a leading position in 1947 for giving too much credit to "bourgeois" philosophers in a book on Western European philosophy, but came back into prominence under M. Malenkov, when his re-emergence was regarded as a sign of the greater ideological freedom of the Malenkov era.

The appointment of M. V. V. Kuznetsov as a First Deputy Foreign Minister and of MM. V. Semeonov and M. K. Fedorenko as Second Deputy Foreign Ministers was announced in Moscow on March 22. M. Kuznetsov, already a Deputy Foreign Minister, studied in the U.S.A. in the 1930's and was for many years head of the All-Union Council of Trade Unions. M. Semeonov was formerly Soviet High Commissioner in Germany, and M. Federenko had hitherto been a counsellor at the Soviet Foreign Ministry.—(Times - Daily Telegraph - Le Monde, Paris) **(Prev. rep. Prof. Alexandrov, 13468 A; M. Kuznetsov, 12797 A; M. Semeonov, 13181 C.)**

E. CHILE. — Cabinet Changes.

Señor Sergio Recabarren, the Chilean Minister of the Interior, was appointed Minister of Finance on Feb. 21 in succession to Señor Francisco Cuevas Mackenna, who had resigned because his economic plans, especially his proposals for a freer exchange system and his opposition to the use of preferential exchange rates, had been opposed by other members of the Government. At the same time Señor Carlos Montero Schmidt, leader of the Agrarian Labour Party, succeeded Sr. Recabarren as Minister of the Interior. The Agrarian Labour Party, though constituting only a minority in the Chilean Congress, has now seven representatives in the Cabinet of President Ibañez, including the Ministers of the Interior, Economy, and Finance; it has indicated that it intends to follow the original programme proposed by the President at the time of his election in 1952.
(Fortnightly Review, Bank of London and South America)
(Prev. rep. 13982 B.)

F. MANILA DEFENCE TREATY. — British and U.S. Council Representatives appointed.

Mr. John E. Peurifoy, American Ambassador in Bangkok, was nominated U.S. Representative on the South-East Asia Defence Treaty Council on March 13. The Foreign Office in London announced on March 21 that Mr. Malcolm MacDonald, the British Commissioner-General in South-East Asia, had been appointed U.K. Representative on the Council, whilst Mr. Berkeley Gage, the British Ambassador in Bangkok, would be the alternative Representative.—(Times - New York Times)
(Prev. rep. 14081 A.)

G. YUGOSLAVIA. — Nuclear Power Commission.

The Yugoslav Federal Executive Council decided on March 15 to set up a Federal Nuclear Power Commission with the task of co-ordinating development of nuclear research, controlling the application of nuclear energy for peaceful purposes, and working out plans for the development of nuclear energy in Yugoslavia. (Tanjug Agency, Belgrade)

A. CAMBODIA. — Abdication of King Norodom Sihanouk. - Accession of King Norodom Suramarit. - Evacuation of French Union and Vietminh Troops. - Surrender of "Khmer Resistance Forces." - New Cabinet formed by M. Leng Ngeth.

King Norodom Sihanouk of Cambodia abdicated on March 2 in favour of his father, Prince Norodom Suramarit, after proposals for the revision of the Constitution which he had put forward had been criticized by the International Control Commission as incompatible with the Geneva armistice agreement. The events leading up to the King's abdication are summarized below.

In accordance with the terms of the Geneva agreement, all French Union and Vietminh forces were withdrawn from Cambodia by Oct. 20, when the Joint Commission of military representatives of both sides was dissolved. The last Cambodian rebel leader to submit, M. Son Ngoc-Thanh (leader of the "Khmer Resistance Forces," and a former Prime Minister), had surrendered to the authorities on Oct. 2 with 300 of his followers. In a letter to the King written early in 1955 he gave a pledge of loyalty and asked for an audience; the King refused to see him, however, accusing him of conducting propaganda against both the monarchy and himself, and M. Son Ngoc-Thanh was subsequently reported in March to have taken refuge in North Vietnam.

M. Penn Outh's Government resigned on Jan. 24, and the King thereupon appointed a new Cabinet of supporters of the royal policy drawn from all parties and headed by M. Leng Ngeth. He also announced that he considered the "mission" which he had undertaken after the dismissal of the Democratic Party from office in June, 1952 (see 12328 A) to be completed; that a referendum on the question "Has the royal mission been accomplished to the people's satisfaction?" would be held on Feb. 7; and that elections to a new National Assembly would take place on April 17. The referendum was accordingly held on Feb. 7, and it was subsequently announced that 925,667 votes (99.8 per cent) had been cast in favour and 1,834 against.

Voting took place in public in the presence of police and Government officials, illiterates being required to hand in a white ballot paper for "yes" or a black paper for "no." On the eve of the referendum the police had raided all newspaper offices in Pnom-Penh, suppressed five Opposition papers, and arrested a number of journalists.

The emergency measures decreed by the King in 1952 after the dissolution of the National Assembly were lifted on Feb. 10, to facilitate the proposed elections. On Feb. 19, however, at a joint meeting of the Cabinet and the Royal Council, which was also attended by members of the International Control Commission, the King announced that he intended to hold another referendum on proposals for the revision of the 1947 Constitution.

He explained that he had recently received a number of petitions asking him to retain power in his own hands and not to hold general elections, which it was feared would give rise to disorders. As he considered Western democracy unsuited to Cambodian conditions, he proposed to introduce a new form of government. Under this, each commune would elect a "deputy-mayor," who would act as its representative in a newly-formed Provincial Assembly, while the 15 Provincial Assemblies, which would exercise wide powers, would in turn elect the members of the National Assembly from among their own membership. Only persons who had lived in the same locality for three years would be free to vote and to stand for election, and although political parties would be allowed to exist and to organize election campaigns, candidates would stand as individuals and not as party representatives. In order to ensure stability, Cabinets would be nominated by the King, and the National Assembly would be empowered to call for the resignation of individual Ministers, but not to dismiss the Cabinet as a body.

These proposals were criticized by the International Control Commission, which pointed out that the proposed residential qualification for voters and candidates would automatically exclude the former members of the "Khmer Resistance Forces," and was therefore incompatible with the clause of the Geneva Agreement forbidding discrimination against them. The King thereupon announced on March 2 that he would abdicate; this development was apparently the result of a sudden decision, as the King had given no indication of his intention when he received Mr. Dulles, the U.S. Secretary of State, on Feb. 28 (see 14081 A).

In a proclamation issued on March 2, the King was reported by *Agence France-Presse* to have stated *inter alia*: "My people are not unaware of the work accomplished by their King during the last three years, nor of the importance of the constitutional reforms which I envisaged in order to avoid a return to chaos. Certain political parties, among them Son Ngoc-Thanh's Democratic Party, have intervened with the International Control Commission to prevent me from continuing my work. That is why today I announce publicly my intention to abandon power and to step down from the throne, in order to live henceforward among my people a life as humble as that of my subjects. I shall retire to the country, and I shall refuse to take away anything from my palace. I am abandoning power in favour of my father, Prince Suramarit." M. Leng Ngeth, however, subsequently stated that King Norodom Sihanouk had made no reference to the International Commission in his proclamation. The Commission itself denied that it had interfered in Cambodian internal affairs and declared on March 15 that it had never received any complaint regarding its activities from the Cambodian Government, with whom it had, on the contrary, always enjoyed good relations.

Under the Cambodian Constitution the King nominates his successor, although his choice may be set aside under certain conditions by the Royal Council; thus King Norodom Sihanouk was himself chosen by the Council in 1941 on the death of his grandfather, King Monivong, in order to reconcile two rival branches of the royal family, from both of which he is descended. The new King, who is 60, was enthroned on March 3 with the approval of the Council and the Cabinet. M. Leng Ngeth stated on the same day that the change of ruler had taken place in complete calm, that the Government was in full control, and that no question of its resignation had arisen.—(Le Monde, Paris - Le Figaro, Paris - Times) **(Prev. rep. Geneva Agreement, 13816 A; King Norodom Sihanouk, 13318 A.)**

B. UNITED KINGDOM. — Labour and Manpower. - Manpower Distribution at End of 1954.

The following table shows the manpower position in Britain at the end of 1954, comparison being given with 1953:

	Dec. 31, 1954	Dec 31, 1953†
Total Working Population* ·		
Men	16,050,000	15,949,000
Women	7,768,000	7,600,000
Total	23,818,000	23,549,000
H.M. Forces and Women's Services	832,000	850,000
Ex-Servicemen and Women on Release Leave	6,000	6,000
Registered Unemployed‡	266,000	330,000
Persons in Civil Employment	22,714,000	22,363,000
of whom: *Men*	*15,060,000*	*14,901,000*
Women	*7,654,000*	*7,462,000*

* The "total working population" represents the total number of persons aged 15 or over working for pay or gain, or registering themselves available for such work, including H.M. Forces and the Women's Services, those on release leave and not yet in employment, registered unemployed, private indoor domestic servants, and gainfully employed persons over pensionable age. Part-time workers are counted as full units

† Revised figures.

‡ Excluding persons registered as "temporarily stopped," most of whom were on employers' pay-rolls and therefore included in the numbers shown in civil employment.

An analysis by industrial groups of the total number of persons in civil employment is given below.

Industries or Services	Dec 31, 1954	Dec. 31, 1953*
Basic Industries:		
Mining and Quarrying (including coal-mining)	865,000	866,000
Gas, Electricity, and Water	376,000	375,000
Transport and Communications	1,692,000	1,711,000
Agriculture and Fishing	1,022,000	1,043,000
Total, Basic Industries	3,955,000	3,995,000
Manufacturing Industries:		
Chemicals and Allied Trades	509,000	497,000
Metal Manufacture	565,000	555,000
Vehicles	1,210,000	1,157,000
Engineering, Metal Goods, and Precision Instruments	2,712,000	2,598,000
Textiles	995,000	998,000
Clothing and Footwear	685,000	697,000
Food, Drink, and Tobacco	905,000	870,000
Other Manufactures	1,590,000	1,541,000
Total, Manufacturing Industries	9,171,000	8,913,000
Building and Contracting	1,438,000	1,419,000
Distributive Trades	2,802,000	2,725,000
Professional, Financial, and Miscellaneous Services	4,037,000	3,991,000
Public Administration ·		
National Government Service	583,000	597,000
Local Government Service	728,000	723,000
Total in Civil Employment	22,714,000	22,363,000

* Revised Figures.

The largest percentage increases, as compared with 1953, were in vehicle manufacture (4.5 per cent); engineering, etc. (4.4 per cent); food, drink, and tobacco (4.0 per cent); "other manufactures" (3.2 per cent); distributive trades (2.9 per cent); and chemicals (2.4 per cent). The largest decreases took place in national government service (2.3 per cent), and agriculture and fishing (2.0 per cent).
(Ministry of Labour Gazette) **(Prev. rep. 13482 B.)**

A. UNITED STATES.—Tariff Policy. - Tariff Increase on Imported Watches. - U.S. Anti-Trust Suit against Swiss Watch Manufacturers and U.S. Importers. - Swiss Protests. - Other U.S. Tariff Decisions.

The first tariff increase on an important industrial product since the beginning of the reciprocal trade programme in 1936 was authorized by President Eisenhower on July 27, 1954, when he ordered tariffs on imported watches having no jewels or up to 17 jewels to be raised by up to 50 per cent. The President's Order endorsed a recommendation made by the Tariff Commission on June 30 and was also in line with a Senate sub-committee report published on July 24, which had declared that an "alive and vital" domestic watch and clock industry was essential to U.S. defence.

A White House statement accompanying the Order said that its effect was "to establish rates of duty ranging up to 50 per cent above present rates, but in no event above the original rates set in the Tariff Act of 1930"; for some imported watches there would be no change, while on those affected the additional duty would vary according to the type of movement. The President's decision, it said, was based on the finding of the Tariff Commission that watches were being imported "in such increased quantities as to cause serious injury to the American watch manufacturing industry."

The tariff increase was bitterly criticized in Switzerland in view of the fact that it chiefly affected the Swiss watch manufacturing industry.

A statement issued by the Swiss Legation in Washington said that the Swiss Federal Council had learned "with regret and deep concern" of the President's decision, which dealt "a serious blow not only to existing good relations between Switzerland and the United States, but also to the very principle of freedom of trade" In view of the fact that watch and clock exports constituted one-half of the total Swiss exports to the U.S A., the President's Order might "completely shatter" the trade relations built up between the two countries over the past 20 years, would impair the employment situation in one of Switzerland's leading industries, and appeared to indicate a new trend in American commercial policy. After expressing the hope that the tariff increase would, "in accordance with the letter and spirit of the escape clause [of the Reciprocal Trade Agreements Act], be only a temporary measure," the statement said that the Swiss Government reserved the right to invoke the compensating factors provided for in the U.S -Swiss trade agreement of 1936, though it would be difficult to find adequate compensation in view of the outstanding importance of Swiss watch exports to the U.S.A.

M. Maurice Vaucher, president of the Swiss Federation of Watch Manufacturers (an organization embracing the 550 Swiss producers of jewelled lever watches), issued a statement in Bienne in which he said that one out of every 10 Swiss industrial workers who depended on watchmaking for their livelihood would be directly affected by the decision, which "strikes at the very heart of Switzerland's national economy" since one-third of Swiss watch exports went to the U.S.A.

The measure was also strongly criticized by Mr. Harry S. Radcliffe, executive president of the National Council of American Importers, and by Mr. S. R. Lazarus, president of the American Watch Association (which represents American companies importing chiefly parts for assembly into finished watches).

President Eisenhower himself, at his Press conference on July 28, denied that his Order represented any retreat from the stand he had taken in favour of more liberal tariffs and freer world trade The watch industry, he said, was a special instance, as defence officials had testified that it was of major importance to preserve the ability of watchmakers to do fine precision work; the Defence, State, Treasury, Commerce and Labour Departments had all agreed that a domestic watch industry was essential to national security and to speedy mobilization. Nevertheless, he added, though his decision seemed "right at the moment," he could always instruct the Tariff Commission to reopen the matter if circumstances changed, and in any event the Commission must submit another report within two years on how the industry was faring.

U.S.-Swiss relations were further exacerbated on Oct. 20, 1954, when the U.S. Department of Justice filed a civil suit in the New York Federal Court charging 18 U.S. firms and organizations, five Swiss watchmaking companies, and the Swiss Federation of Watch Manufacturers' Associations with violating the Sherman Anti-Trust Act and the Wilson Tariff Act in the manufacture, sale, import, and export of jewelled watches, components, and parts.

It was alleged that the firms and organizations had agreed to refrain from establishing watch-manufacturing facilities in the U.S.A.; to restrict the manufacture of watches and watch parts in the U.S.A.; to refrain from extending aid to watch manufacturers located in countries other than Switzerland; to fix the prices, terms and conditions of sale for Swiss watches imported into the U.S.A.; to blacklist, boycott, or fine American watch companies which did not adhere to these agreements; and to prevent the exportation of U.S.-produced watch parts and cases to Switzerland and other countries. It also charged the defendant importers and manufacturers of Swiss brand-name watches with executing contracts to import watches in specified amounts, to refrain from handling competitive makes, and to limit the re-export of Swiss watches to designated countries in the Western Hemisphere.

Announcing the proceedings, the Justice Department stated that consultations had been held between U.S. and Swiss Government representatives in order to clarify "the complex issues involved"; that the filing of the suit did not mean a failure of these consultations or an end to negotiations; and that the U.S Government hoped that the issues involved could be satisfactorily dealt with without adversely affecting "the traditionally close and friendly relations between the two countries."

This further U.S. action was again strongly condemned by representatives of the Swiss watch industry, who interpreted it as an additional move designed to ruin the American market for Swiss watches. M. Petitpierre, head of the Swiss Political Department, summoned the American Ambassador (Miss Willis) on Oct. 21, 1954, to inform her of the strong views of the Swiss Government about recent U.S. actions damaging the Swiss watch industry, saying that the "successive measures" taken could not fail to have a bad effect on U.S.-Swiss relations.

M. Vaucher, in a statement on Oct. 20, rejected any suggestion that Swiss firms controlled or even influenced the prices at which their products were sold in the U.S A., and pointed out that, although the Swiss method of doing business had been unchanged for 18 years, no inconsistency with U.S. anti-trust laws had ever been found previously.

The U.S. proceedings against the Swiss companies were also criticized in Switzerland on the ground that they infringed Swiss sovereignty, and the Swiss Government said in a statement on Oct. 20 that, while it would leave it to the defendant companies to answer the charges made, it was "examining the legitimacy of these proceedings from the viewpoint of international law." M. Rubattel, President of the Swiss Confederation, replying to a question in the Swiss National Council on Dec. 22, stated that certain aspects of the U.S. suit constituted "an interference in Switzerland's right to legislate in her own internal affairs," and announced that a formal protest Note to that effect had been presented in Washington on Dec. 1.

This particular criticism arose from the Swiss system of minimum price fixing for different grades of watches and movements which the Swiss industry claims to be necessary to prevent competition taking the form of lowering quality, with consequent damage to the industry's international reputation. It was argued by the Swiss that as this system was sanctioned by Swiss law, and thus lawfully imposed on the industry, the U.S. Government transgressed its international rights by suing Swiss companies for acting in accordance with their own national law.

In reply to a U.S. offer to consider—in accordance with the 1936 trade agreement—a reduction of U.S. Customs duties on other Swiss exports to compensate for the higher tariff on watches, the Swiss Government pointed out on Dec. 29 that in view of the importance of watchmaking products in Switzerland's export trade the only really acceptable U.S. action would be the cancellation of the duty increase on Swiss watches; alternatively, however, it proposed a number of other articles for discussions on duty reductions. On Feb. 21 it was announced in Washington that the U.S. Government was ready to negotiate such compensatory tariff concessions and that public hearings on the U.S. proposals would start on March 28.

Amongst the items mentioned for consideration were coal tar dyes, electrical and clockwork measuring instruments (excluding timepieces), wickerware, hat braids, handkerchiefs, underwear, embroidery, and ciné cameras. This list, however, was criticized as being insufficient by a semi-official Swiss statement, which pointed out that Swiss watch exports to the United States amounted to over 400,000,000 Swiss francs per annum. Against this, the Swiss Government had proposed a list of "compensatory articles" representing exports worth only 70,000,000 francs, but the U.S. list did not even reach this lower total.

A number of other requests for tariff increases were rejected by the President in 1954 on the ground that the evidence did not sufficiently establish that the domestic industry was suffering serious injury from imports. The items involved were scissors (request rejected in May), lead and zinc (Aug. 20), hand-blown glassware (Sept. 9), clothes-pins (Nov. 23), wood screws (Dec. 23), and silk screen scarves (Dec. 23). In rejecting the Tariff Commission's request for higher duties on lead and zinc the President said that he was not prepared to raise them "at the expense of the serious adverse consequences that would follow for our international relations," and announced that instead he would authorize an increase in purchases of lead and zinc for the U.S. strategic stockpile.—(New York Times - New York Herald Tribune - Neue Zurcher Zeitung)

(Prev. rep. 13685 C; 13590 A.)

B. AFGHANISTAN - COMMUNIST CHINA. — Diplomatic Relations.

Peking Radio announced on Jan. 19 that Afghanistan and Communist China had agreed to establish diplomatic relations at Embassy level. (Times)

A. AUSTRALIA. — Further Import Restrictions.

Sir Arthur Fadden, the acting Australian Prime Minister, announced on March 21 that Australian imports would be severely restricted as from April 1, details being as follows: (1) "Category A" imports, or essential goods (see 12137 A), would be reduced by 15 per cent, i.e., from 100 to 85 per cent of imports in the base year 1950-51; (2) "Category B" (less essential) imports would be cut by 33⅓ per cent, i.e., from 60 to 40 per cent of imports in the base year; (3) total expenditure on imports subject to administrative control would be reduced by 20 per cent; (4) goods at present admitted without quota restriction would be brought under control; (5) "as a further precautionary measure" licences covering non-sterling non-dollar goods would be issued on a quarterly instead of a six-monthly basis.

Sir Arthur said that the increased restrictions had been made necessary by a deficit in the Australian balance of payments, estimated at £A32,000,000 for the first eight months of the current financial year (July 1954 - June 1955). "Our external reserves of currency," he declared, "are still in a healthy state, but obviously they cannot remain so if they are to continue to fall as they have done over the past 12 months, or at anything like that rate . The Government greatly regrets the necessity for this action as its aim is to get rid of restrictions altogether. But the present high rate of development in Australia must, from time to time, put a strain on the balance of payments, which has been intensified by less favourable export trends. The Government remains firm in its intention finally to eliminate all import restrictions as soon as this can safely be done, and its internal policies will be designed to assist towards this end."

Further details of the import cuts, issued by Senator O'Sullivan (Minister for Trade and Customs) on March 22, showed that consumer goods such as textiles, assembled motor-cars, cigarettes and tobacco, crockery, carpets, furnishings, cutlery, and electrical goods were among those which would be reduced by 33⅓ per cent. Imports of goods previously free but now made subject to quota restriction would be limited to their level in the 1954 calendar year (a quota officially described as "100 per cent of 1954 calendar year imports"), the principal items in this category being:

Replacement parts for agricultural machinery, cycles and motor vehicles, tractors and earth-moving equipment, portable electric hand tools, air compressors, boot and shoe machinery, engines for printing and paper-making machinery, textile machinery, watches and clocks, and pens and pencils; electrical insulating materials; materials for manufacturing abrasive cloths and papers, tobacco; coffee; bandages; iron and steel; aluminium and nickel; ball and roller bearings; mechanical and electrical motors; plate glass; drugs; alarm clocks, unexposed cinematograph film; crude rubber; pulp and waste paper for paper-making; valves for pneumatic tyres, emery abrasives; mercury, cotton waste, resin; and earth and clay.

The new restrictions, which were estimated to save some £A100,000,000 in 1955-56 and £A160,000,000 when fully effective, principally affected imports from Britain (Australia's largest supplier), and in particular the products of the British cotton, pottery, and motor-car industries. Australia is the biggest single market for British cotton textiles and it was feared that the new restrictions would reduce Australian imports from £30,000,000 to £20,000,000 a year, the restrictions were regarded in Lancashire as coming at a particularly bad time for the cotton industry, in view of decreased orders from other export markets as a result of increasing foreign competition. Although Australia is also the largest market for British cars, and in 1954 took 90,977 vehicles worth more than £24,000,000 (about a quarter of the industry's total exports), motor-car manufacturers generally expressed the hope that they would be able to dispose of their output in other overseas markets, particularly South Africa.

The President of the Board of Trade, Mr. Thorneycroft, stated in the House of Commons on March 24 that the effect of the Australian cuts on British exports to Australia in the next financial year might amount to some £30,000,000-£40,000,000 out of a total of £278,000,000, but that it was not possible to forecast the effect on particular industries since quotas were available for imports from any non-dollar source and in some cases for a variety of alternative goods. He added that he did not think any formal representations against Australia's general policy of seeking to safeguard her balance of payments would be either effective or appropriate, but that he would be in touch with the Australian authorities on detailed matters arising from the measures.—(Australian News and Information Bureau - Times - Financial Times - Manchester Guardian - Daily Telegraph) **(Prev. rep. 13916 B.)**

B. HUNGARY. — State of War with Germany ended.

The Hungarian Presidium Council passed a decree on March 22 ending the state of war with Germany.—(Hungarian News and Information Service) **(Prev. rep 14091 C.)**

C. COMMUNIST CHINA. — Introduction of Conscription. - Creation of Officer Corps.

The introduction of compulsory military service by Communist China in order to build up "a modern regular army" was approved by the Standing Committee of the National People's Congress (Parliament) on Feb. 9. At the same time regulations were agreed upon creating an officer corps with ranks similar to those in the Soviet Army; the highest rank would be Supreme Marshal, after which would come Marshals of the Republic. The regulations provided that in peace-time officers would be drawn from military academies, advanced military technical schools, or technical institutes, as well as from n.c.o.s who had passed selective examinations or had gone through special training courses, whilst in wartime they would also be drawn from n.c.o.s and privates who had shown outstanding merit in battle. The official Armed Forces Gazette in Peking stated on Feb. 9 that the new army would be organized into 14 combat and supporting corps, including a special "political division" to serve with front-line troops.

Western observers attached more importance to the decision to create an officer corps than to the introduction of conscription, pointing out that the old recruiting system had never in fact been voluntary. As a preparatory step, the Chinese Communist Government had issued an order on Sept 9, 1954, providing for the calling up of 450,000 men between the ages of 18 and 22 "to fill vacancies caused by retirement from the people's liberation forces and to move generally toward a military service system."

On Feb. 15 the Chinese Communist Government approved conscription regulations which made nearly 80,000,000 men liable for service—three years for those called up for the Army, four years for the Air Force, and five years for the Navy. The regulations applied to all men between the ages of 18 and 40 with the exception of only sons, men responsible for a family, and "counter-revolutionaries" who had been deprived of citizenship rights. Women were exempted from military service, but will be classified in a special reserve list according to their technical capacities, in case of "grave international events."—(Times - Manchester Guardian - New York Times - Le Monde, Paris) **(Prev. rep. 11423 A.)**

D. EASTERN EUROPE. — Proposed Mutual Defence Treaty and Unified Command.

The Soviet Foreign Ministry announced on March 21 that, after consultations between the Soviet Union, Poland, Czechoslovakia, Eastern Germany, Hungary, Rumania, Bulgaria, and Albania, unanimous agreement had been reached on the principles of a mutual defence treaty and the organization of a unified command in the event of the ratification of the Paris agreements. The announcement was worded as follows.

"Consultations between the Governments of the Soviet Union, the Polish People's Republic, the Czechoslovak Republic, the German Democratic Republic, the Hungarian People's Republic, the Rumanian People's Republic, the Bulgarian People's Republic, and the Albanian People's Republic, have been held, in accordance with the decisions of the Moscow Conference of European States on ensuring peace and security in Europe, concerning the conclusion of a treaty of friendship, co-operation and mutual aid between the eight countries which participated in that conference In the course of these consultations, complete unanimity of views revealed itself on the part of the Governments of the above-mentioned countries concerning the principles of such a treaty and the organization of a unified command of the participating States, which will be created in the event of the ratification of the Paris agreements, with the aim of ensuring the security of these States and in the interests of the maintenance of peace in Europe"

The announcement added that the Government of the Chinese People's Republic had taken part in the consultations and had expressed full agreement with the above-mentioned decisions.—(Soviet Weekly) **(Prev. rep. Moscow Conference, 13936 A; 14059 A; 14027 A.)**

E. SOVIET UNION. — New Marshals appointed.

The appointment of 10 new Marshals of the Red Army or Air Force and the promotion of the chief of the Red Air Force (Marshal P. P. Zhigarev) to the new rank of Chief Marshal were announced by Moscow Radio on March 11. The new appointments increased the number of Marshals of the Red Army from 11 to 17.

The new Army Marshals were General Chukov and Colonel-General Gretchko, both former Commanders-in-Chief in Germany; General Biryuzov, former C.-in-C. in Austria, and Colonel-General Moskalenko, a wartime commander; and General Bagramyan and General Yeremenko, former commanders on the Baltic coast. Colonel-General Varentsev and Colonel-General Kazakov became Marshals of Artillery, while Colonel-General Rudenko and Colonel-General Sudets were appointed Marshals of the Air Force.

It was announced on March 19 that the Soviet Navy's highest rank, Admiral of the Fleet, was to be raised to that of Admiral of the Fleet of the Soviet Union. The announcement did not list any promotions to the new rank.

(Times - Daily Telegraph) **(Prev. rep. 12787 A.)**

A. UNITED KINGDOM. — Town and Country Planning Bills, 1954. - Provisions and Enactment.

The Town and Country Planning Bill, 1954, implementing the second part of the Government's revision of the Town and Country Planning Act of 1947—the establishment of a new system of compensation for loss of development value in land in England and Wales—was enacted on Nov. 25, 1954, and came into force on Jan. 1, 1955. The first part of the Government's revisional proposals (see 12628 A)—the abolition of development charges and the suspension of the intended distribution of the £300,000,000 fund to claimants whose land had depreciated in value because of the 1947 Act—had been implemented by the Town and Country Planning Act, 1953, which received the Royal Assent on May 21, 1953.

The 1954 Bill—a most complicated piece of legislation—was considerably amended during its passage through Parliament, the Government itself proposing 119 amendments in the Committee stage in the House of Lords, and the House of Commons having to consider 152 amendments when the Bill was sent back from the House of Lords. The Bill contained no alterations to the 1947 Act other than those arising directly out of the decision to amend the financial provisions.

Moving the second reading of the Bill in the House of Commons on March 15, 1954, **Mr. Harold Macmillan** (then Minister of Housing and Local Government) said that, having suspended by means of the 1953 Act the "great pay-out" of £300,000,000 which had been due to take effect before July 1, 1953, the Government was now aiming in this new Bill to substitute for it a new system of compensation. Its essence was that claims for loss of development value would not in future be transferable as a separate asset but would go with the land; moreover, compensation would be paid only when the loss of the 1947 development value was actually sustained, whether through compulsory purchase for public need or through refusal of permission to develop.

Mr. Macmillan described as completely unfounded the fear expressed in several quarters that the principle of "pay-as-you-go" might expose the Government to the temptation of seeking budgetary economy at the expense of good community planning, and mentioned as evidence to the contrary that the Government had already indicated that it was ready to find £30,000,000 for compensation payments within five years, or in a shorter period if necessary. Finally he pointed out that nothing in the Bill made the position of people who failed to claim any worse than if the original scheme had gone through, whilst in every case where they were allowed to develop their land they were better off, because they no longer had to pay the development charge.

Sir Lynn Ungoed-Thomas (Lab.) moved the rejection of the Bill on the ground that it "fails to safeguard the public interest in land values created by community endeavour, prejudices the planning work of local authorities, and will be detrimental to future land use planning." He said that it was no part of the Opposition's case to insist on the preservation of the development charge, but that betterment in some form or other should be collected by the State; if the Bill were passed the community would pay compensation for development values which were stabilized but would get no advantage from those which were allowed to fructify. Moreover, without provision for collection of betterment, planning was bound to be strangled by finance, and the Government's scheme was "preserving an appearance of planning without its reality."

The Opposition motion was rejected by 296 votes to 262 and the Bill given a second reading on March 15; in the third reading on July 13 the Bill received 288 votes to 228.

In the House of Lords, one of the most important amendments adopted was one designed to prevent a recurrence of what had come to be known as the "Pilgrim case." (Mr. Edward Pilgrim had committed suicide in September, 1954, after land which he had bought for £500 had been compulsorily purchased for £65 by the local authority; because he had failed to submit the claim required by the 1947 Act, he had not been entitled to any compensation for loss of development value.)

Moving the second reading of the Bill on Oct 19, the Lord Chancellor (**Viscount Kilmuir**) announced that the Government intended to move a new clause enabling the Minister of Housing and Local Government to authorize payment of an *ex gratia* supplement in such cases. (On the following day it was announced that, in view of the decision to insert this clause, the Minister had authorized the responsible local authority to pay Mr Pilgrim's widow up to £400, the unrestricted value of the land.) The new clause, moved on Nov 2 during the Committee stage, provided that additional payments could be made in cases where a claim for compensation had not been made but where it would have been established had it been made

On the Report stage (Nov. 15) a Conservative peer, **Lord Hylton**, moved an amendment to grant the right of appeal against the decision to compensate or not, or against the actual amount of compensation awarded under the clause; this was opposed by the Government and, although a number of Conservative peers voted in favour of the amendment, it was eventually rejected by 26 votes to 19. The Bill was given a third reading in the House of Lords on Nov. 16.

The Bill was reconsidered by the House of Commons on Nov. 22 when the 152 Lords amendments were approved. During the discussions, the new Minister of Housing and Local Government (Mr. Sandys) announced that, although the new clause included in the Bill as a result of the "Pilgrim case" could not be applied retrospectively, where a transaction under similar circumstances was still incomplete when the Bill came into force, the local authority could if it wished make an *ex gratia* payment to the person affected and this payment would rank for an Exchequer grant.

The main provisions of the Act are summarized below

Payment of Claims. All payments of compensation for loss of the development value of land will be related to established claims on the £300,000,000 fund which, under the 1947 Act, was to have been distributed by July 1, 1953 Payments will, however, now be made only as and when loss of development value is sustained or where an occasion for payment has already arisen

Types of Claims. Broadly, there will be two main types: (1) claims made on account of events which happened between the passing of the 1947 Act (Aug 6, 1947) and the coming into force of the present Act (Jan 1, 1955), (2) claims made on account of events which take place after Jan 1, 1955

(1) *Compensation on Account of Past Events* will be paid either (*a*) on account of planning restrictions imposed under the 1947 Act by planning authorities or by the Minister, or (*b*) on account of events other than planning decisions

Compensation under (*a*) will be assessed by the Minister of Housing and Local Government—to whom applications have to be submitted by June 30, 1955—and will be paid as soon as possible; the amount of compensation will equal the depreciation in the value of the land due to the planning restriction, provided that the depreciation does not exceed the value of the relevant claim on the £300,000,000 fund on Jan. 1, 1955.

Compensation under (*b*) will be paid, in the main, to claim holders

(i) who paid development charge to which the claim relates, or

(ii) whose land was compulsorily acquired by, or sold by agreement to, public authorities; or

(iii) who before Nov. 18, 1952 (when development charge was abolished) sold land privately at a price which did not include all the development value of the land as established by their claim, or

(iv) who bought their claims without the land to which they relate before Nov 18, 1952.

This form of compensation will be paid by the Central Land Board, to which applications have to be submitted by May 1, 1955

Although no payment will exceed the amount of the appropriate claim on the £300,000,000 fund, established claims will be met in full On both forms of compensation interest (subject to deduction of income tax) will be due at the rate of 3½ per cent per annum from July 1, 1948, to the date of payment or to June 30, 1955, whichever is the earlier.

(2) *Compensation on Account of Future Events* will also be of two kinds. (*a*) that paid because of the imposition of planning restrictions; (*b*) that paid because land has been acquired by a public authority possessing compulsory purchase powers Claims under this heading will be related to the "unexpended balance of established development value" which arises if any payments made by the Minister of Housing and Local Government or by the Central Land Board, or the actual development of the land, do not use up the whole amount of the earlier claim under the 1947 Act. This "unexpended balance" is the basis on which compensation for future loss of development value will be paid, and it may be reduced or extinguished as payments are made or as development of the land is carried out From Jan. 1, 1955 onwards, claims on the £300,000,000 fund cease to have any existence as personal property, they are converted into "unexpended balances" which cannot be detached from the land to which they relate.

Compensation under (*a*) will be made to an owner who has been refused permission by the local planning authority to develop his land or has had a damaging condition attached to such permission; it will be assessed and paid by the Minister of Housing and Local Government to whom claims have to be submitted within six months from the date of the relevant planning decision. If the owner wishes he can appeal to the Minister against the planning decision but if this appeal is rejected he can still claim compensation

Compensation under (*b*) will be paid by the public authority acquiring the land and will be equal to the "existing use value" of the land (as under the 1947 Act) plus the "unexpended balance", where the land is bought by agreement, the price will be determined on the same basis.

Non-qualifying Planning Restrictions. Certain planning restrictions, whether imposed in the past or in the future, will not qualify for compensation. Among these are refusal of permission to change the use of land or buildings, and the imposition of conditions relating to the design of a building, the materials to be used in its construction, and the number or disposition of buildings on a piece of land. Compensation will also not be paid in the case of decisions given after Jan. 1, 1955, where permission to develop is refused either because the development would be premature or because the land is considered liable to subsidence or flooding

The "Unexpended Balance." The Central Land Board will issue a certificate (costing 5s) to anyone wishing to know the "unexpended balance" attributed to a piece of land. Where, however, a special calculation of the development value attributable to a particular part of the claim area is required this will be done only on the owner's application (cost 15s.).

Acquisition of Land with no "Unexpended Balance." When a public authority acquires land in future, there may still be compensation for the owner for loss of development value even though no

claim was established on the £300,000,000 fund, but one would have been established if made at the proper time Under the special provisions inserted as a result of the " Pilgrim case," compensation may be paid for the land equal to the compensation payable on the basis of its " existing use value, " plus a supplementary amount corresponding to the ' unexpended balance " which would have been available if a claim had been made. The District Valuer will notify the relevant public authority of the supplementary amount payable and the public authority will inform the owner, who will then have an opportunity of discussing the amount with the District Valuer

Registration of Compensation Payments. Payments made by the Minister of Housing and Local Government as compensation for planning restrictions will be registered in the Local Land Charges Register Should, however, development of the land subsequently be authorized, any earlier compensation payments will have to be refunded to the Minister. The amount of compensation paid for planning restrictions will reduce the ' unexpended balance " attaching to any piece of land, and if this land is eventually bought by a public authority the price paid by it will to that extent be lower than if there had been no previous compensation.

Appeals. The Land Tribunal will hear appeals (*a*) against the amount of compensation awarded by the Minister in respect of planning decisions, whether made in the past or in the future, (*b*) against decisions made by the Central Land Board

Protection of Prospective Buyers. Anyone who is thinking of buying land for early development, for which he has already obtained planning permission can—before completing the purchase—ask the local authority whether they know of any proposal for the acquisition of the land by any public authority If he is told that no such proposal is known, and on the strength of this within three months buys or contracts to buy the land, any public authority which in fact compulsorily acquires the land within five years will have to pay the market value of the land taking into account the benefit of any permission for development of the land which was in existence at the time the enquiry was made, even though the development has not yet been carried out. By this means a prospective buyer will be able to protect himself against being bought out at the " controlled price " before he carries out his development.

Exchequer Grants. Exchequer grants to local authorities to help them meet compensation claims will in general be at a uniform rate of 50 per cent, instead of ranging from 20 to 90 per cent as hitherto. Where a local authority acquires land for the provision of playing fields, the Exchequer grant may be as much as 75 per cent.

The Town and Country Planning (Scotland) Bill, 1954, containing provisions similar to those of the Bill for England and Wales, was given a second reading in the House of Commons on May 12, 1954, after an Opposition motion to reject it had been defeated by 232 votes to 209.

Like the English Bill, it was considerably revised during its various parliamentary stages In the Scottish Standing Committee of the House of Commons the Opposition protested on June 17 that, with 92 amendments to be discussed (only eight of which had been put down by the Opposition), the Committee had insufficient time to deal with the Bill without endangering consideration of other Scottish matters; when the Government declined to accept a suggestion for alleviating this situation, all the Opposition members of the Committee walked out

The Bill was, however, eventually given a third reading by the Commons on Oct. 20 and by the Lords on Nov. 18. As with the English Bill, it was enacted on Nov. 25 and came into force on Jan. 1, 1955.—(Ministry of Housing and Local Government - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 12628 A; 1947 Act, 8468 A; 9231 A.)**

A. WOOL. — Review of 1953-54 Season.

A summary is given below of the principal wool statistics for the season July 1953 - June 1954.

Australia. Sales totalled 3,846,786 bales, valued at £A412,200,000, and the average price realized was 81 5d. a lb. (greasy). Britain was the principal buyer, with purchases valued at £104,700,000, followed by France, Italy Japan, the Soviet Union, and the United States.

New Zealand. Production totalled 425,500,000 lb., valued at £66,648,000, and the average price realized was 50.25d a lb

South Africa. Production totalled 268,298,542 lb, valued at £64,221,231 and the average price realized was 57.45d. a lb Exports amounted to 262,776,524 lb., the principal buyers being Britain (76,657,115 lb.), France (51,923,071 lb.), Germany (35,447,668 lb.), and Italy (32,604,919 lb.)

There were no marked fluctuations in prices during the season. Though prices at first fell gradually, they strengthened considerably in the closing months of the season.—(Bradford Chamber of Commerce Journal - Australian News and Information Bureau - Directorate of N.Z. Information Services, Wellington - Cape Times) **(Prev. rep. 13158 B.)**

B. UNITED STATES. — New NATO Delegate.

Mr. George W. Perkins, Assistant Secretary of State for European Affairs from 1949 to 1953, was nominated by President Eisenhower on March 1 as permanent U.S. representative on the Council of the North Atlantic Treaty Organization in succession to Mr. John C. Hughes, resigning.
(New York Times) **(Prev. rep. 13115 A.)**

C. PAKISTAN. — U.S. Technical and Economic Assistance Agreements.

Agreements providing for U.S. economic and technical assistance to Pakistan during the fiscal year 1954-55—as distinct from military assistance—were signed in Karachi on Jan. 11 and 18 by the Pakistani Finance Minister, Mr. Mohammad Ali, and the U.S. Ambassador, Mr. Hildreth. The U S. aid, which had been the subject of discussions during the Pakistani Prime Minister's visit to Washington in October 1954, was fixed at $110,200,000, divided as follows:

(1) Economic assistance—$60,000,000.
(2) Technical assistance—$5,300,000.
(3) Agricultural assistance—$29,400,000 for the supply of agricultural commodities and $10,000,000 as an outright gift for relief purposes.
(4) Emergency flood relief assistance—$5,500,000 (under an agreement signed in August, 1954).

It was officially stated that, of the $65,300,000 of economic and technical assistance, about $20,000,000 would be in the form of a loan repayable over 40 years and the remainder in the form of a grant The loan would be used for the purchase of equipment and supplies required for development projects, whilst the grant would cover the provision of expert advisory services and training facilities for Pakistani nationals, the supply of industrial raw materials, and the importation of consumer goods to bring down the cost of living. It was subsequently announced in Karachi that among the goods to be imported would be non-ferrous metals, chemicals, dyes, parts of domestic refrigerators, petroleum products, raw cotton, raw wool, wool tops and shoddy cotton twist and yarn, cotton fabrics, unmanufactured tobacco, motor vehicles, and aircraft.

The agreement on agricultural assistance stipulated that local currency accruing from the sale in Pakistan of the $29,400,000 worth of agricultural commodities should be deposited in a separate fund to be used on mutually agreed projects for the country's economic development

Subsequently, four operational agreements coming within the allocation for technical assistance were signed in Karachi.

The first three—signed on Feb. 6—covered U S. assistance to the value of $840,000 for the extension of medical services. They provided for (*a*) the establishment of three new training schools—one at Dow Medical College in Karachi for training doctors to teach other doctors, another in Karachi for training nurses to teach other nurses, and the third at Peshawar University to train medical students; (*b*) the extension of the anti-malaria campaign, including the construction of a plant to manufacture DDT; and (*c*) the formation of a public health consultation service consisting of seven consultants who would be available to advise the Government.

The fourth agreement—signed on Feb. 23—provided for a U.S. contribution of $816,000, to which the Pakistani Government would add the equivalent of $1,434,000, for expanding the Village Aid Programme, the money would be used chiefly to stimulate agricultural production, to improve rural health conditions, and to increase village literacy.

It was stated on Feb. 23 that by the end of 1955 about 770 village workers would have been trained under the Village Aid Programme and sent out to help people in approximately 3,850 villages throughout Pakistan.—(Pakistan High Commissioner's Office, London - New York Times - New York Herald Tribune) **(Prev. rep. 13853 A.)**

D. NEW ZEALAND. — Royal Commission on Monetary Affairs.

The N.Z. Minister of Finance, Mr. J. T. Watts, announced on March 16 the membership of a Royal Commission to inquire into monetary, banking and credit proposals which might be suggested as suitable for application to New Zealand, and to report on the advisability of any changes in the present system.

The members of the commission were: Mr. Justice Tyndall, Judge of the Arbitration Court (chairman); Mr. G. G. G. Watson, a barrister; Mr. E D. Wilkinson, a public accountant; Mr. C. G Trotter, managing director of the N.Z. Farmers' Co-operative Organization; Mr W. G Fernie, a company manager; and Mr. R. M Hutton Potts, a newspaper editor

The commission, which was also empowered to investigate any " associated matters " deemed to be relevant to the general objects of the inquiry, was appointed " with a view to fostering a greater degree of stability in prices, maintaining full employment of labour, ensuring the healthy development of natural resources, and promoting generally the economic and financial welfare of the people of New Zealand."
(Directorate of N.Z Information Services, Wellington)

E. CANADA - PORTUGAL. — Legations raised to Embassy Level.

The Canadian External Affairs Department announced on Feb. 9 that, in view of the " growing importance " of the close relations between them, Canada and Portugal had decided to raise their Legations in Lisbon and Ottawa to the status of Embassies. (Montreal Star)

A. WESTERN EUROPEAN UNION - NATO. — President Eisenhower's Re-affirmation of U.S. Support. - Assurance of Indefinite Retention of U.S. Armed Forces in Europe under NATO.

President Eisenhower sent identical letters on March 10 to the Prime Ministers of the seven countries which had signed the Paris agreements for the setting up of the Western European Union within the NATO—Belgium, France, Western Germany, Great Britain, Italy, Luxemburg, and the Netherlands—reaffirming U.S. support for the W.E.U. and giving his specific assurance that the U.S.A. would maintain its forces in Germany under NATO indefinitely if the Paris agreements were ratified. The text of the President's letters was as follows:

"At the time when there was under consideration the treaty to establish a European Defence Community, I made a public announcement of certain principles which would guide U.S. policies and actions with respect to Western Europe in the event that treaty should be ratified. Now, in substitution for that community, a plan has been evolved for a Western European Union. Obviously that Union and related arrangements signed at Paris on Oct. 23, 1954, when brought into force, will serve the vital interests not only of the members of the Union, but of the people of the free world, including the U.S.A.

The U.S.A. has twice been drawn into wars which originated in Europe and today it maintains forces there to help minimize the possibility of another war. It is in the interest of the U.S.A. to help reduce such dangers. To this end the U S.A. committed itself to the North Atlantic Treaty This treaty is in accordance with the basic security interests of the U.S A., and the obligations which the U.S.A. has assumed under the treaty will be honoured.

The member-nations are seeking to make the Atlantic alliance an enduring association of free peoples within which all members can concert their efforts toward peace, prosperity and freedom The success of that association will be determined in large measure by the degree of practical co-operation realized among the European nations themselves. The Western European Union and the related arrangements agreed upon in Paris are designed to ensure this co-operation and thereby to provide a durable basis for consolidating the Atlantic relationship as a whole.

It is my belief that the proposed arrangements when effective:

Will promote progress towards unity in Western Europe and draw together those whose past differences have led to recurrent war and gravely depleted Europe's human, material and moral strength;

Will restore sovereignty to the Federal Republic of Germany, a sovereignty which has now been withheld for 10 years, during which time the Government and people of that republic have demonstrated that they are capable of worthily discharging their responsibilities as a self-governing member of the free and peaceful world community;

Will, by controlling armament levels through an appropriate agency of the W.E U., assure against militarism;

Will provide a core of unity at the heart of the NATO, thus permitting adoption of practical defensive measures which offer good hope that any enemy attack could be stopped at the threshold;

Will enable the Federal Republic of Germany to make its appropriately measured contribution to international peace and security, in keeping with the spirit of the NATO;

Will, through action of the North Atlantic Council, assure a closer integration of the armed forces in Europe of the member-countries, thereby giving assurance that these forces cannot be used for nationalistic aggression or otherwise than for the security purposes envisaged by the NATO.

In London on Sept 29, 1954, the U S. Secretary of State, in order to facilitate efforts to produce an effective collective defence of Western Europe, indicated the conditions under which the U.S.A. might be prepared to make a policy declaration similar to that which was announced when the earlier E.D.C plan was under consideration. I am glad to affirm that, when the Paris agreements have been ratified and have come into force, it will be the policy of the U S.A.·

(1) To continue active in the various organic arrangements established under the NATO and to consult with other members of NATO on questions of mutual concern, including the level of forces from the respective NATO countries to be placed at the disposal of the Supreme Allied Commander, Europe.

(2) To consult, if so desired, with the agency for the control of armaments of the W.E.U. with a view to assisting in the achievement of its objective of controlling armaments and preventing unjustified military preparations within the members of the Union.

(3) To continue to maintain in Europe, including Germany, such units of its armed forces as may be necessary and appropriate to contribute its fair share of the forces needed for the joint defence of the North Atlantic area while a threat to that area exists, and to continue to deploy such forces in accordance with agreed North Atlantic strategy for the defence of this area.

(4) To co-operate in developing the closest possible integration among the forces assigned to NATO in Western Europe, including those contributed by the German Federal Republic, in accordance with approved plans developed by the military agencies and the Supreme Commander of NATO in accordance with the resolution adopted by the North Atlantic Council on Oct. 22, 1954.

(5) To continue to co-operate towards Atlantic security by sharing information authorized by Congress with respect to the military utilization of new weapons and techniques for the improvement of the collective defence.

(6) In consonance with its policy of encouraging maximum co-operation among the free nations of Europe, and in recognition of the contribution which the Brussels Treaty, as amended, will make to peace and stability in Europe, to regard any action from whatever quarter which threatens the integrity or unity of the W.E.U. as a threat to the security of the parties to the North Atlantic Treaty, calling for consultation in accordance with Art. IV of that treaty.

In accordance with the basic interest of the United States in the North Atlantic Treaty, as expressed at the time of ratification, the treaty was regarded as of indefinite duration rather than for any definite number of years The U.S.A. calls attention to the fact that for it to cease to be a party to the North Atlantic Treaty would appear quite contrary to our security interests when there is established on the Continent of Europe the solid core of unity which the Paris agreements will provide"

President Eisenhower's letter was generally interpreted as being intended to encourage the completion of the ratification of the Paris agreements by France, where the Council of the Republic was due to begin on March 22 its final debate on the agreements (already ratified by the National Assembly). A spokesman of the British Foreign Office stated that the President's move was warmly welcomed in London.

(New York Times - New York Herald Tribune - Times)

(Prev. rep. U.S. Assurance, 13809 A.)

B. INDIA. — Attempted Assault on Mr. Nehru.

An incident widely interpreted as an attempt on the life of Mr. Nehru, the Indian Prime Minister, occurred at Nagpur, the capital of Madhya Pradesh, on March 12 when Babu Rao, a 36-year-old rikshaw-puller, jumped with a knife in his hand on the footboard of the car in which Mr. Nehru was riding with the Governor and the Chief Minister of Madhya Pradesh from Nagpur airport to the Chief Minister's residence. Babu Rao, who had suddenly pushed his bicycle rickshaw in front of the Prime Minister's car, causing it to halt, was overpowered by the Military Secretary to the Governor (Mr. P. R. Rajagopal) and some police officers, and was arrested. Mr. Nehru, who at the time of the incident had been standing in the car, continued on his way unperturbed.

In a subsequent statement to reporters Mr. Nehru described the incident as follows "I was annoyed at the man pushing the rickshaw in that manner. The man was coming towards the car and I thought he wanted to hand over a petition or a representation. But I saw a knife in his hand. It was a small knife. I would have taken it myself, but before I could do anything three or four policemen nearby caught him and arrested him and took him away. I consider this as an individual act of a cranky person. I do not give any larger meaning to it One should not exaggerate the incident."

It was later stated by the police that Babu Rao, who had been a millworker in various other Indian cities before coming to Nagpur, had told them that he had become "disgusted" with the Government; his complaints about personal injustices and grievances had gone unheeded, and he had wanted to force an interview with the Prime Minister to ventilate his grievances. He had denied any intention of assaulting Mr. Nehru, saying that the knife found on him had been only "incidental."—(The Hindu, Madras - The Statesman, Calcutta)

C. UNITED STATES.—Salary Increases for Members of Congress and the Judiciary.

President Eisenhower signed a Bill on March 2 granting higher salaries to the Vice-President, the Speaker of the House of Representatives, members of both Houses of Congress, and members of the judiciary.

The new salaries were as follows (old salaries in parentheses): Vice-President and Speaker of House, $45,000 a year, including $10,000 for expenses ($40,000); Senators and Representatives, $22,500 ($15,000, including $2,500 taxable expense allowance); Chief Justice, $35,500 ($25,000); Associate Justices, $35,000 ($25,500), Higher Court judges, $25,500 ($17,500); Lower Court judges, $22,500 ($15,000); Deputy Attorney General, $21,000 ($17,500); Solicitor General, $20,500 ($17,500).

The House of Representatives (on Feb. 16) had approved a salary increase of $10,000 for Congressmen, but the Senate (on Feb. 23) voted an increase of only $7,500, with which the House concurred.—(New York Times - New York Herald Tribune) **(Prev. rep. 8155 B.)**

D. ARGENTINA. — Population.

The National Department of Statistics announced on Feb. 16 that the population of Argentina at the beginning of 1955 was estimated at 18,919,000, an increase of about 3,000,000 over the 1947 census figure. Excluding the 3,000 settlers in the Antarctic sector of the Atlantic islands, the total was made up of 9,634,000 men and 9,282,000 women. The population of Buenos Aires, the Federal capital, was estimated at 3,555,000 and that of the Province of Buenos Aires at 4,984,000.

(Bank of London and South America, Fortnightly Review)

(Prev. rep. 8710 A.)

A. UNITED KINGDOM. — Reorganization of National Coal Board. - Mr. Bowman appointed Deputy Chairman. - Report of Independent Advisory Committee.

Mr. Geoffrey Lloyd, the Minister of Fuel and Power, announced in the House of Commons on Feb. 17 that the Government had decided to reorganize the National Coal Board in accordance with the recommendations of the independent advisory committee appointed in December, 1953. Sir Hubert Houldsworth would continue as chairman, but six members of the Board, including the two deputy chairmen, Sir Walter Drummond and Sir Eric Coates, had resigned. In their place Mr. James Bowman, who had been chairman of the Northern Division since 1950, would become deputy chairman, and six other full-time members had also been appointed.

The constitution of the new Board, as announced by Mr. Lloyd, was as follows: Chairman—Sir Hubert Houldsworth. Deputy Chairman—Mr. James Bowman. Full-time Members—Sir Andrew Bryan; Mr. J. Latham; Dr. W. Reid; Mr. W. H. Sales; Mr. R. H. Thomas; Mr. H. A. Wynn. Part-time Members—Alderman W. Bayliss and Mr. Gavin Martin. Two additional part-time members would be appointed later.

Mr. Lloyd stated that he had "for some time been impressed by the administrative ability shown by Mr Bowman," who had been described by Dr. Fleck, the chairman of the advisory committee, and some of his colleagues as "the outstanding administrator in the coal field." Of the other new appointments to the Board, Dr. Reid, chairman of the Scottish Division since 1952, would be the member specially concerned with production, Mr. Wynn, who would be concerned with research and development, had been director of the Safety in Mines Establishment at the Ministry of Fuel and Power since 1948; Mr. Latham had been the Board's Director-General of Finance since 1948; and Mr. Thomas had been its Director-General of Marketing (Commercial Operations) since 1947 Sir Andrew Bryan, Mr. Sales, Alderman Bayliss, and Mr. Gavin Martin had been members of the former Board.

The new appointments were made for five years and at the same salaries as in the past—the chairman being paid £7,500, full-time members £5,000, and part-time members £500 yearly.

The advisory committee's report was published on the same day, and is summarized under cross-headings below:

Leadership. The report stressed the committee's belief that "much criticism of the N.C.B. is ill-informed" and that the "main structure of the organization and the system of divisions and areas is sound," but made numerous detailed criticisms, particularly in regard to the Board's failure to maintain discipline. After pointing out that there was "no conflict between a commercial approach and the Board's ability to be a good employer," it declared "The prime necessity for the success of any large undertaking is the constant exercise of leadership at the highest level. . For the leaders to know when and how to step in and exercise the difficult role of decision . . . calls for the highest qualities of industrial statesmanship. And when the Board have come to the conclusion that some particular line of policy should be pursued, these same qualities are needed for ensuring that it is carried through effectively." The committee had found, however, that in a minority of coalfields the relations between managements and mineworkers "varied from the bad to the indifferent, just as they did before nationalization," and that in Scotland, Yorkshire, and South Wales many people in responsible positions were "so dominated by the problem of unsatisfactory labour relations" that they found it difficult to devote sufficient time and energy to other problems. The report therefore called on the Board to "strengthen at all levels the calibre of the staff dealing with labour problems" and to adopt clear and resolute policies with regard to labour matters

Composition and Duties of the Board. The committee pointed out that since it had ceased to be the practice for each full-time member of the Board to be responsible for a department, three key departments—production, marketing, and finance—had not been represented on the Board. This was "unsatisfactory both in theory and practice."

The committee therefore recommended: (*a*) that the Board's membership should be increased from 11 to 12—a chairman, a deputy chairman, six other full-time members (to be responsible for particular departments) and four part-time members; (*b*) that before appointing part-time members, the Minister of Fuel and Power should seek the advice of a body of leaders in particular fields (e.g., the president of the Federation of British Industries, the chairman of the T.U.C., and the president of the British Employers' Confederation); (*c*) that before appointing the chairman or deputy chairman or making new appointments of full-time members, the Minister should consult the part-time members, (*d*) that part-time members should have a right of access to the Minister; (*e*) that full-time members should normally be drawn from within the industry; and (*f*) that, in order to secure continuity, the principle of appointing full-time members for a definite term of years should be abandoned.

The committee held that the present salaries of full-time Board members were "not enough to attract the best people," and if continued would mean that many of the chief members of the staff were poorly rewarded, since their salaries were related to those of Board members. It therefore expressed the view that heads of large departments should command salaries of £7,500 annually (the present salary of the Board's chairman), and recommended "substantial increases" in the salaries of the chairman and other full-time members.

An addendum by Dr. Fleck recommended that legislation should be introduced to enable the Board to be enlarged to a maximum of 18, with two deputy chairmen instead of one, six part-time members instead of four, and three additional full-time members.

Management. Calling for better management—"in other words, more people of ability, new and better techniques, and firmer discipline," the report declared that since nationalization "quick promotion has come to more people than is good for them or the industry," and that, in consequence, there was a "serious shortage at every level of management of able people equipped with the right qualifications and experience." It continued: "The staff problem is far from solution . . . The kind of ill-informed talk, both inside and outside the industry, of hordes of officials has had its effects, and so has the cruder sort of cost-consciousness which saves money by not spending it instead of spending it well. The proportion of staff —40,000 out of a total payroll of about 750,000—is certainly not too large, indeed . . the efficient management of the industry requires a higher ratio, as well as a higher average quality. The staff problem will not be solved until there is a comprehensive policy, including a long-term programme of recruitment and training. The nationalized industry inherited more than a few people who were not then, and are not now, able to fill responsible positions satisfactorily. A policy for the retirement of these people is needed"

Labour Relations. The report stressed, however, that the bad labour relations prevailing in some districts were not caused solely by "the lack of firm and consistent direction from above," but in many cases were due to bad discipline among the rank and file and by mineworkers' failure to implement agreements reached by the N.C.B. with the union. This, besides causing stoppages and loss of output, had "a worse effect in that it leads to a feeling of irritation and frustration amongst managements" In this connexion the committee believed that the Board would be "ill-advised" to rely as heavily as in the past on the ranks of trade union officials as a source of recruitment for the labour relations and manpower and welfare departments, and recommended the setting up of a staff department and of an industrial relations department to deal with all workers not coming within the definition of staff. These departments should be recruited primarily from existing departments, but where necessary from outside the industry.

Divisional and Area Organizations. As regards organization in the divisions, the committee recommended (*a*) a review of salaries payable at divisional headquarters, to ensure that the best men were attracted to responsible positions, (*b*) abandonment of the practice of appointing part-time members of divisional boards; (*c*) establishment of a common pattern of organization; (*d*) proper and economical housing of each divisional board and its staff under one roof In the areas it suggested that a general pattern of organization should be laid down; that some area managers should be appointed from outside the ranks of mining engineers; and that a new post of assistant general manager should be created in each area. It also called for comprehensive training courses in colliery administration and management; the training of "organization and methods teams" to improve colliery office methods; the appointment at all large collieries of administrative and personnel officers; and steps to ensure that all colliery offices were brought up to a good standard of cleanliness and equipment.

Decentralization. Declaring that it was "not satisfied that policies and decisions emanating from the Board's headquarters are being properly carried out in the divisions," the committee explained: "There are various reasons for this failure. At the outset of nationalization the many undertakings were grouped together often unwillingly; the managements of some of them have found it difficult to adjust themselves to the new conditions. Again, policies might be accepted by divisions or areas, but inertia, habit, other preoccupations, or lack of staff prevent them from taking effective action. But the main reason is the unwillingness of the N.C.B. to insist on their policies being carried out. From the outset the Board have tried to control their subordinate formations with a very light touch . . . Too often, having adopted a policy, they have been half-hearted in holding to it when divisions have not liked it or have been slow in carrying it out"

The committee approved the Board's decision to decentralize management as far as reasonably possible, but believed that the Board's "indecisive attitude" had stemmed from "a failure to realize that, correctly interpreted, decentralization meant that "each level of management specifies clearly the powers that may be exercised by the level below it . . . and must see that the policies which it lays down are punctually and effectively carried out."

The report recommended therefore (*a*) insistence by the Board on its policies being properly carried out, and consultations between it and the trade unions on bad discipline among the rank and file; (*b*) a clear restatement of the principles of decentralization to be followed in the industry; (*c*) greater boldness in making personnel changes where justified by age, inefficiency, or indiscipline; (*d*) the setting up of a national advisory committee, comprising the full-time members of the Board and divisional chairmen, so as to ensure better consultation between the Board and the divisions.

Other Recommendations. These included (*a*) more thorough scrutinies of large capital schemes and systematic arrangements for progressive capital expenditure; (*b*) the establishment of a purchasing department at headquarters, division, and area levels; (*c*) the setting up of a research and development committee; (*d*) the removal of obstacles to the transfer of men from the coalfields to headquarters; (*e*) the strengthening of the headquarters production department.

In conclusion, the Committee pointed out that none of its recommendations would require legislation.—(Times - Daily Telegraph - Manchester Guardian - Financial Times)

(Prev. rep. 13403 A.)

A. NEPAL. — Dismissal of Mr. Koirala's Government. - Direct Rule by Crown Prince introduced. - Death of King Tribhuvana. - Accession of King Mahendra.

King Tribhuvana of Nepal (48) died on March 13 at Zurich, where he had been undergoing treatment for a heart complaint. His body was flown back to Khatmandu, and was ceremonially cremated on March 17. The eldest son of the late King, Crown Prince Mahendra Vir Vikram Shah (34), who in the King's absence had headed the Council of Regency and on March 2 had himself assumed responsibility for the government, was enthroned as King of Nepal on March 14.

The late King succeeded his father in 1911, at the age of five. For the greater part of his reign Nepal was ruled by the Rana family, which had held power since 1846, the King being merely a titular head. In November, 1950, the King, who supported the demands of the Nepali Congress for reforms, fled to India, and an armed uprising against the Rana rule was launched by the Congress. A settlement was reached in February 1951 through the mediation of the Indian Government, whereby the King returned to Nepal, certain constitutional reforms were introduced, and a coalition Government of Rana and Congress representatives was established (see 11210 A, 11336 A) Dissensions inside the Government (from which the Rana representatives had been excluded in November 1951) led to a constitutional crisis in August 1952, King Tribhuvana thereupon assumed full powers, ruling through an Advisory Council, until Cabinet government was restored in June 1953 (see 12583 A, 13136 A). The King's ill-health obliged him to leave for Switzerland in October 1954, his functions being performed in his absence by a Council of Regency composed of his three sons.

Paying tribute to the late King in the Indian House of the People on March 14, Mr Nehru described him as "an unusual kind of king," who "became the leader of a Liberal movement." Throughout Nepal's difficulties the late King had always been "some kind of anchor," and had "used his authority wisely in trying to soothe the people and bring them together" "Both the late King and the present new King," Mr Nehru concluded, "declared, and declared with sincerity, their desire to promote democratic institutions in Nepal. I have no doubt that the new King will persist in that desire and try to effect it"

The political situation in Nepal remained confused throughout 1954 and the first two months of 1955. The coalition Government formed by Mr. M. P. Koirala in February, 1954, was hampered by disagreements among its constituent parties, whilst a nominated Advisory Assembly, which was convened in April, was boycotted by the Nepali Congress, the leading Opposition party, which alleged that the representation of parties in the Council bore no relation to the real political situation. Causes of unrest included rising prices resulting from a fall in the exchange value of the Nepalese rupee, and discontent among the peasantry resulting in disorders in several districts.

On Jan. 10, 1955, the Nepali Congress launched a civil disobedience campaign and called for a general strike to begin on the next day in support of the following demands: (1) the holding of general elections at the earliest possible date, (2) an independent judiciary and the granting of fundamental rights, (3) control of inflation, (4) maintenance of law and order through a properly organized police force; (5) protection of national independence and of the interests of Nepalese abroad. Following the intervention of the Crown Prince, who gave an assurance that "effective steps" would be taken to implement these demands, the campaign was called off on Jan. 12. A new appeal for a general strike, however, was subsequently issued by the pro-Communist *Jan Adhikar Suraksha Samiti* (Society for Safeguarding Civic Rights), and 26 persons, including the son of Mr. Koirala and a son of Professor Regmi (the Foreign Minister), were arrested on Jan. 17 for defiance of the Act forbidding public meetings and processions

Since the autumn of 1954 relations had become increasingly strained between the four Government parties, viz., the National Democrats (led by Mr. Koirala), the Nepali National Congress (led by Professor Regmi), the Nepal *Praja Parishad* (led by Mr. Tanka Prasad Acharya, Minister without Portfolio), and the People's Congress (led by Mr. Bhadrakali Misra, Minister of Communications). On Dec. 23 the Advisory Assembly adopted by 28 votes to 18 a motion demanding that all legislative measures should be presented to it before they were enacted as law; although the motion had been opposed by Mr. Koirala, a number of members of the Government parties voted with the Opposition. The crisis inside the Government came to a head on Jan. 30, 1955, when a motion reducing the budget grant to the Foreign Ministry was carried by 43 votes to 39. In consequence, Mr. Koirala tendered his resignation on the following day, but the Council of Regency requested him to remain in office until the King's decision was known.

It was announced on Feb. 6 that the Nepal *Praja Parishad* and the People's Congress had united to form a single party, to be known as the Nepal *Praja Parishad*. The party's policy was defined as the establishment of a Socialist economy under a constitutional monarchy, the maintenance of neutrality in foreign affairs, independence from Power blocs, and special relations with India and China. The new party was joined by a section of the National Democrats headed by Mr. Balachandra Sharma (president of the Assembly), whilst most of the remaining members of the National Democratic Party were reported to have returned to the Nepali Congress, from which the National Democrats had broken away in 1952 At Mr. Koirala's demand the Council of Regency removed Mr. Acharya and Mr. Misra from office on Feb 11.

After the Crown Prince had visited the King at Nice for consultations, King Tribhuvana issued a proclamation on Feb. 18 investing him with full royal powers and dissolving the Council of Regency; at the same time the Crown Prince took over from Mr. Koirala responsibility for the Anti-Corruption Department, the Central Intelligence Bureau, and the Public Services Commission. He appealed on Feb. 21 to all the political parties to submit to him their proposals for solving the political crisis, together with lists of their leading members; the latter request was intended as a test of the amount of support which the numerous parties (reported to number 69) could claim. As Mr. Koirala was subsequently unable to form a new Government, the Crown Prince announced on March 2 that he had accepted his resignation and would himself rule directly for the time being to end the present uncertainty; he would, however, constitute a new Council of Ministers "at the earliest possible moment, after giving due and proper weight to the voice of the people."—(The Hindu, Madras - The Statesman, Calcutta - Times) **(13587 A.)**

B. INDO-CHINA. — Monetary and Economic Agreements between France and Associated States. - Abolition of Indo-Chinese Economic and Customs Union.

A four-Power conference of France and the Associated States of South Vietnam, Cambodia, and Laos was held in Paris from Aug. 26 - Dec. 29, 1954, to discuss the revision of the monetary and economic conventions adopted in 1950 at the Pau conference. A series of agreements was signed on Dec. 29, bringing to an end the economic and Customs union established under the Pau conventions, and containing the following provisions:

(1) From Jan. 1, 1955, each of the Associated States would issue its own currency, superseding the Indo-Chinese piastre, and would fix its own exchange rates. Parity between their currencies would be maintained during a transitional period, and the Vietnamese National Bank would continue to honour the signature of the former quadripartite monetary organizations.

(2) Each of the three States would levy its own Customs duties and regulate its own foreign trade.

(3) Freedom of navigation on the Mekong was recognized. Conventions would be negotiated on the conditions for the passage of Cambodian and Laotian traffic on the river and through the port of Saigon.

M. Penn Outh, then Prime Minister of Cambodia, stated on Jan. 3, 1955, that the question of the attachment of the Cambodian piastre to the franc area would be discussed at a forthcoming Franco-Cambodian conference on the economic and financial relations between the two countries, and that meanwhile the piastre would maintain its parity with the French franc.—(Le Monde, Paris) **(Prev. rep. 11429 A.)**

C. ITALY. — Senate Ratification of Paris Agreements.

The Italian Senate, after a debate which had started on Feb. 24, ratified the Paris agreements on March 11 by 139 votes to 82, with no abstentions. The Government was supported not only by the three Coalition parties (the Christian Democrats, Democratic Socialists, and Liberals) and by the Republicans, but also by the Right-wing Opposition (the Monarchists and the members of the neo-Fascist Italian Social Movement); the opposing votes were cast by the Communists and the Left-wing Nenni Socialists.

The debate was wound up by Professor Martino, the Foreign Minister, who declared that Italy could not isolate herself and that any neutrality on her part would be the end, not only of her active participation in world affairs, but also of her independence. Replying to those who had expressed fear of German rearmament, Professor Martino said that "in a certain sense we all share the responsibility for the future of Germany insofar as her future democratic development is conditioned by the general democratic methods of the Europe which she is entering." No threat to peace was involved in bringing Western Germany into a Western European Union, of which Britain was a member and in which there was the "moderating and balancing weight of Britain's general position in Europe and in the world."

Before the final vote the Senate accepted a motion which called on the Government to support, after the ratification of the Paris agreements, any efforts to promote talks between the Western and Eastern Powers with the object of bringing about disarmament both in nuclear and conventional weapons under a proper scheme of international control

The Senate's decision completed the ratification of the Paris agreements by the Italian Parliament.—(Giornale d'Italia, Rome - Corriere della Sera, Milan - Times)

(Prev. rep. Chamber Ratification, 13974 D.)

MARCH 26—APRIL 2, 1955

A. FORMOSA SITUATION. — Nationalist Evacuation of Tachen and Nanchi Islands. - Reinforcement of Matsu and Quemoy. - British, U.S., Canadian and Indian Statements on Offshore Islands. - Adjournment of U.N. Debate on Cease-fire. - Soviet Proposal for 10-Power Conference. - U.S. Ratification of Defence Treaty with Nationalist China. - Increased U.S. Aid. - British Labour Party Resolution on Formosa.

The development of the international situation with regard to Formosa and the Nationalist-held offshore islands of China in February and March is described below under cross-headings.

Evacuation of Tachen Islands.

Following repeated and heavy Chinese Communist air attacks on the Tachen Islands (see map, page 14017) the Chinese Nationalist Government announced on Feb. 6 that the islands were to be evacuated. The announcement stated that the evacuation had been decided upon "in order to meet the new challenge of international Communist aggression," and so that the forces defending the Tachens could be redeployed "to strengthen the defence of other islands such as Quemoy, Matsu, etc." The State Department in Washington had announced on Feb. 5 that, at the request of the Chinese Nationalists, the U.S. Seventh Fleet had been ordered to help in the evacuation of the Tachens.

The evacuation accordingly took place on Feb. 7-11, a U.S. State Department announcement on the latter date saying that the operation—which was under the command of Vice-Admiral Pride—had been completed and that the U.S. naval and air forces which had taken part would now "resume their normal operations in the Formosa Strait." The statement added, however, that the U.S. forces would "be alert to any concentration or employment of Communist Chinese forces obviously undertaken to facilitate an attack upon Formosa, and will be prepared to take appropriate action." The evacuation of the islands—which included also the small islands of Yushan and Peishan, some 30 miles north and south of the Tachens respectively—was unopposed by the Chinese Communists, who withdrew all their forces from the area.

The only incident occurred on Feb. 9 when a U.S. plane on anti-submarine patrol was shot down by Communist anti-aircraft fire some 20 miles south-west of the Tachens, another plane was hit, but landed safely. Vice-Admiral Pride announced after the incident that the lost aircraft—whose crew were rescued by an American destroyer—had made an error in navigation.

The U.S. Seventh Fleet, in a communiqué issued on Feb. 13, said that it had employed 132 vessels and 400 aircraft in covering the evacuation, and that it had taken off 10,000 Nationalist troops, 4,000 guerillas, 14,500 civilians, and 40,000 tons of military equipment and supplies.

Shortly after the completion of the evacuation the Communist New China News Agency announced on Feb. 13 that the Chinese People's Liberation Army had "liberated Tachen, Yushan, and Peishan islands," that all "enemy-occupied" islands off the Chekiang coast had now been "liberated," except the southernmost, Nanchisan island, and that the "liberation" of the islands had "created favourable conditions for the liberation of Taiwan (Formosa) and other coastal islands." Earlier (Feb. 7) the Chinese Communist radio had described the U.S. assistance in the evacuation of the Tachens as a "war provocation against the People's Republic of China" and "a grave threat to the peace of the Far East."

Evacuation of Nanchi Islands.

The Nanchi Islands (of which Nanchisan is the most important), south of the Tachens and some 130 miles north of Formosa, were evacuated by the Chinese Nationalists on Feb. 23-25, about 6,000 troops and some 2,500 civilians being taken off. The evacuation, which was carried out despite repeated Nationalist assertions that the islands would be defended at all costs, was effected without assistance from U.S. forces. The islands were occupied by the Chinese Communist forces on Feb. 26.

Defence of Matsu and Quemoy.

Following their occupation of the Tachen and Nanchi Islands, the Chinese Communists renewed their attacks on the Nationalist-held islands of Quemoy and Matsu, the most important islands remaining in Nationalist hands besides Formosa and the Pescadores. The Nationalists reinforced their garrisons on the two islands, and by mid-March were reported to have more than 60,000 troops on Quemoy alone, whilst the Communists, who on March 25 announced that they were withdrawing a further six divisions from North Korea into China, were reported to be massing troops in Fukien Province on the mainland opposite the islands. It was also reported that the Communists had brought up heavy artillery pieces opposite Quemoy, putting the whole of the island within range of heavy artillery fire.

An attempted assault by 40 Communist motorised junks on Kaoteng Island (in the Matsu group) was driven off on March 4, whilst on March 14 the Nationalists announced that their aircraft had destroyed three Communist gunboats and seven armed junks west of Wu Yu Island, south-east of Amoy; apart from these engagements there was little activity during February and March except for exchanges of gunfire between Quemoy and the mainland opposite and Nationalist air attacks on Communist shipping.

The Chinese Nationalist Government continually reiterated their intention to defend Matsu and Quemoy and not to evacuate them, but opinion among the Western Powers remained divided. In Britain, Sir Winston Churchill stated on Feb. 23 that there was "a great deal of difference" between the coastal islands of China and the island of Formosa, whilst Sir Anthony Eden suggested on March 8 that the Nationalists should withdraw from all the coastal islands (see 14100 A). In the United States, on the other hand, where a number of leading Republicans argued that U.S. forces should go to the assistance of the Nationalists if Quemoy and Matsu were attacked, both President Eisenhower and Mr. Dulles refused to say what U.S. policy would be in that eventuality. In Canada, Mr. Lester Pearson (Minister for External Affairs) declared on March 24 that he did not consider a conflict over Quemoy or the Matsus "to be a situation requiring any Canadian intervention in support of the Chinese Nationalist regime." The Indian Prime Minister, Mr. Nehru, stated on Feb. 25 that the offshore islands were "obviously" parts of China and should be immediately evacuated by the Nationalists. The attitude of the various Governments is summarized below.

Nationalist China. General Chiang Kai-shek stated at a press conference on Feb. 14 that it had been made "perfectly clear" that the U.S.A. would defend the Matsu and Quemoy islands, as these two outposts were vital to the defence of Formosa itself. In no case, he said, would they be abandoned to the enemy. Similar statements were made by the Nationalist Foreign Minister (Mr. Yeh) on Feb. 18 and Feb. 25, and by the Prime Minister (Mr. Yui) on March 11.

Britain. Sir Winston Churchill, in his statement, said that, as there was no question of Britain being involved militarily in the defence of the coastal islands, "we should be careful of what advice we offer to our friends and allies on it." "The decision on whether or when these particular islands should be evacuated," he continued, "is not one the burden of which falls upon this Government, and we must recognize the natural preoccupations of other Governments who are immediately affected by the threatened attack from Communist China. This is especially true at a time when the Chinese Communists keep stridently asserting that the islands are to be regarded as a stepping stone to the seizure of Formosa itself, with all that that must mean for the Chinese Nationalists, who have been given shelter and protection there by the U.S.A., and to whom the U.S.A. are bound."

United States. Mr. Dulles made an important statement on the U.S. attitude when he addressed the Foreign Policy Association in New York on Feb. 16. Speaking of the U.S. mutual defence treaty with the Chinese Nationalists he said that it was important to note that the treaty, except where it related to U.S. territories, covered only the islands of Formosa and the Pescadores, and an armed attack against them. He also drew attention to the fact that U.S. armed forces had not been used to help the Chinese Nationalists retain the Tachen islands, but had in fact helped them to evacuate the islands and regroup their forces, thus avoiding "a bloody and wasteful battle which would have inflamed public emotions." The U.S.A. and Nationalist China had thus made an important contribution to the cause of peace.

"It has been suggested," Mr. Dulles went on, "that the Chinese Nationalists should go further and surrender to the Chinese Communists coastal positions which the Communists need to stage their announced attack on Formosa. It is doubtful that this would serve either the cause of peace or the cause of freedom. The Chinese Communists have been the initiators of violence in this area. They have already formally declared their intention to take Formosa by force. If the Chinese Nationalists now oblige by making it easier for the Chinese Communists to conquer Formosa, will they be less apt to do so? I gravely doubt it. The United States has no commitment and no purpose to defend the coastal islands as such. I repeat, as such. The basic purpose is to assure that Formosa and the Pescadores will not be forcibly taken over by the Chinese Communists." After referring to the Chinese Communists' declared intention of taking Formosa by force and using the coastal islands as a means to this end, Mr. Dulles said: "We shall be alert to subsequent Chinese Communist actions, rejecting for ourselves any initiative of warlike deeds. It is hardly to be expected, of course, that the Chinese Communists will renounce their ambitions. However, might they not renounce their efforts to realize their goals by force?"

Senator Knowland, the Republican leader in the Senate, declared on March 28 that he thought Quemoy and Matsu should be defended no matter what the cost "unless we are prepared to see all of Asia

go down the drain" A similar statement in favour of holding Quemoy and Matsu was made on the same day by Senator Bridges, chairman of the Senate Republican Policy Committee, who added that he had heard "in an informal way" that President Eisenhower and Mr. Dulles "will so decide"

President Eisenhower himself, answering questions at his press conference on March 30 about reports that the Chinese Communists planned to attack Quemoy and Matsu in mid-April, ruled out any further U S. commitments, but gave a warning that the surrender of the two islands would have to be weighed against the "disastrous impact" which such a policy would have on the morale of the Nationalist forces on Formosa. Asked if he thought that it would be possible to hold Formosa if Quemoy and Matsu were lost, the President answered that a "terrific burden" would fall on the forces and people of Formosa, and added that high morale was essential. "You have to have something to believe in if you're going to fight," he said. "We must be careful not to weaken or destroy their morale. That is always a military factor when you talk about surrendering this place or that."

Nevertheless he called upon Americans "to be patient and strong in your patience," lest the country be tempted into believing that the time had come for it to attack first in order to forestall an inevitable and imminent aggression, and gave a warning that "the cause of peace will not be served by making further commitments in that area, that is, commitments of intention." (The reports in Washington about an impending Chinese Communist attack on Matsu and Quemoy had originated in remarks made to reporters on March 24 by Admiral Carney, Chief of Naval Operations.)

Admiral Felix B. Stump, C.-in-C of the U.S. Pacific Fleet, visited Matsu on March 6 to inspect defences. He stated on March 7 that "if the United States is willing, we can defend anything against the Communists."

Canada. Mr. Lester Pearson, stating the Canadian position on the question, said that he thought a distinction, politically and strategically, could be made between Formosa and the coastal islands. "I do not consider a conflict over Quemoy or the Matsus to be a situation requiring any Canadian intervention in support of the Chinese Nationalist regime," he declared. "The fact that we have no commitments does not mean that we have no concern. We have a deep and abiding concern because of considerations which make isolation from these questions well-nigh impossible. Canadians understand and accept the inescapable interdependence of Canada and the U.S.A. in the policies required for our joint security and the preservation of peace. It does not mean that whenever the U.S.A. is engaged in any kind of war we are at war. It does not mean that we must participate in limited or peripheral war, although the danger of such war spreading gives us the right to express our concern. I have personally made known our serious doubts and anxieties to Mr. Dulles and have received from him a full statement of the American position and the reasons why it has been adopted . . ." Mr. Pearson said that it would be tragic if widespread hostilities were to develop over Quemoy and Matsu, as the two islands "are in effect part of the mainland, and their strategic role would seem to be more important in the defence of the mainland against attack than in offensive action against Formosa and the Pescadores." He concluded by saying that his main fear was that "even limited intervention by the U.S.A. might have a chain reaction with unforeseen consequences, which would cause the conflict to spread far beyond the locality where it began."

India. Mr. Nehru, who referred to Matsu and Quemoy in the course of a speech on foreign affairs to the House of the People, said: "There is hardly a country which does not recognize that the offshore islands, notably Quemoy and Matsu, are obviously and definitely parts of China . . . They are a few miles—five miles or ten miles—beyond the shore. And no country can tolerate any enemy sitting ten miles from their shore, bombarding them all the time. It is an intolerable situation. Therefore, it is almost generally recognized that those islands should immediately be evacuated and taken possession of by the Government of the mainland. But that has not been done . . ."

New Zealand Cease-fire Proposals. - Adjournment of Security Council Debate.

As a result of the rejection by the Chinese Communist Government of the Security Council's invitation to send a delegate to discuss New Zealand's cease-fire proposals (see page 14020), the Council accepted on Feb. 14 a British proposal that debate on the matter should be adjourned. At the same time it refused, by 10 votes to one (the Soviet Union), to consider the Soviet resolution complaining against U.S. "acts of aggression" against Communist China, or to act upon the renewed Soviet contention that Nationalist China should be replaced on the Security Council by a delegate from Communist China.

The British delegate, **Sir Pierson Dixon,** proposing that the debate on the matter be adjourned, said that the British Government was in consultation with other Governments and would welcome any constructive step. He thought that the attitude of the Peking Government was "unhelpful, to say the least," but that there was no point in rushing matters. For New Zealand, **Sir Leslie Monroe** said that his Government "profoundly deplores" the Chinese Communist reply to the Council's invitation, but would not relax its efforts to end a situation, the dangers of which "are now obvious to all." He added that it was "idle to pretend that the Chinese Communist attitude has not made the attainment of a cease-fire more difficult." After **Dr. Tsiang** (Nationalist China) had urged the Council to "muster enough courage to face the monstrous fact of international Communism in the Far East," the Soviet delegate, **M. Sobolev,** again urged adoption of the Soviet resolution. All the talk about a cease-fire, he said was intended only to cover up the "aggressive intent" of the U S.A, the danger of whose "aggressive acts" was on the increase, he referred in this connexion to the cover afforded by the U S. fleet for the redeployment of Nationalist forces [i.e. the evacuation of the Tachens] and to the shooting down of the U S. aircraft after it had invaded Chinese air space.

Mr Lodge affirmed that the U.S A. sincerely desired the ending of a situation which clearly endangered peace, and that in the U.S. view the Security Council should continue its efforts towards that objective. He emphatically denied the charges made by the Soviet delegate, which he called "the same trumped-up Communist mythology that has become so familiar to the world." and pointed out that M Sobolev in his speech had completely disregarded the proposal for a cessation of hostilities

Soviet Proposal for 10-Power Conference on Formosa.

Following discussions in Moscow between the British Ambassador (Sir William Hayter) and the Soviet Foreign Minister (M. Molotov), and in London between Sir Anthony Eden and the Soviet Chargé d'Affaires (M. Belokhvostikov), the Soviet Government proposed in a Note to Britain on Feb. 4 that a 10-Power conference should be called in February to consider means of resolving the Formosa question. The conference should be convened by Britain, the Soviet Union, and India, and should meet either in Shanghai or New Delhi; the other countries represented should be Communist China, France, Burma, Indonesia, Pakistan, Ceylon, and the United States. The British Foreign Office, however, in a statement issued on Feb. 12, expressed the view that any meeting on the question of Formosa would not have any useful result if Nationalist China were excluded, and that such a meeting should in any case "be organized in a form acceptable to the United Nations."

The Soviet proposal, the text of which was published on Feb. 12, reiterated that the present situation had resulted from the "seizure of Formosa and the Pescadores by the United States with the aid of Chiang Kai-shek" and referred to the rejection of its resolutions in the Security Council for the admission of Communist China to the U N "The unwillingness of the U.S A. and Britain . . . to take into account this just and lawful demand of the People's Republic of China," it continued, "makes it impossible lawfully and impartially to consider in the Security Council the question of the situation of Formosa and other Chinese islands, and the adoption by it of proper measures towards lessening the tension in that area and protecting the national rights of the People's Republic of China. With the aim of strengthening peace and lessening international tension in the Far East, the Soviet Government in the circumstances considers that it would be expedient to try and find other ways which would facilitate the settlement of the question . . " After listing the 10 countries which should participate in the proposed conference the Note declared that the proposal "would comply with the wishes expressed by Sir Anthony Eden regarding the need for joint efforts by Britain and the U.S.S.R. for solving unsettled international problems."

The British Foreign Office statement was worded as follows: ". . . H.M. Government have given the [Soviet] proposal serious examination. It was discussed with the Commonwealth Prime Ministers in London, and the U.S. Government were informed. Pending further exploration of the proposal, H.M. Government made certain observations to the Soviet Government. Their first comment related to the composition of the conference which, as proposed by M. Molotov, does not appear to be representative. In particular, they note that the Chinese Nationalist authorities in Formosa are to be excluded. H.M. Government are convinced that a conference that did not include both of the two parties most directly concerned could not have a useful result Their second comment was that the position of the U.N. should not be overlooked. In the opinion of H.M. Government it is desirable that any meeting for the discussion of the situation in the area of the coastal islands and Formosa should be organized in a form acceptable to the U.N. Finally, H.M. Government stressed once more their earnest hope that all concerned will continue to use their best endeavours to stop the fighting in the area and to reduce the risk of incidents which might have serious consequences. H M. Government asked for the views of the Soviet Government on these points and their reply has not yet been received."

Sir Anthony Eden stated in the House of Commons on Feb. 14 that the exchanges with the Soviet Government were not yet closed, and that he would make a further statement as soon as possible. Sir Winston Churchill, who was asked in the House of Commons on March 31 by Mr. Fenner Brockway (Lab.) whether, in view of the deterioration of the Far Eastern situation, it could be suggested to President Eisenhower that there should be a meeting of the heads of the U.S.A., Britain, France, the Soviet Union, and India to seek ways of preventing an extension of hostilities in the Formosa area, replied: "H.M. Government are prepared to examine any proposals which are likely to prevent an extension of hostilities in the area . . ." He agreed, however, with Sir Anthony Eden's statement of March 8 that the necessary conditions had not yet been brought about where progress could be made at such a conference.

U.S. Senate Approval of Defence Treaty with Nationalist China.

The U.S. Senate approved the mutual defence treaty with Nationalist China on Feb. 9 by 64 votes to six, the dissenting votes being cast by Senators Chavez, Gore, Kefauver, and Lehman (Dem.). Senator Langer (Rep.), and Senator Morse (then Ind.). Before the final vote two amendments by Senator Morse were defeated: (1) stipulating that the treaty was not to be interpreted as giving support to Nationalist claims to ultimate sovereignty over Formosa (rejected by 57 votes to 11); (2) specifically excluding Matsu, Quemoy, and the other coastal islands from the defence area of the treaty (defeated by 60 votes to 10).

British Labour Party Resolution on Formosa.

The National Executive Committee of the British Labour Party adopted a resolution on Feb. 23 in which it outlined the basis for a settlement of the Formosa situation as follows:

"(1) The first step towards such a settlement should be a cessation of hostilities upon both sides and evacuation of all the offshore islands by the Chinese Nationalist forces. The National Executive committee urge the Government to make it clear to the U S. Administration that it could not reckon on any military assistance from Britain in hostilities connected with the offshore islands, and to exert their influence with the U S.A. to obtain the withdrawal of Nationalist troops from those islands.

(2) The admission of the Peking representative to the U.N is an essential part of a Far Eastern settlement. Formosa and the Pescadores should be neutralized by international guarantee and placed under U.N. administration and protection which will ensure that in due course the people of those islands shall be free to make their own choice without intimidation from either side. This will involve the withdrawal of Chiang Kai-shek and his principal supporters.

(3) The National Executive Committee call on the Government to seek acceptance of such a settlement by both the U.S.A and the Chinese People's Republic."

Increased U.S. Aid to Nationalist China.

The U.S. Foreign Operations Administration announced in Washington on March 13 that it was allocating a further $48,000,000 to Nationalist China for the defence of Formosa. The new allocation, which included $3,000,000 for technical co-operation, was made available from the special $700,000,000 fund "for the support of forces of nations in the area of South-East Asia," and brought the total of U.S. aid to Formosa since July 1, 1954 to $138,000,000.—(New York Times - New York Herald Tribune - Times - Daily Telegraph - Manchester Guardian - U.N. Information Centre, London - Soviet Weekly - The Hindu, Madras) **(Prev. rep. 14081 A; 14017 A.)**

A. UNITED STATES. — Mr. Stassen appointed Special Assistant to President on Disarmament Problems.

Mr. Harold Stassen, head of the Foreign Operations Administration, was appointed by President Eisenhower on March 19 to a newly-created post of Special Assistant to the President on disarmament problems, with Cabinet rank. A White House statement said that Mr. Stassen would continue as head of the F.O.A. until the Administration's foreign aid proposals had been presented to Congress. In his new post he would "take into account the full implications of new weapons now in the possession of other nations as well as the United States, consider future probabilities of armaments, and weigh the views of the military, the civilians, and the officials of our Government and of other Governments." The statement added that the President's decision to create the new post had been prompted by the fact that the current disarmament discussions in London had "resulted in no progress and no clear thinking on this subject." The appointment of Mr. Stassen was the first occasion in any country that a Minister of Cabinet rank had been appointed to deal solely with disarmament problems. (New York Times - New York Herald Tribune) **(Prev. rep. Disarmament, 13993 A; Mr. Stassen, 13115 A.)**

B. TURKEY. — Aircraft Gift to Jordan.

The Turkish Grand National Assembly unanimously approved on Feb. 11 a proposal for the presentation of three Turkish military aircraft to the Jordanian Government, as a gesture of friendship to that country. The aircraft were handed over on March 1.—(New York Times) **(Prev. rep. Turkish-Arab Relations, 14105 A.)**

C. CORRIGENDUM. Through a regrettable error it was stated in report 14105 A (Middle East Defence), in the 11th paragraph in the first column of page 14105, that the treaty had been ratified by the two Houses of the Syrian Parliament. This should, of course, have read "by the two Houses of the Iraqi Parliament." (Ed. K.C.A.)

D. JAMAICA. — General Elections. - Victory for Mr. Manley's People's National Party.

General elections were held in Jamaica on Jan. 12 and resulted in a victory for the People's National Party, led by Mr. Norman Manley, which won 18 of the 32 contested seats, compared with 14 won by Mr. Bustamante's Jamaica Labour Party. At the dissolution the J.L.P. held 17 seats, the P.N.P. 14, and there was one Independent. This was the third general election to be held in Jamaica since the granting of virtual self-government, under Crown supervision, in November, 1944, and the first since the introduction of the ministerial system in 1953 (see 12931 C). Although Mr. Bustamante (who had been in office uninterruptedly since 1944) retained his seat, three of his Ministers were defeated—Mr. D. B. Sangster (Finance, and Leader of the House), Mr. J. A. McPherson (Labour), and Mr L. C. Bloomfield (Communications and Works).

The Jamaica Labour Party is anti-Socialist, drawing its support chiefly from the agricultural workers and enjoying the approval of most of the business community. The People's National Party, which was originally modelled on the British Labour Party, favours a moderate Socialism and draws its support from the middle classes and from the groups of workers who have joined the National Workers' Union.

Mr. Manley (a 61-year-old barrister and cousin of Mr. Bustamante) stated on Jan. 13 that his Government would work for complete self-Government in the shortest possible time; encourage the investment of foreign capital in Jamaica and guarantee it "fair play"; and intensify agricultural development in the island.—(Times - Commonwealth Survey) **(Prev. rep. 10791 B.)**

E. IRISH REPUBLIC. — Diplomatic Appointments.

It was announced in Dublin on March 29 that Mr. Brian Gallagher, Minister to Sweden and Norway, had been appointed Ambassador to Australia in succession to Dr. T. J. Kiernan, who would become Irish Minister to Germany.

Dr. Kiernan had been on leave for the past six months following the Constitutional difficulties arising out of the disagreement between the Australian and Irish Governments as to whether the proposed new Australian Ambassador should be accredited to "Ireland" (as demanded by Dublin) or to the "Irish Republic" (as proposed by Canberra). In consequence, the Australian Government had decided not to appoint a new Ambassador in Dublin and to be represented only by a Chargé d'Affaires, but it was pointed out in Dublin that the appointment of a new Irish Ambassador to Australia indicated that no change was contemplated by the Irish Government in its attitude towards Australia. In Canberra it was stated on March 29 that the new Irish ambassadorial appointment would not "reopen the question of Australian representation in Dublin."

Earlier, on Jan. 31, it had been announced that Mr. Leo T. McCauley, Irish Minister to Spain, had been appointed Ambassador of the Irish Republic to Canada, succeeding Mr. Sean Murphy, and that Mr. McCauley would himself be succeeded in Madrid by Dr. M. A. L. Rynne, legal adviser in the Department of External Affairs.—(Irish Times, Dublin - Australian News and Information Bureau) **(Prev. rep. Dipl. Appts., 13920 A; Credentials Dispute, 13466 B.)**

F. BRITISH WEST INDIES. — Princess Margaret's Caribbean Tour.

H.R.H. Princess Margaret made a month's official tour of the British West Indies from Feb. 1 to March 2. Leaving London on Jan. 31 in the B.O.A.C. Stratocruiser *Canopus* she visited Trinidad on Feb. 1-5, Tobago on Feb. 5, Grenada on Feb. 6-7, St. Vincent on Feb. 8, Barbados on Feb. 9-12, Antigua on Feb. 14-15, St. Kitts on Feb. 16, Jamaica on Feb. 19-24, and the Bahamas on Feb. 27-March 2, her journey between the Caribbean islands being made aboard the Royal yacht *Britannia*. Princess Margaret arrived back in London in the *Canopus* on March 3, and on March 8 was officially welcomed home at a luncheon given in her honour at the Mansion House by the Lord Mayor of London.—(Times - Daily Telegraph - Manchester Guardian) **(Princess Margaret, 13200 B.)**

G. CANADA. — Population.

The Bureau of Statistics announced on March 1 that the population of Canada on Jan. 1, 1955, numbered 15,439,000, an increase of 404,000 or 2.7 per cent over the 1954 figure. This compared with increases of 386,000 (2.6 per cent) and 388,000 (2.7 per cent) in 1953 and 1952 respectively. (Montreal Star) **(Prev. rep. 12175 C.)**

H. ALBANIA.—Ending of State of War with Germany.

The Albanian Telegraph Agency announced on March 18 that Albania had officially ended its state of war with Germany. (New York Times) **(Prev. rep. 14111 B.)**

A. BALKAN PACT. — First Meeting of Permanent Council. - Agreements on Formation of Balkan Consultative Assembly and Postal Communications. - Greek-Turkish River Regulation Agreement.

The first meeting of the Permanent Council of the three member-countries of the Balkan Alliance Treaty was held in Ankara from Feb. 28 - March 2. The meeting was attended by the Greek, Turkish, and Yugoslav Foreign Ministers (M. Stephanopoulos, Professor Koprulu, and M. Koca Popovich), as well as by the Turkish Prime Minister and Deputy Prime Minister (MM. Menderes and Zorlu).

An official communiqué issued on March 3 stressed the " complete cordiality and mutual confidence " in which the meeting had taken place, and said that one of its principal results had been the conclusion of an agreement for the establishment of a Balkan Consultative Assembly. The Ministers, the statement went on, had examined the international situation in the light of developments since the Bled conference in August 1954, and had come to the conclusion that there was no need to revise the declaration issued after the Bled meeting to the effect that the dangers of war had diminished as a result of the relaxation of international tension. Nevertheless, they had agreed that it was necessary, in order to bring about conditions of lasting peace, to continue their countries' efforts to consolidate their defensive power, and at the same time " to endeavour through all suitable political means to make use of the favourable conditions for improving the international situation."

Various measures had also been taken to strengthen tripartite co-operation, and it had been noted with satisfaction that " important success " had been achieved in this respect. " Keeping firmly in mind the need for developing and implementing these agreements [the Ankara agreement and the Bled alliance treaty], " both in the sphere of defence and in the economic, technical, cultural, and other spheres," the Ministers had decided to call in the near future a tripartite economic conference in order to examine the conditions and possibilities of mutual economic co-operation; had also agreed to devote special attention to the work of their economic experts in the examination of common economic problems within the Economic Commission for Europe; and had decided to set up in the near future a joint commission to work out the draft for the establishment of an Institute of Balkan Studies.

The agreement on the setting up of a Balkan Consultative Assembly contained the following provisions:

(*a*) The Assembly, as the joint organization of the three countries, would have the task of " examining all means of developing co-operation between them with the aim of ensuring peace and safeguarding their common interests, as well as achieving the well-being of the three peoples in all spheres of their mutual relations."

(*b*) The Assembly would submit to the three Governments, through the Permanent Council, recommendations and proposals for the attainment of these aims, and might also make suggestions regarding questions of general importance, whilst the Permanent Council might submit to the Assembly for examination all questions on which it considered it necessary to seek the Assembly's advice.

(*c*) The Assembly would consist of 20 members from each of the Parliaments of the three countries and would take its decisions by a majority vote of all the members of each national group present; members of the Permanent Council might take part in its work, but without having a vote.

(*d*) The mandate of the Assembly would be for two years, after which new appointments would be made. It would regularly meet once a year, but could be convened in special session if necessary. Its meetings would be held in the capitals or other cities of the three countries in rotation.

(*e*) When the agreement came into force the three Governments would set up within a month a tripartite commission to draw up the Assembly's constitution, which would then be submitted to each Government for approval.

On his return to Belgrade M. Popovich made a statement on the results of the meeting.

" The basic meaning of tripartite co-operation," he said, " is to contribute to the pacification of the international situation by making effective use of all existing possibilities to that end. In keeping with the changes in the international situation, and bearing in mind what we have already achieved through our co-operation, it is obvious that the ways and means of achieving that end cannot always be the same, with the emphasis always laid on certain particular aspects. It is thus clear that in the present conditions the main stress cannot be placed on military measures, especially if those measures emerged as support to a bloc policy about which Yugoslavia's attitude is well known. In view of the fact that the Ankara conference has drawn us closer to this aim, which I admit is not a modest one but which is nevertheless realistic, and in view of the fact that it has strengthened our conviction of the usefulness of our co-operation channelled in this direction, we have good reason to be satisfied with its results."

An agreement on postal communications between Greece, Turkey, and Yugoslavia was signed on March 19, providing *inter alia* for a reduction of postal and telephone tariffs in order to stimulate communications between the three countries.

Earlier, on Feb. 20, the Turkish and Greek Ministers of Public Works, respectively M. Zeytinoglu and M. Karamanlis, had signed an agreement in Istanbul providing for the joint execution of works for the regularization of the rivers Maritza and Tunja, which form the boundary lines between Greece and Turkey in Thrace. These works, which will control floods and irrigate large tracts of fertile land on both sides, are to be completed in five years at a total cost equivalent to about £12,000,000.—(Tanjug Agency, Belgrade - Turkish Embassy, London - Times) **(Prev. rep. 13999 B.)**

B. MALTA. — Elections. - Labour Party Victory. - Government formed by Mr. Mintoff.

General elections were held in Malta on Feb. 26-28, following the dissolution of the Legislative Assembly on Dec. 18, 1954.

Dr. Borg Olivier's Cabinet (which was based on a coalition between Dr. Olivier's Nationalist Party and Dr. Boffa's Malta Workers' Party) had been defeated in the Assembly on Nov. 23 by 20 votes to 19, on a motion for the adjournment of the House moved by Mr. Dominic Mintoff, leader of the Malta Labour Party. The defeat of the Government followed the defection of Mr. J. J. Cole, deputy leader of the Workers' Party and Minister of Emigration and Labour, who resigned from both the Cabinet and the Workers' Party on Nov. 18 on account of differences with the Prime Minister on the policy to be followed towards the British Government's offer to transfer responsibility for Maltese affairs from the Colonial Office to the Home Office. After Dr. Olivier and Mr. Mintoff had both failed to form a new Administration which could command the support of a majority, the Governor (Major-General Sir Robert Laycock) issued a proclamation dissolving the Assembly.

The elections were contested by the Labour Party, the Nationalist Party, and the conservative Progressive Constitutional Party, led by Miss Mabel Strickland; the executive of the Workers' Party had decided not to put forward any candidates. The Labour candidates included a number of former members of the Workers' and Constitutional parties, among them Mr. Cole and Mrs. de Trafford, a sister of Miss Strickland. The Labour Party's election manifesto, published on Jan. 16, advocated the " gradual incorporation of Malta into the political, financial, and social institutions of the British Isles under a 20-year plan to turn Malta into an integral part of Great Britain, with representatives at Westminster and enough safeguards to keep intact the full rights and privileges of the Roman Catholic Church." It also proposed that Malta, like Northern Ireland, should retain its own Parliament; promised that the Labour Party if returned would submit its plan for integration to a national referendum; and suggested as an alternative to this plan Malta's secession from the Commonwealth and the conclusion of a 20-year treaty of friendship with Britain. The Nationalist Party, on the other hand, advocated Dominion status for Malta inside the Commonwealth.

The elections, which were held under the proportional representation system, resulted in a victory for the Labour Party, the distribution of seats being as follows:

	1954	1953
Malta Labour Party	23	19
Nationalist Party	17	18
Malta Workers' Party .. .	*	3
Progressive Constitutional Party ..	0	0

* Did not contest the elections.

Dr. Olivier resigned on March 8, and on the Governor's invitation Mr. Mintoff formed a new Government on March 10, with the following membership: Mr. Mintoff, Prime Minister and Finance; Mr. J. E. Mercer, Works; Dr. A. V. Hyzler, Health and Social Services; Mr. F. Bonaci, Industry and Commerce; Miss A. Barbara (the first woman to hold Cabinet office in Malta), Education; Dr. J. Cassar, Justice; Mr. J. J. Cole, Posts and Agriculture; Mr. E. C. Tabone, Emigration and Labour.

The new Assembly was opened on March 21, in the presence of the Duke of Edinburgh. In the Speech from the Throne Sir Robert Laycock announced that the Government had appointed a National Employment Board to ensure the fair and impartial allocation of employment, and proposed to promote emigration, to increase old age and other pensions, to extend full time education to all primary school children, and to undertake a programme of school building. As the funds made available by the British Government for capital expenditure were running out, the Government would engage an expert economist " to advise them, not only on the economic aid that they could legitimately claim from the Government of Britain, but also on the shape it could take to fit in with the Labour Government's well-known views on the Home Office offer." One of the Government's major tasks in the next few months, he added, would be " the preparation of Malta's case and its submission at the London talks."

Mr. Hopkinson, the Minister of State for Colonial Affairs, told the House of Commons on March 16 that the Colonial Secretary, Mr. Lennox-Boyd, hoped to have round-table talks with Maltese party leaders in the next two or three months to discuss " the so-called Home Office offer and related topics." (Times - New Commonwealth)**(Prev. rep. 13664 C; 13475 B.)**

A. PAKISTAN. — Dispute over Dissolution of Constituent Assembly. - Sind Court's Ruling reversed by Federal Court. - Governor-General's Emergency Powers Ordinance.- Preparations for Formation of West Pakistan.

Hearings started on March 1 before the Federal Court of Pakistan on the appeal of the Government of Pakistan against the decision of the Sind Chief Court of Feb. 9, which declared the Governor-General's proclamation of Oct. 24, 1954, dissolving the Pakistan Constituent Assembly to be illegal, and held that the five members of the Central Government who were not members of the Assembly were not entitled to exercise their ministerial offices.

The Chief Justice, Mr. Mohammed Munir, declared on March 3 that the question presented for judicial determination was a political issue, that it would therefore be better for the parties to reach a settlement about the question of dissolution among themselves, and that meanwhile the hearings could proceed. As a compromise solution it was suggested that the Government might hold a general election at an early date and that the Constituent Assembly should agree to dissolve itself.

Private negotiations were accordingly held in Lahore between the Advocate-General, Mr. Fayyas Ali Khan, representing the Government, and Mr. Chundrigar, counsel for Mr. Tamizuddin Khan, the President of the dissolved Constituent Assembly, but although the Ministers of Finance, the Interior, and Law (respectively Mr. Mohammad Ali, Major-General Iskander Mirza, and Mr. Suhrawardy) went to Lahore to take part in the discussions, the talks failed as Mr. Tamizuddin's authority to speak for the other Assembly members could not be established.

After further hearings the Court announced on March 21, by four votes to one, that it accepted the Federal Government's appeal against the judgment of the Sind Chief Court; it accordingly set aside this judgment and ordered that both writs of *mandamus* and *quo warranto* be recalled. The text of the Federal Court's Order was as follows :

" We hold that the Constituent Assembly, when it functions under sub-section (1) of Section 8 of the Indian Independence Act, 1947, acts as a Legislature of the Dominion within the meaning of Section 6 of that Act; that under sub-section (3) of the latter the assent of the Governor-General is necessary to all legislation by the Legislature of the Dominion; that since Section 223-*a* of the Government of India Act, under which the Chief Court of Sind assumed jurisdiction to issue the writs, had not received such assent, it is not yet law and that therefore that Court had no jurisdiction to issue the writs. We accept the appeal, set aside the judgment of the Chief Court of Sind, and recall both the writs. The parties will bear their own costs throughout."

Regarding the question of the Governor-General's power of dissolution of the Constituent Assembly, the Chief Justice said, in reply to Mr. Chundrigar: " We purposely did not go into this question."

Justices Akram, Sharif, and Rehman agreed with the Chief Justice, whilst the dissenting opinion was given by Mr. Justice Cornelius.

Commenting on the Federal Court's decision, Mr. Suhrawardy said on March 21 that the judgment had saved Pakistan from " the danger of disturbances and chaos," which would inevitably have followed the " foisting " on the country of a Constituent Assembly which the people did not want. He also said that the judgment ruled out the possibility of " naked military dictatorship," and stated that the Government would now summon without delay a convention of representatives elected by the existing Provincial Legislatures to frame a new Constitution and to pass the one-unit plan for West Pakistan. General elections would then be ordered as soon as possible.

It was officially pointed out in Karachi on March 22 that more than 45 Acts on the Statute Book stood invalid for lack of the Governor-General's assent as a result of the Federal Court's decision that this assent was required for all legislation. In view of this situation, and to enable the undisturbed government of the country to continue, the Governor-General, Mr. Ghulam Mohammed, issued on March 27 an Emergency Powers Ordinance containing the following provisions :

Validation of Laws. The first part of the Ordinance validated with retrospective effect 35 of those laws which had been passed by the Constituent Assembly but had not received the Governor-General's assent; it provided that the validated laws were deemed to have received the assent of the Governor-General.

Amendments to Government of India Act. The second part (*a*) provided *inter alia* that " the Annual Financial Statement when authenticated by the signature of the Governor-General shall be authority for the expenditure of the several sums specified therein "; (*b*) empowered the Governor-General to make such provision as seemed to him to be necessary to constitute the Province of West Pakistan on a specified date; and (*c*) also gave him power as from the same date to declare by special notification that the Province of East Bengal should henceforth be named the Province of East Pakistan.

Constitution. The third part of the Ordinance empowered the Governor-General to make such provision as he considered necessary for the purpose of framing the Constitution of Pakistan and for other matters connected therewith.

On March 28 the Governor-General issued an Order laying down that the new Province of West Pakistan should come into being as early as possible and not later than May, and investing the Council for the Administration of West Pakistan with powers to take the necessary steps to set up the administration of the new Province. The Council, which had been sitting under the chairmanship of Mr. M. A. Gurmani, the former Minister for the Interior, States, and Frontier Regions, and now Governor of the Punjab, had earlier in March submitted to the Governor-General its report on the details of the new set-up and the necessary adaptation of the administration, laws, and public services.

In accordance with the Council's recommendations, the Governor-General's Order laid down that Lahore would become the capital of West Pakistan, whilst a suitable site would be developed in the Abbottabad area as a summer capital; that the new Province would be divided into 50 districts grouped into 11 divisions; and that it would comprise the existing Provinces of Punjab, the North-West Frontier Province, Sind, and Baluchistan, as well as the States of Bahawalpur, Khairpur, and Baluchistan, and the tribal areas. The new Province would have one Governor, one Council of Ministers, one Legislature, and one Secretariat; there would be one High Court at Lahore, with benches functioning at Karachi and Peshawar; and a West Pakistan Power and Projects Authority would be set up as a semi-autonomous body to deal with hydro-electric development, expansion of irrigation, flood control, inland navigation, and land reclamation.—(Pakistan High Commissioner's Office, London - Times) **(Prev. rep. Constitutional Dispute, 14066 A; West Pakistan, 13972 A.)**

B. ITALY - UNITED STATES. — Trade and Aid Agreements.

An agreement initiating a new system of " trade and aid " to stimulate Italian exports and employment was signed in Rome by Signor Vanoni, the Italian Budget Minister, and Mr. Henry J. Tasca, head of the FOA mission in Italy, on Jan. 7.

The agreement provided for the supply of American coal to Italy, in return for which Italy would supply an equivalent value in manufactured goods to other countries to whom U S. aid had been allocated; thus countries in the Middle East or Africa might, for instance, receive Italian-made machinery as part of their aid from the U.S A.

As regards Italian imports of U.S. coal, the agreement laid down that such imports " will not displace normal imports of coal by Italy from the U.S.A and from countries friendly to the U.S.A." As Italy normally obtains most of her coal from the U.S.A., Britain, Western Germany, Belgium, Luxemburg, and Poland, this stipulation meant that the additional American coal supplies would replace part or the whole of the 800,000 tons annually bought by Italy from Poland.

Under an agreement of Feb. 11, the U.S.A. made available a total of $53,000,000 in U.S. aid in support of the Italian economy.

Of the total, $15,520,000 represented new money from U.S. mutual security funds to be used to finance Italian cotton imports from the U.S A., whilst the lire counterpart funds arising from the sale of such cotton to Italian manufacturers would be applied to the construction of roads and other productive public works in Southern Italy.

The remaining $37,500,000 represented lire counterpart funds which had accumulated from Marshal Aid to the Trieste Free Territory during the period of Allied military government, the agreement providing that these funds would be used by the Italian Government for the benefit of the Trieste economy.

The agreement was contained in an exchange of letters between Signor Scelba, the Italian Prime Minister, and Mrs. Clare Boothe Luce, the U.S. Ambassador in Rome.—(Corriere della Sera, Milan - New York Times - New York Herald Tribune) **(Prev. rep. Economic Aid, 13357 A.)**

C. AUSTRALIA. — Diplomatic Appointments.

It was announced in Canberra on Feb. 23 that Mr. H. A. McClure Smith, Australian Minister in Cairo since 1953, had been appointed Ambassador to the Netherlands in succession to Mr. Alfred Stirling. On March 3 it was announced that Mr. Stirling would succeed Sir Keith Officer (retiring) as Australian Ambassador in Paris.—(Australian News and Information Bureau) **(Prev. rep. 14023 B.)**

D. PANAMA.—Ratification of New U.S.-Panamanian Treaty.

President Arias of Panama enacted on March 15 a Bill passed by the Panamanian National Assembly ratifying the new treaty between Panama and the U.S.A. concerning the U.S. use of the Panama Canal.—(New York Times) **(14066 B.)**

A. UNITED KINGDOM. — Royal Navy. - Estimates, 1955-56. - The First Lord's Review. - Strength of Navy. - Post-War Naval Construction. - Submarine Launchings. - Commissioning of "Ark Royal." - Reclassification of Naval Officers.

The Navy Estimates for 1955-56 were published on Feb. 22 and are summarized below.

The net total of £340,500,000 shown in the Defence Estimates included about £127,000,000 for the building and repair programme, of which £40,000,000 was for new construction. The principal items were (1954-55 figures in parentheses): Hulls and Machinery £39,600,000 (£50,300,000); Armour, Gun Mountings, etc. £12,100,000 (£9,400,000); Aircraft and Repairs £23,100,000 (£24,000,000); Ship Repairs, etc. £14,100,000 (£9,500,000); Fuel and Lubricants £18,900,000 (£20,500,000); Stores, Equipment, etc. £38,400,000 (£48,400,000); Guns, Torpedoes, Mines, etc. £6,900,000 (£8,300,000), Ammunition £10,800,000 (£15,100,000).

The Estimates provided for a manpower strength of 133,000 on April 1, 1955 and a reduction of about 6,000 during the year; it was pointed out that the "disturbing decline" in Regular recruiting had continued during 1954-55; that between 1953 and April 1956 nearly 25,000 special engagement men would have completed their service; and that although it was intended to place about 5,000 National Servicemen in the Navy, the number could not be increased indefinitely as this would involve a disproportionate demand on training resources.

An accompanying memorandum by the First Lord of the Admiralty, summarizing "the role of the Navy in the age of thermo-nuclear weapons," explained that the concentrated main fleets of previous wars would in future conflicts be replaced by carriers operating the latest aircraft, powerful cruisers equipped with guided weapons, submarines, and escort vessels to keep the sea lanes clear for supplies. These ships, by their ability to disperse and reconcentrate at will, would "provide the strength on which all other naval activities depend," and would form "a mobile offensive force—elusive and hard-hitting—which can be quickly deployed wherever it is required."

Stressing that although the Navy still had "a sound nucleus of strength," the average age of the fleet was now too high, and that the point had been reached when "a substantial replacement programme is essential," the memorandum declared that the guided-weapon ship would "effect changes in naval warfare comparable to the change brought about by the introduction of the Dreadnought." The guided missile, it stated, was far enough developed for the Admiralty to proceed with the design and construction of operational ships to replace the ageing cruiser fleet. The first application would be a purely ship-to-air weapon of "great lethality," which would enormously improve defence against air attack even by the fastest modern aircraft, but in the years ahead a system would be developed capable of operating a ship-to-ship weapon from the same equipment. To fill the gap before these guided-weapon ships came into service, the three *Tiger* class cruisers would be completed and the best of the existing cruisers would be modernized.

Turning to aircraft-carriers, which "made up the fists of the fleet and provided it with a formidable punch," the memorandum stated that during the coming year the operational fleet would include the heavy carriers *Ark Royal* and *Eagle* and the light fleet carriers *Albion* and *Centaur*, whilst the *Bulwark* would be engaged on aircraft trials and training; meanwhile the *Hermes* was being completed and the *Victorious* extensively modernized. These modern carriers, equipped with angled decks, steam catapults, and mirror landing devices, would be able to operate the latest types of aircraft, including those able to deliver atomic bombs.

After stating that two fleet escort ships (embodying the latest developments in the destroyer field), eight "general purpose" frigates (able to give anti-submarine and anti-aircraft protection), and 10 more coastal minesweepers would be ordered, the memorandum gave the present strength of the Royal Navy as:

Fighting ships in commission, 247.
In reserve, or undergoing refit, modernization, or conversion, 481.
Under construction, 146.

These categories included the following:

Ships in the Operational Fleet, or preparing for service: Four aircraft-carriers, one battleship, nine cruisers, seven *Daring* class ships, 22 destroyers, 30 frigates, one minelayer, 43 submarines, 32 minesweepers, 26 coastal craft, seven landing vessels.

Ships engaged in trials and training: Four aircraft-carriers, one cruiser, three destroyers, 22 frigates, 23 minesweepers, four coastal craft, one tank landing ship.

Ships in course of construction: Four aircraft-carriers (including two on which work had been suspended and one completing for the Royal Australian Navy), three cruisers, 26 frigates, two submarines, 94 minesweepers, and 10 coastal craft.

Ships in reserve or in dockyards for refits, modernization, or conversion: Seven aircraft-carriers, four battleships, 14 cruisers, one *Daring* class ship, 57 destroyers, 115 frigates, two minelayers, 14 submarines, 165 minesweepers, 42 coastal craft, and 58 tank landing vessels.

As regards the Fleet Air Arm, it was stated that the *Sea Hawk* and *Sea Venom*, which at present provided the day and all-weather fighter strength, would in time be replaced respectively by a new fighter, the N 113 [reported in the Press to be a development of the *Supermarine 525* swept-wing twin-jet aircraft shown at Farnborough in 1954], and the DH 110 all-weather fighter; both of these, for which orders had already been placed, would have greatly improved performances and would be able to carry guided missiles. For strike operations a replacement had been planned for the *Wyvern*; this new aircraft, which would be able to carry atomic bombs, would have far greater range and speed than previous aircraft of its type. The number of F.A.A. pilots and observers was now satisfactory.

In conclusion, the memorandum spoke of the "encouraging advances" achieved with anti-submarine detectors and locators for use on the surface, underwater, or by aircraft and helicopters, as well as of improvements in mine locating and sweeping techniques and the "great promise" shown by the performances of new types of torpedoes both as regards range and accuracy.

The Estimates were passed by the House of Commons without a division on March 3.

Mr. J. P. L. Thomas (First Lord of the Admiralty), moving their adoption, said that in spite of predictions that the coming of the hydrogen bomb would make naval forces obsolete, the Government had accepted the opinion of scientists and strategists that the Navy still had a vital role to play. Although Britain could no longer control the seas alone, there had been an "extraordinarily successful" integration of the Allied navies, and if war came the British contribution would be formidable even before the guided weapons and new naval aircraft had arrived. The five latest aircraft carriers were among the most modern in the world, and since rearmament began in 1950 over 120 new or modernized ships had either joined the fleet or were ready to do so.

The criticism had been made that these small ships were no answer to the new Russian cruisers of the *Sverdlov* class, but the real answer to the *Sverdlovs* was the carrier and its aircraft. The Navy had also been accused of spending too much on small anti-submarine and anti-mine vessels, but the Russian submarine force which could menace Britain's trade routes was formidable, and Russia was also concentrating on mine-laying. It had been argued, too, that the number of submarines given in the Estimates was not large enough, but it was not customary to give particulars of operational submarines until they were launched; in actual fact they were building modern submarines, some with very high submerged speeds, and more midget submarines were coming into service.

The cruiser fleet was admittedly ageing, but these vessels would be able to give a good account of themselves in a "hot" war and performed valuable service in peace. The Admiralty, however, would not build any more conventional cruisers and would concentrate on guided-weapon ships, which would be over 10,000 tons and were the obvious successors to the cruiser. An exception had been made for the three *Tiger* class cruisers, which had been awaiting the latest gun armament. This was now ready, and the new guns would be almost entirely automatic and would fire a new design of shell at a very high rate. The Admiralty had therefore decided to complete these ships at a total cost of £18,000,000—i.e., about the cost of one new cruiser today.

Turning to naval aircraft, Mr. Thomas explained that during 1955-56 the re-equipment of the front line with jet and turbo-prop planes in day fighter, all-weather fighter, strike, and anti-submarine roles would be completed, and that the Fleet Air Arm would be equipped with *Sea Hawks*, *Sea Venoms*, *Gannets*, and *Wyverns*. The last-named, which had been the first military turbo-prop aircraft, had had an unusual number of "teething troubles," but the latest reports were "reasonably hopeful" that they would shortly be cleared for operation from carriers; meanwhile the *Whirlwind* helicopter had demonstrated its great possibilities in the anti-submarine role.

Although the various new types of aircraft would be expensive, substantial economies would be made in other directions, experience with the angled deck and mirror sights indicating that there would be a marked decrease in deck landing accidents. Mr. Thomas added that the conversion of R.N.V.R. fighter squadrons to jets was planned for 1955, and that within the next year or two R.N.V.R. divisions would receive *Sea Hawks*, *Gannets*, and *Sea Mews*; the actual number of aircraft allotted to the R.N.V.R. would, however, have to be reduced by about one-fifth, together with some reduction in aircrew.

As regards the role of the aircraft-carrier and the development of the guided-missile ship, Mr. Thomas explained that expert advice given to the U.S. and British navies supported the conception of the carrier battle-group in a nuclear war as "a self-protecting, largely self-contained mobile airfield." In the last war only 39 carriers had been sunk out of 226 used by all sides, and only four of these had been sunk by shore-based aircraft. In a future war the carrier battle-group, with its fighter screen and early-warning aircraft, might well be relatively immune from some of the most formidable modern weapons. As to guided-weapon ships, equipment would take longer to complete than the hulls, and the Government intended to order much of the equipment this year, so that the building of ships could proceed. Mr. Thomas added that the ship-to-air missile would be tested at sea during 1956 in the guided-weapon ship *Girdleness*.

Dealing with manpower and recruitment, the First Lord explained that the problem was particularly acute in the seaman and stoker-mechanic branches and in the Royal Marines, where the situation was sufficiently disturbing for the Admiralty to have initiated an inquiry. There was, however, available on call an immediate highly-trained first reserve of over 80,000 officers and men, with a considerably larger list of emergency reservists.

For the first time for 30 years, Mr. Thomas continued, a review of the officer structure had been begun, and three major problems had come to light: (1) the base of the career pyramid was too large to provide a satisfactory prospect for those reaching commissioned rank through the cadet entry or "upper yardman" schemes; (2) the problem arose of giving executive officers enough time in command at sea to be certain that operational direction remained first-class; (3) the higher direction must include officers with first-hand knowledge of aviation matters. The following steps would therefore be taken to deal with these and allied problems:

(1) The rate of cadet entry would be reduced, to give those entering a better chance of promotion to the rank of commander and above.

(2) The number of officers given sea commands would be limited to those who might one day command fleets or squadrons, since to attempt to give all executive commanders and captains the necessary sea experience would mean that none would get enough.

(3) At a certain point in their careers, executive officers would be placed on one of two lists: (*a*) the sea-going or post list, or (*b*) the general list. Officers on (*b*) would be needed in command of establishments and on staff and administrative duties, and many such appointments would qualify their holders for promotion up to flag rank where recent sea experience was not considered indispensable. This change would come into force immediately for commanders and captains of certain seniorities.

(4) To increase the proportion of permanent officers who were qualified pilots or observers, and to avoid a shortage of general service officers caused by having a vast number of cadet entry officers devoted exclusively to flying, it was intended that a number of pilots and observers should leave the Fleet Air Arm after seven years and go on as general service officers. For those remaining in the F.A.A. there would be one commission in the rank of lieutenant in a non-flying appointment at sea and another in the rank of commander to help keep them qualified for sea-going command.

(5) In order to attract young men to the engineer, electrical and supply, and secretariat branches, and to give them scope in the higher ranks, rules governing marks of respect would be changed and differences in treatment between senior officers of the executive and non-executive branches would largely disappear. The coloured distinction cloth worn between the stripes of officers of the non-executive branches would be abolished except in the medical and dental departments, which must be recognizable as non-combatant.

In conclusion, Mr. Thomas deprecated "rumours that a number of officers are likely to be axed," saying that, whilst it was "difficult to look far ahead" in personnel matters, he had seen "nothing in the course of the review to give any reason to believe that there was any necessity for a measure of this kind."

An account of naval construction since the war was given by the naval correspondent of *The Times* on Feb. 22, and is summarized below:

No battleship had been laid down since 1941, and the five remaining in reserve or in dockyard hands were now regarded as super-cruisers. The building of most other types of warship had, however, continued, the position being as follows.

Aircraft-Carriers. Two large carriers of 36,800 tons, the *Ark Royal* and *Eagle*, had been completed, as well as three of the four *Hermes* class ships, the fourth (the *Hermes* herself) being due to join the Fleet later in 1955. The wartime-built *Victorious* had been drastically modernized and might come into service in 1956. Three light fleet carriers, the *Theseus*, *Triumph*, and *Warrior*, all completed in 1946, were now obsolescent and could render their most useful service as escort carriers. Two 14,000 ton carriers, launched in 1945, remained uncompleted. No further carriers were on the stocks.

Cruisers. Although one cruiser, the *Superb*, had been completed since 1945, no existing cruiser had been laid down after 1942, two more modern ships, the *Hawke* and *Bellerophon*, having been cancelled in 1946. The three *Tiger* class cruisers (*Blake*, *Defence*, and *Tiger*), laid down during the war and now to be completed with the new quick-firing gun armament, would not be in service for several years. There were no cruisers on the stocks.

Destroyers. Eight ships of the *Daring* class—used tactically as light cruisers rather than as conventional destroyers—had been completed since 1945, as well as 38 destroyers laid down during the war. It seemed probable that no further conventional destroyers would be laid down and that "destroyer" duties would fall to frigates of specialized type.

Submarines. Besides the *Explorer* and *Excalibur*, having exceptionally high underwater speeds (see below), 19 submarines laid down during the war had since been completed, and some submarines of an interim type were now on order.

Miscellaneous Vessels. Vessels completed included fast patrol boats, seaward defence boats, fleet auxiliaries, and minesweepers.

The submarines *Stickleback* and *Shrimp*, the first two of a new class of "midget" submarine, 54 ft. long and having a crew of five, were launched from the Barrow-in-Furness shipyard of Vickers-Armstrong Ltd. on Oct. 1 and Dec. 30, 1954, respectively. The fast submarine *Excalibur*, the sister ship of the *Explorer*, was launched at Barrow in March 1954 (see 13493 A).

The aircraft carrier *Ark Royal* (36,800 tons displacement), the first carrier equipped with the angled deck, steam catapult, and mirror sight to be accepted into service, was commissioned at Birkenhead on Feb. 22. The *Ark Royal* is 800 ft. long, will have a peacetime complement of 2,200, and is fitted with remote engine-room control—which will enable her to keep on sailing without a single man in the engine room—as a precaution in the event of radio-active air being sucked into the engine-room after an atomic explosion near the ship.
(Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. 14089 A; 13493 A.)

A. BRITISH COLONIAL EMPIRE. — U.K. Gifts to Dependencies.

The Chancellor of the Exchequer, Mr. R. A. Butler, indicated, in reply to a question in the House of Commons on Dec. 21, 1954, that the total value of gifts of money made or promised by the United Kingdom to its dependencies and Mandated Territories since 1920 was £529,700,000. Of this, £107,300,000 represented grants to Palestine and Transjordan between 1921-22 and 1949-50, and £55,400,000 waivers of claims on Burma arising from the second world war. The remaining £367,000,000 consisted of gifts to Colonial territories made up as follows:

	£ sterling			
	Issued 1920 to 1953-54	Estimated 1954-55	Further amount promised	Totals
Colonial Development and Welfare	104,233,042	18,000,000	48,435,958	170,669,000
Grants in aid of administration	38,729,029	2,413,348	—	41,142,377
Grants in aid of reconstitution and rehabilitation	6,970,884	1,344,000	725,362	9,040,246
Grants to Malta for war damage	20,492,000	2,651,718	6,856,282	30,000,000
Far East war damage compensation	20,816,667	—	—	20,816,667
Grants for internal security (Malaya, Africa, West Indies)	20,302,159	14,533,000	4,000,000	38,835,159
Cost of Forces in Malaya	18,910,000	—	—	18,910,000
Food subsidies	2,567,000	—	—	2,567,000
Miscellaneous	9,834,456	1,469,269	443,750	11,747,475
Totals	242,855,237	40,411,335	60,461,352	343,727,924
Claims Waived				
Loans written off under Colonial Development and Welfare Act, 1940	10,150,000	—	—	10,150,000
Cost of military administration in Far East	10,000,000	—	—	10,000,000
Defence expenditure in Fiji	2,068,000	—	—	2,068,000
Cancellation of North Borneo commitments for period prior to Dec. 31, 1946	1,095,000	—	—	1,095,000
Totals	23,313,000	—	—	23,313,000
Grand Totals	266,168,237	40,411,335	60,461,352	367,040,924

(Commonwealth Survey) **(Prev. rep. 12164 D.)**

B. PANAMA. — Ambassador in London.

Dr. Roberto Arias (36), son of a former President of Panama (Señor Harmodio Arias, who held that post in 1931 and 1935), and nephew of ex-President Arnulfo Arias (President in 1940 and 1948-51), was appointed Panamanian Ambassador in London on Feb. 15. He is the husband of Margot Fonteyn, the famous British *prima ballerina*, and was lately Panamanian representative at the United Nations. (Times)

C. DENMARK. — Commission for Peaceful Development of Atomic Energy.

It was announced in Copenhagen on March 8 that the Danish Government had appointed a commission to develop the use of atomic energy for peaceful purposes, and that the chairman of the commission would be Professor Niels Bohr, the famous physicist and Nobel prizewinner.—(Berlingske Tidende, Copenhagen - Politiken, Copenhagen)

D. AUSTRALIA. — New Chief of Naval Staff.

Rear-Admiral R. R. Dowling, flag officer commanding the Australian Fleet since December 1953, assumed office on Feb. 24 as First Naval Member and Chief of Naval Staff in succession to Vice-Admiral Sir John Collins, retiring.
(Australian News and Information Bureau)
(Prev. rep. Admiral Collins, 6473 A.)

A. INDIA. — Congress Victory in Andhra Elections. - Fall of Praja Socialist Ministry in Travancore-Cochin. - Formation of Congress Ministry. - New Ministry in Delhi.

Elections to the Andhra Legislative Assembly were held on Feb. 11-27, all the 196 seats (in 167 constituencies) being contested except three for which Congress candidates were returned unopposed. The elections resulted in an overwhelming victory for the United Congress Front (comprising the Congress, *Krishikar Lok*, and Praja parties), which won a little under half the votes and 146 of the 196 seats. The Communist Party suffered a serious setback in that it won only 15 seats, although receiving over 30 per cent of the votes. The distribution of seats between the various parties was as follows:

United Congress Front:	
Congress Party	119
Krishikar Lok Party	22
Praja Party	5
Communist Party	15
Praja Socialist Party	13
Independents	22

Prior to the elections, the Praja Socialist Party had formed an electoral alliance on Dec. 12, 1954, with the Krishikar Lok Party and the Scheduled Castes Federation; on Dec. 24, however, the *Krishikar Lok* Party reached an agreement with the Congress and Praja parties to fight on a common platform under the name of the United Congress Front, with the result that its alliance with the Praja Socialists broke down. In view of the strength of the Communists in certain parts of Andhra and their declared aim to become the dominating party in that State, the elections were regarded by the Congress Party and its associates as a contest of national importance, and Mr. Nehru himself, as well as the Congress President, Mr. Dhebar, visited Andhra during the election campaign. The main points in the three opposing party programmes, all of which laid their primary emphasis on agrarian reform, are summarized below.

Congress. The United Congress Front's agrarian policy included the establishment of a ceiling on land holdings; the resumption of Government grants of land (*inams*) with reasonable compensation; protection of tenants from eviction; remunerative and stable agricultural prices; the fixing of minimum wages for agricultural workers; and the appointment of an Agricultural Board, including tenants' representatives, to decide on land policies. The programme favoured the continuation of prohibition, whilst promising that work would be provided for the toddy tappers who had been deprived of employment. Other items included the improvement of rural housing and sanitary conditions; State assistance for cottage industries and for the formation of handloom weavers' co-operatives; measures for the establishment of free and compulsory elementary education and the liquidation of adult illiteracy; increased supplies of hydro-electric power; and the development of road and canal transport.

Communists. The Communist programme included the limitation of holdings to 20 acres of irrigated land or 30 to 60 acres of dry land; distribution of land among landless labourers, without compensation for the previous owners; minimum prices for agricultural commodities; a three years' moratorium on debts; the abolition of prohibition; and a State monopoly for the sale of alcohol.

Praja Socialists. The Praja Socialists' programme provided for a uniform land tenure system; limitation of holdings to 30 acres of average fertility or Rs. 3,600 net profit a year; formation of a land army of 30,000 men for the improvement of irrigation; increased powers for local government bodies; free education up to the secondary stage, and in all stages for backward communities and *harijans* (untouchables); development of major irrigation and hydro-electric projects; and measures for the protection and assistance of cottage industries.

Of the total electorate of about 11,500,000, over 8,600,000, or 62.25 per cent, went to the polls, as compared with 57 per cent in the 1952 elections. The United Congress Front received 4,279,004 votes (49.8 per cent of the total), as compared with 3,877,003 for its three constituent parties in 1952. The Communists received 2,607,675 votes (31.6 per cent), against 1,452,516 in 1952. Of the smaller parties, the Praja Socialists received about 482,000 votes (5.2 per cent) and the *Jan Sangh* less than 10,000 votes. The 162 Independent candidates polled about 1,100,000 votes (13.4 per cent), but 110 of them forfeited their deposits. Strict comparisons with the 1952 figures were, however, rendered difficult by the fact that the State of Andhra had in 1952 not yet come into existence and still formed part of Madras and Mysore States; by the increase in the number of seats from 140 to 196, which had since taken place; and by the fact that the Communists now put forward 169 candidates against only 67 in 1952.

The successful United Congress Front candidates included all the members of Mr. Prakasam's Government, except Mr. Viswanatham (leader of the Praja Party), and Mr. Latchanna, leader of the *Krishikar Lok* Party in the previous Assembly, who moved the no-confidence motion which led to the Government's fall. Several leading Communists were defeated, including Mr. Rajeswara Rao, a member of the party's politburo, and Mr. T. Nagi Reddi, Leader of the Opposition in the previous Assembly. The Praja Socialists won nine of their 13 seats in the Visakhapatnam district, where their success was believed to be mainly due to the personal popularity of Mr. P. V. G. Raju, general secretary of the Andhra party. Most of the Independent candidates returned were dissident Congressmen, who were expected to support the new Government. Four Moslems (three Congress and one Communist), one Christian (Congress), and three women were among the newly elected Assembly members.

Mr. Nehru, the Prime Minister, in a letter to the Andhra Congress Committee, described the election results on March 11 as possessing "not only a national, but an international significance," and as demonstrating "the faith of the Andhra people in the Congress."

The principal reason suggested in the Indian Press for the Congress victory was the formation of the United Congress Front, which led to many straight or triangular fights, thus greatly reducing the number of Communist candidates returned on a split vote in many-cornered contests. Other factors given were the Communists' decision to contest a large number of seats, instead of concentrating on a limited number of constituencies as in the past; Mr. Nehru's personal popularity; the vigorous anti-Communist campaign of the Congress Party, in which it was helped by an article published in *Pravda* praising Mr. Nehru and his policy; the recent adoption by the Congress of a "Socialistic" programme; and the improvement in the food situation in Andhra State. It was also believed that a majority of the Christian community of former untouchables, among which the Communists had enjoyed strong support, had abstained from voting for fear of victimization. In 1952, it was pointed out, the non-Communist vote had been divided among several political parties, and the Congress had moreover been weakened by internal divisions, allegations of corruption made against the Madras Ministry, and popular resentment against food control and against the Central Government's failure to create a separate Andhra State. It was nevertheless emphasized in Congress circles that the large increase in the Communist vote in the present elections, as compared with 1952, afforded no reason for complacency and demonstrated the need for extreme watchfulness.

The executive committee of the Andhra Communist Party, in a statement issued on March 16, admitted that it had hoped to win 100 to 110 seats, and attributed its defeat to the fact that it had "underestimated the hold of the landlords and capitalists over the present social order," whilst "over-estimating the political consciousness and political determination of the masses."

Mr. Gopala Reddy, who was unanimously elected leader of the United Congress Legislative Party in the Andhra Assembly on March 20, formed a new Cabinet consisting entirely of United Congress Party members on March 28, as follows:

Mr. Gopala Reddy, Chief Minister, Finance, Education, Press, Stationery, and Home Dept. (Services and Information); Mr. N Sanjeeva Reddy, Deputy Chief Minister, Home Dept. (Police, Law and Order), and Public Works (excluding Electricity); Mr. Kala Venkata Rao, Planning, Industries, and Public Health; Mr. G. Latchanna, Electricity and Social Welfare; Mr. D. Sanjeviah, Co-operation and Commercial Taxes, Dr. Nageswara Rao, Local Administration and Prohibition; and Mr. Rama Rao, Agriculture.

As from the same date (March 28), President's rule in the State, which had been ordered on Nov. 15, 1954, was ended by a proclamation of President Prasad.

Recent developments in other States are summarized below.

Travancore-Cochin. The Government of Travancore-Cochin under Mr. P. T. Pillai, the only Praja Socialist Ministry in India, was defeated in the State Assembly on a no-confidence motion on Feb. 8 by 60 votes to 30, with 27 abstentions. The motion was supported by the Congress and the Travancore Tamil Nad Congress (T.T.N C.), and opposed by the Praja Socialist, Revolutionary Socialist, and Kerala Socialist parties, whilst the Communists abstained.

Mr. Pillai thereupon resigned on Feb. 10, and a Congress Ministry was formed on Feb. 14 with the following membership: Mr. P. G. Menon, Chief Minister, Finance, and Justice; Mr. A. J. John, Home Minister; Mr. P. Kochukuttan, Local Government; Mr. A. A. Rahim, Health; Mr. K. I. Velayudhan, Public Works. Mr. Menon announced on the same day that the 12 T.T.N.C. members and a former Praja Socialist had joined the Congress, giving the Ministry a following of 59 members out of 118; it was thus dependent for support on the two Independent members, against an Opposition of 57 Communists and Praja Socialists

The Communist Party announced on March 12 its decision to withdraw from the United Front of Leftists, formed at the time of the 1951 general election. The other parties comprising the United Front were the Revolutionary Socialists, who had already withdrawn from it in the summer of 1954, and the Kerala Socialists.

Delhi. A new three-man Ministry was formed in Delhi on Feb. 12 by Mr. G. N. Singh, the other members being Mr. C. B. Prakash and Dr. Y. Singh. Mr. Prakash, the former Chief Minister, had resigned following differences within the Delhi Congress Assembly Party, as a result of which Mr. Singh (then Speaker of the Assembly) was unanimously elected leader of the Assembly Party.

(The Hindu, Madras - Indian Press, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London)

(Prev. rep. Andhra, 13940 B; Travancore-Cochin and Saurashtra, 14054 A; Delhi, 12173 A.)

A. RHODESIA AND NYASALAND FEDERATION. — Hydro-Electric Power. - Priority for Kariba Scheme.

Sir Godfrey Huggins, the Rhodesian Federal Prime Minister, announced in the Federal Parliament on March 1 the Government's decision to give the Kariba hydro-electric scheme priority over the Kafue project, subject to two reservations: (1) that the scheme received the final approval of M. André Coyne, the French engineering consultant; (2) that it was also approved by the economic mission of the International Bank. "Subject to these reservations," he declared, "our decision as between the two schemes may be regarded as final."

Sir Godfrey explained that there were good reasons to hope for a substantial reduction in the time before the Kariba project could be brought into operation, and that meanwhile the French consultants had given an assurance that it would be entirely feasible to provide the Northern Rhodesian copperbelt with additional power by means of a transmission line from Umniati, in Southern Rhodesia. The Government had agreed to contribute £8,000,000 towards the estimated cost (about £54,000,000) of the first stage of the Kariba scheme, and proposed to finance the initial work itself so that no time might be wasted in the coming dry season. He anticipated that this preliminary work would be started as soon as the rains ended.

The Kafue scheme, Sir Godfrey continued, had not been proved beyond Stage 2, because it was not possible to prove satisfactorily to potential lenders of money that damming the Meshi-Teshi gap, as had been recommended by M. Coyne (see below), would make future expansion possible. Later, however, the Kafue scheme would be essential for the Federation's development. Before giving reasons for the Government's decision in favour of priority for Kariba, he emphasized that they had "started off with a very strong predisposition in favour of Kafue," on which much exploratory work had already been done and money spent. "We had already decided to go on with Kafue," he went on, "and a good deal of pressure was being brought on us from interested parties not to alter that decision. We were never in any doubt that a change in policy and a decision to give priority to Kariba would be politically embarassing . . . We had to have the strongest possible reasons for favouring Kariba and a determination to do what was right for the Federation as a whole. We are not considering one hydro-electric scheme in isolation, but are contemplating a major policy decision by switching our reliance in the Federation on thermal power to a reliance on hydro power."

Whereas the Government felt that the Kafue scheme was too small in scope and potentialities, the Kariba project had been "proved up to the hilt from the point of view of hydrology," went on Sir Godfrey. One of its big advantages was that, after the first stage had been completed and a dam built, the power output could be increased merely by adding further generating sets at a comparatively low cost. The construction of the Kariba installations would involve building about 90 miles of railway northwards towards Sinpiam, but this would make a valuable contribution towards completing the railway link between Sinoia and Kafue, in Southern and Northern Rhodesia respectively. The Government's consultants had assured them that harnessing the Zambesi was practicable, and calculations of the cost of the power produced favoured the Kariba project. Since an essential prerequisite to the start of work was a visit by an economic mission of the International Bank, he had asked the president of the Bank to send a mission without delay to investigate the scheme; M. Coyne was also coming out to make his final technical appraisal on the spot and to consider details, such as the design of the dam.

Finally, the Prime Minister explained that the Government had decided to seek finance outside the London market, as they wished to utilize borrowing in that quarter to meet the Federation's normal development programme. There was "good reason to believe" that finance to cover the first stage of the scheme was already in sight. The Government had considered the alternative of atomic power, but had been advised that it would be "very many years" before energy so produced could be sold in the Federation at economic prices. Sir Godfrey added that he had discussed with the Colonial Secretary the question of the resettlement of Africans now living in the part of the Zambesi valley which would be inundated, and proper provision would be made. The U.K. Government regarded the completion of the hydro-electric project as "of major importance," and were giving all possible aid.

The reports on the Kariba and Kafue projects, prepared at the Government's request by MM. Tisno and Misson, the French consultants (see 13734 A), had been published on Jan. 14, together with comments by M. André Coyne. The reports, as well as M. Coyne's comments, are summarized below:

Kariba. The report estimated the total cost of the scheme itself at £85,800,000, of which £56,600,000 represented external expenditure. This total included £29,400,000 for civil engineering works and generating plant; £27,210,000 for generators, transformers, and switch gear; and £29,100,000 for the transmissions system. In addition, there would be an estimated £3,900,000 for railway extension from Sinoia (see above), £90,000 for necessary road widenings, and £650,000 for the resettlement of displaced Africans. The guaranteed annual output of power from the full scheme, even in the driest years, was put at 6,500,000 kilowatt-hours, corresponding to a continuous output of 740 megawatts. The full project would not be completed before 1970, but the first power could be available in July, 1961, when a minimum output of 140 megawatts would be generated. The first stage of the scheme (i.e. the first power house, with six generating sets, giving half the final installed capacity) could be in operation by the first half of 1963, the estimated total cost of this stage being put at £53,380,000. The cost of energy delivered at the receiving sub-stations would be 0.286d. per unit during the first stage and 0 254d. per unit when the scheme was completed.

Kafue. The total cost was estimated at £55,000,000, of which £24,220,000 would represent external payments. The total would include £8,030,000 for civil engineering works and generating plant; £13,910,000 for generators, transformers, and switch gear; and £23,110,000 for the transmission system. The guaranteed annual output would be 2,600,000,000 kilowatt-hours, corresponding to a continuous power output of 300 megawatts, and the first 75 megawatt unit could be brought into operation in July, 1959. The cost of energy delivered at the receiving sub-stations would be .33d. per unit during the first stage, increasing to .406d. per unit at the second stage. This stage would include the construction of a dam at the Meshi-Teshi gap (see below) and could be brought into operation by 1963.

In his comments on the reports, M. Coyne recommended that the output programme for the next ten years should be centred on Kariba, but that the Kafue project should also be taken in hand at once, though only as an accessory, since it could not be considered as "anything else but an extra source of supply" until means had been found of regulating the water supplies more thoroughly—perhaps by damming the Meshi-Teshi gap 100 miles upstream from the Kariba Gorge. He added that from the point of view of industrial expansion the Kariba scheme would be "the mainstay and a great future stimulant," that it would be "a powerful provider of guaranteed energy at a price amongst the lowest in the world," and that on the basis of estimates of future power demands in Southern and Northern Rhodesia the entire output of both the Kariba and Kafue schemes would be needed within 15 years.

Although the Government's decision to give priority to the Kariba scheme aroused many protests in Northern Rhodesia, a debate in the Federal Parliament on March 8 showed that most Northern M.P.s, though regretting that the Kafue project would not be proceeded with forthwith, conceded that the latest information available showed Kariba to be the better scheme. Sir Roy Welensky, the Northern Rhodesian leader and Federal Minister of Development and Transport, explained that he had himself been a strong supporter of the Kafue project, but that he now felt forced to support the Kariba scheme since he found that the question of raising money depended on having a project which had been fully proved. A motion by a Northern Rhodesian member (Mr. G. W. R. L'Ange), calling on the Government to "prosecute with vigour their scheme for the establishment of hydro-electric power in the Federation," was carried by 25 votes to 6, after an amendment by Mr. G. F. M. Van Eeden (Ind., Kafue), urging the Government to reconsider its decision not to give priority to the Kafue project, had been defeated by 25 votes to 7, including the four African members from Northern Rhodesia and Nyasaland.

Full support for the Government's decision to proceed with the Kariba scheme was expressed on March 2 by Sir Ernest Oppenheimer, chairman of the Anglo-American Corporation of South Africa, Ltd. and its associated copper mining interests in Northern Rhodesia, who promised that the group would give "every assistance towards bringing the scheme to the production stage at the earliest possible moment." On the same date Mr. R. K. L. Prain, chairman of the Rhodesian Selection Trust group of copper mining companies, expressed the hope that the Kariba project would require "a shorter construction period than hitherto indicated," and that it might yet be in time to meet Copperbelt requirements; he added that the Rhodesian Selection Trust would certainly examine the proposal to transmit thermal power from Umniati to the Copperbelt, but that the possibility of creating further thermal power in the Copperbelt itself would also have to be examined.

It was announced on March 4 that Mr. J. H. Lascelles, executive vice-president of the Rhodesian Selection Trust, had resigned from the Federal Hydro-Electric Power Board as a protest against the Government's decision to proceed with the Kariba scheme instead of the Kafue project.—(Federal Information Department, Salisbury - Times - Manchester Guardian - Financial Times) **(Prev. rep. 13734 A; Map, 11680.)**

B. BELGIUM. — Loan Issue in Holland.

The Netherlands Bank announced on March 11 that discussions on the issue in Holland of a 100,000,000 guilder loan for the Belgian Government had been completed; that the loan would bear interest at 3¼ per cent and be for a period of 30 years, with redemption payments beginning after five years; and that it would be issued at par for public subscription through the Amsterdam Stock Exchange.—(Netherlands News Agency) **(Prev. rep. Benelux Capital Transfer Agreement, 14014 A.)**

A. UNITED STATES. — President Eisenhower's Message to Congress on Foreign Economic Policy.

President Eisenhower sent his legislative proposals on U.S. foreign economic policy to Congress on Jan. 10. He recommended a three-year extension of the Reciprocal Trade Agreements Act, with authority for the President to negotiate the reduction of U.S. tariffs on a reciprocal basis; a further simplification of Customs procedures; the stimulation of U.S. overseas investment; U.S. participation in technical co-operation programmes and international trade fairs; and encouragement of U.S. citizens to travel abroad. A summary of the proposals is given below.

Extension of Reciprocal Trade Agreements Act. The President requested a three-year extension of this Act, giving him authority to negotiate tariff reductions with other countries "on a gradual, selective, and reciprocal basis," and stated that he would ask all countries with whom the U.S.A traded to take similar steps in their relations with each other The three-year extension of the Act should also authorize, subject to the present "peril point" and "escape clause" provisions, (*a*) a reduction in existing tariff rates on certain commodities of not more than 5 per cent of present rates in each of the three years; (*b*) a reduction over the three years to 50 per cent *ad valorem* of any rates at present more than 50 per cent; (*c*) a reduction, by not more than one-half over a three-year period, of tariff rates in effect on Jan. 1, 1945, on articles not now being imported or being imported in negligible quantities. The President emphasized that the programme he was recommending was "moderate, gradual, and reciprocal," and would "add immeasurably to the security and well-being of the United States and the rest of the free world."

GATT. The present review of the General Agreement on Tariffs and Trade by the 34 participating countries would be submitted to Congress for approval when it was completed.

Customs Simplification. Although an important step towards simplification of the tariff structure had been taken by Congress with the passage of the Customs Simplification Act (see 13123 A), the "uncertainties and confusion" arising from the complex system of valuation on imported articles still caused unwarranted delays in the determination of Customs duties, and Congress should therefore give favourable consideration to legislation for remedying this situation. Further technical amendments designed to simplify Customs procedures would be made by the Treasury in its report to Congress.

U.S. Investment Abroad. The flow of U.S. capital abroad must be stimulated, and in such a manner that it resulted in investment largely by individuals or private enterprises rather than by the Government. An increased flow of such investment would contribute much to the expansion of two-way international trade; the underdeveloped countries would be enabled more easily to acquire the capital equipment which they so badly needed; and this in turn would do much to offset "the false but alluring" promises of the Communists. To facilitate the investment of U.S. capital abroad the President recommended:

(i) the enactment of legislation providing for taxation of business income from foreign subsidiaries or branches at a rate 14 percentage points lower than the corporate rate on domestic income, and a deferment of tax on income of foreign branches until it was removed from the country where it was earned;

(ii) the approval by Congress at the appropriate time of U.S. membership in the proposed International Finance Corporation (see 13984 A, 13306 A).

In addition, the President would explore the further use of tax treaties with the possible recognition of tax concessions made to foreign capital by other countries. Under proper safeguards, credit would be given for foreign income taxes which were waived for an initial limited period, thereby giving maximum effectiveness to foreign tax laws designed to encourage new enterprises. Furthermore, the Executive branch would continue, through U.S. diplomatic representatives abroad, to encourage "a climate favourable to the private enterprise concept in investment," and would seek other new ways to enlarge the outward flow of capital. The President emphasized, however, "that when American private capital moves abroad it properly expects to bring home its fair reward," and that this could only be accomplished "by our willingness to purchase more goods and services from abroad in order to provide the dollars for these growing remittances." "This fact," the President declared, "is a further compelling reason for a fair and forward-looking trade policy on our part."

Technical Co-operation. The United States had a responsibility to make available to under-developed areas its "vast store" of practical and scientific "know-how" U S. technical co-operation programmes should therefore be carried forward, but they should be concerned with "know-how" rather than with large funds.

International Travel. Travel abroad by Americans provided an important source of dollars for many countries, and the Executive branch would consequently continue to look for ways of facilitating international travel and would continue to co-operate with private travel agencies. Legislation should be passed by Congress to increase the present half-yearly duty-free allowance for tourists from $500 to $1,000.

Trade Fairs. The United States, which had a larger volume of international trade than any other nation, had until recently been "conspicuous by its absence" at international trade fairs, and American visitors and participants had pointed out the failure of their Government to tell adequately the story of the American free enterprise system and to provide effective co-operation in international trade promotion. The Administration had therefore undertaken an "international trade fair programme," under which U.S. participation had been authorized in 11 fairs to be held before June 30, whilst 16 fairs were being considered for exhibition purposes in the latter part of the year.

Convertibility. Convertibility of currencies was required for the development of a steadily rising volume of world trade and investment, but its achievement had not been possible since the war because of the dislocations caused by the war, inflation, and domestic economic difficulties in many countries. Steady progress was nevertheless being made towards "our mutual objective of restoring currency convertibility," particularly by Western European countries, and the foreign economic programme proposed in the present message would make an important contribution.

Agriculture. In view of the importance of agricultural products in U.S. exports, programmes designed to promote the prosperity of agriculture should be consistent with the foreign economic programme.

The President's proposals were based largely on the programme submitted by him in March 1954 and later shelved by Congress.—(New York Times - New York Herald Tribune) **(Prev. rep. 13685 C; Tariffs, 14110 A.)**

B. INDIA - UNITED KINGDOM. — Responsibility for Pension Payments to Former Servants of the British Crown in India transferred to U.K. Government.

It was announced in New Delhi on March 10 that under an exchange of letters dated March 7 between Sir Alexander Clutterbuck (the U.K. High Commissioner in India) and Sir Chintaman Deshmukh, the Indian Finance Minister, India had agreed to transfer to the U.K. Government as from April 1, 1955, the responsibility of controlling, administering, and paying pensions and other liabilities to or in respect of persons who had served the British Crown during the British rule in India. The Government of India would, however, remain responsible for any instalments of pensions in respect of periods prior to the transfer date which remained unpaid on April 1.

Under the financial agreement of July 9, 1948, the Government of India had purchased from the U.K. Government annuities for the purpose of meeting the sterling pensions payable by the Dominion of India or the then Indian Provinces to former servants of the British Crown in India.—(The Hindu, Madras - Indian High Commissioner's Office, London) **(Prev. rep. 1948 Agreement, 9412 A.)**

C. TURKEY. — Parliamentary Ratification of Paris Agreements and Balkan Alliance Treaty.

The Turkish Grand National Assembly unanimously approved on Feb. 16 the ratification of the Paris agreements under which the German Federal Republic was admitted to the North Atlantic Treaty Organization. Addressing the Assembly before the vote, Professor Koprulu, the Foreign Minister, stressed that Turkey had always believed that German membership of NATO was necessary for the defence of the free world, and that the entry of a peaceful and democratic Germany into NATO was its "historical right and also its duty."

On the same date the National Assembly ratified without a dissenting vote the Balkan Alliance Treaty with Greece and Yugoslavia, thus completing the ratification process for that treaty by the three countries.—(Turkish Embassy, London - New York Times) **(Prev. rep. Paris Agreements, 14116 C; 14106 A; Balkan Alliance, 14001 B; 13999 A.)**

D. UNITED KINGDOM. — New Knights of the Thistle. - Title taken by Sir Godfrey Huggins.

It was announced on March 25 that H.M. the Queen had appointed Lord Crawford of Balcarres and Lord Bilsland Knights of the Thistle to fill the vacancies caused by the deaths of the Marquess of Linlithgow and Lord Hamilton of Dalzell. The Order of the Thistle is the premier Scottish Order of knighthood.

The viscounty conferred recently by the Queen on Sir Godfrey Huggins, Prime Minister of the Rhodesia and Nyasaland Federation (see 14062 A), was gazetted on March 18 by the name, style, and title of Viscount Malvern of Rhodesia and of Bexley in the county of Kent.
(Times - Manchester Guardian) **(Prev. rep. 14052 B.)**

E. INDIA. — Pondicherry. - Inauguration of French Institute of Higher Studies.

The French Institute of Higher Studies at Pondicherry, the setting up of which was provided for in the agreement between France and India for the *de facto* transfer of the French Settlements to India, was inaugurated on March 20 by Count Ostrorog, the French Ambassador in New Delhi, in the presence of Mr. Rajagopalachari, the Chief Minister of Madras. Dr. Filliozat, an eminent French Orientalist, was appointed the first Director of the Institute.—(The Hindu, Madras) **(Prev. rep. 13857 A.)**

A. UNITED KINGDOM. — Foreign Trade in 1954. - Figures for January-February, 1955.

Imports into the United Kingdom in 1954 totalled £3,378,934,000 (£3,342,885,000 in 1953), exports £2,673,396,000 (£2,582,001,000), and re-exports £100,800,000 (£105,000,000). The adverse balance on visible trade thus amounted to £604,738,000, compared with the revised figure of £655,884,000 in 1953. The quarterly and annual figures were as follows:

	Total Imports (c.i.f.) (£'000)	Retained Imports (£'000)	Re-exports (f.o.b.) (£'000)	U.K. Exports (f.o.b.) (£'000)	Adverse Visible Balance (£'000)
First Quarter	822.7	794.7	28.0	673.2	121.5
Second Quarter	855.7	830 0	25.7	671.5	158.5
Third Quarter	842 3	818.6	23 7	662 9	155.7
Fourth Quarter	876.5	853.4	23 1	667 1	186.3
Year 1954	3,378.9	3,278.1	100 8	2,673.4	604.7

Note. The figures for the year include corrections not made to the individual quarters

Divided into the six main categories, value figures were as follows. (As the basis of classification is different from earlier years, 1953 figures on the new basis are given for comparison.)

	1954		1953	
	Imports (£'000)	Exports* (£'000)	Imports (£'000)	Exports* (£'000)
Food, drink and tobacco	1,330.6	157.3	1,315 1	149 3
Basic materials . ..	1,024.5	101.1	1,053.7	96.8
Mineral fuels and lubricants	329.2	152 2	313.5	147.6
Manufactured goods .	679.8	2,171.0	642 6	2,098 4
Postal packages .. .	8.2	85.4	10.8	83.4
Live animals not for food	6.7	6.4	7.1	6 6
Total	3,378.9	2,673.4	3,342 9	2,582.0

* Excluding re-exports

Volume of Trade.

The quarterly volume figures are shown below (1950 = 100):

	Total Imports	Retained Imports	Exports*
1953 : Year	112.0	111.8	98.0
1954 : First Quarter .	113.3	113.0	103.3
Second Quarter ..	114.5	114.6	103.7
Third Quarter ..	112.7	113.0	103.3
Fourth Quarter .	114.2	114 6	104.4
1954 : Year . .	113.7	113.8	103.7

* Excluding re-exports.

Terms of Trade.

The terms of trade, which had moved in Britain's favour during 1952 and 1953, moved against Britain in 1954, as shown in the Board of Trade's "Terms of Trade Index" (which expresses the ratio of import prices to export prices, a rise indicating an adverse movement and *vice versa*). This index, though falling from 99 in January to 98 in February and to 97 in March, rose again to 99 in April and May, to 100 in June and 101 in July; it fell again to 99 in August, but rose to 100 in September and October, 101 in November and 102 in December.

The index of import prices (1953 = 100) fell from 98 in January to 97 in February and to 96 in March; thereafter it rose to 98 in April and May, to 99 in June-October, to 100 in November and to 101 in December. The index of export prices (on the same basis), after remaining unchanged at 99 for the first six months of the year, fell to 98 in July, rose again to 100 in August, and then fell once more to 99 for the remaining four months of the year.

Imports.

The *Board of Trade Journal* pointed out on Jan. 22, 1955, that since 1938 there had been a considerable change in the commodity pattern of imports, arising on the one hand from an expansion of the output of domestic agriculture by nearly one-third and on the other from an increase in industrial production amounting to nearly one-third since 1948. Britain therefore relied relatively less than before the war on food imports, and relatively more on imported raw materials. Whereas in 1938 47 per cent of total imports consisted of food, beverages and tobacco, the proportion in 1948 was only 42 per cent and in 1954 39 per cent The proportion for basic materials, on the other hand, had increased from 26 per cent in 1938 to 31 per cent in 1948, though it fell again to 30 per cent in 1954. The fact that there had been no further increase in recent years had been mainly due to (1) the smaller share in production accounted for by "import-intensive" industries like textiles, and the larger share of such industries as engineering and chemicals, which made a relatively smaller demand on imports; and (2) the development of new industries and methods specifically in order to save imports.

Food, Drink, and Tobacco. Imports in this group (£1,330,600,000) were about one per cent higher in value than in 1954 owing to higher prices, but the volume of such imports fell. Meat imports, which had increased by £41,000,000, or 18 per cent, between 1952 and 1953, fell somewhat in 1954, but were still some 14 per cent above 1952; bacon imports decreased both in volume and in price so that their value fell by 10 per cent, and imports of Australian beef fell by 34 per cent. On the other hand, the value of live animals imported for food (almost entirely from the Irish Republic) increased by £9,000,000 (37 per cent), and there was a substantial increase in home production Sugar imports (£103,400,000) were over £25,000,000 less than in 1953; imports of cereals (£175,900,000) fell by nearly £60,000,000 (over 25 per cent); and imports of eggs and dairy products (£160,800,000) declined by about £9,000,000. On the other hand there were sharp increases in imports of fruit and vegetables (£204,000,000), where the rise of £30,000,000 (17 per cent) was mainly accounted for by tinned and bottled fruit which, at £26,000,000, was nearly double the 1953 value. Imports of cocoa, coffee, and tea, etc. (£217,200,000) were also over £62,000,000 (40 per cent) higher than in 1953, mainly as a result of a rise in prices—40 per cent for tea, 50 per cent for raw cocoa, and 17 per cent for coffee

Basic Materials. Imports of wool and other animal hair (£197,700,000), which had increased considerably between 1952 and 1953, fell by £44,000,000 (19 per cent) in 1954 Cotton imports (£126,200,000), on the other hand, were £19,000,000 higher than in 1953. Imports of wood and timber (£155,300,000) were some £4,000,000 less as a result of lower imports of hardwood, pitprops, and sleepers; the increase in home deliveries of imported softwood which took place during 1954 following the removal of restrictions on the use of timber was cushioned by the stocks built up during 1953, and softwood imports consequently increased by only 3 per cent.

The increased capacity of the paper-making mills in Britain and the continued rise in demand for almost all paper and board products resulted in a steady increase in imports of woodpulp and waste paper which, at £86.600,000 in 1954, were £19,000,000, or 28 per cent, higher than in 1953. Of the other basic materials, imports of metalliferous ores and metal scrap (£137,100,000) were some £4,000,000 lower in value but higher in volume, oilseeds, etc. (£68,000,000) about £5,000,000 less, rubber (£50,700,000) £6,000,000 less, but greater in volume, and hides, skins and furs (£43,800,000) over £6,000,000 less

Fuels and Lubricants. The continued expansion of the output of the new oil refineries led to higher imports of crude petroleum, which, at £312,200,000, were £2,500,000, or one per cent, higher than in 1953 Coal imports totalled nearly 3,000,000 tons, valued at £17,000,000, more than in any year since 1926; these imports, which were more than £13,000,000 greater than in 1953, had been necessary for the growing coal requirements of industry and commerce, in addition to higher domestic consumption, which could not be met by home production despite some limitation in exports.

Manufactures. Imports in this group rose by £37,000,000 to £679,800,000, the most important increases being in chemicals (by £26,000,000 to £101,600,000); wood and cork manufactures (by £15,000,000 to £39,100,000)—due mainly to imports of plywood, which were more than double the 1953 quantity and accounted for two-thirds of the increase; paper and paperboard (by £18,500,000 to £51,600,000); cotton yarns and woven fabrics (by £11,000,000 to £21,700,000); non-ferrous base metals (by £23,000,000 to £174,500,000); and electrical machinery and apparatus (by £5,500,000 to £16,000,000).

Imports of iron and steel (£28,200,000), on the other hand, fell by 55 per cent in quantity and by £33,000,000 in value as a result of the rapid increase in home steel production. For similar reasons, as well as because of smaller defence requirements, imports of machine-tools (£16,000,000) fell sharply from £47,000,000 in 1953; although other items in the machinery group were generally higher, the total, at £75,000,000, was 23 per cent less than in 1953. Imports of aircraft fell by £26,000,000, but this was more than accounted for by the difference in the Canadian gifts of aircraft to Britain—£35,000,000 in 1953, but only £7,000,000 in 1954.

Exports.

The *Board of Trade Journal* pointed out that there had been a considerable change in the commodity pattern of exports since the war as compared with pre-war, notably a movement away from the traditional items, coal and textiles, in favour principally of engineering products. Coal exports declined from 8.6 per cent of total British exports in 1938 to 2.8 per cent in 1948, whilst textiles fell from 19.4 per cent in 1938 to 18.4 per cent in 1948, 13 per cent in 1952, and 12.2 per cent in 1954. Exports of engineering products, on the other hand, increased from 24.4 per cent of the total in 1938 to 35 8 per cent in 1948; in 1954 they accounted for 37.8 per cent of the total (which was slightly less than in 1952) and the proportion would have been higher but for the dock strike in the last quarter.

Manufactured Goods. Exports in this group (£2,171,000,000) accounted for over 80 per cent of total exports. Within the group, engineering products, at £1,012,000,000, were £42,000,000 (over 4 per cent) higher than in 1953, the road vehicles and aircraft sub-group improving most, viz., by £17,000,000 (6 per cent) to £307,500,000. Nearly three-quarters of the increase in this sub-group was accounted for by shipments of passenger cars, which were particularly large to Australia and New Zealand following the relaxation of import restrictions in those countries; car exports to Sweden were also greatly increased, and at over £12,500,000 were 73 per cent more than in 1953, but shipments to Canada, at under £6,000,000, were little more than half the 1953 figure. Exports of aircraft were reduced to £31,000,000, only three-quarters of the 1953 total

Exports of machinery other than electric (nearly £408,000,000) reached a new record level, being 2½ per cent more than in 1953; the most notable increase was in agricultural and track-laying tractors, shipments of which rose by £7,000,000 to over £47,500,000. Exports of ships and boats (£50,400,000) were 25 per cent more than in 1953; exports of railway vehicles (£44,500,000) nearly £2,000,000 higher; and exports of scientific instruments (£31,500,000)—which have

increased every year since the war—15 per cent above 1953. Exports of electrical machinery and apparatus on the other hand fell by 1½ per cent to £170,000,000, electric cables, wires, etc. (at about £19,500,000) being one-third less than in 1953.

Of the other manufactured goods, exports of textiles (£325,000,000) continued the decline which had taken place since 1951, being £1,000,000 less than in 1953; within the group, however, both cottons and woollens showed substantial reductions. Exports of cottons (£112,000,000) were £5,000,000 less than in the previous year; competition from India and Japan was chiefly responsible for this, particularly in Africa and the East, and but for an increase of nearly £6,500,000 in exports to Australia and New Zealand the position would have been considerably worse. Exports of wool yarns and fabrics and wool tops fell by £4,000,000 to under £83,500,000, this being entirely attributable to the North American recession. Synthetic fibre yarns and fabrics (£40,000,000) were a little higher, while miscellaneous textile manufactures increased by 9 per cent to £90,000,000, mainly because of substantially higher shipments of carpets and other floor coverings to Australia and New Zealand.

Exports of metals (£338,000,000) were slightly lower than in 1953, principally on account of lower shipments of aluminium and tin and their alloys to the U.S.A., though iron and steel exports (£136,900,000) were about £2,000,000 higher than in the previous year. Exports of chemicals (£203,800,000) reached the highest figure yet recorded, being £26,500,000 (15 per cent) over 1953. Paper and paperboard exports (£33,500,000) were £4,500,000 higher than in 1953.

Food, Drink, and Tobacco. Exports in this group (£157,300,000), after falling in 1952 and 1953, rose in 1954 almost to the 1951 level. Higher prices accounted for the rise of £2,500,000 in exports of coffee, cocoa, and tea, the quantity shipped being 4 per cent less than in 1953 but the value being 18 per cent more The principal items in this group were beverages (£46,000,000), sugar (£33,000,000), tobacco (£22,000,000), and coffee, cocoa, tea, and spices (£15,800,000).

Basic Materials. At £101,100,000, exports in this group were 4½ per cent above the 1953 level; nearly two-thirds of the total (£63,200,000) was accounted for by raw wool exports.

Fuels and Lubricants. The total of £152,200,000 comprised £84,300,000 of petroleum and petroleum products and £68,000,000 of coal and coke. Petroleum exports had increased steadily from £35,700,000 in 1951 to £59,600,000 in 1952, and to £76,800,000 in 1953.

Distribution of Trade.

The distribution of U.K. trade in 1954 is shown below, with 1953 figures in parentheses.

	Imports	Total Exports* (£ million)	Trade Balance
Dollar area ..	620 (634)	375 (404)	−244 (−231)
O.E.E.C. countries and possessions	819 (769)	778 (750)	− 41 (− 19)
Other non-sterling area	440 (437)	275 (264)	−165 (−172
Sterling area ..	1,500 (1,503)	1,346 (1,269)	−155 (−234)
Total .	3,379 (3,343)	2,774 (2,687)	−605 (−655)

* Including re-exports.

Dollar Area. As a result of the recession in the U.S A. and Canada, U.K. exports to the dollar area—which had been growing over the previous four years—declined by 6½ per cent compared with 1953 to £360,000,000. Cars and woollen goods were the chief items affected in exports to Canada, whilst with the U.S.A. the items affected were non-ferrous base metals, iron and steel, and woollen yarns and fabrics.

Dollar imports fell by £14,000,000 (2½ per cent). Imports of Canadian wheat declined by nearly 30 per cent in quantity and £29,000,000 in value, and a sharp fall in sugar purchases resulted in a drop of £22,000,000 in the value of imports from Cuba, but these were partially offset by higher imports of raw cotton and a wide variety of other articles from the U.S.A., amounting in all to £30,000,000.

O.E.E.C. Countries. The increased liberalization of trade by member-countries, accompanied by the higher levels of production and consumption, resulted in both higher exports to and higher imports from other member-countries. Exports, which had risen steadily over the previous three years, rose by a further 4 per cent in 1954, despite strong competition from Western Germany (which was re-establishing herself in her traditional markets) and from dollar goods (which were being imported in increased quantities as a result of the relaxation of import restrictions). Total imports from O.E.E.C. countries were £50,000,000, or over 6 per cent more than in 1953.

Other Non-sterling Countries. Total exports to these countries increased by 4½ per cent over 1953 to £259,000,000. Although exports to Finland increased by over £10,000,000 to nearly £32,000,000 and those to Communist Eastern European countries by over £8,000,000 to £24,000,000, exports to the larger markets of the Middle East and non-dollar South America (with the notable exception of Argentina and Uruguay) did not make great headway (although Western Germany was able to increase her exports to these areas considerably).

Sterling Area. Exports to the sterling area (£1,330,000,000) accounted for about 50 per cent of total British exports, a proportion slightly above that in 1953 and 1952 but lower than the 51 per cent in 1951. There were, however, great variations between the different markets. The large increases in exports to Australia (£65,000,000) and New Zealand (£25,500,000)—especially in consumer goods such as road vehicles, textiles, paper, and chemicals, which had previously been most affected by import restrictions—and the higher exports of iron and steel and machinery to Pakistan, were partly offset by reduced exports to India, South Africa, and the Colonies, where competition from Germany, Japan, or the dollar area was more severe.

Imports from the sterling area were only fractionally less than in 1953. a reduction of £57,000,000 (20 per cent) in imports from Australia (wool, meat, cereals, and sugar) being offset by a £35,000,000 increase in imports from India (largely because of greater quantities and higher prices of tea and textiles) and by a general increase in the quantity of food and raw materials imported from other parts of the sterling area.

Imports in January 1955 totalled £332,300,000, exports £248,600,000, and re-exports £10,300,000, giving an adverse balance for the month of £73,400,000. In February imports fell to £309,500,000, exports were £232,800,000, and re-exports £9,000,000, giving an adverse balance of £67,700,000.
(Board of Trade Journal) **(Prev. rep. 13987 B; 13495 A.)**

A. COMMUNIST CHINA. — Tibet Autonomous Region. - Preparatory Committee set up under the Dalai Lama. - Economic Development Plans for Tibet.

It was announced in Peking on March 12, at the conclusion of a six-month visit to the Chinese capital by the Dalai Lama and the Panchen Lama of Tibet, that a preparatory committee had been set up for establishing an expanded "Tibet autonomous region" within the national framework of Communist China. The Dalai Lama had been appointed chairman of the committee and the Panchen Lama and General Chang Kuo-hua (Chinese commander of the Tibet military district) vice-chairmen; the committee's 51 other members comprised 15 representatives of the "Tibet local Government," 10 of the *Panchen Kanpo Lija* (the Panchen Lama's former ecclesiastical and secular institution), 10 of the "People's Liberation Committee in the Chamdo area," five from the Central Government personnel in Tibet, and 11 from "major monasteries, religious sects, and people's organizations."

The announcement added that the committee, whose main task would be to prepare for regional autonomy in Tibet, would have the status of a State organ subordinate to the Central State Council (i.e. the Central Government). It would have two sub-committees—for financial and economic affairs and for religious matters—and 10 departments, dealing with civil affairs, finance, construction, culture and education, health, public security, agriculture and afforestation, animal husbandry, industry and commerce, and communications.

It was also announced that the State Council had taken the following other decisions in the economic field: (1) to extend the Tsinghai-Tibet road to Shigatse, the second largest town in Tibet, and to build a road from Shigatse south-eastwards to Gyangtse. (2) To establish a Tibetan transport bureau at Lhasa, with sub-administrative units for the Sikang-Tibet and Tsinghai-Tibet roads (3) To build a hydro-electric power station in Lhasa and a smaller thermal power station at Shigatse, and to send technicians to study the question of building a hydro-electric plant at Shigatse. (4) To establish a leather works and a small iron works at Lhasa. (5) To repair and build dykes and dams to protect Lhasa and Shigatse from floods, expand the school systems at these towns, and improve an experimental farm at Lhasa.

The Peking announcement also disclosed that rival groups backing the Dalai Lama and Panchen Lama had reached an agreement on Jan. 19 on their "historic and unsettled problems" and that the Chinese State Council had approved the agreement. No details of the agreement were given, however.
(New York Times - Manchester Guardian) **(Prev. rep. 11610 A.)**

B. SOUTH AFRICA. — Formation of South African Congress of Trade Unions.

A new trade union co-ordinating body with no colour bar—the South African Congress of Trade Unions—was formed at a conference in Johannesburg on March 5-6 by delegates from 35 national and regional unions, representing nearly 42,000 workers. The conference was organized by those unions which had opposed the dissolution of the old South African Trades and Labour Council in October last and had not joined the new South African Trade Union Council, from which Africans had been excluded. A national executive committee was formed pending the first annual conference of the new organization.—(Cape Times) **(Prev. rep. 13873 A.)**

C. UNITED KINGDOM. — Purchasing Power of £.

The Economic Secretary to the Treasury (Mr. Maudling) stated in a Parliamentary answer on March 24 that, taking the internal purchasing power of the pound sterling as 20s. in October 1951 (i.e. when the Conservative Government took office), it was estimated that the value had declined to 19s. 2d. in October 1953, 18s. 8d. in October 1954, and 18s. 5d. in February 1955. These estimates, he said, were based on the consumer price index and the interim index of retail prices.
(Times) **(Prev. rep. 13025 E.)**

APRIL 2—9, 1955

A. UNITED KINGDOM. — Resignation of Sir Winston Churchill from Premiership. - Sir Anthony Eden appointed Prime Minister. - Ministerial Changes. - Mr. Macmillan becomes Foreign Secretary. - Mr. Selwyn Lloyd appointed Minister of Defence.

Sir Winston Churchill resigned from the Premiership on April 5, the following announcement being issued from Buckingham Palace: "The Rt. Hon. Sir Winston Churchill had an audience of the Queen this evening and tendered his resignation as Prime Minister and First Lord of the Treasury, which her Majesty was graciously pleased to accept." Sir Winston had held the office of Prime Minister since Oct. 26, 1951, following the Conservative victory in the last general elections; in all he had been Prime Minister for over eight years, including five years during the Second World War when his term of office was ended by the Labour victory in the first post-war election in 1945.

Earlier the same day, at noon, Sir Winston Churchill had held his last Cabinet meeting and taken leave of his colleagues in the Cabinet, whilst after the audience of the Queen he saw the Ministers not in the Cabinet and thanked them for their services.

On the previous evening (April 4) Sir Winston and Lady Churchill had given a dinner party at No. 10, Downing Street, which was attended by H.M. the Queen and the Duke of Edinburgh, and by leading members (and their wives) of both Sir Winston's post-war Cabinet and his wartime Coalition Government, as well as by the principal military leaders during the war, other close associates, members of his family, and Mrs. Neville Chamberlain. During the dinner Sir Winston Churchill proposed the health of the Queen and the Duke of Edinburgh, after which the Queen rose and said she wished to do something which probably few of her predecessors had had an opportunity of doing, namely, to propose the health of her Prime Minister.

On April 6 it was announced that Sir Anthony Eden had accepted the Queen's invitation to become the new Prime Minister, the following statement being issued from Buckingham Palace after Sir Anthony had been received by the Queen: "The Queen this morning received in audience the Rt. Hon. Sir Anthony Eden, M.P., and offered him the post of Prime Minister and First Lord of the Treasury. The Rt. Hon. Sir Anthony Eden accepted her Majesty's offer and kissed hands upon his appointment."

It was pointed out in the Press that the time-lag between Sir Winston Churchill's resignation and the appointment of Sir Anthony Eden as Prime Minister indicated that under the traditions of the British Constitution the appointment of a new Prime Minister is the sole prerogative of the Sovereign, who is under no obligation to consult a retiring Prime Minister about his successor and may consult anyone he or she chooses. With the exception of certain Court appointments and the awarding of certain honours such as the Garter, the Thistle, and the Order of Merit, the choice of a Prime Minister is, in fact, the only part of the royal prerogative which a modern British Sovereign can exercise without ministerial advice.

Tributes to Sir Winston Churchill and to Sir Anthony Eden were paid later the same day (April 6) in both Houses of Parliament.

In the House of Commons **Mr. Attlee**, after referring to "the event which is in all our minds—the change of Prime Ministers," spoke as follows. "Today we are parting with a Prime Minister who led this country through some of the most fateful years of Britain's history and who served in this House for more than 50 years. For the greater part of that time he has been one of the outstanding figures in the parliamentary arena. The retirement from active political life of the right honourable gentleman, the member for Woodford, does indeed mark the close of an epoch.

"He is the last survivor in this House of those who served in Queen Victoria's reign. He held high office before and during the First World War, and in the length of his political career he rivals Palmerston and Gladstone. He gave leadership to this country when it needed it most, and in history, as one of the greatest of all Prime Ministers, his name is assured.

"This is not the occasion for an appraisal of his career either as a most illustrious statesman on the world stage or as a great Parliamentarian. Fortunately, we were enabled to give expression to our appreciation of a great man not long ago on his 80th birthday, and we hope that the day may be still far distant when more formal tributes will have to be paid.

"But we feel today the loss from the front bench of a great Parliamentarian whose speeches have added lustre to our debates, and we shall miss those witty replies which so often enlightened our debates. Only last week we were enjoying them. Above all we shall miss a familiar figure for whom, despite the many differences we may have had with him, we could not help having a warm affection. We do not know whether there will be occasions on which he will address this House again, but he has now left the front line.

"He is going to have a well-earned rest. Instead of continuing to make history we hope he will continue to write it, and he carries with him the warm good wishes of us all.

"I should now like to offer to his successor our very sincere congratulations. The member for Warwick and Leamington [Sir Anthony] has had a long apprenticeship in high office and has earned the esteem of members in all parts of the House.

"He has, I am sure, no illusions as to the weight of the burden he now takes up in these troublous times. We all wish him health and strength, but we on this side cannot, of course, wish him a long tenure. Indeed, it is our duty as soon as opportunity offers to try to give him a period of rest. As a Mr. Young said to Lord Melbourne when that statesman hesitated to accept the Premiership: 'Why, damn it, such a position was never held by any Greek or Roman and if it lasts only three months it will have been worth while to have been Prime Minister of England.' So we are glad to congratulate him."

Mr. David Grenfell (Lab.), the Father of the House, said Sir Winston had no need of praises, "but he has fully earned them and we would be unworthy if we did not now sound our appreciation of his great services to the House and to the country." He also supported the welcome for Sir Anthony Eden.

Mr. Walter Elliot (C.) said: "Sir Anthony Eden is one of the very few persons obviously destined for a great post who has in fact eventually attained that post." His party in particular wished him well. Of Sir Winston, Mr. Elliot said that he had become a legend in his lifetime. "For all our lives we have sat down with this legend. To us he is fresh and the most human of men. The House today lost one of the greatest front-benchers in all its history and for that we are all the poorer. But the back-benchers have gained the greatest back-bencher of all times. By this at least, we can say, each of us is ennobled and the whole House is enriched."

Mr. John Maclay welcomed Sir Anthony Eden as Prime Minister on behalf of the National Liberal-Conservative members, and **Mr. Donald Wade**, in the absence of Mr. Clement Davies (the Liberal leader) did so on behalf of the Liberals.

Sir Anthony Eden, making his first appearance as Prime Minister, spoke as follows: "I must first try to acknowledge the generous terms which have been used . . . the well deserved terms about my right honourable friend, the member for Woodford. It is rightly said that this is not the time to appraise his work. For one thing he is, fortunately, still among us. We all know quite well that whenever he returns to us from his holiday, he will still be a dominant figure among us.

"For more than 16 years I have been intimately associated with Sir Winston in political work. As I reflect over those years and think of them in the terms of what we yet have to do, certain lessons seem to me to stand out for us in the message of what he has done.

"First, I think, in the war, his absolute refusal, as his War Cabinet colleagues knew so well, to allow any obstacle, however formidable, to daunt his determination to engage upon some task. And there is the courage, the courage that expresses itself not only in a first enthusiastic burst of fervour, but the courage that is endurance also, perhaps the rarer gift of the two.

"I think Sir Winston has perhaps the widest and the most varied interests in life of any man we are likely to know. Though that is true, I think his great passion was the political life, and that he brought to that service a most complete vision. No man I have ever known could make one understand at the same time the range of a problem and go straight to its core. I believe that in statesmanship that will be the attribute which many who knew him will place first among his many gifts.

"Sir Winston's spirit of magnanimity is the most agreeable of virtues—and let us be frank about it, one not all of us politicians find it easy to practice, although we would all like to. Perhaps, in part, with him it was easier because he always thought of problems not in abstract terms but in human values; that was one of the things that endeared him to all in this House.

"Finally, the humour, the humour based on his incomparable command of the English language, which was often our delight, not least at question time. I am sure he will be deeply moved by the things Mr. Attlee and others have said of him this afternoon, for he loves this House, loves it in companionship and in conflict.

"Mr. Attlee and other members have been kindly in their welcome to me. I enjoyed very much the Melbourne reflection. Mr. Attlee, with his deep knowledge of history, will not, however, I think, have forgotten that Melbourne, always talking of leaving office, contrived to stay there a very long time indeed. I have no desire—I beg him to believe—to emulate that in its entirety.

"For the rest, I can only say—and to the Father of the House—that I have been deeply touched with what has been said this afternoon and that I, for my part, will do all I can to serve our country."

In the House of Lords **Lord Salisbury** (Leader of the House) said Sir Winston belonged to that illustrious company "who will never pass from the minds of men—who will live in their hearts as long as Britain endures." His passionate love of freedom had made him, although the leader of the Conservative Party, one of the greatest Liberals in the fullest sense of the term.

Lord Jowitt, a former Lord Chancellor, speaking on behalf of the Labour peers, said that the very fact that the motion of tribute was so wholeheartedly supported on all sides created a precedent, but the man himself was without precedent. "Indeed, the motion fits the man," he went on. "And in the case of Sir Winston Churchill nothing seems more natural than that we should for a moment forget our party differences and bear witness to that underlying unity which adds to the confusion of our critics and the consternation of our enemies." Historians of the future would certainly analyse Sir Winston and would no doubt point to this mistakes. But those who

had served under him would, Lord Jowitt knew, testify to "the inspiration we received from his superior courage and matchless eloquence." There was no one, he said, who had striven so mightily for truth and justice, and in the long line of statesmen none had rendered such incomparable service not only to his country but to the free world. Lord Jowitt concluded . "Long may he be with us to give us the fruits of his experience and judgment. We salute him An epoch has ended and we turn to the future."

Lord Samuel (Leader of the Liberal peers), speaking of Sir Winston Churchill's achievements, recalled that he was Sir Winston's earliest colleague in the Government nearly 50 years ago. It was unfortunate, he said. that at that moment the London daily Press was silenced, adding : "It is only a muted farewell that the nation can give to the outgoing Prime Minister and greeting to his successor."

Lord Samuel had on the previous evening (April 5) broadcast the following tribute to Sir Winston Churchill:

"It was said very truly, by John Bright, that men are not great statesmen merely because they happen to fill great offices. That is so, even with the highest office of all. Looking at the list of Prime Ministers over the last 200 years, we must allow that by no means all of them had personalities that matched their position. Indeed, there are not more than perhaps ten or twelve who would be generally agreed to rank with the great who still live in the halls of fame. We do not doubt that, among the small company, is Winston Churchill. What the verdict of the future historian may be we cannot foretell . but at least we can send on to him a message that this has been the judgment of contemporaries.

A man's achievements must depend, not only on himself, but also on his times. This century has been an era of vast political upheavals and terrible wars. Here the occasion fitted the man ; and the man, the occasion.

That Churchill, from his youth up, was ambitious, he would be the last to deny. But his ambition was justified by great talents and an indefatigable industry. It was an honourable ambition to lead in public service ; and the success was merited that fulfilled his hopes :

> Thine to conduct—through ways how difficult—
> A mighty nation in its march sublime
> From good to better.

His character is many-sided ; he is versatile in his interests ; his career has been full of adventure. In politics, he was with us for ten years as a good Liberal ; afterwards, for much longer, he has been a good Conservative ; always he has been both a fervent patriot and a true citizen of the world. But I do not know that he has ever been inconsistent with himself.

He meets life with gusto, and danger with zest. He is one of those whom danger does not intimidate but exhilarates. Yet he has plenty of practical caution and prudent restraint when they are needed. That, in the course of his carcer, he has sometimes adopted or advocated policies that were mistakes cannot be denied ; but if, in a long life full of great responsibilities and grave decisions, he had made no mistakes he would have been unique among the statesmen, not only of this country. but of the world.

There is a special kind of affection that an individual may feel for an institution. I think that all of us, who have been for a long time, perhaps twenty years or so, in the House of Commons, do feel for it such an affection. Clearly that is so with Sir Winston Churchill. And the House returns it in full measure. He is very human. and that brings liking. He has wit, and there it has full scope. His wit is spontaneous, swift, often ironic, sometimes devastating. But it is never cynical, never ill-humoured or unkind. He may be scornful or angry, when scorn and anger are merited , but is never malignant, and he is neither self-assertive nor aloof.

It would not be just to say that he is variable ; but he is certainly various—almost as various as Shakespeare himself. Sometimes he is Hamlet or Jacques, reflecting on the qualities and fortunes of men and the destinies of nations. And then there are moments—perhaps in the House of Commons at question time, if things generally are going well, when we may catch a fleeting glimpse of an amiably mischievous Puck. But most truly and most deeply he is Henry V : 1940 was his Agincourt ; the nation's finest hour—and his own.

We passed through those two wars, the most widespread and destructive that have ever affected mankind ; and both ended—after so much tribulation, so much sacrifice—in full victory for the cause that we are sure was right. A democracy must judge its statesmen by results. Before and during the First World War, Churchill rendered great services ; but in the Second, he, more than any man, was the architect of victory. Beginning so young in the conduct of affairs, he is now full of years. Today he retires from public office ; but not, we hope, from public life. He carries with him the thanks of the British nation to a faithful servant of the people—and of mankind."

Owing to the non-publication of the London newspapers through the strike of electricians and maintenance men, the London Press was prevented from publishing the news of, and its comments on, Sir Winston Churchill's retirement, but a number of papers supplied the Press Association with extracts from the leading articles which they would have published had not the strike intervened. The following are quotations from some of these leaders (the Press Association stated that *The Times* and the *Daily Express* had supplied no articles).

Daily Telegraph (Conservative) : "His decision to hand on the torch cannot easily be questioned, but it is profoundly saddening. 'Peace,' he has said 'is the last prize I seek to win,' and retirement has come before it has been won. Indeed, as he surveyed the future, he may well have become convinced that the winning of it would take more years than those in which he could expect to enjoy the plenitude of his powers. In that case, to give way to others now is a course both wise and noble. It is only fair to those others that they should take on now a task which, in any case, they would have to complete. . . . Sir Winston Churchill has enriched our history, has nursed our strength, and has fortified our courage. We wish his successor good fortune in his heritage "

Daily Mail (Conservative) : "Few political careers have been so turbulent or so many-sided as his He has never been a party man. In this he resembles all his most notable predecessors. It goes without saying that he will be numbered among the great Prime Ministers. Indeed history will probably decide that he was the greatest of them all. To follow him will not be easy . . ."

News Chronicle (Liberal) · "The old lion, full of years and honour, takes his leave. Generations of Britons will count us fortunate who lived under his leadership. Today is the moment to salute him with pride and gratitude. But then the tomorrows, and the prospects of the succession, will be upon us . . ."

Daily Herald (Labour) : "He goes while at the peak of his form. His latest parliamentary performances have been better than his first But those who control the Conservative Party in peacetime have never shown unadulterated enthusiasm for him as Leader. Nor did he court their approval. It is not as a party politician, but as a national figure—one of the giants of world history—that Winston Churchill has earned his country's gratitude."

Financial Times (non-party) : "At the centre of Sir Winston's statesmanship seems to be his massive combination of tradition with progress, his sense both of the changes and of the continuities of history. It is this which has enabled him so often to prove more alert to modern needs than the critics who said that his views were obsolete."

Some of the principal provincial newspaper comment was as follows:

Manchester Guardian (Liberal) · "No man can ever give up being Prime Minister without a wrench : it takes a rare degree of will. But Sir Winston has been wiser than that other octogenarian, Gladstone, who hung on until he was in irritated conflict with his Cabinet and had bewildered his party Sir Winston has chosen his hour well He leaves with his party all set for an election and the Opposition in disarray. He leaves with all the personal honours that can come to a commoner and with the marked goodwill and friendship of his Queen. What a contrast was Queen Victoria's shabby treatment of the departing Gladstone ! . .

He has a part to fill as an elder statesman above the battle. There's no telling what fresh bursts of energy may come, what new phase of his incredible career may open up."

Yorkshire Post (Conservative) : "When the final appraisal has to be made, Churchill's greatness resides not in what he did, but in what he is Like all the great of this earth he has two aspects. He is great as a man and as a representative of his nation. He has the endurance, the will to conquer adverse fortune, of a Washington and a Lincoln (with the latter he also shares a rough humour and the tendency to seek relief in humour). He shares with Napoleon the sense that 40 centuries gaze on this transitory scene. He has the penetrating contempt for human pettiness of a Bismarck. Yet equally he could claim for himself the appellation (despite his mixed parentage) which Queen Elizabeth I claimed, of 'mere English.' That robustness, that disdain for superfluous detail, that contempt for routine, these are Shakespearean qualities . . ."

The Scotsman (non-party) . "The predominating emotion should rather be gratitude for his manifold services to the State, coupled with the hope that he will long enjoy the leisure earned by a life of phenomenal activity. He is one of those Olympian figures whose fame is so great that, whatever superlatives may be employed in his praise, they will still seem halting and inadequate . . ."

Sir Winston Churchill's resignation was a major topic in the world Press, and warm tributes, coupled with the hope that his wisdom and advice would continue to be available to the world, came from all parts of the globe. Some of the statements and messages are summarized below.

Australia. Mr. Menzies, the Prime Minister, said in Canberra on April 6 : "The simple fact about this world leader is that he is in the true sense a great man, and is, I believe, the greatest of our time. His is a genius which defies analysis. The splendour of his mind is so intermingled with a rich sense of fun, and a fun that is for simple things, that the total result is one of intense and intelligible humanity."

The Leader of the Opposition, Dr. Evatt, described Sir Winston as "the greatest wartime leader in Britain's history."

Canada. Mr St Laurent, the Prime Minister, declared in the Canadian House of Commons on April 5 · "We shall miss a leadership which for so many years—and especially in the anxious days of the war—has inspired and encouraged the people of the Commonwealth of Nations and, indeed, the whole free world."

New Zealand. The N Z Parliament passed a resolution on April 6 expressing deep appreciation of Sir Winston Churchill's services to the Commonwealth.

Mr. Holland, the Prime Minister, said in a personal tribute : "Though Sir Winston Churchill has retired as Prime Minister, British people all over the world will never allow him to retire from the special place in their affection and respect that he has won in a lifetime of service and achievement. Seldom in the field of human endeavour has one man meant so much to so many people."

The Leader of the Opposition, Mr Walter Nash, declared that Sir Winston would be " one of the great immortals of England "

South Africa. Mr. Strijdom, the Prime Minister, said on April 5 : " Sir Winston Churchill leaves the public scene at the zenith of his power and prestige, and as one of the most dynamic political figures that Europe has ever produced."

India. Mr Nehru, the Indian Premier, said on April 6 that Sir Winston had had " what might be called a tremendous life in many ways." and added · " I hope he will have a good rest now, but will continue to write and advise."

Ceylon. Sir John Kotelawala, the Prime Minister sent the following message to Sir Winston " This act of self-abnegation comes as a climax to the most brilliant and most versatile career of any man in the history of modern times. It might be said of you with truth that never in the history of democracy has so much been owed to one single man . . ."

Northern Ireland. Lord Brookeborough, the Prime Minister, stated on April 6 : " I think it is very sad and regrettable that a man with his great ability finds it necessary to resign In my opinion he is the greatest Englishman of any time His personality is unique and his leadership of the greatest "

U.S.A. President Eisenhower, in a message to Sir Winston, declared on April 5 · " Out of your great experience, your great wisdom, and your great courage, the free world yet has much to gain, and we know that you will never be backward in bringing those qualities forward when we appeal to you for help, as all of us are bound to do. We shall never accept the thought that we are to be denied your council, your advice "

France. M. Edgar Faure, the Prime Minister, told Sir Winston Churchill in a telegram that " France has not forgotten that you were a firm, vigilant, and faithful friend at her side in the dark hours of two wars," and on behalf of the French Government, " united unanimously around me," expressed their " sincerest admiration and warmest wishes." He added that the whole French people joined him in the " sincerest and most affectionate wish " that Sir Winston would continue to give unofficial guidance to British policy. M Mendès-France, the former Prime Minister, said : " Whatever the virile gruffness of his language on occasion, none of us forgot the affection he has always had for France."

Netherlands. Dr. Drees, the Prime Minister, said in a broadcast to the Netherlands people in the evening of April 5 " The resignation of Sir Winston Churchill as Prime Minister comes at a time when we are preparing to commemorate the liberation Churchill's name is closely bound up with this liberation. On the occasion of his 80th birthday I recalled already how he was the man who, by his indomitable spirit and his powerful and inspiring words, aroused and strengthened the spirit of determination in the British people at an historic moment when Britain stood almost alone against a totalitarian power of terrifying force . . At this moment of his resignation as Prime Minister, I am happy to express once again the special place Churchill has won in the hearts of our people by his fight for freedom, which is also our freedom."

Western Germany. The Federal Chancellor, Dr. Adenauer, in a statement on April 5, described Sir Winston Churchill as " the personification of the Western spirit in our day," and said : " It is one of Sir Winston's greatest services that the Western world now lives in freedom." Calling Sir Winston " a friend of Germany's," Dr Adenauer added " I am grateful to him that he offered friendship and counsel to me and stood by our side during the difficult hours of our young republic's history "

Sir Winston Churchill was first elected to Parliament in 1900. From 1900 to 1906 he was member for Oldham. He represented North-West Manchester from 1906 to 1908, and Dundee from 1908 to 1922. He re-entered the House in 1924 as member for Epping, and since 1945 he has sat for Woodford.

The following is a list of Sir Winston's offices :

Under-Secretary of State for the Colonies, 1906-09.
President of the Board of Trade, 1908-10.
Home Secretary, 1910-11
First Lord of the Admiralty, 1911-15.
Chancellor of the Duchy of Lancaster. 1915.
Minister of Munitions, 1917.
Secretary of State for War and Air, 1919-21.
Secretary of State for Air and the Colonies, February-April, 1921.
Secretary of State for the Colonies, 1921-23.
Chancellor of the Exchequer, 1924-29.
First Lord of the Admiralty, 1939-40.
Prime Minister. First Lord of the Treasury, and Minister of Defence, 1940-45.
Leader of the Opposition, 1945-51.
Prime Minister and First Lord of the Treasury, since October, 1951, and Minister of Defence from October, 1951 - February, 1952.

Eleven ministerial changes were announced by Sir Anthony Eden on April 7, three of them in the Cabinet, viz., the appointment of Mr. Harold Macmillan as Foreign Secretary, of Mr. Selwyn Lloyd as Minister of Defence, and of the Earl of Home as Secretary of State for Commonwealth Relations. All the other Cabinet members and Ministers were confirmed in their appointments.

With these changes the composition of the Cabinet was as follows :

Sir Anthony Eden ..	Prime Minister and First Lord of the Treasury.
Mr. Harold Macmillan ..	Foreign Secretary.
*The Marquess of Salisbury	Lord President of the Council.
*Viscount Kilmuir ..	Lord Chancellor.
*Viscount Woolton ..	Chancellor of the Duchy of Lancaster.
*Capt. H. F. C. Crookshank	Lord Privy Seal and Leader of the House of Commons.
Mr. Selwyn Lloyd ..	Minister of Defence.
The Earl of Home ..	Secretary of State for Commonwealth Relations.
*Mr. James Stuart ..	Secretary of State for Scotland.
*Mr. A. T. Lennox-Boyd ..	Secretary of State for the Colonies.
*Major Gwilym Lloyd-George	Secretary of State for the Home Department and Minister for Welsh Affairs.
*Mr. R. A. Butler .. .	Chancellor of the Exchequer.
*Sir Walter Monckton ..	Minister of Labour and National Service.
*Mr. Duncan Sandys ..	Minister of Housing and Local Government.
*Mr. Peter Thorneycroft ..	President of the Board of Trade.
*Mr. D. Heathcoat Amory	Minister of Agriculture, Fisheries, and Food.
*Mr. Osbert Peake ..	Minister of Pensions and National Insurance.
*Sir David Eccles	Minister of Education.

* No change.

The eight other appointments of Ministers not in the Cabinet were :

Mr. R. Maudling	Minister of Supply.
Dr. C. Hill . ..	Postmaster-General.
Cmdr. T. D. Galbraith ..	Minister of State, Scottish Office.
Sir Edward Boyle .	Economic Secretary, Treasury.
Mr. J. N. Browne ..	Parliamentary Under-Secretary, Scottish Office.
Mr. H. Nicholls .. .	Parliamentary Secretary, Ministry of Agriculture.
Mr. D. Kaberry	Parliamentary Secretary, Board of Trade.
Mr. F. J. Erroll	Parliamentary Secretary, Ministry of Supply.

Sir Anthony Eden (57), who has represented the Warwick and Leamington division in the House of Commons uninterruptedly since 1923, became Foreign Secretary in the Baldwin Government in 1935 at the age of 38, succeeding Sir Samuel Hoare (now Lord Templewood). He continued as Foreign Secretary in Mr. Neville Chamberlain's Government formed in 1937, but resigned on Feb. 20, 1938, because of his disagreement with Mr. Chamberlain's policy towards Mussolini and Hitler, which he—like Mr. Churchill (as he then was)—regarded as appeasement (see 2948 F). On the outbreak of war in 1939 he re-entered the Government as Dominions Secretary (see 3716 B), and when the Coalition Government under Mr Churchill was formed on May 10, 1940, he became Secretary for War (see 4045 A) On Dec. 23, 1940, he was again appointed Foreign Secretary in succession to Lord Halifax (who had succeeded him in 1938), and held the post throughout the war and in Mr. Churchill's " caretaker " Government pending the post-war election in 1945 During the war he visited Moscow in December 1941, when the Germans were almost in sight of the Russian capital, and later took part in all the important Allied wartime conferences at Quebec, Cairo, Moscow, Teheran, and Yalta, as well as in the first part of the Potsdam conference in 1945 On the Conservative electoral victory in 1951 he was appointed Foreign Secretary and Deputy Prime Minister in Mr. Churchill's Administration (see 11793 A).

Mr. Harold Macmillan (61), who succeeded Sir Anthony Eden as Foreign Secretary, had been Minister of Housing and Local Government since the formation of Sir Winston Churchill's Government in 1951, and had been mainly responsible for the success of the Government's house-building programme which aimed at reaching a target of 300,000 new houses a year, in October 1954 he had succeeded Field-Marshal Earl Alexander of Tunis as Minister of Defence.

Mr. Selwyn Lloyd, Q.C. (50), who took over the Defence portfolio formerly held by Mr. Macmillan, was Minister of State at the Foreign Office from 1951-54 and in this capacity led the British delegations at several sessions of the U.N. General Assembly ; he became Minister of Supply in October, 1954.

The Earl of Home (51), who became Secretary of State for Commonwealth Relations in succession to Lord Swinton, had been Minister of State, Scottish Office, since 1951. From 1937-39 he had been (as Lord Dunglass) Parliamentary Private Secretary to Mr. Neville Chamberlain, then Prime Minister, and in Mr. Churchill's " caretaker " Government prior to the 1945 elections he was Joint Parliamentary Under-Secretary at the Foreign Office.

Mr. Reginald Maudling (38), who succeeded Mr Selwyn Lloyd as Minister of Supply, has been M P. for Barnet since 1950 and Economic Secretary to the Treasury since 1953 ; in 1952 he was Parliamentary Private Secretary to the Minister of Civil Aviation.

Dr. Charles Hill (51), the new Postmaster-General in succession to Earl De La Warr, has been National Liberal-Unionist M.P. for Luton since 1950 and Parliamentary Secretary to the Ministry of Food since 1951. From 1944-50 he was Secretary of the British Medical Association, and became widely known as the "Radio Doctor."

Commander Thomas Dunlop Galbraith, R.N. (64), who succeeded the Earl of Home as Minister of State, Scottish Office, has represented the Pollok division of Glasgow since 1940, he has been Joint Parliamentary Under-Secretary for Scotland since 1951—a post which he also held in Sir Winston Churchill's "caretaker" Government in 1945.

Sir Edward Boyle (31), who became Economic Secretary to the Treasury in succession to Mr Maudling, has been M.P. for the Handsworth division of Birmingham since 1950, and Parliamentary Secretary at the Ministry of Supply since July 1954.

Mr. J. N. Browne (50), who succeeded Commander Galbraith as Parliamentary Under-Secretary, Scottish Office, has represented the Govan district of Glasgow since 1950, and since 1953 has been Parliamentary Private Secretary to the Secretary of State for Scotland.

Mr. Harmar Nicholls (42), who became Parliamentary Secretary, Ministry of Agriculture, has been M.P. for Peterborough since 1951, and was Parliamentary Private Secretary to the Postmaster-General: it was Mr Nicholls who, at the Conservative Party conference in 1950, demanded the target of 300,000 houses a year.

Mr. Donald Kaberry (47), who succeeded Mr. Henry Strauss as Parliamentary Secretary, Board of Trade, has been M.P. for North-West Leeds since 1950 and was appointed Conservative Assistant Whip in 1952.

Mr. F. J. Erroll (40), who succeeded Sir Edward Boyle as Parliamentary Secretary, Ministry of Supply, has represented the Altrincham and Sale division of Lancashire since 1945.

Ministers leaving the Government were Viscount Swinton (Secretary of State for Commonwealth Relations), Mr. Henry Strauss (Parliamentary Secretary, Board of Trade), and Earl De La Warr (Postmaster-General). It was announced on April 7 that an earldom had been conferred on Lord Swinton and a barony on Mr. Henry Strauss, and that Commander Galbraith had also been made a baron.

The changes reduced the average age of the Cabinet from 58 years 6 months to 55 years 8 months.

The Order transferring the functions of the Ministry of Food to the combined Ministry of Agriculture, Fisheries, and Food, thereby completing the merger of the two Ministries (see 13841 A), had been approved by the Privy Council on April 7 after approval by the House of Commons on March 28.

Sir Winston Churchill left No. 10, Downing Street on April 6 for his home at Chartwell, and on April 12 he and Lady Churchill flew to Sicily, where it had previously been announced they would spend a holiday at Syracuse.

In a letter to the chairman of the Conservative Party Association in his constituency of Woodford on April 6, Sir Winston explained the reasons for his resignation as Prime Minister and expressed his intention of remaining a member of the House of Commons and of standing again for Woodford at the next general election. The letter said:

"At a general election the head of the Government and Leader of the Party unfolds the policy for the new Parliament to which he is personally pledged. For some time past I have not felt that at my age it would be right for me to incur such new and indefinite responsibilities. It is necessary that my successor should enter upon his duties in reasonable time to present himself and his programme to the nation as and when he chooses. I have, therefore, tendered my resignation to the Queen. Her Majesty has invited Sir Anthony Eden to form a Government."

It had been announced in Bonn on March 11 that the Charlemagne Prize for 1955 had been awarded to Sir Winston Churchill for his outstanding service for European unity, and that Sir Winston had accepted an invitation to visit the city of Aachen (which founded the prize in 1949) to receive it.

(Manchester Guardian - Bath & Wilts Chronicle & Herald - Western Daily Press - Yorkshire Post - The Scotsman - The Listener - Australian News Bulletin - N.Z. Directorate of Information - The Statesman, Calcutta - New York Times - Le Monde, Paris - Netherlands News Agency) **(Prev. rep. 13982 C; 13841 A; 13712 A; 13248 B; 13125 A.)**

A. COMMUNIST CHINA. — State of War with Germany ended.

Peking Radio announced on April 8 that President Mao Tse-tung had issued a proclamation ending the state of war between China and Germany which had existed since Dec. 9, 1941. The proclamation, which implemented a resolution adopted on April 7 by the Standing Committee of the National People's Congress, declared that the termination of the state of war would not change Germany's internal obligations and would also not affect "the rights the People's Republic of China enjoys, and the commitments it undertakes, under international agreements relating to Germany."—(New York Times - New York Herald Tribune) **(Prev. rep. 14111 B.)**

B. GOLD - SILVER. —World Production and Consumption Figures in 1954.

The following estimates of gold production in the leading producing countries in 1954 (in thousands of fine oz.) were published in the Annual Bullion Review issued by Samuel Montagu and Company, from figures compiled by the Union Corporation Ltd. Revised estimates for 1953 are shown in parentheses.

South Africa	13,235*	(11,940)	Peru	130*	(130)
Canada	4,310*	(4,069)	New Guinea .	85*	(121)
Soviet Union	2,000*	(2,000)*	Fiji . ..	75*	(77)
United States	1,867*	(1,990)	Tanganyika .	70*	(70)
Australia	1,110*	(1,075)	Sweden .	70*	(70)*
Gold Coast .	787*	(731)	New Zealand	35*	(38)
Southern Rhodesia .	540*	(501)	Korea	—	(—)
			Elsewhere .	890*	(940)*
Philippines	500*	(481)	World Total	27,700*	(26,250)*
Mexico .	460*	(459)			
Colombia .	385*	(436)			
Belgian Congo	370*	(371)	British Empire	20,500*	(18,886)
Japan .	250*	(228)	British Empire percentage	74.0	71.9
India ..	221*	(212)			
Brazil ..	180*	(180)*	South African percentage	47.8	45.5
Chile . ..	130*	(131)			

* Estimated or provisional figure.

The official gold price in London stood at 248s. per fine oz. when the year opened, but on March 22, on the reopening of the London Gold Market (see 13483 A), the price was fixed at 248s. 6d. per fine oz. Thereafter it rose gradually to 249s. 1d. in April and May, dropped to 249s. in June, but advanced again to 249s. 1½d. in July and to 250s. in August, the upward trend persisting (apart from a slight drop in October) until at the close of the year the figure stood at 251s. 7½d.

Gold quoted in Continental centres at the beginning of the year stood at $35.20-$35.30, but pressure from Russian sales forced prices down until, on the reopening of the London Market, the figure stood at $35.00 per oz.; it then fluctuated between $34.95 and $35.15 in May, but steadied in June to between $35.06 and $35.11. There was little movement in the price until the end of September, and during the final quarter of the year it ranged from $35.07 to $35.10 in October, $35.04½ to $35.09 in November, and $35.03½ to $35.06½ in December.

About 5,000,000 fine oz. were estimated to have been absorbed by the free gold markets, compared with 7,500,000 fine oz. in 1953.

Details regarding the world silver market in 1954 were given as follows:

Silver Production. Estimates, with revised 1953 figures in parentheses, were as follows (in fine oz.): Mexico, 47,000,000 (47,900,000); U.S.A., 37,000,000 (37,000,000); Central and South America, 34,000,000 (34,000,000); Canada, 31,000,000 (28,300,000); Australia, 12,000,000 (12,500,000). Total production in the Western Hemisphere (excluding Australia) was thus estimated at 149,000,000 oz., compared with a revised output of 147,900,000 oz in 1953. After adding the Australian output, plus 7,000,000 oz. produced in Japan and 5,000,000 oz. in the Belgian Congo, and allowing for a production of 41,000,000 oz. in other countries for which accurate figures were not available, world output (excluding the Soviet Union) was tentatively estimated at about 214,000,000 oz. On the assumption that the total U.S. production was taken up by the U.S. Treasury, a balance of 177,000,000 oz. remained available for general consumption.

Silver Consumption. Estimates of consumption in arts and industries in some of the principal countries were: 85,000,000 oz. in the U.S.A. (a fall of 20,000,000 oz.), 24,000,000 oz. in Western Germany (an increase of 6,500,000 oz.), and 12,000,000 oz. in Britain. With the addition of other countries, total industrial consumption of silver was estimated at 152,000,000 oz.

The off-take for coinage purposes was estimated at about 67,000,000 oz., of which the U.S.A. accounted for 54,000,000 oz. Consumption for industry and coinage together thus amounted to 219,000,000 oz., this figure exceeding the available new production by about 5,000,000 oz.

British Bar Silver Imports and Exports were estimated at 23,119,900 troy oz. and 12,049,200 troy oz respectively. The largest imports came from the Soviet Union (9,098,400 oz.), Australia (7,167,000 oz.), the U.S.A. (1,954,600 oz.), Japan (1,766,600 oz.), and Canada (1,105,300 oz.). The largest exports went to France (3,034,000 oz.), Italy (2,820,600 oz.), and Sweden (1,684,400 oz.)

Silver Price. The official London price opened at 73⅞d. and in March stood at 73⅝d., falling gradually to 72½d. in May. After a temporary recovery to 73¼d. in June, the price again declined and on July 21 touched the lowest figure for the year at 72d.; it improved, however, to 73⅛d. in August, though dropping again to 73d. at the beginning of September. Thereafter prices rose, reaching 74⅛d. on Oct. 15, but receded slightly to 74¼d. in November, at which level they remained until the end of the year.

The figures for Lend-Lease silver remained the same as at the end of 1953, except for a repayment in August of 11,000,000 oz. of the 57,000,000 oz. borrowed by the Netherlands, which brought the total amount outstanding down to about 399,553,000 oz. (Samuel Montagu & Co.'s Annual Bullion Review)

(Prev. rep. 1953 Statistics, 13470 A; S.A. Production, 14088 C; Reopening of London Gold Market, 13483 A.)

A. JAPAN. — General Elections. - New Cabinet formed by Mr. Hatoyama.

General elections were held in Japan on Feb. 27, and resulted in heavy gains for the Democrats and Socialists at the expense of the Liberals. The Democrats, however, although becoming the largest party, failed to obtain a majority in the new House of Representatives, whilst the Democrats and Liberals together failed to secure the two-thirds majority which they would have needed to carry out their proposals for the revision of the Constitution (see below). The distribution of seats and votes between the various parties, as compared with the number of seats which they held before the dissolution and the number of votes received in the 1953 elections, are shown below.

	Seats	
	New House	Old House*
Democrats	185	124
Liberals	112	180
Left-wing Socialists	89	74
Right-wing Socialists	67	61
Labour-Farmer Party	4	5
Communists	2	1
Others	8	11

	Votes	
	1955	1953
Democrats	13,536,038	9,240,920†
Liberals	9,849,453	13,476,428
Left-wing Socialists	5,683,308	4,516,715
Right-wing Socialists	5,129,593	4,677,833
Labour-Farmer Party	357,611	358,773
Communists	733,121	655,990
Others	1,725,695	1,675,786

* At time of dissolution, with 11 seats vacant. † Votes cast for dissident Liberals led by Mr. Hatoyama and Progressives.

The Democrats thus received 36 57 per cent of the total vote against 26.7 per cent cast in the previous elections for the then dissident Liberals under Mr Hatoyama and the Progressives, Mr. Hatoyama himself received 149,000 votes in a Tokio constituency, the highest vote ever given to a single candidate in a Japanese election. The Liberals' polling percentage fell from 39 per cent to 26.61 per cent; the Left-wing Socialists increased theirs from 13.1 per cent to 15.35 per cent; and the Right-wing Socialists showed a slight increase from 13.5 per cent to 13 86 per cent The Communist vote remained practically stationary at under two per cent of the total poll (1 98 per cent now, against 1 9 per cent in 1953), whereas the Labour-Farmers' percentage fell from 1 0 per cent to 0.97 per cent Other candidates, including Independents, received 4.66 per cent of the vote, against 4.8 per cent in 1953.

The total poll was 37,338,182, or 75 per cent of the electorate of 49,235,242; this compared with polls of 74 2 and 76.43 per cent respectively in the 1953 and 1952 elections

The main issue before the electorate was the Government's proposal for the revision of the Constitution in order to allow Japan to rearm, which was supported by the Liberals but opposed by the four Left-wing parties which form the so-called "renovationist camp" (the Left- and Right-wing Socialists, the Labour-Farmers, and the Communists). In order to reduce contests between the Left-wing parties and to strengthen their chances of gaining sufficient seats to prevent constitutional revision (i.e. over one-third of the total membership of the House), the Communists had withdrawn 39 of their 99 candidates on the eve of the election. All parties agreed in advocating the resumption of normal relations and the development of trade with the Soviet Union and Communist China; the Right-wing parties, however, stressed that this should be achieved without departing from the basic principle of co-operation with the Western Powers.

The heavy losses suffered by the Liberals were interpreted as an indication of a widespread desire that the country should pursue a more independent policy than that of Mr. Yoshida's Government, which had been attacked as being too closely tied to the U.S.A., and as an expression of Japanese determination, ten years after the end of the war, to develop their own internal, foreign, and economic policies, independent of external influence. The advance of the Socialists, especially the Left-wing group (which received about 1,160,000 more votes than in the previous election), was attributed essentially to the support given to them by a majority of the 2,140,000 new voters who, having come of age, exercised the franchise for the first time; it was estimated in the Japanese Press that more than 45 per cent of these new voters alone had cast their vote for the Left-wing Socialists. Thus, the four Left-wing parties together secured for the first time more than one-third of the total number of seats.

A feature of the elections was the unprecedented number of violations of the electoral law and of alleged cases of corruption; this was attributed in part to the strictness of the law as revised by the previous Diet, which, for example, prohibited candidates from using loudspeakers in the streets The Public Prosecutor's office stated on March 2 that candidates had distributed over 3,000,000,000 yen (£3,000,000) to buy votes, and that at least 30 candidates would be prosecuted

Mr. Hatoyama was elected Prime Minister by the Diet on March 18 by 254 votes to 160, with Liberal support, and on the following day announced the membership of his new Government, in which all the more important posts were held by the same Ministers as in his previous Cabinet (see 14005 A). The new appointments were as follows. Mr. Takao Nishida (Labour), Mr. Kenzo Matsumura (Education), Mr. Hideji Kawasaki (Welfare), Mr. Takechiyo Matsuda (Posts), Mr. Arata Sugihara (Minister of State for Defence), Mr. Shojiro Kawashima (Minister of State for Local Government), and Mr. Tomejiro Okubo (joint Minister of State for Police with Mr. Oasa).—(Japanese Embassy Information Bulletin, London - Times - New York Times - New York Herald Tribune)

(Prev. rep. 14005 A.)

Note. Art. 96 of the Japanese Constitution of 1947 lays down that "Amendments to this Constitution shall be initiated by Parliament, through a concurring vote of two-thirds or more of the members of each House, and shall thereupon be submitted to the people for ratification, which shall require the affirmative vote of a majority of all votes cast thereon at a special referendum or at such election as Parliament shall specify. ."

(Japanese Embassy Information Bulletin, London)

B. INDIA. — Defence. - New Designation for Heads of Armed Services. - Principles of Defence Policy. - New Chief of Naval Staff. - Number of British Officers in Indian Armed Forces.

Mr. Nehru, the Indian Prime Minister, announced during a debate in the House of the People on March 25 that the heads of the Army, Navy, and Air Force would in future be known as Chiefs of Staff instead of by their present designation of Chiefs of Staff and Commanders-in-Chief.

He explained that the change did not signify any lessening of the commanders' authority or status but was made because the designation of commander-in-chief was "slightly incongruous in a democratic set-up" and not quite in keeping with the provisions of the Constitution. Later in the debate he stated that the Government was considering the question of setting up defence councils for each of the three services on the lines of the British Army and Air Force Councils and the Board of Admiralty, which would perform the functions of a commander-in-chief After expressing high appreciation of the help given by British officers in developing the defence services, particularly the Navy and Air Force, Mr. Nehru announced that the present Chief of Naval Staff would shortly retire and would be succeeded by an officer of the Royal Navy, who would be the last British officer to hold that office and would then be succeeded by an Indian.

During the debate Mr. Nehru also outlined the three basic considerations governing India's defence policy as follows: (i) since it was purely defensive she was not concerned with long-distance striking power, but only with regional defence; (ii) she had neither the capacity nor the intention to develop atomic weapons, but would rely only on the conventional type; and (iii) she would prefer slightly inferior indigenously produced weapons to others for which she would have to depend on foreign countries.

In a parliamentary reply in the House of the People on April 5 it was stated that there were now only 14 British officers in the Indian Army against 410 in February 1948, 33 British naval officers and Admiralty civilians in the Indian Navy as against 120 in July 1949, and three British technical Service officers and 22 civilian instructors in the Indian Air Force, compared with 20 Service officers and 38 civilians in December 1949.

On April 2 it was announced that Vice-Admiral S. H. Carlill had been appointed Chief of Naval Staff in succession to Admiral Pizey, who would relinquish his office in July. Vice-Admiral Carlill, whose services will be lent by the British Government, is at present Flag Officer of the Home Fleet Training Squadron in the Royal Navy, and up to 1954 was Senior Naval Member of the directing staff of the Imperial Defence College.—(The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London)

(Prev. rep. 14050 B; 13358 B; 11298 B.)

C. INDONESIA. — Netherlands Investments.

A memorandum published by the Indonesian Government in January in connexion with the dissolution of the Netherlands-Indonesian Union gave the following estimates of Dutch investments in Indonesia (in millions of rupiahs): Sugar estates and factories, 400; Rubber estates, 450; Other estates, 350; Banks, 274; Tin mines, 10; Oil wells, 500; Shipping, 100; Trams and railways, 150; Industries, 50; Other investments, 250. Total 2,534.

(Indonesian Embassy, London) **(Prev. rep. 13759 A.)**

A. UNITED KINGDOM. — Revenue and Expenditure Returns, 1954-55. - The Floating Debt.

Exchequer returns for the financial year 1954-55, published on April 1, showed an Ordinary Budget surplus (after charging sinking funds of £36,067,202) of £433,166,594; this compared with a surplus of £10,476,000 estimated by Mr. Butler in his Budget speech. Net capital expenditure" below the line" (i.e., excluded from the Ordinary Budget) amounted to £500,646,000, as against Mr. Butler's estimate of £407,000,000, so that there was an " overall " deficit of £67,479,406, instead of the estimated £396,524,000.

The following table gives the actual returns for the year, the 1954-55 Budget estimates, and the returns for the year 1953-54 :

	Revenue £	Expenditure £
1954-55 Actual*	4,737,892,404	4,304,725,810†
Budget Estimate ..	4,532,875,000	4,522,399,000‡
1953-54 Actual§	4,368,129,723	4,274,492,051‖

* Excluding self-balancing revenue and expenditure amounting to £248,786,000, i.e., £243,600,000 for the Post Office and £5,186,000 for income-tax deducted from post-war refunds of excess profits tax. † Including sinking funds of £36,067,202. ‡ This was subsequently increased to £4,558,202,000 by Supplementary Estimates totalling £42,663,000, less £6,860,000 for additional Post Office expenditure which was transferred to self-balancing expenditure. § Excluding self-balancing revenue and expenditure, amounting to £232,000,000 for the Post Office and £5,940,000 for income-tax deducted from post-war refunds of excess profits tax. ‖ Including sinking funds of £35,624,765.

Details of the various revenue items were as follows :

	Year ending March 31, 1955 £	Year ending March 31, 1954 £	Increase (+) or Decrease (−) £
Income-tax ..	1,892,965,000	1,730,991,000	+161,974,000
Surtax	134,700,000	132,400,000	+ 2,300,000
Death Duties ..	187,900,000	164,500,000	+ 23,400,000
Stamps	75,100,000	56,600,000	+ 18,500,000
Profits Tax and Excess Profits Tax ..	172,800,000	188,400,000	− 15,600,000
Excess Profits Levy.	76,500,000	65,850,000	+ 10,650,000
Other Inland Revenue Duties . .	1,280,000	1,390,000	− 110,000
Customs	1,100,049,000	1,042,396,000	+ 57,653,000
Excise	771,637,000	721,975,000	+ 49,662,000
Motor Vehicle Duties	78,980,000	73,115,000	+ 5,865,000
Post Office (net) ..	5,100,000	—	+ 5,100,000
Broadcast Receiving Licences .. .	22,300,000	16,400,000	+ 5,900,000
Sundry Loans .	23,023,559	38,013,936	− 14,990,377
Miscellaneous ..	195,557,845	136,098,787	+ 59,459,058
Total Ord. Revenue .	4,737,892,404	4,368,129,723	+369.762,681

All Inland Revenue items exceeded the Budget estimates, Income-tax by nearly £93,000,000, Surtax by £2.700,000, Death Duties by £23,500,000, Stamps by over £20,000,000, Profits Tax and Excess Profits Tax by £800,000, Excess Profits Levy by £16,500,000, and other Revenue Duties by £280,000. Customs receipts were over £37,500,000 higher and Excise receipts over £52,600,000, the two items together thus yielding over £90,000,000 more than budgeted last year. Small increases over the estimates were shown by Motor Vehicle Duties (nearly £2,000,000) and Broadcast Licences (£1,300,000), whilst Sundry Loan receipts fell below the estimate by nearly £1,000,000 and Miscellaneous Revenue by nearly £50,000,000. The Post Office receipts of over £5,000,000 compared with an estimate of nil.

The following table shows Ordinary Expenditure :

	Year ending March 31, 1955 £	Year ending March 31, 1954 £
Interest and Management of National Debt.	569,722,542	579,759,765
Sinking Funds	36,067,202	35,624,765
Payments to Northern Ireland Exchequer	50,190.807	50,064,350
Other Consolidated Fund Services .	8,812,259	9,324,171
Total Supply Services (excluding Self-balancing)	3,639,933 000	3,599,719,000
Total Ordinary Expenditure .	4 304,725,810	4,274,492,051

Total Ordinary expenditure (excluding self-balancing items) was £217,673,190 less than the original Budget estimate, and £253,476,190 less than the revised estimate of £4,558.202,000 The shortfall in expenditure was due largely to the cost of defence (excluding American Aid receipts) being £142,854,000 less than estimated, i.e., £1,497 050,000 against an estimated £1,639,904.000 ; the net defence expenditure after appropriation of U.S. Aid was £1,435,900,000, against an estimate of £1,554,544,000. On Civil Votes actual expenditure also kept below the estimate, viz., £2,157,741,000, against an estimated £2,289,549,000.

Net expenditure " below the line " (i.e., capital expenditure) of £500,646,000 exceeded the estimate of £407,000,000 by over £93,000,000. This was mainly due to higher outgoings on loans to Local Authorities, which amounted to £328,088,000 net as compared with the estimate of £275,000,000 net; to Post Office capital expenditure of £45,100,000, compared with an estimate of nil; to higher loans to the National Coal Board at £67,284,000 net, compared with an estimated £54,000,000 net; and to compensation payments under the Town and Country Planning Acts of £7,900,000, against an estimate of nil. These higher outgoings were only partly compensated for by lower capital expenditure on other items, as compared with the amounts originally estimated. The principal other capital payments were war damage payments (£30,175,000), loans for New Towns development (£29,615,000 net), post-war credits (£23,850,000), E.P.T. refunds (£6,338,000), loans to the Colonial Development Corporation (£3,950,000 net), housing expenditure for the armed forces (£1,060,000), and loans to the Northern Ireland Exchequer (£1,040,000 net). Loans to the National Film Finance Corporation amounted to £184.000 net, loans to the Independent Television Authority to £55,000, and payments for the development of inventions to £300,000. Export guarantees increased by £1,460,000 net. On the revenue side, net repayments by the Raw Cotton Commission totalled £25,173,000, and net receipts from various Housing Acts £18,963,000. Repayments under the Anglo-Turkish armaments credit amounted to £1,064,000, and those from the Overseas Food Corporation to £553,000.

Details of the floating debt are shown below :

	March 31, 1955 £	March 31, 1954 £
Ways and Means Advances Outstanding .		
Advances by Bank of England	—	—
Advances by Public Departments	315,210,000	327,945 000
Treasury Bills Outstanding . ..	4,931,390,000*	4,491 420,000
Total Floating Debt Outstanding	5,246,600,000	4,819,365,000

* Includes £225,000, the proceeds of which were not carried to the Exchequer within the period of the Account.

The floating debt thus showed a net increase over the year of £427,235,000.—(Treasury Press Office - Manchester Guardian) **(Prev. rep. Revenue and Expenditure, 1953-54, 13553 A; 1954-55 Budget, 13497 A; 13557 A; National Debt, 13982 A.)**

B. TANGANYIKA. — Tanganyika Agricultural Corporation set up.

The Tanganyika Agricultural Corporation, formed to continue the work of the Overseas Food Corporation, came into being on March 30.

The new Corporation will work in the areas taken over from the O.F.C., for which purpose it will be financed by a Colonial Development and Welfare grant from the British Government. It was stated that it would also be invited by the Tanganyika Government to assist in carrying on the Rufiji basin reconnaissance survey now in progress under the aegis of the U N. Food and Agriculture Organization, and, in particular would be asked to establish the trial farms planned as part of that investigation

Mr. S. Gillet, formerly chairman of the O.F.C., was appointed chairman of the new Corporation, the board of which will also include Mr. A. E. Trotman, member for Agriculture and Natural Resources in the Tanganyika Government.
(New Commonwealth - Times) **(Prev. rep. 14055 B; 13561 B.)**

C. PERSIA. — Revaluation of the Rial.

The Persian Government revalued the rial on Feb. 6, raising the National Bank's commercial buying rate from 82 rials to 75 rials to the dollar, though the official rate remained unchanged at 89.4 rials. It was stated, however, that until an accumulation of foreign exchange had been sold, the National Bank would, as a temporary measure, sell foreign exchange to Persians half at 76.5 rials and half at 82.5 rials to the dollar. For sterling, the bank's new commercial buying rate was 210 rials, and the commercial selling rate 222.6 rials. The commercial buying rates for the rial had earlier (Aug. 9, 1954) been reduced from 93 rials to 82 rials for the dollar, and from 253 to 229.6 for the pound sterling.—(Times-Financial Times) **(Prev. rep. 11582 F.)**

D. SOUTH AFRICA. — Immigration.

The Minister of the Interior, Dr. Donges, announced on Feb. 25 that during 1954 the number of immigrants entering South Africa was 14,313, and the number of South African citizens leaving the country 9,641—giving a net gain of 4,672. Countries of origin of the immigrants, with 1953 figures in parentheses, included the following. Britain, 4,090 (5,361); Netherlands, 2,874 (3,503); and Germany, 1,861 (2,889).
(Cape Times - Cape Argus) **(Prev. rep. 12988 B.)**

A. EGYPT. — Trials of Members of Alleged Zionist Spy Ring, Moslem Brotherhood, and Democratic Movement for National Liberation.

The trial of 11 Jews, whose arrest had been announced on Oct. 6, 1954, on charges of espionage on behalf of Israel and acts of arson and sabotage, opened before a military court in Cairo on Dec. 11, 1954. The indictment alleged that the accused were members of a Zionist spy ring, which between 1951 and 1954 had supplied Israeli agents with military secrets; had prepared to maintain contact with Israel by radio in the event of war; had attempted to set fire to, or blow up, U.S. information offices, cinemas, and other public buildings in Cairo and Alexandria; and had collected and disseminated news calculated to create "a state of disturbance and public unrest endangering the State of Egypt."

The accused, all of whom pleaded "not guilty," were Max Bennett (37), a German citizen said to be the acting leader of the group; Dr. Moussa Marzouk (28), a surgeon of Tunisian origin and French nationality, said to be the leader of the organization in Cairo; Samuel Azar (26), a teacher, said to be its leader in Alexandria; Mlle. Victorine Nino, who was alleged to have acted as a link between the two branches; and Victor Levy, Philip Natanson, Robert Dassa, Mayer Zaafran, Mayer Muhass, Caesar Cohen, and Jacob Naim, most of these accused being young commercial employees. Two other Jews, Abraham Dar *alias* John Darling, said to be an officer in the Israeli Army, and Paul Frank, were tried *in absentia*. While the trial was in progress Bennett was found dead in his cell on Dec. 21; the police stated that he had committed suicide.

Evidence was given for the prosecution that Levy and Natanson had been arrested as a result of information received that they had purchased cases for the transport of explosives; that Natanson had implicated Dr. Marzouk; and that further inquiries had revealed that Dassa had been commissioned to set fire to Cairo theatres, and that Azar had acted as radio operator for the group. Mlle. Nino stated in evidence that she had been introduced to members of the group by Darling and had received money from him, knowing that he worked in the interests of Israel; she denied however, that she had admitted during her interrogation that the organization had collected military information, claiming that she had been tortured by the police to extract a confession. Levy, who together with Azar, Natanson and Dassa confessed to having set fire to the U.S. information centre and a post office in Alexandria, stated that this had been done as part of a plan to disturb relations between Egypt and the U.S.A., and that he had been trained as a radio operator during a visit to Israel in 1952. Counsel for the defence pleaded that the accusation of espionage for a foreign State was untenable, as Egypt did not recognize Israel as a State, and appealed for clemency on the ground of the defendants' youth.

The verdict and sentences were announced on Jan. 27, 1955—over three weeks after the conclusion of the trial on Jan. 5—when they had already been reviewed and confirmed by the Prime Minister, Colonel Nasser. All the accused, except Cohen and Naim, were found guilty and Dr. Marzouk and Samuel Azar were sentenced to death by hanging, Levy and Natanson to life imprisonment, Mlle. Nino and Dassa to 15 years' hard labour, and Zafraan and Muhass to seven years'. Despite appeals for clemency by the Israeli and French Governments, as well as by the World Jewish Congress and a number of non-Jewish organizations, the two death sentences were carried out on Jan. 31.

In Israel, where anti-Egyptian protest demonstrations took place throughout the country, the Prime Minister, Mr. Sharett, in a statement in the *Knesset* on Jan. 31, expressed his Government's "contempt and horror at the heartless rejection by the rulers of Egypt of the urgent representations made to them," and accused the Egyptian Government of carrying out the executions in order to "strengthen its position against its rivals at home and abroad by spilling Jewish blood." As a sign of mourning the *Knesset* then adjourned for a brief period. M. Edgar Faure, then the French Foreign Minister, told the Egyptian Ambassador in Paris on the same day that the executions, which had been carried out "in spite of repeated moves by the French authorities in Paris and Cairo to obtain a measure of clemency," had aroused strong feeling in France.

A statement on "Zionist espionage in Egypt," issued by the Egyptian Ministry of National Guidance on Jan 31, which included reproductions of alleged confessions by members of the group, claimed that the Jewish population in Egypt had received considerate treatment, even during the war with Israel, and declared that in spite of the "almost daily infringements of the armistice by the Israeli Government," and the "acts of espionage and sabotage committed by hundreds of Zionist agents throughout the Arab world," Egypt would "continue to treat non-Zionists with kindness and the respect due to every citizen."

Seven more Jews, five of them (one a woman) French citizens, who had been arrested on Oct. 4 on charges of "Communist and Zionist" espionage and attempts to overthrow the regime, were brought to trial before a military court on Feb. 26, 1955. The indictment alleged that the leaders of the group, Henri Cohen and Joseph Osmo, were the directors of the pro-Communist Democratic Movement for National Liberation; that all the accused had carried on propaganda urging the forcible overthrow of the Government; and that they had supplied information to the Soviet Union and Israel through a centre in Paris. The trial, which was held *in camera*, ended on March 22, when Cohen and Osmo were sentenced to eight years' hard labour and a third defendant (Nissim Nahmias) to three years' imprisonment; the four other defendants were acquitted.

Previously, another 36 members of the Democratic Movement for National Liberation, including lawyers, engineers, and students, who had been arrested in May, 1954, had been sentenced on Dec. 30 to terms of imprisonment ranging from five years' to life imprisonment. The court also ordered the dissolution of the Movement.

Mass trials of members of the Moslem Brotherhood accused of conspiracy and terrorism continued throughout December and the first three weeks of January, 15 men being sentenced to death between Dec. 14 and Jan. 19, and over 300 to terms of imprisonment ranging from five years' to imprisonment for life. Among those condemned to death were Mohammed Mustafa, head of the Brotherhood's secret organization in Alexandria; Ahmed Hassanein, leader of the organization in the provinces; Major Shadi, organizer of the Brotherhood's cells in the police force; Mohammed Nosseiry, a lawyer, who confessed that he had been ordered to assassinate Colonel Nasser if the attempt on his life on Oct. 26 failed; and Colonels Abdel Raouf and Abou Hay, leaders of the secret organization in the armed forces, both of whom were tried *in absentia*. All the death sentences were, however, subsequently commuted by the Revolutionary Council to life imprisonment. (Times - Manchester Guardian - Le Monde, Paris - New York Times) **(Prev. rep. Political Trials, 13929 A.)**

B. TURKEY. — President Bayar's Official State Visit to Pakistan and Iraq.

President Bayar, accompanied by Madame Bayar, paid a State visit to Pakistan on Feb. 18-28. Arriving at Karachi on board the Presidential yacht *Savarona*, he was greeted by the Governor-General of Pakistan (Mr. Ghulam Mohammad), the Prime Minister (Mr. Mohammed Ali), and other Ministers and high officials. After attending a number of official functions during his two-day stay in the Pakistani capital, President Bayar visited Peshawar on Feb. 21-22 (receiving an honorary degree of Doctor of Law from Peshawar University) and Lahore on Feb. 25-26, and on Feb. 27 saw the Kotri barrage before returning to Karachi. On Feb. 28 he received the freedom of the City of Karachi and later the same day embarked again on the *Savarona*.

On March 4 President Bayar arrived at Basra and from there travelled to Baghdad for a State visit to Iraq. During his six-day stay he dined with King Faisal and had a series of discussions with General Nuri es-Said (the Prime Minister) and other Iraqi Ministers. The President and Madame Bayar returned to Ankara on March 10.—(Turkish Embassy Press Office, London - Pakistan High Commissioner's Office, London) **(Prev. rep. 14105 A.)**

C. SOUTH AFRICA. — Withdrawal from Unesco.

Mr. Louw, the South African Minister for External Affairs, announced in the Union Parliament in Cape Town on April 5 that the Government had decided to withdraw from the United Nations Educational, Scientific, and Cultural Organization. This decision, he said, had been taken because of the "general criticism of the activities of UNESCO as revealed at the Montevideo session, and also its interference in South Africa's racial problems by means of UNESCO publications." Mr. Louw added that the £26,000 ($72,800), which South Africa contributed annually to UNESCO, would this year be used to enable the State Information Office to disseminate information abroad about South Africa.

It was pointed out at UNESCO headquarters in Paris that under the Organization's statutes South Africa's withdrawal could not become effective until the end of 1956.—(Cape Times - Cape Argus - Le Monde, Paris) **(Prev. rep. Unesco, 14084 A; S.A. and U.N., 13993 A.)**

D. UNITED KINGDOM. — Post-war Credits.

The Financial Secretary to the Treasury, Mr. Henry Brooke, announced on March 24 that it was estimated that the amount of post-war credits outstanding on March 31, 1955, would be £540,000,000, of which £78,000,000 would relate to holders aged 60 or over, and £187,000,000 to holders aged between 50 and 60 years.—(Manchester Guardian) **(Prev. rep. 13557 A.)**

A. BRITISH WEST INDIES. — Federation Scheme. - Adoption by Remaining Islands. - Preparatory Steps for Implementation. - Leeward Islands Federation to be dissolved. - New Constitutions for Smaller West Indian Islands. - Introduction of Ministerial System.

Mr. Lennox-Boyd, the Colonial Secretary, announced in the House of Commons on Feb. 2 that the plans for a British Caribbean Federation had now been adopted by the Governments of all the territories concerned, and that H.M. Government therefore proposed to press on with the next measures towards their implementation, as follows:

(*a*) Sir Stephen Luke, the Comptroller for Development and Welfare in the West Indies, was being designated Commissioner for the Preparation of the Federal Organization.

(*b*) Three commissions would be appointed to work out respectively the fiscal, civil service, and judicial arrangements for the federation with the minimum delay; these commissions would work in close touch with the Territorial Governments and would also seek the advice of regional bodies such as the Regional Economic Committee.

(*c*) In accordance with a West Indian suggestion, H.M. Government would call an early conference of representatives of the West Indian Governments to consider the question of freedom of personal movement within the proposed federation.

A final plan, Mr. Lennox-Boyd explained, taking into account the results of the work of the three commissions, the Commissioner for the Preparation of the Federal Organization, and the conference on inter-territorial movement, would eventually be drawn up. Meanwhile, to save time at a later stage, as much work as possible would be done on the constitutional instruments, which would provide for additions to the federation should other territories wish to join later. The plan would then be laid before a final West Indian conference, to which the West Indian Governments would be asked to send plenipotentiary delegates, and when agreement had been reached by the conference the Colonial Secretary would ask Parliament to pass the necessary legislation.

In reply to supplementary questions, Mr Lennox-Boyd emphasized that, although for the moment British Guiana had rejected proposals for joining the federation, the way would be open for her, British Honduras, and other territories to join it later.

The federation proposals had been adopted by the Dominica Legislative Council on Nov 25, 1954, and by the Trinidad Legislative Assembly (by 15 votes to 6) on Dec. 11, acceptance by Trinidad being conditional (*a*) on the holding of an inter-colonial conference on migration (see above) and (*b*) on the leaving of the final choice of the site of the Federal capital to the future Federal Government; the East Indian members of the Trinidad Legislative Assembly either voted against federation or abstained. The last West Indian legislature to approve the proposals was the Legislative Council of Montserrat, at the end of January, 1955.

The inter-colonial migration conference referred to by Mr. Lennox-Boyd took place at Port of Spain (Trinidad) on March 14-17, under the chairmanship of Lord Lloyd (Colonial Under-Secretary), assisted by Sir Stephen Luke The conference's report was signed on March 17 by all delegates except Mr Grantley Adams, the Premier of Barbados, who had left earlier for talks with the British Government in London, but had agreed to sign on his return home. The report recommended:

(1) That it should be clearly stated in the preamble to the Federal Constitution that the greatest possible freedom of movement for persons and goods within the Federation was one of the objects of federation.

(2) That the control of the movement of persons between the various units should be placed on the "concurrent legislative list" (covering matters on which both the federal legislature and the units' legislatures might legislate, with federal law prevailing—see 10629 A).

(3) That any unit legislation on migration control on grounds other than health or security, which was still in force after five years of federation, should then require the approval of both Houses of the Federal Legislature for its continuance in force.

Earlier, on Dec. 21, 1954, Mr. Lennox-Boyd had announced in a written parliamentary reply that legislation would shortly be introduced to abolish the Federation of the Leeward Islands, and that the four Presidencies of the Federation—Antigua, St. Christopher-Nevis and Anguilla, Montserrat, and the Virgin Islands—would then be administered as separate Colonies directly under the Colonial Office. On Dec. 29 it was announced that he had approved in principle proposals for new constitutions, including ministerial systems, in the Presidencies of Antigua, and St. Christopher-Nevis and Anguilla (Leeward Islands), and in the Colonies of Grenada, St. Lucia, and St. Vincent (Windward Islands). He had also agreed that the proposals should be applied to Dominica when a request for this had been made, provided that the circumstances obtaining at the time were favourable; in any case he would review the matter towards the end of the life of the present Legislature.

The proposals followed the lines of the constitutions already in force in Barbados, Trinidad, and Jamaica Accordingly the Executive Councils would be recognized as "the principal instruments of policy" and the Governor or Administrator would normally accept the Council's advice unless he deemed it expedient to do otherwise "in the interest of public faith, public order, or good government." Each Executive Council would include, as at present, the Governor or Administrator (who would preside), the Crown Attorney, the Financial Secretary, one member of the Legislative Council nominated by the Governor, and four other members of that Council elected by the unofficial members The Governor or Administrator, as president, would have a casting vote only, and elected members would thus have a voting majority on the Executive Council There would also be three Ministers, all appointed by the Governor-in-Council; a Minister would cease to hold office if by a majority, the Legislative Council recommended his removal, and if he were an elected member of the Executive Council, he would cease to be a member of that body as well. In addition, the Governor-in-Council would be empowered to remove a Minister from office and from the Executive Council

The Colonial Secretary approved the proposals on the following conditions (amongst others). (*a*) that full responsibility for financial matters should remain with the Governor through the Financial Secretary, (*b*) that the appointment, retirement, dismissal, and promotion of civil servants should be the sole responsibility of the Administrator or Governor; (*c*) that the Governor's reserve legislative powers should be retained, and (*d*) that legislation should be passed empowering the Governor to make any emergency regulations which he deemed necessary to maintain public safety and order, or to provide and maintain supplies and services.

It was stated that it was proposed to introduce the ministerial systems as soon as practicable, but that this could not be done until drafts of the new constitutions had been prepared and submitted to H.M. the Queen in Council and satisfactory arrangements for staff and accommodation had been made. (New Commonwealth - Times - Daily Telegraph - Manchester Guardian - Commonwealth Survey) **(Prev. rep. 13733 B; Barbados Constitution, 13402 A.)**

B. REFUGEE PROBLEMS. — Four-year Resettlement Plan. - Proposed Fund of $16,000,000. - U.N. Refugee Fund Executive Committee set up. - Results of Netherlands Voluntary Aid Campaign.

The U N High Commissioner's Advisory Committee on Refugees met in Geneva on Dec. 6-10, 1954, to discuss in detail the four-year plan designed to solve the refugee problem which had earlier been approved by the ninth session of the U.N. General Assembly (see 14010 A).

Dr. van Heuven Goedhart, the U.N. High Commissioner, proposed at the meeting that Governments should be asked to make available a sum of $17,000,000, of which $12,000,000 would be used for promoting a permanent solution and $5,000,000 for emergency aid. The committee, however, recommended a reduction in the amount for the full four-year programme to $16,000,000, of which $4,200,000 should be sought for the year 1955, namely, $3,200,000 for permanent projects and $1,000,000 for emergency relief; the amounts to be asked for in the second and subsequent years should, it was felt, be fixed in the light of further experience.

At a meeting of the General Assembly's Negotiating Committee for Extra-Budgetary Funds, which took place at U.N. headquarters on April 6, 1955, seven Governments announced that, subject to parliamentary approval or other formalities, they would contribute a combined sum of $451,200 towards the first year's requirements. The countries concerned and their promised contributions were: Netherlands, $128,000, Sweden, $115,000, Norway, $84,000, Denmark, $71,000; Western Germany, $24,000; Israel, $5,000; Turkey, $4,200. The U S.A., Belgium, and Switzerland announced that amounts of $1,400,000, $160,000, and $75,000 respectively were under consideration.

Earlier, on March 4, the Netherlands Government had announced that contributions to the voluntary aid fund launched on Oct. 11 (see 13898 A) had reached the final total of 4,123,000 guilders, this amount would be handed over to the fund at the disposal of the U.N. High Commissioner, in addition to the Dutch Government's official contribution.

The U.N. Economic and Social Council decided on March 31 to accept a proposal by Dr. van Heuven Goedhart for the setting up of a new U.N. Refugee Fund Executive Committee to approve refugee projects and generally to administer the fund. The committee, consisting of the 15 members of the former advisory committee together with representatives of Colombia, Greece, Persia, the Netherlands, and Norway, was formally elected on April 5.—(U.N. Information Centre, London - Times - Manchester Guardian - Netherlands News Agency) **(Prev. rep. 14010 A; 13898 A; Advisory Cttee., 12074 A.)**

C. NATIONALIST CHINA. — Revaluation of Dollar.

The Bank of Taiwan's certificate rate for the U.S. dollar was increased on March 10 from 15.60 to 24.78 Taiwan dollars for one U.S. dollar. The adjustment was part of a move aimed at stimulating exports. (New York Times)

APRIL 9—16, 1955

A. MIDDLE EAST DEFENCE. — New Anglo-Iraqi Defence Agreement. - British Adherence to Turkish-Iraqi Treaty. - Termination of Anglo-Iraqi Treaty of 1932. - Ratification by British and Iraqi Parliaments.

A special agreement setting out the terms of defence co-operation between Britain and Iraq, and replacing the 1930 Anglo-Iraqi treaty of alliance, was signed in Baghdad on April 4 by General Nuri es-Said (the Iraqi Prime Minister) and Mr. R. H. Turton (British Joint Under-Secretary for Foreign Affairs). The agreement entered into force on the following day, when Britain's instrument of accession to the Turkish-Iraqi Treaty (see 14105 A) was formally deposited at the Iraqi Foreign Ministry.

Sir Anthony Eden, then British Foreign Secretary, announcing the conclusion of the agreement in the House of Commons on March 30, said that it was based on the concept of co-operation between equal partners. Although Iraq would continue to enjoy much the same defence guarantees from Britain, and would give her much the same facilities in Iraq for carrying out these guarantees, as were provided under the 1930 treaty, Britain would in future only be able to make use of these facilities through her membership of a mutual defence pact, rather than as of right as hitherto. With regard to British adherence to the Turkish-Iraqi treaty, Sir Anthony emphasized that no aspect of the treaty could possibly be directed against Israel, and that Britain did not associate herself with the letters on the subject of Palestine which had been exchanged between the Turkish and Iraqi Premiers at the time of the signing of the treaty. " I take the view," Sir Anthony declared, " that when this agreement comes to be studied it will be seen, from the point of view of Israel, that it is a truly desirable development because this is the first time an Arab State is looking in directions other than simply towards Israel. That is a development of very real importance."

" The central theme of the new agreements," Sir Anthony Eden continued, " is that there shall be close and continuous collaboration between the armed forces of the two countries. There will be joint planning and exercises in peace-time, so that if there were to be an aggression against Iraq we would be in an effective position to support her. We shall advise and give technical assistance in establishing an air defence organization, including a radar warning and an aircraft reporting system. We shall be able to stock military stores and equipment in Iraq for use in war. Repair workshops and storage depots will, where necessary, be maintained for the benefit of Iraqi and British forces There will be British advisers and instructors to assist in the training of the Iraqi Army There is provision for mine-watching and mine-clearance and we may maintain our present facilities for over-flying, landing, and servicing our aircraft in Iraq.

" As part of these arrangements, the airfields of Iraq which are now occupied by the R A F. (under the 1932 treaty we have had air bases at Habbaniya and Shaiba, near Baghdad) will pass under Iraqi control and the British squadrons now stationed there will be progressively withdrawn. But it is agreed that R.A F. squadrons shall visit Iraq as part of the joint training process, and British service personnel will remain in Iraq to service British aircraft, to instal, operate, and maintain facilities and equipment, as well as to assist in the training of Iraqi forces. These men will be commanded by British officers acting in close liaison with the Iraqi officer in command of each establishment. They will enjoy the appropriate immunities, and provision is made for the requisite services and accommodation for them. The installations at the airfields which are required for our use will remain British property . . . Thus we shall be furnished with all the necessary facilities and arrangements to enable us to carry out our part in the defence of Iraq and the Middle East."

Replying to Mr. Arthur Henderson (Lab.), who referred to the special problems created by the 6,000-7,000 Assyrian Christians now employed by the R A.F., Sir Anthony said that " very special attention " had been given to this question " We have made arrangements about them which we are confident are satisfactory," and we have an assurance from the Prime Minister of Iraq about them."

The texts of the special defence agreement with Iraq and of the accompanying memorandum were published as a White Paper on March 30 and are given below.

Anglo-Iraqi Defence Agreement.

" The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Kingdom of Iraq, considering that the U.K. intends to accede to the Pact of Mutual Co-operation between Iraq and Turkey signed at Baghdad on Feb. 24, 1955, and desiring as equal and sovereign partners in the pact to make a special agreement in accordance with the provisions of Art. 1 of the pact, have agreed as follows :

Art. 1. The two contracting Governments shall maintain and develop peace and friendship between their two countries and shall co-operate for their security and defence in accordance with the Pact of Mutual Co-operation.

Art. 2. The Treaty of Alliance between the U.K. and Iraq signed at Baghdad on June 30, 1930, with Annexure and Notes exchanged, shall terminate from the date when the present agreement comes into force.

Art. 3. The Government of Iraq, by the present agreement, undertake no obligations beyond the frontiers of Iraq.

Art. 4. The Government of Iraq assume full responsibility for the defence of Iraq and will command and guard all defence installations in Iraq

Art. 5. In accordance with Art 1 of the pact there shall be close co-operation between the competent authorities of the two Governments for the defence of Iraq This co-operation shall include planning, combined training, and the provision of such facilities as may be agreed upon between the two contracting Governments for this purpose and with the object of maintaining Iraq's armed forces at all times in a state of efficiency and readiness.

Art. 6. The U K Government shall at the request of the Government of Iraq do their best :

(*a*) To afford help to Iraq (i) in creating and maintaining an effective Iraqi Air Force by means of joint training and exercises in the Middle East, and (ii) in the efficient maintenance and operation of such airfields and other installations as may from time to time be agreed to be necessary.

(*b*) To join with the Government of Iraq in (i) establishing an efficient system of warning against air attack, (ii) ensuring that equipment for the defence of Iraq is kept in Iraq in a state of readiness, (iii) training and equipping Iraqi forces for the defence of their country

(*c*) To make available in Iraq technical personnel of the British forces for the purpose of giving effect to the provisions of paragraphs (*a*) and (*b*) of this Article.

Art. 7. Service aircraft of the two countries shall enjoy staging and over-flying facilities in each other's territories.

Art. 8. In the event of an armed attack against Iraq, or of a threat of an armed attack which in the opinion of the two contracting Governments endangers the security of Iraq the U K. Government at the request of the Government of Iraq shall make available assistance, including if necessary armed forces, to help to defend Iraq The Government of Iraq shall provide all facilities and assistance to enable such aid to be rapid and effective.

Art. 9. (*a*) The present agreement shall come into force on the date on which the U K becomes a party to the pact. (*b*) The agreement shall remain in force so long as both Iraq and the U.K are parties to the pact "

Memorandum of Mutual Defence Arrangements.

" (1) (*a*) Command of Habbaniya, Shaiba, and Margil shall pass as from the date of signature of the Special Agreement to the Government of Iraq, and Iraqi officers of appropriate rank shall be appointed for this purpose on May 2, 1955

(*b*) All flying units of the R.A F. now stationed in Habbaniya and Shaiba shall be withdrawn progressively and their withdrawal shall be completed within one year after the date of signature of the Special Agreement

(*c*) As the withdrawal of these flying units proceeds, the U.K. Government shall also progressively withdraw members of their technical and administrative personnel and personnel of authorized service organizations until only those remain in Iraq who are required for the purpose of the Special Agreement and this memorandum.

(2) (*a*) Under the Special Agreement, British personnel shall be in Iraq to assist the Iraqi forces with training and with the installation, operation, and maintenance of facilities and equipment and to service aircraft.

(*b*) The command and administration of British personnel and installations shall be the responsibility of the U K Government, and for this purpose the U.K. Government shall make available the necessary British staff to command and administer them under the overall authority of the Iraqi officer in charge of each establishment.

(*c*) The Senior British officer appointed in each case shall act in close liaison with the Iraqi officer in command

(3) The provisions of the agreement regarding the status of forces of parties to NATO signed in London on June 19, 1951, shall apply to the forces of each Government in the territories of the other Government. Detailed arrangements for the application of those provisions shall be made by the two Governments as soon as possible. Until such detailed arrangements have been made in Iraq the provisions at present applicable to British forces there shall continue to apply

(4) (*a*) In accordance with Art. 4 of the Special Agreement, the Government of Iraq shall assume responsibility for the protection of all airfields and installations in Iraq and to this end shall incorporate into the Iraqi forces those members of the R.A F levies of Iraq who wish to volunteer. The U.K. Government shall for a limited period make available for loan to the Iraqi forces British personnel as far as possible from among those now serving with the R.A.F levies of Iraq to facilitate such transfer and integration.

(*b*) The two Governments shall use their best endeavours to ensure that as many as possible of the civilians at present employed at Habbaniya, Shaiba, and Margil shall continue in employment there.

(5) The U.K. Government undertake in accordance with Art. 6 (*a*) and (*c*) of the Special Agreement, and in order to facilitate the closest co-operation between the air forces of the two countries, to do their best :

(*a*) To provide expert advice and assistance in operational and technical matters, including the extension of Iraqi airfields and the construction of such additional airfields and facilities as may be agreed to be necessary.

(*b*) To provide personnel to assist in the training of the Royal Iraqi Air Force and to offer continuous consultations regarding methods and techniques of training at all stages.

(c) To arrange that R A.F. squadrons and other British aircraft shall make periodic visits to Iraq in accordance with the provisions of the Special Agreement and this memorandum, in particular for the purpose of joint training

(d) To make available in Iraq British personnel for the servicing, maintenance, and repair of British aircraft as well as for such airfield services as it may be agreed that they should provide on airfields jointly used by both parties.

(e) To grant facilities, including instructional courses, abroad for training Iraqi personnel if suitable facilities are not available in Iraq.

(f) To facilitate as far as possible the supply of necessary aircraft and associated equipment of modern design.

(6) The U K. Government shall do their best to join with the Government of Iraq in establishing as soon as possible an efficient system for anti-aircraft defence, including a radar warning system and a system for aircraft reporting. For these purposes the U.K. Government shall make available to the Government of Iraq the co-operation and advice of qualified service and technical personnel.

(7) For the purpose of Art. 8 of the Special Agreement the Iraqi land forces shall be so trained as to facilitate closest co-operation with U.K. land forces, and suitably trained and experienced British personnel shall be made available to assist in the training of Iraqi land forces and to attend and advise in field and other exercises. The U K Government shall do their best to facilitate the supply to the Government of Iraq of arms and other appropriate equipment of modern design.

(8) The U.K. Government will co-operate with the Government of Iraq in establishing in advance and maintaining to an agreed standard such maintenance installations, including tank repair facilities, as may be agreed to be necessary in the event of an armed attack against Iraqi forces and British forces co-operating with them. Expert service advice on their siting and construction and advice and assistance in their maintenance and manning will be made available by the U K. Government.

(9) (a) The U.K. Government shall make available as may be agreed between the two Governments the co-operation and advice of suitably qualified service and technical personnel with a view to the establishment of an organization for mine-watching and mine-clearance on the Shatt-el-Arab.

(b) The Government of Iraq shall continue to permit British naval units to visit the Shatt-el-Arab at any time on previous notification being given.

(10) The existing procedures and facilities under which aircraft under the control of the R A.F overfly, land, refuel and are serviced in Iraq shall be continued. Similar procedures shall apply and similar facilities shall be made available in the U.K. and its dependent territories to aircraft under the control of the Royal Iraqi Air Force.

(11) (a) The U.K. Government shall join with the Government of Iraq in establishing in Iraq stocks of military stores and equipment for use by the armed forces of the two countries for the defence of Iraq in the event of an armed attack against Iraq These stocks shall be stored at sites in Iraq to be agreed between the competent authorities of the two Governments.

(b) The Government of Iraq shall provide the depots necessary for the safe keeping of those stocks and shall assume full responsibility for their security

(c) For administrative purposes stocks which are the property of the Government of Iraq shall be stored separately from those which are the property of the U.K. Government.

(d) The stocks shall be kept in a state of readiness at all times. Accordingly, provision shall be made for their maintenance, turnover, inspection, and periodical replacement, and each Government shall provide the personnel necessary for those purposes with respect to the stocks belonging to them.

(e) The U.K. Government may freely dispose of any items of such stocks, the property of the U.K. Government, which may become surplus to British requirements, subject to the offer of first refusal to the Government of Iraq in the case of any property to be disposed of in Iraq.

(12) (a) The Government of Iraq shall make available essential services for the use of British personnel and shall, if necessary, allocate suitable accommodation for them and their families

(b) Where new installations are from time to time agreed to be necessary for the purposes of the Special Agreement and this memorandum the terms of their provision shall be agreed between the two Governments."

The special agreement with Iraq and Britain's adherence to the Turkish-Iraqi mutual defence treaty were approved by the House of Commons on April 4 without a division, on a motion to that effect moved by Mr. Anthony Nutting (Minister of State, Foreign Office).

It had long been the purpose of British policy, **Mr. Nutting** said, to establish and maintain an effective defence system for the Middle East, for reasons of geography, strategy, and the protection of oil resources. Now the political and strategic picture had changed, and nationalism and nuclear weapons had made their appearance, necessitating an adaptation of British plans. That was what the Government had done by entering into the new agreement with Iraq and by acceding to the Turkish-Iraqi pact. ' Our strategic need is to safeguard and strengthen the extreme flank of NATO," he went on. " At the same time, the change in the political scene requires us to base our defence arrangements on the concept of equal partnership between sovereign States."

After referring to the " importance and significance " of the move by Turkey and Iraq to unite for their mutual defence, and to the opportunity which this provided for the Government to place Britain's relationship with Iraq within this wider settlement Mr. Nutting added . " We hope this new strength and unity will grow and spread and that it will eventually include other countries in the area. Essential as this new arrangement is in its present form, it can lead to an even greater defence system and hence to greater and wider security within the Middle East area."

There was nothing in the Turkish-Iraqi pact. he declared, " which need threaten, weaken, or cause anxiety to any State in the Middle East." It was, he said, directed against no State or group of States, and in fact it respected the independence of all countries and under Article 3 offered a specific guarantee of non-interference in their internal affairs both to the original parties and to all acceding States.

Replying to **Mr. Shinwell** (Lab), who asked whether or not it was true that, as a result of the exchange of letters between Turkey and Iraq, Israel would not be allowed to accede to the pact, **Mr. Nutting** agreed that under existing circumstances Israel could not accede, as under Art. 5 of the pact it was only open for accession to " any member of the Arab League or any other State actively concerned with security and peace in this region, and which is fully recognized by both the high contracting parties " When **Mr. Shinwell** asked whether, accordingly, the guarantee of non-interference was also not available to Israel, **Mr. Nutting** replied · " Nothing prohibits us from giving any such guarantee. And, indeed nothing under these arrangements in any way alters the position or the responsibility or the obligation of H.M Government under the Tripartite Declaration."

Continuing, Mr Nutting referred to the new defence arrangements and added : " If war should come to that part of the world we and our Turkish and Iraqi friends will by virtue of this agreement be the better able to act together in defence of this critically important region By planning our defence arrangements in this forward area—the northern tier of Middle Eastern defence as it is sometimes called—we can the more easily deal with an aggressor before he can penetrate deeply into the Middle East If this is realized and understood the likelihood of war will be vastly reduced. These new arrangements are yet another essential contribution to the deterrent to aggression and the cause of peace."

Concern about the position of Israel as a result of the new agreement was also expressed by a number of other Labour speakers. **Mr. Morrison** (Deputy Leader of the Opposition), who said that Israel was being subjected to an economic boycott and was in a state of " near siege," suggested that as the Government had entered into agreements with Egypt, Jordan, and Iraq, they should consider entering into a " somewhat similar pact with Israel so that there could be mutual co-operation and assistance, and so that Israel herself might feel and other people might feel that Israel had friends in the world as well as other countries in the Middle East " **Mr. Gordon-Walker** thought that the pact seemed to be " an incomplete step " which " raises as many questions as it solves " " One cannot deny," he said, " that this treaty does disturb relations between Israel and the Arab States Following upon the Suez pact it is quite intelligible that Israel should be worried by these developments . . . We should explore the possibility of establishing—with, of course, Israel's consent—a base in Israel. It would, I think, have a very stabilizing effect upon the Middle East and fit very properly into the pattern of events in the Middle East."

Mr. Crossman declared that the Iraqis wanted their new Army for only one purpose—" the second round against Israel "—and asserted that it was at this that the Government was now "conniving." He thought that the fact that Britain now had agreements with three Arab States would be interpreted in the Middle East as signifying support for the Arab point of view against Israel, and alleged that the Arab refugees were " being systematically used in order to maintain a psychological state of war between Israel and the Arab States," the money and organization for which were " largely contributed by the British Government." When Mr. Crossman continued to attack the U.N. Relief and Works Agency for Palestine Refugees, alleging that it was used " to keep the refugees as refugees and to keep the war spirit going," and that it was " so used with the connivance of the British Government," **Sir Anthony Eden** intervened to declare · " I really must protest. Successive Governments have given support to these refugees and, whatever their complexion, have worked their utmost and hardest to try and get resettlement. We cannot compel the Arabs to settle these people in places if they will not do it To indict the Government with that inhumanity . . . is a most discreditable statement." **Mr. Crossman,** however, refused to withdraw his charges and said that. if the Government gave money without any conditions, resettlement would never take place. He also suggested that the reason why the Foreign Secretary could not announce simultaneously with the present negotiations a similar treaty with Israel was that if he did so " two or three Governments would probably fall."

Another Labour speaker, however, **Mr. T. Reid,** who argued that it was " iniquitous and a blunder to take Palestine from the people who had it for 13 centuries and hand it over to Jewish immigrants," warmly welcomed the new agreement and suggested that it should be extended by inducing Persia, Saudi Arabia, and Egypt to join it.

Mr. E. S. T. Johnson (C.) likewise welcomed the new pact, saying that one of its effects would be to awaken the Arab States to the real danger which threatened them from the North and to take their minds off " the very unreal and imaginary danger which they imagine

threatens them from Israel." "Nonetheless," he went on, "Israel is undoubtedly very worried. They do feel that this pact, coming fairly soon after our agreement with Egypt, may give the Arab world the impression that Israel is being isolated and has been very largely forsaken by the Western Powers."

Sir Anthony Eden, replying to the debate, affirmed that the pact with Turkey and Iraq in no way affected Britain's special responsibility towards Kuwait and the other States of the Persian Gulf. Emphasizing that there was "no sinister, ulterior motive" to Britain's adherence, he read telegrams from various countries and said that the pact had been received "with enthusiasm in Ankara, calmly in Israel, not so well in Egypt, and worst of all in Moscow." "Is it not just possible" he said, "that the truth lies between all those extremes and that we are really not guilty of the very violent charges made by Mr. Crossman?"

After claiming that the pact was "a reasonable contribution in a difficult situation in the Middle East," Sir Anthony continued: "You will not get any settlement between the Arabs and Israel which does not include (1) a settlement of the refugee problem; (2) a settlement of the question of the frontier and (3) a settlement of the question of the Jordan waters. H.M. Government would be perfectly ready to enter into some new form of guarantee for such a settlement, which would have to cover those three vital factors. If we could get an arrangement between those countries, we would be willing, if need be, to enter into further engagements ourselves to back up the arrangement that was arrived at. What I am saying is that our position is that we are prepared, if an arrangement can be arrived at to bring about peace in the area, to lend our name and authority to it, to underwrite the arrangement if we think it is a fair and reasonable arrangement."

The Anglo-Iraqi agreement had been unanimously approved by the Iraqi Parliament on March 30.
(Manchester Guardian) **(Prev. rep. 14105 A; 14009 E.)**

A. UNITED KINGDOM. — British Transport Commission. - Traffic Receipts in 1954.

Traffic receipts of the British Transport Commission in 1954 totalled £645,163,000, compared with £634,897,000 in 1953. The receipts of the various undertakings are tabulated below, with 1953 figures (revised) shown for comparison.

	1954 £'000	1953* £'000	Increase or Decrease £'000
British Railways			
Passengers	116,312	114,491	+ 1,821
Parcels	40,665	38,478	+ 2,187
Merchandise and Livestock	110,271	108,460	+ 1,811
Minerals, etc.	45,915	45,049	+ 866
Coal and coke.	115,663	108,614	+ 7,049
	428,826	415,092	+13,734
British Railways Collection and Delivery Services	12,110	11,681	+ 429
Road Passenger Transport			
Provincial and Scottish buses, coaches, trolley-buses and trams	50,738	49,820	+ 918
London Transport			
Railways	19,120	18,228	+ 892
Road Services.	50,721	49,955	+ 766
Other Services			
British Road Services, Ships, and Inland Waterways, etc.	83,648	90,121	- 6,473
Total	645,163	634,897	+10,266

* Revised figures.

The Railway Clearing House, set up in 1847 to facilitate the through booking of goods and passengers over the various independent railway systems, and one of the last railway organizations in the United Kingdom to remain outside nationalization, was absorbed by the British Transport Commission as from Jan. 24, 1955.—(Times - Daily Telegraph - Financial Times) **(Prev. rep. 13426 B.)**

B. INDIA. — Merger of Krishikar Lok Party with Congress Party.

Professor N. G. Ranga, president of the *Krishikar Lok* Party, announced on March 8 that the party's general council had decided in favour of an immediate and unconditional merger with the National Congress. In taking this decision, he explained, the council had been influenced by the Government's removal of controls; its decision to establish a State Bank to provide rural credit facilities; its efforts to stabilize agricultural prices; the decisions of the Avadi Congress (see 14044 A); and the results of the recent Andhra elections, which had shown that the peasantry desired "the unity of the democratic forces." The *Krishikar Lok* Party, which had been formed in August 1951, had already coalesced with the Congress Party in the recent elections in Andhra.—(The Hindu, Madras - The Statesman, Calcutta) **(Prev. rep. Forward Bloc Merger with Congress, 14083 A; Andhra Elections, 14124 A.)**

C. PETROLEUM. — Anglo-Iranian Oil Company. - Name changed to British Petroleum Company. - Capital Increase. - 1952 and 1953 Results. - Value of British Government Holding.

The shareholders of the Anglo-Iranian Oil Co., Ltd., at an extraordinary general meeting held in London on Dec. 16, 1954, approved a proposal for the immediate change of the company's name to "British Petroleum Company Limited" to conform with the company's world-wide operations and changed position in the Persian oil industry.

Resolutions were also approved providing for (*a*) an increase of the company's share capital to £120,000,000 by the creation of 87,000,000 new Ordinary shares of £1 each; (*b*) the capitalization of £80,550,000 of the general reserve by the issue of 80,550,000 Ordinary shares to Ordinary stockholders on the register at the close of business on Nov. 23 in the proportion of four new shares for each £1 of Ordinary Stock held; (*c*) the conversion of the new shares into Stock, which would participate in all future dividends, including the final payment for 1954.

Sir William Fraser, the company's chairman, recalled that in view of the "unusual circumstances" prevailing since 1946, a total of £113,500,000 had been allocated to reserves between 1947 and 1953, compared with only £24,750,000 distributed as dividends to Ordinary stockholders. During the same period capital expenditure, largely financed from depreciation provision and from reserves, had totalled about £340,000,000, whilst in 1953 it had amounted to about £75,000,000 and in 1954 was estimated to have reached £55,000,000. However, the principal capital projects now in hand would shortly be completed, and in 1955 and for some time to come capital expenditure would probably be on a smaller scale; it should therefore be possible to distribute a larger proportion of the company's available profits in the form of dividends.

The company's report and accounts for the year ended Dec. 31, 1953, published on May 18, 1954, showed that crude oil production in Kuwait, Iraq, and Qatar in 1953 totalled 32,200,000 tons, compared with 25,600,000 tons in 1952. The major source of supply was Kuwait, where the offtake amounted to 23,316,000 tons, compared with 19,820,000 tons in 1952. The company's share of the Iraq Petroleum Company's production amounted to 6,780,000 tons (against 4,295,000 tons in 1952), whilst from Qatar it obtained 1,018,000 tons (compared with 775,000 tons); the balance was made up from other sources.

The gross consolidated profit for the year was £63,883,828, compared with £61,260,584 for the year ended Dec. 31, 1952. After providing £20,056,243 for depreciation on fixed assets, oil exploration interests, trade investments, and holdings in allied companies (against £14,198,946 in 1952), the net consolidated profit amounted to £43,827,585, compared with £47,061,638 in 1952.

The chief items of capital expenditure in 1953 included *Refineries*: Aden, £26,500,000; Britain (Isle of Grain, Kent), £14,600,000; Kwinana (Western Australia), £10,700,000; various other U.K. refineries, £4,300,000. *Tankers*: £8,500,000.

The Chancellor of the Exchequer (Mr. Butler) stated in the House of Commons on Nov. 9, 1954, that the British Government then held £11,250,000 of Anglo-Iranian Ordinary Stock, and £1,000 of Preference Stock, and that the value of this holding on the basis of current prices was about £201,000,000. (Times - Daily Telegraph - Manchester Guardian - Financial Times) **(Prev. rep. 12314 A; Persian Oil Agreements, 13863 B; Refineries, Aden, 12662 A; Kwinana, 12314 A; Isle of Grain, 11997 A.)**

D. SOVIET UNION. — Forthcoming Return of Zwinger Paintings to Eastern Germany.

It was officially announced in Moscow on March 30 that the Soviet Government had decided to return to the Zwinger museum in Dresden (Eastern Germany) its entire collection of 750 paintings which had been taken by the Red Army to the Soviet Union after the end of the last world war.

Among famous masterpieces in the Zwinger which was one of the most important art galleries in Europe, were Raphael's "Sistine Madonna"; Titian's portrait of his daughter Lavinia, and numerous other of his works, Rembrandt's self-portrait with his wife, "Self-Portrait with an Album," and "Saskia, with a Red Flower"; Rubens's "The Judgment of Paris" and "Mercury and Argus", Durer's "Portrait of a Young Man"; Velasquez's "Portrait of Juan Mathias" and "Portrait of an Old Man with the Order of St Yazo"; Watteau's "Gathering in a Park" and "Holiday of Love"; and Poussin's "Narcissus"

M. Ilyichev, the spokesman of the Soviet Ministry of Foreign Affairs, said in a press statement that the Soviet decision to return the Zwinger paintings had been taken "with the aim of strengthening friendly relations between the Soviet Union and the German Democratic Republic"; that during the preceding negotiations the East German Government had suggested that the paintings be put on view in Moscow; and that they would accordingly be exhibited in the Pushkin Museum from May 1 to Aug. 31 next, prior to their return.
(Der Tagesspiegel, Berlin - Manchester Guardian)

A. NIGERIA. — Entry into Force of New Constitution. - Appointment of Regional Premiers. - Federal Elections. - First Federal Council of Ministers. - Sir James Robertson appointed New Governor-General.

The new Federal Constitution for Nigeria came into force on Oct. 1, 1954, after an Order in Council confirming the constitutional changes recommended by the London and Lagos conferences had been laid before the British Parliament on Sept. 3.

Earlier, on July 8, 1954, it had been announced that, on the entry into force of the new Constitution, Sir John Macpherson, Governor of Nigeria, would become Governor-General of the Federation; that Sir Bryan Sharwood-Smith and Sir Clement Pleass, the Lieutenant-Governors of the Northern and Eastern Regions respectively, would become Governors of those regions; and that Sir John Dalzell Rankine, British Resident at Zanzibar, would become Governor of the Western Region.

It was stated that the existing Lieutenant-Governor of the Western Region, Sir Hugo Marshall, had expressed a wish to return to the Secretariat in Lagos as Chief Secretary, in which post he had been acting since Sir Arthur Benson had left to become Governor of Northern Rhodesia.

Each of the three principal political leaders in Nigeria took office as Prime Minister of one of the regions following the coming into force of the new Constitution. They were: Northern Region—the Sardauna of Sokoto (Northern People's Congress); Western Region—Mr. Obafemi Awolowo (Action Group); Eastern Region—Dr. Nnamdi Azikiwe (National Council of Nigeria and the Cameroons). Dr. E. M. L Enderley (Kamerun National Congress) was sworn in as Prime Minister of the Southern Cameroons.

The first elections to the Federal House of Representatives under the new Constitution were held under varying systems between the middle of October and the end of December.

In the Eastern and Western Regions, where they took place on Nov. 10 and 11 respectively, and in Lagos, where they took place on Dec. 11, the elections were conducted by direct secret ballot; whereas, however, in the Eastern Region all the 4,500,000 adults were eligible to vote, in the Western Region only those men and women who paid taxes in 1953-54 or who paid more than £1 a year in rates were qualified, thus reducing the electorate to about 1,500,000. In the Northern Region and in the Southern Cameroons, the electoral college system was used and the various stages of the elections were therefore spread over two months, the results being announced at the end of December.

The results of the elections—during which only 15 elected members of the former House of Representatives were returned—are given below:

	Northern Region	Western Region	Eastern Region	South Cameroons	Lagos	Total
Northern People's Congress (NPC)	79	—	—	—	—	79
National Council of Nigeria and the Cameroons (NCNC)	—	23	32	—	1	56
Action Group—United National Independence Party Alliance	1	18	7	—	1	27
Kamerun National Congress (KNC)	—	—	—	6	—	6
Others	12	1	3	—	—	16
Total	92	42	42	6	2	184

In addition to the 184 elected members, the new House of Representatives consists of a Speaker, three *ex-officio* members, and six members who were subsequently appointed by the Governor-General to represent interests of communities not otherwise adequately represented.

Under the Constitution all members of regional legislatures were debarred from being elected to the central House of Representatives so that none of the regional Premiers was a candidate in the federal elections; the most surprising result of these was the victory of the NCNC in the Western Region where the Action Group, led by Mr. Awolowo, is the Government party.

No party secured the absolute majority of seats in the new House of Representatives which would have entitled it to nominate nine Ministers in the Federal Government. In accordance with the terms of the new Constitution, the Governor-General therefore appointed three Ministers from each of the three main regions after taking the advice of the leader of the party to which the majority of members from the region belonged. In consequence, the NCNC, having secured the largest number of seats in the Eastern and Western Regions, nominated six Ministers, whilst the Northern People's Congress —despite the fact that it held more seats than any other party —nominated three; the tenth Ministerial post had to be allocated to a member from the Southern Cameroons. The composition of the Council of Ministers was announced on Jan. 10, and portfolios were distributed a few days later as follows:

Ex-officio Members.

The Governor-General.
The Chief Secretary.
The Financial Secretary.
The Attorney-General.

The main subjects for which these will be responsible will include defence, external affairs, justice, and taxation.

Ministers from the Northern Region.

*Malam Abubakar Tafawa Belewa	Transport and Works.
*Malam Muhammudu Ribadu	Lands, Mines, and Power.
*Malam Inuwa Wada Kano	Minister without Portfolio.

Ministers from the Eastern Region.

*Mr. K. O. Mbadiwe	Communications and Civil Aviation.
*Mr. R. A. Njoku	Trade and Industry.
*Mr. M. T. Mbu	Minister without Portfolio.

Ministers from the Western Region.

Mr. A. Adelabu	Natural Resources and Social Services.
Chief F. S. Okotie-Eboh	Labour and Welfare.
Mr. K. Balogun	Minister without Portfolio.

Ministers from the Southern Cameroons.

Mr. V. Mukete	Minister without Portfolio.

* Members of the previous Council of Ministers.

The first session of the new House of Representatives was opened by the Governor-General, Sir John Macpherson, on Jan. 12, 1955, when messages were read from H.M. the Queen and the Colonial Secretary, Mr. Lennox-Boyd. Sir Frederick Metcalfe, formerly Clerk of the British House of Commons, presided as Speaker of the new House.

A Colonial Office spokesman had stated on Sept. 3, 1954, that, whilst the new Constitution would come into force on Oct. 1, certain of its provisions would require "a long transitional period" before they too became effective. For instance, the transformation of the unitary public service into a federal service and three regional services would not become fully effective until Aug 30, 1956, while the substitution of a Federal Supreme Court and regional High Courts for the existing Nigerian Supreme Court would be governed by the date on which the necessary legislation was passed by the federal and regional legislatures.

Chief Michael Okorodudu, a member of the Action Group, arrived in London on Oct. 15, 1954, to take up his post as Commissioner in London for the Western Region of Nigeria —the first appointment of its kind made following the introduction of the new Constitution.

It was announced on April 8, 1955, that Sir John Macpherson would shortly be retiring from the post of Governor-General and Commander-in-Chief of the Federation of Nigeria and would be succeeded by Sir James Robertson (55), Civil Secretary of the Sudan Government until 1953 and, more recently, chairman of the Constitutional Commission for British Guiana. Sir John Macpherson left Nigeria on April 11.—(New Commonwealth - Commonwealth Survey - Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 13843 D; 13432 A.)

B. SUDAN. — U.N. Technical Assistance.

An agreement providing for an enlarged programme of U.N. technical assistance to the Sudan was signed at the U.N. headquarters on April 4 by Mr. David Owen (chairman of the U.N. Technical Assistance Board) and by representatives of the two Governments responsible for the Sudan's foreign relations, M. Omar Loufti (Egypt) and Sir Pierson Dixon (U.K.). Among plans for the Sudan which the Board agreed should be carried out in 1955 were a campaign against malaria and insect control to be conducted by the WHO and a project in fundamental education to be undertaken by UNESCO.

(U.N. Information Centre, London) **(Prev. rep. 13367 A.)**

C. SPAIN. — Population.

Figures recently published in the Spanish Government's Bulletin of Statistics showed that the population of Spain (including the Balearic and Canary Islands) on Dec. 31, 1953, was 28,638,977. In addition, the population of the Spanish Protectorate of Morocco numbered 1,015,631, that of Spanish territories in the Gulf of Guinea, 204,495; and that of Spanish possessions in North Africa, 142,688.

(New York Herald Tribune) **(Prev. rep. 11275 C.)**

A. INDIA - PAKISTAN. — Mr. Ghulam Mohammad's Delhi Visit. - Forthcoming Meeting between Mr. Nehru and Mr. Mohammed Ali. - Steering Committees' Discussions. - Provisional Agreement on Financial Questions and Movable Evacuee Property.

The Governor-General of Pakistan, Mr. Ghulam Mohammad, visited Delhi on Jan. 25-28, at the invitation of President Prasad, to attend the fifth anniversary celebrations of the foundation of the Republic of India. During his visit he had informal talks with Mr. Nehru and Dr. Kalam Azad (Indian Minister of Education) on the Kashmir question and other problems affecting India and Pakistan.

At a banquet held in Mr. Ghulam Mohammad's honour on Jan. 25, **President Prasad** said: "Although we have voluntarily parted company, years of close association, assisted by a common background and a common experience, provide the foundation for enduring friendship and understanding between us ... There should therefore be no problem between our two countries which could not be capable of solution in a spirit of friendship and understanding. My Government are anxious to do everything in their power to solve these problems in fruitful co-operation with yours."

Mr. Ghulam Mohammad said in reply: "It is a sad fact of history that some happenings in the wake of freedom have left behind a legacy of misunderstandings and bitterness, owing to which our relations have not been very pleasant. I think this dark period of strain has now lasted too long, and the time has now come to end it completely. I am glad that your Prime Minister has also expressed the view that an atmosphere better than ever before now prevails for settling our mutual problems. The ideal time has now come to prove —and sincerely prove—that the basic and major points of dispute can be mutually solved without delay; otherwise our people will laugh at our insincerity and lack of leadership Time for action is now; the people will not wait. You have men of goodwill and good sense, so have we. Our two Governments have a common objective. We seek international peace and amity, we seek to secure the uplift of the common man Let us put an end to our disputes. We owe this as a duty to posterity .. There is no alternative except that the two countries act in a spirit of truth and sincerity, without which it seems difficult for them to achieve real prosperity and well-being I feel that with you, Mr. President, as Head of the Indian Republic, and Mr Nehru as Prime Minister, there should be no difficulty in realizing this truth and giving effect to an early settlement of these points, some of which have for years been the basis of misunderstanding and discord Given goodwill and breadth of vision, I have no doubt that such an end could be realized much sooner than most of us think."

On returning to Karachi on Jan. 28 Mr. Ghulam Mohammad announced that President Prasad had accepted an invitation to visit Pakistan. He added that he now had better hopes for a solution of the disputes between the two countries, as he had noticed a mutual desire for closer relations during his visit, and that a propitious atmosphere now existed for mutual understanding.

Earlier, on Dec. 15, 1954, Mr. Nehru had told the Indian Council of States that negotiations between India and Pakistan had not broken down, but had merely been suspended. A proposal by the Pakistani High Commissioner in Delhi, Mr. Ghazanfar Ali Khan, that direct discussions should be resumed at various levels had been accepted by India, and preliminary steps were being taken to prepare a list of the problems to be discussed.

A letter from the Pakistani Prime Minister, Mr. Mohammed Ali, suggesting that Mr. Nehru should visit Karachi in January for discussions, was delivered by Mr. Ghazanfar Ali Khan on Dec. 15. Mr. Nehru, however, whilst reciprocating Mr. Mohammed Ali's desire for a meeting, replied that he would be unable to visit Karachi in the near future. On Jan. 25 Mr. Mohammed Ali accepted an invitation from Mr. Nehru to visit Delhi on March 28 for discussions, but the meeting was subsequently postponed until May 14, owing to the heavy pressure of engagements on both Prime Ministers. While passing through Calcutta on his way to the Bogor conference on Dec. 27, Mr. Mohammed Ali had stated that his Government had decided to postpone raising the Kashmir question in the Security Council in view of the possibility of a meeting between Mr. Nehru and himself.

In a letter to Mr. Nehru on Dec. 25 Mr. Mohammed Ali suggested that issues other than Kashmir (e.g., evacuee property, implementation of the Bagge tribunal's award, and improvement of travel facilities, especially between West and East Bengal) should be discussed by Steering Committees of the two Governments. This proposal was accepted by the Indian Government, and the Steering Committees of high officials met in Karachi on Feb. 26-28 to scrutinize and classify the lists of outstanding items prepared by their Governments, and to formulate procedure for discussions at various levels As a result, the Committees requested the Ministries concerned to take up their outstanding items with their counterparts and to report progress by April 15. A second meeting of the Steering Committees, at which agreement on a number of items was reached, was held in Delhi on March 11-12, whilst talks at secretariat level on movable evacuee property and banking arrangements took place in Karachi on March 1-12.

A communique issued on the Karachi talks stated that agreement had been reached on most of the issues discussed, subject to the approval of the two Governments.

The communiqué said that the discussions had covered a wide range of subjects such as the restoration of personal and household property; disposal of trade goods; restoration of, or payment of compensation for, property of joint stock companies allotted or acquired by either Government, release of shares, securities, debentures and insurance policies held in custody of banks, transfer of postal certificates and savings bank accounts; transfer of bank accounts; realization of bank assets; and release of lockers and safe deposits in banks

Financial items discussed included verification of claims by Central Claims Organizations; payment of postal life insurance policies; payment of pensions; and settlement of contractors' claims and of claims in respect of provident funds.

In all cases where agreement was reached target dates were fixed for implementation, whilst it was stated that it was hoped that the few items still outstanding would be settled "in the very near future."
(Indian and Pakistan High Commissioners' Offices, London - The Statesman, Calcutta - The Hindu, Madras)
(Prev. rep. 13925 A; 13840 A.)

B. AUSTRALIA. — New Atomic Testing Ground.

It was announced in Canberra and London on April 4 that the Australian and British Governments had agreed on the establishment of a new atomic testing ground in the desert country of South Australia north of the section of the trans-continental railway line between Kingoony and Deakin, as the existing site at Emu Field was no longer suitable because of inadequate water supplies. Construction work on the new ground would begin soon, and the tests proposed for later this year—which would not be atomic explosions, but would involve the detonation of high explosive charges to test techniques related to atomic weapons—would be carried out at the site. The new ground would be known as Maralinga, an aboriginal word for "thunder."—(Australian News and Information Bureau) **(Prev. rep. 14102 A.)**

C. UNITED KINGDOM. — Gold and Dollar Reserves in March. - Deficit of $14,000,000.

The sterling area had a gold and dollar deficit in March of $14,000,000 after taking account of (*a*) $21,000,000 received in U.S. defence aid; (*b*) $3,000,000 received from the E.P.U. in respect of the February surplus; and (*c*) $2,000,000 paid to E.P.U. creditors in bilateral settlements. As a result, the gold and dollar reserves fell to $2,667,000,000 on March 31, the lowest level since February 1954.

Provisional figures for the E.P.U. March settlement showed that the U.K. had a surplus of $25,200,000 (£9,000,000) which would be settled in April.—(Treasury Press Office) **(14083 B.)**

D. TIBET. — Indian Transfer of Postal Services and Rest Houses to China.

A protocol was signed in Lhasa on April 1 by representatives of the Indian and Chinese Governments, whereby the postal, telegraph, and public telephone services in Tibet formerly operated by the Indian Government, with their equipment, were transferred to the Chinese Government without compensation as a gesture of goodwill. The 12 rest houses formerly operated by the Indian Government were also handed over at an agreed price, which had already been paid.—(The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London) **(Prev. rep. 13588 A.)**

E. WOOL. — Rotation of U.K. Stockpile.

The Board of Trade in London announced on March 3 that, in order to prevent deterioration of the wool stockpile, up to 30,000 bales of wool would be sold at auctions in the U.K. in the year ending March 31, 1956, and replaced by purchases made at auctions in Commonwealth countries in the same period. In subsequent years the quantity to be turned over would be between 52,000 and 78,000 bales, enabling the complete stock of some 96,000,000 lb. to be turned over in 7-10 years. The announcement said that both the buying and selling would be spread over each year.—(Bradford Chamber of Commerce Journal) **(Wool Stockpile, 12468 A; 12010 B.)**

A. COSTA RICA. — Report by Commission of Organization of American States on January Revolt.

The five-man fact-finding commission, sent by the Organization of American States to investigate the revolt in Costa Rica in January, and the extent, if any, to which there had been foreign intervention, published its report on Feb. 17. The commission, without definitely accusing Nicaragua of instigating the revolt, confirmed that a "substantial number" of the rebel forces had entered Costa Rica from Nicaragua, and made a number of recommendations designed to strengthen friendly relations between the two countries. The conclusions and recommendations of the commission are summarized below, together with certain reservations entered by the Ecuadorean member.

Conclusions.

"(1) There was foreign intervention in the preparation, financing, furnishing of arms and ammunition, and transportation facilities to the persons who entered Costa Rica by force.

(2) A substantial number of the rebel forces and the war materials used by them, whatever their origin, entered by way of the Costa Rican - Nicaraguan frontier.

(3) One or more clandestine radio stations, apparently operating outside Costa Rica, incited the people of that country to support the rebel movement.

(4) Aircraft . . . from abroad dropped arms and ammunition for the rebels at pre-determined points in Costa Rican territory.

(5) Transport and combat planes proceeding from abroad and without identification marks, landed clandestinely on Costa Rican territory and made flights in which they bombed and machine-gunned various towns of that country, including San José, the capital.

(6) There was violation of the territorial integrity, sovereignty, and political independence of Costa Rica.

(7) After the Investigating Committee had established a system of pacific aerial observation . . , had also . . . established a system of land observation in strategic zones . . . , and had set up security zones in areas of Costa Rica and Nicaragua contiguous to the frontier, the attacking forces abandoned their offensive and fell back towards the north-western frontier, a large number of them being ultimately interned in Nicaragua.

(8) Even after the rebels who had been fighting in the western part of Costa Rica were interned in Nicaragua, a considerable number of them reappeared and fought again on Costa Rican territory, this time in the central region of the frontier with Nicaragua A large majority of the members of the attacking forces and the political leaders of the movement were of Costa Rican nationality This circumstance does not, however, in any way alter what has been pointed out in the preceding paragraphs."

Recommendations.

After expressing the hope that Costa Rica and Nicaragua would soon be able to resume peaceful relations, the Commission made the following specific recommendations.

(1) That the "pact of amity" signed between Costa Rica and Nicaragua on Feb. 21, 1949 (see 9820 G) should be perfected and strengthened.

(2) That Costa Rica and Nicaragua should prepare and sign the bilateral agreement mentioned in Art IV of the aforesaid pact so that it might be applied immediately in the event of civil strife, especially with respect to measures for the control and supervision of frontiers, and to any other measure intended to prevent the organization or existence of any revolutionary movement against the Government of either of the two parties in the territory of the other.

(3) That when the pact of amity was revised, an additional article should be included for the purpose of preventing the preparation of terrorist acts in the territory of either party against the Government of the other.

(4) That Costa Rica and Nicaragua should at once appoint a commission of investigation and conciliation in accordance with the American Treaty on Pacific Settlement (the Pact of Bogotá). This would constitute a permanent guarantee, for both, of the friendly and satisfactory settlement of any difficulty that might arise as a result of situations such as those envisaged in the "pact of amity."

(5) That, as a general measure desirable for all the American States, consideration should be given to improving control of the traffic in arms and ammunition, and also to applying effectively the recommendation contained in Resolution XI of the Inter-American Conference for the maintenance of continental peace and security that 'no stipulation of the treaty nor any of the obligations created under it should be interpreted as justifying excessive armaments or may be invoked as a reason for the creation or maintenance of armaments or armed forces beyond those required for common defence in the interest of peace and security.'

(6) That the Council of the Organization of American States should, acting provisionally as Organ of Consultation, offer its collaboration to Costa Rica and Nicaragua for the purpose of perfecting the pact of amity.

(7) That, taking into consideration the gradual re-establishment of normal international relations between Costa Rica and Nicaragua, the provisional action of the Council as Organ of Consultation should be duly terminated and the American Governments be consulted with respect to the cancellation of the meeting of Foreign Ministers as Organ of Consultation.

Reservations of Ecuadorean Member.

The Ecuadorean member of the Commission though expressing his agreement with the above conclusions and recommendations, signed them with certain reservations He thought that the commission's report was incomplete inasmuch as it did not contain a sufficiently "precise and orderly summary of the facts and evidence" to enable "the author or authors of the 'foreign intervention' that gave rise to the violation of the territorial integrity, sovereignty, and political independence of Costa Rica to be identified." He also expressed the view that there should be an early meeting of the Foreign Ministers of the American Republics to consider, among other things, "the possibility and desirability" of establishing, on a permanent legal basis an inter-American police force This should be composed of contingents from various non-belligerent countries and should be employed in the pacific surveillance and observation of the frontiers of any country which might be the victim of intervention or aggression, and if necessary in repelling the attacks of armed forces which might attempt to carry out an act of intervention or aggression. The Foreign Ministers should also consider methods for improving the control of traffic in arms and ammunition.

The members of the fact-finding commission were Señor Luis Quintanilla (Mexico), chairman; Mr. John C. Dreir (U.S.A.); Senhor Fernando Lobo (Brazil); Señor Jose R. Chiriboga (Ecuador); and Señor Guillermo E. Vallodo (Paraguay).—(New York Times) **(Prev. rep. 14048 A.)**

B. BRITISH COMMONWEALTH. — United Kingdom Loans and Grants to Commonwealth Countries, 1954.

The Treasury published figures on April 4 showing that the total amount of loans and grants authorized by the U.K. Government (but not necessarily drawn) during 1954 was £120,000,000, details being as follows:

London Market Loans Authorized.	
(*a*) Colonial	
East African High Commission	7,045,000
Trinidad	4,245,000
Nairobi City	1,000,000
Malaya	4,000,000
Total	16,290,000
(*b*) Other Government Loans	
Rhodesia and Nyasaland	10,000,000
New Zealand	10,000,000
Ceylon	5,000,000
Total	25,000,000
(*c*) Consent for Private Capital Issues	48,327,000
Total Market Loans	86,617,000
Loans and Grants from Government Funds.	
(*a*) From United Kingdom Contribution to World Bank	1,020,000
To India	5,000,000
To Pakistan	2,750,000
(*b*) Under Colonial Development Act	15,567,000
(*c*) Colonial Development Corporation	6,014,000
Grand Total	119,969,000

In 1953 the total amounted to £122,600,000.—(Manchester Guardian) **(Prev. rep. Commonwealth Economic Conference, 13365 A.)**

C. ITALY. — Deferment of Local and Provincial Elections until 1956.

The Italian Chamber of Deputies adopted a Government proposal on March 22 to defer until 1956 those communal and provincial elections which, under the existing legislation, were due to be held this year, thus enabling all such elections to be held in future during the same year according to a uniform procedure to be laid down by a new law now in preparation. Hitherto part of these elections had been held in one year and the other part in the following year, the last local and provincial elections having taken place partly in 1951 and partly in 1952.

Signor Scelba, the Italian Prime Minister, explained during the debate that the new arrangement of holding all local and provincial elections in the same year and under the same procedure would facilitate administrative arrangements, reduce expenditure, and save the country much political unrest caused by electoral campaigns in successive years. The voting was 298 to 232, the Government thus obtaining a majority of 66; the opposing votes were cast by the Communists, Left-wing (Nenni) Socialists, and the deputies belonging to the neo-Fascist Italian Social Movement, who had alleged during the debate that the deferment of the elections was only due to Government fears about their outcome.—(Giornale d'Italia, Rome - Corriere della Sera, Milan - Neue Zurcher Zeitung)

(Prev. rep. Local and Provincial Elections, 13017 A.)

A. UNITED STATES - COMMUNIST CHINA. — Imprisoned U.S. Airmen in China. - Dr. Hammarskjöld's Peking Discussions. - Chinese Permission for Relatives to visit U.S. Prisoners. - U.S. Refusal of Visas. - Chinese Students in U.S.A. allowed to return Home.

As a result of the resolution adopted by the U.N. General Assembly on Dec. 10, requesting the U.N. Secretary-General to take immediate action towards securing the release of the 11 U.S. airmen imprisoned in Communist China and of all other captured personnel of the U.N. Command still detained in that country, Dr. Hammarskjold wired immediately to Mr. Chou En-lai, the Chinese Prime Minister and Foreign Minister, requesting a meeting in Peking. Mr. Chou En-lai replied on Dec. 17 that he welcomed a visit by Dr. Hammarskjold, and that " in the interests of peace and relaxation of international tension I am prepared to receive you . . . to discuss with you pertinent questions." In another telegram to the Secretary-General on the same day, however, the Peking Government took an uncompromising line on the subject of the American airmen, saying that " no amount of clamour on the part of the United States can shake China's just stand of exercising its own sovereign rights in convicting the U.S. spies."

This second Chinese communication, after referring to the " absurd " General Assembly resolution of Dec. 10, and asserting that the evidence had conclusively proved that the 11 airmen had conducted espionage activities in China, continued : " To convict foreign spies caught in China is China's internal affair. There is no justification at all for the U.N. to try to intervene in China's conviction of fully-proved U.S spies, while failing to condemn the U.S.A. for despatching, in violation of the U.N. Charter, spies to intrude into China to carry out subversive activities."

The telegram went on to say that the case of " the American spies " had nothing to do with the question of the prisoners-of-war in Korea, and to accuse the U S A. and the U.N Command of violating the Korean armistice agreement. " The U.S Government," it said, " connived at the forcible retention in June, 1953, of more than 27,000 Korean and Chinese captured personnel by the Syngman Rhee clique in open violation of the agreement on the repatriation of prisoners-of-war. The U.N. Command, disregarding the decision of the Neutral Nations Repatriation Commission in Korea, then abducted in January more than 21,000 Chinese captured personnel, who were pressed into the troops of Syngman Rhee and Chiang Kai-shek.

" Up to now these cases are not yet accounted for. The Chinese people and the Korean people will never forget the distress suffered by their sons under the tyranny of Syngman Rhee and Chiang Kai-shek. The U N , overwhelmed by the clamour of the United States and submitting to its domination, wilfully ignores the tragic retention and abduction of more than 48,000 Korean and Chinese captured personnel, but casts slander upon China s conviction of the 11 U.S. spies. This cannot but evoke a great indignation of the Chinese people. The aim of this clamour of the U S. Government is to stir up animosity and hatred against China, so as to cover up U.S. aggression in manufacturing the U.S -Chiang Kai-shek ' mutual security treaty ' and in seizing Taiwan [Formosa] and the Penchu islands [Pescadores], and to frustrate the accusation by China against the U.S armed aggression on Chinese territory.

" Such activities of the U.S.A are an integral part of its endeavour to create international tensions in the East and the West and to prepare a new war. The Chinese people are opposed to war, but they will never be frightened into submission by threats of war The Chinese people desire peace, but they will never beg for peace at the expense of their territory and sovereignty . . ."

Dr. Hammarskjold accordingly left New York on Dec. 30 and flew to Peking via London, Paris, New Delhi, Canton, and Hankow, arriving in the Chinese capital on Jan. 5. He was accompanied by Professor Humphrey Waldock, Chichele Professor of International Law at Oxford University (as his legal adviser); Hr. Gustav Nystrom, of Stockholm (as interpreter); Professor Ahmed S. Bokhari (Pakistan), a U.N. Under-Secretary; and Hr. Per Lind (Sweden), of the Secretary-General's executive office. During his journey to China Dr. Hammarskjold had talks with Sir Anthony Eden (then British Foreign Secretary) in London on Dec. 31; with M. Mendès-France (then French Premier) in Paris on Jan. 1; and with Mr. Nehru and Mr. Krishna Menon (the Indian Prime Minister and Indian representative at the United Nations respectively) in New Delhi on Jan. 3.

Mr. Nehru, in a statement in Calcutta on Jan. 1, had said that the U.N. resolution was " regrettable " because it had been made " in an *ex parte* way " and without reviewing the facts. He repeated the Chinese view that the airmen had not been shot down over Korea but over Chinese territory, and said that the Chinese had been greatly concerned by the fact that thousands of Chinese prisoners in Korea had been sent to Formosa, without the International Commission having been able to meet them or ascertain their wishes.

Dr. Hammarskjöld had four meetings with Mr. Chou En-lai, on Jan. 6, 7, 8 and 10, their discussions lasting altogether over 13 hours. A communiqué issued after the final meeting said that " reference was made " during the talks to " questions pertinent to the relaxation of world tension "; that it was felt that the talks had been " useful "; and that it was hoped to be able " to continue the contact established at these meetings." No indication was given, however, of what decision, if any, had been reached about the U.S. airmen and other U.N. personnel detained in China. Dr. Hammarskjold returned to the United States via Hong Kong and Tokio, arriving back in New York on Jan. 13. At a press conference on the following day he expressed the view that his visit had to some extent been successful as it had established contact between the U.N. and Communist China, and emphasized that " no deals of any kind " had been made with China on the question of the 11 airmen and other matters.

The Secretary-General said that he had presented to Mr. Chou En-lai " the full and complete case " for the release of the convicted men and had heard the Chinese viewpoint on the matter. " There was need," he continued, " to exchange information in this way so that the facts might be brought out clearly and possible misunderstandings might be straightened out I may say that our discussions were very thorough and that the visit to Peking has achieved what I was aiming at by this step Chou En-lai also gave me his views on other questions pertinent to present international tensions. This part of our conversations was, however, entirely apart from the question of the prisoners . . Chou En-lai and I hope to be able to continue our contacts. I cannot tell you at this time what the next steps will be, but I do feel . that the door has been opened, and can be kept open, given restraint on all sides."

It was announced by Peking radio and at U.N. headquarters in New York on Jan. 21 that the Chinese Communist Government had agreed to provide facilities for relatives to visit those Americans imprisoned in China who had been convicted as spies, as well as those whose cases were under investigation by the Chinese authorities, these facilities would be provided through the Chinese Red Cross Society, which would make all the necessary arrangements. It was stated that the offer had been made by Mr. Chou En-lai to Dr. Hammarskjöld during their talks in Peking, in response to Dr. Hammarskjold's request for assurances about the well-being of the prisoners.

The U.S. Defence Department, in conveying the Chinese offer to the relatives of the airmen, made it clear that, as the U.S.A. had no diplomatic relations with the Peking Government, the relatives would travel at their own risk once they reached China, whilst the State Department said that the U.S. Government " cannot in good conscience encourage those who may wish to go into an area where the normal protections of an American passport cannot be offered."

The State Department announcement added : " World public opinion will judge the motives of those who, having it in their power and being under an obligation to end promptly the tragic grief they have caused, now visit upon the families of these imprisoned Americans a harrowing dilemma It is by releasing those they hold that the Chinese Communists can convincingly show concern for the human sufferings they have caused."

Although a number of the relatives expressed a wish to accept the Chinese offer, and although the American Red Cross announced that it would provide " supplemental financial assistance " and help the relatives in " every appropriate way," Mr. Dulles, the U.S. Secretary of State, announced on Jan. 27 that the U.S. Government had reluctantly decided not to allow any relatives to travel to China.

" The increasingly belligerent attitude and actions of the Chinese Communists in recent days," Mr. Dulles said, " have forced this Government to the reluctant conclusion that it would be imprudent for the time being to issue passports valid for travel to Communist China by any American citizen This decision is made only after careful deliberation and in the belief that it is in the best interests of our nation. In the interest of peace, we do not think it prudent to afford the Chinese Communists further opportunities to provoke our nation and strain its patience further." [Mr. Dulles's reference to the ' increasingly belligerent attitude ' of the Chinese Communists apparently referred to the increased Communist attacks on the Tachen Islands following their capture of Yikiangshan Island—see 14117 A.]

Dr. Hammarskjold stated at a press conference on April 5 that contacts were continuing regarding the release of U.N. Command personnel detained in Communist China, and that he would not continue these contacts if he did not feel that they served a useful purpose. The Burmese Prime Minister, U Nu, had announced on Feb. 28 that, during his recent visit to Peking (see 14037 A), Mr. Chou En-lai had expressed willingness to receive an unofficial U.S. mission to discuss the case of the imprisoned airmen and all other causes of tension between the U.S.A. and China; U Nu added that he had conveyed Mr. Chou's message to Mr. Dulles.

A Canadian fighter pilot, Squadron-Leader A. R. Mackenzie, who was released by the Chinese Communists on Dec. 5 after being held for two years in a Chinese prison, stated at a press conference in Ottawa on Dec. 17 that he had only been released after he had signed a false statement to the effect that he was " invading " Chinese territory when he was shot down during

the Korean war. He stated that he had not been subjected to actual torture to secure the "confession," but said that the indirect pressure on him—which included 16 months of solitary confinement—had been even harder to stand. He also mentioned the names of three American airmen with whom he had spent the last six months in prison, and said that it could be assumed that they had signed similar "confessions."

Two American students, however, who were released by Communist China on Feb 27 after 3½ years in prison, referred on their arrival in Hong Kong to the "excellent treatment" which they had received from the Chinese The two students—Mr Malcolm Bersohn and Mrs Adele Rickett—admitted that they had been "spies" for the United States and that the Chinese had been justified in imprisoning them, and said that they were "full of shame and remorse" for what they had done They described themselves as "former reactionaries" who had learned "morality" as Communist prisoners, and declared that they now wanted to be "honest" and "help the people."

The State Department announced on April 3 that 76 technically trained Chinese students, to whom U.S. exit visas had previously been refused because it was thought that the knowledge which they had acquired in the U.S.A. might help the Chinese Communist war effort, would now be allowed to return to China. It was emphasized, however, that there was no question of an attempt to make a "deal" with Communist China over the 41 Americans detained there, though the State Department spokesman said that they would like "Americans of all categories in China to be released for whatever reason might appeal to the Red Chinese authorities." Earlier (March 1) the State Department had announced that the U.S. Government, through its Consul-General in Geneva, had presented a new demand for the release of the 41 Americans still held in China, on the ground of their "unwarranted detention."
(New York Times - New York Herald Tribune - Times - Manchester Guardian - U.N. Information Centre, London - Montreal Star) **(Prev. rep. 13927 A; 13993 A, p. 13995.)**

A. UNITED KINGDOM. — Forthcoming Dissolution of Parliament and General Election.

Sir Anthony Eden, the new Prime Minister, announced in a broadcast at 7.30 p.m. on April 15 that Parliament would be dissolved on May 6 and that a general election would be held on May 26. The text of his statement was as follows:

"The announcement I want to make to you tonight is an important one, and I thought that I should give it to you myself The Parliament elected in 1951 is now in its fourth year. It is therefore not surprising that with a change of Prime Minister there should be expectation of a general election. Uncertainty at home and abroad about the political future is bad for our influence in world affairs, bad for trade, and unsettling in many ways. I believe that it is better to face this issue now

Accordingly, I have asked H.M. the Queen to grant a dissolution of Parliament on May 6, and her Majesty has been pleased to signify her acceptance of my recommendations Between now and then we shall invite both Houses of Parliament to deal with essential financial and other business.

Polling will take place on May 26 The advance notice which I am now giving is in accordance with the practice of recent years and will give all concerned time to make preparations for the election. The new Parliament will be summoned on Tuesday, June 7, when first business will be the election of the Speaker and the swearing-in of members. Her Majesty has graciously intimated her intention to open the new Parliament on June 14"

At the present time the Conservative Government has a majority of 20 over all other parties in the House of Commons and there are three vacant seats.—(Manchester Guardian) **(Prev. rep. 14129 A.)**

B. PAKISTAN. — Opening of Lower Sind Barrage.

Mr. Ghulam Mohammad, the Governor-General, formally opened the Kotri Barrage in Sind on March 15, thus marking the completion of Pakistan's greatest irrigation project.

The barrage, built across the River Indus near the village of Jamshoro, just over four miles upstream from Kotri, is designed to feed four big canals and to irrigate 2,750,000 acres in two districts of Hyderabad and Sukkur, with an expected annual increase in crop production from 170,000 tons to 750,000 tons. Water from the feeder canals on the right bank is to be used to form a lake 20 miles long and 45 square miles in extent, which will constitute a reserve for the water supply of Karachi and will afford facilities for the production of hydro-electric power

During the opening ceremony, Mr. Ghulam Mohammad stated that the Pakistan Government was engaged in implementing projects of a similar nature costing nearly 2,000,000,000 rupees (approx. £216,000,000), of which 500,000,000 rupees (approx. £54,000,000) had already been spent. Mr. Khuro, the Chief Minister of Sind, announced that one-third of the land benefiting from the barrage had been reserved for landless peasants, and that, in appreciation of the Governor-General's services to Pakistan, the barrage would be re-named the Ghulam Mohammad Barrage.—(Pakistan High Commissioner's Office, London) **(Prev. rep. 13429 A.)**

C. SOUTH AFRICA. — Defence Policy. - Statement by Mr. Erasmus.

Mr. Erasmus, the South African Minister of Defence, made an important statement on the Union's defence policy in the Senate on March 7. Extracts are given below.

African Defence Organization. Referring to his talks in London last year (see 13913 C), Mr. Erasmus stated that he had discussed with the British Ministers the need for establishing such an organization for anti-Communist countries which had an interest in the defence of Africa south of the Sahara, and had pointed out that the lack of such an organization left a serious gap in the anti-Communist security network of the Western Powers. The proposal was now being considered by Britain, and he hoped that there would soon be an opportunity to approach the other Governments concerned.

In present day circumstances, Mr. Erasmus said, it must be accepted that the greatest danger for Southern Africa from a potential enemy was on the East Coast. One of the strategic objects of such an enemy would be to try to occupy the Persian Gulf area as soon as possible after an outbreak of war, because of its oil resources, in order to establish bases for air attacks on distant targets, and for obtaining a passage into the Indian Ocean Such a possibility was of "vital interest" to South Africa After referring to the establishment of U.S. bases in North Africa, the large-scale U.S. aid to Turkey, the Turkish-Iraqi treaty, and the long-term agreements between the U.S.A. and Ethiopia for the establishment of land, air and naval bases in Abyssinia, Mr. Erasmus said that in the light of this new picture the Union Government was of the opinion that discussions between the anti-Communist countries, including Britain and the U.S.A., had become essential with a view to establishing an African defence organization

In the meantime South Africa had taken steps to achieve greater defence preparedness. The Minister summarized the Union's defence policy as follows: (*a*) to defend South Africa against possible Communist aggression and to ensure that chaos would not arise as a result of the activities of fifth columns, (*b*) to keep a potential enemy as far as possible from the Union's borders. The place where this help could best be used, he said, could only be decided when an understanding was reached between the countries concerned about the defence of Africa, especially Africa south of the Sahara.

Army. In order to give help outside the Union's borders the Government was preparing a trained armoured task force, assisted by air support, for use if and when circumstances demanded. The deliveries of tanks, reconnaissance cars, armoured troop carriers, and accessories was progressing satisfactorily. Furthermore, the existing structure of the Army was gradually being revised to give greater mobility, coupled with the requisite striking power, which could be adjusted to meeting possible attacks by nuclear weapons.

Navy and Coastal Defence. The Government had decided to give particular attention to the defence of the South African coastline against possible submarine attacks, as well as to the defence of the Union's most important industrial centres, which today had come within range of possible air attacks. In view of the danger of submarine attacks, possibly with nuclear weapons, on important South African harbours they had decided to undertake an eight-year naval expansion programme Arrangements were being made to buy two modern electronically-equipped coastal minesweepers in 1955 and two harbour defence ships, the coastal reconnaissance maritime squadrons would be equipped with modern sea reconnaissance aircraft; long-distance *Shackletons* and *Venom* night-fighters had been ordered for training purposes. and modern helicopters would be bought to replace motor launches in air-sea rescue work. Mr. Erasmus also stated that a Joint Operations H.Q. was being built with a communications system which would ensure the closest co-operation between the Navy and the Air Force in coastal defence

Radar Network. Mr. Erasmus announced that the Government had decided to establish a radar network, which would take five years to build and would cost £5,000,000. This would be coupled with the provision of the necessary communications and the air striking power for the interception of hostile aircraft.

Air Force. It had been decided gradually to replace a number of the S.A.A.F.'s transport aircraft by modern four-engine planes in order to enable troops and supplies to be transported more rapidly. A three-monthly S.A.A.F. shuttle service had been introduced between the Union and London, which enabled pilots to get the valuable wind and weather service of the route, and which was also used to take military units overseas for training courses.

Defence Production. In so far as general military supplies were concerned the Union was today almost self-supporting. Where it had not been possible, however, for South African industry to supply the necessary arms and equipment the Government had established special factories, such as the defence equipment workshops near Pretoria, which had been set up for the Defence Department by the B.S.A. and were expected to begin production in 1955.

Asked by Senator Ballinger (Natives' Representative) about the Government's policy regarding the employment of coloured and native workers in the armed forces, Mr. Erasmus replied that there had been no change. They were prepared to have Coloured people as cooks and camp staff, but would not train or arm them, whilst so far as the Natives were concerned the Government had "learnt a lesson" and did not intend to arm them, give them any military training, or to use them in any military capacity either inside or beyond the boundaries of South Africa.—(Cape Times - Die Burger) **(Prev. rep. 13913 C.)**

APRIL 16—23, 1955

A. UNITED KINGDOM. — The Budget, 1955-56. - Income Tax Reductions. - Purchase Tax on Cotton, Rayon, and Linen Textiles halved.

The Chancellor of the Exchequer, Mr. R. A. Butler, introduced the Budget for 1955-56 in the House of Commons on April 19. Estimates of Ordinary Revenue and Expenditure are shown in the following table:

ESTIMATED REVENUE

	£
Inland Revenue—	
Income Tax	1,877,400,000
Surtax	136,000,000
Death Duties	185,000,000
Stamps	74,000.000
Profits Tax and Excess Profits Tax	180,000,000
Excess Profits Levy	25,000,000
Other Inland Revenue Duties	1,000,000
Total Inland Revenue	2,478,400,000
Customs and Excise—	
Customs	1,131,700,000
Excise	796,050,000
Total Customs and Excise	1,927,750,000
Motor Vehicle Duties	80,000,000
Total Receipts from Taxes	4,486,150,000
Broadcast Receiving Licences	25,000,000
Receipts from Sundry Loans	24,000,000
Miscellaneous	175,000,000
TOTAL REVENUE	4,710,150,000

ESTIMATED EXPENDITURE

	£	£
Interest and Management of the National Debt	*600,000,000	
Sinking Funds	36,000,000	
Payments to N. Ireland Exchequer	53,000,000	
Other Cons Fund Services	10,000,000	
Total	699,000,000	
SUPPLY SERVICES—**Defence—**		
Army Votes	484,000,000	
Navy Votes	347,000,000	
Air Votes	540,400,000	
Ministry of Supply (Defence)	147,500,000	
Ministry of Defence	18,300,000	
	1,537,200.000	
Less—American Aid receipts appropriated in aid of Defence Votes	43,000,000	
	1,494,200,000	
Civil—		
I. Central Government and Finance	21,344,000	
II. Commonwealth & Foreign	97,319,000	
III. Home Dept ,Law & Justice	81,741,000	
IV. Education & Broadcasting	372,360,000	
V. Health, Housing & Local Government	638,731,000	
VI. Trade, Labour & Supply	78,852,000	
VII. Works, Stationery, &c.	65,302,000	
VIII. Agriculture and Food	385,625,000	
IX. Transport, Fuel, Power, & Industrial Research	136,751,000	
X. Pensions, National Insurance & National Assistance	437,254,000	
	2,315,279,000	
Post Office Vote (Excess over Revenue)	4,345,000	
Tax Collection—		
Customs and Excise and Inland Revenue Votes	49,051,000	
	3,862,875,000	
TOTAL EXPENDITURE	4,561,875,000	
SURPLUS	148,275,000	
	44,710,150,000	

SELF-BALANCING REVENUE AND EXPENDITURE

	£
Post Office expenditure corresponding to revenue	257,350,000
Excess Profits Tax, Post-war refunds (part deducted for tax)	2,500,000
Total	259,850,000

* In addition £120 million for Interest on the National Debt will be met from receipts under various Acts authorising such application.

The changes brought about by the Budget are set out below.

Income Tax. A reduction of the standard rate of Income Tax by 6d., i.e., from 9s to 8s. 6d. in the £, and of the lower rates by 3d., i.e., from 7s. to 6s. 9d., from 5s. to 4s. 9d., and from 2s. 6d. to 2s. 3d.

An increase of the personal allowance for single persons from £120 to £140, of the allowance for married people from £210 to £240, and of the allowance for each child from £35 to £100 At the same time the band of taxable income charged at the lowest rate was reduced from £100 to £60, so that the first £60 of taxable income will be charged at 2s. 9d., the next £150 at 4s. 9d., and the next £150 at 6s. 9d , before the full rate of 8s. 6d. will apply.

The income limit for small income relief (whereby relief from tax is given on two-ninths of the total income instead of on two-ninths of earned income only, thus extending the earned income allowance to small investment incomes) was increased from £250 to £300.

The income limit for the allowance for dependent relatives was increased, so that the full allowance will be given where the relative's income does not exceed £105, the allowance thereafter being reduced by £1 for each £1 by which the relative's income exceeds that figure.

The special emoluments limit of £52 applicable to child allowances for apprentice children (i.e. those undergoing training for a trade, profession, or occupation) was abolished, so that the full child allowance may now be claimed in all such cases provided the child's income does not exceed £85 a year.

The new rates, which will remove 2,400,000 taxpayers from Income Tax liability altogether, will operate for P.A.Y.E. purposes from the first pay day after July 5.

Purchase Tax. A reduction from 30 per cent to 25 per cent in the tax on textile tissues and fabrics, domestic textile articles (sheets, towels, etc), and domestic soft furnishings, made of cotton, rayon, linen, and other non-woollen materials, as well as on plastic sheeting; the reduction to apply to goods delivered by manufacturers, wholesalers, or importers after April 19. Materials containing 15 per cent of wool or less will not count as woollen material

The Chancellor's Budget speech is summarized below under cross-headings. In his speech, Mr. Butler pointed out that in view of the impending general election there would be a change in the normal practice inasmuch as there would be no time for the House to consider a comprehensive Finance Bill. The Bill he would propose for enactment before the dissolution, and the Budget resolutions, would therefore be confined to such clauses as were needed to give effect to his Budget proposals and to carry on the finances of the nation, and in view of their restricted scope there would be a corresponding restriction in the opportunities for moving amendments and new clauses. This procedure followed "the practice adopted on previous exceptional occasions of this kind" [i.e., before the 1929 elections], and it would then be for the next Government to consider whether any further fiscal legislation was necessary later in the year.

Progress in Economic Recovery and Expansion. "This year," Mr Butler said, "the Budget comes at a particularly tantalizing time, both from the political and the economic point of view It is therefore more than ever necessary that the Committee should exercise its soul in patience, and should analyse with me the facts and features of the economic situation in as objective a manner as our various temperaments permit ..

During this last year we have learned much about the problems which we must solve if we are to succeed in combining expansion and stability, particularly when competition is becoming fiercer and the terms of trade are less favourable But the expansion of the economy has brought with it many improvements in living standards for our people

Let us look for a moment on the sunny side of things In each of the past two years the average person has been able to buy for his own use 4 per cent more goods and services than in the previous year. Since October, 1951, real wage rates, which make full allowance for changes in the cost of living, have risen by 6 per cent in contrast to the period between mid-1947 and 1951 when they were falling. Over the same period, to October, 1954—the latest date for which figures are available—earnings in industry, again in real terms allowing for changes in the cost of living, rose by 9 per cent.

There have also been very substantial increases in social service payments, some by more than a half again in value, none by less than a quarter. For example, the weekly rate of sickness benefit, which was 26s in October, 1951, will be 40s.; and the corresponding figures for industrial injuries benefit are 45s. and 67s. 6d. When our new scales are fully effective, the increase in retirement pensions, sickness and unemployment benefit, and family allowances since October, 1951, will be much greater than the increase in the cost of living—in some cases more than twice as much, in some nearly four times as much The Government have deliberately helped old age pensioners and those who rely on the social services. We have also reduced the burdens on every taxpayer. Rising real wages, rising benefits, falling taxes, all these are clear signs of improving standards.

In introducing this, my fourth Budget, I have to take account of all these improvements Can we have them and more, too? How does this Budget fit into a series designed from the beginning to keep up the momentum of our progress? My aim in 1952 was to rescue and fortify sterling The following year I deliberately gave the incentives needed to encourage effort and the expansion of production. New spirit was infused into industry. Last year, some people thought that I might have been a little more expansive and a little more expensive But I am satisfied that what happened justified my decision and my judgment The expansion of the economy continued throughout 1954. Employment kept at a record level. Industrial production rose by more than 6 per cent. The increase in exports, which began late in 1953, was well sustained. Home demand for

manufactured goods expanded. Stocks and work in progress increased, and the rise in investment continued.

The Committee is aware of our substantial investment in our basic industries of coal, steel, gas, and electricity; of our massive designs for modernizing road and rail transport; of the increase in factory building; and of other encouraging signs that the demand for investment in private manufacturing industry is rising in response to the incentives of my last two Budgets. In fact, our experience over 1954 has shown us how rich an opportunity we have of increasing the future standard of living of our people. Now we must decide how we can best maintain our progress and, at the same time, keep in balance with the rest of the world."

Balance of Payments. "I now come to consider the balance of payments situation against which we must look at all I have just been saying. The past year has shown that, while it is right to run our island economy in a free and expanding mood, problems can spring from the very success which it has been our happy lot to achieve. The increase in our production, which is so important both for our export trade and for the maintenance of employment, necessitates a rising level of imports of raw materials for our factories. We are also eating more and importing more food. And we are importing more, unfortunately—and exporting less—coal. Before the war we always had a substantial surplus of coal to export to our friends and customers overseas. But by 1954 lack of coal cost us many millions in foreign exchange for imports, and still more if we take account of lost opportunities to expand our overseas earnings. More coal, more efficiently used, would be one of the most substantial reinforcements to our balance of payments which our own efforts could contribute.

The U.K.'s balance of payments has also been affected by the alteration in the terms of trade. In my last two Budget speeches I reported that we were profiting by the terms of trade, which had been moving in our favour. During the past year the movement was reversed. The index of import prices began to rise in April, 1954, and for February, 1955, was 7 per cent higher than in the first quarter of 1954. At the same time, export prices did not increase until February of this year, when a rise of 1 per cent was recorded.

The result to date has been that on the provisional estimates for the six months from October, 1954, to March, 1955, our imports c.i.f. at about £1,875 million were some £225 million higher than in the corresponding period 12 months earlier; but our exports at £1,460 million rose by only £40 million. The tables in the Balance of Payments White Paper show in detail the effect of these changes. . . .

For 1954 the U.K.'s surplus is provisionally estimated at £160 million, but we earned the whole of this surplus in the first half of the year. The Committee should note that, although there was a welcome increase in receipts from offshore contracts, American defence aid was halved as compared with the year before—the total for 1954 being only £50 million. We are grateful for this aid, especially for the programmes designed to help our expanding Air Force; but we are proud that our own efforts, reflected in full employment and rising production, are making us increasingly independent. Those efforts have had and will have a profound effect on our economy, our morale, and our influence in world affairs

The balance of payments of the whole sterling area in 1954 shows much the same pattern of change. The provisional estimate for the calendar year as a whole shows the sterling area roughly in balance with the rest of the world; but a surplus in the first half year was followed by a deficit in the second. All this was reflected in the level of the gold and dollar reserves. During 1954 these rose by £87 million to £986 million, but the record reads differently for the two half-years In the first six months the reserves rose by £179 million, but in the second half-year they fell by £92 million. This decline must be seen in perspective. In this last period we not only had to meet the normal annual payments on the American and Canadian Loans, but we also repaid in gold or dollars £40 million to the International Monetary Fund, and £39 million in part discharge of our debt to the European Payments Union. That is, in all, £79 million of debt paid. Thus we fortified our capital account by repaying debt.

Moreover, the sterling area's reserves exist to be drawn upon in case of need. Indeed, in Sydney, over 15 months ago, the Finance Ministers of the Commonwealth accepted the fact that, important as programmes of internal development are as an investment for the future—and we have all been going in for them in the sterling area—they inevitably result in some immediate strain on the sterling area's balance of payments This impression and outlook we confirmed when we met in Washington in September of last year. The relatively small decline in the reserves must, therefore, be seen in due proportion.

I can sum it up like this, that apart from the special repayments which I have mentioned, the loss in the whole of the nine months from mid-1954 to the end of the first quarter of 1955 has been no more than £46 million—only about half the average monthly loss in the corresponding nine months of 1951-52. Therefore, at £953 million, the end-March figure, the reserves are more than £350 million above their lowest point, which they reached in April, 1952, just after I introduced my first Budget."

The Measures of February 24. "Nevertheless, it became clear by February that we needed to take action to moderate the growth of imports and to encourage exports. And from the result, all I can say is, thank goodness that we took action in time. To take such action the Government of the day has, broadly speaking, one of two choices. The first is to limit and control the supply of goods which the consumer at home can buy. But there is an alternative, namely, to check spending at home by more flexible methods. The former course would involve a return to curtailment of trade, both at home and abroad, a return to controls on consumer choice, even perhaps a return to rationing. We do not believe in a policy of this kind.

It is only by looking forward and outward, by expansion, by liberating the human spirit to give and do of its best, that our island people can survive. This is the road we prefer—an adjustment of fiscal and monetary policy which, without cramping or distorting the natural vigour of the economy, maintains the disciplines which are essential to an expanding community. It was in this faith that in February credit control was applied; the Bank Rate was raised, hire-purchase transactions were restricted, and finance for such business was limited. At the same time, I authorized the Exchange Equalization Account to operate with wider discretion in overseas exchange markets. This was certainly a case of putting in the troops to save sterling from being sold at too great a discount, thus losing business for Britain as well as dollars for our reserves.

I see that it has been suggested that we have departed from our policy of a collective approach with the Commonwealth, Europe, and the U.S.A. to the solution of the world's trade and currency problems. This is not so. We still seek to find with our partners the best method of freeing our payments to match the widening of our trade and the opening of markets.

I am glad to say that already, in the field of the exchanges, our action has produced distinct results, which have taken the shape which I had hoped for. For example, . . . the sterling-dollar rate has risen from about 2.78⅛ dollars in the third week of Febrary to just over 2.79⅛ dollars, and the rate for transferable sterling from under 2.72 dollars to just over 2 77⅛ dollars. That is a very considerable rise. This shows that the action which we have taken to meet the needs of our balance of payments has strengthened international confidence in our policies and our determination to carry them out. We have thereby fortified sterling.

It will, naturally, take some time for the effects of the Bank Rate and of the tightening of credit to make themselves fully felt on our balance of payments. Our import bill, as the March import figures show, will inevitably continue for a time to be affected by decisions taken and orders placed before the measures of Feb. 24—at any rate for a time But the situation has been brought under control, as, for example, is shown by the movement of the reserves since then and the latest rates for sterling. Of course, we cannot be satisfied yet, and we shall remain very watchful."

Out-turn for 1954-55. After explaining that the "alternative classification" of the Government accounts, which had been introduced by the late Sir Stafford Cripps in 1948 as an experiment, had been dropped in this year's Financial Statement as "other and better methods of economic analysis had since been developed in the annual publications of National Income and Expenditure," the Chancellor summarized the results of 1954-55 as follows: "Total revenue amounted to £4,738 million, which is £205 million more than my Budget estimate Inland Revenue duties were £2,541 million, or £157 million more than the estimate of £2,384 million. About half of this excess came from Income Tax, which yielded £1,893 million against the estimate of £1,800 million. The yield from profits assessed under Schedule D was about £40 million above the estimate, and P.A.Y.E. on wages and salaries brought in £50 million more than was expected—which reflects, among other things, the rapid increase in employment and industrial activity which we have achieved this year. The other main contributors to the higher yield were death duties, stamp duties and Excess Profits Levy, which showed increases of £24 million, £20 million, and £16 million respectively over the estimates. The first two, death duties and stamps, are due mainly to the rise in Stock Exchange prices over the year; the last, Excess Profits Levy, is due to the clearing up of difficulties which had delayed assessments. Profits Tax and Surtax were very close to their estimates.

These high yields of Inland Revenue are matched by the performance of the Customs and Excise duties. These amounted to £1,872 million, £90 million above the estimate. About half of this increase is accounted for by Purchase Tax, which produced £342 million, or £47 million more than I estimated, a striking indication of the rising level of demand, particularly for cars and durable consumer goods of all kinds. Tobacco produced a revenue of no less than £650 million, or £17 million above the estimate. Beer, wines, and spirits yielded a total of £390 million, £9 million more than the estimate, though the Committee should note that within this satisfactory total beer was down by £4 million Receipts from the duties under the Import Duties Act, 1932, were above expectations, yielding a total of £62 million, or £6 million over the estimate.

Non-tax revenue was lower than my estimate—£246 million, compared with £290 million. Smaller receipts from sales of the Ministry of Food's stocks are the main reason for this change.

Now for expenditure. While revenue exceeded expectations, expenditure fell short of them. Consolidated Fund Services amounted to £665 million, or £2 million less than the Budget estimate. Supply services cost £3,640 million, or £216 million less than my forecast. This shortfall was shared by both defence and civil supply. The estimate for defence was £1,555 million; actual expenditure was £1,436 million, a shortfall of £119 million, in spite of the fact that appropriations-in-aid from the sterling counterpart of economic aid and other receipts from the U.S.A. amounted to £61 million, or £24 million less than my original estimate. The reasons for the shortfall in expenditure on defence have already been described in the Defence White Paper and during our debates on it.

Civil expenditure, at £2,204 million, was £97 million less than my estimate, in spite of Supplementary Estimates during the year amounting to £42 million. The savings here are spread over a large number of items, but are shared mainly by the Ministries of Food, Materials, and Supply. In total, expenditure under all heads amounted to £4,305 million, a saving of £218 million.

I budgeted last year for a small surplus of £10 million. In fact, we have realized a surplus of £433 million Of the difference of £423 million, increased revenue accounts for £205 million and lower expenditure for £218 million. Below the line receipts for the year were the same as the estimate of £191 million; but expenditure, at £692 million, was £94 million bigger. Three items account for practically the whole of this excess. The first is a larger volume of advances to local authorities by the Public Works Loan Board which involved the Exchequer in issues of £353 million, or £53 million more than the estimate. The second item is a new one, £45 million advanced to the Post Office for capital expenditure. This follows from the Post Office and Telegraph (Money) Act, 1953, under which the Exchequer took powers to make advances to the Post Office which had previously been made by the Savings Banks funds. The third item is an increase in Exchequer advances to the National Coal Board for capital purposes which at £75 million were £16 million more than the estimate.

As a result, total net payments below the line amounted to £501 million, or £94 million more than the Budget forecast But owing to the surplus of £433 million above the line, all but £68 million was met from revenue. Most of these payments below the line are made to finance capital expenditure by local authorities Housing is, of course, the main item. This expenditure, and the money spent by the National Coal Board and by the Post Office, are matched by an increase in the useful physical assets of the country."

National Debt. "The National Debt outstanding at 31st March, 1955, was £26,933 million, an increase of £350 million over the year Apart from the £68 million borrowed to cover the deficit below the line—which, as I pointed out, was nearly covered by revenue—this increase was primarily due to the provision of an additional £300 million for the sterling capital of the Exchange Equalization Account to enable it to finance the increase in the gold and dollar reserves early in the financial year. The Exchequer also issued £35 million of Government stock for coal compensation. These increases were offset by £36 million of debt redeemed by application of sinking funds and by the cancellation of £13 million of stock tendered for steel shares, together with £4 million for other adjustments.

The principal changes in the composition of the Debt are as follows: Floating Debt rose by £427 million, largely as a result of the issue to the Exchange Equalization Account During the year £292 million of 3 per cent National Defence Loan, 1954-58, £413 million of 1¾ per cent Serial Funding Stock, 1954, and £650 million of 2½ per cent Exchequer Stock, 1955, were converted into securities maturing in later years. As a result of these operations, the amount of the three loans remaining to be paid off on maturity during the year was reduced to £234 million—a notable achievement. A new cash issue of £300 million of 2 per cent Conversion Stock, 1958-59, was made in conjunction with the first of the conversion operations just mentioned . . ."

National Savings. "One success story of the past year of which we can all be proud is the record of the National Savings Movement. After passing through a difficult phase the Movement had begun to show signs early in 1954 of a change for the better. As the Committee will remember, I was able to report in my last Budget speech that in the first quarter of 1954 new savings had exceeded withdrawals by about £40 million, and that this was £30 million more than a year before. But in the same period this year new savings have exceeded withdrawals by £80 million—twice as good as a year ago. And over the financial year as a whole there is a net gain in savings of £120 million, compared with a net loss in 1953-54 of £12 million —an improvement of over £130 million. I am sure that the Committee will greet this as a remarkable and heartening achievement in which we can take proper pride in this year's appraisal of our affairs . . ."

Revenue Estimates for 1955-56. "I . . . propose first to look at the Budget accounts, starting above the line. On the basis of existing taxation I estimate total revenue to be £4,844 million, an increase of £106 million over the actual yield in 1954-55 Inland Revenue duties in 1955-56 are expected to provide £2,610 million, an increase of £69 million on the out-turn for 1954-55. From Income Tax I expect to receive £2,009 million, or £116 million more than last year. This increase will come partly from the higher profits of the past year, and partly from the effect over a full year of recent increases in wages and salaries. The yield of Profits Tax is expected to rise by £7 million to £180 million, but the yield of the Excess Profits Levy will naturally fall, to about £25 million. I look for a further small increase in Surtax, which will bring the yield up to £136 million. Death duties at £185 million, stamp duties at £74 million, and miscellaneous Inland Revenue duties at £1 million, are expected to bring in approximately the same amounts as last year.

I estimate the revenue from Customs and Excise duties at £1,930 million in 1955-56, compared with £1,872 million last year. The principal items in this total which I forecast are: tobacco, £660 million; beer and other alcoholic drinks, £388½ million, Purchase Tax, £370 million; oil, £320 million; duties under the Import Duties Act, 1932, £70 million; Entertainments Duty, £41 million; and betting, £28½ million. After taking motor duties of £80 million into account I estimate total tax revenue in 1955-56 at £4,620 million, an increase of £128 million over the yield in 1954-55 From non-tax revenue I expect £224 million, or £22 million less than the actual yield in 1954-55"

Expenditure Estimates for 1955-56. "I estimate total expenditure above the line in 1955-56 at £4,562 million—an increase of £39 million over the Budget estimate for 1954-55. Practically the whole of this increase is accounted for by the Consolidated Fund services which, at £699 million, are £32 million more than last year's estimate. This increase arises on the provision for debt interest, which reflects recent developments in the money market, and is, of course, particularly influenced by the increase in the rates for Floating Debt

Expenditure on Supply in 1955-56 is estimated at £3,863 million and is only £7 million more than the original estimate of a year ago. Within this total, net expenditure on defence at £1,494 million is £61 million less than the original estimate of last year, despite a reduction of £42 million in the estimated receipts from American aid Civil expenditure, at £2,369 million, is £68 million more than last year's original estimates . . . These expenditure figures . . . do not include the additional cost arising from the Special and General Agricultural Price Reviews recently concluded. This cost, as has already been announced, will amount to £14 million in all during 1955-56, and will be provided, along with other changes likely to be necessary in the existing provision for food and agriculture, by further Estimates in due course.

To round off the main outlines of the picture, I must mention that below the line I expect a further increase in net payments, from £501 million last year to £584 million in 1955-56. The main factors are smaller receipts from Housing Votes and from the Raw Cotton Commission; a whole year's advances to the Post Office instead of only part of a year, larger advances to the National Coal Board; and heavy payments to clear up the large arrears of compensation which accumulated while we recast the scheme of the Town and Country Planning Acts All these much more than offset the reduction of £33 million in loans to local authorities which we can reasonably look for after their spurt in the past few months. I am estimating these loans at no less than £320 million this year.

Now to return to the Supply figure. I spoke at some length last year about the urgent need to control expenditure, and to achieve savings wherever possible, in order that the economy may carry, without undue strain, the heavy burdens which both external circumstances and our domestic policies impose upon it. The major strains are due, of course, to the continuing high level of defence costs and to the inevitable growth of the cost of the social services Moreover, we have had to make provision for unavoidable increases in salaries; and, although additional expenditure is involved, nobody is more glad than I that the cautious hopes which I expressed last year on the subject of equal pay have already been realized, and have been embodied in a firm agreement with the staff associations. This is now in operation The wishes of Parliament have been carried out by this Government.

It is true that on both the defence and civil sides last year's expenditure was appreciably less than the figures I had budgeted for, so that this year's estimates represent a corresponding increase over last year's actual outgoings Nevertheless, the fact that on a total of well over £3,800 million of Supply Expenditure this year's Estimates are only £7 million higher than those of a year ago shows, I think, that during the last 12 months we have been making a special and sustained effort to curb non-essential expenditure. That effort has contributed not a little to enabling us to accommodate the inevitable growth in the cost of some of our essential policies. Let me say for a moment or two what these are."

Defence Expenditure. "First, defence. I said last year that we must see to it that we obtain some definite relief from the defence burden. The plans which were then in existence would have meant a considerable increase in expenditure in 1955-56. But as a result of a full review of our strategic needs and a careful scrutiny of the estimates over the whole field, provision for defence has been kept at a level which, broadly speaking, is not very different from the actual expenditure of last year. This is welcome so far as it goes; but the development of new arms, the changes which will follow the end of the occupation in Germany, and the continuing reduction of American aid, all emphasize the importance of maintaining our efforts to secure, within the new strategic framework, all possible economies in this field.

Agriculture and Food. "Coming to civil expenditure, I will just mention agriculture and food. There are always a good many questions about what the agricultural policy costs us, so I have analysed it as follows: the total cost of the production grants and subsidies paid by the Government is estimated at £323 million. Of this sum, production grants, which go direct to farmers to help meet their bills for fertilisers, lime, and so on, account for £54 million. The agricultural price guarantees, together with a small amount for the related trading services, amount to £163 million. To this, £29 million must be added for the net cost of the price guarantee on milk for the ordinary consumer. The last three figures I have given add up to £246 million, and this—for the Committee's interest—is the measure of the cost of supporting our home agriculture. The rest of the £323 million is made up by the bread subsidy of no less than £41 million and the welfare subsidies, which includes children's milk, and so forth, at £36 million.

Last year, in discussing this field of expenditure, I said that our task was to reconcile two needs—the need to secure a greater measure of financial control, and the need to preserve the stability of the farming industry, in the interests of farmers and workers, and of national security. Both needs were very much in my mind during the recent Annual Review. The stability of the industry, and, in particular, its ability to finance improvements and adjustments in methods of production, were threatened for two reasons. First, there had been a marked increase in the costs of farming Secondly, the farmers and farm workers have been struggling manfully under the stress of exceptionally severe and difficult weather over the last 12 months. I think that the Committee would wish me to give a special word of praise to the spirit in which the farm workers apply themselves to their varied tasks all the year round . . . Moreover, I wanted to adjust the price guarantees to help our balance of payments.

Thus, we increased the ploughing and fertilizer grants, and the guaranteed prices for barley and oats, so as to reduce our imports of feedingstuffs by encouraging the growth of more of these crops at home Together with coal, to which I referred earlier, the cost of imported feedingstuffs has been a major factor weighing down our balance of payments. We were also obliged to avoid the danger of a Gadarene herd of expensive pigs rushing us into bankruptcy, so we reduced pig prices."

Social Services. "The other large bloc of civil expenditure is concerned with the social services At the beginning of 1954-55, quite apart from the Exchequer contributions to the National Insurance Funds, these were expected to cost £1,260 million. They have, in fact, cost £1,278 million; and for 1955-56 it is expected that they will cost £1,315 million. Let us examine some of the other details Comparing the original Budget estimate for last year with my present estimates for 1955-56. the Health Service shows an increase of £32 million; education, including grants to universities, an increase of £25 million; and war pensions, following the recent rise in the rates, an increase of £8 million. The Exchequer contributions to the National Insurance Funds are also, as the Committee well knows, a growing and inescapable commitment, and in the coming year, as a result of the action taken by Parliament last December, they will demand £100 million compared with £78 million for last year. The increased cost of the items I have just mentioned amounts to no less than £87 million. This is more than the whole of this year's increase in Civil Supply, and is striking evidence of the fact that, in this field of social services, a growing burden on the Exchequer is to be reckoned with

Much of the increase in expenditure is contractual, while the remainder represents what I am convinced is a worth-while investment in the future well-being of the country. Investment in human health, wider opportunity, and increased technical skill means something more than "investing in success." It means the assurance of a happily working and socially responsible democracy. But if we are to carry this burden . . we must not only maintain the increase in the national income, but also be constantly watchful that all our existing services are administered as economically as possible. We must, at the same time, examine with a critical eye all the many additional claims which are constantly being made on the Exchequer for new services, so that the basic social needs of our people come first"

Exchequer Prospects on Existing Basis of Taxation. "During the past year we have maintained a vigilant watch on both the totality of Government expenditure and its detailed distribution. Had we not done so I should not now be able to lay before the Committee the prospect of so favourable an Exchequer out-turn for 1955-56 on the existing basis of taxation. Expenditure of £4,562 million, revenue of £4,844 million, a surplus of £282 million This last is a very considerable sum. Before I can say how much of it—if any—should be given back to the hard pressed taxpayer, I must look ahead and analyse briefly the likely demands to be made upon us abroad and at home in the coming months . . . What, in fact, are the probable calls upon our resources, and what are our chances of meeting these calls, while combining a vigorous expansion of production at home with the maintenance of a healthy balance in our overseas account?"

External Prospects. "It is not enough for us to earn abroad sufficient merely to meet the cost of our imports. We have also to repay our debts; and we have to resume our traditional position as the main supplier of capital for the development of the Commonwealth and Colonial Empire, which offer such inspiring opportunities. We have taken on heavy liabilities to the Colonies under the Colonial Development and Welfare Acts and our participation in the Colombo Plan. We are also making increasing facilities available to Commonwealth Governments in the London market. All these external liabilities add up to a formidable call on our resources. We shall succeed in meeting this call only if we play our full part in establishing two prior conditions. First, we must seek to ensure an expanding volume of world trade in conditions which give our industry every chance to share in it Secondly, we must be sure that British industry is equipped to take full advantage of this chance by its efficiency and initiative.

What are the prospects for an expanding and freer world trade? It may be said that we have been trying to recreate the ideal conditions envisaged by Adam Smith and Cobden, and that to attempt this in a world of selfish and protectionist lobbies is no more than ineffectual idealism. But, in fact, our policies have been open-eyed in their realism. They spring from our conviction that without a system of trade rules and open trade behaviour, applied to our competitors no less than to ourselves, our exports would be exposed to every kind of restriction and retaliation, and our island interests would be submerged. That is why we have got together with our colleagues in the Commonwealth and our friends in Europe, in the O E.E.C., and the U.S.A. in a fresh effort to remove barriers to the free flow of trade and payments.

Last year we were concerned about the possible effects of a recession in America. But I am glad to say that the Government and people of the U.S.A. did much to stem the threatened decline in their output; and now there is an upsurge of renewed confidence and re-invigorated production in that country. This general revival of industrial activity in the U.S A. should benefit not only America herself but also the rest of the free world—the more so if President Eisenhower's fresh initiative in developing more liberal trade policies commands the support of all men of good will.

In Western Europe trade and production are still rising, and it was largely due to that recovery that we got through last year so well. It has been a great satisfaction to me, as Chairman of the O.E.E C., to watch, applaud, and encourage this expansion in Europe—an expansion which is reflected in the current plans for further removal of restrictions on trade this year.

The Committee will wish to study the White Paper . . outlining the Government's policy towards the changes in the G A T.T. recently negotiated in Geneva; but I can say now that the G.A.T.T. emerges from this review as an instrument better adapted to reinforce our efforts to liberate trade The instrument is there to our hand; it is for the member-countries to use it. Looking outwards, some of our export markets may be difficult—in Australia, for example, where our friends have recently announced reductions in their imports in the interests of the sterling area's balance of payments and of their own. But, in general, there are good prospects that world markets will offer us substantial opportunities to increase our exports this year. But we shall not achieve this essential increase unless our goods stand up to competition, particularly from the U.S A., Germany, and Japan If we are to be competitive, above all in price, we must combine a policy of incentive and expansion with continued restraint in the demands which we make on that expansion for our own personal satisfaction. I must warn the Committee that between 1953 and 1954 output per man, over the economy as a whole, rose by about 2½ per cent; but the increase in wage rates was over 4 per cent. Clearly, if this tendency continues, prices will be subject to constant upward pressure, and the effects both at home and in export markets will be adverse.

We must certainly watch other personal incomes also—for example, dividends. It would be as well if, before cheering, hon. Members would keep matters in their true perspective. The Committee will have observed from the Economic Survey that personal incomes from rent, interest, and dividends rose last year by £60 million or about 4 per cent, while wages and salaries rose by £645 million, or about 7½ per cent. Nevertheless, it remains true that, whatever source of income we consider, any tendency for money incomes to increase faster than productivity must lever up prices, or tilt the balance of payments against us, or both. The country should realize that there is a limit to the additions to our costs and prices which we can afford, if we are to remain competitive with our keen rivals in export markets."

Home Prospects. "Now I come to the analysis of likely home demand. If we consider the whole range of the economy, will there be room for an increase in exports? It is in the light of this fundamental question that I must assess the claims which home demand seems likely to make on our productive capacity in 1955. I will do it under four heads, very shortly in a few sentences. How much will be taken by Government expenditure; by investment, by stock-building; and by personal consumption, that is, by people spending on themselves?

Taking, first, expenditure, I calculate that, in real terms, Government expenditure on goods and services in the coming year is likely to be about the same as in 1954-55.

Now, investment. The upward trend in fixed investment is continuing. Housing is not likely to show so great an increase this year; but investment in the nationalized industries should continue to rise at about the same rate as in the past two years, the largest increases being in coal and electricity. I have already referred to the encouraging indications that, in private manufacturing industry, demand for factories, plant, and machinery is rising . . There is no reason why the recent increase in interest rates should discourage sound long-term investment. Indeed, the need for the type of investment which will raise productivity and expand our productive capacity is as great as ever; and the conditions of orderly economic growth, which our monetary policy is designed to foster, are precisely those conditions in which long-term investment can be undertaken with the surest hope of success. We are looking, then, for a real increase in investment in manufacturing industry this year. Summing up investments, therefore, I would say that over the whole field, public and private, I expect investment in 1955 to increase by at least the same amount as last year; but productive industry is likely to take a larger, and housing a smaller, share of this increase.

Next we come to stocks. The movement of investment in stocks and work in progress is, as always, very difficult to foresee There was a marked increase during 1954, which, as I have already pointed out, was one of the factors in our expansion. Our present rate of stock-building should be at least enough to meet the needs of expanding production The recent change in the Bank Rate was designed partly to emphasize the need for caution in the accumulation of stocks. Thus I estimate that stockbuilding will not take more of our resources than it did last year.

Finally, I must consider the prospects for personal spending and consumption. There have been substantial increases in wages. But prices have also risen to some extent, and the restraint which we have reimposed on hire-purchase transactions should also help to prevent an excessive growth of personal consumption Moreover, the rise in personal savings which has occurred during the last few years should be well maintained. I do not, therefore, expect personal spending and consumption to rise as rapidly this year as last.

Taking all these considerations into account, I estimate that the increase in home demand should be appreciably less than it has been in the last two years. On the other hand, the scope for increased production is at least as great as it has been in the past, if not greater. In each of the last two years output per man in industry has risen very encouragingly. Throughout the same period, new projects of investment have been put in hand, while industry has been showing itself increasingly aware of the need to raise productivity, and increasingly eager to explore the possibilities of new techniques and methods of production. In these circumstances, and taking into account the resources of a flexible monetary policy, I judge that the

claims which domestic demand is likely to make on our production will leave a margin for an increase in exports. Any incentive I can give should clearly be directed towards increasing production and, therefore, this margin."

Budget Policy. "What, then, should be my final Budget judgment? This year there are clear limits to the possibilities of large remissions of taxation, especially of indirect taxes which would encourage spending at home and so risk diminishing our export effort. With very full employment, higher social benefits, increased old-age pensions, generous support prices for agriculture, and better pay packets, our people must realize that all the good things of life are not, and cannot be, confined to Budget day. Indeed, some might urge that no tax concessions at all should be made this year But I judge that this would be a timid policy which might prevent us from achieving the full increase in production of which we are capable

In conditions of stricter monetary discipline, industry will have to scrutinize its plans with a shrewder and more selective eye. The plans should be all the better for that. They should, therefore, be all the more likely to show the maximum return to the whole economy from any encouragement I can give them. We do not want to smother the new spirit in British industry which many observers believe is transforming our approach to production problems. I believe that, given a continuing incentive, both management and men will accept the challenge to redouble the efforts which they are now making and so increase production and improve exports.

Since I became Chancellor of the Exchequer 3½ years ago, I have continually called for investment and expansion, and I have adopted whatever measures were within my power with this in view. There are risks in everything that is worth doing, and, on the analysis which I have made, I feel no hesitation in deciding where my duty lies between policies of expansion or of restriction. If we are to achieve the full increase in production of which the economy is capable, we must continue to provide encouragement to the whole productive effort of the country. We must seek fresh incentives to the forces of growth by the stimulation of output and productivity.

I come now to my Budget proposals. The advice which I have received this year has been almost unlimited. The representatives of industry, commerce, and organized labour have sent me their annual suggestions; my hon. friends and I have received many deputations from various interests affected by taxation, particularly by Customs and Excise duties. We have had before us the Second Report of the Royal Commission on Taxation (see 13616 A). The most obvious conclusion which my hon. friends and myself draw from all these representations is that the sheer burden of taxation is far too great. Both from the personal angle and from that of industry, we remain one of the most heavily taxed nations in the world. I am convinced that some further lightening of the load is needed to give industry the spur to be more competitive. The question is how to choose a method of relieving the burden which is likely to increase rather than to diminish confidence in our financial policy at home and overseas."

Purchase Tax. "I do not feel justified this year in making any general reductions in indirect taxation I have considered carefully the representations that Purchase Tax is bearing heavily on some sections of the textile trade. Their difficulties are due to a variety of causes, not least to the loss of export markets. Today, I am dealing only with the Purchase Tax aspect of these difficulties. No adjustment of Purchase Tax can be a panacea for the complex problems of any industry But the Government have great sympathy with the difficulties which are being experienced at present in Lancashire, and also in Northern Ireland As evidence of our desire to help, I am proposing forthwith to reduce the rate of Purchase Tax by half from 50 per cent to 25 per cent on piece goods and sheets, towels, and other household textile articles of cotton, linen, rayon, and other non-wool materials. An important result will be to halve the tax on quality furnishing fabrics and household textiles, and so to provide a better market for these goods, thus encouraging production and aiding exports. The D allowances which may be made from the value before calculating the tax will not be affected. These changes will take effect from midnight, and they will cost me about £2½ million this year and £3 million in a full year . . ."

Income Tax. "I now come to my final Budget decisions. This year I have had to bear three considerations in mind. First, if we are to continue to preserve the balance of the economy, I can afford to give away only a limited amount of my surplus. Secondly, the Budget proposals must constitute, before all else, a fresh incentive to the forces of growth and expansion. Thirdly, anything I suggest this year must, of necessity, be of a classical purity and simplicity.

I have considered carefully the recommendations in the Second Report of the Royal Commission on Taxation . . . In the light of their study of the graduation of the personal Income Tax, I should very much like to give some help to the family man. I should also like so to adjust the tax scales as to liberate as many people as possible from the complications of P.A.Y.E., especially where the amount of tax which it collects is very small. Some of these proposals would, on margin, make no vital difference to consumer demand, but would give much needed and much deserved encouragement to individual households So, if my first task is to lighten the sheer burden on the economy, I can think of one measure only which would enable me to combine with these objectives the type of direct incentive which I am seeking—one measure only which would be regarded as the most positive and heartening encouragement to all, employers and workers alike, who can contribute energy and enterprise to the development of the economy. This is a simple orthodox reduction of 6d. in the standard rate of Income Tax, together with appropriate reductions in the lower rates.

No other proposal would so simply and effectively suit the needs of the moment. It has several substantial advantages To industry, it offers the prospect of a tax relief—and I attach great importance to this—of rather more than £40 million—a relief which should give fresh encouragement to expansion and a keener edge to our competitive power. To the individual, it offers relief on existing income at all levels of tax liability, and it lightens the burden of tax on any extra income which he or she may earn by greater personal effort. I trust those who benefit to save, rather than to spend, as large a proportion as possible of what they gain. The heavier the present burden of tax, the greater the relief and, therefore, the greater the opportunity to save.

The reduction of 6d. in the standard rate will be accompanied by 3d off each of the reduced rates. In 1953, I took 6d. off all the rates, but then I was withdrawing the increase of 6d. all round which had been imposed by the previous Government in 1951. This time, I

The National Accounts.

1954-55 Out-turn and 1955-56 Budget Estimates (after 1955-56 taxation changes)

Above the Line

Revenue	1954-55 Out-turn £ millions	1955-56 Estimate £ millions
Inland Revenue	2,541	2,478
Customs and Excise	1,872	1,928
Motor Duties	79	80
Total Tax Revenue	4,492	4,486
Post Office (Net Receipt)	5	—
Broadcast Licences	22	25
Sundry Loans	23	24
Miscellaneous	196	175
Total Revenue	4,738	4,710
	4,738	4,710

Expenditure	1954-55 Out-turn £ millions	1955-56 Estimate £ millions
Interest on Debt	570	600
Sinking Funds	36	36
Northern Ireland	50	53
Miscellaneous	9	10
Total Consolidated Fund Services	665	699
Supply: Defence	1,436	1,494
Civil	2,158	2,315
Tax Collection	46	54
Total Supply	3,640	3,863
Total Expenditure	4,305	4,562
Surplus	433	148
	4,738	4,710

Below the Line

Receipts		
Interest outside Budget	104	120
Export Guarantees—Repayments	2	2
Housing receipts from Votes	24	7
Local Authorities—Repayments	25	34
Post Office capital repayments from Votes	—	1
Raw Cotton Commission—Net repayments	25	12
Coal Nationalization—Repayments	8	9
Film Corporation—Repayments	1	—
Overseas Resources—Repayments	1	—
Town and Country Planning Acts—Repayments	—	5
Anglo-Turkish Armaments Credit—Repayments	1	1
Other repayments	—	1
Total Receipts	191	192
Net sum borrowed or met from Surplus	501	584
	692	776
Total Receipts	4,929	4,902

Payments		
Interest outside Budget	104	120
Export Guarantees	3	6
Post-war Credits	24	19
Excess Profits Tax Refunds	6	3
War Damage	30	24
Scottish Special Housing	6	8
Armed Forces—Housing	1	7
Loans to Local Authorities	353	320
Loans to N. Ireland Exchequ	1	—
Loans for New Towns	30	36
Post Office capital expenditure	45	72
Loans to Film Corporation	1	—
Loans to Independent Television Authority	—	1
Loans for Development of Inventions	—	1
Town and Country Planning Acts—Compensation payments	8	57
Coal Nationalization—Working capital, &c.	75	95
Overseas Resources—Colonial Development	5	7
Total Payments	692	776
	692	776
Total Payments	4,997	5,338

return to the tradition that reductions in the general rates of Income Tax should be broadly proportionate to the rates already borne.

This reduction in the rates of tax will bring relief to the individual taxpayer at all levels of income But it will do nothing, of itself, to improve the points at which tax starts to be payable. I want, therefore, to supplement the 3d. remission in the reduced rates by an improvement on the lines suggested by the Royal Commission. I have been impressed by the principles which lie behind its proposals for relief for the smaller incomes, and I therefore propose, in addition, to exempt many of such incomes from all liability to tax by increasing the personal allowance—from £120 to £140 for a single person and from £210 to £240 for a married couple—while reducing the band of income taxable at the lowest rate from £100 to £60. By this means, I shall achieve though in a simpler way, the object the Royal Commission had in mind in proposing its scheme for a minimum earned income relief. Indeed, . . in most cases, the new starting points of liability will be appreciably higher than in the less far-reaching of the two schemes put forward by the Royal Commission Moreover, I shall apply the principle of this relief to small investment incomes—a class very deserving of help—by increasing the limit for the small income relief, under which small investment incomes are treated as earned, from £250 to £300.

Finally, I have made room, within this scheme of relief, for the family man. For him, I propose an increase in the child allowance from £85 to £100. At the same time, I propose to remove the special earnings limit applying to apprenticed children so that the same income limit will apply to all children . . . Here again, the relief which I am offering is a step along the road marked out by the Royal Commission, and is, moreover, free from the practical and administrative difficulties of its own scheme. I put this proposal forward as further evidence of my firm intention to do all I can to help parents of families, on whom the present load of taxation falls with especially discouraging severity, especially when they have several children to educate.

For the reasons which I have given throughout my speech I cannot go further, for the time being, either in reducing the total burden of taxation or in adopting the other improvements in graduation which the Royal Commission recommended But the effect of the changes which I am proposing will be that, in terms of earned income, the starting point of liability to tax will be raised for the single person from £155 to £180 : for a married man with no children, from £270 to £309 , for a married man with two children, from £489 to £566 ; and for the married man with four children, from £707 to £823. No fewer than 2,400,000 taxpayers will be removed from liability altogether. . . , and the load will be lightened on all those who remain liable."

Conclusion. After explaining that for the purpose of P A.Y.E deductions the tax changes would become effective on the first day after July 5, the Chancellor concluded : " In total, my proposals are estimated to cost £134 million in 1955-56, and £155 million in a full year. These are substantial and valuable remissions of taxation Yet they leave me budgeting for a surplus of no less than £148 million Rather more than half the surplus with which I began should survive at the end. This fact is, in itself, evidence of my conviction that, this year, we must set clear limits to the distribution of tax reliefs, if the continuing growth of the economy is to be nourished from firm and healthy roots. Nevertheless, the reliefs which I have proposed are not, I think, wholly inconsiderable They carry one stage further a process of liberation which, in the course of four Budgets, has reduced the standard rate of Income Tax by 1s , has improved the earned income relief and the age relief, has twice increased the personal allowances and the child allowance, and has provided successive measures of practical incentive to productive investment By this Budget the Government are leading the people of this country further along the road of confident expansion. I am satisfied that the world at large will applaud our continuing climb back to the uplands of prosperity, and I rely on our people to respond to the trust which I have placed in their sure and steady steps."

The effect of the taxation changes was set out in the Financial Statement as follows : (*a*) Income Tax reduction in the standard rate and the lower rates : a loss of £102,000,000 in 1955-56 and £116,000,000 in a full year ; (*b*) increase in the single and married allowances, and lowering of the reduced rate band : a loss of £14,000,000 in 1955-56 and £17,000,000 in a full year ; (*c*) increase in the child allowance : a loss of £15,000,000 in 1955-56 and £18,000,000 in a full year ; (*d*) increase in the income limit for small income relief : a negligible loss in 1955-56 and £750,000 in a full year ; (*e*) increase in the income limits for the dependent relative allowance : a loss of £200,000 in 1955-56 and £250,000 in a full year ; (*f*) removal of " emoluments " limit for apprentice children : a loss of £400,000 in 1955-56 and £500,000 in a full year ; (*g*) Purchase Tax reduction on textiles : a loss of £2,250,000 in 1955-56 and £3,000,000 in a full year. Total loss, £133,850,000 in 1955-56 and £155,500,000 in a full year.—(Parliamentary Debates, Official Report - Financial Statement - Manchester Guardian) **(Prev. rep. 1954-55 Budget, 13557 A ; 13497 A ; Revenue and Expenditure, 14134 A ; Credit Restrictions, 14067 A.)**

Note. The tables below show the amount of Income Tax and Surtax (if any) payable after deduction of personal allowances, married allowances, child allowances, and earned income relief The taxpayer, however, may be entitled to further reliefs which would reduce the tax payable below the amounts shown. Shillings and pence are omitted.

Single Persons.

In-come	All earned income Present Tax	New Tax	All investment income* Present Tax	New Tax	In-come	All earned income Present Tax	New Tax	All investment income* Present Tax	New Tax
£	£	£	£	£	£	£	£	£	£
175	2	—	2	—	800	148	144	228	220
200	4	1	4	1	900	183	178	270	263
300	15	14	29	14	1,000	218	211	318	305
400	35	33	60	59	2,000	569	541	769	730
500	56	55	95	93	3,000	1,128	1,076	1,331	1,268
600	83	81	138	135	4,000	1,753	1,676	1,956	1,868
700	113	111	183	178	5,000	2,428	2,326	2,631	2,518
					Married Couples without Children.				
300	2	—	11	—	900	143	135	233	220
400	12	9	35	30	1,000	178	168	278	263
500	32	27	64	59	2,000	528	499	728	688
600	52	48	99	93	3,000	1,088	1,034	1,290	1,225
700	79	74	143	135	4,000	1,713	1,634	1,915	1,825
800	108	102	188	178	5,000	2,388	2,284	2,590	2,475
					Married Couples with one Child.				
350	—	—	6	1	900	105	93	194	178
400	2	—	13	6	1,000	139	126	239	220
500	11	5	38	30	2,000	489	456	689	645
600	30	22	69	59	3,000	1,049	991	1,252	1,183
700	49	41	104	93	4,000	1,674	1,591	1,877	1,783
800	77	66	149	135	5,000	2,349	2,241	2,552	2,433
					Married Couples with two Children.				
400	—	—	2	—	1,000	101	85	201	178
500	1	—	17	6	1,500	276	248	426	390
600	10	3	42	30	2,000	451	414	651	603
700	28	17	74	59	3,000	1,011	949	1,214	1,140
800	48	35	111	93	4,000	1,636	1,549	1,839	1,740
900	74	59	156	135	5,000	2,311	2,199	2,514	2,390
					Married Couples with three Children.				
500	—	—	4	—	1,000	71	51	163	135
600	—	—	21	6	2,000	413	371	613	560
700	9	—	46	30	3,000	973	906	1,175	1,098
800	26	12	79	59	4,000	1,598	1,506	1,800	1,698
900	46	30	118	93	5,000	2,273	2,156	2,475	2,348

* Age Relief.—Where the taxpayer (or his wife) is over 65 and his total income does not exceed £600, age relief is given : this reduces the tax payable to that chargeable on the earned income scale. Where the total income exceeds £600, marginal relief is given so that the full tax on the investment income scale is not payable until the marginal relief runs out.

A. INDIA. — Congress Party. - Standing Committee on Party Organization. - Definition of Economic Objectives.

The new Congress Working Committee, meeting in Delhi on March 5-6, appointed a standing committee. consisting of Mr. Dhebar (the Congress President), Mr. Nehru (the Prime Minister), Pandit Pant (the Home Minister), Dr. Azad (Minister of Education), Mr. Morarji Desai (Chief Minister of Bombay), Mr. L. B. Shastri, Mr. G. Nanda, and Mr. S. K. Patil, to implement the resolution on the strengthening and purification of the party's organization adopted at the Avadi Congress.

The committee was required to prepare literature on the party's social and economic objectives , to draw up a scheme for the training of Congress workers ; and to suggest means for " the eradication of the spirit of casteism and communalism," for ensuring adequate representation of women and unrepresented sections of society in the party's organization, for raising the standards of efficiency of Congress committees, for a more effective scrutiny of active members, for a more harmonious working of the organization, and for the avoidance of the formation of groups inside the party. Mr. Dhebar was also empowered to appoint a central advisory committee for the guidance of constructive work, and a new administrative system was approved for this purpose, whereby the country was divided into six zones, each with its own organizer.

In a circular letter to the presidents of the Pradesh Congress Committees, dated April 1, Mr. Dhebar defined the " Socialistic pattern of society " approved by the Avadi Congress as the party's objective as follows : (*a*) social ownership or control of means of production in the interests of society as a whole, as distinguished from that of the individual or of a section of society ; (*b*) equitable distribution of the nation's wealth, resources, and income ; (*c*) equality of opportunity for all sections of society. Manifestations of an outlook inconsistent with this objective, he stated, included " individualism, groupism, linguism, provincialism, casteism, and communalism." (The Hindu, Madras) **(Prev. rep. 14044 A.)**

B. TURKEY. — Cabinet Change.

It was announced in Ankara on April 15 that Professor Koprulu had resigned as Foreign Minister and had been appointed Minister of State, and that M. Adnan Menderes, the Prime Minister, had taken over the Foreign Affairs portfolio for the time being. (Turkish Embassy, London) **(Prev. rep. 13999 C.)**

A. INDIA - PAKISTAN. — Increase in Migration from East Pakistan to India and from India to West Pakistan. - Talks on Migration Problems. - Agreement on Improved Travel Facilities and Resumption of Rail Communications. - Pakistani Assurances to Hindu Minority.

A sharp increase in migration from East Pakistan to India occurred during the six months September 1954-February 1955, about 65,000 people crossing the border during the last four months of 1954 (an increase of 300 per cent over the figure for the previous four months) 18,128 in January and 24,320 in February. Mr. Nehru, who described the situation as "of the utmost seriousness," said in the House of the People on March 24 that deteriorating economic conditions in East Pakistan were an important factor in causing the migration; this was, however, denied by the Pakistani authorities.

Most of the evacuees were peasants belonging to the scheduled castes, few members of which had previously left East Pakistan, and came from the districts of Khulna Jessore, Faridpur, and Barisal. Their sudden migration was attributed in Pakistan mainly to a Press Note issued by the West Bengal Government in July, which defined a refugee eligible for rehabilitation as a person who had entered India between June 1, 1947, and Dec. 31, 1954, because of communal disturbances or the fear of such disturbances; this was said to have led many members of this community to cross the border before the final date in the hope of receiving large rehabilitation grants, in spite of statements to the contrary issued by the Indian Deputy High Commissioner in Dacca The continuation of large-scale migration during the first months of 1955, however, was taken in India as an indication that economic conditions in East Pakistan were responsible, factors suggested in the Indian Press being a rapid fall in the price of rice, without any corresponding fall in the prices of other commodities; the unwillingness of landlords to employ labour for non-agricultural work at a time of falling crop prices; and a sense of insecurity caused by the removal of Hindu *zamindars* (landowners) under land reform legislation.

The Pakistani authorities reported at the end of March that there had also been an increase in recent months in the number of Indian Moslems entering West Pakistan through Sind, which had risen to an average of over 2,000 a week.

Discussions were held in Karachi from April 9-12 between Mr. M. C. Khanna (the Indian Minister of Rehabilitation) and Major-General Mirza (the Pakistani Minister of the Interior) on general problems relating to travel and migration between the two countries, as well as the exodus of Hindus from East Pakistan. Agreement was reached that travel between India and Pakistan should be facilitated by the introduction of a simplified visa system, additional authorized routes, and additional check-posts; that two authorized routes with railway facilities should be established on the West Pakistan border, one at Khokropar, and one at Gandhasinghwala; and that immediate steps should be taken to restore confidence among the minority community in East Pakistan. The Government of Pakistan, the official communiqué stated, had assured the minority community that their interests and security would be fully safeguarded, and that returning migrants would be taken back to their homes and their property restored.

An official statement issued in Karachi on April 11 said:

"The Government of Pakistan have viewed with increasing concern the rise in migration of members of the minority community from East Pakistan. Members of the minority community are reminded that the Government of Pakistan regard them as much as citizens of the State as members of the majority community. They are consequently assured of all rights and privileges of citizenship. Special machinery has been established for providing early redress of grievances of members of the minority community The Pakistan Government assures them that all measures will be taken to safeguard their interests and security so that they shall continue to live in Pakistan with honour and dignity."

In the talks on April 12 between Mr. Khanna, General Mirza, and Dr. Khan Sahib, the Pakistani Minister of Communications, it was decided (*a*) to resume rail traffic on the Sind-Jodhpur and Gandhasinghwala-Ferozepur routes from June 1; (*b*) to run through trains between Lahore and Calcutta; and (*c*) to resume the movement of goods to and from West Bengal through East Pakistan from May 1. The question of a through train service between Sind and Jodhpur was left open for further discussion.

Mr. G. Pathan (the Pakistani Minister for Minority Affairs) discussed the question of migration of minorities from East Pakistan with Mr. C. C. Biswas (the Indian Minister for Minority Affairs) in Calcutta on April 12, and on the following day began a tour of the affected areas of West Bengal and East Pakistan, together with Mr. A. K. Chanda (the Indian Deputy Minister for External Affairs).—(Indian and Pakistani High Commissioners' Offices, London - The Statesman, Calcutta)

(Prev. rep. Migration, 11146 A; Travel Facilities, 13879 E.)

B. PERSIA. — M. Hussein Ala succeeds General Zahedi as Premier.

General Zahedi, the Persian Prime Minister, resigned on April 5 for reasons of health, and on April 7 the Shah appointed M. Hussein Ala as the new Premier. M. Ala's Cabinet was announced on April 8 as follows:

M. Hussein Ala	Premier.
*M. Abdullah Entezam ..	Foreign Affairs.
General Hedayat .. .	War.
*M. Ali Amini	Finance.
M. Asadullah Alam ..	Interior.
*Dr. Jehanshah Saleh ..	Health.
M. Mehdi Kashani .. .	Economic Affairs (Acting).
M. Khalil Taleghani ..	Agriculture.
*Dr. Mahmoud Mehran ..	Education.
Dr. Mohsen Nasr	Labour.
General Vali Ansari.. ..	Public Works.
M. Ghasem Eshraghi ..	Posts and Telegraphs.
M. Hadj Mohammed Nemazi	Minister without Portfolio.

* Held same post in previous Cabinet.

M. Ala, one of the trusted friends of the Shah and one of the principal adversaries of Dr Mossadeq, has been Minister of the Court since 1951, a post he also held from 1942-45. Previously he had been for many years Persian Ambassador in Paris, whilst from 1945-50 he was Persian Ambassador in Washington and, since 1946, Persian representative at the U.N. He had held the premiership for a short time in 1951.

In a Press statement on April 7 M. Ala announced that his general policy would be a continuation of General Zahedi's policy, but added: "My first aim, however, is a large-scale campaign against corruption. To fight against Communism is not enough. The Government must strongly fight against corruption and bribery."

The *Majlis* passed a vote of confidence in the new Government on April 17 by 92 votes to two, with seven abstentions.

At a reception on March 22 the Shah himself, addressing a large gathering of notables, spoke of "the miserable condition of the masses in the provinces still deprived of the basic needs of life," and continued:

"Graft and corruption must be uprooted before reforms can be undertaken. Henceforth I shall want to see only honest and competent men in key positions, and shall be ruthlessly intolerant of demagogues, dishonest people, and egoists. Positive work for the welfare of the masses, combined with a merciless fight against corruption, shall mark the coming year."

General Zahedi left Teheran on April 7 to undergo medical treatment in Germany. M. Ala himself left on April 10 for medical treatment in Paris, M. Entezam deputizing for him in his absence.—(Le Monde, Paris - New York Times - New York Herald Tribune - Manchester Guardian - Times)

(Prev. rep. 13571 B; 13268 A; 13093 A.)

C. RHODESIA AND NYASALAND FEDERATION. — New Ministry of Power. - M. Coyne's View on Kariba Scheme.

Sir Malcolm Barrow, the Rhodesian Federal Minister of Commerce and Industry, was sworn in on April 6 as Minister of Power, a newly-created post. Sir Malcolm stated on the same date that the new Ministry had been created so that a separate organization could devote all its energies to the question of power supplies within the Federation, and that it would take over the Electricity Supply Commission and the distribution of power, as well as the Hydro-Electric Board and the hydro-electric power schemes.

M. André Coyne, the French hydro-electric expert, said in a Press statement in Salisbury on April 1, after a personal inspection of both the Kafue and Kariba sites, that the Kafue scheme was an excellent project but that the Kariba scheme was much better from a technical point of view. The future potential of Kariba would excel that of Kafue, and the Kariba scheme would give the cheapest power in the world when its total output was being used. Referring to the Meshi Teshi gap, M. Coyne said that if it was included with the Kafue main scheme its power output would in the long run equal that of the Kariba project, but more information would be necessary on Meshi Teshi and especially on the Kafue River levels during the dry seasons.—(Federal Information Dept., Salisbury)

(Prev. rep. Federal Government, 13856 A; 13333 A; Kariba, 14125 A.)

D. AUSTRALIA. — Tasmanian Elections.

Elections to the Tasmanian House of Assembly, held on Feb. 19, resulted in the return to power of the Labour Government (led by Mr. Cosgrove), which has been in office for the past 21 years. The Labour and Liberal parties each won 15 seats in the Assembly, but under recently-enacted legislation the Labour Party—which had a majority of 10,606 votes—was given one extra seat for the choice of Speaker.—(Australian News and Information Bureau - Daily Telegraph) **(11019 A.)**

A. SINGAPORE. — Elections. - Formation of Labour Front Government with M.U.A. Support.

The first general elections to be held in Singapore under the new constitution took place on April 2 and resulted in a victory for the left-wing Labour Front, led by Mr. David Marshall, which secured 10 of the 25 elected seats. Fifty-three per cent of the electorate went to the polls, the Labour Front polling 27 per cent of the votes cast. The results were as follows:

	Seats
Labour Front	10
Progressive Party	4
People's Action Party	3
Malay Union Alliance	3
Democratic People's Party	2
Independents	3

The *Labour Front*, from which the Labour Party seceded in the early stages of the election campaign after disagreement over the nomination of candidates, campaigned on a policy of moderate socialism, including among its aims the nationalization of passenger transport and the introduction of unemployment insurance. Politically, it advocated union between Singapore and the Federation of Malaya, and "immediate self-Government and eventual independence within the Commonwealth." The *Labour Party* put up only one candidate at the election, who was defeated.

The *People's Action Party*, launched on Nov. 21, 1954, is an inter-racial extreme left-wing party, drawing its support mainly from the younger professional people. During the campaign it demanded immediate independence for a Malaya comprising Singapore and the Federation, and criticized the new constitution on the grounds that under it "ultimate power and control still rests in the hands of the Colonial Power and not in the hands of the people." The *Progressive Party*, a non-communal right-wing party, is the oldest of the parties, having been formed in 1948, it held six of the nine elected seats in the last Legislative Council, and some of its members have also served on the Executive Council. Its programme was one of social progress, economic expansion based on free enterprise, and political development towards a "Confederation of Malaysia" (including the British Borneo territories as well as the Federation of Malaya). The *Democratic People's Party* is a right-wing Chinese party, also basing its economic policy on free enterprise, and urging an ending of the monopoly of English as the official language in the Legislative Assembly.

The *Malay Union Alliance* is a coalition of the United Malay National Organization, the Malayan Chinese Association, and the Singapore Malay Union. The U.M.N.O.-M.C.A. Alliance is a branch of the alliance formed in 1952 between the two principal communal political parties in the Federation of Malaya (see 12122 E), under which the parties continue to retain their separate identities, but act in association on all questions relating to elections. The Singapore Malay Union is another group which seceded from the Labour Front in the early stages of the elections.

As a result of the success of the Labour Front, the Governor of Singapore (Sir John Nicoll) had consultations with Mr. Marshall and, after the Malay Union Alliance had promised its support, announced the appointment of the following Council of Ministers on April 6: Mr. David Marshall (Labour Front), Chief Minister and Commerce; the Che Abdul Hamid Bin Haji Jumat (U.M.N.O.-M.C.A. alliance), Communications and Works; Mr. Chew Swee Kee (Labour Front), Education; Mr. A. J. Braga (Labour Front), Health; Mr. Lim Yew Hock (Labour Front), Labour and Welfare; Mr. Francis Thomas (Labour Front), Local Government, Lands, and Housing; Mr. J. M. Jumabhoy (Labour Front), Assistant to the Chief Minister in the Ministry of Commerce.

Mr. Marshall (39), a criminal lawyer by profession, was the only white man to be elected to the Assembly.

(Commonwealth Survey - Times) **(Prev. rep. 13748 F.)**

B. UNITED STATES. — Bank Mergers.

The Chase National Bank and The Bank of the Manhattan Company were merged on March 29, when shareholders of the two companies approved the merger proposals. The new bank, to be called the Chase Manhattan Bank, will be the second largest in the country (the Bank of America National Trust and Savings Association of San Francisco being the biggest), with deposits of more than $6,800,000,000.

The First National Bank of New York was sold to the National City Bank of New York (the third largest bank in the country) for $165,000,000 on March 30, when the sale was approved by the two banks' shareholders; the consolidated institution, which has deposits totalling $6,200,000,000, opened for business on March 31 as the First National City Bank of New York.

A third major bank merger, that of the Bankers Trust Company (the country's ninth largest bank) and the Public National Bank and Trust Company, was announced on Feb. 15, and approved by shareholders on March 24. The new institution, which would have deposits totalling some $2,500,000 000, would continue the name and charter of the Bankers Trust.

(New York Times) **(Prev. rep. 13892 D.)**

C. COMMUNIST CHINA. — Dismissal and Suicide of Kao Kang. - Expulsion of other Communist Party Leaders.

It was announced in Peking on April 4 that Kao Kang, a Deputy Premier and chairman of the Administrative Committee of the North-East Region (Manchuria), had been expelled from the Communist Party by the party's central committee for activities "directed against the people and against the State," and had since committed suicide. Jao Shu-shih, a political commissar whose last known post was that of head of the party's organization bureau, was stated to have been expelled from the party at the same time for anti-party activities, and "disciplinary action" had been taken against seven other members for their part in the alleged conspiracy.

Teng Hsiao-ping, another Deputy Premier, stated in a report drawn up for the party's central committee, that Kao Kang had tried to split the party by forming an "anti-party faction" to further his plan to take over the leadership of the State, and had attempted to make the North-East Region of China (i.e. Manchuria) into "the independent kingdom of Kao Kang." After referring to the "serious warning previously given by the central committee to anti-party elements," Mr. Teng added: "Kao Kang not only did not admit his guilt to the party, but even committed suicide as an expression of his ultimate betrayal of the party."

With regard to Jao Shu-shih, Mr. Teng said that between 1943 and 1953 he had resorted on many occasions to "shameless deceit" in order to seize power. Although he had been warned by the central committee, together with Mr Kao, he had "never shown any signs of repentance and now persists in an attitude of attacking the party."

A national conference of the Chinese Communist Party, which met on March 21-31, adopted Mr. Teng's report and approved a resolution ordering the setting-up of control commissions at all party levels to replace the existing discipline inspection committees, with the aim of "fighting more vigourously against acts by party members that violate party constitution, party discipline, or the laws and ordinances of the State." The resolution said that the party must fight "personal dictatorship and fragmentation," which undermined the principle of collective leadership, as well as "conceit, complacency, and tendencies towards the worship of individuals." It called on the party to "keep a strict, constant, systematical supervision of every area, department, and party worker from top to bottom and back again."—(Manchester Guardian - New York Times) **(Prev. rep. Kao Kang, 14051 A; 12784 A.)**

D. UNITED KINGDOM. — Sir Anthony Eden elected Leader of Conservative Party. - Support by Liberal Unionist Group.

Sir Anthony Eden was elected leader of the Conservative Party in succession to Sir Winston Churchill on April 21 at a party meeting at Church House, Westminster. The meeting was attended by Conservative and National Liberal members of the two Houses of Parliament, Conservative and National Liberal parliamentary candidates, and members of the executive committee of the National Union of Conservative and Unionist Associations—in all over 1,000 people; Lord Salisbury presided.

Sir Anthony Eden's election as leader was moved by Lord Salisbury, seconded by Mr. Butler, Chancellor of the Exchequer, and supported by Sir Eric Errington, M.P., chairman of the executive committee of the National Union. The motion was carried unanimously, and Sir Anthony Eden then appeared on the platform and made a short speech.

Before this the meeting had passed a motion expressing thanks to Sir Winston Churchill for his services to the country and the party during the 14½ years in which he held the leadership.

On the same day Mr. J. S. Maclay, chairman of the Liberal Unionist group in the House of Commons, in a letter to Sir Anthony Eden, expressed on behalf of all members of the group their confidence in his leadership and their whole-hearted support.—(Times - Daily Telegraph) **(Prev. rep. 14129 A.)**

E. SOUTH AFRICA. — Report on Decimal Coinage.

The report of the South African Bureau of Standards on the decimalization of the country's coinage was tabled in the House of Assembly on Feb. 25. It recommended the conversion of the Union's currency from the pound sterling to a rix dollar, equivalent to 10s. sterling in value, and the issue of banknotes ranging from one rix dollar to 100 rix dollars; silver coins of 50 cents (5s.), 25 cents (2s. 6d.), 10 cents (1s.), 5 cents (6d.), and 2.5 cents (3d.); and copper coins of 1 cent (1.2d.), ½ cent (0.6d.), and ¼ cent (0.3d.). The report, which was drawn up by a committee under the chairmanship of Mr. J. T. Becklake, a former director of the South African Mint, estimated the cost of conversion to the decimal system at about £8,000,000, and recommended a three-year preparation period before the change was made. It called for an early decision by the Government on whether or not to introduce the new system, as the cost of the change was steadily increasing with the growing use of mechanical aids in the calculation of accounts.—(Cape Times - Die Burger, Cape Town) **(Prev. rep. 12594 D.)**

Note. The rix dollar was the currency unit used by the early Dutch settlers in Cape Colony in the 17th century. (Ed. K.C.A.)

A. PAKISTAN. — Resignation of Mir Ghulam Ali Talpur from Central Government. - Opposition to Land Reform Measures in Sind. - Mr. Khuhro's Appointment as Chief Minister of Sind declared Illegal by Sind Chief Court. - Alleged Conspiracy for Assassination of Sind Ministers. - Arrest of Mir Ghulam Ali Talpur and Other Sind Leaders.

Mir Ghulam Ali Talpur, vice-president of the All-Pakistan Moslem League and Speaker of the Sind Legislative Assembly, resigned his post as Minister of Education in the Government of Pakistan on March 18 in protest against the policy of Mr. M. A. Khuhro, the Chief Minister of Sind, and announced his intention of re-entering Sind provincial politics. He had previously challenged the legality of a decision of the Provincial Ministry to restrain him from functioning as Speaker of the Assembly, and on March 18 was granted an interim injunction by the Sind Chief Court.

Strong feeling had been aroused in Sind by an executive order issued by Mr. Khuhro's Government on Feb. 8, which provided for the confiscation without compensation of 1,100,000 acres of land held by 124 *jagirdars* (feudal landlords), most of whom were members of the Talpur family. Under the order the confiscated estates, ranging in size from 500 to 217,000 acres, were to be divided into lots of 24 acres and distributed among the peasantry. Shortly after the order was issued Pir Illahi Bakhsh, a former Chief Minister of Sind and one of the largest landowners in the Province, filed a petition with the Sind Chief Court challenging the validity of Mr. Khuhro's appointment as Chief Minister on the ground that the Governor-General's order of Oct. 20, 1954, removing Mr. Khuhro's disqualification from public office was illegal. This view was upheld on March 11 by a full bench of the Court, which, however, granted 10 days' stay of execution to allow Mr. Khuhro to file an appeal to the Federal Court.

In his judgment declaring Mr Khuhro's appointment illegal, Chief Justice Sir George Constantine held that a Governor-General's order issued under the Public and Representative Offices (Disqualification) Act (PRODA) " bears a close resemblance to a sentence which a judge pronounces upon a finding of guilty " " Such an order," he continued, " is made with due regard to facts and circumstances of the case, and, like a sentence, is presumably unalterable by the authority which has made it. Non-appealable sentences are by no means unknown to law, and I can see no reason why the Legislature should be presumed to intend a power of review or revision " Mr Justice Muhammad Bakhsh and Mr Justice Vellani both concurred with the Chief Justice's ruling.

Pir Ali Mohammed Rashdi, Minister of Information in Mr. Khuhro's Government, announced on March 19 that a criminal conspiracy for the assassination of members of the Ministry and the creation of disturbances had been discovered, and stated that the object of the conspiracy, in which politicians and large landowners were involved, was to prevent the implementation of the Government's land reforms. Mir Ghulam Ali Talpur (who had described the allegations of a conspiracy as " a made-up affair," and had accused Mr. Khuhro of " victimizing and terrorizing " the landed aristocracy), as well as Pir Illahi Bakhsh (the former Chief Minister) and Mir Imam Bakhsh Talpur (a former member of Pirzada Abdus Sattar's Ministry), were arrested on March 20 under the Sind Public Safety Act in connexion with the alleged conspiracy; public meetings and processions were banned in Hyderabad (Sind); armed police were posted at important points in the city; and police guards at Ministers' residences and in the Assembly building were strengthened. Kazi Fazlullah, another former Chief Minister of Sind but not a member of the present Assembly, at whose house the police were reported to have seized unlicensed arms and ammunition, was arrested on March 25, whilst Mir Jaffar Khan Jamali, a member of the Assembly, was arrested on the same day on an old warrant for non-payment of land revenue.

When the Assembly met on March 21 a leading member of the Opposition, Mir Ali Ahmed Talpur, strongly protested against the arrest of the Speaker as " an insult to the House " and withdrew, followed by seven other members. The 89 remaining members then unanimously approved a motion proposed by Pir Ali Mohammed Rashdi for Mir Ghulam Ali Talpur's removal from the office of Speaker.

Mir Ghulam Ali Talpur was released on bail by the Sind Chief Court on March 26, Mir Jaffar Khan Jamali on March 27, and Pir Illahi Bakhsh, Kazi Fazlullah, and Mir Imam Bakhsh Talpur on March 28. The Sind Government's detention order against Mir Ghulam Ali Talpur was withdrawn on March 25 and those against Pir Illahi Bakhsh, Kazi Fazlullah, and Pirzada Abdus Sattar (Mr. Khuhro's predecessor as Chief Minister) on April 12; the Government, however, imposed a one-month ban on their stay in Sind. The order for the arrest of Pirzada Abdus Sattar had actually been ineffective as he had meanwhile gone to Karachi (a centrally administered area outside the jurisdiction of the Sind Government).—(Times - Pakistan High Commissioner's Office, London) **(Prev. rep. Central Cabinet 14003 E; PRODA, Mr. Khuhro, 13893 A.**

B. UNITED KINGDOM. — Sir Richard Acland's Resignation from House of Commons.

Sir Richard Acland, the Labour M.P. for Gravesend, announced on March 10 that, because of his disagreement with the Parliamentary Labour Party's approval of the Government's decision to manufacture the hydrogen bomb in Britain, he would resign his seat in the House of Commons and contest the ensuing election as an Independent candidate.

Explaining his decision during the House of Commons debate on the Air Estimates, Sir Richard Acland said that he had " sinned " in the past by not protesting more vigorously, not merely against the H-bomb but against the A-bomb and the strategic bomber force, but the H-bomb explosions during the last twelve months and the death of Japanese fishermen who were hundreds of miles away had made him understand the significance of the matter.

" The only hope for the future," he went on, " now lies in some other people extending the maximum tolerance, understanding, and constructive criticism to America and Russia that they might be able over the years to show them the way of tolerance towards each other. By making ourselves an integral part of one of the two poles between which tension exists, we can do nothing more to relieve it All our actions from now on will serve to intensify fear, hate, and suspicion. We are handing over the task of assuaging tension to . . Sweden, India, Indonesia, and others. My fear is that those others, without us, are not quite strong enough to succeed . ."

Referring to his decision to leave the Labour Party, Sir Richard said that " many little people " were bewildered by the fact that both the leading parties had accepted the horror of the hydrogen bomb. At the same time, Mr. Bevan's attitude towards the bomb, as stated in the defence debate, was also " bewildering." " Somebody," he declared, " must go to the limits of what is possible within the framework of democracy. I should not be true to myself if I did anything other than that."

The *London Gazette* of March 25 announced that the Chancellor of the Exchequer had appointed Sir Richard to be Steward and Bailiff of the Manor of Northstead—a device enabling him to retire from the House. Earlier, the National Executive of the Labour Party decided on March 14 that, in announcing his decision to stand as an Independent candidate, Sir Richard Acland had voluntarily severed his connexion with the Labour Party.—(Times - Manchester Guardian)

(Prev. rep. 14093 A.)

C. FRANCE. — Appointment of Military Commission of Inquiry into Battle of Dien Bien Phu.

A decree signed by General Koenig, the French Defence Minister, on March 31, and promulgated on April 11, set up a military commission to inquire into the military and political responsibility for the disaster at Dien Bien Phu. The decree stated that, " taking into consideration the political and military situation, the conduct of the war by the Government and the Commissioner-General's department, the orders given to General Navarre, the C.-in-C., and the resources at his disposal while he held his command, the commission is required to express its opinion on the conduct of the operations leading up to the battle of Dien Bien Phu, and on the preparations for and the conduct of the battle, and to determine responsibilities at various levels." General Catroux (the first French senior officer to rally to General de Gaulle in 1940, and later French High Commissioner in Syria and French Ambassador in Moscow) was appointed chairman of the commission. The other members will be Air Force General Valin, Admiral Lemonnier, and Army General Magnan, whilst M. Le Beau (a former Governor-General of Algeria) was appointed an advisory member.

A request for the setting-up of an inquiry commission into the siege and fall of Dien Bien Phu had been made by General Navarre in an interview published by the weekly *Jour de France* on July 20, 1954. General Navarre then said that such an inquiry was essential in the interest of the French Army because the country should know the conditions under which the Army had been compelled to fight. In a note published at the same time General Koenig had stated that he had refused General Navarre's earlier request for an official inquiry in order to keep the armed forces outside polemics, but that, in view of the violent campaign which had meanwhile been launched against General Navarre, the latter was entitled to defend his actions.

A Parliamentary commission for the co-ordination of Indo-Chinese questions and the study of the operations at Dien Bien Phu had been set up under the Laniel Government on May 11, 1954, but nothing had resulted from its activities and its chairman, M. René Mayer, had since resigned.—(Le Monde, Paris - Le Figaro, Paris) **(Prev. rep. 13566 A.)**

A. AUSTRIA. — Austrian State Treaty. - Withdrawal of Soviet Insistence on Retention of Occupation Troops. - Dr. Raab's Visit to Moscow. - Soviet-Austrian Agreement on Outstanding Treaty Provisions. - Western Powers' Assurances to Austria. - Soviet Proposal for Four-Power Foreign Ministers' Conference to conclude Treaty. - Western Powers' Acceptance. - Proposal for Preparatory Meeting of Ambassadors.

Following M. Molotov's reference to the Austrian State Treaty in his foreign policy speech to the Supreme Soviet on Feb. 8 (see 14059 A), the Austrian Ambassador in Moscow (Herr Norbert Bischoff) had discussions with M. Molotov on Feb. 25 and March 2 in order to obtain a clarification of the Soviet attitude. A statement issued by the Soviet Foreign Ministry on March 11 said that during the discussions M. Molotov had emphasized that the Soviet Union would no longer insist on the retention of occupation troops in Austria, provided that measures were taken to prevent another *Anschluss* between Austria and Germany, and that Austria did not join in any military coalition or allow foreign bases to be built on her soil. M. Molotov had also suggested that a settlement of the Austrian treaty question would be promoted by preliminary negotiations between the Soviet Union and Austria and by private talks between Soviet and Austrian leaders. The statement concluded by calling for an immediate four-Power conference to consider both the German question and the question of signing a State Treaty with Austria, and added: "The Soviet side now proposes to effect the withdrawal of troops of the four Powers from Austria without waiting for the signing of a peace treaty with Germany, having agreed to corresponding joint measures which would exclude the possibility of Germany effecting a new *Anschluss* with Austria."

The Austrian Government's reply to the Soviet proposals, in the form of an *aide-mémoire* handed to M. Molotov by the Austrian Ambassador on March 14, said that final agreement on the Austrian question could be reached only through a conference attended by all four occupying Powers and Austria, and that such a conference should deal with Austria as a separate problem; however, for such a conference to have any prospect of success, M. Molotov's proposals would first have to be clarified. The *aide-mémoire* was worded as follows:

"The Federal Government has learned with satisfaction that the Soviet Union attaches great importance to a settlement of the Austrian question, the question of full restoration of the independence of a democratic Austria in accordance with the interests of preserving and securing peace in Europe. It learns with satisfaction that the Soviet Union deems unjustified any further delay in concluding the State Treaty.

(1) The Federal Government welcomes every effective assurance and guarantee of Austria's independence and freedom on all sides, and thus welcomes every effective assurance and guarantee against the danger of an *Anschluss*.

(2) The Federal Government has repeatedly and unequivocally declared that Austria has no intention of entering into any military alliances or of permitting any military bases upon her territory. The Federal Government is ready to make the form in which any such declaration might eventually be given afresh the subject of an exchange of views.

(3) The Federal Government is also convinced that a final solution of the Austrian question can be reached only through a conference of all the Powers involved, with Austria also taking part. It considers nevertheless that the problems referred to under paragraphs (1) and (2) should be so clarified that such a conference would have prospects of speedy and concrete results.

The Federal Government believes that a successful result could be reached if the State Treaty were dealt with by the four Powers, with Austria taking part, as a separate problem."

On March 24 M. Molotov had a further meeting with the Austrian Ambassador in Moscow, at which he issued an invitation to the Austrian Chancellor, Dr. Raab, to visit Moscow "in the nearest future" to discuss an Austrian treaty; M. Molotov also suggested that Dr. Raab might be accompanied by such "other representatives of Austria whom the Austrian Government would consider it desirable to send to Moscow for discussions." At the same time M. Molotov handed to the Ambassador the Soviet reply to Austria's *aide-mémoire* of March 14, in which, among other things, the Soviet Union agreed with the Austrian request that the question of an Austrian treaty should be discussed as a separate matter at a four-Power conference attended also by Austria. The text of the Soviet reply was as follows:

"Having acquainted itself with the reply of the Austrian Government of March 14, the Soviet Government finds with satisfaction that the Austrian Government agrees with the opinion of the Soviet Government that the settlement of the Austrian question and the question of re-establishing the full independence of a democratic Austria should be in accordance with the interests of maintaining and consolidating peace in Europe. Meeting the wishes of the Austrian Government, the Soviet Government considers it necessary to give a further clarification of the questions referred to in the reply of the Austrian Government.

(1) The Soviet Government takes note of the statements of the Austrian Government to the effect that it welcomes any effective assurances and guarantee of Austrian independence and freedom, and against any danger of an *Anschluss* and encroachments from any side. From this follows the need to take specific measures taking into account the present plans for the remilitarization of Western Germany, which increase the danger of Austria's being absorbed. In this connexion it is necessary to examine the questions of the time limits for the withdrawal of the troops of the four Powers from Austrian territory, as well as measures to be taken in the future, in the event of the emergence of a direct threat of an *Anschluss*.

(2) The Soviet Government regards the statement of the Austrian Government to the effect that it has no intention of joining military alliances or permitting the creation on her territory of military bases as an agreement of the Austrian Government with Point Two of the Soviet Government's proposals of Feb. 8, 1955, on this subject. The Soviet Government is ready, in accordance with the wish of the Austrian Government, to discuss the question of the form in which a relevant statement on this subject could be made by Austria. The Soviet Government confirms the need for the Governments of the U.S.A., Britain, and France to undertake corresponding commitments.

(3) Meeting the desires of the Austrian Government, the Soviet Government agrees that the question of the Austrian treaty be discussed separately at a four-Power conference with the participation of Austria"

It was announced in Vienna on March 29, after discussions between the Austrian Cabinet and the Austrian Ambassadors in London, Washington, and Paris (who had flown home for the consultations), that Dr. Raab had accepted the invitation to visit Moscow and that he would be accompanied by the Vice-Chancellor (Dr. Schärf), the Foreign Minister (Dr. Figl), and the Foreign Under-Secretary (Dr. Kreisky).

The United States, Britain, and France issued a joint statement on April 5 emphasizing that the conclusion of an Austrian Treaty was of concern to all the four Great Powers as well as Austria, and suggesting that, if the Soviet Union should offer "proposals which hold clear promise of the restoration of freedom and independence to Austria, these would appropriately be discussed by the four Ambassadors in Vienna, with the participation of the Austrian Government." The statement was as follows:

"For many years the Governments of the U.K., the U.S.A., and France have sought to conclude an Austrian State Treaty. They have made ceaseless efforts thus to bring about the restoration of Austrian freedom and independence at the earliest possible moment.

At the Berlin conference in 1954 the three Governments expressed their readiness to sign the draft State Treaty with the Soviet texts of the previously unagreed articles This would have resulted in the termination of the occupation and the withdrawal of all foreign troops within three months of the entry into force of the treaty. But the Soviet Government declined and insisted on putting forward new and unacceptable conditions which would have infringed Austrian sovereignty.

The three Governments have followed closely the recent exchanges between the Austrian Government and the Soviet Government on matters relating to the State Treaty. From these exchanges it appears that the Soviet Government may now have certain clarifications to offer regarding their policy towards Austria, in particular on the question of the independence and sovereignty of that country already provided for in the first five articles of the draft treaty. The three Governments trust that the decision of the Austrian Government to accept the Soviet invitation to Moscow will result in useful clarification.

Questions relating to the conclusion of the State Treaty are of concern to the Governments of all four responsible Powers, as well as to the Austrian Government. The Governments of the U.K., the U.S.A., and France accordingly consider that, if the Soviet Government should offer proposals which hold clear promise of the restoration of freedom and independence to Austria, these would appropriately be discussed by the four Ambassadors in Vienna, with the participation of the Austrian Government.

It remains the earnest desire of the Governments of the U.S.A., U.K., and France to conclude the State Treaty as soon as possible in conformity with principles which would ensure Austria's full freedom and independence"

An official statement issued by Dr. Raab's office on April 6 expressed satisfaction with the declaration by the Western Powers. It said that Austria had never doubted that the Western Powers were always prepared to bring freedom to her, and declared that the visit of the Austrian delegation to Moscow was "a suitable step towards reaching this aim." The Soviet News Agency, *Tass*, however, asserted that the Western Powers' declaration was an attempt to impede positive results from emerging from the Soviet-Austrian talks, and deprecated the suggestion that instead of a four-Power conference the Ambassadors of the four Powers in Vienna might meet to discuss any new points raised in the talks.

In identical Notes handed to the three Western Ambassadors in Moscow on April 9, the Soviet Government reviewed the

recent developments with regard to a treaty with Austria, and expressed the hope that such a treaty might be concluded "in the immediate future."

The Notes, after referring to the discussions on the Austrian problem at the Berlin conference in 1954 (see p. 13438), and to the Soviet proposal in August for a conference of the Ambassadors of the four Powers in Vienna, together with an Austrian representative (see 13731 A), turned to the latest developments arising out of M. Molotov's proposals of Feb. 8. They recalled the preliminary exchanges of views which had taken place between the Soviet Union and Austria, and continued: "In view of the fact that it also became clear that personal contact between leading representatives of the Soviet Union and Austria could assist in this important matter, it was agreed that an Austrian Government delegation, headed by Herr Raab, should visit Moscow on April 11 to continue discussion of the questions under consideration.

"The Soviet Government believes that an exchange of views with representatives of the Austrian Government will help in advancing matters with regard to a settlement of the Austrian question. It is also taking into consideration the fact that, in the time since the Berlin Conference, the heads of the Austrian Government have already had appropriate meetings and exchanges of views with leading representatives of Great Britain, France, and the U.S.A. The Soviet Government expresses the hope that, given the corresponding desire by all the States concerned, it will be possible in the immediate future to achieve the necessary agreement, and to conclude a State Treaty with Austria."

Dr. Raab and the other Austrian Ministers flew to Moscow on April 11 and during the following four days had discussions with M. Molotov, M. Gromyko (a Deputy Foreign Minister), M. Ilyichev (Soviet High Commissioner in Austria), M. Mikoyan (a Deputy Premier), and other Soviet officials. Dr. Raab also met the British, French, and U.S. Ambassadors, and the latter also had talks with M. Molotov. The Austrian delegation was entertained at an official banquet given by M. Molotov on April 12, which was attended by Marshal Bulganin (the Soviet Premier), other Soviet leaders, and members of the Diplomatic Corps, and at which toasts were drunk to the ending of the occupation of Austria.

A joint Soviet-Austrian communiqué issued on April 15 at the conclusion of the talks announced that the two countries had reached agreement on the disputed points of the Austrian State Treaty, and expressed the hope that the four Great Powers might now be able to conclude the treaty. The communiqué was worded as follows:

"From April 12 until April 15, 1955, discussions were held in Moscow between an Austrian Government delegation headed by Chancellor Julius Raab and Vice-Chancellor Dr. Adolf Schärf and a Soviet delegation headed by . . . M. Molotov, and . . . M. Mikoyan, which were carried on in a friendly spirit.

As a result of these discussions, the Governments of the Soviet Union and of Austria consider as desirable the earliest conclusion of a State Treaty on the establishment of an independent and democratic Austria, which should serve the national interests of the Austrian people and promote the consolidation of peace in Europe.

The Austrian delegation gave assurances that the Austrian Republic, in the spirit of the declaration made at the Berlin Conference in 1954, does not intend to join any military alliances or permit military bases on her territory and will pursue a policy of independence in regard to all States which should ensure the observance of this declaration.

The Soviet side expressed its agreement that the occupation forces of the four Powers be withdrawn from Austria upon the entering into force of the State Treaty, and in any case not later than Dec. 31, 1955.

Taking into consideration the declaration of the United States, Britain, and France made public on April 5 to the effect that they are striving to achieve the earliest conclusion of an Austrian State Treaty, the Soviet Union and Austria express the hope that at the present time there are favourable opportunities for the conclusion of a treaty through an appropriate agreement among the four Powers and Austria.

The Soviet Government further agreed, in the spirit of its statement at the Berlin Conference in 1954, to accept the equivalent of $150,000,000 provided for by Art. 35 of the State Treaty entirely by the delivery of Austrian goods.

The Soviet Government declared its readiness, in addition to the earlier stipulated transfer of former German property in the Soviet zone of occupied Austria, to transfer to Austria immediately after conclusion of the State Treaty, for appropriate compensation, the property of the Danube Shipping Company, including the shipyards and Korneuburg wharves and all vessels and port installations.

The Soviet Government agreed further to cede to Austria the oilfields and refineries, including the company for trade in oil products (OROP), defined as belonging to Austria in Art. 35 of the State Treaty, in exchange for the delivery of crude oil in amounts agreed to by the parties.

Moreover, agreement was reached to enter into negotiations in the near future aimed at the normalization of trade relations between Austria and the Soviet Union.

The Soviet delegation informed the Austrian delegation that the Presidium of the Supreme Soviet of the U.S.S.R. had expressed its consent to consider favourably the request of the Austrian Federal President, Dr. Korner, for the return to their motherland of those Austrians who are serving terms under the decisions of Soviet courts.

After the withdrawal of the Soviet occupation troops from Austria, not a single military prisoner or detained civilian person of Austrian citizenship will remain on the territory of the Soviet Union."

The Austrian delegation returned to Vienna on April 15, and was welcomed by large crowds at the airport in the Soviet zone and along the 30-mile route to the capital. Dr. Raab, in a statement at the airport, said: "We are bringing you good news. We shall be free; and the Austrians imprisoned in Russia—they will be free too. We shall get our oil as Austrian property, and the Danube Shipping Company and all the U.S.I.A. properties (former German assets in Austria appropriated by the Russians) will return to Austrian ownership. Our conference in Moscow was a contribution to the peace of the world. We shall continue to work for Austrian freedom with all our power." At a People's Party rally at St. Polten (Lower Austria) on April 17 Dr. Raab said that Austria would invite the four occupying Powers to meet in Vienna to conclude an Austrian State Treaty as soon as possible.

Sir Anthony Eden, the British Prime Minister, stated in the House of Commons on April 19 that the Government welcomed the statement in the Moscow communiqué of April 15 in which the Austrian and Soviet Governments placed on record their desire for the early conclusion of a treaty, and that they earnestly hoped that a treaty could now at last be concluded. He added that the Soviet Government, by agreeing to the prompt withdrawal of occupation forces, had removed one of the major obstacles to its conclusion.

The Soviet Union, in identical Notes handed to the three Western Ambassadors in Moscow on April 19, formally notified Britain, the U.S.A., and France of the satisfactory outcome of the Soviet-Austrian discussions in Moscow, and proposed that a four-Power conference of Foreign Ministers should be held in Vienna in the near future, with the participation of Austrian representatives, to consider and sign an Austrian State Treaty. The Notes said that, as a result of the Soviet-Austrian discussions, "it became clear that at present the possibility exists of completing the settlement of the Austrian question and of concluding a State Treaty with Austria."

The three Western Powers, replying to the Soviet Note on April 22, welcomed the possibility of concluding an Austrian treaty and suggested an early meeting of their Ambassadors in Vienna with the Soviet Ambassador and Austrian representatives to undertake the preparatory work. The Notes were in similar terms, the text of the British Note being as follows:

"H.M. Government welcome the Soviet Government's view that the possibility now exists for concluding the Austrian State Treaty. They would be pleased to participate at the earliest possible moment in a meeting of the Foreign Ministers of the four Powers, together with representatives of Austria, in order to sign the treaty From the information they have received regarding the exchanges between the Austrian and Soviet Ministers in Moscow, it is clear that some preparatory work still remains to be done. Recalling the tripartite declaration of April 6, they suggest that the Ambassadors of the four Powers in Vienna should meet at a very early date, with the participation of Austrian representatives, in order to examine the results of the exchanges in Moscow and to reach the necessary agreements for the early signature of the State Treaty by the Foreign Ministers. They would therefore propose that the Ambassadors together with Austrian representatives should meet in Vienna on May 2. As soon as the necessary preparations have been completed, the earliest practicable date should then be set for the Foreign Ministers to meet and sign the treaty."

Before the present Soviet initiative on the Austrian Treaty, it had again been emphasized by Austria and the Western Powers that the conclusion of an Austrian Treaty was conditional upon the withdrawal of all occupation troops from Austria.

The Austrian Government, replying on Oct. 12, 1954, to the Soviet Note of Aug. 12 (which had suggested fresh talks on the Austrian Treaty—see 13731 A), had said that the calling of a further conference was "primarily the duty of the four occupation Powers," and that for such a conference to be a success "there must be a direct and indissoluble link between the conclusion of the treaty and the evacuation of Austria by the occupation troops." This view was also emphasized in a joint U.S.-Austrian communiqué, issued in Washington on Nov. 26 at the end of a visit by Dr. Raab to the American capital, which stated (among other things) that "both Governments would continue with determination to work together for a State Treaty, which would provide for the withdrawal of all occupation troops from Austria at an early and fixed date."

A further reference to the question was made by M. Mendès-France in his address to the U.N. Assembly on Nov. 22 (see 13910 A), following which it was announced on Dec. 7 that the French Embassy in Moscow had been instructed to inquire what the Soviet Union's reactions were to the address. No official indication of the Soviet view was given, however, until M. Molotov's speech on Feb. 8.—(Soviet Weekly - Wiener Zeitung - Le Monde, Paris - Le Figaro, Paris - Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune) **(Prev. rep. 13914 A.)**

A. UNITED STATES. — Mr. Adlai Stevenson's Speech on Far Eastern Situation. - Statement by Mr. Dulles.

Mr. Adlai Stevenson, the Democratic candidate in the 1952 Presidential election and now titular head of the Democratic Party, made an important speech in Chicago on April 11 in which he criticized the Republican Administration's policy in the Far East and emphasized the danger of the United States isolating herself from her allies in this matter. Extracts from Mr. Stevenson's speech are given below.

After referring to the fact that, " despite the uneasy truces in Korea and Indo-China, our country once again confronts the iron face of war," Mr. Stevenson continued " The tragedy is that the possibility of war just now seems to hinge upon Quemoy and Matsu, small islands that lie almost as close to the coast of China as Staten Island does to New York; islands that presumably have been fortified by the Chinese Nationalists with our approval and assistance. Having loudly hinted at American intervention in Indo-China just a year ago and backed away, having forced General Chiang Kai-shek to evacuate the Tachen Islands when the Communists made menacing gestures just a couple of months ago, we now face the bitter consequence of our Government's Far Eastern policy once again. Either another damaging and humiliating retreat, or else the hazard of war, modern war, unleashed not by necessity, not by strategic judgment, not by the honour of allies or for the defence of frontiers, but by a policy based more on political difficulties here at home than the realities of our situation in Asia

" Given these unhappy choices it appears that President Eisenhower will decide what to do if and when the attack comes, depending on whether in his judgment it is just an attack on these islands or a prelude to an assault on Formosa. While our President has great military experience, perhaps it is not improper to ask whether any man can read the mind of an enemy within a few hours of such an attack and determine whether, at some later date, the enemy plans to go further and to invade Formosa Is it wise to allow the dread question of modern war to hinge upon such a guess ?

" Now many of the President's most influential associates have been insisting that he pledge us to the defence of these islands. They say that another rebuff and backdown, another retreat in Asia, would add substance to what the Chinese Communists say about the United States being a ' paper tiger ' . . . [They] also say that, having gone this far with Chiang Kai-shek, to let him down now when he is reinforcing these islands and preparing an all-out stand would deal a heavy blow to the morale of his forces and endanger the defences of Formosa itself

" There is undeniable merit to these and other arguments, but I must say in all candour that they seem to me overborne by the counter-arguments, and I have the greatest misgivings about risking a third world war in defence of these little islands in which we would have neither the same legal justification nor the same support as in the defence of Formosa. They are different from Formosa. They have always belonged to China. But Formosa belonged to Japan and was ceded by the Japanese peace treaty. We have as much right to be there as anybody, except perhaps the real Formosans."

Mr. Stevenson went on to question whether the offshore islands were—as claimed by the Administration—essential to the security of the U.S A.; whether they were even essential to the security of Formosa ; and whether in any case they could be defended without using nuclear weapons. He then turned to the danger of the U.S.A. isolating herself from the rest of the world with regard to her policy on Formosa and the offshore islands, saying : " Are we prepared to shock and alienate, not alone our traditional allies but most of the major non-Communist powers of Asia, by going to war over islands to which the U.S.A. has no colour of claim and which are of questionable value to the defence of Formosa ? Are we, in short, prepared to face the prospect of war in the morass of China, possibly global war, standing almost alone in a sullen or hostile world ? These are the questions that must be answered, this time I hope with more concern for realities in Asia and for unity with our allies than for fantasies in Formosa and for placating implacable extremists in America.

" At this late date there may be no wholly satisfactory way of resolving the dilemma. But if we learn something from this experience, if we realize at last that we have been pursuing a dead-end policy in Asia, then perhaps we can turn our present difficulties to good account and devise an approach more in keeping with the realities of Asia and of the hydrogen age.

" And that causes me to say that the division of our coalition over these offshore islands, the weakening of the grand alliance of free nations pledged to stand together to defend themselves, is in my judgment a greater peril to enduring peace than the islands themselves. I know some politicians tell us that we don't need allies . . . But it is not so. We need allies because we have only 6 per cent of the world's population. We need them because the overseas air bases essential to our own security are on their territory. We need allies because they are the source of indispensable strategic materials. We need, above all, the moral strength that solidarity of the world community alone can bring to our cause. Let us never underestimate the weight of moral opinion . . ."

" So I would urge our Government to promptly consult our friends, and the uncommitted States, too, and ask them all to join with us in an open declaration condemning the use of force in the Formosa Strait, and agreeing to stand with us in the defence of Formosa against any aggression, pending some final settlement of its status —by independence, neutralization, trusteeship, plebiscite, or whatever is wisest. Nor do I see any reason why we should not invite Soviet Russia, which is united by treaty with Red China, to declare its position, to indicate whether it prefers the possibility of ultimate settlement by agreement to an unpredictable, perhaps limitless conflict, started by an arrogant, foolhardy Communist China either by design or by miscalculation.

" Fortified by such an international declaration denouncing the use of force, with the assurance of such collective support for the defence of Formosa, and with the addition thereby of moral solidarity to military strength, I should think that Quemoy and Matsu would have little further importance to the Nationalists, let alone to us And that they could then be relinquished before we stumble any further down the dismal road to war that nobody wants . . .

" Another major avenue in the quest for a peaceful solution in the Far East remains unexplored : the United Nations. I should think that the U.S A , together with friends and allies in Europe and Asia, could submit a resolution to the U.N. General Assembly, calling upon the Assembly likewise to condemn any effort to alter the present status of Formosa by force. And I think we could afford to go further and call upon the U N. Assembly to seek a formula for the permanent future of Formosa, consistent with the wishes of its people, with international law, and with world security."

Mr Stevenson emphasized that if the Chinese Communists refused to accept a settlement along the lines which he had outlined, then at least it would be clear to everyone who the aggressors were. If the U.S A. was faced with no alternative " but to meet force with force," then she would at least face it " with our allies beside us and the blame placed squarely where it belongs."

In conclusion, Mr. Stevenson drew attention to the " urgent and larger problems " of Asia, and made an appeal for increased U S. technical assistance to that area and for greater U.S. moral leadership in the world as a whole. " Preoccupied as we all are these days with the immediate problem of these islands," he said, " we must try to keep things in perspective somehow and not lose sight of our main objectives. Far beyond Quemoy and Matsu, and even Formosa, lie the urgent and larger problems of Asia—the growing attraction of enormous, re-awakened China, the struggle of the under-developed countries to improve their condition and keep their independence, and the grave misgivings about America. If the best hope for today's world is a kind of atomic balance, the decisive battle in the struggle against aggression may be fought not on battlefields but in the minds of men, and the area of decision may well be out there among the uncommitted peoples of Asia and of Africa who look and listen, and who must, in the main, judge us by what we say and do . . .

" We will be welcome to the sensitive people of Asia, more as engineers and doctors and agricultural experts, coming to build, to help, to heal, than as soldiers Point Four was an idea far more stirring, far more powerful than all of the empty slogans about ' liberation ' and ' retaliation ' and ' unleashing ' rolled together. So I say, let us present once more the true face of America—warm and modest and friendly, dedicated to the welfare of all mankind, and demanding nothing except a chance for all to live and let live, to grow and govern as they wish, free from interference, free from intimidation, free from fear.

" Let this be the American mission in the hydrogen age," Mr. Stevenson concluded " Let us stop slandering ourselves and appear before the world once more as we really are—as friends, not as masters ; as apostles of principle, not of power ; in humility, not in arrogance ; as champions of peace, not as harbingers of war. For our strength lies, not alone in our proving grounds and our stockpiles, but in our ideals, our goals, and their universal appeal to all men who are struggling to breathe free."

The U.S. Secretary of State, Mr. Dulles, commenting on Mr. Stevenson's speech on April 12, said that the only important difference between his own and Mr. Stevenson's ideas on the Formosa situation lay in the degree of solicitude which the U.S.A. should show towards Nationalist China. " Mr. Stevenson speaks feelingly about our ' allies,' " the Secretary of State said, " but he forgets one ally, namely the Republic of China. It is upon the loyalty and resources of that ally that the free world must primarily depend for the defence of Formosa. Yet Mr. Stevenson seems to assume that that ally can be ignored and rebuffed. Aside from this, Mr. Stevenson has in fact endorsed the main features of the Administration's programme in relation to Formosa."
(New York Times - New York Herald Tribune)
(Prev. rep. Formosa, 14117 A ; Mr. Stevenson, 13473 A.)

B. AUSTRALIA. — Loan in Switzerland.

An Australian Government loan of 60,000,000 Swiss francs (£A6,000,000)—the second such loan—was floated in Switzerland by a syndicate of Swiss banks on Feb. 11-15 at 99½ per cent ; bearing interest at 3½ per cent, the loan was for 15 years with the option of repayment after 10 years. Its proceeds will be used for the Government's public works programme.—(Australian News and Information Bureau - Neue Zürcher Zeitung)
(Prev. rep. 13367 B.)

C. DANUBE NAVIGATION. — Austrian-Bulgarian Agreement.

The Danube navigation agreement between Austria and Bulgaria, giving the shipping from either country free access to the other, which had been initialled on Nov. 18, 1954, was signed in Sofia on March 10.—(Bulgarian Bulletin) **(13889 E.)**

APRIL 23—30, 1955

A. EGYPT - ISRAEL. — Fighting in Gaza Area. - Security Council Condemnation of Israeli Retaliatory Attack. - Council Support for General Burns's Proposals to prevent Border Incidents and Infiltration from Egyptian Territory. - Egyptian Acceptance of Proposals. - Israeli Partial Acceptance. - Armistice Commission's Condemnation of Egyptian Attack at Patish. - The "Bat Galim" Case. - Security Council's Call for Free Passage for All Shipping through Suez Canal. - Major Salem's Proposal for Israeli Cession of Negev to Jordan. - Israeli Rejection.

The most serious incident on the Israeli-Egyptian frontier since the signing of the armistice between the two countries in 1949 occurred on Feb. 28, when 38 Egyptians and eight Israelis were killed and 31 Egyptians and 13 Israelis wounded in fighting near Gaza. According to Egyptian statements, two fully equipped platoons of the Israeli Army advanced about two miles into Egyptian-controlled territory, attacked and demolished a military post and a water-pumping station, and threw grenades into the Gaza stationmaster's house, injuring his young son; another Israeli unit meanwhile crossed the armistice demarcation line farther to the south, and ambushed a military lorry bringing up reinforcements. Israeli Army headquarters, on the other hand, stated that an Egyptian unit had crossed the frontier and ambushed an Israeli patrol, and that a running fight had ensued, in which the Israelis had pursued the Egyptians some distance into their own territory.

The situation along the Israeli-Egyptian border had steadily deteriorated since September 1954, and an Israeli spokesman claimed on March 1 that during the previous six months 40 armed clashes, 27 Egyptian raids into Israeli territory resulting in the death of seven people and the wounding of 24, and several acts of sabotage (such as the blowing up of water pipelines) had taken place, there had been no Israeli incursions into Egyptian territory, and Egypt had been condemned by the Israeli-Egyptian Mixed Armistice Commission on 26 occasions in connexion with such incidents, about many of which the Commission had expressed grave concern.

Following the Gaza fighting on Feb. 28 Mr. Sharett, the Israeli Prime Minister, told the *Knesset* on March 2 that if Egypt continued to proclaim that she was at war with Israel she "must face the consequences," which included "bloody battles," and that the only alternative to the present state of affairs was to fulfil scrupulously the terms of the armistice agreement and to work towards peace. In this connexion he asserted that the Turkish-Iraqi Pact, which was the result of U.S. and British policy, strengthened the Arab States in their refusal to make peace with Israel, and said that, in taking the initiative in organizing the Middle Eastern region for purposes of defence, the U.S.A. and Britain "inevitably make themselves responsible for the effect of their activities upon the position of each State within the region." This therefore raised the question of an effective guarantee for Israel's frontiers and territorial integrity, and her defence against possible aggression from any quarter.

In Cairo, Colonel Nasser, the Egyptian Prime Minister, said on March 3, in reply to Mr. Sharett's statement, that the Egyptian Commander-in-Chief had been given instructions that "force is to be met by force," and that if war began "we will give Israel a lesson she will never forget." "We shall rely on our strength," he added, "and not on the Security Council and its decisions."

The acting Foreign Minister of Iraq, Mr. Bashayan, assured the Egyptian Government on March 2 of Iraq's full support and of her willingness to supply all aid which was desired, whilst similar assurances were given by Syria, Lebanon, and Jordan. On March 3, however, the Iraqi Government protested against allegations by Egyptian Ministers that Iraq had incited the Israeli attack at Gaza.

Rioting broke out on March 1 among the 200,000 Arab refugees living in the Gaza area, who attacked the U.N truce headquarters and burned U.N. vehicles. Further demonstrations took place on the following day at Gaza, where a number of the rioters were wounded by Egyptian police fire, and at Khanyounis (15 miles to the south), where mobs demanding arms burned down a U.N food store. Although no further riots occurred, the situation remained tense, and on March 5 the wives and children of U.N. officials were evacuated from the area as a safety measure.

The Egyptian Government asked the president of the Security Council on March 2 to summon an urgent meeting of the Council to consider Israel's "violent and premeditated aggression" of Feb. 28, whereupon Israel lodged a counter-complaint on March 3 that Egypt's "continuous violations" of the armistice agreement and the Council's resolutions were "endangering international peace and security." The Council considered the two complaints on March 4, but agreed to postpone its decision until it had heard a report from General Burns, the Chief of Staff of the Truce Supervisory Organization.

The Mixed Armistice Commission ruled on March 6, by the casting vote of the French chairman, Major-General Giacomaggi, that in the incident of Feb. 28 Israeli regular forces had carried out a "prearranged and planned attack, ordered by Israeli authorities," against Egypt; rejected Israel's counter-charge alleging Egyptian responsibility for the incident, on the ground of "lack of evidence"; condemned Israel's "brutal attack" as a violation of the armistice agreement; and noted "with grave concern the serious situation prevailing along the Gaza strip, resulting from this incident." An appeal by the Israeli Government against the Commission's decision was rejected on March 11 by the U.N. Special Truce Committee, headed by General Burns; the Committee added, however, that the Commission's inability to adopt the Israeli version in no way affected its attitude concerning Egypt's obligation to take steps to prevent incidents, as expressed in earlier resolutions.

A report on the Gaza incident, in which he also dealt with the general situation on the border and suggested measures for its improvement, was presented by General Burns to the Security Council on March 17.

After outlining the circumstances of the Gaza raid, **General Burns** condemned the raid as a violation of the armistice agreement by Israel but stated that infiltration from Egyptian-controlled territory, although not the only cause of the prevailing tension, had "undoubtedly been one of its main causes" Dealing with steps to prevent further incidents, he recalled his earlier suggestion that the two parties should meet informally to examine the possibility of agreeing on measures to reduce this tension, among the measures proposed by him were the institution of joint patrols and of barbed wire fences along certain sections of the line, the negotiation of a local commanders' agreement, and the manning of all outposts and patrols by regular Egyptian and Israeli troops He still believed that if an agreement were effected in this manner, and both parties honestly attempted to fulfil the agreement, "infiltration could be reduced to an occasional nuisance, a kind of thieving which Israel must probably regard as inevitable so long as there are vast numbers of poverty-stricken refugees on her borders" In conclusion, he recommended that the Egyptian authorities should take appropriate measures against theft and the sale of goods stolen by infiltrators from Israeli settlements, and should give publicity to punishments meted out for theft or illegal crossing of the line, as otherwise it was "understandable that, seeing no news of infiltrators being punished, the Israelis refuse to believe that a serious attempt is being made to prevent the depredations which eventually build up tension to a dangerous point."

M. Loutfi (Egypt) maintained that the question before the Council was what attitude it was to adopt to affirm its authority and to put an end to the "constant Israeli aggression" It was obvious in view of past experience that a mere condemnation would not suffice, and in view of the gravity of the situation Egypt expected the Council to apply the provisions of the Charter dealing with acts of aggression.

When the discussion was resumed on March 23, **Mr. Abba Eban** (Israel) cited numerous violations of the armistice agreement for which Egypt had been condemned by the Mixed Armistice Commission; alleged that "the centre from which the violence is organized and directed" was the Egyptian military headquarters at Gaza; and called for "a strong condemnation of this campaign organized in Gaza, to which Israel was subjected between the summer of 1954 and the end of February." Contending that "the connexion between these events and the Gaza episode is nothing less than the direct and compelling relationship of cause and effect," he said that clashes like that at Gaza did not "spring from the empty air," but arose from "morbid conditions of international relations" and showed "a profound weakness in the current operation of the armistice system" Until progress was made towards peace, it was therefore increasingly urgent to correct the imperfections of this system, the main breach in which was "the proclamation [by Egypt] of a state of belligerency and the application of that doctrine in acts of war by sea and land."

After emphasizing that Israel was "prepared to give an assurance that, if no hostile act is carried out by Egypt against Israel, then no hostile act of any kind will be carried out by Israel against Egypt," Mr. Eban proposed the adoption of a "code of Egyptian-Israeli relationships." This would include "the abolition of a state of war and of all actions and measures carried out on the basis of the existence of a state of war"; a joint declaration of readiness to carry out all obligations under the armistice agreement and all Security Council decisions relating to the agreement; and a declaration of fidelity to the provision of the agreement calling on the signatories to make a transition to permanent peace, and to the provisions of the U.N. Charter calling for the settlement of all disputes by peaceful means and the avoidance of the threat or use of force against the territorial integrity or political independence of any State. Although acceptance of such a code would not take either party beyond its existing commitments under the armistice agreement and the U.N Charter, he concluded, it was desirable because "under the burden of belligerent doctrines, the pacific obligations which we have undertaken have become lost to sight, and the insidious fallacy of a state of war has spread its contagion both to the theory and to the practice of our relationships."

M. Loutfi described Mr. Eban's speech as "full of omissions, inaccuracies, and slanderous observations," and said that "no one can deny that Israel has committed a brutal act of outright aggression, prepared and perpetrated with the assent of Israel's responsible leaders, and carried out by means of its regular armed forces." After criticizing General Burns's report, on the grounds that it "went far

beyond the urgent considerations relating to the aggression against Gaza," as well as beyond "the limits laid down for him by the Council," M. Loufti maintained that the incidents mentioned in the report, for which Egypt had been held responsible, "cannot even remotely justify this atrocious act of aggression against Gaza."

On March 29 the Security Council unanimously adopted a resolution introduced by Britain, France, and the U.S.A., which denounced the Gaza incident as a violation by Israel of her obligations under the general armistice agreement and the U.N. Charter; called upon Israel to take "all necessary measures to prevent such action"; and emphasized that "no progress towards the return of permanent peace in Palestine can be made unless the parties comply strictly with their obligations."

On the following day the Council unanimously adopted a second resolution, also introduced by the three Western Powers, which referred to those sections of General Burns's report dealing "with general conditions on the armistice demarcation line between the Gaza strip and Israel as the causes of the present tension." The resolution noted that General Burns had made certain proposals aimed at preserving security in the area within the framework of the general armistice agreement; called upon the Egyptian and Israeli Governments "to co-operate with the Chief of Staff in regard to these proposals, bearing in mind that, in the opinion of the Chief of Staff, infiltration can be reduced to an occasional nuisance if an agreement were effected between the parties on the lines he has proposed"; and requested General Burns to keep the Security Council informed of the progress of his discussions.

In the debate on March 29 Council members stressed that they could not condone a policy of organized retaliation by Israel, regardless of the repetition of incursions across the border by Arab infiltrators and similar acts. **Mr. Lodge** (U.S A.), who recalled the Israeli attack on the Jordanian village of Qibya three years ago, said that the recent Gaza attack was the fourth case of an Israeli retaliation and the "most serious because of its obvious premeditations." **M. Hoppenot** said that because of France's friendship with Israel he would cast his vote of condemnation with difficulty, but added that the resolution should serve as "a last warning" to Israel **Sir Pierson Dixon** (U K.) declared that, coming after the Qibya incident, the attack at Gaza was a "complete disregard" of the Council's earlier call to Israel to cease retaliation, but stressed that Britain also disapproved of Egypt's claim that she was still at war with Israel and could exercise "belligerent rights." He said that the U.K. shared Israel's hope that the armistice would be replaced in due course by a permanent peace, though he added: "Peace cannot be won at the point of a gun." **Sir Leslie Munro** (New Zealand) criticized Mr. Eban's statement about the "direct and compelling relationship of cause and effect," and said that the Israeli argument obscured the fact that the Gaza incident was a military operation which could only have occurred as a result of a deliberate decision on the part of the Israeli authorities; the assumption implied by Mr Eban's statement, however, that for Israel military retaliation was a justifiable policy could not be accepted.

During the debate on March 30 stress was laid on Egypt's special responsibility for ensuring that unstable elements had no access to arms and explosives, and for preventing infiltration and acts of violence from her territory, although it was also pointed out that effective measures against infiltration would require the co-operation of both parties.

Meanwhile, however, a serious incident had occurred on Israeli territory when during the night of March 24-25 two armed infiltrators threw grenades and fired into the yard of a farmhouse at Patish (a settlement 10 miles inside the Israeli border) where a wedding party was taking place, killing one woman and wounding 18 other guests. The Mixed Armistice Commission, meeting on March 27, denounced the attack as a "brutal and murderous act of aggression" and "a grave violation of the armistice agreement," attributed responsibility to Egypt, and called on the Egyptian authorities to take steps to arrest the perpetrators of the crime.

This was followed by a series of almost daily clashes between Egyptian and Israeli forces along the border. In the majority of these incidents Israeli patrol cars were blown up by mines laid inside Israeli territory, and this was followed by Egyptian rifle and mortar fire and Israeli counter-fire.

The most serious incident of this kind occurred on April 3 near the Israeli settlement of Nahal Oz when two Israeli soldiers were killed and 12 wounded, four of them seriously, through the blowing up of a patrol car; two Egyptians were killed and four wounded when the Israeli forces replied with artillery and mortar fire, whilst the Egyptians were said to have fired on the settlement itself. The Mixed Armistice Commission, meeting on April 10, condemned Egypt for this "unprovoked attack" and Israel for what was called "a technical violation" in firing back with heavy weapons.

In smaller clashes on March 28, March 30, April 1, and April 2 three Israeli patrol cars were blown up by Egyptian-laid mines inside Israeli territory, one Israeli officer being killed and seven soldiers wounded, whilst in the ensuing firing one Egyptian soldier was killed and one wounded. Responsibility for all these incidents, except one on April 1, was attributed by the Mixed Armistice Commission to Egypt.

After an interval of a few days, another Israeli patrol car was blown up on April 9, one Israeli soldier being killed and four injured; the Mixed Armistice Commission, meeting on April 17, blamed in the first instance the Egyptians, and in the second the Israelis for having subsequently fired on the Egyptian positions.

In view of these incidents Mr. Eban asked the Security Council on April 4 to convene for an urgent meeting, in order to consider Israeli charges of "repeated attacks" by Egypt from across the border on Israeli civilians and soldiers. In his letter to the Security Council Mr. Eban alleged that there had been a "mounting tide" of such attacks, and he listed 16 incidents which he said had been committed since March 26, either by Egyptian regular troops and irregulars, or by Arab marauders coming from the Egyptian side; the letter also referred to the Patish incident and charged that most of the other border attacks had been "well planned."

The Security Council met on April 6, and after a brief hearing decided to postpone discussion of the Israeli complaint until it had received General Burns's report on the findings of the Mixed Armistice Commission. On April 11, however, Israel lodged a further complaint, alleging that five more incidents had occurred since the Council's last meeting. When the Council met again on April 19 it eventually decided that no new action on its part was required, as its resolution of March 30 already covered the existing border situation and had requested both sides to co-operate in practical measures to reduce border tension between them.

Presenting Israel's case, **Mr. Eban** said that the latest report from General Burns had confirmed "without contradiction or reservation" every item of her complaint against Egypt. The report showed that the Mixed Armistice Commission had condemned Egypt ten times for armistice violations since Feb. 28; in the same period there had been six findings against Israel, but five of these had been described as technical violations or had been of a defensive character following a previous Egyptian attack at the same place. Mr. Eban therefore urged the Council to condemn Egypt for its "preponderant responsibility" in the increased border tension and added: "I cannot over-emphasize the importance . . . of these questions in the eyes of my Government and people We ask ourselves in deep anxiety and hope whether the Security Council will practise an absolute balanced impartiality. We hope that we have not reached a position where it is virtually impossible for Israel to secure a just verdict by resolution."

M. Loutfi maintained that the Israeli charges were an attempt to nullify the effects of the Council's resolution of March 29 condemning Israel for the Gaza attack; argued that the current tension had been provoked by that attack, and described the Israeli complaint as "propaganda aimed at representing Egypt as the aggressor" He recalled that Egypt had recently requested General Burns to post additional U.N. observers on the Egyptian side of the armistice line to determine which of the parties was guilty of firing first or of crossing the line, and said that since the arrival of these observers a week earlier the situation had greatly improved. He also stated that Egypt had meanwhile accepted all the four points of General Burns's proposals for easing border tension (see below).

M. Hoppenot, M. Sobolev (Soviet Union) and **Mr. Perry** (N.Z.) expressed the view that it would not be appropriate for the Council to draw up a "balance-sheet" of the incidents recorded in General Burns's report; Mr. Perry added that the Council, while lending its support to the efforts of the Chief of Staff to end the prevailing tension, should not in his opinion be used as "a kind of review authority to pass judgment on all decisions of the Mixed Armistice Commission." **Sir Pierson Dixon** and **Mr. Key** (U.S.A), although stressing that the latest clashes caused by Egypt could not be justified even if they had been an unofficial retaliation for the Gaza raid, agreed with the other Council members that in view of the Council's resolution of March 30 no further decision was required.

The Security Council's decision not to act on Israel's complaints, however, aroused deep resentment in that country, and a statement of the Israeli Foreign Ministry issued on April 21 described it as a "manifest and disconcerting instance of partiality," likely to encourage further acts of hostility against Israel. The statement added: "The Powers which determined the outcome of the Security Council debate have assumed a heavy responsibility for its baneful results."

As mentioned by M. Loutfi, the Egyptian Government had on April 11 accepted the four points of General Burns's proposals for easing the border tension, viz., (1) the setting up of joint Israeli-Egyptian border patrols along the Gaza strip; (2) the erection of barbed wire fences along certain "sensitive" parts of the armistice line; (3) a provision for the local commanders to conclude agreements on measures to prevent incidents; (4) the employment of only regular and disciplined forces along the frontier. The Israeli Government, in a Note handed to General Burns on April 20, also accepted points (2), (3), and (4), but rejected the proposal for joint border patrols.

The "Bat Galim" Incident.

Prior to these events, anti-Egyptian feeling in Israel had been intensified by the seizure of the first Israeli ship to attempt to pass through the Suez Canal, the freighter *Bat Galim*, which was detained by the Egyptian authorities on Sept. 28 while on her way from Eritrea to the Israeli port of Elath (on the Gulf of Akaba), the crew being imprisoned. The Egyptian authorities asserted that the crew had fired on fishing vessels south of Suez, sunk one of them, and killed two fishermen; this allegation, however, was completely denied by the Israeli Government, which lodged a strong protest with the Security Council on Sept. 29. Although the Mixed Armistice Commission adopted a resolution on Nov. 19 declaring that the passage of the *Bat Galim* through the canal was not a violation of the armistice agreement, and rejecting the charges brought against the crew, an Egyptian spokesman stated on the following day that Egypt would still refuse to allow Israeli ships to pass through the canal.

In view of Egypt's attitude Israel brought the matter before the Security Council, but on Dec. 6—the eve of the Council's debate—M. Loutfi informed the Council's President (then Sir Leslie Munro, New Zealand) that the Egyptian judicial authorities had, because of insufficient evidence, set aside the charges of murder, attempted murder, and unlawful carrying of weapons which had been brought against the crew of the *Bat Galim*; he also stated that the seamen would be released as soon as the necessary formalities had been completed, and that Egypt was prepared to release the ship's cargo immediately.

When the Council debate opened on Dec. 7 the Council had before it a report from General Burns, which stated that on Egypt's appeal the case had been considered by the Special Committee comprising General Burns himself and one member each of the Egyptian and Israeli delegations, and that the Committee had maintained the Commission's findings

During the Council's debate **M. Loutfi** stated that Egypt would continue to refuse passage through the Suez Canal to Israeli ships, argued that "aggressive Israeli acts" required this "legitimate defence", and asserted that to allow Israel to use the canal would involve the risk of saboteurs being smuggled into Egypt or of the canal being mined or blocked by Israeli "sabotage" He maintained that the Security Council's 1951 resolution on freedom of traffic through the Suez Canal had only "invited" Egypt to give free transit to neutral ships, and added that the Egyptian Government had accordingly adopted a tolerant policy towards the passage of neutral vessels going to Israel.

Mr. Eban, whilst expressing satisfaction at Egypt's readiness to release the crew and cargo of the *Bat Galim*, emphasized that "the only solution which Israel could accept is the unconditional release of the ship, together with her crew and cargo"; he demanded that the ship should be allowed to complete its journey through the canal, which, he maintained, Egypt had not the slightest right to interrupt Mr. Eban declared that the *Bat Galim* case was only "one episode" of a policy which had far-reaching consequences, involving the right of freedom of the seas and the concept that there should be no restrictions on the free passage of ships of all nations, including Israel, through an international waterway

The 10 Israeli sailors were released on Jan. 1 on the Israeli-Egyptian border near Gaza. Israel had refused to receive them officially at the frontier because of her contention that the release of the crew separately from the ship was contrary to the Security Council's resolution and to the Mixed Armistice Commission's ruling. U.N. observers from General Burns's Truce Supervision Organization were also absent, as the manner of release had not been approved by the Security Council or by the Armistice Commission. Earlier, on Dec. 23, Egypt had informed the Security Council that she was ready to release the *Bat Galim* to any foreign shipping company acting on Israel's behalf, on condition that the ship was not taken through the Suez Canal.

At Israel's request the Security Council resumed consideration of the case on Jan. 4.

M. Loutfi, announcing the release of the *Bat Galim's* crew, reaffirmed that Egypt was ready to release the cargo, and suggested that the ship's release might be arranged through a sub-committee of the Mixed Armistice Commission **Sir Pierson Dixon** stated that Britain attached the greatest importance to the principle of freedom of navigation through the Suez Canal, as set forth in the Constantinople Convention of 1888, and could not accept Egypt's view that the Convention gave her the right to impose restrictions on traffic with Israel through the canal He therefore expressed regret that Egypt had not agreed to let the *Bat Galim* proceed through the canal after the charges against her crew had been withdrawn, and recalled the 1951 resolution of the Security Council which had called upon Egypt to terminate the restriction on international commercial shipping and goods wherever bound, and to cease all interference with such shipping beyond that essential to the safety of shipping in the canal itself **Mr. Cabot Lodge** (U.S.A.) and **M. Hoppenot** (France) agreed with the British interpretation of the Constantinople Convention, and they, as well as **Senhor de Barros Gomes** (Brazil), called upon Egypt to give full effect to the Council's 1951 resolution, to allow the passage of the *Bat Galim* to Israel, and to cease interference with Israeli shipping and with neutral shipping carrying goods to and from Israel.

In the continued discussion on Jan. 13 **M. Loutfi** denied that Egypt had instituted a blockade of shipping through the canal, but maintained that the Constantinople Convention provided for exceptions to the right of free passage in the interests of Egypt's defence and security. **Mr Eban** told the Council that his Government would co-operate only in such procedures to release the *Bat Galim* and her cargo as would vindicate the 1951 resolution. After **Dr. Belaunde** (Peru) had suggested that General Burns, as representative of the U.N., might offer his good offices to the parties in arranging for the ship's release, **Sir Leslie Munro** expressed the hope that the incident would be settled without delay and that Egypt would in future carry out the 1951 resolution. The meeting was then adjourned without the Council taking formal action.

Major Salem, the Egyptian Minister of National Guidance, stated in a press interview on March 20 that Egypt had no territorial ambitions, but was anxious to have a direct land link with Jordan and the rest of the Arab world. He proposed therefore that the Egyptian-held Gaza strip and the southern triangle of Israel lying between Gaza, Beersheba, and Akaba, and comprising the Negev Desert, should be given to Jordan. In support of this plan, which he described as Egypt's "price" for co-operation with the Western Powers, he claimed that "in the event of an attack on Turkey the main Allied base in the Suez Canal Zone could operate more effectively over the direct overland Arab route," and that the Palestinian refugees could be resettled permanently in this area. An Israeli Government spokesman described the proposal on March 21 as "blackmail," and commented: "No part of Israel's territory is at the disposal of anyone to serve as a *quid pro quo* for political or military arrangements of any kind."—(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - U.N. Information Centre, London - United Nations Review, New York) **(Prev. rep. 13498 A.)**

A UNITED KINGDOM.—General Templer appointed Chief of Imperial General Staff. - General Oliver to be Vice-Chief of Staff. - Other Forces Appointments. - New British Commandant in Berlin.

The War Office announced on April 22 that the Queen had approved the appointment of General Sir Gerald Templer as Chief of the Imperial General Staff with effect from November 1955, in succession to Field-Marshal Sir John Harding. Earlier, on March 22, it had been announced that Major-General W. P. Oliver, British Commandant in Berlin, would become Vice-Chief of the Imperial General Staff, with the temporary rank of lieutenant-general, with effect from May 1955, in succession to Lieut-General Sir Harold Redman, who had been appointed Governor and C.-in-C., Gibraltar.

General Templer (56) was High Commissioner and Director of Operations in Malaya from February 1952 to May 1954, and had lately been conducting an inquiry into the organization and administration of Colonial and military forces, during which he also went to Cyprus and Uganda (See also biographical note in 11981 A—Volume VIII).

Major-General Oliver (53) became Chief of Staff, Eastern Command, in January 1951, and from 1953-54 was principal staff officer to the High Commissioner of Malaya, he had been G.O.C., British Sector in Berlin, since March 1954.

It was also announced on March 22 that General Oliver would be succeeded as British Commandant in Berlin by Major-General R. C. Cottrell-Hill, Director of Military Training at the War Office since 1953 and previously Chief of Staff in Malaya.

Other recent appointments and promotions in the armed forces were as follows

Royal Navy. Vice-Admiral F. R Parham, Fourth Sea Lord and Chief of Supplies and Transport, as C.-in-C., The Nore, in succession to Admiral Sir Geoffrey N Oliver (April 2, with effect from October).

Rear-Admiral R. D. Watson as Fourth Sea Lord (April 2, with effect from September).

On April 21 it was announced that Admiral Sir George E. Creasy (59), C.-in-C Portsmouth, Allied C.-in-C., Eastern Atlantic and Channel Command, had been promoted to the rank of Admiral of the Fleet; Vice-Admiral Sir Ralph Edwards (54), Third Sea Lord and Controller of the Navy, to the rank of Admiral; and Rear-Admiral L. N. Brownfield (53), Admiral Superintendent Devonport, to the rank of Vice-Admiral.

Sir George Creasy's promotion brought to 15 the number of Admirals of the Fleet

Army. Major-General B. C. H. Kimmins (Director, Territorial Army, Cadets and Home Guard, War Office) as G.O.C. Northern Command, with effect from July 1955.

Royal Air Force. The promotion of Air Marshal Sir Donald Hardman to the rank of Air Chief Marshal was announced on April 1.

(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. General Templer, 13625 A; General Oliver, 13467 D; Forces Appointments, 13960 A.)

A. EGYPT - INDIA - PAKISTAN. — Treaty of Friendship between Egypt and India. - Mr. Nehru's Visit to Cairo. - Colonel Nasser's Visit to Karachi and Delhi.

A treaty of friendship between Egypt and India was signed in Cairo on April 6 by Dr. Fawzi, the Egyptian Foreign Minister, and Nawab Ali Yavar Jung Bahadur, the Indian Ambassador, its provisions being as follows:

(1) Egypt and India would at all times strive to maintain and strengthen peace, friendship, and brotherly relations between themselves

(2) The parties would maintain diplomatic and consular relations in conformity with international law and practice, and would guarantee to each other's representatives the privileges and immunities normally accorded under international law.

(3) Commercial and industrial relations between the two countries, as well as those pertaining to Customs, navigation, civil aviation, cultural affairs, extradition, and other matters of mutual interest, would be conducted in accordance with such special agreements as were already in operation or might be concluded between them.

(4) The parties agreed to settle all disputes between themselves peacefully through diplomatic channels, failing which they would seek a solution by negotiation, inquiry, mediation, conciliation, arbitration, judicial settlement, or other peaceful means.

(5) Nationals of each country within the other's territory would enjoy on a reciprocal basis the right to acquire, possess, and dispose of movable and immovable property, appropriation of which was permitted to non-nationals, and to travel, reside, and engage in trade, industry, or other lawful pursuits in conformity with the other country's Constitution, laws, and regulations. They would also enjoy the same treatment as the other country accorded to its own nationals with respect to their persons and properties, and in regard to all judicial, administrative, and other legal proceedings.

(6) The parties agreed to strengthen and develop cultural ties between themselves, and to assist each other in industrial and agricultural progress.

(7) The treaty would come into force upon exchange of letters of ratification at New Delhi

The Indian Prime Minister, Mr. Nehru, had previously visited Cairo from Feb. 15-17, when returning from the Commonwealth Prime Ministers' conference in London, and had had discussions with the Egyptian Prime Minister, Colonel Nasser, and other members of the Egyptian Government.

A joint communiqué issued on Feb. 16 stated that the talks between the two Prime Ministers had covered "a wide range of subjects, political, economic and social, affecting generally problems of world peace and welfare and, more particularly, the situation in the Middle East, S.E. Asia, and the Far East," and that they had "indicated the existence of an identity of views on major international issues."

"In view of the tremendous developments of weapons of warfare," the communiqué went on, "war means today utter ruin for humanity. It cannot solve any problem. The Prime Ministers therefore believe that every attempt must be made to prevent war and develop a climate of peace International disputes should be settled peacefully by negotiations. Military alliances and Power entanglements which increase tension and rivalry in armaments do not add to the security of a country. The atomic and nuclear age has made it imperative to control weapons of mass destruction and to utilize atomic energy for peaceful purposes, more especially for the progress of underdeveloped areas Both Prime Ministers are in fullest sympathy with the aspirations and efforts for freedom of peoples of areas which are under colonial rule.

"The Prime Ministers reviewed tasks confronting their two Governments in the economic and social spheres. Both have as their objectives the attainment of social and economic justice and the raising of the standard of living of their peoples. Areas of co-operation in these spheres were explored, with particular reference to planned development."

Colonel Nasser, who was accompanied by Dr. Fawzi and Major Salem (Minister of National Guidance), visited Karachi on April 9-12 while on his way to the Asian-African conference at Bandung, and had a series of talks with Mr. Ghulam Mohammad, Governor-General of Pakistan, and Mr. Mohammed Ali, the Prime Minister. The subjects discussed were reported to have included Middle Eastern defence, with particular reference to the Turkish-Iraqi pact; the Palestine question (on which both Mr. Ghulam Mohammad and Mr. Mohammed Ali publicly assured Egypt of Pakistan's full support for the Arab cause in speeches on April 9 and 10); measures for the strengthening of cultural and economic unity between Moslem countries; and trade relations between Pakistan and Egypt.

At a press conference on April 10 Major Salem said that Egypt was opposed to joining military alliances sponsored by the West, which were contrary to her best interests, and was pursuing a policy of neutrality between world blocs; he added that what was good for Pakistan was not necessarily good for Egypt, and that both countries had their own problems, which necessitated a different approach to various issues.

On April 12 Colonel Nasser and his colleagues proceeded to Delhi, where the Egyptian Prime Minister held further talks with Mr. Nehru. In a speech to both Houses of the Indian Parliament on April 14 Colonel Nasser said that the Asian and African nations must stand "shoulder to shoulder," so that they could take their rightful place in the world and serve the cause of peace and security, and gave an assurance that Egypt would "collaborate with India and other nations to maintain peace."—(Indian and Pakistani High Commissioners' Offices, London - The Hindu, Madras - The Statesman, Calcutta)

(Prev. rep. Egyptian-Pakistani Relations, 13273 B.)

B. SOVIET UNION. — Budget for 1955.

At its meeting in Moscow on Feb 3-9, the Supreme Soviet of the U.S.S.R. debated and approved the Budget for 1955 which had been presented by the Finance Minister, M. Zverev.

Revenue and expenditure estimates, with 1954 figures for comparison, were finally accepted as follows:

('000 million roubles)

	1955	Per cent	1954	Per cent
Estimated Revenue:				
Turnover tax	233.0	39.5	234.4	40.9
Profits tax	117.5	19.9	92.8	16.2
Direct taxes	48.4	8 2	45.7	8.0
State loans	30 5	5 2	16.4	2 9
Other	160 4	27.2	183.2	32.0
Total	590 2*	100.0	572.5	100.0
Estimated Expenditure:				
Grants to national economy	222 4	39.5	216.3	38 4
Social and cultural services	146 9	26.1	141.3	25 1
Defence	112.1	19.9	100.3	17.8
Administration and justice	12.6	2.2		
Other	69.5	12 3	104.9	18.6
Total	563.5*	100'0	562.8	100.0

* Revised.

Figures given for estimated expenditure on the national economy were as follows:

('000 million roubles)

	1955		1954	
	From Budget Funds	From Internal Reserves	From Budget Funds	From Internal Reserves
Heavy industry	101.2	62.4	79.7	53 5
Consumer goods	10 6	15.4	14.2	22.4
Agriculture	55.1	10.1	62.5	11.9
Transport	23.0	17.5	21 5	17.3
Other	33.2	6.8	38.5	1.5

It was pointed out in the British Press that the Budget—which was for the final year of the fifth Five-Year Plan—allocated considerably more to heavy industry and substantially less to consumer goods and agriculture than in 1954. Much of this increased expenditure, though not expressly shown as defence expenditure, would be for defence purposes, on which more would be spent than ever before in peace-time; at the same time, the proportion of the Soviet Budget directly allocated for defence would be lower than in all recent years except 1954. The 1954 expenditure on defence (in thousand million roubles), and the percentage of the Budget which this represented in various years, were as follows: 1.3 (3.4 per cent) in 1932; 56.7 (32.5 per cent) in 1940; 82.9 (20.1 per cent) in 1950; 108 6 (23.6 per cent) in 1952; 110.2 (20.8 per cent) in 1953; 100.3 (17.8 per cent) in 1954; and 112.1 (19.9 per cent) in 1955.—(Soviet Weekly - Financial Times - Economist)

(Prev. rep. 13096 A; 12171 A.)

C. TURKEY. — "Dumlupinar" Disaster. - New Court Decision.

The Chanak criminal court on April 12 found Commander Chelebioglu, commander of the Turkish submarine *Dumlupinar*, guilty of neglect of duty and erroneous manoeuvring resulting in the sinking of the submarine after a collision with the Swedish cargo steamer *Naboland* on April 4, 1953, with the loss of 81 lives. Commander Chelebioglu was sentenced to one year and eight months' imprisonment. The new trial was held after the quashing by the Supreme Court of the original verdict whereby the master of the *Naboland* had been found solely responsible for the collision and the commander of the submarine had been exonerated. The Chanak court's latest decision meant that responsibility for the collision was equally divided between the master of the *Naboland* and the commander of the *Dumlupinar*.

(Prev. rep. 13308 E; 13276 B.)

D. ITALY - LEBANON. — Legations raised to Embassy Level.

It was announced in Rome and Beirut on March 21 that Italy and Lebanon had agreed to raise their respective diplomatic missions from Legation to Embassy rank.

(Corriere della Sera, Milan - New York Times)

E. NEPAL. — Population.

The results of the first interim census compiled in Nepal, which were announced on April 15, showed that Nepal had a population of 8,431,537. (The Statesman, Calcutta)

A. INDO-CHINA. — U.S. Military and Economic Aid to Associated States. - Training of South Vietnamese Army by U.S. Military Mission. - General Collins appointed U.S. Special Representative in South Vietnam.

Following discussions in Washington between the French and U.S. Governments on the question of military and economic aid for the Associated States, the following agreement was concluded on Sept. 29, 1954:

(1) Forces of the French Expeditionary Corps would remain in Indo-China, "in agreement with the Governments concerned, within the limits permitted under the Geneva Agreements and to an extent to be determined."

(2) The United States would consider "the question of financial assistance for the Expeditionary Corps in these circumstances, in addition to support for the forces of each of the three Associated States"

(3) "The channel for French and U.S. economic aid, budgetary support, and other assistance to each of the Associated States" would be direct to that State, instead of through France as hitherto.

The French delegation to the talks was led by M. Guy La Chambre (then Minister for the Associated States) and General Ely (the French Commissioner-General in Indo-China), and the U.S. delegation by Mr. Bedell Smith (Under-Secretary of State.)

Military Aid to South Vietnam.

President Eisenhower officially informed M. Ngo Dinh-Diem, the South Vietnamese Premier, on Oct. 24, 1954, that in future U.S. aid would be supplied directly to his Government, but emphasized that the U.S. Government "expects this aid will be met by a performance on the part of the Government of Vietnam in undertaking needed reforms." The U.S Ambassador, the President's letter continued, had therefore been instructed to examine with M. Ngo Dinh-Diem how the U.S. aid programme could assist South Vietnam, "provided your Government is prepared to give assurances as to standards of the performance it would maintain in the event such aid is supplied;" it was hoped that "such aid, joined to your sustained efforts, will contribute to the building of an independent Vietnam, headed by a strong Government." Official sources in Washington stated on the same day that the main purpose of the President's letter was to make clear U.S. support for M. Ngo Dinh-Diem against his political opponents in the South Vietnamese Army and the various para-military organizations.

In a report to the U S Senate Foreign Relations Committee on a visit which he had made to Indo-China in September, Senator Mansfield (Democrat) recommended on Oct 14, 1954, that if M. Ngo Dinh-Diem's Government were overthrown "the U.S.A. should consider an immediate suspension of all aid to Vietnam and the French Union forces there, except that of a humanitarian nature, preliminary to a complete reappraisal of our present policies in free Vietnam." Describing the Government's opponents as "petty power groups" and "ill-disguised gangsters," he stated that any Government succeeding that of M. Ngo Dinh-Diem would "probably take the form of a military dictatorship," and would be no more popular than the Governments which had preceded the present Cabinet. In these circumstances continued U S aid would be "unwarranted and inexcusable," since U S. investments worth hundreds of millions of dollars would eventually have to be handed over to the Vietminh, as had already happened in North Vietnam. The U.S.A., the report continued, must share the responsibility for the reverse in Indo-China, which had been caused by "a consistent under-estimating of both the political and military strength of the Vietminh," and by "the distorted emphasis given to the capacity of military measures alone to bring about an end to the Communist advance" When he [Senator Mansfield] had previously visited Indo-China in 1953, the military manpower of the French Union forces had exceeded that of the Vietminh by five to three, and their equipment by 10 to one, however, two vital conditions had been required for victory, namely, "a rapid and clear-cut transfer of sovereignty from France to the three States," and "a capacity among the non-Communist Indo-Chinese (particularly of Vietnam) to put aside factional strife and excessive self-seeking," neither of which had been fulfilled in time.

General J Lawton Collins, the former U.S. Army Chief of Staff, was appointed President Eisenhower's special representative in South Vietnam on Nov. 3, with the task of co-ordinating the operations of all U.S. agencies in the country.

At a Press conference on Nov. 17 General Collins announced that the United States was discussing with French and South Vietnamese representatives a plan whereby a U S. military mission, under General Ely's supervision, would assume the main responsibility for training the South Vietnamese Army; the French instructors hitherto employed, he stated, would not be replaced immediately, but would "have to work closely with American instructors" As 90 per cent of the equipment to be used in the training programme would be American, the system to be adopted would be similar to that employed in training the South Korean, Greek, and Turkish armies, which had proved "very effective" "American aid goes to the Government, that is, the regular Government of Premier Ngo Dinh-Diem," he added. "Our aid would not be given to any army but the one faithful to its Government."

During the ensuing negotiations the U.S. representatives proposed that the South Vietnamese Army should be reduced from its existing strength of 217,000 men to a force of about 90,000 regulars, which. they believed, was the maximum that could be supported financially by the Government; that it should be intended primarily for security purposes; and that in the event of a renewal of war the SEATO Powers should help to defend South Vietnam. The South Vietnamese Government, on the other hand, contended that large-scale demobilization would counteract its programme of economic development, and that a small regular army, which would contain a large proportion of the politically unreliable Caodaist and Hoa-Hao forces, might be unable to cope with internal disorders. At the suggestion of M. Ho Thong-Minh (the Defence Minister), a compromise was ultimately reached on Jan. 20 whereby the Army would be reduced to 100,000 regulars by the end of 1955, and a mobile reserve of 150,000 men, serving for four to six months in the year, would be created, with the aim of maintaining 140,000 men permanently under arms.

General Collins left for Washington on Jan. 21, with a letter from M. Ngo Dinh-Diem requesting the U.S. Government to assume full responsibility for the organization and training of the South Vietnamese armed forces, under the authority of General Ely and in co-operation with the French military mission. The Prime Minister said on Jan. 20 that General Ely had given his full consent, "provided that such assistance is given in accordance with existing agreements"; this statement was believed to refer to the clause of the Geneva Agreement limiting the size of the U.S. military mission to the number of members present in South Vietnam on July 21, 1954.

Following General Collins's return from Washington on Feb. 9 with President Eisenhower's approval of the plan, Lieut.-General O'Daniel, head of the U.S. military mission, assumed charge of the organization and training of the South Vietnamese Army on Feb. 12; General Gazounod, who was in charge of the French military aid programme, became General Collins's deputy.

According to U S. sources the training mission, to be known as the Military Support Mission, would consist of 342 U.S. officers and 1,000 to 1,400 French officers and n c.o s A total of $200,000,000 was reported to have been allocated by the U S.A as military aid to South Vietnam.

Military Aid to Cambodia.

President Eisenhower officially informed King Norodom Sihanouk of Cambodia of the agreement of Sept. 29 in a letter of Oct. 2, and stated that the U.S.A. would be pleased to consider ways of co-operating with Cambodia against both military threats from without and possible internal subversion.

The U.S Foreign Operations Administration in Washington confirmed on Jan 5 that a provisional agreement had been concluded for the construction of a modern port on the Gulf of Siam, and that a credit of $50,000 had been granted to the Cambodian Government towards the cost of the necessary hydrographic and other surveys preliminary to the choosing of the site.

Military Aid to Laos.

The Laotian Prime Minister, M. Katay Sasorith, denied on March 2 reports that he had discussed the conclusion of a treaty for military and economic aid with Mr. Dulles, the U.S. Secretary of State, during the latter's visit to Vientiane on Feb. 27; what had been discussed, he stated, was the conclusion of an agreement which would allow Laos to plan its budget ahead, as U.S. aid had hitherto been granted on a monthly basis. Since January, he added, this aid had totalled over $3,000,000. all of which had been used for military purposes.

Economic and Technical Aid.

The Foreign Operations Administration announced on March 9 that it had approved a $100,000,000 programme of economic and technical aid to the Associated States for the fiscal year ending June 30, 1955, of which $45,000,000 would be used for the evacuation and resettlement of refugees from North Vietnam, and $55,000,000 for strengthening the economies of the three countries.—(New York Times - New York Herald Tribune - Le Monde, Paris) **(Prev. rep. 13741 A.)**

B. PANAMA. — Conviction of Ex-President Guizado.

Señor José Ramón Guizado, who succeeded to the Presidency of Panama on the assassination of President Remón, was found guilty of complicity in the assassination on March 29 by the National Assembly sitting as a special court. He was given the maximum sentence of 10 years' imprisonment, but this was immediately reduced to six years eight months because it was Señor Guizado's first offence. The Assembly also formally relieved him of the rank of President, thereby confirming President Espinosa in office until Oct. 1, 1956.
(New York Times) **(Prev. rep. 14053 A.)**

A. YUGOSLAVIA. — Continuation of British, French, and U.S. Aid. - Yugoslav Discussions in Washington and London. - U.S. Supply of Surplus Farm Commodities. - British Agreement to Extension of Yugoslav Repayment of Earlier British Credits. - M. Vukmanovich's Statements on Yugoslavia's Economic Position, Foreign Indebtedness, and Western Economic Aid.

A Yugoslav delegation headed by M. Vukmanovich (a vice-president of the Yugoslav Federal Executive Council) visited the United States from Nov. 10-17, 1954, for discussions with the U.S. authorities on economic relations between the two countries, including U.S. economic assistance and the possibility of an extension of Yugoslavia's repayment of earlier debts. During his stay in Washington M. Vukmanovich saw President Eisenhower, Mr. Dulles (the Secretary of State), Mr. Harold Stassen (Director of Foreign Operations), and other high U.S. officials. He also had discussions with Mr. Eugene Black, the President of the International Bank.

Before leaving the U S.A , M. Vukmanovich told the Press that, " as in difficult times in the past," they had found " help and understanding " on the part of the U S. Government Agreement had been reached to send U S wheat to Yugoslavia to meet the present gram shortage ; the U.S. Government had also agreed in principle to Yugoslavia deferring the repayment of her debts , and it was expected that in this and other respects " practical results " would be reached in the course of further discussions. M. Vukmanovich explained that the fundamental causes of Yugoslavia's present difficulties were the need for importing wheat because of the droughts , the accumulation of debts incurred during the economic blockade by the Soviet bloc ; debts incurred during the earlier droughts of 1950 and 1952 ; and heavy expenditure caused by the importation of military equipment. Yugoslavia, he added, was still not in a position to reduce her defence expenditure, which represented 22.3 per cent of her national income, compared with 11 6 per cent in France and 10 per cent in Britain , about 30 per cent of all Yugoslav imports were concerned with national defence requirements

For some years, M. Vukmanovich pointed out, Yugoslavia would have to find U S $50,000,000 annually for debt redemption under the present arrangements, but given the present defence expenditure and her economic potential she could only pay U S. $20,000,000 a year. In view of this it was necessary first to reach agreement with her creditors for the conversion of the medium-term debts into long-term ones, and secondly to negotiate a loan for the payment of her short-term debts In his talks with Mr. Black it had been agreed that the third quota of the loan already granted by the International Bank should be devoted to the development of Yugoslav agriculture, and that a mission from the Bank should visit Yugoslavia early in 1955 to examine the financing of a programme of agricultural development.

An agreement for the sale of U.S. surplus farm commodities to Yugoslavia was signed in Belgrade on Jan 5, 1955. The State Department in Washington announced on Jan. 8 that under the agreement Yugoslavia would receive 425,000 metric tons of wheat worth $28,100,000 and 50,000 bales of cotton worth $10,000,000, plus another $3,000,000 for transportation costs. It had also been agreed that the dinar counterpart funds paid by Yugoslavia to the U.S.A. for the wheat would be placed at the disposal of the Yugoslav Government for the financing of mutually agreed projects in Yugoslavia.

After their discussions with the U.S. Government the Yugoslav delegation went to London, where they had talks with officials of the British Treasury, Foreign Office, and Board of Trade on Nov. 25-26, 1954 M. Vukmanovich also saw Mr. Thorneycroft, the President of the Board of Trade.

In a press statement on Nov 26 M Vukmanovich said that the talks had dealt with a Yugoslav request for an extension of the medium-term loans from Britain into long-term ones , that the delegation had explained Yugoslavia's plans about the further development of her economy, with a view to finding a basis for broader economic co-operation between the two countries in the future ; and that they had also discussed the way in which British aid had been used and would be used in future, it being intended to use current aid for the construction of slaughterhouses, refrigeration plants, and other industrial developments

Following further talks in Belgrade it was officially announced in London on Dec. 24 that agreement had been reached on the revision of the repayment arrangements for the British credits, amounting to £17,000,000, which had been made available to Yugoslavia between 1949 and 1951.

These credits were due to be repaid between 1954-58 in annual instalments varying between £3,000,000 and £4,000,000. In order to assist Yugoslavia in her balance of payments difficulties, " occasioned partly by adverse climatic factors and partly by the coincidence of heavy debt repayments in the current year and the next few years," Britain agreed to extend the period of repayment to 1962, with the amounts due in the early years " very substantially " reduced and the rate of interest lowered.

M. Vukmanovich made a statement on British, U.S., and French aid to Yugoslavia during a discussion of the Yugoslav national development plan for 1955 in the Yugoslav National Assembly on Dec. 28.

Yugoslavia's foreign debts, M Vukmanovich said, totalled U.S $400,000,000, and whilst this amount did not exceed the country's economic capacity, difficulties had occurred over the dates of repayment in view of the fact that most of them were of medium- or short-term duration and that together they absorbed every year one-quarter of the total proceeds of her exports An extension of the repayment dates was therefore essential to help Yugoslavia to pay the debts without serious disturbance, and it was necessary to hold a conference of creditors He added, however . " We want no moratorium nor anything that will materially damage our creditors What we seek is the transformation of the debts into long-term debts, paying interest for the extended period "

Continuing, M Vukmanovich pointed out that U S , British, and French economic assistance to Yugoslavia between 1950 and 1954 had totalled U S $428,600,000, covering over half of Yugoslavia's payments deficit during these years On the other hand, however, Yugoslavia had been compelled to import substantial quantities of foodstuffs to overcome the consequences of the droughts , these imports had amounted to U.S $350,000,000 and had therefore actually absorbed over three-quarters of the financial aid received from the Western Powers Referring to his talks in Washington, he said that as a result of his visit the U S Government had granted 850,000 tons of wheat, and had promised further help if this turned out to be insufficient to tide Yugoslavia over until the next harvest. He had also found full understanding regarding the debt settlement and stockpiling, and had accepted the U S offer for the supply of $10,000,000 worth of cotton to be paid for by Yugoslav exports when the situation permitted

Britain, he went on, which would this year contribute £2,000,000 in aid, had for some years past been one of Yugoslavia's most important trade customers British economic assistance would be used for the purchase of equipment for the development of agriculture and the food industry, thereby accelerating not only Yugoslavia's agricultural development but also exports to Britain After referring to the new debt agreement with the U.K , he said that although it did not solve the debt problem in a long-term spirit it represented " concrete assistance and help for Yugoslavia "

The diplomatic representatives of Britain, France, and the U.S.A. informed the Yugoslav Government on Feb. 7 that the three Western Powers intended to continue to give economic assistance to Yugoslavia during the current year.—(Tanjug Agency, Belgrade - Times - Board of Trade Journal - Le Monde, Paris - New York Times - New York Herald Tribune)

(Prev. rep. U.S. Aid, 13258 C ; Sale of U.S. Agricultural Surpluses, 13636 B ; British Aid, 12524 C ; French Aid, 12727 A.)

B. UNITED KINGDOM. — Appointment of Select Committee on Nationalized Industries. - Membership and Terms of Reference.

A Government motion to set up a Select Committee on the nationalized industries was approved by the House of Commons on March 16. The setting up of such a committee had been recommended by another Select Committee, appointed in November 1952 under the chairmanship of Mr. Ralph Assheton (Con.), to consider the methods by which Parliament was informed of the administration of the five major industries nationalized since the war. The report of that committee had been issued on Aug. 12, 1953, and had been debated in the House in February 1954 ; in July of that year the Government had given an undertaking that a Select Committee on the lines recommended by the Assheton Committee would be set up.

However, in appointing the new committee, the Government did not accept all the recommendations of the Assheton committee. In particular, it rejected the suggestion that the new committee should be a permanent body, saying that for the time being it would be appointed on a sessional basis and that its work would be regarded as experimental. The Government also rejected the recommendation that the staff of the Select Committee should include an officer of the status of the Comptroller and Auditor General.

The terms of reference provided that the Select Committee should " examine the reports and accounts of the nationalized industries established by statute, whose controlling boards are wholly appointed by Ministers of the Crown and whose annual receipts are not wholly or mainly derived from moneys provided by Parliament or advanced by the Exchequer " The Select Committee should also " obtain further information as to so much of the current policy and practices of those industries as are not matters which (*a*) have been decided by or clearly engage the responsibility of any Ministers ; (*b*) concern wages and conditions of employment and other questions normally decided by collective bargaining arrangements , (*c*) fail to be considered through formal machinery established by the relevant statutes , or (*d*) are matters of day-to-day administration."

The 13 members proposed by the Government as members of the Select Committee were Lord Hinchingbrooke, Sir Ian Horobin, Miss Florence Horsbrugh, Mr. James Hutchison, Mr. Ramsden, and Sir Patrick Spens (Conservatives) ; Mr. Renton (National Liberal and Conservative) ; Mr. Albu, Mr. Ernest Davies, Mr. Noel-Baker, Mr. Palmer, and Mr. George Strauss (Labour) ; and Mr. Wade (Liberal). Sir Patrick Spens was subsequently elected chairman of the committee, which also decided that its meetings should be held in private.

(Times - Daily Telegraph - Manchester Guardian)

A. UNITED KINGDOM. — Civil Estimates, 1955-56.

The Civil Estimates for the financial year 1955-56 were published on Feb 17, together with the Estimates for the Revenue Departments and the Ministry of Defence (civil expenditure). They showed an estimated total expenditure of £2,791,828,745, an increase of £35,856,509 over the total net Estimates (adjusted for transfers) for 1954-55.

The sums required for the various classes of expenditure, with the total net Estimates for 1954-55 given for comparison, were as follows :

	Total Civil Estimates 1955-56 £	1954-55† £
Central Government Services	21,344,422	21,278,158
Foreign and Colonial Offices, etc. .	97,319,150	111,495,183
Home Department, Law and Justice	81,741,105	86,415,390
Education and Broadcasting	372,360,034	344,806,431
Health, Housing, and Local Government	638,730,786	620,534,060
Board of Trade, Ministries of Labour and of Supply .	226,351,689	292,818,830
Ministry of Works, Public Buildings, Stationery and Printing, Ministry of Information .	65,302,385	69,269,776
Ministries of Agriculture, Food, etc.	385,624,914	334,090,996
Ministries of Transport & Civil Aviation and of Fuel & Power, Dept. of Scientific & Industrial Research	136,751,190	138,990,562
Ministry of Pensions and National Insurance, etc.	437,253,570	420,603,500
Total Civil Estimates .	2,462,779,245	2,440,302,886
Revenue Departments .		
Customs and Excise .	13,701,900	13,107,000
Inland Revenue ..	35,349,000	33,997,850
Post Office .	261,695,000	244,660,000
Total for Revenue Departments	310,745,900	291,764,850
Ministry of Defence* .	18,303,600	23,904,500
Grand Total .. .	2,791,828,745	2,755,972,236

* See also Defence Estimates † Adjusted for transfers.

Particulars of the more important items included in the Civil Estimates are given below, with comparative figures for 1954-55 (revised) in parentheses :

National Health Service. £463,370,255 (£439,215,485), of which £411,086,215 was for England and Wales and £52,284,040 for Scotland

Ministry of Food. £286,732,265 (£238,361,800), of which £264,139,265 was on the normal Vote and £22,593,000 for Strategic Reserves, the corresponding figures for 1954-55 being £227,827,800 and £10,534,000

Ministry of Education. England and Wales £271,286,636 (£254,545,078) and Scotland £38,221,090 (£35,708,037).

Housing. England and Wales £60,139,020 (£65,794,460), Scotland £12,845,500 (£14,569,500).

Ministry of Supply. £181,488,100 (£209,500,000)

Ministry of Agriculture and Fisheries (including Scotland). £85,299,407 (£83,971,901) Of the total, £48,174,730 was for farming grants and subsidies, £9,717,850 for agricultural services, and £6,544,665 for fishery grants and services.

Other Estimates included £206,338,000 for National Insurance and Family Allowances ; £124,709,000 for the National Assistance Board ; £89,326,000 for War Pensions ; £29,456,683 for Colonial Services ; £18,000,000 for Colonial Development and Welfare ; £32,253,300 for grants to Universities and Colleges ; £28,145,000 for Broadcasting ; £45,844,500 for Roads ; £26,253,000 for Public Buildings ; and £50,577,400 for Atomic Energy.—(1955-56 Votes on Account)

(Prev. rep. Budget, 14145 A ; 1954-55 Estimates, 13606 D.)

B. PETROLEUM. — New Iraqi Oil Agreement.

A new agreement between the Iraqi Government and the Iraq Petroleum Company and its associated companies was concluded in Baghdad on March 24. It retained the 50-50 profit sharing arrangement included in the 1951 agreement, but amended the formulae for calculating prices, the net result being an increase in the Iraqi Government's royalties by about 7s. a ton. The agreement also provided for Iraq's revenue from oil in 1954 to be increased from £57,000,000 to £67,500,000.

Dr. Pachachi, the Iraqi Minister of Economics, who signed the agreement on behalf of his Government, estimated that Iraq's oil revenue in 1955 would be £72,000,000, and that by 1958 revenue would exceed £100,000,000 a year, whilst oil exports might reach an annual total of 45,000,000 - 50,000,000 tons ; production in 1954, he said, had been nearly 30,000,000 tons.—(Financial Times) **(Prev. rep. 1951 Agreement, 12031 A ; I.P.C., 14139 C.)**

C. RHODESIA AND NYASALAND FEDERATION. — Expulsion of Mr. Van Eeden from Federal Party. - The Van Eeden Partition Plan. - New Assembly Member for African Interests.

The central executive of the Federal Party at Salisbury decided on Jan. 7 by an overwhelming majority to expel from the party Mr. G. C. Van Eeden, the member for Kafue in the Federal Parliament. Mr. Van Eeden, formerly one of the principal supporters of federation, had publicly advocated the partition of the Federation by the return of Barotseland, North-Eastern Rhodesia, and Nyasaland to the executive control of the Colonial Office, and the amalgamation of Southern Rhodesia and the south central part of Northern Rhodesia (including the copperbelt area) with a view to obtaining full self-government for this part of the Federation.

Mr. Van Eeden had rejected a suggestion put forward by several delegates, including Sir Godfrey Huggins, the Federal Prime Minister, that he should desist from campaigning publicly for support for his proposals and should submit them instead to the next meeting of the Federal Party's congress in 1956 He explained that he did not think that the protected Africans of Nyasaland and Barotseland would ever agree to Dominion status—the ultimate aim of the Federal Party—except on the basis of 50-50 representation in the Dominion Government, they would, however, support any scheme to divide the Federation and put them back under the full control of the British Government " If this is what they want," Mr. Van Eeden declared, " why should they not have it, particularly as it would give the Europeans the Dominion status they want ? " He considered, therefore, that negotiations with the British Government on his proposals should begin as soon as the Federal Constitution permitted a review

Sir Godfrey Huggins, opposing Mr Van Eeden's plan, said that his statements had had " a profound effect " and had created " a deep feeling of uncertainty ", if he [Sir Godfrey] had made them, the Federation would not have been able to raise the loans required in the next four years. He described the proposals themselves as " completely impracticable," since their effect, if carried out, would be to deprive those who had lent money to the Federation of part of their security Strong opposition to Mr Van Eeden's scheme was also expressed by Sir Roy Welensky, the Northern Rhodesian leader and Minister of Transport and Development, who declared that if the Federal Party were to entertain the proposals he would have to consider resigning from it

Mr. Van Eeden announced on Jan. 9 that he would form a new party with a policy based on his proposals, and meanwhile would sit in the House as an Independent. In a further statement on April 13 he said that he would resign his seat later in the year and contest a by-election in the name of the new party.

It had been announced on Dec. 24, 1954, that the Governor of Northern Rhodesia had appointed Mr. J. S. Moffat, a well-known authority on African affairs and customs, to succeed Dr. J. F. C. Haslam as representative of the interests of Northern Rhodesian Africans in the Federal Assembly.
(Federal Information Department, Salisbury - Times)

(Prev. rep. Federal Territories, 13250 C.)

D DENMARK - UNITED KINGDOM. — New Agreement on Faroe Islands Fishery Limits.

Mr. Harold Macmillan, the British Foreign Secretary, announced in a parliamentary written reply on April 25 that negotiations had been completed for a revision of the Anglo-Danish Fishery Convention of 1901 to provide for slight adjustments of the fishery limits around the Faroe Islands. He explained that the Danish Government had proposed an extension of the limits beyond three miles, but that during the negotiations this proposal had been modified to provide that the limit should remain at three miles from the coastline, with adjustments to preserve spawning grounds. The Danish Government had given an assurance that the new limits would be applied to the fishing vessels of all countries. The agreement, which would be firm for at least 12 years, would come into force on July 1.—(Times)

(Prev. rep. Iceland Dispute, 12760 A.)

E NEW ZEALAND. — Commonwealth Development Finance Company to invest in Murupara Scheme.

The Commonwealth Development Finance Company in London announced on April 1 that it had agreed to invest £3,000,000 in the Tasman Pulp and Paper Company, and would subscribe for £2,500,000 5¼ per cent 15-year debentures and 500,000 £1 Ordinary shares, in each case at par.

Production of newsprint, pulp, and timber at the new town under construction at Kawerau was expected to begin later in 1955.—(N.Z. Directorate of Information Services, Wellington)

(Prev. rep. 13341 C.)

A. SOUTH AFRICA. — Report of Inquiry Commission on Racial Segregation in Universities.

The Commission of Inquiry appointed by the South African Government in 1953 to investigate the practicability and financial implications of providing separate university training facilities for non-Europeans published its report on Feb. 2.

Present Position. The report stated that at present non-Europeans were not admitted to the Universities of Stellenbosch, Pretoria, the Orange Free State, and Potchefstroom, and at Rhodes were admitted only to certain post-graduate courses They were admitted to the Universities of Cape Town, Witwatersrand, and Natal, but at Natal they did not attend lectures with European students, whilst at Cape Town Africans were not admitted as medical students. In 1954 there were 1,182 non-Europeans at the universities, of whom 516 were Africans, 441 Asiatics, and 225 Coloured , 370 of these were at Fort Hare Native college, 327 at the University of Natal, and 214 at Witwatersrand In addition, 1,145 non-Europeans were registered at the "correspondence course" University of South Africa.

South African universities, the report pointed out, had the right to decide whom they would admit, provided this power was not restricted by their governing Acts, except that no university might exclude a student because of his religious beliefs. Although under these Acts university councils might prescribe that lectures for Europeans and non-Europeans should be given separately or together, there was a difference of opinion about the legal position, counsel's opinion, obtained by Cape Town and Witwatersrand, was that neither university could refuse admission to non-Europeans under the existing Acts The State, however, could attempt to impose *apartheid* on a university by indirect means through administrative action of the Treasury, and could enforce segregation or impose an absolute ban on the admission of non-Europeans by parliamentary enactment

Objections to Segregation. General objections put forward against segregation had related to the autonomy of the universities, academic freedom, and extra-curricular university activities As regards autonomy, the commission pointed out, however, that no organization established by the State might prescribe to the State what course of action it should take to fulfil its tasks. On the other hand, it said, the question was not whether the State had the power to impose restrictions on the universities' autonomy, but whether such restrictions were justifiable. Members of a university, the report said, should have the right to think freely, to seek the truth without restraint, and to express their findings freely, even if these were wrong, and whatever trammelled academic freedom hampered the universities in the execution of their task. Restrictions should therefore be introduced only with the utmost circumspection and in the most serious circumstances If, however, students who were denied entrance to certain universities retained substantially equal opportunities to study at other universities there would be no clashing with the fundamental concept of academic freedom.

As a further objection to segregation, the importance of extra-curricular contacts as a vital part of university education had been emphasized. At Cape Town and Witwatersrand there was segregation in the university residences and in sport, but not in the membership of student societies, although non-Europeans were not admitted to university dances It had been argued that contact enabled European and non-European students to understand each other better, and that segregation would provide a favourable breeding-ground for the development of racial antagonism.

Proposals submitted. The management of the *Kolege ya Bana Ba Afrika* (College for the Children of Africa), founded by the Dutch Reformed Church, the report pointed out, had proposed the establishment of a Bantu university in the Transvaal, and the Pretoria Municipality had promised the institution a site, but this had been withdrawn because "the College is a European company and may not have interests in a Bantu residential area" The attention of the Legislature, the Commission stated, should be drawn to the fact that the law placed obstacles in the way of Europeans who wanted to help the Bantu people.

The University of South Africa had suggested that the *Kolege ya Bana Ba Afrika* should be developed into a university institution, to be associated with the University of South Africa. The University of Pretoria had suggested (*a*) the development of a separate university for Africans in the north, allocated to the Sotho-Bantu group, Afrikaans in orientation, and under the guardianship of the University of Pretoria; (*b*) the establishment of an institution for Coloured students under the guardianship of the University of Stellenbosch, (*c*) the assignment of Fort Hare to the Nguni Bantu group, under the guardianship of Rhodes University, and (*d*) the allocation of the non-European section of the University of Natal to Indians.

The South African Bureau for Racial Affairs had proposed that separate institutions should be set up for particular groups of non-Europeans in the area where they lived. The Secretary for Native Affairs, Dr. W. W. M. Eiselen, had suggested that universities for the Bantu should be located in the Native Reserves, that identical university training should not be recommended; that medical training should also take place in Native Areas, and that all African institutions should be under the University of South Africa

Cape Town University was in principle definitely opposed to academic segregation based on racial differences.

Conclusions. The Commission found that because of the distribution of the limited number of non-European students at Cape Town and Witwatersrand Universities among the various departments, the creation of separate internal training facilities for them was not feasible for the present, although considerable capital costs for separate accommodation could be avoided if segregation were restricted to separate attendance at lectures, but with the use of the same lecture rooms at different times by Europeans and non-Europeans. On the other hand, the establishment of two separate institutions in the Western Cape and the Transvaal to take over the work now being done by Cape Town and Witwatersrand Universities would also be impracticable in the present circumstances

The main financial objection to the establishment *de novo* of a single large university for non-Europeans was that it would not make use of either of the existing institutions at the University of Natal (where the State had already spent £406,000 to erect a non-European faculty building for medicine) and at Fort Hare As these, however, could not absorb even the majority of the non-European students now at Cape Town and Witwatersrand, considerable capital costs would have to be incurred to accommodate them, estimated at £1,000 a student by the University of Natal, and at a higher figure by Fort Hare As there were about 340 non-European students, apart from medical students at Cape Town and Witwatersrand, the total sum required would be considerable.

The desirability of segregation being assumed, the Commission found that the most feasible scheme was the concentration of non-European students at the University of Natal and Fort Hare. It pointed out, however, that if non-Europeans were no longer to be allowed to study at Cape Town or Witwatersrand, substantial financial assistance to cover travelling costs would have to be granted, unless the State was content to make university study financially impossible for many non-Europeans who could at present enjoy it. Training facilities should in principle be created only in the directions in which prospects of careers with reasonable incomes existed for non-Europeans, but if non-European students were not to be deprived of post-graduate study it would often be necessary to admit them to other universities for that purpose

As regards Coloured students, the Commission pointed out that if those living in or near Cape Town were forced to go to Durban or Fore Hare for their studies they would incur additional costs, and in many cases would lose the part-time earnings which helped them to pay their way. It recommended therefore that they should be allowed to continue their non-separate studies at Cape Town University.

In conclusion, the report stressed that because non-Europeans were less able to contribute financially towards the cost of university facilities, the State would have to subsidize separate institutions for non-Europeans on a much more liberal scale than the mainly European universities, and suggested that in consequence there was a danger that the State subsidy for the latter might be seriously prejudiced

Mr. Strauss, Leader of the Opposition, stated on March 5 that the United Party supported the Inquiry Commission's main recommendations, and whilst recognizing that separate social facilities were necessary under South African conditions, believed that "knowledge should be sought irrespective of colour."—(State Information Department, Pretoria - Cape Times - Die Burger, Cape Town) **(Prev. rep. 13359 B.)**

B. MALTA. — Customs and Taxation Privileges for NATO Staff. - Maltese Protests.

The Governor of Malta, Sir Robert Laycock, issued on March 2 the Headquarters, Allied Forces, Mediterranean (Privileges) Ordinance, under which NATO staff stationed in Malta were exempted from certain Customs duties and taxes. When a draft of the ordinance was published on Oct. 26, 1954, objections were raised because the decision had been taken without consultation with the Maltese Government, and on Nov. 5 the former Legislative Assembly adopted a resolution denouncing the ordinance.

In a press notice issued on March 2 the Governor stated that he had been guided primarily by the advice of two successive Commanders-in-Chief that the privileges granted by the ordinance were essential defence requirements, which could no longer be postponed if Allied Headquarters was to work at full efficiency The question of consultation with the Government did not arise, as the question of privileges was a reserved matter, and there would be full opportunity to discuss the issue at the forthcoming all-party talks with the Colonial Secretary in London.

Dr. Borg Olivier, then Prime Minister, stated on March 2 that a protest had been sent to the Governor, and Mr. Mintoff, Dr. Olivier's successor as Prime Minister, told the new Assembly on March 24 that his Government had likewise protested against the ordinance, and had asked the British Government to enact legislation reimbursing Malta for the loss involved. For the present the two Governments had "agreed to disagree" over the ordinance, which would be discussed at the London talks. (Times - Daily Telegraph) **(Prev. rep. 14120 B.)**

C. POLAND. — Cabinet Change.

It was announced in Warsaw on April 17 that M. Franciszek Jozwiak-Witold had been relieved of his post as Minister of State Control and had been appointed a Deputy Premier, whilst M. Ramon Zambrowski had been appointed his successor at the Ministry of State Control. Both M. Jozwiak-Witold and M. Zambrowski are members of the politburo of the Polish United Workers' (Communist) Party.—(Le Monde, Paris) **(Prev. rep. 14064 C.)**

A. ITALY - YUGOSLAVIA. — Legations raised to Embassy Level. - Economic, Financial, Trade, and Traffic Agreements.

It was announced in Rome and Belgrade on Nov. 6, 1954, that the Italian and Yugoslav Governments had agreed to raise their respective diplomatic missions from Legation to Embassy level. The statement declared that this step had been taken "within the framework of the measures undertaken to create closer and better mutual relations and to establish the broadest co-operation between our two countries."

Italo-Yugoslav economic and financial discussions opened in Belgrade on Dec. 14 and resulted in an agreement being signed on Dec. 18 which regulated all economic and financial obligations arising out of the Italian Peace Treaty and laid down the broad framework for a number of economic agreements between the two countries.

A joint communiqué declared that "in their desire to promote trade and economic co-operation" both Governments had agreed to base the economic relations between Italy and Yugoslavia on the following agreements. (*a*) a general convention on trade and navigation; (*b*) a one-year trade and payments agreement: (*c*) an agreement on economic co-operation, which would include technical co-operation between the industries of both countries, the development of air, railway, road and sea transport, as well as postal, telephone, and telegraph communications, and the development of tourism. Both sides would also consider the possibility of developing border-area trade, would seek a settlement over the question of Adriatic fishing, and would resume the economic discussions in Rome in the second half of January.

The negotiations were accordingly resumed on Jan. 17, and on March 31 a number of economic and financial agreements between the two countries were signed in Rome by Signor Martinelli, the Italian Minister of Foreign Trade, and M. Karabelovich, a member of the Yugoslav Federal Executive Council. The agreements were as follows:

A Convention on Trade and Navigation laying down the general principles on which trade, transport, traffic, and Customs between the two countries are to be based. The convention, valid for five years, will be extended automatically unless notice of termination is given by either side.

A Trade Agreement for one year, replacing one expiring on March 31 and covering exchanges to an aggregate value of 60,000,000,000 lire (£34 560,000). The agreement, which may be automatically extended for further periods, provided for the complete liberalization of imports and exports in respect of a large number of goods, on the basis of agreed lists showing articles of "an indicative character" subject to such treatment. Yugoslavia was thus placed by Italy on the same footing as O E E.C. member-countries, with similar advantages granted by Yugoslavia to Italy. The only exceptions were the fixing of certain Italian import quotas for Yugoslav exports of soft timber products, cellulose wood, cellulose, lead, cattle, pigs, draught-horses, beef, canned meat, fresh and canned fish, leather, glass, fireproof materials, lubricants, chrome iron, coal, and cement. Yugoslavia, on the other hand, guaranteed minimum imports of certain goods of particular importance to the Italian export industries, and undertook to extend to Italy automatically any concession made for imports from other countries

The principal Italian export categories will include yarns, textiles and made-up clothing, dyes, industrial plants, machinery and equipment, office machinery, motor vehicles, motor-cycles and tractors, bicycles, electrical equipment, railway rolling stock, optical and photographic products, ceramics, electric bulbs, medical equipment, plastic materials, rubber tyres, rice, citrus fruits, etc.

The principal Yugoslav exports will—in addition to the above-mentioned products—include timber, bauxite and aluminium, wool, silk, vegetables, poultry, eggs, hops, bristles, medicinal herbs, essential oils, glycerine, and a number of chemical and pharmaceutical products, etc.

A joint commission will be set up to supervise the implementation of the agreement, and if necessary to take measures aiming at bringing about the largest possible volume of mutual trade exchanges.

Two Agreements on Frontier Traffic, one regulating trade between Trieste and the Kapor-Buje area (i.e., Zone B of the former Free Territory of Trieste), and the other dealing with frontier trade between the Gorizia and Udine region and the Yugoslav areas of Nova Gorica, Tolmin, and Sezana The first agreement fixed the total value of trade exchanges on each side at about 2,100,000,000 lire annually, and the second at 1,000,000,000 lire annually; both agreements contained lists of goods to be exchanged, and provided for certain Customs simplifications in order to promote frontier trade.

A Payments Agreement regulating the settlement of trade transactions, as well as certain other payments, on a clearing basis, and providing for the opening by each side of an interest-free credit of 6,000,000,000 lire to finance the clearing movement. A special procedure was agreed for payments in connexion with frontier traffic.

A Protocol on Air Traffic, valid for two years and replacing the provisional air transport agreement of 1950, which will form the basis for further detailed arrangements. It provided for the operation of a regular service between Milan, Venice, Zagreb, and Belgrade, and of a seasonal line between Rome, Dubrovnik, and Belgrade.

An Agreement on Road Traffic, valid for one year and regulating vehicular traffic between the two countries.

Agreement on Communications and Tourism. Notes were also exchanged embodying certain agreements reached regarding Italo-Yugoslav co-operation in providing railway facilities and in promoting tourism between the two countries.

All agreements were subject to ratification, but the two Governments decided to put the trade agreements, the payments agreement, and the agreements regarding frontier traffic into immediate effect. An additional protocol referred to negotiations for the conclusion of an agreement on economic, technical, and financial co-operation, and also mentioned the intention of both Governments to conclude an agreement on fisheries in the Adriatic within three months.

At the signing ceremony both Signor Martinelli and M. Karabelovich stressed the importance of the conclusion of these comprehensive economic agreements as a landmark in the development of a new relationship of friendly co-operation between Italy and Yugoslavia, and as a basis for the further widening of their economic exchanges.—(Corriere della Sera, Milan - Giornale d'Italia, Rome - Tanjug Agency, Belgrade - Yugoslav Economic Information Bulletin, Zagreb)

(Prev. rep. Trieste Agreement, 13821 A.)

B. UNITED KINGDOM. — Equal Pay for Women in the Non-industrial Civil Service and for Women Teachers.

In accordance with a suggestion put forward by Mr. Butler, the Chancellor of the Exchequer, on May 19, 1954, a negotiating committee of the Civil Service National Whitley Council drew up a scheme for the gradual introduction of equal pay for women in the non-industrial Civil Service and presented it to the Chancellor for his approval. On Jan. 25, 1955, Mr. Butler announced in the House of Commons that the Government had accepted the scheme and that, subject to final agreement by the staff side of the National Whitley Council which had to consult the various staff associations, the scheme would be put into operation with retrospective effect from Jan. 1, 1955. The staff side eventually endorsed the scheme on Feb. 18.

Announcing the Government's decision, Mr Butler said that under the scheme women's scales would be increased by seven equal annual instalments so that, on the payment of the seventh instalment, women's scales would become identical with men's scales. "For certain special grades, such as typists," he added, "a compromise is proposed, by which the new scales eventually to be applied to both sexes would be higher than the present women's scales, but somewhat lower than the scales at present in force for the relatively small number of men serving in these grades" There were certain other grades in which women had different conditions of service from men, and their treatment would be reserved for further consideration. "These proposals apply to the non-industrial Civil Service only," said Mr. Butler "For the industrial Civil Service the Government consider it essential to follow the fair wage principle, and to continue as at present to pay their women employees in accordance with the general practice in the trade concerned."

It was stated by the Treasury on the same date that, of the 210,000 women in the non-industrial Civil Service, 155,000 would be affected by the agreement, most of them being in the clerical, sub-clerical, executive, and typing grades. About 36,000 women—mostly Post Office telephonists and telegraphists—were in the grades reserved for further consideration. The other women excluded were 17,500 who did not do equal work, and 1,500 in grades composed only of women. It was estimated that in the first full year the cost to the Exchequer would be about £1,840,000, and by Jan. 1, 1961—when equal pay was in full operation—£12,850,000 a year. New entrants to the Civil Service would benefit from the increases according to the stage reached at the time of their entry, and Civil Service pensions (which are calculated on the pay received in the last three years of service) would become equal when a woman had served three years on full equal pay.

The Burnham Main Committee (for teachers' salaries in primary and secondary schools), the Burnham Technical Committee (covering technical, commercial, and art colleges), and the Farm Institutes' Salaries Committee agreed on March 4 to recommend that a scheme of equal pay for women, similar to that adopted by the Government for the Civil Service, should be applied to teachers from May 1, 1955, so that full equality of pay could operate from April 1, 1961, onwards. Sir David Eccles, the Minister of Education, stated in a written parliamentary reply on April 7 that he had approved the recommendations. A similar decision was taken by the Committee on salary scales for inspectors, organizers, and advisory officers of Local Education Authorities, whose decision did not require approval by the Ministry of Education. It was estimated that about 150,000 teachers would be affected and that the final annual cost to the education authorities would be about £17,000,000.—(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Mr. Butler on Equal Pay, 13557 A, p. 13560); Teachers' Salaries, 13589 A.)

A. UNITED KINGDOM. — Redistribution of Constituencies. - Reports of Parliamentary Boundary Commissions.

The reports of the Parliamentary Boundary Commissions for England, Wales, Scotland, and Northern Ireland, recommending changes in many constituencies (principally in England), were published on Nov. 19, 1954, and were laid before Parliament by the Home Secretary and the Secretary of State for Scotland. The detailed recommendations of the Boundary Commissions were then embodied in 52 draft Orders in Council which, after prolonged debates in the House of Commons, were finally approved on Jan. 27, 1955.

The Boundary Commission for England recommended the creation of 11 new constituencies, the abolition of six existing constituencies, extensive alterations in the boundaries of 152 constituencies, and minor adjustments in the boundaries of 30 others; no changes were made in the remaining 324 English constituencies. The Boundary Commission for Scotland recommended major alterations in the boundaries of 19 constituencies (mostly in Glasgow, where two old constituencies disappeared and two new ones were created), minor adjustments in eight others, and no changes in the remaining 44 Scottish constituencies. The Boundary Commission for Wales recommended minor changes in the boundaries of six Welsh constituencies and no changes in the 30 others. No alterations of any kind were proposed for the 12 Northern Irish constituencies.

The principal changes brought about by the recommendations of the Boundary Commissions were as follows:

(1) An increase in the membership of the House of Commons from 625 to 630, caused by an increase in the number of English constituencies from 506 to 511. (As stated above, 11 new constituencies were created in England and six former constituencies abolished—a net gain of five constituencies. The number of constituencies in Scotland, Wales, and Northern Ireland remained unchanged at 71, 36, and 12 respectively.)

(2) The creation of the following 11 new constituencies: Chigwell (Essex); South-East Essex; Feltham (Middlesex); Surbiton (Surrey); Erith and Crayford (Kent); Rye (East Sussex); Eastleigh (Hampshire); East Hertfordshire; Nantwich (Cheshire); Meriden (Warwickshire), and an additional constituency at Walsall, where the existing parliamentary borough was divided into two constituencies, Walsall North and Walsall South.

(3) The abolition of six constituencies, brought about as follows:

(i) The fusion of the constituencies of Blackburn North and Blackburn South into a single constituency, Blackburn.

(ii) The abolition of the borough constituency of Droylsden (Lancashire)

(iii) The abolition of the Neepsend division of Sheffield, thereby reducing that city's representation from seven to six members.

(iv) The abolition of two of the Leeds constituencies—Leeds Central and Leeds North—and the creation of the new division of Leeds East, the net effect being to reduce the representation of Leeds, like that of Sheffield, from seven members to six.

(v) The fusion of the constituencies of Reading North and Reading South into a single constituency, Reading.

(vi) The fusion of the London boroughs of Fulham and Hammersmith (which formerly returned a total of four members) to form three constituencies: Fulham (formed by merging the former separate constituencies of Fulham East and Fulham West); North Hammersmith (the existing constituency of the same name, but with altered boundaries); and Barons Court (a new constituency, replacing the former constituency of South Hammersmith).

The following Members of Parliament were affected by the abolition of the above-mentioned constituencies, their majorities at the general election of 1951 being shown in parentheses Mr Ralph Assheton (C.), Blackburn North (2,699), Mrs. Barbara Castle (Lab.), Blackburn South (2,632), Mr. W. R. Williams (Lab), Droylsden (1,870), Sir Frank Soskice (Lab.), Neepsend, Sheffield (18,225), Mr Osbert Peake (C)—Minister of National Insurance—Leeds North (13,041); Mr. George Porter (Lab.), Leeds Central (9,492); Mr. F M Bennett (C), Reading North (302), Mr Ian Mikardo (Lab.), Reading South (1,009), Mr. Michael Stewart (Lab.), Fulham East (2,473); Dr. Edith Summerskill (Lab.)—chairman of the Labour Party—Fulham West (2,583); Mr. W. T. Williams (Lab), Hammersmith South (3,235).

(4) Twelve of Glasgow's 15 constituencies were affected by boundary changes, owing to large movements of population in recent years from the congested central districts to areas of new housing development. The principal changes involved were (*a*) the abolition of the Camlachie division, part of which was transferred to the Bridgton division and the remainder formed into a new constituency named Provan; (*b*) the formation of the new constituency of Craigton, south of the Clyde; (*c*) the abolition of the Tradeston division, which was divided between the Gorbals and Govan constituencies. Outside Glasgow, the only important change in Scotland was the creation of the new constituency of Roxburgh, Selkirk, and Peebles, formed by detaching Peebles-shire from the former constituency of Midlothian and Peebles and attaching it to the constituency of Roxburgh and Selkirk.

The two Scottish M.P.s affected by the abolition of Glasgow constituencies were Mr. W. Reid (Lab), Camlachie, who had a majority of 1,025 over his Conservative opponent in 1951, and Mr J. Rankin (Lab.) Tradeston, whose majority was 11,195 in 1951.

The Boundary Commission for England aimed, so far as it was possible to do so, at an average electorate of about 57,000 for each constituency (an average of 57,122 was obtained by dividing the total English electorate, 28,904,108, by the number of seats in England, 506). The Commission published figures showing that 410 constituencies in England (over 80 per cent of the whole) had electorates of less than 65,000, whilst no English constituency had an electorate of fewer than 40,000. The eight largest English constituencies had electorates of 75,000-80,000. The average number of electors per constituency was much lower in Scotland and Wales than in England, the Scottish average figure being 48,011 and the Welsh, 50,364.

Under legislation passed in 1949—the House of Commons (Redistribution of Seats) Act—the Boundary Commissions were required to keep constituencies under constant review, to recommend such adjustments in boundaries as might be necessary in view of population movements, and to make general reviews at intervals of not less than three nor more than seven years after the date of the passing of the Representation of the People Act of 1948 (see 9837 A). The recommendations described above constituted the first such general review

The provisions of the 1949 Act required the Boundary Commissions to ensure, as far as practicable, (*a*) that constituency boundaries should coincide with local government areas, and (*b*) that "the electorate of any constituency shall be as near the electoral quota as possible" For the latter purpose an "electoral quota" of 55,570 was fixed as the average for Great Britain (57,122 for England, 50,364 for Wales, 48 011 for Scotland). The uneven distribution of population, however, made it difficult, if not impossible, for the Commissions to achieve the twin aims of equalizing electorates without disturbing local unities (e.g in sparsely populated rural areas the constituencies, if to be of manageable size, must necessarily have smaller electorates than in heavily populated urban areas). Other important factors militating against an exact mathematical equality of electorates were (*a*) the limitation on the number of constituencies laid down in the 1949 Act (which stipulates that the number of constituencies in Great Britain should not be substantially greater or fewer than 613, of which Scotland must have not fewer than 71 and Wales not fewer than 35 seats, and that Northern Ireland should have 12 seats) and (*b*) the greater density of population in England as compared with that in Scotland and Wales. (With an average electorate of 57,122 for England, 50,364 for Wales, and 48,011 for Scotland, England is under-represented in the House of Commons as compared with Scotland and Wales, in Northern Ireland, where different conditions apply because that country has its own Parliament, representation at Westminster is based on bigger constituencies and electorates than in Great Britain)

The English Boundary Commission stated in its report "Considerable comment has been made in the Press and elsewhere to the effect that the general review of constituencies now concluded, and the changes recommended as a result of that review, have come too soon after the very considerable changes brought about by the Representation of the People Act, 1948 It was clear from representations submitted to us that the changes recommended, even where they included proposals for additional representation, were not wholly welcome because of the disturbance they would inevitably cause to local political organizations, and also because of the feeling of unsettlement they would cause both to the electorate and to their representatives in Parliament The provisions of the Act of 1949 have left us no alternative but to proceed with the review and to make such recommendations as we considered necessary and desirable Nevertheless we have been impressed by the arguments put forward against reviews at comparatively short intervals, and we think that consideration should be given to lengthening the minimum and maximum period between reviews."

The Speaker of the House of Commons (Mr W S. Morrison) is *ex officio* chairman of all four Boundary Commissions The other members of the English Boundary Commission are Mr Erskine Simes, Q.C (appointed by the Home Secretary), Dr George North, the Registrar-General; Major-General J. C T. Willis, Director-General of the Ordnance Survey; and Sir John Maude, formerly Permanent Secretary of the Ministry of Health. The deputy chairmen of the Scottish, Welsh, and Northern Irish Boundary Commissions are respectively Lord Mackintosh, Sir Wynn Wheldon, and Mr A. T. Green

A Government motion "taking note" of the reports of the Boundary Commissions was moved in the House of Commons on Dec. 15, 1954, by the Home Secretary, Major Lloyd-George, and was adopted by 285 votes to 259.

Major Lloyd-George recalled that the last redistribution of seats, carried out under the Representation of the People Act of 1948, had been based on changes in the electorate since 1946, and had resulted in the creation of 17 new borough constituencies, in addition to other changes recommended by the Boundary Commissions at the time and accepted by Parliament. There had been further substantial changes in the electorate between 1946 and 1953—e.g., the electorate of Essex had risen by 70,000 and that of Lancashire had fallen by 72,000 However, the real basis for most of the present recommendations was not the changes in the electorate, but because the Commissions had had to review the entire country on the new basis caused by the creation of 17 additional borough constituencies in 1948. After recapitulating the proposed changes, Major Lloyd-George pointed out that the English Commission had striven to produce a better balance between urban and rural representation; to remove undue disparities in the electorate, and, with the aim of securing electorates based as nearly as possible on the national average of 57,000, to avoid creating constituencies of less than 40,000 or more than 80,000. The Home Secretary said that the Government believed the Commission's recommendations to be well founded, and added "It is of the highest importance to the health of our Parliamentary institutions that this matter should be kept above party politics. If successive Governments and Parliaments of different complexions were to disregard the findings of this impartial Commission, confidence in the justice of our electoral system, the essential foundation of democratic Government, would be undermined." He added that the changes, if approved by Parliament, would not take effect until the next general election, whilst the Orders affecting London would come into force for the L.C.C. elections in March, 1955.

Mr. Chuter Ede (Lab.)—Home Secretary at the time when the Representation of the People Act was passed in 1948—said that none of the Opposition's criticisms of the English Commission's report implied any challenge to the impartiality with which the Commissioners had carried out their duties as they had interpreted them. He maintained, however, that the Commission had wrongly taken upon itself the onus of deciding what the right proportion should be between borough and county constituencies—a task which, said Mr. Ede, properly appertained to Parliament and not to the Boundary Commissions. Moreover, the discretion to form constituencies consisting of part of a county borough and part of a county had been used too freely in an effort to secure a mathematical accuracy that no-one expected in these matters. For these reasons the Opposition felt that the duties laid on the Commissioners had not been adequately discharged, and would vote against the motion

In accordance with a decision of the Parliamentary Labour Party, the Opposition voted against 14 of the 52 draft Orders in Council (13 relating to constituency changes in England, and one to Scotland) when they were debated by the House of Commons in the ensuing weeks. In the case of several of the constituencies affected, both the Conservative and Labour members concerned united in opposing the changes; e.g., the two members for Reading—Mr. Bennett (C.) and Mr. Mikardo (Lab.)—both opposed the Order abolishing their constituencies and creating a single Reading constituency, whilst the two members for Blackburn—Mr. Assheton (C.) and Mrs. Castle (Lab.)—acted as tellers against the Government on a division which sought, unsuccessfully, to revoke the Order creating a single Blackburn constituency and abolishing the two former constituencies into which the borough had been divided.
(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Redistribution of Constituencies, 1948 Act, 9837 A.)**

A. SOVIET UNION. — New Arctic Ice Floe Station.

It was announced in Moscow on April 3 that a Soviet scientific expedition, led by M. N. A. Volkov, of the Soviet Arctic Research Institute, had left Leningrad that day to set up "Station North Pole 5" on an Arctic ice floe.

A recent article in *Pravda*, quoted by the *New York Times*, indicated that "North Pole 5" would replace "North Pole 3," which would probably be abandoned soon as the floe on which it was based was drifting towards the pack ice off northern Greenland and Ellesmere Island after having drifted some 1,200 miles since it was established 12 months earlier. The article also referred to "North Pole 4," which had drifted about 1,500 miles in a clockwise direction in 12 months (though only some 300 miles in a straight line), and to "North Pole 2," which had drifted on a somewhat similar route in 1950-51, but whose work had been kept secret at the time.

According to *Pravda*, the Soviet scientists were engaged in exploration and the collection of important meteorological, oceanographic, biological, and other data.
(Le Monde, Paris - New York Times)

B. EGYPT. — Diplomatic Appointments.

Important diplomatic appointments were announced in Cairo on April 21 as follows: Samy Abdul Fetouh (Under-Secretary in the Foreign Ministry) as Ambassador in London in succession to Abdul Rahman Hakki (retiring); Kamal Abdel Naby (director of the economic department of the Foreign Ministry) as Ambassador in Paris; and Mohamed Awad el Kouny (director of the political affairs department of the Ministry) as Ambassador in Moscow.—(Times) **(12676 D.)**

C. YEMEN. — Suppression of Military Revolt.

An unsuccessful attempt to depose the Imam (King) of Yemen, Seif el Islam Ahmad (61), was made on April 2 by a section of the Army, led by his younger brother and Foreign Minister, Seif el Islam Abdullah. After a clash with the Imam's bodyguard near Taez, about 600 soldiers marched on that town and besieged the Imam for several days in his palace. In reply to demands that he should abdicate in his brother's favour, the Imam offered to surrender his executive power, but not his position as Imam, and succeeded in winning over a number of the rebels. Fighting broke out later, however, and the people of Taez rallied to the support of the Imam, whose person is regarded as sacred under Moslem law.

Meanwhile, the Imam's eldest son Emir Seif el Islam Mohammed el Badr, had escaped to Hajja, in northern Yemen, where he rallied a force of 30,000 loyal troops and tribesmen. With these he marched on Taez, occupied the town on April 5, routed the rebels, and restored the Imam to the throne. Seif Abdullah, together with another brother (Seif el Islam Abbas) and a nephew of the Imam who had supported the revolt, was arrested on April 7 while attempting to flee the country; Abdullah and Abbas were subsequently tried for treason, sentenced to death, and executed on April 13, their bodies being publicly exposed before burial. Six other men were also reported to have been executed for their participation in the revolt, including Lieut.-Colonel Ahmed Thalayee, chief army instructor and the actual leader of the revolt, and Kadi el-Sayyali, a Moslem religious judge and leader of the *ulema* at Taez.

The Imam announced on April 7 that order had been completely restored, and that he had pardoned "all misguided soldiers" who had taken part in the rising. In recognition of Emir el Badr's services, and in order to end rivalry within the royal family over the succession, the Imam officially proclaimed him heir to the throne on April 10.

On the news of the revolt, an Egyptian mission led by Lieut.-Colonel Shafei (Minister of Social Affairs), as well as officials from Saudi Arabia, had flown to Taez on April 3 in an attempt to reconcile the two sides. Before the Egyptian mission returned to Cairo on April 10, the Imam was reported to have given an assurance that he would abandon his traditional policy of isolating the Yemen from the outside world, and would open his country in complete co-operation with Egypt and Saudi Arabia.—(Manchester Guardian - Le Monde, Paris - New York Times - New York Herald Tribune)

D. WESTERN GERMANY. — Opening of Lufthansa Services.

It was announced in Bonn on March 3 that the Allied High Commission had given permission to the German Lufthansa airline to begin regular passenger flights on internal German routes on April 1, on European services on May 15, and on trans-Atlantic services on June 1, and also to import four *Super-Constellation* aircraft which it had ordered from the U.S.A. for its trans-Atlantic flights. "Proving" flights inside Germany were sanctioned from March 1, between Western Germany and other European countries from April 15, and across the Atlantic from May 1.

Earlier, on Jan 12, it had been announced that the four U.S.-built *Convair* aircraft which would be used for the German internal and European routes would be captained by 10 British pilots seconded by B.E.A.C. for one year, with German co-pilots, until the German crews were fully trained On March 31 the Lufthansa announced that it had engaged 11 U.S. pilots under an agreement with Trans World Airlines to captain its trans-Atlantic services during the first year of their operation.

The first German airliner on a passenger-carrying flight since the war flew from Dusseldorf to Hamburg on March 21 on a "proving" run with a number of journalists, and the first regular service was inaugurated on April 1 on the line Hamburg-Dusseldorf-Wahn-Frankfurt-Munich. The last flight previously made by a plane of the old Lufthansa had taken place on April 21, 1945. The first German airliner since the war arrived in London on April 15, the opening day of a new service from Hamburg to London run in co-operation with B.E.A.—(Frankfurter Allgemeine Zeitung - Times - Daily Telegraph - New York Times) **(Prev. rep. 13877 E.)**

E. CANADA. — Liquidation of Soviet Debt for Mutual Aid.

The Canadian Finance Secretary, Mr. Kenneth Taylor, announced in his annual report to the House of Commons on Jan. 17 that the Soviet debt to Canada arising out of Canadian mutual aid given after Sept. 2, 1945, had been liquidated with a final payment of Can. $2,807,064 in 1954. (Montreal Star)

A. INTERNATIONAL BANK. — New Loans and Bond Issues. - Loan Repayments by Iraq and Netherlands. - Draft Charter of International Finance Corporation. - Economic Development Institute.

The following loans were made in recent months by the International Bank for Reconstruction and Development (dates of announcement in parentheses) :

Australia. $54,500,000 to the Australian Federal Government to finance imports of equipment for the development of agriculture, transport (including five aircraft for Qantas Empire Airways Ltd.), electric power generation and transmission, and the iron and steel, food processing, mining, and engineering industries. The Bank arranged to sell $10,400,000 of this loan, without its guarantee, to 11 private banks in the U.S.A. Terms : 3⅝ per cent p.a. interest, plus 1 per cent p.a. commission, repayable within 15 years beginning on March 15, 1958 (March 18, 1955).

British East Africa. $24,000,000 to the East Africa High Commission to help finance a modernization and development programme for railways, harbours, and road transport facilities in Kenya, Uganda, and Tanganyika. The loan, which was guaranteed by the U.K. Government and the three territories concerned, will be used by the East African Railways and Harbours Administration to build deep-water berths and other port facilities, to acquire lighters and tugs, to expand railway workshops, to improve the permanent way, and to buy new locomotives and road transport vehicles. Terms : 3¾ per cent p.a. interest, plus 1 per cent p.a. commission, repayable within 20 years starting on Jan. 15, 1958 (March 15, 1955).

Colombia. $4,500,000 to the *Central Hidroelectrica del Rio Anchicaya Limitada* (CHIDRAL), a publicly-owned corporation, for the purchase of equipment to increase power supplies to Cali, one of the principal industrial centres. The loan, which was guaranteed by the Colombian Government, was the ninth to be made by the Bank to Colombia and brought the total lent to that country to $78,800,000. Terms : 3¾ per cent p a. interest, plus 1 per cent p.a. commission, repayable within 20 years (March 25, 1955).

Finland. $12,000,000, mainly in European currencies, to the Bank of Finland, which will re-lend the money to companies engaged in expanding and modernizing the Finnish wood products industry (Finland's most valuable export industry) and in developing the supply of electric power. The loan was guaranteed by the Finnish Government. Two U.S. commercial banks—the Bank of America and the National City Bank of New York—participated in it without the International Bank's guarantee, to the extent of $1,144,000 each. Terms : 3⅝ per cent p.a. interest, plus 1 per cent p.a. commission, repayable within 15 years beginning on April 15, 1958 (March 25, 1955).

India. The agreement with the Indian Government for a loan of $10,000,000 to the Industrial Credit and Investment Corporation of India (see 13974 A) was signed on March 14.

Norway. A loan of $25,000,000 to Norway, to be used to buy capital equipment for Norwegian economic development, was announced on April 19. In addition, a further $15,000,000 was provided by the flotation of Norwegian bonds in the U.S market, making a total loan of $40,000,000.

The International Bank loan, half of which was expected to be made in pounds sterling and Dutch guilders, was for 20 years at 3¾ per cent interest p.a., plus 1 per cent p.a. commission. Of the total, $5,000,000 will be amortized on a half-yearly basis from November, 1960 to May, 1962, and the remaining $20,000,000 from November, 1965, i.e., shortly after the 10-year bonds of the public issue have reached final maturity

The bond issue, which was offered by an underwriting group of 30 investment firms and banks in the U.S.A., was divided by maturities as follows . $2,500,000 of 3-year 3⅝ per cent bonds; $2,500,000 of 4-year 3¾ per cent ; $2,500,000 of 5-year 3⅞ per cent; and $7,500,000 10-year Sinking Fund 4¼ per cent, due April 15, 1965.

Peru. $18,000,000 to the Peruvian Government to help finance the second stage of the Quiroz-Piura irrigation project, by which 125,000 acres of land will be brought into cultivation for the first time for the production of food crops and pasture for local consumption, and of long staple cotton for export. The Manufacturers Trust Company and the New York Trust Company participated in the loan, without the Bank's guarantee, to the extent of $496,000. Terms : 3¾ per cent p.a. interest, plus 1 per cent p.a. commission, repayable within 25 years beginning on Sept. 15, 1959 (April 5, 1955).

$2,500,000 to the *Compania Nacional de Cemento Portland del Norte, S.A.*, a private company, to help finance the construction of a cement plant at Pacasmayo in Northern Peru. The loan was guaranteed by the Peruvian Government; the Manufacturers Trust Company participated in the loan, without the International Bank's guarantee, to the extent of $310,000. Terms : 3¾ per cent p.a. interest, plus 1 per cent p.a. commission, repayable within 15 years starting on May 1, 1958 (April 20, 1955).

Loan repayments were as follows :

Iraq. The Iraqi Government announced on Jan. 3 that it had cancelled the unused balance ($6,500,000) of the 15-year loan of $12,800,000 made by the International Bank on June 15, 1950 (see 11593 A), while on March 25 the Bank announced that the Iraqi Government had repaid, more than 10 years in advance, the outstanding balance of $6,300,000. It was stated that Iraq's financial position had so improved since the time the loan was made that the Government was assuming the entire cost of the flood control system for which the loan had been intended.

Netherlands. The Netherlands Government informed the Bank on Jan. 20 that it would shortly redeem a further $50,472,000 and 12,017,500 Belgian francs of the outstanding balance of the $195,000,000 reconstruction loan received in 1947 ; the outstanding portion of the loan would thus be reduced to $85,517,000.

It was announced on March 21 that a syndicate of Canadian investment dealers and banks, headed by Wood, Gundy, and Co. Ltd., Dominion Securities Corp. Ltd., and A. E. Ames and Co. Ltd., were offering, on behalf of the International Bank, a new issue of Can. $15,000,000 3¼ per cent 10-year Canadian Dollar Bonds at 99 per cent; the bonds would mature on April 1, 1965, but the Bank would have the option of redeeming the bonds before maturity at premiums ranging up to 2 per cent. This was the Bank's third public issue of bonds in Canada.

The Charter of the proposed International Finance Corporation was sent to prospective member-Governments on April 15 for their consideration and legislative or other action if they decided to join Its main provisions are summarized below :

Purposes. The Corporation would encourage the growth of productive private enterprises, particularly in the less developed areas of the world, by investing in undertakings itself where sufficient private capital was not available on reasonable terms, by seeking to recruit private capital and to find experienced management, and by generally creating conditions which would stimulate the flow of investment.

Membership. The Corporation would be open to all members of the International Bank.

Capital. The authorized capital would be $100,000,000, paid in gold or U S. dollars and subscribed by members in amounts proportionate to their subscriptions to the capital of the International Bank The U.S.A. would be the largest subscriber, with $35,168,000, and the U K. the next largest, with $14,400,000.

Establishment. The Corporation would come into being when at least 30 Governments had subscribed at least $75,000,000 of its capital

Affiliation with the Bank. The Corporation would be affiliated with the International Bank in the following ways :

(*a*) membership in the Bank would be a prerequisite of membership in the Corporation ;

(*b*) each Governor of the Bank representing a Government which joined the Corporation would become a member of the Board of Governors of the new Corporation ;

(*c*) the Corporation's Board of Directors would be composed of those Executive Directors of the Bank who represented at least one Government which joined the Corporation.

(*d*) the President of the International Bank, who is chairman of the Bank's Executive Directors, would also be chairman of the Corporation's Board of Directors.

The Corporation would, however, be a separate entity ; its assets would be kept entirely separate from those of the Bank , and it would be prohibited from borrowing from the Bank.

Management. The Corporation would have its own President, who would be appointed by its Board of Directors on the nomination of the chairman and, subject to the policy direction of the Board and the chairman, would be responsible for the conduct of the Corporation's business. The Corporation, whose principal office would be in Washington, would be able to make use of the experience and personnel of the Bank, for whose services it would pay.

Method of Operation. The Corporation would make its investments without governmental guarantee. It would be authorized to make both fixed-interest loans and investments of other kinds, but would not be authorized to invest in capital stock or to assume responsibility for managing the enterprises in which it invested. Investments might be made in any kind of productive enterprise but the main emphasis was likely to be in the industrial sphere. In addition to its financing operations, the Corporation would serve as a clearing house to bring together investment opportunities, private capital, and experienced management

Sale of Securities. The Corporation would seek to revolve its funds by selling its investments to private investors whenever it could appropriately do so on satisfactory terms. It would be authorized to raise additional funds by selling its own obligations in the market, but it was not expected to do so in its early years.

Status of Investment Enterprises. Enterprises in which the Corporation invested would not, by reason of that investment, have any special status under domestic laws and regulations.

Transfer of Earnings. Although the Corporation would have substantially the same privileges and immunities as the International Bank. its Charter would not exempt it from applicable foreign exchange regulations on the transfer of earnings and on repayments of capital on its investments ; in this respect, therefore, it would be in the same position as private investors generally.

On March 11 the International Bank announced the setting-up of an Economic Development Institute, which would serve as a staff college where senior government officials from the Bank's member-countries could study the formulation and administration of development programmes. The cost of running the Institute during the two-year period beginning July 1, 1955, would be borne half by the Bank itself and half by the Rockefeller Foundation and Ford Foundation, each of whom had made available $85,000. The Director of the Institute would be Professor A. K. Cairncross, who had been granted leave of absence from his post as Director of the Department of Social and Economic Research at the University of Glasgow. (International Bank, Washington - Times - Financial Times)

(Prev. rep. 13984 A.)

APRIL 30—MAY 7, 1955

A. WESTERN GERMANY. — Parliamentary Ratification of Paris and Saar Agreements. - Social Democratic Opposition. - The Paulskirche Manifesto. - Free Democratic Opposition to Saar Agreement.

Western Germany completed the ratification of the Paris agreements providing for her entry into the Western European Union and NATO, and also the Franco-German agreement on the Saar, on March 24, when President Heuss signed the Bills authorizing ratification. The debates in the *Bundestag*, however, were marked by bitter hostility on the part of the Social Democrats, who argued that German ratification of the agreements and her rearmament at the present juncture would prejudice the prospects of her reunification, and who also attacked the Saar agreement as unconstitutional. There was equally strong opposition to the Saar agreement on the part of the Free Democrats, the majority of whom voted against it, leading to an internal dispute in that party and endangering Dr. Adenauer's coalition Government.

In all there were four Bills, covering (1) the convention for the ending of the occupation regime and the restoration of German sovereignty; (2) the convention for the future stationing of foreign armed forces on Federal territory; (3) the agreements on the Federal Republic's entry into the Western European Union and NATO; and (4) the Franco-German agreement on the Saar.

The Federal Government had approved the Bills on Nov. 19, 1954, but whereas the first three were endorsed by all Cabinet members, that covering the Saar agreement received only 15 votes, the four Ministers belonging to the Free Democrats (Dr. Blucher, the Vice-Chancellor; Dr. Neumayer, the Minister of Justice; Dr. Preusker, the Minister of Housing; and Dr. Herman Schäfer, Minister without Portfolio), as well as Herr Jakob Kaiser, the Christian Democratic Minister for All-German Affairs, voting against it. The two Ministers representing the All-German Bloc (the Refugee Party), Professor Oberlander and Herr Waldemar Kraft, voted with the majority, but expressed certain reservations.

A statement issued after the Cabinet meeting, with the approval of all Ministers, said that the Cabinet had proceeded with the Bill on the Saar agreement on the assumption that the other Powers represented on the Council of Ministers of the Western European Union would be "ready to accept the executive orders and regulations which the Federal Government considers necessary for the application of the agreement in practice."

In the preamble to the ratification Bills the Federal Government maintained that the Saar territory continued to belong legally to Germany as it had been within the German frontiers on Dec. 31, 1937, though it would be given a "temporary European status" under the present agreement. The latter, however, "only establishes certain principles, and therefore requires completion and detailed directives on the practical implementation of these principles."

First Reading in Bundestag.

The first reading of the Bills in the *Bundestag* took place on Dec. 15-16, 1954. An attempt by Dr. Adenauer on Dec. 13 to persuade Herr Ollenhauer, the Social Democratic leader, that it would be in the best interests of the country to conclude a truce before the first reading failed, Herr Ollenhauer having reaffirmed in a speech to the Social Democratic executive on the previous day that the party would use every means at its disposal to upset Dr. Adenauer's policy of bringing Germany into the Western alliance.

Dr. Adenauer, speaking during the debate, pointed out the advantages which the Paris agreements would bring to the Federal Republic, and claimed that in their present form they contained substantial improvements over the Bonn conventions of 1952 by giving the Federal Republic more sovereignty and putting the stationing of Allied forces on Federal territory on a free contractual basis. The decision to admit the Federal Republic into NATO, he said, was a decisive step on the road to Germany's reintegration into the community of free nations and involved important political consequences. "All the member-States," Dr. Adenauer continued, "have adopted the declaration made by the three Western Powers in which the Federal Republic is recognized as the only German Government freely and legitimately constituted, and therefore entitled to speak for Germany as the representative of the German nation in international affairs. In this declaration the achievement of a fully free and united Germany is proclaimed to be a fundamental goal of their policy. The Federal Government acknowledges this declaration with special gratitude. The most important group of States in the free world has now identified itself with the basic aim of German policy."

The Chancellor expressed his readiness for East-West negotiations, but gave it as his opinion that there could be no hope of their success until the Paris agreements had been ratified, so placing the Federal Republic within the Western community. He added that the Soviet Union was now "trying by overt and hidden methods to prevent the West from consolidating its newly-found unity," and that "until this unity has been fully established, we must expect new and perhaps dangerous stratagems."

On the Saar agreement Dr Adenauer declared that it was essential to resolve the Saar question, which, "like a mountain barrier, has blocked good Franco-German relations." He maintained that the agreement guaranteed fundamental political rights and liberties, and that this guarantee was not affected by the provision which forbade attempts to change the regime until the conclusion of a peace treaty. The proposed Saar statute, he declared, rested on a European foundation, in that it was linked with Western European Union and contained guarantees by the other European Powers, however, it did not create "a European territory in the sense of the Naters plan" and provided no new territorial attachment for the Saar, reserving this question instead to the peace treaty.

Continuing, he said that the Saar agreement still required to be completed and supplemented in many respects, and pointed out that his interpretation differed from that contained in the *exposé des motifs* of the French Government which accompanied the ratification Bill laid before the French Parliament. The French Government's interpretation, he contended, "in some important points not only departs from the text of the agreement, but also does not correspond to the general intentions and objectives of the two parties." In order to clarify "these obvious differences of opinion" quickly and effectively he thought it appropriate to get in touch with M. Mendès-France, but should this contact fail to produce an agreement he would propose to the French Prime Minister that they "request the American and British Governments to clarify the differences of opinion in joint discussions with the French and Federal Governments so that these differences will not block the implementation of the agreement." He added that "in these conversations it would also be expedient to discuss the functions of the Saar Commissioner, the arrangements for the referendum, the necessary arbitration procedure, and the safeguarding of the fundamental political rights of the Saar population."

Herr Ollenhauer accused the Chancellor of having put rearmament before reunification, and declared that the Social Democrats would accept no share of responsibility for the risk that once the treaties were ratified negotiations for reunification would become impossible. As regards the Saar agreement, Herr Ollenhauer said that the Social Democrats fully understood that any solution of the Saar question was bound to be a compromise, but asserted that the present arrangement was "not even that" and was "simply the price which the Federal Republic has to pay for French agreement to German membership of NATO." A Saar settlement was necessary, he declared, to remove an obstacle to good relations, but such a settlement must be based upon equality and the present agreement did not meet this condition.

Dr. Dehler, leader of the Free Democrats, supported Dr Adenauer's stand on the question of Germany's rearmament and entry into the Western alliance, and said that while talks with the Soviet Union for the reunification of Germany were essential, when and how they should be held was a tactical question for the Government. As regards the Saar agreement, however, Dr. Dehler maintained that his party was not able to vote for it in its present form, though they hoped that their objections to it would have been met by the time the agreements came up for second reading.

During the continued debate on Dec. 16 there were heated exchanges between Dr. Adenauer and two leading Social Democratic speakers, **Dr. Mommer** and **Professor Carlo Schmid,** who questioned him about the precise course which his discussions with M. Mendès-France had taken in October and about the precise nature of the pressure which, they alleged, the French Prime Minister had brought to obtain the Chancellor's signature to the Saar agreement. In reply, **Dr. Adenauer** denied that M. Mendès-France had used any threats or that the German signature to the Saar agreement had been demanded as a condition of French signature to the other treaties. M. Mendès-France, he said, had simply intimated that he would have difficulty in getting a majority for the other treaties without the Saar agreement. He admitted, in reply to further questioning, that the French Cabinet had put pressure on M. Mendès-France, but pointed out that this did not mean there there had been any pressure from M. Mendès-France on him. **Professor Schmid** (who during the Adenauer - Mendès-France negotiations was in Paris as one of the German party representatives—see 13845 A) then asked a series of further questions about the order of events there, in an attempt to embarrass the Chancellor, who eventually broke off the exchange.

Earlier, **Professor Baade** (Social Democrat) maintained that General Gruenther had stated that the task of German forces in the Western alliance would be "to shield the Allied troops in Europe," which meant that "German forces are destined to protect not their homeland but foreign troops." **Dr. Adenauer** later said that he had urgently telephoned General Gruenther and had established that the General had said something very different, namely, that the Allied air forces urgently needed strengthening, that their land forces were not yet strong enough to act as a shield behind which reserves could be mobilized, and that this was one of the reasons why a German contribution was needed. The Chancellor also replied to Social Democratic remarks about a "conflict of conscience" over rearmament, and said: "I also have conflicts of conscience. Do you think that I myself, who cannot be suspected of militarism, did not also suffer in having to introduce these measures. But I came to the conclusion that if a German contribution to defence were not made we fifty million Germans and the eighteen million Germans on the other side of the Iron Curtain would fall into slavery. If there

were war it would take place on our soil. Our men, women, and children would be annihilated and our cities, villages, and countryside turned into a desert as in Korea."

Dr. Becker, for the Free Democrats, strongly denounced the Saar agreement; he described the proposed referendum as "a trick," the political freedoms provided for by it as "scanty," and the term 'European' as "a misuse of words." **Herr Freiboth** (Refugee Party) also objected to the Saar agreement in its present form, especially to the proposed referendum, which, he argued, gave the Saar population no more than the opportunity to say "yes or no" to a "ready-made solution," though he indicated that his party was not unanimous in its rejection of the agreement.

At the end of the debate the *Bundestag* rejected by 236 votes to 153, with three abstentions, a Social Democratic motion demanding that consideration of the Paris agreements should be deferred until immediate negotiations had taken place between the Western Powers and the Soviet Union for the reunification of Germany; it was, however, remarked in the Press that 100 members of the coalition parties did not take part in the vote.

The *Bundestag* then passed the first reading of the Paris agreements and decided, against the votes of the Social Democrats, to pass them on to the appropriate committees for further study. It also referred to the committees two Social Democratic motions, (*a*) one to request the Government to establish more clearly the political liberties in the Saar under the Franco-German agreement, and to notify the French Government that any attempt to subject political parties and the Press to any political restrictions would be regarded as contravening the statute of the Council of Europe and the European Convention on Human Rights; (*b*) the other describing the peaceful reunification of Germany as the foremost task of German policy, and demanding early four-Power negotiations with the aim of holding free elections throughout Germany. The Social Democrats had proposed that these resolutions be adopted right away, and the decision to pass them on to the *Bundestag* committees was taken against their votes, and, in the case of the resolution on the Saar agreement, also against the votes of a number of Free Democrats led by Dr. Dehler.

Herr Ollenhauer's Letter to Dr. Adenauer. - The German Manifesto. - Trade Union Appeal.

A grave warning against the immediate ratification of the Paris agreements was sent by Herr Ollenhauer to Dr. Adenauer on Jan. 24, following the Soviet declaration on Germany issued on Jan. 15 in which the Soviet Government expressed its readiness to "normalize" its relations with the German Federal Republic on condition that the Paris agreements were not ratified (see 14027 A). Herr Ollenhauer's letter was worded as follows:

"The German people stand at a decisive point in post-war history. The vote in the Federal legislature on the Paris agreements, the main point of which is the raising of German forces within the framework of West European Union and NATO, is of fateful significance for the future of the whole German people. We are convinced that the acceptance of these agreements will lead to an ominous hardening of the division of Germany. The Federal Parliament, on the other hand, has repeatedly declared unanimously that the restoration of German unity is the most urgent task of German policy. The restoration of German unity is only possible through negotiations between the four occupation Powers.

The attitude of the Soviet Union makes it clear that after the ratification it will no longer be possible to negotiate on German unity. This means that the Federal Republic and the so-called 'German Democratic Republic' will exist side by side, against the will of the German people. At the same time tension between East and West will be sharpened, and this will bear most heavily on the whole German people on this side and the other side of the Iron Curtain.

Wide sections of the German people believe that this situation makes it imperative that the Federal Republic should make every possible effort to prevent such a development, for the sake of the unity, liberty, and peace of our people . . . The German problem cannot be solved by the Government of the Federal Republic alone. Nor can it be solved by means of negotiations between the Federal Republic and Pankow [the East German Govermnent]. German unity will not come as the result of promises made either by the West alone, or the East alone It can only be brought about if the Powers in the West and in the East agree on unity in liberty, and take without delay all practical measures to put this unification into effect . .

The Social Democratic Party is convinced that all possibilities have not yet been exhausted to make a serious attempt to restore German unity in liberty through four-Power negotiations before the Paris agreements have been ratified. The declaration made by the Soviet Government on Jan. 15, 1955, contains proposals about the elections to be held in all four zones of Germany and in Berlin which makes the prospects for negotiations on this point more hopeful than during the Berlin Conference. In addition, the Soviet Union agreed in its declaration for the first time to international control of the elections. . . . Whether the Soviet Union will stand by this offer, and whether agreement can be reached with the Soviet Union on an electoral law which would be free in our sense, cannot be judged in advance, but can only be clarified in the course of negotiations. The Soviet Union must now be taken at its word. In 1952 we failed to test the seriousness of the offer made by the Soviet Union. We could not answer for it to the German people if we committed the same sin of omission today

For this reason the Social Democratic Party of Germany addresses to you, Mr Chancellor, the urgent request to take the following steps immediately ·

(1) To request the Governments of the U S.A., Great Britain, and France to negotiate with the Government of the Soviet Union on the proposals made in the declaration of the Soviet Government of Jan. 15, 1955.

(2) To couple this request to the Governments with the wish that such negotiations should be begun before the ratification of the Paris agreements

If this attempt is successful, then the 18 million Germans now waiting behind the Iron Curtain will also be able to live as men in freedom and lawfulness A great part of the worry about the freedom and peace of the world would be lifted from us, and not only from the German people

You know as well as I do that millions of our people are watching with growing uneasiness the continuation of the division of Germany The German people will never accept this division. Millions of people are filled with horror at the prospect that rearmament will deepen personal conflicts of conscience and political divisions inside the Federal Republic. I believe that it is impossible for the Federal Republic to enter on the path of rearmament at a time when such deep divisions exist amongst our people. The defence and the security of a country must be based upon a community of will of the people This can only be achieved if at this critical hour we give priority to a serious attempt to restore the unity of our nation."

Dr. Adenauer replied to Herr Ollenhauer's letter on Jan. 29. In his reply he disclosed that the pledge of the Western Allies to work for the reunification of Germany was conditional on the ratification of the Paris agreements. He warned Herr Ollenhauer that if, in spite of this conditional pledge, the West German Government were to insist on negotiations it would be met with a categorical refusal. Such a *démarche*, the Chancellor added, would probably mean the end of the Paris agreements as well as the voiding of the commitment of the Western Allies to work for the reunification of Germany.

Dr. Adenauer said that there was nothing fundamentally new in the latest proposals of the Soviet Government to negotiate the reunification of Germany, and that the Soviet Government had undertaken no commitments towards the German people such as had been undertaken by the Western Powers. He affirmed that by working in co-operation with the Western Powers "we shall convince the Soviet leaders of our peaceful and constructive intentions so that the Soviet Union will be ready to negotiate after the ratification of the Paris agreements"

On the same date (Jan. 29) a "German Manifesto" was launched by leading Social Democrats and by representatives of the trade unions, the Protestant and Roman Catholic churches, the universities, and youth organizations, at a meeting at the Paulskirche (St. Paul's Church) in Frankfurt—a place heavy with historical associations for Germans as the seat of the abortive German National Assembly of 1848. The meeting, which was attended by about 1,000 people, was addressed by, among others, Professor Alfred Weber (the eminent sociologist and historian), Herr Ollenhauer, Herr Georg Reuter (deputy chairman of the German Trade Union Federation), and Dr. Heinemann (the former Federal Minister of the Interior and a leading advocate of a "neutralist" policy).

The "German Manifesto," which was adopted by the meeting, called upon all Germans for "firm resistance to the tendencies to a final division of our nation which are showing themselves ever more strongly." It said that "the formation of German armed forces in the Federal Republic and in the Soviet zone must extinguish the chances of reunification for an indefinite period and increase the tension between East and West," and gave a warning of the "immeasurable responsibility" of those who failed to see the danger that the ratification of the Paris treaties would close the door to German unity "We appeal to the *Bundestag* and to the Federal Government," the Manifesto concluded, "to make every possible effort in order that the four occupying Powers shall heed the will of our nation for unity An understanding on a four-Power agreement for reunification must take precedence over the formation of military blocs. Conditions acceptable to Germany and to her neighbours can and must be found, to assure through the unification of Germany that the nations of Europe can live peacefully together. The German people has a right to its reunification."

The meeting was followed by an intense campaign initiated by the Social Democratic Party to collect signatures in support of the manifesto, and during February the Social Democrats claimed to have obtained a large number of signatures in many towns and cities. In reply to this campaign, however, Dr. Adenauer held a number of public meetings in Frankfurt, Hanover, Hamburg, and other cities, at which he defended the Government's policy on the Paris agreements.

A similar appeal for a postponement of the ratification, until conditions of German reunification had been clarified by four-Power negotiations, was made by the national executive and the national committee of the German Trade Union Federation on Feb. 17, but was rejected by the Federal Government on Feb. 19. The Government's statement charged the trade unions with violating their duty of party neutrality, accused them of trespassing on the rights of Parliament, and denied that the Federation spoke for its entire membership in this question.

Bundestag Committee Decisions.

The foreign affairs committee of the *Bundestag* approved the Paris agreements on West Germany's entry into NATO and the Western European Union on Feb. 17 by 20 votes to 9 (Social Democrats). On the same day it approved the Franco-German Saar agreement by 16 votes to 13 (9 Social Democrats, 3 Free Democrats, and one deputy of the Refugee Party).

In its report the committee mentioned two proposals made by the European security committee of the *Bundestag* for changes in the NATO system of command, viz, (1) that the Federal Republic should be given a seat on the standing group of the NATO (at present consisting of representatives of Britain, France, and the U S A), "in view of the peculiarity of her obligations for the defence of the West", (2) that the European commands of NATO should be rearranged so that the whole of the Federal Republic came within one command instead of being divided as at present between the Central European and the Northern European commands.

Earlier, on Jan. 26, the legal committee of the *Bundestag* had also approved all the four agreements, that on the Saar by 15 votes (Christian Democrats) to 12 (9 Socialists and three Free Democrats), with the two members of the Refugee Party and the German Party abstaining. The economic committee had approved the agreements on Feb. 9 by 21 votes to 10, and by the same majority had passed a resolution declaring that rearmament could be carried out without damage to the German economy.

Second and Third Readings in Bundestag.

The second reading debate lasted from Feb. 24 until the early hours of Feb. 27, and later on Feb. 27 (a Sunday) the *Bundestag* completed the third reading, the voting in the two debates being as follows:

	Second reading		Third reading	
(1) Protocol on ending of occupation regime ..	For	327	For	324
	Against	151	Against	151
(2) Convention on stationing of foreign forces on German territory ..	For	323	For	321
	Against	151	Against	153
	Abstentions	4		
(3) Admission of the Federal Republic to W.E.U. and NATO .	For	315	For	314
	Against	153	Against	157
	Abstentions	9	Abstentions	2
(4) Saar agreement ..	For	264	For	264
	Against	204	Against	201
	Abstentions	9	Abstentions	9

Of the deputies from Berlin (who have no substantive vote), 11 voted for the first three Bills in the second reading, and 11 against them, whilst in the third reading 10 each voted for and against As regards the Saar agreement, the Berlin deputies cast in the second reading six votes for and 14 against, with two abstentions, and in the third reading five votes for and 13 against, with two abstentions

Of the Christian Democrats (including the Christian Social Union), most deputies voted in favour of all four Bills, though on the Saar agreement Herr Jakob Kaiser, the Federal Minister for All-German Affairs, and three other deputies abstained, two voted against, and one did not take part in the division.

The Free Democrats in general voted in favour of the first three Bills, but against the Saar agreement, Dr Blucher, the Vice-Chancellor, and six other deputies voted for it, however, and Dr Preusker and Dr Schäfer abstained

The Refugee Party voted for the first three Bills, except for one vote against and two abstentions on Germany's entry into W E U and NATO, but on the Saar agreement most voted against and only 11 for, the latter included Professor Oberländer and Herr Kraft.

Of the German Party, most deputies accepted all four Bills, although one voted against the Saar agreement in the second and third readings, whilst two did not take part in the divisions

The Social Democrats voted *in toto* against all four Bills at both second and third readings

In the voting on the Saar agreement there was thus a split in the Federal Government. Of the four Ministers representing the Free Democrats, Dr. Blucher supported the agreement in both readings; Dr. Neumayer voted against it on the second reading and was absent for official reasons on the third reading; and Dr. Preusker and Dr. Schäfer both abstained on the second and third readings. As mentioned above, Herr Kaiser (Christian Democrat) also abstained in both divisions.

Together with the ratification Bills the *Bundestag* also passed, by large majorities, three declaratory resolutions.

The first resolution stated that "to safeguard and achieve by peaceful means the unity of Germany as a State and her freedom remains the foremost task of German policy", recalled the undertakings of the Western Powers to pursue Germany's reunification; welcomed the resolution of the Council of Europe describing Germany's reunification as one of the most pressing problems of European security; and expressed the hope that the four Powers would make every effort to bring about this reunification. The resolution also expressed the view that "there can be no peaceful co-existence in the world as long as artificially split countries and nations are not reunited," and demanded early four-Power negotiations with the aim of electing an all-German Parliament, adoption of an all-German Constitution, and the formation of an all-German Government under international protection. Finally, it requested the earliest possible conclusion of a peace treaty and the setting-up of a standing commission consisting of a representative of each of the three Western Powers and of the Federal Government, "to discuss and consider all opportunities which offer themselves for the peaceful reunification of Germany, and to work out proposals in order to prepare negotiations with the prospect of success"

The second resolution stated that in the view of the *Bundestag* the Saar agreement did not affect the status of the Saar as a part of Germany within her 1937 frontiers, or of its population as a part of the German nation. It urged that, as envisaged in Art VI of the Saar agreement, full freedom of expression of political opinion should be established in the Saar, together with the unhindered political activity of individuals, parties, associations, and the Press, and that the provisions of the European Convention for the Protection of Human Rights and Basic Liberties should be applied in the Saar as binding principles.

The third resolution expressed the "deep disappointment" of the *Bundestag* that the provisions of the Bonn conventions of 1952 concerning former German property abroad had been taken over unchanged in the new treaties. It voiced the "expectation" that free bilateral negotiations would soon be started with the former Allied countries on the return of German property as far as it had not been liquidated, that there would be no further liquidation of such property abroad, that pre-war German patents and copyrights would be restored, and that former diplomatic and consular property of the Reich still held by other countries would be returned.

The second reading debate, which began with the rejection of a Social Democratic motion to remove the Bills from the agenda, was again marked by bitter Social Democratic opposition to all the agreements and by heated exchanges between the Free Democrats and the Chancellor over the Saar agreement.

Dr. Mommer, the Social Democratic spokesman, called the Saar agreement "opportunist" and its provisions for freedom "illusory." He asserted that the Baden-Baden talks between Dr Adenauer and M Mendes-France (see 14000 A) had not brought about a clarification of the differences in the German and French interpretations, i e., between the German view that the agreement should form the basis for a return of the Saar to Germany, and the French view that the proposed Saar statute was irrevocable. His party would therefore only agree to ratification of the Saar agreement if the *Bundestag* accepted an amendment providing for a contractual guarantee of complete freedom of expression and political activities in the Saar both before and after the plebiscite.

In reply, **Dr. Adenauer** denied that the agreement tended to put the separation of the Saar from Germany on a permanent basis; recalled that the French, at the talks in Paris last October, had demanded German agreement to a definitive settlement in the Saar, but that he had refused this, and maintained that the conditions which had eventually been incorporated in the agreement had been approved by the representatives of the parliamentary parties whom he had asked to come to Paris for consultation, including Dr. Mommer himself (This, however, was strongly denied by the Social Democrats) Dr Adenauer went on to say that in 1947 the U.S.A. and Britain had promised France that they would support her claim to the Saar when a peace treaty came to be negotiated One thing gained by the new Saar statute, however, was that, when it entered into force, those British and U.S. declarations would be regarded as disposed of and would fall to the ground

In conclusion the Chancellor emphasized that both the German and the French delegates at the Baden-Baden talks had been in full agreement on the fact that there should be complete freedom of expression and political activities both before the plebiscite and in the subsequent elections, and that this had formed the basis for the arrangements mentioned in the official communiqué, according to which the Saar Commissioner would be entrusted with the application of Art. VI of the Saar statute and would make his decisions in the spirit of the Convention for Human Rights and Basic Liberties.

The principal spokesman of the Free Democrats, **Dr. Becker,** repudiated the accusation levelled against his party that they were splitting the Government coalition by opposing the Saar agreement, and retorted that the split was being caused by those who had deserted the original coalition policy on the Saar—Dr. Adenauer and the Christian Democrats After criticizing various provisions of the Saar statute, Dr Becker maintained that it meant a separation of the Saar from Germany, accused Dr. Adenauer of abandoning German territory and German people, and gave a warning that the Saar agreement would mean years of continuing discord between Germany and France and would poison rather than solidify Franco-German relations. Declaring that the Free Democrats recognized that the war had been lost, he concluded "We are ready to pay for that in money and goods, but not in territory and citizens"

Dr. Adenauer immediately intervened expressing his "deep regret" at Dr. Becker's "nationalistic" speech and denouncing it as "the worst possible service that could have been rendered to German interests," speeches like Dr. Becker's, he added, were precisely the thing that would make it impossible ever to consolidate friendship between the French and the Germans. The Chancellor denied that he had abandoned his earlier policy on the Saar, and deprecated a remark by Dr Becker that the Saarlanders had no right under the proposed statute to vote in the plebiscite on whether they wanted to return to Germany, join France, or remain independent. That, Dr. Adenauer declared, had been done deliberately because it was most important to leave any territorial settlement to the peace treaty; otherwise the Russians might take advantage of this and say that if Germany now agreed to a final settlement concerning the Saar such a permanent settlement should also apply to the territories in the East taken over by Poland and the Soviet Union. He [the Chancellor] regretted the position that had arisen in the Saar at least as much as any other deputy, but nobody could deal with it merely by saying "if it is not done in my way I will not continue to play" The German desire was to see both M. Grandval [the French Ambassador] and Herr Hoffmann [the Saar Premier] removed from power, but it was necessary in this respect to trust the Saarlanders, who were Germans, to make use of their freedom, and mere nationalist speeches would produce no settlement

Professor Carlo Schmid (Social Democrat) interrupted the Chancellor to ask whether his earlier statement—that the U.S.A. and Britain were prepared to give up their support for the French claim on the Saar at the peace treaty negotiations—rested on firm assurances, or whether it was merely a deduction of the Chancellor's own **Dr. Adenauer** replied that it was an intimation he had received from a competent quarter; he had no documents setting it out, nor, when an intimation came from such a quarter, did he deem it proper to ask for it in writing.

Herr Erler (Social Democrat) declared that in the age of the hydrogen bomb it was no longer a question of organizing defence, but of preventing war altogether, and that it was wrong to start world disarmament by beginning to rearm the Federal Republic. He thought that the balance of power would remain unchanged, no matter whether the German military potential was being divided between the two Power blocs or whether it belonged to none of the blocs, and said that the only possible policy for a reunited Germany was to keep out of one-sided military alliances altogether. Germany's reunification was dependent on a relaxation of the present tension between the Great Powers, but it could only be achieved if a unified Germany became "neither a Soviet satellite nor an American training ground" Replying to Herr Erler, **Dr. Adenauer** declared that the Federal Government could work much more effectively for world disarmament after the Federal Republic had regained her sovereignty, and also reiterated that unless Western Germany was a member of NATO she would become a battlefield in the event of war.

During the third reading debate **Herr Ollenhauer** announced that the Opposition would refuse to co-operate with the Chancellor in his foreign policy even after the agreements were ratified. The debate also brought about a heated reply by **Dr. Dehler,** the leader of the Free Democrats, to Dr. Adenauer's intervention after Dr. Becker's speech during the second reading debate. Attacking Dr. Adenauer for his reproof of Dr. Becker, Dr. Dehler declared. "If a member is not to be allowed to express his honest convictions I will take no further part in politics. Rarely have a man and a cause been treated so unjustly as Dr. Becker in the cause of the German Saar. It almost appears that the United States insists on the view that Dr. Adenauer is the only paladin of democracy among the German people, and that when he is gone only a crowd of uncontrolled nationalists will remain This is not a basis for common work in the coalition." On the Saar agreement itself Dr Dehler reiterated that it amounted to the giving up of the Saar by Germany; that France had manoeuvred Germany into a corner; and that the proposed plebiscite was "a farce" which would never bring the Saar back to Germany.

Bundesrat Approval and Enactment.

The *Bundesrat* approved the Bill to restore German sovereignty on March 18. It also decided without a formal vote to accept the two Bills concerning the entry of Western Germany into W.E.U. and NATO, and the convention on the stationing of Allied troops on Federal territory, and rejected a proposal to hand the Bill on the Saar agreement over to the mediating committee of the two Houses of Parliament.

Herr Kaisen, President of the Bremen Senate, recommended in his capacity as *rapporteur* of the foreign affairs committee that both Bills be approved, though he mentioned "serious anxiety and doubts" felt about the Saar agreement. The case for the Opposition was put by **Dr. Zinn,** the Chief Minister of Hesse, who, proposing rejection of the Bills, expressed the view that the publication of the Yalta documents in the U.S.A. had shown that the Western Powers as well as the Soviet Union favoured the division of Germany, and declared: "We have the oppressive feeling that the aim of Yalta will now be realized." As regards the Saar agreement, he proposed handing this over to the mediating committee of the two Houses.

In the final voting, seven *Lander* (North Rhine-Westphalia, Bavaria, Baden-Wurttemberg, Schleswig-Holstein, Rhineland-Palatinate, Hamburg and Bremen) with a total of 29 votes were in favour of the Bill restoring sovereignty, against Lower Saxony and Hesse with nine.

The proposal to make over the Saar agreement to the mediating committee was opposed by five *Länder* (North Rhine-Westphalia, Baden-Wurttemberg, Schleswig-Holstein, Rhineland-Palatinate, and Hamburg) with 21 votes and supported by four (Lower Saxony, Bavaria, Hesse, and Bremen) with 17 votes, and was thus rejected.

Three declaratory resolutions similar to those approved by the *Bundestag* were also adopted.

The first one appealed for negotiations on the return of pre-war German assets abroad, whilst the second one looked forward to early four-Power negotiations on the reunification of Germany The third resolution referred to the Saar agreement in terms similar to the *Bundestag* resolution. It added, however, a demand that the people of the Saar should retain the right to support the return of the Saar to Germany at the peace treaty negotiations, and should not be subjected to further "police State methods"; that all parties in the Saar should be allowed a fair share of Press and radio facilities; and that the Saar taxpayers' money should not be used for political propaganda

Dr. Adenauer, who attended the debate of the *Bundesrat*, afterwards expressed his satisfaction over the conclusion of the parliamentary proceedings, and declared that Germany's approval of the Paris agreements had "laid the ghosts of Yalta and Potsdam."

Earlier, on March 9, the Social Democrats had announced that they would file a petition with the Federal Constitutional Court to challenge the validity of the Franco-German agreement on the Saar. Their petition was sent to the Court on March 18 immediately after the approval of the agreements by the *Bundesrat.*

President Heuss nevertheless signed the legislation ratifying all the agreements on March 24.

In view of his support for the Saar agreement, contrary to the official decision of his party to oppose it, Dr. Blucher submitted his resignation from the Government to Dr. Adenauer on Feb. 28, whilst the Free Democrat's attitude in this matter, and the bitter attacks made by Dr. Dehler on the Chancellor during the closing stages of the debate, caused a crisis within the Government coalition. However, at a meeting of the parliamentary party and the national executive of the Free Democrats on March 8-9 it was decided that the party should stay in the coalition, though Dr. Dehler's strong stand against the Saar agreement was fully approved. After talks on March 21, first with Dr. Dehler, and then with Dr. Blucher, Dr. Adenauer, who had earlier intimated that he was not prepared to drop Dr. Blucher from the Cabinet, informed him officially on April 4 that he had decided not to accept his resignation.—(Frankfurter Allgemeine Zeitung - Frankfurter Rundschau - Der Tagesspiegel, Berlin - Welt der Arbeit, Cologne) **(Prev. rep. 13861 A; 13869 A; 14126 C; 14027 A; 14000 A.)**

A. NORTH VIETNAM - INDIA - BURMA. — M. Pham Van-Dong's Visits to India and Burma.

M. Pham Van-Dong, Deputy Premier and Foreign Minister of North Vietnam, visited Delhi from April 8-11 before attending the Asian-African conference at Bandung, and had a series of talks with the Indian Prime Minister, Mr. Nehru.

A joint communiqué issued on April 10 expressed the firm resolve of the two Governments to respect and seek to implement the Geneva agreements; stated that they were agreed on the importance of free elections and the achievement of the unity of Vietnam; and reaffirmed their belief that "good neighbourly relations and respect and tolerance for one another between Vietnam, Cambodia, and Laos, in accordance with the principles of the Geneva agreements and *Panch Shila* (i.e the five principles of peaceful co-existence already subscribed to by India, Communist China, Burma, North Vietnam, and Yugoslavia) would serve to promote a political settlement in Indo-China and further the cause of peace in South-East Asia."

After leaving Delhi M. Pham Van-Dong visited Rangoon for talks with the Burmese Premier, U Nu. A communiqué issued on April 13 stated that they were agreed that more efforts should be made to promote the "five principles," and reaffirmed their support for the Geneva agreements.—(Indian High Commissioner's Office, London) **(14037 A; 13890 A.)**

B. YUGOSLAVIA. — New Members of Federal Executive Council. - New Chief of Staff of Armed Forces.

The Yugoslav National Assembly elected on April 24 three new members of the Federal Executive Council, viz., Colonel-General Peko Dapcevich (Chief of Staff), M. Milentije Popovich (chairman of the Assembly's economic committee) and M. Velimir Stojnich (Secretary of the Assembly).

On May 3 it was announced that President Tito had appointed Lieut.-General Ljubo Vuckovich, deputy Chief of Staff of the Armed Forces, to succeed Colonel-General Dapcevich as Chief of Staff.—(Tanjug Agency, Belgrade) **(12813 A; 12987 C.)**

A. UNITED STATES. — President Eisenhower's Message to Congress on Foreign Aid, 1955-56. - Proposed Asian Economic Development Fund. - Creation of International Co-operation Administration.

President Eisenhower sent to Congress on April 20 his foreign aid message for the year July 1955 - June 1956, in which he recommended allocations totalling $3,530,000,000, the bulk of which would be for Asian countries. The proposed division of the allocations was as follows :

Economic aid	$712,500,000*
Contingency fund	100,000,000
Defence support (especially Asia) ..	1,000,300,000
Military assistance	1,717,200,000†

* Comprising $200,000,000 for the establishment of a President's Fund for Asian Economic Development (see below); $175,500,000 for special programmes; $172 000,000 for technical assistance programmes; and $165,000,000 for development assistance † Including $500,000,000 to cover expected losses on present military assistance programmes.

In his message the President said that he considered the programme to be an indispensable part of a realistic and enlightened national policy. "The programme," he stated, "reflects the greatly improved conditions in Europe and provides for the critical needs of Asia. It encourages private overseas investment and private enterprise abroad, fosters an increase in co-operative effort, emphasizes loans rather than grants." Extracts from the message are given below.

Aid to Europe. No economic aid was proposed for the original Marshall Plan countries in Western Europe, the President said, as these countries were capable of meeting current defence targets without such support. In Spain and Yugoslavia, however, defence programmes could be successful only if their economic base was further strengthened, and new appropriations were needed to continue U.S. co-operation with them. The special circumstances of Berlin also required continued support.

Aid to Asia.- Proposed Economic Development Fund. The immediate threats to world security and stability were now centred in Asia, and the major part of the funds now requested would be used to meet the threat there. Now was the time, the message said, for accelerated development of the nations along "the vast arc of free Asia, which extends from the Republic of Korea and Japan to the Middle East" The major responsibility for this development must necessarily lie with the countries themselves and foreign capital and foreign aid could at best only launch or stimulate the process of creating dynamic economies. "In this light," the President declared, "the United States has the capacity, the desire, the concern to take the lead in friendly help for free Asia." It was clear that most of the nations of free Asia preferred to quicken their co-operative march towards these objectives through the Colombo Plan; the U S.A. welcomed this initiative, and as a member of the Colombo Plan would continue to work in strengthening its co-operative efforts

Announcing the proposed establishment of a President's Fund for Asian Economic Development, President Eisenhower suggested that "the maximum return" could be achieved if $200,000,000 were set aside for it, "with broad rules enacted by Congress for its use through loans and grants, and with adequate latitude to meet changing circumstances and to take advantage of constructive opportunities" "To help assure the most effective use of these funds," he added, "this appropriation should be available for use over a period of years. Wisdom and economy in their use cannot be achieved through speed. A small, firm, annual commitment may prove in many instances to be the most fruitful method"

With regard to military aid the President said that because of the continuing threat of aggression and subversion in Asia, a large part of the amounts requested under this heading was for building and maintaining the defences of America's allies there, including the "substantial costs" of maintaining and improving the defences of the Chinese Nationalist Government on Formosa, and the provision of military equipment and supplies for Korea

Middle East and Africa. The continuing tension between the Arab States and Israel handicapped all the countries in the Middle East. The U S A. should continue to work with the Governments and peoples of both sides to improve their economic status and accelerate their progress towards lasting peace between them. U.S co-operation was beginning to bring results, particularly in the development of water resources

In Africa the long-range effect of U.S. co-operation was "extremely significant" The continent and its resources, the progress of its people, and their relationship to the free world were of growing importance

Latin America. The U S technical aid programme in this area should be intensified The programmes had proved their high value in many of the republics, and no international programmes had ever had such widespread welcome and support

Co-operation with U.N. Agencies. The U S programmes were not in any manner a substitute for U.N. action in similar fields "Every instance of effective measures taken through the U N. on a human problem," the President declared, "improves the ultimate prospect of peace in the world. Therefore I strongly recommend that the U N Technical Assistance Programme .. be supported in a continuing and adequate manner The U.N Children's Fund has carried out an especially appealing and significant work. We have done our full share to make this work possible. We should continue to do so."

Surplus Agricultural Products. The President explained that, based on the past two years' experience, three-quarters of the appropriations requested would be immediately spent within the U.S A for commodities, services, machinery, and other items As far as feasible, the commodities would include food, cotton, coal, and other goods "for which our capacity or surplus supply most readily matches requirements." Some $350,000,000 of agricultural products were expected to be used in 1955-56, and this included "a significant export" of major surplus crops Shipments under the Mutual Security programme would be in addition to, but co-ordinated with, sales of surplus agricultural commodities for foreign currencies under the Agricultural Trade Development and Assistance Act.

Further details of the division of U.S. aid were given on May 3 by Senator Lyndon Johnson (Democrat), majority leader in the Senate, after a conference at the White House.

The largest allocations would be to South Korea ($460,000,000) and Vietnam ($425,000,000), in both cases almost exclusively for military assistance. Including economic aid, the figures mentioned for other Asian countries were : Nationalist China ($102,000,000), Pakistan ($92,000,000), India ($85,000,000), Siam ($45,500,000), the Philippines ($28,500,000) Indonesia ($8,000,000), Afghanistan ($2,000,000), Japan ($1,000,000). Aid to the Near East and Africa included $70,000,000 to Turkey, $45,000,000 to Persia, and $15,000,000 to Greece.

On April 16 the President had announced, in a letter to the Secretary of State, Mr. Dulles, that he intended to issue an Executive Order, effective from June 30, transferring the functions of the Foreign Operations Administration to a new semi-autonomous organization within the State Department, to be called the International Co-operation Administration. It was announced from the White House on April 30 that Mr. John Hollister, a lawyer from Cincinnatti, would be nominated by the President on July 1 as head of the I.C.A.—(New York Times - New York Herald Tribune) **(Prev. rep. 13786 B.)**

B. LITERATURE.—Book Selections, March and April.

Selected books published in Great Britain, the United States and France during March and April are given below :

Great Britain. Bacchelli, Riccardo—"Nothing New under the Sun." (The final volume of *The Mill on the Po.*) Translated from the Italian (Hutchinson, 15s)

Bowen, Elizabeth—"A World of Love." (Cape, 10s 6d.)

Brown, R. Douglas—"The Battle of Crichel Down" (Bodley Head, 12s. 6d)

"Called Up." The Personal Experiences of 16 National Servicemen told by themselves. (Allan Wingate, 10s. 6d.)

Chapman, Guy—"The Dreyfus Case : A Reassessment." (Rupert Hart-Davies, 25s)

Graves, Robert—"The Greek Myths" (Penguin Books, two volumes, 3s 6d. each)

Greave, Peter—"The Second Miracle : The True Story of a Leper." (Chatto & Windus, 12s. 6d.)

Kuhn, Herbert—"On the Track of Prehistoric Man" Translated from the German. (Hutchinson, 21s)

Macmillan, Gerald—"Honours for Sale : The Strange Case of Maundy Gregory." (Richards Press, 16s.)

Pear, T. H.—"English Social Differences." (Allen & Unwin, 18s.)

Phillips, Wendell—"Qataban and Sheba. Exploring Ancient Kingdoms on the Biblical Spice Routes of Arabia." (Victor Gollancz, 21s)

Sillitoe, Sir Percy—"Cloak without Dagger." The Memoirs of the former Director-General of M.I 5. (Cassell, 15s.)

Verney, John—"Going to the Wars." (Collins, 12s. 6d.)

United States. Bishop, Jim—"The Day Lincoln was Shot." (Harper, New York, $3.75)

Hallinan, Nancy—"Rough Winds of May." (Harper, New York, $3.95.)

Irvine, William—"Apes, Angels, and Victorians" (McGraw-Hill, New York, $5.00)

Lippmann, Walter—"The Public Philosophy." (Little, Brown & Co , Boston, $3 50.)

Taylor, Telford—"Grand Inquest . The Story of Congressional Investigations." (Simon & Schuster, New York, $4.50.)

France. Gascar, Pierre—"Les femmes." (N.R.F., Paris, 450 francs)

Perruchot, Henri—"La vie de Van Gogh." (Hachette, Paris, 900 francs.)

(Ed. K.C.A) **(Prev. rep. Book Selections, 14076 A.)**

C. SOVIET UNION. — New Ministries.

A new Ministry for the General Machinery Industry was set up by the Soviet Government on April 2 under M. Peter Goremykin, who was Minister of Agricultural Machinery until March 1951, when he was dismissed. A further new Ministry, that for Construction in the Coalmining Industry, was created on April 6 under M. Melnikov, former Soviet Ambassador in Rumania. Earlier, on March 30, it had been announced that M. K. M. Sokolov, chairman of the State Committee for Building, had been relieved of his post and been succeeded by M. V. A. Kucherenko, his deputy ; M. Sokolov had been head of Soviet building operations since 1949.—(Le Monde, Paris - Neue Zurcher Zeitung) **(Prev. rep. 14108 D.)**

A. UNITED KINGDOM. — Labour Party. - Withdrawal of Parliamentary Whip from Mr. Aneurin Bevan. - Subsequent Restoration.

Mr. Aneurin Bevan, a member of the former Labour Government, was deprived of his membership of the Parliamentary Labour Party on March 16 because of his recent attitude towards the party leaders and party decisions. Following assurances from Mr. Bevan regarding his future conduct, however, the National Executive Committee of the Labour Party, while expressing the opinion that the Parliamentary Party was "fully justified" in deciding to withhold the Labour whip from Mr. Bevan, decided on March 30 not to expel him from the Labour Party as a whole.

Since Mr Bevan's resignation from the Labour Government on April 22, 1951, disputes between him and the official leadership of the Parliamentary Labour Party had occurred on several occasions A number of these disputes had been caused by what were considered to be unwarranted attacks—in the Bevanite weekly *Tribune* and elsewhere—on certain Labour and trade union leaders, whilst matters of defence had been the other main cause of friction After the debate on the Government's Defence White Paper on March 5, 1952, Mr Bevan and over 50 other Labour M P.s had voted against the Government motion approving the White Paper, despite an Opposition three-line whip to the contrary, for many months before his resignation from the committee of the Parliamentary Labour Party (the "Shadow Cabinet") in 1954 Mr. Bevan had differed from the majority of the committee on the subject of German rearmament, and when he eventually resigned from the committee on April 14, 1954, he gave as one of his reasons the fact that he was "deeply shocked" at the failure of the Labour leaders to repudiate immediately Mr. Eden's acceptance of Mr. Dulles's proposals for a "Pacific NATO"

The most recent conflict of opinion became apparent when Mr. Bevan and 113 other Labour members (among them Mr Strachey, Mr Michael Stewart, and Mr George Strauss) put down a motion deploring the Government's decision not to take part in talks with the Soviet Union until the London and Paris agreements had been ratified. Thereupon the Parliamentary Labour Party, by 132 votes to 72, passed a resolution on Feb 24, 1955, "regretting" this action which, it said, was "in defiance of party decisions" taken on Feb. 10.

This was followed by the incidents during the defence debate in the House of Commons on March 1-2 when Mr Bevan questioned Mr. Attlee on the Opposition leaders' attitude towards the use of thermo-nuclear weapons, and eventually abstained from voting on the official Labour amendment, together with 61 other Labour members (see 14093 A) The political correspondent of *The Times* subsequently commented on the incident as follows "Opposition members generally regarded this questioning of Mr Attlee as to what the Opposition meant by their amendment as a humiliating public affront to the Leader of the Opposition It was thought to be the more unjustified in that Mr. Bevan had not attended the party meeting at which the draft of the Opposition amendment was discussed and agreed upon."

On March 7 the Labour "Shadow Cabinet" decided to recommend to the Parliamentary Labour Party that, because of Mr. Bevan's conduct in challenging the party leaders, the Labour whip should be withdrawn from him. This decision gave rise to a sharp controversy within the Labour and trade union movements.

The reasons for the "Shadow Cabinet's" decision were publicly explained by Mr. Gaitskell, the party treasurer, and by Mr. Shinwell, another of its members.

Mr. Gaitskell, speaking at Doncaster, said on March 13 · "We shall not be concerned at that meeting [of the Parliamentary Labour Party] with questions of policy We shall be concerned with the standards of loyalty to be expected from ourselves—the Labour members of Parliament—to party decisions, to the leader of the party, and to one another . . . In the House of Commons Mr. Attlee was subjected to a hostile interrogation in language which might have come from the leader of another party rather than from one of his own loyal supporters. There was even an implied threat that if his answers were unsatisfactory another lead would have to be provided. I do not see how this sort of thing can possibly be regarded as anything else but a direct challenge to the elected leader of our party and therefore an affront to the party itself which elected him."

Mr. Shinwell said on March 12: "Anybody can say anything he likes about policy, but persistent flouting of majority decisions and repeated challenges to the leadership can no longer be tolerated. It does not suit our democratic parliamentary system to have an Opposition torn asunder by internal strife. This has got to stop, and those of us who have worked long and hard to further the Labour policy are determined to stop it,even if it means shedding some people who seem to think they are more important than the party itself."

Support for the "Shadow Cabinet's" proposal was expressed by, among others, the National Union of General and Municipal Workers (one of the largest unions) and the Clerical and Administrative Workers' Union which, in a statement issued on March 13, deplored "actions which denigrate the Labour Party's leadership," emphasized "the need for unity," and asserted that the proposed withdrawal of the whip from Mr. Bevan "was inevitable in order to protect the authority of the party and its leadership and to regain its prospects"

Strong opposition, on the other hand, to any possible expulsion of Mr. Bevan from the Parliamentary Labour Party was expressed by many constituency Labour parties, among which Mr. Bevan has a considerable following, as well as by a number of M.P.s, some of whom are not generally regarded as being among his closest supporters.

A resolution of the Huyton constituency party described the proposed action as "malicious, short-sighted, and harmful in the extreme", one from the Hornsey party "begged" the Parliamentary Party "to reject a recommendation which can only lose us the next general election", a resolution from the Rotherham party asserted that "healthy controversy is essential in a virile democratic party", whilst Coventry Borough Labour Party passed a resolution advising its three M P s to vote against the "Shadow Cabinet's" proposal

Among trade unionists who expressed support for Mr. Bevan were delegates representing 20,000 miners in South Wales (the area which includes Mr. Bevan's constituency), and shop stewards representing 10,000 employees at the Hillington industrial estate, Glasgow. Members of Parliament critical of the "Shadow Cabinet's" recommendation included Mr Anthony Greenwood, who said on March 12 "To withdraw the whip from Mr Bevan would be a tragic blunder. The Labour Party is not so powerful that it can throw aside anyone with Mr Bevan's great qualities without seriously weakening itself. . Equally, the party desperately needs Mr. Attlee, with all his great experience and integrity The test of statesmanship—and of comradeship, too—will be whether a real effort is made .. to prevent Labour putting itself out of office for yet another Parliament"

Mr Bevan himself, who had been ill with influenza, issued a statement on March 11, in which he said. ". The Parliamentary Labour Party is the body that is entitled to my first full statement, but in the meantime I wish to make quite clear that what I have said or done is not a challenge to the personal authority and position of Mr Attlee as leader of the party Differences are on policy and only policy"

The meeting of the Parliamentary Labour Party to consider its committee's recommendation met under the chairmanship of Mr. Attlee on March 16, and after lengthy discussion decided by 141 votes to 112 to withhold the whip from Mr. Bevan.

According to press reports, the motion to withdraw the whip was moved by **Mr. Attlee,** who based the case against Mr. Bevan solely on the ground of disloyalty to party leaders and to party decisions, whilst **Mr. Bevan,** speaking in his own defence, reiterated that he had had no intention of challenging the personal authority of Mr. Attlee. As a compromise, **Mr. Fred Lee** moved the following amendment "That this Parliamentary Party deplores and censures Mr. Aneurin Bevan in challenging the authority of its leader in the House of Commons It calls upon the whole British Labour movement to unite behind the leader in a common effort to rid the nation of the present Tory Government" Before the vote was taken on this amendment (which would have avoided Mr Bevan's exclusion from the Parliamentary Party), Mr Attlee confirmed, in reply to a question from Miss Elaine Burton, that if the amendment were carried the whole "Shadow Cabinet" would have to consider its resignation; the amendment was thereupon defeated by 138 votes to 124, and Mr. Attlee's motion carried by 141 votes to 112.

The Parliamentary Party's decision led to further controversy within the Labour movement over Mr. Bevan's future.

Many constituency parties sent resolutions to the National Executive Committee of the Labour Party (which had to consider the Parliamentary Party's decision) urging it not to expel Mr Bevan from the Labour Party as a whole, whilst a number of M P.s, including Mr. Harold Wilson (one of Mr Bevan's closest supporters), Mr. Swingler, Mr Donnelly, and Mrs Jeger, gave warnings that to expel Mr. Bevan altogether would seriously affect the party throughout the country The chairman of the Labour Party (Dr. Edith Summerskill) and the chairman of the T U C. (Mr Geddes) defended the Parliamentary Party's action, Mr Geddes declaring that "when personal conscience interferes with the good of the party, then personal conscience must give way to the party" Of the trade unions themselves, the executives of the Amalgamated Engineering Union and of the National Union of Railwaymen both passed resolutions expressing their opposition to the expulsion of Mr. Bevan from the Labour Party, although the A E U. made it clear that it in no way condoned Mr Bevan's behaviour

The Bevanite weekly, *Tribune* (among whose editors is Miss Jennie Lee, Mr. Bevan's wife), denounced the Parliamentary Party's decision as "one of the most stupid and reckless decisions ever made by an adult political party." It alleged that "for years past a section of the leadership have taken one action after another which imperils the unity and vigour of the party," and concluded "The attempted expulsion of Aneurin Bevan marks the culmination of a Right-wing endeavour to crush the Left within the party. But it also marks not an end, but a beginning Now that the Right-wing aim is so clearly revealed, the revolt against their policies within the movement will be stronger than ever. Both in the constituencies and in the trade unions the fight to achieve a Socialist policy can go forward with a new momentum . "

Independent press comment on the Parliamentary Party's meeting was as follows.

The Times: "The smallness of the majority for withdrawal of the whip came as a jolt to the party leaders. They had confidently expected a majority of 50 or more in favour of the official recommendation. The size of the minority vote was a surprise to everyone."

The Manchester Guardian: "Bevanism has been a perilous distraction for four long years A great deal of the [Labour] Party's present weakness in the country must be laid at the door of the Bevanite disruptionists . . One can understand all the feelings that actuated the large minority . . . It is no small matter to turn out

one who has had such standing in the party Labour instincts are very loyal and tolerant—even if Labour rules and regulations are not. But they should reflect whether the party will not be better without Mr Bevan than with a persistent rebel inside the party, sapping and mining, gibing and defying."

The National Executive Committee of the Labour Party met on March 23 to consider the Parliamentary Party's decision to withdraw the whip from Mr. Bevan and to resolve whether or not to expel him from the Labour Party altogether. It was eventually decided by a majority of only one vote to delay the final decision until a special sub-committee appointed to "interview Mr. Bevan with a view to seeking assurances as to his future conduct as a member of the party" had reported back. Mr. Attlee, who recommended this course rather than expulsion, had had a private meeting with Mr. Bevan at the House of Commons on the previous evening

Press reports stated that, at the National Executive's meeting, a motion to expel Mr. Bevan from the Labour Party had been moved by **Mr. Knight** (National Union of Seamen) and seconded by **Mr. Cooper** (National Union of General and Municipal Workers), but that, after lengthy discussion, **Mr. Attlee** had proposed the amendment suggesting the appointment of a sub-committee to meet Mr Bevan and seek assurances from him regarding his future conduct This amendment was carried by 14 votes to 13, among those who voted against it being Mr. Herbert Morrison (deputy leader of the Parliamentary Party), Mr. Gaitskell, Mr Cooper, Mr. Knight, Mr Davies (Iron and Steel Trades Confederation), and Mr Sam Watson (National Union of Mineworkers); among those who supported Mr Attlee's amendment were Mrs. Barbara Castle, Mr. Richard Crossman, Mr. Driberg, Mr. Anthony Greenwood, Mr James Griffiths, Mr Mikardo, Mr. Harold Wilson, Mr Gooch (National Union of Agricultural Workers), Mr Haworth (Transport Salaried Staffs' Association), Mr Irwin (Electrical Trades Union), and Mr Stafford (National Union of Railwaymen) The chairman of the meeting, Dr Summerskill, known to be one of Mr Bevan's severest critics, did not vote

The sub-committee set up by the National Executive met Mr. Bevan on March 29; it consisted of Mr. Attlee, Mr. James Griffiths, Mrs. Castle, Mr. Gaitskell, Mr. Haworth, Mr Cooper, Mr. Knight, and Dr. Summerskill as chairman. On the previous evening Mr. Bevan and Mr. Attlee had had another short private meeting.

It was reported in the Press that **Mr. Bevan** had read the following statement to the sub-committee "Throughout this controversy it has been stated that no differences of policy are involved. Even if there were, there seems to be no good reason why they should not be resolved within the party, without personal recrimination, and in a way that would leave the essential unity of the party unimpaired In a great party such as ours there must always be argument about how to apply the principles of socialism to a particular situation The essence of democracy in a political party is to enable the argument to proceed while at the same time maintaining the effectiveness of the party in action It is not always easy to achieve this, but we must always strive for it, and I shall do my best to make it possible.

"The charge is that in what I have done, and also in the way I have done it, I have created difficulties for Mr. Attlee and caused him embarrassment in his position as the leader of the party. This was certainly never my intention. But if any action or speech could lend themselves to the interpretation that such was my motive, then I am sincerely sorry, and I apologize to Mr Attlee for any pain I may have caused him. I ask for nothing more than the opportunity to serve our party under his leadership. In doing so I claim no more privileges than, and accept all the obligations shared by, other members of the party"

The full National Executive Committee, meeting on March 30, considered Mr. Bevan's statement to the sub-committee and, after further lengthy discussion, approved the following resolution by 16 votes to 7:

"The National Executive Committee of the Labour Party, having considered the report of the Parliamentary Party on the withdrawal of the whip from Mr. Aneurin Bevan—

(1) Is satisfied that the decision of the Parliamentary Labour Party to withdraw the whip from Mr. Bevan was fully justified;

(2) Whilst noting the assurances given by Mr Bevan in his statement to the Executive on March 29, 1955, warns that it will take drastic action against future violations of party discipline,

(3) Expresses the hope that all sections of the movement will now unite in a determined endeavour to secure the return of a Labour Government at the next general election"

As a result, Mr. Bevan remained a member of the Labour Party, although not of the Parliamentary Labour Party, and therefore sat in the House of Commons as an Independent Labour member. Following the announcement of the forthcoming general election, however, a recommendation by the "Shadow Cabinet" that the whip should be restored to Mr. Bevan was accepted by the Parliamentary Party without opposition on April 28.

Of the other Labour M.P.s, who had earlier been excluded from the Parliamentary Labour Party for having defied party instructions in the debate on German rearmament on Nov. 17-18 (see 13917 A), six had the whip restored to them on Feb. 24 and the seventh (Mr. McGovern) on March 10.—(Times - Manchester Guardian - Daily Herald - Tribune) **(14093 A.)**

A. SUDAN. — National Unionist Party's Proposal for Complete Independence. - Breakdown of Negotiations with Egypt on Revision of Nile Waters Agreement.

The National Unionist Parliamentary Party adopted on March 31 a resolution in favour of complete independence and full sovereignty for the Sudan, which, it stated, should be an independent republic with its own President, Government, and Parliament. Relations with Egypt, it said, should be "defined in a way which must not prejudice or cut through Sudanese sovereignty," and should be governed by the Sudan's joining the Arab League. Sudanese foreign policy should be in conformity with the League's decisions, but should always be directed to the Sudan's interests, and should also be co-ordinated with other organizations and groups with which the Sudan had relations. The Parliamentary Party's resolution was confirmed by the National Unionist Party executive on April 9.

This decision marked an important development in the policy of the National Unionist Party, which in the past had advocated the retention of a close link, and some form of union, with Egypt. The change, however, had been foreshadowed by statements made by the Prime Minister, Mr. Azhari, following the 1953 general elections, in which he emphasized that the National Unionist Party had no commitment to unite the Sudan with Egypt, and expressed the belief that it should be completely independent, though having some link with Egypt (see 13303 A) He had reiterated this view in more recent statements advocating the independence of the Sudan, and proposing that there should be a "high council" at which the principal Ministers of both countries should meet once or twice a year to discuss matters of common interest, such as defence, foreign policy, and the division of the Nile waters Feeling against the Egyptian Government had increased in recent months, as a result of its attempts to influence Sudanese opinion by radio and press propaganda (which were resented as foreign interference in the country's affairs), the removal of President Neguib from office, and the controversy over the use of the Nile waters

Negotiations between the Sudanese and Egyptian Governments on the revision of the 1929 Nile waters agreement, which opened in Cairo on April 6, broke down on the following day. During preliminary discussions the Sudanese Government had sought Egyptian consent to the building of a storage dam on the Blue Nile at Roseires (near the Ethiopian border), which would increase the Sudan's water supply by 75 per cent. The Egyptian Government, however, had made its consent conditional on Sudanese consent to the building of a dam above Aswan (planned to be the highest in the world), which would increase Egypt's irrigated land by about one-third, but would also flood a large area in the Sudan 100 miles along both banks of the Nile upstream from the Egyptian border, leaving 50,000 Sudanese homeless. The Sudanese delegation found this unacceptable, and its leader, Mr. Hammad (the Minister of Irrigation) stated afterwards that the Sudan had "lost all confidence in the Egyptians' intentions," and that any agreement would have to be reached through arbitration.—(Times - Manchester Guardian) **(Prev. rep. Relations with Egypt, 13969 A; 13929 A; Nile Waters, 13650 A.)**

B. UNITED KINGDOM. — Exchange Control. - Tourists' Expenses Allowance increased.

The Treasury announced on March 17 that in future the amounts of sterling notes and foreign currency notes which travellers might take out of the United Kingdom would be increased from £5 and £10 to £10 and £25 respectively; the sterling notes, however, which were intended to enable travellers to meet their incidental expenses on British ships and aircraft and on landing in the U.K., could not be spent or exchanged abroad by U.K. travellers. Visitors to the U.K. would be able to take out foreign currency notes to the equivalent of £25 or the amount which they brought in with them, whichever was the greater. The basic travel allowance remained unchanged at £100 for adults and £70 for children under 12 years old. (Treasury Press Office) **(Prev. rep. 13827 C.)**

C. FRANCE. — Co-operation Agreement between Panhard and Citroën Companies.

The Panhard and Citroen motor car companies announced on April 6 that they intended to co-ordinate their production in order to bring about a better utilization of their resources. It was emphasized that the agreement between the two companies was not a merger, and that each would continue with its own production and commercial activities. Panhard, however, would produce the small two-cylinder Citroen trucks, and in exchange Citroen would take a large share of Panhard's capital.—(Le Monde, Paris) **(Prev. rep. 13685 D.)**

D. SWEDEN. — Increase in Bank Rate.

The Swedish bank rate was raised on April 18 from 2½ to 3½ per cent.—(Svenska Dagbladet, Stockholm) **(13265 B.)**

A. UNITED KINGDOM. — The Newspaper Strike.

A strike of about 700 maintenance engineers and electricians employed by the "national" newspapers took place from March 25 to April 20, resulting in a complete stoppage of all London morning, evening, and Sunday newspapers, together with their Manchester and Scottish editions. The strike followed the failure of wage negotiations between the Newspaper Proprietors' Association, representing the national newspapers, and the unions to which the strikers belonged—the Electrical Trades Union and the Amalgamated Engineering Union.

A statement issued by the N.P.A on March 24 explained that the E.T.U. and the A.E.U. had refused a wage increase "identical with that offered to all other unions in the London newspaper printing industry, and accepted by a majority of them," and had also refused the employers' offer to submit the matter to arbitration. A meeting between employers' and union representatives at the Ministry of Labour on March 26 proved fruitless, and on March 29 the N.P A. gave notice to terminate the employment of its non-editorial staffs as from April 15.

On March 31 the Association issued a further statement explaining that the strikers had demanded minimum increases of 58s 6d weekly, compared with the newspaper proprietors' offer of the equivalent of 9s. - 12s weekly, according to grade "The offer by the newspapers," the statement went on, "is equivalent to a minimum wage in London of £12 19s 6d per week for night workers for a 35-hour week and of £11. 1s. 6d. per week for day workers for a 40-hour week The average earnings of all skilled engineers and electricians employed in the London offices of the national newspapers in the week preceding the strike were £15. 2s. The offer refused by the engineers and electricians is equal to an hourly rate without overtime of 7s 5d for night workers and 5s. 7d. for day workers The overtime rate for night work is 10s 7d an hour and for day work 8s an hour. The N P.A repeats its offer to have this wage dispute with a comparatively small number of employees referred to arbitration, and to accept any award made"

The strike committee, however, in a "Strike Bulletin" distributed on the same day, gave the existing weekly base rates for day, night, and rotary-shift workers as £10. 4s. 6d , £12 0s. 6d., and £11 8s 6d respectively, plus 7s. cost-of-living bonus in each instance "This represents an increase of approximately 76 per cent over the 1939 figure," the Bulletin continued, "and must be seen as a serious lowering of the standard of life. We repeat our claim, which is for 125 per cent over the 1939 base line to bring us more in line with the wage position generally." The strike committee added that it had informed the Minister of Labour that the unions were not prepared to submit the dispute to arbitration at the present stage because they believed that the industry's negotiating machinery should be able to reach a settlement.

A further meeting on March 31 between N P A. and strikers' representatives at the Ministry of Labour was unsuccessful, and on the same day representatives of the T.U C. General Purposes Committee expressed to Sir Walter Monckton, the Minister of Labour, their concern at the effect of the stoppage on members of other unions in the newspaper printing industry. Concern was also expressed to the Minister by representatives of the Printing and Kindred Trades Federation, whilst the London *Daily Express* "chapel" of the National Union of Journalists passed a resolution condemning the strikers for "hazarding the livelihoods of workers on financially unstable newspapers and threatening an even greater and more undesirable concentration of newspaper ownership"

On April 2 Sir Walter Monckton announced that he proposed to set up a court of inquiry into the strike, and that its members would be: Sir John Forster, Q.C. (president of the Industrial Court) as chairman; Mr. S. M. Caffyn (past president, British Motor Trade Association); and Mr. J. S. Webber (general secretary, Transport Salaried Staffs' Association, and a member of the T.U.C. General Council). In view of this, Sir Walter asked the E.T.U. and A.E.U. executives on April 5 to urge the strikers to resume work until after the court had reported, but the two executives rejected this request and declared that the strike (which had not hitherto been recognized as official at national level) was now official and that strike benefits would be paid.

The court met on April 6-7, and on April 13 published its report, which is summarized under cross-headings below:

History of the Dispute. The report explained that for many years all non-editorial employees of national newspapers (numbering about 23,000) had been included within one wages structure, with no significant change in the relativities of the various jobs in newspaper production for at least 20 years. There was, however, no joint negotiating machinery, and any revision of wages involved discussions with 14 trade unions and the conclusion of 22 separate agreements covering over 100 different minimum wage rates. In order not to disturb the relativities within the wage structure, the N.P.A. had always refused to concede to any union better terms than those offered to all the others, and since 90 per cent of its employees belonged to unions affiliated to the Printing and Kindred Trades Federation, it had hitherto first discussed its proposals informally with that Federation. The P.K.T.F , however, seldom spoke fully for all its affiliated unions (each of which was autonomous and had its own agreement with the N.P A) and had no authority to enter into binding collective agreements on their behalf. The A.E.U and E.T.U had two agreements with the N P A , one for members employed in London offices, and one for Manchester, but these agreements had been negotiated, not by national officials (as was the case with the printing trade unions), but by district officials in London and Manchester.

In November, 1951, the report continued, the unions, including the E T U. and A.E U , had entered into new three-year agreements with the N.P A , providing for the stabilization of basic wages and the addition of a cost-of-living bonus of 1s per point in accordance with the changes in the retail price index These arrangements were due for revision in October, 1954, and in September A E U. and E T.U. officials in Manchester had put forward a claim for a "substantial" wage increase The N P A. had replied on Dec 1 setting out the terms of an offer already made to the P K.T F and representing "a general policy." This provided for (*a*) the consolidation into the basic rates of 16s. of the existing cost-of-living bonus , (*b*) the treatment of the balance of that bonus (7s), plus amounts varying from 9s. to 12s according to grade, as a "fixed bonus" not subject to fluctuation with the cost-of-living changes. This offer had been discussed with district officials of the two unions in Manchester on Dec. 22 and in London on Jan 14, 1955, but at the London meeting the union representatives had rejected it as "wholly unsatisfactory" and had demanded an increase of 58s. 6d weekly, to bring the day rate for skilled workers up to £13 10s This demand had been refused by the proprietors

On Jan. 17, however, in the light of the reactions of all the unions, the N P.A. had made an "improved and final" offer providing for (*a*) the ending of the 1951 agreement, with its stabilization and cost-of-living payments; (*b*) the consolidation into basic rates of a cost-of-living bonus of 23s weekly; and (*c*) a series of graded payments of 12s., 10s. 6d and 9s weekly as fixed bonuses, not subject to cost-of-living fluctuations, but also not to be included in basic rates for overtime calculations This offer had been accepted by four unions discussions with seven others were still proceeding , and one (the Typographical Association) had declared its readiness to go to arbitration On Feb 23 the N P.A. had informed the E T.U. and A.E.U that no better offer could be made, whereupon strike notices had been served by the two unions to take effect from March 25.

The Association had then notified the two unions that if the notices were withdrawn, it was prepared to meet their representatives once more. A meeting had accordingly taken place on March 21, at which the N P.A., while repeating its previous offer, had indicated that it would consider paying "merit advances" in individual cases. This proposal had been turned down by the unions

The Contentions of the Parties. (1) *The E T.U* In presenting the E.T.U.'s case, Mr Foulkes, its general president, had stressed the difficulties and delays encountered whenever the union had tried to secure the N.P.A.'s consideration of claims for improved pay or conditions. These difficulties, he contended, arose from the Association's insistence that claims in respect of maintenance men should await the outcome of negotiations with the printing unions, and that any offer to them should conform to the terms of settlement with these unions As the E.T.U 's attempts to become affiliated to the P K.T F., in order to secure speedier consideration of claims, had been unsuccessful because of the Federation's policy of admitting only unions catering solely for printing trade workers, no wage negotiations in the usual sense had taken place between the Association and the E.T.U. and A.E.U. since 1939, and dissatisfaction with this state of affairs had materially influenced the decision to strike.

Mr Foulkes had contended that the increase claimed (1) was justified by the improvements secured since 1939 by skilled electricians employed in other industries, as well as by the higher profits made by newspapers in 1954, which reflected the higher productivity of their employees; (2) was necessary for the maintenance of a standard of life comparable with that of 1939 , (3) was merited by the greater technical knowledge and skill demanded by the more complicated printing machinery introduced in recent years.

(2) *The A.E U.* Putting the case for the A E.U., Mr J R. Scott (a member of the union's executive council) had claimed that present rates for engineers in the newspaper printing industry were "much too low in relation to both the responsibilities and highly skilled nature of the work and to the earnings of other workers in the newspaper printing industry and of skilled engineering craftsmen elsewhere." Nearly all of them, he pointed out, had been recruited from the printing machinery section of the engineering industry, had served their apprenticeship there, and were "specialists in the exacting work of maintaining complicated machinery of ever-growing intricacy" Before the war they had been among the best-paid craftsmen in the country," but their pay had now fallen "well behind that of very many skilled engineering workers, both in London and throughout the country."

Mr. Scott stressed, however, that the men's main grievance, and the one which had led to the strike, was that in recent years they had "lost ground financially in comparison with other workers in the newspaper industry to such an extent that their wages are not only far below those of printing craftsmen, but in many cases are below those of semi-skilled men" In conclusion, Mr. Scott stressed that the A E U. was "concerned to exercise the right, hitherto denied to it, to negotiate with the N P A. rates of wages for its members employed in the newspaper printing industry, instead of having merely to accept the imposition on those members of the general terms of settlement negotiated by the other unions in the industry."

(3) *The N P A* Mr. Charles Russell, Q C., on behalf of the employers, had stressed that the N P A. considered (*a*) that the cause of the strike was "simply the employers' refusal to increase their wage offer"; (*b*) that strike action by about 700 employees out of 23,000 could not be justified, more especially since the N P.A had offered to submit the claim to arbitration Dealing with the unions' complaint that their members' wages had fallen below their 1939 standards, he pointed out that this had been "precisely the same" with skilled people throughout industry, and claimed that the A E.U. and E T.U. had received similar treatment to that accorded to the other craft unions in the newspaper industry Moreover, in comparing maintenance men's rates with those paid in 1939, it should be remembered that since then the newspaper industry had changed over from an 11-day fortnight to a 5-day week, involving a reduction in working hours to 35-40 weekly, which was reflected in "a substantial increase in the hourly rate of remuneration and in enhanced overtime rates."

Although the N P.A acknowledged the services of the maintenance workers and recognized their skill, Mr Russell continued, it did not consider that they were entitled to a higher status than they now enjoyed in the industry. At present their minimum rates were higher than those of the skilled members of all the printing trade unions with one exception. The N.P.A was not prepared to pay merit money on a general basis, but only to individuals whose work demanded exceptional skill. If the members of the A E U. and E.T.U. wished to be considered "out of context with the printing trade unions" the N P.A was prepared to consider their position in relation to the general engineering and electrical trades, although it did not think it would be to their advantage. If their wages were to remain within the newspaper wages structure the N P A could not alter their relativity unless a special case could be made In any event, if there were to be a re-assessment of the status in the industry of the members of any union, this would have to commend itself not only to the N P A , but to the members of all the other unions whose own members' status would be immediately affected

As regards the unions' complaint that they had been "trailed along behind the P.K T F. unions," and that the N P A had refused to negotiate with them, Mr Russell argued that the Association "could not do otherwise than treat the revision of wage settlements as a comprehensive job." He pointed out that no printing union had taken strike action; that the N.P A. had exceeded "by a considerable amount" its original estimate of "what was properly due by way of wage increases"; but that it had been unable to grant the demand for a 58s. 6d. increase because if it had done so "all the other unions would naturally have claimed a similar increase," and this the newspaper industry was "quite unable to face" The N P A admitted, however, that the present system of wage negotiation was "unsatisfactory," and had given the E T U. and the A.E U. assurances that it was "prepared to have a full and frank discussion upon the method and timing of all future negotiations of wages and conditions"

The Court's Findings. The report first pointed out that maintenance engineers and electricians had "long been regarded as an integral part of the newspaper industry," that this had "operated to their advantage," and that the unions had "never hitherto sought to alter the position" Notwithstanding the unions' contentions, the court held that a comparison of base rates in the engineering and newspaper industries did not "show to the disadvantage of the maintenance men," particularly when regard was had to "the reduced hours worked in the newspaper industry as compared with those which apply in general engineering."

Regarding Mr Foulkes's statement that dissatisfaction at the absence of any direct negotiations between the N.P.A. and the E.T U and A.E U since 1939 had "materially influenced the decision to strike," the court stressed that there was no evidence that either union had previously suggested any alternative to the traditional method of wage negotiation in the newspaper printing industry. In this connexion the report declared: "While we appreciate the feelings of the A.E.U and E T.U. membership that there had been no proper negotiations with their unions, due in their view to their being tied to a settlement arrived at in discussions to which they were not parties, we think that the precipitate action of local officials in calling an unofficial strike . . . was unjustified.

"The final offer of the N.P A. has not been accepted by the Typographical Association, but that union is prepared to submit its claim to arbitration. This course is in accordance with the spirit of agreements to which the A.E.U. and E.T.U. were parties . . and which contained a provision for arbitration before any stoppage of work. We think it most regrettable that these unions did not adopt a similar attitude before taking strike action, involving as it has done such serious and far-reaching consequences for their fellow-workers in the industry, a vast number of others dependent upon the industry for their livelihood, and the public at large.

"The rate of wages of engineers, electricians, and electricians' assistants should, in our view, continue to find their place within the wage structure of the newspaper printing and publishing industry in which they are engaged and of which they constitute so essential a part. Such rates must bear fair comparison with those applying in the general engineering industry, and a broad relationship on the basis of skill and importance with those of the other sections of craftsmen in the newspaper industry. In the light of the existing wage pattern in the newspaper printing and publishing industry, to which the wages of maintenance engineers, electricians, and electricians' assistants have hitherto conformed, the present claim for an additional 58s. 6d. a week is unrealistic.

"The wage pattern in the newspaper printing and publishing industry has existed for a long time. Within it the N.P.A. has hitherto found accommodation for all grades of its employees . . . But in our view, no method of negotiating general increases of wages in the industry is likely to be regarded as satisfactory by the maintenance men unless it provides for their being represented at all stages. Nor do we think that the general wage pattern of the industry can be satisfactorily settled unless all the other unions at present recognized by the N P.A. are similarly treated.

"We are therefore of the opinion that in this industry it has now become desirable in the interests of good industrial relations, that the 14 unions with whom the N.P A. customarily concludes agreements should co-operate to establish an appropriate central body, which should in future negotiate with the N P.A. on questions of common concern, including rates of pay, conditions of service, and the wage differentials applicable to the various grades of workers employed.

"Short of the course which we suggest, it would seem to us that the industry is faced either with a continuation of the present unsatisfactory method of negotiation or the possibility of a complete breakdown of the internal wage structure and the danger of spasmodic sectional disputes which may involve, as in this case, the majority of the workers in the industry.

"Pending the establishment by the unions of such a central negotiating body as we have proposed, and the examination by that body of the wage structure and general pattern of the industry, we are of the opinion that the engineers, electricians and electricians' assistants should return to work without prejudice on the basis of the employers' present offer"

The publication of the report was followed on April 14 by resumed talks at the Ministry of Labour between N.P.A., E.T.U., and A.E.U. representatives, with members of the P.K.T.F. executive in attendance. In spite of the employers' unreserved acceptance of the court's findings, however, the talks again broke down, and at midnight on April 15 the notices previously given to newspaper printing staff took effect, about 20,000 men being involved. Later the same day the T.U.C. General Purposes Committee met the P.K.T.F. executive, and the latter agreed to meet A.E.U. and E.T.U. representatives on April 18 under the chairmanship of Mr. Geddes, chairman of the T.U.C. At this meeting agreement was reached on a proposal for a joint approach to the N.P.A. "to explore the possibility of a settlement," and a further meeting between the Association and the E.T.U. and A.E.U. accordingly took place on April 19. It was then agreed that work would be resumed immediately on the following conditions: (*a*) that the offer previously made by the N.P.A. should be accepted by all the unions as an agreed settlement pending further negotiations; (*b*) that these should begin within eight weeks of resumption of work; (*c*) that the new agreement should operate from the expiry of the same period, and be subject to completion within three months.

Resumption of work accordingly took place on April 20, and the London morning and evening newspapers as well as the provincial papers affected reappeared on April 21.

The papers affected by the strike included *The Times, Daily Telegraph, Daily Express* (including Manchester and Glasgow editions), *Daily Mail, News Chronicle, Daily Herald, Daily Mirror, Daily Sketch, Financial Times, Evening News, Evening Standard, Star, Observer, Sunday Times, Sunday Express, Sunday Graphic, Sunday Pictorial, News of the World, People*, and *Reynolds News*. In addition, the *Daily Dispatch* (Manchester), *Daily Record* (Glasgow), *Empire News* (Manchester), *Sunday Chronicle* (Manchester), and *Sunday Record* (Glasgow), whose proprietors are members of the N.P.A., were not published. The *Manchester Guardian*, however, whose proprietors are not members of the Association, appeared as usual. whilst the *Daily Worker* (Communist), which had failed to appear on March 26 and subsequent dates, resumed publication on April 6, when it was explained that the interruption had resulted from a dispute with typographers which had now been settled

The cost of the stoppage was estimated by an N.P.A. spokesman at about £2,000,000.—(Cmd. 9439 - Times - Daily Telegraph - Manchester Guardian - Western Daily Press - Bath and Wilts Chronicle and Herald) **(Prev. rep. 14064 A.)**

A. UNITED STATES. — Increase in Bank Rate.

The Federal Reserve Bank of Kansas City raised its rediscount rate on April 13 from 1½ to 1¾ per cent, similar action being taken on the following day by the Reserve Banks of Boston, Cleveland, Dallas, Minneapolis, New York, Richmond, and St. Louis.

The Federal Reserve Board had announced earlier (Jan. 4) that, in order to restrain speculation on the stock market, purchasers of shares would in future be obliged to put down 60 per cent of the purchase price instead of 50 per cent as hitherto. As the boom conditions on the stock market nevertheless continued, the margin requirement was raised again on April 22 to 70 per cent. During 1954 prices on the New York Stock Exchange (as measured by the *New York Times'* combined average of 50 stocks) rose by 52 per cent, and in some cases reached levels exceeding those in 1929.—(New York Times - Federal Reserve Bulletin, Washington) **(13565 B.)**

A. AUSTRALIA. — Labour Party Split. - Criticism of Dr. Evatt's Leadership. - Dr. Evatt's Counter-charges against Right-wing Party Members. - Dismissal of Victorian Executive by Federal Executive. - Election of New Victorian Executive. - Defeat of Victorian Labour Government. - Dissolution of State Parliament. - Formation of Labour Party (Anti-Communist) in Federal Parliament. - Parliamentary Labour Party Vote of Confidence in Dr. Evatt.

A serious split developed in the Australian Labour Party in the latter half of 1954, arising from criticisms of Dr. Evatt as party leader and counter-charges by Dr. Evatt against certain right-wing members of the party. The subsequent controversy centred around the Labour Party in Victoria, where the State Executive Committee was criticized as being controlled by "outside interests" and was ordered by the Federal Executive on Dec. 3 to dissolve itself. Although a new Victorian Executive was elected in January, the old Executive refused to comply with the Federal Executive's order, and when the new Executive dismissed from the party all those who still continued to support the old Executive, those affected in the State Legislature formed a separate group and subsequently brought about the defeat of Mr. Cain's Labour Government. In the Federal Parliament, supporters of the old Victorian Executive decided to form a new party, and on the opening of Parliament on April 20 received formal recognition as the Australian Labour Party (Anti-communist). Dr. Evatt himself, however, received a vote of confidence from the remaining members of the Parliamentary Labour Party, and was confirmed as the party's leader on April 18.

The differences within the Labour Party, which had not been publicly expressed in the early months of 1954 as the party had wished to maintain a united front during the campaign for the general election in May of that year, were brought into the open after its defeat at the polls (see 13652 A). There was strong criticism of Dr. Evatt's conduct of the campaign, as well as criticism of his action some time earlier in appearing on behalf of Communist-led trade unions in his private capacity as a barrister (see 11417 D). Matters were brought to a head early in September, when the Royal Commission on Soviet Espionage in Australia—set up as a result of the defection of M. Vladimir Petrov from the Soviet Embassy (see 13585 C)—withdrew permission from Dr. Evatt to appear before it on the ground that his duties as Leader of the Opposition in the Federal Parliament conflicted with his obligations as counsel before the Commission.

Dr Evatt had been appearing before the Commission on behalf of two members of his secretariat accused of complicity in the disclosure of information to Soviet agents, in the course of his arguments before the Commission he had alleged that these charges were the result of a "deliberate conspiracy" to injure him as Leader of the Opposition. Earlier, he had alleged that the defection of Petrov had been organized by Mr. Menzies' Government in order to influence the public at the time of the election

On Sept. 8, at the first meeting of the Parliamentary Labour Party since his appearance before the Royal Commission, Dr. Evatt defended his action and refused to give assurances that he would seek the party's consent before appearing before the Commission again, and on Oct 5 he issued a statement in which he bitterly attacked "a tiny minority" who, he said, were trying to undermine the Labour movement. He expressed the belief that the activities of "this small group" were largely directed from outside the Labour movement; said that the Melbourne *News Weekly* appeared to act as their organ; and announced that he was bringing the matter up at the next meeting of the party's Federal Executive.

Although Dr Evatt mentioned no names in his statement, his reference to *News Weekly*, which is the organ of Catholic Action in Melbourne, made it clear that his attack was directed against the right-wing clerical group of the party in Victoria. The Canberra correspondent of *The Times*, in a despatch published on Oct. 9, explained that Catholic Action—a world-wide organization of the Roman Catholic Church whose objective is the training of Catholic youth in the principles and practices of the Catholic faith—had been enlisted by the Australian Roman Catholic hierarchy after the war in a campaign designed to eliminate Communist influence from the trade unions. For this purpose Catholic Action had formed within the unions secret industrial groups, known as "the movement," which by adopting Communist strategy and techniques—such as organizing cells and discussion groups, and packing meetings—had succeeded in breaking the hold of the Communists on a number of key unions *The Times* correspondent pointed out, however, that although this campaign had won the support of many non-Catholics, many Roman Catholics—including the late Mr. Chifley, the former Labour Prime Minister—had disliked "the movement's" direct intervention in political affairs, and had expressed misgivings about the possible consequences.

On Oct 12 a conference of 21 trade unions, representing 250,000 members, unanimously passed a resolution calling on the Federal Executive of the Labour Party to take action against the Victorian Executive. Referring to recent withdrawals by a number of unions of their affiliation with the Victorian branch of the Labour Party, the resolution expressed the view that these withdrawals had been due to dissatisfaction with the influence on industrial and political policy of a group "controlled from outside the party," which had attacked Dr. Evatt, and that Labour forces could be reunited only by disciplining this group. The resolution also declared that a decision of the Victorian Executive on Oct. 8 to support this group had violated majority opinion in the Labour Party.

The Federal Executive of the Labour Party, comprising two delegates from each State, met in Canberra on Oct. 27-28 under the chairmanship of Mr. E. E Reece (Tasmanian Minister for Lands and Mines), to consider the dispute within the party. It decided that the submissions by Dr. Evatt and the Victorian trade unions revealed a grave threat to the well-being of the Labour movement, and summoned a special meeting in Melbouren to examine the matter. It also expressed concern at the general lack of discipline in the Labour movement throughout Australia, and called on all members to refrain from public comment on actions relating to the present dispute

During the meeting the three right-wing members of the party who had attacked Dr Evatt—Mr. Mullens, Mr. Bourke, and Mr Keon, all Federal M P s representing Victorian constituencies—appeared before the Federal Executive to state their case against him. Mr Mullens accused Dr. Evatt of having raised a sectarian issue to split the Labour Party, of having assisted the Communist Party before the Royal Commission on Espionage; and of having violated the party rules by attacking members of the Parliamentary Party Mr Keon made similar charges and complained that Dr. Evatt had not consulted the Parliamentary Party before appearing before the Royal Commission The three M P s also accused Dr. Evatt of having formulated policies opposed to the party platform without consulting the party, notably in the last general election.

After conducting an investigation in Melbourne into the charges and counter-charges, the Federal Executive decided on Dec. 3 to disband the Victorian Executive and to order the election of a new Executive at a special conference of the Victorian branch of the party, to be held before the Federal party conference due to take place at Hobart early in 1955; the special conference would also ballot for the Victorian delegates to the Federal conference and both ballots would be supervised by the Federal Executive. The decision was reached by a narrow majority of seven votes to five, the delegates of South Australia, Western Australia, and Tasmania voting in favour, and those of New South Wales and Victoria against, with the vote of the Queensland delegation split

It had at first been proposed that the Victorian Executive should remain in office and the industrial groups be outlawed, but the leaders of the Australian Workers' Union—the largest and most important union in the country—had told the Federal Executive that, unless action were taken to reform the Victorian Executive, the A.W U would cancel its affiliation with the Labour Party in every State and would consider the possibility of forming a dissident Labour Party to be known as the Industrial Labour Party

Among its other decisions on Dec. 3, the Federal Executive ruled (*a*) that those trade unions which had cancelled their affiliation with the Victorian Labour Party during the past 12 months because of their dissatisfaction with its policy, might renew their affiliation before the Federal party conference, in order to secure representation, (*b*) that, from Dec. 31, the Victorian branch should refuse recognition to industrial groups within the unions. Complaints from a group of New South Wales unions that the N.S.W. branch of the party was dominated by the same forces which had captured control in Victoria—namely Catholic Action and industrial groups within the trade unions—were referred to the N S.W. Executive for a report.

With regard to the accusations against Dr. Evatt and his counter-accusations, the Federal Executive found that, on the one hand, no specific charges had been made by Dr. Evatt against Mr. Bourke, Mr. Keon, and Mr. Mullens, and that, on the other, their charges against Dr. Evatt of unsatisfactory leadership had not been sustained.

Dr. Evatt, in submitting his charges to the Federal Executive, had asserted that "the movement," a secret organization, was trying to commit the Labour Party solely or primarily to anti-Communist activities. He named Bartholomew Santamaria, national secretary of the Roman Catholic rural movement, as a prominent spokesman for "the movement," but pointed out that the latter was not identical with Catholic Action and had nothing to do with the lay apostolate of the Roman Catholic Church. "It is obvious," he added, "that if a faction is organized from without to gain control of the Labour movement solely on the basis of extreme anti-Communism, the fabric of the Labour Party will be subverted."

The special conference of the Victorian branch of the Labour Party met in Melbourne on Feb. 26-27 and elected a new 18-member Executive Committee, with Mr. J. V. Stout, secretary of the Melbourne Trades Hall Council, as president.

The old Executive, which had refused to dissolve itself, remained in occupation of the party office, its members declaring that they would resist all attempts by the new Executive to obtain possession. Previously, however (on Feb. 11), eight members of the old Executive had resigned after disagreeing with the Executive's decision not to attend the special conference. Those resigning were: Mr. John Cain, the Victorian Premier; Mr. W. Galvin, the Chief Secretary; Mr. P. J. Clarey, a member of the House of Representatives; Mr. R. A. Cameron, vice-president of the Victorian Labour Party, Mr. R. R. Broadby, secretary of the Australian Council of Trade Unions; Mr. D. Lovegrove, secretary of the Victorian Labour Party; Mr. A. Kyle, general secretary of the Storemen and Packers' Union; and Mr. R. Wilson, general secretary of the Vehicle Builders' Union. Four of these—Mr. Cain, Mr. Galvin, Mr. Broadby, and Mr. Clarey—were elected to the new Executive.

The split in the Victorian Labour Party was carried a stage further at the Federal party conference at Hobart in March. The opening of this conference, which was to have taken place on March 14, had to be postponed after a Victorian delegation representing the deposed Victorian Executive had blockaded the conference room in an effort to prevent the new Executive from participating The 36 delegates to the conference (six from each State) then divided on the question of the credentials of the Victorian delegation, and 17 of them decided to boycott the official conference and to hold a separate meeting in another hall. These 17, who included all six New South Wales delegates, five from Queensland (including the Premier, Mr Gair), four from Western Australia, and two from Tasmania, refused to attend the official conference unless they were assured that the decision on which Victorian delegates should be admitted would be made in the absence of both the rival delegations. On March 16 the minority conference issued a statement challenging the validity of the official conference on the ground that it was a minority meeting in which New South Wales was not represented, Queensland and Western Australia were represented by minority delegations, and Victoria by a delegation whose standing was disputed.

The official conference, which was held in the absence of the 17 defecting members, passed a resolution reminding members that it was contrary to policy to institute legal proceedings to determine the interpretation of the party constitution. (This arose out of the previous decision of the old Victorian Executive to challenge in the courts the right of the newly-elected Executive to take over the offices and funds of the party in the State) The conference also heard an appeal for party unity from the deputy leader of the Parliamentary Labour Party (Mr. Calwell), and directed the Federal Executive to investigate the charges made against the New South Wales branch by certain trade unions In another resolution the conference opposed the despatch of Australian troops to Malaya.

The new Victorian Executive, at its meeting on March 29, decided to expel Mr. Mullens from the party and to suspend 24 other party members for what it called a "deliberate and defiant challenge to this Executive." Those suspended were Mr. John J. Devlin (a Federal Senator); six members of the Federal House of Representatives—Mr. R. Joshua (Ballaarat), Mr. S. M. Keon (Richmond), Mr. T Andrews (Yarra), Mr. W. Bourke (Fawkner), Mr. J. Cremean (Hoddle), and Mr. W. Bryson (Wills); four Ministers in the State Government—Mr. Coleman (Transport), Mr. Barry (Health), Mr. Hayes (Housing), and Mr. Scully (an honorary Minister); and 13 other members of the Victorian Legislative Assembly. Mr. Devlin subsequently pledged his loyalty to the new Executive, but the other 23, together with another 81 supporters of the former Executive, were expelled from the party by the new Executive on April 5 for refusing to give a similar pledge. The new Executive also declared "bogus" 78 of the party's 320 branches in the State.

On March 30 Mr. Cain dismissed the four Ministers who had been suspended, by resigning the State Premiership and reforming his Government without them. On the following day the supporters of the old Executive in the Legislative Assembly formed a separate Parliamentary Labour Party led by two of the dismissed Ministers, Mr. Barry and Mr. Coleman, who called for an early election to clarify the present political situation. When the Assembly reassembled on April 20 after the recess Mr. Cain's Government was defeated, by 34 votes to 23, on a motion of no-confidence moved by the Opposition and supported by the dissident Labour members. Mr. Cain thereupon asked the Governor to dissolve the Assembly, and State elections were fixed for May 28.

Meanwhile, the seven supporters of the old Executive in the Federal Parliament who had been dismissed from the Labour Party, announced on April 17 that they had formed a new party led by Mr. Robert Joshua, to be called the Australian Labour Party (Anti-Communist).

At a meeting of the Federal Parliamentary Labour Party on April 18 a motion of confidence in Dr. Evatt's leadership was moved by Mr. Clarey (M.P. for Bendigo), and seconded by Senator McKenna, Leader of the Opposition in the Senate. During the subsequent debate Dr. Evatt gained a tactical surprise by suddenly announcing his resignation and calling for an immediate secret ballot for a new leader. In the ensuing voting he was re-elected by an overwhelming majority, receiving 52 votes, compared with 22 for Mr. Calwell and 5 for Mr. Burke. An earlier challenge to Dr. Evatt's leadership had been similarly unsuccessful. At a meeting of the Parliamentary Party on Oct. 13 he had refused to accept without notice a motion to declare all positions on the Federal Executive vacant, and on Oct. 20 the motion was defeated by 52 votes to 28; Mr. Calwell took no part in the debate, but voted against Dr. Evatt.—(Australian News and Information Bureau - Times - Manchester Guardian - Daily Telegraph) **(Prev. rep. 11535 B.)**

A. PAKISTAN. — Mr. Gurmani and Dr. Khan Saheb appointed Governor and Chief Minister of West Pakistan.

The Governor-General of Pakistan, Mr. Ghulam Mohammad, announced on April 4 that he had appointed Mr. M. A. Gurmani (Governor of the Punjab) as Governor of the new Province of West Pakistan, and Dr. Khan Saheb (Minister of Communications in the Central Government) as Chief Minister of the Province.

Both appointments were made under an Order issued by the Governor-General earlier on the same day, under which he had taken power to appoint by public notification a Governor and a Chief Minister of the new Province, as well as under "all other powers enabling him in that behalf." The West Pakistan (Appointments) Order also provided that "nothing in this Order affects the continuance of functions being performed by the Governor or Chief Minister in any other office he may be holding immediately before the date of notification."

On the same date the Council for the Administration of West Pakistan set up machinery for the selection and appointment of Commissioners, Secretaries to Government, heads of departments, and heads of regional organizations, and agreed that in selecting staff for the Secretariat and departments of the new Government all the Secretariats and departments of the existing units of West Pakistan should be given due representation, to ensure that there was no preponderance of the employees of any one Province or State. Mr. N. A. Faruqi (Secretary to the Central Ministry of the Interior) was appointed Chief Secretary to the Government of West Pakistan on April 5, the Secretaries to the leading Government departments, members of the Board of Revenue, and Divisional Commissioners being appointed during the three weeks following. (Pakistan High Commissioner's Office, London) **(14121 A.)**

B. UNITED KINGDOM. — Gold and Dollar Reserves in April. - Surplus of $19,000,000.

The sterling area had a gold and dollar surplus in April of $19,000,000 after taking account of (*a*) the receipt of $17,000,000 in U.S. defence aid, (*b*) the receipt of $13,000,000 in gold or dollars from the European Payments Union in respect of the March settlement, and (*c*) the payment of $2,000,000 to creditors of the E.P.U. in bilateral settlements. As a result, the sterling area's gold and dollar reserves rose to $2,686,000,000 on April 30.

Provisional figures for the E.P.U. April settlement showed that the U.K. had a surplus of $61,600,000 (£22,000,000), which will be settled in May half in gold or dollars and half by a reduction in the U.K. debt with the Union. (Treasury Press Office) **(Prev. rep. 14141 C.)**

C. EAST GERMANY. — Formation of Civil Air Service (Deutsche Lufthansa).

The East German Government Press office announced on April 27 the formation of a civil air service named the Deutsche Lufthansa. The statement said that an agreement had been signed by M. Pushkin, the Soviet High Commissioner, and the East German Minister of the Interior, allowing Eastern Germany to use Schonefeld airport on the outskirts of Berlin (which had hitherto been under Soviet control) for the new service.—(Der Tagesspiegel, Berlin) **(Prev. rep. West German Lufthansa, 14167 D.)**

D JAPAN. — War Criminals. - Pardon for Admiral Shimada.

Admiral Shimada (70), Japanese Navy Minister during the second World War, who had been sentenced to life imprisonment for war crimes, was released on parole on April 8 because of ill-health, with the consent of the Allied Governments concerned.—(New York Herald Tribune) **(Prev. rep. 13704 C.)**

A. UNITED KINGDOM. — Trade and Payments Agreements with Foreign Countries.

A new Anglo-Argentine trade and payments agreement, covering the period July 1, 1954 - June 30, 1956, was signed in Buenos Aires on March 31 after negotiations which had started in May 1954. During the first year of the agreement, which had only three months to run, it was proposed that goods to a value of £84,700,000 in each direction should be exchanged. The principal Argentine exports would be meat (£34,960,000), maize, wheat, oats, and barley (£20,000,000), oilcakes, etc. (£4,800,000), cotton fibre (£3,800,000), linseed, linseed oil, and other vegetable oils (£3,000,000), and wheat offals (£3,000,000). The chief items from the U.K. would be petroleum and petroleum products (£32,500,000), agricultural, mining, industrial, transport, and communications machinery and equipment to be purchased by the Argentine Government (£4,700,000), and raw materials and motors for manufacturers of agricultural machinery (£3,400,000). Other Argentine imports listed in the agreement covered a wide range of "essential" manufactured and semi-manufactured goods, and included also £16,675,000 for imports from sterling area countries other than the U K., the principal items of which were £8,000,000 for jute sacking and £3,500,000 for rubber.

Financial Remittances. Although no formal provision was made in the agreement itself for the resumption of financial remittances from Argentina to the U.K , the Argentine Foreign Minister (Señor Jeronimo Remorino) stated in an appended letter that his Government intended "to permit, during the period of this agreement, exceptionally and on a limited scale, financial remittances to residents of the Scheduled Territories" (i e the sterling area) The British Economic Secretary to the Treasury (then Mr Maudling) explained in the House of Commons on March 31 that it was expected that about £1,500,000 of arrears of interest, profits, dividends, and other income would be transferred by June 30, 1956, and that this figure included remittances in respect of pensions, which had been the subject of arrangements with the Argentine Government over the past three years outside the scope of the discussions on trade and payments The Argentine Government, he said, had also agreed to transfer before July 31 next the funds required for settlement of the sums due to sterling area holders of the 4½ per cent Province of Buenos Aires Loan of 1910

Trade Exchanges. The two Governments agreed to "use their best endeavours, within the limits of the powers which they normally exercise in these matters, to facilitate trade" in accordance with the agreed estimates for the various categories of goods, though this undertaking was subject, in the case of Argentina, to sterling being available. A new feature of the agreement concerned Argentine imports of British capital goods on deferred payment terms. It was estimated that, with the help of the normal facilities available to U.K. exporters, including those of the Export Credits Guarantee Department, orders up to a value of £25,000,000 might be placed during the term of the agreement, and that payments by Argentina for such goods during the first year would amount to £4,300,000. In an appended letter to the agreement, the British Ambassador stated that "there is every reason to expect that U.K. purchases of Argentine exports will continue to provide ample funds from which to meet such payments" after June 30, 1956.

Payments Arrangements. The agreement renewed the credit and dollar point facilities which had been available since 1951 under the supplementary protocols to the previous agreement (see 11474 C). As regards credit, this meant that whenever the Argentine sterling balance with the Bank of England was insufficient to meet Argentina's commitments to the sterling area, the Argentine Government could make drawings up to £20,000,000; any advances outstanding at June 30, 1956, were to be repaid by Dec 31, 1956.

Shipping. The agreement also contained a clause on shipping, under which the two Governments undertook to refrain from discrimination against each other's shipping in Anglo-Argentine trade.

An Anglo-Turkish financial agreement had been signed in London on Jan. 17, 1955, dealing with the settlement of accumulated Turkish sterling debts to U.K. exporters, estimated at £10,000,000 - £12,000,000. The main points of the agreement were:

(1) Turkey undertook to set aside for the liquidation of commercial debts 20 per cent of the sterling earnings derived from her exports of certain products to the U.K., and 50 per cent of her sterling earnings derived from certain other "supplementary" exports. The principal products in the first category were raisins (up to 8,000 tons a year), hazel-nuts (up to 4,000 tons a year) and dried figs, whilst those in the "supplementary" category included wheat, cotton, copper and chrome. Turkey also agreed to set aside for the liquidation of the arrears 50 per cent of the sterling earnings derived from exports of raisins in excess of 8,000 tons and of hazel-nuts in excess of 4,000 tons per year.

(2) If the sterling transfers mentioned above fell below certain levels, Turkey would set aside, as a minimum amount, £1,500,000 for each of the years 1955 and 1956 and £2,500,000 for each of the three succeeding years.

(3) Turkey agreed to take all possible steps to encourage the flow of Turkish exports to Britain at world prices. Although all Turkish products imported into Britain had already been restored to private trading and almost all freed from import restrictions, the British Government agreed to help in the expansion of such imports through commercial channels.

(4) Payments to U K. creditors would be made in chronological order of the registration by the Turkish Central Bank of applications by Turkish importers for authorization for the transfer of sterling (Under a separate exchange of letters, however, it was provided that British exporters who had been responsible for the promotion of substantial "supplementary" exports of Turkish products might be paid out of turn.)

(5) The agreement would remain in force until all outstanding transfers had been made. The two Governments would meanwhile consult if it appeared to them at any time that the agreement was not working in such a way as to result in the settlement of the outstanding transfers within five years of the date of signature.

Details of the principal trade and payments agreements concluded by Britain during 1954 are given below.

Western Germany. An agreement (in the form of an "agreed minute") on Anglo-German trade in goods still subject to quota restrictions was signed in Bonn on Dec 22. Although no details were published officially, it was reported in the Press that Germany had sought and obtained an increase of about £500,000 in the value of German exports to Britain subject to quota, covering principally optical (including photographic) equipment, chemicals, and electrical and fine mechanical goods

Hungary. Following negotiations in London, the Treasury announced on Aug. 19 that an Anglo-Hungarian trade agreement had been concluded covering the 12 months from Sept. 1, 1954. Quotas for U K. exports to Hungary (mainly wool tops, rayon yarns, pharmaceuticals, machinery, vehicles, tinplate, and electrical machinery and equipment) had been agreed to an approximate value of £5,000,000, whilst quotas for Hungarian exports to Britain (mainly tomato purée, rice, eggs, canned meat, bristles, and miscellaneous manufactured goods) would amount to approximately £5,500,000.

The Treasury also announced that the Hungarian Government had stated in an exchange of Notes that, owing to the low level of her sterling earnings, Hungary was not yet in a position to make any payment in respect of claims arising out of the nationalization and expropriation of British property in Hungary, or out of the Peace Treaty The Hungarian Government had, however, reaffirmed its intention to settle these claims, and had agreed to begin negotiations for their settlement on or before Sept 1.

Japan. As a result of a review of trade and payments between Japan and the sterling area, held in London in September, it was agreed that the Anglo-Japanese sterling payments agreement and the existing trade arrangements should be extended until March 31, 1955, and that further negotiations should be held before that date A Treasury statement of Oct 1 said that it was estimated that both trade and payments between the sterling area and Japan would achieve a rough balance over the year, though at a rather lower level than had been forecast.

Jordan. The Treasury announced on Dec. 22 that Jordan's balance of payments in 1955 had been considered during the recent Anglo-Jordanian financial discussions (see 14032 C), and that arrangements had been made for meeting her dollar requirements during the year

Poland. Agreement was reached in London on Dec. 22 on Anglo-Polish trade in 1955 (the second year covered by the agreement concluded in November—see 13930 B). Increased quotas were arranged for the importation of certain Polish goods, including wooden manufactures and manufactured foodstuffs, whilst Polish import quotas agreed to gave increased opportunities for the British engineering and motor-vehicle industry, and included new quotas for woollen piece-goods, dyestuffs and paints, domestic electrical appliances, radios, and sports equipment.

Spain. Discussions on Anglo-Spanish trade and payments arrangements for 1955 were held in Madrid from Nov. 29 to Dec. 22 and resulted in agreement on increased trade in both directions as compared with 1954. Spain agreed to maintain the same general arrangements regarding the import of U.K. goods, to continue existing arrangements regarding the transfer of current financial remittances from Spain, and to transfer some of the arrears of financial remittances

Yugoslavia. During discussions on Anglo-Yugoslav trading arrangements for 1954, which concluded on March 2, provision was made for the import from Yugoslavia of metals, miscellaneous goods and foodstuffs, and for the export from Britain of textiles, instruments and equipment in the scientific, medical and photographic fields, communications equipment, rubber manufactures (including tyres and tubes), chemicals and pharmaceuticals, vehicles and machinery of all types.

Anglo-Finnish talks on trade during 1955 were held in London on Jan. 4-14. It was estimated that Finnish exports to the U.K. would increase by about 10 per cent as compared with 1954 and reach in volume the highest level since the war. Import licences would be issued by Finland in 1955 for all goods traditionally imported from the U.K. at least as liberally as in 1954, without special quotas, and if Finland's sterling earnings continued to increase she would permit at least proportionate increases in imports of U.K. goods; it was "particularly likely" that Finland would be able to import more agricultural and other machinery, and tractors and other vehicles.

(Treasury Press Office - Board of Trade Journal - Financial Times - Bank of London and South America, Fortnightly Review) **(Prev. rep. 13930 B; 13471 A; 13427 A; 12882 B.)**

MAY 7—14, 1955

A. BANDUNG CONFERENCE. — Conference of Asian and African States. - Resolutions on Economic and Cultural Co-operation, Human Rights and Self-determination, Problems of Dependent Peoples, and World Peace. - Agreement on Status of Chinese Community in Indonesia. - Mr. Chou En-lai's Proposals for Negotiations on Formosa. - Agreement between North Vietnam and Laos.

The conference of Asian and African States organized by the five Colombo Powers opened at Bandung (Indonesia) on April 18, and was attended by representatives of all the 25 countries invited except the Central African Federation.

The leaders of the various delegations were *Afghanistan*, Sardar Mohammed Naim Khan (Deputy Premier and Foreign Minister), *Burma*, U Nu (Prime Minister); *Cambodia*, Prince Norodom Sihanouk (the ex-King), *Ceylon*, Sir John Kotelawala (Prime Minister), *China*, Mr Chou En-lai (Prime Minister), *Egypt*, Colonel Nasser (Prime Minister), *Ethiopia*, Mr Y Deressa (Ambassador in Washington); *Gold Coast*, Mr. Kojo Botsio (Minister of State), *India*, Mr Nehru (Prime Minister); *Indonesia*, Dr Sastroamidjojo (Prime Minister), *Iraq*, Dr. Jamali (the former Prime Minister), *Japan*, Mr Takasaki (Director-General of the Economic Deliberations Board), *Jordan*, Mr Wahid Salah (Foreign Minister); *Laos*, M Katay Sasorith (Prime Minister); *Lebanon*, M Sami Solh (Prime Minister), *Liberia*, Mr Dukuly (Secretary of State); *Libya*, Mahmud Bey Muntasser (Ambassador in London), *Nepal*, Major-General Thapa (Foreign Minister), *Pakistan*, Mr Mohammed Ali (Prime Minister), *Persia*, Dr Ali Amin (Finance Minister), *Philippines*, General Romulo (the former Foreign Minister, and an ex-President of the U N General Assembly); *Saudi Arabia*, Emir Feisal (Prime Minister); *Siam*, Prince Wan Waithayakon (Foreign Minister), *Sudan*, Mr Azhari (Prime Minister), *Syria*, M Khaled el-Azem (Foreign Minister), *Turkey*, M Fatin Rustu Zorlu (Deputy Premier), *North Vietnam*, M Pham Van-Dong (Foreign Minister), *South Vietnam*, M Nguyen Van-Thoai (Minister of Planning), *Yemen*, Emir Seif el-Islam el Hassan (Prime Minister) The South Vietnamese Premier, M Ngo Dinh-Diem, who had originally intended to be present, did not attend the conference in view of the political crisis in Saigon

Unofficial observers who attended the conference included Archbishop Makarios of Cyprus (leader of the *Enosis* movement); the ex-Mufti of Jerusalem; Mr. A. D. Powell (a Negro, and Democratic member for New York in the U.S. House of Representatives); and spokesmen for the African National Congress. In view of the large number of observers, it was decided that none of them should be allowed to address the conference.

Opening Statements.

The conference was opened on April 18 by President Sukarno of Indonesia, after which Dr. Sastroamidjojo was unanimously elected chairman. The first two days were devoted to general statements by the leaders of the delegations, the most important of which are summarized below.

President Sukarno observed in his opening speech that "this is the first inter-continental conference of the so-called coloured peoples in the history of mankind," and referred to the great diversity of religious and political systems represented, which he attributed to the fact that Africa and Asia were the birthplaces of religions and ideas which had spread throughout the world The nations participating, however, were united by more important things than their superficial divisions, and notably by a common detestation of colonialism. Declaring that Asians and Africans should not be deceived by the claim that colonialism was dead, President Sukarno continued. "Do not think of colonialism only in the classic form which we of Indonesia and our brothers in different parts of Asia and Africa know. Colonialism has also its modern dress, in the form of economic control, intellectual control, and actual physical control by a small but alien community within a nation. It is a skilful and determined enemy, and it appears in many guises. Wherever, whenever, and however it appears, colonialism is an evil thing, and one which must be eradicated from the earth." The conference, he pointed out, represented more than half the earth's population, and they had to demonstrate to the minority living in other continents that the majority worked for peace and not for war The part played by the Colombo Powers in negotiating the armistice in Indo-China, when "the people of Asia raised their voices and the world listened," had already shown their power, and the 1,400,000,000 people represented at the conference must "inject a voice of reason into world affairs, where others depend on power politics and jet bombers."

Dr. Sastroamidjojo (Indonesia) denied that the conference was intended "to create another source of tension by constituting an anti-Western and even an anti-White bloc," and said that the foremost reason for calling it was "the antagonizing tension from which the world is suffering today." When they said they wanted peace they did not mean "an uneasy balance of power used as a deterrent to war," "the cold war as the only alternative to a hot war," or "the state of affairs where one Power more formidable than all others would be able to dominate the rest of the world, thus imposing its will and dictating its own conception of peace." "We don't want any domination either by force or by ideology," he continued, "no matter from whatever quarter it may come . . . We have to give the world faith, in which alone humanity can prosper without fear or suspicion. The prerequisite of this is willingness and determination to live in neighbourly fashion together, irrespective of each other's political, social, or religious ideologies, on principles of mutual respect for each other's national sovereignty and territorial integrity, abhorrence of aggression, non-interference in each other's internal affairs equality, and mutual benefit"

After reiterating President Sukarno's denunciation of colonialism, and condemning all forms of racialism, colour bars, and *apartheid*, Dr. Sastroamidjojo referred to the low standard of living in practically all Asian and African countries, and emphasized the need for increased co-operation between them in both the economic and cultural fields. The civilizations of Asia and Africa, he suggested, had lost their impact on international affairs because they had concentrated on spiritual at the expense of material matters They had since learned the importance of technology, but they also wished to keep their valuable cultural heritage, and to give it new life and expression in conformity with the requirements of the modern world "We have to face the birth of an atomic age," he concluded, "with a new spirit, new ideologies, and a new universal morality, which should form the basis of peaceful and brotherly intercourse between nations all over the world"

Sir John Kotelawala (Ceylon) observed that none of the Asian and African countries manufactured nuclear weapons and that most of them were ill-equipped even with conventional weapons, whereas when the great Western Powers talked peace their chances of agreement were weakened by the fact that each suspected the other's strength He therefore urged that the nations represented at the conference, comprising some two-thirds of the world's population, should formally offer their services as mediators between "the giants of Communism and anti-Communism" He was confident that among them could be found a group acceptable to both parties, and capable as an impartial intermediary of working out a plan for peace and creating a suitable machinery to implement it, and that to such a group they could delegate the authority to speak on behalf of Afro-Asia as a whole. When in a few months' time the U N. Charter came up for revision, they should demand that the U N should be reconstructed so that it could be an effective instrument of peace, not merely a forum for the wrangling of opposed Power groups, and a fully representative organ of the peoples of the world in which all nations could meet on equal terms In particular, they should demand the abolition of the veto, and the conversion of the Security Council into a fully elected body responsible to the General Assembly

Colonel Nasser (Egypt) laid down two pre-requisites for world peace—non-interference in other nations' affairs, and the right of all nations to choose their own political and economic systems He criticized French policy in North Africa as not conducive to peace and international co-operation, and demanded that members of the U.N. should obey its Charter. **Dr. Jamali** (Iraq) denounced "Colonialism, Zionism, and Communism" as the three international forces disturbing world peace, called upon the conference to brand Israel as "an illegitimate State and an aggressor", and declared that Communism had "subjected races in Asia and Eastern Europe on a much larger scale than the colonial Powers."

Mr. Mohammed Ali (Pakistan) suggested seven principles as a basis for world peace: (1) respect for the sovereignty and territorial integrity of all nations; (2) recognition of the equality of all independent and sovereign nations; (3) abstention from interference in the internal affairs of one country by another, (4) non-aggression against the territorial integrity or political independence of any country; (5) the right of self-defence, exercised singly or collectively; (6) the right of self-determination of all peoples, and resistance to colonial exploitation in any form; (7) settlement of all disputes by peaceful means such as negotiation, mediation, or arbitration Supporting Sir John Kotelawala's appeal for organizational changes in the U N., he advocated the admission of all eligible independent countries which had applied for membership, and an increase in the number of non-permanent seats in the Security Council, so as to ensure proper representation for Asian and African countries.

General Romulo (Philippines), whilst criticizing the U.S.A. for lacking "consistency and vigour" in upholding the rights of non-self-governing peoples, emphasized that the U S A. had "fully and honourably" redeemed its pledge of independence for the Philippines. He went on to condemn both racialism and the unwillingness of the Western countries to go far enough in condemning racial discrimination in South Africa, and appealed to the conference not to promote prejudice against Whites as such but rather to combat racial and other prejudices among themselves In conclusion he attacked Communism as "inherently expansionist," declaring that the Afro-Asian countries should not "fight to regain our manhood from Western colonial rulers only to surrender it to rulers among ourselves who seize power to keep us enslaved."

M. Sami Solh (Lebanon) said that there were three obstacles impeding human brotherhood: fanaticism, excessive nationalism, and hatred of foreigners. **Mr. Takasaki** (Japan) claimed that the Japanese people were now "completely dedicated to peace," and that, as the only people who had experienced the horrors of atomic bombs, they had "no illusions whatever about the enormity of an an attempt to solve international disputes by force." Japan, he added, was anxious to contribute both to peace and to economic co-operation for the common prosperity of the Afro-Asian region, which needed the spread of modern science and technology. **Prince Wan Waithayakon** (Siam) asked what was China's attitude towards "the so-called persons of dual nationality in Siam," where there was a Chinese community of 3,000,000 in a total population of 8,000,000. He alleged that the former Siamese Premier, Nai Pridi Panomyong, was supervising the training of Thais and Thai-speaking Chinese in Yunnan (China) for eventual "infiltration and subversion" in Siam.

Mr. Chou En-lai (China), in a conciliatory speech which made a favourable impression on the conference, said that the Chinese delegation had come "to seek common ground and not to create divergence." Denying that China had any intention of subverting neighbouring countries, he said that, on the contrary, China was "suffering from subversive activities by the U.S.A.", quoting as an example the activities of Kuomintang troops on the Sino-Burmese border. Any of the delegates, he added, were welcome to visit China at any time to confirm this fact, as there was no "bamboo curtain" around his country. He accused the U.S.A. of being the sole country creating tension in the Formosa area, and said that although the liberation of Formosa was "entirely the internal affair of the Chinese people", his Government was ready to adopt the Soviet proposal for an international conference on the subject. China had not brought this question or that of her representation in the U.N. before the conference, he explained, because she did not wish to raise controversial matters.

Continuing, Chou En-lai said that the problem of dual nationality was "something left behind by the old China," and stated that his Government was willing to discuss the question with any of the countries concerned. As for the "autonomous Thai movement" to which Prince Wan had referred, he denied that this was a threat to neighbouring countries, and said that the 10,000,000 Thais in Yunnan were one of China's many races and had been granted autonomy like all other national minorities.

The courses which the peoples of Asia and Africa had taken in striving for freedom and independence might vary, Mr. Chou En-lai continued, but their will to win and preserve their freedom was the same, and it was necessary for most of them to eliminate the backwardness caused by colonial rule. Countries outside Asia and Africa were establishing more and more military bases in Asian and African countries, and were making preparations for atomic war. The peoples of Asia, who would never forget that the first atomic bomb had exploded on Asian soil and that the first man to die from an experimental hydrogen bomb explosion was an Asian, could not be indifferent to this threat. "Although our demand for political independence does not mean a policy of exclusion towards countries outside the Asian-African region," he concluded, "the days when the Western Powers controlled our destiny are past."

Mr. Zorlu (Turkey) emphasized the need for co-operation and unity among free nations in the face of the threat of aggression, and gave a warning against the danger of a "middle-of-the-road" policy. If Asian countries were to exercise influence upon others in the interests of peace, their first duty, in which they unfortunately lagged behind, was to keep their own continent free from violence and aggression.

Proceedings of Committees.

The conference adopted the following agenda on April 18: (1) economic co-operation; (2) cultural co-operation, (3) human rights and self-determination; (4) problems of dependent peoples; (5) promotion of world peace and international co-operation. In order to deal with this agenda, political, economic and cultural committees were formed, four days (April 20-23) being given up to their discussions. It was agreed that each committee's report would have to be approved unanimously, and not by a majority vote.

During the discussions in the committees, and especially in the political committee, a cleavage became apparent between the pro-Western and anti-Communist group, led by Turkey, Pakistan, and Iraq, and the neutralist and Communist group, led by India, China, and Egypt. The first group comprised Ceylon, the Gold Coast, Iraq, Japan, Jordan, Lebanon, Liberia, Libya, Pakistan, Persia, the Philippines, Siam, the Sudan, Turkey, and South Vietnam, whilst the second comprised Afghanistan, Burma, Cambodia, China, Egypt, Ethiopia, India, Indonesia, Laos, Nepal, Saudi Arabia, Syria, North Vietnam, and Yemen. Notable features of this division were (*a*) the split among the Colombo Powers, Pakistan and Ceylon supporting the pro-Western and India, Burma, and Indonesia the neutralist group; (*b*) a similar split among the Arab League countries, Iraq, Jordan, Lebanon, and Libya supporting the pro-Western and Egypt, Saudi Arabia, Syria, and Yemen the neutralist group; and (*c*) the unexpected adherence of Cambodia and Laos to the neutralist group, under the influence of Mr. Nehru and of assurances given by Mr. Chou En-lai.

Political Committee.

At the Political Committee's first meeting, it was unanimously decided to accept the statement of human rights set forth in the U.N. Charter as a basis for discussion. This decision was taken after some opposition by **Mr. Chou En-lai**, who pointed out that the Chinese People's Republic was not a member of the U.N., and by **Mr. Nehru**, who added that several of the countries represented were not members of the U.N. Organization. A resolution on Palestine moved by Pakistan and the Arab States received strong support from **Mr. Chou En-lai**; **Mr. Nehru**, however, whilst condemning Zionism as "an aggressive movement," appealed to the conference to try to understand the forces behind it, and suggested that "the question of negotiation should not be ruled out."

When discussion of the resolution was resumed on April 21 **Mr. Chou En-lai** compared the Palestine question to that of Formosa, and maintained that it could be settled when the outside factors responsible for the "Palestine tragedy" disappeared. The Arab resolution was approved, as were others on Western New Guinea, French North Africa, and racial discrimination (see below).

During the discussion on dependent peoples **Sir John Kotelawala** made a strong attack on "Soviet colonialism," referring to the "satellite States under Communist domination in Central and Eastern Europe," and demanding that the conference should declare its opposition "to Soviet colonialism as much as to Western imperialism." He also proposed that the conference should call upon all Powers with colonies to grant them autonomy within the next 10 years, except in very special circumstances. In a statement circulated to the Press on the same day, Sir John denounced local Communist parties as "agents of the great Communist Powers," demanded the dissolution of the Cominform, and proposed that as a "reassuring gesture" China should publicly call upon all Communist groups throughout Asia and Africa to disband. On April 22, however, Sir John withdrew his motion, stating that he did not wish to disturb the harmony of the conference.

Mr. Nehru observed that if they were to include Eastern Europe within the conference's purview, all forms of imperialism would have to be considered, thus the question of Guatemala might be raised, and they would have to discuss certain forms of coercion and pressure in Asian and African countries. **Mr. Mohammed Ali**, **Mr. Zorlu**, and **General Romulo**, however, insisted on introducing a resolution condemning "all types of colonialism, including international doctrines resorting to the methods of force, infiltration, and subversion." This resolution was supported by the delegates of Persia, Iraq, Liberia, Lebanon, Libya, and the Sudan.

Mr. Chou En-lai, in a brief reply to Sir John Kotelawala's speech, said that although the delegates had different views on the interpretation of the word "colonialism" they were all agreed on its generally accepted definition. He suggested that the colonial Powers should be asked to give their Asian and African colonies freedom within 15 years. If some countries wished their particular grievances to be included in the resolution, he added, China's grievances should also be incorporated, such as Formosa and "foreign attempts to subvert us." The resolution was finally referred to a sub-committee.

On the question of world peace several resolutions were submitted. **U Nu** proposed a resolution based on the five principles of peaceful co-existence, with the addition of clauses on human rights and the principles of the U.N. Charter; **Mr. Mohammed Ali** put forward the "seven pillars of peace" formulated in his speech of April 19; and **Mr. Nehru** submitted a resolution appealing to the great Powers not to test or use atomic or thermo-nuclear weapons and to stop producing them. **Sir John Kotelawala** proposed (1) a convention for controlling conventional armaments and banning the production, possession, and use of nuclear weapons, (2) pending such a convention, an immediate arms truce and an agreement to end nuclear test explosions, (3) the reorganization of the U.N., and the admission of all sovereign countries to membership.

After **Mr. Zorlu** had defended Turkey's participation in the NATO, which he described as "a bulwark of peace," on the ground that it was necessary for her survival, **Mr. Nehru** made his first major speech at the conference, which produced a deep impression. Mr. Zorlu, he said, had put one side of the case, but probably an equally good case could be put against NATO. India was not on the side of any Power bloc, and was neither Communist nor anti-Communist, she considered that both sides were wrong and that their policies would lead to war. Maintaining that every military pact added to the insecurity of the world, Mr. Nehru denounced the clause in Mr. Mohammed Ali's resolution on collective self-defence as "merely a cover of words to make military pacts acceptable," and declared that it was "an intolerable humiliation for an Afro-Asian country to degrade itself as a camp follower of one or the other side." NATO, he said, was in fact "one of the most powerful protectors of colonialism" and was showing "gross impertinence" in supporting Portugal over the question of Goa. The grave situation in the China Sea might lead to war, and it was within the power of the Asian and African peoples to tilt the balance in favour of peace. Advocating support for U Nu's resolution, he observed that it did not even contain the word "co-existence," and asked why some delegations should object to this word as propaganda when President Eisenhower himself had used it more than once.

Mr. Chou En-lai on April 23 submitted a resolution on world peace containing the following points: (1) respect for the sovereignty and territorial integrity of all countries; (2) abstention from aggression, military threats, and interference in other countries' internal affairs; (3) recognition of the equality of all nations and races; (4) respect for the right of peoples to choose freely their own way of life and their political and economic systems, (5) settlement of international disputes by peaceful means; (6) support for all efforts to promote peace; (7) an immediate arms truce among all countries. If there were objections to the use of the word "co-existence," he suggested, they could use the phrase of the U.N. Charter, "living together in peace." He invited representatives of Cambodia, Laos, Burma, Siam, and the Philippines to inspect China's frontiers and to see for themselves that neither aggression nor subversion was being planned against their countries. At the same time he gave Laos and Cambodia an assurance that China had no expansionist intentions against them. Mr. Chou En-lai also observed that Mr. Nehru had informed him that Sir Anthony Eden was agreeable to the five principles of peaceful co-existence, and said that if this were true he would be "happy to sign a common declaration with him."

Mr. Nehru denounced both SEATO and the Cominform as dangerous to peace, and said he was surprised at the timing of the Manila Pact, which he described as "an angry reaction" to the success of the Geneva Conference. The fact that at Geneva the great Powers had agreed that the Indo-Chinese States should not align themselves with any Power bloc showed that non-alignment was the way of

peace. He also criticized Sir Winston Churchill's phrase "peace through strength," which, he said, had resulted in strength being underlined but not peace

On the final day of the conference (April 24) a compromise was reached on the resolution on problems of dependent peoples, which condemned "colonialism in all its manifestations" A similar compromise was reached on the resolution on world peace, which approved collective defence agreements in conformity with the U.N Charter, provided that such agreements did not serve the particular interests of any of the big Powers and were not used as a means of pressure on other countries

Economic and Cultural Committees.

The proceedings of the Economic and Cultural Committees were of a less controversial nature. At the meeting of the former on April 20, however, an Indonesian resolution in favour of the lifting of the embargo on trade with China imposed during the Korean war was dropped as a result of opposition by Turkey, the Philippines, and Siam

Final Statements.

At the final plenary session on April 24 statements were made, among others, by Mr. Chou En-lai and Mr. Nehru.

Mr. Chou En-lai repeated his proposal of the previous day (see below) that "China and the United States should sit down and enter into negotiations to settle the question of relaxing tension in the Formosa area," adding that "this should not affect in the slightest degree the sovereign rights of the people of China in liberating Formosa" He also appealed for talks aimed at a permanent peace in Indo-China, and for a speedy and peaceful reunion of Korea by the parties concerned.

Mr. Nehru, after observing that the conference had achieved considerable success, said that "we want to be friends with Europe and America and co-operate with them, but they are in the habit of thinking that their quarrels are world quarrels, and that therefore the world must follow them this way or that. Why should we be dragged into their quarrels and wars?" he demanded "I hope we shall keep away" He would like Australia and New Zealand, which did not belong to Europe and much less to America, to come nearer to Asia He added that there was "nothing more terrible and horrible than the infinite tragedy of Africa," dating from the time of the slave trade, and that it was "up to Asia to help Africa to the best of her ability, because we are sister continents" "We have made some history here," he concluded, "and must live up to what the world expects of us."

Resolutions of the Bandung Conference.

The final communiqué issued by the conference was worded as follows:

Resolution on Economic Co-operation.

"(1) The conference recognized the urgency of promoting economic development in the Asian-African region There was general desire for economic co-operation among the participating countries on the basis of mutual interest and respect for national sovereignty The proposals with regard to economic co-operation within the participating countries do not preclude either the desirability or the need for co-operation with countries outside the region, including the investment of foreign capital It was further recognized that assistance being received by certain participating countries from outside the region through international or under bilateral arrangements had made a valuable contribution to the implementation of their development programmes

(2) The participating countries agree to provide technical assistance to one another, to the maximum extent practicable, in the form of experts, trainees, pilot projects, equipment for demonstration purposes, exchange of know-how, and the establishment of national and—where possible—regional training and research institutes for imparting technical knowledge and skills, in co-operation with the existing international agencies.

(3) The conference recommended: (*a*) the early establishment of a special U N fund for economic development; (*b*) the allocation by the International Bank of a greater part of its resources to Asian-African countries, (*c*) the early establishment of an International Finance Corporation, which should include in its activities the undertaking of equity investment, and (*d*) encouragement of the promotion of joint ventures among Asian-African countries in so far as this will promote their common interest

(4) The Asian-African conference recognized the vital need for stabilizing commodity trade in the region. The principle of enlarging the scope of multilateral trade and payments was accepted. However, it was recognized that some countries would have to take recourse to bilateral trade arrangements in view of their prevailing economic conditions.

(5) The conference recommended that collective action be taken by participating countries for stabilizing international prices of and demand for primary commodities through bilateral and multilateral arrangements, and that as far as practicable and desirable they should adopt a unified approach on the subject in U.N. and other international forums.

(6) The Asian-African conference further recommended that Asian-African countries should diversify their export trade by processing their raw materials whenever economically feasible before export; that intra-regional trade fairs should be promoted, and encouragement given to the exchange of trade delegations and groups of businessmen; that exchanges of information and of samples should be encouraged with a view to promoting intra-regional trade; and that normal facilities should be provided for the transit trade of landlocked countries.

(7) The conference attached considerable importance to shipping, and expressed concern that shipping lines reviewed from time to time their freight rates often to the detriment of participating countries It recommended a study of this problem and collective action thereafter to put pressure on the shipping lines to adopt a more reasonable attitude

(8) The conference agreed that encouragement should be given to the establishment of national and regional banks and insurance companies.

(9) The conference felt that exchange of information on matters relating to oil, such as remittance of profits and taxation, might finally lead to the formulation of a common policy

(10) The conference emphasized the particular significance of the development of nuclear energy for peaceful purposes for Asian-African countries It (*a*) welcomed the initiative of the Powers principally concerned in offering to make available information regarding the use of atomic energy for peaceful purposes; (*b*) urged the speedy establishment of an International Atomic Energy Agency which should provide for adequate representation of the Asian-African countries on the executive authority of the agency, and (*c*) recommended that Asian and African governments take full advantage of the training and other facilities in the peaceful uses of atomic energy offered by the countries sponsoring such programmes.

(11) The conference agreed to the appointment of liaison officers in participating countries, to be nominated by their respective national governments, for the exchange of information and matters of mutual interest It recommended that fuller use should be made of the existing international organizations, and that participating countries who were not members of such international organizations but were eligible should secure membership

(12) The conference recommended that there should be prior consultation of participating countries in international forums with a view, as far as possible, to furthering their mutual economic interest. It is, however, not intended to form a regional bloc."

Resolution on Cultural Co-operation

"(1) The conference was convinced that among the most powerful means of promoting understanding among nations is the development of cultural co-operation Asia and Africa have been the cradle of great religions and civilizations which have enriched other cultures and civilizations, while themselves being enriched in the process. Thus the cultures of Asia and Africa are based on spiritual and universal foundations Unfortunately, cultural contacts among Asian and African countries were interrupted during past centuries. The people of Asia and Africa are now animated by a sincere desire to renew their old cultural contacts and develop new ones in the context of the modern world All participating governments reiterated their declaration to work for closer cultural co-operation

(2) The conference took note of the fact that the existence of colonialism in many parts of Asia and Africa, in whatever form it may be, not only prevents cultural co-operation but also suppresses the national cultures of the peoples Some Colonial Powers have denied their dependent peoples basic rights in the sphere of education and culture, which hampers the development of their personality and also prevents cultural intercourse with other Asian and African peoples. This is particularly true in the case of Tunisia, Algeria and Morocco, where the basic right of the people to study their own language and culture has been suppressed Similar discrimination has been practised against African and Coloured people in some parts of the Continent of Africa The conference felt that these policies amount to a denial of the fundamental rights of man, impede cultural advancement in this region, and also hamper cultural co-operation on the wide international plane The conference condemned such a denial of fundamental rights in the sphere of education and culture in some parts of Asia and Africa by this and other forms of cultural suppression In particular, it condemned racialism as a means of cultural suppression.

(3) True to the age-old tradition of tolerance and universality, the conference believed that Asian and African cultural co-operation should be developed in the larger context of world co-operation. Side by side with the development of Asian-African cultural co-operation, the countries of Asia and Africa desire to develop cultural contacts with others. This would enrich their own culture and would also help in the promotion of world peace and understanding.

(4) There are many countries in Asia and Africa which have not yet been able to develop their educational, scientific and technical institutions. The conference recommended that countries in Asia and Africa which are more fortunately placed in this respect should give facilities for the admission of students and trainees from such countries to their institutions. Such facilities should also be made available to the Asian and African people in Africa, to whom opportunities for acquiring higher education are at present denied.

(5) The conference felt that the promotion of cultural co-operation among countries of Asia and Africa should be directed towards: (*a*) the acquisition of knowledge of each other's countries, (*b*) mutual cultural exchanges; and (*c*) exchange of information.

(6) The conference was of the opinion that at this stage the best results in cultural co-operation would be achieved by pursuing bilateral arrangements to implement its recommendations, and by each country taking action on its own wherever possible and feasible."

Resolution on Human Rights and Self-Determination.

"(1) The conference declared its full support of the fundamental principles of human rights as set forth in the U.N. Charter, and took note of the Universal Declaration of Human Rights as a common standard of achievement for all peoples and all nations. It declared its full support for the principle of self-determination of peoples and nations as set forth in the U N. Charter, and took note of the U.N. resolutions on the right of peoples and nations to self-determination.

(2) The conference deplored the policies and practices of racial segregation and discrimination which form the basis of government and human relations in large regions of Africa and in other parts of the world. Such conduct is not only a gross violation of human rights but also a denial of the fundamental values of civilization and the dignity of man The conference extended its warm sympathy and support for the courageous stand taken by the victims of racial discrimination, especially by the peoples of African Indian, and Pakistani origin in South Africa, applauded all those who sustained their cause, reaffirmed the determination of Asian-African peoples to eradicate every trace of racialism that might exist in their own countries, and pledged itself to use its full moral influence to guard against the danger of falling victims to the same evil in their struggle to eradicate it

(3) In view of the existing tension in the Middle East caused by the situation in Palestine, and of the danger of that tension to world peace, the conference declared its support of the rights of the Arab people of Palestine, and called for the implementation of the U N resolutions on Palestine and for the peaceful settlement of the Palestine question "

Resolution on Problems of Dependent Peoples.

" (1) The conference, in the context of its expressed attitude on the abolition of colonialism, supported the position of Indonesia in the case of West Irian (Dutch New Guinea) It urged the Netherlands Government to reopen negotiations as soon as possible to implement their obligations under the [Netherlands-Indonesian] agreements and expressed the earnest hope that the United Nations would assist the parties concerned in finding a peaceful solution to the dispute

(2) In view of the unsettled situation in North Africa and of the persistent denial to the peoples of North Africa of their right to self-determination, the conference declared its support of the rights of the people of Algeria, Morocco, and Tunisia to self-determination and independence, and urged the French Government to bring about a peaceful settlement of the issue without delay "

Resolution on World Peace and Co-operation.

" (1) The conference, taking note of the fact that several States have still not been admitted to the United Nations, considered that for effective co-operation for world peace, membership should be universal, and called on the Security Council to support the admission of all those States which are qualified for membership in terms of the Charter. In the opinion of the conference the following countries which were represented in it—Cambodia, Ceylon, Japan, Jordan, Laos, Libya, Nepal, and unified Vietnam—are so qualified.

The conference considered that the representation of the countries of the Asian-African region on the Security Council, in relation to the principle of equitable geographical distribution, was inadequate It expressed the view that, as regards the distribution of the non-permanent seats, the Asian-African countries which, under the arrangement arrived at in London in 1946, are precluded from being elected, should be enabled to serve on the Security Council so that they might make a more effective contribution to the maintenance of international peace and security

(2) The conference, having considered the dangerous situation of international tension existing, and the risks confronting the whole human race, from the outbreak of global war in which the destructive power of all types of armaments, including nuclear and thermo-nuclear weapons, would be employed, invited the attention of all nations to the terrible consequences that would follow if such a war were to break out. It considered that disarmament and the prohibition of the production, experimentation, and use of nuclear and thermo-nuclear weapons are imperative to save mankind from the fear and prospect of wholesale destruction. It considered that the nations of Asia and Africa have a duty towards humanity and civilization to proclaim their support for the prohibition of these weapons, and to appeal to the nations principally concerned and to world opinion to bring about such disarmament and prohibition

The conference considered that effective international control should be established and maintained to implement such prohibition, and that speedy and determined efforts should be made to this end. Pending the total prohibition of the manufacture of nuclear and thermo-nuclear weapons, this conference appealed to all the Powers concerned to reach agreement to suspend experiments wich such weapons.

The conference declared that universal disarmament is an absolute necessity for the preservation of peace; requested the United Nations to continue its efforts; and appealed to all concerned speedily to bring about the regulation, limitation, control and reduction of all armed forces and armaments, including the prohibition of the production, experimentation and use of all weapons of mass destruction, and to establish effective international control to this end

(3) The conference supported the position of the Yemen in the case of Aden and the southern parts of Yemen, known as the protectorates, and urged the parties concerned to arrive at a peaceful settlement of the dispute."

In addition to the four resolutions, the text of which is given above, the conference also adopted a Declaration on the Problems of Dependent Peoples and a Declaration on the Promotion of World Peace and Co-operation. These were as follows:

Declaration on Problems of Dependent Peoples.

" The conference discussed the problems of dependent peoples and colonialism and the evils arising therefrom, and agreed:

(1) In declaring that colonialism in all its manifestations is an evil which should speedily be brought to an end;

(2) In affirming that the subjection of peoples to alien subjugation, domination and exploitation constitutes a denial of fundamental human rights, is contrary to the U N. Charter, and is an impediment to the promotion of world peace and co-operation,

(3) In declaring its support of the cause of freedom and independence for all such peoples; and

(4) In calling upon the Powers concerned to grant freedom and independence to such peoples "

Declaration on World Peace and Co-operation.

" The conference gave anxious thought to the question of world peace and co-operation It viewed with deep concern the present state of international tension, with its danger of an atomic world war The problem of peace is correlative with the problem of international security. In this connexion all States should co-operate, especially through the U N, in bringing about the reduction of armaments and the elimination of nuclear weapons under effective international control In this way international peace can be promoted and nuclear energy used exclusively for peaceful purposes

Freedom and peace are inter-dependent. The right of self-determination must be enjoyed by all peoples, and freedom and independence must be granted with the least possible delay to those peoples who are still dependent All nations should have the right freely to choose their own political and economic systems and their own way of life, in conformity with the purposes and principles of the U N Charter

Free from distrust and fear, and with confidence and goodwill toward each other, nations should practise tolerance, live together in peace with one another as good neighbours, and develop friendly co-operation on the basis of the following principles.

(1) Respect for the fundamental human rights and for the purposes and principles of the U N Charter

(2) Respect for the sovereignty and territorial integrity of all nations

(3) Recognition of the equality of all races and nations, large and small

(4) Abstention from intervention or interference in the internal affairs of other countries

(5) Respect for the right of each nation to defend itself singly or collectively in conformity with the U N Charter

(6) Abstention from the use of arrangements of collective defence to serve the particular interests of any of the big Powers, and abstention by any country from exerting pressure on other countries

(7) Refraining from acts or threats of aggression or the use of force against the territorial integrity or political independence of any country

(8) Settlement of all international disputes by peaceful means such as negotiaton, conciliation, arbitration, or judicial settlement, as well as other peaceful means of the parties' own choice in conformity with the U.N. Charter.

(9) Promotion of mutual interest and co-operation.

(10) Respect for justice and international obligations

The Asian-African conference declared its conviction that friendly co-operation in accordance with these principles would effectively contribute to the maintenance and promotion of international peace and security, whilst co-operation in the economic, social and cultural fields would help bring about the common prosperity and well-being of all.

The conference recommended that the sponsoring countries should consider the next meeting of the conference in consultation with other countries concerned "

The conference provided an opportunity for many private meetings between the participating statesmen on problems of common interest. The most important of these concerned the dual nationality of Chinese living abroad (on which an agreement between China and Indonesia was signed on April 22), the status of Formosa, and the position in Indo-China.

Sino-Indonesian Agreement.

A treaty regulating the status of the Chinese living in Indonesia (estimated to number about 2,500,000) was signed on April 22 by Mr. Chou En-lai and the Indonesian Foreign Minister, Dr. Sunarjo, its provisions being as follows:

(1) All persons over 18, including married women, holding both Chinese and Indonesian citizenship were required to choose between them within two years. Any person failing to do so would automatically be registered as Indonesian or Chinese in accordance with his or her father's descent

(2) Children would acquire their father's citizenship, but would be allowed to choose for themselves on reaching the age of 18

(3) Nationality would not be affected by marriage, unless either party chose his or her spouse's citizenship at the time.

(4) Persons choosing Chinese citizenship would be liable to deportation if considered undesirable, whilst those choosing Indonesian citizenship would not be eligible for the Chinese Government's protection.

Mr. Chou En-lai stated on April 22 that he was aware of other countries' concern over the same problem, and expressed the hope that Chinese living overseas, after making their choice, would " increase their sense of responsibility towards the country whose nationality they have chosen." A joint statement issued on April 28 by Mr. Chou En-lai and Dr. Sastroamidjojo said that both countries accepted the " five principles " of peaceful co-existence, and were living peacefully together as good neighbours on the basis of those principles.

Discussions on Formosa. - Chinese and U.S. Statements.

Proposals for a settlement of the Formosan question were put forward during the conference by Sir John Kotelawala, but failed to win support. These would have provided for the immediate transfer of Matsu and Quemoy islands to China, the withdrawal of the U.S 7th Fleet from the Formosa Strait; the "honourable retirement" of General Chiang Kai-shek, the establishment of a trusteeship over Formosa for five years, under either the U.N. or the Colombo Powers; and the holding of a plebiscite at the end of that period to decide whether Formosa should remain Chinese territory or become independent.

After discussions with the Prime Ministers of the Colombo Powers, and the Siamese and Philippine representatives (Prince Wan Waithayakon and General Romulo), Mr. Chou En-lai issued the following statement on April 23: "The Chinese people are friendly to the American people. They do not want a war with the United States. The Chinese Government is willing to sit down and enter into negotiations with the U.S. Government to discuss the question of relaxing tension in the Far East, especially in the Formosa area."

The U.S. State Department issued the following reply on the same day:

"The United States always welcomes any efforts, if sincere, to bring peace to the world In the Formosa region we have an ally in the free Republic of China and, of course, the U S A would insist on free China participating as an equal in any discussion concerning the area. If Communist China is sincere, there are a number of obvious steps it could take to clear the air considerably and give evidence before the world of its good intentions One of these would be to place in effect in the area an immediate cease-fire. It could also immediately release the American airmen and others whom it unjustly holds Another could be the acceptance of the outstanding invitation by the U N Security Council to participate in discussions to end hostilities in the Formosa region"

The Chinese Nationalist Government subsequently announced that it was not prepared to take part in negotiations. At Bandung the State Department's statement was regarded as disappointing even by the representatives of pro-Western countries such as Turkey, Iraq, Pakistan, and Ceylon, Sir John Kotelawala said that it was "a pity that the United States should have replied to the Chinese offer without thinking," and expressed his confidence in Mr. Chou En-lai's sincerity.

After discussing the Formosan situation with Mr. Chou En-lai on April 25, Mr. Mohammed Ali told the Press that China was still prepared to negotiate, and that Mr. Chou En-lai had proposed a "reasonable" solution to the question of General Chiang Kai-shek's position. He [Mr. Ali] also believed that China would release the imprisoned U.S airmen if the U.S.A. showed herself anxious to bring about a peaceful settlement. Either the Colombo Powers or the members of SEATO, he suggested, should take up the Formosan question, and should discuss first the immediate problem of Quemoy and Matsu and then the admission of China to the U.N., after which the future of Formosa could be settled through the United Nations.

Mr. Dulles, the U.S. Secretary of State, issued the following statement on April 26:

"The Bandung conference, as we had hoped, seems to have exerted a restraint on the Chinese Communists. I have always felt that it would be salutary if the Chinese Communists were confronted with the opinion of the free nations of Asia That opinion was powerfully expressed in favour of peace and against direct and indirect aggression. There seems now a chance that the Communist Chinese may be deterred from pursuing the course of violence which has characterized their action in relation to Korea, to Tibet, to Indo-China, and, more recently, to the Formosa Straits

The Chinese Communists found no backing for their announced programme of seizing Formosa by force. On the contrary, they felt it useful in the last hours of the Bandung conference to propose to negotiate a peaceful settlement. Whether or not that was a sincere proposal remains to be seen Perhaps the Chinese Communists were merely playing a propaganda game But we intend to try to find out In doing so we shall not, of course, depart from the path of fidelity and honour toward our ally, the Republic of China."

Mr. Dulles told a press conference on the same day that the U.S. Government would be prepared to enter into bilateral discussions with the Chinese Communist Government, provided these were confined to the possibility of a cease-fire in the Formosa Strait, but that it would not negotiate on the rights of the Nationalist Government in the latter's absence. An essential question to be answered before discussions could begin was the meaning of Mr. Chou En-lai's statement that China would not renounce her right to "liberate" Formosa; if this meant that China renounced force but not her claim to the island, there could be grounds for a bilateral meeting. The State Department's statement, Mr. Dulles explained, had not put forward the release of the imprisoned airmen and the acceptance of the Security Council's invitation as conditions for the opening of negotiations, but merely as "suggestions."

Discussions on Indo-China.

A series of meetings took place between the Chinese, North Vietnamese, Laotian, and Cambodian representatives, as a result of which M. Pham Van-Dong and M. Katay Sasorith signed an agreement on April 28 whereby M. Sasorith affirmed Laos's adherence to the "five principles" of co-existence, and M. Pham Van-Dong gave an assurance that North Vietnam had no designs on the Laotian provinces controlled by the *Pathet Lao* movement Similar assurances of non-interference were given to Cambodia by M. Pham Van-Dong, and to Laos and Cambodia by Mr. Chou En-lai.—(The Statesman, Calcutta - The Hindu, Madras - Indonesian Embassy, London - Indian and Pakistani High Commissioners' Offices, London - Ceylonese and Burmese Government Information Departments - New York Times - Manchester Guardian) **(Prev. rep. 13977 A.)**

A. UNITED KINGDOM. — Wholesale and Retail Prices. - Movements in First Quarter of 1955.

The movement of wholesale and retail prices in the first quarter of 1955 is shown below:

Wholesale Prices (1930 = 100)	January	February	March
Intermediate products	372 0	374 1	373 9*
Iron and steel	373 4*	375 1*	376 3*
Food and tobacco	315 1	311 4	304 7*
All items	337 5	338 5*	336 0*
Retail Prices (Jan. 15, 1952 = 100)†			
Food	119 2	118 8	118 6
Rent and Rates	113 5	113 7	113 9
Clothing	95 6	96 3	96 3
Fuel and light	114 9	114 8	114 8
Household durable goods	95 3	95 4	95 4
Miscellaneous goods	99 4	99 7	99.7
Services	112.6	112 9	113 2
Alcoholic drink	102 5	102 5	102.5
Tobacco	100.3	100.3	100 3
All items	110 2	110 2	110 2
All items (June 1947 = 100)	146.0	146 0	146.0

* Provisional † At Jan. 18, Feb. 15, and March 15 respectively.

The Board of Trade Basic Materials index in the first quarter (June 1949 = 100) was 149 1 in January, 152.2 in February, and 150 9 in March.—(Board of Trade Journal - Ministry of Labour Gazette) **(Prev. rep. 14065 B.)**

B. UNITED STATES. — Tax Extension Act.

President Eisenhower signed a Bill on March 30 extending company and excise taxes at existing levels for a further year until March 31, 1956. During the Bill's passage through Congress there had been bitter debate over Democratic attempts to cut the personal income tax by $20 per person; a proposal to that effect had been adopted by the House Ways and Means Committee on Feb. 21 and included in the House Bill by the narrow majority of five votes on Feb. 25. In the Senate, however, attempts to include a similar provision were defeated, and the Bill was passed by 50 votes to 44 on March 15 without any amendment granting tax reductions; five Southern Democrats joined 45 Republicans in voting for the measure, 44 Democrats voting against. The House concurred in the Senate version (by 386 votes to 8) on March 30.
(New York Times) **(Prev. rep. 13730 C.)**

C. SPAIN. — U.S.-Spanish Agreement on Modernization of Spanish Fleet.

It was announced in Madrid on May 3 that the United States and Spain had signed an agreement on naval aid designed to give Spain a "substantial modern fleet." The agreement provided for the modernization of about 20 Spanish warships, including destroyers, gunboats, corvettes, and minesweepers, with new armaments, radar, and fire-control equipment. Some of the equipment will be supplied by the United States, whilst the rest will be manufactured in Spain and other European countries The agreement, concluded under the U.S.-Spanish mutual military defence assistance agreement of 1953, gave no estimate of the cost of the modernization programme.
(A.B.C., Madrid - New York Herald Tribune)
(Prev. rep. 13527 B.)

A. UNITED KINGDOM. — Agriculture. - Farm Prices, 1955-56. - Special Additions to 1954-55 Prices. - Other Agricultural Developments.

A White Paper published on March 10 announced the new farm prices and levels of production grants for 1955-56, fixed as a result of the Annual Review in February, and providing for an increase of about £28,000,000 on payments to farmers, including an increase of about £11,500,000 in production grants. The new prices—effective from April 1, except those for cereals and rootcrops—are given below, with prices fixed at the 1954-55 Price Review shown in parentheses :

Livestock and Livestock Prices. *Milk* An average of 3s 1·95d a gallon (3s 1·2d) *Fat Cattle* Steers, heifers, and special young cows, 138s 8d a live cwt (133s 2d) *Fat Sheep and Lambs* 3s 0d an estimated lb deadweight (2s 10½d). *Fat Pigs* 51s. 4d a score deadweight (51s 3d) *Wool* An average of 4s 10½d. a lb , including marketing costs (4s 6d , plus marketing costs of about 4½d a lb)

The price for fat pigs is adjusted from time to time according to the price of feedingstuffs The 1955-56 price was based on a feed price of 32s 5d a cwt , whereas the 1954-55 price was related to a feed price of 29s 10d a cwt , the new price therefore represents a net reduction of 2s 6d a score deadweight.

Cereal and Other Crops (1956 harvest) *Wheat* An average of 29s 9d. a cwt (same) *Barley* 26s a cwt (24s 6d) *Oats* 24s 9d a cwt (23s). *Rye* 23s a cwt. (same) *Potatoes* 217s. a ton (212s 6d). *Sugar Beet* : 128s 1d (125s 7d)

Eggs. An average of 4s. 1½d a doz for hen eggs (4s 0d) ; price for duck eggs unchanged

Production Grants. The following increases were announced *Lime Subsidy* from 50 per cent to 60 per cent (summer grants from 60 per cent to 70) *Ploughing grants* · from £5 and £10 per acre to £7 and £12 *Calf Subsidy* from £5 to £7 10s.

Other Subsidies. A special subsidy of 5s would be paid for 1955 only for hill sheep, and there would also be new subsidy rates for nitrogenous and phosphatic fertilizers, involving additional payments amounting to £3,500,000 on the basis of 1954-55 consumption

After stressing that farming results in 1955-56 would largely depend on the industry's success in reducing its unit costs of production, the White Paper explained that the Government's aim had been to help it make good the effects of the past year's exceptional difficulties, and to continue its efficient development.

For 1954-55 it estimated farmers' income at about £280,000,000, compared with £320,500,000 in 1953-54, the reduction reflecting the adverse weather conditions last year, when output was estimated at only 53 per cent above pre-war, compared with 55 per cent in 1953-54 But for the weather net output would have been higher than in the previous year, as the increase in the output of pigs and cattle had more than offset a decline in the acreage under crops, whilst production of eggs and milk was also estimated to have increased slightly. When adjusted for weather conditions, (i e if normal weather had prevailed), estimated net farm income in 1954-55 would have been £312,000,000, the comparable figure for 1953-54 being £306,500,000.

For 1955-56 the White Paper estimated that the increase in farmers' production costs would amount to £25,000,000 for commodities covered by the review and £30,000,000 for all commodities It considered that, given normal weather, these increases could be offset by continued improvement in the industry's efficiency, but gave a warning that the effects of the past season's exceptionally bad weather must be expected to continue well into 1955-56.

As regards future policy, the White Paper stressed that the downward trend in some market prices in 1954-55 had meant that the cost of the support given to agriculture had continued to be high—approaching £250,000,000 The Government were particularly concerned about the high level of support required for pig production at current price levels, and would have to look for further reduction of Exchequer liability in the future. Their general production policy, however, remained unchanged, and they reaffirmed their view that in free market conditions it was neither practicable nor desirable to set precise production targets for individual commodities They continued to look to an increase in the industry's net output by means of more beef, mutton, and lamb , a further steady improvement in crop yields , and a saving of feedingstuff imports through more ley farming, improved management and use of grass, and skill and economy in the use of concentrated feedingstuffs.

On Feb. 12, 1955, the Minister of Food, Agriculture and Fisheries (Mr. Heathcoat-Amory) had announced the Government's decision to recoup farmers fully for the recent increase in agricultural wages (see 13985 A) by raising the payments made for farm produce. As a result of a special review asked for by the National Farmers' Unions, additions would be made uniformly throughout the United Kingdom to guarantee prices (*a*) for crops of the 1955 harvest, to take account of increased costs over a full year , (*b*) for livestock and livestock products, to cover the higher costs over the remainder of the current livestock year.

The agreed additions were announced as follows (new guaranteed prices in parentheses) :

Crops of the 1955 Harvest. *Wheat, Rye, and Oats* · 3d per cwt. (30s., 23s 3d 23s 3d. respectively) *Barley* · 2d per cwt (24s 8d) *Potatoes* 3s 4d. a ton (215s. 10s) *Sugar Beet* 2s per ton (127s 10d)

Livestock and Livestock Products. *Milk* £587,000 (equal to about 0.83d per gallon on estimated sales during March) would be paid to marketing authorities who would make payments to producers in respect of whatever quantities and periods they thought most appropriate *Eggs* For first quality hen and duck eggs sold through packing establishments, ½d per doz above average support prices. *Wool* : The British Wool Marketing Board would draw £51,000 from the special account for allocation to producers *Fatstock* : The following additions would be made (*a*) for the four weeks ending March 27 to existing standard prices, and (*b*) for the subsequent two four-weekly periods to the standard prices as determined after the annual price review (see above) . 1s 10½d a live cwt for fat cattle , 0·66d. a lb for fat sheep and lambs , and 2·66d a score for fat pigs.

Other recent developments in connexion with agriculture are summarized below .

Minimum Prices for Livestock Products, 1956-57 and 1957-58. Mr. Heathcoat-Amory announced on Dec 21, 1954, the minimum prices (below which farmers' remuneration would not be allowed to fall) for livestock products in the above two years These were ·

Commodity	1956-57 s.	1956-57 d	1957-58 s	1957-58 d
Milk, per gallon .	2	6	2	5
Fat cattle, per live cwt .	113	6	113	6
Fat sheep and lambs, per lb deadweight .	2	3	2	2
*Fat pigs, per score deadweight . .	41	0	38	0
*Hen eggs, per doz .. .	3	3	3	1
*Duck eggs, per doz	2	10	1	8
Wool per lb (greasy basis)	3	0	3	0

* Prices subject to a sliding scale related to feedingstuffs prices.

N.F.U.'s Voluntary Livestock Marketing Scheme. The three National Farmers' Unions (for England and Wales, Scotland, and Northern Ireland) announced on Oct 22, 1954, that after reviewing developments in fatstock marketing since the decontrol and derationing of meat, they had decided to withdraw their voluntary marketing schemes for fatstock

Pig and Bacon Marketing. Mr Heathcoat-Amory announced in the House of Commons on March 11, 1955, that, in conjunction with the Secretary of State for Scotland, he had decided to set up a commission to advise on future schemes of pig and bacon marketing.

Horticultural Marketing. The Parliamentary Secretary to the Ministry of Agriculture (Lord St. Aldwyn) announced in the House of Lords on March 30 that a Committee of Inquiry into horticultural marketing had been appointed with Lord Runciman of Doxford as chairman. Its terms of reference would be " to investigate the present facilities for and methods of marketing home produce and imported vegetables, fruit, and flowers ; to consider whether marketing distribution of such produce could be improved ; and to make recommendations."

Suspension of Farm Call-Up. The Parliamentary Secretary to the Ministry of Labour (Mr. Harold Watkinson) announced on March 8 that, in order to help farmers to overtake arrears of work caused by the recent bad weather, the call-up of farm workers for military service would be suspended until May 14.

A report published by the Ministry of Agriculture on Feb. 10 stated that the average net income from farms in England and Wales increased by 7 per cent in 1952-53, compared with 1951-52. The largest increase was shown by dairy and livestock farms ; mixed farms experienced little change, and in the arable group average income declined by 5 per cent. The number of farms operating at a loss totalled 7.2 per cent, compared with 8.5 per cent in 1951-52 and 9.5 per cent in 1950-51, whilst the proportion of farms with net incomes of £1,000 or over rose from 34.7 per cent in 1951-52 to 38.8 per cent The average rise in expenditure was about 7.5 per cent, labour costs rising by 6 per cent.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 1954-55 Price Review, 13520 A ; Two-Year Minimum Prices, 12848 A ; Wages, 13985 A ; N.F.U. Livestock Marketing Scheme, 13415 A.)**

B. CANADA. — Bank Merger.

An amalgamation between the Bank of Toronto and the Dominion Bank became effective on Feb. 1, 1955, when an Order-in-Council was signed after having been approved by the Cabinet. The new bank, to be known as the Toronto-Dominion Bank, has total assets of $1,182,000,000 and more than 450 branches throughout Canada.

The merger—the first since 1931—reduced the number of chartered banks in Canada from 11 to 10. (Montreal Star)

(Prev. rep. Banking, 13732 B.)

C. ISRAEL - JORDAN. — Agreement on P.O.W.'s.

An agreement was signed in Jerusalem on May 10 by the leaders of the Israel and Jordan delegations to the Mixed Armistice Commission, under which each signatory undertook to treat captured military or police personnel as prisoners of war, subject to the Geneva Convention.—(Times) **(14079 A.)**

A. INDIA. — Mr. Nehru's Review of Foreign Affairs.

Mr. Nehru, the Prime Minister of India, made an important statement on foreign affairs in the House of the People on March 31, during which he referred to the then forthcoming Afro-Asian Conference at Bandung (see 14181 A), the Manila Treaty, and India's attitude to the Formosa situation and Middle Eastern defence arrangements. Extracts from Mr. Nehru's speech are given below.

Afro-Asian Conference. After expressing the view that, although there was no danger of war in the near future, the world situation had "generally hardened" and that countries were "drifting away from the logical approach to world problems made at the Geneva Conference," Mr Nehru turned to the emergence of Asia as a major force in world affairs "As a final symbol of the emergence of Asia," he said, "we are having at Bandung an Asian-African conference to which all free nations of Asia and Africa have been invited This conference has historic importance. It is unique No such thing has happened before, and the fact that representatives of 1,400 million people will be there is a matter of utmost significance

"It has become a regular practice for the affairs of Asia to be determined by certain Great Powers in Europe, or sometimes in America . . But now some importance is attached to the views of Asian countries because they cannot be ignored. Nevertheless, it seems to be a high privilege of countries outside to carry the burden of Asia on their shoulders Decisions are made affecting Asia in which Asia has little say. But it is obvious that things have changed."

Mr. Nehru made it clear that the Afro-Asian Conference was not opposed to anyone—to Europe or America "It is merely a coming together of Asian and African countries," he said, "who aim at two things . peace and opportunity to progress . . There is a tremendous urge for peace all over the world, but more so in the countries of Asia and Africa There is a desire for freedom and peace, and that is a common bond for these countries The conference, I hope, will not line up with Great Power blocs because countries attending it hold different views in the matter."

Mr Nehru added "It has become almost impossible to consider any matter logically, reasonably, by itself. Everything is to be considered, we are told, from a Communist or an anti-Communist stand This has made it difficult to understand any question, much less to solve it. . This kind of approach would have been difficult enough at any time but, when we live as we now do on . . the threshold of the atomic age, it is a dangerously simple way of looking at things And we might, because of this simple thinking . . . suddenly find ourselves on the brink of disaster. We have endeavoured not to align ourselves with these Great Powers, and I speak of them with all respect I do not presume to tell them what is right and wrong I must confess that I feel very diffident about expressing any opinion in regard to other countries because the problems we have to face are very difficult . . but it passes my comprehension how any of the problems of today are going to be solved by the approaches that are being made by the Great Powers"

Manila Treaty. Turning next to the Manila Treaty, Mr Nehru continued. "Having achieved a measure of success at Geneva, the world has again drifted back to glaring at one another from a distance and, which seems to be very extraordinary, to laying great stress on all kinds of military alliances and pacts in South-East Asia, Western Asia, and elsewhere in the name of security and peace The situation in Indo-China after the Geneva Conference was hopeful and favourable. . . Then comes out of the blue an attempt as it was said, to secure security and peace in South-East Asia through some kind of military pact or alliance, the foundations of which were laid at Manila. . . . It is clear to me that the Manila Treaty and the Bangkok Conference have upset any idea of peace in that area that previously existed, or any idea of security"

The whole conception of the Geneva Conference was co-existence, Mr Nehru continued "The Indo-China States could not continue unless they recognized each other and unless the Great Powers recognized their freedom and came to an understanding not to interfere with their independence. It was on that basis that the Geneva Treaty was framed . . . The only solution, therefore, is that both parties should agree to leave the Indo-China States alone.

"The situation is more difficult today," Mr. Nehru said "Apart from civil war in South Vietnam, there are difficulties in Laos over the Geneva agreement, which is interpreted in various ways It was drafted in such a hurry. India has a responsibility in trying to resolve those difficulties. Because of certain developments in the Far East and South-East Asia, the whole atmosphere has changed there. It is hardening. The fear of war has come again to the front, and there is the fear of one gaining advantage over another."

Formosa. Mr. Nehru said that India could obviously have only one broad approach to the Formosa problem—that which flowed from the recognition of the Peking Government "But there has been a very wide agreement on the obvious fact that the islands of Matsu and Quemoy, off the mainland, are definitely part of the mainland, and that an enemy force there is a constant irritation and danger. Countries which are not friendly to the People's Government of China have recognized that at last. Yet occupation of these islands continues by other forces, and it is stated that if the Chinese Government attacks them a whole force of that mighty Power will be engaged in defending them because, it is stated, the security of that Great Power might be involved. That is a very extraordinary approach, I say with all respect. It is as certain as anything can be that these islands will go to the mainland of China by logic and reason unless you have great wars, and nobody knows the consequences of those wars "

India's Neutrality Policy. Referring to articles about himself in the foreign Press which said that he was "inclined towards this or that," Mr Nehru declared "I want to be friendly with all countries and I want to live in peace in my country. I am interested in the peace of the world. We have no intention of throwing ourselves into war even if the rest of the world goes to war. Let there be no doubt about it—we will not go to war But if there is war all over the world, we cannot escape the consequences of that war . . It will affect us ."

Middle East Defence. The Prime Minister then referred to the military alliances now being made in the Middle East, and said that these changed the world situation for the worse "These military pacts, far from being helpful, are doing a lot of harm; far from bringing security and assurance of peace, they actually tend in the opposite direction"

Referring in particular to the Turkish-Iraqi treaty, Mr Nehru said that it had weakened the Arab League and had caused great bitterness in the area Egypt, Syria, Saudi Arabia and the Yemen were all opposed to it, and as a result of the treaty the Middle East had been split into hostile camps It was even doubtful whether the agreement served the interests of the countries who had concluded it, when it broke up the homogeneity of the Middle East and created discord and trouble there Mr Nehru went on to say that the Yugoslav Government viewed with great concern developments in the Middle East because of these pacts and because of the pressure that was being exercised upon Syria and other Governments to join. These Governments, however, were resisting "I hope they will resist," he added "Far too much is done under pressure, under threats, and under other methods of coercion."

Summing up the situation in South-East Asia, the Far East, and Western Asia, Mr Nehru declared "It is not happy, it is a picture full of discord and conflict and pulling in different directions. On the one hand one sees Asia, resurgent Asia, awake. . It may take some time for her to grow to full stature, but she is undoubtedly growing. On the other hand, all these attempts are made—in the name of helping Asia, in the name of preserving peace in Asia—at promoting discord and conflict Obviously we cannot view this with any great satisfaction "

Four-Power Talks. - The Hydrogen Bomb. "There has been repeated mention," the Prime Minister continued, "of 'Big Five' and 'Big Four' talks, but insuperable difficulties have come in the way . People are not courageous enough to face each other and talk. They want to create before the talks what they call a 'position of strength,' forgetting of course that the other Power is also strengthening itself at the same time. So by the time that one has produced a position of strength, the other may have produced a position of greater strength When one deals with atomic and hydrogen bombs this talk of greater strength has very little meaning . The misfortune today is that we have got atomic energy, which is a mighty power and which depicts the advance of humanity and its control over nature's powers . But it is very doubtful how far the human mind has progressed to control them And one comes ultimately to the conclusion that atomic energy cannot be met by atomic energy the force of violence cannot be met by the force of violence We have arrived at a stage where the force will overwhelm both the person against whom it is used and the user of it."

The time was coming, said Mr Nehru, when the hydrogen bomb might be made with ease by even a small country, and it was therefore imperative that it should be controlled by some different methods—"call them moral, call them spiritual, call them civilized." He added. "The events of the last two wars have brutalized humanity We are now standing at the verge of destiny whether humanity is to revert to a phase of becoming brutish beasts, or to advance towards the stage of civilization. I see no other way but for countries and nations to realize that force is no remedy, that war is not only no remedy but is an ultimate evil today, and that violence is no good and does not pay."

The "Five Principles." With regard to the "five principles" of peaceful co-existence, first enunciated in the preamble to the treaty between India and China on Tibet in 1953 (see 13588 A), and reaffirmed in the communiqué issued at the end of Chou En-lai's visit to Delhi on his return from the Geneva Conference (see 13661 A), Mr Nehru said that they were "a challenge by Asia to the rest of the world" and that each country would have to give a direct answer to them "I hope that this question will be posed at the Afro-Asian conference in all its straightness," he said, "and that each country will be asked to say whether it stands for non-aggression and non-interference or not" The charge was made, and rightly too, that Communism interfered in other countries; but non-Communist countries also interfered Adherence to the "five principles" was a way out of this difficulty It might happen that some country adhering to them would not keep its word, but this could always happen whatever form of treaty or pledge one had.

South African Racial Policy. There was a good deal of talk about Communism and anti-Communism, Mr. Nehru went on, but whilst he did not wish to deny the importance of the question, things were happening in Africa and colonial territories which should not be forgotten. "What about the tragedy that is taking place in South Africa," he asked, "where hundreds and thousands of people are being lifted up bodily and taken away somewhere else? Why do we not hear the champions of freedom talk about this? Why are they so silent? They simply pass it over. They should realise that the people in Asia and Africa may not shout very much about it,

but they feel it more than Communism and anti-Communism It is a human problem for us This problem of racialism and racial segregation may become more dangerous than any other of the world's problems today "

Relations with Ceylon. " In Ceylon we have been, I think, co-operative and patient. We go some way to understand and to meet the difficulties of the Ceylonese Government and people But I must confess to a feeling of frustration that what we are aiming at is not realized " Giving details of the number of applications by persons of Indian descent in Ceylon for registration as Ceylonese citizens (see 13868 A), Mr Nehru said that in the nine months from December, 1953, to September, 1954, 45,236 applications had been rejected and only 7,505 accepted , in the following four months, to January, 1955, only 21 applications had been accepted and 36,260 had been rejected " It is obvious," he added, " that while previously not many were registered and a large number were rejected, now we have arrived at a stage when hardly anyone is accepted " In India, on the other hand, 5,600 of the 8,000 applications made during 1954 had been accepted and the remainder were under consideration At the last meeting of the Prime Ministers of India and Ceylon it had been agreed that Ceylon should prepare a list of all persons of Indian descent in Ceylon, but that list had not yet been drawn up Nevertheless, Mr Nehru appealed for a " co-operative and friendly approach " to Ceylon on this matter, without giving up any of the principles which India stood for

Goa. Mr Nehru referred to the " barbarous " treatment which, he said, a number of Indian *satyagrahis* (non-violent resisters) had recently received in Goa—some having been sentenced to 28 years' penal servitude and deported, others to varying terms of imprisonment " It is really extraordinary," he declared, " that any Government anywhere should behave in this way , much more so a Government which is allowed to remain in a corner of India . . I want the Portuguese Government to realize that they are there because we are patient and men of good will , not because we cannot deal with the situation, but because we do not wish to do anything, even in a small way, which may have bigger repercussions We are prepared to wait a little, because inevitably the end must be the one that we aim at. It is inconceivable and impossible . for Portugal to imagine that she can remain in Goa . "

In conclusion, Mr. Nehru spoke of India's relations with Pakistan and of his forthcoming meeting with the Pakistani Prime Minister. While it was true that the problems dividing the two countries had not become easier by the passage of time, he was convinced that there was " basic good will " among the two peoples and that everyone was anxious that the problems should be settled in a friendly manner —(Indian High Commissioner's Office, London - The Statesman, Calcutta - The Hindu, Madras) **(Prev. rep. Mr. Nehru, 14160 A ; 14141 A ; Statement on Quemoy and Matsu, 14117 A.)**

A. DENMARK. — Hans Andersen Commemoration.

The 150th anniversary of the birth of Hans Christian Andersen, the famous writer of children's stories and fairy tales, was celebrated on April 2 throughout Denmark and in more than 70 other countries The focus of the Danish celebrations was the town of Odense, where Andersen, the son of a poor cobbler, was born on April 2, 1805 ; from Andersen's birthplace in Odense (now a museum) King Frederick of Denmark broadcast a tribute which was relayed in many languages In commemoration of the 150th anniversary of Hans Andersen's birth, streets will be named after him in São Paulo (Brazil), Santiago (Chile), and Jerusalem ; statues will be erected to him in New York and in Bogotá, the capital of Colombia , and new editions of the *Fairy Tales* will be issued in 12 languages, including Chinese, Hebrew, and Indonesian.
(Berlingske Tidende, Copenhagen - Politiken, Copenhagen - Times - New York Herald Tribune)

B. UNITED KINGDOM. — Foreign Trade. - Figures for March and First Quarter of 1955.

Imports into the United Kingdom in March totalled £365,400,000, exports £260,300,000, and re-exports £12,600,000 the adverse balance for the month thus amounting to £92,500,000. During the first quarter as a whole imports totalled £1,007,200,000, exports £741,700,000, and re-exports £31,900,000 ; the adverse balance was thus £233,600,000, compared with £121,500,000 in the first quarter of 1954.
(Board of Trade Journal) **(Prev. rep. 14127 A.)**

C. CANADA. — Gold and Dollar Reserves.

The Bank of Canada announced on Jan. 18 that Canada's official reserves of gold and U.S. dollars on Dec. 31, 1954, amounted to $1,942,600,000 (the highest figure ever reached), compared with $1,818,500,000 on Dec. 31, 1953. Gold holdings amounted to $1,072,700,000 ($986,100,000 at the end of 1953) and U.S. dollar holdings to $869,900,000 ($832,400,000).
(Montreal Star) **(Prev. rep. 12901 A.)**

D. AUSTRALIA.—Dock Strike. - Stevedoring Industry Act amended. - Appointment of Committee of Inquiry into Port Labour Conditions.

A strike of dockers broke out at Australian ports on Nov. 2, 1954, completely paralysing all movement of cargo and rendering about 200 ships idle. The strike, which affected about 26,000 port workers and lasted a fortnight, had been called by the Communist-led Waterside Workers' Federation in protest against the Government's announced intention of introducing legislation to amend the Stevedoring Industry Act so as to overcome the labour shortage which was alleged to be holding up the turn-round of ships at many ports.

The Government's Bill was introduced into the House of Representatives on Nov. 4, and provided for :

(1) The restoration to the port employers of the right to recruit additional dockers at ports where the labour force had fallen below the quotas fixed by the Stevedoring Industry Board

[Under the Stevedoring Industry Act the number of men required at each port had been fixed by the Government-appointed Stevedoring Industry Board, and the filling of vacancies had been the prerogative of the Waterside Workers' Federation It was explained in the Press that at a number of ports, notably Newcastle and Port Kembla, N S W , the W W F had failed to keep the labour force up to the quota, with subsequent serious delays to shipping.]

(2) The registration of men so recruited, subject to the W W F 's right of challenge, in which case the Federation's objections would be referred to the Stevedoring Industry Board for decision

(3) The holding of an immediate inquiry into port labour conditions, as a preliminary to a general review in 1956 of all legislation affecting the stevedoring industry

Mr Holt (the Minister of Labour and National Service), who moved the second reading of the Bill on Nov 4, declared that the W W F.'s monopoly of port labour recruitment, granted by the Labour Government in 1947, had failed, and denounced the strike as " a truculent and arrogant attempt " by the Federation to prevent the present Government from changing the system. In spite of charges by Dr. Evatt, the Opposition leader, that the Government had introduced the Bill " under pressure from overseas shipping combines," it was passed by the House on Nov. 10, after Mr Holt had refused to accept an Opposition amendment seeking to delay the operation of clause (1) until the proposed inquiry into stevedoring conditions had been held. The Bill was passed by the Senate on Nov. 11 by 26 votes to 21, together with a Government amendment empowering the proposed committee of inquiry to investigate shipping companies' profits. It received the Royal Assent on Nov. 12.

Mr. Menzies, in a broadcast on Nov. 7, had described the strike as " a challenge to Parliament and to the whole conception of Parliamentary democracy ", he stressed that no industrial issue was involved, and alleged that the Federation's sole object was " to frighten the Government and Parliament " into " a continuance of a monopoly of employment which no other trade union in Australia or any free country has ever sought " Dr. Evatt, however, broadcasting on Nov. 8, repeated his contention that the main fault lay with the shipping companies, and urged the Government to make no changes in the system of labour recruitment until the committee of inquiry had reported

Although the executive of the Australian Council of Trade Unions had endorsed the strike on Nov. 9, and had demanded the withdrawal of the Government's Bill, it unanimously adopted a resolution on Nov. 12 recommending the dockers to return to work on Nov. 16. This was approved by strikers' mass meetings at all the ports affected on Nov. 15.

Mr Holt announced on Nov 17 that the committee of Inquiry would consist of Mr James Tait, Q C., vice-president of the Law Council of Australia ; Mr F. J. R. Gibson, national secretary of the Australian Council of Employers' Federations ; and Mr. J Shortell, president of the N S W. Trades and Labour Council. Its terms of reference would include inquiry into (1) the general factors affecting the efficiency of the stevedoring industry , (2) the arrangements for regulating recruitment, settlement of disputes, and the maintenance of discipline , (3) the effect of stevedoring costs on freight rates since the Stevedoring Industry Act came into operation in 1947 ; (4) the profits of shipping and stevedoring companies

Notwithstanding the Government's action in November, the opposition of the W.W.F. continued, coming to a head in February, 1955, after a decision by the Stevedoring Industry Board to increase from 6,400 to 6,900 the quota of dockers at Sydney, where there had been serious undermanning for many months. In view of the Federation's refusal to allow its members to work beside men nominated by the employers, Mr. Holt called a special conference on Feb. 17 of representatives of the shipowners, the W.W.F., the A.C.T.U., and the Stevedoring Industry Board, at which it was agreed as an interim arrangement that the right to recruit labour for the waterfront should revert to the Federation pending a decision on the Government's long-term policy for the waterfront industry in the light of the committee of inquiry's report. (Australian News and Information Bureau - Times) **(Prev. rep. 12417 A.)**

A. WESTERN POWERS - SOVIET UNION. — Western Approach to U.S.S.R. for Four-Power Discussions. - Statements by Sir Winston Churchill, Sir Anthony Eden, President Eisenhower, Marshal Bulganin, and M. Faure. - Preparatory Three-Power Discussions in London. - Three-Power Invitation to U.S.S.R.

Statements indicating the possibility of a four-Power conference on international problems were made during March and April by governmental leaders in Britain, the United States, the Soviet Union, and France. Developments in the various countries during this period are described below under cross-headings.

British Labour Party's Call for East-West Talks. - Sir Winston Churchill's Statement.

A debate was held in the House of Commons on March 14 on the following Opposition motion, presented in the names of Mr. Attlee, Mr. Herbert Morrison, and other Labour members:

"That this House, believing that in a world war waged with weapons of mass destruction, such as the hydrogen bomb, there can be no victors but only the destruction of civilization, calls upon H M Government to approach immediately the Governments of the U S A and the U S S R to arrange a meeting between the Prime Minister and the heads of the other two Governments with a view to the lessening of world tension and the preparation for effective world disarmament through the U N Organization, it therefore reaffirms the House of Commons resolution of April 5, 1954 [see 13502 A] and deplores the Government's delay in implementing it"

Mr. Attlee spoke as follows in moving this motion:

"In the debate in April [1954] there was expressed a general anxiety with regard to the world situation, and in our motion we stressed urgency. We used the word 'immediate' and the Government, to some extent, demurred at the word. We did not suggest that action could be taken within a few days or weeks, but nearly a year has gone by and nothing effective has been done I freely acknowledge the efforts made by Sir Anthony Eden to relieve world tension in many areas of the world, but with every month the position gets worse and worse

I was rather disturbed by the statement made by the Prime Minister in the debate on March 1 [i e. the Defence debate—see 14093 A] He suggested that it may be a matter of three or four years before the Soviet Government might be in a position of equality with the West in respect of the H-bomb We have, at times, miscalculated the pace of scientific advance in the Soviet Union and that, perhaps, has tended to give some people an unwarrantable suggestion that delay was possible, that there were three or four years in which we could go on without worrying too much I am sure the Prime Minister did not mean that, but that would be a wide interpretation—that we could wait for four years. We do not think that any delay can be allowed Experiments are going on The advance in methods of destruction is terrifying, and I have seen a great number of very disturbing statements

. . We know how devastating the H-bomb will be, but we do not know the long-term effects due to radiation Would it not be worth while having an authoritative statement made by scientists drawn from both sides of the Iron Curtain? It would be of enormous advantage to the world if we could have some agreed statement by scientists drawn from as wide an area as possible for the purpose of convincing people in all countries of the danger the world stands in, not only of atomic warfare, but of the continued experimentation in these dangerous practices .

The matter we wish discussed is the possibility of co-existence between the two halves of the world Can a free world and a totalitarian world co-exist? Co-existence under the threat of annihilation is a grim prospect You cannot call it peace I recognize the difficulties in dealing with Russia, but the attempt should be made We ought not to be deterred by threats or strong language or by attempts to divide us from the United States We should seize any chance, however slight, and we should seek every possibility of personal contact Essentially, we should try to bring together the U S A and Russia, because there, I think, is the greatest danger in the world—the complete separation of these two great Powers, and the fact that the U.S S R fears the U.S.A and the U.S A fears the U S.S.R. Fear is a bad counsellor.

In this matter the Prime Minister of the United Kingdom can go forward with greater confidence than either the President of the United States or the most influential statesman in Russia. The Prime Minister can get—and last year did get—a mandate from this House. He can get the support of public opinion. Repeated efforts ought to be made, and there ought to be a greater sense of urgency. Agreement on a single point, such as the mutual cessation of nuclear-bomb experiments, might set the ball rolling, might make a start At present we seem to be bogged down. We have always to wait for something else to happen. I do not think we can afford to wait."

Sir Winston Churchill (then Prime Minister) described the Opposition's motion as "a vote of censure on the Government," and moved the following amendment:

"That this House, believing that in a world war waged with weapons of mass destruction, such as the hydrogen bomb, there can be no victors but only the destruction of civilization, welcomes the successful efforts which H.M. Government have made towards the reduction of world tension, supports their proposals for the limitation and control of armaments of all kinds, and recognizes that a high-level meeting with the Soviet Union should await the ratification of the London and Paris agreements by all the countries concerned"

During the course of his speech Sir Winston Churchill disclosed that he had sent a personal telegram to M. Molotov in July, 1954, suggesting that they should have a friendly meeting with no definite agenda or objective but with the aim of "living side by side in growing confidence, easement, and prosperity." He had received a very encouraging reply from M. Molotov, but the suggestion seemed to be superseded for the time being by the Soviet proposals for a formal conference on European unity. Sir Winston spoke as follows:

"The Leader of the Opposition calls for a three-Power conference It is quite true that the resolution of April 5, 1954, mentions only three Powers, but a busy year has passed since then in this clattering world Is it the up-to-date conclusion of the Opposition that only those Powers who possess the secrets of the hydrogen bomb should meet in attempts to decide the future of the world? I am sure that would be an unwise declaration It would encourage any ambitious State to qualify That would be the opposite of Mr. Attlee's declaration

We cannot agree that France and Germany should, at this time, be dissociated from the task of resolving the fears and disputes which beset Europe and the world. To mention only three Powers would give serious offence when, I am sure, none was intended, and give it at a time when France is taking, or is about to take, a decision important to her welfare and also to the policy which both sides of the House have supported. I am also unfavourably struck by the word 'immediately' in the vote of censure I agree that there should be no question of indefinite delay. But the French Council of the Republic is meeting on March 21 to decide this issue, and we shall know one way or the other by then

With that going on, I should have thought it was not possible to conceive a worse time than the immediate present to pass a resolution for immediate efforts to promote a three-Power conference With the debates on the ratification of the London and Paris agreements approaching their decisive point, the Soviet would certainly not agree to such a meeting except on the basis of the further postponement of ratification This we could in no circumstances consider, and I do not believe the Leader of the Opposition would wish us to

I was greatly disappointed when nearly two years ago I was prevented by illness from going to meet President Eisenhower at Bermuda I was most anxious to set before him the personal arguments I had used in my speech of May 11, 1953, shortly after Stalin's death, in favour of a top-level meeting with his successor, the new leader of the Soviet Government, Mr Malenkov. It is not true to suggest that the whole proposal was allowed to drop because of my falling out On the contrary, a conference was held at Washington in July, 1953, at which Lord Salisbury, who took my place and that of the Foreign Secretary, who was also ill, raised all the arguments I would have used in favour of a meeting of the heads of the Governments

The idea of a top-level, four-Power meeting, with a flexible agenda, was presented forcibly to the Americans and the French They could only be brought to agree to the invitation of the Russians for a meeting of the four Foreign Ministers to discuss specifically free elections in Germany, the reunification of Germany, and the conclusion of the Austrian treaty This was duly conveyed to the Soviet Government

From July 15, 1953, we entered a period of tripartite Notes, Soviet rejoinders, and counter-rejoinders. This period did not end until November. At the beginning of December, 1953, we were able to arrange a conference of the heads of the British, American, and French Governments at Bermuda, and the reply to the Russians was agreed.

It was to propose a four-Power meeting at Foreign Minister level to take place in January, 1954, in Berlin. This meeting lasted three weeks, and covered a wide field of differences between the Soviets and the Western Powers The discussions were certainly invaluable, and the contacts useful . . The most fruitful result was the birth of the Geneva conference in April, 1954, which eventually resulted in the armistice and settlement in Indo-China On this we are now living unrestfully

While all this was going on in June, 1954, I visited Washington with the Foreign Secretary, and we passed a busy week at the White House in the most fruitful and intimate conversation with the President. Anglo-American relations had been disrupted by the events at Geneva, and we were very glad that we were able to reach agreement on many points. But they did not include a meeting at top level with the Soviet Government, for which I continued to work. But there was no slamming of the door, no slamming down of the plan I felt it was one we should all consider

During the Defence debate I made an intervention in the speech of Mr Bevan. This intervention, though unstudied, was not incorrect. I would like to tell the story more fully so that it can be judged in its perspective and proportion.

On the homeward journey, in July last, I sent a personal and private telegram to Mr. Molotov, of which I informed the President. After referring to my speech in 1953 for a top-level conference, and the statements I had made from time to time in the House of Commons, that, if this were impossible, I would seek to make contact with the Soviet Government, I asked Mr. Molotov how they would feel about it I would be very glad if he would tell me if he would like the idea of a friendly meeting—no agenda, no objectives, but of living side by side in growing confidence, easement, and prosperity.

Although our meeting would only be simple and informal, and last only a few days, it might be, I said, the prelude to a wider reunion, where much may be settled I said, however, that I had no warrant to say this, beyond my own hopes. I ended by referring to our war comradeship I saw a lot of him during the war years, and he was sometimes very cordial and human

On July 5 I received a very encouraging reply from Mr Molotov, but we had in any case to wait until after the Geneva conference, to which the Foreign Secretary had returned, had concluded. It was not until July 26 that I was able to address Mr Molotov again I said that after discussion with my colleagues I was about to send him a further message to suggest a meeting at the end of August or in the first half of September, at some half-way house such as Berne, Stockholm, or Vienna

In the meanwhile, the Soviet Note of July 24 had been published, proposing a formal conference of European States and the U.S A to discuss again the proposal made some months before by the Soviet Government at Berlin on collective security in Europe This seemed obviously to supersede, for the time being, the small informal meeting I had suggested and which might, perhaps, have been a prelude to a four-Power meeting at top level I was proposing a two-Power informal meeting between myself and Sir Anthony Eden on the one hand and Mr Malenkov and Mr Molotov on the other, and anyone else they chose to bring, at some neutral place, where we could talk over things

I do not mind telling the House that I had it in mind to tell the Soviet that if they wanted to bring the U.S A along they would have to make some change in their general attitude I would have suggested the signature of the treaty with Austria, and also their joining the proposal which was made at this time by the President on the civil use of atomic power, which they have done since Those would be good topics which might make it possible to make it a three-Power—and evidently that would soon have become a four-Power and very likely a five-Power—conference But it never came off, because I never had the opportunity . . .

Mr Molotov replied that he did not see any reasons for considering that my proposals for an informal meeting had any bearing on the convocation of a conference on the question of guaranteeing security in Europe I answered that I had not changed from my original project, but that the unexpected revival of the Berlin proposal at this juncture had created a new situation, since it would not have been possible to have a large, formal, international conference going on at the same time as the unofficial, two-Power, top-level meeting I had suggested The British, American, and French Governments, who had been addressed officially by the Soviets, were already preparing their replies for the formal conference It was therefore necessary to wait until we knew what was going to happen about the four-Power conference before re-examining my project in the light of events.

Mr. Molotov apparently saw no reason why the conferences should not go on together. It is a matter of opinion. I am not complaining We thought it was impossible, as one would confuse or paralyse the other There the matter rested Meanwhile the Soviet proposal for a four-Power Foreign Ministers' conference had had the effect for which I cannot help feeling it was designed, namely, of dissuading France from ratifying the E.D.C treaty.

As I have been deeply interested in the cause of a united Europe for a good many years, I would remind the House of the sequence of events. Since the Russian Communist menace became apparent I have always endeavoured, in Opposition or in Government, to promote an alliance of the free world against it. I was the first in this House to state that there was no possibility of an effective defence against Soviet Russia without a German army. I have always thought that the forces of the West should be grouped on the principles of a Grand Alliance, but the French preferred to aim at a cosmopolitan army, thus avoiding the creation of a German army. There had been three years of lamentable delay before the French were able to perfect the complicated arrangements they had in mind. The strain of those three years upon Dr. Adenauer has been most grievous No one but that valiant patriot and idealist—for he is both—could have endured it

It is not a question of the NATO forces gaining an addition of 12 divisions that moves me personally. Even with that the Western front could not be guaranteed against the overpowering Russian strength in conventional weapons Twelve German divisions are to me a symbol rather than a physical factor What is of major consequence to the cause we serve is to range the mighty German race and nation with the free world, instead of allowing it, by infiltration or territorial bribery, by actual force or by our own tragic memories, to be amalgamated with the satellite States to carry the doctrine and control of Moscow into world supremacy.

Earnestly as I desire to come to a peaceful arrangement for co-existence with Russia, I should regard it as an act of insanity to drive the German people into the hands of the Kremlin and tilt into Communist tyranny the destiny of mankind. The only safe policy for us to pursue, as we have so often stated, is peace through strength Without unity there can be no strength. For the Western Powers to abandon E D.C. and have nothing to put in its place would have presented us, divided and in vacuity, before the mighty Communist oligarchy dictatorship and its satellites. Weakness makes no appeal to Moscow. . . . The sooner we get our united ratification settled, the sooner the top-level four-Power conference may come. It may be five-Power On the other hand, it might be that one retreat would lead to another, and far from assuaging differences, would stimulate further aggression from the East and slowly rouse the reluctant anger of the West We went through all this in the years before the war, and therefore we felt that we must on no account allow our earnest desire to bring about a top-level conference of great Powers expose us to the charge of having thrown doubt and disarray into the ranks of NATO We were convinced that the Government had no choice but to suspend for the time being the proposal I had made to Mr. Molotov

I am sure that the more this matter is considered by the House, and studied in detail, the more it will be seen that our efforts to act in accordance with the unanimous resolution of the House of April 5, 1954, have been sincere and untiring, and that we have in no way been disloyal to that resolution, lukewarm, or dithering in pursuing our purpose across one obstacle after another. Our policies throughout have been simple, earnest, straightforward , and we shall faithfully persevere in them

Several important changes have occurred in the situation since May, 1953, and since August last, when there was a visit to Moscow by some members of the Opposition. The Malenkov regime has gone , new forces rule, and the 'new look,' which I wished to explore in May, 1953, has been succeeded by another 'new look' Some members of the Opposition may no doubt contend that this change might have been averted if a meeting had taken place I doubt very much whether this assertion has any foundation at all.

In a press interview on Jan 1 this year, Mr Malenkov was asked if he would welcome diplomatic talks leading to four-Power talks He refused to give an affirmative reply, and said with emphasis that the efforts of the Western Powers to settle the German problem were not compatible with the proposal to hold a four-Power conference We have yet to ascertain the feelings and policy of his successor. So far the new 'new look' has not raised any extravagant hopes of improvement, but anyhow it is so easy to assume, as is done in some influential quarters, that all would have been well if Mr Malenkov had had due encouragement from us and the United States. This is all pure guesswork. .

I have given a factual account of what the Government have done to bring about a top-level two-, three-, four- or five-Power conference. None excludes the others Of course, it may be hoped that a small meeting would lead to a much larger one. I think that is reasonable I have tried very hard to set in motion this process of a conference at top level and to bring about actual results. Although I do not pretend to measure what the recent changes in the Soviet oligarchy imply, I do not feel that they should discourage us from further endeavours I must say very seriously that it is a mistake to suppose that to bring about such a meeting is an end in itself It is only a means to an end, and it is by no means certain that the end would be agreeable To have a conference at an ill-chosen moment or in unfavourable circumstances would only raise false hopes and, possibly, finish up by leaving things worse than before

One thing stands out in my mind above all others—the increasing friendship and understanding with our ally, the United States. . . The President's statement [of March 10, 1955 – see 14114 A] renews the pledges which the U S.A gave to the E D C These assurances are of particular importance to the United Kingdom, which has undertaken great obligations and risks—very serious when undertaken alone, but assuming an altogether different character when supported by undertakings of this kind from the United States

The pledge we gave last September made the Paris agreements possible Our commitment is most powerfully reinforced and our peril most importantly reduced by the President's new statement. My feeling is that the wish of America for peace grows stronger at the same pace as their capacity for war They give great consideration to our views. They show marked respect for our experience of the European scene, but this very attention which they pay to what we advise is accompanied by serious irritation of their public opinion at anything they take to be unfair criticism.

When there are criticisms that President Eisenhower has not come over here, or has not come to an international conference, it must be remembered that the President of the United States is not only Head of the State but has powers of action in an emergency which are far beyond those granted to any other individual in the modern world. At the same time he is morally and legally bound to other institutions of equal status in the long-established structure of the American Constitution. He cannot move about as freely as ordinary Heads of State move . No President has ever had the knowledge and experience of Europe, and of the very group of problems now confronting it, as is possessed by President Eisenhower. I hope that nothing will be said on this side of the Atlantic or in this House which will rouse new inhibitions in the American mind against the freedom of his personal movements.

I still believe that, vast and fearsome as the human scene has become, personal talks with the right people in the right place and at the right time may yet have a potent and valuable part to play in the cause of peace which is in all our hearts "

After debate, the Opposition motion was negatived by 298 votes to 268 and the amended motion was carried by 299 votes to 266—a Government majority of 33.

The full text of the confidential exchange of letters between Sir Winston Churchill and M. Molotov in 1954, to which Sir Winston referred in his speech, was published in Moscow on March 17. The letters—of which there were seven in all, and of which the Russian-language texts were given—contained Sir Winston's proposal for an informal meeting between himself and M. Malenkov preparatory to a wider meeting of several Powers. The Soviet Foreign Ministry, in issuing this correspondence, said that it was apparent that Sir Winston had " himself renounced the proposal which he had made."

Statements by President Eisenhower, Marshal Bulganin, and M. Faure.

Speaking at a press conference on March 23, President Eisenhower supported the idea of exploratory talks between the U.S.A., Britain, Russia, and France on all questions affecting world peace. He expressed the opinion that a conference of heads of governments should be preceded by a four-Power meeting of Foreign Ministers or officials; that exploratory discussions should be confined to the four Powers and should exclude Communist China and Germany; and that it might not be necessary to agree upon an agenda in advance. He emphasized that the U.S. Government desired to see positive results from a four-Power conference, and that it did not wish to participate in discussions which might result merely in useless bickering or in being turned into a propaganda forum. "I have said again and again," the President declared, "that there is no place on earth to which I would not travel, there is no chore I would not undertake, if I had the faintest hope that by doing so I would promote the cause of world peace."

Marshal Bulganin, the Soviet Prime Minister, was asked by a Tass correspondent on March 26 to comment on President Eisenhower's statement. He replied: "The Soviet Government, as in the past, regards with favour the idea of a conference of the Great Powers expressed by the U.S. President, if a conference is meant such as would facilitate a relaxation of international tensions. In this connexion it can be pointed out that the Soviet Government has already proposed the convening, in the very near future, of a conference of the four Powers at which the question of the Austrian State Treaty could be settled."

A U S State Department spokesman said on the same day: "We are carefully studying the implications of Premier Bulganin's statement In general we welcome it as a sign that the Soviet Government is receptive to President Eisenhower's views concerning the circumstances which could make it useful to hold future discussions."

M. Edgar Faure, the French Prime Minister, gave an interview to *Pravda* correspondents in Paris at the beginning of April. He described Marshal Bulganin's statement as "an important positive event," and added: "Relaxation of international tension depends mainly on joint efforts by all the Powers concerned, taking into account the legitimate requirements of the security of each of these Powers. I want negotiations to be concluded in this spirit, given observance of this condition, they may be fruitful. These talks would be facilitated by a relaxation of tension between the U S.A. and the U.S S.R. In view of this, I am pleased that Marshal Bulganin commented favourably on the statement made by President Eisenhower."

Further Statements by Sir Winston Churchill and Sir Anthony Eden.

Sir Winston Churchill was asked by Mr. Warbey (Lab.) on March 29 whether, "in view of the recent statements of President Eisenhower and the French Prime Minister," he would make "fresh proposals for a four-Power conference, including a suggested date for its convening." Sir Winston replied:

"Things certainly seem to have taken a friendly turn lately. I have never departed in any way from my view that a top-level meeting without agenda might be a hopeful manner of approaching the solution to these world problems It might be helpful to have the wish and the will expressed from the summit, and the agreements of heads of Governments recorded in broad and simple terms, if any can be reached. These can then be studied and implemented on the official level This procedure, like all others, may fail to reach an agreement, but there might be a better chance of success if the initiative came from the summit. So far, however, the heads of Governments have not agreed to this method"

On April 19, Sir Anthony Eden, who had meanwhile become Prime Minister in succession to Sir Winston Churchill (see 14120 A), was asked a similar question by Mr. Dodds (Lab.). He replied:

"As has often been made clear, H M. Government are anxious for negotiations with the Soviet Government as soon as possible after the ratification of the London and Paris agreements. We are already discussing methods and procedure with the Governments of France, the United States, the German Federal Republic, and other interested countries The House may rest assured that we shall do everything in our power to speed these consultations. . . ."

Three-Power Preparations for Four-Power Conference.—London Discussions.

Plans for a Western approach to the Soviet Union for a four-Power conference were announced in the following joint statement issued on April 25 in London, Washington and Paris:

"The Governments of the United States, France, and the United Kingdom have constantly given proof of their desire to seek by negotiation a just and peaceful settlement of questions which can endanger the maintenance of peace. Moved by the same desire, the three Ministers of Foreign Affairs will meet in Paris on May 8 in order to discuss concrete plans for holding a four-Power conference with the Soviet Government In accordance with their usual practice, they will also discuss the proposed conference with the German Federal Chancellor and with the Ministers of the other NATO Powers. Experts designated by the three Governments will meet in London on April 27 to make a preliminary study of these problems in preparation for the Ministers' discussions The three Governments earnestly hope that a four-Power conference can meet as soon as possible."

The preparatory conference of experts, referred to in the communiqué, was held in London from April 27 to May 5. The principal British, U.S., and French representatives—Sir Geoffrey Harrison (of the Foreign Office), Mr. Beam (of the State Department) and M. Seydoux (of the *Quai d'Orsay*)—were joined by Herr Blankenhorn, representing the German Federal Government, when matters affecting Germany were discussed.

Mr. Harold Macmillan, the new British Foreign Secretary, informed the House of Commons on April 25 (i) that it was expected that all instruments of ratification of the London and Paris agreements would be deposited by May 5, on which date the agreements would enter into force; (ii) that a meeting of the North Atlantic Council, at which the question of a four-Power conference with the Soviet Union would be among the subjects discussed, would open in Paris on May 9; (iii) that he hoped to have separate talks in Paris with Dr. Adenauer, Mr. Dulles, and M. Pinay. He added: "I am confident that these consultations will lead to agreement about an early approach to the Soviet Government. As the House knows, it is the earnest desire of H.M. Government that a four-Power conference should meet as soon as possible. H.M. Government will be glad to take part in talks at any level, whether of heads of Government or Foreign Ministers."

Three-Power Invitation to Soviet Union.

As announced by Mr. Macmillan, the Foreign Ministers of the Western Powers met in Paris on May 8. After discussions between Mr. Dulles, Mr. Macmillan and M. Pinay, it was agreed to invite the Soviet Union to a four-Power conference, and on May 10 the Ambassadors of the three Powers in Moscow presented Notes (the texts of which were identical) inviting the U.S.S.R. to a "two-stage" conference of heads of Government and Foreign Ministers. The wording of the invitations, which were in the form of personal letters to M. Molotov, was as follows:

"The Governments of France, the United Kingdom, and the United States believe that the time has now come for a new effort to resolve the great problems which confront us. We therefore invite the Soviet Government to join us in an effort to remove sources of conflict between us.

We recognize that the solution of these problems will take time and patience. They will not be solved at a single meeting nor in a hasty manner. Indeed, any effort to do so could set back real progress toward their settlement. Accordingly, we think it would be helpful to try a new procedure for dealing with these problems.

In view of their complexity and importance, our suggestion is that these problems be approached in two stages. We think it would be fruitful to begin with a meeting of the heads of Government, accompanied by their Foreign Ministers, for an exchange of views. In the limited time for which the heads of Government could meet, they would not undertake to agree upon substantive answers to the major difficulties facing the world Such a meeting could, however, provide a new impetus by establishing the basis for the detailed work which will be required. For this purpose the heads of Government could devote themselves to formulating the issues to be worked on and to agreeing on methods to be followed in exploring solutions.

We further propose that the Foreign Ministers, to assist the heads of Government in their task, should come together shortly in advance of the meeting of the heads of Government and at the same place.

This first stage would lay the foundation for the second stage, in which the problems would be examined in detail by such methods, organs, and participants as it appears will be most fruitful according to the nature of the issues. This work should be started as soon as practicable after the meeting of the heads of Government.

This procedure would facilitate the essential preparation and orderly negotiation most likely to bring about agreements by progressive stages. The important thing is to begin the process promptly and to pursue it with patience and determination. We hope that this proposal will commend itself to the Soviet Union as a useful basis for progress towards better relations between us.

If the Soviet Union agrees that an early meeting of heads of Government to explore such a programme would be useful, we suggest that our Foreign Ministers settle, through diplomatic channels or otherwise, upon a time and place for such a meeting. The forthcoming meeting of the Foreign Ministers at Vienna for the signing of the Austrian State Treaty might provide an opportunity for preliminary discussion of this proposal."

It was confirmed in Washington on the same day (May 10) that President Eisenhower had agreed to meet Marshal Bulganin at early four-Power conversations between heads of

Government. The President, in an address on that day to a meeting of women Republicans, said that he was "ready to do anything and meet with anyone anywhere" if there was "the slightest chance of furthering the cause of peace"; he added that his approach to a four-Power meeting would "not be bogged down by minor points of protocol." The White House had earlier stated that the President, who had been in direct touch with Mr. Dulles in Paris, was agreeable to a "feasible and useful" meeting of the heads of Governments, and that such a possibility had always been in the President's mind. It was understood that the three-Power invitation to the U.S.S.R. had been made after President Eisenhower had made known, through Mr. Dulles, his readiness to participate directly in top-level four-Power discussions as had been suggested by the British and French Governments, in preference to the earlier American view that there should first be a Foreign Ministers' meeting only.—(Times - Manchester Guardian - New York Times - Le Monde, Paris - Soviet Weekly)

(Prev. rep. 14093 A.)

A. SOVIET UNION. — Establishment of Permanent Commission on Interplanetary Communications. - "Artificial Satellite" Project.

It was officially announced in Moscow towards the end of April that a Permanent Commission on Interplanetary Communications had been set up in the Soviet Union by the Astronomical Council of the Academy of Sciences of the U.S.S.R. Staffed by leading Soviet scientists, under the direction of Academician L. I. Sedov, the commission was given the task of co-ordinating and directing "all work on problems of the conquest of space." A detailed statement on the aims of the commission was made by M. Karpenko, its scientific secretary.

M. Karpenko said that the problem of interplanetary communication was "one of the biggest tasks which mankind has to solve in the subordination of nature," and that its successful solution "will become possible only as a result of the active participation of numerous scientific and engineering technical groups." The commission would have the task of uniting and directing these collective efforts, and one of its first jobs would be to organize work for the setting-up of a space station—described by M Karpenko as "an automatic laboratory to conduct research in space."

After pointing out that this laboratory would revolve round the earth beyond the atmosphere as an artificial satellite, M Karpenko added: "From it, it will be possible to conduct observations of phenomena which are inaccessible to investigations in ordinary terrestial conditions. For instance, biologists will be able to study the conditions of life in an absence of the force of gravity. Astrophysicists will be able to observe the ultra-violet and roentgen spectra of solar and stellar radiation, and to learn a great deal about the processes taking place on these luminaries. For radio-physicists such a laboratory opens up the possibility of studying more fully the processes taking place in the ionosphere and deciding the most suitable conditions for the establishment of radio communications with future space ships. Geophysicists and geographers, photographing instantaneously the location of the ice in the Arctic and the clouds in the atmosphere, will be able to solve more precisely matters connected with weather forecasts and northern shipping. The establishment of a space laboratory will be the first stage in solving problems of interplanetary communications."

In a report to the U.S. Congress on Dec. 30, 1948, the late Mr. Forrestal, then Secretary of Defence, had disclosed that an "Earth Satellite Vehicle Programme" was being carried out in the United States (see Vol. VII, page 10098, first column). The Moscow announcement meant, therefore, that two countries—the United States and the Soviet Union—were engaged upon research into the construction of a "space station" or "artificial satellite." (Soviet Weekly - Ed. K.C.A.)

B. UNITED KINGDOM. — Lady Megan Lloyd-George joins Labour Party.

Lady Megan Lloyd-George, formerly Liberal M.P. for Anglesey for 22 years, and deputy leader of the Liberal Parliamentary Party from 1949-51, announced on April 25 that she had joined the Labour Party. In a letter to Mr. Attlee on that date, informing him of her decision, Lady Megan wrote *inter alia* that she had long felt out of sympathy with the policy of the official Liberal Party; that she was "convinced that, in the changed situation of today, it is only in the Labour Party that I can be true to the Radical tradition"; and that the Liberal Party seemed to her "to have lost all touch with the Radical tradition which inspired it."

Lady Megan Lloyd-George, daughter of the late Earl Lloyd-George and brother of Major Gwilym Lloyd-George (the Home Secretary), represented Anglesey without a break from 1929 to 1951, when she lost the seat to Labour in a contest in which there was also a Conservative candidate.

(News Chronicle - Daily Herald)

C. UNITED KINGDOM. — Labour Party Resolution on High-Level Talks. - Call for Abolition of Weapons of Mass Destruction. - Attitude to Hydrogen Bomb.

The National Executive Committee of the Labour Party issued a resolution on March 30 calling for high-level talks between Britain, America and Russia with the aim of bringing about world disarmament and outlawing weapons of mass destruction. At the same time the resolution pointed out that America and Russia were the only countries in the world to possess the hydrogen bomb, expressed the view that it was undesirable that Britain should be dependent on another country for this vital weapon; and declared, accordingly, that the Labour Party "support the production of the hydrogen bomb in this country." The resolution was worded as follows:

"The Labour Party has always sought to establish peace on sure foundations by getting rid of the causes of war and by fostering co-operation and justice between all nations This would render possible world disarmament enforced by international inspection and control. Formerly war, in spite of its destructiveness, was regarded as an instrument of policy Today it is realized that with the advent of the hydrogen bomb and other instruments of mass destruction there can be no victor in war. The survival of civilization is at stake. Mankind cannot afford another war. It is for this reason that the Labour Party has repeatedly pressed and will continue to press the Government to initiate talks on the highest level with the U S A and the U S S.R. . .

The fact that these terrible weapons exist on both sides of the Iron Curtain maintains an uneasy equilibrium under the threat of mutual destruction. We must seek to progress from mere co-existence through relaxation of tension to international co-operation, and so to an effective system of general disarmament. We are under no illusions as to the difficulties of such a course, but we must seize every opportunity.

Scientists point out the danger to the human race in the diffusion through the world of radio-active particles An agreement on the cessation or even the limitation of thermo-nuclear experiments would be an important step in the right direction. An authoritative pronouncement by a body of scientists from the Western countries and from Russia, stating clearly the danger threatening the world, might, if it were given wide publicity in all countries, aid in arousing all peoples to the danger in which the world stands.

Until world disarmament can be achieved, weapons of mass destruction in the hands of Britain and her allies in NATO form the most effective deterrent against aggression by a potential disturber of the peace possessing not only these weapons but also overwhelming force in what are called conventional weapons.

As long as this great disparity remains, unilateral disarmament is folly. It is equally foolish to suggest that these weapons will only be used if an aggressor uses them first It is the knowledge that in the last resort these terrible weapons will be used that makes them an effective deterrent, but they constitute only an ultimate sanction to prevent war They could not be used in the event of minor disturbances For this reason conventional forces must be maintained to deal with small-scale or localized disturbances Clearly a very drastic reshaping of our defence plans is needed to deal with a new situation

Hitherto only the U.S.A. and the U.S S R. have possessed the hydrogen bomb. Labour believes that it is undesirable that Britain should be dependent on another country for this vital weapon. If we were, our influence for peace would be lessened in the councils of the world. It was for that reason that the Labour Government decided on the manufacture of the atomic bomb and that we support the production of the hydrogen bomb in this country. While everyone ought to realize the great menace to civilization in the emergence of weapons of mass destruction, there is the hope that the idealists who long for peace and disarmament may now be reinforced by realists who know now that the choice today is between world co-operation for peace or annihilation in another war

Yet we must realize that time is short. With a world rearmament race proceeding, the existence of deterrents can at best only give a breathing-space which must be used to lay the foundations of a peace settlement. We call on the Government to take all possible steps to reduce tension and to foster international understanding with a view to achieving general disarmament and a secure peace."

(Daily Herald - Manchester Guardian) **(Prev. rep. 14093 A.)**

D. UNITED STATES - MEXICO. — Agreement on Restriction of Illegal Mexican Immigration.

A U.S.-Mexican agreement, designed to reduce the illegal entry of Mexican workers into the United States and to improve the arrangements for the temporary employment of Mexican workers in the U.S.A., was signed in Mexico City on April 14. It provided, among other things, for an increase in the strength of the border patrols of both countries and for their better co-ordination; for a continuation of the Mexican practice of transporting to the interior of Mexico illegal immigrants released by the U.S.A.; and for the joint development of an information programme. It also proposed U.S. legislation to deter employers from hiring illegal immigrants and to punish people engaged in their transportation.

(New York Times)

MAY 14—21, 1955

A. AUSTRIA. — Signing of State Treaty. - Provisions. - Austrian Neutrality Declaration.

The Austrian State Treaty, the provisions of which had been in dispute between the Western Powers and the Soviet Union since the end of the war, was signed at the Belvedere Palace in Vienna on May 15 by the Foreign Ministers of the four occupying Powers and by their Ambassadors in Vienna— M. Molotov and M. Ilyichev (Soviet Union); Mr. Macmillan and Sir Geoffrey Wallinger (Britain); Mr Dulles and Mr. Llewellyn R. Thompson (U.S.A.), and M. Pinay and M. Roger Lalouette (France). Dr. Figl, the Austrian Foreign Minister, signed on behalf of Austria. The treaty, when ratified, will end more than ten years of Allied occupation, which had been preceded by seven years of German occupation, and will re-establish Austria as a sovereign and independent State for the first time since 1938.

The signing of the treaty followed preliminary discussions on its final terms which were held in Vienna from May 2 to 11 between the Ambassadors of the four occupying Powers and Austrian representatives, after the Soviet Union had accepted the Western Powers' suggestion of April 22 for such a preparatory meeting. These discussions were followed by a meeting in Vienna on May 14 of the British, French, U.S., and Soviet Foreign Ministers themselves to give final consideration to the treaty.

During the Ambassadors' discussions agreement was rapidly reached on most of the 59 Articles of the draft treaty, and a number of others were dropped as it was agreed that they were now obsolete. There was, however, some delay over Soviet insistence that the clause in the preamble attributing a certain amount of war guilt to Austria should be retained, but M. Molotov eventually reversed his stand and agreed to its omission Other questions over which there was some disagreement related to German assets, the limitation of Austrian armed forces, and the prohibition of the manufacture of special weapons by Austria.

As regards former German assets in the Soviet Zone of occupation, the draft treaty provided for their retention by the Soviet Union, although this had been superseded by the Austro-Soviet agreement concluded in Moscow on April 15 under which the U S S.R. had agreed to the return of such assets to Austria The representatives of the Western Powers and of Austria therefore argued in the final negotiations that these provisions had become obsolete, but the Soviet representatives insisted that the clause should be retained as the concessions of April 15 were a purely bilateral Soviet-Austrian agreement. The other Powers finally concurred in this, with the proviso that a special annex to the treaty should emphasize that the relevant article (Art 22) had been modified by the agreement of April 15.

The treaty in its final form consisted of 38 Articles (21 less than the original draft treaty) and two annexes, one defining and listing war *matériel*, and the other relating to the German assets in Austria mentioned above. The text of the treaty was as follows:

Preamble.

The Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, the United States of America, and France, hereinafter referred to as "the Allied and Associated Powers," of the one part, and Austria, of the other part;

Whereas on March 13, 1938, Hitlerite Germany annexed Austria by force and incorporated its territory into the German Reich,

Whereas in the Moscow Declaration published on Nov. 1, 1943, the Governments of the U.S S.R. the U.K., and the U S.A. declared that they regarded the annexation of Austria by Germany on March 13, 1938, as null and void and affirmed their wish to see Austria re-established as a free and independent state, and the French Committee of National Liberation made a similar declaration on Nov. 16, 1943;

Whereas as a result of the Allied victory Austria was liberated from the domination of Hitlerite Germany,

Whereas the Allied and Associated Powers, and Austria, taking into account the importance of the efforts which the Austrian people themselves have made and will have to continue to make for the restoration and democratic reconstruction of their country, desire to conclude a treaty re-establishing Austria as a free, independent, and democratic state, thus contributing to the restoration of peace in Europe;

Whereas the Allied and Associated Powers desire by means of the present treaty to settle in accordance with the principles of justice all questions which are still outstanding in connexion with the events referred to above, including the annexation of Austria by Hitlerite Germany and the participation of Austria in the war as an integral part of Germany; and

Whereas the Allied and Associated Powers and Austria are desirous for these purposes of concluding the present treaty to serve as the basis of friendly relations between them, thereby enabling the Allied and Associated Powers to support Austria's application for admission to the United Nations Organization;

Have therefore appointed their plenipotentiaries who, after presentation of their full powers, found in good and due form, have agreed on the following provisions:

Part I.—Political and Territorial Clauses.

Art. 1. Re-establishment of Austria as a Free and Independent State. The Allied and Associated Powers recognize that Austria is re-established as a sovereign, independent and democratic state.

Art. 2.—Maintenance of Austria's Independence. The Allied and Associated Powers declare that they will respect the independence and territorial integrity of Austria as established under the present treaty.

Art. 3.—Recognition by Germany of Austrian Independence. The Allied and Associated Powers will incorporate in the German peace treaty provisions for securing from Germany the recognition of Austria's sovereignty and independence and the renunciation by Germany of all territorial and political claims in respect of Austria and Austrian territory.

Art. 4.—Prohibition of Anschluss. (1) The Allied and Associated Powers declare that political or economic union between Austria and Germany is prohibited Austria fully recognizes its responsibilities in this matter and shall not enter into political or economic union with Germany in any form whatsoever.

(2) In order to prevent such union Austria shall not conclude any agreement with Germany, nor do any act, nor take any measures likely, directly or indirectly, to promote political or economic union with Germany, or to impair its territorial integrity or political or economic independence Austria further undertakes to prevent within its territory any act likely, directly or indirectly, to promote such union and shall prevent the existence, resurgence, and activities of any organizations having as their aim political or economic union with Germany and pan-German propaganda in favour of union with Germany

Art. 5.—Frontiers of Austria. The frontiers of Austria shall be those existing on January 1, 1938

Art. 6.—Human Rights. (1) Austria shall take all measures necessary to secure to all persons under Austrian jurisdiction, without distinction as to race, sex, language or religion, the enjoyment of human rights and of the fundamental freedoms, including freedom of expression, of Press and publication, of religious worship, of political opinion and of public meeting

(2) Austria further undertakes that the laws in force in Austria shall not, either in their content or in their application, discriminate or entail any discrimination between persons of Austrian nationality on the ground of their race, sex, language, or religion, whether in reference to their persons, property, business, professional or financial interests, status, political or civil rights, or any other matter.

Art. 7.—Rights of the Slovene and Croat Minorities. (1) Austrian nationals of the Slovene and Croat minorities in Carinthia, Burgenland, and Styria shall enjoy the same rights on equal terms as all other Austrian nationals, including the right to their own organizations, meetings, and Press in their own language

(2) They are entitled to elementary instruction in the Slovene or Croat language and to a proportional number of their own secondary schools, in this connexion school curricula shall be reviewed and a section of the Inspectorate of Education shall be established for Slovene and Croat schools

(3) In the administrative and judicial districts of Carinthia, Burgenland, and Styria, where there are Slovene, Croat or mixed populations, the Slovene or Croat language shall be accepted as an official language in addition to German. In such districts topographical terminology and inscriptions shall be in the Slovene or Croat language as well as in German

(4) Austrian nationals of the Slovene and Croat minorities in Carinthia, Burgenland, and Styria shall participate in the cultural, administrative and judicial systems in these territories on equal terms with other Austrian nationals.

(5) The activity of organizations whose aim is to deprive the Croat or Slovene populations of their minority character or rights shall be prohibited

Art. 8.—Democratic Institutions. Austria shall have a democratic government based on elections by secret ballot and shall guarantee to all citizens free, equal, and universal suffrage, as well as the right to be elected to public office without discrimination as to race, sex, language, religion, or political opinion.

Art. 9.—Dissolution of Nazi Organizations. (1) Austria shall complete the measures, already begun by the enactment of appropriate legislation approved by the Allied Commission for Austria, to destroy the National Socialist party and its affiliated and supervised organizations, including political, military, and para-military organizations, on Austrian territory Austria shall also continue the efforts to eliminate from Austrian political, economic, and cultural life all traces of Nazism, to ensure that the above-mentioned organizations are not revived in any form, and to prevent all Nazi and militarist activity and propaganda in Austria.

(2) Austria undertakes to dissolve all Fascist-type organizations existing on its territory, political, military, para-military, and likewise any other organizations carrying on activities hostile to any United Nation or which intend to deprive the people of their democratic rights.

(3) Austria undertakes not to permit, under threat of penal punishment which shall be immediately determined in accordance with procedures established by Austrian law, the existence and the activity on Austrian territory of the above-mentioned organizations.

Art. 10.—Special Clauses on Legislation. (1) Austria undertakes to maintain and continue to implement the principles contained in the laws and legal measures adopted by the Austrian Government and Parliament since May 1, 1945, and approved by the Allied Commission for Austria, aimed at the liquidation of the remnants of the Nazi regime and the re-establishment of the democratic system, and

to complete the legislative and administrative measures already taken or begun since May 1, 1945, to codify and give effect to the principles set out in Articles 6, 8, and 9 of the present treaty, and insofar as she has not yet done so, to repeal or amend all legislative and administrative measures adopted between March 5, 1933, and April 30, 1945, which conflict with the principles set forth in Articles 6, 8 and 9.

(2) Austria further undertakes to maintain the law of April 3, 1919, concerning the House of Habsburg-Lorraine [When the first Austrian Republic was formed after World War I, the members of the former reigning House of the Austro-Hungarian Empire were permanently barred from the country.]

Art. 11.—Recognition of Peace Treaties. Austria undertakes to recognize the full force of the peace treaties with Italy, Rumania, Bulgaria, Hungary, and Finland, and other agreements or arrangements which have been or will be reached by the Allied and Associated Powers in respect of Germany and Japan for the restoration of peace

Part II.—Military and Air Clauses.

Art. 12.—Prohibition of Service in the Austrian Armed Forces of Former Members of Nazi Organizations, etc. The following shall in no case be permitted to serve in the Austrian armed forces

(1) Persons not of Austrian nationality.

(2) Austrian nationals who had been German nationals at any time before March 13, 1938.

(3) Austrian nationals who served in the rank of colonel or in any higher rank in the German armed forces during the period from March 13, 1938, to May 8, 1945

(4) With the exception of any persons who shall have been exonerated by the appropriate body in accordance with Austrian law, Austrian nationals falling within any of the following categories :

(*a*) Persons who at any time belonged to the National Socialist party (N.S.D.A.P.), or the S.S., S.A., or S.D. organizations; the Secret State Police (Gestapo), the National Socialist Soldiers' Association, or the National Socialist Officers' Association.

(*b*) Officers in the National Socialist Fliers' Corps or the National Socialist Motor Corps of rank not lower than "*Untersturmführer*" or its equivalent

(*c*) Functionaries in any supervised or affiliated organizations of the N.S.D.A.P. of rank not lower than that equivalent to "*Ortsgruppenleiter.*"

(*d*) Authors of printed works or scenarios placed by the competent commissions set up by the Government of Austria in the category of prohibited works because of their Nazi character

(*e*) Leaders of industrial, commercial, and financial undertakings who, according to the official and authenticated reports of existing industrial, commercial and financial associations, trade unions and party organizations, are found by the competent commission to have co-operated actively in the achievement of the aims of the N.S.D.A.P. or of any of its affiliated organizations, supported the principles of National Socialism, or financed or spread propaganda for National Socialist organizations or their activities, and by any of the foregoing to have damaged the interests of an independent or democratic Austria.

Art. 13.—Prohibition of Special Weapons. (1) Austria shall not possess, construct or experiment with (*a*) any atomic weapons, (*b*) any other major weapon adaptable now or in the future to mass destruction and defined as such by the appropriate organ of the U.N., (*c*) any self-propelled or guided missiles or torpedoes, or apparatus connected with their discharge or control, (*d*) sea mines, (*e*) torpedoes capable of being manned, (*f*) submarines or other submersible craft, (*g*) motor torpedo-boats, (*h*) specialized types of assault craft, (*i*) guns with a range of more than 30 kilometres, (*j*) asphyxiating, vesicant, or poisonous materials or biological substances in quantities greater than, or of types other than, are required for legitimate civil purposes, or any apparatus designed to produce, project or spread such materials or substances for war purposes

(2) The Allied and Associated Powers reserve the right to add to this Article prohibitions of any weapons which may be evolved as a result of scientific development.

Art. 14.—Disposal of War Matériel of Allied and German Origin. (1) All war matériel of Allied origin in Austria shall be placed at the disposal of the Allied or Associated Power concerned, according to the instructions given by that Power. Austria shall renounce all rights to the above-mentioned war matériel.

(2) Within one year from the coming into force of the present treaty, Austria shall render unusable for any military purpose or destroy : all excess war matériel of German or other non-Allied origin ; in so far as they relate to modern war matériel, all German and Japanese drawings, including existing blueprints, prototypes, experimental models and plans, all war matériel prohibited by Art. 13 of the present treaty ; all specialized installations, including research and production equipment, prohibited by Art. 13 which are not convertible for authorized research, development or construction.

(3) Within six months from the coming into force of the present treaty Austria shall provide the Governments of the Soviet Union, the U.S.A., the U.K., and France with a list of the war matériel and installations enumerated in Paragraph 2.

(4) Austria shall not manufacture any war matériel of German design. Austria shall not acquire or possess, either publicly or privately, or by any other means, any war matériel of German manufacture, origin or design, except that the Austrian Government may utilize, for the creation of the Austrian armed forces, restricted quantities of war matériel of German manufacture, origin or design remaining in Austria after the Second World War.

(5) A definition and list of war matériel for the purposes of the present treaty are contained in Annex I

Art. 15.—Prevention of German Rearmament. (1) Austria shall co-operate fully with the Allied and Associated Powers in order to ensure that Germany is unable to take steps outside German territory toward rearmament

(2) Austria shall not employ or train in military or civil aviation or in the experimentation, design, production or maintenance of war matériel persons who are, or were at any time previous to March 13, 1938, nationals of Germany ; or Austrian nationals precluded from serving in the armed forces under Art 12, or persons who are not Austrian nationals

Art. 16.—Prohibition relating to Civil Aircraft of German and Japanese Design. Austria shall not acquire or manufacture civil aircraft which are of German or Japanese design or which embody major assemblies of German or Japanese manufacture or design

Art. 17.—Duration of Limitations Each of the military and air clauses of the present treaty shall remain in force until modified in whole or in part by agreement between the Allied and Associated Powers and Austria or, after Austria becomes a member of the United Nations, by agreement between the Security Council and Austria

Art. 18.—Prisoners of War. (1) Austrians who are now prisoners of war shall be repatriated as soon as possible, in accordance with arrangements to be agreed upon by the individual Powers detaining them and Austria

(2) All costs, including maintenance costs, incurred in moving Austrians who are now prisoners of war from their respective assembly points, as chosen by the Government of the Allied or Associated Power concerned, to the point of their entry into Austrian territory, shall be borne by Austria

Art. 19.—War Graves and Memorials. (1) Austria undertakes to respect, preserve and maintain the graves on Austrian territory of the soldiers, prisoners of war, and nationals forcibly brought to Austria, of the Allied Powers as well as of the other United Nations which were at war with Germany; the memorials and emblems on these graves; and the memorials to the military glory of the armies which fought on Austrian territory against Hitlerite Germany.

(2) The Government of Austria shall recognize any commission, delegation or other organization authorized by the State concerned to identify, list, maintain, or regulate the graves and edifices referred to in Paragraph 1, shall facilitate the work of such organizations, and shall conclude in respect of the above-mentioned graves and edifices such agreements as may prove necessary with the State concerned or with any commission, delegation or organization authorized by it. It likewise agrees to render, in conformity with reasonable sanitary precautions, every facility for the disinterment and despatch to their own country of the remains buried in the said graves, whether at the request of the official organizations of the State concerned or at the request of relatives of the persons interred

Part III.—Withdrawal of Allied Forces.

Art. 20.—(1) The agreement on the machinery of control in Austria of June 28, 1946, shall terminate on the coming into force of the present treaty.

(2) On the coming into force of the present treaty, the Inter-Allied Command established under Paragraph 4 of the agreement on zones of occupation in Austria and the administration of the City of Vienna of July 9, 1945, shall cease to exercise any functions with respect to the administration of the City of Vienna The agreement on zones of occupation in Austria shall terminate upon completion of the withdrawal from Austria of the forces of the Allied and Associated Powers in accordance with Paragraph 3 of this article.

(3) The forces of the Allied and Associated Powers and members of the Allied Commission for Austria shall be withdrawn from Austria within 90 days from the coming into force of the present treaty, and in so far as possible not later than Dec. 31, 1955.

(4) The Government of Austria shall accord to the forces of the Allied and Associated Powers and the members of the Allied Commission for Austria pending their withdrawal from Austria the same rights, immunities, and facilities as they enjoyed immediately before the coming into force of the present treaty

(5) The Allied and Associated Powers undertake to return to the Government of Austria after the coming into force of the present treaty, and within the period specified in Paragraph 3 of this article :

(*a*) All currency which was made available free of cost to them for the purpose of the occupation and which remains unexpended at the time of completion of withdrawal of the Allied forces ;

(*b*) All Austrian property requisitioned by the Allied forces or the Allied Commission, and which is still in their possession. The obligations under this sub-paragraph shall be applied without prejudice to the provisions of Art. 22 of the present treaty.

Part IV.—Claims arising out of the War.

Art. 21.—Reparation. No reparation shall be exacted from Austria arising out of the existence of a state of war in Europe after Sept. 1, 1939.

Art. 22.—German Assets in Austria. The Soviet Union, the U.K., the U.S.A., and France have the right to dispose of all German assets in Austria in accordance with the protocol of the Berlin Conference of August 2, 1945.

(1) The Soviet Union shall receive for a period of 30 years concessions to oilfields equivalent to 60 per cent of the extraction of oil in Austria for 1947, as well as property rights to all buildings, constructions, equipment, and other property belonging to these oilfields. . . .

(2) The Soviet Union shall receive concessions to 60 per cent of all exploration areas located in Eastern Austria that are German assets to which the Soviet Union is entitled in conformity with the Potsdam Agreement, and which are in its possession at the present time. . . . The Soviet Union shall have the right to carry out explora-

tions in the areas mentioned for eight years, and to the subsequent extraction of oil for a period of 25 years beginning from the moment of the discovery of oil.

(3) The Soviet Union shall receive oil refineries having a total annual production capacity of 420,000 tons of crude oil. . . .

(4) The Soviet Union shall receive those undertakings concerned in the distribution of oil products which are at its disposal . . .

(5) The Soviet Union shall receive the assets of the Danube Shipping Company (D.D.S.G.), located in Hungary, Rumania, and Bulgaria, and likewise . . 100 per cent of the assets of the Danube Shipping Company located in Eastern Austria.

(6) The Soviet Union shall transfer to Austria property, rights and interests held or claimed as German assets, together with existing equipment, and shall also transfer war industrial enterprises, together with existing equipment, houses and similar immovable property, including plots of land, located in Austria and held or claimed as war booty, with the exception of the assets mentioned in Paragraphs 1-5 of the present Article Austria for its part undertakes to pay the Soviet Union $150,000,000 in freely convertible currency within a period of six years

The said sum will be paid by Austria to the Soviet Union in equal three-monthly instalments of $6,250,000 in freely convertible currency The first payment will be made on the first day of the second month following the month of the entry into force of the present treaty Subsequent payments will be made on the first day of the appropriate month. The last three-monthly payment will be made on the last day of the six-year period after the entry into force of this treaty.

The basis for payments provided for in this article will be the U S dollar at its gold parity on Sept. 1, 1949, i.e $35 for one ounce of gold.

As security for the punctual payment of the above-mentioned sums due to the U.S S R., the Austrian National Bank shall issue to the State Bank of the U S.S.R , within two weeks of the coming into force of the present treaty, promissory notes to the total sum of $150,000,000, to become payable on the dates provided for in the present Article The promissory notes . will be non-interest-bearing The State Bank of the U S.S.R does not intend to discount these notes, provided that the Austrian Government and the Austrian National Bank carry out their obligations punctually and exactly

(7) Legal position of assets

(*a*) All former German assets which have become the property of the Soviet Union in accordance with Paragraphs 1-5 of the present Article shall, as a general rule, remain under Austrian jurisdiction, and Austrian legislation shall apply to them.

(*b*) Where duties and charges, commercial and industrial rights, and the levying of taxation are concerned, these assets shall be subject to conditions not less favourable than those which apply or will apply to undertakings belonging to Austria and its nationals, and also to other States and persons who are accorded most-favoured-nation treatment.

(*c*) All former German assets which have become the property of the U S S R. shall not be subject to expropriation without the consent of the U S S.R.

(*d*) Austria will not raise any difficulties in regard to the export of profits or other income (i e. rents) in the form of output, or of any freely convertible currency received.

(*e*) The rights, properties, and interests transferred to the Soviet Union, as well as the rights, properties and interests which the Soviet Union relinquishes to Austria shall be transferred without any charges or claims on the part of the Soviet Union or on the part of Austria Under the words "charges and claims" is understood not only creditor claims arising out of the exercise of Allied control of these properties, rights, and interests after May 8, 1945, but also all other claims, including claims in respect of taxes. The reciprocal waiver by the Soviet Union and Austria of charges and claims applies to all such charges and claims as exist on the date when Austria formalizes the rights of the Soviet Union to the former German assets transferred to it and on the date of the actual transfer to Austria of the assets relinquished by the Soviet Union.

(8) The transfer to Austria of all properties, rights, and interests provided for in Paragraph 6 of the present Article, and also the formalizing by Austria of the rights of the Soviet Union to the former German assets to be transferred, shall be effected within two months from the date of the entry into force of the present treaty.

(9) The Soviet Union shall likewise own the rights, property, and interests in respect of all assets, wherever they may be situated in Eastern Austria, created by Soviet organizations or acquired by them by purchase after May 8, 1945, for the operation of the [above-mentioned] properties. . . .

The provisions as set forth in sub-paragraphs (*a*), (*b*), (*c*) and (*d*) of Paragraph 7 of the present Article, shall correspondingly apply to these assets.

(10) Disputes which may arise in connexion with the application of the provisions of the present Article shall be settled by means of bilateral negotiations between the interested parties. In the event of failure to reach agreement . . . within three months, disputes shall be referred for settlement to an arbitration commission consisting of one representative of the Soviet Union and one representative of Austria, with the addition of a third member, a national of a third country, selected by mutual agreement between the two Governments.

(11) The U.K., the U.S A., and France hereby relinquish to Austria all property, rights, and interests held or claimed by or on behalf of any of them in Austria as former German assets or war booty. Property, rights, and interests transferred to Austria under this paragraph shall pass free from any charges or claims on the part of the U.K., the U.S.A., or France arising out of the exercise of their control of these properties, rights, or interests after May 8, 1945.

(12) After fulfilment by Austria of all obligations stipulated in the provisions of the present Article or derived from such provisions, the claims of the Allied and Associated Powers with respect to former German assets in Austria, based on the decisions of the Berlin Conference of Aug. 2, 1945, shall be considered as fully satisfied.

(13) Austria undertakes that, except in the case of educational, cultural, charitable, and religious property, none of the properties, rights, and interests transferred to it as former German assets shall be returned to ownership of German juridical persons or, where the value of the property, rights and interests exceeds 260,000 schillings [about £3,600], to the ownership of German natural persons Austria further undertakes not to pass to foreign ownership those rights and properties indicated in Lists 1 and 2 of this Article which will be transferred to Austria by the Soviet Union in accordance with the Austro-Soviet memorandum of April 15, 1955. [Lists 1 and 2 enumerated the oilfields and oil exploration rights held by the Soviet Union in the Soviet zone of Austria]

(14) The provisions of this Article shall be subject to the terms of Annex II of this treaty.

Art. 23.—Austrian Property in Germany and Renunciation of Claims by Austria on Germany. (1) From the date of the coming into force of the present treaty, the property in Germany of the Austrian Government or of Austrian nationals, including property forcibly removed from Austrian territory to Germany after March 12, 1938, shall be returned to its owners. This provision shall not apply to the property of war criminals or persons who have been subjected to the penalties of denazification measures; such property shall be placed at the disposal of the Austrian Government if it has not been subjected to blocking or confiscation in accordance with the laws or ordinances in force in Germany after May 8, 1945.

(2) The restoration of Austrian property rights in Germany shall be effected in accordance with measures which will be determined by the Powers in occupation of Germany in their zones of occupation.

(3) Without prejudice to these and to any other disposition in favour of Austria and Austrian nationals by the Powers occupying Germany, and without prejudice to the validity of settlements already reached, Austria waives on its own behalf and on behalf of Austrian nationals all claims against Germany and German nationals outstanding on May 8, 1945, except those arising out of contracts and other obligations entered into, and rights acquired, before March 13, 1938 This waiver shall be deemed to include all claims in respect of transactions effected by Germany during the period of the annexation of Austria and all claims in respect of loss or damage suffered during the said period, particularly in respect of the German public debt held by the Austrian Government or its nationals and of currency withdrawn at the time of the monetary conversion Such currency shall be destroyed upon the coming into force of the present treaty

Art. 24.—Renunciation by Austria of Claims Against the Allies. (1) Austria waives all claims of any description against the Allied and Associated Powers on behalf of the Austrian Government or Austrian nationals arising directly out of the war in Europe after Sept 1, 1939, or out of actions taken because of the existence of a state of war in Europe after that date, whether or not such Allied or Associated Power was at war with Germany at the time. This renunciation of claims includes the following:

(*a*) Claims for losses or damages sustained as a consequence of acts of armed forces or authorities of Allied or Associated Powers.

(*b*) Claims arising from the presence, operations, or actions of armed forces or authorities of Allied or Associated Powers in Austrian territory.

(*c*) Claims with respect to the decrees or orders of prize courts of Allied or Associated Powers, Austria agreeing to accept as valid and binding all decrees and orders of such prize courts on or after Sept. 1, 1939, concerning ships or goods belonging to Austrian nationals or concerning the payment of costs

(*d*) Claims arising out of the exercise or purported exercise of belligerent rights.

(2) The provisions of this Article shall bar, completely and finally, all claims of the nature referred to herein, which shall henceforward be extinguished, whoever may be the parties in interest. The Austrian Government agrees to make equitable compensation in schillings to persons who furnished supplies or services on requisition to the forces of Allied or Associated Powers in Austrian territory, and in satisfaction of non-combat damage claims against the forces of the Allied or Associated Powers arising in Austrian territory.

(3) Austria likewise waives all claims of the nature covered by Paragraph 1 of this Article on behalf of the Austrian Government or Austrian nationals against any of the United Nations whose diplomatic relations with Germany were broken off between Sept. 1, 1939, and Jan 1, 1945, and which took action in co-operation with the Allied and Associated Powers.

(4) The Government of Austria shall assume full responsibility for Allied military currency of denominations of 5 schillings and under issued in Austria by the Allied military authorities, including all such currency in circulation at the coming into force of the present treaty. Notes issued by the Allied military authorities of denominations higher than 5 schillings shall be destroyed, and no claims may be made in this connexion against any of the Allied or Associated Powers.

(5) The waiver of claims by Austria under Paragraph 1 of this Article includes any claims arising out of actions taken by any of the Allied or Associated Powers with respect to ships belonging to Austrian nationals between Sept. 1, 1939, and the coming into force of the present treaty, as well as any claims and debts arising out of the conventions on prisoners-of-war now in force.

Part V.—Property, Rights and Interests.

Art. 25.—United Nations Property in Austria. (1) In so far as Austria has not already done so, Austria shall restore all legal rights and interests in Austria of the United Nations and their nationals as they existed on the day hostilities commenced between Germany and the United Nation concerned, and shall return all property in Austria of the United Nations and their nationals as it now exists

(2) The Austrian Government undertakes that all property, rights and interests falling under this Article shall be restored free of all encumbrances and charges of any kind to which they may have become subject as a result of the war with Germany, and without the imposition of any charges by the Austrian Government in connexion with their return. The Austrian Government shall nullify all measures of seizure, sequestration, or control taken against United Nations property in Austria between the day of commencement of hostilities between Germany and the United Nations concerned and the coming into force of the present treaty.

In cases where the property has not been returned within six months from the coming into force of the present treaty, application for the return of property shall be made to the Austrian authorities not later than 12 months from the coming into force of the treaty, except in cases in which the claimant is able to show that he could not file his application within this period

(3) The Austrian Government shall invalidate transfers involving property, rights and interests of any description belonging to United Nations nationals, where such transfers resulted from force exerted by Axis Governments or their agencies between the beginning of hostilities between Germany and the United Nation concerned and May 8, 1945.

(4) (*a*) In cases in which the Austrian Government provides compensation for losses suffered by reason of injury or damage to property in Austria which occurred during the German occupation of Austria or during the war, United Nations nationals shall not receive less favourable treatment than that accorded to Austrian nationals, and in such cases United Nations nationals who hold, directly or indirectly, ownership interests in corporations or associations which are not United Nations nationals within the meaning of Paragraph 8(*a*) of this Article shall receive compensation based on the total loss or damage suffered by the corporations or associations and bearing the same proportion to such loss or damage as the beneficial interest of such nationals bears to the capital of the corporation or association.

(*b*) The Austrian Government shall accord to United Nations and their nationals the same treatment in the allocation of materials for the repair or rehabilitation of their property in Austria and in the allocation of foreign exchange for the importation of such materials as applies to Austrian nationals.

(5) All reasonable expenses incurred in Austria in establishing claims, including the assessment of loss or damage, shall be borne by the Austrian Government.

(6) United Nations nationals and their property shall be exempted from any exceptional taxes, levies or imposts imposed on their capital assets in Austria by the Austrian Government or any Austrian authority between the date of the surrender of the German armed forces and the coming into force of the present treaty for the specific purpose of meeting charges arising out of the war or of meeting the costs of occupying forces. Any sums which have been so paid shall be refunded.

(7) The owner of the property concerned and the Austrian Government may agree upon arrangements in lieu of the provisions of this Article.

(8) As used in this Article :

(*a*) "United Nations nationals" means individuals who are nationals of any of the United Nations, or corporations or associations organized under the laws of any of the United Nations, at the coming into force of the present treaty, provided that the said individuals, corporations or associations also had this status on May 8. 1945. The term "United Nations nationals" also includes all individuals, corporations or associations which, under the laws in force in Austria during the war, have been treated as enemy.

(*b*) "Owner" means one of the United Nations, or a national of one of the United Nations as defined in sub-paragraph (*a*) above, who is entitled to the property in question, and includes a successor of the owner, provided that the successor is also a United Nation or a United Nations national as defined in sub-paragraph (*a*). If the successor has purchased the property in its damaged state, the transferor shall retain his rights to compensation under this Article, without prejudice to obligations between the transferor and the purchaser under domestic law.

(*c*) "Property" means all movable or immovable property, whether tangible or intangible, including industrial, literary and artistic property, as well as all rights or interests of any kind in property.

(9) The provisions of this Article do not apply to transfers of property, rights or interests of United Nations or United Nations nationals in Austria made in accordance with laws and enactments which were in force as Austrian law on June 29, 1946.

(10) The Austrian Government recognizes that the Brioni agreement of Aug. 10, 1942, is null and void. It undertakes to participate with the other signatories of the Rome agreement of March 21, 1923, in any negotiations having the purpose of introducing into its provisions the modifications necessary to ensure the equitable settlement of the annuities which it provides [Under the Brioni agreement, Nazi Germany and Fascist Italy seized France's share in the Danube-Sava-Adriatic railway, the ownership of which had been vested in the victorious Powers of World War I under the Rome agreement of 1923.]

Art. 26.—Property, Rights, and Interests of Minority Groups in Austria. (1) In so far as such action has not already been taken, Austria undertakes that, in all cases where property, legal rights or interests in Austria have, since March 13, 1938, been the subject of forced transfer or measures of sequestration, confiscation or control on account of the racial origin or religion of the owner, the said property shall be returned and the said legal rights and interests shall be restored, together with their accessories Where return or restoration is impossible, compensation shall be granted for losses incurred by reason of such measures to the same extent as is, or may be, given to Austrian nationals generally in respect of war damage

(2) Austria agrees to take under its control all property, legal rights and interests in Austria of persons, organizations or communities which, individually or as members of groups, were the object of racial, religious, or other Nazi measures of persecution where, in the case of persons, such property, rights and interests remain heirless or unclaimed for six months after the coming into force of the present treaty, or where in the case of organizations and communities such organizations or communities have ceased to exist. Austria shall transfer such property, rights and interests to appropriate agencies or organizations to be designated by the four heads of mission in Vienna by agreement with the Austrian Government, to be used for the relief and rehabilitation of victims of persecution by the Axis Powers, it being understood that these provisions do not require Austria to make payments in foreign exchange or other transfers to foreign countries which could constitute a burden on the Austrian economy. Such transfer shall be effected within 18 months from the coming into force of the present treaty and shall include property, rights and interests required to be restored under Paragraph 1 of this Article

Art. 27.—Austrian Property in the Territory of the Allied and Associated Powers. (1) The Allied and Associated Powers declare their intention to return Austrian property, rights and interests as they now exist in their territories, or the proceeds arising out of the liquidation, disposal or realization of such property, rights, and interests, subject to accrued taxes, expenses of administration, creditor claims and other like charges. . The Allied and Associated Powers will be prepared to conclude agreements with the Austrian Government for this purpose

(2) Notwithstanding the foregoing provisions, the Federal People's Republic of Yugoslavia shall have the right to seize, retain or liquidate Austrian property, rights and interests within Yugoslav territory on the coming into force of the present treaty. The Government of Austria undertakes to compensate Austrian nationals whose property is taken under this paragraph. [The Yugoslav Government seized Austrian assets in Yugoslav territory after 1945. Austria and Yugoslavia are now negotiating a settlement on the matter]

Art. 28.—Debts. (1) The Allied and Associated Powers recognize that interest payments and similar charges on Austrian Government securities falling due after March 12, 1938, and before May 8, 1945, constitute a claim on Germany and not on Austria.

(2) The Allied and Associated Powers declare their intention not to avail themselves of the provisions of loan agreements made by Austria before March 13, 1938, in so far as those provisions granted to the creditors a right of control over the government finances of Austria.

(3) The existence of the state of war between the Allied and Associated Powers and Germany shall not, in itself, be regarded as affecting the obligation to pay pecuniary debts arising out of obligations and contracts that existed, and rights that were acquired before the existence of the state of war, which became payable prior to the coming into force of the present treaty, and which are due by the Government or nationals of Austria to the Government or nationals of one of the Allied and Associated Powers, or are due by the Government or nationals of one of the Allied and Associated Powers to the Government or nationals of Austria.

(4) Except as otherwise expressly provided in the present treaty, nothing therein shall be construed as impairing debtor-creditor relationships arising out of contracts concluded at any time prior to Sept. 1, 1939, by either the Government of Austria or persons who were nationals of Austria on March 12, 1938.

Part VI.—General Economic Relations.

Art. 29.—(1) Pending the conclusion of commercial treaties or agreements between individual United Nations and Austria, the Government of Austria shall, during a period of 18 months from the coming into force of the present treaty, grant the following treatment to each of the United Nations which, in fact, reciprocally grants similar treatment in like matters to Austria :

(*a*) In all that concerns duties and charges on importation or exportation, the internal taxation of imported goods, and all regulations pertaining thereto, the United Nations shall be granted unconditional most-favoured-nation treatment ;

(*b*) In all other respects, Austria shall make no arbitrary discrimination against goods originating in or destined for any territory of any of the United Nations as compared with like goods originating in or destined for any territory of any other of the United Nations, or of any other foreign country ;

(*c*) United Nations nationals, including juridical persons, shall be granted national and most-favoured-nation treatment in all matters pertaining to commerce, industry, shipping, and other forms of business activity within Austria. These provisions shall not apply to commercial aviation ;

(*d*) Austria shall grant no exclusive or preferential rights to any country with regard to the operation of commercial aircraft in international traffic ; shall afford all the United Nations equality of

opportunity in obtaining international commercial aviation rights in Austrian territory, including the right to land for refuelling and repair, and, with regard to the operation of commercial aircraft in international traffic, shall grant on a reciprocal and non-discriminatory basis to all United Nations the right to fly over Austrian territory without landing These provisions shall not affect the interests of the national defence of Austria.

(2) The foregoing undertaking by Austria shall be understood to be subject to the exceptions customarily included in commercial treaties concluded by Austria prior to March 13, 1938; and the provisions with respect to reciprocity granted by each of the United Nations shall be understood to be subject to the exceptions customarily included in the commercial treaties by that State.

Part VII.—Settlement of Disputes.

Art. 30.—(1) Any disputes which may arise in giving effect to Art 25 shall be referred to a conciliation commission . . . consisting of one representative of the United Nation concerned and one of Austria. If within three months . . . no agreement has been reached, either Government may ask for the addition to the commission of a third member selected by mutual agreement of the two Governments from nationals of a third country. Should the two Governments fail to agree within two months on the selection of a third member . . . either Government may request the heads of the diplomatic missions in Vienna of the Soviet Union, the U K, the U S A, and France to make the appointment. If the heads of mission are unable to agree within one month upon the appointment of the third member, the U N. Secretary-General may be requested by either party to make the appointment.

(2) When any conciliation commission is established under Paragraph 1 of this Article, it shall have jurisdiction over all disputes which may thereafter arise between the United Nation concerned and Austria in the application or interpretation of Article 25 . .

(3) Each conciliation commission shall determine its own procedure, adopting rules conforming to justice and equity.

(4) Each Government shall pay the salary of the member of the conciliation commission whom it appoints, and of any agent whom it may designate to represent it before the commission The salary of the third member shall be fixed by special agreement between the Governments concerned, and this salary, together with the common expenses of each commission, shall be paid in equal shares by the two Governments.

(5) The parties undertake that their authorities shall furnish directly to the conciliation commission all assistance which may be within their power.

(6) The decision of the majority of the members of the commission shall be . . . accepted by the parties as definitive and binding.

Part VIII.—Miscellaneous Economic Provisions.

Art. 31.—Provisions relating to the Danube. Navigation on the Danube shall be free and open for the nationals, vessels of commerce, and goods of all States, on a footing of equality in regard to port and navigation charges and conditions for merchant shipping The foregoing shall not apply to traffic between ports of the same State.

Art. 32.—Transit Facilities. (1) Austria shall facilitate as far as possible railway traffic in transit through its territory at reasonable rates, and shall be prepared to conclude with neighbouring States reciprocal agreements for this purpose.

(2) The Allied and Associated Powers undertake to support the inclusion in the settlement in relation to Germany of provisions to facilitate transit and communication without customs duties or charges between Salzburg and Lofer (Salzburg) across the Reichenhall-Steinpass, and between Scharnitz (Tirol) and Ehrwald (Tirol) *via* Garmisch-Partenkirchen.

Art. 33.—Scope of Application. Articles 25 and 29 shall apply to the Allied and Associated Powers and to those of the United Nations which had that status on May 8, 1945, and whose diplomatic relations with Germany had been broken off between September 1, 1939, and January 1, 1945.

Part IX.—Final Clauses.

Art. 34.—Heads of Mission. (1) For a period not to exceed 18 months from the coming into force of the present treaty, the heads of the diplomatic missions in Vienna of the Soviet Union, the U.K., the U.S.A., and France, acting in concert, will represent the Allied and Associated Powers in dealing with the Government of Austria in all matters concerning the execution and interpretation of the present treaty.

(2) The four heads of mission will give the Government of Austria such guidance, technical advice, and clarification as may be necessary to ensure the rapid and efficient execution of the present treaty both in letter and in spirit.

(3) The Government of Austria shall afford to the said four heads of mission all necessary information and any assistance which they may require in the fulfilment of their tasks devolving on them under the present treaty.

Art. 35.—Interpretation of the Treaty. (1) Except where another procedure is specifically provided for under any Article of the present treaty, any dispute concerning the interpretation or execution of the treaty which is not settled by direct diplomatic negotiations shall be referred to the four heads of mission acting under Art. 34, except that in this case the heads of mission will not be restricted by the time-limit provided in that Article. Any such dispute not resolved by them within a period of two months shall, unless the parties to the dispute mutually agree upon another means of settlement, be referred at the request of either party to a commission composed of one representative of each party and a third member selected by mutual agreement of the two parties from nationals of a third country. Should the two parties fail to agree within a period of one month upon the appointment of the third member, the U N. Secretary-General may be requested by either party to make the appointment.

(2) The decision of the majority of the members of the commission . shall be accepted by the parties as definitive and binding.

Art. 36.—Force of Annexes. The provisions of the Annexes shall have force and effect as integral parts of the present treaty.

Art. 37.—Accession to the Treaty. (1) Any member of the United Nations which on May 8, 1945, was at war with Germany and which then had the status of a United Nation, and is not a signatory to the present treaty, may accede to the treaty and upon accession shall be deemed to be an Associated Power for the purposes of the treaty.

(2) Instruments of accession shall be deposited with the Government of the U.S.S.R. and shall take effect upon deposit

Art. 38.—Ratification of the Treaty. (1) The treaty, of which the Russian, English, French, and German texts are authentic, shall be ratified. It shall come into force immediately upon deposit of instruments of ratification by the U S.S.R., the U K, the U S.A, and France on the one part, and by Austria on the other part. Instruments of ratification shall, in the shortest time possible, be deposited with the Government of the U.S S.R.

(2) With respect to each Allied and Associated Power whose instrument of ratification is thereafter deposited, the treaty shall come into force upon the date of deposit The present treaty shall be deposited in the archives of the Government of the U.S S R., which shall furnish certified copies to each of the signatory and acceding States.

Annex I.

This annex defined the term "war matériel" as used in the treaty as including "all arms, ammunition, and implements of war specially designed or adapted for use in war," and listed such matériel in eight categories: (1) armaments such as rifles, pistols, machine-guns, heavy guns, howitzers, mortars, rocket projectors, self-propelled missiles, grenades, bombs, torpedoes, mines, and depth-charges; (2) armoured fighting vehicles, armoured trains, and armour-plate more than three inches thick, (3) range-finding and fire-control equipment, gun and bomb sights, assault bridging and boats, and specialized personal war equipment, (4) all types of warships, landing craft, and naval vessels not intended for civilian use, (5) all types of aircraft and equipment designed for military use; (6) asphyxiating, vesicant, lethal, toxic or incapacitating substances intended for war purposes, (7) propellants, explosives, pyrotechnics or liquified gases destined for propulsion, explosion, charging or filling of war matériel, not capable of civilian use or manufactured in excess of civilian requirements; (8) factory and tool equipment specially designed for the production and maintenance of war matériel.

Annex II.

This was worded as follows: "Having regard to the arrangements made between the Soviet Union and Austria, and recorded in the memorandum signed at Moscow on April 15, 1955, Article 22 of the present treaty shall have effect subject to the following provisions:

(1) On the basis of the pertinent economic provisions of the April 15, 1955, arrangements between the Soviet Union and Austria, the Soviet Union will transfer to Austria within two months from the date of entry into force of the present treaty all property, rights and interests to be retained or received by the Soviet Union in accordance with Art. 22, except the Danube Shipping Company (D.D.S.G) assets in Hungary, Rumania and Bulgaria.

(2) It is agreed that, in respect of any property, right or interest transferred to Austria in accordance with this annex, Austria's rights shall be limited only in the manner set out in Paragraph 13 of Art. 22."

After the signing ceremony brief statements were made by the Foreign Ministers of the four occupying Powers, and also by Dr. Figl.

M. Molotov paid tribute to Austria's struggle for freedom, and declared that the signing of the treaty was "an event of the utmost world importance" which marked the beginning of a new development in international relations. "The Soviet Union," he said, "is anxious that the solution of the German problem should also not be postponed, but present circumstances have proved this impossible New obstacles have arisen seriously complicating the situation. The danger of the revival of an aggressive German militarism forces the peace-loving European States to new measures for safeguarding their security." He particularly welcomed Austria's decision to become a neutral country like Switzerland, and expressed the conviction that other countries would follow a similar course.

Mr. Macmillan, after paying a tribute to previous British Foreign Secretaries concerned with negotiating the treaty—Mr. Bevin, Mr. Morrison, and Sir Anthony Eden—said that the Austrian people over the past 10 years had shown "constancy and courage" and had achieved great progress. "Today's ceremony," he declared, "marks the beginning of a new epoch for Austria It is a happy day for all of us. But for Austria herself it is also a day of challenge. In meeting that challenge she will know that she can always rely on the warm and steady friendship of the British people."

Mr. Dulles, who expressed the view that the freedom and independence of Austria had been won by the Austrian people themselves, rather than having been conferred upon them, added. "Today we feel indebted to the Austrian people because through their patient endurance they have brought to Europe an application of what the U.N. Charter refers to as 'the respect for the principles of equal rights and self-determination of peoples'."

M. Pinay said that France had always regarded the restoration of Austrian liberty and sovereignty not only as an Austrian but as a European aim. "France does not doubt," he added, "that Austria will soon find her natural place in the community of nations, and take her rightful position in the United Nations."

Dr. Figl, speaking at the close of the ceremony, thanked the Foreign Ministers for having restored to Austria the independence of which she had been deprived for 17 years. He pledged active Austrian participation in all world organizations in order to contribute to international understanding and peace, and ended by declaring: "Austria is free!"

The signing of the treaty was enthusiastically acclaimed in Vienna and throughout Austria, all church bells in the country being rung for 15 minutes as a sign of national rejoicing. All buildings were bedecked with flags, large crowds thronged the main thoroughfares, and numerous street parties were held. After the signing ceremony the Foreign Ministers appeared together on the balcony of the Belvedere Palace and were loudly cheered by the vast throng below. They subsequently drove through the crowded streets to a luncheon given by Dr. Korner, the Austrian President, and in the evening attended a dinner given by the Federal Chancellor (Dr. Raab) at the Schonbrunn Palace, followed by a reception attended by the diplomatic corps and prominent personalities in Austrian public life.

Following the signature of the treaty, the Austrian Foreign Ministry published the same evening the text of a resolution on Austria's permanent neutrality to be placed before the *Nationalrat* (the Lower House of the Austrian Parliament). The significant paragraphs were as follows:

"(1) With the object of the lasting and perpetual maintenance of her independence from without and the inviolability of her territory, as well as in the interest of maintaining internal law and order, Austria declares of her own free will her perpetual neutrality, and is resolved to maintain and defend it with all means at her disposal.

(2) Austria, in order to secure these objectives, will join no military alliances and will not permit the establishment of military bases of foreign States on her territory. In this connexion, she declares her desire to observe at all times in her relations with other States the principles laid down in the U.N. Charter, and once again voices her willingness and ability to accede to and observe the obligations contained in the Charter."—(Wiener Zeitung - Neue Zurcher Zeitung - Times - New York Times - Le Monde, Paris) **(Prev. rep. 14154 A.)**

A. GAMBIA. — Constitutional Changes. - New Legislative Council. - Ministerial Appointments.

The first session of the Gambia Legislative Council, which was elected under the new Constitution in October last, was opened on Dec. 14, 1954, when a message from H.M. the Queen was read by the Governor, Sir Percy Wyn Harris.

In the elections in Bathurst and Kombo on Oct. 19, 1954, the four candidates returned were Mr. P. S. N'jie (United Party), the Rev. J. Faye (Democratic Party), Mr Garba-Jahumpa (Moslem Congress), and Mr H Madi (All-Village Party). In accordance with the Constitution, seven members were elected from the Protectorate, and the 11 representatives [i.e. those from Bathurst and Kombo and from the Protectorate] then selected three more members from a panel of nine names compiled by the Bathurst Town Council and the Rural Authority. The three members so chosen all belonged to the Moslem Congress party.

Subsequently the Executive Council was formed with an elected majority for the first time; it consists of the Governor, five official, and seven unofficial members. Ministerial appointments were later made as follows. Mr. P. S. N'jie, Education and Welfare; Rev. J. Faye, Communications and Works; Mr. Garba-Jahumpa, Agriculture and Natural Resources.
(Times - New Commonwealth) **(Prev. rep. 13114 C.)**

B. UNITED KINGDOM. — British Council. - Formation of Soviet Relations Committee.

The Foreign Office announced on May 11 that H.M. Government had asked the British Council to undertake the "promotion of closer cultural relations with the Soviet Union," and that the Council had accordingly set up a five-man Soviet Relations Committee "to encourage mutual understanding between the two countries, chiefly by sponsoring visits in both directions by small groups of people."

Members of the committee, it was stated, had already proposed to the Soviet Embassy reciprocal visits by groups of persons concerned with agriculture, arts and architecture, broadcasting, engineering, journalism, law, literature, local government, medicine, and the natural sciences. An exchange of theatrical companies had also been suggested. It was explained that particular emphasis was being laid on the possible long-term value of visits to Britain by leaders of Russian intellectual and artistic life.

The chairman of the Soviet Relations Committee will be Mr. Christopher Mayhew, Labour M.P. for Woolwich East in the last Parliament, and the vice-chairman Mr. C. E. Mott-Radclyffe, Conservative M.P. for Windsor. Both Mr. Mayhew and Mr. Mott-Radclyffe are members of the British Council's executive committee. (Times - Daily Telegraph)

C. SHIPPING. — World Construction Figures.

Lloyd's Register returns of merchant shipbuilding for the first quarter of 1955, published on April 27, gave the gross tonnage under construction throughout the world (excluding the U.S.S.R., Poland, and China, as well as vessels under 100 tons, barges, etc) as 5,963,187 tons, of which 35.96 per cent was building in the U.K. and 64.04 per cent elsewhere.

Ships building in Great Britain and Northern Ireland numbered 335 of 2,144,146 tons (steamers 1,282,525 tons, motorships 861,621 tons), including 2 steamers of over 30,000 tons, 22 steamers of 20,000-25,000 tons, and 15 steamers and 2 motorships of 15,000-20,000 tons. Of the total, 244 ships (1,388,074 tons) were building for Great Britain and N. Ireland, 27 (81,470 tons) for other British Commonwealth countries, 25 (326,968 tons) for Norway, 11 (169,880 tons) for Panama, 3 (63,000 tons) for the U.S.A., 5 (34,970 tons) for Greece, 3 (31,220 tons) for Liberia, 1 (6,500 tons) for Honduras, 10 (5,280 tons) for Burma, 3 (1,500 tons) for the U.S.S.R., 1 small vessel for Brazil, and 2 ships (34,700 tons) for unspecified countries. Principal shipbuilding centres were the Clyde (105 ships of 681,344 tons), the Tyne (39 ships of 399,330 tons), the Tees (22 ships of 236,934 tons), Sunderland (27 ships of 212,790 tons), Belfast (17 ships of 211,250 tons), Liverpool (20 ships of 150,768 tons), and Barrow (5 ships of 107,140 tons).

Ships building abroad numbered 941 of 3,819,041 tons (steamers 1,118,817 tons, motorships 2,400,224 tons), divided as follows: Germany 235 (665,429 tons), Netherlands 135 (545,325 tons), Japan 77 (535,513 tons), France 61 (415,105 tons), Sweden 72 (406,545 tons), Italy 56 (235,402 tons), Norway 52 (206,630 tons), Spain 59 (170,292 tons), Denmark 31 (138,304 tons), British Commonwealth countries 51 (129,640 tons), the U.S.A. 14 (113,760 tons), Belgium 20 (103,368 tons), Yugoslavia 22 (73,847 tons), Finland 27 (50,729 tons), Portugal 5 (17,582 tons), Turkey 12 (6,890 tons), Indonesia 9 (3,550 tons), the Irish Republic 1 (730 tons), and Iceland 2 (400 tons). The total included 1 steamer of over 30,000 tons in Japan, 3 steamers of 25,000-30,000 tons in Japan, and 1 motorship of this size in the Netherlands, 7 steamers each of 20,000-25,000 tons in France and Japan, 3 in Germany, 2 each in the Netherlands and the U.S.A., and 1 in Sweden, as well as 2 motorships of this size each in Denmark, France, Germany, and Spain.

Ships launched during the quarter included the tankers *World Grandeur* (38,500 tons deadweight) and *World Guardian* (32,500 tons), launched in March from the Howaldtswerke shipyards at Hamburg and Kiel respectively for Mr. Stavros Niarchos, the Greek shipowner, and the tanker *Vasum* (31,000 tons), launched by Crown Princess Beatrix on Jan. 16 from the Amsterdam yard of the Netherlands Shipbuilding Co for La Corona Petroleum Co (Royal Dutch-Shell group).

Ships ordered during the quarter included (*a*) a 22,000-ton liner (to be named *Sylvania*) ordered on March 18 by the Cunard line from John Brown and Co., Clydebank, for the Canadian service, (*b*) a 29,000-ton liner ordered on March 22 by the Union-Castle line from Harland and Wolff, Belfast, for the South African mail service. On March 11 it was announced that after lengthy negotiations the Dutch Government had agreed to assist the Holland-America line financially in building a 37,000-ton liner, intended as a sister-ship to the *Nieuw Amsterdam* on the Rotterdam - New York service.

Tankers building throughout the world numbered 242 of 3,103,257 tons, including 86 (1,104,368 tons) in the U.K., 27 (365,262 tons) in the Netherlands, 17 (326,600 tons) in Japan, 15 (277,887 tons) in France, 20 (265,519 tons) in Sweden, 21 (227,898 tons) in Germany, and 15 (149,250 tons) in Norway. (Lloyd's List and Shipping Gazette) **(Prev. rep. 14065 A.)**

D. UNITED KINGDOM. — Financial and Monetary Policy. - Defence Bonds Conversion Operation.

The Treasury announced on March 11 that holders of 3 per cent Defence Bonds purchased between May 7 and July 31, 1945, and maturing between May 7 and July 31, 1955, would be invited to continue their bonds until Aug. 1, 1955. Those accepting would then be paid a full six months' interest at 3 per cent and the maturity premium of £1 per cent, and their bonds would be exchanged into the same amount of 3½ per cent Defence Bonds (Second Conversion Issue). The terms of the latter would be the same as those of the 3½ per cent Defence Bonds currently on sale, except that interest would be payable on February 1 and August 1. (Treasury Press Office) **(Prev. rep. 13975 B.)**

E. SOUTH PACIFIC COMMISSION.—Appointment of New Secretary-General.

Dr. Ralph Clairon Bedell was sworn-in as secretary-general of the South Pacific Commission on March 1, in succession to Sir Brian Freeston. Dr. Bedell (51), a departmental head in the U.S. Department of Health, Education, and Welfare, had been responsible for recommending technical assistance programmes in education for many countries receiving U.S. aid. He had also taken an active part in the work of the Caribbean Commission and the West Indian Conference.
(South Pacific Commission, Nouméa) **(Prev. rep. 12955 A.)**

A. UNITED KINGDOM. — The General Election. - Dissolution of Parliament. - Nominations. - Conservative, Labour, and Liberal Party Manifestos.

Following the Prime Minister's announcement of April 15 that a general election would be held on May 26, Parliament was dissolved by Royal Proclamation on May 6 after it had been prorogued by H.M. the Queen. Party strengths at the dissolution (excluding the Speaker of the House of Commons) were: Conservatives and associates 319, Labour 293, Liberals 6, Irish Nationalists 2, Irish Labour 1, with three seats vacant. The dissolved Parliament had been elected on Oct. 25, 1951, and had thus had a lifetime of just over 3½ years. The 48 by-elections held during that period resulted in only one change in representation: a Conservative gain from Labour at Sunderland South.

The three vacancies at the dissolution were at Norwich South, the Pollok division of Glasgow, and Gravesend, the first two seats having been held by the Conservatives and the third by Labour. The vacancies at Norwich South and Pollok were caused by the conferment of baronies on their respective members, Mr Henry Strauss and Commander T. D. Galbraith, in the governmental reorganization which followed Sir Anthony Eden's assumption of the Premiership (see page 14132). The Gravesend vacancy was caused by Sir Richard Acland's resignation from the Labour Party on the issue of the hydrogen bomb (see 14153 B).

Owing to the redistribution of seats (see 14166 A) the new House of Commons will have 630 members, five more than the former House. Of the 630 members, 42 will be returned by the London Boroughs, 247 by the English Boroughs (excluding London), 222 by the English Counties, 10 by the Welsh Boroughs, 26 by the Welsh Counties and Monmouthshire, 32 by the Scottish Burghs, 39 by the Scottish Counties, and 12 by Northern Ireland.

In addition to the constituency changes described in 14166 A, the reorganization of constituency boundaries involved the following alterations (*a*) in Nottinghamshire, the creation of the new constituency of Ashfield and the abolition of the former Broxtowe division; (*b*) in Birmingham, the creation of the new constituencies of All Saints and Selly Oak and the abolition of the former Erdington and King's Norton divisions, (*c*) a readjustment of the three Croydon constituencies, now known as North-East, North-West, and South, (*d*) a reduction of the Hull constituencies from four to three; (*e*) in the East Riding of Yorkshire, the creation of the new divisions of Howden and Haltemprice (the last-named was formerly one of the Hull constituencies) and the abolition of the former Beverley division, (*f*) in Manchester, the creation of the new constituency of Openshaw and the abolition of the former Clayton division, (*g*) extensive readjustments of the four Nottingham divisions, (*h*) similar constituency readjustments in Bradford.

Nominations for the general election closed on May 16, when 1,409 candidates were presented for the 630 seats. Every constituency in the United Kingdom was contested, and, for the first time since 1832, there were no unopposed returns. Candidatures by party affiliations were as follows. 624 Conservatives (including 46 National Liberals and Conservative-Liberal candidates, and 12 Ulster Unionists in Northern Ireland); 620 Labour, of whom 38 were sponsored by the Co-operative movement and stood as Labour and Co-operative candidates; 110 Liberals; 17 Communists; and 38 others, including Independents, I.L.P., Scottish Nationalists, Welsh Nationalists, and (in Northern Ireland) 12 Sinn Fein nominees. There were 92 women candidates.

In five of the six constituencies which returned Liberal members in 1951—Bolton West, Huddersfield West, Cardiganshire, Carmarthenshire, and Montgomeryshire—the Conservatives put forward no candidates. (In the sixth constituency, Orkney and Shetland, each of the three parties presented candidates, as in 1951.) In Pembrokeshire, the sitting Labour member (Mr. Desmond Donnelly) was opposed only by an Independent, neither the Conservatives nor the Liberals putting forward a candidate. With these exceptions, the Conservatives (or associated parties such as the National Liberals) contested every seat in Great Britain, whilst the Ulster Unionists contested all 12 Northern Irish seats.

The Labour Party contested every seat in England, Scotland and Wales except the Speaker's constituency (Cirencester and Tewkesbury), where, however, an Independent Socialist presented his candidature. In the Exchange division of Liverpool, the sitting Labour member—Mrs. Elizabeth Braddock—was opposed by an Independent Labour candidate as well as by a Conservative, whilst at Gravesend the official Labour candidate, Mr. Victor Mishcon (lately chairman of the London County Council), was opposed by Sir Richard Acland (standing as an Independent opposed to the manufacture of the hydrogen bomb) and also by a Conservative.

Several prominent members of the Labour Party were affected by the redistribution of seats; e.g., Dr. Edith Summerskill, the party chairman, was adopted as candidate for Warrington following the disappearance of the West Fulham constituency, which she had formerly represented. Sir Frank Soskice (the former Attorney-General), whose constituency of Neepsend, Sheffield, was abolished under the redistribution, failed to obtain the nomination at Gorton (Manchester) and was consequently left without a constituency. The Gorton divisional party chose as its candidate Mr. K. Zilliacus (M.P. for Gateshead from 1945-50), who was expelled from the Labour Party in 1949 after attending a Communist-sponsored world peace conference in Paris, and was readmitted to party membership in 1952. Mr Woodrow Wyatt, formerly Labour M.P. for Aston (Birmingham), was nominated for Grantham (Lincolnshire), where the Conservatives had a majority of over 2,000 in 1951.

All 12 seats in Northern Ireland, including the two traditionally held by the Irish Nationalists (Mid-Ulster, and Fermanagh and South Tyrone), were contested by Sinn Fein candidates, eight of whom—all members of the illegal I.R.A.—were serving prison sentences of more than 12 months. Five of them (now in Belfast prison) had been sentenced for taking part in the raid on the Omagh military barracks (see 13975 A). The Irish Nationalist candidates—including the two former Nationalist M.P.s—withdrew in favour of the Sinn Fein nominations.

The Ulster Unionist Chief Whip (Mr. Topping) issued the following statement on May 16: "Ulster voters should take note that in certain constituencies disqualified persons are standing against Unionist candidates. A convicted felon serving a term of imprisonment in excess of 12 months is a disqualified person. Votes knowingly given to such a person are lost or thrown away. If they are elected an application will be made in court to unseat them and to declare the candidate with the next number of votes elected."

Over 60 members of the former House did not seek re-election. They included Mr. Ralph Assheton (Conservative), formerly member for Blackburn West, and a former Financial Secretary to the Treasury, Professor Sir Douglas Savory (76), Ulster Unionist member for South Antrim since 1950, and for ten years previously for Queen's University, Belfast; Mr Alfred Barnes (68), Minister of Transport in the last two Labour Governments—in which capacity he piloted through the House the Bills for the nationalization of road and rail transport—and member for East Ham South for nearly 30 years, Mr Tom Driberg a member of the National Executive Committee of the Labour Party, and formerly M.P. for Maldon, Essex; and Dr Mont Follick, formerly Labour M.P. for Loughborough.

The policy statements of the Conservative, Labour, and Liberal parties are given below, together with (*a*) summaries of separate Labour statements on agriculture, the cost of living, and the cotton industry, and (*b*) a separate Conservative statement on agriculture.

The Conservative Manifesto.

The Conservative and Unionist Party's election manifesto, issued under the title *United for Peace and Progress*, was published on April 29 and is reproduced below under cross-headings:

Introduction. "Two parties have governed in Great Britain in these post-war years. The effective choice at this election will lie between these two . . . We ask the British people to make this comparison. Which were better for themselves, for their families and their country? The years of Socialism or the years of Conservatism that have followed? Let us look at the record.

Socialists claimed that the political Left would be able to speak to the Soviets in comradeship. This proved an empty boast. They promised that their methods of 'planning' would make us masters of our economic destiny. Yet they allowed one financial crisis after another to rock our land. They pretended that their policy was bringing prosperity. In fact it opened up an endless vista of filling in forms, cutting out coupons, applying for permits, waiting on housing lists, and standing in queues. For six years their meddling and muddling made post-war problems harder and gravely injured our strength. The climax came in 1951, when chronic inflation at home cut more than 2s. off the value of every £ and the worst balance-of-payments crisis in our history brought the nation to the brink of bankruptcy.

Under Conservative administration we have broken away at long last from the regular cycle of crises. We have proved, by re-establishing confidence in our currency, by maintaining full employment, by restoring housewives' choice, and by smashing housing records, that Conservative freedom works. We in Britain are producing, building, selling, earning, and buying more today than ever before. Personal savings have more than trebled since 1951. Judging by this alone the nation has regained faith in its own future. Abroad, too, we have turned a more hopeful page. Imaginative diplomacy has awakened respect for British leadership. . . .

The successes of Conservatism have now made possible a fine and ambitious target. We believe that the British people have a real chance during the coming 25 years to double their standard of living. The future beckons to this generation with a golden finger. Peace can bring abundance for all, if we match the opportunity with the will to prosper.

Conservatives do not pretend that the way ahead is easy. There will be no lack of obstacles and dangers in our path. We shall need every ounce of individual effort and resourcefulness that we can muster. We shall need a spirit of partnership and a firm sense of duty to our country. We shall need a general readiness to save as well as to spend. We shall need a Government that will lead, and not hamper.

Socialists cannot be trusted to provide such a Government. They failed in their six years of office. Their appeal to the electorate in 1951 was founded, not on constructive policies, but on scares—that we were warmongers, that we would create mass unemployment, that we would slash the social services—which experience has proved were lies. They have spent most of their time in Opposition quarrelling with one another. On vital issues of State policy they cannot speak as a united party. In so far as they have a programme at all, it

consists of a mixture of more and more nationalization and a return to State restrictions and controls. . . . A vote for Socialism is a vote for the policy which was tried and which failed To vote Conservative is to invest in success.

Atomic Energy and Disarmament. Already research, medicine, and industry are making great and growing use of atomic material manufactured in Britain. Already our country leads the world in its programme of nuclear power stations for generating electricity We give our fullest support to President Eisenhower's initiative to develop atoms for peace through an international agency, and will readily contribute from our own resources.

Britain, like America and Russia, has the knowledge and capacity to make nuclear weapons. That we should use this knowledge is not in dispute between the parties The Socialist Government made the atomic bomb The Socialist Opposition has said it shares our view that the possession of the hydrogen bomb is necessary Why? Because to have the hydrogen bomb is today the best way of preventing war; the best and perhaps the only way to convince the Communists that they have nothing to gain, and indeed everything to lose, from aggression, whereas the whole world has everything to gain from peace and general disarmament.

The Conservative Government will continue to strive for world disarmament. To be real, such disarmament must be balanced, all-round, and effectively controlled. We cannot agree to one-sided disarmament. The issue is not simply whether to ban the hydrogen bomb. . . . Banning the bomb alone would make the risks of war not smaller but greater, as long as the Communists retained their superiority in all other arms and in manpower Therefore we say we must not only abolish nuclear weapons, but also reduce armies and armaments to a point where no one State can threaten the peace We say, too, that there must be effective international inspection and safeguards, applying both to nuclear and other weapons. We have made in the U.N far-reaching and constructive proposals to these ends. Up to now the Communist Powers have rejected these proposals. . . .

Defence Policy and National Service. Meanwhile our interest and duty is to make war less likely by building up, with our allies, the most powerful deterrent to aggression we can achieve. Our defence policy aims to bring each of the Services into line with the strategy of the nuclear age, to arm each with the most modern weapons, to improve conditions of life in the forces, and to re-shape home defence where the need for civilian services will remain vital.

The Conservative Party does not regard the current two-years period of whole-time National Service as necessarily having come to stay. Its object is twofold . to ensure that the active forces have enough men to carry out their commitments, and to build up trained reserves of skilled men for an emergency. National Service is thus an instrument of our foreign and Imperial policy. But it is not an end in itself. A Conservative Government will continue to suit its application, and the period of service, to the needs of the time.

Foreign Policy. With our Commonwealth and Atlantic partners this country serves the common cause of freedom and peace. We and other Commonwealth countries joined with the United Nations in resisting aggression in Korea. We play a leading part in the Atlantic Alliance. Britain too by her initiative has helped to create Western European Union, the hub of the alliance between the free peoples of the Continent.

In Western European Union we have undertaken an act of faith without precedent in British history, in that we are pledged to keep our forces on the Continent so long as they are needed by our European allies. This British pledge, following the French rejection of E.D.C., led to the London and Paris agreements. It has restored the basis of European unity. It has strengthened NATO by giving America and Canada added confidence in their European partners. It holds out the hope of a new and friendly relationship between France and Germany.

The Soviets began to rearm Eastern Germany seven years ago. In carrying forward the policy set on foot by the Labour Government of bringing the German Federal Republic into the Western defence system, we have erected a barrier to aggression, not to negotiation. . . .

We are determined to keep our Western Alliance defensive in character, to indulge in no provocation, to take advantage of every chance to settle disputes. In the changed Soviet attitude towards the signature of an Austrian Treaty, which we have repeatedly proposed, we may be seeing a first-fruit of the ratification of the London and Paris agreements. We hope that this new mood may extend to other outstanding problems. It is still our hope that the Soviet Government can be brought to agree to the unity of Germany on the basis of free elections. Now ratification is complete and the unity of the West assured, we shall welcome and work for any high-level meeting or conference with the Soviets which seems to be practicable and useful.

During this period of Conservative Government a fresh spirit of initiative and of refusal to accept stalemate has already been successfully brought to bear on many problems which once seemed insoluble. Not only was Western European Union due to a British initiative, but in the Korean armistice, in the Geneva settlement of the Indo-China war, which could so easily have become a world conflict, and in the ending of the Trieste dispute, our country played a leading part.

On taking office we faced difficult and dangerous situations in Persia and Egypt. Today there are agreements with both these countries. That with Egypt has enabled us to re-deploy our forces. That with Persia has meant that oil is flowing from Abadan once again. Our prestige throughout this area has been restored. Thus we have a better chance to continue helping the countries of the Middle East in their plans both for defence and for economic development, and also to work for a reconciliation between the Arab States and Israel.

In the Formosa Straits we should like to see a guarantee on both sides not to resort to force, and the withdrawal of Chinese Nationalist forces from the coastal islands. This could lead to the reconsideration at an appropriate moment both of Chinese representation in the United Nations and the future status of Formosa. The South-East Asia Treaty Organization, guaranteeing the Geneva settlement, is the first step towards collective security in this area. The basic necessity is strength in arms; but social and economic betterment can be a powerful reinforcement in less developed countries which might otherwise be undermined by Communist infiltration We shall make a real contribution to the raising of living standards both under the Colombo Plan and through the Agencies of the United Nations.

Commonwealth and Colonial Policy. It is of the first importance that machinery for consultation between the self-governing partner members of the Commonwealth, already so close, should be steadily improved and perfected . . . We are in constant touch on foreign affairs and defence As opportunity offers, we should like to see Commonwealth Ministers with responsibility for other aspects of public policy, such as the social services, meeting and consulting together.

We wish to strengthen the cohesion and influence of the Commonwealth. We uphold the principle of racial partnership, as exemplified in the new Federation of the Rhodesias and Nyasaland so auspiciously launched and increasingly enjoying the confidence of Europeans and Africans. We shall work to raise living standards and to guide Colonial peoples along the road to self-government within the framework of the Commonwealth and Empire. We shall do all we can to insulate these problems from the heat of party conflict.

Commonwealth partnership enabled us to stave off the economic perils that faced the whole Sterling Area at the time the Conservative Government took over. It offers the best hope of prosperity for the future. Conservative policy will stimulate the flow of private and public capital from London for sound Empire development. Last year alone the Government approved applications for new investment in the Commonwealth to a total of £160 million. In addition there was much private investment in the sterling Commonwealth which did not need Government approval. Great wealth-creating projects are under way in all the Commonwealth countries and in the Colonial territories too. . . .

Like all countries of advanced development and democratic tradition, we have responsibilities towards the less fortunate peoples of the world. We have a special responsibility for the welfare and happiness of the seventy millions who live in British Colonies, Protectorates, and Trust Territories. We must give them every help in their continuing assault on ignorance, want and disease. . . .

From Africa westwards to the Caribbean and eastwards to the Pacific Islands, the Colonies are thinking of their future They differ vastly in size, resources, and tradition. Each must be helped to solve its own problems. . . . So diverse are the circumstances that it would be unrealistic to lay down a cut and dried time-table for the evolution of political maturity. Our purpose and goodwill in achieving self-government for the Colonies are proclaimed by recent constitutional advances in many parts of the Empire, for example in West Africa. We believe that people in self-governing Colonies will find greater security, prosperity, and freedom by remaining part of the Commonwealth. . . . In multi-racial communities we believe that the way to progress must lie through a real racial partnership.

A Conservative Government would work to these ends throughout the Colonies, judging each problem individually and striving to solve it without prejudice. We shall maintain law and order wherever peaceful progress is threatened; doing all in our power to settle rival claims—whether political, religious, or racial—impartially, and with tolerance and humanity.

Economic Policy. The economic policy of the Conservative Party is to help create the conditions in which the British people can steadily improve their standard of living. As long as we conduct our affairs wisely and get on with the job of raising the national product year by year. the country can be twice as well off in 25 years' time as it is now. So we say: Let us strive to double our standard of living within this period. Let everyone have a firmer stake in the fortunes of his country. Let everyone have a fuller chance to earn more and to own more, to get on and to have more enjoyment as well. Given the boon of world peace, all this can be ours, if we will work for it and save for it and so deserve to have it. How, then, shall we invest in success?

(1) We must believe in it. We need throughout the nation an ever-growing sense of partnership and a lively spirit of venture. If we take pride in our work, have confidence in one another, and are ready to give up outworn attitudes and methods for new, then we are already half-way to success.

(2) We must devote more of our resources to increasing productivity; and this means saving as well as spending. First thought must go to investment in productive forms of capital - factory and farm buildings, plant and machinery, communications and power. This must be matched by far-sighted educational policies to augment our scientific and technical skills.

(3) We must invest in wealth-creating schemes overseas, and especially in the Commonwealth and Colonies.

(4) We must continue to sell more and earn more abroad. Only thus can we pay for the extra raw materials we shall need for rising production, and build up a trading surplus large enough to increase our investment overseas.

Trade Policy. We live by world trade: the more world trade there is, the better we shall live. We share in it, we ship it, we insure it, and we help finance it. We have been selling, and we shall have to go on selling, against fierce competition in the markets of the world.

The first object of our policy must be to enable British industry to do this in what is likely to remain a buyer's market Therefore, we have got rid of a vast range of manufacturing controls and we aim to stay rid of them. British industry must be adaptable, and ready not only to hold old markets but to jump into new ones with new ideas and new products. Freedom from control and a stable home economy are the true foundations of a successful export trade; both would be in peril under Socialism.

For our part, we intend to make our export trade a first charge upon our resources Without success in this field, neither defensive strength nor social welfare can be achieved, and it is our object to achieve them both. It is with this in mind that the Conservative Government has taken the lead in organizing a move towards a world-wide system of freer trade and freer payments. The two must march together We must re-establish sterling in a position so strong and respected that it can play its full part as a major international currency.

The solution of the complex problems involved will take time. It requires, in particular, a suitable response from the dollar world, such as the President of the United States has recommended. We in Britain have shown our goodwill and intentions. For example, we have relaxed restrictions on imports from Europe, and re-opened our international commodity markets.

Our aim being to expand trade, we must observe a system of trade rules which makes such an expansion possible. This policy is in harmony with our Commonwealth trade relations, and the Commonwealth countries themselves pursue it. More than half our trade consists of purchases from or sales to the Commonwealth and Empire. We have negotiated special arrangements under GATT in the interests of Colonial industries.

It will be our constant aim to safeguard the special interests of the cotton textile industry in the important interchanges taking place with other Governments particularly concerned.

We have announced our decision that trade relations with Japan should continue to be dealt with by mutually negotiated arrangements, and our desire for a long-term commercial treaty.

We propose to strengthen our defences against unfair trade practices The Government has taken a leading part in seeking to obtain the elimination or limitation of export subsidies in international trade Material injury can be caused to domestic industry through the use by other countries of these devices, and we propose to take powers to impose countervailing and anti-dumping duties in such cases and within the terms of our international agreements.

Any country pursuing a policy of economic expansion and full employment faces a constant danger of inflation. . . Here sound monetary and fiscal policies are powerful weapons. We propose to continue with their flexible use.

Employment. Under Conservative administration a working population of record peace-time size has been kept fully employed, without Socialist controls and without continual inflation. In the intensely competitive times ahead, continued full employment must mean, not only everyone in a job, but everyone doing their job to the full. Only with a high output - high earnings economy can we maintain and improve our trading position

The Government has sought, with an encouraging measure of success, to create the right climate of confidence and to foster the idea of a common interest and task Team-work is an essential driving force of a dynamic economy. There is really only one side in modern industry, and all of us are on it. As Conservatives we have always believed this.

We shall follow up our work for better human relations in industry by discussing with the joint advisory bodies of employers and Trade Unions, and with the British Productivity Council, how best they can increase their status and the scope of their work. We shall encourage such individual employers as are not already doing so to keep their workpeople regularly and frankly informed of the fortunes and problems of their firm. We wish to see proper rewards for extra skill, effort, and responsibility. Where they are suitable and desired, co-partnership and profit-sharing schemes should be encouraged

We intend to launch a vigorous drive to promote the health, welfare, and safety of the working population, with the aid of our new Mines and Quarries Act and of the recently established Industrial Health Advisory Committee. Legislation will be passed to promote a steady improvement of conditions for other workers, including those in transport and in farming, in offices and in shops. We shall also introduce new legislation to safeguard the employment of children.

Equal Pay. The Labour Party has been talking about equal pay for as long as anyone can remember; it has taken a Conservative Government to do something about it for its own employees. In fulfilment of our pledge at the last election, the principle of equal pay for equal work in the public service is now being applied by stages.

Competitive Enterprise. We reaffirm our belief in the system of free competitive enterprise The Conservative Party is strongly opposed to any further measure of nationalization. We are equally anxious that private enterprise should be free from any reproach of harmful restrictive practices. . . . The Monopolies Commission, first suggested and recently strengthened by the Conservatives, has started on the right path. Its recommendations have been acted upon. The Conservative Government has made a new approach by referring for examination certain practices which cover a wide range of industry. . . . Our policy is to obtain an impartial statement of the facts and their effect on the national interest, and then to take the action appropriate in each case.

Consumer Choice. Socialists, the makers of new monopolies, are posing now as the champions of the consumer. Multiply the Ministries and clamp on the controls is what, in effect, they say. But that was precisely their policy after the war. It led, despite heavy food subsidies, paid for out of taxation, to a 40 per cent rise in the cost of living in six years and to the perpetuation of shortages and queues, ration-books and black markets, snoopers and spivs. All these things will inevitably come back if the Socialists get their way They seem to think that the British housewife is incapable of deciding for herself; we are sure that it is the customer, and not 'the gentleman in Whitehall,' who knows best.

We warned the country at the last election that it would take time and immense efforts to stabilize the purchasing power of money. We claim to have made progress. The cost of living has risen less in the past *three* years than in the Socialists' last *single* year, and, what is more, the standard of living of the great mass of the people has steadily and substantially improved. Average industrial earnings and social security payments have gone ahead of price rises. Clothes and many household goods are cheaper. . . .

Taxation. In an armed Welfare State the demands on taxable resources cannot be light This makes it all the more necessary that government, central and local, should be run economically. There are today over 50,000 fewer civil servants and four fewer Ministries than when we took over Conservatives will persist in the drive for simpler and less expensive administration.

We have already succeeded in making substantial reductions in P.A.Y.E. and purchase tax, and have introduced new allowances to help factory and farm re-equipment. The 1955 Budget is one more proof of our determination to reduce where we can the burden of taxation on the individual, on the family and on industry. We hope to make further progress in the years ahead . . .

Transport. . . . We shall make it possible for the British Transport Commission to push on with its comprehensive plan of modernization and re-equipment, so that the railways may earn their own living and a good wage for those who work on them. . We have already started on the first big programme of road construction since the war. . . But we will not sacrifice safety to speed. Our programme also includes the elimination of hundreds of accident 'black spots.' . . Air transport gives us new highways. Experience has shown that a blend of public and private enterprise is best for this service. The Airways Corporations will continue to have an important role, we shall ensure that their relationships with independent operators are developed in the interests of traveller, trader, and taxpayer.

Fuel and Power. We shall continue to need all the coal we can get. But we must look to new sources of energy as well to meet the demands of an expanding economy. The peaceful uses of nuclear energy can make an incalculable contribution to the raising of living standards. A new industrial era may be ushered in when the atom has been harnessed to bring every day heat, light, and power to factory, farm, and home. . . . The Conservative Government has become the first in the world to launch a programme of nuclear power stations on a commercial scale This will be pressed ahead at the utmost speed. The National Coal Board has now been reorganized. The efficiency of nationalized electricity is also under independent examination We intend to increase capital investment in new pits and major reconstruction schemes to four times what it was when we took over in 1951. . .

Scientific and Technological Training. Our country's prosperity is bound up with her scientific knowledge and the extent to which her industrialists and farmers make use of it. We therefore place strong emphasis in our educational policy upon the expansion of scientific and technological training We shall continue to promote and encourage research both in private industry and State establishments. We regard the widest possible spread of scientific information as a major factor in modern progress. With this in mind we shall take early steps to expand the Patent Office Library into a National Reference Library of Science and Invention, and to develop a National Lending Library of Science and Technology whose facilities will be available to all British firms, large and small.

Agriculture. The Conservative Party gives a pledge to the farming community that so long as we are responsible there will be fair prices for good farming, orderly marketing of the main farm products, and no nationalization of the land By support prices, deficiency payments, and other means, we shall uphold the principle of the 1947 Agriculture Act. We have shown, for example with milk, potatoes and eggs, our firm belief in Producer Marketing Boards where these have majority support and safeguard consumers and taxpayers. Marketing arrangements should continue to put a premium on efficiency. . . .

We must, therefore, direct our main effort to the wide range of farm production where the overseas supplier has no natural advantage. We should save unnecessary imports of feeding-stuffs by concentrating on grass and ley farming. To encourage good husbandry and to help the small farmer in particular, the wide range of improvement and other production grants must be continued. We shall take care that credit facilities are adequate. There will be further development of the Government's research, education, and advisory services. . . .

Under Conservative Government, country workers are assured of better housing conditions, better schools for their children, and more village halls. Three out of every four farms and cottages will be linked to a main electricity supply on the completion of a major five-year programme which we have initiated. We have doubled the amount paid annually in grants for rural water supplies and sewerage; this progress will be kept up, and further funds made available. . . .

Social Policy. . All must be secure in the possession of a basic standard of life; and all must be free to rise above it as far as their industry and talents may take them We denounce the Labour Party's desire to use the social services, which we all helped to create, as an instrument for levelling down We regard social security, not as a substitute for family thrift, but as a necessary basis or supplement to it We think of the National Health Service as a means, not of preventing anyone from paying anything for any service, but of ensuring that proper attention and treatment are denied to no-one. We believe that equality of opportunity is to be achieved, not by sending every boy and girl to exactly the same sort of school, but by seeing that every child gets the schooling most suited to his or her aptitudes. We see a sensible housing policy in terms, not of one hopeless Council waiting list, but of adequate and appropriate provision both for letting and for sale

We wish to develop in our country the idea of a property-owning democracy. That means that people should be owners as well as earners Our theme is that property, power, and responsibility alike must not become absorbed into the State machine, but be widely spread throughout the whole of the community. To this end, we shall encourage home ownership We shall foster thrift. We shall stimulate a spirit of partnership in industry We shall maintain the independence of the small trader and landowner and of the professional man We shall cherish local democracy. We shall strengthen the rights of the individual . .

We are determined that, in exercising the normal powers of Government in a modern State, a just balance should be struck between the interests of the individual and those of the community. . . We consider that there is room for further improvement in the machinery of tribunals, of public inquiries, and of departmental decisions affecting individual interests and property. The public has a right to be assured on these matters. We shall therefore appoint a strong advisory Committee, representative of a wide range of public life and service, to give practical attention to these problems of administrative law and recommend action. We shall ask them to consider as a matter of particular urgency whether changes are needed in the present practice and procedure of compulsory acquisition.

Wherever possible we shall reduce the acreage of land now owned by the State, and shall press ahead with the de-requisitioning of Government-held buildings Local authorities must also restore requisitioned houses and flats to their owners as speedily as possible.

Housing. Our aim is to ensure that every family has a decent home to live in Our party's pledge to build 300,000 houses a year was derided by our opponents as impossible to fulfil. In fact nearly 350,000 were built last year, and at least as many are likely to be built this year. Already under Conservative Government a million new homes have been provided . . .

Now that the construction of new homes is going ahead so well, we shall be able to devote a larger part of our resources to the elimination of slums and the modernization of the older houses.

There has been only one full-scale slum clearance drive in British history, and that was when Conservatives were in office in the late 'thirties Now, under Conservative Government, there is going to be another. We shall root out the slums at an increasing pace, and aim to re-house at least 200,000 people a year from them. . .

Television. The new medium of television, which is becoming ever more important in our lives, must not be under monopoly control. Conservatives have ensured that alternative and competing television programmes will soon be available. Measures to improve reception of sound broadcasts where necessary must also go forward.

Education. The most urgent problem in education since the war has been to provide for the huge rise in the school roll. Under Conservative Government a record number of new schools has been completed and a record number of teachers recruited. We have kept pace with the growth in the school population. Now we can draw ahead, bring down the size of classes, improve existing buildings and equipment, and extend facilities for scientific and technical training.

In the next five years we shall provide at least another million new school places, mostly in secondary schools. In this period we intend to complete the reorganization of all-age classes in the rural areas and make good progress with reorganization in the towns We shall also tackle the problem of the slum schools . . .

Under the Conservatives the number of teachers has increased by 6,000 a year. In the next five years we aim at least to maintain this rate and so secure the reduction in the size of classes. We are anxious that the status and rewards of the teaching profession should continue to attract men and women of high attainment and character. We are working out with the teachers' representatives and local authorities an up-to-date pensions scheme.

What matters in education is the development of the child's talents and personality, not the forwarding of a political theory. To prepare for the increasing opportunities of the modern world we need all three kinds of secondary school, grammar, modern, and technical, and we must see that each provides a full and distinctive education. We shall not permit the grammar schools to be swallowed up in comprehensive schools. It is vital to build up secondary modern schools, and to develop in them special vocational courses, so that they and the technical schools offer a choice of education that matches the demands of our expanding economy. Parents should have the chance before the 11-plus examination to discuss with teachers and the local authority which school is likely to suit their child best. There must be proper provision for the later transfer of children from one type of school to another. . . .

Health. New hospital building was completely neglected by the Socialist Government. A start is now being made. Plans have been announced, and will be carried out over the next few years, for the building of new hospitals and for the extension and modernization of many existing hospitals We are making special arrangements to replace worn-out and obsolete hospital plant and equipment. We shall seek to open new beds where they are most needed, to recruit extra staff, and to provide better facilities. We desire to see steady progress in all forms of preventive work These are our priorities we rank them higher than free wigs or free aspirins.

We believe that private practice and contributory schemes have a part to play with the National Health Service and we shall therefore maintain the system of hospital amenity and hospital pay beds We have cut away restrictions on voluntary effort in the hospital service. We shall continue to give every encouragement to voluntary work .

The problems of the elderly must concern us all. In particular we shall encourage local health authorities to build up their home help services and to provide 'half-way houses' for the old. . .

Pensions. The nation has assumed very large obligations towards the pensioners of tomorrow, and tomorrow there will be very many more pensioners For every 10 people of working age there are now 2 of pensionable age, but within a quarter of a century there will be 3. If during this period Britain can increase her national wealth and resources, by the policy of investment and enterprise which we advocate, these obligations can be met But if wealth is dissipated, enterprise hampered, and severe inflation brought about again by Socialist short-sightedness, the whole of our National Insurance scheme would be undermined and ultimately destroyed

In its first year of office the Conservative Government increased virtually all social service payments This year it has again raised pensions and benefits, and fully restored the purchasing power that Parliament intended they should have when the main rates were fixed after the war. Insurance pensioners, war pensioners, and public service pensioners can be sure that a Conservative Government will continue to give constant attention to their interests and needs

It is our wish to avoid any change in the present minimum pension ages But these ages do not necessarily represent the limit of working life With the aid of its National Advisory Committee the Government will continue to encourage the employment, without regard to age, of all who can give effective service and wish to do so.

Scottish Affairs. It is our general theme that within the Union the responsibility for managing Scottish affairs shall be in the hands of Scotsmen. We have ensured that a senior member of the Government shall be constantly in Scotland, and have already transferred from Whitehall to Scotland a variety of additional responsibilities. Next year, in accordance with the recommendation of the Royal Commission on Scottish Affairs, the Secretary of State will take over the care of Scottish roads and bridges. Where further measures of this kind are shown to be in the best interests of Scotland, we shall not hesitate to adopt them . . .

As part of our policy for maintaining full employment, we aim to attract the widest variety of new industrial enterprise to the areas where it is most needed. . . . We shall see that Scotland continues to receive her fair share of defence and other contracts. Scottish needs will be fully assessed in framing our new programmes of road construction and railway modernization Approval has been given to the building of the Whiteinch-Linthouse Tunnel under the Clyde, and a start will be made within the next four years on the construction of a Forth Road Bridge or Tube.

The special requirements of farming on Scottish hill and marginal land will receive particular attention. . . . We are certain that the Crofting counties can make a growing contribution to the national wealth. Every practicable step will be taken to improve the prosperity and welfare of the Highlands. We are giving particular attention to the special importance of road works. We shall maintain, and where necessary extend, measures to modernize and increase the efficiency of the Scottish fishing fleets.

. . . We fully recognize the compelling seriousness of Scotland's housing problem. We are determined to root out the slums, re-develop the overcrowded and decayed areas in our towns and cities, and re-house the people in modern homes. . . . This policy, together with house-building throughout Scotland, will receive impetus from a reform of the Scottish rating system. . . .

Welsh Affairs. The appointment of a Minister for Welsh Affairs in the Conservative Government has ensured that Welsh interests and problems are represented at the highest level . . . At the same time a steady policy of administrative devolution has been followed. This policy should go on and, if possible, go further. The Council for Wales and Monmouthshire is engaged in a detailed examination of the arrangements for conducting Government business in Wales, and we shall consider, in the light of the Council's advice, such further changes as it may be practicable and advantageous to make in the present system.

We are sympathetic to all measures designed to preserve Welsh culture and educational tradition. We shall continue to give strong encouragement and support to the teaching of the Welsh language and to the use of Welsh as a medium of instruction in schools.

Unemployment under the Conservative Government has touched the lowest levels ever recorded in Wales in time of peace. We recognize the need for imaginative and tireless attention to the stubborn problems that remain. We shall do everything in our power to improve the competitive position of the Development area and the South Wales ports, and to attract suitable industry to North-West Wales. The Conservative Party is determined to promote a more stable economy and fuller development of resources in rural Wales. . . .

Northern Ireland. We renew the pledge of faith to Northern Ireland. We shall not allow her position as an integral part of the United Kingdom and of the Empire to be altered in the slightest degree without the consent of the Northern Ireland Parliament.

The House of Lords. It has long been the Conservative wish to reach a settlement regarding the reform of the House of Lords . . The Labour Party's refusal to take part in the conversations we have proposed on this subject must not be assumed to have postponed reform indefinitely. We shall continue to seek the co-operation of others in reaching a solution. We believe that any changes made now should be concerned solely with the composition of the House

The House of Commons. It will also be our aim to achieve all-party agreement to amend the rules governing the redistribution of Parliamentary constituencies. We hold the opinion that a longer interval between general reviews would be more appropriate, and that mathematical equality between electorates ought not to be an over-riding consideration."

Conservative Statement on Agriculture.

A separate Conservative statement on agriculture, published on April 29, claimed that the party's long-term agricultural policy was already being proved, that a sound foundation had been laid, and that the industry's primary need now was for the continuity of policy. Conservatives would continue to make any adaptations required in the light of experience. Replying to the Labour Party's expressed intention of " returning to a system of fixed guaranteed prices for the main commodities so that the farmer can plan ahead," and of abolishing " the costly system of private auctions and deficiency payments " [see Labour Manifesto below, page 14204, first column], the statement declared .

" Government purchase at fixed prices unrelated to the demand is impossible to administer without control of production, and rationing. The new system of price guarantees and the new marketing arrangements . . . have made it possible to maintain the producers' stability by guaranteed prices, while at the same time enabling the Government to get rid of State trading and rationing and restore consumer choice " A return to Socialism, it was contended, would mean " a return to more ' red tape,' more interference, and eventually to the undermining of the Agriculture Act."

The Labour Manifesto.

The Labour Party's election manifesto, *Forward with Labour*, was published on April 29. Its text was as follows (cross-headings inserted) :

" As we in Britain prepare to go to the poll, the Hydrogen Bomb looms over all mankind. What can we do to meet that menace ? The existence of this terrible weapon on both sides of the Iron Curtain maintains an uneasy balance under the threat of mutual destruction. But deterrents can at best only give us a breathing space We are faced with the choice between world co-operation and world annihilation. The time is short The Labour Party approaches the problem in no party spirit. In April, 1954, we moved a motion in the House of Commons asking for immediate high-level talks This was carried unanimously. Despite our steady pressure, those talks have not taken place Labour believes that the first task of a British Government is to end this delay.

International Policy. But to insist on high-level talks is not enough. The Prime Minister who takes part in them must stand for a positive peace policy. Labour's peace policy is threefold —

(1) *Disarmament.* Labour will ensure that Britain gives her full support to the United Nations as the world-wide organization for peace and security. Ultimately the menace of the H-bomb can only be removed by world disarmament, which covers all kinds of weapons We shall co-operate in any genuine plan for disarmament which provides for effective international control, even though it involves, as it must, sacrifices of national sovereignty. As a first step, we believe that Britain should propose the immediate cessation of H-bomb tests.

(2) *Relaxing World Tension.* If the great Powers are to disarm, the causes of world tension must be attacked In Europe the chief of them is a divided Germany. Labour believes that the time has now come to make another effort to achieve the reunification of Germany by means of genuinely free elections. In the Far East the war crisis centres on Formosa. Labour has constantly urged that this crisis can only be overcome by the evacuation of the off-shore islands, now held by Chiang Kai-shek's forces , by the long overdue admission of Communist China to the United Nations ; and by the neutralization of Formosa under the United Nations to enable its inhabitants to make their own choice

(3) *The Under-Developed Areas.* There can be no lasting peace until we have met the most profound challenge of our time—the gap between the highly developed industrial nations of the West and the peasant millions of Asia and Africa. The Labour Government responded to this challenge and earned the confidence of the Colonial peoples. For this reason alone no one is better fitted to represent Britain at high-level talks than Clement Attlee—the man who freed India, despite Conservative jeers of ' Socialist scuttle.'

Commonwealth Policy. Labour worked to transform the British Empire into a Commonwealth of free and equal peoples We helped India, Pakistan, Ceylon, and Burma to achieve their freedom ; we encouraged West Africa to move rapidly towards self-government ; and we began to tackle backwardness and poverty in S.E. Asia through the Colombo Plan We shall continue the transformation from Empire to Commonwealth as each Colonial people becomes ready for independence. Meanwhile, it is our responsibility to protect the weaker peoples from being exploited, and to develop communities free from racial and colour discrimination.

Defence Policy. Faced with actual aggression in Korea and the threat of it elsewhere, the Labour Government did not shirk the heavy burden of rearmament. It took the lead in building up the North Atlantic Alliance. We believe that in the absence of all-round disarmament, the democratic powers must be strong and united, and their defensive power sufficient to deter aggression But recently, after three years of Tory Government and despite heavy defence expenditure, grave deficiencies have been revealed both in the equipment of the R A F. and in the use of manpower in the Services.

A Labour Government will at once submit all problems of defence to a searching inquiry. In particular, it will review the period of National Service

The Cost of Living. The Tories' main claim is that the nation is more prosperous as the result of their decision to scrap Socialist planning and return to a free-for-all to suit big business What are the facts ? Industrial production—the key to prosperity—has gone up since they took office at only half the rate by which it rose while Labour was in power Exports have hardly increased at all since 1951. They went up in the last three years of the Labour Government ten times as fast as under the Tories Our gold and dollar reserves have been falling for the past nine months, and today they are £200,000,000 less than they were at the time of the last General Election.

Such improvements as there have been in the last three years have been mostly due to the movement of world prices in our favour, which has reduced the cost of our imports. Moreover, the gain has been precarious and most unfairly distributed. Dividends have gone up faster than wages or salaries. Speculators and investors, whose shares have risen in value 50 per cent in the last two years, have done best of all. Even the long overdue increase in pensions is being financed by making workers and employers pay a shilling a week more in contributions

It was the policy of the Labour Government to protect consumers from the full effect of rising world prices ; and up to 1951 the cost of living rose far less here than in other countries. The Tories fought last time on a pledge to bring prices down, and Mr Butler promised not to cut food subsidies In less than a year he broke this promise, and thus deliberately drove up the cost of living Although import prices are down by 3s in the pound, prices in the shops at home have continued to rise and food, in particular, costs 4s in the pound more than in 1951. This, of course, has hit hardest the old age pensioners and others living on small incomes.

Labour's policy is to keep the cost of living steady : (1) by long-term agreements with Commonwealth countries ; (2) by firm action against monopolies which, through price-fixing and restrictive practices, exploit the public ; (3) by cutting out waste in the present antiquated system of food distribution , and (4) by reimposing price controls on essential goods where necessary

The charge that a Labour Government would reintroduce rationing is a deliberate Tory lie.

Consumers' Protection. Labour will take powers to protect the public against shoddy goods and unscrupulous trade practices, and enforce clean food standards in shops and restaurants. We will encourage manufacturers to produce better goods by enforcing quality standards and accurate labelling. We shall establish a Consumers' Advisory Service.

Social Security. Labour believes that security should not be a privilege of the few but the right of all, and is determined to assure it to every family—security in the home, security against the burdens of old age and sickness, and an equal chance for every child at school.

(1) *Housing* Labour believes that housing is a social service and will therefore go on subsidizing the building of houses to let by local authorities It will also begin to tackle the vast problem of old, rent-restricted houses in private hands. The failure of the Tory Rents and Repairs Acts has proved that the landlords will not repair those houses without steeper increases of rent than even a Tory Government would dare to permit. Labour will therefore ask local authorities to submit schemes for gradually taking over and modernizing rent-controlled private property, subject to fair compensation. We shall help those who wish to do so to own their own homes We shall give lease-holders an opportunity of purchasing the freeholds of their houses.

(2) *Health and Old Age.* Through the National Health Service and National Insurance, the Labour Government began to abolish the fear of old age, sickness, and disablement which haunted working-class life before the war. We shall go forward with the job.

In order to restore a free Health Service, we shall abolish all charges, including those on teeth, spectacles, and prescriptions. We shall stop queue-jumping by ensuring that the need for treatment and not ability to pay shall be the test for obtaining a bed in National Health Service hospitals.

Now social security must be carried one stage further In order to remove the last taint of ' public assistance,' a Ministry of Social Welfare will be established to take over the work not only of the Ministry of Pensions and National Insurance, but also of the National Assistance Board To maintain the real purchasing power of these benefits, pensions and allowances, we shall institute an annual review, and in any year in which there has been an increase in the cost of living, the scale of payments will be increased accordingly.

One of the first acts of the next Labour Government will be to improve the rates of National Assistance fixed last February by the Tory Government, an increase which we regard as quite inadequate. We shall also deal with the anomalies of the National Insurance and Industrial Injuries schemes.

We welcome the growth of superannuation schemes in industry and commerce as valuable additions to National Insurance pensions. We shall consult with the T.U.C. and industry with a view to extending similar schemes on a voluntary basis to all kinds of employment and will seek, wherever possible, to arrange for pensions to be made transferable.

(3) *Education.* Labour is determined on a radical reform of our education service Our first objectives are · (*a*) to increase the number of teachers and to improve, especially in rural areas, the standard of our schools ; and (*b*) to remove from the primary schools the strain of the 11-plus examination. This cramps the free and happy life which should stimulate the children's early years. It penalizes the children who develop late and gives an inferior place in our education to the practical skills increasingly essential to our industrial efficiency. Local Authorities will be asked to submit schemes for abolishing the examination and, to realize the fulfilment of the Education Act of 1944, we shall encourage comprehensive secondary schooling. We shall insist on the inspection of all private schools.

To prevent children being removed from school or denied a University education for lack of means, a national scale of Maintenance Allowances will be established, and every student admitted to a University will be entitled, in case of need. to a State Scholarship.

For those who leave school at the age of 15, we shall begin to carry out those parts of the 1944 Education Act which make provision for part-time education

We shall provide more playing fields. We shall abolish the tax on sport and the living theatre.

Television is a growing influence for good or ill. Labour will establish an alternative public television service, free from advertising.

Taxation, Post-war Credits, and Equal Pay. The Tories have reduced taxes on profits and unearned income, and granted tax reliefs which give most help to those who need help least With their encouragement, higher dividends are being paid at the expense of the re-equipment of industry. Labour will once again use the Budget as an instrument for the twin purposes of remedying social inequality and increasing production. We shall review the working of the tax system to ensure that it is efficient and just We shall encourage those who earn their money by hard work and ability ; we shall assist National Savings and investment. But we shall deal firmly with tax-dodgers, and we shall see to it that a fairer share of the burden will be carried by those who get their money too easily through excessive profits, capital gains, and the inheritance of large fortunes.

We shall speed up the repayment of post-war credits which was inevitably delayed in the difficult years immediately after the war.

Labour reaffirms its belief in equal pay for equal work, and will immediately extend it to industrial workers in Government service and so give a lead to industry.

Planning and Public Ownership. In order to strengthen our Welfare State still further, and at the same time to play our part in assisting the under-developed areas of the world, our own production must rise every year Only a government prepared to plan the nation's resources can do this. Labour will ensure that the claims of investment and modernization come first, and will use taxation policy to help productive investment—thus providing more efficient plant and equipment for the workers. Even the Tories have had to praise the nationalized industries for their high rate of investment and advances in technical efficiency.

Public ownership of the steel and road haulage industries is essential to the nation's needs and we shall re-nationalize them We shall bring sections of the chemical and machine-tools industries into public ownership. Where necessary, we shall start new public enterprises.

The Labour Government brought new hope to the old distressed areas. The Tory Government have scrapped many of the essential controls. and now, once again, some areas face the danger of unemployment. Labour will use the Development Area powers to the full and, where necessary, extend them in order to provide new jobs

Atomic energy and other new inventions can bring dramatic increases in productivity and therefore in wealth and leisure They will also demand new skills. To meet this demand, Labour will enlist the help of scientists, trade unions. and progressive managements, and begin a real drive for better technical education. We will encourage schemes of industrial democracy and introduce long overdue legislation to improve working conditions in shops and offices.

Agriculture. Labour in power revitalized the countryside Britain needs a continuously expanding and efficient farming industry. The farmer must be able to produce in the confidence that he will find a market. This was Labour's policy under the 1947 Agriculture Act—a policy which the Tories are undermining. The housewife is paying more than she need for food because there are too many middlemen between her and the grower. Yet the grower, too, is threatened with insecurity again. Labour will return to a system of fixed guaranteed prices for the main commodities so that the farmer can plan ahead, and will abolish the costly system of private auctions and deficiency payments

We shall encourage the setting-up of producer marketing boards to organize distribution more efficiently in the interests of the consumer as well as the farmer. Advisory services and credit facilities for farmers will be improved. Labour will cheapen fruit and vegetables by opening more markets and thus bring the produce of our market gardens into the shops more quickly and efficiently.

There will be a square deal for the farm worker and his family, and the injustices of the tied cottage system will be brought to an end. Safety regulations will be applied to farms. Water supplies, still pitifully inadequate in the countryside, will be greatly extended and brought under public ownership. Labour's aim is to revive the best in country life and to bring the benefits of modern living to our hamlets and villages.

Scotland, Wales, and Northern Ireland. Under the Tories, there had been hunger and misery, idle pits and shipyards and bankrupt farms. Labour in power brought new life to Scotland and Wales. Thriving industry justified triumphantly Labour's system of controls and priorities. But unemployment in some parts of these countries remains high Labour will ensure full employment in Scotland and Wales, and will begin to overtake Tory neglect by bringing new industries to Northern Ireland We respect and will safeguard the distinctive national cultures of these countries.

Local Government. Labour believes in a vigorous local democracy. But at present local authorities do not have adequate revenue to do their job properly. Immediate relief will be provided by the repeal of the de-rating of industrial properties We shall review local government structure and finance, and consider the possibility of rating of site values.

Conclusion. In the dangerous world in which we live we must seek to unite all those who earnestly desire peace and disarmament and who recognize the need for a positive policy to remove the causes of war. Faith, vision, and enthusiasm are needed if civilization is not to be destroyed by man's many inventions A party that proudly claims for its inspiration the brotherhood of man is best fitted to grasp the opportunity of building a world of peace, freedom, and justice.

In Britain our goal is a society in which free and independent men and women work together as equals. The signposts along our road are Work for All, Abolition of Want, Fair Distribution of Income and Property, Better Education. The powers we ask for will be used in the interests of the whole nation, fully respecting the rights of human personality Our aim is to make men more truly free. In 1945, Britain started out along the path of social justice. Now is the time to go forward with Labour."

Labour Statement on Agriculture.

The principal proposals contained in the Labour Party's statement of agricultural policy (published on May 5) were : the reintroduction of fixed guaranteed prices and assured markets for the industry's main products ; improvement of marketing by grading and by the abolition of fatstock auctions ; and the creation of commissions to regulate home and imported supplies of meat and cereals and to improve the distribution of fruit and vegetables . The Party also proposed a five-year plan of agricultural expansion ; special credit facilities for farmers ; improvements in the annual price review machinery ; encouragement for producer co-operation ; and improvement in the working conditions of agricultural workers.

The statement claimed that fixed guaranteed prices and assured markets for the main farm products (although a deficiency payment scheme was proposed for coarse grains) would encourage confidence in the farming industry and result in increased efficiency. It added : " They can, and will, be operated on a basis of quality production without any allocations, rationing, or limitation of consumer choice in any way. Labour's aim is to widen consumer choice. Commodities will be sold to the trade and not allocated. Rationing and allocation were necessary only when food supplies were very scarce and rationing was the only way to secure fair shares. There will be no return to rationing."

Labour Statement on Cost of Living.

The Labour Party's proposals for combating the rising cost of living and dealing with monopolies and restrictive practices, outlined in the party's manifesto, were discussed in greater detail in a separate statement published on May 16. This said that the work of a strengthened Monopolies Commission would be supplemented by legislation prohibiting a range of restrictive practices, including the fixing of common or " ring " prices and restrictions on new entrants into both manufacture and distribution.

" Those measures, however, will not by themselves suffice," the pamphlet went on " The heart of the problem is the coercive power of trade associations. This power must be broken The weapons which trade associations now use to enforce fixed prices collective boycotts, exclusive dealings, stop lists, fines, and private judicial procedures—will, therefore, be made illegal. Discrimination against co-operative societies will be banned. Trade associations will further be required to register their constitutions, rules, agreements, and annual reports with the Board of Trade, and the Board will be instructed to keep a separate register of all agreements of a restrictive nature, which will be made available to the public. It will be further empowered to require public and private companies to supply information as to their subsidiaries, majority and minority holdings, firms which hold part of their capital, etc. This will enable the Government and the public to gain much-needed information as to the pattern of ownership and the ramifications of business connexions in British industry. Finally, in those cases where single-firm monopolies exist—the match industry is one example —prices will be closely scrutinized and, where necessary, controlled."

After asserting that the Conservative Government had allowed food prices to rise, and that the removal of subsidies and withdrawal of price controls had gone hand in hand with derationing, the statement continued : " Today we still have a form of rationing, but it is rationing by the purse. Fortunately, however, there has taken place during the last two years a very substantial increase in world food supplies. Although some people are not getting the diet they need, there is not at present, nor is there likely to be, any overall shortage of food. There is, therefore, no necessity for a return to rationing, and rationing will not play any part in the programme of the next Labour Government. . . .

" The price of food . . . must be our first concern. . . . If, in spite of all our efforts, it continues to rise, policies will have to be adopted to ensure that higher prices do not result in lower standards of life. . . . The Tories are spreading the myth that bulk-buying, price control and food subsidies can only work if food is rationed. This is nonsense, as experience shows. . . . This argument is, in fact, only an excuse by the Tories to cover up their own failure to control the cost of living."

Labour Policy for Cotton Industry.

The Labour Party issued a four-point policy for the Lancashire cotton industry on May 13 declaring that a Labour Government would (1) protect Lancashire against unfair competition; (2) re-establish the Raw Cotton Commission to revive the placing of long-term contracts among Commonwealth growers, (3) review the operation of the "D" scheme as it affected textile goods and clothing, with a view to assisting the export trade; and (4) encourage higher quality standards for textiles

The Labour Party contended that the Government were only "tinkering" with the problem, although Lancashire's home and export markets were threatened by a flood of cheap imports. Regarding their first proposal to protect Lancashire against unfair competition, the Party agreed that Lancashire must stand on its own feet and face the consequences of fair competition But (it was stressed) subsidies to foreign exporters, in whatever form they were made, clearly tilted the balance against the British industry A Labour Government would therefore immediately establish a trading commission which would purchase centrally all imported cotton yarns and piece-goods, with the power to restrict those goods which entered the U K. on a basis of unfair competition Having solved the immediate crisis, they would negotiate with the Indian Government and with GATT with a view to bringing about an agreed code of fair competitive practices in the world's textile trade

The re-establishment of the Raw Cotton Commission was regarded as essential to reduce Lancashire's heavy dependence on American cotton, and to ease the problems that American price policy had created

The Co-operative Party's election manifesto, *Together—We Live*, published on May 1, suggested—among other things—the setting-up of a Ministry of Consumers' Welfare It proposed that such a Ministry should, in conjunction with local authorities, establish bureaux (like the Citizens' Advice Bureaux) through which complaints against unscrupulous manufacturers or traders might be channelled and remedied. In addition, trade associations should be required to register with the Ministry all agreements concerning prices and trade restraints.

The Liberal Manifesto.

The Liberal Party manifesto, published under the title *Crisis Unresolved*, appeared on May 6. It was worded as follows (cross-headings inserted):

Introduction. "Just under four years ago, the Liberal manifesto opened with the statement that this country was 'facing a new crisis and one of the biggest in our history' It would be ungenerous not to admit that since the last general election we have gone some way to arrest the decay which set in with the second post-war Labour Government; the crisis was confronted but has not been resolved There are still great problems fraught with danger which cause much concern.

There are some who are so encouraged by the better face of our affairs as to think that halcyon days have come; there are some who feel that it does not greatly matter which party steers because the winds have abated and the sea is calm; there are some who can persuade themselves against all the evidence that the Conservative and Socialist parties are liberalized. These ideas are delusions The Liberal Party stands as a security against the fate that would befall a people whose future depends upon the outcome of a struggle between two class parties seeking power to be used in the service of their own particular clients. The independent mind, the small man, and the consumer are neglected by both the great parties

War, devastating and possibly final, is a continuing threat The fear of war enforces the use on a colossal scale of manpower and materials on purposes of defence The prosperity of Britain hangs in the balance Continued inflation endangers all the social progress of the last ten years, checks further progress, and may defeat our hopes of making full employment in a free society our normal economic condition. To face and overcome external and internal dangers, Liberal policies remain essential, and Liberal members of Parliament alone can effectively advocate them.

Foreign Affairs. There is fortunately broad agreement in this country both about the aims of British foreign policy and the means by which they are to be realized. The search for a foreign policy which shall be different from that of the Government of the day for the mere sake of opposition is futile and unpatriotic Liberals have supported European unity, close association with the Commonwealth and the United States, the integration of Germany into Western Europe, and all measures of defence essential to protect liberty. But we consider that greater effort should be made to bring home to other peoples the sincere devotion of the Western Powers to the cause of peace. Liberals have been constant in their support of the United Nations, but think that it is the duty of H.M. Government to put forward positive proposals for the reform of the Charter designed in particular to restrict the occasions when five-Power unanimity is required, and specially to provide that all sovereign States shall have a right to membership conditional upon their accepting the terms of the Charter.

The London and Paris agreements are a means and not an end. We needed strength for negotiation with Russia, and we must now negotiate for the establishment of European peace and the reunification of Germany. Liberals will work towards complete disarmament in all weapons, in all countries, under a system of international control which shall permanently ensure the free world and our children against aggression and the horrors of warfare. Liberals maintain that peace in the Far East cannot be achieved until the Chinese People's Republic is a member of the U N. They deplore the ungenerous attacks made upon the United States, which imperil that understanding and co-operation between our two countries on which freedom has twice depended and still depends At the same time they regret present ambiguities in American policy regarding Formosa, and will support all efforts made to remove a danger of conflict in Far Eastern countries

The Liberal Party has been, and will continue to be, critical of the timidity and hesitation which both Labour and Conservative Governments have shown about associating this country intimately with the movement to secure some measure of European unification. It advocated whole-hearted support for the European Defence Community and the Coal and Steel Community, and it rejects the insincere plea that our Commonwealth responsibilities are any bar to that closer association with Western Europe which is so highly desirable in the interests of both France and Germany and the settlement of their age-long quarrel. The concessions reluctantly made by our Government last autumn to secure the defence of Europe might well have sufficed to save the E D C. had they been made earlier. Liberals will continue to goad the Government when they feel that it is reluctant to play its proper role in the evolution of organs such as the Council of Europe and the Coal and Steel Community A sincere attempt must be made to establish an arms pool We must not be content to accept the Western European Union as concerned exclusively with problems of defence We must have positive and constructive policies for economic and social progress in Europe. In particular, it is in the interests of this country to encourage the establishment of a great free trade area in Europe.

Colonial Development. There is general agreement on the necessity of training the inhabitants of dependent territories to govern themselves. Liberals recognize that conditions vary from colony to colony and that there is no master plan which can be uniformly applied; there must be flexibility The noble experiment of establishing the principle of real partnership between races in the Colonies is imperilled because the indigenous population has lost confidence in the objective. In order to restore this confidence there should be no departure from the principle that development must contribute directly and primarily to the prosperity of, and to higher standards of life for, the resident local multi-racial population Liberals must set their faces like flint against all forms of racial discrimination in British territories. Particular attention is drawn to the Liberal Party's suggestion for the institution of a Consultative Colonial Assembly, meeting periodically, at which representative delegates from Colonial territories can confer upon developments within their territories, freely express their views thereon, and work out practical means for the fulfilment of their aspirations.

Economic Problems. By the inflationary policy of two Socialist Governments, continued in modified form by the Conservatives, pensioners and people living on small fixed incomes and the lowest wage-scales have been cruelly penalized A constantly and rapidly depreciating pound strikes at the root of social justice The Liberal Party, which made possible the Welfare Society by its early reforms, is maintaining its traditions by calling for a radical attack upon false economic policies which inevitably lead to ever-rising costs of living. Will either the Conservative of the Labour Party have the courage to stem the tide of rising prices, subsidies, and nominal wages?

Let us briefly consider what is required by our situation today—that of a debtor nation which must export much more than it imports or sink to the level of a second-rate Power on a low standard of living First we must be able to compete with foreign manufacturers. We must, therefore, systematically reduce and finally abolish tariffs which 'protect' our home markets, which encourage price rings and monopolies, and which must, for that is their whole object, increase our prices and, as a result, weaken our power to compete Conservatives want to protect employers who are economically inefficient against bankruptcy; Socialists want to protect workers against the loss of the particular jobs in which they happen to be working.

Monopolies. Both the big parties are vocal when out of office against monopolies, price rings, and restrictive practices Neither of them will make a fierce frontal attack when in power. Neither will so much as mention the necessity of a thorough examination of the place and functions of trade unions in a Britain which, in a generation, has industrially altered out of recognition We Liberals have long advocated a Royal Commission to examine specific reforms which have been suggested.

Productivity. The maintenance of full employment, the improvement of our standard of living, and our ability to avoid a further devaluation of sterling depend essentially on productivity—the power to produce more goods and services with the same amount of labour and without an increase of hours. To obtain greater productivity we must give to capital both the reward of risk and the incentive to save—accepted in principle by Labour but fiercely resisted in practice—and we must give to workers the assurance of being partners in industry, entitled to their share in the fruits of prosperity. The Liberal Party alone has been advocating the general introduction of co-ownership schemes, desirable not only as incentives but as the foundation of industrial peace.

Taxation and Expenditure. This country will never be prosperous so long as some 40 per cent of the national income is taken from the earner by the Government and local authorities. It has to be admitted that the scope for saving is limited; neither defence nor the social services must be whittled down at the expense of efficiency. That makes it all the more necessary that expenditure in other directions must be sharply scrutinized and waste avoided. Value for money must be the keynote

One category of spending merits particular mention. We are spending some £300 millions annually in subsidizing agriculture in one form or another—nearly three-quarters of what we were spending on all food subsidies a few years ago. In Liberal eyes that policy, as a long-term policy, can only be regarded as shortsighted The farmer desires to stand on his own feet. He cannot, however, be asked to sell in a free market and buy in a protected one The time has come when the farmers' costs should be lowered by removing the tariffs on the imports of those materials he must use by doing away with the monopolies and rings which raise the price of the equipment he needs When this is done subsidies will no longer be necessary. Until this is done the need for some form of Government aid is fully recognized.

Scottish and Welsh Devolution. If Parliament is to meet the external and internal challenges which face it, it must be relieved of the excessive burden of work which now falls upon it and stifles it. If there were no other reason than this, Liberals would again, as in 1951, emphasize the necessity of instituting separate Parliamentary Assemblies for Scotland and Wales, and that practical reason is immensely fortified by the claims of those two countries to manage their own local affairs and legislate for them Each of them, Scotland in the Highlands and Wales in its scattered rural communities, has special problems with which the rest of the country is not faced.

Individual Liberties. We exist as a party to defend the rights of the individual, his liberty to live his own life subject to respect for the rights of others, to hold and express his own views, to associate with others of his own choice, to be granted all possible freedom of opportunity, and to be subject to no penalty or discrimination by reason of his colour, race, or creed Liberals see no sign that these fundamental freedoms, constantly open to assault, will be adequately defended without them. The colour bar has been here and there in evidence in this country. Cinchel Down is of recent and odious memory. The powers of Government departments to invade a man's privacy, and even to interfere with his livelihood, can today be abused without redress or appeal The leaders of the two large parties can decide on their own that discussion on the air of matters of great moment shall be forbidden for 14 days before our masters in the House of Commons have told us what we ought to think and do. Trade unions, who came into existence to defend freedom of association, are using a giant's strength to limit the freedom of workers to benefit from effort, to make life miserable for those they victimize—even to deprive them of their right to remain in their occupations.

The Electoral System. If Liberalism is to play its part, it requires its proper representation in the House of Commons. There are millions of Liberals in this country effectively disfranchised by our electoral system, which could secure rough justice when there were only two parties, but has for many years distorted the results of every general election. The fate of a great country is entrusted to the chance result of what is one of the greatest of all gambles. If that democracy which we preach is to be a reality and not a farcical pretence, we must have a more truly representative electoral system in which no votes will be wasted, not even a Conservative vote in Durham nor a Socialist vote in Bournemouth. We ask that the whole question be thoroughly investigated by a Royal Commission.

Conclusion. Electors who believe in the need for a strengthened independent party to put forward Liberal policies will utterly waste their votes unless they support Liberal candidates where they have the opportunity. The excessive over-privilege and the excessive poverty of 50 years ago are happily things of the past. Today, the hardest working and the least vocal people are the vast middle-class who seek an opportunity to support a commonsense progressive policy, undeflected by any extremists exploiting or creating sectional interests."

By arrangement with the B.B.C., both the Conservative and Labour parties were allotted four party broadcasts and three television programmes, while the Liberal Party was allotted one party broadcast and one television programme. Conservative broadcasters on sound or television included Sir Anthony Eden (the Prime Minister), Mr. R. A. Butler (Chancellor of the Exchequer), Mr. Harold Macmillan (Foreign Secretary), Mr. Selwyn Lloyd (Minister of Defence), Sir Walter Monckton (Minister of Labour), Mr. Ian Macleod (Minister of Health), Mr. Walter Elliot and Miss Edith Pitt. For the Labour Party, sound or television broadcasts were made by Mr. Clement R. Attlee (the party leader), Mr. Herbert Morrison (deputy leader), Dr. Edith Summerskill (party chairman), Mr. Hugh Gaitskell, Mr. James Griffiths, Mr. Harold Wilson, Lady Megan Lloyd-George, Mr. James Callaghan, and Miss Margaret Herbison. Lord Samuel, Mr. Frank Byers, Mr. Philip Fothergill and Mr. John Arlott broadcast on behalf of the Liberal Party. (Times - Daily Telegraph - Manchester Guardian - Daily Herald - News Chronicle - Conservative, Labour, and Liberal Party Election Manifestos) **(Prev. rep. 14144 A.)**

A. PERSIA. — £30,000,000 Road Construction Contract awarded to British Firm.

It was announced in Teheran on May 11 that the London firm of John Mowlem & Co. had been awarded a £30,000,000 contract by the Persian seven-year plan organization for the reconstruction and extension of Persia's main road system, covering 3,750 miles. The contract was gained by Mowlem's in the face of strong American, French, and German competition. (Times) **(Prev. rep. Persian Contracts, 13660 C ; 13620 C.)**

B. UNITED KINGDOM. — Steel Industry. - Progress of Denationalization. - Denationalization of Whitehead Iron and Steel Co., Thos. Firth and John Brown, and English Steel Corporation, Ltd.

The first report of the Iron and Steel Holding and Realization Agency, covering the period July 13, 1953, to Sept. 30, 1954, was published on March 3, 1955. It stated that by Sept. 30 about one-third of the original publicly-owned sector of the industry (measured in terms of employment, steel production, and sales) had been denationalized, whilst subsequent further sales had brought the fraction to about three-fifths.

It was explained that the Agency had begun operations with a total of 302 subsidiaries, the securities of 71 of these having been vested in it directly, whilst it was the sole or majority holder of the capital of the remaining 231 By Sept. 30, 1954, 13 companies and their 126 subsidiaries had ceased to be subsidiaries of the Agency, seven companies having been sold entirely at a price exceeding their book value by £1,600,000. Six other companies had been partially sold, and the gross realization from the 13 companies had amounted so far to nearly £78,000,000.

The report added that the Agency had paid £63,100,000 to the Treasury, and had retained £14,900,000 for "investment and other purposes."

The following public offers of steel shares were made by the Agency in recent weeks :

(*a*) 1,250,000 £1 Ordinary shares in the Whitehead Iron and Steel Co., Ltd., offered on Feb. 10 at 55s. each, with preferential consideration for applications from former shareholders.

It was announced on Feb. 12 that about 175,000 applications had been received for a total of 35,000,000 shares, including about 1,100 applications for 6,000,000 shares from former shareholders ; these latter had been accepted in full up to 150 shares, whilst applicants for up to 3,500 shares had also been allotted 150 shares each, and applications for larger amounts had been accepted to the extent of about 4 per cent up to 50,000 shares and of about 3 per cent thereafter. Applications from the general public had been dealt with by ballot, and about 18,500 applicants had received 50 shares each, irrespective of the number applied for.

(*b*) The entire capital of Thos. Firth and John Brown Ltd., viz., 5,500,000 £1 Ordinary shares (at 25s. each) and £3,000,000 4½ per cent Debentures (at £97 10s.), offered on March 17.

It was announced on March 19 that about 42,000 applications for 15,000,000 Ordinary shares and 9,000 applications for £31,000,000 Debenture stock had been received, including 3,000 applications for 5,000,000 Ordinary shares from former shareholders and 52 applications for £3,500,000 Debenture stock from former debenture holders. Preferential allocations to former shareholders and debenture holders had been granted as follows : *Shares* : up to 200, in full ; 201-400 shares, 200 ; 401-3,000 shares, 300 ; over 3,000 shares, 34 per cent, with a maximum allotment of 17,500 shares. *Debenture stock* : in full up to £5,000, and 40 per cent of larger applications, with a maximum of £40,000. Non-priority applicants for Ordinary shares had received 100 shares each, and those for Debenture stock £100 each for applications up to £1,200, whilst larger applications had been met to the extent of about 7½ per cent, with a maximum allotment of about £3,750 stock.

(*c*) The balance of the capital of the English Steel Corporation, viz., £5,000,000 5½ per cent Cumulative Redeemable Preference shares of £1 each and £5,000,000 4½ per cent Debenture stock, offered at par on May 12

The Agency announced on May 13 that about 28,000 applications for 16,350,000 Preference shares and about 8,600 applications for £12,850,000 Debenture stock had been received. Applications for Preference shares had been granted in full up to 100 shares, and as to about 20 per cent beyond, whilst applications for Debenture stock had been granted in full up to £1,000 stock, and as to about 25 per cent beyond

It was stated on Feb. 24 that N. Hingley and Sons, Ltd., ironmasters, of Dudley (Worcs.) had bought back from the Agency the entire share capital of its former wholly-owned subsidiary, John Bagnall and Sons, re-rollers. The price paid was given as £200,000, the amount received by Messrs. Hingley when John Bagnall and Sons was nationalized.

The resignation of Sir John Green as a member of the Iron and Steel Holding and Realization Agency was announced on Feb. 24.—(Treasury Press Office - Financial Times) **(14003 A.)**

C. AUSTRALIA. — State Opera House planned for New South Wales.

It was announced on May 17 that the Government of New South Wales had decided to build a State Opera House at a site on Benelong Point, also known as Fort Macquarie, a prominent headland in Sydney Harbour. The N.S.W. Premier, Mr. Cahill, said that the public would be invited to subscribe towards the cost of the opera house, the design of which would be open to all architects The proposed opera house will have two halls, one with 3,500 seats and the other with 1,200, and will be used not only for opera but also for ballet, chamber music, and orchestral concerts. (Times)

A. SOUTH AFRICA.—The Appeal Court Quorum Act.

The Appeal Court Quorum Bill, introduced by the South African Government to raise the number of judges required to hear final appeals in constitutional cases, was finally approved by the Union Parliament on May 5 after the Opposition had contested the Bill throughout its parliamentary passage.

The Government's decision to introduce such legislation had been announced on March 25 by the Minister of Justice, Mr. Swart, who stated (*a*) that the number of judges in the Appellate Division of the Supreme Court would be raised from six to 11; (*b*) that, if the Bill were approved, a quorum of five would be required to hear all appeals except those involving the validity of an Act of Parliament, when the full bench of 11 judges would be required; (*c*) that the judgment of a majority of such quorums (three and six respectively) would in all cases be accepted as the judgment of the court.

The new judges, who will assume their new duties on Oct. 1, were named as follows: Mr. Justice E. M. de Beer (Judge-President of the Orange Free State Division of the Supreme Court); Mr. Justice F. Reynolds (Judge-President of the Eastern Cape Division of the Supreme Court); Mr. Justice H. de Villiers (formerly of the Transvaal Bench and now of the Eastern Cape Division of the Supreme Court), Mr Justice C. G. Hall (of the Cape Division of the Supreme Court), and Mr. Justice C. P. Brink (of the Orange Free State Division of the Supreme Court).

During the debate in Parliament, the Government's action in introducing such a Bill was attacked by all the Opposition parties, which regarded it as yet another attempt to remove the Cape Coloured voters from the electoral roll following the Appellate Division's two earlier rulings on this matter—namely, (*a*) the decision of March 20, 1952 (see 12409 A) that the rights of the Coloured voters were still "entrenched" and therefore lay outside Parliament's powers of constitutional amendment, and (*b*) the decision of Nov. 13, 1952 (see 12780 A) upholding the Cape Supreme Court's judgment that the High Court of Parliament Act was invalid.

Introducing the Bill in the House of Assembly on April 25, **Mr. Swart** said that since the abolition of appeals to the Privy Council in 1950 (see 10798 D) the Appellate Division had become the final court of appeal in South Africa. The doctrine of *stare decisis*—where a court regarded itself as absolutely bound by its previous decisions—had disappeared, and, if it thought fit, the Appellate Division could accordingly reject a decision previously made by it. This it had in fact done on March 20, 1952, in the *Harris and Others v Dönges* case, in which it had reversed the judgment given in 1937 in the *Ndlwana v. Hofmeyr* case. Moreover, a previous judgment arrived at by five judges could at present be overruled by three judges This state of affairs, said Mr. Swart, was "unsatisfactory" and the Bill was intended to remedy it.

The Leader of the Opposition, **Mr. Strauss** (United Party), moved an amendment to reject the Bill on the ground that, in view of the Government's previous attempts to circumvent the Entrenched Clauses of the South Africa Act, it was obviously designed to remove the Cape Coloured voters from the common electoral roll The amendment also declared that the Bill was an undeserved reflection on the integrity of the Appeal Court, "thus tending to bring the unquestioned reputation of the highest court of the land into disrepute."

Mr. Strauss stressed that the integrity and impartiality of the courts were one of the corner-stones of the South African way of life, and denounced the Bill because it looked like an attempt to "pack" the Appeal Court, and because it might simply be a prelude to the "packing" of the Senate. Before 1952, he said, the Supreme Court, and the Appellate Division in particular, had enjoyed the undivided confidence of every section of the community, including the Government and the whole of the Nationalist Party. But in 1952, when the unanimous decision of the Appeal Court had gone against the Government, members of the Cabinet had campaigned up and down the country to undermine public confidence in the Court. The testing right of the courts had been described at the time as "constitutional slavery," but now, instead of doing away with that right as it had said it would, the Government was putting forward a measure which, for the first time, expressly established the testing right. What was the reason for this change, Mr Strauss asked? Did it mean that the Government at last recognized the value of retaining the testing right, or was it simply the first step in a carefully calculated plan ultimately to destroy that right and to subvert the Constitution?

Mr. Strydom, the Prime Minister, declared that the Government wanted the courts to have the unquestioned respect of the public and to stand entirely apart from political controversy, but whilst it wanted them to interpret Acts of Parliament it did not want them to question their validity. Under the present system, Parliament was subject to control by the accidental membership of the Appeal Court, and he asked whether it was right that constitutional questions should continue to be decided by an Appeal Court which had already expressed itself on one side of the matter and consisted exclusively of judges who had shown themselves committed to a certain view.

Mr. Swart, replying to the debate, repeated his contention that at no stage of the recent constitutional controversies had the Government acted illegally; it had tried to achieve what it wanted but, when the Appeal Court had overruled its legislation, it had accepted that judgment. Nevertheless, the Government intended to take legislative steps to restore the sovereignty of Parliament and, if that legislation were tested, it would have to be tested by the full Appeal Court Bench of eleven judges as laid down in the Bill.

After the Opposition's amendment had been rejected, the Bill was given a second reading by the House of Assembly on April 29 by 78 votes to 50.

During the Committee stage (April 28) all the Opposition parties refused to take part in the debate except to call a division on each clause **Mr. Strauss** said that "nothing in the way of amendment could dispel or mitigate the harm the Government has done to South Africa," whilst the Labour Party leader, **Mr. Hepple,** denounced the legislation as "an immoral measure."

The Senate gave the Bill a second reading on May 3 by 26 votes to 17, and a third reading on May 5 by 26 votes to 15. During the second reading, Mr. Swart said that "the Government will not rest until Parliament is supreme and the courts have no right to test its legislation." He added that the Government wanted a strong court of 11 judges to decide the validity of the "other steps" which it intended to introduce. When asked by Senator Rubin whether the Government would accept the decision of the 11 judges even if it went against them, Mr. Swart replied. "If the steps we take are found to be illegal, we will take other steps—but we must have certainty." The Opposition leader (Senator Jackson) described the proceedings as "the final chapter of a tragic episode in the history of South Africa."

During the proceedings in the House of Assembly, the Johannesburg Bar Council issued a statement on April 22 declaring that the Bill "must cause grave misgiving to all concerned with the proper administration of justice." Mr. Strydom thereupon announced in the House on April 27 that no member of the Bar Council who had supported this "scandalous statement" need ever expect to receive a judicial appointment. The Council, in reply, declared that it would not be "deterred by threats of this nature from doing what it considers to be its duty."—(Cape Times - State Information Office, Pretoria) **(Prev. rep. Appeal Court, 13153 A.)**

B. UNITED STATES. — Agricultural Surpluses. - Sales under Mutual Security Programme.

The report of the Foreign Operations Administrations dated Jan. 31, 1955, showed that authorizations under the Government's programme of selling agricultural surpluses to friendly countries in return for their manufacturing an equivalent value of arms for the mutual defence programme totalled $245,146,000 up to Sept. 30, 1954.

The recipient countries were: United Kingdom, $72,250,000 (tobacco, cottonseed oil, lard, meat, fruit, and dairy products); Japan, $50,000,000 (wheat and barley); Yugoslavia, $34,997,000 (wheat, raw cotton, and lard); Italy, $18,500,000 (raw cotton, tallow, and tobacco), France, $15,850,000 (raw cotton and tobacco); Western Germany, $15,000,000 (tobacco, raw cotton, and soya beans); Spain, $14,800,000 (raw cotton); Formosa, $10,000,000 (wheat, coarse grains, and tobacco); Finland, $5,000,000 (tobacco and raw cotton); Norway, $2,335,000 (soya beans, coarse grains, wheat, and peanuts), Afghanistan, $1,215,000 (wheat and wheat flour); Israel, $1,200,000 (peanuts).

The value of the commodities sent was as follows: broad grains (wheat), $74,173,000; raw cotton, $52,670,000; tobacco, $38,450,000, fats and oils, $32,272,000, meat, $17,450,000, fruits, $10,000,000; coarse grains, $9,430,000, dairy products, $6,000,000. Shipping costs were $4,902,000

In London, the Economic Secretary to the Treasury (Sir Edward Boyle) announced on May 5 that agreement had been reached on the allocation to Britain of $73,900,000 in surplus agricultural products from U.S. appropriations for 1954-55. Of this total, $25,000,000 would be in cotton, $20,000,000 in maize, $14,900,000 in fruit (citrus fruit, apples, prunes, canned pears, etc.), and $11,000,000 in oils and fats. The sterling proceeds would be used mainly to assist the U.K. defence effort, but up to $13,700,000 would be used by the U.S.A. to buy military equipment in the United Kingdom for third countries.

The announcement also said that negotiations were in progress about an arrangement under which Britain would import $15,000,000 of U.S. tobacco and, in exchange, would provide houses for U.S. personnel in Britain at an equivalent cost; the houses would be let to the U.S. authorities at a nominal rent for so long as they were required, but would remain the property of the British Government.
(Foreign Operations Administration, Washington - Treasury Press Office, London) **(Prev. rep. 13636 B.)**

A. UNITED KINGDOM. — County and Borough Elections in England and Wales.

County Council elections held in the 62 English and Welsh counties between March 31 and April 6 resulted in the Labour Party losing control of five councils—Essex, Lancashire, Staffordshire, the West Riding of Yorkshire, and Carmarthenshire—to the Conservatives and Independents. Labour retained control in London (where they have been in power for 21 years) and also in Derbyshire, Durham, Glamorgan, Monmouthshire, Northumberland, and Nottinghamshire.

In addition to gaining control of the above-mentioned five counties, the Conservatives and Independents retained control in Anglesey, Bedfordshire, Berkshire, Brecon, Buckinghamshire, Caernarvonshire, Cambridgeshire, Cardiganshire, Cheshire, Cornwall, Cumberland, Denbighshire, Devonshire, Dorset, Gloucestershire, Hampshire, Herefordshire, Hertfordshire, Huntingdonshire, Isle of Ely, Isle of Wight, Kent, Leicestershire, Lincolnshire (Lindsey, Kesteven, and Holland), Merioneth, Middlesex, Montgomeryshire, Norfolk, Northamptonshire, Oxfordshire, Pembrokeshire, Soke of Peterborough, Radnorshire, Rutland, Shropshire, Somerset, Suffolk (East and West), Surrey, Sussex (East and West), Warwickshire, Westmorland, Wiltshire, Worcestershire, and the North and East Ridings of Yorkshire. The Liberals retained control in Flintshire.

In **Essex**, a former Labour majority of nine seats was converted into a Conservative and Independent majority of 24; owing to redistribution, the new council has 14 more seats than the old. In **Lancashire**, where the Conservatives gained 21 seats (18 from Labour and 3 from Progressives), a former Labour majority of eight was converted into a Conservative majority of 21, the new council having 71 Conservatives, 46 Labour members, and 4 Independents and Progressives. In **Staffordshire**, where Labour formerly had an overall majority of five, the anti-Labour parties (Conservatives and Independents) now have an overall majority of 10 seats. In the **West Riding of Yorkshire** a former Labour majority of 32 was converted into an anti-Labour majority of eight, the new Council having 52 Conservatives, Independents, Liberals and National Liberals and 44 Labour members. In **Carmarthenshire**, where the new council consists of 29 Labour members, 28 Independents, and 2 Welsh Nationalists, Labour lost its former overall majority.

In addition to gaining many seats from Labour in Essex, Lancashire, Staffordshire, and the West Riding, the Conservatives also gained 11 seats from Labour in **Hertfordshire**, 10 in **Kent**, 7 in **Surrey**, and 6 in **Middlesex**. Apart from the counties where it retained control, the Labour Party did best in **Kesteven** (Lincs), where it gained 5 seats from the Independents.

In the London County Council elections, Labour retained a substantial majority on the L.C.C. despite a Conservative gain of 15 seats. Results were as follows, showing comparison with the last (1952) elections, when the number of elected councillors was, however, five more than in 1955:

	1955 elections		1952 elections	
	Seats*	Votes	Seats*	Votes
Labour . .	72	1,143,948	92	1,684,387
Conservatives . .	52	1,076,670	37	1,344,328

* Excluding aldermanic appointments.

Only 32.4 per cent of the electorate voted in the L.C.C. election, Labour receiving 50.5 per cent of the votes and the Conservatives 47 per cent. No other party returned any candidates, the Liberals polling 27,615 votes and the Communists 11,473.

The L.C.C. constituencies (each of which returns three members) are identical with the London Parliamentary constituencies, taking into account the changes effected under the recent redistribution of seats (see 14166 A). The Conservative gains from Labour were made in Battersea South (3 seats), Dulwich (2 seats), Clapham (3 seats), Holborn and St. Pancras South (one seat), Wandsworth Central (3 seats), and Woolwich West (2 seats), whilst the Conservatives also gained a seat in the new Barons Court division.

Municipal elections were held on May 12 in 370 cities and towns in England and Wales, whilst in another 31 towns all vacancies were filled by unopposed returns. In the great majority of cases the elections were for one-third of the councils' membership, but completely new councils were elected at Stoke-on-Trent, Louth, and Dagenham, owing to boundary changes, and in six new boroughs—Enfield, Rhondda, Ellesmere Port, Uxbridge, Spenborough, and Castleford.

Complete returns showed that the Conservatives had recovered about three-fifths of the seats lost in 1952, when these seats had last been contested. The following compilation was published by the Press Association:

	Gains	Losses	New Seats
Conservatives . .	346	35	58
Labour	49	390	187
Liberals	16	8	1
Independents	75	51	51
Communists	nil	2	nil

Excluding new seats, the Conservatives therefore made a net gain of 311 seats, Independents of 24 seats, and the Liberals of eight seats, whilst the Labour Party suffered a net loss of 341 seats. The only two Communist borough councillors in England and Wales—at Rawtenstall (Lancs.)—were defeated by Conservatives. The returns showed that the Conservative Party had polled particularly well in Lancashire and Yorkshire.

The Labour Party lost control of 11 boroughs to the Conservatives or Independents—Bolton, York, Northampton, Reading, Ipswich, Nottingham, Dudley, Morley, Llandidoes (Montgomeryshire), Daventry, and Goole—and also lost their former overall control at Walsall, where the Labour and anti-Labour parties are now equal. On the other hand, Labour won 32 of the 33 seats in the new borough of Rhondda (the remaining seat going to an Independent) and 57 of the 72 seats at Stoke-on-Trent. The Liberals retained control at Mossley (the only town in England and Wales with an overall Liberal majority) and were returned as the largest party at Huddersfield, Halifax, and Glossop. Polling varied in different places, being in general higher than in London and averaging between 40 and 50 per cent. In the new borough of Rhondda the poll was over 50 per cent.

Urban and rural district council elections were also held throughout England and Wales during the first fortnight of May and resulted in considerable Conservative gains.—(Times - Daily Telegraph - Manchester Guardian - Daily Herald - News Chronicle) **(Prev. rep. County Council Elections, 12157 A; Municipal Elections, 13609 B.)**

B. HUNGARY. — M. Nagy dismissed from Premiership and Communist Party Posts. - M. Hegedüs elected Prime Minister.

M. Imre Nagy, the Hungarian Prime Minister, who had been condemned by the Communist Party's central committee in March for "right-wing deviationism," was dismissed from the Premiership on April 18 by a unanimous vote of the National Assembly. This decision was taken on the joint recommendation of the Government and the party's central committee on the grounds that M. Nagy had "not fulfilled his duties altogether satisfactorily." He was succeeded by M. Andras Hegedus, the first Deputy Premier, who had been acting Prime Minister since M. Nagy's reported illness in February.

At a meeting of the party's Central Committee on April 14, M. Nagy had been expelled from the Political Committee, the Central Committee, and all other party offices. General Mihaly Farkas, who was said to have "supported Nagy's incorrect points of view for a long time," was dismissed at the same time from the Political Committee and from the secretaryship of the Central Committee, and was transferred to other party work. M. Istvan Kovacs, secretary of the Budapest party committee, and M. Jozsef Mekis, president of the Central Council of Trade Unions, were elected members of the Political Committee, and M. Laszlo Piros, Minister of the Interior, was elected an alternate member of the latter committee.

The Central Committee's resolution of April 14 accused M. Nagy of representing "political points of view which stand in sharp contradiction to the general policy of our party and to the interests of the working class, the working peasantry, and the people's democracy"; of impeding the development of heavy industry and co-operative farming, and of trying to "push into the background and cloud over the leading role of the party." "These anti-Marxist, anti-Leninist, anti-party viewpoints of Comrade Nagy," the resolution declared, "were interconnected and spread to the most varied spheres of political, economic, and cultural life. Nagy's actions caused serious damage to our party, to our people's democracy, and to the whole of our socialist construction."

M. Hegedüs, outlining the Government's policy to the National Assembly on April 19, said that they would "take decisive steps to develop heavy industry," accelerate the development of the basic materials industries, and continue to increase electric power production. The Government would also "continue to help and support the individually working peasants," though he emphasized that "one of the most important tasks" was "to support the socialist sector of agriculture."

Budapest radio announced on April 14 that the Government had resumed its policy of dismissing Civil Servants so that they might be transferred to heavy industry or agriculture. Nearly 200,000 Civil Servants were reported by the Western Press to have been discharged without compensation in 1954 before the adoption of M. Nagy's "new course" economic policy had stopped the process.—(Hungarian News and Information Service, Budapest - Neue Zürcher Zeitung) **(Prev. rep. 14107 A; General Farkas, 13296 A.)**

A. TURKEY - YUGOSLAVIA. — Turkish Ministerial Visit to Belgrade. - Differences between Turkish and Yugoslav Approach to International Situation. - Statements by M. Menderes and M. Kardelj. - Yugoslavia ratifies Agreement on Balkan Constituent Assembly.

M. Menderes, the Turkish Prime Minister, accompanied by M. Zorlu (Deputy Prime Minister and Minister of State) and senior Turkish officials, arrived in Belgrade on May 4 on an official visit. During their stay in Yugoslavia, which lasted until May 9, the Turkish Ministers and officials had extensive discussions with President Tito, M. Kardelj (Vice-President of the Federal Executive Council), and M. Popovich (State Secretary for Foreign Affairs). M. Menderes also visited Zagreb, where he met Dr. Bakarich, the President of Croatia.

A communiqué issued in Belgrade on May 8 said that the talks "offered an opportunity for a frank exchange of views, both on the general international situation and on problems more directly concerning relations between the two countries" It continued. "Special consideration was given to the development of co-operation between Turkey, Greece, and Yugoslavia within the framework of the Ankara and Bled treaties It was observed with satisfaction that this co-operation was developing successfully in all fields, and that conditions exist for its further favourable development Stress was laid on the role played by the Balkan alliance, as well as on its future role as an instrument of peace and security in this region and therefore as a factor for peace in general.

"During the visit it was also confirmed that a mutual desire exists for future development of economic relations, which found concrete expression in the signing of a protocol supplementary to a five-year agreement for the supply of wheat and cotton, and a protocol on the mutual financing of trade exchanges"

Finally, the communiqué said that M Menderes had invited M Kardelj and M Popovich to pay an official visit to Turkey and the invitation had been accepted.

It was observed in the Western Press that differences had, apparently, developed recently between Yugoslavia and Turkey with regard to their attitude towards current international developments. On the one hand, Yugoslavia was seen as showing a certain reluctance to undertake any steps which might appear to give added significance to the Balkan Pact because of her view that international tension had been reduced, and that there was a better prospect for bringing about a settlement of the major issues between the Soviet Union and the Western countries. These tendencies had been evident in the communiqués published at the end of Marshal Tito's visit to India and Burma (see 14040 A) and in the statement made by M. Popovich after the first meeting of the Permanent Council of the Balkan Alliance Treaty (see 14120 A). Turkey, on the other hand, was regarded as adopting a more cautious attitude towards recent developments in Soviet policy, and was thought to lay particular emphasis on extending the close military co-ordination between her, Greece, and Yugoslavia under the Balkan alliance. These differences in emphasis were evident in statements made during the Belgrade meeting.

M. Menderes, in a press statement before leaving Belgrade, declared. "When we concluded the Balkan Pact we were aware that Yugoslavia did not wish to become a member of NATO. We appreciated the reasons for Yugoslavia's point of view, just as we respect the point of view itself. On the other hand, Yugoslavia found it possible to accept Greek and Turkish membership of NATO In this way complete agreement has been reached regarding the specific position of each contracting party

"What I have said about the specific views of Yugoslavia, Turkey, and Greece leads to two interesting results. First, in accordance with the specific position of each country, each of them has its own views on certain problems But this can in no way cause harm to the solidarity of our alliance, since this is something which was foreseen and since the alliance rests on joint fundamental principles. Secondly, the fact that Greece and Turkey are members of NATO, and that Yugoslavia, Greece, and Turkey are members of the Balkan Alliance, creates a brotherly connexion between these two organizations which, in practice, have the same aim; the preservation of peace and the independence and integrity of the countries concerned in view of this fact, there can be no opposition between the two organizations.

"During our conversations we were able to note with profound satisfaction that the aims and foundations on which our alliance is built remain absolutely the same as they were on the first day of our agreement. We have received assurances from the most responsible Yugoslav personalities and have given them our assurances in this matter. Perfect agreement has been reached on fundamentals; certain different diagnoses, different views of world events, are not important—they are of secondary consideration and cannot harm the solidity of the Balkan Pact.

"In conversations with our Yugoslav colleagues, we agreed that the Balkan Pact answers not only a present need for defence and stabilization, but that it should also play a long-term role and be ever more fruitful both to the interests of the countries concerned and to the world in general. This pact in the Balkan area constitutes brotherhood, stability, and security, and will continue to develop."

M. Kardelj, speaking at a luncheon in honour of M. Menderes, recalled that when the Balkan treaty was signed two years ago the world still had plenty of ground for fear that aggression would destroy peace, and that the three countries concerned had united in a determined decision to defend their independence But since those dark days things had changed, and hope in the possibility of a more lasting and secure peace was today more realistically based.

This did not mean, he went on, that the significance of the Balkan alliance had diminished, or that the Yugoslavs contemplated "demobilizing" their exertions to do all that was necessary to strengthen their defences But no effort could be superfluous or too arduous if it held out possibilities of a relaxation of international tension and of peaceful co-existence.

M. Menderes, in reply, agreed that increased co-operation within the Balkan Alliance would establish a useful example of a fruitful and lively community of interest among peoples As regards the Yugoslav appraisal of the international situation and of the new trends in Soviet policy, however, he believed that it would be easy to reach solutions "if the desire for peace really prevailed in the minds of those who had sown fear and were holding the world under threat" Since those persons had created the threat it was they who should remove it Otherwise the peace-loving nations had no alternative but to go on undertaking the necessary defence measures, and for that reason Turkey, while subscribing to the ideas of economic and cultural co-operation, saw the Balkan alliance first and foremost as an instrument not only of Balkan security but of the "wider community" with which Turkish security was associated. "If today nobody is isolated," M. Menderes said, "we owe it to the fact that —aware of neutralist illusions and alive to our national and international responsibilities—we have not failed to undertake individual and collective responsibilities, and to the fact that the countries devoted to the cause of peace have created a peaceful bloc, the NATO"

Discussions between representatives of the Greek, Turkish, and Yugoslav General Staffs on questions connected with the Balkan Alliance had previously taken place in Belgrade in April.

The agreement on the setting-up of a Balkan Constituent Assembly was ratified by the Yugoslav National Assembly on April 24.—(Tanjug Agency, Belgrade - Turkish Embassy, London - Le Monde, Paris) **(Prev. rep. 14126 C; 14120 A.)**

B. AUSTRIA. — Release of Austrians imprisoned in Soviet Union. - Relaxation of Soviet Controls in Austria.

Following the successful Austrian-Soviet negotiations in Moscow, and prior to the signing of the Austrian State Treaty, the Soviet Government informed the Austrian Government on April 24 that, as a token of its wish "to contribute to a further strengthening of friendship and co-operation between the Soviet and Austrian peoples," it would release 613 Austrian prisoners held in the U.S.S.R. A further 74 prisoners would be handed over to the Austrian authorities as "war criminals," whilst another 39 Austrians, who had been sentenced for "active espionage against Russia in the service of foreign intelligence services," would be handed over when the Soviet occupation forces left Austria. An appeal for the release of all Austrians imprisoned in the Soviet Union had been made by Dr. Raab, the Austrian Chancellor, during his visit to Moscow. The first 15 of the released prisoners arrived in Vienna on April 29.

A further conciliatory gesture to Austria was made by the Soviet Union on April 28, when it relaxed controls on Danubian shipping and on personal travel and goods traffic between the Soviet and Western occupation zones of Austria.
(Wiener Zeitung - Neue Zurcher Zeitung) **(14193 A; 14154 A.)**

C. UNITED STATES. — Appointment and Functions of Civil Defence Co-ordinating Board.

President Eisenhower ordered on April 9 the formation of a new board, known as the Civil Defence Co-ordinating Board, to co-ordinate civil defence activities of Federal agencies, and nominated Mr. Val Peterson, the U.S. Civil Defence Administrator, as its head. The President said that a request for the formation of such a board had been made by Mr. Peterson, and asked the Secretaries of Defence, Commerce, Treasury, Health, Education and Welfare, the Interior, and Agriculture, as well as the Postmaster-General and the Attorney-General, to designate top-ranking officials to serve on it. In addition, the Office of Defence Mobilization, the Federal Power Commission, the Veterans' Administration, the Atomic Energy Commission, and the General Services Administration will also be represented on the new board.—(New York Times)
(Prev. rep. Civil Defence, 13025 F; 13174 C.)

D. INDIA. — Opening of Kandla Port.

The new Indian port of Kandla, on the Gulf of Kutch, was officially opened on April 9. Expected to be completed by 1957 at a total cost of Rs.14 crores (about £10,500,000), the new port will serve a hinterland covering 257,000 square miles, with a population of about 45,000,000.—(Indian High Commissioner's Office, London) **(Prev. rep. 13012 C.)**

A. UNITED KINGDOM. — Non-Woollen Textile Industries. - Abolition of Purchase Tax on Household and Piece Goods. - Indian Reduction of Import Duties on British Cotton Textiles.

Sir Anthony Eden announced in the House of Commons on May 3 that, following a visit to India by a mission from the Lancashire textile industry, the Indian Government had agreed to reduce tariffs on imported cotton textiles from their existing level of from 60 to 80 per cent *ad valorem* to an average of 25 per cent. After carefully considering representations from the textile industry regarding the effect of purchase tax on the export of quality textiles, and in order to help the industry to take advantage of the new situation created by the Indian tariff decision, H.M. Government had decided to remove purchase tax altogether from those textile goods on which it had already been reduced from 50 to 25 per cent in the Budget. The combined cost of the two decisions, respectively reducing the tax and abolishing it altogether, would be about £6,000,000 in a full year.

The Prime Minister explained that in 1953 India had raised her tariff against British cotton textiles, whilst in addition retaining a very severe quota restriction. After representations by H.M. Government on both quota and tariffs, the quota restriction had been removed in November, 1954, but the tariff had been retained and had formed "an almost complete barrier to trade." After a visit to India by Mr. Low (Minister of State, Board of Trade) at the end of 1954, arrangements had been made for a visit by the mission from the textile industry, whose work had been backed up by further Government representations. In addition to the new import tariffs there would be a specific duty averaging 5 per cent, but Indian producers would also have to pay this, and the present "substantial and important preference" in favour of British exports, as compared with cotton textile exports from other countries to India, would be preserved.

Sir Anthony added that the Government had also considered the question of the level of imports of duty-free cloth from the Commonwealth, but would be reluctant to take action against imports from India, particularly if it would discriminate against India *vis-à-vis* other parts of the Commonwealth; moreover, special considerations of Colonial policy arose in the case of Hongkong. At the present time and in existing circumstances, therefore, the Government "were not prepared to depart from their long-established arrangements for duty-free entry from the Commonwealth."

The reduction in import duties on cotton textiles from the U.K. was announced in New Delhi by Sir Chintaman Deshmukh, the Indian Finance Minister, on the same day.

Sir Chintaman Deshmukh recalled that in her 1953 Budget, India had raised the import duties on cotton textiles "to a very high level" for revenue considerations. Since then the British Government had repeatedly represented to her that these duties were prohibitive, and that Indian textiles were subject to no import duty at all in the United Kingdom. The Indian Government had therefore examined the whole problem in close consultation with the leading mill owners' associations, and were satisfied that the reduced duties would "cause no damage to the domestic industry"—a view which the mill owners' associations had accepted.

It was stated in the British Press that Indian imports of British cotton textiles had fallen from about 6,000,000 yards in 1952, before the tariffs were raised, to about 3,250,000 yards in 1954, whilst a still further decline had taken place since January, 1955, when the quota system ended.

On March 12 the Indian Deputy Minister for Commerce and Industry stated in the House of the People in New Delhi that exports of cotton textiles to the United Kingdom had increased from 20,350,000 yards in 1953 to 125,190,000 yards in 1954.

Keen disappointment at the limited extent of the concessions announced by the Chancellor of the Exchequer in his Budget speech had previously been expressed by all sections of the British cotton industry.

Mr. W. T. Winterbottom, a member of the Cotton Board and a former past president of the Master Cotton Spinners' Association, complained on April 19 that the halving of purchase tax would affect "neither the irksome procedure of tax collection nor buyers' discrimination against textiles carrying tax," and called for the complete abolition of purchase tax or the scrapping of the "D" scheme. On the same day Mr. L. Wright, general secretary of the Weavers' Amalgamation, described the concessions as "a useless gesture which will do nothing to stimulate the production of better quality goods," and similar criticisms were voiced by the Council of the Cotton and Rayon Merchants' Association on April 20. Sir Raymond Streat, chairman of the Cotton Board, declared on April 25 that the Chancellor had "thrown the cotton industry a sop rather than a lifebelt," and stressed his conviction that "nothing less than cancellation of purchase tax will enable the industry to succeed in its struggle for the export trade." On the same day the National Chamber of Trade, at its annual conference at Scarborough, unanimously passed a resolution calling for "some measure of restriction on imports of Indian and Japanese textile goods," whilst on April 27 the representatives of 21 non-woollen textile organizations likewise strongly criticized the retention of purchase tax and the "D" scheme, as well as the Chancellor's failure to give any tax concession whatever on wearing apparel.

The Government's handling of the cotton situation had also been strongly criticized by Opposition members in the House of Commons on April 22, during the Budget debate.

Mr. Harold Wilson (Lab.), who described the Government's record concerning the cotton industry as "one of delay, confusion, and cynical and callous neglect," accused the Chancellor of the Exchequer of "hoping to buy off Lancashire with a derisory reduction of purchase tax on certain textile piece goods." He asserted that the total tax remission given in the Budget to I.C.I. and Unilever was "almost equal to the £2,500,000 conceded by the purchase tax remission" to the cotton industry; maintained that neither this concession nor the possible success of the tariff negotiations proceeding with India would solve Lancashire's problem, and declared that the basic reason for the cotton industry's misfortunes was "the large importation of Indian goods on conditions which amount to unfair and virtually subsidized competition."

Mr. Butler (Chancellor of the Exchequer) stated in reply that the Government fully recognized that "purchase tax is only one small part of the story," and that "the big problems of Lancashire are concerned with exports and with the imports from certain countries which have been such a threat." He pointed out, however, that at this stage he could not give final answers on these questions pending the conclusion of discussions then proceeding with India, since "any wrong action might result in retaliation against our goods." He promised that the Government would make a further announcement as soon as possible.

Sir Walter Monckton, the Minister of Labour, stated in a Parliamentary reply on April 21 that between Dec. 31, 1954, and Feb 28, 1955, there was a net reduction of 2,000 in employment in the cotton industry, whilst latest information on the cotton-spinning side indicated that there had been a further reduction of about 2,700 during March.—(Manchester Guardian - Times - Daily Telegraph - Treasury Press Office - The Statesman, Calcutta - Indian High Commissioner's Office, London)

(Prev. rep. 14145 A; 13801 B.)

B. JORDAN. — British Grant for National Guard. - Increased American Economic Aid.

It was announced in Amman on Feb. 9, and confirmed in London, that the British and Jordanian Governments had agreed that the time was not appropriate to consider the revision of the Anglo-Jordanian mutual assistance treaty, as had been suggested by Jordan and about which talks had taken place in London in December, 1954. At the same time it was announced that Britain had agreed to make an annual grant of £350,000 for five years (subject to Parliamentary approval) to help finance the Jordanian National Guard.

The Jordanian Prime Minister, Tewfik Abulhuda, said at a press conference on Feb. 9 that two other amendments to the treaty proposed by Jordan remained outstanding - namely, that Jordan should be supplied with fighter aircraft, and that payment of the Arab Legion subsidy of £7,500,000 a year should be made direct to the King of Jordan instead of into the Legion's account in London. It was pointed out in London that whilst the British Government had not agreed to a change in the general control of these funds from British to Jordanian hands, they had promised to consider giving the Jordanian Government greater influence over their specific application. It was also explained that the proposed new grant to the Jordanian National Guard had nothing to do with the Anglo-Jordanian treaty.

The Jordanian Minister of Economy announced on Dec. 22, 1954, that Jordan would receive further U.S. financial aid amounting to $7,200,000, which would be spent on the Yarmuk River hydro-electric and irrigation projects, industrial loans, and road construction. He added that the Government intended to build a petroleum refinery in co-operation with foreign companies.—(Times - New York Times) **(Prev. rep. British Aid, Treaty Revision, 14032 C; U.S. Aid, 13650 C.)**

C. AUSTRALIA. — Opening of Kwinana and Altona Oil Refineries.

The British Petroleum Company's Kwinana refinery, situated on Cockburn Sound, near Fremantle (Western Australia), began operations on Feb. 1, 1955. The refinery, the largest yet built in Australia, has a processing capacity of 3,000,000 tons of crude petroleum annually, and was built at a cost of £A40,000,000.

The Standard-Vacuum Oil Company's expanded refinery at Altona (Victoria) was opened by Mr. Menzies on April 4. The refinery, extended and remodelled at a cost of £A22,000,000, has an annual refining capacity of about 1,125,000 tons of crude oil, and a daily output of nearly 1,000,000 gallons of petroleum products.—(Australian News and Information Bureau)

(Prev. rep. 12314 A; 10614 A.)

A. AUSTRALIA - NEW ZEALAND. — Defence Policy. - Despatch of Air, Sea, and Land Forces to Malaya. - Criticism by Australian Labour Party. - Endorsement by N.Z. Labour Party. - Revision of N.Z. Defence Strategy.

Following their return from the Commonwealth Prime Ministers' Conference in London in February, the Prime Ministers of Australia and New Zealand (Mr. Menzies and Mr. Holland) both announced important changes in their countries' defence policies, involving principally the despatch of forces to Malaya. Mr. Menzies, who made his announcement on April 1, said that the Australian contribution would include an infantry battalion with supporting arms, backed by reinforcements in Australia, a fighter wing of two squadrons, a bomber wing of one squadron, and an airfield construction squadron; and two destroyers or frigates, an aircraft-carrier on an annual visit, and additional ships in an emergency.

The principal changes in New Zealand's defence policy, announced by Mr. Holland on March 24, were the cancellation of her strategic commitments in the Middle East and their replacement by similar obligations in South-East Asia; the acquisition from Britain of a *Royalist*-class cruiser (7,000 tons), which New Zealand would modernize; the despatch of two N.Z. frigates to Malaya, with a possible third should necessity arise, the transfer of a fighter squadron from Cyprus to Malaya and, in addition, the maintenance of half a transport squadron and half a maritime reconnaissance squadron, and the enlistment of a Special Air Service unit for service against the terrorists in Malaya.

Australian Defence Policy.

Mr. Menzies, in making his announcement, said that while the forces to be provided by Australia were not in themselves massive, they would, together with those to be provided by Britain and New Zealand, be "some proof of the seriousness with which we take the Communist threat" He added "They will serve as some guarantee to the people of Malaya that their present orderly progress towards democratic self-government, which enjoys the deep sympathetic interest of Australia, will not be impeded by Communist aggression"

A further statement on the subject was made by Mr Menzies on April 20 when opening a foreign affairs debate in the House of Representatives He announced that since his first statement the Cabinet had agreed that Australia, with Britain and New Zealand, must be ready in the event of war to contribute substantially greater forces to South-East Asia, that their strength had yet to be determined, but that it would probably be of the order of two divisions. Mr Menzies added that he had explained in London that Australian opinion would desire some adequate assurance from the U S Government that, in the event of war, British land forces would have U S support in naval and air power and in the provision of equipment Referring in this connexion to his U S. visit on his return from the Commonwealth conference, Mr Menzies said that he had had important discussions with President Eisenhower and Mr Dulles against this background. The result had been an agreed statement, made with the authority of the U S. President and the Secretary of State, which, he felt, strengthened Australia "enormously in respect of her commitments"

This statement, which Mr Menzies read to the House, contained the following passages. "Our discussions made it abundantly clear that, in the general task of preventing further Communist aggression, the U S A considered the defence of South-East Asia, of which Malaya is an integral part, to be of very great importance It is to be expected that the military arrangements put in train at the recent Bangkok meeting will provide all the Manila Pact member-Governments with more specific information regarding the best means for each country to contribute towards the defence of this area.

"I raised the question whether, in the event of Great Britain, Australia, and New Zealand undertaking to station substantial forces in Malaya, we could be assured that the United States would be prepared to give us effective co-operation I was informed that, though the tactical employment of forces was a matter which would have to be worked out in detail on the services level, the U S.A considered that such effective co-operation was implicit in the Manila Pact.

"I inquired further whether, because of the deficiencies in military equipment which have inevitably arisen from the very great pressure which exists upon our resources of money, men, and materials, we might hope to be able to look to the U.S.A. for military supply on some basis to be arranged. I was assured that, having regard to what the Americans knew so well about Australia's attitude and fighting capacity, they would be happy to take this matter up with our officials upon the basis of an accurate assessment of our deficiencies and consideration of the ways and means whereby the equipment position may be improved

"In brief, I feel assured of complete co-operation between our two nations in the defence of common security, and in resistance to any further acts of Communist aggression."

On foreign policy in general, Mr. Menzies said that Australia's main objectives were: (1) to seek peace with justice, (2) in case of war, to have "powerful and willing friends"; (3) to defend not only Australia's own rights but those of others; (4) to raise living standards of under-privileged nations; (5) to "live and let live" in internal affairs.

With regard to Formosa, the Australian view was that the problem should be resolved by peaceful means. The offshore islands presented a more difficult case, because their unconditional abandonment would not only intensify the truculence of the Communists, but could also impair the morale of the non-Communist Chinese in Formosa and South-East Asia and of free peoples throughout the area In these circumstances, he added, it was not surprising that U S policy should have been expressed in guarded, even ambiguous, terms

Dr. Evatt, the Leader of the Opposition, reiterated the Labour Party's opposition to the despatch of troops to Malaya, which had already been expressed by the Party's conference at Hobart (see 14178 A) Speaking in the resumed debate on April 27, he said that his party believed that the use of Australian armed forces in Malaya, whether for garrison duty or jungle fighting, would gravely impair Australia's relations with Malaya It would be 'an act of folly which could easily be misrepresented as an act of aggression," and would be "resented by the Malayan masses as an unwarrantable intrusion" He dismissed as "unconvincing" the argument that Malaya was an area in which Australia must engage militarily in wartime, saying that it was far better to train Australian troops for war in Australian territory—which extended to the Equator—and to transport them by air if war came

The establishment of a strategic reserve for Australia 2,000 miles from Australian shores, he went on, was certain to be regarded as a "provocative act," and he asked whether it would be right for Communist China to establish a strategic reserve in Indonesia to meet possible aggression from Australia The trouble about advance allocation of substantial military forces outside Australia was that other nations might follow Australia's example Dr Evatt also asserted that Mr Menzies had been "studiously vague" about the recruitment of the proposed two divisions for Malaya in the event of war, and asked whether the Government proposed to introduce compulsory military service or not

Mr. Casey, the Minister for External Affairs, rejected as "nonsense" the assertion that there would be resentment anywhere in Asia at the stationing of Australian troops in Malaya, and declared that there was a "red thread of isolationism" running through the fabric of the Labour Party's foreign policy programme. He stated that there would soon be a Malayan in the office of the U K. High Commissioner in Canberra, and that the Australian Government had decided to open an office in Kuala Lumpur to strengthen relations with Malaya **Mr. Joshua,** leader of the new anti-Communist Labour party (see 14178 A), agreed that the despatch of troops to Malaya was the logical course to follow

At the end of the debate on May 5 a Labour amendment rejecting the Government's proposal to send Australian troops to Malaya was defeated by 55 votes to 43 The Government was supported in the division by four members of the anti-Communist Labour party.

New Zealand Defence Policy.

Mr. Holland, in his statement, declared that "we as a country can no longer operate and function as though we were observers of a world situation, quite content to call our men up and train them once war has broken out, and in the meantime leaving a great deal of the burden of maintaining peace to the Mother Country" "Today," he said, "because of her exertions in the last war, Britain is hard pressed She has her forces spread around the world, and I believe we must lend a hand and play a part" The switching of New Zealand's commitments from the Middle East to the Pacific, which had been asked of her at the Commonwealth conference, was to be commended "from every point of view." This change would involve obligations, and whilst it would be unwise to go into them in detail, the Government had recommended raising one infantry division with accompanying armour, artillery and other ancillary units required.

With regard to the Navy, Mr. Holland argued that the danger of invasion of New Zealand was "negligible" and could be said to be "almost non-existent," but that the submarine risk in any future war would be "considerable" New Zealand at present had two cruisers, one of which was very old, and the Government had been considering whether to get another frigate or two to replace this old cruiser. At his talks with the Admiralty in London, however, he had been advised to have a completely reconditioned cruiser of the *Royalist* class with 5.25-in guns rather than the two frigates, and this is what he had recommended to the Government The ship was being given to New Zealand by Britain, but New Zealand would pay the cost of reconditioning, estimated at about £4,000,000. The sending of two N Z frigates to Malaya would give crews the opportunity for service in conditions which the Navy would be likely to meet if New Zealand were involved in war

Referring to the transfer of the N.Z. fighter squadron from Cyprus to Malaya, which he had first announced when he was in Malaya at the end of February, Mr. Holland said that it would actually be based on Singapore. It was equipped with *Vampires* and would serve alongside an R.A.F. squadron of the same type.

On the question of conscription, Mr. Holland declared: "I believe that we can carry out everything we are considering and everything we have been asked to do without any reduction by voluntary means, but I say as emphatically as I can that, if I felt that we ought to have conscription in peace-time to carry out our obligations to save our country, I would not hesitate for a fraction of a second to recommend the Government to take that step. Meanwhile, I believe we have sufficient volunteers to carry out the programme. . . As for the money, we cannot afford not to do those things. Our security is too important for us to consider cutting down because we cannot afford those things for the moment."

In conclusion, Mr. Holland announced that New Zealand would probably be asked to double her investment in the Wairakei heavy water project; that the Government had decided that N Z should have special representation in South-East Asia in view of the greatly increased importance of the area and the changed situation in international affairs; and that he had insisted, as a condition of undertaking the new commitments, that they should be automatically reviewed in two years' time

Mr. Walter Nash, the Leader of the Opposition, welcomed the proposal for New Zealand representation in South-East Asia, but thought that her representation in Japan ought to be on a higher level than a *Chargé d'Affaires* He did not disagree with the new defence commitments announced by Mr Holland, though he criticized the fact that the Labour Party had not been consulted first.

Mr. Macdonald, the Minister of Defence, giving further details of the Special Air Service Squadron, said that it would be formed from selected volunteers from the Regular Army and from new enlistments, but would be enlisted for the normal Regular engagement of five years or for a special engagement of three years One squadron would be formed in the first instance, which would involve recruiting 150-200 men. As training proceeded and enlistments were received, consideration would be given to the formation of a further squadron

It was announced in Wellington on March 28 that the New Zealand fighter squadron in Malaya would be equipped with the latest *Venom* jet aircraft by about the midle of 1956. A subsequent announcement about the Special Air Service Squadron said that over 600 men had already volunteered, at least half of whom had selected the longer period of five years.

The Government's decision to send military aid to Malaya as part of New Zealand's responsibilities in Commonwealth defence was unanimously endorsed by the annual conference of the N.Z Labour Party on May 18, the resolution adding as a condition that "steps are taken to give self-government to the people of Malaya as soon as possible, and that the wealth of Malaya be used to improve the living standards of the Malayan people." Mr. North, chairman of the party, said in his annual report to the conference that no objection could logically be raised to New Zealand helping Britain to remove Communist terrorist activity, which was the biggest stumbling-block to Malaya's progress towards self-government and development.—(Australian News and Information Bureau - Directorate of Information Services, Wellington - Times - Manchester Guardian) **(Prev. rep. 14038 A.)**

A. INTERNATIONAL LABOUR ORGANIZATION. — Venezuelan Withdrawal from I.L.O.

The Venezuelan Government announced on May 3 that it would withdraw from the International Labour Organization, and at the same time protested against the premature termination of the fifth session of the I.L.O. Petroleum Committee, which had opened in Caracas on April 25.

The incident arose out of a speech made on the opening day by Mr. Adrian Vermeulen (Netherlands), who represented the workers' group on the I.L O. Governing Body delegation to the Petroleum Committee This speech, in which Mr. Vermeulen criticized labour conditions in Venezuela and appealed to that country to allow trade unions to operate freely and to release imprisoned trade union officials, gave offence to the Venezuelan Government, which declared Mr. Vermeulen *persona non grata* and ordered his deportation to Curaçao. In spite of representations by the Director-General of the I.L.O. (Mr David A. Morse), who pointed out the repercussions which might follow from such treatment of a delegate to an international conference, President Jimenez of Venezuela insisted that his Government had acted in accordance with its rights and that Mr. Vermeulen could only be permitted to return subject to certain conditions In the circumstances the I.L.O. Governing Body decided on May 2 that the session be adjourned indefinitely, and announced that it would fix a date and place for resuming it later elsewhere.

Under the I.L.O.'s constitution, a withdrawal from the Organization becomes legally effective after two years.

(U.N. Information Centre, London - New York Times)

B. TANGANYIKA. — New Constitution.

Tanganyika's new Constitution came into effect on March 24, when special Gazette notices were published outlining the Constitutional amendments and giving the names of both official and unofficial members of the new Legislative Council.

The new House will consist of 61 members, of whom 31 will be on the Government side and 30 on the unofficial side The Government side will include 12 non-officials—four Europeans, four Africans, and four Asians—and the unofficial side will have parity representation of the three main communities · 10-10-10. Arab interests will be represented by the Asian members.

An interesting innovation was the appointment as an unofficial member by the Governor of Sir Eldred Hitchcock, who—with an Arab member and an African member also selected by the Governor—will represent the special interests of Tanganyika as a whole, as distinct from the other members on the unofficial side who will represent the eight separate Provincial constituencies and the municipality of Dar-es-Salaam.

(Times - New Commonwealth) **(Prev. rep. 14032 A.)**

C. INDIA. — The Untouchability (Offences) Act.

The Untouchability (Offences) Bill, which laid down penalties for discriminatory treatment on grounds of caste, received its third reading in the House of the People on April 28 and in the Council of States on May 2, the voting in both Houses being unanimous. Pandit Pant (the Home Minister), moving the Bill in the House of the People, pointed out that Indian criticism of racial segregation and discrimination abroad was weakened by the survival of untouchability at home, and that it was difficult for India to advocate racial equality in South Africa "when many of our own people in our own country are not treated with respect."

Under the Bill as finally adopted, the following offences were made punishable by imprisonment or a fine of Rs. 500 for a first offence, and by imprisonment for up to six months for a second offence: prevention of the right to enter places of worship or any shop, public restaurant, place of entertainment, or public conveyance, prevention of the right to practise any profession, refusal to admit persons to hospitals or to sell goods or render services; molestation or annoyance of persons on caste grounds; and the encouragement in any way of the practice of untouchability. The onus of proving innocence rested in each case with the accused person The House of the People adopted a number of amendments adding to the list of disabilities made punishable, among such disabilities being the enforcement of a custom whereby in certain areas "untouchable" women are not allowed to wear jewellery and personal ornaments

The adoption of such legislation had been recommended in the report for 1952 of the Commissioner for Scheduled Castes and Scheduled Tribes (Mr. L. M. Shrikant). This report stated that, in spite of the abolition of "untouchability" under the Indian Constitution, the measures against untouchability adopted by the State Governments had not proved very effective as the scheduled castes had neither the courage to report cases of discrimination to the police nor the money to take cases to the courts. The report gave the number of "untouchables" as 51,343,898, and noted that untouchability existed mainly in rural areas, where the people were illiterate and tradition-ridden. The only States free from untouchability were Assam, Manipur, and Tripura; in West Bengal the scheduled castes were "considered socially low," but untouchability was not practised as such.

In a subsequent report presented to Parliament on Sept. 2, 1954, Mr. Shrikant complained of lack of co-operation from many of the State Governments, only 16 of which had agreed to keep records of villages where untouchables suffered from social disabilities, whilst none of the States had adopted his proposal that free legal aid should be granted to untouchables in cases arising from denial of rights conferred upon them by the Constitution. Rejecting the contention of the Governments of Madhya Pradesh, West Bengal, Travancore-Cochin, Bilaspur, and Delhi that no cases of untouchability had occurred in their States, he pointed out that in the first three States cases had been reported to the police, and that a large number of unreported cases occurred practically every day.

The Government of Saurashtra launched an official campaign in 1954 for the eradication of untouchability, and on Oct. 11 announced that five grants of Rs. 1,000, to be used for the improvement of public services, would be awarded to the villages making the most valuable contribution towards the removal of the social disabilities of untouchables. The Bombay Government announced on Nov. 6 that it would grant Rs. 20 a month to any high-caste Hindu who undertook to keep one low-caste child as a member of his family.

In his report for 1954, presented to the Indian Parliament on May 4, 1955, Mr. Shrikant emphasized the remarkable progress which had been made in educating both the scheduled castes and the scheduled tribes, and stated that grants by the Centre to the State Governments for the welfare of both classes had proved very successful. Among new measures to promote the welfare of the scheduled castes, he proposed to submit a housing scheme involving expenditure by the Central Government of up to 50,000,000 rupees (£3,750,000) in the first instance.

(The Hindu, Madras - The Statesman, Calcutta) **(11120 D.)**

D. ARGENTINA - URUGUAY. — Resumption of Diplomatic Relations.

Diplomatic relations between Argentina and Uruguay, which had been broken off after the dispute between the two countries in 1953 over Argentine claims to the Falkland Islands (see 12664 C), were resumed on April 19, 1955, on which date the respective Ambassadors of the two countries took up their posts in Montevideo and Buenos Aires.

(Bank of London and South America, Fortnightly Review)

E. BURMA - JAPAN. — Peace Treaty in Force.

The peace treaty between the Union of Burma and Japan, signed in Rangoon on Nov. 5, 1954, came into force on April 16, when instruments of ratification were exchanged in Tokio.

(Burmese Government Information Department, Rangoon)

(Prev. rep. Peace Treaty, 13921 A.)

MAY 21—28, 1955

A. ITALY. — Election of President Gronchi.

The Italian Senate and Chamber of Deputies met in joint session on April 28 to elect a new President of Italy in succession to President Luigi Einaudi, whose seven-year term of office expired on May 11. The membership of the electoral Assembly totalled 843, divided by parties as follows. Christian Democrats, 377; Communists and Left-wing (Nenni) Socialists, 295; Monarchists, 54; Italian Social Movement (neo-Fascist), 37; Social Democrats, 23; Liberals, 17; Republicans, 7, others, 23; representatives of the autonomous Regions, 10.

The first three ballots, in which a two-thirds majority (i.e. 562 votes) was required for the successful candidate, were inconclusive. Only a fourth ballot on April 29, in which a simple majority (i.e. 422 votes) was sufficient, resulted in the election of Signor Giovanni Gronchi (Christian Democrat), the President of the Chamber of Deputies, as the new President of the Italian Republic.

Detailed voting figures in the four ballots (which were secret) were as follows:

	First ballot	Second ballot	Third ballot	Fourth ballot
Sig. Gronchi (Christian Democrat)	30	127	281	658
Sig. Merzagora (Independent)	228	225	245	—
Sig. Einaudi (Liberal)	120	80	61	70
Sig. Parri (Socialist)	308	—	—	—
Sig. Segni (Christian Democrat)	12	18	14	—
Sig. De Caro (Liberal)	—	—	12	—
Others	23	24	7	11
Invalid votes	5	2	2	2
Blank papers	89	332	195	92

The highest number of votes in the first ballot was thus cast for Signor Ferruccio Parri (one of the leaders of the Resistance movement during the war, and Prime Minister in 1946), who was the candidate of the Left-wing Socialists and was also supported by the Communists and Left-wing Independents. He withdrew his candidature, however, after the first ballot. Signor Cesare Merzagora (President of the Senate), who stood as an Independent, had been nominated by the Christian Democratic leadership but was opposed by the opposition group within the party known as the *Concentrazione*; for this reason he fell, in the first ballot, 149 votes short of the total voting strength of the Christian Democrats. The Social Democrats and Liberals voted throughout for Professor Einaudi, the outgoing President, who was also believed to have been supported in the first and second ballots by a number of the dissenting Christian Democrats.

The split in the Christian Democratic ranks continued in the second and third ballots, making it impossible for Signor Merzagora to obtain the required majority. Meanwhile, Signor Gronchi forged steadily ahead and in the third ballot emerged with the largest number of votes, although the Christian Democratic leadership under Signor Scelba (the Prime Minister) and Signor Fanfani (the party's general-secretary) had opposed his candidature from the beginning. After the third ballot the Christian Democratic leaders suggested to Signor Gronchi that he should withdraw his candidature to make possible Signor Merzagora's election; however, when it became clear that Signor Gronchi would continue to have the support not only of the Left-wing parties but of a large number of Christian Democrats, the party leadership decided on April 29 to adopt him as its official candidate. Signor Merzagora thereupon withdrew, thus making it possible for Signor Gronchi to obtain an overwhelming majority in the fourth and final ballot.

Signor Giovanni Gronchi (67), the second President of the Italian Republic, was born in Pisa, the son of a book-keeper. He studied at Pisa University, where he specialized in classical languages and in literature, played an active role in Roman Catholic youth and trade union organizations, and was a pioneer of the formation of Christian trade unions in Italy. After serving with distinction in the First World War, he was among the founders of the Italian Popular Party (Catholic) in 1919, collaborated closely with its leader, Don Sturzo, and in the same year was elected a deputy. He subsequently became secretary-general of the Confederation of Christian Workers, and was appointed Under-Secretary for Industry and Trade in the Cabinet formed by Mussolini in October, 1922, on the eve of the Fascist march on Rome. After the murder of Matteotti, Signor Gronchi was among those Opposition deputies who resigned their seats in Parliament in protest against Mussolini's dictatorship. Throughout the 20 years of the Fascist regime he devoted himself exclusively to business life, and played no part in politics.

During the Second World War he joined the Italian Resistance movement, and in 1943 became (with the late Signor De Gasperi) one of the two Christian Democrat representatives in the central committee of the Committee of National Liberation. He eluded capture by the Gestapo during the German occupation of Rome. After the liberation of Rome (June, 1944) he was a member of the two Bonomi Ministries and the Parri Ministry (1944-45), holding the portfolios of Industry, Commerce and Labour, and subsequently joined the first De Gasperi Cabinet (1945-46) as Minister of Industry and Commerce. Signor Gronchi was elected in 1946 to the Constituent Assembly, in which he became chairman of the Christian Democratic parliamentary group, and since 1948 had been a member of the Chamber of Deputies, representing the Tuscan constituency embracing Pisa and Leghorn. He had been President of the Chamber of Deputies since its formation in 1948, and is widely known in Italy as one of the country's leading political orators.

One of the founders of the Christian Democratic Party after the Second World War, Signor Gronchi realized the importance for the Christian Democrats of gaining the support of the Italian working-classes by a progressive social policy. Prior to his election as President of the Republic, he was the recognized leader of the party's extreme Left-wing. A practising Roman Catholic, he has always been strongly opposed to Communism, and was instrumental in bringing about the secession of the Christian trade unions from the *Confederazione Generale Italiana del Lavoro* after the general strike of July, 1948, because of the domination of the C.G.L.L. by the Communists. On the other hand, in contrast to the official party policy, Signor Gronchi has for many years advocated the inclusion of the Left-wing Socialists, led by Signor Nenni, in the Government coalition as the most effective means of ending their present political co-operation with the Communist Party.

Whilst opposing the E.D.C. Treaty, Signor Gronchi has always expressed himself in favour of European union and even of some sort of European federation, he supported Italy's adherence to the North Atlantic Treaty, but has always stressed that the sovereignty and independence of the members of NATO must be "totally preserved." He has advocated general disarmament and, on account of his independent views, has even been accused by his political opponents of pacifism and neutralism. Because of his strong opposition to the present party leadership headed by Signori Scelba and Fanfani, he had been excluded from the national council and the executive committee of the Christian Democratic Party at the last party congress held at Naples.

Signor Gronchi was sworn-in as President of Italy at a joint session of both Houses on May 11.

Addressing the joint session, President Gronchi placed principal emphasis on Italy's social policy, and stressed that the country's main task was to improve the living conditions of the Italian people. "The forces of labour must not be forgotten," he declared, "and there must be closer collaboration between the Government and these forces." The main problems, he said, were to reduce unemployment, to increase production, to strengthen the currency, to continue the development of Southern Italy, to adhere to the faithful application of the Constitution, and to realize social justice. Condemning the concentration of wealth and monopolies, he declared that private enterprise should remain but that it "must go hand in hand with justice and the freedom of man", at the same time, however, he gave a warning against any excessive extension of the economic power of the State, and declared that private and public initiative should be complementary. Finally, President Gronchi stressed Italy's adherence to the community of free peoples, and declared that she would faithfully carry out the international commitments into which she had entered.

On May 10 the Chamber of Deputies had elected Professor Giovanni Leone (Christian Democrat) as its new President in succession to Signor Gronchi.

Signor Leone (47), a professor of law and author of many legal works, had previously been the senior Vice-President of the Chamber. His election, which was on a first ballot and by a majority of 311 votes to 213, was supported by the Christian Democrats, the Liberals, the Monarchists, and the Italian Social Movement, whilst the Opposition candidate, Signor Targetti, had the support of the Nenni Socialists and the Communists; 26 Social Democrats and Republicans cast blank votes. The election of Professor Leone was regarded as another success for the *Concentrazione*, which had originally proposed his candidacy—a suggestion accepted by the party leadership.

Signor Scelba tendered the resignation of his Government to President Gronchi on May 12, but was asked by the President to continue in office. It had previously been stated that the Government had decided that its resignation would only be "a simple, formal, dutiful act of homage" to the new head of State; that no constitutional requirement existed imposing a "substantial" resignation (which would have necessitated negotiations for the formation of a new Government); and that the Cabinet had also taken note that the coalition parties had expressed themselves in favour of continuing their present collaboration. On the previous day the national executive of the Christian Democrats had appealed to the other two coalition parties (the Social Democrats and the Liberals) to remain in the Government coalition. Although the Social Democrats had earlier threatened to withdraw unless certain of their policy demands were accepted, the party's directorate decided on May 12 by 16 votes to four, with one abstention, to remain in the Government and to continue the policy of "democratic solidarity" with the other governmental parties.

(Giornale d'Italia, Rome - Corriere d'Informazione, Milan)

(Prev. rep. Presidential Election, 9295 A.)

A. UNITED STATES. — Atomic Weapon Tests in Nevada. - Appointments to Atomic Energy Commission.

A further series of atomic weapon tests was carried out by the U.S. Atomic Energy Commission at the proving grounds in the Nevada desert between Feb. 18 and May 15. A number of the later tests were attended by Sir William Penney, director of the British Atomic Weapons Research Establishment at Aldermaston, and other British and Canadian scientists and service officers, this being the first occasion for a number of years that British scientists had been invited to watch any such tests. The tests, of which there were 14, are described below.

(1) A nuclear device was dropped from a high-flying *B-36* bomber on Feb. 18 in a test involving about 35 major experiments concerned with weapons and civil defence. It produced a relatively small explosion and only a slight flash was seen at Las Vegas, 60 miles away. No noticeable shock effect was felt.

(2) The second explosion, described as "a standard size shot of medium explosive force," was set off from the top of a 300-ft. steel tower on Feb 22. Experts estimated that it had an explosive force of 15,000-20,000 tons of T.N T. (compared with 25,000 tons equivalent in the Hiroshima and Nagasaki bombs), but the flash was nevertheless seem more than 400 miles away in San Francisco and Oakland, California, and the blast was felt and heard in St George, Utah, some 135 miles from the test site. Troops were deployed in trenches some two miles from the explosion to get experience of possible warfare in atomic conditions, and aircraft were flown in simulated operations about the area after the explosion.

(3) Another atomic device of undisclosed type was detonated from a 300-ft. tower on March 1 After the explosion—the flash of which was seen nearly 500 miles away—troops who had been entrenched two miles away moved into the blast area to inspect vehicles, dummies, and weapons which had been exposed to its effects. Some 40 aircraft were also employed, most of them on technical or training missions

(4) The largest explosion of the series so far, equivalent to some 35,000 tons of T N T., was detonated from a 500-ft. tower on March 7, the flash being seen over 800 miles away. The A.E.C. announced that 40 experiments had been conducted in connexion with the test, including military, civil defence, and "diagnostic" or purely scientific studies. More than 100 aircraft took part in observing the test, but troops who were to have taken part in manoeuvres afterwards had to evacuate the area owing to the possibility of radio-active fall-out following a change in wind direction.

(5) A small atomic device, with a force equivalent to about 5,000 tons of T.N.T., was exploded from a 300-ft. tower on March 12 above a cloud of artificial smoke The experiment was designed to test the theory that the thermal radiation from an atomic explosion could be greatly reduced by laying an artificial smoke-screen, and mice were used in the area of the explosion No troops participated in the test.

(6) A small device, with an estimated force equivalent to 10,000 tons of T.N.T., was exploded from a 500-ft. tower on March 22. A military exercise simulating a beachhead landing was held in connexion with the explosion, 2,000 Marines who were in trenches about two miles away moving up to attack less than 10 minutes after the explosion. More than 100 aircraft took part in the operation

(7) The first underground explosion of the series was set off on March 23 to try out the newly-developed "satchel" charges. [With a force equivalent to 1,000 tons of T.N.T , the "satchel" charge can be carried by one man.] No details of the test were officially released.

(8) and (9). Two atomic devices were tested on March 29, the first time that more than one had been detonated in one day. The first device, a large one equal to that exploded on March 7, was detonated from a 500-ft. tower, while the second, a much smaller device, was dropped from a high-flying aircraft some five hours later and exploded at an undisclosed height. No details were released.

(10) The first test observed by British and Canadian officials took place on April 6, when an air-to-air guided missile was released by a *B-36* bomber. Its atomic warhead exploded at some 30,000 ft. into a pattern of smoke trails laid earlier by fighter planes to represent attacking enemy squadrons.

(11) A small atomic device, of undisclosed force, was detonated from a 300-ft. tower on April 9. No troops participated in the test, but a number of aircraft were employed in training crews and gathering data.

(12) A larger atomic device, with an estimated force equivalent to 25,000 tons of T.N.T., was exploded from the top of a 400 ft. tower on April 15. Three pilotless planes took part in the test, two flying directly into the fireball and one skirting around it. Some 40 other experiments were carried out at the same time, one of which tested the effects of blast on landing-strips.

(13) The largest and most comprehensive test of the series was carried out on May 5, when a large atomic device was detonated at the top of a 500-ft. tower. The test was planned jointly by the A.E.C., the Defence Department, and the Civil Defence Administration; troops and civil defence workers participated, and a large number of press correspondents were invited to witness the explosion. For the purpose of the test a dummy town, representing a typical American community, had been built on the test site, complete with cars, food, dummy figures in various types of clothing, and different types of shelters. The main objective was to determine how far from a nuclear burst critical damage ended, what materials and what methods of construction were most suitable, and how fast repairs could be carried out to maintain essential services.

Subsequent inspection of the area showed that although two two-storey houses (one brick and one timber), 4,700 feet from the tower, had been completely smashed and had collapsed into their cellars, their bomb-shelters—a built-in first floor type and a cellar wood-beam type—were unscathed. Two nearby one-storey houses at the same distance from the tower—one made of cinder blocks and the other of pre-cast concrete slab—remained standing after the explosion, and a radio station incorporated in one of them worked as soon as current was restored; nevertheless, all the windows were blown in and furniture was thrown about. Tins of food, fresh, canned and frozen, were in the buildings, but even in those closest to the explosion there seemed to be no damage from blast or radiation which would prevent their being eaten immediately.

Of three different types of one-storey metal industrial buildings placed 6,800 feet from the detonation, only one escaped with little damage On one, 0.026-inch-thick sheet aluminium was ripped from the steel frame like paper; another, made of ¼-inch steel panels without a frame, was completely destroyed; the third, made of ¼-inch steel in vertical fluted panels bolted together, withstood damage almost entirely. Three duplicate industrial buildings at a distance of 15,000 feet received only slight damage, and one-storey houses at a distance of two miles from the explosion, duplicating those on the forward line, suffered about the same amount of damage in broken windows and scattered furniture as the nearer ones. Three types of outdoor concrete shelters were tested at distances from 2,250 to 3,750 feet, but these could not be inspected by correspondents afterwards as they contained secret equipment. Dogs, mice, rats, rabbits, and guinea pigs were placed in the shelters and in other containers at various distances, primarily to test the effects of the explosion on organisms of different weights, but only one animal was reported to have been killed. The protective value of white or light clothes was demonstrated, coloured garments at some distance from the explosion being scorched and white ones undamaged A huge tank, tubular in shape, holding 15,000 gallons of highly inflammable liquefied petroleum gas, was hardly scratched although less than a mile from the explosion.

Apart from the civil defence aspects of the test, troops in "Patton" *M-48* tanks were deployed in the open less than two miles from the explosion, and advanced in a simulated attack four minutes after the detonation had taken place. The periscopes of the tanks were retracted and all vents sealed. Sixty aircraft, fighters and bombers, also took part, some being engaged in collecting data and others in mock bombing and strafing attacks.

Altogether, the test involved 72 major experiments, of which 46 concerned civil defence and the remainder military tactics and weapons development.

(14) The final test of the series (the 45th to be made at the Nevada testing site) was made on May 15 when a large atomic device, estimated to be at least equal in size to any of the series, was detonated from a 500-ft. tower. About 25 experiments were associated with the test, and supersonic planes participated for the first time No details were released.

The Defence Department announced on May 17 that a small atomic device had recently been detonated in the eastern Pacific Ocean by a small task force under the direction of Rear-Admiral Monsen. An earlier announcement of May 9 had stated that such a test would take place in the near future in order to obtain information essential to the development of defence against submarine attack.

Mr. Allen Whitfield, a Des Moines lawyer, was nominated by President Eisenhower as a member of the A.E.C. on March 16, and Brigadier-General Kenneth E. Fields as general manager of the Atomic Energy Commission in succession to Major-General Nichols on April 13.—(New York Times - New York Herald Tribune) **(Prev. rep. Tests, 13120 A; A.E.C. 13946 A.)**

B. COMMUNIST CHINA. — Trade Agreement with Japanese Businessmen.

A trade agreement between Communist China and a group of Japanese businessmen was signed in Tokio on May 4 by Lei Jen-min, Chinese Vice-Minister for Foreign Trade, and Mr Shozo Murata, chairman of the Japanese Council for the Promotion of International Trade. The agreement (which has no official or binding character since the Japanese Government—which does not recognize Communist China took no part in the negotiations) provided for exchanges of goods to the value of £30,000,000 in each direction. It was generally considered, however, by Japanese business circles outside those which had negotiated the agreement, that actual exchanges would be considerably less than envisaged, in view of the fact that a large proportion of the goods wanted by the Chinese were on the international list of embargoed strategic goods. Goods which China hoped to buy from Japan included steel plates for ships, railway equipment, heavy machinery, and generators (all on the embargoed list), fertilizers, chemical products, textile and printing machinery, vehicles, optical instruments, and electrical equipment. Japan's main imports from China, it was stated, would be salt, soya beans, rice, iron ore, and coal. (Times - New York Times)

A. SOUTH AFRICA. - INDIA - PAKISTAN. — Abandonment of Talks on Position of Indians in South Africa. - Mr. Strydom's Reply to Mr. Nehru's Condemnation of "Apartheid" Policy.

Mr. Louw, the South African Minister of External Affairs, announced on April 24 that, as a result of recent public statements by Mr. Nehru attacking the Union Government and its racial policy, the South African Government had been obliged to abandon an attempt to discuss with India and Pakistan existing differences on the question of the Indians living in South Africa.

The statements by Mr. Nehru to which the South African Government took exception were made in the foreign affairs debate in the Indian House of the People on March 31 (see 14187 A), and at a public meeting in New Delhi, when Mr. Nehru said: "Let the South African Government forget about Communism and anti-Communism and learn some decency . . . This fantastic skin policy is very dangerous in the present-day world."

The breakdown of the proposed talks was announced on the same date (April 24) in New Delhi. At the same time the Indian and South African Governments released the text of messages exchanged between them, and the South African Government also released the messages it had exchanged with the Government of Pakistan

The correspondence related to the resolution adopted by the ninth session of the U N General Assembly on the status of the Indian community in South Africa, which suggested (*a*) that India, Pakistan, and South Africa should try to solve this matter by direct negotiation, (*b*) that they should designate a Government agency or person to facilitate contacts between them and assist them in settling the dispute, and (*c*) that if no agreement had been reached on this suggestion within six months, the U N Secretary-General should designate a person for the above purposes (see page 13998).

Following the U N resolution, the South African Government informed the Governments of India and Pakistan on Dec. 17, 1954, that while it denied the right of any other Government to concern itself with the question of the Indians in South Africa, it remained willing—as in the past—to discuss the matter with India and Pakistan outside the United Nations "on the clear understanding that such a discussion will not affect South Africa's legal position," since South Africa regarded the question as one of solely domestic concern and outside the purview of the U N. Organization

The Government of India, replying on Jan 14, 1955, said that it had always been ready to discuss this problem "in a spirit of co-operation and friendliness," and agreed to the proposed discussions "without prejudice to the stand taken by either Government on the question of domestic jurisdiction" At the same time it reiterated its view that the problem was not one of purely domestic concern to South Africa, and that it also concerned India The Pakistani Government replied to South Africa in similar terms

The South African Government, on Feb. 4, contested the Indian stand on the question of domestic jurisdiction, and stated that, if India insisted on it, the South African Government would be unable to participate in the discussions To this, India replied on Feb 26 that if the South African Government insisted on its attitude, India could only conclude that it was "not serious about holding any discussion"

On April 7 the South African Government told the Government of India that after its (the South African) reply to the latest Indian Note had been drafted, its attention had been drawn to Mr. Nehru's speeches in which he had condemned racialism in South Africa; the South African Government therefore asked for an official confirmation of these declarations This was given by the Indian Government on April 11, whereupon the South African Government replied on April 21 that, from what had admittedly been said by Mr. Nehru, it concluded that the Government of India was "deliberately attempting to wreck the proposed discussions initiated by South Africa" and that, in the circumstances, it was "regretfully obliged to abandon the attempt to discuss the differences in an amicable spirit"

The South African Government accordingly informed the Governments of India and Pakistan on April 24 that it could not proceed with the proposed discussions. The communication to Pakistan stated that India bore sole responsibility for the breakdown of the talks

On April 18 the South African Prime Minister, Mr. Strydom, replied to Mr. Nehru's attacks on South Africa's *apartheid* policy, and in turn strongly denounced the Indian Prime Minister.

Mr. Strydom said that Mr. Nehru had used "language of the greatest hostility against South Africa," but that in his [Mr. Strydom's] view Mr. Nehru's attack was only "a small part of his eventual aims." He alleged that South Africa was "only one stage of Mr. Nehru's ambitions", that Mr. Nehru's objective was "to drive all Europeans out of Asia and also out of Africa"; and that he [Mr Nehru] regarded Africa as an area for the disposal of India's surplus population.

The White race in Southern Africa (Mr. Strydom continued) would have to act to protect its European civilization and make its maintenance in Africa possible. South Africa alone in isolation could not maintain White civilization, and if the White man was to remain in Africa it could only be as the result of co-operation with other African States "We must have the greatest understanding and co-operation between the different White communities in Southern Africa," Mr. Strydom went on, "and that is what we are working for, that is part of our Africa policy. At the moment there is not always the same point of view on these matters, but we are trying our best to maintain contact with the different European peoples in Africa If war were to break out between East and West, or between Western countries and Communist countries, it is obvious that the Mediterranean would immediately be closed All ships would have to travel round the Cape, and South Africa would find herself involved in the maelstrom whether we wished it or not. For this reason it is obvious that in matters of this kind we must always maintain the closest co-operation"

Mr. Strydom concluded "The idea of a partnership between Europeans and non-Europeans is a mirage Today the White man is the developed race with all the power in his hands, but if the non-Europeans develop—and they will develop, however long it takes—it is obvious that the day must come when the millions of non-Europeans will be the dominant race They will take the place of the White man in the partnership Therefore I say with emphasis that the only hope for the White man to maintain himself, while at the same time assuring fairness to the non-Europeans, lies in the policy of separate development It is in that direction that we in South Africa are going, and it is this policy which we should urge on neighbouring countries in Africa"

Replying on April 26 to the South African Government's latest message, the Government of India rejected any responsibility for the failure of the attempt to start discussions. The reply pointed out that India had "openly and persistently" criticized the treatment of non-Europeans in the Union for many years, and said that as the South African Government had not halted its "oppressive measures" pending the proposed talks it was "unreasonable" to expect the Government of India to refrain from criticism of these measures during the interim period. It added "The Government of India can therefore come to the only conclusion possible, namely, that South Africa does not wish to co-operate in the implementation of the U.N resolution."—(Cape Times - State Information Dept., Pretoria - Indian High Commissioner's Office, London) **(Prev. rep. U.N. Resolution, 13993 A; Mr. Nehru's Speech, 14187 A; Indo-South African Relations, 13656 B.)**

B. JAPAN. — Settlement of Japanese War Debt to Siam. - Reparations Agreement with Burma in Force.

It was announced in Tokio on April 9 that agreement had been reached with the Siamese Foreign Minister, Prince Wan Waithayakon, on Siamese claims against Japan in connexion with the issue of yen military scrip to the Japanese occupation forces in Siam during the Second World War.

Under orders of the Japanese occupation authorities, the yen military scrip had had to be exchanged for the Siamese baht on a one-for-one basis, and at the end of the war the Siamese Government was thus left with large amounts of yen scrip which became worthless after Japan's surrender Moreover, even a one-for-one repayment by Japan would not have fully compensated Siam because the yen itself had since been greatly devalued in relation to the baht, which now has an exchange rate of 20 to the dollar as compared with 360 yen to the dollar. Siam accordingly claimed $375,000,000 (U S) as compensation from Japan

Under the agreement Siam accepted $41,666,666 in final settlement of her claim. Of this amount, Japan agreed to pay the equivalent of $15,000,000 in £ sterling over a five-year period, and to supply Siam with capital goods, services, and credits up to 9,600,000,000 yen, or about $26,666,666.

The settlement with Siam represented the second important step in Japan's adjustment of her relations with countries occupied by her during the war, following her recent reparations agreement with Burma which came into force on April 16, simultaneously with the Burmese-Japanese peace treaty.
(New York Times - Burmese Government Information Department, Rangoon) **(Prev. rep. 14212 E; 13921 A.)**

C. SCOTLAND. — Local Elections.

Municipal elections (in which one-third of the councils came up for re-election) took place on May 3 in 98 Scottish cities and burghs, the Labour Party suffering a net loss of 13 seats. Labour retained control in Glasgow (where there were five Progressive gains), Aberdeen, and Dundee, whilst the Moderates retained control in Edinburgh, where there was one Labour gain.

Scottish county council elections took place on May 12 with no changes in political control. Labour retained control in Midlothian, Lanarkshire, Ayrshire, Fife, West Lothian, and Stirlingshire, and anti-Labour parties (Moderates or Progressives) in the other Scottish counties.
(The Scotsman, Edinburgh) **(Prev. rep. 14208 A; 13609 A.)**

A. OBITUARY. — Professor Albert Einstein.

Professor Albert Einstein, the greatest scientist of modern times and the originator of the "special" and "general" theories of relativity, died on April 18 at Princeton, New Jersey, U.S.A. He was 76 years of age

Albert Einstein, of German-Jewish parentage, was born at Ulm (Wurttemberg) on March 14, 1879, the son of a small manufacturer of electrical equipment Attracted from an early age to scientific studies, and in particular to theoretical physics, he studied at the Swiss Federal Polytechnic at Zurich, became a Swiss citizen in 1901, and in the following year obtained a post as technical assistant in the Swiss Patent Office in Berne In 1905, when only 26 years of age, he became famous in scientific circles throughout the world with the publication of his Special Theory of Relativity In this theory Einstein showed that a proportional relationship existed between matter and energy, and that one was convertible into the other under certain conditions The mass-energy equation subsequently became the basic law of atomic transformation and is of daily application in the field of nuclear physics; e g, the working of synchrotrons and other "atom-smashing" machines depends directly on its use In addition to the Special Theory of Relativity, Einstein published in the same year (1905) important speculations which were subsequently to exercise a decisive influence on the modern quantum theory of light

Einstein became a lecturer in the University of Berne in 1908, and from 1909 to 1913 held professorships in the Universities of Prague and Zurich. In the latter year he was appointed Director of the Kaiser Wilhelm Institute of Research Physics in Berlin, Professor of Physics in the University of Berlin, and a member of the Royal Prussian Academy of Science, posts which he continued to hold until 1933 In 1916 he published his General Theory of Relativity, a vast and complex theory, expressed in complicated mathematical formulae, dealing with such cosmological problems as gravitation, the nature of light, and the relationship between space and time These theories led to such new cosmological conceptions as the "bending" of light, the "curvature" of space, and the "expansion" of the universe The divergencies between the planetary theories based on Einstein's equations and those based on the classical theory of Newton are all extremely small, but in one case—the slow changes in the orbit of Mercury—Einstein's theory provided an explanation which had never been found by Newtonian principles. In 1919 Einstein's conception of the "bending" of light rays from distant stars was verified by the work of British astronomical expeditions.

Strongly anti-militarist, and for the greater part of his life a convinced pacifist, Einstein refused during the First World War to sign a manifesto in which 92 of Germany's leading scholars and intellectuals expressed their support for the policy and war aims of the Imperial German Government. During the inter-war years he travelled and lectured extensively in Europe, America, and the Far East; was awarded the Nobel Prize for Physics in 1922; and was honoured by many learned societies (including the Royal Society in London, which awarded Einstein its Copley Medal in 1925) and universities, including Oxford A supporter of Zionism and of the concept of the Jewish National Home, he collaborated with Dr. Weizmann (subsequently the first President of Israel) in establishing the Hebrew University of Jerusalem.

After the Nazis came to power in Germany in 1933, Einstein was dismissed from his academic posts in common with all other Jewish scholars and scientists His property was confiscated and his scientific works were burned in the notorious "book-burning" campaign organized by Goebbels' Propaganda Ministry. He lived for a few months in Belgium and Britain before going at the end of 1933 to the U.S A., where he had been invited to take up a professorship at the Institute of Advanced Studies at Princeton University. In 1940 he became a naturalized American citizen.

At the outbreak of the Second World War, advances in nuclear physics had already made the atomic bomb a theoretical possibility. In a letter to President Roosevelt in 1939, Professor Einstein and a number of eminent American physicists drew attention to this fact, gave a warning that Germany was believed to be carrying out experiments along these lines, and laid stress on the consequences for the world if Nazi Germany should succeed in perfecting an atomic weapon before the United States. These representations, among other considerations, led to the subsequent establishment of the secret atomic bomb project by the U.S. Government and to the eventual production of an atomic bomb as a result of the successful fission of the uranium atom—a discovery to which Einstein's mass-energy equation of 1905 pointed the way. Modifying his pacifist convictions after the outbreak of war, Einstein worked during the war years as "staff member extraordinary" of the U.S. Navy's Ordnance Bureau, carrying out research work on explosives.

After the war Einstein returned to the Institute of Advanced Studies at Princeton and was a member of its staff until his death. Strongly opposed to the post-war atom-bomb experiments at Bikini, he headed in 1947 an Emergency Committee of American Scientists (see 8345 A) which aimed at enlightening public opinion on the implications and dangers of atomic warfare, and which urged the international control of atomic energy and the abolition of atomic and all other forms of warfare. In 1952 he declined an invitation to become the second President of Israel following the death of President Weizmann (see 12665 A).

In 1949 Einstein published a Unified Field Theory, based on intricate mathematical equations, which attempted to explain the relationships of all physical laws, and in particular to find a mathematical link between gravitational effects on the one hand and those of electricity and magnetism on the other This theory still remains to be proved or disproved by experiment. In addition to his scientific works, Einstein was the author of books and essays on philosophy and on problems of the modern world Throughout his life he was prominently identified with many humanitarian causes, particularly on behalf of refugees from Nazi persecution He was twice married, first to a Serbian lady by whom he had two sons, the marriage being dissolved, and secondly to his cousin, Elsa Einstein, who died in 1938 and by whom he had two daughters.

The following tribute to the late Professor Einstein was issued from the White House in Washington on April 18 by President Eisenhower

"For 22 years the U S.A had been the freely chosen home of Albert Einstein For 15 years he had been a citizen of the United States Americans welcomed him here Americans were proud, too, that he sought and found here a climate of freedom in his search for knowledge and truth No other man contributed so much to the vast expansion of 20th-century knowledge. Yet no man was more modest. . To all who live in this nuclear age, Albert Einstein exemplified the mighty creative ability of the individual in a free society"

Similar tributes to the life and work of Albert Einstein were paid in many countries. In Britain, a broadcast tribute was paid by Bertrand Russell, the eminent philosopher; Lord Adrian, O M., President of the Royal Society, described Einstein as "one of the great men of our time" and "for many years the leading figure in the world of science"; Sir John Cockcroft said that the scientific world had lost one of its greatest personalities; and Sir William Penney declared that Einstein could be compared "with our own Sir Isaac Newton."

It was announced in London on May 14 that a 28-mile-wide crater on the moon would be named the Einstein Crater in honour of the famous physicist. The suggestion that one of the lunar craters should be named after Einstein had been made by the U.S Naval Observatory in Washington, which had asked Dr. H. Percy Wilkins, director of the Lunar Section of the British Astronomical Association, to choose the crater. Dr. Wilkins, an authority on selenography, had accordingly chosen a large lunar crater situated near the Newton Crater.
(New York Times - New York Herald Tribune - Times - Daily Telegraph - Manchester Guardian)

B. WESTERN GERMANY. — Federal Aid to West Berlin. - Four-year Reconstruction Plan.

Following discussions held in West Berlin on April 26-27 between the City Senate and the "Economic Cabinet" of the Federal Government headed by Dr. Adenauer, it was announced that agreement had been reached on Federal aid for a four-year reconstruction plan for West Berlin covering the years 1955-59.

The programme provided for an expenditure of 1,600,000,000 DM ($133,000,000) out of E.R.P. counterpart funds and from other Federal sources. It envisaged the creation of 100,000 new jobs to relieve unemployment (at present totalling 175,000), the building of 75,000 low-rent dwellings, measures for the preservation of existing housing, increased investment in Berlin's industries, and the development of the city's communications. The communiqué added that the Federal Government and the West Berlin Senate were determined to further and develop the city's cultural life "to enable it to fulfil its task of preserving and strengthening the spiritual unity of the German people and to maintain its cultural community with the other free peoples" For this purpose it had been decided to develop West Berlin's scientific, artistic, and educational institutions with the help of the Federal Government.

Dr. Suhr, the Chief Burgomaster, stated after the meeting (which was the first formal session of members of the Federal Government to be held in West Berlin) that the city continued to need economic aid because unemployment was four times as high as in Western Germany and productivity only half as high. Among its cultural needs were the restoration of its Opera House and the building of an assembly hall.

The financing of the four-year plan will be additional to the normal economic aid given to Berlin by the Federal Government, which has averaged about 600,000,000 DM. annually and is classified as a defence charge.

In the Paris agreements the Federal Government had reiterated the undertaking, given at the time of the signing of the Bonn conventions, in which it promised, *inter alia*, to aid the city in economic reconstruction and in the achievement of a balanced budget; to provide essential supplies and raw materials; to take all measures to maintain and improve Berlin's communications with the Federal Republic; and to help the city in meeting the exceptional burdens arising out of the influx of refugees from Eastern Germany.
(Frankfurter Allgemeine Zeitung - Der Tagesspiegel, Berlin)
(Prev. rep. Federal Aid, 12225 A, page 12229; U.S. Aid for Berlin, 13914 B.)

A. PAKISTAN - AFGHANISTAN. — Afghan Protests against Incorporation of Pathan Areas in West Pakistan. - Demand for Free "Pakhtoonistan." - Attacks on Pakistani Embassy in Kabul and Afghan Consulate at Peshawar. - Closing of Pakistani Consulates in Afghanistan. - State of Emergency proclaimed by Afghan Government. - Acceptance of Egyptian, Saudi Arabian, Iraqi and Turkish Mediation Offers in Afghan-Pakistani Dispute.

The Prime Minister of Afghanistan (Sardar Mohammed Daud Khan), in a broadcast on March 29, protested against the Pakistani Government's proposal to incorporate the Pathan areas of the tribal territory and the North-West Frontier Province in the Province of West Pakistan, and gave a warning that such a step would lead to "grave consequences." A formal Note protesting against the proposed merger of territory of "occupied and free Pakhtoonistan" in the new Province was presented in Karachi on March 30 by the Afghan Minister in Karachi, Sardar Rafiq, but was rejected by the Pakistani Government on the ground that the unification of West Pakistan was a purely internal matter.

Large-scale demonstrations against the Pakistani Government's policy and in favour of the formation of an independent Pathan State (variously referred to as "Pakhtoonistan," "Pathanistan," and "Pushtunistan") occurred in Kabul on March 30, during which a crowd—largely composed of students—attacked the Pakistani Embassy, According to Kabul radio, the police intervened when the demonstrators tried to tear down the Pakistani flag, and fighting ensued in which 12 policemen and 35 demonstrators were injured, 20 of the latter being arrested, the Government subsequently banned all demonstrations and ordered the police to shoot at sight to maintain order. Pakistani official sources, on the other hand, alleged that the Embassy had been stoned for three hours without the police making any attempt to intervene, that the police had helped to pull down and tear up the Pakistani flag, that the rioters had broken into the Embassy and the Ambassador's residence, injured four members of the staff, wrecked office equipment and furniture, and looted property; and that the houses of two members of the Embassy staff had also been attacked and one of them ransacked. On March 31 the Pakistani Consulate at Kandahar was stoned by Afghan demonstrators, whilst on April 1 the Consulate at Jalalabad was attacked and two members of the staff injured.

The riots led to widespread protest demonstrations throughout Pakistan, during one of which the Afghan Consulate at Peshawar was attacked on April 1. The Afghan Embassy in Karachi alleged that demonstrators had been responsible for tearing down and burning the Afghan flag, burning official documents in the street, and carrying off large sums of money, but the Pakistani Government claimed that the police had prevented the demonstrators from approaching the Consulate, and that the raid had been the work of "12 Afghan nationals," all of whom had been arrested.

In a broadcast on April 1, the Pakistani Prime Minister (Mr. Mohammed Ali) declared that "the ruling junta in Afghanistan talks of the 'Pakhtoonistan' stunt in order to divert the Afghan people's attention from the autocratic nature of their own régime," and emphasized that Pakistan would "tolerate no interference by any country whatsoever in her domestic affairs." He added: "We shall not rest content until an *amende honorable* is made for the sacrilege committed against our national flag, and proper restitution made for the insult and damage caused to our honour and prestige."

Mr. Mohammed Ali rejected on April 1 an apology for the Kabul incident tendered by the Afghan Government, and demanded that the Pakistani flag should be hoisted and saluted at a military parade in Kabul. Notes of protest against the attacks on their respective Consulates were exchanged by the Pakistani and Afghan Governments on April 4, the Afghan protest, however, being rejected as "unwarranted" by the Pakistani Government on the ground that the Afghan charges had, on investigation, been found "imaginary, baseless and false." Protests against the attack on the Pakistani Embassy in Kabul, as a serious violation of diplomatic privilege, were also handed to the Afghan Government on April 4 by the British, U.S., and Turkish Governments, and on April 6 by the Turkish Ambassador, acting as *doyen* of the Diplomatic Corps in Kabul.

On April 12 the Pakistani Government rejected the Afghan reply to its protests as inadequate and unsatisfactory, and called on the Afghan Government to furnish the assurances and explanations requested. A second Note of the same date stated that Afghan tradesmen had been forbidden to serve members of the Pakistani Embassy staff, and that the Afghan Government had refused to renew the visas and licences of Pakistani tradesmen in Kabul, and demanded the immediate removal of these restrictions. In view of the "disturbed conditions" in Afghanistan, the Pakistani Government subsequently ordered the evacuation of the families of its diplomatic personnel; offered evacuation facilities to all Pakistani nationals who wished to leave the country; and announced its decision to close down its Consulate at Jalalabad.

The Afghan Government informed the Pakistani Government on April 29 of its willingness to offer an unqualified apology for the attacks on Pakistani diplomatic missions, to pay compensation for property looted or damaged, and to make amends for the insult offered to the Pakistani flag, on condition that similar amends were made for the insult offered to the Afghan flag at Peshawar. This offer was rejected by Pakistan, and Mr. Mohammed Ali announced in a broadcast on May 1 that because of the "unsatisfactory" Afghan reply, his Government had decided to close down both the Jalalabad and Kandahar Consulates, to demand the closing of all Afghan Consulates and trade agencies in Pakistan, and to expel their staffs from the country.

Following the delivery of a Pakistani ultimatum calling on Afghanistan to make "adequate amends" by May 15 or "face the consequences," the Afghan Government proclaimed a state of emergency on May 4 and ordered all men between 25 and 32 who had performed military service to report within 48 hours; after registration, however, they were allowed to return home to await further orders. It was also announced in Kabul that the Afghan Minister in Karachi was being recalled.

In a statement on May 11 after returning from a tour of the North-West Frontier areas, the Pakistani Minister for States and Frontier Regions (Major-General Mirza) accused the Afghan Government of "sabre-rattling," and declared "We regard the Afghan Government's claim to sponsor the 'Pakhtoonistan' stunt as an interference in Pakistan's internal affairs, and we shall fight for the maintenance of the Durand Line as our national boundary with Afghanistan There can be no compromise on this issue" Referring to the Afghan mobilization measures, he said "Mobilization is generally a prelude to war Are the rulers of Afghanistan so mad as to contemplete an attack on us? I say with all the emphasis at my command that Pakistan desires nothing but a happy, prosperous and strong Afghanistan We have no desire to shoot at our Afghan brothers, and it will be an unhappy day for us if we are compelled in self-defence to draw our sword."

Sardar Mohammed Daud Khan, in an interview with the *Sunday Times* correspondent in Kabul published on May 8, maintained that Pakistan's refusal to negotiate on the subject of "Pakhtoonistan" lay at the heart of the disagreements between the two countries, and stated that his Government would nevertheless "continue to support the lawful claims of the Pathans." Questioned as to the possible economic results of the closing of the Pakistani frontier, he observed "If we are in a room with only one outlet, and that outlet is closed, we will have to make ourselves another outlet by breaking a window" (i e Afghanistan would seek closer economic relations with the Soviet Union)

Mediation offers by Egypt, Saudi Arabia, Iraq, and Turkey, designed to help alleviate the acute tension between Pakistan and Afghanistan, were accepted between May 12 and 14 by the Pakistani Government. In accepting these offers, however, the Pakistani Government made the reservation that the use of those countries' good offices in finding "an honourable settlement acceptable to both sides" would relate only to the incidents in Afghanistan, which had resulted in "flagrant violation of the diplomatic immunities of Pakistani missions and insult and indignity to the Pakistan flag," and that Pakistan would not agree to the discussion of "any issues affecting her sovereignty or territorial integrity." The Iraqi and Saudi Arabian mediation offers were also accepted by Afghanistan, and Prince Saud bin-Abdur Rahman, an uncle of the King of Saudi Arabia, arrived in Kabul on May 14 for talks with King Zahir Shah, Sardar Mohammed Daud Khan, and Shah Mahmud Khan (a former Prime Minister and uncle of the King of Afghanistan) On May 16 Prince Saud bin-Abdur Rahman flew to Karachi, where he saw Mr. Ghulam Mohammad (the Governor-General of Pakistan), Mr. Mohammad Ali (the Finance Minister), and Dr. Khan Saheb (the Communications Minister). The Iraqi Government announced on May 15 that it had appointed as mediators Abdul Qadir Gailani, its Minister in Karachi, and Ibrahim al-Rawi, its Minister in Kabul.

A Commonwealth Relations Office spokesman stated in London on May 5 that, in the British Government's view, the tribal territory was part of Pakistan; that the Durand Line, which was agreed upon as the boundary between Afghanistan and British India in 1892, formed the boundary between Afghanistan and Pakistan, and that Pakistan had inherited the areas which were under British administration before 1947. (Pakistani High Commissioner's Office, London - Times - Sunday Times) **(Prev. rep. 14039 D; "Pakhtoonistan," 11077 A.)**

A. UNITED KINGDOM. — Increases in National Insurance Benefits and War Pensions. - The National Insurance Act. - Reports of Government Actuary and of Phillips Committee.

Increases in pensions and national insurance benefits came into effect between Feb. 15 and May 19. The increases, aimed at raising basic rates by at least 50 per cent above those prevailing in 1946, had been announced in the House of Commons by Mr. Osbert Peake, the Minister of Pensions and National Insurance, on Dec. 1, 1954, when he estimated the cost of the increases in national insurance benefits at about £120,000,000 in a full year, including £80,000,000 for higher retirement pensions Contribution rates in respect of employed persons, Mr. Peake stated, would be raised by 2s. weekly, of which 1s. would be payable by the employer and 1s. by the employee. Taking into account these higher contributions, the net annual cost to the Exchequer would be about £25,000,000 initially, but would increase rapidly thereafter. The increases in war pensions would cost about £15,000,000 in a full year. Details were as follows :

National Insurance Benefits.	New Weekly Rates	Old Rates
(1) Retirement pensions, unemployment and sickness benefits (single person)	40s. 0d	32s. 6d
(standard rates) (married couple)	65s 0d	54s. 0d
Widows' pensions .	40s. 0d.	32s 6d
Dependent child allowance (including family allowance, where payable)	11s 6d.	10s. 6d

Widows' allowances (first 13 weeks of widowhood) were raised to 55s. 0d., and allowances (where payable) for adult dependants to 25s 0d. Maternity and Home Confinement grants were raised to £10 and £4 respectively. Maternity allowance was increased to 40s. 0d. and Guardian's allowance to 18s. 0d

(2) Industrial Injury Benefit and 100 per cent Disablement Benefit :		
(a) Pensions (single person)	67s 6d	55s. 0d.
(married couple) .	92s 6d	76s. 6d
(b) Widows' pensions ..	45s. 0d	37s 0d.

Widows' allowances, dependent child allowances, and allowances to adult dependants were increased to the same level as N I. Benefits.

National Assistance.		
Scale rate for Married Couples .	63s. 0d.	59s. 0d.
Scale rate for Single Persons ..	37s. 6d.	35s. 0d.
War Pensions.		
100 per cent Disablement Pensions	67s 6d	55s. 0d.
Pensions for War Widows with Children and War Widows over 40 . ..	52s. 6d.	42s. 0d.

In addition (Mr. Peake explained) there would be increases in the special allowances paid to seriously disabled men ; proportionate increases in smaller disablement assessments ; and an increase in the " constant attendance " allowance from 25s to 30s. weekly, or from 50s to 60s. weekly in more serious cases. Men whose war disabilities prevented them from working would have their unemployment supplements increased from 35s to 45s. weekly, and, with their 100 per cent disablement pensions, would therefore receive at least £5 12s 6d. weekly instead of £4. 10s. as hitherto. After announcing that there would also be increases in the rates for war widows' children and for orphans, Mr Peake stated that the changes in war pension rates would not require legislation to bring them into operation, and would come into effect in February, 1955.

Reviewing the rates and amounts of benefit, the Minister stated that the increases in prices since 1946 would suggest increases in pension rates of about 5s for single persons and 6s. 6d. for married couples, bringing these rates up to 37s 6d and 60s. 6d However, as there was no scientific way of deciding what benefit rates it would be appropriate to provide under an insurance scheme, the selection of rates must in the last resort be a matter of judgment. In the circumstances, he had come to the conclusion that all benefit rates should be increased in approximately the same proportion and ought to provide some margin over the amounts strictly required to maintain the 1946 standard.

The National Insurance Bill, giving effect to the above-mentioned increases in National Insurance benefits, was given an unopposed second reading by the House of Commons on Dec. 9, 1954.

Mr. Peake, moving the second reading, explained that the Government had delayed bringing forward their proposals until the House had had an opportunity of considering the reports of the Government Actuary and the Phillips Committee (see below), whose work formed part of a wider non-statutory review of the National Insurance scheme which was now proceeding.

Dealing first with the " rather qualified recommendation " of the Phillips Committee that the pension ages should be raised, Mr. Peake announced that the Government had not accepted this proposal. He explained that after close study of the matter (which had first been raised by Mr. Gaitskell, then Chancellor of the Exchequer, in his 1951 Budget speech) he had become " more and more sceptical " about any saving to the fund, or gain to the economy, which might result. Indeed he was " pretty confident " that increased claims for sickness and unemployment benefit by elderly people would virtually—and might wholly—cancel any advantage claimed for such a step. " Let no whispering campaign begin that it is the secret intention of the Government to raise the age," he added " Such a campaign would only cause needless alarm and eventually rebound on the heads of those who started it "

Turning to the pensions proposals in detail, Mr Peake explained that in fixing new rates of benefit the Government had taken the 1946 level, added 50 per cent, and rounded the figure off in an upward direction , the increases thus arrived at compared with a rise of only 44 per cent in the cost of living figure since 1946 By contrast, when the Labour Government left office in 1951, benefits, with one single exception, remained the same as in 1946, although the cost of living index had already risen by 33 per cent Defending the proposed increases in contribution rates, he stressed that " no responsible person " advocated the abolition of the contributory principle, and that that principle had been endorsed by the Labour Party and the T.U C as well as by the Phillips Committee The Bill would increase the Exchequer supplement to the ordinary contribution from 1s 6d. to 1s 10d., or by a higher proportionate amount than the increases payable by employers and workers. In this connexion, Mr. Peake recalled that when the Labour Government introduced their National Insurance Bill in 1951 (see 11583 A), their original proposal was to reduce the Exchequer grant from one-fifth of the total contribution to one-sixteenth, but in view of strong parliamentary protests the existing rate of one-seventh had then been adopted as a compromise

Mr Peake concluded by giving the following figures to show how contributors would be affected by the proposed changes :

(1) Benefit rates would be 22-23 per cent above the present rates and 54 per cent above those for 1946, but contribution rates would be only 17 per cent above present rates and 33 per cent above 1946

(2) Under the Bill, contributions would represent only 3.2 per cent of the average worker's pay packet, compared with 3.9 per cent in 1946.

(3) The capital value of pensions under the Bill would be as follows : single man at 65, £1,050 ; married man at 65, £2,150 ; woman aged 60, £1,450.

(1) The most that anyone, even together with his employer's contribution, could have paid into the fund today was £140. In 20 years' time the most that anyone could have paid into the fund would be £700.

These figures, he claimed, showed " what a fine bargain " national insurance still was, and he did not believe that contributors would object to paying the extra 1s. imposed on both sides by the Bill. The British people remained deeply attached to a system which provided benefits as of right, rather than gifts and grants subject to a means test. With the new benefits provided for in the Bill, with growing numbers earning higher pensions by deferring their retirement, and with the growth of occupational insurance schemes, the country could look forward to a steady, progressive diminution in the numbers dependent on National Assistance subject to a means test.

Although the Opposition criticized certain aspects of the Bill, it accepted it as " an interim measure."

Dr. Edith Summerskill (Lab.), who called for a more comprehensive Bill in 1956 to deal with important structural changes in the National Insurance scheme, criticized the failure to restore the Exchequer contribution to its pre-1951 level of one fifth (which, she said, would have enabled the increase in workers' contributions to be fixed at " nearer 1d. than 1s."). She asserted that the net result of the present proposals would be that " the very poorest in the community will fare the worst," and urged the Minister to cut down the six months' delay in implementing the increases. **Mr. Douglas Jay** contended that the normal standard of living index did not apply to old-age pensioners, in whose weekly bills the cost of food (which had risen by 65 per cent since 1946) bulked larger than with most people. He also complained that the Bill went too far in putting the cost on the contributor rather than on the Exchequer ; that by raising workers' and employers' contributions far above the actuarial figure, the Minister was departing from the principles of the 1946 Act ; and that private pension schemes, which usually gave better benefits than the State scheme but benefited only a minority, were being virtually financed by rebates from direct taxation to the extent of £70,000,000 to £80,000,000 annually i.e., by almost as much as the Treasury would be contributing under the Bill for the much larger number of pensioners under the National Insurance scheme.

Mr. Aneurin Bevan advocated that the principle of the maintenance of the value of money should be built into the system of social security, and also thought that there should be a special price index for the old and sick because the narrow range of commodities consumed by them had risen more than the general range. Arguing that " the universality of social security completely destroys its insurance character," he maintained that the revenue for social security should be found " in the simplest, cheapest, and most equitable way : that is, by taxation." **Mr. James Griffiths** (a former Labour Minister of National Insurance) said that the Opposition were anxious that the Bill, which they regarded as a purely interim measure, should go on the Statute Book as soon as possible.

Mr. Iain Macleod (Minister of Health), winding up the debate, said that the Government recognized that the Bill would not solve all pensions problems, and agreed that many matters ought to be " discussed in a reasonable non-party manner " with a view to obtaining a measure of agreement on fundamental principles.

In the Committee stage (Dec. 13-14) the following Opposition amendments, among others, were defeated : (a) to drop the proposed increase in industrial injuries contributions ; (b) to provide that there should be no increase in contributions whatever, and that the gap between contributions and benefits should be closed by the Exchequer ; (c) to restore the Exchequer supplement to the National Insurance Fund to one-fifth ; (d) to ensure that employed married women should receive the same benefits as men and single women.

The Bill received a third reading on Dec. 14, and after passing through the House of Lords (second reading, Dec. 20) received the Royal Assent on Dec. 22, 1954.

As the increase in old-age pensions led to certain anomalies in the case of parents receiving dependants' war pensions because their sons had been killed in the Services, the Government announced on May 2 that the basic means standard applied to such parents would be raised from 50s to 60s where only one parent was living, and from 75s. to 90s. where both were living. Mr Peake explained that parents' war pensions, designed to replace the contribution which it was assumed that the serviceman could have made towards his parents' upkeep if he had survived, had been on a needs basis since 1922, and that the basic means standards, which were 40s (one parent living) and 60s (two parents living) in 1946, had been raised to 50s. and 75s respectively in 1952. The latest increase would affect about 4,000 pensioners, its cost could not be estimated accurately, but the 1952 increase had cost a little over £200,000 a year.

To remove another anomaly, the Financial Secretary to the Treasury (Mr. Henry Brooke) stated on May 5 that the Chancellor of the Exchequer was making arrangements to deal with all cases where the Pensions (Increases) Act (see 13769 B) might operate so as to bring about a reduction in pensions slightly greater than the improvement in national insurance benefits made by the latest National Insurance Act.

The first quinquennial review by the Government Actuary (Sir George Maddox) of the working of the National Insurance scheme, referred to by Mr. Peake, was published as a Blue Book on Dec. 1, 1954.

The report estimated that if the National Insurance scheme were to continue in its present form, and assuming that there was no material change in the birth, unemployment, and mortality rates, or in the average age of retirement, the annual outlay on the scheme would increase from £535,000,000 in 1954 to £667,000,000 in 1959, £740,000,000 in 1964, £812,000,000 in 1969, and £917,000,000 in 1979, £665,000,000 of the last-named amount being in respect of retirement pensions. On the other hand income from personal and employers' contributions would be virtually the same at the end of the 25 years, having in the meantime dropped from £184,000,000 in 1954 to £473,000,000 in 1959 and risen gradually thereafter to £483,000,000 in 1979. As a result, the cost to be borne by the Exchequer would rise steadily from £87,000,000 in 1956 to £325,000,000 in 1969 and £434,000,000 in 1979.

The report explained that these figures were based on the assumptions (*a*) that the number of contributors would not change greatly (over the full 25 years the number of women contributors might diminish by about 750,000 and the number of men contributors increase by about 1,000,000), (*b*) that the number of retirement pensioners would grow steadily from 4,320,000 (1,430,000 men, 2,890,000 women) in 1954 to 7,590,000 (2,710,000 men, 4,850,000 women) in 1979. Although the population over pensionable age would go up by only 40 per cent, the actual number of pensioners would increase by nearly 80 per cent, since classes hitherto excluded from insurance would qualify for pension from July 1958.

Reviewing the working of the scheme from July 1948 to March 1954, the Government Actuary stated that outlay had totalled £2,491,000,000 and income £3,004,000,000, compared with the 1946 estimates of £2,725,000,000 and £2,726,000,000 respectively The main reason for the difference had been the fact that unemployment had averaged only 1½ per cent instead of the 8½ per cent allowed for, resulting in a saving of £456,000,000 on benefits and an addition of £212,000,000 to contributions The balance in the National Insurance Fund had grown in the same period from £892,500,000 (£109,000,000 in the Fund itself and £783,000,000 in the reserve) to £1,405,000,000, but the rate of increase had slowed down considerably since the passing of the 1951 National Insurance Act The Blue Book explained that not only had the Acts of 1951, 1952, and 1953 resulted in an increase of about £200,000,000 in benefits and a reduction of about £120,000,000 in income, but they had also greatly increased future liabilities under the scheme As a result, the present excess of income over expenditure was only a temporary feature which would soon change to a deficit, this deficit was likely to increase to £190,000,000 by 1964-65 and to £364,000,000 by 1979-80.

A report by the Government Actuary on the Financial Provisions of the National Insurance Bill implementing the Government's pension increases was also published on Dec. 1.

It stated that the Government's proposals would add about £2,500,000,000 to the capital liability of the Exchequer to the N I scheme, about £700,000,000 of this being for persons already paid, representing about £160 per pensioner. The capital value of future pensions and other benefits would be increased by the proposals to about £29,000,000, against which the value of future contributions by insured persons and employers would be raised to £17,000,000,000, leaving a net liability on the Exchequer of £12,000,000,000 for benefits other than pensions at present being paid.

The report of the Phillips Committee on the Economic and Financial Problems of the Provision for Old Age, also referred to by Mr. Peake, was published on Dec. 3, 1954. This committee, composed of actuarial and financial experts under the chairmanship of Sir Thomas Phillips (formerly Permanent Secretary to the Ministry of Pensions), had been appointed by the Chancellor of the Exchequer in July, 1953. Its principal recommendation was the raising of the pension ages for men from 65 to 66, and for women from 60 to 61, after an interval of five years. The report is summarized below.

Stressing that the present cost of national pensions fell far short of the pension rights that would eventually have to be met, the report pointed out (*a*) that the cost of retirement pensions was expected to double by 1979, (*b*) that, at the existing rates of benefit, pension expenditure would rise 2½ times as fast as the number of elderly persons, and (*c*) that if the whole of the prospective deficit on national insurance fell on the Exchequer, the State would have to find not £70,000,000 as at present, but about £430,000,000 In 25 years' time the Exchequer would thus have to bear one-half of the total expenditure on national insurance benefits and a still higher proportion of the expenditure on retirement pensions alone If the tax revenue of the State still stood at the level of five to six per cent of the national income, at which it had stood at the turn of the century, there would be less difficulty in providing for large additional expenditure on the social services. But it was quite another thing to heap such expenditures on top of existing Budget liabilities when no less than 30 per cent of the national income already found its way to the Government in taxation.

After saying that the additional £430,000,000 which would ultimately have to be found to meet the deficit in the National Insurance Fund, if conditions and benefits remained as at present, represented "nearly as much in command over real resources as the entire national Budget in the years after the Boer War," the report continued "To mortgage this sum towards meeting additional pension liabilities would be to limit severely the scope of any other increase in Government expenditure that might have to be faced in future, or to reduce equally severely the chances of a reduction in taxation Yet if the deficit is not met from taxation it will have to be borne by the community in some other way"

The provision for pensions which it would be possible to make in future (the report continued) would depend largely on the nation's ability to increase its total production and so add to its total income. An increase in productivity of about 1½ per cent annually over the next 25 years (as might reasonably be looked for) would be "by far the most important factor tending to ease the burden of providing for old age" Admittedly, if the national income were to grow from £14,000,000,000 annually at present to, say, £20.000,000,000 annually by 1979, it would appear possible for the State to meet a pensions outlay rising to £665,000,000 a year as predicted in the Government Actuary's report (see above) This, however, was not the real problem as pensions were only one item in a large and expanding Budget, and as—particularly in considering changes of rates—regard must be paid to "the continuous and mounting load which pensions throw on the community."

The Phillips Committee's recommendations were as set out below:

Pension Ages. Legislation should be introduced immediately to provide for an increase of one year in the present retirement ages of 65 (men) and 60 (women) after an interval of at least five years

The report pointed out that the present pension ages "by no means represent the limit of working life," and that many people received pensions some time before reaching old age in the physical sense If the pension ages could have been raised at once to 68 and 63 respectively, the consequent reduction in the number of pensioners would bring about a net annual saving of perhaps £50,000,000 by 1979-80, but in order to avoid hardship it would, in fact, be necessary to allow an interval of some years before the increase could be brought into effect

Earnings. The existing rule making pensions below 70 (men) and 65 (women) conditional on retirement should be retained, but there should be no change in the rule allowing pensioners to earn up to £2 weekly without reduction of pension.

The report stated that if pensions were paid from the minimum pension ages to all persons, whether retired or not, there would be a net additional cost to the Fund of £55,000,000 in 1955-56, declining to about £20,000,000 in 1979-80.

Private Pension Schemes. Tax reliefs should be granted to occupational pension schemes only if these fulfilled conditions which suited the national interest

The report pointed out that about 3,000,000 persons were covered by superannuation schemes in the public services, with possibly over 5,000,000 covered in industry and commerce The committee regarded the development of such schemes as desirable, and did not consider that there was any serious risk of funds accumulated in pension schemes proving too large for the economy to absorb They felt, however, that private superannuation schemes should take account of variations in the rate of national pensions to ensure that the combined income from both sources did not exceed a certain level, e.g. two-thirds of the final salary, except in the case of workers whose final wages were low.

The committee also stressed that "a fixed age in private pensions schemes ought not to be regarded as the age at which individuals must necessarily retire"; that the minimum age should not be lower than 65 for men and 60 for women, that any increase in minimum ages under the National Insurance scheme should be accompanied by similar increases in the minima prescribed in occupational schemes; and that tax relief should not be granted in future to pension schemes which permitted retirement below 65 (men) and 60 (women).

After considering whether there should be any change in the present National Insurance system, under which part of the expenditure was covered by contributions and the "large and increasing deficits" were met by calls on the general taxpayer, the committee declared: "We think that the system under which the payment of contributions is one of the conditions of receipt should be retained. It provides an important measure of social discipline, since everyone is aware that the higher rates of pensions must be accompanied by higher contributions."

The Parliamentary Secretary, Ministry of Pensions and National Insurance (Mr. Marples), stated in a written reply on Dec. 9, 1954, that the number of old-age pensioners had increased from 3,775,000 at Dec. 31, 1946, to 4,650,000 at Dec. 31, 1953 The total amount paid to them, including supplementary pensions and National Assistance, had grown from £191,000,000 in 1946 to £396,000,000 in 1953
(Cmd. Papers 9332 and 9338 - Times - Daily Telegraph - Manchester Guardian - Ministry of Labour Gazette)
(Prev. rep. 13843 C; 13769 B.)

A. UNITED KINGDOM. — Government's Plans for Hospital Building in England, Wales and Scotland.

The Minister of Health (Mr. Macleod) announced in the House of Commons on Feb. 9 the Government's plans for the first programme of new hospital building in England and Wales since the war. It was proposed in 1956-57 and 1957-58 to start major building projects to a total value of £7,500,000 and £10,000,000 respectively, in addition to which £2,000,000 would be made available in the first year and £4,000,000 in the second for plant replacement and re-deployment. There would also be £9,000,000 in 1956-57 and £10,000,000 in 1957-58 for capital expenditure on other works. Mr. Macleod added that the actual expenditure in these two years on work financed from Exchequer funds was expected to be about £13,000,000 and £18,000,000 respectively, but that he hoped that a good deal of hospital building work would be financed from other sources.

The Minister explained that hospital boards had been asked to complete the planning of a first batch of major projects, to a total value of £7,000,000. These projects, which would almost certainly be among those to be started, included new general hospitals (or the first stages of them) at Welwyn, West Cumberland, Harlow, and Swindon, the development of the Glangwili Hospital, Carmarthen, a new mental hospital near Wolverhampton, major extensions at mental deficiency hospitals in the Newcastle, Sheffield, and Liverpool areas and in Wales, new out-patient departments at the Royal Victoria Infirmary, Newcastle, the Leeds General Infirmary, and the Lewisham and North Middlesex Hospitals, a new block at St. James' Hospital, Balham; and major extensions to the Peterborough Memorial Hospital. Considerable expenditure was also likely to be needed during the period for remedying structural defects at the Manchester Royal Infirmary

Many other projects (Mr. Macleod added) would need to be considered for inclusion in the light of further discussions with hospital boards and of the progress made with the preparation of plans. Examples of the projects which it was hoped to start within the next few years were the new Cardiff teaching hospital (which would have first priority), the rebuilding of Charing Cross Hospital at Harrow, a new ward block at Guy's Hospital, new general hospitals at Slough, Boston (Lincs.), Coventry, and Sheffield, and new mental hospitals in Lancashire and Yorkshire

The Under-Secretary of State for Scotland (then Cmdr. Galbraith) announced on the same day that the total provision for hospital building in Scotland would be increased from £1,900,000 in 1955-56 to £2,200,000 in 1956-57 and £2,500,000 in 1957-58. In 1955-56 a start would be made on a new maternity hospital at Bellshill, Lanarkshire, and on the reconstruction of a mental hospital in Dundee. Planning would be put in hand for other schemes to start in 1958-59 and succeeding years, including the provision of a new teaching hospital at Dundee.
(Times - Daily Telegraph - The Scotsman, Edinburgh)

B. SOVIET UNION. — Atomic Co-operation Agreements with China and Soviet-bloc Countries.

Moscow Radio announced on May 1 that, in implementation of the earlier announcement offering other Communist countries Soviet aid in atomic research for peaceful purposes, agreements to that effect had been signed between the Soviet Union on the one hand and the Chinese People's Republic, Poland, Czechoslovakia, Eastern Germany, and Rumania on the other. The announcement added that similar agreements would shortly be concluded with Hungary and Bulgaria

It was stated that the agreements provided for (1) the completion of the necessary preparatory work in 1955-56 and the supply of experimental atomic piles and accelerators; (2) the free supply of scientific and technical information required for the installation of this machinery, and the loan of Soviet specialists; (3) the supply of sufficient quantities of fissile material and radioactive isotopes until such time as the signatory countries were able to keep their atomic piles working without further Soviet aid; (4) the training of nationals of the signatory countries in nuclear physics.

Following the conclusion of these agreements, it was announced in Warsaw on May 5 that Poland would receive in 1956 a 2,000-kilowatt reactor and a modern cyclotron for nuclear research work, together with auxiliary apparatus, and that Polish scientists would also receive large quantities of radioactive isotopes for this purpose.—(Le Monde, Paris - Polish Embassy, London) **(Prev. rep. 14036 B.)**

C. UNITED KINGDOM.—The Liberal Assembly, 1955.

The annual Assembly of the Liberal Party was held at Llandudno on April 14-16 under the presidency of Lord Rea.

In his presidential address Lord Rea pointed out that the Assembly was meeting at a time when the Labour Party was "torn from top to bottom by open dissension," whilst the Conservatives were "weakened by the loss of their great leader" "Faced with a general election in which the Churchill personality is no longer an issue," he declared, "we revert to the three straight choices of basic Conservatism, tarnished Socialism, and our own progressive programme of Liberalism I believe that today it is the . responsibility of all open-minded, thoughtful, and politically conscientious people to support the Liberal Party as the true democratic alternative to reactionary Toryism, rather than allow that role any longer to be usurped by the Labour Party on the familiar Russian pattern of exploiting grievances and mistrust"

Resolutions adopted by the Liberal Assembly included the following:

Cost of Living. A resolution moved on behalf of the Executive which advocated the following measures to reduce living costs (*a*) a progressive attack on protective tariffs, (*b*) the stimulation of competition in the distributive trades by the removal of restrictions and by tax relief, (*c*) more publicity for Anglo-American productivity reports, and the abandonment of labour practices which hampered productivity, (*d*) the breaking-up of price rings, removal of restraints imposed by employers, trade associations, or trade unions, and the strengthening of anti-monopoly legislation, (*e*) a progressive reduction in purchase tax, with its eventual elimination An amendment pledging the party to resist the setting-up of compulsory marketing boards for selected foodstuffs was also adopted.

Agriculture. A resolution expressing "great misgivings" about the dependence of agriculture on Treasury grants, and urging the reduction of farmers' production costs to enable them to dispense with grants. It also advocated the breaking-up of "agricultural price rings," the abolition of duties and restrictions on the import of agricultural requisites, the development of rural electricity supplies, and measures to provide adequate slaughtering facilities and cheaper transport

Colonial and Racial Policy. A resolution which stressed that the principal objective of British policy must continue to be the "advance of all dependent territories to a status of full responsibility for their own affairs." It suggested that a Consultative Colonial Assembly should meet periodically to enable delegates from Colonial territories to confer on developments within their territories, and urged "the full implementation of the principle that there shall be no racial discrimination in services and institutions for which H.M. Government or any Colonial Government is responsible."

An emergency resolution (moved by Miss Manuela Sykes) was also adopted reaffirming the party's "fundamental opposition to the *apartheid* policy of the South African Government", calling upon the British Government to apply in African colonial territories "the principle of the paramountcy of African interests", and urging the application in Kenya of land reforms ensuring security of tenure for all races, and of "truly representative institutions giving full representation to Africans and Asians."

International Affairs. A composite resolution, moved on behalf of the Executive by Mr Donald Wade, M P, which (*a*) declared that agreements to ban the production of thermo-nuclear weapons would be useless unless the production of conventional armaments was also limited, and called upon the Government to support all efforts to achieve progressive disarmament; (*b*) criticized the U S Government's failure to indicate clearly its position with regard to the Chinese offshore islands, (*c*) urged H M Government to press for the reform of the U N. Charter so as to restrict the occasions when five-Power unity was required, and to give the right of membership to all sovereign States which accepted the terms of the Charter. The resolution also urged that the proposed coalition of national armies under the London and Paris agreements should be transformed into a European force with pooled production of armaments, and welcomed the efforts of the Liberal International to co-ordinate the policies of European Liberal parties in the Council of Europe Assembly at Strasbourg

Civil Liberties. A composite resolution, moved on behalf of the Executive, which (*a*) called for a right to appeal to the High Court against Ministerial decisions, (*b*) demanded that land compulsorily acquired by a Government department for a specific purpose should not be diverted within 12 years to another purpose without a public inquiry, (*c*) urged that no Government official should be allowed wider powers to enter or search a dwelling-house than those at present possessed by the police. This resolution was passed by 185 votes to 129, together with an amendment requiring the party's Executive to set up special machinery to keep a watch on infringements of civil liberties.

The Assembly was addressed on April 15 by Mr. J. B. Priestley, the playwright and author, who spoke in support of the composite resolution on civil liberties
(Manchester Guardian - News Chronicle) **(Prev. rep. 13659 B.)**

D. ARGENTINA. — Cabinet Change.

Dr. Antonia F. Cafiero, Minister of Foreign Trade, resigned on April 13 and was succeeded by Dr. Julio Manuel Luis Palarea, previously General Manager of the *Banco Central.*
(New York Times) **(Prev. rep. Cabinet, 12281 B.)**

A. CYPRUS. — "Enosis" Agitation. - Nicosia and Limassol Riots. - Arms Smuggling Attempt. - The Paphos Trial. - Anti-British Demonstrations in Greece. - King Paul's Appeal for Calmness. - British Protests at Athens Broadcasts to Cyprus.

The refusal of the U.N. General Assembly, at its ninth session, to consider the Greek demand for *Enosis* (union between Greece and Cyprus)—see page 13996—was followed by serious disturbances in the island in December, 1954, and by recurrent Nationalist outbreaks in subsequent months. The anti-British demonstrations were, however, confined very largely to youths and adolescents, and caused no loss of life. The situation in the island during recent months is described below under cross-headings.

Rioting and Nationalist Agitation.

Rioting, the most serious of its kind to occur in Cyprus for many years, broke out in Nicosia and Limassol on Dec 18-19 after Nationalist and Communist organizations had called a 24-hour strike in protest against the U N.'s refusal to consider the grant of self-determination to Cyprus The strike call was generally obeyed by factory and shop workers, though essential services such as electricity and water supply continued to function normally. In Nicosia, where the demonstrators were almost exclusively students and schoolboys, the windows of British-owned shops and bars were stoned, those of the American Consulate broken, and cars driven by British civilians and officers showered with stones ; the police made repeated truncheon charges to disperse the crowds, and also used tear-gas, whilst the demonstrators pelted the police with bottles and stones Some 50 persons were arrested before the situation was brought under control In Limassol, where there were 23 casualties, students hoisted the Greek flag over the offices of the District Commissioner after hauling down the Union Jack, and a number of attacks were made on British premises and property. After stone-throwing crowds had defied repeated appeals to disperse, British troops in Limassol fired three shots, wounding two of the demonstrators, when the mob cut the hoses of fire-engines and overturned a lorry

The Governor of Cyprus, Sir Robert Armitage, emphasized in a broadcast on Dec 19 that he would take "all appropriate measures" to prevent a recurrence of violence He pointed out that the demonstrators were for the most part schoolboys who had become "the easy dupes of scheming men seeking to promote disorder," and said that he had received messages from responsible elements of all communities expressing their grief at the violence and giving assurances that they would use their influence to maintain law and order. Among measures taken by the Cyprus Government were a ban on meetings of more than five persons (this prohibition, however, was lifted after a few days) and on the carrying of any offensive weapon Many arrests were made in Nicosia and Limassol, and several of the older demonstrators were subsequently sentenced to three or four months' imprisonment.

For three successive nights, beginning on the night of March 31, a number of dynamite and grenade explosions occurred in Nicosia, Limassol, Larnaka, and Famagusta, all the attacks being directed against Government, police, and British military installations and buildings No casualties resulted, but considerable damage was done to the Cyprus wireless station (two miles outside Nicosia) and slighter damage at the Wolseley Barracks, the headquarters of General Sir Charles Keightley (C -in-C , British Middle East Land Forces) just outside Nicosia. It was reported from the island that the explosions had coincided with demands put forward by a secret pro-Greek organization—the EOKA—for the ending of British rule and for union with Greece. On April 4 Sir Robert Armitage warned Greek parents and teachers that copies of a secret oath, which was being administered to students and even to school-children, had been found during police searches , the first provision of this oath (the text of which was made public) was worded " I swear in the name of the Holy Trinity to work with all my power for the liberation of Cyprus from the British yoke, sacrificing even my life "

Arms Smuggling Attempt. - The Paphos Trial.

A Greek motorship, the *St George*, was intercepted off Paphos on the night of Jan 25-26 by the destroyer H M S *Comet*, after having been spotted by an R A F. aircraft Her cargo was found to consist of 27 cases of explosives, including over 10,000 sticks of dynamite, which, as shown by captured documents, were to have been landed at the village of Chlorakas (near Paphos) and to have been used by a secret revolutionary organization for an anti-British terrorist campaign aimed at the "liberation" of Cyprus and its eventual union with Greece Thirteen persons—six Greeks and seven Greek Cypriots—were taken into custody and subsequently placed on trial on charges of attempting to change the Government of Cyprus by force or of illegally importing explosives. (A third charge, that of promoting civil war, was originally included in the indictment but was later dropped) The 13 accused persons were Socrates Loizides, a Greek citizen who had taken a leading part in the *enosis* plebiscite in 1950 and in other nationalist activities, and who had been expelled from Cyprus ; Anargyros Melos, the owner of the *St. George* ; Evangelos Louca, the master of the vessel , several members of the crew ; and a number of villagers of Chlorakas. Documents were found in the possession of Loizides claiming that the revolutionary organization had the support of most Cyprus Government officials and priests, and giving a warning that " traitors " among Cypriot Greeks would be punished by death

The trial of the 13 accused took place at Paphos from May 2-6, the Court consisting of the Chief Justice of Cyprus, Sir Eric Hallinan, and two Greek Cypriot judges, Mr. Justice Evangelides and Mr. Justice Zannetides. Nine of the accused pleaded guilty to preparing to change the Government of Cyprus by force, and two to the illegal importation of explosives Loizides and other defendants declared that they had acted in accordance with their political convictions and with their belief in " freedom, democracy, and self-determination of peoples " Counsel for the defence pleaded, in mitigation, that Evangelos Louca had helped British servicemen to evade capture during the war, when he was skipper of a caique which made many dangerous trips into enemy-controlled waters ; that Loizides had fought in the war against the invaders and after the war against the Communists , and that Anargyros Karadimas, a member of the crew of the *St George*, had also fought on the British side and had been wounded and taken prisoner A document, signed by Field-Marshal Lord Alexander, was produced in court expressing gratitude to Louca for helping British servicemen to avoid capture during the war

The Attorney-General (Mr Tornaritis, Q C.), who prosecuted, described the case as one of extreme gravity and great public importance. He emphasized that the offences did not consist in the opinions or national aspirations of the accused, which were understood, but in seeking to promote their objectives by armed violence and resistance to lawful authority.

The following sentences were imposed · Loizides—12 years' imprisonment , Karadimas—six years , Melos—five years ; Louca—four years ; three villagers of Chlorakas—four years each ; two other villagers—two years each , two of the crew of the *St George*—one year each Two of the accused were acquitted In passing sentence on Loizides (whose 12-year term was the longest for a political offence in the history of British rule in Cyprus), Sir Eric Hallinan said : " No doubt the fanatical opinions you hold are sincere But you have tried by a carefully organized secret society, and by the importation of arms and dynamite, to introduce into the politics of this country armed force and violence Having regard to the seriousness of your offence and to our duty to prevent others from following your example, we must impose a serious sentence on you "

The refusal of the U.N. General Assembly to take further action over the Cyprus question also led to serious rioting in Greece, where the disturbances assumed not only an anti-British but also an anti-American character, because of the refusal of the U.S. Government to support the Greek appeal to the U.N. on Cyprus.

About 50 students and 25 policemen were injured in Athens on Dec. 14, 1954, when several thousand students attempted to march on the British and U S Embassies but were prevented from doing so by strong police cordons , stones and clubs were used against the police by crowds of students who took an oath at the Tomb of the Greek Unknown Soldier to " shed their blood for the liberation of Cyprus " In Salonika, 5,000 demonstrators publicly burned the Union Jack and the Stars and Stripes, smashed the windows of the British and U.S. Consulates, and destroyed equipment, books, and display cases at the offices of the U S. Information Service. All pro-Cyprus demonstrations were banned by the Greek Government on Dec 16, 1954

King Paul of the Hellenes made a broadcast on Dec. 20, 1954, expressing his support for " our Cypriot brethren," but at the same time calling upon the Greek people to remember their traditional friendship with Britain and America. He said :

" Our Cypriot brethren demand their freedom through the right of self-determination for which two great wars have been fought Greece, faced with the British refusal to discuss the subject directly, was compelled to bring the issue before the United Nations. . . . As long as the Cypriots proclaim their indomitable will to decide their own destiny, no power on earth can thwart the natural evolution of this desire . .

But temporary disappointment should not cause Greeks to forget the great problems of the present day, and the dangers which can be faced successfully only as a united family of nations Let us not forget that our friends who have disappointed us in the Cyprus affair are the same who today, in the past, and in the future, guarantee our security and that of the free world. I call upon all Greeks to maintain objectivity and calmness, and not to forget that our traditions impose good sense in our emotions and clarity in our judgment

Our friends know well what we have done for them in the past. It is engraved on the tombs of our soldiers in Greece, Crete, Alamein, and Korea. If our friends forget it momentarily, the best way of reminding them of it is by not forgetting their sacrifices for us. Such sacrifices are carved on the many British graves in Greece. Let us not forget, too that without the sacrifice and decision of the valiant American people it is doubtful whether Europe, with Greece and Cyprus, would still exist.

I appeal to my people at this difficult time to remain worthy of our high traditions and, with Hellenic nobility and pride, to remain faithful to our friends. Our faith will help them to recognize reality, and I am certain that this will contribute to bringing about a just and rapid solution of the claims of our Cypriot brethren."

Pro-*enosis* broadcasts from Athens radio to Cyprus, containing frequent and at times violent attacks on British policy in the island, led to three *démarches* to the Greek Government during March and April by the British Ambassador in Athens, Sir Charles Peake. In a statement to the House of Commons on May 3, Mr. Turton (Under-Secretary for Foreign Affairs) said that these broadcasts were " still most objectionable " and that at times they constituted " incitement to sedition

and violence." He added: "The Greek Government have assured us that they value, as much as we do, the old friendship between our two countries. I hope they will therefore recognize that these broadcasts are clearly inconsistent with our ties of friendship and alliance."

A debate on Cyprus took place in the House of Commons on May 5, shortly before the dissolution of Parliament.

Mrs. Lena Jeger (Lab.), who raised the matter, deplored the outbreaks of violence in the island, and asked what progress had been made in the discussions about the constitutional future of Cyprus. After expressing her conviction that "any useful discussion must start with the assumption that the Cypriots, apart from the Turkish minority, are Greeks," she declared: "I am sure that with the British genius for compromise we should be able to find some formula which will bring round the conference table the Governor and the Archbishop—who have never met—the six Mayors of Cyprus, and the trades union leaders, a formula by which we can talk about the future of the island instead of continuing in this harsh, silent way."

Mr. Henry Hopkinson (Minister of State, Colonial Office) said that recent terrorist activities in Cyprus, and the attempt to land arms on the island, had handicapped the Governor in his task of drawing up a Constitution. The broadcasts from Athens radio constituted another disturbing element. On the question of sovereignty, H.M. Government had made it clear that, in asking the Cypriot people to co-operate in a new Constitution, its aim and intention was to lead them to self-government. The general picture in Cyprus today, he emphasized, was one of a buoyant and expanding economy, and this, coupled with the flow of money coming in as a result of the great projects of the Service departments was likely to result in boom conditions in the island during the next few years.

"The prospects for Cyprus are good," Mr. Hopkinson declared. "Now everything depends on our success in convincing the people of Cyprus, of all races and parties, that it is not in their interest to allow themselves to be mesmerised by political aims which are unrealistic, and in persuading them to concentrate on immediate, practical possibilities. While H.M. Government fully understands and recognizes the emotional attraction of many Greek Cypriots towards Greece, it adheres to its view that British control must be maintained unimpaired during this period of world tension. It does not intend to be deflected by a campaign of violence from its object of bringing the island peacefully to a state of full self-government, with provision for continuing defence needs, and for the rights, security, and welfare of all law-abiding inhabitants of the island without distinction of race or creed."

The Greek delegation at the U.N. presented a letter to the Secretary-General (Dr. Hammarskjold), on May 10, for circulation among member-countries, accusing the Government of Cyprus of "a policy of brutal repression in order to stifle any expression of the will of the people." An accompanying letter from the Greek permanent delegate described the situation in Cyprus as "alarming," and declared *inter alia* that "the colonial regime is intensifying its high-handed action which brings it into opposition to the people and their rights guaranteed under the U.N. Charter."—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 13775 A; 13993 A.)**

A. INDIA - UNITED KINGDOM. — Mr. Malcolm Macdonald appointed U.K. High Commissioner in Delhi.

The Commonwealth Relations Office announced on May 15 that Mr. Malcolm Macdonald, U.K. Commissioner-General in South-East Asia, had been appointed High Commissioner in India in succession to Sir Alexander Clutterbuck, consequent on the latter's appointment as Ambassador to the Republic of Ireland.

Mr. Malcolm Macdonald (54), a son of the late Mr. James Ramsay Macdonald, held the posts of Colonial and Dominions Secretary between 1935 and 1940, and in the latter year entered Mr. Churchill's National Government as Minister of Health. In 1941 he was appointed High Commissioner in Ottawa, and in 1946 became the first Governor-General of the Malayan Union and the new Colony of Singapore. In 1948, when the Malayan Union was replaced by a Federal form of government, he took over from Lord Killearn the responsibilities of Special Commissioner in South-East Asia, and became U.K. Commissioner-General for South-East Asia with the personal rank of ambassador.—(Times) **(Prev. rep. 9272 G.)**

B. AUSTRIA - RUMANIA. — Danube Agreement.

An agreement regulating Danube traffic between Austria and Rumania, on the lines of the agreements previously concluded between Austria and Hungary, Yugoslavia, Bulgaria, and Czechoslovakia, was signed in Bucharest on May 14. The agreement with Rumania thus opened the way to free navigation along the whole length of the Danube from the Austro-German border to the Black Sea, although Rumania imposed the condition that 60 per cent of all shipments between the two countries must be carried in Rumanian ships and only 40 per cent in Austrian vessels.
(Neue Zurcher Zeitung) **(Prev. rep. 14156 C.)**

C. UNITED KINGDOM. — Housing. - Construction Figures. - The Requisitioned Houses and Housing (Amendment) Act.

Figures published by the Ministry of Housing and Local Government on Feb. 3, 1955, showed that 91,495 houses were completed in Britain during the fourth quarter of 1954, compared with 92,916 in the same quarter of 1953, bringing the 1954 total to 347,605—the highest for any post-war year, and 28,826 more than in 1953. The number of permanent houses and flats completed since the end of the war was thus brought to 1,922,655, of which 1,464,527 were built by local authorities and 332,460 by private builders.

Completions during the first quarter of 1955 numbered 82,233, compared with 78,090 during the same quarter of 1954. This, according to a statement by the Minister of Housing and Local Government on May 3, brought the number of houses completed in England and Wales alone between October, 1951 (when the Conservative Government took office) and March, 1955, to 903,563.

The total number of houses and flats built in 1954 was 9 per cent higher than in 1953. Of the total, 90,626 were built for sale (an increase of 44 per cent over 1953) and 256,969 for letting (0.4 per cent more than in 1953). The number of permanent houses and flats under construction fell from 309,442 at the end of 1953 to 291,477 at the end of 1954; of this total, 215,724 were for letting (13.7 per cent less than at the end of 1953) and 75,753 for sale (27.1 per cent more).

The Requisitioned Houses and Housing (Amendment) Bill, under which the Government relinquished its house requisitioning powers, and which provided for the freeing of all requisitioned houses within five years, was enacted on May 6. It had been given a second reading in the House of Commons on Feb. 15 by 298 votes to 253, after the rejection of an Opposition motion which described the Bill as "unnecessary." The Bill was given a third reading on March 30 by 202 votes to 182, and was passed by the House of Lords on second reading on April 26.

Its provisions were as follows:

(1) Responsibility for requisitioned houses was formally transferred to local authorities, who had hitherto held these houses only as agents for the Government.

(2) Local authorities will retain this responsibility until March 31, 1960, when it will revert to the owners. A requisitioned house falling vacant before that date must be released to the owner at once, unless special permission to retain it is granted to the local authority by the Minister.

(3) The Exchequer will continue to meet the whole cost of rent, repairs, and management of requisitioned houses until April 1, 1956, after which local authorities will pay 25 per cent and the Exchequer the rest. If this adds an excessive burden to the rates, an Exchequer grant of more than 75 per cent can be made provided the Minister is satisfied that the local authority concerned has taken all reasonable steps to reduce the number of its requisitioned houses.

(4) Three methods will be used to enable families living in requisitioned houses to continue to live in them when they are de-requisitioned:

(*a*) Owners will be asked to accept the present occupants as tenants at controlled rents, and will be paid compensation for forgoing their right to vacant possession. Where rents are being subsidized, local authorities will be empowered to maintain these subsidies for 10 years and will pay the owner the difference between the controlled rent and the subsidized rent payable by the tenant. These payments will rank for a 75 per cent Exchequer grant.

(*b*) Alternatively, where other accommodation for the occupants cannot be found within five years, local authorities will be advised to try to obtain leases of requisitioned houses, or of other houses, for a term of about 10 years; three-quarters of the difference in cost between leasing such houses and letting them will be paid by the Exchequer for 10 years.

(*c*) As a last resort, if sufficient houses cannot be obtained by these means, local authorities will have to provide the balance required by buying a certain number of requisitioned houses, or other suitable houses instead. Compulsory purchase powers will not be used, and the price paid will be the market value, with vacant possession. The net cost will rank for a 75 per cent Exchequer grant for 20 years.

(5) Owners who wish to live in their houses may apply to the courts for vacant possession, and the application will be considered in the light of the relative hardship to the owner and the tenant.

(6) Where an owner suffers severe hardship through being unable to obtain vacant possession of his house or to realize its capital value, the Minister has the power to direct a local authority to release the house or to buy it at market price.

(7) An owner who wishes to modernize his house or to convert it into flats may get his house released if he accepts tenants nominated by the local authority.

The Parliamentary Secretary to the Ministry of Housing and Local Government, Mr. Deedes, stated on Feb. 15 that at the end of 1954 the number of houses still requisitioned was 62,000 (50,000 in the London area), occupied by about 90,000 families.—(Ministry of Housing and Local Government - Times - Daily Telegraph - Manchester Guardian) **(13913 B.)**

A. FRANCE - GERMANY. — Franco-German Agreement on the Saar, European Co-operation, etc. - The Adenauer-Pinay Discussions. - Agreement on Franco-German Consortium for Rochling Steelworks. - Compensation Payment for Rochling Family. - New Economic Convention between France and the Saar.

Following discussions in Bonn on April 29-30 between Dr. Adenauer, the Federal German Chancellor, and M. Pinay, the French Foreign Minister, complete agreement was reached on problems of mutual Franco-German concern, and in particular on the future of the Saar. This agreement was followed on May 3 by the signing in Paris of an economic convention between France and the Saar.

When the Bills for the ratification of the Paris agreements came before the French Council of the Republic, M. Faure (the French Prime Minister) declared on March 27 that two essential conditions would have to be fulfilled before France ratified the agreements —namely, that the Saar's continued economic and financial links with France should be assured by a Franco-Saar convention on economic co-operation; and that a solution satisfactory to France should be found in connexion with the ownership of the Rochling steel works in the Saar These two conditions were fulfilled in the Franco-Saar economic convention signed in Paris on May 3, and in the Adenauer - Pinay discussions held in Bonn at the end of April.

After two days of prolonged negotiations, a joint statement was issued in Bonn in the early hours of May 1 announcing that Dr. Adenauer and M. Pinay, in their discussions on April 29-30, had reached full agreement both on general principles and on detailed problems of Franco-German relations. The text of the communiqué (cross-headings inserted) was as follows:

"The conversations between Chancellor Adenauer and M. Pinay dealt with the general political situation, the furtherance of European political integration, and Franco-German relations in all their aspects. They resulted in complete agreement.

Relaxation of International Tension. As regards the political situation generally, the two Ministers were happy to note that the entry into force of the Paris agreements will efficaciously assure the cohesion of the Western world The agreements will permit the opening of East-West talks under the best possible conditions with the aim of reaching a real *détente* in international relations and a solution of problems still outstanding: notably the reunification of Germany in peace and freedom, the organization of security, and the building of peace on a durable basis

European Co-operation. The Ministers agreed that the time has come to give a new impulse to European co-operation They agreed that practical possibilities existed to this end in the fields of transport and aircraft construction and, in particular, in the peaceful development of atomic energy. They agreed, moreover, that close European co-operation in these fields would not only promote technical development but would greatly promote the solidarity of the European nations and the unification of Europe. It was proposed that exchanges of views on these various projects should take place as soon as possible with the partners of France and Germany.

The Saar. It was agreed that the two Governments would work out joint proposals on the Saar question which would be laid before the Council of Ministers of the Western European Union at its first meeting in Paris on May 8. These proposals will aim at implementing the European Statute of the Saar under the agreement of Oct 23, 1954 The Council will be asked to assume the responsibilities devolving upon it under that agreement Moreover, after consultation with the Saar Government, the Council of W E.U will be informed of the proposals agreed upon by the two Ministers [i e., Dr. Adenauer and M Pinay] with regard to the referendum, the powers, composition and functions of the Control Commission, and the powers of the European High Commissioner for the Saar.

The two Ministers have agreed upon a joint solution of the problems posed by the sequestration of the factories at Völklingen [i.e., the Röchling steel works in the Saar—see below]

Economic Relations. The Ministers gave particular attention to the development of Franco-German economic co-operation within the European framework. It was agreed that a Franco-German economic co-operation committee should be set up without delay which, under the joint responsibility of the two Governments, would aim at achieving maximum economic exchanges between the two countries. The two Governments agreed to examine the question of the canalization of the Moselle, and will have future discussions on this matter. They welcomed with satisfaction the recent creation of the Franco-German Chamber of Commerce, as well as the progress achieved in economic exchanges between France and Germany during the first quarter of 1955.

Cultural Relations. In order to intensify cultural relations between France and Germany it was decided that the Franco-German cultural agreement of Oct 23, 1954, should be ratified in the very near future, and the mixed committee envisaged under that agreement set up. The presidents of this committee will be, on the German side, Dr Wilhelm Hausenstein, Ambassador of the German Federal Republic in Paris, and, on the French side, M. André François-Poncet, Ambassador of France in Bonn. Dr. Hausenstein and M. François-Poncet will put forward their views on the organization and tasks of this committee."

Press statements were made by Dr. Adenauer and M. Pinay after the discussions had ended and before the French Foreign Minister returned to Paris.

M. Pinay said that his conference with Dr. Adenauer had "sealed the Franco-German *entente*"; that "a new era" had begun for the French and German peoples, based upon a close co-operation between the two countries which would serve the cause of European integration and world peace, and that the German Federal Republic, in full sovereignty, would "take its place on an equal footing and with equal responsibilities among the democratic nations." **Dr. Adenauer** declared that Franco-German co-operation was "the key to all efforts at European integration" and was essential to world peace; he added that the next few weeks would witness "truly historic developments" and that "we are living in an era which imposes very great responsibilities on those who are called upon to play a leading part in political life. every day, week, and month that passes must strengthen our will for peace" He assured M Pinay that he (the French Foreign Minister) was leaving behind him in Germany "friends who will remember with gratitude the work which we have done together."

The Rochling steel works at Volklingen, in the Saar, were sequestrated by the French Government after the war and operated under French direction. With an annual capacity of about 900,000 tons, they account for approximately one-third of the Saar's steel output. In view of the part played by the steelworks in the Nazi war machine, and of the support given by the Rochling family to the Hitlerite regime, the French Government had been insistent that the works should not be returned to their former ownership. Moreover, it was strongly felt in France that the maintenance of the Rochling interests would give the firm a dominant position in the Saar's relations with the six-nation European Coal and Steel Community. Whilst it was not suggested that the Rochling family should be dispossessed without compensation, the French Government insisted that they should not regain control over a concern the greater part of which had been awarded to France as reparations after the war.

Hermann Rochling, the head of the family, was sentenced by a French court in 1948 to seven years' imprisonment for having supported Nazi war aims, contributed funds to Nazi organizations, employed slave labour during the war, and illegally acquired iron and steel plants in France and other occupied countries. He was released in 1951 for reasons of health and for good conduct while in prison—see 11673 D, 9477 A.

The agreement arrived at between Dr. Adenauer and M. Pinay on the question of the Rochling steelworks was essentially a compromise. M. Pinay, on the one hand, accepted a settlement involving less than a French controlling interest in the concern, whilst Dr. Adenauer, on the other hand, agreed that the Rochling family should withdraw completely from the business, though with ample compensation. Although the formula agreed upon between the two Governments was not officially made public, it was subsequently stated by M. Pinay, after his return to Paris, that it would be based on the following principles:

(1) The Röchling family would be paid compensation amounting to 200,000,000 Swiss francs (over £16,000,000) for relinquishing their interests in the concern, half the sum being paid by France and half by the German Federal Republic.

(2) The French and Federal German Governments would each acquire 50 per cent of the shares and, in turn, would sell them to private French and German interests.

(3) These interests would set up a joint Franco-German consortium to run the Rochling concern, half the directors being French and half German.

(4) Shares in the Röchling concern (i e. those bought from the French and German Governments by private interests) would not be freely transferable by the new owners, and might only be sold with the consent of the new company's board of directors. Such consent would need a three-quarters majority.

(5) The consortium—*La société des usines de Völklingen*—would be a limited company operating under Saar law

(6) The first president of the new board of directors (*conseil de direction*) would be a French national, who would have a casting vote. The next president would be chosen by agreement of both sides (i.e. by the French and German directors), and would need a two-thirds majority for election Presidents of the *conseil de direction* would hold that office for a five-year term, and would be eligible for re-election.

(7) A Saar director would be in charge of labour relations and personnel management.

(8) Shareholders' meetings could amend the Statute of the new company by a three-quarters majority.

(9) If one Government lacked the funds to buy its share in the new company (100,000,000 Swiss francs), the other Government might lend it the money.

It was understood that the Rochling family had been consulted prior to the agreement, and that it had agreed to relinquish its interests in the concern against the above-mentioned compensation payment.

A Social Democratic motion to nationalize the Rochling steelworks was rejected by the Saar *Landtag* on May 9 by 28 votes to 16. Herr Hoffmann (the Saar Premier) declared that no responsible politician could "torpedo" the agreement reached at Bonn between Dr. Adenauer and M. Pinay, and that, as a solution to this problem had been reached between France and Germany, the alternative solution of nationalization could not now be brought forward. The 28 votes against nationalization came from the 26 Christian Democrats (Herr Hoffmann's party) and the two Communists, whilst the 16 votes in favour were cast by the Social Democrats.

Earlier, on March 21, a protocol had been signed in Paris by M. Pinay and Herr Hoffmann laying down the "heads of agreement" in respect of a new economic convention between France and the Saar, designed to conform with the Saar statute embodied in the Franco-German agreement of October, 1954. The protocol stated that the existing Franco-Saar customs and monetary union would be maintained, thereby preserving an economic union between the two countries, and that all French legislation applicable to the Saar in matters of currency, Customs, and indirect taxation (including turnover taxes), would come into force simultaneously in both countries. Other provisions were as follows:

Customs. French Customs regulations would remain in force in the Saar. France would continue, for the time being, to administer Customs in the Saar pending the formation of a Saar Customs administration which would operate under French supervision. The Saar Customs administration would be headed by a Frenchman, assisted by a Saarlander as deputy.

Taxation. French tax legislation, including indirect levies and business turnover taxes, would apply to the Saar except for special regulations actually in force, under special conditions the Saar Government might also issue special regulations in agreement with the French Government. French credit policies would apply to the Saar, under the direction of a joint Franco-Saar control commission.

Investments. The French Finance Ministry would have control of foreign investments in the Saar, but would consult the Saar Government before making any decisions.

Foreign Trade and Payments. Trade, monetary and Customs agreements concluded between France and third countries would be applicable to the Saar, whose Government, if it desired, could participate in negotiations for such treaties. In these negotiations the French Government would take into account the special interests of the Saar.

Whenever trade agreements were of particular interest to the Saar economy, the Saar's share in the import quotas to be negotiated would be fixed in advance, at the request of the Saar Government, by agreement between the French and Saar authorities.

Business Charges and Prices. The French and Saar Governments undertook to see to it that "the normal play of economic forces" would not operate to the disadvantage of the other country. In particular, the charges to be borne by economic enterprises in both countries should be identical, notably as regards social security charges, taxes, and basic salaries. Wherever prices were controlled, the Saar would harmonize its scales with those in force in France, and no discrimination against the goods and services of one country would be allowed in the other.

Judicial Provisions. Saar courts would have exclusive jurisdiction. Special arrangements would be provided for the judicial handling of questions arising out of the application of the new economic convention. A joint six-man commission would decide, by majority vote, any differences of interpretation or application which might arise. If this commission could not settle the dispute under consideration, either party could bring it before an arbitration tribunal.

Following the Pinay - Adenauer agreement, the new economic convention between France and the Saar, embodying the above-mentioned provisions, was signed in Paris on May 3 by M. Pinay and Herr Hoffmann.—(Le Monde, Paris - Le Figaro, Paris - Frankfurter Allgemeine Zeitung - Die Welt, Hamburg) **(Prev. rep. Saar Agrmt., German Ratification, 14169 A.)**

A. CZECHOSLOVAKIA. — Political Amnesty.

A far-reaching amnesty was announced in Prague on May 9 on the occasion of the tenth anniversary of Czechoslovakia's liberation from German occupation, the following categories of persons being immediately released: persons serving prison terms of under two years; all pregnant women and those with children under 14 who were serving terms of less than three years; and all male prisoners over 65 and female prisoners over 55. All other prison terms were reduced by one-third or at least two years, whilst prisoners serving life sentences had their terms reduced to 20 years. Persons facing trial for attempted escape from Czechoslovakia were included in the amnesty, but not persons who had been convicted of treason, espionage, and sabotage.—(Le Monde - Neue Zürcher Zeitung) **(Prev. rep. 12935 A.)**

B. UNITED KINGDOM. — April Trade Figures.

Imports into the United Kingdom in April totalled £318,000,000, exports were £244,800,000, and re-exports £8,300,000; the adverse balance thus amounted to £64,900,000, compared with £92,500,000 in March.
(Board of Trade Journal) **(Prev. rep. 14188 B.)**

C. GOLD AND DOLLAR RESERVES.—Changes, 1954.

There was a net outflow of $327,000,000 of gold from the United States in 1954, of which $83,000,000 was in the first six months and $244,000,000 in the second. The estimated changes in the gold and dollar reserves in 1954 of the principal countries other than the United States are shown below:

	Holdings on Dec 31, 1954		Holdings on Dec 31, 1953		Increase (+) or decrease (−) in 1954	
	Gold	Dollars	Gold	Dollars	Gold	Dollars
	(millions of U.S. dollars)					
United Kingdom*	2,550†	639	2,300‖	709	+ 250	— 70
Switzerland	1,513	672	1,459	674	+ 54	— 2
Canada	1,080	1,533	996	1,421	+ 84	+ 112
Belgium-Luxemburg‡	891	148	874	224	+ 17	— 76
Netherlands‡	820	298	761	294	+ 59	+ 4
Western Germany	626	1,372	326	899	+300	+ 473
France‡	596§	758	596§	453	— —	+ 305
Portugal‡	457	102	386	83	+ 71	+ 19
Venezuela	403	194	373	222	+ 30	- 28
Argentina	373	159	373	130	—	+ 29
Italy	346	579	346	466	— —	+ 113
Brazil	322	127	321	102	+ 1	+ 25
Sweden	265	141	218	117	+ 47	+ 24
India	247	87	247	99	— —	— 12
Uruguay	227	90	227	110	— —	— 20
South Africa	199	33	176	38	+ 23	— 5
Cuba	186	242	186	345	— —	— 103
Turkey	144	8	143	14	+ 1	— 6
Persia	138	31	137	44	+ 1	— 13
Japan	133	725	130	828	+ 3	— 103
Mexico	62	329	158	183	— 96	+ 146
Other countries	2,183	2,693	2,241	2,921	+ 58	+ 228
Total	13,819	11,188	12,916	10,148	+ 903	+1,040

Note. The figures include the reported and estimated gold reserves of central banks and governments, and official and private dollar holdings reported by banks in the U.S.A. Dollar holdings include principally deposits and short-term Government securities.

* Does not include U.K. dependencies or rest of sterling area and therefore differs from figures given in 13973 B. ‖ Estimated gold holdings of British Exchange Equalization Account. † Including dependencies. § Gold reserves of Bank of France and French dependencies only.

The total reserves of E.R.P. countries on Dec. 31, 1954 (excluding the United Kingdom, but including Finland, Spain, Yugoslavia, and the Bank for International Settlements in Basle) amounted to $6,556,000,000 in gold and $5,084,000,000 in dollars; those of the sterling area to $3,245,000,000 in gold and $1,000,000,000 in dollars; those of Latin American countries to $1,836,000,000 in gold and $1,849,000,000 in dollars; and those of Asian countries to $634,000,000 in gold and $1,592,000,000 in dollars. Holdings of the International Bank, the International Monetary Fund, and other international institutions (excluding the Bank for International Settlements) amounted to $1,740,000,000 in gold and $1,820,000,000 in dollars, and are not included in the above table.

U.S. holdings of gold on Dec. 31, 1954, totalled $21,800,000,000, compared with $22,100,000,000 on Dec. 31, 1953.—(Federal Reserve Bulletin, Washington) **(13524 A.)**

D. SCIENTIFIC RESEARCH. — Element 101.

The discovery of a new chemical element, No. 101 named mendelevium after the 19th-century Russian chemist Mendelyev—was announced on April 30 by the University of California, the discovery having been made by Dr. Glenn T. Seaborg (a Nobel prizewinner) and other research chemists. It was stated that Element 101 was the heaviest atomic element so far discovered and was intensely radioactive, but that it had "no practical place in atomic energy either for bombs or power." Like all the transuranic elements (i.e. all those after Element 92), Element 101 is a laboratory product and does not exist in nature. It was subsequently disclosed that it had been obtained from Element 99 (see 13415 B) by bombardment in a cyclotron.—(New York Times) **(Prev. rep. 13592 A.)**

E. UNITED STATES. — Shelving of Legislation on Statehood for Hawaii and Alaska.

A Bill designed to grant statehood to Hawaii and Alaska was in effect shelved by the House of Representatives on May 10, when the House voted by 218 to 170 to recommit the measure to committee without any recommendation for further action. Opponents of the measure argued that Hawaii had been dangerously infiltrated with Communists; that Alaska could not sustain the economic burdens of statehood; and that if the two territories were admitted to the Union they would control one-twenty-fifth of the voting power in the Senate with only one-242nd of the nation's population.
(New York Times) **(Prev. rep. 13840 D.)**

MAY 28—JUNE 4, 1955

A. UNITED KINGDOM. — The General Election. - Conservative Party returned with Increased Majority.

The general election held on May 26 resulted in the return to power of the Conservative Party with an overall majority of 59, as compared with the party's majority of only 17 at the general election of 1951. The 1955 election was the first for 90 years in which a Government increased its majority at the polls. [The last occasion was in 1865, when the Palmerston administration was returned with an increased majority.]

Party strengths in the new Parliament, the votes cast for the political parties, and the percentage of votes are shown below, comparison being given with 1951 ·

	1955 Election			1951 Election		
	Seats	Votes	Per-centage	Seats	Votes	Per-centage
Conservatives and associates	345	13,336,182	49.84	321	13,717,538	48.0
Labour	277	12,405,130	46.36	295	13,948,605	48.8
Liberals	6	722,400	2.7	6	730,556	2.5
Others*	2	295,772	1.1	3	198,969	0 7

* Two Sinn Fein candidates (neither of whom will take their seats at Westminster) were returned in Northern Ireland at the general election In 1951 two Irish Nationalists and an Irish Labour candidate were elected in Northern Ireland

Notes. (1) The new House of Commons has 630 members, five more than the former House

(2) " Conservatives and associates " includes National Liberals, Conservative-Liberal and Liberal-Conservative candidates, and Ulster Unionists. The Speaker is included in the Conservative total

(3) " Others " includes Communists (33,144 votes), Independents, Independent Labour Party, Welsh Nationalists, Scottish Nationalists, Irish Labour, N I Labour, and Sinn Fein

The number of votes cast in the election was 26,759,484, representing 76.8 per cent of the total electorate of 34,852,469. Polling was therefore lower than in 1951, when 82 6 per cent of the electors went to the polls (28,602,323 out of a total electorate of 34,553,197). Whereas, however, the Labour Party polled some 200,000 more votes than the Conservatives in 1951, the Conservative vote in 1955 was nearly 1,000,000 higher than that of the Labour Party. Moreover, the Conservative proportion of the total vote increased from 48.0 to 49 8, whilst the Labour proportion declined from 48 8 to 46.36. Although the Liberal vote showed little change from 1951, the Liberal Party's percentage increased slightly from 2.5 to 2.7

Owing to the extensive alterations of constituency boundaries and the creation of many new constituencies, a direct comparison of party gains and losses was possible only in about two-thirds of the constituencies. A *résumé* is given below in respect of (1) the 410 constituencies which remained unaltered; (2) the 177 constituencies whose boundaries were substantially altered, including the 35 new constituencies; and (3) the 43 constituencies in which only minor boundary changes were made:

(1) In the 410 unaltered constituencies, the Conservatives gained ten seats from Labour; the Labour Party gained one seat from the Conservatives; and the Ulster Unionists gained one seat from Irish Labour—a net Conservative and Ulster Unionist gain of ten seats. The seats won by the Conservatives from Labour were Carlisle, Ealing North, Halifax, Hornchurch, Maldon, Preston South, Walthamstow East, Wandsworth Central, Watford, and The Wrekin, whilst the Ulster Unionists won Belfast West from Irish Labour. The Labour gain from the Conservatives was in South-West Norfolk.

(2) In the 177 constituencies affected by major boundary alterations, including the new constituencies, the Conservatives (and supporters) obtained 91 seats, Labour 85 seats, and the Liberals one seat. Among former Labour seats gained by the Conservatives were Devonport, Gravesend, Gloucestershire South, Nottingham Central, Nottingham South, the Kirkdale division of Liverpool, and the Test division of Southampton. Former Conservative seats won by Labour were Bristol North-West, Romford, and the Govan division of Glasgow. The 35 new constituencies were almost equally divided between the two major parties, Labour winning 18 and the Conservatives 17.

(3) There was only one change in party representation in the 43 constituencies subject to minor boundary revisions—a Conservative gain from Labour in Central Ayrshire.

As indicated in the table above, there was a national " swing " of about 1.8 per cent to the Conservatives as compared with 1951, and a corresponding percentage decline in the aggregate Labour vote. This " swing " was reflected in (*a*) increased Conservative majorities in most constituencies as compared with 1951, and (*b*) the Conservative Party's success in winning most of the marginal seats—a success to which the party's electoral victory was primarily due. Although Conservative majorities tended to increase as compared with 1951, and Labour majorities to decline, there were nevertheless important exceptions to this trend in different parts of the country, for example in Norfolk South, a marginal agricultural constituency, where Mr. E. G. Gooch (Lab.) increased his majority from 279 to 1,242; at Lincoln, where Mr. Geoffrey de Freitas (Lab.) increased his majority by nearly 2,000; and at Rossendale, where Mr. Anthony Greenwood (Lab.) increased his majority by about 1,300.

The Conservative Party. All members of the Government were re-elected, in nearly all cases with increased majorities Sir Anthony Eden, the Prime Minister, was re-elected for Warwick and Leamington (which he has represented since 1923) with a majority 3,663 higher than in 1951, Mr R A Butler, Chancellor of the Exchequer, increased his majority at Saffron Walden by 1,279 votes in a three-cornered contest, and Mr Harold Macmillan, the Foreign Secretary added 1,014 votes to his already large majority at Bromley Sir Winston Churchill was re-elected for Woodford (the boundaries of which were subject to major revision) by a majority of 15,808.

New Conservative members included Mr Maurice Macmillan, son of the Foreign Secretary and director of the publishing firm of Macmillan's, who won Halifax from Labour, Mr Peter Kirk, diplomatic correspondent of Kemsley Newspapers Ltd, who won Gravesend (Mr Kirk polled 22,000 votes against 19,000 for Mr. Victor Mishcon, Labour, and 6,000 for Sir Richard Acland, Independent); Dr. Donald Johnson, a former Liberal, who won Carlisle from Labour, and who was formerly medical officer to the Grenfell Mission in Labrador, Miss Joan Vickers, a social welfare worker, who defeated Mr Michael Foot (Lab.) at Devonport by 100 votes, Wing-Commander Robert Grant-Ferris, who represented St Pancras North from 1937-45, and who was elected for the new constituency of Nantwich, Sir Henry d'Avigdor-Goldsmid (elected for Walsall South, a new constituency), member of the bullion broking firm of Mocatta & Goldsmid, and High Sheriff of Kent in 1953, Mr Brian Harrison, an Australian, who won Maldon (formerly represented by Mr Tom Driberg, Labour), and who rowed in the record-breaking Cambridge crew in 1948, Mr Anthony Kershaw, a barrister, who won Stroud after having unsuccessfully contested Gloucester in 1950 and 1951, Mr David Price, an economist and an ex-president of the Cambridge Union, who was elected for Eastleigh, a new constituency; Mr William Yates, formerly a legal officer for the Foreign Office in North Africa, who won The Wrekin division (Shropshire) from Labour, and Capt. F V. Corfield, a farmer, barrister, and former regular soldier, who was elected for South Gloucestershire

Sir Gurney Braithwaite, Parliamentary Secretary to the Ministry of Transport under Sir Winston Churchill, was defeated at Bristol North-West by Mr Christopher Boyd (Labour), whilst Mr. D. G. Bullard was unseated by Mr. Sidney Dye (Lab.) in South-West Norfolk.

The Labour Party. All members of the Labour " shadow Cabinet " were returned, in most cases with reduced majorities. Mr Attlee, the party leader, was re-elected for Walthamstow West, where his majority was reduced by over 2,000; Mr Herbert Morrison, the deputy leader, was re-elected for Lewisham South with a slightly reduced majority, and Dr Edith Summerskill, chairman of the Labour Party, had a 5,600 majority at Warrington.

Mr. Michael Foot and Mr Geoffrey Bing, Q.C., two of the most prominent supporters of Mr. Aneurin Bevan, lost their seats at Devonport and Hornchurch respectively. Other former Labour members to lose their seats were Wing-Commander Edward Shackleton, whose majority at Preston South in 1951 was the smallest in the country (16 votes), and who lost the constituency to the Conservatives, Mr. Maurice Webb, the former Labour Minister of Food, who was unsuccessful in the reorganized Bradford North division, Mr Anthony Crosland, who represented Gloucestershire South in the last Parliament, and who unsuccessfully contested the Test division of Southampton, Mr Woodrow Wyatt, formerly M P. for Aston (Birmingham), who was unsuccessful at Grantham; Mr Ian Winterbottom and Mr Norman Smith, who failed to secure re-election for the re-organized Nottingham Central and South divisions respectively; Mr. William Keenan, who lost the Kirkdale division of Liverpool; and Mr A. C. Manuel, who failed to secure re-election for Central Ayrshire,

New Labour members included Mr. Francis Noel-Baker (son of Mr Philip Noel-Baker, M P. for Derby South), who was returned for Swindon, and who had represented Brentford and Chiswick in 1945-50; Mr. Sidney Dye, a farmer, who represented South-West Norfolk in 1945-50 and who regained that seat from the Conservatives; Mr. K. Zilliacus, who represented Gateshead in 1945-50, and who was returned by a small majority (239 votes) for the Gorton division of Manchester; Mr. Christopher Boyd, formerly an Under-Secretary to the Government of India (1944-46) and a member of the Central Economic Planning Staff (1947-48), who won Bristol North-West from the Conservatives; and Mr. Ronald Ledger, a staff manager and a member of the Union of Shop, Distributive, and Allied Workers, who was elected for Romford.

Mr. Aneurin Bevan was returned for Ebbw Vale, where his majority was reduced by 2,293, whilst Miss Jennie Lee (Mrs. Aneurin Bevan) was re-elected for Cannock, where her majority was almost halved (from 16,338 to 8,298). Among prominent " Bevanites," Mr. Michael

Foot and Mr. Bing lost their seats, as stated above; Mr Ian Mikardo and Mrs Barbara Castle were returned by narrow majorities (235 and 489 votes respectively) in the new Reading and Blackburn constituencies, and Mr. Richard Crossman's majority at Coventry East was cut by half (from 12,671 to 6,104),

In a press interview on May 29, Mr Attlee said that "while the results are disappointing and we are now to have a Conservative Government with a working majority, it will be our business to keep them to the promises and professions that they have made." Asked whether he thought that the "Bevanite" controversy within the party had contributed to Labour's defeat, he replied. "It may well be that a certain amount of internal differences [in the party] had some effect on the marginal voters, but not on the party members as such." Mr Herbert Morrison admitted that the Labour Party had "lost the battle of the marginal seats," but emphasized that there had been no Conservative "landslide" He said that the Labour Party would have to "re-examine not the fundamental principles of the party but the exposition of party policies in the light of modern conditions" In particular, it was "profoundly important" that unity and coherence should be established, since the modern elector was "a responsible being who looked at the policy, coherence and unity of the party seeking his vote." Mr. Morgan Phillips, secretary of the party, believed that many Labour supporters had not gone to the polls, and expressed the opinion that "we could have won had we polled our full strength" He said that the Labour Party had been handicapped by "the maldistribution of our majorities," and that the redistribution of constituencies had favoured the Conservative Party to the extent of five to ten seats Pointing out that Labour had won seats against the apparent national "swing," Mr Morgan Phillips expressed the belief that the "swing" might be nothing more than "the failure to translate our strength effectively into votes."

Analyses of the reasons for the Labour Party's setback were made on June 2 by Mr Hugh Gaitskell (the former Labour Chancellor of the Exchequer), in a speech to the annual conference of the Amalgamated Society of Woodworkers, and by Mr Aneurin Bevan, in an article in *Tribune* Both Mr. Gaitskell and Mr Bevan agreed that the country's present economic prosperity was a primary reason for the Conservative success, and both attributed that prosperity to the foundations which had been laid by the Labour Governments between 1945 and 1951 Both agreed, also, that the Conservative Party's organization had proved itself superior to that of the Labour Party —a point which had also been made by Mr Attlee.

Mr. Gaitskell said that although the loss of 18 seats could not be described as a disaster for the party or even as a grave setback, the fall in the Labour vote "does contain for us a serious warning." The "first and most important reason" for the Conservative success, he said, was the immediate economic situation as it appeared to the ordinary voter. "Despite an inferior production record and a poor export performance, the Tories have been able to claim convincingly that things are better . . . We must not accept that Labour can only win elections when times are bad" Mr. Gaitskell's second reason for Labour's setback was the internal dissension in the party, in which connexion he declared. "It is useless to deny that our internal dissensions did prove a grave handicap. . . . Disunity is no recommendation to the electorate. Constant attacks from within on the official policy and leadership, however well intentioned and seriously meant, do undermine confidence They are a luxury we can hardly afford if we want to get back into power."

Mr. Bevan, after saying that memories of unemployment "were not sufficient in themselves to form the basis of mass appeal," expressed the opinion that the decisive cause of Labour's setback was its "inability to distinguish itself sufficiently from many of the Government's own policies, particularly in the field of foreign affairs." After pointing out that the party was deeply divided on the question of German rearmament, he wrote: "The argument inside the party was fierce and prolonged. The official leadership devoted an intensive campaign to the task of trying to win over the rank and file to its own point of view. It succeeded in obtaining a technical majority. The chief result, however, was to publicise throughout the country the fact that on such a crucial issue Labour was lined up behind Eden. This, in its turn, weakened Labour's case for a reduction in the period of National Service."

The Liberal Party. The Liberals retained the six seats which they held in the former Parliament and polled particularly well in the West Country, notably in Cornwall. Mr. Clement Davies, the party leader, was returned with a reduced majority for Montgomeryshire, but Sir Rhys Hopkin Morris, Q.C., increzed his majority at Carmarthen from 467 to over 3,000, whilst Mr. Joseph Grimond (the Liberal Chief Whip) increased his majority in Orkney and Shetland in a three-cornered contest against Conservative and Labour candidates Mr. John Bannerman failed by only 900 votes to secure election for Inverness-shire, whilst Mr. Edward Malindine, who polled over 15,000 votes in North Cornwall, also narrowly failed to secure election. In North Devon, despite a Conservative majority of 5,000, Mr. Jeremy Thorpe succeeded in increasing the Liberal poll from 7,000 to 11,000. The Liberal candidate at Hereford, Mr. Frank Owen, polled 8,600 votes in a constituency which had not been contested by the Liberals for ten years.

Mr. Frank Byers, the former Liberal Chief Whip, said that the Liberal Party was "tremendously encouraged" by the "remarkable increase" in its vote in many parts of the country; he added that "we have a foundation now in a lot of constituencies in which we can build up real strength to go forward." Lord Rea, who presided over the recent Liberal Assembly (see 14220 C), expressed the opinion that the Liberal Party, after having reached its lowest point in 1951, had "turned the corner" and was "on the way back."

Other aspects of the general election and of the new House of Commons are summarized below under cross-headings.

Large and Small Majorities. A feature of the elections was the number of close contests, involving the return of 43 members with majorities of under 1,000. The smallest majority in the country was that of Mr. Percy Wells (Lab.), who was returned for Faversham by 59 votes. Other members with majorities of under 1,000 are: Mr. W. J. Taylor (C, Bradford North), 69; Miss Joan Vickers (C, Devonport), 100, Mr W T. Williams (Lab, Barons Court), 125, Mr. Fred Blackburn (Lab, Stalybridge and Hyde), 155; Mr. D. L Spencer-Nairn (C., Central Ayrshire), 167, Mr. William Reid (Lab, Glasgow, Provan), 180, Mr Arthur Palmer (Lab.. Cleveland), 181, Mr. Sidney Dye (Lab., South-West Norfolk), 193, Mr. Nixon Browne (C, Glasgow, Craigton), 210; Mr C. W Gibson (Lab, Clapham), 225, Mr Ian Mikardo (Lab, Reading), 238, Mr. J. W Barter (C., Ealing North), 246; Mr. T Mitchell (Sinn Fein, Mid-Ulster), 260; Mr P. Clarke (Sinn Fein, Fermanagh and South Tyrone), 261, Mr. K. Zilliacus (Lab, Manchester, Gorton), 269, Dr. Donald Johnson (C, Carlisle), 370; Sir Ian Horobin (C., Oldham East), 380, Mr. James Hutchison (C., Glasgow, Scotstoun), 428, Mr. Alan Green (C, Preston South), 474, Mr. William Yates (C, The Wrekin), 478; Mrs Barbara Castle (Lab, Blackburn), 489, Mr. J. A. Sparks (Lab, Acton), 525, Mr David Price (C., Eastleigh), 545, Mr. Brian Harrison (C, Maldon), 550, Mr W R. Hudson (C., Hull North), 590; Mr. Maurice Orbach (Lab., Willesden East), 659; Mr Ernest Partridge (C., Battersea South), 679, Mr. M Turner-Samuels (Lab, Gloucester), 748, Lt.-Col. J. K Cordeaux (C., Nottingham Central), 758; Mr Charles Royle (Lab, Salford West), 859, Mr. Frank Beswick (Lab., Uxbridge), 876, Mr. William Coldrick (Lab., Bristol North-East), 876; Mr. J. H Harrison (C., Eye), 889; Mr. Anthony Fell (C., Yarmouth), 917; Mr. George Lindgren (Lab, Wellingborough), 926, Mrs. Lena Jeger (Lab., Holborn and St. Pancras South), 931, Mr. Thomas Oswald (Lab, Edinburgh Central), 939; Mr. C. J. Simmons (Lab., Brierley Hill), 949; Mr. Patrick Maitland (C., Lanark), 958; Mr. Martin Maddan (C., Hitchin), 965; Mr. Neil McLean (C., Inverness-shire), 966

The biggest majorities were gained by two Ulster Unionists—Mr. George Currie (Down North) and Mr. S. K. Cunningham (Antrim South), with 48,678 and 45,192 respectively against Sinn Fein opponents. The biggest majority in Great Britain was that of Mr. H. E. Holmes (Lab, Hemsworth), with 34,042.

Women Members. The new House of Commons will have 24 women members (nine Conservative, one Ulster Unionist 14 Labour) three more than in the last Parliament.

The Conservative women M.P.s are Lady Tweedsmuir, Miss Edith Pitt, Miss Patricia Hornsby-Smith, Viscountess Davidson, Dame Florence Horsbrugh, Mrs Evelyne Hill, Miss Irene Ward, Miss Evelyn Emmet, and Miss Joan Vickers, whilst Mrs. Patricia McLaughlin was returned for the Ulster Unionists. Mrs. Emmet (chairman of the National Union of Conservative and Unionist Associations), who was returned for East Grinstead, Miss Vickers, elected for Devonport, and Mrs. McLaughlin, who won Belfast West from the Irish Labour Party, entered the House for the first time.

The Labour women M.P.s are Mrs. Barbara Castle, Miss Jennie Lee (Mrs. Aneurin Bevan), Mrs. Jean Mann, Miss Elaine Burton, Mrs. Eirene White, Mrs. Alice Cullen, Mrs. Elizabeth Braddock, Mrs. Lena Jeger, Miss Margaret Herbison, Miss Alice Bacon, Mrs. Freda Corbet, Mrs. Harriet Slater, Dr. Edith Summerskill, and Mrs Joyce Barber (M.P. for Wood Green), a new member.

Forfeited Deposits. The number of forfeited deposits totalled 101, of which the Liberals forfeited 61 (five fewer than in 1951) out of 110 candidates presented. Fifteen of the 17 Communist candidates lost their deposits. Three Conservative deposits were lost (all in Wales) and one Labour deposit (in North Cornwall). The remaining 21 forfeited deposits were lost by Independent, I.L.P., Welsh Nationalist, Scottish Nationalist, and Sinn Fein candidates.

No official statement was issued on the election results by the Conservative Party, but Sir Anthony Eden warmly thanked the electorate for its confidence in the Government, and for returning it to office with an increased majority. (Times - Daily Telegraph - Manchester Guardian - Daily Herald)

(Prev. rep. 14199 A; 14144 A.)

Note. The detailed constituency results will be given in a subsequent issue. (Ed. K.C.A.)

A. CHINA. — Taking-over of Port Arthur.

It was announced by Peking Radio on May 24 that the Soviet authorities had completed the transfer of Port Arthur to China, in conformity with the Sino-Soviet agreement of Oct. 12, 1954. A further Peking broadcast on May 26 stated that all Soviet forces had left the base, five days before the time limit (May 31, 1955) laid down in the agreement.
(Times - Manchester Guardian) **(Prev. rep. 13855 A.)**

B. CANADA. — Merger of T.U. Organizations.

The Canadian affiliates of the American Federation of Labour and the Congress of Industrial Organizations the Trades and Labour Congress and the Canadian Congress of Labour respectively—agreed on May 9 to merge into a single organization under the name of the Canadian Congress of Labour. The new organization, which will have to be approved by conventions of the two merger groups, will have a membership of about 1,000,000.—(Montreal Star) **(Prev. rep. 14058 A.)**

A. LONDON AND PARIS AGREEMENTS. — Completion of Ratification Procedure by National Parliaments. - Agreements ratified by French Council of the Republic, U.S. Senate, and Belgian, Luxemburg, Netherlands, and Danish Parliaments.

The London and Paris agreements on the admission of the German Federal Republic to NATO, the rearming of Western Germany within the NATO framework, and the expansion of the Brussels Treaty Organization into the Western European Union, were ratified on March 27 by the French Council of the Republic and subsequently by the U.S. Senate and the Parliaments of Belgium, Luxemburg, the Netherlands, and Denmark, thereby completing the ratification process in all the national Parliaments concerned.

Ratification by French Council of the Republic.

The French Council of the Republic opened its debate on the Paris agreements on March 23. It had before it the four Bills already passed by the National Assembly (see 13965 A) relating respectively to (1) the protocol on the amendments to the Brussels Treaty and the setting-up of the Western European Union, involving the rearmament of the German Federal Republic and its entry into W.E.U.; (2) the ending of the occupation regime in Germany and the convention regulating the continued maintenance of Allied forces on German territory; (3) the admission of the German Federal Republic to NATO, (4) the Franco-German agreement on the Saar.

Prior to the Council's debate, the Bills had been examined by its various Commissions. those for Foreign Affairs, National Defence, Economic Affairs, Industrial Production, *France d'outre mer*, and Finance. All of these bodies, by varying majorities, had declared themselves in favour of ratification, although the Industrial Production Commission had attached two delaying amendments. Some of the other Commissions, whilst not adopting formal amendments, had passed "motions" expressing certain reservations to be brought to the Government's notice. These reservations related specifically to an agreement on the functions of the armaments production agency under the W.E.U., on which negotiations were then in progress in London (see 14000 A), and to the Saar agreement. As regards the latter, the differences in the interpretation of the proposed Saar Statute—as expressed in the respective Government memoranda accompanying the French and German ratification Bills, and in Dr. Adenauer's statements during the ratification debate in the *Bundestag* (see 14169 A)—had created widespread concern in France.

The **Foreign Affairs Commission** had supported the Saar agreement on March 16 by 21 votes to seven, with two abstentions, and the three other Bills by 20 votes to four, with six abstentions, but had asked for certain assurances from the Government (see below)

The **National Defence Commission** voted on March 16 for ratification by 14 to nine, with three abstentions and four members absent.

The **Economic Affairs Commission** had adopted the agreement on March 9 by 12 votes to four, with two abstentions It rejected (by 11 votes to six, with two abstentions) an amendment that ratification should be postponed until Franco-German disagreements over the Saar had been settled, but adopted a "simple resolution" affirming (1) that the Saar Statute unequivocably created the political autonomy of the territory, (2) that it ensured the maintenance of the monetary, customs and economic union between France and the Saar, and (3) that the instruments of ratification of the Saar agreement should only be exchanged after the question of the Rochling steel works (see 14223 A) had been settled

The **Finance Commission** had also approved the agreements, but had unanimously (save for its two Communist members) adopted a motion expressing the view that it was essential to supplement the agreements by satisfactory arrangements on the W E U armaments agency.

The **Industrial Production Commission,** though supporting the agreements. had added two important amendments On March 3 it voted that deposition of the ratification instruments in respect of the Saar agreement should be made dependent on the conclusion of the new economic co-operation convention between France and the Saar, then under negotiation. On March 9 the Commission, while approving the three other Bills, added an amendment stipulating that the instruments of ratification of the relevant protocols and conventions should not be deposited until a European standardization agency for armaments and for the distribution of U.S. aid had been established under the Western European Union.

During its earlier debates, the Foreign Affairs Commission had heard a statement from M. Pinay, the Foreign Minister, on March 9-11. In this statement, M. Pinay revealed that Sir Winston Churchill had sent a letter to M. Mendès-France (then Prime Minister) on Jan. 12, 1955, containing a warning to France against "leaving an empty chair at international conferences lest it be occupied by some other nation." The full text of the correspondence between Sir Winston and M. Mendès-France was released in Paris and London on March 21 and is reproduced below.

M. Mendès-France to Sir Winston Churchill.

Paris, Jan 3, 1955

"As I felt able to give you an assurance during the discussions in London, the National Assembly has approved the agreements on which the unity and cohesion of the Western Powers depend But, as I foretold to you, the debate has been a difficult one I am convinced that we should not have had a favourable vote if we had not been able to put forward the undertaking of your Government to maintain substantial forces on the Continent

All the difficulties are not yet over I must obtain the vote of the *Conseil de la Republique* Above all it is important that French public opinion should remain convinced that the treaties are necessary, and that their adoption and entry into force will not prevent the Western Powers from following with resolution and perseverance a policy of peace.

The West must unceasingly demonstrate its good will If those efforts, of which you have so often set the example, succeed, it will be for the good of the whole world If they unfortunately fail, we shall at least have proved to the peoples that their Governments have done their duty, and we shall have cemented still further, if that were necessary, the association of the countries of the free world. I think that that is also your belief

It is in this spirit that the attached note [see Memorandum below] which I submit for your consideration, has been drawn up. I am sending it also to President Eisenhower, Sir Anthony Eden, and Mr. Foster Dulles This note suggests two possible procedures by which we might propose a four-Power conference to the Soviet Union —a conference which might be summoned for an early date, for example in May, provided that careful preparations have been made on the diplomatic plane.

Your understanding, your lucid vision, and your friendship will be more indispensable than ever for the accomplishment of the grave tasks with which 1955 is going to confront us "

M. Mendès-France's Memorandum on Four-Power Talks.

"(1) The proposals I made at the United Nations (see 13910 A) have lent support to the arguments which I developed in the course of the debates in the National Assembly and which have greatly contributed to guiding the vote of a certain number of deputies in favour of the Paris agreements Speakers of widely differing political views have asked the Government to prepare for a new four-Power conference by diplomatic negotiations undertaken immediately. In these circumstances the French Government could not remain inactive

(2) The French Government thinks it necessary that a new *démarche* should be made to the Soviet Government as soon as possible Two procedures can be considered

(*a*) First, the French Government would seize the opportunity offered by the Soviet Note concerning the threat to denounce the Franco-Soviet Treaty, a Note which in any case could not remain unanswered After having refuted the Soviet Government's allegation that the Paris agreements have an aggressive character, the French Government could conclude by renewing its offer of diplomatic negotiations with a view to preparing for a four-Power conference in May, given that by this date France will have ratified the Paris agreements. The terms of the proposal thus made to the U S S R. would first be communicated to the American and British Governments, and that fact would be mentioned in the French Government's Note to the Soviet Government

(*b*) Another solution, which the French Government naturally prefers, would consist of making the offer of a four-Power conference to the Soviet Government by a joint Note from the three allied Governments This Note could be drawn up by the procedure which has been followed hitherto for the preparation of Western Notes addressed to the Soviet Government, always on condition that it did not lead to an unacceptable delay

(3) The French Government, in insisting on the importance which in its view attaches to the proposed *démarche*, is convinced that the Western Powers will only be able to retain the indispensable support of public opinion for their policy by continually taking the initiative in favour of a relaxation of international tension. The risks implied by a passive role in this respect would not only be great in France but equally so in Germany, as the latest Bundestag debate shows. By contrast, the U S.S R. could steal the limelight at the cost of empty declarations, assure itself the advantage of the initiative, and appear as the only party anxious to come to a settlement of outstanding questions.

(4) The French Government would be happy to learn the views of the British Government on these proposals as quickly as possible.'

Sir Winston Churchill to M. Mendès-France.

10, Downing Street, Whitehall,
Jan. 10, 1955

"Thank you very much for your letter. I renew my congratulations to you on your success in the Chamber. I feel that your difficulties in dealing with all the vehement and self-centred groups must be enormous. Your courage and vitality have given me an impression of French leadership which I had not sustained since the days of Clemenceau. Pray accept my earnest compliments.

I have for some time felt a strong desire to establish a direct personal contact with the new leaders of the Soviet Government such as might lead to a fruitful four-Power conference. But these thoughts of mine received a rude shock when the Soviets requested a four-Power meeting of the Foreign Secretaries, apparently with the object of stimulating opposition in the French Chamber to the ratification of the E.D.C.

After this came the London conference; and Sir Anthony Eden's initiative was there, and subsequently at Paris, crowned by the agreements which you by your determination and skill managed, though by a very small majority, to pass through the Chamber I am well aware that the treaty has also to pass the *Conseil de la République*, and of the many opportunities for uncertainty and delay which still remain.

I still hold most strongly to my conviction that a top-level meeting might be productive of real advantages if the time and circumstances were well chosen. This view was, as you know, expressed in a unanimous resolution by the House of Commons last year I cannot feel, however, that at this juncture any negotiation with the Soviets about a four-Power meeting, even though conditional on the agreements having been previously ratified, would help our common cause. Weakness makes no appeal to the Soviets. To mix up the process of ratification with what might well follow soon afterwards would very likely dilute both firmness and conciliation. The sooner we can get our united ratification, the sooner the top-level four-Power conference may come.

Although we have every sympathy with you in your difficulties and admiration for your exertions, the fact should be accepted that I and my colleagues are wholeheartedly resolved that there shall be no meeting or invitation in any circumstances which we can foresee between the four Powers, either on the Foreign Secretaries level or on that of the Heads of Governments, until the London-Paris agreements have been ratified by all the signatories In this we are in the closest accord with the United States. I cannot believe there is the slightest chance of any change of attitude on this point in either of our two countries Indeed, I fear that an indefinite process of delay may well lead to the adoption of other solutions which are certainly being studied on both sides of the Atlantic.

I, myself, am very much opposed to the withdrawal of all American and British troops from the Continent. You may count on me to oppose to the best of my ability the strategic conception known as 'peripheral.' On the other hand I should feel bound, whether as Prime Minister or as a private member, to support the policy known as 'the empty chair,' although this would involve large changes in the infra-structure of NATO, both military and political. I feel that the United States, with their immense superiority of nuclear weapons, and acting in association with Great Britain, the British Commonwealth, and the German Federal Republic, will be strong enough, at any rate during the next few years, to afford to the Benelux countries and our other allies, for whom we have a deep regard, and also the German Federal Republic, to whom we are bound in honour, a definite and substantial security based on physical and moral deterrent power.

In this breathing-space much may be achieved. But having ever since 1910 worked and fought with and for France, for whose people I have a deep affection, I should feel the utmost sorrow to see her isolated and losing her influence with the rest of the free world. I hope indeed that it will fall to you to save your country from this evil turn of fortune. . . ."

At the opening of the Council of the Republic's debate, M. Edgar Faure (the Prime Minister) stressed—in reply to a question put to him—that any statement made by any member of the Government would commit the Government as a whole, and that he would never agree to act on behalf of a divided Administration. The *rapporteurs* of the various Commissions then presented their reports, the most important of which were those of the Foreign Affairs, Defence, and Industrial Production commissions.

M. Michel Debré (Gaullist) gave three reasons for the majority decision of the Foreign Affairs Commission in favour of ratifying the Bills providing for German rearmament, the ending of the occupation regime, and Germany's membership of the W.E.U. and the NATO: (1) the recognition of German sovereignty was necessitated by the evolution of the international situation since the end of the war, and "confirms an existing state of affairs rather than creates a new one"; (2) Western Germany's adherence to the North Atlantic Treaty linked her with the Western world, (3) the W.E.U., which was founded on the basis of an association of European countries, including Great Britain, maintained the basis of the French Union and thereby linked French Africa with the destiny of the European countries.

"If a country has attained political stability as Germany has done," M. Debré said in his report, "and if within a few years it overcomes its misfortunes and miseries by an immense effort of industrial expansion, there can be no question of settling its political status without its consent. Germany can no longer be neutralized, and her fate can no longer be determined without the agreement of her people." German rearmament, M. Debré continued, certainly involved a danger, but Germany was "in a circle of countries so numerous and powerful that the risks of domination by her were very small." Those who argued that the links which bound Germany to the Atlantic community and the W.E U. were weaker than those under the E.D.C. Treaty forgot the power which Germany would have had in a small and restricted European political community.

The problem, however, was not only a military but also a diplomatic one, and negotiations with the Soviet Union were as important as the defence of the West against any future menace from the East. Military solidarity alone would not suffice unless it was the expression of a political solidarity, and European solidarity would lose much of its *raison d'être* if it did not lead to a solidarity of outlook with regard to the principal world problems. In this connexion M. Debré asserted that France, despite her membership of the Atlantic Pact, had "for years been isolated and misunderstood in Indo-China" and was "today isolated and misunderstood to a large extent in Africa." He therefore called for a common NATO policy in the interests of France and Western Europe alike, both in the Far East and in Africa

As regards the guarantees contained in the London and Paris agreements, M Debré said that great uncertainty still existed about their application, but that the best guarantee could be found in Atlantic solidarity. As the unity of the Atlantic alliance was one of the safest guarantees of Soviet concessions, it was France's duty to uphold the alliance in the interests of an agreement with the East

M. Debré concluded his report on a personal note which recapitulated French doubts and hesitations about the rearming of Germany, as well as his final conviction about the necessity of that step. "Doubts and criticisms spring up within me," he wrote. "No road seems to be sure, no solution seems to be ideal But having studied all that could be studied and heard all that could be heard, I have reached the conclusions laid down in this report. The sovereignty of Western Germany, her entry into the Atlantic alliance, and the organization of a Western European Union are measures imposed by the present state of the world, of our continent, and of France"

The doubts of the Foreign Affairs Commission, M Debré added, had been allayed by what M. Pinay and M. Faure had told them about the impossibility of France's seeking international negotiations if the Paris agreements were not passed. The Commission had therefore rejected all amendments and delays, but desired assurances from the Government on the following questions during the interval between the ratification of the treaties and the deposition of the instruments of ratification: the measures to be taken as regards the functions of the W.E.U. armaments agency; the new Franco-Saar economic convention; the fate of the Röchling steel works; the holding of a four-Power conference with the Soviet Union; and the widening of the NATO to cover a joint policy of its members outside Europe, especially as far as French North Africa and the Middle East were concerned.

M. Pinton (*Gauche Démocratique*), reporting on the Saar agreement, also expressed "serious anxieties," but questioned whether any better result could have been achieved. On the political side the new Saar Statute did not seem to be definitive because it would remain in force only until such time as a German peace treaty was signed. Moreover, those parties in the Saar which were hostile to the Statute were to be given full freedom. It must be recognized (M. Pinton emphasized) that France had accepted the principle that the Saarlanders should pronounce freely upon the Statute, which would be submitted to them. After discussing the discrepancies in the French and German interpretations of the Saar agreement, as shown by Dr. Adenauer's statements and the memoranda accompanying the German and French ratification Bills, M. Pinton called upon the Government to reaffirm the French thesis.

M. Armengaud (Ind. Republican), for the Industrial Production Commission, declared that all the good intentions contained in the treaty would be in vain without a European armaments pool. The Government had asked them to vote a motion rather than to table a formal amendment to the ratification Bills, but his experience had been that whenever Parliament had voted a motion it had always been without result Thus, at the time of the creation of the European Coal and Steel Community, precise undertakings had been given by the Government with regard to the canalization of the Moselle and the deconcentration of the Ruhr industry, but none of these undertakings had been kept. [Here **M. Pinay** intervened to protest against M. Armengaud's assertion, and to point out that the Government then in power had only been unable to implement its promises because it had been overthrown. He added that he had again raised the question of the Moselle with Dr. Adenauer and hoped rapidly to reach an agreement, and pointed out that any amendment suspending the application of the Paris agreements would make future discussions with France's allies exceedingly difficult.]

M. Armengaud, continuing, said that he was not suggesting that there was any alternative to an Atlantic policy, but stressed that such a policy should not result in "economic degradation" for France. He added: "The Atlantic club? All right! But on condition that the old members do not cheat, as they have done in favouring Germany before France. To *Rule Britannia* and *Deutschland erwache* we should reply, *France reveille-toi*!"

The resumed debate on March 24 was marked by a forceful intervention by M. Faure, following two speeches by Senators from Eastern France. **M. Kalb,** a Gaullist Senator representing the Haut-Rhin *département* (Alsace), declared himself in favour of ratifying the London and Paris agreements. Recalling that he spoke on behalf of a region which had twice suffered from German oppression, and that he and his friends had been totally opposed to the E.D.C. Treaty, he declared that whilst he could neither forget nor resign himself to the past, he was aware that the past conditioned neither the present nor the future. "We must have a wider vision," he declared, "and be able to break loose from our own sensitivity." He would therefore vote for the agreements, but would insist that the Government should bring about as soon as possible a four-Power conference leading towards peaceful co-existence.

M. Pinchard (Ind. Republican, Senator for the Meurthe-et-Moselle *département*), on the other hand, made an impassioned speech against ratification, expressing serious doubts about the treaties from the military point of view and declaring that the Prime Minister's "smooth and diabolic plea" to the Commissions had not convinced him. After declaring that "foreign blackmail" had not prevented the National Assembly from rejecting the E.D.C. treaty, M. Pinchard said that it was time that France's allies ceased exercising upon her a pressure that was completely contrary to the treaties

which they had signed He added . " Having gone from scuttle to scuttle and from renunciation to renunciation, are we now willing to yield everything to avoid isolation ? "

Refuting the Government's contention that the London and Paris agreements would link Western Germany more closely with the West, M. Pinchard said that he could not see why a rearmed Germany should be easier to keep within the Western camp than a disarmed Germany. The arming of Western Germany, he asserted, would only lead to an armaments race with Eastern Germany, into which the countries of a divided Europe would inevitably be drawn Moreover, a new war would inevitably be an atomic war, and in these circumstances the new German divisions were not indispensable After asking whether France could forget the experiences of the inter-war years and the difficulties of limiting German rearmament, M. Pinchard concluded with a strongly emotional warning of the irrevocable dangers of rearming the Germans, in which connexion he evoked the memories of France's wartime sufferings and the immutability of the German character.

M. Faure, intervening with an impromptu speech, rejected M. Pinchard's assertion that there had been any threats or blackmail on the part of the Allies. Had such threats been made, he would have been the last to accept them. But, he asked, was it surprising that the " constant hesitations and tergiversations of French policy " had upset France's allies ? " Let us not forget the past," M Faure declared. " Who asked for the Atlantic pact—not America, but Europe. We were afraid at the time that there would not be sufficient American forces on the Continent, or that they might arrive too late Since 1950 our policy has been an example of tergiversations They are explicable and honourable, but can one expect that they were understood 4,000 miles away as well as within our parliamentary precincts ? All French Governments have expressed their fear of [American] peripheric strategy. All have accepted the necessity of German rearmament. To make this rearmament acceptable, we demanded the guarantee of European integration Our allies accepted it, and as a result the E D.C. treaty was worked out Then, at the end of a dramatic debate, the treaty signed by the French Government was rejected by Parliament after two years of hesitation."

After reminding the Council of the Republic that the Soviet Union had rearmed Eastern Germany without being entitled to do so, M. Faure asked " Can we in the circumstances deny the same right to those countries with whom we are closely linked ? . . There comes a moment where things have got to reach a decision. . . We cannot always change our views after we have signed. M. Mendès-France strongly demanded, steadfastly sought, and with difficulty obtained, an agreement probably not as good as expected, but not as bad as some of you think But now we must come to a decision. If France now changes her mind, it will not be I who will tell the Americans."

Turning to Franco-German relations, the Prime Minister recalled his memories as a child at Verdun during World War I and his experiences as a member of the French prosecution at the Nuremberg trials after World War II He himself was therefore entitled to feel apprehensive. " But," he declared, " I have never thought that Germany was a nation of criminals. . . . Let us therefore seek co-existence. Times change. There was a time when England was our hereditary enemy. After that it was Germany. I believe that we have no more hereditary enemies and that the Franco-German dispute has no longer any world importance. There are far deeper shadows hanging over us now . . We are dealing now with a democratic German Government. Let us beware lest it be replaced tomorrow by another to which we could not refuse anything. Germany is rapidly developing, the more so as she does not have to bear any defence expenditure. Can you deny sovereignty to such a prosperous country ? But sovereignty implies the right to have an army Certainly I would have preferred to have seen Germany as the first country to be disarmed rather than the last country to be rearmed, but if we have reached the present stage, whose fault was that ? "

France had always been on the side of disarmament (M. Faure continued), but in the position as it had developed in the ten years since the end of the war, the only thing they could do now was to limit armaments equally. Yet it was impossible to impose such a limitation unilaterally, and the essential guarantees accompanying this process could only be on a contractual basis. Germany had accepted the obligation not to raise more than 12 divisions without French agreement. She had also agreed to limit her stock of fissile materials In conclusion, M Faure said that it was a question not of having confidence in Germany but in having confidence in themselves ; he called upon France to free herself from her " interiority complex," and expressed his profound conviction that French policy must be " clear, straight, and unequivocable."

When the debate was resumed on March 25, five amendments were put down to the Bill relating to the W.E U. . (1) an amendment by MM. Pinton and Restat (*Rassemblement des Gauches*) which proposed the conclusion before Aug 1, 1955, of a four-Power agreement on disarmament and on the German and Austrian problems, as well as an agreement in principle on the European armaments production agency ; (2) one by M. Armengaud (Ind. Republican), on behalf of the Industrial Production Commission, making the deposition of the ratification instruments dependent on the conclusion of an agreement on the Armaments Agency, as mentioned above ; (3) one by M Marcilhacy (Ind. Republican), likewise demanding the prior conclusion of an agreement on the armaments agency , (4) one by M. Chaintron (Communist) demanding, in the form of a " prejudicial question," the rejection of the Paris agreements ; and (5) one by M Le Guyon (*Rassemblement des Gauches*) and ten other Senators demanding a prior assurance that no war criminals would be given posts in the new German Army. In addition, M. Coudé du Foresto (M.R.P.), also on behalf of the Industrial Production Commission, put down an amendment to the Bill relating to the Saar agreement, making the deposition of the ratification instruments dependent on the conclusion of a new Franco-Saar convention on economic co-operation

The debate on March 25 was opened by **M. Laffargue** (*Gauche Democratique*), a strong advocate of ratification. He was followed by **M. Debu-Bridel** (Gaullist), one of the most determined opponents of the agreements, who warned France against giving Germany once again " a dose of militarism " which, he said would destroy " the tendencies of the present German youth to return to the tradition of Luther, Kant, Goethe, and Karl Marx "

M. Pinay, who followed, emphasized that they could not remain passive before the latent menace which the Communist *bloc* in Europe and Asia exercised by its weight on Western Europe It was essential to reinforce the Western world and assure its unity of action, which was " a prerequisite for co-existence " He added : " It is an error to imagine that France has to choose for or against German rearmament, because if this rearmament is not carried out with us it will be carried out without us, and perhaps even against us." In the Government's view, any delay in ratification and any suspensive conditions would, in the present international situation, be " equivalent to an outright rejection " France's allies now expected from her a clear decision—a " yes " or a " no." The time for " prejudicial questions " had passed, and any such move would be interpreted as " a device to mask our incapacity to take a decision."

Referring in particular to the demand for a prior agreement on a supranational armaments production agency, M Pinay pointed out that insistence on this would create the " same *impasse* which has hampered the negotiations in London " [i e in the four-Power sub-committee of the U.N. Disarmament Commission] He added, however, that he had received from Mr Dulles a promise of the closest possible U.S co-operation, not only with the armaments agency envisaged under the Paris agreements, but with any other agency or organ which might eventually be set up to deal with the control of armaments

As regards Franco-German relations, M. Pinay announced that he had received a communication from Dr. Adenauer offering bilateral discussions on waterways along the Franco-German frontier, which would include negotiations on the canalization of the Moselle. As to the Saar, M Pinay maintained that there was no point in continuing the discussions about the interpretation of the Franco-German agreement, since the main thing was to get the European institutions in the Saar going and to make them work. He confirmed, however, that, in the Government's view, the entry into force of the Saar agreement was dependent on the conclusion of a new economic convention with the Saar, as well as on a satisfactory settlement of the problems presented by the liquidation of the Rochling steel works, on which negotiations were still in progress.

Turning to the policy of the Soviet Union, M Pinay pointed out that had she wished to negotiate she could have done so. However, the U.S S R had made no move but had waited. " Why ? " he asked. " Because she believed that our alliance would be broken up And when, contrary to her expectation, this alliance was reaffirmed, Moscow resumed contact with us on the very same day the Paris agreements were signed. In actual fact, the Soviet Union is not going to accept negotiations until she has lost all hope of dividing us As far as we are concerned, we are ready to resume discussions and to take the necessary initiative to that effect We do not pretend to take up a ' position of strength ' ; for this we would have to wait too long. We only wish to eliminate a position of weakness and to replace it by a position of cohesion."

In conclusion, M. Pinay emphasized the fourfold guarantees offered by the Paris agreements : (1) juridical guarantees in the Western European Union and the armaments control agency ; (2) material guarantees by NATO control of supplies and communications ; (3) strategic guarantees in the shape of the Supreme Allied Command ; and (4) political guarantees by the solemn undertaking of the German Federal Government never to resort to force for national aims—guarantees which were backed by the presence of British and American forces on the Continent of Europe.

On March 27 M. Faure made a final declaration reiterating his earlier arguments in favour of unconditional and immediate ratification. To meet the various arguments and doubts expressed during the debates, he produced a written declaration of policy which had received the unanimous approval of the Cabinet earlier in the day. This declaration listed five essential undertakings on the part of the Government in connexion with the Paris agreements, as follows :

(1) The Government considered that the Franco-German agreement on the Saar should enter into force only after the conclusion of an economic agreement between the two countries on the basis recently agreed by them, including a satisfactory settlement of the question of the Röchling steel works.

(2) The Government intended that the Western European Union should be completed by an armaments production organization assuring the best possible utilization of the resources of member-countries. The Government's aim, the realization of which it would pursue " vigorously," was the creation of a " European agency financed by a common budget, and exercising real powers in matters of research, production, and the distribution of external aid."

With a view to achieving this objective the Government would propose to the other W.E.U. member-countries the immediate creation of " proper agencies for the development of the closest possible co-operation between them." It would set on foot negotiations to bring about the equalization of the economic and social

conditions affecting production in the various member-countries, and would work for the setting-up of "multilateral groups with real powers of decision," together with those member-countries willing to enter into such arrangements The Government considered that "a true European Armaments Community constitutes the first indispensable stage in the building of a united Europe, and will be the test of Atlantic unity as well as of the aims which have led to the creation of the Western European Union."

(3) The Government would seek a speedy definition by the Council of W E U of the proposed controls on weapons of mass destruction.

(4) The Government would, without delay, point out to the members of NATO the need for strengthening the links between them, in accordance with Article 2 of the North Atlantic Treaty The NATO should not be limited to military problems alone but should be a source of political, economic, and social solidarity between its members both inside and outside Europe, notably in the Mediterranean and Africa, "thus creating a true European community with proper respect for the rights and obligations of each member-country in the overseas territories under its control"

(5) The Government would seek the convening of a four-Power conference at the earliest possible date, and had already approached its allies with a view to the renewal of negotiations with the Soviet Government It would take any useful initiative in working out solutions which could obtain the agreement of the four participating Powers, and would spare no effort for the success of the London discussions on disarmament

After the "prejudicial motion" moved by M. Chaintron (Communist) had been rejected without a division, the Council also rejected M. Pinton's amendment, by 183 votes to 115, and M. Le Guyon's amendment, by 185 votes to 102. M. Armengaud and M. Coudé du Foresto withdrew their amendments in view of the undertakings contained in the Government's written declaration.

At the end of the debate the Council adopted, by a show of hands, the following resolution which had been proposed by the Foreign Affairs Commission in response of M. Faure's written undertakings:

"The Council of the Republic takes note of the Government's declarations, and especially of the written statement in which it has set out the principal foreign policy directives which it intends to pursue By this acceptance the Council considers that a true contract has been concluded between the Government and Parliament, which—in accordance with the undertakings given by the Prime Minister—will be kept informed of the steps to be undertaken by the Government without delay, and of the results of those steps."

The Council then adopted the four Bills by the following majorities.

(1) The protocol on the amendments to the Brussels Treaty and the setting-up of the Western European Union: by 184 votes to 110.

(2) The ending of the occupation regime and the convention regulating the continued maintenance of Allied forces on German territory: by 234 votes to 75.

(3) The admission of the German Federal Republic to NATO: by 200 votes to 114.

(4) The Franco-German agreement on the Saar: by 217 votes to 92.

In the vote on the Western European Union, which was the most controversial, the Government was supported by 47 Socialists (out of 58), 47 Independent Republicans (out of 60), 46 members of the *Rassemblement des Gauches* (out of 71), 17 M.R.P Senators (out of 26), 11 Gaullists (out of 47), 8 *Paysans* (out of 19), 5 Dissident Gaullists (out of 6), and 3 Overseas Independents (out of 14).

The 110 opposition votes comprised 30 Gaullists, 21 members of the *Rassemblement des Gauches*, the 16 Communists, 11 Overseas Independents, 10 Socialists, 9 Independent Republicans, 5 *Paysans*, 4 M R.P. Senators, 3 *non-inscrits*, and one dissident Gaullist. Sixteen Senators (including 5 Gaullists and 5 M.R.P.) abstained, and six did not take part in the vote.

The Bills were signed by President Coty on April 3 and were promulgated on April 8, the completion of the French ratification procedure being warmly welcomed in London, Washington, and Bonn.

The two conditions laid down by M. Faure for the entry into force of the Franco-German economic agreement on the Saar—a new Franco-Saar economic convention, and a settlement of the Röchling steel works question—had been satisfactorily achieved in the discussions between M Pinay and Dr. Adenauer in Bonn on April 29-30 and in the subsequent signing of a new economic convention between France and the Saar (see 14223 A).

Ratification by U.S. Senate.

The Paris agreements restoring full sovereignty to the German Federal Republic, ending the Allied occupation, admitting Western Germany to NATO, and authorizing the creation of West German armed forces within the NATO framework, were approved by the U.S. Senate on April 1 by 76 votes to two, and signed by President Eisenhower on April 7.

Before going to the full Senate, the agreements were approved by the Senate Foreign Relations Committee on March 31 by 14 votes to one (Senator Langer, Republican, North Dakota). During the Senate debate on April 1, **Senator Walter F. George** (Democrat, Georgia), chairman of the Foreign Relations Committee, expressed the conviction that they would improve the chances for the unification of Germany, and would also enhance the prospects of a "Big Four" or "Big Five" meeting that would "produce something more constructive and helpful than stalemate and propaganda" He believed that the treaties carried "practical workable safeguards" against what he described as the historically justified fear of a resurgence of German militarism **Senator Alexander Wiley** (Republican, Wisconsin), the former chairman of the Foreign Relations Committee, said that the treaties "mean greater security for America, improved prospects for world peace, and another opportunity to put into effect the law of self-preservation, we are seeking to build a security system, and that is all there is to it" **Senator Herbert H. Lehman** (Democrat, New York), who supported the treaties "with grave doubts and reservations," said that he was still unconvinced that Germany was yet "truly democratic" and that she might not revert to totalitarianism in future years, if Germany should once more become a military menace, he added, America would "never be forgiven by the peoples of the world"

The two dissenting votes were cast by Senators Langer and Malone (Rep, Nevada), both prominent isolationists

The documents signed by President Eisenhower fell into three categories: (1) the conventions granting sovereignty to the German Federal Republic and ending the Allied occupation; (2) the protocol on the admission of Federal Germany to NATO; (3) the convention with the Federal Republic providing for the continued stationing of British, French and U.S. forces in Western Germany.

Belgian and Luxemburg Ratification.

The Belgian Senate approved the Paris agreements on April 6 by 142 votes to two, with one abstention (an Independent Catholic) and 30 senators absent. The Social Christian (Catholic), Liberal, and Socialist senators voted in favour of the agreements, the two dissenting votes being cast by Communists. M. Paul Henri-Spaak (the Foreign Minister) declared that the agreements strengthened the NATO and would tend to prevent Germany from again becoming an aggressive power.

The Belgian Chamber of Deputies had approved the agreements on Jan. 20, 1955, by 181 votes to nine, with two abstentions—see 14101 A.

The unicameral Parliament of Luxemburg, meeting on the same day (April 6), approved the agreements by 48 votes to three (Communists)

Ratification by Denmark.

The Danish *Folketing* approved Western Germany's admission to the NATO under the Paris agreements on April 19, the voting being 145 to 24. The three largest parties -the Social Democrats, Conservatives, and Agrarians- voted for ratification, whilst the opposition consisted of the *Venstre* (Radicals), the Communists, and the *Retsforbund*, which asked that the Bill should be submitted to a referendum. The vote confirmed an earlier decision by the *Folketing* on Oct. 19, 1954, which had authorized the Government to sign the protocol on the admission of Western Germany to NATO.

Ratification by the Netherlands.

The Lower House of the Netherlands States-General approved the Paris agreements on March 30 by 71 votes to six, and the Upper House on April 28 by 32 votes to two, the dissenting votes in both Houses being cast by the Communists. There were no abstentions in the Lower House, but 16 in the Upper House. Holland, though the first country to ratify the defunct E.D.C. project, was the last of the 16 NATO countries to approve the Paris agreements, the States-General having postponed its debate until the agreements had been approved by the French and Federal German Parliaments.

The Foreign Minister, Mr Beyen, in statements in both Houses, said that the Government recognized the dangers inherent in a rearmed Germany, the threat of a revival of German militarism, and the possibility of "the provocation of a general conflict in connexion with the reunification of Germany." He felt, nevertheless, that the NATO and W E.U. arrangements gave full safeguards against any resurgence of German militarism, and that history had shown that the German problem could only be solved by admitting Germany into the community of Western nations on a footing of full equality.

The London and Paris agreements had earlier been ratified by the national Parliaments of the United Kingdom (see 13917 A), Canada (14106 A), Western Germany (14169 A), Italy (14116 C, 13974 D), Norway (13931 C), Portugal (14008 C), Greece (14001 B), Turkey (14126 C) and Iceland (13942 G), as well as by the French National Assembly (13965 A) and the Belgian Chamber of Deputies (14101 A). The action of the French Council of the Republic, the U.S. and Belgian Senates, and the Dutch, Danish, and Luxemburg Parliaments completed all the ratification processes.—(Le Monde, Paris - Le Figaro, Paris - New York Times - La Nation Belge, Brussels - Algemeen Handelsblad, Amsterdam - Politiken, Copenhagen)

A. INDIA. — Marriage and Divorce Legislation. - Abolition of Polygamy. - The Special Marriage Act and Hindu Marriage Act.

Two important measures reforming the Hindu marriage and divorce system were enacted by the Indian Parliament in recent months, and are described below. They were . (1) the Special Marriage Act (passed by the Indian Parliament on Sept. 23, 1954), which authorized divorce by mutual consent for persons who had been married in a civil ceremony ; and (2) the Hindu Marriage Act (passed on May 5, 1955), which abolished polygamy and granted the right of divorce to Hindu women.

The Special Marriage Act. This Act provided that Indian nationals and persons resident in India might be married by a civil ceremony irrespective of their religion, and that Indian diplomatic and consular officials might solemnize and register civil marriages between Indians resident abroad It permitted marriages between persons of different religions and castes , fixed the minimum age for civil marriage at 21 for men and 18 for women ; allowed persons already married by religious rites to register their marriages under the Act, and thus to qualify for a civil divorce , introduced mutual consent as a ground for divorce , and stipulated that a petition for divorce might not be presented within three years of marriage, and that divorced persons would not be able to remarry until at least one year after the divorce had been obtained

A clause providing that a petition for divorce might be presented by either party if the respondent had lived apart from the petitioner for a year, or if the parties had refused to live together and had agreed to dissolve the marriage by mutual consent, was introduced as an amendment in the Council of States, and passed by acclamation In the House of the People an amendment reducing the minimum marriage age for women from 21 to 18 was adopted by 118 votes to 106 In both Houses voting on the various clauses of the Bill did not follow party lines , e.g., the amendment reducing the minimum marriageable age for women was introduced by two Communists and supported by many Congress members, including some members of the Cabinet

The Bill was given a third reading in the House of the People on Sept, 17, only one member opposing In its amended form it was approved by the Council of States on Sept. 23, received President Prasad's assent on Oct 9, and came into operation as from January 1, 1955.

The Hindu Marriage Act This Act, which codified and reformed the law relating to Hindu marriages, made monogamy (already enforced in certain States) both general and compulsory. It fixed the minimum age for sacramental marriage at 18 for youths and 15 for girls , and authorized divorce at the instance of either party on the grounds of adultery, idiocy or lunacy, the obtaining of consent by force or fraud, or continued impotence

The Bill (originally designated the Hindu Marriage and Divorce Bill) was first introduced into Parliament on Dec 11, 1952, and after prolonged delays was referred to a joint select committee This body introduced numerous amendments, the most important of which provided for the payment of alimony by a wife possessed of independent means to a husband who had no independent source of income Despite opposition from a number of Communist and women members, who contended that it was unfair to exact alimony from women when they did not enjoy equal economic rights with men, the amendment was adopted by the Council of States, which approved the Bill unanimously on Dec 15, 1954.

When the Bill was introduced into the House of the People on April 27, 1955, it was strongly opposed by Mr. Deshpande (Hindu Mahasabha), on the grounds that it sought to destroy the age-old traditions and culture of Hindu society and the sacramental character of Hindu marriage In reply, Mr Nehru declared that it was not "sacramental" for two people who hated one another to be "tied to each other for life," and emphasized that Indian women must be given social as well as political and economic freedom. On the controversial clause granting husbands the right to claim alimony, the Government gave an assurance that it would be reviewed at the first suitable occasion. The Bill was passed by acclamation on May 5 (only Mr. Deshpande opposing), and received the Presidential assent on May 19.

The Hindu Marriage Bill was intended to be one of a series covering the whole field of Hindu law relating to marriage, inheritance, women's property rights, minority, guardianship, and adoption. The Hindu Code Bill, a comprehensive measure dealing with these questions, was originally drafted by the former Law Minister, Dr. Ambedkar, but met with strong opposition in the Constituent Assembly from a section of the Congress Party. After two years' discussion the Bill was accordingly dropped after only four of its clauses had been passed, and Dr. Ambedkar resigned from the Cabinet in 1951 in protest (see 11800 A). Mr. Nehru, however, made the Bill a leading issue in the 1951-52 general election campaign, and, after being returned to power, decided to re-submit it to Parliament in the form of several independent Bills, of which the Hindu Marriage Bill was the first to be adopted.
(The Hindu, Madras - The Statesman, Calcutta - Times of India, Bombay - Indian High Commissioner's Office, London)

B. UNITED STATES. — Pulitzer Prize Awards.

The annual Pulitzer Prize awards (for 1954) were announced on May 2 by the trustees of Columbia University, New York, the recipients being as follows : (*a*) for literature—William Faulkner, for his novel *A Fable*, an allegory set on the Western front in the First World War ; (*b*) for drama—Tennessee Williams, for his play *Cat on a Hot Tin Roof*, dealing with life in the Mississippi delta ; (*c*) for history—Paul Horgan, for his historical work *Great River, the Rio Grande in North American History* ; (*d*) for biography—William S. White, for his book *The Taft Story*, a biography of the late Senator Robert A. Taft , (*e*) for music—Gian-Carlo Menotti, for his opera *The Saint of Bleecker Street*, set in New York's "Little Italy" ; (*f*) for poetry—Wallace Stevens, for his *Collected Poems*.

William Faulkner (57), born in Mississippi, was awarded the Nobel Prize for Literature in 1949 and is one of America's best-known novelists Tennessee Williams (41), also a Mississippian, is one of the leading American dramatists, and had been awarded the Pulitzer drama prize in 1947 for *A Streetcar named Desire*. Paul Horgan (52), born in Buffalo, was for 16 years librarian of the New Mexico Military Institute, and has written many books of historical research, fiction, essays and short stories William S White (48), born in Texas, has been on the staff of the *New York Times* since 1945. Gian-Carlo Menotti, the Italian-born composer and lyricist, received the Pulitzer music prize in 1950 for his opera *The Consul* Though resident in the U S.A for nearly 30 years, he is an Italian citizen Wallace Stevens (75), vice-president of a Hartford (Connecticut) insurance company, has written many poetical works

The annual award for meritorious public service by a newspaper (a gold medal) went to the Columbus (Ga.) *Ledger* and *Sunday Ledger-Enquirer* for exposing corruption in Phenix City, Alabama. The prize for national reporting was awarded to Anthony Lewis (28), a staff member of the *Washington Daily News*, for a series of articles which led to the reinstatement of Abraham Chasanow, who had been unjustly dismissed from the Navy Department as a security risk. The prize for international reporting went to Harrison E. Salisbury (47), of the *New York Times*, for a series of articles based on his six years as correspondent of that newspaper in the Soviet Union.
(New York Times - New York Herald Tribune)

(Prev. rep. Pulitzer Prizes, 13657 B.)

C. ISRAEL. — The Queen Elizabeth Forest.

In commemoration of the Coronation of Queen Elizabeth II of Great Britain, the nucleus of a forest of 250,000 pine trees, to be known as the Queen Elizabeth Forest, was planted on May 3 on 250 acres of a Galilean hillside overlooking the Valley of Jezreel. The inaugural ceremony took place in the presence of the Prime Minister of Israel (Mr. Sharett), the British Ambassador (Mr. Nicholls), the Canadian Ambassador (Mr. Macdermot), and the Australian Chargé d'Affaires (Mr. Bullock). The following message from H.M. Queen Elizabeth was read by Mr. Nicholls :

"Jewish subjects of the British Commonwealth have enjoyed freedom for their faith for many centuries Throughout the centuries their number grew, until today they number over 800,000, among them men and women in every walk of life. Their devotion to the Crown is only matched by their devotion to the faith of their forefathers May this forest flourish as a symbol of the friendship which links my people with the people of Israel."

President Ben-Zvi of Israel sent a message expressing the hope that the occasion would strengthen the traditional ties between the peoples of Israel and Britain, and of the British people with "the land of the Bible."

The Queen Elizabeth Forest—situated near the King George V Forest, planted many years ago and now flourishing—is a gift from the Jewish communities of the United Kingdom and the Commonwealth and Empire Lord Nathan, who represented British Jewry at the ceremony, pointed out that contributions, mostly in small amounts, had come from Jewish subjects of her Majesty throughout Britain, the Dominions, the Colonies and Protectorates. One section of the forest will be named after the Duke of Edinburgh, another after Prince Charles, and a third after Princess Anne.—(Times)

(Prev. rep. 13928 A ; 13026 C.)

D. INDONESIA. — "De facto" Recognition of Indo-Chinese States.

It was announced in Jakarta on April 6 that the Indonesian Government had decided to accord *de facto* recognition to Cambodia, Laos, North Vietnam, and South Vietnam ; that Consulates would be established in the capitals of each of the four States ; and that the question of *de jure* recognition would be decided upon after the holding of the general elections in Vietnam as provided in the Geneva agreements.

(Indonesian Embassy, London)

A. PAKISTAN. — The Constitutional Crisis. - Dissolution of Constituent Assembly declared Valid by Federal Court. - Temporary Revalidation of Invalidated Laws by Governor-General. - Government's Proposals for Summoning of New Constituent Assembly. - Electoral Reform Commission.

The constitutional crisis in Pakistan arising from the dissolution of the Constituent Assembly by the Governor-General, Mr. Ghulam Mohammad, was resolved on May 10, when the Federal Court of Pakistan ruled that the Governor-General had power to dissolve the Assembly, to convene a new Constituent Assembly, and to validate Acts of the previous Assembly during the interim period before the new Assembly convened. The main developments in the constitutional crisis since March 27 are summarized below.

The Federal Court's ruling of March 21 that the Governor-General's assent was necessary to all legislation passed by the Central Legislature (see 14121 A) invalidated 44 Acts which had not received his assent, as well as numerous Orders and judicial decisions based upon those Acts. The most important constitutional and legal consequences of this ruling were subsequently outlined by Mr. H. S. Suhrawardy (the Law Minister), in a press statement on April 18, as follows :

(1) An Act which had extended to March 31, 1949, the Governor-General's powers to pass constitutional enactments by ordinance became invalid, as did all ordinances enacted during that period. In consequence, the insertion into the Government of India Act (1935) of Section 92 (A), which permits the establishment of Governor's rule in a Province, was invalidated, and all Acts made by the Governors of the Punjab, Sind, and East Bengal while those Provinces were under Governor's rule therefore became null and void

(2) As the Constituent Assembly had changed its composition in 1950 by laws which did not receive the Governor-General's assent, it could be maintained that it had become an illegal body, and that all Acts subsequently passed by it were invalid.

(3) The Constituent Assembly had amended the Government of India Act to introduce adult suffrage in Provincial elections, and to increase the number of seats in the Provincial Assemblies. As this had not received the Governor-General's assent, it could be maintained that all Acts passed by the Provincial Assemblies since that time were invalid

(4) The Act applying the criminal law and procedure of Pakistan to those parts of Baluchistan which were not part of British India, and all criminal proceedings taken under the Act automatically became invalid.

(5) The Act abolishing appeals to the Privy Council in London became invalid.

In order to meet this situation, Mr. Ghulam Mohammad proclaimed a state of emergency on March 27 and issued an Emergency Powers Ordinance which, *inter alia*, legalized retrospectively 35 of the 44 Acts invalidated by the Federal Court's decision, and empowered him to take all necessary steps for the purpose of framing a Constitution (see 14121 A). On April 12, however, the Federal Court ruled that only the Constituent Assembly could draw up a Constitution for Pakistan, and that the Governor-General had no authority to re-validate constitutional measures rendered void by lack of his assent, or to make a Constitution by ordinance.

This ruling, as a result of which the legal position with regard to constitutional measures [including Section 92(A)] reverted to that obtaining after the Court's previous judgment, was given in upholding an appeal by a certain Yusuf Patel against the validity of the Control of *Goondas* Act, passed by the Governor of Sind in 1952 while the Province was under Section 92(A) rule.

In conformity with the Federal Court's ruling, Mr. Ghulam Mohammad issued an Order on April 15 summoning a Constituent Convention to meet at Murree on May 10 in order to validate the measures in dispute and to draw up a Constitution for Pakistan.

The Order laid down that the Convention would consist of 60 members, 30 of whom would be elected by the East Bengal Assembly and 23 by the Punjab, Sind, and N.W. Frontier Province Assemblies ; the remaining seven members, representing the Tribal Areas, Baluchistan, the Baluchistan States Union, the Frontier States, Khairpur State, Bahawalpur State, and Karachi, would be nominated by the Governor-General. All Pakistani citizens over 21 (subject to certain conditions such as soundness of mind, etc.) would be eligible for membership of the Convention, which would be elected by secret ballot.

It was also provided that at the first meeting a person appointed by the Governor-General would preside until a President had been elected by the Convention from among its own members ; that its decisions would be taken on the basis of a majority of those present and voting ; and that, unless dissolved earlier, the Convention would stand dissolved on the expiry of a period of six months from its first meeting.

Mr. Mohammed Ali, the Prime Minister, announced on April 16 that elections to the Constituent Convention would be held on April 30. As a result of representations from minority and other groups, Mr. Ghulam Mohammad announced on April 21 that the elections would be by proportional representation with single transferable vote.

In order to " avoid a possible breakdown in the constitutional and administrative machinery of the country " during the interim period pending the meeting of the Constituent Convention, Mr. Ghulam Mohammad issued a proclamation on April 16 arrogating to himself the necessary powers to validate such invalid laws as were needed to preserve the State and to maintain the rule of law. At the same time he validated retrospectively the 35 laws mentioned in the schedule to the Emergency Powers Ordinance of March 27, and all Orders made under those laws, subject to the report of the Federal Court (see below) and until such time as the Constituent Convention enacted appropriate new legislation.

In addition, the Governor-General took two other steps. (1) he assented to all the laws of the former Constituent Assembly mentioned in the re-validating Ordinance ; (2) he issued two further Ordinances, one of which validated all Acts passed by the Governors of East Bengal, the Punjab, and Sind under Section 92(A) [necessitated by the invalidation of that Section itself], whilst the other precluded the courts from questioning the validity of any Act passed by a Provincial Assembly, or any Orders made under such Acts, on the ground that laws passed by the Constituent Assembly had not received the Governor-General's assent.

As a further step to avoid any action which might be deemed contrary to legal principles, or which might later be declared *ultra vires* by the Federal Court, Mr. Ghulam Mohammad applied on April 18 to the Federal Court (under Section 213 of the Government of India Act, 1935) requesting its advice on the following matters :

(1) " What are the powers and responsibilities of the Governor-General in respect of the government of the country before the new Constituent Convention passes necessary legislation ? "

(2) " The Federal Court having held in Yusuf Patel's case that the laws listed in the schedule to the Emergency Powers Ordinance could not be validated under Section 42 of the Government of India Act, 1935, nor retrospective effect given to them, and no Legislature competent to validate such laws being in existence, is there any provision in the Constitution or any rule of law applicable to the situation by which (*a*) the Governor-General can, by Order or otherwise, declare that all Orders made, decisions taken, or other acts done under those laws shall be valid or enforceable, and (*b*) those laws which cannot without danger to the State be removed from the existing legal system may be treated as part of the law of the land until the question of their validation is determined by the new Constituent Convention ? "

At the same time Mr. Ghulam Mohammad asked the Federal Court for an interim Order restraining all courts—until the Federal Court's report was received—from taking any action on the ground that any law mentioned in the schedule to the Emergency Powers Ordinance was invalid.

The Federal Court granted this Order on the same day, but suggested that the Governor-General should also refer to it for advice on the question of the legality of the dissolution of the Constituent Assembly and on the competence of the proposed Convention to exercise its powers. A second reference seeking the Court's advice on these points was accordingly filed on April 20.

The Court's Order of April 18 stated : " The reference assumes that the Constituent Convention has the authority to validate laws, but the correctness of this assumption may be challenged on the ground that the Convention is an illegal and unauthorized body, because the Constituent Assembly was not legally dissolved. We consider that the basic question in the situation that has arisen is whether the Constituent Assembly was rightly dissolved by the Governor-General, and whether the Constituent Convention has been rightly constituted to be the Legislature of the Dominion. Until this basic question is determined, the position will remain uncertain and will give rise to litigation of every sort. We therefore suggest that his Excellency should refer the following further questions for the opinion of this Court : (1) Whether the Constituent Assembly was rightly dissolved by the Governor-General, and (2) Whether the Constituent Convention proposed to be set up would be competent to exercise the powers of the Constituent Assembly under the Indian Independence Act." If these questions were not referred (the Order added), the reference already made might have to be returned unanswered " because of the futility of the replies, which must necessarily proceed on certain assumptions, the correctness of which may be called in question at any time by anyone."

The hearing of the Governor-General's references opened on April 25 before a full bench of the Federal Court and concluded on May 10, when the Court ruled that the Governor-General had legal authority to dissolve the Constituent Assembly, to summon a new Assembly, and to validate laws retrospectively during the interim period before it met, but not to nominate members to the new Assembly. Mr. Kenneth Diplock, Q.C., appeared for the Government and Mr. D. N. Pritt, Q.C., for the President of the Constituent Assembly, Mr. Tamizuddin Khan. The Court's rulings on the four points under consideration are summarized below.

(1) On the question of the Governor-General's powers and responsibilities before the new Convention passed the necessary legislation, Chief Justice Munir, Mr. Justice Akram, Mr. Justice Sharif, and Mr. Justice Rehman ruled that "this question is too general and cannot be answered." Mr Justice Cornelius held that the Governor-General's powers during the period in question were "those defined and delimited by the Indian Independence Act, 1947, as in force on Oct. 24, 1954."

(2) Chief Justice Munir, Mr Justice Akram, and Mr Justice Rehman held that "in the situation presented by the reference, the Governor-General has during the interim period the power of retrospectively validating the laws listed in the schedule to the Emergency Powers Ordinance, 1955, and all those laws, until the question of their validation is decided by the Constituent Assembly, are during the aforesaid period valid and enforceable as if they had been valid from the date on which they purported to come into force."

Mr Justice Cornelius held that there was no provision in the Constitution and no rule of law applicable to the situation by which the Governor-General could validate those laws, whether temporarily or permanently, and that, in view of the vagueness of the expression "laws which cannot without danger to the State be removed from the existing legal system," no answer could be offered to the second part of the question The Governor-General's powers were sufficient, however, to enable him to stay proceedings in courts other than the Federal Court pending such action as the proposed Constituent Convention might take

Mr Justice Sharif expressed the view that "the Governor-General has only the powers given to him under the Constitution Acts, and these do not extend to validating retrospectively, even for a short period, laws of a constitutional nature."

(3) Chief Justice Munir, Mr Justice Akram, Mr. Justice Sharif, and Mr. Justice Rehman agreed that "the Governor-General, under Section 5 of the Indian Independence Act, has legal authority to dissolve the Constituent Assembly" in view of the following facts stated in the reference "(i) that the Constituent Assembly, though it functioned for more than seven years, was unable to carry out the duty to frame a Constitution for Pakistan to replace the transitional Constitution provided by the Indian Independence Act, 1947, (ii) that in view of repeated representations from and resolutions passed by representative bodies throughout the country, the Constituent Assembly, in the opinion of the Governor-General, became in course of time wholly unrepresentative of the people of Pakistan and ceased to be responsible to them, (iii) that for all practical purposes the Constituent Assembly assumed the form of a perpetual Legislature, and (iv) that throughout the period of its existence the Constituent Assembly asserted that the provisions made by it for the Constitution of the Dominion under sub-section (1) of Section 8 of the Indian Independence Act were valid laws without the consent of the Governor-General."

Mr. Justice Cornelius, in a separate ruling, came to a similar conclusion. He pointed out that the Court had already decided that the Constituent Assembly as mentioned in the Indian Independence Act was the "Legislature of the Dominion" for the purposes of the Act, which also provided for the Governor-General to Act as the Queen's representative for the purposes of the government of the Dominion, and which invested him with all the royal prerogatives (except where barred by express words), including that of dissolving the Legislature Consequently, the Governor-General must be held to possess the prerogative of dissolving the Constituent Assembly The exercise of that prerogative, however, was not a justiciable matter, and the question whether the act of dissolution was "rightly" performed did not therefore come within the Court's jurisdiction

(4) Chief Justice Munir, Mr Justice Akram, Mr. Justice Sharif, and Mr. Justice Rehman held that "the new Assembly constituted under the Constituent Convention Order, 1955, as amended to date, would be competent to exercise all the powers conferred by the Indian Independence Act on the Constituent Assembly," subject to the following provisions "(i) that the correct name of the Constituent Convention is 'Constituent Assembly'; (ii) that the Governor-General's right to dissolve the Assembly can be derived only from the Indian Independence Act; (iii) that the arrangements for the representation of States or the Tribal Areas are . . . made only by the Constituent Assembly and not by the Governor-General, and (iv) that the Governor-General's duty being to bring into existence a representative legislative institution, he can only nominate the electorate and not members to the Constituent Assembly."

Mr Justice Cornelius expressed, in effect, a similar view. He said: "The powers conferred by Section 8 of the Indian Independence Act, 1947, on the Constituent Assembly can only be exercised by a successor-body of the same name, summoned by the Governor General in the discharge of his duty, which arises out of and is complementary to the Order dissolving the Constituent Assembly. The duty of summoning does not involve and could not include the exercise of any political initiative outside the constitutional instruments in force It must be performed in accordance with the basic principles which were expressly followed in the setting-up of the Constituent Assembly of 1947. . . . The new Assembly constituted under the Constituent Convention Order, 1955 . . . would be competent to exercise all the powers conferred by the Indian Independence Act on the Constituent Assembly."

Mr. Ghulam Mohammad, in a message to the nation which was broadcast on May 10 by the Prime Minister, Mr. Mohammed Ali, stated that the Federal Court's decision had cleared the way for the setting-up of a new Constituent Assembly, which would be convened "within the shortest possible time."

Claiming that all the promises and assurances contained in his proclamation of Oct 24 (see 13893 A) had been fulfilled, the Governor-General recalled that the Cabinet had been reconstituted on a broad national basis, irrespective of party affiliations, and that general elections would be held "as early as possible in order that all constitutional and other issues might be decided by representatives of the people." The message continued

"We have been passing through difficult times. They have occasionally necessitated drastic action on my part and on the part of my Government All changes, however, took place in a peaceful atmosphere. No force was used at any time, nor even a show of force. There was no disturbance of the peace. . . Our country owes a deep debt of gratitude to the manner in which its armed forces and the Civil Service have conducted themselves throughout these last seven years, and in particular during these recent anxious times. .

I profoundly trust that our country will continue to go forward in the constitutional and administrative fields as rapidly as it has done since the present Cabinet assumed supreme control of national affairs In particular, I hope that the new Constituent Assembly will apply itself to the task of Constitution-making with vigour and speed The country has waited for the new Constitution for nearly eight years, and must not be made to wait much longer I hope too that the representatives in the Constituent Assembly will be guided by the highest interests of the country as a whole, and will rise above parochial, Provincial or personal considerations in the discharge of the heavy responsibility laid upon them. . .

There are in our country certain people who must criticize, denounce, and find fault with everything that happens. They contend that the dissolution of the Constituent Assembly was an undemocratic act, whereas in fact the continuance in office of the same Assembly for seven years, and its claim to continue in perpetuity if it so chose, despite the fact that it had plainly forfeited public confidence, was a travesty of democracy. They maintain that the country is making no progress when it has in actual fact rapidly gone forward. In their eyes the country advances only to the extent to which their own personal interests are advanced. They loudly proclaim their faith in national unity, yet they seek to undermine it, to create schisms, and to encourage Provincial and political divisions whenever it suits them . If the mischief of these people is allowed free play, it will destroy everything dear to us, everything for which we have worked, fought and suffered. My Government are determined never to allow that to happen.

In dissolving the Constituent Assembly, and in every major action that I and my Government have since taken leading to the setting-up of the new Constituent Assembly, I claim that we have acted in the highest democratic tradition, and that we have faithfully interpreted the will of the people That this is in fact so has been unmistakably demonstrated by the popular support and the sense of general relief with which every act of mine and of my Government has been received throughout the country We have . . acted with scrupulous respect for the supremacy of the rule of law . I trust that all political leaders in the country will take a lesson from the manner in which we have acted, that they too will be prompted throughout by the supreme necessity of rendering selfless service in the cause of Pakistan."

The Governor-General had previously issued an Order on April 27 providing, in accordance with a suggestion of the Federal Court, that the Constituent Convention should also function as a Legislature. The Order also postponed the elections to the Convention from April 30 until May 7, and its first meeting until May 16, and increased the number of seats to 80, distributed as follows: East Bengal 40 (including nine non-Moslems), Punjab 21 (including one non-Moslem), Sind 5 (including one non-Moslem), N.W. Frontier Province 4, Tribal Areas 3, Bahawalpur 2, and Baluchistan, Baluchistan States Union, the Frontier States, Khairpur State, and Karachi one each—the last-mentioned 10 members being nominated by the Governor-General. As a result of representations from East Bengal (see below), a new Order was issued on May 1 again postponing the elections to the Constituent Convention until the Federal Court's report had been received.

On April 1 Mr. Mohammed Ali had announced the immediate setting-up of an Electoral Reform Commission which, he said, would tour the country and ensure that future elections to the Central Assembly were conducted in a fair and free manner, and all malpractices eliminated.

Mr. Suhrawardy, in his Press statement on April 18 (see above), deprecated the rumour that the Government intended to do without elections and to carry on "for the next five or ten years without a Legislature." "This idea," he declared, "is not only ill-informed but is mischievous. I wish to assure everyone that the Governor-General cannot be a party to any such move, and that his Cabinet is proud and privileged to carry through his policy and to establish democratic Legislatures at as early a date as is possible, having regard to the electoral machinery."

After saying that the composition of the Electoral Reform Commission would shortly be announced, Mr Suhrawardy pointed out that logically the Government should not compile the electoral rolls and take further steps in arranging for general elections until that Commission had made its report, and until the new Constitution had been framed and an Election Commissioner and his staff had been appointed However, "in order not to waste time, and in the belief that, whatever may be the electoral reforms and the delimitation of constituencies, the electoral rolls will be compiled on the basis of

universal adult suffrage for males and females, I shall take early steps to see that the machinery for the compilation of electoral rolls is set up so that work may be well advanced by the time the Constitution has been framed and the Reform Commission has reported." Explaining that hitherto the electoral rolls had been framed "most perfunctorily" because of the insufficient time allotted to ensure proper compilation, revision, and correction, Mr Suhrawardy pointed out that it would take at least a year to compile a satisfactory electoral roll with all the arrangements for proper identification and all the machinery to ensure a fair and free election

Other recent political developments in Pakistan arising out of the constitutional crisis are summarized below under cross-headings.

Release and Re-arrest of "Rawalpindi Prisoners." The Lahore High Court on March 24 ordered the release on bail of eight of the prisoners convicted in 1953 of complicity in the "Rawalpindi conspiracy" for the overthrow of the Government (see 12772 A), as the Rawalpindi Conspiracy Case Tribunal Act of 1951 [under which the accused persons had been tried] had been invalidated by the Federal Court's ruling of March 21 The eight men (Major-General Akbar Khan, the former Chief of Staff, Air Commodore Janjua, Brigadier Latif, Lieut-Colonel Ziauddin, Colonel Arbab, Major Ishaq Mohammad, Major Hassan Khan, and Mr. Faiz Ahmed Faiz, former editor of the *Pakistan Times*) were, however, re-arrested by the Government's orders on the same day, and the Act was re-validated by the ordinance of March 27. Following the Federal Court's ruling of April 12, however, the High Court again ordered their release on bail, pending the hearing of a *habeas corpus* petition against their detention. Two more of the prisoners, Brigadier Sadiq Khan and Mr. Sarjab Zaheer (both of whom had filed a *habeas corpus* petition) were released on bail by the Judicial Commissioner of Baluchistan on May 4, but were re-arrested later the same day.

Developments in East Bengal. The Government's proposal to summon a Constituent Convention met at first with widespread opposition in East Bengal, where the United Front, a section of the Awami League (which had broken away from the United Front in February), the Moslem League, and the Hindu members of the Legislature all demanded the election of a Constituent Assembly on the basis of adult suffrage and direct elections Discussions held in Karachi on April 16 between Mr. Fazlul Huq (the former Chief Minister, and leader of the United Front) and members of the Government produced no result, as Mr Fazlul Huq refused to commit the United Front to participation in the Convention without guarantees that parliamentary government would be restored in East Bengal before the Convention met.

Mr. Suhrawardy, (the Law Minister, and leader of the Awami League) and Major-General Mirza (the Home Minister) visited Dacca on April 19-21 for talks with the United Front leaders, but failed to secure their support for the Convention. The *Krishak Sramik* Party, which is led by Mr. Fazlul Huq, demanded on April 20 that new elections should be held immediately to reconstitute the Constituent Assembly in accordance with the provisions of the Indian Independence Act, whilst Maulana Bhasani (the president of the East Pakistani Awami League, who had been living in exile for 11 months) issued a statement in Calcutta on April 24 in which he denounced as "preposterous" the suggestion that the 45,000,000 people of East Bengal should have equal representation with some 30,000,000 people in West Pakistan. Mr. Suhrawardy replied to this argument by defending the principle of parity of representation on the grounds that regional autonomy was possible only if one wing was not dominated by the other, and that representation on a population basis was irreconciliable with a Federal form of government.

After consultations with the Government, Mr. Suhrawardy returned to Dacca on April 25 with Maulana Bhasani, who had joined him in Calcutta, and on April 27 the working committee of the Awami League, at a meeting at which both were present, decided to participate in the Convention, subject to the Federal Court's report Mr. Fazlul Huq's supporters also indicated that they would abide by the Court's decision, and in consequence Mr Ghulam Mohammad, as stated above, postponed elections to the Convention until this was known. Following the announcement of the Court's ruling, Mr. Suhrawardy stated on May 10 that all political parties and groups in East Bengal had decided to take part in the elections to the new Constituent Assembly.

Developments in the Punjab. The Governor of the Punjab (Mr. M. A. Gurmani) dismissed Mr. Firoz Khan Noon's Ministry on May 21, on the ground that it did not command the confidence of the Provincial Assembly. A new caretaker Government was formed on the same day by Sardar Abdul Hamid Khan Dasti, formerly Minister of Agriculture in Mr. Noon's Cabinet, with the following membership: Mohammed Khan Leghari, Hussain Shah Gilani, and Sheikh Masood Sadiq (members of the Noon Ministry) and Sufi Abdul Hamid and Sheikh Fazal Ilahir Tircha (nominees of the Daultana group). The Punjab Moslem League Parliamentary Party had been divided since March by disagreements between Mr. Noon's supporters and the followers of the former Chief Minister, Mr. Daultana, and these differences had been intensified by a conflict over the choice of candidates for the Constituent Convention, as a result of which the national party leadership had been asked to select the candidates.

On May 21 the Federal Court dismissed an application by the Government for an extension until Aug. 15 of the Court's Order of April 18 (which expired on May 22). It pointed out that, having tendered its advice to the Governor-General, it had no jurisdiction to make any Order staying further proceedings. At the same time, however, it stressed that the Governor-General's responsibility in the matter of the laws re-validated by him would cease with the meeting of the new Constituent Assembly, and that the further validation of these laws should be the Assembly's "first concern." The Federal Court ruled at the same time that the Privy Council (Abolition of Jurisdiction) Act [see above] had been properly validated by the Governor-General —(Pakistan High Commissioner's Office, London - Dawn, Karachi - Times - Manchester Guardian) **(Prev. rep. Constitutional Dispute, 14121 A; "Rawalpindi Case," 12772 A; East Bengal, 13746 A; Punjab, 12887 A.)**

A. UNITED STATES. — Armed Forces. - Military and Naval Appointments.

It was announced in Washington on May 13 that President Eisenhower had appointed General Maxwell Taylor as Army Chief of Staff in succession to General Ridgway, retiring on June 30. General Lyman Lemnitzer, Commander of the U.S. Eighth Army, succeeded General Taylor as C.-in-C. of the U.S. and United Nations Forces in the Far East

General Maxwell Taylor (57), who commanded the U.S. 101st Airborne Division in Normandy, Holland, and Germany in 1944-45, became Superintendent of the U.S. Military Academy at West Point after the war. He was U.S. Commandant in Berlin in 1949-51, was subsequently appointed Army Deputy Chief of Staff for operations and administration, and in 1953 succeeded General Van Fleet in command of the U.S. Eighth Army in Korea. As recently as March 8, 1955, he had been appointed U.S. and U.N. Commander-in-Chief in the Far East, but held that post for only a few weeks before his subsequent appointment as Army Chief of Staff.

The nomination of Rear-Admiral Arleigh Burke as Chief of Naval Operations in succession to Admiral Carney was announced in Washington on May 25. At the same time the President nominated Admiral Radford and General Twining for further two-year terms as chairman of the Joint Chiefs of Staff and Air Force Chief of Staff respectively.

Rear-Admiral Burke (53), a distinguished destroyer commander in the Second World War, commanded the destroyer force of the U.S. Atlantic Fleet at the time of his new appointment. He has also directed the strategic plans division at the Navy Department. His appointment, which he will take up in August, will carry the rank of full admiral.

On April 25 it had been announced that General Earle E. Partridge, Commander of the U.S. Far East Air Forces with headquarters in Tokio, had been nominated by President Eisenhower as head of the U.S. Continental Air Defence Command in succession to General Chidlaw (retiring), and that Lieut.-General Lawrence S. Kuter, head of the Air University at Maxwell Field, Montgomery (Alabama), would succeed General Partridge in the Far Eastern Command.
(New York Times - New York Herald Tribune)
(Prev. rep. 14091 A; 13711 C; 12931 B; 12707 A.)

B. IRAQ. — Cabinet Reorganization.

A reshuffle of the Iraqi Cabinet took place on May 8 under which Musa Shabander, the Foreign Minister, returned to his former post of Ambassador in Washington and was succeeded by Burhanuddin Bashayan, hitherto Minister of State. Other changes were the appointment of Mohammed Ali Mahmud, the Minister of Justice, as acting Minister of Development (retaining the portfolio of Justice); of Abdul Majid Mahmud, the former Minister of Development, as a Minister without portfolio; and of a new Minister of Agriculture, Rushdi Chelabi. The former Foreign Minister, Musa Shabander, had been in ill-health for some time and was understood to have expressed the desire to return to Washington for health reasons.
(Times - Le Monde, Paris) **(Prev. rep. Cabinet, 13716 A.)**

C. JAPAN. — Final Compensation Payment to Allied Prisoners-of-War.

In conformity with the agreement initialled in Tokio on Nov. 30, 1954 (see 13934 B), the Japanese Government paid £4,500,000 to the International Committee of the Red Cross on May 25 for distribution among former Allied prisoners-of-war who had suffered undue hardship while in Japanese hands. Some 200,000 nationals of 18 Allied countries (of whom about 55,000 are British) will benefit from the agreement on a basis still to be determined. (Times) **(Prev. rep. 13934 B.)**

D. UNITED KINGDOM. — British Nationality withdrawn from Dr. Pontocorvo.

The Home Office announced on May 26 that the Home Secretary had made an Order, under Section 20 of the British Nationality Act, 1948, depriving Dr. Bruno Pontecorvo, the atomic scientist, of his British citizenship on the grounds that he had shown himself by act and speech to be disloyal or disaffected.—(Times) **(Prev. rep. 14099 C.)**

A. UNITED KINGDOM. — Balance of Payments in 1954. - Surplus of £160,000,000.

A White Paper (Cmd. 9430) published on April 5 showed that the U.K. had a surplus of £160,000,000 in its balance of payments during 1954, comprising a surplus of £172,000,000 in the first half of the year and a deficit of £12,000,000 in the second half. Excluding U.S. defence aid totalling £50,000,000, the surplus for the year was £110,000,000, compared with £115,000,000 in 1953 (excluding £102,000,000 in U.S. defence aid). Details are shown in the following table.

	1952	1953	Jan - June	1954 July-Dec *	Year*
A. CURRENT ACCOUNT			(£ million)		
DEBITS					
Imports (f o b)	2,946	2,889	1,471	1,536	3,007
Shipping	296	243	119	137	256
Interest, profits and dividends	208	226	112	146	258
Travel	83	89	40	61	101
Migrants' funds, legacies and private gifts (net)	15	4	1	8	9
Government:					
(a) Military	141	141	72	75	147
(b) Colonial grants	28	24	10	19	29
(c) Relief and other grants	19	21	12	7	19
(d) Administrative, diplomatic, etc	29	29	15	13	28
	217	215	109	114	223
Total	3,765	3,666	1,852	2,002	3,854
CREDITS					
Exports and re-exports (f o b)	2,826	2,671	1,423	1,392	2,815
Shipping	401	367	196	192	388
Interest, profits and dividends	295	285	132	161	293
Travel	80	88	44	51	95
Government:					
(a) Grants	17	3	—	—	—
(b) Other	28	57	35	19	54
Other (net)	256	310	170	149	319
Total	3,903	3,781	2,000	1,964	3,964
BALANCE OF CURRENT TRANSACTIONS EXCLUDING DEFENCE AID NET (CREDIT, +, DEBIT, —)	+138	+115	+148	— 38	+110
of which (a) visible trade	−120	−218	— 48	−144	−192
(b) invisible					
Government	−172	−155	— 74	— 95	−169
other	+430	+488	+270	+201	+471
total	+258	+333	+196	+106	+302
Defence aid—grant less U S share of counterpart	+121	+102	+ 24	+ 26	+ 50
BALANCE OF CURRENT TRANSACTIONS INCLUDING DEFENCE AID NET (CREDIT, +, DEBIT, —)	+259	+217	+172	— 12	+160
B INVESTMENT AND FINANCING ACCOUNT					
Grants, etc (to U K, +)	—	—	—	—	—
Investment (−), borrowing (+), etc	— 86	−200	— 83	— 69	−152
Sterling liabilities, etc (increase, +)	−348	+223	+ 90	— 11	+ 79
Drawings on (+) or additions to (−) gold and dollar reserves	+175	−240	−179	+ 92	— 87
BALANCE OF INVESTMENT AND FINANCING	−259	−217	−172	+ 12	−160

* Provisional

Of the "invisible" items shown in the above table, shipping receipts fell by £4,000,000 between the first and second halves of 1954, whilst payments rose by £18,000,000, giving a net worsening of £22,000,000, which was thought to be due to an increase in tramp shipping freight rates in the second half of the year. [On balance the U.K. stands to gain when liner rates go up, and stands to lose when tramp shipping freight rates go up.] However, comparing 1954 as a whole with 1953, receipts rose by £21,000,000 and payments by £13,000,000, giving a net improvement of £8,000,000; between 1952 and 1953 there had been a net worsening of £19,000,000.

For interest, profits and dividends, 1954 as a whole showed a net worsening of £24,000,000 compared with 1953, as a result of payments rising four times as much as receipts; between 1952 and 1953 there had been a net worsening of £28,000,000. The increase in payments was thought to be due to higher dividend payments by British companies to non-resident shareholders.

Payments on travel rose by three times as much as receipts between the first and second halves of 1954, and there was a net worsening of £14,000,000, over the year as a whole, however, the net worsening compared with 1953 was only £5,000,000. The travel allowance in 1954 was higher than in 1953, when there was a net improvement of £2,000,000 on 1952.

As a result of increased military expenditure and higher colonial grants there was also a net worsening on Government expenditure abroad of £14,000,000, as compared with 1953.

U.K. Regional Balance of Payments. The surplus of £160,000,000 was made up of a surplus of £269,000,000 with the rest of the sterling area and a deficit of £109,000,000 with the non-sterling areas (of which the dollar deficit accounted for £101,000,000). Compared with 1953, this represented a £96,000,000 increase in the U.K.'s surplus with sterling countries, and a deterioration of £153,000,000 in its balance with non-sterling countries (of which £93,000,000 was with the dollar area). These figures are given in greater detail in the following table:

	1952	1953	Jan.-June 1954	July-Dec. 1954 *
			(£ million)	
Dollar area†	−174	— 8	+ 19	−120
Other Western Hemisphere	+ 91	— 23	—	— 2
O E E C countries	— 27	+105	+ 44	— 13
Other non-sterling countries	— 4	— 16	+ 2	— 31
Rest of sterling area	+379	+173	+114	+155
Non-territorial organizations	— 6	— 14	— 7	— 1
Total	+259	+217	+172	— 12

* Provisional † After allowing for U S defence aid of $121,000,000 in 1952, $102,000,000 in 1953, $24,000,000 in Jan.-June, 1954, and $26,000,000 in July-Dec., 1954

As shown in the above table, the main cause of the worsening in the U.K. payments position in the second half of 1954 was the deterioration in the dollar payments position, where a surplus of £19,000,000 in the first six months of the year was turned into a deficit of £120,000,000 in the second. There were two main reasons for this: (a) dollar imports rose from £240,000,000 to £325,000,000 (including a rise of £40,000,000 in beverages and tobacco, and £22,000,000 in food and feeding-stuffs); and (b) "invisible" debit items increased by £45,000,000, though this was almost wholly accounted for by the annual interest payment of £38,000,000 on the U.S. and Canadian loans (see 13957 A).

The deterioration in the balance of current transactions with O.E.E.C. countries, from a surplus of £44,000,000 to a deficit of £13,000,000 between the two halves of 1954, was largely due to an increase of £36,000,000 in imports and of £15,000,000 in expenditure on travel. The improvement in the payments position with the rest of the sterling area resulted mainly from a fall of £60,000,000 in imports between the first and second halves of the year.

Sterling Area Gold and Dollar Accounts. In the last six months of 1954 the sterling area had a gold and dollar deficit of £92,000,000 ($255,000,000), which was wholly accounted for by transactions with non-dollar areas. Transactions with the dollar area were in balance, a deficit of £73,000,000 ($204,000,000) incurred by the U.K. being offset by a surplus of the same amount shown by the rest of the sterling area.

For 1954 as a whole the sterling area had a gold and dollar surplus of £87,000,000 ($244,000,000), compared with one of £240,000,000 ($672,000,000) in 1953; the 1954 surplus was made up of a surplus of £143,000,000 ($400,000,000) with the dollar area, less a deficit of £56,000,000 ($156,000,000) with non-dollar areas. The main credit item in the dollar surplus of the rest of the sterling area was £130,000,000 ($364,000,000) in gold sales to the United Kingdom.

Britain's Position in the E.P.U. The U.K. had a net surplus of £59,000,000 in the E.P.U. in 1954, of which £53,000,000 was earned in the first six months and £6,000,000 in the second. In 1953 the surplus had amounted to only £30,000,000.

U.K. Sterling Liabilities, etc. Total U.K. sterling liabilities (i.e. sterling balances held by other countries) on Dec. 31, 1954, amounted to £3,901,000,000, compared with £3,823,000,000 on June 30, 1954, and £3,706,000,000 on Dec. 31, 1953. The sterling balances held by British Colonial territories totalled £1,226,000,000 (an increase of £38,000,000 in six months), those held by other sterling area countries £1,823,000,000 (a decrease of £41,000,000), and those held by non-sterling countries £852,000,000 (a decrease of £19,000,000). Official U.K. holdings of non-dollar currencies fell from £18,000,000 on June 30, 1954, to £13,000,000 on Dec. 31, 1954, of which £10,000,000 represented currencies of O.E.E.C. countries and £3,000,000 currencies of other non-sterling countries.

(Cmd. Paper 9430) **(Prev. rep. 13888 A.)**

B. CANADA - UNITED STATES. — Defence Policy. - Agreement on Building of DEW Radar Line.

The Canadian Secretary of State for External Affairs (Mr. Lester Pearson) announced on May 20 that, under an agreement with the U.S.A. concluded on May 5, the U.S. Government would pay the full cost of the construction and operation of the new DEW (radar defence) line in the Canadian Far North. Canada would, however, have the right "on reasonable notice" to take over the operation and manning of any or all of the installations after full consultation with the U.S.A., in which event she would pay her share. Among other agreed conditions were preference for Canadian labour and electronic equipment manufactured in Canada, and a guarantee of Canadian sovereignty in the area covered by DEW line installations.

(Montreal Star - New York Times) **(Prev. rep. 13896 A.)**

A. BRITISH COLONIAL EMPIRE. — Colonial Development Corporation. - Report for 1954. - The Colonial Development and Welfare Act, 1955. - £80,000,000 Additional Expenditure authorized. - Allocation of Funds.

The report of the Colonial Development and Welfare Corporation for 1954, published on April 28, 1955, gave the total deficiency incurred during the year (after allowing for Colonial income taxes and interest on advances) as £511,108, compared with £1,303,661 in 1953. The net trading loss for 1954, however, was little more than one-fifth of the trading loss for 1953—£85,946, compared with £402,334—whilst the net income derived in 1954 from continuing projects and investments amounted to £117,775, compared with a loss of £164,088 in 1953. The Corporation's activities are summarized below:

Projects. During 1954 the Corporation invested funds in seven new projects now being developed "in association with experienced private enterprise," and at the end of the year was interested in 56 continuing projects and investigations. New possibilities of obtaining local and commercial participation in the Corporation's projects were continually being sought.

Trading. At Dec. 31, 1954, the Corporation was managing—either directly or through controlled companies—16 fully developed trading projects with an aggregate annual turnover of about £6,000,000. The 15 schemes which had reached the trading stage made a profit in 1954 of £350,000, compared with £280,000 in 1953. The commodities and services sold by the Corporation included beef and hides, rice, bananas, rubber, hemp, timber, cement, electric current, housing finance, and hotel accommodation.

Reorganization of Schemes. At the end of the year five schemes, representing about £4,000,000 capital and showing aggregate trading losses in 1954 of about £500,000, were being abandoned or reorganized, as follows:

The Falkland Islands Freezer. This plant would not be reopened in 1955, the estimated loss in 1954 (the first full season of operation) having been £42,000. The report explained that in addition to investing £240,000 in the operating company, the Corporation had written £200,000 off the cost of construction before transferring the freezer to it, and had incurred a liability of £45,000 for interest. In 1954, 17,000 sheep had been delivered to the Ministry of Food, but 5,000 of these had been rejected as "fit only for tallow". The freezer had been offered for sale or lease, without response.

British Guiana Timbers. A net loss of £114,676 had been incurred in 1954, the company having earned dollars, but at "monstrous cost" in sterling. The report added that there was "no chance of the company being out of the red in 1955."

British Honduras Ramie Grass Scheme. The British Honduras scheme for growing ramie grass, on which £186,468 had been spent, would probably be shut down, and most of the expenditure would probably have to be written off.

Bechuanaland Cattle Ranch. Trading losses on this project—for which 16,000 square miles had been leased in 1950—totalled £68,256, and losses could be expected for several years.

Swaziland Irrigation Scheme. The 1953-54 rice crop had proved "a shocking disappointment," bad management and supervision having cost the Corporation a net loss in 1954 of £48,353.

Achievements and Prospects. The report stressed that the "really significant development of 1954"—a change in emphasis, which had now "swung towards looking forward instead of looking backward"—was not shown by the financial and statistical tables. This change, it claimed, indicated that the Corporation's staff and organization had now "been brought to the point where they are capable, in association with authority and private enterprise, of contributing fully to the planning and execution of large development projects."

There were, however, certain limiting factors, classed under four main heads as follows:

(a) *Management.* The C.D.C. had "paid heavily for inefficient management and supervision," and experience suggested that there was "no complete alternative to the hard way of training up one's own staff."

(b) *Insufficient Co-ordination.* The report stressed that much money had been spent on projects which were "sterile until communications—in some cases promised but not forthcoming—are provided," and advocated closer co-operation between the C.D.C. and the Colonial Development and Welfare Fund.

(c) *Markets.* The Corporation was bound by its terms of reference to devote its main effort to expanding the production of foodstuffs and raw materials, which would normally have to be sold on world markets in competition with established producers. The report stressed, therefore, that if development of this kind was required by Governments for strategic or political reasons, the C.D.C. should be granted "some reasonable security for markets," as it would otherwise have to take "unreasonable trading risks."

(d) *The Accumulated Deficit.* Describing the C.D.C.'s accumulated deficit of about £9,700,000 as "a financial millstone," the report pointed out that about £6,000,000 of this amount represented money lost on projects begun before 1951 and later abandoned. The Government had not agreed to a write-off of the whole £6,000,000, and the Corporation, in turn, had not accepted the terms suggested for writing-off a portion; Parliament had, however, given permission for interest payments on about £4,000,000 to be waived.

An analysis of the Corporation's capital investments showed that £14,200,000, or about half of the total capital deployed, had been invested in 28 trading projects and loans; 15 per cent, or £4,300,000, had been invested in the five projects now being cut down or reorganized; and the remaining £9,900,000 had been spent on investigations and pilot schemes, or on projects still under development or in their initial trading stages. The report emphasized that the Corporation's operating results for 1955 would largely depend on the success of the measures taken to deal with projects to be reorganized or curtailed.

The Colonial Development and Welfare Bill, extending the life of the Colonial Development and Welfare Act until March 31, 1960, authorizing the expenditure of a further £80,000,000, and raising the limit of expenditure in any one year from £25,000,000 to £30,000,000, was given an unopposed second reading in the House of Commons on Feb. 3 and enacted on March 29, 1955.

Mr. Lennox-Boyd (Colonial Secretary), moving the second reading, stated that, together with the unexpended balance of £40,000,000 under the old Act, the Bill would make a total of £120,000,000 available for Colonial development and welfare over the next five years. Total Government investment during that period, however, including expenditure on the Central African Federation and some large schemes, might be as much as £300,000,000.

A White Paper published on May 2, which gave details of the allocation of funds provided under the new Act, stated that the largest individual sums would go to research and higher education—£7,976,000 and £6,853,000 respectively. A sum of £2,469,000 would be made available for higher technical education. Allocations to individual territories included the following:

Caribbean Area. A total of £18,179,000 (taking into account the estimated unspent portion of previous allocations), including £3,000,000 each for British Guiana and Jamaica.

West Africa. A new allocation of £14,480,000, making available a total of £22,372,000, by far the largest portion of which would be devoted to the Federal and Regional governments of Nigeria.

East Africa. An allocation under the new Act of £10,960,000 (including £5,000,000 to Kenya and £4,000,000 to Tanganyika), bringing the total available to £14,426,000.

Cyprus, Malta, and Gibraltar. A total allocation of £1,250,000—about the same as the unspent balance of previous allocations.

Far East. £4,000,000 to the Federation of Malaya, bringing the total amount available to £5,135,000.

In a foreword to the report, addressed to Colonial Governments, Mr. Lennox-Boyd emphasized that a proper place should be given in development plans to "those basic services which make a more direct contribution to the expansion of each territory's resources."

The report of the Colonial Research Council for 1953-54, published on Nov. 30, 1954, stated that grants totalling £728,510 had been approved during the year for new research schemes and 40 supplementary schemes. It also stated that grants allotted to Colonial development and research since 1940, and charged against funds provided under the Colonial Development and Welfare Act, had amounted to about £12,000,000; that actual disbursements since 1940 had totalled about £8,000,000, of which £1,287,972 had been spent in 1953-54; and that about one-third of the £12,000,000 had been for agricultural, animal health, and forestry schemes.
(Times - Daily Telegraph - Manchester Guardian - Central Office of Information - New Commonwealth) **(Prev. rep. 13578 A.)**

B. SOUTH AFRICA. — Suppression of Communism Act. - Mr. Kahn's Appeal upheld by Supreme Court.

The appeal by Mr. Sam Kahn, the former Natives' Representative in the House of Assembly, against his conviction in October last for contravening the Suppression of Communism Act by attending a prohibited meeting was allowed by the Appellate Division of the Supreme Court on May 9. Chief Justice Centlivres said that the Crown had been unsuccessful in establishing that the gathering was anything but what it purported to be—namely, a social gathering—and that it had therefore failed to prove that any of those present desired by concerted action to achieve any object. The charges against Mr. Brian Bunting and Mr. Wolf Kodesh, who had been arrested at the same meeting as Mr. Kahn, were withdrawn on May 11.
(Cape Times) **(Prev. rep. 14023 A.)**

C. ITALY. — State Control of Atomic Energy.

The Italian Government approved a Bill on March 16 bringing the use of nuclear energy in all its forms under State control. The Minister for Industry and Commerce (Signor Aldisio) explained that the measure was necessary to enable Italy to take part in future international co-operation in the development of atomic energy on a common footing with other European countries, where all nuclear development was subject to State control. (Corriere della Sera, Milan)

JUNE 4—11, 1955

A. WESTERN EUROPE. — Entry into Force of London and Paris Agreements. - Attainment of Sovereignty by German Federal Republic. - Dissolution of Allied High Commission. - Ending of Occupation Regime. - Inaugural Meeting of Council of Western European Union. - Western Germany enters NATO. - Paris Meeting of North Atlantic Council.

The London and Paris agreements came officially into force on May 5, on which date the occupation regime in Western Germany was ended and the German Federal Republic attained full sovereignty and independence. At the same time the Federal Republic became a member of the North Atlantic Treaty Organization and also a member of the Western European Union (the expanded Brussels Treaty Organization), which came into being on May 5.

Following the completion of ratification procedures by the various national Parliaments (see 14227 A), all instruments of ratification of the London and Paris agreements were deposited by the Governments concerned in Bonn, Brussels, or Paris by May 5. The agreements and conventions which came into force on that date were:

(1) The conventions ending the occupation regime in Western Germany and permitting American, British, and French forces to remain on German territory after the occupation had ended. Instruments of ratification were deposited in Bonn by the U S and Federal German Governments on April 20, and by the British and French Governments on May 5.

(2) The protocols under which Italy and the German Federal Republic entered the Brussels Treaty Organization, renamed the Western European Union. Instruments of ratification were deposited in Brussels by the seven W.E.U. member-countries—France, Great Britain, Federal Germany, Italy, the Netherlands, Belgium, and Luxemburg

(3) The protocol to the North Atlantic Treaty under which the German Federal Republic entered NATO Instruments of ratification were deposited in Paris by all NATO member-countries, including the Federal Republic.

(4) The agreement between France and the German Federal Republic on the "Europeanization" of the Saar.

Attainment of Sovereignty by German Federal Republic. - Ending of Occupation Regime.

The three Western High Commissioners in Bonn (Dr. James Conant, Sir Frederick Hoyer Millar, and M. André François-Poncet) held their last meeting in the morning of May 5, the chair being taken by M. François-Poncet. As its final acts, the Allied High Commission promulgated two laws repealing all High Commission legislation still in force, and issued a proclamation revoking the Occupation Statute, abolishing the High Commission, and also abolishing the offices of the *Land* Commissioners.

At noon Sir Frederick Hoyer Millar and M. François-Poncet called upon Dr. Adenauer at the Palais Schaumburg and handed to him the British and French instruments of ratification of the Paris agreements ending the occupation regime. (As stated above, the U.S. and Federal German instruments had been deposited on April 20 by Dr. Conant and Dr. Adenauer.) At the same time M. François-Poncet deposited the ratification instruments of the Franco-German agreement on the Saar, and both he and Dr. Adenauer added their signatures to those of President Coty and President Heuss.

Sir Frederick Hoyer Millar handed Dr. Adenauer two messages, one from Sir Anthony Eden and the other from Mr. Harold Macmillan, welcoming the Federal Republic as an equal partner with the Western countries and paying tribute to the patience, courage, and statesmanship which Dr. Adenauer had displayed in overcoming the many difficulties with which he had been confronted. M François-Poncet also delivered a message to Dr. Adenauer from the French Foreign Minister, M Pinay, expressing the hope that the Paris agreements would herald a new era in Franco-German relations.

Dr Adenauer, in thanking the High Commissioners for their messages, said that May 5 was a "historic day" which would be "a source of joy and satisfaction to all Germans." After saying that the Federal Republic, having achieved sovereignty and independence, would work for the union of Germany in peace and freedom, he thanked the High Commissioners for the spirit of understanding which they had displayed towards the Federal Republic, and gave an assurance that Germany would be a loyal and active partner of the West.

During the afternoon an open-air ceremony was held in the grounds of the Palais Schaumburg at which Dr. Adenauer read the following proclamation:

"Today, nearly ten years after the military and political collapse of National Socialism, the occupation regime has ended in the Federal Republic. With profound satisfaction the Federal Government confirms that we are a free and independent State. What has long been in preparation on a basis of growing confidence has now become a legal reality. We are free among the free, joined in genuine partnership with the former occupying Powers.

Together with the Federal Government, 50,000,000 free citizens of the Federal Republic remember at this moment the millions of Germans who are forced to live separated from us, deprived of justice and the rule of law. We say to them 'You belong to us We belong to you Our joy at our regained freedom will be marred until that freedom is granted to you also You can always rely on us, for we and the free world will not relax our efforts until you, too, have regained your human rights and are able to live with us peacefully, reunited in a single State'

In this hour we recall the many Germans who still have to endure the hard lot of prisoners-of-war. We shall do all in our power to bring about the hour of their release.

Freedom carries with it responsibilities. At home there can be only one path for us—the path of a State based on the rule of law, democracy, and social justice In the world there is only one place for us—at the side of the free peoples. Our aim is a free and united Germany in a free and united Europe."

After reading the proclamation the Federal Chancellor formally hoisted the black, red and gold tricolour of the Federal Republic, which was simultaneously hoisted on all Government buildings in Bonn and throughout Western Germany. The ceremony concluded with the playing of the German national anthem, *Deutschland uber alles*. Owing to the fact that Germany was still divided, there were no national celebrations in connexion with the attainment of independence, and the ceremonies in different parts of the Federal Republic were of a restrained character.

The proclamation was also read to the West German Bundestag by the Speaker, Herr Gerstenmaier, and was warmly welcomed by spokesmen of all parties except the Social Democrats. Herr Ollenhauer (the Social Democratic leader) declared that the occasion was not one for rejoicing because Germany still remained divided, and said that there could be "no talk of German sovereignty until the country is reunited in freedom." He asserted that the Federal Republic's freedom under the Paris agreements was "severely limited" by its obligation to make a military contribution within the framework of the North Atlantic pact.

In a special radio broadcast to the people of Eastern Germany the same evening, Dr. Adenauer reiterated his pledge that the Federal Government would do all in its power to work for the reunification of the German people in peace and freedom

The German Federal Republic achieved its sovereignty and independence almost exactly ten years after the unconditional surrender of Nazi Germany to the Allies, which took place on May 7, 1945. Among the immediate effects of the attainment of independence were: (1) the right of Western Germany to rearm within the NATO framework, and the lifting of all prohibitions on armaments except those which the Federal Republic had voluntarily undertaken not to manufacture (i.e., atomic, biological, and chemical weapons, long-range bombers, warships over 3,000 tons, and submarines over 300 tons); (2) the right to build and operate commercial aircraft; (3) the right to enter into diplomatic relations with any country; (4) the removal of all remaining restrictions on West German industry; (5) the lifting of all Allied censorship and security measures.

One of the immediate results of the ending of the occupation regime was that the British, U.S., and French High Commissioners in Bonn, and the Federal German envoys in London, Paris, and Washington (respectively Herr von Herwarth, Dr. Krekeler, and Herr von Maltzan), assumed the status of Ambassadors. Sir Frederick Hoyer Millar and M. François-Poncet presented their credentials to President Heuss on May 5, whilst Dr. Conant had been nominated U.S. Ambassador to the German Federal Republic by President Eisenhower on April 28. Herr von Herwarth presented his credentials to Queen Elizabeth II on May 16, and Dr. Krekeler to President Eisenhower on May 6.

The Position in West Berlin.

Although the occupation regime was completely terminated in the Federal Republic, it continued in a modified form in West Berlin. Nevertheless, the Western Allied *Kommandatura* put into force on May 5 the declaration of May 26, 1952 (see 12225 A) which would have entered into force simultaneously with the E.D.C. treaty, but which had remained inoperative because of the French rejection of the E.D.C. project. In announcing this step, the British, U.S. and French Commandants said that although the protocol ending the occupation regime in Western Germany could not be extended to cover Berlin, the new relations between the Federal Republic and the Western Powers had made possible a number of relaxations of existing Allied controls in the city. The declaration of 1952 would accordingly come into force, and, under that declaration, the Allied authorities would "normally" exercise powers only in matters relating to (1) the security, interests, and immunity

of the Allied forces in Berlin; (2) disarmament and demilitarization; (3) Berlin's relations with foreign authorities; (4) occupation costs, which would be fixed at the minimum compatible with the security of Berlin and of the Allied forces; (5) authority over the Berlin police to the extent necessary to ensure the security of the city. The Western Commandants advised the Chief Burgomaster of West Berlin (Dr. Suhr) that they were ready to discuss a revision of the declaration of May 26, 1952.

Inauguration of the Western European Union.

The Council of the Western European Union, consisting of the Foreign Ministers of the seven W.E.U. member-countries—Mr. Harold Macmillan (Great Britain), M. Pinay (France), Dr. Adenauer (German Federal Republic), Professor Martino (Italy), Mr. Beyen (Netherlands), M. Spaak (Belgium) and M. Bech (Luxemburg)—held its first meeting in Paris on May 8. At the end of the meeting, which took place at the British Embassy under the chairmanship of Mr. Macmillan, a communiqué was issued announcing that the following decisions had been taken:

(1) M. Louis Goffin, Belgian Minister in Teheran, had been appointed Secretary-General of the W.E.U., with Mr. Peter Fraser (of the British Foreign Office) and Dr. Hasso von Etzdorf (of the Federal German Foreign Office) as Assistant Secretaries-General.

(2) Admiral Emilio Ferreri, Chief of the Italian Naval Staff, had been appointed Director of the W.E.U. Armaments Control Agency.

(3) It had been decided to set up within the W.E.U. a Standing Committee on Armaments composed of representatives of all member-countries and possessing an international secretariat. The communiqué said:

"The task of the Standing Armaments Committee will be to develop between the W E.U. nations the closest possible co-operation in the field of armaments, with a view to establishing on a concrete basis the best manner of utilizing the resources each of the member-nations has at its disposal for the equipment and supply of their armed forces, and to distribute their tasks in accordance with their best interests. The committee will work in close conjunction with NATO, avoiding all duplication of work already carried out by that organization To facilitate this liaison, the Standing Armaments Committee will have its headquarters in Paris"

(4) M. Charles Cristofini, of the French Foreign Office, had been appointed secretary of the new Standing Committee on Armaments.

(5) The W.E.U. Assembly would consist of the representatives of W.E.U. member-countries in the Consultative Assembly of the Council of Europe. It would hold its first meeting at the *Maison de l'Europe* in Strasbourg simultaneously with the next meeting of the Consultative Assembly.

In a subsequent press statement, Mr. Macmillan said that the first meeting of the Council of W.E.U. had been "of great historical importance" and "a great success." He added: "For the first time in European history, there has officially come into being a European Union. After so many starts, delays, and disappointments, we have now created something which is unique in the history of Europe."

Prior to the Paris meeting, the Interim Commission of the W.E.U. (comprising experts of the seven member-countries) had met in London on May 2 and had reached full agreement on the matters dealt with in the communiqué.

Entry of German Federal Republic into NATO.

The German Federal Republic formally entered NATO as its 15th member on May 9, on which date a three-day meeting of the North Atlantic Council opened at the Palais de Chaillot in Paris under the chairmanship of M. Stephanopoulos, Foreign Minister of Greece. The meeting was attended by the Foreign Ministers of all 15 NATO countries, the German Federal Republic being represented by Dr. Adenauer. The following communiqué was issued on May 12 after the three-day session had ended:

"(1) To welcome the accession of the Federal Republic of Germany to the North Atlantic Treaty, the Council held an opening public session. In speeches made on that occasion, Ministers stressed the significance they attach to the entry of the Federal Republic as a democratic and sovereign state into the North Atlantic Community. The Federal Chancellor, replying to the welcome extended him by his colleagues, emphasized the full harmony existing between the objectives of the North Atlantic Treaty and the ardent desire for peace, security, and freedom felt by the German people, including the 18,000,000 in Eastern Germany.

(2) The Council reaffirmed the purely defensive character of the Atlantic Alliance. It recorded its deep satisfaction at the entry into force of the agreements which establish Western European Union and which promote peace and provide specific safeguards, including the control of armaments. The Council also noted the valuable mutual support made possible by close collaboration between NATO and Western European Union in their respective fields of activity.

The Council welcomed declarations made by the Ministers of member-governments signatory to the Italian Peace Treaty recalling the active part taken by Italy in the progress of Atlantic and European co-operation, and reaffirming that various discriminatory aspects of that treaty were considered to be inconsistent with the position of Italy as an ally.

(3) The Ministers examined major aspects of the international situation within and beyond the NATO area. They discussed a report on the current negotiations regarding the Austrian State Treaty, and welcomed the indications that the Soviet Union may join in concluding such a treaty long sought by the Western Powers. They were resolved to continue the policies followed heretofore in building and maintaining the strength and unity of the West.

The Council welcomed the initiative of France, the United Kingdom, and the United States in proposing to the Soviet Union negotiations to find means for resolving outstanding issues. The Council hoped that this initiative would lead progressively to agreements which would remove sources of conflict and contribute to the security and liberty of all peoples. In particular, the Council hoped that such negotiations might help to bring about the peaceful unification of Germany in freedom, and promote progress towards the reduction, under effective safeguards, of armaments and armed forces. The Council emphasized that this process of negotiation required careful preparation, and must be pursued with patience and determination.

The Council also reviewed the situation in the Middle East and Far East. It received reports on the conclusion of various security pacts in these areas, including the Manila Pact and the Turco-Iraqi Pact The Council welcomed measures taken to strengthen the defence of the Middle East and Far East areas.

A report was made to the Council on the Bandung Conference. The Council expressed the hope that there would be a cessation of hostilities in the Far East and no further resort to force, since this would clearly endanger the peace of the world

(4) Ministers expressed their satisfaction that the procedures followed in the Council had enabled them to have frank and free discussions and a thorough exchange of views. These discussions constitute a most significant proof of the solidarity of the Alliance, and show the great value of the Council as a forum for political consultation on matters of common concern. They are resolved to continue to follow these procedures, which enable the member-governments to develop their policies on common principles."

As stated in the communiqué, speeches of welcome were made by the Foreign Ministers on the occasion of Western Germany's entry to NATO, to which Dr. Adenauer replied. Short extracts are given below.

Mr. Macmillan (Britain): "The entry of the German Federal Republic into NATO is indeed a historic event. . . . We count it a privilege . . . that the first representative of the Federal Republic should be a man of rare courage and understanding. It is a happy augury of the contribution that Germany can and will make in the years to come. Hereby we proclaim our faith in the German people, as they proclaim theirs in the aims and ideals of NATO. . . . We are closing a page of history with satisfaction: we begin a new one with hope."

Mr. Dulles (U.S.A.): "The entry of the free people of Germany into the Atlantic Association of Nations is an event of historic significance. We see here a demonstration of the capacity of the Atlantic peoples to submerge ancient differences in order the better to secure the values of Western civilization. . . . We rejoice that the defence of freedom is thus enlarged and strengthened."

M. Pinay (France): "Ten years after the collapse of a ruthless dictatorship, the German Federal Republic enters NATO as a great democratic nation, a free, responsible and sovereign state. . . . In welcoming the German Federal Republic among us, we mark our recognition of the wise guidance and firm resolve of its Chancellor, Dr. Konrad Adenauer, in restoring to Germany the basic values which constitute the common heritage of the democratic civilizations. If Federal Germany can now be received as a partner by the other free nations, it is because her attachment to these human values is as great as theirs."

Professor Martino (Italy): "This meeting marks the return of the German nation—or at least that part of it which is free to choose its fate—to its rightful place in the community of the free peoples of the West. It also marks the entry of the German people into the new association whereby the peoples of Western Europe, heirs to a common civilization, have replaced the divisions of the past by close and confident co-operation within the wider framework of the Atlantic Alliance."

M. Spaak (Belgium): "We are making history as well as performing a man-made act. Without repudiating any of our national glories or memories, we are solemnly setting the seal on our reconciliation. . . . We have learned the cruel lessons of experience: we know the dangers which would face our common civilization if we remained divided. . . . Now that Chancellor Adenauer is taking his seat among us, it is only justice to pay special tribute to his perspicacity and courage; to stress how fortunate it is for us that, on the morrow of such a terrible war, there should have arisen in Germany a statesman unable to conceive of the future of his country otherwise than as part of our Western world."

Mr. Beyen (Netherlands): "The solemn acceptance of the German Federal Republic as an equal partner in the community of North Atlantic nations . . . coincides with days of remembrance of the disastrous conflict which brought Europe to the verge of ruin. . . . The abdication of free men to the powers of oppression in their own country preceded—nay, caused—the aggression threatening freedom everywhere else. The task of NATO is to organize the material strength of the free world, the survival of which can only be secured

in unity. *L'union fait la force*, as the old device of the Lowlands tells us. . . . My Government welcomes the entry of the German Federal Republic into our circle, which it has favoured for many years."

Hr. Hansen (Denmark): "We have all of us followed the political trends in post-war Germany with the keenest interest, and have been encouraged to see democracy gaining ground in the German people Today we have in our midst one of the most prominent architects of modern German democracy. The ties between the Federal Republic and the Western world have now been formally sealed."

[The Danish Foreign Minister recalled that at the meeting of the North Atlantic Council in October, 1954, he had raised the question of the Danish minority in Southern Schleswig (see 13849 A). He added in this connexion "On the initiative of the Federal Chancellor, discussions have taken place since then, and one of the results is an understanding by the Government of Schleswig-Holstein to ensure the representation of the Danish minority in the Parliament in Kiel. I need not point out how much we on the Danish side welcomed this important German initiative"]

Dr. Lange (Norway): "The presence among us of the German Federal Republic marks a decisive turning-point in the history of our Continent How many bloodthirsty wars, throughout the ages, have set the nations of Western Europe at each other's throats! Today, ten years after the last and most terrible of those wars, these countries, together with the great North American democracies, find themselves united in a great democratic alliance whose supreme aims are to prevent war, to encourage ever closer co-operation for the organization of peace, and to guarantee the reign of international justice."

M. Bech (Luxemburg). "Many names should be listed among the authors of the Paris agreements. . . I do not believe any of them has had to face greater difficulties, internally and externally, than the Federal Chancellor. . . . His gifts as a statesman, and his loyalty and firmness, have won the day . . . I express my admiration for the work he has done, and offer the hope that for many years to come his majestic figure will continue to guide the German people along the lines he has so happily laid down"

Mr. Lester Pearson (Canada) "We warmly welcome Chancellor Adenauer as the first representative of Germany to our Council, and as a man who has proved his devotion to the ideals we share . This meeting marks a new phase in the development both of European unity and of the Atlantic Community France and Germany, not because they forget but because they remember the past, have come together in a Western European Union which includes also a Britain whose vision across the seas has not prevented the acceptance of a new and indispensable European role."

Speeches of welcome were also made by **M. Stephanopoulos** (Greece), **M. Zorlu** (Turkey), **Senhor Paulo da Cunha** (Portugal) and **Dr. Gudmundsson** (Iceland).

Dr. Adenauer replied as follows "I thank you from my heart for the welcome you have addressed to the Federal Government and to the whole German nation Your words reflect the importance of the hour and of the event. You will realize that this moment fills me with deep emotion.

"The NATO represents a community of free nations which have manifested their determination to defend the common heritage of Western civilization, founded on the principles of individual liberty and the rule of law . . . The objectives of NATO are . . . in full harmony with the natural interests of the German nation, which, after a dreadful experience in two World Wars, longs as ardently as any other nation in the world for security and peace.

"The German people have paid harshly for the horrors which were committed in their name by blind and evil leadership. These sufferings have transformed and purified the German nation. Today everywhere in Germany peace and freedom are felt to be the greatest treasures, as was the case in the best periods of her history.

"I see in the accession of the Federal Republic to NATO, and in the implication of the treaties which the German Federal Republic has entered into with the nations of the free world, the expression of the need to overcome the narrow-minded nationalism which, in the past decades, was the root of our disaster We must bring social progress into harmony with technical development, and integrate the powers released by this development into a well-organized system so as to deprive them of their destructive effect The organization of a common defence can therefore be but one of the aims of the North Atlantic Treaty.

"For these reasons I believe some of the most important provisions of the North Atlantic Treaty to be the Preamble and Article 2, in which the nations are called upon to co-operate in the economic and cultural spheres with a view to promoting their general well-being and safeguarding their common cultural heritage. It will be the foremost concern of the Federal Government to co-operate in these fields to the best of their ability.

"The Federal Government are determined to strive, together with the other member-states, for peace and freedom. I know that this is the way the German nation as a whole is feeling and thinking, as are those 18,000,000 of our brethren who are still denied the right of free speech and of deciding freely on their destiny.

"On behalf of the Federal Government and of the German people, I express our gratitude to the Powers represented in the North Atlantic Council for having guided Germany along the path leading her into the community of free nations, and for having made our aim of reuniting Germany in peace and freedom their own.

"Within the community of free nations Germany will be an able and reliable partner, and in this community we wish to employ all our efforts for the safeguarding of freedom and human dignity. These noble aims will guide Germany now that she is called upon, together with the other member-nations, to take her share of responsibility for the preservation of peace in the world."

Following the Federal Republic's formal admission to NATO, German military representatives made their official entry to Supreme Allied Headquarters, Europe, where they were received on May 9 by General Gruenther, the Supreme Allied Commander, and General Lehr, representing the French Ministry of Defence. The German representatives, who were in civilian clothes, were led by Major-General Hans Speidel, Chief of Staff to Field-Marshal Rommel during the war, and an adviser to Dr. Adenauer on defence matters. The flag of the German Federal Republic was formally hoisted at Supreme Allied Headquarters, side by side with the flags of the other NATO member-countries. It was understood that a certain number of German officers would shortly be joining the international staff at SHAPE, and that a German military delegation, equivalent to the delegations maintained by the other NATO countries, would be installed there.

It was reported on May 7 that Herr Herbert Blankenhorn, Director of Political Affairs in the Federal German Foreign Office, would serve as permanent German representative on the North Atlantic Council. A career diplomat since 1929, he spent most of the war years on the staff of the German Legation in Berne, and from 1946-48 was assistant secretary-general of the zonal administration in the British Zone. A prominent member of the Christian Democratic Party, and a close associate of Dr. Adenauer, he had been head of the Political Affairs department of the Federal Foreign Office since 1950. (NATO Information Division, Paris - Frankfurter Allgemeine Zeitung - Le Monde, Paris - Times) **(Prev. rep. 14225 A.)**

A. SOVIET UNION. — Abrogation of Anglo-Soviet and Franco-Soviet Treaties of Alliance.

The Presidium of the Supreme Soviet issued two decrees on May 7 abrogating the treaties of mutual assistance concluded between Britain and the U.S.S.R. on May 26, 1942, and between France and the U.S.S.R. on Dec. 10, 1944. The decrees said that both treaties had "lost their validity" as a result of the ratification of the London and Paris agreements by the British and French Governments.

The first decree (relating to the abrogation of the Anglo-Soviet treaty) accused the British Government of being "one of the principal inspirers and protagonists of the restoration of German militarism," and described the London and Paris agreements as "providing for the remilitarization of Western Germany, the formation of a West German army, and the integration of Western Germany into military groupings—the Western European Union and the North Atlantic bloc." After recalling that Britain and the U.S.S.R., under the treaty of 1942, had bound themselves "to take jointly all measures necessary to make a repetition of aggression by Germany impossible, and not to conclude any alliance or take part in any coalition directed against the other high contracting party," the decree said that Britain had "directly violated its commitments" under that treaty, which had therefore "lost its validity."

The second decree (relating to the abrogation of the Franco-Soviet treaty) was worded in similar terms. It accused France of having "directly violated" her commitments under the treaty of 1944, and of having "entered into a military alliance with Western Germany directed against the Soviet Union"

Prior to this development, and following the Anglo-French Notes of Jan. 26 (see 14027 A), the Soviet Government had sent further Notes to Britain on Feb. 28, and to France on March 18, reiterating its earlier warnings of Dec. 9 (see 14002 A) that ratification of the London and Paris agreements would involve the abrogation of the Anglo-Soviet and Franco-Soviet treaties concluded during the war. On April 23 the Foreign Affairs Commissions of the two Houses of the Soviet Parliament (the Soviet of the Union and the Soviet of Nationalities), meeting in joint session, approved a recommendation by the Soviet Council of Ministers that the treaties should be annulled, and decrees to this effect were accordingly promulgated by the Supreme Soviet on May 7.—(Soviet Weekly) **(Prev. rep. Note Exchanges, 14027 A; 14002 A; London and Paris Agreements, Entry in Force, 14237 A.)**

B. UNITED KINGDOM. — Royal Navy. - New Commander-in-Chief, Home Fleet.

The Admiralty announced on June 1 that Vice-Admiral Sir John Eccles (56) would succeed Admiral Sir Michael Denny as C.-in-C., Home Fleet (as from December, 1955) and would simultaneously become Allied C.-in-C., North Atlantic, under the NATO. Sir John Eccles, much of whose career has been concerned with naval aviation, commanded the aircraft carrier H.M.S. *Indomitable* in the war, and saw extensive service in the Pacific. Since the war he had held the posts of Chief of Staff to the C.-in-C., Portsmouth, Commodore of Chatham Barracks, Flag Officer, Royal Australian Navy, and Admiral Commanding Reserves.—(Times) **(Prev. rep. 13960 A.)**

A. UNITED KINGDOM. — The Rail Strike. - Proclamation of State of Emergency.

A state of national emergency was proclaimed from midnight on May 31 as a result of a strike of locomotive drivers and firemen which had come into effect at midnight on May 28. In its early stages the strike had gravely impeded Whitsuntide holiday traffic, whilst the curtailment of freight trains to under five per cent of those normally run, and the virtual cessation of all suburban passenger trains, had threatened the distribution of coal and industrial raw materials and had seriously disorganized the movement of people to and from their places of work. The stoppage followed the breakdown of lengthy negotiations between the British Transport Commission (B.T.C.) and the Amalgamated Society of Locomotive Engineers and Firemen (ASLEF) on the Society's demand for wage increases to restore to their members the pre-war differentials—as compared with other grades of railwaymen—which, it claimed, had been partially obliterated by flat-rate increases in railway wages conceded since 1939. The history of these negotiations, and of preceding wage negotiations since the interim agreement concluded on Feb. 1, 1954 (see 13419 B), is summarized below under cross-headings.

The Earlier Negotiations. Discussions between the B.T C. and the three railway unions (the National Union of Railwaymen, the ASLEF, and the Transport Salaried Staffs' Association) on a new wages and salaries structure to cover all railwaymen, began in February, 1954, immediately after the conclusion of the "interim agreement" After a temporary deadlock in June caused by the N.U.R.'s insistence on further increases for lower-paid railwaymen, talks were resumed on June 30, but again broke down on Aug 6 when the three unions rejected the Commission's offer (estimated to cost £6,000,000 annually) of 2s. 6d. weekly for the lowest-paid grades after 12 months' service, and of 4s. 6d. weekly for locomotive staff The N.U.R. thereupon submitted counter-proposals intended, together with the increases granted in December 1953 (see 13301 A), to cover the whole of the union's original claim for an all-round increase for its members of 15 per cent They included (*a*) a reduction in the number of wage grades from 66 to 24, (*b*) an increase of 10s 6d weekly for lower-paid grades, (*c*) pay scales rising by 2s 6d. weekly to a maximum of £9. 15s The N U.R. estimated that these proposals would cost £12,000,000, whereas the B T C put the annual cost at £18,000,000

After further meetings between the Commission and the unions, the ASLEF (which represents about 80 per cent of enginemen, and which had demanded increases of up to 22s 6d. weekly for 'top-link' drivers) announced on Aug. 17 that it would withdraw from the discussions and submit its case to arbitration. Although on Aug. 31 the Commission proposed to the three unions that negotiations should be resumed "without commitment on either side," this proposal was ignored entirely by the ASLEF, and was rejected by the N.U.R as "too vague" On Sept 10, however, the Commission again offered to resume negotiations, provided that the N U.R. accepted the offer already made for lower-paid workers, and on Sept. 13-14 all three unions agreed to renew discussions Both the N.U.R and the T.S.S.A. accepted the Commission's proposals on Sept. 17 "as a basis for discussion," but on Sept. 21 the ASLEF rejected the proposals for enginemen as "quite inadequate," and reaffirmed its intention of submitting its claim to arbitration.

The October, 1954, Settlement with the N.U.R. On Sept 29, Mr. Campbell, general secretary of the N U R, announced that his executive had decided to accept the Commission's proposals for most operating grades, but would again present its original claim for its enginemen members Agreement had thus been reached on a new wages structure for the grades solely represented by the N U R.—i.e., signalmen, porters, shunters, and permanent-way men—whereby the number of these grades would be reduced from 40 to 31, and the increases would range from 6d. to 8s. 6d. weekly Mr. Campbell added that his executive had agreed to accept the Commission's proposals for N.U.R. members in the salaried grades on the understanding that a completely new pay structure for these grades would be discussed later. On Oct. 5 the N U.R. announced that it would submit its claim for its enginemen members to arbitration, so as to be in line with ASLEF.

The new wages structure was ratified (but not signed) by the N.U R. executive on Oct. 8, representative increases being as follows (total increases since December, 1953, given in parentheses): *Porter*, 1st year 6d. (7s. 6d.), 2nd year 2s. 6d. (9s 6d); *Guard*, 1st year 5s (12s. 6d.); after 3 years 8s. 6d. (16s. 6d.), *Shunter*, 4s. 6d (12s), *Ticket Collector*, 2s. (10s.); *Signalman* (class 4), 4s. (12s), *Relief Signalman*, 6s. 6d. (16s.); *Permanent Way Labourer* (after 1st year), 2s. 6d. (9s. 6d.). The increases raised the weekly minima and maxima for operating grades outside London to £6. 5s and £8 17s. respectively, with London rates higher by 3s. in every instance Signalmen in important signalboxes continued to receive special allowances of 5s. weekly.

The Tribunal's Awards to Locomotive Staff. After considering the ASLEF's demands (see above), which were intended to restore the pre-war differentials between enginemen and 'unskilled' railwaymen, the Railway Staffs' National Tribunal on Nov. 16 awarded increases for locomotive staff as follows (former rates in parentheses): *Junior Engine Cleaner*, £3. 4s. - £4. 12s. (£2. 19s 6d. - £4. 5s); *Adult Engine Cleaner*, £6. 7s. - £6. 9s. (£6. 4s 6d. flat rate); *Fireman or Assistant Motorman*, £6. 18s. 6d. - £7. 18s. 6d. (£6. 1s. 6d. - £7. 11s. 6d.); *Driver or Motorman*, £8. 12s 6d -£9 12s 6d (£7 19s 6d -£8 18s. 6d) The increases for top-grade drivers compared with the ASLEF'S demand for £10 5s and the N U R.'s for £9 15s Discussions between the Commission and the two unions on the application of the awards began on Nov 24, 1954

The N.U.R.'s Repudiation of the "October Settlement." Meanwhile, on Nov 11, the N U R executive had informed the B T C that the settlement reached in October had proved "entirely unacceptable" to its members, and had asked for a resumption of discussions on the basis of the union's original application in July, 1953, for a general wage increase of 15 per cent A meeting between the Commission and N.U R representatives accordingly took place on Nov 18, at which the Commission stressed that it considered the agreement as binding and was not prepared to reopen discussions on the original claim of July, 1953 It therefore demanded that the N U R should sign the agreement, but promised, "without prior commitment," to consider any submission that the union might make On Nov. 24, however, the N U.R executive informed the Commission that it considered (*a*) that the agreement should not be signed "until at least an indication has been given that something tangible will be forthcoming in the shape of increases for the staff covered by it", (*b*) that the original claim for "a 15 per cent increase on pre-December 1953 rates" should be "maintained as N U R policy" The Commission thereupon repeated its statement of Nov 18, but added that it would be prepared to consider any fresh wages application "as a submission to be dealt with on its merits"

The N.U.R. Request for Government Assistance to B.T C. Finances. In view of the B T C.'s contention that the increases offered by it represented the utmost which its financial position would allow it to pay, the N U.R. executive decided on Dec. 6 to seek an interview with the Minister of Transport and Civil Aviation (Mr Boyd-Carpenter) and to urge the Government to "help the Commission's finances immediately by returning part of the £124,000,000 profit which the State made from the railways between 1940 and 1947" [During that period the Government took over the railways from their former owners at an annual rental of £43,000,000] At a meeting with the executive on Dec 13, however Mr Boyd-Carpenter declined to consider "anything in the nature of a subsidy to enable railway wages to be increased," but promised to consult his Cabinet colleagues on "any matters raised by the Commission itself regarding its financial position" Meanwhile he stressed that "the door to negotiation and arbitration is still open," and urged the N U.R to reopen discussions with the British Transport Commission

At a further meeting on Dec. 20, Mr Boyd-Carpenter told the N.U R executive that it must "take its wages claim through all stages of the negotiating machinery" before the Government could examine the Commission's financial difficulties He explained that although the Commission had declared itself ready to discuss with the N.U R the removal of any anomalies which had been created by the award of the Railway Staffs' Tribunal to enginemen (see above), it had found that the N U R claim "went very much further," and felt that "the only way to secure a firm settlement for all grades" was for this claim, as well as the ASLEF's claim, to be referred to the Tribunal

The N.U.R. Decision to Strike. In view of the Minister's refusal to intervene, the N U R. executive decided on Dec 21 to instruct the union's 390,000 members employed on British Railways, London Transport railways, and B T C docks and canals to cease work from midnight on Jan 9, 1955, unless the union's demands had meanwhile been met.

Mr Campbell explained that the executive had taken this decision "because it is clear we have exhausted all forms of negotiation" A B.T C. statement issued on Dec. 22, however, denied that all forms of negotiation had been exhausted, and reiterated that it was "open to the N.U R to put forward a fresh claim through the recognized channels" After stressing that the N U R 's ultimatum, if carried out, would "cause very grave damage to the country's economic position, widespread hardship to the public, and serious harm to the railway industry itself," the statement added "This would be the more tragic at this very time when the Commission's plans for the reconstruction and revival of the industry are coming to maturity."

The Court of Inquiry. After meetings on Dec 23 between General Sir Brian Robertson (chairman of the B T C.) and the Ministers of Labour and of Transport, Sir Walter Monckton (the Minister of Labour) informed the N.U R executive that he proposed to appoint a court of inquiry into the dispute, and appealed to the N U.R. to co-operate and to call off the strike. On Dec 24 he announced the membership of the Court as follows. Sir John Cameron, Q C., Dean of the Faculty of Advocates (chairman), Sir Colin Anderson, a vice-president of the British Employers' Confederation, and Mr Harry Douglass, general secretary of the Iron and Steel Trades Confederation, and a member of the T.U.C General Council. Although on Dec. 27 the N U.R executive rejected the Minister's appeal to call off the strike, it agreed to co-operate with the court, which held its first meeting on Dec. 29.

Mr. Campbell, presenting the N U R.'s case on Dec. 30, pointed out that there had been no national railway strike for 35 years, and stressed that the decision to call one "had not been taken lightly." He explained that when the terms of the 'October settlement' had become known, there had been "spontaneous and widespread revolt" amongst N.U R members, and that the "intense feeling" aroused had been exacerbated by the Tribunal's award to locomotive men, which had left the railway wages structure "one vast anomaly" After claiming that since 1947 railway wages had never kept pace with rises in the cost of living, and that they now averaged 22s. 4d.

a week less than average wages in manufacturing industry, Mr Campbell contended that security of employment, which before the war had provided "some compensation to railwaymen for scandalously low wages," had far less value in the present time of full employment As a result, hundreds of railwaymen were leaving for better-paid and more attractive jobs, and recruitment was suffering, if this exodus continued, the standard of railway efficiency was likely to degenerate. In conclusion, Mr Campbell contended that at present the railways were indirectly "financing industry" through cut-price freight rates, he emphasized that although the N U R. had never suggested that they should receive an annual subsidy, it did consider that the Commission ought to be relieved of some of the burdens placed upon it by Parliament, and that some outside help should be provided, if necessary, to enable better wages to be paid

After Mr J Baty, the general secretary of ASLEF, had explained that his union had applied to the Railway Staffs National Tribunal because it considered that "relativity of wage rates has been gravely distorted by recent flat-rate increases," Mr W. P Allen (the member of the B T C responsible for labour matters) put the Commission's case

Estimating the cost of the concessions granted in December, 1953, and of the subsequent award to locomotivemen, at over £22,000,000 annually, Mr Allen contended that the 15 per cent rise in the retail price index since 1947 had been "more than covered" by railway pay increases Railwaymen's pay, he maintained, "showed up quite favourably" when tested by the general index of industrial wages, and in April 1954 averaged £9 8s 2d weekly, compared with average industrial earnings of £9. 17s 8d Moreover, account should be taken of railwaymen's benefits and privileges, including free travel from home to work, free travel vouchers for railwaymen and their families, and free uniforms and protective clothing

Mr Allen then quoted the following figures of average rates, actual earnings, and hours of work of different grades of railway workers

	Average Rate £ s d	Average Earnings £ s d	Average Hours
Passenger Guard	7 6 9	9 2 10	49 4
Ticket Collector	7 0 5	8 16 10	49 6
Goods Porter	6 5 6	7 12 1	47 4
Checker	6 16 6	8 9 1	47 4

He explained that had it not been for the operational economies already introduced, such as the curtailment of unremunerative services and the closing down of certain branch lines and stations, the Commission would have been unable to pay even these rates, nevertheless, efforts to improve economy were sometimes resisted by railwaymen—e g. in a recent "lodging turns" dispute on the Western Region. Pointing out that the Transport Act required the B T.C to meet all the charges imposed on it, taking one year with another, he estimated that, after allowing for interest and other central charges, the Commission would have incurred a deficit of over £20,000,000 in 1954 The deficit for 1955 was estimated at between £10,000,000 and £35,000,000, but would be increased considerably if higher wages were granted "Whilst the Commission would be able to raise fares and charges in many directions," he went on, "it would not be proper to meet the cost of still further wage increases by attempting to pass them on to the public—unless, of course, it is decided that the existing wage level is unreasonably low."

Mr. Allen concluded by blaming the N.U R for repudiating the October settlement instead of standing by it and putting in a new claim. He warned the union that if railway wages were raised out of relation to wages paid elsewhere in the transport industry, there was "a real danger that the Commission's service would be priced out of the market and the role of the railways in our national economy be seriously diminished."

The Court's Interim Report. The Court's preliminary findings were contained in an interim report published as a White Paper on Jan. 5, 1955, and are summarized below

(1) In the negotiations preceding the October settlement, the B.T C had erred in maintaining that claims for wage increases, even if recognized as valid and desirable, could not be conceded because of a financial bar imposed by the Transport Act

(2) Having negotiated and ratified a wages agreement, the N U.R had acted improperly in rejecting it, particularly when it was already in operation.

(3) Having rejected a ratified agreement, the N.U.R. executive had erred still further in refusing to enter into fresh negotiations unless the B.T.C. agreed to regard these as a continuation of the original claim for a 15 per cent increase, and guaranteed beforehand that a substantial part of the claim would be granted. As, however, the N.U.R. now agreed that it was improper to require such a guarantee, this obstacle to the resumption of negotiations had been removed.

(4) The Commission's argument that it was "prevented by certain terms of its financial constitution from paying wage rates which it might agree to be proper" was "not only undesirable in this nationalized industry, but was unsound in the light of figures provided by the Commission, and should not be repeated."

(5) The award of the Railway Staffs National Tribunal to locomotive men on Nov. 15, 1954, had "introduced a new factor into the situation," and there was "a case for a critical examination of all wage-rates fixed by the October settlement."

(6) Negotiations should therefore be resumed at the earliest possible moment and "be conducted with a sense of urgency . . . at the same level at which they broke off." Resumption, however, was only possible "in an atmosphere free from the menace of strike action."

In regard to (2), the report pointed out that the N.U.R. executive had "full power under the union's constitution to enter into binding agreements, subject only to challenge or appeal at the union's annual conference" The Court therefore considered that "such a repudiation of a negotiated agreement by a body authorized and empowered to enter into it is unprecedented in the history of railway wage negotiations, and, if allowed to pass unchallenged, would strike at the root of industrial negotiations"

With regard to the breakdown of negotiations in December, 1954, the report commented "It is clear that the delay in reaching agreement, and the nature of the contentions made by the B T C . had caused a sense of exasperation and frustration in the minds of the negotiating members of the N.U R executive .. Throughout the negotiations, and indeed in the discussions before us, the B.T C. were maintaining two apparently contradictory positions First, that the offers made by them have represented fair and reasonable wage rates, and second, that they were not able to offer such wages as they would have desired because of the financial limitations placed on them by the terms of the Transport Act It is not surprising that, faced with arguments so mutually contradictory, negotiators on the other side of the table should have had little faith in either"

Discussing the Commission's refusal to accede to the N.U R.'s demands, the report declared

"The nation has provided by statute that there shall be a nationalized system of railway transport, which must therefore be regarded as a public utility of the first importance. Having willed the end, the nation must will the means This implies that employees . should receive a fair and adequate wage, and that, in broad terms, the railwayman should not be in worse off case than his colleague in comparable industry."

[This passage in the interim report aroused much criticism in the Press and elsewhere, and in its final report, published on Jan. 25, the Court explained that it had wished to stress "the danger of attempting to hold rates at figures other than those related to similar competitive industries" The report continued "It is implicit in all this that the wage must be properly earned and that to be fair it must be, not only no lower than it should be, but also no higher than it should be. The right to receive a fair and adequate wage is no more than this

"It is fundamental that the employer is entitled to expect, and the employee is bound to give, a fair day's work for a fair day's wage. It is further clear that in this case both employee and employer must be under a particular obligation to join in making effective all measures which are necessary and reasonable for the improvement of productivity and the promotion of efficiency It is implicit in any properly-run industry that it should not be called upon to carry redundant staff This applies particularly to the railways in their present financial position and with their obligations to the public to ensure efficiency and economy in working"

In view of the "present unhappy position" with regard to labour relations, the Court recommended "a searching and detailed inquiry into certain of the Commission's operations."]

Meanwhile the N.U.R executive had announced on Jan. 6 that, in view of the Court's findings as expressed in its interim report, it had decided to call off the strike, and that a full examination with the B T C of the wages of all grades involved would begin as soon as possible.

The January, 1955, Settlement with the N.U.R. Discussions between the Commission and the N.U R. on minimum rates for operating grades other than footplate men accordingly began immediately. On Jan. 7 Sir Brian Robertson announced that the union, which had demanded a weekly minimum of £6. 15s. for porters and other "starting grades," had accepted the Commission's offer of £6. 11s. a week in the first year, rising annually by 2s. a week to £6 15s in the third year. The increases, which would take effect from Jan 10, would benefit about 60,000 railwaymen and were estimated to cost the Commission over £1,000,000 a year. Sir Brian added that the N.U.R had reiterated its pledge (given in October, 1954) to do everything possible to raise rail productivity and efficiency, and that the increases had been granted in conformity with the Court's recommendations, which had been "accepted by the Commission for the purpose of resolving this particular dispute and not as a governing principle for the future" The new rates would be used as a base on which a new wages structure could be built, and machinery would be set up immediately to deal with other grades.

The B T.C. announced on Jan 19 that agreement had been reached with the N.U R on increases, ranging broadly from 7s. to 10s. weekly, for all other operating grades except footplate men. The increases, which would affect a further 260,000 men and operate from Jan 10, would amount broadly (when taken together with the increases already granted) to concession of the whole of the N.U.R.'s claim for rates 15 per cent above those in force in July, 1953. Representative maximum weekly rates outside London would thus be . guard, £8; signalman, £9. 10s ; shunter, £7. 8s ; ticket collector, £7. 9s. All operating grades in London would continue to be paid 3s. weekly more than elsewhere

On the same day the N.U R. stated that the Commission had also proposed the following further increases for footplate men : adult engine cleaner, 6s. ; firemen, 5s. 6d. - 6s. 6d., driver, 2s. 6d. The top rate for drivers would thus be brought up to £9 15s, the rate demanded by the N.U R, but although the N.U.R. was prepared to accept these further increases, no settlement could be reached without the ASLEF's concurrence.

The Commission announced on Jan. 20 new salary scales for clerical and supervisory grades (including clerks, stationmasters, and superintendents) providing for annual increases of from £20 to £100,

together with a reduction in the number of grades from eight to six. Most of the 100,000 employees affected belonged to the Transport Salaried Staffs' Association, but some N.U.R. members were included.

The Strike Threat by ASLEF. The ASLEF executive decided on Jan. 19 to reject the Commission's offer for footplate men on the ground that the increases were too small to restore the differentials which had been upset by the rises for lower-paid workers granted on Jan. 7. On Jan. 25 it announced that it would submit to the Transport Staffs' National Tribunal a claim for an all-round increase of 8s., but on April 16 the Tribunal rejected this claim and ruled that the rates offered by the Commission should obtain from Jan. 10. The ASLEF executive thereupon decided to call a strike as from midnight on May 1.

Repeated appeals by the B.T.C. to the Society to reconsider its decision were rejected, and on April 21 meetings took place between Sir Walter Monckton and the ASLEF leaders, and also between the latter and the T.U.C. General Council. These, however, proved fruitless, as did a warning by Sir Walter of the "grave consequences to the country's economy" and the "possibility of widespread unemployment" which a strike would entail.

Further talks between the Commission and the ASLEF executive took place at the Ministry of Labour on April 28, but were also unsuccessful. On the following day Sir Walter Monckton explained in the House of Commons that the executive had demanded an undertaking that discussions on its proposals should be concluded "by a definite and early date," and that they should take place between the Commission and the ASLEF alone, without the intervention of the N.U.R. The Commission had been unable to accept these demands because it considered (*a*) that acceptance of a time-limit for discussions would be "tantamount to conducting discussions under the threat of a suspended strike", (*b*) that negotiations on differentials could not be conducted without N.U.R. participation.

On the same day, however, the T.U.C. General Council, in an eleventh-hour effort to avert the stoppage, discussed with the Commission a new basis for settling the dispute, and on April 30 the ASLEF executive agreed to suspend the strike pending the result of renewed negotiations with the Commission, in which the N.U.R. would participate. A preliminary meeting between the Commission and ASLEF alone took place on May 2.

Breakdown of Negotiations. - Renewal of Decision to Strike. The renewed discussions between the Commission and the two unions began on May 6 and continued during the first half of the month. On May 19, however, both the ASLEF and the N.U.R. rejected new proposals put forward by the Commission, which were intended to adjust the rates of certain classes of drivers so as to relate their pay more closely to their skill and responsibility. These provided for (1) the division of train-working into two groups, according to importance; (2) the payment of an extra 5s. weekly to drivers and motormen working the more important trains and of an extra 2s. 6d. to those working the less important ones, with no payments, however, to shunting drivers or to firemen; (3) the introduction of new "mileage allowances" of 3d. (drivers and motormen) and 2½d. (other footplate men) for every 10 miles worked above 80 miles daily and up to 145 miles, beyond which the existing allowance of one hour's pay for every additional 15 miles worked would still apply. [With regard to (2), it was explained in the Press that about 30 per cent. of drivers were confined to shunting duties and would not benefit by the proposal, but that about 10 per cent. of drivers would receive the extra 5s., and the remaining 60 per cent. the extra 2s. 6d.]

Following the breakdown of the talks, the ASLEF executive informed the Commission on May 20 that it had instructed the Society's members to cease work at midnight on May 28 (the Saturday of the Whitsun week-end).

Efforts to Avert the Strike. The ASLEF decision to proceed with the strike was followed on May 20 by a meeting at 10, Downing Street, between the Prime Minister, the Minister of Labour, and members of the T.U.C. General Council, at which Sir Anthony Eden gave a warning that the stoppage, if it materialized, would "undoubtedly inflict hardship on the public, impair the country's chances of continued prosperity, and cause widespread unemployment." Urgent meetings during the next few days between Sir Walter Monckton and the B.T.C., and between the T.U.C.'s general purposes committee and the ASLEF executive, proved fruitless, and on May 25 ASLEF rejected the T.U.C.'s invitation to meet the N.U.R. executive (which had instructed its members not to participate in the strike) under its auspices. On May 27 ASLEF also rejected, as "coming too late," an offer by the Ministry of Labour to set up a conciliation board to assist in the discussions between the B.T.C., the ASLEF, and the N.U.R. At a subsequent press conference, Mr. Baty explained that in the Society's view the Commission had not adhered to the terms of the formula of April 30 (under which the proposed strike on May 1 had been averted), and had given no indication that it was willing to consider the ASLEF's proposals. Last-minute efforts on May 28 by the Government and the T.U.C. to avert the stoppage proved equally abortive, and the strike notices, affecting about 70,000 footplate men, accordingly took effect at midnight on that date.

The withdrawal of their labour by the ASLEF men brought normal rail services virtually to a standstill. Although skeleton services were operated in most areas with engine crews made up of N.U.R. men, only about 200 special passenger trains could be run on May 29 (compared with the normal weekday total of 24,000), whilst freight train working was almost entirely suspended. On the same day the B.T.C. estimated that out of 3,688 motive-power men who should have reported for duty during the first six hours of the strike, only 608, or 16.4 per cent, had actually done so.

The Prime Minister, in a broadcast from Chequers on May 29, reviewed the efforts made to avert the strike, indicated the difficulties which had stood in the way of a settlement, and gave a pledge that the Government would do everything possible to protect the nation from the worst effects of the stoppage.

Dealing first with the reasons underlying the failure of the normal machinery to effect a settlement, Sir Anthony Eden said: "You are entitled to know how this unhappy situation has come about, for it will affect every one of us. The Amalgamated Society [ASLEF] claim that changes made in the rates of pay on the railways since last November, although giving all-round increases, have made worse the position of the footplatemen, drivers, firemen, and engine-cleaners in relation to other grades of railway workers. They say the position should be restored to what it was in November by giving further rises in pay to the footplate grades.

"The British Transport Commission were unable to agree. They said that because the footplate grades have been given a lead of a certain amount over other grades last November, this could not imply that this same lead could always be maintained. They knew that if increases were given to footplatemen, the National Union of Railwaymen would insist upon corresponding advances being given immediately. There was no doubt about this, because the N.U.R. had confirmed the fact to the T.U.C. and the Minister of Labour.

"The British Transport Commission had to assume that if this concession was given, then the ASLEF would once more make a claim that the relative position of their members must be restored, and the Commission would have been confronted with an endless succession of pay rises for which industry and the travelling public would have had to find the money.

"The Minister of Labour and the T.U.C. have worked untiringly to try and end the strike. One of the major difficulties has been the absence of common ground between the unions. Without this the Commission could not know the full size of the bill which they and all their customers would be asked to meet. The Minister was unable to get the unions to establish a common front on which the Transport Commission could deal with them. Sir Walter Monckton suggested a board of conciliation should be set up. This would have helped, and might have created an atmosphere in which a settlement could have been reached. The ASLEF rejected this. Yesterday, again with the help of T.U.C. representatives, another series of attempts were made to find a way out. These failed.

"Although this is a dispute between ASLEF and the Transport Commission, the difficulties in the way of settling it have mainly been brought about by the differing points of view between the two unions involved. The prospects for peace in this great industry would be transformed if only these two unions would talk and work together.

"Today we know that all these efforts have come to nothing. Whatever happens now the country is going to be hurt, and many of you will suffer inconvenience and hardship. More serious still, the damage which must be caused will injure our country in a world which is becoming increasingly competitive. Supplies to factories will be affected at once. This must bring unemployment on a rapidly increasing scale to workers in no way involved in this dispute.

"Hardship and loss there must be, but we will do all we can to protect the nation from the worst effects of this strike. That is the Government's clear duty, and we intend to discharge it. We must ensure supplies of food for all, and sufficient fuel for the essential public services such as water, sewerage, and hospitals. The Government will not hesitate to obtain any further powers that may be necessary for this purpose. You can help us. We will tell you how. Plans have been prepared, and will now be put into operation. . . .

"The Government will, of course, do everything in its power to help to bring about a settlement of this dispute. The Minister of Labour and his officers will continue their efforts. We all hope that a way will soon be found to bring this strike to an end. But, after all, this business can only end when negotiations begin again, and the sooner we get there the better."

The Government statement referred to by Sir Anthony Eden, outlining the measures to be taken to maintain essential services and to assure "an adequate supply of food for all," was issued on the same day and is summarized below.

After pointing out that supplies to industry would "inevitably be curtailed," the statement said that although postal, telegraph, and telephone services would continue to operate, the postal services in particular would be "below the normal standard." It continued: "The postal services . . . depend largely for their operation on the railways. Where trains are not available, the mails must be carried by other means. In order to keep the essential postal services going, the Service Departments are assisting the G.P.O. by providing aircraft and up to 250 lorries to carry essential mails over the longer postal trunk routes. Even with this assistance there will be some delay in delivery of mails, but the G.P.O. are doing their best to reduce this to the minimum. No Servicemen are being employed anywhere on the railways."

The statement appealed to the public to be sparing in the use of fuel, light, and power; to use postal, telegraph, and telephone services as little as possible; and wherever practicable to give lifts in private cars. In this connexion it explained that the Minister of Transport and Civil Aviation had arranged with representatives of the insurance market (1) that any use of private cars, except use for hire, should be allowed under the owners' insurance policies; (2) that immediate cover should be given to owners of laid-up cars who wished to use them during the emergency. The Government

would also indemnify (where necessary) owners or users of private cars and goods vehicles against legal liability in respect of death or injury to passengers, provided that the vehicles displayed the notice "Free Lifts at Your Own Risk," and that the passenger's attention had been drawn to this notice

The statement added that ample stocks of food were available throughout the country, that it might be necessary later to introduce severe restrictions on the use of gas or electricity, and that, whilst trade and industry were generally expected to make their own arrangements for the carriage of goods and passengers, the Ministry of Transport would "do all that is physically possible to secure the movement of traffic necessary to maintain essential supplies and services"

The manpower situation showed a slight improvement on May 30, the B.T.C. announcing that about 18.5 per cent of the footplate men due to work had reported for duty, with the result that British Railways had been able to run about 1,200 passenger and 200 freight trains to deal with urgent traffic. The position further improved on May 31, over 2,000 passenger and some 850 freight trains being run on that date.

The Emergency Regulations approved by the Queen on May 31 (effective from June 1) numbered 25, and were as follows.

(1) A regulation permitting the Minister of Transport and Civil Aviation to authorize goods vehicles to be used without 'A,' 'B,' or 'C' carriers' licences, or outside the terms of existing licences.

(2) Allowing passenger vehicles to be used (by permission of the Minister) without a public service vehicle licence or without a road service licence.

(3) Allowing the Minister to permit unlicensed persons to act as drivers or conductors of road passenger vehicles, and to waive the limit on the number of persons carried.

(4) Allowing the Minister to authorize the use on the roads of vehicles normally operating within factories or on open-cast coal sites

(5) Permitting the Minister to authorize the use of vehicles without an Excise licence

(6) This regulation permitted the waiving of some formalities connected with third party insurance, but did not dispense with the necessity for such insurance

(7) This allowed the Minister of Transport to relieve the B T C. and the London Transport Executive of their statutory obligation to carry passengers and goods, and to permit them to refuse less urgent goods in favour of essentials.

(8) Permitting the Postmaster-General to refuse to take letters or parcels above a certain weight.

(9) This allowed the Ministry of Fuel and Power to relieve Gas and Electricity Boards of the statutory requirements to supply gas and electricity, or to vary the quality of the service supplied

(10) This allowed the Minister to restrict the consumption of electricity or gas

(11) This regulation permitted the Minister to control the distribution of petrol, diesel oil, paraffin, or other liquid fuel

(12) This allowed the Minister of Agriculture, Fisheries, and Food to regulate the distribution of food and animal feeding-stuffs.

[It was explained that Regulations (9), (10), (11), and (12) were not immediately necessary, but would be held in reserve if the strike proved to be prolonged.]

(13) Authorizing the requisitioning of "chattels," including road vehicles. It was explained, however, that no requisitioning was at present intended, as there were plenty of vehicles available and on offer

(14) This regulation (which was precautionary) penalized acts of sabotage against essential services It was held in reserve in case of breaches of public order.

(15) to (21). These regulations dealt with the preservation of public order, and prescribed penalties for offences against the regulations. The maximum penalty on summary conviction was fixed at three months' imprisonment, £100 fine, or both. It was specifically stated that participation in a strike, or peacefully persuading others to take part, was not an offence

Regulations (22) to (25) were purely formal, giving power to revoke or vary Orders by subsequent Orders, and dealing with the legal interpretation of terms.

The last occasion on which a state of emergency had been proclaimed was on June 29, 1948, when the Labour Government took such action as the result of a widespread strike in the London docks (see 9365 A). The Emergency Powers Act dates from 1920.—(Times - Daily Telegraph - Manchester Guardian - Observer - Sunday Times) **(Prev. rep. 13419 B.)**

A. HIGH COMMISSION TERRITORIES. — Appeal Court for Basutoland, Bechuanaland and Swaziland.

An announcement from Maseru (Basutoland) on May 1 stated that an Appeal Court for the three British High Commission territories in South Africa had been established by Order-in-Council, with Sir Harold Willans (Chief Justice of the territories) as its president. The new court will hear appeals from High Courts in the territories (such appeals had formerly to be made to the Privy Council in London), thereby enabling civil and criminals cases to be dealt with more expeditiously.
(Times)

B. WESTERN GERMANY. — Ministerial Appointments. - Dr. von Brentano appointed Foreign Minister. - Herr Blank becomes Minister of Defence.

The Federal Chancellor, Dr Adenauer, tendered his resignation as Foreign Minister to President Heuss on June 6, and recommended that the post should be taken over by Dr. Heinrich von Brentano. At the same time he recommended that Herr Theodor Blank, the Defence Commissioner, should become Minister of Defence in the Federal Government, and that Dr. Hans von Merkatz should enter the Government as Minister for Bundesrat Affairs in succession to Herr Hellwege, consequent upon the latter's recent appointment as *Land* Premier of Lower Saxony. Dr. von Brentano, Herr Blank, and Dr. von Merkatz were nominated to their new portfolios on the following day by President Heuss.

Dr. Heinrich von Brentano (51), a lawyer, was imprisoned by the Nazis in July, 1944, and after the war was one of the founders of the Christian Democratic Party in Hesse A Roman Catholic, and a close associate of Dr Adenauer, he has led the Christian Democratic Party in the Bundestag for nearly six years, and was a member of the committee which drafted the Federal Constitution Prominently associated with the movement for European integration, he has been a vice-president of the Consultative Assembly of the Council of Europe for the past five years

Herr Theodor Blank (49), a trade union official, and a former carpenter, became secretary of the Association of Christian Transport and Factory Workers at the age of 25 He refused to take any part in the nazification of the trade unions during the Hitler regime, and played no part in trade union or political life during that period He was taken prisoner on the Russian front during the war, in which he served as a lieutenant in an armoured unit After 1945 he attained a leading position in the German trade union movement, and was elected to the Bundestag as a Christian Democratic deputy. He had been Defence Commissioner since 1950

Dr von Merkatz (49), leader of the German Party in the Bundestag, is a member of the Consultative Assembly of the Council of Europe. He is descended from an old Prussian family.

Dr. von Brentano became the first Foreign Minister of the German Federal Republic other than Dr. Adenauer, who had held that post—concurrently with the Chancellorship—since the Federal Republic's inception Herr Blank, similarly, became the first Defence Minister of the Federal Republic.
(Frankfurter Allgemeine Zeitung) **(Prev. rep. 14237 A.)**

C. AUSTRALIA. — New South Wales Flood Disaster.

The most serious natural disaster in Australia's history occurred in late February and early March, when prolonged torrential rains in northern New South Wales caused many rivers to flood and resulted in severe damage to a number of towns and the inundation of tens of thousands of square miles of land. Nearly 100 people lost their lives in the disaster. more than 50,000 were rendered homeless, extensive damage was done to property, and there were very heavy losses of sheep and cattle. The total damage was subsequently estimated at about £A15,000,000.

The first river to flood was the Hunter, where the town of Maitland suffered extensive damage and thousands of people had to be evacuated, the towns of Singleton and Muswellbrook also suffered heavy damage, and the main railway line from Newcastle to Brisbane was cut for three weeks. The greatest danger subsequently arose from the flooding of the rivers flowing westwards and northwards into the Darling—the Bogan, the Macquarie, the Castlereagh, the Namoi, the Gwydir, and the Barwon. The towns most seriously affected in this area were Narrabri and Wee Waa (on the Namoi), Warren and Dubbo (on the Macquarie), and Gilgandra and Gular (on the Castlereagh), several of which were completely surrounded by flood waters.

Extensive help was immediately provided for the stricken areas, both by the State and the Commonwealth Governments, and food, clothing, blankets, and medical supplies were flown in by R.A.A.F. planes Helicopters and Army amphibious vehicles were used to evacuate people, many of whom had spent hours in trees or on the roofs of submerged buildings Fodder was dropped to the few cattle which had not been swept away by the floods.

Flood relief funds were opened in all Australian States and also in Britain, and supplies of food and clothing or sums of money were contributed by Governments, firms, and individuals throughout the Commonwealth, as well as by a number of other countries. Altogether, over £A3,000,000 was contributed, of which more than £A1,000,000 was given by individuals in Australia, £250,000 was donated by the British Government, and over £75,000 was raised from private contributions in Britain. Among the principal contributions were £10,000 from the New Zealand Government, £10,000 from the Netherlands Government, and £5,000 from the Holy See.
(Australian News and Information Bureau)

A. UNITED STATES. — Prohibition of Segregation of Negro Children in Schools. - Supreme Court's Ruling on Implementation of Earlier Decision.

The U S. Supreme Court held hearings on April 11-14 on the question of how and when its decision of May 17, 1954, ruling that the segregation of Negro children in schools was unconstitutional (see 13593 A), could be implemented. Hearings were originally to have opened on Dec. 6, 1954, but had been postponed owing to the Senate's delay in confirming the appointment of Judge Harlan to the Court. The cases before the Court came from the States of Kansas, South Carolina, Virginia, and Delaware, and the District of Columbia. In addition, briefs were submitted as "friends of the court" by the States of Florida, Oklahoma, North Carolina, Arkansas, Texas, and Maryland, and also by the Department of Justice.

All the States concerned argued that it was impossible to break down local prejudices and customs by a Court order, and therefore urged that there should be delay in implementing the Court's decision. The Department of Justice also argued that the Supreme Court should give States and local communities a reasonable time to end segregation, though it emphasized that "popular hostility" was no legal justification for failure to end it. On the other hand, counsel for the National Association for the Advancement of Coloured People, representing Negro parents in four of the five original cases, contended that there was no reason for delay, they suggested that the unified system should be proclaimed and enforced not later than Sept 1, 1956, and that all local school districts which failed to comply with the unified system by Sept. 1, 1955, should explain the reason for the delay to the local courts.

Extracts are given below from the arguments put forward in the briefs and in oral argument before the court.

The **Virginia** brief declared that the State Government considered integration in its public schools to be "impossible at this time," and that it did not foresee a complete solution to the problem at any future time It said "Government still derives its foundation from the consent of the governed. The people of many sections of Virginia have stated forthrightly that they will not consent to compulsory integration of the races in the public schools. Neither court decree nor executive order can force on those sections a result so basically opposed by a united majority" The State's Attorney-General informed the Court that a commission had been appointed by the Governor of Virginia to formulate a legislative programme for a transition to the new system, and said that if this commission were permitted to seek an orderly solution, it might be possible for Virginia to work out "some method which would meet the full requirements of the Court and yet avoid raising practical problems which would defy solution in various parts of the State." In support of its argument that integration of schools should be proceeded with very slowly, the Virginian brief quoted statistics of intelligence quotient and reading tests, of the incidence of tuberculosis and venereal disease, and of the percentage of illegitimacy, which were designed to show the lower educational level of Negroes, their higher liability to contract infectious disease, and their allegedly lower level of parental morality.

The **South Carolina** case, which was presented on behalf of Clarendon County (the district where the case originated) and not by the State itself, similarly argued that de-segration should not be implemented too rapidly, as attitudes of mind would have to be changed. Any attempt by the Court to set up "criteria of de-segregation" would be an invasion of the legislative and administrative fields of Government, it was stated The Supreme Court had, however, equity powers to permit "effective gradual adjustments," and should remand the cases to district courts for the formulation of decrees.

For **North Carolina** it was argued that a Court order requiring immediate integration might provoke "racial tension and animosities unparallelled since those terrible days that gave rise to the Ku Klux Klan." Moreover, it was held that any attempt to compel the intermixture of races in the State's public schools "would result in such violent opposition as to endanger the continued existence of its schools." The Court should not attempt to formulate decrees but should allow the "greatest possible latitude" to district judges in conducting hearings and formulating final decrees "if the objectives sought by this Court's decision are to be attained"

Florida likewise pleaded for "time, tact, and wisdom" in implementing the Court's ruling, as the State was not ready for a programme of immediate integration; an order that set a "date certain" for an end to segregation would only hamper the efforts of people of goodwill to solve the problem, and might lead to violence. **Texas** also insisted that an attempt at immediate de-segregation would be "rash, imprudent, and unrealistic," and expressed the view that local school boards should be allowed to handle the adjustment to an integrated school system. In reply to a question from Chief Justice Warren on April 13, however, the Attorney-General of Texas admitted that the State had not as yet taken any specific action to bring about de-segregation.

Among the border and other States less affected by the question **Delaware** stated that there had been significant progress in abolishing segregation, but that anti-integration demonstrations had shown that "a significant percentage" of the people in parts of Delaware were not ready to accept integration. **Kansas** explained that segregation was not a State policy and that the localities in which it had prevailed had taken steps to end segregation by September, 1955 Segregation in **Maryland**, it was stated, had been "well on its way out" before the Supreme Court's decision, gradual adjustment should be permitted and, "if left alone to devise in good faith a timetable for the de-segregation of every school in Maryland, the local authorities will be best able to solve the problem with the fewest possible ill-effects" For **Arkansas** it was suggested that the Court might leave to Congress some of the detailed implementation of its decision, legislation providing penalties for denying Negro students admission to schools of their choice, it was thought, could well have a deterrent effect on efforts to evade the Court's ruling Counsel for the **District of Columbia** stated that an integrated school system would be in operation there by Sept. 1, 1955, and that no directive from the Court was therefore necessary

Counsel for the **National Association for the Advancement of Coloured People,** representing Negro parents in four of the five original cases, rejected all arguments in favour of delay in implementing the Court's decision, and declared that there was "no reason for supposing that delay can minimize whatever unpleasant consequences might follow from the eradication of this great evil" The argument that the Court should postpone constitutional rights had never been advanced before, and was only made when Negroes were involved The enforcement of constitutional rights should be uniform throughout the country and should not "mean one thing in one State and another thing in another State" Arguing that the Supreme Court itself could contribute to "an effective and decisive change in attitude by insisting that the present unlawful situation be changed forthwith," the brief suggested that the Court should fix September, 1956, as an "outside date" by which absolute compliance with the non-segregation ruling should become universal and mandatory

Referring particularly to the Virginian argument on the alleged educational inferiority and proneness to ill-health of the Negro, the brief stated "That the Negro is so disadvantaged educationally and culturally in the States where segregation is required is the strongest argument against its continuation for any period of time Those who use this argument as a basis for interminable delay in the elimination of segregation are in reality seeking to utilize the product of their own wrong-doing as a justification for continued malfeasance. State briefs seek to limit further the educational rights of Negro students by broad characterization of group intelligence, group morality, and health. The conditions they complain of can never be remedied as long as segregation in public schools is continued."

The **Department of Justice,** in a brief signed by the Attorney General (Mr Brownell) and the Solicitor General (Mr. Sobeloff), argued that the Court should not fix a deadline which all areas affected by the segregation ruling would be required to observe, but should give States and local communities reasonable time to end segregation in schools It also thought that specific decrees for ending segregation should be left to the lower courts under general rules to be laid down by the Supreme Court. "Racial segregation in public schools," it argued, "is unconstitutional and will have to be terminated as quickly as feasible, regardless of how much it may be favoured by some people in the community There can be no local option on this question, which has now been finally settled by the tribunal empowered under the Constitution to decide it." The Department said that whilst "popular hostility," where it was found to exist, was a problem that needed to be recognized and faced with understanding, "it can afford no legal justification for a failure to end segregation."

The Department suggested that the Supreme Court should issue the following "ground rules" to guide the lower courts in formulating their decrees:

(*a*) The [lower] court's decree should make clear that State laws in conflict with the Supreme Court's ruling of May 17, 1954, were invalid.

(*b*) The five pending cases should be remanded to the lower courts with instructions to request local authorities to submit within 90 days a plan to end segregation "as soon as feasible."

(*c*) If no satisfactory plan were offered, the courts should issue "appropriate orders" directing an end to segregation at the beginning of the next school term.

(*d*) When a plan was put forward, court hearings should be held to determine whether it provided for transition to an integrated school system as expeditiously as local conditions permitted. The judge would decide whether the plan was offered in good faith and would fix the earliest possible date for its completion.

(*e*) The District Courts should require progress reports from time to time to make sure that there was no unnecessary delay in the execution of the programme.

(*f*) The lower courts should be required to submit periodic reports to the Supreme Court, which would retain jurisdiction to issue any further orders it deemed necessary to carry out its decree.

"Where there are no solid obstacles to de-segregation," it was argued, "delay is not justified and should not be permitted. It is only where the lower court finds upon clear and convincing evidence that the defendants have met the burden of showing that its immediate [i.e. at the beginning of the next school term] completion of the programme is impractical, that any delay is justifiable. In such a situation the District Court should fix the shortest practical period for completing de-segregation."

The Solicitor General declared in his final statement before the Court that an order making clear that segregation laws were unconstitutional would strengthen the hands of the Federal district judges. On the other hand, he added, a "flexible" decree leaving details of enforcement to the discretion of the lower courts would not tie the hands of judges in their efforts to meet local conditions.

On May 31 the Supreme Court issued a unanimous opinion in which it directed the States to make a "prompt and reasonable" start towards implementing its ruling that segregation in schools was unconstitutional It accepted the argument that the local courts, because of local conditions, were best able to formulate the necessary decrees, and accordingly remanded the five cases to the courts which originally heard them.

After reiterating "the fundamental principle that racial discrimination in public education is unconstitutional," and that "all provisions of Federal, State or local law requiring or permitting such discrimination must yield to this principle," the opinion went on

"Full implementation of these constitutional principles may require solution of varied local school problems School authorities have the primary responsibility for elucidating, assessing, and solving these problems, courts will have to consider whether the action of school authorities constitutes good-faith implementation of the governing constitutional principles Because of their proximity to local conditions and the possible need for further hearings, the courts which originally heard these cases can best perform this judicial appraisal Accordingly, we believe it appropriate to remand the cases to those courts

"In fashioning and effectuating the decree, the courts will be guided by equitable principles Traditionally, equity has been characterized by a practical flexibility in shaping its remedies and by a facility for adjusting and reconciling public and private needs These cases call for the exercise of these traditional attributes of equity power

'At stake is the personal interest of the plaintiffs in admission to public schools as soon as practicable on a non-discriminatory basis To effectuate this interest may call for elimination of a variety of obstacles in making the transition to school systems operated in accordance with the constitutional principles set forth in our decision of May 17, 1954 Courts of equity may properly take into account the public interest in the elimination of such obstacles in a systematic and effective manner But it should go without saying that the vitality of these constitutional principles cannot be allowed to yield simply because of disagreement with them

"While giving weight to these public and private considerations, the courts will require that the defendants make a prompt and reasonable start toward full compliance with our ruling of May 17, 1954 Once such a start has been made, the courts may find that additional time is necessary to carry out the ruling in an effective manner. The burden rests upon the defendants to establish that such time is necessary in the public interest, and is consistent with good-faith compliance at the earliest practicable date. To that end, the courts may consider problems related to administration, arising from the physical condition of the school plant, the school transportation system, personnel, revision of school districts and attendance areas into compact units to achieve a system of determining admission to the public schools on a non-racial basis, and revision of local laws and regulations which may be necessary in solving the foregoing problems They will also consider the adequacy of any plans the defendants may propose . . . to effectuate a transition to a racially non-discriminatory school system During this period of transition, the courts will retain jurisdiction of these cases

"The judgments [i e the original judgments of the lower courts], except that in the Delaware case, are accordingly reversed and remanded to the district courts to take such proceedings and enter such orders and decrees consistent with this opinion as are necessary and proper to admit to public schools on a racially non-discriminatory basis, with all deliberate speed, the parties to these cases The judgment in the Delaware case—ordering the immediate admission of the plaintiffs to schools previously attended only by White children —is affirmed on the basis of the principles stated in our opinion of May 17, 1954, but the case is remanded to the Supreme Court of Delaware for such further proceedings as that court may deem necessary in the light of this opinion"

The Supreme Court's ruling was generally well received in the southern States, though spokesmen in Georgia, South Carolina, Louisiana, and Mississippi expressed their intention of continuing with segregated schools.

Governor Griffin of Georgia declared: "We shall continue to operate our schools as we have always operated them", the Attorney General of South Carolina asserted that the Supreme Court was illegally attempting to amend the Constitution; State Senator William Rainach of Louisiana, head of the State's Joint Legislative Committee on Segregation, expressed the view that the Supreme Court's ruling "gives us room to continue our fight"; and the Attorney General of Mississippi declared: "The next move will be up to those who wish to destroy segregation in schools. We are ready for anything they may wish to come up with."

Following the Supreme Court's decision of May 17, 1954, that segregation in schools was unconstitutional, action had been taken in a number of States to implement the Court's ruling, though some States had sought to impede or nullify that decision. Broadly speaking, four States—Delaware, Maryland, Missouri, and West Virginia—and the District of Columbia had started the process of integration; four States —Georgia, Mississippi, Louisiana, and South Carolina—had remained strongly opposed to it; whilst the remaining nine States—Arkansas, Alabama, Florida, Kentucky, Oklahoma, North Carolina, Tennessee, Texas, Virginia—had awaited further action by the Supreme Court before taking any action themselves. In Delaware, Maryland, and the District of Columbia the opening of previously all-white classrooms to Negro students aroused a certain amount of local opposition. A summary of these events is given below.

In **Mississippi, Georgia,** and **South Carolina,** the State Legislatures approved amendments to the State Constitutions which gave the States authority to abolish the public school system and to subsidize private schools as a means of maintaining segregation. In addition, the Georgia Senate and House of Representatives passed a Bill forbidding the spending of State money on any school in which the races were mixed A subsequent measure was adopted in Georgia requiring all teachers to swear not to teach in 'mixed" classrooms

In **Louisiana,** an amendment to the State Constitution was adopted which provided that the State could use its inherent police power to continue segregation in the schools in order to maintain public health, morals, peace, and good order.

In **Florida,** the State Supreme Court (in an opinion on Nov 17) criticized the U S Supreme Court's ruling as "a great mistake" calculated to retard rather than to accelerate the removal of segregation from public schools. The court expressed the view that the question of segregation was a legislative rather than a judicial one.

As a result of mounting tension and threats of violence in Milford, **Delaware,** two public schools which had admitted a number of Negro students on Sept 7, at the beginning of the school year, were obliged to close about a fortnight later. They reopened again on Sept 27 with the Negro children in attendance, but were boycotted by about 70 per cent of the White pupils. The school board thereupon resigned and a new school board ordered a return to segregation in the school The right of the Negro children to attend the school was upheld in the Delaware Chancery Court on Oct 14, but this decision was reversed on Feb 8, 1955, by the State Supreme Court, which ruled that the Milford Board of Education had "no legal right" to admit Negro children to the previously all-white schools Agitation against racial integration in the Milford schools was largely directed by Mr Bryant W. Bowles, founder and president of a newly-formed "National Association for the Advancement of White People", he was arrested on Oct 10 and charged with conspiracy to interrupt the education of Delaware children, but the charges were dismissed on technical grounds on Dec 15

In **Maryland** and the **District of Columbia** there were protest marches, demonstrations, and absenteeism by White students in Baltimore and Washington at the beginning of October An appeal for a return to segregation in schools, made by White parents and by the "National Association for the Advancement of White People," was rejected by a Baltimore court on Oct. 6.

A report published on May 14 by the National Association for the Advancement of Coloured People stated that the abolition of segregation in schools had been started in the District of Columbia, Baltimore, 29 counties in West Virginia, 30 counties in Missouri, five towns in Delaware, six towns in Kansas, two towns in Arkansas, and in scattered communities in Arizona and New Mexico. It said that nearly 250,000 Negro and White children were attending classes peaceably together in 500 public elementary and secondary schools which, until 1954, had been for the exclusive use of one race or another—though it emphasized that this was admittedly only a tiny minority of the 9,821,000 White and 2,397,000 Negro children enrolled in schools in the "segregated" areas.
(New York Times - New York Herald Tribune) **(13593 A.)**

A. UNITED KINGDOM. — Gold and Dollar Reserves.

There were no changes in May in the sterling area's gold and dollar reserves, which on May 31 stood at $2,686,000,000, the same as on April 30. This figure was reached after (*a*) the receipt of $18,000,000 in U.S. defence aid, (*b*) the receipt of $31,000,000 from the European Payments Union, representing that part of the April settlement which was settled in gold or dollars, and (*c*) the payment of $2,000,000 under bilateral settlements with creditors of the E.P.U.

Provisional figures for the E.P U. May settlement showed that the U.K. had a surplus of $22,400,000 (£8,000,000), which would be settled in June half in gold or dollars and half by a reduction in the U.K. debt to the Union.
(Treasury Press Office) **(Prev. rep. 14179 B.)**

B. DENMARK - UNITED KINGDOM. — Collaboration in Peaceful Development of Atomic Energy.

It was announced in London and Copenhagen on June 10 that the U.K. Atomic Energy Authority and the Danish Atomic Energy Commission had agreed on a joint ten-year programme of research and development in the peaceful application of atomic energy. It was disclosed that the U.K. Atomic Energy Authority would assist the Danish Atomic Energy Commission in designing and constructing a high-flux research reactor similar to one being built at Harwell, and would supply the necessary fuel elements for the Danish reactor. (Times - Berlingske Tidende, Copenhagen)

A. SOUTH AFRICA. — The Sophiatown Evictions.

The removal under the Natives Resettlement Act of the African population of Sophiatown (in the Western Areas of Johannesburg) to Meadowlands, a new Native township 11 miles away, began on Feb. 9, when about 130 families were moved. This operation had originally been scheduled to begin on Feb 12, but in order to forestall any attempt at organized resistance the date was advanced at the last moment by three days. The Minister of Justice, Mr. Swart, had previously issued a proclamation banning all public assemblies of more than 12 people, unless police permission had been obtained, for a period of 20 days within a 20-mile radius of Sophiatown. While the removals were in progress the entire route from Sophiatown to Meadowlands was guarded by European and Native police.

Defending his decision to impose a ban on public gatherings, Mr Swart alleged in the House of Assembly on Feb 9 that, according to police reports, groups of *tsotsis* (young Native hooligans) had been incited to use violence by certain persons, including Father Huddleston (of the Anglican Community of the Resurrection), chairman of the Western Areas Protest Committee He also alleged that the African National Congress had planned to arm Native youths and to attack European areas of Johannesburg, and that the Natives in Sophiatown were in possession of machine-guns, revolvers, hand-grenades, and home-made bombs He confirmed that police permission would be necessary to hold Church services, whilst Dr Verwoerd (Minister of Native Affairs) stated that such permission would be refused to Father Huddleston. On Feb. 11 Father Huddleston completely denied the allegations made against him, challenged Mr. Swart and Dr Verwoerd to repeat them outside Parliament, and stated that he would hold services as usual without applying for permission

Attempts by the African National Congress to organize a protest strike on Feb 12 collapsed after eight Native youths had been arrested, and on Feb. 15 a second batch of 150 families were removed under the guard of some 750 armed police. Mr. Swart announced on the latter date that the removal of the Africans was proceeding so peacefully that he had decided to lift the ban on meetings, although he would not hesitate to reimpose it if necessary. Five Africans who had been arrested for picketing during the strike were subsequently discharged, and 27 others involved in the agitation were sentenced to a fine of 10s or a week's imprisonment for being without passes.

Addressing a meeting at the Central Hall, Westminster, on Feb. 21, the Bishop of Johannesburg (the Rt. Rev. Ambrose Reeves) described the clearance of the Western Areas as "legalized theft" and as "morally indefensible." He pointed out that there were far worse slums around Johannesburg, such as Moroka, where 55,000 people were living in huts; Pimville, which had been condemned as long ago as 1913, and where 25,000 people were still living, and the Orlando shelters, where 34,000 people were living at an average of five to a room In the Western Areas, on the other hand, although slum conditions existed, there were many brick buildings which could provide good accommodation for many years Dr Reeves asserted that the Sophiatown evictions were being undertaken nominally as a "slum clearance" measure, but in reality as "a sop to the White voters" who objected to the proximity of Africans, and in order "to give effect to the determination of the authorities to prevent Africans in urban areas from continuing to have freehold rights."

It was emphasized in official statements that the primary object of the removals was to end the constant friction arising from the presence of an isolated Bantu housing area in the midst of White suburbs. Bantu freehold property owners in the Western Areas could opt to purchase freehold land in a released Bantu area, but such areas were almost entirely rural, and it would be a considerable time before suitable urban plots in the Bantu territories were available. In Bantu townships within the White areas, however, such as Meadowlands, Bantus would be given the right to purchase their houses, and would then receive long-term leasehold of the ground. Bantu freehold owners, it was argued, had proved incapable in the past of withstanding the temptation to sell their property to White and Indian speculators, who not only charged excessive rentals for the available housing, but also raised large bonds on the potential rent value of their plots and used the money to erect additional shanties on the same small area of ground, thus turning their property into overcrowded slum sites. It was also State policy that Bantus should live in White areas only as visiting or migratory workers, and should not be granted full ownership of land in those areas; in this connexion it was recalled that a similar ban on White freehold ownership had long existed in the Bantu territories.

About 10,000 Natives a year will be moved from the Western Areas, the clearance of which is expected to be completed in six to eight years. Rents for the various types of houses at Meadowlands will range from £2 to £4. 5s. a month, and will be assessed in accordance with the tenants' monthly earnings. The first of 12 schools to be erected on the site was opened on Feb 14, and it is planned to provide health centres, a cinema, crèches, a market, churches, and sports fields.

It was announced on March 10 that 40,000 Natives from the Apex squatters' camp at Benoni (near Johannesburg) would be moved to Daveytown, a new Native township in the Meadowlands area, over a period of two years beginning in April.
(Cape Times - The Star, Johannesburg) **(Prev. rep. 13887 A.)**

B. LITERATURE. — Book Selections for May.

Selected books published in Britain, the U.S.A., France and Germany are given below:

Great Britain. Bishop, Jim—"The Day Lincoln was Shot." (Weidenfeld & Nicolson, 18s)
Boyd, Martin—"A Difficult Young Man" (Cresset Press, 12s 6d)
Dannos, Pierre—"Major Thompson lives in France" Translated from the French (*Les carnets du Major Thompson*). (Cape, 9s. 6d)
Houot, Georges, and Willm, Pierre—"Two Thousand Fathoms Down" Translated from the French (*Au fond des mers en bathyscaphe*). (Hamish Hamilton and Hart-Davis, 18s)
Howarth, David—"We Die Alone" (Collins, 15s)
McNair, John—"James Maxton: The Beloved Rebel." (Allen & Unwin, 12s. 6d)
Mayne, Peter—"The Narrow Smile." A Journey back to the North-West Frontier (John Murray, 18s.)
Millin, Sarah Gertrude—"The Measure of My Days." (Faber, 21s)
Morton, J B.—"Hilaire Belloc: A Memoir." (Hollis & Carter, 12s 6d.)
Namier, Sir Lewis—"Personalities and Powers." Historical Essays (Hamish Hamilton, 15s.)
van der Post, Laurens—"Flamingo Feather." (Hogarth Press, 12s. 6d.)
Powell, Anthony—"The Acceptance World." (Heinemann, 12s 6d)
Read, Conyers—"Mr. Secretary Cecil and Queen Elizabeth." (Cape, 40s)
Scholl, Inge—"Six against Tyranny." Translated from the German (*Die weisse Rose*). (John Murray, 8s. 6d.)
Simon, Boris—"Abbé Pierre and the Ragpickers." Translated from the French (*Chiffoniers d'Emmaüs*). (Harvill Press, 15s.)
Sukhanov, N. N.—"The Russian Revolution, 1917. A Personal Record" Translated from the Russian. (Oxford University Press, 42s)

United States. Brooks, Van Wyck—"John Sloan: A Painter's Life." (Dutton, New York, $5.00)
Enright, Elizabeth—"The Moment before the Rain." Collected Stories (Harcourt, Brace & Co., New York, $3.50.)
Havens, George R.—"From Reaction to Revolution in Eighteenth-Century France." (Holt, New York, $6.00.)
Markandaya, Kamala—"Nectar in a Sieve." (John Day, New York, $3 50.)
Woodress, James—"Booth Tarkington: Gentleman from Indiana" (Lippincott, Philadelphia, $5.00.)

France. Bourguiba, Habib—"La Tunisie et la France" (Julliard, Paris.)
Escarpit, Robert—"Rudyard Kipling, servitudes et grandeurs impériales." (Hachette, Paris.)
Maurois, André—"Robert et Elizabeth Browning." (Grasset, Paris, 570 francs.)
Siegfried, André—"Aspects du XXe siècle." (Hachette, Paris.)
Soustelle, Jacques—"La vie quotidienne des Aztèques." (Hachette, Paris, 600 francs)

Germany. Ritter, Gerhard—"Carl Goerdeler und die deutsche Widerstandsbewegung." (Deutsche Verlags-Anstalt, Stuttgart.)
(Ed. K.C.A.) **(Prev. rep. Book Selections, 14173 B..**

C. SUDAN. — Sudanization of Public Service.

The following official statement on the Sudanization of posts in the public services was issued by the Sudan Government on Jan. 12, 1955:

"The Sudanization Committee has completed the examination of all Government posts, and has decided that 598 posts held by British expatriates, out of 1,036, affect the free and neutral atmosphere requisite for self-determination. The Committee also decided that 11 posts are redundant and should be suppressed. The remaining posts—427—are non-influential. A high percentage of the posts held by Egyptian officials were decided to be influential, and must also be Sudanized. The Sudanization of all official posts should be completed by the end of this year."

The statement added that the Governor-General and the Council of Ministers had endorsed these decisions.

It was announced in London on the same day that a special agency, known as the Sudan Service Re-employment Bureau, had been set up by the Foreign Office to enable British officials who were leaving the Sudan as a result of the constitutional changes there to obtain re-employment.

It was reported from Khartoum on March 15 that five Indian and three Pakistani judges would shortly arrive in the Sudan to take the place of the British judges who had resigned a few months earlier as a result of the Sudanization measures taken by the Sudan Government.—(Times) **(Prev. rep. 13969 A.)**

A. KENYA. — Terrorist Activities and Security Operations, November 1954 to May 1955. - Breakdown of Further Surrender Negotiations. - Resignation of Colonel Young as Commissioner of Police. - Additional U.K. Financial Assistance for Kenya.

Terrorist activity in Kenya continued on a limited scale during the closing months of 1954 and the first five months of 1955, the terrorists being more and more confined to the Aberdare and Mount Kenya forest areas. Four Europeans were murdered in the seven months November to May: Mr. H. G. Shotton, a Quaker, known as a friend of the Kikuyu, was shot dead on his farm outside Nairobi on Dec. 28; two schoolboys, Christopher Twohey (13) and Geoffrey Danby (15), were stabbed to death near their home on the outskirts of Nairobi on April 21; and Mr. W. J. Weaver, a farmer, was fatally wounded on his farm 60 miles north of Nairobi on May 1.

Two major operations were carried out by troops and security forces in the forest areas. "Operation Hammer," the biggest single operation against the terrorists, was launched on Jan. 11 after intensive preparatory bombing of the forests, and ended on Feb. 12; ninety per cent of the total military forces were employed, and the total terrorist casualties were 99 killed, 32 captured and 30 surrendered.

A statement issued by G.H.Q., East Africa, on Feb 15, reviewing the results of the operation, said that it had had three main aims, to prove to terrorists that the forest was no longer a secure refuge, to kill or capture as many of them as possible, and to enable the security forces to carry on the offensive against Mau Mau in these areas. It claimed that all these objectives had been realized and pointed out, in explanation of the apparently meagre results in casualties inflicted, that a terrorist was an "elusive quarry" in thick forest. The statement said that among the more important results of the operation were the capture of a gang leader and the recovery of a large quantity of documents from Dedan Kimathi's headquarters.

A second major operation—"First Flute"—was conducted on the slopes of Mount Kenya and the forest areas at the end of February. This was preceded on Feb. 6 by a round-up of Mau Mau suspects in Nanyuki, which was believed to be the terrorists' main supply base for forest gangs in the Mount Kenya area, and which was surrounded at dawn by troops who carried out house-to-house searches for arms and ammunition. At the same time "hooded" ex-Mau Mau terrorists and Special Branch police screened 4,225 Africans who had been rounded up, of whom 1,091 were detained as definite suspects.

It was pointed out that the fact that the greater part of the military forces in Kenya had been used in "Hammer" and "First Flute" illustrated the success of General Erskine's policy of building up the Home Guard and police forces for security duty, and thereby releasing the troops for active operational duty. The success of the policy of restricting the terrorists to the mountain slopes and forest areas was also illustrated by the fact that the number of terrorist incidents had fallen by February to only one or two a week. Another problem with which the security forces began to be faced during this period was that of the *komerera*—small groups of terrorists who, after deserting from Mau Mau gangs, were living precariously between gang territory and the security forces, unable to go back for fear of gang vengeance, but afraid or unready to surrender. Although Mau Mau had ceased to mean much to such people as an object of loyalty, the *komerera* had been responsible for raids on farm workers' quarters and on flocks and herds in search for food.

New surrender terms for the terrorists, under which those who surrendered voluntarily would no longer—as hitherto—be prosecuted for past terrorist offences, were announced by the Governor, Sir Evelyn Baring, on Jan. 18.

It was nevertheless emphasized that they would be detained and that "irreconcilables" would not be allowed to return. At the same time the Governor announced that there would be no further prosecutions for offences committed before the previous day by members of the security forces in the course of their service, though he emphasized that "from this moment onwards any of you, or any other person, who commits any offence will be prosecuted with the full strength of the law." Pending cases [i.e., where an arrest had already been made] would, however, be proceeded with. The Governor also emphasized that the Government were determined to maintain intensified operations and to continue them until every terrorist had been captured or killed, or had given himself up.

Although the new surrender terms were accepted by the African and Asian communities in the colony as a possible means of expediting the end of the emergency, they aroused strong opposition from the White settlers.

The South Kinangop district association passed a resolution on Jan. 19, by 89 votes to two, condemning the surrender terms as "utterly shameful and foolish"; recording the association's lack of confidence in the War Council and the conviction that its membership should be changed; and declaring that "the exemption of murderers from prosecution must be terminated forthwith." At a public meeting at Limuru on Jan. 25, 250 constituents of Mr. Havelock (Minister of Local Government and Health) passed with fewer than 10 dissentients a resolution deploring the new surrender terms and strongly urging that they should be effective only until the end of January, "after which date a state of rebellion should be declared and all terrorists treated as outlaws waging war against the Queen." Another resolution at the same meeting, adopted by 115 votes to 72, condemned the War Council "for this and their past pathetic performance and recommend that they should resign." A meeting at Nanyuki on Jan 29 similarly passed a resolution condemning the new surrender proposals and calling for the removal from office of those responsible.

Mr. Michael Blundell, Minister without Portfolio, explained to the settlers' meeting on Jan. 19 the reasons why the War Council had issued the new surrender terms.

At some point of the campaign, he said, it seemed obvious that they would have to offer new surrender terms differing from the original "green branch" terms (see p 13453, second column), as it was known from intelligence reports that one of the biggest deterrents to Mau Mau surrenders was the fear of being hanged for past offences. The Council of Ministers had discussed all aspects of the question, including the criticisms being voiced at the present meeting, and had eventually decided to proceed with the plan. Mr. Blundell nevertheless said that it could be taken for certain that those terrorists who had committed murder would be detained for life, and rejected the view (put forward by one speaker) that if a Labour Government came to power in Britain it would reverse the punishments and allow notorious murderers to go free after serving a year or two of their sentences.

Mr. Humphrey Slade (member for the Kinangop constituency, and an opponent of Mr Blundell's policy of forming the United Country Party in support of the "Lyttelton plan" for Kenya constitutional development) said that the original "green branch" terms were reasonably fair because those who had committed murder would not escape punishment. The effect of the new terms on the African, however, would be to give him the impression of a weak Government that was "crawling on its knees" to end the emergency. After declaring that "we cannot run this country on the basis of 'peace at any price,'" he announced his intention of resigning from the local emergency committee.

Mr. Blundell announced in the Legislative Council on June 8 that the surrender offer to the Mau Mau would be withdrawn on July 10 unless the military situation should demand its earlier withdrawal. Those who failed to surrender by that date would be deprived of all their existing land and of rights to share and occupy clan lands. He stated that since the surrender offer of Jan. 18, a total of 650 terrorists had given themselves up, including 20 gang leaders, in addition to which the terrorists had suffered 1,499 casualties.

Mr. Lennox-Boyd, the Colonial Secretary, replying to questions in the British House of Commons on March 2, had said that police investigations were being made into the actions of European settlers in Kenya who had distributed leaflets warning members of Mau Mau of the consequences of accepting the amnesty terms. He stated that a new emergency regulation had been made which rendered it an offence punishable by up to two years' imprisonment, and/or a fine of £500, to communicate or attempt to communicate with the terrorists to the prejudice of the amnesty offer.

In an earlier statement on May 18, Mr. Blundell had announced that further talks had recently been held with Mau Mau leaders for mass surrenders of terrorists. Leaders from the Aberdares, he said, had made contact with the Government and a series of meetings had been held—based strictly on the Government's surrender offer of Jan. 18; it was clear that terrorists from a very wide area were concerned in the general desire to end the fighting.

Mr. Blundell stated that the operation would reach an important stage within the next few days, but the Government had made it clear to the terrorists that they were not prepared to accept further delays in coming to a decision. Unless tangible evidence was forthcoming of the genuine intention of the terrorists to make a mass surrender, military operations against them would be intensified. It was clear from terrorists who had surrendered (the Minister said) that many more were anxious to come in, but were afraid that they would be executed in spite of the Government's clear statement to the contrary. On the other hand, some diehard Mau Mau leaders were doing everything in their power to prevent their followers from giving themselves up. Mr. Blundell also revealed that before the latest surrender offer of Jan. 18 letters had been received from important terrorist leaders (including Dedan Kimathi, the reputed Mau Mau "commander-in-chief") indicating that they were anxious to bring the fighting to an end—a fact which had had some bearing on the timing of the surrender offer.

On May 20 the Kenya Government announced that the mass surrender talks with the Mau Mau leaders had broken down and that intensified military operations had consequently been launched. The following statement was issued by the War Council about the breakdown in the negotiations:

"Terrorist leaders with whom Government representatives have been having talks undertook that not later than today [May 20] they would give tangible evidence of their intention to make a mass surrender. The evidence was to take the form of a substantial token surrender at an agreed place. That token surrender has not taken place. As the terrorists have failed to carry out this essential condition, the Government has decided to launch intensified military operations against them . . . Operations have now begun, and will be continued according to plan."

Mr. Blundell gave a more detailed account of the breakdown in the negotiations to the Legislative Council on May 25. He said that the first approaches had come from the terrorists as early as February, the main contact being with the Mau Mau leader called Kahinga. Talks later took place in Nairobi itself, and the terrorists, who came from the Aberdares, had informed the Government that they wanted to make a mass surrender, including the gangs on Mount Kenya They helped to make contacts, but without much success. Early in May terrorist leaders had been brought to Nairobi, where they asked that arrangements be made for a general surrender. To achieve this, it had been agreed that a token surrender should take place on May 18, but on May 13 the terrorists had completely reversed the conditions laid down, without giving reasons. The War Council had thereupon issued an ultimatum that unless the token surrender took place as arranged, the talks would be discontinued and military operations intensified. The time-limit had been extended to 1 p.m. on May 20 because bad weather had impeded contacts, and a reply had been received in Nairobi at 12.50 p.m. asking for a further considerable postponement, but indicating no change of outlook It had therefore been decided to proceed with the military operations

Other recent developments in Kenya are summarized below under cross-headings :

Resignation of Colonel Young as Commissioner of Police. Colonel Young, who had been seconded to Kenya for 12 months in March, 1954, to reorganize the colony's police force, resigned on Dec 20 after differences with the Kenya Government over the future status of the police force. He was succeeded by Mr R Catling, the Deputy Commissioner. Colonel Young's resignation followed the publication by the Kenya Government (on Dec. 14, 1954) of a White Paper containing a statement of its policy with regard to the recommendations of the commission which had been set up to inquire into the Kenya police, and which had reported in the previous February.

The White Paper recalled that the commission had dealt mainly with the terms and conditions of the Colony's police service, and with the status of the force Some of the more urgent recommendations for improving conditions had already been carried out and some were being applied, but there were others which could not at present be given effect because it was impossible during the emergency to give them detailed consideration. The White Paper nevertheless remarked that " such recommendations will be a guide to the future development of the force."

One of the most important of the commission's proposals was that every police officer should be accorded the powers of a constable in common law, and that the force should be independent of any outside control, including control by the Administration. This proposal the Government had found themselves unable to accept, despite the strong arguments of Colonel Young, who thought it essential to the successful reorganization of the police force and to the improvement of its quality and efficiency

According to the White Paper, the Government had given the recommendations careful consideration and had also weighed the advice of the Commissioner that " constable " status should at present be accorded only to police officers of the rank of inspector and above. " The Government recognizes the fundamental principle that the police must be kept free from any partisan influence or control," it said, " but there can be no exact comparison between the U.K. and such countries as Kenya, administered through a system of provincial and district administrations directed by a Governor." The Government view was that the independence and impartiality of the police when exercising their function of detecting crime and bringing offenders to justice must be affirmed, but it did not consider that it would help this independence to be established in the eyes of the public if the expression " constable in common law " was introduced into the law of Kenya Nevertheless, while the Government did not propose to introduce legislation on the lines suggested by the commission, it considered it desirable to amend the police ordinance to ensure that the form of oath taken by members of the force " is in conformity with the obligation of police to act with impartiality in bringing offenders to justice."

[Press reports from Kenya stated that senior administrative and police officers who were more closely in touch with African opinion than anyone else were unanimously opposed to the proposal for " constable " status. Apart from the issue of final responsibility for law and order, it was considered that the majority of Africans would regard " constable " status as meaning that the police were a law unto themselves and would be fearful and suspicious if the administration's control over the police were ended. Mr Ohanga, the African Minister for Community Development, was reported as being particularly opposed to it.]

On Feb. 15 the Legislative Council adopted a motion by an African representative member, Mr. Eliud Mathu, regretting that Colonel Young had decided to resign and expressing the Council's gratitude for the " valuable work done during his tenure."

Sentences on Police Officers for Perjury. Derek Laurence Searle, a former District Commandant in the Kenya Police Reserve, was sentenced by the Nairobi Magistrates' court on Dec. 10 to four years' hard labour on a charge of perjury. The charge arose from evidence given at the trial in October of an African who was sentenced to death for possessing ammunition, but who was subsequently freed after appealing successfully. The Appeal Court on Jan. 21 refused to reverse the decision against Searle, but reduced his sentence to 18 months on the ground that four years' hard labour was " manifestly excessive." Inspector George Horsfall, of the Kenya police, was also sentenced to 18 months' hard labour on March 25 for perjury in the same case. Horsfall had left Kenya when on bail before his trial, and had been arrested on his arrival at Southampton on Dec. 15; he subsequently returned to Kenya.

Colonel Young's Defence of Police. A report by Colonel Young, published on Jan. 10 after his resignation, declared that there was no justification for inferring that the Kenya police were " a law unto themselves," as had been suggested by the East African Appeal Court on Aug 17 (see page 13901, second column) Colonel Young's report, made at the request of the Governor (Sir Evelyn Baring), pointed out that between March 16 and May 18, 1954, the police officer in the case (Inspector Dracup) had been responsible, with two assistants, for the investigation of 39 capital charges, involving 58 accused. " In other words," it declared, " this young man of less then eight years' police experience was, in the space of two months, responsible for the investigation of more capital crimes than occur in two years in Greater London—crimes which, in London, are investigated with all the skill and resources of Scotland Yard To apply these standards, the best in the world, to Kenya during the present emergency except as an essential ultimate aim, is incongruous in the extreme, and indicative of the ignorance of the critic rather than any shortcomings of the police." The report said that the conduct of Inspector Dracup, while blameworthy in some respects, had certainly not been such as to justify serious condemnation.

Mr Justice Holmes (of the Kenya Supreme Court), who joined Colonel Young in the inquiry, said that he agreed with all the facts set out therein. " In the course of the present inquiry," he stated, " I have seen no tendency at all in the police to attempt to become a law to themselves. On the contrary, I have found an intense desire to know what the law is and to keep within it."

Further U.K. Financial Aid to Kenya. The Colonial Secretary, Mr. Lennox-Boyd, announced in the House of Commons on Feb. 23 that H.M. Government were prepared to provide a further grant of £10,000,000 and a further interest-free loan of £4,000,000 to Kenya in the financial year 1955-56. This assistance would only be called upon to the extent that it proved to be needed, and the Kenya Government would be expected to continue to take every practical step to increase its own revenues in order to meet its commitments. Mr. Lennox-Boyd stated that, so far as could be seen, emergency expenditure in 1955-56 was likely to be in the region of £16,000,000, towards which Kenya would be able to provide only £2,000,000 from her own resources Even if it should prove possible to reduce the present scale of military operations during this period, a large part of the emergency expenditure would still continue.

The Kenya Finance Minister (Mr. Vasey), presenting the Colony's Budget to the Legislative Council on April 27, estimated the deficit for 1955-56 on the basis of present taxation at £14,700,000. However, the Budget proposed an increased duty on local tobacco and cigarettes, motor spirit, paraffin, certain articles of clothing, and motor and bicycle tyres, higher stamp and cheque duties; and a raising of the tax on Kikuyu, Embu, and Meru tribesmen. This would reduce the estimated deficit for 1955-56 to £13,388,762, which, together with the deficit of £6,259,357 for 1954-55, gave a total estimated deficit on Exchequer account of nearly £20,000,000. This sum would be reduced by £10,000,000 by the British Government's grant, and to meet the remainder the whole of the interest-free loans offered by Britain for the period up to March 31, 1956 would probably have to be called on In addition, it would be necessary to approach Britain before the end of the year for assistance for the April-June quarter of 1956.

European Political Parties' Constitutional Proposals. Detailed proposals for constitutional changes in Kenya were made on Feb 6 in the report of the standing committee set up by the " truce conference " of European political parties in October last (see page 13902, first column). The report proposed that there should be three stages :

(1) Before the next general election, or until June 30, 1956, whichever was the earlier, steps should be taken to introduce a cross-bench comprising the nominated members on the Government benches. They would be entitled to exercise a free vote except on a vote of confidence in the Government, as distinct from a vote of confidence in a particular Minister.

(2) During the second stage, which would be from 1956 to 1960 (with effect from the beginning of the new Legislature), the Executive Council should be abolished. The Asian representation on the Council of Ministers should be one Moslem and one non-Moslem, each without portfolio; if additional Arab or African Ministers were appointed, an equal number of European Ministers, with or without portfolios, should be added. Parliamentary secretaries should be limited to five. Unofficial Ministers should be elected in accordance with the procedure decided upon under the first stage before the 1956 elections.

(3) From 1960 onwards, steps should be taken towards federating the East African territories. Instead, however, of a federation including two or more territories as at present defined, for example Kenya and Tanganyika, the report said that " it would meet the views and aspirations of the various races and groups to a greater degree if it were possible to divide the present territories into several provinces or states." In order to move towards this third stage, and to minimize dislocation when it was reached, an examination should be made, in conjunction with other East African territories and in consultation with the Central African Federation, as to the desirability and possibility of readjusting the present territorial boundaries with a view to creating a number of provinces from those territories, and with the object of giving them greater autonomy.

General Sir George Erskine, who was succeeded as C.-in-C., East Africa, by Lieut.-General Lathbury (see 19748 F) on May 2, expressed the conviction on April 12 that the emergency was in its last phase. " I have no doubt," he declared, " that we can look forward to a situation being reached during 1955 which will not be very different from that existing before the emergency." (Times - Manchester Guardian - Daily Telegraph)

(Prev. rep. Mau Mau Emergency, 13901 A.)

JUNE 11—18, 1955

A. EASTERN EUROPE. — The Warsaw Conference. - 20-Year Treaty of Mutual Assistance between U.S.S.R., Poland, Czechoslovakia, Eastern Germany, Hungary, Rumania, Bulgaria and Albania. - Unified Military Command under Marshal Koniev. - Marshal Bulganin's Support for Four-Power Talks. - New Soviet Proposals on Disarmament.

The eight countries which took part in the Moscow Conference of Nov. 29 - Dec. 2, 1954 (see 13936 A)—i.e. the Soviet Union, Poland, Czechoslovakia, Eastern Germany, Hungary, Rumania, Bulgaria, and Albania—held a three-day conference in Warsaw on May 11-13 which resulted in (1) the signing of a 20-year treaty of friendship, co-operation and mutual assistance between those countries, and (2) the creation of a unified military command for the armed forces of all those countries except Eastern Germany, whose participation (it was stated) would be "examined later." Marshal Ivan Koniev, of the Soviet Army, was appointed Commander-in-Chief of the joint armed forces.

The conference was attended by the Prime Ministers, Foreign Ministers, and Defence Ministers of the eight countries, and by an observer from the Chinese People's Republic. The principal delegates were :

Soviet Union. Marshal Nikolai Bulganin, Prime Minister, M. Vyacheslav Molotov, Foreign Minister, Marshal Zhukov, Minister of Defence; Marshal Koniev The Premiers of the Russian, Ukrainian, Byelorussian, Latvian, Lithuanian, and Estonian Soviet Republics were also present.

Poland. M Joseph Cyrankiewicz, Prime Minister; M Stanislaw Skrzeszewski, Foreign Minister, Marshal Konstantin Rokossovsky, Defence Minister.

Czechoslovakia. M. Vilem Siroky, Prime Minister, M Vaclav David, Foreign Minister; General Alexei Cepicka, Defence Minister.

German Democratic Republic (Eastern Germany). Herr Otto Grotewohl, Prime Minister, Herr Walter Ulbricht and Herr Otto Nuschke, Deputy Prime Ministers, Dr Lothar Bolz, Foreign Minister.

Hungary. M. Andras Hegedüs, Prime Minister, M Janos Boldocki, Foreign Minister; General Istvan Bata, Defence Minister

Rumania. M. Gheorghe Gheorgiu-Dej, Prime Minister, M Simon Bughici, Foreign Minister; General Emil Bodnaras, Minister for the Armed Forces

Bulgaria. M Vulko Chervenkov, Prime Minister; M. Mincho Neichev, Foreign Minister; General Panchevsky, Defence Minister

Albania. M Mehmet Shehu, Prime Minister, M. Benar Shtylla, Foreign Minister, Lieut.-General Bekir Balluku, Defence Minister.

China. General Peng Teh-huai, Minister of Defence, as an observer.

The Warsaw Conference, which met six days after the coming into force of the London and Paris agreements (see 14237 A), was addressed by the eight Prime Ministers, and also by the Chinese observer. The major speech was made by Marshal Bulganin, Prime Minister of the U.S.S.R., who strongly denounced the remilitarization of Western Germany under the London and Paris agreements, but at the same time dwelt on the necessity for peaceful co-existence and put forward a number of proposals for the relaxation of international tension, chiefly through the reduction of armaments. Extracts from his speech are given below under cross-headings.

The Paris Agreements and the Remilitarization of Western Germany. "At the Moscow Conference [of 1954] the governments of the countries represented here agreed to reconsider the situation in the event of the Paris agreements being ratified Now this necessity has arisen. The ratification of the Paris agreements has become a fact. . . . As a result, the West German militarists have been given the right to recruit a standing army and to supply it with all types of modern weapons. . . . Mass shipments of American arms to Western Germany are being prepared, while the militarization of West German industry is being speeded up.

"The Paris agreements, therefore, are putting means for new aggression into the hands of yesterday's aggressors. German militarism, which in the lifetime of one generation has unleashed two World Wars, is again re-emerging on the European and international scene. Ten years after the end of the Second World War, Western Germany, with the help of the United States, Britain, and France, is becoming the main seat of war danger in Europe. It is becoming a member of the aggressive North Atlantic bloc and also of the West European military union directed against the Soviet Union and the people's democracies."

After accusing Britain and France of allying themselves with "the West German militarists and revenge-seekers," and referring to the Soviet Government's abrogation of the Anglo-Soviet and Franco-Soviet treaties concluded during the war (see 14239 A), Marshal Bulganin continued : "The activization of the aggressive forces can be seen not only in Europe. A great deal of pressure is being brought to bear on Near and Middle Eastern States to force them to join the military blocs which are being set up as appendages to the North Atlantic alliance. Pressure is being exerted on Syria, Egypt, and other Arab states, and also on Afghanistan. Attempts are being made to draw Persia into aggressive blocs, although, under the Soviet-Persian Treaty of 1927, Persia undertook not to enter any political alliances or agreements directed against the Soviet Union. . . . Provocations are continuing against the People's Republic of China in the Formosa area . . A military bloc has been set up in South-East Asia, under the name of SEATO, which . . . aims at preserving and consolidating colonial regimes, suppressing national liberation movements, and interfering in the affairs of China and other Asian countries. It is not surprising that such Asian States as India, Burma, and Indonesia, which respect freedom and independence, have flatly refused to join this reactionary bloc. . . .

We have held the view—as we still do—that the remilitarization of Western Germany and her integration with NATO is the chief obstacle to the restoration of Germany's national unity along peaceful and democratic lines. . . . At the same time we have been, and remain, supporters of the restoration of a united Germany as a free, peaceful and democratic state. . . A *rapprochement* between Eastern and Western Germany, an easing of tension in their relations, could make an important contribution to the unification of Germany, as well as to the maintenance of peace in Europe . "

In spite of the ratification of the Paris agreements (Marshal Bulganin continued), the Soviet Government was willing in the future, as in the past, "to facilitate in every way the restoration of German unity and the conclusion of a peace treaty with Germany on an acceptable basis." It would also "support those countries and forces which are concerned with easing international tension and with maintaining and strengthening universal peace and security" In this connexion Marshal Bulganin said that the restoration of the independence of a neutral Austria was "a considerable contribution to the strengthening of peace in Europe."

Four-Power Talks on Relaxation of International Tension. "The Soviet Government firmly believes that, given good will by the States which bear the chief responsibility for maintaining peace, it would be possible to settle a number of major international problems. . . . A great deal has been said and written recently in the U.S.A., Britain, and France about the need for a Great Power conference at top level. . . . The Soviet Government takes a favourable attitude to the idea of such a conference . . . Yesterday [May 10] the Soviet Government received Notes from the Governments of the U S.A , Britain, and France proposing a meeting of Heads of Government of the four Powers, together with their Foreign Ministers. They are being carefully studied . . .

"The world has for many years been in a 'cold war' situation. . . . Radical measures are needed to ease international tension and to create the necessary trust in international relations, to eliminate the threat of a new war, and to create conditions for peace and tranquillity among the nations. How can this be achieved? First and foremost by ending the 'cold war.' The Soviet Government believes that the U.N. General Assembly must recommend all countries to take the necessary measures for the strict observance of its decision condemning any form of propaganda for a new war, the ending of all calls for war, and the incitement of enmity between the peoples through the Press, radio or cinema, as well as through public statements Failure to comply with this recommendation should be regarded as a violation by a State of its obligations to the United Nations.

"The Soviet Government believes that the easing of international tension would be promoted by the immediate withdrawal of their occupation forces from German territory by the Soviet Union, the U S A , Britain, and France, except for strictly limited contingents to be left temporarily on German territory pending the conclusion of an agreement for their complete withdrawal.

"The States which are permanent members of the Security Council must reach agreement on the dismantling of military bases in foreign territories . . The countries concerned must settle questions outstanding in the Far East in conformity with the principles of sovereignty and territorial integrity In their economic relations, States should eliminate every discrimination which hampers the development of broad economic co-operation between them, and they should expand international cultural relations"

"The carrying-out of these measures would help to establish that confidence among States which is the chief requirement for an effective, practical solution of the problem of disarmament. . . . We are emphatically in favour of transforming the problem of disarmament from one which is suspended in mid-air to one with a real basis, and of solving it."

Soviet Proposals for Disarmament. Marshal Bulganin then put forward the following Soviet proposals for the reduction of armaments and the prohibition of atomic weapons, to be carried out over two years in two stages, each of which would last a year :

In the first stage, covering the year 1956, the following measures would be taken .

(1) The U N. Disarmament Commission would draw up a draft convention, which would be submitted to the Security Council, for "the reduction of armaments and the prohibition of atomic, hydrogen, and other weapons of mass destruction." The States signing this convention would undertake, as a first step, not to increase their armed forces and armaments above the levels existing on Dec 31, 1954. Their appropriations for military purposes would also be kept at the 1954 levels.

(2) The armed forces of the five great Powers should not exceed the following levels : United States, 1,000,000 to 1,500,000 men; Soviet Union—1,000,000 to 1,500,000 men; China—1,000,000 to 1,500,000 men; Great Britain—650,000 men; France—650,000 men.

(3) The reduction of the armed forces and armaments of the five Powers to the established levels would be carried out in two equal stages—half in 1956 and the remaining half in 1957. The respective military appropriations of the five Powers would also be reduced accordingly.

(4) A world conference would be called, not later than the first half of 1956, with the object of putting the above-mentioned measures into effect, and also of determining the level of armaments and armed forces of those countries which were not permanent members of the Security Council [i.e. countries other than the "Big Five."] The armaments and armed forces of these latter countries should be "considerably lower" than the levels proposed for the U.S A., the U.S.S.R., China, Britain, and France.

(5) Simultaneously with the reduction of armaments and armed forces, the States concerned should end all tests of atomic and hydrogen weapons, and assume a solemn obligation not to use such weapons. Exceptions to this rule might be allowed "for the purposes of defence against aggression, when an appropriate decision has been taken by the Security Council."

(6) States possessing military, naval or air bases on the territory of other countries would undertake to dismantle part of those bases during 1956.

The second stage, to be carried out during 1957, would be marked by the following steps:

(1) The five great Powers would complete the reduction of their armaments and armed forces to the agreed levels—i.e., those obtaining on Dec 31, 1954.

(2) A complete prohibition on the use of atomic, hydrogen, and other weapons of mass destruction would enter into force after armed forces and conventional armaments had been reduced by three-quarters of the total reduction. The removal of these weapons from national armaments, and the reduction of armaments and armed forces by the remaining one-quarter, would begin simultaneously and would be completed during 1957.

(3) All States would undertake to promote international co-operation in the peaceful uses of atomic energy, with special attention to assisting under-developed countries.

(4) The measures for dismantling all military, naval and air bases on the territory of other States would be completed during 1957.

Control of Disarmament. "For almost nine years," Marshal Bulganin continued, "discussions in the U.N. have centred around the question of control, which has been the main issue of disagreement We believe that these disagreements are the result of an unrealistic approach to the question of control The Soviet Government is profoundly convinced that effective control over disarmament is possible. . . ." Marshal Bulganin then submitted the following new proposals of the Soviet Government for international control of disarmament:

"Modern war is inconceivable without the deployment and concentration of large military, naval and air forces. . . . Atomic weapons cannot be used without means of delivering them to the target. The Soviet proposals for control, therefore, are based on the need to create conditions in which the aggressive intentions of any State could be ascertained and thwarted in time We propose the establishment of such control as would give timely warning of a dangerous concentration of land, naval and air forces. With these ends in view it is necessary to have control posts at big ports, airfields, and railway junctions of strategic importance. The setting-up of such control would fully preclude sudden attacks by one State on another. The international control agency set up for this purpose would have the right to demand from States the necessary information on measures for carrying out the reduction of armaments and armed forces, and would have unhindered access to materials necessary for military purposes."

The Eight-Nation Treaty of Mutual Assistance. Turning to "the question of security in Europe," Marshal Bulganin expressed his regret that the Western Powers had preferred to adopt "the policy of re-establishing German militarism, with all its consequences," rather than accept the draft European collective security treaty proposed by the Soviet Union. "In these new conditions," he continued, "the peace-loving countries of Europe must see to the safeguarding of their security . . . on the basis mapped out by the eight States at the Moscow Conference. . . . Almost all our countries are bound by bilateral treaties of friendship and mutual assistance. . . . In the new situation, however, this is not enough. We have all agreed that the threat to the security of our countries, which has increased as a result of the aggressive actions of the Western Powers, calls for unification of our efforts and the taking of new measures to strengthen the defensive capacity of the peace-loving States. The treaty of friendship, co-operation and mutual assistance, which we have met here to sign, will serve these aims. . . . It can be joined by any country, regardless of its social and political system. . . . In the event of a general European system of collective security being set up, the eight-Power treaty would become invalid . . ."

Marshal Bulganin said in conclusion: "The 'positions of strength' policy cuts both ways. If one side builds up its forces, the other is compelled to do the same. As a result we have what is called an 'arms race,' fraught with the serious danger of war. We are not advocates of a 'positions of strength' policy. We do not yearn for war. We do not want an arms drive. We would prefer to spend those resources, which we now have to use for military purposes, on peaceful needs, on raising the material well-being of our peoples. But when military blocs are set up, when our countries are being surrounded by military bases and threatened with atomic war, we cannot remain idle. In these conditions we are compelled to take retaliatory measures. One of these measures is our conference, and the decisions we are taking here. In reply to the revival of German militarism . . . the countries represented here are resolved to unite their forces and to strengthen still further their friendship and co-operation. By concluding the treaty of friendship, co-operation and mutual assistance between the eight States, we will be laying an unshakable foundation of united action which will have the object of repelling the aggression being prepared, and of safeguarding peace and security in Europe."

Among other speakers, the Prime Minister of Poland (M. Joseph Cyrankiewicz) dwelt on the horrors of the German occupation of Poland in the Second World War; accused the Western Powers of re-arming "neo-Nazis," who, he alleged, were again planning to invade Poland; and declared that the eight-nation treaty would give Poland "a sense of security" and would guarantee the inviolability of the Oder-Neisse frontier. The Chinese Defence Minister, General Peng Teh-huai, declared that in the event of an attack by "imperialists" on the Eastern European countries, China would "jointly wage the fight against aggression until final victory."

M. Cyrankiewicz spoke, in part, as follows "Following the ratification of the Paris agreements, the threat of the revival of German militarism becomes real . . . The September tragedy [the German invasion of 1939] brought us losses which are still felt by each one of us. Who among us does not remember the dark years of the occupation, when the now-revived German Army lorded it on Polish soil? . . Those same forces which caused us so much suffering and destruction are today being revived by the Western Powers, are being given uniforms and armed with modern weapons. Again they are being told that their march leads eastwards.

"Can we forget that we lost 6,000,000 of our people? That there is not a family in Poland who did not lose someone near and dear at the hands of the Nazi butchers? That our museums and theatres, our schools and universities, our hospitals and factories, were destroyed? That the best of our creative intelligentsia were killed, as were immense numbers of defenceless people? Out of every 1,000 inhabitants, Poland lost 220

"Can a government responsible for the fate of the nation allow itself to look passively on at the development of events? Can it ignore the growing danger? No honest government in such a situation can remain inactive. . . The Polish Government seek effective security measures so that the dark years of the occupation will never return; so that there will be no more Oswiecim, Maidanek, or other death camps. . . The [eight-nation] treaty means that the Polish frontier on the Odra (Oder) and Nysa (Neisse), and the security and independence of our country, will be guaranteed not only by the Polish nation and its armed forces but also by the powerful Soviet Union. . That is why this treaty will give every Pole a sense of security. . . ."

General Peng Teh-huai declared that his Government were ready to resolve all international differences, including the situation in the Formosa Straits, by international negotiations. He added, however, that China would "support by all means at her disposal the decisions taken at this conference," and would assist her European allies "with all her strength" if they were attacked by the "enemies of peace."

The Eight-Nation Treaty.

The eight-nation treaty of friendship, co-operation, and mutual assistance, consisting of 11 Articles, was signed at the end of the conference by Marshal Bulganin, M. Cyrankiewicz, M. Siroky, Herr Grotewohl, M. Hegedüs, M. Gheorgiu-Dej, M. Chervenkov, and M. Mehmet Shehu. Its text was as follows:

Preamble. "The contracting parties:

Reaffirming their desire for the organization of a system of collective security in Europe with the participation of all European States, irrespective of their social and State systems;

Taking into consideration at the same time the situation obtaining in Europe as a result of the ratification of the Paris agreements, which provide for the formation of a new military grouping in the shape of the Western European Union together with a re-militarized Western Germany, and for the integration of Western Germany in the North Atlantic bloc, which increases the threat of another war and creates a menace to the national security of the peace-loving States;

Convinced that under these circumstances the peace-loving States of Europe should take the necessary measures for safeguarding their security;

Guided by the purposes and principles of the U.N. Charter;

In the interests of strengthening and promoting friendship, co-operation, and mutual assistance in accordance with the principles of respect for the independence and sovereignty of States, and also with the principle of non-interference in their internal affairs;

Have resolved to conclude this Treaty of Friendship, Co-operation and Mutual Assistance.

Article 1. The contracting parties undertake, in accordance with the U N. Charter, to refrain in their international relations from the threat or use of force, and to settle their international disputes by peaceful means so as not to endanger international peace and security.

Article 2. The contracting parties declare their readiness to take part, in a spirit of sincere co-operation, in all international undertakings designed to safeguard international peace and security, and to use all their energies for the realization of these aims. Moreover, they will work for the adoption, in agreement with other States desiring to co-operate in this matter, of effective measures towards a general reduction of armaments and the prohibition of atomic, hydrogen, and other weapons of mass destruction.

Article 3. The contracting parties will consult among themselves on all important international questions relating to their common interests. In the interests of organizing their joint defence, and of

upholding peace and security, the contracting parties will immediately consult together whenever, in the opinion of any of them, there has arisen the threat of an armed attack on one or several States that are signatories of the treaty

Article 4. In the event of an armed attack in Europe on one or several States that are signatories of the treaty by any State or group of States, each party to this treaty shall, in the exercise of the right to individual or collective self-defence in accordance with Article 51 of the U.N. Charter, render the State or States so attacked immediate assistance, individually and in agreement with other States that are parties to this treaty, by all the means it may consider necessary, including the use of armed force. The parties to this treaty shall immediately consult among themselves on the necessary joint measures to be adopted for the purpose of restoring and upholding international peace and security.

In accordance with the U.N Charter, the Security Council shall be advised of the measures taken on the basis of this Article These measures shall be stopped as soon as the Security Council has taken the necessary steps to restore and uphold international peace and security.

Article 5. The contracting parties have agreed to set up a joint command for their armed forces, which shall be placed under this command by agreement among the parties, and which shall function on the basis of jointly defined principles. They will also take other agreed measures to strengthen their defensive capacity, in order to safeguard the peaceful labour of their peoples, to guarantee the inviolability of their frontiers and territories, and to provide safeguards against possible aggression

Article 6. For the purpose of holding the consultations provided for in the treaty, and for considering problems arising out of the implementation of this treaty, a Political Consultative Committee shall be formed in which each State that is a party to this treaty shall be represented by a member of the government, or any other specially appointed representative. This committee may set up any auxiliary organs which may be necessary.

Article 7. The contracting parties undertake not to participate in any coalitions and alliances, and not to conclude any agreements, the purposes of which would be at variance with those of the present treaty. They declare that their obligations under existing international treaties are not at variance with the provisions of the present treaty.

Article 8. The contracting parties will act in a spirit of friendship and co-operation with the object of furthering and strengthening the economic and cultural relations between them, adhering to the principles of mutual respect for their independence and sovereignty, and of non-interference in their internal affairs.

Article 9. This treaty may be acceded to by other States—irrespective of their social and State systems—who declare their readiness to assist the efforts of the peace-loving States for the purpose of safeguarding the peace and security of nations.

Article 10. The treaty is subject to ratification, and the instruments of ratification will be deposited with the Government of the Polish People's Republic. It will take effect on the date on which the last instrument of ratification is deposited.

Article 11. The treaty will remain in force for 20 years Those States which do not give notice of abrogation one year before the treaty expires will remain bound by it for a further 10 years.

In the event of the organization of a system of collective security in Europe, and the conclusion of a general European treaty of collective security to that end, the present treaty shall cease to be effective on the date on which such a general European treaty comes into force."

The treaty was drawn up in the Russian, Polish, Czech, and German languages, the four texts having equal authenticity.

Formation of Unified Military Command.

A separate announcement stated that the eight nations had decided to form a joint command of their armed forces, and had taken the following decisions in this connexion :

(1) Questions relating to the strengthening of defensive capacity and to the organization of the joint armed forces would be examined by the Political Consultative Committee [see Article 6 above], which would take all appropriate decisions.

(2) Marshal Ivan Koniev, of the Soviet Army, had been appointed Commander-in-Chief of the joint armed forces contributed by the participating countries.

(3) The Ministers of Defence and other military leaders in the countries concerned would act as deputies of the C.-in-C., and would be vested with the command of the armed forces of each State allotted to the joint armed forces.

(4) The participation of the German Democratic Republic in the joint command would be examined later.

(5) A joint staff would be set up by Marshal Koniev which would include representatives of the General Staffs of all the participating countries.

(6) The headquarters of the joint staff would be in Moscow.

(7) Deployment of the joint armed forces on the territories of member-States would be carried out "in accordance with the requirements of mutual defence and by agreement between these States."

A report on "problems connected with the establishment of combined armed forces" was given to a closed session of the conference by General Antonov, of the Soviet Army.

Marshal Ivan Koniev (58), one of Russia's leading soldiers in World War II, commanded the Soviet armies which, after liberating the Ukraine, advanced through Poland and Eastern Germany to link up on the Elbe with the Anglo-American armies advancing from the West Forces under Marshal Koniev's command also took part in the battle of Berlin, captured Dresden, and liberated Prague. After serving for a short time as Soviet High Commissioner in Austria, Marshal Koniev returned to Moscow in 1946, to succeed Marshal Zhukov as C.-in-C. of the Soviet armed forces He was Inspector-General of the Army and Vice-Minister of Defence in 1950-52, and in 1953 presided over the tribunal which condemned Beria to death. He is a member of the Supreme Soviet, in which he sits as a deputy for Lvov.

The treaty was ratified by the Polish Sejm on May 19, by the East German Volkskammer on May 20, by the Czechoslovak National Assembly on May 24, and by the Presidium of the Supreme Soviet of the U.S.S.R. on May 26.—(Soviet Weekly - Polish Embassy, London) **(Prev. rep. Moscow Conference, 13936 A ; Paris Agreements, Entry into Force, 14237 A.)**

A. ITALY. — Sicilian Elections.

Elections for the Regional Parliament of Sicily (90 seats) were held on June 5 with the following result :

	Votes	Seats
Christian Democrats	895,318	37
Communists	481,975	20
Italian Socialist Party (Nenni Socialists)	225,944	10
National Monarchists	238,975	8
Dissident Monarchists	56,116	1
Italian Social Movement (M.S.I., neo-Fascist)	222,664	9
Liberals	91,739	3
Social Democrats and Republicans	72,365	2
Left Independents	19,054	—

The percentage of the electorate going to the polls was 86 9, out of a total electorate of about 2,700,000.

Party strengths after the last (1951) regional elections were : Christian Democrats, 30 , Communists and Nenni Socialists (joint list), 30 ; neo-Fascists (M.S.I.), 11 ; Liberals and Monarchists (joint list), 9 ; Social Democrats and Republicans, 3 ; minor parties and autonomist groups, 7.

The results constituted an important success for the Christian Democratic Party, which, in addition to gaining seven seats, increased its poll by nearly 230,000—mainly at the expense of the neo-Fascists, the Liberals, and the smaller parties. The Communists and Nenni Socialists (who, unlike 1951, did not present a joint list) returned together 30 members, as in the former Parliament, the combined vote of the two parties remaining much the same as in 1951. In the latter year, however, 22 Communists and eight Nenni Socialists were returned on the joint list, whereas in the new Parliament the Communists will have two fewer members, and the Nenni Socialists two more, than previously. As compared with 1951, the returns showed that the Nenni Socialists had gained some 50,000 votes, mainly at the expense of the Communists—a result attributed to the new programme of Socialist-Catholic collaboration on which the Nenni Socialists fought the elections.

Both the Monarchists and the neo-Fascists returned two fewer members than in 1951, the neo-Fascist vote falling by over 50,000. [Since 1951 the Monarchists had split into two parties, the "National" Monarchists headed by Signor Covelli and the "Dissident" Monarchists led by Signor Lauro.] The Liberal, Republican, and Social Democratic vote also fell considerably as compared with the last elections.

Despite the Christian Democrats' success, the party failed to secure an overall majority in the new regional Parliament and, as in the former House, will have to depend on an alliance with other parties. In the former Parliament the Christian Democrats were allied with the Monarchists and Liberals.
(Giornale d'Italia, Rome - Corriere della Sera, Milan)
(Prev. rep. Regional Elections, Val d'Aosta, 13908 B ; Sicily, 13017 A.)

B. FRANCE. — Appointments to French Academy.

Three vacancies in the *Académie Française*, caused by the recent deaths of M. Jérôme Tharaud (the novelist), M. Edouard Le Roy (the philosopher), and M. Emile Mâle (the historian of religious art) were filled on March 3, when the following new members were elected : M. Jean Cocteau (65), the author, playwright, and film producer, for the *fauteuil* of the late M. Tharaud ; M. Henri Daniel-Rops (54), the author and Roman Catholic historian, for the seat formerly held by M. Le Roy ; and M. François Albert-Buisson (73), an eminent jurist, president of the *Académie des sciences morales et politiques* and chancellor of the *Institut de France*, in the place of the late M. Mâle.—(Le Figaro, Paris) **(Prev. rep. 12804 D.)**

A. UNITED KINGDOM. — The Birthday Honours.

The Birthday Honours List was published on June 9, the principal awards being set out below.

Barons. Mr. Ralph Assheton, lately M P. (Conservative) for Blackburn West (1950-55), and previously for the City of London (1945-50) and Rushcliffe (1934-45), for political and public services; Sir Geoffrey Heyworth, chairman of Unilever Ltd., for public services; Mr. Malcolm McCorquodale, lately M.P. (Conservative) for Epsom (1947-55) and previously for Sowerby (1931-45), for political and public services; Sir Arnold McNair, Q C., lately President of the International Court of Justice.

Privy Councillors Mr. Henry Brooke, M.P. (Conservative, Hampstead), Financial Secretary to the Treasury; Mr Robert Turton, M P. (Conservative, Thirsk and Malton), Joint Parliamentary Under-Secretary for Foreign Affairs

Companion of Honour. Mr. Henry Moore, the sculptor

Baronets. Sir Robert Cary, M P (Conservative, Manchester, Withington), for political and public services, Sir George Horatio Nelson, chairman and managing director, English Electric Co Ltd, Mr. William McN. Snadden, lately M P. (Conservative) for Kinross and West Perth; Judge George Clark Williams, Q.C., for public services in Carmarthenshire

Knights Bachelor. Mr. G H Banwell, secretary, Association of Municipal Corporations; Mr. Harold Bishop, Director of Technical Services, B.B C; Professor W M Calder, for services to Greek scholarship; Mr. W W Cocker, for political and public services in Lancashire; Mr J. M Craster, for political and public services in Northumberland; Mr G H. Curtis, Chief Land Registrar; Mr J. C. Denholm, president, Chamber of Shipping of the U K., Colonel T. C Dunlop, for political and public services in Ayrshire, Mr F. A. Enever, Deputy Treasury Solicitor; Mr R. C. K Ensor, the historian; Mr. B Ifor Evans, Provost of University College, London, Alderman F S Foster, for political and public services in Essex, Lieut -Colonel O. B. Giles, for political and public services in Lincolnshire; Mr Ronald Gould, general secretary, National Union of Teachers, Mr. H R. Granger, chairman and managing director, Duke's Grain Warehousing Co Ltd., Mr A W. Grant, chairman, Engineering and Allied Employers' West of England Association; Mr. A F Harrison, Solicitor, Ministry of Labour; Lieut -Colonel R. H. Haslam, for political and public services in Hertfordshire; Wing-Commander N. J. Hulbert, M P. (Conservative, Stockport North), for political and public services; Mr. G Langdon Keynes (a brother of the late Lord Keynes), consulting surgeon, St Bartholomew's Hospital, London; Mr. Ivison Macadam, Director-General, Royal Institute of International Affairs, Major Duncan McCallum, M.P. (Conservative, Argyll), for political and public services; Mr R. H. Maconochie, Q.C., Sheriff of Stirling, Dunbarton, and Clackmannan; Mr R. H. Miller, for political and public services in Knutsford; Mr R. M. Shone, executive member, Iron and Steel Board; Mr. W A Steward, M.P. (Conservative, Woolwich West), for political and public services; Mr. R. S Stewart, for political services in Scotland, Alderman E V. M Stockdale, lately Sheriff, City of London, Capt C. Ivan Thompson, Commodore Captain, s s *Queen Elizabeth*, Mr G S. Tomkinson, for political and public services in Kidderminster, Mr. J. Millard Tucker, vice-chairman, Royal Commission on Taxation of Profits and Income, Mr. Sydney Vernon, for public services in Birmingham, Mr. H E. Watts, lately Chief Inspector of Explosives, Home Office; Mr W Emrys Williams, secretary-general, Arts Council of Great Britain

Other recipients of knighthoods, apart from those enumerated above, included the following:

Prime Minister's List (K.C.B, K C M G. and K.B.E) Mr. E. A. Cohen, Second Secretary, Board of Trade; Mr G P. Coldstream, Clerk of the Crown in Chancery and Permanent Secretary to the Lord Chancellor; Mr E. G. Compton, Third Secretary, H.M. Treasury; Mr. Alexander Fleck, chairman, Imperial Chemical Industries Ltd, for services to the Ministry of Fuel and Power; Mr. A. H. Gosling, Director-General, Forestry Commission; Mr. F. C. Musgrave, Second Permanent Secretary, Ministry of Supply.

Foreign Office List. Mr. R. E. Barclay, Deputy Under-Secretary of State, Foreign Office, Mr. Bernard Burrows, Political Resident in the Persian Gulf, Mr. Berkeley Gage, H.M Ambassador in Bangkok; Mr W. O'Brien Lindsay, lately Chief Justice of the Sudan; Mr. E W. Meiklereid, Minister (Commercial) at H.M. Embassy in Paris, Mr. Humphrey Trevelyan, lately Chargé d'Affaires at H.M. Embassy in Peking.

Commonwealth of Australia List. Mr. T. S. Clyne, Judge of the Bankruptcy Court, Mr. A. E. Coates, for services to the medical profession in Australia; Professor H. R Dew, for services to medicine in Australia; Mr Eugene Goossens, the conductor and composer, for services to music in Australia; Mr. William Hudson, chairman, Snowy Mountains Hydro-Electric Authority, Mr. E. H. B. Lefroy, for services to agricultural and pastoral industries in Australia; Mr. Edwin McCarthy, Deputy High Commissioner in London; Major-General J. E S. Stevens, chairman, Australian Atomic Energy Commission, Judge A. R. Taylor, Justice of the High Court; Mr. J. P. Tivey, for services to engineering, science, and industry in Australia.

New Zealand List. Mr. W. J. Broadfoot, lately Postmaster-General and Minister of Telegraphs; Mr. Justice Arthur Tyndall, Judge of the Court of Arbitration.

Ceylon List. Mr. Arnold Fernando, for public services; Mr. Sangarapillai Pararajasingam, for services to agriculture; Mr. Cyril de Zoysa, President of the Senate.

Commonwealth Relations Office List. Dr. Darcy Cowan, a prominent physician in South Australia, Mr. G. M. Mackinlay, president of the Bengal Chamber of Commerce and Industry and the Associated Chambers of Commerce of India, 1954-55; Mr. A. C B Symon, U.K. High Commissioner in Pakistan.

Colonial Office List. Recipients of knighthoods included Mr William Addis, Governor of the Seychelles; Mr. Robert Black, Governor-designate of Singapore; Mr. Alexander Bustamante, Chief Minister of Jamaica from 1944 to 1954, for public services in Jamaica; Mr. J Bowes Griffin, Q C., Chief Justice of Uganda, Mr J. Leon Mathieu-Perez, Q.C, Chief Justice of Trinidad and Tobago; and Mr G Gilmour Robinson, Chief Justice of Zanzibar. The K.B E (Honorary) was conferred on Dato Mahmud Bin Mat, Speaker of the Federal Legislative Council, Federation of Malaya

Royal Navy List, Army List, and Royal Air Force List. Recipients of knighthoods in the armed forces included Vice-Admiral I. M. R Campbell, Vice-Admiral P G. L Cazalet, Vice-Admiral F. R Parham, Vice-Admiral A K Scott-Moncrieff, Lieutenant-General C S Sugden, Major-General Neville Swiney, Brigadier Henry Shapcott, Air Marshal F. J Fressanges, Air Marshal T G Pike, Acting Air Marshal B. V Reynolds, and Air Vice-Marshal G R Beamish

Royal Victorian Order. Among recipients of the K.C.V.O. was Dr. J W C. Wand, Bishop of London.

D.B.E. Awards. The D B.E. was conferred upon Miss Irene Ward, M P (Conservative, Tynemouth), for political and public services

Other Awards. Recipients of the **C.B.E.** included Dr. Roger Bannister (the first athlete to run the mile in under four minutes), for services to athletics; Mr Eric Blom, the music critic. Miss Helen Darbishire, the Wordsworthian scholar, for services to the study of English literature; Mr. Alec Guinness, the actor; and Mr Raymond Mortimer, the literary critic. Recipients of the **M.B.E.** included Mr George Headley, the West Indian cricketer.

The conferment of the Order of the Garter on the Earl of Iveagh had been announced on April 22. Lord Iveagh (81), head of the Guinness firm, formerly sat for many years in the House of Commons as Mr. Rupert Guinness. He has been Chancellor of the University of Dublin (Trinity College) since 1927.—(Times - Daily Telegraph) **(Prev. rep. 13976 A.)**

B. ITALY. — $70,000,000 International Bank Loan for Development in Southern Italy and Sicily.

The International Bank announced on June 1 that it had lent the equivalent of $70,000,000 in various currencies for the development of Southern Italy—the largest development loan ever made by the Bank in Europe.

The loan, which was guaranteed by the Italian Government, was made to the *Cassa per il Mezzogiorno*, the government agency for the administration of Italy's economic plan for the South, which had already received two previous loans from the International Bank (see 11809 A, 13306 A) Its terms were as follows. 4½ per cent p a. interest, plus 1 per cent p.a. commission, repayable in 35 half-yearly instalments beginning on July 15, 1958. The Bank of America (the largest private bank in the U.S.A., which was founded by the late Amadeo Giannini and still has strong Italian connexions) participated in the loan, without the International Bank's guarantee, to the extent of $5,000,000

It was stated by the International Bank that the loan would be divided almost equally between the mainland of Southern Italy and the island of Sicily. On the mainland it would help finance (*a*) a pulp and paper mill near Avezzano, the annual production of which would be about equal to Italy's present imports; (*b*) a woollen yarn mill near Frosinone, and (*c*) eight power projects, which would add about 224,300 kw. to installed capacity and increase annual generation by 740,000,000 kwh. In Sicily, the projects to receive financial assistance from the loan would be: (*a*) an irrigation project in the plain of Catania, which was expected to raise the annual value of farm production in the region, especially of citrus fruits, to three times its present value by 1967; (*b*) a cement plant, with a capacity of 130,000 tons a year, to be built near Palermo; (*c*) a fertilizer plant to be built at Catania and another to be built near Augusta; (*d*) a new factory near Palermo for pharmaceutical products and agricultural chemicals; and (*e*) a plant to be built at Catania which would concentrate and freeze citrus fruit, and which was expected to produce 800 tons of concentrated orange juice and 600 tons of concentrated lemon juice a year.

The International Bank pointed out that the new projects would provide employment for many more people, and that the public works programme of the *Cassa per il Mezzogiorno* had already created about 200,000 new full-time jobs, apart from 90,000 indirectly created through the stimulation of private industry. (Corriere della Sera, Milan - Giornale d'Italia, Rome - International Bank, Washington) **(Prev. rep. 14168 A.)**

C. AUSTRIA. — Ratification of State Treaty.

The Austrian State Treaty was unanimously approved by both Houses of the Austrian Parliament on June 7-8, the ratification Bill being signed by President Körner on the latter date. -(Wiener Zeitung) **(Prev. rep. 14193 A.)**

A. NORTH VIETNAM. — Political Developments since Geneva Agreement. - Evacuation of French Forces. - Vietminh Occupation of Hanoi and Haiphong. - Policy Statement by President Ho Chi-minh. - Chinese Aid in Restoration of Communications. - Agreements with France on Status of French Firms, Pasteur Institute, and Tongkingese Coalmines.

In accordance with the terms of the Geneva Agreement, the French Army evacuated Hanoi on Oct. 9, 1954, and Haiphong (the last town in North Vietnam under French control) on May 13, 1955. Both cities were occupied by Vietminh troops as the French garrisons withdrew, the transfer of sovereignty taking place without incident. Both before and after the occupation of Hanoi, the North Vietnamese Government issued a number of statements promising that private property would be respected, appealing to workers to co-operate with employers in the interests of increased production, and giving assurances that there would be no discrimination against foreign nationals or former officials and soldiers of the South Vietnamese Government.

In a speech on Sept. 3, 1954, President Ho Chi-minh stated that his Government would respect French and other foreign property, and was prepared to retain the services of "all police and officials who worked for the enemy, if they wish to serve the people." The Government's economic policy would be conducted in the joint interests of the State, employers, and workers, and would aim at increasing production, developing internal and external trade, and raising living standards He also gave an assurance that the co-operation of non-Vietminh nationalists, "irrespective of their class or of whether they have collaborated with the enemy," would be welcomed if they were "prepared to work for peace, national unity and independence, and democracy" On the occupation of Hanoi, President Ho sent a message to the citizens appealing to them to safeguard public and private property and to apply themselves to the task of rehabilitation, and assuring "our friends the foreign nationals" that they would receive help and protection from the North Vietnamese Government.

Among the immediate measures taken by the North Vietnamese Government after the occupation of Hanoi were the abolition of all national defence and security taxes, and of a number of special taxes; the abolition of press censorship, although newspapers were forbidden to disseminate propaganda against the Geneva Agreement or detrimental to the security and independence of Vietnam; the establishment in Hanoi of the National Bank of the Democratic Republic of Vietnam, and the fixing of the exchange rate at 30 North Vietnamese piastres to one South Vietnamese piastre—a rate described by French sources as "reasonable." South Vietnamese piastres ceased to be legal tender throughout North Vietnam on Oct. 30, 1954

M Pham Van-Bach, deputy Minister of the Interior, stated at a press conference on Feb. 5 that the North Vietnam Government regarded the restoration of normal relations with South Vietnam as "indispensable," and was prepared to grant facilities to the people of both zones for travel and correspondence between them, business activities, and co-operation in literary, artistic, scientific, and sporting activities. The Government subsequently announced that it was prepared to meet representatives of the South Vietnamese Government in order to discuss these questions, and that it was ready to facilitate contacts between businessmen in the two zones.

The first Soviet Ambassador to Vietnam, M. Lavritchev, arrived in Hanoi on Oct. 26. The U.S. State Department had previously announced that the U.S. Consulate in Hanoi would remain open, whilst emphasizing that this did not imply recognition of the North Vietnamese Government, as, in the U.S. Government's view, the Saigon Government—to which the Consulate was accredited—remained "the only legal Government of the State of Vietnam." The North Vietnamese Government subsequently announced on Oct. 28 that it did not recognize the U.S. Consulate, and criticized the U.S. attitude as "completely contrary to the Geneva Agreements;" no action, however, was taken against the Consulate.

Under an agreement signed in Peking on Dec. 24, 1954, the Chinese Government undertook to assist in the restoration of communications and water conservancy works in North Vietnam. The agreement provided (1) that Chinese experts and technicians would supervise the restoration of the railway from Hanoi to Dongdang, on the Chinese frontier; (2) that China would supply the necessary locomotives, coaches, etc.; (3) that China would supply road-building machines and instal tyre-repair and re-treading factories; (4) that China would provide equipment for the building of civil airports and meteorological stations; (5) that postal and telecommunications services between China and North Vietnam would come into operation from Jan. 1, 1955; (6) that China would supply the materials for the repair of five water conservancy works destroyed during the Indo-China war.

Relations between North Vietnam and France.

M. Jean Sainteny, who acted as French Commissioner for Tongking and North Annam from 1945-47, was appointed French "delegate-general" to North Vietnam on Aug. 7, 1954, although with no official status. On Oct. 18 he opened negotiations with the Government in Hanoi on the question of economic and cultural relations between France and North Vietnam, as a result of which provisional agreements were concluded in December on the status of French industrial and commercial enterprises in North Vietnam and on the future of the Pasteur Institute for cancer research in Hanoi. On the conclusion of the first stage of the negotiations, M. Sainteny was officially accredited on Dec. 16 as French delegate to President Ho Chi-minh—an appointment interpreted by the French Press as equivalent to *de facto* recognition of the North Vietnamese Government.

A joint communiqué issued on Dec. 10 by M Sainteny and M. Phan Anh (Minister of Commerce) announced that French firms, whether retaining their present form or operating on a joint basis with Vietnamese capital, would not be subjected to any discrimination, and would be granted facilities to purchase equipment and to export their profits to the franc area The recruitment of labour and the movement of personnel would be entirely free, as would the sale of manufactured goods on the home market

An agreement signed on Dec. 3 provided that the North Vietnamese Government would subsidize the scientific activities of the Pasteur Institute, which would be placed under the control of the Ministry of Health. Professor Huard (Dean of the Faculty of Medicine at Hanoi University), who had negotiated the evacuation of the French wounded from Dien Bien Phu (see 13566 A), was appointed Director of the Institute. M. Sainteny reported on Feb 4, 1955, that the French *lycée* in Hanoi had reopened with more than 800 Vietnamese pupils, and that the *Ecole Française d'Extrême-Orient* was continuing its activities and maintaining contact between scientific circles in North Vietnam and corresponding organizations in France and Asia.

On April 9 an agreement was concluded between the North Vietnamese Government and the *Société Française des Charbonnages du Tonkin*, which owns the important anthracite coalmines situated north-east of Haiphong. Under the agreement the Government agreed to pay the company, as compensation for the equipment and installations remaining *in situ*, an indemnity of 1,000,000 tons of coal over a period of 15 years, at the rate of 95,000 tons a year for the first five years and 52,500 tons a year for the remaining ten years.

An agreement between the Hanoi municipal authorities and the French company responsible for the city's transport services, announced on June 2, 1955, provided for the transfer of the company's equipment to the city authorities against compensation of 300,000,000 French francs, payable over 25 years The compensation was described as "reasonable" by French official spokesmen.

In an interview in November last with the Hanoi correspondent of the *Agence France-Presse*, President Ho Chi-minh expressed the view that economic relations between France and North Vietnam should be based on "the principle of equality and reciprocal interests," and gave an assurance that former French residents who desired to return to Hanoi would be "well received." In reply to a question on the possibility of the Democratic Republic of Vietnam (North Vietnam) remaining within the French Union, President Ho said that the matter could be discussed "between the Governments of the two countries if either desires it," and that the differences in their political systems need present no obstacle to the establishment of "organic links" between them.
(Le Monde, Paris - Le Figaro, Paris - Manchester Guardian)
(Prev. rep. 13689 A; 13816 A.)

B. JORDAN. — New Government.

As a result of differences within the Cabinet after the return of the Jordanian delegation from the Bandung Conference, leading on May 21 to the resignation of the Minister of Justice (Hazza el-Majali), the Prime Minister himself, Tewfik Abulhuda, submitted his resignation to King Hussein on May 29. The King commissioned Said el-Mufti, a former Premier, to form a Government, the composition of which was announced on May 30 as follows:

Said el-Mufti, Prime Minister and Foreign Minister, Hazza el-Majali, Interior; Dr. Djamil Toutunji, Health, Bisharah el-Ghaseeb, Finance; Ali Hasnah, Justice; Said Alaeddin, Education; Farhan Shbilat, Defence; Hamad el-Farhan, Economics, Ali el-Hindawi, Agriculture; Azmi Nashashibi, Posts, Telegraphs, and Airways; Naim Abdulhadi, Public Works, Samaan Daoud, Commerce and Reconstruction.

Said el-Mufti was Prime Minister in 1950, and had been Minister of the Interior in several subsequent Cabinets.
(Times - Le Monde, Paris) **(Prev. rep. 13853 C; 13026 B.)**

A. EUROPEAN PAYMENTS UNION. — Settlements in First Quarter of 1955. - Relaxation of Foreign Exchange Regulations in Belgium, France, and the Netherlands. - French and German Trade Liberalization Measures.

Details are given in the following table of the net surpluses or deficits (in millions of units of account) incurred by members of the E.P.U. during the first quarter of 1955; the gold repayment instalments made during the same months in accordance with the bilateral arrangements for reducing outstanding debts (see 13778 A); and the cumulative accounting position of each country at the end of March after taking into account (*a*) the surpluses or deficits incurred, and (*b*) the adjustments made in respect of the bilateral amortization instalments, each adjustment being equal to double the amount of credit repaid.

	Net monthly surplus (+) or deficit (−) §			Credit repaid by (+) or to (−) the member reflecting bilateral amortization instalments			Cumulative accounting surplus (+) or deficit (−) from July 1, 1950, to Mar 31, 1955†
	Jan.	Feb.	March	Jan †	Feb.	March	
Austria	−13.4	−12.6	−13.4	− 0.1	− 0 1	− 0 9	+ 39 9
Belgium-Luxemburg	+ 9.5	+17 9	+27.0	− 1 5	− 1 5	− 2 5	+318.0
Denmark	+ 1 3	−11.4	− 9.5	+ 0.3	+ 0.3	+ 2 8	−207 4
France	+ 6 3	+17 3	+26.2	+ 2.1	+ 2.1	+ 2.1	−310 0‖
Germany (Western)	+35 4	+14.9	+ 9.3	− 0.8	− 0 8	− 5.0	+968 6
Greece	− 0 6	− 4 0	+ 2.7	—	—	—	− 56.7
Iceland	+ 0.0	+ 0.0	− 0.0	+ 0.0	+ 0 0	+ 0.1	− 8.6
Italy	−19 4	−26.1	−31.7	—	—	+ 3.3	−304.5
Netherlands	+25 6	+15.4	− 5.7	− 1.0	− 1 0	− 1 0	+364.8
Norway	− 8 8	− 2.8	− 8.3	+ 0 5	+ 0 5	+ 0 5	−214.3
Portugal	− 5.7	− 1 1	− 4.8	− 0 2	− 0 2	− 0 2	− 0 4
Sweden	−17 3	−11 6	− 7.4	− 0.7	− 0 7	− 0 7	+ 34.0
Switzerland	− 8.1	− 2 8	− 7.6	− 0 7	− 0 7	− 1.4	+286.3
Turkey	−16 1	+ 0.3	− 2 6	—	—	—	−248 7
United Kingdom*	+11.3	+ 6 4	+25 8	+ 2 2	+ 2.2	+ 2 9	−628 9

* Ireland is included in the monetary area of the U.K., which, in addition to the dependent overseas territories, also includes the non-participating sterling area

§ Settled half in gold and half in dollars, except for Greece and Turkey which have special settlement arrangements under Art 13(*a*).

† In addition, France repaid 80,000,000 units of account in gold to the Union, which in turn reduced certain creditor-countries' claims on the E.P U. to an equivalent amount (see 14086 A)

‡ Equal to double the amount of credit outstanding, except as follows. (*a*) Greece: 56,700,000 units of account settled fully in gold or dollars under Art. 13(*a*) outside her debtor quota, which is frozen at zero; (*b*) Turkey: 60,000,000 units of debtor quota used, and 188,700,000 units settled fully in gold or dollars under Art. 13(*a*) outside her debtor quota.

‖ Not including the 100 per cent gold payments by France for deficits beyond her quota up to June 30, 1954, which are outside the cumulative accounting position and which are recoverable by France if she has a net surplus for the period after June 30, 1954. Of the total of such payments (369,400,000 units), 68,000,000 were repaid up to March 1955, leaving 301,400,000 units still recoverable.

General Note. In addition to taking into account current operations and adjustments made in connexion with the bilateral repayments instalments, the cumulative accounting position allows for (*a*) the net use of existing resources, initial balances, and special resources; (*b*) interest payments or receipts on credit received from, or granted to, the E.P U; (*c*) the special settlements of the surpluses of Belgium-Luxemburg and Portugal as at July 1, 1952, (*d*) the immediate gold repayments made at the time of the renewal of the E.P.U. on July 1, 1954; (*e*) the initial repayments made by Iceland in the December, 1954, operations; (*f*) there payments in gold made to France in accordance with Art. 10 *bis* (see footnote ‖ above); (*g*) the first two repayments of the special credit granted by Belgium-Luxemburg

Further details of the position of various countries, and of financial and economic measures taken by them in the period under review, are given below:

Belgium. A relaxation of foreign exchange regulations was announced on March 24, giving importers and exporters greater freedom in the choice of currency for their transactions. It was also intended to extend the transferability and convertibility of Belgian and Luxemburg franc accounts opened by foreigners within the Belgo-Luxemburg Economic Union by dividing them into the following five categories:

(*a*) *Foreign "Financial" Accounts*: to be used for all operations involving stock investments and capital transactions They could be opened by any foreigner and would be transferable and convertible into foreign currencies on the free market.

(*b*) *"Convertible" Accounts*. to be used mainly for settlement of current transactions between Belgium-Luxemburg and the dollar area. They would be transferable into all other accounts and convertible on the official and free markets.

(*c*) *"E.P.U." Accounts*: for current transactions with member-countries of the E.P U. They would be transferable into other E.P.U. accounts and convertible into E.P.U. currencies on the capital market.

(*d*) *"Bilateral" Accounts*: for current transactions with countries whose international exchanges were on a bilateral basis.

(*e*) *"Without Agreement" Accounts*: for current transactions with countries not falling into any of the preceding categories. They would be transferable and convertible, on the official market, into all foreign currencies except U.S. and Canadian dollars.

France. It was announced on Feb 16 that the French tourist allowance had been raised from 30,000 francs to 35,000 francs (about £35), and that this amount could be drawn twice a year with a minimum period of two months between the first and second withdrawals

On March 30 the Minister of Finance, M. Pflimlin, announced a further list of goods which could be freely imported from O.E.E.C. member-countries as from April 1 This list (which, in accordance with French undertakings, brought the extent of trade liberalization up to 75 per cent) included horses chemicals, certain kinds of paper, gems, linen, machine tools, electric cookers, surgical instruments, and certain other categories of goods. A number of the items specified were subject to the special compensatory tax of 10 or 15 per cent.

Western Germany. Following a debate in the Bundestag on Jan 27, tariff reductions affecting over 1,000 items were introduced for a period of one year ending on March 31, 1956. The reductions—which, but for a procedural dispute, would have come into force on Sept 1, 1951 (see 14014 A)—applied to one-sixth of all German tariff rates and included to a varying extent all goods subject to tariffs of over 30 per cent Among the more important items affected were motor vehicles, certain kinds of steel, cutlery, jewellery, rayon staple fabrics, glass, chemicals, household appliances, musical instruments, and agricultural implements.

Greece. The Greek Minister of Economic Co-ordination announced on Feb 18 that certain imports would in future have to be partly paid for before their arrival in Greece Imports of luxury goods such as cars, radio sets, and jewellery, would be subjected to a prepayment in drachmas equal to 50 per cent of their value, while other goods would require prepayments ranging from 3 to 15 per cent

Netherlands. It was announced in Amsterdam on Feb 7 that, subject to a permit from the Netherlands Bank, Dutch residents could in future buy abroad, through a bank and against payment in guilders, foreign debentures in U.S or Canadian dollars officially listed on the New York or American Stock Exchanges, on condition that the debentures were immediately imported into the Netherlands. On the following day it was announced that a verbal declaration to a Dutch Customs official would be sufficient for non-residents who, on arriving in or departing from the Netherlands, wished to import or export securities or foreign currencies to a joint value not exceeding 4,000 guilders; previously the maximum had been 1,500 guilders.

During the three months under review the United Kingdom had net surpluses (in sterling) of £4,022,500, £2,295,357, and £9,201,071, each of which was settled half by the receipt of gold from the Union and half by the reduction of credit previously extended to the U.K. by the Union. As a result of these transactions and of the special repayments made each month in accordance with the bilateral repayments arrangements, the total U.K. debt to the Union, which amounted to £122,653,214 on Dec. 31, 1954, had been reduced to £112,308,214 by March 31, 1955.— (O.E.E.C. Information Division, Paris - Times - Financial Times - Le Monde, Paris - Neue Zürcher Zeitung - New York Times)

(Prev. rep. 14086 A; 14014 A.)

B. BAYEUX MEMORIAL. — Unveiling Ceremony.

A memorial built by the Imperial War Graves Commission at Bayeux (Normandy), commemorating 1,837 soldiers of the British Commonwealth and Empire who fell (in the words of the inscription) "in the assault on the Normandy beaches or in the sweep to the Seine, and to whom the fortunes of war denied a known and honoured grave," was unveiled by H.R.H. the Duke of Gloucester on June 5, the eve of the 11th anniversary of D-Day. The ceremony was attended by the British and French Ministers of Defence (Mr. Antony Head and General Koenig), Field-Marshal Lord Montgomery, General Jean Ganeval (representing President Coty), and British, Canadian, and French naval, military and air detachments.

The Bayeux Memorial, designed by Mr. P. D. Hepworth, is in the form of a cloister upheld by four columns, the names of those commemorated being engraved on panels of Portland stone. Built on ground given by the municipality of Bayeux (the first town in Europe to be liberated by the Allies), it faces a cemetery in which the bodies of more than 4,000 British and Commonwealth soldiers are interred. On a frieze above the memorial is carved the Latin inscription *Nos a Gulielmo victi victoris patriam liberavimus*—"We whom he conquered have set free the land of William the Conqueror."

(Times - Le Monde, Paris)

(Prev. rep. 13959 B.)

A. UNITED KINGDOM. — Opening of New Parliament. - The Queen's Speech. - Legislative Programme for New Session.

In view of the state of emergency resulting from the rail strike (see 14240 A), the new Parliament was opened by her Majesty the Queen on June 9 and not, as previously arranged, on June 14. The Government's legislative programme was announced by her Majesty in the following Speech from the Throne :

" My Lords and Members of the House of Commons :—

The grave situation created by the interruption of the railway services has made it necessary to advance the date of the opening of Parliament. I have proclaimed a state of emergency under the Emergency Powers Act, 1920, to enable my Ministers to take the steps needed to maintain supplies and services which are essential to the life of the community.

In their relations with foreign Powers my Government will resolutely go forward with the policies to which they are pledged The United Nations, the Atlantic Alliance, and the new association of Western European Union will all receive their whole-hearted support. They will continue to work in close accord with the United States of America.

Fortified by the growing unity and strength of the free nations, my Government look forward, in a spirit of confidence and good will, to fruitful negotiations with the Government of the Soviet Union.

My Government welcome the progress which has recently been made in the U N. discussions on disarmament, and will zealously maintain their efforts to reach agreement on a comprehensive disarmament plan designed to bring peace and security to all countries.

My Government have warmly welcomed the signature of the State Treaty for the re-establishment of an independent and democratic Austria. The text of this treaty will be presented to you before ratification

In consultation with the other Governments concerned, my Government will continue earnestly to seek a peaceful settlement of the situation in the Formosa Straits.

My Government will continue their efforts to uphold the Indo-China settlement concluded at Geneva, and to promote the peace, security and prosperity of South-East Asia through the regional organizations set up for that purpose

My Government will maintain and strengthen consultation within the Commonwealth for the fulfilment of our common aims and purposes.

The economic development of the Commonwealth and Empire will be steadily encouraged, and my Government will continue to support the Colombo Plan.

My Government look forward to further progress in establishing the British Caribbean Federation.

My Forces will continue to play their full part in maintaining peace and stability in the world.

My Ministers are reviewing the problems of home defence and the measures required to meet new forms of warfare.

Members of the House of Commons :—

Estimates for the public services will be laid before you in due course.

My Lords and Members of the House of Commons :—

The full employment of my people will continue to be the first care of my Ministers. To this end they will actively seek the co-operation of employers and workers in ensuring that full employment and expanding output shall not be jeopardized. They are convinced that, with a steady expansion of production in industry, commerce and agriculture, an ever higher standard of living can be secured for the whole nation.

My Government will actively promote the development of nuclear energy for peaceful purposes.

Legislation, consistent with my Government's international obligations, will be introduced to permit the imposition of countervailing and anti-dumping duties on imported goods.

My Ministers will take such further action as may be required in the public interest to deal with abuses in the field of monopolies and restrictive practices

It will be the aim of my Government to strengthen the balance of payments and to extend overseas markets for our goods and services. Together with the other Governments of the Commonwealth and of Europe, and with the Government of the United States of America, they will work for a further advance towards a free flow of international trade and payments.

My Ministers will not relax their efforts to secure the utmost economy in public expenditure, and by sound handling of financial affairs to check the dangers of inflation.

My Ministers recognize the need for maximum economic production from our land. They will continue, through guaranteed prices and assured markets, to ensure a fair return to producers, and will encourage the efficient marketing of food.

Legislation will be introduced to safeguard the health and provide for the safety and welfare of those employed in agriculture and forestry.

My Ministers will continue to promote the well-being of the fishing industry, and to support the efforts of the White Fish Authority and the Herring Industry Board to improve the condition of the fishing fleets and enable them to operate on an efficient basis.

My Ministers will ensure that steady progress is made with the modernization and re-equipment of the railways, so that they may give better service to the public and provide improved working conditions for railway workers.

My Government will press forward their far-reaching programme of road construction and improvement, and their plans to ease the flow of traffic and reduce danger on the roads. A measure will be laid before you to amend the Road Traffic Acts.

In the light of proposals recently agreed among the local authority associations, my Government are examining the problems of local government in England and Wales with a view to introducing legislation on this subject.

While maintaining a high rate of house-building, my Ministers will encourage action to secure the more rapid clearance of slums in both town and country and to relieve urban congestion. They will introduce such legislation as may be found necessary to further these objects

In step with the continued expansion in the building and improvement of schools, my Government will give close attention to the number and needs of the teaching profession. They have very much in mind the special requirements of rural areas. Secondary schools will be encouraged to provide a choice of courses ; and facilities for technical education will be extended.

My Ministers will propose amendments to the scheme of superannuation for teachers, following the discussions now proceeding with representatives of teachers and local authorities

A Bill will be laid before you to extend the period during which family allowances are payable for children who remain at school.

Legislation will be introduced to amend the law of valuation and rating in Scotland in the light of the recommendations of a departmental committee ; and an inquiry into the working of the arrangements for ascertaining equalization grants in Scotland will be made in consultation with the associations of local authorities.

You will also be invited to pass a measure to amend the law relating to valuation and rating in England and Wales.

Legislation will be proposed to reform the law of copyright on the basis of recommendations in the report of the Copyright Committee.

My Government will proceed with a Bill to enable them to carry out their obligations under the Commonwealth Sugar Agreement, and to bring to an end the present system of State trading in sugar.

My Ministers will bring forward legislation to reduce the pollution of the air by smoke and other causes.

Steps will be taken to extend legal aid to proceedings in county courts in England and Wales, and the jurisdiction of these courts will be increased. A measure will also be introduced to set up new criminal courts at Liverpool and Manchester, and to amend the law relating to recorders and stipendiary magistrates.

An inquiry will be held to consider practice and procedure in relation to administrative tribunals and quasi-judicial inquires, including those concerning land.

Further consideration will be given to the question of the composition of the House of Lords.

Other measures will be laid before you in due course.

I pray that the blessing of Almighty God may rest upon your counsels."

It was pointed out in the Press that the heavy legislative programme envisaged in the Queen's Speech indicated that the first session of the new Parliament would continue for 15 months —i.e., until the autumn of 1956. The 14 Bills mentioned in the Queen's Speech included four which had been introduced in the former Parliament but were uncompleted at the time of the dissolution—the Road Traffic Bill, the Rating and Valuation (Miscellaneous Provisions) Bill, the Bill to extend the jurisdiction of county courts, and the Bill to set up new criminal courts in Liverpool and Manchester.—(Times - Daily Telegraph)

(Prev. rep. Queen's Speech, 1954, 13909 A.)

B. SOUTH-EAST ASIA. — Appointment of British and New Zealand Commissioners.

Sir Robert Scott, British Minister in Washington, was appointed on June 16 as U.K. Commissioner-General in South-East Asia in succession to Mr. Malcolm Macdonald, recently appointed High Commissioner in Delhi. Sir Robert will be responsible to the Prime Minister, although he will report through the Foreign Secretary and the Colonial Secretary respectively on matters concerning those Ministers. Mr. Malcolm MacDonald, as Commissioner-General, was responsible both to the Foreign Secretary and the Colonial Secretary.

Sir Robert served for many years in the Consular Service in China, and later in Singapore. He was chief representative of the Ministry of Information in Singapore at the outbreak of war, and was taken prisoner by the Japanese. After the war he returned to Singapore as counsellor on the staff of Lord Killearn, then Special Commissioner for South-East Asia. From 1948 to 1950 Sir Robert was head of the S.E. Asia Department of the Foreign Office, and from 1950-53 was Under-Secretary in charge of all Far Eastern departments of the Foreign Office.

The N.Z. Minister of External Affairs, Mr. MacDonald, announced on June 3 that New Zealand's first Commissioner in South-East Asia would be Mr. Foss Shanahan, Deputy Secretary of External Affairs, who would have the specific status of Commissioner for New Zealand in Singapore, the Federation of Malaya, and British Territories. In addition, Mr. Shanahan would be New Zealand member of the SEATO Council of Representatives in Bangkok.—(Times - Manchester Guardian - Directorate of Information Services, Wellington)

(Prev. rep. 14222 A ; 14211 A.)

A. MIDDLE EAST. — Soviet Denunciation of Middle Eastern Pacts. - Iraqi Repudiation of Soviet Allegations. - Former British Air Bases in Iraq transferred to Iraqi Command. - Anglo-Iraqi Debts Settlement.

The Soviet Foreign Ministry issued a lengthy statement on April 16 strongly condemning recent " military groupings " in the Near and Middle East, which, it alleged, had been initiated by " certain Western powers." It declared that " if the policy of pressure and threats with regard to the countries of the Near and Middle East is continued, the question should be examined by the U.N. Organization."

" The situation in the Near and Middle East has recently become considerably more tense," the statement declared " The reason for this is that certain Western Powers have been making new attempts to draw the countries of the Near and Middle East into the military groupings which are being set up as appendages to the aggressive North Atlantic bloc After the collapse in 1951 of the plan for the establishment of a so-called 'Middle East Command'—a collapse due to the resistance this plan met in the countries of the Near and Middle East—the U.S.A. and Britain took steps to involve the countries of the Near and Middle East in a roundabout way, singly or in pairs, in certain groupings being set up under their domination. In this way a Turkish-Pakistani pact was concluded in 1954, and a Turkish-Iraqi military alliance last February. By setting up the Turkish-Iraqi alliance, its organizers have succeeded in detaching Iraq from the other Arab countries and increasing tension in the relations between these countries—a situation which suits only the aggressive forces which are trying to sow discord among the countries of this area in their own military strategic interests.

" Matters have gone so far that peremptory demands have recently been made of Syria to join the Turkish-Iraqi alliance These demands are accompanied by threats calculated to intimidate the Government and people of Syria and to compel Syria to reconsider her refusal to take part in aggressive military blocs. Such actions, and the role which the Western Powers allocate to Turkey in the establishment of military blocs in the Near and Middle East, arouse legitimate fears in the Arab countries that Turkey is once again striving to dominate them, and that a direct threat to their national independence is being created "

The statement went on to allege that pressure was also being brought to bear on Egypt, Saudi Arabia, and Persia, and declared that the policy of setting up " military groupings " in the Near and Middle East was inspired by " the desire of certain Western Powers for the colonial enslavement of these countries." It added that the " military blocs " in the Near and Middle East were needed not by the countries of that area, but by " those aggressive American circles which are trying to establish domination there," and by " those British circles which, by means of these blocs, are trying to retain and restore their shaken positions." The Note asserted in this connexion that the new Anglo-Iraqi agreement " enslaves Iraq, ensures for Britain the preservation of her military bases in that country, and subordinates the Iraqi Army to British officers."

After strongly refuting the suggestion that the new agreements were necessary to meet the " Soviet menace " to the Near and Middle East area, and declaring that the Soviet Government regarded the national aspirations of the peoples of the area with " full understanding and sympathy," the statement continued : " The Soviet Union cannot remain indifferent to the situation arising in the Near and Middle East, since the formation of these blocs and the establishment of foreign military bases on the territory of the countries of the Near and Middle East have a direct bearing on the security of the U.S.S.R This attitude is all the more understandable since the U.S.S R. is situated very close to these countries—which cannot be said of other foreign Powers, for instance, of the United States, which is thousands of kilometres from the area. . . ."

In conclusion, the statement referred to the foreign policy declaration made by the Supreme Soviet on Feb. 9 (see p. 14060, second column), declaring in this connexion : " The Soviet Union believes that good relations among States, and real security, can be ensured on the basis of the practical application of the principles enumerated in that declaration—namely, equality ; non-interference in domestic affairs ; non-aggression and the renunciation of encroachment on the territorial integrity of other States ; and respect for sovereignty and national independence. The Soviet Government would support any steps by the countries of the Near and Middle East towards putting these principles into practice in the relations between them and the Soviet Union. . . ."

No official comment on the Soviet statement was made in any of the Western capitals, but the Iraqi Foreign Minister, Musa Shabander, denied the Soviet allegation that the Turkish-Iraqi treaty had been concluded under any sort of pressure from the Western Powers. He emphasized that the treaty had, on the contrary, been concluded " completely free of any foreign pressure and according to our free will."

The British air base at Habbaniya (Iraq) was formally transferred to Iraqi command on May 2 in accordance with the terms of the Anglo-Iraqi agreement. King Feisal II of Iraq attended the ceremony, together with members of the Iraqi Government and the British Ambassador in Baghdad, Sir Michael Wright. Similar ceremonies were held at Shaiba and Basra, the other British bases in Iraq evacuated under the agreement.

On May 1 Britain and Iraq signed an agreement finally settling outstanding debts between the two countries resulting from the use of each other's services and facilities during the war. It provided that Iraq would pay the sum of £150,000 into a trust fund (administered by two Iraqi and two British representatives) which would be used to promote good relations between the two countries through educational, scientific, cultural, humanitarian, and other channels.—(Soviet Weekly - Times - Manchester Guardian) **(Prev. rep. 14137 A.)**

B. FRANCE - GERMANY. — Establishment of Franco-German Chamber of Commerce. - Plans for Economic Co-operation in Europe, French Overseas Territories, and Under-developed Countries.

A Franco-German Chamber of Commerce was inaugurated in Paris on June 15 by Dr. Ludwig Erhard, the West German Minister for National Economy, and M. Pierre Abelin, French Secretary of State for Economic Affairs. The creation of this body had been decided upon by Dr. Adenauer and M. Mendès-France during their discussions at La Celle-Saint-Cloud in October, 1954.

The statutes of the joint Chamber of Commerce were drawn up by M. Jacques Fougerolle (president of the Paris Chamber of Commerce), M Paul Jacquel (president of the Strasbourg Chamber of Commerce), and M Georges Villiers (president of the French National Council of Employers, the *Conseil national du patronnat français*), on the French side , and Herr Hammerbacher (president of the *Deutscher Industrie- und Handelstag*), Herr Fritz Berg (president of the German Federation of Industries, the *Bundesverband der deutschen Industrie*), and Herr Doerpenbach (president of the Stuttgart Chamber of Commerce), on the German side. Both countries are equally represented in the joint Chamber, M. Fougerolle and M. Villiers representing French interests and Herr Hammerbacher and Herr Berg representing German interests

The Franco-German Chamber of Commerce, the seat of which will be in Paris, will study *inter alia* matters relating to exchange liberalization, Customs barriers, and currency convertibility. It will be open to membership by the following organizations in France and Western Germany : (1) companies and groups (whatever their juridical form) concerned with production, distribution, banking, insurance, and transport , (2) Chambers of Commerce, or associations of Chambers of Commerce , (3) central organizations in trade and industry.

It was disclosed in Paris early in March that French and German industrialists and businessmen had held discussions, both in the French capital and in Cologne, on Franco-German economic co-operation in Europe and the French overseas territories, and that a special committee had been set up to study such questions as French investment in Germany, German investment in France, and joint Franco-German investment in the French overseas territories and under-developed countries. It was stated in *Le Monde* that special consideration had been given to (1) French investment in the German chemical, electrical, and other industries ; (2) German investment in the French synthetic rubber and synthetic textile industries ; (3) Franco-German co-operation in the exploitation of mineral resources in the *territoires d'outre-mer* and under-developed countries, and also in the construction of hydro-electric and railway projects.—(Le Monde, Paris - Frankfurter Allgemeine Zeitung) **(Prev. rep. 13845 A.)**

C. CENTRAL AFRICAN FEDERATION.—Formation of Private Development Corporation.

Sir Ernest Oppenheimer, chairman of the Anglo-American Corporation of South Africa and of Rhodesian Anglo-American Ltd., announced in Salisbury on June 16 that these two companies had registered a new company in Rhodesia called the Anglo-American Rhodesian Development Corporation Ltd., with an authorized capital of £2,000,000, of which the two companies would subscribe initially £500,000. The objects of the new company would include provision for development of the natural and other resources of the Federation ; assistance where required for private undertakings and public works of value to the Federation ; and the raising of money in other parts of the world for these purposes. Sir Ernest said that companies in the group which had funds for investment would make this money available to the development corporation, which in turn would lend it at current rates of interest for carrying out projects of which it approved. (Financial Times)

D. SOUTH AFRICA. — Five-year Extension of Governor-General's Term of Office.

It was announced from Buckingham Palace on June 11 that, at the request of her Majesty's Ministers in South Africa, the Queen had approved a five-year extension of the term of office of Dr. Ernest George Jansen as Governor-General of South Africa from Jan. 1, 1956.—(Times) **(Prev. rep. 10976 B.)**

A. UNITED KINGDOM. — General Election Results.

The complete results of the general election held on May 26 are given below, the following abbreviations being used to indicate the political parties: C.—Conservative; Lab.—Labour; L.—Liberal; Nat. L.—National Liberal; U.U.—Ulster Unionist; Ind.—Independent; I.L.P.—Independent Labour Party; Comm.—Communist; N.I. Lab.—Northern Ireland Labour Party; Irish Lab.—Irish Labour Party; Scot. Nat.—Scottish Nationalist; Welsh Nat.—Welsh Nationalist.

In the 410 constituencies left unchanged by the Boundary Commissions, comparison is given with the result at the last (1951) general election—"gain" or "no change," as the case may be. Constituencies whose boundaries were extensively revised are indicated by "major revision," whilst those in which the boundary changes were small are indicated by "minor revision." The new constituencies are also indicated.

London Boroughs.

Barons Court—WILLIAMS, W. T. (Lab.) 20,748, Joseph, Sir Keith (C.) 20,623. Lab majority 125. New constituency

Battersea (North)—JAY, Douglas (Lab) 20,980, Percival, W I (C) 8,058, Fenner, E (Ind.) 622. Lab majority 12,922 No change.

Battersea (South)—PARTRIDGE, Ernest (C.) 15,044, Hurst, E K (Lab.) 14,365, Cooper-Smith, A. A (L) 2,219. C majority 679 No change.

Bermondsey—MELLISH, R J. (Lab) 21,709, Orr-Ewing, Dr. Catherine (C) 4,309, Wilson, H B (L) 1,554, Birkett, H S (I L P.) 715. Lab. majority 17,400 No change.

Bethnal Green—HOLMAN, Percy (Lab) 27,205, Millbourne, J. W. (C.) 6,504, Douglas, Dr R. I (L) 5,541. Lab majority 20,701. Major revision

Camberwell (Dulwich)—JENKINS, R C (C) 25,333, Vernon, W. F. (Lab.) 23,482, Phillips, D. (L) 3,501 C majority 1,851 No change.

Camberwell (Peckham)—CORBET, Mrs. Freda (Lab) 26,315, Smith, D G (C.) 12,547. Lab majority 13,768 No change

Chelsea—NOBLE, Commander Allan (C) 23,598, Fordyce, S. G. (Lab.) 8,546 C majority 15,052. No change

Cities of London and Westminster—WEBBE, Sir Harold, (C) 31,314, Nisbet, D. J (Lab.) 13,270. C. majority 18,044. No change

Deptford—PLUMMER, Sir Leslie (Lab.) 23,925, Dowling, Miss I. (C.) 12,472. Lab. majority 11,453. No change.

Fulham—STEWART, Michael (Lab) 23,972, de la Motte, Mrs. M. (C.) 19,578. Lab. majority 4,394. New constituency.

Greenwich—REEVES, Joseph (Lab.) 26,423, Rhodes, Lt-Col. W. F. (C) 18,484 Lab majority 7,939. No change.

Hackney Central—BUTLER, H. W (Lab) 27,012, Allason, Lt.-Col J. H. (C.) 15,212, Betteridge, J. (Comm) 1,530. Lab. majority 11,800. New constituency

Hammersmith North—TOMNEY, Frank (Lab.) 24,280, Bowden, A. (C.) 15,417 Lab. majority 8,863. Major revision.

Hampstead—BROOKE, Henry (C.) 28,226, Richardson, A (Lab.) 16,040, Seigal, H C (L.) 6,222. C. majority 12,186 No change.

Holborn and St. Pancras South—JEGER, Mrs. Lena (Lab.) 17,126, Donovan, W. T. (C.) 16,195, Hyam, I J (L) 1,193. Lab. majority 931. No change

Islington (East)—FLETCHER, Eric (Lab.) 19,612, Finsberg, G. (C.) 12,910. Lab. majority 6,702. No change.

Islington (North)—FIENBURGH, Wilfred (Lab) 22,100, Mackinnon, Lt-Col E. (C.) 14,522. Lab. majority 7,578. No change

Islington (South-West)—EVANS, Albert (Lab) 24,935, Hodgkinson, C G. S. (C.) 11,667. Lab. majority 13,268 No change

Kensington (North)—ROGERS, G H. (Lab.) 20,226, Bulbrook, R. W. (C.) 17,283. Lab. majority 2,943. No change

Kensington (South)—SPENS, Sir Patrick (C.) 32,051, Crane, Mrs. M. M. (Lab.) 6,804. C majority 25,247 No change

Lambeth (Brixton)—LIPTON, Lt.-Col Marcus (Lab.) 20,594, Roots, W L. (C.) 15,559 Lab. majority 5,035. No change.

Lambeth (Norwood)—SMYTH, Brigadier J. G. (C) 24,831, Joyce, J. A. (Lab.) 19,799. C. majority 5,032. No change

Lambeth (Vauxhall)—STRAUSS, G. Russell (Lab) 19,220, Lee, E. H. (C.) 10,492. Lab. majority 8,728. No change.

Lewisham (North)—HUDSON, Sir Austin (C.) 22,070, Williams, S. T. (Lab.) 18,834. C. majority 3,236. No change.

Lewisham (South)—MORRISON, Herbert (Lab.) 23,821, Arnold, J. C. (C.) 17,478, Loverseed, J. (Ind.) 1,400. Lab. majority 6,343. No change.

Lewisham (West)—PRICE, H. A. (C.) 24,066, Sargant, T (Lab.) 19,741 C. majority 4,325. No change.

Paddington (North)—PARKIN, B. T. (Lab) 16,462, Goodhew, V. H. (C.) 14,370 Lab. majority 2,092. No change.

Paddington (South)—ALLAN, R. A. (C) 18,479, Wegg-Prosser, C. F. (Lab.) 11,432. C majority 7,047. No change.

Poplar—KEY, C. W. (Lab.) 25,642, Vaughan, Dr. G. F. (C.) 5,814. Lab. majority 19,828. No change.

St. Marylebone—WAKEFIELD, Sir Wavell (C.) 26,302, Yates, I. M. (Lab.) 10,903. C. majority 15,399. No change.

St. Pancras North—ROBINSON, Kenneth (Lab.) 24,670, Royle, A. (C.) 17,588, Nicolson, J. (Comm.) 1,303. Lab. majority 7,082. No change.

Shoreditch and Finsbury—COLLINS, V. J. (Lab.) 25,500, Agnew, M. B. (C.) 9,216. Lab. majority 16,284. No change.

Southwark—ISAACS, George (Lab.) 28,174, Greenwood, J. M. (C.) 10,944, Bent, J (Comm.) 959. Lab. majority 17,230. No change.

Stepney—EDWARDS, W. J. (Lab) 27,677, Sutton, Mrs. L F. (C.) 5,733, Kaye, S (Comm.) 2,888, Winckless, F. (L.) 1,615. Lab. majority 21,944. No change.

Stoke Newington and Hackney North—WEITZMAN, David (Lab.) 25,253, Defries-Porter, L (C.) 15,165, Ashkenazi, B (L.) 2,388, Morris, A. (Comm) 1,525. Lab majority 10,088 Major revision.

Wandsworth (Central)—HUGHES-YOUNG, M H. (C) 25,484, Davies, Mrs P L (Lab) 24,391 C. majority 1,093. Conservative gain from Labour

Wandsworth (Clapham)—GIBSON, C. W (Lab.) 22,398, Van Straubenzee, W. R (C) 22,173 Lab majority 225. No change.

Wandsworth (Putney)—LINSTEAD, Sir Hugh (C) 28 969, Bagnari, A. B (Lab.) 21,774. C majority 7,195. No change.

Wandsworth (Streatham)—SANDYS, Duncan (C) 25,862, Prentice, R E. (Lab.) 13,594 C majority 12,268. No change

Woolwich (East)—MAYHEW, C P (Lab.) 23,275, Crawford, H. C. (C) 12,929 Lab majority 10,346. Minor revision.

Woolwich (West)—STEWARD, W. A. (C) 23,981, Hamling, W (Lab.) 22,101. C majority 1,880. Minor revision.

English Boroughs.

Accrington—HYND, Henry (Lab) 22,502, Walls, D C (C.) 21,157 Lab. majority 1,345 No change.

Acton—SPARKS, J A (Lab.) 20,645, Bott, J L. (C) 20,120 Lab. majority 525 No change.

Altrincham and Sale—ERROLL, F. J. (C) 30,586, Park, T. (Lab) 12,174, Burden, D F (L) 6,436. C majority 18,412 No change

Ashton-under-Lyne—RHODES, Hervey (Lab) 26,216, Hodson, E (C) 24,251. Lab majority 1,965 Major revision

Barking—HASTINGS, Dr. Somerville (Lab) 27,129, Massey, B. (C) 12,082 Lab majority 15,047 No change.

Barnsley—MASON, Roy (Lab) 39,485, Wilson, R A (C. and Nat L) 14,776 Lab majority 24,709 No change

Barrow-in-Furness—MONSLOW, Walter (Lab) 22,792, Du Cann, E (C) 20,033 Lab majority 2,759 No change

Bath—PITMAN, I J. (C) 24,489, Richardson, T W (Lab) 17,646, Burwell, Miss B (L) 5,011. C majority 6,843 No change.

Batley and Morley—BROUGHTON, Dr A. D (Lab) 27,178, Watson, H (C) 17,970. Lab. majority 9,208. No change.

Bebington—OAKSHOTT, H. D (C.) 31,700, Hockton, T. H (Lab) 22,277. C majority 9,423. No change.

Beckenham—BUCHAN-HEPBURN, P G T. (C) 38,614, Culling, C F. A (Lab.) 17,377 C. majority 21,237 No change

Bexley—HEATH, E. R G. (C) 28,610, Minney, R J (Lab) 24,111. C. majority 4,499 No change

Bilston—EDWARDS, R. J (Lab) 26,490, Marsh, Miss E A (C) 19,482. Lab. majority 7,008 Minor revision.

Birkenhead—COLLICK, P. H. (Lab.) 24,526, Oddie, H. S (C.) 21,345 Lab majority 3,181. No change.

Birmingham (All Saints)—HOWELL, D. H (Lab.) 18,867, Williams, F J (C) 17,560 Lab majority 1,307. New constituency

Birmingham (Aston)—SILVERMAN, Julius (Lab.) 25,546, Vale, Miss F (C.) 17,284 Lab. majority 8,262. Major revision

Birmingham (Edgbaston)—PITT, Miss Edith (C.) 26,991, Russell, K. V. (Lab.) 12,897. C. majority 14,094 No change.

Birmingham (Hall Green)—JONES, Aubrey (C.) 28,543, Pringle, W. J. (Lab) 17,846 C. majority 10,697. Major revision

Birmingham (Handsworth)—BOYLE, Sir Edward (C.) 24,349, Murie, A (Lab) 14,064, Keatley, S W (Ind Peace) 2,148 C. majority 10,285. Major revision.

Birmingham (Ladywood)—YATES, V F. (Lab.) 18,476, Hodgens, P. W. (C.) 9,665 Lab. majority 8,811. Major revision

Birmingham (Northfield)—CHAPMAN, W. D (Lab.) 27,072, Sweet, C. (C.) 24,188. Lab. majority 2,884. Major revision

Birmingham (Perry Barr)—HOWELL, C A (Lab) 18,732, Hingston, Major F B. (C.) 17,052, Pearce, H (Comm) 928. Lab majority 1,680. No change.

Birmingham (Selly Oak)—GURDEN, H E. (C) 25,774, Watton, H (Lab.) 19,054. C majority 6,720 New constituency.

Birmingham (Small Heath)—WHEELDON, W E (Lab.) 22,444, Bissell, J W. (C.) 14,484. Lab majority 7,960 Major revision.

Birmingham (Sparkbrook)—SHURMER, Percy (Lab) 20,032, Hartley, P. G. (C.) 16,821. Lab. majority 3,211. Major revision.

Birmingham (Stechford)—JENKINS, R. H. (Lab.) 23,358, Bailey, J. M. (C.) 16,618 Lab majority 6,740. Major revision

Birmingham (Yardley)—USBORNE, H C. (Lab) 23,722, Holland, P. W (C.) 20,598 Lab. majority 3,124. Major revision.

Blackburn—CASTLE, Mrs. Barbara (Lab.) 26,241, Marsden, T. (C) 25,752. Lab. majority 489 New constituency.

Blackpool (North)—LOW, Austin (C) 26,899, Bushby, R. (Lab) 10,869. C. majority 16,030. No change

Blackpool (South)—ROBINSON, Sir Roland (C.) 24,773, Davidson, A. (Lab.) 12,548. C. majority 12,225. No change

Blyth—ROBENS, Alfred (Lab.) 36,522, Ridley, N. (C.) 13,429. Lab. majority 23,093. No change.

Bolton (East)—BELL, P. I (C.) 26,145, Booth, A. (Lab.) 22,634. C. majority 3,511 No change.

Bolton (West)—HOLT, A. F. (L.) 24,827, Haworth, J. (Lab.) 20,014. L. majority 4,813. No change.

Bootle—MAHON, S (Lab.) 19,020, Jones, H. W. (C.) 17,582. Lab. majority 1,438. Major revision.

Bournemouth (East and Christchurch)—NICOLSON, Nigel (C.) 28,757, Buckle, D. J. (Lab.) 10,259, Molony, B. P. (L.) 4,851. C. majority 18,498. No change.

Bournemouth (West)—EDEN, J. B. (C.) 31,931, Ford, C. (Lab) 15,147. C. majority 16,784. No change.

Bradford (East)—McLEAVY, Frank (Lab.) 23,588, Barber, G. C. (C. and Nat. L.) 14,713. Lab. majority 8,875. Major revision.

Bradford (North)—TAYLOR, W. J. (C. and Nat L.) 21,084, Webb, Maurice (Lab.) 21,015 C and Nat. L majority 69 Major revision

Bradford (South)—CRADDOCK, G (Lab) 20,478, Winston-Jones, R. (C. and Nat L.) 16,768, Ellis, A. T (L) 6,029 Lab majority 3,710. Major revision.

Bradford (West)—TILEY, A (C. and Nat L.) 22,306, Ferguson, Mrs. M (Lab) 19,147. C. and Nat. L majority 3,159. New constituency.

Brentford and Chiswick—LUCAS, P. B (C.) 18,489, Filson, A. W. (Lab.) 16,384. C. majority 2,105. No change.

Brighouse and Spenborough—EDWARDS, L. J (Lab) 23,674, Cook, F. W. (C. and Nat L.) 22,048 Lab. majority 1,626. Major revision.

Brighton (Kemptown)—JOHNSON, H S (C) 23,142, Cohen, L. C. (Lab.) 17,885 C. majority 5,257. Minor revision.

Brighton (Pavilion)—TEELING, L W (C) 27,128, Knowles, L. (Lab) 12,742. C. majority 14,386 Minor revision

Bristol (Central)—AWBERY, S S (Lab) 25,158, Dalby, K A. P. (C.) 16,406. Lab. majority 8,752. Major revision.

Bristol (North-East)—COLDRICK, W (Lab) 22,740, Webster, D. W. (C and Nat. L) 21,864, Stevenson, G. W (L.) 4,236. Lab. majority 876 Major revision.

Bristol (North-West)—BOYD, T. C. (Lab) 22,950, Braithwaite, Sir J Gurney (C.) 21,295. Lab majority 1,655 Major revision.

Bristol (South)—WILKINS, W A. (Lab) 24,954, McWatters, G. E. (C.) 13,978. Lab majority 10,976 Major revision

Bristol (South-East)—BENN, Anthony Wedgwood (Lab) 25,257, Cooke, R G. (C) 17,210. Lab. majority 8,047. Major revision.

Bristol (West)—MONCKTON, Sir Walter (C) 32,767, Johnson, W. H. (Lab.) 10,766. C. majority 22,001 Major revision

Bromley—MACMILLAN, Harold (C) 24,612, Kaufman, G. B (Lab) 11,473. C. majority 13,139 No change.

Burnley—BURKE, W. A. (Lab) 27,865, Brooks, E. (C) 22,229 Lab. majority 5,636. No change.

Bury and Radcliffe—BIDGOOD, J. C (C) 28,080, Brennan, T (Lab.) 24,331. C. majority 3,749 No change

Cambridge—KERR, H W (C.) 27,059, Symonds, A L (Lab) 19,953. C majority 7,106. No change.

Carlisle—JOHNSON, Dr Donald (C) 20,071, Hargreaves, A (Lab.) 19,701 C. majority 370. Conservative gain from Labour

Cheltenham—BEACH, Major W Hicks (C) 24,259, Finnigan, J (Lab) 16,638. C. majority 7,621. No change.

Chesterfield—BENSON, George (Lab.) 29,602, Hadfield, F. (C and Nat L.) 21,748 Lab majority 7,854 No change.

Coventry (East)—CROSSMAN, Richard (Lab.) 27,712, Hooker, Dr M. A. (C.) 21,608. Lab majority 6,104. No change.

Coventry (North)—EDELMAN, Maurice (Lab.) 24,565, Poole, J. (C.) 21,392. Lab. majority 3,173. No change.

Coventry (South)—BURTON, Miss Elaine (Lab.) 27,449, Williamson, Mrs M. E (C.) 25,761 Lab majority 1,688. No change.

Crosby—PAGE, R. G (C.) 29,161, Adams, E. J. (Lab.) 13,725 C. majority 15,436. Major revision

Croydon (North-East)—HUGHES-HALLETT, Vice-Admiral J (C.) 25,097, Borrie, D. J (Lab.) 16,616, Walters, J. (L.) 3,892 C majority 8,481. New constituency.

Croydon (North-West)—HARRIS, F. W. (C.) 26,297, Huzzard, H. W. (Lab.) 15,760, Thurston, Miss I. E. (L) 4,139. C majority 10,537. New constituency.

Croydon (South)—THOMPSON, R. H M (C.) 27,359, Carr, A. (Lab.) 20,659. C. majority 6,700. New constituency.

Dagenham—PARKER, John (Lab.) 38,811, Gray, R I. (C.) 13,718. Lab. majority 25,093. No change.

Darlington—GRAHAM, Sir Fergus (C.) 25,765, Parkinson, A. J. (Lab.) 23,184. C. majority 2,581. No change.

Derby (North)—WILCOCK, Group-Capt. Clifford (Lab.) 24,162, Rouse, R. C. P. (C.) 19,156 Lab. majority 5,006. Major revision.

Derby (South)—NOEL-BAKER, Philip J. (Lab.) 23,081, Kimball, M. R. (C.) 16,572, Smart, A. L. (L.) 3,408. Lab. majority 6,509. Major revision.

Dewsbury—PALING, W. T. (Lab) 23,286, Shaw, M. N (C.) 15,869, Snowden, J. S. (L) 5,516. Lab. majority 7,417. Major revision.

Doncaster—BARBER, A. P. L. (C.) 24,598, Gunter, R. J. (Lab.) 22,938. C. majority 1,660. No change.

Dudley—WIGG, George (Lab.) 31,384, Wilson, T. D. (C.) 20,333, Lawler, W. L. (L.) 5,479. Lab. majority 11,051. Minor revision.

Ealing (North)—BARTER, J. W. (C.) 23,040, Hudson, J. H. (Lab) 22,794, Bender, Dr. A. E. (L.) 3,770. C. majority 246. Conservative gain from Labour.

Ealing (South)—MAUDE, Angus (C.) 25,992, Allen, D. G. (Lab.) 13,462, Evans, D. (L.) 4,182. C. majority 12,530. No change.

East Ham (North)—DAINES, Percy (Lab.) 17,961, Silverstone, A. (C.) 12,416. Lab. majority 5,545. No change.

East Ham (South)—ORAM, A. E (Lab.) 19,808, Pickford, A.J. (C.) 11,109. Lab. majority 8,699. No change.

Eccles—PROCTOR, W. T. (Lab.) 25,351, Lawson, C P. (C.) 23,025. Lab. majority 2,326. No change.

Edmonton—ALBU, A. H. (Lab.) 30,232, Olsen, Mrs. E. S. (C.) 23,194. Lab. majority 7,038. No change.

Enfield (East)—DAVIES, Ernest (Lab.) 21,658, Manning, J. L. (C.) 13,957. Lab. majority 7,701. No change.

Enfield (West)—MACLEOD, Iain (C.) 22,021, Court, W. A. (Lab.) 10,503. C. majority 11,518. No change.

Erith and Crayford—DODDS, Norman (Lab.) 24,957, Gardner, E. L. (C.) 16,339. Lab. majority 8,618. New constituency.

Eton and Slough—BROCKWAY, A. Fenner (Lab.) 20,567, Grant, J. (C.) 18,124. Lab. majority 2,443. No change.

Exeter—WILLIAMS, R. D. (C.) 24,147, Merrion, L. C. (Lab.) 18,759. C. majority 5,388. No change.

Feltham—HUNTER, A. E. (Lab.) 21,521, Erskine-Shaw, J (C.) 18,171. Lab. majority 3,350 New constituency.

Finchley—CROWDER, Sir John (C.) 30,233, Lancaster, T R. (Lab.) 17,408, Sykes, Miss M. (L) 7,775. C. majority 12,825. No change

Gateshead (East)—MOODY, A. S. (Lab.) 21,653, Glover, G (C.) 16,706. Lab majority 4,947 Major revision.

Gateshead (West)—HALL, J. T. (Lab) 22,040, Quigley, J. (C) 11,701 Lab. majority 10,339 Major revision.

Gillingham—BURDEN, F. A. (C.) 20,984, Huddart, Lt -Cmdr. J J. (Lab) 16,839 C majority 4,145. No change.

Gloucester—TURNER-SAMUELS, M (Lab.) 21,354, Napley, D C. (C) 20,606 Lab. majority 748 Major revision.

Gosport and Fareham—BENNETT, Dr R. F. (C.) 30,918, Surrey, S. J (Lab) 18,432 C majority 12,486. No change.

Grimsby—YOUNGER, K. G. (Lab.) 24,926, Worsley, Lord (C.) 21,404 Lab majority 3,522 No change.

Halifax—MACMILLAN, Maurice (C) 28,306, Brook, Dryden (Lab) 26,771. C. majority 1,535. Conservative gain from Labour

Harrow (Central)—BISHOP, F. P. (C.) 23,996, Powe, F. W. (Lab) 15,955 C majority 8,041. Major revision.

Harrow (East)—HARVEY, I. D. (C.) 22,243, Rees, M. (Lab.) 18,621. C. majority 3,622 Major revision.

Harrow (West)—BRAITHWAITE, Sir Albert (C.) 31,321, Leonard, R L (Lab.) 13,024. C. majority 18,297. Major revision.

Hartlepools—JONES, D. T (Lab.) 25,145, Goodhart, G. (C.) 23,560. Lab. majority 1,585. No change,

Hastings—COOPER-KEY, E. McN (C.) 20,469, White, R. G. (Lab) 11,933, Montgomerie, J. (L) 4,303. C. majority 8,536. Major revision.

Hayes and Harlington—SKEFFINGTON, A M (Lab) 19,558, Courtney, Cmdr A T. (C) 13,440, Foster, F. (Comm.) 886 Lab majority 6,118. No change

Hendon (North)—ORR-EWING, C I. (C.) 21,934, Monkhouse, Miss E. M. (Lab) 17,874, Barrington-Hudson, D. (L.) 3,467. C. majority 4,060 No change

Hendon (South)—LUCAS-TOOTH, Sir Hugh (C) 25,354, Homa, Dr. B (Lab) 14,918. C. majority 10,436. No change.

Heston and Isleworth—HARRIS, R. R. (C.) 25,705, Renier, Mrs. O. M. (Lab.) 19,193. C. majority 6,512. Major revision.

Hornchurch—LAGDEN, G. W (C.) 29,205, Bing, Geoffrey (Lab.) 27,833, Paterson, D. S. (L.) 6,117 C. majority 1,372. Conservative gain from Labour

Hornsey—GAMMANS, L. D. (C.) 33,294, Mostyn, F. E. (Lab.) 20,568, Jones, G. J. (Comm) 1,442 C. majority 12,726. No change

Hove—MARLOWE, A A. H. (C.) 34,314, Parker, H. F. (Lab.) 11,961. C. majority 22,353. No change

Huddersfield (East)—MALLALIEU, J. P. W. (Lab.) 22,835, Clift, D. (C.) 18,611. Lab. majority 4,224. Major revision.

Huddersfield (West)—WADE, D. W. (L.) 24,345, Drabble, J. F. (Lab.) 16,418. L. majority 7,927. Major revision.

Hull (East)—PURSEY, Commander H. (Lab.) 28,990, Richman, Capt. H. (C) 16,284, MacCallum, J. (L) 7,242. Lab. majority 12,706. Major revision.

Hull (North)—HUDSON, W R A. (C.) 25,780, Foord, J. (Lab.) 25,190. C. majority 590. Major revision.

Hull (West)—HEWITSON, Mark (Lab.) 25,785, Northam, R. (C.) 20,262. Lab. majority 5,523. New constituency.

Ilford (North)—TREMONGER, T. L. (C.) 28,749, Groves, R. (Lab.) 18,248, Rose, P. (L.) 4,702. C. majority 10,501. No change.

Ilford (South)—COOPER, A. E. (C.) 27,292, Ranger, J. (Lab.) 20,814. C. majority 6,478. No change.

Ipswich—STOKES, R. R. (Lab.) 32,306, Cobbold, J. C. (C.) 28,724. Lab. majority 3,582. No change

Jarrow—FERNYHOUGH, E. (Lab.) 24,706, Dickinson, Miss M. (C.) 14,304 Lab. majority 10,402. Major revision.

Keighley—HOBSON, C. R. (Lab.) 19,414, Worsley, W. M. (C.) 16,011, Mitchell, A. (L.) 6,310. Lab. majority 3,403. No change.

Kingston-on-Thames—BOYD-CARPENTER, J. A. (C.) 31,069, Loman, G. H. (Lab.) 16,104. C. majority 14,965. Major revision.

Leeds (East)—HEALEY, Denis (Lab.) 26,083, Chapman, C. D. (C.) 21,144. Lab. majority 4,939. New constituency.

Leeds (North-East)—PEAKE, Osbert (C.) 24,902, Waterman, H. M. (Lab.) 15,623. C. majority 9,279. Major revision.

Leeds (North-West)—KABERRY, Donald (C.) 31,923, Matthews, D. B. (Lab.) 16,594. C. majority 15,329. Major revision.

Leeds (South)—GAITSKELL, Hugh (Lab.) 25,833, Brown, Miss W. D. (C.) 13,817. Lab. majority 12,016. Major revision.

Leeds (South-East)—BACON, Miss Alice (Lab.) 25,714, Dunn, W. W. (C.) 13,142. Lab. majority 12,572. Major revision.

Leeds (West)—PANNELL, T. C. (Lab.) 24,576, Hiley, J. (C.) 18,312, Hudson, H. (L.) 3,699. Lab. majority 6,264. Major revision.

Leicester (North-East)—UNGOED-THOMAS, Sir Lynn (Lab.) 22,264, Street, Mrs. T. (C.) 17,094. Lab. majority 5,170. No change.

Leicester (North-West)—JANNER, Barnett (Lab.) 22,807, Tomlinson, F. A. (C.) 19,297. Lab. majority 3,510. No change.

Leicester (South-East)—WATERHOUSE, Capt. Charles (C.) 26,070, Masters, E. J. (Lab.) 14,529. C. majority 11,541. Major revision.

Leicester (South-West)—BOWDEN, H. W. (Lab.) 21,487, Russell, Mrs. D. (C.) 16,998. Lab. majority 4,489. No change.

Leigh—BOARDMAN, Harold (Lab.) 30,098, Leck, J. B. (C.) 18,142. Lab. majority 11,956. No change.

Leyton—SORENSEN, Rev. R. W. (Lab.) 29,747, Buxton, R. C. (C.) 21,543, Richards, E. L. (L.) 4,421. Lab. majority 8,204. No change.

Lincoln—de FREITAS, Geoffrey (Lab.) 23,773, Emery, P. F. (C.) 18,551. Lab. majority 5,222. No change.

Liverpool (Edge Hill)—IRVINE, A J. (Lab) 20,060, Rigg, H S. (C.) 18,940. Lab. majority 1,120. Major revision

Liverpool (Exchange)—BRADDOCK, Mrs. E M (Lab) 19,457, Papworth, Mrs. A E. (C) 12,271, Murphy, L (Ind. Lab.) 2,928. Lab majority 7,186 Major revision.

Liverpool (Garston)—RAIKES, Sir Victor (C.) 28,130, Nixon, T. E. (Lab) 16,161. C. majority 11,969 Major revision

Liverpool (Kirkdale)—PANNELL, N. A (C.) 22,356, Keenan, W. (Lab.) 20,542. C. majority 1,814. Major revision

Liverpool (Scotland)—LOGAN, D G. (Lab) 21,928, Allanson, G. F (C) 11,821. Lab majority 10,107 Minor revision

Liverpool (Toxteth)—BEVINS, J R. (C.) 20,576, Lawn, W E (Lab) 16,037 C. majority 4,539. Minor revision.

Liverpool (Walton)—THOMPSON, K P (C) 23,851, Cleary, J J (Lab.) 20,989. C. majority 2,862. Major revision.

Liverpool (Wavertree)—TILNEY, J D (C) 28,172, Aspin, Mrs M. (Lab) 12,552. C. majority 15,620 Major revision

Liverpool (West Derby)—WOOLLAM, J V. (C.) 21,124, Fenton, C R. (Lab) 18,540. C. majority 2,584. Major revision

Luton—HILL, Dr. Charles (L and C) 24,722, Janis, M (Lab) 20,304, Henderson, Miss J. (L) 3,140 L. and C. majority 4,418 No change.

Manchester (Ardwick)—LEVER, L. M. (Lab.) 22,822, Hampson, G (C) 20,740. Lab. majority 2,082. Major revision

Manchester (Blackley)—JOHNSON, E S. T (C) 25,395, Diamond, J. (Lab.) 19,959. C majority 5,436 No change.

Manchester (Cheetham)—LEVER, N H (Lab) 21,721, Eayrs, J. M. (C) 13,190 Lab. majority 8,531 Major revision

Manchester (Exchange)—GRIFFITHS, William (Lab.) 20,203, de Ferranti, B. Z (C) 12,922. Lab majority 7,281 Major revision.

Manchester (Gorton)—ZILLIACUS, K (Lab) 21,102, Campbell, K. B. (C) 20,833. Lab majority 269. Major revision

Manchester (Moss Side)—HORSBRUGH, Dame Florence (C) 23,631, Marks, K. (Lab.) 13,103 C majority 10,528 No change

Manchester (Openshaw)—WILLIAMS, W R (Lab.) 24,638, Day, H. (C.) 16,596. Lab. majority 8,042. New constituency

Manchester (Withington)—CARY, Sir Robert (C) 25,707, Hayes, J. B (Lab.) 13,054, Davies, G. V. (L) 5,077 C majority 12,653 Major revision.

Manchester (Wythenshawe)—HILL, Mrs Evelnie (C) 26,200, Atkinson, N. (Lab.) 23,378 C. majority 2,822 Major revision

Merton and Morden—ATKINS, H E. (C) 25,373, Edwards, R J (Lab.) 18,983 C. majority 6,390 No change.

Middlesbrough (East)—MARQUAND, H A. (Lab.) 27,036, Connelly, B. A (C) 16,278 Lab majority 10,758. No change

Middlesbrough (West)—SIMON, J. E. (C.) 25,495, Smythe, Mrs R. A. (Lab.) 18,134. C. majority 7,361. No change.

Mitcham—CARR, L. R. (C) 32,798, Jenkins, H G. (Lab.) 25,208 C majority 7,590. No change.

Nelson and Colne—SILVERMAN, Sidney (Lab.) 22,135, Kellett, Mrs. M. E. (C) 19,844. Lab. majority 2,291. No change

Newcastle-under-Lyme—SWINGLER, S. T (Lab) 28,314, Taylor, F. H. (C.) 21,569. Lab. majority 6,745 No change.

Newcastle-upon-Tyne (Central)—SHORT, E. W. (Lab.) 26,102, Peters, G. (C.) 13,099. Lab. majority 13,003. Major revision

Newcastle-upon-Tyne (East)—BLENKINSOP, Arthur (Lab.) 22,816, Walker, G. F. H. (C) 20,994. Lab majority 1,822. No change.

Newcastle-upon-Tyne (North)—LLOYD-GEORGE, Major Gwilym (L. and C) 25,236, Chisholm, B (Lab) 14,303. L. and C majority 10,933 No change.

Newcastle-upon-Tyne (West)—POPPLEWELL, Ernest (Lab) 25,401, Grey, A. (C) 20,217. Lab majority 5,184 Major revision

Northampton—PAGET, R T. (Lab.) 32,119, Clark, Major W G. (C.) 28,771. Lab majority 3,348 No change

Norwich (North)—PATON, John (Lab.) 18,682, Eaton, T. C. (C) 12,087 Lab. majority 6,595 No change.

Norwich (South)—RIPPON, A. G. F (C) 18,659, Tylecote, Mrs. Mabel (Lab) 16,901. C majority 1,758. No change.

Nottingham (Central)—CORDEAUX, Lt.-Col. J K. (C) 20,903, Winterbottom, I. (Lab) 20,145. C. majority 758. Major revision.

Nottingham (North)—HARRISON, James (Lab) 26,552, Colvin, I. G. (C.) 20,462, Peck, J. (Comm.) 916. Lab majority 6,090 New constituency.

Nottingham (South)—KEEGAN, Denis (C.) 29,145, Smith, H. N. (Lab.) 22,092. C. majority 7,053. Major revision.

Nottingham (West)—O'BRIEN, Tom (Lab.) 25,539, Richardson, F M (C) 21,631 Lab. majority 3,908. New constituency.

Oldbury and Halesowen—MOYLE, Arthur (Lab.) 24,123, Bridger, P. A (C.) 19,068, Mirfin, D. (L.) 9,171. Lab. majority 5,055. No change.

Oldham (East)—HOROBIN, Sir Ian (C.) 19,185, Mapp, C. (Lab.) 18,805, Leslie, R. (L.) 5,506. C. majority 380. Minor revision.

Oldham (West)—HALE, C. L. (Lab.) 23,164, Grigg, J. E. P. (C.) 19,265. Lab. majority 3,899. Minor revision.

Oxford—TURNER, H. F. L. (C) 27,708, Elvin, G. H. (Lab.) 19,930, Davies, I. R. M. (L.) 5,336 C. majority 7,778. No change.

Plymouth (Devonport)—VICKERS, Miss Joan (C. and Nat. L.) 24,821, Foot, Michael (Lab.) 24,721, Mayne, A. R. (L.) 3,100. C. and Nat L. majority 100. Major revision.

Plymouth (Sutton)—ASTOR, J. J. (C.) 30,051, Middleton, Mrs Lucy (Lab.) 26,241. C. majority 3,810. Major revision.

Pontefract—SYLVESTER, G. O. (Lab.) 32,646, Blake, A. G. (C. and Nat. L.) 10,183. Lab. majority 22,463. No change.

Poole—PILKINGTON, Capt. R A. (C.) 26,594, Reeves, F. C. (Lab.) 17,032, Holland, J. C. (L.) 5,750. C. majority 9,562. No change.

Portsmouth (Langstone)—STEVENS, G. P. (C.) 32,014, Davies, S. C. (Lab.) 17,859. C. majority 14,155. Minor revision.

Portsmouth (South)—LUCAS, Sir Jocelyn (C.) 27,887, Carroll, L W. (Lab.) 13,600 C majority 14,287. Minor revision

Portsmouth (West)—CLARKE, Brigadier, T. H. (C) 23,729, Birk, Mrs. A. L (Lab.) 20,060 C. majority 3,669. Minor revision.

Preston (North)—AMERY, Julian (C) 22,310, Hewitt, E (Lab) 19,407 C. majority 2,903. No change

Preston (South)—GREEN, Alan (C.) 21,497, Shackleton, Wing-Cdr. Edward (Lab.) 21,023. C majority 474. Conservative gain from Labour.

Pudsey—BANKS, Colonel Cyril (C) 20,445, Payton, B. A (Lab) 15,881, Wainwright, R S (L.) 6,526 C majority 4,564 No change.

Reading—MIKARDO, Ian (Lab) 25,228, Bennett, F M (C) 24,990. Lab. majority 238 New constituency

Richmond—HARVIE-WATT, Sir George (C.) 27,628, Barr, J. S. (Lab) 14,673, Haynes, Miss E (L) 5,266 C majority 12,955. No change.

Rochdale—SCHOFIELD, Lt -Col. Wentworth (C) 26,518, McCann, J (Lab) 24,928. C majority 1,590 No change.

Rochester and Chatham—BOTTOMLEY, A. G (Lab.) 26,645, Campbell, J. D (C.) 24,198. Lab. majority 2,447 Minor revision

Romford—LEDGER, R J (Lab) 27,326, Harvey, R. J. (C.) 24,701 Lab. majority 2,625 Major revision.

Rossendale—GREENWOOD, Anthony (Lab) 23,472, Parkinson, J E. (C) 20,561 Lab. majority 2,911. No change.

Rotherham—JONES, J H (Lab) 27,423, Blake, W G (C) 15,882. Lab majority 11,541. No change

Rowley Regis and Tipton—HENDERSON, Arthur (Lab.) 28,166, Hill, A. A (C) 14,998 Lab. majority 13,168 Minor revision.

Ruislip-Northwood—CROWDER, F P (C) 24,806, Burden, G. S. (Lab) 13,251 C majority 11,555 No change.

St. Helens—SHAWCROSS, Sir Hartley (Lab) 35,737, Caplin, J M. (C) 19,854. Lab. majority 15,883 Minor revision.

Salford (East)—ALLAUN, Frank (Lab.) 20,351, Whiteley, J (C.) 18,623 Lab majority 1,728 No change

Salford (West)—ROYLE, Charles (Lab) 22,413, Moore, H D. (C) 21,554. Lab majority 859. No change

Sheffield (Attercliffe)—HYND, J B (Lab.) 33,071, Lambert, H. L (C and L) 13,503. Lab. majority 19,568 Major revision

Sheffield (Brightside)—WINTERBOTTOM, R. E. (Lab) 27,643, Flynn, E. W (C and L.) 12,239, Hill, H (Comm) 1,461. Lab majority 15,404 Major revision

Sheffield (Hallam)—JENNINGS, Sir Roland (C and L.) 30,069, Marsden, J. (Lab) 15,330 C. and L majority 14,739. Major revision

Sheffield (Heeley)—ROBERTS, P. G (C and L) 30,798, Sewell, J (Lab) 19,747 C. and L. majority 11,051. Major revision

Sheffield (Hillsborough)—DARLING, George (Lab) 23,438, Arnold, S. K. (C. and L.) 16,428. Lab. majority 7,010. Major revision

Sheffield (Park)—MULLEY, F W (Lab.) 28,904, Rippon, S. B (C. and L) 10,565 Lab majority 18,339 Major revision

Smethwick—WALKER, P. C G. (Lab.) 23,151, Wells, J. J (C.) 16,656. Lab. majority 6,495 No change

Southall—PARGITER, G. A (Lab.) 25,207, Tickler, A. (C) 18,872 Lab. majority 6,335. No change.

Southampton (Itchen)—KING, Dr. H. M (Lab.) 29,149, Loader, L. T. (C.) 23,378. Lab. majority 5,771. Major revision.

Southampton (Test)—HOWARD, J M. (C) 26,707, Crosland, Anthony (Lab.) 22,865, Little S (L.) 2,583. C. majority 3,842. Major revision.

Southend (East)—McADDEN, S. J. (C) 23,958, Clough, W. H (Lab.) 17,200 C. majority 6,758 Major revision.

Southend (West)—CHANNON, Henry (C.) 27,326, Marchesi, V. G. (Lab.) 8,866, Harvey, Miss H. J. (L.) 6,375. C majority 18,460. Major revision.

Southgate—BAXTER, Sir Beverley (C.) 26,794, Caunt, G L (Lab.) 8,584, Bridge, G. J. (L.) 7,614. C. majority 18,210 No change

Southport—FLEETWOOD-HESKETH, R (C) 30,268, Cameron, P. (Lab.) 12,827. C. majority 17,441. No change.

South Shields—EDE, J Chuter (Lab.) 31,734, Chalmers, J. (C) 21,482. Lab. majority 10,252. No change.

Stockport (North)—HULBERT, Wing-Commander N J. (C.) 23,547, Nichol, Mrs M E. (Lab.) 18,980. C majority 4,567. No change.

Stockport (South)—STEWARD, H. M. (C.) 20,698, Roberts, E. A. (Lab.) 16,612. C majority 4,086 No change

Stockton-on-Tees—CHETWYND, G. R. (Lab) 23,422, Longbottom, C. B. (C.) 19,607. Lab majority 3,815 No change.

Stoke-on-Trent (Central)—STROSS, Dr. B. (Lab.) 28,452, Price, G. B. (C.) 16,097. Lab. majority 12,355 Minor revision

Stoke-on-Trent (North)—SLATER. Mrs Harriet (Lab.) 29,473, Middup, S. F. (C) 14,599. Lab. majority 14,874. Minor revision

Stoke-on-Trent (South)—SMITH, Ellis (Lab.) 31,003, Webb, B. G (C.) 17,739. Lab. majority 13,264. Minor revision.

Stretford—STOREY, S. (C.) 33,101, Barton, F. G. (Lab.) 21,267 C. majority 11,834. No change.

Sunderland (North)—WILLEY, F. T (Lab.) 24,237, Herbert, A. M. (C.) 21,401. Lab. majority 2,836. No change.

Sunderland (South)—WILLIAMS, P. G. (C) 24,727, Armstrong, E. (Lab) 22,953. C. majority 1,774 No change.

Surbiton—FISHER, Nigel (C.) 22,863, Richards, S. G (Lab.) 12,380. C. majority 10,483. New constituency

Sutton and Cheam—SHARPLES, R. C. (C.) 29,538, Lewis, R. M. (Lab.) 15,205. C. majority 14,333. No change.

Sutton Coldfield—LLOYD, Geoffrey (C.) 31,552, Norwood, C. B (Lab.) 13,565. C. majority 17,987. Major revision.

Swindon—NOEL-BAKER, F. E. (Lab.) 21,926, Medd, P. W. (C.) 17,987. Lab. majority 3,939. No change.

Torquay—WILLIAMS, Charles (C.) 29,777, Briscoe, R. (Lab.) 12,547, Bessell, P. (L.) 7,012. C. majority 17,230. No change.

Tottenham—MESSER, Sir Frederick (Lab.) 26,636, Fraser, Major I. M. (C) 17,753. Lab. majority 8,883. No change

Twickenham—COOKE, R G. (C.) 33,726, O'Gorman, P. (Lab) 17,450, Neilson, Miss M. (L.) 6,626. C. majority 16,276 No change.

Tynemouth—WARD, Miss Irene (C.) 30,949, Finegan, J. (Lab.) 20,113, Carncross, R. (L) 5,082. C. majority 10,836. No change

Wakefield—JONES, A. C. (Lab.) 28,180, Hinchcliffe, D. (C.) 18,435. Lab. majority 9,745 Major revision.

Wallasey—MARPLES, A. E (C) 33,537, Clements, W. T (Lab) 19,319. C majority 14,218. No change

Wallsend—McKAY, J (Lab) 34,625, Baird, R B. (C.) 25,275. Lab. majority 9,350. No change.

Walsall (North)—WELLS, W. T. (Lab.) 26,665, Roberts, Dr. F. M. (L. and C) 15,970. Lab majority 10,695 New constituency.

Walsall (South)—d'AVIGDOR-GOLDSMID, Sir Henry (C) 24,077, Ennals, J A F (Lab) 21,651 C majority 2,426 New constituency

Walthamstow (East)—HARVEY, J. E (C.) 16,873, Wallace, H. W (Lab.) 15,744, Cork, N. H (L) 3,882. C. majority 1,129 Conservative gain from Labour

Walthamstow (West)—ATTLEE, Clement R. (Lab) 19,327, Hornby, R P (C) 10,077 Lab majority 9,250 No change.

Warrington—SUMMERSKILL, Dr. Edith (Lab) 22,721, Davies, H. (C) 17,075. Lab majority 5,646. Minor revision

Watford—FAREY-JONES, F W (C) 22,546, Bramall, E. A. (Lab) 20,829 C majority 1,717 Conservative gain from Labour.

Wednesbury—EVANS, S. N. (Lab) 26,064, Hall, R E. (C) 17,120 Lab. majority 8,944. Major revision.

Wembley (North)—BULLUS, Wing-Commander E. E (C.) 22,701, Phillips, Mrs. J. (Lab) 12,592, Abrahams, Lady Ruth (L) 4,916 C. majority 10,109 No change.

Wembley (South)—RUSSELL, R. S. (C.) 22,052, Hutchison, E. C. (Lab.) 15,596. C. majority 6,456. No change

West Bromwich—DUGDALE, John (Lab.) 26,242, Dashwood, F. J. (C.) 16,222. Lab majority 10,020. No change.

West Ham (North)—LEWIS, Arthur (Lab.) 27,249, Bowen, Miss M (C.) 10,712, Penwarden, D. (L) 3,393. Lab. majority 16,537. No change

West Ham (South)—JONES, F. Elwyn (Lab) 29,451, Emden, E. J. (C.) 5,997. Lab majority 23,454. No change.

Wigan—WILLIAMS, R W. (Lab) 29,755, Lowe, H. D (C) 14,883, Rowlandson, T. (Comm) 1,567 Lab majority 14,872 No change.

Willesden (East)—ORBACH, Maurice (Lab) 23,397, Simms, R E. (C.) 22,738. Lab majority 659 No change.

Willesden (West)—VIANT, S P (Lab) 29,185, Kenyon, P. B (C.) 18,074. Lab. majority 11,111. No change.

Wimbledon—BLACK, C W. (C.) 22,112, Janner, G. E. (Lab.) 11,622. C majority 10,490. Major revision.

Wolverhampton (North-East)—BAIRD, John (Lab.) 23,596, Hardman, F. (C) 14,387 Lab. majority 9,209. Major revision

Wolverhampton (South-West)—POWELL, J E (C.) 25,318, Burgess, L H (Lab.) 16,898. C. majority 8,420. Major revision.

Woodford—CHURCHILL, Sir Winston (C.) 25,069, Milner, A. K. (Lab.) 9,261. C. majority 15,808. Major revision.

Wood Green—BUTLER, Mrs Joyce (Lab) 25,523. Cathles, G (C.) 21,811. Lab. majority 3,712 No change.

Worcester—WARD, G. R. (C.) 25,610, Pike, L. V (Lab.) 19,508. C. majority 6,102. No change

Worthing—PRIOR-PALMER, Brigadier O. L. (C.) 31,106, Stevens, B (Lab.) 9,231 C majority 21,875. No change.

York—HYLTON-FOSTER, Sir Harry (C.) 31,402, McKitterick, T E. M (Lab.) 30,298. C majority 1,104. No change.

English Counties.

Bedfordshire (Bedford)—SOAMES, Capt. Christopher (C.) 24,733, Aldridge, H. J. (Lab.) 19,792. C. majority 4,941. Minor revision.

Bedfordshire (Mid)—LENNOX-BOYD, A. T. (C) 23,012, Skeffington-Lodge, T. C. (Lab) 19,048 C. majority 3,964. Minor revision.

Bedfordshire (South)—COLE, N. J. (L. and C.) 23,365, Moeran, E. W. (Lab.) 20,897. L. and C. majority 2,468. No change.

Berkshire (Abingdon)—NEAVE, Airey (C.) 25,613, Reid, Mrs. M. (Lab.) 16,979, Allen, G. R (L.) 4,270. C. majority 8,634. No change

Berkshire (Newbury)—HURD, A. R. (C.) 26,080, Evans, J. A. (Lab) 18,843. C majority 7,237. Major revision.

Berkshire (Windsor)—MOTT-RADCLYFFE, C. E. (C.) 25,390, Robinson, W. O. (Lab.) 14,666. C majority 10,724. No change.

Berkshire (Wokingham)—REMNANT, P. F. (C.) 25,843, Boston, T. G. (Lab.) 12,895, McQuade, J. (L.) 4,679. C. majority 12,948 Major revision.

Buckinghamshire (Aylesbury)—SUMMERS, G. S. (C.) 20,330, Harman, A. S (Lab.) 14,569, Fry, H. (L.) 5,869. C. majority 5,761. No change.

Buckinghamshire (Buckingham)—MARKHAM, Sir Frank (C.) 23,250, Evans, Dr. D. G. (Lab.) 22,110. C. majority 1,140. No change.

Buckinghamshire (South)—BELL, R. M. (C.) 29,165, Robinson, W. E. (Lab.) 11,184, Brunner, P. (L.) 6,885. C. majority 17,981. No change.

Buckinghamshire (Wycombe)—HALL, John (C.) 29,845, Fletcher, L. R. (Lab.) 21,905. C. majority 7,940. No change.

Cambridgeshire—HOWARD, S. G. (C.) 25,025, Walston, H. D. (Lab.) 21,051. C. majority 3,974. No change.

Cheshire (Cheadle)—SHEPHERD, W. S. (C.) 30,940, Stone, H. V. (Lab.) 10,966, Palmer, R. A. (L.) 7,756. C. majority 19,974. No change.

Cheshire (City of Chester)—NIELD, B. E. (C.) 24,905, Forrester, J. M. (Lab.) 13,903, Llewellyn, J. D (L.) 5,145. C. majority 11,002. No change.

Cheshire (Crewe)—ALLEN, S. S. (Lab) 21,629, Boston, G. F. (C.) 15,273, Rothwell, T. S. (L) 4,306. Lab. majority 6,356. Major revision

Cheshire (Knutsford)—BROMLEY-DAVENPORT, Lt.-Col. W. H. (C.) 29,074, Hamnett, C. (Lab.) 9,588. C. majority 19,486. Major revision

Cheshire (Macclesfield)—HARVEY, Air-Commodore A. V. (C.) 27,551, Lomas, K. (Lab.) 18,362 C. majority 9,189. No change

Cheshire (Nantwich)—GRANT-FERRIS, Wing-Commander R. (C.) 20,250, Knight, L (Lab) 12,884 C. majority 7,366. New constituency.

Cheshire (Northwich)—FOSTER, J. G. (C.) 20,697, Page, J. D. (Lab) 14,142. C majority 6,555 Major revision.

Cheshire (Runcorn)—VOSPER, D. F. (C) 24,682, Barker, D. (Lab.) 13,852 C. majority 10,830. No change.

Cheshire (Stalybridge and Hyde)—BLACKBURN, Fred (Lab) 23,617, Owen, I W (C) 23,462 Lab majority 155 No change

Cheshire (Wirral)—LLOYD, J. Selwyn (C) 33,027, Chrimes, R. B. (Lab) 15,976 C. majority 17,051. No change.

Cornwall (Bodmin)—MARSHALL, Douglas (C.) 17,858, Roseveare, T S. (L.) 10,199, Wilde, E. F. (Lab.) 8,304 C majority 7,659. No change.

Cornwall (Falmouth and Camborne)—HAYMAN, F. H. (Lab) 21,587, King P. P (C.) 20,540. Lab. majority 1,047 No change

Cornwall (North)—ROPER, Sir Harold (C.) 16,824, Malindine, E. (L) 15,220, Cornford, V. E (Lab.) 3,465. C. majority 1,604. No change

Cornwall (St. Ives)—HOWARD, G. R. (Nat. L. and C.) 17,063, Pawley, L S. (Lab.) 9,728, Banks, D. A. (L.) 6,020. Nat. L. and C. majority 7,335. No change.

Cornwall (Truro)—WILSON, H. G. B. (C.) 19,900, Newby, J N. (Lab.) 15,183, Secar, Miss N (L.) 8,056. C. majority 4,717. No change.

Cumberland (Penrith and the Border)—WHITELAW, W. S. (C.) 22,791, MacDonald, T. L. (Lab.) 9,119, Sleath, F. J. (L.) 7,342, Brownrigg, W (Ind. C.) 368 C majority 13,672. No change.

Cumberland (Whitehaven)—ANDERSON, Frank (Lab) 22,348, Irodell, G. W (C) 16,154 Lab. majority 6,194. No change.

Cumberland (Workington)—PEART, T F. (Lab.) 25,110, Brannan, T. M. (C) 17,182. Lab majority 7,928 No change.

Derbyshire (Belper)—BROWN, George (Lab.) 30,214, Twells, J. (C.) 24,115. Lab. majority 6,099. No change

Derbyshire (Bolsover)—NEAL, Harold (Lab) 30,074, Bell, B. R (C) 8,055 Lab. majority 22,019 No change.

Derbyshire (High Peak)—MOLSON, Hugh (C.) 19,094, McBride, N. (Lab) 13,652, Cawley, S. (L.) 6,712. C. majority 5,442. No change

Derbyshire (Ilkeston)—OLIVER, G. H. (Lab.) 38,961, Farr, J. A (C) 17,268. Lab. majority 21,693. No change

Derbyshire (North-East)—WHITE, Henry (Lab) 34,965, Shaw, G. R (C.) 17,621. Lab. majority 17,344. No change.

Derbyshire (South-East)—CHAMPION, A. J. (Lab.) 25,620, Jackson, Lt.-Col. F. L. (C.) 24,039. Lab. majority 1,581. Major revision

Derbyshire (West)—WAKEFIELD, E. B (C.) 21,052, Stirling, R. B. (Lab.) 14,296. C. majority 6,756. No change.

Devon (Honiton)—MATHEW, Robert (C.) 25,808, Halse, J. B. (L.) 11,067, Thornton, F. W. (Lab.) 7,907. C. majority 14,741. No change.

Devon (North)—LINDSAY, James (C.) 16,784, Thorpe, J. J. (L.) 11,558, Heslop, H. (Lab.) 7,272 C majority 5,226. No change.

Devon (Tavistock)—STUDHOLME, H. G (C.) 18,991, Lawrance, H. (Lab.) 8,755, Moore, R. (L.) 6,937. C. majority 10,236. No change.

Devon (Tiverton)—AMORY, D. Heathcoat (C.) 23,475, Duffy, A. E. (Lab.) 13,051. C majority 10,424. No change.

Devon (Torrington)—LAMBERT, George (Nat. L. and C.) 20,124, Lamb, L. (Lab.) 10,812 Nat. L. and C. majority 9,312. No change.

Devon (Totnes)—MAWBY, R. L. (C.) 26,381, Mann. D. J. (Lab.) 14,787, Shobbrook, A. C. (L.) 9,471. C. majority 11,594. No change.

Dorset (North)—CROUCH, R. F. (C.) 18,906, Portman, M. (L.) 11,747, Dutfield, H J. (Lab.) 5,633 C. majority 7,159. No change.

Dorset (South)—HINCHINGBROOKE, Viscount (C.) 22,119, Stacey, F. N (Lab.) 16,702, Goode, N. (L.) 4,798. C. majority 5,417. No change.

Dorset (West)—DIGBY, S. Wingfield (C.) 21,007, King, L. W. (Lab.) 14,244 C. majority 6,763. No change.

Durham (Bishop Auckland)—DALTON, Dr. Hugh (Lab.) 21,804, Youngson, R. D. M. (C.) 15,959. Lab. majority 5,845. No change.

Durham (Blaydon)—WHITELEY, William (Lab.) 25,273, Reay-Smith, J M. (C.) 12,750. Lab. majority 12,523. No change.

Durham (Chester-le-Street)—BARTLEY, Patrick (Lab.) 32,323, Wright, D. A. (C.) 10,047. Lab. majority 22,276. No change.

Durham (Consett)—STONES, William (Lab.) 30,979, Montgomery, W. F. (C.) 15,224. Lab. majority 15,755. No change.

Durham (Durham)—GREY, C. F. (Lab.) 32,412, MacCarthy, C. P. (C.) 16,640. Lab. majority 15,772. No change.

Durham (Easington)—SHINWELL, Emanuel (Lab.) 34,352, Rossiter, G. W. (C.) 9,095. Lab. majority 25,257. No change.

Durham (Houghton-le-Spring)—BLYTON, W. R. (Lab.) 33,375, Egerton, T. E. (C.) 10,476. Lab. majority 22,899. No change.

Durham (North-West)—AINSLEY, J. W. (Lab.) 27,116, Hubble, T. T. (C.) 13,110. Lab. majority 14,006. No change.

Durham (Sedgefield)—SLATER, J. (Lab.) 27,221, Appleby, D. (C.) 18,368. Lab. majority 8,853. No change.

Essex (Billericay)—BODY, R. F. (C.) 24,327, Clapham, B. R. (Lab.) 20,121. C. majority 4,206. Major revision.

Essex (Chelmsford)—ASHTON, Hubert (C.) 25,450, Floud, B. F. C. (Lab.) 20,301. C. majority 5,149. Major revision.

Essex (Chigwell)—BIGGS-DAVISON, J. A. (C.) 19,503, Clark, D. (Lab.) 17,628. C. majority 1,875. New constituency.

Essex (Colchester)—ALPORT, C. J. M. (C) 24,796, Thomas, N R (Lab.) 19,898. C majority 4,898. No change

Essex (Epping)—FINLAY, G. B. (C.) 26,065, Manning, Mrs Leah (Lab.) 22,542, Arlott, John (L.) 7,528 C majority 3,523 No change.

Essex (Harwich)—RIDSDALE, J E. (C. and L) 23,889, Catlin, Miss Shirley (Lab) 14,425, Akst, W. I. (L.) 4,010. C and L majority 9,464. No change.

Essex (Maldon)—HARRISON, A. B. (C.) 22,002, Scutts, L (Lab) 21,452. C. majority 550. Conservative gain from Labour

Essex (Saffron Walden)—BUTLER, R. A (C) 20,671, Horne, Rev. H. N (Lab.) 14,253, Carson, Miss H G. (L.) 3,209 C majority 6,418. No change.

Essex (South-East)—BRAINE, B R. (C) 20,531, Harby, E. W. (Lab) 13,841. C. majority 6,690. New constituency.

Essex (Thurrock)—DELARGY, H. J. (Lab.) 31,375, Petty, G A. (C.) 16,046. Lab majority 15,329 No change.

Gloucestershire (Cirencester and Tewkesbury)—MORRISON, W S. [Speaker of the House of Commons] (C) 25,372, Cox, D C. (Ind. Lab) 12,394. C majority 12,978 Major revision

Gloucestershire (South)—CORFIELD, Capt F V. (C.) 21,760, Bishop, E. S. (Lab) 20,034. C. majority 1,726. Major revision

Gloucestershire (Stroud)—KERSHAW, J. A (C.) 23,318, Evely, R. W. (Lab.) 19,375, Ayliffe, E. B (L) 4,489. C majority 3,943 New constituency.

Gloucestershire (West)—PRICE, M P (Lab.) 22,366, Williams, Major B. J (C) 18,346. Lab. majority 4,020 No change

Hampshire (Aldershot)—ERRINGTON, Sir Eric (C.) 22,701, Richards, Major J D. (Lab) 13,129, Lakeman, Miss E (L) 4,232 C. majority 9,572. No change.

Hampshire (Basingstoke)—FREETH, D. K. (C.) 24,973, Royle, W. (Lab.) 18,683 C majority 6,290. Major revision

Hampshire (Eastleigh)—PRICE, David (C) 20,215, Haire, J E. (Lab) 19,670. C. majority 545. New constituency

Hampshire (New Forest)—CROSTHWAITE-EYRE, Colonel O. E (C.) 27,027, Barnes, H. J. (Lab) 12,285 C majority 14,742. Major revision.

Hampshire (Petersfield)—LEGH, P. R (C.) 24,826, Mason, F. R. (Lab.) 10,736. C. majority 14,090 Major revision

Hampshire (Winchester)—SMITHERS, Peter (C.) 23,827, Ridley, J G. (Lab.) 12,591. C majority 11,236 Major revision

Herefordshire (Hereford)—THOMAS, J. P. L (C) 18,058, Owen, Frank (L) 8,658, Seers, Mrs. E. L (Lab.) 8,154 C majority 9,400 No change.

Herefordshire (Leominster)—BALDWIN, A. E (C) 18,487, Evans, A. T. (Lab) 9,740. C. majority 8,747. No change

Hertfordshire (Barnet)—MAUDLING, Reginald (C) 30,299, Hyam, S. (Lab.) 19,570. C. majority 10,729. Major revision.

Hertfordshire (East)—WALKER-SMITH, Derek (C) 26,936, Hilton, W. S. (Lab) 20,418 C. majority 6,518 New constituency

Hertfordshire (Hemel Hempstead)—DAVIDSON, Viscountess (C) 25,648, MacKenzie, N. I. (Lab.) 19,512, Saich, E. (L) 5,111. C. majority 6,136. No change.

Hertfordshire (Hertford)—BALNIEL, Lord (C) 25,014, McKnight, J. (Lab.) 19,030. C. majority 5,984. Major revision.

Hertfordshire (Hitchin)—MADDAN, Martin (C) 26,371, Benenson, P. J. (Lab.) 25,406. C. majority 965. Major revision.

Hertfordshire (St. Albans)—GRIMSTON, John (C.) 21,828, Short, Mrs. R. (Lab.) 16,107 C. majority 5,721. Major revision

Hertfordshire (South-West)—LONGDEN, G. J. M (C) 28,847, Thomas, W. (Lab.) 21,878. C. majority 6,969. No change.

Huntingdonshire—RENTON, David (Nat. L. and C) 20,609, Franks, J. A. (Lab) 14,670 Nat L. and C. majority 5,939 No change

Isle of Ely—LEGGE-BOURKE, Major E A. H. (C.) 24,862, Gray, Commander A. F. (Lab) 18,416. C. majority 6,446. No change.

Isle of Wight—MACDONALD, Sir Peter (C.) 31,335, Conbeer, S G. (Lab.) 18,698. C. majority 12,637. No change.

Kent (Ashford)—DEEDES, W. F. (C.) 23,992, Sandelson, N D (Lab.) 15,685. C. majority 8,307. No change

Kent (Canterbury)—THOMAS, L. M. (C.) 28,739, Ward, R. G. (Lab.) 14,444. C. majority 14,295. No change.

Kent (Chislehurst)—THORNSBY-SMITH, Miss Patricia (C.) 24,514, Wallace, G. D. (Lab.) 20,644, Blackburn, D. C. (L) 4,120. C majority 3,870 Major revision.

Kent (Dartford)—IRVING, Sydney (Lab.) 25,928, Walker, P. E. (C.) 21,730. Lab. majority 4,198. Major revision

Kent (Dover)—ARBUTHNOT, John (C.) 27,316, Lee, H. W (Lab.) 24,298. C. majority 3,018. No change.

Kent (Faversham)—WELLS, P. L. (Lab.) 23,981, Bossom, Major C. (C.) 23,922. Lab. majority 59. No change.

Kent (Folkestone and Hythe)—MACKESON, Sir Harry (C.) 23,851, Reeves, L. L. (Lab.) 12,849. C. majority 11,002. No change.

Kent (Gravesend)—KIRK, P. M. (C.) 22,058, Mishcon, V. (Lab.) 19,149, Acland, Sir Richard (Ind.) 6,514. C. majority 2,909. Major revision.

Kent (Isle of Thanet)—REES-DAVIES, W. R. (C.) 31,270, Jones, K. (Lab.) 18,981 C. majority 12,289. No change

Kent (Maidstone)—BOSSOM, Sir Alfred (C.) 27,267, Shaw, O L (Lab.) 19,861. C. majority 7,406. No change

Kent (Orpington)—SUMNER, W. D. M. (C.) 22,166, Hart, N. J. (Lab.) 10,230, Howard, A. B. (L.) 4,610. C. majority 11,936. Major revision

Kent (Sevenoaks)—RODGERS, J. C. (C.) 28,936, Powrie, J. N (Lab.) 17,858. C. majority 11,078. No change

Kent (Tonbridge)—WILLIAMS, G. W. (C.) 29,521, Fagg, R. L. (Lab.) 19,325. C. majority 10,196. No change.

Lancashire (Chorley)—KENYON, Clifford (Lab.) 24,994, Hall-Davis, A. G. (C.) 23,656. Lab. majority 1,338. Major revision.

Lancashire (Clitheroe)—FORT, Richard (C) 21,615, Rutter, W. (Lab.) 16,671. C. majority 4,944 No change

Lancashire (Darwen)—FLETCHER-COOKE, Charles (C.) 26,729, Haines, R (Lab) 18,813 C. majority 7,916. Major revision

Lancashire (Farnworth)—THORNTON, Ernest (Lab) 24,829, Waddington, D. C (C.) 18,231. Lab majority 6,598 No change.

Lancashire (Heywood and Royton)—LEAVEY, J. A (C.) 25,824, Tillotson, A. L (Lab.) 22,614 C majority 3,210. No change.

Lancashire (Huyton)—WILSON, Harold (Lab) 24,858, Morgan, W G (C) 22,300 Lab majority 2,558 Minor revision.

Lancashire (Ince)—BROWN, T. J (Lab) 29,830, Beaman, G L. (C) 11,183. Lab. majority 18,647 No change.

Lancashire (Lancaster)—MACLEAN, Brigadier Fitzroy (C) 19,873, Attlee, Christopher (Lab) 15,324. C. majority 4,549. No change.

Lancashire (Middleton and Prestwich)—BARLOW, Sir John (C) 27,096, Dell, E (Lab.) 16,989 C majority 10,107 No change

Lancashire (Morecambe and Lonsdale)—FRASER, Sir Ian (C) 29,706, Fielding, W (Lab) 12,005 C. majority 17,701. No change.

Lancashire (Newton)—LEE, Frederick (Lab.) 29,299, Miscampbell, N (C) 21,344. Lab majority 7,955. Minor revision

Lancashire (North Fylde)—STANLEY, R. O. (C.) 23,812, Spriggs, L. (Lab) 9,152 C majority 14,660 No change

Lancashire (Ormskirk)—GLOVER, Colonel Douglas (C.) 27,066, Henry, T W (Lab) 12,527. C. majority 14,539. Major revision.

Lancashire (South Fylde)—LANCASTER, Colonel C. G (C.) 33,204, Jelley, R C (Lab) 10,809 C majority 22,395. No change.

Lancashire (Westhoughton)—PRICE, J. T (Lab.) 27,900, Dunnett, E. (C.) 17,848 Lab majority 10,052 No change

Lancashire (Widnes)—MacCOLL, J E. (Lab) 19,823, Brookes, Miss B (C) 18,374. Lab. majority 1,449. Minor revision.

Leicestershire (Bosworth)—ALLEN, A C (Lab.) 27,626, Bray, D C (C) 23,526 Lab majority 4,100. Minor revision

Leicestershire (Harborough)—BALDOCK, J. M. (C) 27,257, Hales, Major R N. (Lab) 17,073, Rushworth, E G. (L) 6,524 C. majority 10,184 Major revision

Leicestershire (Loughborough)—CRONIN, J D. (Lab) 24,044, Argyle, M V (C.) 19,781 Lab majority 4,263. Minor revision

Leicestershire (Melton)—NUTTING, Anthony (C.) 30,074, Urwin, K. F (Lab) 19,294 C majority 10,780. No change

Lincolnshire (Brigg)—MALLALIEU, E. L (Lab) 27,847, Hopkins, D. S (C) 22,826. Lab. majority 5,021. No change.

Lincolnshire (Gainsborough)—CROOKSHANK, Harry (C) 21,576, Hawkins, G. R. (Lab.) 17,107. C majority 4,469 No change.

Lincolnshire (Grantham)—GODBER, J B (C.) 24,188, Wyatt, Woodrow (Lab.) 21,813, Gaul, Rev. R C. (L.) 1,624. C. majority 2,375. No change.

Lincolnshire (Holland-with-Boston)—BUTCHER, Sir Herbert (Nat L and C.) 28,412, Rippon, W A. (Lab) 19,329, Valentine, C (L) 5,581 Nat L and C majority 9,083. No change.

Lincolnshire (Horncastle)—MAITLAND, Commander J F. W. (C.) 20,392, Pashby, W. (Lab.) 10,122. C. majority 10,270 No change.

Lincolnshire (Louth)—OSBORNE, Cyril (C) 21,796, Poirier, Dr. D. R (Lab.) 15,276. C. majority 6,520 No change

Lincolnshire (Rutland and Stamford)—CONANT, Sir Roger (C.) 17,675, Bradley, T. G. (Lab) 14,856. C majority 2,819 No change.

Middlesex (Spelthorne)—CRADDOCK, G B. (C) 20,888, Carruthers, J. P. (Lab.) 14,906. C. majority 5,982 Major revision.

Middlesex (Uxbridge)—BESWICK, Frank (Lab.) 22,244, Curran, C (C) 21,368. Lab majority 876. No change.

Norfolk (Central)—MEDLICOTT, Sir Frank (Nat. L and C.) 21,851, Littlejohn, Miss E. R. (Lab) 16,288 Nat L and C majority 5,563. No change.

Norfolk (King's Lynn)—SCOTT-MILLER, Commander R. (C) 20,949, Lawson, H. (Lab) 19,611. C. majority 1,338 No change.

Norfolk (North)—GOOCH, E G. (Lab) 20,899, Jameson, Rear-Admiral Sir W. (Nat. L. and C.) 19,657 Lab majority 1,242. No change

Norfolk (South)—HILL, John (C.) 18,690, Stewart, J. M (Lab.) 17,215. C. majority 1,475. No change.

Norfolk (South-West)—DYE, Sidney (Lab) 16,781, Bullard, D. G. (C.) 16,588. Lab majority 193. Labour gain from Conservative.

Norfolk (Yarmouth)—FELL, Anthony (C) 21,317, Kinghorn, E. (Lab) 20,400. C majority 917. No change

Northamptonshire (Kettering)—MITCHISON, G R. (Lab) 31,398, Nash, J. F. (C.) 25,495. Lab. majority 5,903 No change.

Northamptonshire (Peterborough)—NICHOLLS, Harmar (C) 26,319, Farrer, A E. (Lab.) 23,081. C. majority 3,238 No change

Northamptonshire (South Northants)—MANNINGHAM-BULLER, Sir Reginald (C.) 21,497, Lewis, R H. (Lab) 17,339. C majority 4,158. No change.

Northamptonshire (Wellingborough)—LINDGREN, G. S. (Lab.) 22,745, Jones, A. A (C) 21,819. Lab majority 926 No change

Northumberland (Berwick-on-Tweed)—LAMBTON, Viscount (C.) 18,301, Frater, J. (Lab) 12,024. C. majority 6,277. No change.

Northumberland (Hexham)—SPEIR, R M. (C.) 23,462, Garrett, W. E. (Lab.) 13,198. C. majority 10,264. No change.

Northumberland (Morpeth)—OWEN, W. J. (Lab.) 25,452, Elliott, R W. (C.) 10,619. Lab. majority 14,833. No change.

Nottinghamshire (Ashfield)—WARBEY, W. N. (Lab.) 32,905, Plane, A S. (C.) 12,836. Lab. majority 20,069. New constituency.

Nottinghamshire (Bassetlaw)—BELLENGER, F. J (Lab.) 26,873, Maiden, Mrs. K. V. (C.) 19,375. Lab. majority 7,498. Major revision

Nottinghamshire (Carlton)—PICKTHORN, K. W. M. (C.) 27,521, Paton, Mrs. F. B. (Lab.) 20,664. C. majority 6,857. No change.

Nottinghamshire (Mansfield)—TAYLOR, H. B. (Lab.) 29,643, Church, I. B. (C.) 13,610. Lab. majority 16,033. Major revision

Nottinghamshire (Newark)—DEER, George (Lab) 23,057, Watson, R. H. (C.) 20,916. Lab. majority 2,141. Major revision.

Nottinghamshire (Rushcliffe)—REDMAYNE, Martin (C) 23,509, Hardman, D R (Lab.) 21,866 C. majority 1,643 Major revision.
Oxfordshire (Banbury)—DODDS-PARKER, A D. (C) 25,598, Stogdon, N F. (Lab.) 21,473 C. majority 4,125. No change.
Oxfordshire (Henley)—HAY, J. A. (C) 24,061, Wiles, Miss N J (Lab.) 16.980. C majority 7,081 No change
Rutland—See **Lincolnshire (Rutland and Stamford)**.
Shropshire (Ludlow)—HOLLAND-MARTIN, C J. (C.) 20,816, Barker, R J (Lab.) 12,937. C majority 7,879 No change.
Shropshire (Oswestry)—ORMSBY-GORE, W D. (C) 22,859, Boggin, M. E. (Lab.) 12,434. C majority 10,425 No change.
Shropshire (Shrewsbury)—LANGFORD-HOLT, J. A. (C) 21,319, Allen, D. G. (Lab.) 13,726 C majority 7,593 No change
Shropshire (The Wrekin)—YATES, William (C) 19,019, Thomas, I. O (Lab) 18,541. C. majority 478. Conservative gain from Labour.
Somerset (Bridgwater)—WILLS, Gerald (C) 24,887, Sumbler, A. E (Lab.) 17,170 C majority 7,717 No change.
Somerset (North)—LEATHER, E. H C. (C.) 26,985, Llewellyn, D. R. (Lab) 22,802. C. majority 4,183 No change.
Somerset (Taunton)—HOPKINSON, H. L (C.) 22,962, Pestell, R (Lab.) 17,420, Barrington, Brigadier G. (L) 3,684. C. majority 5,542 No change
Somerset (Wells)—MAYDON, Lieut.-Commander S. L C. (C.) 25,624, Bresler, Dr. M (Lab.) 19,745 C. majority 5,879 No change
Somerset (Weston-super-Mare)—ORR-EWING, Sir Ian (C) 27,357, Andrews, R. G (Lab) 16,275. C. majority 11,082 No change
Somerset (Yeovil)—PEYTON, J. W (C) 24,059, Murray, M. (Lab) 19,793, Taylor, Colonel G (L.) 6,089 C. majority 4,266 No change.
Staffordshire (Brierley Hill)—SIMMONS, C.J. (Lab) 25,013, Green, Lt.-Col. W. H. (C) 24,064. Lab. majority 949 Minor revision.
Staffordshire (Burton)—JENNINGS, J C. (C) 24,519, Taylor, E (Lab.) 21,546. C. majority 2,973. No change
Staffordshire (Cannock)—LEE, Miss Jennie (Lab) 26,677, Newey, J. H. (L. and C.) 18,379. Lab. majority 8,298 Major revision
Staffordshire (Leek)—DAVIES, Harold (Lab.) 28,273, Pike, Miss M. (C.) 27,214. Lab. majority 1,059. No change.
Staffordshire (Lichfield and Tamworth)—SNOW, J. W. (Lab) 21,071, Blow, J O (C) 17,966 Lab. majority 3,105 Major revision.
Staffordshire (Stafford and Stone)—FRASER, Hugh (C) 26,206, Richardson, K E. (Lab) 17,550. C majority 8,656. No change
Suffolk (Bury St. Edmunds)—AITKEN, W. T. (C.) 24,532, Stanley, N. (Lab) 19,962. C. majority 4,570. No change
Suffolk (Eye)—HARRISON, J H (C) 21,317, Granville, E. L. (Lab.) 20,428, Robson, Mrs. L (L.) 5,582. C majority 889 No change.
Suffolk (Lowestoft)—EVANS, Edward (Lab.) 23,587, Griffiths, J. T. (C) 21,672 Lab majority 1,915 No change
Suffolk (Sudbury and Woodbridge)—HARE, J. H. (C) 25,185 Lewis, R. J (Lab) 17,995, Scott, Mrs A (L) 3,760 C. majority 7,190. No change.
Surrey (Carshalton)—HEAD, Antony (C) 30,429, Cole, H. R. (Lab.) 18,924, Browne, J H. G. (L.) 5,277. C. majority 11,505. No change
Surrey (Chertsey)—HEALD, Sir Lionel (C.) 23,021, Edwards, R. H. (Lab.) 14,656. C. majority 8,365. No change
Surrey (Dorking)—TOUCHE, Sir Gordon (C) 24,451, Walsh, R. P. E. (Lab.) 11,942. C. majority 12,509. No change.
Surrey (East)—DOUGHTY, Charles (C.) 37,276, Hall, Miss J. G (Lab) 12,567. C. majority 24,709. No change.
Surrey (Epsom)—RAWLINSON, Peter (C.) 36,779, Soper, A. B. (Lab) 14,706. C. majority 22,073. No change.
Surrey (Esher)—BROWN, W. R. (C.) 33,774, Messer, F. A. (Lab.) 13,132, Owen, G. (L.) 6,146. C. majority 20,642. No change.
Surrey (Farnham)—NICHOLSON, Godfrey (C.) 23,717, Davey, J. S. P. (Lab) 12,811. C. majority 10,906 No change.
Surrey (Guildford)—NUGENT, George (C.) 27,113, Bellerby, G. R. (Lab.) 15,785 C. majority 11,328. No change.
Surrey (Reigate)—VAUGHAN-MORGAN, J. K. (C.) 27,210, Garnsworthy, C. J. (Lab.) 16,903. C. majority 10,307. No change.
Surrey (Woking)—WATKINSON, H. A. (C.) 27,860, Williams, R. D. (Lab) 15,393. C. majority 12,467. No change.
Sussex (Arundel and Shoreham)—KERBY, Captain H. B. (C.) 35,180, Banfield, F. W. (Lab.) 15,188. C. majority 19,992. No change.
Sussex (Chichester)—JOYNSON-HICKS, L. W. (C.) 30,857, Jones, M. (Lab.) 12,735. C. majority 18,122. No change.
Sussex (Eastbourne)—TAYLOR, Sir Charles (C.) 29,779, Lewis, J. A. (Lab.) 15,561. C majority 14,218. Major revision.
Sussex (East Grinstead)—EMMET, Mrs. Evelyn (C) 28,450, Mason, M. (Lab.) 11,750, Thornton, Mrs. J. St. J. (L.) 6,034. C. majority 16,700. Major revision.
Sussex (Horsham)—GOUGH, C. F. H. (C.) 28,598, Baker, W. A. (Lab.) 17,088. C. majority 11,510. Minor revision.
Sussex (Lewes)—BEAMISH, Major Tufton (C.) 24,938, Eley, J. L (Lab.) 12,392. C. majority 12,546. Major revision.
Sussex (Rye)—IRVINE, B. G. (C.) 28,500, Payne, T. I. (Lab.) 10,560. C. majority 17,940. New constituency.
Warwickshire (Meriden)—MOSS, Reginald (Lab.) 22,796, Peel, W. J. (C.) 21,691. Lab. majority 1,105. New constituency.
Warwickshire (Nuneaton)—BOWLES, F. G. (Lab.) 25,112, Griffith, R. D. (C.) 14,828, Frankenburg, J. (L.) 5,048. Lab. majority 10,284. Major revision.
Warwickshire (Rugby)—JOHNSON, James (Lab.) 19,709, Sorel, H. B. (C.) 18,331, Shafer, E. H. (Ind.) 1,274. Lab. majority 1,378. No change.
Warwickshire (Solihull)—LINDSAY, Martin (C.) 29,323, Large, Miss M. (Lab.) 11,300. C. majority 18,023. No change.
Warwickshire (Stratford-on-Avon)—PROFUMO, J. D. (C.) 24,587, Locksley, T. L. (Lab.) 11,275. C. majority 13,312. No change.
Warwickshire (Warwick and Leamington)—EDEN, Sir Anthony C.) 29,979, Wilson, W. (Lab.) 16,513. C. majority 13,466. No change.
Westmorland—VANE, W. M. F. (C.) 21,048, Million, I. R. (Lab.) 7,901, Acland, A. G. (L) 7,688. C. majority 13,147. No change.
Wiltshire (Chippenham)—ECCLES, Sir David (C.) 20,847, Smith, W. J. (Lab) 14,152, Braybrooke, Major A. R. (L) 5,208 C. majority 6,695. No change
Wiltshire (Devizes)—POTT, Percivall (C) 20,317, Cave, W E (Lab.) 18,242 C majority 2,075 No change
Wiltshire (Salisbury)—MORRISON, J G. (C) 20,271, Papworth, J (Lab.) 12,632, Booker, J M (L) 5,037. C majority 7,639 No change.
Wiltshire (Westbury)—GRIMSTON, Sir Robert (C.) 19,684, Travess, R. J. (Lab) 16,295, Hurd, P. L. (L) 7,165. C. majority 3,389. No change.
Worcestershire (Bromsgrove)—DANCE, James (C) 27,461, George, L. J (Lab) 22,287. C. majority 5,174 No change.
Worcestershire (Kidderminster)—NABARRO, Gerald (C) 26,142, Williams, I. A J. (Lab) 17,918 C majority 8,224 No change
Worcestershire (South)—AGNEW, Commander Peter (C.) 26,811, Thorne, E. L. (Lab) 13,831 C majority 12,980. No change
Yorkshire, East Riding (Bridlington)—WOOD, R. F. (C) 25,880, Roberts, Mrs. K. M. (Lab) 10,614 C majority 15,266. Major revision
Yorkshire, East Riding (Haltemprice)—WALL, Patrick (C.) 26,162, Roberts, H. (Lab) 11,820 C majority 14,342 Major revision
Yorkshire, East Riding (Howden)—BRYAN, Paul (C) 20,487, Bowes, R. W. (Lab) 9,088, Ramsdale, W. D. (L.) 5,575 C. majority 11,399. New constituency.
Yorkshire, North Riding (Cleveland)—PALMER, Arthur (Lab.) 27,649, Proudfoot, G W. (C) 27,468 Lab majority 181 No change.
Yorkshire, North Riding (Richmond)—DUGDALE, Sir Thomas (C.) 24,979, Hoyle, R. (Lab.) 8,974. C. majority 16,005. No change
Yorkshire, North Riding (Scarborough and Whitby)—SPEARMAN, A C M (C.) 27,133, Archer, J (Lab.) 10,488, Gray, G. (L) 9,215. C majority 16,645. No change.
Yorkshire, North Riding (Thirsk and Malton)—TURTON, R. H. (C.) 25,467, Mitton, G. R (Lab.) 11,382. C. majority 14,085. No change.
Yorkshire, West Riding (Barkston Ash)—ROPNER, Sir Leonard (C.) 24,194, Rhodes, G. W. (Lab.) 18,027 C majority 6,167. No change.
Yorkshire, West Riding (Colne Valley)—HALL, W Glenvil (Lab.) 23,108, Cheetham, S (C.) 19,512. Lab. majority 3,596. Major revision.
Yorkshire, West Riding (Dearne Valley)—PALING, Wilfred (Lab.) 36,718, Winn, Major R. (C.) 10,402. Lab majority 26,316. No change.
Yorkshire, West Riding (Don Valley)—WILLIAMS, Tom (Lab) 38,433, Thornton, J. V (C.) 13,701. Lab. majority 24,732. No change.
Yorkshire, West Riding (Goole)—JEGER, George (Lab.) 25,420, Welby, G. (C. and L.) 15,456. Lab. majority 9,964. No change.
Yorkshire, West Riding (Harrogate)—RAMSDEN, J. E. (C) 26,799, Evers, T (Lab.) 10,258. C. majority 16,541. No change.
Yorkshire, West Riding (Hemsworth)—HOLMES, H. E. (Lab.) 42,603, Leay, W. L. (C.) 8,561. Lab. majority 34,042. Major revision.
Yorkshire, West Riding (Normanton)—ROBERTS, Albert (Lab.) 27,846, Bird, J. (C.) 10,040. Lab. majority 17,806. No change.
Yorkshire, West Riding (Penistone)—McGHEE, H. G. (Lab.) 29,432, Fulton, L. B. (C.) 17,796. Lab. majority 11,636. Major revision.
Yorkshire, West Riding (Ripon)—STODDART-SCOTT, Colonel Malcolm (C.) 21,977, Brierley, E. (Lab.) 9,912. C. majority 12,065. No change.
Yorkshire, West Riding (Rother Valley)—GRIFFITHS, David (Lab.) 39,968, Hoskins, W. A. (C.) 12,916. Lab majority 27,052. No change.
Yorkshire, West Riding (Shipley)—HIRST, Geoffrey (C.) 22,582, Gardner, E. E (Lab.) 17,251. C. majority 5,331. No change.
Yorkshire, West Riding (Skipton)—DRAYSON, G. B. (C.) 25,101, Richardson, V. P. (Lab) 15,919. C. majority 9,182. No change.
Yorkshire, West Riding (Sowerby)—HOUGHTON, Douglas (Lab.) 20,092, Anderson, Miss B H. (C.) 17,309, Walker, J. (L.) 7,046. Lab. majority 2,783. No change.

Welsh Boroughs.

Aberdare—PROBERT, Arthur (Lab.) 29,528, Bain, W. J. (C.) 6,162, Beasley, T. (Welsh Nat.) 3,703. Lab. majority 23,366. No change.
Cardiff (North)—LLEWELLYN, D. T. (C.) 29,409, Abse, L. (Lab.) 20,224. C. majority 9,185. No change.
Cardiff (South-East)—CALLAGHAN, James (Lab.) 25,722, Roberts, M. H. (C.) 22,482. Lab. majority 3,240. No change.
Cardiff (West)—THOMAS, George (Lab.) 26,042, Simons, E. (C.) 21,080. Lab. majority 4,962. No change.
Merthyr Tydfil—DAVIES, S. O. (Lab.) 25,630, Arnold, A. (C.) 7,548. Lab. majority 18,082. No change.
Newport—FREEMAN, Peter (Lab.) 31,537, Box, D. S. (C.) 27,177. Lab. majority 4,360. Minor revision.
Rhondda (East)—MAINWARING, W. H. (Lab.) 21,859, Powell, Mrs. A. (Comm.) 4,544, Rowlands, H. R. (C.) 3,711. Lab. majority 17,315. No change.
Rhondda (West)—THOMAS, I. R. (Lab.) 21,288, James, G. (Welsh Nat.) 4,424, Burke, C. P. (C.) 3,134. Lab. majority 16,864. No change.
Swansea (East)—MORT, D. L. (Lab.) 28,198, Guest, Miss R. S. (C.) 10,726. Lab. majority 17,472. Minor revision.
Swansea (West)—MORRIS, Percy (Lab.) 22,647, McGlynn, B. (C.) 21,626. Lab. majority 1,021. Minor revision.

Welsh Counties and Monmouthshire.

Anglesey—HUGHES, Cledwyn (Lab.) 13,986, Hughes, J. W. (L.) 9,418, Hughes, O. H. (C.) 3,333, Jones, J. R. (Welsh Nat.) 2,183. Lab. majority 4,568. No change.
Brecon and Radnor—WATKINS, Tudor (Lab.) 23,953, Partridge, G. H. (C.) 16,412, Thomas, Dr. W. S. R. (L.) 4,745. Lab. majority 7,541. No change.

Caernarvonshire (Caernarvon)—ROBERTS, G O. (Lab.) 17,682 Roberts, O. M. (C.) 8,461, Jones, R E. (Welsh Nat) 5,815, Williams, D. G. (L) 3,277. Lab. majority 9,221. No change

Caernarvonshire (Conway)—THOMAS, Peter (C.) 18,705, Jones, W. E. (Lab.) 13,881, Lewis, H. M. (L.) 3,217, Rees, L. B (Welsh Nat) 3,019. C majority 4,824. No change.

Cardiganshire—BOWEN, Roderic (L.) 18,907, Jones-Davies, D. (Lab.) 10,090. L. majority 8,817. No change

Carmarthenshire (Carmarthen)—MORRIS, Sir Rhys Hopkin (L) 24,410, Evans, J. (Lab.) 21,077, Davies, Mrs J E. (Welsh Nat.) 3,835. L majority 3,333 Minor revision

Carmarthenshire (Llanelly)—GRIFFITHS, James (Lab) 34,021, Skeet, T. H. (C.) 10,640, Morgan, Rev D E (Welsh Nat) 6,398 Lab. majority 23,381. Minor revision.

Denbighshire (Denbigh)—EVANS, Garner (Nat L) 18,312, Hughes, G. T. (L) 13,671, Lewis, J. R (Lab) 10,421. Nat L majority 4,641 No change.

Denbighshire (Wrexham)—JONES, James (Lab) 27,945, Jones, G. W. (C. and Nat. L) 16,286, Morgan, D. E. (Welsh Nat) 5,139 Lab. majority 11,659. No change.

Flintshire (East Flint)—WHITE, Mrs Eirene (Lab) 22,828, Knee, K. G. (C.) 20,554. Lab majority 2,274 No change

Flintshire (West Flint)—BIRCH, Nigel (C) 20,980, Jones, H G (Lab.) 12,628, Owen, G (L) 4,060 C majority 8,352 No change.

Glamorgan (Aberavon)—COVE, W. G (Lab) 29,003, Howe, R E. (C.) 12,706. Lab. majority 16,297. No change.

Glamorgan (Barry)—GOWER, H R. (C) 27,085, Jones, D (Lab) 19,722. C. majority 7,363. No change

Glamorgan (Caerphilly)—EDWARDS Ness (Lab) 27,852, Davies, J. H. (C.) 9,180 Lab. majority 18,672 No change

Glamorgan (Gower)—GRENFELL, David R (Lab.) 26,304, Jones, B. G. (Nat. L and C.) 8,135, Rees, E. C. (Welsh Nat) 4,101 Lab majority 18,169. No change.

Glamorgan (Neath)—WILLIAMS, D J. (Lab) 30,581, Hope, J C (C.) 9,467. Lab majority 21,114. No change

Glamorgan (Ogmore)—PADLEY, W E. (Lab.) 33,275, Jennings, D. G. (C) 10,751. Lab majority 22,524. No change

Glamorgan (Pontypridd)—PEARSON, Arthur (Lab) 28,881, Tyrrell, T. R (C.) 11,718. Lab majority 17,163 No change

Merioneth—JONES, T. W. (Lab.) 9,056, Jones, H. E (L) 6,374, Evans, G. (Welsh Nat) 5,243, Jenkins, J. V (Nat L) 3,001. Lab. majority 2,682. No change.

Monmouthshire (Abertillery)—WILLIAMS, Rev. Llewellyn (Lab.) 25,599, Davies, A. G. (C.) 4,081, Morgan, T. (Welsh Nat.) 1,259. Lab. majority 21,518. No change.

Monmouthshire (Bedwellty)—FINCH, H. J. (Lab) 30,104, Scott-Hopkins, Major J S. (C.) 6,412 Lab. majority 23,692 No change.

Monmouthshire (Ebbw Vale)—BEVAN, Aneurin (Lab.) 26,058, Bowen, J E. (C.) 6,822. Lab majority 19,236 No change.

Monmouthshire (Monmouth)—THORNEYCROFT, Peter (C) 22,970, Richardson, Miss J. (Lab) 17,173. C majority 5,797. Minor revision.

Monmouthshire (Pontypool)—WEST, D. G. (Lab.) 26,372, Hewitt, A. O. (C.) 9,800. Lab. majority 16,572 No change.

Montgomeryshire—DAVIES, Clement (L.) 16,021, Jones, D C (Lab.) 7,521. L. majority 8,500. No change.

Pembrokeshire—DONNELLY, D. L. (Lab) 27,002, Davies, W. L (Ind.) 25,410. Lab majority 1,592. No change

Scottish Burghs.

Aberdeen (North)—HUGHES, Hector (Lab) 33,153, Malden, Major C. A. (C.) 16,357. Lab. majority 16,796 Minor revision.

Aberdeen (South)—TWEEDSMUIR, Lady (C) 26,817, Hart, Mrs. C. M. (Lab) 19,627. C. majority 7,190 Minor revision.

Coatbridge and Airdrie—MANN, Mrs. Jean (Lab.) 22,269, Anderson, D. C. (C.) 17,605. Lab. majority 4,664. No change

Dundee (East)—THOMSON, G. M. (Lab.) 25,646, Taylor, R. R. (C. and Nat. L.) 21,606. Lab. majority 4,040. No change

Dundee (West)—STRACHEY, John (Lab.) 26,082, Pirie, G H. (C. and Nat. L.) 24,208, Bowman, D. (Comm.) 1,335 Lab. majority 1,874. No change.

Dunfermline—CLUNIE, James (Lab) 22,146, McNee, Mrs C R (Nat. L.) 14,170. Lab. majority 7,976. No change.

Edinburgh (Central)—OSWALD, Thomas (Lab.) 16,735, Harris, R. (C.) 15,796. Lab. majority 939. Major revision.

Edinburgh (East)—WILLIS, E. G. (Lab.) 21,240, Fraser, W. I (C.) 19,198. Lab. majority 2,042. Minor revision.

Edinburgh (Leith)—HOY, J. H. (Lab.) 16,337, Shearer, Mrs. I. H. (L. and C.) 10,693, Murray, Sir A. (Ind) 6,055. Lab. majority 5,644. No change.

Edinburgh (North)—MILLIGAN, W. R. (C.) 20,425, Scott, G. (Lab.) 12,664. C. majority 7,761. Major revision.

Edinburgh (Pentlands)—HOPE, Lord John (C.) 23,496, Connell, D. (Lab.) 16,011. C. majority 7,485. Major revision.

Edinburgh (South)—DARLING, Sir William (C.) 24,836, Forsyth, J. A. (Lab.) 11,949. C. majority 12,887. No change.

Edinburgh (West)—HUTCHISON, Sir Ian (C.) 26,000, Thomson, J. A. (Lab.) 12,784. C. majority 13,216. Major revision.

Glasgow (Bridgeton)—CARMICHAEL, James (Lab.) 20,476, Cowcher, P. (C.) 12,375, Stone, G. (I.L.P) 2,619. Lab. majority 8,101. Major revision.

Glasgow (Cathcart)—HENDERSON, John (C.) 25,265, Thomas, L. P. (Lab.) 9,514. C. majority 15,751. No change.

Glasgow (Central)—McINNES, James (Lab.) 16,674, Barber-Fleming, I. D. (C.) 10,307. Lab. majority 6,367. Major revision.

Glasgow (Craigton)—BROWNE, J. Nixon (C.) 19,120, Millan, B. (Lab.) 18,910. C. majority 210. New constituency.

Glasgow (Gorbals)—CULLEN, Mrs Alice (Lab) 22,567, Thomson, W B (C), 11,839, Kerrigan, P (Comm.) 2,491. Lab majority 10,728. Major revision.

Glasgow (Govan)—RANKIN, John (Lab) 24,818, Hutton, A G (C) 15,216 Lab. majority 9,602. Major revision

Glasgow (Hillhead)—GALBRAITH, T G D. (C.) 20,106, Davidson, Mrs J. B. (Lab) 9,648. C. majority 10,458 Major revision.

Glasgow (Kelvingrove)—ELLIOT, Walter (C.) 14,854, Williams, J L. (Lab) 11,966 C majority 2,888 Major revision.

Glasgow (Maryhill)—HANNAN, William (Lab.) 21,174, Bell, A A. (C) 12,536 Lab. majority 8,638 No change.

Glasgow (Pollok)—GEORGE, J. C (C.) 23,975, Macarthur, A. E (Lab.) 15,130 C. majority 8,845. Major revision

Glasgow (Provan)—REID, William (Lab.) 15,533, McFarlane, Sir C. (C) 15,353 Lab majority 180. New constituency

Glasgow (Scotstoun)—HUTCHISON, James (C.) 18,654, James, H (Lab) 18,226. C majority 428 Major revision.

Glasgow (Shettleston)—McGOVERN, John (Lab.) 21,464, Hunter, J. O. (C) 15,645. Lab majority 5,819 No change.

Glasgow (Springburn)—FORMAN, J C. (Lab) 16,131, Young, J A (C) 10,358, Hart, F (Comm) 1,532. Lab majority 5,773 Major revision

Glasgow (Woodside)—GRANT, William (C) 19,846, McGinley, J. (Lab.) 15,543. C majority 4,303. Major revision

Greenock—McNEIL, Hector (Lab) 19,378, MacArthur, I. (C.) 18,345 Lab. majority 1,033. No change

Kirkcaldy—HUBBARD, T. F (Lab.) 23,861, Young, D. D. (L. and C) 16,392 Lab. majority 7,469 No change

Paisley—JOHNSTON, D. H (Lab.) 26,823, Kernohan, R D (C.) 20,725 Lab majority 6,098 No change.

Stirling and Falkirk—MACPHERSON, Malcolm (Lab) 20,651, McMillan, J (C) 19,345, Halliday, J (Scot. Nat) 2,885. Lab. majority 1,306 Minor revision

Scottish Counties.

Aberdeenshire (East)—BOOTHBY, Sir Robert (C) 18,600, Ross, C. (Lab) 8,543. C majority 10,057. Major revision

Aberdeenshire (West)—SPENCE, H. R. (C) 20,216, MacNeil, Miss M. (Lab) 9,288, Fraser, T R L (L) 4,705. C. majority 10,928 Major revision

Angus and Kincardine (North Angus and Mearns)—THORNTON-KEMSLEY, C N (L. and C.) 18,516, Buick, C (Lab) 8,323 L and C. majority 10,193. No change.

Angus and Kincardine (South Angus)—DUNCAN, Captain James (L and C.) 23,967, Gourlay, H. P. (Lab) 8,996. L. and C majority 14,971. No change.

Argyll—McCALLUM, Major Duncan (C) 19,119, Young. R. M (Lab.) 9,091. C. majority 10,028. No change.

Ayrshire and Bute (Ayr)—MOORE, Sir Thomas (C) 20,006, Auld, Miss J M. (Lab) 13,866. C. majority 6,140. No change.

Ayrshire and Bute (Bute and North Ayrshire)—MACANDREW, Sir Charles (C) 20,338, Lambie, D. (Lab) 11,183. C majority 9,155. Minor revision.

Ayrshire and Bute (Central Ayrshire)—SPENCER-NAIRN, D L. (C.) 19,713, Manuel, A C. (Lab.) 19,546. C. majority 167. Minor revision.

Ayrshire and Bute (Kilmarnock)—ROSS, William (Lab) 23,324, Sutherland, J. (C) 14,983. Lab. majority, 8,341 No change

Ayrshire and Bute (South Ayrshire)—HUGHES, Emrys (Lab.) 21,778, Smith, D. M. (C.) 13,569 Lab majority 8,209 No change.

Banffshire—DUTHIE, W. S. (C.) 14,643, Paterson, W. (Lab.) 6,337. C. majority 8,306. No change.

Berwickshire and East Lothian—ANSTRUTHER-GRAY, Major W. J. (C.) 21,739, Jones, P (Lab.) 19,029 C. majority 2,710. No change.

Caithness and Sutherland—ROBERTSON, Sir David (C) 10,453, Sutherland, H. F. (Lab.) 5,364, Mowat, J. S. (L.) 2,674. C majority 5,089 No change

Dumfries-shire—MACPHERSON, Niall (Nat L. and C) 24,550, Wilson, H. S (Lab.) 15,472. Nat L. and C. majority 9,078. No change.

Dunbartonshire (East)—BENCE, C. R. (Lab.) 24,216, Glen, N M. (C) 23,086, Henderson, A. (Comm.) 2,448 Lab majority 1,130 No change.

Dunbartonshire (West)—STEELE, Thomas (Lab.) 21,854, Huggins, Lady (C.) 19,902. Lab majority 1,952 No change.

Fife (East)—STEWART, J. H. (L and C.) 26,104, McGowan, J (Lab.) 10,872. L and C majority 15,232. No change

Fife (West)—HAMILTON, W. W (Lab.) 26,849, Wylie, N. R. (C) 10,638, Lauchlan, W. (Comm.) 5,389. Lab. majority 16,211. No change.

Inverness-shire—McLEAN, Neil (C.) 14,352, Bannerman, J M. (L) 13,386, Thompson, D. (Lab.) 6,891. C. majority 966. No change

Kirkcudbrightshire and Wigtownshire (Galloway)—MACKIE, J H. (C.) 15,893, Gray, W. S (Lab) 7,879. C majority 8,014. No change.

Lanarkshire (Bothwell)—TIMMONS, John (Lab.) 23,365, Greig, W. G. (C.) 19,755. Lab majority 3,610. No change.

Lanarkshire (Hamilton)—FRASER, Thomas (Lab.) 26,187, Dalzell-Payne, Major G. L. (C) 12,661. Lab. majority 13,526. No change.

Lanarkshire (Lanark)—MAITLAND, P. F. (C.) 21,828, Mackie, J. (Lab.) 20,870. C. majority 958. No change.

Lanarkshire (Motherwell)—LAWSON, G. M. (Lab.) 20,147, Hutchison, A. M. (C.) 17,262. Lab. majority 2,885. No change.

Lanarkshire (North)—HERBISON, Miss Margaret (Lab.) 20,307, Hendry, A. F. (C.) 14,784. Lab. majority 5,523 No change.

Lanarkshire (Rutherglen)—BROOMAN-WHITE, R. C (C) 19,141, McAllister, G. (Lab.) 17,040 C. majority 2,101. No change.

Midlothian—PRYDE, David (Lab.) 25,994, Stodart, J. A (C.) 17,208 Lab majority 8,786. New constituency.
Moray and Nairn—STUART, J. G (C) 14,667, Mackay, M. (Lab) 9,538 C. majority 5,129. No change
Orkney and Shetland—GRIMOND, Joseph (L.) 11,753, Eunson, J. (C.) 3,760, Ramsay, E (Lab) 2,914 L. majority 7,993. No change.
Perthshire and Kinross (Kinross and West Perthshire)—LEBURN, W G (C.) 18,133, Bayne, J. (Lab) 5,975 C majority 12,158. No change.
Perthshire and Kinross (Perth and East Perthshire)—GOMME-DUNCAN, Colonel A. G. (C.) 22,948, McIntyre, Dr. Robert (Scot. Nat.) 9,227, Urquhart, J. B. (Lab) 8,313. C majority 13,721 No change.
Renfrewshire (East)—LLOYD, Sir Guy (C) 30,959, Phillips, D. J. (Lab.) 14,371. C. majority 16,588. No change
Renfrewshire (West)—MACLAY, J S. (L. and C) 21,283, Mabon, Dr. J. D. (Lab) 17,243. L. and C majority 4,040 No change
Ross and Cromarty—MACLEOD, John (Nat L.) 9,929, Saggar, Mrs J B (Lab) 6,003 Nat. L majority 3,926. No change
Roxburgh, Selkirk, and Peebles—DONALDSON, Commander Charles (C.) 21,925, Graham, S E. (L.) 14,755, Morrison, L. A (Lab) 9,296. C. majority 7,170. New constituency.
Stirlingshire and Clackmannan (Clackmannan and East Stirling)—WOODBURN, Arthur (Lab.) 23,588, Aitchison, R C. (C) 16,579. Lab. majority 7,009 No change.
Stirlingshire and Clackmannan (West Stirling)—BALFOUR, Alfred (Lab.) 18,836, Gay, W. A. (C.) 15,669. Lab. majority 3,167 Minor revision.
West Lothian—TAYLOR, John (Lab.) 25,654, Grieve, W. R. (C) 17,347. Lab. majority 8,307. No change.
Western Isles—MACMILLAN, M. K (Lab.) 8,487, Frame, J. C. (L. and C) 6,315. Lab. majority 2,172. No change

Northern Ireland.

Belfast (East)—McKIBBIN, A. J. (U U) 26,938, Boyd, T W. (N.I Lab.) 13,041, Mulcahy, L. (Sinn Fein) 3,156 U.U majority 13,897. No change
Belfast (North)—HYDE, H Montgomery (U U.) 33,745, Boyd, W. R. (N I. Lab) 15,065, McGlade, F. (Sinn Fein) 4,534 U U. majority 18,680. No change.
Belfast (South)—CAMPBELL, Sir David (U U) 33,392, Brown, E (N I. Lab) 7,508, Kearney, P. (Sinn Fein) 1,679. U.U. majority 25,884 No change.
Belfast (West)—McLAUGHLIN, Mrs. Patricia (U U.) 34,191, Beattie, J (Irish Lab) 16,050, Boyce, E (Sinn Fein) 8,447. U.U majority 18,141. Ulster Unionist gain from Irish Labour.
Antrim (North)—O'NEILL, Phelim (U U) 41,763, Dougan, J (Sinn Fein) 6,809 U U. majority 34,954. No change.
Antrim (South)—CUNNINGHAM, S. K (U U) 50,347, Traynor, M. (Sinn Fein) 5,155 U.U. majority 45,192 No change.
Armagh—ARMSTRONG, C. W (U.U) 38,617, McCurtain, T. (Sinn Fein) 21,363 U U. majority 17,254 No change.
Down (North)—CURRIE, George (U.U.) 50,315, Campbell, J (Sinn Fein) 1,637. U.U. majority 48,678. No change
Down (South)—ORR, Captain Lawrence (U.U) 37,921, O'Rourke, K. (Sinn Fein) 19,624 U.U. majority 18,297. No change.
Fermanagh and South Tyrone—CLARKE, Patrick (Sinn Fein) 30,529, Grosvenor, Lt -Col R. G. (U U.) 30,268 Sinn Fein majority 261. Sinn Fein gain from Irish Nationalist.
Londonderry—CHICHESTER-CLARK, Robert (U U.) 35,673, Canning, M. (Sinn Fein) 19,640 U.U majority 16,033 No change
Mid-Ulster—MITCHELL, Thomas (Sinn Fein) 29,737, Beattie, C. (U U) 29,477 Sinn Fein majority 260. Sinn Fein gain from Irish Nationalist.

The state of the parties in the new House of Commons (excluding The Speaker) is : Conservatives and associates, 344, Labour, 277 ; Liberals, 6 ; Sinn Fein, 2.—(Times)

(Prev. rep. General Election, 14225 A.)

Corrigendum. It was inadvertently stated in 14225 A (first paragraph of second column) that Mr. E. G Gooch (Lab) had been returned for Norfolk South. Mr. Gooch's constituency is in fact Norfolk North, whilst the Member for Norfolk South is Mr. John Hill (Conservative).—(Ed. K.C.A.)

A. UNITED KINGDOM. — Liberal Party. - New Leader in House of Lords.

The Liberal peers, meeting on June 13, unanimously elected Lord Rea as leader of the Liberal Party in the House of Lords in succession to Lord Samuel (84), who had relinquished the post on June 8 after having held it for 14 years. Lord Rea (55), president of the Liberal Party for 1955, had been Liberal Chief Whip in the Lords since 1950. He was succeeded in that post by Lord Amulree.—(Manchester Guardian)

(Prev. rep. Liberal Party, 14220 C.)

B. LITERATURE. — New Edition of Dr. Johnson's Works. - Yale University Project.

It was announced on June 4 that Yale University (U.S.A.) would sponsor the publication of a new edition of the works of Dr. Samuel Johnson, which would include writings identified as Dr. Johnson's during the past 25 years. A committee of 17 distinguished American and British scholars will supervise the new edition, which, when completed, is expected to comprise about 15 volumes. (Times - New York Times)

C. EASTERN GERMANY. — Demand for Cancellation of Paris Agreements as Pre-condition for German Unification. - Statement by Herr Grotewohl. - "Defensive Measures" in Eastern Germany.

The East German Government issued a declaration on March 25 announcing that it had begun to take "measures to protect the German Democratic Republic" as a result of the ratification of the Paris agreements by the West German Government. [Instruments of ratification of the Paris agreements had been signed in Bonn by President Heuss on the previous day, March 24—see 14169 A.]

The East German declaration stressed that the unification of Germany could only be attained by the cancellation of the Paris agreements It continued . "The [West German] Federal Parliament, by ratifying the Paris agreements, and President Heuss, by signing them, have ignored the demand of the German people for unity and peace. At the same time the Adenauer Government seeks to create the impression that ratification of the agreements is favourable to the reunification of Germany, and that negotiations will shortly be held on the solution of the German problem The Government of the German Democratic Republic cannot permit this misleading statement to go unanswered. .

"The German people must realize that the Western Powers, Dr Adenauer, and the Federal Parliament, by ratifying the agreements, are destroying the possibility of negotiations on the peaceful reunification of Germany. . . By pressing the Paris agreements through, the Western Powers and Dr. Adenauer have proved that they reject the reunification of Germany on a democratic and peaceful basis, and that they are ready to sacrifice reunification for the inclusion of Western Germany in an aggressive pact system.

"Exactly contrary action has been taken by the Soviet Union and the People's Democracies, with their declarations on the ending of the state of war with Germany . . and with their proposals for the creation of a system of collective security in Europe. The Governments of the U S S.R and of the German Democratic Republic have repeatedly declared their readiness to negotiate They have at the same time announced that the ratification and implementation of the Paris agreements would make negotiations on the reunification of Germany impossible. . . .

"In the new situation that has been created, the Government of the German Democratic Republic has begun to take measures to protect the Democratic Republic, in accordance with the Declaration of the Moscow Conference of Dec. 2, 1954 (13936 A). The Federal Parliament must bear full responsibility for everything arising out of its decision [to ratify the Paris agreements] . . ."

The Prime Minister of Eastern Germany (Herr Otto Grotewohl), speaking at a Berlin demonstration on May 8 to celebrate the 10th anniversary of the overthrow of Nazism, reiterated that the cancellation of the Paris agreements was "the necessary pre-condition for the reunification of Germany." He announced at the same time that the *Volkspolizei* [the para-military police force in Eastern Germany, estimated at 100,000 to 120,000 strong] would be "developed into an effective instrument of defence."

Herr Grotewohl outlined his Government's policy for the reunification of Germany as follows : (1) annulment of the Paris agreements ; (2) "an immediate understanding between the two parts of Germany on the removal of militarism, and on the preparation of free all-German elections to a National Assembly" ; (3) a joint request to the four Powers (Britain, France, the U.S.A. and the U.S.S.R.) by the East and West German Governments for "the speedy conclusion of a peace treaty and the withdrawal of all occupation troops" ; (4) continuous consultations between East and West Germany on "all questions of economic, social, and cultural co-operation."

After declaring that Eastern Germany would "take all necessary measures to defend herself against the West German militarists and neo-fascists," Herr Grotewohl referred to the Warsaw Conference which had been convened for May 11 (see 14249 A). "The pact to be concluded in Warsaw," he said, "will serve peace and bar the way to aggression in Europe. The history of the last few decades will not be repeated. This time the military expansion of the American and West German militarists will be brought to a decisive halt in its very first stages. . . ."

Herr Grotewohl said that the conclusion of the Austrian State Treaty had "shown the way to the solution of the German problem," adding in this connexion : "Austria will tolerate no foreign military bases on her territory and will enter into no unilateral military alliances. . . . The solution of the German problem on this basis is possible if the right conditions are created. This means for Western Germany the steering of an independent course and the removal of the Paris agreements."

The newspaper *Neues Deutschland*, official organ of the Socialist Unity (Communist) Party, announced on April 8 that East German youths between the ages of 18 and 22, and members of the Socialist Unity Party in particular, would be called up for two years' service in the garrisoned People's Police (*kasernierte Volkspolizei*). Whilst it was not stated whether this service would be compulsory or voluntary, the paper said that the two-year service programme "for the protection of the homeland" would be "a clear answer to the militarists in Western Germany."—(Der Tagesspiegel, Berlin - Manchester Guardian)

(Prev. rep. Paris Agreements, 14237 A ; West German Ratification, 14169 A ; Warsaw Conference, 14249 A.)

JUNE 18—25, 1955

A. YUGOSLAVIA - SOVIET UNION. — Soviet Ministerial Mission to Belgrade. - Agreement on Normalization of Soviet-Yugoslav Relations.

It was simultaneously announced in Belgrade and Moscow on May 14 that the Soviet and Yugoslav Governments, "in their mutual desire to improve relations between the two countries and to strengthen peace," had agreed on a meeting of their representatives "at the highest level" in the Yugoslav capital at the end of May.

The announcement added (*a*) that the Soviet delegation would be led by M. Nikita Khrushchov, First Secretary of the Central Committee of the Soviet Communist Party, the other members of the delegation being Marshal Bulganin (Prime Minister of the U.S.S.R.), M. Mikoyan (First Deputy Premier), M. Shepilov (chairman of the Foreign Affairs Commission of the Soviet of Nationalities, and editor of *Pravda*), M. Gromyko (First Deputy Minister of Foreign Affairs), and M. Kumykin (Deputy Minister of Foreign Trade); and (*b*) that the Yugoslav delegation would be led by President Tito, its other members being MM. Kardelj, Rankovich, and Vukmanovich (Vice-Presidents of the Federal Executive Council), M. Koca Popovich (State Secretary for Foreign Affairs), M. Todorovich (a member of the Federal Executive Council), and M. Micunovich (Under-Secretary for Foreign Affairs).

The U.S., British, French, Greek and Turkish Ambassadors in Belgrade were informed by M. Popovich of the impending Soviet-Yugoslav talks before the official announcements were issued in Belgrade and Moscow. It was authoritatively stated that M. Popovich had given "firm assurances" that the talks would involve no change in Yugoslavia's foreign policy, that her attitude towards the Western countries would remain unchanged, and that she would continue, as hitherto, to adhere to the Balkan Pact. An official spokesman of the Yugoslav Foreign Office said that the progressive normalization of Soviet-Yugoslav relations during the past two years had made it necessary to "discuss and clarify certain questions that are still outstanding," and that the solution of these questions would make possible "a general improvement in the relations between the two countries, thereby contributing to the lessening of world tension."

In a speech at Pula (Pola) on May 15, President Tito emphasized that Yugoslavia would conduct the talks with the U.S.S.R. "on an equal footing and as an independent country." In the course of his speech he intimated that the suggestion for high-level talks between the two countries had come from the Soviet side, and welcomed "this bold decision" on the part of the Soviet leaders.

President Tito began his speech by referring to a number of encouraging developments in the international situation—the ending of the Korean and Indo-China wars, the settlement of the Trieste question, the signing of the Austrian State Treaty, the proposals of the Western Powers for "Big Four" talks (see 14189 A), and the recent Soviet proposals on disarmament (see 14249 A). He continued:

"The normalization of relations between Yugoslavia and the Soviet Union . . . was the most acute problem of the past six years, during which Yugoslavia had to bear enormous pressure and to put up with every conceivable difficulty and affront. But we held out, and the leaders of the Soviet Union have boldly approached the question and offered us the normalization and improvement of relations between the two countries. I welcome such a bold decision on the part of the responsible Soviet leaders, and their resolve to come and conduct talks. In the course of the preparations for this meeting we have let them know . . . that we wish to talk on an equal footing and as an independent country. The Soviet leaders have been directly informed of all this, and have decided to come on this basis to discuss problems which still exist between our two countries, so that the normalization of relations may be accomplished firmly and realistically without any illusions being harboured on either side. These talks will be carried on before the world. The West and the rest of the world will know what we have talked about and on what we have reached agreement. We have no intention of manoeuvring behind the scenes or of doing anything at the expense of anyone else."

After emphasizing that Yugoslavia would not join any blocs, and that the peace of the world could not be maintained by ideological divisions, President Tito called for the ending of such groupings and for "active co-existence between States and people, irrespective of differences in their political systems." The Soviet-Yugoslav talks, he declared, would be conducted on the basis of "co-operation and co-existence" between Yugoslavia on the one hand, and the U.S.S.R. and the countries of the Soviet bloc on the other, and would aim at a lasting solution of outstanding questions.

The President went on to denounce the idea that any settlement of world problems could be achieved through an "arms race," which would inevitably lead to war. "For that reason," he declared, "we were against joining the Atlantic Pact. We consider that the time is ripe for talks and for an end of sabre-rattling. . . Today the moral factor has become one of the most powerful weapons in the world. It has acquired the character of universality. . . . That is why I went to India and Burma—not because those countries have huge forces, but because their peoples long for peace and are imbued with a high moral outlook. We wish to join with this force and jointly to fight for peace. We are not seeking to create a 'third force.' We are creating a force of moral strength which is made up of all those in the world who love peace and freedom."

In conclusion, President Tito expressed gratitude at the help which Yugoslavia had received from the Western countries, particularly from the United States. He added "No-one must think that Yugoslavia, after having received all she needs, is now turning her coat. She still stands by, and will always stand by, the same principles—not to depart from her independent course; to have her hands free in international affairs; and to use the moral influence she has acquired for the prevention of war and the preservation of peace. We shall never lift our hands against anyone who does not encroach upon our country. We shall never be the weapon of anyone who might eventually have aggressive intentions against someone else. We wish to maintain good relations with the West, just as we wish to improve relations with the Soviet Union and the other Eastern countries."

The Soviet delegation arrived in Belgrade by air on May 26, and was met at Zemun airport by President Tito and members of the Yugoslav Government. Before leaving the airport, M. Khrushchov read a declaration in which he expressed the Soviet Government's "sincere regret" for the Soviet-Yugoslav tension of recent years, and its determination to "sweep away all the bitterness of that period." M. Khrushchov accused the late Lavrenti Beria (see 13303 A), the late Viktor Abakumov (see 13978 D), and other "exposed enemies of the people" of having deliberately "provoked bitterness in the relations between Yugoslavia and the U.S.S.R.", and said that their responsibility had been established by a thorough investigation of "the materials upon which the grave accusations against, and insults to, the leaders of Yugoslavia were based at the time."

After extending "cordial greetings to the fraternal peoples of Yugoslavia," M. Khrushchov referred to the "age-old friendship" between the Soviet and Yugoslav peoples, to their joint struggle against the Germans during World War II, to the "courageous military exploits of the People's Liberation Army under the leadership of Marshal Tito," and to the fact that "it was here in Belgrade that Yugoslav and Soviet soldiers together struck at the enemy and liberated this ancient Slav city from the Hitlerite invaders."

M. Khrushchov went on to recall that the good relations which had existed between the U.S.S.R. and Yugoslavia in the immediate post-war years had been "disturbed in the years that followed." He continued: "We sincerely regret that, and we resolutely sweep aside all the bitterness of that period. On our side, we have no doubt about the part played by Beria, Abakumov, and other exposed enemies of the people in provoking the bitterness in the relations between Yugoslavia and the U.S.S.R. We have thoroughly investigated the materials upon which the grave accusations against, and insults to, the leaders of Yugoslavia were based at the time. The facts indicate that those materials were fabricated by the enemies of the people, the contemptible agents of imperialism who had fraudulently wormed their way into the ranks of our party. We are deeply convinced that the clouded period in our relations is past. We, on our part, are prepared to take the necessary steps to remove all obstacles to the complete normalization of relations between our countries . . . The Soviet delegation voices the conviction that the coming talks will lead to the development and strengthening of political, economic, and cultural co-operation between our peoples. All the conditions for that co-operation exist: the historic friendship of the peoples of our countries, the glorious traditions of the revolutionary movement, community of ideals in the struggle for the peaceful progress and happiness of the working people."

M. Khrushchov continued: "True to the teachings of Lenin, the founder of the Soviet State, the Soviet Union bases its relations with other countries, big and small, on the principles of the peaceful co-existence of States; of equality, non-interference, and respect for sovereignty and national independence, of non-aggression; and of the recognition that any encroachments by States upon the territorial integrity of other States are impermissible. We hope that the relations between our countries will develop on the basis of these principles for the good of our peoples. That will be another major contribution to the efforts to ease international tension and to strengthen general peace. We fully appreciate Yugoslavia's desire to promote relations with all States, in the West and in the East. We believe that greater friendship between our countries will help to improve relations between all countries, irrespective of their social systems, and to advance the cause of peace."

In conclusion, M. Khrushchov laid stress on the desirability of "mutual confidence and understanding" between the Communist parties of the Soviet Union and Yugoslavia.

After discussions between the Soviet and Yugoslav delegations in Belgrade on May 27-28, the talks were continued on May 29-30 at Marshal Tito's villa on the island of Brioni, off the Istrian coast. Before leaving the Yugoslav capital for Brioni, the Soviet delegation attended a reception given in their honour at the White Palace by President and Madame Tito, laid wreaths on the Tomb of the Yugoslav Unknown Warrior on Mount Avala, visited the Yugoslav Nuclear Research Institute, and attended a gala performance at the Yugoslav National Theatre. While on Brioni, President Tito and Marshal Bulganin went for a cruise on the former's yacht and paid visits to the ports of Pula and Rovinj (Rovigno).

President Tito and the other members of the Yugoslav delegation returned to Belgrade in the evening of May 30, whilst M. Khrushchov, Marshal Bulganin, and M. Mikoyan went on a two-day sight-seeing tour of Croatia and Slovenia, during which they visited the shipyards at Rijeka (Fiume), a turbine factory at Litostroj, and an electrical factory at Zagreb.

The Soviet delegation returned to Belgrade on June 2, on which date a joint declaration was issued by the Yugoslav and Soviet Governments. The declaration, signed by Marshal Bulganin and President Tito, said that the negotiations had taken place "in a spirit of friendship and mutual understanding"; that views had been exchanged "on international problems affecting the interests of the U.S.S.R. and the Federal People's Republic of Yugoslavia"; and that political, economic, and cultural relations between the two countries had been "examined from every aspect." It was divided into three parts: (1) a statement of general principles on which both Governments were in agreement; (2) a statement on the attitude of the two Governments to international problems, and (3) specific measures to normalize relations between the Soviet Union and Yugoslavia. The declaration is reproduced below under these three headings:

General Principles.

After stating that the negotiations had shown "the sincere desire of the two Governments for the development of all-round co-operation between the U S S.R. and the Federal People's Republic of Yugoslavia, which is fully in conformity with the interests of the two countries, and also with the interests of peace and socialism," the Declaration continued:

"In examining the questions which were the object of the negotiations . . . the Governments proceeded from the following principles.

(1) The indivisibility of peace, upon which collective security can alone be based.

(2) Respect for sovereignty, independence, and territorial integrity, and for equality between States in their mutual relations and in their relations with other States

(3) Recognition and development of peaceful co-existence between nations, irrespective of ideological differences and differences of social systems, which implies the co-operation of all States in international relations in general, and in economic and cultural relations in particular.

(4) Mutual respect and non-interference in internal affairs for whatever reason—whether of an economic, political, or ideological nature—since questions of internal organization, of differences of social systems, and of different forms of Socialist development, are exclusively a matter for the peoples of the different countries.

(5) Development of mutual and international economic co-operation, and the removal of all those factors in economic relations which hamper trade and retard the development of productive forces, both in the world and within the bounds of national economies.

(6) Assistance through the appropriate U N agencies, and also in other forms that are in conformity with the principles of the United Nations, both to the national economies and to economically underdeveloped areas, in the interests of the peoples of those areas and in the interests of developing the world economy.

(7) Discontinuation of all forms of propaganda and misinformation, as well as of other actions which spread mistrust or which in any way impede the creation of an atmosphere for constructive international co-operation and peaceful co-existence among the nations.

(8) Condemnation of all aggression and of all attempts to establish political and economic domination over other countries.

(9) Recognition of the fact that the policy of military blocs increases international tension, undermines confidence among the nations, and increases the danger of war."

Attitude to International Problems.

"Both Governments base their policy on the principles enunciated in the U.N. Charter They are in agreement that further efforts should be made to strengthen the role and authority of the United Nations, which would, in particular, be confirmed by giving the People's Republic of China the representation to which it is entitled in the U.N. Organization. The admission to [U.N.] membership of all other countries which meet the requirements of the U.N. Charter would also be of significance.

Both Governments are agreed that all nations should make fresh efforts to achieve positive results on such vital questions for the peace of the world as the reduction and limitation of armaments, the prohibition of atomic weapons, the establishment of a general system of collective security, including a system of collective security in Europe based on a treaty, and the use of nuclear energy for peaceful purposes.

Through such efforts an atmosphere would be created which would make possible a solution by peaceful means of such urgent problems as an agreed settlement of the German question on a democratic basis, in conformity with the wishes and interests of the German people and with the interests of general security, and recognition of the legitimate rights of the People's Republic of China with regard to Taiwan [Formosa].

Both Governments welcome the results of the Bandung Conference as a significant contribution to the idea of international co-operation, and as evidence of the efforts of the peoples of Asia and Africa towards the strengthening of their political and economic independence. They consider that all this contributes to the strengthening of world peace."

Normalization of Soviet-Yugoslav Relations.

"Full attention was given to an analysis of the relations between the two countries up to the present time, and to the prospects for their further development Taking into account the fact that in recent years their relations have been considerably disturbed, which has done harm both to the interested parties and to international co-operation, the Governments of the U.S S R and of the Federal People's Republic of Yugoslavia, expressing their determination to develop their future relations in the spirit of friendly co-operation, and proceeding from the principles outlined in this Declaration, have agreed on the following:

(1) To take all necessary measures to introduce a normal treaty situation, on the basis of which they will regulate and ensure the normal development of relations with the aim of expanding co-operation between the two countries in all spheres in which the two Governments are interested.

(2) To strengthen economic ties and expand economic co-operation between the two countries To this end, the two Governments have agreed to take the necessary measures to eliminate the effects of the disturbance of the normal treaty situation in the economic relations between the two countries. They have also agreed to conclude the necessary treaties to regulate and facilitate the development of economic relations in the direction indicated above.

(3) Both governments have expressed their readiness to conclude a convention on cultural co-operation.

(4) The two Governments have agreed to conclude a convention on information services in the spirit of the U.N decisions, and on the basis of reciprocity as regards the status and privileges of these services on the territory of each of the contracting parties.

(5) Supporting the U.N. recommendations on the development of co-operation among all countries in the peaceful uses of atomic energy, the two Governments have agreed to establish mutual co-operation in this field.

(6) The two Governments have agreed to conclude treaties with the aim of settling questions concerning the citizenship or repatriation of nationals of one of the contracting parties who are on the territory of the other. They have agreed that the treaties should be based on respect for the principles of humanity, and on the generally recognized principle of the voluntary decision of the persons concerned. They have also agreed to protect the rights of nationals of the other party on their respective territories, acknowledging that this also includes the right of nationals to retain the citizenship which they had prior to their arrival on the territory of the other contracting party.

(7) In the spirit of the peace-loving principles outlined in this Declaration, and also to make the peoples of their countries know and understand each other better, the two Governments will support and facilitate co-operation between public organizations of the two countries through contacts, exchange of Socialist experience, and free exchange of views.

(8) The two Governments will make every effort to carry out the decisions of this Declaration in the interests of developing relations between the two countries, of promoting international co-operation, and of strengthening peace."

The Soviet delegation left Belgrade on June 3, visiting Sofia and Bucharest before returning on June 5 to Moscow. In Sofia, M. Khrushchov and the other members of the delegation had a meeting with M. Chervenkov (the Bulgarian Prime Minister) and other Bulgarian political leaders, whilst in Bucharest discussions were held with M. Gheorgiu-Dej (the Rumanian Prime Minister), M. Gheorghe Apostol (First Secretary of the Rumanian Communist Party), M. Andras Hegedüs (Prime Minister of Hungary), M. Matyas Rakosi (First Secretary of the Hungarian Communist Party), and M. Antonin Novotny (First Secretary of the Czechoslovak Communist Party).

Addressing a mass meeting in Sofia on June 3, M. Khrushchov said *inter alia*: "All-round co-operation between Yugoslavia and the Soviet Union is entirely in the interests of the two countries, of other nations, and of the cause of peace and socialism. The Soviet-Yugoslav talks have ended the period in which relations between the two countries were disturbed. . . . Henceforth the road is open for the development of friendly relations between the Soviet Union and all the People's Democracies and Yugoslavia." A communiqué was issued stating that Bulgaria welcomed the normalization of Soviet-Yugoslav relations and would herself seek to improve her relations with that country, and also with Greece and Turkey.

After the meeting in Bucharest (on June 4) between the Soviet, Rumanian, Hungarian, and Czechoslovak leaders, a communiqué was issued expressing "satisfaction at the friendly co-operation achieved between the U.S.S.R. and Yugoslavia," and "the hope and conviction [of the Rumanian, Hungarian, and Czechoslovak leaders] that friendly relations would be established between their countries and Yugoslavia in the interests of peace and socialism."

It had been announced in Belgrade on May 26, shortly before the Soviet delegation's arrival, that a Yugoslav parliamentary delegation had been invited to visit the U.S.S.R. The president of the Yugoslav National Assembly (M. Pijade) had previously sent a letter to the Supreme Soviet welcoming its proposal for exchange visits by parliamentary delegations of different countries (see page 14060, second column), and expressing Yugoslavia's readiness for an exchange of Soviet and Yugoslav delegations.—(Tanjug Agency, Belgrade - Soviet Weekly)

(Prev. rep. Soviet-Yugoslav Relations, 14016 A.)

A. UNITED KINGDOM. — Army Estimates, 1955-56.

The Army Estimates for 1955-56, together with an accompanying memorandum by the Secretary for War (Mr. Antony Head), were published on Feb. 23, 1955. The net total of £470,000,000 shown in the Estimates included the following items (1954-55 figures in parentheses): Mechanical Transport £58,700,000 (£80,000,000), Ammunition, £25,700,000 (£32,600,000); Guns and Small Arms, £6,400,000 (£7,700,000); Signals and Wireless Equipment, £7,600,000 (£13,100,000); Food and Ration Allowances £44,000,000 (£47,500,000); Liquid Fuel, etc., £10,100,000 (£14,100,000); Clothing, £18,100,000 (£48,100,000); General Stores, £24,300,000 (£32,300,000).

The memorandum explained that although the Army's world-wide commitments had eased a little, Britain's limited resources still made it essential to develop the highest degree of versatility and flexibility. In order to increase mobility without loss of fighting power, it would be necessary to simplify weapon systems, to reduce the number and variety of vehicles, and to speed up supply, and experimental organizations would be tried out for these purposes during 1955. Some existing weapons would be withdrawn altogether and others changed, alterations would be made in the composition of formations, and severe cuts would be made in the number of vehicles, all with the aim of increasing mobility on and off the battlefield, whilst at the same time adding to effective fighting capacity.

Although at present the division appeared likely to remain the fighting formation of future armies (the memorandum continued) its detailed organization and equipment would probably undergo radical change as new weapons—especially tactical nuclear weapons—came into use. The most difficult problems would probably concern supply, since the development of transport suitable for nuclear warfare conditions had lagged behind that of nuclear weapons themselves. The best answer to the threat offered by these weapons to large terminals and established communication routes probably lay in the use of cheap cross-country lorries developed from lorries now being mass-produced for civilian purposes, aided by vertical-lift and short-take-off aircraft able to lift heavy loads and to operate independently of airfields. Progress would nevertheless be slow, since quantity production of helicopters and other vertical-lift aircraft was "still some way off".

The memorandum explained that the reduction in the amount to be spent in 1955-56 on new weapons and equipment, as compared with recent years, was due to the fact that the introduction of new vehicles had been virtually completed, whilst the full production stage of recently-developed weapons had not been reached. "The main weapons for which we shall have to make future provision," it continued, "are the *Conqueror* tank, the L.70 anti-tank gun, the F.N rifle, and the new sub-machine gun. We have also a very comprehensive programme of wireless equipment and a new range of bridging and ferrying equipment. Finally, we have . . a surface-to-surface guided weapon which will enable the commanders in the field to use guided missiles when and where required, irrespective of weather conditions."

After saying that close liaison was being maintained with scientists and industrialists and with other Commonwealth armies, and that ideas would be exchanged with other NATO land forces, the memorandum concluded: "The aims are clear: to organize, train, and equip the Army so that it can make full use of the vastly greater fire-power that nuclear weapons are putting into its hands, avoid destruction by the enemy's nuclear weapons, deal more effectively with 'cold war' tasks, and be better prepared to play a major part in the survival of the country under nuclear bombardment."

The House of Commons passed the Estimates without a division on March 8, when the Secretary for War gave a general review of recent Army developments.

Mr. Head first spoke of the necessity of maintaining the National Service period at two years, stressing that a reduction to 18 months—as had been demanded in some quarters—would cost 50,000 men and would be "folly". In this connexion he explained that although a saving of about 66,000 men had already been made by re-deployment and the disbanding of certain units, these would be absorbed by the creation of the Strategic Reserve and the run-down of 35,000 men which would have taken place between 1954 and 1956.

Turning to the recruiting problem, Mr. Head said that inquiry showed that between 1920 and 1954 the peacetime strength of the Regular Army had remained fairly constant at about 180,000, and that recruiting had been "astonishingly level," whatever the relationship between army and civilian pay or the extent of unemployment. Improvements in pay and conditions, he pointed out, could not be confined to the Army alone but must be applied to the other Services also, if they failed in their object of attracting recruits, large sums would have been spent and Britain would still not have enough Regulars to be able to do without National Service. Although recent pay increases had temporarily increased the recruitment rate from about 5,000 a month to 7,000, the rate had since reverted to 5,000, whilst the intake of the three Services on the three-year engagement had dropped from 49,000 in 1952 to 36,000 in 1954. The Army, however, was "netting" one in four of the National Service intake for the three-year engagement, and the number of prolongations of service to 12 years had increased during the past year from about 350 to 700 a month.

Dealing with the roles of the Territorial Army and the Army Emergency Reserve, the Minister emphasized that the decisive factor in any future war would be the ability of the home base to struggle through; it was therefore essential to have trained and mobile formations which could be sent anywhere in Britain to help restore order. Here the T.A., the A.E.R. and Home Guard would play a vital part, whilst it was possible that T.A. divisions might also be used in conventional warfare. Moreover, it would be necessary after any future war for nations able to do so to send troops abroad to "sort out the mess, stop sporadic fighting, and restore order." It would therefore be "great folly" to do away with any of these reserve divisions.

After referring to the plans for reconditioning and rebuilding barracks (in which connexion he pointed out that little had been spent for these purposes since 1900, and that there was a grave danger of the Army becoming "a race of slum-dwellers" unless something was done), Mr. Head spoke of the progress made in equipping the Army with both conventional and nuclear weapons. As regards conventional weapons, "immense progress" had been made and the Army was now "well equipped by any standards in the world." As regards nuclear weapons, Mr. Head referred to the decision, taken in 1953, that the Army should follow U.S. research in ground-to-ground missile development, and to the adoption by the War Office of the U.S. *Corporal* Mark II (see 13786 A), which was ahead of any similar missile in the world. Officer and n.c.o. instructors for the units which would use the *Corporal* Mark II would receive training in the U.S.A., and the units themselves would be formed in 1956.

After saying that 10,000 F.N. rifles (see 13357 A) would be delivered to the British Army in Germany by June, 1955, Mr. Head emphasized the ever-growing importance of aircraft in the Army's organization. He said that *Viscounts* would be used on certain routes for air-trooping, and that the strategic air-lift—now equivalent to about a brigade—would be improved by the introduction of the *Blackburn Beverley*, which was probably the best large freight aircraft in the world and of which 24 had been ordered. The Army was also starting an experimental service to study helicopter techniques for use in supply and in casualty evacuation.

Mr. Head concluded by saying that a new organization for nuclear formations had been worked out in order to eliminate the "clutter behind the lines" and the "long tube of administration" characteristic of the last war. Under this scheme, headquarters would be eliminated where possible and large dumps and depots would be got rid of by dispersal and the maximum use of local resources.

It was stated in the Estimates that the maximum strength of the Army (including National Servicemen) was expected to decline during the year from 549,000 to 523,000.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Defence Estimates, 14089 A; 1954-55 Army Estimates, 13515 A; Atomic Warfare, 13786 A.)**

Note. The new sub-machine gun referred to in the memorandum is the *Sterling* (previously known as the *Patchett*), which, it was stated on Feb. 25, will replace the *Sten* carbine. The *Sterling*, which has been given exhaustive trials on active service in Korea, Malaya, and Kenya, weighs six lb. and fires 9-mm. ammunition, either by single shots or automatically at a rate of 575 rounds a minute.

(Times - Daily Telegraph)

B. LUXEMBURG. — Birth of Prince Henri.

A son was born on April 16 to Prince Jean of Luxemburg (son of the reigning Grand Duchess Charlotte) and Princess Josephine-Charlotte, elder sister of King Baudouin of the Belgians. The infant prince, who was given the names Henri Albert Gabriel Félix Marie Guillaume, is the second child of Prince Jean and Princess Josephine-Charlotte, a daughter—Princess Marie-Astrid—having been born on Feb. 17, 1954. The succession to the throne will, however, go to Prince Henri under the Salic law, which operates in the Grand Duchy and under which male descendants have precedence.

(La Nation Belge, Brussels)

C. UNITED KINGDOM. — Sir David Kelly appointed Chairman of British Council.

It was announced on June 18 that Sir David Kelly (63), formerly H.M. Ambassador in Moscow, had been appointed chairman of the British Council in succession to General Sir Ronald Adam, who had held that post since 1946 and who had also been director-general of the British Council from 1947 to 1954, when he was succeeded by Sir Paul Sinker. Sir David Kelly had been Minister in Berne (1940-42) and Ambassador in Buenos Aires (1942-46) and Ankara (1946-49) before his appointment to the Moscow Embassy in 1949. (Times) **(Prev. rep. 13425 C; 7954 B.)**

D. FRANCE. — Election of New President of Paris Municipal Council.

M. Jacques Féron, a member of the Independent and Dissident Gaullist (A.R.S.) group on the Paris Municipal Council, was elected president of the Municipal Council (a position equivalent to mayor of Paris) on June 20, receiving 46 votes against 26 for M. Bossus (Communist), 9 for M. Salles (Socialist), and 7 for other candidates. M. Féron (43), who succeeded M. Bernard Lafay (Minister of Health and Population in M. Faure's Cabinet), is an engineer by profession.—(Le Monde, Paris) **(Prev. rep. 13638 C.)**

A. INDIA. — Constitutional Reform. - The Constitution (Fourth Amendment) Act. - New Regulations for Compulsory Acquisition of Private Property.

The Indian Prime Minister, Mr. Nehru, introduced into the House of the People on Dec. 20, 1954, the Constitution (Fourth Amendment) Bill, which defined more precisely than hitherto the State's power to acquire and requisition private property and to fix the amount of compensation to be paid.

The question of compulsory acquisition of property was dealt with as follows in Article 31 of the Indian Constitution, as originally adopted in 1949 ·

" (1) No person shall be deprived of his property save by authority of law (2) No property, movable or immovable, including any interest in, or in any company owning, any commercial or industrial undertaking, shall be taken possession of or acquired for public purposes under any law authorizing the taking of such possession or such acquisition, unless the law provides for compensation for the property taken possession of or acquired, and either fixes the amount of the compensation, or specifies the principles on which, and the manner in which, the compensation is to be determined and given (3) No such law as is referred to in clause (2) made by the Legislature of a State shall have effect unless such law, having been reserved for the consideration of the President, has received his assent."

Certain agrarian reform measures passed by a number of State Legislatures had been challenged in the courts as inconsistent with this Article In order to clarify the situation, the Constitution (First Amendment) Act was passed in 1951.

Under this Act, a new Article (31A) was added to the Constitution It stated that " notwithstanding anything in the foregoing provisions of this Part, no law providing for the acquisition by the State of any estate or of any rights therein, or for the extinguishment or modification of any such rights, shall be deemed to be void on the ground that it is inconsistent with, or takes away or abridges any of the rights conferred by, any provisions of this Part," provided the law had received the President's assent

Contrary to the intentions of the Constituent Assembly, however, a number of subsequent rulings of the Supreme Court had laid down (*a*) that the term " compensation " implied payment of the full market value of the property acquired, and (*b*) that where the State, acting under its inherent regulatory powers, " substantially deprived citizens of property," even though it did not acquire or requisition any property, it must pay full compensation. As was pointed out in the statement of objects and reasons appended to the new Bill, these decisions raised serious difficulties in the way of important social welfare legislation, e.g. the limitation of the extent of agricultural land that might be owned or occupied by any person; town and country planning; slum clearance; State control of the country's mineral and oil resources; extension of public utility facilities, temporary transference of commercial or industrial undertakings to the State in order to ensure their better management; and reforms in company law. Another judgment of the Supreme Court also raised the question whether an Act providing for a State monopoly in a particular trade or business conflicted with Article 301 of the Constitution (which states that " trade, commerce and intercourse throughout the territory of India shall be free "), and suggested that the establishment of such a monopoly might have to be justified before the courts as being " in the public interest " or amounting to a " reasonable restriction."

The main provisions of the Bill, which was intended to remove the ambiguities on these questions in the existing text of the Constitution, were as follows:

(I) For clause (2) of Article 31 the following clauses were substituted: " (2) No property shall be compulsorily acquired or requisitioned by the State save for a public purpose and save by authority of a law which provides for compensation for the property so acquired or requisitioned, and either fixes the amount of the compensation or specifies the principles on which, and the manner in which, the compensation is to be determined and given. (2A) Where a law does not provide for the transfer of the ownership or right to possession of any property to the State, it shall not be deemed to provide for the compulsory acquisition or requisitioning of property by the State, notwithstanding that it deprives any person of his property."

(II) Under an amendment to Article 31A, the Central and State Legislatures were empowered to pass laws providing for (*a*) the acquisition by the State of any estate or of any rights therein, (*b*) the extinguishment or modification of any rights in estates or in agricultural holdings; (*c*) the maximum extent of agricultural land that might be owned or occupied by any person, and the disposal of land held in excess of this maximum; (*d*) the acquisition or requisitioning of immovable property for the relief or rehabilitation of displaced persons; (*e*) the acquisition or requisitioning of slum property or of vacant land; (*f*) the temporary taking-over of the management of any property by the State in the public interest or to secure its proper management; (*g*) the transfer of any undertaking, wholly or in part, from one company to another, or the amalgamation of two or more companies in the public interest or to secure their proper management, (*h*) the extinguishment or modification of any rights of managing agents, managing directors, directors, managers, or shareholders of companies, (*i*) the extinguishment or modification of any rights accruing by virtue of any agreement, lease or licence for the purpose of searching for, or obtaining, minerals or oil, or for the purpose of supplying power, light or water to the public Such laws, if passed by State Legislatures, would, however, still require the President's assent to be valid.

(III) The final decision whether the establishment of a State monopoly in any sphere of trade or commerce was in the public interest, or constituted a reasonable restriction, would rest with the Legislature and not with the courts.

The House of the People referred the Bill to a Joint Select Committee on March 15, after a debate in which Mr. Nehru emphasized that the Government was opposed on principle to the expropriation of property without compensation, but that it would not always be possible to pay the full market value of the property as compensation.

Moving the Bill's reference to a Select Committee, Mr Nehru stated that the Government had no intention of challenging the authority of the judiciary, but that it was for Parliament alone, and not for the judiciary, to decide on political, social, and economic policy Whilst accepting the judiciary's interpretation of the Constitution, the Government nevertheless felt that this interpretation was not in accordance with the social or economic policy which the country should pursue, instead of by-passing the Supreme Court, they therefore proposed to change the Constitution. If the Supreme Court's interpretation of certain Articles was not in accordance with the intentions of the Constituent Assembly, the drafting of those Articles was at fault and must be corrected There was no question of expropriation without compensation, although in certain cases, such as slum property, no compensation might be necessary or desirable When a country was aiming at changes in the social structure, however, full compensation could not and should not be given, for if it were the " haves " would remain the " haves " and the " have-nots " the " have-nots " The Constitution, Mr Nehru pointed out, laid down certain directive principles of State policy e.g. that the ownership and control of the community's material resources should be " so distributed as best to subserve the common good," and that the operation of the economic system should not " result in the concentration of wealth and means of production to the common detriment." These principles, he concluded, could not be put into effect if the Supreme Court's interpretation of the Constitution was adhered to, and therefore the Constitution should be amended to make it subserve these principles.

During the ensuing debate a number of Congress members criticized the Bill on the ground that it made an unfair distinction between industrial and agricultural property, as the payment of full compensation was still guaranteed for the former but not for the latter In reply, Mr. Nehru agreed that as the Bill stood it might still be necessary to pay the full market value for nationalized industrial and commercial undertakings, but expressed the hope that the Supreme Court would take full cognizance of the " new atmosphere " in the House and the country about this question, and bear it in mind in interpreting all future cases related to it. He emphasized that millions of people could not wait indefinitely for changes in society that had become inevitable, and that if these changes were not made peacefully, and in time, there was a danger of " all kinds of storms bursting forth among the people." Mr. Nehru denounced as " degrading " a suggestion by Communist members that British capital should be expropriated without compensation, and pointed out that even the Soviet Union had paid compensation for all foreign property seized during the Russian revolution.

The motion was approved by the House of the People by 322 votes to nine (the Communists and Praja Socialists voting with the Government), and was adopted unanimously by the Council of States on March 19.

The Joint Committee, consisting of 30 members of the House of the People and 15 of the Council of States, submitted its report on March 31. This proposed a number of important amendments to the Bill, viz. (1) that the State should not be required to pay their full market value as compensation for nationalized industrial undertakings and banking and insurance companies; (2) that agricultural and other property rights, and certain types of deprivation of industrial or commercial property by a process of acquisition and not regulation, should be removed from the purview of the proposed amendment to Article 31A; (3) that the amount of compensation paid could be challenged in the courts on the ground that it was " illusory " or amounted to fraud under the Constitution, but not on the ground of its inadequacy.

In its amended form, the Bill was given a third reading in the House of the People on April 12 (by 302 votes to 5) and was passed unanimously by the Council of States on April 20. (Eastern Economist, Delhi - Indian High Commissioner's Office, London - The Hindu, Madras - The Statesman, Calcutta)

(Prev. rep. Indian Constitution, 13636 A.)

A. UNITED KINGDOM. — Coal Industry. - National Coal Board Report for 1954. - Production Statistics. - Fall in Coal Stocks. - Importation of U.S. Coal under Mutual Security Act. - Increased Borrowing Powers for N.C.B. - New Wages Schedule for Miners. - The Mines and Quarries Act. - New Issue of Compensation Stock.

The ninth annual report and accounts of the National Coal Board, covering the year ended Dec. 31, 1954, were published on June 21. They showed that, after meeting taxation and interest (£17,500,000), the Board was left with a surplus of £1,200,000 on operations in Britain, but that this was converted into a deficit of £3,800,000 by a loss of £5,000,000 on imported coal. The deficit (which compared with a surplus of £353,647 earned in 1953) increased the accumulated deficit since nationalization to £17,399,698

Saleable output of coal was given as 224,300,000 tons, or only some 70,000 tons more than in 1953. The output of deep-mined coal (214,000,000 tons, or about 1,500,000 tons more than in 1953) was described as "particularly disappointing," since the National Union of Mineworkers had earlier agreed that an increase of 5,000,000 tons in 1954 was "a reasonable minimum aim." Opencast production, at 10,300,000 tons, was 1,400,000 tons less than in 1953, mainly because of delays—outside the Board's control—in obtaining permission to work sites. Total manpower in the industry again fell, having averaged 707,200 in 1954 compared with 712,900 in 1953; moreover, a greater proportion of the available manpower was employed on development work, not immediately productive. The report stressed that, but for this, the effect of better attendance and higher productivity would have given "a considerable increase" in deep-mined output.

Salient points from the report are summarized below.

Costs, Prices, and Profit. Costs of mined coal averaged £3 1s. 11d per ton, or 2s. 9d more than in 1953, the largest increase (1s 5d. per ton) having again been in wages Pithead prices of most grades of coal were increased in May by about 2 per cent, as a result proceeds rose by an average of 2s. 4d. per ton to 6s. 6d, but the increase in costs reduced the average net profit per ton (compared with 1953) by 5d per ton to 1s. 7d.

Opencast production costs averaged 50s. 9d per ton, and proceeds 57s. per ton.

Divisional Results. Of the nine divisions, only three made profits —the East Midlands (6s. 11d per ton), the North Eastern (5s. 1d.) and the West Midlands (3s 4d.). The following divisions incurred losses the Scottish (4s. 7d. per ton), North-Western (4s. 3d), South-Eastern (3s. 3d.), South-Western (2s), Northern (1s 9d), and Durham (1s 2d)

Productivity. Records were achieved in 1954 both in total productivity (24.61 cwt. per manshift) and in productivity at the coal face (65.14 cwt. per manshift) The number of shifts worked showed an increase over 1953

Labour Disputes. Although almost 50 per cent of pits were free from disputes during 1954, there was a "serious increase" in the number of unofficial stoppages, which totalled 2,614 (the highest figure since nationalization) compared with 2,324 in 1953 The loss of coal (1,500,000 tons) was 356,000 tons more than in 1953, but less than in 1952.

Coal Imports. These exceeded 3,000,000 tons, the loss to the Board on the sale of imported coal amounting to £5,029,258

Capital Expenditure and Borrowings. Capital expenditure in 1954 totalled £84,700,000, compared with £64,000,000 in 1953, about £2,000,000 of the increase being attributable to higher prices

To finance expenditure the Board had borrowed £54,650,000 from the Ministry of Fuel and Power; of this and former advances, £55,000,000 was funded as representing permanent advances.

Accidents. Fewer accidents were reported during 1954 than ever before, the number killed being 359, against 364 in 1953.

Long-Term Prospects. Assessing long-term prospects for fuel supplies, the Board stressed that if production of the order of 250,000,000 tons annually (the most that could at present be expected to be available by 1965) were to be achieved, "increased productive capacity must be obtained much more quickly" The report added that "some sacrifice of immediate output" might be necessary, and that "the maximum use of other fuels must be made to fill the gap."

Sir Hubert Houldsworth (chairman of the N.C.B.), commenting on the report on the same day, emphasized that the Board's "main and continuing difficulty" was shortage of labour. There were at present about 3,500 fewer men in the mines than in June 1954, and unless recruitment improved, the drop at the end of the year was likely to be 5,000. Forecasting that the demand for coal in 1955 might increase by about 5,000,000 tons, he added: "The task we have is to meet an increase in inland demand with a diminishing manpower of 5,000 every year. It is not really possible with the manpower available to meet the whole of that growth in inland demand. The industry requires 15,000 more men, but they would have to be in the right places—the high productivity areas."

The following table shows the average weekly rates of coal production and consumption, and of manpower, output, and absenteeism in the fourth quarter of 1954 and the first quarter of 1955:

1954	Saleable Mined Coal Produced Tons	Plus Opencast Tons	Total Production Tons	Inland Consumption Tons	Overseas Shipments & Bunkers Tons
October	4,395,980	203,060	4,599,040	4,063,600	338,600
November	3,534,380	138,480	3,672,860	3,512,400	250,000
December	4,004 060	130,780	4,134,840	4,452,000	286,800
1955					
January	4,265,500	142,900	4,408,400	4,797,500	284,500
February	4,358,675	159,000	4,517,675	4,822,000	267,500
March	4,420,860	192,860	4,613,720	4,754,000	274,000

1954	Wage-earners on colliery books Total	Wage-earners on colliery books at coal-face	No. of shifts worked per wage-earner	Output per manshift at coal-face Tons	Output per manshift at over-all Tons	Percentage of absenteeism
October	704,760	289,260	5 01	3.289	1 244	12 10
November	704,275	288,975	5 08	3.289	1.245	12 17
December	704,860	289,600	4.63	3 238	1.219	13.07
1955						
January	707,725	290,275	4 87	3 268	1 235	13.00
February	708,375	290,560	4 97	3.273	1 237	13 05
March	708,120	290,680	5 0	3 302	1.247	12 87

Other recent developments in connexion with the coal industry are summarized below.

Coal Stocks and Imports. Coal stocks on March 12, 1955, were estimated by the Ministry of Fuel and Power at 10,733,000 tons (the lowest figure recorded for mid-March since 1951), compared with 12,921,000 tons on March 13, 1954.

The Treasury announced on Dec. 28, 1954, that an agreement had been signed between the British and U S Governments authorizing the purchase of U S coal under the Mutual Security Act Payment would be made in sterling, which would be used to make purchases as provided for in the Act and as might be agreed by the two Governments It was stated in the British Press that probably about 250,000 tons would be imported under the agreement, which stipulated that 50 per cent of the coal (the first to be imported by Britain under the Mutual Security Act) should be carried in U S ships.

Sir Hubert Houldsworth stated on Jan 6, 1955, that the loss on imported coal (borne entirely by the N C B) since nationalization totalled about £15,000,000

It was estimated in an E C S C report published on June 23 that, at the present rate, by the end of 1955 Britain would have imported about 10,000,000 tons of coal during the year, compared with the 3,000,000 tons imported during 1954

Coal and Coke Prices. The Ministry of Fuel and Power announced on April 25 that, owing to higher distribution costs, retail coal prices would be increased in the Provinces by 3d - 1s. 11d a ton, according to area, and that prices of gas coke would be increased throughout Britain (except in the North-West region) by 8d - 2s 4d a ton On May 2, however, the Ministry announced summer price reductions for coal varying from 5s to 10s. a ton.

Increased Borrowing Powers for N.C.B. The House of Commons on Nov 7, 1954, approved a Borrowing Powers Order authorizing the N C B to borrow an additional £75,000,000. The Parliamentary Secretary to the Ministry of Fuel and Power (Mr Joynson-Hicks) explained that the Board required £110,000,000 during the current year for capital expenditure and working capital, but would find £35,000,000 of this from its own resources.

N.C B. Appointments. The N C B announced the following appointments on March 25, consequent on the appointments to the National Board made on Feb. 16 in implementation of the recommendations of the Fleck Committee (see 14115 A). Mr. R. W Parker to succeed Dr W Reid (now a member of the National Board) as deputy chairman of the Scottish division, Mr L Graham, deputy chairman of the Northern division, to succeed Mr J. Bowman (now deputy-chairman of the National Board) as divisional chairman; Mr H W M Henry, finance director, Northern division, to succeed Mr Graham as deputy-chairman of the division; Mr. A. W John, deputy director-general of finance at national headquarters, to succeed Mr J. Latham (now a member of the National Board) as director-general of finance

On April 14 the Board announced that Mr. E. H. Browne, director-general of production, would succeed Mr I. W Cumberbatch as chairman of the West Midlands division.

New Opencast Site. The N.C B announced on March 1 that a contract had been let to Richard Costain Ltd, London, for the working of 5,000,000 tons of opencast coal on the Acorn Bank estate, near Blyth, Northumberland It was the largest single contract for working opencast coal ever placed in Britain. The coal (mainly for the seaborne and export trades) will be produced at the rate of over 750,000 tons a year for six or seven years.

New Wages Schedule. Agreement was reached on March 15 between the N C B. and the N.U.M on a new wage structure providing for (1) the reclassification of all jobs performed by miners and in mine workshops into five underground, five surface, and three craftsmen's grades; (2) the introduction of new standard shift rates ranging from 27s. 9d. to 31s. 9d per shift for underground grades, from 24s. 5d to 31s. 1d. per shift for surface grades, and 27s. 1d. to 35s. 5d. for craftsmen's grades; (3) an increase of 11s 6d. weekly for underground and surface day-wage men, raising their minima to £8. 6s 6d. and £7. 6s. 6d respectively.

The new rates, which affected about 400,000 miners, were approved by a national delegate conference of the N U M on March 17 and by a ballot of union members on March 31.

Miners' Housing It was stated on March 9 that over 18,000 miners' houses had been built by the Coal Industry Housing Association in less than three years, including 12,019 houses built in 1954 alone. Except for 450 houses on sites not yet acquired, the Association had almost completed its £37,000,000 housing programme

Unofficial Strikes. An unofficial strike over fillers' piece-rates broke out at Markham Colliery, near Doncaster, on April 19 and spread on May 2 to 13 other pits in the Doncaster area. In spite of N U.M appeals to the men to return to work, and an N C.B. statement stressing that the strike "represented an attempt to use power instead of reason in settling disputes," the stoppage continued to spread, with the result that 58 pits and 87,000 men were idle by May 6 By May 9 the stoppage had caused a production loss of over 577,000 tons—the greatest loss since the Grimethorpe dispute of 1947 (see 8816 A), which cost 600,000 tons—but on that day the strike began to break, and on May 15 the 27,000 miners still on strike voted to return to work on the basis of an N C B offer to settle the fillers' grievances The stoppage was estimated to have caused the loss of about 1,030,860 tons of coal and £1,000,000 in wages

Mr. J Bowman, deputy chairman of the N C.B , stated on May 21 that 1,750,000 tons of coal had been lost through disputes between Jan 1 and May 14, 1955, compared with only 500,000 tons lost in the same period of 1954.

The Mines and Quarries Bill, which codified and revised the law relating to safety and health in mines and quarries embodied in various Acts passed between 1872 and 1911, was enacted on Nov. 24, 1954, after an unopposed passage in both Houses. The Bill:

(1) Placed on owners of mines and quarries the duty of seeing that safety regulations were properly observed, and required the duties of mine managers and officials to be defined in writing and communicated to the Mines Inspectorate

(2) Imposed a general duty on mine managers to take precautions against injurious dust, and introduced regulations to obviate danger from falls of ground and to safeguard miners' ways of escape in case of underground fire

(3) Defined the method of appointment and duties of mine managers, under-managers, and officials who, for certain classes of mines, were required to be qualified

(4) Provided for the setting-up of a Mining Qualifications Board, consisting of a chairman and seven other members with experience of mining administration, to grant certificates of competency in mine management, etc

(5) Raised to 16 (from a date to be fixed by the Minister of Fuel and Power) the minimum age at which boys might be employed below ground, and prohibited the employment of youths under 18 for more than 9 hours daily and 48 weekly, or at night [The application of this restriction was deferred in Northumberland, Durham, and Warwickshire, where special shift systems are in operation.]

(6) Stipulated that all major accidents must be notified and investigated, and gave miners and quarrymen the right to appoint persons to make safety inspections on their behalf.

Mr Geoffrey Lloyd (Minister of Fuel and Power), moving the second reading in the Commons (Jan 22, 1954), explained that it was the first major Bill dealing with safety in mines since the Coal Mines Act of 1911, which had been sponsored by Sir (then Mr.) Winston Churchill when Home Secretary in the Liberal Government of the day. Although the 1911 Act had resulted in a great decrease in mining accidents, its provisions were completely unsuited to the organization of the National Coal Board The Government hoped that the present Bill, introduced at a time when a vast scheme of mining reorganization was in progress, would be "a safety charter for the next 100 years," and that, by securing "a flexibility of organization combined with a definite personal responsibility," it would make impossible the dangerous uncertainties that had come to light after the Knockshinnoch disaster (see 11006 A.)

The Treasury announced on Dec. 15, 1954, that a further issue (the ninth) of about £14,000,000 of 3½ per cent Treasury Stock, 1977-80, was being made in whole or partial settlement of compensation due to various undertakings under the Coal Industry Nationalization Act, and that £100 of stock would be deemed equal to £98. 12s. 6d. of compensation.

It was stated in the Press that this issue would enable compensation to be fully cleared in three further districts—Scotland, Warwickshire, and Northumberland—bringing the number of districts cleared to 16, and leaving only five areas —Yorkshire, Lancashire, South Staffordshire, and North and South Wales—with compensation still uncompleted. Total compensation for collieries and ancillary assets had reached over £271,000,000.—(Ministry of Fuel and Power - Times - Daily Telegraph - Manchester Guardian - Financial Times) **(Prev. rep. N.C.B., 1953 Report, 13613 A; Production Figures, 13978 A; 13848 A; Fleck Report, 14115 A.)**

A. INDONESIA - AFGHANISTAN.-Friendship Treaty.

A treaty of friendship between Indonesia and Afghanistan was signed in Bandung on April 24 by Sardar Mohammed Naim and Mr. Sunarjo, the Afghan and Indonesian Foreign Ministers. (Indonesian Embassy, London)

B. CHINA. — Release of American Airmen.

It was announced by Peking Radio on May 30 that four U.S. airmen, shot down during the Korean war in late 1952 or early 1953, and detained since then in China, had been tried by a Chinese people's court on May 24, found guilty of "acts of provocation" by intruding into the territorial air space of China, and ordered to be deported from China. The four men—Lieut.-Colonel Edwin L. Heller, Captain Harold E Fischer, First Lieut Roland W. Parks, and First Lieut. Lyle W. Cameron —were released on the Hong Kong border on the following day and flown from there to Honolulu *en route* for the United States. The impending release of the airmen had been foreshadowed some hours before Peking Radio's announcement by a statement in New Delhi by Mr Krishna Menon (chief Indian representative at the United Nations). Mr. Menon, who had only recently returned from a visit to Peking (see 14273 B), told a press conference that the airmen were being released in response to an Indian request; he expressed the opinion that it was a "fine gesture on the part of the Chinese," and hoped that it would produce "favourable reactions in other quarters."

The Chinese court's verdict, after detailing the various attacks which the four airmen were alleged to have made on Chinese territory, and stating when and where they had been shot down, continued "It is established that the defendants, in intruding into China's territorial air space in U S planes to conduct harassing and provocative activities, are guilty of imperilling the security of our country and undermining the peaceful life of our people. The evidence is conclusive and irrefutable and the defendants deserve the full punishment prescribed by law. But taking into consideration the fact that the defendants were only carrying out the orders of the U S military authorities, and that they have all admitted their crimes and expressed remorse since their capture, they are therefore being treated with leniency."

The State Department in Washington said on May 30 that "the U.S. Government is gratified that the prolonged and unwarranted separation which these airmen and their families have endured ... will soon be brought to an end," and expressed the "earnest hope" that the release of the airmen signified the intention of the Chinese Communist Government "to act swiftly to release other American citizens, civilian as well as military, whose continued imprisonment in Communist China has profoundly aroused the American people." A State Department spokesman announced on June 1 that the U.S.A., through the Chinese Consul-General in Geneva, had asked China to release 52 other Americans detained in China, and to supply information about a further 11 U.S. servicemen believed to be interned in that country.

The U N. Secretary-General, Dr. Hammarskjold (who had visited Peking in January to endeavour to obtain the release of 11 other U.S. airmen imprisoned in China), said that the release of the four airmen was "very encouraging news," but emphasized the need for restraint over the whole question. The British Foreign Office welcomed the releases as "a first step towards improvement of international relations."

The four released airmen, who were reported after a thorough medical examination at Honolulu to be in "fine physical condition," said in a press statement that their general treatment while in captivity had been good, and, by Chinese standards, excellent. Colonel Heller stated that he had been in hospital for two years with a broken leg, suffered when he had baled out of his plane, and that the Chinese medical facilities had been "pretty good" The other three men said that they had lived "Chinese style" in a house, most of the time in Mukden (Manchuria) but recently in Peking. The four men expressed the view that Dr Hammarskjöld's visit to Peking had had a great deal to do with their release They declined to answer questions as to whether they had been shot down over North Korea or Manchuria.

A U.S Air Force spokesman said on June 20 that all the four airmen had "confessed" to their captors under pressure that they had crossed the Yalu River boundary under orders from the U.S. Government, and that Captain Fischer had also "confessed" to having conducted "germ warfare" in North Korea. The spokesman emphasized that there was no truth whatever in any of these "confessions," and added that, although the Air Force was carefully examining the records of the men, he very much doubted whether any action would be taken against them.

The executive vice-president of the American Red Cross, Mr. J. T. Nicholson, announced in Geneva on May 6 that arrangements had been concluded between the U.S. and Chinese Red Cross Societies for the delivery of one parcel a fortnight to each of the 15 U.S. airmen and 20 U.S. civilians whom the Chinese authorities had listed as being held by them. The parcels, which would contain food, clothing, and medicaments, would be flown from California and Tokio to Hong Kong and handed over to the Chinese Red Cross on the Hong Kong boundary.—(New York Times - New York Herald Tribune - Times - Manchester Guardian) **(Prev. rep. 14143 A.)**

A. WESTERN POWERS - SOVIET UNION. — Soviet Acceptance of Western Proposals for "Summit" Talks at Geneva. - Soviet Approach to Western Germany for Normalization of Relations. - Dr. Adenauer invited to Moscow. - Dr. Adenauer's Visits to U.S.A. and Britain. - Meetings of Foreign Ministers.

The proposals of the three Western Powers for a "Big Four" conference of Heads of Government and Foreign Ministers, presented in Moscow on May 10 (see page 14191), were accepted by the Soviet Government on May 26. Further developments in the international situation during June were: Soviet acceptance of the Western Powers' proposal that the "summit" talks should open in Geneva on July 18; a Soviet invitation to Dr. Adenauer to visit Moscow, with the aim of normalizing relations between the U.S.S.R. and the German Federal Republic, a visit by Dr. Adenauer to the U.S.A. for discussions with President Eisenhower and Mr. Dulles, followed by a meeting with Sir Anthony Eden at Chequers on the return journey, consultations between the three Western Foreign Ministers in New York, in which Dr. Adenauer participated, and exchanges of views between the Western Foreign Ministers and M. Molotov in San Francisco. These developments are described below under cross-headings.

Soviet Acceptance of "Summit" Talks.

The British, French and U.S. invitation for a meeting in the near future of Heads of Government and Foreign Ministers was formally accepted by the Soviet Government on May 26, when Notes to that effect were handed to the Ambassadors of the Western Powers in Moscow. At the same time the Soviet Government accused the U.S. Government of adopting attitudes incompatible with the ultimate success of a four-Power conference, and denounced "certain statements by leading figures in the United States."

After expressing the Soviet Government's agreement to "an early meeting of the Heads of Government of the four Powers, with the participation of the Foreign Ministers," the Notes continued: "The Soviet Government, however, cannot but draw attention to certain statements by leading figures in the United States. It is pointed out in these statements that the U.S. Government approaches this conference 'from positions of strength'. These persons in the U.S.A. have even gone so far as to speak of the need to interfere in the internal affairs of other States, and have made attacks against the people's democracies. . . Such attempts to interfere in the internal affairs of other States are incompatible with the principles of the United Nations. They must be rejected as an expression of the aggressive aspirations of certain circles aiming at a further intensification of the arms drive, continuation of the 'cold war,' and still greater aggravation of international tension.

"Thus the U.S. Government, on the one hand, proposes that the Heads of Government of the four Powers should discuss outstanding international problems, and on the other hand, is coming out with plans which deliberately doom the four-Power conference to failure. The only explanation for this is that the U.S. Government, contrary to its statements, is obviously not striving for the settlement of urgent international problems. Under these circumstances the four-Power conference would not only fail to yield positive results but, on the contrary, would lead to a further aggravation of differences between States and a deterioration in the international situation.

"The Soviet Government considers that the task of the conference . . . is to ease international tension and strengthen confidence between States. This goal can only be attained if all the States concerned strive for it. As to the questions to be considered at the conference, the Heads of Government could themselves define them and also determine ways of settling them, giving corresponding instructions to the Foreign Ministers."

In conclusion, the Soviet Government proposed that the four-Power conference should be held in Vienna, and that the date of the conference should be settled by agreement between the four Powers.

Western Powers' Proposal for "Summit" Talks in Geneva. - Acceptance by Soviet Government.

Further Notes were presented in Moscow on June 6 by the British, French and U.S. Governments proposing that the "summit" talks should be held in Geneva "from July 18 to July 21 inclusive," and stating that the Swiss Government had agreed to such a conference on its territory.

After recalling that the Western Powers had originally proposed Lausanne as the venue for "summit" talks, whereas the Soviet Government had favoured Vienna, the Notes said: "In the light of these divergent views . . . the Governments of France, the United Kingdom, and the United States now propose that the four Heads of Government should meet in Geneva, where there are excellent facilities for a meeting of this importance."

The Soviet Government, in Notes to the Western Powers on June 13, agreed that the "summit" talks should take place in Geneva. At the same time it commented on the fact that the Western Powers had made no mention of "the important question concerning the tasks of this meeting raised in the Soviet Notes of May 26," and reiterated its conviction that "the efforts of all four States should be directed, above all, to ensuring the accomplishment of the main task of the meeting—the lessening of tension in international relations."

Simultaneously with the publication of the Soviet Notes, the Tass Agency issued a statement—described as coming from "authoritative Soviet circles"—in reply to remarks made by Mr. Dulles at a press conference on June 7.

The U.S. Secretary of State had said that "the opportunity for good coming out of this conference will depend primarily upon whether or not the Soviet rulers are willing to put a spirit of accomplishment into some of the things which we all profess to be interested in." Mr. Dulles spoke of the possibility of raising the question of the East European "satellites" at the four-Power conference, and said in this connexion that the new Soviet attitude towards Yugoslavia, together with the conclusion of the Austrian State Treaty, encouraged him to hope that the U.S.S.R. might be prepared to "loosen the rein a little bit" on the East European countries.

The Tass statement was worded, in part, as follows: "Mr. Dulles' statement is a continuation of the same line which was pursued earlier by leading U.S. personalities, the unfounded nature of which has already been exposed in the Soviet Government's Note of May 26. By . . . trying to present matters as if the success of the meeting will depend primarily upon the position of the Soviet Union, Mr. Dulles, and also some other official persons in the U.S.A., show that they are not trying to facilitate the work of the meeting but to complicate the situation prior to the meeting, and to make its work difficult.

Nor can arguments about 'the problem of the countries of Eastern Europe' have anything in common with the desire to achieve favourable results at the meeting. 'The problem of the countries of Eastern Europe' does not exist, because the peoples of those countries, having overthrown the rule of exploiters, have established people's democratic governments and will permit no interference in their internal affairs from any quarter whatsoever . .

"Recent steps taken by the Soviet Union for the lessening of international tension have greatly influenced the international situation. These steps are the conclusion of the Austrian State Treaty, the Soviet Government's proposals on the reduction of armaments and the prohibition of atomic weapons; the normalization of relations between the U.S.S.R. and Yugoslavia, the proposal to establish diplomatic and trade relations between the U.S.S.R. and the German Federal Republic, etc. All this is a great contribution to the strengthening of peace. . . . The Soviet Government has repeatedly declared that it considers the task of the meeting of the Heads of Governments to be the reduction of international tension. Favourable results can be achieved if all the interested States strive for this, not only in words, but also in deeds."

West German Attitude to Four-Power Talks.

The West German Ambassadors in Washington, London, and Paris (respectively Dr. Krekeler, Herr von Herwarth, and Herr von Maltzan) had a conference with Dr. Adenauer on May 25 at Buhler Hohe, near Baden-Baden. It was officially stated that the Ambassadors had previously had discussions with the Foreign Ministers of the countries to which they were accredited "on current problems, particularly the approaching four-Power talks," and that they had reported to Dr. Adenauer on these matters. During the Buhler Hohe discussions Dr. Krekeler conveyed to the Federal Chancellor an oral assurance from Mr. Dulles that there was no question of adopting a policy of neutrality for Germany. It was understood that similar assurances were conveyed by Herr von Herwarth and Herr von Maltzan from the British and French Governments.

Some concern had been caused in Bonn by a remark by President Eisenhower, made during a press conference on May 18, that "there seems to be developing the thought that there might be built up a series of neutralized States from north to south through Europe"—a remark interpreted in some German circles as implying that the President favoured a policy of "neutralizing" Germany. On May 24, however, Mr. Dulles announced that, after consultation with the President, he had advised Dr. Krekeler that the President's remark should not be interpreted as implying U.S. approval of a neutral policy for Germany. "It is the view of the United States," said Mr. Dulles, "that a policy of neutrality has no application to a country of the character of Germany. It is all very well to talk about neutrality for Austria, a small country with 7,000,000 people. But I do not think that anyone realistically believes that the German people, 70,000,000 of them, are designed to play the role of a neutral country." After recalling that the Austrian State Treaty placed no limit on the size of the Austrian Army, and suggesting that not even the Russians would regard this as an acceptable model for Germany, Mr. Dulles added: "I do not think that the German people, or the Soviet people, or the Western European people, want to see applied to Germany the concept of its being an independent State with an unlimited army."

In a foreign policy statement to the Bundestag on May 27, Dr. Adenauer called upon the United States to take the initiative at the four-Power talks in proposing general and controlled disarmament. Emphasizing the catastrophic nature of modern warfare, he declared that President Eisenhower's forthcoming meeting with Marshal Bulganin, and with the British and French Prime Ministers, offered an opportunity—which might never recur—to save the world from "complete destruction."

Dr Adenauer appealed directly to the U.S A , as the world's strongest Power, to make a " bold and resolute " proposal for general disarmament, saying that there had " never been a more promising time than the present " for such an initiative At the same time he issued a warning to the U S A against Soviet proposals " to create a belt of neutral but armed States in northern, eastern, and southern Europe," declaring in this connexion " The establishment of such a belt would mean the end of the Western European Union, of any kind of European integration, and of the NATO The balance of forces at present existing in the world would be destroyed in favour of the Soviet Union, while the increase in Russia's potential would place the U S A. in extreme jeopardy, from which it could only escape—if at all—by mobilizing its entire strength for this purpose " Dr Adenauer added that suggestions to include Western Germany, Denmark, Norway, the Benelux countries, Greece, and possibly some of the Soviet-controlled countries of Eastern Europe, in such a " belt " would " offer no protection whatever against a ' hot ' war, since none of these neutral States would be able to resist an attack launched by the Soviet Union with modern weapons "

Herr Ollenhauer, leader of the Social Democratic Opposition, fully endorsed the Chancellor's plea for general disarmament, but insisted that the reunification of Germany should have priority over all other considerations

Soviet Invitation to Dr. Adenauer to visit Moscow.

The Soviet Government presented a Note to the Federal German Government on June 7 (transmitted by the Soviet Embassy in Paris to the West German Embassy in that city) inviting Dr. Adenauer to visit Moscow, and proposing the normalization of relations between the U.S S.R. and the Federal Republic.

After declaring that the interests of peace and European security, as well as those of the Soviet and German peoples, called for the normalization of relations, the Note continued " The experience of history shows that the preservation and strengthening of peace in Europe depends to a decisive degree on the existence of good relations between the Soviet and German peoples . In the years when friendly relations and co-operation existed between our peoples, it was of great benefit to both countries. Conversely, hostile relations and wars between our peoples have brought them untold misery, privation, and suffering It was the Soviet and German peoples that suffered most of all in the two World Wars The peoples of the Soviet Union and Germany had millions of casualties in these wars—several times higher than the casualties of all the other belligerent nations combined Cities reduced to ruins, villages burned down, great riches of the two peoples destroyed—such were the results of the wars between our countries.

" The Soviet Government cannot fail to draw the attention of the Federal Republic to the fact that certain aggressive circles in some countries are harbouring plans to set the Soviet Union and Western Germany against each other, and to prevent an improvement in their relations. Another war would turn Germany into a field of battle and destruction. Such a war on German territory, involving modern means of mass destruction, would be even more cruel and devastating in its results than any past war. Developments must not be allowed to follow this course The impending danger can be averted if normal relations, based on mutual confidence and peaceful co-operation, are established between our countries. The Soviet Union, in spite of all the sufferings inflicted upon her during the recent war, has never let herself be guided by feelings of revenge against the German people . .

" The Soviet Government proceeds from the premise that the establishment of normal relations between the Soviet Union and the German Federal Republic will contribute to settling outstanding issues concerning the whole of Germany, and thereby help to solve the principal national problem of the German people—the re-establishment of the unity of a democratic German State. .

" The Soviet Government also attaches great importance to more stable relations between the Soviet Union and the Federal Republic in the field of trade It is appropriate to recall that the Soviet Union and Germany carried on extensive and mutually advantageous trade in the past, with the commodity turnover amounting at times to one-fifth of the total foreign trade of both countries. The Soviet Union has extensive trade relations with the German Democratic Republic [Eastern Germany]. Trade between the U S.S R and the Federal Republic of Germany is of a limited and unstable nature However, the prerequisites exist for the development of extensive trade and the establishment of mutually advantageous economic relations between the Soviet Union and the Federal Republic provided there are normal relations between them The Soviet Union, with its highly developed industry and expanding agriculture, considers it possible to enlarge substantially its volume of trade with Western Germany.

" Cultural interchange can also play an important part in normalizing relations between our countries. Scientific, cultural, and technical ties between the peoples of the U.S S.R and Germany are of long standing. They have enriched the intellectual life of both peoples and have had a favourable effect on European cultural development as a whole. These traditions can serve to promote scientific, cultural, and technical co-operation between the two countries.

" The Soviet Government believes that the abolition of the Occupation Statute in Western Germany, and the decree of the Supreme Soviet ending the state of war between the U.S.S.R. and Germany, provide the necessary conditions for establishing normal and direct relations between the Soviet Union and the German Federal Republic. In view of this, the Soviet Government proposes to the Government of the German Federal Republic that direct diplomatic, trade, and ultural relations should be established between the two countries.

" Considering it desirable for personal contact to be established between the statesmen of the two countries, the Soviet Government would welcome a visit to Moscow, in the near future, of Chancellor Adenauer and any other representatives whom the Federal Government might wish to send, in order to discuss the establishment of diplomatic and trade relations between the Soviet Union and the German Federal Republic, and to examine the relevant issues."

An official statement in Bonn said that the Federal Government welcomed the Soviet Union's proposal to establish diplomatic, trade, and cultural relations between the U.S.S.R. and the German Federal Republic. It added that the Note " raises various questions which require prior examination," and that it was hoped that an eventual meeting between Dr. Adenauer and the Soviet leaders would " appear appropriate." No statement was issued by Dr Adenauer himself.

Dr. Adenauer's Visits to the U.S.A. and Britain.

Dr. Adenauer arrived in the U.S.A. on June 12 to receive an honorary degree from Harvard University. Although his visit was ostensibly private, he had discussions at the White House on June 13-14 with President Eisenhower and Mr Dulles, and subsequently in New York with Mr. Dulles, Mr. Harold Macmillan and M. Pinay. The following communiqué was issued on June 14 after the White House conversations :

" The President, the Chancellor, the Secretary of State, and their advisers . reviewed political developments since the Chancellor's last visit, and noted with satisfaction that the bonds of friendship between their nations have become very close. They are of the opinion that the recent favourable developments in Europe are the result of the consistent, sound policies followed by the United States, the Federal Republic, and their allies

" A large part of the discussion was devoted to the relationship between the nations of the free world and the Soviet Union, and particularly to recent developments such as the willingness of the Soviet Union to participate in a ' Big Four ' conference, and the Soviet Government's invitation to the Chancellor. They agreed that one of the objectives of the forthcoming four-Power meeting will be to pave the way for early German reunification. It was confirmed that in their combined opinion the concept of neutrality is in no way applicable to Germany, and that only in collective security arrangements can Germany assure her independence "

The Federal Chancellor visited Harvard on June 16 to receive an honorary degree, and made a speech reiterating his appeal to the U.S.A to take the initiative in bringing about " controlled disarmament " through negotiations with the Soviet Union.

Dr. Adenauer broke his return journey on June 19 to pay a six-hour visit to Sir Anthony Eden at Chequers (the country residence of the British Prime Minister). A communiqué said that the Federal Chancellor had informed Sir Anthony of his conversations with members of the U.S. Administration, and added :

" At a time when the Western Powers are making sustained efforts to secure the unity of Germany, it is essential that they should be in continual contact with the German Federal Republic. Both the Prime Minister and the Chancellor intend, as circumstances develop, to follow today's conversations by further exchanges of view between the two Governments."

Foreign Ministers' Discussions in New York and San Francisco.

The British, French and U.S. Foreign Ministers (Mr. Macmillan, M. Pinay and Mr. Dulles) met in New York on June 16-17 for an exchange of views before proceeding to San Francisco for the tenth anniversary celebrations of the founding of the United Nations. They were joined on June 17 by Dr. Adenauer, the following communiqué being issued at the end of the talks :

" The Foreign Ministers took note of the formal acceptance by the Soviet Government of their invitation of May 10, and reaffirmed the view therein expressed that ' the time has now come for a new effort to resolve the great problems which confront us.' The meeting also provided an occasion for the three inviting Powers to consider arrangements for the forthcoming Geneva Conference, in preparation for their meeting with the Soviet Foreign Minister at San Francisco.

" They were pleased to have the opportunity of discussing with Chancellor Adenauer problems of particular concern to Germany. Plans were discussed for consultations in Paris with other members of NATO to be held before the Geneva Conference. . . ."

M. Molotov, who had arrived in San Francisco for the U.N. tenth anniversary session, had a meeting in that city on June 21 with Mr. Dulles, Mr. Macmillan and M. Pinay, at which procedural and other matters were discussed in preparation for the " summit " conference at Geneva.

Defeat of Senator McCarthy's Resolution on " Summit " Conference.

A resolution by Senator McCarthy (Republican), demanding that the United States should refuse to attend the " summit " conference unless the Soviet Union agreed in advance to discuss the " liberation " of the East European countries, was rejected by the U.S. Senate on June 22 by 77 votes to four, at the end

of a five-hour debate. The Foreign Relations Committee had previously recommended the Senate to reject the motion because it implied lack of confidence in President Eisenhower. Senator McCarthy's resolution was strongly criticized not only by the Democratic leaders in the Senate but also by Senator Knowland and other prominent Republicans. Only three Senators—Jenner (Indiana), Langer (North Dakota), and Malone (Nevada), all Republicans—voted with Senator McCarthy in support of the resolution.—(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - Frankfurter Allgemeine Zeitung - Soviet Weekly) **(Prev. rep. 14189 A.)**

A. AUSTRALIA. — Victoria. - State Elections.

Elections to a new Legislative Assembly were held in Victoria on May 28 and resulted in a victory for the Liberal and Country Party, led by Mr. Henry Bolte, which won 34 of the 66 seats. The Labour Party, led by the Premier, Mr. Cain, won 20 seats; the Country Party (which is independent of the Liberal and Country Party), 10 seats; Progressive Labour, one seat; and the dissident Labour group led by Mr. Barry (whose vote against Mr. Cain's Government precipitated the election), one seat. The significant feature of the election was the defeat both of the "Barry" Labour Party, which lost 11 of the 12 seats it formerly held, and of the breakaway Liberal Party, led by the former Premier, Mr. Hollway, which lost all its four seats Both Mr. Barry and Mr Hollway were defeated. Ministers in Mr. Cain's Government who were defeated included the Deputy Premier and Chief Secretary (Mr. Galvin), the Minister for Housing (Mr. Sheehan), and the Minister for Lands (Mr. Smith).

A Liberal and Country Party Government was accordingly formed by Mr Bolte with the following membership Mr H Bolte, Premier, Treasurer, and Soil Conservation, Mr A. G Rylah, Deputy Premier, Chief Secretary, and Attorney-General; Mr G O. Chandler, Agriculture, Mr A G Warner, Transport, Sir Thomas Maltby, Public Works, Mr. E Cameron, Health; Mr K Turnbull, Lands and Soldier Settlement, Mr W J. Mibus, Water Supply and Mines, Mr H. Petty, Housing, Mr J. S Bloomfield, Labour and Electrical Undertakings, Mr R. K. Whately, Forests and State Development, Mr. W W. Leggatt, Education and Immigration, Mr G O. Reid, Assistant Chief Secretary and Assistant Attorney-General, Mr G S McArthur, Minister without portfolio.

Elections were held on June 18 for one-half of the 34 seats in the Victorian Legislative Council (the Upper House of the State Parliament) and again resulted in a victory for the Liberal and Country Party, all of whose nine candidates were returned. All 11 candidates of the dissident Labour group were defeated, including their leader, Mr. Coleman, the former Minister of Transport. The two members of the Hollway Liberal group also lost their seats, this group being no longer represented in the State Parliament. All members of the Cain Labour group standing for re-election retained their seats. The Liberal and Country Party, with Country Party support, will have a majority of three in the new Legislative Council.

On June 6 the Victorian State Executive of the Labour Party expelled for life all dissident Labour members of the Legislative Assembly who were responsible for the defeat of Mr. Cain's Government, and also all those party members who had declared their allegiance to the breakaway Barry - Coleman group, or who had assisted that group's candidates in the elections.—(Australian News and Information Bureau) **(Prev. rep. 14178 A; Victoria Elections, 12666 B.)**

B. CHINA. — Mr. Krishna Menon's Mission to Peking.

Mr. Nehru announced on April 30 that the Chinese Prime Minister, Mr. Chou En-lai, had invited Mr. Krishna Menon (principal Indian representative at the United Nations) to Peking to continue the efforts made at the Bandung Conference to find a solution to the Formosa question, and that he (Mr. Nehru) had "gladly agreed to this." Mr Menon accordingly visited Peking from May 11-21, had a number of talks with Mr. Chou En-lai and other members of the Chinese Government, and was received by Mr. Mao Tse-tung. He arrived back in New Delhi on May 26. Before leaving Peking Mr. Menon said that it was not possible to go into details regarding his talks with the Chinese leaders, but they had been "most useful."

Mr. Menon returned to New York on June 9, and on June 14 had a meeting with President Eisenhower and Mr. Dulles at which he reported on his discussions in Peking. Earlier, Mr. Menon had had discussions in London (which he visited from June 3-8) with Sir Anthony Eden, Mr. Macmillan, and other British Cabinet Ministers, and in Ottawa on June 9 with Mr. St. Laurent and Mr. Lester Pearson, the Canadian Prime Minister and Minister for External Affairs.—(The Statesman, Calcutta - The Hindu, Madras) **(Prev. rep. Bandung Conference 14181 A; Formosa, 14117 A.)**

C. PAKISTAN. — East Pakistan. - Restoration of Parliamentary Government. - Cabinet formed by Mr. Sarkar. - Mr. Shahabuddin resigns Governorship.

The Prime Minister of Pakistan, Mr Mohammed Ali, announced in Dacca on June 3, after a meeting with Mr. Fazlul Huq (the former Chief Minister of East Bengal) and other members of the United Front, that Governor's rule had been lifted and parliamentary government restored in the province, and that a nominee of Mr. Huq was being asked to form a Ministry immediately The Governor-General, Mr. Ghulam Mohammad (who was visiting London for medical treatment at the time) accordingly issued a proclamation on June 5 stating that he was satisfied that conditions now existed in which the government of East Pakistan could be carried on, and revoking his proclamation of May 30, 1954, under which Governor's rule had been imposed.

Mr Mohammed Ali stated on June 3 that ever since the promulgation of Section 92(A) in East Pakistan, the Central Government had been of the opinion that parliamentary government should be restored in the Province as soon as it was found possible to form a stable Ministry After assessing the situation, he had come to the conclusion that such a Ministry could now be formed Ordinarily Mr Huq, as leader of the United Front, which commanded a majority in the Legislative Assembly, would have been called upon to form a Ministry, in view, however, of the problems facing the country in connexion with the elections to the Constituent Assembly, Mr. Huq had decided to delegate his privilege to a nominee, "keeping himself free to devote all his time and energies to questions of momentous consequence to the country"

Mr. Abu Hussain Sarkar, Minister of Health in the Central Government, resigned from that post on June 5 and took office as Chief Minister of East Bengal on June 6. His Ministry was announced on the same day as follows: Mr. Sarkar, Chief Minister and Home Affairs, Mr. Ashrafuddin Choudhry, Finance and Education, Mr Hashimuddin Ahmed, Food, Agriculture, and Judiciary and Legislative Affairs, Mr Abdus Salam Khan, Communications, Irrigation, and Public Health; Mr. Sayed Aziz-ul Huq, Commerce, Labour, and Industry. With one exception (Mr. Choudhry, a member of the *Nizam-i-Islam* group) all Ministers had previously held office in Mr. Fazlul Huq's Cabinet and are members of Mr. Huq's *Krishak Sramik* party.

Mr Mohammed Ali assured the new Ministry on June 6 that the Central Government would co-operate with them in their efforts to raise the living standards of the people of East Pakistan At a press conference on the same day, Mr Sarkar said that he would shortly enlarge his Ministry, but that he could not say how or when; asked whether he would consider including members of the Awami League (a section of which had disputed Mr Huq's leadership of the United Front), he replied "Let them first come to our party, and then we will consider the position" He promised that his Ministry would attempt to implement the United Front's 21-point programme as far as possible within the time available before the next general election, and that he would give immediate attention to the question of the release of political detainees, including a number of United Front members of the Assembly

Although the Prime Minister's decision to restore parliamentary government in East Pakistan was welcomed by most West Pakistan political leaders, considerable comment was aroused by the circumstances in which it was taken. It was recalled by some papers that Mr. Mohammed Ali had previously denounced Mr. Huq as a "traitor," and it was also observed that the decision to restore parliamentary government had been made at a time when Mr. Suhrawardy (Law Minister in the Central Government, president of the All-Pakistan Awami League, and one of the most prominent political leaders in East Pakistan) was on his way to London to obtain expert legal opinion on constitutional issues raised by the Federal Court.

At a meeting of the United Front Parliamentary Party on Feb. 17, the Awami League had moved a vote of no-confidence in Mr Huq's leadership, which it claimed had been carried, although this claim was disputed by the *Krishak Sramik* Party A section of the Awami League, however, lead by Mr. Abdus Salam Khan and Mr. Hashimuddin Ahmed (who were subsequently suspended from membership), continued to support Mr Huq. The executive of the League, at a meeting on April 4 presided over by Mr Suhrawardy, had condemned Mr Mohammed Ali's failure to restore parliamentary government in East Pakistan "on the lame pretext of alleged differences within the United Front," and had demanded that the leader of the Awami League, "the largest single party in East Pakistan and the main constituent of the United Front," should be asked to form a Ministry

Mr. Shahabuddin, the Governor of East Pakistan, tendered his resignation on June 6. In a press statement he denied reports that he was opposed to the restoration of parliamentary government, and explained that he had resigned because of the way in which the Prime Minister had made the announcement without consulting him properly in the matter, which showed a "lack of confidence" in him.—(Pakistan High Commissioner's Office, London - Dawn, Karachi - Times - Manchester Guardian) **(Prev. rep. 14232 A; 13746 A; 13514 A.)**

A. PORTUGUESE SETTLEMENTS IN INDIA. — Nationalist Agitation for Union with India. - Tension between India and Portugal.

From the middle of 1954 onwards there was a marked intensification of nationalist agitation, both in the Portuguese Settlements and in India itself, in favour of the union of the Settlements with India. Developments during the past 12 months, and their repercussions on relations between India and Portugal, are described below under cross-headings.

Nationalist Activities in Portuguese Settlements, June - August, 1954.

Nationalist demonstrations in Goa on June 18, 1954, when the Indian flag was hoisted, led to the arrest of a number of demonstrators and suspected nationalist sympathizers. Dr. Gaitonde, the Goanese surgeon whose earlier arrest had led to a protest to Portugal by the Indian Government (see 13517 A), was sentenced by a Lisbon court on July 9 to three months' imprisonment, deprivation of political rights (including that of practising his profession) for 12 years, and police surveillance for five years.

An " Action Committee " formed by a number of nationalist groups in Bombay announced on July 15 that volunteers would carry out a " march on Goa " on Aug. 15 as the beginning of a *satyagraha* (non-violent civil disobedience) campaign in the Portuguese Settlements On July 22 about 30 volunteers occupied the village of Dadra (a small *enclave* inside Bombay State forming part of the Settlement of Daman), after a skirmish in which two policemen were killed, and hoisted the Indian flag. The nearby *enclave* of Nagar Haveli was occupied at the end of July by two groups of volunteers, one recruited from the left-wing Goan People's Party and the other from the " Free Goa " Movement, which was backed by the right-wing *Jan Sangh*. Guerrilla resistance was carried on by a small force of Portuguese police until Aug. 11, when they retreated to the Settlement of Goa. Some friction occurred between the two groups of volunteers owing to the radical agrarian policy pursued by the Goan People's Party; a settlement was eventually reached, however, whereby the Goan People's Party agreed to withdraw, leaving the Free Goa Movement in sole control in the two *enclaves*.

In view of the nationalist agitation, the Portuguese garrisons of the Settlements were strengthened during the spring and summer of 1954. In a Note presented on July 24, the Portuguese Government accused the Government of India of concentrating troops on the borders of the Settlements, and demanded that Portuguese troops and police should be allowed to cross Indian territory into the Dadra *enclave*. A second Note of July 26 repeated this demand, and requested permission for Portuguese representatives to visit both Dadra and Nagar Haveli to examine the situation. The Indian Government's reply (July 28) denied that there were any Indian Army personnel on the frontiers of the Settlements; stated that it could not permit movements of foreign troops and police on Indian soil, and could not be a party to the suppression of a genuine nationalist movement for freedom from foreign rule; and declared that the prevailing tension was bound to increase if Portuguese officials were permitted to cross Indian territory.

The Portuguese Government demanded on July 30 the withdrawal of Mr. Coelho, the Indian Consul-General in Goa, and of the Indian Vice-Consul in the port of Marmagão, whose activities were said to constitute " a serious threat to the internal security of Portuguese India " This allegation was repudiated as unfounded by the Indian Government, which demanded the recall of the Portuguese Consul-General in Bombay. Consular relations were not re-established until Jan. 18, 1955, when the Indian Government announced that Mr. P. R. S Mani had been appointed Consul-General in Goa, and that Dr. Albano Nogueira had been provisionally recognized as Portuguese Consul-General in Bombay.

International Reactions to Indo-Portuguese Tension.

The British Foreign Office announced on Aug. 6, 1954, that Mr. Selwyn Lloyd (Minister of State for Foreign Affairs) had informed the Portuguese Ambassador in London (Dr. Pereira) that H.M. Government greatly regretted " the state of tension existing between a member of the Commonwealth and an ally of such long standing as Portugal." Recent events (the statement continued) appeared likely to intensify this tension and to result in bloodshed, and the acting British High Commissioner in Delhi, Mr. Middleton, had therefore expressed to the Indian Government " the earnest hope that there will be no resort to violence or to methods bound to lead to the use of force."

The Indian reply to this statement, delivered on Aug. 9, repudiated the " unwarranted implications " contained in the Foreign Office's statement, which, it said, was based on " one-sided information." It declared that the present situation in the Settlements had not been created by India, which had " persistently sought a peaceful solution of this problem by negotiation," but had arisen from the Portuguese Government's resistance to " the desire of subject people for freedom from foreign rule." In conclusion, the Note said that the Government of India were " determined to pursue their peaceful and conciliatory approach without either use or support of violence in any form," and expressed the hope that the Portuguese Government would respond and that all " friends and allies of Portugal will counsel her in this direction."

The Brazilian Government had previously informed the Government of India on July 30 of its feelings of solidarity with Portugal, and of its hopes for a peaceful settlement During August the Governments of Italy, Belgium, Argentina, Chile, Venezuela, and other countries, as well as the Holy See, expressed their concern over the dispute, and their hopes for a peaceful solution, the U S Government expressed similar sentiments, whilst emphasizing its general opposition to colonial rule wherever it existed, and Cuba and the German Federal Republic expressed support for Portugal's proposals (see below) for neutral supervision of the frontiers of the Settlements

Proposals for Neutral Supervision of Frontiers. - Non-agreement on Indo-Portuguese Negotiations.

Portuguese proposals for supervision of the frontiers of the Settlements by an international team of neutral observers, put forward on Aug. 8, 1954, were accepted by India. Differences on questions of procedure, however, prevented their implementation, and Indian proposals for negotiations on the subject were subsequently rejected by Portugal on Sept. 6. The lengthy series of Note exchanges between the two countries is summarized below.

The Portuguese Note of Aug 8 observed that there were two contradictory versions of the situation In the Portuguese view, bands formed from " elements foreign to the Portuguese national community " were being used to " obtain the usurpation of Portuguese territories or to provoke incidents," with the protection and assistance of the Indian authorities and armed forces India, on the other hand, maintained that the nationalist agitation was peaceful and non-violent, and claimed that " neither aggression nor connivance in aggression can be laid at its doors " In order to " permit light to be thrown on the situation," the Portuguese Government proposed that neutral observers, chosen from countries with which both Portugal and India maintained diplomatic relations, should be allowed free access to the Settlements and to adjacent Indian territories, and should submit reports on (*a*) the nature, nationality, and activities of any groups entering or proposing to enter the other country's territory against the will of its authorities, (*b*) whether or not these groups were armed; (*c*) whether they received protection or help from the authorities and armed forces of the country in which they originated, and (*d*) any frontier incidents.

The Indian reply (Aug 10), whilst protesting against the " grotesque and totally uncalled-for allegations " in the Portuguese Note, accepted the proposal that there should be an impartial observation in the Settlements. The Indian Government, however, did not consider the Portuguese proposals entirely practical or suitable, and therefore suggested that representatives of the two Governments should meet immediately to consider what steps should be taken to implement the principle of impartial observation.

The Portuguese Government pointed out on Aug. 13 that the Indian Note had referred only to Portuguese territories, instead of those of both sides, and invited India to state the questions of detail on which she disagreed with the original proposals In reply, the Indian Government reaffirmed its acceptance in principle of the Portuguese proposals, and suggested that representatives of both countries should meet to discuss " terms of reference, the composition of observation teams, methods of operation of the principle of impartial observation, and all other relevant questions."

The Portuguese Government accepted this suggestion on Aug. 17, and nominated Dr. Garin and Dr. Laborinho (the Portuguese Minister and Counsellor in New Delhi) to lead the Portuguese delegation. India (on Aug. 19) nominated Mr. N. R. Pillai and Mr. R. K. Nehru (respectively secretary-general and head of the Political Department in the Ministry of External Affairs) as its principal representatives, and proposed that negotiations should begin on Aug. 24. This proposal, however, was rejected on Aug. 22 by the Portuguese Government, which insisted that India should either agree that the purpose of the observers was solely to report on the matters specified in its Note of Aug. 8, or indicate what other matters should be laid down as the object of international observation. Portugal (the Note added) was prepared to enter into separate negotiations on " certain problems arising from the co-existence and vicinity of the Portuguese State of India and the Indian Union," provided that India accepted certain conditions in advance, and that the negotiations took place in Lisbon or in the territory of a third State.

The Indian Government's reply (Aug. 24) pointed out that India was being asked to agree in advance to certain conditions which should themselves be the subject of discussion. It suggested that the proposed conference should discuss the implementation of the principle of impartial observation and any other subjects which it considered relevant, in accordance with the normal procedure whereby a conference agreed on its own agenda; and observed that

the proposal for a second conference was a different one, which should be considered separately. A Portuguese Note of Aug. 30 suggested that negotiations should begin on Sept. 7, that India should submit a draft agenda, and that separate negotiations should be held on problems arising out of the "co-existence" of India and the Settlements. A separate Note of the same date again requested that Portuguese officials should be allowed access to the Dadra and Nagar Haveli *enclaves*. This request was rejected on Sept 2 by the Indian Government, which, however, agreed that talks should open on Sept 7, although refusing to accept prior conditions about the agenda.

Dr. Garin informed the Indian Government on Sept 6 that, in the Portuguese Government's view, the Indian reply did not amount to acceptance of the proposal for the appointment of observers, and that the meeting fixed for the following day could therefore not take place Another Portuguese Note of the same date stated that, as Portuguese officials had been refused transit facilities, the Government of Portugal proposed to appoint observers from third countries to examine the situation in the *enclaves*

The Indian Government, in a Note on Sept. 11, expressed regret that negotiations had been delayed because Portugal had "continued to insist that matters which in accordance with normal practice should form the subject of negotiations should be agreed to in advance." Portugal's proposal to appoint foreign observers for the *enclaves* represented a departure from the principle of impartial observation, and the Indian Government could not accept the Portuguese Government's claim that it had "the right to demand transit or passport facilities for nationals of other countries" After emphasizing that India still accepted the principle of impartial observation, and inviting Portugal to send representatives to Delhi for negotiations, the Note concluded · "If the Portuguese Government are, however, disinclined for any reason to proceed with the proposed negotiations, it would be appropriate for them to make a clear statement to that effect to avoid further misunderstanding, instead of making new demands which deviate from the agreed principle while professing to keep the door open for genuine negotiations."

Nationalist Activities, August 1954 - April 1955. - The "March on Goa."

In anticipation of the projected nationalist "march on Goa" (see above), the Portuguese authorities proclaimed a state of siege in the Settlements on Aug. 7, imposed a curfew, closed part of the Indian border, banned the entry of Indian and foreign newspapers, and expelled from Goa some 4,000 Indians who did not possess residence permits. The Portuguese frigate *Bartolomeu Dias* arrived off Diu on Aug. 10 with orders to fire on any Indian flag seen on the coast of the Settlements.

Mr Nehru stated on Aug. 13 that he was opposed to non-Goans entering the Settlements, but that he would not stop Goans from doing so, at the same time he appealed to them to refrain from acts of violence. Rejecting as "fantastic nonsense" the allegation that India had organized the nationalist movement in the Settlements, Mr Nehru observed that the Indian Army could easily have occupied them, but "we have not done it and shall not do it" An Indian official spokesman had previously pointed out that the Goan National Congress, which had organized the "march on Goa," was affiliated to the [Opposition] Praja Socialist Party, and had consulted neither the Government of India nor the Congress Party on its action.

Despite the publicity which had been given to it, the "march on Goa" on Aug 15 met with negligible support, only 47 men taking part. The only violence occurred at Terekhol, on the northern frontier of Goa, where a nationalist was killed by Portuguese troops. Both the small number taking part and the peaceful nature of the "march" were largely attributable to the precautions taken by the Indian police, who prevented Indian nationals from crossing the frontier and searched the volunteers for arms beforehand.

Two parties of 19 and 13 volunteers, carrying Indian flags, crossed the border at different points, and were arrested after advancing a short distance into Portuguese territory. At Terekhol 15 unarmed volunteers occupied a fort without resistance from the Customs officers holding it; Portuguese troops reoccupied the fort on the following day, one volunteer being killed and 12 wounded. Elsewhere in the Goa Settlement the police dispersed groups of demonstrators who had hoisted the Indian flag, several arrests being made. A force of 1,200 Indian volunteers, organized by the Praja Socialist Party, were turned back by the Indian police when attempting to enter the Settlement of Daman. The Indian Government protested on Aug. 20 against the violent measures used by the Portuguese at Terekhol, and in subsequent Notes of Sept. 3 and Oct. 6 alleged that members of the two nationalist groups had been publicly beaten.

After a lull during the autumn, nationalist agitation was renewed at the end of December. Demonstrations occurred in Goa on Jan. 26, 1955, the anniversary of the inauguration of the Indian Republic, and on Feb 17, the anniversary of Dr Gaitonde's arrest. About 75 volunteers entered Daman during the night of April 29-30, but withdrew when Portuguese military police opened fire No casualties were caused.

Portuguese Action against Nationalists. - Release of Dr. Gaitonde.

A number of nationalists arrested in the period July - September, 1954, were tried by a Portuguese military court between March 10 and April 27, 1955. Mr. De Souza, leader of the "march on Goa," was condemned to 28 years' deportation or 20 years' rigorous imprisonment; a Customs officer who had surrendered to the nationalists at Terekhol was sentenced to four years' imprisonment; and 46 nationalists received terms of imprisonment ranging from one to eight years.

On Jan. 5, 1955, the Portuguese Government had informed the Indian Government that new legislation had been enacted under which (1) both Portuguese and foreign citizens who participated in "collective actions intended to stir up public opinion or engage in other activities (individual or collective) which coincide with the aims of foreigners seeking to separate part of the national territory from the mother country, or to hand all or part of it over to a foreign country," would be liable to long terms of imprisonment; (2) these terms of imprisonment might be served in "a different province from the one in which the transgression took place"; (3) in the case of foreigners the penalties would be slightly lower, except that foreigners who had illegally entered Portuguese territory would be liable to the same penalties as Portuguese citizens. The Note also stated that Indian nationals already under arrest for such activities would be returned to India, and requested the Indian Government to make known the serious nature of these penalties and to prevent any more groups of *satyagrahis* from crossing the frontier.

The Indian reply (Jan. 12) warned the Portuguese Government that any attempt to deport Indian (including Goan) *satyagrahis* to serve prison sentences in Portugal or Portuguese Africa would have "serious and far-reaching repercussions" in India The Note declared that the Government of India refused to accept the view that Indians, including Goans, who had the courage to resist "Portuguese colonialism" were criminals, and that the people of India had every right, with their compatriots in Goa, to seek by non-violent means the withdrawal of colonialism from India

The Portuguese Government rejected the Indian protest on Jan. 20, and expressed surprise that the Indian Government should claim the right to pass judgment on legislation enacted by another State concerning offences committed in its own territory, and even by its own nationals A further Indian Note of April 11 protested against the "mounting repression" in Goa and alleged mass arrests, detentions without trial, and ill-treatment of non-violent *satyagrahis*. It was returned by Portugal on the following day on the ground that it constituted interference in Portuguese internal affairs

Dr. Gaitonde and his wife were released by the Portuguese authorities on May 25, and arrived back in India from Lisbon on June 14 He stated that he had not been treated badly in Portugal and had only to report to the police every day.

Reactions in India.

The arrests in Goa, and reports of the ill-treatment of *satyagrahis*, led to increased tension during May, 1955, when Indian volunteers began crossing the border without interference from the Government. At the same time demands were put forward by all sections of Indian opinion for stronger action in support of the nationalist movement in the Settlements. On May 18 a first batch of 54 non-Goan *satyagrahis* entered Goa and were fired on by the police, four of the party being wounded; 28 of the volunteers were subsequently taken to the Indian border and released, the remainder being held as prisoners. Between April 30 and May 20 the Praja Socialist, Mazdoor Kisan, Hindu Mahasabha, and Communist parties all announced their intention of organizing parties of volunteers to enter Goa.

Groups of 50 to 100 volunteers accordingly entered Goan territory on May 18, May 27, June 4, June 12, and June 18. In all cases the Portuguese authorities arrested the *satyagrahis* but returned most of them across the frontier to India. Leaders of the groups included Mr. N. G. Goray (a member of the national executive of the Praja Socialist Party), Mr Atmaram Patil, a leader of the Peasants' and Workers' Party, Mr. Rajaram Patil, a Communist leader, and Mr. V. G. Deshpande, general secretary of the Hindu Mahasabha and a member of the Indian Parliament.

An All-Party Parliamentary Committee for Goa was formed on May 5 with the aim of mobilizing Indian opinion on the question, and held its first meeting in Bombay on May 21 with Congress, Praja Socialist, Communist, and Independent support. The meeting, which was presided over by Mr. Frank Anthony (leader of the Anglo-Indian community), adopted a resolution urging the Government of India to make "one last attempt" to secure a settlement of the question by negotiation, and, if this failed, to "enforce suitable sanctions to eliminate once for all the remnants of colonialism in India." Dr. Khare, vice-president of the Hindu Mahasabha, appealed to Mr Nehru on May 21 to decide on "political action" against Goa, or at least to direct the Congress Party to launch a *satyagraha* campaign, whilst the Praja Socialist Party's executive condemned the Government's "appeasement" policy and demanded immediate "police action" to merge the Settlements with India

In reply to Dr. Khare's appeal, Mr. Nehru stated on May 24 that "we shall take such action as we consider proper in this matter," adding that "a great country should not allow itself to be coerced into thoughtless action"

Mr. Nehru declared in a press statement on May 31 that the Government of India would adhere to their policy of dealing with the Goa question peacefully, "in spite of recent developments which have pained our people very much." He added that the Government would also continue their present policy with regard to the participation of Indian nationals in the

satyagraha movements—" that is to say, we do not approve of large numbers of Indian nationals going there, but individual Indians have gone and can continue to go."

Mr. Nehru emphasized that the Government of India were " afraid of only one thing—that is, of following a policy which is not in keeping with our larger policies, objectives, and methods " He added : " We have gained some credit in the world for following those basic principles, and we do not wish to be hustled or harried into by-passing them. Naturally one has to adapt that basic policy from time to time to a changing situation, but the basic policy must remain. It will be a policy under which the door is always open for peaceful negotiation and settlement, even though the Portuguese do not behave correctly "

Continuing, Mr. Nehru said that not only the non-Christian (Hindu) population of Goa, constituting 60 per cent of the total population, but also a considerable majority of Goan Christians, wanted Goa to enter the Indian Union. There was sufficient evidence for this, including the arrest of a considerable number of Catholic priests for expressing themselves in favour of union with India With regard to the future of Goa after its eventual merger with India, Mr. Nehru reaffirmed that the Government would treat Goa—as it had done Pondicherry—as a separate unit and entity, and would not attach it to any Indian State. They recognized that Goa had " an individuality and a history," and that it would maintain that individuality until the people of Goa themselves wished to change it. In religious matters, similarly, the Goanese would have " the fullest freedom."

After declaring that " normal democratic freedom prevails neither in Goa nor in Portugal," Mr Nehru went on · " What Portugal has or does not have is none of my business—that is a matter for the Portuguese people But what is happening in Goa is my business, and it is only our policy of peaceful approach and restraint which prevents us from taking other steps. It is open to us to take such steps in the economic domain as we consider proper. We have taken some. We may take others."

Portuguese Charges against India.

The Portuguese Foreign Ministry issued a statement on the situation in Portuguese India on June 8.

This statement said that the Portuguese Government had long been following " with growing anxiety " the development in India, " with the encouragement of the highest Indian authorities, of a whole series of events intended to provoke fresh agitation in that country with the object of increasing tension along the frontiers of Portuguese India." After press campaigns and statements by political leaders of the Hindu Mahasabha, the Socialists, and Communists, groups proposing to " liberate " Portuguese India had lately been constituted " under the benevolent eyes of the Indian authorities." This " intentional and systematic mobilization of public opinion against Portugal " could only have tragic results. Many armed incursions into Portuguese territory had taken place—some by bands under a single command but without any apparent military organization ; others [it was alleged] by members of the Indian armed forces.

The Portuguese Government (the statement continued) had taken steps to counter the economic blockade and to ensure the peace and well-being of the people of Portuguese India. The Indian Government had been formally notified that attacks against Portuguese territories would be met with force, that all illegal entries would be severely checked as " criminal violations of sovereignty," and that India would bear the exclusive responsibility for any consequences that might ensue. " It has been thought necessary," the statement added, " to give public opinion ample warning of the seriousness of the present situation and the risks arising out of it for peace in Asia, through the sole fault of the Indian Government."

Portuguese Claim to NATO Support.

The Portuguese Prime Minister, Dr. Salazar, maintained in a broadcast on April 13, 1954, that Portugal's claim to sovereignty over the Settlements was guaranteed by the Anglo-Portuguese treaty of 1642, under which Britain was bound to protect all Portugal's " conquests and colonies," and also by Article IV of the North Atlantic Treaty, which guaranteed the " territorial integrity " of the signatories. Mr. Nehru, however, emphasized in the House of the People on the following day that India was not a party to either of the treaties mentioned by Dr. Salazar, and that " as a sovereign State India cannot be bound by any international or regional agreement to which she is not a party."

Mr. Nehru told the Council of States on May 14, 1954, that the Government had informed the NATO Powers that, in India's view, " neither the North Atlantic Treaty nor the Anglo-Portuguese alliance concerns any foreign settlements in the country."

Article IV of the North Atlantic Treaty (see 9869 A), cited by Dr. Salazar, provides that the signatories shall consult together whenever the territorial integrity of any of them is threatened. Articles V and VI provide for joint military action in the event of " an armed attack on the territory of any of the parties in Europe or North America, on the Algerian departments of France, on the occupation forces of any party in Europe, on the islands under the jurisdiction of any party in the North Atlantic area north of the Tropic of Cancer, or on the vessels or aircraft in this area of any of the parties." As was pointed out in the Indian Press, Dr. Salazar himself had stated in the Portuguese National Assembly in 1949 that " the Pact does not affect directly the defence of colonial territories, or, to be precise, our overseas territories."

The Anglo-Portuguese treaty of alliance provides for mutual military assistance in the event of aggression against the territory of either country. The oldest existing treaty in the world, it was originally signed in 1373 during the reign of Edward III, and was confirmed in 1386, 1642, 1654, 1661, 1815, 1899, 1904, and 1914 Under this treaty Portugal took part in the First World War on the side of the Allies. During the Second World War, whilst remaining neutral, she leased bases in the Azores to Britain, and in return was given an assurance by Britain, Australia, and South Africa that her sovereignty over her colonies would be maintained.

The Portuguese Foreign Minister, Dr. Paulo da Cunha, speaking in Lisbon on Sept. 20, 1954, said that the fact that Portugal had not yet invoked Article IV of the North Atlantic Treaty did not mean that she would not do so in future. Dr da Cunha subsequently announced on May 15, 1955, that he had informed his colleagues on the North Atlantic Council about developments in Goa —(Indian High Commissioner's Office, London - The Hindu, Madras - The Statesman, Calcutta - Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 13517 A ; Mr. Nehru on Goa, 14187 A.)

Note. The three Portuguese Settlements in India—Goa, Daman, and Diu—are described in the footnote to 12997 A (K.C.A., Vol. IX) The population, numbering about 600,000, consists of a small Portuguese-speaking and Catholic upper class , an English-speaking and Catholic middle class ; and a working class of peasants and fishermen who speak Konkani (an Indian language), about half of whom are Catholics and half Hindus In addition, about 15,000 Indians are employed in opencast mining, most of whom return to India during the monsoon season when the mines cannot be economically worked A large number of Goans (variously estimated at 120,000 to 250,000) work in India, particularly in Bombay, and it is among these emigrants that nationalist feeling is believed to be strongest.

Over 40 per cent of Goa's exports go to India and only 0 5 per cent to Portugal, whilst 20 per cent of her imports come from India and less than 10 per cent from Portugal. Total imports amount to about £6,900,000 a year and exports to about £4,400,000, the deficit being covered by receipts from shipping and tourist traffic, and also by remittances from emigrants, most of whom live in India. Agricultural production is insufficient to cover the needs of the population and rice is imported from India. The iron and manganese mines, which provide most of Goa's exports, are largely run by Indian industrialists and worked by Indian labour.

(Times - Economist - Financial Times)

A. ANTARCTICA. — British Application to International Court on Rival Claims in Antarctica. - Arbitration refused by Argentina and Chile.

The British Foreign Secretary (Mr. Harold Macmillan), disclosed on May 6, in a parliamentary written answer, that H.M. Government had submitted for arbitration by the International Court of Justice the disputes with Argentina and Chile over the sovereignty of British territory in the Antarctic.

After pointing out that Argentina and Chile had persistently committed acts of trespass in the Falkland Islands Dependencies, to which Britain's title went back for more than a century, Mr. Macmillan announced that identical Notes had been sent to the Argentine and Chilean Governments on Dec. 21, 1954, repeating the British offer to submit the disputes to the International Court, or to some other form of international arbitration if Argentina and Chile preferred. No reply to these Notes had been received by the end of April, and H.M. Government had accordingly decided to make direct application to the International Court and to lay its case before it. The necessary documents had been submitted to the International Court on May 4, but since then replies had been received from both Argentina and Chile rejecting the British offer of arbitration. H.M. Ambassadors in Buenos Aires and Santiago had been instructed to express H.M. Government's disappointment at the replies, and the hope that the Argentine and Chilean Governments might reconsider their attitudes and accept the jurisdiction of the International Court.

The documents presented to the International Court by the British Government, running to 12,000 words, explained that the British title to the Falkland Islands Dependencies was based on historical discoveries dating from 1675 to 1843, and on a long record of effective occupation. It was pointed out that British claims to these territories were formally confirmed and defined in Letters Patent issued in 1908 and 1917.

It was announced in London on May 6 that Britain had established two new bases in the Antarctic, making 16 in all. Eight Argentine and four Chilean bases have been established in British Antarctic territory in recent years.

(Times - Manchester Guardian) **(Prev. rep. 14099 A.)**

B. RUMANIA. — Ratification of Warsaw Treaty.

The Rumanian National Assembly passed a Bill on May 30 ratifying the eight-nation treaty of friendship, co-operation, and mutual assistance signed in Warsaw on May 14.

(Agerpres, Bucharest) **(Prev. rep. 14249 A.)**

JUNE 25—JULY 2, 1955

A. ARGENTINA. — Proposed Disestablishment of Roman Catholic Church. - Deportation of Roman Catholic Prelates. - Argentine Leaders excommunicated by Vatican. - Abortive Naval Revolt in Buenos Aires.

The Perón Government's campaign against the Roman Catholic Church, which began in November last (see 13983 A, 14066 D), culminated on May 18-19 in legislation aimed at disestablishing the Church for the first time in the 145-year history of the Argentine Republic. [The Roman Catholic religion had been recognized as the official religion of the State since Argentina won her independence from Spain in 1810.] Widespread arrests of Catholics during April and May were followed on June 14 by the dismissal and deportation of two leading Roman Catholic dignitaries, and by the subsequent excommunication by the Holy See of all those responsible for violating the rights of the Church in Argentina. On June 16 a section of the Argentine Navy, notably the naval air arm, launched a revolt against President Perón which was quelled after several bombing attacks by insurgent aircraft on Government buildings in Buenos Aires. These developments are described below under cross-headings.

Action against Roman Catholic Church.

The Bill proposing to disestablish the Roman Catholic Church was passed by the Chamber of Deputies on May 18 (by 121 votes to 12) and by the all-*Peronista* Senate on May 19 (without a dissentient vote). It provided (*a*) that elections should be held during the next six months for a National Convention which would amend those provisions in the Constitution relating to religion; and (*b*) that the Convention should complete its work within 30 days of its installation. Among specific constitutional provisions which the National Convention would be asked to amend were Article 2, which states that "the Federal Government upholds the Roman Catholic Apostolic Church," and Article 77, which requires the President and Vice-President of Argentina to belong to the Roman Catholic faith.

The 12 Radical deputies opposed the Bill on the ground that political conditions justifying the reform of the Constitution did not exist at present. The principle of disestablishment itself was not opposed by the Radical Party, many of whose members favour the separation of Church and State.

The Argentine Congress also passed a Bill on May 19-20 making churches, convents, monasteries, and all other Church property liable to taxation, and rescinding all former legislation under which religious institutions and their property had been exempted from paying real estate and other taxes. The voting was 112 to 9 in the Chamber of Deputies and unanimous in the Senate.

During the seven months November, 1954, to May, 1955, therefore, the following action had been taken against the Roman Catholic Church, either by legislation or by presidential decree: the abolition of obligatory religious instruction in State schools; the withdrawal of State grants to Roman Catholic schools; the legalization of divorce and of prostitution; a ban on religious processions and open-air meetings without specific permission from the police; the lifting of the Church's exemption from taxation; and, finally, the proposed disestablishment of the Roman Catholic Church.

During April and May the police arrested a number of Roman Catholic priests and laymen in various centres—including Buenos Aires, Mendoza, Salta, Santa Fé, and Tucuman—on such charges as issuing pamphlets attacking the regime, holding religious processions without official permission, "plotting against the State," "seditious activities," etc. Among those arrested were the leading members of the Catholic Action organization in Buenos Aires, whose homes were raided on May 6. Many of those arrested were subsequently released, but some 125 persons were reported to be still under detention at the beginning of June.

On March 31 a Presidential decree had been issued removing religious festivals—including Epiphany, Corpus Christi, All Saints' Day, the Feast of the Assumption, and the Feast of the Immaculate Conception—from the list of Argentine public holidays. The decree laid down that there would in future be two categories of holidays: (1) national holidays, which would include Labour Day (May 1), the anniversary of the Argentine revolution of 1810, the anniversary of the Argentine declaration of independence, the anniversary of the death of Señora Eva Perón, and the anniversary of General Perón's release from prison in 1945, and (2) lesser holidays or "non-working days," which would include Christmas Day, New Year's Day, Good Friday, and the anniversary of the death of General San Martin, the Argentine liberator.

In defiance of the Government's ban on the open-air celebration of the Feast of Corpus Christi, some 100,000 Roman Catholics assembled on June 11 in the Plaza de Mayo, in the centre of Buenos Aires, while the Corpus Christi procession was being held inside the Cathedral. A large section of the crowd subsequently marched up the Avenida de Mayo to the Congress building, where they hoisted the Papal flag. Clashes occurred between the police and demonstrators—some of whom smashed the windows of *La Prensa*, now the organ of the General Confederation of Labour—and a number of arrests were made.

The Minister of the Interior (Señor Angel Borlenghi) issued a statement on June 12 accusing the demonstrators of having committed "a serious offence against Argentine sovereignty" by raising the flag of a "foreign Power" [i.e. the Papal State] over the Congress building, and alleging that they had hauled down and burned the national flag [Despite this allegation, press correspondents in Buenos Aires stated that the Papal flag had been flown alongside the national flag, and that the latter had not been hauled down.] The Minister also accused the demonstrators of having torn down plaques dedicated to the memory of Eva Perón, of having stoned the offices of pro-Government newspapers, and of having wrecked the Peruvian Ambassador's car and injured the chauffeur.

The police authorities issued a statement alleging that members of Catholic Action had assembled before the Cathedral with the premeditated intention of provoking a disturbance; that Roman Catholics had intended to damage or burn the Cathedral and to attribute responsibility to "people's organizations", and that many arrested members of Catholic Action had been found in possession of revolvers and ammunition. It was also stated that the police, on the Government's instructions, had entered the Archbishop's palace (adjacent to the Cathedral) and arrested 428 demonstrators—mostly young men—who had taken refuge there.

A statement on behalf of the Archbishop of Buenos Aires categorically denied the allegation that members of the congregation assembled in the Plaza de Mayo for the Corpus Christi procession had burned the national flag, or had committed the other offences alleged against them. The statement said that these offences had been perpetrated by enemies of Catholicism in an effort to discredit the Church, and that the testimony of independent eye-witnesses could be adduced to support this claim.

President Perón made a broadcast on June 13 in which he accused the Roman Catholic Church of opposing the Government and of allying itself with "the former oligarchy."

After declaring that the "oligarchy" [i.e. the form of government before the *Peronista* regime] had been overthrown, and that he had invited all Argentinians "to create a new atmosphere of co-existence, mutual understanding, and solidarity," President Perón continued: "For 12 years the Government have tried by all possible means to obtain complete harmony in its relations with the ecclesiastical Hierarchy. I believed that harmony was possible. I have never tried to win the Hierarchy's political support. I believe that politics is not the specific mission of the Church, and that the Church has lost prestige whenever it has mixed politics with religion . . .

"I believed it was my duty as leader of the people to liberate the clergy from its former obligations to the oligarchy; to give the clergy liberty of action so that they could serve the people and not the oligarchy. . . Unfortunately a certain section of the clergy, now supported by virtually all the Hierarchy, could not be persuaded. I realize that I have failed, but I do not regret my attempt. Now that the clergy has decided to show itself as a wolf in sheep's clothing, once more allied with the oligarchy, I am not going to evade my responsibility to put things in order, using my constitutional prerogatives and attributes. I believe that the clergy should serve the people and not be served by them.

"Since 1943 the open participation of some prelates in politics has been notorious. . . I recall the systematic fight against the person and social work of Señora Eva Perón, the campaign of calumny and defamation against women members of the *Peronista* party, a campaign utterly unjust and lacking in all Christian spirit; contempt for the General Confederation of Labour; campaigns organized against the *Peronista* movement's ideological position in favour of peace and international reconciliation, the spreading of rumours designed to damage the prestige of men in the Government, the campaign tending to discredit the Government abroad; the unjustified attacks against youth organizations and the infamous calumnies against their activities.

"If, as some say, the people are opposed to the separation of Church and State, they will vote negatively in the election [for a National Convention to revise the Constitution]. If, as others say, the people want this separation, they will vote affirmatively. Why, then, this agitation and disorder? The Government assures free and unfettered elections in which the present controversy will be settled. It guarantees all rights within the law. Those who sow the wind will reap the whirlwind . . ."

Dismissal and Deportation of Roman Catholic Prelates. - Vatican Excommunication Decree.

A decree, signed by President Perón and all members of the Cabinet, was issued on June 14 dismissing from their posts Mgr. Manuel Tato, Auxiliary Bishop of Buenos Aires and Vicar-General of the diocese, and Mgr. Ramón Novoa, the Assistant Vicar-General. The decree alleged that Monsignori Tato and Novoa bore responsibility for the disturbances during

the Corpus Christi procession; that they had incited crowds to damage public and private property and to defame the national flag; that they were also responsible for disturbances on May 6, when some 140 Catholics had been arrested in different parts of the country, and that, abandoning their spiritual duties, they had engaged in acts of a temporal nature which were "exclusively reserved to the State."

Owing to the ill-health of the 75-year-old Cardinal Copello, Archbishop of Buenos Aires and Primate of Argentina, Mgr Tato had for some weeks previously conducted negotiations with the Government on behalf of the Roman Catholic Church.

Monsignori Tato and Novoa were placed on board an Argentine airliner on June 15, and arrived in Rome two days later after stops in Rio de Janeiro and Lisbon. In a press statement in Rio to the Brazilian paper *O Globo*, they said that they had been kept *incommunicado* by the police, had been refused permission to communicate with their ecclesiastical superiors, and had been taken to the airfield under armed guard and placed on board the plane "without documents and with only the clothes we have on our backs." They denied *in toto* the allegations made against them, and declared that the disturbances had been fomented by supporters of President Perón in an effort to discredit the Church. Monsignori Tato and Novoa were received in audience by the Pope after their arrival in Rome.

The Holy See issued a decree on June 16 excommunicating all those, whether principals or accomplices, who had "trampled upon the rights of the Church" in Argentina and "used violence against Church leaders" Special mention was made of the fact that Mgr. Tato had been forcibly prevented from exercising his ecclesiastical jurisdiction and had been expelled from Argentine territory.

The decree made no mention of President Perón or other Argentine leaders by name, but by implication affected the President and all members of the Argentine Government

Abortive Revolt by Argentine Navy.

A revolt against the Government broke out in Buenos Aires on June 16, but was quelled within a few hours. At noon, and again during the afternoon, light bombers and jet fighters from the naval air base at Punta del Indio (at the mouth of the River Plate, about 100 miles from the capital) appeared over the city and made bombing and strafing attacks on the Government headquarters in the Plazo de Mayo, and also on the nearby offices of the General Confederation of Labour. Some damage was done to the *Casa Rosada* (Government House), and heavy civilian casualties were caused when a number of bombs fell among the dense crowds in the Plaza de Mayo. After the first air attack, fighting broke out between insurgent naval forces in the Ministry of Marine and loyalist troops called out to protect the *Casa Rosada* and other Government buildings; after about two hours, however, the insurgents in the Ministry of Marine surrendered, while insurgent naval elements in the port area were also overpowered.

The Argentine Government immediately proclaimed a state of siege, imposed a censorship, and cut telegraphic and telephonic communications with foreign countries. A Government communiqué issued in the evening said that the situation was under control throughout the country; that "repressive measures" had been taken in the area of the *Casa Rosada* to put down a revolt by about 200 marines; that the Punta del Indio base, from which insurgent planes had bombed the capital, was being occupied by loyal troops; that the bombing attacks had caused "numerous victims" among the civilian population; and that the Army and the military air forces had remained completely loyal.

A radio station calling itself "Free Argentina" went on the air shortly after the outbreak of the revolt, declaring that "the tyrant is dead" and that the revolt was aimed at "restoring the freedom of the Press and the democratic movement, which has been smothered by the present government." Nothing further, however, was heard from this station, nor was there any substantiation of reports from Montevideo and Rio de Janeiro that the insurgents were in control of Rosario, the second largest city in Argentina. The Government radio, on the other hand, remained in operation throughout, and it subsequently became apparent that the revolt had been confined entirely to the capital and had been quelled within a few hours

In a broadcast on June 17, President Perón declared that calm prevailed throughout the country, that the Army and the military air forces had remained completely loyal, and that the sole responsibility for the revolt rested upon units of the Navy and the Fleet Air Arm, which must "bear the stigma for all time" of having "betrayed the country." The President disclosed in his broadcast that a number of churches in the capital had been set on fire during the disturbances.

After emphasizing that he and the members of his Government were themselves Catholics, and that they had no intention of attacking religion, the President appealed to the people "not to try to decide things by violence but by popular vote," and to await the result of the forthcoming referendum on the separation of Church and State. "If the Government does not carry out the popular decision of the electors," he declared, "the people will have the right to challenge it—but not before" President Perón added that Communists had taken advantage of the disturbances to set fire to a number of churches, and gave an assurance that the Government would take strong action to prevent a repetition of such incidents [Reports reaching New York from Montevideo stated that six or seven churches had been set on fire by demonstrators during the disturbances, and that an attempt had also been made to set fire to the Archbishop's palace] In addition, the President declared that justice "under the law" would be meted out to all who had taken part in the revolt

The Argentine radio announced on June 19 that the revolt had been led by Rear-Admiral Anibal Olivieri, Minister of Marine up to the time of the uprising, Rear-Admiral Toranzo Calderón, of the Marine Corps, and Vice-Admiral Benjamin Gargiulo, who had committed suicide after the failure of the revolt. [Admirals Olivieri and Toranzo Calderón were at first reported to have disappeared, but were subsequently stated to be under arrest]. It was also officially announced that Rear-Admiral Luis Cornés had been appointed Minister of Marine in succession to Rear-Admiral Olivieri; that the Government had taken severe measures against "Communists who took advantage of the fighting to perpetrate unlawful acts in many parts of the capital", and that the General Confederation of Labour had ordered a 24-hour cessation of work in token of support for President Perón and in mourning for the civilian victims of the uprising. The first official reports said that 156 people had been killed in the bombing and street fighting and 846 wounded, but later reports gave the figures as over 300 killed and about 1,000 injured.

A combined forces communiqué, issued on June 20, stated that the bulk of the Atlantic Fleet and the personnel of the naval bases, including those at Puerto Belgrano and Mar del Plata, had been completely loyal, and that the revolt had been confined to the following units: 295 Marine officers and men at the Ministry of Marine, 101 officers and men at the Punta del Indio naval air base, which had meanwhile been occupied by the Army; a company of Marines, consisting of 155 officers and men, who had left Martin Garcia Island (in the Plate estuary) to take part in the rising, but who had returned without having done so; 558 officers and men of the Marine Command who were "presumed to have taken part"; the Fleet Air Arm School at Punta del Rio, and a Fleet Air Arm squadron at Punto del Indio. It was announced that the former separate Marine and Fleet Air Arm Commands had been suppressed and merged with the Naval Operations Command.

Following the failure of the uprising, 39 Argentine naval aircraft landed at military and air bases in Uruguay and surrendered to the Uruguayan authorities. The refugees—about 90 officers and pilots of the Argentine Navy and Fleet Air Arm, together with a few civilians—were interned by the Uruguayan Government, which announced that the machines would eventually be returned to Argentina.

Montevideo Radio quoted statements by refugee officers giving the following reasons, *inter alia*, for the failure of the revolt: the "betrayal" of the Navy by Army units which (it was alleged) had promised to join the uprising, but had not done so; low clouds and bad visibility over Buenos Aires, which had made precision bombing of the Government's headquarters impossible; and the capture of the Punto del Indio base by the Army, which had deprived the insurgents of bombs and fuel supplies.

General Franklin Lucero, the Army Minister, issued a proclamation on June 19 announcing that he had been appointed "Commander-in-Chief of the forces of repression" by President Perón. He appealed for calm and public order, gave a warning that the security forces would take stringent measures to suppress all attempts to disturb the peace, and placed upon the San Martin Grenadiers (a crack regiment which guards the Presidential palace and the Ministries) full responsibility for the personal security of President Perón and for guarding Government House.

All members of the Argentine Government resigned on June 23 to enable President Perón to reorganize his Cabinet. In a broadcast on the same day, the President gave an outline of the revolt which, he said, he had been unable to give before because of the censorship imposed under the state of siege.

The President alleged that members of the political Opposition (the Democratic Union), subsequently joined by some "clericals," had conspired since November last to launch a military revolt with the aim of murdering the President of the Republic through air bombing or land action, and of intimidating civilians by bombing and machine-gunning the streets. He denounced the rebels for the indiscriminate slaughter of men, women and children; declared that they had "had their bags packed" so that they could "take the road to Uruguay as usual" when the revolt failed; and stressed that the provinces had remained completely calm.

The censorship was lifted on June 26 and the state of siege on June 29, on which date the post of "Commander-in-Chief of the forces of repression" was abolished. It had been officially announced on June 26 that the Argentine Government released 19 leaders of the Radical Party who, it was disclosed, had been under arrest since the rising on June 16. The Roman Catholic Hierarchy had earlier announced that all priests under detention had been released, and that Cardinal Copello had appointed successors to Monsignori Tato and Novoa.
(New York Times - New York Herald Tribune - Le Monde, Paris - Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. 14066 D ; 13983 A.)

A. CHINA. — Release of British Radio Operator.

Mr. R. W. Ford, a British radio operator formerly employed by the Tibetan Government, who had been captured in 1950 at Chamdo (Eastern Tibet) by the Chinese forces, was released by the Chinese authorities on the Hong Kong border on May 29. He had been detained in captivity in China on charges of espionage, and was finally released (according to a Peking Radio announcement) "in view of his expressed regret, during his imprisonment, for his crimes."

At a press conference on May 31 Mr Ford said that after his capture in December, 1950, he had been imprisoned in Chungking for four years, including six months' solitary confinement A military tribunal had then sentenced him to 10 years' imprisonment at a summary trial at which no appeal had been allowed. The next day he had been told that he would be deported, and had been transferred to Canton, where he had been kept for a further six months He said that he had never been subjected to physical violence but had had to undergo innumerable prolonged interrogations, and had been told that he would not be released unless he "confessed", he admitted that he had eventually "confessed" to various charges, including espionage, and added that all prisoners of the Chinese eventually made such "confessions."

Mr. Ford arrived back in London on June 22.—(Times)
(Prev. rep. U.S. Airmen, Release, 14270 A.)

B. UNITED KINGDOM.—Government Appointments.

The following appointments to junior offices in the Government were announced on June 14: Mr. Niall Macpherson, Parliamentary Under-Secretary of State, Scottish Office; Mr. T. G. D. Galbraith, Treasurer of H.M. Household; Mr. H. D. Oakshott, Comptroller of H.M. Household.

Mr. Macpherson, National Liberal and Conservative M.P. for Dumfries-shire, and Scottish Whip for the Liberal Unionist parliamentary group, succeeded Mr. W McNair Snadden (formerly Conservative member for Kinross and West Perth), who did not seek re-election, and who received a baronetcy in the recent Birthday Honours. Mr. Galbraith (Conservative M.P. for Hillhead, Glasgow) succeeded Sir Cedric Drewe (formerly Conservative member for Honiton, who did not seek re-election), whilst Mr. Oakshott (Conservative M P for Bebington) succeeded Mr. Galbraith as Comptroller of the Household.

Mr. Peter Legh, Conservative M.P. for Petersfield, was appointed a Lord Commissioner of the Treasury.

Mr. Macpherson will be one of the three Under-Secretaries of State at the Scottish Office.—(Times) **(Prev. rep. 14129 A.)**

C. RHODESIA AND NYASALAND FEDERATION. — Cabinet Appointments.

It was announced in Salisbury on June 7 (*a*) that the Federal portfolio for Home Affairs had been divided into two separate portfolios; (*b*) Mr. J. M. Greenfield (hitherto Minister of Home Affairs) had been appointed Minister of Law, retaining the legal matters in the former Home portfolio whilst at the same time remaining Minister of Education, and (*c*) that Mr. Frank Stephen Owen had been sworn-in as Minister of Home Affairs and would be in charge of information services (including broadcasting), immigration, electoral laws, citizenship, naturalization, aliens, deportation, tourist development, national parks, prisons, etc. Mr. Owen (37), who was born in Surrey and settled in Northern Rhodesia in 1947, is Member of Parliament for Ndola and will be the youngest Minister in the Federal Cabinet.
(Federal Information Department, Salisbury) **(14151 C.)**

D. UNITED STATES. — Administration. - Mr. Brucker appointed Secretary of the Army.

Mr. Wilber M. Brucker, general counsel of the Defence Department and a former Governor of Michigan, was nominated by President Eisenhower on June 23 as Secretary of the Army in succession to Mr. Robert T. Stevens, who had tendered his resignation for personal reasons.—(New York Times)
(Prev. rep. 13473 A ; 12777 B.)

E. EASTERN GERMANY. — Soviet High Commission Newspaper ceases Publication.

The *Tägliche Rundschau*, organ of the Soviet High Commission in Eastern Germany since 1945, ceased publication on June 30.—(Der Tagesspiegel, Berlin) **(Prev. rep. 13954 B.)**

F. INDIA. — Nationalization of Imperial Bank of India. - Creation of State Bank.

The Indian Finance Minister, Sir Chintaman Deshmukh, announced on Dec. 20, 1954, that the Government had decided to take over the Imperial Bank of India, following a recommendation to that effect made by a committee on rural credit appointed by the Reserve Bank of India.

Sir Chintaman Deshmukh explained that the committee, in proposing the taking-over of the Imperial Bank as a first step towards a State Bank, had suggested that the State Bank should form a sector of commercial banking for the benefit of smallholders and handicraftsmen in rural areas, hitherto dependent on private moneylenders; it estimated in this connexion that some 7,500,000,000 rupees (about £560,000,000) was needed as loans by farmers He emphasized that the essential feature of the scheme was that there should be no interference by the State in the day-to-day operation of the State Bank and "no lowering of the standards of sound banking"

The State Bank of India Bill, providing for the nationalization of the Imperial Bank of India and its subsequent amalgamation with ten other banks associated with State Governments into a Government-controlled State Bank, was accordingly introduced by Sir Chintaman Deshmukh on April 16. The ten banks concerned were the State Banks of Hyderabad, Saurashtra, Patiala, Bikaner, Jaipur, Rajasthan, Indore, Baroda, and Mysore, and the Travancore Bank. (It was explained that some of these banks would be able to merge voluntarily with the State Bank under a special clause in the Bill, whilst special legislation would be required in the case of other banks.) The principal provisions of the Bill were as follows:

(1) The Imperial Bank of India would be taken over as a going concern, and all its assets, liabilities, and staff would be transferred to the new State Bank of India

(2) All shares in the Imperial Bank would be transferred on the "appointed day" to the Reserve Bank of India, which would pay compensation on their average market value over the 12-month period preceding Dec 20, 1954 Up to the first 10,000 rupees of compensation to each shareholder would be paid in cash, and the remainder in redeemable Government securities.

(3) The whole issued capital of the new State Bank of India would be allotted initially to the Reserve Bank, which would be authorized to sell up to 45 per cent to private parties, preference being accorded to former shareholders of the Imperial Bank A minimum of 55 per cent of the shares in the State Bank of India would thus always be held by the Reserve Bank.

(4) The management of the State Bank of India would be vested in a board of directors appointed by the Government, and consisting of a chairman, a vice-chairman, two managing directors, one director representing the Government of India, one director representing the Reserve Bank of India, and 14 other directors—of whom six would be from Bombay, five from Bengal, and three from Madras.

Further details of the purposes of the Bill were given by the Minister for Revenue and Defence, Mr. Guha, during the debate in the House of the People on April 23. The Minister for Commerce and Industry, Mr. Krishnamachari, stated on the same day that the bulk of the paid-up share capital of the Imperial Bank was owned by Indian nationals, and that compensation to be paid under the Bill would amount to a little over 200,000,000 rupees.

Mr. Guha affirmed that the object of the Bill was not merely to take over the Imperial Bank but to recreate and rejuvenate rural life by providing agricultural credit It would also help to implement agrarian reforms undertaken by the States, in which connexion it was hoped to take over State-sponsored banks as well in consultation with State Governments The present Bill, he explained, provided for the voluntary merger of State-sponsored banks with the State Bank, and for the taking-over of some of the non-scheduled banks by the State Bank. Mr. Guha gave an assurance that the Government had no intention at present of encroaching on private commercial banks, and said that there should be no apprehension that the Bill might be the first stage in the process of nationalizing banking institutions Although the proposed State Bank would function under effective Government control, it would continue to make credit facilities available to trade and commerce.

The Bill was passed by the House of the People on April 30 and by the Council of States on May 4, its provisions coming into force on July 1.

On March 31 an extraordinary meeting of shareholders of the Imperial Bank had passed a resolution demanding that if nationalization were decided upon, compensation should be based "on the average market value of the shares over a fair period prior to February 1948." The resolution stated that the first announcement of the Government's intention to nationalize the bank had been made in February 1948, and claimed that since then the price of the shares had artificially fallen.

Dr. John Matthai, the former Minister of Finance, was nominated on June 7 as chairman of the State Bank of India, whilst Mr. Vaikunthlal Mehta, a former Finance Minister in Bombay State, was appointed vice-chairman. The central office of the State Bank will be in Bombay.—(The Statesman, Calcutta - The Hindu, Madras) **(Prev. rep. Imperial Bank, 9793 E ; Reserve Bank, 9513 F.)**

A. UNITED KINGDOM. — Ending of Rail Strike. - Agreement on Higher Pay for Special Skill and Responsibility. - Referee's Award to Locomotive Drivers and Motormen. - Ending of State of Emergency.

Sir Walter Monckton, the Minister of Labour, announced in the House of Commons on June 14 that the railway strike was being called off forthwith, agreement having been reached between the parties "as a basis for the subsequent settlement of matters in dispute." He said that the agreement provided for the appointment of a referee "for a limited purpose," and that he had accordingly appointed Lord Justice Morris.

A Ministry of Labour statement on the same day explained that the agreement, arrived at after discussions at the Ministry between the British Transport Commission, ASLEF, and the N.U.R., stipulated that within seven days of the resumption of work the Commission should negotiate with the two unions on the following basis:

(1) The Commission accepted the principle that there should be higher rewards for special skill and responsibility where these were not already being given, and agreed that there was a case for such higher rewards for certain sections of the footplate staff.

(2) In view of ASLEF's objections, the Commission agreed not to press, as part of the projected settlement, its previous proposal (see 14240 A) that special allowances should be paid to drivers and motormen for driving certain types of trains, although it still maintained that this would be of benefit to the industry. Instead, it agreed to re-examine basic wages in the driver grade, particularly in respect of the highest-paid drivers and motormen.

(3) On the other hand, ASLEF agreed to accept, as part of the proposed higher rewards for special skill and responsibility, an extension of the principle of mileage payments, either on the basis proposed by the Commission or in a modified form.

(4) As ASLEF had requested a more definite statement of the Commission's intentions with regard to increases in basic wages in the driver grade than the Commission was prepared to give, it was agreed to ask the Minister of Labour to appoint a referee of "impartiality, integrity, and acknowledged judgment" to name the figures which he considered proper, after hearing the views of the parties privately and separately. It was also agreed that the N.U.R. should be entitled to be heard by the referee, and that ASLEF should put before him its views (already presented to the Commission) about the appropriate rate for third-year firemen, the Commission reserving the right to put forward its own views. The referee's decision would be accepted immediately and without question by all parties.

(5) The Commission agreed not to delay acceptance of a settlement for footplate men pending any corresponding application to other railway staffs of the principle of "higher rewards for special skill and responsibility" which it might negotiate separately with the union or unions concerned. The ASLEF, for its part, agreed that no application of this principle to non-footplate staff should be held to justify a further upward revision of the settlement for footplate staff.

[It was explained, in a subsequently-issued statement agreed upon between the Commission and the N.U.R., that the Commission would be "prepared to consider proposals from the N.U.R. provided that these are restricted to grades broadly of the same status and pay as those affected by the settlement for the footplate staff."]

(6) In view of the foregoing, ASLEF agreed to cancel the strike immediately, on the understanding that there should be no victimization of any kind.

The negotiations leading up to the agreement, and the effects of the strike on industry, are summarized below under cross-headings.

The Negotiations for a Settlement. Renewed attempts to find a basis for settling the dispute were made by the T.U.C. at a meeting on June 1 between its general purposes committee and the ASLEF executive, but proved unsuccessful. Thereupon the B.T.C issued a statement reiterating its preparedness to examine proposals for additional rewards for special skill or responsibility, as well as its readiness to accept the Minister of Labour's proposals for a board of conciliation. This offer was followed on June 6 by a personal letter from Sir Brian Robertson (the Commission's chairman) to Mr. Baty (general secretary of ASLEF) urging that the strike should be ended in view of its harmful results to industry and to the railways themselves. The ASLEF executive, however, refused to call off the strike until wage negotiations had begun, and charged the Commission with having failed to honour undertakings given on April 30, when the original strike notices had been suspended.

In a further attempt to end the dispute, the T.U.C. General Council, on June 6, put forward a five-point plan providing for (1) the differentials question to be left to future joint discussions between the three railway unions, (2) the N.U.R. to agree to the Commission starting discussions with ASLEF, on the understanding that it would be consulted before any settlement regarding footplatemen's pay was reached; (3) ASLEF to meet the Commision "with a view to establishing absolute minimum increases to settle the dispute, bearing in mind the proposed discussions on differentials," and to agree to consider a return to work as soon as a settlement emerged; (4) the T.U.C. to press the Prime Minister to agree that negotiations should begin while the strike was still on; (5) the T.U.C. General Council to keep the matter under review in order to hasten a settlement.

Although this plan was accepted by ASLEF and the Transport Salaried Staffs' Association, the N U R, whilst not rejecting it outright, made several important reservations. Nevertheless the General Council of the T U.C, after considering the unions' replies, advised the Minister of Labour on June 8 that it considered the time opportune for negotiations to be resumed.

Preliminary discussions between Sir Brian Robertson and Mr. Baty took place at the Ministry of Labour on the same day, this being the first meeting between them since the beginning of the strike. A subsequent joint statement explained that "the substance of the matters involved in the present dispute" had not been discussed; that the talks had been mainly concerned with the ASLEF statement of June 6 that the Commission had failed to honour its undertakings, and that, as a result of the discussions, "both sides are now agreed that there is nothing to prevent them from dealing with each other in a spirit of mutual confidence."

After a meeting between Commission representatives, the full ASLEF executive, and N U R leaders at the Ministry of Labour on June 10, the Commission put forward proposals on June 11 identical with those ultimately agreed to, with the important exception that no provision was made for the appointment of a referee to determine drivers' basic wages and that there was no mention of the position of third-year firemen, in respect of whom the Commission had declined ASLEF's demands for a similar increase. These proposals were rejected by both ASLEF and the N.U.R. on June 12, but negotiations were resumed between the Commission and ASLEF on the following day. After strenuous efforts, in which Sir Walter Monckton took part, the negotiations resulted on June 14 in the drafting of the proposals agreed upon.

Immediate Effects of the Strike on Industry. The immediate consequences of the dispute proved less serious than had been anticipated, thanks to the extended use made by industrial firms of road and water transport, as well as to the fact that over 11,000 N U.R. footplatemen remained at work, thereby enabling the Commission to run about one-sixth of the normal daily number of passenger and freight trains. As the organization of skeleton services grew more efficient, the position on the railways improved, and on June 13 the Commission stated that 10,944 trains (5,901 passenger, 5,043 freight) had been run during the week-end of June 11-12, or 1,015 more than during the week-end of June 4-5.

The effects of the stoppage were mostly felt in the steel and engineering industries. Although steelworks in the Swansea area, at Barrow-in-Furness, in Lincolnshire, and in Scotland had closed down wholly or partly on June 3, they were able to resume operations on June 5-6. Early in the strike many motor-vehicle manufacturers suspended overtime working, and several large engineering firms issued precautionary notices to their workers, but few dismissals in fact took place. The National Coal Board stated on June 9 that "not a single colliery" had stopped working because of the strike, and that output was "only a relatively few tons" below normal a situation which "far exceeded the most optimistic expectations of the result of road and rail reorganization."

Meanwhile, in a broadcast on June 5, Sir Anthony Eden had appealed for the speedy ending of the strike, and had given a warning of the "deadly seriousness" of its consequences to the economic life of the nation.

The Prime Minister first spoke of the success which had attended the Government's measures to maintain essential supplies and services, and of the "steady improvement" which had already taken place on the railways themselves. After paying tribute to the transport and distributive workers, the police, and the public, he continued: "So far, the emergency arrangements we have made have held the position. But I am not going to leave you in any doubt about the deadly seriousness of what is happening to our country. There is little unemployment as yet, but you cannot stop most trains in a land like ours without soon bringing some factories to a halt. As the output of one factory drops or stops, others are affected in turn. The longer the strike lasts, the more unemployment there must be in spite of all that we can do. . . .

And this will not be the end of the story. At this time of the year we ought to be building up coal stocks for the winter. We have had a cold winter, and we have already lost 1,000,000 tons of coal this year through an unofficial strike. The country cannot afford to lose one single ton more if we are to keep industry in full swing through next winter. But we are going to lose a lot more if the railway strike goes on. We shall suffer for this later, in January or February. We shall have to try to import more coal to take the place of production lost. These imports can only be paid for by exports. But we are endangering our export trade. When you lose export orders you lose future markets too. That is how the stoppages are weakening the nation—just when it was getting strong and prosperous again.

We can all understand that grievances must arise from time to time about rates of pay, and that there are rivalries between unions. But it is not right to give vent to them at such a cost to the country. Every hour that these strikes last, we are slipping behind in the race with our foreign competitors. If we go on like this we shall smash up our hard-earned prosperity. So far from raising our standard of living we shall lower it, and that applies to every one of us."

After recapitulating the causes of the strike, and acknowledging the efforts made by the T.U.C. to bring about an understanding between ASLEF and the N.U.R., Sir Anthony Eden went on: "There is no doubt whatever that the lack of common ground between the two unions is the heart of the problem. But of course it is true that the Transport Commission also have a responsibility in the matter. They acknowledge this. They have made it plain that they are ready to examine proposals to give reasonable additional

rewards for special responsibility or skill where these are not given already. They have said that their own proposals are not meant to be inflexible The Commission have appealed to ASLEF to call off the strike, and have asked both unions to sit down with the Commission. They have accepted the offer of the Minister of Labour to appoint a board of conciliation to assist in such discussions. Surely there ought to be a basis for talking here.

Where does the Government stand in all this? We are ready at any time to help in trying to find a way in which the talks can be reopened, and to see either or both unions to make this possible. We want to get talks going between the parties The Minister of Labour and I will help in any way we can. Once negotiations are resumed, the board of conciliation will have its part to play. That offer still stands. The board will be ready to help in discussions the moment work begins again. But work must begin again. We have had a week of this disastrous business, but what I said last Sunday (see 14240 A) is still true—it can only end when negotiations begin. And let me repeat, for the sake of every one in this land, all grades of railwaymen and every citizen . the quicker the better"

During the debate on the Address in the House of Commons, **Mr. Attlee** (Leader of the Opposition) suggested on June 9 that in his broadcast the Prime Minister, "perhaps inadvertently," had "put forward the new doctrine that nonegotiations could take place without a return to work" Whilst admitting that "this line has been frequently taken in unofficial strikes, where it is important that the authority of the union should be maintained," Mr. Attlee contended that it had "never been put forward in general" and that, if persisted in, the "new doctrine would lead to an exacerbation and lengthening of industrial disputes."

Sir Anthony Eden denied that there was "any question of laying down a new doctrine" He pointed out that the fact that the Minister of Labour was engaged at the time in discussions with ASLEF and the N U R should dispel any misunderstanding that the Government took the view that negotiations could not begin until work had been resumed. It was quite a different matter, however, whether it was right to keep going a strike of this kind, which affected the whole nation, until "the very last bit of negotiation has been completed"

After hearing representatives of ASLEF, the N.U.R., and the British Transport Commission, Lord Justice Morris announced his award on June 20 as follows: (*a*) the basic weekly rates of drivers and motormen to be increased by 1s. in the first year of service in the grade, 2s. in the second year, and 3s. in the third; (*b*) no increase to be made in the basic weekly rate of third-year firemen. The award, which affected about 40,000 drivers and motormen, therefore provided for their basic weekly rates to be raised to £8. 16s. (first year), £9. 7s. (second year) and £9. 16s. (third year). Similar increases —i.e ranging from 1s. to 3s. weekly—were agreed between the Commission and the N.U.R. on June 24 for over 10,000 signalmen, yard foremen, and linesmen, bringing the wages of the highest-paid signalmen outside London to £9. 13s. weekly.

Agreement on the extension of mileage payments to footplatemen—the last issue involved in the dispute between the Commission and ASLEF—was reached on June 30. The agreement provided for drivers and motormen to receive 3d., and for firemen and assistant motormen to receive 2½d., for every 10 miles (or part of 10 miles) worked between 70 and 140 miles during one turn of duty. Footplatemen working over 140 miles on one duty turn remained covered by existing agreements, which, however, were slightly modified in their favour.

The basic increases to drivers and firemen and the advances to signalmen, etc., were backdated to June 15, whilst the new mileage payments took effect from July 3. The total cost of the increases and mileage payments was estimated at £700,000 in a full year.

The Emergency Powers taken by the Government because of the strike were approved by the House of Commons without a division on June 13, but owing to the termination of the dispute and the resumption of normal traffic they were repealed from midnight on June 19.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 14240 A.)**

A. GREECE. — Leonidas Memorial.

A white marble memorial was dedicated at Thermopylae on June 30 by King Paul of the Hellenes to Leonidas and the 300 Spartans who fell while defending the Pass of Thermopylae against the 300,000 warriors of the Persian emperor Xerxes in July 480 B.C. The monument, which bears reliefs of scenes from the battle, is 90 ft. long and 42 ft. high, topped by a 16-ft. bronze statue of King Leonidas. The work of M. Phalireas, a prominent Athenian sculptor, it was erected through the efforts of a society of Greek-born Americans. (Times)

B. UNITED KINGDOM. — May Trade Figures.

Imports into the United Kingdom in May totalled £290,300,000, exports £249,400,000 and re-exports £8,300,000, the adverse balance thus amounting to £32,600,000.
(Board of Trade Journal) **(Prev. rep. 14224 B.)**

C. EUROPE. — Coal and Steel Production in 1954.

Coal production in the principal European coal-producing countries during 1954 is shown in the following table.

	Production (metric tons)	Output per manshift* (metric tons)	Workers on books at Dec 31, 1954
Belgium	29,429.000	1.098	147,000
Czechoslovakia	21,500,000	n.a.	n.a.
France	54,405,000	1.504	216,000
Saar	16,818,000	1.744	57,300
W. Germany	128,035,000†	1 492	429,000‡
Italy	1,074,000	n.a.	8,500
Netherlands	12,071,000	1.497	47,900
Poland	91,300,000	n.a.	n.a.
Spain	12,429,000	n.a.	n a.
United Kingdom	227,875,000	1.614	705,000

* Underground production only. † Not including 87,811,000 metric tons of lignite ‡ Not including 39,400 workers employed in the production of lignite. n.a not available.

The major coal-importing countries during the year were France (11,683,000 metric tons), Italy (9,634,000), Western Germany (9,285,000), the Netherlands (7,148,000), Denmark (4,470,000), Austria (3,857,000), United Kingdom (3,053,000), and Sweden (3,024,000). The principal exporting countries were Western Germany (16,711,000 metric tons), United Kingdom (13,918,000, excluding bunkers), and the Saar (8,994,000). Figures for Poland were not available.

The United States exported 9,810,000 metric tons of coal to Western European countries in 1954, of which 3,505,000 metric tons went to Italy, 1,910,000 to the Netherlands, and 1,280,000 to Western Germany

Crude steel production in the principal European producing countries during 1954 was as follows (in metric tons): United Kingdom, 18,817,000; Western Germany, 17,434,000; France, 10,627,000; Belgium, 5,009,000; Czechoslovakia, 4,430,000; Italy, 4,207,000; Poland, 3,964,000; Luxemburg, 2,828,000; the Saar, 2,805,000, Eastern Germany, 2,255,000; Sweden, 1,861,000; Austria, 1,653,000; Hungary, 1,491,000; Spain, 1,097,000; the Netherlands, 928,000; Rumania, 629,000; and Yugoslavia, 616,000. The figures for Czechoslovakia and Eastern Germany are estimates made by the E.C.E. Secretariat. (Economic Commission for Europe, Geneva) **(13564 B.)**

D. RELIGIOUS LIFE. — Inauguration of Anglican Province of Central Africa. - Creation of Roman Catholic Hierarchy of Southern Rhodesia.

The new Anglican Province of Central Africa was inaugurated at Salisbury (Southern Rhodesia) on May 8 by the Archbishop of Canterbury (Dr. Geoffrey Fisher) and the Archbishop of Cape Town (Dr. Geoffrey Clayton). The new Province consists of the Dioceses of Mashonaland, Matabeleland, Northern Rhodesia, and Nyasaland, whose Bishops elected Dr. Edward Francis Paget, Bishop of Mashonaland, as the first Archbishop of Central Africa. Dr. Paget (68), a brother of General Sir Bernard Paget, had been Bishop of Southern Rhodesia from 1925 to 1952 and Bishop of Mashonaland since the latter year.

The constitution of the new Province had previously received the assent of the Archbishops of Canterbury and Cape Town and of the Bishops and Synods of the dioceses concerned. The Dioceses of Mashonaland and Matabeleland (created in 1952, and covering Southern Rhodesia) had hitherto been part of the Province of South Africa and thus under the jurisdiction of the Archbishop of Cape Town, whilst the Dioceses of Northern Rhodesia and Nyasaland had previously been under the jurisdiction of the Archbishop of Canterbury. The two Archbishops agreed to relinquish their respective jurisdictions to enable the new Province of Central Africa to be formed.

The inaugual ceremony, at which Dr. Paget was enthroned as Archbishop of Central Africa, was attended by the Governor-General of the Federation of Rhodesia and Nyasaland (Lord Llewellin), the Governor of Southern Rhodesia (Vice-Admiral Sir Peveril William-Powlett), and representatives of the Governors of Northern Rhodesia and Nyasaland.

The setting-up by Pope Pius XII of an Ecclesiastical Hierarchy in Southern Rhodesia, announced on Jan. 8, 1955, was followed on April 12 by the enthronement of Bishop Aston Chichester, S.J., as the first Roman Catholic Archbishop of the See of Salisbury and Metropolitan of the Province. The ceremony was performed by Archbishop Damiano, Papal delegate in South Africa.—(Church Times - Catholic Herald) **(Prev. rep. West African Province, 11486 C.)**

E. INDIA. — Ban on Import of Horror Comics.

The Indian Ministry of Finance issued an Order on June 10 banning the import of "horror comics." The action was taken under the Sea Customs Act, which empowers the Government to prohibit the entry of undesirable literature.
(The Statesman, Calcutta)

A. KOREA. — British Ministry of Defence Booklet on Treatment of British Prisoners-of-War by Chinese.

In a booklet (*Treatment of British Prisoners of War in Korea*) published by the British Ministry of Defence on Feb. 27, it was stated that the Chinese had "used every device, from moral pressure to physical torture," to convert captured British prisoners-of-war to the Communist viewpoint and to use them to further Communist aims.

The booklet, which was based on the evidence of the 978 British prisoners who were repatriated after the Korean armistice, stated (*a*) that officers and senior n.c.o.s (who made up about 12 per cent of the total of British soldiers captured by the Chinese) had remained almost completely unaffected by Communist propaganda and had been segregated from the remainder; (*b*) that of the junior n.c.o.s. and other ranks, some two-thirds remained virtually unaffected; and (*c*) that of the remainder, most had absorbed sufficient indoctrination to be classed as Communist sympathizers, but in all probability had responded to the influence of normal home life after their repatriation, whilst a small minority—about 40 in all, some of whom had Communist leanings or affiliations before they went to Korea—had returned home convinced Communists.

The booklet explained that the Chinese policy had been to convert at least a minority of prisoners to Communism and then to use this minority to undermine the confidence of the others, thus rendering them in turn susceptible to Communist indoctrination. This aim was embodied in what the Chinese called their "Lenient Policy" towards prisoners-of-war, which was based on the lie that the Korean war was one of "American aggression" and part of the "conspiracy of the capitalist world" against peace. Accordingly, the Chinese claimed that all U.N. prisoners taking part in this "unjust war" were war criminals, and that if they were captured their captors had the right to kill them. Nevertheless, it was argued that the soldiers of the "aggressors" were, after all, ordinary working men who had been "duped and misled by their reactionary rulers," and therefore, instead of being summararily executed, they should be treated "leniently" and given the opportunity to reach "a state of remorse and repentance for their crimes and to learn the truth."

The theory of the "Lenient Policy" was based on a number of assumptions, namely: that the Communists had a monopoly of the truth, that the prisoners accepted that they had been "dupes of their capitalist rulers", that they were willing to "learn the truth"; and that they welcomed their "liberation" by the Chinese. If a prisoner would not accept these assumptions, the Chinese argued that he was not entitled to the benefits of the "Lenient Policy". If a prisoner refused to be "educated" and to "see the truth," he was voluntarily aligning himself with the forces of "reactionary capitalism and imperialism" and with the enemies of ordinary men and women throughout the world. He was therefore a "criminal," outside the protection of the "Lenient Policy," and the treatment he received in consequence was his own responsibility.

If a prisoner saw the "truth" and accepted Communist doctrines, then his life became easier. He received extra cigarettes, better food, medical attention, and other "privileges." In return he had to assist his captors and become a Communist propagandist by signing "peace" petitions and by trying, in his letters home, to induce his relatives to accept Communism. But if a prisoner did not see the "truth"—and the booklet made it clear that the vast majority did not—then the Chinese considered him to be a criminal and a reactionary deserving of any brutalities.

Every possible method, the booklet stated, was tried by the Chinese in pursuit of the desired result. During the early days of the war they held compulsory political lectures at which prisoners had to take notes, but these were later made optional and voluntary study groups were introduced. At the same time psychological pressure was applied; an informer system was set up among the prisoners in order to undermine morale and personal loyalties, incoming and outgoing mail was manipulated; food and medicine was withheld; and "unco-operative" prisoners were segregated. "When all these methods of inducement had failed—and in some cases before they had been tried," said the booklet, "the Chinese had recourse to physical coercion and torture, revolting to the humane mind and expressly forbidden by the Prisoners-of-War Convention. . . . Torture and ill-treatment were carried out quite cold-bloodedly for the purpose of breaking a man's resistance."

Among the punishments mentioned in the booklet were solitary confinement in small cages for months at a time, with liquids withheld for days on end, to help the prisoner with his "reflections"; and beatings with clubs, one of which had lasted for six hours. A favourite method was to bind a prisoner hand and foot with a rope passed over a beam and fixed as a hangman's noose round his neck; he was then told that if he slipped or bent his knees he would be committing suicide. Alternatively, his wrists and ankles would be bound behind his back and the rope taken from his wrists over a beam; he would then be hoisted and left in that position for several hours with his toes just touching the ground. Yet another form of punishment during solitary confinement was to make a prisoner stand to attention for long periods, either in the snow of the severe Korean winter or in the heat of the Korean summer. Some prisoners were known to have been marched barefooted on to the frozen Yalu river, where water was poured over their feet; this would freeze immediately and they would be left thus for hours with their feet frozen into the ice to "reflect on their crimes."

If a prisoner gave way under such treatment—and the booklet emphasized that there were many who did not—he had to write a "confession" of crimes which he, and the Chinese, knew he had never committed. On the basis of this he could be tried and sentenced, though usually he was merely told that the trial had been held and that the sentence had been this or that punishment.

The booklet also dealt with the role of visitors to the prisoner-of-war camps, pointing out that although independent visitors and organizations such as the International Red Cross had been barred until the last few weeks of the war, facilities were readily arranged for visits by Communists and Communist sympathisers. The Chinese had allowed five British Commonwealth visitors to visit the camps —Mr. Alan Winnington, of the London *Daily Worker*, Mr. Wilfred Burchett, an Australian by birth, who went to Korea as a correspondent of the French Communist papers *Ce Soir* and *Humanité*, Mr. Michael Shapiro, a correspondent of the London *Daily Worker* living in Peking; Mr. Jack Gaster, a member of the British Communist Party and a London solicitor, and Mrs. Monica Felton, chairman of the British National Assembly of Women, which is affiliated to the Women's International Democratic Federation, a Communist-front organization.

Mr. Winnington's main role in the North Korean camps, it was stated, was that of "visiting propagandist". Mr. Shapiro had interviewed a number of prisoners after their capture early in 1951, and his attitude and activities had disgusted even a prisoner who was a member of the British Communist Party. Mr. Gaster had visited China and North Korea in March, 1952, as a member of a delegation of the International Association of Democratic Lawyers (a Communist-front organization) which had been invited by the Chinese and North Korean Governments to investigate charges of bacteriological warfare and atrocities by U.N. troops, during his visit he had visited two of the camps and on his return to Britain had contributed to the *Daily Worker* a glowing account of camp conditions. Mrs. Felton had first visited Korea as a member of a delegation from the Women's International Democratic Federation in May 1951. On her return she had written a book in which she had made allegations of murder, torture and rape by the U.N. forces.

In addition to the efforts of the Chinese to break down the morale of the prisoners in Korea (the booklet pointed out), there had been a simultaneous campaign by Communists and Communist sympathisers in Britain directed at drawing the relatives of prisoners into the "peace" campaign through "front" organizations, Communist-inspired demonstrations, and "peace petitions." "The effect of these activities on prisoners' families is impossible to assess," the booklet said. "Whatever the result, it is the campaign itself which is significant."

Following the publication of the booklet, a large number of questions were asked in the House of Commons on March 7 by Members of both parties about the activities of the four British "visitors" to the P.O.W. camps. In particular, it was questioned whether or not those concerned could be tried for treason, and if not, whether the law should be altered.

Mr. James Hutchison (C.) asked the Attorney-General (Sir Reginald Manningham-Buller) whether his attention had been called to "the treasonable activities of certain British nationals" as revealed in the Ministry of Defence booklet, and what proceedings he proposed to institute. **Mr. Godfrey Nicholson** (C.) asked the Attorney-General whether he would give instructions for proceedings to be taken against Winnington, Shapiro, Gaster, and Mrs. Felton for treason. **Sir Reginald Manningham-Buller** stated in reply that so far as he knew neither Winnington nor Shapiro were now resident within British jurisdiction. "If either of them returns to this country," he said, "I shall carefully consider the question whether criminal proceedings should be instituted, but no such question arises at present." With regard to Gaster and Mrs. Felton, the Attorney-General said that he did not think the facts disclosed in the statement were sufficient to justify a prosecution. In reply to **Mr. Percy Daines** (Lab.), who asked Sir Reginald whether he was satisfied that he had legal powers to take proceedings against Winnington and Shapiro, the Attorney-General reiterated that if they returned to this country he would carefully consider the question whether criminal proceedings could be instituted.

Mr. Paget (Lab.) asked whether it was not clear that no treason had been committed by giving aid and comfort to the enemies of the United Nations, and whether the Attorney-General would give an assurance that legislation would be introduced to fill the gap. **Sir Reginald Manningham-Buller** stated in reply that Sir Hartley Shawcross, when Attorney-General in the Labour Government, had on three occasions expressed the opinion that the Treason Act would apply to the Korean War.

Lord John Hope (Under-Secretary, Foreign Office), in a written reply to a further question, stated that H.M. Government had not made any direct protest to the Chinese Government, but pointed out that they were co-sponsors of a resolution approved by the U.N. General Assembly in December, 1953, which expressed grave concern at reports of atrocities committed by the North Korean and Chinese Communist forces against U.N. prisoners-of-war in Korea (see 13369 A). In view of the U.N. resolution, the Government did not consider that further remonstrances or protests at the present time were required.

Mr. George Ward (Under-Secretary for Air), replying on April 7 to a question by **Mr. William Hamilton** (Lab.), said that the lessons to be learned from the Communists' treatment of British prisoners in Korea were being carefully studied with a view to modifying, if necessary, the instructions to servicemen about their conduct after capture. The Government were also in touch with the U.S. authorities, who were conducting an inquiry of their own.

The Minister of Defence (then Mr. Macmillan) stated in a written reply on March 11 that, according to Service reports, 71 British prisoners were known to have died in captivity in Korea from various causes and 13 prisoners were missing, presumed to have died in captivity. He added that there were grounds for believing that in about 60 of these cases, general ill treatment—malnutrition, unattended wounds, or untreated diseases—had been an important factor in the deaths of the men, whilst in two cases deaths could be attributed to brutal treatment. As far as was known, no British prisoners had died since release as a result of ill-treatment endured during captivity.—("Treatment of British Prisoners of War in Korea," H.M. Stationery Office - Times - Daily Telegraph)

(Prev. rep. Release of P.O.W.s, 13297 A.)

A. EGYPT. — Reopening of Alexandria Cotton Futures Market.

The Egyptian Government announced on June 9 that the Alexandria cotton futures market, which had been closed since November, 1952 (when the Government assumed direct responsibility for the disposal of the cotton crop), would be reopened in September, 1955.

The Finance Minister (Dr Abdul Moneim el-Kassouny) explained that Egypt had never permanently abandoned the system of marketing cotton on the basis of free dealings, and that Egyptian dealers were unanimous on the need for reinstating the "futures" market to "ensure the necessary cover and elasticity in the cotton trade" The Government hoped, however, that in future the system would be used for its proper purpose—i e as a means of cover It would prepare legislation to prevent the market being again "involved in undesirable situations," ensure its smooth running, and establish "balanced relations" between the Alexandria and Liverpool cotton markets Dr el-Kassouny added that the Alexandria futures market would adopt the same safeguards as the Liverpool Cotton Exchange, including exchange control, a clearing system, and new regulations to govern transactions, ensure security in contracts, and guard against "cornering" or undesirable speculation

The Egyptian Government's decision was warmly welcomed in Lancashire, where the reopening of the Alexandria "futures" market was regarded as an important step towards the resumption of a contract for Eygptian long-staple cotton. [The Liverpool futures market, since its reopening in 1954—see 13658 A—had been confined to dealings in U.S. cotton.] Talks between the Egyptian authorities and a delegation from the Liverpool Cotton Exchange on the reopening of the Alexandria market ended on June 23. Mr. Henry Coney, president of the Liverpool Cotton Association and leader of the delegation, stated that it had been agreed that Liverpool interests using the Alexandria "futures" market should be free of Egyptian income-tax requirements, and that there should be speedy remittances of balances, except for buying "futures" at minimum support levels for the current crop, the Egyptian Government would not participate in "futures" in any way.

(Manchester Guardian - Financial Times)

B. CENTRAL AMERICA.—Five-Nation Co-operation in Technological Research.

Details were made public during May of a project for setting up a Central American centre for technological research in Guatemala with assistance from U.N. technical experts. The participating countries will be Guatemala, Honduras, El Salvador, Nicaragua, and Costa Rica, and the research centre is expected to be functioning by the end of the present year.

The first Director of the research centre (Dr. Albert Miriles, a U.N. technical assistance expert) said that it would have three functions · (1) scientific research into available raw materials in the area, so as to discover what types of useful products could be obtained; (2) dissemination of technical knowledge and the setting of quality standards for produced material, (3) the provision of consultative services to private industries within the area, and to interests planning to establish new industries there. He explained that the initial staff would consist of 12 U N. experts and 15 scientists from the participating countries, but that eventually the U.N. would withdraw its staff and turn over complete control to Central American experts.

Dr. Miriles stressed that the research centre was in the nature of a new economic concept, since it was not an attempt to transplant technological processes from outside but to develop such processes to fit the special needs of an under-developed area.

The project was agreed upon at a Central American economic conference held in San Salvador early in May. The U.N. will contribute $75,000 towards the construction and maintenance of the centre in the first year, Guatemala will contribute $250,000, and the other four countries $125,000 between them. The U.N. contribution will decrease progressively for five years, by which time the maintenance of the centre will be the sole responsibility of the participating countries.—(New York Times)

(Prev. rep. Central American Co-operation, 11830 B.)

C. RUBBER. — Statistics, 1954. - Sale of U.S. Government Synthetic Rubber Plants. - Malayan Government Assistance for Replanting.

World production of natural rubber in 1954 totalled 1,802,500 tons and consumption 1,767,500 tons, compared with 1,725,000 tons and 1,627,500 tons respectively in 1953. World stocks rose from 830,000 tons at the end of 1953 to 840,000 tons at the end of 1954. Production, export, and consumption figures in the principal countries concerned are shown below (in long tons), with revised 1953 figures given for comparison.

	Production		Exports	
	1954	1953	1954	1953
Indonesia	738,670	692,164	728,670	673,983
Malaya*	584,435	574,390	570,956	569,679
Siam	†	†	116,701	95,574
Ceylon	93,935	98,610	90,209	96,679
Vietnam and Cambodia	78,024	74,545	77,975‡	70,639
Sarawak	23,369	24,037	22,966	23,913
Brazil	21,909	26,318	†	†
India	21,493	21,136	†	†

* Includes Singapore and the Federation of Malaya † Figures not available. ‡ Of which 54,212 tons from Vietnam and 23,763 tons from Cambodia.

Consumption. United States, 596,285 tons (553,473 tons in 1953); United Kingdom, 238,919 (219,591), Germany, 129,993 (106,194), France, 127,818 (114,305), Japan, 88,942 (88,912), Australia, 43,185 (32,956), Canada, 41,576 (37,480); Brazil, 37,788 (31,772); India, 25,487 (22,373) Net imports into the Soviet Union were estimated at only 425 tons, compared with 41,850 tons in 1953 and 123,000 tons in 1952

Prices. The average spot price on the London market was 1s 8 $\frac{5}{8}$d. a lb, compared with 1s 7$\frac{1}{2}$d in 1953. The steady fall in the price of rubber, which had started in March 1951, was arrested early in 1954, and after remaining almost stable in the first quarter the price rose slowly throughout the rest of the year. The monthly averages were as follows January, 1s 4$\frac{3}{4}$d, February, 1s 4$\frac{3}{4}$d, March, 1s. 4$\frac{5}{8}$d, April. 1s. 6$\frac{3}{8}$d, May, 1s 6$\frac{1}{4}$d, June, 1s 7$\frac{3}{4}$d; July, 1s 8$\frac{3}{4}$d; August, 1s 8$\frac{5}{8}$d; September, 1s. 8$\frac{1}{2}$d; October, 1s 11$\frac{3}{4}$d., November, 2s 1$\frac{3}{4}$d, December, 2s 1$\frac{7}{8}$d The price continued to rise in the first six months of 1955 and by the end of June had reached 3s a lb, the highest level for more than three years.

World production of synthetic rubber in 1954 totalled 716,388 tons and consumption 740,000 tons, compared with 935,622 tons and 872,500 tons (revised figure) respectively in 1953. World stocks fell from 200,000 tons on Dec. 31, 1953, to 175,000 tons on Dec. 31, 1954. Production and consumption figures for synthetic rubber in the principal countries are given below (in long tons) ·

	Production		Consumption	
	1954	1953	1954	1953
United States	622,852	848,441	636,727	784,836
Canada	86,581	80,922	30,080	35,914
Western Germany	6,955	6,259	16,999	11,499
France	—	—	14,437	12,924
United Kingdom	—	—	8,693	4,862

Prices. The U.S. price for GR-S synthetic rubber in 1954 was again unchanged at 23 cents a lb. The price for Neoprene, 41 cents a lb, was also unchanged, but the price of Butyl was raised in July from 22 to 23 cents a lb.

Sale of U.S. Government Synthetic Plants. A commission appointed by President Eisenhower to dispose of the 27 synthetic rubber plants built during the World War II, and operated by the Government, reported on June 13, 1955, that it had sold 25 of the plants for $270,796,000. In addition, the Government was receiving from the buyers about $145,000,000 for stocks, spare parts, etc, giving total receipts of about $415,000,000 The Government still owned two plants, a laboratory, and some miscellaneous equipment with an estimated net value of $13,435,000.

On March 25, 1955, the Malayan Government announced details of a scheme to help the Malayan rubber industry—which, it said, faced "a crisis unprecedented in its chequered history"—to compete with synthetic rubber. It was proposed that the Government should provide £33,000,000 over the next 11 years to be used for replanting with newly developed strains of rubber trees which would give high latex yields; with these trees, it was thought, the estates could sell natural rubber as cheaply as synthetic rubber at present prices, or even more cheaply. In addition, the Government proposed that the export duty on rubber should be reduced from 5 to 4 per cent whenever the sale price of natural rubber fell to 60 Malayan cents (about 1s. 5d. per lb.) or below, in order to assist the planter in lean times. The Government's proposals—which largely followed the recommendations made in October, 1954, by a mission of inquiry under Sir Francis Mudie—were approved by the Malayan Federal Council on May 5. (Rubber Statistical Bulletin - Times - Financial Times - New York Times) **(Prev. rep. Rubber Statistics, 13648 A; U.S. Synthetic Rubber Plants, 13075 A.)**

A. SOUTH AFRICA. — Revision of Passport Regulations. - The Departure from the Union Regulation Act.

The South African Government published on Feb. 21 the Departure from the Union Regulation Bill, under which it became an offence punishable by imprisonment to leave the Union without a passport or travel permit. Its main provisions were as follows :

(1) Anyone over 16 leaving the Union without a passport or travel permit became liable to imprisonment for a term of three months to two years, without the option of a fine.

(2) Anyone conveying a person over 16 without a passport or permit from the Union, or helping such a person to leave the Union, became liable to a fine not exceeding £2,000, imprisonment for not more than a year, or both

(3) A person whose application for a passport was refused might appeal in writing to the Minister of the Interior within one month.

(4) A passport or permit would be valid for one year, but the Minister might recall it at any time Failure to return it on demand would render the holder liable to a fine of not more than £200 or six months' imprisonment

(5) There would be no restrictions on the issue of permits to persons who satisfied the Department of the Interior that they wished to leave the Union permanently.

(6) A passport or permit issued to such a person would be endorsed accordingly, and the holder would not be allowed to return to South Africa If he did return he would be deemed to have left the Union without a permit, and if he was not born in the Union he would be deemed a prohibited immigrant.

The second reading of the Bill was moved in the House of Assembly on March 23 by Dr. Donges, the Minister of the Interior, and was opposed by the United and Labour parties.

Dr. Donges said that the purpose of the Bill was to control the departure of certain people from the Union to Communist countries, from which they returned to make propaganda in South Africa There were loopholes in the passport control regulations, resulting mainly from the United Kingdom's policy of regarding all persons considered to be British subjects as having the right to enter the U K. without passports. Persons who could not get South African passports, but who had obtained a notarial certificate of identity stating that they were British subjects, were freely admitted to Britain, where they could obtain travel documents from the Embassy of one of the " Iron Curtain " countries admitting them to that country; after indoctrination in Communist teachings, they could then return to South Africa to spread propaganda, because they had only to show that they were South African citizens. Dr Dönges cited examples of how this loophole in the regulations had been used in the past, and stressed that the great majority of people leaving South Africa would not be affected by the Bill. In this connexion he pointed out that only 57 out of 23,117 applications for passports had been refused in 1954.

Sir De Villiers Graaf, for the United Party, asserted that the Minister was asking for greater powers than those granted in any other country in the Western world, and criticized Dr. Dönges' conduct in refusing passports in the past, for example, a Coloured man had been allowed to go to Britain but not to India, and a non-European who had won a scholarship in Britain had been refused a passport. Dr. Donges, he said, was asking for a vast increase in his discretionary powers, which could not be reviewed or debated in Parliament; moreover, no principle was specified as to the circumstances in which a passport or permit should be refused. He suggested that the Minister should preferably have prevented any professed Communist or person convicted under the Suppression of Communism Act from applying for a passport. **Mr. Hepple** (Labour) maintained that the Bill would enable the Minister to refuse passports to anyone whose views he disliked, and could be used as " an instrument of political punishment."

Dr. Dönges denied that the Bill conferred any new powers on the Minister or altered the existing law in regard to passports He reiterated that passport control by itself was not sufficient to prevent people from leaving the country because of the position under British law, and maintained that South African conditions differed from those in all other countries. A large section of South Africa's population were particularly liable to be infected by Communism, and it would not be unfair to argue that South Africa was in a state of emergency which justified action being taken to meet it The Bill, he pointed out, was not nearly so drastic as the U.S. Internal Security Act, under which a member of a Communist organization who applied for a passport or for its renewal, or who used or attempted to use a passport, became liable to a fine of $10,000 or five years' imprisonment, or both

The Bill was given a second reading by 61 votes to 40, the National Conservatives voting with the Government. During the Committee stage Dr. Dönges introduced an amendment (which was accepted) providing that South African passports or travel permits should be regarded as the only valid documents for South African citizens leaving the country, and that persons leaving the Union without such documents should be liable to the penalties prescribed under the Bill.

The House rejected Opposition amendments aimed at providing that any South African citizen who was not a professed Communist, or had not been engaged in subversive activities, should be entitled to receive a travel permit on application; that any applicant refused a permit should have the right of appeal to the Supreme Court; and that anyone prosecuted for leaving the country without a permit could defend himself by proving that he had not advanced the objects of Communism or engaged in subversive activities against the Union overseas

When the Opposition's amendments were criticized by **Dr. du Plessis** (Nat.) on the ground that they would limit the Minister's powers to refuse permits to non-Communists who harmed the country overseas, such as the Rev. Michael Scott, **Mr. Lawrence** (U P.) observed that Dr du Plessis had " let the cat out of the bag," and had made it clear that the Minister could refuse permits to anyone whom the Government did not like, such as the Bishop of Johannesburg, or who had expressed opposition to its racial policy. In reply, **Dr. Donges** agreed that although Communism was the main reason for introducing the Bill,it " would have a much wider effect than that," as the safety of the State was not endangered only by Communism.

The Bill was given a third reading in the House of Assembly on May 6 by 79 votes to 41, and in the Senate on June 2 by 24 votes to 13.—(Cape Times - Die Burger, Cape Town)

B. CHILE. — New Cabinet. - Reported Army Plot.

A new Cabinet was formed by President Ibañez on May 30 following the withdrawal from the Government of all six members of the Agrarian Labour Party after the President had refused to accept the resignation of the Under-Secretary of the Interior, Señor Carlos Ferrer. The latter had submitted his resignation following a 48-hour strike by Chilean students in protest against the Chilean Government's failure to give prompt asylum to 13 Peruvian students who had been deported from Argentina, and who had asked for permission to stay in Chile because they feared political persecution if they returned to Peru. In addition, the Minister of Finance (Señor Sergio Recabarren) had submitted his resignation as a result of a strike for higher wages by staffs of hospitals, nursing homes, and cemeteries, which had resulted in a small number of deaths through lack of medical attention.

The Minister of Defence, General Tobias Barros, had resigned on May 13 after a number of senior Army officers had been arrested in connexion with an alleged secret society which was said to be plotting to set up a military dictatorship. Two months previously, on March 17, it had been announced that four generals, including the Commander-in-Chief, General Enrique Franco, had been placed on the retired list " at their own request," and that General Araya Stiglich had been appointed Commander-in-Chief.

The new Cabinet, most of whose members had not hitherto taken any active part in politics, was as follows : Señor Oswaldo Koch, Interior; Rear-Admiral Kaare Olsen Nielsen, Foreign Affairs; Señor Abraham Pérez Lizana, Finance; Señor Arturo Zúñiga Latorre, Economy; Colonel Benjamin Videla Vargara, Defence; Señor Mariano Fontecilla Vargas, Justice; Air Brigadier-General Alejandro Schwerter Gallardo, Public Works; Señor Hugo K. Sievers Wicke, Agriculture; Señor Raúl Barrios Ortiz, Health; Señor Oscar Herrera Palacios, Education; General Eduardo Yáñez Zavala, Labour; Señor Osvaldo Sainte-Marie Soruco, Mines. Señor Herrera had held the same portfolio in the previous Cabinet, whilst Señor Koch had been Minister of Justice and Colonel Videla Minister of Public Works. (New York Times - New York Herald Tribune - Times - Bank of London and South America, Fortnightly Review) **(13697 D.)**

C. UNITED NATIONS. — Nansen Medal Awards.

The first two awards of the Nansen Medal, a U.N. award for humanitarian services to refugees, were announced during May by the U.N. High Commissioner for Refugees, Dr. van Heuven Goedhart. The award for 1954 was made to Mrs. Eleanor Roosevelt, widow of the late President Franklin D. Roosevelt, whilst that for 1955 was made to Queen Juliana of the Netherlands.

Mrs. Eleanor Roosevelt was awarded the Nansen Medal for 1954 in consideration of her " outstanding services to the humanitarian cause of refugees " and " the continuous and unsparing efforts she has made on behalf of refugees, particularly through her active participation in the U.N. Human Rights Commission."

Queen Juliana received the Nansen Medal for 1955 in consideration of " her personal action in communicating with former U.S. President Harry S. Truman and President Dwight D. Eisenhower suggesting a fresh approach to the refugee problem; her inspiring deeds and words to make the people of the Netherlands aware of their responsibility to refugees; and the results of the Netherlands campaign for the U N. Refugee Emergency Fund, which without her inspiring leadership could not have succeeded."

The Nansen Medal is named after the late Dr. Fridtjof Nansen, the famous Norwegian explorer, who was the first League of Nations High Commissioner for Refugees (1921-30) and who gave his name to the " Nansen passport," the first travel document for stateless refugees. The awards were made by a special committee of the U.N. Refugee Fund.

(United Nations Review, New York)

A. UNITED KINGDOM. — House of Commons Debate on Report of Royal Commission on Capital Punishment. - Rejection of Proposal for Five-year Suspension of Death Penalty.

The report of the Royal Commission on Capital Punishment (see 13329 A) was approved on Feb 10, 1955, by the House of Commons, which adopted a formal motion " taking note " of the report. An amendment urging the suspension of the death penalty for an experimental period of five years, sponsored by a number of Labour and Conservative back-benchers, was rejected by 245 votes to 214 on a free vote.

The motion that the House should " take note " of the Royal Commission's report was moved by Major Gwilym Lloyd-George, the Home Secretary.

Major Lloyd-George said that after careful consideration the Government had formed provisional views on the Royal Commission's major proposals, which they would re-examine in the light of the debate, giving full weight to the views expressed by Members He recalled that the Commission's main recommendations were as follows (1) That the statutory age-limit below which sentence of death might not be passed should be raised from 18 to 21 (2) That in all other cases the jury should be given discretion to decide whether there were such extenuating circumstances as to justify substituting a sentence of life imprisonment for the death sentence (3) That the test of criminal responsibility laid down in England by the M'Naghten Rules should be wholly abrogated, and that the jury should be left to determine, unfettered by formula, whether at the time of the act the accused was suffering from a disease of the mind or was mentally deficient to such a degree that he ought not to be held responsible The first recommendation had had a majority of only one member of the Commission, whilst the second was in qualified terms and was not a positive recommendation

On the raising of the age-limit, the Government shared the natural desire to spare a young life whenever possible They were, however, disposed to agree with the minority of the Commission that there were strong objections to raising the age-limit at the present time, particularly when crimes of violence by persons between the ages of 17 and 21 were so prevalent Although there had recently been a decline in indictable crime generally, the number of persons between 17 and 21 found guilty of offences of violence against the person had increased from 163 in 1938 to 405 in 1948, to 492 in 1951, and to 603 in 1953 The Government, therefore, could not think that the present time was an appropriate one to remove a sanction which might deter young men from committing murder

Continuing, Major Lloyd-George said that the Government considered the Commission's arguments against the introduction of two degrees of murder to be closely reasoned and convincing. The Commission's alternative proposal, however—that the jury should be given discretion to substitute a life sentence—had been criticized by distinguished speakers, including the Lord Chief Justice and three former Home Secretaries, during a debate in the House of Lords. Moreover, the Royal Commission itself had recognized that its disadvantages might be held to outweigh its merits, and had put forward formidable objections in its report In the Government's view this proposal was unworkable and ought to be rejected.

On the third proposal, the Government supported the view of the minority of the Commission that in England some formula was essential. Although the M'Naghten Rules were open to criticism, their theoretical defects had led to little hardship or injustice in practice, in view of the difficulty of framing a satisfactory amendment to them, the Government considered it better to leave matters as they were.

The Home Secretary said that the Government would be glad to take note of the opinions expressed in the debate about the Royal Commission's recommendations that constructive malice in English law should be abolished, that the law relating to provocation should be amended, and that the survivor of a " suicide pact " should not be held guilty of murder Of these recommendations, all of which would require legislation, some were not free from controversy, whilst others would be useful amendments to the law A number of others which required only administrative action had already been given effect; for example, where there was any question of the mental state of a person charged with murder, an outside psychiatrist was now called in, as recommended by the Commission.

Turning to the question of the abolition of capital punishment, Major Lloyd-George said that he wished first to deal briefly with the Home Secretary's personal position. If a satisfactory alternative could be found he would welcome the abolition of capital punishment, but the alternative would have to be satisfactory as a deterrent and also satisfactory to the public conscience. Until it was clearly established that such an alternative existed, the death penalty must remain and must be carried out in appropriate cases. In the debate on the Criminal Justice Bill in 1948 (see 9496 A) he had voted for a five-year suspension of the death penalty because he had been influenced, like many other people, by a statement made by Mr. Paget (Lab.) that Sir Alexander Paterson (formerly H. M Commissioner for Prisons) had changed his views on this subject towards the end of his life. This statement, however, had been refuted two days later by the then Home Secretary, Mr Chuter Ede. There could be no doubt that when Sir Alexander had told a Select Committee in 1930 that life in prison would not be a tolerable alternative to the death penalty, he was giving his personal opinion, and that this had remained his opinion to the end of his life.

Major Lloyd-George said that the Government opposed the abolition of capital punishment for three reasons Firstly, they were not disposed to reject the evidence of many experienced persons that it was a uniquely effective deterrent to professional criminals. In 1948 Mr Chuter Ede had told the House that the Government could not advise it to dispense with that sanction, in view of the grave increase in crimes of violence Although there had been a fall in the total volume of crime since 1948, this was largely due to a decrease in offences against property, and there had been a continued increase in sexual offences and in crimes of violence. In these circumstances the Government could not think that it would be right at the present time to abandon the death penalty

Secondly, the Government were not convinced that the detention of some murderers for very long periods, possibly for life, would not give rise to much more serious difficulty than the Commission had expected Mentally abnormal murderers could possibly be maintained in special institutions for long periods, but it was unlikely that those who were mentally normal would be suitable for detention in an open prison, and their detention for more than 20 years in the conditions of a closed prison would be likely to lead to serious deterioration, as well as causing grave problems of security

Thirdly, the Government had no doubt that it would be entirely wrong to abolish capital punishment unless there was a clearly overwhelming public sentiment in favour of the change The Government had no reason to think that public opinion was in favour of abolishing or suspending the death penalty. Indeed, it believed the contrary to be true.

In the Government's view (Major Lloyd-George concluded), the amendment to suspend the death penalty for five years [see below] was entirely misconceived. Such a period would be much too short to enable Parliament to form a reliable judgment on the effects of the change, and if the experiment proved unsatisfactory a difficult and confused situation might arise Suspension would shift the onus of changing the law from those who proposed abolition to those who proposed restoration of the penalty, and even if it were necessary and justified it might be difficult to ensure the passage of legislation to that end Such a trial period, moreover, would be likely to prejudice future consideration of the question, and would imply permanent abolition under the guise of an experiment. The Government had no doubt that if a change were to be made, the right course would be to " face the issue squarely and abolish the penalty outright " Therefore they could not advise Members to vote for the amendment.

Mr. Chuter Ede (Lab.), Home Secretary from 1945-51, opened the debate from the Opposition benches.

Mr. Chuter Ede pointed out that those categories of crimes of violence previously punished by flogging had decreased, and that prophecies made in the House of Lords that the abolition of flogging would lead to a big increase in such crimes had been completely disproved The age-group between 17 and 21, of which the Home Secretary had spoken, had largely suffered from the " uncivilized conditions " of the war and immediate post-war years, and there was no proof that their successors at those ages were as prone to juvenile delinquency; indeed, juvenile delinquency had fallen to such an extent that one of the Home Secretary's problems was how to deal with redundant approved schools

Criticizing the Royal Commission's recommendations on jury discretion, Mr. Chuter Ede said that he was unconvinced that it could be made workable; he felt that 12 ordinary citizens, called together to discharge the heavy responsibility of declaring a man guilty or innocent, should not have this further responsibility placed upon them It would be an advantage to juries, however, if they had something to help them in their decisions more in accordance with modern modes of thought than the M'Naghten Rules, which had been adopted at a time when knowledge of the workings of the human mind was far less complete than it was today

On the question of the deterrent effect or otherwise of the death penalty, Mr. Chuter Ede did not think the case was proved either way. " Having been Home Secretary longer than anyone else since 1832," he declared, " I have come to the conclusion that, apart from two or three men like Heath and Haigh, who were cool, calculating, gamblers and got away with it a surprising number of times, if you had said to all the other men on the morning of the day they committed the crime, ' Before night you will be in danger of the gallows.' they would have laughed at you A little too much to drink—and the amount which puts a man off balance varies from individual to individual—a little sexual excitement introduced, and something is done. A blow is struck that places the man in jeopardy. . . Few of the people who stand in jeopardy are people for whom any colloquial rendering of the words ' malice aforethought ' would have any real application."

Mr. Chuter Ede doubted whether public opinion was at the moment in favour of abolishing or suspending the death penalty, but he also doubted whether any of the great penal reforms carried out over the past 100 years would have been approved in a plebiscite There were occasions, he suggested, when the House had to say that a certain thing was right, even if public opinion might not at the moment be of the same opinion

" If ever there was a clear case when the papers came on to my table that a man was guilty," Mr. Ede went on, " it was the case of Evans." In 1950, he recalled, a certain Timothy Evans had been found guilty on apparently overwhelming evidence of murdering his infant daughter, a second charge of murdering his wife not being presented. Evans, however, protested that his wife was murdered by John Christie, who lived in the same house, and who in 1953 admitted having murdered six women whose bodies were found in

the house. "If those facts had been known to the jury at the time," Mr. Ede concluded, "they might perhaps have found Evans guilty of murder in conjunction with Christie I doubt if they could have found Evans guilty of murder in any other circumstances I was the Home Secretary who wrote on Evans's papers, 'The law must take its course' I never said in 1948 that a mistake was impossible. I think Evans's case shows, in spite of all that has been done since, that a mistake was possible I hope that no future Home Secretary, in office or after he has left office, will ever have to feel that, although he did his best and no-one would wish to accuse him of being either careless or inefficient, in fact he sent a man who was not guilty as charged to the gallows"

Mr. Sydney Silverman (Lab.), seconded by Mr. Christopher Hollis (C.), moved an amendment that "for a period of five years, persons convicted of murder in the United Kingdom should be sentenced to imprisonment for life in place of the death penalty."

Mr. Silverman recalled that this proposal had been accepted by the House of Commons in 1948, and would now be law had not the clause been rejected by the House of Lords He observed that "had the House of Commons had its way in 1948, the hope which Mr. Ede has just expressed with regard to present or future Home Secretaries would have been fulfilled in his own case" The amendment, he claimed, provided the most convenient method of dealing with each of the Government's main objections to abolishing the death penalty, and would give the Home Secretary a chance of educating the public and getting them accustomed to "the state of affairs which one gathers he would be in favour of if he were satisfied that public opinion would support it" Mentioning three recent cases, Mr Silverman said that he would defy "any rational human being" to find any common basis on which the decisions in these three cases could be reconciled. In the first case, a 19-year-old mental defective (Derek Bentley), who had committed no act of violence himself, had been hanged, although if he was guilty at all he was guilty of constructive murder and not of murder in fact In the second case, a woman whom the prison doctor had certified as insane had been hanged In the third case, a farmer who had been convicted on the clearest possible evidence of murdering his partner, but who had done it so effectively that no trace of the body had been discovered, had been reprieved

"If you don't abolish the death penalty," Mr Silverman concluded, "and if you want nevertheless to vary the penalty, and if nevertheless you reject the recommendation of the Royal Commission that the jury or the court shall decide, you are driven back on the present method of using the prerogative of mercy as though it were a judicial process. When you examine how that works, you find it does not satisfy the most elementary test of a judicial process—that normal, intelligent human beings shall understand it"

Mr. Hollis (C.), supporting Mr Silverman's arguments, said that the experience of countries where the death penalty had been abolished showed that there was no reason to fear that its abolition in the U.K. would be followed by an increase in murders. Gang warfare and the murder of policemen were, he maintained, phenomena which were found almost solely in countries which retained capital punishment. He felt that throughout the nation there was "a morbid fascination with the topic of murder"—largely due to the drama of a man's being on trial for his life—and that the abolition of the death penalty would help to remove this unhealthy state of things

Mr. Basil Nield (C.) opposed the amendment on the ground that capital punishment was "the most compelling deterrent of all," and in particular deterred many criminals from carrying and using arms **Sir Frank Soskice** (formerly Attorney-General in the Labour Government), on the other hand, doubted whether the death penalty had any deterrent effect, and thought that there should be a trial period in which society might resolve this uncertainty by its own experience. Like Mr. Hollis, he believed that the public interest in "macabre details" of murders, murder trials, and executions arose from the fact that a man's life was at stake, and had a brutalizing effect upon society as a whole.

Mr. Montgomery Hyde (U.U.), replying to the argument that without capital punishment there would be an increase in murders, pointed out that similar arguments had been put forward when the death penalty was abolished for such offences as "stealing five shillings, cutting your name on Westminster Bridge, or impersonating an outpatient from Guy's Hospital." **Mr. Turner-Samuels** (Lab.), however, maintained that the steady rise in crimes of violence, from 3,183 in 1948 to 4,285 in 1953, on the one hand, and a decline in murder cases from 40 to 26, on the other, showed that imprisonment had no deterrent effect on crimes of violence, but that capital punishment was apparently a deterrent to murder **Mr. S. S. Allen** (Lab) felt that there was sufficient chance of a grave miscarriage of justice for the death penalty to be abolished for, at least, five years. **Mr. John Paton** (Lab.), **Sir Beverley Baxter** (C.), and **Mr. R. G. Paget** (Lab.) were among other Members who spoke in support of Mr. Silverman's amendment. Mr. Paget maintained that the late Sir Alexander Paterson, towards the end of his life, had changed his earlier view that life or other long-term prison sentences were crueller than the death penalty.

Sir Reginald Manningham-Buller (the Attorney-General), replying to the debate, emphasized that the effect of the amendment could only be to abolish the death sentence. When the time came for review at the end of the proposed five-year period, its supporters would say that the period had been far too short for the experiment to be judged. It was the view of the police and of the prison service that the death penalty deterred criminals from carrying and using weapons This view, based on experience of the criminal classes, ought to be accepted If a reprieved murderer serving a life sentence killed a prison officer and there was no death penalty, the worst that could happen to him would be that he would go on serving his imprisonment, surely, therefore, the House should not weaken the protection which the law gave to those in the prison service Before any such drastic change was made, there should be clear evidence that this was a public desire, but there was no indication that public opinion on this issue had changed since 1948

The amendment was rejected by the above-mentioned majority, and the Government's motion approved without a division. Although a majority of Labour members voted for, and a majority of Conservatives voted against, the amendment, the division did not follow party lines as some Conservatives voted for the amendment and some Labour members against it. The Liberal group was also divided, three Liberals voting for and one against the amendment.

A number of Labour members who voted against the similar proposal in 1948 supported the amendment, including Mr. Chuter Ede, Mr. Whiteley (the Opposition Chief Whip), Mr. George Isaacs, Mrs Jean Mann, Mr Robens, Mr. Glenvil Hall, Mr. Arthur Henderson, and Mr. Hector Hughes. Several former Labour Ministers who abstained in 1948 also voted for the amendment, including Mr. Aneurin Bevan, Mr. Hugh Gaitskell, Mr. James Griffiths, Mr Marquand, Mr. Strachey, Mr. George Strauss, and Mr. Kenneth Younger. Conservative members supporting the amendment, in addition to those mentioned in the debate, included Viscount Hinchingbrooke, Mr. Nigel Nicolson, Mr. Julian Amery, Mr. J. J. Astor, Mr. Ormsby-Gore, and Mr. Angus Maude. Major Lloyd-George, who supported the 1948 resolution, voted against the amendment.

A large number of Labour members (including Mr Attlee, Mr. Herbert Morrison, and several other former Ministers who voted against the 1948 resolution), as well as several Conservatives, abstained from voting.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Royal Commission Report, 13329 A; 1948 Debate, 9496 A.)**

A. CAMBODIA.—Postponement of General Elections. "Popular Socialist Movement" formed by Prince Norodom Sihanouk. - Indo-Cambodian Discussions. - Military Aid Agreement with U.S.A.

The Cambodian Government announced on March 15 that the general elections fixed by the former King Norodom Sihanouk for April 17 had been postponed until Sept. 11, and that they would be held under the system of direct and universal suffrage laid down under the 1947 Constitution, and not under the system of indirect voting proposed by the ex-King on Feb. 19. The decision to hold elections on April 17, the statement declared, had provoked a "vast popular movement" of protest, which the ex-King had sought to appease by his proposals for constitutional reform; because of the importance of this movement, a certain delay was necessary "in order to explain to the populace the reasons for a return to the previous regime."

Prince Norodom Sihanouk announced on April 6 that he would form a "Popular Socialist Movement" which would take part in the elections on a programme of support for his constitutional proposals and for the "sovereignty of the ordinary people of Cambodia."

Prince Norodom Sihanouk and the Cambodian Prime Minister, M. Leng Ngeth, had previously visited India from March 16-24 at the head of a goodwill mission, and during their visit had had discussions in Delhi with Mr. Nehru.

A communiqué issued on March 18 stated that the Cambodian delegation had affirmed their Government's support for the "five principles of peaceful co-existence"; that the two Governments were agreed that the Geneva Agreements should be fully implemented, and that every effort should be made to preserve and strengthen the independence of Cambodia and to improve the condition of its people; that they had also agreed to exchange diplomatic missions at Legation level at an early date, and to co-operate in cultural matters; and that the Indian Government had assured the Cambodian delegation of their desire to give such assistance to Cambodia as lay in their power.

A military aid agreement between Cambodia and the U.S.A. was signed at Pnom-Penh on May 16. The State Department in Washington said that it had become necessary because U.S. aid to Cambodia was now supplied direct and no longer through the French Government, and that the agreement envisaged the setting-up of a U.S. military advisory group in Cambodia.

M. Pierre Gorse, Administrator-in-Chief for *France d'outre-mer*, was appointed French High Commissioner in Pnom-Penh on June 4.—(Le Monde, Paris - The Statesman, Calcutta - New York Times) **(Prev. rep. Elections, 14109 A; Indo-Cambodian Relations, 14028 C; U.S. Aid, 14161 A.)**

A. UNITED KINGDOM. — Labour Party. - Mr. Attlee re-elected Party Leader. - New "Shadow Cabinet."

The Parliamentary Labour Party, meeting on June 10, re-elected Mr. Clement R. Attlee as chairman and leader of the party for the new session of Parliament, whilst Mr. Herbert Morrison was re-elected vice-chairman and deputy leader. No other nominations were put forward, Mr. Attlee and Mr. Morrison being re-elected unanimously. Mr. Herbert Bowden, M.P. for Leicester South-West and Opposition Deputy Chief Whip, was unanimously elected Chief Whip of the Labour Party in succession to Mr. William Whiteley (72), who had held that post for 13 years and who did not seek re-election.

Prior to the State opening of the new Parliament (see 14255 A), it was understood that Mr. Attlee had informed the Labour "shadow Cabinet" that he proposed to continue as party leader only until October, 1955, when it was anticipated that the first session of Parliament would end. The heavy legislative programme outlined in the Queen's Speech, however, indicated that the first session would continue until October, 1956, and Mr. Attlee accordingly agreed to continue as chairman and leader of the party without a time-limit. After a meeting of the Parliamentary Labour Party on June 9, it was officially announced that Mr. Attlee was "ready and willing to accept nomination as chairman for a further period," and that it was "the unanimous wish of the party that he should continue in office." It was reported that Mr. Aneurin Bevan, among other members, had strongly urged Mr. Attlee not to set a term to his leadership of the party, and had declared that Mr. Attlee's continuance as party leader was "vital." [Mr. Attlee, who is 72, has been leader of the Labour Party for 20 years.]

The 12 members of the Parliamentary Committee of the Labour Party (the Opposition front bench or "shadow Cabinet") were elected on June 23. Before that date, however, four members of the former "shadow Cabinet"—Dr. Hugh Dalton (67), Mr. Chuter Ede (72), Mr. Emanuel Shinwell (70), and Mr. Glenvil Hall (68)—had informed Mr. Attlee that they did not propose to stand for re-election, in order to facilitate the entry of younger men.

Dr. Dalton's letter to Mr. Attlee, the text of which was published on June 4, said *inter alia*: "... It is essential, in my view, that, from the start of the new Parliament, there should be a much younger Shadow Cabinet. In the last Parliament this body was becoming more and more a shadow of the past and less and less a Cabinet of the future. Of its 15 members when Parliament was dissolved, no less than nine are over 65 and, of these nine, four are over 70. . . . We veterans have had a long innings. . . . But I am sure that, in the interests of the party, it is high time that a number of us should stand down to make room in the Shadow Cabinet for good younger men. There is no lack of these. . . I myself have decided not to be a candidate for our Shadow Cabinet in the new Parliament, and I hope that a number of my fellow veterans will decide likewise. But your own position is a very special one. It is my strong hope that, in the interests of party unity, you will continue as leader when the new Parliament meets. . . No one else among us, of whatever age, can do this difficult job as well as you can."

Fifty-four nominations were presented for the 12 places in the "shadow Cabinet" filled by election. The successful candidates (ages in parentheses) were as follows:

	Votes received	Votes received in 1954
Mr. James Griffiths (64)	186	170
Mr. Hugh Gaitskell (49)	184	170
Mr. James Callaghan (43)	148	124
Mr. Alfred Robens (44)	148	140
Mr. Harold Wilson (39)	147	120
Dr. Edith Summerskill (54)	133	142
Mr. Aneurin Bevan (57)	118	—
Mr. George Brown (41)	101	—
Mr. Philip Noel-Baker (65)	100	125
Mr. Anthony Greenwood (43)	91	—
Mr. Richard Stokes (58)	77	—
Mr. G. R. Mitchison (65)	76	—

Mr. Griffiths, Mr. Gaitskell, Mr. Callaghan, Mr. Robens, Mr. Wilson, Dr. Summerskill, and Mr. Noel-Baker were re-elected, whilst Mr. Bevan, Mr. Brown, Mr. Greenwood, Mr. Stokes, and Mr. Mitchison were elected in the place of Dr. Dalton, Mr. Chuter Ede, Mr. Shinwell, Mr. Glenvil Hall, and Sir Frank Soskice, who was unable to find a constituency at the general election. Mr. Bevan had previously been a member of the "shadow Cabinet" before his resignation in 1954 (see 13552 A); Mr. Greenwood had been a member in 1951-52, whilst Mr. Stokes (a former Lord Privy Seal), Mr. Brown (chairman of the trade union group of Labour members), and Mr. Mitchison, Q.C. (a prominent Labour back-bencher) entered the "shadow Cabinet" for the first time. Of the 42 unsuccessful candidates, the runners-up were Mr. Tom Fraser and Mr. Kenneth Younger, each with 75 votes. The only "Bevanites" to secure election were Mr. Wilson and Mr. Bevan himself; among unsuccessful "Bevanites" were Mr. Richard Crossman (62 votes), Mr. Ian Mikardo (51 votes) and Mrs. Barbara Castle (48 votes).

The full "shadow Cabinet" consists of the above-mentioned 12 members (elected by the Parliamentary Labour Party) and the following six *ex-officio* members: Mr. Clement Attlee (72), the party leader; Mr. Herbert Morrison (67), the deputy leader; Mr. Herbert Bowden (50), the Chief Whip; Lord Jowitt (70), leader of the Labour peers; Lord Lucan (56), Chief Whip of the Labour peers; and Lord Henderson (63), elected representative of the Labour peers. The average age of the 18 members of the "shadow Cabinet" is 55½, compared with the previous average age of over 60.

After discussing the Labour Party's setback at the general election, the party's National Executive Committee set up on June 22 a special sub-committee to inquire into the general organization of the party and to report in September. Its members were: Mr. Harold Wilson, M.P. (representing the constituency party section of the executive), Miss Margaret Herbison, M.P. (representing the women's section), Mr. Arthur Skeffington, M.P. (representing the Co-operative movement), and Mr. Jack Cooper, president of the National Union of General and Municipal Workers (representing the trade union section).—(Daily Herald - Times - Manchester Guardian)

(Prev. rep. "Shadow Cabinet," 13896 C; "Bevanite" Controversy, 14174 A.)

B. CANADA - UNITED STATES. — Visits by Italian Prime Minister and Foreign Minister.

Signor Scelba and Professor Martino, the Italian Prime Minister and Foreign Minister, arrived in Ottawa on March 25 on an official visit to the Canadian Government, and had discussions during their stay with Mr. St. Laurent, the Canadian Prime Minister, Mr. Lester Pearson, the Secretary for Foreign Affairs, and other members of the Canadian Cabinet.

A communiqué issued on March 27 said that the Canadian and Italian Ministers had agreed "to follow a stricter political co-operation inside the Atlantic alliance," and had also agreed on "the need of continuing their efforts to diminish international tension [which] could be achieved through general limitation of armaments with a guarantee of efficient control accepted by all."

On March 27 the Italian Ministers arrived in Washington, where they had discussions on March 28-29 with President Eisenhower, Mr. Dulles (Secretary of State), Mr. Humphrey (Secretary of the Treasury), Mr. Charles E. Stassen (Secretary of Defence), and Mr. Harold Stassen (Director of Foreign Operations). Signor Scelba also saw Mr. Eugene Black, President of the International Bank; spoke at a luncheon of the National Press Club; and addressed both Houses of the U.S. Congress.

A statement issued at the White House on March 28 said that the President and Signor Scelba had discussed "the aspects of Western defence pertaining to the partnership of Italy with the U.S.A. in the NATO", that developments in the creation of the Western European Union had also been discussed, and that the President had expressed to Signor Scelba "the gratification of the American people at the important role which Italy has been playing in the implementation of all measures leading to Western European integration and the solidarity of the North Atlantic community."

A joint communiqué issued on March 30 stated that the U.S. and Italian Ministers had agreed to explore further the possibility of reaching "a genuine limitation of armaments, both conventional and non-conventional," with effective international controls, that Mr. Dulles and Professor Martino had expressed the hope that it would be possible "soon after the ratification of the Paris agreements by all the signatories to find the basis for a truly fruitful conference with the Soviet Government", and that they had agreed "to keep in constant touch" for these purposes.

It was also announced by the State Department on March 30 that the U.S. Government had agreed to make available to Italy ten tons of heavy water for an atomic reactor which Italy planned to construct; that this decision had been taken in advance of a formal agreement for U.S.-Italian co-operation in the peaceful uses of atomic energy; and that Italian nationals would be permitted to enrol in a newly-opened school for nuclear scientists in engineering at Chicago.

Mr. Dulles and Professor Martino also signed two double taxation conventions benefiting Italian nationals in the United States and American nationals in Italy.

From March 31 to April 3 the Italian Ministers stayed in New York, where Signor Scelba received honorary degrees from Fordham and St. John's Universities. Subsequently Signor Scelba visited Philadelphia, Chicago, and Detroit, whilst Professor Martino visited San Francisco and Los Angeles. They returned to Rome on April 8.—(New York Times - New York Herald Tribune - Montreal Star - Corriere della Sera, Milan)

C. PAKISTAN. — Double Taxation Agreement with the United Kingdom.

An agreement between Pakistan and the U.K. providing relief for the double taxation of income (with retrospective effect from April 1, 1955) was signed in Karachi on June 10. (Pakistan High Commissioner's Office, London) **(12877 A.)**

A. SAAR. — Decisions of Council of Western European Union on Referendum and Powers of Saar Commissioner. - International Commission for the Saar.

The Council of the Western European Union published on May 13 the decisions on the Saar which it had taken at its inaugural meeting in Paris a week earlier (see page 14238). They related to (1) the holding of the referendum on the Saar Statute (see 13845 A), and (2) the powers and functions of the Commissioner for the Saar.

The Saar Referendum.

The provisions on this subject consisted of the following 15 Articles :

(1) The International Commission for the Saar would consist of Belgian, British, Italian, Luxemburg, and Netherlands representatives [i e. of representatives of all the W.E.U. countries except France and Germany], and would take its decisions by simple majority vote. The Commission would appoint its own president, who would have a casting vote.

(2) Members of the Commission would enjoy diplomatic immunity.

(3) The Commission could make recommendations to the Saar Government and (in urgent cases, and by unanimous vote) to the local authorities. The Saar Government would have the obligation to present to the Commission all documentation and information relating to the referendum.

(4) Members of the Commission (or their representatives) would have free access to all polling stations, would be present during the counting of votes, and would verify the results of the referendum, both for the Saar as a whole and in urban and rural constituencies. The Commission could bring any facts to the attention of the French and Federal German Governments and, if it did not receive satisfactory replies to such representations, could bring the matter before the Council of W.E.U.

(5) The following categories of persons would have the right to vote in the referendum : (*a*) all men and women who were over 20 years of age on the date of the referendum, and who were recognized as Saarlanders under Saar legislation ; (*b*) persons who had been born in the Saar and were domiciled or permanently resident there on Oct 23, 1954 [i.e. the date on which the Saar agreement was concluded between Dr. Adenauer and M Mendès-France] ; (*c*) persons who, although not born in the Saar, had been domiciled or permanently resident there for at least five years before Oct. 23, 1954, (*d*) persons who had been expelled from the Saar for political reasons after May 8, 1945. If the Saar Government raised objections to the exercise of the vote by any persons in the last-mentioned category, the matter would be referred to the Commission for final decision.

The following categories of persons would, however, not be entitled to participate in the vote . (*a*) staffs of diplomatic and consular missions in the Saar, and their families ; (*b*) members of the armed forces and their families ; (*c*) members of the police, *gendarmerie*, and Customs services, and their families.

(6) Mentally defective persons or persons serving prison sentences would not have the right to vote.

(7) Persons having the vote would have to reply " yes " or " no " to the questions asked in the referendum.

(8) The referendum would be held by universal, free, and secret ballot, for which full guarantees of free political activity and of secrecy would be given. All electoral manifestos, posters, etc., would have to be printed in the Saar All political parties would be guaranteed equality of rights and full liberty of action, and any infringements, which the Commission recognized as such, would be reported to the Council of W.E.U. No-one [i.e. no individual or political party] could be penalized for any attitude that he might have adopted in the period of three months before the referendum, or during the referendum itself.

(9) This Article dealt with electoral constituencies, and stated that a Director-General for the referendum would be nominated by the Saar Government.

(10) This Article dealt with electoral lists.

(11) Any complaints of infractions [of the above-mentioned provisions] during the period before the referendum, or during the referendum itself, would have to be presented to the Commission not more than eight days after the referendum had taken place.

(12) Legislation for the organization and holding of the referendum would be drawn up on the basis of the principles laid down above It would be promulgated by the Saar Government after the Commission had satisfied itself that the legislation conformed to these principles.

(13) The beginning of the three-month period immediately prior to the referendum, referred to in Article 10 of the Franco-German agreement of Oct. 23, 1954 (see page 13846, first column), would be decided upon by the Council of W.E.U., on the basis of a report by the Commission. The Saar Government would then fix the date of the referendum.

(14) During this preparatory three-month period, and during the referendum itself, the Commission would keep watch to ensure that the principles on which the referendum was based were being fully applied.

(15) After the counting of the votes the Commission would verify the provisional results, which would then be announced by the Saar Government. Within two weeks of the holding of the referendum, the Commissioner would report to the W.E.U. Council on (*a*) the provisional results of the referendum, (*b*) the conditions in which the referendum had been held, and (*c*) whether there had been any infractions, either before or during the referendum The Council of W.E U. would then finally decide whether or not the people of the Saar had approved the Saar Statute

Powers and Duties of the Commissioner.

(1) The Commissioner, under the authority of the Council of W.E.U., would be charged with ensuring the application of the Saar Statute. He would carry out this task in conformity with the principles laid down in the Convention on Human Rights, and also with the following two principles (i) for the duration of the Statute [i.e. until the conclusion of a peace treaty with Germany], freedom of opinion would be " total and guaranteed " , (ii) nevertheless, all political activities which directly or indirectly infringed the basis of the Statute would be banned—i e. all activities detrimental to the proper functioning of the Statute or to the internal peace of the Saar

(2) International treaties concluded by the Commissioner on behalf of the Saar would have to be approved by the Saar *Landtag*

(3) The Commissioner would receive his instructions from the Council of W E.U.

(4) The Commissioner's annual reports to the Council of W E U would be transmitted to the Assembly of the W E.U. countries.

(5) If the Commissioner decided that there had been a violation of the Saar Statute, from whatever quarter the violation might come, he would refer the matter to the Council of W E.U If such violation came from any organization in the Saar, the Commissioner would first of all make a request to the Saar Government. If this request were not complied with, he would refer the matter to the Council of W.E.U , which would take the necessary decision after a discussion in which the Saar Government would have the opportunity of presenting its point of view verbally.

In grave and urgent cases the Saar Government would have to suspend any contested measures without delay at the Commissioner's request The Commissioner would simultaneously refer the matter to the Council of W E U (either at Ministerial level or at the level of Permanent Representatives), to which the Saar Government could appeal, and the Council would decide within five days whether or not the suspension of the measures under consideration should be maintained

Should the Commissioner hold that the Saar Government had not taken sufficiently " positive " measures to ensure the application of the Saar Statute, he would make urgent representations. If these were not successful, he would call for an immediate meeting of the Council of W.E.U.

(6) Individuals, groups, and organizations in the Saar who felt that their fundamental rights and democratic liberties had been infringed by any of the Commissioner's decisions could bring the matter before the jurisdictional organs envisaged in the W.E.U treaty

The Franco-German Agreement on the Saar.

The W E U Council " took note " of the agreement on the Saar Statute concluded between France and the Federal German Republic on Oct. 24, 1954. It approved those provisions of the agreement which required its assent, and assumed all those powers, responsibilities and tasks conferred upon it by the agreement.

The Council of Western European Union, meeting in London on June 16, appointed the following members of the International Commission to supervise the Saar referendum . Sir George Rendel, formerly British Ambassador in Brussels ; M. Fernand Dehousse, a member of the Belgian Senate ; Signor Pietro de Paolis, a senior official in the Italian Foreign Ministry ; Baron Bentinck, Netherlands Minister in Berne ; and M. Kunnen, honorary Director of Customs in Luxemburg. Sir George Rendel, after retiring from the Foreign Service in 1950, had been chairman of the German Debts Commission, and subsequently presided over the commission on constitutional development in the Saar.

The International Commission for the Saar held its first meeting in London on June 24 and elected Senator Dehousse (Belgium) as its chairman. It decided to hold its next meeting in Saarbrucken on July 1, and to set up a small secretariat in the Saar under Mr. Peter Fraser (Britain), one of the two assistant secretaries-general of the W.E.U.—(Le Monde, Paris - Frankfurter Allgemeine Zeitung - Times) **(Prev. rep. Saar Statute, 13845 A ; Franco-German Agreement, 14223 A ; W.E.U. Council, 14237 A,)**

B. UNITED KINGDOM. — New Astronomer-Royal.

It was announced on June 22 from 10, Downing Street, that the Queen had appointed Dr. Richard van der Riet Woolley, F.R.S., Director of the Commonwealth Observatory at Canberra, Australia, as Astronomer-Royal in succession to Sir Harold Spencer Jones, F.R.S., retiring.

Dr. Woolley (49), who was born in England, was Chief Assistant at Greenwich Observatory from 1933 to 1939, when he was appointed Commonwealth Astronomer in Australia. He played a leading part in bringing the Commonwealth Observatory at Canberra to its present position as an important centre of international research.

Dr. Woolley will take up the post of Astronomer-Royal on Jan. 1, 1956. Sir Harold Spencer Jones had held the post since 1938. (Times - Australian News and Information Bureau)

JULY 2—9, 1955

A. TUNISIA. — Franco-Tunisian Agreement on Internal Autonomy. - Opposition by Section of French Community and Nationalist Extremists. - M. Bourguiba's Return to Tunis. - French Economic Aid to Tunisia.

After negotiations lasting nine months, the final agreement granting internal autonomy to Tunisia, but protecting French interests in that country and continuing close links between France and Tunisia, was formally signed in Paris on June 2 by M. Faure (the Prime Minister) and M. July (Minister for Tunisian and Moroccan Affairs) on behalf of the French Government, and by M. Tahar Ben Ammar (the Tunisian Premier) and M. Mongi Slim (Minister of State) on behalf of the Bey. An agreement in principle on all outstanding issues had been signed by both Governments on April 22.

The final agreement consisted of (*a*) a general political convention defining the relationship between France and Tunisia, with an annexed protocol on defence and security; (*b*) a protocol, with annexes, on public order; (*c*) conventions dealing with the rights and status of the French community, the judicial system, technical and administrative co-operation between the two countries, cultural questions, and economic and financial questions. The main provisions of the conventions and protocols are summarized below.

General Convention.

Preamble. This was worded as follows: "The President of the French Republic and H.H the Bey of Tunis, animated by the same ideals of peace, co-operation, and progress;

faithful to the long tradition uniting France and Tunisia, and resolved to develop in the future the close and permanent bonds of friendship and solidarity between the two countries;

assured that the development of Tunisia within the framework of internal autonomy will give a new scope and efficacy to the Franco-Tunisian association (*communauté*) and allow the two countries, while preserving their respective personalities, to ensure the harmonious evolution of their destinies;

convinced that the development of Tunisian institutions, as well as the liberal principles of the French Republic and of the organization of the free world, justify the desire of the two Governments to promote their co-operative relations under conditions freely negotiated, in mutual respect for their sovereignties and to the advantage of their common interests;

taking into account the existing conventions between France and the Bey, especially the Treaty of May 12, 1881, whose provisions remain binding;

taking into account the degree of evolution attained by the Tunisian people;

and desiring to guarantee the rights and interests of the French in Tunisia,

have decided . . ."

Provisions

(1) The Protectorate Treaty (the Treaty of Bardo), under which France assumed responsibility for the defence and foreign policy of Tunisia, and all subsequent treaties between the two countries, were confirmed

(2) Article 1 of the Treaty of La Marsa (1883), under which France assumed responsibility for the internal administration of Tunisia, was abrogated.

(3) The principle of internal autonomy was declared to be limited only by the present conventions.

(4) Discussions between the two Governments on the application of the conventions would take place from time to time.

(5) Frenchmen living in Tunisia and Tunisians living in France would enjoy a special status distinct from that of aliens, and the French community would therefore participate in certain Tunisian institutions (see below).

(6) France would be represented in Tunisia by a High Commissioner instead of a Resident-General. He would act as the Bey's Foreign Minister, would be the intermediary between the two Governments on all matters of common jurisdiction, and would protect the rights and interests of the French community in Tunisia.

(7) The High Commissioner would be represented locally by delegates, who would exercise consular functions in matters concerning the French community and would also ensure that the rights guaranteed to them were respected.

(8) The Tunisian Government would be represented in Paris by a delegation without diplomatic status.

(9) Tunisian officials would be attached to French diplomatic missions to assist in dealing with matters of specific Tunisian concern.

(10) The personal rights laid down in the U.N. Convention on Human Rights would be guaranteed to all.

Protocol on Defence and Security.

(1) The High Commissioner would retain sole responsibility for defence, police control of frontiers, ports, and aerodromes, and counter-espionage.

(2) A joint committee on defence, without power of decision, would be set up under the chairmanship of the Tunisian Prime Minister.

(3) The High Commissioner would exercise special powers over the naval and air base of Bizerta and in the Southern frontier zone.

(4) Towns in the frontier zones would be administered by Tunisian officials The frontier zones themselves would be defended by both French and Tunisian troops.

Protocol on Public Order.

(1) The Tunisian Government would assume responsibility for public order two years after the agreement entered into force.

(2) For 10 years after the agreement's entry into force (i.e. for eight years after the Tunisian Government's assumption of responsibility) the Director-General of Police, the heads of the five principal police services, and the six district chiefs of police would remain French.

(3) For a further period of 10 years, not less than one-third of the police forces in towns with a large European population would remain French, and in the European quarters of those towns would be commanded by French commissioners. In Tunis the commissioner-general and his two principal assistants would be French.

(4) At the end of this transitional period of 20 years, the two Governments would consider what proportion of French officials should be retained in the police forces.

Convention on the Status of the French Community and of Foreigners.

(1) The Tunisian Government would in future be free to legislate on questions of nationality

(2) All persons of French descent—no matter how long their families had been settled in Tunisia—might retain their French citizenship

(3) Any Frenchman or foreign national who had completed his military service might assume Tunisian nationality.

(4) After 15 years from the agreement's entry into force, all foreigners born in Tunisia, whose fathers had also been born in the country, would receive Tunisian nationality instead of French nationality as at present.

(5) In Tunis, Bizerta, Ferryville, Sfax, and Sousse, and in five smaller centres containing a large French population, three-sevenths of the members of the municipal councils would be French, in other towns where the French community formed at least one-tenth of the population, one-third of the municipal councillors would be French; and in localities where the French community exceeded 100 but formed less than one-tenth of the population, they would be represented by one French councillor.

(6) The French members of municipal councils would be appointed by the Bey, from a list presented by the High Commissioner. They would have the same rights and duties as other councillors, and would be eligible without discrimination for membership of the *bureaux* of the councils.

(7) Although Arabic would be the only official language, the French language would have a special status All laws, regulations, and official notices would be published in both Arabic and French; French would be used by the authorities in all dealings with Frenchmen and with foreigners whose native language was not Arabic, as well as in the Government's foreign relations; and French would be taught in all Tunisian schools.

(8) Frenchmen would enjoy full liberty to carry on their cultural, religious, economic, professional, and social activities, and would be guaranteed freedom of association, assembly, and trade union organization, as well as other recognized personal freedoms. Changes in the legal status of the Christian Churches in Tunisia would require the consent of the French Government.

(9) The French chambers of commerce and agriculture would be maintained, and the members of the French community would continue to be fully represented on the mixed economic chambers. No distinction between Frenchmen and Tunisians would be made by the Tunisian Government in the setting-up of any new consultative or administrative organs of professional organizations, economic or social institutions, or public services of an industrial or commercial character, and Frenchmen would be represented thereon in proportion to the importance of their interests.

(10) The Tunisian Government would ensure safety of person and property to foreign nationals, and the French Government would continue to watch over their protection in conformity with the treaties in force. The Tunisian Government would take all legal and administrative measures to guarantee to foreign nationals the free exercise of their cultural, religious, economic, professional, and social activities, within the framework of Tunisian internal legislation. In matters of jurisdiction foreign nationals would enjoy the same guarantees as Frenchmen, and their applications to the administrative tribunal would be heard by its special Franco-Tunisian section (see below).

Judicial Convention.

(1) Judicial powers would be transferred to Tunisian courts by stages over a period of 15 years. During the first five years after the agreement's entry into force, there would be few changes from the present position, but all litigation between Tunisians would be tried by Tunisian courts, whilst all litigation between Frenchmen or foreigners, between Tunisians and non-Tunisians, and between companies (no matter whether Tunisian or French) would come before French courts.

(2) After the first two years mixed courts, each consisting of equal numbers of French and Tunisian magistrates under a French or Tunisian president, would be set up to deal with litigation between Tunisians and non-Tunisians on questions of commercial law and social legislation. In courts of the first instance the decision whether the president should be French or Tunisian would be left to the choice of the defendant, but in all appeal cases the president would be French if one party demanded it.

(3) After 10 years the competence of these mixed courts would be gradually extended, by agreement between the two Governments. Cases relating to the personal status of Frenchmen and foreigners, and criminal cases in which Frenchmen and foreigners were involved, would, however, remain within the competence of the French courts.

(4) After 15 years a mixed commission would decide if all the necessary conditions for the transfer to the Tunisian courts of full judicial powers, including the preparation of a new legal code and the training of a body of magistrates, had been fulfilled.

(5) The existing Franco-Tunisian court for dealing with questions of land ownership would in future consist of an equal number of French and Tunisian magistrates, in addition to the president Other changes in its composition and working could be made by agreement between the two Governments

(6) A Court of Arbitration would be set up consisting of five French members, five Tunisian members, and an eleventh member who, for the first six years, would be chosen by agreement between the two Governments, and who thereafter would be a Frenchman or a Tunisian for alternate two-year periods. This Court would adjudicate in disputes between the two Governments on the interpretation or application of the conventions, and in this connexion would be empowered to pronounce on laws, administrative acts, judgments of other courts, alleged failures to act where required, etc

Any application to the Court would have a suspensory effect if requested by the complaining Government, and the measure complained of would cease to be effective for two months or (by decision of the Court) for a longer period.

(7) The Tunisian administrative tribunal to be set up would have a special section, consisting of an equal number of French and Tunisian judges, which would deal with all complaints lodged by French citizens.

Convention on Technical and Administrative Co-operation.

The Tunisian Government would assume control of the Civil Service, which would undergo a gradual process of "Tunisification." French officials, however, would be guaranteed continuity of employment, with the same salaries, prospects of promotion, and other conditions as before. Those employed under contractual arrangements would stay for the duration of their contracts, and would not be subjected to any discrimination.

In the recruiting of technical staffs, preference would be given to Frenchmen where no suitable Tunisians were available.

Cultural Convention.

(1) Two parallel educational systems would be set up: (*a*) a Tunisian system under a Tunisian Ministry of Education, and (*b*) a French system under a cultural mission attached to the High Commissioner's Office. Existing school buildings would be divided between the two systems, and admission to schools of both types would be free to all

(2) Arabic would be taught in French schools, and French in all Tunisian schools except those giving a purely religious education.

(3) In Tunisian schools a syllabus similar to that used in French schools would be introduced for pupils wishing to follow such a course, and *vice versa*.

(4) French citizens would be free to set up private schools

Economic and Financial Convention.

(1) Tunisia would continue to be attached to the franc zone; the French franc would remain her currency; and financial transfers from one country to the other would be completely unrestricted. To ensure currency stability, the issue of notes would be under the control of the Monetary Committee of the franc area, on which the Tunisian Government would henceforth be represented with full voting power. The *Banque de l'Algérie et de la Tunisie* would remain the bank of issue until 1960.

(2) Credit control would remain with the bank of issue, but a Tunisian Credit Council would be established, consisting of representatives of branches of the economy interested in the distribution of credit.

(3) French foreign exchange regulations would be applicable in Tunisia, which would have a representative in the *Office des Changes* for the franc area in Paris. This office would be responsible for foreign exchange control, permits, and penal proceedings in cases of infraction.

(4) French legislation on capital investment and French company law would apply to Tunisia, and foreign capital investments and transfers would be subject to the approval of the French authorities.

(5) All foreign exchange resources would be pooled, and in return France would guarantee Tunisia's external balance of payments.

(6) All trade agreements would be concluded by France for the whole franc area, and a joint Franco-Tunisian Foreign Trade Committee would be set up to deal with common problems relating to commercial exchanges with other countries.

(7) A Franco-Tunisian Customs Union would be established two months after the agreement's entry into force; however, in order to enable Tunisia to develop her industrialization, a committee would decide on any necessary modifications of the principle of a complete Customs union. Customs duties applicable throughout the Union could only be modified with Tunisia's consent, whenever they involved an issue of major importance to her. To ensure uniformity of procedure, the Tunisian Customs service would be placed under the supervision of a senior French official for at least seven years.

(8) Tunisian State loans would be issued in agreement with, and be guaranteed by, the French Treasury, which was authorized to make advances to the Tunisian Treasury on conditions providing for ultimate repayment.

(9) France would facilitate the economic development of Tunisia by loans to the Tunisian Treasury or to Tunisian autonomous bodies, local authorities, and private enterprises.

(10) Frenchmen in Tunisia and Tunisians in France would be free to engage in all forms of economic activity and to hold any salaried employment, including posts in public services of an industrial and commercial character.

(11) French enterprises would receive exactly the same treatment as Tunisian enterprises, notably with regard to juridical, financial, economic, and social benefits granted by the State. Equality of treatment was similarly guaranteed in matters relating to the granting of concessions, contracts for public works, and permits and licences of all kinds.

(12) There would be no restrictions on the choice of employees, though the Tunisian Government reserved the right to control foreign manpower brought into the country, except for higher technical grades or specialists.

(13) The property of French citizens and of French enterprises might not be expropriated, except in the public interest and after payment of fair compensation The same principles would apply to concessions for the exploration and exploitation of natural resources, etc

(14) Agricultural, industrial, and commercial enterprises established as Tunisian companies, although their capital and directors were French, would be guaranteed the same privileges as French enterprises Moreover, they would be allowed to retain their present status, notably as regards the free choice of partners and managers, their operations, and their liquidation

The negotiations on the agreement, which officially opened on Sept. 4, 1954, made slow progress during the earlier stages, owing partly to the activities of the *fellaghas* and partly to disagreements between the two Governments. Although the position was improved by the surrender of the *fellaghas* in December, and by the Tunisian Government's decision to abandon its demands for the establishment of a Tunisian Army and of Tunisian diplomatic missions in foreign countries (see 13933 A), the negotiations remained virtually deadlocked on the issue of control of the police, and especially of security arrangements in the Southern frontier zones. The fall of M. Mendès-France's Government in February was followed by a suspension of the talks, which were not resumed until March 15.

During this second stage, progress was delayed by differences on the following issues: (1) The boundaries of the Southern frontier zones, and the powers of the French military authorities in these zones. (2) The French Government's proposal that half the members of the municipal councils should be French, as opposed to the Tunisian delegation's insistence on a maximum of one-third. (3) The mode of appointment of the French councillors, the French Government favouring their election and the Tunisian Government favouring their appointment by the Bey. (4) The French demand for the establishment of an Economic and Social Council, with French representation, which was opposed by the Tunisian delegation as unnecessary in view of the maintenance of the French chambers of commerce. (5) The status of the French language. (6) The nationality of the president of the Court of Arbitration. (7) The French demand for a declaration that the association between France and Tunisia should be indissoluble. (8) The Tunisian Government's demand that M. Habib Bourguiba, president of the Néo-Destour (the leading nationalist party), should be allowed to return to Tunisia from his exile in France.

When agreement had been reached on all these points, except the Southern frontier zone and French representation on the municipal councils, M. Faure received M. Bourguiba on April 21 for private discussions. As a result, a compromise settlement was agreed upon, and in the early hours of April 22 the two delegations signed a protocol recording that, subject to the approval of the Bey and the French Government, they had reached agreement in principle on all the matters at issue. After an interval during the Moslem fast of Ramadan, negotiations on points of detail were resumed on May 16, and the agreement in its final form was initialled by M. Faure and M. Tahar Ben Ammar on May 29 and was formally signed on June 3.

After the initialling of the agreements on May 29, **M. Tahar Ben Ammar** said that although the conventions did not give "entire satisfaction to either side," they were "the result of reciprocal concessions which allow the Tunisians to free their sovereignty from the bonds which were paralysing it, and France to safeguard her higher interests and to guarantee the material and moral interests of the French in Tunisia." Once confidence had been restored, it would be possible to introduce a programme for the modernization of agriculture, the development of industry and commerce, and the solution of urgent social problems, which would make Tunisia a modern and prosperous State. He concluded by appealing to the French community to free themselves from prejudice, and to offer the hand of friendship to the Tunisians in order to "build with them the Tunisia of tomorrow."

M. Faure said that he expected the conventions to be criticized, but added: "Great tasks lie before us. Future results may disarm all criticisms. . . . This is an exceptional experiment, an example of honourable and trusting co-operation between two peoples which

has no parallel anywhere. . . I attach particular importance to that section of the conventions emphasizing the permanent links between the two countries."

After the signing of the final agreement **M. Tahar Ben Ammar** expressed the Tunisian Government's determination "to observe strictly the letter and spirit of the agreement, to carry out its provisions scrupulously and honourably, and to ensure its success in day-to-day practice." He also expressed the hope that the French Government would "speedily liquidate the last traces of past difficulties by granting an amnesty to all political prisoners."

Agitation against Negotiations by French Colonists.

Throughout the negotiations a violent agitation against the granting of any concessions to the nationalists was maintained by a section of the French community in Tunisia.

A delegation led by Dr Tremsal (vice-president of the municipality of Tunis) was received on April 18 by M. Faure and informed him that they could not recognize any agreements on the future of the French community in the negotiation of which they had not been represented. The delegation demanded that Frenchmen should be included in the Tunisian Government, the Tunisian Legislature, and the Tunisian Civil Service, that half the members of the municipal councils should be French, and that the administration of justice and the control of the police should remain in French hands. The General Union of French Civil Servants in Tunisia staged a one-day protest strike on April 19, during which tear-gas bombs were thrown into the central post office in Tunis, neither the police, postal officials, nor teachers, however, took part in the strike.

The signing of the protocol of April 22 was followed by protest demonstrations and by acts of violence against members of the Movement for Franco-Tunisian Co-operation, which had issued a statement welcoming the agreement. At a demonstration in Tunis on April 30, General Rime-Bruneau (a retired officer and president of the *Présence Française* organization) demanded the "punishment" of the members of the Movement, and accused the Resident-General, General Boyer de la Tour, of "covering with his prestige a policy of surrender and spoliation." On May 2 three young men assaulted Dr. Burnet, the 81-year-old president of the Movement and former director of the Pasteur Institute, who was seriously injured, whilst on the following day M. Cuny, head of the Department of Native Agriculture, was severely beaten by four men armed with knuckle-dusters. The Resident-General accordingly ordered the temporary deportation to France of General Rime-Bruneau (who, he stated in a broadcast, had made contact with extremist Moslem organizations and had refused to obey a summons from the Minister of Defence to explain his activities) and banned all public demonstrations. General Rime-Bruneau was, however, allowed to return to Tunisia on June 13.

A demonstration in Tunis on May 7, held to celebrate the tenth anniversary of the Allied victory in World War II, developed into a riot during which several thousand settlers acclaimed General Rime-Bruneau and tried to attack General Boyer de la Tour's official residence. The rioters were dispersed by the police without serious incident.

A French parliamentary delegation led by M. Barrachin, an A.R.S. (Dissident Gaullist) deputy, which had been touring Tunisia at the invitation of the settlers' organizations, announced its support for their campaign against the agreement, and on May 20 submitted to M. Faure proposals for guaranteeing the settlers' rights. The Foreign Affairs Committee of the National Assembly, however, had refused on May 18, by 28 votes to eight, to consider a motion by General Aumeran (Independent Republican deputy for Algiers) demanding that no Constitution limiting the Bey's absolute powers should be enacted, that all anti-French propaganda should be forbidden, that the French authorities should retain the right to intervene at any time for the preservation of law and order, and that the settlers should elect half the members of all representative bodies.

Nationalist Opposition to Negotiations.

Although the negotiations and the agreement received the support of the majority of the Néo-Destour, they were opposed by an extremist wing of that party led by M. Salah Ben Youssef (its secretary-general, who was living in exile in Geneva). Strong opposition was also expressed by the Old Destour and by the Tunisian Communist Party.

M. Salah Ben Youssef issued a statement on Jan. 3 accusing M. Mendès-France's Government of failing to honour its commitments, and demanding a strict time-limit on all restrictions of Tunisian sovereignty, the transfer of control of the police to the Tunisian Government, the formation of a national army, the establishment of a single administration of justice, Tunisian control of the educational system, and freedom to pursue an independent economic, monetary, and Customs policy. At the Bandung conference, which he attended, he denounced the Franco-Tunisian protocol of April 22 as ignoring the major questions under discussion, including that of internal security and the immediate transfer of police powers to the Tunisian Government.

On the other hand, M. Hamadi Badra (the former Minister of Commerce in M. Chenik's Government, who had gone into exile with M. Ben Youssef in 1952) stated on May 18 that he fully supported M Bourguiba, "our uncontested leader, who once again has shown us the way by giving us confidence in the future."

The Old Destour, in a statement issued on April 21, affirmed its opposition to "any agreement enshrining the principle of an illusory and gradual internal autonomy, contrary to the Tunisian people's aspirations for independence," whilst the Tunisian Communist Party described the protocol of April 22 as "a mere white-washing of the protectorate system."

The opposing attitudes of the Néo-Destour and the Old Destour led during May to a number of serious incidents, in which a young Néo-Destourian was killed and seven people injured during a clash between the two parties at Sousse on May 16 M Abdelkrim Ghamra, a member of the administrative committee of the Old Destour, was shot near Sousse on May 21; a bomb wrecked the Néo-Destour headquarters at Bardo, near Tunis, on May 22; and a member of the Old Destour's student committee was shot in Tunis on May 28.

M. Bourguiba's Return to Tunis.

M. Habib Bourguiba, who had been interned in France since May, 1954, following two years' imprisonment on the island of Galite, returned on June 1 to Tunis, where he was enthusiastically welcomed by crowds estimated at between 200,000 and 300,000.

After being greeted by Prince Chadly (the Bey's eldest son), M. Tahar Ben Ammar, and members of the Government, M. Bourguiba was carried shoulder-high to a public meeting, where he made a short speech. "We have advanced a step towards independence," he said "The Tunisian State is now a reality. If we have made concessions, it is because we wish to build a modern State with French collaboration." Later he was received in audience by the Bey, and on leaving the palace paid tribute to the Royal family's contribution to the struggle for independence, which had "created a profound solidarity between the Tunisian nation and the reigning house." The celebrations concluded on June 2 with a banquet organized by the political bureau of the Néo-Destour, at which the guests included members of the Government, Tunisian and French officials, Moslem and Jewish religious leaders, representatives of the Movement for Franco-Tunisian Co-operation and of the trade unions, and former *fellagha* leaders.

French Economic Aid to Tunisia.

Widespread unemployment and a food shortage caused by a prolonged drought led to local disorders during the early months of 1955, in which bakers' shops were plundered during February at Beja, Sfax, and Tebourba. In order to relieve the food situation, M. Faure's Government decided at its first meeting on Feb. 28 to send immediately stocks of cereals and butter to Tunisia. M. Tahar Ben Ammar announced on March 4 that the French Government had decided to make grants totalling 2,800,000,000 fr. (£2,800,000) for this purpose, and said that "Tunisia will never forget this gesture of solidarity."—(Le Monde, Paris - Le Figaro, Paris)

(Prev. rep. 13844 A; 13933 A.)

A. PAKISTAN - AFGHANISTAN. — Failure of Mediation Efforts in Afghan-Pakistani Dispute.

Prince Musaid bin-Abdur Rahman, the Saudi Arabian envoy who had been seeking a settlement of the dispute between Pakistan and Afghanistan, announced on June 28 that his final proposals had been rejected by the Afghan Government. During the later stages of his attempt to mediate between the two Governments, Prince Musaid had been assisted by the Egyptian Minister of State, Colonel Sadat.

It was reported on June 18 that the Afghan Government had agreed to take the following actions as an *amende honorable* for the attack on the Pakistani Embassy in Kabul on March 30: the Pakistani flag to be ceremonially rehoisted in Kabul in the presence of an Afghan Cabinet Minister, and to be saluted by a guard of honour from the Afghan Army; the Afghan Foreign Ministry to issue a communiqué announcing the settlement of the dispute and expressing the hope that such incidents would not recur in either country; a committee of representatives of Saudi Arabia, Egypt, Persia, Iraq, and Turkey to open an inquiry into the circumstances of the attack on the Afghan Consulate at Peshawar on April 1. After full agreement had been reached on these points, however, the Afghan Government demanded that the two countries' Consulates should be reopened within 20 days of the ceremony. The Pakistani Government, though regarding this question as being outside the mediators' terms of reference, eventually agreed to the reopening of the Consulates within 30 days, but insisted that Afghanistan should give assurances on the safeguarding of the lives and property of Pakistani nationals in Afghanistan, and should also take all necessary measures to suspend propaganda calculated to incite anti-Pakistan feeling and tension. As the Afghan Government refused to accept the latter condition, the mediators decided to end their efforts.

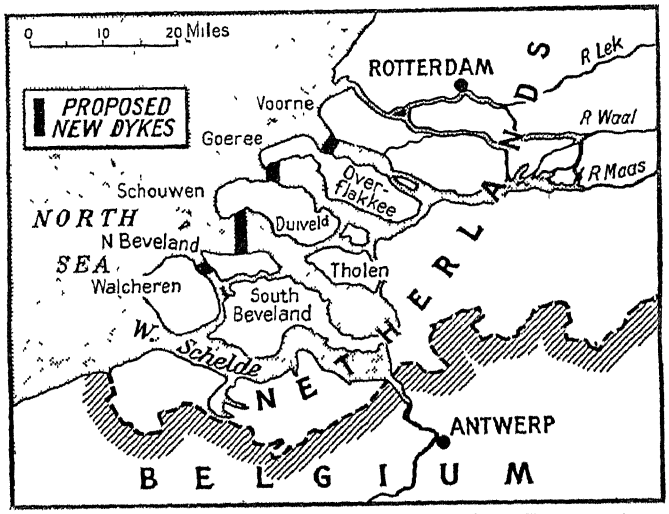
Prince Musaid and Colonel Sadat left Karachi on June 29.
(Pakistan High Commissioner's Office, London - Times)

(Prev. rep. 14217 A.)

A. NETHERLANDS. — Project for closing Estuaries of Zeeland and South Holland. - Progress of Zuider Zee Reclamation. - Repair of Zeeland Dykes.

A project for "sealing off" the Rhine and Scheldt estuaries of Zeeland and South Holland was recommended on March 15, 1954, by a special commission—known as the Delta Commission—appointed by the Netherlands Government after the flood disaster of Jan. 31 - Feb. 1, 1953 (see 12765 A). The Commission's recommendations will be embodied in legislation which is expected to be presented to the States-General in the present year.

The Delta Commission consisted of ten hydraulic engineers and other experts under the chairmanship of Dr. A. G. Maris, Director-General of the Ministry of *Waterstaat* (Dykes and Waterways). It expressed the unanimous opinion that, to secure greater safety for the areas affected by the disaster of 1953, it was necessary to "seal off" the estuaries of South Holland and Zeeland by building four sea walls: (1) linking the islands of Voorne and Goeree-Overflakkee; (2) linking Goeree-Overflakkee and Schouwen-Duiveland; (3) linking Schouwen-Duiveland and North Beveland; and (4) linking North Beveland and Walcheren. [See accompanying map.] The plan did not affect the Western Scheldt channel, which gives access from the Belgian port of Antwerp to the North Sea through Dutch territorial waters, and on which freedom of navigation is guaranteed to Belgium under international treaty.



(*The Economist*)

The scheme—the biggest of its kind ever envisaged in any country—was expected to take 20-25 years for its completion, and to cost between 1,500 million and 2,000 million guilders (£150,000,000 to £200,000,000). The Delta Commission claimed that it was economically feasible, and that the people of the Netherlands would be able and willing to carry the financial burden "in view of the great resolution they have always shown when the maintenance of their soil and territory are involved." After enumerating both the advantages and disadvantages of the scheme, and considering an alternative plan for raising the existing dykes instead of building the proposed new sea walls, the Commission unanimously urged the Minister of *Waterstaat* (Dr. Algera) to adopt the "sea walls" project and to introduce the necessary legislation as soon as possible. The project is called in Dutch *Afdamming Zeearmen* (literally "damming of the sea arms"), popularly abbreviated as the "AZ Scheme."

The Delta Commission pointed out in its report (1) that during the flood disaster of 1953 the water-level was between 1 ft. 8 in. and 2 ft. 3 in. higher than ever before; (2) that the existing dykes therefore appeared to be too low; (3) that 6,200 square miles, or more than half the country's total area, lay below the high-tide level in the North Sea; and (4) that 6,000,000 people, or 60 per cent of the total population, were living in the low coastal belt protected by the south-western dykes—an area which included Holland's three largest cities, Amsterdam, Rotterdam, and The Hague. Whereas the central part of the country was already protected by the draining and closing-off of the Zuider Zee (see below), further measures were needed to protect the south-western areas, and it was claimed that such protection would be given by the proposed sea walls.

The Commission enumerated the following advantages which, in its opinion, would result from the adoption of the "AZ Scheme": (1) the new sea walls, together with the existing dykes, would give a double line of protection—"defence in depth"—against future inundations; (2) the closing of the sea arms would give a shorter, closed coastline formed by dunes and dams, which would simplify maintenance, (3) shipping on the waterways to be "sealed off" would be safer because of the absence of tides; (4) sailing routes could be shortened and deepened, and harbours improved; (5) improved communications would help the social and economic development of the Zeeland islands and end their present relative isolation, (6) salt infiltration would be lessened, the formation of fresh-water reservoirs would become possible, and considerable benefits would accrue to agriculture and horticulture

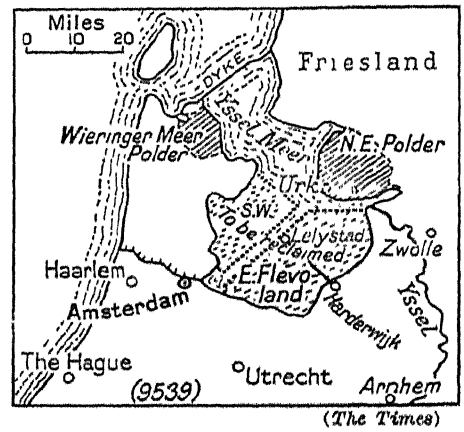
As an alternative, the Commission considered a plan to raise and strengthen the existing dykes, but decided against it for the following principal reasons. (1) it would give only a single line of defence against the sea, instead of the double protective line provided under the "AZ Scheme", (2) it would be "extremely difficult" to raise, strengthen, and broaden the existing dykes to the required extent, and in some places would be impossible on account of existing houses, industrial installations, and harbour establishments, (3) reinforcement of the existing dykes would mean a loss of over 700 acres of arable land, whereas the closing of the sea arms would bring a slight increase Moreover, the cost of raising all the dykes in the provinces of Zeeland and South Holland, by heights varying from four to seven feet, would be approximately the same as that of building the sea walls

On the other hand, the Commission pointed out that the adoption of the "AZ Scheme" would mean the destruction of the oyster and mussel beds of the Eastern Scheldt, which produced an annual revenue of 5,000,000 guilders from the export of the shellfish, and in which some 20,000,000 guilders were invested. It also emphasized that the closing of the sea arms would be an engineering project of the first magnitude, since engineers and workers would have to overcome exceptional difficulties presented by strong tidal currents, sea mist, and strong winds.

The land reclamation scheme in the Zuider Zee, on which work has been in progress for many years, reached a new stage on Oct. 28, 1954, with the completion of a 16-mile dyke linking Harderwijk, on the mainland, with Lelystad, a new town on reclaimed land in what was formerly the middle of the Zuider Zee. Lelystad (named after Dr. Lely, a former Minister of *Waterstaat* who in 1918 obtained the approval of the States-General for the reclamation of the Zuider Zee) will be the future centre of all five Zuider Zee polders when the reclamation plan is completed. Although the entire area was at the bottom of the sea 20 years ago, Lelystad is today a flourishing town with shops, schools, churches, etc., surrounded by rich agricultural land.

Two of the five Zuider Zee polders are already completed: the North-West Polder (the *Wieringermeerpolder*), which includes the former island of Wieringen, and the North-East Polder, which includes the former island of Urk. The three polders yet to be reclaimed are the South-West Polder (which will include the island of Marken and the picturesque fishing village and tourist centre of Volendam); and two polders in the South-East of the Zuider Zee, lying respectively east and west of the Harderwijk-Lelystad dyke. (The name of East Flevoland has been given to one of these polders—see map below.) The reclamation work reached its first important objective in 1932 with the completion of the enclosing dam (the *Afsluitdijk*) across the entrance to the Zuider Zee, linking the provinces of North Holland and Friesland by a motor-road across the top of the dyke. With the construction of the *Afsluitdijk*, and the subsequent polder reclamation work, the Zuider Zee changed its character from a large sea-bay to a freshwater lake, and is now officially known as the Ijssel Lake (*Ijsselmeer*). The Polder Commission proposed some years ago that the five polders, when completed, should form a twelfth province of the Netherlands under the name of Zuiderzeeland.

After more than nine months' intensive repair work, the last of the gaps in the dykes caused by the Zeeland flood disaster was closed on Nov. 6, 1953. The occasion was celebrated with nation-wide rejoicings, the final closing of the dykes being witnessed by Queen Juliana, Princess Beatrix, and the Prime Minister of the Netherlands, Dr. Drees. More than 300 miles of damaged dykes were repaired during the nine months' operation, involving the "plugging" of 67 major gaps and 450 smaller ones.



(*The Times*)

The last gap to be closed was a 200-yard breach in the dykes on the island of Schouwen-Duiveland, near the village of Ouwekerk. Initial attempts to close this breach—the largest caused by the

inundations—were unsuccessful, and experts finally devised a new system involving the use of large "Phoenix" caissons of British manufacture which were made available to the Dutch authorities by the British Admiralty. This system proved successful, and the gap was finally "plugged" by four of these caissons sunk into the dyke.

An agreement was concluded on Dec. 16, 1953, between the American Kellogg Foundation and the Netherlands Ministry of Agriculture, Fisheries, and Food whereby the Foundation agreed to support an International Institute for Land Reclamation, to be established in Holland, with funds of 1,000,000 guilders (£100,000) a year "for the first few years." The Institute will collect, survey and classify all information relating to land reclamation, and will make the services of Dutch experts available to other countries. The Kellogg Foundation funds for the Institute were derived from a grant which the Foundation made for the benefit of Dutch agriculture at the time of the flood disaster.

The final official death-roll of the flood disaster was 1,835—nearly 400 higher than the previous official figure.
(Netherlands News Agency - Algemeen Handelsblad, Amsterdam - Nieuwe Rotterdamse Courant - Haagse Courant)
(Prev. rep. Flood Disaster. 12765 A; Zuider Zee Reclamation, 10148 C; 9943 A.)

A. WESTERN GERMANY. — Acceptance of Discussions with Soviet Union on Normalization of Russo-German Relations.

The Federal Government's reply to the Soviet proposal for the normalization of relations between the U.S.S.R. and the German Federal Republic was presented on June 30 to the Soviet Ambassador in Paris (M. Vinogradov) by the Federal German Ambassador (Herr von Maltzan). After stating that the Federal Government was "in agreement" with the Soviet proposal for discussions on the establishment of diplomatic, commercial, and cultural relations between the two countries, it added "In present circumstances, it appears to the Federal Government advisable that the subjects which are to form the basis of this discussion should first be defined and their order clarified. It proposes, therefore, that informal discussions should take place between the Embassies of the two countries in Paris on these questions."

It was pointed out in Bonn that the Federal German Government did not propose to make any pre-conditions for a meeting with the Soviet Government (e.g., on the question of German prisoners-of-war still held in the Soviet Union); that, although the German Note had made no mention of the invitation extended to Dr. Adenauer to visit Moscow, this did not mean that the Federal Chancellor had declined the invitation; and that the text of the German Note had been made known beforehand to the British, American and French Ambassadors in Bonn.—(Frankfurter Allgemeine Zeitung) **(14271 A.)**

B. WALES. — Decline in Welsh-speaking Population.

The General Register Office published statistics on July 6 showing (*a*) that just over 715,000 people (aged three years and over) in Wales and Monmouthshire had said that they could speak Welsh at the time of the 1951 census, compared with over 909,000 at the 1931 census—a decline of 21 per cent in the 20 years; (*b*) that nearly all those who stated in the census that they could speak Welsh were also able to speak English; (*c*) that only 48,000 persons were recorded as speaking Welsh only, compared with 98,000 in 1931; (*d*) that the proportion of persons speaking Welsh had fallen from 49.9 to 28.9 per cent since 1901; (*e*) that the proportion of persons speaking Welsh only had fallen from 15.1 to 1.7 per cent over the same period. The population aged three and over in Wales and Monmouthshire was 2,472,420 in 1951 and 2,472,378 in 1931—an increase of only 51 in the 20 years. (Times)

C. SOVIET UNION. — Adherence to Inter-Parliamentary Union. - Supreme Soviet Decision.

The Supreme Soviet of the U.S.S.R. decided on June 30 to join the Inter-Parliamentary Union, and to form a "national parliamentary group" for this purpose headed by M. Dimitri Shepilov, chairman of the Foreign Affairs Commission of the Soviet of Nationalities and editor of *Pravda*. It was stated that the decision to join the Inter-Parliamentary Union (which has been in existence since 1889, and has its headquarters in Geneva) had been taken "in the spirit of the Supreme Soviet's declaration [of Feb. 9, 1955—see page 14060, second column] calling for direct contacts between the Supreme Soviet and the Parliaments of other countries."
(Soviet Weekly)

D. UNITED STATES. — Motor Car Industry. - New Wage Agreements. - Provision of Supplementary Unemployment Benefits by Companies.

A new three-year contract between the Ford Motor Company and the United Auto Workers (C.I.O.) was signed on June 6, thereby avoiding a complete stoppage of work by the union's 140,000 members in the company's plants which had been scheduled to start on the same day. The new contract was of major importance in the field of labour-management relations in that, for the first time in a leading American industry, the company agreed to provide supplementary unemployment benefits for all employees paid by the hour who had completed at least one year's service. In addition, the new contract covered higher pension payments by the company, increased disability payments, increased hospital benefits for employees' wives and dependent children, etc. The principal points relating to unemployment benefits were as follows:

(1) Employees laid off would be eligible for unemployment benefits paid by the company ranging up to $25 a week for a maximum of 26 weeks These benefits, when combined with other unemployment compensation to which the employee was entitled, would bring his income up to a maximum of 65 per cent of his net wages (after taxation) for the first four weeks in which he was entitled to benefits, and thereafter to 60 per cent.

(2) To finance the plan, two trust funds would be established by the company—a general fund for employees engaged in its regular production activities, and a defence fund for those on defence work. The company would contribute to the two funds on the same basis, at the rate of 5 cents per hour paid to each employee in both the defence and non-defence categories On the basis of current levels of employment, the two funds might ultimately amount to $55,000,000; to enable them to be built up, no benefit payments would be made during the first year of the scheme.

(3) Although the amount paid in weekly benefit would not normally be affected by the position of the trust funds, it would be reduced by 20 per cent if the relevant fund fell below 13 per cent of what its total should be on the basis of existing contributions. If the trust fund fell below four per cent of the aforementioned total, no further benefits would be paid until this percentage had been exceeded again.

(4) Both the general fund and the defence fund would be established with banks or trust companies selected by the company The company's contributions would be made directly to the funds and would be held and invested by the trustees.

Mr. Walter P. Reuther (president of the United Auto Workers), who negotiated the new contract on behalf of the union, estimated that the benefits accruing to union members were the largest the union had ever negotiated, and said that they were equivalent to more than 20 cents an hour. He referred to the new principle embodied in the agreement as a "guaranteed annual wage," and paid high tribute to the Ford Motor Company for its courage in pioneering a "new way whereby workers and their families would receive greater security against unemployment"

For the Ford Motor Company, **Mr. John S. Bugas** (vice-president for industrial relations) stated that the plan had been conceived and formulated by Ford staff executives, and was designed to accomplish three inter-related objectives: (1) to provide a means of supplementing benefits paid under State unemployment systems to Ford employees who had to be laid off; (2) to avoid placing unlimited and unpredictable liabilities on the company; (3) to minimize the danger that funds available would be exhausted by payments to low-seniority employees to the detriment of high-seniority employees who might subsequently be laid off, and who would receive less or no benefits. "The plan we have developed is sound," Mr Bugas declared "We have been successful, we believe, in combining in it two seemingly irreconcilable concepts—the concept of adequate lay-off benefits for our employees, and the concept of limited liability for the company."

Following the conclusion of the agreement with the Ford Motor Company, the United Auto Workers negotiated a similar agreement on June 13 with the General Motors Corporation (the largest U.S. car manufacturers), which will be backed by a trust fund of $150,000,000. Negotiations for a similar agreement with the Chrysler Corporation opened on June 2.
(New York Times - New York Herald Tribune)

E. UNITED KINGDOM. — Capital Issues.

New capital issues during the first half of 1955 totalled £100,591,000, compared with £194,084,000 for the first six months of 1954 and £471,130,000 for the whole of that year. Of the six-monthly total, £88,653,000 were issues for the United Kingdom, £11,207,000 for British overseas countries, and £731,000 for foreign countries.—(Midland Bank Ltd.)
(Prev. rep. 13989 B; 13681 B.)

F. BERMUDA. — New Governor.

It was announced on July 6 that the Queen had approved the appointment of Lieut.-General Sir John Woodall, G.O.C., Northern Ireland District, as Governor of Bermuda in succession to Lieut.-General Sir Alexander Hood, who was retiring. (Times)
(Prev. rep. 10021 D.)

A. SOUTH AFRICA - UNITED KINGDOM. — South African Control of Simonstown Naval Base. - Agreement with Britain. - Statement by Sir Anthony Eden. - South African Naval Expansion Programme.

The South African Defence Minister (Mr. F. C. Erasmus), accompanied by South African service chiefs, visited London in June for discussions with the British Minister of Defence (Mr. Selwyn Lloyd), the First Lord of the Admiralty (Mr. J. P. L. Thomas), and British service chiefs on the future of the Simonstown naval base, and on defence matters of common concern to the two Governments.

On July 4, after Mr. Erasmus had returned to South Africa, Sir Anthony Eden informed the House of Commons that the Royal Naval base at Simonstown would be transferred to South African control to serve as a base for an expanded South African fleet; that South Africa would place orders in Britain for new warships to the value of £18,000,000; and that a new naval command structure would be set up to strengthen the defence of the sea routes round the Cape. The Prime Minister's statement was as follows:

"The talks between the South African Minister of Defence and U.K. Ministers have covered all aspects of defence against external aggression, and show the desire of both Governments for continuing an intimate co-operation in defence matters of common concern. Close contact will continue to be maintained between the Services of the two countries. Exchanges of letters between the Minister of Defence and Mr. Erasmus, which embody agreements and understandings satisfactory to both Governments, are being published today in the U K and South Africa, together with an agreed statement.

Naval co-operation between the two countries has been fully discussed A new naval command structure is being set up to strengthen the defence of sea routes round the Cape. This is to be based on a maritime strategic zone approximating to the present South Atlantic station, and will contain an area under the command of a South African flag officer. In a war in which both countries are involved, the whole zone will be under the supreme command of a Royal Navy Commander-in-Chief.

A joint maritime war planning committee is to be set up to ensure satisfactory planning in peace. Representatives of both navies will work under the guidance of the Royal Navy C.-in-C., South Atlantic, who will continue to fly his flag at a headquarters provided by the Union Government in the Cape area, and will be the Supreme Commander-designate in war.

The Union Government have decided to expand their naval forces, and to place orders for ships to the value of £18,000,000 in this country. In order to provide an adequate base for this expanding navy, H.M. Government in the United Kingdom have agreed that it will be in the interests of both countries to transfer the control of the existing Royal Navy base at Simonstown to the South African Navy.

The Union Government have agreed to take certain specified measures necessary to expand the facilities at Simonstown. They have also recognized the need for the provision for use in war of naval facilities elsewhere in the Union. After the transfer the Royal Navy will continue to enjoy the facilities of the Simonstown base in peacetime, and is guaranteed their use in any war in which the United Kingdom is involved. They would be available in such a war both to the Royal Navy and to the navies of the allies of the United Kingdom.

The Union Government have given specific undertakings to maintain the efficiency of the base and to safeguard the rights and prospects of those employed there. They have also confirmed that there will be no bar to the recruitment and employment of non-Europeans when they administer the base. These and other aspects of the transfer are fully covered in the agreements.

These agreements will remain in force until such time as the two Governments decide otherwise by mutual agreement.

The discussions about regional defence are set out in the White Paper. The two Governments recognize that, while the internal security of the countries of Southern Africa must remain a matter for each individual country concerned, Southern Africa and the sea routes round Southern Africa must be secured against aggression from without. They are further agreed that the defence of Southern Africa against external aggression lies not only in Africa but also in the gateways to Africa, namely in the Middle East.

Finally, both Governments have agreed jointly to sponsor a conference to develop the planning already begun at the Nairobi conference in August, 1951 (see 11701 A) on the improvement and security of the lines of communication around Southern Africa and between South Africa and the Middle East."

Mr. Attlee, who said that the agreement seemed "a satisfactory settlement of a difficult question that has been under discussion for a good many years," asked the Prime Minister (1) whether the Simonstown base would be available to Britain in the event of a war in which the U.K. was involved but not South Africa, and (2) whether there would be any discrimination between Europeans and non-Europeans in employment at the base. In reply to (1), Sir Anthony said that the base would be available to Britain, and also to Britain's allies, in a war in which the U.K. was a belligerent and South Africa was neutral. As regards (2), the British Government had gone carefully into the question and were satisfied that there were "very adequate safeguards" for the workers now employed at Simonstown.

Replying to a question by Vice-Admiral Hughes-Hallett (C.), the Prime Minister said that the wireless naval station at Simonstown would remain under Admiralty control until South African technicians were qualified to operate it. In the event of war, even if South Africa was neutral, the station would revert to British control In reply to Mr. Bellenger (Lab.), Sir Anthony said that the transfer of the Simonstown base to South African control would save about £500,000 a year in naval expenditure.

The South African Prime Minister, Mr. Strydom, said in Pretoria on July 4 that the agreement for the transfer of the Simonstown base represented "a logical continuation of South Africa's development towards independence."

After describing the agreement as "of great importance," Mr Strydom added. "There was a time in the past when we could with justification adopt the attitude that South Africa had no interest in quarrels between European nations. Circumstances have altered to such an extent that, should war break out between the Communist countries and the Western Powers, South Africa, because of the closing of the Mediterranean and the Suez Canal, will immediately be in the thick of it. . . . We will consequently have no choice, but will simply be dragged into such a war whether we want to or not. Alone we will naturally not be in a position to protect either our long coastline or the points of entry which lead to our country For this reason we must seek co-operation and contact with other countries who share our interest in Africa and the coastline of Southern Africa."

The White Papers referred to by Sir Anthony Eden were published on July 4 in London (Cmd. 9520) and Pretoria.

The White Papers explained that the new maritime strategic zone (approximating to the present Royal Naval South Atlantic station) would include the Mozambique Channel but would exclude waters farther north which fell within the responsibility of the Royal Naval C.-in-C., East Indies. The title of the strategic zone (which the Union Government wished to call the "South Africa strategic zone," whilst the U.K Government wished to retain the title "South Atlantic") would be decided later

The strategic zone would include an area to be known as the "South Africa area" bounded by the coast of South Africa and by a line drawn from the northern boundary of South-West Africa through various points to Cap Sainte Marie (Madagascar) and thence to the boundary between the Union territory and Portuguese East Africa. The Union Government would appoint the Flag Officer commanding this area.

In peace-time the C.-in-C. of the strategic zone would be directly responsible only to the U K. Government and would have no executive authority over South African forces, establishments, or services He would, however, have as one of his primary functions the guiding of maritime war planning in the strategic zone, and would be free to confer on these matters with the South African Naval Chief of Staff and the Union Minister of Defence. One of the functions of the joint maritime war planning committee to be set up would be the co-ordination of all maritime facilities in British and South African territories in the strategic zone.

The agreement relating to the transfer of the Simonstown base stated that, in a war in which South Africa was a co-belligerent, priority in the allocation of space and facilities of Simonstown between the two navies would be settled by mutual consultation between the C.-in-C. of the strategic zone and the South African Naval Chief of Staff, as strategic and operational needs might require. It was agreed that the necessary detailed preparations for the transfer of the base would be put in hand immediately upon the signing of the agreement, and would be completed as soon as possible Transfer of administration and control would take place not later than March 31, 1957. The White Papers also gave details of the arrangements concerning the wireless installations at the base.

The White Papers explained that at present about 1,200 people were employed at the Simonstown base, of whom 200 were British, about 300 South African, and the remaining 700 non-European. As regards the employment of non-Europeans, it was stated: "The Union Government confirm: (*a*) that there will be no bar to the recruitment and employment of non-Europeans; (*b*) that there will be no discrimination based on colour in the rates of pay for comparable jobs; (*c*) that non-Europeans, once recruited, will have the same security of tenure as Europeans."

It was stated that the Union Government would pay to the U.K Government in three annual instalments—the first in the financial year 1955-56—the sum of £750,000 for the property transferred.

In a statement to the South African House of Assembly on May 11, Mr. Erasmus had announced that the South African Navy would be enlarged by about 20 ships, and that £18,500,000 had been allocated for this programme over the next eight years. [As subsequently announced in the White Papers, and by Sir Anthony Eden, the Union Government will place orders for these warships in Britain at a cost of £18,000,000.] After pointing out that South Africa, in the event of war, would be more exposed to submarine attacks than to any

other type of attack, Mr. Erasmus said that the eight-year programme provided for the acquisition of ten coastal minesweepers, four seaward defence vessels, and six frigates, and for the purchase of *Shackleton* aircraft for long-distance sea reconnaissance and *Venom* night-fighters equipped with radar.

The South African Navy consists at present of 23 warships, the principal units being two destroyers, three frigates, and 11 seaward defence vessels.—(Times - Daily Telegraph - Manchester Guardian - Cape Times) **(Prev. rep. Simonstown Base, Discussions, 13913 C; South African Naval Programme, 14144 C.)**

The Simonstown Base. A British naval depot was first established at Simonstown (25 miles from Cape Town) in 1795, when the Royal Navy established a Cape of Good Hope Station. In 1814 Simonstown became the principal British naval base in South Africa, and in 1898 it was ceded to the British Admiralty for exclusive use as a naval base. In 1930, however, an agreement was signed giving the freehold of the base to South Africa

Simonstown has been for many years the headquarters of the South Atlantic squadron of the Royal Navy (at present consisting of the cruiser *Birmingham*, two frigates, and a submarine) and of the C.-in-C., South Atlantic. The base is a small one, covering some 28 acres, but it contains a dry-dock large enough to accommodate a small cruiser or a light Fleet aircraft-carrier. The South African Navy has hitherto been based on Durban, but—under the agreement with Britain—will have Simonstown as its main base in future.
(Times - Manchester Guardian)

A. ATOMIC RESEARCH. — Agreement between European Organization for Nuclear Research and Switzerland on Status of Geneva Laboratory.

The foundation-stone of the laboratory to be erected by the European Organization for Nuclear Research at Meyrin, near Geneva, was laid on June 10 in the presence of M. Petitpierre, President of the Swiss Confederation. On the following day the agreement regulating the international status of the Organization and its members *vis-à-vis* Switzerland was signed at the Geneva Town Hall.

An important clause in the agreement provided that Switzerland would be entitled, in the event of an international crisis or of war, to take any measures deemed necessary to protect her neutrality.

On March 18 it had been announced that Professor Félix Bloch had tendered his resignation as Director-General of the Organization in order to resume research work, and that he would be succeeded as from Sept 1 by Professor C. J. Bakker, of Amsterdam University. It was also announced that Professor Amaldi (Italy), the deputy director-general, was resigning and would be succeeded by Professor Bakker until the latter's assumption of the post of Director-General.

Professor Wolfgang Gentner (Western Germany) was appointed Director of the Synchro-cyclotron Division on June 11, and M. Jean-Pierre Jules Richemond (France) was appointed Director of Administration.—(Neue Zurcher Zeitung) **(Prev. rep. Geneva Laboratory, 13889 A.)**

B. AUSTRIA. — American, British and Soviet Ratifications of State Treaty.

The U.S. Senate ratified the Austrian State Treaty on June 17 by 63 votes to three, the opposing votes being cast by Senators Jenner (Indiana), Malone (Nevada), and McCarthy (Wisconsin) —all Republicans. The bulk of the Republican Senators, under the leadership of Senator Knowland, voted with the Democrats in full support of the treaty, the ratification of which had been unanimously recommended by the Senate's Foreign Relations Committee. In Britain, a Bill for the ratification of the Austrian treaty was enacted on July 6 after having passed through all its stages in the House of Commons (June 29) and the House of Lords (July 5) without opposition. As the treaty had been ratified by the Presidium of the Supreme Soviet on June 11, and by the Austrian Parliament on June 7-8, the only ratification outstanding is that of the French Parliament.—(Times - Daily Telegraph - New York Times) **(Prev. rep. 14252 C.)**

C. UNITED STATES. — Horror Comics banned in New York State.

Stringent new restrictions on the publication and sale of obscene books and horror comics went into effect in New York State on July 1, under an amendment to the State's penal law which had been passed by the State Legislature in March. The amendment made it a misdemeanour to publish comic books devoted to crime, sex, horror, terror, or brutality, or to sell to anyone under 18 any books which were obscene or devoted to a portrayal of sexual immorality. Violations were made punishable by a year's imprisonment, a fine of $500, or both.—(New York Herald Tribune) **(Prev. rep. 13950 C.)**

D. YUGOSLAVIA. — Discussions with Western Ambassadors in Belgrade.

Discussions were held from June 24-27 between M. Prica, Under-Secretary for Foreign Affairs in the Yugoslav Government, and the Ambassadors in Belgrade of Great Britain, the United States, and France. An official communiqué said that the talks had dealt with "the general international situation and questions of direct mutual concern," and continued.

"This exchange of views, which took place in an atmosphere of cordiality and mutual confidence, confirmed the wide measure of agreement among the four Governments in their approach to the various international questions under review. The meeting had special significance in view of recent favourable developments in the international situation. The four Governments were agreed that solutions to outstanding problems should be sought by peaceful means and by negotiations based upon full respect for, and recognition of, the right of all nations to independence, equality, self-defence and collective security, in conformity with the United Nations Charter They will continue to do all in their power to promote such solutions.

The four Governments express their firm conviction that the existence of a strong and independent Yugoslavia, and continued co-operation between them under conditions of full equality, are a contribution to peace and stability. They consider that the fruitful co-operation being developed in all fields in the Balkan alliance is also an important contribution to peace and stability in this part of the world."

The Western Ambassadors taking part in the talks were Sir Frank Roberts (Britain), Mr. James Riddleberger (U.S.A.), and M. François Coulet (France).—(Tanjug Agency, Belgrade) **(Prev. rep. Yugoslav-Soviet Talks, 14265 A.)**

E. INDIA. — New Ministry of Iron and Steel.

A new Ministry—the Ministry of Iron and Steel—was set up in India by a Presidential Order of May 29, and came into being on June 15. It was announced that the new Ministry would be in charge of the Government's industrial undertakings for the production of iron and steel and of Government-owned foundries; that Mr. Krishnamachari, the Minister for Commerce and Industry, would be in charge of the new Ministry, whilst retaining his present portfolio; and that a Cabinet committee on heavy industry would be set up to ensure close co-ordination in heavy industry at all levels in the public sector.

Iron and steel projects in the public sector are at present the Rourkela steel project in Orissa and the Bhilai steel project in Madhya Pradesh; the Rourkela steelworks are being erected with German assistance, and the Bhilai works in co-operation with the Soviet Union The only Government-owned foundry is at Nahan, in Himachal Pradesh

The Presidential Order of May 29 also transferred the control of village industries and handicrafts from the Ministry of Commerce and Industry to the Ministry of Production.
(Indian High Commissioner's Office, London) **(Prev. rep. Cabinet, 13987 D; Steel Industry, 14103 A.)**

F. UNITED KINGDOM. — Gold and Dollar Reserves in June. - Fall of $6,000,000.

The sterling area had a gold and dollar deficit in June of $6,000,000 after taking account of (*a*) the receipt of $10,000,000 in U.S. defence aid, (*b*) the receipt of $12,000,000 in gold or dollars from the E.P.U., representing that part of the May settlement which was settled in gold or dollars, and (*c*) the payment of $2,000,000 under bilateral settlements with creditors of the E.P.U. As a result, the sterling area's gold and dollar reserves fell to $2,680,000,000 on June 30.

Provisional figures for the E.P.U. June settlement showed that the U.K. had a deficit of $19,600,000 (£7,000,000), which would be settled in July half in gold or dollars and half by an increase in the U.K. debt to the Union.
(Treasury Press Office) **(Prev. rep. 14245 A.)**

G. PERU. — Restoration of Death Penalty.

The death penalty, which had been abolished in Peru several years ago, was reintroduced on June 17 as the maximum penalty for kidnapping and murder. Public demands for the return of the death penalty had followed a number of kidnappings and murders involving children in recent years.
(New York Times)

H. RHODESIA AND NYASALAND FEDERATION. — Broadcasting Inquiry Commission.

A commission appointed to inquire into broadcasting in the Federation of Rhodesia and Nyasaland recommended on June 9 that a statutory corporation should be established to take charge of broadcasting throughout the Federation as from July 1, 1956.—(Federal Information Dept., Salisbury)

A. UNITED KINGDOM. — Committee on Crown Lands. - Report and Recommendations.

The report was published on June 30 of the committee set up in October, 1954, under Sir Trustram Eve to examine the organization for the administration of Crown Lands, and to report whether any changes should be made. The committee recommended that Crown Lands should be renamed the Crown Estate, and that the present Commissioners of Crown Lands should be replaced by a board of trustees, subject to public control but possessing a considerable measure of independence. A summary of the committee's report and recommendations is given below.

Board of Trustees. The committee pointed out that the Crown Estate was one of the largest, most varied and most valuable holdings of landed property in Great Britain, with gross annual revenue at present amounting to £2,500,000 and net revenue to £1,000,000. Total assets were probably worth at least £50,000,000, but no recent valuation had been made It included nearly 200,000 acres of land in England (outside London), 106,000 acres in Scotland, and about 78,000 acres in Wales and Monmouthshire. In London it included about 930 buildings let on building leases and about 1,730 buildings let at rack rents, the properties being mainly in Regent Street (the Estate's most valuable holding, with annual rents of over £500,000), New Oxford Street, Piccadilly, Pall Mall, Trafalgar Square, Whitehall, the Strand, Regent's Park, Kensington Square, Kensington Palace Gardens, Millbank, and Victoria Park The Estate also held gilt-edged securities with a market value (on March 31, 1955) of £2,264,531.

At the present time few individuals, however experienced and able, could adequately oversee such large and diverse holdings. For a task of this magnitude a team of experts had become a necessity, with a defined policy and the power to take decisions within the time—often only fleeting—that was available for successful investment. A board of management was therefore required which would meet regularly and take decisions as a board, and the committee accordingly recommended the setting-up of a new statutory board of trustees to be known as the "Crown Estate Trustees."

The relations of the board with the Sovereign as owner of the estate, and with the immediate advisers of the Sovereign, would naturally remain close and not on a formal basis, and the committee expected that one of the principal duties of the board's chairman would be to seek the Sovereign's consent on such matters as the more important capital transactions and the administration of the Windsor estate The board should be a public authority (though not a Government department in the sense of an organ of executive government), with powers to ensure the possibility of control at least over policy and major matters of management A specified Minister of the Crown should have power to give directions (whether general or specific) to the board, the Treasury should have a power of control over staffing and expenditure; the administrative head of the office should be accounting officer for the board's accounts and should appear before the Public Accounts Committee; the Comptroller and Auditor General should audit the accounts; and the board should be required to submit an annual report and accounts to Parliament. The committee recommended, however, that "the board should be more, not less, independent than the present commissioners and that they should be given defined powers and duties as trustees and allowed to work them out with the minimum of direction and control."

Composition of Board. The committee proposed that the board should consist of a chairman and 4 to 7 other members appointed by Royal Warrant, and that there should be power to pay the chairman and members Most of the members should be part-time and should be selected on a broad basis, paying attention both to variety of experience and to the geographical situation of the estates. There should be a power, but not an obligation, to appoint a deputy chairman and one or more full-time members A full-time administrator from within the Civil Service should be appointed initially as deputy chairman, administrative head, and accounting officer, whilst two of the part-time members of the first board should be professionally qualified, one on urban and the other on agricultural land management.

The Responsible Minister. The committee felt that the Minister (or Ministers) to be responsible for the board to Parliament ought not to be any Minister with a special interest, as Minister, in the use or control of land. If this were accepted it would exclude any Minister of Agriculture, Works, Housing, or Town and Country Planning, but would not necessarily exclude the Secretary of State for Scotland, as "Scotland's Minister." The choice would appear to lie between the Lord Chancellor, the Chancellor of the Exchequer, the Home Secretary, and a non-departmental Minister.

Revision of Crown Lands Acts. In order to give full effect to their recommendations the committee thought that there would have to be a considerable revision of the Crown Lands Acts, 1829-1943, and that the Acts should be consolidated.

Coming into Force of Recommendations. The proposed changes should be brought into effect in three stages: (1) a chairman-designate and deputy chairman-designate should be appointed as Commissioners of Crown Lands by reviving the post of Commissioner which had been vacant since 1912. These two appointments would be an immediate stop-gap to enable urgent work to be undertaken before the creation of the board. (2) A short Act should be passed to set up the board, which should then be left to operate temporarily within the present statutory framework. This Act should be passed "at a very early date" because there had already been a period of uncertainty, which was bad for the estate and for the office (3) The board should report on the Crown Lands Acts so that further legislation might be introduced at the earliest convenient date to revise and consolidate the Acts.

Sir Anthony Eden announced on June 30 that the Government had decided to accept the committee's recommendation that a board of trustees should be set up to manage the Crown Estate. This reorganization could not be carried fully into effect without legislation, but the Government hoped to take certain preliminary steps, and in the meantime would examine the other recommendations, some of which would also require legislation.

It was also announced on June 30 from 10, Downing Street, that the Queen had approved the appointment of Mr. R. M. J. Harris as Permanent Commissioner of Crown Lands in succession to Sir Osmund Cleverly. Mr. Harris (42), an Under-Secretary in the Cabinet Office for the past three years, formerly served in the India Office and at the Treasury.—(Cmd. 9483 - Times)

(Prev. rep. 13950 B.)

B. EASTERN EUROPE. — Price Reductions in Bulgaria, Czechoslovakia, Poland, and Rumania.

Four East European Communist countries announced consumer price reductions in March and April.

Bulgaria. Price reductions were ordered on April 22 for a number of foodstuffs and consumer goods, including reductions in the price of meat by 10-15 per cent; of fruit by 18-23 per cent, of cotton materials by 10-20 per cent; of woollen materials and leather footwear by 10-30 per cent; and of nylon stockings by 30 per cent.

Czechoslovakia. The fourth price reduction since the currency reform of June, 1953, was announced in Prague on March 30 It affected 1,600 items, largely consumer goods, including shoes (reduced by 3.7-20 per cent), soap (by 6 8-17 8 per cent), automatic kitchen utensils (25 per cent), etc. The announcement claimed that the reductions would result in an annual saving to the population of 1,300,000,000 Czechoslovak crowns

Poland. Price reductions were ordered on April 22 for many commodities and services, including oils and fats (by 2.5-10 per cent); rice (20 per cent); jams (15 per cent); fish (5 per cent); fruit wines (6 per cent); cigarettes (4.75-6.25 per cent); milk (8 per cent), butter (3 6-4 per cent); cream (7 per cent); coal and coke (10 per cent); woollen fabrics (6-25 per cent); cotton fabrics (5-15 per cent), silk fabrics (10-20 per cent); woollen garments (3-14 per cent), cotton clothing and underwear (3-10 per cent), silk garments and underwear (12-25 per cent), footwear (5-18 per cent); and fancy goods (10-25 per cent).

Rumania. Price reductions on a large range of foodstuffs, clothing, and other consumer goods were introduced on April 22. Varying from 5 to 30 per cent, they included woollen ready-made clothes (up to 30 per cent); footwear (up to 12 per cent); hats; leather goods; furniture; some household utensils (up to 10 per cent); domestic electrical appliances, watches; prams; school materials; toys (up to 15 per cent); and cosmetics. The chief foodstuffs affected were macaroni (up to 22 per cent) and tinned foods (up to 25 per cent). The price of kerosene was reduced by 7.7 per cent, and that of cinema and theatre tickets by 12 and 10 per cent respectively.

The announcement said that the price reductions—introduced four months after the abolition of rationing—had been made possible by the growth of industrial and agricultural production.

Although the Soviet Government had announced price reductions every year since 1947 (the announcement having usually been made on April 1 of each year), no such reductions have so far been announced in the U.S.S.R. for the present year. (Polish Embassy, London - Agerpres, Bucharest - Le Monde, Paris - Times - Manchester Guardian) **(Prev. rep. Poland, 12770 A; Czechoslovakia, 13156 A; 13040 A; Hungary, 13296 A; Rumania, 14002 C; U.S.S.R., 12857 C.)**

C. JORDAN. — Marriage of King Hussein.

King Hussein of Jordan (20) was married in Amman on April 19 to Princess Dina (22), the daughter of Prince Abd-el-Hamid Aoun of Saudi Arabia. The ceremony took place in the presence of King Faisal of Iraq, the Crown Prince Abdul Ilah of Iraq, and members of the Jordanian and Saudi Arabian royal families.

Queen Dina, who was born in Cairo, took an honours degree in Arts at Girton College, Cambridge, and subsequently became a lecturer in English literature in the University of Cairo. She met King Hussein in England in 1952, when he was at Harrow.

King Hussein and Queen Dina visited England from June 16-23 at the invitation of H.M. Government. Prior to his marriage the King had paid State visits to Egypt (Feb. 21-26) and Pakistan (March 5-13) (Times - Daily Telegraph)

D. HUNGARY. — Ratification of Warsaw Treaty.

The Hungarian National Assembly ratified on May 25 the eight-nation treaty concluded in Warsaw on May 13.
(Hungarian News and Information Service, Budapest)

(Prev. rep. 14276 B.)

A. FRANCE. — Senatorial and Departmental Elections.

Elections were held on June 19 in Metropolitan France, Algeria, and the overseas *départements* and territories for 153 of the 320 seats in the Council of the Republic, or almost one-half the membership of that body. Although the terms of 160 senators expired in June (senators are elected for six-year terms, one-half retiring every three years), only 153 seats were filled on June 19, leaving seven seats to be filled at subsequent elections. Of these 153 seats, 123 were in Metropolitan France, five in Algeria, four in the French Sudan, three each in the Ivory Coast and the French Cameroons, two each in Martinique, Réunion, Dahomey, French Guinea, Middle Congo, and Chad, and one each in Mauretania, New Caledonia, and the Comoro Islands.

The elections in Metropolitan France were confined to those *départements* beginning with the letters A to M inclusive—i.e., Ain, Aisne, Allier, Basses-Alpes, Hautes-Alpes, Alpes-Maritimes, Ardèche, Ardennes, Ariège, Aube, Aude, Aveyron, Belfort, Bouches-du-Rhône, Calvados, Charente, Charente-Maritime, Cantal, Cher, Corrèze, Corsica, Côte-d'Or, Côtes-du-Nord, Creuse, Dordogne, Doubs, Drôme, Eure, Eure-et-Loir, Finisterre, Gard, Haute-Garonne, Gers, Gironde, Hérault, Ille-et-Vilaine, Indre, Indre-et-Loire, Isère, Jura, Landes, Loire, Haute-Loire, Loire-Inférieure, Loiret, Loir-et-Cher, Lot, Lot-et-Garonne, Lozère, Maine-et-Loire, Manche, Marne, Haute-Marne, and Mayenne. They therefore excluded the Paris area and the industrial regions of northern and north-eastern France.

The elections were indirect, the senators being returned by electoral colleges both in Metropolitan France and in Algeria and the overseas territories. In Metropolitan France the electoral college in each *département* consisted of the deputies for that *département*, the *conseillers-généraux* (members of the departmental *Conseil-Général*, roughly equivalent to a county council), and delegates elected by members of the municipal councils in the *département*. A system of proportional representation was used in constituencies returning four or more members to the Council of the Republic, whilst in other constituencies the voting was for individual candidates, with two ballots (held on the same day) in cases where the first failed to produce a clear majority.

The 123 seats contested in Metropolitan France resulted in the election of 41 senators belonging to right-wing parties (Independent Republicans, etc.), 32 Radicals, 32 Socialists, nine Gaullists, seven M.R.P. senators, one Communist, and one *non-inscrit* (unaffiliated). Compared with the former political representation of these seats, gains were made by the Radicals (three seats), the Socialists (one seat), the M.R.P. (one seat), and *non-inscrits* (one seat), whilst losses were suffered by the Gaullists (four seats), the right-wing parties (one seat), and the Communists (one seat, in the Bouches-du-Rhône *département*). The principal result of the elections, therefore, was a slight improvement in the representation of the centre parties, notably the Radicals, and a setback for the Gaullists.

As a result of the elections, the political composition of the full Council of the Republic (i.e. the newly-elected senators and those whose terms have not expired) will be as follows: Right-wing parties (predominantly Independent Republicans), 83; *Rassemblement des Gauches Républicains* (predominantly Radicals), 74; Socialists, 56; Social Republicans (Gaullists), 36; M.R.P., 24; Overseas Independents, 14; Communists, 14; *Rassemblement d'outre-mer* (an overseas group affiliated to the Gaullists), 8; *non-inscrits*, 10.

Owing to the cession to India of the former French Settlements (Pondicherry, etc.), the present membership of the Council of the Republic is 319 and not, as formerly, 320. Prior to the cession, the *Etablissements français dans l'Inde* had been represented by one senator.

Fifty former senators were not re-elected, of whom 18 did not seek re-election, five withdrew after the first ballot (in cases where an absolute majority was not obtained on the first count), and 27 were defeated, among them two former Ministers—M. Paul Bastid (Radical) in Cantal, and M. Lamoureux (Radical) in Allier. Among prominent senators re-elected were M. Gaston Monnerville (Radical, Lot), the President of the Council of the Republic, and M. Roger Duchet (Ind. Republican, Côte-d'Or), the Minister of Reconstruction. Among newly-elected senators were three members of the Chamber of Deputies—M. Yvon Delbos, a former Minister (Radical, Dordogne), M. Béchard (Socialist, Gard), and M. Verneuil (Radical, Charente-Maritime); they may opt to sit either in the Council of the Republic or in the Chamber.

Departmental Elections.

Departmental elections were held on April 17 and 24 in Metropolitan France (except in part of the *département* of Hérault), Algeria, and the overseas *départements* to elect one-half of the membership of *Conseils-Généraux* (departmental councils), and also to fill vacancies caused by deaths or resignations. Owing to the collective resignation of 250 mayors of wine-growing communes in Hérault, and the subsequent closing of most of the *mairies* (see below), elections were possible in only five of the department's 18 cantons on April 17 and 24. The remaining 13 cantons in Hérault voted on May 15 and 22.

The following table (based on official figures by the Ministry of the Interior) covers all the 1,511 cantons in Metropolitan France in which polling took place, and includes the postponed elections in the Hérault department:

		*Net gains (+) or losses (−)
Independent Republicans and other right-wing parties	519	+22
Radicals and R.G.R.	396	+10
Socialists	287	+11
Popular Republicans (M.R.P.)	106	+12
Social Republicans (Gaullists)	72	−79
Communists	44	+ 7
Other left-wing groups	87	+19

* The discrepancy between the total net gains and net losses is accounted for by the fact that there were two additional seats at Nice.

As shown in the table, gains were made by all the parties except the Gaullists, who lost 79 seats. In a number of cantons local electoral alliances were concluded between the Socialists and the Communists, despite warnings by the national executive of the Socialist Party that such alliances would not be officially recognized.

The Prime Minister (M. Faure), six other members of the Government (M. Pinay, M. Bourgès-Maunoury, General Corniglion-Molinier, M. Crouzier, M. Médecin, and M. Laforest), and many parliamentarians were re-elected as *conseillers-généraux*. Voting was in general low throughout the country.

Prior to the elections, the mayors of 250 wine-growing communes in Hérault (one of the principal centres of viticulture in France) had tendered their collective resignation on April 10 as a protest against the Government's failure—as was alleged—to maintain the price of wine. As a further protest against the Government's policy, most of the *mairies* in Hérault were closed on April 17 and 24, and, as stated above, the elections in that *département* could not be completed until May. The Government's anti-alcoholism policy, initiated by M. Mendès-France (see 14063 A) and continued by M. Faure, had given rise to much concern in Hérault, notably because of the lower subsidies paid to local wine-growers. Other factors making for discontent among the Hérault wine-growers were the steadily increasing production of Algerian wines at the expense of French brands, and the growth of viticulture in other parts of France which were formerly negligible as wine-producing areas. Whereas Hérault formerly produced more than half the red wine consumed in France, it produces today only about one-third.—(Le Monde, Paris - Le Figaro, Paris) **(Prev. rep. Senatorial Elections, 12249 A; Departmental Elections, 11797 A; Municipal Elections, 12923 A.)**

B. UNITED KINGDOM. — Dorneywood House to be used by Secretary for Commonwealth Relations.

A statement from 10, Downing Street, on June 29 announced that the Prime Minister had placed Dorneywood House (near Burnham Beeches, Bucks.) at the disposal of the Earl of Home, Secretary of State for Commonwealth Relations; that Lord Home (whose residence is in Scotland) would live there during parliamentary sessions and would use it to entertain visitors from the Commonwealth; and that he would make arrangements whereby the Foreign Secretary and other Ministers could entertain guests from overseas at Dorneywood from time to time.

Dorneywood, a 16th-century house, was presented to the nation by the late Lord Courtauld-Thomson in 1943 to be used by a senior Cabinet member as an official residence, and for the purpose of providing a suitable house for entertaining overseas visitors in typical English country surroundings near London. It had been used by Sir Anthony Eden on several occasions when he was Foreign Secretary, but the new Foreign Secretary, Mr. Harold Macmillan, already has his own country house in Sussex and seemed unlikely to be able to make full use of Dorneywood as an official residence.
(Times - Daily Telegraph) **(Prev. rep. Dorneywood, 5722 B.)**

C. PHILIPPINES. — Military Aid from U.S.A.

An agreement for U.S. aid in equipping and training a new Philippine Army division was signed in Manila on April 27. Based on the U.S.-Philippine mutual defence pact, it stipulated that the U.S.A. would make a grant-in-aid of $9,500,000, to be used for constructing a cantonment area for the training of the new division and for improving an air base in Bulacan province, north of Manila.—(New York Times) **(11715 C.)**

A. FRANCE.—Trials for Collaborationist Activities and War Crimes. - Death of Marcel Déat and General Bridoux.

A number of trials of Frenchmen accused of collaboration with the Germans during the war, and of Germans accused of war crimes, took place in France in recent months and are described below under cross-headings.

Trial of M. Bonnefoy. M. René Bonnefoy, State Secretary for Information in the Vichy Government, who had been sentenced to death *in absentia* in 1946 but had returned to France in 1954, was retried by the French High Court of Justice on March 14-15 and sentenced to five years' "national degradation" (loss of civic rights). Whilst the prosecution maintained that he had been a close collaborator of Laval, M. Bonnefoy—though not denying "friendly relations" with Laval—claimed that he had never been more than a subordinate and had fulfilled his duties in a "purely technical manner." The prosecution, however, produced a number of articles written by the defendant for the *Moniteur du Puy-de-Dôme* in which M. Bonnefoy had expressed fervent hopes for a German victory and in which he had bitterly attacked the French Resistance movement, the Free French forces and their leaders, Generals de Gaulle and Giraud.

Trial of M. Rochat. M. Charles Rochat, formerly Secretary-General for Foreign Affairs in the Vichy Government, who had been sentenced to death *in absentia* in 1946, but had returned to France some time ago, was tried a second time before the High Court in Paris on March 16-17. The prosecution maintained that M. Rochat had acted as Laval's spokesman and that, in particular, he had sent a telegram to Hitler proposing that France should enter the war as Germany's ally. M. Rochat stated in his defence that in 1940, as the highest official in the Foreign Ministry, he had considered it his duty to remain at his post in order to defend French interests. He claimed that he had protested when Laval proposed to declare publicly that he hoped for a German victory, and denied all knowledge of the telegram to Hitler. Evidence was, however, given by M. Lacoste, a Foreign Ministry official, that M Rochat had handed him the telegram for transmission General Weygand, on the other hand, testified that M. Rochat had drafted and broadcast the telegram of protest against the German occupation of southern France in November 1942, whilst M. Massigh (now Secretary-General of the Foreign Ministry), M Chauvel (now Ambassador in London), and M. Fouques-Duparc (now Ambassador in Rome) all paid tribute to his services to the Resistance movement. The Court, having found M. Rochat guilty, sentenced him on March 17 to five years' "national degradation," but ordered that the sentence should not be carried out in view of the extenuating circumstances revealed in the evidence.

Trial of Admiral Bléhaut. Admiral Henri Bléhaut, State Secretary for the Navy and the Colonies in the Vichy Government, who in 1948 had been sentenced *in absentia* to 10 years' imprisonment and "national degradation" for life, was acquitted by the High Court on March 18 of the charge of activities harmful to national defence. Admiral Bléhaut (whose three sons served with the Free French forces) said in his defence that he had exercised no influence on policy, that he had tried to save for France as much of the Navy as he could (a fact which was supported by the evidence), and that he had never handed over any warships to the Germans. He admitted that he had signed laws for the repression of the Resistance movement, but claimed that Laval himself had stated that there was no intention of carrying them out.

Other Collaborationist Trials. Adrien Solomon, a French citizen of Rumanian origin, was found guilty by the military tribunal at Metz on Jan 29 of acting as a spy on the Resistance movement, and sentenced to hard labour for life. His accomplice, Louis Riès, was sentenced to five years' imprisonment, the sentence being remitted.

M. Marius Besson, formerly headmaster of the *lycée* at Angers, who had been sentenced to death *in absentia* in 1946, and who had surrendered to the police in 1953, was acquitted by the Paris military tribunal on Feb. 11 of a charge of intelligence with the enemy. The prosecution alleged that in 1943 he had shown to the Germans a letter from the headmistress of a girls' school in Angers and that, in consequence, six members of the staff of the school had been deported to the Ravensbrück concentration camp, where three of them had died. M Besson, whilst admitting that he had been a supporter of Marshal Pétain, denied that he had shown the Germans the letter, and suggested that they had found a copy of it while searching the headmistress's house.

René Besson, a former inspector of police, was condemned to death for treason by the military tribunal at Rennes on March 17, and his wife, Suzanne Besson, was sentenced to five years' imprisonment. Besson had been sentenced in 1938 to 20 years' hard labour for spying for the Germans, and after being released in 1940 had acted as a spy on the Resistance movement. The prosecution alleged that he had been responsible for the arrest of 500 people, 50 of whom had subsequently been executed.

Raoul Fouchet, a former member of the "Gestapo of the Rue de la Pompe" (see 14042 A), was sentenced to 20 years' imprisonment by the military tribunal at Lyons on May 5. He had previously been condemned to death *in absentia* in 1952, the conviction having been quashed on technical grounds.

The Dijon Gestapo Trial. The trial of three former members of the Dijon Gestapo before the military tribunal at Lyons concluded on Feb. 23, when Ludwig Kramer and Xavier Pfeiffer were sentenced to 20 years' hard labour and Wolfgang Feller to five years' hard labour. Witnesses gave evidence that the prisoners had been guilty of executing hostages and of deportations to concentration camps.

The Marseilles Gestapo Trial. The second trial of seven members of the Marseilles Gestapo took place before the military tribunal at Lyons on March 14-31. The defendants had previously been tried in January, 1954, by the Marseilles military tribunal, which had sentenced Rudolf Mukler (head of the Marseilles Gestapo) and Theodor Schorer (his second-in-command) to death, and the others to hard labour for life, but the sentences were quashed on technical grounds in the following July (see 14042 A). The Lyons court sentenced Schorer to hard labour for life, Mukler to 20 years' imprisonment, and the other defendants to terms of imprisonment ranging from eight to 15 years.

The Struthof Trial. The second trial of five former S.S. guards at the Struthof concentration camp, who had been condemned to death by the Metz military tribunal in July, 1954, but whose sentences had subsequently been quashed on technical grounds (see 14042 A), opened before the military tribunal in Paris on April 28 Three of the prisoners (Albert Fuchs, Wolfgang Seuss, and Franz Ehrmanntraut) were again sentenced to death, and the others (Herbert Oehler and Robert Nitsch) to hard labour for life and 15 years' imprisonment respectively

Appeals by General Karl Oberg, the former commandant of the German police forces in France, and his principal assistant, Colonel Helmuth Knochen, against the death sentences passed on them in October, 1954, were dismissed on Feb 10 by the *Cour de Cassation* (the Supreme Appeal Court). The sentence on Wilhelm Korf, the Gestapo sergeant condemned to death in December, 1953, for war crimes, was commuted by President Coty on April 8 to hard labour for life.

In reply to inquiries by the French Government, the Italian police confirmed on March 30 that Marcel Déat, the notorious wartime collaborationist, had died in Turin on Jan. 5, 1955.

Marcel Déat (60) entered the Chamber of Deputies in 1926 as a Socialist, but left the Socialist Party in 1933 to form the "Socialist Party of France," and served as Air Minister in M. Sarraut's Cabinet from January to June, 1936. A strong supporter of "appeasement" before the war, he conducted active pro-Nazi propaganda in the Paris newspaper *l'Oeuvre* and on the radio from 1940 onwards, formed the collaborationist *Rassemblement National Populaire* in 1941, became one of the closest supporters of Laval, and in 1944 entered the Vichy Government as Minister of Labour, in which capacity he took an active part in the recruitment and deportation of Frenchmen for forced labour service in Germany. On the liberation of France he escaped to Germany, where he continued his propaganda activities, and at the end of the war fled to Italy. He was condemned to death *in absentia* by the Paris High Court on June 19, 1945, but all attempts to discover his whereabours proved unsuccessful. After leading a wandering life for two years he settled in Turin in 1947, supporting himself by teaching under an assumed name.

General Eugène Bridoux (67), formerly War Minister in the Vichy Government, died in Madrid on June 6. Arrested after the war as a collaborator, he escaped from a Paris military hospital in 1947 and took refuge in Spain, being sentenced to death *in absentia* in December, 1948.—(Le Monde, Paris - Le Figaro, Paris) **(Prev. rep. Trials of Collaborationists, 12395 C; War Crimes Trials, 14042 A.)**

B. PAKISTAN. — Adherence to Turkish-Iraqi Pact.

The Prime Minister of Pakistan, Mr. Mohammed Ali, announced on July 1 that Pakistan had decided to accede to the Turkish-Iraqi defence pact. An invitation to Pakistan to adhere to the pact had been sent by the Turkish and Iraqi Governments on April 4, the date on which the United Kingdom joined the pact.

Mr. Mohammed Ali explained that the decision had been taken "in pursuance of Pakistan's policy of strengthening herself and of promoting international peace through co-operation with like-minded nations."

Sir Anthony Eden, in a message to Mr. Mohammed Ali, expressed the British Government's pleasure "that the United Kingdom and Pakistan will now be partners in this pact," and its confidence that Pakistan's accession would contribute to the stability and security of the Middle East. The Pakistan Government's decision was also warmly welcomed in Ankara and Baghdad.

Prior to Pakistan's adherence to the Turkish-Iraqi pact, discussions had been held in Ankara on June 28-29 between M. Menderes, the Turkish Prime Minister, General Nuri es-Said, the Iraqi Prime Minister, and General Mohammad Ayub Khan, the Pakistani Defence Minister. Pakistan was already allied with Turkey through the treaty of political, economic, defence, and cultural co-operation of April 2, 1954, which came into force on June 12, 1954.—(Pakistan High Commissioner's Office, London - Turkish Embassy, London) **(Prev. rep. Turkish-Iraqi Pact, 14137 A; Turkish-Pakistani Treaty, 13620 A.)**

C. AVIATION. — Ottawa-London Record Flight.

An R.A.F. Canberra jet bomber, *Aries IV*, flew from Ottawa to London—a distance of 3,330 miles—on June 28 in the record time of 6 hours 42 minutes, at a speed of 496.8 m.p.h. The machine was piloted by Squadron-Leader I. G. Broom, D.S.O., D.F.C.—(Times) **(Prev. rep. Record Flights, 13708 C.)**

A. UNITED STATES. — Three-year Extension of Reciprocal Trade Agreements Act. - Presidential Authority to reduce Tariffs. - U.S. Tariff Concessions to Switzerland.

A Bill extending the Reciprocal Trade Agreements Act for three years until June 30, 1958, and permitting the President to reduce tariffs by 5 per cent in each of the next three years, was signed by President Eisenhower on June 14. The Bill had been strongly opposed by protectionist elements in the Senate, who succeeded in inserting a number of restrictive amendments. These amendments protected the textile and chemical industries against heavy tariff cuts in trade with Japan; required the Tariff Commission to report directly to Congress each year on the operations of the trade agreement programme, instead of presenting its reports through the President as previously; authorized the President to limit foreign imports when he found they threatened national security; and widened the "escape clause" provisions of the Act.

The Bill was first passed by the House of Representatives on Feb 18 (by 295 votes to 110) after a motion by Representative Daniel A. Reed (Rep.) to send it back to committee with directions to limit sharply the President's tariff-cutting powers had been defeated by 206 votes to 199. On the previous day the House had approved (by 193 votes to 192) a rule excluding any restrictive amendments during its detailed examination of the Bill.

The Senate Finance Committee, after lengthy consideration, approved a Bill on April 26 extending the Reciprocal Trade Act for three years but incorporating the above-mentioned restrictive amendments. The committee's vote was taken following an appeal by President Eisenhower for the speedy passage of the Bill without any crippling amendments. The President (whose appeal had been made on the previous day) declared: "To abandon our programme for the gradual reduction of unjustifiable trade barriers, to vitiate the Administration's proposals by crippling amendments, would strike a severe blow at the co-operative efforts of the free nations to build up their economic and military defences. It could result in increasing discrimination against our exports. It could lead to widespread trade restrictions and a sharp contraction in world trade. It could mean a retreat to economic nationalism and isolationism." Evidence in favour of the Bill had earlier been given before the committee by Mr. Dulles, Mr. Humphreys and Mr. Wilson, the Secretaries of State, the Treasury, and Defence respectively.

The Bill was passed by the full Senate (by 75 votes to 13) on May 4, following a White House announcement that the Administration would accept the Bill as amended by the Senate Finance Committee. Before the final vote, the Senate rejected a number of amendments designed to limit the President's discretionary powers or to give protection to individual industries. These included the following:

(1) to transfer the power to fix tariffs from the President to the Tariff Commission, which would be directed to fix them so as to compensate for differences in cost between domestic and foreign articles (moved by Senator Malone, Rep.);

(2) to authorize the Government to help workers and industries adversely affected by imports admitted under reciprocal trade agreements (Senators Humphrey and Kennedy, Dem.);

(3) to eliminate the "peril point" provision from the Reciprocal Trade Agreements Act (Senator Douglas, Dem.),

(4) to limit imports of foreign oil to 10 per cent of domestic consumption (Senator Neely, Dem.),

(5) to require all trade agreements to be submitted to Congress for approval (Senator O'Mahoney, Dem.);

(6) to permit Congress to veto any trade agreements made by the President (Senator O'Mahoney),

(7) to limit the extension of the Reciprocal Trade Act to one year (Senator Malone);

(8) to make the President's treaty-making power applicable to the Western Hemisphere only (Senator Malone).

On June 27 a Senate-House conference committee agreed on the Bill as amended by the Senate, and it was finally passed by the House on June 14 (by 347 votes to 54) and by the Senate on June 15 (by voice vote).

It was officially announced in Washington and Berne on June 10 that U.S. - Swiss discussions held in Geneva had resulted in the signing on June 8 of an agreeemnt on U.S. tariff reductions on other Swiss imports in compensation for the increase in the U.S. tariff on imported Swiss watches.

The agreement provided for U.S. tariff cuts (ranging from 12.5 per cent to 50 per cent and averaging 44 per cent) affecting 18 items, notably coal-tar dyes, certain pharmaceutical products, straw plait for straw hats, embroidery, lace curtains, handkerchiefs, knit underwear, surveying instruments, electrical and clockwork measuring instruments (excluding timepieces), and ciné-cameras. The Swiss announcement stressed, however, that U.S. imports of these items from Switzerland in recent years had averaged 40 to 50 million Swiss francs, whereas U.S. imports of Swiss watches had amounted to an average of 255 million francs during the five years 1950 to 1954.

A clause laid down that in the event of the U.S. Government withdrawing its tariff increases for Swiss watches either in whole or in part, both Governments would discuss the further application of the new supplementary agreement, thus enabling Switzerland to retain the benefit of the above-mentioned U.S. concessions through other concessions on her part.

Total U.S. imports from Switzerland in 1954 were valued at $146,000,000, of which $126,000,000 was dutiable and $20,000,000 duty-free. U.S. imports of the items on which concessions have now been made amounted to $10,000,000 in 1954, of which Switzerland accounted for some $8,100,000. (New York Times - New York Herald Tribune - Neue Zurcher Zeitung) **(Prev. rep. 14126 A; U.S.-Swiss Dispute, 14110 A.)**

B. MOUNTAINEERING.—British Ascent of Kanchenjunga. - French Ascent of Makalu.

Kanchenjunga (28,146 ft.), the third highest peak in the world and the highest yet unclimbed, was successfully climbed in May by a British expedition led by Dr. Charles Evans, a member of the British Everest Expedition of 1953. The Kanchenjunga expedition was originally intended as a reconnaissance only, but was converted into an attempt on the summit in view of its success in finding a suitable route up the mountain and because of the favourable weather conditions. Two groups of climbers made the final assault—Mr. G. C. Band and Mr. Joe Brown on May 25, and Mr. N. Hardie and Captain R. A. Streather on May 26. In deference to the religious feelings of the Sikkimese, who believe that their gods live on the summit of Kanchenjunga, the climbers stopped some five feet short of the summit. The other members of the expedition were Dr. John Clegg, Mr. J. Jackson, Mr. T. D. MacKinnon, and Mr. J. N. Mather.

Sir John Hunt, leader of the 1953 Everest expedition, had stated in a message to *The Times* on March 4: "There is no doubt that those who first climb Kanchenjunga will achieve the greatest feat in mountaineering, for it is a mountain which combines in its defences not only the severe handicaps of wind, weather, and a very high altitude, but technical climbing problems and objective dangers of an order even higher than those encountered on Everest."

Makalu (27,824 ft.), the fifth highest peak in the world, was successfully climbed for the first time on May 15, 16, and 17 by three separate parties of a French expedition led by M. Jean Franco. All eight members of the expedition, together with a number of Sherpas, reached the summit. The other members of the expedition were MM. Jean Bouvier, Jean Couzy, Pierre Leroux, Guido Magnone, and Lionel Terray, the Abbé Pierre Bordet, and Dr. Jean Rivolier (medical adviser).

A number of other expeditions were made to the Himalayas during May and June, including a Swiss-German team which made an unsuccessful attempt on Dhaulagiri (26,795 ft.); a British expedition, led by Mr. Alfred Gregory, which climbed a number of peaks in the Melunste group near Everest; and a team from the Ladies' Scottish Climbing Club—the first all-women's expedition to the Himalayas—which climbed a number of peaks in the Jugul Himal.—(Times - Manchester Guardian - Le Monde, Paris - The Statesman, Calcutta)
(Prev. rep. Mountaineering, 13955 C.)

C. UNITED KINGDOM. — Raw Cotton Commission. - Final Report and Accounts.

The final report and accounts of the Raw Cotton Commission, covering the year ended Aug. 31, 1954, and published on June 30, 1955, showed an operational profit of £3,777,918, compared with a loss of £22,416,433 in 1952-53. After adjustments (including the addition of various financial provisions previously made but no longer required), and the deduction of compensation to staff for loss of office, the Commission's aggregate deficit was reduced from £11,097,817 to £7,032,502.

The report stated that conditions during the year had been "reasonably good," and that the Commission's trading in raw cotton had resulted in a surplus of £4,330,542 (compared with one of £1,152,337 in 1952-53), notwithstanding the fact that spinners who had contracted out of trading with the Commission accounted for over half the total cotton consumption of the industry. The greater stability of cotton prices, as compared with 1952-53, had been reflected in the accounts of the Commission's cover department, which showed an operational surplus of £1,062,015, against a loss of £20,811,812 in 1952-53. Stocks of unsold cotton at Aug. 31, 1954, amounted to 185,774 bales, compared with 770,675 bales on Aug. 31, 1953. The report added that the Commission had bought only 23,620 bales in the seven-month period preceding the Commission's dissolution on Aug. 31, 1954.

Board of Trade advances to the Commission stood at £45,872,927 on Aug. 31, 1954, and the Commission's net assets at £38,840,425, compared with £73,965,641 and £62,867,824 respectively a year earlier.—(Manchester Guardian - Financial Times) **(Prev. rep. 1952-53 Report, 13622 D; Dissolution of Raw Cotton Commission, 13724 A.)**

A. SPAIN. — General Franco's Meeting with Don Juan. - Prince Juan Carlos to be educated in Spain. - General Franco on Restoration of the Monarchy.

Don Juan, the Pretender to the Spanish throne, had a nine-hour meeting with General Franco on Dec. 29, 1954, at an estate in Estremadura belonging to Count de Ruisenada, a prominent monarchist; two other leading monarchists, the Count de los Andes and the Count de Frontenar, were also present. Although the discussions were held in strict secrecy and no official statement was issued, it was understood that they dealt with the education of Prince Juan Carlos, the 16-year-old son of the Pretender, and with the whole question of the future of the Spanish monarchy.

Prince Juan Carlos, accompanied by the Duke de Torre, arrived in Madrid from Estoril (the Portuguese resort where the Pretender lives in exile) on Jan. 18, 1955, and was greeted at the station by several hundred royalists. It was stated that the prince would remain in the Spanish capital for six months, with the Duke de Torre as his tutor, preparatory to entering the Saragossa Military Academy.

General Franco gave two press interviews to the Falangist newspaper *Arriba*, on Jan. 23 and Feb. 27, in which he emphasized that the monarchy would eventually be restored under the Succession Law of 1947 (see 8551 A). At the same time, however, he stressed that the future Sovereign would be required to accept the present political structure of the Spanish State.

In the interview of Jan. 23 (given to the editor of *Arriba*), General Franco recalled that the Succession Law proclaimed Spain to be a kingdom; that it envisaged the restoration of the monarchy after his death, or in the event of his incapacity; and that it empowered him to nominate his successor. "Although I enjoy excellent health," he added, "the fact that I am 62 years of age suggests that everything possible should be done to ensure that the proposals in the Succession Law are implemented, and that there is no break in continuity." Asked whether "the principles of the national revolution" would be guaranteed in the event of the restoration of the monarchy, General Franco said that this would "definitely be the case." Whilst he declined to state whether the return of Prince Juan Carlos to Spain implied that the prince would be Spain's next Sovereign, General Franco said that it was "natural that we should be interested in seeing that the princes of the Spanish dynasty are prepared, although the time for formal recognition has not yet arrived."

In his second interview with *Arriba* (Feb. 27), General Franco defended the eventual restoration of the monarchy in Spain, but reiterated that it was an "indispensable premise" that his successor should be "completely identified with the national movement" (i.e. with the Falangist system) and should carry out the provisions of the Succession Law. Describing the Succession Law as "the keystone of our system," he emphasized that the Council of the Realm set up under that law would continue to wield executive power and would guarantee the continuation of the one-party system. [The Council of the Realm consists of representatives of the Roman Catholic Church, the armed forces, labour and professional organizations, the liberal professions, the Falangist Party, and the *Cortes*.] He added in this connexion: "We need to change the framework of the old monarchy for a new aristocracy of knowledge, military leadership, work, and service to the nation. We must do this to secure the social progress of the people, as the monarchy did in its best periods. We are all agreed that it is vital for us to preserve what we have forged for ourselves. The political and social essence of our national movement cannot be endangered."

Continuing, General Franco paid a tribute to the late King Alfonso XIII as a monarch gifted with "prudence and good sense," and said that one of the most important tasks for the future was to acquaint the youth of the nation with the merits of the monarchical system. [Leaders of the Falangist Party had on a number of occasions bitterly attacked the late King Alfonso XIII, whilst anti-monarchist demonstrations had been staged from time to time by members of the party, particularly its youthful members.] After recalling that King Alfonso had been called to the throne when only 16 years of age, General Franco said that the fall of the monarchy had not been due to any shortcomings in the Sovereign himself, but had been the result of "the crisis of a whole system"—the "inefficient liberal and parliamentary system" from which, he said, Spain had suffered for 150 years. "We must remember," he added, "that more than half the nation knows very little about the monarchical system, and that many people judge it by its last stages of decadence. This may justify the distrust felt for that institution by a great number of those who compose the younger generation. . . ."

In conclusion, General Franco made it clear that the restoration of the monarchy would imply the restoration of the Bourbon dynasty —i.e. of the former Royal house to which the late King Alfonso XIII belonged, and of which Don Juan is the present head—and not of the Carlist claimant. The latter is Prince Francis Xavier, brother of the ex-Empress Zita of Austria.

Don Juan—officially known in Spain as the Count of Barcelona—gave a press interview at Estoril on June 24 to the Madrid newspaper *A.B.C.* (the principal monarchist organ) in which he declared that the monarchy had always been in agreement with the ideals of the "nationalist movement." As regards his own position, he said that he considered himself the "repository of the rights inherited" from the late King Alfonso XIII, but at the same time referred to the "personal sacrifices" he had made—an apparent reference to his agreement that Prince Juan Carlos should be educated in Spain, and to the possibility that he himself might be passed over in the line of succession in favour of his son.

(A.B.C., Madrid - Le Monde, Paris - Times - Manchester Guardian - New York Times) **(Prev. rep. Don Juan, 9483 D; Succession Law, 8551 A.)**

B. NORWAY. — State Visit by Queen Elizabeth II and the Duke of Edinburgh.

H.M. Queen Elizabeth II and the Duke of Edinburgh paid a three-day State visit to Oslo on June 24-26 at the invitation of King Haakon VII.

Her Majesty and the Duke, who sailed for Oslo in the royal yacht *Britannia*, were welcomed in the Norwegian capital by King Haakon, Crown Prince Olav and other members of the Norwegian Royal family, the Prime Minister of Norway (Hr. Gerhardsen), members of the Cabinet, and enthusiastic crowds numbering tens of thousands Shortly after their arrival the Queen and the Duke drove to Akershus Castle to lay wreaths on the memorial to 42 Norwegian patriots who were executed by the Germans during the occupation. From Akershus they drove to the new Oslo Town Hall (see 10745 B), where they were welcomed by the Mayor of Oslo, Hr. Bull, and later visited a cemetery to lay wreaths upon the graves of British and Canadian servicemen who fell in Norway during the war. In the evening her Majesty and the Duke attended a State banquet given in their honour by King Haakon at the Royal Palace.

On June 25 the Queen and the Duke visited the Folk Museum and the Ship Museum, which houses three Viking galleys discovered between 1867 and 1904, the *Fram* (the polar research vessel in which Dr. Nansen and Roald Amundsen visited the Arctic and Antarctic), and the Kon-Tiki raft, on which Thor Heyerdahl and five companions drifted 5,000 miles across the Pacific in 1948 from Peru to the South Sea Islands. Later in the day her Majesty and the Duke attended a garden party at the British Embassy given by the British Ambassador, the Canadian and Pakistani Ministers, and the Indian Chargé d'Affaires, while in the evening they visited the National Theatre to see a gala performance of *Peer Gynt*.

On June 26, a Sunday, the Queen and the Duke attended Divine Service at the British Church in Oslo (the Church of St. Edmund), and later drove to Skaugum, 20 miles from Oslo, to lunch with Crown Prince Olav at his country residence. Before leaving Oslo in the evening for Scotland, her Majesty and the Duke gave a dinner on board the *Britannia* for King Haakon and other members of the Norwegian Royal family.

Her Majesty and the Duke were accompanied during their visit by the Foreign Secretary, Mr. Harold Macmillan. While in Oslo, her Majesty conferred a knighthood on the British Ambassador, Mr. Peter Scarlett.—(Aftenposten, Oslo - Times) **(Prev. rep. King Haakon, U.K. Visit, 11615 A.)**

C. LITERATURE. — Book Selections for June.

Selected books published in Britain, the United States, and France are given below:

Great Britain. Broad, Lewis—"Sir Anthony Eden: The Chronicles of a Career." (Hutchinson, 15s.)

Cottrell, Leonard—"Life under the Pharaohs." (Evans, 16s.)

Craig, Sir John—"A History of Red Tape." (Macdonald and Evans, 18s.)

Debenham, Frank—"The Way to Ilala. David Livingstone's Pilgrimage." (Longmans, 25s.)

Fletcher, David Wilson—"The Children of Kanchenjunga." (Constable, 18s.)

Lee, Laurie—"A Rose for Winter: Travels in Andalusia." (Hogarth Press, 12s. 6d.)

MacCormick, J. M.—"Flag in the Wind." The Story of the National Movement in Scotland. (Victor Gollancz, 13s. 6d.)

"Man of Everest: The Autobiography of Tenzing." Told to James Ramsay Ullman. (Harrap, 18s.)

Mosley, Leonard—"Gideon goes to War." The Story of General Wingate. (Arthur Barker, 15s.)

Sheehy, Michael—"Divided We Stand: A Study of Partition." (Faber & Faber, 10s. 6d.)

Shinwell, Emanuel—"Conflict without Malice." An Autobiography. (Odhams, 21s.)

Wheare, K. C.—"Government by Committee: An Essay on the British Constitution." (Oxford University Press, 25s.)

Yourcenar, Marguerite—"Memoirs of Hadrian." Translated from the French (*Mémoires d'Hadrien*). (Secker & Warburg, 12s. 6d.)

United States. Dowey, Clifford—"The Land they Fought for." The Story of the South as the Confederacy, 1832-1865. (Doubleday, New York, $6.00.)

Hoffman, Calvin—"The Murder of the Man who was 'Shakespeare'." The Death of Christopher Marlowe. (Julian Messner, New York, $3.95.)

France. Massip, Renée—"La régente." (Gallimard, Paris, 540 francs.)

Salmon, André—"Souvenirs sans fin." (Gallimard, Paris, 950 francs.)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 14246 B.)**

JULY 9—16, 1955

A. UNITED NATIONS. — Tenth Anniversary Session.

The tenth anniversary of the founding of the United Nations was commemorated by a special U.N. session held on June 20-26 in San Francisco, where the Charter was signed in 1945. It was attended by representatives of all the 60 member-nations, nearly all of whom were represented by their Foreign Ministers; by the U.N. Secretary-General, Dr. Hammarskjold; by the President of the General Assembly (Dr. van Kleffens) and five former Assembly presidents (Mr. Lester Pearson, Dr. Luis Padilla Nervo, M. Nasrollah Entezam, General Carlos Romulo, and M. Paul-Henri Spaak); by President Eisenhower, who spoke at the opening session; and by Mr. Harry S. Truman, who was President of the United States when the U.N. first met in San Francisco in 1945, and who was specially invited to address the tenth anniversary session.

Speeches were made by President Eisenhower; by the Foreign Ministers or other representatives of the 60 member-nations; and by Dr. Hammarskjold, Dr. van Kleffens, and Mr. Truman. Extracts are given below from the speeches of President Eisenhower, the Foreign Ministers of Great Britain, the Soviet Union, France, and the United States (respectively Mr. Harold Macmillan, M. Molotov, M. Pinay, and Mr. Dulles), and Mr. Truman.

President Eisenhower, speaking at the opening session on June 20, stressed both the "victories" and "failures" of the U.N during its first ten years' existence, and added "But it is clear that without the United Nations, the failures would still have been written as failures into history And certainly, without this Organization, the victories could not have been achieved; instead, they might well have been recorded as human disasters. These, the world has been spared"

Turning to the situation at the present day, President Eisenhower said that the summer of 1954, like that of 1945 when the U.N was founded, was "another season of high hope for the world," and of determination to make every effort to secure a just and lasting peace "The heartfelt longings of countless millions for abundance, justice, and peace seem to be commanding everywhere a response from their governments These longings have strengthened the weak, encouraged the doubtful, heartened the tired, confirmed the believing Almost it seems that men, with souls restored, are with faith and courage resuming the march towards the greatest human goal."

Referring to the forthcoming Geneva conference of the Heads of Government of France, Britain, the Soviet Union, and the U.S A, the President said that he did not know whether the participants would "reach the initial decisions that will start dismantling the terrible apparatus of fear and mistrust erected since the end of World War II." He added, however. "The basis for success is simply put. it is that every individual at that meeting be loyal to the spirit of the United Nations and dedicated to the principles of its Charter." After a solemn pledge that the United States would strive to be "thus loyal, thus dedicated," he declared: "For us there is no alternative, because our devotion to the U.N. Charter is the outgrowth of a faith deeply rooted in our cultural, political, and spiritual traditions."

President Eisenhower presented a message from the U.S. Congress (unanimously adopted a week earlier) expressing the deep desire of the American people for peace, and the hope that all nations would join with the U.S A. in renewed efforts towards this goal. He made a plea for a peace which would not be "a mere stilling of the guns" but "a glorious way of life"; reiterated America's "unswerving loyalty" to the United Nations and her "tireless support" of the world Organization, and said that the Secretary of State, Mr Dulles, would speak later on "appropriate elements" of U S foreign policy.

Mr. Harold Macmillan said "the United Nations, as it stands today, probably represents the highest common factor of agreement that is possible among the nations." He added "The United Kingdom will continue to strive by all means in her power to perfect this unique instrument for international co-operation Whatever its defects may be, and however far it may have fallen short of the high hopes placed on it in 1945, it remains unique—the only place in the world where all the world's problems can be considered as a whole." After observing that the East-West tensions of the past decade had seemed "unending," Mr. Macmillan said that there had recently been "a lifting of the cloud," and asked whether it was not possible at the forthcoming Geneva conference "to recover the mental outlook of 1945."

The British Foreign Secretary paid tribute to many of the U.N.'s achievements of the past ten years, and, in particular, to the Assembly's unanimous recommendation at its ninth session (see page 13994) for the creation of an international agency to promote the peaceful uses of atomic energy. "This splendid idea," he said, "is already taking shape, and the Agency may eventually prove to be the blueprint of a revolutionized industrial and social life for the world of the future." Mr. Macmillan also believed that the international scientific conference on "atoms for peace," to be held at Geneva in the autumn, "may well prove to be the most important international conference which the U.N. has organized." The economic and social work of the U.N. specialized agencies, moreover, "though it may be unspectacular, is one of the most important contributions to the construction of a peaceful world."

Referring to the long-standing membership problem, Mr Macmillan said that although the U.N. could justly claim to be a world organization, "we must recognize that it falls short of the ideal, which is that it should reflect fully the whole world-community of peace-loving states Though it may not be possible to solve this problem in present circumstances, yet a solution must be found in due course if the U N is to fulfil its true destiny"

In sum, Mr Macmillan found that during its first decade "the United Nations has adapted itself with remarkable flexibility to the rapidly changing conditions in the world," and that its Charter had proved to be "a finely-adjusted and balanced instrument, sufficiently flexible to permit of adaptations and interpretations corresponding to the changes in the international scene." He concluded: "If we are to avoid a third and far more terrible world war, if we are to keep the peace and build up the strength of the free peoples, we shall need the United Nations. We must maintain our faith in it, whatever the future may bring."

M. Vyacheslav Molotov said that the U.S.S.R. was fully alive to the "significant place" it occupied in the U N., and would "do everything in its power to support and sustain the U N. in all its activities so as to ensure a lasting peace and international security." On the disarmament question he stressed that the Soviet Union had accepted the Western Powers' proposals on conventional armaments "in full," and that it was now "up to the United States and other Western Powers to make the next move." Moreover, the U.S S.R. had also "met the Western Powers halfway" by accepting their proposal that, prior to complete prohibition of atomic weapons, nations should have the right to resort to such weapons for defence against aggression with the consent of the Security Council

During his speech M Molotov referred to a number of recent developments which, he said, had contributed to the lessening of world tension, such as the conclusion of the Austrian State Treaty, the normalization of relations between Yugoslavia and the Soviet Union, and the Soviet invitation to Dr. Adenauer to visit Moscow. Of the problems which still called for settlement, he particularly stressed the question of Chinese representation in the U N and the situation regarding Formosa and the offshore islands. As regards the former, he declared that the Chinese People's Republic "must without delay have every opportunity to be represented in the General Assembly and Security Council." and described the present situation as "illegal." On the second question, he declared that Formosa and the offshore islands were "historic Chinese territory" and that the U N. should take "expeditious measures for the settlement of this important problem."

M Molotov said that the forthcoming "summit" conference at Geneva would have "great significance and importance" provided all the participants displayed a "genuine desire for the relaxation of international problems and the consolidation of peace" He cited the Bandung Conference of Asian and African nations as an example of the successful application of the principle of peaceful co-existence between countries with different social systems

In the course of his speech M. Molotov submitted to the U N seven objectives for the lessening of world tension: (1) implementation of the Assembly's resolution for the banning of war propaganda in all countries, (2) agreement among the great Powers to dismantle military bases in foreign territories; (3) development of the peaceful uses of atomic energy, and large-scale industrial, scientific and technical assistance to under-developed countries, (4) an agreement between the U.S A, Britain, France, and the U.S S R on the withdrawal of their forces from Germany, with the exception of local police forces; (5) the settlement of outstanding Far Eastern problems "in accordance with the principles of sovereignty and territorial integrity", (6) removal of all discriminations hampering widespread economic co-operation and international trade, (7) expansion of cultural relations "through a wide exchange of delegations and the development of tourism."

M. Antoine Pinay laid special emphasis on the need for security, and in this connexion stressed the uses of regional defensive associations After declaring that France was "not prepared to abandon the security ensured to her by NATO," he added. "It is not by such defensive treaties that international tension will be increased and divisions multiplied It is not by tightening bonds between allied peoples that *rapprochement* between disunited peoples will be thwarted. On the contrary, these accords concluded on the regional level open the way for agreements on the international level, with the same equality of duties and the same certainty of guarantees" Amplifying this point, M. Pinay spoke of the "great movement of association in Western Europe," and added. "This effort may itself be extended gradually to a wider geographic entity—to the whole of Europe, the present partitioning of which represents a dangerous anachronism. East and West are already co-operating within the U.N. specialized agencies. Why should not Eastern Europe some day participate in the great plans now being drawn up in Western Europe?"

M Pinay went on to express the belief that regional agreements might "offer a solution to one of the main problems that divide East and West at the present time—the problem of the division of Germany." Declaring that "German unity must be re-established with equal security for all," he maintained that Germany could not be neutralized, since "a great people cannot indefinitely be subjected to a trusteeship" "We must, in my opinion," he added, "give a free Germany the chance of being associated in a system of security, including reciprocal limitation and control of armaments"

Mr. John Foster Dulles gave an assurance that the U.S.A. would try to carry into the Geneva "summit" conference "the spirit which has been generated by the U.N. tenth anniversary observance."

He added: "There is one extremely simple method of bringing an end to what is called the 'cold war,' namely, to observe the Charter of the United Nations—to refrain from the threat or use of force in international relations and from subversion against the institutions of other countries. It is in that spirit that we go to Geneva, and we hope to find that spirit shared. If so, we can find there new procedures, or at least develop a new impetus, which will help to solve some of the vast and stubborn problems that still confront us."

Among "the problems that confront us as we face the future," Mr Dulles listed the following: (1) German unification; (2) the Eastern European nations, "many with a long and proud record of national existence, which are in servitude", (3) the "Chinese Communist regime which became an aggressor in Korea, for which it stands condemned by the United Nations", (4) the "existence of that apparatus known as international communism"; and (5) the "urgent problem of limiting the crushing burden of armaments." As regards the disarmament question, Mr. Dulles noted that the Soviet Union had "recently indicated that it might be prepared seriously to consider the initiative which had been taken months before by the other members of the U.N. Disarmament Sub-committee." He added. "Let us hope that these indications can be translated into concrete action, making possible limitations of armaments which are in fact dependable and not a fraud. The United States asks no nation to do what it is not prepared to do itself . ."

Mr. Dulles noted several "encouraging international developments" in recent months—the end of the fighting in Korea and Indo-China, the signing of the Austrian State Treaty; an improvement in relations between the Soviet Union and Yugoslavia, the Soviet Union's approach for diplomatic and trade relations with the German Federal Republic. "These are indeed significant developments," he added. "But in our rejoicing, let us not forget why they have occurred, or the sequence of events that have brought us where we are. . . What has happened is because certain nations backed steadfastly the principles of the United Nations, and backed them with a resolve that, if need be, carried with it blood and treasure. . . Some say that what has happened marks the beginning of an era. I believe that that can be. Certainly the United States, I pledge you, will do all that lies within its power to make it so. But we do not forget—we dare not forget—that some of those who now hail the recent developments are precisely those who sought for years to stop them .... Steadfastness to principle and sacrifice for principle are the proven price of the good that we have won. It would be reckless to expect further good at any lesser price."

Mr. Harry S. Truman spoke as follows at the final session: "It is almost exactly ten years since I spoke, as President of the United States, to the concluding session of the conference which framed the U.N. Charter. . . . It was my fate to take over the Presidency upon the tragic death of Franklin Delano Roosevelt. President Roosevelt was among the first to envision the U.N. as an instrument to keep the peace. My first official act when I took office was to instruct Secretary of State Stettinius to proceed with the U.N. conference as planned. . . . It was held in this city as scheduled, and the difficult task of drafting the Charter was completed . . On that occasion I pledged my support to the United Nations. I believe that I have kept that pledge, both as President and since I retired from the White House. Certainly I have never failed to work for the United Nations, and tonight as a private citizen I pledge my support of it once again . .

Since the Charter was signed many things have happened and many vital decisions have been made. The U.N. has faced many crises. . . . At one point in this period armed aggression in violation of the principles of the U.N. took place with the support and help of nations that had signed the Charter. That aggression was met as it had to be met—we had to fight to preserve the principles of the United Nations. And the Charter which we signed here at San Francisco in 1945 was given new life and vigour by the sacrifices of the many brave men of many nations who fought to uphold it in Korea. . . .

I have been, and still am, one of the most ardent advocates of disarmament. . . . This question of armaments has clouded the international horizon for many years. It grows more and more serious. Every year science places new and more terrible weapons in our hands. Every year the consequences of sudden attack and the perils of inadequate defence become more deadly. Today, the battles of World War II are almost as far behind us technologically as the battles of Napoleon or of Genghis Khan. The use of force in international affairs today raises the threat—the almost incomprehensible threat—of total destruction, not only of cities and nations, but of all human life. I earnestly hope that the time has come when we may break the deadlock on international disarmament. . . .

Second only to peace in the U.N. Charter is the emphasis it lays on improving the standards of living of mankind and of safeguarding the fundamental freedoms of man. This work must be carried on at the same time that we strive to eliminate war. . . . As I think back over the last ten years, I am encouraged by what has been done in the economic and social field. But all our accomplishments to date are only a good beginning. There is much that remains to be done. . . .

In this atomic age no nation can live unto itself alone. There is no hope for any nation either in isolation or in imperialism. The U.N. is the best hope of mankind for deliverance from mutual destruction, a beacon of hope to a world that has no choice but to live together or to die together. The Charter may not be perfect, but no charter can provide easy or automatic solutions for the complex and difficult problems of international life. The Charter does give us the means, the opportunity, of meeting and resolving these problems by peaceful processes. In our impatient zeal for perfection, let us not lose faith in the Charter and the means it provides for working together for our common salvation.

We have come a long way in the last ten years. During this fateful period two great forces have emerged to play an essential role in shaping the destiny of mankind. One of these is the United Nations—man's most ambitious attempt to keep the peace. The other is the development of nuclear science, which has unleashed physical power of a magnitude hitherto undreamed of—a magnitude great enough to make fundamental changes in man's way of life for better or for worse. We in our generation are confronted with the challenge of reconciling these two great forces. We must use the one and harness the other so that we may combine them for the everlasting benefit of all mankind."

The following declaration, drawn up by Dr. van Kleffens and officially described as a "summation" of the tenth anniversary session, was read to the final session by Dr. van Kleffens after prior approval by all the delegations:

"(1) All members participating in the commemorative meeting of the United Nations assembled in San Francisco on the tenth anniversary of the Organization have reaffirmed their common determination to save succeeding generations from the scourge of war. The ten years since June 26, 1945, have given new meaning and urgency to this universal aspiration of the peoples, for they know that another war fought with the weapons now at their disposal would bring untold calamities to mankind. Their aim is peace, based, in accordance with the explicit text of the Charter, on security, justice, and good neighbourliness.

(2) They proclaim again their common dedication to the purposes and principles formulated in the Charter. They recognize that the hope of enduring peace rests upon how well the nations carry out these purposes and uphold these principles in their relations with each other.

(3) They have reaffirmed their determination to make new efforts to settle international disputes, as the Charter calls upon them to do, by peaceful means in such a manner that international peace, security, and justice are not endangered, and to live together in peace and unity.

(4) They have pledged themselves equally to press forward in the search for agreement on a disarmament plan that can provide a greater measure of security to the nations and remove the threat of atomic destruction from the world. They declare their belief in the determination of the nations to direct the creative resources, thus freed from the burden of armaments, to the improvement of the lives of peoples everywhere."

The tenth anniversary session was held in the San Francisco Opera House. It began and ended with a minute of silent prayer or meditation.—(United Nations Review, New York - U.N. Information Centre, London - New York Times - New York Herald Tribune - Times - Manchester Guardian)

(Prev. rep. San Francisco Conference, 1945, 7413 A.)

A. ALBANIA.—Request for U.N. Aid in Normalization of Greco-Albanian Relations.

The Albanian News Agency announced on July 2 that Albania had asked the U.N. Secretary-General (Dr. Hammarskjöld) to convey to the Greek Government Albania's desire to establish "normal diplomatic and good-neighbourly relations" with Greece. The message rejected an earlier Greek statement that there was still a state of war between Greece and Albania resulting from Albanian participation in Fascist Italy's attack on Greece in 1940. It claimed that the Albanian people had fought "side by side with the Greek people against their common enemies, Fascist Italy and Nazi Germany," and that Albania's status as an Allied country had been internationally recognized.—(Times - Manchester Guardian)

(Prev. rep. 13224 B.)

B. UNITED KINGDOM. — Financial and Monetary Policy. - Further Treasury Sale of Dollar Securities.

The Treasury announced on July 15 that it was arranging to sell through the London Stock Exchange a further $15,000,000 worth of its holdings of dollar securities which had originally been taken over from U.K. holders as collateral for the wartime loan from the U.S. Reconstruction Finance Corporation. The list of the securities affected, comprising two series of bonds and 14 different common or capital stocks, was published on the same date; it compared with some 48 bonds or shares which had been disposed of by the Treasury in the previous sale of dollar securities.—(Financial Times) **(14050 G.)**

C. UNITED STATES. — National Debt. - Increase in Maximum Limit extended for Further Year.

The temporary increase in the maximum limit of the U.S. National Debt from $275,000,000,000 to $281,000,000,000, due to expire on June 30, was extended for a further 12 months under a Bill signed by the President on that date. The Bill had been passed by the House of Representatives on June 27 and by the Senate earlier on June 30.—(New York Times)

(Prev. rep. 13795 D.)

A. INDIA - PAKISTAN. — Discussions between Mr. Nehru and Mr. Mohammed Ali on Kashmir Question. - Agreements on Prevention of Border Incidents, Shrines and Holy Places, Division of India Office Library, Evacuee Property, Railway Stores, and Boundary Disputes. - Temporary Agreement on Canal Waters.

The Prime Minister of Pakistan, Mr. Mohammed Ali, accompanied by the Ministers of Home Affairs and Education (respectively Major-General Mirza and Colonel Hussain), visited New Delhi from May 14-18 for discussions with Mr. Nehru, Pandit Pant (the Indian Home Minister), and Dr. Azad (the Indian Minister of Education) on the Kashmir problem and other questions of common interest to the two countries. A joint communiqué stated that the talks had been "cordial and full," that they had "covered a wide variety of subjects of common concern," and that both sides had "approached these subjects in a friendly spirit and with a desire to explore every avenue to reach settlements of pending problems." The Kashmir problem had been "discussed fully in all its aspects," and it had been decided "to continue these talks at a later stage after full consideration had been given by both Governments to various points that had been discussed."

Before leaving India, Mr. Mohammed Ali told the Press on May 18 that "slight progress" had been made, that "new methods and new approaches" had been considered, and that he was "not going back disappointed."

Mr. Nehru told a press conference in New Delhi on May 31 that "new ground" had been covered in his talks with Mr Mohammed Ali, but that he could not say much about the discussions He added, however, that the approach on both sides had been not only friendly but constructive and "not the old dead wall approach"

Major-General Mirza and Pandit Pant had separate discussions during which they reached agreement on the prevention of border incidents and on the preservation of shrines and holy places. Dr. Azad and Colonel Hussain discussed the proposed division between the two countries of the India Office Library in London (see 14308B).

A communiqué on the talks between the two Home Ministers, issued on May 17, ran as follows :

"On the question of border incidents, the Ministers agreed that demarcation of the boundary should be finalized as early as possible. Pending final demarcation, certain arrangements were agreed upon with a view to avoiding possibilities of disputes and the danger of clashes between armed forces on the two sides The Ministers agreed that demarcation of the boundary between the two Punjabs should be given the highest priority, and should be completed within three months. Agreement was also reached on a reduction in the number of border forces on both sides and the arms to be carried by them. The Ministers further agreed to the appointment of senior officers by the Governments of India and Pakistan to co-ordinate the implementation of the agreement.

As regards shrines and holy places, the Ministers agreed to appoint a joint committee to work out details of implementing the 1953 agreement on the subject (see 13840 A). This committee would, in particular, work out arrangements for the preservation of holy places and examine the question of properties attached to them. They also agreed that free and liberal facilities should be granted to pilgrims from one country to visit shrines and holy places in the other country, either individually or in parties"

The following communiqué on the talks between the Ministers of Education was issued on May 18 :

"The Education Ministers of India and Pakistan have considered the question of the India Office Library in London and have agreed that as the Library belongs to the present Governments of India and Pakistan, as successors to the Government of undivided India, the question of the disposal of the Library is the concern of the two Governments, and will be settled by them. The Education Ministers considered various ways of dealing with the problem and decided to continue their discussions later."

Other recent developments relating to Indo-Pakistani relations are summarized below.

The Nekowal Incident. An exchange of fire lasting several hours, in which six Indian soldiers, six Indian civilians, and two members of the Pakistani border police were killed, occurred at Nekowal (a village on the border of Jammu and "Azad Kashmir") on May 7. A strong protest was lodged on May 9 by the Indian Government, which asked for an assurance that the incident would not be repeated, and reserved the right to demand compensation. The Pakistani Government, replying on May 11, stated that the Indian claim for compensation could not be entertained until investigations into the incident by U.N. observers were completed. During his visit to Delhi, Mr. Mohammed Ali expressed to President Prasad his profound regret at the incident, and stated that if any Pakistani were proved to be guilty, "the severest possible action" would be taken.

Evacuee Property. The Indian Minister of Rehabilitation (Mr. M. C. Khanna) visited Karachi from April 5-16 for discussions with members of the Pakistani Government, as a result of which an agreement was reached on the transfer of evacuees' bank accounts and the release of their lockers and safe deposits. This provided that all lockers and safe deposits should be released in bulk by an agreed date; that all amounts due to the banks from the Custodians or from Government departments in either country should be credited to the accounts of the bank concerned by that date; that both Governments should give every facility for the realization of the debts due to the banks; and that a committee of three representatives from each country should supervise the implementation of these decisions.

This agreement, and that on movable evacuee property reached at the secretariat-level conference in March (see 14141 A), were ratified by both Governments on May 19.

The movable property agreement provided that :

(1) the Custodians on each side would be instructed to restore evacuees' movable property to the rightful owners or to liaison officers appointed by the two Governments;

(2) Indian notes and coins restored by the Custodians, or forming part of seized movables, or recovered from buried treasures in Pakistan, would be permitted to be exported to India,

(3) the Indian Government would permit remittances to Pakistan of equivalent amounts at the official rate of exchange for coins and notes recovered from India;

(4) both countries would permit the export of bullion similarly restored or recovered, and of machinery and trade goods;

(5) the lists of sale proceeds of properties deposited with the Custodians would be exchanged *en bloc*, along with cheques for the amounts given in the lists;

(6) fresh lists of outstanding postal certificates, savings bank accounts, and postal parcels lying in the two countries would be exchanged,

(7) property (both movable and immovable) of joint-stock companies would be restored, compensation being paid where such property had been allotted or acquired by the Government,

(8) securities, shares, debentures, and insurance policies deposited in banks would be restored to the evacuee owners or their heirs, after meeting the claims of banks in which they had been deposited;

(9) in the case of shares, securities, debentures, and insurance policies not held in banks, restrictions imposed by the Custodians on payment of dividends and interest, and on transfer of shares, etc, would be removed;

(10) contractors' claims would be dealt with through the Central Claims Organization,

(11) target dates would be fixed for completing action on all important items, and every effort made to observe these dates

Railway Stores. The Indo-Pakistani Railways Standing Committee and Stores Sub-committee, meeting in New Delhi on Dec 21-27, 1954, reached an agreement on the division of rolling-stock and stores between the two countries, and on the transfer of service records and provident fund accounts of railway employees. The agreement was subsequently ratified by the Pakistani Government

Boundary Disputes. Mr S A Khan, Parliamentary Secretary to the Indian External Affairs Ministry, announced on March 12 that agreement had been reached on disputes relating to the boundary between the Murshidabad district of West Bengal and the Rajshahi district of East Pakistan

Important progress was made in settling one of the principal issues still outstanding between India and Pakistan when a temporary agreement on the use of the waters of the Indus basin for irrigation purposes was reached in Washington on June 21. Negotiations between the two countries on the canal waters issue had been resumed in Washington under the auspices of the International Bank on Dec. 6, 1954, after discussions by a representative of the Bank in Karachi and New Delhi during September. Subsequently a mission from the Bank visited Pakistan and India in March and April, 1955, and toured the areas concerned in both countries together with Pakistani and Indian engineers and officials. On the mission's return, discussions between the delegations of both Governments were resumed in Washington, ending in the above-mentioned agreement. The announcement, issued in Delhi, Karachi, and Washington on June 24, was worded as follows :

"The Governments of India and Pakistan, with the good offices of the International Bank, have entered into an agreement which was signed in Washington on June 21 by the leaders of the Indian and Pakistani delegations. The two delegations are engaged in the preparation of a comprehensive plan for the irrigation use of the waters of the Indus system of rivers.

The agreement makes provision for *ad hoc* transitional arrangements for the period April 1 to Sept. 30, 1955, and, after taking into account Pakistan's ability to transfer water in replacement from the western rivers, establishes agreed *ad hoc* amounts for additional canal withdrawals by India from the three eastern rivers (the Ravi, Beas and Sutlej) during the period covered by the agreement.

The conclusion of this agreement enables the Indian and Pakistani delegations to continue to work, with the participation of the International Bank, on the preparation of the comprehensive plan, in an atmosphere of co-operation and good will."

A newly-formed Indo-Pakistani Friendship Association (with branches in both countries) decided on Feb. 12 to set up Councils of Indo-Pakistani Affairs as an informal attempt to reconcile differences between the two countries, and to present their views to their respective Governments.—(Indian and Pakistan High Commissioners' Offices, London - The Hindu, Madras - The Statesman, Calcutta) **(Prev. rep. 14141 A; 14151 A; Canal Waters, 13925 A; Map, 13789 A.)**

A. UNITED STATES.—Withdrawal of Government's Charges against Professor Owen Lattimore.

The U.S. Attorney General (Mr. Brownell) announced on June 28 that the Government had decided to withdraw its charges of perjury against Professor Owen Lattimore, thereby bringing to an end one of the most protracted American legal actions in recent years. Professor Lattimore, director of the School of International Relations at Johns Hopkins University, is an authority on China, where he worked at various periods in the 1920's and 1930's. In 1941-42 he was political adviser to Generalissimo Chiang Kai-shek, and in 1942-46 served as deputy director of Pacific Operations with the Office of War Information in San Francisco.

The present case arose out of the charges made by Senator McCarthy in February, 1950, that the State Department, then under President Truman's Democratic Administration, was, or had been, employing a number of Communists on its staff. A special Senate sub-committee under Senator Tydings was set up to investigate these allegations, and it was in evidence to this committee that Senator McCarthy had first mentioned Professor Lattimore, referring to him as "the top Russian espionage agent in the United States" (see 10715 A). After an exhaustive inquiry, however, the Tydings committee rejected Senator McCarthy's allegations, describing them as "a fraud and a hoax perpetrated on the Senate of the United States and the American people."

Despite this decision, the late Senator McCarran, as chairman of the Senate Internal Security sub-committee, instituted an investigation of the Institute of Pacific Relations, whose journal, *Pacific Affairs*, had been edited by Professor Lattimore from 1934 to 1941. The committee examined the records and files of the Institute, going back for nearly 30 years, and between July, 1951 and February, 1952, heard public testimony from various witnesses on the Institute's affairs, Professor Lattimore himself being cross-examined for 12 days. In July, 1952, the McCarran sub-committee published its report, in the course of which it accused Professor Lattimore of having been "a conscious, articulate instrument of Soviet conspiracy," and recommended that the transcript of the hearings be turned over to the Justice Department for investigation into possible perjury. The Attorney General (then Mr. McGrancry) announced on Dec. 2, 1952, that he had directed a Federal grand jury in Washington to investigate the charges, and on Dec. 16 the grand jury indicted Professor Lattimore on seven counts of perjury.

These were that he had lied under oath .—

(1) by denying that he had ever been "a sympathizer or any other kind of promoter of Communism or Communist interests";

(2) by denying that he had been told before 1950 that Ch'ao-ting Chi, a Chinese, was a Communist;

(3) by denying that he knew that the pseudonym "Asiaticus," the name taken by one of the contributors to *Pacific Affairs*, was that of a Communist writer;

(4) by asserting that he had not published any articles written by Communists while he was editor of *Pacific Affairs*;

(5) by testifying that a meeting with Constantine Oumansky, former Soviet Ambassador to the United States, had not taken place during the period of the Hitler-Stalin pact [i.e. the Soviet-German non-aggression pact of 1939];

(6) by saying that he had not handled mail for Lauchlin Currie, an aide to President Roosevelt during the Second World War;

(7) by denying that a visit he had made in 1937 to the Chinese Communist headquarters in Yenan had been prearranged with the Communist Party.

After a brief hearing on Dec. 19, 1952, at which Professor Lattimore pleaded "not guilty" to all the charges, the trial was adjourned to enable the two sides to prepare their cases. On May 2, 1953, however, Federal Judge Luther W. Youngdahl, before whom the case was being tried, dismissed four counts of the indictment and expressed "serious doubt" about the remaining three counts.

On the first count, which he discussed at great length, Judge Youngdahl said that it violated both the First and Sixth Amendments to the Constitution and was "so nebulous and indefinite that a jury might have to indulge in speculation in order to arrive at a verdict." The arguments against the first count, he added, were "even stronger when applied to Counts 3 and 4," whilst Count 7 was "clearly defective in its plain inconsistency and indefiniteness."

On May 14, 1953, the Department of Justice announced that it would appeal against Judge Youngdahl's decision.

In a brief filed on Aug. 24, the Department asked the Federal Court of Appeals to reinstate the four counts which had been dismissed. It asserted that Judge Youngdahl had violated "settled principles of Anglo-American law" and had, in effect, given the defendant "a licence to testify falsely under oath."

On July 8, 1954, the Federal Court of Appeals, by eight votes to one, upheld the dismissal of the first count of the indictment on the grounds of its vagueness, saying that there was "no definition of the term 'sympathizer' or any concrete specification of its content either in the indictment or the statute," and that "without definition or specification the term has no certain meaning." The court also sustained the dismissal of Count 7, but (by a vote of five to four) allowed the Government's appeal on Counts 3 and 4 and ordered them to be reinstated.

As a result of the court's dismissal of the key count of the indictment, the Government brought further evidence before the Federal grand jury, and on Oct 7, 1954, Professor Lattimore was re-indicted on two charges of committing perjury. (1) by testifying that he had never followed the Communist party line, and (2) by saying that he had never been a promoter of Communist interests. The indictment listed 132 statements by Professor Lattimore "denoting that he knowingly and intentionally was 'a follower of the Communist line'."

After Professor Lattimore had again pleaded "not guilty" to all the charges, the Government submitted an affidavit on Oct. 13, 1954, asking Judge Youngdahl to disqualify himself from presiding at the trial on the ground that he had "a personal prejudice in favour of Mr. Lattimore." Asserting that the Government could not get a "fair and impartial" trial of the Lattimore case if Judge Youngdahl presided, the affidavit said that the latter had a "fixed opinion" that Professor Lattimore was not guilty, and that it would be "improper for him to have any further official connection with the case." This request was dismissed by Judge Youngdahl on Oct. 23.

In his ruling the Judge described the Government's submission as "scandalous," and said that the affidavit was "so patently and grossly insufficient that I cannot escape from the conclusion that the purpose of the affidavit is to discredit, in the public mind, the final action of the courts, or to intimidate the courts themselves"

The two new counts in the indictment were also dismissed by Judge Youngdahl on Jan. 18, 1955, on the ground that they failed to meet the constitutional requirements for clarity.

"To require a defendant to go to trial for perjury under charges so formless and obscure as those before the court," he declared, "would be unprecedented and would make a sham of the Sixth Amendment [to the U S. Constitution] and the Federal rule requiring specificity of charges" The dismissal of the two counts on the grounds of vagueness, he said, "renders unnecessary a determination of their constitutionality under the First Amendment."

On April 11 the Government again appealed against the judge's dismissal of the most important counts of the indictment, but on June 14 the Federal Appeals Court upheld Judge Youngdahl's decision by four votes to four; the tie vote meant that the appeal was rejected, as a majority decision is necessary to overrule the judgment of a lower court.

Following Mr. Brownell's announcement on June 28 that the Government had decided to drop all its charges against Professor Lattimore, the Federal Court in Washington was formally requested on June 30 to dismiss the five remaining counts of the indictment.—(New York Times - New York Herald Tribune) **(Prev. rep. Professor Lattimore, 10715 A.)**

B. UNITED KINGDOM. — Exchange Control. - Turkey readmitted to Transferable Account Area.

The Bank of England announced on June 28 that Turkey was being readmitted to the sterling "Transferable Account Area" as from July 1. Turkey, because of her strained payments relations with Britain and the insufficiency of her sterling resources to meet her commitments, had hitherto been the only non-sterling country—apart from those falling in the dollar area—which had been denied transferable account facilities. The extension of the transferable account system to Turkey followed the conclusion in January last of a new Anglo-Turkish trade and payments agreement (see 14180 A).
(Financial Times) **(Prev. rep. 13879 B; 13483 A.)**

C. EL SALVADOR. — Friendship Treaty with Nationalist China.

A treaty of friendship between El Salvador and the Chinese Nationalist Government, which had been signed on Dec. 9, 1954, came into force on May 26 when instruments of ratification were exchanged with the Chinese Nationalist Minister to the Central American republics. (New York Times)

D. CHINA - SOVIET UNION. — Agreement on Exchange of Scientific and Technical Information.

Peking Radio announced on July 5 that the Chinese People's Republic and the Soviet Union had signed an agreement for the exchange of scientific and technical information between the two countries.—(New York Times)
(Prev. rep. Atomic Co-operation, 14220 B.)

A. THE HYDROGEN BOMB. — Scientists' Warning of Possible Extermination of Human Race in Hydrogen-bomb Warfare. - Appeal to Governments for Renunciation of War. - U.N. Study suggested by Federation of American Scientists. - U.S. Atomic Energy Commission's Report on Bikini Hydrogen-Bomb Test.

A declaration, addressed to the governments and peoples of the world, was issued on July 9 by nine internationally known scientists appealing for the renunciation of war, and giving a warning that the use of hydrogen bombs in a future war " might quite possibly put an end to the human race " and result in " universal death—sudden for a minority, but for the majority a slow torture of disease and disintegration."

Prior to this appeal, the Federation of American Scientists had issued a declaration on March 6 proposing that a U.N. commission should be set up to assess the potential dangers from atomic and hydrogen bomb explosions throughout the world, whilst on Feb. 15 the U.S. Atomic Energy Commission had issued a report on the effects of the hydrogen bomb exploded at Bikini atoll (Marshall Islands) on March 1, 1954. These statements and declarations are reproduced below under cross-headings.

Scientists' Appeal for Renunciation of War. - Warning of Effects of Hydrogen Bomb.

The text of the first-mentioned declaration was issued in London on July 9 by Bertrand (Lord) Russell, under the signatures of the late Professor Albert Einstein (who had signed it a few days before his death), Professor P. W. Bridgman (of Harvard University, U.S.A.), Professor L. Infeld (of the University of Warsaw, Poland), Professor H. J. Muller (of the University of Indiana, U.S.A.), Professor C. F. Powell (of the University of Bristol), Professor J. Rotblat (of the University of London), Professor Hideki Yukawa (of the University of Kioto, Japan), and of Lord Russell himself. Professor Joliot-Curie (France) also subscribed to the declaration, though his signature came too late for inclusion. The text of the declaration was as follows .

" In the tragic situation which confronts humanity, we feel that scientists should assemble in conference to appraise the perils that have arisen as a result of the development of weapons of mass destruction, and to discuss a resolution in the spirit of the appended draft.

We are speaking not as members of this or that nation, continent, or creed, but as human beings, members of the species Man, whose continued existence is in doubt. The world is full of conflicts, and, overshadowing all minor conflicts, the titanic struggle between Communism and anti-Communism.

Almost everybody who is politically conscious has strong feelings about one or more of these issues , but we want you, if you can, to set aside such feelings and consider yourselves only as members of a biological species which has had a remarkable history and whose disappearance none of us can desire We shall try to say no single word which should appeal to one group rather than to another. All, equally, are in peril , and if the peril is understood, there is hope that they may collectively avert it.

We have to learn to think in a new way We have to learn to ask ourselves, not what steps can be taken to give military victory to whatever group we prefer, for there are no longer such steps ; the question we have to ask ourselves is ' What steps can be taken to prevent a military contest of which the issue must be disastrous to all parties ? '

The general public, and even many men in positions of authority, have not realized what would be involved in a war with nuclear bombs. The general public still thinks in terms of the obliteration of cities. It is understood that the new bombs are more powerful than the old and that, while one A-bomb could obliterate Hiroshima, one H-bomb could obliterate the largest cities such as London, New York, and Moscow.

No doubt in an H-bomb war great cities would be obliterated. But this is one of the minor disasters that would have to be faced. If everybody in London, New York and Moscow were exterminated, the world might in a few centuries recover from the blow But we now know, especially since the Bikini test, that nuclear bombs can gradually spread destruction over a very much wider area than had been supposed.

It is stated on very good authority that a bomb can now be manufactured which will be 2,500 times as powerful as that which destroyed Hiroshima. Such a bomb, if exploded near the ground or under water, sends radio-active particles into the upper air. They sink gradually and reach the surface of the earth in the form of a deadly dust or rain. It was this dust which infected the Japanese fishermen and their catch of fish.

No-one knows how widely such lethal radio-active particles might be diffused, but the best authorities are unanimous in saying that a war with H-bombs might quite possibly put an end to the human race. It is feared that if many H-bombs are used there will be universal death—sudden only for a minority, but for the majority a slow torture of disease and disintegration.

Many warnings have been uttered by eminent men of science and by authorities in military strategy. None of them will say that the worst results are certain. What they do say is that these results are possible, and no-one can be sure that they will not be realized. We have not found that the views of experts on this question depend on any degree upon their politics or prejudices They depend only, so far as our researches have revealed, upon the extent of the particular expert's knowledge We have found that the men who know most are the most gloomy.

Here, then, is the problem which we present to you, stark and dreadful and inescapable : Shall we put an end to the human race ; or shall mankind renounce war ?

People will not face this alternative because it is so difficult to abolish war. The abolition of war will demand distasteful limitations of national sovereignty But what perhaps impedes understanding of the situation more than anything else is that the term ' mankind ' feels vague and abstract People scarcely realize in imagination that the danger is to themselves and their children and their grandchildren, and not only to a dimly apprehended humanity. They can scarcely bring themselves to grasp that they, individually and those whom they love, are in imminent danger of perishing agonizingly. And so they hope that perhaps war may be allowed to continue provided modern weapons are prohibited

This hope is illusory. Whatever agreements not to use H-bombs had been reached in time of peace, they would no longer be considered binding in time of war, and both sides would set to work to manufacture H-bombs as soon as war broke out ; for, if one side manufactured the bombs and the other did not, the side that manufactured them would inevitably be victorious.

Although an agreement to renounce nuclear weapons as part of a general reduction of armaments would not afford an ultimate solution, it would serve certain important purposes First . any agreement between East and West is to the good in so far as it tends to diminish tension. Second the abolition of thermo-nuclear weapons, if each side believed that the other had carried it out sincerely, would lessen the fear of a sudden attack in the style of Pearl Harbour, which at present keeps both sides in a state of nervous apprehension. We should therefore welcome such an agreement, though only as a first step

Most of us are not neutral in feeling, but, as human beings, we have to remember that if the issues between East and West are to be decided in any manner that can give any possible satisfaction to anybody, whether Communist or anti-Communist, whether Asian or European or American, whether White or Black, then these issues must not be decided by war. We should wish this to be understood both in the East and in the West

There lies before us, if we choose, continual progress in happiness, knowledge, and wisdom Shall we, instead, choose death because we cannot forget our quarrels ? We appeal, as human beings, to human beings Remember your humanity, and forget the rest. If you can do so, the way lies open to a new Paradise ; if you cannot, there lies before you the risk of universal death.

We invite this congress [i.e the conference proposed in the first paragraph], and through it the scientists of the world and the general public, to subscribe to the following resolution

' In view of the fact that in any future World War nuclear weapons will certainly be employed, and that such weapons threaten the continued existence of mankind, we urge the Governments of the world to realize, and to acknowledge publicly, that their purposes cannot be furthered by a World War, and we urge them, consequently, to find peaceful means for the settlement of all matters of dispute between them ' "

At a press conference on the same day, Lord Russell said that copies of the declaration had been sent to the Governments of all countries possessing or likely to possess atomic or hydrogen weapons—i.e. to the United States, the Soviet Union, Great Britain, Canada, France, and China.

Lord Russell emphasized that the declaration had no connexion whatsoever with Communist-inspired " peace campaigns," and said that it had first been discussed between himself and the late Professor Einstein. He added that Professor D. V. Skobeltzyn, of the Soviet Academy of Sciences, and Professor Li Sze-kung, the Chinese physicist, had also been asked to sign the declaration but had not replied. Professor Joliot-Curie (whose signature was welcomed as that of a " noted Communist ") had signed with the reservations that Governments should renounce war " as a means of settling differences between States," and that limitations of national sovereignty should be " agreed by all and be in the interests of all." Professor Muller, also, had made one reservation—that " an agreement to renounce nuclear weapons as part of a general reduction of armaments " should be taken to mean " a concomitant balanced reduction of all armaments."

Statement by Federation of American Scientists.

The Federation of American Scientists submitted proposals on March 6 to the State Department, and also to the chief U.S. delegate at the United Nations (Mr. Cabot Lodge), calling for the setting-up of a U.N. commission to study and evaluate the potential dangers from atomic and hydrogen bomb tests throughout the world. [The F.A.S., comprising some 2,000 American scientists and engineers, was formed as a national organization shortly after the war—see 7724 B.]

The Federation declared that the U.S. Government should take the initiative in this matter because the peoples of Asia, rightly or wrongly, were hostile to the American A-bomb and H-bomb tests and believed that the United States had "a callous disregard for the health and safety of the people of other nations." After declaring that "we may be approaching a point where we cannot be sure that we will not make all the world a laboratory and all living things the experimental objects" [of such tests], the Federation referred to the statement of the U.S. Atomic Energy Commission (see below) that the H-bomb detonated at Bikini on March 1, 1954, had covered an area of 7,000 square miles with deadly radiation. It pointed out that the U S.A. could not afford to risk another incident similar to that in which 23 Japanese fishermen had been injured by radiation, and added :

"Reaction among the Japanese people caused a near-panic in the market for fish, an important staple in their diet A strongly antagonistic reaction has developed among the peoples and spokesmen of other nations Prime Minister Nehru of India proposed an H-bomb test ban, which has received wide acclaim from many Asian peoples as well as from many individuals in the West... The Asian countries have become very concerned about the continuation of such tests, and the United States is getting the major share of criticism We have suffered a significant propaganda setback, and it is a world issue whether or not an objective study shows further tests to be dangerous ..."

Another possibility that should be considered (the Federation said) was that of "long-term damage to the human race through a general, world-wide increase of the contamination of the atmosphere" Although Atomic Energy Commission spokesmen had declared that the amount of radiation exposure due to all atomic and thermo-nuclear tests to date was on the average "no more than what one chest X-ray would produce," the Federation felt that the increasing test programmes "will ultimately reach a level which can be shown to be a serious threat to the genetic safety of all people of the world." It suggested, therefore, that the U.S Government should offer the proposed U N. commission all available information on radiation and biological effects ; that it should supply instruments and technical facilities to obtain additional information ; and that other countries should be asked to follow suit

It was proposed that the suggested U.N commission should have the following principal responsibilities .

"(1) To study the problem of radio-active contamination resulting from bomb tests, and to obtain scientific data and expert opinion on the magnitude of the radiation intensities produced.

(2) To obtain and evaluate scientific opinion on the biological and genetic effects of radiation on human beings, and to establish an agreed 'danger threshold'

(3) To report the results of the above study to the U.N. General Assembly, with recommendations as to procedures required to avoid exceeding the danger threshold."

The Federation issued a separate statement saying that it presented these proposals "with some sense of desperation."

U.S. Atomic Energy Commission Report on H-Bomb Test.

A report on the Bikini hydrogen-bomb test of March 1, 1954 (see 13699 A, 13485 A) was issued by the U.S. Atomic Energy Commission on Feb. 15. After pointing out that a nuclear detonation produced four major characteristics—blast, heat, immediate nuclear radiation, and residual radioactivity, "of which the first three are essentially instantaneous, while the fourth has a more protracted effect"—the report discussed (1) the radioactive "fall-out" in the Bikini test, (2) protective measures against the "fall-out," (3) the "fall-out" from the atomic bomb tests in Nevada, (4) the effects of the "fall-out" of radio-strontium and radio-iodine, two isotopes which "constitute the principal internal hazards from the radioactivities produced by detonations of atomic weapons, both fission and thermo-nuclear," and (5) the genetic effects of radiation. A summary is given below under cross-headings.

The "Fall-out" in the Bikini H-Bomb Test. "The very large thermo-nuclear device fired at the Bikini atoll on March 1, 1954, was exploded on a coral island. Coral consists of calcium carbonate, thus the detonation's radioactivity was spread by particles consisting largely of unslaked lime which, during the hours of descent, was slaked by moisture in the atmosphere These particles ranged between 1/1000th and 1/50th of an inch in diameter... The prevailing winds were westerly, so the bomb cloud moved generally to the east and deposited the radioactive particles in varying amounts over an elliptical or cigar-shaped area. About 160 miles down-wind from the point of burst, the early fall-out was observed in the form of fine particles which looked like snow. Fall-out began there about eight hours after the detonation and continued for several hours.

The Roentgen is the commonly accepted unit of measurement of radiation dosage. A dose of about 25 Roentgens of radioactivity received by a person over a brief space of time will produce temporary changes in the blood. A dose of some 100 Roentgens received in a short interval may produce nausea and other symptoms of radiation sickness. About 450 Roentgens delivered over a day or so might be fatal to approximately half of the persons exposed. However, because of the body's repair processes, a total radiation dose which would be serious if incurred in a few minutes would produce much less effect if spread over a period of years. These statements may be helpful in understanding the data which follow.

The test explosion, at ground surface, contaminated a cigar-shaped area extending approximately 220 miles down-wind and varying in width up to 40 miles In addition, there was a contaminated area upwind and crosswind extending possibly 20 miles from the point of detonation. Data was collected from 25 points on five atolls located from 10 to 330 miles downwind from Bikini atoll .

Data from this test permits estimates of casualties which would have been suffered within this contaminated area if it had been populated These estimates assume (1) that the people in the area would ignore even the most elementary precautions , (2) that they would not take shelter but would remain out of doors completely exposed for about 36 hours , and (3) that in consequence they would receive the maximum exposure Therefore the estimates which follow are what might be termed extreme estimates, since they assume the worst possible conditions.

On the basis of data from this and other tests, it is estimated that, following the test explosion on March 1, 1954, there was sufficient radioactivity in a downwind belt about 140 miles in length, and of varying width up to 20 miles, to have seriously threatened the lives of nearly all persons in the area who did not take protective measures During the actual tests, of course, there were no people in this zone Inside Bikini atoll at a point 10 miles downwind from the explosion it is estimated that the radiation dosage was about 5,000 Roentgens for the first 36-hour period after the fall-out. The highest radiation measurement outside of Bikini atoll indicated a dosage of 2,300 Roentgens for the same period. This was in the Rongelap atoll, about 100 miles from the point of detonation. Additional measurements in Rongelap atoll indicated dosages, for the first 36-hour period, of 2,000 Roentgens at 110 miles, 1,000 Roentgens at 125 miles, and, farther south, only 150 Roentgens at 115 miles from Bikini.

Some distance farther from the point of detonation, at about 160 miles downwind and along the axis of the ellipse, the amount of radioactivity would have seriously threatened the lives of about one-half of the persons in the area who failed to take protective measures. It is estimated that the radiation dosage at that point was about 500 Roentgens for the first 36-hour period.

Near the outer edge of the cigar-shaped area, or approximately 190 miles downwind, it is estimated that the level of radioactivity would have been sufficient to have seriously threatened the lives of 5 to 10 per cent of any persons who might have remained exposed out of doors for the first 36 hours In this area the radiation dosage is estimated at about 300 Roentgens for the first 36-hour period

Thus, about 7,000 square miles of territory downwind from the point of burst was so contaminated that survival might have depended upon prompt evacuation of the area or upon taking shelter and other protective measures

At a distance of 220 miles or more downwind, it is unlikely that any deaths would have occurred from radioactivity even if persons there had remained exposed up to 48 hours and had taken no safety measures

The estimates cited above do not apply uniformly throughout the contaminated area, inasmuch as the intensity of radioactivity within a region of heavy fall-out will vary from point to point due to such factors as air currents, rain, snow, and other atmospheric conditions Because of this, and because most persons, if given sufficient warning, probably would evacuate the area or take shelter and other precautionary measures, the actual percentage of deaths could reasonably be presumed to be considerably smaller than these extreme estimates."

Protection against Radioactive Fall-out. "In an area of heavy fall-out, the greatest radiological hazard is that of exposure to external radiation. Simple precautionary measures can greatly reduce the hazard to life. Exposure can be reduced by taking shelter and by utilizing simple decontamination measures until such time as persons can leave the area. Test data indicate that the radiation level (i.e., the rate of exposure) indoors on the first floor of an ordinary frame [wooden] house in a fall-out area would be about one-half the level out-of-doors. Even greater protection would be afforded by a brick or stone house. Taking shelter in the basement of an average residence would reduce the radiation level to about one-tenth of that experienced out-of-doors. Shelter in an old-fashioned cellar, with a covering of earth three feet thick, would reduce the radiation level to about 1/5000, or down to a level completely safe in even the most heavily contaminated area."

The Fall-out from the Nevada Tests. "Only relatively small nuclear test explosions are conducted at the Nevada test site, in contrast to the tests of high-yield thermo-nuclear devices at the Pacific proving grounds. . . . High air-bursts at the Nevada test site have produced no significant fall-out ; heavy fall-out from near-surface explosions has extended only a few miles from the point of burst. The hazard has been successfully confined to the area of the test site. The highest actual dose of radiation at an off-site community has been estimated to be less than one-third of the greatest amount of radiation which atomic energy workers are permitted to receive each year under the Commission's safety standards."

Radiostrontium and Radio-iodine Fall-out. "One of the most biologically important radioactive substances found in fall-out is strontium-90. It has a long lifetime—nearly 30 years on the average. Radiostrontium has a chemical similarity to calcium and therefore, when taken into the body, it has a tendency to collect in the bones. Radiostrontium can enter the body in two ways—by inhaling or by swallowing. Normally, the amount inhaled would be small compared with the amount one might swallow. Fall-out material deposited directly on edible parts of plants may be eaten along with the plants, but washing the plants before they are eaten would remove

most of this radioactive material. However, rainfall carrying the radiostrontium down to earth may deposit it in the soil, where it can be taken up by plants and incorporated into plant tissues, later to be eaten by humans or by grazing animals which, in turn, provide food for humans.

Since the start of nuclear tests, careful measurements have been made of the distribution of radiostrontium over the earth's surface, in the soils, in plants and animal tissues, in the oceans, in rain, in the atmosphere and in all forms in which it might be expected to occur The results of this study are reassuring. The amount of radiostrontium now present in the soil as a result of all nuclear explosions to date would have to be increased many thousand times before any effect on humans would be noticeable.

Among the shorter-lived fission products involved in the study of internal radiation, the most biologically important is radio-iodine-131, with an average life of only 11½ days Even though this product may be widely spread after a nuclear explosion, the possibility of serious hazard is limited by its relatively short life Like the non-radioactive form of the element, it concentrates in the thyroid gland and, in excessive quantity, conceivably could damage the thyroid cells.

Scientists of the Atomic Energy Commission have estimated that the average exposure of people in the U S.A. from radio-iodine in the fall-out from the entire series of tests in the spring of 1954 was only a few per cent of the annual dose that can be received year after year and still have no noticeable effects.

These two isotopes—radiostrontium and radio-iodine—constitute the principal internal hazards from the radioactivities produced by the detonations of atomic weapons, both fission and thermo-nuclear Any accumulation of these materials can be detected with great sensitivity, so that ample warning of potential hazard could be given long before any actual danger occurred from test detonations. The amounts of radiostrontium and radio-iodine which have fallen outside the areas near the test sites as a result of all atomic tests up to now are insignificant compared to concentrations that would be considered hazardous to health "

Genetic Effects of Radiation. " One other effect of radiation must be considered in evaluating the long-range possibilities of hazard from nuclear detonations This is the possible genetic effect upon the germ cells which transmit inherited characteristics from one generation to another At our present stage of genetic knowledge, there is a rather wide range of admissible opinion on this subject.

In general, the total amount of radiation received by residents of the U S A. from all nuclear detonations to date, including the Russian and British tests and all our own tests in the United States and the Pacific, has been about one-tenth of one Roentgen This is only about 1/100th of the average radiation exposure inevitably received from natural causes by a person during his or her reproductive lifetime. It is about the same as the exposure received from one chest X-ray.

The medical and biological advisers of the Commission believe that the small amount of additional exposure of the population of the U.S.A. from our nuclear weapons-testing programme will not seriously affect the genetic constitution of human beings. Nevertheless, we are continuing our thorough study of the entire question and will continue to report our findings to the American people."

Summary. " The Commission hopes that the information contained in the report will never be reflected in human experience as the result of war. However, until the possibility of an atomic attack is eliminated by a workable international plan for general disarmament, the study and evaluation of weapons effects and civil defence protection measures must be a necessary duty of our Government.

Inevitably, a certain element of risk is involved in the testing of nuclear weapons, just as there is some risk in manufacturing conventional explosives or in transporting inflammable substances such as oil or gasoline on our streets and highways The degree of risk must be balanced against the great importance of the test programmes to the security of the nation and of the free world However, the degree of hazard can be evaluated with considerable accuracy, and test conditions can hold it to a minimum None of the extensive data collected from all tests shows that residual radioactivity is being concentrated in dangerous amounts anywhere in the world outside the testing areas "

In a statement on Feb. 22 to the Senate Armed Services Committee, Dr. John Bugher (head of the Atomic Energy Commission's biological and medical section) disclosed that, in addition to the 23 Japanese fishermen, 300 Marshall Islanders and members of the U.S. task force had been injured by radiation during the Bikini H-bomb test, 84 having been subjected to " severe exposure."—(New York Times - New York Herald Tribune - Times - Daily Telegraph - Manchester Guardian - Observer) **(Prev. rep. Bikini H-Bomb Test, 13699 A; 13485 A.)**

A. UNITED STATES. — Merger of Remington Rand and Sperry Companies.

Remington Rand Inc., one of the most important U.S. manufacturers of business machines and electronic computing equipment, and the Sperry Corporation, a leading manufacturer of electro-mechanical and hydraulic equipment, merged on July 1 into a new company known as the Sperry Rand Corporation. Total assets of Sperry Rand are about $484,000,000. (New York Times)

B. ITALY. — Trade Unions. - Communist Losses in Works Council Elections.

The annual Works Council elections which took place in recent months in the larger Italian industrial establishments resulted in the loss by the Communists and Left-wing (Nenni) Socialists of their previous majorities in a number of leading factories, which had for years been considered among their principal strongholds.

At the Fiat motor works in Turin, the elections held on March 29 gave the non-Communist Italian Confederation of Workers' Trade Unions (*Confederazione Italiana dei Sindacati dei Lavoratori*, C.I.S L.) 19,350 votes (39 per cent of the total); the F I.O M , affiliated to the Communist-led Italian General Confederation of Labour (*Confederazione Generale Italiana del Lavoro*, C.G.I.L) 18,844 votes (38 per cent); and the Social Democrats' Union of Italian Workers (U I L) 11,317 votes (23 per cent) Together with the results of Works Council elections in the aviation departments of Fiat, which had taken place on Dec. 23, 1954, the distribution of seats on the Fiat Works Council was as follows C I S.L , 93 , F I O.M., 50 ; U.I.L , 40 In 1954 the F I O M had held 130 seats, the C I.S.L 45, and the U I.L. 13.

In the elections on April 21 at the Falck steel works, in the Milan suburb of Sesto-San Giovanni, the F I O.M. (Communist and Left-wing Socialist) polled only 48 per cent of the total vote against 72 per cent in 1954, and the C I S L 52 per cent, against 38 per cent in 1954.

At the naval dockyards at Taranto, the elections (held on May 25) gave the C I S L unions 5,458 votes and 18 seats on the Works Council, and the C G I L. unions 4,490 votes and 11 seats, against the 1954 figures of 2,411 votes and 11 seats for the C.I.S.L. and 6,334 votes and 18 seats for the C G I.L.

At the Olivetti typewriter works (Ivrea), where elections were held on June 23, the non-Communist unions received 2,851 votes and seven seats on the Works Council, and the C G I L. 2,016 votes and six seats.

Signor Pastore, secretary-general of the C.I.S.L., stated on June 15 that in 1,010 cases where elections had been held for new factory committees between Jan. 1 - June 10, the percentage of votes cast for C.I S.L. delegates had increased by 9.4 per cent and that of C.G.I.L. delegates had fallen by 10.9 per cent. Similarly, the number of C.I.S.L. delegates elected had risen by 359 and that of C.G.I.L. delegates had dropped by 487. (Corriere della Sera, Milan - Le Monde, Paris)

C. UNITED KINGDOM. — The " Sidon " Disaster.

Three naval officers and ten ratings lost their lives when H.M. submarine *Sidon* sank in Portland harbour on June 16 after an explosion in a forward torpedo compartment. The *Sidon* (which was lying in 36 feet of water) was raised to the surface on June 24 after intensive salvage operations, and was subsequently beached. The bodies of all 13 victims of the disaster were recovered.

At the time of the disaster the *Sidon* was lying near H.M.S. *Maidstone* (depot ship of the Second Submarine Squadron) and was about to leave Portland for a training exercise in the Channel after practice torpedoes had been embarked. Twelve of those who lost their lives were members of the submarine's crew, whilst the thirteenth was a naval surgeon (Surgeon-Lieut. C. E Rhodes, R N.V.R) who, after leading a rescue party from the *Maidstone* and helping several men to safety, returned to the *Sidon* to help other injured men and was not seen again.

The *Sidon*, an S-class submarine of 1,000 tons' displacement and having a normal complement of 44, was laid down in 1943 and completed in 1944. She saw service in Far Eastern waters during the war against Japan. (Times - Daily Telegraph) **(Prev. rep. " Affray " Disaster, 11885 B.)**

D. SOVIET UNION. — Assistance to Bulgaria and Hungary in Peaceful Development of Atomic Energy.

An agreement was signed between the U.S.S.R. and Bulgaria early in June providing for Soviet assistance in establishing atomic energy installations in Bulgaria for peaceful purposes, and for the training of Bulgarian scientists and engineers in nuclear physics, radio-chemistry, and the use of isotopes in science and industry.

On May 4 it had been announced in Budapest that the Soviet Government had offered assistance to Hungary in developing atomic research for peaceful purposes, and that the offer had been accepted by the Hungarian Government. (Bulgarian Legation, London - Hungarian Review, Budapest) **(Prev. rep. 14220 B.)**

E. FRANCE. — Socialist Party. - " Rebel " Deputies readmitted to Party Membership.

The congress of the French Socialist Party, which opened at Asnières on June 30, decided with only one dissenting vote to readmit to the party the 17 Socialist members in the National Assembly who had been expelled in February last for voting against the Paris agreements.—(Le Monde, Paris) **(14052 D.)**

A. ISRAEL. — The Kastner Case. - Resignation of General Zionist Ministers. - New "Caretaker" Cabinet.

After a trial lasting for 18 months, the president of the Jerusalem District Court (Dr. Benjamin Halevi) delivered judgment on June 22 in a case in which Dr. Israel Kastner, a high civil servant and a member of the Israeli Labour Party (*Mapai*), and formerly a leader of the Jewish community in Hungary, was alleged to have collaborated with the Nazis during the war. The repercussions of the Kastner case led to the withdrawal of the General Zionists from Mr. Sharett's Cabinet, and to the formation of a "caretaker" administration to hold office until the forthcoming general elections on July 25.

The case had originated when a 70-year-old Hungarian Jew, Mr. Malchiel Gruenwald, issued a privately-circulated broadsheet containing serious allegations against Dr. Kastner, who in 1944 had been head of the Jewish Agency-sponsored rescue committee in Budapest at the time when the Germans entered Hungary Mr. Gruenwald, who lost 52 members of his family in the Nazi gas-chambers and concentration camps, had for several years been seeking to find reasons why the tragedy which had overwhelmed his family, and Hungarian Jewry in general, had not been prevented or mitigated, and had found such reasons in what, he alleged had been the treachery of Dr. Kastner Specifically, it was alleged by Mr Gruenwald that Dr Kastner had collaborated with the Nazis; that he had consciously taken part, even if indirectly, in the sending of hundreds of thousands of Hungarian Jews to their deaths at Auschwitz, that he had shared Jewish loot with a Nazi official, *Standartenfuhrer* Kurt Becker, whose life he had later saved by giving testimony on his behalf at the Nuremberg war crimes tribunal; and that he had caused the discovery and death of Jewish parachutists who had been dropped in Hungary by the R.A F. to organize resistance against the Germans The case was the subject of a libel action brought by the State against Mr Gruenwald.

Dr. Halevi (whose judgment took seven months to prepare and 14 hours to deliver) found that all Mr. Gruenwald's allegations against Dr. Kastner had been substantiated except the allegation that he had shared loot with Kurt Becker; on this charge only Mr. Gruenwald was found guilty of having uttered a libel and was fined the nominal sum of £I.1.

In giving judgment, Dr Halevi said that a bargain had been struck between Dr. Kastner and Eichmann (a Nazi official who bore major responsibility for the deportation of Jews from many countries to the gas-chambers and concentration camps) whereby the former agreed to connive in misleading hundreds of thousands of Hungarian Jews into believing that they were being deported to labour camps, whereas in fact he [Kastner] had known very well that they were being sent to the Auschwitz extermination camp. In return (it was alleged) Eichmann had allowed Kastner to put his own family, and some 600 leading members of the Hungarian Jewish community, into a special train that carried them to safety in Switzerland. Dr Halevi said that it had been Dr. Kastner's duty to warn Hungarian Jewry of the fate which awaited them, and expressed the opinion that the Jewish community could in that case have put up a forcible resistance with more success than that of the Warsaw ghetto—especially as at the time there was both a spirit of resistance among the Hungarian Jews and a tendency among the Hungarian people to help them.

Continuing, Dr Halevi said that the Jewish parachutists dropped into Hungary by the R.A.F. had been instructed to report first to Dr. Kastner, in whom—at the time—the Jewish Agency in Palestine had had full confidence. Dr. Kastner, however, had received the parachutists "most discouragingly," and had realized that the only way he could safeguard his association with the Nazis and assure them of his loyalty was to reveal the parachutists' presence in Hungary. He had informed the Gestapo of their arrival and had later persuaded two of the parachutists to give themselves up, having first convinced them that the Hungarian Jewish community was about to be saved by agreement with the Germans—a statement that he [Kastner] knew to be untrue. At the time (Dr Halevi said) the appearance of the parachutists to organize resistance would have acted "like dynamite"; instead, owing to the actions of Dr. Kastner, upwards of 500,000 Hungarian Jews, unaware of the fate that awaited them, had peacefully filled train after train in the belief that they were going only to perform labour service, and unaware that they were in fact going to their death at Auschwitz.

Summing up, the president of the court said that Dr. Kastner had "sold his soul to the devil" by collaborating with the Nazis in a wicked plan by which the leading members of the Hungarian Jewish community—themselves deliberately misled, or corrupted by the offer of their own survival—were induced to play a part in misleading the rest of the Jews in Hungary by keeping them in ignorance of the fate that awaited them.

A vast amount of evidence was given during the trial, some of it by persons who had been active in underground Jewish rescue work during the war, and some by highly placed public servants who in 1944 had handled such matters as the conveyance of Himmler's secret offer of 1,000,000 Jews for 10,000 motor trucks to the Jewish leaders in Palestine—in this instance to Mr. Sharett, then a leading official of the Jewish Agency, and now Prime Minister of Israel.

After the judgment had been delivered, the Attorney-General announced that an appeal would be made to the Supreme Court, which would be asked to review the conclusions drawn by Dr. Halevi from the facts brought before him. An official Government announcement said that "in the view of the Attorney-General, these conclusions are not supported by the facts brought before the president of the Court and which should have been legally accepted by him."

The Kastner case, which had aroused bitter controversy in Israel, gave rise to two motions of no-confidence in the Government, presented in the *Knesset* on June 28 by the Nationalist (*Heruth*) and Communist parties. Although both motions were defeated by large majorities—the Nationalist motion by 50 votes to nine, with 29 abstentions, and the Communist motion by 60 votes to five, with 17 abstentions—a political crisis was caused by the fact that the General Zionists, the second largest party in the Government coalition, abstained from voting.

During a brief debate on the Kastner case, the Government were criticized, firstly, for having brought the proceedings through the Attorney-General in the first instance, and secondly, for having decided with "unnecessary haste" to appeal to the Supreme Court Mr. Sharett expressed his approval of the Attorney-General's decision to appeal, and his regret that the matter should have come before Parliament while the case was still *sub judice*.

Mr. Sharett tendered his Cabinet's resignation to President Ben-Zvi on June 29 on the ground that the General Zionists, by abstaining from voting on the no-confidence motions, had violated the principle of collective Cabinet responsibility. At the President's request, he agreed to form a "caretaker" administration which would hold office until the forthcoming general elections on July 25. The vacancies caused by the resignation of the four General Zionist Ministers (Mr. Rokach, Mr. Bernstein, Mr. Serlin, and Mr. Saphir) were filled *ad interim* by giving the portfolio of the Interior to Mr. Moshe Shapiro (*Hapoel Hamizrachi*), the Minister for Social Welfare and Religious Affairs; of Commerce and Industry to Dr. Naphtali (*Mapai*), the Minister of Agriculture; of Communications to Mr. Aranne (*Mapai*), the Minister without portfolio, and of Health to Dr. Joseph (*Mapai*), the Minister for Development.—(Times - Manchester Guardian)

(Prev. rep. Cabinet, 13383 B.)

B. UNITED KINGDOM. — Retention of India Office Library. - Statements by Lord Home and Dr. Azad.

The Secretary for Commonwealth Relations (the Earl of Home) announced in the House of Lords on June 13 that it was the U.K. Government's view that the India Office Library should remain intact and in Britain. It was the opinion of legal advisers that the Library was the property of the U.K. Government, and no decision to disperse or export it could be taken without the Government's full concurrence.

Lord Home explained that the India Office Library was "one of the greatest Oriental libraries in the world," containing some 280,000 printed books and a wealth of other material, including a great collection of manuscripts in English and Oriental languages Its scope was not confined to India and Pakistan but extended also to the literatures, histories, and cultures of many other eastern countries, including Burma, Siam, Malaya, Ceylon, Tibet, Nepal, Persia, and Arabia. It had always been accessible to scholars and research workers from all parts of the world, and the Government would "readily consider any suggestions that the Governments of India and Pakistan might wish to make regarding the detailed administration of or access to the Library."

The Minister was asked about the archives of the East India Company and the India Office now in the custody of the Commonwealth Relations Office. In reply, he said that the Government adhered to the statement made in 1947 by Lord Listowel (then Secretary for India) to the effect that they would be retained in Britain.

Discussions on the matter took place with the Indian Minister of Education, Dr. Azad, who arrived in London on June 14, and who had discussed the future of the Indian Office Library with the Pakistani Minister of Education, Dr. Hussain (see 14303 A). In a press statement on July 7 he reiterated the Indian contention that the Library belonged to "the two successor Governments of Pakistan and India," but stated that the Government of India had agreed to a tripartite discussion as the United Kingdom had a "natural interest" in the matter. Dr. Azad maintained that the transfer of the management of the Library to the Crown in 1935 had been made for technical reasons, and that it had been nullified with the achievement of India's and Pakistan's independence.

The India Office Library was vested in the British Crown by the Government of India Act, 1935, but was not mentioned in the Indian Independence Act of 1947.—(Times - Daily Telegraph - Indian High Commissioner's Office, London) **(14303 A.)**

C. BULGARIA. — Ratification of Warsaw Treaty.

The Bulgarian National Assembly ratified on May 28 the eight-nation treaty concluded in Warsaw on May 18.
(Bulgarian Legation, London) **(Prev. rep. 14296 D.)**

A. MALAYA. — The Anti-Terrorist Campaign. - Malayan Government rejects Communist "Peace Offer."

The progress of the anti-terrorist campaign in Malaya during the past seven months, and other related developments, are described below under cross-headings.

Diminution in Terrorist Activities. In a broadcast on Jan 2, 1955, from Kuala Lumpur, Lieut.-General Sir Geoffrey Bourne (Director of Operations in Malaya) said that the terrorist campaign had caused less hindrance to the life of the country during 1954 than in any year since the start of the emergency in 1948 A total of 713 terrorists had been killed or captured during 1954, compared with 981 in 1953, whilst surrenders had totalled 210, compared with 372 in the previous year. General Bourne pointed out, however, that the cost of the emergency had not dropped in proportion, and was still consuming one-third of the country's revenue, involving an expenditure of 170,000,000 Malayan dollars (nearly £20,000,000).

The Federation Government announced on June 3 that the number of terrorists in the Malayan jungles had dropped by more than half since 1951—from about 8,000 to only 3,500 It was pointed out that eliminations of terrorists by killing, capture, or surrender now appreciably outnumbered recruitment to the Communists, and that it was apparent that a new factor was operating against the terrorists —death in the jungle from malnutrition or wounds, or the sheer hardship of more than seven years of hunted existence in the jungles Although the Communists were less aggressive in many areas (notably in Pahang), the situation in Johore still remained disquieting, two-thirds of all incidents in the past year having taken place in that State.

Anti-Terrorist Operations. - Malayan-Siamese Co-operation. The Under-Secretary at the British Colonial Office, Lord Lloyd, announced on Feb 2 that the Malayan police forces were now in a position to undertake operations against terrorist bases in southern Siam, in co-operation with the Siamese authorities, if the need arose. He explained that for some years there had been an agreement with Siam that both the Malayan and Siamese police might operate across the frontier for a distance of 10 to 20 miles; that the Malayan police had carried out a number of small operations in southern Siam during 1954; that a joint Malayan-Siamese intelligence centre had been set up at Songkla, in southern Siam, and a frontier planning staff established; and that the head of the Siamese police, General Phao, had agreed that British helicopters, as well as supply-dropping and reconnaissance aircraft, might operate across the frontier in support of joint police operations. General Phao had paid a three-day visit to Kuala Lumpur in January to discuss these arrangements with General Bourne.

During April, Siamese police forces operating on the Malayan side of the border seized one of the biggest terrorist arms dumps discovered since the start of the emergency. The Siamese forces, who were led to the spot by a terrorist who had surrendered, seized some 2,000 rounds of ammunition, 200 hand-grenades of Japanese manufacture, 200 detonators, and 317 sticks of dynamite; contact was made with a small group of terrorists, one of whom was killed.

Relatively few contacts with terrorists were made by the security forces in Malaya during the first six months of 1955, although the R.A.F. continued to bomb suspected jungle hide-outs from time to time. Six terrorists were killed by a Gurkha patrol in the Seremban area of Negri Sembilan on March 9, whilst individual terrorists were eliminated in different parts of the Federation during the period under review.

Three British estate managers were killed in terrorist ambushes during this period: Mr. R. D. Williamson (27), manager of a pine-apple estate, who was shot dead at Simpang Rengam (Johore) on Dec 22, 1954; Mr. K D. Paul, manager of the Penggarang rubber estate near Kota Tinggi (Johore), who was killed on March 13: and Mr. B. L. Sheppard, manager of the Oh Sing estate (Malacca), who lost his life in an ambush on June 4. Several Malayan constables were wounded in these attacks.

A New Zealand officer of the Fijian Battalion, Major R Genge, was killed in an ambush in southern Johore on Feb. 21 The attackers spared the lives of a Fijian officer and a Fijian private, both of whom were wounded.

Australian Battalion for Malaya. The Australian Prime Minister, Mr. Menzies, announced on June 15 that the 2nd Battn., Royal Australian Regiment, would leave for Malaya on a date to be announced; that it would be stationed "in the first instance" in Pahang, and would be available for use against the terrorists if necessary; but that it would not be used "in relation to any civil disturbance or in the internal affairs of the Federation of Malaya or Singapore." It was subsequently announced that the Battalion (which fought in Korea) would not leave for Malaya until the end of September.

Communist Proposal for "Peace Talks." - Rejection by Federation Government. It was officially announced in Kuala Lumpur on June 24 that the Federation Government had rejected a Communist proposal to end the eight-year-old jungle war by negotiation It was disclosed that a letter, posted in southern Siam on June 7, had been received by the United Planters' Association of Malaya, for transmission to the Malayan political and communal organizations, proposing that "representatives of the various political parties, guilds, associations, and communities should hold a round-table conference at an early date to discuss the problems of ending the war and achieving peace and independence in Malaya." The letter, written in Chinese, was signed by a certain Ng Heng, who described himself as "representative of the Supreme Command Headquarters of the Malayan Liberation Army." No-one of that name was known to the Malayan police, and it was believed that it was an *alias* for Chen Ping, the secretary-general of the Malayan Communist Party.

The Communist "peace offer" was rejected not only by the Federation Government but also by the All-Races Committee (which assists General Bourne) and by the leading Malayan political parties —the United Malay National Organization (UMNO), the Malayan Chinese Association, and the *Negara* (National) Party. The Malayan Government, whilst reaffirming its desire for peace and the ending of the emergency, stressed that it was not prepared to accept "a Communist type of peace," and said that there was no doubt that the letter was prompted by the Communists' realization that it was impossible for them to gain their objectives by terrorist methods

The Government statement added: "We have seen these sudden shifts in Communist policy before, and we shall not be misled by this one. Knowing the true purpose of the Communist offer and the motives which underlie it, the Government rejects it absolutely and has no intention of negotiating with the Communist terrorists. If the Communists genuinely wish to end the emergency, they can do this today. Liberal terms of surrender are already offered to them and are known to all, as is being demonstrated by many who are taking advantage of them . . . Defections from their ranks are occurring almost daily throughout the Federation. They realize full well that, weakened in numbers and spirit, they cannot gain their object by the continuation of terrorist methods and of their so-called armed struggle."

The R.A.F. in Malaya began on June 24 a seven-day operation, the biggest of its kind to date, in which 20,000,000 leaflets telling the terrorists of the Malayan Communist Party's attempt to negotiate were dropped over the jungle. The leaflets outlined the reasons for the rejection of the Communist "peace offer," and urged the terrorists to surrender under the liberal terms already offered to them.

Two large areas in Pahang and Trengganu, covering 7,300 square miles with a population of about 150,000, were officially declared "white" (i.e. free of terrorists) by the Malayan Government on April 29. (Times - Daily Telegraph - Manchester Guardian - Australian News and Information Bureau)
(Prev. rep. 13935 A; Australian and N.Z. Forces, 14211 A.)

B. AUSTRIA. — Responsibility for Defence Matters vested in Federal Chancellor. - Allied Lifting of Ban on Military Activities.

The constitutional committee of the Nationalrat (the Lower House of the Austrian Parliament) adopted on June 16 a Government Bill placing defence matters under the responsibility of the Federal Chancellor, and making the new National Defence Office a special department of the Federal Chancellery. The Bill (known as the *Wehrkompetenzgesetz*, and constituting the preliminary framework for the organization of Austria's new armed forces pending future detailed defence legislation) implied the renunciation of the principle of an independent Defence Ministry under a Minister of its own. It was passed by the full Nationalrat on June 22 and by the Federal Council (the Upper House) on the following day. In the Nationalrat the two government parties, the People's Party and the Socialists, voted for the Bill and the Communists and the Independents against; the vote in the Federal Council was unanimous.

The Allied regulation of 1945 prohibiting all military activity in Austria was cancelled by the Allied Council in Vienna on July 8. No restrictions on the future level of the Austrian armed forces were imposed under the recently-signed State Treaty.—(Wiener Zeitung) **(Prev. rep. State Treaty, 14193 A.)**

C. SOVIET UNION. — Expulsion of U.S. Military Attachés from Moscow.

It was announced in Washington on June 17 that the U.S. Government had withdrawn three Assistant Military Attachés from the U.S. Embassy in Moscow at the request of the Soviet Government, which had alleged that the officers concerned had engaged in "improper activities" and had declared them *personae non gratae*. The three officers—Lieut.-Colonel John S. Benson, Captain William Stroud, and Captain Walter Mule—had left Moscow in May and June. Lieut.-Colonel Benson had arrived in Moscow in October last to take the place of Lieut.-Colonel Felchin, who had been expelled in July, 1954, for alleged "espionage activities."—(New York Herald Tribune)
(Prev. rep. 13772 A.)

D. FRANCE. — New Chief of Air Staff.

Air General Paul Bailly, Chief of Staff to the Commander of Allied Forces, Central Europe, was appointed Chief of Staff of the French Air Force on March 16 in succession to Air General Fay.—(Le Monde, Paris) **(Prev. rep. 11513 A.)**

A. UNITED KINGDOM. — R.A.F. Estimates, 1955-56. - White Paper on Supply of Military Aircraft. - New Command Structure in Middle East.

The Royal Air Force Estimates for 1955-56, published on Feb. 24, showed a net expenditure of £513,900,000 after allowing for £26,500,000 of U.S. aid—£16,500,000 for special aircraft purchase, and £10,000,000 for aircraft and equipment which will be bought from the British Government by the U.S.A. and subsequently made available for the expansion and modernization of the R.A.F. The total amount included the following principal items (1954-55 figures in parentheses): Airframes, £80,000,000 (£69,500,000); Aero-engines, £80,000,000 (£62,000,000); Spares, Components, etc., £26,000,000 (£24,500,000); Liquid Fuel, £63,200,000 (£74,700,000); Armament, Ammunition, and Explosives, £37,400,000 (£38,700,000); Radio, Radar, etc., £31,600,000 (£29,700,000); Instruments, £9,000,000 (£9,500,000).

An accompanying memorandum by the Secretary for Air explained that "the primary task which now confronts the R.A.F is to build up the 'V' bomber force [i e. *Valiants, Victors*, and *Vulcans*], with its nuclear potential, to a state of high efficiency and preparedness Thus the R.A F, together with the U S Air Force, will provide the main deterrent to aggression, since it is primarily by the threat of overwhelming nuclear striking power that an aggressor will be deterred . . " As this V-bomber force must be "capable of completing its mission even though a surprise attack might first have been launched upon this country," its bases and personnel would have to be chosen with this consideration in mind, and its operational methods perfected "to ensure success, however difficult the conditions." These bombers would be coming into service within the next 12 months, the first squadron of *Valiants* being now in course of formation. When the squadrons were ready they would make frequent visits to the Middle and Far East, and airfields were being adapted to accommodate them, not only in the U K., but also in Cyprus, Jordan, and Malaya.

Dealing with home defence, the memorandum stated that although the expansion of Fighter Command had been completed, the proportion of all-weather fighters would continue to grow. All-weather squadrons would probably receive their first *Javelin* fighters during 1955-56, and other squadrons were being re-equipped with *Venom* night-fighters Meanwhile the first *Hunter* squadrons had been formed, and although the delivery rate had been disappointing, re-equipment was proceeding steadily, once certain development difficulties had been overcome (see below), the *Hunter* was likely to prove a formidable aircraft Advances had also been made in the development of both air-launched and ground-launched guided missiles, and production orders had been placed for air-to-air weapons. Finally, hundreds of new radar installations had been built as part of the control and reporting system which now covered the country; a new and advanced type of radar had been developed, and arrangements had been made to link the system with radar installations on the Continent, in order to give mutual protection.

The memorandum stated that orders had been placed for the *Vickers-1000* long-range jet transport, which would provide increased mobility for the strategic reserve of land and air forces; in order to give Transport Command experience of operating high-speed jets before these machines were delivered, *Comet* Mark II's were being ordered and would be used regularly on the service to the rocket range at Woomera, South Australia Although the development of a new flying-boat for military purposes would not be justifiable, limited numbers of *Sunderlands* would continue to serve for some time.

Despite expansion and re-equipment, it had been possible to reduce manpower from the 1953 peak of 277,100 to an estimated 259,300 in 1955 and 254,000 in 1956, but the most difficult immediate problem was to find sufficient radio-engineers and trainees. Moreover, the number of men signing on for short-term engagements in the R.A.F. had declined, and the proportion of National Servicemen would increase during 1955-56 to nearly 30 per cent.

The Estimates were passed by the House of Commons on March 10 without a division.

Mr. G. R. Ward (Under-Secretary for Air), in moving their adoption, stressed the need in nuclear warfare for bombers able to operate at great height and speed in all weather conditions. He claimed that Britain possessed in the *Valiant* an aircraft capable of better performances in those respects than even the U.S. *B-47*, at present the backbone of the U S. Strategic Air Command. The *Vulcan* and *Victor* "promised considerable improvements" on the *Valiant*, both being "a good deal better than comparable projects in the same stage of development elsewhere"; both had already flown in test flights at over 50,000 feet and at nearly the speed of sound. The first *Vulcans* were expected to come into squadron service during 1956, with the *Victors* not far behind; meanwhile the *Canberra* force, at present the principal component of Bomber Command, was an effective all-weather striking force and "a most useful lead-in" to the 'V' bomber.

"We are doing all we can," Mr. Ward explained, "to ensure that a surprise attack will not cripple the effectiveness of the 'V' bomber force and its ability to retaliate at once. The [Bomber] Command will have its main bases and a widely dispersed network of operating sites at home and abroad. It is being organized to maintain a high state of readiness and flexibility. These steps are an important contribution to the deterrent. An aggressor could not safely attempt a surprise assault unless he could be sure of attacking all the American and British strategic airfields simultaneously."

Turning to Fighter Command, Mr. Ward said that the Government fully shared public anxiety about the setbacks which had affected the day-fighter re-equipment programme, and which had culminated in the abandonment of some marks of the *Swift* (see below) The extent of these setbacks should not be exaggerated, however, and the planned number of front-line fighters would be available only a few months later than intended

Dealing with criticisms of the new *Hunter* fighter, the Minister explained that full operational clearance had been held up by the need to incorporate certain modifications, such as dive-brakes, and that there were still restrictions on gunfiring at great heights and in certain temperatures; nevertheless, these were "well on the way to being overcome" The *Hunter* was, however, a day-fighter capable of dealing effectively with any bomber types likely to be available for attacks on Britain for some years, it was popular with pilots and extremely easy to fly, and, taking all essentials into account, was "much better than the Russian MIG-15 and better than the MIG-17" He added that the U S A. had shown confidence in the *Hunter* by placing a large offshore contract for it, and that it would also be supplied to the Netherlands, Belgian, Danish, and Swedish Air Forces

After speaking of the "considerable promise" shown by the early flights of the *Javelin* (the new supersonic day-fighter equipped with "Aden" guns and able to carry air-to-air guided weapons), Mr. Ward announced that a development batch of 18 fighters based on the *Javelin*, but with still more advanced electronic and guided-weapon systems, had been put in hand.

With regard to the "natural anxiety" felt about the progress being made in surface-to-air guided weapons, he stressed that it was wrong to regard these weapons as "the logical successors of the anti-aircraft gun," since the immense destructive power of the hydrogen bomb made "the area of defence known in gun-defended zones quite useless" Guided weapons, he stressed, must be able to engage bombers well away from vital targets, and by a combination of guided weapons and manned fighters the defence must try to bring down the bombers well out at sea Although surface-to-air guided weapons had been developed to a point where reasonably effective performance could be expected, they were very expensive and complicated to instal, and large-scale production could only be justified if they would "really meet the threat" and if they could be developed to "meet increased performance by the attacker." The Government intended to go into production with a weapon which would meet these requirements.

Before long, Mr. Ward concluded, the main threat to Britain would be from high-flying bombers armed with nuclear weapons; since no warning period could be counted on, instant readiness would be essential Instant air defence against the nuclear threat was therefore likely to make increasing demands on aircrews, and to become a full-time job for the regular squadrons of Fighter Command. *Meteors* and *Vampires* of the Royal Auxiliary Air Force would also be highly effective against airborne attack or diversionary raids by paratroopers, and would remain front-line fighting units. Although nuclear war must necessarily be "devastating and appalling," he was confident that Fighter Command was capable of dealing with any type of bomber which the Soviet Air Force now had in service, and that, when fully re-armed, it would have day and night fighters able to destroy any jet bombers which Russia might then possess.

Similarly, when Bomber Command was fully re-equipped it would have aircraft able to reach their objectives against any opposition they were likely to encounter Meanwhile the R.A.F. had a *Canberra* force trained to a high standard of efficiency and a Coastal Command equipped with good maritime aircraft and anti-submarine weapons, whilst on the Continent the Second Tactical Air Force provided a valuable contribution to the defence of the central theatre. In short, the R.A.F.'s standards of efficiency had never been higher, and its weapons were superior to any which Russia had today or had in prospect

A White Paper on the Supply of Military Aircraft had been published on Feb. 16.

Declaring that "public interest in the supply of aircraft is natural," and that, within the limits imposed by security, the country had a right to be assured that "the best possible use is being made of national resources and money," the White Paper stressed that Britain had "an effective air defence against anything that any potential enemy is at present able to bring against her." Britain's night-fighter defence, in particular, was second to none in the world. After describing as "totally incorrect" the view that "the Services are equipped with obsolete aircraft from the last war," the White Paper explained, however, that research on advanced types had been restricted after the outbreak of the Korean War in 1950, and that the decision had then been taken not to attempt supersonic flight in manned aircraft. "It is now clear," the White Paper said, "that this decision seriously delayed the progress of aeronautical research in the United Kingdom."

With the outbreak of war in the Far East, production orders for the *Hunter* and the *Swift*, both swept-wing fighters, had been placed much earlier in the development phase than would normally have been the case. Production orders had also been placed for *Valiant* bombers and *Sea Venom* all-weather fighters before the first prototypes had been flown. Clearly the decision to place these orders meant taking exceptional risks, as well as the overloading of particular aircraft firms, but it also offered the hope that some of the latest aircraft would be available earlier and could be used in war, even if their operational performance did not completely fill the original requirement. In the event, serious development troubles had been

encountered with the *Hunter*, and Marks I to III of the *Swift* " could not be brought to acceptable operation standard " Certain modifications, however, had been introduced into the *Swift* Mark IV, and further tests were being carried out to see whether the improvement warranted putting this Mark into service. Meanwhile *Hunters* could replace the Mark IV *Swifts* if necessary, and development was continuing on other marks designed for special functions. The White Paper added that the latest fighter types were armed with four 30 mm. " Aden " cannons, " the most destructive gun armament in service anywhere in the world," capable of delivering ten times as much high-explosive a second as the cannons of the Russian MIG

Finally, the White Paper suggested that a policy of " short steps," involving more frequent but shorter advances in the development of new types of operational aircraft. would not only have the advantage of easing technical problems, but would also mean that up-to-date aircraft would at all times be well advanced in development, and in the event of an emergency could be put into production relatively quickly. While the full consequences of such a policy were still being examined, it seemed likely—in spite of the possibility of greater expenditure on development—that the ultimate result would be to economize resources and to increase the nation's preparedness.

The Secretary for Air (Lord De L'Isle and Dudley, V.C.) announced on Feb. 24 that a committee had been set up to review methods of maintaining and servicing R.A.F. equipment " with the object of obtaining economy with efficiency." The committee consists of Air Chief-Marshal Sir Leslie Hollinghurst (chairman) ; Mr. F. C. Hooper, managing director of Schweppes Ltd. (vice-chairman) ; Mr. James Crawford, president, National Union of Boot and Shoe Operatives ; Air Marshal Sir Owen Jones, Controller of Engineering and Equipment, Air Ministry ; Air Vice-Marshal L. J. V. Bates, Director-General of Equipment, Air Ministry ; Mr. S. C. Robbins, of the Ministry of Supply ; and Air Commodore F. Pearce, Director of Manning, Air Ministry.

Changes in the command structure of the Middle East Air Force, necessitated by the redeployment of R.A.F. forces in the Middle East in accordance with Britain's agreements with Egypt and Iraq, were announced on July 9. In future, the command will be sub-divided into two regional groups, (1) Air Headquarters, Levant, which will be responsible for the northern areas of the command and will have its H.Q. at Nicosia, Cyprus, and (2) H.Q., British Forces, Aden, which will continue to control R.A.F. units in the Aden Protectorate, the south Arabian coast, Kenya, and the Sudan, and which will also have responsibility for the Persian Gulf staging posts of Bahrain and Sharjah, hitherto under the control of the A.O.C., Iraq. Both groups will be subordinate to the H.Q. in Cyprus of Air Marshal Sir Claude Pelly, C.-in-C., Middle East Air Force.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 14093 A ; Defence Estimates, 14089 A ; 1954-55 Air Estimates, 13543 A.)**

A. UNITED STATES - SOVIET UNION. — Shooting-down of U.S. Plane in Bering Straits Area. - Soviet Apology and Offer of Compensation.

A U.S. naval plane was fired on by Soviet aircraft in the Bering Straits area on June 23 and made a crash landing on St. Lawrence Island, in U.S. territory. Three of the crew of 11 were injured by bullets from the Soviet aircraft.

In reply to a U.S. protest, conveyed by Mr. Dulles to M Molotov at San Francisco (where the Secretary of State and the Soviet Foreign Minister were attending the U N tenth anniversary session, the Soviet Government expressed regret for the incident but maintained that it had occurred over Soviet territorial waters, as the result of a violation of the Soviet frontier by the American plane. Nevertheless, in view of the fact that the incident had taken place " under conditions which do not exclude the possibility of a mistake by one side or the other," the Soviet Government expressed " its willingness to compensate for 50 per cent of the damage suffered by the American side."

It was announced in Washington on July 7 that the U.S. Government would accept the Soviet offer to pay half the damage sustained by the U.S. aircraft. Although the U.S. Government insisted that the American plane had at no time violated Soviet air space, it was prepared to regard the Soviet offer as an acceptable basis for disposing of the incident, in view of Russia's expression of regret.—(New York Times) **(Prev. rep. Air Incidents, 13899 A.)**

B. TURKEY. — Creation of Banking Council. - Increase in Bank Rate.

It was announced on July 5 that the Turkish Government was setting up a Banking Council—comprising representatives of the Treasury, the State Bank, and private banks—which would supervise credits by private banks to individuals with the aim of preventing speculative investment.

The Turkish State Bank increased its bank rate from 3 per cent to 4½ per cent on June 29. (Financial Times)

C. NYASALAND. — Constitutional Changes.

Proposals for the revision of the Nyasaland Constitution were announced in Blantyre on Feb. 9 by the Governor, Sir Geoffrey Colby, to a conference of five delegates from each of the European, Asian, and African communities.

It was proposed that membership of the Legislative Council should be increased from 21 to 23, of whom 12 would be official members (including the Governor) and 11 unofficial. Of the unofficial members, five would be Africans (compared with three at present) and the remaining six would be shared by the non-Africans (Europeans and Asians), instead of the present arrangement of five Europeans and one Asian. There would no longer be a European member of the Legislative Council to represent African interests, but this would be offset by increasing the number of official members from 11 to 12.

The present system of nominating European and Asian members would be abolished, and an electoral system based on the present Federal system introduced. The method of selecting African members through the Protectorate and provincial African councils would remain unchanged, though the Governor stated that he was prepared to discuss with the Africans a more satisfactory method.

The proposed changes were strongly criticized by all racial groups in the Protectorate, and further discussions were held in the ensuing months to try to reach agreement. The European community declared that the proposals " go too far and represent too fast a constitutional change, and are not warranted by the present stage of development of African Nyasaland " ; the Africans reaffirmed their demand for equal representation with non-Africans on the Legislative Council, representation on the Executive Council, and universal adult African suffrage ; whilst the Asians objected to the suggested maintenance of the *status quo* on the Executive Council and to the method of electon of non-Africans, which, they claimed, would lead to all six non-African seats being occupied by Europeans. As no agreement could be reached, the British Colonial Secretary, Mr. Lennox-Boyd, announced in the House of Commons on June 15 that the original proposals would be put into effect.

Dealing with some of the criticisms of the proposals, Mr Lennox-Boyd said that he did not consider that the time had yet come for the inclusion of an African on the Executive Council He had considered " very carefully " the suggestions for parity for the Africans on the Legislative Council, but thought that the immediate practical effect of having a sixth African member would be slight, as there was in any case to be a majority of officials over unofficials He continued : " In Central Africa, parity—and in this context we mean parity between Africans and non-Africans, and not the parity between three races which we have in Tanganyika—has become a sort of magic word, conjuring up all the emotions on which racialism thrives. I believe that if we introduced now something which could be called parity we should stir up these emotions, and all our hopes of real progress along the lines I have outlined would rapidly fade away."

Mr. Lennox-Boyd also stated that, with the introduction of elections, it would be necessary to set a term to the life of the Legislative Council and that it was proposed that this should be four years " I sincerely hope," he added, " that this period will be used by all concerned in Nyasaland to join together in trying to work out a new approach . . [to the constitutional question] so that, if agreement is reached on new arrangements as a result of such consultation, they can be introduced at the beginning of the following four-year programme "

All three racial groups in the Protectorate again protested at the changes following the Colonial Secretary's statement. The Nyasaland Association (European) declared that the changes would lead to the continuation of a purely racial approach to politics and would retard the economic development of Nyasaland. The African leader and Federal M.P., Mr. W. M. Chirwa, sent a cable to the Colonial Secretary in which he asserted that the decision to go ahead with the changes was " arbitrary, oppressive, and undemocratic," and had been influenced by interference from the Federal Government. The Asian leader, Mr. Sattar Sacranie, particularly criticized the decision to give the Legislative Council a life of four years ; he described it as " most unrealistic," and said that more time was needed to show whether the changes would work.

Lord Malvern, Prime Minister of the Rhodesia and Nyasaland Federation, stated on June 17 that the Federal Government had been consulted about the proposed changes. He added, however, that he did not think it would be in the public interest to say what its attitude was, as this would only lead to recriminations from members of one race or another.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 13058 A.)**

D. NORWAY - YUGOSLAVIA. — Agreement on Cultural Co-operation.

A convention on cultural co-operation between Norway and Yugoslavia, the first of its kind concluded between Yugoslavia and a foreign country, was signed in Belgrade on June 24.

(Tanjug Agency, Belgrade)

A. UNITED KINGDOM. — Press Council. - New Chairman. - First Annual Report.

The General Council of the Press, meeting in London on July 12, unanimously elected Sir Linton Andrews, editor of the *Yorkshire Post*, as its chairman in succession to Colonel J. J. Astor, who had resigned because of ill-health. It was announced that Mr. Cyril Hamnett, of *Reynolds News*, had been nominated to fill the Newspaper Proprietors' Association managerial vacancy on the council caused by Colonel Astor's resignation.

The first annual report of the General Council of the Press had been published on Oct. 14, 1954, under the title *The Press and the People*, and is summarized below.

The report said that the main ethical questions that had come before the Council during its first year had related to the alleged invasion of private life by reporters and photographers, the disclosure of information which officials and others wished to remain secret, the reporting of crime, and the treatment of sex

Although very few specific cases of alleged invasion of private life had come before it, the Council expressed the opinion that " the newspaper world ought to consider whether it would be better not to carry the hunt for exclusive particulars to such an extreme, but to agree on methods to cut down the number of reporters putting questions to a harassed victim." Pointing out that much ill-feeling against the Press had been caused by resentment against intrusions into private life, the Council said that it had given much thought to this matter and sought the co-operation of proprietors and editors " in minimizing this nuisance and form of persecution "

On the alleged disclosure of secrets, the Council said " Some critics, when they refer to alleged press intrusions, cherish the simple belief that they can suppress a piece of business or a document of which the public ought to be apprised, merely by labelling it ' Private and Confidential.' . . Many a fussy little jack-in-office would like to set up his own Official Secrets Act in this way. Every experienced editor will refuse to be fenced off. If hushing-up a matter is against the public interest, the duty of the Press is clear : It must tell the public what is happening." As an example, the Council said that it was wrong for members of a local authority to treat the public affairs entrusted to them as if they were their own private concern, and to make arrangements for spending large amounts of public money without giving the ratepayers ample opportunity to have their own say in the matter.

Complaints about the reporting of crime had usually taken the form of saying that some papers often gave the criminal a kind of glamour and tempted moral weaklings to follow bad examples. On this point the Council said · " Most of these complaints appear to be grossly exaggerated. The Press reports both crime and punishment, and we believe it to be good for the nation to realize, by frequent illustration, how unlikely it is that crime will pay, and how hard is the way of the transgressor. . . . The Council agrees, however, that criminals should not be painted as reckless heroes who have gambled for great gain and lost "

As regards the treatment of sex in the Press, the Council said : " The editor who knows his business will draw a clear distinction between those reports with a sex element that may excite imitation of wrong conduct and those in which the interest is scientific or at least arises from a healthy curiosity about the mysteries of human existence. . . . Those who attack the Press, or parts of it, often complain of pornography They put the word to so wild a use that it is doubted whether all who rely on it for controversial emphasis know what it means. . . . The Council must agree, however, that there is unwholesome exploitation of sex by certain journals, a tendency which it has condemned in a public statement."

A persistent allegation against the Press (the report continued) had been that it was under the influence of advertisers to the detriment of the public interest. The Council said in this connexion : " During the year under review a striking example of the fallacy of this argument has been seen. The tobacco industry is one of the most lucrative sources of advertising revenue. Yet the widest publicity has been given in British newspapers to reports associating smoking with cancer of the lung and to the consequent effect of these reports upon tobacco shares and sales."

On the question of good or bad taste in the Press, the Council commented that newspaper readership in Britain varied from the most highly educated to the least literate. It observed . " To maintain the circulations on which their existence depends, newspapers have to flavour themselves according to their public's requirements and to compete hourly with others catering for a similar public. . . . With millions of the less-cultivated in the land now buying a paper, there is a proper and important place for what, without priggishness, can be termed a ' vulgar ' Press. It should be remembered that what we here style ' vulgar ' papers often disclose public abuses which would not come the way of the others. . . . These considerations have their bearing upon questions of good taste. It has often been suggested to the Press Council that this or that report is in bad taste and for that reason should be condemned This is difficult and disputable ground."

Discussing the drop in circulations caused by the increase in newspaper prices in May, 1951, the Council said that there had been a steady overall recovery of lost ground, and that by May, 1954, the total sales of national dailies were once more in excess of 16,000,000. Not all newspapers, however, had benefited proportionately from these gains. Over the past year the only papers to have made appreciable progress were the *Daily Mirror*, the *Daily Sketch*, and the *Daily Telegraph*, whereas since May, 1953, the *Daily Express*, the *Daily Mail*, the *Daily Herald*, and the *News Chronicle* had either made no progress or had suffered losses in sales of up to four per cent The report said " At present the mass public appears to favour daily newspapers with an emphasis on pictures, strip cartoons, and short features of human interest at the expense of political and foreign news and articles involving solid blocks of letterpress. On the other hand, a smaller section of the public is being increasingly drawn to a type of journal where pictures are kept to a minimum and strip cartoons are absent, but where a detailed coverage of home, foreign and imperial news is given full scope." It was stated that circulations of Sunday newspapers catering for " serious readership " had increased, but that the papers aimed at this type of reader represented only about 3 per cent of the total Sunday sales, which were in excess of 28,000,000 copies

It was stated that a special sub-committee representing newspaper and journalists' organizations was drafting a Bill—in the form of an amendment to the Local Authorities (Admission of the Press to Meetings) Act, 1908—aimed at securing the right to report more freely the proceedings of authorities spending public money. Stressing that many radical changes had taken place since the Act of 1908, the Council pointed out that many new authorities (some popularly elected, others not) were now spending public money , that, by almost common agreement, their activities should be reported, with proper safeguards , and that while many authorities gave the Press all facilities that could reasonably be asked, others were hostile to admitting reporters to their meetings, and in the worst instances tried to work in secrecy It was stated that a deputation to the Attorney-General on these matters had had a " most encouraging " reception, and that it was hoped that the amending Bill, when framed, would be sponsored by a Member of Parliament as a private member's Bill.

It was commented in the report that the majority of the cases coming before the Press Council in its first year were not of a serious nature but were such as arose " through misjudgment or other human error."—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Press Council, 13094 A.)**

B. SWITZERLAND. — Government Decision to lift Ban on Jesuit Order. - Forthcoming Legislation.

The head of the Swiss Department of Justice and Police, Dr. Markus Feldmann, announced in the Council of States on June 23 that the Federal Government, " after examination of the problem," would prepare legislation for the abrogation of Articles 51 and 52 of the Federal Constitution of 1848, which banned the Society of Jesus (the Jesuit Order) and forbade the setting-up of new monasteries or convents or the re-establishment of those which had previously been suppressed. Dr. Feldmann was speaking on a motion, introduced by the Catholic Conservative Party, asking the Federal Council to submit legislation for the repeal of these Articles, which were held to be of a discriminatory character and " contrary to the principles of Swiss democracy."

In accepting the motion, Dr. Feldmann recalled that the repression of Jesuit activities had been incorporated into the Constitution of 1848 after a religious war between Protestant and Roman Catholic Cantons in the previous year, whilst the other clauses of Articles 51 and 52 had been added in 1874 at the time of the *Kulturkampf* which followed the Papal proclamation of the dogma of the Immaculate Conception in 1870. Since then, he pointed out, conditions had greatly changed and the Roman Catholic section of the population were now fully participating in the development of the country's free and liberal institutions. Moreover, the decisive principles of Switzerland's democratic order, such as freedom of religion and conscience, freedom of religious expression, and the denominationally neutral character of public education, were so firmly rooted in the Constitution that any attempt to alter them was certain to fail. Other factors influencing the Government's decision were the fact that discriminatory legislation against the activities of members of certain denominations was no longer required for the solution of disputes on cultural and political matters ; that peace between the various denominations was sufficiently protected by the ordinary law ; and that both Roman Catholics and Reformists were in agreement that freedom of religion and conscience was no longer a question of theological dogma, but a State political principle. Finally, Dr. Feldmann pointed out that, whilst Article 51 of the Constitution prohibited Jesuit religious and educational activities, Jesuits were free under existing law to influence public opinion through literature, the Press, at public meetings, or over the radio.

The Council of States agreed to refer the motion to the Federal Council for further action.—(Neue Zürcher Zeitung)

Note. The two relevant articles of the Swiss Constitution are worded as follows :

Article 51. " The Order of Jesuits and the societies affiliated to it cannot be admitted in any part of Switzerland, and all activity in church or in the schools is forbidden to their members.

This ban may be extended also, by Federal decision, to other religious Orders whose activity is dangerous for the State, or which disturbs the peace among the various denominations."

Article 52. " It is forbidden to found new monasteries or religious Orders, or to re-establish those which have been suppressed."

About 57 per cent of the Swiss population are Protestants and 41 per cent Roman Catholics. (Neue Zürcher Zeitung)

AUG 1 0 1955

JULY 16—23, 1955

A. GENEVA CONFERENCE.—Opening of "Summit" Conference of Heads of Governments.

The conference of the Heads of Government of France, the Soviet Union, the United Kingdom, and the United States—M. Edgar Faure, Marshal Nikolai Bulganin, Sir Anthony Eden, and President Dwight D. Eisenhower—opened on July 18 at the *Palais des Nations* in Geneva, the former seat of the League of Nations and now the European headquarters of the United Nations. The delegations were as follows:

France. M Edgar Faure, Prime Minister; M Antoine Pinay, Foreign Minister, and a number of advisers and experts, including M. de Margerie and M de Crouy-Chanel (respectively Director and Assistant Director of Political Affairs at the Quai d'Orsay) and M Louis Joxe, Ambassador in Moscow

Soviet Union. Marshal Bulganin, Prime Minister; M. Khrushchov, First Secretary of the Communist Party of the U S S R, M Molotov, Foreign Minister, Marshal Zhukov, Minister of Defence; M Gromyko, First Deputy Foreign Minister, M Semeonov, head of the Central European section of the Soviet Foreign Ministry, and formerly Soviet High Commissioner in Eastern Germany, M. Malik, M Vinogradov, and M Zarubin, the respective Ambassadors in London, Paris and Washington; and M Pushkin, Ambassador to the German Democratic Republic (Eastern Germany).

United Kingdom. Sir Anthony Eden, Prime Minister, Mr Harold Macmillan, Foreign Secretary, Sir Norman Brook, Secretary to the Cabinet; General Sir Nevil Brownjohn, Deputy Secretary to the Cabinet, Sir William Hayter, Ambassador in Moscow, Sir Ivone Kirkpatrick, Permanent Under-Secretary of State, Foreign Office; and Sir Harold Caccia, Sir Geoffrey Harrison, Sir George Young, and Lord Hood, of the Foreign Office

United States. President Eisenhower, Mr John Foster Dulles, Secretary of State, Mr Charles E Bohlen, Ambassador in Moscow, Mr. Llewellyn E Thompson, Ambassador in Vienna, Mr. Dillon Anderson, special assistant to the President on national security; and a number of State Department officials.

Prior to the opening of the conference, Sir Anthony Eden, M. Faure, Marshal Bulganin and President Eisenhower had made important statements outlining the attitude of their Governments to the problems to be discussed at Geneva. These are given below under cross-headings, together with other related developments.

Statement by Sir Anthony Eden.

Speaking in London on July 7 at a dinner given in his honour by the English-Speaking Union, the Prime Minister stressed that there were three principles from which Britain would not depart. "(1) We are not prepared to break up the NATO. (2) We will not be parted from the United States. (3) We will work for the unification of Germany." Subject to these principles, he added, "our position is negotiable."

The Prime Minister emphasized that the German problem was at the heart of the whole problem of European security, and that there could be no solution as long as Germany was divided He continued: "There are risks for everybody in any attempt to solve this problem, but we have to solve it because there will be neither security nor lasting peace in Europe unless we do . I quite understand that the Russians fear that a free Germany would probably unite with the West. I think that she would The Russians may even consider this dangerous to their security. But the answer is that it need not be so We are ready—and I believe that the Western nations, including Germany, are also ready—to agree to any reasonable arrangements which will give Russia reassurance on this point.

"We have placed certain definite restrictions upon ourselves. The West German Government have undertaken these engagements with us. There has never been anything like it in the world before: a voluntary limitation of armaments, a voluntary system of control and inspection, and plans still being worked out for a pool of armaments and other arrangements of that kind These ideas are worthy of study by everybody, whichever side of the Iron Curtain they find themselves. There is no reason why they should not be extended in some form from the West to the East Maybe other plans could be worked out, too, to give confidence and security. But perhaps I had better keep these for Geneva . . ."

Statement by M. Faure.

In a brief statement in Paris on July 13, M. Faure proposed that the four Powers should cut their arms budgets and should put the resultant savings into a common fund which would be used to assist under-developed countries and raise the standards of living of the world's under-developed areas.

The French Prime Minister (who was speaking at a press conference) stressed that a European settlement involved a solution of the German problem, the organization of security, and all-round disarmament. The restoration of German unity, he said, could only be achieved "in conformity with the universally admitted principles of the rights of man," and it would have to be accompanied by a reinforcement of security, "in which everyone, and naturally the Soviet Union, is interested" As regards disarmament, he urged that the great Powers should give an immediate example by agreeing to all-round cuts in their defence budgets and earmarking the proceeds for the above-mentioned purposes

M Faure prefaced his statement by pointing out that France, for the first time since the war, would be represented at "summit" level at a four-Power conference He added that "although France will not be the most powerful nation represented at Geneva, she will try to avoid being the least constructive."

Statement by Marshal Bulganin.

Marshal Bulganin told a press conference in Moscow on July 15, shortly before leaving for Geneva, that the Soviet delegation would exert all its efforts to find a "common language" with the Western Powers. His statement was as follows:

". The First and Second World Wars imposed countless sacrifices on humanity Today the policy of the 'cold war', inflated military budgets, and the arms race impose huge burdens on the peoples and give rise to alarm and fear for the future People can breathe freely only when they are sure of the morrow and know firmly that the monstrous calamities of war do not threaten them or their children, and that they can live and work in peace.

There is much talk in the West of the danger which allegedly arises from the Soviet Union With this excuse military blocs are being formed and military bases set up around our country. We have never intended and do not intend to attack anyone . . . But, seeing the war preparations of other States, we naturally cannot but take measures to safeguard the security of our country . .

We did not want and do not want war, and we consider it our sacred duty to exert all efforts to substitute an atmosphere of confidence, mutual understanding, and business-like co-operation for the present tension in international relations . . A great victory for the cause of peace would be the establishment of a collective security system in Europe, with the participation of other States also We are convinced that this is feasible . .

It is sometimes said that a peaceful settlement of international issues is prevented by differences in the social and political structures of different countries. But the social and political structure is a domestic affair of the people of each country Some foreign leaders dislike much of our way of life, just as we may dislike much of theirs But why should differences in their social and political structures prevent the peoples from living in peace and developing mutually advantageous trade and cultural relations? Some people think that capitalism is better than socialism. We are convinced that the opposite is the case This argument cannot be settled by force, through war Let everyone prove in peaceful economic competition that he is right

There are many unsettled disputed questions in the world, and this will be the case in the future too Such is life But we can and must discuss these questions patiently and loyally at the round-table conference, and find a peaceful solution to them. It is said that even a bad peace is better than a good quarrel If we exert all our efforts and achieve not a bad but a good, real peace, millions of men and women in all countries will draw a sigh of relief. They will be rid of the fear of another war They will be able to live and work calmly and confidently, and this tranquillity and confidence will surely be the destiny of our own and succeeding generations It is for this purpose that we are going to Geneva.

It would be naïve to think that we shall be able to solve all the complex international problems at this conference. But if all participants in the conference display good will and sincerely seek to reach agreement, we will undoubtedly be able to find common ground and chart feasible ways for an effective settlement of important questions on which the peace and well-being of the peoples depend. There is no doubt that great efforts will be required to attain the lofty aims of the conference The Soviet delegation will exert such efforts We hope that this will also be done by the other participants in the conference."

Prior to Marshal Bulganin's declaration, the official Tass Agency had issued a statement on July 12 re-defining the Soviet Government's attitude to Germany and to the principle of European collective security.

After refuting suggestions by "some American and British leaders" that the Soviet Union had lost interest in the reunification of Germany, the Tass statement said that the U.S.S.R had always given priority to this question, but that its settlement had been made more difficult by "the creation of a West German Army and the incorporation of Western Germany in the military bloc of the Western Powers." Moreover, there was no foundation for the argument that the Soviet Union was opposed to German unification because she feared the potential strength of a united Germany. In the Second World War the U.S S R. had defeated a Germany that had had at her disposal the resources of the whole of Europe, and today, when the U.S.S R was much more powerful, there was still less reason to fear the military and economic potential of a united Germany. The statement continued.

"The Soviet Union opposes the revival of German militarism, and the incorporation of Western Germany or a united Germany in military groupings, not because it fears a militaristic united Germany, but because such a policy leads to an increased threat of a new war . . . Not a single country taking part [in such a war] would escape enormous destruction and human sacrifices. But the greatest danger of a new war would be for Germany. Germany would be in the centre of military operations, with ensuing disasters for the German people

"The solution of the German question is indissolubly linked with ensuring the security of Europe as a whole . . The German people are no less interested than others in the establishment of a collective security system in Europe This system could be joined by both the German Democratic Republic and the German Federal Republic, whose *rapprochement* is essential to hasten the restoration of German unity. As soon as a single, democratic, peace-loving Germany is restored, she will occupy her worthy place in the family of peace-loving European peoples united by a system of collective security . . ."

Statement by President Eisenhower.

President Eisenhower delivered the following radio and television broadcast on July 15, just before he left Washington by air for Geneva.

"Within a matter of minutes I shall leave the U.S.A. on a trip that in some respects is unprecedented for a President of the United States. Other Presidents have left the continental limits of our country for the purpose of discharging their duties as Commander-in-Chief in time of war, or to participate in conferences at the end of the war. Now, for the first time, a President goes to engage in a conference with Heads of other Governments in order to prevent war; in order to see whether in this time of stress and strain we cannot devise measures that will keep from us this terrible scourge that afflicts mankind. . . I go for a very serious purpose—to attempt with my colleagues to change the spirit that has characterized inter-governmental relationships in the world during the past ten years.

Let us enumerate a few of the problems that plague the world—the problem of armaments and the burdens the people are forced to carry because of the necessity for these armaments; the problems of the captive States, once proud peoples that are not allowed their own form of government freely chosen by themselves; the problem of divided countries—people related to each other by blood and kinship, and divided by force of arms into two camps that are expected to be hostile to each other. Then we have the problem of international interference in the internal affairs of free governments, bringing about a situation that leads to subversion, difficulties and recriminations within a country, sometimes even to revolutions.

But governments are divided also by differing ambitions, by differing ideologies, and by mutual distrust and the alarms that these create. Because of these alarms they build up armaments and place their trust for peace and protection in those armaments. These armaments create greater alarms, and so we have a spiral of growing uneasiness, suspicion, and distrust. That is the kind of thing that the world faces today.

For these things there is no easy settlement. In the brief time that this conference can exist, it is impossible to pursue all the long and tedious negotiations that must take place before the details of these problems can be settled. Our many post-war conferences have been characterized too much by attention to details, by an effort apparently to work on specific problems rather than to establish the spirit and attitude in which we shall approach them. Success, therefore, has been meagre. Too often, indeed, these conferences have been a mere opportunity for exploitation of nationalistic ambitions, or sounding-boards for the propaganda that the participants want to spread to the world.

If we look at this record, we might say 'Why another conference? What hope is there for success?' Now, the first question I ask you is. 'Do we want to do nothing? Do we want to drift along to the inevitable end in such a contest of war or increased tensions?'

We cannot look at this whole situation without realizing, first, that pessimism never won any battle—whether in peace or in war. Next, we must understand that one ingredient has been missing from all these conferences—an honest intent to conciliate, to understand, to be tolerant, to try to see the other fellow's viewpoint as well as we see our own. If we can change the spirit in which these conferences are conducted, we will have taken the greatest step towards peace, future prosperity, and tranquillity that has ever been taken in all the history of mankind.

I want to give you a few reasons for hope in this project. First, the people of all the world desire peace. . . Not a peace of the mere stilling of the guns, but a peace in which they can live happily, tranquilly, and in confidence; in which they can raise their children in a world of which they will be proud. That common desire for peace is a terrific force in this world, and one to which I believe all the political leaders in the world are beginning to respond. They must recognize it.

Another item. Did you note this morning the speech made by Premier Bulganin in Moscow? [see above]. Every word he said was along the line that I am now speaking. He talked of conciliation, tolerance, understanding. I say to you—I say to all the world: If the words that he expressed are as truly reflective of the hearts and minds of the men in the Kremlin as we are sure they are reflective of the hearts and minds of all the people of Russia, as of the hearts and minds of all the people in the world everywhere, then there will be no trouble between the Russian delegation and our own at this coming conference.

I want to mention another item that is important in this problem. The free world is divided from the Communist world by an Iron Curtain. The free world has one great factor in common. We are not held together by force, but by this great factor—it believes, under one religion or another, in a Divine power. It believes in a Supreme Being. Each one of those religions has as one of its basic commandments the words—terminology that is similar to our golden rule—'Do unto others as you would have them do unto you.' This means that the thinking of those people is based upon ideas of right and justice, of mutual self-respect, of consideration for the other man. And this means peace, because only in peace can such conceptions as these prevail. This means that the free people of the world hate war and want peace, and are fully dedicated to it.

This country, as other free countries, maintains arms. We maintain formations of war and all the modern weapons. Why? Because we must. As long as the spirit that has prevailed up to now is going to prevail in the world, we cannot expose our rights, our privileges, our homes, our wives, our children, to the risk that would come to an unarmed country. But we want to make it perfectly clear that these armaments do not reflect the way we want to live. They reflect the way, under present conditions, we have to live.

It is natural for a people steeped in a religious civilization, when they come to moments of great importance—maybe even of crisis such as now we face—to turn to the Divine power for guidance, for wisdom, for help in doing the thing that is honourable and right. I have no doubt that tonight, throughout this country and indeed throughout the free world such prayers are ascending. And this is a mighty force.

Suppose on the next Sabbath Day observed by each of our religions, Americans—165,000,000 of us—went to our accustomed places of worship and asked for help, and by so doing demonstrated to all the world the sincerity and depth of our aspirations for peace. This would be a mighty force. None could then say that we preserve armaments because we want them. We preserve them because we must.

Secretary Dulles and I go to this conference in the earnest hope that we may accurately represent your convictions, your beliefs, your aspirations. We shall be conciliatory, because our country seeks no conquests, no property of others. We shall be tolerant, because this nation does not seek to impose our way of life upon others. We shall be firm in the consciousness of your spiritual and material strength and your defence of the right. But we shall extend the hand of friendship to all who will grasp it honestly and concede to us the same rights, the same understanding the same freedom, that we accord to them. We shall do our best, with others there, to start the world on the beginning of a new road—a road that may be long and difficult but which, if faithfully followed, will lead us all into a better and fuller life."

On July 12 President Eisenhower had met Congressional leaders of both the Republican and Democratic parties (including the chairmen of the principal Senate and House committees) and had promised to keep them fully informed of developments at the Geneva conference, pending a full appraisal of its results which he would give on his return.

Paris Meetings of Western Foreign Ministers and North Atlantic Council.

Mr. Dulles, Mr. Macmillan and M. Pinay had a three-hour discussion in Paris on July 15 at which they reached full agreement on the recommendations which they would make to the heads of their Governments, and at which they heard a report from a committee of U.S., French, and British experts which had been engaged in preparatory work for the conference.

On the following day the North Atlantic Council met at the *Palais de Chaillot* and unanimously endorsed the general lines of policy to be adopted by the Western delegations at Geneva. An official spokesman said that the North Atlantic Council had ruled out any comprise either on the solidarity of the NATO alliance or on the choice of a united Germany to enter the Atlantic alliance if it so desired.

Reactions in Western Germany.

The statement of Soviet policy on the German question, published on July 12 by the Tass Agency (see above), had a critical reception in Bonn, where an official spokesman emphasized that a European collective security pact based on the continued division of Germany was unacceptable to the Federal Government. Short statements were made in the Bundestag on July 16 by Dr. Adenauer, the Federal Chancellor, and Herr Ollenhauer, leader of the Opposition.

Dr. Adenauer said that he had no wish to say anything that might disturb the negotiations at Geneva or endanger their success. He added, however: "In view of utterances that have been heard lately, I consider it necessary to make it clear to the Bundestag that a European security system which envisages the continuation of the division of Germany is unacceptable to us. Such a system would establish the partition of Germany for a period of time impossible to estimate. It would give Europe no security. A security system can never be erected upon the disregard of a demand so deeply rooted in the German people." The Chancellor's statement was warmly welcomed by all political parties.

Herr Ollenhauer declared that the four Powers could contribute to the peaceful reunification of Germany by abandoning all attempts "to incorporate the German partition States, or all-Germany, in the military system of the West or of the East." He added that Western Germany's association with the NATO, and Eastern Germany's association with the Warsaw Pact, should both be open to revision; that it would then be possible to create a security system in the framework of the United Nations which would satisfy the justified need for the security of Germany and other European countries; and that it was the Federal Government's duty to seize every chance to achieve the unification of Germany in peace and freedom.

A two minutes' silence was observed throughout Western Germany at noon on July 18 as a demonstration of the desire of the German people for reunification.

It had previously been announced in Bonn that Herr Blankenhorn (West German delegate on the North Atlantic Council) would be present in Geneva in the capacity of an observer, and would keep in touch with the Western delegations. Dr. Adenauer arrived on July 18 at Mürren, near Interlaken, on holiday; it was stated that he would keep in close touch with Herr Blankenhorn and the West German observers at Geneva.

Opening of Geneva Conference.

President Eisenhower, Marshal Bulganin, Sir Anthony Eden, and M. Faure arrived separately at Geneva by air on July 17, and were welcomed at Cointrin airport by the President of the Swiss Confederation, M. Petitpierre. The City of Geneva was gaily decorated for the conference, and the Heads of Government and their staffs were accommodated in villas and mansions placed at their disposal by the municipal authorities. Elaborate security precautions were taken by the Swiss Government, the routes between the *Palais des Nations* and the villas occupied by the Heads of Government being guarded by strong contingents of the Swiss Army. The grounds of the villas themselves were patrolled by American, British, French, and Russian security forces.

By agreement between the four Powers, a joint secretariat for the conference was set up under Mr. Peter Wilkinson (First Secretary of the British Embassy in Washington), who was assisted by American, French, and Russian officials. It was also agreed that President Eisenhower should preside over the first session of the conference on July 18, and that the chairmanship should thereafter rotate from day to day between the four Heads of Government.

Prayers for the success of the conference were offered in churches of all denominations in the U.S.A., Britain, and many other countries on Sunday, July 17, a special call to prayer having been issued by the World Council of Churches.

The Geneva Conference began ten years and one day after the opening of the Potsdam Conference (July 17, 1945). The only statesmen who took part in both conferences were Sir Anthony Eden and Mr. Molotov.—(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - Le Figaro, Paris - Soviet Weekly - Frankfurter Allgemeine Zeitung - Neue Zurcher Zeitung)

(Prev. rep. 14271 A.)

A. SCOTLAND. — Economic Position. - Review of Industry and Employment in 1954.

A review of Scotland's economic position was given to the House of Commons on July 14 by the Minister of Labour (Sir Walter Monckton), on a motion asking the House to take note of the White Paper on Industry and Employment in Scotland, 1954.

Sir Walter said that there had been a marked increase in activity in the engineering industry and also a " welcome increase " in orders placed with Scottish shipyards, a total of 130,000 gross tons and more having been recorded in the order books. Although steel output was a little below the 1953 level, it was seven per cent higher in the first four months of the present year than in the corresponding period of 1954

In the coal-mining industry, however, the position was not so satisfactory; output had fallen by 300,000 tons in 1954, and in the first 24 weeks of the present year there were 500,000 tons less of deep-mined coal than in the same period of 1954. In part this was due to unofficial strikes, but also to worsening physical conditions in many of the pits. Nevertheless, the National Coal Board's programme of new sinkings was going forward steadily; a boring tower to prove coal reserves under the Firth of Forth was now in position off Kirkcaldy; and drilling was taking place many hundreds of feet below the sea-bed.

Employment in Scotland during 1954 was at a higher level than ever before, the number of people in insured employment having risen by 26,000 to 2,089,000, and unemployment having declined considerably compared with 1954. These trends were still being maintained in 1955. Nevertheless, Scotland had double the amount of unemployment compared with the country as a whole; e.g., in June, 1955, the percentage of unemployed was 2.6, compared with 1.6 in Wales and 1 per cent for the whole of Great Britain. Sir Walter believed that this was partly attributable to the geographical distribution of the industrial population in Scotland, and partly to the special problem of the Highlands. The unemployment figures were highest in the Glasgow and Dundee areas, where most of the industry was concentrated and heavy industries predominated Although new industries—especially light industries—had been attracted to these areas, many of them had not yet reached full maturity. When in full production, however, it was anticipated that they would provide employment for some thousands of workers.

The Secretary of State for Scotland (Mr. Stuart) said that the Atomic Energy Commission's plant at Dounreay, Caithness (see 13467 A) was nearing the stage when it would provide work for substantial numbers, rising to an estimated maximum of 1,700 towards the end of 1956. In addition, it was intended to add further experimental reactors (four of which would be built at Chapelcross, near Annan) which were likely to give employment to a sizeable construction staff for several years. Scottish firms had already received a number of contracts in connexion with the Dounreay plant and other atomic developments. (Times - The Scotsman, Edinburgh)

B. SYRIA. — Assassination of Deputy Chief of Staff.

Colonel Adnan Malki, Deputy Chief of Staff of the Syrian Army, was assassinated on April 22 while attending a football match in Damascus. The assassin, a Syrian Army sergeant (Yussef Ibrahim), committed suicide after killing Colonel Malki. The assassination was carried out in full view of 10,000 spectators, among whom were the Chief of Staff of the Syrian Army (Brigadier Shawkat Shukeir) and the Egyptian Ambassador in Damascus.

Colonel Malki had been dismissed from the post of Deputy Chief of Staff during the military regime of Brigadier Shishakly, but was reinstated when the latter was ousted by the Army revolt of February, 1954. His brother, Riad Malki, is a leader of the Arab Socialist *Baath* Party, which favours close co-operation with Egypt and is opposed to the Turkish-Iraqi defence pact, whilst the assailant was a member of the right-wing *Parti Populaire Syrienne*, a Fascist group which advocates the union of Syria and Iraq. Before the assassination of Colonel Malki (who was strongly opposed to such a union) there had been several clashes between members of the two parties.

The Syrian Prime Minister, Sabri el-Assali, stated in the Chamber on April 26 that Colonel Malki's assassination had been part of a plan to stage a *coup d'état* with the aid of " a foreign Power," and that 75 civilians and 30 Army officers and other ranks had been detained for interrogation. At the Government's request, the Chamber waived the immunity of Hanna Kiswany, the only parliamentary representative of the *Parti Populaire Syrienne* (P.P.S.), whose leaders were alleged to have been implicated in the conspiracy. The party's headquarters were searched and documents seized, and on May 4 M. Assali announced that the Government had decided to dissolve the party.

The military investigator's office published the charges against those arrested on June 29. It was announced that the investigator had demanded the death sentence on 26 executive members of the P.P.S. and four junior Army officers, and life imprisonment with hard labour for nine other defendants. The accused were charged with having instigated the premeditated murder of Colonel Malki, establishing contact with a foreign Power, exposing Syria to " aggressive actions," and disturbing Syria's relations with a foreign Power. It was alleged that the P.P.S. had planned to stage a *coup d'état*, had approached the U.S. Government for this purpose, and had hoped that the *coup* would enable Syria to join the Turkish-Iraqi pact.—(Le Monde, Paris - Manchester Guardian)

(Prev. rep. Political Assassinations, 11094 B.)

C. SOVIET UNION. — Commissions for Long-term Planning, Current Planning, and Labour and Wages.

It was announced in Moscow on May 25 that the Presidium of the Supreme Soviet had decided to divide economic planning into two different sectors and to set up (*a*) a State Commission for Long-term Economic Planning, which would retain the name of *Gosplan* (hitherto given to the existing State Planning Commission), and (*b*) a State Commission for Current Economic Planning, to be known as *Gosekonkommissia*. M. Nikolai Baibakov, hitherto Minister for the Oil Industry, was appointed chairman of the Long-term Planning Commission, and M. Maxim Saburov, head of the existing State Planning Commission and a Deputy-Premier, became chairman of the Current Planning Commission.

On May 24 the Presidium of the Supreme Soviet had decreed the setting-up of a new Commission to advise the Council of Ministers on questions concerning labour and wages. The Commission's task was defined as " to strengthen State control over the work of Ministries and Directorates and to improve their work in all questions of labour and wages." M. Lazar Kaganovich, a First Deputy-Premier and one of the senior Soviet leaders, was appointed chairman of the new Commission. (Le Monde, Paris - Times - Manchester Guardian)

(Prev. rep. Council of Ministers, 14108 D.)

D. HUNGARY. — Release of Cardinal Mindszenty.

It was officially announced in Budapest on July 16 that the Hungarian Government had agreed to " interrupt " the life sentence on Cardinal Joszef Mindszenty, Primate of Hungary, in deference to a request by the Hungarian bench of bishops. It was stated that the request had been made on the grounds of the Cardinal's age (63) and ill-health, and that he would be permitted to reside in a building designated by the ecclesiastical authorities. Cardinal Mindszenty had been sentenced by a " people's court " in 1949 to life imprisonment and loss of civil rights on charges of treason, conspiracy against the State, and " black market " currency dealings.—(Times - Le Monde, Paris)

(Prev. rep. Cardinal Mindszenty, 9880 A.)

A. UNITED KINGDOM. — British Transport Commission Report for 1954. - Deficit of £11,900,000. - First Instalment of Railway Modernization Plan. - New Freight Charges Scheme. - Increases in Fares and Charges. - Road Haulage Disposals. - Retention of Trunk Service Network. - Canal Survey. - New Stock Issue.

The report and accounts of the British Transport Commission for the year 1954 were published on June 29. They showed that the Commission had earned a working surplus of £45,500,000 (compared with £59,400,000 in 1953), but that this had been offset by central charges—mainly interest on Transport Stock—of £53,800,000, and by the provision of £3,600,000 for capital redemption and other special charges. The resulting net deficit of £11,900,000 compared with a net surplus of £4,200,000 in 1953, and increased the Commission's accumulated deficit since nationalization to £39,200,000.

The report stressed that the decline on the working surplus, as compared with 1953, was "not the result of deterioration in efficiency or economy in operation," but was due principally to the fact that fares and freight charges "had never been able to catch up quickly enough with rising costs in the shape of higher wages and price levels." At the same time, however, the volume of most classes of traffic had declined, and, in particular, the tonnage of railway freight handled "had decreased by more than could be offset by reductions in services and other savings in expenses." As a result, the net receipts of British Railways had fallen from £32,989,188 in 1953 to £14,747,931 in 1954, the latter figure comparing with "the minimum of some £40,000,000 to be expected from an activity of this size and consequence." After pointing out that the financial difficulties of the railways had been increased by "the uncertain outcome of almost continuous wage negotiations," the report added: "The Commission's deficit of £11,900,000 does not fully reflect the continuing upward trend of wages and prices, the effect of road haulage disposals, or the declining level of most classes of traffic on public transport systems. In particular, the cost of the further increases in wages granted early in 1955 . . must be a cause of acute financial anxiety in the period ahead."

The Commission's gross receipts from its principal carrying activities amounted to £656,263,239 (compared with £645,820,689 in 1953), and its working expenses to £624,477,460 (against £597,613,277), leaving net traffic receipts of £31,785,779 compared with £46,207,412 in 1953. Details were as follows:

	Gross Receipts	Working Expenses	Surplus (+) or Deficit (−) 1954	1953
		(£ million)		
British Railways: Passenger 116 6; Freight, Parcels and Mails .. 313 6; Miscellaneous 5.3	435.5	418 9	+16.6	+35 1
Railway Collection and Delivery Service .	12.2	14 0	− 1.8	− 2.1
British Road Services (Road Haulage) ..	72.7	64 0	+ 8.7	+ 8.9
Road Passenger Services (Provincial and Scottish Groups)	51.3	46.3	+ 5.0	+ 4.8
London Transport .				
Road Services .	50.9	49 6	+ 1.3	− 0.05
Railways	20.0	19.0	+ 1.0	+ 0.7
Ships: Passenger and Cargo . ..	13.1	12.0	+ 1.1	+ 0.9
Inland Waterways .	0.95	1 03	− 0.08	− 0.03

The percentage of working expenses to gross receipts was as follows: Railway passenger and freight services, 96; Railway collection and delivery services, 115, Road haulage services, 88; Road passenger services (Provincial and Scottish), 90; London Transport road services, 97, London Transport railways, 95; Ships, 92; Inland waterways, 108.

The position with regard to the Commission's principal other activities was as follows:

Docks, Harbours, and Wharves: The net surplus rose by about £100,000 to £2,600,000.

Hotels, Refreshment Rooms, and Restaurant Cars: Results were on the whole the best since nationalization, a loss of about £600,000 on refreshment cars having been reduced by profits on the other undertakings to only about £100,000, compared with nearly £500,000 in 1953.

Commercial Advertising and Letting of Sites on B.T.C. Properties. Surpluses of £2,000,000 and £1,400,000 respectively were earned under these heads, in each case about £100,000 more than in 1953.

Miscellaneous Activities: The 1954 surplus totalled about £5,300,000, compared with about £3,300,000 in 1954.

Important points from the Commission's report are summarized below.

Passenger Traffic and Fares. Notwithstanding inducements such as cheap excursion fares, there had been "a tendency for the amount of short-distance traffic in the London area to decline, and for short journeys to become shorter"; in contrast, the average of journeys outside the London area had been slightly longer. The total number of passengers on the Commission's road and rail services was 7,661,000,000, a decrease of 1 3 per cent, but the steadiness of passenger traffic in general was "not unsatisfactory."

The report emphasized that, in spite of increases in the amounts of most passenger fares, their relative cost in terms of purchasing power was less than before nationalization.

British Railways. (*a*) *Traffic.* The total number of passengers carried had increased in 1954, principally on the longer journeys, whilst the number of passengers carried to and from the Continent was the highest ever recorded. The average amount received per passenger-mile was 1 35d., compared with 1 38d in 1948.

Total freight traffic declined by 676,700,000 ton-miles (3 per cent), decreases being shown by each of the three main categories of traffic—general merchandise, minerals, and coal and coke—as well as by livestock traffic.

(*b*) *Rolling Stock.* Although replacement of railway coaches and wagons was "going on at a much faster pace," it had still been necessary in 1954 to retain in service over 4,000 "life-expired" carriages.

(*c*) *Operational Efficiency.* During the year savings totalling about £5,000,000 were made on British Railways, partly as the result of the smaller volume of freight traffic, but mainly owing to more efficient operating methods and organization.

(*d*) *Railway Modernization and Unremunerative Services.* The report pointed out that in any modernization scheme there must be "a period in which the new capital would not improve the railways' financial position," and that meanwhile the cost of carrying passenger and freight traffic must be recovered as far as competitive conditions allowed. "A condition precedent to undertaking a far-reaching plan of this nature," it stressed, "is that the enterprise must not be allowed to get into a position of irredeemable unbalance in the meantime. An essential corollary of the Commission's case for modernizing equipment is that they should be relieved of any obligation to provide facilities that are no longer used, or used only to an extent far short of the capacity for which they were designed." The report therefore foreshadowed "an increasing tempo in the drive to eliminate unremunerative services," and stated that a survey of train services had shown that for many of the uneconomic slow or stopping trains "no remedy exists except withdrawal and the substitution of road services." It added, however, that in many cases local opposition would be "very great."

British Road Services. Although the carrying capacity of the road haulage fleet had decreased during 1954 by 24 per cent (owing to sales to private hauliers), the net surplus on working (£8,700,000) was only £200,000 less than in 1953.

London Transport. The number of passengers carried fell during 1954 by 3 per cent, but net traffic receipts (£2,300,000) were the best since 1919. The report pointed out, however, that this amount was "still nearly £2,000,000 short of the minimum annual contribution which London Transport should be making to the Commission."

Capital Expenditure. During 1954 the Commission spent about £66,000,000 on new rolling-stock, road vehicles, ships, and plant and equipment, and about £10,000,000 on additions and improvements to land, civil engineering works, and buildings.

Capital expenditure authorized at Dec 31, 1954, amounted to £168,000,000. Contracts placed since that date in connexion with the railway development plan aggregated over £35,000,000.

Staff and Wages. The Commission's total staff on Dec. 31, 1954, numbered 831,223, a decrease of 34,220 during the year. Wage increases granted during 1954 aggregated £23,300,000, the report estimating that the further increases which came into force in January, 1955, would cost an additional £20,000,000. In this connexion the Commission expressed the conviction that there was "still wide scope for increasing efficiency," and that the wholehearted co-operation of unions and staff to this end was "indispensable."

Sir Brian Robertson (the Commission's chairman) stressed that a trading deficit for 1955 was "inescapable," but that the Commission would make "a determined effort to return to a state of balance in 1956," although this "would not be easy." In this connexion he pointed out that one of the more lasting results of the rail strike (see 14240 A) would be "the continued loss of revenue on classes of traffic which had found alternative forms of transport and which it would be hard to recapture."

Sir Brian explained the reasons for the railways' "struggle" as: (*a*) recent rises in wages and costs, which had outstripped the Commission's ability to make the necessary adjustments to absorb them; (*b*) the loss of traffic (particularly freight traffic) to the roads, which meant that the railways would have "a hard struggle" until the equipment necessary for a modern freight service was available; (*c*) uneconomic services and inherited obligations from the days when the railways had a virtual monopoly of transport, (*d*) the losses on many suburban services feeding large cities. To alleviate the last-mentioned losses, multiple-unit diesel trains would be introduced in the Manchester and Birmingham areas, and plans were being made for electrification in the Glasgow area.

As regards the future, Sir Brian enumerated four reasons justifying "positive optimism" as soon as the measures already taken by the Commission had had "a chance to bear fruit." These were: (1) the establishment of a British Railways Productivity Council and other measures to increase the morale and efficiency of manpower; (2) the drawing-up of the railway freight charges scheme now before the Transport Tribunal (see below); (3) the adoption of the railway modernization plan, already well launched and steadily gathering momentum (see below); (4) railway decentralization and the establishment of Area Boards.

Other developments in connexion with rail, road, and water transport during recent months are outlined below:

First Instalment of Railway Modernization Plan. The B.T.C. announced on May 5 that upwards of £50,000,000 would be spent in 1955-56 on the first stage of the railway modernization plan (see 14024 A). The tentative programme included (1) the placing of orders for at least 170 main-line locomotives, 1,000 multiple-unit diesel vehicles, and a large number of diesel shunting engines, (2) track and signalling improvements in anticipation of higher train speeds, (3) the electrification of certain suburban services and preparation of main-line works; (4) major improvements to at least 15 passenger stations, 8 goods marshalling yards, and 8 goods stations, (5) new passenger rolling-stock and carriage-cleaning facilities Details were as follows

Track and Signalling. Renewal of 1,800 track miles, and quadrupling of the track between New Barnet and Potters' Bar (Eastern Region) at a cost of £2,750,000, thus removing a bottle-neck on the London-Edinburgh run Signalling equipment, etc., costing £1,100,000, and improved telecommunications costing £350,000.

Diesel Traction Replacement of steam trains by multiple-unit diesels in the following areas. Edinburgh-Glasgow, Birmingham-Swansea, London-Hastings, East Anglia, Lincolnshire, Newcastle-Carlisle, Newcastle-Sunderland-Middlesbrough, Manchester-North Wales, Birmingham-Lichfield, Birmingham suburban, Hampshire.

Electrification The extension of the Liverpool Street-Shenfield electrification to Chelmsford (due to be completed in 1956 at a cost of £2,500,000) would form the basis of further electrification of the Eastern Region main line to Ipswich and Clacton. Preliminary work would begin on the Fenchurch Street-Tilbury, Liverpool Street-Bishop's Stortford, and Kentish steam traction lines, and first steps would be taken towards main-line electrification schemes from Euston to Birmingham, Manchester, and Liverpool

Freight Traffic Work should begin in 1956 on marshalling yards near Barking (costing £1,800,000), a new yard at Stratford, East London (costing £2,500,000) should be nearly completed, and new yards would be begun at Colwick (£1,750,000), Alloa (£500,000), Millerhill, near Edinburgh (£3,000,000), and Port Talbot, South Wales (£1,500,000)

Passenger Stations Improvements would be made at Peterborough (to be given high priority), Manchester (Victoria), Plymouth (North Road), Colchester, Edinburgh (Waverley), Euston, Coventry, Banbury, Harrow, Glasgow (Central), Chichester, Weymouth, and Gatwick Airport.

Rolling-stock. About 4,700 new passenger vehicles and 136,000 freight vehicles would be brought into service in 1955-56 About £1,000,000 would be spent on building wagons of the 24½-ton type for minerals traffic, and over £3,000,000 on fitting continuous brakes on new wagons

Finally, the Commission announced that contracts had already been placed with British manufacturers for £35,000,000 worth of rolling-stock, including 844 vehicles for use in multiple-unit diesel trains, 576 passenger coaches and brake vans, and 46,500 all-steel mineral wagons of 16 tons' capacity In addition, orders were in hand at the railways' own works for 340 new freight locomotives (144 diesel and 196 steam) and 21,300 carriages and wagons.

Results of Completed Railway Modernization Schemes. In a statement on the results obtained from modernization schemes already introduced, British Railways announced on April 24 that passenger traffic on the Liverpool Street-Shenfield line had doubled since electrification in 1949; that both passenger and freight traffic on the Manchester-Wath-Sheffield line had increased greatly since electrification (237 passengers having been carried on the Manchester-Glossop section for each 100 previously carried by steam trains), and that the reinstatement of electric services between Lancaster, Morecambe, and Heysham had also proved highly successful The introduction of diesel trains between Leeds and Bradford had brought an increase within six months of 203,000 passengers and £14,740 in receipts, whilst in West Cumberland takings had increased by 40 per cent since diesel services were introduced in November 1954

Draft Scheme of Maximum Railway Freight Charges. The B T C announced on Dec. 15, 1954, that it had completed a draft scheme of maximum railway freight charges which had been in preparation since the passing of the Transport Act in 1953 With the object of restoring competition between the various forms of inland transport, the Act had released the Commission from the obligation to publish its standard charges, and had required it instead to publish maximum rates, leaving actual rates to competitive quotation within these maximum limits. The new scheme was intended, not to bring about a general increase in freight charges, but to attract to the railways more of the traffic which they could handle cheaply, and to discourage traffic which it was costly to move by train; many individual rates would thus be reduced and others increased.

It was explained that under the existing system (in use since 1921) commodities were grouped for the purpose of assessing rail charges into a number of broad classifications according to value, and the scale of charges was fixed according to distance on a national pattern. In practice, however, a large number of "exceptional rates" had been fixed below the standard charges to meet the growth of competition in particular fields. Nevertheless, the main principle on which the system operated had been to average the railways' costs over the whole range of goods carried, and then to charge rates according to the customers' ability to pay. As a consequence, the rate for conveyance depended mainly on the value of the consignment and not on the cost of carrying it, and freight-rates bore little relationship to actual transport costs The result of this system had inevitably been that the railways' profits on some classes of goods had been subsidizing losses on others, that profits on low-cost routes had been subsidizing losses on routes where costs were high; and that regular customers had been subsidizing casual users

Under the new scheme (the statement pointed out) goods would not be classified by value but by weight, bulk, and ease of handling, and charges would be more steeply tapered for distance: short-distance hauls paying considerably more, and long-distance hauls relatively less, than the normal. At the same time the release of the railways from their existing obligation to quote identical rates to all customers for carrying similar classes of goods would end the subsidizing of casual customers by regular ones, since the Commission would be free to give regular customers the full benefit of the lower costs resulting from steady and balanced demands.

After discussions with traders' associations, the draft scheme was submitted on March 21 to the Transport Tribunal, which will hold a public inquiry into it.

Increases in Fares and Charges. The Commission announced on April 30 that British Railways' passenger fares and freight charges, London Transport fares, canal and dock charges, and rail collection and delivery charges, would be increased from June 5 as follows:

Rail Freights A general rise of 7½ per cent, with an increase of 15 per cent for consignments under one ton (except for perishables and certain other traffic, where the 7½ per cent increase would apply for all consignments). Similar increases in railway collection and delivery charges.

Main Line Passenger Fares Ordinary fares increased from 1.75d. to 1.88d per mile (third class) and from 2 62d to 2 82d (first class).

London Area All single fares above 7d on London Transport railways and buses and on London, Tilbury, and Southend trains would be raised by 1d, and day return fares above 7d. on the London lines of British Railways by 2d. Similar increases for early morning fares and monthly season tickets

Canal and Dock Charges. A general increase of 7½ per cent

Although these increases were expected to yield about £25,000,000 in a full year, the Commission stressed that this "would not cover the higher wages and salaries already in operation The intention was that these should be met, partly from increases in the efficiency of the transport industry itself, and partly from the improved results to be expected from the new Freight Charges Scheme (see above) The statement added. "The proposals now made are one of the inescapable measures required in fulfilment of the Commission's duty to meet as far as possible increases in costs already borne, and so minimize its deficit."

Road Haulage Disposals. The Minister of Transport and Civil Aviation (Mr. Boyd-Carpenter), stated in the House of Commons on July 11 that the British Transport Commission had sold a total of 15,688 road haulage vehicles under the Transport Act to private haulage firms, that tenders had been closed within the past few days affecting probably another 1,000, that a further 4,000 vehicles employed in the parcels service would be sold on a company basis in October; and that 2,000 vehicles were in the contract-hire category (i.e. had been provided under contract for traders' private use). There remained about 8,000 vehicles, a substantial proportion of which were operating the main trunk services of British Road Services, these services had developed in recent years and now rendered efficient service to industry, and the Government were considering the question of their retention.

The Minister claimed that the main objects of the Transport Act of 1953 had been achieved; that the "small man" had come back into the industry; that competition in long-distance road haulage had been introduced, and that it was "beyond doubt" that the road haulage enterprises, both public and private, were giving a better service today than two years ago

Mr. Boyd-Carpenter's statement was made during a debate on the B.T.C.'s annual report. An Opposition amendment "regretting the policy of H M Government in breaking up the public transport system," and deploring "the estimated capital loss of £20,000,000 that will result from the forced sale of British Road Services' lorries," was defeated by 303 votes to 249.

The Opposition reference to an estimated capital loss of £20,000,000 on the disposal of the Commission's road haulage undertaking was based on a statement made by the Minister on Oct 20, 1954. During the debate of July 11, however, Mr. Boyd-Carpenter deprecated the use of this figure as indicating the Commission's final loss, and pointed out that the Commission would eventually be reimbursed for any losses by the yield of the transport levy charged under the Act of 1953. The total of that levy paid up to March 31, 1955, had been given by the Minister on April 27 as £7,677,000.

In a further statement in the House of Commons on July 21, Mr. Boyd-Carpenter announced that the Government had now decided not to dispose of the goods vehicles used by the British Transport Commission to operate the trunk service network, and that it was proposed to introduce a Bill to amend the 1953 Act in that respect. The Government had asked the chairman of the Disposal Board to advise them as to the number of vehicles required to be retained for this purpose, over and above the total of 3,500 vehicles for all purposes already authorized for retention under the 1953 Act; according to present information, it was assumed that the number of vehicles to be retained would be increased by some 4,500 to 8,000. The Minister added that the Government had asked the Board to offer for sale as quickly as possible the balance of the vehicles still held, and that all other arrangements previously announced would be carried out.

The Minister had prefaced his announcement by saying that the Government were satisfied that the main objects of the 1953 Act as regards road haulage had been achieved The 25-mile limit on private hauliers had been abolished, vehicles operated by the British Transport Commission had been placed under the licensing system of the Road and Rail Traffic Act, 1933, and considerable progress had been made with the disposal of vehicles owned by the Commission, 16,748 having been sold to date out of the 32,500 vehicles originally thought to be available for disposal In reply to questions by Labour members, Mr. Boyd-Carpenter attributed the increased efficiency of the trunk services principally to "the general stimulus of increased competition." The Government's decision to retain the trunk services was welcomed by the Opposition.

The fourth report of the Road Haulage Disposal Board, published on June 30, had shown that of the 15,008 vehicles sold by May 28 (out of 24,569 vehicles offered) 8,586 had been in units of four vehicles or fewer and 2,742 in units of 20 or more; 10,462 vehicles had been sold in "vehicle only" units and 4,144 in units including premises, nearly three-quarters of these being in units of 15 or more vehicles. It also stated that the parcels organization, with some 4,000 vehicles and 115 depots, had been made into a separate company named B R S. (Parcels) Limited, which was to be offered for sale in October, and that an offer for the 498 vehicles in the "meat fleet" was still under consideration.

Canals and Inland Waterways. The report was published on April 12 of a Board of Survey of Canals and Inland Waterways, appointed by Mr. Boyd-Carpenter to ascertain "whether all possible steps are being taken to ensure that the maximum economic advantage is being derived from the Canal system under the Commission's control," and to advise on the steps to be taken with regard to uneconomic waterways The members of the Board of Survey were Lord Rusholme (chairman), representing the B.T.C., Sir Rex Hodges, formerly general manager of the Mersey Docks and Harbour Board, and Mr R. D. Brown, a Manchester civil engineer.

The Board recommended that 336 miles of inland waterways should be developed; that a further 994 miles should be retained for the present; and that 771 miles, which at present incurred a loss of about £200,000 annually, had not "sufficient commercial prospects to justify their retention for navigation." The waterways in each category are listed below:

Waterways carrying substantial traffic and recommended for development: Aire and Calder Navigation Canal, Gloucester and Berkeley Canal and River Severn; Grand Union Canal (Regent's Canal Dock and Brentford-Berkhamsted); Sheffield and South Yorkshire Navigation Canal, River Lee, River Trent; River Weaver.

Waterways to be retained for the present: Ashby Canal (lower part), Birmingham Navigation Canal, Calder and Hebble Navigation, Coventry Canal; Fossdyke Canal; Grand Union Canal (above Berkhamsted); the River Avon section of the Kennet and Avon Canal; Kensington Canal, Leeds and Liverpool Canal; Oxford Canal (northern section); River Lee (above Enfield lock); River Stort, St. Helens Canal, Shropshire Union Canal (main line); Stourbridge Canal; Stratford-on-Avon Canal (northern section); Trent and Mersey Canal; Ure Navigation Canal.

Waterways not justifying retention: Ashby Canal (upper part), Ashton, Peak Forest, Macclesfield, and Barnsley Canals; Bridgwater and Taunton Canal and River Tone Navigation, Chesterfield Canal, Cromford Canal; Dearne and Dove Canal, Erewash Canal, Grand Western Canal, Grantham Canal, Huddersfield Canal; Kennet and Avon Canal (between Reading and Bath), Lancaster Canal; Manchester, Bolton, and Bury Canal; Monmouthshire and Brecon Canal; Nottingham Canal; Oxford Canal (southern section); Pocklington Canal; Ripon Canal; Shropshire Union Canal (Welsh and Montgomery and Shrewsbury sections); Stratford-on-Avon Canal (southern section); Swansea Canal; Witham Navigation Canal

The Board of Survey also recommended the transfer of the Caledonian and Crinan canals to the Secretary of State for Scotland, together with the Forth and Clyde, Monkland, and Union canals, which it considered to be "of no real use for navigation."

The British Transport Commission stated that it agreed with the Board's conclusions and would announce its proposals in due course

Part-Time Appointments to British Transport Commission. It was announced on May 4 that Mr. Boyd-Carpenter had appointed the following as part-time members of the Commission: Mr. T. H. Summerson (chairman, North-Eastern Area Board, B.T.C.); Sir Cecil McAlpine Weir (who would shortly relinquish his appointment as head of the U.K. delegation to the High Authority of the European Coal and Steel Community); and Mr. F. A. Pope (who had just retired from full-time membership of the Commission).

The Bank of England announced on June 21 the issue of £42,000,000 British Transport 4 per cent Guaranteed Stock, 1972-77, bringing the total amount of stock issued up to £242,000,000. The stock was offered at 96½ per cent for conversion to holders of London Electric Transport Finance Corporation 2½ per cent Guaranteed Debenture Stock, 1950-55, finally redeemable on Aug. 1; stock not required for conversion was offered for cash.—(Times - Daily Telegraph - Manchester Guardian - Financial Times) **(Prev. rep. 1953 Report, 13903 A; Modernization Plan, 14024 A; Reorganization, 13968 A; Transport Act, 12594 A; Fares, Charges, Increases, 13443 A, 13745 A; Wage Increases, 14240 A, 14280 A; B.T.C. Membership, 13903 A; British Transport Stock, 13426 B.)**

A. CZECHOSLOVAKIA. — Release of Mrs. Sispera.

Mrs. Phyllis Sispera, the British-born wife of a Czechoslovak airman, was allowed to leave Czechoslovakia with her three children on July 9, after a number of representations had been made on her behalf by the British Government. She arrived at London Airport with her children on July 15 after flying by air from Prague *via* Amsterdam.

Mrs Sispera (*née* Clarke) married her husband in 1941, when he was serving in Britain with the Czechoslovak Air Force They returned to Czechoslovakia after the war with their three British-born children, but in 1950, after the Communists had come to power, unsuccessfully attempted to escape from the country, being caught before they could cross the frontier Mr Sispera was sentenced to 11 years' imprisonment for anti-State activities, and Mrs Sispera to 12 months' imprisonment In 1954 Mrs. Sispera divorced her husband and applied for herself and her children to be released from Czech nationality, but the request remained unanswered In February last she had applied for an emigration permit, which was refused

Unsuccessful attempts to persuade Mrs Sispera to remain in Czechoslovakia had been made by the Czech police before she was allowed to leave the country On July 5 she was taken from her home under police escort and brought to a place in the countryside near Prague, where she was allowed to see her children and to have a "picnic" in the woods with them under police surveillance [The three children had been in a home after Mrs Sispera had suffered an accident while at work] On the following day she was taken to a villa and questioned by the police, who tried to persuade her to remarry her former husband and to remain with him and their children in Czechoslovakia After promising Mrs Sispera that she would be allowed to visit her relatives in England, and that her former husband would be released and found a job, the police then produced Mr. Sispera and repeated their offer to release him and to allow the couple to remarry Mrs. Sispera, however, continued to insist that the marriage had been dissolved and that she wished to return to England with her children and live there permanently Mr Sispera was then taken away and Mrs. Sispera was returned to her home.

The Czechoslovak Ambassador in London (Mr. Jiri Hajek) was called to the Foreign Office on July 7 and warned that the detention of Mrs Sispera and her children would materially worsen diplomatic relations between Britain and Czechoslovakia. A Foreign Office statement said that Mr Nutting (Minister of State) had spoken "very strongly" on the subject of British wives in Czechoslovakia, and of Mrs. Sispera in particular, and had stressed that Anglo-Czechoslovak relations would "continue to be poisoned" as long as the Czechoslovak Government refused to allow British-born wives and their children to return to the country of their birth. On July 9 the Czechoslovak Government informed H.M. Embassy in Prague that Mrs. Sispera and her children were free to leave Czechoslovakia "as an act of grace."

In a statement to the House of Commons on July 6, Mr. Nutting gave the following information about British-born wives in the Eastern European countries: (*a*) in Czechoslovakia, 98 British-born wives were registered at British Consulates, of whom 12 (including Mrs. Sispera) had applied to leave the country; (*b*) in Poland, 246 were registered, of whom 73 had applied to leave; (*c*) in Hungary, 33 were registered, of whom six had applied to leave; (*d*) in Rumania, 12 were registered, of whom four had applied to leave; (*e*) in Bulgaria, only one was registered, who had not applied to leave. Mr. Nutting added that the position had recently improved in Poland, where permission to leave had been granted to 14 applicants. (Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 13512 E.)

B. INDIA. — Decision to adopt Decimal Coinage and Metric System.

The Indian Minister of Commerce and Industry, Mr. Krishnamachari, announced on April 22 that the Planning Commission had decided in favour of a change-over to the decimal system of coinage and the metric system of weights and measures, and that the Government intended to introduce legislation for a decimal coinage system at an early date. At the same time a standing committee was being set up to examine the questions involved in "phasing" the standardization of weights and measures and the change-over to the metric system, and to prepare the necessary legislation.

(Indian High Commissioner's Office, London)

C. UNITED STATES. — Senate Resolution on Self-determination for "Satellite" Nations of Eastern Europe.

The U.S. Senate unanimously approved on July 14 a resolution, sponsored by Senator William F. Knowland (Republican minority leader in the Senate), expressing the hope that the Communist "satellite" nations of Eastern Europe might soon regain the right of self-determination. The Knowland resolution left it to the discretion of President Eisenhower whether to raise the matter at the Geneva "summit" conference or to leave it to a more opportune moment. (New York Times)

A. AUSTRALIA.—The "Bankstown Observer" Case.—Newspaper Proprietor and Editor imprisoned by Federal Parliament for Breach of Parliamentary Privilege.

The Federal House of Representatives, in the first case of its kind in the history of the Australian Parliament, committed two men to prison for three months on June 10 for breaches of Parliamentary privilege. The two men concerned with Mr. R. E. Fitzpatrick and Mr. F. C. Browne, respectively proprietor and editor of the *Bankstown Observer*, a paper published in one of the suburbs of Sydney. They were summoned to appear at the Bar of the House after a parliamentary committee had found them guilty of a serious breach of parliamentary privilege by the publication of an article concerning Mr. Charles Morgan, a Labour member of the House.

Mr. Morgan, whose constituency (Reid) includes the Bankstown area, had for some years been campaigning against alleged graft and corruption on the Bankstown Council. In March 1954 the New South Wales Government had removed the Council, on the ground that it was incompetent to fulfil its responsibilities. Mr. Morgan had subsequently called upon the State Government to appoint a commission of inquiry to investigate the matter, and when the State Government refused to do this, Mr. Morgan had called upon the Federal Government to appoint a Royal Commission. It was following this demand that Mr. Morgan had been attacked by the *Bankstown Observer*. The parliamentary committee declared that the article in the paper was intended to intimidate Mr. Morgan in the performance of his parliamentary duties, and that the paper had made a deliberate attempt to impute corrupt conduct to Mr. Morgan as an M.P., with the express purpose of discrediting and silencing him.

When the two men were called to the Bar of the House **Mr. Fitzpatrick** apologized for what he had done, saying that he had no idea when he published the article that it was a breach of Parliamentary privilege. **Mr. Browne,** on the other hand, asserted that he had been denied justice and the rights which were always observed in Court; that the case against him had not been properly proved, and that he had been refused legal representation, had not been allowed to cross-examine his accuser, and had no right of appeal. After personally attacking the Prime Minister, Mr. Menzies, whom he called "one of the most vindictive men in the country," Mr. Browne asked that the matter should be delegated to the local court.

The House then adjourned while the Cabinet met, and when it reassembled Mr. Menzies submitted two resolutions, one covering each of the men, proposing that they be kept in custody until Sept. 10. After some debate the resolutions were agreed to, by 55 votes to 12 in the case of Mr. Fitzpatrick and by 55 votes to 11 in that of Mr. Browne. The two men were then recalled to the Bar of the House, informed of their sentences, and conveyed to prison under a warrant signed by the Speaker.

Mr. Menzies, in moving the resolutions, said that Section 49 of the Commonwealth [i.e. Australian Federal] Constitution provided that the powers, privileges, and immunities of the Senate and House of Representatives should be such as declared by Parliament, and until declared by Parliament should be those of the British House of Commons. The Commons had for centuries exercised its powers to protect itself and its members on the very sound principle that, unless Parliament remained an institution in which members remained free to speak, it would cease to perform one of its greatest functions. Parliament was a judge in its own cause because nobody else could protect Parliament—one had only to silence the individual members to reduce Parliament to impotence.

Mr. Browne's arrogance at the Bar (Mr. Menzies went on) had confirmed his complete contempt for Parliament. Criticism of Parliament, even violent criticism, was of course justified by experience and warranted by right. The present case, however, was completely outside the realm of criticism; it was one of conspiracy to blackmail a member into silence. If Mr. Morgan had not invoked the consideration of the House and had remained silent, then his capacity to represent his electors would have been destroyed. In the circumstances, the Prime Minister concluded, a reprimand would be ridiculous, and a fine was not within their power. "The historic remedy," he declared, "adopted rigidly in the history of the House of Commons, is . . . to commit to prison."

Dr. Evatt, Leader of the Opposition, moved an amendment (rejected by the House) that a substantial fine should be imposed, and that the amount of the fine and the procedure for imposing it should be determined by the House. He said that he did not agree with Mr. Menzies that Parliament had no power to impose a fine, and contended that there was nothing to stop Parliament from declaring that it possessed such power. He also thought that although the House had constitutional authority to protect itself, it must remember that there was no right of appeal, because of this he would oppose the suggested prison sentence as contrary to the best traditions of Australian justice.

Mr. Morgan stated that he did not wish to vote for any penalties, as he had only brought the matter before the House in order to vindicate himself. The real culprits would not be the ones to be punished; they were, he asserted, the people behind Mr. Browne and Mr. Fitzpatrick who had been "bolstering them up" for their own purposes.

Immediately after Mr. Fitzpatrick and Mr. Browne had been sentenced, their counsel applied for a writ of *habeas corpus* asking the Commissioner of Police in Canberra to show cause why they should not be released. Hearings on this application opened on June 22 before the High Court in Sydney, to which the case had been transferred from the Canberra Court by Mr. Justice Thompson on the grounds that it raised important questions of personal liberty and that it would consequently be advisable if it were heard before a greater number of judges.

Counsel for Mr. Fitzpatrick (Mr. P. D. Phillips, Q.C.) contended that Parliament had "completely misconceived" the nature of its privilege, as there was nothing in Section 49 of the Commonwealth Constitution which authorized the House of Representatives to determine that someone who was not a member of the House had committed a breach of privilege, or to direct the Speaker to have such a person punished. However, even if the Constitution gave the House such authority, it was still for the courts to determine whether Parliament had exceeded its power.

Furthermore, Mr. Phillips claimed that there was nothing which Parliament could hold to be in the nature of a breach of privilege. Section 49 only made a temporary grant of unlimited legislative power, which ceased to operate once legislative power had been exercised, and by passing the Parliamentary Papers Act, 1908-46, Parliament had wiped away the powers, privileges and immunities granted under the transitional provisions of Section 49.

Mr. Phillips further argued that Section 50 of the Commonwealth Constitution precluded Parliament from exercising its powers in any manner for which it had not previously legislated. It gave each House of Parliament power to make rules and orders with respect to the manner in which its powers, privileges and immunities might be exercised, but there were no rules or orders in existence which made any provision for the issuing of the Speaker's warrant whereby Mr. Fitzpatrick was being held in gaol. Mr. Phillips also submitted that persons alleged to have committed a breach of privilege should be dealt with by judges in a court of law, and not by Parliament.

After hearing counsel for Mr. Browne, and informing counsel for the acting Commissioner of Police that he would not be called upon, the High Court on June 24 unanimously refused the application for writs of *habeas corpus*.

The Court's judgment was delivered by the Chief Justice, Sir Owen Dixon. He said, after considering the law of England on the matter, that if similar warrants were produced to a court sitting in London as warrants of the House of Commons, they would be regarded by the court as conclusive of what they stated—namely, that a breach of privilege had been committed and that the House, acting on that view, had directed that the two persons should be committed. It would not be possible to go behind the warrants. The question in the present case was whether the same state of law applied under Section 49 of the Commonwealth Constitution. The language of that Section (said the Chief Justice) was such as was apt to transfer to the House of Representatives the full powers, privileges and immunities of the House of Commons. "In unequivocal terms, the powers of the House of Commons have been bestowed upon the House of Representatives," he declared.

Rejecting the argument that Section 49 should be given a restrictive meaning, the Chief Justice said that this could be done only if a restrictive meaning were imperatively demanded by a more general consideration which the Constitution supplied. However, it was incredible that the framers of Section 49 had not been completely aware of the state of the law in Britain, and, when they adopted the language of Section 49, had not been conscious of its consequences. Moreover, the general structure of the Constitution did not provide sufficient ground for placing an artificial limitation upon Section 49.

It was correct, as counsel had argued, that the Australian Constitution was based on the separation of powers and that the judicial power reposed exclusively in the courts. But throughout English history there had been a tendency "to regard the powers of the House of Commons as not strictly judicial, but as belonging to the Legislature rather, as something essential, or at any rate proper, for its protection."

The Chief Justice also dismissed the argument that as the Legislature had defined its powers under Section 49, those derived from the House of Commons no longer applied. He pointed out in this connexion that there was no legislation on the Statute Book which purported to declare comprehensively what Parliament desired its powers, privileges and immunities to be. Counsel had relied on two statutes, the Parliamentary Papers Act, 1908-46, and the Parliamentary Proceedings Broadcasting Act, 1946. But these Acts only represented, more or less accidentally, a declaration of one or two minor privileges, whereas Section 49 contemplated not a single enactment dealing with some minor, subsidiary matter, but was concerned with the totality of what the Legislature thought fit to provide for both Houses as powers, privileges and immunities.

With regard to the argument that Section 50 subtracted something from Section 49, Sir Owen Dixon said that this contention was ill-founded, as Section 49 clearly had an operation which was independent of the exercise of the power of Section 50.

An application by Mr. Fitzpatrick and Mr. Browne to the Privy Council in London, seeking leave to appeal against the Australian High Court's decision, was rejected by the Judicial Committee of the Privy Council on July 14 on the ground that the judgment of the High Court was "unimpeachable."

(Australian News and Information Bureau - Times)

A. ITALY. — Resignation of Scelba Government. - New Cabinet formed by Signor Segni.

Signor Scelba resigned on June 22 following an unsuccessful effort to reconstruct his Cabinet, which had been hampered in its work for several months by acute differences between the coalition parties. The two most important issues over which the difficulties arose were (1) the extent to which the holders of farm leasehold tenancies should be protected against eviction by their landlords, and (2) whether the further exploitation of Italy's natural oil and gas resources should be reserved solely to the State or be open to the participation of private enterprise.

As regards the position of farm leasehold tenancies, the Liberal Ministers had opposed a demand by the Democratic Socialists that wartime regulations which curtailed the right of land-owners to evict their leasehold tenants should be made permanent The Cabinet thereupon agreed on Feb 24 on a compromise Bill which, on the one hand, would safeguard landowners' rights, but on the other hand would give tenants protection by allowing them to plead "fair grounds" (*giusta causa*) against eviction This compromise was opposed by the Liberal Party's right-wing led by Signor Malagodi (the party secretary), who resigned in protest, however, he later withdrew his resignation after the party's National Council had agreed to accept the compromise Bill, though reserving the right to continue to press its point of view in the formulation of details On the other hand, the Republican Party (which, though not represented in the Government, supported it in Parliament) unanimously adopted a resolution on March 8 rejecting the compromise Bill as giving insufficient protection to tenants, and accusing the Government of going back on their political and social programme

The differences between the coalition parties were temporarily shelved after discussions which Signor Scelba held with the other party leaders on March 21, prior to his and Professor Martino's journey to Canada and the U.S.A. (see 14287 B). On his return, the Prime Minister succeeded on April 17 in obtaining the support of the other coalition parties for a further short period until the election of the new President of the Republic. After the election of President Gronchi—which was marked by rivalry between the Christian Democratic left-wing (the *Iniziativa Democratica*) led by Signor Fanfani, and the party's right-wing (the *Concentrazione*) led by Signor Pella—the projected "clarification" talks were further postponed, and the Democratic Socialists and Liberals agreed to remain in the coalition (see 14213 A). However, the introduction of a joint no-confidence motion by the Monarchists and the neo-Fascist M.S.I. in June finally forced the Prime Minister to negotiate a new coalition agreement in order to secure the support of the two wings of his own party, as well as that of the smaller coalition parties, for the rejection of the motion.

Within the Christian Democratic Parliamentary Party, the *Concentrazione* group (which comprises about 150 members) had for some time demanded that the "quadripartite" coalition should be abandoned and that a Government should be formed by the Christian Democrats alone—a demand opposed both by the *Iniziativa Democratica* group and by Signor Scelba On June 13, however, a compromise was reached by the two groups. This reaffirmed "the value of the understanding with the democratic parties" (i e , the smaller coalition parties), but stressed the urgent necessity for a "clarification of the relationships and policies of the coalition" as demanded by the party's Directorate, and called for a "structural adaptation necessary to ensure an efficient Government," which, it said, must take account of "the pre-eminent responsibility of the Christian Democrats"

Signor Scelba accordingly began discussions with representatives of the other coalition parties on June 15, but in the face of sudden difficulties within his own party decided on June 22 to resign.

The difficulties arose because the deputies belonging to the *Concentrazione* disavowed the agreement which Signor Scelba had reached with the other three parties, on the ground that the Republicans had at the last minute formally refused to enter the coalition. In the circumstances the "Concentrationists" reiterated their demand that Signor Scelba's "quadripartite formula" should be abandoned and a purely Christian Democratic Government formed. This Signor Scelba declined to do.

In a statement after his resignation Signor Scelba pointed to the important constitutional fact that his Government had not resigned because of a defeat in Parliament, which would be the normal constitutional occasion for resignation, but because of party difficulties quite extraneous to events in either House.

After consultations with Signor De Nicola (the first President of the Republic), with the presidents and former presidents of the two Houses of Parliament, and with all the party leaders, and after receiving the views of ex-President Einaudi (who was then visiting Britain), President Gronchi asked Signor Segni (Christian Democrat) on June 26 to investigate the possibility of forming a new Government. Signor Segni accepted this task and, after reporting to President Gronchi, was formally invited on July 2 to proceed with the formation of a new Cabinet. He succeeded in doing so, although the Republicans again withdrew their promised participation at the last moment on the ground that their leader, Signor Pacciardi, could not be given either the Ministry of National Defence or the Foreign Ministry.

The membership of the new Government—a coalition between the Christian Democrats, the Democratic Socialists, and the Liberals, which will also have the Republicans' support in Parliament—was announced on July 6 as follows :

Signor Antonio Segni (Chr. Dem.)	Prime Minister.
*Signor Giuseppe Saragat (Dem. Soc.) .	Vice-Premier.
*Signor Raffaele De Caro (Lib.) ..	Ministers without portfolio.
*Signor Pietro Campilli (Chr. Dem.) .	
Signor Guido Gonella (Chr Dem.) .	
*Professor Gaetano Martino (Lib.)	Foreign Affairs.
Signor Emilio Colombo (Chr. Dem.)	Agriculture.
*Senator Ezio Vanoni (Chr. Dem.)	Budget.
†Signor Bernardo Mattarella (Chr. Dem.)	Foreign Trade.
*Signor Paolo Emilio Taviani (Chr. Dem.)	Defence.
Signor Giulio Andreotti (Chr. Dem.) .	Finance.
Signor Aldo Moro (Chr. Dem.)	Justice.
Signor Guido Cortese (Lib.)	Industry and Commerce.
†Signor Ferdinando Tambroni (Chr. Dem.)	Interior.
*Signor Giuseppe Romita (Dem. Soc.)	Public Works.
*Signor Ezio Vigorelli (Dem. Soc.)	Labour and Social Security.
†Signor Gennaro Cassiani (Chr. Dem.)	Merchant Marine.
Signor G. Braschi (Chr. Dem.) ..	Posts and Telecommunications.
Signor Paolo Rossi (Dem. Soc.)	Education.
*Senator Silvio Gava (Chr. Dem.)	Treasury.
Signor Armando Angelini (Chr. Dem.)	Transport.

* No change † Held different portfolio in Scelba Cabinet

Signor De Caro will be in charge of the Government's relations with Parliament; Signor Campilli will be responsible for the *Cassa del Mezzogiorno*, the State institution dealing with the economic development of Southern Italy; and Signor Gonella will deal with administrative reform measures.

The new Government thus comprised 14 Christian Democrats, four Democratic Socialists, and three Liberals—the same proportion as in the Scelba Government. As regards the Christian Democrats, two prominent members of the right-wing *Concentrazione*—Signori Andreotti and Gonella—entered the Government, though they did so in their "personal capacity" because Signor Pella had refused to sanction the group's official participation in view of the continued absence of the Republicans; the left-wing *Iniziativa Democratica* were represented by Signori Moro and Colombo. The Christian Democrats relinquished the Ministry of Education in favour of the Democratic Socialists—generally regarded as an important concession made to that party; in turn, the Democratic Socialists gave up the Ministry of Finance in favour of the Christian Democrats. The Liberals retained the important portfolios of Foreign Affairs and Industry.

Nine Ministers who held office in the Scelba Cabinet retained their portfolios in the new Government: Signori Saragat, De Caro, Campilli, Martino, Vanoni, Taviani, Romita, Vigorelli, and Gava Three members of the Scelba Cabinet changed their portfolios: Signor Tambroni, formerly Minister of Merchant Marine, who took over the Ministry of the Interior, Signor Mattarella, who relinquished the Ministry of Transport for the portfolio of Foreign Trade; and Signor Cassiani, who relinquished the portfolio of Posts and Telecommunications for that of the Merchant Marine.

Two members of the new Government, Signori Gonella and Andreotti, had held ministerial office in previous Governments but not under Signor Scelba Ministers taking office for the first time were Signori Cortese, Colombo, Moro, Rossi, Braschi, and Angelini.

The following members of the Scelba Administration left the Government. Signor Tupini (who had been Minister without portfolio in charge of Administrative Reform), Signor Medici (who had been Minister of Agriculture), Signor Martinelli (who had held the Foreign Trade portfolio), Signor Tremelloni (formerly Minister of Finance), Signor De Pietro (the former Minister of Justice), Signor Villabruna (formerly Minister of Industry and Commerce), and Signor Ermini (the former Minister of Education). All were Christian Democrats except Signor Tremelloni, a Democratic Socialist.

Signor Segni (64), the new Prime Minister, became Professor of Law at the University of Perugia at the age of 29, and was subsequently appointed Rector of the University of Sassari (Sardinia), his birthplace. Before the Mussolini regime he took a prominent part in Roman Catholic organizations and the Italian Popular Party, but after the advent of Fascism he retired from political life and devoted himself to legal studies and agricultural problems, particularly those of his native island of Sardinia In 1942 he organized the clandestine Christian Democratic movement in the island, and

later headed the local partisan organization. After the liberation of Rome he became Under-Secretary for Agriculture under Signor Bonomi and Signor De Gasperi in 1945-46, and from 1946 until 1951 was Minister of Agriculture in Signor De Gasperi's various administrations In this capacity Signor Segni took a prominent part in the drafting and parliamentary passage of the land reform legislation which bears his name, and which is aimed at the redistribution of large estates, especially those of absentee landlords in Southern Italy, among landless peasants and land workers, in these reforms he himself relinquished lands which had belonged to his family for 200 years In 1951 Signor Segni became Minister of Education, and continued to hold this post in the Pella Cabinet until early in 1954. Since then he had been Professor of Procedural Law at the University of Rome, and chairman of the Chamber's commission for education and the fine arts

Of the other new Ministers, **Signor Andreotti** (36) was a close collaborator of the late Signor De Gasperi, and as Under-Secretary for the Presidency of the Council served under both Signor De Gasperi and Signor Pella from 1947 until early in 1954 He was Minister of the Interior in the short-lived Fanfani Government of January, 1954

Signor Angelini (63), a lawyer, has been a member of the Constituent Assembly and the Chamber of Deputies since 1946, and is chairman of the Chamber's transport, communications, and merchant marine commission

Signor Braschi (64), an active organizer of farm workers' unions and agricultural co-operatives before the Mussolini regime, was persecuted by the Fascists, and played a prominent part in the clandestine organization of the Christian Democratic Party during the war. He was elected to the Constituent Assembly in 1946 and became a Senator in 1948, in which year he also became Under-Secretary at the Treasury.

Signor Colombo (35), the youngest member of the Cabinet, was Under-Secretary for Agriculture in the fifth and sixth De Gasperi Cabinets, and collaborated closely with Signor Segni in the drafting of the legislation for land reform and the economic development of Southern Italy Under Signor Pella he became Under-Secretary for Public Works, a post which he continued to hold in the Fanfani and Scelba Governments

Signor Cortese (46), deputy secretary-general of the Liberal Party, has been a member of the Constituent Assembly and of the Chamber of Deputies since 1946. He was Under-Secretary for Finance in the Scelba Cabinet

Signor Gonella (49), a former secretary-general of the Christian Democratic Party, was Minister of Education from 1946 to 1951, and Minister of Justice in the eighth De Gasperi Cabinet He had not been a member of the Government since 1951

Signor Moro (38) is chairman of the parliamentary group of the Christian Democratic Party He is Professor of Criminal Law at the University of Bari, and has written important legal works.

Signor Rossi (54) is Professor of Criminal Law at the University of Genoa, and chairman of the parliamentary group of the Democratic Socialists He was banned from academic work during the Fascist regime.

Immediately after his installation as Prime Minister, Signor Segni announced that the new Government would introduce as quickly as possible a Bill to regulate the functions of the Prime Minister's office and the organization of the various Ministerial departments, so that the organic structure of the Executive could be definitely laid down in implementation of Article 95 of the Constitution. Signor Segni added that the new Government would seek the early approval of a Bill now before the Senate for the creation of a Ministry for Entertainment and Tourism, and would also submit to Parliament draft legislation for the setting-up of a Ministry of State Investments.

The appointment of 37 Under-Secretaries of State—two less than in the Scelba Government—was approved by the new Government on July 8. Of the new Under-Secretaries, 30 were Christian Democrats, four Democratic Socialists, and three Liberals.—(Giornale d'Italia, Rome - Corriere della Sera, Milan) **(Prev. rep. 14213 A.)**

A. PORTUGAL. — Cabinet Changes.

The following changes in the Portuguese Cabinet were announced on July 8: Dr. Marcelo Caetano, president of the Corporative Chamber, as Deputy Prime Minister in succession to Dr. João da Costa Leite; Dr. Pinto Barbosa as Minister of Finance *vice* Dr. Aguedo de Oliveira, Dr. Raul Ventura as Minister for Overseas Territories *vice* Commander Sarmiento Rodrigues; Senhor Francisco Leite Pinto as Minister of Education *vice* Dr. Pires de Lima; Dr. Veiga de Macedo as Minister of Corporations *vice* Dr. Soares da Fonseca.
(Times - Le Monde, Paris) **(Prev. rep. Cabinet, 13729 C.)**

B. ITALY - TURKEY. — Wheat Agreement.

An agreement was signed in Ankara on July 4 providing for the supply by Turkey to Italy of 100,000 tons of wheat annually during the next five years.—(Neue Zurcher Zeitung) **(14050 F.)**

C. INDIA. — Promotion of Hindi as Official Language.

On July 10 the Union Ministry of Education published its programme for the progressive replacement of English by Hindi as the official language of the Central Government within 15 years. The Indian Constitution had laid down that Hindi should become the official language within 15 years of the entry into force of the Constitution.

The Ministry stated that the most important measures necessary to achieve this objective were (1) to develop Hindi terms in science, technology, and administration as rapidly as possible in order to meet national requirements, and (2) to foster the spread of Hindi in areas where it was not the mother-tongue This programme would be carried out in three stages of five years each

The first five-year stage would include the preparation of Hindi technical terms, the compulsory teaching of Hindi in all secondary schools in non-Hindi speaking areas, and the propagation of Hindi among the people of these areas. The Ministry stated that over 26,000 technical terms were under consideration, that final lists were ready in several sciences, and that many States—including Assam, Bombay, Coorg, Hyderabad, Saurashtra, and Travancore-Cochin—had already made Hindi compulsory in secondary schools

During the second stage the compilation of Hindi technical and scientific terms would be completed, all students in non-Hindi speaking areas would be made familiar with the Hindi language, and a programme of adult literacy in Hindi would be carried out in those areas In the third five-year stage, Hindi would be introduced side by side with English for administrative purposes of the Central Government, and as the medium of communication between the Centre and the States

It was added that the Government had already taken steps to prepare standard grammars and dictionaries in Hindi, and to compile suitable scientific, technical, and administrative terms, that a scheme for a Hindi Encyclopaedia was in preparation, that consideration was being given to the most satisfactory method of evolving a Hindi shorthand; and that the question of typewriters and teleprinters with Hindi keyboards was also being considered

On June 8 the Union Ministry of Education had set up four regional committees to examine and survey the work down for the propagation of Hindi in non-Hindi speaking States They were (1) Eastern zone, comprising Assam, West Bengal, Orissa, Manipur, and Tripura, (2) Southern zone, comprising Madras, Travancore-Cochin, Mysore, Hyderabad, Coorg, and Andhra, (3) Western zone, comprising Bombay, Madhya Pradesh, Saurashtra, and Kutch, and (4) Northern zone, comprising the Punjab (East), the Patiala and East Punjab States Union (PEPSU), and Jammu and Kashmir.

An Official Language Commission of 21 members, presided over by Mr. B. G. Kher (formerly Indian High Commissioner in London), was set up by President Prasad on June 7 to submit recommendations on the progressive use of Hindi as the official language of India. The Commission, which includes many eminent scholars, will submit its recommendations to the President and Parliament not later than April 30, 1956.
(The Hindu, Madras - The Statesman, Calcutta) **(13582 A.)**

D. POLAND - EASTERN GERMANY. — Joint Declaration on Oder-Neisse Frontier.

A joint statement was issued on July 6 by the Polish and East German Governments declaring that the frontier between Poland and Germany had been "definitely and irrevocably" fixed on the rivers Oder (Odra) and Neisse (Nysa). The statement added that there was "complete unanimity" between the two Governments on this matter, and that both Governments had "recorded their unflinching determination to combat, in accordance with the provisions of the Warsaw Treaty, all attempts to disturb the friendly relations between them." The declaration was issued on the fifth anniversary of the agreement signed at Zgorzelec (Gorlitz) in 1950 (see 10876 A), under which the Polish and East German Governments had recognized the Oder-Neisse line as the definitive frontier between the two countries.—(Polish Embassy, London) **(Prev. rep. Oder-Neisse Frontier, 10876 A; 10804 A; Warsaw Treaty, 14249 A.)**

E. FRANCE. — Ratification of Austrian Treaty.

The French National Assembly unanimously approved the ratification of the Austrian State Treaty on July 12, following a recommendation to that effect by M. Pinay, the Foreign Minister, and by M. Gouin (Socialist), *rapporteur* of the Assembly's foreign affairs commission.—(Le Monde, Paris) **(Prev. rep. 14295 B.)**

F. ISRAEL. — Purchase of British Destroyers.

It was announced on July 11 that Israel had purchased two 1,700-ton destroyers from Britain, H.M.S. *Zealous* and H.M.S. *Zodiac*, thereby making the Israeli Navy the strongest in the Middle East after that of Turkey. The Israeli Navy already possesses three Canadian-built frigates, two corvettes, and a number of torpedo-boats.—(Daily Telegraph)

A. FAR EAST. — Loss of Indian Airliner carrying Chinese Communist Officials to Bandung. - Indonesian Findings of Sabotage. - Investigations in Hong Kong.

An airliner of Air India International (the *Kashmir Princess*) with 18 people on board crashed on April 11 near the Great Natuna Islands, off Borneo, while *en route* from Hong Kong to Jakarta. In addition to the Indian crew of seven, the plane was carrying eight Chinese Communist journalists, two Polish journalists, and a North Vietnamese delegate, all of whom were on their way to take part in the Afro-Asian conference at Bandung. The only survivors were three members of the crew who were picked up by a Royal Navy survey ship, H.M.S. *Dampier*, and landed at Singapore.

The Chinese Government presented a Note to Britain on April 13 alleging that the plane had been sabotaged at Hong Kong by U.S. and Chinese Nationalist agents with the aim of "assassinating the Chinese delegation led by Premier Chou En-lai." The Note declared that the British Government and the Hong Kong authorities bore "a grave responsibility for this unfortunate incident."

After stating that the aircraft had been chartered by the Chinese delegation to the Bandung Conference, the Note alleged that the disaster was "a case of inhuman, premeditated murder, solely engineered by the Special Service Organization of the United States and the traitor Chiang Kai-shek." Long before the departure of the passengers (it continued) the Chinese Government had learned that "the U.S. Special Service Organization and Chiang Kai-shek were actively making arrangements to sabotage the aircraft in order to carry out their plot to assassinate the Chinese delegation led by Premier Chou En-lai." On April 10 the British Embassy in Peking had been informed of this matter, and had been requested to bring it to the attention of the Hong Kong authorities in order that they might take measures to safeguard the members of the delegation and press correspondents aboard the aircraft. Although the British Embassy had promised to notify the Hong Kong authorities by telegram, "the plot of the Special Service agents nevertheless succeeded."

After declaring that the British Government and the British authorities in Hong Kong could not evade "grave responsibility for this unfortunate incident," the Chinese Note demanded that the British Government "should immediately inform the authorities in Hong Kong in order that they may take urgent measures to place under strict supervision the staff of the airport concerned in the incident, and all other persons concerned, conduct a thorough investigation and arrest and punish, according to the evidence, the Special Service agents taking part in this case of conspiracy and murder; and instruct the appropriate authorities to ascertain the whereabouts of the aircraft which met with the accident, and the persons on board."

The British Government's reply was presented in Peking on April 17 by Sir (then Mr.) Humphrey Trevelyan, Chargé d'Affaires at H.M. Embassy.

The British Note stated that while H.M. Government deplored the incident and the loss of life, they were bound, in view of the serious allegations made by the Chinese Government, to make it clear that they accepted no responsibility for the accident or for its consequences. The Note protested strongly against the Chinese Government's accusations against the British authorities, which had been made before time had been allowed for any investigation.

Continuing, the British Note said that the Chinese Note of April 13 seemed to suggest that the Chinese Foreign Ministry had informed H.M. Embassy in Peking in advance that arrangements were being made to sabotage the aircraft. This, however, had not been the case. The facts were that the Chinese Government had informed the Embassy on April 10 that it had received information that Nationalists might make trouble for the party of Chinese journalists when they left Hong Kong the following day for the Bandung Conference, and had requested that appropriate precautions might be taken.

This information had not been amplified in any way, and there had been no suggestion of sabotage. The Counsellor [of H.M. Embassy] had undertaken to inform the Governor of Hong Kong at once, and had asked for the following supplementary information to assist the Hong Kong police: the number of the party, where they were staying, the name of the airline concerned, and the route to be taken. The Chinese Foreign Ministry had been unable to answer any of these questions at the time.

It had been agreed (the British Note continued) that a telegram would be sent at once to Hong Kong, and that any supplementary information which the Ministry could supply would be telegraphed later. Shortly afterwards the Ministry had telephoned to say that the aircraft was Indian and that the New China News Agency representative in Hong Kong would know where the party were staying. This information had been immediately telegraphed to the Governor of Hong Kong with a request that appropriate precautions should be taken.

On April 11 the representative of the New China News Agency had telephoned to the Director of the Special Branch of the Hong Kong police during the morning to inform him that 11 journalists and a Vietminh delegate would be travelling by an Air India aircraft which was due to leave Hong Kong later the same day. No mention had been made by the representative, either then or later, of any suspicion of trouble, and the communication had been made in a routine manner.

Additional police precautions had been taken to ensure that the party were not molested, and during the time that the aircraft was in Hong Kong it had been under police guard, and no unauthorized person had been allowed, or had attempted, to approach or board the aircraft. The local manager and other officials of Air India and members of the crew of the aircraft had been present, and had supervised every aspect of refuelling and servicing. The actual handling of the luggage and the passengers had been done under the supervision of the China Travel Service and senior officials of Air India. The only articles placed on board the aircraft had been baggage belonging to the party and normal refreshments for passengers. The latter had been supplied by a local firm but had been checked on loading by the steward of the aircraft.

The passengers had been brought to the airport by airline motor-bus and, though this was an exception to normal practice, had been taken straight to the airport without having to go through Customs or immigration formalities. Similarly, without passing through the Customs, the baggage had been loaded straight into the aircraft under the supervision of Air India. The aircraft had taken off without incident. Police watch at the time and subsequent detailed inquiries had revealed nothing suspicious.

As soon as news of the crash had been received (the Note went on) the British authorities in the area had taken energetic steps to assist in the search and rescue operations. Two R.A.F. Sunderland flying-boats and a high-speed launch had immediately been despatched to the scene of the disaster, and these had been closely followed by H.M.S. *Dampier*, which had picked up three survivors. Further searches had been carried out by the R.A.F. and the Indonesian Air Force until the wreckage was located, whilst H.M.S. *Dampier* had remained in the area in search of further survivors and had assisted in salvage operations.

The Note pointed out that it was clear that the British authorities in Hong Kong had taken all steps to ensure the safety of the passengers and of the aircraft while it was in Hong Kong. H.M. Government could not, therefore, accept any suggestion by the Chinese Government that the British authorities in Hong Kong, or elsewhere, had failed in their duties. Pending a full investigation, it was premature to assign a cause for the crash.

It was also pointed out that since the aircraft belonged to an Indian airline, and the crash did not occur within British territory or territorial waters, it was not for H.M. Government to conduct a formal investigation into the causes of the incident. H.M. Government would, however, offer their full co-operation in any investigation carried out by the competent authorities concerned, and investigations would be carried out in Hong Kong by the Hong Kong police.

By agreement between the Indian, Indonesian, and British Governments, a salvage vessel of the Royal Navy, H.M.S. *Barford*, left Singapore for the scene of the disaster in an attempt to salve the wreckage of the airliner from the sea-bed. Salvage operations began on April 25 and lasted for ten days, during which period nearly 90 per cent of the wreckage was brought to the surface. It was subsequently shipped to Jakarta for examination by Indonesian and Indian technical experts.

In view of the fact that the disaster occurred in Indonesian territorial waters, the Indonesian Government instituted an official inquiry. The report of this inquiry, published on May 26 in Jakarta and New Delhi, stated that examination of the wreckage had produced "irrefutable evidence" that the airliner had been destroyed by the explosion of a time-bomb. The findings of the inquiry were as follows:

(1) The aircraft was airworthy and properly certified.

(2) The crew were experienced and held valid licences.

(3) The aircraft was properly loaded and had sufficient fuel for the flight.

(4) The take-off from Hong Kong was normal and the flight uneventful for the first five hours.

(5) An explosion occurred on board the aircraft at 18,000 feet. A fire broke out on the starboard wing and spread rapidly, causing failure of the hydraulic and electrical services.

(6) A rapid descent for "ditching" was immediately begun, and the emergency procedures were carried out efficiently and calmly by the crew under extremely difficult conditions.

(7) The aircraft hit the water with the starboard wing-tip while under partial loss of control, and broke up on impact.

(8) Examination of the wreckage had revealed "positive evidence of an explosion in the starboard wheel-well of a timed infernal machine, parts of which were still in the wreckage." This explosion had punctured a fuel tank and caused a fire which spread rapidly and could not be controlled.

Air India International had previously issued a statement on April 17 saying that the three survivors of the *Kashmir Princess* (the co-pilot, navigator, and engineer) were of the opinion that the explosion and fire that wrecked the airliner "emanated from an extraneous source unconnected with the aircraft," and were not the result of any failure in the airframe, engines, or fuel.

The Hong Kong Government issued a statement on May 27 which said that it seemed probable, from the findings of the Indonesian court of inquiry, that "the explosive device employed was placed in the aircraft in Hong Kong." The statement added that everything possible would be done to bring those guilty of the crime to justice, that inquiries had already begun, and that about 100 persons had been seen by the police. The Hong Kong Police Commissioner (Mr. A. C. Maxwell) said on June 12 that the police were treating the case as one of "carefully planned mass murder," and added:

"It has been established beyond doubt that the *Kashmir Princess* met its end through an explosion caused by some form of time-bomb. It is regrettably almost equally certain that this time-bomb was placed aboard the aircraft in Hong Kong No effort is being spared to bring to justice the perpetrators of this ghastly crime"

A reward of 100,000 Hong Kong dollars (£6,250) was offered by the police on the same day for information leading to the arrest and conviction of those who were responsible for sabotaging the airliner.—(Times - Daily Telegraph - Manchester Guardian - The Statesman, Calcutta - The Hindu, Madras - Indonesian Embassy, London)

A. UNITED KINGDOM. — Labour Party. - Allocation of Specialist Responsibilities among "Shadow Cabinet" and other Front Bench Members.

It was announced on July 14, after a meeting of the Parliamentary Labour Party presided over by Mr. Attlee, that the members of the Labour "shadow Cabinet," and other members of the Opposition Front Bench, would in future specialize in various subjects, would ordinarily take the lead in debates on these matters on behalf of the Opposition, and would maintain close contact with the specialist group responsible for their particular subject. Responsibilities were allocated as follows:

Atomic Energy, Mr Philip Noel-Baker; *Agriculture, Fisheries, and Food*, Mr Tom Williams, Mr George Brown, Mr F. T Willey, *Colonial Office*, Mr James Griffiths, Mr Creech Jones, *Commonwealth Relations*, Mr Patrick Gordon-Walker, *Defence*, Mr Richard Stokes; *Admiralty*, Mr James Callaghan; *War Office*, Mr. Michael Stewart, *Air Ministry*, Mr. John Strachey, *Education*, Mr J. Edwards, Mr Michael Stewart, *Foreign Office*, Mr Alfred Robens, Mr Kenneth Younger, *Fuel and Power*, Mr James Callaghan, *Health*, Dr Edith Summerskill, Mr. Arthur Blenkinsop, *Home Office*, Mr Kenneth Younger, Mr. Geoffrey de Freitas; *Housing and Local Government*, Mr. G. R. Mitchison, Mr. G. S. Lindgren, *Labour and National Service*, Mr Aneurin Bevan, Mr Frederick Lee, *Law Officers*, Sir Lynn Ungoed-Thomas; *Pensions and National Insurance*, Mr. H. A. Marquand, Mr. Tom Steele, *Post Office*, Mr. Ness Edwards, Mr C R. Hobson; *Scottish Affairs*, Mr Arthur Woodburn, Mr. Tom Fraser, and Miss Margaret Herbison, *Supply*, Mr George Brown; *Board of Trade*, Mr. Harold Wilson, Mr Arthur Bottomley, *Transport and Civil Aviation*, Mr George Russell Strauss; *Treasury*, Mr. Hugh Gaitskell, Mr. Douglas Jay; *Works*, Mr. Arthur Greenwood.

Many of those mentioned above held portfolios in the post-war Labour Governments, either as full Ministers or junior Ministers, in the various spheres to which they were allotted specialist responsibility. Notable exceptions, however, were the selection of Mr. Robens (formerly Minister of Labour) as a specialist in foreign affairs and of Mr. Stokes as a specialist in defence matters. Nevertheless, any suggestion that the allocation of specialist responsibilities implied a "shadow Government" was officially disclaimed.—(Daily Herald)

(Prev. rep. "Shadow Cabinet", 14287 A.)

B. BOLIVIA. — Oil Pipeline to Argentina.

The first international oil pipeline from Bolivia, carrying petroleum from the Camiri area to Argentina at a rate of more than 660,000 gallons a day, was opened on July 1. Under an agreement between the two countries, part of the oil will serve to reduce Bolivia's debt to Argentina for the construction of a railway between Yacuiba (on the Argentine frontier) and Santa Cruz (Bolivia) and a road from Oran (Argentina) to Tarija (Bolivia). Argentina will pay for the remainder of the oil by exports to Bolivia of meat and manufactured goods. (New York Times) **(Prev. rep. 13827 D.)**

C. BURMA. — Defence Services Academy.

The Burmese Prime Minister, U Nu, inaugurated on Feb. 14 a Burmese Defence Services Academy and a Burmese Army Combat Forces School. The Academy and School are situated at Ba-Htoo-Myo, in the southern Shan States.

(Burmese Government Information Dept., Rangoon)

D. NEW ZEALAND. — Increase in Bank Rate.

The Reserve Bank of New Zealand increased its discount rate on July 1 from 4 per cent to 5 per cent.—(Directorate of Information Services, Wellington) **(Prev. rep. 13907 C.)**

E. UNITED STATES. — Opening of American Shakespeare Festival Theatre and Academy.

The American Shakespeare Festival Theatre, built within six months at a cost of $700,000, was opened on July 12 at Stratford, Connecticut, a town which was settled by immigrants from Stratford-on-Avon, England, in 1639—25 years after Shakespeare's death.

The theatre is situated in a 12-acre park on the banks of the Housatonic River, and is 60 miles from New York. Built by Mr. Edwin Howard, a Westport (Conn.) architect, it is octagonal in shape, like the 16th-century Globe Theatre in London, and can seat 1,500 people Associated with the theatre is an Academy of Acting (housed in a nearby 18th-century mansion) which will train American actors in Shakespearean roles The first Director of the Academy is Mr. John Burrell, formerly Director of the London Old Vic

The project for an American Shakespeare Festival Theatre and Academy originated with a group of sponsors headed by Mr. Lawrence Langner, a well-known New York theatrical producer who was born in Wales. Assistance was forthcoming from the Rockefeller Foundation and the Mellon Foundation, both of which contributed $200,000 The project is on a non-profit-making basis

Although no foreign actors (other than Canadians) will be employed, it was stated that an exception might be made at some future time should the American Festival Theatre wish to employ the services of such eminent British actors as Sir Lawrence Olivier or Sir John Gielgud. A British director of plays was, however, appointed in the person of Mr Denis Carey, formerly Director of the Bristol Old Vic.

The theatre opened with a performance of *Julius Caesar*, which was attended by the Governor of Connecticut (Mr Abraham Ribicoff), the British Ambassador (Sir Roger Makins), and the Mayor of Stratford-on-Avon (Mr Dudley Woodman), who was present at the opening ceremony at the invitation of Governor Ribicoff. Messages were received from President Eisenhower, Sir Anthony Eden, and Sir Winston Churchill, who described the theatre as "an outward evidence of the links that bind together in harmony the English-speaking world"

The theatre will be the home of an annual Shakespearean Festival which aspires in time to rival those already held at Stratford-on-Avon and Stratford, Ontario.

(New York Times - New York Herald Tribune)

F. INTERNATIONAL COURT OF JUSTICE.—Ruling on U.N. Voting Procedure on South-West Africa.

The International Court of Justice, in an advisory opinion delivered on June 7, unanimously upheld the procedure adopted by the U.N. General Assembly at its last (ninth) session for voting on reports, petitions, and other matters relating to South Africa's administration of the former mandated territory of South-West Africa.

On Oct. 11, 1954, the General Assembly had decided that its vote on questions concerning South-West Africa should be taken by a two-thirds majority—the procedure reserved under Article 18 of the U.N. Charter for "important questions." Because several countries expressed doubts as to the legality of this procedure and raised the question whether unanimous decisions were required, the Assembly subsequently decided to ask the International Court for an advisory opinion on (1) whether the two-thirds voting procedure conformed with the Court's earlier opinion in respect of South-West Africa, (2) the alternative method that should be adopted if the two-thirds procedure was not correct The Court unanimously replied in the affirmative to the first question, thus making it unnecessary to consider the second.

The original advisory opinion handed down by the Court in 1950 stated, in part, (*a*) that "the degree of supervision to be exercised by the General Assembly should not . . . exceed that which applied under the mandate system, and should conform as far as possible to the procedure followed by the Council of the League of Nations," and (*b*) that "these observations are particularly applicable to reports and petitions." Decisions in the League of Nations were by unanimous vote, and South Africa had contended that the two-thirds majority rule would give the U.N. greater powers of supervision than those of the League.—(U.N. Information Centre, London)

(Prev. rep. 14010 A.)

G. UNITED KINGDOM. — The Crichel Down Case. - Resale of Land to Lieut.-Commander Marten.

Lieutenant-Commander Marten, whose complaints about the disposal of land at Crichel Down (Dorset) had led to a public inquiry and to the resignation of Sir Thomas Dugdale as Minister of Agriculture (see 13705 A), stated on Feb. 18 that he had accepted "under protest" an offer by the Commissioners of Crown Lands to sell to him the 725 disputed acres at Crichel Down for £15,000, the district valuer's valuation. He stated that he was asking for the price to be settled by arbitration because he was not satisfied that the amount asked for by Crown Lands represented a fair market value.—(Times)

(Prev. rep. Crichel Down, 13950 B; 13705 A.)

A. SINGAPORE. — The Chinese Student Riots. - Communist Infiltration in Chinese Schools. - Government Criticisms of People's Action Party. - Strike Wave.

A serious situation developed in Singapore during May and June, firstly as a result of widespread rioting by Chinese students, and secondly as a result of a wave of strikes called by Communist-dominated unions. Developments during this period are described below.

Several thousand students from Chinese middle (secondary) schools, ostensibly supporting a strike of bus workers, fought pitched battles with the police on May 11-12. The students—many of whom were in their late 'teens or early twenties—erected barricades, scattered broken glass and barbed wire on the roads, overturned cars and lorries, and stoned and assaulted the police, who used batons, hoses and tear-gas to restore order. British, Malay, and Gurkha troops were called out to protect important buildings and installations, whilst the police were forced to open fire after a Chinese special constable had been hacked to death by the mob. Four people were killed in the disturbances (the above-mentioned Chinese constable, a Chinese detective, a student, and a U.S press correspondent, Mr Gene Symonds) and a number injured Mr. Symonds (29), South-East Asia manager of United Press, was attacked and murdered by persons unknown.

The situation in the Chinese middle schools had for some time past caused much concern to the Government of the Colony, since large numbers of students—particularly the older ones—had fallen strongly under the influence of Communist indoctrination. Similar student riots of a pronounced left-wing character—not, however, so violent or widespread—had occurred in May, 1954, and from time to time in succeeding months. The Chief Minister of Singapore (Mr. David Marshall), broadcasting on May 12, said that the "pattern of developments, recently and today, closely conforms to the Communist technique of seeking to foment industrial unrest on any excuse and to obstruct peaceful solutions" Mr Marshall added the the latest riots were apparently an organized attempt to foment trouble on the anniversary of the student riots of 1954, and gave a warning that the Government would not tolerate disorder or violence

As the student demonstrators were recruited principally from three schools, the Singapore Government announced after the riots (*a*) that the ringleaders would be expelled, and (*b*) that the management committees of these three schools would be asked to show cause why the schools should not be closed down Some 3,000 Chinese students thereupon began a "sit-down" strike in the grounds of the schools in an attempt to force the Government to withdraw its threat to expel the ringleaders and to close down the schools. On May 23, however, in response to an appeal by the all-party committee of the Legislative Assembly, the Government agreed to take no action against the schools or against individual students.

The bus strike which had been the ostensible cause of the riots ended on May 14, after a personal intervention by Mr. Marshall Apart from the workers of the company directly affected (the Hock Lee Bus Company), several thousand transport and industrial workers had struck in sympathy, with the result that Singapore's transport system had come to a virtual standstill for several days.

The newly-elected Singapore Legislative Council voted on May 16 (by 27 votes to nil, with the three People's Action Party members abstaining) to reintroduce an emergency regulation empowering the police to place Singapore under curfew if circumstances justified such action. [The regulation had been repealed at the first session of the Assembly three weeks earlier.] During the debate the People's Action Party (P.A.P.) and its leader, Mr. Lee Kuan Yeu, were strongly attacked both by Mr. Marshall and by Mr. W. A. Goode, Colonial Secretary in the Singapore Government.

Mr. Goode accused the P.A.P , their Communist supporters, and Chinese students, of responsibility for the riots and of "deliberately provoking widespread industrial unrest." After quoting from manifestos which, he alleged, had been approved by the People's Action Party, he said that Chinese students had been regimented, organized, and sent to the strike areas to inflame and support the strikers. Mr. Goode added that the Chinese schools had been corrupted and regimented into a dangerous weapon for the Malayan Communist Party; that the principals of the schools, apparently frightened of the Malayan Communist Party, had done nothing to prevent students from taking part in illegal activities, and that the problem of the Chinese schools was the most serious one facing the Government of Singapore.

Mr. Lee Kuan Yeu, in reply, declared that the P.A.P., and he personally, were opposed to Communism and violence, and that he could not be held responsible for the actions of individual party members. He added: "We [the P.A.P.] stand for a free, democratic, independent, non-Communist Malaya. We seek to destroy the colonial system by methods of non-violence. We want immediate independence. Give it to us now and we will fight Communism or any other ideology to preserve an independent Malaya. We oppose violence from any quarter. We deny that the P.A.P. engineered the strike or the mob violence."

Mr. Marshall said: "I accept without reservation Mr. Lee's assurance that he is not a Communist. But in his lust for power and his desire to destroy Colonialism he is allowing himself to be used as a catspaw by forces that he knows to be evil. . . . Mr. Lee has already said that he prefers Communism to Colonialism. Many countries that were satellites of England have gained their independence, but not one Communist satellite has ever done so. I am working for a Malaya that will not be a satellite of England or of any other Power" After calling upon the P A.P. to rid itself of Communists and "fellow-travellers" in its ranks Mr Marshall added that the Government would take measures to end the "thuggery and intimidation" in Chinese middle schools in order that the schools could return to their primary object of education

A wave of strikes, fomented by Communist-dominated unions, affected large numbers of workers in Singapore during the second week of June and led to the arrest of six of the strike leaders under the Emergency Regulations.

The leader of the Shop and Factory Workers' Union, Mr Lim Chin Siong (a member of the People's Action Party, and one of its representatives in the Legislative Assembly), called for a general strike on June 13 in support of some 1,300 clerical workers who had been on strike for six weeks in a pay dispute with the Singapore Harbour Board About 15,000 workers (mostly in small factories in which Mr. Lim's union was influential) responded to the strike call, whilst the bus workers also came out in support, thereby disorganizing public transport. Six strike and student leaders were arrested as suspected Communists on June 11-12 under the Emergency Regulations, among them Mr Fong Swee Suan, a leading figure in the P A P., Mr. Loh Wah Lim, of the Malayan Textile Spinning Workers' Union, and Mr. Cheng Yong Cheng, an active pro-Communist teacher at one of the Chinese schools During the next two or three days several thousand more workers came out on strike, but on the other hand many of the original strikers returned to work and there was no response to the call for a general strike Although the strike leaders threatened to continue the strike until the release of the six arrested persons, they agreed on June 17 to call the strike off

Mr. Marshall declared on June 12 that the Government considered the threat of a general strike to be "a direct form of political coercion endangering the welfare and security of the people," and that it had accordingly ordered the arrest of "a number of persons who are apparently responsible for organizing the threatened strike for political purposes." In a statement to the Legislative Assembly on June 17, he described the instigators of the strike as "a People's Action Party clique of pseudo-trade unionists who have prostituted the trade union movement in an attempt to bring about mob rule."
(Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. Singapore Government, 14152 A.)

B. YUGOSLAVIA. — Higher Grain Prices. - Increases in Retail Prices and Wages.

M. Vukmanovich, a Vice-President of the Federal Executive Council, announced on July 10 that the Yugoslav Government had decided (*a*) to increase the price of grain as an incentive to the peasants to grow and sell more wheat and maize to the State; (*b*) to end the subsidies for lard and oil; (*c*) to introduce higher retail prices for bread, fats, and tobacco, and to increase passenger transport fares; and (*d*) to increase, to a smaller extent, wages, pensions, invalid benefits, and children's allowances.

It was explained that the new measures would raise the State purchase price for wheat by five dinars per kilogramme, and for maize to six dinars. The retail prices of bread and flour would go up by an average of over 30 per cent to 48 dinars (nearly 1s. 2d.) per kilogramme, and the price of tobacco by 27 per cent. The increase in wages, pensions, and invalid benefits would be 500 dinars (about 12s.) a month, and of children's allowances 240 dinars

M. Vukmanovich also explained that while industrial production had made "an enormous advance," Yugoslavia's grain production was lower today than pre-war The essential aim of the price increases was to stimulate home food production and reduce food imports from abroad so as to ease the balance of payments, it was also hoped that the reduced consumption of grain resulting from the price increases would gradually lead to a change in the people's rather "one-sided" diet (of which bread comprises nearly 70 per cent). In this connexion he referred to the conclusion of a rice agreement with Burma under which Yugoslavia would buy about 50,000 tons of rice annually from that country.

The official newspaper *Borba* stated on July 11 that the Government was aware that its measures would be unpopular in the towns, but that the disturbance of family budgets would be insignificant compared with the "positive results" which were anticipated in solving Yugoslavia's economic problems.
(Tanjug Agency, Belgrade - Times) **(14162 A ; 12402 C.)**

C. UNITED STATES. — Cabinet. - Mr. Folsom appointed Secretary of Health, Education, and Welfare.

Mr. Marion B. Folsom, Under-Secretary of the Treasury, was nominated by President Eisenhower on July 13 as Secretary of Health, Education, and Welfare in succession to Mrs. Oveta Culp Hobby, the only woman in the Cabinet, who had resigned for personal reasons. Mr. Folsom (61) was treasurer of the Eastman-Kodak Company before joining the Treasury.
(New York Times) **(Prev. rep. 14279 D ; 12858 A.)**

JULY 23—30, 1955

A. GENEVA CONFERENCE. — The "Summit" Conference of Heads of Government. - Discussions on German Unification, European Security, Disarmament, and East-West Contacts. - Foreign Ministers to meet at Geneva in October.

The "summit" conference of the Heads of Government of France, the Soviet Union, the United Kingdom, and the United States ended on July 23 after having lasted for six days. A joint directive was issued at the end of the conference by President Eisenhower, Marshal Bulganin, Sir Anthony Eden, and M. Faure instructing the Foreign Ministers of the four Powers to meet in Geneva in October to "propose effective means" for the solution of the following questions: (1) European security and German reunification; (2) disarmament; and (3) contacts between East and West.

The proceedings of the conference are described below on a day-to-day basis

July 18.

The opening day of the conference (July 18) was devoted to statements by the four Heads of Government in which they put forward their respective views on the questions under consideration.

President Eisenhower (who presided at the opening session) said that they could not expect "to solve all the problems of all the world" during the few days in which the conference would last, but that, nevertheless, "we can perhaps create a new spirit that will make possible future solutions of problems which are within our responsibilities." He continued

"It is necessary that we talk frankly about the concrete problems which create tension between us, and about the way to begin solving them . . First is the problem of unifying Germany and forming an all-German Government based on free elections. Ten years have passed since the German armistice, and Germany is still divided. That division does a grievous wrong to a people which is entitled, like any other, to pursue together a common destiny While that division continues, it creates a basic source of instability in Europe. . . Our solution should take account of the legitimate security interests of all concerned. That is why we insist that a united Germany is entitled at its choice to exercise its inherent right of collective self-defence. By the same token, we are ready to take account of the legitimate security interests of the Soviet Union The Paris Agreements contain many provisions which serve this purpose. But we are ready to consider further reciprocal safeguards which are reasonable, practical, and compatible with the security of all concerned

"On a broader plane, there is the problem of respecting the right of peoples to choose the form of government under which they will live, and of restoring sovereign rights and self-government to those who have been deprived of them The American people feel strongly that certain peoples of Eastern Europe, many with a long and proud record of national existence, have not yet been given the benefit of this pledge of our U N wartime declaration, reinforced by other wartime agreements.

"There is the problem of communication and human contacts among our peoples. . . . The American people want to be friends with the Soviet peoples. There are no natural differences between our peoples, no territorial conflicts or commercial rivalries Historically, our two countries have always been at peace. But friendly understanding between peoples does not readily develop when there are artificial barriers such as now interfere with communication It is time that all 'curtains,' whether of guns or laws or regulations, should begin to come down But this can only be done in an atmosphere of mutual respect and confidence

"There is the problem of international Communism For 38 years its activities have disturbed relations between other nations and the Soviet Union Its activities are not confined to efforts to persuade. It seeks throughout the world to subvert lawful Governments and to subject nations to an alien domination. We cannot ignore the distrust created by the support of such activities In my nation and elsewhere it adds to distrust and therefore to international tension

"Finally, there is the overriding problem of armaments. This is at once a result and a cause of existing tension and distrust Contrary to a basic purpose of the U N Charter, armaments now divert much of men's efforts from creative to non-productive uses We should all like to end that But apparently none dares to do so because of fear of attack. Surprise attack has a capacity for destruction far beyond anything which man has yet known. So each of us deems it vital that there should be means to deter such attack Perhaps, therefore, we should consider whether the problem of limitation of armaments may not best be approached by seeking—as a first step—dependable ways to supervise and inspect military establishments, so that there can be no frightful surprises, whether by sudden attack or by secret violation of agreed restrictions . . ."

M. Edgar Faure said that the two main objectives in the present international situation were (1) to end the "cold war," and (2) to create peace and friendly relations among nations These two objectives were complementary and could not be separated. On the German question, he said: "Frankly, I think that as long as this problem is not solved . . . there will be no real harmony in international life. If the four of us really have the will to reunite Germany, the question of how to do it will not be an obstacle."

The French Prime Minister strongly opposed any neutralization of Germany for the following six reasons (1) In international law there could be no discrimination against a sovereign country. (2) Neutralization of Germany because of her responsibility for the last war would mean putting such responsibility on the German people and not on the Nazi State (3) No similar neutralization measures had been applied to other belligerents (4) Neutralization would risk provoking in Germany a desire for revenge (5) Technical measures for controlling neutralization would be impossible to implement "materially and morally" (6) Neutralization, while suitable perhaps for a small nation, was impossible for a nation with a population and geographical position like that of Germany "For my part," he added, "I believe that a reunified Germany should live in the Western European and Atlantic Pact system. This seems to me best both in law and in fact."

As the Western Powers could see no objection to a unified Germany allied with the West (M Faure continued), and as Germany's general potential as a country would undoubtedly increase, the question of security should be examined from the point of view of the Soviet Union To meet the legitimate Soviet demand for security, he put forward the following proposals:

(1) The military forces of a united Germany should not exceed those which the German Federal Republic would possess as a member of the Western European Union

(2) The Western Powers should extend to the Soviet Union the guarantees embodied in the Paris Agreements—viz., that they would not support the use of force to obtain the reunification of Germany or to modify Germany's present frontiers, and that any Government guilty of resorting to force would be deprived of the assistance and military aid provided in the North Atlantic Treaty The German Federal Republic should also extend to the Soviet Union its undertaking (under the Paris Agreements) that it would not use force to obtain reunification or the modification of Germany's present frontiers

(3) A unified Germany should be included in a general security system, which could be extended to all European States wishing to join

M Faure also reiterated his proposal, made before the opening of the conference (see page 14313, first column), that the U S.A., the Soviet Union, the United Kingdom, and France should agree to reduce their arms budgets by agreed amounts and to put the resultant savings into an international fund which would be used to promote the economic development of the world's under-developed areas.

Sir Anthony Eden spoke as follows "This conference is unique in history because the conditions in which we meet are unmatched in human experience. We all know what unparalleled resources the scientific and technical discoveries of our age have placed within our reach We have only to stretch out our hands and the human race can enter an age of prosperity such as has never been known. It is equally clear how utterly destructive must be the conditions of any conflict in which the great Powers are engaged

"There was a time when the aggressor in war might hope to win an advantage and to realize political gain for his country by military action The more overwhelming the military power, the more tempting was the prize and the less might the aggressor expect to have to pay. Nothing of the kind is possible now. No war can bring the victor spoils, it can only bring him and his victim utter annihilation. . . These are stern facts out of which we can perhaps win enduring peace at last.

"At this conference we have to deal [with problems] mainly in the context of Europe. What is the chief among them? There can surely be no doubt of the answer—the unity of Germany. So long as Germany is divided, Europe will be divided. Until the unity of Germany is restored, there can be neither confidence nor security in this Continent . ."

Turning to "the wider issues of German unification," Sir Anthony continued "Why did the Berlin Conference fail a year ago? We must examine this as dispassionately as we can in order to see what progress we can now make from the apparently fixed positions which the great Powers on both sides then felt obliged to take. At Berlin, the West proposed the unification of Germany with free elections and the free right of Germany to choose her own foreign policy. Under the so-called 'Eden-plan,' Germany would have chosen either association with the West, association with the East, or neutrality. But the Soviet Government was unable to accept that plan. Yet we all know in our hearts that Germany must be united, and that a great country cannot be permanently prevented from freely deciding its own foreign policy

"The Berlin Conference failed because one of the Powers believed that a united Germany, rearmed and exercising its choice to join the NATO, would constitute an increased threat to its safety and security. I am not now going to argue whether these fears were justified. In these last 10 years there have been plenty of occasions for suspicion and alarms These have found expression in heavy armament programmes. To try to deal with these issues in their wider aspect, we have all agreed to work through the U N Disarmament Commission We welcome the substantial progress which has recently been made there, and the important measure of common thinking which has now emerged between the various proposals of the Western Powers and those recently set before us by the Soviet Government All these discussions will go on, but the immediate need is to make a practical start.

"The urgent problem is how to begin the process of reducing tensions and removing suspicion and fear There is also the practical question of how we can devise and operate an effective control of armaments and armed forces. To reunify Germany will not of itself increase or reduce any threat which may be thought to exist to

European security. Everything will depend on the conditions under which reunification takes place. I wish, therefore, to suggest that we should consider a number of interrelated proposals which are intended to do two things

"First, they are calculated to meet the apprehension of increased danger which some at Berlin felt might follow the acceptance of our plan. Secondly, they are intended to make a practical experiment in the operative control of armaments. This, if locally successful in Europe, might, as it were, extend outwards from the centre to the periphery If we can once establish a sense of security over the Continent of Europe .. can we not hope that this first success will be the preliminary for wider and more far-reaching understanding?

"As I have said, our purpose is to ensure that the unification of Germany and her freedom to associate with countries of her choice shall not involve any threat to anybody There are no doubt many ways of doing this. To illustrate what I have in mind, let me give some examples. . . We would be prepared to be parties to a security pact of which those round this table and a united Germany might be members By its terms each country could declare itself ready to go to the assistance of the victim of aggression, whoever it might be .. We would propose to inscribe any such agreement under the authority of the United Nations. It would also be our intention that if any member-country should break the peace, that country would forfeit any rights which it enjoys at present under existing agreements

"Secondly, we would be ready to discuss and try to reach agreement as to the total of forces and armaments on each side in Germany and the countries neighbouring Germany. To do this it would be necessary to join in a system of reciprocal control to supervise the arrangement effectively All those represented here would, we hope, be partners in this, together with a united Germany. It would be understood that any proposals in this field would not exclude or delay the work of the U.N Disarmament Commission, to which we attach great importance"

After asking whether there were "any further reassurances we can give each other," Sir Anthony proposed that the conference, in addition to examining the above-mentioned suggestions, should also examine "the possibility of a demilitarized area between East and West."

Marshal Bulganin said that the conference was being held "at a time when a certain relaxation of tension in international relations is in evidence, and when more favourable conditions have appeared for the settlement of outstanding international issues" The ending of hostilities in Korea and Indo-China represented "a considerable success for the forces of peace," whilst other "significant" developments were the conclusion of the Austrian State Treaty, the normalization of Soviet-Yugoslav relations, the success of the Afro-Asian Conference at Bandung, and the Soviet proposals to normalize relations with the German Federal Republic "There are, however, urgent issues still dividing us," he added. "These issues have not yet been settled, and that is why the international situation—in spite of a certain improvement—still remains tense on the whole. It is a fact that the so-called 'cold war' is still on . . ."

After saying that the Soviet delegation were "glad to hear President Eisenhower's statement," Marshal Bulganin continued "In the opinion of the Soviet Government, the purpose of this conference is not to indulge in recriminations but to find ways and means to ease international tension and create an atmosphere of confidence in relations between nations. We are not minimizing the difficulties that stand in the way of settling the outstanding problems of Europe and Asia There are difficulties, and they are far from being small ones. But provided we have all come to the conference with the desire to find ways of overcoming difficulties, this will be a real guarantee for the success of the conference . . . The Soviet Government, for its part, is prepared to contribute, together with the Governments of the United States, Britain, and France, to the achievement of that noble aim The foreign policy of the Soviet Union is clear: We have upheld, and continue to uphold, peace among the nations and peaceful co-existence among all States irrespective of their internal systems, irrespective of whether they are monarchist or republican, capitalist or socialist. The social and economic system of any State is the domestic affair of its people."

Marshal Bulganin then announced that the Soviet Union had decided to contribute fissionable materials to the international atomic energy "pool" proposed by President Eisenhower, and that this contribution would be made as soon as the proposed International Atomic Energy Agency was established. "The Soviet Union," he declared, "now as in the past, favours broad international co-operation in the peaceful uses of atomic energy, the importance of which was stressed by President Eisenhower in his well-known statement."

Turning to the question of armaments and armed forces, Marshal Bulganin said that it would be "a fact of great importance" if the conference agreed, by common consent, to establish the following maximum levels of armed forces: (1) the United States, the Soviet Union, and China—each 1,000,000 to 1,500,000 men; (2) Great Britain and France—each 650,000 men, (3) all other countries—a maximum of 150,000 to 200,000 men. He added: "I would like to stress once again that the Soviet Government has accepted the proposal made by the three [Western] Powers in regard to conventional armaments. Now we are entitled to expect that these Powers should take a step which would ensure agreement on the prohibition of atomic weapons. That would put the whole problem of disarmament on firm ground."

Continuing, Marshal Bulganin said that M. Faure's proposals for the reduction of military budgets by the four Powers, and the setting-up of a fund to help under-developed areas, were "of interest and worthy of careful examination." He added: "Moreover, in the opinion of the Soviet Government, the four Powers would make a good beginning if they agreed to demobilize the military contingents which they are withdrawing from Austria in connexion with the conclusion of the Austrian State Treaty, and correspondingly to reduce the strength of their armed forces. The Soviet Government has decided to carry out such a measure, and invites the United States, France, and Britain to follow suit"

As regards the question of European security, Marshal Bulganin said: "The Soviet Government is convinced that the best way to ensure peace and prevent new aggression in Europe is to establish a system of collective security with the participation of all the European nations and of the United States .. Military groupings of some European nations directed against others should be replaced by a system of security based on the joint efforts of all the nations of Europe .. The difficulties in the way of creating such a system have to be reckoned with—in particular, the fact that the Powers engaged in the present talks are bound by military commitments in regard to other nations . . ."

Marshal Bulganin then proposed that the process of establishing a collective security system in Europe should be carried out in two stages, as follows:

(1) In the first stage, the signatories would retain their commitments under existing treaties and agreements, but would undertake to refrain from the use of armed force, and to settle any disputes that might arise between them by peaceful means.

(2) In the second stage, the North Atlantic Treaty, the Paris Agreements, and the Warsaw Treaty would be simultaneously terminated, and would be replaced by an all-European system of collective security

Marshal Bulganin continued: "Sir Anthony Eden spoke of the need for an understanding between countries on the question of European security This is very important, it is precisely what the Soviet Union is striving for The Soviet Government is of the opinion that our eventual objective should be to have no foreign troops remaining on the territories of European States The withdrawal of foreign troops from the territories of European States, and the re-establishment in this respect of the situation which existed before the Second World War, would in itself constitute a factor of great importance in consolidating peace . "

Turning to the German problem, Marshal Bulganin spoke as follows: "The Soviet Government proceeds from the premise that the easing of tension and the creation of an effective system of security in Europe would greatly facilitate the settlement of the German problem, and would bring about the necessary pre-requisites for the unification of Germany on a peaceful and democratic basis The Soviet Government, now as in the past, favours the unification of Germany in conformity with the national interests of the German people and the security of Europe The remilitarization of Western Germany, and her integration into military groupings of the Western Powers, represent the main obstacles to the unification of Germany. It would be a good thing to exchange views here on the solution of the German problem, even though in present circumstances we may fail to reach immediate agreement on the reunification of Germany. In that case the problem should be solved step by step."

Marshal Bulganin felt that it was not appropriate for the conference to discuss either international Communism or the Eastern European countries, as had been suggested by President Eisenhower As regards the former, he said that the conference had been convened to discuss problems of inter-State relations and not the activities of political parties in various countries. With regard to the latter, a discussion on the countries of Eastern Europe would constitute interference in their internal affairs

In conclusion, the Soviet Prime Minister welcomed the proposal for strengthening trade and cultural relations between the U.S.S.R. and the West He declared that there were "considerable possibilities" in this field, and that the Soviet Union stood for the "broad development of international contacts and co-operation in culture and science, and for the removal of obstacles impeding intercourse among nations."

July 19.

The Foreign Ministers met in the morning under the chairmanship of M. Pinay and reached speedy agreement on the following agenda (proposed by Mr. Macmillan) to be presented to the Heads of Government: (1) the reunification of Germany; (2) European security; (3) disarmament; (4) contacts between East and West (trade, tourism, cultural relations, etc.).

When the Heads of Government met in the afternoon, however, differing views as to the timing of German reunification were expressed by the Western leaders on the one hand and by Marshal Bulganin on the other. Whereas Sir Anthony Eden (the principal Western spokesman on this date) declared that the question of German unification was of the greatest urgency, Marshal Bulganin insisted that the reunification of Germany should be subject to delay while a European collective security pact was negotiated. After a 2½-hours' discussion under the chairmanship of M. Faure, the Heads of Government agreed to refer the question to their Foreign Ministers for further consideration.

Sir Anthony Eden (who spoke first at M. Faure's invitation) said that although there appeared to be agreement on the need for German unification, there was a clear division on methods of timing. Marshal Bulganin had said that the creation of an effective system of collective security in Europe was a prerequisite for the unification of Germany. An all-embracing security system, however, would take a considerable

time to work out, and for this reason he (Sir Anthony) had proposed a simpler four-Power pact with a united Germany. Whilst he would be happy to consider other suggestions, he would be deeply concerned if it were agreed to postpone German unity for a long period while elaborate systems to cover the whole of Europe were being worked out.

Marshal Bulganin said that it was in the interests of a united Germany not to enter into any alliances or military obligations. He recalled in this connexion that when the Warsaw Treaty was negotiated, the East German Government had assumed that a united Germany would be free from obligations undertaken by either part of Germany before unification. In his view, conditions were not yet ripe for the unification of Germany, and the settlement of this problem would take a long time On the question of safeguards and guarantees as suggested by Sir Anthony Eden on the previous day, these were comprehensible in the case of weak Powers unable to defend themselves, but not in that of the Soviet Union, which could not depend on guarantees by others The two Germanies should gradually draw together in the interests of eliminating tension, and such a development was now taking place—e g , in commercial negotiations and the exchange of delegations. All-German elections were, he agreed, important, but should be considered at the proper time

President Eisenhower said that he wished to speak from the military point of view, and requested Marshal Zhukov (the Soviet Defence Minister) to listen carefully to what he had to say. After pointing out that he had known Marshal Zhukov for a long time, and that he would speak as soldier to soldier, President Eisenhower emphasized that he (the President) had never said a single word which he did not believe to be true ; that he had accepted the position of Supreme Commander, Allied Powers in Europe, because he believed that SHAPE was a true agency for peace ; that he had " had enough of war " , and that he would not have accepted the SHAPE appointment if there had been any question of preparation for war

If Germany became a military vacuum (the President continued) it would become a fertile breeding-ground for Hitlerite propaganda In the past Germany had been a danger not only to the Soviet Union but to other countries, many of which had had experience of German aggression. The problem was how to draw Germany into a position in which she would not be discontented, unhappy, and a prey to propaganda, and in which she would be strong, though never strong enough to attack other countries.

President Eisenhower then emphasized that the U.S.A. would never take part in any aggressive war, and that no nation need fear a sudden attack by the United States, where a declaration of war was subject to Congressional assent, nor from NATO, which was entirely defensive. Under the present arrangements [i e the Paris Agreements], the German forces would be so intertwined with the NATO system that it would be impossible for them to make war If it were argued that German reunification must be delayed because of the fear of a united Germany in NATO, then the United States would say that such fears were groundless.

Marshal Bulganin intervened to say that he had heard President Eisenhower's statement with the greatest satisfaction. " I believe this statement," he declared, " because I know President Eisenhower to be an outstanding military leader and statesman."

M. Faure said that a clear difference of opinion had arisen on the urgency of the German question, and that he shared the British view.

Marshal Bulganin declared that while he welcomed President Eisenhower's statement on NATO, the Soviet Union had not been allowed to join the North Atlantic Treaty, and this, in his [the Soviet Premier's] view, revealed its true purpose On the German question, he said that his earlier statement represented the well-considered views of the Soviet Government, and that he would say no more on the subject.

It was then agreed that the matter could not profitably be discussed further, and that it should be studied by the Foreign Ministers.

July 20.

Meeting under the chairmanship of Sir Anthony Eden, the Heads of Government agreed that the Foreign Ministers should draft directives for further study on the questions of European security and the reunification of Germany. It was also agreed that the Foreign Ministers should study the following four points put forward by Sir Anthony Eden : (1) the unification of Germany, having regard to the security of all concerned ; (2) a security pact for Europe or part of Europe ; (3) the limitation and inspection of forces and armaments in Germany and countries bordering Germany ; (4) the possibility of creating a demilitarized area. These four points incorporated both the Western and Soviet proposals previously put forward.

Marshal Bulganin reiterated the Soviet proposals for a security pact in which both the German Federal Republic and the German Democratic Republic would participate, and circulated a paper giving the basic principles of a European collective security treaty. These were broadly similar to the draft treaty presented by M Molotov at the Berlin Conference in 1954 (see page 13437), but contained the following modifications : (*a*) the preamble stated that the proposed collective security treaty was aimed at facilitating the early settlement of the German question ; (*b*) the United States was included in the treaty ; (*c*) the proposals contained references to economic and cultural contacts between the East and the West ; (*d*) they included the " two-stage " concept put forward by Marshal Bulganin on July 18.

M. Faure stressed that the unification of Germany implied security and *vice versa*, and that tension and insecurity would persist in the heart of Europe until Germany was united. The two-stage plan proposed by the Soviet Prime Minister might involve the perpetuation of a divided Germany, since the two German Governments might want to stay in existing organizations and might not be in a hurry to join new ones He [M. Faure] preferred a system of collective security containing reciprocal agreements providing for a limitation of arms.

Sir Anthony Eden said that the problem had two aspects · (1) treaty provisions, including the question of who would be members of any pact, and (2) the question of timing. On the first, the British idea had been a five-Power pact which, like the Russian draft, would provide for mutual assistance if one of the signatories was attacked. If the five Powers agreed on such a pact, there would be little or no risk to European security A pact embracing all the European countries, however, was hardly feasible in view of the wide diversity of interests among the European nations , moreover, the organization of such a pact would be a long and laborious task Nevertheless, it might be possible to find a middle course between a five-Power pact and a 26-Power pact, and he was ready to consider any suggestions. In view of the wide divergence of opinion which had manifested itself, he suggested that simultaneous consideration might be given to the question of a security pact and to the reunification of Germany, provided the pact was not so widely drawn as to delay unreasonably the realization of German unity. Sir Anthony then proposed that the Foreign Ministers should study the above-mentioned four points, which was agreed to.

President Eisenhower said that he had talked with every member of the Soviet delegation and was profoundly convinced that they all sincerely desired peace, as he himself did. The problem was how to build a bridge, and this could hardly be solved in the short time in which the conference would last. Marshal Bulganin, in his statement in Moscow on July 15 (see page 14313), had spoken of the need for conciliation and had said that the conference would only be a beginning. Perhaps the Foreign Ministers could now get to work on " building the bridge."

July 21.

When the Heads of Government met under the chairmanship of Marshal Bulganin, President Eisenhower put forward two far-reaching proposals: (1) that the United States and the Soviet Union should exchange blueprints on their military establishments ; and (2) that the two Governments should provide unrestricted facilities for photographic aerial reconnaissance in each other's territories. Marshal Bulganin presented a draft treaty for a non-aggression pact between the NATO Powers and the Warsaw Treaty Powers, and also tabled a draft resolution on disarmament.

President Eisenhower spoke as follows : " . . . After our victory as allies in the Second World War, my country rapidly disarmed. Within a few years our armament was at a very low level Then events occurred beyond our borders which caused us to realize that we had disarmed too much. For our own security and to safeguard peace we needed greater strength. Therefore we proceeded to rearm, and to associate with others in a partnership for peace and mutual security. The American people are determined to maintain and if necessary increase this armed strength for as long a period as is necessary to safeguard peace and to maintain our security.

" But we know that a mutually dependable system for less armament on the part of all nations would be a better way to safeguard peace and maintain security It would ease the fears of war in the anxious hearts of people everywhere. It would lighten the burdens upon the backs of the people. It would make it possible for every nation, great and small, developed and less developed, to advance the standards of living of its people, to attain better food, clothing, and shelter, more education, and larger enjoyment of life. Therefore the U S. Government is prepared to enter into a sound and reliable agreement making possible the reduction of armaments. I have directed that an intensive and thorough study of this subject be made within our own Government.

" No sound and reliable agreement can be made unless it is completely covered by an inspection and reporting system adequate to support every portion of the agreement. The lessons of history teach us that disarmament agreements without adequate reciprocal inspection increase the dangers of war and do not brighten the prospects of peace. Thus, it is my view that the priority attention of our combined study of disarmament should be upon the subject of inspection and reporting

" Questions suggest themselves How effective an inspection system can be designed which would be mutually and reciprocally acceptable within our countries and the other nations of the world ? How would such a system operate ? What could it accomplish ? Is certainty against surprise aggression attainable by inspection ? Could violations be discovered by inspection ? Could violations be discovered promptly and effectively counter-acted ?

" We have not as yet been able to discover any scientific or other inspection method which would make certain of the elimination of nuclear weapons So far as we are aware, no other nation has made such a discovery. We have not as yet been able to discover any accounting or other inspection method of being certain of the true budgetary facts of total expenditure for armaments . . .

" I have been searching my heart and mind for something that I could say here that could convince everyone of the great sincerity of the United States in approaching this problem of disarmament. I

address myself for the moment principally to the delegates of the Soviet Union, because our two great countries admittedly possess new and terrible weapons in quantities which give rise in other parts of the world, or reciprocally, to the fears and dangers of surprise attack.

"I propose, therefore, that we take a practical step, that we begin an arrangement, very quickly, as between ourselves—immediately. These steps would include.

(1) To give to each other a complete blueprint of our military establishments, from beginning to end, from one end of our countries to the other.

(2) Next, to provide within our countries facilities for aerial photography to the other country. We to provide you with the facilities within our country, ample facilities for aerial reconnaissance, where you can make all the pictures you choose and take them to your own country to study. You to provide exactly the same facilities for us, and we to make these examinations. And by this step to convince the world that we are providing as between ourselves against the possibility of a surprise attack, thus lessening danger and relaxing tension.

"Likewise we will make more easily attainable a comprehensive and effective system of inspection and disarmament, because what I propose, I assure you, would be but a beginning. From my statement I believe you will anticipate my suggestion. It is that we instruct our representatives in the U.N. Sub-committee on Disarmament to give priority effort to the study of inspection and reporting. Such a study could well include a step-by-step testing of inspection and reporting methods.

"The United States is ready to proceed in the study and testing of a reliable system of inspection and reporting, and, when that system is proved, then to reduce armaments with all others to the extent that the system will provide assured results. The successful working-out of such a system would do much to develop the mutual confidence which will open wide the avenues of progress for all our peoples.

"The quest for peace is the statesman's most exacting duty. Security of the nation entrusted to his care is his greatest responsibility. Practical progress to lasting peace is his fondest hope. Yet in pursuit of his hope he must not betray the trust placed in him as guardian of the people's security. A sound peace—with security, justice, well-being, and freedom for the people of the world—can be achieved, but only by patiently and thoughtfully following a hard, sure, and tested road."

Sir Anthony Eden pointed out that Britain, like the U.S.A., had drastically reduced her armaments and armed forces at the end of the war. Events, however, had forced her to rearm, and she had made the atomic bomb and was now making the hydrogen bomb. There was nothing that Britain would like better than to engage in a comprehensive disarmament scheme, in which neither she nor other countries would be forced to spend so much on unproductive necessities as they did today. Putting forward a "more modest" plan than that proposed by President Eisenhower, he asked whether it could not be decided here and now that over a specified area—extending perhaps for a fixed depth on either side of the line which now divided Eastern and Western Europe—there should be supervision by inspection teams appointed by the military commanders on either side. This proposal would be a practical experiment in the control of armaments—an experiment which, if successful in Europe, might be "extended outwards from the centre to the periphery."

Marshal Bulganin presented the text of a draft security treaty between the four Powers which contained the following provisions.

"(1) The level of the armed forces of the United States, the U.S.S.R., and China shall be established at 1,000,000 to 1,500,000 men for each; that of Great Britain and France at 650,000 men for each; the level provided for China, as well as other questions bearing upon the armed forces of China, shall be the subject of consideration in which the People's Republic of China shall participate; the level of the armed forces of all other States shall not exceed 150,000 to 200,000 men, and shall be agreed upon at an international conference.

(2) After the reduction of armed forces and conventional armaments has been carried out to the extent of 75 per cent of the agreed reductions, a complete prohibition of atomic and hydrogen weapons shall come into effect. The elimination of such weapons from the armaments of States, and the destruction of those weapons, shall be completed in the course of reduction of armaments to the final 25 per cent of the agreed reduction. All atomic materials shall thereafter be used exclusively for peaceful purposes.

(3) Simultaneously with the initiation of measures to effect the reduction of armaments and armed forces, and before the entry into force of the agreement on the complete prohibition of atomic and hydrogen weapons, the four Powers shall solemnly pledge themselves not to use nuclear weapons, which they shall regard as prohibited to them. Exceptions to this rule may be permitted for purposes of defence against aggression, when a decision to that effect is taken by the Security Council.

(4) As one of the first measures for the execution of the programme for reducing armaments and prohibiting atomic weapons, States possessing atomic and hydrogen weapons shall pledge themselves to discontinue tests of these weapons.

(5) There shall be established an effective international control over the implementation of measures for the reduction of armaments and the prohibition of atomic weapons.

(6) The Heads of Government of the four Powers shall instruct the Foreign Ministers to make efforts to reach necessary agreement on the unsettled aspects of the above-mentioned convention, which is to be considered in the United Nations.

At the same time the Heads of Government of the Soviet Union, the United States, Great Britain, and France, determined not to permit the use of atomic and hydrogen weapons and to liberate the nations from the threat of a destructive atomic war, solemnly declare that: Pending the conclusion of the international convention on the reduction of armaments and the prohibition of atomic weapons, the Soviet Union, the United States, Great Britain, and France undertake not to be the first in the use of atomic weapons against any nation, and call upon all other States to join this declaration."

The Soviet Prime Minister also tabled the text of a proposed non-aggression pact between the four Powers, based on the following principles:

"(1) The States parties to the North Atlantic Treaty and to the Paris Agreements, on the one hand, and the States parties to the Warsaw Treaty, on the other, undertake not to use armed force against one another. This undertaking shall not prejudice the right of States to individual or collective self-defence, as provided for in Article 51 of the U.N. Charter in case of an armed attack.

(2) The parties to the treaty undertake to enter into mutual consultations in case any differences or disputes arise between them which might represent a threat to the maintenance of peace in Europe.

(3) The treaty shall be of a temporary character and shall remain in force until replaced by another treaty relating to the establishment of a system of collective security in Europe."

July 22.

When the Heads of Government met on this date under the chairmanship of President Eisenhower, M. Faure presented a French memorandum on disarmament and on the proposed creation of an International Fund for Equipment and Mutual Aid (IFEMA) to assist under-developed countries. Sir Anthony Eden, supported by President Eisenhower and M. Faure, called for the removal of barriers between the peoples of East and West and urged a much greater flow of cultural exchanges, tourism, etc., between the Western countries and the Soviet Union. The British Prime Minister also formally presented a memorandum on limited disarmament.

M. Faure spoke as follows in presenting the French Government's memorandum:

"The first condition of a lasting peace is progress towards disarmament. The second condition is assistance to the peoples of under-developed territories in improving their living conditions. The French Government believes that these two forms of activity should be carried out side by side, and that the possibility of establishing an organic link between them should be investigated. Such a link would make it possible, at least in part, to solve the problem of control in regard to disarmament.

"The French Government proposes that the four Powers should agree to a reduction in their military expenditures, and that the financial resources thus made available should be allocated, either in whole or part, to international expenditure on equipment and mutual aid... These proposals... will make possible the transfer of military expenditure to productive expenditure at international level... and the following proposals are put forward to that end:

"(1) In order to establish the basis of the contribution to be made, each of the Governments concerned would declare annually the amount it intended to appropriate for military expenditure during a period of 12 months—in effect, the amount laid down in the Budget. The first statement would concern the 12-monthly period covered by the Budget for the current year. The declarations made by the States would be sent to an international Secretariat whose chief task would be to ensure that a common definition of military expenditure was interpreted in the same sense by all the States.

In order to make this possible, the Secretariat would receive copies of the civil and military Budgets presented by each Government to the parliamentary organs which, according to the Constitution of the State concerned, had to vote or approve the Budget. The Secretariat would also... draw up a list of the categories of military expenditure, subject to any agreements reached, and according to the programme for the progressive application and control of disarmament.

The percentage reduction of military expenditure in any annual Budget in relation to a preceding Budget could be laid down for future years by agreement between the Governments concerned. This would make it possible to calculate the amounts to be allocated to the International Fund for Equipment and Mutual Aid.

The amounts to be levied during the years concerned should be progressive, in order to lay stress on the need for disarmament. These amounts could be related either to the figure of actual military expenditure or, if the Powers fix a common 'normal' level of military expenditure in relation either to their national expenditure or to some other criterion, they could apply to the excess of such expenditure over the normal figure thus defined. This second formula would have the advantage of linking the size of the allocation more closely to the unduly high level of military expenditure maintained by some States.

(2) The use of the resources of the I.F.E.M.A. would be supervised by the international Secretariat, whose task it would be to ensure their use according to four criteria:

(i) In order that the peoples of the States concerned may be associated with the results of disarmament, the amount of contribution due from each State should be reduced, on the basis of the formula laid down, by part of the reduction in expenditure effected in the military Budget between one financial year and the next. Each country would thus be able to make internal transfers according to whatever method it liked.

(ii) Each State contributing to the Fund should be in a position to use a portion of its contribution, to be defined, for the benefit of States or territories with which it is constitutionally linked. All that would be necessary would be to prove to the international Secretariat the need for such expenditure.

(iii) A part of the remainder of the available funds would have to be used to place orders of all kinds in the countries providing the funds. This provision would prevent the reduction of armament expenditure from reacting unfavourably on the level of economic activity of each country by guaranteeing the existence of a certain number of orders to take the place of orders for military supplies.

(iv) The balance would be used at international level, without any special restrictions, on equipment for under-developed territories. This allocation would be made in close co-operation with the international organizations within the framework of the United Nations, or even by those organizations themselves It is worth stressing the point that any States increasing their military expenditure would exclude themselves from the benefits to be obtained from the I.F.E.M A.

(3) The United States, the U.S S R., the United Kingdom, and France would, of course, be associated with the procedure to be laid down. As, however, these four nations are all represented on the Sub-committee of the U.N Disarmament Commission, of which Canada is also a member, it might be best to entrust to that sub-committee the task of determining the method of applying this plan "

M. Faure also submitted the following proposals "merely as suggestions "

(a) The administration of the I.F.E.M A could be carried out by a managerial organ associated with the international Secretariat Both these bodies could come under a common political authority, on which the appropriate Ministers of the four Powers might sit

(b) The use of the resources of the Fund might be supervised by the managerial organ, which would not necessarily be composed only of representatives of the four Powers and of the nations prepared to adhere to the principles set out in the memorandum, but also of representatives of countries benefiting from the resources of the international fund for mutual aid.

(c) So far as the application of the plan was concerned, recourse to existing organizations—e g. the International Bank and certain organs of the United Nations—might be considered to avoid the creation of an international administrative organ, which would duplicate the work of those already functioning to the general satisfaction.

(d) The political authority alone would be competent to fix the amount of the contribution from each State. There might be alternative methods of procedure according to whether the State concerned accepted financial supervision or not. If it refused, the contribution would be arrived at by applying the progressive rate of the levy to the figure of military expenditure declared for the first year If it accepted, the contribution would be fixed on the figure of military expenditure for the current financial year as verified by the international Secretariat. The only choice open to the political authority (voting according to a procedure to be defined) would be between the figure determined by the international Secretariat and, in case of rejection, the contribution of a lump sum.

Sir Anthony Eden spoke as follows on the need to develop contacts between the East and West :

" . . . It is evident from what has been said at this conference that we all desire to see a lessening of international tension. This means . . . that we all want to increase mutual confidence between nations. This mutual confidence must be founded on knowledge and understanding of each other's way of life and point of view. What is here in question is not merely understanding between Governments, but between people in all walks of life. This cannot be secured so long as artificial barriers are maintained between East and West.

" It should be our object to break down those barriers, so that there may be a much freer flow of communication of all kinds. Without that, it will be impossible to build that knowledge and understanding of the other man's point of view which is essential to the strengthening of mutual confidence between East and West.

" In recent years a useful start has been made in establishing technical and cultural contacts. We believe that these could be developed with advantage. We should be glad if closer relationships could be established between professional, scientific, and artistic groups of all kinds. We should welcome exchanges of visits by students as well as teachers. We think that more could be done to encourage the exchange of books, learned journals, and documentary films. All these are things which can best be arranged between individual countries of East and West. We have recently established a special committee to further these aims (see 14198 B).

" In addition, technical exchanges can also be conducted under the auspices of international bodies like the Economic Commission for Europe. The development of these arrangements would provide increased opportunities for contact between individuals with a common interest in a particular subject. This is of special value as a basis from which wider contacts may develop. But, in addition, we should like to promote a more normal tourist traffic between East and West We are very willing that ordinary Soviet citizens should travel freely through the countries of the West. We should like to see facilities given to enable ordinary Western tourists to visit the Soviet Union individually, not merely in organized and sponsored tours. The Soviet Government could do much to encourage this by adopting a less restrictive policy in granting visas.

" If a real understanding is to develop between the peoples of East and West, further efforts will have to be made to facilitate the free circulation, not only of individuals, but also of ideas and opinions. It would assist if greater freedom were given for journalists to travel in the Soviet Union and to send their views and impressions back to the newspapers which they represent Soviet journalists are already free to do this in the Western countries. Greater facilities will also be needed for the free circulation of newspapers and books. Press and radio censorship will need to be relaxed

" Increased trading relations would also bring benefits, not only in increasing the volume of trade, but through the relations between individuals and companies which would result. We, for our part, should welcome an expansion of the existing channels of trade between East and West.

" I do not suppose that all the existing restrictions on free communication between East and West can be swept away at one stroke. Nor do I suggest that these are matters on which detailed decisions could be taken by this conference . . . But I would ask that we should agree that this is a desirable objective. After this conference, I would further ask that we should all work patiently towards the breaking-down of the barriers which now restrict this intercommunication. I am sure that we could thereby do much to build that mutual confidence between the peoples of East and West which will help so much to relax international tension "

The memorandum on limited disarmament submitted by Sir Anthony was as follows ·

" The United Kingdom proposes that, as a means of increasing mutual confidence in Europe, consideration should be given to the establishment of a system of joint inspection of the forces now confronting each other in Europe. In specified areas of agreed extent on either side of the line dividing Eastern and Western Europe, joint inspecting teams would operate by mutual consent This project would provide opportunity for the practical test on a limited scale of international inspection of forces in being, and would provide valuable experience and lessons for use over a wider field in the future.

The willingness of the four Governments to accept such inspection would moreover demonstrate their determination to reduce international tension in Europe. The system of inspection here proposed is without prejudice to the work of the U N. Disarmament Sub-committee. It is also distinct from the proposals put forward by the United Kingdom for the limitation, control, and inspection of forces and armaments in connexion with European security "

Both **President Eisenhower** and **M. Faure** spoke in support of Sir Anthony Eden's appeal for the breaking-down of barriers between the peoples of the West and of the Soviet Union.

July 23.

After a five-hour meeting in restricted session on the last day of the conference, the Heads of Government agreed on a directive instructing the Foreign Ministers to meet in Geneva in October. The text of this directive (which was issued in place of a communiqué) was as follows :

" The Heads of Government of France, the United Kingdom, the U S S R , and the United States, guided by the desire to contribute to the relaxation of international tension and to the consolidation of confidence between States, instruct their Foreign Ministers to continue the consideration of the following questions with regard to which an exchange of views has taken place at the Geneva Conference, and to propose effective means for their solution, taking account of the close link between the reunification of Germany and the problem of European security and the fact that the successful settlement of each of these problems would serve the interests of consolidating peace.

European Security and Germany. For the purpose of establishing European security with due regard to the legitimate interests of all nations and their inherent right to individual and collective self-defence, the Ministers are instructed to consider various proposals to this end, including the following .

A security pact for Europe or for a part of Europe, including provision for the assumption by member-nations of an obligation not to resort to force and to deny assistance to an aggressor ;

Limitation, control, and inspection in regard to armed forces and armaments ;

Establishment between East and West of a zone in which the disposition of armed forces will be subject to mutual agreement ;

And also to consider other possible proposals pertaining to the solution of this problem.

The Heads of Government, recognizing their common responsibility for the settlement of the German question and the reunification of Germany, have agreed that the settlement of the German question and the reunification of Germany by means of free elections shall be carried out in conformity with the national interests of the German people and the interests of European security. The Foreign Ministers will make whatever arrangements they may consider desirable for the participation of, or for consultation with, other interested parties.

Disarmament. The four Heads of Government, desirous of removing the threat of war and lessening the burden of armaments ; convinced of the necessity, for a secure peace and for the welfare of mankind, of achieving a system for the control and reduction of all armaments and armed forces under effective safeguards ; and recognizing that achievements in this field would release vast material resources to be devoted to the peaceful economic development of nations, for raising their well-being, as well as for assistance to under-developed countries, agree :

To work together to develop an acceptable system for disarmament through the Sub-committee of the U.N. Disarmament Commission ;

To instruct their representatives in the Sub-committee, in the discharge of their mandate from the United Nations, to take account in their work of the views and proposals advanced by the Heads of Government at this conference ;

To propose that the next meeting of the sub-committee be held on August 29, 1955, in New York;

To instruct the Foreign Ministers to take note of the proceedings in the Disarmament Commission, to take account of the views and proposals advanced by the Heads of Government at this conference; and to consider whether the four Governments can take any further useful initiative in the field of disarmament.

Development of Contacts between East and West. The Foreign Ministers should, by means of experts, study measures, including those possible in organs and agencies of the United Nations, which could (*a*) bring about a progressive elimination of barriers which interfere with free communications and peaceful trade between peoples, and (*b*) bring about such free contacts and exchanges as are to the mutual advantage of the countries and peoples concerned.

The Foreign Ministers of the four Powers will meet at Geneva during October to initiate their consideration of these questions and to determine the organization of their work."

The conference ended with a plenary session at which the four Heads of Government made statements reviewing the work of the conference. The texts are given below:

Statement by Sir Anthony Eden.

"We have now concluded the conference of the Heads of Government which has been so much discussed and so earnestly advocated, notably by Sir Winston Churchill more than two years ago The conference set itself a limited task. This it has more than accomplished Ten years ago the war in Europe was brought to an end Now at last we have made a start to the work which we might have hoped could have begun in 1945

"What we have now agreed makes it possible to get to grips with the twin problems of the unity of Germany and the security of Europe. No-one expects that it will be easy to settle every detail of these complicated issues But there is now a better chance than we have known at any time since the war to get to work on practical proposals to solve the differences which have divided Europe all these years.

"We did not set out to make a detailed plan in these few days. For all that, it will be found that in our directives to the Foreign Secretaries we have included the essentials of a comprehensive settlement. The world will have observed the tone and temper in which our work has been conducted. Those of us who have been engaged in the actual negotiations have been aware that a new spirit of conciliation has been present at our meeting.

"But in addition to this formal work we have had many opportunities for personal contacts, which I know we have all found invaluable The exchanges which have taken place outside the conference room have given us all a far better understanding of each other's points of view and of the problems each has to face. If we can continue our work together in the spirit of this meeting, what is hopeful promise today should become solid performance as events unfold."

Statement by M. Faure.

"Our meeting is drawing to a close. But for all that, we must not separate. I mean by this that if the four of us are no longer present in one room, we must remain morally united with one and the same will. I consider that over and above the agreements which we have reached on certain subjects, texts, and directives, the very fact of our meeting, the spirit which has governed our debates, and the mutual understanding which resulted from it, will leave a profound mark on international relations and will have a happy influence on their evolution

"We have shown a common resolve. It is now our responsibility to find the means. The first step has been taken along this path, but there are still obstacles to overcome. We have not sought to hide them, for it is through truth that all progress is achieved . . . To the peoples who look to us, and not only to those for whom we have responsibility, we must be able to propose the progressive substitution of constructive and beneficial tasks of peace for the security measures which are still necessary."

Statement by Marshal Bulganin.

"The meeting of the Heads of Government has been of positive significance for the easing of tension in the relations between Governments and for an increase in confidence between them. This was facilitated by the personal contacts in Geneva between the leaders of the four Powers. We have got to know each other better here and have exchanged opinions on important international problems. In spite of the fact that on some questions our points of view did not coincide, on the whole the meeting proceeded in an honest atmosphere and was marked by efforts to achieve mutual understanding . . .

"The most important issue at the conference was the problem of European security. The Soviet delegation considers that, in the interests of strengthening peace, a system of collective security should be created in Europe, based on the participation of all European Governments and of the United States. Our new proposals on this question are based on the consideration that in present circumstances—when opposing groupings of nations have been created in Europe—it is necessary to put the relations between the nations included in these groupings on the path of normal peaceful co-operation, and of the peaceful solution of disputes between them.

"In the first stage of creating an all-European security system, the Soviet proposals do not envisage the liquidation of the North Atlantic bloc, the Western European Union, or the Warsaw Treaty Organization. In the second stage—with the passage of time, when successes in the lessening of tension in Europe will have been achieved and confidence between Governments established—the above-mentioned groupings may be dissolved and replaced by a collective security system in Europe

"Together with this, the Soviet delegation proposed that, before the creation of a European collective security system, the Governments participating in these groupings in Europe should conclude a pact to reject force and to use only peaceful means to settle their disputes

"The exchange of opinions on this problem of European security showed that all the participants at the conference wished to find an agreed solution for this important problem We hope that in the course of future consideration of this problem, even greater success will be achieved.

"On the question of disarmament, the Soviet Government tabled even before the Geneva Conference—on May 10—concrete proposals for the reduction of armaments, the outlawing of atomic weapons, and the removal of the threat of war . . The discussion on disarmament showed that all the participants in the conference wished to find an agreed solution of this very important problem . . In the further consideration of this problem, the Soviet Government will make the utmost efforts to find a solution which corresponds to the desire of the nations.

"There was an exchange of opinions on the German problem. Various approaches to this problem were expressed The U S, British, and French delegations based their arguments on the assumption that Western Germany, which is to be remilitarized under the Paris Agreements, and later a reunited Germany, must enter the North Atlantic pact and the Western European Union The Soviet Government, even before the ratification of the Paris Agreements, drew attention to the fact that the coming into force of those Agreements would create difficulties for talks on the German problem and would make pointless any discussion on the reunification of Germany

"The war in Europe ended ten years ago Since that time two Germanies have appeared—the German Democratic Republic and the German Federal Republic—each with its own economic and social structure. Under the Paris Agreements, the German Federal Republic entered the path of remilitarization and was included in the military grouping of the Western Powers. In view of the conclusion of the Paris pacts, the German Democratic Republic took the decision to participate in the Warsaw Treaty Organization. It is clear that in such conditions we cannot argue the question of the mechanical union of the two parts of Germany—the Democratic Republic and the Federal Republic—because this would be an unrealistic approach to the problem

"The Soviet Union was, and remains, a warm supporter of the reunion of Germany as a peace-loving, democratic State We are convinced that the German problem must not be discussed without the participation of the German Democratic and the German Federal Republics. In the situation which has developed in Europe, the only real approach to the reunion of Germany appears to be by a co-ordinated effort of the four Powers and the German people, directed towards a relaxation of tension in Europe and the establishment of confidence. This goal would be best achieved by the creation of a European collective security system, with the participation of both parts of Germany on a basis of equality until reunion is achieved. As this would lead to the strengthening of peace in Europe and create a barrier to the growth of German militarism, the obstacles at present in the path of German reunion could be done away with For the reunion of Germany from the point of view of her internal conditions, a *rapprochement* between her two parts is of the utmost importance.

"The Soviet delegation regrets that further attention was not given to the problems of Asia and the Far East at our conference. Such questions as the restoration of the legal rights of the Chinese People's Republic in the United Nations; the regulation of the situation in the Formosa region on the basis of recognition of the indisputable rights of the Chinese people, the execution of the Geneva agreements on Indo-China—these and other problems will not tolerate postponement. We cannot escape them; they must be solved in the interests of peace and security in Asia and the Far East, and in the interests of world peace.

"We made an important decision about the necessity for widening contacts between East and West, and for developing and strengthening the economic and cultural links between our States. We have thereby laid the basis for wider co-operation between our countries. The Soviet Government is ready to facilitate such co-operation by all means in its power . .

"The decisions made here are the beginning of a new stage in the relations between our countries. They will facilitate the strengthening of confidence between our peoples. They will also have positive significance for other countries and for the strengthening of world peace . . . The Soviet Government will make the requisite efforts to translate our decisions into action. There must be patient and loyal examination of those problems which we must still discuss and resolve But if the same spirit of co-operation is shown by all of us as has been shown at Geneva, this will be a reliable pledge that the noble goal of peace will be achieved, and that the peoples will be able to look calmly towards the future."

Statement by President Eisenhower.

President Eisenhower prefaced his formal statement by saying: "I welcome and warmly reciprocate the spirit of friendliness and good intent that have characterized the content of the preceding speeches. But I hope that my silence respecting certain of the statements by the immediately preceding speaker [Marshal Bulganin] will not by any means be interpreted as acquiescence on my part—

far from it. It has seemed to me that in the closing minutes of this conference there is no necessity for me to announce to the conference and to the world the U.S. position on the important questions we have discussed. These, I hope and believe, have already been made clear; therefore it does not seem particularly fitting once more to recite them in detail. I shall content myself with some reflections on our work of the past week and an expression of some hopes for the future."

The President then continued: "This has been an historic meeting. It has been on the whole a good week. But only history will tell the true worth and real values of our session together. The follow-through from this beginning by our respective Governments will be decisive in the measure of this conference.

"We have talked over plainly a number of most difficult and perplexing questions affecting our peoples, and indeed the peoples of the entire world. We did not come here to reach final solutions. We came to see if we might together find the path that would lead to solutions and brighten the prospects of world peace In this final hour of our assembly, it is my judgment that the prospects of a lasting peace with justice, well-being, and broader freedom, are brighter. The dangers of the overwhelming tragedy of modern war are less

"The work of our Foreign Ministers as they strive to implement our directives will be of great importance, perhaps of even more than what we have done here. Theirs is the task, reflecting the substantive policies of their Governments, to reach agreement on courses of action which we here could discuss only in broad terms. I know we all wish them well I trust we will all support the necessary adjustments which they may find our Governments must make if we are to resolve our differences in these matters.

"If our peoples, in the months and years ahead, broaden their knowledge and understanding of each other, as we, during this week, have broadened our knowledge of each other, further agreement between our Governments may be facilitated. May this occur in a spirit of justice. May it result in improved well-being, greater freedom, and less fear, suffering, or distress for mankind. May it be marked by more good will among men. These days will then indeed be ever remembered.

"I came to Geneva because I believe mankind longs for freedom from war and rumours of war I came here because of my lasting faith in the decent instincts and good sense of the people who populate this world of ours. I return home tonight with these convictions unshaken, and with the prayer that the hope of mankind will one day be realized."

As indicated in the final speeches of the four Heads of Government, many personal contacts were made between them outside the conference chamber—at dinners and receptions given to each other, and in a number of personal conversations President Eisenhower also had two personal meetings with Marshal Zhukov, his wartime colleague. Mr. Harold Stassen (President Eisenhower's adviser on disarmament questions), General Gruenther (Supreme Allied Commander in Europe), and Admiral Radford (chairman of the U.S. Joint Chiefs of Staff) arrived in Geneva during the conference and had an informal meeting with the Soviet and other delegates.

President Eisenhower, Sir Anthony Eden, and M. Faure left Geneva immediately the conference ended and flew back to Washington, London, and Paris respectively. Marshal Bulganin and the Soviet delegation broke their return journey to Moscow for a three-day visit to East Berlin (July 24-26) during which discussions were held with Herr Grotewohl and other leaders of the East German Government.

The West German Foreign Minister (Dr. von Brentano) reported to the Federal Cabinet and to the Foreign Affairs Committee of the Bundestag on July 27 on the results of the Geneva Conference, and also made a press statement on behalf of the Federal Government.

The statement included an expression of gratitude for the attitude taken by the Western Powers at the conference, coupled with the Federal Government's "painful regret" that the gap between the Western and Soviet viewpoints on German reunification was still wide. Gratification was expressed at the fact that the Western Powers had stood by their undertakings under the Paris Agreements to make the reunification of Germany the primary aim of their policy, and that they had opposed the Soviet attempt to relegate the German question to a secondary problem by insisting on its close connexion with that of security. The statement added that a fresh period of negotiation had now opened which would require great patience and tenacity to achieve a settlement of the problems which the Foreign Ministers had been called upon to consider.

Dr. von Brentano said that Dr. Adenauer did not regard his coming visit to Moscow merely as an opportunity for an exchange of views on international problems, but primarily as a means for discussing the reunification of Germany. It was hoped that the Federal Chancellor's visit would be a contribution towards lessening the gap between the Eastern and Western viewpoints.

Full coverage to the American, British, and French proposals at the Geneva Conference was given in *Izvestia*, *Pravda*, and other leading Soviet newspapers.—(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - Soviet Weekly - Frankfurter Allgemeine Zeitung - Neue Zürcher Zeitung) **(14313 A.)**

A. WESTERN GERMANY. — Constitutionality of Franco-German Saar Agreement upheld by Federal Constitutional Court.

The Federal Constitutional Court rejected on May 4 a petition against the constitutionality of the Franco-German Saar agreement which had been submitted by the Social Democratic members of the Bundestag and some other deputies on March 18.

The petition had been signed by 151 Social Democrats, seven Free Democrats, four members of the All-German Bloc (Refugee Party), one Independent, and eleven Social Democratic deputies from West Berlin. This made a total of 174 deputies, although it was doubtful whether the signatures of the 11 West Berlin deputies could be counted, as the representatives of that city have no voting rights in the Bundestag. However, the fact that 163 voting members had signed was sufficient to fulfil the constitutional requirement of one-third of the total membership of the Bundestag for the submission of petitions to the Federal Constitutional Court.

The petitioning deputies argued (*a*) that under the Basic Law the Federal Government was not empowered to conclude any international agreement on the frontiers of Germany or to "dispose" of any territory, even though those frontiers were provisional; (*b*) that the Saar agreement denied to Germans in the Saar the right of access to the privileges of the Basic Law and therefore conflicted with Article 23 of that law, and (*c*) that the Saar agreement also deprived Germans in the Saar of the right—implied by Article 146 of the Basic Law—to take part in the election of an all-German National Assembly.

[Article 23 of the Basic Law defines the present area of its application (i.e. the existing *Länder*) and adds that it is to be put into force "in other parts of Germany after their accession" Article 146 lays down that when a Constitution comes into effect "by a free decision of the German nation," the Basic Law will become invalid.]

The Federal Constitutional Court decided that the Saar agreement was valid for the following reasons:

(1) As the Saar population would be given an opportunity of rejecting or accepting the new Statute, the Federal Republic was not directly participating in bringing about the new status of the Saar and had thus not "disposed" of the Saar territory.

(2) Article 23 of the Basic Law had not been violated, as the Article contained no constitutional guarantee that German territories outside the Federal Republic could at all times exercise their right of joining the Republic.

(3) If the Saarlanders should be unable to participate in any future all-German elections, this would not be due to the Saar agreement but to the situation which had previously been created by French measures.

(4) The Saar agreement did not violate any basic constitutional guarantees to the citizens in general

(5) The Saar agreement only meant the acceptance of a situation which had been unilaterally created by one of the occupation Powers following the political collapse of the Reich. If it failed to bring about a situation completely corresponding to the Federal Basic Law, it nevertheless constituted a clear improvement in this direction as compared with the previous state of affairs.

(6) Whether, as the plaintiffs claimed, the agreement made it more difficult for the Saar to rejoin Germany was an entirely political question which was outside the jurisdiction of the court.

The Court's decision was announced the day before the Paris Agreements came into force.—(Frankfurter Allgemeine Zeitung) **(Prev. rep. 14169 A, page 14172; 14237 A.)**

B. LEBANON. — New Cabinet.

The Lebanese Cabinet headed by M. Sami Solh was reconstituted on July 9 after differences between the Prime Minister and the Foreign Minister (Dr. Naccache) on the appointment of a new Ambassador in Paris. The membership of the new Government was as follows:

M. Sami Solh, Prime Minister and Minister for Planning, M. Hamid Franjiyeh, Foreign Minister; M. Pierre Eddé, Finance; M. Rashid Karame, National Economy; Emir Majid Arslan, Defence; M. Mohieddine Souli, Interior and Education; M Selim Lahoud, Agriculture; M Selim Haidar, Agriculture; M. Naim Moghabghab, Public Works.

Six of the Ministers held office in the former Cabinet and three were new. The most important new appointment was that of M. Franjiyeh as Foreign Minister—a portfolio which he had held in previous administrations—in succession to Dr. Alfred Naccache.—(Le Monde, Paris) **(Prev. rep. 13793 B.)**

C. UNITED KINGDOM. — Civil Defence resumed by Coventry City Council.

The Labour-controlled Coventry City Council, meeting on July 9, agreed by 41 votes to nil, with six abstentions, "to resume in full its civil defence functions and to inform the Home Secretary accordingly," thereby rescinding its decision of April 6, 1954, to disband the council's Civil Defence Committee.—(Times) **(Prev. rep. 13735 A; 13524 B.)**

A. UNITED KINGDOM. — Economic and Monetary Policy. - Mr. Butler's Appeal for Reduction in Public and Private Capital Expenditure. - Reduction in Bank Credit. - Further Hire-Purchase Restrictions.

Mr. R. A. Butler, the Chancellor of the Exchequer, announced in the House of Commons on July 25 a number of new measures to meet the strain on Britain's economy, to cope with the balance of payments situation, and to re-establish the strength of sterling abroad These measures were: (1) fresh credit restrictions by the banks; (2) a restriction of Government expenditure, especially overseas; (3) an appeal to local authorities to hold back schemes for capital expenditure as far as possible; (4) the postponement or slowing-down (as far as possible) of capital expenditure projects by nationalized industries, and the strengthening of the internal resources of these industries available for capital purposes; (5) tighter hire-purchase restrictions by an increase from 15 per cent to 33⅓ per cent in the initial deposit on a large number of hire-purchase transactions.

The Chancellor's statement was as follows:

"The monetary measures taken in February (see 14067 A) have been by their nature slow in their effect on home demand. The trade results for April and May were better, but the strikes, and particularly the dock strike, have made it difficult to evaluate the more recent figures. One thing is clear. We are at present absorbing too much of our production at home. Our success in increasing production and our very prosperity require increased imports, which, in turn, must be paid for by increased exports. Sufficient extra exports, however, are not yet forthcoming. The strikes have undoubtedly set our export trade back considerably, and some of the setback will prove to be a permanent loss, thus adding to the efforts we have to make. Generally, we cannot be satisfied with the way in which our balance of payments and our reserves are moving.

Our foreign exchange position is also being currently affected by many rumours, here and abroad, about our intentions. This has led to sales of sterling, which will adversely affect our reserves in July. My general policy has been to allow rumours to be answered by events as they unfold. But these rumours have reached such unreasonable proportions that I cannot allow them to remain unanswered. I want, therefore, to make it clear that the Government regard the period in front of us as being one of hard work and consolidation to strengthen the home front before we make any further forward move on the exchange front This is relevant to the future of trade and payments arrangements in Europe, including the renewal of the European Payments Union, which we hope to conclude in Paris this week.

For the time being our primary aim must be to reduce home demand, in order to leave room for the extra exports we need. All who can must try to spend less in order to save more. Business firms should endeavour to slow down investment not of the greatest national urgency. Since our principal object is to improve our balance of payments, it would be undesirable to check investment leading to increased production for export. For the rest, even though a high level of productive investment is undoubtedly in our long-run national interest, all those embarking on investment projects should consider whether they could not postpone their initiation, irrespective of whether they finance them from their own resources or by borrowing.

I wish to deal more particularly with policy in those fields in which Government action can help to achieve our aim. They are the expenditure of the Government itself, of local authorities, and of the nationalized industries; credit restriction; and hire-purchase.

I will deal first with credit restriction. In this field, while bank deposits have fallen, advances play a particularly important part. I am sure that the banks will use their undoubted power to reduce the amount of credit below what they would be glad to give if times were easier, and that customers will reduce their applications for credit to a minimum. I am writing today to the Governor of the Bank of England asking him to represent to the banks how important it is that they should achieve a positive and significant reduction in the total of bank advances outstanding.

In the public sector, the Government, while restricting to the minimum all their expenditure, both current and capital, will pay special attention to their oversea expenditure. In this field, savings have a double effect; they not only reduce the charge on the Budget, but they directly relieve the balance of payments.

I must also seek a lightening of the pressure of local authorities' capital expenditure upon the economy. I appeal to the local authorities to hold back their schemes for capital expenditure as far as they can. The Ministers concerned will now adopt a stricter attitude towards proposals by local authorities for capital expenditure for all but the most essential purposes. The recent action of the Government in raising the rates for borrowing from the Public Works Loan Board will ensure that, in embarking on capital expenditure, local authorities will have to count the full cost resulting from the general increase in money rates.

I now refer to the nationalized industries. The House must remember that the services which they provide are basic to the whole of our economy, and that serious damage could be caused to industry as a whole by inadequacies in the supply of transport and power. Nevertheless, in response to the Government's request, certain of the capital requirements of the nationalized industries will be reduced in the immediate future in two ways. First, expenditure on capital projects will be postponed or slowed down so far as may be possible, with due regard to contractual obligations and economical administration. This will be done without jeopardizing essential objectives such as coal production and nuclear power. Furthermore, the nationalized industries will, so far as practicable, increase their internal resources available for capital purposes, as indeed the Central Electricity Authority have already publicly announced is their intention

Finally, I must deal with private spending in the form of hire-purchase. Since the Government imposed restrictions on hire-purchase on Feb. 24, the President of the Board of Trade and I have been watching the effects very closely. Let me emphasize that our object is not to depress the sales of particular goods because they are regarded as less essential or more readily exportable, but to relieve the pressure on home demand generally by asking the consumer to use more of his own income and less borrowed money when he buys the goods of his choice We have reached the conclusion that the measures taken in February must be intensified The President of the Board of Trade has therefore made an Order, to operate from tomorrow, to increase from 15 per cent to 33⅓ per cent the minimum deposit required in certain transactions, of which the most important are those involving motor-cars and motor-cycles, radio and television sets, gramophones, cameras, and certain domestic appliances such as refrigerators, washing machines, vacuum cleaners, and gas and electric fires The maximum repayment periods remain unaltered in all cases.

By such a combination of measures on the Government's part, supported by restraint in spending by individuals and business firms, I hope to achieve the improvement in our internal position which our present situation requires, and which I have always indicated was the first of the pre-conditions for moving to a freer system of trade and payments In other fields we have made satisfactory progress. We have now opportunities for expanding our trade, and we must seize them. I have said before, and I repeat, that our economy is fundamentally sound; but we must concentrate all our attention on increasing our competitive power and developing our export trade"

Mr. Gaitskell (Lab.) asked for a full day's debate to discuss the Chancellor's "depressing statement," which, he declared, would "come as no surprise, except to those who were deluded by his speeches at the time of the Budget and during the election" He also asked (*a*) whether local authority housing programmes were to be cut still further; (*b*) whether furniture was included among the goods for which the initial deposit was to be raised; (*c*) whether the Chancellor was satisfied that his monetary policy had a sufficiently sharp effect on consumption generally, (*d*) whether he was not cutting back investment too hard, and (*e*) whether he contemplated an autumn Budget.

Mr. Butler, in reply to Mr. Gaitskell's political observations, recalled that he [the Chancellor] had indicated in his final election broadcast "that it would not be roses all the way," and that "if there were difficult times we would be ready to take steps to put things right, unlike Mr. Gaitskell himself, who let things slide."

In reply to Mr. Gaitskell's other questions, the Chancellor said that existing local authority programmes would not be affected, and that it was "much more a case of slowing-down than putting-off an existing programme, and of not taking on new commitments." He added: "What we are all trying to do is too much at once The difficulties in the economy are marginal and not fundamental."

As regards (*b*), Mr. Butler stated that furniture was not included in the new hire-purchase restrictions. On monetary policy, he declared: "I am satisfied that, with the intensive drive for credit restriction, we shall get from our monetary policy what we desire." On the subject of an autumn Budget, he confirmed his earlier statements that he was not disposed to consider such a step at present.

Replying to **Mr. Jay** (Lab.), who asked whether there would be an increase in the bank rate, the Chancellor replied that had there been any further measures he would have announced them. "What both the House and the country are interested in now," he added, "is exactly the same problem as faced my predecessors: when the country tends to get a bit too fat on the home front, it is difficult to balance our overseas payments."

The Chancellor's letter to the Governor of the Bank of England asking for further credit restriction by the banks was worded as follows:

"I should be glad if you would urgently call the attention of the British Bankers' Association and other bodies concerned to the statement which I have just made in the House of Commons on the economic situation of the country. The essential need of the moment is for a reduction in the total demand on the country's resources. Only a part of that demand is financed by bank advances; but it is an important part and one which, with the co-operation of the banks, can be readily affected by the granting or withholding of credit.

In such circumstances I have no doubt that the banks will agree that it is their duty to reduce the amount of bank credit below what they would be glad to give in less difficult times. Indeed, the necessary reduction in demand is unlikely to be achieved unless the total of bank advances is reduced below its present level. It is for the banks to decide what steps they must take to make this policy effective. But I look for a positive and significant reduction in their advances over the next few months."

Details of the further tightening-up of hire-purchase restrictions were given by the Board of Trade on the same day, as follows:

Deposit raised to 33⅓ per cent.

Radio and television sets, television aerials and cathode ray tubes. Gramophones, radio-gramophones and record players.

Domestic space-heating appliances, excluding those burning solid fuel only Dish-washers and drying cabinets.

Washing machines and washers, except those designed only for heating water by electricity or gas. Ironing machines and irons. Wringers and mangles.

Pressure cookers, floor polishers, vacuum cleaners, water softeners.

Refrigerators having a storage capacity not exceeding 12 cubic feet; machines for the mixing, extracting, and preparation of food and drink.

Electric kettles and other cooking utensils incorporating heating elements, including electric hot-plates.

Electric dry shavers, sewing machines, and hair-drying machines.

Cameras, photographic enlargers, lenses, and projectors, excluding articles suitable only for industrial and scientific use. Binoculars, monoculars and telescopes.

Motor vehicles for the carriage of passengers, mechanically propelled bicycles and tricycles, auxiliary units designed or adapted for the propulsion of bicycles and tricycles.

Deposit to remain at 15 per cent.

Lawn-mowers and garden rollers; perambulators; baby carriages and push chairs; books and watches

Furniture (including garden furniture), unless unsuitable for domestic use Floor coverings, mattresses, and overlays.

Portable sheds and garages; trunks, bags and suitcases; jewellery and imitation jewellery.

Caravans, bicyles and tricycles.

Wash boilers not designed for operation by electricity or gas, except for the heating of water, cookers, including solid fuel cookers; and water-heating appliances, excluding those for solid fuel only (for which there are no restrictions)

Other changes were. (*a*) If an agreement included both goods controlled under the Order and other goods, the restrictions of the Order would apply to all items; (*b*) if an agreement provided for payment in a shorter period than the maximum allowed by the Order, it might subsequently be altered to extend the period up to that maximum; (*c*) cinema projectors of 35 mm gauge and over, agricultural buildings and greenhouses, and equipment for certain ships, were now excluded from the Order; (*d*) the amount of any allowance for goods taken in part exchange, which could be taken into account in calculating the deposit, must be reasonable in relation to the value of such goods.

The maximum repayment period remained unchanged at 24 months for all goods except wash-boilers, cookers, and water-heating appliances mentioned in the last section of the above list, for which the period is 48 months

The Chancellor's statement led to a spontaneous recovery in the sterling-dollar rate, which rose on July 26 to $2.78\frac{13}{16}$, compared with the closing rate on the previous day of $2.78\frac{7}{16}$. On July 27 the sterling-dollar rate rose still further to $2.79\frac{1}{16}$, and on July 28 closed at $2.79. There were, however, considerable falls in share prices on the London Stock Exchange. (Times - Daily Telegraph - Financial Times - Manchester Guardian) **(Prev. rep. 14067 A.)**

A. WORLD POPULATION. — U.N. Estimate.

The quarterly issue of *Population and Vital Statistics Report*, published by the U.N. Statistical Office in the middle of July, gave the population of the world in mid-1954 as approximately 2,528,000,000, compared with 2,493,000,000 in mid-1953—an increase of some 35,000,000. The following was a breakdown by continents:

Africa	216,000,000
North America	233,000,000
South America	121,100,000
Asia (excluding Soviet Union)	1,323,000,000
Europe (excluding Soviet Union)	406,500,000
Oceania	14,200,000
Soviet Union	214,500,000

The figure for Asia includes the 1948 official estimate for China of 468,498,000. The census taken in China in 1953, however, gave the total Chinese population of the world as over 601,000,000 (see 13999 D), of whom 11,700,000 were stated to be living in overseas countries.
(United Nations Information Centre, London) **(11676 A.)**

B. RHODESIA AND NYASALAND FEDERATION. — Site for New Federal Capital.

The Prime Minister of the Rhodesia and Nyasaland Federation (Lord Malvern) informed the Federal Legislature on July 21 that the Government had acquired a 840-acre plot of land, 4½ miles from the centre of Salisbury, as the site for the Federal capital. Lord Malvern added that Sir William Holford (Professor of Town Planning at London University) was working on a plan for the site; that special legislation would be necessary for taking over the site, when completed; and that the Federal capital would be extra-territorial and would not be part of Southern Rhodesia.—(Times) **(Prev. rep. 13507 A.)**

C. AUSTRIA. — Restoration of National Independence. - State Treaty in Force. - Dissolution of Allied Control Council.

The Austrian State Treaty, signed in Vienna on May 15, came officially into force on July 27 with the deposit of the French instrument of ratification in Moscow. Instruments of ratification had previously been deposited by the British, U.S., and Soviet Governments.

With the deposit of all four instruments of ratification, the ten-year Allied occupation came to an end and Austria became a free and independent State for the first time since the *Anschluss* of 1938. The Allied Control Council, meeting under the chairmanship of M. Seydoux de Clausonne (the French Ambassador and High Commissioner), held its final meeting on July 27 and formally dissolved itself after passing a resolution expressing to the Austrian people and Government "its best wishes for future prosperity in conditions of freedom and peace."

The restoration of Austrian independence was celebrated as a public holiday and was marked by special ceremonies in Vienna. After a final combined military parade by the American, British, French, and Soviet garrisons in the Austrian capital, the flags of the four Powers were formally hauled down and the Austrian flag was ceremonially hoisted in the presence of the Federal Chancellor (Dr. Raab), the four Western Ambassadors, and 100,000 people.

All occupation forces will be withdrawn from Austria by Oct. 25, 1955—the expiration of the 90-day period after the entry into force of the treaty.—(Wiener Zeitung)
(Prev. rep. State Treaty, 14193 A; Ratifications, 14321 E; 14295 B; 14252 C.)

D. NUCLEAR WARFARE. — Further Warning by Scientists against Use of Nuclear Weapons in Warfare. - Sir Anthony Eden's Reply to Lord Russell.

The statement issued in London on July 9 by Lord (Bertrand) Russell (see 14305 A) was reinforced on July 15 by another declaration signed by 18 Nobel prizewinners. In a joint statement issued from Mainau Island (on Lake Constance, Western Germany), where they had been attending a scientific conference, they appealed for the renunciation of war and gave a warning that the use of nuclear weapons might contaminate the world with radioactivity and wipe out entire nations.

The appeal was signed by Professors Max Born and Frederick Soddy (Great Britain), Arthur H. Compton, Fritz Lipmann, H. J. Muller, and W. M. Stanley (United States), Kurt Adler, Adolf Butenandt, Gerhard Domagk, Otto Hahn, Richard Kuhn, Werner Heisenberg, and Hermann Staudinger (Western Germany), Paul Mueller and L. Ruzicka (Switzerland), Hans von Euler-Chelpin and Georg von Hevesy (Sweden), and Hideki Yukawa (Japan) Professors Muller and Yukawa were signatories of the declaration released by Lord Russell on July 9.

The text of letters exchanged between Lord Russell and Sir Anthony Eden was made public on July 15.

In reply to the declaration of July 9, forwarded by Lord Russell, the British Prime Minister said that the "grave situation to which the declaration draws attention" had "long been the concern of H.M. Government." He agreed that "only the abolition of war can finally remove the perils that threaten mankind", and welcomed the fact that "the statement recognizes that it is war itself and not simply nuclear weapons which must be abolished, and that the renunciation of nuclear weapons must form part of a general reduction of armaments"—a point of view that was "in full accord with the policy which H.M. Government have consistently followed." The Prime Minister added that he hoped that at the Geneva "summit" conference "we shall... be able to make progress towards reducing the troubles and tensions which now beset the world"

Count Lennart Bernadotte (nephew of the King of Sweden), who organized the scientific conference on Mainau Island, announced that the declaration signed there would be sent to all Nobel prizewinners for their signatures.—(Times - Le Monde)
(Prev. rep. 14305 A.)

E. SOVIET UNION. — Communist Party. - Increased Membership of Presidium of Central Committee.

The Tass Agency announced on July 12 that the Central Committee of the Soviet Communist Party had appointed two new members to its Presidium (the former Politburo): M. Alexei Kirichenko, First Secretary of the Ukrainian Communist Party, and M. Mikhail Suslov, secretary of the Central Committee and a foreign affairs expert. M. Kirichenko had previously been one of the three "candidate members" of the Presidium. The two new appointments increased the membership of the Presidium of the Central Committee from nine to 11.
(Times - Le Monde, Paris) **(Prev. rep. 14085 B.)**

A. BRITISH EAST AFRICA. — Report of Royal Commission on Land and Population.

The report was published on June 9 of the Royal Commission appointed in 1953 under Sir Hugh Dow to examine the problems of population and of economic and social development in East Africa. Extracts from the report are given below.

Tenure and Disposition of Land. The Royal Commission thought that future policy should aim at substituting private ownership of land for the customary African system of clan or tribal ownership, and that the idea of security based on a policy of reservations should be eliminated and replaced by the conception that greater security rested in the guaranteed recognition of private interests in land. The Commission believed that a system of private ownership would restore, in a modern manner, the mobility of the African population in relation to the land which had existed before all the present rules and regulations were made. It particularly criticized the existence of "watertight compartments" between the indigenous people and the settlers, which was apparent in Tanganyika as well as in Kenya. The retention of land in the Highlands of Kenya for purely European use (said the report) made the Europeans appear as a "tribe hanging on to their tribal territory" instead of pooling it for the common need; it also depicted the Europeans as a political bloc, which generated a "phobia" against any further alienation of land, however much this might be necessary for the common good "This phobia is exaggerated," the Commission declared, "but it needs killing."

Two facts stood out as a consequence of the policy of the exclusive tenure of lands in the Highlands by Europeans. (1) the bitterness which had persisted over the extinguishing of African rights in the area, and (2) the sense of injustice caused in African eyes by "broad acres reserved for a few individuals" alongside an African reserve in which land hunger existed. The Commission recommended the introduction of legislation ensuring the recognition of private interests in land, and advocated a freer interchange of land between owners of different races; legal provisions should ensure that transfers took the form of leases only, which should be subject to the Governor's approval and in which the reversionary rights remained vested in the seller.

With regard to African labour in the White Highlands, the Commission considered it wrong that the African farm labourer should be tied to a particular farm because he had nowhere else to live In order to enable him to offer his services at will, the Government should "purchase, or if necessary compulsorily acquire, land in suitable places in the Highlands for the purpose of enabling farm workers to rent village dwelling-plots on long leases on which they would build houses for their families." These plots should include allotments for food-growing.

Development of Land. Areas of land with high productivity were very unevenly distributed between the three territories, and in view of of this the Commission advocated a regional, as opposed to a territorial, approach to the development of such areas. The report stated: "The material benefits which would accrue to East Africa from a single regional endeavour to bring about development in the interests of the whole East African community cannot at present be attained owing to the inhibiting effect of racial and political interests. At the same time we would be failing in our duty if we did not point out the implications of failure to adopt this unitary approach. If for political or other reasons it is not forthcoming there will inevitably be a slowing-down of the tempo of development in each and all of the territories, and this at a time when it is imperative to accelerate the process."

Agricultural Productivity. The development of increased productivity in agriculture was basically a question of commercializing the indigenous agricultural systems. In East Africa peasant agriculture was not generally directed towards securing the greatest money income, and the appreciation of land as an asset which had to be carefully conserved was for the most part absent. Production for the market should be expanded and accompanied by the establishment of a balanced pattern of agriculture to prevent soil exhaustion.

Although the report listed fragmentation of holdings as one of the major faults in the present usage of land, it nevertheless pointed out that the introduction into the crowded areas of consolidated holdings raised the whole problem of displacement. Neither industry nor irrigation would be able to provide in any short period of time for the absorption of many people on an economic basis. Declaring that the real need in East Africa was the economic development of the fertile land, the Commission therefore recommended increased attention to the use of fertilizers, crop specialization, mechanization, co-operation, and an improved system of agricultural research. It also recommended the establishment in each territory of a land development board, which should be divorced from sectional and interested controls and should act as the main agent of agricultural development.

Health and Education. Improved public health and better and more widespread education were, the Commission considered, prerequisites of a higher standard of living. It recommended that an expert body should be appointed to examine problems of public health, and suggested that the education effort should be concentrated on the primary and intermediate stages, on technical education, and adult education, particularly for women.

Urban Development. A detailed analysis of the growth and development of urban conditions revealed an unsatisfactory state of affairs in which towns were largely considered and administered as non-African centres, and in which too little attention was paid to the problems presented by an expanding African and Asian urban and peri-urban population. The Commission recommended, therefore, the adoption of a new policy based on (*a*) the grant of full security of tenure to Africans living within and outside the towns, (*b*) efficient urban administration, aimed at producing an integrated urban society; and (*c*) a zoning system within the towns based, not upon racialism, but upon building standards. It also proposed that urban development should become the responsibility of an officer of standing responsible to the appropriate Minister.

Population. On the basis of the statistical material available, the Commission deprecated apprehensions concerning an unduly rapid growth of population, and thought that "the fear of over-population which dominates so much of the contemporary debate may prove to be illusory." "Indeed," the report continued, "the economic development of East Africa, which is essential if living standards are to be raised, may require an even larger population than that which now exists." Immigration still had a considerable effect on the total numbers of Indians, but this factor appeared to be a declining one.

Industrial Expansion, Marketing, etc. In the absence of new mineral discoveries, industrial production in East Africa depended in the main on the expansion of local territorial markets, which in turn depended on more efficient agricultural production Non-Africans were at present the main source of skill and enterprise, but they were not numerous. It was estimated that the *per capita* net product in East Africa was among the lowest in all African territories. Rising standards of income involved the expansion of exchange and the division of labour as between persons and regions, this process of change, however, was a threat to the tribal concept of economic social security, and public policy should recognize it as such. The Commission believed that if modern economic institutions were to evolve, they must be freed from the political authority of a tribe when it was obstructive

With regard to the marketing and distributive system, the Commission noted that the growth of modern commerce in East Africa had been almost entirely due to the activities of non-Africans. It condemned the use of physical control of supplies by Governments and restrictions on trade designed to protect Africans; in particular, it expressed doubt whether the policy of the Uganda Government in restricting the number of cotton ginneries had been helpful. As regards public expenditure on development projects, the Commission thought that these should be concentrated on programmes likely to yield immediate and reasonably certain results.

Wages. Although real wages had probably risen for the past 20 years, it was doubtful whether this increase had kept pace with the increase in other real incomes, such as those derived from the production of cash crops The Commission thought that settled African labour was essential, and that to ensure this it must be severed from ties with the reserve Pointing out that the statutory minimum wage failed to cover the cost of living of the type of person to whom it was related in urban areas, the Commission expressed the view that in each of the territories there should be a national minimum wage, with area differentials as in Kenya. Every effort should be made to promote wages councils, which should contain a strong African element, and experiments in setting-up works councils and joint staff committees should be encouraged. The Commission thought, however, that an attempt to encourage trade unions on the British model would probably be a waste of effort for some time to come.

Exploitation of Minerals. The report emphasized that the actual development of mineral production could not be taken as an indication of the mineral potentialities of East Africa, as very little exploration had so far taken place. There was probably no single source from which surplus income could be so readily obtained as from successful mineral exploitation. It was therefore of overriding importance to make conditions for exploration and exploitation attractive, and to this end the setting-up of a single inter-territorial authority, to be known as the East African Prospecting and Mining Leases Board, was recommended. The Commission pointed out that mineral development was retarded by the fact that tax concessions by Colonial Governments were largely negatived for U.K. companies by U.K. taxation policy.

Transport. The East African Railways and Harbours Administration should be constituted as an independent autonomous corporation whose share capital should be owned by the Governments of the three territories An East African Road Corporation should also be established.

Water Resources. There should be a single department in each territory responsible for all water development except urban supplies.

Immigration. The report said that although Africans were afraid of new immigration, the problem was not whether immigration should be permitted—as it was essential for the infusion of capital and enterprise—but on what terms and conditions it should be allowed. No fundamental changes in existing arrangements were proposed, but supervision should be exercised by the Government, and not by boards reflecting sectional interests as in Kenya.

A Colonial Office spokesman pointed out that the recommendations would require detailed study, both by the East African Governments individually and by the U.K. Government, before it could be seen whether existing policies required modification or whether new methods should be adopted in the application of current policies. The Colonial Secretary was asking each of the East African Governments to let him have its views on the recommendations, and to indicate "how far in its opinion it would be practicable and desirable to adopt the Commission's proposals at the present time."

(Commonwealth Survey - Times - Manchester Guardian)

(Prev. rep. Royal Commission, 12684 A.)

A. EGYPT. — British Vessels shelled by Egyptian Batteries. - Rejection of British Protests.

The British merchant ship *Anshun* (owned by the China Navigation Co. Ltd., of Hongkong) was fired on by Egyptian shore batteries at the entrance to the Gulf of Akaba on July 3 and, according to a report by her captain, was damaged between decks above the waterline. The *Anshun* was bound for the Jordanian port of Akaba, where she was to take on board pilgrims from Jordan to Jeddah *en route* for Mecca. Two warning shots were fired by the batteries to compel the ship to stop, and she was subsequently boarded by an Egyptian inspection party which, after examination of her papers, allowed her to proceed. There were no casualties.

A strong British protest was made to the Egyptian Foreign Ministry on July 6. On the same day the British Embassy in Cairo announced that a similar incident had occurred at the entrance to the Gulf of Akaba on April 10, when the British ship *Argobec*, carrying grain from Aden to Akaba, had been fired on by Egyptian shore batteries. The *Argobec* had suffered no damage and had later been allowed to proceed. It was stated that a protest to Egypt had already been lodged in connexion with this incident.

The British protest described the Egyptian action against the *Anshun* as "an unwarranted interference with a merchant ship proceeding about her lawful business." It asked for a full explanation; demanded that the clearest instructions be given to the Egyptian batteries at the Gulf to prevent any repetition of such incidents, and reserved the British Government's right to claim compensation

Mr. Nutting (Minister of State, Foreign Office), gave details of the incident in the House of Commons on July 6. In reply to Mr. Shinwell (Lab.), he said that H.M. Government had never recognized the legality of the Egyptian blockade of the Suez Canal or of waters leading to Israeli ports. He deprecated a statement by the Egyptian authorities that the shore batteries had not hit the ship

In a subsequent statement on July 13, **Mr. Macmillan** (the Foreign Secretary) said that the British Note of July 6 made it clear that H.M. Government did not recognize Egypt's claim to obstruct the right of innocent passage through an international channel, even though such passage lay within Egyptian territorial waters. He described the *Anshun* incident as "even more deplorable" than that of the *Argobec*, since the fire of the shore batteries had evidently been turned directly upon the vessel.

Mr. Turton (Under-Secretary of State, Foreign Office), announced on July 27 that the Egyptian reply to the British protest at the attack on the *Anshun* had been received. He continued.

"The reply denies the Master's account of the facts and asserts that the *Anshun* maintained total silence until the shots were fired. It claims that the shots were not aimed directly at the ship and that the Master never reported that his ship had been hit. It nowhere admits that a shell struck her. In seeking to justify their action, the Egyptian Government call in aid the normal right of the territorial sovereign to stop, visit, and search vessels passing through their territorial waters. The Note ends by repudiating all liability for the incident.

This reply is most unsatisfactory. It is at variance with the facts as known to H.M. Government. As soon as it has been studied and further inquiries have been made, H.M. Government will renew their representations to the Egyptian Government."

The Israeli Foreign Ministry issued a statement on July 6 denouncing the incident as "a further proof of continued Egyptian disregard for international law." Mr. Sharett (the Prime Minister), in an election speech on July 8, said that the sea approach to the Israeli port of Eilat (at the head of the Gulf of Akaba) would be forced "if our enemies fail to respond to our efforts through international channels and peaceful negotiations to lift their blockade." Mr. Ben-Gurion (the Minister of Defence and former Prime Minister), speaking at Beersheba on the same day, said that the port of Eilat would be completed and passage to the Indian Ocean assured, and that this would be done "if necessary with the help of the Israeli Navy, Air Force, and Army."

The Egyptian claim to control all maritime traffic to the Gulf of Akaba is based on the contention that Egypt is still at war with Israel—an assertion not recognized by Britain, the U.S.A., and other maritime Powers, and rejected by the U.N. Security Council on several occasions.—(Times - Daily Telegraph - Manchester Guardian - New York Times)

(Prev. rep. "Bat Galim" Incident, 14157 A.)

B. SWITZERLAND. — Purchase of British Tanks.

A proposal by the Swiss Federal Government to purchase 100 *Centurion* tanks from Britain was approved by the Swiss National Council (the Second Chamber) on March 17 by 110 votes to 41, and by the Council of States (the First Chamber) by 29 votes to nil on March 23. The cost of the tanks will be 171,200,000 Swiss francs (over £14,000,000). The first six *Centurions* were delivered to Switzerland on May 23.
(Neue Zürcher Zeitung) **(Prev. rep. 8694 C.)**

C. CANADA.—Provincial Elections in Prince Edward Island, Ontario, and Alberta.

Provincial elections were recently held in Prince Edward Island, Ontario, and Alberta. The results are summarized below, party strengths at the previous elections being shown in parentheses:

Prince Edward Island (May 25, 1955): Liberals 27 (24); Progressive Conservatives 3 (6). The Liberals were returned for their sixth consecutive period of office, having been in power since 1935.

On June 15 Mr. A. W. Matheson, who had succeeded to the Premiership when Mr. J. W. Jones had been made a Senator in May, 1953, announced that he had reshuffled his Cabinet as follows; Mr. A. W. Matheson (Premier and Attorney-General); Mr. E. Cullen (Agriculture); Dr. M. L. Bonnell (Health); Mr. W. F. Allan Stewart (Welfare and Labour); Mr. D. Mackinnon (Public Works and Industries and Resources); Mr. G. MacKay (Highways); Mr. K. Clark (Education), Mr. B. E. MacDonald (Provincial Treasurer and Secretary); Mr. E. P. Foley (Minister without portfolio).

Ontario (June 9, 1955). Progressive Conservatives 83 (79); Liberals 10 (7), C.C.F. 3 (2); Liberal-Labour 1 (1); Independent-Progressive Conservatives 1 (nil); Labour-Progressives nil (1). The new Legislature has 98 seats, eight more than the old Legislature. The Progressive Conservative Party, led by Premier Frost, was returned to power for the fifth consecutive time, having been in office since 1943.

It was reported that the Indians in Ontario (who had been given the franchise earlier in the year) had virtually ignored the election, many of the older Indians having been opposed to the use of the vote on the ground that it would imperil their treaty rights.

Alberta (June 29, 1955): Social Credit 37 (52), Liberals 15 (4); Progressive Conservatives 3 (2), Co-operative Commonwealth Federation 2 (2); Liberal-Progressive Conservatives 1 (nil); Coalition 1 (nil), Independents 1 (nil); Independent Social Credit 1 (1). The Social Credit Party, which has governed Alberta for 20 years, was therefore returned to power for the sixth consecutive time, although its strength was considerably reduced and three members of Mr. Manning's Cabinet—Mr. Gerhart (Municipal Affairs and Provincial Secretary), Mr. Maynard (Attorney General), and Mr. Casey (Lands and Forests)—lost their seats.

Mr. Manning had asked for the dissolution of the previous Legislature before the end of its normal four-yearly term, and the holding of new elections, in order that the electors might "express their verdict" on allegations made by the Liberal Opposition leader, Mr. Prowse, that most Social Credit members were ineligible to sit in the Legislature because they had accounts with a Government agency—provincial Treasury branches—and thus violated the Legislative Assembly Act. The Treasury branches, which were set up in 1938 to increase public purchasing power and create a demand for goods made in Alberta, now carry on business similar to that of normal banks, but do not operate under the Federal Bank Act. Mr. Manning had refuted Mr. Prowse's assertion as a "legal technicality" which was "absurd, irresponsible, and without foundation."

At a provincial by-election held in Nova Scotia on Nov. 16, 1954, the seat for Halifax South, left vacant by the death of the Liberal Premier, Mr. Angus Macdonald (see 13856 D), was won for the Progressive Conservatives by Mayor Richard A. Donahoe. This was the first time since 1930 that a Progressive Conservative had won a seat in a Halifax constituency.
(Montreal Star) **(Prev. rep. 13489 A.)**

D. ITALY - ALBANIA. — Reparations Agreement.

It was announced in Rome on July 7 that negotiations between the Italian and Albanian Governments for the settlement of Italian reparations payments to Albania had been concluded, and that the total payment—which had been fixed at $5,000,000 under Article 74 of the Italian Peace Treaty—had been reduced to $2,600,000. In return, Italy had renounced her compensation claims in respect of Italian property seized by Albania during the war, valued at $2,400,000. The agreement provided that Italy would settle her obligation by the supply of capital goods to the value of $2,100,000 (chiefly motor-vessels, fishing boats, and ships' engines, as well as heavy motor-vehicles and their equipment), and of consumption goods worth $500,000 (including textiles, engineering products, agricultural products, livestock, dyes, pharmaceutical products, and insecticides.—(Corriere d'Informazione, Milan)

(Prev. rep. Italian Peace Treaty, 8465 A.)

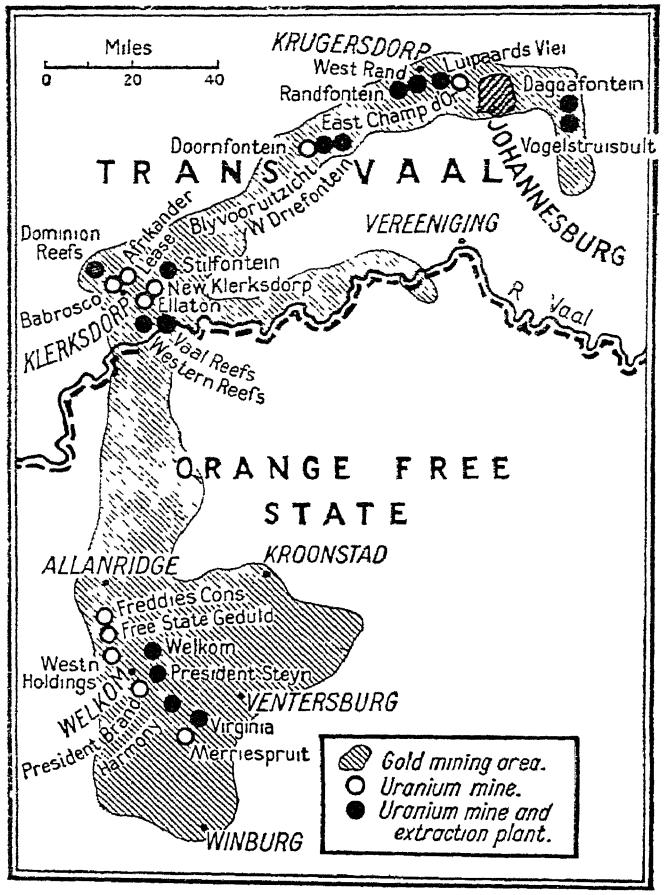
E. SOVIET UNION. — Resumed Membership of World Health Organization. - First Contribution to U.N. Children's Fund.

At the meeting of the U.N. Economic and Social Council in Geneva, the Soviet representative (M. Kumykin) announced on July 8 that the U.S.S.R. intended to rejoin the World Health Organization, from which it had withdrawn in 1949. He also announced that the Soviet Union would make its first contribution to the United Nations Children's Fund (UNICEF), and that this would amount to 2,000,000 roubles ($500,000) in the form of services and donations in kind.
(United Nations Information Centre, London)

(Prev. rep. W.H.O., 9809 D; UNICEF, 13309 A.)

A. SOUTH AFRICA. — Uranium Production.

The President of the Transvaal and Orange Free State Chamber of Mines stated at the Chamber's annual meeting in Johannesburg on June 27 that the South African Atomic Energy Board had given authority to 26 mining companies to provide residue ore and slimes from their gold production plants for treatment in 15 uranium extraction plants. The following table, compiled from information supplied by the



(*Economist*)

London office of the Anglo-American Corporation of South Africa Ltd. and by Messrs. A. Moir & Co. (London Secretaries of the Transvaal and Orange Free State Chamber of Mines), lists the mines with uranium plants and the dates on which the plants went into production or are planned to go into production:

West Rand Consolidated[1]	October 1952
Blyvooruitzicht[2]	April 1953
Daggafontein[2].	May 1953
Western Reefs	September 1953
Stilfontein[3]	October 1953
Randfontein Estates[4] . .	February 1954
Luipaards Vlei	January 1955
President Steyn[5]	January 1955
Welkom[5]	January 1955
Vogelstruisbult . . .	February 1955
West Driefontein[6]	Mid-1955
Dominion Reefs . ..	Mid-1955
Harmony	Mid-1955
Virginia[7]	Late 1955
Vaal Reefs	Late 1955

[1] See 12508 B. [2] See 13090 B. [3] The Stilfontein uranium-treating plant, which cost £4,000,000, will also treat slimes piped from the Ellaton, New Klerksdorp, Afrikaner Lease, and Babrosco mines. [4] The Randfontein plant, which cost £6,541,000, will also treat slimes pumped from the East Champ d'Or mine. [5] Five mines belonging to the Anglo-American Corporation—Free State Geduld, President Brand, President Steyn, Welkom, and Western Holdings—share the two plants on Welkom and President Steyn, whilst Freddies Consolidated also pipe slimes to Welkom for treatment [6] Will also treat slimes from Doornfontein. [7] Will also treat slimes from Merriespruit.

Of the mines shown, Daggafontein, Vaal Reefs, and Western Reefs are in the Anglo-American Corporation group in addition to the five listed; Merriespruit, New Klerksdorp, and Virginia are in the Anglo-Transvaal Consolidated Investment Company Ltd.; Blyvooruitzicht and Harmony are controlled by the Central Mining and Investment Corporation and Rand Mines; Babrosco, Ellaton, Stilfontein, and West Rand Consolidated form part of the General Mining and Finance Corporation Ltd.; East Champ d'Or, Freddies Consolidated, and Randfontein Estates are in the Johannesburg Consolidated Investment Company group; Doornfontein, Luipaards Vlei, Vogelstruisbult, and West Driefontein are owned by New Consolidated Gold Fields Ltd., Afrikander Lease is controlled by Central South African Lands and Mines Ltd, and Dominion Reefs (Klerksdorp) Ltd. are controlled by New Union Goldfields Ltd

Figures published by the South African Commissioner of Customs and Excise on Feb. 28 showed that exports of prescribed material in 1954 under the Atomic Energy Act totalled £14,835,344, compared with only £3,873,029 in 1953. The Minister of Mines, Dr. Van Rhijn, stated on June 22 that South Africa was producing about £26,000,000 worth of uranium a year.—(Anglo-American Corporation of South Africa. - A. Moir & Co., London - Cape Times - Financial Times)

(Prev. rep. 13090 B.)

B. INDIA. — The Land Gift (Bhoodan) Movement.

A movement for the voluntary donation of land to landless peasants was initiated on April 18, 1951, by Acharya Vinoba Bhave (one of the closest associates of the late Mahatma Gandhi), with the result that gifts of over 3,700,000 acres of land had been received for that purpose by May, 1955. The "land gift" (*bhoodan*) movement originated when Acharya Bhave visited the Telengana district of Hyderabad, the centre of a strong Communist-sponsored movement for the redistribution of land. To counteract Communist influence, he persuaded a meeting of villagers to hand over part of their land voluntarily to landless peasants. Acharya Bhave then decided to launch a nation-wide campaign with the aim of distributing 50,000,000 acres (one-sixth of India's cultivable land) among the country's 10,000,000 landless families by 1957. He undertook a propaganda tour on foot for this purpose, holding prayer meetings at which he appealed for gifts of land. Both landowners and peasants responded generously to his appeal, and in Uttar Pradesh (one of the main centres of the movement) and a number of other States legislation was enacted to facilitate the transfer of land. Support was received from the Congress Party leadership, from the Roman Catholic and Protestant Churches, and from several hundred volunteers (among them Mr. J. P. Narain, the former Socialist leader) who dedicated their lives to *bhoodan* work.

Under the scheme—which was intended to apply the Gandhian principle of non-violence to social and economic problems—a target was fixed for a district, and when this had been reached the land was distributed among landless families (the minimum amount given being five acres of dry or one acre of wet land), on condition that the recipients had no other means of livelihood and were prepared to cultivate it with their own hands. Distribution took place at village meetings, at which the villagers decided whose need was the greatest; if disagreement arose, or insufficient land had been allocated, lots were drawn. The land was given in trusteeship on the understanding that it should not be sold, mortgaged, rented, or left fallow, and that if misused it should return to the "pool" for redistribution. An appeal was also launched for money to provide agricultural implements for the beneficiaries under the scheme. A gift of 1,200,000 rupees from the Mahatma Gandhi Memorial Fund for this purpose was announced on July 9, 1955.

It was announced on July 7, 1955, that 3,758,692 acres, including 2,330,554 acres in Bihar (where Acharya Bhave had spent 27 months) and 542,233 acres in Uttar Pradesh, had been received from 502,641 donors up to May 31, and that 197,430 acres had been distributed among 56,561 landless families.

(The Hindu, Madras - The Statesman, Calcutta)

C. UNITED KINGDOM. — Trade Unions. - Mr. Tiffin elected General Secretary of T.G.W.U.

Mr. A. E. Tiffin, assistant general secretary of the Transport and General Workers' Union, was elected general secretary of the union on June 15 in succession to the late Mr. Arthur Deakin, who died suddenly on May 1 and who had held that post since 1945.

About 616,000 members of T.G.W.U (approximately 48 per cent of the union's total membership) voted in the ballot for a new general secretary, Mr. Tiffin receiving 267,019 votes and Mr G. Brandon (the union's London regional secretary) being runner-up with 146,366 votes. Mr. Tiffin (59), a former London bus-driver, is a member of the National Executive of the Labour Party, and a former chairman of the London Trades Council and London Labour Party.

The T.G.W.U., with about 1,300,000 members, is the largest trade union in Britain. It was founded by the late Mr. Ernest Bevin.—(Daily Herald - Manchester Guardian)

JULY 30—AUGUST 6, 1955

A. SCIENTIFIC RESEARCH. — U.S. "Space Satellite" Project. - British and Russian Projects.

It was officially announced in Washington on July 29 that the United States would launch small unmanned satellites into space some time between July, 1957, and December, 1958, as part of the world-wide programme of scientific research to be undertaken during the International Geophysical Year (see 14349 A). The announcement was made by Dr. Detlev Bronk (president of the National Academy of Sciences) and Dr. Alan Waterman (director of the National Science Foundation) with the authorization of President Eisenhower, on whose behalf the following statement was issued from the White House:

"The President has approved plans by this country for going ahead with the launching of small unmanned earth-circling satellites as part of U.S. participation in the International Geophysical Year. . . This programme will for the first time in history enable scientists throughout the world to make sustained observations in the regions beyond the earth's atmosphere. The President expressed personal gratification that the American programme will provide scientists of all nations with this important and unique opportunity for the advancement of science"

It was explained that the satellites would be about the size of footballs; that they would be launched into the upper atmosphere by rocket; that they would encircle the earth at a height of 200 to 300 miles once every 90 minutes, at a speed of 18,000 m.p.h (five miles a second); and that the object of the experiment would be to explore the composition of the ionosphere and to study the effects of cosmic rays outside the earth's atmosphere, as well as to gather information about the possibilities of future space travel. As stated by President Eisenhower, the data obtained will be made available to all countries, including the Soviet Union.

The statement issued by Dr Bronk and Dr Waterman explained that technical advice and assistance, together with the necessary equipment and launching facilities, would be provided by the Department of Defence, "which has long been engaged on research on the upper atmosphere." It contained the following explanatory section

"The atmosphere of the earth acts as a huge shield against many of the types of radiation and objects that are found in outer space It protects the earth from things which are known to be or might be harmful to human life, such as excessive ultra-violet radiation, cosmic rays, and those solid particles known as meteorites. At the same time, however, it deprives man of the opportunity to observe many of the things that could contribute to a better understanding of the universe

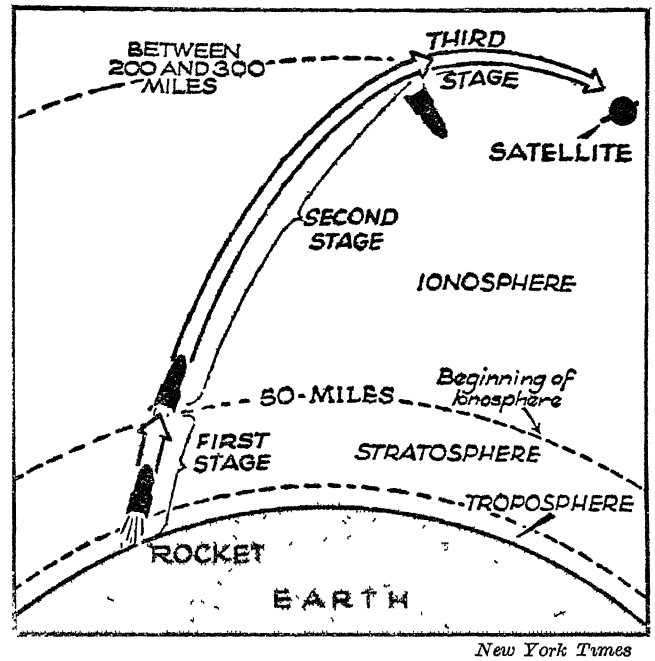
"In order to acquire data that are presently unobtainable, it is most important that scientists be able to place instruments outside the earth's atmosphere in such a way that they can make continuing records of the various properties about which information is desired. In the past, vertical rocket flights to extreme altitudes have provided some of the desired information, but such flights are limited to very short periods of time Only by the use of a satellite can sustained observations in both space and time be achieved Such observations will also indicate the conditions that would have to be met and the difficulties that would have to be overcome if the day comes when man goes beyond the earth's atmosphere in his travels.

"The satellite itself will orbit around the earth for a period of days, gradually circling back into the upper atmosphere, where it will eventually disintegrate harmlessly."

A press conference was held at the White House on the same day by Dr. Waterman and Dr. Athelstan Spilhaus (a member of the committee for U.S. participation in the International Geophysical Year). They explained that the satellite would be propelled into the upper atmosphere by multi-purpose rocket to a height of about 250 miles, at which point it would be launched (by a side-blast from the rocket) into a flat trajectory parallel with the surface of the earth. It had not yet been decided whether to launch a solid body or one containing instruments which would broadcast observations automatically; if instruments were included, other nations would be informed of the wave-length on which they would work. In addition to obtaining information about conditions in the upper atmosphere, cosmic rays, and possibilities of space travel, it was also hoped to gain knowledge affecting radio transmissions from exploration of the ionosphere. Moreover, long-range weather forecasting might be made easier by the experiments to be undertaken. It was not stated whether one or more satellites would be launched.

Further details of the U.S. space satellite project were given in Brussels by Professor Marcel Nicolet, executive secretary of the international committee of scientists co-ordinating the activities of the International Geophysical Year.

Professor Nicolet stated that the satellite would be only 50 centimetres (about 19½ inches) in diameter and would weigh 50 kilograms (110 lb.). It would be launched into the upper atmosphere by a multi-purpose rocket not unlike the German V-2, and in the following manner: (1) the first rocket would take the satellite through the troposphere (the atmospheric envelope immediately surrounding the earth) up to a height of about 14 miles, at which point it would drop off; (2) the second rocket would carry the satellite through the stratosphere into the ionosphere (which begins about 50 miles above the surface of the earth) and thence to a height of about 250 miles, (3) at that height the third rocket would deflect the satellite into a trajectory parallel with that of the earth The satellite would then fall into an orbital position, encircle the earth in 90 minutes, and continue to circle the earth until it gradually lost speed and altitude. [See accompanying diagram.]



New York Times

The controller of the Weapons Research Organization at Woomera (South Australia), Mr. H. J. Brown, announced on July 31 that the exploration of the upper atmosphere and the fringe of outer space was being planned as part of the U.K.-Australian programme for the International Geophysical Year. Mr. Brown explained that British scientists were planning to propel a rocket from a balloon to a height of nearly 60 miles by a much less expensive method than the U.S. "satellite" scheme, adding in this connexion

"A small instrument-crammed rocket, powered by solid instead of liquid fuel, may be sent up about 70,000 feet attached to a large balloon and then fired by radio This rather inexpensive way of getting recording instruments into the upper layers of the atmosphere has been discussed by other countries but has not yet been tried We could probably send aloft a number of such rockets for the cost of one American space satellite"

A British research programme for the exploration of the earth's upper atmosphere by high-altitude rockets was announced on Aug. 4 by the Royal Society in London.

The rockets, to be designed, supplied, and fired by the Ministry of Supply, will carry 100 lb of equipment to heights of 120 miles or more, and are expected to be ready in two years The Royal Society stated that the first experiments would include determination of atmospheric temperature and density, a study of the nature of the ionosphere (the reflecting layers which make the transmission and reception of long-distance radio beams possible), a search for fine meteoric dust below 60 miles altitude; and determination of the heights of the regions from which night "airglow" is strongest. In one experiment, quantities of sodium vapour (like that used in street lighting) would be released at a height of 60 miles, creating a spectacular "full moon" effect.

Five university research groups will take part in the programme, viz., University College, London (Professor H. S W Massey, chairman of the Royal Society's Upper Atmosphere Society), Imperial College, London (Professor P. A Sheppard, Professor of Meteorology); University of Birmingham (Professor James Sayers, who worked on atom bomb research in America in 1943), the Queen's University of Belfast (Professor L E. Bates, F.R S., and Professor Karl Emeleus), and University College, Swansea (Dr W J. G Beynon). Integration of results will be done mainly by Professor Massey and his staff.

The programme will cost £100,000 and will be financed by the Treasury. It has been arranged independently of the International Geophysical Year, but should be in operation during that period, and, in effect, will be a British contribution to it.

Sir David Brunt, secretary of the Royal Society, said that it was possible that some of the rockets might be launched within the British Isles [There is a Ministry of Supply range at Aberporth, Cardigan Bay, but no decision about launching sites has been made.]

Professor Leonid Sedov, head of the Commission on Interplanetary Communications recently set up in the Soviet Union (see 14192 A), stated on Aug. 2 that Soviet scientists were of the opinion that it would be possible for the U.S.S.R. to launch within two years "satellites of much greater size than those planned by the United States." Whilst he could not give an exact date, he added that an announcement would be made in due course when everything was ready for launching the Russian satellite. Professor Sedov gave this information at a press conference in Copenhagen, where, with other Russian scientists, he was attending a congress of the International Astronautical Federation, representing scientists of 14 countries, called to discuss problems of interplanetary travel.

M. Khrushchov, First Secretary of the Communist Party of the U.S.S.R., said in Moscow on Aug. 1 that the Soviet Union was ready to co-operate with the United States in studying natural phenomena by means of artificial satellites.

The announcement of the U S. space satellite project aroused world-wide interest. Eminent scientists in America, Britain, Russia, and other countries expressed the opinion that the project represented the first stage in solving the problems of interplanetary travel, and that the first landing on the moon could be expected before the end of the twentieth century.
(New York Times - New York Herald Tribune - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Soviet Interplanetary Commission, 14192 A; U.S. Earth Satellite Project, 10093 A, page 10098.)**

A. UNITED KINGDOM. — Press Centenaries.

Three of Britain's leading newspapers recently celebrated their centenaries—the *Daily Telegraph* (London) and *The Scotsman* (Edinburgh) on June 29, and the *Manchester Guardian* on July 2.

Among many congratulatory messages received by the *Daily Telegraph* was one from Sir Winston Churchill, who recalled that he had been correspondent of the paper during the Malakand campaign 58 years ago, and who described himself as "the oldest surviving member of the *Daily Telegraph and Morning Post* staff." [The *Morning Post* was amalgamated with the *Daily Telegraph* in 1937—see 2758 D.] The paper is owned by Kemsley Newspapers Ltd., and achieved its present influential position largely through the efforts of the late Lord Camrose, who died on June 15, 1954. The present editor of the *Daily Telegraph* is Captain Colin Coote, D S O His predecessor, Mr Arthur Watson, held that position from 1924 to 1950

The *Manchester Guardian* was founded as a weekly paper in 1821, and became a bi-weekly in 1836 before becoming a daily in 1855 C. P. Scott, one of the most famous figures in British journalism, was editor from 1871 to 1929, and was followed by Edward T. Scott (1929-32), W. P. Crozier (1932-44), and the present editor, A P Wadsworth. The *Manchester Guardian* has for many years been run by a board of trustees as a non-profit-making body All six members of the present board of trustees are members of the paper's staff, three of them being members of the Scott family

The Scotsman, one of the leading and most influential organs of public opinion in Scotland, received congratulatory messages from H M. the Queen, Sir Anthony Eden, Sir Winston Churchill, and the Secretary of State for Scotland, Mr. James Stuart. The present editor of the paper is Mr J. Murray Watson.

A number of other well-known papers celebrated their centenaries in June or early in July, among them the *Liverpool Daily Post*, the *Sheffield Telegraph*, and the *Irish News* (Belfast). The coincidence of the centenaries was due to the fact that legislation abolishing the newspaper stamp duty came into effect on June 29, 1855.—(Daily Telegraph - Manchester Guardian - The Scotsman - Observer) **(13676 C; 10691 C; 7677 E.)**

B. INDIA. — Government Policy on Admission of Foreign Missionaries.

The Indian Government's policy with regard to the admission of foreign missionaries into India was announced in New Delhi on April 10.

It was stated that foreign missionaries wishing to enter India as additional members of a mission, or to replace existing missionaries, would be admitted only if they possessed outstanding qualifications or specialist experience, and if Indians were not available for such posts Missionaries already in India, however, would not ordinarily be disturbed in their work unless they indulged in "anti-national activities" Those who had been working in India for at least five years would normally be eligible for readmission if they left the country temporarily with the intention of returning to India. Foreign missions or societies working in India, however, would not be able to open a new branch or institution without the prior permission of the Government of India.

It was also announced that Commonwealth missionaries would henceforth be required—like other foreign missionaries—to obtain visas before entering India.
(The Statesman, Calcutta) **(Prev. rep. 12907 B.)**

C. IRISH REPUBLIC. — Proposed Establishment of German Industries in Ireland. - Mr. Norton's Statement.

The Irish Minister for Industry and Commerce, Mr. Norton, announced in Bonn on Aug. 1, during a visit to Western Germany, that his Government would send a high-level mission to the Federal Republic in October or November to seek to interest German industrialists in establishing plants in Ireland. Among the industries to be approached would be the electrical engineering firm of Siemens-Schuckert (which built the Shannon power scheme in 1926), as well as German textile, light engineering, and machinery industries.

Mr. Norton referred to talks which he had with Dr. Blucher (the West German Vice-Chancellor) and other officials of the Federal Government, and said that he had pointed out to them that the Irish Republic would "welcome German investment in Ireland's industrial development" He had pointed out the advantages of such investments viz, the availability of adequate manpower, cheap electricity, an abundance of water-power, and the existence of a stable Government. He had also stressed that the Irish Republic's existing trade agreement with Britain allowed large varieties of goods to be imported into Britain from Ireland duty-free, and that similar arrangements existed with Canada, Australia, New Zealand, and South Africa.

"A German industrialist who already has a market for his products in Great Britain or other Commonwealth countries would have the further advantage of being able to export to them free of tariff if he set up a plant in Ireland," Mr. Norton added. "What we need is not so much money as technical competence for our new industries But we want this German technical competence to be accompanied by German investments to show their faith in us" Among the types of goods which could be manufactured in the Irish Republic, Mr. Norton listed washing machines, refrigerators, sewing machines, harvesting machinery, and pharmaceutical products.

Mr. Norton announced that the Irish mission to Western Germany would be headed by Dr. J. P. Beddy, chairman of the Industrial Development Authority, and Mr. John Leydon, economic adviser to the Department of Industry and Commerce.
(Irish Times, Dublin)

Note. In March last a delegation from the Irish Development Authority had visited Sweden for discussions with Swedish Ministers and industrialists on the possibility of encouraging Swedish manufacturers to produce goods in the Irish Republic. (Irish Times)

D. UNITED STATES. — Navy. - Atomic Submarine Programme. - Launch of U.S.S. "Seawolf."

The U.S. Navy's second atomic-powered submarine, the *Seawolf*, was launched at Groton (Connecticut) on July 21 in the presence of the Secretary of the Navy, Mr. Charles S. Thomas. The keel of a third atomic-powered submarine was laid down at Groton on the same day.

Mr. Thomas announced at the launching ceremony that eight atomic-powered submarines would be in service with the U.S. Navy, or under construction, by the end of the present fiscal year; that others would follow " in rapid succession "; and that the Navy was also giving "careful attention" to the production of nuclear-powered seaplanes. He added that the nuclear plants of the *Nautilus* (the U.S. Navy's first atomic submarine) and of the *Seawolf* had been made "purposely competitive, partly to determine which is the better power plant and partly to exploit the rapidly advancing technology of nuclear propulsion."

It was stated in the *New York Times*: "The key difference between the two [submarines] is that the coolant, or agent of heat transfer, in the *Nautilus* is water In the *Seawolf* it is liquid sodium. The coolant in effect transfers the heat generated by the atomic fission within the submarine's reactor to the boiler, which turns it into steam for the turbine"

According to official statistics, the *Seawolf* has a displacement of about 3,000 tons, is 330 ft. long, and carries a crew of about 100. Her underwater speed is stated to be "over 20 knots."

The commanding officer of the *Nautilus* (Cmdr. Eugene P. Wilkinson) stated on March 31 that the submarine's performance on recent sea trials had been "revolutionary and amazing." Commander Wilkinson said that the *Nautilus* had logged over 3,000 miles in these trials, hundreds of them while submerged, without any serious difficulties.—(New York Times) **(Prev. rep. U.S.S. "Nautilus," 13828 C; 13373 C.)**

E. SPEED-BOAT RACING. — New World Record established by Mr. Donald Campbell.

Mr. Donald Campbell (34), of Britain, set up a new world water-speed record on July 23 by making two runs over a measured kilometre on Ullswater (Lake District) at an average speed of 202.32 m.p.h. His turbo-jet speed-boat, the *Bluebird*, made the first run at 215.08 m.p.h. and the second at 189.57 m.p.h. The previous world water-speed record, 189.57 m.p.h., had been set up five years ago by Mr. Stanley Sayers, an American. By his achievement, Mr. Campbell regained for Britain the record which his father, the late Sir Malcolm Campbell, had held in the late 'thirties. (Observer - Sunday Times)

A. WESTERN GERMANY. — Elections in Lower Saxony and Rhineland-Palatinate. - New Coalition Government in Lower Saxony. - The Schlüter Case.

Land elections which took place in Lower Saxony on April 24 resulted in the loss by the Social Democrats and the Refugee Party of their former overall majority in the *Landtag*. The detailed results were as follows

	Landtag seats 1955*	1951†
Social Democrats	59	64
Christian Democrats	43	35‡
German Party	19	
Refugee Party (B.H.E.)	17	21
Free Democrats	12	12
German Reich Party	6	3
Centre Party	1	4
Communists	2	2
Socialist Reich Party	–	16§
German Social Party	–	1

* Total 159 seats. † Total 158 seats. ‡ The Christian Democrats and the German Party campaigned together as the Lower German Union. § The S R P was dissolved as an anti-constitutional party by the Federal Constitutional Court on Oct. 23, 1952, and thereby lost all its seats in the former *Landtag* (see 12697 A)

Owing to the redistribution in March 1953 of the former Socialist Reich Party's seats, and because of further changes caused by deputies transferring from one party to another, the distribution of seats in the former *Landtag* at the time of its dissolution was as follows: Social Democrats 58, Christian Democrats - German Party 43; Refugee Party 22, plus one associate, Free Democrats 15; Centre Party 3; Communists 3, German Reich Party 2, Liberal League 2, Farmers' Party 1; Independents 3, Others 1.

The number of votes was as follows, those in the 1951 *Landtag* elections and the 1953 *Bundestag* (Federal) elections being shown for comparison:

	1955 *Landtag*	1953 *Bundestag*	1951 *Landtag*
Social Democrats	1,182,066	1,136,729	1,123,199
Christian Democrats	893,917	1,332,316	790,766
German Party	415,184	449,459	
Refugee Party (B H E.)	370,432	406,990	496,569
Free Democrats	264,862	261,258	278,088
German Reich Party	126,699	132,269	74,017
Centre Party	37,612	—	110,473
Communist Party	44,783	40,060	61,364
Socialist Reich Party	—	—	366,793
Others	22,317	23,870	28,952

Polling percentages in the three above-mentioned elections were respectively Social Democrats 35 2 (1955), 30 (1953), 33.7 (1951), Christian Democrats 26.6, 35 2, 23.7 (together with German Party), German Party 12 4, 11 9, 23.7 (together with Christian Democrats); Refugee Party 11, 10 8, 14 9; Free Democrats 7 9, 6 9, 8 3, German Reich Party 3.8, 3.5, 2 2; Communists 1 3, 1.1, 1 8; Centre Party 1 1, nil, 3 3, Socialist Reich Party (1951 only) 11, Others 0.7, 0.6, 1 1

The electorate totalled 4,398,660, of whom 77 5 per cent went to the polls.

The Social Democrats, though losing six seats, remained the largest single party and increased their percentage of the total votes. The Christian Democrats, fighting on their own and no longer in alliance with the German Party, gained considerably both in votes and in seats.

The reduced poll of the Refugee Party was attributed to the fact that many refugees who had originally settled in Lower Saxony had meanwhile moved to other parts of the Federal Republic. The Centre Party was virtually wiped out, but the neo-Nazi German Reich Party doubled its representation, whilst the Communists maintained their position. The electoral campaign was dominated by foreign policy issues—i.e., support of, or opposition to, the Paris Agreements.

The loss by the Social Democratic - Refugee Party Coalition Government of its working majority in the *Landtag* led to the resignation of Dr. Kopf (who had held the *Land* Premiership for 10 years) and to the formation, under Christian Democratic auspices, of a new coalition in line with that supporting the Federal Government. On May 15 it was announced that Herr Hellwege, Federal Minister for *Bundesrat* Affairs, had been entrusted with the formation of a new Cabinet consisting of Christian Democrats, Free Democrats, and representatives of the German Party and Refugee Party. Herr Hellwege was formally elected Prime Minister by the new *Landtag* on May 26, receiving 89 votes against 81 for Dr. Kopf, with six abstentions. The membership of the new Ministry, which commands 91 out of the 159 seats in the *Landtag*, was announced on the same day as follows:

Herr Heinrich Peter Hellwege (German Party), Prime Minister; Dr. Richard Langeheine (German Party), Justice; Herr August Wegmann (Christian Democrat), Interior; Dr. Helmuth Koch (Christian Democrat), Finance; Dr. Heinz Rudolph (Christian Democrat), Social Welfare; Herr Hermann Ahrens (Refugee Party), Economic Affairs, Herr Friedrich von Kessel (Refugee Party), Agriculture, Herr Erich Schellhaus (Refugee Party), Refugees, Herr Leonhard Schluter (Free Democrat), Education; and Dr Konrad Melzig (Free Democrat), Reconstruction

The appointment of Herr Schluter as Minister of Education aroused strong protests throughout Germany. The Rector of Gottingen University (Professor Wormann) and the 18 members of the University's Senate resigned their offices in protest, declaring that Herr Schluter was a neo-Nazi, that they could not work with him, and that his appointment would "give German education a bad name at home and abroad." Of the 4,800 students at Gottingen University, over 3,000 went on strike in support of the attitude taken by the Rector and Senate. The Rector of Brunswick Technical College (Professor Justi) and several other heads of academic institutions and faculties in Lower Saxony also resigned, and the Brunswick Teachers' Association publicly protested against Herr Schluter's appointment. Many West German newspapers gave editorial support to the protest campaign, which was joined by the German Trade Union Federation and the Social Democratic Party.

Herr Schluter, a former member of the neo-Nazi German Right Party (now banned), joined the Free Democrats in 1952 and quickly achieved a prominent position in the *Land* organization of that party A publisher by profession, he had been the first post-war Chief of Criminal Police at Gottingen, and it was alleged that during his tenure of this office (from which he was later removed by the British Military Government) he had ordered the unlawful arrest of trade unionists and other citizens, and had detained them for weeks without trial. Furthermore, it was alleged that he had associated with extreme Right-wing politicians and was a close friend of Herr Adolf von Thadden, co-founder of the German Right Party and of its successor, the German Reich Party Particular objection was raised to the fact that his firm (the *Gottinger Verlagsanstalt*) had published a number of books by former prominent Nazis or Nazi supporters in which these men had tried to disclaim responsibility for their actions under the Nazi régime Herr Schluter denied that he had ever been a Nazi or a member of the prohibited Socialist Reich Party, and pointed out that he was himself partly Jewish and that his own relatives had suffered under the Nazis. Whilst admitting that he had been prominent in defending ex-Nazis upon whom disabilities had been imposed, he attributed his attitude to his "dislike of persecution."

Following a meeting between Herr Hellwege and the Rector and several professors of Gottingen University, it was announced in Hanover (the *Land* capital) on June 5 that Herr Hellwege had appointed a committee to examine the accusations that Herr Schluter had misused official positions in the past and had published books by unrepentant ex-Nazis. Pending the results of this inquiry, Herr Schluter was granted leave from his ministerial duties. The committee (which consisted of members of the coalition parties) reported on June 8 that the accusations against Herr Schluter were of a general nature, that they did not show that he was opposed to the democratic order, and that there was no reason why he should not take part in the Government Herr Schluter, however, resigned on the following day, declaring that the controversy caused by his appointment had made co-operation with the university authorities impossible and that he wished to remove a difficulty in the way of the new *Land* Government. [Herr Schluter had been advised to resign by Dr. Dehler, the national chairman of the Free Democratic Party.] The *Landtag* decided on June 11 to set up another parliamentary inquiry commission to examine the "Schluter case."

On June 27 the Free Democratic executive in Lower Saxony nominated Herr Erich Schmidt, a lawyer and former Chief Burgomaster of Gottingen, as successor to Herr Schluter at the *Land* Education Ministry. His formal appointment must await the reassembly of the *Landtag* in the autumn.

Landtag elections also took place on May 15 in the Rhineland-Palatinate, the Christian Democrats emerging with an overall majority of one and the coalition government of Christian Democrats and Free Democrats obtaining 64 seats out of a total of 100. Detailed results were as follows:

	Landtag seats 1955	1951
Christian Democrats	51	43
Social Democrats	36	38
Free Democrats	13	19
Communists	–	–
Refugee Party (B.H.E.)	–	–
Free Electors' Assoc (F.W.G.)	–	–
Others	–	–

The number of votes was as follows, those in the 1951 *Landtag* elections and the 1953 *Bundestag* (Federal) elections being shown for comparison:

	1955 *Landtag*	1953 *Bundestag*	1951 *Landtag*
Christian Democrats .	741,568	925,424	563,274
Social Democrats .	501,748	482,726	488,374
Free Democrats	201,839	214,806	240,071
Communists .	50,891	41,048	62,483
Refugee Party (B H.E)	28,272	26,181	27,573
Free Electors' Assoc. (F.W G)	45,209	—	—
Others .	14,463	85,624	55,475

Polling percentages in the three above-mentioned elections were respectively Christian Democrats 46.9 (1955), 52 1 (1953), 39.2 (1951); Social Democrats 31 7, 27 4, 34; Free Democrats 12 7, 12.1, 16 7; Communists 3.2, 2 3, 4 3, Refugee Party 1.8, 1 5, 1 9, Free Electors' Association 2 9; Others 1, 4 8, 3.9

The electorate totalled 2,144,157, of whom 76 2 per cent went to the polls.

The election, the first to be held since the Federal Republic became sovereign, was used by both Dr. Adenauer and the Social Democrats as a platform to put forward their views on German rearmament and the Paris Agreements.

The success of the Christian Democrats in obtaining an absolute majority in the new *Landtag*, and in increasing their voting percentage considerably, was claimed by Herr Altmaier, the *Land* Premier, as an expression of support for the Chancellor's conduct of foreign affairs Otherwise, the overall pattern of the voting figures was the same as in the other *Lander* of the Federal Republic—i e , the Christian Democrats increased their poll compared with the previous *Landtag* elections, but did not obtain as many votes as in the Federal elections.

Herr Altmaier was re-elected *Land* Premier for the third time on May 26, and reappointed his Cabinet with the same members as before. They were as follows:

Herr Peter Altmaier (Christian Democrat), Prime Minister, Economics, and Communications, Dr Alois Zimmer (Christian Democrat), Interior and Social Welfare, Herr Bruno Becher (Free Democrat), Justice, Dr Albert Finck (Christian Democrat), Education, Dr. Wilhelm Nowack (Free Democrat), Finance; Herr Oskar Stuvinger (Christian Democrat), Agriculture, Viticulture, and Forests.

(Frankfurter Allgemeine Zeitung - Die Welt, Hamburg - Welt der Arbeit, Cologne - Times - Manchester Guardian)

(Prev. rep. 14022 A; 11491 A.)

A. EUROPEAN INDUSTRIAL PRODUCTION. — Indices of Industrial Production for 1953.

The following table, taken from the *Economic Survey of Europe* prepared by the Economic Commission for Europe, gives the indices of industrial production in the countries of Western Europe during 1953, with 1952 figures for comparison. Comparable figures for Spain, Portugal, the Soviet Union, and the countries of Eastern Europe were not available.

	Percentage share of total in 1952	1950 =100 1952	1953	1950 =100 1st Qtr	2nd Qtr	3rd Qtr	4th Qtr.
Austria .. .	2.2	115	117	106	116	119	127
Belgium	3.7	112	112	110	114	110	115
Luxemburg	0.3	123	112	117	121	106	104
Denmark .	1.7	98	102	102	103	95	106
Finland .. .	0 8	111	112	108	109	108	125
France .. .	13.8	108	109	111	113	95	114
Saar .. .	0.4	128	125	124	129	124	125
Germany .							
Western ..	21.8	128	139	129	137	138	152
West Berlin .	0 8	160	192	177	185	193	214
Greece .	0.7	114	131*	110	122	133	152
Irish Republic .	0.6	101	111	103	112	113	118
Italy . .	8 2	116	127	119	124	125	138
Netherlands	3.3	106	117	113	117	115	125
Norway ..	1.2	108	113	118	110	104	119
Sweden . .	4 3	103	105	106	109	90	115
Turkey . ..	1.0	118	130	.			
United Kingdom .	33.3	101	106	107	108	99	113
Yugoslavia . .	1.9	96	106	91	104	107	124
Total .	100.0	110	116	113	117	110	125

* In addition to the industries covered in the quarterly index numbers, this figure takes account of lignite mining

(Economic Commission for Europe, Geneva) **(13171 C.)**

B. CYPRUS. — New Currency.

A new currency—the Cyprus pound sterling, divided into 1,000 mils—came into force in Cyprus on Aug. 1. It replaced the pound sterling, which was divided into 20 shillings (as in Britain), with the shilling divided into nine piastres The new currency system—the first such change since the beginning of British rule in 1878—therefore entailed the abandonment of the shilling and the piastre as monetary units, but involved no change in the value of the pound. The new bank-notes will be in denominations of £5, £1, 500 mils, and 250 mils, whilst the new coins will be in denominations of 100, 50, 25, five, and three mils. Banks and trading interests in the Colony had recommended the new system in order to simplify commercial transactions. (Times - Daily Telegraph)

C. LITERATURE. — Book Selections for July.

Selected books published in Great Britain, the United States, and France are given below:

Great Britain. Amery, L S —"My Political Life Volume III—The Unforgiving Years, 1929-1940." (Hutchinson, 30s)

Cameron, James—"Mandarin Red." A Journey behind the Bamboo Curtain. (Michael Joseph, 15s)

Chesterton, G K —"The Glass Walking-Stick" Essays from the *Illustrated London News*, 1905-1936 (Methuen, 10s. 6d)

Church, Richard—"Over the Bridge." An Autobiography (Heinemann, 18s)

Gavin, Catherine—"Liberated France" (Jonathan Cape 18s)

Gorer, Geoffrey—"Exploring English Character" (Cresset Press, 30s)

Hillary, Sir Edmund—"High Adventure." (Hodder & Stoughton, 16s)

Huxley, Aldous—"The Genius and the Goddess" (Chatto & Windus, 7s 6d)

Irvine, William—"Apes, Angels, and Victorians A Joint Biography of Darwin and Huxley" (Weidenfeld & Nicolson, 21s)

Mowat, Charles Loch—"Britain between the Wars, 1918-1940" (Methuen, 30s)

Niland, D'Arcy—"The Shiralee" (Angus & Robertson, 10s 6d)

Petrie, Sir Charles—"The Carlton Club" (Eyre & Spottiswoode, 30s)

Taylor, A J P —"Bismarck: The Man and the Statesman" (Hamish Hamilton, 18s.)

Tennyson, Hallam—"Saint on the March" Vinoba Bhave and the Bhoodan Movement in India (Victor Gollancz, 13s 6d)

Vere, Francis—"Salt in their Blood" The Lives of the Famous Dutch Admirals (Cassell, 18s)

Waugh, Evelyn—"Officers and Gentlemen" (Chapman & Hall, 12s 6d)

United States. Adams, Samuel Hopkins—"Grandfather Stories" (Random House, New York, $3 50)

Jackson, Robert H.—"The Supreme Court in the American System of Government" (Harvard University Press, $2 00)

"The Empire City A Treasury of New York" Collected and edited by Alexander Klein (Rinehart, New York, $5 75)

France. Auclair, Marcelle—"La vie de Jean Jaurès" (Editions du Seuil, Paris)

Perret, Jacques—"Le machin." (N R F., Paris, 490 francs)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 14300 C.)**

D. BURMA. — Cabinet Changes.

It was announced in Rangoon on June 1 that U Aung Pa, hitherto Minister for the Karen State, had been appointed Minister of Health; that Dr. Saw Hla Tun had been appointed Minister for the Karen State, that U Khin Maung Lat, hitherto Minister of Health and Judicial Affairs, would retain the latter portfolio; and that Sama Duwa Sinwa Nawng had been appointed Minister for National Solidarity—a new post.

U Aung Pa, the outgoing Karen State Minister, is president of the Union Karen League (U K.L), which in the general elections of 1951 secured 21 seats in both Houses of the Burmese Parliament and thereby also obtained a majority on the Karen State Council Dr Saw Hla Tun, the new Karen State Minister, and Member of Parliament for Moulmein, is head of the United Karen Organization (U.K.O) and a prominent leader of the Anti-Fascist People's Freedom League (the ruling party in Burma)

Although the U K O. and the U K.L. have been strongly opposed to each other ever since their formation in 1949, it was agreed in 1952 that the respective leaders of the two parties should each serve as Head of the Karen State, and Minister for the Karen State in the Central Government, for a period of two years. As a result, U Aung Pa became Head of the Karen State in the latter year. After lengthy negotiations a fresh agreement was reached under which Dr Saw Hla Tun (who was originally to have succeeded U Aung Pa in 1954) will now be Head of State and Minister for the Karen State for only one year, pending the general elections to be held in 1956

The Karen State occupies a narrow strip of territory 300 miles long and 30-50 miles wide along the Burmese-Siamese frontier. Only about 500,000 Karens out of the total Karen population of 1,750,000 live within the borders of the State, the remainder being distributed in "pockets" throughout Lower Burma.—(Burmese Government Information Dept., Rangoon - The Statesman, Calcutta) **(Prev. rep. Cabinet, 14007 B; Karen State, 13755 B.)**

E. UNITED KINGDOM. — Oxford University. - 400th Anniversary of St. John's College and Trinity College.

Two Oxford colleges, St. John's and Trinity, celebrated their 400th anniversaries on June 25. The colleges were founded in the reign of Mary Tudor—St. John's by Sir Thomas White, alderman of the City of London, and Trinity by Sir Thomas Pope, of Hertfordshire—on the sites of two older religious foundations dissolved by Henry VIII. Famous students of St. John's have included Archbishop Laud and Bishop Juxon, whilst those of Trinity have included Lord Baltimore (founder of Maryland), Lord Chatham (the elder Pitt), and Cardinal Newman.—(Times - Observer) **(Prev. rep. 10102 B.)**

A. PAKISTAN. — Constituent Assembly Elections. - First Assembly Session. - Dismissal of Frontier Province Cabinet. - Restrictions lifted on Abdul Ghaffar Khan.

In the elections to the new Pakistan Constituent Assembly, which were held on June 21, no one party secured a majority, the results being as follows . Moslem League 25, United Front 16, Awami League 13, Independents 4 (including 2 non-Moslem members), Pakistan National Congress 4, Scheduled Castes Federation 3, "Noon group" 3, United Progressive Parliamentary Party 2, Azad Pakistan Party 1, Communists 1. Under a Government Order issued on May 28, the representatives of East Bengal, the Punjab, Sind, and the N.W. Frontier Province were elected by the Provincial Legislative Assemblies, the representative of Baluchistan by the *Shahi Jirga* and the non-official members of the Quetta municipality, and the representative of Karachi by the municipal corporation. It was laid down that the method of election of the eight representatives of Bahawalpur State, the Baluchistan States Union, Khairpur State, the Frontier States, and the Tribal Areas would be decided upon by the Assembly when it convened.

Details of the elections in the various Provinces are given below.

East Bengal (31 Moslem and nine non-Moslem seats) Of the 31 Moslem seats, 16 went to the United Front, 12 to the Awami League, one to the Moslem League, one to a Moslem League Independent, and one to a Communist The successful candidates included Mr. Mohammed Ali (the Prime Minister), Mr. Fazlul Huq (the leader of the United Front, and former Chief Minister), and Mr Suhrawardy (leader of the Awami League, and Law Minister in the Central Government) Mr Mohammed Ali was the sole candidate nominated by the Moslem League, which holds only 10 of the 300 seats in the Provincial Assembly, and which, under the proportional representation system employed, was therefore entitled to return only one representative The Moslem League Independent was Mr Fazlur Rahman

Of the nine non-Moslem seats, the Pakistan National Congress won four, the Scheduled Castes Federation three, and the United Progressive Parliamentary Party two.

Punjab (20 Moslem seats and one non-Moslem). Of the Moslem seats, 15 were won by Moslem League candidates, three by the dissident Noon group (led by Mr. Firoz Khan Noon, a former Chief Minister), and one each by the Awami League and the Azad Pakistan Party. Successful Moslem League candidates included Mr M A Gurmani (Governor of the Punjab), Mr. Daultana (a former Chief Minister), Khan Iftikhar Hussain, the Khan of Mamdot (Chief Minister after the partition of the Punjab), and four members of the Central Government Major-General Mirza (Minister of the Interior), Mr Mohammad Ali (Finance Minister), Colonel Husain Shah (Minister of Education), and Sardar Amir Azam Khan (Minister for Refugees). Sardar Mumtaz Ali Khan (Minister of Information in the Central Government) failed to secure election The five Opposition candidates elected included Mr Firoz Khan Noon, Mian Iftikharuddin (Azad Pakistan Party), and Mian Abdul Bari (Awami League) Mr. C. E. Gibbon was returned for the non-Moslem seat.

Sind (four Moslem seats and one non-Moslem). The Moslem seats were won by Mr. M. A Khuhro (the Chief Minister), Pir Ali Mohammed Rashdi and Haji Moula Bux (members of Mr. Khuhro's Cabinet), and Mir Ghulam Ali Talpur (the former Speaker of the Provincial Assembly), all of whom stood as Moslem League candidates The nomination of Mir Ghulam Ali Talpur, who had been accused in March of conspiracy against the Government (see 14153 A), was regarded as a sign that a reconciliation had taken place between the rival factions in the Sind Moslem League. Kazi Fazlullah, a former Chief Minister who had also been accused of complicity in the March "conspiracy," stood unsuccessfully as an Opposition candidate. The non-Moslem seat was won by Mr. Kripaldas, leader of the Hindu group in the Provincial Assembly.

N.W. Frontier Province (four seats). The four successful candidates, all of whom belong to the Moslem League, were Sardar Abdur Rashid (Chief Minister), Mr Jaffar Shah (Education Minister), Mr. M. R. Kayani (Minister of Works), and Mr Jalaluddin Khan. Khan Abdul Qayum Khan (the former Chief Minister, who stood as an Independent after failing to secure nomination by the Moslem League) and an Awami League candidate were defeated.

Baluchistan (one seat) Dr Khan Saheb (Minister of Communications in the Central Government) was elected, receiving 68 of the 87 votes cast.

Karachi (one seat). Mr. Yusuf Haroon (formerly Pakistani High Commissioner in Australia), standing as the Moslem League candidate, was elected.

Only seven of the 14 members of the Government, therefore, secured election to the Constituent Assembly (Mr. Mohammed Ali, General Mirza, Mr. Suhrawardy, Mr. Mohammad Ali, Colonel Shah, Sardar Amir Azam Khan, and Dr. Khan Saheb). Two (General Ayub Khan and Mr. Ispahani) did not present themselves for election ; four (Dr. A. M. Malik, Mr. Pathan, Mr. Chaudhury, and Mr. Rahimtoola) failed to obtain nomination ; and Sardar Mumtaz Ali Khan was unsuccessful in the voting.

The Assembly met for the first time at the hill station of Murree (Punjab) on July 7 under the chairmanship of Mr. Gurmani (Governor of Punjab and Governor-designate of West Pakistan), who had been nominated as chairman by the Governor-General pending the Assembly's further decision. The session ended on July 14, the following being a summary of the proceedings.

Election of Assembly Chairman. On a motion by the Law Minister, Mr. Suhrawardy, the Assembly decided on July 7 (by 40 votes to 26, with four abstentions) to consider immediately the question of confirming Mr Gurmani's appointment as chairman until the election of a President of the Assembly The Moslem League and the Awami League supported the motion, whilst the United Front Party opposed it Subsequently the Assembly unanimously approved Mr. Gurmani's continued appointment as chairman

Rules of Procedure. On the same date (July 7) the Assembly unanimously passed another motion by Mr Suhrawardy to adopt the rules of procedure of the former Constituent Assembly, with such modifications as the chairman might think fit, pending the adoption of new procedural rules

Representation of States and Tribal Areas. A Bill providing for the representation of States and Tribal Areas in the Assembly, and regulating the mode of election of the eight representatives allocated to them, was passed by the Assembly on July 9 and assented to by the Governor-General on July 11 In accordance with the Governor-General's earlier proposals (see 14232 A), the Tribal Areas and States will be represented by three members, Bahawalpur State by two, and the Baluchistan States Union, the Frontier States, and Khairpur State by one each Of the eight seats, six were filled by election from the respective States, and the two for Bahawalpur State by nomination by the Amir of Bahawalpur. The election and nomination of the various representatives was completed on July 20, when the Wali of Swat (Abdul Haq Jahanzeb) was elected by the Rulers to represent the Frontier States.

Revalidating Bill. The Assembly decided on July 11 to refer to a Select Committee a Bill (moved by Mr Suhrawardy) to validate 36 Acts passed by the old Assembly which had not received the Governor-General's assent and had therefore been considered invalid as a result of the Federal Court's decision of March 21 (see 14121 A), but which had since been provisionally revalidated by the Governor-General (see 14232 A) The Acts included the one inserting Section 92A into the Government of India Act (1935) and thereby permitting the establishment of Governor's rule in a Province ; the Rawalpindi Conspiracy Special Tribunal Act , and the Acts of 1949 providing for the increase and redistribution of seats in the old Constituent Assembly The Bill also sought to validate the Financial Statement for 1955-56, which had already been authenticated by the Governor-General , it did not, however, cover the Act passed by the former Assembly which had inserted Section 223A of the Government of India Act, giving the High Court power to issue writs of *habeas corpus*, etc

Mr Suhrawardy gave an assurance that the Select Committee would consider suggestions made by members during the debate. It was subsequently announced that the Select Committee would meet in Karachi on Aug. 9 under Mr Suhrawardy's chairmanship

Speaker and Deputy-Speaker. A Bill to provide for the election of a Speaker and Deputy-Speaker after the completion of the Assembly's full membership was passed on July 13 The Bill also amended the relevant section of the Government of India Act changing the designation of President of the Assembly to that of Speaker

Members' Privileges. A Bill laying down the rights and privileges of members of the Assembly, including immunity from arrest, was passed on July 14 Mr Suhrawardy (who moved the Bill) accepted an amendment by Sardar Amir Azzam Khan to the effect that no Pakistani citizen should be debarred from membership of the Constituent Assembly unless he had been sentenced to imprisonment for more than two years for an offence involving moral turpitude.

After adopting the Constituent Assembly (Rights and Privileges) Bill, the Assembly adjourned until Aug. 8, when it will re-convene in Karachi.

On July 23 it had been reported that three more Acts of the former Constituent Assembly, which had been invalidated by the Federal Court's decision, had now received the Governor-General's assent, viz., the Indian Independence (Amendment) Act, 1949 ; the Constituent Assembly for Pakistan (Increase and Redistribution of Seats) Act, 1949 , and the Constituent Assembly for Pakistan (Increase and Redistribution of Seats) (Amendment) Act, 1949. With the 35 Acts already approved by the Governor-General under his Emergency Powers Ordinance of March 27 and his proclamation of April 16, the total number of Acts of the former Constituent Assembly which had retrospectively received the Governor-General's assent was increased to 38

Other recent developments in Pakistan are summarized below.

North-West Frontier Province. Sardar Abdur Rashid and his Ministry were dismissed by the Governor of the N W F P. on July 18 This action followed the Chief Minister's sudden intervention in the Constituent Assembly's debate on July 12, when he strongly opposed the formation of West Pakistan under the Central Government's one-unit plan, thereby withdrawing his earlier support for the plan. After Sardar Abdur Rashid's dismissal, Sardar Bahadur Khan formed a new Ministry at the Governor's invitation on the same day (July 18), and on taking office expressed his unqualified support for the one-unit plan Sardar Bahadur Khan is a former Minister of Communications in the Central Government and a brother of the C -in-C and Minister of Defence, General Mohammad Ayub Khan , since November 1954 he had been Agent to the Governor-General in Baluchistan (see 13893 A, page 13896).

Sardar Abdur Rashid's Ministry was the fourth Provincial Ministry in West Pakistan to be dismissed because of its opposition to the one-unit plan. The first was the Bahawalpur State Ministry headed by Mahmud Hassan, the second the Sind Ministry headed by Pirzada Abdus Sattar (see 13893 A), and the third the Punjab Ministry headed by Mr. Firoz Khan Noon (see 14232 A).

The Minister of the Interior (Major-General Mirza) had earlier informed the Constituent Assembly on July 12 that the Central Government had decided to remove the restrictions on Khan Abdul Ghaffar Khan (who had been released from detention in January 1954—see 13354 B) banning him from entering his home Province, the N.W.F.P. General Mirza's announcement followed a statement in the Assembly by Sardar Abdur Rashid (then still in office) to the effect that he was prepared to let Khan Abdul Ghaffar Khan enter the Province and would welcome the removal of the restrictions still imposed upon him.

Khan Abdul Ghaffar Khan, who was reported to have expressed opposition to the one-unit plan for West Pakistan under present conditions, and to have proposed the holding of a referendum on this issue, returned to Peshawar on July 17.

Punjab. A sub-committee of the Moslem League Assembly Party in the Punjab, sitting under the chairmanship of Mr. Dasti (Chief Minister of the Province), decided on June 30 to expel from the party the former Chief Minister, Mr. Firoz Khan Noon, as well as Mr. Muzzafar Ali Qazilbash and Choudhry Ali Akbar (members of the former Noon Ministry) and Raja Ahmad Ali (general secretary of the Provincial Moslem League). The four members, as well as two others about whom a decision was deferred, had been suspended by the Assembly Party on June 22. The sub-committee found them guilty of a "gross and deliberate breach of discipline" and of defying the decisions of the Central Moslem League Parliamentary Board in connexion with the elections of Moslem League candidates from the Province to the Constituent Assembly, the sub-committee also accused them of promoting "insubordination and factionalism" in the party to sabotage the establishment of West Pakistan.

Sind. The ban on the entry into Sind Province of three former Chief Ministers—Pirzada Abdus Sattar, Qazi Fazlullah, and Pir Ilahi Baksh—was lifted by the Sind Government on July 8. It was announced on the same day that the restrictions on the movements of Mr. G. M. Syed, leader of the Awami League in Sind, had likewise been removed.

The Governor-General, Mr. Ghulam Mohammad, issued an Order on July 8 merging the tribal areas lying beyond the Mardan and Hazara districts into the North-West Frontier Province. The Order was made under Section 290 of the Government of India Act, 1935, at the unanimous request of tribal representatives living in these districts, and with the agreement of the Frontier Province Government.—(Pakistan High Commissioner's Office, London - Dawn, Karachi - Times - Manchester Guardian) **(Prev. rep. Constituent Assembly, 14232 A; Frontier Province, 13083 A; Punjab, 14232 A; Sind, 14153 A.)**

A. UNITED KINGDOM. — Destroyers sold to Egypt.

Mr. Nutting (Minister of State, Foreign Office) informed the House of Commons on July 25, in reply to Mr. Patrick Maitland (C.), that H.M. Government had agreed on May 21 to sell to Egypt two "Z" class destroyers from the Reserve Fleet—H.M.S. *Myngs* (1,730 tons) and H.M.S. *Zenith* (1,700 tons). He added that the Egyptian authorities had paid for the vessels and were making arrangements for their refitting in Britain.

When **Mr. Maitland** suggested that the Government should delay the transfer of the destroyers until they had obtained satisfaction for the recent incident in the Gulf of Akaba (see 14335 A), **Mr. Nutting** replied that the refit would take several months at least, and possibly a year.

Mr. Shinwell (Lab.) asked for an assurance that the warships would in no circumstances be used against British ships engaged in open and lawful trading operations in the Suez Canal. **Mr. Nutting** replied that H.M. Government had recently sold two similar destroyers to Israel (see 14321 F), and that they were still applying the policy, laid down under the tripartite declaration of 1950, of providing limited quantities of arms for Middle Eastern States for their legitimate self-defence. When **Mr. Callaghan** (Lab.) commented that the transfers had been agreed to in May but had only been announced in response to a question on July 25, **Mr. Nutting** denied that there had been any attempt at "concealment."

In reply to further questions by **Mr. Fell** (C.) and by **Mr. Herbert Morrison** (Lab.), who criticized the fact that equipment had been transferred to a country which considered itself at war with another State and had fired on British ships, **Mr. Nutting** declared: "We go into these matters extremely carefully before any releases are made, and we seek to preserve a balance. In the case of these destroyers we have preserved a balance. We regard it as important from the point of view of preserving a balance to keep these arms deliveries so far as possible within our hands, and not to get them into the hands of other less responsible Governments in other countries."

In reply to Mr. Dugdale (Lab.), Mr. Nutting said that there was no intention of making further transfers of warships to Egypt or to any other country.—(Times - Daily Telegraph) **(Prev. rep. 14321 F; "Anshun" Incident, 14335 A.)**

B. SIERRA LEONE. — The Freetown Riots. - Report of Commission of Inquiry.

The report was published on June 5 of a commission of inquiry into the causes of serious riots which occurred in Freetown (the capital of Sierra Leone) on Feb. 11-12, during which 17 people were killed and 84 injured.

The riots broke out after a strike by the Artisans' and Allied Workers' Union (which had demanded a wage increase of 10d. a day and had rejected the employers' offer of 6d.) and the Transport and General Workers' Union. Many shops were looted and sacked, a police station burned down, barricades erected, the city's water supply sabotaged, and attempts made by mobs to break into the docks, railway yards, and power station. A European police officer, Mr. W. M. Everitt, was stoned to death while leading his men against the rioters. Troops had to be called out to restore order and were forced to open fire on two occasions. The Governor of the Colony (Sir Robert Hall) imposed a curfew and issued an ordinance giving the police powers to disperse crowds and to arrest anyone found to be carrying firearms.

On Feb. 26 the Governor appointed a three-man commission of inquiry consisting of Sir John Shaw (chairman), formerly Governor of Trinidad, Mr. Justice Acolatse, a puisne judge in the Gold Coast; and Mr. G. G. Honeyman, a lawyer with wide experience of industrial conciliation.

The report of the commission of inquiry—which was unanimous—placed the main responsibility for the strike and its consequences upon Mr. Marcus Grant, the general secretary of the Artisans' and Allied Workers' Union.

The commission found that the workers' case for a wage increase to meet rising costs of living was basically sound, and that the employers had perhaps conceded too little. Grant and his associates, however, had been extravagant in their first claims, and had put themselves in the wrong by refusing to accept arbitration. The commission was convinced that Grant had imposed his will on the members of his union, many of whom were illiterate and were unaware of the machinery provided for arbitration. Moreover, he had exceeded his authority by calling for a general strike, although only two unions were involved in the dispute.

As regards the riots of Feb. 11-12, the commission stated that its main concern had been (*a*) to trace the connexion, if any, between the strike and the riots, and (*b*) to determine whether the amount of force used by the police and the military was excessive. Their findings on the first point were inconclusive; on the second, they entirely vindicated the action of the authorities. There was no foundation whatever for the allegation—made by counsel for the unions—that "wild, indiscriminate and vengeful shooting" had occurred, or that there had been "callous disregard for the lives of unarmed and innocent civilians." The commission found that the police and military had used no more force than the circumstances warranted, and that a European officer who had killed three men and injured a fourth with his Bren gun could not be held blameworthy in the situation with which he was faced. As regards the riots themselves, it was pointed out that the attempt to sabotage the city's essential services had apparently been carried out to a deliberate plan, and that over £11,000 worth of damage had been caused to Government property.

With regard to Marcus Grant, the report said: "It is tragic that within the youthful trade union movement in Sierra Leone so much authority should be concentrated in the hands of a man as ambitious, unscrupulous, and worthless as Marcus Grant. So long as he remains where he is, the interests of the workers, and incidentally of the community at large, will not be well served."

The commission considered that the leader of the other union involved (Mr. H. N. Georgestone, of the T.G.W.U.) had a mistaken sense of loyalty in backing Grant. It added: "Although we cannot exonerate Georgestone altogether, we do not attribute to him a major share of responsibility for the strike and its consequences."

The commission's main recommendations were as follows:

(1) The Government, "as a gesture of good faith and conciliation", should rescind its decision to regard the strike days as an interruption of gratuitable service.

(2) The position and rights of workers in essential services should be made clearer than hitherto.

(3) The Joint Industrial Councils should make a new attempt to reach agreement on the wages issue.

(4) Separate councils should be set up for Government and non-Government employment, with private individuals as chairmen.

(5) Daily wage-earners in Government employment should as far as possible be placed on a weekly or monthly basis to give them a greater sense of security.

The Sierra Leone Government accepted the main conclusions of the report and promised to give serious consideration to its recommendations. It announced that changes would be made in the wage-negotiating structure and that no employees would be dismissed for having taken part in the strike.—(Times - Daily Telegraph - Manchester Guardian - New Commonwealth)

C. AUSTRIA. — Increase in Bank Rate.

The Austrian bank rate was raised on May 20 from 3½ to 4½ per cent.—(Wiener Zeitung) **(Prev. rep. 13721 B.)**

A. UNITED KINGDOM.—Anti-Inflationary Measures. - House of Commons Debate.

The Government's new monetary measures announced by the Chancellor of the Exchequer on July 25 were debated in the House of Commons on July 26.

Mr. Gaitskell, who opened the debate for the Opposition, began by asserting that the Chancellor should have made his statement sooner. Three questions, he said, had to be asked "Is the economic situation so serious that action is necessary? If so, why has it become so serious? Are the Government's measures the right ones?"

The Opposition did not deny the seriousness of the situation, Mr. Gaitskell continued They had made repeated efforts to convince the Government that it was not as good as Ministers appeared to think. The balance of trade figures were bad and the foreign exchange situation weak, the trade deficit had worsened by about £200 million in the last six months alone The Chancellor ought not to try to give the impression that the dock strike (see 14351 A) was the cause of the difficulties Imports in the first six months of this year had been 14 per cent up on last year, a rise which was neither fortuitous nor temporary.

"During the election," he went on, "I said that we were heading for a deficit for the year of at least £100 million. I was accused of being alarmist Does the Chancellor contest that estimate of mine?" After pointing out that American industry was booming, that the terms of trade had not moved sharply against Britain, that the rest of the sterling area was not over-importing, and that there was no increase in the defence burden, Mr. Gaitskell argued that there were three causes of the crisis (1) "A doctrinaire application of what is called Conservative freedom in a situation of brimful employment" (2) "Blatant electioneering" by the Government (3) "Bad and incompetent administration."

Under the first, he instanced increases in dollar imports after relaxation of restrictions, a "free-for-all policy" in the building industry, which put council housing "at the bottom of the queue", and the wage-price spiral The Government, he asserted, had encouraged this spiral by their refusal to do anything about limiting dividends

As regards electioneering, he asked whether the Chancellor really believed that if his statement of the previous day had been made during the election, it would not have seriously affected the result? "In February," Mr Gaitskell continued, "the Chancellor was worried. At the time of the Budget, when an election had been announced, he decided he could give away £150 million a year, most of it to companies and wealthy individuals. He did this solely to give an impression of abounding prosperity Nothing was said about the dangerous situation of our balance of payments, or of coal price increases. We take an extremely poor view of a Government which deliberately deceives the electorate in the way he has done"

As to the charge of incompetence, there was the "extraordinary muddle into which we have got regarding the convertibility of sterling" Mr. Gaitskell asserted that it was well known that rumours that there was to be a floating rate for the £ had existed for some time, with the result that a lot of people had apparently started to sell sterling, thus creating additional difficulties The rumours had apparently started because the Chancellor, according to his own account, had said at a meeting of the O.E.E.C. in Paris that he was opposed to fixed rates of exchange in the event of convertibility.

Mr. Butler, intervening at this point, strongly denied any knowledge of such a statement and asked Mr. Gaitskell to quote the exact words of what he [the Chancellor] was supposed to have said. **Mr. Gaitskell** was unable to do this and, after some heated exchanges, said that he was not criticizing the Chancellor for the substance of what he had said, but because, though pressed to do so by the Opposition a week earlier, he had declined to refute the rumours which, according to the Press, had started as a result of something he had said in Paris. **Mr. Butler** replied. "It is one matter to say there are rumours, which I acknowledge and which we all regret We all wish to defend sterling It is quite another thing to lay a charge at my door and say those rumours were due to me because of a statement I made in Paris" **Mr. Gaitskell:** "If the Chancellor says he made no such statement that, of course, is very satisfactory I only wish he had said this earlier"

Continuing, Mr Gaitskell referred to the Government's decision to sell another $15,000,000 worth of the dollar securities held by it. The total value of these securities was about $2,000,000,000, which meant in effect that Britain's reserves were a great deal larger than was indicated by the figure of the gold and dollar reserves. He therefore asked the Chancellor to consider publishing the amount of the securities, as, by so doing, he would improve confidence in Britain's ability to weather any temporary difficulties in her balance of payments

It had been said (Mr. Gaitskell went on) that the Treasury and the authorities—by which he thought was meant the Bank of England—spoke with different voices on the question of convertibility. The Treasury spoke as if convertibility was something remote, and about which we should proceed with caution; the authorities spoke of it as something "just round the corner." If the Bank of England and the Treasury spoke with different voices, it was a dangerous thing. He asked the Chancellor to comment

After asserting that the Chancellor, when raising the Bank Rate five months ago, had been "deceiving the House and himself about the effectiveness of this instrument," Mr. Gaitskell asked why Mr. Butler had delayed taking direct action to see that his policy worked. On the question of convertibility, he pointed out that bonds owned by non-residents might now be converted at the transferable sterling rate. In consequence, any country in the transferable account area could finance its own dollar imports by converting sterling into dollars in London. There was obviously a great danger of that if dollars became scarce once more, and there were signs of this happening. The Chancellor should say whether he envisaged the present position continuing, and should indicate what he understood now by further steps towards convertibility. He [Mr Gaitskell] had always supposed that this meant the unifying of the transferable rate and the official rate, together with the removal of restrictions on dollar imports in Britain and in the rest of the sterling area. If that was so, was the Chancellor satisfied that Britain could afford to relax dollar import control without seriously affecting her own competitive position in the sterling area's export markets?

Turning to general home restrictions, Mr. Gaitskell said: "The crucial question is this Can the Chancellor cut down spending at home by these general measures in such a way as simply to divert more of our products to exports or in such a way as to reduce our imports directly? Or will these measures and the cutting-back of investment, not merely divert what is being produced but lead to a reduction in the level of production as a whole? The Chancellor should make plain whether he believes that the level of production and employment is now too high, whether it has to be cut back because it involves an increase in imports which we cannot sustain. If he takes that view, I would not deny that credit restriction may well be effective. But if he is hoping to hold the level of unemployment at one per cent, and to maintain the brimful employment economy, how is this going to be achieved by general credit restrictions?"

Mr. Gaitskell asked how the new policy was to be applied to capital investment in roads, housing, education, and the nationalized industries Council houses had already been "cut back," and there were 40,000 fewer under construction than a year ago Other house-building was affected by restriction of loans by the building societies, though the "big man" who had money in reserve could build as he liked without any restriction whatever. Whilst young married people were going to find it more difficult to buy refrigerators and vacuum cleaners, nothing was being done to discourage luxury spending, and the Government's priorities were exactly opposite to those of the Labour Government There had also been "no whisper about dividend limitation," and since the election the Stock Exchange had "gone on even faster with its boom" A "colossal" increase in share prices—of no less than 27 per cent since the middle of March—had brought great capital gains and a great increase in luxury spending. He doubted whether what was now proposed would really make any difference, and said that no real impact had been made upon the Stock Exchange

Mr. Gaitskell concluded "The present difficulties, in contrast to those after the war, are of the Government's own making The Government have allowed inflation here when there has not been inflation elsewhere. They have done so for electoral reasons. The Government's policy of freedom to industry on the one hand, with the removal of all controls and the free-for-all on the other—a policy of 'devil take the hindmost'—is the main cause of the present situation, and their indifference to fair distribution makes it impossible for them to tackle it."

Mr. Butler, in reply, strongly denied that any crisis existed "Mr. Gaitskell, the House, and the nation," he declared, "would be wrong to regard the situation we are facing as one of crisis at all." There was a degree of inflation in which it was necessary to reduce home demand, to get more into exports, and for people to save rather than to spend more. The reception which his statement had had showed that the Government had found about the right balance in the measures they proposed, and the result on the markets had been distinctly favourable

After quoting from his own election broadcast and from the Conservative manifesto, Mr. Butler repudiated Mr. Gaitskell's contention that the Conservatives had attempted to run the election without warning the country of economic dangers. "The major issue before the country today," he declared, "was set out fairly and squarely in the election manifesto of the Conservative Party. The manifesto of the Labour Party said nothing on the subject Not only did we warn the country, but the language used in the manifesto corresponds almost exactly with the language I used yesterday."

The reason for the Government's latest measures had been that the excess of imports had become too great, and he suggested these measures had had an immediate and distinct effect By a combination of monetary and other disciplines, the Government had reduced the trade gap in April-May to £49,000,000, which was almost equivalent to that of a year earlier It was not until they received the June trade figures, with an excess of imports over exports of £129 million, that the Government recognized that it was largely due to the dock strike that these exports had not been sent abroad. A great many imports were taken off the ships, but most of the exports were not sent out. The Chancellor added: "While I have no desire to treat the strikes as an alibi for the fundamental difficulties in our economy, the immediate effect of the dock strike, in particular, was disastrous as regards our trade figures and had an undoubtedly bad result on our situation."

If Labour Members were going to try and claim that industrial unrest and strikes had not set the country back, he would remind them of the unofficial coal strike which had cost 1,000,000 tons of coal. This had to be imported, and so added to the present balance-of-payment difficulties While there were other fundamental difficulties, it was right to emphasize some of the obvious results of industrial unrest, if only to show the desirability of avoiding it in future. "I am not criticizing any particular sections," Mr. Butler said, "but the country must realize that we cannot afford these disputes and cannot afford to hold up our export trade in any way."

Continuing, Mr. Butler said that production had been "almost better" than he had forecast in the Budget The figures for April and May showed that industrial production was four or five per cent above last year's level One of their main difficulties derived from this increased production and enlarged prosperity These were causing Britain to increase her imports of raw materials and, to a certain extent, of food. If Britain was to retain full employment with rising production and increased imports, it was essential to keep down costs and make herself competitive with others. This was one reason why the Government could not tolerate any sign of inflation

Retail trade figures showed that sales of goods (other than food) by large retailers in February-May were about nine per cent higher than in the same four months of 1954. This was a slightly smaller increase than in the fourth quarter of 1954, but it indicated buoyant consumer demand and was another reason why he had had to take action.

Bank deposits had fallen by over £200 million, or about three per cent. "Frankly," Mr. Butler added, "the position about bank advances is quite unsatisfactory If it had been allowed to go on, we could not have said that the credit policy was doing the work we wanted it to do to curb inflation" The rise in advances, however, had partly been due to the needs of the gas and electricity undertakings, and this had clouded and befogged the whole of their operations in the first instalment of the "credit squeeze" Now that the Government had arranged for these undertakings to go on to the market for the money they wanted, he was hoping for a direct result from his policy

The "credit squeeze" (the Chancellor went on) was being operated at a time of almost unrivalled buoyancy in the British economy There was an expansion that had not been seen for years It was most desirable in many ways and it brought a great deal of improvement to many people, and not only to rich people This surge had been so considerably backed by confidence in the Government that it had been a different economic proposition to operate the 'squeeze' against this tide than it was in 1952 "We are going through a period of experimentation in the use of some of these weapons," said Mr. Butler "I am now convinced that, having got the advances to the national sector out of the way, and with the new directive to the Bank of England, the 'credit squeeze' will now operate to the general advantage of the economy."

The question of dealing with the country's economic problems by cutting imports was a difficult one The Government believed that if they indulged in that policy, the retaliation against the export trade would be so severe that Britain would lose the advantage of the advances made in the last 3½ years They had therefore to rely on credit policy As regards dollar import policy, the position broadly was that the Government had now freed from licence about half the U K.'s dollar imports. This dollar policy was sensible and sound. "It is hardly likely," he added, "that we should obtain a response from the United States in freer trade policies and greater opportunities for our goods if we were to go back on this policy."

Reverting to credit policy, Mr. Butler stressed that the Government wanted investment to go on Expenditure by private manufacturing industry on new factory building had risen by about 25 per cent between 1953 and 1954, and there was every indication that this rise was continuing Approvals of new factory building in the first quarter of 1955 were for 23,835,000 square feet—an increase of 65 per cent on the first quarter of 1954. It was because of pressure on the metal-using sector of the economy that he had had to take action on hire purchase, to make sure that the export sector was not prejudiced and that the defence sector could go on He wanted to control the rate of investment, but not destroy investment itself

Dealing with the position of sterling, the Chancellor again denied having made any statement at the O.E E C. meeting in Paris insisting on the door being left open to fluctuating exchange rates in future European currency arrangements. "All that was arranged," he said, "was that we should make provision for some successor mechanism to the European Payments Union." When he reached Paris after the election, he had found anxiety lest the Union should be disbanded if one or more European currencies became convertible. They had the difficult task of trying to plan some future system of European payments and consolidation in the event of there being some currencies which were floating and some which were fixed. It was impossible to have a payments system with monthly payments in these circumstances With considerable ingenuity and under the leadership of the Dutch Government, a scheme of clearing—a new form of payments—had been invented. Settlement of this, he hoped, would be made at the end of the present month, thereby ending rumours.

Continuing, Mr Butler did not deny that he had said that rumours had been harmful to sterling. The Government had been determined to go ahead with a collective approach to a system of freer trade and payments, and such a system would involve not only the Commonwealth but European nations also. In framing such a system of clearing as an alternative to the Payments Union, it was natural that reference should be made to margins and rates, and it was not surprising that the International Monetary Fund already recognized that some movement on either side of a declared parity was desirable and permissible without calling that parity into question. He regretted that rumours should have arisen which had damaged sterling "in the midst of an exercise, the motives of which were above-board and in the interests of Europe as a whole."

On the question of convertibility, the Chancellor declared. "Certain conditions must be fulfilled for the convertibility of sterling:

(1) We must have a strong internal position, and that we are attempting to remedy with the measures announced.

(2) We should have a degree of credit available. I think that would be easy to arrange in the event of convertibility.

(3) There should be wider trade policies, particularly as between the dollar and non-dollar world.

"There can be no doubt about the policy of the Government in relation to the exchange value of the pound It has been, and will continue to be, the maintenance of the exchange parity of $2 80 to the pound, either in existing circumstances or when sterling is convertible. In the long run, that must depend on our efforts"

Dealing with the effect of his new measures on public investment programmes, the Chancellor pointed out that, in general, it would not affect any programme already announced unless a nationalized industry or local authority could, "with reason and without doing any harm," slow it up a bit so that too much was not attempted at once. Coal must have full investment, because it was the major national economic problem at present They must also press ahead with nuclear power for civil purposes, and with oil, if only to supplement the coal resources The railway modernization programme must also go on, not only for the future of the railways but also for the sake of morale among the railwaymen For the roads, however, all that he could permit to go on at present was the programme announced by the Minister of Transport, which was a considerable one In the autumn, or whenever he considered that the economy could bear the strain of an extra road programme, he would review the position.

The nationalized industries themselves (which he had consulted previously) had undertaken to defer certain projects for varying periods of from three to 12 months In the gas industry, these included expansion of carbonization, underground gas storage, and plant for handling coal and coke Four of the Area Boards expected to reduce working capital costs by £1,000,000 in the next six months by reducing stocks of appliances and fittings, whilst three of the Boards would apply internally some superannuation funds which would normally be invested externally. The electricity industry was prepared to defer certain projects, mainly in relation to distribution, as generation could be held up only with danger to the regularity of supply in industry. The electricity industry would also reduce working capital needs by cutting stocks of appliances Like the gas industry, it would apply certain superannuation money to internal needs

As regards local authorities, the Government would not withdraw authorizations already given or cut down specific programmes which had already been announced, such as the recently-announced programmes for schools and hospitals They did not intend to create uncertainty and run the risk of delaying essential work, as might happen if they embarked on a rearrangement of these programmes

The extent of house-building by local authorities had been reduced for a variety of reasons. The Government could not do everything. It had encouraged the development of private building and was adhering to the target of 300,000 houses a year, which was 50 per cent above the target set by the Opposition. The target actually reached under Mr Macmillan had been approximately 350,000 a year, and it was likely to remain at above 300,000 in the immediate future

Mr. Shinwell (Lab.) expressed surprise that no mention had been made of the possibility of some restraint on capital investment on defence **Mr. Butler** replied that the House could take it for granted that the considerable success which the Government had achieved in getting the defence programme within bounds would be maintained and intensified Any examples of waste would be ruthlessly dealt with by the Treasury Already they had had a considerable saving in overseas defence expenditures since the ending of the Korean War He was hoping that, as a result of examinations now taking place, they would be able to examine more closely, and if possible limit, some of the liability arising out of the new situation in respect of the maintenance of British forces in Germany.

Summing up the position, the Chancellor declared: "There is no question of a crisis The British economy is fundamentally sound. It is not the aim of the Government so to conduct financial policy as to cause a large section of the workpeople to become unemployed Our aim is a social democracy fully employed . . There must be more realization of our increased wage costs, and a greater realization that our costs do not compare favourably with Germany or the United States. Several countries in Europe are going through similar problems to ours There is nothing here which can be attributed to gross maladministration by the Government or to lack of foresight. We are dealing with one of the classic British difficulties of combining increasing prosperity, production, and over-full employment, which involves vacancies running into half a million, with balance-of-payments difficulties The attack on inflation, started in February, will be carried on At the same time our exchange policy, despite rumours and the difficulties of carrying with us other nations of Europe and the Commonwealth, will be carried on inflexibly and with the same determination and strength shown hitherto. If we do this, we shall be able to get a synthesis between full employment and the general difficulties in the economy."

Sir Edward Boyle (Economic Secretary to the Treasury) pointed out during the further debate that it was not the practice to disclose details of the assets held by the Exchange Equalization Account, but stated that the Treasury-owned securities were worth less than half of the $2,000,000,000 mentioned by Mr Gaitskell. He also said that there had been no radical change in the policy—followed by Mr. Gaitskell when he was Chancellor—of continuing to hold and manage these securities in the national interest They were not part of the reserves, but should be considered as part of the national block of foreign investments, and in pursuance of this policy it might become appropriate from time to time to sell a number of these securites. In that case the long-run national interest was best served by giving British investors an opportunity to acquire the securities for sterling.

It had been said (Sir Edward continued) that the Chancellor's visit to Paris was a costly affair But it had been the unanimous view of every country represented that Mr Butler should become chairman of the O E E C for a further year. From the political and economic view the conference had done a great deal of good, and Mr Butler deserved the support of the House and the country for the work he had done there The Government did not pretend that there were no problems ahead They believed it better, however, to take essential measures before a crisis developed rather than allow it to develop as in 1951 and engulf the whole nation.

The Labour motion for the adjournment was negatived by 290 votes to 231—a Government majority of 59.—(Times - Daily Telegraph - Manchester Guardian - Financial Times)

(Prev. rep. 14332 A.)

Note. The following table was published by the *Financial Times* showing monthly averages of sales of durable consumer goods in the home market

	1955 (first 4 mths)	1954 (first 4 mths)	1953 (year)	1952 (year)
Cars (1)	43,397	31,923	23,446	14,389
Motor cycles	11,060	8,875	7,310	7,340
Washing machines (2)	63,600	40,400	28,400	21,000
Radio sets	90,500	81,500	69,000	55,000
Television sets	98,700	91,800	95,600	67,700
Vacuum cleaners (2)	97,600	58,300	45,300	33,900
Electric irons (2)	197,000	140,000	123,000	130,000
Electric kettles (2)	43,100	31,700	30,300	29,400
Electric shavers (2)	32,000	22,200	31,900	25,800
Electric toasters (2)	13,900	11,400	10,500	9,000
Electric floor-polishers (2)	2,100	1,700	1,600	2,100
Refrigerators (£'000)	529	455	343	231

(1) First six months (2) First quarter

It was pointed out that the increase in production had resulted in larger sales in the home market rather than in a corresponding rise in exports (Financial Times)

A. PAKISTAN. — Report on Inquiry into Assassination of Liaquat Ali Khan.

It was announced in Karachi on June 25 that Mr C. W. E. Uren, the British security expert who had been appointed by the Pakistan Government to investigate the assassination of the late Liaquat Ali Khan on Oct. 16, 1951, had now submitted his report to the Government.

Mr Uren found that "whatever political differences may have existed among Pakistan's leading men, there is no evidence whatsoever to suggest that any one of them was in the remotest way interested in the murder of the Prime Minister" He (Mr. Uren) had made lengthy inquiries into seven "conspiracies," but not one of them had provided any solid basis in fact, and in none of them could any connexion whatever be established between Said Akbar (the assassin of Liaquat Ali Khan), and persons believed to be responsible for these plots In particular, any suggestion that Khaksars were concerned in a conspiracy to murder the former Prime Minister, or to inspire Said Akbar to do so, could be "definitely discounted."

Continuing, Mr. Uren said he was satisfied that Said Akbar had "planned and executed this murder without reference to, or instigation by, any other individual" The evidence was "sufficient to establish that Said Akbar was, in the last days of his life, almost fanatically serious in his attitude towards *purdah* [the Moslem law requiring women to veil their faces] and that he was troubled by the failure of many Moslem women to observe it" Some 18 months before Liaquat Ali Khan's assassination, Said Akbar had returned from a meeting "outraged at the immodesty" of the Begum Liaquat Ali Khan, who was present on the platform without a veil; according to evidence given by his wife, Said Akbar had said that he would have shot the Begum had he been carrying a pistol This remark (Mr Uren said) indicated that Said Akbar was "prepared to take an extreme step to register his protest against the growing emancipation of Moslem womanhood" Moreover, Said Akbar had also been subject to hallucinations and had claimed to have had contact with spiritual forces

Said Akbar, an Afghan living in the Frontier Province, had been immediately killed by the crowd, and by shots from a policeman, after assassinating Liaquat Ali Khan.—(Times)

(Prev. rep. 12474 F.)

B. FEDERATION OF RHODESIA AND NYASALAND. — Inauguration of Federal Supreme Court.

The new Federal Supreme Court of the Federation of Rhodesia and Nyasaland was inaugurated at Salisbury on July 1, when the members of the Court were sworn-in by the Governor-General, Lord Llewellin. The ceremony was attended by the Lord Chancellor of England (Viscount Kilmuir), the South African Minister of Justice (Mr. Swart), and the Chief Justice of South Africa (Mr. Justice Centlivres). The Chief Justice of the Federation is Sir Robert Tredgold (the former Chief Justice of Southern Rhodesia), whilst its other members are Sir Arthur Lewey (the former Chief Justice of Northern Rhodesia), Mr. H. J. Clayden (formerly of the Transvaal Division of the Supreme Court of South Africa) and, *ex-officio*, the Chief Justices of Southern Rhodesia, Northern Rhodesia, and Nyasaland.—(Federal Information Department, Salisbury)

(Prev. rep. 13250 C; 12829 A.)

C. OBITUARY. — Mr. Cordell Hull.

Mr. Cordell Hull, Secretary of State under President Roosevelt from 1933 to 1944, died on July 23, aged 83.

Born on a farm in Tennessee, the son of a backwoodsman of British extraction, Cordell Hull graduated in law at Cumberland University (Tenn.), was admitted in 1892 to the Tennessee Bar, and subsequently became a Judge of the Tennessee Circuit Court. He saw active service in Cuba during the Spanish-American War, serving as a captain of infantry of Tennessee volunteers.

Cordell Hull joined the Democratic Party as a young man, was elected to the Tennessee State Legislature, and in 1906 was elected to the U.S House of Representatives Specializing in tax problems, he was entrusted by President Wilson in 1913 with the task of drafting a Federal income tax system. During the First World War he gave strong support to the domestic and foreign policies of the Wilson Administration, supported President Wilson's efforts to bring the United States into the League of Nations, and strongly opposed the isolationist trend in U S foreign policy which prevailed after 1918.

After losing his seat in the Republican landslide of 1920, Cordell Hull served for four years (1920-24) as chairman of the National Committee of the Democratic Party, in which capacity he was largely successful in restoring the party's fortunes and status. He was elected as a Senator for Tennessee in 1930, and three years later accepted an offer by President Roosevelt to become Secretary of State Although he had had no previous diplomatic experience, he subsequently achieved wide recognition as one of the most distinguished American Secretaries of State, and remained at the State Department for 11 years throughout all President Roosevelt's administrations.

In the 'thirties Cordell Hull was particularly successful in developing the "good neighbour" policy with the Latin American nations, and was a prominent figure at Pan-American conferences He was also an ardent supporter of international free trade and, despite unfavourable world conditions in the immediate pre-war years, succeeded in negotiating a number of reciprocal trade agreements. After the outbreak of the Second World War he strongly supported President Roosevelt's policy of all-out aid to the Allies, as exemplified in the Lend-Lease Act and the provision of 50 U.S. destroyers for Britain in exchange for bases in the West Indies During the war he took part in the Quebec Conference (August 1943) with President Roosevelt, Sir (then Mr.) Winston Churchill, and Mr. Mackenzie King, and in the Moscow Conference (October 1943) with Sir (then Mr.) Anthony Eden and Mr Molotov.

In November, 1944, Cordell Hull was compelled to retire from the State Department and from active politics on medical advice Although his last months at the State Department were devoted to drafting plans for a post-war international security system in which the U.S A would participate, he was unable to remain in office long enough to witness the inauguration of the United Nations Mr. Hull's preparatory work in establishing the U N was, however, recognized by the award of the Nobel Peace Prize in 1945, and he was publicly referred to by President Roosevelt as the "father" of the United Nations.

Since his resignation Mr Hull had lived in retirement in Washington. His two-volume memoirs were published in 1948

Tributes to the late Mr. Cordell Hull were paid by President Eisenhower and by many foreign statesmen, among them Sir Anthony Eden and Mr. Molotov.—(New York Times - New York Herald Tribune) **(Prev. rep. Mr. Cordell Hull, Resignation, 6953 A; Nobel Peace Prize, 7564 A.)**

D. SIAM. — Cabinet Reorganization.

The following Cabinet changes were announced in Bangkok on Aug. 3: (*a*) the Prime Minister, Field-Marshal Pibul Songgram, took over the portfolio of the Interior in addition to the Premiership and the Defence Ministry; (*b*) the former Minister of the Interior, Vice-Admiral Sunavin Vivadh, became Minister of Co-operatives, whilst the former holder of that post, Admiral Luang Yudhasat Kosol, was appointed Minister of Culture, a post previously held by the Prime Minister; (*c*) Air-Marshal Ronabhakas, hitherto Minister of Communications, was appointed a Deputy Premier, whilst Air-Marshal Vejyant Rangsrit, a former Deputy Premier, took over the portfolio of Communications; (*d*) Lieut.-General Sawai Saenyakorn was appointed Deputy Minister of Communications, and Lieut.-General Ronam Kittikachorn became Deputy Minister of Co-operatives.

Field-Marshal Pibul Songgram had relinquished the portfolio of Economic Affairs (which he held in addition to those of Defence and Culture) on March 24, when he was succeeded as Minister of Economic Affairs by Major-General Siri Siriyothin. (Times - New York Times) **(Prev. rep. 12203 B; 11904 A.)**

E. BELGIUM - PORTUGAL. — Cultural Agreement. - Legations raised to Embassy Status.

A cultural agreement between Portugal and Belgium was signed in Lisbon on Aug. 1 by Professor Paulo Cunha and M. Spaak, the respective Foreign Ministers. On the same date it was announced that the two countries had decided to raise their Legations in each other's capitals to Embassy level.

(La Nation Belge, Brussels)

A. ORGANIZATION FOR EUROPEAN ECONOMIC CO-OPERATION. — Production and Distribution of Power in Europe. - M. Armand's Report.

The report on intra-European economic co-operation in the production and distribution of power, which had been prepared by M. Louis Armand (now chairman of the *Société Nationale des Chemins de Fer Français*) at the request of the O.E.E.C. Council (see page 14087 first column) was submitted to the Council for its consideration on June 10.

M. Armand said that his report "tried to single out those aspects of power production and consumption which merit attention either because they go beyond the competence of specialized committees, or on account of their general or specific nature, their novelty, or their comparatively remote importance, as no corresponding national or international bodies exist which are capable of dealing with them." The report is summarized below.

Economic Aspects.

Economic theory on matters relating to energy, said the report, had long been dominated by two principles: (1) available supplies must be increased, and (2) resources must be exploited economically These two principles had prevailed in what might be called the "quantitative and technical era." Today, however, there was competition between the main sources of energy and, because of this, economic studies must be increasingly directed towards prescribing their respective spheres The present time might be called the "qualitative and economic era," in which the question of selection became more imperative than that of production. "The point is to extract the maximum kilowatts from a given amount of investment in power-supply schemes, keeping in mind their respective running costs and the technical advantages offered by their method of use."

The report suggested that transport and power problems presented very striking structural analogies The transport industry's problems had become gradually more complex "because they were not isolated from their purely technical aspects in time to be dealt with in a spirit of economic co-operation and co-ordination," and there was "no denying the fact that, because the economic principles that should have governed the development of transport were not grasped at the right time, the general economy has not derived all the benefit that it might have done from the great technical progress achieved." Now that the first signs of the "economic era" had appeared in the realm of power production, it was important that the question of energy "should be restated from an entirely new angle and with an eye to the future, with less accent on technique and the fear of shortage than on economic considerations."

M. Armand pointed out that, as might be expected in the "technical era," much more information was available on production and consumption than on the cost of power. Economic studies were, moreover, confronted with exceedingly complex price structures and the necessity for distinguishing between the real cost of energy and the price charged to the consumer. It could reasonably be asserted, however, that the potential expansion of power consumption in any country might to some extent be measured by the ratio of labour costs to power costs, since its expansion would very largely depend on how far power could economically replace labour. Again, by comparing a worker's wages in any country with the cost of power, it was possible to gauge the efficiency of a country's power supplies, or to show the extent to which power had been "harnessed" in that country. Such an examination enabled the various countries to be roughly classified into three categories: (1) the United States, with power costs very low compared with labour costs; (2) most European countries; (3) the under-developed countries. Compared with his European counterpart, the U S. worker could buy out of his earnings 2-16 times more coal, 3-11 times more fuel oil, 4-13 times more petrol, and 2-9 times more electric power The privileged position of the U.S.A., therefore, was attributable not only to the abundance of power available but also to its cheapness, and it would consequently "be rash to place too great hope in a policy of power expansion if the costs remain high in relation to the cost of labour."

A distinction should also be drawn between "amenity" power, which was used for everyday needs such as heating, cooking, and lighting, and "productive" power, which was used "to activate the production and distribution circuits on which the increase of a country's wealth depends." "Productive" power helped to raise a country's standard of living; "amenity" power served to measure it. If the aim was to achieve once and for all a genuine increase in the wealth of a community, a policy of cheap "productive" power might be applied to such productive processes as would lead to a rise in wages which would then allow "amenity" power to be sold at normal rates. In this case, a rate-fixing policy should be adopted "which would direct cheap supplies towards the more productive uses—just as, in a garden, it is better to water vegetables rather than flowers if a family has to be raised and the supply of water is limited." It would be necessary, however, to work out priorities very carefully.

A good pointer to the way in which a country used its labour force was given by the amount of "productive" power potential available to the individual industrial worker, i.e. "the amount of harnessed power behind the elbow of the worker." In 1953 the power consumed per industrial worker in the U.S.A. and in O E.E.C. countries was as follows (in megawatt-hours):

United States	175
Total for O.E.E.C. member-countries	56
of which:	
Belgium-Luxemburg	97
Western Germany	87
United Kingdom	85
France	68
Netherlands	62
Norway	60
Sweden	49
Denmark	46
Irish Republic	33
Italy	31

On the other hand, if allowances were made for the fact that the energy requirements of countries were affected to a varying extent by climatic and other conditions, figures of "amenity" power consumption served as a yardstick to measure the degree of comfort enjoyed by the population—and here again the U.S.A was well ahead of Europe In 1953 the figures for O E.E.C countries were as follows (in megawatt-hours per inhabitant).

United Kingdom	13 5
Belgium-Luxemburg	7.6
Western Germany	7.3
Iceland	7 3
Netherlands	5.3
Sweden	5.0
France	4.4
Norway	3.5
Irish Republic	3.4
Denmark	2 3
Austria	2 0
Italy	0.7
Portugal	0.4
Turkey	0 2

The report pointed out that neither of the tables took account of the "considerable losses in consumer plant" (i e energy wastage through plant inefficiency, which differed greatly from one country to another) If these losses had been taken into account to arrive at the net energy consumed, the countries would have appeared in a different order In this connexion, the report said that it was worthy of note that between 1920 and 1940 two-thirds of the net increased demand for power in the U.S A. had been covered merely by improving the efficiency of plant.

The transmission of power had also to be examined. Despite the progress made, it was still only convenient to distribute electricity within a radius of about 500 kilometres. Oil could now be transported by pipe-line and tankers and, in terms of calories, its transport was now cheaper than for any other source of energy. Gas was more expensive to transport than petrol if expressed in terms of calories, but heavy bulk transport could be effected over long distances by pipeline

New Facts—Atomic Energy.

"The history of energy resources," the report continued, "is marked by sudden changes, veritable revolutions that constitute important stages in the advance of civilization. It is at times when such trends make their first appearance, at such turning-points in economic history, that it becomes necessary to survey the situation as a whole before deciding on a policy with a view to the future"

One of Europe's first questions must be whether the advent of atomic energy marked a turning-point "The sources of nuclear energy are at present uranium and thorium, supplies of which are abundant . . . It may be regarded as certain that, by the time these supplies have been exhausted, other processes based on nuclear energy will have been discovered and a means found of directly using solar energy" An important point was that, whereas Europe had made no great effort to exploit all its natural resources at the opening of the "oil era," it was at least fully conscious of its geological wealth at the opening of the "atomic era."

Calculations had shown that the cost of producing one kilowatt-hour by atomic power would be about 0 6d. (or 7 millidollars) during the next two years, and would thereafter diminish as technique improved: this was lower than the average cost of generating thermal power in the United Kingdom, although not lower than generating cost in an up-to-date power station fired by coal or fuel-oil Compared with the average cost of building a traditional type of plant in O.E E.C. member-countries ($180 per kW for thermal, and $270 per kW. for hydro, electric stations), the cost of building a nuclear power station ranged between $300 and $400 per kW, although there was every likelihood that in the near future it would settle down between thermal and hydro-electric costs.

One of the more important features of atomic energy was that, because the cost of transporting fissile material would be negligible, power would be able to be produced wherever it was needed—a factor which "may profoundly alter economic geography." Moreover, there seemed to be no reason why Europe and the U.S.A. should not have atomic energy at the same price, and it would therefore be seen that atomic energy offered an even greater opportunity for Europe than for the U.S.A., since power produced from traditional sources was already cheaper in the U.S.A. than in Europe.

The report expressed the opinion that the United Kingdom's atomic power programme (see 14045 A) was "timely and . . . should precipitate a decision in the matter by other European countries." There was, however, "an undeniable case for international co-operation between member-countries of the O.E.E.C." and it was suggested that this could take three forms: (1) the exchange of scientific

knowledge; (2) the supply of fissile materials; and (3) the exchange of technical information and the joint construction and financing of plant. The first two suggestions would appear to be met by the European Organization for Nuclear Research, the European Society for Atomic Energy, and the proposed International Agency for Atomic Energy. As regards the third suggestion, the report stressed that the tremendous technical problems involved clearly called for a co-ordinated approach by all the European interests concerned, as it was only in this way that possibilities in Europe could bear comparison with those in the U.S.A. There was an imperative need, therefore, for the O.E.E.C. to take the lead in achieving such co-ordination.

The first consequence of the dawn of the atomic era, said the report, must be to abolish the fear of any power shortage in the future, and it would "therefore be necessary to abandon the idea that power costs in Europe are linked irretrievably with the price of coal and are therefore bound to rise" At first, traditional sources would naturally still supply a considerable proportion of power, and there would consequently be no need for any profound change in equipment plans in the immediate future "Nevertheless, investment policy will have to be diverted towards a future very different from what was anticipated a few years ago. Instead of 'more and more power,' the slogan will now have to be 'cheap power above all' With regard to European plans for new capital equipment, it must be remembered that it would be particularly advantageous to promote co-operation right at the outset of the atomic era, as it is always easier to co-operate in the new rather than the old."

Traditional Sources of Energy.

M Armand then discussed certain aspects of traditional sources of energy, as follows,

Crude Oil. Most of Europe's supplies of oil had to be imported, and in 1953 imports of crude oil had amounted to about 77,000,000 tons, i e, 97 per cent of consumption. This led to a substantial drain on foreign exchange, including a large amount of dollars Prospecting in Italy, France, the French Saharan territories, and Cyrenaica suggested that substantial deposits of oil-bearing strata might be found, and the report recommended that European co-operation in undertaking further prospecting in Africa might well reap considerable rewards

Natural Gas. This was a particularly valuable form of energy since costs were low and it was a polyvalent fuel (i e it would very easily supply heat, drive machinery, or provide raw materials for a number of chemical industries) The report maintained that natural gas should be regarded as an industrial rather than a town gas, but pointed out that whereas, in the U.S.A., 56 per cent of natural gas output was consumed by industry, in Europe gas had so far been used preferably for domestic purposes.

M. Armand went on to suggest that Europe might find it desirable to draw on sources of gas outside the continent itself. For instance, an American company had put forward a project for supplying about 15 European countries (with an aggregate population of over 300,000,000) with gas brought to them by pipeline from the oilfields of Iraq; in this way, energy equivalent to 6,500,000 tons of coal a year could be made available in Europe at a cost which compared very favourably with present gas-production costs The O E E C might also consider the possibilities of transporting gas liquefied at low temperatures in ships specially equipped for the purpose

Manufactured Gas. After commenting on the success of the "Ruhrgas" project, which enabled a large number of German industries over an extensive geographical area to make use of coal gas, the report emphasized the necessity for giving full consideration to the integral gasification of coal when studying European energy problems.

Electricity. Although technical progress had considerably reduced the amount of coal necessary to generate a given amount of thermal power, the resulting reduction in cost had partly been offset by the rise in the price of coal—a fact which served to emphasize that "coal is a factor making for complexity and inertia in power costs, especially for industrial purposes, in Europe."

As regards hydro-electric power, the report said that it represented a hitherto unexploited source of energy which, if rapidly harnessed, "could serve like an inhalation of oxygen to stimulate some sections of European industry." In this sphere, member-countries might profitably co-operate in studying favourable sites (classified independently of national territories and solely on costs) and in reviewing industries that might be set up near such sites "It is not impossible," the report continued, "to imagine Customs facilities similar to those granted to free ports in respect of deliveries of raw materials and the despatch of finished products Genuine concessions would then be granted in 'European industrial zones' thus constituted, to which countries where power is dear could could transfer some of their industries." Other zones of the same type might be set up around the enormous sources of hydro-electric power in certain African territories. The development of such sites "might, within a very few years, bring Europe substantial additional supplies of cheap power which would enable certain industries to expand and become competitive in world markets."

Coal. Coal represented 80 per cent of member-countries' gross consumption of energy, and it was well known that European coal prices were "a serious handicap." There could be no immediate prospect of a reduction in coal requirements; on the contrary, they were likely to increase and, because of the important bearing on prices of new equipment, modernization plans for certain mines would remain necessary for years to come. Whereas, however, the mining companies' traditional policy had hitherto been dominated by their determination to exploit deposits rationally with a view to maximum output, while at the same time nursing reserves, it seemed as if the moment might have arrived to adopt an 'extensive' policy under which some degree of waste would be acceptable, provided costs were kept down. The same point of view applied to brown coal (lignite), and it might be profitable to work out this source of cheap energy in the next five to ten years

In conclusion, M. Armand suggested that the O.E.E.C. Council should set up a Fuel and Power Economics Committee, comprising a few members specially qualified to deal with matters relating to energy. With the help of experts able to advise on particular aspects, this Committee would keep abreast of economic developments, try to avoid competition between the various forms of energy where this might be to the detriment of the community, stimulate the study of specific problems by working parties, and generally encourage the spirit of co-operation. By this means he hoped that the problem of energy would be studied in terms of general economics "in order that technical progress may be put to the best possible use for improving the lot of each inhabitant of an even more United Europe."—(O.E.E.C. Information Division, Paris)

(Prev. rep. 14086 A.)

A. CEYLON. — The Second Six-Year Plan.

The Ceylon Government's second Six-Year Plan for Economic Development was introduced in the House of Representatives on July 18.

An accompanying report stated that the Plan aimed at laying a basis for a cumulative process of growth and expansion, and that it contained a pattern of priorities conforming with this objective. Government investment would be considerable, especially in basic utility services, agriculture, and irrigation and fishery schemes, but in industry direct governmental outlay would be relatively restricted, since it was the Government's policy to encourage private enterprise in this sector of the economy It was hoped particularly to increase total production during the six years by raising the productive capacity of the export industries, by increasing the land under cultivation, by raising the yields of areas already under cultivation, and by improving the earning capacity of other sectors such as fisheries and tourism.

The total cost of the Plan was given as Rs.2,528,786,000 (£189,658,950), to be divided as follows:

	Rupees
Economic Development (76.79 per cent)	
Public utilities	837,621,000
Agriculture, irrigation, and fisheries	922,602,000
Industry	111,799,000
Rural development and village works	57,550,000
Tourism	12,376,000
Social Services (15 93 per cent)	
Health	118,369,000
Education	146,101,000
General housing	105,131,000
Unclassified	33,137,000
Defence (3.74 per cent)	94,623,000
Administration (3 54 per cent),	
Civil administration	41,228,000
Police and prisons	38,120,000
Law and justice	10,129,000

A White Paper presented to the House of Representatives on July 15 explained the Government's policy with regard to private foreign investment in Ceylon. It said that the Government welcomed the entry of foreign capital and that foreign investors would at all times be assured of fair treatment, provided that their objects were not in conflict with the national interest.—(Ceylon Government Information Dept.)

(Prev. rep. First Six-Year Plan, 11349 A.)

B. ITALY. — U.S. Aid for Needy Italian Children.

Under an exchange of Notes which took place in Rome on July 1, Italy and the U.S.A. agreed on a three-year programme of special food supplies for needy Italian children. The agreement provided that the U.S. Government would send 40,000 tons of U.S. surplus foods to Italy in the first year at a cost of $18,000,000, whilst 16,000 tons of food would be contributed by the Italian Government at a cost of 4,000,000,000 lire ($6,400,000). The programme will benefit 1,324,000 needy children in 20,000 asylums, schools, and orphanages, as well as 465,000 poor children in 3,400 summer camps.

(Giornale d'Italia, Rome - New York Times) **(14121 B.)**

C. AFGHANISTAN. — Admission to International Bank and International Monetary Fund.

Afghanistan became a member of the International Bank and the International Monetary Fund on July 14, with a quota in the Fund and a subscription to the Bank's capital stock of $10,000,000 each. Since Czechoslovakia had ceased to be a member of both institutions on Dec. 31, 1954, the admission of Afghanistan restored the membership of each to 57.

(International Bank, Washington) **(13685 F; 13544 D.)**

A. UNITED KINGDOM. — Ban on "Horror Comics." - The Children and Young Persons (Harmful Publications) Act. - Parliamentary Passage and Enactment.

The House of Commons gave a second reading on Feb. 22, without a division, to the Children and Young Persons (Harmful Publications) Bill, which made it an offence (1) to print, publish, sell, or let on hire "certain pictorial publications (known as 'horror comics') harmful to children and young persons"; (2) to import a "horror comic" or "any plate or film prepared for the purpose of printing copies" of such comics.

The Bill applied to "any book, magazine, or like work which consists wholly or mainly of stories told in pictures (with or without the addition of written matter) portraying either (*a*) the commission of crimes; (*b*) acts of violence or cruelty; (*c*) incidents of a repulsive or horrible nature—in such a way that the work would tend to corrupt a child or young person into whose hands it might fall, whether by inciting or encouraging him to commit crimes or acts of violence or cruelty, or in any other way."

The maximum penalty for offences under the Bill was fixed at four months' imprisonment, or £100 fine, or both. The Bill empowered magistrates to issue warrants authorizing police officers to enter (if necessary by force) and search any premises, vehicle, or stall where there was reason to suspect the presence of harmful publications or of plates or films, and to seize any they might find. The forfeiture of such articles might subsequently be ordered by the Court.

The Bill applied to England, Wales, and Scotland, but not to Northern Ireland except as regards the importation of "horror comics" or plates.

Major Lloyd-George (Home Secretary) explained that before introducing the Bill the Government had carefully considered whether the distribution of "horror comics" could be prevented by prosecutions under the law relating to obscene publications. They had found, however, that as the result of judicial decisions the meaning of "obscene" had come to be regarded as restricted to matters relating to sex, and that it was unlikely that publications dealing with horror and violence could be the subject of successful prosecutions under existing law. The Bill did not seek to amend the law relating to obscene publications, which was a much more complicated and controversial subject and which was now being examined

The Home Secretary also explained that the Bill would not apply to publications consisting mainly of reading matter illustrated by pictures, but only to the fully pictorial type of publication of which the "horror comic" was an example There was no serious danger of its affecting other publications, such as the children's "comics" which had been published in Britain for many years Finally, he replied to criticisms which had been expressed outside the House that the Bill disregarded the "intention of the accused," and that it contained no provision for considering literary or artistic merit, or for the admission of expert evidence on these points Major Lloyd-George stressed in this connexion that it would not be practicable to enforce the Bill if the accused's "intention" were made the central issue, since the accused would inevitably deny that he had any intention of corrupting children or young persons Similarly, if the Court were required to pay attention to artistic merit, it would be necessary to define its relevance carefully, since the mere fact that pictures were skilfully drawn ought not to be a defence against proceedings under the Bill

Sir Frank Soskice (Lab) welcomed the Bill on behalf of the Opposition, but thought that the publishers' and sellers' intentions should have been made the relevant test, and that a conviction under the Bill should be dependent on proof that the publication was intended for sale to children or young persons.

An amendment to extend the scope of the Bill to include newspapers (moved by **Mr. Roy Jenkins,** Lab., in the Committee stage) was defeated by 153 votes to 123, but a Government amendment was agreed to in the Report stage to ensure that a retailer should not be convicted if he could satisfy the court that he did not know, and could not reasonably have been expected to know, that he was dealing with harmful publications

The House of Lords gave the Bill a second reading on April 21. In the Committee stage the Government accepted an amendment by Lord Jowitt (leader of the Labour peers) which sought to safeguard scientific and medical publications from the risk of coming within the scope of the Bill by limiting it to "publications of a kind likely to fall into the hands of children or young persons." The amendment was agreed to by the House of Commons, and the Bill was enacted on May 6.

The introduction of the Bill followed widespread demands, both inside and outside Parliament, for legislation to stop the sale of "horror comics," culminating on Nov. 12, 1954, in a deputation (led by the Archbishop of Canterbury) to the Home Secretary from the Church of England Council for Education. A motion expressing "grave concern" at the increase in the sale of "literature of a sordid and horrific nature" had been adopted on Nov. 16, 1954, by the autumn session of the Church Assembly, whilst an exhibition, intended to make clear to the public the true nature of "horror comics," had been staged in London by the National Union of Teachers in November, 1954.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. "Horror Comics," Action in U.S.A., 14295 C; in India, 14281 E.)**

B. WESTERN GERMANY. — Civil Aviation Agreements with Britain and the U.S.A.

Civil aviation agreements between the German Federal Republic and the U.S.A., and between the Federal Republic and Britain, were signed in Washington on July 7 and in London on July 22. Details were as follows.

U.S.-German Agreement. This granted the German *Lufthansa* extensive air rights in the U S A, allowing it to compete with U S. airlines for transatlantic and Latin American passenger traffic. In return, U S airlines were granted "indefinite" permission to fly over routes in Germany which they had hitherto served under a temporary authority

Specifically, the agreement granted *Lufthansa* the right to fly from Western Germany to Boston, New York, and Philadelphia; beyond these cities to any Caribbean or South American country willing to grant it landing rights, to Chicago *via* Montreal, and to San Francisco or Los Angeles on a polar route.

U S. air lines were granted authority to fly (*a*) from the U S A. to Hamburg, and beyond to points in Europe north and east of Germany; (*b*) from the U S A to Dusseldorf, Cologne, Bonn, Frankfurt, Stuttgart, and Munich, and beyond to points in Europe east and south-east of Germany, (*c*) from the U S A to Frankfurt and beyond to points in Europe south and south-east of Germany, as well as to North Africa, the Near East, etc. [Pan-American Airways and Trans World Airlines had been operating the first two routes and part of the third under arrangements with the Occupation authorities, but were no longer authorized to fly from Frankfurt to points beyond]

The agreement may be cancelled by either party after consultation and at a year's notice

U.K.-German Agreement. Under this agreement (which is subject to ratification) the U K granted rights to West German air lines to fly to London, Manchester, Glasgow, and Edinburgh It also granted rights at Manchester on routes to Dublin and North America, at the Bahamas on a route to South America; at Singapore on a route to Australia, and at Kano or Lagos on a route to South Africa Rights between Hong Kong and Japan on a route between Germany and Japan will not be exercised for three years.

In return, the German Federal Republic granted rights to U K. airlines to fly to Hamburg, Hanover, Düsseldorf, Cologne, Frankfurt, Munich, Stuttgart, Nuremberg, and beyond, if desired, to Scandinavia, Prague, Yugoslavia, Austria, Athens, Istanbul, Cyprus and Cairo; also through Frankfurt, Dusseldorf and Munich to the Middle East, Malaya, Indonesia, Hong Kong, the Philippines, Australasia, China and Japan, and to West Africa and South Africa.

The agreement between the U.S.A. and Germany was to have been signed on June 11, but signature was postponed because of strong protests by a number of American airlines against the provision allowing the *Lufthansa* to serve the Caribbean and Latin American routes *via* the U.S.A. in competition with American carriers. The objecting U.S. airlines (which included Pan-American Airways and Panagra) maintained that the concessions made to *Lufthansa* in this respect were far in excess of those enjoyed by U.S. airlines flying into and over Germany. A State Department spokesman, however, declared that the Civil Aeronautics Board and the Civil Aeronautics Administration had decided that no changes were necessary to preserve U.S. national interests, and that the agreement was fair and equitable to both sides.
(New York Times - New York Herald Tribune - Financial Times - Daily Telegraph) **(Prev. rep. 14167 D)**

C. SOVIET UNION. — Return of U.S. Naval Vessels. - Repayment of $7,700,000 on Lend-Lease Account.

It was announced in Washington on April 21 that the Soviet Union had agreed to return to the United States a further 62 small naval vessels obtained under Lend-Lease during the Second World War. The first group of 13 motor torpedo-boats and one submarine chaser were accordingly returned at Kiel on July 2, and a second group of 21 small craft on July 8.

A U.S. naval spokesman at Bremerhaven stated on July 11 that the ships were in such bad condition—and were in any case obsolete—that they would undoubtedly be scrapped. He said that the Russians had informed them that the ships had been beached shortly after the war and had remained in this condition until being refloated for return to the U S. Navy

Of the 186 naval vessels held by the Soviet Union under Lend-Lease, 38 had been handed back in May, 1954, 27 are being handed over in Japan this summer (see 13973 C), 62 are covered by the present agreement, and discussions are continuing over the remaining 59.

The U.S. State Department announced on July 4 that the Soviet Union had recently paid $7,692,766 to the United States, this sum representing interest and principal due on Lend-Lease goods which were in the "pipeline" to Russia when World War II ended. A State Department official said that in 1954 the Soviet Union had paid "about $7,800,000" in principal and interest.—(New York Times) **(13973 C; 13598 D.)**

A. SCIENTIFIC RESEARCH. — The International Geophysical Year. - Plans for World-wide Studies of Natural Phenomena in 1957-58. - Antarctic Expeditions. - British Attempt at Trans-Antarctic Journey. - Permanent Australian Antarctic Station.

Detailed plans were announced early in 1955 for a world-wide co-ordinated study of natural phenomena relating to the world as a whole. The project, in which scientists of 40 nations will participate, will be known as the International Geophysical Year and will cover an 18-month period from July 1, 1957, to Dec. 31, 1958. Each country will plan and execute its own programme under a general plan developed by a co-ordinating committee (the Special Committee for the International Geophysical Year) headed by Professor Sydney Chapman, Fellow of Queen's College, Oxford, and lately Professor of Natural Philosophy at Oxford University The committee's headquarters will be in Brussels, Professor Marcel Nicolet being the executive secretary.

The 40 nations taking part in the International Geophysical Year will include Argentina, Australia, Austria, Belgium, Brazil, Burma, Canada, Chile, Czechoslovakia, Denmark, Finland, France, Germany (East and West), Great Britain, Greece, Hungary, India, the Irish Republic, Israel, Italy, Japan, Mexico, the Netherlands, New Zealand, Norway, Pakistan, Peru, Siam, South Africa, the Soviet Union, Spain, Sweden, Switzerland, the United States, and Yugoslavia Of the principal countries of the world, only China has so far not announced her intention of taking part in the project

Intensive investigations—the most comprehensive of their kind ever undertaken—will be made in many parts of the world into problems of meteorology and climatology, latitude and longitude determination, geo-magnetism, gravity measurements, ionospheric physics, auroras and airglow, solar activity, cosmic rays, glaciology, oceanography, seismology, and rocket exploration of the upper atmosphere. For the purpose of these studies the world will be divided into six areas—the Antarctic, the Arctic, the Equatorial zone, and three regions running longitudinally from the North to the South Pole so as to include the world's largest land masses: (*a*) North and South America, (*b*) Europe and Africa, and (*c*) the Soviet Union, Asia, and Australia.

Over 20 observation stations will be established by 11 countries on the Antarctic continent, where investigations will be carried out on a scale hitherto unknown in the South Polar regions. In the Arctic regions, similar stations will be established in Alaska, the Canadian Arctic, Greenland, and the Soviet Arctic. Widespread researches into the upper atmosphere will be carried out in many parts of the world by thousands of instrument-carrying balloons and scores of rockets. They will include the U.S. space satellite project (see 14337 A), as well as rocket launchings by U.S. scientists in New Mexico, by Canadian scientists in the Arctic, by British and Australian scientists at the Woomera range in South Australia, and by French scientists in the Sahara.

The aims and purposes of the International Geophysical Year were explained in a B.B.C. broadcast in February last by the British Astronomer-Royal (Sir Harold Spencer Jones), who described it as "the largest scheme for international co-operation in science that has ever been planned."

Sir Harold recalled that in 1882-83 many countries had co-operated in an International Polar Year during which observations were made at temporary stations in Arctic regions and co-ordinated with those made at permanent observatories in lower latitudes A second International Polar Year was organized in 1932-33, during which an extensive programme of observations was also carried out in high latitudes. The data collected during these two Polar Years had provided much important information about the weather of the North Polar area, variations in the earth's magnetic field at different latitudes, and other problems

Latterly, it had been suggested that a third Polar Year should be organized for a concerted attack on many scientific problems whose solution was needed. This proposal had been approved by the International Council of Scientific Unions, which had widened the scope of the scheme to cover the entire world, and which had given it the title of the "International Geophysical Year." Sir Harold explained that the 18-month period chosen (July 1, 1957, to Dec. 31, 1958) had one great advantage. "By 1958 the sun's activity should be at or near a maximum Large [sun] spots, as well as bright eruptions, are likely to occur frequently, so permitting the terrestrial effects associated with these phenomena to be studied The second Polar Year, on the other hand, came at a time of minimum [solar] activity."

After describing the investigations to be made into the relationships between solar and terrestrial phenomena, Sir Harold continued. "Special methods of observation will be used to supplement observatories from the ground Balloons . . . will be widely used and will carry recording equipment that will telemeter information back to the ground. They will provide information about the density, pressure, and temperature of the atmosphere, and about the velocities of the wind at different heights . . Important additional data will be obtained by the use of rockets, which can carry 150 lb. of equipment to heights of 125 miles . The rocket observations will also contribute information about cosmic rays Photographs of the earth's surface from balloons and rockets will give information about the distribution of cloud, snow, and ice over large areas of the globe . .

"Three regions of the globe are of special importance in geophysical investigations the Arctic, the Antarctic, and the Equatorial belt. The Antarctic, a large continent covered with a huge mass of ice, is the coldest and windiest region of the globe. Its importance for world weather . . must be very great The Aurora Australis has hardly been studied at all, and the southern zone of maximum auroral frequency has not been properly mapped It is important to find out if the Aurora Australis differs in its characteristics from those of the Aurora Borealis The long winter of the Antarctic continent, with a prolonged absence of sunlight, will enable the physical characteristics of the ionosphere to be studied . . . Eleven stations on the [Antarctic] continent, and ten on the surrounding islands, have been planned, or are already in operation. It is hoped that arrangements can be made for a further eight stations. Never before will the Antarctic have been so well populated

"The Arctic region is favourably situated for observing the auroral zone. Much of it lies in or adjacent to Soviet territory, and it is gratifying that the Soviet Union has agreed to co-operate fully in the observations made during the Geophysical Year. Greenland is a region of special interest, as it lies within the auroral belt and extends from the North Magnetic Pole almost to that belt It is hoped that several stations will be established in Greenland.

"The Equatorial region is an important one for investigating the earth's magnetism, the ionosphere, the airglow, and cosmic rays. . . Airglow is the faint intrinsic light of the night sky, whose brightness depends upon the latitude and upon the sunspot cycle . . Its relationship with the aurora, if any, needs investigating . . During the Geophysical Year, chains of stations will be established along the three meridians of 80 deg West, 10 deg. East, and 140 deg. East, which have been selected because they pass through or near major land masses Observations at these stations will be combined with data from balloons and rockets to provide information for the study of the circulation of the atmosphere . . .

"For some purposes it is desirable to have simultaneous observations of all inter-related phenomena, so two days in each month, to be known as Regular World Days, have been selected for concentrated observations at all stations. One of these days will be at new moon, the other at or near quarter moon. Some additional World Days have been added because of an eclipse of the sun or of expected meteoric activity. For the investigation of atmospheric movement some periods longer than a day are necessary, so during each quarter an interval of ten consecutive days, to be known as a World Meteorological Interval, has been selected for intensive meteorological observation"

An International Antarctic Conference, which ended in Paris on July 10, reached full agreement on the allocation of sites for the bases and observatories of 11 countries which will send expeditions to the Antarctic during the International Geophysical Year—Great Britain, the United States, the Soviet Union, Australia, New Zealand, France, Norway, Belgium, Japan, Argentina, and Chile. Details were as follows:

U.S.A.—six bases, (1) on the Knox Coast, in Australian Antarctica; (2) in McMurdo Sound, on the Ross Sea, (3) at Little America, the base established by Rear-Admiral Byrd in earlier expeditions; (4) in Marie Byrd Land, (5) at Vahsel Bay, on the Weddell Sea, (6) in the vicinity of the South Pole. **Soviet Union**—three bases, (1) on the Knox coast, near the U.S base, (2) midway between the first base and the South Pole; (3) in the vicinity of the Pole **Great Britain**—a base at Vahsel Bay. **Australia**—bases at Mawson, on the coast of MacRobertson Land (see below), and further inland. **New Zealand**—a base at McMurdo Sound. **France**—bases in Adélie Land (French Antarctica) and further inland. **Norway**—a base in Queen Maud Land (Norwegian Antarctica). **Belgium**—a base in Queen Mary Land, near the Knox coast **Japan**—a base on Peter I Island, in the Bellinghausen Sea **Argentina**—a base at Vahsel Bay, together with the existing Argentine bases in the Antarctic. **Chile**—existing Chilean bases in the Antarctic.

The British Antarctic Expedition, in co-operation with the New Zealand Expedition, will attempt to cross the Antarctic continent from one side to the other *via* the South Pole, a feat never before attempted. These and other plans are described below.

British and New Zealand Expeditions. The British Expedition will be led by Dr Vivian Fuchs (46), director of the Falkland Islands Dependencies Scientific Bureau, and geologist to the Cambridge East Greenland Expedition in 1929 Using tracked vehicles and dog-teams, it will start from the British base at Vahsel Bay, drive directly inland in a straight line to the South Pole, cross the high Polar plateau, and skirt the mountains at the southern end of the Ross Ice Shelf For some 200 miles the route will follow that taken by Captain Scott to the Pole in 1911-12, but instead of turning into the Beardmore Glacier (as Scott did) it will continue inland in a direct line towards South Victoria Land, thence eastwards to the Ferrar Glacier, and so on to the New Zealand base on McMurdo Sound The Expedition, if successful, will thereby have crossed the Antarctic Continent from east to west—a distance of 1,750 miles —after traversing vast areas never before seen by man.

The New Zealand Expedition will be led by Sir Edmund Hillary, who, with the Sherpa Tensing, successfully climbed Everest in 1953. Starting from its base on McMurdo Sound, it will strike inland for some 300 miles, laying depots and supply bases for the use of the British Expedition It is planned that the N.Z. Expedition will link up with the British Expedition during the latter's journey from the South Pole to McMurdo Sound Sir Edmund and other members of the N.Z. Expedition will reconnoitre South Victoria Land to establish the most suitable places for laying depots.

The joint Trans-Antarctic Expedition will cost £250,000, of which £100,000 will be contributed by the British Government, £50,000 by the New Zealand Government, and the balance by private subscription. A company (Trans-Antarctic Expedition Ltd.) "to promote and organize an expedition for the exploration of the Antarctic" was formed in London in June. Its sponsors include Dr. Vivian Fuchs, Marshal of the R.A.F Sir John Slessor, the Bishop of Portsmouth (Dr Fleming), who was chaplain and geologist to the Graham Land Expedition of 1934-37, and Mr. James Wordie, Master of St. John's College, Cambridge.

[The South Pole has so far been reached on only two occasions on Dec. 15, 1911, by five members of the Norwegian Expedition (Roald Amundsen, Olav Bjaaland, Hilmer Hansen, Sverre Hassel, and Oscar Wissing), and on Jan. 17, 1912, by five members of the British Expedition (Captain Robert Falcon Scott, Dr Edward Wilson, Capt Lawrence Oates, Lieut Henry Bowers, and Petty-Officer Edgar Evans), all of whom perished during the return journey to their base at McMurdo Sound.]

American Expedition. The U.S Antarctic Expedition will be led by Rear-Admiral Richard E. Byrd (66), who led previous expeditions to the Antarctic in 1928, 1934, 1939, and 1947, and who has mapped over 1,000,000 square miles of Antarctica by aerial reconnaissance A White House statement (March 28) said that the Expedition would "conduct scientific studies in meteorology, glaciology, ionospheric physics, geo-magnetism, aurora and airglow, cosmic rays, seismology, and gravity measurements," and that it would include several ships and aircraft As stated above, one of its six bases will be established near the South Pole.

Soviet, French, and Norwegian Expeditions. The Soviet Expedition, under Professor Vladimir Balusov, will employ transport planes, helicopters, and tractors, as well as a specially-fitted icebreaker. Like the U.S. Expedition, it will have a base near the Pole.

The French Expedition, under M. Paul-Emile Victor, plans *inter alia* to establish a base at the South Magnetic Pole.

The Norwegian Expedition, led by Hr. Nils Schumacher (a member of the U.K.-Norwegian-Swedish Antarctic Expedition of 1949-52) will carry out extensive survey and meteorological work in Queen Maud Land

British Antarctic Aerial Survey. The British Colonial Office announced on June 7 that an aerial survey of Graham Land and adjacent islands of the Falkland Islands Dependencies would start towards the end of the present year and continue throughout the Antarctic summer (1955-56) It was stated that it was hoped to produce "a mosaic of air photographs of some thousands of miles of the most hazardous terrain in the world to fly over", that it was also hoped to obtain valuable information in assessing the scientific and mineral potentials of the area, and that a contract for the survey had been given to a U.K. company, Hunting Aero-surveys Ltd. The survey will have its headquarters at the British meteorological base on Deception Island.

A ten-man Australian Antarctic Expedition, led by Mr. Philip Law (director of the Antarctic Division of the Department of External Affairs), established a permanent scientific base in MacRobertson Land (part of the Australian Antarctic Territory) on Feb. 14, 1954. The base was named Mawson in honour of Sir Douglas Mawson, the famous Australian antarctic explorer. The expedition subsequently reconnoitred Princess Elizabeth Land (400 miles east of Mawson), where the Australian flag was hoisted in latitude 68½ deg. south, longitude 77½ deg. east. The Mawson base—the nearest inhabited settlement to the South Pole, being in 67½ deg. south and 65 deg. east—will be used by the Australian expedition during the Geophysical Year, as stated above.

The Australian Minister for External Affairs (Mr. Casey) had pointed out during 1953 that the Australian Antarctic Territory covered a vast area of 2,742,000 square miles, almost as large as Australia itself. He emphasized that it was important for strategic reasons that an area so close to Australia's "back door" should remain under Australian control, since no-one could predict what importance it might assume during the next 50 years After announcing that a permanent scientific station would be established in the Australian Antarctic (as was subsequently done at Mawson), Mr. Casey pointed out (*a*) that it was possible in the future that aircraft flying between South America or South Africa and Australia would take the short route over the Antarctic; (*b*) that big deposits of coal had been discovered in Antarctica, whilst other valuable minerals were known to exist there; (*c*) that the possibility of uranium deposits should not be overlooked, in view of the geographical similarity of the Australian Antarctic to parts of Australia where uranium had already been found; (*d*) that great food resources—whales, fish, seals, seabirds, and plankton—awaited exploitation in the Antarctic seas, to which the world might soon be obliged to turn, (*e*) that weather forecasts in Australia could be improved by collection of meteorological data from the Antarctic. For all these reasons it was essential that Australia should have effective control of her Antarctic territories.

It was announced by Mr. Casey on Jan. 9, 1955, that a hitherto unknown range of 10,000-ft. mountains, largely ice-free and extending for more than 100 miles, had been discovered in the Australian Antarctic by an exploring party. They were believed to offer possibilities for future mineral prospecting.—(Times - Daily Telegraph - Manchester Guardian - The Listener - New York Times - New York Herald Tribune - Le Monde, Paris - Australian News and Information Bureau - N.Z. Directorate of Information Services, Wellington)

A. WESTERN GERMANY. — Slovak Emigré Leader assassinated in Munich.

Dr. Matus Cernak, a Slovak nationalist émigré leader living in Munich, was killed on July 5 by a bomb which was enclosed in a parcel addressed to him. The explosion, which occurred at a post office in a Munich suburb, also caused the deaths of two people and injuries to 12 others.

Dr Cernak had been a leading member of the group of Slovak separatists, headed by Mgr Tiso, which collaborated with the Germans before and during the war He was Minister of Education and leader of the "Hlinka Youth" in the autonomous Slovak Government formed after the Munich Agreement of 1938 When the Germans occupied Prague and Slovakia was declared independent under Mgr. Tiso's Presidency, Dr Cernak became Slovak Minister in Berlin, a post he held from 1939-45. After the war, when Mgr Tiso was tried and executed as a traitor in 1947, Dr. Cernak escaped to Germany. He subsequently re-emerged as a Slovak émigré leader, being a member of the Slovak National Committee in Germany and head of a Slovak institute in Munich. His group was opposed not only to the Communists but also to the concept of a united Czecho-slovak Republic and to the Slovak Liberal and Socialist parties In a trial held at Bratislava in June, the prosecutor had named Dr Cernak as director of an anti-Communist espionage organization which, he alleged, was plotting the overthrow of the present Czechoslovak Government

In spite of a nation-wide search for a man who was found to have posted the parcel with the bomb in Frankfurt, the police failed to trace the persons responsible for Dr. Cernak's assassination.—(Frankfurter Allgemeine Zeitung - Times)

B. YUGOSLAVIA - UNITED KINGDOM. — Joint Naval Exercises.

Four British destroyers (including the *Agincourt, Barrosa,* and *Corunna*), two submarines (the *Sanguine* and *Seneschal*), and a frigate, arrived at Split on July 15 to take part in the first combined exercises to be held with a Yugoslav naval squadron, the latter consisting of a destroyer, patrol ships, and motor torpedo-boats. The exercises, which were primarily in defensive tactics against attacks by submarines and high-speed torpedo-boats, ended on July 31.

(Tanjug Agency, Belgrade - Times)

C. CHINA - NEPAL. — Diplomatic Relations.

An agreement was signed in Delhi on Aug. 1 by Sardar Gunjman Singh, principal adviser to the King of Nepal, and Mr. Yuan Chung-hsien, Chinese Ambassador to India, establishing normal diplomatic relations between Nepal and the People's Republic of China. It provided that the Nepalese and Chinese Ambassadors in Delhi would be accredited to China and Nepal respectively as well as to India. The last treaty between Nepal and China was signed in 1792. It was abrogated in 1908 after the fall of the Manchu dynasty in China.

(Times)

D. ITALY. — New Chief of Naval Staff.

It was announced in Rome on Aug. 3 that Vice-Admiral Corso Pecori Giraldi had been appointed Chief of Italian Naval Staff in succession to Admiral Emilio Ferreri, who was recently appointed head of the Armaments Control Agency of W.E.U. (see 14237 A). Admiral Pecori Giraldo (56), who commanded the battleship *Vittorio Veneto* during the Second World War, was Deputy Chief of Naval Staff from 1947-50, and C.-in-C., Adriatic Command, since 1951.—(Giornale d'Italia, Rome)

(Prev. rep. 9684 E.)

E. NICARAGUA. — Currency Devaluation.

The International Monetary Fund announced on July 1 that it had agreed to a new par value for the Nicaraguan cordoba at the rate of 7 cordobas to the U.S. dollar, instead of 5 to the dollar as hitherto. Other parities would be 1 cordoba = 14.2857 U.S. cents or 0.126953 grams of fine gold.

(International Monetary Fund, Washington)

(Prev. rep. 10181 A, page 10185)

A. UNITED KINGDOM. — Further Dock Strikes. - Dispute between National Amalgamated Stevedores' and Dockers' Union and Transport and General Workers' Union. - Time Lost through Disputes in 1954.

A further dock strike, involving at its height about 20,000 men and rendering idle some 175 ships, began on May 23 in London and the northern ports of Liverpool, Birkenhead, Manchester, and Hull. It continued for six weeks, its consequences being severely felt in the export trades. The stoppage —in reality a continuation of the earlier dispute between the National Amalgamated Stevedores' and Dockers' Union and the Transport and General Workers' Union—had been called by the N.A.S.D. executive in support of a demand for representation on the joint negotiating committees at the northern ports, from which the N.A.S.D. is excluded. The progress of the strike, which was entirely unsuccessful in effecting its object, and during which the resignation was announced of Mr. Barrett, general secretary of the N.A.S.D., is summarized below.

The decision of the N.A.S.D. executive to call the strike was taken on May 12 and was endorsed by mass meetings at London, Hull, Merseyside, and Manchester. Meanwhile, the T.G.W.U. executive had appealed to the union's members to take no part in the threatened stoppage, and had warned them that "failure to stand by industrial agreements can only result in anarchy." On May 17 Sir Walter Monckton (the Minister of Labour), in an effort to avert the strike, met representatives of the port employers and of the T.U.C.; both bodies, however, declined to intervene, the former stressing that it was for the port workers themselves to decide who should represent them on the port joint committees, and the T.U.C. pointing out that the N.A.S.D. had been suspended from affiliation for alleged "poaching" of members from the T.G.W.U. Although a meeting took place on May 18 between N.A.S.D. leaders and the general purposes committee of the T.U.C. General Council, the committee refused to discuss the dispute unless the N.A.S.D. agreed to return to the T.G.W.U. the members allegedly "poached" from it at the northern ports in 1954, and also promised to cease "poaching" in future, to abide by T.U.C. rules, and to accept the findings of a "disputes panel" to be set up by the T.U.C. General Council. These terms were rejected by the N.A.S.D. on May 19, whereupon the T.U.C. issued a statement condemning the threatened strike and appealing to all dock workers to refuse to support it.

At the end of the first day of the stoppage (May 23) it was officially stated that over 18,000 dockers and stevedores had stopped work at the ports affected (6,000 at London, 9,000 at Liverpool and Birkenhead, 2,000 at Hull, 1,400 at Manchester, and 200 at Garston), and that about 86 ships had been rendered completely idle. The number of strikers increased gradually during the next ten days, until by June 3 a total of 19,976 men (about two-fifths of the total labour force at the ports) and 166 ships were idle. On that day, however, Mr. Richard Barrett, general secretary of the N.A.S.D., urged the London strikers to return to work, and Mr. Newman, the assistant general secretary, declared that the dispute could only be settled through T.U.C. machinery. In accordance with a decision taken at an N.A.S.D. delegate conference, held in London on June 6, Mr. Newman wrote to Sir Vincent Tewson (general secretary of the T.U.C.) asking for a clarification of the terms on which the latter body would allow the claim to be submitted to its disputes machinery. Sir Vincent replied on June 8 that the T.U.C. was prepared to re-admit the N.A.S.D. to membership (thus enabling the dispute to be submitted) on condition that the union agreed (1) to stop accepting members in ports where it had no membership before Aug. 17, 1954, (2) to discontinue collecting subscriptions from ex-T.G.W.U. members at the northern ports; (3) to respect the decisions of the T.U.C. disputes committee when given. These terms were rejected by the N.A.S.D. executive, and on June 10 Mr. Newman announced that the N.A.S.D. would continue to regard the 10,000 men recruited at the northern ports as its members until the disputes committee had heard the union's case and given its decision, in the meantime, the strike would continue. On the same day the full N.A.S.D. executive issued a statement dissociating itself from Mr. Barrett's earlier appeal to the strikers to return to work.

After the port employers had again declined to take part in the dispute, and after a request for the Minister of Labour's intervention had been refused, the N.A.S.D. executive decided on June 16 to accept the T.U.C.'s terms and to submit the union's claim to a disputes panel; the T.U.C. had meanwhile agreed that N.A.S.D. "recruits" at the northern ports should remain in the union until the disputes panel had announced its decision. On June 21 it was announced that the disputes panel would consist of Mr. C. J. Geddes (chairman of the T.U.C. General Council), Mr. E. Jones (president of the National Union of Mineworkers), and Mr. J. Crawford (president of the National Union of Boot and Shoe Operatives).

The news that the T.U.C. contemplated readmitting the N.A.S.D. to membership was followed on June 21 by an overwhelming vote of London strikers in favour of calling off the stoppage on June 27. Strikers' meetings at the northern ports, however, decided on June 22, against their leaders' advice, to continue the strike. Later on the same day Mr. Barrett announced his resignation from the position of general secretary, and two other N.A.S.D. officials, Mr. Newman and Mr. G. Hern (secretary of the dockers' section), announced that they would not seek re-election when their terms of office expired on June 30.

Before beginning its hearings on June 24, the T.U.C. disputes panel appealed for a resumption of work "to enable full and proper consideration to be given to the dispute." This appeal, however, was disregarded, and although a gradual return to work had taken place in the Port of London for some days (over 600 men having returned at the Royal Docks within a week), a march of several hundred strikers from the northern ports through parts of the London dock area on June 27 was instrumental in persuading the bulk of the London men to continue the strike.

The disputes panel concluded its hearings on June 27 and published its report on June 30, its findings being as follows:

(1) Both the N.A.S.D. and the T.G.W.U. had broken the "Bridlington agreement" by "poaching" each other's members.

(2) Whereas the T.G.W.U., however, had broken the agreement in London only, the N.A.S.D. had broken it in London, Hull, Liverpool, Birkenhead, and Manchester.

(3) The N.A.S.D. had no right to have members in the northern ports, and therefore had no right to representation on local joint negotiating committees in those ports.

(4) The N.A.S.D. must "exclude from membership" all the 10,000 men recruited in the northern ports in 1954.

(5) The two unions should meet as soon as possible to arrange their future relations on the basis of the "Bridlington" principles.

(6) In consequence of these findings, there was no reason why the strike should continue, and the strikers should return to work forthwith.

The N.A.S.D. executive announced on July 1 that, in view of the disputes panel's findings, all members would be instructed to resume work on July 4, and that the 10,000 former members of the T.G.W.U. would be "surrendered."

It was subsequently explained that this decision had been reached by the six London members of the executive, who claimed that they alone were entitled to vote and that the six members co-opted from the northern ports—who had voted against the resumption of work —had no constitutional authority to do so. Although the executive's decision to abandon its claim aroused strong protests from a comparatively small number of dissatisfied elements at the northern ports, strikers' meetings at Liverpool, Birkenhead, Manchester, and Hull voted on July 3 by overwhelming majorities to resume work immediately.

The strike was unofficially estimated to have cost over 600,000 working days and more than £1,250,000 in wages. On July 2 Sir Walter Monckton had emphasized its serious effects on exports of cars, motor cycles, bicycles, cement, tractors, farm machinery, and electrical equipment.

Sir Walter Monckton had announced in the House of Commons on April 21 that he proposed to appoint a committee to inquire into the working of the dock labour scheme and to advise what alterations, if any, should be made in the terms of the scheme.

On July 28 he announced that the committee would consist of Mr. Justice Devlin, as chairman; Mr. J. A. Birch (general secretary, Union of Shop, Distributive, and Allied Workers); Sir Frederick Rees (vice-president of the University College of South Wales and Monmouthshire); Professor J. G. Smith (formerly Vice-President of the University of Birmingham); and Mr. A. B. Waring (chairman and managing director, Joseph Lucas Ltd.).

The National Dock Labour Board, in its annual report for 1954 (published on May 2, 1955), gave the number of man-days lost through industrial disturbances during the year as 714,569, or more than in any year since the introduction of the dock labour scheme in 1947. Over 90 per cent of the time lost was attributable to the overtime dispute in the Port of London in October last, and to the supporting action which took place at certain other ports.—(Times - Daily Telegraph - Manchester Guardian - Ministry of Labour Gazette) **(Prev. rep. 13970 A.)**

B. UNITED STATES. — Wage Increases for Postal Workers and other Federal Employees.

President Eisenhower signed a Bill on June 10 granting wage increases averaging 8 per cent to 50,000 postal workers, with retroactive effect to March 1. The Bill, which was estimated to cost $163,000,000 a year, also reorganized the existing wage structure in order to provide greater incentives. Two earlier Bills designed to raise the wages of postal employees had been vetoed by the President.

Another Bill, signed by President Eisenhower on June 28, provided for wage increases averaging 7.5 per cent for more than 1,000,000 Federal Government employees other than postal workers. The increases, which were the first general rises granted since 1951, were estimated to cost about $325,000,000 a year.—(New York Times) **(Prev. rep. 14114 C.)**

A. MALTA. — Constitutional Relationship with Britain. - London Discussions. - Forthcoming Round-table Conference. - Maltese Proposals for Representation at Westminster.

The discussions on the future constitutional and economic relationship between Malta and the United Kingdom opened in London on June 20 and concluded on July 13. The Maltese delegation comprised representatives of the Malta Labour Party (led by Mr. Dominic Mintoff, the Prime Minister) and the Nationalist Party (led by Dr. Borg Olivier, leader of the Opposition), whilst the British representatives included Mr. Lennox-Boyd (Colonial Secretary), Mr. Hopkinson (Minister of State, Colonial Office), Mr. Wingfield Digby (Civil Lord of the Admiralty), Mr. Fitzroy Maclean (Under-Secretary for War), and officials of the Treasury, Home Office, Admiralty, War Office, and Commonwealth Relations Office.

The Malta Labour Party's delegation consisted of Mr. Mintoff, Mr. Cole (Minister of Posts and Agriculture), Professor Mamo (acting Attorney-General), Mr. Cuschieri (Treasurer), and Mr. Cremona (general secretary of the party), whilst the Nationalist Party's delegation comprised Dr. Borg Olivier, Dr Azzopardi, Dr. Felice, and Dr. Ragonesi The Progressive Constitutional Party, led by Miss Mabel Strickland, did not take part in the conversations in view of the Colonial Secretary's decision that they would be restricted to parties represented in the Malta Legislative Assembly [The Progressive Constitutionalists failed to return any candidates in the recent Maltese general elections—see 14120 B]

During the conference Sir Anthony Eden informed the House of Commons on July 6 that H.M. Government proposed to convene a round-table conference later in the summer, comprising representatives of all the political parties at Westminster, to consider constitutional questions arising from proposals made by the Prime Minister of Malta for a closer association between Malta and the United Kingdom—including the possibility of Maltese representation in the British Parliament. Sir Anthony Eden's statement was as follows :

" In the discussions which he has been holding with the Colonial Secretary, the Maltese Prime Minister has put forward proposals for a closer association between Malta and the United Kingdom. H M. Government welcome this initiative They feel sure that in all parts of the House there will be a sympathetic response to the suggestion that the two peoples should draw more closely together

The administrative and financial aspects of these proposals are at present under discussion with the Maltese Government delegation On the constitutional side, there is included a proposal that Malta, while retaining its own Legislative Assembly, should in future be represented in the Parliament at Westminster The Government feel that all sections of political opinion in Parliament should have an opportunity to consider and express their views upon a new constitutional development of such importance They therefore propose to convene a round-table conference, comprising representatives of all the political parties at Westminster, to consider constitutional questions arising from these proposals

This conference will meet during the summer recess. It will call into consultation representatives of the political parties in the Malta Legislative Assembly. H M Government believe that by this procedure of practical co-operation between the two Parliaments, this imaginative proposal can be considered in a way that accords with its constitutional importance and with the interests of both peoples "

Mr. Attlee (Leader of the Opposition) welcomed the Prime Minister's statement He added " The proposals put forward by the Maltese Government are of very great interest and importance, and I do not think we should be afraid of setting precedents I do not think there is a precedent in this case, because the position of Malta is quite exceptional, as a part of Europe attached to us and seeking self-government. It is a definite matter for the House to consider any addition to its members, and it is right it should be considered by all members . I welcome the suggestion that this round-table conference should be held in September, in order that the Maltese people may not feel that there is any undue delay When these matters are discussed, it is my hope they will go forward to closer association between the people of Britain and the very gallant people of Malta, whose services we remember so well in the last war "

In reply to **Mr. Teeling** (C.), who asked whether the position of the Roman Catholic Church in Malta would be safeguarded at the coming conference, the Prime Minister said that it was " quite evident that the question of the Church is one matter that will have to be considered " Replying to **Sir Ian Fraser** (C), Sir Anthony said that contact would be maintained with other Commonwealth countries with regard to the constitutional position of Malta

The following statement was issued by Mr. Mintoff in London on the same day :

" We deeply appreciate the help and consideration given to us by H.M. Government and their endeavour to find, with us, the right solution for both our countries We realize the far-reaching implications of our proposals, and we fully agree that the suggested round-table conference is the most helpful immediate measure. The British Parliament clearly must give full consideration to historic proposals which affect its own constitution.

We are aware of the warm sympathy and imaginative response with which the Prime Minister's statement was received on both sides of the House, and we appreciate the full association of the Leader of the Opposition with it We are confident that our proposals, when fully examined, will be acceptable They seek to provide for a closer union between our two countries, so that we will share, in peace-time as we did in war, victories and hardships

I am certain that the people of Malta will receive the news with rejoicing, and that the abiding and traditional friendship of our two nations will be strengthened to our mutual advantage This is a historic moment for us "

The U.K.-Maltese discussions ended on July 13 with a joint statement on the social and economic development of Malta, worded as follows :

" All parties to this conference are agreed that the social and economic development of Malta is a necessity and calls for a joint and sustained effort by both countries To assure the steady advance of the islands, a long-term development plan is being prepared Meanwhile, as part of the effort to improve the living standards of the Maltese people, the conference endorses the following objectives.

(1) Raising the standard of education and other social services
(2) Increasing substantially the opportunities for employment outside Service establishments
(3) Avoiding unemployment

It is recognized by the U.K Government and by the Maltese delegations that improved living standards can be maintained only by increasing productivity and expanding the national income of Malta. With this in view, H M Government undertake to contribute to the cost of the necessary capital works, to help secure the technical means, and, in the interim period before these measures lead to the required expansion in Malta's own revenues, to assist as may prove necessary in balancing the Budget on recurrent account

The Maltese delegations, on their part, recognize that the long-term development plan needs detailed elaboration and examination, and each delegation pledges its close co-operation with H M. Government in this common task They also recognize that the degree of success attained will depend on the hard work and self-discipline of the Maltese people, and on the Maltese Government and people making the best possible contribution from their own resources "

The composition and terms of reference of the Malta round-table conference (which is to begin on Sept. 19) were announced by Sir Anthony Eden on July 28, The terms of reference were :

" (1) To consider constitutional and related questions arising from proposals for closer association between Malta and the United Kingdom and, in particular, from the proposal that Malta should in future be represented in the Parliament at Westminster.
(2) To consult representatives of the political parties in the Legislative Assembly of Malta, and such other persons as may seem fit to them
(3) To report their conclusions and recommendations "

The conference will consist of the following 17 members . Viscount Kilmuir, the Lord Chancellor (chairman) ; the Earl of Perth ; seven members of the Government parties (Mr. Walter Elliot, Mr. J. S. Maclay, Sir Patrick Spens, Mr. W. T. Aitken, Mr. Julian Amery, Mr. Kenneth Pickthorn, and Mr. Richard Wood) ; Mr. Attlee, the Leader of the Opposition ; five Labour members and a Labour peer nominated by Mr. Attlee (Mr Aneurin Bevan, Mr. Chuter Ede, Mr. James Griffiths, Mr. Richard Crossman, Mr. Douglas Houghton, and Lord Listowel) ; and Mr. Clement Davies, representing the Liberal Party.—(Times - Daily Telegraph - Manchester Guardian - New Commonwealth) **(Prev. rep. Malta, 14120 B.)**

Note. After having been for centuries under the successive control of the Normans, Angevins, and Aragonese, Malta was handed over in 1530 to the Knights of St John, who governed the island until 1798, when they were expelled by Napoleon The Maltese, aided by British and Neapolitan forces, rose against the French garrison and compelled it to capitulate in 1800 The island was then admitted at its own request into the British Empire. (Ed. K.C A)

B. UNITED KINGDOM. — Guided Missile Range in the Hebrides.

The Government's decision to establish a guided missile range in the Hebrides was announced on July 27 by Mr. Selwyn Lloyd, the Minister of Defence.

Mr Lloyd explained that it was necessary to have a range for training Servicemen in the operation of guided missiles , that it was impracticable to establish such a range overseas, not only because of the difficulties of maintenance and supply, but also because it would entail the absence of front-line units of the Home Forces for long periods , and that investigations had shown that the only suitable area in the United Kingdom for the purpose was the Hebrides. All firings would be made out to sea, and there would be no serious interference with shipping or fishing There would be some encroachment on crofting land, but every effort would be made to limit this as much as possible. The Government would agree that any question of compensation to crofters should be referred to the Scottish Land Court.

Mr. Lloyd disclosed that the launching base would be on the island of South Uist, in the Outer Hebrides. (Daily Telegraph)

AUGUST 6—13, 1955

A. SOUTH AFRICA. — The Senate Act. - Change in Method of electing Senators. - Increase in Senate Membership. - Opposition Protests.

A Bill to increase the membership of the South African Senate from 48 to 89, and to change the method of electing Senators, was published on May 11 after having been given a first reading earlier in the day. The introduction of the Bill, which was designed to give the Government the two-thirds majority in a joint session of Parliament necessary to alter the "entrenched clauses" of the South Africa Act and place the Cape Coloured voters on a separate electoral roll, followed the defeat of all the Government's earlier efforts to secure the enactment of such legislation. The principal provisions of the Bill were as follows:

(1) The existing Senate of 48 members (eight elected by each of the four provinces, two elected in South-West Africa, four representing the Natives, eight nominated for the Union, and two nominated for S.W. Africa) would be dissolved by the end of 1955.

(2) A new Senate would be elected in which the number of senators from each province would vary according to the size of the European population in that province; this number would be calculated by adding together the number of parliamentary and provincial council constituencies in each Province and dividing the total by five to the nearest figure. Under this formula, the Orange Free State and Natal would each retain eight seats, but the number of senators returned by the Transvaal and the Cape would be increased to 27 and 22 respectively. In addition, the number of nominated senators for the Union would be doubled to 16, half of whom must be nominated "on the ground mainly of their thorough acquaintance, by their official experience or otherwise, with the reasonable wants and wishes of the coloured [i.e. all non-European] races in South Africa." The four Natives' Representatives in the Senate would be unaffected by the change, as would the two elected and two nominated senators for South-West Africa.

(3) The existing system of electing senators, under which the members of the House of Assembly and of the Provincial Council for each province sat as electoral colleges and elected their representatives to the Senate on the basis of proportional representation, would be abolished in favour of a system under which the majority party in each province would take all the Senate seats in that province.

(4) The property qualifications for election to the Senate would be abolished.

(5) The quorum in the Senate would be increased from 12 to 15.

Under the altered procedure for election, it was calculated that 77 of the 89 members of the new Senate would be Nationalists and only 12 Opposition members (eight United Party and four Natives' Representatives), compared with 30 Government and 18 Opposition supporters at present. The United Party would take all the eight Natal seats, but the Nationalists would have all the seats in the other three provinces and in South-West Africa, as well as the 16 nominated members for the Union. The Nationalists' increased representation would give them 171 votes in a joint sitting of the two Houses of Parliament—five more than the two-thirds figure of 166 needed to alter the "entrenched clauses" and remove the Cape Coloured voters from the common electoral roll.

A Government motion for leave to introduce the Bill had been proposed in the House of Assembly by Dr. Donges (Minister of the Interior) earlier in the day, before the terms of the Bill had been made public. The motion was strongly opposed by all the Opposition parties, but was eventually carried by 82 votes to 53.

Mr. Strauss, the Leader of the Opposition, declared that the Government aimed not at establishing the sovereignty of Parliament but at establishing the sovereignty of the Nationalist Party. He moved an amendment giving the Minister leave to introduce the Bill provided that it did not alter the constitution of the Senate "in such a manner as to destroy the composition of Parliament entrusted with the observance of the entrenched clauses of the South Africa Act". The United Party, he said, wanted to avoid, by its amendment and by its attitude, the evil of "a debasement" of the country's institutions, and would fight the measure at every stage.

Mr. Bailey Bekker, on behalf of the National Conservative Party, said that although the proposed Bill—which everyone knew was designed to give the Nationalists a two-thirds majority in a joint session—might have been justifiable at another time, in present circumstances it was "a hasty, ill-judged and wrong step, which would have grave repercussions on South Africa." He therefore proposed that the debate be adjourned at an appropriate stage to give the Prime Minister and the Leader of the Opposition a last chance to find a middle course by way of compromise.

Mrs. V. M. L. Ballinger (Liberal, Natives' Representative) moved an amendment declining to grant leave to introduce the Bill because: (1) No proposal to change the composition and constitution of the Senate had been submitted to the electorate, and the Government therefore had no mandate for such a measure. (2) The Bill was the declared second step towards the removal of the entrenchments in the South Africa Act without the support of the requisite majority of the electorate envisaged in the Constitution. (3) The Bill was designed to circumvent a decision of the Appellate Division of the Supreme Court and was therefore in defiance of the law of the land. Mrs. Ballinger said that no understanding could be reached between the Government and the Opposition which would solve the issue and bring peace in the country, and for that reason the Natives' Representatives would oppose the measure outright.

Mr. Alex Hepple (Labour) declared that his party "rejected outright" the Minister's motion for leave to introduce the Bill. As far as the Government's intentions could be interpreted, they were aimed at wiping out the "entrenched clauses" of the South Africa Act. The Government was no longer much concerned about removing Coloured voters from the common roll—that was incidental. They now intended to "pack" the Senate in such a way as to abolish representative Government there and introduce party Government.

Dr. Dönges dismissed all Opposition objections as "speculative," and refused to anticipate his second-reading speech.

Mr. Strauss's amendment was rejected by 82 votes to 41, the Conservative Party and the Natives' Representatives abstaining. Mrs. Ballinger's amendment was defeated by 82 votes to 53, the amendment being supported by the United Party, the Conservative Party, and the Labour Party.

The debate on the second reading in the House of Assembly took place from May 23-27, culminating in a final 31-hour session at the end of which the Bill was passed by 91 votes to 61. All the Opposition parties voted against the Government. An amendment by Mr. Strauss that the Bill be read "this day six months" was defeated.

Dr. Donges, moving the second reading, said that the Bill's object was to carry out the mandate of the people, given to the Government in four general elections (including two provincial elections), for separate representation of voters. At two of these elections the people had also given the Government a mandate to ensure the sovereignty of Parliament. Having tried in the normal way to effect this mandate, and having failed, the Government was now compelled to use its reserve powers and the special measures provided in the South Africa Act. Section 25 of that Act provided for the enlargement of the Senate, it was clear and specific, with no conditions attached.

The Government's proposals, Dr. Donges continued, were not unique in the history of democratic government. It was the practice of all democratic governments to use all constitutional means at their disposal to carry out mandates received at general elections, and there were many precedents for the proposal to enlarge the Senate. In Britain, 12 peers had been created in 1711 to approve the Treaty of Utrecht, and the subsequent attempt to impeach the Prime Minister had failed because he had acted constitutionally. In 1831 the British Government had threatened to create additional peers to pass the Reform Bill, and in 1911 the Liberal Government of the day had threatened to create 300 peers; in both these cases the Opposition had compromised and the Government's policy had been carried out.

Discussing the major changes contemplated in the Bill, Dr Dönges claimed that the enlargement of the Senate's membership was not new in principle, as it had been done in 1936 and in 1949. The proposed ratio of the House of Assembly to the Senate in numbers —two to one—was the same ratio as had been advocated in 1920 at the Speaker's Conference (called to consider the constitution of the Senate) by Mr. Owen Clough, then Clerk of the Senate. No-one in 1920 had suggested that such a ratio was undemocratic. Dr. Donges mentioned other countries, including members of the Commonwealth, to show that the ratio of two to one was normal.

A second major change was that the provinces' representatives in the Senate would be elected by direct *bloc* votes, instead of by proportional representation; when this had been proposed at the National Convention, nobody had suggested that it struck at the roots of democracy. As regards the third change—the number of senators representing each province—Dr. Donges pointed out that under the present system of having the same number of senators for each province, the larger provinces were inadequately represented, i.e., the Transvaal had 24,348 voters for each electoral senator, the Cape 22,325, Natal 19,350, and the Orange Free State 16,834.

Dr. Donges concluded by saying that the constitutional crisis would not have arisen if the Opposition had abided by the 1937 judgment of the Appeal Court. The Government had tried every means to carry out the will of the electors to place Coloured voters on a separate roll, but the Opposition had remained "stubborn." Every sensible person in South Africa wanted the constitutional crisis to end; but a Government with a great majority could not "leave the voters in the lurch"—its only recourse was the present Bill.

Mr. Strauss, who called upon the Government to appeal to the country, contended that the Bill was not only "evil and reprehensible" in its means, but equally bad in its ends. He gave a warning that if this Bill were passed, and others of the same pattern which would follow it, the road was clear for a one-party system of an authoritarian republic—a republic completely divorced from the Commonwealth. Dismissing the precedents quoted by Dr. Dönges, the Leader of the Opposition said that in every one of them the Upper House had been deliberately thwarting the Lower House in such a way that a deadlock had ensued or would have ensued. "Our

situation is entirely different," he declared. "There is no deadlock or threatened deadlock between the Senate and this House, and if there were any evidence of any deadlock, the framers of our Constitution have provided for such an eventuality."

"The United Party," Mr. Strauss continued, "cannot accept the Bill under any circumstances . . . because, firstly, it conflicts with all the fundamental principles applying to the Upper House; secondly, it deprives large sections of the population of representation in the Senate; and thirdly, it is in conflict with the stated aim of the framers of the Constitution. The Senate, under the Bill, becomes the caucus of the Nationalist Party in the Upper House. That was not the intention of the framers of our Constitution."

It was obvious from statements made by the Prime Minister and other members of the Cabinet (Mr. Strauss asserted) that the placing of Coloured voters on a separate roll was not the whole end which the Government had in view. If the Bill were passed, it would be the beginning of the complete disappearance both of the "entrenched clauses" from the South Africa Act and of the testing right of the Courts, which was the only effective guarantee of the political rights of the South African people, both Coloureds and Whites. Rejecting the Conservative Party's proposal for a compromise, Mr Strauss said that no concession by the United Party would end the constitutional crisis, as the Prime Minister was prepared only to accept the Opposition's "unconditional surrender" and to give nothing in return. Therefore a compromise would not bring peace and quiet, but only "dishonour and a disreputable record to the people who represent the vast majority of the voters of South Africa." "We are not prepared to have any truck with this suggestion of compromise," he concluded. "We are prepared to stand up and fight in the name of South Africa for the abiding interests of the people of South Africa. I have enough faith in the people to feel convinced that we shall succeed."

Mr. Strydom, the Prime Minister, recalled that the main reason for General Hertzog's decision to place the Natives on a separate roll had been to ensure the continued supremacy of the White man. It was for precisely the same reason that the Nationalist Party now wanted to place the Coloured voters on a separate roll. He asked whether the United Party, which claimed the late General Hertzog as one of its leaders, still adhered to General Hertzog's principle of ensuring the lasting supremacy of the White man in South Africa. With regard to the constitutional argument, Mr. Strydom reiterated that if the 1937 judgment of the Appeal Court had prevailed, Parliament would have been absolutely sovereign. According to the 1952 judgment of that Court, however, the sovereignty and power of Parliament and the people could be limited by a Court, which might continually reverse its judgment. It was for this reason that the Government were determined to carry on the struggle, since it felt that where the powers and sovereignty of Parliament were at issue, the only testing right upon any decision lay with the people.

Mrs. Ballinger reiterated that the Government had no mandate to introduce the Senate Bill, as it had failed in the 1953 elections to get the two-thirds majority required to change the law. The Government might have gone to the country on the Coloured vote, she said, but it had certainly not done so on the issue of changing the constitution of the Senate. **Mr. Hepple** said that the Labour Party supported Mr. Strauss's amendment, and emphasized that the House had a responsibility to the non-European population of South Africa who had no vote.

Mr. Frank Waring (Conservative) made a strong plea for a compromise on the Coloured franchise in order to resolve the deadlock. Another Conservative member, **Mr. Coetzee,** declared, however, that whilst favouring a compromise on the Coloured vote, the Conservative Party could not accept a compromise on the Senate Bill, as the Bill was designed to abolish the entrenched clauses in the Constitution. As regards the Coloured vote, he blamed both the "unreasonable haste" of the Prime Minister and the "completely unreasonable stubbornness" of the Leader of the Opposition for the deadlock on this question.

Of the United Party speakers, all of whom were vehemently opposed to the Bill, **Major van der Byl** denied that there was any question of Parliament not being supreme, and asked why the Government did not hold another general election or a referendum if it wanted its two-thirds majority. The Senate had been created as a check to hold up legislation which was not in the interests of the people, but if the present Bill became law it would "create a Senate of Government hirelings with no will or power of their own but who will have to do exactly what they are told. **Mr. Waterson** and **Mr. Lawrence** asserted that the Coloured question was a side issue. "If it was not the Coloured vote," Mr. Waterson said, "it would be something else, because this Government is determined to abolish the 'entrenched clauses' so as to remove any possible obstacle to tearing up the Act of Union and establishing a republic by a synthetic majority."

Mr. Louw (the Finance Minister) replied that the Government, after having received four mandates from the electorate, was being thwarted by a combined session of Parliament, of which the Senate was a part. He accused the Opposition of "playing on sentiment, whipping up emotion, creating fear, and working up a state of hysteria." The present Bill was a direct outcome of the refusal by the Opposition and the Appeal Court to recognize the effect of the Statute of Westminster and the repeal of the Colonial Laws Validity Act, and to abide by the Appeal Court's decision of 1937.

An important new factor was brought into the debate when **Mr. Norman Eaton** (Labour) pointed out that even if another party were returned at the polls with a large majority, it might yet be unable to govern, since its legislation could be rejected continually by the Senate. **Mr. Lovell** (Labour) declared in this connexion: "The Senate Bill will all but make it impossible for an alternative Government to rule in South Africa. We will have reached the stage where we, who represent the Opposition voters, will have to tell the truth—that they have no effective constitutional means left to change the Government." The Provincial Councils, which continued in office for a year after the dissolution of Parliament, would still be Nationalist-dominated and, under the new electoral system proposed in the Bill, would keep the Nationalist majority in the Senate. Even if the Opposition parties captured 17 Assembly seats in the Transvaal, five in the Cape, and two in Natal—an almost impossible task—they would not have the effective power to govern the country because, in spite of its majority in the Assembly, the new Government would be unable to gain control of the Senate. And even if the United Party were successful in the Provincial Council elections a year after the general election, it would not be able to dissolve the Nationalist-dominated Senate as the Senate could only be dissolved within four months after a general election. In such an eventuality the only way to dissolve the Senate after Provincial Council elections would be to call a new general election. The outstanding fact of the situation was therefore that, unless a second general election were called, the United Party would not be able to govern the country for five years—the usual life of the Senate. Any attempt either to advance the date of the Provincial Council elections, or to pass a law for an earlier dissolution of the Senate, could be blocked by the Nationalist majority in the Senate. A Government faced by a hostile Senate could resort to the expedient of submitting its legislation to a joint session of both Houses, but even in such a joint session the Nationalists, because of the overwhelming "loading" of the Senate, would still command a majority.

Dr. Donges, replying for the Government, stressed that in practically every country where there were two Houses it was the fate of every new Government to struggle against a majority in the Upper House. In South Africa the situation was not new, for the Government returned in 1924 with a landslide majority had been in a minority of 13 to 27 in the Senate, despite its majority of 81 to 53 in the Assembly; it could not have secured a majority with those figures in a joint sitting until the second session of that Parliament. Moreover, any delay of the kind mentioned by Mr Lovell would be only temporary. There would be another general election in 1958 and Provincial Council elections in 1959, whilst in 1960 the Senate would automatically expire. If any new Government put its main legislation through in the second session of the next Parliament (i.e. in 1959-60) it could come to a joint session only in 1960, by which time there would be reconstituted Provincial Councils as well as a reconstituted Senate.

As a result of the possibility envisaged by Mr. Eaton and Mr. Lovell, an amendment to the Bill was tabled by Mr. Strauss on June 1 providing for the dissolution of Provincial Councils within 120 days after a change of Government (as is the case with the Senate under the terms of the Senate Act of 1926), thus enabling the Senate to be reconstituted on the basis of the newly-elected Provincial Councils. Another amendment, proposed by Mr. Waring, provided for the dissolution of Provincial Councils and of the Legislative Assembly of South-West Africa within 90 days of any dissolution of the Union House of Assembly.

On June 2, however, a Government amendment designed to overcome any deadlock between the two Houses was tabled by Dr. Donges. This provided: (1) That if a money Bill passed by the Assembly was rejected by the Senate, it should be submitted to the Governor-General unless the Assembly decided otherwise; if assented to by the Governor-General, it should become an Act of Parliament in spite of the Senate's non-concurrence. (2) That any other Bill passed by the Assembly but rejected by the Senate in two successive sessions, and in successive calendar years, should be presented to the Governor-General and, if he assented thereto, should become law.

On June 3 a further debate on the Bill took place, on a motion by Dr. Donges that the Committee of the whole House should consider the Government's new amendment. The motion was carried by 75 votes to 44, the Conservative Party abstaining.

Dr. Donges said that under the proposed amendment the Senate could not act as a "block" but only as a "brake." Decisions of the Assembly would in some cases still be subject to delay, but that was a normal function of the Senate. The amendment would prevent the possibility of a clash between the two Houses and would empower the Assembly to decide all disputed issues. If the method proposed by Mr Strauss were adopted, it would mean that every new Government would first be involved in a period of conflict with the Senate and in the expenses of a second general election through having to dissolve the Provincial Councils. The same objection applied to the Conservative Party's proposal. Mr Strauss's proposal would also make it necessary for a new Government to win two general elections before it could rule effectively—one for the House of Assembly and another for the Provincial Councils. Moreover, it would not eliminate the danger which the Opposition had in view, for it would still be possible for them to win a majority in the Assembly at a general election but to be in a minority in the Senate and in a joint sitting of the two Houses.

Mr. Waterson (U P.) contended that the Government's amendment made the Bill "still more reprehensible and outrageous," and declared that the United Party would reject the amendment. The Government's legislation, he said, was so repugnant to everyone, including its own supporters, that it had been forced to modify one aspect of it, having prepared a plan to destroy the composition of the Senate, it now proposed to destroy one of its main functions

Mr. Hepple also argued that the new proposal would render the Senate virtually powerless Of the Conservatives, **Dr. Jonker** said that he was prepared to accept the Government's amendment, but **Mr. Waring** and **Mr. Coatzee** both opposed it

Mr. Swart (Minister of Justice) assured the House that the possibility of the Senate being placed in a position where it would be able to thwart the Assembly in the event of the United Party's coming to power had never been contemplated by the Minister of the Interior or by the Government. He said that if the danger which the Opposition claimed to have discovered in the Senate Bill was a real one, then they must either press Mr Strauss's amendment or support the Government's amendment Unless they did one of these two things, the Opposition's whole protest against the Bill was meaningless

During the Committee stage (June 6-7) the various clauses of the Bill were approved by Government majorities of 32-34. Mr. Strauss, who announced that the United Party would refuse to participate in the committee debate because it would have nothing to do with the Bill, had earlier announced the withdrawal of his proposed amendment.

Dr. Donges moved an amendment (which was adopted) providing that the Governor-General could authorize the dissolution of the Senate within 120 days after the expiry of the term of office of a Provincial Council, this proposal, he said, would eliminate the difficulty with which the Opposition appeared to be so much concerned. Another Government amendment (also accepted) provided that the period of office of senators should be reduced from 10 to five years.

The Bill was read a third time on June 9 by 79 votes to 46.

In the Senate, the Bill was debated on June 13-14, and was given a second reading by 27 votes to 16 after all the Opposition Senators had spoken against it. An amendment by Senator Jackson (U.P.) that the Bill be read "this day six months" was defeated by the same margin. The third reading was given on June 16 by 24 votes to 15, and on June 20 the Prime Minister announced that the Governor-General had assented to the Bill.

During the Report stage in the Senate several amendments to the clause providing for the dissolution of the Senate were all defeated. **Senator Rubin** (Natives' Rep) moved that the Senate should not be dissolved until the Government had received a mandate from the country at a general election (rejected by 26 votes to 5), **Senator Cowley** (Natives' Rep) moved an amendment to make it permissive and not obligatory on the Governor-General to dissolve the Senate before Dec 31, 1955 (rejected without a division), and **Senator Browne** (Federal Party) proposed that the Governor-General should not be able to dissolve the Senate before the end of the year (defeated by 26 votes to 5).

Protests against the Bill were voiced by many individuals and organizations throughout the Union, large public meetings of protest being held in Johannesburg, Cape Town, Port Elizabeth, and East London.

The South African Coloured People's Organization issued a statement on May 15 unanimously rejecting the Bill, whilst the Action Committee of the Christian Council of South Africa (which represents English churches in the Union) stated on June 10 that the Bill "nullifies the express purpose which underlay the creation of an Upper House," and expressed its "deep concern at the disregard of moral principles" implicit in the Bill.

A petition protesting against the Bill on moral and constitutional grounds, signed by 13 professors and lecturers of Pretoria University —all registered members of the National Party or Nationalist in sympathy—was published on May 17. A number of other members of university teaching staffs subsequently associated themselves with the petition or presented their own protests, including 80 from the Witwatersrand University, 31 from Rhodes University, 100 from Natal University, and 100 from Cape Town University On the other hand, six professors and lecturers of the Department of Law in the University of the Free State issued a statement on May 19 dissociating themselves from the petition by the 13 Pretoria professors and lecturers.

A petition signed by 94,000 women, asking the Governor-General to withhold his assent from the Bill, was presented on June 16. On June 28 more than 1,000 women from all parts of the Union staged a protest march in Pretoria. It was subsequently arranged by the Women's Defence of the Constitution League that four women, wearing black sashes, should maintain a "silent vigil" outside the Union Buildings in Pretoria (the administrative headquarters of the Government) on every working day for the next six months.—(Cape Times - Die Burger, Cape Town - The Star, Johannesburg) **(Prev. rep. Enlargement of Appeal Court, 14207 A; Cape Coloured Voters, 13672 A.)**

A. PAKISTAN. — Currency Devaluation.

The Pakistan Government announced on July 31 that it had decided, with the approval of the International Monetary Fund, to devalue the Pakistani rupee, and that the new parity would be 0.186621 grams of fine gold per rupee or 4.76190 rupees for one U.S. dollar. The exchange rate between the Pakistani rupee and the pound sterling would accordingly revert to 1s. 6d.—i.e., the rate existing before the devaluation of sterling in 1949.

An official statement issued in Karachi said that the decision had been taken "purely on economic grounds." It continued: "Pakistan's economy has been developing at a fast pace The exchange rate appropriate so far is no longer suited to the needs of the growing economy Hitherto, our exports consisted entirely of primary products, the more important of which were jute and cotton They could be disposed of in the world market without difficulty and at a reasonable return to the grower. Our main need at the time was to stimulate the import of capital goods in order to accelerate economic development, both agricultural and industrial The decision not to devalue the rupee has effectively served its purpose and has facilitated a remarkable expansion in indigenous production Industrial production has increased by 285 per cent during the period 1950 to 1954 We are now self-sufficient in food, cloth of coarse and medium varieties, jute manufactures, cigarettes, and matches, and nearly so in cement, paper, and other essential commodities It should now be possible for Pakistan to export manufactured goods in increasing quantities. But it is essential to give competitive strength to Pakistan's exports

"The two most important considerations are to ensure a reasonable return to the grower of jute and cotton and to facilitate exports so as to increase foreign exchange earnings The new rate of exchange will serve to achieve both objectives The prices of jute and cotton in international markets have fallen considerably. Agriculturists, who form the bulk of our population, are therefore in economic difficulties The revaluation of the rupee will immediately help to improve their economic condition and increase their purchasing power The disposal of the jute crop will not present any serious problem, and jute will hold its own against substitutes It is one of the primary objectives of national policy to increase cotton production With the increasing consumption of raw cotton by our own textile industry, the volume of cotton available for export has decreased, thus adversely affecting our foreign exchange earnings. The rise in the internal price of cotton will stimulate production In the case of jute manufactures it is essential to utilize our manufacturing capacity in full This will have a healthy effect on raw jute prices and will considerably increase our foreign exchange earnings. Similarly, in cotton textiles and other manufactured goods it should now be possible for us to undertake exports on an expanding scale, after satisfying the demand of the home market"

In conclusion, the statement pointed out that the decision had been timed to come into effect before the movement of the jute and cotton crops started, "so as to confer the maximum benefit on the growers."

Prior to the devaluation the exchange rate between the Pakistani rupee and the pound sterling had been 2s. 1½d., compared with 1s. 6d. for the Indian and Ceylon rupees. (Pakistan High Commissioner's Office, London) **(10229 A.)**

B. MOZAMBIQUE. — Opening of Limpopo Railway. - Direct Rail Link from Lourenço Marques to Bulawayo.

A 200-mile railway was opened on Aug. 1 linking the port of Lourenço Marques, on the Indian Ocean, with the railway network of the Rhodesia and Nyasaland Federation. The line (single-track) runs from Guija, in Mozambique (Portuguese East Africa), along the left bank of the Limpopo River to Pafuri, on the frontier, where it links up with an existing Rhodesian line to Bannockburn. As Lourenço Marques is already linked by rail with Guija, and Bannockburn with Bulawayo, the new line made it possible to run direct train services from Bulawayo to the Indian Ocean, a total distance of 660 miles—320 from Lourenço Marques to the Rhodesian frontier, and 340 miles from the frontier to Bulawayo. The junction of the Portuguese and Rhodesian tracks was completed a year ahead of schedule.

The new line gives the Rhodesia and Nyasaland Federation a second rail outlet to the sea, complementary to the existing 600-mile line from Bulawayo to the Portuguese East African port of Beira. As the latter line was greatly overloaded, three alternative proposals were considered: (1) to build a second track from Bulawayo to Beira, (2) to build a new line linking Bulawayo with Durban, a distance of over 1,000 miles, or (3) to establish a rail connexion with Lourenço Marques. The third course was adopted and, as stated above, was completed with the opening of the Limpopo section.—(Federal Information Dept., Salisbury - Times - Daily Telegraph) **(11925 D.)**

C. INDIA. — Abolition of Jute Export Duty.

Following the devaluation of the Pakistani rupee, it was announced in New Delhi on Aug. 1 that the Indian Government had abolished the export duty on jute sacking and jute hessian. (The Statesman, Calcutta) **(Prev. rep. 14355 A.)**

A. UGANDA. — Acceptance by Buganda of Recommendations of Namirembe Conference. - Agreement with British Government on Return of Kabaka. - Uganda Executive Council Appointments. - New Constitution for Kingdom of Bunyoro.

The committee set up by the Lukiko last December to consider the recommendations of the Namirembe Conference on constitutional reforms presented its report to the Lukiko on April 22. The Lukiko adjourned to consider the report, and on reassembling on May 9 approved it by 77 votes to eight, with one abstention. It then appointed a drafting committee to draw up, with Government lawyers, the legal instruments necessary for implementing the amendments to the reforms proposed by the committee, and also approved the appointment of a six-member delegation to go to London and ask the Colonial Secretary for the immediate return of the Kabaka.

The Lukiko committee, affirming that the purpose of the reforms should be "to cement the cracks which have appeared in the friendship" between the British and the Baganda, accepted in general the recommendations of the Namirembe Conference. In particular, it accepted the recommendations that the Kabaka should become a constitutional monarch, and that Baganda representatives should serve on the Uganda Legislative Council The committee recounted the fears of the Baganda about the Legislative Council—that it might reduce the status of the Lukiko, involve the Baganda in an East African federation, and lead to multi-racial government—but stated: "We think that these fears should no longer prevent the Lukiko from accepting Baganda representation on the Legislative Council." The committee nevertheless recommended a number of amendments to the recommendations of the Namirembe Conference, the most important of which were as follows:

(1) In place of the proposed "solemn engagement" to be made by the Kabaka, a royal declaration before the Lukiko would be more in accord with the ruler's dignity.

(2) When the Kabaka was absent he himself should appoint regents, or, if this were impossible, the Lukiko should elect them subject to the Governor's approval.

(3) The Governor should not have a veto over the list of candidates for the post of Katikiro (Chief Minister) but only (as with other Ministers) power of veto after the Katikiro's election

(4) The list of names from which the Katikiro would choose the other Ministers should be reduced from 40 to 15

(5) In the proposed consultative committee which would link the Buganda and Protectorate governments, parity should be observed between the two sides It was also suggested that the British Residency should confine itself to advice as defined by Sir Charles Dundas in 1944, and that the Governor should be referred to as "her Majesty's representative," as in the 1900 agreement.

(6) The Kabaka himself should appoint the chairman of the proposed Buganda Government Appointments Board.

(7) Baganda representatives on the Uganda Legislative Council should be directly elected, rather than be elected by the Lukiko. The report also asked for some assurance from the Governor that any nominated Baganda members would not be fundamentally opposed to representatives of the people, and that all African representative members would be elected by methods which would ensure that they were truly representative It was further suggested that meetings should be held regularly between the Buganda and other African Governments in the Protectorate to counteract any tendencies towards separatism.

(8) The Lukiko committee thought that the British Government's pledge against federation should be written into the constitution, and that agreements between Britain and Buganda should be incorporated where appropriate into the Uganda Order-in-Council, so as to provide for legally enforceable rights such as existed in the Federation of Malaya.

At the invitation of the Colonial Secretary, Mr. Lennox-Boyd, discussions were held in London in June and early July between himself, the Governor of Uganda (Sir Andrew Cohen), the Buganda constitutional drafting committee, and the delegation appointed to see him about the Kabaka's return. A compromise agreement was finally reached after specific details had been agreed to at a special session of the Lukiko on July 16. On July 28 Mr. Lennox-Boyd gave details of the compromise to the House of Commons and announced that, as agreement had now been reached, he would authorize the Kabaka to return to Buganda.

Mr. Lennox-Boyd said that the draft agreement, which would be submitted to the Lukiko for formal acceptance as soon as it could be translated into Luganda, was based primarily on the report of the Lukiko constitutional committee. The main problem in the discussions had been to reconcile the wish of the Baganda that the Kabaka should bring the new agreement into force by signing it in Buganda, with his [Mr. Lennox-Boyd's] statement of Nov. 16, 1954, that, before the Government could agree to the Kabaka's return, a new situation must be created in which the new constitutional arrangements for Buganda were in full operation. To solve this, it had been agreed that the new arrangements should be brought into force by a transitional agreement which would run until the main agreement was signed in Buganda by the Kabaka on his return. This transitional agreement would be in the same terms as the main agreement, apart from the transitional provisions, and after approval by the Lukiko, it would be signed by personal representatives of the Kabaka. Six weeks after the appointment of Buganda Ministers and the Buganda representative members of the Uganda Legislative Council under the new arrangements, he [Mr. Lennox-Boyd] would authorize the Kabaka to return to Buganda, where he would sign the main agreement and perform such inaugural ceremonies as might be wished or required.

"I know that the House will share my satisfaction," the Colonial Secretary continued, "that the way now seems clear for a new start in Buganda, and that the reconstruction of the Protectorate Executive and Legislative Councils, approved last November, can now take place in the confident hope of early Buganda participation The representatives of the Buganda Lukiko have put clearly before me the views of the Lukiko on the composition of the Executive Council, and have maintained these views [see below] I have taken these views into consideration, but this is a matter affecting the whole Protectorate on which constitutionally the decision must rest with H.M. Government alone. The Governor, who with his advisers has been closely associated with myself in all these negotiations, is now on his way back to the Protectorate, and I have authorized him to bring the central reforms into effect on his return"

Mr. James Griffiths (Lab), on behalf of the Opposition, warmly welcomed the successful outcome of the new negotiations, and asked the Colonial Secretary to reaffirm that the ultimate objective of policy in Uganda remained as had been affirmed by the Government some time ago In reply, **Mr. Lennox-Boyd** said that he could "fully assure" Mr. Griffiths that the undertakings made by the Government remained absolutely unaltered, particularly the undertaking given by his predecessor in February 1954 and repeated by the Governor [i.e. that the Uganda Protectorate should be built into a self-governing territory and should not become part of an East African federation —see 13516 A, 14034 A].

The new constitution for Buganda, in accordance with the amended proposals of the Namirembe Conference, was unanimously agreed to by the Lukiko on Aug. 12.

The names of the first Ministers on the Executive Council of Uganda, appointed in accordance with the proposals appended by Sir Andrew Cohen to the report and recommendations of the Namirembe Conference (see page 14035, second column), were announced in Kampala on July 31. It was also announced that the newly constituted Executive Council would come into being on Aug. 15 and would consist of the Governor and the following members:

Official Ministers. Chief Secretary, Mr. C. H. Thornley; Finance, Mr. A Padley, Attorney-General, Mr. R. L. E. Dreschfield, Q C.; Agriculture and Natural Resources, Mr. T. Y. Watson; Local Government, Mr L. M. Boyd; Social Services, Mr. G. B. Cartland.

Unofficial Ministers. Minister without portfolio (statutory corporations), Mr A N Maini; Works and Commerce, Mr. C. Handley Bird, Assistant Minister for Social Services, Mr. Z. C K. Mugonya.

Parliamentary Secretaries. Mr D J. K. Nabeta, Local Government; Mr. G. Oda, Natural Resources.

Additional Official Members. Mr. C. A. L Richards, Resident of Buganda, and Mr C Spender, chairman of the lint marketing, coffee industry, and grain conditioning boards.

All the official Ministers were secretaries of the same departments under the previous system Of the unofficial Ministers, Mr. Maini, a barrister, was leader of the Asian representatives on the Legislative Council; Mr. Handley Bird, a businessman and former president of the Chamber of Commerce, is also a member of the Legislative Council; and Mr. Mugonya has been Enganzi (Chief Minister) of the Kingdom of Ankole in Western Province since 1948. Mr. Nabeta, a trader, is a member of the Legislative Council for Busoga in Eastern Province, and Mr. Oda, formerly a schoolmaster, is a member of the Legislative Council and secretary of the West African local government administration in West Nile Province.

Before the announcement of the names of the new Ministers, considerable African opposition had been expressed to the proposed appointment of an Asian.

The Lukiko, at its above-mentioned meeting on May 9, had passed a resolution saying that it was "greatly perturbed" at the proposed introduction of a multi-racial central Government in Uganda, and protesting strongly against any such "imposition" A letter from the Lukiko's constitutional committee to the Colonial Secretary, which was read to the Lukiko, said that although the matter was outside its terms of reference, it felt it to be its duty to inform H.M. Government of the widespread opposition in Buganda to the appointment of an Asian Minister in the central Government. The Lukiko resolution, expressing support for the committee's letter, added that the Lukiko wished it to be clearly understood that Uganda was "wholly" an African State, and not "primarily," as mentioned in Lord Chandos's statement in 1954

The Colonial Secretary replied to the African criticisms in a dispatch to Sir Andrew Cohen, published on July 25.

Mr. Lennox-Boyd stated that at the present stage of constitutional development the Governor was responsible for choosing Ministers, and that these must be chosen not as representatives of any tribe or race, but on merit. "If the members of any particular tribe or race were to be regarded as debarred from appointment as Ministers," he added, "that would amount to tribal or racial discrimination, and would be entirely contrary to the whole policy of H.M. Government."

The dispatch pointed out that the Asian community in Uganda had laid the foundations of economic progress throughout the country; that it was performing an essential service in the economic field; that leading Asians had given valuable public service, and that many Asians had been in Uganda for three generations and had no other home The Colonial Secretary concluded "The African people of Uganda have a political future which, in my judgment, is absolutely secure, and, in their attitude to the political rights of the minority communities in Uganda, they can, I believe, give an example and set a pattern which could help to solve similar problems in other parts of the world."

A revised agreement between the United Kingdom and Bunyoro, the oldest of the three western kingdoms of Uganda, was approved by the Rukurato (Council) of Bunyoro on May 30 and by the Colonial Secretary on July 19. Similar to that between the U.K. and Buganda, the new agreement established the Mukama of Bunyoro (the ruler) as a constitutional monarch, with a Chief Minister and Treasurer under him, who would be responsible to the Rukurato. Membership of the Rukurato would remain at 74, but the number of elected members would be increased from 21 to 52.—(Times - Daily Telegraph - Manchester Guardian - Commonwealth Survey)

(Prev. rep. Uganda, 14034 A.)

A. EUROPEAN TRANSPORT. — Creation of "Eurofima" Company.

At a meeting of the European Conference of Ministers of Transport, held in Paris on July 8 under the chairmanship of General Corniglion-Molinier (French Minister of Public Works, Transport, and Tourism), the Transport Ministers of Austria, Belgium, France, Western Germany, Italy, Luxemburg, the Netherlands, Spain, and Switzerland approved the text of a convention creating the first "European company" for the financing of purchases of railway rolling-stock. The company —to be known as "Eurofima," and to be set up for 50 years— will come into being after the signature of an inter-governmental convention in the autumn.

The principal aim of the company, the shareholders of which will be the railway administrations of the participating countries, will be to assist these administrations in modernizing their rolling-stock, and at the same time to encourage the concentration of orders with a resulting reduction in prices As a result of a guarantee given by the Governments concerned to the railway administrations holding shares in the company, the latter will be able to borrow on favourable terms the funds required for the purchase of rolling-stock, which will then be allocated to the various administrations either against outright payment or on deferred terms The first operations of "Eurofima" will deal with standard goods-waggons for the restocking of the "pool" (known as the "Europ" Pool) operated jointly by 10 European railway administrations (see 13935 B) "Eurofima" will enjoy certain taxation privileges.

The initial capital of "Eurofima" will be 50,000,000 Swiss francs. The company's headquarters will be in Basle, and the Belgian representative will become its first chairman.

After the conference ended, three countries which had not taken part in the preparations for setting-up "Eurofima"— Denmark, Portugal, and Yugoslavia—indicated their intention of joining the company.—(European Conference of Ministers of Transport - Le Monde, Paris) **(Prev. rep. 13935 B.)**

B. EASTERN GERMANY.—Marshal Bulganin's Visit.

On their return journey to Moscow from the Geneva "summit" conference, Marshal Bulganin and M. Khrushchov visited East Berlin on July 24-26 for discussions with Herr Grotewohl and other members of the East German Government. A joint statement said that the Soviet delegation had informed the East German Government fully about the Geneva discussions, with special reference to the German question, and that there had been a full exchange of views.

The statement recapitulated most of the points made by Marshal Bulganin in his final speech at Geneva (see page 14330), *inter alia*, that the best way to achieve German unification was a European collective security system in which both parts of Germany could take part—a method which "takes into account the existence of two German States, each with its own social order." Stressing the necessity of closer relations between the German Democratic Republic and the German Federal Republic, the statement declared that "a solution of the German problem is impossible without the participation of the Germans themselves and the drawing together of the two parts of Germany."

The statement contained the following reference to prisoners-of-war: "On the initiative of the German Democratic Republic, an exchange of views took place about the remaining German prisoners-of-war who are serving sentences in the Soviet Union for offences against Soviet law. It was agreed to continue this exchange of views, taking into account the wishes of the Government of the German Democratic Republic."—(Times - Le Monde, Paris - Der Tagesspiegel, Berlin)

(Prev. rep. Geneva Conference, 14325 A.)

C. UNITED KINGDOM. — Parliament. - Unseating of Sinn Fein Member for Mid-Ulster. - The Mid-Ulster By-election. - Sinn Fein Candidate re-elected.

The Leader of the House of Commons (Mr. Crookshank) drew the attention of the House on July 7 to the following facts: (*a*) that the two Sinn Fein members returned for Northern Irish constituencies at the general election (Mr. Philip Clarke for Fermanagh and South Tyrone, and Mr. Thomas Mitchell for Mid-Ulster) were both serving sentences of ten years' imprisonment for treason-felony, and were accordingly disqualified from election; (*b*) that a petition claiming the seat in Fermanagh and South Tyrone had been presented to the High Court of Northern Ireland and was still *sub judice*; and (*c*) that no such petition had been presented in the case of Mid-Ulster, and the period for presenting such a petition had now passed. In view of the last-mentioned fact, the House was "bound to take notice of the legal disabilities affecting its members and to see that a writ was issued in the room of a member judged to be incapable of sitting."

Both Mr Clarke and Mr Mitchell had been sentenced to ten years' imprisonment at the Ulster Assizes on Dec. 15, 1954, for participating in the I.R A raid on the Royal Inniskilling Fusiliers' depot at Omagh, in which five soldiers were wounded (see 13975 A) They were both returned at the general election for their respective constituencies by small majorities—Mr. Clarke by 261 votes, and Mr. Mitchell by 260 votes. The unsuccessful Ulster Unionist candidate in Fermanagh and South Tyrone, Lt.-Col. Robert Grosvenor, subsequently presented a petition for the unseating of Mr. Clarke

On July 18, after a lengthy debate, the House of Commons approved a Government motion empowering the Speaker to issue a writ for the election of a new Member for Mid-Ulster. The motion was carried without a division after the rejection (by 197 votes to 63) of a Labour back-bench amendment which proposed that a Select Committee should be appointed and that no writ should be issued during the present Parliament.

Mr. Sydney Silverman (Lab), who moved the amendment, maintained (*a*) that the appointment of a Select Committee would conform to the precedent established in the case of Mr Michael Davitt before the passing of the Forfeiture Act of 1870, (*b*) that the case of Mr. Davitt was essentially similar to that of Mr. Mitchell, and (*c*) that the second part of his amendment [i e. that no writ should be issued for a by-election in Mid-Ulster during the present Parliament] would be in accordance with similar action taken in the case of Colonel Lynch, who had taken part in the Boer War against Her Majesty's Forces. [The cases of Mr Davitt and Colonel Lynch, referred to by Mr Silverman, were those of two Irish Nationalist members of Parliament who had been convicted of treason-felony] The amendment was supported by **Mr. Eric Fletcher, Mr. Paget, Mr. Emrys Hughes,** and a number of other Labour members.

Mr. Montgomery Hyde (Ulster Unionist) said that he had a certain sympathy with the second part of Mr. Silverman's amendment. The Sinn Fein organization had announced its intention of re-nominating Mr. Mitchell if there were a by-election, and if he was again elected the Mid-Ulster Unionist Association might decide once more not to present a petition claiming the seat. The whole business would then start again, and the constituency might be faced with the prospect of an endless series of by-elections. "Only in Ireland," said Mr Hyde, "could such a thing as this take place"

Sir Reginald Manningham-Buller (the Attorney-General) said that it was clear in law that Mr Mitchell, having been convicted of treason-felony and sentenced to imprisonment, was incapable of being elected to Parliament. He maintained that no case had been made out for disenfranchising the Mid-Ulster constituency during the life of the present Parliament; that there was no point in setting up a Select Committee, and that not only was the law clear, but the precedents since 1870 conformed to the law as laid down by the Forfeiture Act. He explained that two courses would be open if Mr. Mitchell were re-elected at the by-election, the defeated candidate could claim the seat by petition, or the Government could move the issue of another writ

The motion adopted by the House said that "Thomas J. Mitchell . having been adjudged guilty of felony and sentenced to penal servitude for ten years, and being now imprisoned under such sentence, is incapable of being elected or returned as a member of this House" It empowered the Speaker to issue a new writ "for the electing of a member to serve in this present Parliament for Mid-Ulster in the room of Thomas J. Mitchell."

A writ for a by-election in Mid-Ulster was accordingly issued, two nominations being presented: those of Mr. Charles Beattie, the unsuccessful Ulster Unionist candidate at the general election, and of Mr. Thomas Mitchell, who was re-nominated by Sinn Fein. The election was held on Aug. 11 with the following result:

Mitchell, Thomas J. (Sinn Fein)	30,392
Beattie, Charles (Ulster Unionist)	29,586
No change. Sinn Fein majority ..	806

About 89 per cent of the electorate voted in the by-election, including 8,500 postal votes. (Times - Belfast Telegraph)

(Prev. rep. 14257 A, page 14264)

A. YUGOSLAVIA. — President Tito's Speech on Foreign Relations. - Soviet Cancellation of Yugoslav Pre-1948 Debt. - Hungarian Assurances of Friendship.

President Tito made an important speech on July 28 at Karlovac (Croatia) when addressing a meeting to celebrate the tenth anniversary of Yugoslavia's liberation from German occupation. In his speech he announced that during the recent talks with the Soviet leaders in Belgrade, the Soviet Union had cancelled the Yugoslav debt of over $90,000,000 which had accumulated before 1948 through the supply of arms and raw materials by the Soviet Union. On the other hand, he criticized Western Germany's attitude in negotiations with Yugoslavia on the payment of German reparations, and also complained about the high interest rates charged by the Western countries for their loans to Yugoslavia. In the political sphere he contrasted the new attitude of the Soviet Union towards Yugoslavia with that adopted by some of the "satellite" countries, notably Hungary and Czechoslovakia.

Yugoslavia, said President Tito, was in debt to various foreign countries as a result of the importation of machinery and raw materials after her break with the Cominform in 1948, when she directed her trade towards the West. Although no political conditions were then imposed by the Western countries, they had asked high interest rates which were putting a heavy burden on Yugoslavia's economy Yugoslavia ought not to have been treated in this way in view of the great contribution in human lives that she had made towards the Allied victory.

The President regretted that Yugoslavia had failed so far to obtain reparations from Western Germany, with whom she had tried to come to terms. She would certainly not withdraw her claim for $100,000,000, which she regarded as a minimum demand in view of the great damage and losses she had suffered under the German occupation. Yugoslavia had been the first country to say that Germany had a right to reunification, sovereignty, and limited rearmament, and she would continue to extend this support to German claims; she was therefore surprised that the German Federal Republic had adopted the attitude it had so far shown with regard to Germany's debts to Yugoslavia.

President Tito compared the German attitude with the action of the Soviet leaders, who, during the recent talks in Belgrade, had agreed—in view of the material losses suffered by Yugoslavia—to cancel the Yugoslav debt of over $90,000,000 that had accrued before 1948

Expressing satisfaction at the results of the "summit" conference at Geneva, President Tito declared "I consider that the results of Geneva show that war will be avoided, that mankind can breathe more calmly, but that great efforts are still required to settle the still unsolved questions" Constructive and realistic proposals had been submitted for the settlement of the German question and for disarmament. There had also been various statements "in the grand manner," such as that by President Eisenhower about the exchange of information on military bases and aerial inspection of one another's territory. Although this proposal had come from a man who had proved himself a wise statesman and who was devoted to the preservation of peace, he [President Tito] thought that in present circumstances it was not realistic.

President Tito went on to suggest that it was precisely those people abroad who did not share the U.S President's conciliatory spirit who had tried to exploit it for propaganda purposes against the Soviet Union, and for upsetting the accord reached at Geneva They were saying that on the question of inspection the Russians were remaining silent, which showed that they "had been driven into the open and do not want peace." Such statements, however, were merely "international propaganda", the Russians wanted peace no less than the Americans and all other people in the world.

Referring to the recent Belgrade talks between Soviet and Yugoslav statesmen, President Tito said that the results had been favourable and that the improvement in relations between the two countries had made quite good progress. The Soviet leaders had fully familiarized themselves on the spot with the true state of affairs—namely, that Yugoslavia was not a country which had "sold" herself, that there were no capitalist or imperialist bases in Yugoslavia, and that Yugoslavia had not betrayed the ideals of Marx, Engels and Lenin. They were able to see that the Yugoslavs were building up their internal Socialist life in their own way, and that Yugoslavia was a peace-loving country with her own realistic views on international affairs. They had become convinced that Yugoslavia was independent of West and East alike, that she wished to remain so, and that she could not permit anyone to interfere in her internal affairs. As a result, a common language had been found and it had become easier to approach questions of further mutual economic and political co-operation.

"No matter what anyone in the West thinks," continued the President, "we are progressing boldly, step by step, towards normalization of friendly relations with all countries in the East, but we are also determined not to take a single step to deflect us from our friendly relations with the Western countries, and there is no reason for anyone to fear that we shall cancel all that has happened. This is not in keeping with our political conception We wish to strengthen our relations with America and Britain, as with other countries, not to weaken them. Of course, we cannot allow any of them to interfere in our domestic affairs."

"We are Communists," President Tito went on, "but we do not wish to belong to any camp We want to be an independent country building up Socialism, a country which will show whether our way is better than theirs If in the Soviet Union or elsewhere there is something better than we have we shall gladly copy it Likewise, we hope that what we do well the Soviet Union will copy We shall not, for the sake of anyone's pleasure, wage a war—not even a propaganda war—against the Soviet Union and other Eastern countries" After declaring that the Soviet leaders did not want war either, he continued "These are new men, men who do not wish the delusions, false moves, and actions of the past to be repeated, men who wish to start along another road for the benefit of themselves and of the whole world, men who wish to prove that they are not what they are rebuked as being by the West, but are just the leaders of a Socialist country There is no reason why we should not go along with them on all questions which are of benefit to mankind and ourselves"

Continuing, President Tito expressed strong criticism of the attitude of the leaders of some of the Soviet-bloc countries, declaring in this connexion "There are still people who do not like the normalization of relations They dare not speak out, but are acting under cover They will not recognize what the Soviet leaders have said. They raise objections against Yugoslavia whenever they can, and continue to arrest men who happen to be in favour of friendship with Yugoslavia They say that what has happened is only a manoeuvre, and that the Soviet Union is conducting a cunning policy with the aim of deceiving others Such people exist, especially in Hungary

"These men have their hands soaked in blood They have staged trials, given false information, sentenced innocent men to death They have dragged Yugoslavia into all these trials, as in the case of the Rajk trial, and they now find it difficult to admit their mistakes before their own people. These people lack the Communist boldness to say that they have erred and acted badly, and that they have now changed to a new course. In Czechoslovakia, too, there are people who find it difficult to admit their mistakes before their own people"

Finally, President Tito mentioned certain disagreements which had arisen with the U S A over further U S supplies of armaments. "Of late," he said, "there has been misunderstanding on this question and the matter has been increasingly referred to in the American Press Yugoslavia is being criticized for not allowing control of the arms she has received She has, however, fulfilled her conditions —that the U.S A. should have a right to know how Yugoslavia was maintaining the arms, that she was not selling them to anyone else, and where they were allocated. Yugoslavia cannot allow an inspection of military units where no American arms exist It is their own affair whether they give us more arms or not, but Yugoslavia cannot accept more arms if the conditions are different from those which already exist—if an attempt is made to impose new conditions in conformity with some U S. law. It is the laws of Yugoslavia, not those of the United States, which hold good in this country"

In another statement which he made when receiving a number of U S. visitors on Aug. 5, President Tito declared that whilst Germany's unification could not be avoided for ever, he did not believe that it was possible to achieve it at present.

He also indicated that he did not attach much value to the idea of forming a "neutral belt," and said that for Germany such a scheme was impossible There was, however, another possibility—namely, a *rapprochement* between countries not attached to blocs "This attitude of ours," he said, "is based on the conviction that blocs are not a good solution for the settlement of controversial issues. Bloc arrangements begin with political and ideological groupings, which always carry military groupings in their wake We know the consequences of this. That is why I think that the great Powers divided into blocs should give guarantees to countries which do not wish to join any bloc They should not exercise pressure upon those countries to join any bloc."

As regards the Balkan Pact, President Tito said that it had been created at a time when the three signatory countries felt themselves to be threatened Now, however, when the danger was no longer imminent, he thought that the pact should not be developed "along intensive military lines" and that co-operation between Yugoslavia, Greece, and Turkey "should acquire more the character of peaceful collaboration in the economic, political, and cultural spheres" Once collective security was achieved, the Balkan Pact—like other pacts —would lose its military character altogether. Nevertheless, the pact itself was not of a transitory nature, as it was meant to be "a lasting foundation for friendly co-operation between the three countries which would remove the danger of conflicts from the Balkans."

Summing up his views on international affairs, President Tito told his questioners that he was profoundly convinced that the West was not now threatened by the Soviet Union. "I am convinced myself," he added, "that the Soviet Union truly desires peace, for it has quite enough worries without entering open conflicts. I think that was also the impression of the Western statesmen at Geneva."

M. Rakosi, First Secretary of the Hungarian Workers' (Communist) Party, replied on Aug. 8 to President Tito's recriminations. After assuring President Tito of the good faith of the Hungarian Communists in pursuing the new policy of friendship towards Yugoslavia, he declared: "I can set

their fears at rest and assure Comrade Tito and other Yugoslav comrades that our party and the Government will take all measures to deepen relations between ourselves and them and make them as friendly as possible." He attributed the blame for the previous bad relations between the two countries to the former head of the Hungarian State Security Service, General Gabor Peter, "and his gang," who were sentenced to life imprisonment in March 1954 for crimes against the people and the State (see 13464 B). M. Rakosi said that "tension, friction, and mutual recriminations" had resulted from the activities of General Peter, who had "slandered the Yugoslav comrades."—(Tanjug Agency, Belgrade) **(Prev. rep. Soviet-Yugoslav Talks, 14265 A; Relations with Western Powers, 14295 D; 14162 A; Balkan Pact, 14209 A.)**

A. UNITED KINGDOM. — Higher Interest Rates on Local Authority Loans.

The Financial Secretary to the Treasury (Mr. Henry Brooke) announced on Feb. 28 that, in consequence of the raising of the Bank Rate to 4½ per cent, interest rates to local authorities from the Local Loans Fund would be increased from March 1 as follows: up to 5 years, from 2¼ to 3½ per cent, 5-15 years, from 3¼ to 3¾ per cent; over 15 years, from 3¾ to 4 per cent.

Mr. Brooke's announcement was made when moving the second reading of the Public Works Loans Bill, which increased the lending powers of the Public Works Loan Board in respect of loans to local authorities by a further £500,000,000. As a similar increase had been made under a Bill enacted on Dec 18, 1953, the total increase in the Board's lending authority since 1953 was therefore £1,000,000,000 Mr Brooke explained that the sum authorized by the 1953 Act was nearing exhaustion, and that it was expected that the £500,000,000 authorized by the present Bill might last for 16 months. He added that since they had obtained the power to do so in November, 1953, local authorities had borrowed about £20,000,000 in the open market. Their borrowings from trustee savings banks had been about £40,000,000 a year, possibly about £200,000,000 a year had been raised on private mortgages; and borrowings from the Public Works Loan Board were now running at the rate of about £300,000,000 annually.

The interest rates of loans from the Local Loans Fund were further raised on July 9 to 3¾ per cent for loans up to 5 years, and 4¼ per cent for all longer periods, and on Aug. 13 to 4⅛ per cent and 4½ per cent respectively.—(Times - Daily Telegraph - Financial Times) **(Prev. rep. Interest Rates, 13627 B; Private Borrowing, 12770 C.)**

B. FRANCE. — New Chief of Army Staff and Secretary-General of National Defence.

The French Cabinet decided on June 15 to appoint General André-Marie Zeller (57) as Chief of Staff of the Army in succession to General Blanc, who was appointed Director of the *Institut des hautes études de défense nationale et du Centre des hautes études militaires.*

General André-Marie Zeller [who should not be confused with his brother, General Henri Zeller, the Military Governor of Paris and Inspector-General of Reserves] served during World War II with the Free French forces in Italy and Southern France. He subsequently commanded the artillery of the Free French First Armoured Division during the campaign in Eastern France and Germany

On March 30 the Cabinet had appointed M. Geoffroy de Courcel as Permanent General Secretary of National Defence —the highest administrative civilian post in the French defence organization. M. de Courcel (42) had formerly been Political Director-General in the Ministry for Moroccan and Tunisian Affairs.—(Le Monde, Paris) **(Prev. rep. 10400 D.)**

C. AVIATION. — Trans-Polar Service inaugurated by Canadian Pacific Airlines.

A new inter-continental service linking Western Canada and the Netherlands *via* the North Pole and Greenland was inaugurated on June 4 by Canadian Pacific Airlines. The new route is 1,000 miles shorter than that across Canada and the North Atlantic, and the actual flying time between Vancouver (British Columbia) and Amsterdam is only 19 hours, including one hour's refuelling stop at Sondre Strömfjord (Greenland). The service will run once a week from Sydney (Australia) across the Pacific to Vancouver and thence across the North Polar regions to Amsterdam. It will be operated by DC-6B planes.—(Montreal Star) **(Prev. rep. 13916 D.)**

D. JAPAN. — New Head of Defence Board.

The Japanese Government on July 31 nominated Mr. Shigemasa Sunada (chairman of the Diet policy committee of the Democratic Party) as head of the Japanese Defence Board. (New York Herald Tribune) **(Prev. rep. 13621 C.)**

E. BULGARIA - ISRAEL.— Israeli Airliner shot down by Bulgarian Fighters. - Loss of 58 Lives. - Bulgarian Apology and Offer of Compensation.

A Constellation airliner of Israel Airlines (the *El Al* Company) was shot down by Bulgarian fighters on July 27 near the Greco-Bulgarian frontier. All 51 passengers on board were killed, among them three children, as well as the crew of seven.

The airliner was flying from London Airport to Lydda (Israel) *via* Paris, Vienna, and Istanbul At the time of the disaster it was on the Vienna-Istanbul run, and near the point where the Greek, Bulgarian, and Yugoslav frontiers intersect First reports of the disaster came from the Greek frontier authorities, who announced that the plane had been shot down by Bulgarian gunfire and had crashed a few miles inside Bulgarian territory. On July 28 the Bulgarian Government issued a communiqué saying that the airliner had "departed from its route and entered Bulgarian airspace without warning"; that the anti-aircraft defences had opened fire on the machine, which they had been unable to identify; and that it had crashed with the loss of all passengers and crew on board After expressing "the deepest regret of the Bulgarian Government and the entire Bulgarian people at this disaster," it was announced that a ministerial committee of investigation had been set up under the chairmanship of the Foreign Minister, Dr. Neichev.

On the same day (July 28) the Israeli Government sent two strongly-worded Notes to Bulgaria The first denounced the Bulgarian attack on the airliner as "shocking recklessless" and "a wanton disregard for human life and for elementary obligations of humanity", and demanded the punishment of those responsible, as well as full compensation for the loss of the aircraft and for the families of the 58 passengers and crew who had lost their lives The second Note protested at the Bulgarian Government's refusal to permit an Israeli investigating team to enter Bulgaria to examine the wreckage of the machine. [Six Israeli civil aviation experts had arrived at the Bulgarian frontier for this purpose, but were refused permission to enter Bulgaria.] The *El Al* Company issued a statement denying the Bulgarian allegation that the plane was off its course, and pointing out that radio messages transmitted from the aircraft up to the time of the disaster showed that it had not entered Bulgarian airspace

In a Note to the Israeli Government on July 29, the Bulgarian Government reiterated its regret at the shooting-down of the aircraft and declared its readiness to accept responsibility "for part of the material damage caused."

Three of the Israeli civil aviation experts were eventually allowed to enter Bulgaria on July 30 and inspect the wreckage of the plane Their report, published on Aug. 1 by the Israeli Foreign Office, stated that the plane was riddled by machine-gun bullets, which seemed to indicate that it had been shot down by fighters and not by anti-aircraft fire, that the Bulgarian authorities had tampered with the wreckage in an obvious attempt to remove incriminating evidence, that the investigators had been allowed to stay in Bulgaria for only six hours, that the Bulgarian officers had been uncommunicative and unwilling to impart information, and that no interrogation of Bulgarian witnesses had been permitted.

The passengers in the aircraft included British, Canadian, South African, American, French, and Swedish nationals, as well as Israeli citizens, whilst the pilot, Capt Stanley Hinks, was a British national. [Captain Hinks, a wing-commander in the R.A F during the war, was formerly personal pilot to Sir Winston Churchill and had also piloted King George VI.] In addition to the protest Notes from Israel, strong protests were made to Bulgaria by the British Government (acting also on behalf of Canada and South Africa) and by the U S, French, and Swedish Governments The British Note said that "H M. Government cannot accept that any Government is in its right in shooting down a civil aircraft in time of peace", the U.S. Note said that the "brutal attack" on the Israeli airliner was a "grave violation of all principles of international law"; whilst the French Government described the Bulgarian action as an "act of war" All the Notes demanded the punishment of those responsible and the payment of full compensation to the families of those who had been killed.

The Bulgarian Government issued a statement on Aug. 3 admitting that the Israeli airliner had been shot down by two Bulgarian fighters and not, as originally stated, by anti-aircraft fire. It promised to "discover and punish those responsible for the catastrophe," to take "all measures to prevent a repetition of such incidents," and to pay compensation to the families of the 58 victims.

The statement (claimed to be based on the findings of the ministerial commission of inquiry) said that the "unidentified" aircraft had gone off its course without warning and had flown over Bulgarian territory for 125 miles at a depth of 25 miles Fighters had been sent up to investigate "this deep penetration of Bulgarian airspace," but the airliner had ignored their signals to land Seeing that the plane was "trying to escape across the frontier," they had opened fire on the machine, which had caught fire and crashed. The statement admitted that the air defences had "shown hastiness" and had failed to take all necessary measures to force the aircraft to change direction.

The remains of the 58 victims of the disaster were flown to Israel and were buried in a common grave near Tel-Aviv on Aug. 4 in the presence of the Prime Minister of Israel (Mr. Sharett), the British and U.S. Ambassadors, and many other diplomatic representatives. (Times - Daily Telegraph)

A. ATOMIC ENERGY. — Opening of International Conference on Peaceful Uses of Atomic Energy. - Atomic Energy Developments in the U.S.A., Britain, France, Australia, Canada, Germany, India, the Netherlands, and the U.S.S.R. - Civilian and Military Agreements between Britain and the United States.

The first international conference on the peaceful uses of atomic energy opened at the *Palais des Nations* in Geneva on Aug. 8. The convening of such a conference had been unanimously agreed to at the ninth session of the U.N. General Assembly in connexion with President Eisenhower's "atoms for peace" plan (see page 13994). The conference was attended by 1,260 delegates and 800 observers from 72 countries, and over 1,000 scientific papers were submitted by 33 of the countries represented, as well as by the World Health Organization, the U.N. Food and Agriculture Organization (FAO), the U.N. Educational, Cultural, and Scientific Organization (Unesco), and the United Nations itself. Messages stressing the importance and significance of the conference were received from President Eisenhower, Sir Anthony Eden, Marshal Bulganin, Mr. Nehru, and other statesmen.

The seven-nation advisory committee, which had been set up by the General Assembly to assist the U.N. Secretary-General (Dr. Hammarskjold) in organizing the conference, took the following decisions at its first session in January last:

(1) The conference would be held in Geneva under U.N. auspices and would last for approximately two weeks.

(2) Invitations would be sent to all U.N. member-countries, and also to 24 non-members which were co-operating with U.N. specialized agencies (i.e., to 84 countries in all).

(3) Dr. Homi Bhabha, F.R.S., chairman of the Indian Atomic Energy Commission, would act as President of the conference.

It was subsequently agreed that Dr. Walter Whitman, of the Massachusetts Institute of Technology, would act as secretary-general of the conference, that Dr. Viktor Vavilov, of the Academy of Sciences of the U.S.S.R., would serve as deputy secretary-general; that an international team of 17 scientists, recruited from 11 countries, would draw up a provisional agenda and rules of procedure, and that the conference would have six vice-presidents—General Bernardino de Mattos, chairman of the Brazilian Atomic Energy Commission, Dr. W. B. Lewis, Vice-President (Research and Development) of Atomic Energy of Canada Ltd. (the government-owned Crown Company operating the Chalk River atomic energy plant); Professor Francis Perrin, French High Commissioner for Atomic Energy; Professor D. V. Skobeltzin, of the Academy of Sciences of the U.S.S.R.; Sir John Cockcroft, Director of the British Atomic Energy Establishment at Harwell, and Dr. Isidor Rabi, chairman of the General Advisory Committee of the U.S. Atomic Energy Commission.

After a meeting of the advisory committee in New York, presided over by Dr. Hammarskjold, it was announced on May 27 that the conference would provide "an opportunity for positive exchange of information and views" on the following subjects: the need for new sources of power, and the role of nuclear energy in meeting this need; the building of a nuclear energy enterprise, including experience with existing nuclear power plants (reactors), health and safety aspects of atomic energy; production of isotopes and their use in technology, industry, medicine, biology, and agriculture. It was explained that the conference would hold plenary sessions to discuss these subjects, followed by three parallel series of technical sessions dealing with (*a*) reactors and reactor physics, (*b*) reactor chemistry, technology, and metallurgy, and (*c*) the use of isotopes in biology, medicine, and industry. The conference would not discuss the establishment of an International Atomic Energy Agency as proposed by President Eisenhower, since this matter was under negotiation through normal diplomatic channels.

Simultaneously with the opening of the conference, two exhibitions illustrating the peaceful uses of nuclear power—the first of their kind—were opened in Geneva: (*a*) an exhibition of a scientific and technical nature, held in the grounds of the *Palais des Nations* and open only to delegates to the conference; (*b*) an exhibition at the *Palais des Expositions*, open to the general public and sponsored by private industries, universities, and research institutions in a number of countries. The latter exhibition—unconnected with that held at the *Palais des Nations*—contained both official and commercial exhibits and was primarily designed to illustrate the importance of nuclear power in industry.

One of the principal exhibits at the *Palais des Nations* exhibition was an American "swimming pool" type of nuclear reactor, which had been flown across the Atlantic from Knoxville, Tennessee. A prototype of the models that will be made available to over 20 countries under bilateral agreements with the U.S.A. (see below), it operates in a cylinder of purified water 10 ft. in diameter and 21 ft. deep, and uses approximately 18 kilograms of uranium. Prior to the opening of the conference, the U.S. Atomic Energy Commission had stated that qualified scientists of all countries would be able to observe and operate the reactor, and that the reactor itself would "use the type of fuel that other nations can draw from the 100 kilograms of Uranium-235 which the U.S.A. has made available for reactors in other countries as a major step in President Eisenhower's atoms-for-peace programme." It was announced on June 9 that the U.S.A. had agreed to sell the reactor to Switzerland for $180,000 after the conference ended.

The Soviet Union also presented important exhibits at the *Palais des Nations* exhibition, notably a reactor of graphite-moderated water-cooled type and a model of a research reactor. Other Soviet exhibits covered a wide field in the peaceful application of atomic energy and, for the first time, gave an indication to the outside world of Russian progress in this field of research.

The principal exhibitors at the *Palais des Expositions* were Britain, the U.S.A., and France, whilst Belgium, the German Federal Republic, Italy, the Netherlands, and Switzerland were also represented. The biggest and most comprehensive section was that of Great Britain, some 27,000 sq. ft. of floor-space being taken up by exhibits of the U.K. Atomic Energy Authority and over 30 British companies. Among British firms exhibiting were H. M. Hobson & Co., Tube Investments, Philips Electrical, Isotope Developments, and the English Steel Corporation. The major British companies capable of manufacturing complete atomic power stations for export were also represented—General Electric, Associated Electrical Industries, Metropolitan Vickers, English Electric, Babcock & Wilcox, Taylor Woodrow, and the Nuclear Power Plant Company. The American section was on a smaller scale, only 16 U.S. commercial firms being represented.

After addresses of welcome by the President of Switzerland (M. Petitpierre) and Dr. Hammarskjold, the conference opened with an inaugural speech by its President, Dr. Homi Bhabha. In the course of his address, Dr. Bhabha predicted that unlimited power would be available to mankind within two decades, by which time, he said, "the energy problems of the world will have been solved for ever."

Dr. Bhabha discussed the course of world energy consumption through the ages in terms of a large unit, denoted by a Q, which was equal to a million million million British thermal units of energy. In the first 18½ centuries of the Christian era, consumption was at an average rate of under half a Q a century. By 1850 the rate was probably about one Q a century. By 1950 roughly another five Q might have been consumed, and the rate of consumption had risen to 10 Q a century. Of this, 37 per cent was consumed in the United States, and if the entire present population of the world were to consume energy at the same rate a head, world consumption would now be running at five and a half Q in 10 years, instead of one Q. Coupled with a doubling of the world's population within the next 100 years, which was the least that could be expected, this would exhaust the known reserves of coal, oil, and natural gas (the so-called fossil fuels) within less than a century. This conclusion showed the absolute necessity of finding some new source of energy "if the light of our civilization is not to be extinguished because we have burned out our fuel reserves."

Continuing, Dr. Bhabha stressed that the dawn of the atomic age marked a change in the pattern of energy-use by mankind comparable to that introduced by the Industrial Revolution. "For the full industrialization of the under-developed countries," he said, "and for the continuance of our civilization and its further development, atomic energy is not merely an aid—it is an absolute necessity." He believed that within two decades means would be found of liberating energy by controlled fusion reactors, using the heavy hydrogen contained in the waters of the oceans; when that happened, the world's energy problems "will truly have been solved for ever."

Dr. Bhabha expressed regret that the People's Republic of China, comprising about one-quarter of the world's population, was not represented at the conference.

Three important announcements—two from the American side and one from the British—were made simultaneously with the opening of the conference.

(1) Rear-Admiral Lewis Strauss (chairman of the U.S. Atomic Energy Commission, and a member of the U.S. delegation at Geneva) announced that the U.S. Government would make fissile materials for research purposes available to other countries on the following terms: $25 a gramme for uranium enriched up to 20 per cent (to be leased only, and not sold); $40 a kilogram for normal uranium metal; and $28 a kilogram for heavy water. [Heavy water is used as a moderator and coolant in certain types of reactors.]

Rear-Admiral Strauss explained that the prices announced were designed to assist nations planning research reactors "for benign purposes," and that it was unlikely that any uranium enriched above 20 per cent would be leased or sold to other countries, since this would be "fringing on material for warlike purposes."

(2) The Ford Motor Company announced the establishment of a $1,000,000 fund to finance an annual prize for the best contribution by a scientist or scientific group to the peaceful uses of atomic energy. The awards would be made by an international jury on a world-wide basis and "without regard for nationality or political belief." The jury would select every year an individual or group of individuals to receive a prize consisting of $75,000 and a medal. If no award was made in any particular year, the money would be used for scholarships and fellowships to scientists "most likely to contribute to the advancement of the new science of the peaceful application of atomic energy."

It was stated that the offer was a response to President Eisenhower's appeal to business and professional men throughout the world to "provide an incentive in finding new ways" of using atomic science for the benefit of mankind It was also explained that the award would constitute a memorial by Mr Henry Ford (the head of the company) and his brothers to their father, Henry Ford I, the founder of the Ford Motor Company

(3) In a statement (issued in Geneva) describing recent British advances in nuclear power production, it was disclosed that British scientists had built a reactor that made two atoms of new fuel for every atom consumed. The relevant sentence ran as follows: "In 'Zephyr' [the name given to the Zero Energy Fast Reactor at Harwell] it has been found that the amount of plutonium created by the breeding method has been double that consumed in the reactor."

The British statement related to two new projects in the so-called "third stage" of atomic energy development—when "fast breeder reactors" are expected to be in use for the combined purposes of electricity generation and production of nuclear fuel in quantities greater than those consumed by the reactor. It was explained that the first project was an experimental reactor which was being built at Harwell, and which would be a full-scale copy of the type under construction at Dounreay (Caithness) The Harwell reactor, which would be known as "Zeus" (Zero Energy Uranium System), would operate at only one-millionth of the power intended for the Dounreay plant, and was expected to be in operation by the end of 1955. The second new project was for the construction at Dounreay of an experimental heavy water reactor

Important recent developments in the civilian and military application of atomic energy, and other related developments, are described below.

United States.

President Eisenhower's New "Atoms for Peace" Proposals. Speaking on June 11 at Pennsylvania State University, the President announced that he intended to submit two new proposals to Congress "(1) We propose to offer research reactors to the free nations who can use them effectively for the acquisition of skills essential to peaceful atomic purposes The U S A will contribute half the cost, and will also furnish the acquiring nation with the nuclear material needed to fuel the reactor (2) Within prudent security considerations, we propose to make available to the peoples of such friendly nations as are prepared to invest their own funds in power reactors, access to and training in the technological processes of construction and operation for peaceful purposes"

On June 24 Rear-Admiral Strauss announced that the President had authorized a doubling of the amount of enriched uranium which would be made available by the U S.A. for nuclear research in friendly countries—i e , from 100 kilograms (the amount allocated by the Atomic Energy Commission for this purpose in November last) to 200 kilograms A formal announcement to this effect was made by Admiral Strauss at the opening of the Geneva conference

Uranium Supplies from Belgian Congo. Details of an agreement signed on June 15 between the U.S A and Belgium, whereby both the U.S A and Britain would retain their existing option on the output of nuclear materials produced in the Belgian Congo, were announced by President Eisenhower on June 20. The relevant provision reads . "Belgium agrees not to transfer to any country, other than the United States or the United Kingdom, any nuclear materials produced in Belgium, the Belgian Congo, or Ruanda-Urundi, unless the Belgian Government is given assurances that the material will not be used for military purposes The Belgian Government agrees to consult with the United States on the international significance of any proposed transfer of any uranium or thorium ores, or any special nuclear materials, to any country other than the United Kingdom."

It was recalled in Washington that, under wartime agreements concluded in 1944, the U.S A. and Britain had been given an option on all nuclear power supplies produced in the Congo These purchases had been made through a Combined Development Agency, which had entered into contracts with the African Metals Corporation, acting for the *Union Minière du Haut Katanga* As regards the new U.S.-Belgian agreement, President Eisenhower informed Congress (1) that the Combined Development Agency would have the first option to purchase 90 per cent of the uranium and thorium ores produced in Belgium and the Congo during the calendar years 1956 and 1957, and 75 per cent of the ores produced in 1958, 1959 and 1960; (2) that Belgium had agreed to evaluate her requirements of these ores after 1960, and to consult with the U.S A on establishing an agreed percentage of materials on which the Agency could have a first option after that year; (3) that the U.S. Atomic Energy Agency, in return, would sell to Belgium enriched uranium for use in Belgian reactors for purposes of peaceful research

Military and Civilian Atomic Co-operation Agreements with Britain and Canada. On the same day (June 20) President Eisenhower announced that two agreements on co-operation in the civil and military uses of atomic energy had been concluded with Britain on June 15; that the civil agreement would run for ten years; and that the military agreement would remain in force until terminated by mutual consent. The announcement relating to the military agrreement was contained in the following letter from the President to Senator Clinton Anderson, chairman of the Joint Congressional Committee on Atomic Energy:

"... Under the terms of the proposed agreement, the U S.A may exchange with the United Kingdom ... atomic information which the U.S.A. considers necessary to: (1) the development of defence plans, (2) the training of personnel in the employment of, and defence against, atomic weapons; (3) the evaluation of the capabilities of potential enemies in the employment of atomic weapons The U.K. will make atomic information available to the U S A on the same basis

"Atomic information made available [under this agreement] will not be transferred to unauthorized persons, or beyond the jurisdiction of the recipient Government, except where that information is to be communicated to another nation or regional organization which has already been given the same information under an agreement similar to this, and then only to the extent that such transfer is specifically authorized by the originating Government Transfers of atomic information by the U S A. under the agreement will be made only in accordance with the Atomic Energy Act of 1954, and such information will be safeguarded by the stringent security arrangements in effect between the U S A. and the United Kingdom .

"The Department of Defence has strongly recommended this agreement Through the co-operative measures foreseen, we will have aided materially not only in strengthening our own defences but also those of our British ally, and will thereby contribute greatly to the mutual defence efforts which are of such vital importance to the maintenance of our common freedom"

Details of the civil agreement were contained in a White Paper issued on the same day by the British Government (see section "United Kingdom" below)

Military and civil agreements with Canada, identical with those concluded between the U.S A and Britain, were also announced in Washington on June 20.

Bilateral Atomic Agreements for Peaceful Purposes. The first bilateral agreement on co-operation in the use of atomic energy for peaceful purposes was signed with Turkey on May 3, 1955. It was followed in May, June and July by similar agreements with Brazil, Colombia, Lebanon, Israel, Argentina, Italy, Spain, Switzerland, Denmark, Venezuela, Nationalist China, the Netherlands, Portugal, Britain, Canada, Belgium, Pakistan, the Philippines, Chile, Japan, Greece, Uruguay, Sweden, Peru, South Korea, and Siam By the end of July the U S A had thus concluded "atoms for peace" agreements with 27 countries.

The agreement with Italy (signed on June 7) also provided that the U S A. would supply Italy with an atomic reactor for the development of the peaceful use of atomic energy, together with some uranium fuel Under the agreement with Pakistan (June 15) it was provided that the U S Atomic Energy Commission would lease to the Pakistani Government up to six kilogrammes of enriched uranium On June 27 it was announced in Washington that an agreement had been concluded with France for the sale of 30 tons of heavy water to that country for use in the two French atomic reactors

In anticipation of a bilateral agreement on the exchange of atomic information, the U S Embassy in Paris announced on March 28 that the U S Government would supply to France an "atomic library" covering reports and surveys of the U S. Atomic Energy Commission, as well as technical summaries of 50,000 articles on atomic subjects published throughout the world. The first volumes of this library were handed over in Paris on April 15 Similar libraries were handed over to Norway, South Africa and Australia in July

Atomic Power for Civilian and Industrial Uses. The first atomically-generated supply of electric power for civilian consumers went into operation on July 18. The electricity is "fed" into the transmission system of the Niagara-Mohawk Power Corporation, covering a wide area of northern New York State. The power is obtained from a 10,000-kilowatt reactor which had been constructed at West Milton by the General Electric Corporation The reactor is of the same type as that used in the U S atomic submarine *Seawolf* (see 14338 D).

Plans to help American private industry to develop and operate experimental atomic power plants were announced by the Atomic Energy Commission on Jan 9, 1955 It was stated that the programme was designed primarily for the development of private power plants that would generate electricity, and that companies and individuals submitting acceptable proposals could qualify for three types of Federal aid—the free use of nuclear fuel, free research work in A E.C laboratories, and payments for technical and economic data In studying proposals, the A.E.C would employ five basic criteria. (1) the probable contribution of the proposed project towards the eventual achievement of competitive economic power, (2) the cost to the Commission, (3) the risk to be assumed by the private interests concerned, (4) the competence and responsibility of the private interests, (5) assurances to be given by the private company against the possible abandonment of the project. Prices for materials and services would be made available to "properly cleared persons," and price lists would be drawn up for natural uranium, thorium, heavy water, uranium-235, uranium-233, and plutonium [The last three may not be owned by private industry, but only leased, the others may be either sold or leased.]

The manufacture, ownership, and operation of atomic reactors and related activities by private concerns had been authorized in the Atomic Energy Amendment Act (1954), which lifted the restrictions imposed by the "McMahon Act" of 1946 (see 13756 A).

President Eisenhower's Proposal for Atomic-powered Merchant Ship. President Eisenhower announced on April 25 that he intended to ask Congress for funds to build an atomic-powered merchant ship which would "travel round the world to demonstrate to people everywhere the peace-time uses of atomic energy, harnessed for the improvement of human living." He added that the ship would be "an atomic exhibit carrying to all people practical knowledge of the usefulness of this new science in medicine, agriculture, and power production"

A request for $21,000,000 for this purpose was made by the President on May 26, the proposed sum being included in a series of supplementary appropriations, totalling $140,000,000, which were submitted for Congressional approval. [It was explained that the cost of the proposed atomic-powered ship would be $33,000,000, of which $21,000,000 would be for the power plant and $12,000,000 for the design and construction of the hull.] The Joint Congressional Atomic Energy Committee, however, rejected the President's request on June 13 on the ground that the proposal was impracticable; nevertheless, it inserted in an Appropriations Bill a sum of $25,000,000 for the development of a power plant that could be used to propel large surface vessels, either military or freight-carrying Senator Clinton Anderson (the committee's chairman) said that the ship proposed by the President would be a "museum piece" serving no practical purpose.

Although a Bill appropriating $294,700,000 for the Atomic Energy Commission was passed by the Senate and the House of Representatives on June 28-29, both Houses refused to insert in it the appropriation of $21,000,000 which the President had requested for an atomic-powered ship The proposal was rejected in the Senate by 42 votes to 41

On July 18, however, the House of Representatives passed a Bill (by voice vote) authorizing the Maritime Commission to construct an experimental atomic-powered passenger-freight ship. Representative Herbert Bonner (chairman of the House Merchant Marine Committee) said that this vessel could carry U S goods to foreign ports in the same manner as the President's proposed "demonstration" vessel, moreover, it would do more to advance the U S merchant marine than the ship proposed by the President. After a personal appeal by President Eisenhower to reconsider the matter, the Joint Congressional Committee on Atomic Energy met on July 29 and approved (by 9 votes to 3) both the atomic "peace ship" and the prototype merchant vessel No further action, however, was taken before Congress adjourned on Aug. 2.

The "Hydrogen-Uranium" Bomb. In a speech on June 3 to the University of Chicago, Dr. Willard Libby (a member of the A.E.C., and one of America's foremost atomic scientists) indicated that a thermo-nuclear (hydrogen) bomb could be made with the cheapest atomic explosives and in virtually limitless size The *New York Times* commented as follows on Dr. Libby's speech, which was of a highly technical nature:

"The chief significance of Dr. Libby's speech was his reference to a nuclear explosion capable of releasing 'ten megatons of fission energy.' The key word is 'fission' The ordinary atomic bomb releases energy by fissioning or splitting atoms. The thermo-nuclear weapon does this by 'fusion' of hydrogen atoms Ordinary atomic bombs are placed in the 'kiloton' category, and thermo-nuclear weapons in the 'megaton' class A kiloton is equivalent to 1,000 tons of TNT; a megaton to 1,000,000 tons.

"Dr. Libby referred to a 10,000,000-ton weapon that released energy by fission rather than fusion This indicated that ordinary, cheap Uranium-238 was the major explosive content The significance of this is held to be enormous. To physicists it means that Russia or any other country able to make ordinary atomic bombs can, with a little more effort, create super-weapons of the megaton class The great complications and expense hitherto associated with the manufacture of the thermo-nuclear bomb thus become negligible

"Moreover, this cheaper weapon is tremendously more deadly than a pure hydrogen bomb. The product of fusing hydrogen in the hydrogen bomb is stable helium, which is not radioactive. . . . By adding ordinary uranium to this weapon, additional lethal radioactivity is created"

United Kingdom.

Civil and Military Agreements with U.S.A. Details of the U.K.-U.S. agreement for co-operation in the civilian uses of atomic energy, referred to by President Eisenhower on June 20 (see above), were given in a White Paper issued in London on the same day

The civil agreement (the White Paper stated) dealt mainly with the exchange of information, and provided also for the exchange of materials and of specialized facilities for research Information primarily of military significance was excluded, and this would apply for the present to the development of power reactors for use in submarines, ships, and aircraft, and also to certain types of transportable ("package") reactors. Patents owned by either country could be used by the other without royalty, subject to safeguards

Information to be exchanged under the civil agreement would cover all data of a general character needed in the design of a reactor—e.g., reactor physics and engineering, the properties and specification of materials used in reactors, the general specification of components, and the general characteristics of experimental and power reactors. Information would not, however, be exchanged on specific power reactors, whether experimental or for use, "unless the reactor is currently in operation in the receiving country or is being considered seriously for construction by the receiving country" as part of a power-production programme

There would be full exchange on all stages of the finding, production, and purification of uranium and thorium. On other relevant materials, including "special nuclear material," there would be full exchange in respect of properties of all kinds and behaviour under all conditions; but, except as agreed, information on their production and use would stop short of the design and operation of pilot plants. This restriction would apply in particular to the design and operation of plants for the separation of Uranium-235 (the fissile isotope of uranium) and of heavy hydrogen and tritium; also, by implication, to plants for the separation of plutonium

A separate White Paper was issued on the military agreement. It gave the same information as that contained in President Eisenhower's statement.

Nuclear Power for Industry. The Nuclear Power Plant Company, with a capital of £1,000,000, and registered offices at Newcastle-upon-Tyne, was formed in May to design and construct nuclear power plants. It comprises the following eight companies—C A Parsons & Co (Newcastle), Head, Wrightson and Co (Thornaby-on-Tees), A E. Reyrolle, Sir Robert McAlpine & Co, Whessoe, Findlay & Co, Strachan and Henshaw, and Clarke, Chapman & Co. The activities of the eight associated companies will be co-ordinated by the Parolle Electrical Plant Co, which is owned jointly by Parsons and Reyrolle The Parolle and Whessoe companies have been concerned with design and construction work at Calder Hall, whilst Head, Wrightson is designing and building the heavy water plant now under construction in New Zealand, as well as a heavy water plant (the first of its kind in Britain) at Harwell

It was announced on March 16 that some of the largest engineering firms in Britain, who were likely to be concerned in the Government's programme for developing nuclear power for industry, had formed a joint team of nuclear physicists, engineers, and technicians to study the problems of designing larger and more powerful atomic power stations The study group would be known as the A E I-John Thompson Atomic Energy Group, and would be recruited from the staffs of Metropolitan-Vickers Ltd (Manchester), British Thompson-Houston Ltd (Rugby), and the John Thompson group of companies (Wolverhampton)

The U K Atomic Energy Authority disclosed on June 14 that big new sources of atomic radiation, obtained from "waste" products in atomic reactors, would be made available to industry and medicine. In addition to a wide range of now conventional applications, such as the treatment of disease and the X-raying of steel plates, many new uses for atomic "waste" products were envisaged—e.g., the manufacture of antibiotic drugs, the killing of insect pests, and the sterilization of food. The Authority announced that a Technological Irradiation Group, concentrating for the time being on the industrial applications of atomic "waste" had been formed to handle this new sphere of work

New Atomic Reactors. The Minister of Fuel and Power (Mr. Geoffrey Lloyd) informed the House of Commons on June 13 that the Government had decided to build six more reactors, additional to those announced in the Government's £300,000,000 programme (see 14045 A) Mr Lloyd stated that all six reactors would be of the Calder Hall type, that they would be designed "to produce fissile material for military purposes, as well as electricity", and that two of them would be built at Calder Hall, and the other four near the chemical processing plant at Windscale He added that "this work will go full speed ahead and produce a useful contribution to the electricity of the grid within the lifetime of the present Parliament."

The Atomic Energy Authority announced on the following day that four atomic reactors would be erected near Annan (Dumfriesshire) on the site of a disused airfield.

British Exports of Isotopes. An official survey of British and Commonwealth nuclear research, published on Aug 8 by the Central Office of Information, showed that Britain was the world's greatest exporter of radio-isotopes, such exports in 1954 having been greater than those of all other countries combined. British exports of isotopes from the Amersham and Harwell plants had risen from 135 in 1947 to 19,531 in 1954; the exports were "reasonably priced"—e g, the average value of each item dispatched from Amersham in 1954 was £20, while a number of items cost as little as £5.

Committee on Medical Effects of Radiation. The Parliamentary Secretary to the Ministry of Works (Mr. Bevins) announced on May 4 that a 16-member committee had been appointed by the Medical Research Council to prepare a report on medical aspects of nuclear radiation The committee's chairman is Sir Harold Himsworth, secretary to the Medical Research Council, its other members including Sir John Cockcroft and Sir Edward Salisbury, Director of the Royal Botanic Gardens, as well as a number of university professors.

The Government's decision to set up such a committee had been announced on March 29 by Sir Winston Churchill, then Prime Minister.

Atomic Co-operation Agreement with France. It was announced on May 5 that the U K Atomic Energy Authority and the French Atomic Energy Commission had concluded an agreement "for the exchange of unclassified information between the two organizations on a range of subjects" In addition, the U.K. Authority would help the French Commission "by giving advice and by supplying experimental quantities of various materials."

An atomic co-operation agreement between the U.K. and Denmark had been announced on June 10—see 14245 B.

France.

Renunciation of Atomic and Hydrogen Bombs. The French Prime Minister, M. Faure, announced on April 13 that atomic research in France would be devoted solely to peaceful purposes, and that the French Government would manufacture neither atomic nor hydrogen bombs. He added that France would become "a peaceful atomic Power" (*une puissance atomique pacifique*) and that M Palewski, the Minister responsible for atomic energy development, was drawing up an important plan designed to make up for past delays and to ensure future progress in the peaceful application of atomic energy.

In a previous statement on March 16, M. Faure had stated at a press conference that he was of the opinion that France should make the hydrogen bomb. Asked about the French Government's attitude

to the H-bomb, in view of the British decision to manufacture it, he replied: "It seems clear that there will soon be two classes of nations: 'strong and aristocratic' nations possessing thermo-nuclear weapons, and 'inferior' nations—not from the moral but from the material point of view—who do not possess them. I ask myself whether France can relinquish her right to be in the former category. This question will be examined in the near future, and I think it safe to say that we shall reject a purely negative solution... France cannot remain a 'diminished great Power' in face of this new criterion."

No official explanation was given as to the reasons for the Government's change of mind on the question of manufacturing atomic weapons. The French Socialist Party, however, had announced on March 23 that it was strongly opposed to the manufacture of any atomic weapons on the grounds that the entry of France into military atomic competition would be ineffective militarily, difficult in practice, and financially unsupportable. Considerable opposition to the manufacture of atomic weapons had also been expressed on the ground of the great expense involved.

Commission for Nuclear-produced Electricity. A consultative commission to study the possibility of producing electricity from nuclear sources (*commission consultative pour la production d'electricité d'origine nucléaire*) was set up by decree on April 27. Headed by M. Blum-Picard, vice-president of the *Conseil-général des mines*, it includes leading industrialists, technicians, and scientists, among them Professor Perrin, the High Commissioner for Atomic Energy.

Atomic Energy Development Plan. It was announced on May 1 that the Government had approved a plan, drawn up by M. Palewski, under which it was proposed to spend 100 milliard francs (about £100,000,000) during the next three years on the peaceful development of atomic energy. The sum was divided approximately as follows: 15 per cent for the production of raw materials (minerals), 15 per cent for the primary materials needed for atomic piles or reactors—i.e., uranium, thorium, and heavy water; 30 per cent for the extension of the present research centre at Marcoule by constructing two supplementary atomic piles, which would bring about a considerable increase in the production of plutonium and nuclear-produced electricity, 20 per cent for research on marine engine prototypes; 20 per cent for research on new technical methods and secondary reactors.

Atomic energy developments in other countries are summarized below:

Australia. The Federal Minister of Defence (Sir Philip McBride) announced on July 6 that a £750,000 contract had been given to a British company (Head, Wrightson) for the design and supply of the 10,000-kilowatt nuclear reactor to be built under Australia's current five-year atomic research and development programme (see 14102 A). He added that it would be of the heavy water type, similar to the one under construction at Harwell, in England, and that it would be used by the Australian Atomic Energy Commission for the production of radio-isotopes, as well as for research.

Canada. The Federal Minister of Trade (Mr. Howe) announced in March that Canada's first atomic power station for the production of electricity was being built jointly by the Federal Government and the Ontario Hydro-Electric Power Commission at a cost of about $15,000,000. Situated at Des Joachims, on the Ottawa River 150 miles north-west of Ottawa, it is expected to be in production by 1958 and is designed to produce 10,000-20,000 kilowatts of electric power.

Mr. W. J. Bennett, president of Atomic Energy of Canada Ltd., disclosed on June 17 that a $2,500,000 plant designed to make Canada self-sufficient in pure uranium supplies had been opened at Fort Hope, Ontario. Previously Canada had shipped uranium ore to the U.S.A. for processing.

German Federal Republic. The Federal Government's decision to build Germany's first atomic reactor at Karlsruhe was announced in Bonn on Aug. 2. The official statement pointed out that the restrictions on the development of atomic energy in the Federal Republic had been removed by the Paris Agreements, and that the Karlsruhe reactor would be used "for the technological and scientific exploitation of nuclear energy for peaceful purposes." It added that the site had been chosen by a committee of experts under the chairmanship of the Federal Chancellor, Dr. Adenauer, that the *Land* Government of Württemberg-Baden and the Karlsruhe municipal authorities had been consulted; and that the question of co-operation between the Karlsruhe project and the Max Planck Institute of Physics at Göttingen was under consideration.

For some time previously the Bavarian Government had urged that Munich should become the principal centre of atomic research in Western Germany. Despite the Federal Government's eventual choice of Karlsruhe, a sum of 9,000,000 DM was voted by the Bavarian Government on Aug. 5 for the construction of an atomic reactor near Munich, together with another 6,000,000 DM. for the possible transfer from Göttingen to Munich of the Max Planck Institute. It was officially announced that the Bavarian Government would set up its own Atomic Energy Authority in the near future; that it would consist of 15 members representing universities, technical institutes, and the chemical, coal, and electrical power industries, under the chairmanship of the *Land* Premier (Dr. Hogner), and that the Bavarian reactor would be devoted solely to research work into the peaceful applications of atomic energy.

India. Mr. Nehru informed the Indian Parliament on March 21 that it was planned to construct an experimental atomic reactor in India during the present year and a bigger one in 1956. He also disclosed that the Government were planning to construct a plant near Bhakra for the production of heavy water.

Netherlands. In a ministerial memorandum presented to the States-General on July 20, it was announced that a foundation known as the Netherlands Reactor Centre (N.R.C.) would be responsible for planning and constructing an atomic reactor and for the peaceful development of atomic energy generally, under Government supervision. [In August 1954 the States-General had approved the construction of an atomic reactor in the Netherlands at a cost of 28,000,000 guilders, half to be borne by the Government and half by private industry.] Dr. J. M. W. Milatz, Professor of Experimental Physics in the University of Utrecht, was appointed Director of the N.R.C.

The memorandum stated that the N.R.C. would be in charge of the development of a new type of reactor, designed by Dutch scientists and known as "Suspop," which had attracted attention outside the Netherlands, that it would also be responsible for atomic energy co-operation with Norway under the joint Netherlands-Norwegian programme (see 11918 E, 11463 B), and that an agreement had been signed with the U.S.A. for the construction in the Netherlands, with American assistance, of a materials-testing reactor.

Soviet Union. An International Atomic Conference, attended by scientists and technicians from all the Communist countries and from 11 non-Communist countries (Austria, Norway, Sweden, Finland, Japan, India, Burma, Egypt, Persia, Israel, and Yugoslavia), was held in Moscow on July 1-5. The delegates saw models of the Soviet 5,000-kilowatt atomic power station opened in 1954 (see 13685 E), as well as a number of new Soviet atomic devices for use in industry and agriculture.

The Soviet Government's decision to contribute fissionable materials to the international "atoms for peace" pool proposed by President Eisenhower was announced at the Geneva "summit" conference on July 18 by Marshal Bulganin (see page 14326, first column).

A world survey of nuclear reactors, present and projected, was issued in New York on Aug. 7 by Atomic Industrial Forum Inc., which had conducted an international survey of atomic energy development.

The survey stated that a total of 42 reactors was known to exist in the world at present, with the "strong probability" that several more existed in the Soviet Union. Of the known reactors, 29 were located in the U.S.A., five in Britain, two each in France and Canada, and one each in the Soviet Union, Norway, Sweden, and Switzerland. [The last-named was the U.S. "swimming-pool" reactor exhibited in Geneva, which, as stated above, will be sold to Switzerland.] In addition, another 20 reactors were known to be under construction: nine in the U.S.A., three each in Britain and France, and one each in Australia, Belgium, Canada, India, and the Soviet Union.

As regards future planning, Britain led the world with 22 reactors projected, the U.S.A. was second with 16, and France third with three. Seven other countries were planning to build one reactor apiece: Belgium, Canada, Italy, the Netherlands, Sweden, Switzerland, and Western Germany.

The survey stated that of all the countries approached for information, only the Soviet Union had failed to respond.
(U.N. Information Centre, London - Times - Daily Telegraph - Manchester Guardian - Financial Times - New York Times - New York Herald Tribune - Le Monde, Paris - Australian News and Information Bureau - Montreal Star - Netherlands News Agency - Frankfurter Allgemeine Zeitung - The Statesman, Calcutta) **(Prev. rep. U.N. Resolution, 13993 A; President Eisenhower's "Atoms for Peace" Proposals, 13285 A; U.K. 10-Year Plan, 14045 A; U.S. Developments, 13946 A; France, 13802 B; Australia, 14102 A.)**

A. RUMANIA. — Retention of Soviet Troops.

The Rumanian Prime Minister, M. Gheorghiu-Dej, announced on Aug. 12 that Soviet troops would continue to be stationed in Rumania after the withdrawal of the Russian occupation forces from Austria. He added that although the U.S.S.R. was permitted, under the Rumanian Peace Treaty, to keep troops in Rumania only as long as they were required to maintain lines of communication with the Soviet forces in Austria, the situation had changed because of the signing of the Paris Agreements and the "revival of German militarism." Under the East European treaty of mutual assistance (the Warsaw Treaty), Soviet forces would therefore remain in the country until the withdrawal of "foreign forces" from Western Europe and the dissolution of the NATO.
(Le Monde, Paris) **(Prev. rep. Warsaw Treaty, 14249 A; Rumanian Peace Treaty, 8483 A.)**

B. NETHERLANDS. — Minister for Realm Affairs.

It was announced early in August that Mr. W. F. M. Lampe, hitherto Minister of Justice in the Netherlands Antilles Government, had come to The Hague to take up the post of Minister for Realm Affairs for the Netherlands Antilles, with a seat in the Netherlands Cabinet. Mr. Lampe, who was born in Aruba, will attend Cabinet meetings when matters affecting the whole Realm (i.e. the Netherlands Antilles and Surinam in addition to Metropolitan Holland) are under discussion.
(Netherlands News Agency) **(Prev. rep. 14041 A.)**

A. UNITED STATES. — Foreign Aid, 1955-56. - Authorization and Appropriation Bills. - Hoover Commission Report on Foreign Aid.

A Bill appropriating $2,703,341,705 for foreign aid in the year July 1955 - June 1956 was signed by President Eisenhower on Aug. 2 after having been given final approval by both Houses of Congress on July 28. The distribution of the principal items was as follows:

(1) Military assistance		$705,000,000
(2) Direct military support		317,200,000[1]
(3) Defence support :—		
(a) *Asia*	825,000,000[2]	
(b) *Near East and Africa*	113,700,000[3]	
(c) *Europe*	85,500,000[4]	
		1,024,200,000
(4) Development assistance :—		
(a) *Near East and Africa*	73,000,000	
(b) *Asia*	51,000,000[5]	
(c) *Latin America*	38,800,000[6]	
		162,800,000
(5) Technical co-operation		127,500,000
(6) Special Presidential funds		200,000,000[7]
(7) U.N. Relief and Works Agency		58,400,000
(8) U.N. Technical Assistance Programme		24,000,000[8]
(9) Inter-Governmental Committee on European Migration		11,250,000
(10) Escapee programme		6,000,000
(11) NATO		3,700,000

[1] Including $12,200,000 for additional assistance to Siam and Nationalist China. [2] Including $25,000,000 of unexpended funds carried over from previous years [3] Including not less than $26,200,000 for Greece [4] Including $50,000,000 for Spain, $22,000,000 of which would be used for the purchase of U S surplus agricultural products. [5] $50,000,000 for India and $1,000.000 for Nepal. [6] And dependent territories of Western Hemisphere [7] $100,000,000 (to be available in the three years to June 30, 1958) for Asian economic development, and $100,000,000 for a special fund to be used where the President deemed advisable. [8] For 18-month period January 1955 - June 1956

The Authorization Bill for foreign aid (which has to be passed before the money can be appropriated) had been signed by the President on July 8. It had authorized a total of $3,285,800,000, which was the same as that approved by the House of Representatives on June 30 by 273 votes to 128. Although the Senate (by 59 votes to 18) had on June 2 authorized some $122,000,000 more, it subsequently agreed in conference committee to accept the House figure.

When the Appropriations Bill came up for consideration, the House Appropriations Committee, complaining of the "chaotic fiscal situation" in that part of the programme dealing with military aid, reduced the amount to be appropriated to $2,638,741,750, which was approved by the full House on July 11 by 251 votes to 123. However, as a result of warnings by the Administration of the serious effect which such a reduction would have on U.S. foreign policy objectives in a number of countries, it was largely restored by the Senate Appropriations Committee on July 19, and on July 22 the full Senate approved the appropriation of $3,205,841,750 by 62 votes to 22. In the Senate-House conference committee, the major item in dispute—a House cut of $420,000,000 in appropriations for military assistance—was agreed to by Senate conferees after it had been decided that $302,000,000 in unexpended funds from previous years could be used by the Defence Department in addition to the new funds provided. After the committee had reached a compromise on the other differing items, it approved the appropriation of $2,703,341,705 on July 27.

Although the foreign aid Bills encountered less opposition in Congress than in previous years, a number of attempts were nevertheless made to reduce the authorizations or appropriations still further, or to eliminate certain items. Thus, in the Senate debate on the Authorization Bill, Senator Jenner (Rep) attacked the whole concept of foreign aid and moved that the Bill be sent back to committee, whilst Senators Ellender and Russell B. Long (Dem.) proposed a number of amendments seeking to cut the authorizations by up to $1,000,000,000. All these proposals were rejected, as were amendments by Senators Potter and Knowland (Rep) proposing that 75 per cent and 50 per cent respectively of the economic aid should be in the form of loans. In the House debate on the Authorization Bill, proposals that aid to India and Yugoslavia should be eliminated were also rejected.

During the House debate on the Appropriation Bill an amendment by Representative Alvin Bentley (Rep.) that no aid should be given to the British military aircraft industry was defeated.

A report on the U.S. foreign aid programme was published on June 5 by the Hoover Commission on Organization of the Executive Branch of the Government. The Commission thought that the foreign aid programme should be continued despite past "mistakes and waste", but recommended that Congressional committees should make a thorough examination of future programmes, which, it said, should have "the primary purpose of strengthening the security of the United States." It estimated that at least $360,000,000 a year could be saved by better administration of foreign aid, and endorsed the President's proposals to replace the Foreign Operations Administration on June 30 by the International Co-operation Administration under the State Department.

Some of the principal points from the report were as follows:

(1) The time had come when "certain" countries no longer needed extensive support from the U.S A because of their increased economic strength Although the Commission did not specify the countries in question, it noted that the President had not requested any funds for economic aid to the European countries originally members of NATO.

(2) Technical assistance still being given to the original NATO countries in Europe should also cease.

(3) In the aid programme for the "free arc of Asia" no large manufacturing or industrial projects should be undertaken, except possibly in Japan The Commission thought that the fundamental need of many countries in Asia and Africa was for increased food supplies, and that U.S. aid to such areas was only justified if employed in developing irrigation and improving agricultural methods.

(4) The U.S A. should not undertake the same technical assistance programmes as the United Nations.

Seven of the 12 members of the Commission, in a separate statement, expressed the view that "substantial reductions" should be made in the foreign aid programme. The statement said: "Surely, after almost 10 years, the time has come to apply some brakes to this overseas spending programme. We believe that the Commission should recommend substantial reductions in expenditures for this purpose. By no other means will the growing trend towards permanent foreign spending be halted"

The Hoover Commission reported that the foreign aid programme had cost U.S. taxpayers $50,000,000,000 since the end of the Second World War.—(New York Times - New York Herald Tribune) **(Prev. rep. 14173 A; 13744 A.)**

B. UNITED KINGDOM. — Gold and Dollar Reserves in July. - Fall of $136,000,000.

The sterling area had a gold and dollar deficit in July of $136,000,000 after taking account of (*a*) the receipt of $16,000,000 in U.S. defence aid, (*b*) the payment of $10,000,000 to the European Payments Union, representing that part of the June settlement which was paid in gold or dollars, and (*c*) the payment of $2,000,000 under bilateral settlements with creditors of the E.P.U. As a result, the sterling area's gold and dollar reserves fell to $2,544,000,000 on June 30, the lowest figure since January 1954.

It was explained by the Treasury that the $16,000,000 in U.S. defence aid included $12,000,000 for tobacco held in the U.S.A for supply to Britain, and that the net amount of defence aid accruing to the reserves during the month was therefore only $4,000,000

The estimate of defence aid received in June was increased from $10,000,000 to $13,000,000 so as to include amounts made available for tobacco late in the month and used for similar purposes.

Provisional figures for the E.P.U. July settlement showed that the U.K. had a deficit of $70,000,000 (£25,000,000), which would be settled in August half in gold or dollars and half by an increase in the U.K. debt to the Union.
(Treasury Press Office) **(Prev. rep. 14295 F.)**

C. AUSTRALIA. — University of New England.

Sir Earle Page, the Federal Minister of Health, was installed on Aug. 4 as the first Chancellor of the University of New England, which had been opened at Armidale (N.S.W.) in 1954.

A University College had been established at Armidale in 1938 as a constituent college of the University of Sydney. In February, 1954, it was raised to the status of a full University by the Government of New South Wales. Situated on a 700-acre site, it has at present faculties of Arts, Natural Science, Rural Science, and Agricultural Economics. Although only 75 of the University's 240 students "live in," it plans in time to become fully residential.

New England is an area of northern and north-western New South Wales covering some 64,000 miles, bounded approximately by the Hunter, Barwon, and Maclean Rivers. It contains a population of about 680,000. A strong local movement for Statehood has existed in New England for many years.
(Times)

D. JAPAN. — American Cotton Credit.

The U.S. Export-Import Bank announced on Aug. 3 that it was extending a credit of $60,000,000 to the Bank of Japan to finance Japanese purchases of U.S. cotton in the 12 months ending July 31, 1956. The credit—the fifth of its kind to Japan—would, it was estimated, finance the purchase of about 330,000 bales of cotton at current prices.—(New York Times) **(Prev. rep. 13801 E.)**

AUGUST 13—20, 1955

A. NORTH ATLANTIC TREATY ORGANIZATION. — The First Five Years of NATO. - Developments in 1955.

A book surveying the activities and structure of NATO during the first five years of its existence, written by Lord Ismay (the Secretary-General of the North Atlantic Treaty Organization), was published on Jan. 30, 1955, under the title *NATO—The First Five Years, 1949-1954*. It gave a history of the setting-up and development of the Organization; a description of its machinery; a list of its chief personnel; a survey of its activities in various spheres, both military and civil; and a summary of its achievements during the five-year period.

Some of the information contained in the book is summarized below.

The Structure of NATO.

Lord Ismay (then a Cabinet Minister in the U.K. Government) was appointed Secretary-General of NATO on March 12, 1952. He has under him an international Secretariat drawn from all NATO countries, together with a Staff (also internationally recruited) grouped into three main divisions (1) a Political Affairs Division, headed by Signor Sergio Fenoalta (Italy), (2) an Economics and Finance Division, headed by M René Sergent (France), (3) a Logistics Division, headed by Mr. Lowell P. Weicker (U.S A). There are also an Office of Statistics, a Financial Comptroller's Office, and an Information Division, headed respectively by Mr Loring Wood (U.S.A.), M. Bastin (Belgium), and Mr Geoffrey Parsons jr (U S A).

North Atlantic Council. The chairmen of the North Atlantic Council since its inception have been as follows:

1949-50	Mr. Dean Acheson (United States)
1950-51	M Paul Van Zeeland (Belgium).
1951-52	Mr. Lester B Pearson (Canada).
1952-53	Hr. Ole Bjorn Kraft (Denmark)
1953-54	M. Georges Bidault } (France)
	M Pierre Mendès-France }
1954-55	M. Stephanos Stephanopoulos (Greece).

The permanent representatives on the North Atlantic Council were as follows on July 1, 1954:

Belgium	M André de Staercke
Canada	Mr Dana Wilgress.
Denmark	Hr J A Vestbirk
France	M Hervé Alphand.*
Greece	M. Exintaris
Iceland	Hr. H G Andersen
Italy	Signor Adolfo Alessandrini.
Luxemburg	M Nicolas Hommel
Netherlands	Jonkheer A. W L Tjarda van Starkenborgh-Stachouwer.
Norway	Hr Arne Skaug.†
Portugal	Count de Tovar.
Turkey	M Fatin Zorlu.
United Kingdom	Sir Christopher Steel
United States	Mr. John A. Hughes.‡

* Succeeded in September, 1954, by M. Couve de Murville (see 13820 B), who in turn was succeeded by M. Alexandre Parodi in November, 1954 (see 13876 B) † Succeeded by Hr Boyesen (see below). ‡ Succeeded by Mr George W. Perkins in March, 1955 (see 14113 B).

Consequent upon the recent entry of the German Federal Republic into NATO, Herr Herbert Blankenhorn became West German permanent representative on the North Atlantic Council (see 14237 A.)

Military Organization. Supreme Headquarters, Allied Powers in Europe (SHAPE) was established in the Versailles area in 1951. General Eisenhower remained Supreme Allied Commander in Europe (SACEUR) until May 1952, when he was succeeded by General Matthew B. Ridgway (U.S A) In July 1953 General Ridgway was nominated Chief of Staff of the U.S Army and was succeeded as SACEUR by General Alfred M. Gruenther (U S.A.), who had been Chief of Staff to both the former Supreme Commanders

Field-Marshal Viscount Montgomery of Alamein (U.K.) has been Deputy Supreme Commander of NATO from the outset. He has two deputies a First Air Deputy (originally Air Chief Marshal Sir Hugh Saunders, U K, and now General Lauris Norstad, U.S.A) and a First Naval Deputy (Admiral Lemonnier, France).

Under the North Atlantic Council (which meets at the Palais de Chaillot in Paris) comes the Military Committee of NATO, which is divided into (*a*) a Military Representatives Committee, and (*b*) a Standing Group, both with their headquarters in Washington The Military Committee—the supreme military authority, consisting of one Chief of Staff from each member-country—exercises general supervision over the four main NATO military organizations those of the Supreme Allied Commander, Europe; the Supreme Allied Commander, Atlantic; the Canada-U.S. Regional Planning Group; and the Channel Committee. The Military Committee meets periodically in Washington.

The chairmen of the Military Committee since its inception have been as follows:

1949-50	General Omar N. Bradley (U.S.A)
1951-52	Lieut.-General Etienne Baele (Belgium).
1952	Lieut.-General Charles Foulkes (Canada).
1953	Admiral E J. C. Qvistgaard (Denmark).
1954	General Paul Ely } (France).
	General Guillaume }

The Military Representatives Committee consists of officers of all NATO countries except Iceland, which has no military forces

The Standing Group—the permanent agency for day-to-day work—consists of three senior officers drawn from France, the United Kingdom, and the United States. At July 1, 1954, they were General Valluy (France), General Sir John Whiteley (U K.), and General J. Lawton Collins (U.S.A.).

There are two main NATO Commands—Allied Command, Europe, and Allied Command, Atlantic, each divided into subsidiary Commands

The European Command Allied Command, Europe, comprises the following four Commands (headquarters in parentheses), all under the general control and direction of SHAPE:

(1) Allied Forces, Northern Europe (Oslo), which is sub-divided into the following Commands: (i) Allied Land Forces, Norway (Oslo): (ii) Allied Land Forces, Denmark (Copenhagen); (iii) Allied Air Forces, Northern Europe (Sandvik, Norway); (iv) Allied Naval Forces, Northern Europe (Oslo).

The C.-in-C, Allied Forces, Northern Europe (CINCNORTH) is General Sir Robert Mansergh (U K). He has under him an American general commanding Air Forces in Northern Europe, a Norwegian Land Forces Commander, and a Danish Land Forces Commander.

(2) Allied Forces, Central Europe (Fontainebleau), sub-divided into the following Commands, which also have their headquarters at Fontainebleau (i) Allied Land Forces, Central Europe, (ii) Allied Air Forces, Central Europe; (iii) Allied Naval Forces, Central Europe.

The C.-in-C., Allied Forces, Central Europe (CINCENT) is Marshal Alphonse Juin (France), who has under him an Allied Land Forces Commander (French) directly subordinate to him. Marshal Juin's Command includes the Northern Army Group, consisting of Belgian, British, Canadian, and Netherlands forces, and the Central Army Group, consisting of French and American forces. Vice-Admiral Jaujard (France) commands Allied Naval Forces, Central Europe, whilst Air Chief Marshal Sir Basil Embry (U.K.) commands Allied Air Forces, Central Europe Sir Basil Embry controls two Tactical Air Forces, one of which would give support to the Northern Army Group and one to the Central Army Group

(3) Allied Forces, Southern Europe (Naples), sub-divided into the following Commands (i) Allied Land Forces, South-Eastern Europe (Izmir), comprising the Greek and Turkish forces; (ii) Allied Land Forces, Southern Europe (Verona), (iii) Allied Air Forces, Southern Europe (Naples), (iv) Naval Striking and Support Forces, Southern Europe (Naples).

The C.-in-C, Allied Forces, Southern Europe (CINCSOUTH) is Admiral Fechteler (U S A), who has under his command an Italian general commanding Allied Land Forces, an American general commanding Air Forces, and an American admiral commanding the U.S Sixth Fleet in the Mediterranean

(4) Allied Forces, Mediterranean (Malta), sub-divided into the following Commands: (i) Gibraltar Area (Gibraltar); (ii) Western Mediterranean Area (Algiers), (iii) Central Mediterranean Area (Naples); (iv) Eastern Mediterreanean Area (Athens); (v) North-Eastern Mediterranean Area (Izmir), (vi) South-Eastern Mediterranean Area (Malta).

The C.-in-C, Allied Forces, Mediterranean (CINCAFMED) is Admiral Sir Guy Grantham (U.K), who succeeded Admiral Earl Mountbatten (see 13960 A) He has under his command six admirals (two British, one French, one Italian, one Greek, and one Turkish) who are responsible for the six areas into which the Mediterranean Command is sub-divided In time of war the CINCAFMED would be responsible for securing the lines of communication through the Mediterranean

The four Commanders-in-Chief—Marshal Juin, General Sir Robert Mansergh, Admiral Fechteler, and Admiral Sir Guy Grantham—report direct to General Gruenther, the Supreme Allied Commander.

The Atlantic Command. The Allied Command in the Atlantic is headed by the Supreme Allied Commander, Atlantic (SACLANT)—Admiral Jerauld Wright (U.S.A), with Vice-Admiral J. W. M Eaton (U K) as Deputy Supreme Commander—and has its headquarters at Norfolk, Virginia (U S.A) Under SACLANT are (i) the C.-in-C., Western Atlantic Area (headquarters at Norfolk, Va.), (ii) the Commander, Striking Fleet, Atlantic (Norfolk); and (iii) the Naval C.-in-C., Eastern Atlantic Area, and Air C.-in-C., Eastern Atlantic (both with headquarters at Northwood, U.K.). The staff of SACLANT is drawn from the navies, armies, and air forces of eight nations—Canada, Denmark, France, the Netherlands, Norway, Portugal, the United Kingdom, and the United States.

The Western Atlantic Area is commanded by a U S. Naval Commander (at present SACLANT himself), and is divided into sub-areas based on Norfolk, New York, and Halifax (Canada). The Eastern Atlantic Area is headed by British Naval and Air Commanders-in-Chief, and is divided into sub-areas based on Plymouth (U K.), Gosport (U.K.), Pitreavie (U.K.), and Brest (France). A third area—the Iberian Atlantic Command, covering the south-eastern portion of the Atlantic Command—has been defined but not yet established.

The Atlantic Command extends from the North Pole to the Tropic of Cancer, and from the coastal waters of North America to those of Europe and Africa (excluding, however, the English Channel and the waters round the British Isles). The Atlantic islands—Iceland, Greenland, the Azores, Bermuda, and the Faroes—are placed for military defence purposes under island Commanders, all but one of whom is a national of the sovereign island Power The primary task of SACLANT in time of war would be to provide NATO with security in the Atlantic Ocean by guarding the sea lanes and denying their use to an enemy.

Channel Committee and Channel Command. Apart from the European and Atlantic Commands of NATO, there is a Channel Committee consisting of the Chiefs of Naval Staff (or their representatives) of Belgium, France, the Netherlands, and the United Kingdom. [A special arrangement of this kind was considered essential, since it was thought that the Standing Group in Washington would be too far away and too occupied by matters of high strategy to attend to the detailed problems which would arise in the small but vital Channel area.] Directly under the Channel Committee is a Channel Command headed by a Naval C.-in-C., Channel and Southern North Sea (Admiral Sir George Creasy, U.K., who is also C.-in-C., Portsmouth) and an Air C.-in-C., Channel and Southern North Sea (Air Marshal Sir John Boothman, U.K., who is also chief of R.A F. Coastal Command). The Channel Command would have the following tasks in time of war: (1) to control the English Channel and the southern North Sea and deny them to an enemy; (2) to protect sea communications in this area; (3) to support operations conducted by SACEUR and SACLANT.

The Canada - United States Regional Planning Group. This group (the only survivor of NATO's original five regional planning groups) is directed by the Canadian and U S. Chiefs of Staff, and is responsible for making plans for the defence of the North American continent. It has its headquarters in Washington. Its defence plans are seen by the other NATO nations and approved by the Standing Group, in the same way as are those of the Supreme Commanders

Military Agencies. Apart from the military structures described above, the following military agencies work under the general direction of the Standing Group:

(1) The NATO Defence College (housed in the *Ecole Militaire* in Paris), which trains officers of NATO countries in problems of international co-operation affecting the Atlantic alliance as a whole The languages of instruction are French and English

(2) The Military Agency for Standardization, aimed at the standardization throughout the member-countries of war material and of operational and administrative practice. It is established in London and is directly responsible to the Standing Group.

(3) The Advisory Group for Aeronautical Research and Development (AGARD), headed by Dr Theodore von Karman (U S.A) and consisting of one or two scientific representatives from each NATO country.

(4) The Air Training Advisory Group (ATAG), based at Villacoublay airfield, near SHAPE, and manned by highly qualified flying instructors of the various NATO countries. It has set up a Flying Instructors' School for the Italian Air Force at Foggia

Civilian Planning Committees. In addition, there are a number of NATO committees which deal with various aspects of emergency planning They include the following

(1) The Civil Defence Committee —This deals with civil defence problems such as air-raid warning systems, construction of shelters, precautions to reduce casualties and damage in industrial areas, and special problems created by the possible use of atomic and radioactive weapons.

(2) The Committee on Refugees and Evacuees —In close collaboration with the military authorities, this committee deals with such questions as the organization of hospital or safety zones in accordance with the Geneva Convention, evacuation of certain categories of persons from operational and combat zones, the temporary residence during wartime of refugees and evacuees in a foreign country; evacuation plans, and control of mass movements of persons anxious to escape from threatened bombardment or the menace of enemy occupation.

(3) The Planning Board for Ocean Shipping (PBOS) —Created in 1950, the PBOS is engaged on plans to ensure the most efficient use of available shipping resources in an emergency. Its most important decisions have been as follows ·

(*a*) At the outbreak of a war, the great bulk of ocean-going merchant ships under the flags of NATO countries would be pooled and, for allocation purposes, put at the disposal of an inter-allied body to be called the Defence Shipping Authority. This Authority will be responsible for the allocation of ocean-going shipping throughout the whole area controlled by NATO and its allies

(*b*) The Defence Shipping Authority will consist of a Defence Shipping Council and a Defence Shipping Executive Board The main duty of the Defence Shipping Council will be to formulate general shipping policy in accordance with overall strategy The Executive Board will administer the central shipping "pool" and will have two branches, one in Washington and one in London.

The work of the PBOS is carried on chiefly by a small group of British and U.S. Civil Servants, with the co-operation of shipping experts from other member-governments.

(4) The Planning Board for European Inland Surface Transport (PBEIST).—This was set up in 1952 to plan the co-ordination in an emergency of the use of roads, railways, canals, and ports of Western Europe It has collected data on the existing transport systems in the NATO European area, and has drafted the constitution of an agency to co-ordinate transport between the various countries in time of war. For this purpose it has set up six working groups dealing with road transport, rail transport, inland water transport, ports and beaches, port emergency planning, and inland transport of bulk petroleum products Within the framework of these groups, military sub-groups have been set up on a geographical basis (corresponding to the Northern, Central, and Southern Commands) to study questions of inland surface transport.

(5) The Petroleum Planning Committee.—This body has estimated the military, and the minimum essential civilian, requirements for petroleum products necessary, in wartime, to maintain the economy of each country at full production. It has also estimated the likely availabilities of crude oil and refined products, and has examined the rationing plans drawn up by NATO countries.

(6) The Coal and Steel Planning Committee.—Has studied the vulnerable and distant sources of supply of coal and steel, and has asked the principal coal-producing NATO countries of Europe for information about the steps they would take to maintain their labour force in time of war

(7) The Food and Agriculture Committee.—Has examined imports of the various countries over the past few years, and has drawn attention to the supplies which are likely to be lost on the outbreak of a war. It is also studying the effect of hypothetical cuts in seaborne imports. In addition, this committee has considered the changes that might be necessary in the pattern of wartime agriculture, and is inquiring into the supply of agricultural machinery, fertilizers, etc., essential to the maintenance of increased production in an emergency.

(8) The Industrial Raw Materials Planning Committee —Concentrates on the problems which would arise from the loss of commodities from vulnerable sources, from the need to reduce the import of bulky commodities owing to the shortage of shipping, and from the scarcity of certain commodities owing to increased demands in time of war

Other important information contained in *NATO—The First Five Years* is summarized below.

Defence Expenditure of NATO Countries.

Expenditure was as follows in 1953 (the last full year for which statistics have so far been published) Belgium, 19,901,000,000 Belgian francs, Canada, 1,960,000,000 Canadian dollars; Denmark, 889,000,000 kroner; France, 1,451,000,000 francs, Greece, 2,767,000,000,000 drachmas; Italy, 480,000,000,000 lire, Luxemburg, 489,000,000 Lux francs, Netherlands, 1,330,000,000 guilders, Norway, 1,067,000,000 kroner; Portugal, 1,975,000,000 escudos, Turkey, £T 1,080,000,000, United Kingdom, £1,689,000,000 sterling, United States, $49,734,000,000.

[These figures should be read in conjunction with the table for 1949-52 and estimates for 1953 in Vol IX, K.C A, page 13358]

Defence expenditure by areas for 1953 was as follows (in U.S. dollars)

NATO Europe	11,227,000,000
NATO North America .	51,694,000,000
Total NATO .	62,773,000,000*

* Expenditure financed from U S. Special Military Support is included in the figures for both the U S A and France. It amounted to 60 million dollars (21 milliard French francs) in 1952 and to 148 million dollars (52 milliard French francs) in 1953 The 'total NATO' figures have been adjusted to eliminate double counting of these amounts.

Infrastructure Programme.

Up to July 1, 1954, expenditure of £700,000,000 sterling had been approved for infrastructure projects, and detailed programmes costing £540,000,000 had been worked out and accepted The balance of £160,000,000 will be used for additional projects to be started in 1955 and 1956. The various "infrastructure" projects are summarized below.

Airfields. By April, 1954, some 125 airfields were ready for use and about 40 more under construction and scheduled for completion in 1955 These figures compared with only 15 available airfields in April, 1951. Every airfield conforms to standards laid down by the NATO authorities and can be used by all types of aircraft.

Signals Communications. About one-half of more than 300 new projects ranging from Northern Norway to Turkey had been completed before mid-1954, and the remainder were scheduled for completion by 1955 An estimated 16,000 kilometres of land lines, 10,000 km of radio relay circuits, and 1,700 km of submarine cables would then have been added to the existing civilian networks.

Fuel Supply Systems. Under the plans for a pipeline and storage system (the construction of which was started in the autumn of 1953) more than 3,500 km. of pipelines would be laid in Central Europe alone Smaller systems were under construction in Denmark, Greece, Italy, Norway, and Turkey, and the whole system, totalling 6,100 km of pipelines and 1,283,000 cubic metres of storage capacity, was expected to be in operation by the end of 1956.

Training Facilities. Four air training bases were under construction in the Mediterranean area, where weather conditions permit the maximum number of flying-hours. The NATO land forces were being provided with training grounds permitting simultaneous exercises by all elements of a single infantry division or a substantial portion of an armoured division There would also be special tank-training grounds.

Naval Projects. About 26 naval projects—mainly storage facilities at naval bases for oil, fuel lubricants, and ammunition—were under construction In addition the Supreme Allied Commander, Atlantic, was being provided with fleet facilities, airfields for naval air forces, and a chain of stations providing navigational aids in the Eastern Atlantic.

Defence Production.

Within the total defence expenditure of all NATO countries, the amount devoted to the production of arms and equipment has risen from under $3,000,000,000 in 1949 to $9,700,000,000 (23 per cent of the total) in 1951, $20,800,000,000 (35 per cent) in 1952, and $24,800,000,000 (40 per cent) in 1953.

These figures are based on conversions at present exchange rates and therefore conceal certain differences in the true relative values of currencies In the case of countries like France, the U.K., and the U S.A they include expenditure for defence items outside the NATO area.

Total Armed Forces in NATO Countries.

A diagram showed that these had risen from 4,000,000 in 1950 to 5,800,000 in 1951, 6,500,000 in 1952, and 6,600,000 in 1953. No "breakdown" of national forces was given.

Apart from the information contained in Lord Ismay's book and summarized above, recent developments in connexion with the North Atlantic Treaty Organization are brought below under cross-headings

Military Appointments.

The following NATO appointments were announced in recent months:

Northern European Command. The British Minister of Defence announced on March 2 that Vice-Admiral G. V Gladstone would succeed Vice-Admiral Sir Edward Evans-Lombe as Commander, Allied Naval Forces, Northern Europe, on or about June 1 Vice-Admiral Gladstone was recently Flag Officer, Second-in-Command, Far East Station.

Central European Command. Under a French decree of March 27, General Gelée was appointed Chief of Staff to the C.-in-C., Allied Forces, Central Europe (Marshal Juin) in succession to General Bailly, recently appointed Chief of the French Air Staff—see 14309 D.

The British Admiralty announced on Feb 10 that Rear-Admiral K McN. Campbell-Walter would succeed Rear-Admiral R. S. Warne as Commander, Allied Naval Forces, Northern Area, Central Europe Rear-Admiral Campbell-Walter was a member of the British Joint Services Mission in Washington before taking command of the cruiser H.M.S *Sheffield.*

South-East European Command It was announced in Washington on July 6 that Major-General George W. Read jr would succeed Lieut-General Paul W Kendall as Commander, Allied Land Forces, South-Eastern Europe, with the rank of lieutenant-general. General Read had hitherto been Commander of the Armoured Centre at Fort Knox (Kentucky).

SHAPE announced on July 13 the appointment of Major-General Richard A Grussendorf (U S. Air Force) as Commander of the 6th Allied Tactical Air Force at Izmir (Turkey), succeeding Major-General Robert Eaton.

Atlantic Command The appointment of Vice-Admiral J W M. Eaton as C-in-C, America and West Indies Station (Royal Navy), and concurrently as Deputy Supreme Allied Commander, Atlantic, was announced by the British Admiralty on July 26 Admiral Eaton, hitherto Flag Officer commanding the Reserve Fleet, succeeded Vice-Admiral Sir John Stevens.

Civil Appointments.

Lord Ismay (Secretary-General of NATO) announced the appointment of M. Didier Gregh as Assistant-Secretary-General for economic and financial matters on April 25. M Gregh, head of the International Bank's department of operations for Asia and the Middle East, succeeded M. René Sergent, whose resignation had been announced on March 12 in connexion with his forthcoming appointment as Secretary-General of the O.E.E.C.

Permanent Representatives.

NATO Headquarters announced on June 6 that the Norwegian Government had designated Mr. Jens Mogens Boyesen (Under-Secretary of State in the Defence Ministry) as its Permanent Representative on the North Atlantic Council in succession to Mr. Arne Skaug, now Minister of Commerce.

German Representatives at NATO.

Following the coming into effect of the Paris Agreements, General Speidel was formally installed on May 9 as chief German representative at SHAPE. General Speidel (58) was successively Chief of Staff to the German C.-in-C. in occupied France, to a German army on the Russian front, and, in 1944, to Field-Marshal Rommel when he commanded the Second German Army group in Normandy at the time of the Allied landings Arrested by the Gestapo in connexion with the attempt on Hitler's life, he was released in 1945 Since 1950 he has been military adviser to the German Federal Government.

Six German officers took up duty at Supreme Allied Headquarters on July 27. As their appointments had not yet been approved by the committee set up under the Federal German defence legislation, they joined Supreme Headquarters in the first instance as officials of the German Ministry of Defence and not as officers, and consequently wore civilian clothes.

Canadian Adoption of Belgian Rifle.

It was announced in Ottawa on June 17 that Canada had adopted the Belgian F N automatic rifle as the standard rifle for the Canadian Army.

Atomic Artillery for U.S. Army in Europe.

The U.S. Army announced on Feb. 2 that a sixth battalion of heavy artillery capable of firing atomic shells would be sent to Europe to reinforce the NATO forces. The battalion, which is equipped with six 280 mm. guns, arrived at Bremerhaven in March.

Transfer of U.S. Warships to Italy.

A submarine—the former U.S.S. *Barb*—and six U.S. minesweepers were handed over to the Italian Navy at Taranto on March 14.

U.S. Offshore Orders for Aircraft.

The British Ministry of Defence announced on July 29 that the U.K. and U.S Governments had concluded arrangements under which the *Sabre* aircraft at present in service with the R.A.F. would shortly be exchanged for Hawker *Hunter* fighters to be delivered from an offshore procurement contract which the U.S. Government had placed in the United Kingdom.

The statement said that between 300 and 400 *Sabres* had been supplied to the R A F from Canada in 1952 and 1953, under a joint U.S - Canadian mutual aid arrangement, and further *Sabres* had been provided by the U S.A early in 1953 "This very generous assistance from the U S A. and Canada," it went on, "enabled the U K to equip part of the R.A F fighter force with modern swept-wing jet aircraft at an earlier date than would otherwise have been possible, and at a critical time in our re-equipment programme The U.K. also acknowledges with gratitude the assistance received from the U.S and Canadian Governments in the maintenance of these aircraft by the provision of spare parts under mutual aid arrangements

"The *Sabre* has given the R A F. most valuable service, both in the 2nd T A F. and Fighter Command. There are, however, substantial operational and logistic advantages in equipping the R A F. front-line to the maximum possible extent with British types of aircraft that can be supported from U.K. sources. The Standing Group of the NATO Military Committee has been consulted regarding this arrangement, and has agreed that this exchange of aircraft is in the best interests of NATO. The U.K. Government has accordingly accepted with gratitude the generous offer of the U.S Government to make *Hunters* available to the R A F in place of *Sabres*, which are now to be rehabilitated and transferred to the U S. Government for reallocation under the mutual defence aid programme"

Statements by Ministry spokesmen and by the Hawker Siddeley group (which manufactures the *Hunter*) made it clear that the aircraft referred to were part of the U S offshore order of $182,000,000 for 450 *Hunters* which had been placed in 1954 (see 13844 B), and that no new orders were involved

A Paris announcement of Aug. 2 stated that the French and U S. Governments had signed an agreement for the joint development of two French fighters, the *Bréguet Taon-1001* and the *Mystère-20*, as light tactical aircraft for the NATO forces. Three prototypes of the aircraft will be built under the agreement, the U S A. contributing about $5,000,000 and France providing inspection and technical test services.

Air Bases.

In implementation of its commitment to station 12 jet fighter squadrons on the Continent, the Royal Canadian Air Force transferred its No 1 Fighter Wing from North Luffenham (Rutland) to a new air base at Marville (150 miles east of Paris) early in 1955. With the completion of this move there will be three R C A F squadrons at each of four stations on the Continent—Baden-Soellingen and Zweibrucken (in Western Germany) and Grostenquin and Marville (in France)

It was reported in March that a new air base at Laarbruch in Germany, near the Dutch border—believed to be the largest of its kind in Western Europe—was in full operation after being built in 18 months Laarbruch is a base for R A.F and Netherlands aircraft belonging to the 2nd Tactical Air Force

Exchange of Atomic Information with U.S.A.

It was announced in Paris and Washington on April 13 that President Eisenhower and the North Atlantic Council had approved an agreement between the members of NATO on co-operation concerning atomic information. The text of the agreement was issued at the same time.

Art. 1. Section (1): "While the NATO continues to make substantial and material contributions to the common defence efforts, the United States will from time to time make available to the NATO, including its civil and military agencies and commands, atomic information which the U S. Government deems necessary to (*a*) the development of defence plans; (*b*) the training of personnel in the employment of and defence against atomic weapons; and (*c*) the evaluation of the capabilities of potential enemies in the employment of atomic weapons"

Section (2) said that "atomic information" to be provided by the U.S A. would be in accordance with the relevant provisions of the U.S Atomic Energy Act of 1954, and would relate primarily to the military utilization of atomic weapons which had been removed from the restricted data category in accordance with Section 142d of that Act.

Section (3) stated that all transfers of U.S. atomic information would comply with the provisions of the U.S. Atomic Energy Act, 1954, and that there would be no transfers of atomic weapons or special nuclear material under the agreement.

Art. 2 laid down the channels through which "atomic information" would be provided to the NATO; stipulated that only those persons within the Organization whose duties required access to such information were to be the original recipients; and provided that the information in question would not be transferred by the Organization "to unauthorized persons or beyond the jurisdiction of the Organization"

Art. 3 affirmed that "atomic information" would be accorded full security protection under applicable NATO regulations and procedures, and under national legislation and regulations.

Art. 4 laid down that "atomic information" from the U.S A. would be used "exclusively for the preparation of and in implementation of NATO defence plans," and that NATO would from time to time present reports to the U S Government on the use which had been made of the information.

Art. 5 provided that "the parties to the North Atlantic Treaty other than the U S.A. will make available to the NATO similar atomic information to the extent that they deem necessary," and "on the same or similar conditions as those which apply under this agreement with respect to the United States."

Art. 6 said that the agreement would enter into force "upon notification to the U.S.A. by all parties to the North Atlantic Treaty that they are bound by the terms of the agreement." New member-countries and their nationals would only be entitled to receive information under the agreement after the country in question had notified the U.S. Government that it felt itself bound by the terms of the agreement. Finally, it was laid down that the agreement would be "valid as long as the North Atlantic Treaty is in force."

General Gruenther's Statement on NATO Strategy and Atomic Warfare.

The Supreme Allied Commander in Europe, General Gruenther, stated on March 15, in a speech to the SHAPE Correspondents' Association, that the NATO forces planned to use atomic weapons only in the event of all-out war, and that his Command had not considered the use of such weapons in the event of a limited "brush-fire" war.

General Gruenther stressed that while NATO strategy was based on the use of atomic weapons, the final decision on whether to use them lay with the political leaders. In the case of a partial war, nuclear weapons were not precluded, but "SHAPE simply has not dealt with the possibility of using the atom bomb in a local war." The General added that his Command's new approach was "geared ahead three or four years, at which time the German military contribution should become effective."

General Gruenther said that the transition to atomic tactics could not be too sudden, though "we could retaliate with atomic weapons today if we had to." He declined to say whether there were any atomic explosives on the Continent of Europe available for use by the atomic cannon or guided missiles now in use by NATO forces. True deterrent power was determined not by the possession of nuclear weapons but by the ability to deliver them.

Recently (General Gruenther recalled) several NATO countries had expressed "anxiety and doubt about the place of our Army forces in an era of atomic weapons," and were worried about "spending money on units and equipment that may be out of date." Because of the "revolutionary state of weapons development," the organization of land forces was in a period of transition. But there was wide high-level agreement that "even with atomic weapons, NATO must still have land formations to stop the enemy onslaught on the ground."

General Gruenther said that overall military manpower requirements would remain about the same in the atomic era, whether the men were spread among a larger number of small divisions or a smaller number of large ones. He added: "Because of the limited strength available to us today, without Western Germany, it is not possible to defend far enough to the East in Central Europe. This is an unsatisfactory strategy . . . A defence much farther to the East, usually referred to as a forward strategy, will be feasible when the German contribution is an effective one." If all went well, this "effective contribution" could be counted on three or four years from now. At that time the NATO military alliance would have completed its conversion to atomic tactics.

General Gruenther claimed that "if the Soviets were to attack now they would be defeated." Although the Russians had "the strongest aggregation of military power in the history of the world," they also had their weaknesses, and the Western alliance, notably the United States, was far ahead in retaliatory power.

Air defence, he went on, "is perhaps our major weakness," and to remedy this an Air Defence Staff was being set up at SHAPE. It would be headed by Air-Commodore Charles G. Lott, of the R.A.F., and would operate under General Norstad, the Supreme Commander's Air Deputy. A technical centre was being established at The Hague, and would be staffed by scientific personnel from the NATO countries.

Discussing Britain's decision to abolish her Anti-Aircraft Command structure, General Gruenther said that Britain considered that the main threat to her lay in bombers flying out of effective range of conventional A.A. guns. Moreover, the approaches to Britain lay over open sea or friendly territory, permitting warning of hostile approach and giving time for piloted or automatic interceptors to go up. Most NATO forces on the Continent lay within range of the Soviet tactical air forces, which would "in many cases find it necessary to fly well within range of anti-aircraft gunfire."

The Supreme Commander said that the replacement of anti-aircraft guns by guided missiles to any appreciable extent still lay "too far ahead for present planning." He added: "Even when the guided weapon is available in sufficient numbers to deal with the high-flying threat, there will still be the problem of dealing with low- and medium-altitude attacks, which, for as far ahead as can be foreseen, will be the task of anti-aircraft artillery." Britain had appreciated this point, as shown by the fact that conventional A.A. guns were to be retained for all British forces stationed on the Continent, as well as for the defence of "a number of potential targets in the United Kingdom against which the most likely threat is from precision bombing."

After stating that the Soviet military potential had constantly increased, and mentioning in this connexion the building of Soviet aerodromes in the "satellite" countries, General Gruenther said that NATO, which had only 21 aerodromes in 1951, today had 125, excluding those in Britain, Morocco, and Spain. Moreover, NATO was currently building a vast pipeline system of over 4,000 miles to feed these bases with oil.

NATO Fellowship Programme.

Lord Ismay announced on July 16 that the North Atlantic Council would establish a NATO fellowship programme "to further the study of the common traditions, historical experience, and present needs of the North Atlantic Community." Member-countries would contribute to a fund of at least 10,000,000 francs (£10,000) a year to finance the programme, which would be worked out by a group of experts in international education, and one of whose aims would be to strengthen transatlantic ties. Where candidates for grants had equal qualifications, the awards would be given to those who were prepared to do research in North America.

Lord Ismay stated that the fellowship programme was due to the initiative of the committee on information and cultural relations of the North Atlantic Council presided over by Mr Dana Wilgress (the Canadian permanent representative on the Council). It was hoped that it would fulfil the aims laid down in Article 2 of the North Atlantic Treaty, viz., "to contribute toward the further development of peaceful and friendly international relations by strengthening free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being."

Conference of NATO Parliamentarians.

An inter-parliamentary conference of the NATO member-countries was held at the Palais de Chaillot in Paris on July 18-22 under the chairmanship of Mr Wishart Robertson, Speaker of the Canadian Senate. M. Van Cauwelaert (a former President of the Belgian Chamber of Deputies), Hr. Finn Moe (Norway), and M. P.-O. Lapie (France) were elected vice-presidents.

The British delegation was led by Mr. Walter Elliot (C.), and included Lord Amulree, Viscount Goschen, the Earl of Listowel, and Lord Teynham (House of Lords); Air-Commodore Harvey, Vice-Admiral Hughes-Hallett, Mr Longden, Mr Sharples, and Mr Maclay (representing the Government parties); Mr de Freitas, Mr Thomas Fraser, Mr. Healey, Mr. Philip Noel-Baker, and Mr Pannell (Labour) and Mr. Clement Davies (Liberal).

The conference adopted a resolution inviting the Speakers of the various Parliaments to send delegations to a similar meeting in 1956, and providing for the setting-up of a "continuing committee" of 15 members to make arrangements for the next meeting. The preamble to the resolution recalled that the purpose of the North Atlantic Treaty was both to ensure the defence of member-countries and to contribute to the economic, social, and cultural developments of the peoples of the Atlantic community. It expressed the view that the second of these aims, in particular, "would be facilitated by closer relations between the members of the representative Assemblies of the different countries."

It was reported from Paris on June 2 that the North Atlantic Council, meeting in secret session, had given its "reluctant consent" to France's decision to transfer the equivalent of a full army division from Western Europe for police duties in North Africa.—(NATO Information Division, Paris - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times - New York Herald Tribune - Montreal Star) **(Prev. rep. NATO, 13988 A; North Atlantic Council, Meetings, 14237 A.)**

A. BANK RATES. — Recent Increases.

The following increases in the Bank Rates in various countries were announced in recent weeks.

Belgium. The Belgian National Bank increased its bank rate on Aug. 4 from 2½ to 3 per cent. (Prev. rep. 13297 D.)

Canada. The Bank of Canada raised its bank rate on Aug. 7 from 1½ to 2 per cent. (Prev. rep. 14052 E.)

Western Germany. The West German bank rate was raised on Aug. 4 from 3 to 3½ per cent. (Prev. rep. 13573 B.)

Japan. The Bank of Japan raised its discount rate on Aug. 9 from 5.84 per cent to 7.3 per cent.

United States. The Federal Reserve Banks in Chicago, Boston, and Atlanta raised their discount rate on Aug. 6 from 1½ to 2 per cent, whilst the Reserve Bank in Cleveland raised its rate from 1½ to 2½ per cent. On the following day the Reserve Banks in New York, Philadelphia, Kansas City, Dallas, and San Francisco also raised their rate from 1½ to 2 per cent. (Prev. rep. 14177 A.)

Recent increases in the Bank Rate had also been announced in New Zealand (14323 D), Austria (14342 C), and Turkey (14311 B). (Financial Times - New York Times)

B. INDIA. — Decimal Coinage Bill.

The Indian House of the People adopted a Government-sponsored Bill on July 29 introducing a decimal coinage. The Bill, as originally introduced, provided (*a*) for the division of the rupee into 100 cents (instead of its present division into 16 annas, with 12 pies to the anna), and (*b*) for the issue of new coinage in denominations of cents. During the debate, however, objections were raised to the use of the word "cent" for the new small coinage unit. To avoid confusion during the transition period, the Government therefore introduced an amendment deleting the word "cent" and empowering the Government to designate a name for the new unit after further consultations. This amendment was adopted after Mr. Nehru had stated that the Government intended to call the unit the "paisa," and that it would work out a method to avoid confusion with the existing pie.—(The Hindu, Madras) **(Prev. rep. 14318 B.)**

A. UNITED KINGDOM. — Sir Anthony Eden's Report on the Geneva Conference. - Marshal Bulganin and M. Khrushchov to visit Britain in 1956.

A report on the Geneva conference of the Heads of Government was given to the House of Commons on July 27 by the Prime Minister, Sir Anthony Eden. In the course of his statement Sir Anthony announced that Marshal Bulganin and M. Khrushchov had accepted an invitation to visit Britain in the spring of 1956.

Sir Anthony Eden said that the Government's first aim had been to improve the atmosphere of international relations and to end the tension between East and West "This it tried to do at the conference by discussion, both candid and conciliatory, on the international issues which divide the Powers We tried to do it also by frequent private discussions outside the conference room. I believe the latter had real value in removing some of the mutual suspicion which has been the root cause of many of our difficulties for so long" This (Sir Anthony added) corresponded also to the purpose which Sir Winston Churchill had in mind when he first proposed a meeting of Heads of Government, "as so many times before, his was the foresight and instinct of what we should do."

The Prime Minister continued "Ten years had passed since the last meeting of the four Powers at Potsdam. There had been many changes, not least among the personalities concerned, and it was right that the new leaders should meet The Geneva meeting has certainly changed the climate of international relations . ."

Turning to the German problem, Sir Anthony said: "We have never asked that Germany should be integrated with the West To do so would not be consistent with Germany's freedom of choice. Germany, under our plan, would have three choices—association with the West, with the East, or neutrality. Admittedly, we do not believe it is a practical policy to try to impose neutrality on Germany. We also accept that a united Germany would probably choose of her own free will to associate with the West But the principle is there; the choice would be Germany's alone.

"Russia, and Europe as a whole, are ready to accept that reunification of Germany would not create a danger to Russia or Europe This is the cardinal problem of Europe today. It was for this reason we put forward proposals at Geneva which we believe were practical and safeguarded the legitimate interests of the Soviet Union The first was a European security pact of which the four Powers would be members, with the addition of a united Germany Under such a pact each country would undertake to go to the aid of any one of them if attacked by another. The guarantees would be reciprocal We should guarantee the Soviet Union and the Soviet Union would guarantee us. The pact would not be linked with existing frontiers, but would be solely concerned with resisting acts of aggression The Russians may prefer a wider plan of membership, embracing a greater number of countries If so, we are ready to examine that, although we think it best to start with the simpler proposition If these countries were united in a pact of that character, it is unlikely that any other Power in Europe would wish to start up any major trouble. But if it were desired, membership could be wider.

"The next proposal was intended to provide some physical guarantee against war in Europe. That was why we suggested an agreement on the total forces and the total armaments on each side in Germany, and in the countries neighbouring Germany. In our view a united Germany would be a partner in such an arrangement It would also provide for reciprocal control and make provision for joint inspection and the limitations which the Powers had agreed upon.

"Finally, we also suggested that we should examine the possibility of a demilitarized area between the East and the West—to interpose, as it were, something in the nature of a protective pad between the armies which face each other in Europe

"All these proposals, with others, were accepted for examination by the Foreign Secretaries. They are capable of adjustment and development, and are of the utmost importance to the twin problems of German unity and European security. I call them twin problems because in my judgment these problems will only be solved together

"In all our discussions the Soviet representatives maintained that a system of European security must come first. They argued that the two fragments of Germany could take their place in that system and that the uniting of Germany could come later by degrees We could not accept this argument, because we are convinced that no European security is possible on the basis of a divided Germany That is the deep difference between us at this time. All the parties at the conference clearly understood its significance All would like to solve it. Admittedly, it is not going to be easy, but I think it is possible that in time some solution on the lines I have indicated may provide a way through.

"If some members are pessimistic enough to believe that no reconciliation of our views on this point can ever be realized, I would recall the position at Berlin last year. Nothing seemed less likely at the end of that conference than that the position of Austria would be settled by an agreed treaty within 18 months. On the contrary, it seemed then that the problem of Austria would never be settled before the problem of Germany was settled. Well, there has been a remarkable change of climate in these last few months. And it is not so long ago that we were told that the ratification of the Paris Agreements would mark the end of any possibility of negotiations with the Soviet Union. Despite this, the four Heads of Government have now met, with results which they all consider encouraging. So, despite all the difficulties of the German problem and of the security of Europe, we must continue to seek a solution. If we keep pushing up against our difficulties long enough we shall, given time, find a way through, provided the climate of international relations remains as it was in Geneva."

After recapitulating the Western and Soviet disarmament proposals that had been put forward at Geneva and would be studied by the Foreign Ministers, the Prime Minister welcomed the "bold and imaginative proposal" made by President Eisenhower at the conference [i e for the exchange of blueprints of military establishments between the U S.A. and the U.S S R., and for aerial reconnaissance of each other's territories.] He also welcomed the "constructive suggestions, some of them very far-reaching," which had been presented by M Faure, and "the advance of the Soviet Government towards the Anglo-French proposals on joint disarmament"

Sir Anthony said that the situation in the Far East, which was "definitely more dangerous than that in Europe," had been discussed at Geneva in private meetings He did not think that more formal discussions would have been helpful in the absence of some of the principals. In this connexion he welcomed the discussions which were scheduled to begin in Geneva on Aug. 1 between U S and Chinese representatives, and which could be "a helpful beginning towards resolving the tension in the Far East."

The Prime Minister continued by giving the House "some personal impressions of the results of the conference" "Making all possible reserves," he said, "I believe we have reduced tension, and have created a situation in which the Foreign Secretaries can get to grips with major political problems this autumn. Some people will no doubt complain that the practical results of the conference have been small. That is true, but it was never to be expected that the problems of Europe could be solved in the short time at the disposal of the Heads of Government What we have done is to set in motion a long process of negotiations It will be rash to expect rapid, far-reaching results It may well be that limited solutions will prove the most practical method of approach, and perhaps as confidence grows we can advance towards more ambitious proposals. Meanwhile, Geneva has given this simple message to the whole world. It has reduced the dangers of war"

Sir Anthony then announced that he had invited Marshal Bulganin and M. Khrushchov to visit Britain in 1956, and that the invitation had been accepted The Prime Minister's announcement, which was warmly cheered from all parts of the House, was as follows: "In Geneva the Foreign Secretary and I had several meetings in private with Marshal Bulganin, M Khrushchov, and their colleagues. We discussed very frankly our anxieties about the great problems which divide the world. We also considered how to maintain and strengthen the personal relations we established at Geneva. As a result of our discussions, we agreed upon the terms of the following communiqué for announcement in Moscow and London this afternoon:

> 'During the Geneva Conference the Prime Minister of the United Kingdom and the Chairman of the Council of Ministers of the Soviet Union discussed the importance of strengthening relations between their two countries by maintaining the personal contact which they had established at Geneva. The Chairman of the Council of Ministers of the U S S R, Marshal Bulganin, and member of the Presidium of the Supreme Soviet of the U S S.R. M Khrushchov, have accepted an invitation by Sir Anthony Eden to visit the United Kingdom in the spring of next year.'

"I think," the Prime Minister concluded, "that both the House and the country will welcome it as a step towards ending that state of mutual distrust which we call the cold war"

Mr. Herbert Morrison (Deputy Leader of the Opposition) expressed "very great pleasure" at the Prime Minister's announcement, and recalled that he (Mr Morrison) had met Marshal Bulganin when the latter—then Mayor of Moscow—visited London in 1936. Marshal Bulganin had then studied London transport and government, and one result of his visit had been the construction of the Moscow Underground

As regards the Geneva conference, Mr Morrison said that both Sir Winston Churchill and Mr Attlee deserved credit for the way in which they had urged such a meeting. Much still remained to be done and the Foreign Ministers were faced with many problems, the difficulties of which should not be underestimated; nevertheless, the situation had improved and all the nations participating were to be congratulated on the good temper shown Disarmament remained the real key to peace, and its economic consequences should also be closely studied In this connexion Mr. Morrison attached much importance to M Faure's plan for an International Fund whereby part of the savings on disarmament would be devoted by the nations concerned to helping the under-developed areas of the world

One important contribution to peace, which he hoped was not far distant, would be a change in U.S policy towards China by recognizing the actual Government of China and agreeing to its admission to the United Nations. "We have seen some change in the attitude of Russia," he declared "Their spirit at Geneva was much better than anything we have experienced before. I believe the United States is no less capable of a change."

In conclusion, Mr Morrison said that the Western nations must recognize Soviet fears of the possibility of German aggression and should do their best to alleviate those fears He did not think, however, that a neutralized Germany would solve the problem, though there might be a demilitarized zone He also felt that it was important that the U.S. forces should not withdraw from Europe.

Mr. Crossman (Lab) said that Geneva had marked a fundamental change in world relations and was undoubtedly " Eisenhower's conference." Moreover, Sir Winston Churchill had been proved right in urging that such a conference should take place. There had been " a real break in the cold war, and we ought to thank Eisenhower for doing it." **Mr. Zilliacus** (Lab.) also congratulated Sir Anthony Eden and Mr Macmillan on their " really great achievement " at Geneva, and said that the Prime Minister had been too modest in merely saying that a change of " political climate " had taken place , what the Heads of Government had really done was nothing less than to " sign an armistice in the cold war." **Viscount Hinchingbrooke** (C.) thought it was a " skilful and brilliant " move to invite the Russian leaders to Britain, because it would ensure in advance the success—or at any rate the partial success—of the Foreign Ministers' meeting in the autumn.

Mr. Robens (Lab), making his first speech as Opposition " specialist " in foreign affairs (see 14323 A), said that the Geneva conference had lifted from mankind the threat of a war, and that it would be ungracious not to congratulate Sir Anthony Eden and Mr. Macmillan. Much remained to be done, but the conference had been a new starting-point, for the first time there had been unanimous decisions by the four Great Powers to give directives to their Foreign Ministers to deal with specific and important subjects After expressing his pleasure at the invitation extended to Marshal Bulganin and M. Khrushchov, and reiterating that German unity was essential, Mr. Robens said that agreement at the forthcoming meeting of Foreign Ministers could usher in a new era for the world —the removal of the fear of war and of the huge burden of defence, with a combined attack on poverty and ignorance wherever it existed. He added · " The Foreign Secretary goes to these discussions to speak not for party but for Britain. We wish him God-speed in his task."

Mr. Macmillan (the Foreign Secretary), replying to the debate, said that no-one had done more to prepare the way for the Geneva " summit " conference than Sir Winston Churchill He added : " It was sad that he was not able to render in person this last service to the world, but in spirit, if not in physical presence, he was there with us at Geneva." Before discussing the results of the conference, Mr. Macmillan congratulated Mr Robens on his speech, saying in this connexion . " I could not have any more agreeable ' shadow ' to live with, and, I hope, for many a long year."

The Foreign Secretary emphasized that a great gulf still remained between East and West as to the methods by which European security could be assured and the conditions in which the German problem could be solved. Marshal Bulganin's speech [at the final session of the conference] had left no doubt that the Soviet Government still adhered to the view that Germany must not be reunited until after a security system had been created in conformity with the Soviet Union's own ideas " Therefore," Mr. Macmillan continued, " I must strike a note of warning against any premature optimism about the task which lies before us in October . We have somehow got to solve the German problem by devising at the same time such a degree of European security as will give full satisfaction to the legitimate apprehensions and anxieties of the Russian people. We shall try in October to come to grips with this problem, but I can't promise that we shall get a solution in a short time . . ."

In conclusion, Mr. Macmillan said that such success as had been achieved at Geneva, and as might stem from future meetings, was largely based on general acceptance of the view that war as an instrument of policy was now an obsolete conception, and that there could be no victor in modern war He added, however : " This proposition that there can be no victor is true only if the will to resist is maintained until final settlements are made, in spite of all temptations to relax during these dangerous and formative years. We are entering on a new process of negotiations which will subject the democracies to new and severe pressures. It would be tempting to relax efforts in all directions in an atmosphere of premature optimism. If we do that, in my opinion we are lost If we show courage, determination, and understanding of both sides of these questions, if we have perseverance to go through what may be a prolonged test of nerves and strength, I really believe we may be at the beginning of a new and fruitful period in the history of man's life on earth."

Sir Winston Churchill was not present in the House when the Prime Minister made his report, or during the ensuing debate.—(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Geneva Conference, 14325 A.)

A. UNITED NATIONS. — Economic and Social Council. - Spain admitted as Consultative Member of Economic Commission for Latin America.

The U.N. Economic and Social Council approved a resolution early in August for the admission of Spain, in a consultative capacity, to the U.N. Economic Commission for Latin America. The resolution was introduced by Nicaragua and supported by Argentina, China (Nationalist), Ecuador, Egypt, France, the Netherlands, Norway, Pakistan, Turkey, the United Kingdom, the U.S.A. and Yugoslavia. Consideration of a proposal by the Dominican Republic and Ecuador that Spain should be admitted to the U.N. Economic Commission for Europe was postponed until the Council's next session.
(United Nations Information Centre, London)

(Prev. rep. 14007 D.)

B. ISRAEL. — General Elections.

General elections were held in Israel on July 26 with the following result, comparison being shown with the last (1951) elections :

	Seats		Votes		Percentages	
	1955	1951	1955	1951	1955	1951
Labour Party (*Mapai*)	40	45	274,735	256,456	32 2	37 3
Nationalists (*Heruth*)	15	8	107,190	45,651	12 6	6 6
General Zionists	13	20	87,099	111,394	10.2	16 2
Mizrachi and Hapoel Hamizrachi*	11	10	77,936	56,730	9.1	8 2
Agudat Israel and Poalei Agudat Israel*	6	5	39,836	24,993	4.7	3.6
Ahdut Avodah	10	—	69,475	—	8 1	—
Socialist Workers' Party (*Mapam*)	9	15	62,401	86,095	7 3	12 5
Communists	6	5	38,492	27,334	4 5	3.2
Progressives (Liberals)	5	4	37,661	23,171	4 4	4.0
Arab lists†	5	5	37,777	32,288	4 3	4.6
Sephardic Party	—	2	6,994	12,002	0.8	1.7
Yemenites	—	1	—	7,965	—	1.1

* Religious parties. † Affiliated to *Mapai*.

The electorate numbered 1,057,609, compared with 883,000 in 1951 and 506,567 in 1949, when the first *Knesset* was elected. The total votes cast numbered 876,085 (83 per cent), as compared with 695,007 (79 per cent) in 1951 and 440,095 (87 per cent) in 1949.

The *Mapai* was again returned as the largest party in the *Knesset*, though with five fewer seats than formerly, despite the fact that it polled 18,000 more votes than in 1951. The extreme right-wing Nationalists (*Heruth*) emerged as the second strongest party, gaining seven seats and polling 61,000 more votes than in 1951. The General Zionists (Conservatives), who left the Government shortly before the elections as a result of the Kastner case (see 14308 A), dropped from second to third place, losing seven seats and 24,000 votes. The four religious parties (who contested the elections as two opposing blocs, shown in the table above), did slightly better than in 1951, gaining two additional seats and increasing their aggregate poll by about 36,000. A feature of the elections was the success of the new *Ahdut Avodah* party, which obtained ten seats and polled nearly 70,000 votes. The *Ahdut Avodah*, a left-wing group of " neutralist " tendency, had broken away from the *Mapam* in protest at the latter's pro-Communist policy. The *Mapam*, weakened by the defection of the *Ahdut Avodah*, lost seven seats and polled 24,000 fewer votes than in 1951. Of the other parties, both the Communists and the Progressives gained one seat and polled more votes than at the last elections.

Under the Israeli electoral system, candidates do not run for office as individuals but party lists are presented to the electorate. Each party is allotted representatives in the 120-member *Knesset* in proportion to its share of the total vote, a minimum of one per cent of the total poll being required for representation. The present elections were contested by 18 parties, many of them small groups which failed to obtain the required minimum quota. The electoral programme of the *Mapai* urged the abandonment of the present electoral system and its replacement by the British method of election ; this demand, however, was not supported by any of the other parties Among the new voters were many recent Jewish immigrants from Morocco, Libya, Iraq, Yemen, and other Arab countries, as well as from the Far East.

Among the 35 new members of the *Knesset* were Mr. Berl Locker (chairman of the Jewish Agency), Mr. Ehud Avriel (formerly Minister in Prague), and Mr. Aharon Remez (onetime Commander of the Israeli Air Force), all of whom were returned for the *Mapai* ; Brigadier Yigal Allon, one of Israel's leading soldiers, who was returned for the *Ahdut Avodah* party ; and Mr. Gershom Shocken, editor of the newspaper *Ha'aretz*, who was elected for the Progressives.

The *Mizrachi* and *Hapoel Hamizrachi* parties, the most strictly orthodox of the Israeli politico-religious groups, decided at a congress in Jerusalem on Aug. 9 to merge into a single party. The following conditions were laid down for joining a new coalition Government : (*a*) a law making all public transport on the Sabbath unlawful ; (*b*) a law against the sale of pork ; (*c*) decrees against missionary activity in Israel. As stated above, the two parties had contested the elections on a joint list, each retaining its separate identity. The other religious parties—the *Agudat Israel* and *Poalei Agudat Isaael*—are less orthodox in character.—(Israeli Embassy, London - Jewish Observer and Middle East Review)

(Prev. rep. 1951 Elections, 11744 A.)

C. INDIA. — New Minister of Industries.

Mr. Nityananda Kanungo, Deputy Minister for Commerce and Industry in the Government of India, was appointed Minister of Industries on Aug. 11.—(The Statesman, Calcutta)

(Prev. rep. 14295 E.)

A. PAKISTAN. — General Mirza appointed Acting Governor-General. - Resignation of Mr. Mohammed Ali. - Coalition Government formed by Chaudhri Mohammad Ali. - New Speaker of Constituent Assembly.

It was announced in Karachi on Aug. 5 that the Governor-General of Pakistan, Mr. Ghulam Mohammad, was taking two months' leave for health reasons, and that Major-General Iskander Mirza would act as Governor-General during his absence.

Major-General Mirza (55) was gazetted to the Indian Army from Sandhurst in 1919, transferred to the Political Service in 1926, and became Defence Secretary on the formation of Pakistan. He served from May-October, 1954, as Governor of East Bengal, where he reorganized the provincial administration after the dismissal of the United Front Ministry headed by Mr Fazlul Huq. Since then he had been Minister for the Interior, States, and Frontier Regions in Mr. Mohammed Ali's Cabinet.

The Moslem League Parliamentary Party elected Chaudhri Mohammad Ali, the Finance Minister, as party leader on Aug. 7 in place of the Prime Minister, Mr. Mohammed Ali, and authorized him to negotiate with the Opposition parties to obtain a working majority in the Constituent Assembly. The same night Mr. Mohammed Ali tendered his resignation to the acting Governor-General. Following negotiations between leaders of the Moslem League, the United Front, and the Awami League, Chaudhri Mohammad Ali succeeded on Aug. 11 in forming a coalition government with United Front support, after Mr. H. S. Suhrawardy, leader of the Awami League, had declined an invitation to join an all-party Government as Deputy Premier. Earlier proposals for the formation of a coalition government under Mr. Suhrawardy's leadership had broken down as a result of his demand for equal representation for the Moslem and Awami Leagues, and his refusal to co-operate with the United Front.

The secretary-general of the Awami League subsequently explained that the League had refused to participate in the new Government primarily because it objected to the posts of Governor-General and Prime Minister both being held by West Pakistanis. He pointed out that it had hitherto been the convention that one of these posts should be held by a West Pakistani and the other by an East Pakistani.

The provisional distribution of portfolios in the new Cabinet was announced on Aug. 12, as follows :

Chaudhri Mohammad Ali (Moslem League)	Prime Minister, Defence, Foreign Affairs and Commonwealth Relations, & Financial and Economic Affairs.
Dr. Khan Sahib (Independent, associated with the Moslem League)	Communications, and States and Frontier Regions.
Mr. A. K. Fazlul Huq (United Front) .. .	Interior.
Mr. Habib Ibrahim Rahimtoola (Moslem League) ..	Commerce and Industries.
Lieut.-Colonel Syed Abid Hussain (Moslem League) ..	Education and Kashmir Affairs.
Mr. Kamini Kumar Dutta (United Front) .	Law and Health.
Pir Ali Mohammed Rashidi (Moslem League)	Information and Broadcasting.
Mr. Nurul Huq Chaudhry (United Front)	Labour, Works, and Minority Affairs.
Mr. Abdul Latif Biswas (United Front)	Food and Agriculture.
Sardar Amir Azam Khan (Moslem League) .. .	Minister of State for Refugees, Rehabilitation, and Parliamentary Affairs.
Mr. Lutfur Rehman Khan (United Front)	Minister of State for Finance.

Chaudhri Mohammad Ali (50), a Punjabi, joined the Indian Audit and Accounts Service and was private secretary to the Finance Minister in 1936 and Financial Adviser to the Ministry of War and Supply in 1945. He served as a member of the "steering committee" of the Partition Council for India and Pakistan, and on the establishment of Pakistan became Secretary-General to the Government, in which capacity he played a prominent part in organizing the administration of the new State. He entered Mr. Nazimuddin's Cabinet in 1951 as Finance Minister, and continued to hold this post in Mr. Mohammed Ali's Governments.

Four other Ministers had been members of the former Government : **Dr. Khan Sahib** (who had held the Communications portfolio) ; **Mr. Rahimtoola** (who had been Minister of Commerce) ; **Lt.-Colonel Hussain** (Minister of Food since January last), and **Sardar Amir Azam Khan** (who had been Minister of State for Defence and for Refugees and Rehabilitation) **Pir Ali Mohammed Rashidi** had been Minister for Revenue, Public Health, and Information in the Sind Government. Of the United Front representatives, **Mr. Fazlul Huq** (82), was Chief Minister of Bengal from 1937-42, and of East Bengal from April-May, 1954. **Mr. Dutta** (77), a Hindu, and a Congress member of the former Constituent Assembly, is the leader of the Progressive Party **Mr. Biswas,** a member of Mr. Fazlul Huq's Cabinet of 1954, is general secretary of the *Krishak Sramik* Party, of which **Mr. Lutfur Rehman Khan** is also a member.

The following members of the Mohammed Ali Cabinet left the Government in addition to the former Premier himself : Lt.-General Mirza (see above), Mr. H. S. Suhrawardy (who had held the portfolios of Law and Parliamentary Affairs) ; Dr. A. M Malik (previously Minister of Labour and Works) ; Mr. Ispahani (the former Minister of Industries), General Mohammed Ayub Khan (the Minister of Defence, who, however, remained C.-in-C of the Pakistan Army) ; Mr. G. Pathan (who held the Agriculture portfolio) ; and Mr. Nurtaza Raza Chaudhury (who had been Minister of State for Finance).

Chaudhri Mohammad Ali made a policy statement in a broadcast on Aug. 11.

After expressing the hope that the Awami League would join a National Government, he said that the foremost problem facing the country was the Kashmir dispute. Friendship between Pakistan and India was essential if they were to raise the living standards of their inhabitants, but Kashmir's 4,000,000 people must be allowed freedom to decide their destiny. Another urgent task was the framing of the new Constitution, which must be completed with the minimum of delay and which must reflect the finest traditions of Islam. In conclusion, he gave an assurance that East Bengal's problems would receive the closest attention, and announced in this connexion that the Government had sanctioned a grant of Rs. 2,500,000 to relieve distress caused by recent floods in the Province

Mr. Abdul Wahab Khan, a United Front member from East Pakistan, and Mr. P. E. Gibbon, the Independent non-Moslem representative from the Punjab, were unanimously elected Speaker and Deputy Speaker respectively of the Constituent Assembly on Aug. 11.—(Pakistan High Commissioner's Office, London - Times) **(Prev. rep. 14341 A ; Cabinet, 14273 C.)**

B. CENTRAL AMERICA. — U.S. Aid for Completion of Pan-American Highway.

Under a Bill signed by President Eisenhower in July, $78,980,000 was appropriated for a three-year programme to complete the 7,300-mile Pan-American Highway from Fairbanks, Alaska, to the Panama Canal Zone, the U.S. contribution being twice that of the Central American republics through whose territories the road will run. The road—a two-lane all-weather highway—is largely completed, the principal remaining gaps (all between the southern border of Mexico and the Canal Zone) being . (1) A 145-mile stretch in the mountainous region between San Isidro, in southern Costa Rica, and El Volcán, in northern Panama, for which the route has not yet been surveyed ; (2) a 14-mile stretch (now under construction) between La Cruz, Costa Rica, and the Nicaraguan border town of Pena Blanca, work on which was delayed during the recent fighting in northern Costa Rica ; (3) a 25-mile section between Huehuetenango, Guatemala, and the Mexican town of Ocotal, on which work had been delayed when relations between the U.S. Government and the former pro-Communist Government of Guatemala became strained. In addition to these gaps, most of the 1,590 miles of road between the Guatemalan-Mexican border and the Canal Zone requires all-weather surfacing to bring it up to accepted standards.—(New York Times)

(Prev. rep. Pan-American Highway, 5564 A ; 4680 D.)

C. WESTERN GERMANY. — New Head of Federal Office for Protection of the Constitution.

It was announced in Bonn on July 8 that Dr. Robert Schrubbers, chief public prosecutor (*Generalstaatsanwalt*) in Dusseldorf, had been appointed Director of the Federal Office for the Protection of the Constitution in succession to Dr. Hans Jess, who had held the post *ad interim* after the defection of Dr. Otto John to East Berlin. (Frankfurter Allgemeine Zeitung)

(Prev. rep. 13851 A.)

D. CHINA.—Adherence to Inter-Parliamentary Union.

The New China News Agency announced on July 30 that the Chinese People's Republic would join the Inter-Parliamentary Union, and that a delegation from the National People's Congress would attend the Union's conference at Helsinki in August.—(New York Times)

(Prev. rep. Soviet Adherence, 14293 C.)

E. UNITED STATES.—Senate Ratification of Revised U.S.-Panamanian Treaty.

The U.S. Senate ratified on July 1 the new U.S.-Panamanian treaty on the Panama Canal, which revised the provisions of the 1936 treaty.—(New York Times) **(Prev. rep. 14121 D.)**

A. INDIA. — Mr. Nehru's Visits to the Soviet Union, Poland, Austria, Yugoslavia, Italy, Britain, and Egypt. - Marshal Bulganin to visit India.

The Prime Minister of India, Mr. Nehru, left Bombay by air on June 5 for official visits to a number of countries. After a one-day visit to Czechoslovakia (June 6) he spent 15 days in the Soviet Union (June 7-23), and thereafter visited Poland (June 23-25), Austria (June 26-27), and Yugoslavia, where he spent a week (June 30-July 6). After a short visit to Italy (July 7-8) he flew to Britain for discussions with Sir Anthony Eden, and then paid an official visit to Egypt (July 11-12), returning on July 14 to Delhi. Mr. Nehru was accompanied throughout his tour by his daughter, Mrs. Indira Gandhi, and by Sir Raghavan Pillai (Secretary-General of the Ministry of External Affairs) and other officials.

Prior to his arrival in Moscow, Mr. Nehru paid a short visit on June 6 to Prague, where he was received by President Zapotocky and had talks with the Czechoslovak Prime Minister (M. Siroky) and the Foreign Minister (M. Vaclav David). During his 15 days' stay in the Soviet Union, Mr. Nehru had a number of discussions with members of the Soviet Government, and visited many different parts of the U.S.S.R. by air, covering some 10,000 miles.

While in Moscow from June 7-10, Mr Nehru discussed international problems with Marshal Bulganin, M. Khrushchov, and M. Molotov; attended receptions given in his honour by the Soviet Government; called upon President Voroshilov; and visited the Kremlin, the Lenin-Stalin Mausoleum, the University of Moscow, schools, and factories, receiving everywhere an enthusiastic welcome.

On June 11 Mr Nehru left Moscow by air for a ten-day tour of the U.S S.R. After visiting Stalingrad (June 11) he flew to the Crimea for visits to Simferopol and Yalta (June 12) and thence to Tiflis, capital of the Georgian Soviet Republic, where he arrived on June 13 He then visited the historic cities of Tashkent and Samarkand, in Uzbekistan, and Alma-Ata, in Kazakhstan (June 14-16). From Soviet Central Asia he flew to the Ural region for visits to the industrial cities of Sverdlovsk and Magnitogorsk (June 18). After a two-day visit to Leningrad (June 19-20) he returned to Moscow to continue his discussions with the Soviet Ministers.

On June 21 Mr. Nehru addressed a mass rally of 100,000 people in the Dynamo Stadium in Moscow—the first occasion on which such a meeting had been addressed by a non-Communist statesman. Earlier on the same day Mr. Nehru had announced at a press conference that Marshal Bulganin had accepted an invitation to visit India at a date to be fixed later.

In his speech at the Dynamo Stadium, Mr. Nehru expressed his gratitude for the "affection and welcome" which had been extended to him wherever he had gone in the Soviet Union. He continued:

"Almost contemporaneously with your October Revolution under the leadership of the great Lenin, we in India started a new phase of our struggle for freedom. . . . Even though we pursued a different path in our struggle under the leadership of Mahatma Gandhi, we admired Lenin and were influenced by his example. . . We did not understand some of the developments in your country, even as you might not have understood much that we did. We wished the Soviet Union well in the great experiment she was making, and tried to learn from it where we could The backgrounds of our countries were different—their geography, history, traditions, and culture, and the circumstances wherein they had to function . . . We all have to learn from others and we cannot isolate ourselves, but this learning cannot be fruitful if it is imposed from outside. We believe in democracy, in equality, and in the removal of special privileges, and we have set ourselves the goal of developing a socialistic pattern of society in our country through peaceful methods . .

"It was in recognition of the right of each country to fashion its own destiny that India and the People's Republic of China agreed that the 'Five Principles' should govern their relations with each other Subsequently these principles were accepted by Burma and Yugoslavia, and the Soviet Government has also expressed its approval of them. At the Bandung Conference these principles were elaborated into ten, and embodied in a declaration on world peace and co-operation Thus over 30 countries have accepted them. I have no doubt that these principles of international behaviour, if accepted and acted upon by all countries, would go a long way to put an end to the fears and apprehensions which cast dark shadows over the world. .

"Peace is of paramount importance if this world of ours is to make progress, or indeed to survive. Peace is not merely abstention from war, but an active and positive approach to international relations leading, first, to the lessening of present tensions and an attempt to solve our problems by methods of negotiation, and secondly, to growing co-operation between nations—by cultural and scientific contacts, increased trade and commerce, and exchange of ideas, experience and information. . . There is no reason why different countries having different political, social, or economic systems should not co-operate in this way—provided there is no interference with each other and no attempt at domination. . . ."

The following joint statement was signed in the Kremlin on June 22 by Marshal Bulganin and Mr. Nehru:

". . . The relations between the Soviet Union and India rest on a firm foundation of friendship and mutual understanding The Prime Ministers are resolved that these relations shall continue to be informed and guided by the following principles [i e the "five principles of peaceful co-existence," known as *Panch Sila*]

(1) Mutual respect for each other's territorial integrity and sovereignty

(2) Non-aggression.

(3) Non-interference in each other's internal affairs for any reasons of an economic, political, or ideological character

(4) Equality and mutual benefit

(5) Peaceful co-existence.

The Prime Ministers are convinced that . . the wider acceptance of these principles will enlarge the area of peace, promote mutual confidence among nations, and pave the way for greater international co-operation"

After welcoming the decisions of the Bandung Conference as "of historic importance," the statement continued "The Prime Ministers recognize that there have been signs of improvement in the general international situation In particular, they welcome the lessening of tension in the Far East, the advent of Austrian independence, the improved relations between the Soviet Union and Yugoslavia, and the keener and more general appreciation now discernible everywhere of the dangers of war in an atomic age Nevertheless, in large areas fear and suspicion dominate the minds of men and nations and vitiate international relations. In the Far East, while there has been a lessening of tension, the causes of tension still remain It is the earnest hope of both Prime Ministers that it will be possible by peaceful means to satisfy the legitimate rights of the Chinese People's Republic in regard to Taiwan (Formosa) At the same time the Prime Ministers reiterate their conviction that the continued refusal to admit the Chinese People's Republic to the U.N lies at the root of many troubles in the Far East and elsewhere They consider it essential that the Chinese People's Republic should be given its rightful place in the United Nations, whose role and authority would thereby be enhanced. . "

The statement went on to call for a complete ban on the production of atomic and thermo-nuclear weapons, for a "simultaneous and substantial" reduction of conventional armaments, and for disarmament through effective international control In conclusion, it referred to the recent agreement for the construction of a steel plant in India with Soviet assistance (see 14103 A), and said that the two Prime Ministers would "seek to promote and strengthen the relations between the two countries in the economic and cultural fields, as well as in those of scientific and technical research."

Mr. Nehru left Moscow for Warsaw on June 23, declaring at the airfield that he had "left part of my heart behind" in the Soviet Union.

Before leaving Moscow, Mr Nehru paid a visit on June 22 to the newly-opened Soviet atomic energy plant, described by Indian press correspondents as being "somewhere outside Moscow"

During his three-day visit to Poland, Mr. Nehru had discussions in Warsaw with M. Cyrankiewicz (the Prime Minister), M. Boleslaw Bierut (First Secretary of the United Workers' Party), and other Polish leaders. A joint communiqué said that Poland and India would be guided by the "five principles" in their mutual relations, that there were "no problems or controversies between the two countries," and that both countries would foster mutual economic and cultural relations. The statement added that Mr. Nehru and M. Cyrankiewicz had discussed the problems of Indo-China, "where both Poland and India have been associated in the International Commission as they had previously been associated in the International Commission in Korea."

While in Poland, Mr Nehru visited Cracow, Stalinogrod and other industrial centres in Silesia, and the Nowa Huta iron and steel plant, the largest in Poland He received the Freedom of Warsaw while in the Polish capital

Mr. Nehru flew from Warsaw to Vienna, where he had discussions with Dr. Raab (the Austrian Chancellor) and Dr. Figl (the Foreign Minister). A communiqué issued on June 27 stated that the conversations had covered questions of international importance, particularly the position of Austria after the conclusion of the State Treaty, as well as the possibility of promoting trade between Austria and India.

Mr. Nehru was the guest of honour at a State banquet given by the Austrian Government and held in the hall where the Congress of Vienna took place in 1815. He also lunched with President Körner at the Hofburg.

On July 28 Mr. Nehru had discussions at Fuschl-am-See (near Salzburg) with the Indian High Commissioner in London (Mrs. Pandit, his sister), the Indian Ambassadors in Belgrade, Bonn, Brussels, Cairo, Moscow, Paris, Prague, and Rome, and the Chargé d'Affaires in Stockholm.

From Vienna Mr. Nehru flew to Yugoslavia, where he spent a week as the guest of President Tito and visited many parts of the country.

The Prime Minister received an enthusiastic welcome from 200,000 people when he arrived in Belgrade on June 30. After discussions at the White Palace with President Tito and other Yugoslav leaders, he addressed a joint session of the Yugoslav Parliament on July 2, his speech being mainly on the theme of peaceful co-existence. The Freedom of Belgrade was conferred upon Mr. Nehru on the same day.

Mr. Nehru paid visits on July 3-4 to Sarajevo (the capital of Bosnia-Herzegovina), Jablonica, in Bosnia (where he inspected Yugoslavia's biggest hydro-electric station), and Dubrovnik and Split, on the Dalmatian coast. From Split he sailed in President Tito's yacht to the island of Brioni for further discussions with the Yugoslav President, and paid short visits to Zagreb, capital of Croatia, and Ljubljana, capital of Slovenia.

A joint statement, signed by Mr. Nehru and President Tito, was issued from Brioni on July 6.

After pointing out that Mr. Nehru had returned the visit paid to India by President Tito in 1954, the statement said that the talks had been held "in an atmosphere of cordiality characteristic of the increasingly close friendship between India and Yugoslavia," and that they had "revealed close identity of views on all problems considered" It continued

"The policy of full independence pursued by both countries, based on the principles of peaceful co-existence, represents an important contribution to the growth of international co-operation and mutual understanding among an increasingly large number of countries The President and the Prime Minister noted that the general world situation had improved of late. . These trends have found expression at the Bandung Conference, in the signing of the Austrian State Treaty, in a notable extension of the area of agreement on the question of disarmament, and in the Yugoslav-Soviet talks in Belgrade and the Indian-Soviet talks in Moscow, as well as at the tenth anniversary session of the United Nations. It is earnestly hoped that the same spirit will prevail at the forthcoming Geneva meeting of the Heads of Government of France, the United Kingdom, the U S S R, and the United States . . ."

After stressing the need for a settlement of the German and Formosan problems, and calling for the admission of the Chinese People's Republic to the United Nations, the statement concluded "The President and the Prime Minister reviewed economic relations between the two countries and came to the conclusion that commercial exchanges were not on a scale commensurate with the close relations between them . . Both parties agreed to an early exchange of economic missions to explore practical measures of co-operation between the two countries in the scientific and technical fields. The President and the Prime Minister also agreed that the rich cultural heritage of both countries offers broad possibilities for cultural co-operation."

While in Rome on July 7-8, Mr. Nehru had discussions at the Palazzo Viminale with Signor Segni, the new Italian Prime Minister, and Professor Martino, the Foreign Minister. He also called upon President Gronchi, and attended a reception given in his honour by the Italian Government at the Villa Madama. On July 8 Mr. Nehru was received in private audience by the Pope at the Vatican.

The following message was read by the Pope to Mr. Nehru: "We are happy to welcome heartily a great statesman whom we have the pleasure of meeting for the first time. . . We feel sure that you are fully mindful of the lofty responsibilities that, in striving to establish true peace based on love and justice among the peoples of the world, devolve upon those in authority. . . . As we recall that one of the distinguished sons of India has been elevated by us to the honour of the Cardinalate, we avail ourselves of the opportunity to address, through you, a message of affectionate regard to the President, the Government, and the noble people of India, whose welfare and happiness are ever in our remembrance in prayer to Almighty God"

At a subsequent press conference, Mr. Nehru disclosed that he had discussed the Goa question with the Pope, and that the Pope had agreed with him that the question was a purely political one "My difficulties with the Portuguese," Mr Nehru added, "are that they want to bring in the religious question all the time They have an untenable political position, and drag in the religious aspect just to confuse people's minds Goa is no religious issue, and His Holiness agrees with me that it is not a religious issue" Questioned about India's attitude towards the 200,000 Roman Catholics in Goa, Mr Nehru replied that there were seven or eight million Catholics in the Indian Union, who enjoyed complete religious freedom. Asked how India planned to deal with the Goa problem on a political basis, Mr. Nehru said: "You don't expect me to give you a detailed account of the Government of India's future policy But of one thing you can be absolutely sure—Goa will be Indian."

In response to a special invitation from Sir Anthony Eden, Mr. Nehru flew from Italy to Britain for informal discussions on world problems with the British Prime Minister.

The discussions took place at Chequers, where Mr. Nehru stayed as Sir Anthony Eden's guest on July 8-9 Other participants on the British side were Mr. Macmillan (the Foreign Secretary), Lord Hume (Secretary for Commonwealth Relations), and Mr. Malcolm Macdonald, U.K. High Commissioner in Delhi and lately Commissioner-General for South-East Asia On the Indian side, Mr Krishna Menon (permanent Indian representative at the U N.), Mrs Pandit, and Sir Raghavan Pillai took part in the discussions. A brief statement from Chequers said that the talks had covered a wide field, including the Far East and the prospects of the Geneva "summit" conference.

Mr Nehru dined with the Queen at Windsor on July 9, and also visited Lord and Lady Mountbatten. In a statement at London Airport before leaving for Cairo, he expressed the opinion that the world had reached "a psychological moment of history—a turning away from the tense atmosphere of the 'cold war' towards peace."

On July 11-12 Mr. Nehru visited Cairo as the guest of the Egyptian Government, and had discussions with Colonel Nasser, the Prime Minister of Egypt. A joint statement was issued by Mr. Nehru and Colonel Nasser after the conversations ended.

After recalling that the two Prime Ministers had met at the Bandung Conference, the statement said that there had been "general agreement" on the subjects discussed in Cairo—"international problems, the situation in the Middle East, and other matters of mutual interest to the two countries" It added "The Prime Ministers reiterate their conviction . that involvement in military pacts or in alignments with the great Powers does not serve the cause of peace, and, indeed, often has the opposite effect"

The statement contained a plea for general disarmament and the banning of atomic and thermo-nuclear weapons; expressed the hope that the Geneva "summit" conference would "result in averting the great dangers which threaten the very existence of the human race", and noted that there had been some improvement in the international situation in recent months, although in some parts of the world "grave problems still remain and the situation is full of danger" It also endorsed the declaration on the dangers of thermo-nuclear warfare which had been issued by Bertrand Russell, the late Professor Einstein, and other eminent scientists (see 14305 A)

Mr. Nehru arrived back in Delhi on July 14 after an absence of nearly six weeks, during which he had visited eight countries and covered 25,000 miles. On July 16 President Rajendra Prasad conferred on Mr. Nehru the *Bharat Ratna* (Jewel of India), the highest Indian award, for his "heroic endeavours in the cause of peace for mankind."—(The Statesman, Calcutta - The Hindu, Madras - Indian High Commissioner's Office, London - Soviet Weekly - Polish Embassy Press Dept., London - Wiener Zeitung - Tanjug Agency, Belgrade - Giornale d'Italia - Times - Daily Telegraph) **(Prev. rep. Mr. Nehru, 14303 A.)**

A. UNITED KINGDOM. — Wholesale and Retail Prices. - Movements in Second Quarter of 1955.

The movements of wholesale and retail prices in the second quarter of 1955 is shown below:

Wholesale Prices (1930 = 100)

	April	May	June
Intermediate products	373.2	373 3	374.1*
Iron and steel	374 9	374 9	374 8*
Food and tobacco	301 1	298 4	305 1*
All items	334 1	332.6*	336 0*

Retail Prices (Jan. 15, 1952 = 100)†

Food	119 9	119 8	124 8
Rent and rates	114 4	114.7	114.9
Clothing	96 3	96 2	96 2
Fuel and light	114 8	111.4	112.7
Household durable goods	95 5	95 6	95.6
Miscellaneous goods	99 9	101.4	101 5
Services	113 5	113.9	115 3
Alcoholic drink	102 7	102.7	102.7
Tobacco	100.3	100 3	100.3
All items	110.8	110 6	112.9
All items (June 1947 = 100)	146 8	146 5	149.6

* Provisional. † On April 19, May 17, and June 14 respectively

It was pointed out in the *Ministry of Labour Gazette* that the sharp rise in the food prices index in June was due to the early exhaustion of stocks of old potatoes in many areas, with the result that many retailers had only the much higher-priced potatoes of the new crop for sale. The increase in the "Services" index in June resulted principally from the increases in rail fares and road passenger fares in London and other areas.

The Board of Trade Basic Materials index in the second quarter (June 30, 1949 = 100) was 149.4 in April, 148.9 in May, and 151.0 in June.—(Board of Trade Journal - Ministry of Labour Gazette) **(Prev. rep. 14185 A.)**

B. AUSTRIA - WESTERN GERMANY. — Joint Construction of Danube Power Station.

A new hydro-electric power station on the Danube at Jochenstein, in the German-Austrian frontier region near Passau, was opened on July 1. Built jointly by the Austrian, German Federal, and Bavarian Governments, it will be the largest hydro-electric station in Central Europe on completion, with an annual capacity of 1,000,000,000 kilowatt-hours. The power will be shared equally between Austria and Western Germany.—(Wiener Zeitung - Welt der Arbeit, Cologne)

A. ORGANIZATION FOR EUROPEAN ECONOMIC CO-OPERATION. — Council Decisions on Temporary Renewal of E.P.U. and Procedure for Introduction of Convertibility.-Proposed European Monetary Agreement.

The O.E.E.C. Council met at ministerial level on June 9-10 under the chairmanship of Mr. R. A. Butler, British Chancellor of the Exchequer, and at deputy level on July 28-29. The most important decisions reached at these meetings concerned the renewal of the European Payments Union and preparations for a return to currency convertibility. They are summarized below.

Renewal of the E.P.U.-New European Monetary Agreement.

During the ministerial discussions on June 9-10 on the subject of an intra-European clearing system, two opposing viewpoints were reported to have been advanced On the one hand, Britain argued that, once sterling and other European currencies had been made fully convertible, the need for a multilateral clearing system would disappear and the function of short-term lending could be assumed by the proposed new European Fund (see 14086 A). On the other hand, Switzerland, France, and other member-countries contended that, even when convertibility was realized, a clearing system would still be needed and the function of short-term lending could be carried out by a transformed E P U., to which all member-countries would belong whether or not their currencies were convertible. Eventually the Council accepted a compromise (based on a suggestion put forward by the Netherlands), the main terms of which were as follows :

(1) The European Payments Union would be prolonged until June 30, 1956.

(2) For the month of July, 1955, settlements would be on the same basis as hitherto—50 per cent gold and 50 per cent credit.

(3) After that, the system would be " hardened " and settlements would be made on the basis of 75 per cent gold and 25 per cent credit. This would entail an adjustment of the quotas, which would be doubled, so that the credit facilities or obligations of each country could remain the same.

(4) A special credit of $50,000,000 would be granted within the E P.U to Italy, partly because she was near the end of her quota, and partly because of the strain which would be imposed on her economy by the " Vanoni " development plan. Italy would repay the credit in gold not later than June 30, 1957.

Greece's quota would remain blocked but could be opened again at any time before June 30, 1956, subject to the Greek Government having given three month's notice.

(5) At any time (even before June 30, 1956) the E.P.U. could be " terminated " and the post-convertibility arrangements could come into effect if member-countries whose trade quotas accounted for at least 50 per cent of the total amount of quotas notified the O E.E C. that they were in favour of such a step. [It was pointed out in the Press that, of the total E P.U. quotas, the U K., Western Germany, Switzerland, Belgium-Luxemburg, and the Netherlands—known to be the principal countries in favour of convertibility—accounted for well over 50 per cent]

(6) When the E.P U. came to an end, the credit balance remaining in the Union's income and expenditure account (which at the end of June amounted to 2,862,000 units of account) would be distributed among member-countries by adjustment of their claims on, or debts to, the Union, in accordance with the percentages already laid down in the E.P U. Agreement

If the liquidation of the E P.U. took place before June 30, 1957, any balance still owing by the Union to Belgium-Luxemburg under the 1953 arrangements for funding 50,000,000 units of account (see page 12811, first column), would be included in the last settlement to be carried out Thus, in accordance with the gold-credit ratio prevailing at the time of liquidation, part of the balance would be settled in gold, whilst the credit element would be added to Belgium-Luxemburg's claims on the Union and be repaid in accordance with the liquidation percentages mentioned above.

(7) As soon as the E P U. had come to an end, a European Monetary Agreement, administered by a Management Board similar to that of the E.P.U., would come into operation. Under this arrangement, two interconnected structures would be set up .

(*a*) The European Fund, to provide short-term credit to any member-countries needing it to enable them to withstand balance-of-payment difficulties. Credits would be granted by the Fund in gold and would have to be repaid (plus interest) within two years The capital of the Fund would be $600,000,000, part of which would come from E P.U assets (the remainder being distributed among member-countries), whilst the balance would be contributed by O E.E.C. member-countries according to an agreed scale (see below).

(*b*) A Multilateral Clearing System, which would ensure that, in conditions of convertibility, any member-country (whether its currency was convertible or not) would be able to secure temporary financial accommodation, and that outstanding balances were settled at regular intervals and at known rates of exchange.

(8) Subject to a few minor amendments, the existing O.E.E C trade liberalization code would be continued for " an unspecified period " after the adoption of convertibility.

(9) In order that regular discussions might be held on the problems which would arise from convertibility and, in particular, on the effect of exchange rate policies on trade, " a new body of high-level officials from capitals " would be set up within the O.E.E.C.

Further details of the European Fund and the Multilateral Clearing System were given in a memorandum published by the O.E.E.C. on August 5.

The European Fund.

As stated above, the capital of the Fund will amount to $600,000,000 consisting of (*a*) $271,575,000 from the residue of the E.P.U. capital, and (*b*) $328,425,000 in contributions from member-countries.

Part Transfer of E.P.U. Capital. That part of the E P.U. capital to be transferred to the Fund with the consent of the U.S Government will correspond to the residue of the capital which had been provided for the E.P.U under U S. aid (see 11181 A). It will be made available as follows :

(i) $113,037,000 held in gold by the E.P.U.

(ii) $123,538,000 representing that part of the amount allocated to the E P.U. by the U.S Government which has not yet been used.

(iii) $35,000,000 in the form of loans to Norway and Turkey, being the initial balances granted as loans by the U.S Government to Norway ($10,000,000) and to Turkey ($25,000,000) The Fund's claims against Norway and Turkey will be amortized over a period of 15 years, starting from the date of the E P U 's liquidation, in 13 equal instalments, the first of which will fall due at the end of the third year The terms—which are the same as would have applied bilaterally under the Union's liquidation procedure—had been agreed to by Norway and Turkey.

Contributions from Member-countries. These will be as follows :

	$ million
Austria	5 0
Belgium-Luxemburg	30 0
Denmark	15 0
France	42 0
Germany (Western)	42.0
Greece	2 850
Iceland	15.0
Italy	15.0
Netherlands	30.0
Norway	15 0
Portugal	5.0
Sweden	15.0
Switzerland	21.0
Turkey	3 0
United Kingdom	86 575

Call-up of Capital. (1) The capital of the Fund will be called up as follows :

(i) To begin with, the Fund will have at its disposal $148,037,000, consisting of $113,037,000 in gold transferred from the E.P U and the claims on Norway and Turkey of $35,000,000 also transferred from the E.P.U.

(ii) When it needs further liquid resources, it will call on members to contribute another $148,037,000, their contributions to be divided in the same proportions as the total contributions shown above.

(iii) Any further amounts needed by the Fund will be drawn in equal shares from the balance of $123,538,000 on the U.S. Treasury Account (transferred from the E.P.U) and from members' contributions up to the same amount, making a total of $247,076,000.

(iv) If still more is needed, the Fund will call up the remaining $56,850,000 of members' contributions

(2) In view of their special position and, in particular, the level of their reserves, certain countries will be called upon to pay their contributions only when all other contributions have been fully paid. The total amount of deferred contributions will not exceed $56,850,000 and, provisionally, the countries concerned and the amount of contributions deferred will be as follows :

	$ million
Austria	5.0
Denmark	15.0
Greece	2 850
Iceland	1.0
Italy	15.0
Norway	15.0
Turkey	3.0

(3) The call-up of further contributions will be made automatically by the Fund's Agent (see below) whenever liquid assets fall below $100,000,000, although the Fund's Board of Management will be able to authorize the raising of the assets above $100,000,000 if it appears at any time that total assets of $100,000,000 will be insufficient to meet expected drawings.

Other Provisions. (i) Interest will be paid by the Fund in gold on members' contributions, the rate being determined by the O E.E C. every six months for the preceding half-year.

(ii) All the Fund's transactions will be carried out in gold and its accounts will be kept in terms of a unit of account defined in terms of gold Initially, the unit of account will be the same as that used by the E.P.U. (i.e. equivalent to one U.S. dollar at $35 per fine ounce of gold).

The Multilateral Clearing System.

Basic Principles. The Multilateral Clearing System was designed so as to comply with the following conditions : (*a*) that it should be compatible with the exchange arrangements contemplated by member-countries ; (*b*) that it should allow member-countries to adopt different methods of determining their rates of exchange ; (*c*) that it should make financial facilities available to member-countries in the period between settlements, provided that these facilities were not on such a scale as to impose an undue strain on any member-country.

Accordingly, members of the system will have three obligations to other members · (*a*) to announce in advance the margins beyond which they will not be prepared to let their currencies fluctuate—i.e. the margins at which they will buy or sell their currencies (it being laid down that these margins should be as moderate and stable as possible); (*b*) to make their currencies available, within certain defined limits, to any other participating countries which should ask for them (i e interim finance), (*c*) to agree to settlements of outstanding debts being made each month in U.S dollars This last obligation means that those countries linking their currencies to gold will either fix buying and selling prices for the U S. dollar as well as for gold, or, alternatively, accept a fixed relationship between gold and the dollar.

Interim Finance Limits. The maximum amount of interim finance which may be drawn or granted by each country will be as follows (in millions of units of account):

Austria	5.0
Belgium-Luxemburg	20.0
Denmark	12.0
France	32.0
Germany (Western)	30.0
Greece	7.5
Iceland	2 0
Italy	13.0
Netherlands	22.0
Norway	12.0
Portugal	5.0
Sweden	16.0
Switzerland	15.0
Turkey	7.5
United Kingdom	64 0

A moderate and uniform rate of interest will be charged on all drawings of interim finance

Monthly Settlements. These will cover

(*a*) all interim finance advanced but not repaid before the end of the month,

(*b*) any balance in the currency of a member-country which another member-country holds and decides to bring into the settlement,

(*c*) all balances on any accounts kept under bilateral payments agreements (The O.E E.C must be notified of any such agreement and, if it considers the financial clauses to be prejudicial to the satisfactory operation of the Multilateral Clearing System, may make recommendations for the agreement's revision, if these recommendations are not complied with, the O.E E C may then decide that balances of accounts kept under the agreement shall not be brought into the monthly settlements.)

Calculation of Net Amounts due. On the basis of information supplied by the central banks, the Agent (see below) will determine the amounts in dollars required to settle the resulting balances each month For this purpose

(*a*) all interim finance balances will be calculated in dollars at the selling price fixed for its currency by the lending country;

(*b*) all balances held in another currency which a member decides to bring into the settlement will be calculated in dollars at the buying price for its currency fixed by the debtor country,

(*c*) all balances on accounts kept under bilateral payments agreements will be calculated on the basis of the rates agreed between the parties to these agreements.

[The difference between the proposed Multilateral Clearing System and the present E P U. will be that it will be optional whether a pair of countries bring their claims and debts for settlement within the system, or settle them in the ordinary way through the foreign exchange market. It was, however, pointed out in the Press that, as debtors will have to settle at the most favourable rate for the creditors (and the least favourable for themselves), whenever possible it will in practice be preferable for a debtor country to settle its debts with a "convertible country" before the monthly settlement, by recourse to the foreign exchange markets. The actual amount of business to pass through the Multilateral Clearing System may therefore be quite small. On the other hand, the guarantee of a rate, even though it be a maximum one, will be a real privilege which membership of the clearing system will afford]

Guarantee against Default. Should any default occur, it will be carried up to an amount of $50,000,000 by the European Fund. At the same time the defaulting country will be automatically suspended and the Fund will use all the means at its disposal to ensure repayment of the debt in dollars.

Provisions governing the European Monetary Agreement. (1) It was laid down that if the special termination clause had not brought the E.P U to an end and the E.M.A. into force by March 31, 1956, the O.E.E.C. would review both the conditions on which the E.P U. might be renewed from July 1, 1956 onwards, and the provisions of the E M.A.

(2) The provisions of the E.M.A. were designed to remain in force for an indefinite period, but the operation of the Multilateral Clearing System would be reviewed not later than three months before the end of its first year, and the Agreement as a whole not later than three months before the end of its third year.

(3) The Multilateral Clearing System would be terminated, unless the O.E.E C. decided otherwise, if, at the end of the first year or on any subsequent renewal date, countries responsible for at least 50 per cent of the contributions to the Fund indicated that they did not want the system to continue. The Agreement as a whole could be brought to an end in two ways. (i) if the member-countries unanimously decided to do so; (ii) if, at any time after the third year from its coming into force, the contributions of its member-countries (excluding those countries which, while still members, had given notice of withdrawal) amounted to less than 50 per cent of the total contributions fixed when the Agreement came into force.

The Bank for International Settlements in Basle will act as Agent for both the European Fund and the Multilateral Clearing System, as it has done in the past for the European Payments Union.—(O.E.E.C. Information Division, Paris - Financial Times) **(Prev. rep. 14254 A; 11181 A; Mr. Butler's Statement, 14343 A.)**

A. UNITED STATES.—Administration. - Resignation of Secretary of Air Force. - Appointment of Mr. Quarles.

Mr. Harold Talbott, Secretary of the Air Force, resigned on Aug. 1, following an inquiry into allegations that he had misused his office in order to obtain business for an industrial engineering firm of which he was a partner.

Before the Senate had confirmed Mr Talbott's nomination in 1953, Mr. Talbott, like other members of the Administration, had agreed to sever his connexions with any firms with whom he might subsequently have to do business when in office (see page 12702, column one). He had, however, explained that he would remain "a special partner" in one company, Paul Mulligan & Co. (an industrial engineering firm specializing in clerical efficiency studies), but had assured the Senate that no work concerned essentially with defence would be done by that firm while he was a member of the Administration. Nevertheless, it was subsequently alleged that Mulligan & Co had continued to do business with companies holding defence contracts; that Mr. Talbott had continued to receive part of the firm's profits; and that he had solicited companies to give business to Mulligan & Co.

The Senate Permanent Investigating sub-committee held public hearings on the allegations at the end of July, at which it heard testimony from Mr. Talbott, Mr Mulligan, and a number of other witnesses Mr. Talbott admitted that he had tried to get new business for Mulligan & Co., but denied that he had acted with impropriety, broken the law, or used his official influence to further his business interests He offered to give his interest in Mulligan & Co. to his partner, and to accept no further money from the firm "if in the opinion of this group of gentlemen I will be helping the Air Force and the Administration and making people sure of my purpose." The committee, however, published no findings before Mr Talbott announced his resignation

In his letter of resignation to the President, Mr Talbott stated that he was resigning because he did not "in any way wish to be a source of embarrassment to you, or to your . Administration." Referring to "the recent unfortunate and, I believe, distorted publicity" about his continued association with Mulligan & Co, he declared "I am clear in my mind and conscience that my actions have been within the bounds of ethics This connexion has never influenced me, or interfered in the slightest with the discharge of my responsibilities as Secretary of the Air Force, and I have never used that office to further its business"

President Eisenhower, in accepting the resignation, said that he felt that Mr. Talbott's decision was the "right one in the circumstances." He paid a tribute to Mr. Talbott's "unexcelled diligence" in the administration of his department and to his "fine accomplishment" as Secretary of the Air Force. Earlier, at a press conference on July 27, the President had stated that the actions of a public servant had to be "impeccable, both from the standpoint of law and from the standpoint of ethics," and that a public servant should avoid any indiscretion which even gave the appearance that he was using his office improperly

Mr. Donald Quarles, Assistant Secretary of Defence in charge of research and development, was nominated by President Eisenhower on Aug. 11 as Secretary of the Air Force in succession to Mr. Talbott. Mr. Quarles (61), formerly vice-president of the Bell Telephone laboratories and president of the American Institute of Electrical Engineers, had been responsible for all the Defence Department's research work, including the guided missiles programme and the recently-announced plans for launching a space satellite.
(New York Times - New York Herald Tribune) **(Prev. rep. Administration, 14279 D; Mr. Talbott, 12777 B.)**

B. ARGENTINA. — New Provinces.

A Bill raising all Argentine Federal Territories to the status of Provinces was passed by the Argentine Congress in June, the whole country thereby being divided into 22 Provinces and the Federal District of Buenos Aires. It was laid down (*a*) that three new provinces would be formed within the present territorial limits of Formosa, Neuquén, and Rio Negro; (*b*) that a fourth province would be created between the 42nd and 46th parallels, bounded on the west by Chile and on the east by the Atlantic Ocean and including the present Federal Territory of Chubut and the Military Territory of Comodoro Rivadavia; and (*c*) that a fifth province would be formed from the Territory of Santa Cruz, the Maritime Territory of Tierra del Fuego, and those areas of Antarctica over which Argentina claims sovereignty.—(Bank of London and South America) **(Prev. rep. New Provinces, 12981 A.)**

A. MALAYA.—Federal Elections. - Victory for Triple Alliance. - Cabinet formed by Tengku Abdul Rahman.

The first elections in Malaya since the enlargement of the Legislative Council under the recent constitutional proposals (see 13586 A) were held on July 27. They resulted in an overwhelming victory for the Triple Alliance, led by Tengku Abdul Rahman and formed by the United Malays' National Organization (U.M.N.O.), the Malayan Chinese Association, and the Malayan Indian Congress, which won 51 of the 52 elected seats. The Negara (National) Party, led by Dato Sir Onn bin Ja'afar, which had been expected to provide the main opposition to the Triple Alliance, failed to return any members, the remaining seat being won by the small Pan-Malayan Moslem party. Nearly 85 per cent of the electorate went to the polls, and the Triple Alliance, with 818,000 votes, received more than four times as many votes as all other parties combined. The two principal items in the Alliance's programme were the achievement of Malayan independence by 1959 and the offer of an amnesty to the terrorists.

Indicating the new Government's policy in a number of statements after the election, Tengku Abdul Rahman said that his first task would be the establishment of independence, though they would go "dead slow" for a few months rather than "rush into it" as Singapore had done. Talks on a fully-elected legislature and on independence would be opened with the Colonial Secretary, Mr. Lennox-Boyd, when he visited the Colony in the near future, and he (Tengku Abdul Rahman) hoped that the issues could be settled amicably He announced that the Government would work for constitutional reforms and that a special commission, with Malayan membership, would be set up to study the question.

Tengku Abdul Rahman strongly criticized the High Commissioner's present powers of veto, saying that these powers must be made "purely advisory" within two years, "or one year if possible." "If the High Commissioner vetoes Bills passed by us," he declared, "we are not working for the people and we might as well walk out. I can see no immediate crisis arising from proposed legislation. Naturally we are not anxious to clash. But I cannot rest until this matter of veto powers is finally settled."

With regard to closer association between the Federation and Singapore, the Chief Minister-elect said that as Malaya was "in a hurry for independence," whilst Singapore, he thought, would never get complete independence, he could see no possibility of an eventual union between Malaya and Singapore. "Singapore," he added, "is a bastion not only for Britain but for the whole world I feel that the United States would object if Britain offered Singapore full independence. I see Singapore and the Federation like Spain and Gibraltar, China and Hong Kong." Nevertheless, he hoped to maintain friendly relations with Singapore, and he announced that a committee of Singapore and Federation Cabinet Ministers would be set up to deal with problems common to both territories.

On the question of an amnesty for the terrorists, Tengku Abdul Rahman said that this would not be put into effect until "the right time and with the advice of experts" If the Communists accepted the amnesty, the guerrilla leaders would be deported and the other guerrillas rehabilitated, an amnesty, he explained, should cover guerrillas (other than leaders) guilty of atrocities because "if we want peace we must forget them" If the terrorist leaders refused an amnesty, however, every able-bodied man over the age of 18 would be mobilized for part-time military service in the Federation

The composition of the new Executive Council was announced in Kuala Lumpur on Aug. 4, Tengku Abdul Rahman being appointed Chief Minister and Minister of Home Affairs. The other elected Ministers were:

Dato Abdul Razak bin Hussain (deputy president of U.M N O)—Education; Dr. Ismail bin Dato Abdul Rahman—Lands and Mines; Colonel H. S. Lee (president of the Associated Chinese Chambers of Commerce)—Transport; Inche Abdul Aziz bin Ishak (a journalist)—Agriculture; Mr. Leong Yew Koh (secretary-general of the Malayan Chinese Association)—Health; Inche Sardon bin Jubir (president of the U.M.N.O. Youth)—Works; Mr. V. R Sambantham (president of the Malayan Indian Congress)—Labour; Inche Sulaiman bin Dato Abdul Rahman—Local Government, Housing, and Town Planning; Mr. Ong Yoke Lin (a Kuala Lumpur businessman)—Posts and Telecommunications.

The new Legislative Council consists of 50 Malays, 25 Chinese, seven Indians, two Ceylonese, five European officials, seven European unofficials, and one representative from Malacca. The Opposition will be led by Dato Sir Clough Thuraisingham of the Negara Party, which has five nominated members in the Legislative Council.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 13586 A.)**

B. AUSTRIA. — Withdrawal of Soviet Forces.

The Soviet Defence Minister, Marshal Zhukov, announced on July 31 that all Soviet occupation troops would be withdrawn from Austria by Oct. 1—i.e., 25 days before the time-limit set in the Austrian State Treaty for the withdrawal of the forces of all the occupying Powers.—(Wiener Zeitung) **(Prev. rep. 14333 C.)**

C. FRANCE - LIBYA. — Agreement on Evacuation of French Troops from Fezzan. - French Rights of Transit and of Wartime Reactivation of Bases. - Franco-Libyan Treaty of Friendship. - "Good Neighbour," Cultural, and Economic Conventions.

It was announced in Paris and Tripoli on Aug. 11 that the Franco-Libyan negotiations on the evacuation of the French troops in the Fezzan had ended; that a treaty of friendship between France and Libya had been signed in Tripoli the previous night; and that a political agreement on the French position in the Fezzan, a "good neighbour" convention, a convention on economic co-operation, and a cultural convention, had been concluded at the same time. The provisions of the various agreements were summarized by the Quai d'Orsay as follows:

Political Agreement. This provided that French troops would evacuate the Fezzan within 12 months of the ratification of the treaty, and that the French bases would be handed over to the Libyan Army France would retain the right to reactivate these bases in the event of war, and also retain at all times the landing and transit facilities at these bases hitherto enjoyed by the French armed forces Libya agreed to employ French technical advisers to a large extent, including French technicians for the maintenance of the aerodromes at Ghatt, Ghadames, and Sebha, which serve for the transit of French troops.

"Good Neighbour" Convention. This guaranteed the security of the Libyan-Tunisian frontier, provided for "more efficacious" joint supervision of the frontier area, and regulated the movement of flocks and caravan traffic across the border.

Economic Co-operation Convention. This dealt with the manner in which the Libyan Government would utilize the financial contributions offered by France. [Hitherto the French Government had paid 160,000,000 francs per annum (about £160,000) as a general subsidy for the Libyan Budget, as well as 100,000,000 francs (£100,000) for the activities of the Libyan economic development agency.]

Cultural Convention. Under this convention, the French Government undertook to provide a certain number of scholarships annually for Libyan students studying in France

The negotiations on the future relationship between France and Libya, following the Libyan demand for the evacuation of the French forces from the Fezzan (400 strong), had opened in Paris in January last and had been resumed in Tripoli on July 18, leading to final agreement on Aug. 10. At Libya's request, Britain was consulted on the question of reactivating the French bases in the event of war, and H.M. Government gave its consent to this arrangement after discussions in London. In the final stages of the Franco-Libyan negotiations the Libyan delegation was headed by M. Mustapha Ben Halim, Prime Minister of Libya, and the French delegation by M. Maurice Dejean, the French Ambassador in Tripoli.
(Le Monde, Paris) **(Prev. rep. 14047 A.)**

D. SOUTH-EAST ASIA. — Overseas Chinese.

The following table, taken from the *External Affairs Review* published by the New Zealand Department of External Affairs, shows the number of Chinese living in the countries of South-East Asia, and their proportion to the total population:

	Total Population	Chinese	Percentage of Chinese
North Vietnam ..	11,500,000	50,000	0.5
South Vietnam .	9,500,000	950,000	10.0
Laos .	2,000,000	5,000	0.25
Cambodia	4,500,000	300,000	7.0
Burma .	18,000,000	310,000	1.75
Siam .	19,500,000	3,000,000	15 0
Malaya ..	5,700,000	2,150,000	38.0
Singapore .	1,120,000	860,000	77.0
Indonesia. .. .	80,000,000	2,000,000	2.5
Philippines .	21,000,000	300,000	1.5
British Borneo and Sarawak	950,000	240,000	25.0

The total number of Chinese given above, some 10,000,000, compares with the estimate of over 11,700,000 Overseas Chinese contained in the recent Chinese population census.
(Department of External Affairs, Wellington) **(13999 D.)**

E. UNITED STATES. — Employment and Unemployment. - Figures at Mid-1955.

The number of employed persons in the U.S.A. in June (over 14 years old, but excluding the armed forces) was 64,016,000, of whom 7,681,000 were employed in agriculture. The total was the highest figure on record, comparing with 60,688,000 in December 1954 and 62,098,000 in June 1954. The number of unemployed was 2,679,000, compared with 2,838,000 in December last and 3,347,000 in June 1954. An indication of the size of the armed forces was given by the difference between the total labour force and the total civilian labour force, which amounted in June to 2,996,000.
(Federal Reserve Bulletin, Washington) **(Prev. rep. 14085 A.)**

AUGUST 20—27, 1955

A. SUDAN. — Completion of Transitional Period of Self-government. - Anglo-Egyptian Discussions on Membership of International Supervisory Commission. - Cabinet Changes. - Mr. Azhari's Visit to Cairo. - Deterioration in Sudanese-Egyptian Relations. - The Nile Waters Dispute. - Army Mutiny in Southern Sudan.

The Sudanese Parliament unanimously adopted a motion on Aug. 16 requesting the Governor-General to inform the British and Egyptian Governments that the Sudanization of the Administration was complete, that "arrangements for self-determination should be put in motion forthwith," and that British and Egyptian forces should be withdrawn from the Sudan within 90 days. The Anglo-Egyptian agreement of 1953 (see 12794 A) had laid down that the adoption of such a motion would mark the end of the transitional period of self-government and would be followed by the election of a Constituent Assembly, which would decide whether the Sudan should maintain some form of union with Egypt or become completely independent.

Mr. Azhari (Prime Minister of the Sudan), who proposed the motion, said that the Sudan was unique in obtaining its liberty and the evacuation of foreign troops without bloodshed, and that it must never again allow its independence to be taken away. He would prefer the decision on complete independence or on a link with Egypt to be taken by means of a plebiscite, rather than by a Constituent Assembly. **Mr. Nur ed-Din**, the former Minister of Works and the leading supporter of maintaining a link with Egypt (see below), appealed to members to remember Egypt's help in the struggle for independence, and emphasized that all viewpoints should be given an equal chance of expression **Mr. Mahgoub** (Leader of the Opposition), declared, however, that the Sudan could show its gratitude to Egypt, not by sacrificing its independence, but by helping the Egyptian people to achieve democracy and liberty for themselves. **Sayed Siddiq el-Mahdi**, leader of the Umma Party, also spoke in support of Sudanese independence.

After the resolution had been adopted, Mr. Azhari, his Ministers, and all members of Parliament walked in procession from Parliament House to Kitchener Square, where the Prime Minister addressed some 50,000 people. Mr. Azhari and Mr. Mahgoub, who also spoke, were enthusiastically greeted by the large crowd, some of whom carried anti-Egyptian posters.

Support for the proposal that the future status of the Sudan should be decided by a plebiscite rather than by a Constituent Assembly, to which Mr. Azhari had referred, had previously been expressed by Sayed Ali el-Mirghani, leader of the pro-Government Khatmia sect, and by Sir Abdel Rahman el-Mahdi, leader of the Ansar sect and patron of the Umma Party.

At a press conference on Aug. 18, which was attended by Mr. Azhari and leading members of his Cabinet, Mr. Yahia el-Fadli (Minister for Social Affairs) read a statement expressing the hope that complete independence, without any formal link with Egypt, would be granted to the Sudan as soon as possible, and suggesting that neither a plebiscite nor the election of a Constituent Assembly was necessary.

"The liberty and independence of the Sudan" the statement said, "are no more in need of the consent of the co-domini, or of any other Government The position we have reached and the consciousness of what the nation has attained will not permit any Power to rob us of our legitimate right." A "unanimous desire" had been shown by all sections of the Sudanese people, headed by the two religious leaders, that self-determination should be expressed through a plebiscite instead of through a Constituent Assembly, and the events of Aug. 16 had constituted an "unofficial plebiscite" expressing the people's unanimous preference for independence It would therefore be gratifying if Egypt and Britain would "win the friendship of the Sudanese nation by meeting their wish and declaring the independence of the Sudan." Although the general desire for independence had become "so obvious that it needs no plebiscite," the Government favoured the holding of a such plebiscite to satisfy the co-domini and world opinion.

In reply to questions, Mr. Zarouk (Minister of Communications) said that feeling against association with Egypt had hardened as a result of Egyptian interference in the Sudan's internal affairs, and of the suppression in Egypt of normal political life and the strict censorship on public opinion, which had aroused fears that the same conditions might be imposed on the Sudan.

The committee set up under the Anglo-Egyptian agreement to supervise the transfer of key posts in the Administration (judiciary, defence force, police, etc.) from foreign to Sudanese control had reported on Aug. 4 that Sudanization was complete. It held its last meeting on Aug. 7.

It had been reported on June 22 that out of 1,177 British civil servants employed by the Sudanese Government in February, 1954, only 153 remained who were not under notice; of these, 66 were teachers and most of the remainder were specialists and technicians. Egyptians holding senior "influential" posts had also been discharged, and 35 Egyptians in junior posts were under notice to leave. On July 19 it was announced that Mr. V. Narahari Rao, the former Comptroller and Auditor-General of India, had accepted the post of Financial and Economic Adviser to the Sudanese Government.

Other recent developments relating to the Sudan are summarized below under cross-headings.

International Supervisory Commission.

Anglo-Egyptian discussions on the membership of the international commission which would supervise the process of self-determination opened in Cairo on June 8, the British delegation being headed by Sir Ralph Stevenson (then Ambassador in Cairo) and the Egyptian by Major Salem (Minister for National Guidance and Sudanese Affairs). After it had been suggested that the commission should consist of representatives of Burma, Pakistan, Persia, Switzerland, and Sweden, the Egyptian Government proposed instead a body consisting of two "Western" and two "Eastern" representatives, with an Asian chairman, and nominated the Soviet Union and the Ukraine as the two Eastern States to be represented. This was opposed by the British delegation on the ground that it was a misunderstanding of the commission's functions. The British delegation also opposed an Egyptian proposal for the inclusion of British, Egyptian, and Sudanese representatives, which it considered inconsistent with the stipulation in the Anglo-Egyptian agreement that the elections should take place in "a free and neutral atmosphere." Opposition to British and Egyptian representation on the commission had been expressed by Mr. Azhari in a letter to both Governments on July 6. The Egyptian Government finally announced on Aug. 14 that it had proposed to Britain that the composition of the commission should be referred to the Sudanese Parliament, whose decision would be accepted. This proposal was agreed to by the British Government on the following day.

The Sudanese Parliament accordingly decided on Aug 22 (*a*) to set up a seven-nation international commission to supervise the elections; (*b*) to exclude Britain, Egypt, and the Sudan from serving on the commission; (*c*) to invite Czechoslovakia, India, Norway, Pakistan, Sweden, Switzerland, and Yugoslavia to appoint representatives on the commission.

Cabinet Changes. - Split in National Unionist Party.

Mr. Mohammed Nur ed-Din (Minister of Works and vice-president of the National Unionist Party) and Mr. Bullen Alier (Minister of Animal Husbandry) were dismissed by the Prime Minister on June 18. Although no official statement was issued, Mr. Azhari told the Press that the two Ministers' views did not conform with the Government's policy, and that their behaviour did not accord with the Cabinet's standards. Mr. Nur ed-Din was the leader of that section of the National Unionist Party which continued to advocate union with Egypt, whilst Mr. Bullen Alier led a group of Southern politicians who favoured federation between the Northern and Southern Sudan and a constitutional link with Egypt.

On Aug. 7 Mr. Azhari, as president of the National Unionist Party, expelled Mr. Nur ed-Din from the party on the ground that he had made false accusations against his colleagues during a recent visit to Egypt (see below). Mr. Nur ed-Din, however, refused to recognize the Prime Minister's authority to expel him without the sanction of the party's general assembly, and on Aug. 13 he convened a meeting of the party's assembly which expelled Mr. Azhari and four of his Ministers. The Prime Minister and his followers refused to recognize this decision, which, they claimed, had been taken by less than half of the 500 members of the party's assembly

Relations with Egypt.

Relations between the Egyptian and Sudanese Governments deteriorated during the summer as a result of the Sudan's increasingly independent attitude towards Egypt, and of attacks on Mr. Azhari by the Egyptian Press and radio. In reply to these attacks, Mr. Zarouk declared on July 1 that it was clear that "a link with Egypt means domination by Egypt," and added: "We have not struggled against the British simply to have them replaced by the Egyptians. We stand for complete independence for our country."

Mr. Azhari and six members of his Cabinet visited Cairo from July 23-28 for the celebrations of the anniversary of the 1952 revolution, and during their stay had lengthy talks with Major Salem. Other Sudanese visitors to Cairo for the celebrations included Mr. Nur ed-Din, Mr. Alier, and a group of Southern senators and deputies supporting the latter's policy. Both during and after his visit the Egyptian Press continued its attacks on Mr. Azhari, whom it accused of "disgraceful behaviour" and denounced as a "British agent"; it also gave

prominence to statements made by the Southern politicians visiting Cairo, in which they alleged that Mr. Azhari was "spreading a reign of terror" in the Southern provinces of the Sudan.

Mr. Azhari told a *Times* correspondent on Aug. 13 that he and his Ministers had visited Cairo because they wished to "tell the Egyptian Government two things: that our two countries must be friends, and attacks by one against the other should cease; and that the Sudanese people had an ever-increasing desire to cling to their independence" He added: We were not received as friendly guests. We were badly treated. If we had represented a foreign Power, the treatment we received from our hosts would have made us break off diplomatic relations." Mr. Azhari explained that he had formerly supported the union of an autonomous Sudan under an Egyptian constitutional monarchy, in much the same relation as existed in the British Commonwealth, but that subsequent events in Egypt had altered his views

The Nile Waters Dispute.

Mr. Hammad (the Sudanese Minister for Irrigation) stated on June 21 that negotiations with Egypt on the division of the waters of the Nile between the two countries were "in a state of complete deadlock," and that the Government was considering asking the World Bank to appoint mediators.

The Sudan, he explained, had put forward four alternative proposals (1) to cancel the 1929 agreement (under which the Sudan received less than 5 per cent of the Nile's total annual flow, Egypt received nearly 60 per cent, and the rest flowed into the sea) and negotiate a new agreement for the division of the total available water on a *per capita* basis, bringing the Sudan's share to about 33 per cent, (2) to divide the water on the basis of areas in each country irrigated or susceptible of easy irrigation, giving the Sudan about 40 per cent; (3) to accept proposals made by a neutral commission in 1920, under which the Sudan would receive nearly 30 per cent and Egypt would be free to exploit the entire surplus, (4) to recognize the existing rights of both parties, in exchange for an agreement by Egypt to grant the Sudan a negotiable fair share of the surplus Egypt, however, had rejected the first three proposals and had demanded that the Sudan should consent to the construction of the proposed high dam above Aswan (which, said Mr Hammad, would permanently prejudice the development of the Sudan's agriculture) before the division of the surplus was discussed.

On July 26, however, Mr. Hammad announced that the Egyptian Government had put forward new proposals during the Cairo discussions, whereby the surplus water available after the construction of the high dam at Aswan would be divided equally between the two countries, these proposals, he said, would be considered by the Sudanese Government.

Mutiny in Sudan Defence Force.

The Sudan Government announced on Aug. 19 that two companies of the Equatoria Corps of the Sudan Defence Force had mutinied at Torit, in Equatoria Province (Southern Sudan); that three Northern Sudanese officers of the corps were missing, one of whom was believed killed; and that full details were not yet available, as it was impossible to communicate with Torit. The statement added that the situation in Equatoria Province was being "closely watched"; that the two other southern provinces (Upper Nile and Bahr-el-Ghazal) were quiet; and that the Government would take "the necessary steps to maintain security and stability." A state of emergency in the provinces of Equatoria, Upper Nile, and Bahr-el-Ghazal was proclaimed on the same day.

Reports reaching Khartoum from Juba (the administrative capital of Equatoria) stated that disaffected units had mutinied at Torit (75 miles east of Juba, near the Uganda border), the headquarters of the Equatoria Corps, and at Yei (80 miles south-west of Juba, near the Belgian Congo border). It was suggested in the British Press that the fact that the missing officers were all Northern Sudanese indicated that latent antagonism between the Northern and Southern Sudanese might be connected with the mutiny

The Sudan Defence Force, about 5,000 strong, is British-trained and equipped and was originally led by British officers, who, however, are now replaced by Sudanese. It consists of four corps, three of which—the Eastern Arab Corps, the Central Camel Corps, and the Western Arab Corps—are entirely Moslem, being recruited from the Arab tribes and the mixed Nubian and Negroid population of the Northern and Central Sudan. The fourth corps—the Equatoria Corps—is predominantly recruited from the Negro population of the Southern Sudan

At the request of the Sudan Government, R.A.F. *Hastings* and *Valetta* aircraft from the Middle East were flown to Khartoum on Aug. 21 to assist in the transport of Sudanese troops to Juba, from where the troops would be deployed into the troubled areas. (Juba was chosen because it has an airstrip.) It was also stated in Khartoum that strong Government forces, supported by mechanized units, were heading for Torit. In view of the disturbed situation in the Southern Sudan, the Governor-General (Sir Knox Helm) cut short his holiday in Scotland and flew back to Khartoum.

Mr. Azhari stated at a press conference on Aug. 23 that he had sent the mutineers a radio message calling upon them to surrender unconditionally, and that they had offered to do so if Northern Sudanese troops were withdrawn from Juba and replaced by British or Egyptian troops. The mutineers had also asked for a board of inquiry and had expressed fear of the northerners.

Mr Azhari disclosed that the mutiny had started when a company of troops at Torit refused to move north on Aug. 18 and attacked their officers. Another 190 men of the Equatoria Corps mutinied in the western districts of Juba, Yei, Yambio, and Meridi, of whom 138 had attempted to link up with the mutineers at Torit by crossing the border into Uganda and then re-entering Sudanese territory in the Torit area. These men, however, had been disarmed in Uganda, and the remainder were at large in western Equatoria In reply to questions, Mr. Azhari said. "The Government cannot make accusations at this stage, but broadcasts by Cairo Radio were harmful, particularly those made in southern dialects."

It was announced in Khartoum on the same day that loyal troops had captured the leader of the mutineers and eight of his aides.

The new British Ambassador in Cairo (Sir Humphrey Trevelyan—see 14386 A) informed the Egyptian Government on Aug. 21 of the arrangements for transporting Sudanese troops to Juba by air to restore order in Equatoria. Proposals that the British and Egyptian Governments should hold a round-table conference to discuss the "serious situation" caused by the mutiny of the Sudan Defence Force, and that British and Egyptian troops should be sent to the Southern Sudan, were made to Sir Humphrey Trevelyan by Major Salem. On Aug. 23, however, the Ambassador informed Major Salem that Britain could not accept these proposals, since they would be likely to undermine the authority of the Sudan Government. (Times - Daily Telegraph - Manchester Guardian - Le Monde)

(Prev. rep. Sudan, 14175 A; 13969 A.)

A. NORTH VIETNAM. — President Ho Chi-minh's Visits to Peking and Moscow. - Chinese and Soviet Economic Aid for North Vietnam.

President Ho Chi-minh of North Vietnam, accompanied by his Ministers of Commerce and Industry, Finance, and Education, visited Peking from June 25 to July 8 for talks with President Mao Tse-tung and the Chinese Government, resulting in the conclusion of an agreement for Chinese economic and technical aid to North Vietnam

A communiqué issued on July 7 announced that China would (*a*) make a grant to North Vietnam of 800,000,000 yuan (over £115,000,000) for the construction or rebuilding of railways, roads, bridges, dykes, and factories, for electrical, agricultural, and medical equipment, and for the supply of textiles and textile machinery; (*b*) would provide technical aid for the design and construction of railways, roads, and other installations; and (*c*) would send health and educational experts to North Vietnam The agreement also provided for an expansion of trade between the two countries, exchanges of students, and the employment of Vietnamese workers in certain Chinese enterprises

The communiqué called for strict observance of the Geneva Agreements, paid tribute to the work of the International Control Commission, and accused the United States of violating the Agreements by including South Vietnam, Cambodia, and Laos in the "designated areas" protected by the Manila Treaty, of converting South Vietnam into "a military base and an American colony," and of opposing "the holding of free elections in Vietnam."

From Peking President Ho Chi-minh proceeded *via* Mongolia to Moscow, where he stayed from July 12-18 and had discussions with Marshal Bulganin, M. Molotov, and other members of the Soviet Government. An agreement was concluded for Soviet economic and technical aid to North Vietnam.

A communiqué issued on July 18 announced (*a*) that the Soviet Union had agreed to allocate to North Vietnam 400,000,000 roubles (about £35,800,000) to help restore her economy, to build 25 "enterprises" in North Vietnam, to train Vietnamese technicians, and to assist in conducting geological surveys and in setting up medical centres; (*b*) that a trade agreement between the two countries had been signed; and (*c*) that it had been decided to widen political, economic, and cultural ties between them The communiqué also called for the strict observance of the Geneva Agreements and condemned U.S. policy in Indo-China, in similar terms to that issued in Peking,

Peking Radio announced on March 2 that a 100-mile railway linking Hanoi with the Chinese frontier had been opened.

(Le Monde, Paris - Times) **(Prev. rep. 14253 A.)**

B. UNITED NATIONS.—Palestine Truce Supervisory Organization. - Reappointment of General Burns.

The U.N. Secretary-General, Dr. Hammarskjöld, announced on July 22 that Major-General E. L. M. Burns (Canada) had been reappointed Chief of Staff of the U.N. Palestine Truce Supervisory Organization for a further year.

(New York Herald Tribune) **(Prev. rep. 14079 A.)**

A. FRANCE. — Parliamentary Ratification of Franco-Tunisian Home Rule Agreements.

The Franco-Tunisian agreements granting internal autonomy to Tunisia, and the accompanying conventions, were debated by the French National Assembly from July 6-9 and adopted by an overwhelming majority on the latter date. The three commissions of the Assembly which had previously examined the conventions had all declared themselves in favour of ratification.

The **Foreign Affairs Commission** had taken this decision on June 30 by 20 votes to five, with 13 abstentions Those supporting ratification included the Socialists, the M.R P., the Radicals, two Gaullists (out of six), one *Progressiste*, one Overseas Independent, and one Independent Republican; the opposition comprised two Gaullists, two Independent Republicans, and one *Paysan*, whilst the abstentions included the Communists, the Dissident Gaullists (A.R S.), the Independent *Paysans*, two Gaullists, and one Independent Republican.

The Commission's report, presented by M. Robert Verdier (Socialist), declared that the conventions represented a conciliation between Tunisian internal autonomy and the general interests of France, that they sufficiently guaranteed the rights and essential interests of the French community in Tunisia, and that they provided "vast possibilities" for the development of Franco-Tunisian co-operation.

The **Financial Commission** approved ratification by 31 votes (including that of its chairman, M Pierre Ferri—Gaullist) out of 38 members present.

The **National Defence Commission** declared itself in favour of ratification by 13 votes to seven, with five abstentions. Some 20 members of the commission, however, took no part in the voting, and one of its members—General de Monsabert (Gaullist), who had opposed ratification—resigned as *rapporteur* of the commission immediately afterwards

Four dissenting motions were put forward on July 6-7, as follows:

(*a*) A motion by M. Dronne (Gaullist) demanding the postponement of ratification until the fulfilment of the following conditions. (i) the creation of a permanent link of a federal character between France and Tunisia, within the framework of a reorganized French Union; (ii) amendment of the conventions to provide increased guarantees for the French population of Tunisia and for foreigners living there, as well as "real co-operation" between French and Tunisians on the basis of equal rights and duties; (iii) the promulgation by the Bey of a new democratic Tunisian Constitution.

(*b*) An amendment by M Isorni (*apparenté* to the Independent *Paysans*) proposing that instruments of ratification should not be exchanged pending the conclusion of an agreement on reciprocal rights for Frenchmen in Tunisia and Tunisians in France

(*c*) A *motion préjudicielle* by M. Barrachin (A R S) demanding the adjournment of the ratification debate until the French Government could announce details of the new Constitution which the Bey would grant to the Tunisian people.

(*d*) Another *motion préjudicielle* by M. Jean-Michel Flandin (Gaullist) approving the principle of the conventions but asserting that they were inadequate to establish the indispensable political co-operation between France and Tunisia

During the debate on July 7, M. Faure (the Prime Minister) announced that the Government was opposed to any delay in the ratification or in the exchange of instruments of ratification, as well as to any amendment which would necessitate a reopening of the Franco-Tunisian negotiations.

In support of their respective motions, **M. Dronne** asserted that ratification of the conventions in their present form meant "launching Tunisia on the path of secession," that there was an absence of good faith on the Tunisian side, and that the Néo-Destour Party was "dictatorial and nazi", whilst **M. Flandin** argued that the conventions could only be accepted if they were accompanied by a pact of political association, and warned of the danger of secession by Tunisia on the basis of the present agreements.

M. Barrachin contended that a favourable vote of the Assembly would mean "a vote of resignation," and accused the Government of not having sufficiently considered the "human aspect" of the problem so far as the 220,000 Frenchmen and 180,000 other Europeans in Tunisia were concerned. Although expressing confidence in the present Tunisian Premier (M Tahar Ben Ammar), M. Barrachin quoted a statement made by M. Bourguiba to the effect that the conventions represented "only a stage on the way to independence"; he particularly criticized the Judicial Convention as insufficient, and demanded that additional guarantees should be given, especially on the nature of the future Tunisian Constitution **M. Isorni** (who had recently visited Tunisia) spoke of the disquiet among the French settlers in the country, demanded additional guarantees for their future. He asked the Government for a "solemn declaration affirming that France will strictly apply the conventions and will stay in Tunisia in the face of all eventualities."

General Aumeran (deputy for Algiers, and *apparenté* to the Independent Republicans) strongly denounced those who had "since 1946 liquidated the empire in the most dishonourable manner," and declared: "Internal autonomy does not exist. Either one lives under a protectorate with certain improvements, or one marches towards independence, as shown by the example of Indo-China." **M. Bardoux** (*Paysan*) paid tribute to the "political maturity of the Tunisian *bourgeoisie*," the "dignity of the Bey," and the qualities of M. Bourguiba, and declared that none of the Frenchmen in Tunisia to whom he had spoken had believed in the possibility of maintaining direct French administration, whilst all the Tunisians whom he had seen had declared that co-operation with France was absolutely indispensable. M. Bardoux also disagreed with those who asserted that the conventions would liquidate the *présence française* in Tunisia, or that they were prejudicial to public security in Algeria. Nevertheless, he said that he would vote against the conventions because there were "certain gaps" in them, and, in particular, because it would not be possible to grant Tunisia internal autonomy without knowledge of her future political institutions **M. De Gracia** (Gaullist) regretted that the Néo-Destour had dominated the negotiations, and declared that he and his friends could only vote for the ratification of the present conventions if the Government gave satisfactory assurances on the true meaning of Article 6 of the general convention (providing for the entry of Tunisia into a revised French Union) and on the future Tunisian Constitution Another opponent, **M. Quilici** (Ind Republican, Oran) denounced the action of both the previous and the present Governments, and gave a warning that "France would be at the mercy of the elected Assembly promised by Bourguiba, which will certainly proclaim Tunisian independence."

M. July (Minister for Moroccan and Tunisian Affairs), replying to these criticisms, defended the conventions and maintained that the granting of autonomy to Tunisia was not equivalent to "scuttle." "The *présence française*," he said, "cannot be maintained by force, but only by a true understanding of the problems of Tunisia and by a far-sighted attitude. Our economic and technical assistance will be all the more efficacious if it is considered as friendly aid and not as a dole. . . . We are in Tunisia to help those Tunisians who look to the West, but we will not tolerate the activities of those bad shepherds who, helped by foreign radio stations, appeal to the mob and the murderers" Among other speakers supporting the conventions, **M. Maurice Schumann** (M R.P) stressed that no French Government could run the risk of having them rejected or even delayed, and appealed for their ratification by "the largest national majority", **General Billotte** (A R.S) agreed that it would have been impossible to maintain the *status quo* in Tunisia, and believed that the conventions would be crowned with success if they were loyally applied, if the French Union were reconstructed, and if strong representations were made to France's allies to bring about "a harmonious policy towards the Arab and Islamic countries", whilst **M. Savary** (Socialist) declared that the immense majority of the Tunisian people were in favour of the conventions.

The debate on July 8 was dominated by three important speeches in favour of ratification, made respectively by M. Paul Reynaud, Prime Minister at the outbreak of the Second World War; by M. Mendès-France, the former Prime Minister, who had initiated the policy of internal autonomy for Tunisia; and by M Edgar Faure, the present Prime Minister.

At the beginning of the day's debate **M. Waldeck-Rochet** announced on behalf of the Communist Party that, in spite of their criticisms of the conventions—which "emptied Tunisian internal autonomy of its contents because of their restrictive character"—the Communists would support ratification as "a beginning of the march of the Tunisian people towards independence" **M. Maurice Faure** and **M. Depreux** expressed support for the conventions on behalf of the Radical and Socialist parties respectively. **M. Legendre** (A.R.S), on the other hand, denounced the conventions as going too far, expressed "anguish" at the concessions made, and asked when "this policy of scuttle" would come to an end.

M. Paul Reynaud (Ind Republican) stressed the backwardness of Tunisia's agriculture, the poverty of its soil, the poor quality of its mineral resources, and the pressing problem of over-population, all of which made economic development the overwhelming task for Tunisia's future. He strongly criticized the past failure of French Administrations to pay more attention to this task, which applied equally to the other parts of French North Africa and throughout the French Union. On the other hand, he drew attention to the great interest which the Tunisians had in remaining in association with France, and declared that "the Tunisian Government must go hand in hand with France if it is to avoid catastrophe." "The interest of France," M Reynaud went on, "lies in helping the Tunisian Government. . . What would happen if we inflicted on the Tunisian people the humiliation of a delay? Why should we refuse to hear them talk of independence and liberty? It is we who have taught them these words. Why wait for a new Constitution? Assuming that the Bey would leave the drafting of this Constitution to an Assembly —would we reject it if we did not like it? And what would we do if the Bey accepted it? Would we go back on internal autonomy? . . . In the next few days we are going to discuss Algeria, then Morocco, and then French Africa. In the face of these problems let us comport ourselves like men of 1955."

M. Mendès-France (Radical) declared that his "home rule" declaration a year ago had only fulfilled what had already been announced or promised by various French Governments on many occasions in the past. He had been attacked for negotiating with the Néo-Destour, but experience in Syria before the war, and in Indo-China since, had shown the dangerous fallacy of negotiations with men "whom one has oneself made" and who "at best represent only themselves." The Néo-Destour expressed the feelings of the great majority of the Tunisians, and any undertaking given by a Tunisian Government without that party's support would have been worthless. M. Mendès-France stressed that it was a great advantage to deal with an organized and responsible party, the leaders of which were themselves the target of attacks by fanatics.

Ratification, he went on, was only one condition for the success of the undertaking, and everything depended on the application of the conventions France must help the new Tunisian State " to resist the pressure of extremists and the temptations of demagogy, to develop efficiency, impartiality, and morality in its administration, to constitute a body of qualified civil servants, to devise democratic institutions combining modernity with tradition, and above all to give priority to economic and social problems." He added : " Building a new State is a crushing task. We should offer them large and generous aid, asking as our reward only that they should recognize that they have more to gain than to lose by association with us. Let us send to them our best technicians and teachers ; let us open wide our educational institutions to them ; let us give them the chance of making careers in France "

After denouncing as " a strange and morbid colonial pessimism " the supposition that French culture and influence could only survive by force, and deprecating the " intellectual and moral disorder " which tried to repress in subject peoples the very ideas of freedom which France had taught them, M. Mendès-France concluded · " If we try to prevent progress, we shall build up against us a natural and in the long run irresistible movement. Certain people assert that Tunisia will make herself independent of us, but that will only happen if we apply indefinitely a policy of repression. We are going to set a precedent and to prove to the world that France is capable of applying to difficult problems an original solution in conformity with progress and democracy. . . . "

M. Edgar Faure, replying to the various criticisms expressed in the debate, pointed out that it would be impossible to subject the future Tunisian Constitution " to our censorship," as this would run counter to internal autonomy and would hurt the susceptibilities of the Tunisian people. It was, nevertheless, quite understandable that France had a great interest in the Constitution, and the Government were following developments in close contact with the Bey. " We are all convinced," he added, " that a refusal to ratify would have very grave consequences and would, in fact, constitute a striking break with the policy followed by French Governments for many years." He asked how such a decision could be explained to world opinion, let alone to the Tunisian people, to whose deep-rooted friendship for France it would deal a fatal blow

Dealing with the position of the French settlers in Tunisia, M. Faure emphasized the importance of the guarantees provided for them in the economic, financial, cultural, public security, and judicial spheres. " The settlers must stay in Tunisia for the sake of Tunisia and of France," he declared. " They represent France's presence in the country, and France must support and help them to stay in the difficult period of adjustment ahead. They must recognize, however, that it is impossible that they should stay without the psychological assent of the Tunisian people ; to insist on exaggerated guarantees would have been to defeat their very object."

To those who accused the Tunisians of " bad faith " because they had spoken of complete independence as their aim, M Faure replied that such an attitude on the Tunisian side was perfectly natural. After asking how one could expect the Tunisian nationalists to take " home rule only, and in stages " as their slogan, he said that it was quite a normal thing that the nationalists should try to obtain the maximum for Tunisia, just as the French Government had tried to obtain the maximum for France. If the Tunisian negotiators had not thought in terms of independence, their concessions would have had no value and no significance. " It depends on them and on us," he added, " whether or not their ideal will be realized without a breakdown of the conventions. To the ideal of independence we must reply by making interdependence seem even more attractive."

To those who were alarmed about the " fascist manners " which the Tunisian parties had appeared to adopt, M. Faure replied that every nation encountered " temptations and perils " on its path towards democracy, but that this was no reason why they should have less confidence in democracy. " If we keep up the same rhythm of progress," he said, " why should the Tunisians turn their backs on us ? Foreign intrigues ? Yes, we cannot forget the part they play, but they will only be able to play it in an atmosphere of disappointment and hostility."

Answering those critics who had queried the absence of wider perspectives beyond the conventions, M Faure said that they could not imagine the Tunisians remaining permanently debarred from their own diplomacy and defence, but neither could they imagine the French in Tunisia permanently debarred from full civil rights It was for this reason that he had insisted on the insertion of Article 6 into the general convention, which committed both Governments to study the principle and the practical implementation of the mutual admission of the nationals of each country to full civil rights in the other. These were not " empty words," and the Tunisian Government had already approved what was the germ of a still closer association

After warning his critics to beware of generalized distrust, the Prime Minister declared : " It is impossible to perpetuate a régime of direct administration. Not only internal forces but also world opinion condemn it. Certain people see in the present world three forces, all of which they distrust · international Communism, the aggressive and hostile Oriental countries, and even our Allies. . . But where does this spirit of distrust lead ? To an isolated France, to the disregard of world opinion, and to the rejection of those aspirations which cannot be misjudged." It was because France had brought the Tunisians to their present level of evolution that she now had the duty of pursuing her mission to the end. " The period of colonialism is finished," he declared : " the period of free association has begun. Our old country, which has agreed to accept limitations on its sovereignty, possesses sufficient authority to expect the same attitude from those countries which have not yet achieved their full sovereignty."

M. Faure said in conclusion : " We must vote today for the work which we have prepared over long years past I ask you to vote for ratification on a broad basis, and without bad humour or reticence . . We have to throw overboard any inferiority complex. Yesterday we seemed to have it *vis-à-vis* Germany, today we seem to have it in respect of Tunisia Doubting others too much, we will end by giving the impression that we doubt ourselves. . . "

After further debate, voting began in the early hours of July 9. The National Assembly rejected M. Dronne's prejudicial motion by 470 votes to 120, and that moved by M. Barrachin by 466 votes to 121. M. Isorni's amendment was likewise rejected by 470 votes to 125, and M. Flandin's by 484 votes to 110. The ratification Bill itself was then adopted by 538 votes to 44, after which the Assembly passed another Bill laying down that all French civil servants, other Government employees, railwaymen, etc. in Tunisia would be incorporated in the French Metropolitan staff *cadres*, whilst continuing to carry out their duties in Tunisia within the local *cadres*.

The deputies supporting the ratification Bill comprised the 94 Communists and four *Progressistes*, the 104 Socialists, 68 Radicals (out of 75), 23 members of the U D.S.R. (out of 24), the 16 Overseas Independents, 83 M.R P deputies (out of 85), 38 Independent Republicans (out of 56), 22 Independent *Paysans* (out of 27), nine *Paysans* (out of 21), one Dissident Gaullist (A R S.) (out of 34), 52 Social Republicans (Gaullists) (out of 71), and 13 *non-inscrits* (out of 15)

The opposing votes were cast by 12 Social Republicans (including MM. Barrès, Dronne, Flandin, and General de Monsabert), 11 Dissident Gaullists (including MM Barrachin and Legendre), 9 *Paysans*, 7 Independent Republicans (including General Aumeran, M. Montel, and M. Quilici), 3 Independent *Paysans*, and 2 Radicals (M. de Léotard and M Martinaud-Déplat)

Abstentions totalled 29, including 10 Independent Republicans, 10 Dissident Gaullists, 3 Social Republicans (including M. Pierre de Gaulle, brother of General de Gaulle), 2 Independent *Paysans* (including M. Isorni), 2 *Paysans*, and one *non-inscrit* Four deputies, including M. Schneiter (the Assembly's President) and M. Herriot, did not take part in the vote, whilst 11 were absent.

The Council of the Republic ratified the conventions on Aug. 4 by 253 votes to 26, after a debate which had opened on Aug. 2 and which followed similar lines to that in the National Assembly.

Among those who strongly attacked the conventions were three Gaullist Senators (M. Michel Debré, M. Jean Bertaud, and M. Gabriel Puaux, a former Resident-General in French Morocco), as well as Senator Colonna, who, with Senator Puaux, represents the French settlers in Tunisia Several M R P. Senators, as well as M. Leonetti (a Socialist Senator representing the French colony in Morocco), supported the agreements.

Those Senators opposing ratification comprised 14 Independent Republicans, four members of the *Rassemblement des Gauches*, four Gaullists, and four Overseas Gaullists ; 36 Senators abstained, whilst three did not take part in the vote, including the President of the Council, M Gaston Monnerville.

After voting the main ratification Bill, the Council of the Republic also adopted (by a voice vote) the Bill laying down the new status of French civil servants and other employees in Tunisia.

M. Bourguiba, the Néo-Destour leader, arrived in Paris on July 9 and expressed great satisfaction at the outcome of the debate. He declared : " I am deeply convinced that France will not regret having placed such wide confidence in Tunisia. It is now up to the Tunisians to face their new responsibilities courageously."—(Le Monde, Paris - Le Figaro, Paris)

(Prev. rep. 14289 A.)

A. ETHIOPIA. — Cabinet Changes. - Appointment of New Minister of the Pen.

It was announced in Addis Ababa on June 4 that the Emperor Haile Selassie had appointed the Minister of the Interior, Ras Abebe Aragai, as Minister of Defence ; that the new Minister of the Interior would be Dejazmatch Mesfin Sileshi (hitherto Lord Chamberlain to the Palace), who had accompanied the Emperor on his European tour in 1954 (see 14026 D) ; that the Vice-Minister of Education, Akalawork Haptewold, had been appointed Vice-Minister for Social Affairs, a new post ; and that Brigadier-General Mulugueta Bulli, commander of the Emperor's bodyguard, had been appointed Chief of Staff of the Army with the rank of major-general.

On April 28 it was reported that Tsahafe Tezaz Welde Guiorgius, Minister of the Pen and the most influential member of the Emperor's Cabinet, had been appointed Governor of the outlying Arussi province in Southern Ethiopia, and had been succeeded as Minister of the Pen by Tafara Lorq, the Emperor's private secretary. At the same time Dejazmatch Makonnen Desta became Minister of Culture, a new post.

(Times)

A. UNITED KINGDOM. — Parliament. - Validation of Election of Mr. J. C. George, Sir Roland Jennings, and Mr. Holland-Martin. - Legislation to amend Law on Offices of Profit under the Crown.

Legislation validating the election of three Conservative M.P.s—Mr. John C. George (Glasgow, Pollok), Sir Roland Jennings (Sheffield, Hallam), and Mr. C. J. Holland-Martin (Ludlow)—was enacted on July 27 after an unopposed passage through Parliament. A Select Committee of the House of Commons had found that the Members concerned were, at the time of their election, technically occupying offices of profit under the Crown and were thus disqualified from membership of the House under the existing law.

The Leader of the House (Mr Crookshank) stated on June 29 that Mr. George was chairman of Scottish Slate Industries (a company set up to revive the declining slate industry of Scotland) at the time of his election, a post to which he had been appointed eight years ago by the Minister of Works Although Mr. George had never received any remuneration for acting in this capacity, he (Mr Crookshank) was advised "that in law the directorship may be an office of profit under the Crown" and that consequently Mr George might have been "incapable of election to the House" Mr George had since resigned his directorship of Scottish Slate Industries.

In a further statement on July 5, Mr. Crookshank informed the House that Sir Roland Jennings (a chartered accountant by profession) had for a number of years held an appointment from the Treasury as an approved auditor for the purposes of the Industrial Provident Societies Act, the Friendly Societies Act, and the Industrial Assurance Acts—an appointment which might be an office of profit under the Crown and which consequently might have made Sir Roland incapable of election to the House Sir Roland Jennings, like Mr. George, had immediately resigned his appointment when he became aware of the position.

In a third statement on July 25, Mr Crookshank announced that Mr. Holland-Martin, at the time of his election in 1951, was a local director in London of the Bank of New Zealand, that this directorship might be an office of profit which might disqualify him from membership of the House, and that Mr. Holland-Martin had since resigned the directorship.

The all-party Select Committee, presided over by Mr. Charles Williams (C.), published its findings with regard to Mr. George and Sir Roland Jennings on July 15, and with regard to Mr. Holland-Martin on July 25, after taking evidence from the Members concerned.

The committee unanimously recommended that legislation should be introduced "at once" to validate the election of the first two Members, and to indemnify them from any penalties they might have incurred, "in view of the fact that Mr. George and Sir Roland Jennings are disqualified for purely technical reasons and have inadvertently contravened the law" It was satisfied that the posts formerly held by them had been "taken in a public spirit and not for profit"

The committee reported that Mr George had received no actual remuneration as chairman of Scottish Slate Industries, a post he had taken up because of his desire to help preserve the slate industry of Scotland, which was then in a difficult position. In the eight years in which he held that post, he had received a total of £107 for out-of-pocket expenses; so far from the post having been an "office of profit," he was in fact out of pocket because his expenses had been considerably greater than the sums he had drawn.

With regard to Sir Roland Jennings, the report stated that he had become a public auditor for the purposes of auditing the accounts of the Cotherstone British Legion and Village Club, of which he was a member He had undertaken to do this in order to save the club the expense of employing an auditor from elsewhere He had found, however, that he could not do this by law unless he was a public auditor, and had obtained the appointment for this sole reason. It was the only work he had undertaken as a public auditor, and he had never received any payment from the Treasury He had received from the British Legion a fee of one guinea a year, which had involved him in some loss, and which had only been charged "because he had to charge something."

Commenting on the present unsatisfactory state of the law with regard to the holding of offices of profit under the Crown, the report said: "The committee have noted the fortuitous way in which the cases they have considered have been brought to notice They cannot overlook the possibility that there may be among present Members of the House of Commons some who might be found to have unexpected technical disabilities. They consider that all Government departments should at once examine their lists of public appointments in order to determine whether there may be other Members who should be warned that there may be doubt about the validity of their election."

With regard to Mr Holland-Martin, the Select Committee found that he had held an office of profit under the Crown, and was accordingly disqualified from membership of the House, because he had received since 1950 a director's fee of £550 a year consequent upon his appointment as a director of the London branch of the Bank of New Zealand, After pointing out that Mr. Holland-Martin had acted in all good faith, that he had drawn attention to this matter entirely on his own initiative, and that he had meanwhile relinquished his directorship, the committee unanimously recommended that his election should be validated by legislation, as in the cases of Mr. George and Sir Roland Jennings, and that he should be indemnified from any penalties he might have incurred.

[The Bank of New Zealand's shares are vested in the Crown under the Bank of New Zealand Act, 1954. The New Zealand Minister of Finance appoints the Bank's board of directors, which, in turn, appoints the local directors, of whom Mr. Holland-Martin was one.]

The Validation of Elections Bill, validating the election of Mr. George and Sir Roland Jennings, and the Validation of Elections (No. 2) Bill, validating the election of Mr. Holland-Martin, were given unanimous second readings by the House of Commons on July 22 and July 27 respectively, and were enacted before Parliament rose for the summer recess.

Meanwhile, on July 12, the Government had introduced a Bill—the House of Commons Disqualification Bill— amending and clarifying the law relating to the holding of offices of profit under the Crown. It was designed to give effect to the recommendations of a Select Committee of the House of Commons which sat in 1941 under the chairmanship of the late Lord Hemingford (then Sir Dennis Herbert), and which had drawn attention to the "archaic, confused, and unsatisfactory" state of the law on this subject (see 4911 C). The Bill repealed in whole or part more than 100 Acts of Parliament, the earliest of which dated from 1693. Its principal provisions were as follows:

(1) A person would be disqualified from membership of the House of Commons who (*a*) held any of the judicial offices specified in the First Schedule to the Bill (see below), (*b*) was employed in the Civil Service, whether whole-time or part-time, (*c*) was a member of any of the armed forces of the Crown; (*d*) was a member of any police force maintained by a police authority; (*e*) was a member of the legislature of any country or territory outside the Commonwealth; (*f*) held any office or place specified in the Second Schedule to the Bill (see below), (*g*) held any paid office or place under the Crown not described in this section of the Bill.

The "armed forces of the Crown" would include the Women's Royal Nursing Service, Queen Alexandra's Royal Naval Nursing Service, and Voluntary Aid Detachments, as well as the Women's Services (i e the W R.A.C., the W R N.S, and W R A F) The "Civil Service of the Crown" would include the Civil Service in Northern Ireland, whilst "police authority" would include the Northern Irish Ministry of Home Affairs.

(2) Not more than 70 holders of Ministerial offices would be entitled to sit and vote in the House of Commons at any one time, of whom not more than 27 might be senior Ministers [At present there are 63 Ministers in the House, including both senior and junior Ministers.]

(3) A person would not be disqualified from membership of the House by reason of his being (*a*) a member of any reserve or auxiliary force; (*b*) an officer on the retired or emergency list of the Royal Navy, the Royal Marines, the Army, or the Royal Air Force, (*c*) an officer holding an emergency commission in the Army or R.A.F, or belonging to the reserve of officers. Such persons, however, would be disqualified if they were "for the time being embodied or called out on permanent or actual service."

(4) The offices of Steward or Bailiff of the Chiltern Hundreds or of the Manors of Northstead, East Hendred, and Hempholme would continue to be deemed offices of profit under the Crown, so that the traditional method of resigning from membership of the House could be continued [These are the traditional sinecures, acceptance of which is the only means whereby an M.P. can resign his seat.]

(5) Holders of certain Government contracts would be disqualified, as well as holders of Crown pensions. The latter category would include recipients of Civil List pensions.

(6) (i) This section laid down (*a*) that if a person disqualified under the provisions of the Bill was elected to membership of the House of Commons, his election would be void, (*b*) that if a person who had been elected should subsequently be disqualified, his seat must be vacated.

(ii) "If in a case falling or alleged to fall within the foregoing sub-section it appears to the House of Commons that the grounds of disqualification or alleged disqualification . . have been removed, and that it is otherwise proper to do so, the House may direct that any such disqualification incurred on those grounds at that time shall be disregarded."

(7) This section of the Bill abolished the common informer procedure, thereby doing away with the present necessity for a special Bill of Indemnity in the cases of M P s who were found to be inadvertently holding offices of profit under the Crown. [Under the existing law, an informer could claim in the Courts a daily penalty of £500 from an M P. who was disqualified from sitting in the House —i.e £500 for each day that such an M P. sat and voted]

It was laid down that any person seeking to establish that an M.P. was disqualified from holding his seat might apply to the Judicial Committee of the Privy Council for a declaration to that effect. In such cases the applicant must give security (not exceeding £200) for the cost of the proceedings [This provision preserved the right of challenge in place of the "common informer" system, whilst discouraging merely trivial or mischievous complaints.] The Judicial Committee of the Privy Council might direct that such cases should be tried (*a*) in the High Court, if the constituency of the Member concerned was in England or Wales, (*b*) in the Court of Session, if the constituency was in Scotland, or (*c*) in the High Court of Northern Ireland, if the constituency was in Northern Ireland. The decisions of these courts would be final.

(8) The provisions of the Bill, and of its accompanying Schedules, would apply to the Senate and House of Commons of Northern Ireland as well as to the House of Commons of the United Kingdom.

There were seven Schedules to the Bill, dealing respectively with (1) judicial offices disqualifying for membership of the House of Commons; (2) miscellaneous offices disqualifying for membership; (3) definition of paid offices under the Crown; (4) Ministerial offices; (5) offices involving limited disqualification or no disqualification; (6) modifications relating to the Parliament of Northern Ireland; and (7) the repeal of former enactments. Summaries of the first five Schedules are given below.

First Schedule. The holders of the following judicial offices would be disqualified for membership of the House of Commons Judge of the High Court of Justice or of the Court of Appeal, Judge of the Court of Session, Judge of the High Court of Justice or Court of Appeal in Northern Ireland; Judge of the Courts-Martial Appeal Court; Chancellor of the County Palatine of Durham, Vice-Chancellor of the County Palatine of Lancaster, Chairman of the Scottish Land Court, Judge of Appeal in the Isle of Man; Recorder of London; Common Serjeant, Assistant or Additional Judge of the Mayor's and City of London Court; Judge of a County Court in England and Wales; Sheriff or salaried Sheriff-substitute in Scotland; County Court Judge in Northern Ireland, Chairman or paid Deputy Chairman of London Quarter Sessions, Stipendiary Magistrate; Registrar of the Judicial Committee of the Privy Council, Master or Assistant Master of the Supreme Court; Official Referee to the Supreme Court; Registrar of the High Court, Clerk of Assize; Clerk of the Crown and Peace in Northern Ireland; Industrial Injuries Commissioner (or Deputy Commissioner), National Insurance Commissioner (or Deputy Commissioner); and members of certain tribunals, including the Industrial Court the Lands Tribunal, the Scottish Land Court, and the Transport Tribunal

Second Schedule. The following were among the miscellaneous offices disqualifying from membership of the House Agent in Great Britain of the Northern Ireland Government, Ambassador; Commissioner of the City of London Police; Commissioner of the General Board of Control for Scotland, Comptroller and Auditor-General for Northern Ireland; Crown Solicitor in Northern Ireland; Director (appointed by the Board of Trade) of a trading or industrial estate company within the meaning of the Distribution of Industry Act, 1945, Forestry Commissioner, Governor of the B.B.C.; High Commissioner appointed by H.M. Government in the United Kingdom; Local Government officer (certain categories, see below); Member of an Agricultural Marketing Board, Member of a County Agricultural Executive Committee; Member of a National Broadcasting Council; Member of the Ulster Transport Authority; Minister of the Northern Ireland Government, or any other officer in the Executive of Northern Ireland, Public Works Loan Commissioner; Speaker of the Senate or House of Commons of Northern Ireland, Standing Counsel to any Department of H M. Government in the United Kingdom; Standing Counsel to the Speaker of the Senate or House of Commons of Northern Ireland.

The following categories of Local Government officers were disqualified. (*a*) Clerk or deputy clerk of a county council in England and Wales, or of an urban or rural district council in England, Wales, or Northern Ireland, (*b*) County clerk or depute county clerk of a Scottish county, (*c*) Secretary or deputy secretary of a Northern Irish county council, (*d*) Clerk or depute clerk of a Scottish district council; (*e*) Town Clerk or deputy town clerk of the City of London, of a London metropolitan borough, of a borough in England and Wales outside London, or of a borough or county borough in Northern Ireland, (*f*) Town clerk or depute town clerk of a Scottish burgh

Third Schedule. This schedule was aimed at clearing up doubts which had existed for many years about the exact meaning of the words "office of profit under the Crown" It contained the following principal provisions

(1) "A person holding an office or place . . holds it under the Crown if and only if he is appointed thereto by Her Majesty, by any Minister of the Crown, or by any officer or servant of Her Majesty employed for the purposes of a Government department"

(2) "A person holding the office of director, general manager, secretary, or other similar officer of a body corporate holds it under the Crown if and only if—

(*a*) he is appointed to it as mentioned in (1) above, or

(*b*) he is elected to it, or appointed to it . in the following circumstances:

(i) Where any such Minister, officer, or servant as aforesaid has control over the body corporate, either generally or so far as concerns the election or appointment in question; or

(ii) where the nomination or recommendation of any such Minister, officer, or servant is necessary for the election or appointment in question."

(3) "An office or place held by any person is a paid office or place under the Crown if and only if:

(*a*) he has received remuneration in respect of the office or place, being remuneration for a period since the appointment or election by virtue of which he holds it; or

(*b*) he holds the office or place on the terms of an agreement or arrangement (whether legally enforceable or not) under which, if carried out, he will, or will in certain events, receive such remuneration; or

(*c*) there is in force in respect of the office or place—

(i) any enactment,

(ii) any Order in Council, order, scheme, rule, regulation, or other instrument made under or by virtue of any enactment;

(iii) any Order in Council, Letters Patent, Royal Warrant, or other instrument made in the exercise of Her Majesty's Prerogative; or

(iv) in the case of an office or place in or under any body corporate, any provision of the articles of association or other document regulating the constitution of that body,

which authorizes or requires remuneration to be paid to the holder, or to all or any of the holders, of the office or place . ."

[The effect of the above-mentioned provisions meant that the following persons, among others, would be disqualified from membership of the House of Commons: the Governor, Deputy Governor, and Directors of the Bank of England, and the chairmen and members of the British Overseas Airways Corporation, the British European Airways Corporation, the British Transport Commission, the Central Electricity Authority, the Colonial Development Corporation, the Foreign Compensation Commission, the Gas Council, the Herring Industry Board, the Independent Television Authority, the Iron and Steel Board, the Iron and Steel Realization Agency, the Monopolies and Restrictive Practices Commission, the National Broadcasting Council, the National Coal Board, the National Film Finance Corporation, the National Parks Commission, the National Research Development Corporation, the U K Atomic Energy Authority, the War Damage Commission, the War Works Commission, and the White Fish Authority (or its Scottish Committee), as well as members of Development Councils established under the Industrial Organization and Development Act, 1947]

Fourth Schedule. This schedule listed the various Ministerial offices, the holders of which would be entitled to sit and vote in the House of Commons [see (2) above, under provisions of the Bill].

Senior Ministers—Prime Minister, Lord President of the Council, Lord Privy Seal, Chancellor of the Duchy of Lancaster, Paymaster-General, Secretary of State, Chancellor of the Exchequer, First Lord of the Admiralty, Minister of Agriculture, Fisheries, and Food, Minister of Defence, Minister of Education; Minister of Fuel and Power; Minister of Health, Minister of Housing and Local Government; Minister of Labour, Minister of Pensions and National Insurance; Postmaster-General; Minister of Supply, President of the Board of Trade, Minister of Transport and Civil Aviation; Minister of Works, Minister of State

Other Ministers (including Law Officers)—Attorney-General; Lord Advocate, Solicitor-General; Solicitor-General for Scotland; Financial Secretary to the Treasury, Parliamentary Under-Secretary of State; Parliamentary and Financial Secretary to the Admiralty, Civil Lord of the Admiralty, the Parliamentary Secretaries to the Treasury, the Board of Trade, and the Ministries of Agriculture, Defence, Education, Fuel and Power, Health, Housing and Local Government, Labour, Pensions and National Insurance, Supply, Transport and Civil Aviation, and Works, Assistant Postmaster-General, Secretary for Overseas Trade, Junior Lord of the Treasury; Treasurer of H M. Household; Comptroller of H M. Household, Vice-Chamberlain of H M. Household

[The designation "Secretary of State"—under "Senior Ministers"—includes the Home Secretary, the Foreign Secretary, and the Secretaries of State for War, Air, Commonwealth Relations, the Colonies, and Scotland]

Fifth Schedule. This schedule listed (1) offices disqualifying their holders from being returned for particular constituencies, and (2) offices involving no disqualification.

(1) Holders of the following offices would be disqualified for the constituencies mentioned: (*a*) Lord-Lieutenant of London—the Cities of London and Westminster constituency; (*b*) Lord-Lieutenant of a county in Great Britain—the county concerned; (*c*) High Sheriff of a county in England or Wales—any constituency comprising the whole or part of the area for which he is appointed; (*d*) Recorder of a municipal borough having a separate Court of Quarter Sessions—any constituency comprising the whole or part of the city or borough for which he is appointed, (*e*) Chairman or deputy chairman of a Court of Quarter Sessions—any constituency comprising the whole or part of the area for which the Court has jurisdiction

(2) The holders of the following offices, among others, would not be disqualified for election to the House of Commons Astronomer-Royal for Scotland; Historiographer-Royal for Scotland; Lord-Lieutenant and High Sheriff of a county or county borough in Northern Ireland, Church Estates Commissioner; Commissioner for Oaths; Justice of the Peace; Lord High Commissioner to the General Assembly of the Church of Scotland; Lord Warden of the Cinque Ports; Captain of Deal Castle, Master of Trinity College, Cambridge; Member of the Advisory Commission for Scientific and Industrial Research, Member of the Agricultural Research Council; Member of a Fishery Harbour Authority; Member of a Local Fisheries Committee; Member of the Medical Research Council; Principal of King's College, London; the Principals of the Universities of St. Andrews, Glasgow, and Aberdeen; Provost of Eton; Professors in the Universities of Oxford, Cambridge, St. Andrews, Glasgow, Aberdeen, and Edinburgh; Queen's Counsel; and the Regius Keeper of the Royal Botanical Garden, Edinburgh

It was laid down that the Bill, when enacted, would come into effect (*a*) on the dissolution of the present Parliament of the United Kingdom, insofar as it related to the U.K. House of Commons; and (*b*) on the dissolution of the present Parliament of Northern Ireland, insofar as it related to the N.I. Senate and House of Commons.—(Times - Daily Telegraph - Manchester Guardian - House of Commons Disqualification Bill, H.M. Stationery Office) **(Prev. rep. Offices of Profit, Legislation, 5052 A; 4516 H; 4481 A.)**

A. ORGANIZATION FOR EUROPEAN ECONOMIC CO-OPERATION. — Further Decisions of O.E.E.C. Council. - Increased Liberalization of Invisible Transactions. - Report on Economic Recovery of Western Europe. - M. Sergent appointed Secretary-General of O.E.E.C. - New Director of European Productivity Agency. - Agricultural Co-operation Programme. - Tourist Statistics.

Although the meetings of the O.E.E.C. Council on June 9-10 and July 28-29 were concerned principally with the renewal of the E.P.U. and the provisions of a European Monetary Agree- discussed. These and other O.E.E.C. developments are summarized below.

Italian Economic Development. The working committee set up to study the Italian Economic Development Programme (the "Vanoni Plan") stated in a report to the Council that the Italian Government was right in attempting to solve the country's three main problems—unemployment, lack of balance between the economies of Northern and Southern Italy, and a balance of payments deficit—within the framework of a formal, but by no means rigid, plan, and that its general method of approach towards the solution of these problems was correct. It recognized, however, that "without international co-operation it is likely to be difficult for Italy alone to face the burdens that the Plan will impose," and therefore suggested the following six ways of co-operation by member-countries. (*a*) technical help and advice, (*b*) measures which would help Italy to expand her foreign earnings, (*c*) encouragement of private investment in Italy, (*d*) appropriate financial aid and public long-term capital, (*e*) short-term credits to meet temporary balance-of-payments difficulties, and (*f*) continued efforts to facilitate emigration from Italy.

These recommendations were endorsed on June 10 by the Council, which urged all member-countries to bear them in mind when framing their own policies The working committee was instructed to report from time to time on the progress being made and on the various problems arising from the execution of the Plan

Current Power Problems. In view of the Armand report on fuel and power problems (see 14346 A), the Council decided to set up (*a*) a Commission for Energy with the task of inquiring into the matter of power as it affected Europe as a whole; (*b*) a working party to examine, and report as soon as possible upon, the manner and the extent to which member-countries could co-operate to secure the greatest benefits from the use of nuclear power as a new factor of economic expansion.

On Aug. 24 it was announced that Sir Harold Hartley (U K) would be chairman of the Commission for Energy, and that the other members would be as follows: M. Jacques Desrousseaux (France), Hr. H D Fransen (Sweden); Professor F Giordani (Italy), M H. Niesz (Switzerland), Mr. G A. Tuyl Schuitemaker (Netherlands), and Dr. F. W. Ziervogel (Western Germany). The eighth member would be M Pierre Uri, nominated by the High Authority of the European Coal and Steel Community A U.S. observer would also be present at meetings of the Commission.

Liberalization of Invisible Transactions and Transfers. The O.E.E C. announced on July 27 that:

(1) Restrictions would be still further relaxed on the following transactions.

(*a*) Residents travelling as tourists from one member-country to another would be allowed to take the equivalent of at least $200 per year, instead of $100 as hitherto

(*b*) The amount which nationals of member-countries, or residents of foreign nationality who were emigrating from member-countries, would be allowed to take with them, in addition to tourist allocations, would be raised from $200 to the equivalent of $300 per family.

(*c*) Foreign nationals returning to their country of origin would be allowed to export, in addition to tourist allocations, at least $10,000 per family per year.

(*d*) Residents of member-countries would be free to carry out authorized operations on the terminal markets of other member-countries.

(*e*) Transfers of inheritances would be authorized so long as the deceased and the beneficiary were residents of different member-countries at the time of the deceased's death. If the inheritance exceeded $10,000, it might be transferred in annual instalments of up to that amount.

(*f*) Transfers of dowries would also be authorized to the extent of $10,000 a year

(2) The existing two lists of invisible transactions in the Code of Liberalization—the first covering those transactions which member-countries undertook to free, and the second those which members agreed to be as liberal about as possible—would henceforth be combined, and all items on the combined list freed. Member-countries feeling unable to free a particular item, however, could lodge a reservation; such reservations would be examined periodically by a newly-created Committee for Invisible Transactions, which would determine whether or not the reasons invoked were justified.

(3) The reasons which a member-country might invoke for not conforming with the Code of Liberalization would be still further limited In particular, any member-country suspending liberalization of invisible transactions because of balance-of-payments difficulties would be required to free such transactions again to a reasonable extent within 12 months, with a view to being in a position to fulfil all its obligations under the Code within 18 months.

Sixth Annual Report. This report, entitled *From Recovery towards Economic Strength* and published on April 7, outlined the substantial economic progress which had been achieved by Western Europe, and announced that member-countries had "completed—indeed exceeded—the economic recovery which, when the Marshall Plan began, was no more than a hope, and .. a doubtful hope at that." *Inter alia*, it was stated that between 1938 and 1945 Western Europe had increased the volume of its exports to the rest of the world by 70 per cent and of those to the dollar area by 114 per cent, whilst imports had risen by only 12 per cent. Between mid-1951 and mid-1952, the gold and dollar reserves fell by $1,500,000,000, but between mid-1952 and the end of 1954 they rose by $4,600,000,000. Even so, the dependence on "extraordinary dollar receipts" (i.e. aid and military receipts), rather than on ordinary commercial earnings and U.S. foreign investment, presented a problem for the future, particularly in view of the fact that most European countries still restricted dollar imports Intra-European trade had increased by 70 per cent between 1938 and 1954—far more than was expected—but the report emphasized that there was still room for co-operation, particularly as regards productivity, the development of the more backward economies, and trade and payments policies.

The report contained the following table showing the progress of Western Europe recovery:

National Product and Expenditure of Member-Countries Combined
($'000,000,000 at 1951 exchange rates)

	1938	1948	1950	1951	1952	1953
Defence expenditure	—	6.5	7.6	8.8	11.2	11.3
Civil public expenditure	—	13.1	13.9	14.4	15.3	15.8
Public consumption	20.0	19.6	21 5	23.2	26 5	27.0
Private consumption	96 6	96 0	105 7	108 3	111.0	115.8
Total consumption	116 6	115 6	127.1	131.5	137.5	142.9
Gross domestic capital formation	21.7	20 1	25 4	26 4	26 4	28 8
Increase in stocks		2 0	1 6	5.0	1.4	1.3
Total national expenditure ..	138 4	137.7	154 1	162 9	165.3	173 0
Export of goods	9 2	8 5	12.0	14 1	13.5	14.3
Less. Imports of goods minus net invisible surplus	13.0	14 1	13.5	15 1	14 5	15.4
Gross national product at market prices .	134.6	132.2	152.6	161 9	164.2	172.0
Population of member-countries combined (millions)	*247.7*	*267.7*	*273.3*	*275 5*	*277 6*	*279.7*

Reports on European Industries. During recent months a number of reports were published by the O.E.E C. reviewing developments in specific industries, and making recommendations to the O.E E.C. Council for concerted Government action. The industries covered included cement, chemicals, coal, electricity, maritime transport, non-ferrous metals, pulp and paper, textiles, and timber. In all cases the committees concerned emphasized the need for a higher degree of co-ordination at European level.

European Productivity Agency. It was announced on April 26 that the Agency had set up an *ad hoc* group to investigate the means by which prosperity could be brought to those areas of Europe where development had hitherto been prevented by economic or physical disadvantages. For this purpose, the group was asked to study the development of schemes in Southern Italy, Southern France, and the Tennessee Valley in the United States

Other activities of the E P.A in recent months included an inquiry into "automation" techniques in Western Europe; organized seminars on improving marketing methods in the European fruit trade; and the first European congress on productivity in the textile industry, which was held at Ostend. In addition, on behalf of the E P A, the German Federal Ministry of Food, Agriculture, and Forestry arranged a European seminar to discuss measures to improve Europe's farming efficiency by overcoming the difficulties created by scattered land holdings.

It had been announced on Feb. 18 that M. Roger Grégoire, the deputy director of the E P A., would on April 1 succeed the existing director, Herr Karl Harten, who was resigning in order to return to industrial work in Germany. Mr. Edwin Fletcher, who had been in charge of the British T.U.C. Production Department since its formation in 1950, was appointed E.P.A. deputy director in July.

Food and Agriculture. The O.E E C. Ministerial Committee for Agriculture and Food met on July 4-5 under the chairmanship of M. Réne Lefèvre, the Belgian Minister of Agriculture, and approved the "programme of work" which had been drawn up by its committee of deputies. This recommended that action should be concentrated in four main directions: (*a*) the "confrontation and co-ordination of agricultural policies," in which connexion it was hoped that the committee of deputies would be able both to take stock of present government policies and to indicate where these could be co-ordinated, and to make arrangements for information on government policies to be permanently submitted and analysed; (*b*) the continuing study of consumption trends and methods by which demand could be raised; (*c*) the expansion of trade in agricultural produce by reducing quantitative restrictions, tariffs, etc.; (*d*) the encouragement of every means by which productivity in both farming and agricultural marketing could be improved.

Tourism. A report published by the O.E.E.C. in March showed that there were more than 23,000,000 tourists in Europe during 1953—10 per cent more than in 1952. Between 1949 and 1953 American visitors to Europe increased by just over 100,000. Although the 376,000 visitors from the U.S.A. formed only a small minority of the total number of tourists in Europe in 1953, they spent about $475,000,000—an amount roughly equal to 19 per cent of the total visible export trade of Europe with the U.S.A. Tourism thus became by far the largest single dollar-earner for Europe as a whole. The report gave the following details of tourist expenditure and receipts in 1953 (the last full year for which such statistics were available):

	Payments $m.	Receipts $m.	Surplus (+) or deficit (−) $m.
Austria	7 9	60.8	+ 52.9
Belgium and Luxemburg	57 4	35.3	− 22.1
Denmark	45 0	42.0	− 3.0
France	128 0	122.5	− 5.5
German Federal Republic	118 1	121.4	+ 3.3
Greece	6.6	26.3	+ 19.7
Irish Republic	27 7	83.7	+ 56 0
Italy	16.6	147.3	+130 7
Netherlands	42 0	41.0	− 1.0
Norway	30.5	23.5	− 7 0
Sweden	40 2	32.0	− 8.2
Switzerland	75 0	182.0	+107 0
United Kingdom	240.0	246.0	+ 6.0
United States	895.0	527.0	−368 0
Canada	365.0	302.0	− 63.0

Chairman of O.E.E.C. Council. It was announced on July 15 that the United Kingdom had been re-elected to the chairmanship of the O.E.E.C. Council. The British Chancellor of the Exchequer, Mr. R. A. Butler, would therefore continue to be chairman at ministerial level and Sir Hugh Ellis-Rees at deputy level.

Steering Board for Trade. The membership of the Steering Board for Trade for 1955-56 was announced on July 22 as follows. Baron Snoy (Belgium), chairman; M. Bernard Clappier (France) and Mr Russel Bretherton (Britain), vice-chairmen, and Dr Johann Augenthaler (Austria), Hr. Leif Belfrage (Sweden), Signor Giuseppe Dall'Oglio (Italy), and Herr Hilger von Scherpenberg (Western Germany).

M. René Sergent, joint Secretary-General of the NATO responsible for economic and financial questions, was appointed Secretary-General of the O.E.E.C. on April 1 in succession to M. Robert Marjolin.—(O.E.E.C. Information Division, Paris - Board of Trade Journal - Times - Financial Times - New York Times - Le Monde, Paris) **(Prev. rep. 14374 A; Armand Report, 14346 A; Agricultural Co-operation, 14108 A; U.S. Tourists, 13015 C.)**

A. UNITED KINGDOM. — Foreign Trade. - Figures for June and First Half of 1955.

Imports into the United Kingdom in June totalled £294,000,000, exports £157,000,000, and re-exports £8,100,000, the adverse visible balance thus amounting to £128,900,000. Total imports in the first six months of 1955 amounted to £1,909,500,000 and exports and re-exports to £1,449,500,000, the adverse balance thus totalling £460,000,000.

The terms of trade, which had moved against Britain in the latter half of 1954, turned in her favour during the first six months of 1955, as a result of a fall in the price of imports and a rise in the price of exports. The index of import prices (1954 = 100), which had stood at 103 in December 1954, rose to 104 in January and 105 in February, but thereafter fell to 104 in March and 103 in April, May and June. The index of export prices, which had remained at 100 during the last four months of 1954, rose to 101 in February, March, April and May, and to 102 in June.

It was pointed out in the *Board of Trade Journal* that the dock strike of October, 1954 (see 13970 A) had caused a severe distortion in the monthly trade figures which had persisted in the first quarter of 1955, and that the further dock strike in May-July 1955 (see 14351 A), and other strikes affecting the movement of goods in the same period (see 14280 A), had considerably affected the June figures. Analysis of the trends in U.K. trade by comparison with preceding months and the previous year had thus been rendered virtually impossible. (Board of Trade Journal) **(Prev. rep. 14281 B.)**

B. INDIA. — Attempted Assault on Mr. Nehru. - Six-year Sentence on Assailant.

The trial opened at Nagpur on July 20 of Babu Rao, a cycle-rickshaw driver, on a charge of attempting to assassinate Mr. Nehru last March. The defendant, who pleaded "not guilty," said that he had only gone to meet Mr. Nehru and had no intention of killing him, though admitting that he had held a knife in his hand as he approached Mr. Nehru's car. The trial, during which Mr. Nehru himself gave evidence, ended on July 28, when Babu Rao was found guilty of the charge and sentenced to six years' rigorous imprisonment.—(The Hindu, Madras - The Statesman, Calcutta) **(Prev. rep. 14114 B.)**

C. SOVIET UNION. — Reduction in Armed Forces.

The Soviet Government's decision to reduce its armed forces by 640,000 men was announced in the following statement issued in Moscow on Aug. 13:

"Recent circumstances, and in particular the results of the Geneva Conference of the Heads of Government, show that a certain lessening of tension has been brought about in international relations. With the aim of achieving a continued easing of international tension and the establishment of confidence among States, the Soviet Government has decided to reduce the strength of the armed forces of the Soviet Union by 640,000 men by Dec 15, 1955. Members of the armed forces discharged from the Army and Navy will be found work in industrial establishments and on collective and State farms at their places of residence."

The following comment was made in Washington by the U.S. Secretary of State, Mr. Dulles:

"We welcome the Soviet decision to reduce its armed forces by 640,000 men. If carried out, this action will be in keeping with the general atmosphere of the Geneva Conference. The reduction appears to reflect Soviet recognition of the peaceful purposes of the U.S.A. and its allies and of the fact that, as President Eisenhower said at Geneva, the U.S.A. will never be a party to aggression. What other factors may lie behind the announced Soviet action we do not know.

So far as we are aware, this would be the first significant reduction in Soviet armed manpower in the past eight years. Its military significance is not easy to judge. No official information has ever been provided as to the size of the Soviet armed forces and reserves. . . . Even after this reduction, however, the Soviet forces will certainly still be much larger than those of the United States. Moreover, the number of men under arms is only one element of military strength. The Soviet Union also maintains very large organized reserves of men and equipment, capable of being mobilized rapidly. And the capacity to utilize modern weapons greatly affects the value of mere numbers in the armed forces. Thus, the U.S.A. has been able to cut its armed forces from 3,500,000 to 2,900,000 over the past two years.

These factors indicate why full information regarding armed forces and effective inspection to verify the facts are necessary for any meaningful and intelligent approach to the problem of international control and reduction of armaments. The U.S.A. has long sought to build this foundation. President Eisenhower's proposal at Geneva for the exchange of information and for aerial inspection is the latest U.S. initiative in this field. . . ."

The Soviet Government's decision was welcomed in London. A Foreign Office spokesman, however, noted that its significance was difficult to assess as the U.S.S.R. had never revealed its armed strength.—(Soviet Weekly - New York Herald Tribune - Times) **(Prev. rep. Geneva Conference, 14325 A.)**

Note. The Military Correspondent of *The Times* commented: "Since 1947 the Russian ground forces have remained numerically fairly constant at about 175 divisions, and the Soviet air forces at about 20,000 aircraft. The usual guess of the total strength of the Soviet fighting force is 4,750,000 men. To these figures must be added the strengths of the East German and East European 'satellite' forces. Since 1947 the number of 'satellite' divisions has almost doubled, until today there are about 80. The total strength of the 'satellites' is thought to be about 1,250,000 men. The NATO has at its disposal about 48 active divisions, varying in size from about 18,000 men in the British and American divisions to about 12,500 in the Greek and Turkish divisions. A re-armed Western Germany would provide another 12 divisions and a total of 500,000 men. Another difficulty in assessing the worth of the Russian disarmament is that when the 640,000 men are demobilized and become civilians they will still be trained soldiers. The Russian mobilization system is practised periodically to ensure its effectiveness, and it is estimated that within 30 days of the outbreak of war the Soviet and satellite ground forces could number 400 divisions. . . ."—(Times)

D. CZECHOSLOVAKIA. — Armed Forces reduced.

Prague Radio announced on Aug. 24 that the Czechoslovak armed forces would be reduced by 34,000 men by the end of the present year. The announcement, like that issued a few days earlier by the Soviet Government (see above), stated that the reduction was being made because there had been "a certain lessening of international tension" as a result of the Geneva conference of Heads of Government. The Czechoslovak Army is unofficially estimated at about 200,000 men, no official figures being available.—(Times - Le Monde, Paris) **(Prev. rep. 14384 C.)**

E. TURKEY. — Cabinet Changes.

It was announced in Ankara early in August (*a*) that M. Fatin Rustu Zorlu, Minister of State and Deputy Prime Minister since the formation of the second Menderes Cabinet in 1954, had been appointed acting Foreign Minister, retaining the post of Minister of State; and (*b*) that Professor Köprülü, Foreign Minister until April 1955, had been appointed Deputy Prime Minister, retaining the position of Minister of State which he had held since April.—(Turkish Embassy, London) **(Prev. rep. Cabinet, 14150 B.)**

A. KOREA.—South Korean Demands for Withdrawal of Neutral Nations' Supervisory Commission. - Attacks on N.N.S.C. Compounds. - U.S. Support for Swedish and Swiss Proposals for Abolition of N.N.S.C. - Allegations of Collusion between Communist Members of Commission and North Koreans. - U.N. Allegations of Expansion of North Korean Air Force. - Air Incidents. - Withdrawal of Chinese Divisions. - South Korea rejects North Korean Proposal for Conference on Unification.

The South Korean Government announced on Aug. 2 (*a*) that it would " demand " the withdrawal of the Neutral Nations' Supervisory Commission (N.N.S.C.) from Korea ; and (*b*) that it would also demand " within a certain specified time " the withdrawal of Communist forces from those areas south of the 38th Parallel which had been left under Communist control by the armistice terms. The latter demand referred to the strip of territory at the western end of the truce demarcation line lying south of the 38th Parallel—see map, page 13078.

As regards the first demand, the South Korean Government alleged that the Communists were building up their military strength in North Korea in violation of the armistice agreement, and that the Polish and Czechoslovak members of the N.N.S.C were engaging in " espionage activities " and had prevented the Commission from carrying out its duties under the truce terms.

With regard to the second demand, it was alleged that the Communists had prevented the dredging of the Han River which was urgently necessary to prevent flooding of the international airport at Seoul Moreover, it was stated that the defence of South Korea made it essential that the Communists should withdraw from the area under their control at the western end of the armistice line. After recalling that the South Korean Government had agreed " not to obstruct the armistice for a period of three months, during which negotiations were to have been completed [for a Korean peace treaty]," the statement added : " We are no longer under any such obligation. Two years have already elapsed, not three months . . . The Communists have blocked our main waterway and no longer have any right to occupy our land under the pretext of the ridiculous armistice terms."

On Aug. 7 the South Korean Government announced that an " ultimatum " had been sent to the headquarters of the N.N.S.C. at Panmunjom calling upon the Commission to leave Korea by Aug. 13, and reiterating the allegation that the Communist (i.e. Polish and Czechoslovak) members of the N.N.S.C. had been engaged in espionage activities. During the following week large-scale demonstrations against the N.N.S C. inspection teams occurred in Seoul, Pusan, and other centres, coupled with attempted attacks on the Communist members of the teams. Attempts to storm billets occupied by inspection teams were repulsed by American troops and military police, who used tear-gas and fire-hoses against the demonstrators and who frequently had to fire over the heads of the crowds. On Aug. 13, however, a few hours before the " deadline " set by the South Korean Government for the withdrawal of the N.N.S.C., President Syngman Rhee announced in a broadcast that the demand would be " postponed " and that the Commission would be given " time to leave Korea peacefully and voluntarily." He subsequently declared that persons attempting to attack members of the N.N.S.C. inspection teams would be regarded as " creators of violence " and would be arrested and punished. President Rhee had had a meeting with General Lemnitzer (the U.S. and U.N. C.-in-C. in the Far East) before issuing his statement of Aug. 13.

The most serious incidents occurred on Wolmi Island, in Inchon harbour, where the causeway leading to the mainland was blocked by thousands of demonstrators The demonstrators made a number of attempts to storm the compound housing the local N N S C inspection team, with the aim of attacking the Polish and Czechoslovak members. All these attempts were repelled by strong forces of U.S. troops and military police, who drove off repeated attacks with tear-gas and fire-hoses and who opened fire over the heads of the mob from time to time. Seven U.S. soldiers and military policemen were injured by stones and rocks hurled by the crowds, whilst one Korean was shot dead and a number were injured.

Other demonstrations against the N.N.S.C teams occurred in Seoul, where American troops drove off thousands of demonstrators (six of whom were wounded) with tear-gas, hoses, and rifle-butts , in Pusan, where two U S. soldiers were wounded ; and at Taegu, Kunsan, Hangnung, and other places

At a meeting of the Military Armistice Commission at Panmunjom, the senior U.N. delegate (Major-General Parks) assured the Communists on Aug 12 that the N.N.S.C. would be given full protection and that the U N. Command, " to the limit of its ability," would ensure that the armistice terms were observed. In reply to the senior Communist delegate, who described the attacks on the N.N.S.C. as a " grave violation of the armistice agreement," General Parks accused the Polish and Czechoslovak members of the Commission of " failing to deport themselves in accordance with the standards of conduct expected of accredited diplomatic personnel," and of conniving at armistice violations.

The Foreign Ministry of the Chinese People's Republic issued a statement on Aug. 11 (broadcast by Peking Radio) declaring that " the action which the Syngman Rhee clique threatens to take [against the N.N.S.C.] is a plot by certain international forces to upset the present situation." The statement continued :

" Acts aimed at sabotaging the Korean armistice agreements or threatening the N N.S.C. are impermissible. The United States, which signed the armistice agreement on behalf of the U.N. Command, bears the unshakable responsibility . . . of taking immediate and effective measures to stop the threatened action of the Syngman Rhee clique, and to give proper protection to all the staff of the N.N S.C. stationed in South Korea The Governments of all other countries concerned on the side of the U N. Command also have the responsibility to see that the U N. Command carries out the international obligations which it has undertaken.

" Although no agreement was reached at the 1954 Geneva conference on Korea, China has unremittingly continued its endeavours for the consolidation of the Korean armistice and for the peaceful unification of Korea. We have always maintained that all foreign troops should be withdrawn from Korea . . Contrary to the slanders of certain people, the Chinese People's Volunteers are ready to withdraw from Korea at any time, together with all other foreign troops. . . . We hold that the Korean armistice must be consolidated, and that nobody should be allowed to wreck it. The N.N.S.C. must be respected by both sides to the armistice, and no-one should be allowed to direct threats against it. . "

For some months previously the Polish and Czechoslovak members of the N.N.S.C. had been repeatedly accused, both by the U.N. Command and by the South Korean Government, of obstructing on-the-spot checks of reported armistice violations in North Korea, particularly with regard to the build-up of North Korean air forces (see below) On Jan. 27, 1955, the Swedish and Swiss Governments had sent *aide-mémoires* to the United States and China proposing that the Commission should be abolished, or, alternatively, that its staff should be curtailed by agreement among the nations which signed the Korean armistice. Both the Swedish and Swiss representatives on the N.N.S.C. had complained that it was virtually impossible to supervise the armistice effectively, and had drawn attention to the fact that the Commission had been trying to carry out its duties for 20 months—a much longer period than had been envisaged under the armistice agreement.

Under the Korean armistice agreement, the N.N S.C , consisting of equal numbers of Swedish, Swiss, Polish, and Czechoslovak personnel, was given the task of ensuring that the armistice provisions were observed in both parts of Korea—i e , that there was no military build-up, no reinforcement of troops or *matériel* beyond the limits specified in the armistice agreement, etc. In addition to a headquarters staff at Panmunjom, the Commission maintains five inspection teams at North Korean ports and five at South Korean ports, in addition to a number of mobile inspection teams.

The Chinese reply to the Swedish-Swiss representations said that the Commission had been useful but that " certain bellicose elements " were trying to destroy it. It opposed the disbanding of the Commission, but agreed that certain of its functions might be curtailed. The U.S. reply, published on March 3 after consultation with the 16 nations represented on the U.N. Command, upheld the Swedish-Swiss proposal that the Commission should be abolished. The text of the U.S. reply to the Swedish Government (that to the Swiss Government was in identical terms) was as follows :

" The U.S Government appreciates the difficulties which Sweden is encountering in carrying out a task which the Swedish Government had undertaken on the condition that the Commission would last for only a limited time. Furthermore, it is aware that obstructionist activities on the part of the Communist side have made it impossible for the N.N.S.C. to fulfil its responsibilities under the armistice agreement. The U.S Government therefore agrees that the N.N.S.C. should be abolished. It is understood, however, that the Chinese reply to the Swedish *aide-mémoire* rejects the liquidation of the N.N.S.C., which is the solution preferred by Sweden, but accepts the less preferred alternative of a reduction in the Commission's personnel.

" Despite the current activities undertaken by the N.N.S C. at the request of either the U N. Command side or the Communist side, it is the view of the U.S. Government, primarily because of the consistent history of Communist obstruction, that it is doubtful that any useful purpose would be served by a continuation of the Commission."

Other developments in Korea during recent months are summarized below under cross-headings :

Air Incidents. It was announced on Feb 6 in Washington that two MIG-15 fighters had been shot down by U.S. *Sabre* jets on the previous day over the Yellow Sea. The announcement stated that eight MIG-15s had attacked an unspecified number of *Sabres* which were escorting a U.S bomber carrying out a reconnaissance mission over " international waters west of Korea " ; that two of the MIGs had been shot down , that the remainder had broken off the engagement and flown back towards " Communist territory " (whether Chinese or North Korean was not stated) ; and that the U S. planes had returned to their base at Osan (South Korea) without loss. The nationality of the MIGs was not given.

On May 10 it was announced that U.S. *Sabres* had shot down two MIG-15s, and probably destroyed a third, after being attacked by 12-16 Communist fighters over international waters off North Korea. It was stated that the *Sabres* (all of which returned safely to base) were on patrol off the coast when the attack occurred The New China News Agency alleged that the U S. planes had flown over two Chinese islands south-west of Antung (Manchuria), claimed that one of them had been shot down; and protested against "a grave military provocation" by the U.S. Air Force.

The U.N. Command made a strong protest on Aug 18 at the shooting-down of an unarmed U.S training plane over North Korea It was stated that the plane, carrying an American pilot and an observer, was flying near the U.N. side of the demilitarized zone between North and South Korea when it was fired upon by North Korean anti-aircraft guns and crashed in North Korean territory. At a meeting of the Military Armistice Commission, Major-General Parks stressed that the training plane was unarmed and defenceless, accused the Communists of violating the spirit of the armistice agreement, and protested against the "wanton murders and acts of inhumanity" committed by the Communist side After pointing out that the demarcation line was difficult to identify from the air, and that Communist aircraft had intruded over the line on 53 occasions without being fired upon from the U.N. side, General Parks declared "In the past ten months alone there have been nine officially-recorded instances in which U.N Command aircraft have been fired upon by your [i.e. the Communist] trigger-happy gunners . . ."

The North Korean authorities subsequently agreed to return to the U.N. Command the pilot of the training plane (who had been wounded and was in hospital with head injuries) and the body of the observer (who had been killed in the crash) They also agreed to return the wreckage of the aircraft.

Build-up of North Korean Air Force.—Allegations by U.N. Command. A 17-page statement alleging that North Korea had illegally built up her air forces since the armistice on June 27, 1953, was handed to General Lee Sang Cho (the senior Communist member of the Military Armistice Commission) by Major-General Parks at Panmunjom on July 15. The statement said *inter alia* (1) that at the time of the armistice the U.N. Command had evidence that North Korea did not possess a single jet aircraft, nor any airfields capable of taking such machines; (2) that, within a few months of the signing of the armistice agreement, "our radar surveillance detected continuously increasing jet aircraft" in North Korea; (3) that the U N Command now had "irrefutable proof of the illegal build-up of combat forces" by the North Koreans; (4) that collusion between the Communists and the Polish and Czechoslovak members of the N N.S C had successfully thwarted "any realistic investigation" of North Korean military activities since the armistice, (5) that two North Korean pilots who had recently defected to the U.N Command with their machines (of the Soviet *Yak* type) had revealed that the North Korean Air Force now possessed 580 combat planes, including 300 MIG-15 jets, and that many airfields had been built or were under construction. Lodging "the strongest and most serious protest since the signing of the armistice," General Parks charged that the Communists, by their "wilful, deliberate, and illegal build-up of combat forces," had "flagrantly violated every basic provision of the armistice agreement" with the intention of "acquiring a favourable military position over the forces of the United Nations Command."

General Lee Sang Cho, in reply, denied the allegations *in toto*, and alleged that the two North Korean airmen mentioned by General Parks were in reality specially-trained South Korean agents.

Withdrawal of Six Chinese Divisions. Peking Radio announced on March 25 that six more Chinese divisions were being withdrawn from North Korea, bringing to 13 the number of Chinese divisions withdrawn since the armistice It was simultaneously announced that General Yang Teh-chin, Commander of the "Chinese People's Volunteers," had returned to China and had been succeeded by his deputy, General Yang Yung.

Withdrawal of Belgian and Filipino Forces. The last Belgian unit in Korea (a 216-man company) sailed from Pusan for Belgium on June 15. The last Filipino forces under the U N. Command had left Korea in May.

Repatriation of U.N. Soldiers from China. The Chinese Red Cross announced on June 18 that five of the 22 U N. soldiers who had refused repatriation after the Korean armistice (three Americans and two Belgians) had received permission to leave China at their own request The three Americans crossed the Hong Kong border on July 10 and were handed over to the U.S. authorities, who warned them that they would be liable to prosecution on their return to America under U S. military law [The three men concerned, together with other American soldiers who refused repatriation, had previously been discharged from the U.S Army with ignominy as deserters.] All three men made statements declaring that their experiences in China had completely disabused them of their former sympathy with Communism, that they were willing to face punishment on their return to the U.S.A.; and that China, as a country, was "ruled by fear" and characterized by "intimidation, terror, and the police State system." They also said that the Chinese people hated both the Communist regime and the former regime of Chiang Kai-shek, which they regarded as "rotten"; of the two, however, they would prefer to live under the Chiang regime.

The men stated that they had worked on a State farm and in a factory for making agricultural implements, after having been subjected to an intensive course of indoctrination. They disclosed that a number of the U.N. soldiers who had refused repatriation were studying at "people's universities" (including the one British non-repatriate, Marine Condron), whilst others were working on farms and in factories.

The Prime Minister of North Korea, Kim Il Sung, proposed on Aug. 15 that a meeting should be held between the North and South Korean Governments, together with a parallel conference between "countries interested in the Korean question," with the aim of bringing about the peaceful unification of Korea. The South Korean Government, however, declared on the following day that it would only negotiate with the North Koreans after the withdrawal of all Chinese forces and the demobilization of the North Korean forces. When these two conditions had been fulfilled, "the people of North Korea can join with the people of South Korea in speaking freely, and we shall have peace and unification immediately without the loss of a single life."—(New York Times - New York Herald Tribune - Times - Daily Telegraph - Manchester Guardian - Neue Zurcher Zeitung) **(Prev. rep. Korea, 13968 D; 13874 A; President Rhee, 13829 A.)**

A. UNITED KINGDOM. — Foreign Service.

The following appointments in the Foreign Service were announced in recent months (date of announcement in parentheses):

Mr George Peter Labouchère, H M. Minister in Budapest, as Ambassador to Belgium *vice* Sir Christopher Warner, retiring (July 30). It was announced that the K.C M G. had been conferred on Mr. Labouchère

Mr. (now Sir) Humphrey Trevelyan, H M Chargé d'Affaires in Peking, as Ambassador to Egypt *vice* Sir Ralph Stevenson, retiring (May 18) A knighthood was conferred on Mr. Trevelyan in the Birthday Honours (see 14252 A)

Mr. C. D W O'Neill, head of the News Department of the Foreign Office, as Chargé d'Affaires in Peking *vice* Mr. Trevelyan (May 18) Sir George Young succeeded Mr O'Neill as head of the Foreign Office News Department

Sir Alexander Clutterbuck, U K. High Commissioner in New Delhi, as Ambassador to the Republic of Ireland *vice* Sir Walter Hankinson, retiring (April 7).

Mr. John Walker, an inspector of Foreign Service establishments, as Ambassador to Venezuela *vice* Sir Robert Urquhart, retiring from the Foreign Service to become chairman of the Crofters' Commission (Aug 19)

Mr. George Clinton Pelham, Ambassador in Jedda, as Ambassador to Czechoslovakia *vice* Sir Derwent Kermode, retiring (Feb 24).

Mr. Harold Beeley, Counsellor at H M Embassy in Washington, as Ambassador to Saudi Arabia *vice* Mr Clinton Pelham (Feb. 24)

Mr George Lisle Clutton, of the Foreign Office, as Ambassador to the Philippine Republic *vice* Sir Frank Gibbs, retiring (March 17)

Mr Thomas Ravensdale, Counsellor at H M. Embassy in Libya, as Ambassador to the Dominican Republic *vice* Mr. Gybbon-Monypenny, retiring (March 17).

Mr T. H. Gamble, lately Commercial Counsellor at H.M. Embassy in Athens, as Ambassador to Ecuador *vice* Mr. Norman Mayers, retiring (April 21).

Mr. M S. Henderson, H M. Consul-General at Hanover, as Minister to Luxemburg *vice* Sir Geoffrey Allchin, retiring (July 9).

Mr. Richard Tollinton, H M. Consul-General at Leopoldville, as Ambassador to Nepal *vice* Sir Christopher Summerhayes (Jan. 14).

Mr. James Murray as Ambassador to Honduras *vice* Mr. Coghill, retiring (July 30).

Mr. S. Simmonds, Commercial Counsellor at Baghdad, as Ambassador to Haiti *vice* Mr Mill Irvine, retiring (Dec. 22. 1954).

It was announced on Aug. 9 that the British and Laotian Governments had agreed to raise their respective Legations in Vientiane and London to Embassy status. The British Ambassador to Laos is Lord Talbot de Malahide (hitherto Minister), whilst the Laotian Ambassador in London is Prince Tiao Khampane, who has not yet taken up his appointment. (Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Foreign Service, 13940 A.)**

B. WESTERN GERMANY. — Gehlen Intelligence Service transferred from U.S. to German Control.

It was officially disclosed in Bonn on Aug. 8 that the espionage service headed by the former Lieut.-General Reinhard Gehlen had been transferred from American to German control and had been placed under the direct control of Dr. Adenauer, the Federal Chancellor. The "Gehlen organization," which is said to employ 3,000-4,000 agents and which has been financed out of U.S. funds during the past eight years, specializes in collecting intelligence material on the Soviet Union and the Soviet-bloc countries. During the Second World War General Gehlen was in charge of the counter-intelligence section of the *Wehrmacht* on the Eastern front from 1942 to 1945. (New York Times - Le Monde, Paris)

A. UNITED STATES. — Defence Policy. - Military Reserves Bill. - Reduction in Strength of Armed Forces. - Four-year Extension of Selective Service Act. - Service Pay Increases. - Defence Appropriations, 1955-56. - Defence Production Act extended.

President Eisenhower, in a message to Congress on Jan. 13, 1955, outlined the Administration's proposals for strengthening the U.S. reserve forces, and also requested a four-year extension of the Selective Service system and a two-year extension of the provisions authorizing the registration and call-up of doctors and dentists. In a separate message on the same day the President proposed increases in servicemen's pay so as to stop the drift of skilled personnel from the armed forces to civilian employment. The President's proposals were subsequently embodied in four Bills sent to Congress by the Defence Department.

The enactment of these Bills by Congress, and other matters relating to U.S. defence policy, are described below.

The Reserves Bill.

The Administration's proposals were approved, largely unaltered, by the House Armed Services Committee on April 27, but after two days' debate in the full House further consideration of the Bill was indefinitely postponed on May 19.

This postponement arose out of an amendment moved by Representative Adam C Powell (Democrat, a Negro member of the House) proposing that reservists should not be assigned to National Guard or other units which practised racial segregation. As the tentative adoption of this amendment (by 126 votes to 87) weakened the support for the Bill and threatened to involve the rejection of the entire measure, Representative Carl Vinson (chairman of the House Armed Services Committee) proposed a compromise amendment which would have eliminated the clause to which Mr. Powell objected, but would also have eliminated Mr. Powell's amendment. When this proposal was rejected by the House (by 167 votes to 143), Mr Vinson, in order to prevent the Bill being defeated altogether, moved that the House cease further immediate consideration of the measure. By 161 votes to 124 the House agreed to let the Bill "go back to the Speaker's table" until called for further consideration.

Following a number of requests from President Eisenhower for reconsideration of the measure, the House Armed Services Committee approved a Bill on June 28 (by 28 votes to one) which differed from that originally passed by the committee only in the exclusion of the provision relating to National Guard units. In this form the Bill was passed by the full House by a voice vote on July 1. An alternative Reserves Bill, also a modified version of the Administration's proposals, was approved by the Senate Armed Services Committee on July 13 and by the full Senate on July 14. A compromise version, agreed to by a Senate-House conference committee on July 21, was given final approval by the House on July 25 and by the Senate on July 26.

The principal provisions of the Bill laying down the periods and types of Reserve service obligation for both volunteer and called-up servicemen were as follows:

Reserve Duty as Alternative to Call-up. Youths between the ages of 17 and 18½ might in future choose the following Reserve obligations as an alternative to being called up for two years' active service under the Selective Service Act:

(*a*) Up to 250,000 youths a year might volunteer for three to six months' active service, followed by 7½ or 7¾ years in the Ready Reserve. They could sign up at any time and could be deferred from the start of active service until they had graduated from high school, had left school, or had attained the age of 20. Pay during active service would be $50 a month This programme would end on Aug. 1, 1959

(*b*) They could enlist directly in Reserve units and take the Ready Reserve training continuously until they reached the age of 28, after which they would no longer be liable to call-up.

Ready Reserve training would generally entail at least 48 drill parades a year, plus not more than 17 days annually in camp under field training, or, alternatively, 30 days of active field training a year. Those defaulting from their training obligation would be ordered into active service for 45 days.

Men at Present on Active Service. Those now on active service, or who had already completed their active service, would be exempted from further active Reserve training (i.e. in the Ready Reserve). They would, however, be subject to a stand-by, or inactive, obligation for a total of eight years' service (including their active service) under which they would only be recalled in the event of war. As an alternative, those men now on active service and released after enactment of the new programme could volunteer for one year of Ready Reserve training, and by so doing fulfil their whole obligation. This alternative (which was designed to help build a trained "hard core" in the Reserves) would be limited to 200,000 volunteers a year and would end on July 1, 1957.

Limited Active Service. For the next two years (until July 1, 1957) men enlisting or called up for two or more years could apply, after 12 months of active service, for their transfer to the part-time training of the Ready Reserve for three years. This programme, which would be limited to 150,000 men a year, would enable them to discharge their service obligation in four instead of six years.

Two-year or longer Active Service. Men performing active service followed by a period in the Reserves would serve for a total of six years (instead of eight as hitherto), the length of time in the Ready or Stand-by Reserves depending upon the period of active service. The alternatives open to them would be as follows:

(*a*) Two years of active service, followed by three years in the Ready Reserve and one in the Stand-by Reserve; or

(*b*) Three years of active service, two years in the Ready Reserve, and one year in the Stand-by Reserve; or

(*c*) Four years of active service, one year in the Ready Reserve, and one year in the Stand-by Reserve; or

(*d*) Five or more years of active service and one year in the Stand-by Reserve.

Other Provisions. (1) There would be no restriction on servicemen volunteering for long-period or career-Reserve training.

(2) The States would be permitted to raise and maintain in peacetime organized militia forces to take over the National Guard's domestic duties upon the latter's withdrawal, and to support civil defence activities.

(3) The National Security Training Commission should, within 60 days, draw up a programme to safeguard the health, welfare, and morals of the youths aged 17 to 18½ volunteering for the six months of active service.

The Bill was signed by President Eisenhower on Aug. 9. In signing it, however, the President pointed out that whilst it contained provisions which would "definitely strengthen the Reserve structure," it nevertheless fell short of the programme which he had sent to Congress. He was therefore instructing the Secretary of Defence to prepare for the next session of Congress the amendments necessary to correct "the deficiencies in this legislation."

In particular, the President criticized:

(1) "the failure of the Bill to afford the same guarantees of prior training for the National Guard as it has done for the Reserves";

(2) the failure "to grant authority to induct into the Reserve if sufficient numbers to meet military requirements are not obtained voluntarily",

(3) the reduction of the total period of obligation for military service for men doing at least two years' active service from eight years to six years.

The clause relating to the National Guard was that struck out as a result of Mr Powell's proposed amendment.

Reduction in Armed Forces.

In connexion with the Administration's plans for military training and the creation of large Reserve forces, an acceleration in the planned reduction in the size of the armed forces was announced on Dec. 20, 1954, by the Secretary of Defence, Mr. Wilson. The strength of the armed forces, Mr. Wilson said, would be reduced from the existing 3,218,000 men to 2,940,000 by June 30, 1955, and to 2,815,000 by June 30, 1956. (Previous plans had called for a reduction to 3,047,000 by June 30, 1955, and to 2,945,000 by mid-1956). As a part of the reduction now to be carried out, the number of men called up would be reduced as from February, 1955, from 23,000 a month to 10,000 or 11,000.

Mr. Wilson explained that the Administration's decision was based on its belief that the threat of global war had decreased, and claimed that it was a "sound decision" which would leave the armed forces in a "flexible position" to meet aggression. He pointed out that, in line with the Administration's growing emphasis on continental air defence, there would not only be no cut in the Air Force but that it would even be increased from the present figure of 961,000 to 970,000 on June 30, 1955, and 975,000 on June 30, 1956. The other Services, however, would be reduced as follows:

	Nov. 30, 1954	June 30, 1955	June 30, 1956
Army	1,343,000	1,100,000	1,000,000
Navy	692,000	665,000	650,000
Marine Corps	222,000	205,000	190,000

Mr Wilson also announced that the First Marine Division would shortly be withdrawn from Korea and moved to the U.S. West Coast, where it would be ready as a highly trained amphibious force. It would be replaced in Korea by an Army division now in Japan.

The accelerated reduction in the strength of the armed forces, and in particular the heavy cuts in the strength of the Army, were strongly criticized by a number of Congressmen, who thought that the international situation did not warrant such reductions at the present time. They were also criticized by General Ridgway, Army Chief of Staff until last June, both in evidence before the House Armed Services Committee and in a report to Mr. Wilson, which he wrote on his retirement and which was published on July 14.

General Ridgway argued that it was doubtful whether the Soviet Union would be the first to use nuclear weapons in a future conflict, in view of the preponderance of such weapons in U S hands, and that it was therefore debatable whether the United States had the

freedom to rely mainly on such weapons Moreover, the Soviet Union would not want to initiate nuclear warfare, as it would not desire the prizes to be gained from a global war to be converted into "a vast ash-heap of devastated animal life, or of a human race debilitated by the effects of radiation." Unlike the U.S.A., therefore, which was relying mainly on air-nuclear power, the Soviet Union was building large ground forces, supported by integral air forces and a big submarine fleet.

General Ridgway went on to say that the U.S.A. should be able to defeat the forces of the Soviet bloc in a general war, in any climate and terrain and regardless of whether or not nuclear weapons were used. "In my view, however," he declared, "U.S. military forces are inadequate in strength and improperly proportioned to meet the above commitments, specific or implied," for the following reasons:

"(*a*) As the point in time approaches, possibly between 1958 and 1962, when Soviet nuclear weapons and delivery developments will give the Communist bloc the capability of inflicting critical damage on the U.S. war-making potential, coupled with a concurrent improvement of Soviet air defence capability, the U.S. nuclear air superiority will have lost most of its present significance.

"(*b*) The free world military forces deployed around the perimeter, other than those in Western Europe, are in the position of being military detachments which are not mutually supporting, which have little or no strategic mobility of their own, and which are difficult to reinforce because of the lack of truly mobile and adequate reserves.

"(*c*) Present U.S. military forces cannot support fully American diplomacy. If military power is to support diplomacy effectively, it must be real and apparent to all concerned, and it must be capable of being applied promptly, selectively, and with the degree of violence appropriate to the occasion.

"(*d*) While a 'mobile ready force' element is provided for in published policy statements, the actual development of a mobile ready force must compete with increasingly emphasized continental defence, and with . . . over-emphasized nuclear-air requirements; all of which are requirements related primarily to general war."

Mr. Wilson, at a press conference on July 17, maintained that General Ridgway's analysis had ignored the roles of reserves and of tactical or small atomic weapons. By ignoring the reserves, General Ridgway had come to the conclusion that the Army was short of men, but even if the millions of reserves or ex-servicemen were not properly trained, they could be regrouped or formed into reserves "pretty quickly." This, Mr. Wilson thought, was really the reason for the difference of opinion.

Extension of Selective Service Act.

The Selective Service Act, which provides for the call-up of young men between the ages of 18½ and 26 for two years' active service, followed by six years in the reserves, was extended for four years—i.e. until June 30, 1959—by a Bill signed by President Eisenhower on June 30. The extension Bill had been approved by the House of Representatives (by 394 votes to four) on Feb. 8 and by the Senate (on a voice vote) on June 16.

A second Bill signed by President Eisenhower on June 30 extended for two years (until June 30, 1957) the authority to call up doctors and dentists for military service.

Increases in Service Pay.

A Bill granting pay increases ranging from six to 25 per cent, and also increases in certain allowances, was passed by the House of Representatives on March 10 (by 399 votes to one) and by the Senate on March 30 (unanimously), and was signed by the President on March 31. The Bill, which was designed to retain skilled and highly-trained men in the Services, applied only to enlisted men who remained in the Services for more than two years, and to officers who remained for over three years, the amount of the increase varying according to rank.

In addition, the Bill provided for higher "hazardous pay" for airmen and submarine crews, and for similar benefits, on a selective basis, for parachute duty, demolition work, deep-sea diving, and certain other special jobs. It also covered a number of "non-pay benefits," including "dislocation" allowances for servicemen with dependants who were ordered to a new permanent station; an increase in the daily allowance for temporary duty travel from $9 to $12; and improved housing and better medical facilities for servicemen's families.

It was estimated that the increases in pay and allowances would cost about $745,000,000 a year, but this was expected to be largely offset by the amount saved by the reduction in the strength of the armed forces.

Defence Appropriations, 1955-56.

The House of Representatives unanimously approved a Bill on May 12 appropriating $31,488,206,000 for the armed forces in the fiscal year July 1955-June 1956, whilst the Senate passed a Bill on June 14 appropriating $31,836,521,336. The House, in passing the Bill, agreed to the proposed cuts in the armed forces already announced by the Administration, but the Senate (by 40 votes to 39) adopted an amendment by Senator Stuart Symington (Dem.) designed to keep the strength of the Marine Corps at 215,000 men and to appropriate an extra $46,394,390 for this purpose. The Senate also added a further $356,000,000 to the Bill to increase the production of the *B-52* inter-continental bomber. A Senate-House conference committee agreed to the Senate additions and also to certain other increases, the amount finally agreed upon being $31,882,815,726. The major items were $14,739,763,170 for the Air Force, $9,118,179,556 for the Navy and Marine Corps, and $7,329,953,000 for the Army. After its final passage the Bill was signed by the President on July 13. At the same time, however, the President sent a special message to Congress in which he described one of the Bill's provisions as unconstitutional and another as "most unfortunate." He said that had the money made available in the Bill not been urgently required, he would have witheld his approval from the measure.

The section which President Eisenhower claimed was unconstitutional was one which required the Secretary of Defence to obtain the approval of the House and Senate Appropriations Committees before he transferred such non-military functions as bakeries, laundries, coffee-roasting, and rope-making from the Defence Department to private industry Stating that this section was "an unconstitutional invasion of the province of the Executive," and that to acquiesce therein would establish "a dangerous precedent," the President declared that he would regard it as invalid in the administration of the Act.

The section to which the President objected as "most unfortunate" was one which "virtually precludes the services from considering the purchase of foreign-made spun silk yarn for cartridge cloth." The President said in this connexion: "By making it virtually impossible for our friends abroad to sell us goods when such goods are materially less expensive to our taxpayers than those that can be procured domestically, such provisions could effect a deadly attrition of our whole international trade policy and bring about an impairment of our relations with other nations."

Mr. Wilson announced on July 14 that he was impounding the additional $46,000,000 voted for the Marine Corps, and that the Corps would continue to be reduced in accordance with the Administration's original decision.

Extension of Defence Production Act.

The Defence Production Act was extended for a further year until June 30, 1956, under a Bill signed by President Eisenhower on Aug. 9.

The President's request for a two-year extension had been approved by the Senate, but the House voted for a one-year extension only and the Senate finally concurred with this decision.

The Act, as extended, grants the President authority to make allocations of scarce materials for defence and atomic contracts; empowers the Administration to forbid ships and aircraft to visit Communist China or to carry items destined for that country; and provides for the stockpiling of scarce materials and, for the first time, of certain items such as turbines which take a long time to produce. The Act also contains numerous other provisions relating to the control of the nation's economy in the event of war.

U.S. Forces Overseas.

The Defence Department, in reply to a "privileged resolution" introduced in the House of Representatives, stated on Feb. 15 that there were 1,370,000 U.S. troops serving overseas in about 950 bases, compared with 1,602,000 troops serving in the United States. In addition to the servicemen overseas, there were about 167,000 U.S. civilian employees; 218,000 civilians who worked for foreign Governments under contract to the U.S.A.; and 124,000 Germans working for the U.S. forces and paid in German currency. The cost of the overseas bases was about $601,699,000 a year; the cost of civilian employees in the U.S.A. and abroad was estimated at $4,530,276,000 a year; and the volume and value of military and non-military supplies needed to maintain U.S. establishments at home and abroad was estimated at 4,100,000 long tons, and $3,300,000,000 a year.

U.S. Air Force.

It was announced by the U.S. Defence Department on Nov. 29, 1954, that the U.S. hydrogen-bomb striking force would consist of 11 wings of B-52 jet bombers (*Stratoforts*), four more than had originally been envisaged. In addition there would be some 200 Boeing-717s (*Stratotankers*), the jet tanker version of the Boeing-707 airliner. The cost of the whole programme was estimated at approximately $4,800,000,000. (New York Times - New York Herald Tribune)

(Prev. rep. Military Training, 13444 A; Strength of Armed Services, 14088A; Defence Appropriations, 14088 A; 13696 E; Defence Production Act, Extension, 12326 A.)

AUGUST 27—SEPTEMBER 3, 1955

A. EGYPT - ISRAEL.—Breakdown of Israeli-Egyptian Talks on Measures for Prevention of Border Incidents. - Clashes in Gaza Area.

Egyptian and Israeli military representatives, at a meeting on May 2, accepted " in principle " proposals put forward by General Burns, Chief of Staff of the U.N. Truce Supervisory Organization in Palestine, as the basis of a new agreement for easing tension on the Egyptian-Israeli frontier. These proposals envisaged the use of regular troops only along the armistice line, the erection of obstacles to prevent infiltration from either side, and the stationing of additional U.N. observers on the Egyptian side to help in the detection of violations of the demarcation line.

After discussions with Egyptian officials in Cairo, General Burns announced on May 9 that Egypt had accepted, with reservations, his four main proposals: (1) the formation of joint Israeli-Egyptian border patrols, (2) the erection of barbed-wire barriers along the border; (3) an agreement whereby local commanders would deal with minor incidents directly; (4) the use of regular troops only. Egypt had made reservations to the effect that the erection of barriers should not be held to imply recognition of the frontier line, and that the agreements between local commanders should preferably be known as " arrangements for maintaining security," as Egypt would make contact with Israel only through the U.N. Supervisory Organization and not directly. The Israeli Government had previously accepted the last three proposals, but had rejected that for joint patrols on the ground that the entry of foreign troops was incompatible with Israel's national sovereignty.

The resumption of discussions on the proposed new agreement, which had been scheduled for May 18, was postponed at Israel's request following an incident in which three Israeli soldiers were killed. Almost daily clashes occurred in the Gaza area during the remainder of May, as well as towards the end of August.

A marked increase in tension followed an incident on May 17, when an Israeli jeep was blown up by a land-mine, three officers being killed and two others wounded. On the following day Egyptian troops fired on Israeli civilians and later fired on a U.N. investigating team On May 19 Israeli troops attacked an Egyptian post in what was officially described as retaliation for the incident of May 17; according to Israeli sources, the raiders withdrew without casualties after blowing up the post, but an Egyptian spokesman claimed that they had been repulsed with heavy losses. On May 21 another Egyptian post was attacked, whilst on May 27 an Egyptian village was bombarded and an Israeli vehicle destroyed by a mine. On May 30 Egyptian troops fired on three Israeli settlements and Israeli forces returned their fire, the casualties being two Israelis killed and seven wounded and one Egyptian killed and three wounded.

No major incidents occurred during June and July, although Israeli water installations were blown up by Egyptian infiltrators on June 6, 19, and 25. On Aug. 22, however, a serious incident occurred when an Egyptian officer was killed and four soldiers wounded in a clash near Gaza. An Israeli spokesman stated that an Israeli patrol, on being fired on from Egyptian posts, had stormed the nearest post to obtain cover, but had withdrawn after the arrival of U.N. observers; an Egyptian communiqué, on the other hand, alleged that Israeli armoured cars had been used in a planned attack. The incident was described by the Israeli Foreign Ministry as an Egyptian attempt to sabotage the Gaza talks at a time when special efforts were being made to break the deadlock; on the other hand, Colonel Gohar described the incident as an Israeli attempt to force Egypt to change her declared policy on direct negotiations.

Further serious clashes in the Gaza area occurred during the last week of August. Whilst a Cairo announcement of Aug 26 stated that Israeli patrols had made several attempts to infiltrate into Egyptian-controlled territory and had been driven back with the loss of 12 men killed, the Israel Army authorities announced that an Egyptian unit had crossed the demarcation line, occupied a hill in Israel, and had been driven back by an Israeli counter-attack Several Israeli vehicles were mined in the border area on Aug 25-26, two soldiers being killed and three seriously wounded On Aug 27-28 Egyptian and Israeli batteries and mortars exchanged fire for several hours, with casualties on both sides, whilst further patrol clashes occurred along the border on Aug 28, 29 and 30.

Armed bands of Egyptians made deep penetations into Israeli territory during the night of Aug. 29-30, killing and wounding several unarmed civilians. Four persons were killed near Rehovot (25 miles south of Tel-Aviv) while working in an orange grove, whilst a family of five was ambushed near Askelon, the father being killed and the others wounded, among them a child. The Israeli Army authorities announced that a prisoner taken near Askelon had said that he was one of 24 trained Egyptians who had been sent across the frontier with instructions to split up into three groups of eight, each with specific objectives; the evidence indicated that although the raiders were not members of the regular Egyptian Army, they had received training as saboteurs and were under the control of the Egyptian military authorities Further clashes occurred in the Gaza area on Aug. 30, each side accusing the other of frontier violations.

An Egyptian spokesman announced on Aug. 31 that an Egyptian " commando " party had dynamited the mast of a radio station nine miles inside Israel territory after it had broadcast warnings to Egypt of the consequences of attacks on Israeli nationals. It was claimed that the " commandos " had penetrated 25 miles into Israel, as far as the Beersheba and Majdal areas, and had killed 15 Israelis in " punitive action."

During the night of Aug 31-Sept. 1 an Israeli detachment attacked and destroyed a police station at Khan Yunis, in Egyptian-controlled territory ten miles south of Gaza, which, according to the Israel defence authorities, had served as a base for terrorists and saboteurs carrying out penetrations into Israeli territory. Tel-Aviv Radio said that 40 Egyptians had been killed and 40 wounded in the raid on Khan Yunis, that the police station had been blown up, and that the raid was " the heaviest reprisal yet " for Egyptian raids on Israel. The Egyptian version said that 10 Palestine Arab volunteers had been killed and 12 wounded at Khan Yunis, but that there had been no Egyptian Army casualties. The clash was described in Cairo as the worst since 1949

On Sept. 1 the Israeli authorities announced that two Egyptian jet fighters flying over Israeli territory had been shot down by the Israel Air Force and had crashed in flames near the farm settlement of Yad Mordecai A Cairo statement admitted the loss of two planes, but said that they had collided in bad visibility while on a reconnaissance flight over the Gaza area A protest at a violation of Israeli air space by the Egyptian Air Force was made by Israel to the U N. Truce Supervisory Organization.

The deterioration in Egyptian-Israeli relations, which Sir Ralph Stevenson (the retiring British Ambassador to Egypt) described on June 13 as worse than at any time in the past five years, gave rise to concern at U.N. headquarters and in the Western countries. Dr. Hammarskjöld (the U.N. Secretary-General) appealed to the Egyptian and Israeli Governments on June 5 to refrain from any acts that would increase tension, and similar appeals were addressed to both countries by the British Government on June 6, to Colonel Nasser (the Egyptian Premier) by Mr. Byroade (U.S. Ambassador in Cairo) on June 9, and to the Egyptian and Israeli Ambassadors in London by Mr. Macmillan (the British Foreign Secretary) on June 14.

In view of the increasing tension, General Burns had an interview on June 1 with Colonel Nasser, who proposed that Egypt and Israel should each withdraw their forces one kilometre from the armistice line to create a demilitarized zone, and that General Burns's four-point plan should be put into effect immediately. On June 7 General Burns met Mr. Sharett, the Prime Minister of Israel, who expressed willingness to take part in high-level talks at which the proposal for a demilitarized zone could be examined. The Egyptain Government, however, rejected the suggestion for a high-level conference dealing with political matters, though it agreed to take part in purely military talks.

New proposals for the relief of tension on the border were submitted to General Burns on June 17 by Mr. Eytan, Director-General of the Israeli Foreign Ministry.

Mr. Eytan suggested that a mined security zone 100 metres wide should be laid along the armistice line; that a barbed-wire fence should be erected on each side of the zone, guarded by mixed Israeli-Egyptian patrols, that arrangements should be made for meetings of local commanders and for telephone communication between them; and that Egyptian outposts should be instructed not to fire on Israeli troops patrolling their own side of the border.

Egyptian and Israeli delegations, headed respectively by Colonel Gohar (of the Egyptain War Ministry) and Mr. Tekoa (of the Israeli Foreign Ministry), began discussions near Gaza on June 28, with General Burns in the chair. Although agreement was reached on a number of issues, progress was hindered by disagreement on Israeli proposals for frequent meetings and direct telephone communication between local commanders to deal with minor incidents, and for the exchange of information between them concerning the punishment of persons who had crossed the border illegally. These proposals were rejected by the Egyptian delegation, which insisted (in accordance with Egypt's policy of refusing all direct dealings with Israel until she had carried out the U.N. resolutions on the repatriation or compensation of the Palestine Arab refugees) that all contacts must be made through the Truce Supervisory Organization. In consequence an *impasse* was reached, and on Aug. 16 further talks were indefinitely postponed.

Following the Gaza incident of Aug. 22 (see above), the talks were broken off by the Egyptian Government, which communicated its decision to the U.N. Secretary-General and to General Burns. A statement issued in Cairo accused the Israeli armed forces of " intransigence," and said that the meetings of Egyptian and Israeli delegates had shown that Israel " aims at removing international supervision and conducting direct talks between Egypt and Israel in violation of the armistice agreement and the Security Council resolutions."

The Israel Embassy in London issued a statement on Aug. 30 stressing that Egypt had launched "a continuous series of attacks upon Israeli patrols, villages, and civilians" since breaking off the talks at Gaza on Aug. 22. After declaring that "the Government of Israel is prepared, as ever, to observe the provisions of the armistice but will take whatever measures are called for to safeguard the lives and property of its citizens," the statement added: "Full responsibility for the breaking-off of the negotiations, as well as for the situation created through continuous Egyptian attacks since then, must rest squarely upon Egypt. Since the breaking-off of the talks there have been 18 Egyptian attacks on Israel villages, 12 attacks on Israel patrols, and seven cases of Egyptian aircraft flying over Israel territory. In these attacks eight Israelis have been killed and 20 wounded, a number of them seriously."

The Egyptian Embassy in London issued a statement on the following day denying that Egypt bore responsibility for the breaking-off of the Gaza talks. After accusing the Israeli representatives of having rejected Egyptian proposals which would have reduced incidents and tension, it said that Egypt had withdrawn from the talks because of Israel's "aggressive action to force Egypt to accept her views." The Egyptian Embassy also denied that Egyptian troops had launched continuous attacks against Israeli territory, and alleged that recent incidents had been "incited by Israeli patrols."

General Burns called upon both sides on Aug. 31 to cease firing across the demarcation lines in the Gaza and El Auja areas, as well as to stop "raids, mining, and sabotage." The Egyptian authorities agreed to order a cease-fire from 6 p.m. on that date, but the Israeli Government objected to the form of General Burns's request for a cease-fire, which it was stated, "apparently proceeds from an assumption of common responsibility on the part of Israel and Egypt for the events of the past week." After drawing attention to deep penetrations into Israel by "terrorist bands of the Egyptian armed forces," which had waylaid and killed civilians, planted mines, and sought to terrorize the population, the Israeli Government asked General Burns "to obtain the assurance of the Egyptian Government that it accepts responsibility for these acts and that it is ready to give guarantees for immediate, complete, and definite cessation of all further hostile acts, and the strictest compliance with its obligation under the armistice agreement." On Sept. 1, however, the Government of Israel informed General Burns that they would be willing to order a cease-fire along the whole front if Egypt did the same, and if there was an end to "all attacks by Egypt in whatever form."

The following statement was issued by General Burns on the same day (Sept. 1):

"Nine days of violence, during which 7 Egyptians and 11 Israelis lost their lives and 24 Egyptians and 19 Israelis were wounded, culminated in the destruction of a police station and other buildings at Khan Yunis by Israel armed forces on the night of Aug 31. U N. military observers are investigating this very serious incident, and from preliminary reports the number of casualties, both civil and military, will exceed the casualties enumerated above I must express my deep regret at what I believe to have been an unnecessary loss of lives, and my sympathy with the relatives of the victims. I hope that the parties will now accept the proposals that are before them for a cessation of all hostile acts until an appropriate organ of the United Nations can deal with this very dangerous threat to peace. I am keeping the U.N Secretary-General fully informed of all developments."

The U.S. Secretary of State, Mr. Dulles, announced on Aug. 30 that the U.S. Government had made direct approaches to Egypt and Israel to stop the fighting in the Gaza area and to refrain from the use of force. The British Foreign Office announced on the following day that similar approaches to both parties had been made by the British Government.

(Times - Daily Telegraph - Manchester Guardian - New York Herald Tribune - New York Times - Le Monde, Paris) **(Prev. rep. 14157 A.)**

A. JAPAN. — Bikini Hydrogen-Bomb Explosion. - Recovery of Japanese Fishermen affected by "Fall-out."

Dr. F. B. Berry, U.S. Assistant Secretary of Defence in charge of health and medical matters, stated on Aug. 23 that, so far as was known, 22 of the 23 Japanese fishermen who were affected by radioactive "fall-out" after the hydrogen-bomb explosion at Bikini on March 1, 1954, had all recovered. He added that U.S. Servicemen exposed to the same "fall-out" had also recovered, with no subsequent ill-effects. As regards the 23rd Japanese member of the crew of the *Fukuryu Maru*, who had died on Sept. 23, 1954, Dr. Berry disclosed that his death had been due to jaundice and not to radiation.

(New York Herald Tribune) **(Prev. rep. 13932 C.)**

B. FRANCE - WESTERN GERMANY. — New Trade Agreement. - Ratification of Cultural Agreement.

A new trade agreement between France and the German Federal Republic, valid for 3½ years and providing for a considerable increase in trade exchanges in both directions, was signed in Paris on Aug. 5 by M. Pinay, the French Foreign Minister, and Herr von Maltzan, the German Ambassador. The agreement, which implemented the arrangements for economic co-operation envisaged by Dr. Adenauer and M. Mendès-France at their talks at La Celle-Saint-Cloud in October 1954, represented an important political development in the normalization of Franco-German relations. It gave France a guaranteed market for some of her agricultural produce, providing especially for French exports to Western Germany of (*a*) 500,000 tons of wheat annually, compared with 250,000 tons hitherto, (*b*) 200,000 tons of oats, compared with only 108,000 tons previously, and (*c*) table wines to a value of 350,000,000 francs. In return, France agreed that, in addition to the prevailing 75 per cent liberalization applicable to imports from all O.E.E.C. member-countries, the French import quotas for non-liberalized products from Western Germany would be completely restored to the levels which were in force before the heavy import cuts reintroduced in 1951 with the aim of protecting the French balance of payments.

The lists covering trade exchanges for the first 18 months (April 1, 1955-Sept. 30, 1956) included—in addition to the above-mentioned French supplies of food grains and wine—French exports of meat and cattle, potatoes, flour and manufactured wheat products, coal, steel, iron, leather and hides, woollen yarns, cotton textiles, optical articles, perfumes, watches, etc.

German exports to France and the Saar will be chiefly machine-tools, woodworking machinery, special motor-vehicles, tractors, agricultural machinery, paper and printing machinery, photographic cameras and accessories, textiles, ready-made clothing, chemical products (including plastic materials), coal, and steel

Since 1954 the Federal Republic had become the leading commercial customer of France, and the franc zone the principal commercial customer of the Federal Republic. During the first six months of 1955, trade exchanges between the two countries showed a further expansion from an annual monthly average of 19,000,000,000 francs in 1954 to 27,000,000,000 fr Total French exports to Germany in 1954 amounted to 123,400,000,000 fr,, compared with 98,700,000,000 fr. in 1953, 78,900,000,000 fr in 1952, 69,800,000,000 fr. in 1951, and 84,300,000,000 fr in 1950 German exports to France in 1954 totalled 119,800,000,000 fr,, as against 110,200,000,000 fr in 1953 114,900,000,000 fr. in 1952, 101,500,000,000 fr. in 1951, and 69,700,000,000 fr. in 1950. Since June, 1954, the French trade balance with Germany had shown a surplus Under the new agreement the total annual trade between the two countries was expected to reach the equivalent of about $1,000,000,000,

The Franco-German cultural agreement signed in October last came into force on July 28, when instruments of ratification were exchanged in Bonn.—(Le Monde, Paris - Frankfurter Allgemeine Zeitung) **(Prev. rep. 14256 B; 13845 A.)**

C. CANADA. — Provincial Ministries reorganized in Alberta and Ontario.

A reorganization of the Provincial Ministries in Alberta and Ontario was announced on Aug. 2 and Aug. 17 respectively, following the recent elections in the two Provinces.

Alberta. Mr. Manning, the Provincial Premier, announced that although he was not a lawyer he would take over the post of Attorney General, and that the other portfolios would be re-distributed as follows Mr E W Hinman, Provincial Treasurer, Mr. N A. Willmore, Lands and Forests; Mr A J. Hooke, Municipal Affairs and Provincial Secretary, Mr F. C Colborne, Minister without portfolio, Mr A. R. Patrick, Economic Affairs; Mr R Reierson, Industries and Labour, and Mr. J. Hartley, Public Works. The four last-named were new Ministers.

Ontario. Mr Frost, the Provincial Premier, announced the following Cabinet reshuffle. Mr D Porter, Provincial Treasurer, Mr. K. Roberts, Attorney General; Mr. W. M. Nickle, Planning and Development; Mr. G. Dunbar, Provincial Secretary; Mr W. A. Goodfellow, Municipal Affairs, Mr. B. Cathcart, Travel and Publicity; and Mr. Louis Cecile, Welfare. Mr. W. K. Warrender, formerly Minister of Planning and Development, became vice-chairman of the Ontario Hydro-Electric Power Commission in place of Mr. W. E. Hamilton, Minister without portfolio, who resigned. Mr. Roberts and Mr Cathcart were new Ministers.

It was announced on July 29 that Mr. J. B. McNair, Premier of New Brunswick from 1940 until 1952, when his party (the Liberals) was defeated, had been appointed a judge of the New Brunswick Supreme Court.—(Montreal Star) **(14335 C.)**

D. PAKISTAN. — Adoption of Right-hand Driving.

Under an Ordinance promulgated on Aug. 18, the "rule of the road" in Pakistan was changed from left-hand to right-hand driving. The change will come into effect on Jan. 1, 1956.

(Pakistan High Commissioner's Office, London)

A. SOVIET UNION. — Marshal Bulganin's Report on the Geneva Conference.

A report on the Geneva conference of Heads of Government was given by Marshal Bulganin on Aug. 4 to the Supreme Soviet, meeting in Moscow.

Marshal Bulganin's speech was largely devoted to a review of the Soviet position as expounded by him at Geneva, and, in particular, to a reaffirmation of the Soviet contention that the unification of Germany should be preceded by a comprehensive European security pact to which both parts of Germany should adhere

As regards the conference itself, Marshal Bulganin said that it had taken place in an atmosphere of co-operation and mutual understanding among the four Powers, all of whom had shown their desire to end the "cold war" The policy of "positions of strength" had been discarded, and the Soviet Government particularly welcomed President Eisenhower's statement that it was "essential to go forward along constructive paths and not merely to repeat the negative actions of the past" For all these reasons the conference had been "a success for the forces of peace," and constituted "an important historic event because it marked a turning-point in the relations between the Soviet Union and the West"

In the course of his speech Marshal Bulganin stressed that the Soviet Government was prepared to consider the proposals put forward by other countries In this connexion he said that Sir Anthony Eden's suggestion for a European security pact of a more restricted character than that proposed by the Soviet Union "deserved attention" and could have "positive significance." Nevertheless, the Soviet Government felt that its own proposal for a comprehensive pact—i e , one comprising all the countries of Europe, including the two German Republics, as well as the United States—could best solve "the main, basic question—that of European security" He admitted that the Soviet Union and the Western countries had not "found a common language" at Geneva on the German question, and that the forthcoming meeting of Foreign Ministers in October would encounter "not a few difficulties and not a few submerged rocks" before that question was solved

On the question of disarmament, Marshal Bulganin said *inter alia* . "We are profoundly convinced that genuine security can only be achieved when military groupings are done away with and when all countries, the U S A included, pledge themselves not to resort to military force Different peoples live on earth. Some are religious, some are atheists, some are Communists, some are anti-Communists, but all agree about one thing—they are all interested in peace, and since that is so we should spare no efforts to achieve it"

With regard to President Eisenhower's proposal for an exchange of military blueprints and for mutual aerial reconnaissance of each other's territories, Marshal Bulganin paid tribute to the sincerity of the President's attempt to find a solution of "so complicated a problem as that of international control" of armaments He added, however "In the course of unofficial conversations with leaders of the U S Government [at Geneva], we stated that the taking of aerial photographs could not produce the expected results, because both our countries have vast territories in which, if one wishes, anything can be concealed The fact should also be noted that the proposed plan touches only upon the territories of both countries, excluding armed forces and military installations situated on the territories of other States We consider as more realistic and more effective those proposals for international control which were put forward by the Soviet Government."

After announcing that he and M. Khrushchov had accepted the invitation from Sir Anthony Eden to visit Britain in 1956 (see 14369 A), Marshal Bulganin disclosed that he and Sir Anthony had also discussed "in a positive sense" the possibility of mutual visits of warships and military delegations between Britain and the U S S.R., as well as the development of cultural relations between the two countries He also disclosed that he had invited M Faure and M Pinay to visit the Soviet Union

The Supreme Soviet unanimously adopted a resolution approving the work of the Soviet delegation at the Geneva conference, and noting that the conference had opened a new stage in improving relations between States, irrespective of their political or social systems, based on confidence and peaceful co-existence.

A Yugoslav parliamentary delegation was present at the Supreme Soviet's session, to whom Marshal Bulganin conveyed "greetings to our Yugoslav friends and Comrade Tito." Marshal Bulganin added that the Soviet Government, Communist Party, and people would "exert every effort for friendship and co-operation with the fraternal peoples of Yugoslavia"

All foreign diplomatic representatives in Moscow, together with their wives and children, as well as all foreign press correspondents in the Soviet capital, were the guests on Aug. 7 at a garden party given by Marshal Bulganin and the Soviet Government at the Prime Minister's summer villa at Semyonovskaya, 60 miles from Moscow Many leading personalities, including M. Molotov, M. Khrushchov, M. Mikoyan, M. Malenkov, Marshal Zhukov, and Marshal Koniev, were present at the party and helped to entertain the guests, who numbered 250. The party was the first of its kind ever given by the Soviet Government.—(Soviet Weekly - Manchester Guardian)

(Prev. rep. Geneva Conference, 14325 A.)

B. SUDAN. — The South Sudan Mutiny.

The Governor-General of the Sudan, Sir Knox Helm, arrived back in Khartoum from Britain on Aug. 25 and immediately called upon the mutineers at Torit, in Equatoria Province, to surrender unconditionally. After saying that he was "deeply shocked" at the mutiny, which had brought "shame and disgrace" upon the Equatoria Corps of the Sudan Defence Force, he ordered them, in his capacity as Supreme Commander, to lay down their arms immediately and surrender. Sir Knox Helm recalled that the Prime Minister of the Sudan (Mr. Azhari) had given a personal pledge that a "full and fair investigation" would be held if the mutineers surrendered; repeated that pledge on his own behalf; and offered to send his personal representative, Mr. W. H. Luce, to Torit if his (the Governor-General's) orders were obeyed "fully and without question."

The mutineers sent a message to the Governor-General on the following day thanking him "most sincerely" and expressing their gratitude that he had returned to the Sudan "to end their trouble." Expressing fears about possible reprisals by Northern Sudanese troops, they asked him to order the withdrawal of those troops from Juba before the surrender took place, or, alternatively, to send British troops to the area. In reply, Sir Knox Helm said that he was "greatly disappointed" at the mutineers' response to his first message, and pointed out that he could neither recall the Northern troops from Juba nor send British troops to the south. He gave a personal guarantee, however, that "if you surrender peacefully, Northern troops will do you no harm," and that Mr. Luce would be present to watch the surrender as his personal representative. He again called upon the mutineers to surrender unconditionally by noon on Aug. 27 or to "take the full consequences of your refusal."

Mr. Luce, Major-General Ahmed Mohamed Pasha (C.-in-C. of the Sudan Defence Force), and Sayed Mubarek Zarroug (the Minister of Communications, representing Mr. Azhari) flew on Aug. 27 from Khartoum to Juba, where the surrender terms were handed to Lieutenant Lolya, an officer representing the disaffected units. The terms were conveyed by this officer to Torit, where—according to official reports from Khartoum—the mutineers accepted them and agreed to surrender their arms. When the Torit area was reoccupied by Northern troops on Aug. 30, however, only two officers and 57 mutineers were present to surrender The remaining mutineers, numbering over 300, were believed to have dispersed into the surrounding countryside and to be making for the Uganda or Ethiopian frontiers It was pointed out in Khartoum that the missing mutineers had a vast area of wild and little-frequented country in which to scatter, and that their pursuit would be a matter of difficulty because of extensive flooding and deep mud caused by the seasonal heavy rains. A few small groups of rebels were also believed to be at large west of the White Nile.
(Times - Daily Telegraph) **(Prev. rep. Sudan, 14377 A.)**

C. INDIA. — Defence Production Board.

It was announced in New Delhi on Aug. 20 that the Government of India had decided to set up a Defence Production Board to take over the management of all Indian ordnance factories, to co-ordinate research and development in the three armed services, and to secure effective liaison with civil industry to meet defence requirements. The chairman of the Board will be the Minister for Defence Organization, Mr. Tyagi, whilst Mr. N. N. Wanchoo (Joint Secretary to the Defence Ministry) will act as its administrative head under the title of Controller-General of Defence Production. The setting-up of such a board was the principal recommendation of a committee, headed by Sardar Baldev Singh (the former Defence Minister), which had been appointed in 1954 to report on the reorganization of India's ordnance factories. (The Statesman, Calcutta)

D. EGYPT. — Cabinet. - Major Salem given "Leave of Absence." - Duties taken over by Colonel Nasser.

It was officially announced in Cairo on Aug. 29 that Major Salah Salem, Minister for National Guidance and Sudanese Affairs, had been given "indefinite leave of absence" and that his duties would be taken over by the Prime Minister, Colonel Nasser. No official explanation was issued, but foreign correspondents in Cairo expressed the opinion that the move was due to the failure of Major Salem's Sudanese policy. A year earlier (September 1954) it had also been announced that Major Salem had been given leave of absence, but on the following day it was stated that he was back at work. Major Salem had held the portfolios of National Guidance and Sudanese Affairs since the deposition of King Farouk.
(Times - Daily Telegraph) **(Prev. rep. Cabinet, 13772 C.)**

A. MIDDLE EAST. — U.S. Proposals for Guarantee of Israel-Arab Frontiers. - Loan Offer to Israel for Compensation of Arab Refugees. - Mr. Dulles's Statement. - British, Australian, New Zealand, and Ceylonese Support.

Mr. Dulles, the U.S. Secretary of State, made an important statement on U.S. Middle Eastern policy when addressing the Council of Foreign Relations in New York on Aug. 26. In his speech, which was made with President Eisenhower's agreement, he expressed the willingness of the U.S. Government, in order to achieve a peaceful settlement between Israel and the Arab countries, (*a*) to join in formal treaties with other Middle Eastern Powers to protect agreed boundaries between Israel and the Arab States; (*b*) to support an international loan to Israel to enable her to compensate the Arab refugees; and (*c*) to contribute to the cost of water development and irrigation projects in the area. Mr. Dulles's speech was as follows:

" One of the first things I did as Secretary of State was to go to the Middle East . Upon my return I spoke of the impressions gathered on that trip and of the hopes which I held as a result of talks with leaders and people there Some of those hopes have become realities

At that time the Suez base was a centre of controversy and potential strife. Now, as a result of patient effort in a spirit of conciliation, the problem of the Suez base has been successfully resolved Another problem which was then concerning many of the leaders in the Middle East was that of the security of the area. It was clear that effective defence depended upon collective measures and that such measures, to be dependable, needed to be a natural drawing together of those who felt a sense of common destiny in the face of what could be a common danger Here, too, there has been some encouraging progress.

A third problem which called for attention was the need for water to irrigate land I mentioned in my report the possibility that the rivers flowing through the Jordan Valley might be used to make this valley a source of livelihood rather than dispute. Since then Ambassador Eric Johnston has held talks with the Governments of countries through which the River Jordan runs They have shown an encouraging willingness to accept the principle of co-ordinated arrangements for the use of the waters. Plans for the development of the valley are well advanced Ambassador Johnston is now on his fourth visit to the countries concerned, in an effort to eliminate the small margins of difference which still exist

A beginning has been made in doing away with the obstacles that stand in the way of the aspirations of the Middle Eastern peoples It is my hope that the time has come when it is useful to think in terms of further steps towards stability, tranquillity and progress in the Middle East.

. Three problems remain that conspicuously require to be solved The first is the tragic plight of the 900,000 refugees who formerly lived in the territory that is now occupied by Israel. The second is the pall of fear that hangs over the Arab and Israeli peoples alike. The Arab countries fear that Israel will seek by violent means to expand at their expense. The Israelis fear that the Arabs will gradually marshal superior forces to be used to drive them into the sea, and they suffer from the economic measures now taken against them. The third is the lack of fixed permanent boundaries between Israel and her Arab neighbours. There are other important problems. But if these three principal problems could be dealt with, the way would be paved for the solution of others.

Serious as the present situation is, there is a danger that unless it improves it will get worse. One ill leads to another, and cause and effect are hard to sort out. The atmosphere, if it worsens, could becloud clear judgments, making appear attractive what in fact would be reckless Both sides suffer greatly from the present situation, and both are anxious for what they would regard as a just and equitable solution. But neither has been able to find that way.

This may be a situation where mutual friends could serve the common good. This is particularly true since the area may not, itself, possess all of the ingredients needed for the full and early building of a condition of security and well-being The United States, as a friend of both the Israelis and the Arabs, has given the situation deep and anxious thought and has come to certain conclusions, the expression of which may help men of good will within the area to fresh constructive efforts. I speak in this matter with the authority of President Eisenhower.

(1) To end the plight of the 900,000 refugees requires that these uprooted people should, through resettlement and, to such an extent as may be feasible, repatriation, be enabled to resume a life of dignity and self-respect To this end, there is need to create more arable land where refugees can find permanent homes and gain their own livelihood through their own work. Fortunately, there are practical projects for water development which can make this possible All this requires money.

Compensation is due from Israel to the refugees However, it may be that Israel cannot, unaided, now make adequate compensation. If so, there might be an international loan to enable Israel to pay the compensation which is due and which would enable many of the refugees to find for themselves a better way of life President Eisenhower would recommend substantial participation by the U.S A. in such a loan for such a purpose. Also, he would recommend that the U S A should contribute to the realization of water development and irrigation projects which, directly or indirectly, would facilitate the resettlement of the refugees.

These projects . . would enable the people throughout the area to enjoy a better life. Furthermore, a solution to the refugee problem would help in eliminating the problem of recurrent incidents which have plagued and embittered the settlements on both sides of the border.

(2) The second principal problem which I mentioned is that of fear The nature of this fear is such that it is hardly within the capacity of the countries of the area, acting alone, to replace the fear with a sense of security. There, as in many other areas, security can be assured only by collective measures which commit decisive power to the deterring of aggression President Eisenhower has authorized me to say that, given a solution of the other related problems, he would recommend that the U S A should join in formal treaty engagements to prevent or thwart any effort by either side to alter by force the boundaries between Israel and her Arab neighbours I hope that other countries would be willing to join in such a security guarantee, and that it would be sponsored by the United Nations

By such collective security measures the area could be relieved of the acute fears which both sides now profess The families located near the boundaries could relax from the strain of feeling that violent death may suddenly strike them, the people of the area, whose standards of living are already too low, would no longer have to carry the burden of what threatens to become an armaments race, if indeed it does not become a war; the political leadership of the area could devote itself to constructive tasks

(3) If there is to be a guarantee of borders, there should be prior agreement upon what the borders are That is the third major problem The existing lines separating Israel and the Arab States were fixed by the armistice agreements of 1949 They were not designed to be permanent frontiers in every respect, in part, at least, they reflected the status of the fighting at the moment

The task of drawing permanent boundaries is admittedly one of difficulty There is no single and sure guide, for each of two conflicting claims may seem to have merit The difficulty is increased by the fact that even territory which is barren has acquired a sentimental significance Surely, the overall advantages of the measures here outlined would seem to outweigh vastly any net disadvantage of the adjustments needed to convert armistice lines of danger into boundary lines of safety In spite of conflicting claims and settlements I believe it is possible to find a way of reconciling the vital interests of all the parties The U.S.A would be willing to help in the search for a solution if the parties to the dispute should desire.

(4) If agreement can be reached on these basic problems of refugees, fear, and boundaries, it should prove possible to find solutions for other questions, largely economic, which presently fan the flames of hostility and resentment It should also be possible to reach agreement on the status of Jerusalem. The U S A. would give its support to a U N review of this problem.

I have not attempted to enumerate all the issues on which it would be desirable to have a settlement; nor have I tried to outline in detail the form which a settlement of any of the elements might take I have tried to show that possibilities exist for an immeasurable improvement, and that the possibilities do not require any nation's taking action which would be against its interests, whether those interests be measured in terms of material strength or in terms of national prestige and honour I have also, I trust, made clear that the U S Government is disposed to enlarge those possibilities by contributions of its own, if this be desired by those concerned.

Both sides in this strife have a noble past, a heritage of rich contributions to civilization Both have fostered progress in science and the arts. Each side is predominantly representative of one of the world's greatest religions Both sides desire to achieve a good life for their people and to share and contribute to the advancements of this century At a time when a great effort is being made to ease the tension which has long prevailed between the Soviet and Western worlds, can we not hope that a similar spirit should prevail in the Middle East? That is our plea. The spirit of conciliation and of the 'good neighbour' brings rich rewards to peoples and nations. If doing that involves some burdens, they are burdens which the U.S.A. would share, just as we would share the satisfaction which would result if happiness, contentment, and good will could drive hatred and misery away from peoples whom we hold in high respect and honour "

The U.S. initiative for an Arab-Israeli settlement was strongly endorsed by the British Foreign Office in a statement issued on Aug. 27.

The statement recalled that Britain had already suggested a guarantee to Israel and the Arab States in Sir Anthony Eden's speech to the House of Commons on April 4. It described Mr. Dulles's statement as " an important contribution towards the most critical outstanding problem in the Middle East," and continued .

" H M. Government share the concern of the U.S. Government at the dangerous consequences which may flow from a continuation of present tensions, and are ready, as they have always been, to play their full part in an effort to bring about more settled relations. They agree with the analysis which Mr. Dulles has made of the problems which require to be solved.

H M. Government also agree with the U.S. Government in thinking that it should be possible to reach a settlement of these problems by direct or indirect negotiations, without detriment to the vital interests of either side. In that event H.M Government would be ready, as previously stated in Parliament, to guarantee, by treaty or treaties with the parties concerned, any territorial settlement so agreed.

H M Government also welcome the statement that the United States would be willing to participate in an international loan to assist Israel in paying compensation to the Arab refugees The British Government would also be ready to make their contribution"

It was disclosed that Mr. Dulles's speech had been communicated in advance to the British and French Governments.

Sir John Kotelawala, the Prime Minister of Ceylon, offered on Aug. 28 to help in the search for a peaceful solution in the Middle East. He said:

". . The ending of the strife and bitterness that have so long affected Arab-Israel relations, and the restoration of peace in the Middle East, are matters of concern to all countries alike Ceylon therefore welcomes the initiative taken by the U S. Government in putting forward constructive proposals for the easing of tensions in the Middle East The Government of Ceylon would be ready to assist in the search for a peaceful solution It would be willing and glad to do everything within its power to contribute to the efforts of the parties concerned and of other friendly States in facilitating the restoration of peace, stability, and progress in the Middle East"

Both Mr. Casey and Mr. Macdonald, the respective Australian and New Zealand Ministers of External Affairs, expressed their Governments' support for the U.S. proposal. (New York Times - New York Herald Tribune - Times - Daily Telegraph - Ceylon Government Information Dept., Colombo - Australian News and Information Bureau - N.Z. Directorate of Information, Wellington) **(Prev. rep. 14389 A.)**

A SOVIET UNION - WESTERN GERMANY. — Note Exchanges on Dr. Adenauer's Visit to Moscow.

A Soviet Note welcoming the German Federal Government's willingness to discuss the establishment of diplomatic, trade, and cultural relations between the U.S.S.R. and the Federal Republic was transmitted to the German Ambassador in Paris (Herr von Maltzan) on Aug. 3 by the Soviet Ambassador, M. Vinogradov. It suggested that the talks between the Soviet Government and the German delegation headed by Dr Adenauer should be held in Moscow "at the end of August or the beginning of September"; said that the Soviet Government "proceeds from the premise that the establishment of diplomatic, trade, and cultural relations between the two countries will naturally not be bound by any preliminary conditions on the part of one side or the other"; and added that the Soviet Government had no objection to the German suggestion that Herr von Maltzan and M. Vinogradov should have informal discussions in Paris "for the purpose of specifying the questions which are to be discussed and studied during the talks in Moscow."

The German reply, presented to M. Vinogradov by Herr von Maltzan on Aug. 12, suggested that the Soviet-German talks should begin in Moscow on Sept. 9. It accepted the agenda suggested by the Soviet Government (i e. the establishment of diplomatic, trade, and cultural relations) but, in addition, proposed that the two Governments should also discuss (1) the question of German unity, and (2) the release of those Germans who were still held in the U S.S R. or in "the Soviet Union's sphere of influence." The German Note stressed that the Federal Government was of the opinion that these two questions could not be separated from the question of establishing diplomatic relations between the two countries

In a further Note on Aug. 19, the Soviet Government agreed that the Moscow talks should begin on Sept. 9 It added "As regards the question of Germany's national unity . . . the Soviet Government sees no obstacles to an exchange of views on this issue or on other international questions of interest to both parties." No specific mention was made of the question of German prisoners of war.—(Frankfurter Allgemeine Zeitung - Soviet Weekly) **(Prev. rep. 14293 A; 14271 A.)**

B. RUMANIA. — Reduction in Armed Forces.

Following the similar action taken by the Soviet Union and Czechoslovakia, the Rumanian Government announced on Aug. 30 that the strength of the Rumanian armed forces would be reduced by 40,000 men by Dec. 1, 1955, because of the recent relaxation of international tension. Although the Rumanian forces are limited to 125,000 men under the Rumanian Peace Treaty, they are believed to number about 230,000. No definite figures are available.—(Times - Le Monde, Paris) **(Prev. rep. 14384 B; 14384 C.)**

C. NORTH BORNEO. — Filipino Immigration.

An agreement was signed in Manila on Aug. 29 by Vice-President Carlos Garcia and the British Ambassador (Mr. G. L. Clutton) providing for the employment and settlement of Filipino workers in British North Borneo. The agreement initially covered the migration of 5,000 skilled and unskilled workers, who will be given an opportunity to acquire land and to become independent farmers. (Times)

D. OBITUARY. — Thomas Mann.

Thomas Mann, the eminent German novelist, died in Zurich on Aug. 12, aged 80. He had been a naturalized American citizen since 1940, and had lived in Switzerland since 1952.

Born in Lubeck in 1875, Thomas Mann was the son of a merchant who was a senator of that city After his father's death he went with his mother and the other members of his family to Munich, and worked for some time as a clerk in an insurance company He abandoned a commercial career for writing, went to live in Italy, published a number of short stories, but subsequently returned to Munich to join the staff of the satirical weekly *Simplicissimus* In 1901, at the age of 25, he published his famous novel *Buddenbrooks*, which he had begun in Italy and which brought him international recognition A saga of family life, and the precursor of a number of other works of this type, it was subsequently translated into many languages and has sold more than 1,200,000 copies In the decade before the First World War he wrote the novels *Royal Highness* (1906) and *Death in Venice* (1912), as well as many short stories.

A conservative and nationalist in the early part of his life, Thomas Mann gave strong support to the policy and war aims of Imperial Germany during the 1914-18 war After 1918, however, his views underwent a radical change, and in subsequent years he became famous in both Europe and America as one of the most ardent champions of democracy Bitterly opposed to the National Socialist regime, he left Germany when Hitler came to power, and lived for some years in France and Switzerland before accepting an invitation from President Benesh to become a Czechoslovak citizen His German nationality was cancelled by the Nazi regime, which he strongly attacked in speeches and writings.

Forced to leave Czechoslovakia in 1938 through the Nazi aggression against that country, he went to the U S A., where he was naturalized, and became Lecturer in the Humanities at Princeton University. In the immediate pre-war period he uttered frequent warnings against the dangers of the "appeasement" policy, and during the Second World War made many anti-Nazi broadcasts to Germany. He returned to Germany in 1949—for the first time since his self-imposed exile in 1933—to lecture on the occasion of the 200th anniversary of Goethe's birth, and received the Freedom of Weimar.

In addition to *Buddenbrooks* and the other novels mentioned above, Mann's principal works included *The Magic Mountain* (1924), *Mario and the Magician* (1930), *Lotte in Weimar* (1940), *Joseph and his Brethren* (a "prose epic" based on the Biblical story and completed in several volumes between 1935 and 1945), and *Doctor Faustus* (1948). His political writings included *The Coming Victory of Democracy* (1938), in which he forecast the eventual downfall of the dictators, and *Order of the Day* (1943), his collected essays and speeches. He received the Nobel Prize for Literature in 1929 The Freedom of his native city of Lubeck was conferred on him three weeks before his death, whilst the Federal Order of Merit—the highest award of the German Federal Republic—was conferred on him only three days before he died He held honorary degrees (D Litt) of Oxford and Cambridge

Two of Thomas Mann's six children—Erika Mann (wife of W. H. Auden, the poet) and Klaus Mann—became themselves well-known writers. His brother, Heinrich Mann, who died in 1950 (see 10685 A), was also a distinguished novelist.—(Times - Frankfurter Allgemeine Zeitung - Neue Zurcher Zeitung)

E. UNITED KINGDOM. — Unemployment Figures.

Figures of registered unemployed in Great Britain in the first seven months of 1955 were as follows.

	Wholly Unemployed (including Casuals)		Temporarily Stopped		
	Males	Females	Males	Females	Total
January 10	185,376	95,503	9,321	7,647	297,847
February 14	170,494	95,657	8,483	6,998	281,632
March 14	162,999	88,298	10,616	7,998	269,911
April 18	144,654	81,674	22,930	10,871	260,129
May 16	125,104	73,703	11,122	13,714	223,643
June 13	116,113	64,404	14,221	15,805	210,543
July 11	108,982	56,721	7,708	11,518	184,929

There were 30,884 unemployed in Northern Ireland in July, the figure for the United Kingdom in that month therefore totalling 215,813

In spite of the rail and dock strikes, the number of registered unemployed in Great Britain in June was 13,000 fewer than in the previous month, and fewer than in any June (except 1951) since the war. The July figure of 184,000 unemployed was the lowest since the war, representing 0.9 per cent of the total working population and including 33,896 married women. (Ministry of Labour Gazette) **(Prev. rep. 14041 D.)**

F. FRANCE. — Uranium-mining Company.

The formation of a company (the *Compagnie française des minerais d'uranium*) to explore, prospect, mine, and process deposits of fissile materials in France, and possibly abroad, was announced in Paris on Aug. 24. The company, founded by Rothschilds Frères in co-operation with mining and chemical firms, has an initial capital of 400,000,000 francs, of which 15 per cent will be subscribed by the French Atomic Energy Commission.—(Le Monde, Paris) **(Prev. rep. 14360 A.)**

A. CYPRUS. — Increase in Terrorist Activities. - Anti-Terrorist Measures. - British Protests at Broadcasts from Athens Radio. - Mr. Lennox-Boyd's Visit to Cyprus. - Meetings with Communal Leaders.

Intensified terrorist activities by the underground *Eoka* organization during the past three months, resulting in several deaths, led to a number of arrests in different parts of the island and to anti-terrorist measures by the Government of Cyprus. These and other related developments are described below under cross-headings.

Terrorist Activities. After a comparative lull in terrorist activities since April, a series of bombing and hand-grenade attacks were carried out in different parts of Cyprus on four successive nights between June 19-20 and June 23-24 In Nicosia, a bomb explosion outside police headquarters killed a civilian and seriously injured two policemen and two civilians, as well as causing several minor casualties. Bombs were also thrown outside the Kyrenia residence of General Sir Charles Keightley (C -in-C., Middle East Land Forces) and the Nicosia residence of Brigadier T. E. Williams (of British Middle East H Q staff) without causing any casualties Elsewhere in the island, a Cypriot police sergeant was shot dead by masked terrorists who attacked a police station in the village of Amianos and escaped with several rifles ; a British soldier was wounded when a hand-grenade was thrown into a bar at Famagusta ; and explosions occurred at Paphos and other places.

Several caches of arms and ammunition were found by the police in raids on June 30, ten suspected members of *Eoka* being taken into custody. A reward of £1,000 for information leading to the arrest of the murderers of the police sergeant at Amianos was offered by the police authorities, as well as £500 for information leading to the arrest of the persons who had taken part in the other attacks

A Cypriot detective was shot dead in Nicosia on Aug 28 as crowds were dispersing from a Communist meeting which had condemned the tripartite U K -Greek-Turkish talks due to open in London on the following day (see 14396 A) The murder was carried out by a youth who shot the detective in the back and subsequently escaped in the crowd.

On May 25 a delayed-action bomb had exploded in a Nicosia cinema a few minutes after the Governor of Cyprus (Sir Robert Armitage) and the audience—most of whom were British—had left the building. The cinema was heavily damaged, but no casualties were caused. Two women were injured in a bomb explosion at the Cyprus broadcasting station on Aug. 31.

Sentences on Terrorists. Five Cypriot youths, members of the *Eoka* organization, were found guilty at Larnaka on June 23 of plotting to overthrow the Government by armed force, and were sentenced to terms of imprisonment ranging from three to nine years All had been arrested in connection with the bomb attacks in Larnaka on the night of March 31 (see 14221 A). Pro-*enosis* demonstrators outside the court-room were dispersed by tear-gas.

On June 30 another Cypriot youth was sentenced to four years' imprisonment in Nicosia after he had been found with a bomb in his pocket outside a hotel in which the Governor of Cyprus was dining The defendant pleaded " guilty " to a charge of plotting to overthrow the Government by force

Anti-Terrorist Measures. An emergency law was published on July 15 in the *Cyprus Gazette* giving the Governor powers to detain " any person who he is satisfied has belonged to, or is a member of, an organization which has been responsible for acts of violence directed at the overthrow of the Government." It was officially explained that the law was similar to Defence Regulation 18B issued in Britain during the war , that it would come into immediate effect and would last until Oct 31, 1955, after which it might be extended for six-month periods at the Governor's discretion ; and that persons detained under the law would have the right of appeal to an advisory committee appointed by the Governor.

The following statement was issued by the Government in connexion with this law . " Terrorists have shown by their recent actions their intention to murder police officers, and have also made threats against the Governor, leaders of the Turkish community, and Army personnel. This state of affairs cannot be tolerated, and the Government is confident that in taking the present step it will have the support of all those who have the true interests of Cyprus at heart. A special law is necessary because people are reluctant to come forward with evidence or information for fear of reprisals. It is emphasised that this law is directed only against active terrorists. The Government is determined to bring to an end the acts of terrorism which have been committed against persons and property during recent weeks. Since June 20 attacks have been made resulting in two deaths and injuries to 22 persons."

Forty-six persons had been arrested under the new law by the middle of August as a result of island-wide searches for suspected terrorists carried out by the police and British security forces Arrests were made in Nicosia, Famagusta, Larnaka, Limassol, and Paphos, and in a number of villages, the detained persons including students, clerks, small tradesmen, and a deacon of the Greek Orthodox Church.

Another law was promulgated on Aug. 4 banning persons under 21 from possessing firearms. It also provided for the registration with the police of all firearms in the Colony, and for the imposition of penalties of six months' imprisonment and a fine of £25 for illegal possession of firearms.

Rioting in Nicosia. A 24-hour general strike, sponsored by both Nationalist and Communist unions, was called in Nicosia on Aug 2 to protest against the law giving the Governor powers to detain suspected terrorists without trial The " central committee " organizing the strike warned all shopkeepers and others to close their premises under penalty of being " blacklisted," and ordered the complete cessation of all forms of transport except doctors' cars called to emergency cases The strike call was ignored by the Turkish community but was otherwise generally complied with except in the case of food shops and cafes, which were forbidden by law to close

Damage running into several hundred pounds was caused by demonstrators who attacked the British Council building, Government offices, and a large British grocery store, where windows were smashed and attempts made to set fire to the premises Tear-gas was used to disperse the demonstrators, several of whom were arrested

Mr. Lennox-Boyd's Visit to Cyprus. The British Colonial Secretary, Mr Lennox-Boyd, paid a three-day visit to Cyprus on July 9-11 during which he had discussions with Sir Robert Armitage, members of the Cyprus Government, Archbishop Makarios (leader of the *enosis* movement in Cyprus), leaders of the Turkish community, and the mayors of the leading towns, including the Communist mayors of Famagusta, Larnaka, and Limassol

Anti-British Broadcasts by Athens Radio. A strong British protest was presented to the Greek Government following an Athens radio broadcast of July 19 which accused Britain of using " Hitlerite " and " Gestapo " methods in Cyprus, and which described the action taken against the terrorists as " British Fascist measures " The broadcast said, *inter alia*, that Mr Lennox-Boyd's visit had " resulted in the creation of concentration camps," and added " No Power, no trap, no plot, no tripartite conference, no Boyd [*sic*], no Armitage, no concentration camp, can stop the struggle for liberty of the Cypriot people " In London, the Under-Secretary for Foreign Affairs (Mr. Turton) informed the House of Commons on July 27 that H M. Ambassador in Athens had protested against " this and other recent broadcasts of a malicious and insulting nature which are incompatible with the Greek Government's professed desire for an improvement of relations with the United Kingdom " In addition, the Greek Ambassador in London had been told that such broadcasts had made " a deplorable impression " and were " hampering efforts to settle differences with regard to Cyprus "

A further British protest was presented in connexion with the broadcasting by Athens radio on June 21 of an *Eoka* proclamation which, *inter alia*, called upon the Cypriots to " sweep away all those who, like the constables of the Queen of Britain, hunt you to prevent your national manifestations " It was announced in Athens on June 29 that the protest had been rejected on the ground that the broadcast was a quotation from an Athens newspaper which had published the text of the *Eoka* manifesto The statement said that whilst the Greek Government had done " everything in its power to prevent insults, personal attacks, and incitement to violence," it could accept no responsibility for " the inclusion in broadcast statements of information and comments published in the Press."

The Greek Government protested to Britain on May 21 at the refusal of the British authorities in Cyprus to allow the crews of five Greek aircraft which had landed at Nicosia airport to visit Nicosia itself. It was explained by the British Foreign Office that five *Dakotas* carrying 43 Greek airmen from Korea to Greece had arrived at Nicosia airport on May 19 , that less than an hour's notice had been given of the arrival of these machines , and that, although the Greek Consul-General and his staff were given every facility to meet the aircraft on their arrival, the Governor of Cyprus did not feel justified in allowing the Greek airmen—who were in uniform—to visit Nicosia, in view of the risk of incidents after recent inflammatory broadcasts from Greece.

The Greek delegation at the United Nations asked on July 25 that the General Assembly, at its tenth session in September, should include in its agenda the question of self-determination for Cyprus. The matter had also been raised at the ninth session of the General Assembly in December last, when it had been decided that discussion of the Cyprus question was " inappropriate for the time being."—(Times - Daily Telegraph - Manchester Guardian - U.N. Information Centre, London)

(Prev. rep. Cyprus, 14221 A.)

B. ECUADOR. — Acquisition of British Destroyers.

A British *Hunt*-class destroyer acquired by Ecuador, H.M S. *Quantock*, was handed over to the Ecuadorean Navy at Portsmouth on Aug. 16 and renamed the *Presidente Alfaro*. A second *Hunt*-class destroyer, H.M.S. *Meynell* (renamed the *Presidente Velasco Ibarra*), will be transferred to the Ecuadorean Navy after refitting at Cowes. Both vessels saw active service in the Second World War, during which many *Hunt*-class destroyers (1,000 tons) were built by the Royal Navy. (Times)

C. UNITED KINGDOM. — Agriculture. - Increased Interest Rate on Farm Loans.

The Agricultural Mortgage Corporation raised the interest rate on new farm loans from 4½ to 5½ per cent on Aug. 8. Existing loans, and loans offered but not completed, were unaffected. Outstanding loans from the Corporation to farmers and landowners totalled £25,733,180 on March 31, 1955.
(Times - Daily Telegraph) **(Prev. rep. 13277 C.)**

A. UNITED NATIONS. — Expanded Programme of Technical Assistance. - Report of Technical Assistance Board. - Postponement of Special U.N. Fund for Economic Development.

The seventh report of the Technical Assistance Board, for presentation to the Technical Assistance Committee of the U.N. Economic and Social Council, was published on July 5 and is summarized below.

The report said that the year 1954 was "another year of paradox" for the U.N. Expanded Programme of Technical Assistance because, although many of the projects begun in previous years had been completed and the success of others had been consolidated, the actual tempo of operations had had to be slowed down owing to a prolonged uncertainty about some contributions and the late payment of others The amount pledged for 1954 had been $25,300,000 and the amount actually collected during the year (including arrears) $28,600,000, but almost one-half of this had only come in during the last quarter of the year As a result, expenditure on the three main forms of assistance—the provision of experts, the award of fellowships, and the supply of equipment—had been reduced from $17,818,000 in 1953 to $15,111,000 in 1954 The report emphasized that this clearly illustrated the difficulty of carrying out what should be essentially a long-term programme on the basis of year-to-year financing, and gave a warning that "until the programme can be planned and implemented on a more continuing basis, it will fall short of the ideals of those who conceived it"

Despite these limitations, technical assistance was given to 97 countries and territories in 1954 and the "two-way nature" of participation by countries was continued Thus, Europe promised $7,120,000 and received assistance amounting to $1,500,000, Asia and the Far East promised $1,288,000 and received $4,650,000, Latin America promised $1,286,000 and received $3,921,000, the Middle East promised $248,000 and received $3,252,000, whilst Africa, though not in a position to offer much assistance, received $1,279,000 The number of experts provided was 1,584 at a cost of $11,194,000, they were recruited from as many as 63 countries and went to 71 other countries Fellowships were awarded to 1,529 persons in 86 countries at a cost of $2,540,000, and the value of equipment supplied was $1,377,000.

The report gave examples of the variety of projects covered by the programme. These included courses in public administration (in Brazil, Libya, and Turkey), fundamental education and community development schemes (Latin America, Libya, Haiti, Egypt, Iraq, Ceylon, Siam), "on-the-job training" for engineers and other skilled workers (Yugoslavia, Turkey, Bolivia, Colombia, Israel, Persia), malaria control (Afghanistan, Ceylon, India, Siam), irrigation and hydro-electric power schemes (Bolivia, Brazil, Ecuador, the Gold Coast, Greece, Iraq, Jamaica, Pakistan, Persia, Syria, Tanganyika, Yugoslavia), fishing-boat mechanization (Ceylon, India), and a scheme for the development of the Amazon Valley. Many of these projects were integrated with programmes of assistance provided from other sources, such as the U N specialized agencies, the U S. Foreign Operations Administration, the Colombo Plan, and the Organization of American States During 1954 a scheme was elaborated under which U.N. resources were used to recruit experts or to place Fellows, with the receiving Government reimbursing the U.N for the cost involved; by this means, the volume of technical assistance could be increased without a corresponding increase in the original technical assistance funds available.

The report gave details of the new procedure which it had been decided to adopt in planning the 1956 programme Recipient countries would be responsible for formulating their technical assistance requirements according to their judgment of the priorities involved and their own national development plans The Technical Assistance Board would then draw up "target figures" for each country on the basis of the funds assumed to be available for the Expanded Programme in the following year, and the Technical Assistance Committee, having reviewed and approved the Programme, would finally allocate funds to the participating organizations (e.g. the specialized agencies) according to their respective shares in the Programme, instead of on the basis of fixed percentages as in the past Thus, while the Board would be responsible for general co-ordination and the Committee for ensuring that the basic objectives of the programme were being effectively promoted, it was hoped that recipient governments, by playing a larger part in the planning themselves, would feel a greater responsibility for the outcome of each project.

On April 20 it was reported in the Press that the Soviet Union was understood to have placed 12,000,000 roubles (more than £1,000,000) at the disposal of the Technical Assistance Board, and that the Governments of India, Burma, Indonesia, Afghanistan, and Chile had expressed an interest in receiving Soviet assistance in the form of technical experts or equipment.

Detailed proposals for a Special U.N. Fund for Economic Development (SUNFED)—the setting-up of which had been recommended in April 1953 (see 13233 A) as a means of supplementing aid to under-developed countries under the Expanded Technical Assistance Programme and other schemes —were put before the U.N. Economic and Social Council on July 27 by M. Scheyven (Belgium), who had been chairman of a body appointed to inquire into the project. The British, U.S., and Soviet delegates, however, all declared that their countries felt unable to subscribe to the Fund until resources had been released through internationally controlled disarmament. Eventually, on Aug. 3, the Economic Committee of the Council approved a compromise resolution by 15 votes to one, with two abstentions, which called for the appointment of a special inter-governmental committee; this would analyse M. Scheyven's proposals in the light of views submitted by Governments before March 31, 1956, and would make two reports to the full Council—an interim one in the summer of 1956 and a final one in the spring of 1957. The two abstentions came from the U.S. and British delegates, both of whom felt that progress would be possible only on the basis of agreement by all members of the Council, and that the creation of an inter-governmental body was premature. Countries supporting the compromise proposal—which the full Council endorsed on Aug. 5—included Ecuador, Egypt, France, India, Netherlands, Norway, Pakistan, the Soviet Union, Turkey, and Yugoslavia. (U.N. Information Centre, London - Manchester Guardian - New York Times) **(Prev. rep. 13367 A; 13121 B.)**

B. UNITED STATES. — Foreign Service.

Appointments in the U.S. Foreign Service during the past ten months are listed below (date of appointment in parentheses):

Mr. Edward T. Wailes, of Washington, as Ambassador to South Africa (Sept 15, 1954) *vice* Mr Waldemar Gallman, who had been appointed Ambassador to Iraq (see 13768 F).

Mr. Gerald A Drew, Director-General of the Foreign Service, as Ambassador to Bolivia *vice* Mr Edward J. Sparks (Oct. 11, 1954)

Mr Henry A Byroade, Assistant Secretary of State for Near Eastern, South Asian, and African Affairs, as Ambassador to Egypt *vice* Mr Jefferson Caffery, retiring after 43 years in the Foreign Service (Nov 26, 1954).

Mr John Davis Lodge, lately Republican Governor of Connecticut, as Ambassador to Spain *vice* Mr. James C Dunn (Dec 28, 1954). Mr. Lodge, a brother of Mr Henry Cabot Lodge (head of the U.S. delegation to the United Nations), was defeated in the Gubernatorial elections in November last by Mr Abraham Ribicoff (Democrat), the present Governor of Connecticut.

Mr James C Dunn, Ambassador in Madrid, as Ambassador to Brazil *vice* Mr James S. Kempner, who had resigned to resume his business career (Dec 28, 1954). One of America's leading diplomats, Mr Dunn had been Ambassador in Paris and Rome before going to Madrid

Mr Robert Hendrickson, formerly Republican Senator for New Jersey, as Ambassador to New Zealand (Jan. 12, 1955).

Mr. John Sherman Cooper, formerly Republican Senator for Kentucky, as Ambassador to India *vice* Mr. George V Allen, who had been appointed Assistant Secretary of State for Near Eastern, South Asian, and African Affairs in succession to Mr. Byroade (Jan. 27) Mr. Sherman Cooper was well known in Congress as a "liberal" Republican

Mr. Homer Ferguson, formerly Republican Senator for Michigan, as Ambassador to the Philippine Republic *vice* Admiral Raymond A. Spruance (March 11). Mr. Ferguson was formerly chairman of the Senate Republican policy committee.

Mr William Lacy, Counsellor at the U S. Embassy in Manila, as Ambassador to the Republic of Korea *vice* Mr. Ellis O. Briggs, who was appointed Ambassador to Peru (March 28).

Mr. Frederick Reinhardt, Counsellor at the U S Embassy in Paris and American political adviser at Supreme Headquarters, Allied Powers in Europe, as Ambassador to South Vietnam *vice* Mr. Donald Heath (April 13), who had been appointed Ambassador to the Lebanon It was explained that Mr. Reinhardt would be the principal U S. diplomatic officer in Vietnam, whilst General J Lawton Collins would continue as special U S representative with the personal rank of Ambassador.

Mr. Edward J. Sparks, lately Ambassador to Bolivia, as Ambassador to Guatemala *vice* Mr. Norman Armour, retiring (May 6).

Mr. Selden Chapin, Ambassador to Panama, as Ambassador to Persia *vice* Mr Loy Henderson, who had been appointed Deputy Under-Secretary of State for Administration in the State Department (May 20). Mr. Chapin, a career diplomat for 30 years, had previously served as Ambassador in Budapest and The Hague

Mr. Richard Lee Jones, head of the Foreign Operations Administration in Liberia, and vice-president of a Chicago department store, as Ambassador to Liberia *vice* Mr Jesse D. Locker (May 20), who had died some weeks previously Mr. Jones, like his predecessor at the Monrovia Embassy, is a Negro.

Mr. Robert H. Thayer, a member of the Operations Co-ordination Board of the National Security Council, as Minister to Rumania *vice* Mr Harold Shantz (Aug 18).

Mr. John E. Peurifoy (48), the U.S. Ambassador to Siam, was killed in a car crash on Aug. 12, together with his nine-year-old son. Mr. Peurifoy had succeeded Major-General William K. Donovan as Ambassador in Bangkok in September, 1954. He had previously been Ambassador to Greece and Guatemala.—(New York Times - New York Herald Tribune)

(Prev. rep. Foreign Service, 13768 F.)

A. GREECE - TURKEY - UNITED KINGDOM. — Opening of London Conference on Eastern Mediterranean Problems and Cyprus Question.

Sir Anthony Eden informed the House of Commons on June 29 that H.M. Government had invited Greece and Turkey to a conference on strategic and other problems affecting the three countries in the Eastern Mediterranean, at which the Cyprus question could also be discussed. His statement was worded as follows:

"H.M. Government have been giving further consideration to the strategic and other problems affecting alike the United Kingdom, Greece, and Turkey in the Eastern Mediterranean. They consider that the association of the three countries in that area, based on mutual confidence, is essential to their common interest. H M. Government accordingly invite the Greek and Turkish Governments to send representatives to confer with them in London at an early date on political and defence questions which affect the Eastern Mediterranean, including Cyprus.

The Government very much hope that the Greek and Turkish Governments will accept this invitation. The terms of the invitation are not restricted, and it is our intention that there should be no fixed agenda and that these discussions should range widely over all the questions involved. The discussions will be without prior commitment by any party."

The convening of the tripartite conference was welcomed by Mr. Attlee (Leader of the Opposition) and Mr. Clement Davies (the Liberal leader).

The Turkish Government announced its acceptance of the British invitation on July 2. The Greek Government's acceptance was announced on July 5 by M. Stephanopoulos (the Greek Foreign Minister), who was then in Strasbourg for a meeting of the Council of Europe's Consultative Assembly at which he had had discussions with the British Foreign Secretary, Mr. Macmillan.

The tripartite conference opened at Lancaster House in London on Aug. 29. It was agreed that Mr. Macmillan would act as chairman and that regular communiqués would be issued, although the proceedings would be confidential.

Prior to the opening of the conference, it had been announced that the British delegation would be headed by Mr. Macmillan and that its other members would include Mr Lennox-Boyd (Colonial Secretary), Mr Hopkinson (Minister of State, Colonial Office), Lord Carrington (Parliamentary Secretary, Ministry of Defence), Sir Charles Peake (H M Ambassador in Athens), Sir James Bowker (H.M. Ambassador in Ankara), Sir Robert Armitage (Governor of Cyprus), Air Marshal Sir Ronald Ivelaw-Chapman (Vice-Chief of Air Staff), and Lieut.-General W. P Oliver (Vice-Chief of Imperial General Staff)

The Greek delegation was headed by M Stephanopoulos and included M. Kanellopoulos (Minister of Defence) and the Greek Ambassadors in London and Washington. The Turkish delegation was headed by M Zorlu (acting Foreign Minister and Minister of State) and included M. Ethem Menderes (Minister of Defence), the Turkish Ambassadors in Athens and Bonn, and the Chargé d'Affaires in London.

Representatives of Greek Cypriot organizations and of the Turkish minority in Cyprus were also present in London while the conference was in session. The Greek Cypriots were led by the mayors of Famagusta and Lanarka, and the Turkish Cypriots by Dr Sazil Kuchuk, leader of the Turkish community in the Colony

Archbishop Makarios, head of the Greek Orthodox Church in Cyprus and leader of the movement for *enosis* (union with Greece) in the island, visited Athens from July 11-17 for talks with M. Stephanopoulos and other Greek Ministers, during which he presented a memorandum setting forth the views of the Cyprus Ethnarchy on the forthcoming tripartite conference. In a press statement in Athens on July 16 he said that he disagreed with the Greek Government's "tactics" on the Cyprus question, and that he would have preferred (1) that an immediate appeal had been made to the United Nations, and (2) that the Greek Government had accepted the invitation to a tripartite conference only after the British Government had given an undertaking to grant self-determination to Cyprus The Archbishop expressed the opinion that the London conference was "a trap aimed at torpedoing recourse to the United Nations," and declared that "the people of Cyprus will never accept any decisions of the London conference which do not accord with their rights and aspirations, even if those decisions are endorsed by the Greek Government." In a sermon in St. John's Cathedral, Nicosia, on Aug. 26, Archbishop Makarios reiterated that the decisions of the London conference would only be regarded as binding "if they conform to the will of the people of Cyprus."

On the other hand, the *enosis* campaign was strongly denounced by Dr. Sazil Kuchuk, leader of the Turkish community in Cyprus, in a press statement on Aug. 26 after his arrival in London.

Dr Kuchuk said: "A handful of ambitious adventurers in Cyprus, using Hitlerite methods of propaganda, have concocted a so-called 'Cyprus question.' Unless Greek ambitions are stopped, they could bring about a third world war . . Cyprus was never Greek Historically it is Turkish and geographically a part of Turkey . Britain has neither the legal nor the moral right to hand over Cyprus to any other nation than Turkey should she decide to leave the island The terrorist activities in Cyprus are carried out by a handful of terrorists, egged on by Greece, who threaten with death those who have the island's best interests at heart It is the duty of Britain to stamp out this terrorism"

The following statement on the Cyprus question was issued on Aug. 24 by the Turkish Prime Minister, M. Adnan Menderes, before the Turkish delegation left Istanbul for the London conference:

". . The Cyprus issue has artificially reached an acute state during the past two years, at a time when a number of other and more important world-wide issues have been causing much concern to responsible statesmen As a result of deliberate and systematic incitement, the situation in the island has greatly deteriorated, and there is a rumour that disturbances may take place which may lead to a massacre of the Turkish population We trust that the local authorities are taking the necessary steps to meet the situation, but I wish to assure the Turkish population that whatever happens they will not be left unprotected

It is said that the majority of the population in Cyprus is Greek, but this majority criterion in a given area cannot override other geographical, political, economic, and strategic considerations At the time of the Lausanne conference Turkey proposed a plebiscite for Western Thrace, but Greece refused it To-day Greece relies on the majority issue. After obtaining Crete and other islands, Greece attempted after the First World War to conquer Anatolia; surely that attempt was not based on the 'majority of population' argument We are anxious to continue Turco-Greek co-operation and friendship on the basis established by the late Atatürk and Venizelos, but the events of to-day remind us of the dangers for our national existence which manifested themselves at that time.

The Greek Government, like any other Government, may be faced with troubles and difficulties, but these should be met in a manner not disturbing to the safety of their neighbours or world peace The Turkish Anatolian coast is to-day surrounded by the advanced posts of a foreign Power [i e the Soviet Union], and Cyprus is the only area free from this danger. Consequently, the Turkish thesis which will be put forward at the London conference is that the maintenance of the *status quo* is the minimum acceptable to Turkey If a change occurs in the status of the island, it should revert to Turkey.

The pressure exerted by irresponsible persons in the Greek Government has been going on for months, but there are limits to the forbearance that one may feel for such tactics. We cannot understand how a Government can treat a provincial cleric like an independent State and bow to his wishes. I want to emphasize that neither to-day nor tomorrow could we accept a status for Cyprus incompatible with the interests of Turkey"

The leaders of the two principal Opposition parties in Turkey —the People's Party and the National Party—fully endorsed M. Menderes's declaration.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Cyprus, 14394 A.)**

B. AUSTRIA. — Agreement on Compensation for Jewish and non-Jewish Victims of Nazi Persecution.

After negotiations which had lasted for 2½ years and had repeatedly broken down, agreement was reached on July 18 between the Austrian Chancellor, Dr. Raab, and the president of the World Committee for Jewish Claims, Dr. Nahum Goldmann, on the settlement of Jewish compensation claims for victims of the former Nazi régime in Austria who were now living abroad.

The agreement provided that the Austrian Government would for 10 years make payments into a fund for the relief of such victims, up to a total of 550,000,000 schillings ($22,000,000). Out of this fund, former Austrians now resident abroad, irrespective of their present nationality, would receive compensation grants ranging from $1,500 to $3,000 per person according to need, no distinction being made between Jews (estimated at 95 per cent of the persons concerned) and non-Jews

Earlier Austrian legislation had already provided for special relief payments to Jewish victims of Nazism living in Austria, whilst other Austrian laws had enabled Jewish victims to recover the property and businesses taken from them during the period of Nazi rule. The difficult question of heirless Jewish property (i.e., property belonging to families which had been completely wiped out in Nazi concentration camps) was settled by the Austrian State Treaty, which laid down that all such property in Austria must be allocated to a fund for victims of political persecution in that country.

The World Committee for Jewish Claims stated on July 19 that the amount available for Jewish victims under the new agreement and the earlier Austrian relief legislation would exceed $40,000,000, and that it was estimated that it would benefit 15,000-17,000 needy Jewish families now living in the U.S.A., Britain, and Israel.—(Wiener Zeitung - New York Times - World Jewish Affairs) **(Prev. rep. 12419 A.)**

A. AVIATION.—Military and Civil Aircraft Developments in Britain, the U.S.A., France, and Canada. - Report of Court of Inquiry on "Comet" Airliner Disasters. - B.O.A.C. Order for 20 New "Comets." - Experiments with Vertical Take-off Aircraft. - The "Flying Bedstead," "Flying Platform," etc. - Canadian "Flying Saucer" Project.

A number of developments of new military and civil aircraft and aero-engines in Britain, the United States, France, and Canada, details of which were published in the British, American, French, and Canadian Press, are summarized below under cross-headings.

British Military Aircraft.

Supersonic Fighters. Britain's first interceptor fighter capable of exceeding the speed of sound in level flight, the English Electric *P-1* powered by Armstrong Siddeley *Sapphire* turbo-jet engines, flew for the first time on Aug. 4, 1954. It was announced that 20 pre-production aircraft had been ordered to shorten the development period.

The second U K aircraft capable of level supersonic speed—the *Fairey Delta 2*—made its maiden flight on Oct 6, 1954 This aircraft, a single-seat mid-wing design of all-metal construction, has very thin dart-shaped wings and an elongated fuselage which can be lowered in flight to give the pilot a good forward view, it is powered by a Rolls-Royce *Avon* jet engine

The "Gnat." Mr Selwyn Lloyd, then Minister of Supply, announced on March 24, 1955, that an order for a number of *Gnats* for development purposes had been placed with the Folland Aircraft Company The *Gnat* (powered by a Bristol *Orpheus* jet engine) was first envisaged as an interceptor aircraft because of its rate of climb and performance at high altitudes, but can also be employed as a fighter-bomber; it is a development of the Folland *Midge*, which in level flight has a top speed of over 600 m p h and has dived at supersonic speed.

The "Sherpa." It was announced by Short Bros and Harland (Belfast) on Oct 6, 1953, that the *Sherpa*, a research aircraft designed as a forerunner of planes intended to fly at high speed at altitudes of over 60,000 feet, had made its first flight It had earlier been announced that the *Sherpa* embodied a revolutionary wing structure, known as the "aero-isochnic" wing, designed to prevent the form of instability caused when a normal swept-back wing bent upwards under the pressure of air loads The aircraft was produced as part of the company's own research programme and not under a Ministry of Supply contract It was explained that the "aero-isochnic" wing could be used either for fighters or for civil aircraft

New Bomber Types. The second Avro *Vulcan* delta-wing bomber, powered by Bristol *Olympus* jet engines (as opposed to the first *Vulcan* which used Rolls-Royce *Avon* engines), made its first flight on Sept 3, 1953

The *Valiant B* (Mark II), a new version of the Vickers-Armstrong *Valiant* swept-wing jet bomber powered by four Rolls-Royce *Avon* engines, made its maiden flight on Sept. 4, 1953

It was announced on July 30, 1954, that a new type of the English Electric *Canberra* twin-jet bomber, known as the *B8* and powered by more powerful Rolls-Royce *Avon* engines, had made its first flight a week earlier. The plane is designed for two roles—long-range intrusion at night to attack ground targets, and high-altitude bombing Unlike the usual *Canberra* bombers, which are unarmed, the night intruder version is fitted with forward-firing armament which can be controlled by the pilot It was stated that this version of the *Canberra* was also being made under licence in the United States by the Glenn Martin Company.

Delta-wing Fighter-Bomber. It was announced on Feb 11, 1954, that a new Avro delta-wing jet fighter-bomber would be developed from the Avro *707* delta-wing jet research aircraft It was designed to meet NATO requirements for a lightweight, inexpensive, ground-attack jet aircraft, with supersonic combat performance, capable of operating from temporary airstrips in close support of ground forces Its cost would be less than a third of conventional fighters and it would be able to carry a heavy load of rockets, cannons, and bombs.

The "Seamew." Details of a new type of anti-submarine aircraft were disclosed on Aug 31, 1953 The plane, built by Short Bros and Harland and known as the *Seamew*, is powered by a *Mamba* airscrew-turbine It can be mass-produced comparatively cheaply, carries a crew of two, and has special electronic search equipment and anti-submarine weapons It was specifically designed for operating from light escort carriers, merchant vessels fitted with flight decks, and short coastal airstrips.

Transport Planes. The Secretary of State for Air (Lord De L'Isle and Dudley, V.C.) announced on June 23, 1954, that the *Vickers-1000* (see 12904 A) would replace the *Hastings* as the Army's transport aircraft, and that the Government had placed a "sizeable order" He added that the *Vickers-1000* could carry 120 troops with their equipment for distances of up to 2,500 miles, that it would be fitted with an internal lift and other special devices to enable it to be used for freighting, and that a further order had also been placed on behalf of the Royal Air Force for the Blackburn *Beverley* (the largest freight aircraft yet produced in Britain), which weighed 60 tons and could carry a load of about 20 tons.

"Prone Pilot Meteor." The first British jet aircraft to be flown by a pilot lying in the prone position, with body, head, and elbows supported by shock-absorbing "cushions," made its maiden flight on Feb. 10, 1954. The aircraft is an adapted Armstrong Whitworth night-fighter version of the *Meteor* interceptor, and the object of using the prone position is to reduce the effect of the great gravitational forces to which a pilot is subjected when flying at very high speeds

Jet Deflection. The Westland Aircraft Company (Yeovil) announced on Feb. 14, 1955, that tests had been carried out of the first British aircraft equipped with jet deflection—a method of obtaining lift from the thrust of an aircraft's engines instead of solely from its wings By deflecting the blast from its jet engines downwards, the plane—a *Meteor* fighter using Rolls-Royce *Nene* engines—was able to take off with a shorter run and to land at a lower speed, it was stated that when using 60 per cent thrust during the approach to land, the approach and stalling speeds were reduced by as much as 20 per cent It was subsequently announced that, following further experiments, the plane had been handed over to the Royal Aircraft Establishment for "ultra-slow" speed tests

On June 10 it was announced that the Bristol Aeroplane Company and the *Société Française d'Etudes et de Construction de Moteurs d'Aviation* (S N E C M A), one of the French national aircraft companies, had entered into a licence agreement under which the B A C. had secured rights to the French company's jet deflector and reverser device for application to the Bristol range of gas-turbines.

Rocket Motors. It was announced on Aug 22, 1955, that, with the approval of the British and U S Governments, Rolls-Royce Ltd and North American Aviation Inc. had entered into an agreement which would enable the British company to manufacture under licence rocket propulsion systems designed by the U.S company The agreement, which was for 10 years, also provided for the exchange of technical information on engineering and manufacturing developments relating to rocket motors, particularly in their application to guided missiles

Details of the use of British liquid-propellent rocket motors in aircraft (as opposed to their use in guided missiles) had been given on April 28, 1955, when the de Havilland Engine Co and Armstrong Siddeley Motors announced impending flight trials of two rocket motors which they had developed, the *Spectre* and the *Screamer* According to the announcements, rocket motors would be used to give interceptor fighters more height, manoeuvrability, and speed, and their great advantage lay in the fact that they were entirely independent of the atmosphere and could therefore maintain their thrust at extreme altitudes, or even in outer space where no other type of engine could operate Theoretically, they could operate from sea-level to infinite height because their power increased as the altitude increased, in practice, however, they would be used as a take-over source of power from the jet turbine when additional climb, height, and speed were needed in combat.

Early in 1955, it was stated, the *Super Sprite* (also produced by the de Havilland Co.) had become the first rocket motor to pass the Ministry of Supply's test and so to qualify for quantity production and general service use Details of the *Super Sprite* had been released on Aug 19, 1953, when it was pointed out that an important feature was the solid catalyst which broke down hydrogen peroxide into steam and oxygen which provided the thrust; additional energy—which could be used either to increase thrust or to prolong the rocket's operation—was created by injecting petrol or kerosene into the thrust stream.

On July 30, 1954, Mr. Duncan Sandys (then U.K. Minister of Supply) had informed the House of Commons that the British and U.S. Governments had approved arrangements for closer collaboration in the development of guided missiles, which were "urgently needed for the common defence."

British Civil Aircraft.

The Avro "Atlantic" Airliner. It was announced on June 11, 1953, that Britain's first delta-wing civil airliner, the *Atlantic*, had reached the project stage. A development of the Avro *Vulcan* bomber, the *Atlantic* was designed to fly non-stop from London to New York in under seven hours, carrying 76-131 passengers at more than 600 m.p h. at an altitude of over 40,000 feet. Passenger accommodation will be forward of the noise-cones of the jets

The "Viscount" Airliner. It was announced on Nov. 11, 1954, that agreement had been reached between the British Air Registration Board and the U S. Civil Aeronautics Administration on conditions for the validation of the *Viscount* in the U.S.A. A few weeks later (Dec. 2) Capital Airlines, the U S. operators, exercised their option to order a further 20 *Viscounts*, bringing the total value of the contract, with spare parts, to $67,000,000 (about £24,000,000) The managing director of Vickers-Armstrongs' aircraft division, Mr. G. R. Edwards, stated on May 17, 1955 (the date on which the first of the *Viscounts* for Capital Airlines was handed over) that 55 *Viscounts* had so far been delivered, 97 would have been produced by the end of 1955, 71 would be produced in 1956, and the current production orders for 200 aircraft would be completed by the middle of 1957.

Further orders for *Viscounts* were announced during recent months as follows. Trans-Australian Air Lines, 4; K.L.M. (Royal Dutch Airlines), 9; B O A C, 12; Indian Airlines, 5, U.S. Steel Corporation, 3, Standard Oil Co. of California, 1; Howard Hughes Tool Co. of Delaware, 1. The order from the K L M was particularly notable, since it was the first substantial order placed by the company with the British aircraft industry.

The "Comet" Airliner. - Report of Court of Inquiry. The Court of Inquiry into the *Comet* disasters near Elba and Naples in 1954 (see 13486 A and 13549 A) sat under the presidency of Lord Cohen (a Lord of Appeal) from Oct. 19 to Nov 24, 1954, and published its report on Feb. 12, 1955 Three assessors had been appointed by the Lord Chancellor: Sir William Farren (a former director of the Royal Aircraft Establishment), Professor W J. Duncan (Mechan Professor of Aeronautics and Fluid Mechanics at Glasgow University), and Air Commodore A H. Wheeler (Officer Commanding the Ministry of Supply's Aeroplane and Armament Experimental Establishment at Boscombe Down, Wiltshire).

Among the main evidence given during the inquiry was that presented by Sir Arnold Hall, the present director of the Royal Aircraft Establishment where exhaustive investigations had been carried out with a view to reconstructing the actual disasters These investigations—described by Sir Lionel Heald, representing the Crown, as "one of the most remarkable pieces of scientific detective work ever done"—included a novel method of testing a whole *Comet* immersed in a huge water tank and subjected to heavy pressures.

In his report, Lord Cohen stated that he had "unhesitatingly" reached the decision that the first disaster, near Elba, had been caused by the structural failure of the pressure cabin, brought about by metal fatigue. Although it had been impossible to recover any appreciable wreckage from the second disaster, and therefore to give a positive verdict on its cause, in view of the similarity of the circumstances it was "at least possible" that the cause of the Naples disaster had been the same Lord Cohen found that neither accident had been due to any wrongful act, default, or negligence He accepted the view of the R A.E. that the structural failure was due to metal fatigue, and rejected the other explanations put forward at the public inquiry. He also approved decisions made by the Air Registration Board—announced during the inquiry on Nov. 13—regarding further requirements to be met before certification of prototypes, these included the need for complete cabins of pressurized aircraft to undergo water-tank tests, for entire components to be made available for fatigue testing, and for at least two airframes of each prototype to be provided—one for static testing and the other for fatigue testing.

During his evidence Sir Arnold Hall reported that the R A E. had "formed the opinion that the accident at Elba was caused by structural failure of the pressure cabin," and added that the low-fatigue resistance of the cabin had been demonstrated. Tests had shown that, in view of the age of the plane at the time of the accident, there was a distinct risk of fatigue failure arising In addition to the water-tank pressure tests, another *Comet*, manned by more than 20 scientists, had carried out experimental flights for more than 100 hours under conditions as near as possible to those known to exist at the time of the crash.

An experiment had also been carried out with a scale model of the pressurized cabin, fitted with scale seats and dummy passengers. The model had been placed in a pressure chamber under conditions simulating an altitude of 40,000 feet, and had then been charged with air at 8¼ lb above external pressure The cabin had burst at the top near the point where the Elba-disaster *Comet* was believed to have burst, with substantially the same kind of hole. Photographs of the experiment showed that 6/1000ths of a second after the burst no particular disturbance had occurred in the cabin. After 1/30th of a second some of the seats had begun to move forward, and after 1/10th of a second complete chaos had developed in the cabin, one then saw the dummy passengers hitting the roof and seats flying about in all directions Sir Arnold, who said that some photographs showed dummy passengers going straight through the hole in the cabin "without touching," believed that something like this had happened in the actual disaster.

At the conclusion of his evidence, Sir Arnold Hall gave it as his view that there was no inherent defect in the *Comet* airliner and that, provided a thicker gauge skin was used and there was some strengthening of the fuselage and wings, there was no reason why the *Comet*—which was a "safe aircraft, well designed and well made"—should not go back into service and have a "very successful career"

In a joint statement issued on March 17, 1955, by the de Havilland Aircraft Company and B O.A C., it was announced that the latter had decided to buy 20 *Comet* aircraft of an entirely new type—a Mark IV fitted with *R.A 29* Rolls-Royce engines The Mark IVs, delivery of which would start in 1958, would carry 58 first-class passengers on a stage flight of 2,870 miles, against a headwind of 50 m p.h., and would be faster than the earlier *Comets*. The structural design improvements to be incorporated were the result of research carried out at the Royal Aircraft Establishment, and of the findings of the Court of Inquiry.

The "Britannia" Airliner. The first production model of the *Britannia* airliner (Mark 100) carried out high-altitude and tropical trials in Africa from March 13-April 13, 1955. The journey out to Johannesburg (6,070 statute miles) was completed in 17 hr. 24 min., although the actual flying time was only one minute better than the *Comet's* record, the elapsed time of 18 hr 52 min compared with the *Comet's* 21 hr. 40 min. The chairman of B.O.A.C., Sir Miles Thomas, said that the *Britannia* had made a very good impression and that it was hoped to have six in service by the summer of 1956, starting with the London-Johannesburg route

The Bristol Aeroplane Company announced on March 17 that Israel Airlines (*El Al*) had decided to acquire three *Britannia* airliners (Mark 300 LR) and had asked for an option on a further two. The Mark 300 LB, a development of the Mark 100, is powered by *Proteus* engines and has increased pay-load capacity and range.

U.S. Military and Civil Aircraft.

Military Aircraft. It was announced on April 15, 1955, that further research on the U S Air Force's new *F-102* interceptor fighter had enabled it to reach a speed of 800 m.p h Intended as a front-line interceptor for defence purposes, this delta-wing plane, is able to operate in all kinds of weather and will be armed with *Falcon* guided missiles, which, it is claimed, can "destroy any enemy bomber in the world"

On Aug 25, 1953, it had been announced that the *B-36*, the world's heaviest known bomber, could carry a *Thunderjet* fighter in its bomb bay, release it, and retrieve it in flight; both aircraft were also equipped for refuelling in flight from tanker planes On Oct 14, 1954, the U S A F stated that it had ordered 'initial production" of its first supersonic bomber—the Convair *B-58*, a medium-weight development of the heavy *B-52* which itself had a range of about 6 000 miles

The Boeing "Stratoliner." The first U.S. jet airliner, the Boeing 707, to be known as the *Stratoliner*, made its maiden flight on July 15, 1954, and later made further test flights at over 42,000 feet and at speeds "above four-fifths the speed of sound." It was stated on Sept. 17 that the *Stratoliner*—popularly regarded as the U S answer to the British *Comet*—would be capable of carrying 80-130 passengers on regular non-stop New York-London flights of under seven hours It is powered by four Pratt and Whitney *JT-3L* engines, each of 10,000 lb thrust, suspended from the swept-back wing

The Douglas "DC-8." The Douglas Aircraft Company announced on June 7, 1955, that it had under construction a jet transport plane, the *DC-8*, which would be ready for flights between the U S A and European cities in 1959. The plane, which would be of swept-wing design, would be powered by four Pratt and Whitney *J-57* jet engines, and would carry 80-125 passengers at speeds of up to 550 m.p.h

The Lockheed "Electra." An American challenge to the British *Viscount* turbo-prop airliner—the *Electra*—was announced by the Lockheed Aircraft Corporation on June 9, 1955. The plane, which was said to have a cruising speed of 400 m.p.h., will initially be powered by four *Allison Model 501* engines, will have a range of 2,000 miles, but will also be operationally-economical over short- and medium-range routes Delivery of a 65-seat version of the *Electra* (an order for 35 of which had already been placed by one of the largest U S domestic operators, American Airlines) is expected to begin in 1958

French Military and Civil Aircraft.

Military Aircraft. A new French aircraft, the *Vautour* ("Vulture"), broke the sound barrier—being the first French plane to do so—on June 30, 1953. The manufacturers, the *Société Nationale de Constructions Aéronautiques du Sud-Ouest* (S N.C A S O.), were said to have produced three versions of the *Vautour*—a night fighter, a ground-attack aircraft, and a light two-engined bomber of which the French Government has ordered 70 units The *Vautour* is powered by two *Atar B* engines.

It was reported in August 1954 that the Marcel Dassault *Mystère 4N*, a night version of the *Mystère 4* fighter for which NATO offshore orders had been placed (see 13061 A), had recently flown for the first time. It was also reported that a prototype of the *Mystère 4B*, an improved version of the *Mystère 4*, had already flown many times The aircraft, 150 of which will be built for the French Government, is powered by a Rolls-Royce *Avon* jet engine with reheat, and is capable of exceeding the speed of sound in level flight A still more advanced version of the plane, the *Mystère 4B1*, or *Super-Mystère*, was shown during the annual *Salon de l'Aéronautique* held in Paris in June 1955; this machine also achieved supersonic speeds in level flight

During the Paris exhibition, the *Trident*, a new fighter manufactured by S N.C A S O, was demonstrated for the first time. Probably the fastest normal aircraft in the world, the *Trident* (a development of the *Triton*, the first French jet aircraft) has two Armstrong Siddeley *Viper* jet engines on the wing-tips and three rocket motors in the tail of the fuselage During its test flights it had broken the sound barrier, not only in a dive, but also—with rocket assistance—during a climb Also seen at the exhibition was the *Baroudeur*, manufactured by the *Société Nationale de Constructions Aéronautiques du Sud-Est* (S N C A S E); by taking off from a detachable trolley, this plane has the tactical advantage of not being dependent on normally prepared airstrips

Yet another French aircraft flown for the first time in public at the Paris exhibition was the *Leduc 0 21*, variously described as "a diabolically dangerous device" and as "something approaching engineering genius." The *Leduc 0.21*, which takes off from a *Languedoc* airliner, is known as the "flying stovepipe" by virtue of the fact that it has no moving parts but is a pipe into which fuel is steadily pumped and ignited while the air is rammed into it by the sheer speed of the aircraft. Planned to fly at twice the speed of sound, the plane is piloted from a glass cone-shaped cabin which, together with the metal ring to which it is attached, fits into the front of the tunnel-shaped body and which, if necessary, can be ejected in flight

Jet Airliners. It was announced on April 22, 1955, that the Beechcraft Company in the U.S.A. had obtained an option on the construction under licence of a French-designed aircraft, the *Morane Saulnier 760*. This plane, a four-seater, twin-jet, light transport with pressurized cabin, has a speed of 370 m.p h. at 26,000 ft. A new jet airliner, the S N.C A.S.E *Caravelle*, flew for the first time in May, 1955. The *Caravelle*, which is intended to carry up to 70 passengers at

about 480 m.p.h., is unique in that, while it is designed to use the complete nose section and control cabin of the British *Comet*, its two jet engines (Rolls-Royce *Avons*) will be housed not in the wings but in the pods on either side of the fuselage below, and just forward of, the tailplane. Earlier, in August 1954, it was announced that another medium-range jet airliner, the Hurel-Dubois *HD 45*, was also expected to begin flight tests in 1955 This aircraft, powered by *Avon* turbo-jets, is also unique in having a high wing braced by large struts.

Vertical Take-off Aircraft.

A number of experiments with machines capable of taking off vertically have been made in various countries, the published details being summarized below.

United Kingdom. Mr. Duncan Sandys (then Minister of Supply) announced on Sept 6, 1954, that, in conjunction with his Ministry, Rolls-Royce had constructed a research machine—popularly referred to as the "Flying Bedstead"—which, without the aid of wings or motors of any kind but using the vertical lift of downward-facing jet streams, had been able to take off from a normal horizontal position The following details of this machine were released by Rolls-Royce it weighed 3½ tons, was powered by two *Nene* engines discharging their jets downwards, and its movements were controlled by compressed air jets discharged through nozzles at the ends of the cross arms of the simple, light framework These air jets were regulated by the pilot sitting on a platform above the two engines and using a conventional control column and rudder bar It was stated that the machine had flown at heights of up to 25 feet.

United States. Two U S Navy fighter aircraft capable of taking off vertically (though not from a normal horizontal position) were made public on March 15, 1954 the *XFV-1*, built by the Consolidated Vultee Aircraft Corporation, and the *XFV-1*, built by the Lockheed Aircraft Corporation The *XFV-1*—later named the *Pogo*—has a delta wing, the two corners of which, together with two large fins, forms a base on which the plane rests for its vertical take-off; it is powered by a 5,850 h p Allison-built gas turbine engine driving two contra-rotating propellers. In a demonstration flight on Nov. 5, the *Pogo* flew at over 500 m.p h. and then backed straight down on to its tail. The *XFV-1* has a conventional wing with a mild sweep-back and stands on four fins, it also has an Allison turbo-prop engine. An official of the Lockheed Company said that the plane was "designed to perform a number of varied but still secret missions and to carry various kinds of armament, including atomic weapons."

Details of a number of machines designed to rise vertically from a normal horizontal position were released in the first six months of 1955. They were of three kinds—those lifted by rotor-propellers (similar to a helicopter), another lifted purely by jet engines (similar to the British "Flying Bedstead"), and a third using a new principle of lift and propulsion known as the "ducted fan."

The first kind included the Bell *XV-3*, the McDonnell *XV-1*, and a plane built by the Transcendental Aircraft Corporation The *XV-3*—designed specifically with a view to increasing military mobility—has a three-bladed rotor-propeller mounted on a mast at the end of each of its two fixed wings; these act as helicopter lifting rotors during take-off, landing, and low-speed flight, and can then be tilted through an arc of 90 degrees to serve as aeroplane propellers for higher-speed flight. During the conversion from vertical to horizontal flight—taking about 15 seconds—the lift load of the plane is designed to be borne by the fixed wings The *XV-1*, which is designed to carry three passengers, has a single three-bladed rotor-propeller on top of its fuselage, powered by small pressure jets at the top of each blade, its forward flight is achieved by means of another propeller installed in the rear of the fuselage. The Transcendental plane is similar to the *XV-3* in that conversion from vertical to horizontal flight is brought about by tilting the rotors at the end of each wing

The plane using jet thrusts to lift it off the ground was also built by the Bell Aircraft Corporation. Known as the "Magic Carpet." it is powered by two Fairchild *J-44* jet engines which not only eject air downwards from the wing-tips and the tail to lift it vertically, but can be tilted so as to direct the thrust for the purposes of horizontal propulsion. The plane has no wheels and is piloted from an open cockpit

The third kind of machine, which was manufactured for the U S. Navy by the Hiller Helicopter Company, was said to have made its first flight on Feb 4, 1955. Variously described as "an airborne manhole cover" and "a cast-iron stew-pot on four short legs," but officially known as the "Flying Platform," the device is about six feet in diameter and 30 inches high, and can be flown by a man standing in the centre of the platform, the directional flight of which is altered by the pilot leaning in the direction he wishes to go. The "ducted fan" mothod of lift and propulsion is achieved by two propellers rotating in opposite directions, sucking air through holes in the platform and supplying a downward thrust to give the vertical lift Enclosed in a circular casing which protects the pilot from the blades, the propellers are powered by separate engines which together develop less than 100 h.p. The U.S Navy announcement giving details of the "Flying Platform" said that its flights had indicated that the methods employed had possible application in larger vertical flight aircraft.

France. As early as April, 1953, it was announced by S.N.C.A S.O. that the first French combined helicopter and aeroplane—known as the SO-1310 *Farfadet*—had been completed and would shortly make its test flights. According to the announcement, the *Farfadet* has two independent jet engines, one powering the plane in ordinary flight and the other driving the helicopter rotor-blades mounted on top of the fuselage It is capable of carrying a pilot, an assistant, and three passengers at a cruising speed of about 180 m.p.h.; eventually, however, it is expected that a larger model capable of carrying 20-30 passengers will be built.

Towards the end of 1954 details of a new design-principle for a vertical take-off aircraft were made public by another nationalized aero-engine company, S.N.E.C.M A. Known as the *Coleoptère* ("Beetle"), the design is a development of a principle evolved by the *Bureau Technique Zborowski*, and is the first example to be made known of an aircraft in which the power plant and the airframe were closely integrated. The essential feature of the *Coleoptere* is an annular wing which surrounds the engine and, in addition to acting as the lifting surface, serves as the housing for the power plant. The annular wing, being tubular in form, was said to be intrinsically one of the stiffest and lightest structures known to engineering, to cause less drag than any conventional shape, and to give excellent manoeuvrability and a high rate of climb. The main fields of application foreseen for the *Coleoptère* were as a supersonic interceptor, for certain types of guided missile, and for high-speed ground support aircraft; they could be single- or multi-engined, jet or airscrew. Among projects envisaged by the B T Z. were the *Charençon VI*, a pilotless interceptor, said to be capable of climbing to 2,000 metres in about two minutes and of achieving a speed of more than 1,300 m.p.h., a civil *Coleoptère*; and a *Bruche* piloted ground-attack machine powered by an *Atar 101* turbo-jet fitted with reheat and a ram-jet engine, and capable of a maximum speed of 900 m.p.h.

Canadian "Flying Saucer" Aircraft.

Reports that an attempt had been made in Canada to build a "Flying Saucer" type of aircraft were confirmed on Dec. 2, 1954, by the Canadian Minister of Defence Production, Mr. C. D. Howe, who added, however, that the project had been dropped. "We did engineering on it," said Mr. Howe, "and proved to ourselves that it would fly, but we did not carry it to the mock-up stage because it did not seem to have any useful purpose."

A description of the machine (which was then thought to be in an advanced stage of design at the Avro Canada works at Malton, near Toronto) had been published in the *Toronto Daily Star* and in the *Royal Air Force Review* during the early months of 1953. Said to be nearly circular in shape and to measure about 40 feet across, it was described as being designed to attain level speeds of about 1,500 m.p h and to take off vertically from a tripod-type launching chassis. The pilot was to be seated in a central plastic capsule around which a gas-turbine power plant of unconventional design would rotate at several hundred revolutions a minute; surrounding the rotating power plant and forming the "rim" of the saucer would be the stationary wing, with a series of slot intakes in the leading edge to feed air to the turbine Part of the air intake would be compressed, fed to combustion chambers in the wing, and ejected through a series of exhaust orifices lining the outer rim of the disk; the remainder of the air inflow would be fed over a series of vertical deflector vanes for control purposes The article in the *Royal Air Force Review*, which said that it was claimed that the "saucer" would make 180-degree turns in flight without changing altitude, concluded. "There are very real design reasons for adopting saucer-like shapes. When speeds of the order of twice the velocity of sound are considered, drag is primarily dependent upon the thickness/chord ratio of the wing, and the circular disk offers an acceptable solution to the problems involved."

A spokesman of the Canadian Defence Department stated on Dec. 3, 1954, that, if the "Flying Saucer" project had been carried to completion and to the production stage, the cost would have been about $100,000,000; in fact, however, only a minute fraction of that amount had actually been spent.

The *Globe and Mail* (Toronto) reported on Aug. 23, 1955, that, under a contract said to have been completed several months earlier, the U.S. Government had undertaken to finance the continued development in Canada of the "Flying Saucer" project, which had accordingly become the exclusive property of the U.S. Air Force.—(Times - Manchester Guardian - Daily Telegraph - Financial Times - New York Times - New York Herald Tribune - Le Monde, Paris - Globe and Mail, Toronto) **(Prev. rep. U.K. Aircraft Industry, 12707 A; "Comet" Disasters, 13549 A; 13486 A; "Viscount" Orders, 13765 C; The "Vautour," 12541 A.)**

A. INDIA. — Pondicherry State Elections.

The first elections for a new Legislative Assembly in Pondicherry State since the *de facto* transfer of the former French Settlements to Indian rule took place on July 18-23 and resulted in a victory for the Congress Party, the results being as follows: District Congress 20; People's Front 16; Independents 3. The Pondicherry National Congress and the Tillers' Party failed to obtain any seats. The District Congress was backed by the official Congress Party in India, whilst the People's Front comprised the Communists and Left-wing groups, as well as some Independents.—(The Hindu, Madras) **(Prev. rep. Pondicherry, 13857 A.)**

A. WESTERN GERMANY. — Split in Refugee Party.

The two representatives of the Refugee Party (B.H.E.) in Dr. Adenauer's coalition Government, Professor Theodor Oberländer and Herr Waldemar Kraft, announced on July 11 that they had left the party's parliamentary group in the *Bundestag*, that they had also tendered their ministerial resignations to the Federal Chancellor, and that Professor Oberländer had relinquished the chairmanship of the party. Professor Oberländer is Minister for Refugee Questions, whilst Herr Kraft is Minister without portfolio for special tasks.

The decision of the two Ministers to leave the parliamentary group was the result of internal dissensions which had been evident in the Refugee Party for over a year, and in which 18 of the party's 27 deputies in the *Bundestag* (including the two Ministers), of Right-wing tendencies, had been opposed to the Left-wing policies advocated by the remaining 14 members. The differences between the "13 group" and the "14 group" had led to an open split at the election of the parliamentary party's executive on March 15 last, when Dr. Karl Mocker was elected chairman of the executive by the "14 group" after the two Ministers and their 11 supporters had left the meeting in protest.

In a statement issued on July 11, Professor Oberländer explained that he could no longer carry on within the party in view of the "political tensions and personal insufficiencies" which had come to the fore He also referred to the fact that, contrary to party instructions, four of the party's deputies in the *Bundestag* had signed the Social Democratic appeal to the Federal Constitutional Court against the Saar agreement (see 14331A); that half the members had voted against the estimates for Herr Kraft's Ministry; and that there had been "continual criticism" of his (Professor Oberländer's) own policy. Herr Kraft, in a similar statement, asserted that the party had dissolved itself into *Land* organizations pursuing opposing policies

The Refugee Party in Bavaria, which was previously affiliated to the Christian Social Union, decided after the last *Land* elections to participate in a coalition under the leadership of the Social Democrats In Hesse, similarly, the Refugee Party entered into a coalition Government with the Social Democrats. In Lower Saxony, however, the party is now participating in a coalition Government with the Christian Democrats, Free Democrats, and German Party, although it had previously co-operated with the Social Democrats (see 14022A, 14339A).

Six further Refugee Party deputies left the parliamentary group on July 12, and a seventh on July 14. Two of these joined the Free Democrats, whilst the other seven, including Professor Oberlander and Herr Kraft, formed a special "Oberländer-Kraft" group and were accepted by the Christian Democratic parliamentary party as *Hospitanten* ("guests").

The remaining 18 Refugee Party deputies decided to continue their association as a parliamentary group, whilst a national executive meeting called to consider the crisis appointed the party's deputy-chairman, Herr Friedrich von Kessel (Minister of Agriculture in the new Lower Saxony *Land* Government—see 14339 A) as acting chairman in the place of Professor Oberländer. On July 23 the party's national executive decided to withdraw from Dr. Adenauer's coalition Government. No decision, however, was taken by Dr. Adenauer on the resignation offers of Professor Oberlander and Herr Kraft.

These dissensions in the Refugee Party reduced Dr. Adenauer's majority from 333 to 315 out of a total *Bundestag* membership of 487, thus giving his Government a continued simple majority but depriving it of the two-thirds majority (325) required for constitutional amendments.

(Frankfurter Allgemeine Zeitung)

B. JAPAN - PHILIPPINES.—Reparations Agreement.

President Magsaysay of the Philippines announced on June 14 that he had accepted a draft agreement on Japanese reparations which had been negotiated by his special emissary, Señor Felino Neri, after lengthy discussions with Japanese representatives.

The agreement provided that Japan would pay to the Philippines $550,000,000 in capital goods, services, and cash, and another $250,000,000 in the form of investment funds and development loans. $500,000,000 of the $550,000,000 would be for the supply over a 20-year period of such capital goods as ships, locomotives, complete factories, and machinery; $20,000,000 would be payable in cash within five years to war widows and orphans; whilst $30,000,000 would be for services (including labour and machinery) to salve over 60 ships sunk in Philippine waters during the Second World War, for the reclamation of swamp lands, and for freight and insurance for the delivery of the capital goods. The $250,000,000 in investment funds or loans for industrial development would be furnished by private Japanese interests, and would also be on a 20-year basis.

An earlier draft agreement, negotiated in April 1954 by Vice-President Carlos P. Garcia, had provided for reparations totalling only $400,000,000, but was rejected by President Magsaysay.—(New York Times - New York Herald Tribune)

(Prev. rep. 14215 B; 13921 A; 13420 B.)

C. SYRIA. — Election of President Kuwatli. - Mr. Khaled el-Azem resigns from Cabinet. - Sentence on ex-President Shishakli.

Mr. Shukri el-Kuwatli (64) was elected President of Syria for a five-year term on Aug. 18, after two ballots in the Syrian Chamber of Deputies. He had held the Presidency on two previous occasions: from 1943 to 1948, when he was re-elected for a second term, and from 1948 to March 1949, when he was overthrown by a *coup d'état* staged by the late Colonel Husni Zaim. He had lived in Egypt from 1949 until July, 1955, when he returned to Syria to take part in the election for the Presidency. Mr. Kuwatli will be installed as President of Syria on Sept. 6, when he will succeed the nonagenarian President Hashem Atassi.

On the first ballot in the Chamber of Deputies, Mr Kuwatli received 89 votes (five short of the two-thirds majority required for election) and Mr. Khaled el-Azem 42 votes, whilst one vote was cast for the Saudi Arabian Ambassador in Damascus, Sheikh Abdul Aziz ben-Zeid On the second ballot (in which only a simple majority was required) Mr Kuwatli polled 91 votes and thereby secured election, Mr. el-Azem received 41 votes, whilst one vote was cast for the Prime Minister of Iraq, General Nuri es-Said

Immediately after the election of President Kuwatli, Mr. Khaled el-Azem resigned from the Syrian Cabinet, in which he had held the posts of Foreign Minister and Defence Minister. The resignation was tendered directly to President Atassi and not to the Prime Minister, Mr. Sabry Assali, who was accused by Mr. el-Azem of having violated the agreement on which the present coalition government was based. Mr. Assali and his National Party had supported Mr. Kuwatli's election to the Presidency.

Brigadier Adib Shishakli, the former President of Syria, was sentenced *in absentia* by a Damascus military court on Aug. 15 to 20 years' hard labour on a charge of causing the death of a Syrian Army sergeant during the last days of his régime. The sergeant in question had been imprisoned shortly before the *coup d'état* which overthrew President Shishakli in February, 1954, and had been charged with plotting to assassinate him. Captain Abdulhaq Shihadi, head of the Syrian police at the time, was also sentenced *in absentia* to 20 years' hard labour. Brigadier Shishakli, who had been living in France since his overthrow, arrived at Beirut by air on Aug. 22, bearing a Saudi Arabian passport, and asked permission to enter Syria so that he could reply to the charges made against him. The Lebanese authorities refused this request lest it should disturb relations between Syria and the Lebanon, and Brigadier Shishakli was obliged to return to France.—(Le Monde, Paris)

(Prev. rep. Syria, 14315 B; 14063 B; Brigadier Shishakli, 13463 C; Mr. Kuwatli, 9928 B.)

D. SOUTH-EAST ASIAN DEFENCE TREATY. — Military and Economic Conferences.

A conference of military representatives of the eight member-countries of the South-East Asia Treaty Organization was held at Baguio (Philippines) from April 25-May 5 under the chairmanship of Brig.-General Pelagio Cruz, head of the Philippine delegation.

The conference was held *in camera*, an official statement explaining that it would be inappropriate to disclose the results of the talks, and that the recommendations adopted would be submitted to a meeting of the military advisers to be held at Bangkok. It was unofficially reported that it had been agreed not to set up a permanent military headquarters of the Organization, as had been proposed by Siam and the Philippines.

The military advisers' meeting at Bangkok took place on July 6-8. The SEATO Secretariat announced that the talks were solely of a defensive character; that they would be concerned with preparatory measures necessary to ensure the collective defence of the Treaty area; and that they would take place separately from, but in close co-ordination with, similar discussions on non-military matters, such as economic and other forms of self-help and mutual assistance.

A communiqué said that "good progress had been made" and that further planning meetings by various sub-committees of military advisers would be held in the next few months in the Philippines, Pakistan, Hawaii, Singapore, Australia, Siam, and New Zealand.

A conference of economic experts of the SEATO countries was held in Karachi from June 20-23 under the chairmanship of Mr. Said Hassan, of the Pakistani Ministry of Economic Affairs. It drew up a practical programme of work for the economic development of the region, the communiqué stating that the experts were "in complete agreement on the way they should handle various issues relating to economic problems."

(Times - Daily Telegraph - Le Monde, Paris - New York Times - New York Herald Tribune - Australian News and Information Bureau - Pakistan High Commissioner's Office, London)

(Prev. rep. SEATO, 14062 F.)

SEPTEMBER 3—10, 1955

A. INDIA - PORTUGAL. — The Goa Dispute. - Mass Entry of Indian Volunteers into Goa. - Anti-Portuguese Riots in Indian Cities. - Rupture of Diplomatic Relations between India and Portugal. - Indian Ban on Further Entry of "Satyagrahis" into Goa. - New Statute for Portuguese Settlements.

Demonstrations in Portuguese territory by Indian *satyagrahis* (non-violent resisters) in support of the Goan nationalist movement continued throughout June and July, culminating on Aug. 15 (Indian Independence Day) in the entry into Goa of over 3,000 volunteers, at least 13 of whom were killed by police fire. The existing tension in relations between India and Portugal was intensified by these incidents, and led to the breaking-off of diplomatic relations by India on July 25, and of consular relations on Aug. 18.

On June 25 a party of 147 volunteers, the largest which had so far taken part in the movement, crossed into Goa, one of the volunteers died of his injuries after being beaten by the Portuguese police, and two others were wounded by police fire. Other parties entered Goa on eight occasions during July and four in the first ten days of August, two volunteers being killed on Aug. 3 when the police opened fire, and two seriously wounded. All these groups of volunteers were organized by the Opposition parties, including the Praja Socialists, the Communists, and the right-wing *Jan Sangh* and Hindu Mahasabha.

The attitude of the Indian National Congress was defined by its Working Committee on July 23 in a resolution which stated that it was "the right and duty of the people of Goa and the people of the rest of India, as well as of the Government of India, to strive for the liberation of Goa and integration with the Union of India." The resolution emphasized, however, that all methods employed must be peaceful; stated that "it is principally for the Goans themselves to carry on the struggle"; and deprecated the mass entry of *satyagrahis* from India, as this was likely to change the peaceful nature of *satyagraha* and might prevent the realization of the objectives aimed at. It was observed, however, that the resolution did not forbid individual members of Congress to take part in mass *satyagraha*, so long as they confined themselves strictly to peaceful methods.

The Governor-General of the Portuguese Settlements in India (General Guedes) stated on Aug. 12 (*a*) that 454 Goans and 176 Indian *satyagrahis* had been arrested since July 20, 1954, of whom 132 had been released for lack of evidence, 127 had been expelled to India, and 371 had been held for trial; (*b*) that 193 had been tried, 27 of whom had been acquitted; and (*c*) that 1,120 Indians who had entered Goa since May 18 had been expelled.

The Bombay Transport and Dock Workers' Union decided on July 29 to boycott all foreign ships bound for Goa, three British ships being delayed in consequence during the next few days. About 500,000 Bombay workers took part in a one-day token strike on Aug. 12 called by the Goa Liberation Aid Committee, with the support of the Socialist and Communist trade unions, despite the fact that the strike was opposed by the Congress unions and the State Government. During the strike the Portuguese Consulate in Bombay was attacked by demonstrators, who attempted to hoist the Indian flag over it.

Railway services between India and Goa were suspended by the Indian railway authorities on July 25.

It was announced in Karachi on Aug. 11 that, in order to counter what was described as "the Indian blockade," a regular air service had been opened between Pakistan and Goa.

Statements by Mr. Nehru.

At a press conference on July 19, Mr. Nehru reaffirmed his view that India was not bound by the Anglo-Portuguese treaty of alliance, and declared that the Government of India would tolerate "no nonsense" from the Atlantic Powers.

Asked whether the Indian Government, as successor to the British Government in India, considered itself bound by the Anglo-Portuguese treaties, Mr. Nehru said that these treaties had been signed "in an age long gone by" and contained provisions having no relation to the modern world; e.g. an obligation to provide bowmen for a particular purpose. He added: "Let the world take notice, let the Atlantic Powers take notice, that we will tolerate no nonsense about Goa from wherever it comes, from a big or small Power. But we will adhere to the path of peace." If the Portuguese Government refused to yield to moral pressure, he observed, "we think that their regime in Goa will collapse, and if they are not careful their regime in Portugal will also collapse."

During a debate in the House of the People on July 25-26, Mr. Nehru announced that the Government of India had asked for the closing of the Portuguese Legation in Delhi, thus breaking off diplomatic (but not consular) relations between the two countries. He also gave details of the nationalist agitation in Goa.

Mr. Nehru stated that about 800 *satyagrahis* had entered Goa since May 18, of whom nine (including Mr. T. C. Choudhury, a Revolutionary Socialist member of the House of the People) had been detained and the rest had been returned to India, some after being beaten. In the past year about 2,500 Goans had been arrested, about 450 of whom were still in custody, and 122 (most of whom were resident in Goa) had been sentenced to terms of imprisonment ranging from one to 28 years, 13 Indians had also been sentenced to terms of imprisonment of eight to nine years. Mr. Nehru denied Portuguese allegations that Indians had carried out acts of violence in Goa, and said that the terrorist activities which had occurred were "apparently done by some odd individuals in Goa itself, as a result of desperation following the repressive policy of the Portuguese Government."

In reply to claims that Goa was part of Portugal, Mr. Nehru cited Portuguese official statistics showing that in 1951, out of a total population of 638,000, all but 1,438 were of purely Indian origin; that 61 per cent of the population were Hindus and only 37 per cent Roman Catholics, and that only a small percentage of the population could read and write Portuguese. The Indian Government, he continued, had opened a Legation in Lisbon in the hope that this might help to bring about direct negotiations on the Goan question; however, following the Portuguese Government's continued refusal even to discuss the question, the Legation had been closed in July, 1953, as of no practical utility. The Portuguese Legation in Delhi had continued to function, but in view of Portugal's rejection of proposals for a meeting of representatives of the two Governments, and because of recent developments, the Indian Government had decided that maintenance of the Legation served no useful purpose. A Note asking for its closure as from Aug. 8 had therefore been delivered to the Portuguese Chargé d'Affaires.

In the ensuing debate demands were put forward by **Mr. A. K. Gopalan** (Communist) for an economic blockade of Goa, and by **Mr. J. B. Kripalani** (Praja Socialist) for either mass *satyagraha*, with Government backing, or a "limited war" with Portugal. Replying on July 26, **Mr. Nehru** again referred to the Anglo-Portuguese treaties, one of which, he recalled, provided that Portugal might recruit 12,000 persons in England, Scotland, and Ireland for her protection. He observed that if Portugal claimed the right to enforce the clause, the British Government would undoubtedly refuse to recognize it, and that the treaties must be seen not only in terms of historical developments in the past but also in terms of the changes that had recently taken place in India. After recalling that the U.S.A., under the Monroe Doctrine, had claimed the right to regard interference by any European Power in the political affairs of the American continent as an unfriendly act, Mr. Nehru continued: "I submit that in existing circumstances Portuguese retention of Goa is a continuing interference with the political system established in India. I would go further and say that any interference by any other Power would also be interference with the independence of India." He rejected the suggestion of a "limited war" with Portugal on the ground that such a war would create an atmosphere leading to a larger one. In conclusion, he mentioned that although the Government could not "think in terms of patronizing *satyagraha*," it would not interfere with *satyagraha* provided that it was non-violent and did not lead to a situation of violence.

The Independence Day Demonstrations.

In spite of Mr. Nehru's warnings against a mass movement of Indians into Goa, a spokesman of the All-Party Goa Liberation Committee stated on Aug. 10 that planned mass *satyagraha* by thousands of Indians would take place on Aug. 15 (Indian Independence Day). The Governor-General of Goa stated on Aug. 12 that his police had been instructed not to permit Indian demonstrators to enter Portuguese territories; that Portuguese Army units had, however, been withdrawn from the frontiers and would only be used to repel armed invasion; and that the police had been instructed to use force only as a last resort. On the same day the Portuguese Foreign Minister, Dr. Cunha, called upon "India and the civilized world to prevent the provocation now being planned on Indian soil."

Several thousand *satyagrahis* nevertheless entered Goa, Daman, and Diu on Aug. 15, all of them in groups ranging in number from 12 to 50. Although Praja Socialists were in the majority, members of other Indian parties also took part, as well as some *saddhus* (Hindu "holy men") and a number of women. In all instances the *satyagrahis* were halted and rounded up by the Portuguese police, and were later returned to Indian territory. In a number of instances the police opened fire on the ground that the *satyagrahis* had disregarded orders to stop and had continued to march forward, but it was alleged in the Indian Press, and confirmed by foreign newspaper correspondents, that in several instances the Portuguese police had opened fire without giving any previous warning.

According to figures given by Mr. Nehru to the Indian Parliament on Aug. 16 and 17, 1,711 volunteers in all had entered Goa, of whom 1,691 were returned, including the bodies of a number of those who had been killed; of the 20 missing, some were detained or in hospital, and some were possibly dead. A total of 1,249 volunteers had entered Daman, all but five (one of whom was known to be dead) being returned. Another 81 volunteers had entered Diu and nothing was known

of their fate, although there had been no police firing. Vice-President Radhakrishnan told the Council of States on Aug. 18 that 15 of the volunteers were known to be dead; 225 were injured, 38 of them seriously; and 10 were missing, seven of whom were believed to be dead. A Goan police communiqué of Aug. 16 stated that the evidence indicated that 13 people had been killed.

Demonstrations by Goan nationalists also took place on Aug. 15 in and around Marmagao; according to Mr. Nehru's statement of Aug. 17, about 70 demonstrators were arrested, most of whom were released after being beaten up. A Portuguese official spokesman gave the number of those detained as 29.

The Goa Liberation Aid Committee announced on Aug. 16 that no more volunteers would be sent to the Portuguese settlements until all the bodies of those killed had been accounted for. Further groups of *satyagrahis*, however, entered Goa on four occasions between Aug. 16-30, and also entered Diu on Aug. 16-17.

Reactions in India.

Addressing the House of the People on Aug. 16, Mr. Nehru strongly condemned the "brutal and uncivilized" behaviour of the Portuguese authorities in firing on unarmed demonstrators who were acting in a peaceful and orderly manner. The Indian Government, he added, would nevertheless continue their policy of a peaceful approach to the problem, and did not propose to be "forced into what they consider is wrong action, because the Portuguese authorities might perhaps want them to commit that wrong action." Both Houses of the Indian Parliament subsequently adjourned for half an hour as a mark of respect to the memory of those *satyagrahis* who had been killed.

Large-scale protest strikes and demonstrations against the conduct of the Portuguese authorities took place in the principal Indian cities on Aug. 16. In Bombay, where crowds attacked the Portuguese Consulate and the offices of the British Deputy High Commissioner and the Pakistani Assistant High Commissioner, about 80 people were injured in clashes between demonstrators and police, and 83 arrests made; in Calcutta, where a "day of mourning" was declared, the Portuguese Consulate was raided by students who hoisted the Indian flag; and in Delhi and other cities one-day strikes took place. Mr. Nehru, speaking in the House of the People on Aug. 17, strongly condemned the violent actions by demonstrators, expressed deep regret that foreign Consulates and missions had been attacked, and offered full compensation for any damage that had been caused, adding that the Government did not intend to have its international policy "directed from the market-place."

The Indian Government, in a Note delivered by its Consul-General in Goa to General Guedes on Aug. 18, protested against the Portuguese authorities' "wanton and brutal exercise of force against unarmed people," and categorically denied allegations by the Portuguese Government that they had had to "defend themselves from violence by violence" and that India had massed troops on the Goan border. The Note stated that the Indian Government had decided to withdraw its Consulate-General from Goa as from Sept. 1, and requested that the Portuguese Consulate-General in Bombay and the Consulates in Calcutta and Madras should be closed down on or before that date.

The Portuguese Government announced on Aug. 20 that the Indian Note had been returned as it had been couched in "unacceptable terms," but that Portuguese Consulates would be withdrawn from India. The statement complained about "deliberate misrepresentation" of the conduct of the Portuguese authorities towards the "Indian invaders," and put the sole responsibility upon the Indian Government for the severance of direct relations between the two countries. The appointment of Dr. Laborinho (Portuguese Minister in Delhi until the closing-down of the Legation), as Minister to Pakistan was announced in Lisbon on Aug. 27.

The Indian Director-General of Posts and Telegraphs announced on Aug 18 that money-order services between India and the Portuguese Settlements had been suspended, and that orders already booked but not yet forwarded would be returned to the senders. Nationalist circles commented that this decision was expected to produce a serious effect on Goa's economy, which was largely dependent on remittances from Goans working in India.

In a speech to the Council of States in Delhi on Sept. 6, Mr. Nehru declared that the Government of India could never tolerate a colonial *enclave* in her territory, and that there was only one solution to the Goan problem—the ending of Portuguese domination.

After declaring that the outside world was beginning to realize "the absurdity of Portuguese rule continuing over this small corner of India," Mr. Nehru said that if the problem were regarded from a narrow point of view, it would obviously be easy to take possession of Goa by military means. The use of military measures, however, would not be in keeping with the policy which India had frequently advocated Mr. Nehru said in this connexion. "It would be remarkable if . . we, who are supposed to be champions of the idea that problems should be solved peacefully, should indulge in military operations In considering the Goa problem, therefore, we should be clear in our minds. Should we consider ourselves free to use military measures or to take what might be called police action? From every aspect of principle as well as of expediency it will be clear that we should not take military measures. For the removal of Portuguese rule we should limit ourselves to peaceful methods."

As regards the *satyagraha* campaign in Goa, Mr Nehru declared "We have always said that any kind of mass entry [into Goa] or mass *satyagraha* was undesirable and would lead to all kinds of complications. To some extent this took place in August I do not wish the House to imagine that I am attacking those who were there Certainly a large number of people came from all parts of India, impelled by the same urge for freedom that moved us to fight for India's independence, and impelled by the same spirit of self-sacrifice. One must appreciate it and admire it" After paying tribute to the courage displayed by the *satyagrahis*, both Goans and Indians, Mr Nehru said that he was not aware of a single instance in which these people had been armed or had indulged in violence. Nevertheless, the Portuguese authorities had opened fire on them, causing a number of deaths, and had ill-treated and beaten others before sending them back across the border "It may be of little consequence to the Portuguese," Mr Nehru added, "but I would like to say that the action of the Portuguese Government on Aug 15 was very wrong from the point of view of international law, of international standards of behaviour, and of decency."

Mr Nehru continued "I am not for a moment engaged in pushing Goa into the Indian Union What I am engaged in—and I think this is much more important—is the removal of Portuguese sovereignty over Goa. I am not making any fine distinction between the two. But I want to remove the idea from any person's mind that we are out to coerce people to come into the Indian Union I have no doubt that the Goans want to come in. . But the main point for us, as well as for the people of Goa, is, first of all, the general proposition that colonization should not continue; and secondly, that colonial rule should not continue on our doorstep. That a foreign Power can hold on to our territory right on the mainland of India is a position we can never tolerate. Therefore the Portuguese have to go . . . There can be only one solution—the ending of Portuguese domination and Goa's association with India .

"I am quite clear in my mind that *satyagraha*, certainly of the mass variety but also of the individual variety, is undesirable in the existing circumstances. Whatever has happened has happened. But for us to continue in this way will not help in the liberation of Goa, and will certainly impede it. . . . Surely Goa is not such a problem that we should go to war or take any warlike measures. I am not prepared to prophesy as to how and when this problem will be solved. But I can say with some confidence that forces are at work—national, international, economic, and others—which are bringing the solution nearer and which will ultimately solve this problem."

The All-India Congress committee accepted a resolution on Sept. 4 stating that in future no Indian national should enter Goa as a *satyagrahi* or political demonstrator. On Sept. 7 the Bombay Government issued instructions to the police to prevent *satyagrahis*, whether individuals or groups, from crossing the border into Goa and Daman. Similar instructions were issued in Saurashtra to prevent *satyagrahis* from entering the settlement of Diu.

New Statute for Portuguese Settlements.

A statute providing for the inclusion of elected members in the Legislative Council of the Settlements, and increasing the Council's powers, was published by the Portuguese Government on July 5 and came into operation on Aug. 1.

It was laid down that the Legislative Council would consist of 23 members, of whom five would be appointed by the Government, 11 would be elected by direct vote, and seven would be elected by economic, religious, and other bodies and by village communes. The franchise was limited by literacy and other qualifications. The Council, which would be elected for four years, would meet twice yearly and would vote on Bills submitted by the Governor-General, who would preside. For the first time it was also authorized to give its opinion on the budget presented by the Governor-General; its members were forbidden, however, to move any Bill involving an increase in expenditure or a reduction in revenue, and the financial autonomy of the Settlements remained subject to the overall control of the Portuguese Minister for Overseas Territories, who might impose restrictions in "grave situations." Members of the Council were guaranteed freedom of speech, provided they did not express "opinions against the unity and independence of the nation."

The first elections under the statute took place on Aug. 22, all but one of the candidates being returned unopposed. Out of a total population of 638,000, only about 50,000 had entered their names on the electoral registers.—(Indian High Commissioner's Office, London - The Hindu, Madras - The Statesman Calcutta - Times - Daily Telegraph) **(Prev. rep. 14274 A.)**

A. CHINA. — Economic Development. - The First Five-Year Plan. - Industrial and Agricultural Targets. - Development of Rail and Road Communications. - Yangtse Bridge Project. - Economic Development of Sinkiang. - "Go-slow" Policy in Collectivization of Agriculture. - Grain Rationing in Urban Areas.

Official figures of the targets of China's first Five-Year Plan were given for the first time on July 6 by Mr. Li Fu-chun (head of the State Planning Commission, and a Deputy-Premier) in a report to the National People's Congress, meeting in Peking. The decision to embark upon a Five-Year Plan, covering the years 1953 to 1957 inclusive, had been taken in December 1952 (see 12784 A).

As compared with the original objectives of the Five-Year Plan, Mr Li disclosed that the following changes in emphasis had been made : (1) greater concentration upon heavy industry and industrial production, (2) lower targets for agricultural production; and (3) slower collectivization of agriculture.

Mr Li said that the Five-Year Plan envisaged an increase of 104 1 per cent in China's industrial capacity. The Plan covered a total of 7,600 projects, of which 1,600 ranked as "major" and the remaining 6,000 as "minor" Of the 1,600 "major" projects, 694 were industrial (iron and steel, motor-cars, shipbuilding, non-ferrous metals, chemicals, coal, oil, textiles, cement, etc.), 252 agricultural, and 220 communications, the remainder including the construction of schools, hospitals, and housing. Of the 694 industrial projects, 156—described by Mr Li as the "core" of the industrial construction sector—would be built with Soviet assistance

Among the major industrial projects covered by the Five-Year Plan, Mr. Li mentioned 15 new power-stations, each with a capacity of over 50,000 kilowatts; 31 coalmining enterprises, each with a capacity of over 1,000,000 tons; 13 large reservoirs, and a number of dams to be built on the Yellow River. All these projects would be completed by 1957 At Anshan (the Manchurian steel-producing centre) 48 major projects were under construction and were scheduled for completion by 1960; when completed, Anshan would produce 2,500,000 tons of pig-iron, 3,220,000 tons of crude steel, and 2,480,000 tons of rolled steel a year.

As regards industrial production, Mr. Li gave the following figures showing (*a*) production in 1952 (the year before the start of the Five-Year Plan), (*b*) the target for 1957, and (*c*) the planned percentage increase over 1952.

	1952 (actual)	1957 (target)	Percentage increase (1957 over 1952)
Coal (tons)	63,500,000	113,000,000	80
Steel (tons)	1,350,000	4,120,000	200
Cement (tons)	2,860,000	6,000,000	110
Electricity (million kilowatt-hours)	7,260	15,920	120

Figures for agricultural production were also given, as follows :

	1952 (actual)	1957 (target)	Percentage increase (1957 over 1952)
Grain (tons)	163,900,000	192,800,000	17.6*
Cotton (tons)	1,304,000	1,635,000	25.4
Jute and hemp (tons)	300,000	365,000	19.7
Tobacco (tons)	221,000	390,000	76.6
Sugar-cane (tons)	7,142,000	13,150,000	85.0

* The Five-year Plan had originally provided for a 30 per cent increase in grain production by 1957. The actual target of 17.6 per cent over 1952 showed that this target had been nearly halved.

Among other targets envisaged by the Plan were : machine-processed paper, 650,000 tons by 1957, compared with 370,000 tons in 1952; machine-processed sugar, 686,000 tons by 1957, compared with 249,000 tons in 1952, cotton piece-goods, 163,720,000 bolts by 1957, compared with 111,630,000 bolts in 1952.

Mr. Li stated in his report that it would take about 15 years to carry out the "socialist transformation" of China, and that it would be half a century before China reached the industrial level of "the more advanced capitalist countries."

The 1957 targets for Chinese coal and steel production were very much below the levels already achieved in America and Britain; e g, the steel target of 4,120,000 tons by 1957 compared with actual production of over 88,000,000 tons in the United States in 1954 and of over 18,500,000 tons in Britain in the same year Similarly, the 1957 coal target of 113,000,000 tons compared with U.S. production of about 380,000,000 metric tons of hard coal in 1954 and with British coal production of over 224,000,000 tons (deep-mined and opencast) in the same year. The following comment on the Chinese Five-Year Plan was brought by *The Times* in its issue of Sept. 7, 1955 :

"When the Five-Year Plan was first announced, China was still in its sanguine phase. Retrenchment began soon after, and this year has been even more drastic. Light industry has been almost cut out of the plan, apart from textiles Schools, hospitals, and housing have been ruthlessly cut; 88 per cent of investment is going entirely into heavy industry.

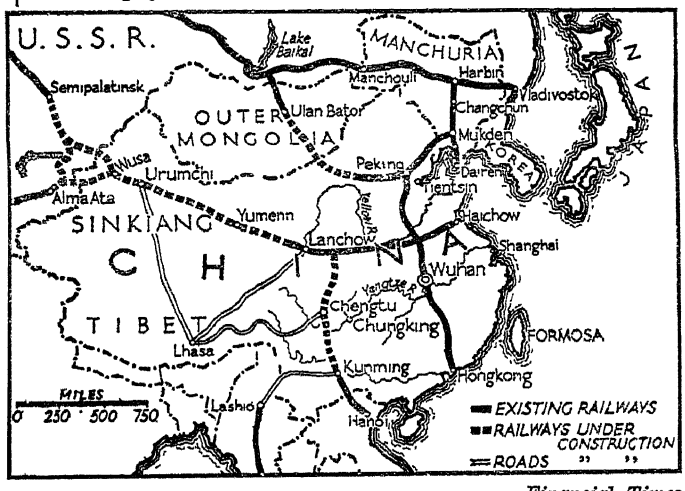
"Steel production is roughly comparable with that of India, but falls well behind that of Japan. Oil is in very short supply, still far from supplying China's own needs, though fields at Yumenn (Kansu) and in Sinkiang are being developed Ships for river traffic have been built and perhaps a few larger vessels, thanks to the Russians, who have now relinquished their base at Dairen. Cars, tractors, and lorries are being assembled with imported engines. The same may be true of aircraft. . . . Of the major projects mentioned [in the Five-Year Plan] there will be factories producing boilers, steam turbines, generators, transformers, switch-gear, and rolling-stock.

"China now produces all its steel rails and steel tubes. Machine-tools are being feverishly produced, but the only machinery China can begin to export herself, thus far, is textile machinery . . . . Little is known of the armaments industry. Nothing much may yet be produced apart from small arms and heavy guns, but no doubt development is being pressed There is little being done with advanced industry such as radio, optical, or scientific instruments.

"China's problem in the next few years will be capital. An agricultural surplus will be hard to produce with a population reaching 700 million before a decade is out . . . Fertilizers, new irrigation, and tractors are wanted, and industry must first provide what is necessary for the farmer So much, in China, depends on the weather. Last year's floods were a setback, but a string of good harvests could speed China's industrialization just as disastrous harvests in succession could cripple it It is still too early to judge the potentialities of China as an industrial power. In another five years the progress will be apparent But it will need many more years than that before the products of Chinese industry ever appear on the markets of the world"

Development of Communications.

Apart from the industrial developments mentioned above, an extensive rail- and road-construction programme has been launched (see accompanying map), primarily with the object of opening up the interior of China. The major rail projects at present under construction include the two new lines across Mongolia and Sinkiang, which will link up with the Soviet rail system (see 13855 A), and a line linking Lanchow with Kunming (Yunnan) which will enable through services to be run to Hanoi, in North Vietnam. Among the major road projects are the Lhasa-Chungking motor-road (completed in 1954, see 13932 G); roads connecting Lhasa with Lanchow and Urumchi (Sinkiang); and a road linking Kunming with Lashio (Upper Burma), the terminus of the Burma Road—a vital Allied supply line during the Second World War, and now largely derelict.



Financial Times

It was announced on July 6, 1954, that a rail- and road-bridge was being built over the Yangtse River at Wuhan; that it was expected to be open for traffic at the end of 1957; and that it would be more than twice as long as the Sydney Harbour Bridge, the main span being 3,760 ft. and the approaching spans and connecting lines totalling over eight miles. It would be equal in height to a 20-storey building, enabling ocean-going shipping to pass beneath, and would have two "decks"—a "lower deck" for trains and an "upper deck" for motor traffic. The Yangtse Bridge, together with the bridge over the Han River, will link up the north and south sections of the railway from Peking to Kowloon and thus make direct rail communication possible between the Chinese capital and Hong Kong. [At present passengers have to be ferried across the Yangtse at Wuhan.] It was stated that the bridge had been designed with the cooperation and assistance of Russian experts.

A Peking announcement of June 23, 1955, said that a 200-mile railway had been completed linking Litang (on the Hunan-Kwangsi line in South China) with the port of Tsamkong, on the Liuchow Peninsula off Hainan Island. The new line runs near the Vietnamese border and gives direct rail access to Peking *via* the South China railway network and the Peking trunk line.

Economic Development of Sinkiang.

Reports in the British and American Press in recent months had drawn attention to the increasing economic importance of Sinkiang (Chinese Turkestan), the natural resources of which had been developed by the joint Sino-Soviet companies since transferred to Chinese control (see 14003 D, 13855 A). The following extracts are brought from an article in the *Financial Times* (London) on Dec. 6, 1954:

". . In the hands of Soviet industrial planners, Sinkiang has changed beyond recognition. They have opened up mines, sunk colliery shafts, drilled oil wells, built two large refineries, and completed a cracking plant and a number of ancillary works, including power stations, which will all be turned over to China. . . . The economic reality behind the Soviet retrenchment is . . . that it falls within the range of a wider scheme to 'alter the historical panorama of China's economic geography' to which both countries are equally committed.

"The main stage of the scheme is the North-West, the largest of the six administrative areas of China, covering one-third of the country's territory but inhabited by only 32,000,000 people—5 per cent of the total population. The overwhelming majority [of the Chinese population] is crowded together in the great plains of the East . With 12,000,000 new mouths to feed each year, the Chinese Government finds itself under the urgent compulsion to accelerate the economic build-up of the under-developed Western territories . . . Where only tools of stone, copper, and iron were wielded, steel and electricity are now shaping a new industrial landscape The change wrought by a building boom and a burst of new industries is seen at Urumchi, where the skyline has become a forest of tall factory chimneys and scaffolding; at Yumenn, with its dense concentration of oil derricks; at Lanchow, now a city of over a million inhabitants. But the stage is still predominantly one of large-scale prospecting to lay the foundation for the second and third Five-Year Plans. . . ."

Agricultural Policy.

Details of a plan for the gradual collectivization of agriculture were announced in Peking on Jan. 11, 1954, after having been adopted on Dec 16, 1953, by the Chinese Government and the central committee of the Chinese Communist Party. It was stated that the scheme would be voluntary, and that it was aimed at increasing the number of agricultural co-operatives from the then existing level of 14,000 to 35,000 by the end of 1954 and to 800,000 by 1957, the last year of the Five-Year Plan. Whilst it was emphasized that "the agricultural economy of the small peasants must be transformed into a co-operative economy of organized farms," it was stressed that "precipitate haste and adventurism must be avoided at all costs" and that the new measures must be made "understandable to the peasant masses" to cover the transitional period towards Socialism. It was admitted that the goal of 800,000 co-operatives set for 1957 would comprise only about one-fifth of the peasant households of China.

A directive on the Government's policy with regard to the collectivization of agriculture had been issued in March 1953. It stated that the collective farms—those already existing and those to be formed—would be of three main types.

(1) Seasonal or temporary groups on the basis of "simple mutual aid" by peasants banding themselves together for this purpose.

(2) Organizations based on long-term mutual aid arrangements enabling their members to engage in subsidiary occupations, and thus to supplement their income from agriculture. It was stated that the number of these organizations was still small, but was increasing in areas where "mutual aid" farming had taken firm root

(3) Agricultural produce co-operatives whose members would be "entitled to pool or withdraw their land on the same principle of voluntary and mutual benefit." The number of these co-operatives was also admitted to be small as yet.

Future policy would be aimed at organizing the first—and least rigid—type throughout the country; at developing the second type in those areas where the first type was operating successfully; and at establishing the third type in "key areas where the peasants have rich experience of mutual aid and where there is a strong nucleus of leadership."

The directive underlined the importance of observing the voluntary principle, of avoiding undue haste in forcing collectivization on the peasants, and of making allowances for variations in local conditions It drew attention to the need for "patience in helping and educating individual peasants," and stressed that the working of land by peasants who insisted on the retention of their private holdings was "perfectly legal" and that "no-one has the right to encroach on the individual peasant."

[In commenting on the above-mentioned measures, the British and American Press contrasted the cautious approach of the Chinese Government to the question of agricultural collectivization with the drastic measures taken in the Soviet Union in the 'thirties]

Food Rationing.

Peking Radio announced on Aug. 24, 1955, that food grains, including rice, would be rationed in all Chinese cities before the end of November, and that rationing had already begun in the provinces of Shantung and Shansi.

The announcement said that the rationing of cereals and food grains had been introduced to "ensure fair distribution" in the urban areas, and that the ration would vary according to age, type of work, and regional grain-eating habits. In urban areas where flour was the staple food, the monthly ration would be as follows: workers on heavy physical work, 44 catties; workers on light work, 35; university and secondary school students, 35; office workers, teachers, and shop assistants, 31, "residents in general," 27.5. [The "catty" is a weight measurement used in the Orient; it varies from country to country, but in China is equivalent to about 1⅓ lb.] In areas where rice was the staple diet, the ration would be somewhat lower for each category.

Households in rural areas were classified in three categories: (1) those with a grain surplus, (2) those which were self-supporting, (3) those with a grain deficit The announcement said that farmers with a surplus would have "between 80 and 90 per cent of the surplus bought by the State at a fair price" and would be allowed to keep the rest, that those in the second category would be prohibited from buying or selling grain; and that households in the third category would be "supplied by the State to bring them up to the average in grain consumption"

For some months beforehand an intensive "save grain" campaign had been waged by the Government and local authorities, following severe droughts in 1954 which had adversely affected the crops The "rice bowl" area of Central China had also been seriously affected in 1954 by floods which were among the worst in the country's history.—(Times - Manchester Guardian - Financial Times - Economist - New York Times - New York Herald Tribune) **(Prev. rep. Five-Year Plan, 12784 A; Communications, 13932 G; 13855 A; Sino-Soviet Companies, 14003 D; 13855 A.)**

A. PERSIA. — Cabinet Changes. - Arrest of Former Collaborators of Dr. Mossadeq.

It was announced in Teheran on Aug. 21 that General Ahmad Vosogh had been appointed War Minister in M. Ala's Government in succession to General Hedayat, and that Dr. Mohammed Sajadi had become Finance Minister *vice* Dr. Ali Amini, who had relinquished that portfolio on May 23 when he became Minister of Justice. M. Ali Ashgar Forouzan, who had been acting Finance Minister since May, became head of the foreign trade department of the Ministry of National Economy, whilst General Hedayat was made Head of the Chiefs of Staff of the Armed Forces in succession to General Batmanqlich, who became Ambassador in Karachi.

Earlier, on May 19, it had been announced that five collaborators of Dr. Mossadeq, the former Prime Minister, had been arrested on charges of conspiring against the Government. They were M. Bagher Kasemi, a former Persian Ambassador in Paris, and Deputy Premier in Dr. Mossadeq's Cabinet; Dr. Moazami, the former Speaker of the Majlis, M. Amir Alai, a former Cabinet minister; M. Nainy, a newspaper editor; and Said Fatemi, a cousin of the late Dr. Hussein Fatemi (Dr. Mossadeq's Foreign Minister), who had been executed in 1954 (see 13959 A). M. Kazem Hassibi, Dr. Mossadeq's special adviser on oil questions, was arrested on March 21.

Six Persian officers, who were among those condemned to death in October-November 1954 on charges of participation in a clandestine Tudeh Party spy ring, were executed on Aug. 18, 1955. [Twenty officers and one civilian had already been executed immediately after the trials.] On the same date (Aug. 18) it was announced that the Shah had commuted the death sentence on 42 other officers and two civilians to life imprisonment.—(Times - Le Monde, Paris - New York Times) **(Prev. rep. Cabinet, 14151 B; Spy Ring, 13959 A.)**

B. NEW ZEALAND. — Increase in M.P.s' Salaries.

The N.Z. House of Representatives on Aug. 19 unanimously adopted the recommendations of a Royal Commission which had been set up in April to inquire into the salaries of Ministers and M.P.s. The recommended increases were as follows: Prime Minister—£3,750 salary and £1,500 allowances, as against £3,000 and £1,000 previously; Ministers—£2,500 and £550 (£2,000 and £450); Ministers without portfolio—£2,000 and £400 (£1,650 and £250); the Speaker—£1,950 and £600 (£1,600 and £500); Leader of the Opposition—£1,950 and £490, plus £215 travelling allowance (£1,600 and £400, plus £150); Members—£1,100 and £275 - £705, depending on size of electorate (£900 and £250 - £550).

(Directorate of the Information Services, Wellington)

C. UNITED STATES. — New President of Export-Import Bank.

It was announced on Aug. 22 that President Eisenhower had appointed Mr. Samuel C. Waugh as president of the Export-Import Bank in succession to Major-General Glen E. Edgerton, resigning. Mr. Waugh, an Assistant-Secretary of State, will assume his new post on Oct. 1.—(New York Times) **(13115 A.)**

A. UNITED KINGDOM. — I.R.A. Raid on Military Depot. - Recovery of Stolen Arms and Ammunition.

A band of armed men, members of the underground Irish Republican Army organization, attacked a British Army depot at Arborfield (Berkshire) in the early hours of Aug. 13, overpowered the guard, and escaped with 55 Sten guns, 10 Bren guns, two rifles, a pistol, and over 80,000 rounds of ammunition. The following statement on the raid was issued by the War Office :

" At 02 10 hours on Aug 13 a number of Irishmen with loaded weapons visited 5 Training Battalion, R.E M.E., and held up the night guard consisting of one sergeant, one corporal, and 16 privates. The sentry at the main gate was initially overpowered by the party, who then went to the main guardroom where they overpowered the sergeant in charge of the guard, and subsequently those members of the guard who were off duty resting in the guardroom. Patrolling pickets (two men each) returning to the guardroom on relief were overpowered as they came in The whole party, excluding the guard commander, were put in the cells, which were locked The guard commander was tied up and left on the guardroom floor The party then forcibly entered the armoury and magazine, which was adjacent to the guardroom, and stole a large quantity of ammunition and a number of rifles, Sten guns, Bren guns, and a pistol The guard commander subsequently managed to free himself and raise the alarm."

The sergeant in charge of the R.E.M.E. depot at Arborfield (Sgt. Ronald Ernest Carter) refused to tell the raiders where the keys of the armoury were kept, despite the fact that he was roughly handled, bound hand and foot, and threatened with loaded revolvers held at his head and mouth.

A War Office spokesman disclosed that the sentries on duty at the entrance to the Arborfield camp were unarmed, and that the guards at the R E.M.E. depot were carrying only pick-handles. In reply to questions, he explained that whilst in troubled places abroad sentries were generally armed with loaded rifles, it was the common practice in Britain in peace-time for sentries to be armed only with a pick-shaft or similar weapon. A subsequent War Office statement said that special precautions were being taken to deal with any further raids.

One of the vans was stopped by a police patrol near Ascot (a few miles from Arborfield) shortly after the raid, and was found to be laden with some of the stolen ammunition. Two Irishmen in charge of the van—Joseph Doyle (30) and Donal Murphy (23)—were taken into custody. After a nation-wide search by the police and the Special Branch, during which a close watch was kept on ports and airfields, the remainder of the stolen weapons and ammunition was recovered on Aug. 16 from the basement of an unoccupied shop in the Caledonian Road, Islington (North London). Armed detectives who broke into the premises found no trace of the I.R.A. men, who, it was believed, had abandoned their haul because they realized that there was no hope of getting it out of London. Some of the weapons had been transferred to specially made wooden boxes which had been nailed down ready to be taken away, while others were only half packed as if the men had been disturbed.

The two Irishmen arrested near Ascot, together with a third Irishman—James Andrew Mary Murphy (20)—appeared on Sept. 5 before the Wokingham magistrates (sitting at Reading) and were charged with (1) conspiring with other persons unknown to break into the Arborfield camp; (2) stealing a quantity of firearms and ammunition from the camp; and (3) causing grievous bodily harm to Sergeant Carter. The three men were subsequently committed for trial at Berkshire Assizes on all three charges.

A statement was issued to Dublin newspapers on Aug. 16 in the form of a " communiqué " signed by D. MacDiarmada, who described himself as " Adjutant-General of the I.R.A." It said that a " successful raid " had been made on the R.E.M.E. depot at Arborfield " by a party of ten volunteers," all of whom had " now been accounted for " After describing how the guard had been overpowered, the " communiqué " said, *inter alia*, that forcible entry into the armoury had been " effected with the necessary implements which had been brought along to deal with such an eventuality."

A British Home Office spokesman explained that there were no means of imposing restrictions on the movement of British or Irish subjects to and from the Republic of Ireland since the termination of the Emergency Regulations which had been in force during the war. To re-establish such controls, the Government would have to introduce new legislation in Parliament. As regards the I.R.A., the Home Office again had no means of declaring the organization illegal. This could only be done if the law courts decided that the provisions of the common law for conspiracy applied to the I.R.A., and such a finding could only be made in a special case brought before the courts.—(Times - Daily Telegraph - Irish Times, Dublin)

(Prev. rep. I.R.A., 13975 A.)

B. ALBANIA - GREECE. — Albania rejects Greek Conditions for Resumption of Diplomatic Relations.

The Greek Government informed the U.N. Secretariat on Aug. 3 that, under certain conditions, it was ready to resume normal diplomatic relations with Albania, as proposed by the latter country on June 30.

Although no announcement was made of the conditions laid down by Greece, it was reported in the British Press that the Greek Note had proposed negotiations between the Albanian and Greek General Staffs to end the state of war existing between the two countries since 1940, and to conclude a frontier agreement for the prevention of border incidents It was also understood that Greece had requested Albania to cease aiding and abetting Greek Communist agents to infiltrate into Greece across the border, and to return all Greek military and civilian hostages taken into Albania by the Greek Communists during the civil war The Note was believed to have upheld Greece's claim on Northern Epirus (Southern Albania), but to have offered to seek a settlement through normal channels.

An official Albanian statement issued on Aug. 14 rejected the conditions put forward by Greece as " unfounded, unacceptable, and offensive," and said that the Greek Government had " not only failed to show any understanding or wish for the resumption of diplomatic relations " but had taken " an openly hostile attitude." It refuted " categorically and definitely " the Greek contention that " there allegedly exists a state of war " between the two countries, and rejected the Greek territorial claims on the ground that " the question of Northern Epirus does not exist, as this area is Albanian territory."—(Times - Le Monde, Paris - New York Times)

(Prev. rep. 14302 A.)

C. PERSIA. — Foreign Contracts.

A Teheran announcement of Aug. 24 stated that contracts aggregating $160,000,000 (over £57,000,000) had been awarded to three American, French, and German firms for the construction of 700 agricultural schools and colleges, 780 art and technical training centres, 245 health centres, 160 hospitals, 400 village clinics, and 12 sanatoria. It was explained that Persia would be divided into three " segments " for this project, with each of the three firms—Litchfield-Whiting (U.S.A.), Tourador (France), and Koch (Western Germany)—controlling one area. British and Belgian companies were outbid by the above-mentioned firms for these contracts.

It had earlier been announced on Aug. 10 that the Persian Government had placed a contract with Western Germany for the supply of 180,000 telephones. The contract was obtained in the face of British, American, Japanese, Belgian, and Swedish competition, and was valued at between $20,000,000 and $30,000,000 (£7,000,000 and £11,000,000).

On April 13 it had announced that a British firm (Costain-John Brown) had been given a £6,500,000 contract to build the northern section of 600-mile pipeline from the Abadan oilfields to Teheran. A contract for the southern section of the pipeline was given to a French firm—(Financial Times - Manchester Guardian) **(Prev. rep. 14206 A.)**

D. HUNGARY. — New Ministry of State Supervision. - Cabinet Change.

A decree was issued on Aug. 29 setting up a Ministry of State Supervision to replace the existing State Supervision Centre, and appointing M. Arpad Hazi as Minister of State Supervision. It was stated that the new Ministry would supervise the implementation of the Second Five-year Plan (commencing on Jan. 1, 1956) and would deal with infringements of the law and with mistakes and deficiencies in carrying out the Government's economic policy.

It was announced on Sept. 4 that M. Bela Szalai, hitherto Minister of Light Industries, had been relieved of his ministerial duties at his own request and had been appointed a secretary of the central committee of the Hungarian Communist Party, thereby filling the vacancy caused by the " recall " of M. Mihaly Farkas from the party's central committee and Politburo in April last for his support of M. Nagy's " right-wing deviations." Mme. Joszef Nagy, the only woman holding a ministerial post in Hungary, succeeded M. Szalai as Minister of Light Industries.—(Hungarian News and Information Service, Budapest - Times) **(Prev. rep. 14208 B.)**

E. PAKISTAN. — Cabinet Appointment.

Mr. Ismail Chundrigar (58) was sworn-in as Law Minister in the new Pakistani Government on Aug. 31. He had formerly held the posts of Minister of Commerce, Governor of the Punjab and the North-West Frontier Province, and Ambassador in Kabul.—(Pakistan High Commissioner's Office, London)

(Prev. rep. 14371 A.)

A. UNITED KINGDOM.—Steel Industry. - Production Statistics. - Price Increases. - Expansion Schemes. - Denationalization of Hadfields Ltd. - Responsibility for Steel Industry transferred to Board of Trade.

Figures published by the Iron and Steel Federation on July 14 showed that, in spite of a temporary falling-off in output in June owing to the effects of the dock and railway strikes (see 14351 A, 14280 A), production of steel in the first half of 1955 was at the average weekly rate of 387,500 tons, equivalent to an annual rate of 20,149,000 tons. These figures compared with a weekly average of 366,300 tons and an annual rate of 19,048,000 tons in the first six months of 1954. The average weekly production of pig-iron in the first half of 1955 was 235,400 tons, equivalent to an annual rate of 12,242,000 tons, compared with an average weekly production of 230,100 tons and an annual average of 11,964,000 tons in the corresponding period of 1954. Detailed figures for the first six months of 1955 are given below, with 1954 figures for comparison:

	1955		1954	
	Weekly Average (tons)	Annual Rate (tons)	Weekly Average (tons)	Annual Rate (tons)
Steel Ingots and Castings				
January	381,000	19,789,000	360,000	18,737,000
February	394,000	20,498,000	357,000	18,577,000
March	395,000	20,536,000	365,000	18,969,000
April	393,000	20,454,000	368,000	19,155,000
May	401,600	20,884,000	374,500	19,476,000
June	364,200	18,939,000	371,700	19,328,000
Pig-Iron				
January	236,000	12,292,000	230,000	11,941,000
February	242,000	12,567,000	222,000	11,557,000
March	241,000	12,516,000	231,000	12,007,000
April	239,000	12,401,000	232,000	12,069,000
May	241,800	12,574,000	231,400	12,033,000
June	216,800	11,274,000	233,200	12,129,000

Other developments in the iron and steel industry in recent months are summarized below:

Price Increases. The Iron and Steel Board announced on July 22 that maximum prices of iron and steel products would be increased by an average of 5 per cent in consequence of higher production costs resulting from increases in the cost of imported ores, as well as in wages and railway rates. It was explained that higher production and efficiency had made it possible for the industry itself to absorb part of the increased costs, and that the new prices would still be about 15 per cent below U.S and continental prices

Export prices for heavy steel products were increased by £2 per ton from April 4, and by an average of 5 per cent for all steel products from July 28. The latter increase brought British export prices up to the level established by the Brussels Export Cartel at the beginning of July.

Steel Industry Expansion. It was stated on July 4 that preliminary work had begun on a continuous strip mill, to cost about £3,600,000, at the Rotherham works of Steel, Peach, and Tozer, a branch of the United Steel Companies Ltd.

The August issue of the *British Iron and Steel Federation Monthly Bulletin* gave details of major development projects in hand for the iron and steel industry in the North-Eastern area. It was estimated that between 1953 and 1958 about £62,000,000 would have been spent on new capital developments in the area, that production of pig-iron and steel would rise by nearly two-fifths, to 3,650,000 tons and 4,750,000 tons respectively; and that the area would then have almost doubled its output of pig-iron and steel since the war. The projects included, in addition to the Dorman, Long developments already announced (see 12871 A): (*a*) five new blast furnaces (two at Cleveland and one at West Hartlepool, expected to be ready in 1955, one at Middlesbrough, to be completed in 1956, and a second furnace at West Hartlepool, expected to be ready in 1957-58), (*b*) new wharves, ore stockyards, and sinter plants at the South Durham Steel Co.'s West Hartlepool and Middlesbrough works, and extensions to rolling-mills at these works intended to increase production of plates, sections, etc., by 50 per cent; (*c*) new coke-ovens at Consett and West Hartlepool; (*d*) extensions to rolling-mills at Skinnington and Darlington.

Public Offer of Steel Shares. On July 26 the Iron and Steel Holding and Realization Agency offered for sale the whole of the reorganized share and loan capital of Hadfields Ltd., viz., 2,500,000 £1 Ordinary shares (at 27s 6d. each) and £1,250,000 4½ per cent Debenture stock (at £96 per cent).

The Ordinary share offer was heavily over-subscribed, and it was announced on July 28 that about 2,000 applications for approximately 3,600,000 shares had been received from former shareholders and from employees of the company (who had been promised preferential treatment), and nearly 100,000 from the general public Of the preferential applications, those for up to 500 shares were accepted in full, but larger ones only to an average of under 25 per cent, with the largest applications heavily scaled down. Non-preferential applications were dealt with by ballot, each successful applicant receiving 100 shares

The Debenture stock issue was also over-subscribed, with 900 applications for nearly £1,600,000 of stock. Those for up to £10,000 were accepted in full, and larger ones to the extent of about 70 per cent.

Sir Anthony Eden announced in the House of Commons on June 14 that the responsibility of the Ministry of Supply for the iron and steel, non-ferrous metals, and engineering industries would be transferred to the Board of Trade "in about one month's time." He explained that the purpose of the transfer was "to relieve the Minister of Supply of duties that are extraneous to his prime duty of supplying the armed forces, and to associate the Board of Trade more closely with certain major industries of great importance to the country's export trade."—(Times - Daily Telegraph - Manchester Guardian - Financial Times) **(Prev. rep. Production Statistics, 14003 A; Denationalization Offers, 14206 B.)**

B. AVIATION. — New Records by British Airmen. - Double Transatlantic Crossing in 14½ Hours. - World Altitude Record.

Two British airmen, Captain John Hackett (32) and Mr. Peter Moneypenny (28), set up a new record on Aug. 23 by being the first men to have breakfast in London, luncheon in New York, and supper in London after a double crossing of the Atlantic. The outward and return flight was carried out in 14 hours 21 minutes 45 seconds (including a 35-minute stop in New York for refuelling) at an average speed of 481.5 m.p.h. The machine was an English Electric *Canberra* twin-jet photo-reconnsaissance aircraft, with Captain Hackett as pilot and Mr. Moneypenny as navigator.

Subject to confirmation by the *Fédération Internationale Aéronautique*, three new records were set up. (1) for the east-west crossing of the Atlantic (Croydon Airport to the Floyd Bennett Naval Field, New York, a distance of 3,457.9 miles) in 7 hours 29 min. 56 sec., at an average speed of 461.1 m.p h., (2) for the return flight in 6 hours 16 min. 59 sec, at an average speed of 550 35 m.p.h., and (3) for the round trip of nearly 7,000 miles, as given above

The *Canberra* left London Airport at 7.10 a.m. B S.T., flew over Croydon Airport (the official starting and finishing point), and arrived at the Floyd Bennett Field, New York, at 2.48 p m. B S T. After a 35-minute break, during which the plane was serviced and refuelled by U S. Navy mechanics working under the supervision of British technicians, the *Canberra* left New York at 3.23 p.m. B.S T., passed over Croydon at 9 41 p.m, and touched down at London Airport The flight was timed by observers of the Royal Aero Club on behalf of the *Fédération Internationale Aéronautique*.

On returning to London Airport, Captain Hackett paid special tribute to the co-operation given by the U.S Navy in refuelling the machine during the 35-minute stop in New York.

An English Electric *Canberra*, powered by two Bristol *Olympus* turbo-jet engines, set up a new world altitude record of 65,876 ft. (20,079 metres, or nearly 12½ miles) on Aug. 29. The machine took off from Filton airfield, Bristol, and was piloted by Wing-Commander W. F. Gibb, a test pilot of the Bristol Aeroplane Company. The previous altitude record of 63,668 ft. had been achieved by the same pilot and the same aircraft in May, 1953.—(Times - Daily Telegraph) **(Prev. rep. Record Flights, 14298 C; Altitude Record, 13227 B.)**

C. PAKISTAN. — Diplomatic Appointments.

It was announced in Karachi on Aug. 24 that Mr. Mohammed Ali, the former Prime Minister, had been appointed Ambassador in Washington—a post which he had held for a short time before his appointment to the Premiership in April 1952.

Other recent Pakistani diplomatic appointments were those of Mr. Tafazzal Ali as Ambassador to Egypt, Minister to Libya, and Minister to the Yemen (December 1954); Mr. Shuaib Quroshi as Ambassador to Iraq (January 1955), General Raza, previously Ambassador in Peking, as Ambassador to Persia, where he took up his appointment on Feb 10; and of Dr. A M Malik as Ambassador to Switzerland and Minister to Austria (in July).

Mr Akhtar Husain presented his credentials in March as the first Pakistani Ambassador to Italy, following the decision of both Governments to raise their Legations in Rome and Karachi to Embassy level

It was announced in Karachi in February that Pakistan would establish diplomatic relations with Mexico at Embassy level and with Cuba at Legation level. The Pakistani Ambassador in Washington was subsequently accredited to Mexico as well as to the U.S.A.—(Pakistan High Commissioner's Office, London) **(Prev. rep. 14021 D).**

D. ISRAEL. — The Bar-Ilan University.

A new university was opened near Tel-Aviv on Aug. 8 under the name of the Bar-Ilan University—so called after the Hebrew name of the late Rabbi Meier Berlin, an eminent religious scholar. Established from funds raised by Jewish orthodox groups in the United States, it aims to teach the humanities and sciences against a background of traditional Judaism. It is the second institution of university status in Israel, the other being the Hebrew University of Jerusalem. (Jewish Observer and Middle East Review)

A. ARGENTINA.—Political Developments. - President Perón's "Political Pacification" Offer. - Demand for Restoration of Constitutional Freedoms by Radical Party and Roman Catholic Church. - Formation of Christian Democratic Party. - Cabinet Changes. - Alleged Plot to assassinate President Perón. - State of Siege in Buenos Aires.

In a radio broadcast on July 5, President Perón offered the Opposition parties "a truce in the political fight" and absolved them from any responsibility for the uprising of June 16, thereby reversing his earlier condemnation of the Opposition for alleged complicity in the revolt. After expressing his conviction that the revolt was solely the work of certain naval units, who had intended "to assassinate the Commander-in-Chief of the armed forces" (i.e. President Perón himself), the President continued:

"They [the dissident naval units] counted upon the help of certain groups of civilians recruited from the non-political sectors. Political forces as such did not participate, although some politicians may have acted in a personal capacity . I consider that the political parties would not participate in criminal attempts against defenceless people . . . and that there are few political leaders who desire disturbances rather than peace . . .

We have heard, for the first time in many years, some voices in the Opposition asking for peace and understanding among Argentinians. . . We have been asking for the same thing for the past ten years . . . Peronistas and Oppositionists all have something in common. Let us get together to serve this common interest, although in other things we may disagree We Peronistas are so numerous that there is no reason why we should attempt to convert our adversaries. . . In order to demonstrate our good faith and party discipline, I ask that our fellow-countrymen effect a truce in the political fight."

Dr. Arturo Frondizi, leader of the Radical Party (the principal Opposition party in Argentina), declared on July 7 that President Perón's appeal for a political truce "would only become significant when it is backed up by real moves towards pacification"; otherwise it could only be "a manoeuvre to subjugate political opinion." He added that political pacification was "impossible without a climate of liberty," and expressed the opinion that the uprising of June 16 was "simply a result of the pressure under which the country has been living for the past ten years—in the absence of normal liberties something had to give way sooner or later."

In a broadcast from Belgrano Radio on July 27 (the first broadcast that an Opposition leader had been allowed to make for ten years), Dr. Frondizi said that "political pacification," as called for by President Perón, could only be achieved by restoring constitutional government, ending the "state of internal war" which had been in force by decree for over three years, and repealing all laws and edicts suppressing freedom. He called, *inter alia*, for freedom for all the political parties, freedom of the Press, freedom of religion, an amnesty for all who had "suffered persecution, imprisonment, or exile for their ideals"; an end to "embezzlement and bribery" so as to "clear the atmosphere of corruption which envelops the life of the country"; and the appointment of an independent judiciary "without political affiliation."

President Perón announced on July 15 that he had relinquished the leadership of the Peronista Party in order that he could become "President of all Argentinians, friends or foes." He declared that the Peronista revolution had achieved its aims and that a new phase had begun; promised that all constitutional guarantees, rights and liberties would be restored, including freedom of the Press; and reiterated that his Government intended to work for political pacification. In conformity with the new policy of separating the party from the Government, Rear-Admiral Teisaire (the Vice-President) announced his resignation from the chairmanship of the National Council of the Peronista Party on July 22 in order to devote himself solely to his duties as Vice-President of the Republic. Dr. Alejandro Leloir, a lawyer, landowner, and cattle-breeder, was elected chairman of the party's National Council on July 27.

On the morning of Aug. 31 President Perón sent a letter to all branches of the Peronista movement—the party organization, the General Confederation of Labour, and the women's organization—offering to resign from the Presidency of the Republic "if it will guarantee peace." [It was pointed out in the American and British Press that the proffered resignation had not been made to the Argentine Congress, which was the only body constitutionally authorized to accept or reject such an offer.] The letter was worded, in part, as follows:

"For 12 years we have fought for the sovereign rights and dignity of the Argentine people against fraud, privilege, and exploitation of the workers. To achieve it, in the face of violence, we have unavoidably been forced to limit constitutional guarantees of freedom. . . . We have achieved social justice, economic independence, and sovereignty such as the country had never previously known. We took over a colony; we hand over a free and sovereign nation. We have organized the people, making manifest its will through labour unions and political and economic institutions which it will be difficult for the perfidious oligarchy and its agents to destroy.

What remains to be realized is the exclusive task of the people in its cultural and spiritual evolution. . . . It is time for Argentinians to reach agreement and to consolidate what we have offered them through our struggle, our labour, and our sacrifices. The hours of reform and conflict are past; now come those of labour and consolidation

As I once offered my life to restore justice and correct the social, economic, and political ills of the country, I now believe that the moment has come to offer my resignation if it will guarantee peace . I have often heard it said that my disappearance will bring grave problems I do not think it will be so serious. . Some madmen or political adventurers speak of civil war We shall have no such thing here—there will be peace or dictatorship I do not have the makings of a dictator. If there is to be such a solution, another must replace me. . ."

The Peronista Party and the trade unions immediately declined to accept President Perón's resignation and called upon him to remain Head of State; Vice-President Teisaire declared that he would also resign if the President did so, whilst all Peronista senators and deputies announced that they would resign their seats in Congress if the President carried out his intention. The General Confederation of Labour proclaimed an immediate nation-wide general strike in support of President Perón, and called upon all workers to demonstrate in city centres and to "remain in permanent civic session" until the President had withdrawn his resignation. Despite the fact that President Perón's intended resignation had only been announced a few hours beforehand, large numbers of workers in Buenos Aires and in towns and villages throughout the country asssembled for mass demonstrations in support of President Perón, the stoppage of work being virtually complete throughout Argentina. President Perón announced on the same evening that he had withdrawn his offer of resignation.

Other recent developments in Argentina are summarized below under cross-headings:

Cabinet Changes. The following new Cabinet appointments were announced in Buenos Aires on June 30: Dr. Oscar Albrieu as Minister of the Interior and Justice *vice* Señor Angel Borlenghi, who had held that post for nine years; Señor Jose Maria Castiglione as Minister of Agriculture and Livestock *vice* Señor Carlos Hogan (a former Ambassador in London); Señor Alberto José Iturbe as Minister of Transport, and Dr Francisco Marcos Anglada as Minister of Education. Dr. Albrieu (a former Radical) joined the Peronista Party on its formation, and is chairman of the constitutional affairs committee of the Chamber of Deputies The other new Ministers are also members of the Peronista Party Señor Borlenghi, a prominent member of the General Confederation of Labour, had tendered his resignation to President Perón on June 29 on the ground that he wished to return to his trade union activities.

On Aug. 25 it was announced that Dr Ildefonso Cavagna Martinez had succeeded Dr. Jerónimo Remorino as Minister of Foreign Affairs The new Foreign Minister, a personal friend of President Perón, was president of the Argentine National Bank in 1947-49 and subsequently head of the Economic Division of the Foreign Ministry, in which capacity he was specially engaged in bringing about closer economic relations with Argentina's neighbours, particularly Bolivia and Paraguay. His predecessor, Dr. Remorino, had been Foreign Minister since 1951, and had served concurrently as Minister for Religious Affairs, in which capacity he was responsible for relations with the Roman Catholic Church Dr. Pedro Enrique Yesari was appointed Secretary of State for Technical Affairs on Aug. 29 in succession to Dr Raul Mende

The Roman Catholic Church. The Foreign Minister (then Dr. Remorino) and the new Minister of the Interior (Dr Albrieu) had a meeting on July 2 with the Papal Nuncio in Buenos Aires and also with Monsignori Roca and Albino, respectively Auxiliary Bishop and Pro-Vicar of the Diocese of Buenos Aires. Although no official statement was published, it was understood that the Government were seeking a *détente* with the Roman Catholic Church in pursuance of President Perón's new policy of "pacification" On July 14 the Roman Catholic Episcopate in Argentina issued a pastoral letter, signed by the Primate of Argentina (Cardinal Copello) and five archbishops, calling for complete freedom of the Press, radio, and public assembly as "indispensable conditions" in order that "a real public opinion representing the thought of all inhabitants of the country can fully and freely express itself." The pastoral letter stressed that it was essential that the rights and liberties of the Church and its institutions should be protected and safeguarded. Following these developments, the Chamber of Deputies passed a Bill on Aug. 11 postponing for six months—i.e. from November 1955 until May 1956—the elections for a National Convention to amend the Constitution and disestablish the Roman Catholic Church The Bill was signed by President Perón on Sept. 6 after adoption by the all-Peronista Senate.

It was reported from Buenos Aires on July 12 that the Roman Catholic Hierarchy had declined an offer by the Government to rebuild, at the expense of the State, the churches which had been destroyed in the riots of June 16. The Dominican and Franciscan Orders—some of whose churches were already in the hands of

Government workmen—were reported to have sent strong protests to the Ministries of the Interior and Justice declaring that the Government's action was an illegal interference with the rights of private property, calling upon it to withdraw the workmen, and pointing out that the faithful wished to restore the churches from their own financial contributions. Many of the burned churches had become the scene of religious pilgrimages since the riots of June 16.

Cardinal Spellman, the Roman Catholic Archbishop of New York, said in a press statement on Aug 17 that the people of Argentina thought that it was President Perón himself, and not the Communists, who had organized the recent attacks on Roman Catholic churches in that country. The cardinal (who made his statement in New York after returning from the 36th International Eucharistic Congress in Rio de Janeiro) referred his interviewers to Mgr Gustav J. Schultheiss (Chancellor of the Archdiocese of New York) for further details, pointing out that Mgr. Schultheiss had personally visited Argentina whereas he (the cardinal) had visited Brazil and Paraguay. In reply to questions, Mgr. Schultheiss said that he had counted as many as 15 churches in various stages of destruction in Buenos Aires, that it was estimated that at least 70 Catholic churches had been destroyed throughout Argentina in the riots of June 16, and that the Argentine people believed that the attacks had been organized by the Peronistas because the attackers had transported such inflammable materials as naptha and petrol to fire the churches in trucks bearing the markings of the Eva Perón Foundation and of the Ministry of Education. In view of this, he alleged that the planned attacks on the churches "certainly could not be unknown to the Perón Government."

The statements of Cardinal Spellman and Mgr. Schultheiss were strongly repudiated in the Argentine Press and by the Eva Perón Foundation The latter institution issued a declaration—published in *La Nación* and other leading newspapers—declaring that those who sought to associate the Foundation with "barbarous acts" had forgotten their Christian duty "not to bear false witness or to lie," whilst the Peronista organ *La Epoca* attacked the prelates for not having condemned "the slaughter of innocent people" during the uprising of June 16 [a reference to the heavy civilian casualties in Buenos Aires when bombs from the insurgent aircraft fell in the Plaza de Mayo].

Despite the Government's apparent intention of seeking a *détente* with the Roman Catholic Church, Dr. Albrieu issued a statement on Aug. 17 accusing the clergy in Buenos Aires and other cities of inciting people to violence and of waging "a pseudo campaign in defence of religion." After alleging that priests had preached seditious sermons, and that arms and explosives had been found in Catholic schools, he warned the clergy that they were liable to prosecution under the penal code for "instigation to commit crime"

Formation of Christian Democratic Party. The formation of a new party, the Christian Democratic Party, was announced on July 12. Its manifesto denounced the "monster of the all-powerful State" which had arisen in Argentina; described the country as living "in an unbearable tension as a result of the hate, artificial class-warfare, lack of confidence, and violence of recent years"; and declared that this situation could be remedied only by "the immediate and full implementation of the constitutional guarantees of freedom of speech, the Press, person, and economy—freedoms which have been systematically denied to every Argentinian in greater or lesser degree in recent years" The manifesto called, *inter alia*, for a return to a full Republican-type government, involving the separation of the executive, legislative, and judicial functions; the creation of an independent and non-political judiciary, a concordat between the Church and State, under which the rights of the Church would be fully recognized, the restoration of freedom of speech, the Press, and assembly; and abrogation of the legislation which legalized divorce and prostitution The manifesto was signed by five Roman Catholic lawyers constituting the party's organizing committee.

Sentences on Rebels. It was reported on Aug. 11 by American and British correspondents in Buenos Aires (but not officially announced by the Argentine Government) that the Supreme Military Tribunal investigating the uprising of June 16 had sentenced Rear-Admiral Toranzo Calderón (former Commandant of the Marine Corps) and six other admirals to life imprisonment, that 25 other officers had received terms of imprisonment for up to three years, that Rear-Admiral Olivieri (Navy Minister at the time of the revolt) had been found "not guilty" of participation in the revolt but guilty of negligence, and had been sentenced to 18 months' imprisonment and dismissal from the Service with ignominy; and that 19 defendants had been acquitted. Rear-Admiral Gargiulo, who committed suicide after the revolt failed, was said to have been identified as a leader of the revolt together with Rear-Admiral Toranzo Calderón

President Perón had issued a decree on July 7 dismissing 80 Naval officers and 25 Air Force officers "with dishonour" after the Supreme Tribunal had found them to be rebels. Most of the dismissed officers had taken refuge in Uruguay after the failure of the uprising.

Alleged Plot against President Perón. The Federal police announced on Aug. 15 that they had discovered a plot to assassinate President Perón, General Franklin Lucero (the Army Minister), and other senior Government officials and Army commanders, and that 55 persons had been arrested. It was stated that the conspirators had planned to sabotage the capital's public utilities, to capture the radio station, the headquarters of the General Confederation of Labour, and Government offices, and to assassinate the President in the confusion caused by these attacks. It was alleged that the conspirators had rented apartments, overlooking the route along which the President drove every day, from which the assassination attempt was to have been made.

The alleged plotters were said to comprise Roman Catholic nationalists, Communists, and members of the Opposition parties, and to have operated in three groups. Among the persons mentioned by name were a retired naval officer, Captain Tettamenti, who was alleged to have bought arms and delivered them to two Roman Catholic priests; Dr Mario Amadeo, a former professor of international law; Señor David Torino, a Radical, and former publisher of the newspaper *El Intransigente*; Señorita Angelica Mackintosh, described as a member of the Catholic Action organization, who was said to have distributed subversive pamphlets; several young Roman Catholics prominent in Buenos Aires society, and members of a Communist "cell" It was alleged that a Roman Catholic school had been used as a centre for storing and distributing arms and ammunition.

A number of street clashes occurred in Buenos Aires during the middle of August between Peronistas and Roman Catholics, leading to many arrests and, in some cases, to the use of tear-gas and fire-hoses by the police against anti-Government demonstrators On Sept. 2 the Chamber of Deputies approved a Bill—sponsored by the Peronista majority—imposing a state of siege in Buenos Aires because of the "constant plots and disorders in the capital, although the rest of the country is tranquil." An edict was published on the same day by Major-General Felix Maria Robles (who had been appointed Director of Public Safety on Aug. 25) enumerating a list of offences which would be "repressed with the utmost severity." They included the unauthorized possession of arms, ammunition, and explosives, for the surrender of which 48 hours was allowed; the spreading of rumours, either orally, telephonically, or in writing; the printing, possession, and distribution of "subversive" pamphlets or other publications; and unauthorized meetings and demonstrations.

In a speech to Peronista Party members on Sept. 2, President Perón accused the "oligarchy" of having rejected his "political pacification" offer, and threatened "war to the death" against enemies of the regime.—(New York Times - New York Herald Tribune - Times - Daily Telegraph - Le Monde, Paris)

(Prev. rep. Argentina, 14277 A.)

A. BURMA - SOVIET UNION. — Trade Agreement.

A three-year trade agreement between the Soviet Union and Burma, together with a protocol on Soviet purchases of Burmese rice against Soviet supplies of equipment, machinery, etc., were signed in Rangoon on July 1 by U Raschid, the Burmese Minister of Trade Development, and M. Shiborin, the Soviet Ambassador.

The trade agreement provided that both countries would develop their trade relations to the maximum, based on the principles of equality of rights and mutual benefit, that they would grant each other every facility for the import and export of goods, and that merchant vessels of either country would enjoy most-favoured-nation treatment *vis-à-vis* the other country.

Burmese exports to the U.S.S.R will include rice and rice products, beans and pulses, oil-cake, non-ferrous metals, hardwood, rubber, etc., whilst Soviet exports to Burma will include hydro-electric power stations, tractors and agricultural machinery, motor cars, electro-technical and telecommunication equipment, excavators, pumps and compressors, printing equipment, metal-working machines and tools, motor-cycles and bicycles, photographic and cinematographic equipment, rice-mill equipment, textile machinery, newsprint, cement, steel products, chemical and pharmaceutical products, medical equipment, etc.

Under the supplementary protocol Burmese rice deliveries to the U.S.S.R. will amount to 150,000 - 200,000 tons a year.
(Burmese Government Information Department, Rangoon)

B. GERMANY. — U.S. Aid to West Berlin.

A report published on Aug. 9 by the U.S. mission in West Berlin stated that 2,400,000,000 DM. of counterpart funds (equivalent to $571,421,000) had been allocated since 1949 as aid to West Berlin's economy and had played a decisive role in the city's economic reconstruction and revival. The immediate aim had been to reduce unemployment, which (the report stated) had fallen from 300,000 in the spring of 1950 to 125,000 in July 1955. Among the principal industries benefiting from the counterpart funds were the electrical, textile, machinery, food-processing, metals, and chemical industries. (New York Times) **(Prev. rep. 14216 B; 13914 B.)**

C. TUNISIA. — Home Rule Conventions signed by the Bey. - Deposit of Ratification Instruments.

The Franco-Tunisian conventions providing for Tunisian internal autonomy and for the protection of the rights of the French population in Tunisia were formally signed by the Bey of Tunis on Aug. 27. Instruments of ratification in respect of the conventions were deposited in Paris on Aug. 31.
(Le Monde, Paris) **(Prev. rep. 14379 A.)**

A. UNITED KINGDOM.—Monopolies and Restrictive Practices Commission. - Report on Discriminatory Trade Practices. - Government Proposals. - Report on Supply of Buildings in Greater London Area. - New References to Commission.

The report of the Monopolies and Restrictive Practices Commission on collective discrimination, covering agreements for exclusive dealing, collective boycott, aggregated rebates, and other discriminatory trade practices, was published on June 28. The Commission's inquiry—the first general inquiry which it had undertaken—was carried out by a panel of ten members, including the Commission's chairman, Sir David Cairns, Q.C., in response to a reference made to it in December, 1952. Sir David and six other members of the panel found that, in general, the agreements investigated by the Commission affected the public adversely, and recommended that they should be prohibited by statute, with provisions for exceptions in special cases. The remaining three members of the panel, however, signed a "note of dissent" recognizing that some practices might be injurious in certain circumstances, but opposing a general prohibition of the agreements by statute. Instead, these members recommended that all agreements on discriminatory trade practices should be registered, and that those found after investigation to be contrary to the public interest should be prohibited.

The report distinguished six main categories of agreements coming within its terms of reference, and covering respectively:

(1) Collective discrimination by sellers, without any corresponding obligation on the buyers.

This category covered agreements among suppliers requiring them to discriminate in favour of certain buyers, without any reciprocal obligation on the latter to discriminate in favour of the suppliers, or to adhere to any specified terms for resale. As examples, the report quoted: (*a*) arrangements under which a group of manufacturers agreed to sell only to wholesalers on an "approved list"; (*b*) arrangements under which such a group agreed to give wholesalers a percentage discount off their prices to retailers for similar quantities.

(2) Collective discrimination by sellers in return for exclusive buying.

This type comprised agreements (known as "exclusive dealing agreements") between suppliers to discriminate in favour of certain buyers, who undertook in return to buy exclusively from the suppliers concerned. Thus, a group of manufacturers might agree (*a*) to sell only to wholesalers who undertook to buy certain goods exclusively from members of the group; (*b*) to allow discounts to buyers who gave such an undertaking.

(3) Collective adoption by sellers of a policy of maintaining resale prices or imposing other collateral trading obligations on the buyers.

The report pointed out that this type of agreement came within its terms of reference because it had the effect of requiring the parties to it to discriminate by withholding supplies from buyers who would not undertake to observe the agreed conditions.

(4) Collective discrimination by sellers to enforce resale prices or other contract terms.

This category comprised agreements among suppliers requiring them to discriminate collectively against buyers who would not observe trading conditions laid down by the suppliers—notably the maintenance of resale prices. Whereas agreements in category (3) concerned the conditions on which goods were to be resold, the class of agreements in category (4) concerned the enforcement of these conditions. The report stressed, however, that in many trades agreements were found providing both for the adoption of common conditions of sale and for their enforcement.

(5) Collective discrimination by buyers, without any corresponding obligation on the sellers.

This class consisted of agreements amongst buyers (often referred to as "buyers' boycotts") to discriminate in favour of certain suppliers by buying exclusively from them.

(6) Aggregated rebates.

The report explained that under these agreements a group of suppliers agreed to give a rebate to some or all of their customers based on the total purchases of each customer from all suppliers in the group. Thus, a buyer who bought £10 worth of the relevant goods from each of five suppliers would qualify for a rebate calculated on his total purchases from all members of the group, the rate of rebate varying according to the total bought by the individual customer over a given period. Aggregated rebates might be given to all customers who bought on a big enough scale, or they might be confined to certain classes of customers selected for their qualifications (e.g. to distributors or to very large users). They might be further restricted to those who gave "exclusive dealing" or other undertakings.

The report dealt with the arguments for and against each category, the principal arguments and the Commission's conclusions being summarized below:

Category 1—Collective Discrimination by Suppliers.

Arguments in favour. These were in general similar to the arguments distributors' maintaining certain standards of service, and they could not do this without the agreements, which protected "good" distributors from the pressure to reduce standards which would result from unrestricted competition. (*b*) In many trades, "specialized" distributors stocked a wide range of related goods, both "quick-selling" and "slow-selling", unless these specialized distributors were protected, they might be threatened by more general distributors who stocked only the quick-selling lines and thus "took the cream of the trade."

Arguments against. The most important of these was that to ensure proper standards of service by distributors, and in fact did not always achieve this purpose. (*b*) The protection afforded to distributors might lead to a higher and more costly standard of service than many consumers required. (*c*) The agreements impeded the development of more economical forms of distribution.

Conclusion. After balancing these arguments, the majority of the Commission concluded that agreements of this kind operated against the public interest. In a few trades, however, the general disadvantage might be outweighed by certain positive advantages.

Category 2—"Exclusive Dealing" Agreements.

Arguments in favour. These were in general similar to the arguments used to justify agreements in category (1), but usually laid particular emphasis on the need for protection against excessive competition and on the advantages of a stable market. Some industries stressed that excessive competition had formerly led to poor wages and working conditions, or to serious deterioration in the quality of the goods produced; others claimed that the machinery for adjusting tariffs against "dumping" by foreign producers worked so slowly that they were forced to rely on "exclusive dealing" agreements for protection. Some trade associations also argued that in their particular industries "exclusive dealing" agreements were necessary to protect the bargaining power of small manufacturers against the large distributing houses.

Arguments against. The most important of these was that "exclusive dealing" agreements created undue rigidity and went far to eliminate competition from outside suppliers, since, once a large number of buyers were committed to buy only from suppliers inside the group, it became extremely difficult for independent producers to find a market.

Conclusion. The Commission found that "this form of restriction is one that, in general, most clearly operates against the public interest." It added, however: "Exclusive-dealing agreements sometimes serve to protect from overseas competition industries which have claimed that their goods are of strategic importance or are particularly vulnerable to competition from dumped imports which the U.K. tariff cannot prevent. It is not within our competence to decide which industries should be regarded as important from a strategic point of view . . . We think it sufficient to record that this argument has been used, and that in the absence of exclusive-dealing agreements in certain trades there might be increased imports of some kinds of goods which the Government might consider not to be in the national interest and against which it might wish to take action in other ways."

Categories 3 and 4—Resale Price Maintenance Agreements.

Arguments in favour. Resale price maintenance benefited both traders and the general public, since (*a*) by protecting distributors' margins it created a more stable distributive trade and concentrated competition on the improvement of standards of service; (*b*) it created marketing conditions in which the sale of widely-advertised branded products could most effectively be developed. In this connexion, many manufacturers held that the advertising of branded products at fixed prices helped to create a steady demand, enabling them to plan production ahead and to ensure the greatest possible manufacturing economies.

Arguments against. That resale price maintenance was not essential for the marketing of branded products was shown by the fact that many such products were successfully advertised and sold without it in Britain, the U.S.A., Canada, and Sweden (resale price agreements being illegal in the last two countries). The report admitted that large temporary price reductions of the "loss-leader" type (i.e. reductions below normal with the object of attracting future sales) might cause instability in demand, but held that the rigid enforcement of identical resale prices for all distributors of particular products went much further than was necessary to ensure stable demand. In any case, the disturbing effect of "loss-leader" selling was largely due to the existence of normal "fixed prices" and would be much less marked if these were not advertised and maintained.

Conclusion. After carefully weighing these arguments, the Commission found (*a*) that such agreements gave the trade associations "an excessive and dangerous power" over individual traders, particularly as the associations' proceedings were not subject to the strict procedural rules applied in the ordinary courts, (*b*) that the agreements could not be regarded merely as devices for enforcing contract observance, since action was sometimes taken under them against traders who were not members of the association concerned, and were therefore not bound by any contractual obligation. The Commission therefore reached the conclusion that, in general, these agreements also operated against the public interest.

Category 5—Collective Discrimination by Buyers.

Arguments in favour. Supporters of these agreements claimed that they were necessary in order to protect distributors against encroachments on their legitimate position. They pointed out that a

strong supplier or group of suppliers might decide to reduce the resale prices of branded goods at the expense of distributors' margins, or might choose to offset rising production costs by "nibbling" at these margins rather than by raising the final price to the consumer. Alternatively, suppliers might adopt forms of competition amongst themselves (i.e. gift-coupon schemes) which distributors thought unreasonable, or, on the other hand, might be unwilling to adopt selling policies which distributors thought desirable. In these circumstances, distributors might feel that their only protection, if they were to give proper service, lay in collective action

Arguments against. (*a*) In a competitive market other suppliers would be ready to supply alternative goods, and distributors would therefore not need this form of protection. (*b*) Exclusive-buying agreements could be used to ensure a privileged position for established distributors as a class, without reference to the quality or range of the services provided by them, or to the requirements of their suppliers.

Conclusion. The majority of the Commission were satisfied that the arguments against this type of agreement outweighed any argument in its favour, and that such agreements in general operated against the public interest

Category 6—Aggregated Rebates.

Arguments in favour. The report explained that individual suppliers trading in a competitive market usually allowed some discount or rebate for quantity, and that aggregated rebates were regarded by many of the trades operating them as no more than a special form of this discount. The argument chiefly used in support of the system presupposed the existence among the suppliers of common price arrangements, it being contended that aggregated rebates were an indispensible feature of any common price system on two related grounds (*a*) that they were the only form of quantity discount compatible with common prices; (*b*) that they introduced flexibility into rebate systems, and enabled buyers to distribute their orders at their convenience amongst members of the group and still obtain the economies of bulk deliveries It was also argued that the scheme concerned only the larger buyers, and placed no deterrent on the use by smaller buyers of alternative sources of supply.

Arguments against. (*a*) Aggregated rebates impeded competition from independent producers, because of the strong economic incentive given to buyers to confine their purchases to members of the group. (*b*) Independent producers who sought to offset this incentive by quoting lower prices would have to allow for the total value of the aggregated rebates which the consumer would lose through buying outside the group (*c*) It was untrue that aggregated rebates were "the only form of discount appropriate to a common price system," since the payment of simple quantity discounts at rates agreed among the suppliers was "quite compatible with the general principle of common prices". (*d*) Aggregated rebates did not serve the same purpose as quantity discounts paid by individual firms, since they actually eliminated incentives to concentrate orders with particular producers

Conclusion. The majority of the Commission, whilst passing no judgment on the "common price" system itself, considered that aggregated rebates "accentuated its most dangerous features," and that this generally outweighed any advantage which they had in assisting the smaller manufacturers operating within the common price system. They concluded, therefore, that such rebates generally operated against the public interest, but recognized that in certain exceptional circumstances they might be "an essential feature of a common price system which might be found to be in the public interest."

General Conclusions.

Effects of Collective Discrimination Agreements. In a summary of its general findings, the majority report stressed that the signatories had been particularly impressed by "the effect of a binding and collective obligation in preventing traders from experimenting and from trying out new and different ways of conducting their businesses" Such obligations created "an undue rigidity" which might affect "the number and kinds of concerns engaged in a trade, the trading methods of those established in it, and the level of prices, both generally and to different classes of consumers." Moreover, the collective selection of favoured traders, either for exclusive selling or buying or for sales on preferential terms (categories 1, 2, and 5) could easily "lead to the creation of a privileged group, subject to relatively little outside competition." The majority report added: "We recognize that manufacturers have a legitimate interest in the service given by distributors, and may therefore need to select carefully those who are to handle their goods; we think, however, a manufacturer should be able to safeguard his interests . . by his own arrangements with individual distributors without being required to limit his trade to those who have been collectively approved."

Circumstances in which Collective Discrimination might be justified. The majority report listed the following circumstances in which agreements in the various categories discussed might be justified, subject to suitable safeguards:

"(*a*) Where consumers are not able to judge the standard of service which it is in their interests to demand from distributors, and the matter cannot conveniently be dealt with by legislation.

(*b*) Where an exclusive-buying or exclusive-dealing agreement protected an industry of strategic importance or one that is peculiarly susceptible to damage from imports, and protection by Government action is impracticable.

(*c*) Where a common price agreement is found after inquiry to operate in the public interest, and agreements within the scope of their present inquiry are necessary for its effective operation.

(*d*) Where the practices are necessary to enable small firms to compete with a very large concern which is itself employing restrictive practices"

General Control Measures. After discussing the policies adopted with regard to collective discrimination in the U.S.A., Canada, and Sweden, the report considered two possible alternative courses of action, either of which would require legislation:

(1) Compulsory registration and publication of agreements, with subsequent prohibition of those found after investigation to be against the public interest.

(2) A general prohibition of collective discriminatory practices, with provision for exceptions—on the grounds stated above—in particular cases

The majority of the Commission preferred the second course, and suggested that exceptions might be made by Statutory Order on the advice of an independent body, which would assess the merits of each application

The remaining three members, however, stressed that they were not "prepared to say that the practices, as they exist over a very wide field of trade and industry, are in general injurious to the public interest." They recognized that some might be injurious in certain circumstances, but did not think that industries should be prevented from using them without an opportunity of having their cases examined individually. A general statutory prohibition seemed to them "likely to create a degree of inflexibility in the law which might in the future prove undesirable," but they emphasized that they would be prepared to accept the idea of compulsory registration of agreements.

These three members considered that arrangements between manufacturers or distributors requiring all the parties to fix resale prices or to handle only price-maintained goods were "likely to be against the public interest." They disagreed, however, with the majority view about the undesirability of collective arrangements for the enforcement of resale prices, and argued that if it were lawful for individual manufacturers to prescribe such prices, it was "illogical that they should be debarred from enforcing their maintenance in the most effective manner consistent with general law."

The seven members of the panel who signed the majority report were Sir David Cairns, Q.C., Professor G. C. Allen, Mr. J. A. Birch, Mr. C. N. Gallie, Mr. C. H. P. Gifford, Professor Sir Arnold Plant, and Sir Richard Yeabsley. Mr. Gifford, however, added a rider stating that, for the reasons given by the minority in their "note of dissent," he did not consider that collective agreements for the enforcement of resale prices operated in general against the public interest.

The "note of dissent" was signed by Sir Thomas Barnes, Mr. Brian Davidson, and Professor A. L. Goodhart, Q.C.

A debate took place in the House of Commons on July 13 on a Government motion welcoming the report "as a basis upon which H.M. Government can formulate their proposals."

Mr. Peter Thorneycroft (President of the Board of Trade) warned the House against "working itself into a state of moral indignation" about the practices examined in the report These practices, "like the closed shop in the coalmining industry or strict rules for the demarcation of labour," might be "socially or economically sound or unsound, wise or unwise," but were not "criminal or morally repulsive." After pointing out that there was a good deal of common ground between the majority and minority reports, both of which agreed that some sensible method must be found of sifting practices which were tolerable from those which were not, he explained that whilst the Government did not think that the minority report went far enough, they "detected a certain odour of criminality" in the majority report, with the creation of "a new range of criminal offences" They believed that it was possible to "get through the tangled arguments about these economic and commercial problems with rather less emphasis on the criminal code," and hoped to find some way of doing so.

Another feature of the majority report, Mr. Thorneycroft stressed, was a complete absence of a solution to the question of resale price maintenance, which had already been examined on three separate occasions in the past 30 years and had never been condemned; manufacturers, distributors, consumers, and the trade union movement had all given evidence that they believed this practice to be in the public interest "Here, then, is the dilemma which faces us," he continued. "A powerful body, including consumers, is in favour of individual fixing of resale prices. At the same time, for many of the goods the only effective methods of enforcement are the collective arrangements condemned by both the Commission and the Lloyd Jacob report." The Government believed that the sensible course was not to declare resale price maintenance to be illegal or to abolish it fortuitously by removal of existing methods of enforcement, but rather to see whether some other method could be devised for maintaining prices and taking price-cutters, if necessary, to the Courts.

The Government therefore proposed to introduce legislation to require the registration of restrictive practices which they would specify from time to time. They would not limit themselves to the practices referred to in the report, nor, on the other hand, would they require all restrictive practices to be registered together. Instead, they would adopt the system which had worked well in Sweden, and would "select the practices they wanted in the order they wanted." In this way they would select for early registration the practices

referred to in the report, and would also include all agreements fixing common prices. Once the registration authority had called forward for registration any class of agreement which firms wished to operate or continue to operate, it would have to be registered, the tribunal, with the information that the register made available, would then call on these firms by a given date to come forward and make out a case for employing the particular practices. There would thus be two stages: (1) registration, when all agreements of a specific class would be registered; (2) examination and judgment, when the tribunal would select the agreement for examination and specify the date and place of hearing when it had to be justified before it would be allowed to continue

Mr Thorneycroft concluded by discussing four crucial questions · (1) where did the presumption lie?, (2) what guidance should be given to the tribunal?; (3) what form should the tribunal take, and should there be right to appeal from its decisions?, (4) what would happen when the tribunal decided in favour of a practice continuing? With regard to (1) he pointed out that the practices considered by the Commission were all in one form or another "practices in restraint of trade," and as such were liable to operate against the public interest. The right course was not to declare them crimes, or fix an arbitrary date by which they must all stop, but to "place the onus of showing that they were in the public interest fairly and squarely on the shoulders of the men who wished to use them" As regards (2), it was clearly right that the tribunal should not be left without any guidance whatever, and it might be that agreements providing for the maintenance of resale prices should be among the first to be examined In respect of (3), one problem was whether the final decision should rest with a judge or a Minister, and he would welcome discussion in the House on this and other points Finally, as regards (4), respect would have to be had to public opinion, which was often "focussed on the manner in which things were done as well as on their purpose" For example, there was something rather repugnant in the system of trade courts, and the Government considered that, even where a tribunal ruled that a particular practice should continue, some radical alteration would have to be made in this system.

Mr. Harold Wilson (a former Labour President of the Board of Trade) moved an Opposition amendment endorsing the conclusions of the majority report and calling upon the Government to introduce legislation at the earliest possible moment to implement them, and to ensure the registration of "all collective agreements which provide for minimum prices and the regulation of production and trade."

Mr. Wilson asserted that the President of the Board of Trade, by his decision, had "firmly rejected the Commission's report," and accused him of "putting the clock back seven years" by going back to the "case-by-case" approach which the Labour Government, when in office, had rejected as inadequate. After contending that some of the practices would necessarily continue for many years if the tribunal had to consider each case separately, he stressed that the future of British industry, including its survival in export markets and its contribution to the national standard of living, depended on how the Government and the House responded to the challenge presented by the report. "In the fierce and ruthless struggle for world markets," he continued, "we cannot move at the pace required unless we take the decision that the self-imposed and obsolete hobbles on industry and trade must go." He urged the Government, therefore, to review the matter again, and to "implement its election pledges" by taking "positive and decisive action."

In the ensuing debate, support for the Government's policy was expressed by many Conservative Members. **Sir Lionel Heald** (a former Attorney-General) emphasized the public dislike of trade courts and the general feeling that cases concerned with trading offences should be heard in the ordinary courts, whilst **Mr. Rawlinson** suggested that, to avoid the proposed tribunal acting both as prosecutor and judge, there should be a separate organization to prosecute and call evidence, leaving the tribunal to decide what should be done. The proposals, however, were strongly criticized by many Labour Members, **Mr. Paget** describing them as "sheer political hypocrisy" and **Mr. Fienburgh** accusing the Government of rejecting the report "to satisfy the Federation of British Industries" **Mr. Herbert Morrison** urged the Government to take steps about the refusal of some trade associations to allow their members to supply goods to co-operative societies on the ground that the Co-operative Movement, by giving dividends, was virtually selling goods below fixed prices. **Mr. Harold Lever** (Lab.), on the other hand, defended price-fixing and allied agreements as "perfectly normal and desirable," and declared that "nothing like decency would be possible in modern commercial life without them."

The debate was wound up by **Sir Reginald Manningham-Buller** (the Attorney-General), who maintained that the Government's proposals would act more speedily than those in the majority report, since the building-up of case law by the tribunal would lead many firms to alter their agreements in the light of its decisions.

The Opposition amendment was defeated by 316 votes to 255, and the Government motion agreed to without a division.

Earlier, on Feb. 24, Mr. Harold Wilson had moved a resolution on behalf of the Opposition deploring "the slow progress made in dealing with the harmful effects of monopolies and price rings in industry and trade," and calling on the Government to "take all possible measures, by legislation and otherwise, to protect the public interest against the misuse of monopoly powers."

No vote was taken on the resolution itself, but a Government amendment was adopted (by 300 votes to 267) welcoming the measures already taken to strengthen the Monopolies and Restrictive Practices Commission; noting that the Commission's inquiry was nearing completion, and endorsing the Government's policy.

The Monopoly Commission's report on the supply of buildings in the Greater London area was published on Sept. 27, 1954.

The Commission found that competition in the supply of new buildings costing over £1,000 was restricted by the arrangements operated by the London Builders' Conference; that these arrangements were against the public interest, and that they should be brought to an end. It made no recommendations as to how this should be done, believing that this could be decided only after discussions between the appropriate Government departments and the parties concerned.

In particular, the report criticized two practices forming part of the L B.C. arrangements—(*a*) the communication of the amount of proposed tenders to third parties by agreement or arrangement; (*b*) the adjustment of the amount of proposed tenders by agreement or arrangement with third parties. The Commission dismissed the L.B.C.'s claim that these practices had helped to confine tendering to responsible builders of equal standing, and held that they frustrated the purpose of the tendering system, since tenders ceased to be the independent offers they purported to be. The report also discussed the practice of submitting cover prices—"tenders meant to be sufficiently high not to win the contract"—but considered that these came within the Commission's terms of reference only when there was an understanding between two or more builders about the amount that one of them was to quote The Commission held, however, that the use of cover prices restricted competition because it gave a false impression of the extent of the competition represented by the tenders, and thus deprived the owner of the proposed building of the opportunity of substituting genuine tenders for those not competing seriously

The report stated that the London Builders' Conference had been set up in 1935 "to deal specifically with the problem of excessive competition," that it had 250 members on May 1, 1954, and that these members (together with non-members who co-operated with them) were responsible for 65 per cent of the buildings covered by the Commission's terms of reference.

The following new references to the Monopolies Commission had been announced by Mr. Thorneycroft in recent months: supply of electronic valves and cathode ray tubes (Dec. 8, 1954); supply of electric street-lighting equipment, tea, chemical fertilizers, electric batteries, and steel frames for buildings (June 16, 1955), and the practice of quoting common prices and of level tendering (also June 16).

Mr. Thorneycroft had stated on Feb. 7, 1955, that he was still awaiting the Commission's reports on the following eight subjects (apart from the reports on collective discrimination and on electronic valves). supply and export of electrical and allied machinery, and of pneumatic tyres (referred respectively on April 4, 1954 and Sept. 19, 1952), and the supply of hard fibre cordage (July 31, 1953), linoleum (Sept 3, 1953), sand and gravel in Central Scotland (Dec. 24, 1953), certain industrial and medical gases (Feb 1, 1954), standard metal windows and doors (Feb 24, 1954), and certain rubber footwear (April 9, 1954).

During the above-mentioned debate on the Opposition resolution, Mr. Thorneycroft told the House of Commons on Feb. 24, 1955, that the Government was in general agreement with the recommendations of the Monopoly Commission's report on the calico-printing industry (see 13550 A), and that he proposed to hold discussions with the industry's representatives in due course on the best ways of implementing them.

The Minister of Supply (Mr. Selwyn Lloyd) stated on March 2 that the Electric Lamp Manufacturers' Association had (*a*) given an undertaking that members who sold lamp components (except patent components and ready-coiled filaments) would make them equally available to members and non-members at identical prices; (*b*) agreed that the controlled companies should continue to supply cheap lamps and would not be used as "fighting companies" so as to eliminate outside competition; and (*c*) brought its rules into general accordance with the Commission's recommendations.—(Cmd. 9504 - Times - Daily Telegraph - Manchester Guardian - Financial Times - Board of Trade Journal) **(Prev. rep. 13036 A.)**

A. BRITISH COLONIAL EMPIRE. — New Governors of British Guiana and British Honduras.

The Colonial Secretary (Mr. Lennox-Boyd) announced on July 22 that Sir Patrick Renison, Governor of British Honduras, had been appointed Governor of British Guiana in succession to Sir Alfred Savage, who had resigned through ill-health. On Aug. 16 it was announced that Mr. Colin Thornley, Chief Secretary in Uganda, had been appointed Governor of British Honduras in succession to Sir Patrick Renison.—(Times) **(Prev. rep. 12478 B; 12296 A.)**

B. BURMA. — Establishment of Diplomatic Relations with Czechoslovakia.

It was announced in Rangoon on July 25 that the Burmese and Czechoslovak Governments had decided to establish full diplomatic relations, and that the Czechoslovak Consulate-General in the Burmese capital would accordingly be raised to Legation status.—(Burmese Government Information Dept.)

A. YUGOSLAVIA - SOVIET UNION. — Trade, Economic, and Technical Co-operation Agreements. - Soviet Credits for Yugoslavia. - Air Agreement. - Soviet Offer of Atomic Reactor.

Negotiations took place in Moscow from Aug. 23 - Sept. 1 between a Yugoslav delegation headed by M. Vukmanovich (a Vice-President of the Federal Executive Council) and a Soviet delegation led by M. Mikoyan. It was announced on Sept. 1 that the negotiations had dealt with commercial exchanges and economic co-operation between the two countries, and that agreement had been reached on the following matters :

(1) Soviet-Yugoslav trade exchanges during the next three years would be at a level of $70,000,000 in each direction, and both countries would take steps for their expansion in subsequent years A special protocol (to be agreed in January 1956) would regulate exchanges during 1956, and the commodity lists to be agreed upon would correspond to the present trade agreement for 1955. Agreement had also been reached on long-term Soviet supplies of coal, coke, and cotton to Yugoslavia, and Yugoslav deliveries to the Soviet Union of bauxite, lead, tobacco, and hemp.

(2) An agreement would be signed " as soon as possible " on technical co-operation and exchange of technical knowledge, subject to the regulations in force in both countries. It would provide for co-operation between enterprises and institutions in both countries, and the exchange of technical knowledge and achievements would include licences and documentation. A special fund, to which both Governments would contribute in definite proportions, would be set up with a view to furthering such co-operation.

(3) As regards long-term co-operation, it had been agreed to conclude in January 1956 arrangements for :

(*a*) a Soviet credit to Yugoslavia of $54,000,000 for Yuguslav purchases of raw materials in the U.S.S R , subject to Yugoslavia using this credit within a three-year period ;

(*b*) another Soviet credit to Yugoslavia, of an undisclosed amount, to pay (i) for the design, construction, and equipment of a fertilizer factory in Yugoslavia with an annual capacity of 220,000 tons, and of an electric power station connected with this factory ; (ii) for a factory for the production of superphosphates with an annual capacity of 250,000 tons ; (iii) for a sulphuric acid factory , and (iv) for three smaller enterprises ;

(*c*) a Soviet loan to Yugoslavia amounting to $30,000,000, in foreign exchange or gold, which the Yugoslav National Bank would be entitled to use within a period of two or three years

These credits would be for 10 years and would bear interest at the rate of 2 per cent per annum.

(4) The delegations had also examined the possibility of Soviet investment in other Yugoslav industrial projects, and of co-operation in the utilization of nuclear energy for peaceful purposes.

M. Vukmanovich said on his return to Belgrade that the $54,000,000 credit for raw materials would be spent on Yugoslav purchases of coal, coke, and cotton at the rate of $18,000,000 a year, which would considerably ease Yugoslavia's balance-of-payments difficulties because hitherto she had been compelled to purchase these raw materials in Western dollar markets. He stressed that the conditions attached to the Soviet credits were " far more favourable " than those which Yugoslavia had received or been offered elsewhere, and pointed out that the credit arrangements had to be deferred until January 1956 as Yugoslavia was bound by an undertaking to the International Bank not to exceed a certain debt limit before the end of the current year.

M. Vukmanovich also announced that the Soviet Government, as part of the proposal to co-operate in the peaceful use of atomic energy, had offered Yugoslavia a reactor and a cyclotron, as well as atomic materials such as uranium and graphite, on the sole condition that they should be paid for within two years of delivery.

An agreement for the re-establishment of air services between the two countries was signed in Moscow on Sept. 3. Since 1949 Soviet aircraft operating between Moscow and Tirana (Albania) had been permitted to fly across Yugoslav territory, but had not been allowed to land at Belgrade until 1953 ; even then they had not been permitted to embark or disembark pasengers. The new air service will be operated by both Yugoslav and Soviet aircraft, in contrast to the pre-1948 " joint " service which was flown exclusively by the Russians.—(Tanjug Agency, Belgrade) **(Prev. rep. 14358 A ; 14265 A ; Trade Agreement, 14016 A.)**

B. SOUTH KOREA.—Resignation of Foreign Minister.

It was announced in Seoul on July 31 that President Syngman Rhee had accepted the resignation of Mr. Pyun Yung Tai as Foreign Minister, and had appointed Mr. Chou Chung Hwan (hitherto Vice-Minister of Foreign Affairs) as acting Foreign Minister. Mr. Pyun, who had been Foreign Minister since 1951, led the South Korean delegation at the U.N. when the Korean question was under discussion, and also headed the South Korean delegation at the Geneva conference on Korea. No reason was given for his resignation except that he was " tired of the job."—(New York Times) **(Prev. rep. 11424 F.)**

C. INDIA.—Sikh Agitation for Punjabi-speaking State. - Arrest of Master Tara Singh.

The Government of the Punjab issued an Order on April 10 (subsequently extended on May 15) forbidding the shouting of slogans and the holding of processions and demonstrations for or against the reorganization of the State on a linguistic basis. This measure was intended to prevent clashes, such as had occurred at Ludhiana in December and at Amritsar in April, between the Sikh advocates of a Punjabi-speaking State (*Punjabi Suba*) and the Hindu supporters of a " Greater Punjab " (*Maha Punjab*). The *Akali Dal* (the extremist Sikh organization led by Master Tara Singh) had proposed the union of the Patiala and East Punjab States Union (PEPSU) with parts of the Punjab and of Himachal Pradesh to form a Punjabi-speaking State in which the Sikhs would be in a majority. On the other hand, the Hindu Mahasabha and the *Jan Sangh* had demanded the union of all three States in a " Greater Punjab " containing a Hindu majority, and including some non-Punjabi-speaking areas.

The *Akali Dal* launched a *satyagraha* campaign against the ban on May 10, when Master Tara Singh and ten of his supporters were arrested at Amritsar for shouting slogans in support of *Punjabi Suba* During the next two months Akalis continued to court arrest by shouting such slogans in the presence of the police. Although the agitation was generally peaceful, clashes occurred between demonstrators and police at Ludhiana on May 25, when nine policemen and two civilians were injured, and at Amritsar on July 4, when 26 policemen and 24 Akalis were injured. The supreme religious body of the Sikh community (*Shiromani Gurdwara Prabhandhak*) disclaimed all connexion with the agitation and instructed priests and temple attendants to take no part in it

The Chief Minister of the Punjab (Mr. Sachar) issued a statement on July 12 announcing that the Government had decided to lift the ban in honour of Mr. Nehru's return from his visit to the Soviet Union and other countries. He deplored the increase in communal tension which had occurred during the past three months, and appealed to all parties and communities to " make earnest efforts to improve and consolidate conditions of peace and goodwill." The *Akali Dal* accordingly suspended its agitation, but gave warning that it might be renewed if all the arrested Akalis (said to number several thousands) were not released. Master Tara Singh was sentenced on Aug. 13 to four months' imprisonment and a fine of Rs. 400 for defying the Government's ban.—(The Hindu, Madras - The Statesman, Calcutta) **(Prev. rep. 11077 B ; 11130 F.)**

D. CZECHOSLOVAKIA. — Accession to Austrian State Treaty. - Statement by M Siroky.

The Czechoslovak National Assembly, meeting on Aug. 30, unanimously approved the accession of Czechoslovakia to the Austrian State Treaty signed on May 15 by Great Britain, the United States, France, the Soviet Union, and Austria.

The Prime Minister, M. Siroky, said that the Austrian State Treaty was a significant contribution to the security of Czechoslovakia, which, as a neighbour of Austria, had suffered in the past from violations of Austrian sovereignty After pointing out that " the Austrian question has always been linked with the security of Czechoslovakia," M. Siroky declared that all the conditions were present for developing relations between the two countries in conformity with the principles of peaceful co-existence—mutual respect, integrity, and sovereignty—to which Czechoslovakia adhered. He added that there were important possibilities for expanding economic and cultural relations, and that the Czechoslovak Government was also willing to discuss with Austria outstanding questions such as property claims, questions of disputed citizenship, the position of Austrian citizens who were presumed to be imprisoned in Czechoslovakia, tourism, and air communications

Article 37 of the Austrian State Treaty invited members of the United Nations who were at war with Germany on May 8, 1945, to accede to the treaty. Czechoslovakia was the first country (other than the original Allied signatories) to do so. (Times - Wiener Zeitung) **(Prev. rep. State Treaty, 14193 A.)**

E. UNITED KINGDOM. — Gold and Dollar Reserves.

The sterling area had a gold and dollar deficit in August of $87,000,000 after taking into account (*a*) the receipt of $4,000,000 in U.S. defence aid, (*b*) the payment of $36,000,000 to the E.P.U.,representing that part of the July settlement which had to be paid in gold or dollars, and (*c*) the payment of $2,000,000 under bilateral settlements with creditors of the E.P.U. As a result, the sterling area's gold and dollar reserves fell to $2,457,000,000 on Aug. 31.

Provisional figures for the E.P.U. August settlement showed that the U.K. had a deficit of $78,400,000 (£28,000,000) in August, which, under the new E.P.U. arrangements (see 14374 A), would be settled in September as to 75 per cent in gold or dollars and 25 per cent by an increase in the U.K. debt to the Union.—(Treasury Press Office) **(Prev. rep. 14364 B.)**

SEPTEMBER 10—17, 1955

A. CYPRUS. — Suspension of London Tripartite Conference. - British, Greek, and Turkish Viewpoints on Cyprus Question. - British Constitutional Proposals for Cyprus. - Ban on "Eoka" Organization.

The tripartite U.K.-Greek-Turkish conference on the problems of the Eastern Mediterranean, including Cyprus, which opened at Lancaster House in London on Aug. 29, was suspended on Sept. 7 pending further consideration by the Greek and Turkish Governments of British proposals for granting self-government to Cyprus. Although the conference was held in restricted session, the following official statements were issued: (1) a summary of the views of the British, Greek, and Turkish Foreign Ministers (Mr. Macmillan, M. Stephanopoulos, and M. Zorlu) on the question of Cyprus, published on Sept. 1; (2) the text of the British proposals for self-government for Cyprus, published on Sept. 6; and (3) the verbal exchanges between Mr. Macmillan and M. Zorlu on the British Government's attitude to self-determination for Cyprus, published on Sept. 7 at the conclusion of the conference. Summaries are given below.

British, Greek, and Turkish Attitudes to Cyprus.

Mr. Macmillan emphasized that Cyprus was both a territory under British sovereignty, for whose progress and welfare H.M Government were responsible, and also a "vital hinge of the North Atlantic and Middle Eastern defence systems." Britain had responsibilities in the area arising out of her adherence to the Turkish-Iraqi pact, the Anglo-Iraqi agreement, the Anglo-Jordanian alliance, and the tripartite U.K.-U.S.-French agreement of 1950, and to discharge these responsibilities she needed not merely a "base" but the possession and use of the whole island and its facilities. The British Government were determined "to fulfil the first duty of any Government in maintaining law and order in Cyprus," and had endeavoured to promote self-government for the island. A serious responsibility lay upon those who had resorted to violence and had obstructed democratic evolution in Cyprus, but for this, elected representatives of the Cypriot Government might be taking part in the present conference. Although Britain would "abandon neither her interests and responsibilities nor those for whom she was a trustee," she would not be "inflexible" but would seek, through conciliation, to obtain a settlement which would meet British requirements and the special circumstances of Cyprus. These aims could be realized, with proper regard for the rights of all, if there was a common effort.

M. Stephanopoulos said that Greece recognized "the need for Britain's presence in Cyprus for defensive purposes." He maintained, however, that the question of sovereignty did not prejudice, and was not bound up with, questions of defence, since under NATO arrangements allied bases had been established on various territories without regard to sovereignty. The military and defensive value of the British bases in Cyprus would be enhanced "were the present ill-feeling among the Cypriot population to be changed into a spirit of spontaneous and unqualified co-operation." This could only be achieved by granting self-determination, which was a fundamental principle of the U.N. Charter and to which the Cyprots were entitled. Greece had not claimed, and did not claim, the right to decide by herself the future of Cyprus, but she denied the right of any third party to do so, because this matter was the exclusive prerogative of the Cypriot people. The Greek Government's sole endeavour had been to secure for the people of Cyprus their right to self-determination "within a reasonably short period of time." Greece repudiated all acts of violence and was willing to subscribe to any guarantee which Britain might wish to have concerning military bases in Cyprus. Moreover, she was also willing to join in any guarantee which Turkey might wish to obtain concerning the Turkish minority in Cyprus.

M. Zorlu recalled that the administration of Cyprus had been transferred to Britain in 1878 in return for a British commitment to assist Turkey in the event of Russian aggression. Under the Treaty of Lausanne (1923) Turkish sovereignty over Cyprus was recognized to have lapsed, and British sovereignty to have been assumed as from Nov. 5, 1914 [the date on which the Ottoman Empire declared war on the Allied Powers during World War I]. The nationality question had also been settled under the Lausanne treaty, which provided that the inhabitants of Cyprus would acquire British nationality except for those who opted for Turkish nationality. Cyprus had, therefore, been recognized as exclusively "a matter of concern" for Britain and Turkey, and it had been so recognized by all the signatories to the treaty, including Greece. As the status of Cyprus had definitely been determined by the Treaty of Lausanne, Turkey looked on the Cyprus question solely as a British domestic issue, and would continue to do so as long as Britain retained sovereignty over the island and the *status quo* was maintained. If there was any question of the island changing hands, it should revert to Turkey, since Cyprus was geographically a prolongation of the Anatolian mainland. Moreover, the "vital interests of Turkey and the requirements of defence and logistics" made it imperative that Cyprus should belong either to Turkey or to a country "which was as closely interested as Turkey in the fate of Turkey's eastern neighbours." In the event of a war, Turkey could only be supplied through her southern ports, and whoever controlled Cyprus was in a position to control those ports. For all these reasons, therefore, the principle of self-determination could not prevail over historical, geographical, strategic, and security requirements; the principle itself was a noble one, which Turkey accepted, but it must not be allowed to become "an element of injustice, insecurity, and trouble." Before Cyprus could achieve self-government she needed a period of peace and quiet, even when the climate became suitable for self-government, the guiding principle should not be a consideration of majorities or minorities but that of "full equality for the two groups" in Cyprus. In conclusion, M. Zorlu emphasized that Turkey was "extremely eager to maintain friendship and co-operation with Greece."

British Constitutional Proposals for Cyprus.

The British Government's constitutional proposals for Cyprus were published on Sept. 6, as stated above, the text being as follows:

(1) "The first stage of the [tripartite] conference has shown that, in spite of certain important differences of opinion, all three delegations are agreed upon the overriding importance of maintaining their friendship and co-operation and the ties which bind them in alliance. They are also agreed in recognizing the key strategic position of Cyprus, and the vital contribution of the British military headquarters and base in the island to the maintenance of peace and security in the Eastern Mediterranean and the Middle East. They also share the desire to further the welfare of the population of Cyprus, to put an end to the acts of violence which have recently been disturbing the community, and to restore harmony between all sections of the population.

(2) The British delegation are convinced, therefore, that their colleagues will agree that it would be unthinkable that the present conference should end in failure, which would run counter to their common objectives and impair their friendship and alliance . . . Having made a careful analysis of the respective positions of the three delegations as disclosed at the conference, the British delegation wish to offer the following observations and proposals as a basis for the common understanding which they are confident it will be possible to reach.

(3) It is clear that there are two main problems in determining the future of Cyprus. The first of these comprises the introduction and operation of a new Constitution leading to internal self-government by the Cypriot people, under the proper safeguards and guarantees required by the international situation and the protection of the interests of the communities concerned. The second of these is the future international status of Cyprus.

(4) With regard to the first of these two problems, the British delegation believe that their colleagues share the opinion of H.M Government that an essential element in the restoration of harmony in Cyprus and in the future progress of the island must be a progressive advance towards internal self-government, with proper regard for the rights and interests of all parties. The British delegation are confident, therefore, that the way is open for the conference to establish a large measure of agreement upon the necessary plans and procedures for attaining this end. It is the responsibility of H.M Government to introduce the necessary constitutional measures, but, in view of the close interest which Greece and Turkey naturally take in the welfare of the Greek and Turkish communities in Cyprus, the British delegation wish to put before their colleagues the following proposals, and to discuss them with a view to reaching common agreement. H.M Government would hope to obtain the expressed approval of the Greek and Turkish Governments for this programme, since it is evident that this would be of the greatest importance in securing the full co-operation of the Cypriot people. In inviting the co-operation of the Greek and Turkish Governments in this task, the British delegation are in no way departing from the principle, which has already been emphasized by the Foreign Secretary in his remarks to the conference, that H.M Government are solely responsible for the internal affairs of her Majesty's possessions.

(5) The proposals of H.M Government are intended to set Cyprus upon the normal path of democratic development. To this end, H.M Government propose the introduction of a new and liberal Constitution leading to the fullest measure of internal self-government compatible with the strategic requirements of the present international situation. The Constitution would provide for an Assembly with an elected majority, a proportionate quota of seats being reserved for the Turkish community. All departments of the Cyprus Government would be progressively transferred to Cypriot Ministers responsible to the Assembly, with the exception of Foreign Affairs, Defence, and Public Security, which would be reserved to the Governor. There would be proper safeguards for the integrity and independence of the Public Service. As part of the safeguards to be provided for the Turkish community, a proportion of the ministerial portfolios would be reserved for that community. A Cypriot Chief Minister to head the new Cypriot Administration would be chosen by the Assembly with the approval of the Governor.

(6) H.M. Government propose that a special tripartite committee should be set up in London by the present conference . . to examine detailed proposals to be drawn up by H.M Government for new constitutional instruments for Cyprus. It would be the duty of this tripartite committee to consider a suitable system of guarantees for the interests of the communities in Cyprus, and the appropriate method of their implementation. The committee might investigate any suggestions for the further benefit of the Cypriot population from the point of view of the close links between Cyprus and the United Kingdom, Greece, and Turkey; for example, questions concerning the status and rights of Cypriots in the three countries.

(7) After completing its initial tasks, the tripartite committee might be kept in being in order to receive reports regarding the

development of self-government in Cyprus, and to act as a centre for discussing problems or differences arising out of self-government which it had not been possible to resolve locally in Cyprus.

(8) With regard to the second of these main problems, a divergence of view is unfortunately apparent between the three delegations. It is evident that these positions cannot at present be reconciled. But the British delegation feel strongly that this fact should not be allowed to create a breach between the three countries, with unfortunate and incalculable consequences to their co-operation as friends and allies in the many fields of common endeavour. Nor should failure to settle this aspect of the problem at this time be allowed to destroy the wide measure of agreement established in regard to the other main problem of internal self-government.

(9) Consequently the British delegation propose that the conference should record that it is unable to agree upon the problem of the future international status of Cyprus The conference would, at the same time, agree that each Government retains the position which it has taken up at the conference and is in no way committed by the proceedings of the conference to change its attitude. It would, in particular, be expressly recognized between the three parties that the fact of their co-operation over the introduction of self-government in no way invalidated their respective attitudes over the question of sovereignty

(10) When the new Constitution has come into working order in Cyprus, H.M. Government would be prepared to call the conference together again to take counsel once more together on the military and political problems of the Eastern Mediterranean, including the situation in Cyprus. It is hoped that sufficient progress will have been made to allow elected representatives of the Cypriot people to be associated with the conference In the meantime, the special tripartite committee proposed in connexion with the programme of self-government will serve as a standing instrument of consultation between the three allied Governments."

British Replies to Turkish Questions.

The following statement was issued at the conclusion of the conference:

" On September 7 the Turkish Foreign Minister put two questions to the British Foreign Secretary

(1) *Does the British Government intend to maintain in the present and in the future the right of sovereignty on the island of Cyprus, devolved upon Great Britain by the Treaty of Lausanne?*

To this Mr. Macmillan replied as follows:

'The British position . . is really a simple one We are a very empirical people. We try to deal with facts as we see them. There is nothing permanent in the world, and especially in the nuclear world; and in the long story of mankind—no one knows it better than the races and countries bordering the Mediterranean—there are many changes and permutations which take place But we face facts as they are We accepted Cyprus as a trust, in 1878, to meet certain strategic and political conditions of the world. These strategic and political conditions have reproduced themselves with melancholy and monotonous iteration, and indeed are present today in a far greater degree than ever before. Therefore, while we cannot look into the future at a very great distance, we cannot foresee conditions enabling us to abandon in one direction or another the trust we undertook and which we must still carry out.

To put it in a slightly more succinct way, I might add this In my statement of Aug 30 [see above] I stated that British sovereignty over Cyprus was beyond dispute, and I explained why H.M. Government regarded it as essential that the United Kingdom should continue to remain in possession of Cyprus in order to enable her to carry out her obligations in the Eastern Mediterranean and the Middle East. Nothing has since occurred in any way to modify that view, and I am bound to say that there is no prospect of any change in the foreseeable future.'

(2) *If the British Government is determined to maintain sovereignty on the island, does it, for the present or for the future, accept any principle of self-determination which might ultimately lead to the independence of the island or to its accession to another country?*

To this Mr. Macmillan replied: 'I think I have already answered that question We do not accept the principle of self-determination as one of universal application We think that exceptions must be made in view of geographical, traditional, historical, strategical, and other considerations.' "

A communiqué issued on Sept. 7 said that M. Stephanopoulos had made " an interim reply," and M. Zorlu " a full and definite reply," to the British constitutional proposals; that Mr. Macmillan, before making any further proposals, would " await the full reply of the Greek Government and any additions which the Turkish Government might wish to make to their statement "; and that " meanwhile, the tripartite conference stands suspended."

Both M. Stephanopoulos and M. Zorlu left London on Sept. 8. No statement was made by the Turkish Foreign Minister, but the Greek Foreign Minister gave a press conference in London before returning to Athens.

M. Stephanopoulos emphasized that Greece had never asked for the annexation of Cyprus, and reiterated that the Cypriots had the right to decide upon their own future, in conformity with the principles of the U.N. Charter. He asked that the people of Cyprus should be " allowed to exercise the right of self-determination after a reasonable period of self-government "; asserted that the Cypriots were being treated differently from other peoples of the British Commonwealth; and added: " We shall carry on the fight to secure recognition of the right of self-determination on behalf of the Cypriot people, the overwhelming majority of whom are Greek."

In view of the recent increase in terrorist activities in Cyprus, the British forces in the island were reinforced during the second week of September by 1,500 Royal Marine Commandos from Malta and by several companies of the South Staffordshire Regiment and The Royal Scots from the Suez Canal Zone. A squadron of six minesweepers sailed from Chatham on Sept. 8 to take part in the prevention of arms smuggling in the waters round Cyprus, whilst the light fleet carrier H.M.S. *Ocean* sailed from Plymouth on the following day with military equipment for the British forces in the island.

Further attacks by *Eoka* terrorists occurred during the night of Sept. 3-4 in the Famagusta area, where a bomb explosion at an R.A.F. radio station caused some damage and injured an R.A.F. officer and a Turkish Cypriot employee. A police-station in the nearby village of Paralimni was raided by 20 masked terrorists who escaped with a number of rifles and shot-guns after overpowering and binding eight policemen. As a result of these attacks, a ban on vehicular traffic by night was imposed in Famagusta and eight villages in the area.

The Government of Cyprus issued an Order-in-Council on Sept. 15 under which *Eoka* was banned as an organization " used for the promotion of disorder and the spread of sedition." It was laid down that accused terrorists would no longer come before a magistrate for preliminary hearing, as hitherto, but would be sent for trial by the assize court. The Order-in-Council will remain in force for twelve months in the first instance, and may be extended at the discretion of the Governor of Cyprus.

Leaflets had been circulated on Sept. 9 by a secret Turkish Cypriot organization, calling itself *Volkan*, threatening immediate reprisals against the *Eoka* if any attacks were made against Turkish officials, policemen, or civilians. The *Volkan* leaflets alleged that *Eoka* had included the names of prominent Turkish Cypriots on a " terror list," and threatened instant retaliation for any attacks on members of the Turkish community.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Cyprus, 14394 A; London Tripartite Conference, 14396 A.)**

A. UNITED STATES. — President Eisenhower's Statement on Essentials of Peace.

In a speech on Aug. 24 to the annual convention of the American Bar Association, meeting in Philadelphia, President Eisenhower declared that " the spirit of Geneva, if it is to provide a healthy atmosphere for the pursuit of peace, if it is to be genuine and not spurious, must inspire all to a correction of injustices and observance of human rights, and an end to subversion organized on a world scale." In this connexion he made the following three points:

" (1) The division of Germany cannot be supported by any argument based on boundaries or language or racial origin.

(2) The domination of captive countries cannot longer be justified by any claim that it is needed for purposes of security.

(3) An international political machine, operating within the borders of sovereign nations for their political and ideological subversion, cannot be explained away as a cultural movement."

After stressing that eagerness to avoid war could " produce outright or implicit agreement that injustices and wrongs of the present shall be perpetuated into the future," the President added: " We must not participate in any such false agreement. Thereby we would outrage our own conscience. In the eyes of those who suffer injustice, we would become partners with their oppressors. In the judgment of history we would have sold out the freedom of men for the pottage of a false peace. . . . We must be firm but friendly; tolerant, but not complacent; quick to understand another's viewpoint, honestly assumed. But we must never agree to injustice for the weak, the unfortunate, the under-privileged, well knowing that if we accept destruction of the principle of justice for all, we cannot longer claim justice for ourselves as a matter of right . . ."
(New York Times) **(Prev. rep. Geneva Conference, 14325 A.)**

B. AUSTRALIA. — Cabinet Appointment.

Senator John Spicer, the Federal Attorney-General, was sworn-in on Sept. 14 as Minister of Transport and Shipping in succession to Senator George McLeay, who had died on the previous day.—(Australian News and Information Bureau) **(Prev. rep. Cabinet, 13688 B.)**

A. CHINA - UNITED STATES. — Geneva Meeting of Ambassadors. - Repatriation from China of U.S. Airmen and Civilians. - Agreement on Repatriation of other Nationals of Both Countries.

It was announced in Washington and Peking on July 25 that Ambassadors representing the United States and the People's Republic of China would meet in Geneva on Aug. 1 to discuss the repatriation of nationals of the two countries desiring to return home, and "certain other practical matters now at issue between both sides." The U.S. State Department emphasized that the Peking Government had been informed through Britain that "these talks, as in the case of all our prior discussions with the Chinese Communists, do not involve diplomatic recognition." Mr. Alexis Johnson, Ambassador in Prague, was named as the U.S. envoy at the discussions, whilst Mr. Wang Ping-nan, Ambassador in Warsaw, was appointed Chinese representative.

The Chinese Prime Minister (Mr Chou En-lai), addressing the National People's Congress in Peking on July 30, said that although the Geneva talks would be primarily concerned with the reciprocal repatriation of Chinese and American civilians, they should, in the words of the original announcement, also "facilitate further discussions and the settlement of certain other practical matters now at issue between the two sides" "The Chinese people," he declared, "hope that these words signify that the United States is ready to co-operate with China and enable these Sino-American talks at ambassadorial level to make preparations for negotiations between China and the United States for relaxing and eliminating tension in the Formosa area. . . . The Chinese people hope that the countries of Asia and the Pacific region, including the United States, will sign a pact of collective peace to replace the antagonistic military blocs now existing in this part of the world"

"Conditions permitting," Mr. Chou added, "the Chinese people are ready to seek the liberation of Formosa by peaceful means. If possible, the Chinese Government is willing to enter into negotiations with responsible local authorities in Formosa. It should be made clear that these would be negotiations between the central Government and local authorities The Chinese people are firmly opposed to any idea . . of 'two Chinas'"

Immediately before the Geneva discussions were due to begin, it was announced by Peking Radio that the 11 U.S. airmen who had been sentenced to varying terms of imprisonment in November 1954 for alleged espionage (see 13927 A), and on whose behalf Dr. Hammarskjöld (the U.N. Secretary-General) had gone to Peking (see 14143 A), had been released and would be expelled from China. In Geneva, Mr. Wang made a statement announcing the release of the airmen and expressing the hope that "this measure taken by the Chinese Government will have a favourable effect on our talks."

The Peking announcement, after reiterating that the men had been sentenced for having "sneaked into the territorial air of China by plane to conduct espionage activities with the aim of jeopardizing the security of China," went on: "During the period in which these 11 criminals served their sentences, they observed discipline and behaved themselves fairly well. The authorities in charge so reported to the military tribunal of the Supreme People's Court, and asked for leniency for them. The tribunal decided on July 31 . . to release these 11 criminals before the completion of their terms, and notified the authorities in charge to carry out immediately the release procedure and to send them out of China."

The 11 airmen crossed the border into Hong Kong on Aug. 4 and were flown back to the United States, where they arrived on Aug. 12.

At a press conference in Tokio on Aug. 7, Colonel Arnold (the senior officer of the party) described how he had been subjected to prolonged solitary confinement, torture and interrogation whilst in captivity, whilst all the other 10 airmen said that they had been subjected to solitary confinement and starvation diet, but not to the severe interrogation inflicted on Colonel Arnold. The latter admitted that he had become "completely irrational" at times and had said "all sorts of things," but denied having signed a "confession" that he had violated Chinese sovereignty or dropped spies into China; he added that when a "confession" was produced at his trial, he had repudiated it. Another of the airmen, Major Baumer, said that he had been treated for nine months in a Communist hospital for frost-bite suffered after his plane had been shot down; though he had not been subjected to physical torture, he had subsequently been deprived of his crutches and placed in solitary confinement.

At their first meeting in Geneva, held at the Hôtel Beau Rivage, Mr. Johnson and Mr. Wang agreed on a two-point agenda for their discussions: (1) the return of civilians of both sides to their respective countries; (2) "other practical matters at issue between the two sides." During the ensuing six weeks the envoys had 14 meetings on the first item of the agenda; no definite information was given in the communiqués issued after each meeting, but it was reported that the talks were deadlocked over the question of the repatriation of Chinese students at present in the United States. On Sept. 10, however, agreement was finally reached on the first item of the agenda, the following joint communiqué being signed by the two ambassadors:

"The Ambassadors of the U S.A and the People's Republic of China have agreed to announce the measures which their respective Governments have adopted concerning the return of civilians to their respective countries

With respect to Chinese [nationals] in the United States. Ambassador Johnson, on behalf of the U.S A., has informed Ambassador Wang Ping-nan that:

(1) The U.S A. recognizes that Chinese in the United States who desire to return to the People's Republic of China are entitled to do so, and declares that it has adopted, and will further adopt, appropriate measures so that they can expeditiously exercise their right to return.

(2) The Government of the Republic of India will be invited to assist in the return to the People's Republic of China of those Chinese who desire to do so, as follows:

(*a*) If any Chinese in the United States believes that, contrary to the declared policy of the U S.A., he is encountering obstruction in departure, he may so inform the Indian Embassy in the United States and request it to make representations on his behalf to the U.S Government. If desired by the People's Republic of China, the Government of India may investigate the facts in any such case.

(*b*) If any Chinese in the U S.A. who desires to return to the People's Republic of China has difficulty in paying his return expenses, the Government of India may render him the financial assistance needed to permit his return.

(3) The U S. Government will give wide publicity to the foregoing arrangements, and the Indian Embassy in the United States may also do so.

With respect to Americans in China, Ambassador Wang Ping-nan, on behalf of the People's Republic of China, has informed Ambassador Johnson that:

(1) The People's Republic of China recognizes that Americans in China who desire to return to the U.S A. are entitled to do so, and declares that it has adopted, and will further adopt, appropriate measures so that they can expeditiously exercise their right to return.

(2) The British Government will be invited to assist in the return to the U.S.A. of those Americans who desire to do so, as follows:

(*a*) If any American in China believes that, contrary to the declared policy of the People's Republic of China, he is encountering obstruction in departure, he may so inform the office of the U.K. Chargé d'Affaires [in Peking] and request it to make representations on his behalf to the Government of the People's Republic of China If desired by the United States, the British Government may also investigate the facts in any such case.

(*b*) If any American in China who desires to return to the U.S.A. has difficulty in paying his return expenses, the British Government may render him the financial assistance needed to permit his return.

(3) The Government of the People's Republic of China will give wide publicity to the foregoing arrangements, and the office of the U.K. Chargé d'Affaires in China may also do so.

On the same day (Sept. 10) Mr. Wang informed Mr. Johnson that seven Americans imprisoned in China, and a further three under house arrest, would be released within the next few days and sent to Hong Kong. Earlier (Sept. 6) Mr. Wang had announced that his Government would issue exit permits to another 12 Americans detained in China.

The 22 Americans whose imminent release was announced comprised 10 missionaries; five businessmen; a Fulbright scholar at Peking University; an American pilot of a Chinese Nationalist airline; two young girls of White Russian mothers, together with one of the mothers, a naturalized American; and two other women, one the wife of one of the American businessmen and the other the wife of the Dutch manager of the Bank of America's Shanghai branch.

The release of the 11 airmen and the impending release of the 22 civilians left 18 or 19 Americans still in Chinese Communist custody.

Mr. Johnson and Mr. Wang had a further meeting in Geneva on Sept. 14, at the end of which Mr. Wang issued a statement saying that the Chinese delegation had proposed that the second item on the agenda should be discussed, taking, first, the lifting of trade barriers, and secondly, preparatory work for Sino-American talks at a higher level. After consultation with Washington, Mr. Johnson subsequently issued a statement saying that it would be "premature" to discuss other matters before carrying out the announcement about the return of civilians. "Only full implementation of the agreed announcement," the statement added, "can resolve the problem of the return of American civilians. In that announcement the People's Republic of China said it 'will further adopt appropriate measures' so that American civilians can 'expeditiously' exercise their right to return. The faithful carrying-out of that commitment should be the continued task of the Geneva meetings and should provide a basis for proceeding to the discussion of other practical matters."—(New York Times - New York Herald Tribune) **(Prev. rep. U.S. Airmen, 14143 A; Missionaries, 12117 A.)**

A. ATOMIC ENERGY. — First International Conference on Peaceful Uses of Atomic Energy.

The first International Conference on the Peaceful Uses of Atomic Energy, held in Geneva under the auspices of the United Nations, ended on Aug. 21. During the fortnight that the conference lasted, over 1,000 papers and oral reports —most of them of a highly technical nature—were presented on various aspects of atomic energy and their application to industry and agriculture. *Inter alia*, the conference discussed fundamental physical factors determining the design of nuclear reactors, the uses of radio-active isotopes, the effects of atomic radiation on man, and the protection of atomic workers from harmful effects of radiation, whilst comprehensive reports were given by British, American, Soviet, and other scientists on atomic progress—including reactor design—in their countries.

The conference was attended by scientists and observers from Albania, Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Burma, Byelorussia, Canada, Ceylon, Chile, China (Nationalist), Colombia, Cuba, Czechoslovakia, Denmark, the Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Finland, France, the German Federal Republic, Greece, Guatemala, Honduras, Hungary, Iceland, India, Indonesia, Iraq, the Irish Republic, Israel, Italy, Japan, Jordan, Korea (South), Lebanon, Liberia, Luxemburg, Mexico, Monaco, the Netherlands, New Zealand, Norway, Pakistan, Panama, Persia, Peru, the Philippines, Poland, Portugal, Rumania, San Marino, Siam, South Africa, the Soviet Union, Spain, Sweden, Switzerland, Syria, Turkey, the Ukraine, the United Kingdom, the United States, Uruguay, the Vatican, Vietnam (South), and Yugoslavia, and by representatives of the U.N specialized agencies

Brief summaries are given below of some of the subjects discussed at the conference, and of the reports given by British, U.S., and Soviet scientists on the progress of atomic energy development in their respective countries.

Atomic Power for Under-developed Areas. A forecast that atomic energy would eventually be used for the development of the world's under-developed areas was made by Sir John Cockcroft, Director of the U.K. Atomic Energy Establishment at Harwell Sir John said that it would be possible within five years to build nuclear power units in transportable form—"package reactors"—and, by these means, to supply "packaged power" for such purposes as mining development in isolated areas and the conversion of waterless deserts into fertile food-producing land As examples, he said that it would be possible by such means to drain the swamps of Bechuanaland and convert that territory into fertile agricultural land; to provide power for the Rhodesian copper-mines, now dependent on coal supplies brought from hundreds of miles away; and to develop isolated areas such as Port Radium in Canada and Broken Hill in Australia. Moreover, the deserts of North Africa might be irrigated with water derived from the sea and "demineralized" electrically with energy derived from nuclear processes.

Uses of Isotopes. The increasing use of radio-active isotopes in industry, medicine, research, etc, was discussed by U S, British, Norwegian, and other scientists Dr Willard Libby (U.S A) estimated that "hundreds of millions of dollars, perhaps $1,000,000,000," had been saved during the last ten years through the use of isotopes, few of these uses would have been possible a decade ago, other uses were "ready and waiting," and new uses were being developed almost daily. Another U S. scientist, Dr. P C. Aebersold (of the U S Atomic Energy Commission), described how American production and use of isotopes was increasing rapidly, especially in industry, and how they were being used, *inter alia*, for altering the strength and physical characteristics of such materials as plastics and vulcanised rubber. He said that over 1,000 different types of labelled radio-active compounds were now in use in the U.S.A., and that isotopes could be produced for sterilizing pharmaceutical products at an estimated cost of between one and seven cents per pound Descriptions of the medical applications of isotopes in Britain—the world's largest exporter of isotopes—were given by U K scientists.

Mr. R. A Silow, of the U N. Food and Agriculture Organization (FAO), stressed that isotopes could be of great importance for agriculture, particularly as "tools leading to improved harvest safeguards." He explained that adequate control of destructive insects required a thorough knowledge of their life cycles, and that "tagging" such insects with ray-emitting material enabled them to be easily identified. In Canada, for example, wireworms had been labelled with Cobalt-60—an isotope emitting an extremely penetrating form of X-ray—and scientists could thus follow their meanderings beneath the ground.

Radiation Hazards. Much attention was devoted to the possible genetic effects of radiation on the human race, and suggestions were put forward that an international organization should be set up to study this matter and establish standards of radio-biological protection. The consensus of opinion was that, although the dangers might not be immediate, quick action should be taken to safeguard the human race against adverse effects of radiation, particularly as regards the possibility of unfavourable genetic mutations.

American Atomic Developments. Complete sets of technical data and drawings of atomic research reactors now in use in the U.S A were presented to Dr. Bhabha (the President of the Conference) by Rear-Admiral Strauss, chairman of the U.S. Atomic Energy Commission and head of the U.S. delegation. They were contained in eight volumes which will be available to all participants in the conference, and which were designed "to furnish a practical basic source of technical information on nuclear energy and its application" The information included full details of six types of American research reactors now in use, data on nuclear physics, reactor design, basic reactor systems applicable to power development, engineering problems, etc.; background information on reactor materials, fuels, moderators, and safeguards against radiation dangers, a catalogue of special laboratory equipment for the handling of radio-active materials; and examples of the application of radio-isotopes in research and industry. Comprehensive descriptions of American reactors, and of the progress made in the U S A in applying atomic energy to industrial uses, were given to the conference by U S. scientists in a number of addresses and papers

American atomic scientists disclosed during the conference that nuclear energy had been used for a short time on July 17 to give light and power to an entire urban community—the small town of Arco (population 1,200), in Idaho—for the first time in the United States. Unknown to the people of Arco, the transmission lines supplying conventional power to the town (i e electricity) had been disconnected, and "the entire community then depended solely on nuclear power for more than an hour." The nuclear power had been produced from a plant at the Argonne National Laboratory, 20 miles from Arco. It was pointed out that the Arco experiment differed completely from that at West Milton (New York), where nuclear-produced electric power for civilian consumers had been made available at about the same time (see page 14361, second column), whereas the nuclear-produced electricity at West Milton had been "fed" into the transmission lines of the electricity grid, and was "interruptible," that at Arco had been supplied quite independently of the normal transmission lines.

It was also disclosed (by Dr. Charles Eichner, chief metallurgist of the French Atomic Energy Commission) that the United States was producing zirconium—one of the most important metals used in atomic reactors—on a commercial scale, being the first country to do so. Dr Eichner stated that the U S A had produced 5,000 tons of zirconium in 1954 and was expected to produce 30,000 tons in 1955; although France and Britain were also producing the metal, they could not market it commercially. [Zirconium is used in atomic plants for "canning" nuclear fuel elements because it has the rare property of resisting the bombardment of neutrons.]

British Atomic Developments. In an address on British atomic energy developments, Sir Christopher Hinton (managing director of the U.K. Atomic Energy Authority) referred to the "fast breeder" reactors at Harwell—and also projected for Dounreay—which produced more fissile material (plutonium) than they consumed—see page 14361, first column He described these reactors as "the gas turbines of the nuclear reactor world," and said that they were, with few exceptions, the only type which could "breed" more fissile fuel than they consumed. At the same time he emphasized that the gas-cooled type of atomic power plant—the Calder Hall type—was not outdated, and disclosed that Britain expected to be selling "considerable numbers" of these reactors "by the early 1960s."

Two other British scientists—Dr. Hurst and Dr. Wright, both of the U K. Atomic Energy Authority—disclosed that research was in progress at Harwell into the development of atomic power plants in which the breeder reactor furnaces would be used to drive gas-turbine generators Such plants, they explained, would differ from atomic power stations at present under construction, since the heat generated by the nuclear furnaces would be used directly to drive the gas-turbine, instead of being used to heat water and convert it into steam in a heat-exchanger. This method would enable atomic power stations to be built in places where no water was available for steam generation. Power plants of this type would use homogeneous fuels such as a mixture of uranium oxide in molten caustic soda, and the gas produced from the molten soda mixture would drive the gas-turbine

Discussing the efficiency of nuclear fuels, Sir John Cockcroft stated that with the graphite-moderated gas-cooled reactors with which the British atomic energy programme began, it was expected to extract from one ton of uranium the heat equivalent of 10,000 tons of coal Now, however, "we expect later to make one ton of uranium do the work of at least a million tons of coal" By 1975, British nuclear power stations would be saving the equivalent of 40,000,000 tons of coal for an annual consumption of between 40 and 400 tons of uranium, together with initial requirements for new power stations which might exceed 400 tons a year. By the year 2000, U.K energy requirements—which, it was estimated, would then be equivalent to the amount produced by burning 250,000,000 tons of coal—could be met by using 250 tons of uranium or thorium a year.

Soviet Atomic Developments. A full description of the Soviet Union's 5,000 kw. nuclear power-station, opened in July 1954, was given by Professor Blokhintsev. He described the main features of the power-station, analysed the first year's experience of its working, and discussed difficulties that had been encountered; gave full details of the reactor and other components; presented many charts, diagrams, and photographs; and answered many questions put to him by U S., British, Dutch, and Indian scientists concerning technical details of the station and its different sections. He disclosed that various types of atomic power stations of great capacity—50,000 to 100,000 kw and over—were being designed in the Soviet Union.

Professor Lavrischev, another leading Soviet scientist, announced that the U.S.S.R. had undertaken to build research reactors for Poland, Czechoslovakia, Eastern Germany, Rumania, Hungary, Bulgaria, and China; that those countries would also be supplied with cyclotrons for research purposes; and that their scientists and

technicians would receive training, advice, and technical information from Soviet scientists. He also announced that radio-active isotopes were being produced in the Soviet Union, as well as natural uranium, thorium, uranium-235 and 233, plutonium, tritium, and heavy water. Professor Sbolbeltzin disclosed that the U.S.S.R. had exported about 1,000 shipments of isotopes a month in 1954-55 at prices at the level of those on the world market; he added that "not a single order from any country has been refused."

Dr. Kursanov told the conference that Soviet scientists believed they were close to solving the mystery of photosynthesis (the process by which plants, under the influence of sunlight, take up carbon dioxide and water, which are converted into sugars and starches—thus forming the basic foodstuffs for animals and man). Radio-active isotopes, used as "tracers" in plant studies, had enabled Soviet scientists to take a "decisive step in the direction of solving the mystery of photosynthesis and of mastering this process," and the full solution was expected "in the near future." Dr. Kursanov disclosed that it had been found that not only carbohydrates, but also proteins, were the direct product of photosynthesis in plants; moreover, it had been found that carbohydrates were mainly formed under the influence of the red and yellow components of the sun's light, whilst proteins were formed under the influence of the blue component. This latter finding had important possibilities for practical application in hothouses—e.g., as a conceivable means of influencing the quality and quantity of plants by utilizing light sources of varying composition and intensity

Uses of Thorium. Dr J. V. Dunworth (U.K.), of Harwell, described a number of ways in which thorium could be used more advantageously than natural uranium as a nuclear fuel. Researches in Britain had shown that a thorium and uranium-233 system, in which the U-233 was created by the bombardment of thorium with nuclear particles, was to be preferred both metallurgically and chemically to the more orthodox uranium-238 and plutonium system, in which plutonium was created by the transmutation of U-238. He expressed the opinion that thorium would probably prove a more valuable fuel than uranium for Britain's nuclear power programme, and believed that it should eventually be possible to supply all Britain's electricity needs from 15 tons of thorium a year.

[The two main sources of thorium so far known are Brazil and India. Both countries have built plants for extracting the metal thorium from monazite sands, and a Brazilian plant capable of handling 3,000 tons of monazite a year has been in operation since 1951. Known Brazilian deposits of monazite are estimated at over 100,000 tons.]

Cost of Nuclear-produced Electricity. American, British, and Soviet experts agreed that electricity generated in nuclear power stations was in early sight of being as cheap as, or even cheaper than, electricity generated at coal- or oil-fired stations.

Dr. Bhabha, addressing the final session of the conference, said that it had "succeeded beyond all hopes and expectations." He added: This scientific conference, which will inevitably have important political consequences, differs in one important respect from all political conferences. Knowledge once given cannot be taken back, and in organizing this conference the nations of the world have taken an irreversible step forward—a step from which there is no retreat. . . . The conference has re-established that free exchange of knowledge among men of science which is one of the glories of our civilization."

Discussing "a few highlights" of the conference, Dr. Bhabha said that the feasibility of generating electricity by atomic energy had been demonstrated beyond doubt, and that the economics of atomic power generation had also been greatly clarified. Even with present costs, atomic power stations would be economically competitive with power-stations of the conventional type in many areas of the world where power costs were high, especially in under-developed countries. It could be expected that many countries would review their future power requirements as a direct result of the information made available at the conference.

"The discussion of the genetical effects of radiation," said Dr. Bhabha, "clearly showed that we have not yet enough knowledge on which to base definite conclusions, and that a concerted and massive effort on this problem is required before we can be quite sure that no suffering will be caused to future generations through the production of deleterious mutations. There is no cause for alarm, but until the matter has been fully studied and understood it would be wise, wherever possible, not to permit people to be subjected to more than a tenth of the dose considered safe at present."

Dr. Bhabha said that he had been asked by the U.N. Secretary-General, Dr Hammarskjold, to say that when he (Dr Hammarskjold) reported on the conference to the United Nations, he would put forward "such practical proposals as seem appropriate in view of the need to follow up the work so well begun at the conference, and in order to equip the U.N. Organization to meet such responsibilities in this field as may grow out of developments during the next session of the General Assembly."

Dr. Hammarskjold announced on Aug. 26 that the United Nations would publish the full proceedings of the International Conference on the Peaceful Uses of Atomic Energy in 16 volumes of approximately 500 pages each. The publication would comprise all scientific papers, whether presented orally or in written form at the conference, together with a record of the discussions on each paper. The English edition would be available early in 1956, and editions in several other languages would be issued at a later date.

At the invitation of Sir John Cockcroft, nearly 150 scientists who had attended the Geneva conference—among them 30 from the Soviet Union, Poland, Czechoslovakia, and Rumania—visited Harwell on Aug. 14 and toured many parts of the Atomic Energy Establishment. An invitation to visit the Soviet atomic plant near Moscow had been extended to Sir John and other British scientists in Geneva, and had been accepted. On Sept. 6 the British, U.S., Italian, Swedish, Mexican, and Burmese Ambassadors in Moscow, as well as those from several Communist countries, were taken over the Soviet atomic power-station, which is situated in a pine forest 70 miles south-west of Moscow. The visit was the first to be made by Western representatives.

After the Geneva conference had ended, representatives of the United States, Great Britain, France, the U.S.S.R., Canada, and Czechoslovakia met in Geneva on Aug. 26-28 for private discussions on the peaceful uses of atomic energy. A joint communiqué said that technical experts of the six Powers had "reviewed a number of preliminary suggestions," that there had been "a useful exchange of technical views," and that the matter would be "studied further by the respective Governments."—(U.N. Information Centre, London - Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Soviet Weekly - Le Monde, Paris - Neue Zurcher Zeitung) **(Prev. rep. 14360 A.)**

A. PAKISTAN. — U.S. Economic Assistance. - New Operational Agreements. - U.S. Government Guarantees for American Investors in Pakistan.

Five more operational agreements for U.S. economic and technical aid to Pakistan were signed in recent months, as follows:

(1) Construction of the Taunsa barrage (Punjab)—see 13528 C. A further U.S. contribution of $2,509,600; Pakistani contribution about 18,000,000 rupees (March 25)

(2) Further construction work on the Karachi water supply and sewage disposal project. U.S. contribution $3,800,000, Pakistani contribution 135,400,000 rupees (April 9).

(3) A three-year programme for modernizing Pakistan's civil aviation network, including the development of Nawabshah airport (Sind) as an international airport auxiliary to that at Karachi; radio equipment for Karachi, Dacca, and Lahore airports; and the training of Pakistani aviation officials. U.S. contribution during the first year, $998,850, Pakistani contribution, 810,000 rupees (April 16).

(4) Construction of the Karnafuli multi-purpose project in the Chittagong area. U.S. contribution for 1955, $3,500,000, Pakistani contribution, 10,000,000 rupees (June 30)

(5) Further U.S. assistance for the Ganges-Kobadak irrigation project—$450,000 (Aug. 20).

An earlier operational agreement not yet listed (April 29, 1954) provided for the construction of three grain silos at Karachi, Chittagong, and Lyallpur as a safeguard against future crop failures. U.S. contribution, $1,485,000, Pakistani contribution, 2,400,000 rupees.

It was announced on Aug. 17 that the U.S. and Pakistani Governments had agreed on a co-operative five-year programme of agricultural development, costing 8,000,000 rupees. Its object would be to improve organization in agricultural departments, both at the Centre and in the Provinces; to raise the standard of equipment; and to spread the knowledge of agricultural methods by means of further education and demonstrations.

An agreement signed on March 16 provided that the $20,000,000 loan granted by the U.S. Export-Import Bank to Pakistan (see 14113 C) should be repaid in rupees within 40 years, but that the rupees repaid would again be made available by the U.S.A. as economic aid for financing productive projects in Pakistan.

A further agreement was signed between the two Governments on May 26 which provided for U.S. Government guarantees to be extended to American private businesses investing in Pakistan. The guarantees will be administered by the Foreign Operations Administration, although all guaranteed investments will have to obtain the approval of both Governments.—(Pakistan High Commissioner's Office, London - New York Times) **(Prev. rep. 14113 C; 13528 C.)**

B. CHINA - NEPAL. — "Panch Sila" Agreement.

The agreement signed on Aug. 1 between Nepal and the People's Republic of China laid down that the relations between the two countries would be governed by the principles of *Panch Sila*—the "five principles of peaceful co-existence"—as enunciated in the Nehru-Bulganin declaration of June 22 (see 14372 A). The agreement was signed in Khatmandu and not (as erroneously stated in 14350 C) in Delhi.
(The Statesman, Calcutta) **(Prev. rep. 14350 C; 13588 A.)**

A. FRANCE. — Parliamentary Approval for Consideration of Further Constitutional Reforms. - New Assembly Rule for Limitation of Proxy Voting.

M. Paul Reynaud, the Independent Republican leader and former Premier, submitted to the French National Assembly on March 10 a motion for the revision of the Constitution of 1946, which provided (*a*) for the simplification of the procedure for constitutional changes; (*b*) for the dissolution of the Assembly if a Government were defeated on a censure motion or a motion of confidence within two years of its formation. The motion was also signed by M. Sécretain (U.D.S.R.), M. Garet (Independent Republican), M. Laurens (Independent *Paysan*), M. Pupat (*Paysan*), and M. Bergasse (Dissident Gaullist) on behalf of their respective parties. Similar proposals had been put forward by M. Reynaud at the time of the Cabinet crisis of 1953 as a condition of his accepting office, but had been rejected by the Assembly (see 12993 A).

In introducing his motion, M. Reynaud contrasted the stability of the British political system, arising from the existence of a strong Executive, with the "ministerial instability" in France, which had led to 20 Cabinet crises in 10 years. Over a quarter of the non-Communist members of the Assembly, he pointed out, had held Cabinet office, and it was becoming "a disgrace not to have been a Minister like everyone else." The result of this state of affairs was that deputies voted for the overthrow of Governments in the hope of securing office. This situation, M. Reynaud suggested, was harming France's prestige and vital interests, and was costing her her position as a great Power. In support of this contention he referred to the position in North Africa; to the recent SEATO conference at Bangkok (see 14081 A), at which, owing to the fall of the Mendès-France Government, France had not been represented by a member of the Cabinet; and to recent suggestions made by Sir Winston Churchill and the British Labour Party for a "summit" conference in which no mention had been made of France. M. Reynaud then made the following proposals.

(1) Article 90 of the Constitution, dealing with its revision, should be amended so as to restore the "more simple and logical" procedure laid down in the Constitution of 1875. Under the existing Constitution, an absolute majority of the members of both Chambers must first decide to revise it, secondly, the Bill had to be approved by two-thirds of the members of the Assembly, or three-fifths of the members of both Chambers; and finally, if the required majority had not been obtained, the Bill had to be submitted to a referendum. M. Reynaud proposed instead that the two Chambers should first decide separately, by an absolute majority, on the Articles to be revised, and should then meet in joint session to take a final decision, again by an absolute majority.

(2) If a Government was defeated on a motion of censure or a vote of confidence within two years of its investiture, the Premier might ask for a second vote to be taken within three days. If the Government was again defeated the Assembly would automatically be dissolved, and new elections held at least 20 and not more than 30 days afterwards. This provision, however, would not apply in time of war, or when a state of siege had been proclaimed over the whole or part of metropolitan France.

In support of this proposal, M. Reynaud contended that it would not increase the Executive's power over the Assembly, as the final decision would rest with the latter, that, as Ministers were almost all deputies, they would not be tempted to "abuse a question of confidence of which they might be the victims"; and that there was therefore no reason to fear "the substitution of parliamentary instability for ministerial instability." Moreover, as each Assembly was elected for five years, three Ministries might hold office during its lifetime without a dissolution taking place.

(3) The provision in Article 13 forbidding the Assembly to delegate its powers to the Executive should be repealed.

(4) The National Assembly's agenda should be decided by the Government.

(5) Deputies should no longer be empowered to propose increases in expenditure.

The Prime Minister, M. Faure, stated at a press conference on March 30 that his experience in office had confirmed him in his "absolute conviction" of the necessity to reform the working of the parliamentary and governmental system; he paid tribute to M. Reynaud for having "recognized the full importance of this question" and for seeking "practical solutions." On the following day the Universal Suffrage Commission of the Assembly (which deals with constitutional questions) adopted a resolution inviting the Prime Minister to make a statement on the Government's views on constitutional reform; a Bill (proposed by M. Reynaud) for the revision of Article 90 of the Constitution failed, however, to secure the majority of votes in the Commission necessary for it to be treated as a matter of urgency. The Bill was supported by the Radicals, U.D.S.R., Independents, *Paysans* and Independent *Paysans*, Gaullists, and Dissident Gaullists, but was opposed by the Communists; the Socialist and M.R.P. members of the Commission abstained from voting.

When the question of revising Article 90 was submitted to the Assembly on May 24, M. Lecourt (parliamentary leader of the M.R.P.) suggested that the question of votes of confidence and of the Articles dealing with the French Union should also be considered. This proposal was adopted by the Assembly, which decided by 404 votes to 210 that there were grounds for reconsidering 28 Articles of the Constitution.

M. Defos du Rau (M.R.P.), *rapporteur* of the Universal Suffrage Commission, stated that, in addition to M. Reynaud's proposals, seven other proposals had been submitted for the revision of Article 90. The Commission, he explained, favoured the simplification of the procedure for constitutional revision by combining the two stages of the operation, but supported the retention of the existing provisions relating to the majorities required and the use of the referendum, and opposed any return to the system of the 1875 Constitution. **M. Reynaud,** however, pointed out that previous constitutional changes had taken four years to pass, and maintained that no fundamental reforms could be carried out so long as a majority of three-fifths or two-thirds was needed. He denied that his proposals would lead to constant changes in the Constitution, as had been suggested, since even in the event of an electoral landslide in the Assembly an absolute majority would still be needed in the Council of the Republic, whereas under the present system a two-thirds majority in the Assembly could overrule the Upper Chamber.

M. Verdier (Socialist) asserted that the principal cause of governmental instability lay in the system of party organization rather than in the Constitution. He observed that in Britain, despite the right of dissolution, crises had been common in the 19th-century because the parties had lacked cohesion and Whigs and Tories had frequently changed sides. Similarly, French Governments today often lost their majorities because of the lack of cohesion and discipline within the groups supporting them, for example, the fall of M. Mendès-France had been brought about by certain members of his own party. It was therefore necessary to choose between the conception of a deputy's independence with regard to his group, together with the instability to which it gave rise, and the reform in political habits which was necessary to ensure stability. **M. Schmittlein** (Gaullist) declared that substantial revision of the Constitution was indispensable, and that "to make it possible we must open the door which had been carefully bolted by Article 90." **M. Ballanger** (Communist), on the other hand, criticized the 1946 Constitution as "insufficiently democratic," and demanded the revision of Article 90 so as to make a referendum on constitutional changes obligatory, independent of Parliamentary majorities.

M. Lecourt (M.R.P.) said that changes in parliamentary procedure and political habits were necessary, as well as a revision of the Constitution, and recalled that the same political instability had existed under the Third Republic. If the Assembly confined itself to the revision of Article 90, he pointed out, this could not be completed before January 1956, as the last quarter of the year was reserved for the Budget and the new Assembly, which was due for election in June 1956, would not be able to deal with other changes until the beginning of 1957. He therefore suggested that the Assembly should consider other possible reforms immediately, and moved that, in addition to Article 90, it should also consider the revision of Articles 49 and 50 (dealing with votes of confidence and motions of censure), Article 51 (on the procedure for dissolution of the Assembly), and the whole of Chapter VIII of the Constitution (comprising Articles 60-82) dealing with the French Union.

After **M. Hugues** (Radical) had proposed that Article 17 (dealing with deputies' powers to propose increases in expenditure) should also be considered, **M. Faure** expressed approval of M. Lecourt's and M. Hugues's amendments on the Government's behalf.

The Assembly accordingly voted to consider the revision of Articles 17, 49, 50, 51, 60-82, and 90, only the Socialists and Communists opposing.

The Council of the Republic, on July 19, also approved in principle the revision of Articles 17, 49, 50, 51, 62-80, and 90 of the 1946 Constitution, the final vote on the Bill as a whole being 245 in favour and 70 against, the Socialists and Communists opposing. In the preceding voting on individual sections of the Bill, the Socialists voted with the majority in favour of revising Chapter VIII of the Constitution (Arts. 62-80), the voting on this particular point being 300 against 14. At the suggestion of M. Michel Debré (Gaullist), *rapporteur* of the Universal Suffrage Commission, the Council added a rider requesting the National Assembly to give priority to the amendment of Article 90.

On July 26 the Assembly approved a change in its rules limiting the right of voting by proxy. Under the system hitherto in force, a deputy's vote could be recorded in his absence by a member of his party, the bureau of the Assembly, or anyone else named by him. The new rule (which was opposed only by the Communists) required deputies to vote in person when a new Prime Minister was seeking a *vote d'investiture*, when a motion of confidence had been put by the Government, or when there was a vote of censure. Personal voting on international treaties would also be obligatory when a recommendation to that effect by the steering committee of the Assembly was approved by the Assembly itself.

(Le Monde, Paris - Le Figaro, Paris) **(Prev. rep. 14049 A.)**

A. EGYPT - ISRAEL. — Cease-Fire in Gaza Area. - General Burns's Report to U.N. on Gaza Incidents. - Security Council Resolution.

A renewed call for an immediate cease-fire in the Gaza area, made on Sept. 3 by the Chief of Staff of the U.N. Truce Supervisory Organization (General Burns) after consultation with the U.N. Secretary-General (Dr. Hammarskjold), was accepted on Sept. 4 by Egypt and Israel, both Governments reserving the right to defend themselves if attacked.

Although the situation on the border remained tense, no further incidents occurred after the Israeli attack on Khan Yunis on Aug. 31, which had been made in retaliation for raids into Israel by Egyptian saboteurs. On Sept. 5 the Government of Israel apologized for an incident on the previous night in which an Israeli patrol had crossed the border and had subsequently withdrawn after a clash with Egyptian troops in which two Israeli soldiers were killed. It was explained that the patrol had lost its way and had crossed the border in error. The apology—the first of its kind to be made by either side—was transmitted to the Egyptian authorities by General Burns. On the same day (Sept 5) the bodies of the two Israeli soldiers killed in the clash were returned by the Egyptian military authorities to the Israeli side, with full military honours. The bodies of the two Egyptian airmen killed in the air clash of Sept. 1 (see 14389 A) had previously been returned by the Israeli military authorities to the Egyptian side, also with full military honours.

The Egyptian-Israeli Mixed Armistice Commission met on Sept. 5, under the chairmanship of a U.N. observer, to decide upon the responsibility for the incident of Aug. 22 which had led to the breaking-off of the Gaza negotiations by Egypt, and which had precipitated the series of clashes on the border during the following ten days. The meeting took place at "Kilometre 95," a no-man's-land on the Gaza-Beersheba road where the earlier border discussions had been held. After a 15-hour discussion, the U.N. chairman said that both parties had committed flagrant violations of the armistice agreement but that, in his opinion, it was impossible to tell who had fired the first shot. He found (*a*) that Egypt had been guilty of firing on a routine Israeli patrol in open country near Mefallsim (the scene of the incident of Aug. 22), and that the patrol had thereupon attacked the Egyptian post as the only way of defending itself; (*b*) that Israel had been guilty of opening fire on the Egyptian post and occupying it, causing the death of one Egyptian officer and two other ranks and injuries to nine others. Both resolutions were adopted by the casting vote of the U.N. chairman, the first being opposed by the Egyptian delegation and the second by the Israeli delegation.

A report on the recent incidents in the Gaza area was presented to the United Nations on Sept. 7 by General Burns, who expressed the opinion that such incidents could only be avoided if the opposing forces were "separated by an effective physical barrier along the demarcation line."

General Burns's report analysed the "outbreak of extreme violence" which had begun with the Mefallsim incident on Aug. 22 and ended with the Khan Yunis attack on Aug. 31, and recapitulated the various attempts made by him and by U.N. officials to end the violence. He disclosed that nine U.N. military observers and other personnel had been detained by Israeli officials for several hours at Beersheba on Aug. 31; that an immediate protest had been made to the Israeli Foreign Ministry, and that, "after some conflicting statements had been made," the U.N. officials had been allowed to travel to Jerusalem or Gaza under military escort.

General Burns said that bands of marauders from the Egyptian side had penetrated deeply into Israel and had carried out murder and sabotage. "The number and nature of these acts of sabotage, perpetrated well within Israel territory, are such as to suggest that they are the work of organized and well-trained groups," the report added. "Investigations so far completed by U.N military observers tend to support this view." The U.N. Truce Supervisory Organization had made representations to the Egyptian War Ministry, the Governor of Gaza, and the Egyptian military commander at Gaza, listing some of these raiding operations and stating that their continuation could provoke "reactions which might lead to the gravest situation." According to a statement by the Israeli Foreign Ministry (mentioned by General Burns in his report), the continuation of these raids was the determining factor which led to the Israeli attack on Khan Yunis.

"I am of the opinion," said General Burns, "that a repetition of incidents between Egyptian outposts and Israeli motor patrols ... will only be avoided if the forces of the opposing sides are separated by an effective physical barrier along the demarcation line; and if, in addition, defensive positions and motorized patrols are kept at least 500 metres from the demarcation line on either side."

The U.N. Security Council, meeting in New York on Sept. 8, unanimously adopted a resolution, presented jointly by Great Britain, the U.S.A., and France, which (*a*) noted with approval that Egypt and Israel had agreed to a cease-fire; (*b*) called upon both parties "forthwith to take all steps necessary to bring about order and tranquillity in the area, and in particular to desist from further acts of violence"; (*c*) endorsed General Burns's view that "the armed forces of both parties should be clearly and effectively separated by measures such as those which he has proposed"; (*d*) declared that the U.N. observers in the area must be given full freedom of movement to enable them to carry out their functions; (*e*) called upon Egypt and Israel to co-operate fully with General Burns; and (*f*) requested General Burns to report on the action taken to carry out the resolution.

Sir Pierson Dixon (U.K.), who opened the debate, expressed deep concern at the renewed outbreak of violence in the Gaza area, but urged that there should be no recriminations and that the Council should fix its eyes upon a "constructive future" rather than indulge in controversy by discussing the representations made by Egypt and Israel. Provided that restraint was exercised by both parties and the problem was realistically approached, he believed that order and tranquillity could be maintained in the Gaza area. Statements in support were made by Mr. Cabot Lodge (U.S.A.), M. Hervé Alphand (France), Sir Leslie Munro (New Zealand), and M. Sobolev (Soviet Union).

At the Security Council's invitation, Egyptian and Israeli representatives were present at the discussion. Both made moderately-worded statements accusing the other party of responsibility for the Gaza incidents, but both gave assurances that their countries would observe the cease-fire.

The Israeli Foreign Ministry stated on Sept. 8 that Israel supported General Burns's suggestion for the erection of a physical barrier between the forces of the two sides in the Gaza area.—(Times - Daily Telegraph - New York Times)

(Prev. rep. Gaza Incidents, 14389 A.)

B. NETHERLANDS. — Old-Age Pensions Legislation.

A new and comprehensive old-age pensions plan was submitted by the Netherlands Government to the States-General on June 30. Its main provisions were as follows:

(1) All permanent residents in the country between the ages of 15 and 65, irrespective of nationality, would be liable to pay compulsory pension insurance premiums, to be collected by the Inland Revenue authorities in the same way as taxes, and to vary from 6 5 to 7 per cent of income.

(2) A social insurance bank would be set up to administer the scheme.

(3) Each working generation would furnish the funds necessary for the pensions of the generation eligible for benefit.

(4) Premiums would not be levied on amounts in excess of 6,000 guilders (£600) per annum. People with an annual income of less than 1,500 guilders (£150), or, in the case of married couples, of 2,100 guilders (£210), would be exempt from premium payments.

(5) Single persons would receive a pension of 804 guilders (approx. £80), and married couples of 1,338 guilders (approx. £134) a year, irrespective of other sources of income

(6) Existing pension schemes operated for their staffs by private business concerns would be adapted to the new plan.

(7) There would be compensation for the new premiums to be paid through abolition of the 4 per cent "equalization levy" now payable by employers, and by means of a small increase in wages.

It was also laid down (*a*) that special provisions would safeguard the position of married women without income (e.g., it would be possible for one-half of the pension of a married man to be paid to his wife without his consent), (*b*) that pension payments might be adjusted to fluctuations in the cost of living if, over a period of six successive months, the wages index showed an average rise or fall of three per cent; (*c*) that in the event of a sudden rise in the cost of living within a shorter period than six months, the pension rate might also be increased; (*d*) that in the event of misuse of the pension payments by the beneficiary, the social insurance bank would be empowered to make the payments to another person or to an institution entrusted with their administration for the benefit of the pensioner; (*e*) that the pensions could not be used as security for loans.

(Netherlands News Agency)

C. SWIMMING. — Cross-Channel Record.

William Pickering (34), baths manager at Bloxwich, Staffordshire, set up a new cross-channel record on Aug. 26-27 by swimming from England to France in 14 hours 6 mins. He entered the water at St. Margaret's Bay, near Dover, at 8.36 p.m. on Aug. 26 and stepped ashore near Calais at 10.42 a.m. on the following morning.

The Channel Swimming Association explained that the time of 13 hours 45 mins. for the England-France swim, set up in 1953 by an Egyptian, Abdul Latif Abu-Heif, was not officially recognized because he had not been accompanied by observers, and that Mr. Pickering's achievement would be recognized as an official record. The previous official record for the England-France swim, 14 hours 42 mins., was set up in 1953 by Miss Florence Chadwick, of California. The record for the France-England swim, 10 hours 50 mins., was set up in 1950 by an Egyptian Army officer, Lieutenant Hassan Abd el-Rehim.

(Times - Manchester Guardian) **(Prev. rep. 10921 D.)**

A. INTERNATIONAL BANK. — New Loans and Bond Issues. - South Korean Membership.

The following loans were made in recent months by the International Bank for Reconstruction and Development (dates of announcement in parentheses) :

Algeria. $10,000,000, guaranteed by France and Algeria, to *Electricité et Gaz d'Algérie* for a five-year expansion programme Three European banks participated in the loan to the extent of $724,000 , they were the *Société Générale pour favoriser le Developpement du Commerce et de l'Industrie en France* ($487,000), the Netherlands Trading Society, Amsterdam ($157,000), and Banque Lambert, Brussels ($80,000). Terms · 3¾ per cent p a. interest, plus 1 per cent p a. commission, repayable within 20 years starting March 1, 1957 (Aug. 28, 1955)

Austria. $10,000,000, mainly in European currencies, to the *Vorarlberger Illwerke*, a publicly-administered company, for equipment for the Lunersee hydro-electric project The Philadelphia National Bank participated in the loan to the extent of $153,000 The loan, which was guaranteed by the Austrian Government, was the second International Bank loan to Austria, the other having also been for a hydro-electric project (see 13984 A). Terms 3¾ per cent p a. interest, plus 1 per cent p a commission, repayable within 25 years starting May 15, 1960 (June 15, 1955).

Colombia. $15,900,000, guaranteed by the Colombian Government, to the Colombian National Railroads to help finance the extension of the Magdalena Valley Railroad The Bank of America participated in the loan to the extent of $866,000. Terms 3¾ per cent p.a interest, plus 1 per cent p a commission, repayable within 25 years beginning Nov 1, 1958 (June 16, 1955)

Guatemala. $18,200,000 to the Guatemalan Government (the first such loan) to help complete the new Atlantic and Pacific Highways and to improve and maintain existing roads The Bank of America participated in the loan to the extent of $576,000 Terms 3¾ per cent p a. interest, plus 1 per cent p.a. commission, repayable within 15 years beginning Feb. 1, 1959 (July 29, 1955)

Lebanon. $27,000,000, guaranteed by the Lebanese Government, to the Litani River Authority for a project which will more than double the country's electricity generating capacity and permit the irrigation of 8,500 acres of agricultural land along the Mediterranean coast Terms of the loan (the first to be made by the International Bank to the Lebanon) 3¾ per cent p a interest, plus 1 per cent p a commission, repayable within 25 years beginning on Aug 1, 1961 (Aug. 26, 1955).

Nicaragua. Three loans, all guaranteed by the Nicaraguan Government. The first, $7,100,000 to the *Emprese Nacional Luz y Fuerza* of Managua, will be used to buy equipment for expanding power distribution in the Managua area , the second, $400,000 to the *Instituto de Fomento Nacional*, will be re-lent to small power distributors for improving their distribution systems in 15 towns. The Bank of America participated in the loans to the extent of $724,000. Terms of both loans 3¾ per cent p a. interest, plus 1 per cent p a. commission, repayable within 20 years starting on Oct 1, 1958 (July 8, 1955)

The third loan, of $1,500,000 to the *Instituto de Fomento Nacional*, will be used for importing agricultural equipment and livestock. The Bank of America participated in this loan to the extent of $735,000. Terms 3¼ per cent p a interest, plus 1 per cent p a. commission, repayable within 12 years starting on Oct 1, 1957 (Aug. 30, 1955)

Pakistan. (*a*) $13,800,000, mainly in pounds sterling and German marks, to the Karachi Electric Supply Corporation Ltd for a new thermal power station and the improvement of existing power facilities in Karachi Six of the Eastern Exchange banks (the Chartered Bank of India, Australia and China , Eastern Bank Ltd.; Grindleys Bank Ltd , Lloyds Bank Ltd , the Mercantile Bank of India Ltd. , and the National Bank of India Ltd.) participated to the extent of $2,058,000. Terms 3¾ per cent p a interest, plus 1 per cent p a commission, repayable within 15 years beginning on Dec 1, 1957 (June 22, 1955)

(*b*) $4,200,000 in various currencies to the Karnaphuli Paper Mills Ltd. for constructing a pulp and paper mill at Chandraghona (East Pakistan), whose output will save imports worth $4,000,000 - $5,000,000 a year in foreign exchange The Bank of America and the Manufacturers Trust Company participated in the loan to the extent of $775,000. Terms 3¾ per cent p a interest plus 1 per cent p a commission, repayable within 15 years starting on Aug 15, 1956 (Aug 5, 1955).

(c) $14,800,000 to the trustees of the port of Karachi for port improvements. It was announced that the Bank expected that the loan would be made almost entirely in European currencies and Japanese yen. [This was the first time that the International Bank had lent Japanese yen, which the Japanese Government had made available from its subscription to the Bank's capital.] The Netherlands Trading Society participated in the loan to the extent of $217,000, payable in Dutch guilders Terms 3¾ per cent p.a interest, plus 1 per cent p.a. commission, repayable within 25 years beginning on June 1, 1960 (Aug. 5, 1955).

All three loans were guaranteed by the Pakistani Government

Panama. $5,900,000 to the Panamanian Government for a 4-year programme of highway reconstruction The Bank of America and the Chemical Corn Exchange Bank participated in the loan to the extent of $1,000,000 and $700,000 respectively Terms · 3¼ per cent p.a. interest, plus 1 per cent p.a. commission, repayable within 9 years beginning on May 1, 1959 (July 12, 1955).

Peru. $5,000,000 to the Peruvian Government for buying highway maintenance equipment and to cover the fees of engineering advisers on modern maintenance methods. The Chemical Corn Exchange Bank participated in the loan to the extent of $683,000 Terms · 3¼ per cent p a interest, plus 1 per cent p.a. commission, repayable within 9 years starting on Aug 15, 1958 (Aug 5, 1955)

Siam. $12,000,000, guaranteed by the Siamese Government, to the State Railway for a 5-year improvement programme The Bank of America participated in the loan to the extent of $1,105,000. Terms 3¾ per cent p a interest, plus 1 per cent p.a. commission, repayable within 15 years beginning on Aug 15, 1958 (Aug. 9, 1955)

Uruguay. $5,500,000, mainly in Italian lire and Swiss francs, to the *Administración General de las Usinas Electricas y los Telefonos del Estado* (*U T E*) for the expansion of power supplies The First National City Bank of New York ($300,000) and the Netherlands Trading Society ($354,000) participated in the loan, which was guaranteed by the Uruguayan Government Terms : 3¾ per cent p a interest, plus 1 per cent p a commission, repayable within 20 years starting on May 1, 1958 (Aug 30, 1955)

All private banks participated in the above loans without the International Bank's guarantee.

In a statement issued on Aug. 8, the International Bank announced that during the year ended June 30, 1955, it had made 20 loans, totalling $409,600,000 (more than in any previous year), to 14 countries, compared with 26 loans, totalling $324,000,000, made to 16 countries in 1953-54. Since its inception it had thus made 124 loans (about $2,325,000,000) to 37 countries.

It was announced on Aug. 2 that an underwriting syndicate of 14 Dutch banks, headed by the Netherlands Trading Society, were offering on behalf of the International Bank a new issue of 40,000,000 guilders 3¼ per cent bonds The bonds, which were offered at par, would be repaid in 14 equal annual instalments beginning on Sept 1, 1961 This was the fourteenth issue of bonds sold by the International Bank for currencies other than U S. dollars, a summary of these sales (with amounts expressed in U S dollars) being as follows . two Netherlands guilder issues, $21,000,000 , seven Swiss franc issues, $68,800,000 , three Canadian dollar issues, $50,100,000 ; two pound sterling issues, $28,000,000 Of these, $9,400,000 of Swiss franc bonds and $13,600,000 of Canadian dollar bonds had been repaid, leaving approximately $145,000,000 of non-dollar bonds outstanding Nine U S. dollar issues, amounting to $705,000,000 were also outstanding

It was announced on Aug. 26 that South Korea had become a member of the International Monetary Fund and the International Bank, with a quota in the Fund and a subscription to the Bank's capital stock of $12,500,000 each. This brought the membership of each institution to 58.—(International Bank, Washington) **(Prev. rep. Loans, 14252 B ; 14168 A ; Membership, 14347 C.)**

B. EGYPT - UNITED KINGDOM. — Revised Sterling Balances Agreement. - Ending of Discrimination against Sterling Exports to Egypt.

An agreement was signed in Cairo on Aug. 29 by the Egyptian Finance Minister (Dr. Abdul Moneim el-Kaissouny) and the British Ambassador (Sir Humphrey Trevelyan) revising the Anglo-Egyptian Sterling Releases Agreement of 1951 (see 11372 A) and providing for the release by 1963 of all the sterling balances still held by Egypt. The revised agreement, which was embodied in an exchange of Notes, provided for :

(1) The release of £5,000,000 on Sept. 2, 1955, in addition to the release of £15,000,000 already made during 1955.

(2) An increase in the annual rate of release to £20,000,000 for the years 1956 to 1960 inclusive.

(3) The release of £10,000,000 a year in 1961 and 1962.

(4) The release in 1963 of any balance then remaining

The minor additional releases made under the 1951 agreement would also continue, together with releases in respect of capital transfers from Egypt to the sterling area.

It was pointed out in the British Press that one of the chief effects of the new agreement was the release of £70,000,000 - £80,000,000 for which no provision had been made in the original agreement.

The Egyptian Government announced on Aug. 31 the abolition of the Sterling Import Entitlement scheme, which had been introduced in February 1953 and had had the effect of discriminating against sterling area exports to Egypt. It was officially stated, moreover, that Egypt had assured Britain that she had no intention of introducing in future any currency measure which would have the effect of discriminating against the import into Egypt of goods from the sterling area. The import entitlement system was replaced by increased import duties of 7 per cent on imports of goods other than raw materials, capital goods, and books and publications, but these higher duties were made equally applicable to imports from all other countries.—(Treasury Press Office, London - Financial Times - Economist) **(Prev. rep. 13976 C ; 11372 A.)**

A. UNITED KINGDOM. — Forthcoming Ending of Newsprint Rationing for Newspapers.

The Board of Trade announced on Aug. 15 that newsprint rationing, originally imposed in 1940, would be abolished in March 1956, when Government control of the number of pages which British newspapers might publish would end. To cover the intervening period before March, 1956, an Order had been made specifying for various types of newspaper the number of pages which might be printed in each 28-day period.

It was explained that the amount of home-produced and imported newsprint which newspapers had been able to acquire had risen from about 650,000 tons in 1953 to 720,000 tons in 1954 and an estimated 850,000 tons in 1955, whilst in 1956 both the tonnage available from overseas and the new capacity operating in Britain would be greater In effect, newspaper users would be allowed to import all the newsprint that at present seemed likely to be available, and in the circumstances the Government considered that newspapers should be free, as early as possible, to regulate their consumption within the availability of supplies It was therefore proposed, on the expiry of the interim Order, to revoke the present statutory controls on the delivery of newsprint and the number of pages which newspapers might publish. An announcement about future arrangements for the issue of import licences would be made in due course

The ending of control (the announcement added) would inevitably bring readjustment problems, and the six months' interval would be needed to enable users and suppliers of newsprint to complete the necessary arrangements amongst themselves, including the negotiation or revision of contracts In this connexion the Government would need to be assured that adequate provision was being made for newspapers with relatively small requirements, and it welcomed the assurances already given by representatives of the home mills that every endeavour would be made to safeguard the position of these small consumers

The Newsprint Supply Company Ltd., in a letter sent on the same day by Mr. F. P. Bishop, M.P. (its manager) to all newspapers associated with its scheme, disclaimed "all responsibility for the situation created by the Government." The letter complained that the Government statement "made no reference to recent discussions between the President of the Board of Trade and representatives of the company" and had ignored "the considered views of the company conveyed to the President in a letter dated July 27."

The last-mentioned letter, after referring to the discussions between Mr. Thorneycroft and the company's directors, stressed that newsprint supplies were still inadequate to permit freedom of paging unless large users were prepared to exercise voluntary restraint "in order to ensure adequate supplies to the hundreds of small newspapers." The company considered that this situation would continue for some time, as supplies were still far below the pre-war level and only sufficient to permit an average of nine pages in the 1½d. daily newspapers. Although appreciating the raised "ceiling" of newsprint authorized by the Board of Trade, the company saw no prospects of this "ceiling" being reached in the next year or so because of the pressure of world demand.

The letter recalled that a detailed plan, designed by the company to enable Government controls to be replaced by a system of voluntary rationing, had broken down because one of the company's members had refused to accept voluntary paging, which was an essential feature of the scheme. The company therefore feared that the removal of the Order limiting paging would have "very serious consequences," since it would bring into force individual contracts held by the larger newspapers with British mills, thereby absorbing the mills' whole output and making it impossible to guarantee supplies to smaller newspapers. It therefore recommended that the Order governing paging should remain until either (*a*) complete agreement could be secured amongst the large newsprint users; or (*b*) increased supplies made further restraint unnecessary.

In his letter of Aug. 15, Mr. Bishop estimated that newsprint supplies in 1956 would amount to only 930,000 tons, or nearly 200,000 tons less than the pre-war supply and "barely sufficient at the present level of sales to permit of 10-page national newspapers."—(Times - Daily Telegraph - Manchester Guardian - Financial Times) **(Prev. rep. 13784 B; Weeklies, 13648 C.)**

Note. Newspapers were first restricted in size as a wartime economy measure in July 1940 (see 4145 A), under an Order made by the Ministry of Supply at the request of the Newsprint Supply Company, Ltd., which has since regulated newsprint supplies under Government control. The company was incorporated as a non-profit-making concern in May 1940, its shares being held by nine leading national newspapers, two representatives of the Newspaper Society (representing provincial newspapers), and one representative of the Scottish Newspaper Proprietors' Associations (Times)

B. GERMANY. — New U.S. Commandant in Berlin.

It was announced on Aug. 31 that Brig.-General Hugh P. Harris (Chief of Staff of the U.S. Second Army) had been appointed U.S. Commandant in Berlin *vice* Brig.-General F. T. Pachler, assigned to Supreme Allied Headquarters in Paris. (New York Times) **(Prev. rep. 14159 A; 13998 C.)**

C. BRAZIL. — New Multilateral System of Trade and Payments. - Modification of Anglo-Brazilian Debt Agreement of 1953.

Following discussions held at The Hague on May 4 and in Bonn on July 19, arrangements were completed on Aug. 16 for setting up a multilateral system of trade and payments between Britain, the Netherlands, and the German Federal Republic on the one hand, and Brazil—a heavy debtor of all three countries—on the other. The arrangements were the culmination of a German-Brazilian agreement of July 1, a Dutch-Brazilian agreement of Aug. 16, and an exchange of Notes between Britain and Brazil modifying their existing payments arrangements and the Anglo-Brazilian debt agreement of 1953.

The new system will affect payments in two ways:

(1) Sterling, Deutschemarks, and guilders will have a "limited convertibility" in that Brazilian importers will be able to use these currencies for payments in any of the three countries concerned. Conversely, Brazil will accept any of the currencies in payment for goods exported to the sterling area, Western Germany, or the Dutch monetary area

(2) Under facilities announced by the Federal German authorities on Aug 13, British and Dutch banks will be able to buy Brazilian-German "clearing dollars" for financing imports from Brazil on the same footing as German banks are able to do for German importers—i e 80 per cent at free rates and 20 per cent at the official rate from the *Bank Deutscher Länder* This arrangement will operate as long as the supply of "clearing dollars" lasts [These dollars represent Brazil's debit balance on the Brazilian-German agreement of 1953 (see 13216 A) and were said to amount to about $25,000,000 on July 31, 1955]

The major modifications to the Anglo-Brazilian debt agreement of 1953 (see footnote) involved:

(*a*) abrogation of the provision whereby the minimum annual repayment by Brazil of £6,000,000 was to be increased in any year in which Brazil's sterling receipts exceeded £35,000,000;

(*b*) termination of the provision restricting Brazil's annual sterling expenditure on oil imports to a total of £15,000,000,

(*c*) a Brazilian undertaking to pay at the official rate of exchange all commercial debts owing to U K and Colonial creditors in respect of goods imported into Brazil on licences issued before Oct. 9, 1953, that were not already covered by the 1953 debt agreement. These payments would begin when debts covered by that agreement had been liquidated

The first auction of "pool" currency for use by Brazilian importers wishing to pay debts in Britain, the Netherlands, or Western Germany was held in Brazil on Aug. 22. The currency, which amounted to about $250,000, consisted entirely of D-marks; later auctions will have a guilder and sterling element.—(Bank of London and South America - Board of Trade Journal - Financial Times - Frankfurter Allgemeine Zeitung) **(Prev. rep. 13216 A.)**

Note. The U.K.-Brazilian agreement of 1953, embodied in an exchange of Notes on Oct. 1 of that year after five months of negotiations, contained the following provisions: (*a*) Brazil would apply to the International Monetary Fund for a drawing of £10,000,000 to be used for an initial payment to Britain (*b*) In each year from Oct. 1, 1953, the Brazilian Government would make available a minimum of £6,000,000 for the liquidation of her sterling debts. (*c*) Additional payments would be made in any year when Brazil's total sterling receipts exceeded £35,000,000, on the following scale: (i) 10 per cent of amounts between £35,000,000 and £45,000,000; (ii) 30 per cent of amounts between £45,000,000 and £50,000,000; (iii) 50 per cent of amounts between £50,000,000 and £60,000,000; (iv) 100 per cent of amounts over £60,000,000. (*d*) Interest would be payable by the Brazilian Government at the rate of 3½ per cent on the outstanding debts. (*e*) Brazil agreed to restrict payment in sterling for purchases of petroleum products from U K companies to £15,000,000 a year until the commercial debts were cleared, (Treasury Press Office)

D. INDIA. — Law Commission.

The appointment of a Law Commission was announced by the Indian Law Minister, Mr. Biswas, on Aug. 5.

The commission will be headed by Mr. M C. Setalvad, the Attorney-General, will comprise the Chief Justices of the Bombay and Rajasthan High Courts, two retired High Court judges, the Advocates-General of Madras, Andhra, and the Punjab, and three leading lawyers

The commission will (*a*) review the system of judicial administration in India; (*b*) suggest means of improving it by making legal proceedings speedier and less expensive; (*c*) examine laws of general application and importance; and (*d*) recommend the lines on which they should be amended, revised, consolidated, or otherwise brought up to date. Mr. Biswas explained that its inquiries would cover both civil and criminal courts, the recruitment of the judiciary, and the standards of legal education.—(The Statesman, Calcutta - The Hindu, Madras)

A. UNITED STATES. — Report of Advisory Committee on Prisoners of War. - Code of Conduct for U.S. Servicemen. - Promulgation by President Eisenhower.

The report was published on Aug. 17 of an Advisory Committee on Prisoners-of-War, set up on May 18 by the Secretary of Defence (Mr. Charles Wilson) to recommend ways of training military personnel to defend themselves against "brain-washing" and other physical and mental stress in the event of capture. The chairman of the committee was Mr. Carter L. Burgess (Assistant Secretary of Defence for Manpower and Personnel), who had been an aide to General Bedell Smith when the latter was Chief of Staff to General Eisenhower during the Second World War.

The committee reviewed the treatment accorded to prisoners-of-war throughout history, and then dealt specifically with the treatment of American P O W s in Korea, which had apparently been similar to that suffered by British prisoners (see 14282 A). It said that a total of 7,190 Americans had been captured by the enemy during the Korean fighting (6,656 Army, 263 Air Force, 231 Marines, 40 Navy), of whom no less than 2,730 (38 per cent) had died in Korean prison camps This "ghastly death-toll," the commission said, was the worst since the Revolutionary War (i.e. the American War of Independence) Of those who had subsequently been released as a result of the Korean armistice, 565 had been questioned about their conduct whilst in captivity, 373 of these men had been cleared, or the cases against them had been dropped after investigation. Of the remaining 192 men, 68 had been "separated from the services," three had resigned, one had been reprimanded, two had been given restricted assignments, and six had been convicted at courts-martial A further 112 cases, in various stages of investigation, were still pending. [A subsequent Army Department statement of Sept. 12 said that, of these 112 cases, 47 had been dropped for lack of evidence, two men had been convicted and two acquitted by court-martial, six had been cleared, and one dismissed by action of the Army's security board, leaving 54 cases still pending] A further 21 U S. servicemen had elected to stay with the Communists after the armistice, the evidence indicated, however, that few of them were "sincere" converts to Communism, but that "expediencey, opportunism, and fear of reprisal doubtless influenced some of the group"

The report dealt at length with the prisoners' subjection to prolonged interrogation, and referred to the success of their captors in inducing "nearly all the American prisoners" to provide more information than the absolute minimum of name, rank, number and date of birth. The committee found that the causes of the war, the U.N. objectives, and the need for U S. intervention had not been clearly delineated in the public mind, and that Chinese indoctrinators had had the advantage over many prisoners who knew too little about the U.S.A and its ideals and traditions Stressing the need for "spiritual and educational bulwarks against enemy political indoctrination," the committee recommended (*a*) that the Assistant Secretary of Defence (Manpower and Personnel) should be directed to initiate exploratory conferences with the Department of Health, Education, and Welfare and other agencies and institutions on pre-service training; (*b*) that the Defence Department should devise a special training programme to teach American servicemen ways and means of resisting enemy interrogators.

The committee's most important recommendation was a Code of Conduct for all members of the U.S. armed forces, which, it was proposed, should be promulgated in the form of an Executive Order.

The spirit and intent of the Code, the committee said, was that throughout his service a man must be responsible for all his actions. They recognized that a prisoner of war might be subjected to severe pressure to disclose information or sign false statements, but emphasized that "a line of resistance must be drawn somewhere, and initially as far forward as possible" This "first line of resistance" would be the name, rank, and service number provisions of the Geneva Conventions If a P.O W was driven under interrogation from this "first line," he must be trained for resistance in successive positions and "to stand on the final line to the end—no disclosure of vital information, and above all no disloyalty in word or deed to his country, his service, or his comrades,"

The text of the Code of Conduct was as follows :

"(1) I am an American fighting man, I serve in the forces which guard my country and our way of life. I am prepared to give my life in their defence.

(2) I will never surrender of my own free will. If in command I will never surrender my men while they still have the means to resist.

(3) If I am captured I will continue to resist by all means available. I will make every effort to escape and aid others to escape. I will accept neither parole nor special favours from the enemy.

(4) If I become a prisoner of war, I will keep faith with my fellow prisoners I will give no information or take part in any action which might be harmful to my comrades If I am senior, I will take command If not, I will obey the lawful orders of those appointed over me and will back them up in every way

(5) When questioned, should I become a prisoner of war, I am bound to give only name, rank, service number, and date of birth. I will evade answering further questions to the utmost of my ability. I will make no oral or written statements disloyal to my country and its allies or harmful to their cause.

(6) I will never forget that I am an American fighting man, responsible for my actions and dedicated to the principles which made my country free. I will trust in my God and in the United States of America"

The Code of Conduct was promulgated on the same day (Aug. 17) by President Eisenhower, who signed an Executive Order bringing it into force. A set of instructions accompanying the Code said :

"Oral or written confessions true or false, questionnaires, personal history statements, propaganda recordings and broadcasts, appeals to other prisoners of war, signatures to peace or surrender appeals, self-criticisms, or any other oral or written communication on behalf of the enemy or critical or harmful to the United States, its allies, the armed forces, or other prisoners, are forbidden."

Officials in Washington said that every Serviceman would probably receive a copy of the Code of Conduct and the accompanying instructions, but that it was unlikely that a formal oath would be required It was indicated that although a P.O W would be expected to resist all forms of enemy pressure by every means in his power, merciful consideration would be given to P O W s who divulged information under torture or other forms of cruel treatment

Under the Geneva Conventions of 1929 and 1949, a prisoner of war need not divulge more than his name, rank, service number, and date of birth.—(New York Times - New York Herald Tribune) **(Prev. rep. Repatriation of P.O.W.s, 13397 A ; British Prisoners in Korea, 14282 A.)**

B. SAN MARINO. — General Elections.

General elections held on Aug. 14 in the Republic of San Marino resulted in the return to power of the Communist and Left-wing Socialist alliance, which has been in office since 1943 and which improved its position as compared with the last (1951) general elections. Results were as follows, showing comparison with 1951 :

	1955		1951	
	Seats	Votes	Seats	Votes
Communists	19	1,656	18	1,306
Left-wing Socialists	16	1,338	13	991
Christian Democrats	23	2,006	26	1,922
Democratic Socialists	2	245	—	—
Others	—	—	3	248

San Marino, as before the elections, remained the only country west of the "Iron Curtain" with a Communist and Left-wing Socialist government. As compared with the last elections, the Left-wing coalition increased its majority in the Republic's 60-member Parliament (the "Grand and General Council") and also polled more votes than in 1951. The electorate (exclusively males, women not possessing the franchise) numbered 7,811, of whom more than half were living and working abroad. To enable them to cast their votes, the Christian Democrats organized an "air-lift" for Sammarinese living in the U.S.A. and Canada, whilst the Communists and Left-wing Socialists organized a similar air service for Sammarinese living in Italy, France, and Belgium.

The Left-wing victory was attributed by the Christian Democrats to resentment against alleged Italian interference in the affairs of the Republic; in particular, against a police blockade which had been organized by Signor Scelba (the former Italian Prime Minister) to prevent Italians from frequenting a casino which had been established in San Marino. Allegations were also made by the Christian Democrats that the Sammarinese Government had falsified electoral registers and had allowed Italians with forged identity documents to vote.

The Foreign Secretary of San Marino (Signor Giacomini) issued an official statement on Dec. 31, 1954, declaring that San Marino did not consider itself to be in a state of war with Germany. During the First World War the Republic of San Marino had declared war on the Central Powers, but as San Marino was not a signatory to the Treaty of Versailles the formal state of war had never been officially terminated.
(Giornale d'Italia, Rome - Corriere della Sera, Milan)
(Prev. rep. 9847 D.)

Note. San Marino, an independent republic since the fourth century, covers an area of 38 square miles on the slopes of Monte Titano, near Rimini. The population is 15,000, many of whom live and work abroad. Under statutes dating from the 13th century the Republic is ruled by a Council (Cabinet) of 12 members and a Grand and General Council (Parliament) of 60 members. Two regents (*Capitani Reggenti*) elected for six-month terms by the Grand and General Council serve as joint heads of State. (At present one is a Communist and one a Left-wing Socialist). The Republic has a small army of 200 men. The main sources of revenue are the tourist traffic, the issue of postage stamps, and an annual grant made by the Italian Government in return for an undertaking by San Marino not to print money, distil alcohol, or grow tobacco. Italian currency is the legal tender. (Ed. K.C.A.)

A. KENYA. — Decline in Mau Mau Influence and Activities. - Withdrawal of 2,500 British Troops. - Ending of Surrender Offer. - Confiscation of Terrorists' Land. - Mr. Blundell appointed Minister of Agriculture.

It was announced in Nairobi on Sept. 1 that two battalions of British troops and one battalion of African troops, totalling 2,500 British and 1,000 Africans, were to be withdrawn from Kenya within the following four months, leaving 5,000 British and 7,000 African troops still in the Colony. Although the announcement was generally interpreted as a sign of the growing success of the security forces in combating Mau Mau, the Commander-in-Chief (Major-General Lathbury) emphasized that the emergency was not over and that the fight against Mau Mau "is still in operation, calling for effort by one and all." He explained, however, that what was now required was not large numbers of troops in forest operations but small, highly trained patrols to seek out terrorists hiding in the forests. Further indications of the improvement in the situation had been given on July 28, when the last of the R.A.F. *Lincoln* bombers sent to Kenya to help in the fight against the terrorists left the Colony, and on Aug. 8, when it had been announced that the call-up of Europeans for military service would, with some modifications, revert to its normal peace-time basis.

Other developments in Kenya in recent months are described below.

Expiry of Surrender Offer. In accordance with Mr. Blundell's announcement of June 8 (see 14247 A) the surrender terms for the terrorists announced by the Governor (Sir Evelyn Baring) on Jan. 18 expired at midnight on July 10. Final figures published on Aug 10 showed that 979 terrorists had availed themselves of the terms of this latest surrender offer, which, with 857 surrenders under the terms of the "green branch" offer (see page 13453, second column), made a total of 1,836 since the beginning of the emergency. With the expiry of the surrender offer the Kenya Government announced on July 11 that it had confiscated the land of 324 Mau Mau leaders and organizers who had failed to respond to the offer, a subsequent announcement on July 18 stated that the land of 3,097 "rank-and-file" terrorists had also been confiscated.

Mau Mau Casualties. It was announced on Sept 2 that since the beginning of the Kenya emergency 9,514 Mau Mau terrorists had been killed, 1,907 had been captured, and 1,899 had surrendered In the present year (up to Aug. 27) terrorist losses had been 1,857 killed, 774 captured, and 1,154 surrendered. An Army spokesman declared that the gangs were now so disorganized that the Army and police knew more about Mau Mau organization and the disposition of its members than its own leaders The effect of large-scale operations in the forests earlier in the year was now becoming apparent, but even more important was the "astounding change" among the Kikuyu people. Closer administration of tribal reserves and other areas in the past three months had resulted in a complete change of attitude and had enormously increased co-operation between the Kikuyu and the security forces. The gangs were finding it almost impossible to carry out oath-taking ceremonies, and consequently were unable to replace their losses; moreover, their difficulties had been increased by an effective denial of food supplies in European settlements and tribal reserves.

Modifications of Capital Offences. A "rationalization" of the emergency regulations dealing with major crimes was announced by the Government on July 20. Among the principal modifications was a provision that unlawful possession of ammunition or explosives would in future be a capital offence only if circumstances raised the reasonable presumption of an intent to use them in a way prejudicial to the public safety or to the maintenance of law and order Possession of firearms in any circumstances still carried the death penalty, as did possession of ammunition by an unarmed member of an armed gang. Two regulations which had proved of little practical value were revoked, but a new regulation was introduced providing for life imprisonment for "middlemen" engaging in arms transactions, even though such men might not have actually handled the arms themselves.

Sentences on European Police Officers. Two European police inspectors—A. P. Fuller and O. D. Waters—were sentenced to 18 months' hard labour on Sept. 1 on charges of causing grievous bodily harm to an African prisoner who had died in custody. They both pleaded "guilty" after the original charge of murder had been dismissed. Chief Inspector G P. Coppen was fined £25, with the alternative of two months' hard labour, on a charge of causing actual bodily harm to the same African, and a former District Officer, Mr. W. R. Bosch, was fined £10, with the alternative of one month's hard labour, on the same charge. They had both pleaded "guilty" after the original charge of causing grievous bodily harm had been withdrawn.

Emergency Tax on Africans. It was announced in Nairobi on Aug. 31 that the Kenya Government proposed to extend until the end of 1956 the emergency legislation imposing a special additional tax on every adult male of the Kikuyu, Embu, and Meru tribes so as to obtain from them an individual contribution to the cost of the emergency, for which those tribes were responsible. It was proposed to increase the tax from 22s to 25s. a year, which was estimated to raise the yield by £35,000.

It was announced in Nairobi on July 1 that Mr. Michael Blundell, Minister without portfolio and a member of the War Council, would take over the portfolio of Agriculture from Major Cavendish-Bentinck, who was to become Speaker of the Legislative Council in succession to Sir William Horne, retiring because of ill-health. It was stated that Mr. Blundell would be succeeded as Minister without portfolio and as member of the War Council by Mr. L. R. Maconochie-Welwood, the Minister of Forest Development, Game, and Fisheries, and that another European-nominated member would be appointed to take over Mr. Maconochie-Welwood's present Ministry.
(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Kenya, 14247 A.)

B. FRANCE. — Trial of Admiral Auphan for Collaborationist Activities.

The trial of Admiral Paul-Galbriel Auphan, formerly Secretary of State for the Navy in the Vichy Government, on charges of having had intelligence with the enemy during the war, and of having signed orders against the interests of France, opened before the High Court of Justice in Paris on July 19. The main charges against him related to the events of November 1942, in which connexion the prosecution alleged that he was responsible for the failure of the French fleet to leave Toulon and for the resistance offered by the French forces in North Africa to the Allied landings. Admiral Auphan, who was sentenced *in absentia* to hard labour for life in 1946, had surrendered to the police in January last, after having lived in hiding in France since the liberation.

Giving evidence in his own defence, Admiral Auphan stated that on June 19, 1940, he and Admiral Darlan had given an assurance to the British naval authorities that if France surrendered the fleet would not be handed over to the Germans He claimed that he would have given orders for the fleet to sail to England if the French Government had agreed. When asked in 1942 to join the Vichy Government he had accepted, on Admiral Darlan's advice, "in order to save the Navy." On Nov. 11, 1942 (he continued) Admiral Darlan had sent an order to Admiral de Laborde, the naval commander at Toulon, to sail for Algiers, but the latter refused. He himself had tried to persuade Marshal Pétain to issue such an order, but this plan was frustrated by Laval, and he had consequently resigned on Nov. 17. Admiral Auphan admitted that he had sent telegrams ordering the French forces in North Africa to resist the Allies and not to oppose the entry of German troops, but claimed that as soon as he had realized the importance of the Allied landings his only thought had been to end the fighting

Evidence for the defence was given by General Weygand and by General Revers, Admiral Darlan's Chief of Staff in North Africa. General Weygand stated that Admiral Auphan and himself had urged Marshal Pétain to order that resistance to the Allies in North Africa should cease

The Court found Admiral Auphan "guilty" and sentenced him on July 20 to five years' imprisonment and five years' "national degradation" (loss of civil rights). Both sentences were suspended, however, in view of Admiral Auphan's "services to the French resistance."—(Le Monde, Paris)

(Prev. rep. 14298 A.)

C. UNITED KINGDOM. — Ministry of Education Report for 1954.

The report of the Ministry of Education for 1954 was published on July 28, 1955, and is summarized below.

The report stated that during 1954 education had "reached a turning point" as it had been possible, for the first time since the war, not only to keep pace with the demand for more schools and teachers, but even to contemplate effecting improvements in the educational service. The total number of children in maintained primary and secondary schools increased during the year by 120,000 (or by 50,000 less than in 1953), but the number in infant schools began to decline; the report explained that this decreased entry would be progressive and that the total number of children receiving education was expected to begin to decline after 1958. On the other hand, the number of teachers had risen by over 7,000, and the entry of 11,768 students into training colleges in 1954 was the highest on record The supply of graduate teachers of mathematics and science continued, however, to cause grave concern.

The total numbers of schools and schoolchildren in England and Wales were given as 31,244 and 6,795,262 respectively. The report stated that in the 12 months to Oct. 1, 1954, over 210,000 new school places (including 75,000 secondary school places) were brought into use, with a further 200,000 secondary school places in preparation. The total value of new educational building started during 1954 was £59,382,000, compared with about £52,500,000 started in 1953.

The numbers of full-time and part-time students in technical colleges rose respectively during 1954 by 3,000 to 59,000 and by 19,000 to 372,000. The number of evening students increased by 31,000 to 1,860,000, and that of students in adult education classes by 5,000 to 142,000.—(Times - Daily Telegraph)

(Prev. rep. 13634 A.)

A. GREECE - TURKEY. — Anti-Greek Riots in Turkish Cities. - Greek Protests to Turkey. - Martial Law in Istanbul, Izmir, and Ankara.

Serious anti-Greek riots occurred on Sept. 6 in Istanbul and Izmir (Smyrna), and to a lesser degree in Ankara, following incidents in Salonika on the previous day in which the windows of the Turkish Consulate in Salonika, and also of a house next to the Consulate in which Kemal Ataturk was born, were smashed by the explosion of a stick of dynamite. Five persons were detained in connexion with the Salonika incident, which caused no casualties and only minor damage.

For several hours during the evening of Sept. 6 mobs of Turkish youths roamed the streets of Istanbul smashing and looting Greek-owned shops and houses and setting fire to Greek property, including a number of Greek Orthodox churches. Many Greek shopkeepers and householders, with their families, were driven into the streets or were forced to hoist the Turkish flag above their premises, whilst attacks were also made on foreign-owned property and on the property of Armenian and Jewish citizens. In Izmir (headquarters of the NATO South-East European Command) mobs attacked houses occupied by Greek officers and wrecked a Greek pavilion at a trade fair, whilst in Ankara tear-gas was used to disperse several thousand demonstrators who attempted to march on the Greek Embassy.

In Istanbul—the streets of which were described by foreign correspondents as resembling a "battlefield"—the police made little or no attempt to deal with the rioters, and order was only restored towards midnight, when an infantry division and an armoured brigade entered the city. The Turkish military authorities placed Istanbul under a state of siege, imposed a curfew, and stationed troops with fixed bayonets in front of Greek-owned premises to prevent further looting. Hundreds of Greek-owned shops and other premises were sacked during the riots, particularly in the suburb of Pera, and over 20 Greek Orthodox churches were destroyed either wholly or in part. There were, however, no reports of attacks on individual Greeks.

Greek residents in Istanbul number about 100,000, of whom some 12,000 are Greek nationals and the remainder Turkish. Since the exchange of populations in 1922 no substantial number of Greeks live elsewhere in Turkey, except in the islands of Imbros and Tenedos.

The Turkish Government issued a statement on Sept. 7 attributing responsibility for the riots to Communist agitators, and describing the disturbances as a "Communist plot." The statement expressed deep regret for the damage done to Greek property, and promised speedy compensation to those who had suffered losses. Ankara Radio announced on Sept. 9 that 2,214 persons suspected of "acts of provocation" had been arrested in Istanbul and Izmir. The Turkish Grand National Assembly met in emergency session on Sept. 13 and decided that the state of martial law in Istanbul, Izmir, and Ankara should be extended for six months. [Martial law in the three cities had been imposed by President Bayar on Sept. 7, immediately after the riots.] The Prime Minister (M. Adnan Menderes), in a statement to the Assembly, expressed his deepest regret for the widespread damage done to Greek property, and admitted that the Istanbul police had been slow to take action against the rioters.

The Greek Deputy Premier and acting Foreign Minister (M. Kanellopoulos) made a strong verbal protest to the Turkish Chargé d'Affaires on Sept. 7 at the anti-Greek riots, and, in particular, at the failure of the Turkish authorities to prevent the mobs from ransacking Greek houses, shops, and churches. He also informed the Chargé d'Affaires that Greece would ask for a special meeting of the North Atlantic Council to investigate reports of the ill-treatment of Greek officers attached to NATO headquarters in Izmir. A spokesman of the Greek Foreign Ministry stated on the same day that the Greek Church in Izmir had been looted by a Turkish mob, which had also looted and set fire to the homes of Greek officers, and that the Turkish authorities in that city had shown "complete apathy" in dealing with the outbreak of mob violence. A written protest, couched in strongly-worded terms, was despatched by Greece to the Turkish Government on Sept. 9 because no reply had been received to the verbal *démarche* made two days earlier. On Sept. 12, however, the Turkish Chargé d'Affaires called upon M. Stephanopoulos (who had meanwhile returned to Athens from the London tripartite conference on Cyprus—see 14413 A) and expressed his Government's deep regret at the anti-Greek riots, together with assurances that the victims would be compensated and that measures had been taken to avert similar outbreaks of violence in future.

Strong anti-Turkish feeling was aroused in Greece by the riots in Istanbul and Izmir. Greek air services to Istanbul were suspended until further notice, Greek ships were instructed not to call at Turkish ports for the time being, and the Greek Government announced that it would not participate in joint Greco-Turkish NATO exercises which it had been planned to hold in the near future. M. Kanellopoulos had informed the Turkish Chargé d'Affaires on Sept. 7 that Greece would not participate in a meeting of the International Bank and Monetary Fund to be held in Istanbul during September.

The permanent representatives on the North Atlantic Council met in special session on Sept. 8 to consider the situation caused by the events of the past few days in Greece and Turkey. No communiqué was issued, but it was indicated that the Turkish representative had given assurances that his Government would take all measures to avoid any repetition of the disorders. Supreme Allied Headquarters reported that a message had been received from Izmir stating that the situation at NATO headquarters there was normal.

(Times - Daily Telegraph - Le Monde, Paris)

B. UNITED STATES. — Presidential Libraries.

A Bill was signed by President Eisenhower on Aug. 12 authorizing the Federal Government to accept and operate Presidential libraries built with private funds and donated to the Government. It had been approved by the House of Representatives on July 5, and subsequently by the Senate. The General Services Administration (the Government agency responsible for the national archives) said that the new law was expected to lead to "the establishment of important collections of historic papers throughout the country where they can be easily used by scholars and will be relatively safe from nuclear destruction."

The first three libraries to come under the new system will be (1) the Franklin D. Roosevelt Library at Hyde Park, New York, which has been taken over by the Government under a special Act of Congress, (2) the Truman Library, which is to be built at Independence, Missouri, and donated to the nation (see below); and (3) the Dwight D. Eisenhower Library, which will be built at the President's family home at Abilene, Kansas. All these libraries contain, or will contain, papers, documents, etc., accumulated during the terms of office of the respective Presidents and relating to the events of those periods.

A campaign to raise $1,500,000 for a public library to house the papers of President Truman had been launched in December, 1952, by a foundation (Harry S Truman Library Inc.) presided over by Judge Ernest Lupton, of the Missouri Supreme Court. Among many eminent scholars who were appointed trustees in an advisory capacity were Dr. Arthur M. Schlesinger jr., Associate Professor of History at Harvard University, and Professor Henry Steele Commager, Professor of History at Columbia University. In view of the importance of the papers accumulated by President Truman during the critical post-war years, the U.S. Administration agreed to provide the services of trained archivists to sort and collate the material. It was announced in July 1954 that the library would be built on a 14-acre site at Independence (Mr. Truman's home town) and donated to the nation on completion.

Apart from Presidents Franklin D. Roosevelt, Truman, and Eisenhower, only four other Presidents—all in the present century—had provided for the preservation of their papers for future historical use. Theodore Roosevelt, William Howard Taft, and Calvin Coolidge turned substantial collections of their papers over to the Government, whilst Herbert Hoover established the "Hoover Library on War, Revolution and Peace" at Stanford University, California.—(New York Times)

(Prev. rep. Roosevelt Library, 4765 B.)

C. BRAZIL. — Immigration in 1954.

Figures recently published by the Brazilian National Institute of Immigration and Colonization showed that 78,248 immigrants arrived in Brazil in 1954. Of the total, 42 per cent came from Portugal, 19 p.c. from Italy, 16 p.c. from Spain, and 4 p.c. from Japan; other nationalities—none of which individually reached 4 per cent—made up the remaining 19 per cent.

(Brazilian Government Trade Bureau, New York) **(13542 D.)**

D. CANADA. — New Chief of General Staff.

Lieutenant-General H. D. Graham was appointed Chief of the Canadian General Staff on Sept. 1 in succession to Lieut.-General G. G. Simonds, whose retirement had been announced a few days earlier. General Graham, a barrister in the early part of his life, commanded a Canadian brigade in Italy and had been Vice-Chief of Staff since 1948.—(Montreal Star)

(Prev. rep. 11295 A.)

SEPTEMBER 17—24, 1955

A. SOVIET UNION - WESTERN GERMANY. — Adenauer-Bulganin Discussions in Moscow. - Agreement on Establishment of Diplomatic Relations. - Soviet Undertaking to return 10,000 German Prisoners.

Discussions between the Chancellor of the German Federal Republic, Dr. Adenauer, and the Prime Minister of the U.S.S.R., Marshal Bulganin, were held in Moscow from Sept. 9-13 and resulted in an agreement for the establishment of diplomatic relations between the two countries. Marshal Bulganin also gave an undertaking that the Soviet Government would return to Germany nearly 10,000 prisoners who, he stated, had committed war crimes on Russian territory during the Second World War.

In addition to Dr. Adenauer, the Federal German delegation included Dr von Brentano (Foreign Minister), Professor Hallstein (State Secretary in the Foreign Ministry), Herr Blankenhorn (Federal German representative on the North Atlantic Council), Herr Arnold (chairman of the Foreign Affairs Committee of the *Bundesrat*, and Premier of North Rhine-Westphalia), Herr Kiesinger (chairman of the Foreign Affairs Committee of the *Bundestag*), Professor Carlo Schmid (deputy chairman of the same committee), and a number of ministerial officials

The Soviet delegation, in addition to Marshal Bulganin, included M. Khrushchov (First Secretary of the Communist Party of the U.S.S.R.), M. Molotov (Foreign Minister), M. Pervukhin (a Deputy Premier), M. Shapalin (Minister of Foreign Trade), and M. Semeonov (a deputy Foreign Minister)

The talks were held at the Alexei Tolstoy House in Moscow (formerly known as the Spiridonovka Palace), the seat of the Soviet Foreign Ministry.

The first day's discussions (Sept. 9) were devoted to statements by Marshal Bulganin and Dr. Adenauer, summaries of which are given below.

Marshal Bulganin said that the people of the Soviet Union, despite the sufferings inflicted upon them during the war, bore no ill-will towards the German people. After recalling that the Soviet Government had proposed a conference to discuss diplomatic, trade, and cultural relations between the U.S.S.R. and the German Federal Republic, he continued:

"The Soviet Government has agreed to an exchange of views on the question of establishing German unity. In doing this we must take note of those serious obstacles which have arisen as a result of the ratification of the Paris Agreements, under which the German Federal Republic has undertaken certain military alignments and the remilitarization of Western Germany is being carried out. The Soviet Government has always recognized that the solution of the problem of reuniting Germany must be first and foremost the affair of the Germans themselves. In this respect account should be taken of the actual conditions which have arisen with the existence of the German Federal Republic and the German Democratic Republic . . The Soviet Government has supported, and continues unswervingly to support, the establishment of a united Germany as a peaceful and democratic state. It expresses the hope that the establishment of diplomatic relations between the U.S.S.R. and the German Federal Republic will help to solve unsettled questions in which both sides are interested. It proposes the establishment of such diplomatic relations and an agreement on the setting-up of a Soviet Embassy in Bonn and a Federal German Embassy in Moscow."

An agreement for the establishment of diplomatic relations, Marshal Bulganin added, would "greatly contribute to the development of trade between our two countries on the basis of appropriate long-term agreements."

Dr. Adenauer urged that the talks should be held in "an atmosphere of unreserved frankness" and that the delegates should make every effort "to get at the heart of matters". He did not think that normal relations could be achieved only by outlawing war, creating security systems, and establishing "so to speak, in a mechanical way, diplomatic, economic, and cultural relations," but by examining the causes which rendered the present relationship between the two countries abnormal, and by making all possible efforts to remove those causes.

Raising the question of German prisoners of war still in Soviet hands, "a question by which hardly any German family remains unaffected," Dr. Adenauer emphasized that he was raising the issue solely from humane considerations. He declared in this connexion: "The thought is intolerable that, more than ten years after the end of hostilities, men who in one way or another were drawn into the whirlpool of warlike events should be kept from their homes, families, and normal peaceful occupations. Do not think I want to be provocative if I say that the establishment of normal relations between our States is inconceivable as long as this question is unresolved. It is not a precondition that I am setting—I am speaking of normalization itself. Let us end a situation that is a daily source of remembrance of a sorrowful and dividing past."

Turning to the question of German unification, the Chancellor said that both delegations were agreed that the division of Germany created an intolerable situation, that German unity must be restored, and that this was the responsibility of the four great Powers. He added: "Here also I must repeat that I propose no conditions but speak of normalization itself. The division of Germany is abnormal, it is contrary to Divine and human right and against nature. I know that I am speaking for all Germans, not only for the population of the Federal Republic, in requesting you to dedicate all your energies to a rapid solution of this problem. . . . There can be no real security in Europe without the restoration of German unity. We must eliminate this dangerous potential crisis in which passions can so easily be inflamed." The four great Powers, Dr. Adenauer continued, would be discussing this question at the forthcoming Geneva meeting of Foreign Ministers in October, and he had no intention of confusing the Geneva discussions by bilateral talks independent of the four-Power negotiations. "But I am in duty bound," he added, "to avail myself of the opportunity offered by this meeting to represent to you urgently the full seriousness of this question, and to discuss it with you so as to facilitate your task at Geneva."

Referring to the objection that a reunified Germany might be regarded as a source of danger to the Soviet Union, Dr. Adenauer pointed out that it must be left to the free decision of an all-German Government and an all-German Parliament whether Germany should join any alliance. He added: "If the Soviet Union, as a result of the reunification of Germany, should anticipate an impairment of her security, we are perfectly willing to collaborate in a security system which will do away with such preoccupations. It would appear to be right to consider, simultaneously with the deliberations on the re-establishment of German unity, a security system for Europe."

Dr. Adenauer emphasized that neither the NATO nor the Western European Union were instruments of aggression; that peace was the primary objective of the entire German people; and that all Germans were fully aware, from their own experiences, of the terrible destruction which modern warfare entailed. They were also aware that atomic warfare "gives mankind the possibility of complete destruction, of which we can only think with a shudder." The Chancellor added: "You will find no-one in Germany, neither responsible politicians nor among the people, who even toys with the idea that the great political problems of today can be solved by a war. New means to overcome conflicts and differences must be found—means based on international solidarity and international co-operation."

In conclusion, Dr. Adenauer said that his Government shared the Soviet view that the establishment of diplomatic, economic and cultural relations would be of advantage to the two countries.

The discussions on Sept. 10 centred on the question of Germans still held in the Soviet Union. Marshal Bulganin declared in this connexion that no German prisoners of war remained in Soviet territory, but that 9,626 "convicted war criminals from the former Hitlerite Army" were serving sentences for crimes committed in the U.S.S.R. during the war. He emphasized that if the question of these men was to be examined, it was essential that the German Democratic Republic (Eastern Germany) should be represented in the discussions equally with the Federal Republic. Details of the speeches made on this date were released by the Soviet Press chief, M. Ilyichev.

Marshal Bulganin, after dwelling on the sufferings caused by the Nazis during the war, said that all German prisoners of war in the U.S.S.R. had been repatriated, and that the only Germans still in Soviet hands were 9,626 war criminals who were serving sentences for crimes committed against Soviet civilians during the war. After describing some of these crimes, he said that the Soviet people could not understand why attempts were being made in Western Germany to represent these war criminals as "innocent martyrs". If this question was to be examined, representatives of both parts of Germany would have to participate in the discussions. "But," Marshal Bulganin added, "since it seems that the German Federal Republic does not consider it desirable to discuss this matter with representatives of the German Democratic Republic, it is clear that discussion of this question is inappropriate during these negotiations."

Dr. Adenauer said that no-one would deny the enormity of the crimes committed by the Nazis in the Soviet Union during the war, nor the sufferings and privations inflicted upon the Soviet people. The overwhelming majority of Germans felt disgust at the crimes committed by the *Wehrmacht* in Russia, but it should also be borne in mind that Soviet troops had "committed certain acts" on German soil, and that "terrible things" had happened during the Soviet advance into Germany.

M. Khrushchov intervened at this point to protest at Dr. Adenauer's "offensive" allegation that Soviet troops had committed acts of brutality in Germany, which he denied categorically. Declaring that the Soviet Army had performed a "sacred duty" in carrying the war into Germany after driving the German armies from the U.S.S.R., he added: "We fully understand the sufferings and sorrows of millions of German people who have heard nothing of the fate of their relatives. But who is to blame for the fact that these people have not returned to their families? Many Germans were killed in the war, but even more Soviet citizens perished. Who is to blame? We are not guilty. It was not we who crossed the border. It was not we who started the war." M. Khrushchov added, however, that bitterness and revenge were "bad counsellors" and that "we must look to the future, which demands the establishment of friendly and normal relations between the German and Soviet people." As regards the reunification of Germany, he said: "You [Dr. Adenauer] must understand our position. We honestly and repeatedly warned you that the Paris Agreements and the entry of the German Federal Republic into NATO would block a solution of this problem in the near future."

M. Molotov said that the German people had not been able to overthrow Hitlerism by themselves, and owed Hitler's downfall to the Soviet Union's prosecution of the war.

At a further session on the same day, Dr. Adenauer made an explanatory statement on his reference to "certain acts" committed by the Soviet forces in Germany. According to Moscow Radio, the Federal Chancellor spoke as follows.

"M. Khrushchov and M. Molotov have said that I stated that the Soviet Army, after arriving in Germany, committed crimes. I state categorically—I have checked it from notes taken by the Secretary of State, Dr. Hallstein—that I did not use this word deliberately and intentionally. I said that during the entry of the [Soviet] troops terrible things happened. It would be proper not to delve more deeply into these matters."

Dr. Adenauer continued: "M. Molotov said that the Germans were incapable of ridding themselves of Hitlerism. Do not take offence at what I am going to say now. It does not concern the Soviet Union alone, but a number of other countries also. Why, after 1933, did the Great Powers make it possible for Hitler to grow in strength? That is the crucial question. When I think of the honours accorded to Hitler by the Great Powers—for instance, at the Berlin Olympics—I ask you to understand that I really cannot control my feelings. I will never forget how Hitler, with impunity, got away with every violation of international treaties. This turned Hitler into a hero in the eyes of certain stupid Germans, while others were reduced to despair. They must have seen, as I saw from 1933 onwards, how this man was allowed to grow to such dimensions. We—I mean the Federal Government and our Parliament—are the unfortunate heirs to all that. Since Germany suffered much from the war, we must try to rebuild Germany. We must try once more to win the confidence of foreign Powers, as well as your confidence. I know it is a difficult task, but it must be solved."

As regards the NATO, Dr. Adenauer was quoted as saying: "I am convinced that, providing the Great Powers conduct negotiations in the future in a sober manner, everything that has been achieved in NATO can—indeed must—become an instrument of a European security system. I think that this should be the aim of a comprehensive and soberly-pursued policy."

Appealing for an on-the-spot survey of the problem of prisoners of war, Dr. Adenauer said: "We think that we know quite a few cases where Germans taken as prisoners of war were sentenced for crimes committed after the cessation of hostilities. We wish for nothing more than that you should study this question together with us. Do not let us return home with a statement that the Soviet Union altogether refuses to discuss this question with us."

Referring to the Soviet insistence on East German participation in the P.O.W. question, the Chancellor added: "As soon as we are convinced that we are meeting the representatives recognized by the population of the Soviet zone, we shall sit down with them at the same table. . . . We hold that the Government of the German Democratic Republic cannot claim to represent the 17 or 18 million Germans living in the Soviet Zone. . . ."

After further discussions on Sept. 12-13 (no meetings were held on Sept. 11, a Sunday) a communiqué was issued in the evening of Sept. 13 announcing that agreement had been reached on the establishment of diplomatic relations between the Soviet Union and the German Federal Republic, and that letters to this effect had been exchanged between Dr. Adenauer and Marshal Bulganin.

The communiqué said that the talks had taken place "in an atmosphere of mutual understanding" and that there had been "a broad and frank exchange of views on the question of the mutual relations between the U.S.S.R. and the German Federal Republic." It continued: "Agreement was reached . . . for the establishment of diplomatic relations between the two countries, and, to this end, for the setting-up of Embassies in Bonn and Moscow, and for the exchange of Ambassadors. Both delegations agreed that the establishment of diplomatic relations will contribute to the development of mutual understanding and co-operation between the Soviet Union and the German Federal Republic in the interests of peace and security in Europe. The parties start from the assumption that the establishment and development of normal relations between the Soviet Union and the German Federal Republic will further the settlement of pending problems affecting the whole of Germany, and must thus help the solution of the principal national problem of the German people—the re-establishment of a unified, democratic German State. In confirmation of the agreement reached, the Chairman of the Council of Ministers of the U.S.S.R. and the Chancellor of the German Federal Republic have exchanged letters, the text of which is annexed. The parties also agreed that negotiations between the German Federal Republic and the Soviet Union on the development of trade should be opened in the near future."

The text of the letters exchanged between Dr. Adenauer and Marshal Bulganin was released and at the same time. In identical terms, they recapitulated, in effect, the wording of the communiqué, and stated that the agreement on the establishment of diplomatic relations would take effect after ratification by the Presidium of the Supreme Soviet and by the Federal German *Bundestag*.

On the same day (Sept. 13) Moscow Radio broadcast the text of statements made by Marshal Bulganin and M. Molotov at the final session of the conference. Marshal Bulganin's statement related to Soviet displaced persons in Western Germany, whilst that of M. Molotov related to the distribution of anti-Communist literature in the U.S.S.R. and Eastern European countries by balloons released in Western Germany, allegedly by U.S. organizations.

Marshal Bulganin's statement was worded as follows: "Hundreds of thousands of peaceful Soviet citizens were forcibly deported to Germany during the war by the Hitlerite Army from the territories of the Soviet Union it temporarily occupied. Many perished in compulsory labour camps in Germany. After the defeat of the Hitlerite Army, the majority of the captured Soviet citizens returned home. But a not inconsiderable number were retained, mainly in Western Germany.

"According to existing information there remain on the territory of the German Federal Republic over 100,000 such Soviet citizens, in many cases described as being without nationality. The majority of these unhappy people, separated by force from their homeland and families, have no permanent occupation, residence, or means of subsistence. They suffer from serious privations and destitution. They remain in a foreign land as dependent men without rights. Many cases are known to us of displaced Soviet citizens who do not accept their lot being gaoled on the territory of the German Federal Republic.

"Certain organizations hostile to the Soviet Union, supported by the relevant authorities, are waging spiteful propaganda and impeding the repatriation of these persons, frightening and terrorizing those who wish to return home. At the same time inadmissible attempts to make use of these persons for politically criminal purposes are continuing. We consider that the position which has arisen in the German Federal Republic in connexion with displaced Soviet citizens is abnormal and is opposed to the principles of humanity and of freedom of the individual.

"The Soviet Government considers it a duty to take up the defence of these Soviet citizens, who in certain cases have misbehaved against their country. We hope that they will reform, and we will not call them to account severely for offences committed by them. In drawing attention to this matter, we hope that the Government of the German Federal Republic will take the necessary measures and afford its co-operation for the return home of displaced Soviet citizens."

M. Molotov's statement was worded: "According to reports by Soviet airmen flying both on internal and international routes, there are uncontrolled flights of large balloons with loads attached to them. The balloons are about eight metres in diameter and 16 metres high. Investigations of balloons picked up on the territory of the Soviet Union show that the weight of the loads attached reach up to 300 kilograms. It is known that such balloons are released from Western Germany with the aim of spreading in the Soviet Union and in a number of other European countries leaflets and propaganda literature hostile to those States.

"According to the findings of competent Soviet aviation experts, such balloons are dangerous to air transport. Flying at different heights and in various directions, they endanger the lives of passengers and aircrews on both internal and international lines. According to information to hand, these balloons are released from Western Germany by American organizations. This was openly stated on Aug. 16 by the American radio station in Munich, which said that a large number of such balloons had been released on Aug. 15 by the American 'Crusade for Freedom' organization.

"In drawing the attention of the Federal Chancellor to this matter, the Soviet Government expects that the necessary measures will be taken in the German Federal Republic for the cessation of these activities and for the elimination of the danger created by the balloons to aircraft flying on the internal lines of the Soviet Union and on international lines over the territories of the U.S.S.R. and a number of European States."

Before leaving Moscow for Bonn on Sept. 14, Dr. Adenauer gave a press conference at which he announced that he had sent a second letter to Marshal Bulganin stressing (1) that the establishment of diplomatic relations had in no way changed the Federal Government's opinion that a final settlement of Germany's frontiers must await the conclusion of a peace treaty; and (2) that the Federal Government had not changed its position that the German Federal Republic was the only legitimate government of all Germany. He also announced that both Marshal Bulganin and M. Khrushchov had given him assurances that the repatriation of the 9,626 Germans still held in the Soviet Union would begin immediately.

The relevant paragraphs of the Chancellor's second letter to Marshal Bulganin were as follows:

"The establishment of diplomatic relations between the German Federal Republic and the U.S.S.R. constitutes no recognition of the existing territorial situation on both sides. The final definition of the frontiers of Germany remains reserved to the peace treaty.

"The establishment of diplomatic relations with the Soviet Union implies no change in the juridical position of the Federal Government in relation to its right to represent the German nation in international affairs, and in regard to the political conditions in those German regions which lie at present outside its effective sphere of sovereignty."

Dr. Adenauer said at his press conference that the establishment of diplomatic relations would be a stabilizing influence for peace in Europe, and would end a state of affairs which had been a marked factor of insecurity in the European situation and which could not have continued indefinitely. He added: "I want to declare very emphatically that no secret agreements or understandings of any kind have been arrived at between the Soviet Union and ourselves.

Nor was any suggestion made to us during the negotiations that we should abandon our treaty obligations under the NATO and the Western European Union "

A " very important and welcome result " of the talks had been the assurances of Marshal Bulganin and M. Khrushchov that the 9,626 Germans held in the U S S R.—" as they put it, war criminals "—would be immediately repatriated. Some of these men would be granted an amnesty by the Soviet Government and returned to Germany in freedom, whilst others, insofar as the Soviet Government believed them to have been guilty of grave crimes, would be handed over to the German authorities so that the Federal Government could deal with them under German law " I believe," Dr Adenauer said, " that much suffering, misery, and pain will thereby be alleviated, not only for the 10,000 persons here in the Soviet Union but also for their numerous dependents at home. Marshal Bulganin has authorized me to tell you that already, before we arrive in Bonn, this operation [the repatriation of the P.O.W.s] will be set in motion."

The Chancellor went on to say that the German delegation believed that a fairly large number of Germans—over and above the 10 000 to be repatriated—still remained in the Soviet Union. Marshal Bulganin and M Khrushchov had said that they knew nothing of such persons, but had added, however · " If you [the Chancellor] are in a position to give lists of them, we promise you that we will investigate the matter and that we will deal with these Germans in the same way as with the prisoners of war " Dr Adenauer added · " We shall now have to examine the lists again They are prepared from letters which the persons in question have sent to relatives in the Federal Republic, giving their camp, number, and other details. After the declarations which we have received, I do not doubt that the Soviet Government will fulfil this solemnly-given promise."

As regards German reunification, Dr. Adenauer said : " It was declared from the Soviet side that the four Powers—that is, including Russia—had the obligation to bring about the restoration of German unity. The three Western Powers take the same view." After stressing that nothing had been done to anticipate the forthcoming four-Power talks in Geneva, he expressed the hope that the Geneva conference, and others that might follow it, would consider and decide upon the restoration of German unity " with all speed."

The establishment of diplomatic relations between the German Federal Republic and the Soviet Union was unanimously approved by the Federal German Cabinet on Sept. 19, after Dr. Adenauer's return from Moscow.

Dr. Adenauer gave another press conference in Bonn on Sept 16 at which he reiterated his conviction that it would have been wrong to refuse to enter into diplomatic relations with the Soviet Union. The Soviet leaders, he said, had shown themselves extraordinarily sensitive on questions of prestige, not for themselves but for their country, and would have regarded the rejection of diplomatic relations as an insult In view of the fact that the U S S.R. was " one of the most powerful States on this earth," covering one-sixth of the globe, he believed that the German delegation had done rightly in agreeing to diplomatic relations between the two countries.

Regarding the repatriation of prisoners of war, the Chancellor said that both Marshal Bulganin and M Khrushchov had given their word of honour that these men would be immediately returned to Germany. That had been " a great human success." " Throughout the entire negotiatons," he added, " and in the internal discussions in our delegation, the thought of the prisoners affected us continually —often oppressively What would have happened if we had ended the talks without an understanding, if none of the prisoners could have returned to their homeland and their relatives ? That was for us a very essential aspect of the entire negotiations "

After stressing that the Soviet Union, like the three Western Powers, had accepted the restoration of German unity as an obligation, Dr. Adenauer expressed his conviction that the Soviet leaders earnestly desired a period of peace He declared in this connexion : " They are concerned whether, while carrying the monstrous burden of armaments, they can master the great domestic tasks before them. They want a period in which they can spend less on armaments. They remain Communists , they believe they are right ; we cannot convince them, nor they us "

Dr. Adenauer repeated that the establishment of diplomatic relations between the Federal Republic and the U.S S.R. had in no way changed the Federal Republic's loyalty to its treaty obligations under the NATO and the W.E U. Moreover, the Soviet representatives had not asked that the Federal Republic should leave these organizations.

An official announcement was issued in Moscow on Sept. 15 declaring that the Soviet Government regarded Germany's present frontiers as final. It was worded as follows : " At a press conference in Moscow on Sept. 14, the Chancellor of the German Federal Republic made a statement on questions relating to the frontiers of Germany. The Soviet Government regards the German Federal Republic as a part of Germany. The other part of Germany is the German Democratic Republic. In connexion with the establishment of diplomatic relations between the Soviet Union and the German Federal Republic, the Soviet Government deems it necessary to state that the question of the frontiers of Germany was solved by the Potsdam Agreement and that the German Federal Republic is carrying out its jurisdiction on the territory under its sovereignty."
(Soviet Weekly - Frankfurter Allgemeine Zeitung - Times - Manchester Guardian) **(Prev. rep. 14393 A.)**

A. TUNISIA. — All-Tunisian Cabinet formed by M. Tahar Ben Ammar. - M. Seydoux appointed French High Commissioner in Tunisia.

The Tunisian Prime Minister, M. Tahar Ben Ammar, submitted the resignation of his Cabinet on Sept. 13 to the Bey, who invited him to form a new Government. In accordance with the terms of the recent Franco-Tunisian agreement, the French directors previously responsible for the Departments of Finance, Education, Public Works, and Posts were replaced by Tunisian Ministers, the new Administration thus becoming the first all-Tunisian Government since the establishment of the French protectorate in 1881. The membership of the new Cabinet was announced on Sept. 17 as follows :

*M. Tahar Ben Ammar (Independent)	Prime Minister.
*M. Mongi Slim (Néo-Destour) .	Interior.
M. Khadem Ben Achour (Independent)	Justice.
M. Mohammed Badra (Néo-Destour) .	Agriculture.
*M. Hedi Nouria (Néo-Destour) .	Finance.
*M. Mohammed Masmoudi(Néo-Destour)	National Economy.
M. Djellouli Fares (Néo-Destour) ..	Education.
*Dr. Sadok Mokkadem (Néo-Destour)..	Health.
M. Ezzedine El-Abassi (Independent)	Public Works.
M. Fathi Zouhir (Independent) ..	Social Affairs.
*M. Chadli Rhaim (Socialist)	Posts and Telegraphs.
M. Albert Bessis (Independent) ..	Town Planning and Reconstruction.

* Member of previous Government.

Biographical details of the members of M Tahar Ben Ammar's previous Government are given in 13713 A. Of the new Ministers, M Khadem Ben Achour is a magistrate ; M. Mohammed Badra became Minister of Commerce in M. Chenik's Cabinet in 1950, and on its dismissal in 1952 fled to Egypt, returning to Tunisia in May last , and M. Bessis is a leading member of the Tunisian Jewish community.

M. Roger Seydoux (47), Minister-delegate to the Resident-General, was appointed the first French High Commissioner in Tunisia on Sept. 13, whilst General Miquel, deputy commander of the French forces in Morocco, was appointed commander of all armed forces in Tunisia on the same day. General Boyer de la Tour, the former Resident-General, had previously left Tunis on Aug. 30 to take up the appointment of Resident-General in Morocco.

M. Salah Ben Youssef, the secretary-general of the Néo-Destour, who had been living in exile since 1952, returned to Tunis on Sept. 13. He was welcomed by Prince Chadli (the Bey's eldest son), M. Tahar Ben Ammar, M. Bourguiba (president of the Néo-Destour), and an enthusiastic crowd of several thousand people, and was subsequently received in audience by the Bey.—(Le Monde, Paris) **(Prev. rep. Cabinet, 13713 A ; Franco-Tunisian Agreement, 14408 C.)**

B. PAKISTAN. — Site for New Federal Capital.

It was announced in Karachi on Aug. 22 that the Government of Pakistan had decided to build a new Federal capital at Gadap, 20 miles north-east of Karachi. The decision was made on the basis of recommendations by a committee which had been appointed by the Government for the purpose.

It was pointed out that the site chosen for the new Federal capital was at a height of 471 feet above the Arabian Sea, and that the heat and humidity there was far less than in Karachi. A rising plain of some 50 square miles would enable the new capital to expand in the years to come, and, unlike Karachi, the area was well watered and could provide an abundant supply of vegetables and foodstuffs. In view of the present expansion of Karachi, the new capital would be easily linked with Karachi city and would be only half-an-hour's drive from it. A 570-ft. hill feature at Gadap would be reserved exclusively for the Houses of Parliament and other public buildings to be erected in due course. It was, however, pointed out that Karachi would remain the capital for many years to come, as Gadap was still only in the planning stage ; moreover, the economic importance of Karachi would remain undiminished as it was the only important seaport in West Pakistan.

The committee's report stated that since the distance between Karachi and the Gadap area was so small, the new Federal capital would " become a new Karachi, more or less like New Delhi as compared with Old Delhi."—(Dawn, Karachi)

C. BULGARIA - GREECE. — Frontier Agreement.

An agreement providing for the avoidance and settlement of frontier incidents between Bulgaria and Greece was signed on Aug. 16 by the joint border commission of representatives of the two countries.—(Bulgarian Legation, London) **(13387 E.)**

A. UNITED KINGDOM. — Coal Industry. - Rise in Coal Prices. - Protests by Industry. - House of Commons Debate on Fuel Situation. - Sharp Cut in Coal Exports. - Production Statistics. - Miners' Refusal to accept Foreign Labour. - N.C.B.-N.U.M. Inquiry into Coal Output.

The National Coal Board announced on July 8 that the inland prices of all grades of coal would be raised from July 18 by 18 per cent, or an average of 11s. 5d. per ton, the increase for house coal ranging from 7s. 11d. to 19s. 1d. per ton according to quality. The increases—the largest since nationalization—were expected to yield £53,000,000 by the end of 1955 and £118,000,000 in a full year.

The Board explained that the increases were "necessary to bring prospective expenditure and income into proper relation," and that when they had taken effect it was proposed, in consultation with consumers' organizations, to examine the price relationship between various classes of coal. Meanwhile, the price increases were not expected to overtake the increase in the accumulated deficit (which already stood at £17,000,000) before the end of 1955.

Mr. J. Latham, the Board's financial member, explained that the N.C.B.'s commitments had been affected by (*a*) the effect on the coal industry (and particularly on its wages bill) of the general rise in wages and prices; (*b*) the need to import large quantities of coal to satisfy home demand; (*c*) large expenditure on the rehabilitation of the industry, and on measures concerned with safety and health. Although the present increases had been criticized as "irresponsible" and "against the public interest," the Board felt that it would be wrong to continue selling coal at less than the cost of production.

Giving details of the Board's increased costs, Mr Latham said that measures required by recent safety legislation would cost about £17,000,000, whilst about £8,000,000 yearly would be needed to pay interest on capital invested in reconstruction schemes. Since nationalization, the Board had succeeded in increasing productivity and output by 14 per cent, but for any further big improvements it would be necessary to look to reconstruction and new sinkings. By the end of 1954, 74 of these major projects (each costing over £1,000,000) had been approved but only four had been completed, and it was quite unfair to suggest that the Board's reconstruction programme had failed until the 70 remaining projects had come into operation. "Substantial cuts in the capital investment programme," Mr. Latham went on, "would be the sure way to reduce output. It is unlikely that any alternative source of energy will make a material contribution to the country's problems in the near future, and it is generally accepted that for very many years coal will have to bear the major part of the burden."

In addition to the expenditure on physical reconstruction (Mr Latham continued) much money was being spent on research, machinery development, education and training, improved pit conditions and amenities, and social welfare. The new wage structure recently introduced would probably cost £13,000,000 a year, and it was hoped soon to introduce a new wage structure for piece-workers; there were also increases in the cost of materials and carriage. Another important reason for the price increases was the loss on coal imports. During 1955 the Board expected to have to import over 12,000,000 tons and to lose about £2 per ton on its sale—or about £24,000,000, equal, when spread over all coal supplied in the country, to 2s. 6d. per ton. On the other hand, proceeds from exports would fall by about £1,000,000 in 1955 owing to the small quantity exported. Finally, the loss of deep-mined output in 1955 through strikes, and the abnormal measures necessitated by the railway strike, would together cost the Board about £4,000,000.

In its statement the Board explained that for the main industrial groups the average increases per ton would work out as follows:

Gas works, 2s. 5d.; power stations, 9s. 3d.; railways, 12s 5d; N.C.B. coking plants, 12s; other coking plants, 11s. 8d; iron and steel, 11s. 6d., coastwise bunkers, 12s. 9d., trawlers' bunkers, 12s. 8d., all other industrial consumers, 10s. 11d., Northern Ireland (except house-coal), 10s. 9d. Increases for house-coals would be: Group 1, 19s. 1d.; Group 2, 16s 7d., Group 3, 14s 7d., Group 4, 12s. 9d; Group 5, 11s. 2d.; Group 6, 9s 9d., Group 7, 7s. 11d. These increases would be added to the present reduced summer prices; the winter price level would be restored on Nov 1 in the north and on Dec. 1 in the south. Prices of South Wales anthracite and dry steam coals would be increased by an average of 18s. 1d. per ton.

The announcement of the price increases was followed on the same day by strong protests from the Federation of British Industries, the National Union of Manufacturers, and the Association of British Chambers of Commerce, as well as from individual industries.

The F.B.I. estimated that the cost of the increases to those sectors of industry which were direct users of coal would be at least £22,000,000 annually, and probably considerably more. "This is not the whole story," the F.B.I. statement continued, "for coal is so basic a commodity that costs, even of those industries which do not use it directly, are bound to be affected when gas, electricity, and steel prices, as well as railway freights, rise in sympathy."

The National Union of Manufacturers also stressed that the increases would result in "another twist in the rising spiral of prices," which would be forced up "to the detriment of our competitive power abroad and at the risk of a further round of wage increases at home."

The Association of British Chambers of Commerce complained that the coal industry was not "contributing in anything like a full measure to the national output," and that there had been no appreciable improvement in production in spite of the "substantial improvement in miners' wages and conditions, ambitious development plans, and degree of modernization and mechanization already carried out." The Association called for: (*a*) strict relationship of miners' wages to output; (*b*) an impartial investigation into the capital development programme, (*c*) utilization of part of the Board's planned capital expenditure to encourage the use of oil in industry, and to accelerate the development of atomic energy, (*d*) cessation of coal exports (except for bunkers) "until the prior claims of British industry can be met substantially from home supplies", (*e*) reduction of coal imports to a minimum.

Statements issued on behalf of leading industries are summarized below:

Electricity Supply. As most coal used in generating stations was of poorer quality, the increased cost to the Central Electricity Authority would be smaller than for other industries, but if fully passed on to consumers would result in additions to bills of about 3s in the £.

Gas. Sir Harold Smith, chairman of the Gas Council, estimated that the increases would add about £17,750,000 a year to the gas industry's coal bill, and that all Area Boards would have to increase their gas and coke prices. He added that since the nationalization of the gas industry, coal prices had already risen by an average of 20s 8d per ton, or nearly £30,000,000 a year, whilst the present increases would bring up these figures to 33s. 8d per ton and £47,750,000 a year respectively.

Transport. The British Transport Commission estimated that the increases would add £8,700,000 a year to its costs (excluding those of London Transport) and would bring its annual bill for coal and coke to about £58,000,000.

Iron and Steel. The Iron and Steel Federation pointed out that as two tons of coal were required to make one ton of steel, the increases were equivalent to an increase of at least 23s per ton in steel production costs.

A further protest against the price increases was made by Sir Norman Kipping, Director-General of the F.B.I., in a letter sent on July 17 to Sir Hubert Houldsworth, chairman of the National Coal Board.

Describing the increases as "frankly staggering," Sir Norman declared that they would not only "hamper competitive ability in the heavy fuel and power-using industries" but would also involve manufacturers in substantial losses on existing contracts. After complaining that the Board's development schemes "do not appear to have justified themselves either in lower costs or in increased output," he called for "a closer scrutiny of the coal export programme to see where reductions can be made." "Although some part of the programme is no doubt politically essential," he continued, "the fact remains that each extra ton exported has to be replaced by imports costing £2 more"; pending a scrutiny, therefore, the F.B.I. did not agree that the Board should "collect £24,000,000 a year from home consumers to pay for imports." In conclusion, Sir Norman stressed that "what is basically at fault is the Board's failure to get more coal", pointed out that "an improvement in productivity of a mere 2 per cent would almost completely have avoided shortages over recent years and the heavy bill for imports"; and urged that "any proportion of the increases made in anticipation of future rises in costs should be deferred until they have become actually inevitable."

Sir Hubert Houldsworth, in reply, explained that in its development and reconstruction programme the Board was endeavouring in ten years to cover 40 years of normal reconstruction work and to provide "an 80 per cent new industry." Results, however, were necessarily slow to appear, and capital charges on these schemes and on others necessary to replace lost capacity must be recovered from coal consumers. He added that the increases in productivity over the past eight years, measured by output per manshift, had averaged 2 per cent per annum.

A debate on the coal position, in the course of which the Minister of Fuel and Power (Mr. Geoffrey Lloyd) announced that coal exports would be severely cut in 1956, took place in the House of Commons on July 20. A Government motion "taking note" of the National Coal Board's statement of July 8 was agreed to without a division after an Opposition amendment had been rejected by 317 votes to 253.

Mr. Geoffrey Lloyd stressed that it would be wrong for the N.C.B. to go on selling coal below the cost of production, or for losses on imported coal to be borne by the taxpayer. Describing the price increases as "the most powerful incentive to fuel economy since the war," he explained that the Government proposed to co-operate with the National Production Advisory Council and the regional boards for industry in a fresh drive towards fuel efficiency. The National Industrial Fuel Efficiency Service, which had had a "most successful first year," and as a result of whose work it was estimated that over 1,000,000 tons of coal would be saved in 1955, would also be expanded by a further 25 per cent, and the present limit on loans for improving plant efficiency would be abolished, in order to expedite the conversion of plants from coal- to oil-burning.

Dealing with the import and export question, the Minister recalled that, with the aim of re-establishing Britain in her traditional role as a coal exporter, the Government had kept the 1954 export target at 13,000,000 tons As production was then rising and the N C B and the National Union of Mineworkers had agreed on a target increase of 5,000,000 tons, it seemed "wholly reasonable" to keep exports in 1955 at the 1954 figure Unfortunately, however, production had been 'falling ever since," and this fact, together with the exceptionally cold winter and the upsurge of industrial consumption, had made the need for imports greater than had been foreseen In view of the export commitments already made, it was not possible to reduce imports in the present year by more than 2,000,000 tons, but for 1955-56 the Government had 'reluctantly concluded that there must be a sharp reduction in exports," thereby making it possible to reduce imports to correspond

The coal industry's central problem (Mr. Lloyd continued) was that, whilst deep-mined output in 1954 was only 500,000 tons more than in 1953, industrial consumption had increased by about 3,000,000 tons. It was clear that the coal industry could not "do the job alone" but needed help to meet the rapid rise in consumption and give it a "breathing space." If the 21,000 miners at present engaged on development work had been available for current production, output could have been raised by about 4,000,000 tons a year When the reconstruction job was done, about 80 per cent of coal would come from new or reconstructed pits, but for the present "the strain of the two jobs" was too great, and some relief would be of enormous help to the industry.

Mr. Lloyd said that he had long been convinced that only oil could bring quick help "on a really massive scale," but while the Abadan question remained unsettled nothing much could be done. Now, however, oil had for the first time become competitive with coal for large-scale steam raising, and would begin to be used in this way towards the end of 1956 Consumption of oil would rise sharply in 1957, and by 1960 the equivalent of over 4,000,000 tons of coal would be used He added that the Central Electricity Authority had contracted for a further 3,000,000 tons of oil, and by 1960 would be using the equivalent of 9,000,000 tons of coal annually, whilst the gas industry had agreed to adopt a new process for obtaining gas from oil refineries which would save 1,000,000 tons of coal a year Meanwhile, the oil companies had assured him that over the next five years they could supply additional oil to the equivalent of 15,000,000 tons of coal. Thus by 1960 oil would be used to the equivalent of 25,000,000 tons a year, and there were further possibilities, since low-flash-point and even crude oil (supplies of which were virtually unlimited) were being successfully used.

After 1960 (the Minister concluded) the atomic energy programme would begin to make its contribution Of the first two atomic power stations, one would serve the London area and would probably be sited near the sea or on one of the Essex rivers, whilst the other would serve the Bristol and Birmingham areas and would probably be on the Severn The limiting factor was not finance, but scientific and technical skill, but if the work proceeded faster than anticipated the programme would be expanded These two "fuel allies," oil and atomic power, removed "the spectre of a coal gap" and promised the necessary relief to allow the coal industry to make progress with its reconstruction plans Meanwhile, the N C B. was pushing ahead with managerial training, conducting a manpower recruitment campaign, and organizing a full-scale drive for the extension of power-loading In this connexion Mr. Lloyd explained that whilst coal-cutting and underground transport were respectively 85 per cent and 90 per cent mechanized, at present only about 9 per cent of coal was power-loaded, and that it was hoped to save about 5,000 men annually by extending power-loading

Mr. Philip Noel-Baker (a former Labour Minister of Fuel and Power) moved an Opposition amendment which (*a*) expressed appreciation of the miners' efforts, which had succeeded in "producing more coal with fewer and older men", (*b*) expressed concern, however, at the decline in the industry's manpower, (*c*) condemned the Government for its "failure to pursue a vigorous and successful fuel-efficiency policy"; (*d*) protested against the policy of "placing the financial loss on coal imports on the National Coal Board"

Declaring that "playing politics with coal is a very dangerous game," Mr Noel-Baker strongly denounced those who asserted that nationalization had failed and that the remedy for the present situation was to "sack the Coal Board" and place "private enterprise magnates" in charge The biggest single cause of the coal industry's difficulties, he asserted, had been "the long decay under private enterprise," and in view of the fact that the N C B. had had "to start with a derelict industry," the achievement of the "highest ever" output per manshift at the coal face, with 75,000 fewer miners than in 1938 and with 40,000 men withdrawn for development work, was "a massive and remarkable accomplishment" "Those who speak of the vast amount of capital investment without a return in coal," he declared, "forget that a vast investment was needed to prevent output going down" He pointed out in this connexion that of the £635,000,000 capital investment proposed in 1952, £350,000,000 was required just to maintain output where it was Actually, the Board's total investment to date was only £275,000,000, of which £100,000,000 was on projects that had so far given no return in coal

Turning to the manpower question, Mr Noel-Baker maintained that the Government had taken no adequate action to arrest the fall. To attract and keep men in the industry the Government should improve housing conditions, supplementary pensions and sick pay, and give bonuses to miners who were transferred to other coalfields As regards the need to stop waste of coal, he stressed that whereas the nationalized industries had saved about 9,500,000 tons in 1954, only 139 loans to private industries for fuel-saving equipment had been approved during the three years that the scheme had been operating As there were about 32,000 industrial establishments using over 100 tons of coal a year, the Government would at this rate "get round the job in about 300 years" He therefore called on the Government to invest in fuel-efficiency schemes "even one-tenth of the £350,000,000 to be spent on atomic energy," and claimed that far better results would be achieved in this manner

In conclusion, Mr Noel-Baker criticized the proposed reductions in exports as "insufficient," saying that the cuts ought to have been "of the order of 6,000,000 - 7,000,000 tons" He suggested that the N C B 's financial burden should have been reduced by allowing the Central Electricity Board and other large importers to make their own purchases abroad, and alleged that the Government had been holding up the announcement of the price increases until after the general election.

The main feature of the ensuing debate was the emphasis placed by members of all parties on the need for increased fuel efficiency

Coal production in the first half of 1955 totalled 113,200,000 tons, against 116,000,000 tons in the first half of 1954, deep-mined output being down by 2,470,000 tons and open-cast production by 330,000 tons. Consumption in the first 25 weeks of 1955 amounted to 108,700,000 tons, compared with 107,230,000 tons in the corresponding period of 1954. Although exports and bunkers totalled only 6,250,000 tons (against 8,000,000 tons), coal imports during the period amounted to 5,500,000 tons, compared with only 404,000 tons in the first 25 weeks of 1954. Manpower at June 25 totalled 707,700, compared with 708,000 at June 25, 1954.

The following table shows the average weekly rates of coal production and consumption, and of manpower, output, and absenteeism in the second quarter of 1955:

	Saleable Mined Coal Produced	Plus Opencast	Total Production	Inland Consumption	Overseas Shipments & Bunkers†
	Tons	Tons	Tons	Tons	Tons
April	3,938,300	208,200	4,144,500	4,056,250	270,000
May	3,725,000	222,725	3,947,725	4,065,250	300,000
June*	3,938,840	233,100	4,172,000	3,576,000	169,000

	Wage-earners on colliery books		No. of shifts worked per wage-earner	Output per manshift at coal-face	Output per manshift overall	Percentage of absenteeism
	Total	at coal-face		Tons	Tons	
April ..	708,675	290,775	4.56	3 241	1 208	12.54
May	707,375	289,950	4 73	3 232	1 209	11.72
June*	705,140	289,100	4 61	3 253	1 208	11.85

* Average of five weeks. † Including fishing vessels, but excluding coastwise bunkers

Other developments in the coalmining industry during recent months are summarized below.

N.C.B. Quarterly Accounts. The Board's accounts for the first quarter of 1955, published on Aug. 17, showed that colliery profits amounted to £5,024,472 and profits on opencast mining and ancillaries to £875,000, making a total of £5,899,472 After charging £5,200,000 for losses on imported coal, £5,150,000 for interest charges, and small amounts for various items, there was an estimated deficit for the quarter of £4,595,528, compared with a surplus of £754,461 for the first quarter of 1954

The Board's accounts for the second quarter of 1955, published on Sept. 15, showed an estimated deficit of £19,189,054, the largest quarterly deficit since nationalization. The loss compared with a deficit of £264,905 in the second quarter of 1954, and brought the loss for the first half of 1955 to £23,780,000, and the accumulated deficit since nationalization to £41,180,000

Colliery losses during the quarter amounted to £7,874,054, but this was reduced by estimated profits on opencast working and ancillaries to a net operational loss of £7,199,054 The addition of £6,700,000 to cover losses on imported coal, and of £5,290,000 for interest charges, resulted in the deficit shown in the accounts.

The report gave the saleable tonnage obtained from deep mines during the quarter as 51,178,926 tons, Production costs averaged 67s 1d per ton (of which wages represented 47s. 5d. per ton), whilst proceeds averaged only 64s per ton, resulting in a deficit of 3s 1d per ton.

Coal Stocks. Mr. Lloyd stated in the House of Commons on June 20 that coal stocks (distributed and undistributed) at June 4 totalled about 13,300,000 tons, compared with 15,200,000 tons at June 4, 1954 The recent rail strike had caused little interference with home supplies or imports, although exports had been severely curtailed.

Coal Exports. Following Mr. Lloyd's announcement during the debate on July 20, the N C B announced on Aug. 9 that the only countries to which British coal would be exported in 1956 under fresh agreements would be the Irish Republic and Denmark, although commitments entered into during the current year and still uncompleted at Dec 31 would be fulfilled during 1956.

It was stated in the Press on the same day that coal exports in 1954 had totalled 13,715,621 tons, valued at £59,075,227. The principal countries taking British coal were · Denmark, 3,431,000 tons, the Irish Republic, 1,712,000 tons; Western Germany, 1,548,000 tons; Italy, 1,265,000 tons; Sweden, 1,096,000 tons, France, 1,023,000 tons

Coke Prices. The Gas Council announced on Aug. 2 that, as a result of the recent increases in the price of coal, prices of gas coke would be raised from Aug 8 by amounts ranging from 18s. 4d. in the North and Midlands to about 30s. in Southern England.

Closing of South Wales Anthracite Pit. On Aug. 26 the South-Western Coal Board closed down the small Brynhenllys Colliery, Brynammon, in the Neath anthracite area The Board explained that the colliery was working at a heavy loss, that appeals for miners' co-operation had been unavailing; and that output per manshift at the colliery in June was only 2.4 cwt., compared with the South Wales average of 18 5 cwt.

Use of Foreign Labour. At the N.C B.'s request, the executive of the National Union of Mineworkers asked its economic sub-committee on Aug. 5 to inquire into the possibility of employing more foreign workers in the pits in order to alleviate the manpower shortage. The proposal to bring in Italians and Austrians was, however, rejected by the Derbyshire branch of the N U M. on Aug 16 on the ground that "the problem of training and integration, together with the natural hostility to foreign labour by the rank-and-file miners, would create more difficulties than it would solve." The proposals were also opposed by the West Yorkshire and Scottish branches of the union on Aug. 20, by the West Midland branch on Aug. 23, and by Welsh miners' delegates on Aug. 26, although the Durham area executive supported the plan. On Sept. 4 the N.U.M. executive announced that, in view of "the disposition of the men in the areas not to accept foreign labour," it considered that "it would be desirable that we should examine the position of the present situation of coal production in the most objective way."

On Sept 8 the N.C.B. announced that it had accepted the N.U.M.'s proposal for a joint pit-by-pit investigation into the causes of the decline in coal output, to begin as soon as possible. A Board spokesman subsequently explained that it was satisfied that the acceptance of foreign labour was "the only immediate way of meeting critical manpower needs and maintaining production"; if, however, the miners persisted in their refusal, the Board would seek to alleviate the position by better deployment of available labour, the introduction of mechanical devices, the reduction of wastage, and better recruitment. Whilst it welcomed the N.U M.'s offer for a joint inquiry into wastage and the deployment of manpower, it would also welcome the union's co-operation in increasing the mobility of labour among the pits, eliminating restrictive practices, and reducing absenteeism.

New N.C.B. Appointment. The N C.B. announced on July 4 that Mr. J. O. Blair-Cunynghame, chief personnel officer of the B.O A.C., had been appointed to the new post of director-general of the Board's staff department The creation of this post had been recommended by the Fleck Committee (see 14115 A).

On July 13 it was announced that Mr. Gerald Nabarro, Conservative M.P. for Kidderminster, had resigned the joint secretaryship of the Conservative Fuel and Power Committee owing to disagreements with the Minister of Fuel and Power on policy. In his letter of resignation, Mr. Nabarro alleged that the Minister had "largely disregarded" the Committee's "constant warnings during the past three or four years of the dangers of developing coal shortages," and that in consequence "a dangerous fuel position, fraught with difficulty to our balance of payments," had been allowed to develop and might "become calamitous next year."—(Ministry of Fuel and Power - Times - Daily Telegraph - Manchester Guardian - Financial Times) **(Prev. rep. Coal Industry, 14269 A.)**

A. INDIA. — Opening of Durgapur Barrage.

The Durgapur Barrage (on the Damodar River in West Bengal), which forms part of the Damodar Valley scheme, was opened by Vice-President Radhakrishnan on Aug. 9.

The barrage—the biggest so far built in India, and costing about 230,000,000 rupees—will provide irrigation for an area of nearly 2,200 sq. miles by means of a canal network of 1,550 miles, of which 40 per cent has already been dug. The main canal on the left bank of the Damodar River is about 85 miles long and joins the Hoogly River 35 miles north of Calcutta. It will provide a permanent all-weather navigational waterway between Durgapur and Calcutta, connecting the coal-producing areas around Raniganj with the Hoogly and relieving congestion on the railways.

The Durgapur Barrage was designed and constructed entirely by Indian engineers, and completed ahead of schedule.
(The Hindu, Madras - The Statesman, Calcutta) **(Prev. rep. 14030 B; 11349 A, pp. 11350-51; 9152 E.)**

B. UNITED STATES. — Increase in Minimum Wage.

President Eisenhower signed a Bill on Aug. 12 increasing the legal minimum wage from 75 cents to $1 an hour as from March 1, 1956. He had originally asked for an increase to only 90 cents an hour on the ground that any higher increase would be inflationary, but concurred in the increase to $1 after it had been approved by the Senate on June 8 and by the House of Representatives on July 20. The measure was expected to affect directly more than 2,000,000 workers, largely in the South, as well as others whose higher wages had been based on concessions made above the legal minimum.
(New York Herald Tribune) **(Prev. rep. 11059 A.)**

C. NEPAL. — Political Developments. - Dissolution of Advisory Assembly. - Dr. Singh's Return from Exile.

Negotiations on the formation of a new Government between King Mahendra of Nepal (who had ruled since March with the assistance of a non-political advisory council of five) and the political parties continued throughout the spring and summer of 1955, but without result. A "convention of political and social organizations," which had been summoned by the King to give its advice on the form of government, the holding of general elections, and the future of the Advisory Assembly, met in the royal palace of Khatmandu from May 8-16 and was attended by representatives of over 100 organizations; four of the leading parties (the Nepali Congress, the Nepali National Congress, the *Praja Parishad*, and the *Rashtriya Praja* Party) refused, however, to take part on the ground that the objectives of the conference were not clearly defined. In his closing speech the King said that the opinions expressed could be summed up in four points: direct rule should not be continued, general elections should be held at an early date; the democratic system should be preserved; and the Advisory Assembly should be dissolved.

In accordance with the convention's recommendations the King dissolved the Advisory Assembly on June 10, and announced on Aug. 8, after discussions with the Electoral Commission, that general elections would be held in October 1957. The Advisory Assembly, a nominated body of 99 members, was convened in April, 1954, but was boycotted by the Nepali Congress as unrepresentative, and had been prorogued since February last.

After the convention King Mahendra received Mr. B. P. Koirala (president of the Nepali Congress) in audience on May 23, and Professor D. R. Regmi (president of the Nepali National Congress) on May 25 Both party leaders subsequently expressed their conviction that the King wished to end his direct rule as soon as possible Further discussions between the King and leaders of the Nepali Congress, the Nepali National Congress, the *Praja Parishad*, the National Democratic Party, and the right-wing *Gurkha Parishad* took place on Aug. 19 and 22, their results being officially described as "inconclusive."

Dr. K. I. Singh, the left-wing Nepali Congress leader, and 27 of his followers were handed over by the Chinese authorities at the Tibetan frontier on Sept. 2, and were granted a royal pardon on Sept. 11 after pledging loyalty to the throne and promising to abstain from violence. Dr. Singh, who led an abortive rising in Khatmandu in January 1952 (see 12020 A), subsequently escaped to Tibet and thence to Peking. The Chinese Government, which had previously rejected Nepalese demands for his extradition, agreed at the Bandung Conference to repatriate him to Nepal.—(The Statesman, Calcutta)
(Prev. rep. 14116 A.)

D. UNITED STATES. — Tribute to Sir Winston Churchill. - U.S. Senate Resolution.

The American Minister in London (Mr. Walton W. Butterworth) called upon Sir Winston Churchill on Sept. 3 to present to him an engrossed copy of the following resolution which had been adopted by the U.S. Senate on July 28: "The Senate of the United States, on the occasion of the retirement of Sir Winston Churchill as Prime Minister of Great Britain, expresses its high appreciation of the outstanding contribution this truly great statesman has made to the cause of freedom and his tireless efforts on behalf of world peace, and its profound hope that Sir Winston Churchill may be spared for many more years of useful and honourable service."
(Times - New York Times) **(Prev. rep. 14129 A.)**

E. NATIONALIST CHINA. — New Chief of Staff.

It was announced from Taipeh on Aug. 20 that General Sun Li-jen, personal Chief of Staff to Generalissimo Chiang Kai-shek, had resigned after admitting "negligence" with regard to one of his subordinates, who had been arrested as an alleged Communist agent. General Sun, who commanded the Chinese First Army in Burma during the Second World War, had been one of the principal collaborators of Generalissimo Chiang Kai-shek and had played an important part in re-training the Nationalist forces which were withdrawn from the Chinese mainland to Formosa.

General Huang Chen-chui, Deputy Minister of National Defence, was appointed General Sun's successor on Aug. 21.
(New York Times)

F. INDIA. — Decimal Coinage Act.

The Indian Council of States (the Upper House) passed the Decimal Coinage Bill on Aug. 26, thus completing parliamentary action on the measure. (The Hindu Madras) **(14368 B.)**

A. ALGERIA. — Extension of Nationalist Rebellion and Terrorist Activities. - The August Uprising. - Proclamation of State of Emergency. - Reinforcement of French Troops. - French Proposals for Economic and Administrative Reforms. - Report of Parliamentary Mission to Algeria. - Ban on Algerian Communist Party.

The nationalist uprising which began on Nov. 1, 1954, spread on a considerable scale during the spring and summer of 1955 to new areas of north-eastern Algeria. Although the Aurès mountains remained the main centre of the revolt, rebel activities spread to the Kabylie (the coastal area east of Algiers), the *Nord Constantinois* area (between Constantine and Philippeville), and the Nemencha mountains (south of Tebessa, between the Aurès and the Tunisian frontier). At the same time the rebels adopted more aggressive tactics in all areas, attacking French forces and military posts in bands up to 100 strong. A number of major engagements took place at the end of July and the beginning of August in the Aurès and Nemencha mountains, culminating on Aug. 20 in simultaneous uprisings at a large number of places in the *Nord Constantinois*, all of which were repressed.

Information obtained by the French authorities during the course of the rebellion showed that the leaders of the revolt were drawn from an organization called the "Revolutionary Committee for Unity and Action" (C.R.U.A.), later renamed the 'National Liberation Front". This organization had been formed after the split in the "Movement for the Triumph of Democratic Liberties" (M.T.L.D.) in July-August 1954 (see 13923 A), and was led by a certain Bendella, who directed its activities from Cairo. According to a report presented to the French Cabinet in June by M. Soustelle (the Governor-General), it had been proved that both the rival sections of the M.T.L.D., to which the revolt had originally been attributed, in fact disapproved of it, whilst information obtained from an arrested leader of the C.R.U.A. showed that this body was planning the assassination of M. Messali Hadj, leader of the left-wing of the M.T.L.D. Other captured rebel leaders had stated that the uprising had been planned at a conference of North African leaders in Berne in September 1954, and that Algeria had been divided for the purpose into six zones, each under its own leader: the Aurès, the *Nord Constantinois*, the Kabylie, the Algiers district, the Oran district, and the south.

The number of rebels in the Aurès mountains remained obscure, whereas in February it was believed to be only 350, later estimates ranged from 500 to as high as 3,000. About 150 insurgents were believed to be operating in the Kabylie in June, and from 100 to 200 in the *Nord Constantinois*. The strength of the rebel forces was believed to be steadily increasing, however, partly because the widespread arrests of nationalists were driving many into the *maquis* to avoid "interrogation" by the police, and partly because the suppression of the M.T.L.D. had left large numbers of unemployed without any political spokesman. The rebels suffered from a serious shortage of arms and ammunition, many of their operations having the procuring of weapons as their primary object. Reports in the French Press that they were receiving military supplies from the Arab countries were denied on Aug. 25 by M. Soustelle, who stated that the most modern weapons found in their possession dated from the Second World War.

The character of the insurrection varied from one area to another. The Aurès, which had previously been the scene of serious uprisings in 1845, 1871, 1879, and 1916, is inhabited mainly by Berbers, who, although nominally Moslems, largely retain their primitive fertility rituals and cult of ancestor-worship. Since 1935, however, a strong religious movement directed against these practices has developed under the leadership of the ultra-orthodox Senussi sect (which was responsible for the previous uprisings) and has been spread among the Berbers in recent years by the *ulema* (Moslem religious teachers) through their Koranic schools. In consequence the revolt assumed a religious character, e.g. growing vines were uprooted or cut through in many places, and a campaign against smoking was organized, the use of both alcohol and tobacco being condemned by the Senussi.

In the Kabylie (also a Berber district, and the scene of several uprisings in the past) the revolt was believed to be largely dominated by traditional clan feuds, and to possess a political and religious character only in the towns and in certain rural districts. In the *Nord Constantinois*, on the other hand, it drew its main support from the impoverished Arab peasantry. Communication between the various centres of the rebellion was sporadic, concerted action being hindered by the racial differences between Berbers and Arabs, and—it was believed—by rivalry among the local leaders.

The outstanding stages of the revolt during the period under review are described below under cross-headings.

Insurgent Activities, January-August.

The Aurès Mountains. In the earlier stages of the rising, the rebels confined themselves to guerrilla tactics, frequently ambushing French patrols and convoys but avoiding pitched battles. A large-scale operation was launched on Jan. 19 by over 6,000 French troops, and a second on Jan. 23 by 4,000 troops; numerous suspects were arrested, but no contact was established with the rebel forces.

The first example of the rebels' new tactics in this area occurred on May 14, when about 80 insurgents raided the village of Ain-Naga (25 miles S.E. of Biskra) and besieged the police-station for four hours. On May 17-18 the village of Condorcet (near Batna) was twice attacked, whilst on June 17 insurgents entered the village of Victor-Duruy (near Batna), shot dead the assistant district officer and his son, and set fire to agricultural equipment; they were attacked by French forces on the following day, 10 of the rebels being killed. In an engagement on June 28 at Zgag (in the northern Aurès) 18 rebels were killed. The most violent encounter of the rebellion to date occurred on Aug. 9-11 at Sidi-Aoun (near Biskra), where a French force was ambushed, reinforcements were sent and heavy fighting ensued in which 21 French soldiers and 37 rebels were killed.

The Kabylie. No major engagements were reported from this area, where the number of rebels was comparatively small. Terrorist activities were common, however, 38 attempts being reported between Nov. 1 and April 30, and a number of local encounters between French troops and insurgents took place.

The Nord Constantinois. The insurgents staged their first *coup* in this area on May 1, when about 60 rebels surprised a detachment of native troops near Philippeville and stripped them of their uniforms, arms, and ammunition. On May 10 the rebels cut three of the four main roads meeting at the small town of El-Milia, and also cut all the telephone wires in the neighbourhood; the concerted nature of these operations was regarded as evidence of planning by leaders with military experience. The arrival of reinforcements forestalled a possible attack on the town, but on the following day a party of police were ambushed nearby, two being killed.

A serious outbreak of terrorism occurred on June 17 at Philippeville, where two Europeans were killed and four wounded in a number of bomb explosions. During the following week security operations were intensified in the area; 13 rebels were killed on June 20 in a clash south of Philippeville, and on June 22-23 police, parachute troops, and naval and air units took part in a police operation covering 100 miles of coast between Collo and Bône. Seven rebels were killed and about 200 suspects (who were reported to include many members of the "general staff" of the "National Liberation Front") were arrested. Further large-scale police operations took place at Constantine and Bône early in July.

The Nemencha Mountains. The villages of Guentis and Youks-les-Bains were attacked on several occasions between May 14 and June 1, and a military post at Kheirane on May 21. The administrator of Guentis (M. Dupuy), a French lieutenant, and four members of an Algerian escorting force were killed in an ambush near the village on May 24; no trace was found of the 24 other members of the escort, who had either been carried off or had deserted to the rebels with their arms and equipment.

Both sides suffered heavy casualties in engagements in this area during July and August. An officer and eight native soldiers were killed in an ambush near Guentis on July 18, and 11 other soldiers carried off by the rebels. On July 26 a French convoy was attacked in the mountains near Ain-Zerga, 15 rebels being killed and three soldiers wounded. On July 27 a convoy was ambushed near Taberdga, and an engagement followed in which 23 *légionnaires* and at least 15 insurgents were killed. On July 29-30 heavy fighting took place between rebel forces and French parachute troops near Tebessa, in which the former lost 25 killed as against one parachutist wounded. On Aug. 10 French troops destroyed a village near Edgar-Quinet (west of Khenchela) into which a rebel force had retreated, five soldiers and 15 insurgents being killed. During this period the insurgents made a number of raids into Tunisia, in one of which a French official and a Moslem were killed near Kasserine on July 27. A rebel force was intercepted on the frontier on Aug. 6, losing 12 killed.

Terrorist Activities. Acts of individual terrorism and sabotage continued throughout this period. Many Moslems regarded as pro-French or suspected of giving information to the authorities were kidnapped, murdered, or mutilated by the rebels, notices being attached to their bodies in some cases saying that they had been tried and condemned by the "Army of National Liberation." As a result of such terrorist activities, the native population became increasingly unwilling to give evidence against prisoners for fear of reprisals. Attacks on individuals were at first confined to Moslems, but from May onwards numerous attempts were made on the lives of Europeans. In the countryside farm buildings and crops were frequently set on fire, whilst in Algiers, Constantine, Philippeville, and other towns a number of bomb explosions occurred from April onwards.

The August Uprising.

On Aug. 20 (the second anniversary of the deposition of the ex-Sultan of Morocco) serious uprisings took place over a large area of the *Nord Constantinois*, bounded by Collo and Philippeville in the north and Constantine and Guelma in the south. The various incidents, all of which had evidently been carefully planned beforehand, were apparently timed to coincide with similar uprisings which occurred on the same day in Morocco.

Philippeville was invaded by several hundred insurgents, armed with automatic weapons, shotguns, knives and axes, who attacked the police stations; they were driven from the town by troops and police, losing over 100 killed. At Constantine eight bombs exploded almost simultaneously, wounding 16 people; a police inspector was shot in the street; and two leading members of the moderate nationalist "Democratic Union of the Algerian Manifesto" (U.D.M.A.) were wounded. About 250 insurgents attacked the town hall at Oued-Zenati (east of Constantine), but were repelled with the loss of about 30 men killed. The village of Kroubs (south of Constantine)

was attacked by about 100 rebels, 25 of whom were killed, at Ain-Abid (south-east of Constantine) the barracks were besieged and seven civilians murdered; Condé-Smendou (north of Constantine) was violently attacked; at Saint-Charles (south of Philippeville) the town hall was set on fire; and at the mining settlement of Fil-Fila the rebels massacred and mutilated 36 men, women, and children. Total casualties in the day's fighting were officially given as about 1,000 rebels and 25 soldiers killed, and 105 soldiers wounded. On Aug. 21 bands of insurgents attacked Guelma (where they lost about 50 killed) and a number of villages, whilst bomb explosions occurred at Constantine and Philippeville without causing any casualties.

Intense indignation was aroused among the European colony by the atrocities committed by the rebels, and especially by the massacre at Fil-Fila At the funeral on Aug. 23 of the 60 Europeans killed at Philippeville the Prefect of the *departement* was molested by the crowd, and wreaths sent by M Soustelle and the Prefect were trampled underfoot. The mayor, M Crevaux, afterwards submitted to the sub-prefecture a statement demanding the imposition of a state of siege, the "inauguration of a policy of authority and firmness," and the punishment of those responsible for the Government's failure to arm the civil population. M Soustelle had previously announced that arms would be distributed to isolated farmers.

The revolt was followed by strong measures of repression, in which both the Army and the European colony took part. It was officially announced on Aug. 22 that 10 villages, which were described as "centres of rebellion," had been razed to the ground after the women and children had been evacuated. A special correspondent of *Le Monde* reported on Aug. 24 that "improvised militias" were hunting down rebels "with a passion which sometimes borders on frenzy" and that "a pitiless war of race and religion" was being waged. He alleged that some 50 civilians, including men, women, and children, had been massacred by French "commandos" at a village near Philippeville, and that similar reprisals against Moslem civilians had been taken at Carrières Romaines, in the same area.

As a result of these measures, many Moslems fled from their villages to join the insurgents, and daily incidents continued to be reported. On Aug. 24 the garrisons of El-Hanser and Ain-Fakroun were attacked, and during the following night about 100 rebels raided Saint-Charles, carrying off a supply of rifles. On Aug 27 a skirmish occurred between Constantine and Batna in which 17 rebels were killed, and on the following day 23 rebels were killed in three clashes in the Constantine *département* On Sept. 1, 34 insurgents were killed in an engagement near Medina, in the Aurès, and on Sept. 2 a village between Constantine and Philippeville was destroyed by the insurgents, who kidnapped the mayor

The Moslem deputies from the Constantine *département* appealed on Sept. 1 to M. Faure, the French Prime Minister, to end the "collective, pitiless, and disproportionate repression" which—it was alleged—was being carried on, not only by the Army and the police, but also by "irresponsible civil elements" The Cabinet's co-ordinating committee on North African affairs, however, approved on the following day all the measures taken since Aug 20 Meanwhile the rebellion, and the subsequent French counter-measures, had brought economic life to a virtual standstill throughout the *Nord Constantinois*; in Philippeville, for example, many Moslem shopkeepers had joined the insurgents or were afraid to open their shops, European wholesalers were unable to dispose of their stocks, and food had to be brought into the town from a distance. In order to end this situation, hundreds of thousands of leaflets were circulated on Aug 30 appealing to all Moslems who had fled and were not guilty of any crime to return to their villages, and giving assurances that they would not be harmed in any way.

Proclamation of State of Emergency.

The French National Assembly approved on April 1 a Bill for the establishment of a "state of emergency," intermediate between the normal rule of law and a state of siege, in Algeria during the next six months.

The preamble to the Bill stated that if the existing situation continued, "the population may come to believe that benevolent complicity with the rebels is less dangerous than co-operation with France, and the present sporadic and scattered disorders may develop into a general insurrection" It had become clear that existing legal procedures, which were not intended to cope with such a situation, were inadequate; on the other hand, a state of siege, although efficacious as a means of restoring order, would inevitably cause a serious disturbance of Algeria's economic life The Government therefore proposed an intermediate solution which would enable the civil authorities to employ methods better adapted to the existing situation.

The main provisions of the Bill were as follows.

(1) The Government would have power to proclaim a state of emergency in the whole or part of France, Algeria, or the overseas *départements* in the event of imminent danger caused by serious attacks on public order, or of a public disaster.

(2) A state of emergency could be declared only by a law fixing the area within which it would come into force and the period for which it would operate, and could be prolonged only by a new law In the event of the Government's resignation, this law would have to be confirmed by Parliament within 15 days of the new Government's receiving a vote of confidence, and if the National Assembly were dissolved it would automatically become void.

(3) The Prefect of a *departement* under a state of emergency was empowered to forbid the movement of persons or vehicles within certain areas and at certain times, to establish protection or security zones in which the residence of persons could be controlled, and to forbid any person seeking to hinder the public authorities to reside within the whole or part of the *departement*

(4) The Minister of the Interior or the Governor-General of Algeria was empowered to fix the place of residence of any person, living in a zone where a state of emergency was in force, whose activities were considered dangerous to public order He was forbidden, however, to establish detention camps for such persons, and was required to provide for their support and that of their families Any such person might appeal to a consultative commission, on which the local council would be represented by persons chosen by itself.

(5) The Minister of the Interior, the Governor-General of Algeria, or the Prefect of a *departement* might order the closing of places of entertainment, cafés, and all other public meeting places, and might forbid public meetings likely to lead to disorder

(6) The public authorities were empowered to order the handing-over of arms, to search houses by day or night, and to control the Press, broadcasting, films, and theatrical performances

(7) The Minister of Justice and the Minister of Defence might issue a joint decree transferring specified offences from the jurisdiction of the civil courts to that of military courts.

(8) A state of emergency was declared throughout Algeria for six months The areas to which it would be applied would be fixed by decree

The debate on the Bill opened in the National Assembly on March 30.

M. Genton (Radical), *rapporteur* for the Commission of the Interior, observed that the commission had sought to ensure that the state of emergency should be applied only with the utmost circumspection, e g all powers not expressly granted to the military authorities were reserved for the civil authorities, and the Bill provided for strict parliamentary control The Bill was strongly criticized by two Moslem deputies, **M. Bendjelloul** and **M. Sid Cara**, who complained that the Government had put forward no proposals for dealing with the poverty and unemployment which, they asserted, were the primary cause of the crisis in Algeria, by **M. Vals** (Socialist), who contended that it might be used to suppress strikes or political demonstrations, by the **Abbé Gau** (M R P), who accused the police in Algeria of using torture and other "shameful methods" to extract "confessions" from arrested Algerians, and who claimed to possess details of many such cases, and by a number of Communist deputies

M. Bourgès-Maunoury (Minister of the Interior), after giving an assurance that the Government would proceed with the reforms proposed by M. Mendès-France's Cabinet (see below), declared that the crisis in Algeria had been caused by 600 to 800 outlaws led by "professional brigands or foreign agents." The state of emergency, he explained, had not been limited to the areas where the rebels were operating, as this would encourage them to extend their activities to districts which had hitherto remained peaceful, and it was essential that the Government should be able to use its powers immediately wherever acts of banditry occurred Under the existing law suspects had had to be released, and had immediately returned to their terrorist activities, and for this reason the authorities were empowered to control their movements. The danger that the law might be used against strikes or legitimate political movements was guarded against by the provision that only Parliament could declare a state of emergency In reply to the Abbé Gau, he admitted that abuses had occurred, but said that these had been suppressed in recent weeks Under the common law, he pointed out, a suspect at whose house arms had been found had to be released if he could not be proved guilty, and in consequence the police or the military were tempted to use methods which he did not excuse to obtain confessions, the Government's Bill, however, would mean that they were no longer faced with "the horrible choice between being impotent or murderers"

After an all-night debate, the Bill was adopted in the early hours of April 1 by 279 votes to 219. It came into effect on April 7, when a decree was issued establishing a state of emergency in the Batna area, the Kabylie, and the district round Tebessa, subsequently extended on May 20 to cover the whole of the *département* of Constantine and the Biskra and El-Oued areas.

General Parlange, commander of the Agadir zone of Morocco, was appointed on April 28 to the command of military and civil operations throughout the emergency zones, with direct responsibility to the Prefect of the *département* of Constantine. He was authorized to form local defence groups, to recruit mobile auxiliary police, and to organize intelligence services, and was also instructed to give special attention to education and medical services and to initiate public works schemes for the relief of unemployment General Parlange announced on May 18 that the inhabitants of villages where acts of sabotage or terrorism occurred would be held collectively responsible for the damage caused, and would be required to pay the cost of repairs. Penalties were also imposed on those who sheltered terrorists or failed to report their presence.

A Bill prolonging the state of emergency for another three months was submitted to the French National Assembly on July 28. The Government had originally proposed that it should be extended for six months, but subsequently reduced the period to three months in order that the Assembly might be consulted if a further extension became necessary.

During the debate **M. Violette** (Radical), a former Governor-General of Algeria, declared that the Constantine *département* was "practically in a state of war" He contended that if Algeria was part of France, French law should be applied there, notably the legislation limiting land-holdings. "Every year," he said, "as the result of erosion, 40,000 hectares of mountain land, and therefore of Moslem land, disappear into the sea Every day Algeria has 100 fewer hectares of land and over 500 more inhabitants . . According to the lowest estimate, there are 850,000 agricultural workers unemployed. It is not surprising that there is unrest in Algeria" Several right-wing deputies called for stronger repressive measures; for example, **General Aumeran** (Ind Republican *apparenté*) demanded "the appointment of a single non-political leader for all North Africa endowed with full military and civil power, the proclamation of a state of siege, and the formation of military courts whose sentences would be carried out on the spot" **M. Palewski** (Gaullist) and **M. Benbhamed** (a Moslem Socialist deputy) both complained of the political activities of organizations led by former Vichyites and Nazi sympathizers who, they alleged, strove to stir up the European community against the French Parliament, whilst **M. Chevallier** (Ind Republican *apparenté*), demanded the punishment of all those, whether European or Moslem, who fomented racial hatred. M Benbhamed also alleged that summary executions had occurred and that villages had been burned down without reason by the security forces.

M. Pineau (Socialist), leader of the parliamentary mission to Algeria (see below), warned the Assembly that the morale of the Army in Algeria was low, and stated that an overwhelming majority of the Army condemned the use of all forms of reprisals It was essential, he said, to have someone with whom to negotiate, unfortunately the elections to the Algerian Assembly in the past had not been free, and it was therefore necessary to dissolve the present Assembly and to hold free elections to a new one, with a single Chamber "We must not tie our hands with the myth of 'integration,' which we have not made a reality," M Pineau added. "Let us rather speak of 'association'"

M. Pierre Cot (*Progressiste*), after referring to the danger that France might "slip through inertia into a new version of the war in Indo-China," suggested that the policy of integration or assimilation of Algeria was out of date. If they wished to carry out this policy, however, it must be done consistently by applying to Algeria all French legislation on social, juridical, and political matters

M. Bourgès-Maunoury, after rejecting the suggestion of negotiations or a round-table conference, claimed that the proclamation of a state of emergency had led to a considerable improvement in the situation; the burning of crops had greatly decreased, and the boycott of tobacco had been ended in a few days. He opposed a policy of "association" on the grounds that it would not raise the living standards of the Algerians, and that Algeria was an indivisible part of France, and announced that new measures would be introduced for implementing the Algerian Statute of 1947 (see 9615 A) An emergency programme costing 5,000,000,000 francs had been added to the 48,000,000,000 fr which was already being spent on modernization and equipment, 40,000,000,000 fr of which was supplied by France Projects for the improvement of living conditions had been launched in 21 rural districts, covering 200,000 hectares and containing 35,000 families, and 350,000,000 fr. had been allocated for about 100 similar projects In addition, 3,000,000,000 fr. had been set aside for the development of education; wages had been raised, and measures had been adopted for the relief of unemployment To increase the efficiency of the local administration the number of civil servants would be raised, and in addition to the new *département* of Bone (see below) the Government proposed to create another, that of the Sahara. Bills providing for the separation of the Moslem religion from the State and for the teaching of the Arabic language would be submitted to the Algerian Assembly. Finally, a centre would be established for the training of Moslem administrators, and a certain number of high administrative posts would be reserved for Moslems

"It is on the economic plane that we must seek the true solution of the Algerian problem," M Bourgès-Maunoury continued The population of Algeria was increasing by 250,000 a year, and out of a working population of 2,300,000 there were 400,000 unemployed and 450,000 partially unemployed. The development of agriculture and industrialization were indispensable, and to apply hastily the social legislation in force in France would overload the Algerian economy. The Government were considering a report on methods of raising the living standards of the Algerians, according to which, if another 15,000,000,000 fr were invested in Algeria annually for six years, and taxation rose by 1 per cent per annum, living standards could be raised by 6 per cent every year. In the sphere of agriculture, the Government would submit to the Assembly a Bill for determining the individual rights of the peasants over the lands which they cultivated, and enabling them to benefit by modern forms of credit This programme, M Bourgès-Maunoury concluded, could not be carried out without heavy expenditure by France, but this would be preferable to spending as much on the repression of disorder

M. Cayeux (M.R P) demanded the speedier punishment of terrorists, strongly criticized the existing system of large estates; and called for a fundamental revision of the taxation system and for the buying-up of certain estates and the compensation of their owners as part of a bold programme of agrarian reform **M. Brahimi** (a Moslem deputy, *apparenté* to the Socialists) maintained that the situation, far from improving, was growing worse, and attributed this deterioration to the methods used by the police, collective reprisals, the opposition of the European chamber of the Algerian Assembly to all reforms, and to the tone of the European Press. "Moslem agriculture," he added, "is in a state of stagnation, the industrialization of the country has been neglected, the whole economy suffers from chronic unemployment; the number of schools is insufficient; the social security system is a caricature of that in France, there is no housing policy" In practice the Moslems played no part in the management of their own affairs because, he alleged, the Statute of 1947 had been "sabotaged" by the Algerian Assembly. France must therefore declare her policy clearly, and must either decide on total integration or find a formula for association.

When the debate concluded in the early hours of July 30, the Assembly rejected by 388 votes to 215 a Communist amendment abolishing the state of emergency, and adopted by 369 votes to 247 a Gaullist amendment prolonging it for six instead of three months. In its amended form the Bill was adopted by 382 votes to 233. Three other Bills which (*a*) divided the Constantine *département* into two separate *départements* (those of Constantine and Bône); (*b*) set up new appeal courts at Oran and Constantine, and (*c*) enabled the courts to enlarge their staffs and accelerate their procedure, were also adopted, only the Communists opposing. After being passed by the Council of the Republic on Aug. 5, they were officially promulgated on Aug. 15. Following the disorders in the *Nord Constantinois*, the state of emergency was extended on Aug. 30 to cover the whole of Algeria.

The new *département* of Bône was officially defined as embracing the *arrondissements* of Bône, Guelma, Souk-Ahras, and Tebessa.

Reinforcement of French Troops in Algeria.

A joint statement issued by the Ministries of Defence and the Interior on May 18 announced that new military measures to be taken in Algeria would include a considerable increase in the armed forces employed; the use of naval contingents in military operations, and of more aircraft and helicopters; the recall of retired officers with specialized knowledge of Moslem questions; the recruitment of local militias; and the despatch of police reinforcements from France. On the following day the Government announced that ten infantry battalions, a reconnaissance regiment, and eight squadrons of mobile *gendarmerie* would be sent, some of which were already on their way; that some units on the spot would be strengthened, and others replaced by units from Germany; and that naval units would be used on the coast of the Constantine *département*. M. Faure stated on May 26 that a number of units serving under NATO command, including a complete division, would leave in the immediate future for Algeria, and that the NATO had been notified of this decision.

The Cabinet authorized M. Soustelle on June 3 to recall to the colours 8,000 to 10,000 men who had recently completed their military service, and who would be employed in training local self-defence groups. The various measures approved by the Government, it was estimated, would bring the total security forces in Algeria up to 100,000 men.

Following the uprising of Aug. 20, M. Faure announced on Aug. 23 that six more battalions would be sent to Algeria, and on Sept. 2 a Government spokesman stated that the co-ordinating committee for North Africa had decided to send another nine battalions. A decree issued on Aug 25 provided for the recall to service of 50,000 to 60,000 reservists, and another issued on Aug. 30 for the recall of a further 65,000.

Police Measures.

Three Moslems were, condemned to death for terrorist activities at Algiers on June 20, ten at Constantine on June 21 (nine *in absentia*); one at Algiers on June 22; four at Algiers on July 14 (three *in absentia*); three at Constantine and one at Algiers on July 19, three at Mostaganem on July 25; and one at Algiers on Aug. 17. The sentences passed on June 20 and 22, however, were subsequently quashed on technical grounds. M. Schuman (Minister of Justice) stated on July 21 that 46 Algerians had been sentenced to terms of hard labour and 381 to between five and 10 years' imprisonment up to the end of June.

The Ministry of the Interior had announced on Jan. 14 that an inquiry had been ordered into allegations that suspects had been illegally arrested and ill-treated by the police Numerous cases of the alleged beating, torture, and starvation of prisoners in order to extort "confessions" had been cited in the French Press (notably by M Mauriac, the Roman Catholic novelist, in *L'Express*), and were subsequently referred to in the Algerian Assembly's resolution of Jan. 20 (see below) and in the National Assembly's debates of Feb 2-4 (see 14069 A), March 30-April 1, and July 28-30

Proposals for Economic and Administrative Reforms.

M. Mitterrand, then Minister of the Interior, submitted to M. Mendès-France's Cabinet on Jan. 5 a series of proposals for economic, administrative, and educational reforms in Algeria. These envisaged a programme of irrigation and soil conservation; an increase in wages to levels nearer those

existing in France; the admission of Algerians to responsible positions in the Civil Service; the establishment of a school of administration at Algiers; the application of the Statute of 1947 guaranteeing Algerians equal rights with Frenchmen; the possible extension of the franchise to certain categories of Algerian women; the possible formation of new *départements*, with a view to greater decentralization; and the foundation of a centre of Islamic studies to attract North African students to the University of Paris. The implementation of these reforms, which had aroused strong opposition from a section of the French colony in Algeria, was, however, prevented by the defeat of the Mendès-France Government on Feb. 4, largely as a result of right-wing opposition to its North African policy (see 14069 A).

The Moslem section of the Algerian Assembly had previously adopted a resolution on Jan. 20 protesting against "illegal searches, arbitrary arrests, inhuman tortures practised on suspects, and the excessive sentences pronounced by the courts," and demanding "complete equality of rights and duties within the framework of French democracy." Full support for this resolution was subsequently expressed on Jan 28 by the majority of the Moslem members of the French National Assembly and the Council of the Republic. The resolution was subsequently presented to M. Mitterand.

Addressing the Algerian Assembly on Feb. 23, M. Soustelle announced that the French Government would make a contribution to the Algerian Budget for the first time in order to cover certain expenses in the field of education and justice, and would also contribute 40,000,000,000 fr. to the investment budget. The credits allocated to agriculture, public works, industrialization, and technical education, he added, would be substantially increased. M. Soustelle subsequently informed the Assembly on March 31 that the French Government had decided to make a grant of 5,000,000,000 fr. to Algeria, of which 900,000,000 fr. would be used for road development, 300,000,000 fr. for the improvement of water supplies, 350,000,000 fr. for improved facilities in rural areas, 1.750,000,000 fr. for school-building, 1,000,000,000 fr. for the development of backward or over-populated areas, and 700,000,000 fr. for the enforcement of the state of emergency.

On April 14 M. Bourgès-Maunoury approved proposals put forward by M. Soustelle whereby the legal minimum wage in Algeria would be raised by an amount almost equal to recent increases granted in France As wage levels in Algeria were much lower than in France, the increases granted to all Algerian workers ranged from 4.90 to 7.40 per cent, compared with increases of 3.50 to 5.40 per cent for French workers It was also announced on April 14 that the Algerian Assembly had approved proposals of financial assistance to the unemployed, and for the establishment of a special fund to combat unemployment.

The co-ordinating committee for North Africa approved on Sept 2 a number of proposals for reforms submitted by M. Soustelle. These included (1) the abolition of State control of Moslem religious foundations and of property owned by them, and the transfer of control to a commissioner appointed by the Governor-General and a commission representing the Moslem community; (2) the teaching of Arabic in State schools, (3) the extension of local self-government; and (4) the admission of more Moslems to all levels of the Civil Service in Algeria.

M. Bourgès-Maunoury's Visit to Algeria.

M. Bourgès-Maunoury made a tour of Algeria from May 26-June 1 during which he visited Algiers, Oran, Orléansville, Tizi-Ouzou (in the Kabylie), Michelet, Tebessa, Batna, Biskra, Bône, and other places.

Addressing the Algerian Assembly on May 26, he stated that the Government was prepared to approve the formation of private defence groups on condition that they operated under the control of the civil and military authorities. The repression of the rebels would not be "blind," but it would be "exemplary and merciless" in dealing with those directly responsible, and *fellaghas* captured with arms would be punished immediately. The re-establishment of order, he added, would be accompanied by measures for the development of new industries and for the gradual application of the Statute of Algeria.

A delegation of mayors of Algerian towns, which was received by M. Bourgès-Maunoury on the same day, presented a resolution demanding the immediate execution of all rebels guilty of offences against persons and property, strict control of the Press, and the dissolution of the Algerian Communist Party and all "separatist elements."

Report of Parliamentary Mission to Algeria.

The report of a French parliamentary mission sent to Algeria by the Defence Commission of the National Assembly was published on June 29. It strongly criticized the contrast between the poverty of the Arab population and the privileged position of the French colony, which the mission regarded as the main cause of the revolt, and also the shortcomings of the administration and the police. The members of the mission, all of whom signed the report, were MM. Pineau and Lejeune (Socialists), M. Jean-Moreau (Ind. Republican), M. de Chevigné (M.R.P.), and M. Jacquet (Gaullist). Their report is summarized below under cross-headings.

The Political Situation. During the past seven months (the report stated) the situation had steadily deteriorated, and now justified the keenest anxiety Although the number of the rebels probably did not exceed 2,500, they were favoured by the nature of the country, which was better suited for ambushes than for regular military operations, and by the attitude of the Moslem population, many of whom, either from sympathy or from fear of reprisals, refused to give information about the rebels or assisted them in their guerrilla operations and propaganda All the rebel leaders seemed to belong to the C.R.U.A.; some relationship probably existed between this body and the U.D.M.A. and M.T.L.D., but it did not appear to have an "organic" character. The moral support of certain of the *ulema* gave the movement "something of the character of a holy war" and increased its influence and prestige among Moslems. The Communist Party, although its influence among the Arabs was limited, had taken advantage of the situation to develop its propaganda. Supplies of arms received from abroad had been few, but trained agitators had entered the country from Tunisia, bringing orders from the heads of the movement in Egypt, and Arabic broadcasts from Cairo and elsewhere had exercised considerable influence Finally, the mission noted that some French settlers had paid large sums of money to the rebels to be left in peace.

The Social and Economic Situation. The social and economic situation, in the mission's opinion, had created in Algeria a particularly favourable ground for the present agitation "Without minimizing in the least France's achievement in North Africa," the report stated, "it must be recognized that this has benefited the European population far more than the Moslems, whose position has possibly improved in absolute value but not, when the prosperity of some is taken into account, in relative value Everything has been done, as a high official of the administration put it, as if the natives were 'shadows,' whilst Frenchmen of metropolitan origin lived and prospered in an artificial security. No man of any feeling can fail to be moved by the poverty which still survives in many parts of Algeria, and which increases proportionately the farther south you go Wages are extremely low In the Oran district an agricultural labourer receives a daily wage of 360 fr., on which he must generally support seven or eight people. He works about 150 days in the year, but he is still a privileged person compared with the host of totally unemployed. Credits for modernization and equipment have mostly been granted to landowners, almost all of them Europeans, to develop highly profitable crops such as vines and early fruit and vegetables. These are export crops, which compete on the French market with an already excessive home production. At the same time, very little has been done for Moslem smallholders, who are solely dependent on the cultivation of poor and badly irrigated land." Credits granted to Europeans, the report pointed out, had often been used for mechanization, which increased rural unemployment, whilst the development of industry was proceeding very slowly. Emphasizing that every unemployed Algerian must be considered a potential rebel, the report declared that "France must make new and greater efforts to improve the living standards of the Moslem population"

As regards the fiscal system, the mission noted that "the taxes paid by the richest section of the population are insignificant. We were informed of the case of the owner of 1,200 hectares in the Oran district, representing a capital of 1,200,000,000 fr, who pays a total of 25,000 fr a year in direct taxes The economic and social development of Algeria in a direction likely to promote friendly feeling between populations of different origins cannot be achieved in such an atmosphere of social and fiscal injustice."

The Administration. During the past ten years (the report went on) the administration had lost touch with a great part of the Moslem population, because "everything proceeds as if administrative boundaries had been drawn up solely in relation to the density of the European population, ignoring the existence of the Moslem population." Owing to the size of the areas for which they were responsible, many administrators never visited remote villages, and in some cases relied entirely on second-hand reports.

The report next called for a complete reorganization of the police system. The abuses which had occurred during the first phase of the repression had inevitably led to dismissals, but as a result certain information networks had been broken up which it was necessary to reorganize. Some senior police officials completely controlled their own information systems, and the resultant quarrels between departments and officials were hindering the struggle against terrorism. The administration of justice was too severe in some cases and too dilatory in others, and the distinction between persons who were guilty and those who were merely suspected was not drawn sufficiently clearly. "The present system," the report added, "is neither just nor efficient."

The Military Situation. Although the number of troops in Algeria appeared out of proportion to the number of rebels, the report pointed out that this was not so, in view of the necessity both to destroy the rebel bands and to protect life and property. The morale of the troops varied among the units engaged, but the mission had observed that "many men, probably under the influence of troops returned from Indo-China, have doubts about the nature of their mission, France's political aims in Algeria, and the attitude of certain of the settlers We discerned fears, more or less avowed, of a repetition of the mistakes committed in Indo-China, of which the French Army is likely to retain a vivid memory"

For military operations the mission recommended a greater use of light columns, supported by helicopters and other slow aircraft rather than by fighter planes, which were too fast for the purposes required Full use should be made of native auxiliaries, although the danger existed that they might desert with their arms. The report

condemned proposals which had been put forward for collective reprisals, such as the taking of hostages and the bombardment of villages, pointing out that "experience in Indo-China has proved that such methods aroused hatred rather than fear of those responsible, and finally turned to the rebels' advantage." This opinion was shared by the Army Command

"It is indispensable and urgent to crush the rebellion, and France must use every means for this purpose," the report concluded. "Most of the comments made in this report are intended less as criticisms of past mistakes than as a warning to the Government, the administration, and the Army not to repeat them Political, economic, and social measures must be employed side by side with police and military operations, and with an equal sense of urgency Both must be energetic, must disregard private interests when the general interest is at stake, and in certain cases must be of a revolutionary character in relation to previous methods Justice and force, the latter at the service of the former, are for the moment the only cards for France to play in Algeria"

Agitation among Algerians in France.

Political unrest among the large Algerian colony in France (many of whom are supporters of the M.T.L.D.) gave rise to a number of incidents from April onwards. Demonstrations organized by the M.T.L.D. took place at Lille on May 1, whilst serious rioting occurred in Paris on July 30. Cafés in Paris and some provincial towns frequented by Algerians were wrecked on a number of occasions in April, May, and June; these raids were believed to be the result of a feud between rival Algerian organizations formed after the split inside the M.T.L.D. Mass arrests of Algerians took place on Sept. 5, about 50 being detained in Paris, 300 in Marseilles, and 200 in Lyons. A communiqué subsequently issued by the Ministry of the Interior stated that a propaganda campaign was being conducted among Algerians in France, and that funds were being collected for terrorist organizations, often by threats.

Ban on Algerian Communist Party.

A decree was issued in Paris on Sept 13 ordering the dissolution of the Algerian Communist Party, which had expressed support for the rebels and for the Algerian nationalist movement. [Under French law any advocacy of Algerian nationalism is punishable as an offence against the integrity of France, since Algeria is legally part of the metropolitan territory.] On the previous evening raids had been carried out on the offices of the two Communist newspapers in Algeria (*Liberté* and *Alger Républicain*) and on the homes of party members, and a large quantity of documents seized.
(Le Monde, Paris - Le Figaro, Paris) **(13923 A; 14021 E.)**

Note on Population. The provisional results of a census taken in the autumn of 1954, which were published on July 4, showed that the population of Algeria had increased from 8,682,000 in 1948 to 9,530,000 Since 1921 the population had increased by 65 per cent, and the annual birthrate had risen from 0.4 per cent to 1.6 per cent, one of the highest in the world The census gave the number of Algerians working in France as 162,000, but this figure was believed to be a considerable under-estimate The population of Algiers had increased from 309,000 in 1948 to 355,000 (including 162,000 Moslems), that of Oran from 249,000 to 292,000; that of Constantine from 114,000 to 144,000, and that of Bône from 101,000 to 112,000. The Moslem element in the population of the nine largest towns had more than tripled between 1921 and 1954 and now formed the majority of the urban population, which had increased more rapidly than that of the country districts.—(Le Monde, Paris)

A. PAKISTAN. — Commission on Marriage and Family Laws. - Dispute over Mr. Mohammed Ali's Second Marriage.

It was announced in Karachi on Aug. 4 that the Government of Pakistan had set up a commission to investigate whether "the existing laws of marriage, divorce, maintenance, and other matters . . . require modification in order to give women their proper place in society, according to the fundamentals of Islam." Its members comprised three men and three women in addition to the chairman, Khalifa Shujayddin.

The setting-up of such a commission had been promised by Mr. Mohammed Ali (the former Prime Minister) on June 1, following a dispute between Mr, Mohammed Ali and various Pakistani women's organizations, especially a newly-formed League for Women's Rights headed by the wife of Chaudhry Mohammad Ali (then Minister of Finance and now Prime Minister). The dispute arose after Mr. Mohammed Ali had married a second wife (Miss Alia Saadi, a Canadian-born Lebanese) on April 2, and had proposed making her the "first lady" of the country in place of his first wife, Hamida. As a result of widespread protests by Pakistani women against polygamy in general, and against Mr. Mohammed Ali's second marriage in particular, Mr. Ali gave an assurance on May 15 that he would treat his two wives equally, whereupon the League for Women's Rights called off a threatened social boycott against his second wife.

The Commission is expected to submit its report within six months.—(Pakistan High Commissioner's Office, London - Times - Daily Telegraph - Manchester Guardian)

B. UNITED KINGDOM. — Civil Defence Directors.

The Home Secretary announced on Aug. 16 the names of the 11 officers selected for appointment to the new posts of Regional Directors of Civil Defence in each of the regions of England, and to the post of Director of Civil Defence for Wales. With one exception, all were senior serving or retired officers of the three Services. They were:

London—Captain K. L. Harkness, R.N. (retd.), principal C.D. officer for the London region since May 1954, and formerly Civil Defence Officer for Portsmouth (1952-54).

Northern (Newcastle-upon-Tyne)—Major-General S. Lamplugh, lately of the British Army of the Rhine.

North-Eastern (Leeds)—Mr. J. R S. Watson, a Judge of the Sudan High Court since 1947.

North Midland (Nottingham)—Rear-Admiral A. D. Torlesse, who commanded the atomic weapon tests in the Monte Bello Islands in 1951-52.

Eastern (Cambridge)—Lieut.-General Sir George Wood, lately Chief of Staff of the NATO Defence Production Board

Southern (Reading)—Rear-Admiral W L G Adams, who served in the Royal Australian Navy in 1939-43 and was subsequently O C., Coastal Forces Base, Dover.

South-Eastern (Tunbridge Wells)—Lieut.-General Sir Alexander Cameron, Senior Air Defence Officer at SHAEF in 1944, in which capacity he was responsible for counter-measures against the German V-1 and V-2 attacks.

South-Western (Bristol)—Major-General J. S. Lethbridge, lately Commandant of the Civil Defence Training College. He was Chief of Staff to the 14th Army in Burma (1944-45), and subsequently Chief of Intelligence in Germany

Midland (Birmingham)—Air Marshal Sir Lawrence Pendred, A O.C, Flying Training Command.

North-Western (Manchester)—Lieut.-General E. N Goddard, lately G.O.C.-in-C., Southern Command, India

Wales (Cardiff)—Major-General F. R G. Matthews, Director of Infantry at the War Office.

The duties of the Regional Directors will include liaison with Army commands; the planning of training exercises, including joint exercises between the armed forces and the local Civil Defence Corps; and co-ordination of all C.D. activities in the respective regions.—(Daily Telegraph - Manchester Guardian)
(Prev. rep. Civil Defence, 14331 C; 13931 A.)

C. NEW ZEALAND. — Historic Places Trust.

The first appointments were announced in August to the Historic Places Trust, which, under legislation enacted in 1954 (the Historic Places Act), will preserve and record sites, buildings, and objects of national or local importance in New Zealand, whether historic, literary, scientific, or educational. The Trust includes representatives of the University of New Zealand, the Royal Society of New Zealand, the N.Z. Library Association, the N.Z. Institute of Architects, the Art Galleries and Museums Association, historical and early settlers' associations, and the Maori community. The Secretary for Internal Affairs (Mr. A. G. Harper) and the Director-General of Lands (Mr. D. M. Greig) are *ex-officio* members, whilst the chairman of the Trust is Mr. Charles M. Bowden, formerly Minister of Industries and Commerce.
(Directorate of Information Services, Wellington)

D. RHODESIA AND NYASALAND FEDERATION. — Population Statistics.

The population of the Federation was officially estimated at 7,071,600 on June 30, 1955, compared with 6,876,600 on June 30, 1954. The Central African Statistical Office stated that the European population had increased during the past year from 220,200 to 233,600 and the African population from 6,630,000 to 6,810,000, whilst the number of people of other races in the Federation had risen from 26,400 to 28,000. On June 30, 1955, there were 2,398,700 people in Southern Rhodesia (166,000 Europeans, 2,220,000 Africans, 12,700 other races), 2,128,300 in Northern Rhodesia (62,000 Europeans, 2,060,000 Africans, 6,300 other races), and 2,544,600 in Nyasaland (5,600 Europeans, 2,530,000 Africans, 9,000 other races).
(Federal Information Department, Salisbury) **(13250 C.)**

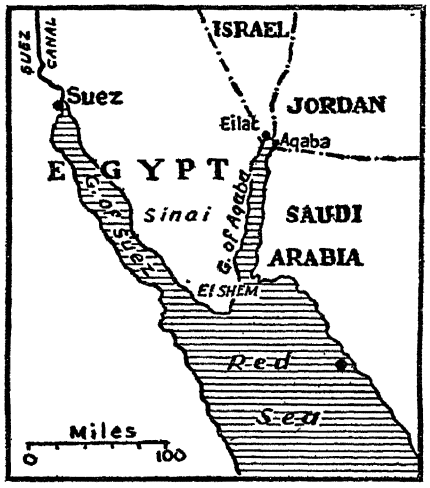
E. UNITED STATES. — Deportation of Erich Gimpel.

The U.S. Justice Department announced on Aug. 12 that Erich Gimpel, the former Nazi spy, had been released from prison and deported to Germany. Gimpel had been sentenced to death on charges of espionage after he and William Colepaugh (a U.S. national) had been landed in the U.S.A. from a German submarine in 1944, but President Truman subsequently commuted the death sentences on both Gimpel and Colepaugh to life imprisonment. Colepaugh, whose sentence was later reduced to 30 years, is still in prison.
(New York Times - New York Herald Tribune) **(7506 D.)**

A. EGYPT. — New Regulations for Control of Shipping in Gulf of Akaba. - Protest by Israel.

New regulations for the control of shipping entering the Gulf of Akaba were issued by the Egyptian Government on Sept. 11. They were designed to avoid further incidents in the area, such as had occurred in July, when the British ship *Anshun* was shelled by Egyptian shore batteries (see 14335 A), and to maintain the Egyptian blockade of the Israeli port of Eilat, at the head of the Gulf.

The regulations, issued by the Egyptian War Ministry, laid down that (1) ships intending to enter the Gulf of Akaba would have to give notice 72 hours before "entering Egyptian territorial waters"; (2) permits would have to be obtained from the "Regional Office for the Economic Boycott of Israel," at Alexandria; (3) northbound ships sailing up the Red Sea and wishing to enter the Gulf would have to apply direct to the Alexandria office, (4) southbound ships sailing through the Suez Canal and bound for the Gulf would have to give notice to the Egyptian Customs either at Port Said or Suez; (5) if a vessel failed to enter the Gulf within 48 hours of receiving permission to do so, a fresh application would have to be made; (6) applicants would have to give the vessel's name and nationality, and state whether she was carrying cargo or passengers.



The Gulf of Akaba, showing the Jordanian port of Akaba and the Israeli port of Eilat. (*Manchester Guardian*)

A spokesman of the British Foreign Office stated on Sept. 12 that the Gulf of Akaba was regarded as an international waterway with free access to the shipping of all nations, and pointed out that Egypt was only entitled to enforce such control measures as Customs and public health regulations. On the following day the Israeli Foreign Office addressed a memorandum to representatives of maritime Powers in Israel declaring that the new Egyptian regulations constituted a "serious infringement of the rights of all countries to free and unhindered passage through this international channel" and would "aggravate the danger of incidents prejudicial to peace and security in the area."

The Israeli memorandum declared that the Egyptian regulations, as they affected passage to the port of Eilat, constituted a violation of the Egyptian-Israeli armistice agreement, of the U.N Charter, of various resolutions of the Security Council, and of the general principles of international law governing freedom of the seas. It rejected the Egyptian regulations as "illegal," and expressed Israel's determination to "protect the exercise of rights of free passage through this international channel at whatever time and by whatever methods it will see fit"

The Gulf of Akaba (see accompanying map), at the head of the Red Sea, is bordered by four countries—Egypt, Israel, Jordan, and Saudi Arabia. The Israeli port of Eilat and the Jordanian port of Akaba are adjacent to each other at the head of the Gulf, the frontier between Israel and Jordan running between the two ports. The entrance to the Gulf is controlled by Egyptian shore batteries on the coast of the Sinai pensinula. (Times - Manchester Guardian - New York Herald Tribune)

(Prev. rep. Gulf of Akaba, "Anshun" Incident, 14335 A.)

B. UNITED KINGDOM. — Local Authority Loans. - Further Increase in Interest Rates.

Further increases in the interest rates on loans advanced to local authorities from the Local Loans Fund were announced by the Treasury on Sept. 6, as follows: up to five years, from 4⅛ to 4¼ per cent; for longer periods, from 4¼ to 5 per cent. This was the fourth increase in local loan rates since the rise in the Bank rate to 4½ per cent, and was a further step in the Chancellor's "credit squeeze" policy.

(Times - Daily Telegraph) **(Prev. rep. 14359 A.)**

C. UNITED KINGDOM. — Annexation of Rockall.

The Admiralty announced on Sept. 21 that the Atlantic islet of Rockall, 250 miles west of the Hebrides, had been formally annexed to the United Kingdom on the authority of the Queen, the annexation having been carried out by a landing-party from the survey ship H.M.S. *Vidal*. The Admiralty announcement stated that the annexation was necessary since Rockall was "within the sector of the sea which is likely to be within the orbit of the projected guided missile range in the Hebrides" (see 14352 B). A spokesman of the Ministry of Defence pointed out that Rockall had hitherto not belonged to any nation, and that it had been formally claimed by the Crown to avoid the possibility of embarrassing counter-claims once the Hebridean guided missile project was under way. He added: "Although it is unlikely, it might have been possible for some other Power to use it [Rockall] as a post from which to observe our guided missiles, and we had to make sure of it."

The commanding officer of H.M.S *Vidal* (Commander Richard Connell, R.N.) disclosed on Sept 23 that Rockall had been annexed on Sept 18, when four men were landed on the islet from the *Vidal* by helicopter—Lieut.-Commander Desmond Scott (in charge of the landing party), two Royal Marine Commandos, and Mr. James Fisher, a zoologist and ornithologist The landing party spent three hours on Rockall, during which a prefabricated flagstaff was erected, the Union Jack hoisted, and a brass plaque cemented into the rock recording the annexation. Lieutenant-Commander Scott took formal possession of Rockall in the name of the Queen, a 21-gun salute being fired by H.M.S *Vidal* during the annexation ceremony. The helicopter made 11 flights between H.M.S *Vidal* and Rockall picking up, landing, and taking off men and gear Mr Fisher collected a number of botanical, zoological and geological specimens, including lichens, periwinkles, and 21 lb. of rockallite, the granite-like substance of which the island is composed

The uninhabited islet of Rockall is 83 feet wide and rises almost sheer from the ocean to a height of 70 feet. It is 191 miles west of St. Kilda, the outermost island of the Hebrides, and 289 miles from the nearest point on the Scottish mainland, Ardnamurchan Point. It was first charted four centuries ago, and, so far as is known, landings had been made on only four occasions prior to its annexation—in 1810, 1862, 1921, and 1948. Rockall gives its name to one of the sea areas used for the B.B.C.'s weather broadcasts. (Times - Daily Telegraph)

(Prev. rep. Hebrides Missile Range, 14352 B.)

D. UNITED STATES. — Religious Denominations.

Statistics of religious denominations in the United States were published on Sept. 5 by the National Council of the Churches of Christ in the U.S.A., a federation of 30 Protestant and Eastern Orthodox bodies with a total membership of 35,000,000. The statistics, which related to 1954, showed that church or temple membership (i.e. membership of both Christian and non-Christian denominations) totalled over 97,000,000 in that year, an increase of over 2,600,000 on 1953, and that 60.3 per cent of all Americans were church or temple members, an increase of 2.8 per cent on the previous year and of nearly 12 per cent on 1940. The figures showed that the number of Protestants in the U.S.A. had increased by nearly 20,000,000 since 1940, and the number of Roman Catholics by 11,000,000 since the same year. In 1954, 35.3 per cent of the population was Protestant and 20 per cent Roman Catholic, the comparable percentages in 1940 having been 28.7 and 16.1 per cent respectively.

Membership of the six major faiths in the United States for the last two years was given as follows:

	1954	1953
Protestant	57,124,142	55,837,325
Roman Catholic	32,403,332	31,476,261
Jewish	5,500,000	5,000,000
Eastern Orthodox	2,024,319	2,100,171
Old Catholic and Polish National Catholic	367,918	366,088
Buddhist	63,000	63,000
Total	97,482,711	94,482,711

The Baptist churches, with 18,448,621 members, were the largest of the Protestant denominations in 1954, followed by the Methodist Church, with 9,202,728 members.

(New York Times) **(Prev. rep. 12105 A.)**

E. ISRAEL. — Currency Devaluation.

The official rate of exchange of the Israeli pound was changed on July 1 from £I.2.80 = £1 sterling to £I.5.040 = £1 sterling, and from £I.1 = $1 (U.S.) to £I.1.800 = $1 (U.S.)

(Samuel Montagu & Co. Ltd., London)

SEPTEMBER 24—OCTOBER 1, 1955

A. ARGENTINA. — Overthrow of President Perón. - Revolt by Armed Forces. - General Lonardi installed as Provisional President. - Ending of Peronista Regime. - General Perón offered Asylum in Paraguay.

The Peronista regime, which had been in power for ten years, was overthrown by a four-day revolt of the Argentine armed forces on Sept. 16-19. President Perón himself, after announcing his resignation, took refuge on a Paraguayan gunboat then in Buenos Aires harbour, whilst General Eduardo Lonardi, the leader of the uprising in Córdoba, was installed on Sept. 23 as provisional President of Argentina and subsequently formed a new Cabinet after dissolving the Argentine Congress. The stages of the revolt and the overthrow of President Perón are described below.

Simultaneous and apparently concerted uprisings against the Perón Government took place at a number of centres in the provinces of Córdoba, Corrientes, and Entre Rios on Sept. 16, when units of the Argentine armed forces seized control of Córdoba (the third city of Argentina), Curuzu-Cuatia (an Army base 550 miles north of Buenos Aires), the Rio Santiago naval base (45 miles east of Buenos Aires, on the Plate estuary), the port of Bahia Blanca (400 miles south of the capital), and the naval base of Puerto Belgrano, near Bahia Blanca. Broadcasts from the Government radio in Buenos Aires claimed that the revolt was confined to Córdoba, Curuzu-Cuatia, and Puerto Belgrano, that Government troops were counter-attacking the insurgent bases, and that the rebellion was being "rapidly suppressed." Despite these claims, however, the insurgent radio in Córdoba declared that the military and naval garrisons at all the above-mentioned centres had risen against the Peronista regime, that many Army, Navy and Air Force units in other parts of the country were also going over to the insurgents, and that the whole of southern Argentina, as well as other areas, were under the control of a provisional Government which had been set up in Córdoba. The city of Córdoba was proclaimed the provisional capital of Argentina throughout the period of the uprising

Shortly after the outbreak of the revolt the Perón Government extended the state of siege then in force in Buenos Aires (see 14407 A) to cover the whole country, and appointed the Army Minister, General Franklin Lucero, as "commander-in-chief of the forces of repression"—a post which he had also assumed after the uprising on June 16 (see 14277 A). During the next 48 hours the Perón Government imposed a censorship on all despatches by foreign correspondents and banned all communications other than official Government messages. As a result of these measures the situation in Argentina remained obscure on Sept. 17-18, and the only information to reach the outside world was contained in the claims—often contradictory—broadcast by the Government and insurgent-controlled radio stations.

Despite frequent Government communiqués claiming that the revolt was being suppressed, that insurgent resistance had ceased at various centres, and that the bulk of the armed forces remained loyal to President Perón, it nevertheless became apparent that these claims were without foundation and that, on the contrary, the insurgents were establishing their control in all parts of the country except Buenos Aires. Broadcasts from Córdoba on Sept. 17-18—subsequently substantiated—announced that the garrisons in Rosario (the second city of Argentina), Tucumán, Santa Fé, San Luis, and other important centres had joined the uprising, together with virtually the whole of the Argentine Navy, including the 27,000-ton battleship *Rivadavia* and a number of cruisers and destroyers. Two Argentine destroyers, the *Cervantes* and *La Rioja*, arrived on Sept. 17 at Montevideo (the Uruguayan capital), with five men dead and 32 wounded, after having been bombed in the Plate estuary by aircraft loyal to the Perón Government.

The revolt ended to all intents and purposes on Sept. 19, when President Perón resigned and truce talks were agreed upon between the insurgent leaders and representatives of a military *junta*, headed by General Domingo Molina, which assumed temporary control in Buenos Aires after the President's resignation. On the previous day an insurgent cruiser, the *Nueve de Julio*, had shelled the docks and oil installations at Mar del Plata (about 350 miles south-east of Buenos Aires), after which the insurgent radio threatened that the Navy would bombard Buenos Aires and the town of Eva Perón (near the Rio Santiago base) unless President Perón resigned unconditionally by 10 a.m. on Sept. 19. In the early morning of that date President Perón offered to negotiate with the insurgent leaders, who, however, insisted that they would only begin negotiations after General Perón had unconditionally resigned from the Presidency. Later in the morning a signed statement by President Perón announcing his resignation was read over Buenos Aires radio by General Lucero, who invited the insurgent leaders to the capital to discuss truce terms. The insurgent radio, however, suggested that the truce talks should be held on board a warship, and offered to send a vessel to convey General Lucero to such a meeting; alternatively, it was suggested that the discussions should be conducted over the radio network so that the public could be aware of what was going on. During the afternoon a broadcast from Buenos Aires announced that General Lucero had resigned both as Minister of War and as C.-in-C. of the "forces of repression." Later in the day the insurgent radio at Puerto Belgrano announced that the *junta* in Buenos Aires had agreed that the truce talks should be held at sea, and had asked the Navy to send a warship to pick up emissaries who would negotiate with the leaders of the uprising.

By agreement between the insurgent authorities and the *junta* in Buenos Aires, a truce in the hostilities came into effect throughout Argentina at midnight on Sept. 19-20. During the following day discussions between insurgent leaders—among them Admiral Isaac Rojas and General Juan José Uranga—and representatives of the *junta* were held on board the cruiser *La Argentina*, as a result of which the *junta* accepted the insurgents' demands for the restoration of peace: the unconditional resignation of President Perón (which had already taken effect), the unconditional surrender of the remaining Government forces, and the formation of a provisional Government by General Eduardo Lonardi. An agreement to this effect was signed in the early hours of Sept. 21.

Meanwhile General Perón, after having announced his resignation through General Lucero, had taken refuge on Sept. 19 on board the Paraguayan gunboat *Paraguay*, which was then in Buenos Aires harbour. According to broadcasts from Asunción, and reports by foreign correspondents, General Perón had asked the Paraguayan Ambassador in Buenos Aires (Dr. Juan Chavez) for asylum, which Dr. Chavez had agreed to grant under international law; the Ambassador had then accompanied General Perón to the *Paraguay*, and had subsequently informed the military *junta* that the ex-President had been given asylum on that vessel.

In his message of resignation, which was read by General Lucero, President Perón had suggested that the Argentine Army should "take over the Government and the restoration of order before it is too late." The message was addressed "to the Army and people" and was worded, in part, as follows:

"... We have tried by every means to respect the Constitution and the laws, and to have them respected by others. We have served and obeyed the interests and the will of the people. Nevertheless, neither the Constitution nor the laws can be above the nation itself and its sacred interests. If we have had to face a struggle, it has been contrary to our desire and forced upon us by the reactionaries who prepared and unleashed it. The responsibility falls exclusively on them, since I have only fulfilled the mandate of the people.

"Several days ago I offered to leave the Government if that would be a solution to the present political problems (see 14407 A), but circumstances did not allow me to do so I continue to think now as I did then, and insist on offering that solution."

After mentioning that the Vice-President, Admiral Teisaire, had also tendered his resignation, the message continued: "Dispassionate and impartial intervention is needed to solve the problem. I do not believe there is a man in the country with sufficient qualifications to do so. This leads me to think that it should be done by the institution which is, has been, and will be a guarantee of honesty and patriotism The Army should take over the Government and the restoration of order before it is too late That is the best way out. . I, who deeply love the people, have suffered profoundly. I would not wish to die without making a last attempt to secure their peace, tranquillity, and happiness. While my fighting spirit moves me to struggle, my patriotism and my love for the people impel me to make every personal renunciation. ..."

General Lonardi, in his capacity as provisional President of Argentina, issued decrees from Córdoba on Sept. 21-22 dissolving both Houses of the Peronista-dominated Argentine Congress; ordering that the provinces of Presidente Perón and Eva Perón should revert to their former names of El Chaco and La Pampa, and the town of Eva Perón to its former name of La Plata; and appointing General Uranga as Director of National Security and General Bengoa as Chief of Federal Police. [General Bengoa, commander of the troops in Entre Rios province, had been in prison until a few days earlier for his participation in the uprising of June 16.] In addition, General Lonardi ordered the immediate release of Admiral Anibal Olivieri, Admiral Toranzo Calderón, and all other officers who had been imprisoned in connexion with the June uprising, as well as of all political prisoners.

General Eduardo Lonardi (59), an artillery expert, had long been a military opponent of the Peronista regime, but had hitherto played no part in politics. He resigned from the Argentine Army in August, 1951, after protesting against the Peronista campaign to nominate the late Senora Eva Perón for the Vice-Presidency in that year. In collaboration with General Uranga, Admiral Rojas, and other leaders of the armed forces he directed the uprising which overthrew the Perón Government, and commanded the insurgent forces at Córdoba.

On Sept. 23 General Lonardi arrived in Buenos Aires from Córdoba to be formally sworn-in as provisional President of the Argentine Republic. He was greeted with the greatest enthusiasm by vast crowds—estimated at over half a million people—gathered in the Plaza de Mayo and adjoining streets, the demonstrations being the biggest ever known in the Argentine capital. Among those who welcomed him at the *Casa Rosada* (Government House) were Cardinal Copello (the Primate of Argentina), other ecclesiastical dignitaries, and leaders of the armed forces. A feature of the celebrations was the demonstration of unity between Argentina and Uruguay, in contrast to the strained relations which had existed between the two countries during the Peronista regime; the flags of both countries were flown in the Argentine capital, whilst Uruguayan radio stations joined with the Argentine network in relaying commentaries of the rejoicings in Buenos Aires.

In a speech from the balcony of the *Casa Rosada* after his installation as provisional President, General Lonardi promised the immediate restoration of civil liberties, including full freedom of the Press and of public opinion, and announced that the new Government would seek a settlement of the religious question through a concordat with the Vatican. He announced also that elections for a new Congress would be held after the electoral registers had been thoroughly checked to ensure that they had not been "framed" by the Peronistas. In the course of his speech General Lonardi announced that the new Government would annul a contract, made in April last by the Peronista Government, under which the Standard Oil Company of California had been granted concessions to exploit petroleum deposits in Patagonia. He explained in this connexion that Argentina would refine and market the oil herself for her own needs, and that Standard Oil of California would receive one-half of the profits and would make an initial investment of $13,500,000. After declaring that the new Government would be based on the principles of liberty and honour, and commenting that "the dictator who preceded us evidently had other ideas," General Lonardi promised that "we shall seek true justice in a temporary tenure of government which will be as short as possible."

All outward signs of the former regime, such as statues and busts of General and Eva Perón, commemorative plaques and inscriptions, etc., were torn down in Buenos Aires and other cities amidst public rejoicings, whilst all street and other names reminiscent of the Peronista era were altered; e.g., the liners *Presidente Perón*, *Eva Perón*, and *17 de Octubre* (the date of General Perón's accession to power) were renamed the *Argentina*, *Uruguay*, and *Libertad* respectively. All Argentine newspapers—including *La Prensa*, which the Peronistas had seized in 1951 from the Paz family, its former owners—appeared without the Peronista captions and headings which they formerly bore.

A desperate but ineffective "last-ditch" stand was attempted in Buenos Aires on Sept. 19-20 by 400 to 600 heavily-armed members of the *Alianza Libertadora Nacionalista*, the Fascist-type militia of the Peronista Party, whose members had been organized on "storm troop" lines and had been immune from arrest under the Perón regime. Refusing to surrender to the Government forces, they barricaded themselves in their headquarters and opened fire on Government troops with machine-guns and other automatic weapons. The area was cordoned off by the Argentine Army, which went into action against the Peronistas with tanks and infantry. The defenders suffered very heavy casualties in killed and wounded, and finally surrendered after the building had been wrecked by artillery fire.

An attempted Peronista uprising in Rosario on Sept. 23-24 was quelled by infantry, tanks, and aircraft, which dropped tear-gas bombs on the demonstrators. Several persons were killed and a large number arrested, the city being placed under a curfew. Apart from the incidents in Buenos Aires and Rosario, little or no resistance was offered by Peronista supporters in other parts of Argentina. Total casualties in the revolution were not officially published, but unofficial estimates placed the number of dead at about 500.

Admiral Isaac Rojas, who commanded the naval forces during the uprising, was sworn in on Sept. 25 as Vice-President of Argentina in succession to Admiral Teisaire. During the next few days the following Cabinet appointments were announced by President Lonardi:

Dr. Eduardo Busso	Interior and Justice.
Dr. Mario Amadeo	Foreign Affairs.
General Leon Justo Bengoa	Army.
Rear-Admiral Teodoro Hartung	Navy.
Vice-Commodore Ramón Amado Abrahim	Air Force.
Dr. Cesar Augusto Bunge	Trade.
Señor José Blas Paladino	Public Works.
General Juan José Uranga	Transport.
Dr. Atilio dell'Oro Maini	Education.
Dr. Ernesto Rottjer	Health and Welfare.
Dr. Eugenio José Folcini	Treasury and *ad interim* Finance.
Dr. Alberto Mercier	Agriculture and Livestock.
Sr. Benito Cerruti Costa	Labour.
Sr. Horacio Morixe	Industry.

All the new Ministers have distinguished records in their own fields, though most of them had never before taken any part in politics or held ministerial office. Dr. Busso (the Minister of the Interior), one of Argentina's leading lawyers, had refused in 1945 to be appointed to a high professorial post by the Perón Government on the ground that his title to teach law would be "derived from those who represent the very negation of law." Dr. Amadeo, who has described himself as a Catholic nationalist, held important appointments in the Argentine diplomatic service prior to General Perón's accession to power. After the uprising of June, 1955, he wrote an open letter to the then Under-Secretary of the Army urging him to take up arms "against the tyrant," and subsequently went into hiding until General Perón's overthrow.

Vice-President Rojas took a new oath in which he swore to "fulfil the mandate of the revolution of liberation" and to defend democracy and freedom. All members of the Cabinet took the traditional oath (abolished under the Peronista regime) containing the words, "Before God, the country, and the Holy Gospels."

At a press conference on Sept. 27, President Lonardi described himself as "a soldier, a Catholic democrat, and a friend of social justice," and expressed the hope that Argentina would never again fall under a dictatorship. After declaring that the new Government aimed at restoring democracy in Argentina, he pointed out that the date of Presidential and Congressional elections would depend on the time necessary to put the electoral registers in order. He added that the new Government would not interfere with the General Confederation of Labour, that the workers' rights would be respected, and that the financial irregularities of the former regime would be investigated.

The secretary-general of the General Confederation of Labour (Señor de Pietro) declared in a broadcast on Sept. 25 that the new Government had given the following assurances to the Confederation: (1) that General Perón would enjoy full guarantees of the right of asylum, (2) that all social benefits and collective bargaining agreements would be honoured; (3) that the rights of the Confederation and of its affiliated unions would be respected; (4) that the Government "would not modify the situation" of the newspaper *La Prensa* [which, after its forcible acquisition by the Peronista Government in 1951, had been made the official organ of the General Confederation of Labour], (5) that all measures taken in the provinces against various unions would be reviewed; (6) that no injunction would be issued against the Confederation itself. In the light of these assurances, Señor de Pietro called upon all workers to remain quietly in their jobs and to refrain from strikes or demonstrations.

The new Government confirmed on Sept. 25 that ex-President Perón was on board the Paraguayan gunboat *Paraguay*, in Buenos Aires harbour. The announcement said that the former President had sought asylum on board a warship of a friendly country, and gave an assurance that the traditional right of asylum would be respected. On the following day a second Paraguayan gunboat, the *Humaita*, arrived at Buenos Aires to embark General Perón from the *Paraguay*, which was undergoing repairs at the time of the uprising and was not yet ready to sail. General Perón's departure for Paraguay was, however, delayed by a dispute between the Argentine and Paraguayan Governments as to the conditions under which he would be granted a safe-conduct to leave Argentina. Although no official statement was issued, it was understood that the Argentine Government, before giving the ex-President a safe-conduct, had asked for an assurance that he would not be allowed to stay permanently in Paraguay, since his presence in a neighbouring country might cause unrest in Argentina. The Paraguayan Government, on the other hand, was understood to have taken the view that in giving such an assurance Paraguay would be yielding her sovereignty and would also be contravening the traditional right of political asylum recognized by all Latin American countries. As a result of this dispute, General Perón was still on board the *Paraguay* in Buenos Aires harbour at the beginning of October.

It was announced in Buenos Aires on Sept. 25 that several of General Perón's closest colleagues had been arrested, among them Major Carlos Aloe, the former Governor of Buenos Aires Province, and his brother, Señor Valentin Aloe. It was stated that the Aloe brothers had been captured while attempting to escape by car across the Paraguayan frontier, and that a search of their luggage had shown that they had fled with 16,000,000 pesos in notes (approximately £400,000) and an unspecified sum in U.S. dollars. It was

subsequently reported that Admiral Teisaire (the former Vice-President), Señor Luis Cornes (the former Navy Minister), and a number of former Peronista deputies had also been placed under arrest

The first country to announce its recognition of the new Argentine Government was Uruguay, which did so on Sept. 23. During the next few days recognition was also accorded by the United States, Great Britain, the Vatican, Spain, Italy, Switzerland, Brazil, Chile, Peru, Ecuador, and Venezuela.
(New York Times - New York Herald Tribune - Le Monde, Paris - Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. Argentina, 14307 A ; 14277 A.)

A. ORGANIZATION OF CENTRAL AMERICAN STATES. — First Formal Conference. - Election of Secretary-General.

The Organization of Central American States held its first formal conference at Antigua (Guatemala) on Aug. 18-24 under the chairmanship of Señor Domingo Goicolea, the Guatemalan Foreign Minister In addition to Guatemala, the four other member-countries were represented by their Foreign Ministers: Dr. José Guillermo Trabanino (El Salvador); Dr. Oscar Sevilla-Sacasa (Nicaragua); Señor Esteban Mendoza (Honduras); and Señor Mario J. Esquivel (Costa Rica). Panama, which declined an invitation to join the group, was represented by observers.

Although the Organization of Central American States had been formed in 1951 (see 11830 B) it had run into immediate difficulties as a result of a Salvadorean proposal that it should approve an anti-Communist resolution This was opposed by the then pro-Communist Guatemalan Government, and after a number of post-ponements of the Organization's first meeting, Guatemala withdrew from the Organization in April 1953 (see 13465 A) After the over-throw of the pro-Communist regime, however, Guatemala rejoined the Organization and adhered to the anti-Communist resolution The conference nevertheless again had to be postponed as a result of the dispute between Costa Rica and Nicaragua in January, 1955 (see 14048 A).

The conference adopted a number of resolutions designed to promote economic, cultural and social co-operation between the member-countries, including one setting up a Council of Culture and Education. It also agreed on the setting-up of a committee of jurists to study the codification of Central American legislation, and passed a budget for the Organization providing for an annual expenditure of $125,000. Dr. José Guillermo Trabanino was elected the first Secretary-General of the Organization of Central American States.
(New York Times) **(Prev. rep. 11830 B.)**

B. DENMARK. — Cabinet Reorganization.

The following changes and appointments in the Danish Cabinet were announced in Copenhagen on Aug. 30: (1) Hr. Ernst Christiansen as Minister without portfolio, with special responsibility for matters relating to the United Nations and the Council of Europe; (2) Hr. Kai Lindberg as Minister of Public Works in succession to Hr. Carl Petersen; (3) Hr. Johannes Kjaerbol, hitherto Minister for Home Affairs, as Minister for Greenland, whilst at the same time remaining Minister for Housing, a portfolio he had held concurrently with that of Home Affairs; (4) Hr. Carl Petersen, the former Minister of Public Works, as Minister for Home Affairs *vice* Hr. Kjaerbol.

The Cabinet remained, as hitherto, recruited solely from the Social Democratic Party. Of its two new members, Hr. Christiansen is editor of the newspaper *Social Demokraten* and Hr. Lindberg is a leader of the Danish trade union movement. The Prime Minister, Hr. H. C. Hansen, remained concurrently Minister of Foreign Affairs, but relinquished some of his duties in this connexion—those concerning Denmark's relations with the U.N. and the Council of Europe—to Hr. Christiansen.
(Politiken, Copenhagen - Berlingske Tidende, Copenhagen)
(Prev. rep. 14023 C ; 13268 B ; 13172 A.)

C. GERMANY. — Release of ex-Admiral Räder.

Ex-Admiral Erich Räder (79), C.-in-C. of the German Navy from 1935 to 1943, was released from Spandau prison (Berlin) on Sept. 26 after having served nine years of the life term to which he was sentenced by the International Military Tribunal at Nuremberg in 1946. An announcement by the prison governors stated that the British, French, Soviet, and U.S. Governments had agreed to release Räder from Spandau "on account of his advanced age and the state of his health." Räder had been found guilty at Nuremberg of "planning and waging aggressive war and carrying out unrestricted submarine warfare, including the sinking of unarmed neutral merchant ships."—(Times - Manchester Guardian) **(Prev. rep. 13989 A.)**

D. LITERATURE. — Book Selections, August and September.

Selected books published in Great Britain and the United States are given below:

Great Britain. Balchin, Nigel—"The Fall of the Sparrow." (Collins, 12s. 6d.)
Bryher—"Roman Wall" A Historical Novel of the Roman Empire (Collins, 10s 6d)
Burnham, Lord—"Peterborough Court The Story of the *Daily Telegraph*" (Cassell, 18s)
Craig, Gordon—"The Politics of the Prussian Army, 1640-1945." (Oxford University Press, 50s)
Crowell, Norton B.—"Alfred Austin, Victorian" (Weidenfeld & Nicolson, 18s.)
Elton, G R.—"England under the Tudors" (Methuen, 25s.)
Hachiya, Michihiko—"Hiroshima Diary: The Journal of a Japanese Physician." Translated from the Japanese. (Victor Gollancz, 16s.)
Izzard, Ralph—"The Abominable Snowman Adventure." (Hodder & Stoughton, 16s.)
Laye, Camara—"The Dark Child." Translated from the French (*L'enfant noir*) (Collins, 12s. 6d.)
Morgan, Bryan—"The End of the Line." The Light Railways of Europe (Cleaver-Hume, 25s.)
Nicolson, Sir Harold—"Good Behaviour." A Study of Certain Types of Civility (Constable, 21s.)
Priestley, J B, and Hawkes, Jacquetta—"Journey down a Rainbow" A Visit to the American South-West. (Heinemann and Cresset Press, 18s)
Reynaud, Paul—"In the Thick of the Fight, 1930-1945." Translated from the French (*Au coeur de la mêlée*). (Cassell, 45s.)
Seth, Ronald—"Lion with Blue Wings The Story of the Glider Pilot Regiment." (Victor Gollancz, 16s)
Thistlethwaite, Frank—"The Great Experiment: An Introduction to the History of the American People" (Cambridge University Press, 25s)
Young, Percy—"Elgar, O. M: A Study of a Musician." (Collins, 30s.)

United States. Arciniegas, Germán—"Amerigo and the New World. The Life and Times of Amerigo Vespucci." Translated from the Spanish (Alfred A. Knopf, New York, $5 00.)
Hachiya, Michihiko—"Hiroshima Diary." (University of North Carolina Press, $3 50.)
Strode, Hudson—"Jefferson Davis · American Patriot, 1808-1861." (Harcourt, Brace & Co., New York, $6 75)
Warren, Robert Penn—"Band of Angels." (Random House, New York, $3.95)
White, Patrick—"The Tree of Man." (Viking Press, New York, $4 50.)
(Ed. K.C.A.) **(Prev. rep. Book Selections, 14340 C.)**

E. UNITED KINGDOM. — Conservative Party. - Mr. Oliver Poole succeeds Lord Woolton in Party Chairmanship. - Mr. Kaberry appointed Vice-Chairman.

It was announced on Sept. 30 that the Prime Minister, in his capacity as leader of the Conservative and Unionist Party, had appointed Mr. Oliver Poole as chairman of the Conservative Party organization in succession to Lord Woolton, who had resigned from the post in June after having held it since 1946.

Mr. Oliver Poole (44) was Conservative M.P. for Oswestry from 1945 to 1950, but did not contest the general election of the latter year owing to pressure of work. A few months after the 1950 election he succeeded Mr. Butler as political head of the Conservative Political Office, and in 1952 was appointed a joint treasurer of the Conservative Party, a post he held at the time of his appointment to the party chairmanship A Lloyd's underwriter, he was educated at Eton and Christ Church, Oxford, served before the war in the Life Guards and the Warwickshire Yeomanry, and during the war saw active service in the Middle East, North Africa, Sicily, and North-West Europe

In a letter to Sir Anthony Eden on June 27, Lord Woolton (who is 72) had asked to be relieved of the party chairmanship, to which he had been appointed by Sir (then Mr.) Winston Churchill, on the ground that "a younger man who is full of vigour" should take over the responsibility for the party organization at the time of the next election. The Prime Minister accepted Lord Woolton's resignation with regret, paid tribute to his "wise counsel and devoted efforts for our cause, which have brought us increasing strength over so many eventful years," and requested him to "continue to give a general oversight to the conduct of our organization" until the appointment of a new party chairman.

It was also announced on Sept. 30 that Sir Anthony Eden had appointed Mr. Donald Kaberry, M.P., Parliamentary Secretary to the Board of Trade, as vice-chairman of the party organization in succession to Mr. John Hare, who had also resigned in June. Both Mr. Poole and Mr. Kaberry (who is 48) will take up their new duties on Nov. 1. Mr. Kaberry will resign his Parliamentary Secretaryship before taking up his new appointment.—(Times - Daily Telegraph) **(Prev. rep. 7994 C.)**

A. UNITED KINGDOM.—Trades Union Congress, 1955.

The 87th Trades Union Congress was held at Southport on Sept. 5-9 under the presidency of Mr. Charles Geddes.

In his presidential address Mr. Geddes dealt primarily with the role of the trade union movement in meeting economic problems He warned trade unionists that they should be on their guard against political developments intended to "save the country's economic fabric by placing the burden of sacrifice entirely on their shoulders," but at the same time stressed that they must be careful not to sow the seeds of future unemployment by over-exploiting the present conditions of full employment. Speaking of assertions that "prices, imports, expenditure, and wages are rising too much in relation to output, exports, and savings," he proposed that T U.C. experts should prepare a report on economic conditions since the war, and that this report, after consideration by the General Council, should be discussed at a special conference of union executives with a view to formulating a national economic policy for trade unions. As regards the Chancellor of the Exchequer's warning that strikes had caused "a serious deterioration in the country's economic situation," Mr. Geddes stressed that whilst trade unions "neither can abolish strikes nor should attempt to do so," the causes of disputes should be removed wherever possible by the proper use of negotiating machinery. He asserted, however, that at present industrial arbitrators were "virtual dictators" against whose decisions there was no appeal, and urged the setting-up of an arbitration tribunal where both sides could seek a second opinion. The disadvantages of "possible delays and frivolous or spiteful appeals," he maintained, would not be "greater than those of the present system, under which decisions affecting perhaps millions of workers are made behind closed doors, and under which there is no appeal against such decisions except a strike"

The principal subjects discussed and resolutions adopted by the T.U. Congress are described below under cross-headings:

Industrial Disputes. The section of the General Council's report dealing with industrial disputes was introduced by Sir Vincent Tewson, general secretary of the T.U.C. It proposed changes in the T.U.C.'s constitution to enable the General Council to intervene in disputes before an actual breakdown in negotiations had taken place, the relevant paragraph reading as follows:

"If there is a likelihood of negotiations breaking down and creating a situation in which other bodies of workpeople affiliated to Congress might be involved in a stoppage of work or have their wages, hours, or conditions of employment imperilled, the General Council may take the initiative by calling representatives of the organization into consultation, and use its influence to effect a just settlement of the differences."

Reviewing the effects of the strikes which had already taken place during 1955, Sir Vincent Tewson emphasized that a strike in one industry inevitably caused unemployment in others; the dock strike, in particular, "could have had the result of throwing thousands of our people on the streets." Full employment, he went on, was not "some sort of inheritance" but must be worked for, and recent inter-union disputes had presented a problem which the T U C. must try to settle. In the past the Council had found that when unions sought its help matters had already gone too far—"the baby had gone down with the bath-water." It did not seek to "tie the unions down with a hidebound constitution," and there was no question of destroying the autonomy of individual unions or assuming dictatorial powers All the General Council wanted was the chance to take the initiative, and the real issue was "whether Congress will trust the General Council's good sense"

In the ensuing discussion, Mr. Frank Foulkes (Electrical Trades Union) moved the reference back of the proposals, saying that they would "make it impossible for unions to fight disputes to a finish" Mr. J. Campbell (N.U.R.), seconding the reference back, maintained that the proposals would "make it easy for unscrupulous employers to create a climate of deadlock, knowing that the General Council would intervene" However, after Mr Bryn Roberts (National Union of Public Employees) had argued that the proposals would strengthen the General Council's influence and "enable it to become a real trade union Cabinet," the E.T.U. motion was defeated on a card vote by 4,842,000 votes to 3,039,000, and the proposals were approved.

The Congress also adopted resolutions which (1) opposed any interference with the right of a union executive to authorize a strike (moved on behalf of the Furniture Trades Union), (2) condemned unofficial strikes as "damaging to trade unionism and the system of collective bargaining (moved by the Engineer Surveyors' Association). It also considered a composite resolution (moved by Mr. F. S. Winchester, National Union of Vehicle Builders) which (*a*) declared that the trade union movement would resist any legislation seeking to punish strikers; (*b*) called on the Government to ensure that all workers were covered by trade union membership, to shorten the period between the reporting of disputes to the Minister of Labour and their hearing by tribunals, and to make wage awards retrospective to the date of original application. After Mr. Tom Williamson, for the General Council, had pointed out that the resolution involved "legalizing compulsory union membership"—a "dangerous policy which might lead to interference with the right to strike"—it was agreed to remit the resolution to the General Council.

Social and Industrial Welfare. The General Council's report on this subject was presented by Sir Alfred Roberts, who criticized the Government's failure to include urgent social legislation in its immediate programme, or to fix a date for the implementation of the Gowers Committee's recommendations He also deplored the absence in the social insurance scheme of any proper provision for older workers whose health had been impaired by their employment, called for extended provision for invalid workers who "had to struggle on with their jobs until they reached pensionable age"; and announced that the General Council was pressing for all total disablement compensation to be brought up to the level of industrial injury rates The report was approved

Congress accepted resolutions (1) instructing the General Council to oppose implementation of those recommendations of the Phillips Committee (see 14218 A) which would raise the minimum age at which retirement pensions fell due, or would penalize beneficiaries under occupational pensions schemes (put forward by the Civil Service Clerical Association), (2) calling for the scheduling of bronchitis, rheumatism, etc., as "industrial diseases" in cases where the conditions of employment might cause or aggravate them

Production and Industrial Development. This section of the General Council's report (presented by Mr James Crawford, president of the T.U.C Production Committee) dealt mainly with the significance to trade unionists of nuclear power and of automation. Mr Crawford stressed that although the introduction of nuclear power was "providential" in present circumstances, it was still true that for many years coalmining would remain "the great fuel industry upon which our prosperity will depend" As regards automation, he emphasized that although the introduction of fully automatic processes was "only the quickening of trends which have been going on since industrial life began," it was of supreme importance that unions should determine "how their members can be protected during this revolutionary period," and how workers displaced from any particular industry could be absorbed by other industries.

The Congress then considered a resolution (moved by Mr F Hayday, National Union of General and Municipal Workers) which (*a*) declared that recent advances in electronic and automatic processes presented "new opportunities for securing higher living standards"; (*b*) stressed that these opportunities, however, would be attended by complex problems which could only be solved by a greater measure of workers' participation in industry through joint consultation; (*c*) welcomed the General Council's initiative in starting discussions on trade union problems arising from the new developments. An amendment by Mr Bryn Roberts calling for the progressive transfer of private undertakings to public ownership "to facilitate the control of technological developments in the interests of the workers and the community" was defeated by 4,465,000 votes to 3,359,000, and the original motion was approved.

The Economic Situation and Wages Policies. A debate on these subjects was opened by Mr. W L. Heywood, chairman of the Economic Committee of the General Council After criticizing Mr Butler's Budget policy, and saying that the Government had "done too little to check inflation and done it too late," he warned the Congress that the Government's "culpability" did not absolve them from responsibility, and that unless the present economic trend was reversed, full employment would end and living standards would be reduced. If incomes rose more quickly than productivity, prices would inevitably rise and Britain might be "priced out of export markets" It was true that increased wages were not the only factor in higher costs and that profits per unit had risen just as much, but unions "could not go on submitting wage claims and pushing each other around" while the balance of payments was deteriorating He asked union executives to bear in mind that 10 years after the First World War one-fifth of their members were out of work, and called upon them to try to find a solution of the problem of "how to prevent our present prosperity from running away with us."

The Congress approved resolutions: (1) pledging itself to "do all in its power to reduce the cost of living," and calling for an immediate revision of the methods used to compile retail price indices (moved by Mr. G. Doughty, Association of Engineering and Shipbuilding Draughtsmen); (2) welcoming the decision to build nuclear power stations, and calling for an acceleration and extension of the Government's policy with regard to them (moved by Dr E. H S. Burhop, Association of Scientific Workers) It also considered a resolution from the Electrical Trades Union expressing opposition to all forms of wage restraint, and promising support for any union which fought to improve the wages and conditions of its members Mr. F Haxell, who sponsored the motion, argued that economic difficulties could not be solved by depressing wages or creating artificial standstills, but only by increasing workers' purchasing power. Mr. Alan Birch (Union of Shop, Distributive, and Allied Workers) thereupon moved an amendment opposing "any attempt to impose arbitrary restrictions on the freedom of collective bargaining," and pledging support for any union which "exercised its traditional function of protecting and improving the standard of wages and conditions of its members." Mr Birch argued that to adopt the original motion would be to "pin faith on more and bigger wage claims, regardless of all other factors," whereas it was "essential to keep a balance" and strive to bring about "a planned economic system in which the workers' share would be appropriate to the contribution they made to society." The amendment, on the other hand, would leave the General Council free to give advice on wages and conditions. After Mr. Heywood (for the General Council) had pointed out that the original motion would commit the T.U C. to support of any claim, however extravagant, Mr. Birch's amendment was carried by 5,346,000 votes to 2,699,000 and the motion, as amended, was agreed to.

A motion by the Blacksmith, Forge, and Smithy Workers' Society expressing alarm at "the growing extension of the working week," and demanding "a drastic reduction of systematic and excessive

overtime" and a vigorous campaign for the 40-hour week, was rejected by 4,303,000 votes to 3,664,000 after Mr. Heywood had explained that the General Council considered regular overtime unavoidable in some industries

Nationalization and the Nationalized Industries. The section of the General Council's report dealing with these subjects was presented by Mr. J S Campbell It dealt mainly with the exchanges between the Council and the Confederation of Shipbuilding and Engineering Unions regarding the proposed nationalization of sections of the engineering industry, and was duly approved The Congress then debated the following resolutions, eventually agreeing to remit them to the General Council for further consideration

(1) A resolution which (*a*) stressed the "very serious problems" to which new industrial techniques, including automation, could give rise, (*b*) supported the nationalization of basic industries as "a step towards the realization of the principles of socialism"; (*c*) instructed the General Council, in conjunction with the Labour Party executive and the trade unions concerned, to prepare plans for the nationalization of certain sections of the engineering, chemical, building, and building materials industries (Moved by Mr. W H. Bradley, A E U.)

(2) A resolution which (*a*) asserted that the nationalized industries were handicapped by the compensation paid to former owners and by "undemocratic organization", (*b*) demanded that the basis of compensation should be re-examined and that plans for further nationalization should be "founded on the principles of industrial democracy", (*c*) expressed concern at the increasing power of private finance corporations (especially in relation to hire-purchase), and called for their nationalization and for the establishment of government finance corporations to grant loans "on a fair and equitable basis." (Moved by Mr. R Edwards, Chemical Workers' Union)

Transport Finances. An N U R resolution (moved by Mr Campbell) designed to improve the financial position of the British Transport Commission was remitted to the General Council for further consideration The resolution (*a*) regretted the Government's refusal to provide any financial aid for the B T C except a Treasury guarantee on borrowings, (*b*) declared that the Commission's financial position, the burden of compensation, arrears of maintenance, the Government's transport policy, and increasing costs (including interest charges on fresh borrowings) would all "react to the detriment of transport users and employees"; (*c*) urged the Government to examine the Commission's financial position in conjunction with the T U.C., "with a view to reaching stability and avoiding an increase in fares" The resolution proposed that the State should either take over all capital charges, less the amount which the industry could reasonably be expected to earn, or else "introduce a block grant scheme to protect the Commission, transport workers, and transport users against increased costs outside their control" It also called for exemption of public service vehicles from fuel tax, the removal of all restrictions on the Commission's power to manufacture rolling-stock and equipment, and the re-nationalization of long-distance road haulage.

Mr Campbell pointed out that £800,000,000 of the £1,200,000,000 to be spent on railway modernization would have to be found at high interest rates in the open market, besides which the industry would have to find at least £57,000,000 during the next 15 years for central charges. The N U R. proposed that the Government should either take over part of these central charges or else assist the Commission by a block grant.

Mr Douglas Houghton, M P, for the General Council, explained that the Labour Party had invited it to discuss the whole structure of nationalized industries He added that the T U Congress would be ill-advised to commit itself in the meantime to detailed proposals.

Trade Union Organization. A resolution (moved by the National Union of Sheet Metal Workers) condemning the "victimization" of shop stewards by employers, and reaffirming the "right of all trade unionists to appoint shop officials and works committees of their own choosing", was carried against the General Council's advice The following motions were, however, defeated (1) a motion by Mr. Bryn Roberts urging the creation of integrated trade unions for each of the nationalized industries, (2) a motion re-affirming the trade unions' right to negotiate with employers on behalf of their members

Relations with Foreign Trade Unions. A motion urging the "initiation of discussions with the appropriate organizations with a view to securing the utmost solidarity of the workers in all countries" was moved by Mr Arthur Horner (National Union of Mineworkers) He argued that the choice between war and peace lay largely with the working classes, and that the cost to the nation of private profits and monopolies was "trifling" compared with the cost of preparations for war or the maintenance of a state of "cold war." After Mr. W. Padley, M P. (Union of Shop, Distributive, and Allied Workers) had warned the Congress that the motion "might be interpreted as the beginning of a united front with the 'stooge' unions of the Communist countries," the motion was defeated by 4,457,000 votes to 3,431,000

Atomic Weapons. Unanimous assent was given to a motion by Mr. J. S Campbell (N.U.R.) calling for international agreement on the abolition of hydrogen and atomic weapons and on the prohibition of their manufacture or use, and urging the Government to try to obtain agreement to end further tests of atomic weapons

German Rearmament. A resolution (moved by Mr J Horner, Fire Brigades Union) opposing German rearmament, and urging the Government to use its influence with the Governments of the U.S.A., France, and the U S.S.R. to secure "the creation of a united peaceful Germany with a Government based on free elections," was defeated by 4,402,000 votes to 3,212,000.

Monopolies. A motion by the Post Office Engineering Union endorsing the majority conclusions of the Monopolies Commission's report on collective discrimination, and urging the need for effective action to counter all monopolies which were detrimental to the public interest, was adopted unanimously.

National Service. Congress unanimously approved a resolution (moved by Mr W E. Packwood, United Patternmakers' Association) calling for immediate steps to reduce the National Service period, in view of "the serious effects of the present term on the industrial and economic life of the country"

The "Colour Bar," etc. The following motions on "colour bar" and similar questions were approved: (1) condemning "all manifestations of racial discrimination or colour prejudice, whether by Governments, employers, or workers"; (2) welcoming workers from undeveloped Commonwealth areas into employment in British industry, opposing "all attempts based on the colour bar to deny accepted rights to Commonwealth citizens," and urging immediate steps to develop the resources of Colonial and Commonwealth territories so as to establish balanced economies and make it unnecessary for the native populations to seek employment elsewhere, (3) regretting the deterioration of race relations in South Africa, condemning the *apartheid* policy, and urging the British Government to use its influence in the United Nations and elsewhere "to obtain civilized treatment for the non-white population of South Africa"

Miscellaneous. The Congress also approved resolutions which (1) affirmed belief in equality of educational opportunity, and called for the raising of the school-leaving age to 16 not later than 1960 (moved by Miss Anne Godwin, Clerical and Administrative Workers' Union), (2) expressed concern at "the continued denial to professional footballers of proper conditions of employment, including the right to make or terminate contracts," and calling upon the Football Association to arrange a conference of interested parties to "arrange a new deal" for professional footballers (moved by Mr. James Guthrie, Association Football Players' and Trainers' Union); (3) deploring the "low standard of houses now being built," and demanding improved standards

The elections for the General Council resulted in only two changes, namely, the election of Mr. A. Hallworth (Associated Society of Locomotive Engineers and Firemen) in place of Mr. J. Baty (of the same union), who had retired, and of Mr. A. E. Tiffin (general secretary, Transport and General Workers' Union) to replace the late Mr. Arthur Deakin (see 14336 C). Mr. W. B. Beard, secretary of the United Patternmakers' Association, was elected chairman of the General Council of the T.U C. for the ensuing year, in succession to Mr. Geddes.—(Times - Manchester Guardian - Daily Herald)

(Prev. rep. 1954 T.U. Congress, 13814 A.)

Note. The number of trade unions represented at the Congress was 183, with a total membership of 8,106,958. The number of unions and members in each of the 18 trade groups represented was as follows. Mining and Quarrying, 4 (719,170 members); Railways, 3 (530,948); Transport (except railways), 10 (1,355,889), Shipbuilding, 5 (122,761); Engineering, Founding, and Vehicle Building, 27 (1,388,445), Iron and Steel and Minor Metal Trades, 17 (198,588); Building, Woodworking and Furnishing, 19 (592,562), Printing and Paper, 13 (305,546), Cotton, 6 (170,166); Textiles (except cotton), 21 (99,000), Clothing, 6 (175,165), Leather, Boot and Shoe, 6 (110,020); Glass, Pottery, Food, Chemicals, etc., 15 (470,502); Agriculture, 1 (135,000); Public Employees, 4 (248,447), Civil Service, 8 (457,061), Non-Manual Workers, 14 (233,839); General Workers, 4 (793,849).—(Ministry of Labour Gazette)

A. EASTERN EUROPE. — Reduction in Polish, Hungarian, Bulgarian, and Albanian Armed Forces.

Following the similar action recently taken by the Soviet Union, Czechoslovakia, and Rumania, the Polish, Hungarian, Bulgarian, and Albanian Governments announced that their armed forces would be reduced as follows by the end of 1955: Poland, by 47,000 men; Hungary, by 20,000 men; Bulgaria, by 18,000 men; Albania, by 9,000 men. Announcements to this effect were made by the Polish and Albanian Governments on Sept. 8, by the Hungarian Government on Sept. 7, and by the Bulgarian Government on Sept. 20.

The present strength of the Polish armed forces is estimated at about 277,000, and of the Albanian armed forces at 30,000. The armed forces of Hungary and Bulgaria were fixed at 70,000 and 65,500 respectively under the peace treaties with those countries (see 8513 B, 8494 A), but are believed to be considerably in excess of those figures.—(Polish Embassy, London - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris) **(Prev. rep. 14393 B; 14384 C; 14384 D.)**

B. SOUTH AFRICA. — Increase in Bank Rate.

The South African bank rate was raised from 4 to 4½ per cent on Sept. 29 by the South African Reserve Bank.

(Financial Times) **(Prev. rep. 12130 A.)**

A. EUROPE. — Road Construction Programmes.

A survey of post-war road construction programmes in a number of European countries—primarily in Western Europe, excluding Great Britain—was given in *The Times* on Sept. 14 and is summarized below. It was pointed out that the programmes had been undertaken partly to make good the damage suffered during the war, and partly in view of the growing importance of road transport in modern communications.

Belgium. Belgian plans envisage two 15-year development schemes providing for the construction of 562 miles of autoroutes, the modernization of 1,187 miles of the most important existing routes, and improvements to 1,625 miles of other main roads. Major road and bridge works carried out since 1949 include: a 75-mile motor-road between Brussels and Ostend, half built before the war and now almost completed, by-passes at Louvain and Tirlemont, on the Liège road, and at Genappe, on the Charleroi road; improvements on the roads from Brussels to Antwerp, Liège, Namur, Charleroi, Mons, Ghent and Ostend; a new 4½-mile motor-road from Brussels to Melsbroek Airport; and a new one-span bridge over the Meuse at Namur, on the Brussels-Namur-Arlon road

France. Much progress has been made in repairing war damage to the French road system, in which connexion 5,110 road bridges have been rebuilt out of 7,550 destroyed during the war. In the Paris area important new motor-roads are either completed or building, including the *Autoroute de l'Ouest* (now complete) and the *Autoroute du Sud* (under construction) The latter road will have three branches one joining the road to Orléans southward, a second linking up with the road to Fontainebleau south-eastward, and a third to Orly Airport. An *Autoroute du Nord* will be built on the completion of the *Autoroute du Sud*, and will link up with a new motor-road near Lille. Several new traffic "flyovers" are projected for Paris, of which one—at the Pont d'Alma, on the right bank of the Seine—is under construction, others are planned in the near future at the Pont de la Concorde and the Pont de Change Altogether 12 new flyovers have been built in different parts of the country, with nine under construction. In addition, 49 by-passes on main traffic arteries have been built and are in use, with 37 others under construction.

One of the principal new post-war schemes is a tunnel (the *Tunnel Routier de la Croix Rousse*) opened in 1952 to relieve traffic congestion in the centre of Lyons. The construction of a seven-mile tunnel through Mont Blanc (see 13783 C) is also in progress, with the co-operation of the Italian Government; when completed, it will save 140 miles on the Paris-Rome route and make possible an all-the-year road service between the French and Italian capitals

German Federal Republic. In addition to major post-war reconstruction programmes, the Federal Republic has constructed 25 miles of new *Autobahnen* and 62 miles of other Federal roads. Further new *Autobahn* construction is to be undertaken under legislation passed in April, 1955, whilst the *Land* Governments have been invited to submit programmes for the development and improvement of roads within the next ten years The Federal Government is authorized to commission by contract a private company to finance the construction of *Autobahnen*, and available funds—including Federal subsidies—are believed to be sufficient to carry out a programme for the construction of some 360 miles of *Autobahnen* during the next seven years

Italy. Between 1945 and 1953 nearly 22,000 miles of war-damaged roads were reconstructed or repaired, whilst 6,554 bridges were rebuilt and 263 new bridges built during the same period. Among important new projects are a new motor-road from Rome to the sea (the *Cristoforo Colombo* expressway), which is already open to traffic, and a 17-mile expressway between Genoa and Savona, another between Formia and Terracina (the *Via Flacca*), and a third between Marina and S. Eufemia Marina (the *Strada dei Due Mari*), all of which are under construction. Other important new roads planned are the Milan-Serravallo-Ponte Chiasso highway, which will cost over £10,000,000; a Milan-Bologna-Florence-Rome-Naples through route; and a new 90-mile road linking Brescia, Verona, and Padua.

Netherlands. Some 190 miles of roads have been built under a programme adopted in 1948, including a new Amsterdam-Utrecht motor-road. Out of a planned network of 400 miles of motorways, 200 miles have already been constructed, whilst 44 of the country's leading highways have been or are being extensively improved Apart from reconstruction of war damage, expenditure on road construction and development has more than doubled since 1948. An important contribution to the reduction of congestion in the cities has been the building in Rotterdam of a five-mile through road, which is sunken at congested points to allow traffic crossing the city in the other direction to pass overhead This dual carriageway passes under the River Maas in a twin tunnel constructed on the tube principle proposed for the Firth of Forth, in Scotland (see 14075 A). It carries an average of 45,000 vehicles every 24 hours.

Commenting on the Dutch road programme, *The Times* said: "In view of the especial difficulties arising from the fact that the country has a subsoil which is, in places, among the worst in Europe for constructional purposes, it ranks as one of the most impressive performances of all"

Norway. Over 2,400 miles of new roads were built between 1948 and 1953, bringing Norway's total road mileage to 30,169 miles. During this period 132 miles of new main roads were built, and 760 miles of new roads in rural districts.

Sweden. The Swedish road network has grown from 43,750 miles in 1925 to 56,250 miles in 1955 A new ten-mile motor-road between Malmö and Lund is in operation, with a further eight miles under construction.

Spain. A general highway improvement programme was adopted in 1950 and has since been greatly expanded. Reconstruction work is in progress over most of the national highway system, some 35 per cent having been completed.

In Austria, a ten-year plan for modernizing the most important highways was begun in 1947, and a new motor-road is to be built between Vienna and Salzburg; in Finland, 3,300 miles of national and local roads were constructed or improved between 1948 and 1953; in Greece, a five-year programme (to be completed in 1958) is in progress for the construction of 750 miles of new roads and improvements to 950 miles of existing roads; whilst a 15-year programme for building 1,125 miles of new roads has recently been adopted in Portugal.—(Times)

(Prev. rep. British Road Programme, 14075 A.)

B. UNITED STATES. — Foreign Aid, 1948-55.

The report of the Foreign Operations Administration dated May 27 showed that in the seven years from the start of the Marshall Plan on April 3, 1948, to March 31, 1955, the United States had made allotments for foreign aid totalling $19,444,737,000, comprising $14,516,049,000 to Europe, $2,386,453,000 to the Far East, $2,246,140,000 to the Near East, Africa and South Asia, $100,613,000 to Latin America, and $195,482,000 for a variety of non-regional programmes. Division of the aid between the principal recipient countries is shown below.

Europe. United Kingdom, $3,800,019,000, France, $3,198,424,000, Italy, $1,617,304,000, Western Germany (excluding West Berlin), $1,491,082,000; Netherlands, $988,800,000, Austria, $725,227,000, Belgium-Luxemburg, $560,659,000, Yugoslavia, $316,688,000, Denmark, $280,907,000, Norway, $277,064,000; Spain, $202,572,000, Irish Republic (Eire), $146,525,000, Sweden, $106,937,000, Portugal, $51,175,000; West Berlin, $41,397,000; Iceland, $35,220,000, Trieste, $31,927,000. In addition, $101,426,000 was allotted to Indonesia before that country achieved independence from the Netherlands; $361,622,000 was allocated to the European Payments Union; and $100,000,000 went to the European Coal and Steel Community.

Asia. Nationalist China (Formosa), $672,129,000; Korea, $400,567,000, Vietnam (now South Vietnam), $181,747,000; Philippines, $108,302,000, Siam, $63,769,000, Indonesia (see also under Europe, above), $30,328,000; Cambodia, $22,470,000; Burma, $21,238,000; Laos, $15,720,000; Japan, $10,350,000. A further $857,799,000 had been allocated to South Vietnam, Laos and Cambodia, but had not yet been distributed between them

Near East, Africa, and South Asia. Greece, $836,393,000; Turkey, $400,306,000; India, $274,090,000; Israel, $223,002,000; Persia, $205,538,000; Pakistan, $146,023,000, Egypt, $60,034,000; Jordan, $21,352,000, Lebanon, $15,473,000, Libya, $9,745,000, Ethiopia, $8,612,000; Iraq, $7,011,000; Afghanistan, $6,629,000.

Latin America. Bolivia, $20,126,000; Brazil, $11,046,000; Peru, $8,130,000, Guatemala, $5,594,000; Chile, $5,326,000; Paraguay, $4,976,000; Ecuador, $4,953,000; Haiti, $4,471,000; Mexico, $4,077,000.

Non-Regional Programmes. Refugees, migration, and voluntary agencies, $45,356,000; Christmas food packages, $21,500,000; escapee programme, $17,125,000.

The amount of aid allotted each year fell from $6,180,300,000 in the 15 months to June 30, 1949, to $3,510,000,000 in 1949-50, $2,644,900,000 in 1950-51, and $1,823,800,000 in 1951-52. This fall, due to the sharp reduction in aid to Europe, was reversed in 1952-53 owing to the increase in aid to the Far East, and the amount rose to $1,836,200,000 in 1952-53 and $2,140,300,000 in 1953-54. In the nine months July, 1954 - March, 1955, the value of such aid totalled $1,113,100,000. (Foreign Operations Administration, Washington) **(12551 A.)**

C. AUSTRALIA. — Federal By-election.

A by-election was held on May 21 for the Cook (New South Wales) seat in the Federal Parliament made vacant by the death on March 26 of Mr. T. Sheehan (Labour). It resulted in a victory for Mr. J. F. Cope (Labour), who received 21,411 votes against 3,248 votes for Mr. J. S. Smith (Australian Labour Party, Anti-Communist), his sole opponent—a majority of 18,163.—(Australian News and Information Bureau)

(Prev. rep. Elections, 13652 A; Labour Party Split, 14178A

D. LONDON. — New Lord Mayor.

Mr. Cuthbert Lowell Ackroyd, Alderman of Cordwainer Ward, was elected Lord Mayor of London at Guildhall on Sept. 30 for the municipal year 1955-56 (beginning on Nov. 8) in succession to Sir Seymour Howard. Mr. Ackroyd (63), a Yorkshireman, has spent the whole of his business life in the City as a wool merchant.—(Times - Daily Telegraph) **(13876 E.)**

A. **SHIPPING. — World Construction Figures. - P. & O. Group to build Tanker Fleet.**

Lloyd's Register returns of merchant shipbuilding for the second quarter of 1955, published on July 20, gave the gross tonnage under construction throughout the world (excluding the U.S.S.R., Poland, and China, as well as vessels under 100 tons, barges, etc.) as 6,100,534 tons, of which 34.12 per cent was building in the U.K. and 65.88 per cent elsewhere.

Ships building in Great Britain and Northern Ireland numbered 338 of 2,081,534 tons (steamers 1,227,638 tons, motorships 853,896 tons), including 2 steamers of over 30,000 tons, 2 of 25,000-30,000 tons, 21 of 20,000-25,000 tons, and 10 steamers and 3 motorships of 15,000-20,000 tons Of the total, 237 ships (1,317,028 tons) were building for Great Britain and N. Ireland, 27 (45,732 tons) for other British Commonwealth countries, 24 (319,065 tons) for Norway, 11 (169,380 tons) for Panama, 4 (85,000 tons) for the U S A , 5 (37,820 tons) for Greece, 3 (24,670 tons) for Liberia, 2 (13,800 tons) for the Irish Republic, 2 (13,000 tons) for Honduras, 12 (4,220 tons) for Burma, 1 (4,000 tons) for France, 5 (3,375 tons) for the U.S.S.R., 2 (1,744 tons) for Brazil, and 3 (42,700 tons) for unspecified countries Principal shipbuilding centres were : the Clyde (107 ships of 659,956 tons), the Tyne (37 ships of 391,570 tons), Belfast (18 ships of 223,690 tons), the Tees (19 ships of 211,417 tons), Sunderland (28 ships of 202,760 tons), Liverpool (19 ships of 153,462 tons), and Barrow (4 ships of 86,000 tons)

Ships building abroad numbered 1,011 of 4,019,000 tons (steamers 1,646,265 tons, motorships 2,372,735 tons), divided as follows . Germany 255 (752,030 tons), the Netherlands 151 (583,957 tons), Japan 79 (536,135 tons), Sweden 70 (396,122 tons), France 56 (350,806 tons), Italy 86 (340,520 tons), Norway 57 (217,457 tons), Spain 59 (157,463 tons), the U.S A. 14 (144,610 tons), Belgium 24 (127,360 tons), Denmark 31 (126,358 tons), British Commonwealth countries 42 (100,141 tons), Finland 42 (83,739 tons), Yugoslavia 18 (78,211 tons), Portugal 5 (12,905 tons), Turkey 11 (6,759 tons), Indonesia 9 (3,477 tons) and 1 small vessel each for the Irish Republic and Iceland. The total included 1 steamer of over 30,000 tons in Japan, 3 steamers of 25,000-30,000 tons in Japan and 1 motorship of this size in the Netherlands, and 9 steamers of 20,000-25,000 tons in Japan, 6 in France, 4 each in Germany and the Netherlands, 2 each in Sweden and the U S A., 2 motorships of this size in Norway, and 1 each in France, Italy, and Sweden.

Tankers of over 1,000 tons gross building throughout the world numbered 229 of 2,954,341 tons, including 80 (1,011,031 tons) in the U.K., 16 (337,900 tons) in Japan, 26 (336,961 tons) in the Netherlands, 17 (233,650 tons) in Sweden, 21 (224,961 tons) in Germany, 11 (241,025 tons) in France, 15 (153,939 tons) in Norway, 17 (127,287 tons) in Italy, and 7 (126,600 tons) in the U S A

Ships launched during the quarter included the Canadian Pacific liner *Empress of Britain* (24,000 gross tons), launched by H.M. the Queen on June 22 from the Govan (Glasgow) yard of the Fairfield Shipbuilding and Engineering Co. Ltd.; the *Reina del Mar* (19,000 gross tons), built by Messrs. Harland and Wolff, Belfast, for the Liverpool-Chile-Peru service of the Pacific Steam Navigation Co. Ltd.; and the ore-carrier *Sept Iles* (31,000 tons deadweight), launched on June 22 from the Haverton Hill (Tees) shipyard of the Furness Shipbuilding Co. Ltd. for the Iron Ore Transport Company of Canada.

Sir Donald Anderson, deputy-chairman of the P. & O. group, which owns one of the largest shipping fleets in the world, announced on Sept. 12 that the group proposed to establish a " substantial " tanker fleet over the next ten years, beginning with 25 ships to be built by 1960. These ships, which would cost about £37,000,000 at present prices, would be owned in small numbers by the various companies in the group ; probably most of them would be of about 18,000 tons deadweight, with a few in the region of 32,000 tons. Sir Donald added that no upper limit to the size of the fleet had been fixed, and that whereas world tanker tonnage had increased since 1939 by 111 per cent (from 11,570,000 tons to 24,480,000 tons), British tanker tonnage had gone up by only 66 per cent (from 3,030,000 tons to 5,050,000 tons).

It was announced on Sept. 22 that Shell Tankers Ltd. had placed orders for 34 new tankers (17 of 32,000 deadweight tons each and 17 of 18,000 tons each), and that the Esso Petroleum Co. Ltd. had ordered six ships of 36,000 tons each. Of the Shell order, 20 ships will be built in British yards and 14 in Holland, whilst two of the Esso vessels will be built on the Tyne and four in Germany.—(Lloyd's List and Shipping Gazette) **(Prev. rep. Shipping, 14198 A.)**

B. **UNITED KINGDOM. — July Trade Figures.**

Imports into the United Kingdom in July totalled £338,800,000, exports £223,000,000, and re-exports £7,900,000, the adverse visible balance thus amounting to £107,900,000. This compared with an adverse balance of £128,900,000 in June and a monthly average of £75,600,000 in the first half of the year.—(Board of Trade Journal) **(Prev. rep. 14384 A.)**

C. **SOUTH AFRICA. — The Hillbrow By-election. - Dr. Friedman expelled from United Party. - Mr. Strauss's Statement on U.P. Attitude to Coloured Voters.**

A by-election in the Hillbrow (Johannesburg) parliamentary constituency was held on Sept. 14 and resulted in a victory for the United Party candidate, Dr. Louis Steenkamp, who received 3,299 votes against 2,658 votes for his Independent opponent, Dr. Bernard Friedman—a majority of 641 votes. Only 57 per cent of the electorate went to the polls. The by-election was caused by the resignation from Parliament of Dr. Friedman, who had previously sat as United Party member for the constituency, and his expulsion from the party after differences with the U.P. leader, Mr. Strauss, over the question of restoring the Coloured voters to the electoral roll.

The dispute originated in a statement made by Mr. Strauss on June 13 in which he said that it would be " premature " for the United Party to answer at present the question of whether it would restore the Coloured people to the common roll when it was returned to power. " It would also be basically defeatist for us to do so now," he declared, " for surely, when the United Party has succeeded in keeping the Coloured vote intact for five years in the face of every conceivable attempt by a ruthless and determined Government, it ill becomes us to presuppose defeat on the eve of the next phase of the struggle. My advice to the party is therefore not to allow our singleness of purpose in the coming struggle to be undermined by premature decisions based on defeat as a foregone conclusion. . . . The question is at present hypothetical. And unfortunately we have far too many real and urgent problems claiming our attention to allow of our becoming involved in advance with hypothetical questions . . But I want to give the assurance that when the problem does arise, the United Party will not hesitate to decide its course in the light of the new situation which will then have arisen. . . ."

Mr. Strauss's statement was strongly attacked by Mr. Hepple, the leader of the Labour Party, who described it as a " bitter blow to all those who vigorously and faithfully supported the United and Labour Parties in their uncompromising defence of the Coloured vote " It was also criticized by seven members of the U P caucus (among them Dr. Friedman), who drew up a statement dissociating themselves from Mr. Strauss's remarks Six of these members, however—Dr Jan Steytler, Mr R. Butcher, Mrs. Helen Suzman, Mr T. O. Williams, Mr John Cope, and Mr. Ray Swart—subsequently withdrew their opposition and expressed themselves " perfectly satisfied " after a further explanatory statement by Mr. Strauss, leaving only Dr. Friedman still critical.

Mr Strauss's second statement said (in part) that whilst " it is better that the Coloured voter should be able to exercise his vote as an ordinary citizen . . than that he should be forced to become a member of an anti-European racial block " it was necessary " to distinguish between the principle itself of retaining the common roll franchise and, on the other hand, its retention as an entrenched right " At the moment it was impossible to see a clear path through the " legislative jungle " created by the Government's measures tampering with the Constitution " All we can promise," he declared, " is that on our return to power we will, in consultation with the Coloured people, set right the grave injustice done to them in the best way open to us at that time, and in a form which will serve the best interests of South Africa as a whole."

On the same day (June 14) Dr Friedman issued over his own name the dissenting statement which had originally been agreed to also by the other six M P.s " The question has been put squarely to the United Party," the statement declared, " whether, on being returned to power, it would restore the Coloured voters to the common roll should the Nationalist Government succeed in removing them by fraudulent means In my opinion the only possible answer on such a fundamental question of principle is a clear and unequivocal 'yes' The statements issued earlier by Mr. Strauss on behalf of the United Party will inevitably be interpreted as a serious departure from the strong stand which has hitherto been maintained by the United Party, and will deprive the struggle the party has waged over the constitution issue of its moral basis "

The Hillbrow divisional committee of the United Party passed a vote of confidence in Dr Friedman on June 23. Their request that he should delay his proposed resignation from Parliament (which he had announced earlier) was, however, rejected by Dr. Friedman, who tendered his resignation on the following day On July 4 he was expelled from the United Party by its Transvaal committee

Dr. Steenkamp, the new member, was first elected to the House of Assembly in 1943 when he defeated the present Governor-General of South Africa, Dr. E. G. Jansen, at Vryheid (Natal). He lost the seat to an Afrikaner candidate in 1948, but in October 1949 was returned unopposed for Drakensberg. In 1953 he unsuccessfully contested the marginal seat of Newcastle, and later in that year became a Natal senator. (Cape Times - The Star, Johannesburg) **(Prev. rep. By-elections, 14099 B ; United Party, 13431 D ; Coloured Voters, 13672 A.)**

D. **UNITED STATES - PERSIA. — Friendship Treaty.**

A treaty of friendship, economic relations, and consular rights between Persia and the United States was signed in Teheran on Aug. 15. Negotiations for the conclusion of such a treaty had started in 1948. (New York Herald Tribune)

A. UNITED KINGDOM. — B.B.C. - Report and Accounts for 1954-55. - New Television Stations. - Permanent T.V. Link with Continent. - First Regular V.H.F. Broadcasts. - Changes in Board of Governors.

The report and accounts of the British Broadcasting Corporation for the year ended March 31, 1955, published on July 28, showed an excess of income over expenditure of £3,024,875, compared with a deficit of £9,595 in 1953-54. After adding a balance of £1,326,284 brought forward from 1953-54, and transferring £2,967,725 to capital account for future capital expenditure, the net balance carried forward amounted to £1,383,434.

Total income for the year reached the record figure of £20,804,987 (compared with £14,553,688 in 1953-54), the increase being attributed principally to the raising of the combined TV and sound licence from £2 to £3, although the net revenue from publications also rose by £417,515 to £1,775,205. Expenditure on revenue account amounted to £17,780,112 (sound services £10,018,779, television £5,043,908, tax adjustments and payments £2,717,425), compared with £14,563,283 in 1953-54

Licences in force at March 31, 1955, totalled 13,980,766, including 4,503,766 combined sound and television licences and 267,794 licences for sets fitted in cars. Over 1,250,000 new television sets were licensed during the year, and, for the first time, the television service became self-supporting. The report noted as a "striking fact," however, that the increase in combined sound and television licences had not been matched by a commensurate decline in licences for sound alone, showing that "alongside newcomers to television there were also many newcomers to sound."

Salient points from the report are summarized below:

Television Programmes. Estimating that, on the average, viewers watched two out of every five programmes televised in the evenings, the report pointed out that the "magnetic effect" of television was reflected, not only in the rapid increase of licences, but also in the hours spent in viewing. It added that the British "consumption" of programmes appeared to be on a level with that in the U.S.A., and was "much higher" than for sound broadcasting, the evening television programmes at the end of 1954 having an adult audience estimated at about 5,000,000, or roughly the same as the average evening audiences for the three sound programmes combined

The most popular television programmes, such as "What's My Line?", attracted an average of 9,000,000 viewers, whilst on special occasions, such as "Christmas Party," the audience rose to nearly 12,000,000 adults, or nearly one-third of the total adult population Programmes of general interest, such as "Viewfinder," "Panorama," and "Animal, Vegetable, and Mineral," attracted audiences of up to 5,000,000.

Sound Broadcasting. Although large audiences had been attracted to television programmes at the expense of sound broadcasting, many "sound only" programmes still commanded audiences as large or larger, e.g. the home audience for the two-way "Family Favourites" programme (broadcast simultaneously at home and on the British Forces network in Germany) was estimated at 12,500,000 daily, "The Archers" was heard daily by 9,000,000 people, and the weekly play in the "Curtain Up" series by 8,000,000. The report added "In terms of 'box office' results, sound broadcasting and television are at present running neck and neck"

Competition for Staff. The approach of commercial television had been signalled by "a severe struggle for staff," the inducements offered by competing organizations to B.B.C. staff in essential categories during the spring of 1955 having been "on such a scale that the effective continuance of operations seemed to be jeopardized in the immediate future" In view of "its over-riding obligation to maintain services at full effectiveness," the Corporation had been compelled to suspend its policy of maintaining even treatment for all staff, and had found it necessary "to offer special contracts outside the scope of the B.B.C.'s normal policy to a number of staff in the categories most immediately concerned." In this connexion, the report recorded the Corporation's satisfaction at finding "abundant evidence of the unwillingness of staff to leave its service even when approached from outside with offers on a lavish scale"

The report added that although the effects of competition on B.B.C. services were "bound to be considerable," and the Corporation's tasks would be made more difficult by the rise in costs which competition for artistes, sporting events, and other programme requirements was bringing about, there would be "no departure from the B.B.C.'s purposes, nor from the standard which it has set itself"

Colour Television. The report stated that experiments had been carried out during the year in colour television transmitted by a system which would also give satisfactory pictures in black and white on existing receivers. Further tests would be undertaken later in 1955, but it would be "a serious mistake to introduce colour transmissions before thoroughly satisfactory results can be made available to viewers at a reasonable cost"

Other developments in connexion with B.B.C. radio and television during recent months are summarized below:

New Television Stations. The B.B.C.'s new television station at Rowridge, Isle of Wight, the first of five medium-power stations to be equipped with permanent transmitters, and part of the 18-station plan to provide television for 97 per cent of the United Kingdom, came into operation on Nov. 12, 1954. Situated 3½ miles from Newport (I.O.W.) and 450 feet above sea-level, the Rowridge station serves the whole of Hampshire and parts of Dorset, Wiltshire, and West Sussex.

On Sept 22 it was announced that the seventh of the B.B.C.'s permanent television transmitting stations, at Meldrum, 20 miles north-west of Aberdeen, would be opened on Oct 12, when 90 per cent of the population of Scotland would be within range of B.B.C. television

A temporary low-power television station to serve Norwich and the immediately surrounding area was opened at Tacolneston (near Norwich) early in 1955 It will be replaced by a permanent medium-power station in 1956-57, when it is expected that the whole of East Anglia (outside the range of the London television station) will be able to receive programmes.

On April 15, 1955, it was announced that the B.B.C. had acquired a site for its projected North of Scotland television station at Rosemarkie, 11½ miles north-east of Inverness The new station is expected to be ready for service by the end of 1956.

"Eurovision." Sir George Barnes, the B.B.C.'s Director of Television Broadcasting, announced on Jan. 12, 1955, that in view of the success of the European television programme exchanges in 1954, the B.B.C. would establish a permanent two-way television link between London and the Continent "as a step towards making such exchanges a regular feature" The first section of the link, consisting of coaxial lines between London and St Margaret's Bay (Dover), would be ready for use before the end of 1955, but the next section—a two-way radio link across the English Channel—would take about three years to complete In the meantime, the permanent coaxial cables would be temporarily extended from St Margaret's Bay to Swingate, near Dover, where the B.B.C. and French services would provide and operate a temporary two-way link between Swingate and Cassel, in northern France. Sir George Barnes added that programmes had already been exchanged with France, Italy, Switzerland, Western Germany, Holland, Denmark, and Belgium, and that there was no reason why Yugoslavia, Norway, and Sweden should not soon be added to the list.

The first regular "Eurovision" programme was inaugurated during September, 1955

Increased Television Transmission Time. The B.B.C. announced on July 28 that from Sept. 19 television transmission time would be increased from 36 hours weekly to approximately 49 hours, whilst the number of separate programmes would be increased by about 20 a week From Sept 4 evening programmes would begin at 7.0 p.m. (weekdays) and 7.30 p.m. (Sundays) and would finish at between 10.30 and 11 p.m., whilst from Sept 19 afternoon programmes would last from 3 to 5 p.m. on Mondays-Fridays, from 2.30 to 5.0 p.m. on Saturdays, and from 2 to 5 p.m. on Sundays Saturday evening programmes would include sports news and results, and Sunday programmes would include a newsreel review of the week and orchestral concerts, ending with a religious programme Women's programmes would be given from 3 to 4 p.m. from Mondays to Thursdays, and children's television would run daily from 5 to 6 p.m.

V.H.F. Broadcasting. The B.B.C.'s first regular V.H.F. (Very High Frequency) broadcasts took place from the Wrotham (Kent) station on May 2, covering a radius of about 50 miles and serving a potential audience of 13,000,000

On Nov. 26, 1954, it had been announced that the plans for the new station at Tacolneston, Norfolk (see above) included provisions for V.H.F. sound transmission, whilst on Dec 22 Earl de la Warr (then Postmaster-General) stated that, on the advice of the Television Advisory Committee, the Government had agreed that Wenvoe (Glamorgan) should be added to the list of nine V.H.F. stations already authorized

B.B.C. European Services. Lord Reading (Minister of State, Foreign Office) announced on Dec 8, 1954, that the Government had "reluctantly decided" not to adopt the proposals of the Drogheda Committee (see 13602 A) to spend an additional £2,500,000 annually on the overseas information services, but would "adopt a modest and more sober plan of streamlining the existing services" As part of this plan, the B.B.C.'s European services would not be curtailed as recommended by the Committee, but would be maintained for a further year

On March 2, 1955, however, Lord John Hope (Under-Secretary, Foreign Office) stated in the House of Commons that although expenditure on the European services during 1955-56 would be maintained "at about the same level as in 1954-55," it would be necessary, in order to offset rising costs, to reduce the total daily time on the air by about three hours

Powers against Television Interference. Regulations were laid before Parliament on March 1 under the Wireless Telegraphy Act (see 9769 A) requiring refrigerators and domestic and industrial appliances driven by small electric motors (e.g. vacuum cleaners, hair-driers, and drills) to be effectively "suppressed" after Sept 1 1955, in order to prevent "interference" with sound radio and television programmes

The B.B.C. announced on March 9 that Lord Radcliffe had resigned as chairman of its advisory council, and that Mr Norman Fisher, formerly chief education officer for Manchester, and a member of the council, had been appointed to succeed him. On July 29 it was announced that Sir Edward Benthall, a former governor of the Imperial Bank of India, had been appointed to the B.B.C.'s board of governors *vice* Sir Ivan Stedeford, whose term of appointment expired on June 30.
(Times - Daily Telegraph - Manchester Guardian - Radio Times)

(Prev. rep. B.B.C., 13987 E; 13787 A; 13464 A.)

A. SAUDI ARABIA - UNITED KINGDOM.—Buraimi Oasis Dispute. - Suspension of Arbitration Tribunal's Inquiry. - Resignation of British Member.

The membership of the international arbitration tribunal set up to consider the dispute between the United Kingdom and Saudi Arabia over the ownership of the Buraimi Oasis area was announced on Dec. 29, 1954, as follows: Dr. Charles de Visscher (Belgium), a former judge of the International Court of Justice, as chairman; Señor Ernesto de Dihaigo (Cuba); Dr. Mahmud Hassan (Pakistan); Sir Reader Bullard (British Ambassador to Persia, and formerly Minister to Saudi Arabia); and Sheikh Yusuf Yasin (the Saudi Arabian Deputy Foreign Minister). After a preliminary meeting at Nice in January, at which the tribunal invited the two parties to submit memoranda, the hearing of the dispute opened at Geneva on Sept. 11, 1955, the British Government being represented by Sir Hartley Shawcross, Q.C., and Professor C. H. M. Waldock, Q.C (Professor of International Law at Oxford), and Saudi Arabia by Dr. Azzam (the former secretary-general of the Arab League) and Judge Manley Hudson (U.S.A.). Proceedings from Sept 11-15, however, were not concerned directly with the boundary question, but with British allegations that the Saudi Arabian Government had sought to win the support of sheikhs and notables in the disputed area by means of bribery, and had engaged in gun-running.

Evidence was given on Sept. 11-12 by a number of sheikhs that they had been offered very large sums if they would transfer their allegiance from the Sheikh of Abu Dhabi and the Sultan of Muscat (the rulers whose claim is supported by the British Government) to Saudi Arabia, and by Captain Clayton (head of the police detachment sent into the zone by those rulers) that the Saudi Arabian police detachment in the Oasis was being used for political agitation On Sept 12 Sir Hartley Shawcross informed the tribunal that a Saudi Arabian aircraft had flown into the disputed area a few days before, without prior notification to the British Government, and had landed a political officer who had previously been responsible for the distribution of bribes, and whose return, he contended, was both a clear contravention of the arbitration agreement and a gross contempt of court. He therefore asked the tribunal to declare (1) that the Saudi Arabian Government should reduce the size of its police detachment, (2) that it should cease flying passengers into the disputed zone; (3) that Abdul Qureishi (the Saudi Arabian political officer responsible for the zone, then in Geneva) should be removed from office; and (4) that bribery and gun-running were contrary to the arbitration agreement

The arbitration proceedings were suspended *sine die* on Sept. 16 after Sir Reader Bullard had resigned as a protest against the conduct of Sheikh Yasin, who, he contended, had compromised the tribunal's position.

Sir Reader Bullard made the following statement to the tribunal: "I have always felt uneasy about the position of Sheikh Yusuf Yasin in connexion with these proceedings, but I had not realized until yesterday, when Sheikh Yusuf Yasin openly asserted the fact, that he himself was the Saudi Arabian official in charge of affairs at Buraimi, and that he accepted full responsibility for the conduct of Qureishi Moreover, in the last few days it has become abundantly clear that Sheikh Yusuf Yasin is, in fact, in effective control of the conduct of the proceedings on behalf of the Saudi Arabian Government, and is representing that Government on this tribunal rather than acting as an impartial arbitrator It has been established that the first thing Qureishi did on reaching Geneva was to see Sheikh Yusuf Yasin, and the subsequent course of events leaves no doubt in my mind that the Sheikh saw fit to brief him as to his evidence and conduct before the tribunal This I regard as completely vitiating the whole proceedings

"I have always regarded my own position as one of complete independence of the British Government, and this I know is the position which the British Government desires me to occupy. Indeed, I regard it as essential to any system of arbitration that each member of the arbitration tribunal should feel completely at liberty to give any decision he thinks right, including one against his own Government. I am afraid the position of the tribunal has been hopelessly compromised by the conduct of Sheikh Yusuf Yasin and by other distasteful matters which have come to notice. I do not think that the tribunal is any longer in a position to reach a unanimous or judicial conclusion on the matters before it, and I feel the only step I can take which is consistent with my own independence and honour is to tender my resignation."

Sheikh Yasin replied to Sir Reader Bullard in the following statement, issued on Sept 17: "I deeply regret that the resignation of Sir Reader Bullard has forced a suspension of the Buraimi arbitration proceedings just at the moment the tribunal was about to take a decision on the various complaints which had been laid before it by each side against the other. The tribunal has thus been frustrated in expressing its views on these charges. I have been a good friend of Sir Reader Bullard since he came to Jeddah as British Minister in 1937, and there is certainly nothing new to him in my position as Deputy Foreign Minister Throughout the history of the dispute I have been in charge of negotiations for my Government, and when arbitration was agreed upon Sir Reader and I together selected our three colleagues.

"The tribunal has always been aware that I have continued as Deputy Foreign Minister and head of the Political Department, dealing regularly with the British Government on problems relating to Buraimi. I have also been responsible for issuing instructions regarding the application of the arbitration agreement in the disputed area. My position has never been a cause for objections on the part of the neutral members, although the tribunal has been in existence for nine months and has held two full sessions It is to be regretted that only now, just before the tribunal was about to pronounce its first important decision, has Sir Reader Bullard found my position unsatisfactory and has prevented, by his resignation, any further action by the tribunal for the time being I hope that the British Government will make it possible for us to resume at an early date"

An allegation by Dr. Azzam that Sir Reader Bullard's resignation was an attempt by the British Government to "sabotage" the proceedings was emphatically denied on Sept. 16 by Sir Hartley Shawcross, who said that the British Government had fully expected the proceedings to end in a settlement of the dispute.

The British Foreign Office announced on Sept. 23 that it had received a letter from Dr. de Visscher stating that, following the resignation of Sir Reader Bullard, he had decided to relinquish his position as member and president of the tribunal. (Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Buraimi Oasis Dispute, 13743 C.)

B. UNITED STATES. — U.S. Overseas Investments. - Foreign Investments in the U.S.A.

Figures published by the U.S. Department of Commerce on Aug. 23 showed that U.S. investments in overseas countries in 1954 amounted to nearly $3,000,000,000, bringing the total of such investments on Dec. 31, 1954, to the record figure of $26,500,000,000. Earnings on American investments abroad also reached the new record level of $2,535,000,000.

Investments in Western Europe, it was stated, had been mounting at a rate of about $200,000,000 a year, and at the end of 1954 had reached a total value of $2,600,000,000, including $1,400,000,000 in manufacturing industries and about $700,000,000 in petroleum enterprises A "striking development" in 1954 and early 1955 had been the greatly increased purchases of European securities, net purchases of European corporate stocks in 1954 having amounted to $100,000,000 Total American holdings of foreign bonds and stocks reached $5,000,000,000 at the end of 1954, over 60 per cent being in Canada. The area of largest American direct private investment was Canada, where $700,000,000 was placed during the year, bringing the total for that country to nearly $6,000,000,000. In Latin America, direct private U S investment increased by about $200,000,000, bringing the total in that region to $6,300,000,000.

Direct U.S. private investment in major industries in European countries at the end of 1954 was as follows United Kingdom, $1,245,000,000, France, $333,000,000; Western Germany, $278,000,000; Netherlands, $140,000,000; Italy, $121,000,000; Belgium, $117,000,000; Sweden, $84,000,000; Spain, $49,000,000; Norway, $40,000,000, Denmark, $38,000,000, Switzerland, $35,000,000, Anstria, $24,000,000, Portugal, $23,000,000; Finland, $14,000,000; other European countries, $64,000,000

Foreign long-term investments in the United States reached the record total of $11,000,000,000 at the end of 1954, an increase of $1,800,000,000 on Dec. 31, 1953. These foreign-held investments—which were additional to $15,700,000,000 of liquid dollar reserves and working balances held in the U.S.A. by foreign Governments, private businesses, and individuals —comprised foreign-controlled enterprises with a book value of $4,000,000,000, corporate securities with a market value of $5,500,000,000, and $1,500,000,000 in the form of estates and trusts, real estate, and miscellaneous items. Of the total, $7,300,000,000 was owned by Western European countries, $2,300,000,000 by Canada, and $800,000,000 by Latin America. Earnings of foreign countries on their long-term U.S. investments in 1954 amounted to $500,000,000, of which $340,000,000 was earned by European countries and $120,000,000 by Canada. (New York Times - New York Herald Tribune)

(Prev. rep. Overseas Investments, 13254 B.)

C. PAKISTAN.—General Mirza appointed Governor-General. - Resignation of Mr. Ghulam Mohammad.

It was officially announced in Karachi on Sept. 19 that Mr. Ghulam Mohammad, then on sick leave, had resigned the Governor-Generalship of Pakistan because of ill-health; that the Queen, on the recommendation of the Pakistani Government, had appointed Major-General Iskander Mirza, the acting Governor-General, as Mr. Ghulam Mohammad's successor; and that Major-General Mirza would become Governor-General of Pakistan as from Oct. 6, on which date Mr. Ghulam Mohammad's resignation would take effect. (Pakistan High Commissioner's Office, London)

(Prev. rep. Governor-Generalship, 14371 A.)

A. AUSTRALIA. — The Petrov Case. - Report of Royal Commission on Soviet Espionage in Australia.

The Royal Commission set up in April 1954 to study the disclosures made by Mr. Vladimir Petrov, the former official at the Soviet Embassy in Canberra, and to investigate the general question of Soviet espionage in Australia, published its report on Sept. 14, 1955. The Commission, which had sat for 112 days and heard 119 witnesses, held preliminary hearings in Canberra on May 17-19, 1954, and in Sydney on June 11, and then sat in Melbourne from June 30 to July 23. It subsequently resumed in Sydney on Aug. 16, 1954, and held the remainder of its sittings there, hearing the last of the witnesses on March 31, 1955.

The main question considered by the Commission in the early months of its inquiry was the authorship of "Document J," one of the documents from the Soviet Embassy which Petrov had turned over to Australian security officials on seeking asylum in Australia. This contained the names of a number of journalists who originally worked in the press gallery in Canberra and who (it was apparently thought) might be useful for obtaining information "off the record." It was described by Mr Windeyer, the Australian Government's chief counsel, as "a farrago of fact, falsity and filth." After hearing a number of witnesses over a period of several weeks the Commission published an interim report on Oct. 26, 1954, in which it said that "Document J" had been written by one Rupert Lockwood, a Communist journalist of Sydney. Lockwood himself had refused to answer any questions when summoned before the Commission on July 9 and 12, and had applied for an injunction (rejected by the High Court) compelling the Commission to suspend its inquiry on the ground that its setting-up was unconstitutional

In view of Lockwood's refusal to testify before the Commission, a special Bill to strengthen the Commission's powers was introduced in the Federal Parliament by the Prime Minister, Mr Menzies, and passed through all its stages on Aug. 11-12, 1954 It provided for a penalty of three months' imprisonment for each refusal by a witness to answer questions before the Commission, and made the offence punishable summarily by the High Court as if it were contempt of the High Court itself It also provided that no action for defamation could be brought against the Commonwealth Government or its representatives for publishing transcripts of the Commission's proceedings or any report made by the Commission, and extended the same protection to newspapers and radio stations publishing fair and accurate reports of the proceedings [This second provision had been inserted because Lockwood had begun an action claiming £A.10,000 damages for libel from the Commonwealth Government and Mr. Windeyer, which was founded on the transcript of the Commission's proceedings Mr. Menzies indicated that the Bill would render these actions fruitless.] The Bill nevertheless contained the overriding provision that no-one would be penalized for anything done before the operation of the new legislation to which he would not have been liable had the new Bill not been passed. Lockwood was subsequently recalled before the Commission and admitted having supplied most of the information in "Document J" and having written part of it.

During the course of the investigation into the authorship of "Document J," Dr. Evatt, Q.C. (Leader of the Australian Labour Party), who was appearing in his legal capacity on behalf of two members of his staff—Mr. Alan Dalziel and Mr. Albert Grundeman, whose names had been mentioned and who had been summoned as witnesses—alleged that the defection of Petrov and the subsequent events were all part of a conspiracy to malign the Labour Party in general and himself in particular before the general elections (held on May 29, 1954). He refused, however, to substantiate his charges when called upon to do so, and after further differences between himself and the Commission (notably with regard to Mme. Ollier—see below) he was refused permission to appear before it as counsel on the ground that his duties as Leader of the Opposition in the Federal Parliament conflicted with his duties as counsel before the Commission Dr. Evatt's appearance before the Commission also brought to a head a conflict within the Australian Labour Party about the leadership of the party, but at a meeting of the Parliamentary Labour Party on April 18, 1955, Dr Evatt was confirmed in his position as leader (see 14178 A).

The principal witnesses called before the Commission—apart from those mentioned above—included **Mr. and Mrs. Petrov**; **Mr. G. R. Richards,** deputy director of the Australian Security Service, who had negotiated with Petrov about his decision to seek asylum in Australia, **Dr. Michael Bialoguski,** a naturalized British subject, formerly of Polish nationality, who had worked with the Australian Security Service while pretending to be a Communist sympathizer; **Mr. Fergan O'Sullivan,** a journalist and press secretary to Dr Evatt in 1953-54, who admitted to being author of "Document H," which contained names of people from whom information might possibly be obtained by Soviet agents; **Mr. W. S. Clayton,** a New Zealander, formerly one of the four members of the central committee of the Australian Communist Party; **Mr. F. G. Rose,** a farmer, who went to Australia from Britain and worked in several Government departments, **Mr. Harry Bocquet,** secretary in Victoria of the Eureka Youth League, a Communist-inspired organization; **Miss June Barnett,** assistant official secretary to the Australian High Commissioner in New Zealand, who admitted to having been a Communist in 1944-48 but who said that she had resigned shortly before joining the public service; **Mr. Reginald Dixon,** National President of the Communist party in Australia, and **Mr. W. H. Bird,** Victorian secretary of the Seamen's Union and a member of the Communist Party.

Another person whose name was mentioned in the course of the inquiry was **Madame R. M. Ollier,** formerly Second Secretary at the French Embassy in Canberra It was announced on Sept. 3, 1954, that Mme Ollier had been arrested at Nouméa, New Caledonia, and would be tried in France on a charge of a breach of French internal security in view of evidence given at a secret session of the Commission by Mr. Petrov The latter had alleged that Mme. Ollier had supplied him with secret information about the loading of arms in Australia and New Zealand for the French forces in Indo-China It was subsequently announced in Paris on Jan 4, 1955, that Mme Ollier had been released from prison on bail after the charge against her of "having intelligence with a foreign Power" had been dropped on the ground that it was "exaggerated." It was stated, however, that she remained charged with "failing to reveal acts of espionage." A public protest by Dr Evatt on Sept. 4, 1954, against the arrest of Mme Ollier was the immediate cause of his being debarred from appearing as counsel before the Commission on Sept. 7.

The Royal Commission found that all the documents handed over by Petrov to the security service were genuine, and said that the evidence of Petrov himself, and of Mrs. Petrov, was truthful. They admitted, however, that the volume of facts about which the Petrovs had been questioned was so enormous that it was not surprising that "occasionally their memories were at fault about dates and the sequence of events, and sometimes they differed between themselves in their recollections." They found that at least two independent Soviet espionage systems had been operating in Australia, finding their helpers among Australian Communists and Communist sympathizers, though the Soviet Union had deliberately refrained from using the Australian Communist party for purpose of espionage lest exposure should lead to political embarrassment and possibly to the party's outlawry. The Commission also found that, because of the state of the Australian law on espionage and the admissibility of evidence, it appeared that the prosecution of none of those whose actions it had considered would be warranted. In this connexion the Commission expressed the view that the law of Australia was inadequate to combat espionage, especially in peace-time.

A summary of the Commission's findings is given below under cross-headings.

Organization of Soviet Espionage in Australia. From the documents handed over by Petrov it "plainly appeared" that for many years the U S S R. had been using its Embassy in Canberra as a cloak under which to control and operate espionage organizations in Australia Each of these organizations was controlled directly from a special Moscow centre which conducted its operational work secretly and independently of the Soviet Foreign Office and of the Ambassador. They comprised the G R.U., which was concerned with naval, military, and air espionage, and the M.V.D, which was established in Australia in 1943 and functioned until April 1954, dealing with all other forms of espionage As the G.R.U was carefully "insulated" from the M V D, the Commission could not say whether it was still operating in Australia; it considered, however, that in view of the importance of Australian developments in guided missiles, it would be unwise to assume that the G R U. had not been operating in Australia since the departure of the Soviet Embassy from Canberra It stated that Petrov was of the opinion that the G.R.U was still operating.

The first task of the M.V D. was to discover persons who had access, directly or indirectly, to confidential information useful to the Soviet Union, and from whom it might obtain such information by inducement, pressure, or unwitting disclosure Of the many names submitted by the M V D. in Australia, its Moscow centre selected those of at least 120 Australians as being of interest, and allotted code names to 40 of them. The Moscow centre also kept under close surveillance the many Australians who visited the Soviet Union and other Communist-controlled countries, particularly members of delegations to various "peace" and "youth" congresses, in respect of whose visits the Soviet Union had contributed very large sums of money The object of this surveillance was twofold—to select possible helpers and to detect possible counter-intelligence agents.

The work of the Soviet "resident" in Canberra, who controlled the M V D organization, assisted by his cadre workers and collaborators, was (*a*) to report to the Moscow centre upon persons in Australia who might be of interest to the M V.D.; (*b*) to "study" such persons with a view to using them as witting agents or unwitting helpers or informants; (*c*) to obtain useful confidential information through such agents, helpers, or informants. "The evidence clearly shows," the report said, "that it was only among Communists (in which term we include Communist sympathizers) that the M.V.D. could expect to find in Australia willing helpers. The only Australians who, so far as the evidence shows, knowingly assisted Soviet espionage directly or indirectly were Communists." The report pointed out, however, that in the hope of finding witting or unwitting informants or helpers the M.V.D. had sought to make "contacts" amongst persons in all walks of life, particularly amongst public servants, members of foreign diplomatic missions, members of Parliament, journalists, persons engaged in commerce, scientists, and emigrés from the Soviet Union or other Communist-controlled countries

Role of the Australian Communist Party. The Commission believed that the Soviet Union had deliberately refrained from using the Australian Communist party for espionage purposes "lest exposure should lead to its serious political embarrassment and possibly to its

outlawry." The report nevertheless emphasized that "without Communism Australia would be barren soil in which Soviet espionage could not even take root, let alone flourish." "It is a deplorable thing [it went on] that in a country like Australia there should be any need of a security service, but it is a hard, cold matter of fact that its justification and necessity spring from the Soviet's attempted exploitation of Communism here for espionage and fifth-column purposes."

The Commission said that although the Communist party pretended to be merely an Australian political party, there was evidence that some of the "strings" which activated it were held in Moscow, and that its auxiliary force comprised some persons whose role it was to conceal their Communist affiliations and sympathies and to operate in the guise of loyal Australian citizens. This class of persons provided the most dangerous pool of helpers in "fifth-column" espionage work, and it was to it that Moscow usually looked for aid. The Commission recorded that $25,000 [in U.S. currency] was paid to Mr Laurence L. Sharkey, secretary of the Australian Communist party, by the Soviet Embassy in October, 1953, to recoup the party for the expenditure it had incurred in its campaign to defeat the 1951 referendum on the proposal to give the Commonwealth Government power to make laws for combating Communists and Communism.

Attempt to gain Information from Department of External Affairs. The M.V.D. had made special efforts to gain access to confidential information in the hands of the Department of External Affairs. In 1948 information then in the hands of the Crown gave rise to suspicions that security measures in Australia, particularly in the Department of External Affairs, were inadequate, and it was in consequence of this that Mr Chifley (then Prime Minister) had formed the present security service Petrov knew only the bare facts that leakages of confidential information from the Department of External Affairs had occurred between 1945 and 1948, and that "Klod" was the code name of the Australian agent involved. The Commission said that the material before them clearly showed that the suspicions held in 1948 were well-founded, and that "Klod" was Walter Seddon Clayton, who during the relevant years (1945-48) was a functionary of the Australian Communist party and an active agent of the M.V.D. Clayton had continued his "agent" activities at least into 1950, but apparently with no success in the later years.

The Commission said that their inquiry had disclosed no trace of any significant leakage of information from the Department of External Affairs since 1949, although it was evident from the Moscow letters that penetration of that Department had remained throughout a principal aim of the M.V.D.

Role of O'Sullivan and Lockwood. So far as the Commission could learn, the M.V.D. had no success after 1949 in gaining any information directly involving the security or defence of Australia, but it had pursued its operations and had some success in matters indirectly affecting the security of Australia, particularly in building up its network Examples were the procuring of Exhibit "H" in 1951 and of Exhibit "A" in 1953 from O'Sullivan and Lockwood respectively The acts of these men, the Commission declared, were indirectly prejudicial to the security of Australia, not only because of the information they gave, but also, and more importantly, because, by giving it, O'Sullivan was "on the small hook" (i.e. he had taken the first compromising step which made him vulnerable to future pressure) and Lockwood had more deeply compromised himself.

Role of Mme. Ollier. Before and after Petrov's arrival in Australia, a most important design of the M.V.D. had been to obtain through Mme Ollier, a French Embassy cipher clerk, French cipher books and a knowledge of French cipher technique In pursuance of this design, Pakhomov (a Tass representative in Australia), and later Petrov, had had a number of secret meetings with Mme. Ollier, the last being in March, 1954, but had failed to attain their object. "Petrov's defection," the report declared, "exposed and frustrated their design"

Establishment of Soviet "Fifth Column." In June 1952 international tensions were such that war involving Australia and the Soviet Union was not improbable, said the report. The "plan of work" had directed Petrov to intensify the general M.V.D. activities in Australia and immediately to set about the establishment of an espionage organization or "fifth column" which could operate in Australia if war destroyed the existing organization by causing the withdrawal of the Soviet Embassy The "plan of work" involved preparation for the planting in Australia of M.V.D. "illegal workers" who would enter Australia undetected in the guise of ordinary immigrants. Some work of this kind had been carried out by the M.V.D., but otherwise little of the "plan of work" had been performed. So far as the Commission was aware, no G.R.U. or M.V.D. organization of this type had operated in Australia since Petrov's defection.

The Royal Commission's report was strongly attacked by Dr. Evatt, who declared that "all Australians will share surprise at the failure of the Commissioners to expose one of the most transparent frauds in modern history."

"The Petrov affair of the 1954 elections," said Dr. Evatt, "will be regarded in future as far worse than the notorious Zinoviev letter, timed to defeat the British Labour Government in 1924. The Petrov-Bialoguski scandal is far worse, because so many McCarthy-like smearings of loyal Australians appear to have been organized by anti-Labour groups through agents and informers Clearly the investigation of the Petrov affair must be pursued until the truth is finally revealed. That course I propose to take, asking for the full support of every Australian who believes in justice, especially at a time when the apparatus of the police state threatens the basic right of full freedom of political opinion and political expression."

In a further statement on the following day (Sept. 15) Dr. Evatt said that Mr. Menzies had suggested to Parliament in 1954 that Petrov had suddenly sought asylum, when in fact the security service, through Dr. Bialoguski, "their well-paid agent," had prepared and nurtured him for more than two years. Dr. Evatt alleged that the payment of £A 5,000 to Petrov and the existence of Dr. Bialoguski were facts which had been "well concealed" until after the general election.

Mr. Menzies, in reply to questions in the Federal Parliament on Sept. 15, described Dr. Evatt's statement as "a miserable attack not only on the judges but on the witnesses." The three judges, he emphasized, had found the Petrovs to be accurate, truthful people. To the "chagrin of Dr. Evatt" the judges had also found that the security service, "whose implacable enemy Dr. Evatt now was," had been so effective since 1949 that it had prevented any disclosures from official sources. Mr. Menzies said that the Petrovs were still being maintained at Government expense and that they were supplying intelligence information of value in combating Soviet espionage not only in Australia but throughout the world.—(Times - Daily Telegraph - Manchester Guardian - Australian News and Information Bureau - New York Times - Le Monde, Paris)

(Prev. rep. Petrov Case, 13585 C.)

A. INDIA. — Steel Industry. - New Steel Plant to be built with British Assistance.

The Government of India announced on Aug. 23 that it had accepted the recommendation of a British technical mission that a steel plant should be built in India with British assistance at a cost of 1,100,000,000 rupees (about £82,000,000). The plant, when completed, will have a capacity of 1,000,000 tons of steel a year and will enable India to increase her steel production to 6,000,000 tons a year, the target envisaged in the second Indian Five-Year Plan. It will be the third steel plant to be owned by the Government of India, the other two being those to be built at Bhilai (Madhya Pradesh) with Soviet assistance and at Rourkela (Orissa) with German assistance (see 14103 A).

The Commonwealth Relations Office in London had announced on March 24 that the Government of India had asked the U.K. Government to send a steel mission to India to advise on the establishment of a third steel plant (i.e. additional to those at Bhilai and Rourkela) and to study such matters as the capacity of the proposed plant, costs of production, the processes to be employed, the range of end-products, arrangements for the training of Indian personnel, etc. It was stated that the U.K. Government had agreed to send such a mission under the Technical Co-operation Scheme of the Colombo Plan, and that the mission, after completing its studies, would present its report and recommendations to the Government of India.

The mission was headed by Sir Eric Coates, a former chairman of the Overseas Food Corporation and former deputy chairman of the National Coal Board, and a former Finance Minister of the Government of India. The seven other members, all of whom were responsible for specialized matters, were: Dr. T. P. Colclough (general technical adviser), consultant to the British Iron and Steel Federation; Mr. G. N Hewitt (electrical member), of McClellan and Partners, London, Mr W. W. Franklin (rolling-mill investigations), of Davy and United Engineering Co. Ltd.; Mr. T. H. Stayman (blast furnace investigations), of Head, Wrightson and Co. Ltd.; Mr. D. T. Barritt (coke-oven investigations), of Simon-Carves Ltd.; Mr. V. G. Burley (steel-making equipment), of the Wellman Smith Owen Engineering Corporation, and Mr. M. D. J. Brisby (technical assistant and secretary), of the British Iron and Steel Federation. The mission arrived in Delhi on April 3 and returned to London at the beginning of May.

The mission stated in its report that the construction of a plant with an annual capacity of 1,000,000 tons of steel ingots would be technically sound and economically profitable, a conclusion accepted by the Government of India. Although a number of alternative sites were examined, no definite recommendation was made for the location of the British-built plant; it was, however, understood that the mission had given special consideration to Durgapur, in West Bengal (see 14430 A) and Sindri, in Bihar (see 12077 A), and that the final decision would be taken after consultations with the Governments of these two States.

It was stated in Delhi that the main products of the British-built plant would be medium and light sections, rolling-stock parts, and pig-iron; that the Soviet-built plant at Bhilai would produce mainly rails and heavy sections; and that the German-built plant at Rourkela would produce flat products such as steel plates and sheets.—(The Statesman, Calcutta - The Hindu, Madras - Financial Times, London)

(Prev. rep. Steel Industry, 14103 A.)

A. INDONESIA. — Resignation of Sastroamidjojo Cabinet. - New Coalition Government formed by Mr. Harahap. - State of Emergency in South Moluccas.

The Indonesian Cabinet headed by Dr. Sastroamidjojo resigned on July 24 as the result of a dispute between the Government and the Army leaders, who had refused to accept the new Chief of Staff nominated by the Defence Minister. After the failure of attempts to form a Ministry including representatives of the two leading parties, the Moslem Party (*Masjumi*) and the Nationalist Party (P.N.I.), a coalition government from which the P.N.I. was excluded was formed on Aug. 11 by Mr. Harahap, a member of the *Masjumi* executive.

Following the resignation on health grounds of the Chief of Staff, Major-General Sugeng, the Government announced on June 26 that Colonel Utojo, divisional commander in South Sumatra, had been appointed to succeed him and had been promoted to the rank of major-general. The majority of the senior officers, however, headed by Colonel Lubis (the Deputy Chief of Staff), protested to President Sukarno against Major-General Utojo's appointment, on the grounds that it had been made for political reasons and that he did not possess the necessary qualifications. When their protest was rejected, the officers refused to recognize the authority of Major-General Utojo; Colonel Lubis was suspended on June 28 on a charge of insubordination, but refused to give up his post. A number of proposals for a compromise settlement were put forward by the Government (from which the Defence Minister, Mr. Sumantri, resigned on July 14) but were rejected or ignored by the Army leaders, and the Cabinet accordingly resigned on July 24. Dr. Sastroamidjojo had held office since July 30, 1953, a longer period than any previous Indonesian Prime Minister.

In the absence of President Sukarno, who was making a pilgrimage to Mecca, Vice-President Hatta invited Dr. Wilopo (P.N.I.), Dr Sukiman (*Masjumi*), and Dr. Asaat (Independent) to co-operate in forming a new Government. Although agreement was reached that Dr. Hatta should himself head an interim Government pending the holding of elections, which had been fixed for Sept. 29, negotiations broke down over the constitutional position, as the P.N.I. insisted that Dr. Hatta should resign the Vice-Presidency before forming a Government. Dr. Hatta then entrusted the formation of a Ministry to Mr. Harahap, who announced the membership of his Government on Aug. 11.

The new Ministry, which was regarded as more conservative than its predecessor, was supported by 140 of the 231 members of Parliament. Its main support was drawn from the six parties and groups which had previously been in opposition: viz., the *Masjumi*, the Socialists, the Christian (i.e. Protestant) Party, the Catholic Party, the Democrats, and that section of the Greater Indonesian Federation (P.I.R.) which had been led by Professor Hazairin since the split in the party in November 1954 (see 13958 C). Moreover, in addition to the Indonesian People's Party (P.R.I.), which is not represented in Parliament, the five parties which had previously supported Dr. Sastroamidjojo were also represented in the new Government: viz., the Moslem Association (*Nahdlatul Ulama*), the Moslem Political Federation (P.S.I.I.), the National People's Party (P.R.N.), the Greater Indonesia Party (*Parindra*), and the Labour Party. The membership of Mr. Harahap's Government was as follows:

Mr. Burhanuddin Harahap (*Masjumi*)	Prime Minister and Defence.
Mr. Djanu Ismadi (P.I.R.)	First Vice-Premier.
Mr. Harsono Tjokroaminoto (P.S.I.I.)	Second Vice-Premier.
Mr. Anak Agung Gde Agung (Democrat)	Foreign Affairs.
Mr. Sunarjo (Moslem Association)	Home Affairs.
Dr. Sumitro Djojohadikusomo (Socialist)	Finance.
Mr. Kasimo (Catholic)	Economic Affairs.
Mr. Suwandi (*Parindra*)	Education.
Mr. R. P. Soeroso (*Parindra*)	Public Works.
Mr. S. Laoh (P.R.N.)	Communications.
Mr. Sardjan (*Masjumi*)	Agriculture.
Mr. Tedjasukmana (Labour Party)	Labour.
Mr. Leimena (Christian)	Health.
Mr. Sjamsuddin Makmur (P.I.R.)	Information.
Mr. Sudibjo (P.S.I.I.)	Social Affairs.
Mr. Gunawan (P.R.N.)	Agrarian Affairs.
Mr. Hadji Iljas (Moslem Association)	Religious Affairs.
Mr. Lukman Wiriadinata (Socialist)	Justice.
Mr. A. Hakim (*Masjumi*)	Minister of State for Defence.
Mr. Sutomo (P.R.I.)	Minister of State for Ex-Servicemen's Affairs.
Mr. Asaruddin (Labour Party)	Vice-Minister for Communications.
Mr. Cumala Noor (P.I.R.)	Minister of State without portfolio.

Mr. Harahap (38), a lawyer, is the youngest Prime Minister yet appointed in Indonesia. In a policy statement on Aug. 11 he promised to re-establish the confidence of the Army in particular and the people in general in the Government, to combat corruption and inflationary tendencies, to proceed with the general elections according to schedule, and to implement the laws relating to the decentralization of governmental powers as soon as possible. In foreign affairs the Government would pursue "an independent and active policy aiming at world peace," and laying particular emphasis on co-operation with Asian and African countries. It would also continue the struggle for the incorporation of West Irian (Dutch New Guinea) in the Indonesian Republic.

In order to conciliate the Army leaders, the new Government accepted Major-General Utojo's resignation on Aug. 15, reinstated Colonel Lubis as acting Chief of Staff, and decided to abandon all investigations into the attempted military *coup* of October, 1952 (see 12744 A). During the Cabinet crisis the Army leaders had announced that they would launch a drive against "elements suspected of corruption," and on Aug. 4 military police, acting without legal authority, arrested Mr Van Dulken, deputy head of the Foreign Exchange Institute. Mr. Gondokusumo, Minister of Justice in Dr Sastroamidjojo's Cabinet, and his secretary were also arrested on Aug 12 by military police, with the acquiescence of the new Government. The arrest of Mr. Gondokusumo—who, like Mr. Van Dulken, was charged with illegal dealings in foreign exchange—weakened the new Government's position, as the National People's Party, of which he is chairman, threatened to go into opposition unless he were released.

On Jan. 5, 1955, the Indonesian Government had proclaimed a state of emergency in the islands of Ceram, Boane, Manipa, Haruka, Saparua, Nusa Laut, Watubela, and the Aru and Kei groups, and had given military commanders full powers to "deal with disruptive elements belonging to the self-styled 'Republic of the South Moluccas'." A spokesman of the Indonesian Embassy in The Hague denied that "a condition of war" existed in the South Moluccas; stated that there was "merely some trouble, and a certain amount of infiltration by rebellious elements—remnants of the former Netherlands East Indies Army (K.N.I.L.)—on Amboina"; and explained that the state of emergency had been extended over a wide area in order to facilitate the capture of rebels who had fled from Amboina and Ceram.

The "Republic of the South Moluccas" had been proclaimed in April 1950 after a *coup d'état* on Amboina by former K.N.I.L. troops (see 10797 A). Indonesian troops reoccupied Amboina in the following November, but sporadic guerrilla activity continued, and the insurgents made several attempts to obtain arms from Australia. According to unofficial and unconfirmed reports, a revival of rebel activity had occurred in November 1954, heavy fighting was said to have taken place on Amboina (which had remained under a state of emergency since 1950), and the rebels were said to have seized control of part of Ceram.

The commander of the Moluccas military area, Lieut.-Colonel Sukawati, stated on Jan. 19, 1955, that no fighting was in progress, and that a state of emergency had been proclaimed to counter possible infiltration from outside. He said that six people had been arrested in December who, he alleged, had proved to be "infiltrators sent by the Dutch" from New Guinea, and that some 60 rebels had been arrested in all, including several Dutchmen. Reports that Netherlands citizens had infiltrated illegally into Indonesia, partly by submarine landings, were denied on Jan 20 by Mr. Luns (joint Netherlands Minister of Foreign Affairs with Dr. Beyen), who declared that there were no Netherlands submarines in Indonesian waters. According to later reports, a number of the rebels were believed to be still at large on Ceram at the end of August, among them Dr Sumokil, the original leader of the rising.

The trial of 12 of the rebel leaders opened before a military tribunal on March 1, 1955, and concluded on June 9, when all the prisoners were found "guilty" and sentenced to terms of imprisonment ranging from three to 10 years. D. J. Samson, the rebel "Chief of Staff," was sentenced to 10 years' imprisonment; Thomas Jussy, the "C.-in-C." of the rebel forces to seven years; Albert Wairisal, the "Prime Minister" of the South Moluccas, to five years; and Johannes Manusama, "President of the South Moluccan Republic," to four years. (Indonesian Embassy Press Department, London - Netherlands News Agency - Times - New York Times) **(Prev. rep. Cabinet, 13958 C; South Moluccan Rising, 11179 A.)**

B. UNITED STATES. — Increase in Bank Rate.

The Federal Reserve Banks in New York, Chicago, Richmond, Kansas City, Dallas, and San Francisco raised their rediscount rate on Sept. 8 from 2 to 2½ per cent, following similar action by the Reserve Banks in Cleveland, Atlanta, St. Louis, and Philadelphia. The remaining two Federal Reserve banks—in Boston and Minneapolis—subsequently followed suit.
(New York Herald Tribune) **(Prev. rep. 14368 A.)**

OCTOBER 1—8, 1955

A. MIDDLE EAST. — Czechoslovak Arms Supplies for Egypt. - Statements by Colonel Nasser. - Soviet Support for Egyptian-Czechoslovak Agreement. - Western Powers' Concern at Possibility of Middle East "Arms Race." - Israeli Protest to Czechoslovakia. - Arab and Israeli Reactions to Mr. Dulles' "Peace Plan."

The Egyptian Prime Minister, Colonel Nasser, announced in a broadcast on Sept. 27 that a commercial agreement had been signed under which Czechoslovakia would supply arms to Egypt in exchange for such Egyptian products as cotton and rice. He said that the Egyptian Government had taken this step after its "repeated failure" to obtain arms from the Western countries on conditions compatible with the aims of the Egyptian revolution. Czechoslovakia, on the other hand, had offered to supply arms to Egypt without any conditions and on the basis of a "purely commercial agreement," and this offer had been accepted.

A statement on Egypt's decision to obtain arms from Czechoslovakia was made by Colonel Nasser on Oct. 2 to the Cairo correspondent of *The Times* (London), in which the Egyptian Prime Minister emphasized that the decision would not open the door to Communist influence in Egypt.

Colonel Nasser said that the sole reason for the conclusion of the agreement with Czechoslovakia was Egypt's "genuine fear" that Israel was planning to extend her frontiers He (Colonel Nasser) had been "feeling insecure" since the Gaza incidents in February last (see 14157 A), and this feeling of insecurity had been heightened in recent months by the speeches of Mr. Ben-Gurion during the election campaign in Israel, by the speeches of other Israeli "extremist leaders" who had spoken of the expansion of Israel, by the arms supplies received by Israel—"Sherman tanks from Britain and fighters, tanks and medium artillery from France"—and by the "constant threats against the Egyptian position at Gaza" Egypt felt that she could not rely upon external aid or protection, as the United Nations was "impotent" and the British-U S -French tripartite agreement of 1950 was "useless," and had therefore sought arms wherever she could get them

Egypt (Colonel Nasser continued) had been trying "from the first day of the revolution" to obtain arms from the Western countries without prior conditions being attached, but she had been "rebuffed" He would have preferred to buy arms from Britain, as the Egyptian Army had formerly been equipped with British material, but although Britain had supplied some arms, the quantity was not nearly enough for Egyptian needs France had agreed to supply aircraft, guns, and tanks, but had delivered only a few tanks before cancelling the agreement on the ground of Egyptian interference in North African affairs (see 14452 B) The United States, he alleged, had at first been prevented from selling arms to Egypt by "British influence," and had later insisted that membership of a mutual security pact was a pre-requisite for the supply of arms. In these circumstances Egypt had to seek arms wherever she could get them, and in June last he had warned the British and U.S Ambassadors that Egypt would have to get them from the "Iron Curtain" countries if she could not obtain them from the West. Accordingly he had approached both the Soviet Union and Czechoslovakia, and an agreement had eventually been concluded with the latter country. There was no agreement with the U S S.R., although that country knew of and approved the Czechoslovak-Egyptian agreement.

Colonel Nasser stressed that the supply of arms from an "Iron Curtain" country would not mean any expansion of Communist influence in Egypt He declared in this connexion: "We are strong enough to cope with all internal subversion, including Communism. Communism is banned in Egypt. We have five or six underground Communist organizations, but we know all about them. They have no able leadership. Many other Communists are in prison"

Asked whether the supply of arms by Czechoslovakia would lead to an arms race in the Middle East, Colonel Nasser said that there was already "a one-sided arms race with Israel getting all the armaments." He stressed that the two aims of his policy were defence against external aggression and security against internal subversion, that he had "no aggressive intentions at all", and that Egypt's foreign policy had two objectives—"to be completely independent ourselves, and to help others to self-determination" Because Egypt was obtaining arms from Czechoslovakia, it did not mean that the Egyptian Army would in future be equipped throughout from the "Iron Curtain" countries, Egypt had no fixed policy for re-equipment, "because these decisions do not lie with us but with the great Powers who control arms production"

In a speech on Oct. 2 to Egyptian military cadets, Colonel Nasser attacked the Western Powers for having, he alleged, denied arms to Egypt whilst at the same time arming Israel. He also claimed that the Egyptian Government were in possession of secret British and French military intelligence documents showing the extent of Western aid to Israel.

After declaring that "the Israeli aggression organized by Ben-Gurion on Feb. 28" had been an "alarm bell" for Egypt, Colonel Nasser accused the Western Powers of having "armed Israel and refused to arm us so that we should remain under their yoke and sphere of influence and at their mercy." He added "We shall go ahead with our plans to arm ourselves. We shall go ahead with our policy of building up a strong army to defend our frontiers, but not for aggression. I repeat—we have no intention of creating unrest in the Middle East. We do not want war, but a strong army to protect our frontiers."

As regards the alleged secret British and French documents in Egyptian hands, Colonel Nasser said that the French document showed that British and American military equipment for the Israeli armed forces comprised 120 aircraft, 115 tanks, 100 armoured cars, 70 25-pdr guns, and other equipment; the aircraft included 20 *Meteor* jet fighters, 50 *Mustang* fighters, and 20 *Mosquitos*, whilst the tanks included 100 American *Shermans* and 15 British *Churchills*. In addition, Israel was negotiating with Britain for the supply of further *Meteors* and of *Centurion* tanks

The British document, according to Colonel Nasser, had been published by the General Staff of the War Office in May, 1955, and contained the following appraisal of the situation on the Egyptian-Israeli border "The Egyptian Government will probably do their best to avoid war, the manner of their reinforcements of the Sinai frontier after the Gaza incident did not suggest aggressive intentions. There is less confidence that the Israeli Government will decide to continue a long-term and co-existence policy of restraint. After receiving a report from their own sources that the Israelis were about to occupy the Gaza strip, the Syrian military authorities instructed their forces to be prepared to attack the Israelis immediately if the latter attacked Egypt." According to Colonel Nasser, Israel had intended to launch a full-scale attack on Egypt after Feb. 28, but had refrained from doing so when she learned that the Syrian Army had received instructions to attack Israel in the event of an Israeli attack on Egypt.

A spokesman of the British War Office said on Oct. 4 that there would be an investigation into Colonel Nasser's statement that he had in his possession a secret British Intelligence report. The spokesman confirmed that there was such a document, and added that its contents could not be disclosed. In Paris, a spokesman of the Quai d'Orsay said that nothing was known of the French secret document which Colonel Nasser claimed to possess, and that alleged photostats published in the Egyptian Press appeared to reproduce nothing more secret than extracts from French and British military magazines or reviews.

Prior to the announcement that Czechoslovakia would supply arms to Egypt, Mr. Dulles had stated on Aug. 30 that the U.S. Government had received unofficial but reliable reports that the Soviet Union had offered to supply arms to countries in the Middle East. After a meeting in New York on Sept. 27 between Mr. Dulles and Mr. Macmillan (the British Foreign Secretary, then attending the 10th session of the U.N. General Assembly), it was announced that the U.S. and British Governments had "for some time been in close consultation with each other, as well as with other Governments," on matters "relating to their arms supply policy in the Middle East," and that there was "complete harmony of views" between the two Governments. The statement added:

"Both Governments base their policies on the desire, on the one hand, to enable the various countries [of the Middle East] to provide for internal security and for their defence, and on the other to avoid an arms race which would inevitably increase the tensions in the area. They will continue, and hope that other Governments will continue, to be guided by these principles" The British spokesman, Sir George Young, commented that the reference to "other Governments" certainly included Russia

Mr. Macmillan had a meeting on the same day (Sept. 27) with M. Molotov, at which, it was understood, he enlarged on the objections to any action likely to precipitate an arms race in the Middle East. Mr. Dulles stated on Oct. 4 that he had had two meetings with M. Molotov at which he had expressed the U.S. Government's view that arms deliveries by the Communist countries to Middle Eastern States "would not contribute to relaxing tensions." The "grave concern" of the Western Powers at Egypt's decision to buy arms from "Iron Curtain" countries was expressed to Colonel Nasser on Oct. 1 by the British and French Ambassadors in Cairo (Sir Humphrey Trevelyan and M. du Chayla) and by Mr. George V. Allen, U.S. Assistant Secretary of State for Near Eastern Affairs, who was then visiting Egypt and the Levant

It was announced in Prague on Oct. 2 that Colonel Nasser had accepted an invitation to visit Czechoslovakia, the announcement adding that "the Egyptian Government, in the interest of the security of the country and of peace in that region, has turned to where deliveries of armaments can be obtained on a purely commercial basis without political or other conditions." The Czechoslovak Government issued a further statement on Oct. 3 denouncing what it described as the "intensive campaign" of the Western Powers to put pressure on Egypt to cancel the agreement with Czechoslovakia, and rejecting "unwarrantable attempts" to interfere in a matter affecting two sovereign States.

The Soviet Government also issued a statement on Oct. 2 upholding Czechoslovakia's right to supply arms to Egypt. As quoted by the Tass Agency, the statement said:

"It appears from foreign Press reports that pressure has been exercised of late upon some Middle Eastern countries to make them buy their defence requirements exclusively from the Western countries and on terms imposed by the Western countries. It also appears that the Egyptian Government regards such pressure as an intolerable interference detrimental to the independence of Egypt and to the interests of her legitimate defence. The Soviet Government holds the view that every State has the legitimate right . . to purchase arms for its defence requirements from other States on the usual commercial terms, and that no foreign State has the right to intervene. . . . The Soviet Government has expressed this point of view to the Egyptian and Czechoslovak Governments, and also to the British and U.S. Governments."

Grave concern was aroused in Israel at the supply of Czechoslovak arms to Egypt, and an emergency meeting of the Israeli Cabinet was held on Oct. 3 at which the Prime Minister (Mr. Sharett) reported on the "steps taken with the Powers to prevent an arms race and to ensure the security of Israel." Mr. Sharett had had a meeting with the British and U.S. Ambassadors on the previous day, after an earlier meeting with the Soviet Chargé d'Affaires. On Oct. 4 the Israeli Chargé d'Affaires in Prague informed the Czechoslovak Government that Israel regarded the sale of arms to Egypt as an "unfriendly act" and as tantamount to abetting aggression.

An official statement was issued after the Israeli Cabinet meeting describing the Egyptian reports of Israel's superiority in armaments as "without foundation," and the figures given by Colonel Nasser as a "ridiculous exaggeration" After declaring that Israel was far behind Egypt in military equipment, and pointing out that Israel's military budget was one-third that of Egypt, the statement expressed Israel's "grave concern" at the prospect of the present military balance altering substantially in favour of Egypt, and at the possibility that this might encourage Egyptian aggression against Israel It added that if reports of the quantities and types of arms to be supplied to Egypt proved to be accurate, Israel must "take every step at her disposal to improve her defensive power, including the purchase of increasing quantities of armaments."

Prior to these developments, Mr. Sharett had defined Israel's attitude to the "peace plan" for the Middle East put forward on Aug. 26 by Mr. Dulles (see 14392 A).

In an interview to the British United Press on Sept. 11, Mr. Sharett said that while Israel was willing to discuss certain mutual border adjustments with her Arab neighbours, she was not prepared to make unilateral concessions of territory, particularly in the Negev. Commenting that Mr. Dulles had appeared to "make the fixing of boundaries a condition that must come before the conclusion of the defence treaties, which he himself regards as urgently needed," Mr. Sharett declared that the present armistice lines, "whatever technical or other demerits they possess, have at least the inestimable advantage of being agreed upon, whereas any agreed correction of these lines in the near future is highly problematical, if not illusory." The Negev, in particular, was of great importance to Israel both for its mineral wealth and for the "supreme value" of the port of Eilat, at its southern apex (see map, page 14436), "that foothold on the Red Sea," said Mr. Sharett, "is of far-reaching significance to Israel, and invests with the same quality of decisive value any part of the land bridge between it and the main body of the State's territory"

A further amplification of Israel's attitude to the "Dulles plan" was made on Sept. 11 by the Israeli Ambassador in Washington, Mr. Eban, with the authority of Mr. Sharett. After stating that Mr. Sharett had presented Israel's views to the U.S. Government, Mr. Eban warmly commended Mr. Dulles' "realistic and imaginative approach" to the problem, but said that it was "acutely discouraging to read Mr. Dulles' paragraph on frontiers." Mr. Eban said in this connexion that the Israeli Government considered that the present frontiers between Israel and the Arab States possessed "more solid attributes" than Mr. Dulles' speech had indicated, for the following reasons:

(1) The present frontiers had existed by international agreement and arrangement for seven years, and had stood out "in recognized integrity" despite the fact that hostilities had occurred from time to time. As the subject of an international guarantee they were "vastly superior to any imaginary line which does not have the tradition of stability or the virtue of reality."

(2) Both Israel and the Arab States had agreed that the present frontiers would not be changed except by agreement under the armistice terms concluded in 1949. None of the parties had invoked the armistice procedure for change, and they were more likely to resign themselves to the present frontiers than to reach a new agreement. In any event "there can be no question of unilateral concessions by Israel to the Arab States, which are so abundant in territory."

(3) If the present border could be "a fitting subject for the tripartite agreement in 1950, it cannot be an unfitting subject for a treaty engagement today."

(4) Even the advocates of a new boundary agreement did not seem to have any drastic alterations in mind. "How, then, could an adjustment, which admittedly would be only minor in character, be so momentous as to make all the difference between the application of a treaty solution and its denial?"

(5) There was "nothing intrinsically tense" about the configuration of the present frontiers. Tension would result, not from the shape of the frontier, but from the relationship between the Governments on either side of it

Summarizing what he described as "the foundation of Israel's position," Mr Eban said. "We will explore every road of progress towards the liquidation of conflict between the Arab States and Israel. While being ready for mutual adjustments of the boundary line, we shall accept no unilateral territorial concessions for ourselves, just as we have demanded nothing from our neighbours Mr. Sharett's statement on the Negev is an absolutely fundamental and immutable part of our policy. Now that there is an important willingness in principle for the leaders of the United States to engage themselves by a treaty to thwart aggression in our area, we urgently advocate that this priceless stability be conferred upon our region now and not be lost through association with unattainable conditions"

Mr Eban ended by saying that Israel and the United States had drawn closer together in this "memorable discussion," but that much work remained to be done before the promise enshrined in Mr. Dulles' statement could produce lasting peace and security for the Middle East.

The new Prime Minister of Syria, Said Ghazzi (see 14454 A), announced in the Chamber of Deputies on Sept. 26 that Syria rejected any plans or attempts for the conclusion of peace with Israel, including the proposals of Mr. Dulles. No other Arab State had officially defined its attitude towards Mr. Dulles' proposals, but a Cairo broadcast of Aug. 29 denounced the "Dulles plan" as an attempt "to deliver the Arabs to the mercy of Israel."—(Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times - New York Herald Tribune) **(Prev. rep. Gaza Incidents, 14419 A; 14389 A; 14157 A; Gulf of Akaba, 14436 A; "Dulles Plan," 14392 A.)**

A. UNITED KINGDOM. — Life Sentences imposed on I.R.A. Men for Arborfield Raid.

The three Irishmen arrested after the I.R.A. raid on the arms depot at Arborfield—Donal Murphy, Joseph Doyle, and James Andrew Mary Murphy—were sentenced to life imprisonment by Mr Justice Cassels at Berkshire Assizes on Oct. 5.

Each of the three men was found "guilty" on two counts of armed robbery and received sentences of life imprisonment on these charges In addition, they were each sentenced to 14 years' imprisonment for breaking and entering into the Arborfield camp and stealing arms, to five years' imprisonment for conspiring to rob, and to two years' imprisonment for assaulting Sergeant Carter (the guard commander at the depot), all these sentences to run concurrently. They were found "not guilty" of causing grievous bodily harm to Sergeant Carter

Mr. Justice Cassels addressed the three men as follows when passing sentence:

". . . You and others organized a plan to acquire and use . . . a vast quantity of arms and ammunition But for the vigilance of two police officers on the main road to Ascot in the early hours of that morning (Aug 13) you might not have been discovered The whereabouts of what you had stolen might not have been known, and how much blood might have been shed as the result of what you had done no-one could tell This was an act of war upon your part. It was carried far enough to indicate your determination to go through and to stick at nothing in order to achieve your aims. You were armed; Sergeant Carter and his men were not; and this Court has no doubt that if resistance was shown by the guard, you, who were carrying loaded revolvers, would not have hesitated to use them. If you had, and if you had killed . . . it is difficult to see what answer you could have had to a charge of murder. . . So far as your imprisonment is concerned . . . the day of your release depends entirely upon the Secretary of State, who may release when he sees fit so to do and upon such conditions as he sees fit to impose."

The accused men had refused to plead to any of the charges, and Mr. Justice Cassels had entered a plea of "not guilty." The only prisoner to comment after the jury had returned their verdicts was Doyle, who said: "We are soldiers of the Irish Republican Army. Those arms and ammunition were to be used against the British army of occupation in Ireland. We have no regrets and do not apologize for our part in the raid at Arborfield. Our only regret is that it was not a success". (Times - Daily Telegraph) **(Prev. rep. 14405 A.)**

B. CEYLON. — Imperial Honours to be ended.

Sir John Kotelawala, the Prime Minister of Ceylon, announced in the House of Representatives on Sept. 6 that arrangements were being made for the replacement of Imperial Honours by suitable Ceylonese Honours as soon as possible.

(Ceylon Government Information Department, Colombo)

A. SOVIET UNION - EASTERN GERMANY. — Governmental Discussions in Moscow. - Soviet-East German Treaty. - Restoration of Sovereignty to Eastern Germany. - Abolition of Soviet High Commission. - Retention of Soviet Troops. - East German Responsibility for Traffic and Frontier Control.

Discussions between the Soviet Government and the Government of the German Democratic Republic (Eastern Germany) were held in Moscow from Sept. 17-20, shortly after the conclusion of the discussions between the U.S.S.R. and the German Federal Republic (see 14425 A). The negotiations were conducted on the Russian side by Marshal Bulganin and M. Khrushchov, and on the East German side by Herr Otto Grotewohl (the Prime Minister), who was assisted by Herr Ulbricht, Herr Nuschke, and Herr Stoph (the three Deputy Premiers), Dr. Lothar Bolz (Foreign Minister), and Dr. Erich Correns (president of the National Front, comprising all political parties and mass organizations in Eastern Germany).

The negotiations ended with the signing by Marshal Bulganin and Herr Grotewohl of a treaty between the Soviet and East German Governments containing the following provisions:

Art. 1. Both Governments "solemnly confirmed" that their relations were based "on complete equality of rights, mutual respect of sovereignty, and non-interference in domestic affairs." In accordance with this principle, Eastern Germany was henceforth "free to decide questions concerning its internal and foreign policy, including its relations with the German Federal Republic as well as its relations with other States."

Art. 2. Both Governments declared their readiness "to take part, in a spirit of sincere co-operation, in all international actions aimed at safeguarding peace and security in Europe and in the world, and which are in conformity with the principles of the U N. Charter." For this purpose they would consult each other "on all important questions affecting the interests of both countries," and would take all measures at their disposal "not to allow a violation of peace"

Art. 3. The two Governments agreed to develop and strengthen the economic, scientific-technical, and cultural relations existing between them, and to give each other all possible mutual aid in these fields

Art. 4 (*a*) The Soviet forces at present stationed in Eastern Germany under international (i.e. four-Power) agreements would continue to be stationed there temporarily with the approval of the Government of the German Democratic Republic, and on conditions to be settled by an additional agreement between the two Governments.

(*b*) Soviet forces stationed in Eastern Germany would not interfere in the internal affairs of the German Democratic Republic or in the social and political life of the country

Art. 5. Both Governments were agreed that it was "their main aim to bring about a peaceful settlement for the whole of Germany by means of appropriate negotiations." To this end they would "make the necessary efforts towards a settlement by a peace treaty and towards the restoration of the unity of Germany on a peaceful and democratic basis."

Art. 6. The treaty would be valid until the restoration of the unity of Germany as a "peaceful and democratic State," or until it was annulled or amended "by agreement between the parties."

Art. 7. The treaty would take effect upon ratification by the Soviet and East German Governments Instruments of ratification would be exchanged in Berlin at an early date.

The preamble stated that the Soviet and East German Governments would respect the obligations undertaken by both Governments under "international agreements relating to Germany as a whole." [By implication, this phrase recognized the special four-Power status of Berlin and the responsibilities shared by the Soviet Union, equally with the three Western Powers, concerning German reunification.]

In addition to the above-mentioned treaty restoring sovereignty to Eastern Germany, there were also published at the end of the conference (1) an exchange of letters between Dr. Bolz and M. Zorin (Deputy Soviet Foreign Minister) confirming that the East German Goverment would in future have control of traffic (other than military traffic) across its territory from Western Germany to Berlin, and also of the frontiers of the German Democratic Republic; (2) a communiqué stating, *inter alia*, that the Soviet Government would give "favourable consideration" to the release of Germans still held in the U.S.S.R.; and (3) an announcement by the Soviet Government abolishing the Soviet High Commission in Eastern Germany, and assigning to the Soviet Ambassador to the German Democratic Republic "the function of maintaining relations with the U.S., British, and French diplomatic representatives in the German Federal Republic on questions resulting from the decisions of the four Powers concerning Germany as a whole." In addition, the Soviet Government rescinded all laws, directives, and orders issued by the Soviet control organs in Eastern Germany between 1945 and 1948—i.e., prior to the formation of the Allied High Commission in the latter year.

In the exchange of correspondence between Dr. Bolz and M. Zorin it was stated that the East German Government would take over responsibility for the control of its frontiers and for lines of communication between Western Germany and West Berlin passing through East German territory. Questions concerning these communications—e.g., matters relating to passenger and freight transport by road, rail, and canal—would be settled in consultation with the "corresponding authorities" of Western Germany. East German control of civilian and civilian freight traffic (both of German and foreign nationals) would not, however, apply to the personnel and supplies of the British, French, and U S. garrisons in West Berlin. It was confirmed that the Western Powers, as hitherto, would have access to West Berlin *via* the recognized road, rail, and air corridors, and that control of military traffic between Western Germany and West Berlin would continue to devolve "temporarily" upon the Soviet military authorities until a further agreement had been concluded [i.e. a four-Power agreement between Russia and the Western Powers].

The communiqué issued at the end of the discussions said that the Soviet and East German Governments had exchanged views on international questions; that both Governments were agreed that the participation of East and West German representatives in the forthcoming Geneva conference of Foreign Ministers would facilitate the discussion of questions concerning Germany; and that the Soviet Government would give "favourable consideration" to requests by the East German President and Government (see below) for the release of German prisoners in the U.S.S.R., and would submit recommendations on this matter to the Presidium of the Supreme Soviet. The communiqué made no mention of Marshal Bulganin's pledge to Dr. Adenauer that 9,626 Germans convicted of war crimes would be released.

On Sept 15, before the East German delegation arrived in Moscow, it had been announced in East Berlin that Herr Wilhelm Pieck, the President of the German Democratic Republic, had addressed a letter to Marshal Voroshilov (chairman of the Presidium of the Supreme Soviet), dated Aug 31, on the question of the release of Germans held in the Soviet Union. In this letter (the text of which was broadcast by the East German radio) President Pieck had written: "During the visit of the Soviet Government delegation to Berlin in July (see 14357 B) the question was raised with the Government of the German Democratic Republic as to whether there existed the possibility for the release and repatriation of former German prisoners of war who are serving sentences for crimes committed during the war against the Soviet people. It was agreed to continue the examination of this question . . . I therefore consider the moment opportune . . . to plead formally for the early release and return of all former German prisoners of war. The Soviet Union may rest assured that such a magnanimous action would be appreciated by the entire German nation with deep gratitude."

In a statement in Moscow on Sept. 19, Herr Ulbricht said that Soviet troops would remain in Eastern Germany "so long as the Western Powers are unwilling to withdraw their troops from Western Germany and to liquidate their military bases there." He added, however, that the continued presence of Soviet forces in Eastern Germany would not affect the responsibility of the German Democratic Republic to protect itself "effectively" with its own armed forces. After denouncing the passing of the Defence Law by the West German Government, and declaring that the building-up of an "aggressive *Wehrmacht*" had already started in the Federal Republic, he declared that the German Democratic Republic would "faithfully fulfil its rights and obligations" resulting from the Warsaw Treaty (see 14249 A).

M. Khrushchov, speaking on the same date during the negotiations, similarly declared that the Soviet Union was ready to withdraw its forces from Eastern Germany "providing our partners in the war against Hitlerite Germany also withdraw their troops" from Western Germany.

After ratification by the Presidium of the Supreme Soviet and the East German *Volkskammer*, the treaty came into force on Oct. 6, on which date instruments of ratification were exchanged in East Berlin between the Governments of the U.S.S.R. and the German Democratic Republic.—(East German News Agency, A.D.N. - Tass Agency - Frankfurter Allgemeine Zeitung - Der Tagesspiegel, Berlin - Times - Manchester Guardian - Le Monde, Paris) **(Prev. rep. 14425 A; 14357 B.)**

B. PERSIA. — Ban on Opium Cultivation.

The Majlis passed a Bill on Oct. 4 banning opium cultivation throughout Persia, and laying down measures for a campaign against opium-smoking, which was also banned. The measure had been passed by the Senate in August.

The Minister of Health (Dr. Salah), who introduced the Bill, had pointed out that Persia produced between 700 and 1,200 tons of opium a year, that 100,000 persons died prematurely in Persia every year as a result of opium addiction, and that some 5,000 other addicts committed suicide each year, leaving their families destitute. It was estimated by the Ministry of Health that 2,000,000 grammes of opium were smoked daily in Persia, involving the daily loss of 500,000 man-hours, and that the debilitating effects of the drug were affecting more than half the Persian labour force.

Grave concern at the effects of opium addiction in Persia, and at exports of the drug from that country, had been expressed on a number of occasions by the U.N. Narcotics Bureau.

(Daily Telegraph - New York Herald Tribune)

A. UNITED STATES. — Trade Policy. - Increase of 50 per cent on Bicycle Tariffs. - Protests by Britain and European Countries.

President Eisenhower announced on Aug. 19 that, after having considered the Tariff Commission's recommendations, he was authorizing an immediate increase of 50 per cent in the duty on all bicycle imports into the United States. The President's decision, which was based on the "escape clause" of the Reciprocal Trade Agreements Act, raised the minimum *ad valorem* duty on light-weight machines with 25-in. wheels from 7½ to 11¼ per cent, and on other types from 15 to 22½ per cent. The Tariff Commission had recommended an increase on all imported cycles to a standard rate of 22½ per cent.

An earlier request by the U.S. manufacturers for higher tariffs on imported machines had been rejected by the Tariff Commission in 1952 (see 12828 A), but another appeal to the Commission was made in August 1954 The Commission submitted its report on March 14, 1955, and, after a request by the President for additional data, made a supplementary report on July 14. It stated that during the first five months of 1955 imports of foreign bicycles of all types had risen by 74 per cent to some 375,000, against 216,000 during the comparable period of 1954, and that domestic production was running at an average of 82,000 a month, compared with a monthly average of 107,000 during the years 1950 to 1954. The Commission informed the President that domestic manufacturers were unable to produce light-weight bicycles as cheaply as they could be imported from Britain and the European continent, and concluded that, in the absence of any indication of a change in present trends, the American industry was virtually certain to show further deterioration during the current year.

In identical letters on Aug. 19 to the chairmen of the Senate Finance Committee and the House Ways and Means Committee, President Eisenhower said that he agreed with the majority of the Tariff Commission that the American bicycle industry had, within the meaning of the law, "suffered serious injury or the threat of serious injury from increased imports resulting in part from tariff concessions." He emphasized, however, "that this nation's firmly rooted policy of seeking ever-expanding levels of international trade and investment" was "in no respect altered" by the decision to raise the tariffs on bicycles.

Explaining why he had authorized a tariff increase on lightweight machines of only 7½ per cent to 11¼ per cent, instead of the 22½ per cent recommended by the Tariff Commission, the President said that the recent expansion of the U.S market for large wheel light-weight bicycles had resulted mainly from the efforts of foreign producers and American importers. The domestic industry manufactured almost no bicycles of this type, and the American product, which had typically been of the balloon tyre variety, was not directly competitive with the imported large wheel light-weight Moreover, by raising the tariff on both types of machine by an equal 50 per cent, the existing relationship in tariff treatment for imported large wheel light-weight machines was preserved, and recognition was given to the fact that "the development of the present American market for this particular bicycle is attributable almost entirely to the ingenuity and resourceful efforts of foreign producers and American importers." The American industry was, however, showing "encouraging signs of stirring" to meet competition from abroad by improving its technology and its appeal to consumer tastes. "In my judgment," said the President, "these developments, rather than intervention by the Government, are the domestic industry's real hope for the future."

The U.S. action aroused strong resentment in a number of European countries, especially in Britain, the largest exporter of bicycles to the United States.

Mr. T. J. Boulstridge (vice-president of the British Cycle and Motor Cycle Manufacturers' and Traders' Union, and managing director of Phillips Cycles Ltd.) said on Aug. 19 that industry in Britain and Europe "must regard with misgiving this further evidence of American sensitivity" to increasing exports, and that there seemed little purpose in cultivating the American market if protection was to be so lightly applied when success was achieved. He contended that U.S. industry had over-emphasized the normal seasonal decline in trade during the winter; that it had fully recovered since; and that there was little real evidence that their business had been injured by imports. American makers, he said, must put their own house in order by producing merchandise with a greater consumer appeal, or their trade would suffer, irrespective of imports.

At the meeting of the O.E.E.C. Council in Paris on Aug 26, the representatives of Britain, Western Germany, France, Austria, the Netherlands, the Irish Republic, and Portugal expressed their "concern" about the U.S. action. The British delegate pointed out that although the U.S. Government had "repeatedly said" that it recognized the importance of tariff stability, it had once again used the "escape clause" of the Tariff Act to raise a duty. The West German representative stressed that the U.S action was incompatible with the close co-operation between the O.E.E.C. countries and the U.S.A., adding that the export of bicycles had been developed "at the instigation of our American friends to increase dollar earnings of O.E.E.C. countries, and is now being curtailed when it is beginning to yield tangible results."

Figures published in the British and U.S. Press showed that total bicycle sales in the U.S.A. in 1954 amounted to about 2,510,000, of which 1,554,000 machines were manufactured in the United States and 956,000 were imported.

More than half of the imports (530,000, valued at $12,970,000) came from Britain, followed by Western Germany (262,000, valued at $4,494,000), France (88,000, valued at $1,793,000), and Austria (35,000, valued at $788,000). In 1954 the U.S A. was Britain's best overseas market for cycles, taking one-fifth of all the machines exported, exports of British bicycles to the U S A had risen from 58,000 in 1950 to 123,000 in 1951, 191,000 in 1952, and 407,000 in 1953.

The Washington correspondent of *The Times*, in a despatch on Aug. 20, stated that the total number of Americans employed in the manufacture of bicycles was no more than 3,954 in 1953 and 2,901 in 1954, and that, moreover, none of the nine firms engaged in the business was devoted exclusively to bicycle manufacturing; all made other items, which, in some cases, were more important than their bicycle operations

The U.S. State Department issued on Sept. 21 a list of commodities on which the U.S.A. was prepared to consider offering tariff concessions at the next conference of parties to the General Agreement on Tariffs and Trade (GATT) for the purpose both of obtaining "new concessions of benefit to U.S. trade" and of "making compensation for the recent action of the United States in increasing the duty on bicycles."
(New York Times - New York Herald Tribune - Times - Financial Times) **(Prev. rep. 14299 A.)**

B. FRENCH NORTH AFRICA. — Formation of North African "Liberation Army" announced in Cairo. - Unification of Algerian and Moroccan Rebel Forces. - Suspension of French Arms Shipments to Egypt.

It was announced in Cairo on Oct. 4 by Si Allal el-Fassi, leader of the Moroccan *Istiqlal* (nationalist) party, that the Algerian and Moroccan "resistance movements" had been combined under a "unified command" to form a "liberation army of North Africa" (*armée de libération du Maghreb Arabe*) which would conduct a joint struggle for the "liberation" of Algeria and Morocco. He said that the "movement for the liberation of North Africa" had entered into "a new phase in which its objectives and military actions will be co-ordinated to achieve its goals—the independence of North Africa (*les pays du Maghreb*) and the return of Sultan Ben-Youssef [the deposed Sultan of Morocco] to his throne." Si Allal el-Fassi added that the "liberation army" would be joined by Tunisian elements "at the proper moment."

It was stated that the "liberation army" was officered by men who saw active service in World War II and in the "resistance movements"; that it would carry out military operations and issue regular communiqués from an underground headquarters "somewhere in North Africa"; and that it had gone into action for the first time on Oct 1. [A widespread series of attacks was carried out during the night of Oct. 1-2 in different parts of Algeria and Morocco, during which Moroccan tribesmen attacked the town of Immouzer, in the Atlas Mountains, and massacred 11 French men, women, and children.]

A "Communiqué No. 1," issued in Cairo on the same date (Oct. 4), said that the "liberation army" did not consider itself bound by "any agreement, past or future," which did not involve the attainment of "total independence" for North Africa

It was confirmed at the Quai d'Orsay on Sept. 17 that France had suspended the supply of arms and military equipment to Egypt because of the offensive nature of recent anti-French broadcasts from Cairo. It was also announced that the French Ambassador in Syria had protested against similar anti-French broadcasts from Damascus. The French action against Egypt was taken after a number of violent and abusive broadcasts from Cairo attacking French policy in North Africa and expressing support for the rebel movements in Algeria and Morocco. The French newspaper *Le Monde* disclosed on Sept. 27 that the suspension of arms shipments to Egypt had been put into effect on Sept. 2.

The secretary-general of the Arab League (Abdul Khalek el-Hassouna) denounced the French decision as "a hostile act against the Arabs," whilst the Cairo newspaper *Al Goumhouria* (the official organ of the Egyptian Government) made abusive attacks on the French Government and Prime Minister, M. Faure, whom it described as "the hangman of the Arabs" and "the stooge of Zionist agents."—(Le Monde, Paris - Le Figaro, Paris - Manchester Guardian - New York Times)

C. UNITED KINGDOM. — August Trade Figures.

Imports into the United Kingdom in August totalled £342,300,000, exports £264,200,000, and re-exports £10,000,000, the adverse visible balance for the month thus amounting to £68,100,000—(Board of Trade Journal) **(Prev. rep. 14443 B.)**

A. UNITED KINGDOM. — Mr. Butler's Mansion House Speech on Britain's Economic Position. - Speech by Governor of Bank of England. - Fall in Gold and Dollar Reserves in September.

Mr. Butler, the Chancellor of the Exchequer, surveyed the present economic situation in Britain when he addressed the bankers and merchants of the City of London at the Mansion House on Oct. 4. He spoke as follows :

" We must move to stabilize or reduce costs so as to improve our competitive power as a great trading nation, and maintain our standard of national well-being, and our fine achievements over the last four years. During this time expansion has been the order of the day. . . . We have opened markets, removed restrictions, widened trade, and freed human endeavour. This has all resulted in a considerable increase of prosperity—a word which has meant for the normal working family sure employment, a happy home, and, in most cases, increased rewards . . .

But there is something more fundamental We live in an island. We must import almost all we want to keep up full employment and good living. We have been using up too much at home and not sending enough abroad to pay for what we bring in

Let us examine for a few minutes what is to the credit of Government achievement as it affects human happiness. I use the word ' credit ' in the normal English sense of what is good. As the bear said when eating the honey, we shall come to the ' squeeze ' later. . .

First, domestic production has fully justified our expectations, as expressed in my 1955 Budget and in my Budget speech. There has also been a surge forward of investment, towards which I was pressed by both sides in Parliament and in industry House and factory building have been climbing steadily. The City of London is rising again from its ruins The output of plant, machinery, and vehicles is markedly greater.

Indeed, so successful have we been that the rate at which development is proceeding, taken together with all that people are spending, is resulting in a shortage of labour and materials and hence an overloading of the economy Our difficulties come purely from an increase in the amount spent on personal consumption, which, though moderated in the first six months of this year, is still excessive in relation to what our resources can bear.

The index of weekly wage rates, after having risen by five points between December and March, rose by another three points between March and June and has since risen again by a further point Moreover, there are new wage claims to face, and there have been marked increases in dividend distribution.

Imports have risen steeply, though I have reason to believe they may be brought under control In particular, we have had to spend this year to date £47 million on coal imports, as compared with only £6 million a year ago. Every ton of coal we waste or fail to dig reduces our reserves of gold and dollars by about £7.

And why do we have to import coal ? Because our booming industry has used more, and because, so far from increasing, production over the first 35 weeks of this year is 3,500,000 tons less than in the same period last year. We have had to cut down very severely our coal exports. which is disastrous for our country, and to increase our imports of fuel oil.

Our exports as a whole have certainly increased, though it is difficult to follow the trend exactly because of the dislocation caused by the strikes earlier this year. We look like achieving a 10 per cent improvement in the volume of our exports this year over the 1954 volume ; in particular, our exports to the United States seem likely to be better than for some time past Much more effort is needed and we must invade new markets ; but the record is good.

We shall not go back on our policy of widening trade and freeing payments. We have to trade to live. We trust that we shall see the following up of the lead given by the President of the United States towards freer trade and more imaginative good creditor policies. . . .

The imperative need is for us to use less at home and send more abroad. In a week's time we shall publish the six-monthly balance-of-payments White Paper. I will mention in advance that in the first six months of this year the U.K. had a small current surplus with the rest of the world—including the remaining U.S. aid So far so good But, as you all know, we need a large surplus ; moreover, U.S. aid is coming to an end and we must stand on our own feet.

Last month the gold and dollar reserves went down by $112 million, including the payment to the E P.U. of $59 million for our E.P.U. deficit in August A large proportion of the decline in the reserves during the last three months has been due to our deficit with Europe We must remember that we tend to spend most heavily in Europe in the late summer, when we and other sterling countries earn least. Also, from the end of July onwards, three-quarters of our deficit with Europe have to be paid for in gold. The E.P.U deficit for September was £37,000,000, which will mean a payment of $80 million from our reserves due this month.

Analysing the September figures, I can state that virtually the entire loss and deficit with the E.P.U. took place in the first half of the month. After my speech to the International Monetary Fund, adverse speculation against sterling ceased, and with it the loss of reserves and the increasing deficit in E.P.U. To the extent that sterling has been firmer, things are better.

I have indicated clearly, and with general assent, that we intend to make no move on the exchange front until we have fortified the internal economy and the general outlook is more favourable. We intend to move and shall move, when we are ready, to a wider system of payments and to a system of freedom. We shall at all costs defend the pound. . We must now assist sterling to carry forward its recovery by showing our continuing determination to deal with inflation at home Then I believe sterling will regain its full strength. . . .

It is evident that, in a mixed economy of private and public enterprise, measures to restrict credit must be further helped by parallel action to curtail expenditure in the public sector. The measures of last February resulted in bank deposits being reduced, but for various reasons bank advances continued to rise. Therefore on July 25 further steps were taken. The bankers were asked to press the restriction of credit—in other words (to quote a professional periodical) ' to blow the froth off a brimful economy.' The latest figures of deposits and advances, to be published this week, show how strenuously they have worked.

I will certainly blow off my share of the froth. But I think together we want to go deeper and increase the ' gravity ' of the brew. The banks will expect the Government and public authorities to do their best to support what must be to bankers a disagreeable but necessary exercise. The sum of the Government's proposals in the field of expenditure, and any other measures which are necessary to correct the situation, must, of course, be announced to Parliament as soon as we meet. The Government must do its duty in bringing forward whatever comprehensive remedies the situation demands.

This is the time of the year when the Government is preparing the estimates of its own expenditure for next year, and we shall certainly do our part in seeing that they do not exceed what can be clearly justified. The recent warning of the Minister of Housing that the housing subsidies should be reduced rather than increased is very important. Meanwhile, I am, as always, keeping a close watch on the current progress of the Exchequer. In the half-year to Sept. 30, revenue was £35 million better than last year, against a Budget estimate of a reduction of £28 million over the whole year. Expenditure is £55 million higher than last year, but the rate of increase is well below that provided for in the Budget. It is risky to attempt to draw conclusions for the whole year from the half-year's results, but we can confidently expect the out-turn of the Budget to be better than I forecast last April.

I can now resume briefly what I have said. On the favourable side of the picture we have the gratifying rise in production and in exports and the general spirit of confidence which is abroad in the country. On the other side we have the big rise in imports, the pressure of additional wage demands, and the acute shortage of labour—there are now on the average well over two vacancies in industry for every person who is registered as unemployed

But I would not wish anyone either at home or abroad to misjudge the nature of the problem. These are not the difficulties of a country which is running into trouble through inertia or flabbiness ; rather we are suffering from the effects of buoyant expansion coupled with insufficient restraint at home. This restraint is to be intensified.

We have always had a dual policy of discipline and incentive. Without incentive we should not have expanding opportunity. Without discipline, of which still more is to come, we shall not be able to invade and conquer oversea markets. Placed as we are by nature 'twixt the two colossi of East and West, we shall win through only if we are inspired by the traditional virtues of the merchants and bankers of the City of London, absolute integrity, and the virtues of ever-welling ingenuity and patient self-sacrifice."

After Mr. Butler's speech the meeting was addressed as follows by Mr. C. F. Cobbold, Governor of the Bank of England :

" There has been much talk about sterling in recent months, but the most important point of all has often been overlooked In 1949 sterling was overvalued The devaluation in that year left sterling undervalued. Since then the margin of undervaluation has lessened. If in the future we were to be so foolish as to allow our costs to continue to rise disproportionately to those of our competitors, the relative value of sterling would again come into question. But today sterling is still undervalued rather than overvalued in relation to most of the principal currencies of the world."

In discussing the Chancellor's " tighter money " policy, Mr. Cobbold said that the effect on the foreign exchange position of the combined measures taken by the Chancellor had been immediate and decisive. " The disturbing markets in cheap sterling which had been growing up over the previous four months disappeared almost overnight and have since given very little trouble Sterling generally took on a more favourable look, which it retained until July, when bad trade figures came out, doubts were expressed about the effectiveness of our anti-inflationary measures, and rumours circulated about changes in our exchange arrangements. At the same time the tightening of money, coupled with a similar but less pronounced tendency in the United States, began to influence commodity prices, with a consequent improvement to our terms of trade.

" It is less easy to gauge the effect of the February measures and the tight monetary policy of the succeeding months on the internal economy. The immediate results were disappointing · for a month or so the view persisted that tight conditions would not be maintained for long and need not be taken seriously. But, from April onwards, the measures were probably more effective than has been generally supposed Without them there is little doubt that bank advances would have climbed much more steeply and the upsurge of hire purchase might have got out of hand. Against a general atmosphere of boom and expansion, the steady pressure of monetary policy through those months was gradually building up resistance to an

exceptionally heavy demand for credit. It became clear, however, during the summer that the banks would not succeed in bringing advances down quickly enough and to the necessary extent without the support of a statement of Government policy. The statement made by the Chancellor of the Exchequer in July greatly reinforced the technical 'squeeze' and, although the banks still find themselves up against difficult problems, the tide of advances has turned."

Drawing "certain conclusions" about the use and effect of monetary policy in modern conditions from their experience since 1951, Mr. Cobbold said: "The proportion of the economy which is directly affected by credit policy through the banking system, both as to investment and as to consumption spending, is much smaller than it used to be. With the enormous growth of the public sector, monetary action to restrict the borrowing and spending of individuals, firms and companies can be outweighed by the action of Government, local authorities, and the nationalized industries. Moreover, with the redistribution of income since the war, the immediate impact of credit policy on consumption spending is outweighed by the level of earnings and by fiscal policy.

"Secondly, with present high taxation levels, business people are less sensitive to an increase in the cost of bank borrowing. International capital movements are less free than before the war and also less sensitive, though by no means wholly insensitive, to interest rate changes,

"Thus, in its direct impact, monetary policy works on a smaller field than it used to. But it still exercises a gradual and persuasive influence over a much wider field. Bank Rate movements are an integral part of monetary policy and still have their psychological effect. The experience of these years shows that it would be most unwise not to make full use of these instruments; it would be equally unwise to blunt them by loading them with more responsibilities than they can effectively discharge."

"Our monetary policy has got into its stride and we must hold to it firmly," Mr. Cobbold ended. "If strong action is now taken by the Government over the rest of the field, and if we keep industrial costs steady, the task ahead of us should be well within our capacity."

The sterling area had a gold and dollar deficit in September of $112,000,000 after taking into account (*a*) the receipt of $2,000,000 in U.S. defence aid, (*b*) the payment of $59,000,000 to the E.P.U., representing that part of the August settlement which had to be paid in gold or dollars, and (*c*) the payment of $2,000,000 under bilateral settlements with creditors of the E.P.U. As a result, the sterling area's gold and dollar reserves fell to $2,845,000,000 on Sept. 30.

Provisional figures for the E.P.U. September settlement showed that the U.K. had a deficit of $106,400,000 (£38,000,000), which will be settled in October, under the recently revised scales of payment (see 14374 A), three-quarters in gold or dollars and one-quarter by an increase in the U.K. debt to the Union.—(Times - Daily Telegraph - Manchester Guardian - Financial Times - Treasury Press Office) **(Prev. rep. Mr. Butler, 14343 A; Gold and Dollar Reserves, 14412 E.)**

A. SYRIA. — New Government.

The Cabinet headed by M. Sabry Assali tendered its resignation on Sept. 6 to President Kuwatli, who was officially installed on that date as President of the Syrian Republic in succession to President Hashem Atassi. A new eight-man Cabinet was formed on Sept. 13 by M. Said Ghazzi, in which all the political parties were represented except the National Socialists and the Arab Renaissance (*Baath*) party. M. Ghazzi, an Independent, took over the portfolio of Foreign Affairs concurrently with the Premiership.—(Le Monde, Paris)
(Prev. rep. President Kuwatli, 14400 A; Cabinet, 14063 B.)

B. PAKISTAN. — Accession to Turkish-Iraqi Pact.

It was announced in Karachi on Sept. 23 that Pakistan's instrument of accession to the Turkish-Iraqi pact of mutual co-operation had been deposited in Baghdad the same day, marking Pakistan's formal adherence to the pact and increasing the number of its member-countries to four [i.e. Pakistan, Turkey, Iraq, and the United Kingdom]. An official spokesman in Karachi said that the Turkish-Pakistani pact would become part of the Turkish-Iraqi pact so far as defence measures were concerned.—(Pakistan High Commissioner's Office, London)
(Prev. rep. 14298 B.)

C. AUSTRALIA. — Cabinet Appointment.

Senator S. D. Paltridge (45) was sworn in on Sept. 27 as Federal Minister of Transport and Shipping in place of the late Senator McLeay, who died on Sept. 13. Mr. Paltridge, a Liberal, was elected as a Senator for Western Australia in 1951, and was formerly an hotel manager in that State. The Federal Attorney-General (Senator Spicer) had taken over the portfolio of Transport and Shipping *ad interim* after the death of Senator McLeay.—(Australian News and Information Bureau)
(Prev rep. 14414 B.)

D. SOUTH AFRICA. — Temporary Closure of Fort Hare African College.

The University College of Fort Hare (Cape Province), the only non-European institution of university status in South Africa, was temporarily closed on May 4 by its Governing Council. The 367 students—330 of whom had been suspended for an indefinite period—were sent home under the guard of armed police.

A statement issued by the Principal, Professor C. P. Dent, said that there was evidence of the existence of a secret authority, sometimes called "the caucus," whose instructions, rather than those of the College authorities, were obeyed by the students, often through fear of violence or other forms of intimidation. In consequence it had become impossible to continue the work of the College under present conditions.

A commission of inquiry appointed by the Governing Council issued a report on Sept. 1 which strongly criticized the attitude of many of the students, but made no reference to the alleged "caucus."

The report stated that the students were suspicious of the College authorities, of many (though not all) Europeans, and of one another, partly as a result of the authorities' "unwise encouragement of talebearing." Mistrust had been focussed on the Principal and the College authorities, and some at least of the students seemed to be "opposed to all authority as authority." Although the majority were probably not active members of any political organization, some belonged to the youth movement of the African National Congress, and others (probably a greater number) to the "Sons of Young Africa" organization, the junior branch of the All-African Convention. These were in touch with the leaders of their organizations, who had apparently been led by the College's unique position and by the national and international interest in it into "the unhappy policy of using it as the spearhead of a national political struggle." The report noted that there was "much indifference and a good deal of active hostility towards Christianity among the students," and that "all the usual Leftist ideas of religion being the opiate of the masses are found, combined with African nationalist views of the missionary as the agent of the conqueror."

The commission suggested that part of the present difficulties arose from the fact that the College had outgrown "an interpretation of discipline on high school rather than university lines." Its recommendations included (*a*) informal discussions between representatives of the College and Native political leaders, who "could be asked to direct their members at Fort Hare not to confuse the political struggle outside the College with resistance to discipline and constituted authority inside it"; (*b*) the abolition of compulsory attendance at religious services; (*c*) the establishment of Chairs of law and music and of departments of commerce and physical education; and (*d*) the encouragement of co-operation between the College and Rhodes University, to which it is affiliated.—(Cape Times)
(Prev. rep. Non-European University Education, 14164 A.)

E. WESTERN GERMANY. — German Credit for Turkey. - Krupp Contracts in Greece and Turkey.

German credits totalling 325,000,000 DM. for Turkish purchases in Western Germany were opened early in August. 225,000,000 DM., of the total, guaranteed by the German Federal Government and designed to cover German exporters for 70 per cent of their sales to Turkey, had been provided for in an agreement signed between the two countries in Ankara on Dec. 22, 1954. It was stated at the time that 180,000,000 DM. would be allotted to capital goods purchased by Turkish State enterprises and 45,000,000 DM. to consumer goods for private enterprise. It was understood that part of this credit—which was additional to an earlier credit of 180,000,000 DM. granted in May, 1954, for the building of a number of cement factories and the purchase of ships in Western Germany—would be used for the building of a synthetic ammonia plant to manufacture nitrogen fertilizers. The remaining 100,000,000 DM. of the total were extended to the Turkish Government by the Reconstruction Credit Institute (Frankfurt) to finance Turkish purchases of German goods and services in connexion with economic development schemes.

The Krupp Company (Essen) sighed a contract worth more than £6,500,000 on Aug. 10 for the exploitation of brown coal (lignite) deposits in Greece and for the building in that country of a briquette factory, a coke installation, and an electrical power plant. The project, based on the Ptolemais lignite deposits, will provide the basis for a considerable expansion of Greek electrical power supplies to help industrialization schemes.

Krupps also signed a contract with the Turkish Government in July for the construction of a 600,000-ton steel plant, which was expected to be built in the Aegean coastal area. The estimated cost of £T.150,000,000 will be financed by German long-term credits and by Turkish banks.
(Financial Times - Frankfurter Allgemeine Zeitung)
(Prev. rep. 13973 A; 13590 B; 13487 A.)

A. GOLD COAST. — Agitation by Opposition Parties for Federal Constitution. - Sir Frederick Bourne appointed Adviser to Gold Coast Government and Parties.

An agitation in favour of a federal form of government for the Gold Coast was launched during the autumn of 1954 by a new Opposition party which had been founded in September under the name of the National Liberation Movement (N.L.M.). The N.L.M. received strong support from the Ashanti tribe, which had previously supported the Convention People's Party (C.P.P.)—the governing party led by Dr. Nkrumah, the Prime Minister. The Asantehene (paramount chief of the Ashanti), Sir Agyeman Prempeh II, and his Council adopted on Oct. 21, 1954, a resolution endorsing the demand for a federal Constitution, and requesting the Queen to set up a commission of inquiry into the project; in reply to this petition, however, the British Government suggested that as the Gold Coast had internal self-government, the question of the Constitution should be settled without outside interference. Dr. Nkrumah, who described the demand for federation as "fantastic," subsequently proposed in December the holding of a round-table conference on the subject, this proposal was rejected on Dec. 17 by the Asanteman (Ashanti) Council and the N.L.M., which stated that they were willing to discuss their demands with the Governor but not with "a party leader." A second proposal for a conference, made by Dr. Nkrumah in a broadcast on Dec. 30, was also rejected by the Council and the N.L.M. on Feb. 4, 1955.

Dr. Nkrumah recalled in his broadcast that the present Constitution had been drawn up after exhaustive consideration of the views of representatives from all parts of the Gold Coast, and had been unanimously supported in the Legislature, no mention being made of a federal form of government. In negotiating with the British Government, the Gold Coast Government could not divest itself of its responsibility to be bound by the views of the Assembly, although it was prepared to examine those of other bodies. Whilst declaring that a federal Government was impracticable, he reaffirmed his willingness to discuss with the Asanteman Council both this question and proposals which had been put forward for the establishment of a Second Chamber. He suggested that underlying the Ashanti demands was a desire for closer consultation by the Government with the regions in matters of regional interest, and gave an assurance that the Government was prepared to submit legislation to the Assembly providing for representative regional councils in regions where they did not already exist. Steps were also being taken to establish in the interim period, before regional councils were set up, an *ad hoc* development committee for Ashanti. In conclusion, Dr. Nkrumah emphasized that the Government would not tolerate the use of violence, and appealed for a peaceful and constitutional solution of all differences.

Despite Dr. Nkrumah's warning against violence, a series of incidents took place in Kumasi (capital of the Ashanti region) during the first week of January, in which two people were killed, about 50 arrested, and attempts made to blow up the houses of the Ashanti regional chairman of the C.P.P. and of a chief who had refused to support the federation movement. A proclamation forbidding the carrying of arms in Kumasi and 29 other Ashanti towns was issued on Jan. 7 by the Governor, Sir Charles Arden-Clarke. Further rioting, in which a C.P.P. supporter was killed and several people injured, took place near Kumasi on May 14, and in view of the tension in the town a state of emergency was declared and a curfew imposed.

The federalist movement increased in strength during the early months of 1955. Mr. Appiah (formerly Dr. Nkrumah's personal representative in London, and a son-in-law of the late Sir Stafford Cripps), together with a number of other leading members of the C.P.P., joined the N.L.M. in February and issued statements accusing the Government of corruption and nepotism, and criticizing in particular its failure to investigate allegations of bribery in the Cocoa Marketing Board and the Cocoa Purchasing Company. On March 9 the Northern People's Party, which forms the official Opposition in the Legislative Assembly, announced its support for federation, on the ground that the Government had paid insufficient attention to the needs of the Northern Territories. On July 16 Mr. B. F. Kusi (a member of the N.L.M. executive), standing as an Independent with the support of the N.L.M. and the Moslem Association, defeated the C.P.P. candidate by a majority of 2,240 in a by-election in an Ashanti constituency; this result was regarded as a serious setback for the Government, in view of the fact that in the 1954 general elections Mr. Kusi, then standing as a Ghana Congress Party candidate, had been defeated by the C.P.P. candidate in the same constituency by a majority of over 2,000. His victory in the by-election, and the progress made by the federalist movement generally, were attributed largely to discontent among Ashanti farmers at the level of cocoa prices fixed by the Government, which Mr. Kusi made a central issue in his campaign.

A select committee was appointed on April 5, on the proposal of Dr. Nkrumah, to examine the question of a federal system of government and the establishment of a Second Chamber for chiefs and others. It submitted its report on July 27.

The committee rejected federation on the grounds that the cost of running both a central and regional Government would be disproportionate to its advantages, and that it would be impossible to find sufficient qualified Africans to fill the many posts that would be necessary. It recognized the need for effective machinery for consultation at regional level, however, and therefore recommended the establishment of regional consultative councils to ensure full collaboration between the Government and the regions in the planning of development. The committee also rejected the proposal for a Second Chamber, but suggested that the question might be re-examined after the attainment of independence by the Gold Coast.

When the report was debated by the Legislative Assembly on Aug. 8, the Leader of the Opposition, Mr. Dombo, announced that they would boycott the debate because they had taken no part in the appointment or the proceedings of the committee, and would press for the setting-up of a Constituent Assembly. Dr. Nkrumah suggested during the debate that the Gold Coast's population of 5,000,000 was too small to support a federal form of government, and pointed out that the Government was already assisting the chiefs and had made grants of £700,000 for the strengthening of local and district councils, £500,000 for the development of regional councils and regional development committees, and £136,000 for the building of regional council halls. The Assembly adopted the committee's report on Aug. 9, and approved a Government proposal inviting the British Colonial Secretary to appoint an expert to advise the Gold Coast Government on the establishment and functions of regional councils.

Professor K. A. Busia (chairman of the Ghana Congress Party) had previously visited London in July as an emissary of the Asantehene and the Opposition parties, and had had an interview on July 6 with the Colonial Secretary, Mr. Lennox-Boyd, who suggested that the N.L.M should submit details of its proposals to the Governor. At a press conference on July 8 Professor Busia said that the Opposition parties proposed that an inquiry should be held into allegations of corruption, that a constitutional expert should visit the Gold Coast and make recommendations, and that a new Constitution should be discussed and fresh elections held. He accused the C.P.P. of misuse of public funds for party purposes, of discrimination against non-party members, of disregard for Ashanti traditions, and of tending to regard the chiefs, who were an essential part of Ashanti culture, as "museum pieces" The introduction of a federal Constitution, he contended, would prevent "dictatorship" and over-centralization of power, and make possible the emergence of an effective Opposition, first on a regional and then possibly on a national basis

In accordance with Mr. Lennox-Boyd's suggestion, the Opposition parties submitted proposals for a federal Constitution to Sir Charles Arden-Clarke on Aug. 12, the main features of which were as follows:

(1) The Gold Coast would become a Federal Union consisting of four Regions: the Gold Coast Colony, Ashanti, the Northern Territories, and Togoland. The Queen, as Head of the Union, would be represented by a Governor-General appointed by her on the advice of the Federal Ministers The Asantehene would be the head of the Ashanti Region, whilst Governors would be appointed for the other Regions by the Governor-General after consulting the Council of State.

(2) The Federal Parliament would consist of an Upper House, partly elected for six years and partly appointed, and a Lower House elected for four years. The Council of Ministers would be appointed by the Governor-General in consultation with the leader commanding a working majority in the Lower House, who would become Prime Minister. The Federal Legislature would have power to make laws for peace, order, and the good government of the Union.

(3) The Regional Legislatures would consist of an Upper House consisting of all the chiefs and a Lower House elected by adult suffrage, and would have power to legislate on matters not specifically assigned to the Federal Legislature. Each Region would have its own Prime Minister and Council of Ministers.

(4) A Council of State, consisting of the heads of the Regions, the Federal and Regional Premiers, and the Federal Ministers of Defence, the Interior, and Justice, would advise the Governor-General.

(5) Revenue would be collected by the Federal Exchequer and divided among the Regions according to population, need, national expenditure, independent revenue, and derivations.

(6) Judicial power would be vested in a Federal Supreme Court and Regional High Courts. Appeals from the High Courts would go to the Supreme Court, and then to the Privy Council

(7) Any alteration of the Constitution would need to be approved by an absolute majority of both Houses of the Federal Legislature.

On Sept. 19 Mr. Lennox-Boyd appointed Sir Frederick Bourne, a former Governor of the Central Provinces and Berar in British India, and from 1947-50 Governor of East Bengal (Pakistan), as adviser to the Gold Coast Government and to all parties and organizations wishing to avail themselves of his services on constitutional matters connected with the devolution of powers

to regions. The Opposition parties, however, informed the Governor on Sept. 21 that they would boycott Sir Frederick Bourne if his terms of reference did not include investigation of the present political crisis in the Gold Coast.

Sir Frederick Bourne arrived in Accra on Sept. 26, when it was officially announced that he would not only advise the Gold Coast Government on the organization and functions of regional councils but would also assist in resolving the present constitutional crisis. The official statement added that Sir Frederick would be " free to receive the views of the National Liberation Movement on constitutional matters and would put their views to the Government with his observations."
(Times - Daily Telegraph - Manchester Guardian - New Commonwealth) **(Prev. rep. Gold Coast, 13649 A.)**

A. UNITED STATES. — New England Flood Disaster.

Severe flooding was caused in the New England States of Pennsylvania, Connecticut, Massachusetts, New Jersey, and Rhode Island as a result of torrential rains on Aug. 18-19, when the fringe of a hurricane (code-name "Diane") passed over the area. Thousands of acres of land were inundated when rivers and streams burst their banks; at least 140 people lost their lives and over 34,000 families were forced to leave their homes; and 922 homes were completely destroyed and over 14,000 damaged. The total damage was estimated at $1,677,000,000 and tens of thousands of people were put out of work by damage to or the destruction of factories, offices and shops. The States of Pennsylvania, Connecticut, and Massachusetts, " all flooded areas of New Jersey," and the Woonsocket area of Rhode Island were declared " major disaster areas " by President Eisenhower, as was also the State of South Carolina, which had been hit by the hurricane earlier.

The heaviest material damage was suffered in **Connecticut**, where the Naugatuck river flooded and caused extensive damage to the towns of Litchfield, Torrington, Waterbury, Winsted, Ansonia, Seymour, Naugatuck, and Putnam; 13 communities were declared " health hazard areas " as a result of the polluted water supply and contaminated food. In **Pennsylvania**, where the heaviest loss of life occurred, 31 women and children were killed in a camp in the Pocono mountains near Stroudsburg The town of Stroudsburg itself, as well as Scranton, Easton, Hazelton, Tamaqua, Reading, Wilkes-Barre, and Pottstown, were all damaged by flood-water and were without gas, water and electricity for several days. In the Woonsocket area of **Rhode Island** 500 families were evacuated and almost the entire city of Woonsocket (population 50,000) was without drinking water. The **Massachusetts** towns of Springfield, Chicopee, Holyoke and Worcester were the most severely affected in that State, whilst in **New York** Port Jervis was declared a disaster area by Governor Harriman. In **New Jersey** thousands of people in Trenton had to flee from their homes, and the towns of Clinton, Philippsburg, Pequannock, and Oakland also suffered severe flooding

President Eisenhower, who flew over the flooded areas, authorized the immediate expenditure of Federal funds for flood relief (the amount was not specified). A flood relief fund was opened by the American Red Cross and, apart from contributions sent by businesses and individuals in the United States, money was sent by the Soviet Union, Australia, Austria, the Dominican Republic, the New Zealand Red Cross, and Puerto Rico. Private gifts were also sent from the Netherlands, the United Kingdom, and other countries, the British Government announcing that the Bank of England would authorize applications for the remittance of " reasonable sums " for this purpose.—(New York Times - New York Herald Tribune) **(Prev. rep. 1936 Flood Disaster, 2043 G.)**

B. DENMARK - UNITED KINGDOM. — Renewal of Bacon Agreement.

It was announced in London and Copenhagen on Sept. 15 that, as a result of discussions in Copenhagen between representatives of the British Ministry of Agriculture, Fisheries and Food and the Danish Bacon Board, it had been agreed that the minimum price to be paid by Britain for Danish bacon in the year beginning Oct. 2, 1955 (i.e. the last year of the existing contract) would be " related to the price realized for Danish bacon in Great Britain, " with a minimum of 240s. a cwt. This figure compared with a minimum price of 237s. 6d. a cwt. in the previous 12 months.

A spokesman of the Ministry in London explained that, although the minimum price had only been increased by 2s. 6d. a cwt., the new arrangement—which would be related to the price in the U.K. market from week to week—would enable Denmark to share in any additional profits whenever the price exceeded this minimum.

The quantity of bacon to be delivered by Denmark during the 12 months will be 208,000 tons, compared with the maximum of 200,000 tons originally agreed upon for the third year of the agreement. The quantity shipped in the year ending Oct. 1, 1955, was expected to be about 220,000 tons.
(Financial Times) **(Prev. rep. 13847 A.)**

C. ZANZIBAR. — Constitutional Reform Proposals.

Proposed measures for constitutional development in Zanzibar, contained in a statement by the British Resident in Zanzibar (Mr. H. S. Potter), were published by the Colonial Office in London on Oct. 2.

The statement said that it was the wish of the British Government and of the Sultan that Zanzibar should, by appropriate stages, attain internal self-government within the Commonwealth. There had been a growing demand for some measure of constitutional advance, but although the agreement of all the unofficial members of the Legislative Council to certain proposals had been obtained in March 1954, there had been a divergence of opinion " on certain questions " and the matter had been delayed in the hope of obtaining unanimity. This hope had not been fulfilled, but since the proposals were confidently believed to be acceptable to the great majority of the inhabitants of the Protectorate and had received the Sultan's approval, it was considered that any further postponement would be unjustified

With the agreement of the Colonial Secretary (the statement continued) it was therefore the Zanzibar Government's intention to put the following proposals before the Legislative Council for its consideration at an early date:

(1) A Privy Council should be established, presided over by the Sultan, to advise the latter on any matters on which he might require advice. Its members would at first be the British Resident, the Chief Secretary, the Attorney-General, and not more than three other persons nominated by the Sultan.

(2) The Executive Council, as the chief instrument of policy, should consist of the British Resident (as president), four *ex-officio* members as at present (the Chief Secretary, Attorney-General, Senior Commissioner, and Financial Secretary), three official members to be nominated by the Sultan on the advice of the British Resident, as at present, and, in addition, three unofficial members, similarly nominated. Mr Potter's statement added " In providing for three unofficial members, the intention would be to make it possible to appoint one Arab, one African, and one Indian The unofficial members would normally be drawn from among the unofficial members of the Legislative Council."

(3) The Legislative Council should consist of the British Resident (as president), four *ex-officio* members (the *ex-officio* members of the Executive Council), and nine official members and 12 unofficial members nominated by the Sultan on the advice of the British Resident It was proposed that the 12 unofficial members should be four Arabs, four Africans, three Indians, and probably one European, though this was not intended to imply that the unofficial members of the Legislative Council would represent only the members of their own communities.

A qualified person would be invited to hold an inquiry and to advise on the most suitable method of choosing the unofficial members of the Legislative Council, although it was intended in the first instance to make no change in the existing method of appointing members.

Zanzibar has been a British Protectorate since 1890, in which year it was ceded by Germany to Britain in exchange for Heligoland. It was under the control of the Foreign Office until 1913, when it was transferred to the Colonial Office. The Government is administered by a British Resident. There is an Executive Council presided over by the Sultan, and a Legislative Council of 16 members (4 *ex officio*, 5 official, 8 unofficial) under the chairmanship of the Resident.
(Times) **(Prev. rep. Zanzibar, 10545 A; 6843 A.)**

D. FRANCE - WESTERN GERMANY. — Civil Aviation Agreement.

An air transport agreement between France and the German Federal Republic was signed in Paris on Oct. 4. It provided for flight and landing rights for air services between the two countries, as well as transit rights on the following international routes:

France was granted the right to fly two services over Germany, one to Austria and South-Eastern Europe and the other to Indo-China, Japan, Australia, and New Caledonia.

Western Germany obtained the right to fly the following five services: (*a*) *via* Nice and Bordeaux to Spain and Portugal; (*b*) *via* Paris to Brazil, Argentina, and Chile; (*c*) *via* Paris to Venezuela, Colombia, and Peru; (*d*) *via* Brazzaville to South Africa; (*e*) *via* Paris to Shannon (Eire) and New York.

The Franco-German agreement followed the similar agreements recently concluded by Western Germany with Britain and the United States.—(Le Monde, Paris - Frankfurter Allgemeine Zeitung) **(Prev. rep. 14348 B.)**

E. INDIA. — Loan to Burma.

It was announced in Delhi on Sept. 20 that India had agreed to give Burma a loan of 100,000,000 rupees (£7,500,000) at the request of the Burmese Government. In addition, Burma would also be granted a credit of the same amount to enable her to finance her purchases in India.—(Indian High Commissioner's Office, London) **(Prev. rep. 13468 C.)**

A. UNITED KINGDOM. — Government White Paper on Disappearance of Guy Burgess and Donald Maclean.

An official report on the disappearance in 1951 of two Foreign Office officials, Mr. Donald Maclean and Mr. Guy Burgess, was published by the Government as a White Paper (Cmd. 9577) on Sept. 23. The decision to publish such a report was taken as a result of an article published in a Sunday newspaper, *The People*, by Mr. Vladimir Petrov, formerly of the Soviet Embassy in Canberra, who broke with the Soviet Government and sought refuge in Australia in 1954 (see 13540A).

Mr. Petrov alleged in this article that Maclean and Burgess were long-term Soviet agents who had been recruited for intelligence work while still students at Cambridge, and who had regularly supplied the Soviet Government with information. He said that they had left Britain to seek asylum because they had discovered that they were under investigation by the security services. Petrov claimed that he came to know about Maclean and Burgess through an agent, Kislytzin, who had been his subordinate in the Australian branch of the Soviet secret service Kislytzin had previously worked as a cipher clerk in the Soviet Embassy in London from 1945 to 1948, and before going to Australia had been in charge of the department in Moscow which dealt with information alleged to have been supplied by Maclean and Burgess

The text of the White Paper is given below (cross-headings inserted).

Disappearance of Maclean and Burgess. "On the evening of Friday, May 25, 1951, Mr. Donald Duart Maclean, a Counsellor in the senior branch of the Foreign Service and at that time Head of the American Department in the Foreign Office, and Mr Guy Francis de Moncy Burgess, a Second Secretary in the junior branch of the Foreign Service, left the United Kingdom from Southampton on the boat for St Malo. The circumstances of their departure from England, for which they had not sought sanction, were such as to make it obvious that they had deliberately fled the country. Both officers were suspended from duty on June 1, 1951, and their appointments in the Foreign Office were terminated on June 1, 1952, with effect from June 1, 1951

Maclean's Background and Career. Maclean was the son of a former Cabinet Minister, Sir Donald Maclean. He was born in 1913 and educated at Gresham's School, Holt, and Trinity College, Cambridge, where he had a distinguished academic record He successfully competed for the Diplomatic Service in 1935 and was posted in the first instance to the Foreign Office. He served subsequently in Paris, Washington, and Cairo. He was an officer of exceptional ability and was promoted to the rank of Counsellor at the early age of 35 He was married to an American lady and had two young sons A third child was born shortly after his disappearance

In May, 1950, while serving at H.M. Embassy in Cairo, Maclean was guilty of serious misconduct and suffered a form of breakdown which was attributed to overwork and excessive drinking. Until the breakdown his work had remained eminently satisfactory and there was no ground whatsoever for doubting his loyalty. After recuperation and leave at home he was passed medically fit, and in October, 1950, was appointed to be Head of the American Department of the Foreign Office, which, since it does not deal with the major problems of Anglo-American relations, appeared to be within his capacity.

Since Maclean's disappearance a close examination of his background has revealed that during his student days at Cambridge from 1931 to 1934 he had expressed Communist sympathies, but there was no evidence that he had ever been a member of the Communist Party, and indeed on leaving the university he had outwardly renounced his earlier Communist views.

Burgess's Background and Career. Burgess was born in 1911 and was educated at the Royal Naval College, Dartmouth, at Eton, and at Trinity College, Cambridge, where he had a brilliant academic record. After leaving Cambridge in 1935 he worked for a short time in London as a journalist and joined the B.B.C. in 1936, where he remained until January, 1939 From 1939 until 1941 he was employed in one of the war propaganda organizations. He rejoined the B.B C. in January, 1941, and remained there until 1944, when he applied for and obtained a post as a temporary Press officer in the News Department of the Foreign Office.

He was not recruited into the Foreign Service through the open competitive examination, but in 1947 took the opportunity open to temporary employees to present himself for establishment. He appeared before a Civil Service Commission Board and was recommended for the junior branch of the Foreign Service His establishment took effect from Jan 1, 1947 He worked for a time in the office of the then Minister of State, Mr. Hector McNeil, and in the Far Eastern Department of the Foreign Office. In August, 1950, he was transferred to Washington as a Second Secretary.

Early in 1950 the security authorities informed the Foreign Office that in late 1949, while on holiday abroad, Burgess had been guilty of indiscreet talk about secret matters of which he had official knowledge. For this he was severely reprimanded. Apart from this lapse, his service in the Foreign Office up to the time of his appointment to Washington was satisfactory and there seemed good reason to hope that he would make a useful career.

In Washington, however, his work and behaviour gave rise to complaint. The Ambassador reported that his work had been unsatisfactory in that he lacked thoroughness and balance in routine matters, that he had come to the unfavourable notice of the Department of State because of his reckless driving, and that he had had to be reprimanded for carelessness in leaving confidential papers unattended. The Ambassador requested that Burgess be removed from Washington, and this was approved He was recalled to London in early May, 1951, and was asked to resign from the Foreign Service. Consideration was being given to the steps that would be taken in the event of his refusing to do so. It was at this point that he disappeared.

Investigations into Burgess's past have since shown that he, like Maclean, went through a period of Communist leanings while at Cambridge, and that he, too, on leaving the university outwardly renounced his views No trace can be found in his subsequent career of direct participation in the activities of left-wing organizations; indeed he was known after leaving Cambridge to have had some contact with organizations such as the Anglo-German Club.

Friendship between Maclean and Burgess. The question has been asked whether the association of these two officers with each other did not give rise to suspicion The fact is that although we have since learned that Maclean and Burgess were acquainted during their undergraduate days at Cambridge, they gave no evidence during the course of their career in the Foreign Service of any association other than would be normal between two colleagues.

When Burgess was appointed to the Foreign Office Maclean was in Washington, and at the time Burgess himself was appointed to Washington Maclean was back in the United Kingdom awaiting assignment to the American Department of the Foreign Office It is now clear that they were in communication with each other after the return of Burgess from Washington in 1951, and they may have been in such communication earlier Their relations were, however, never such as to cause remark

Leakage of Foreign Office Information. In January, 1949, the security authorities received a report that certain Foreign Office information had leaked to the Soviet authorities some years earlier. The report amounted to little more than a hint and it was at the time impossible to attribute the leak to any particular individual. Highly secret but widespread and protracted inquiries were begun by the security authorities, and the field of suspicion had been narrowed by mid-April, 1951, to two or three persons.

By the beginning of May, Maclean had come to be regarded as the principal suspect. There was, however, even at that time, no legally admissible evidence to support a prosecution under the Official Secrets Acts Arrangements were made to ensure that information of exceptional secrecy and importance should not come into his hands In the meantime the security authorities arranged to investigate his activities and contacts in order to increase their background knowledge and, if possible, to obtain information which could be used as evidence in a prosecution

On May 25 the then Secretary of State, Mr. Herbert Morrison, sanctioned a proposal that the security authorities should question Maclean In reaching this decision it had to be borne in mind that such questioning might produce no confession or voluntary statement from Maclean sufficient to support a prosecution, but might serve only to alert him and to reveal the nature and extent of the suspicion against him. In that event he would have been free to make arrangements to leave the country, and the authorities would have had no legal power to stop him.

Everything therefore depended on the interview, and the security authorities were anxious to be as fully prepared as was humanly possible They were also anxious that Maclean's house at Tatsfield, Kent, should be searched, and this was an additional reason for delaying the proposed interview until mid-June, when Mrs. Maclean, who was then pregnant, was expected to be away from home

Flight of Maclean and Burgess. It is now clear that, in spite of the precautions taken by the authorities, Maclean must have become aware, at some time before his disappearance, that he was under investigation. One explanation may be that he observed that he was no longer receiving certain types of secret papers. It is also possible that he detected that he was under observation Or he may have been warned. Searching inquiries involving individual interrogations were made into this last possibility. Insufficient evidence was obtainable to form a definite conclusion or to warrant prosecution.

Maclean's absence did not become known to the authorities until the morning of Monday, May 28. The Foreign Office is regularly open for normal business on Saturday mornings, but officers can from time to time obtain leave to take a week-end off. In accordance with this practice Maclean applied for and obtained leave to be absent on the morning of Saturday, May 26. His absence therefore caused no remark until the following Monday morning, when he failed to appear at the Foreign Office. Burgess was on leave and under no obligation to report his movements.

Immediately the flight was known, all possible action was taken in the United Kingdom, and the French and other Continental security authorities were asked to trace the whereabouts of the fugitives and if possible to intercept them. All British Consulates in Western Europe were alerted, and special efforts were made to discover whether the fugitives had crossed the French frontiers on May 26 or 27.

As a result of these and other inquiries, it was established that Maclean and Burgess together left Tatsfield by car for Southampton in the late evening of Friday, May 25, arrived at Southampton at midnight, caught the s s *Falaise* for St Malo, and disembarked at that port at 11 45 the following morning, leaving suitcases and some of their clothing on board. They were not seen on the train from St Malo to Paris, and it has been reported that two men, believed to be Maclean and Burgess, took a taxi to Rennes and there got the 1.18 train to Paris. Nothing more was seen of them.

Subsequent Messages received from Maclean and Burgess. Since the disappearance various communications have been received from them by members of their families. On June 7, 1951, telegrams ostensibly from Maclean were received by his mother, Lady Maclean, and his wife, Mrs. Melinda Maclean, who were both at that time in the United Kingdom. The telegram to Lady Maclean was a short personal message, signed by a nickname known only within the immediate family circle. It merely stated that all was well. That addressed to Mrs. Maclean was similar, expressing regret for the unexpected departure and was signed 'Donald.' Both telegrams were dispatched in Paris on the evening of June 6. Their receipt was at once reported to the security authorities, but it was impossible to identify the person or persons who had handed them in. The original telegraph forms showed, however, that the messages had been written in a hand which was clearly not Maclean's. The character of the handwriting, and some mis-spelling, suggested that both telegrams had been written by a foreigner.

On June 7, 1951, a telegram was received in London by Mrs. Bassett, Burgess's mother. It contained a short and affectionate personal message, together with a statement that the sender was embarking on a long Mediterranean holiday, and was ostensibly from Burgess himself The telegram had been handed in at a Post Office in Rome earlier on the day of its receipt. As with the telegrams from Paris to Maclean's family, there was no possibility of identifying the person who had handed it in. The handwriting had the appearance of being foreign, and was certainly not that of Burgess.

According to information given to the Foreign Office in confidence by Mrs. Dunbar, Maclean's mother-in-law, who was then living with her daughter at Tatsfield, she received on Aug 3, 1951, two registered letters posted in St. Gallen, Switzerland, on Aug. 1. One contained a draft on the Swiss Bank Corporation, London, for the sum of £1,000 payable to Mrs Dunbar; the other, a draft payable to Mrs. Dunbar for the same sum. . . Both drafts were stated to have been remitted by order of a Mr Robert Becker, whose address was given as the Hotel Central, Zurich Exhaustive inquiries in collaboration with the Swiss authorities have not led to the identification of Mr. Becker, and it is probable that the name given was false.

Shortly after the receipt of these bank drafts, Mrs Maclean received a letter in her husband's handwriting. It had been posted in Reigate, Surrey, on Aug 5, 1951, and was of an affectionate, personal nature as from husband to wife It gave no clue as to Maclean's whereabouts or the reason for his disappearance, but it explained that the bank drafts, which for convenience had been sent to Mrs. Dunbar, were intended for Mrs Maclean

Lady Maclean received a further letter from her son on Aug. 15, 1951. There is no doubt that it was in his own handwriting It had been posted at Herne Hill [South London] on August 11.

Mrs. Bassett, the mother of Burgess, received a letter in Burgess's handwriting on Dec. 22, 1953. The letter was personal and gave no information as to Burgess's whereabouts. It was simply dated 'November' and had been posted in South-East London on December 21.

The last message received from either of the two men was a further letter from Burgess to his mother, which was delivered in London on Dec. 25, 1954. The letter was also personal and disclosed nothing of Burgess's whereabouts. It, too, was simply dated 'November.' It had been posted in Poplar [London, E.14] on December 23.

Disappearance of Mrs. Maclean. On Sept. 11, 1953, Mrs. Maclean, who was living in Geneva, left there by car with her three children She had told her mother, who was staying with her, that she had unexpectedly come across an acquaintance whom she and her husband had previously known in Cairo and that he had invited her and the children to spend the week-end with him at Territet, near Montreux. She stated that she would return to Geneva on Sept. 13 in time for the two elder children to attend school the following day.

By Sept. 14 her mother, alarmed at her failure to return, reported the matter to H.M Consul-General in Geneva and also by telephone to London. Security officers were at once dispatched to Geneva, where they placed themselves at the disposal of the Swiss police, who were already making intensive inquiries. On . . . Sept. 16 Mrs Maclean's car was found in a garage in Lausanne. She had left it on the afternoon of the 11th, saying she would return for it in a week The garage hand who reported this added that Mrs. Maclean had then proceeded with her children to the Lausanne railway station.

On the same day, Sept. 16, Mrs Dunbar reported to the Geneva police the receipt of a telegram purporting to come from her daughter The telegram explained that Mrs. Maclean had been delayed 'owing to unforeseen circumstances' and asked Mrs. Dunbar to inform the school authorities that the two elder children would be returning in a week. Mrs. Maclean's youngest child was referred to in this telegram by a name known only to Mrs. Maclean, her mother, and other intimates. The telegram had been handed in at the post office in Territet at 10.58 that morning by a woman whose description did not agree with that of Mrs Maclean. The handwriting on the telegram form was not Mrs Maclean's, and it showed foreign characteristics similar to those in the telegrams received in 1951 by Lady Maclean, Mrs Maclean, and Mrs. Bassett.

From information subsequently received from witnesses in Switzerland and Austria, it seems clear that the arrangements for Mrs. Maclean's departure from Geneva had been carefully planned, and that she proceeded by train from Lausanne on the evening of Sept. 11, passing the Swiss - Austrian frontier that night, and arriving at Schwarzach St. Veit, in the American zone of Austria, at approximately 9.15 on the morning of Sept. 12.

The independent evidence of a porter at Schwarzach St. Veit and of witnesses travelling on the train has established that she left the train at this point. Further evidence, believed to be reliable, shows that she was met at the station by an unknown man driving a car bearing Austrian number-plates. The further movements of this car have not been traced. It is probable that it took Mrs Maclean and the children from Schwarzach St. Veit to neighbouring territory in Russian occupation, whence she proceeded on her journey to join her husband.

There was no question of preventing Mrs. Maclean from leaving the United Kingdom to go to live in Switzerland. Although she was under no obligation to report her movements, she had been regularly in touch with the security authorities, and had informed them that she wished to make her home in Switzerland She gave two good reasons, firstly, that she wished to avoid the personal embarrassment to which she had been subjected by the Press in the United Kingdom; and secondly, that she wished to educate her children in the International School in Geneva.

It will be remembered that Mrs. Maclean was an American citizen, and in view of the publicity caused by her husband's flight it was only natural that she should wish to bring up her children in new surroundings. Before she left for Geneva the security authorities made arrangements with her whereby she was to keep in touch with the British authorities in Berne and Geneva in case she should receive any further news from her husband or require advice or assistance Mrs. Maclean was a free agent The authorities had no legal means of detaining her in the United Kingdom. Any form of surveillance abroad would have been unwarranted.

Present Whereabouts of Maclean and Burgess. In view of the suspicions held against Maclean and of the conspiratorial manner of his flight, it was assumed, though it could not be proved, that his destination and that of his companion must have been the Soviet Union or some other territory behind the Iron Curtain. Now Vladimir Petrov, the former Third Secretary of the Soviet Embassy in Canberra, who sought political asylum on April 3, 1954, has provided confirmation of this.

Petrov himself was not directly concerned in the case, and his information was obtained from conversations with one of his colleagues in Soviet service in Australia. Petrov states that both Maclean and Burgess were recruited as spies for the Soviet Government while students at the university, with the intention that they should carry out their espionage tasks in the Foreign Office, and that in 1951, by means unknown to him, one or other of the two men became aware that their activities were under investigation. This was reported by them to the Soviet intelligence service, who then organized their escape and removal to the Soviet Union.

Petrov has the impression that the escape route included Czechoslovakia, and that it involved an aeroplane flight into that country Upon their arrival in Russia, Maclean and Burgess lived near Moscow. They were used as advisers to the Ministry of Foreign Affairs and other Soviet agencies. Petrov added that one of the men (Maclean) has since been joined by his wife

Matters Calling for Comment. Two points call for comment . first, how Maclean and Burgess remained in the Foreign Service for so long; and, second, why they were able to get away.

When these two men were given their appointments, nothing was on record about either to show that he was unsuitable for the public service It is true that their subsequent personal behaviour was unsatisfactory, and this led to action in each case As already stated, Maclean was recalled from Cairo in 1950 and was not re-employed until he was declared medically fit. Burgess was recalled from Washington in 1951 and was asked to resign. It was only shortly before Maclean disappeared that serious suspicion of his reliability was aroused and active inquiries were set on foot.

The second question is how Maclean and Burgess made good their escape from this country when the security authorities were on their track. The watch on Maclean was made difficult by the need to ensure that he did not become aware that he was under observation. This watch was primarily aimed at collecting, if possible, further information and not at preventing an escape In imposing it a calculated risk had to be taken that he might become aware of it and might take flight. It was inadvisable to increase this risk by extending the surveillance to his home in an isolated part of the country, and he was therefore watched in London only.

Both men were free to go abroad at any time. In some countries no doubt Maclean would have been arrested first and questioned afterwards. In this country, no arrest can be made without adequate evidence. At the time there was insufficient evidence. It was for these reasons necessary for the security authorities to embark upon the difficult and delicate investigation of Maclean, taking into full account the risk that he would be alerted. In the event he was alerted and fled the country together with Burgess.

Tightening-up of Security in Foreign Service. As a result of this case, in July, 1951, the then Secretary of State, Mr. Herbert Morrison, set up a committee of inquiry to consider the security checks applied to members of the Foreign Service; the existing regulations and practices of the Foreign Service in regard to any matters having a bearing on security, and to report whether any alterations were called for.

The Committee reported in November, 1951. It recommended, among other things, a more extensive security check on Foreign Service officers than had until then been the practice. This was immediately put into effect, and since 1952 searching inquiries have been made into the antecedents and associates of all those occupying or applying for positions in the Foreign Office involving highly secret information. The purpose of these inquiries is to ensure that no one

is appointed to or continues to occupy any such post unless he or she is fit to be entrusted with the secrets to which the post gives access. The Foreign Secretary of the day approved the action required.

Reasons for Ministerial Reticence. A great deal of criticism has been directed towards the reticence of ministerial replies on these matters, an attitude which, it was alleged, would not have been changed had it not been for the Petrov revelations Espionage is carried out in secret Counter-espionage equally depends for its success upon the maximum secrecy of its methods. Nor is it desirable at any moment to let the other side know how much has been discovered or guess at what means have been used to discover it. Nor should they be allowed to know all the steps that have been taken to improve security These considerations still apply and must be the basic criterion for judging what should or should not be published "

Mr. Herbert Morrison, Foreign Secretary in the Labour Government at the time of the disappearance of Burgess and Maclean, spoke of the case in a speech in his constituency (South Lewisham) on Sept. 30.

Mr. Morrison welcomed the Government's decision (announced after the publication of the report) to hold a debate on the matter when Parliament reassembled, and expressed the hope that certain considerations arising out of this " unhappy and scandalous experience " would receive fair attention The general principle of the security of Civil Servants in holding their positions was widely accepted, but he thought that in a strictly limited number of cases excessive efforts were made to protect men against the natural consequences of incompetence or other faults Stern action, fairly reached, in a limited number of cases when warranted might not only be just and in the public interest but might also have a good effect on the service as a whole

Another trouble, Mr Morrison said, was that the Foreign Secretary was " terribly hard worked " " I know from my own experience," he added, " that while the work . is enormously interesting, the burden is excessively heavy The question arises whether there can be some delegation [of powers] which will help him to carry the load As things are it is difficult for the Foreign Secretary to devote an adequate proportion of his time to the administrative problems of the Foreign Office and to personal matters affecting the staff, as is done by Ministers of the Home departments. I think it likely that the Foreign Office staff themselves feel restraint in putting too many of these matters before the Foreign Secretary, unless it becomes essential, because of their wish to protect him against too much detailed work—a motive which would do them no discredit It was for this, among other general reasons, that I made a suggestion that there should be a suitable form of inquiry into the work of the Foreign Secretary and the general organization of the [Foreign] Office. . . . It could be argued that a select committee of Parliament would be suitable, but I am inclined to think that a very small committee of Privy Councillors, drawn from both sides of the House of Commons, might be best "

Mr. Morrison said that sweeping allegations against the Foreign Office of general incompetence, inefficiency, and snobbery were unfair. Its average quality, both at home and abroad, was very high and the officials served their country with great ability and conscientiousness. (Cmd. 9577 - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 13290 D.)**

A. YUGOSLAVIA - GREECE. — Greek Royal Visit to Yugoslavia. - President Tito's Statement on Cyprus Situation and Anti-Greek Riots in Turkey.

King Paul and Queen Frederika of Greece paid an official visit to Yugoslavia from Sept. 8-14, at the invitation of President Tito and the Yugoslav Government, during which they visited Belgrade, Zagreb, Ljubljana, Bled, Split, Dubrovnik, and the island of Brioni, where they spent two days as the guests of President and Mme. Tito.

In an interview to Greek press correspondents on Sept. 15, President Tito expressed Yugoslavia's support for Cypriot independence, and his concern at the recent outbreak of anti-Greek rioting in Turkey.

Asked about Yugoslavia's attitude to the Cyprus question, President Tito said " The policy of our government is unalterable regarding the right of self-determination of people in every country, including those countries in which this right is not enjoyed. . . . As regards the present situation in Cyprus, we hold that the matter should be treated in such a way as, on the one hand, to preserve co-operation and peace in the Balkans, and on the other, that it should be solved in time as the people of Cyprus demand."

Answering a question about the recent anti-Greek riots in Turkey, President Tito said : " We are saddened by the whole matter. . . . I think that what has happened is a lesson that everything must be done in the future to thwart certain irresponsible elements and the repetition of things of this kind. I believe that the Turkish Government's statement with reference to these events, and its willingness to make good the damage, is a sufficient guarantee that this unfortunate happening will be cleared up. I also believe that it will not have any severe repercussions on the Balkan alliance."

A communiqué issued in Belgrade on Sept. 14 said that the visit of King Paul and Queen Frederika had confirmed and strengthened the traditional friendship between Greece and Yugoslavia and would " result in the further consolidation of the foundations on which our allied relations are built."

(Tanjug Agency, Belgrade)

B. SOVIET UNION.—Amnesty for Wartime Collaborators. - Repatriation of German War Criminals.

A decree was issued on Sept. 17 by the Presidium of the Supreme Soviet granting an amnesty " to those Soviet citizens who, from faint-heartedness or irresponsibility, collaborated with the invaders during the war of 1941-45." Its provisions were as follows :

(1) Persons serving sentences of up to ten years for collaboration with the enemy during the war would be released.

(2) Persons serving prison terms of more than ten years would have their sentences reduced by half.

(3) Persons sentenced for having served in the German Army, police, or special formations would be released, irrespective of the length of their sentences. Those who had been sentenced to exile or deportation for such crimes would also be released

(4) The amnesty would not apply to members of punitive detachments sentenced for the murder and torture of Soviet citizens.

(5) Proceedings in all pending cases would be stopped, except in cases under (4) above.

(6) Citizenship rights would be restored to persons released under the amnesty, and also to those who had previously been released after having served their sentences

(7) (*a*) Soviet citizens now living abroad who surrendered to the enemy during the war, or served in the German Army, police, or special German formations, would not be held responsible.

(*b*) Soviet citizens living abroad who, during the war, held leading posts in the police, gendarmerie, or propaganda agencies set up by the occupation forces, including those who were drawn into anti-Soviet organizations after the war, would also not be held responsible " provided they have subsequently atoned for their guilt by patriotic activity for their country, or have admitted their guilt "

(*c*) Admission of guilt by Soviet citizens living abroad who had committed " serious crimes against the Soviet State " during the war would be considered a mitigating circumstance The penalty imposed upon such persons would not exceed exile for five years.

(8) The Council of Ministers was authorized " to take steps to facilitate the entry into the U.S.S.R. of Soviet citizens now living abroad, and also of their families regardless of their citizenship, and to arrange for their employment in the Soviet Union."

The Presidium of the Supreme Soviet announced on Sept. 28 that, in response to requests by the Governments of the German Democratic Republic and the German Federal Republic, it had been decided (1) to release 8,877 German citizens at present serving sentences for war crimes, and to repatriate them to their places of residence in Eastern or Western Germany; (2) to hand over to the East or West German Governments (depending on the places of residence of the persons concerned) 749 German war criminals who had committed especially grave crimes against Soviet citizens during the war. The two categories brought the total number of such persons to be repatriated to 9,626, in accordance with the undertaking given by Marshal Bulganin to Dr. Adenauer during the latter's recent visit to Moscow.—(Soviet Weekly - Manchester Guardian)
(Prev. rep. Amnesty, 12869 A ; Soviet Negotiations with East and West German Governments, 14451 A ; 14425 A.)

C. LEBANON. — New Government.

The Lebanese Prime Minister, M. Sami Solh, resigned on Sept. 13 after refusing a demand by the Chamber of Deputies to submit his Government to a vote of confidence. His resignation, tendered after a heated debate in which the Government's domestic policy was strongly criticized, had been preceded by the resignation of four of his Ministers.

After a Cabinet crisis lasting a week, President Shamoun asked M. Rashid Karame (33), Minister for National Economy in the outgoing Government, to form a new administration. M. Karame—who became Prime Minister for the first time—formed a ten-member Government on Sept. 19 which included only three members of M. Solh's Cabinet—M. Selim Lahoud (formerly Minister of Agriculture), who became Foreign Minister; Emir Majid Arslan, who remained Minister of Defence; and M. Karame himself.—(Le Monde, Paris)
(Prev. rep. 14331 B.)

D. UNITED STATES. — Revenue and Expenditure. - Figures for Fiscal Year 1954-55.

Official figures released by the Secretary of the Treasury and the Director of the Budget on July 20 showed that during the fiscal year 1954-55 (ending on June 30) the U.S. Government had incurred a budgetary deficit of $4,192,000,000, receipts having amounted to $60,303,000,000 and expenditure to $64,494,000,000. The deficit, which was some $1,000,000,000 more than in 1953-54, exceeded the President's estimate in his 1954 Budget message by about $1,300,000,000.
(New York Times) **(Prev. rep. 13716 C ; 13417 A.)**

A. FINLAND - SOVIET UNION. — Visit of Finnish President and Prime Minister to Moscow. - 20-Year Extension of Finnish-Soviet Friendship Treaty. - Porkkala Naval Base returned to Finland by U.S.S.R.

The 84-year-old President of Finland, M. Juho Paasikivi, accompanied by the Finnish Prime Minister (Dr. Urho Kekkonen), the Defence Minister (M. Emil Skog), and the Deputy Foreign Minister (M. Svento), visited Moscow on Sept. 16-19 at the invitation of President Voroshilov and the Soviet Government.

After discussions at the Kremlin on Sept. 16 between Presidents Paasikivi and Voroshilov, meetings were held on Sept. 17-19 between the Finnish delegation, headed by Dr. Kekkonen, and a Soviet ministerial delegation led by Marshal Bulganin and including M. Khrushchov, M. Molotov, and M. Pervukhin. They resulted in the signing by Marshal Bulganin and Dr. Kekkonen of (1) a protocol extending for 20 years the Finnish-Soviet treaty of friendship and mutual assistance which had been concluded in 1948 (see 9228 A), and (2) an agreement whereby the Soviet Government undertook to evacuate, and to return to Finland, the naval base of Porkkala (12 miles south-west of Helsinki), which had been leased to the U.S.S.R. for 50 years under Article 4 of the Finnish Peace Treaty signed in 1947 (see 8517 A).

Extension of Finnish-Soviet Treaty. The original treaty of 1948 was valid for ten years and would therefore have expired in 1958 The new protocol provided (*a*) that the treaty would remain in force for 20 years as from the signing of the protocol (i e until 1975); (*b*) that it would be automatically renewable for five-year periods after 1975, unless either party denounced the treaty one year before the date of expiration, and (*c*) that the protocol would become effective on ratification by the Finnish and Soviet Parliaments, and after the exchange of instruments of ratification

The Porkkala Base. The agreement for the return of the Porkkala base to Finland consisted of five Articles, as follows .

(1) The Soviet Union would relinquish to Finland "all its rights to use and control those land and sea areas" which were leased to the U.S.S.R. for 50 years under the Finnish Peace Treaty Moreover, the U.S.S.R would relinquish all its rights to "rail, sea, road, and air traffic to the Porkkala peninsula, as well as its communication rights."

(2) The Soviet Union would withdraw all its troops from the Porkkala base within three months of the ratification of the agreement.

(3) All property at the Porkkala base (houses, warehouses, barracks, port facilities, etc.) would be returned by the Soviet Union to Finland "free of charges, taxes, and other possible expenses or rights."

(4) Neither country would charge the other any expenses arising from the presence of Soviet forces in the Porkkala area, or from the return of the area to Finland.

(5) The agreement would be ratified by the Finnish and Soviet Parliaments, and instruments of ratification exchanged in Helsinki.

Joint Communiqué. A joint communiqué said that the Finnish-Soviet negotiations had been held "in a spirit of friendship, heartiness, and mutual understanding." It continued ·

"Both parties unanimously believe that the treaty of friendship and mutual assistance signed between Finland and the Soviet Union in 1948 is a stable foundation for strengthening the friendly relations between the Soviet Union and Finland, and for helping to create friendly relations in the whole of northern Europe Both parties agreed to prolong the treaty for 20 years, and signed a protocol to this effect.

"Taking into consideration the friendly and neighbourly relations between the Soviet Union and Finland, and a certain relaxation of international tension, especially since the Geneva Conference of the four Heads of Government, the Soviet Union [has] found it possible to give up its rights to Porkkala, to liquidate its military and naval base, to evacuate its forces, and to hand the base over to Finland."

The Soviet Union's decision to return the Porkkala base to Finland had been announced by Marshal Bulganin on Sept. 18, during the discussions with the Finnish delegation. He added in this connexion :

"There can be no doubt that the liquidation of bases on foreign territories by other Powers as well would be an important contribution to the further lessening of international tension and to the removal of distrust between States, and would foster the creation of the necessary conditions for ending the armaments race."

President Paasikivi, speaking on Sept. 19 at a banquet given in his honour in the Kremlin, declared that the return of the Porkkala base to Finland would give "great joy" to the Finnish people.

After recalling that he had paid seven visits to the Soviet Union for negotiations on questions of Russo-Finnish concern, and had "usually returned unsatisfied," President Paasikivi said that now "for the first time I return to our capital satisfied." He added · "Eleven years ago I signed the agreement under which we lost Porkkala. Today I signed the agreement which returns it to us. I must say frankly that the loss of Porkkala was a serious thing for us. Porkkala is only 18 kilometres (12 miles) from Helsinki, and, to tell the truth, it was very inconvenient to have you [the Russians] there But everything is now comfortable again. . . ."

Warm tributes to President Paasikivi were paid by Marshal Voroshilov, who described the Finnish President as "not only a chief of State but chief among the best men I ever met," and by M. Khruschchov, who said that "in giving up a military base we are getting instead a better base for friendship and world peace" Before leaving Moscow for Helsinki, President Paasikivi conferred upon President Voroshilov the Grand Cross of the Order of the White Rose, Finland's highest decoration The Order of Lenin had been conferred upon President Paasikivi by the Supreme Soviet in 1954 (see 13847 C).

The Porkkala base had been a Soviet *enclave* in Finnish territory since the Soviet-Finnish armistice agreement of 1944, and its return to Finland was warmly welcomed in that country. President Paasikivi, who was enthusiastically greeted by large crowds on his return from Moscow, emphasized that there were no secret clauses in the agreements signed with the Soviet Government, and said that he returned from the Soviet capital "completely happy." Both he and Dr. Kekkonen announced that the Soviet Government would allow all former Finnish prisoners of war in the U.S.S.R. to return to Finland, including those who had been sentenced for war crimes.

A Soviet-Finnish agreement providing for the exchange of information and experience in industry, agriculture, and general scientific research (excluding military information) had been signed in Helsinki on Aug 16, following preliminary arrangements made during a visit to Finland in December last by M. Mikoyan, then Soviet Minister of Foreign Trade.—(Times - Manchester Guardian - New York Times - Le Monde, Paris - Berlingske Tidende, Copenhagen) **(Prev. rep. Soviet-Finnish Relations, 13847 C ; Friendship Treaty, 9228 C ; Porkkala Base, 9158 A ; Finnish Peace Treaty, 8517 A.)**

Note. New Soviet-Finnish trade arrangements for 1955, concluded under the five-year trade agreement between the two countries (see 13847 C), were laid down in a protocol signed in Moscow on Jan 24 Finnish exports to the Soviet Union were expected to amount to 32,100,000,000 Finnmarks (about $140,000,000), against Soviet exports totalling 23,500,000,000 Finnmarks The Soviet Union agreed to grant Finland another 10-year loan of 40,000,000 roubles (about $10,000,000) in gold or U.S dollars, against the considerable balance in Finland's favour arising out of the excess of Finnish exports to the U S S R over Soviet exports to Finland, the loan will bear interest at 2½ per cent The goods to be exchanged are on the same lines as in previous agreements, and include the building by Finland for the U S S R of two tankers and an 8,500-ton cargo ship Soviet purchases of prefabricated timber houses were, however, heavily reduced, from 750,000 cubic metres in 1954 to only 250,000 cubic metres in 1955

Finland's total foreign trade in 1954 amounted to 156,600,000,000 Finnmarks in exports and 152,100,000,000 Finnmarks in imports, leaving an export surplus of 4,480,000,000 Finnmarks Britain and the Soviet Union accounted for 40 per cent of Finland's total foreign trade, about evenly divided between the two countries. Whereas, however, the Soviet Union had been Finland's best customer in 1953, Britain regained this position in 1954.—(Times - Le Monde, Paris - New York Times - Neue Zurcher Zeitung) **(Prev. rep. 13847 C.)**

B. AUSTRALIA. — Population Figures.

Figures published recently by the Commonwealth Bureau of Census and Statistics, and revised in accordance with the preliminary results of the population census of June 30, 1954, showed that the population of Australia on Dec. 31, 1954, was 9,090,738 (4,598,208 males and 4,492,530 females).

The distribution of population between the States was as follows: New South Wales, 3,462,502 ; Victoria, 2,480,873 ; Queensland, 1,322,886 ; South Australia, 808,308 ; Western Australia, 649,360 ; Tasmania, 319,542 ; Northern Territory, 16,123 ; Australian Capital Territory (Canberra), 31,144.

The population on Dec. 31, 1954, was 187,730 higher than on Dec. 31, 1953, due to a natural increase (i.e. excess of births over deaths) of 120,451, and a net migration of 68,207 (overseas arrivals 198,025, overseas departures 129,818). (Commonwealth Bureau of Census and Statistics) **(11465 B.)**

C. NEW ZEALAND. — Reduction in Motor Vehicle Imports. - Effect on British Car Exports.

The Minister of Customs (Mr. Eyre) announced on Sept. 27 that licences for the import of motor vehicles in 1956 would be one-third lower than in 1955. Imports of vehicles in 1956 were consequently expected to amount to 33,000 vehicles, valued at £N.Z.15,000,000, compared with 48,000 vehicles in 1954 and an anticipated 50,000 in 1955.

A spokesman of the Society of Motor Manufacturers in London described the cut as "a serious blow" to the British motor industry, as New Zealand was its second largest export market for cars and the fourth for commercial vehicles. British vehicle exports to New Zealand in 1954 totalled 39,000 cars and 9,000 commercial vehicles, valued at £16,750,000.—(Times - Directorate of Information Services, Wellington) **(13736 D.)**

OCTOBER 8—15, 1955

A. UNITED NATIONS. — Opening of Tenth Session of General Assembly. - Señor José Maza elected President of Assembly. - Speeches by Mr. Dulles, Mr. Macmillan, M. Molotov and M. Pinay. - French Protest at Assembly's Decision to debate Algerian Situation. - French Withdrawal from General Assembly. - Recall of French Delegation at U.N. - Rejection of Greek Proposal for Debate on Cyprus.

The tenth session of the U.N. General Assembly opened in New York on Sept. 20, when Señor José Maza (Chile) was unanimously elected President of the Assembly in succession to Dr. van Kleffens (Netherlands).

Señor José Maza (66), an eminent jurist, is the author of many legal works in Spanish, including a study of the U N Charter A member of the Chilean Senate from 1925-53, he has held the posts of President of the Senate, chairman of the Senate Foreign Relations Committee, Minister of Education, and Minister of Justice He has been Ambassador to Brazil, Peru, Uruguay, Panama, and Haiti, and has led the Chilean delegation at several sessions of the U N General Assembly.

The chairmen of the Assembly's committees were also unanimously elected on the same day, as follows .

Political Committee .	Sir Leslie Munro (New Zealand)
Ad Hoc Political Committee	Prince Wan Waithayakon(Siam)
Economic and Financial Committee	M. Ernest Chauvet (Haiti)
Social, Cultural and Humanitarian Committee . .	M Omar Loutfi (Egypt)
Trusteeship Committee	Señor Luciano Joublanc-Rivas (Mexico)
Administrative and Budgetary Committee . .	Hr. Hans Engen (Norway)
Legal Committee ..	Prof. Manfred Lachs (Poland)

Before Señor Maza's election as President of the Assembly, M. Molotov (the Soviet Foreign Minister) moved that representatives of the Chinese People's Republic should be seated in the General Assembly and other U.N. organs, and that the Chinese Nationalist representatives should be unseated. By 42 votes to 12, with six abstentions, the Assembly approved a U.S. amendment asking it "not to consider at its tenth session any proposals to exclude the representatives of the Republic of China [i.e. Nationalist China] or to seat representatives of the People's Republic of China." As the Assembly approved the U.S. amendment, the Soviet resolution was not voted upon.

The 12 countries supporting the admission of the Chinese People's Republic were the Soviet Union, the Ukraine, Byelorussia, Poland, Czechoslovakia, India, Burma, Indonesia, Denmark, Norway, Sweden, and Yugoslavia. The six abstaining countries were Afghanistan, Egypt, Israel, Saudi Arabia, Syria, and Yemen.

The general debate in the Assembly began on Sept. 22 and ended on Oct. 4. The major speeches—summaries of which are given below—were those of Mr. Dulles, the U.S. Secretary of State, on Sept. 22; of M. Molotov, the Soviet Foreign Minister, on Sept. 23; of M. Pinay, the French Foreign Minister, on Sept. 29; and of Mr. Macmillan, the British Foreign Secretary, on Sept. 30.

Mr. John Foster Dulles.

The U.S. Secretary of State expressed the conviction that all four Heads of Government who took part in the Geneva "summit" conference (see 14325 A) wanted to end the tensions of the past decade, in which, although no major war had broken out, "true peace has not been enjoyed." "That phase may now be ending," Mr Dulles added. "All four Heads of Government wanted that result, and each contributed to it In consequence, a new spirit does indeed prevail, with greater flexibility and less brittleness in international relations. . . ."

"At the Geneva 'summit' meeting," Mr. Dulles continued, "President Eisenhower brought up two causes of international tension which were not accepted for the agenda of the conference. The first was 'the problem of respecting the right of peoples to choose the form of government under which they will live.' President Eisenhower said: 'The American people feel strongly that certain peoples of Eastern Europe, many with a long and proud record of national existence, have not yet been given the benefit of this pledge of our U.N. wartime declaration, reinforced by other wartime agreements. President Eisenhower also raised the problem of international Communism. He said that for 38 years this problem has disturbed relations between other nations and the Soviet Union. . . . The Head of the Soviet Government took the position that these problems were not a proper subject of discussion at the conference."

"Nevertheless," said Mr. Dulles, "the eyes of much of the world will remain focussed upon these two problems. What, in fact, the Soviet Union does about them will, to many, be a barometer of the Soviet's real intentions If the 'spirit of Geneva' is genuine and not spurious, if it is to be permanent and not fleeting, it will lead to a liquidation of abnormal extensions of national power, which crush the spirit of national independence, and to the ending of political offensives aimed at subverting free governments."

Mr. Dulles said that there were "welcome signs" that the U.N 's second decade "may be more harmonious than the first," and believed that "given goodwill and mutual confidence, many provisions of the Charter will gain new meaning and new vitality." "We can feel that confidence," he said, "because we see the nations becoming more and more sensitive to the moral verdicts of this Organization . . . No nation lightly risks the Assembly's moral condemnation, with all that such condemnation implies."

He then went on to discuss specific problems, notably the questions of German reunification, disarmament, "atoms for peace," the proposed review of the U.N. Charter, and U S. policy towards China and in the Near East.

On the first question, he said that the continued division of Germany was "a crime against nature," and that the Western Powers were "ready to advance some overall plan of European security which would give the Soviet Union substantial additional reassurances" against fears that might be entertained by the entry of a unified Germany into NATO. After emphasizing that "an unprecedented opportunity" was provided by the conjunction of this offer and the present peaceful mood of the German Federal Republic under Dr. Adenauer's leadership, he added: "But the German mood which I describe may not always persist Also, it cannot be assumed that the Western Powers, including the United States, will always be ready to enlarge their present commitments to meet Soviet concern about European security. The present opportunity is so unusual and so full of constructive possibilities that it can be hoped that the forthcoming four-Power meeting of Foreign Ministers [at Geneva] will find a solid basis for the reunification of Germany within a framework of European security."

On disarmament, Mr. Dulles stressed the advantage of President Eisenhower's proposal [made at the Geneva "summit" conference] that the U.S.A and the U.S.S R should exchange information on their military establishments and allow mutual aerial reconnaissance "The logic of this proposal," he said, "is simple and clear. Major aggression is unlikely unless the aggressor can have the advantage of surprise and can hope to strike a blow which will be devastating because it is unexpected. But the preparation of an attack of such magnitude could hardly be concealed from aerial inspection. Aerial inspection would not, of course, detect everything. We do not think of it as a final comprehensive system of inspection. But it would detect enough to exclude the greatest risk As such it would open the way to further steps towards inspection and disarmament, which we all want to see Long experience in these matters has made it apparent that when there is a sense of insecurity, when there is an ominous unknown, then arms seem needed and limitation of armament become virtually unattainable Reductions of armament occur when fear is dissipated and when arms seem less needed. . . The essence of the President's proposal was that it would, as a beginning, do what is required of a beginning namely, make it more possible to take subsequent steps ."

On the subject of the peaceful uses of atomic energy, Mr Dulles described the recent scientific conference in Geneva (see 14416 A) as an "outstanding success"—"so successful that the United States will propose a similar conference to be held in three years, or earlier if the increasing development of the peaceful uses of atomic energy will so warrant" He also referred briefly to the U S proposal that the U N. should arrange for the collection and publication of information on the atomic effects of radiation upon human health and safety (see below). In this connexion he said that when the Assembly considered the matter during its current session, the U.S.A would suggest the establishment of an international technical body, composed of qualified scientists, which would "collate and give wide distribution to radiological information furnished by members of the United Nations or specialized agencies"

Dealing with the review of the U N. Charter, Mr. Dulles expressed the U S Government's opinion that the Assembly should "approve in principle" the convening of a conference to revise the Charter, and should establish a Preparatory Commission to prepare and submit recommendations for this purpose After commenting that the present Charter was a "pre-atomic age Charter," he said that he believed that an "impelling reason" for holding such a conference "would be to reconsider the present veto power in relation to the admission of new members, particularly if that veto power continues to be abused"

Turning to the China area, Mr Dulles described the situation there as "somewhat less ominous than it was," and expressed the hope that the Chinese People's Republic "will respond to the manifest will of the world community that armed force should not be used to achieve national objectives" He paid tribute to the role played by the U N. and its Secretary-General, Dr. Hammarskjold, in securing the release of the U S. airmen imprisoned in China while serving under the U.N Command (see 14415 A), and said that the outcome had "justified the confidence which the United States had placed in the United Nations, and our restraint in the use or threat of our own national power"

As regards the Near Eastern situation, Mr Dulles recalled the proposals he had made for bringing peace to Palestine, including an international guarantee to prevent any effort to alter by force the boundaries between Israel and the neighbouring Arab States (see 14392 A). Noting that a number of countries had indicated their support for the U S. offer, he said . "If there is a favourable response from the Near Eastern countries, many aspects of this problem would eventually come to the United Nations for its action at some future session."

In the course of his speech Mr Dulles appealed for the admission of countries who had for long been trying to enter the United Nations He said in this connexion: "Today we have a wide and important

membership. But about a score of sovereign nations are not represented here Many of them meet the membership tests of our Charter. They are peace-loving and have shown themselves able and willing to carry out the Charter's obligations. Their Governments could reflect here important segments of world opinion. To block the admission of such nations by use of the veto power is a grave wrong, not only to them but also to this Organization. I hope that during this session action will be taken by the Security Council and this Assembly to bring these nations into membership Thus, the U.N would enter its second decade better equipped to serve mankind."

M. Vyacheslav Molotov.

The Soviet Foreign Minister spoke at considerable length on the Geneva "summit" conference, pointing out that it was "not an isolated development" and that the way for it had been "paved by recent events." The conference itself, he said, had "reflected the deep changes that have taken place in the minds of the people, who are showing an ever-growing determination to defend peace and to prevent a new world conflagration" He recapitulated many recent developments which had contributed to the improved international atmosphere; emphasized, in particular, the value of the International Conference on the Peaceful Uses of Atomic Energy which had been held at Geneva, and expressed the hope that regular, and "preferably annual," conferences of a similar kind would be held

Discussing the proposals made at the Geneva "summit" conference, M. Molotov said the Soviet Union recognized the importance of President Eisenhower's plan for an exchange of military information and mutual aerial reconnaissance, and regarded it "as an expression of a sincere desire to facilitate the solution of the important problem of international control and inspection" The U S S R, he said, was studying the proposal "and its various aspects," and in doing so was interested in ascertaining to what extent it would "contribute to a reduction of armaments and to the settlement of the problem of outlawing atomic weapons, that is to say, to what extent it would help to fulfil the principal task—that of ending the armaments race and relieving the peoples of the heavy burden of inflated military budgets and war preparations"

M. Molotov also said that the U S S R was giving consideration to the plans put forward at Geneva by the Prime Ministers of France and the United Kingdom, M. Faure and Sir Anthony Eden [M Faure had proposed the limitation of armaments by the reduction of military budgets, and Sir Anthony Eden had suggested the establishment of joint inspection teams] He emphasized that the solution of the German problem was "inseparable from the task of establishing a system of European security and from the question of whether Europe would be turned into a potential hot-bed of a new war or whether it would become a bulwark of peace and international security" Under present conditions, he added, the German problem "will find its solution through the setting up of an all-European security system." After recapitulating the proposals made by the U.S S R. at Geneva, M. Molotov said his Government hoped that, on the basis of its own suggestions and the "constructive considerations" of the other participants in the conference, a solution to the problem of European security would be found

A considerable part of M Molotov's speech was devoted to disarmament, in which connexion he declared that the U N "must speak up emphatically against the arms race and in favour of reducing armaments, outlawing atomic and hydrogen weapons, and removing the danger of another war" He urged acceptance of the Soviet Government's disarmament proposals which had been made to the U.N sub-committee on disarmament in May last, pointed out that these proposals had "in many respects" taken into account the considerations advanced by the Western Powers; and described them as "a major step in narrowing down the differences between the U.S S R and the Western Powers on disarmament." Citing specifically the Soviet Union's acceptance of the Western proposals on the level of forces of the five major Powers, he contended that this had made "pointless" the West's objections to the banning of atomic weapons on the ground that they were a means of maintaining a "balance" in armaments between the East and West The Soviet Union now had reason to expect that the Western Powers, in their turn, would adopt a position on atomic weapons which would permit agreement to be achieved. Emphasizing that his Government attached "considerable importance" to the question of disarmament controls, M Molotov said that the setting-up of control posts on a mutual basis (as suggested in the U N. disarmament sub-committee) would be a particularly effective measure "in preventing surprise attack by one State against another."

M. Molotov also placed emphasis on the question of military bases in foreign territories. In this connexion he recalled that the Soviet Union had withdrawn from Port Arthur (see 14226 A) and was about to withdraw from Porkkala (see 14460 A); pointed out that when the Porkkala withdrawal was completed "there will be no Soviet military bases on the territories of other States"; and added "This gives us reason to call on the Governments of other Powers, and particularly those which maintain numerous bases on foreign territories, to give up their bases."

On the membership issue, M. Molotov announced that the Soviet Government would support the simultaneous admission to the United Nations "of the 16 States which have applied for membership" He did not enumerate the States to which he referred [On previous occasions the U.S.S R. had urged the simultaneous admission of **14 applicants—Albania, Austria, Bulgaria, Ceylon, Finland, Hungary, the Irish Republic, Italy, Jordan, Libya, Mongolia, Nepal, Portugal, and Rumania.**]

M. Molotov opposed the revision of the U N. Charter and the convening of a conference for such a purpose. He declared in this connexion: "If we consider the present situation objectively, we must recognize that agreement on Charter provisions which, in the opinion of certain States, require alteration, would not be easier, and may be more difficult to achieve at present, than was the case ten years ago. . . . Our aim should not be to break up the Charter, but rather to achieve joint action by States and, in particular, by the permanent members of the Security Council." The role of the Security Council, he emphasized, should be enhanced rather than diminished.

In conclusion, M Molotov presented a draft resolution "on measures for further easing international tension and developing international co-operation." After expressing satisfaction at the recent efforts to ease international tension, it called upon the Assembly to examine both the Soviet Government's proposals "on questions of ending the arms drive, banning atomic weapons, and eliminating the threat of a new war" and the disarmament proposals presented by President Eisenhower, Sir Anthony Eden, and M. Faure at the Geneva "summit" conference, as well as "the corresponding proposals of other States"

M. Antoine Pinay.

The French Foreign Minister, while welcoming the recent lessening of international tension, stressed France's "resolute opposition" to an international *détente* which would involve "the dissolution of the Atlantic Pact and the departure of American forces from Europe." Refuting the Soviet assertion that NATO was an "aggressive" organization, he declared "The Soviet Union is on the wrong track when it attacks the Atlantic Pact and when it bases its propaganda on the elimination of what is called, incorrectly, 'foreign bases.' I know of no 'foreign bases' within NATO I only know of means of defence that have been placed in common, freely and voluntarily, in the service of a single ideal—that of peace." Since, by its very nature, NATO had a strictly defensive character, it in fact provided the Soviet Union "with the perfectly legitimate guarantees which it has a right to demand" "There can be no question," he added, "of substituting for these real guarantees, offered by the Atlantic organization, abstract guarantees of the Locarno type, which in the recent past have proved illusory"

Defending the Paris Agreements, M. Pinay said "For the time being they offer the only example of a system providing for the limitation and reciprocal control of armaments They are the seal of Franco-German reconciliation, a decisive factor in the pacification of Europe They lay the foundations for the progressive and continuous construction of Europe, and constitute, therefore, an application of the principles of the Charter"

As regards the reunification of Germany, M. Pinay declared: "The division of Germany constitutes a permanent factor of insecurity in the heart of Europe. Continued division will not generate any satisfactory solution, it will merely complicate, with the passage of time, the given facts of the problem It is more than an injustice, therefore, it is a mistake. The possibility has been mentioned of a progressive re-establishment of unity through increasing contacts between the German Federal Republic and Eastern Germany I am rather fearful lest this theory of the 'two Germanies' should lead us to a dead end The French Government knows of only one democratically-elected government in Germany that of the Federal Republic. It does not consider it possible to place a legal government and *de facto* authorities on an equal footing."

He continued "While we feel that there is no security for Europe without the reunification of Germany, we also feel that there could be no reunification without the formulation of a security system A united Germany must, in our opinion, be subject to controlled military limitations, which should not in any sense be discriminatory. We are in favour of reciprocal controls which guarantee to each nation respect for the rules established by common agreement On these bases, an equitable arrangement should finally take shape between East and West. If the Soviet Union is really concerned only with ensuring its own security, such an agreement is truly possible"

Whilst welcoming the "impetus to the hopes of all peoples" provided by the Geneva "summit" conference, M. Pinay said that it was necessary to distinguish carefully between a "true" and a "false" *détente*. "There would be no true *détente*," he declared, "if it were a matter of an armistice concluded at one point in order to attack all the better on another front There would be no true *détente* if force should assume the mask of subversion from within, or of incitement to primitive nationalisms. We should like to be sure that there is no longer any question of shattering a system of values in order to bring about the triumph of the opposite system by means of subversion, which would only be the continuation of a policy of force and thus contrary to the spirit of our Charter. It is difficult for us to forget that agitation among the non-self-governing peoples has constantly been held to be an essential weapon in the struggle of Communism against the free world. Are there some who would consider opening a new front in Africa? This ambiguity must be removed The pursuit of such a course of subversion would be the principal obstacle to the great problem of our time: the orderly fulfilment of the aspirations of all peoples for independence and liberty."

After referring to the successful negotiations which had led to the establishment of an all-Tunisian Government, and declaring that France "intends to give to Morocco the characteristics of a modern democratic sovereign State, united to France by bonds of a freely accepted interdependence," M. Pinay declared: "France will never

permit anyone to jeopardize the destiny of a country which she has succeeded in pacifying, unifying, and lifting for ever above its original condition." Without specifically mentioning Algeria, he added: "To those who seek to indict France, I shall not merely present the irrefutable legal argument of the incompetence of the U.N. [in the Algerian question] . I shall only say to them: 'You are seeking to destroy the effort, undertaken by France, to build a free association between herself and overseas peoples who are closely united to France by geographical and historical links and by evident mutual interests . . . Thus, consciously or unconsciously, your objective is chaos'."

As regards the admission of new U.N. members, M Pinay declared: "The French Government hopes that a sounder understanding of international co-operation will enable us to make progress this year and to admit into the U N countries that have been kept out unfairly —among the first of which I would mention Italy" With regard to revision of the U.N Charter, he said that it seemed "wiser to await a more auspicious climate before undertaking this desirable reform."

Mr. Harold Macmillan.

The British Foreign Secretary said that the Western Powers fully understood the Soviet Union's determination that the terrible injuries inflicted by the Nazi armies in the war should never be repeated, and that "the soil of Russia should never again be defiled by the invader." "If this is the only difficulty," he said, "I am satisfied that the Western Powers can devise a scheme to meet these legitimate preoccupations We are confident that we can produce plans which the world would regard as giving Russia full protection against the threat of a reunited Germany which has chosen, as it well may, to join NATO This is the purpose of the various security proposals upon which we are working This is the purpose, too, of Prime Minister Eden's additional proposals to strengthen any pact, which after all is a matter of words, by thinning out military dispositions, which is a question of deeds If our proposals are insufficient, we would welcome the opportunity of considering any amendments or additions. If in one form or another the Soviet Government are able to accept this system of security, the Gordian knot will have been cut and the spirit of Geneva will have proved something real indeed"

Mr. Macmillan warned against expecting "spectacular results" from the forthcoming meeting of Foreign Ministers in Geneva. "We must hope," he said, "for a gradual growth of understanding of each other's point of view, and, with that understanding, a reaching of practical agreements in which the new spirit can be embodied" He recalled that the agenda of the four-Power meeting contained three points: (1) the reunification of Germany within the framework of European security; (2) the problem of disarmament; and (3) means of increasing contacts between East and West. On the first point, he said that progress on the "vital issue" of German reunification "depends really on the answer to a simple question Why does the Soviet Government object to the re-establishment of a united Germany under a system of free elections?" If the Foreign Ministers could reach agreement on the first item on their agenda, "how different will be the prospect of approaching the second—the problem of disarmament." As regards the third point, Mr Macmillan said: "Let us make use of every possible means—travel, trade, interchange of ideas. Those who are really confident that their philosophy is the right one should not be alarmed at exposing it to the maximum amount of criticism and knowledge"

Turning to the question of disarmament, Mr Macmillan declared: "It would be ungenerous not to recognize the very substantial progress which has been made under the aegis of the U N. since we met last year. The work in the Disarmament Commission has brought a new and realistic approach to what has formerly been largely an academic or propaganda exercise. In June, 1954, the Anglo-French plan was put forward and universally accepted as a valuable contribution. After a year's thought the Soviet Government advanced proposals which reproduced many of its features . . . The casual reader of Mr Molotov's resolution (see above), which he introduced at the end of a moderate and balanced speech, would have thought that the Russian proposals represented some novel and revolutionary initiative However, it is satisfactory to feel that in this, as in so many other matters, they are now following in the steps of the 'bourgeois' States I would like, nevertheless, to take the opportunity of saying how much we were encouraged by the general tone of Mr. Molotov's speech It was certainly, in language and presentation, in tune with the new decorum which is consistent with the Geneva spirit. There is hardly a sentiment throughout his long and valuable contribution to which I would myself raise disagreement. Even the references to Soviet anxieties or grievances were clothed in conciliatory language. . ."

Mr. Macmillan added, however, that there was one point in M. Molotov's speech to which the Western Powers took exception—the argument that the Western countries no longer had a case for objecting to the banning of atomic weapons in view of the fact that the Soviet Union had accepted the Western proposals on the levels of armed forces. "This," said Mr. Macmillan, "really begs the question. It would be quite easy to expose the logical fallacy of this argument, but it is not necessary for me to draw upon our own resources for this purpose. I need only quote the Soviet Government's statement in their proposal of May 10 [in the U.N. disarmament sub-committee] in which they issued this warning: 'Thus there are possibilities beyond the reach of international control for evading this control and for organizing the clandestine manufacture of atomic and hydrogen weapons, even if there is a formal agreement on international controls.'" Mr. Macmillan added: "It is that problem, indeed, that we must somehow solve if we are to make the progress for which the world longs."

Turning to Near Eastern problems, Mr. Macmillan said that the Cyprus question, intractable as it now appeared, was no more dangerous or difficult than many other questions that had been settled. "We shall press forward calmly but firmly with constitutional development in Cyprus, and although sole responsibility lies, of course, upon the British Government, we shall continue our search for common ground with our friends and allies, Greece and Turkey." As regards the Palestine situation, he said "It is clearly the duty of the United Nations to moderate and allay the animosities between Israel and her Arab neighbours. In this intractable issue the duty of men of good will is to try to develop the necessary confidence on both sides for an ultimate settlement to be reached. A heavy responsibility will lie on any country which introduces any new and disturbing factor into this delicate situation" [The last sentence was interpreted as a reference to the supply of arms to Egypt by Czechoslovakia, with Soviet approval.]

Reviewing the events of the past 12 months, Mr Macmillan said that on many fronts the U N. had had "a good year," and that the 10th anniversary session in San Francisco (see 14301 A) had shown that there was "a widespread and genuine desire to make the U.N. work as it should" The atoms-for-peace conference in Geneva, in particular, had been outstandingly successful and had "done much to dissipate the atmosphere of secrecy and suspicion which has hitherto veiled the unfolding of the most important discovery of our time." He urged that the U N. should admit many nations whose right to membership could not be questioned, but thought that the time was not yet ripe for raising the question of China's representation, nevertheless, this question would have to be settled "before fully peaceful relations can be established in the Far East."

Agenda for Tenth Session.

The regular agenda for the tenth session comprised 57 items, including disarmament, international co-operation in developing the peaceful uses of atomic energy, the racial problem in South Africa, the question of the Indian minority in South Africa, the status of South-West Africa, the economic development of under-developed countries, the question of establishing an International Finance Corporation, and the admission of new members to the United Nations. In addition, the following supplementary subjects were proposed by various countries: (1) the Cyprus question; (2) the Moroccan situation; (3) the Algerian situation; (4) the question of Dutch New Guinea; (5) the "co-ordination of information relating to the effects of atomic radiation upon human health and safety"; (6) the problem of ex-prisoners of war in Korea who had chosen to be sent to India; (7) the question of "the safety of commercial aircraft flying in the vicinity of, or inadvertently crossing, international frontiers"; (8) "measures for the further relaxation of international tension and the development of international co-operation."

The inclusion of the Cyprus question was proposed by Greece in the following form: "Application, under the auspices of the U N., of the principle of equal rights and self-determination for the people of Cyprus."

The question of Morocco was proposed jointly by Afghanistan, Burma, Egypt, India, Indonesia, Iraq, Lebanon, Liberia, Pakistan, Persia, the Philippines, Saudi Arabia, Siam, Syria, and Yemen. The 15 Asian-African countries presented a memorandum declaring that "for many years the Moroccan people, under French rule, have been deprived of basic rights of self-determination" and that "the attempt to maintain by force a regime contrary to the wishes of the people of Morocco" had led to "a steadily increasing threat to peace."

The Algerian question was presented by 14 of the above-mentioned 15 countries (the exception being the Philippines) A joint memorandum said that the situation in Algeria had become "a cause for increasing concern"; that the Algerian people could not exercise the right of self-determination as envisaged in the U.N Charter; that matters in Algeria had reached a point at which "the only method of affirming France's presence is by a show of force"; and that this situation was creating "a serious threat to peace in the Mediterranean area."

The question of Dutch New Guinea (West Irian) was raised by the same 15 countries that presented the Moroccan resolution. Like the similar resolution presented at the ninth session, it asserted that sovereignty over Western New Guinea should be exercised by Indonesia and not by the Netherlands.

Item (5) above was presented by the United States, as announced by Mr. Dulles in his speech to the General Assembly (see above). The U S Government issued an explanatory memorandum proposing that the General Assembly should "take steps to establish procedures for the receipt and assembly of radiological information collected by the various States and the results of their studies of radiation effects upon human health and safety."

Item (6) above was presented by the Government of India, which issued a memorandum stating that it could "not continue indefinitely to shoulder the burden" of maintaining the 82 Chinese and Korean prisoners-of-war who were still in Indian custody while awaiting their final disposition The memorandum reported that most of these men wished to go to countries that were neutral in the Korean War; requested the General Assembly to call upon those countries to admit the former P.O.W.s and to undertake responsibility for their rehabilitation, and asked the U.N. to meet the cost of caring for the men in India (where they had been held since February, 1954) pending their final disposition.

Item (7) above was proposed by Israel, which presented a memorandum noting that in recent years a number of commercial aircraft "innocently deviating from fixed flight plans in the vicinity of or across international frontiers" had been shot down, resulting in serious loss of life and causing grave international friction. It suggested that the U N Secretary-General should study this question, in consultation with specialized agencies or any other bodies he deemed appropriate, and should report his findings and recommendations to the 11th session of the General Assembly [The resolution arose out of the incident on July 27, when an Israeli airliner was shot down by Bulgarian fighters with the loss of 58 lives—see 14359 E.]

Item (8) above was the Soviet resolution presented by M. Molotov at the end of his speech to the General Assembly. It was unanimously placed on the Assembly's agenda.

Acceptance of Arab-Asian Proposal for Debate on Algeria. - French Withdrawal from General Assembly.

The raising of the Algerian question by the Arab-Asian group, and the Assembly's subsequent decision—taken by a majority of only one vote, and against the recommendation of the Steering Committee—to place it on the agenda, precipitated a crisis which led to the recall of the French delegation from the United Nations and to the withdrawal of France from the current session of the General Assembly.

The 15-member Steering Committee (which decides upon the Assembly's agenda, and whose recommendations are presented to the plenary session) decided on Sept. 22, by eight votes to five, with two abstentions, not to include the 14-nation resolution on Algeria in the agenda for the current session. The majority votes were those of France, Britain, the U S.A , New Zealand, Norway, Haiti, Luxemburg, and Señor José Maza, in his capacity as President of the Assembly, whilst the five minority votes were cast by the Soviet Union, Poland, Egypt, Mexico, and Siam The two abstentions were Ethiopia and Nationalist China.

M. Hervé Alphand (France) maintained that the U N. was precluded under Article 2(7) of the Charter from discussing what was essentially a domestic concern of France, since Algeria was an integral part of Metropolitan France and Algerians of all races and creeds were French citizens [Article 2(7) lays down that the U.N may not intervene in the domestic affairs of member-States.] After recalling that the French annexation of Algeria in the 19th century had been recognized by all the Powers which then enjoyed international status, M. Alphand gave a warning that if the U N. were entitled to question all the frontiers that had resulted from wars, there would no longer be any security within those frontiers for any member-State. As regards the right of self-determination, he declared that there was no Algerian nation distinct from the French nation.

Sir Pierson Dixon (Britain), **Sir Leslie Munro** (New Zealand), **Mr. Cabot Lodge** (U.S.A.), and **M. Ernest Chauvet** (Haiti) all supported M. Alphand's arguments, emphasizing that Algeria was an integral part of France and that its legal position was different from that of Tunisia and Morocco, which were protectorates. Sir Leslie Munro said that it was difficult to escape the impression that the outbreaks of violence in Algeria (see 14431 A) had been "deliberately timed to impress world opinion with the need for international action"; to agree to a discussion on Algeria, he added, would be to "put a premium on violence" and would also provide a legal precedent for "any secessionist minority" to seek support in the United Nations. Mr. Cabot Lodge said that the sponsors of the Algerian resolution were seeking "a course of action intended to bring about fundamental changes in the constitution of the French Republic"

M. Omar Loutfi (Egypt), **Dr. Jamali** (Iraq), and **Mr. Brohi** (Pakistan) contended, on the other hand, that the Algerian people had never had an opportunity to express their views on the "unilateral decision" of France to incorporate Algeria into the French Republic, that the Algerian people did not accept the view that Algeria was a part of France; and that the question was one of the right of self-determination of peoples, which the Assembly had solemnly upheld at its seventh session. They asserted that the existence of a "veritable state of war" in Algeria justified the sponsors of the resolution in bringing the Algerian situation before the Assembly, as it constituted "a threat to international peace." **Mr. Krishna Menon** (India) declared that "the sword of France" had "suppressed the sovereignty of Algeria"; that France possessed "authority but not jurisidction" in Algeria; and that the question of domestic jurisdiction did not, therefore, arise. **M. Kuznetsov** (Soviet Union) felt that the U.N. should discuss the Algerian situation because it had caused great anxiety in neighbouring countries and was an "important and serious" international question.

The Steering Committee's recommendation was, however, overridden by the plenary session of the General Assembly, which decided on Sept. 30—by 28 votes to 27, with five abstentions—to debate the Algerian situation. The voting was as follows:

In favour of a debate (28 votes)—Afghanistan, Argentina, Bolivia, Burma, Byelorussia, Costa Rica, Czechoslovakia, Egypt, Greece, Guatemala, India, Indonesia, Iraq, Lebanon, Liberia, Mexico, Pakistan, Persia, Philippines, Poland, Saudi Arabia, Siam, Soviet Union, Syria, Ukraine, Uruguay, Yemen, Yugoslavia.

Against a debate (27 votes)—Australia, Belgium, Brazil, Canada, Chile, Colombia, Cuba, Denmark, Dominican Republic, Ecuador, France, Haiti, Honduras, Israel, Luxemburg, Netherlands, New Zealand, Nicaragua, Norway, Panama, Peru, South Africa, Sweden, Turkey, United Kingdom, United States, Venezuela.

Abstaining—Nationalist China, El Salvador, Ethiopia, Iceland, Paraguay.

Before the vote was taken, M. Pinay addressed the General Assembly as follows:

". . . Everyone here knows our legal position. It was set forth in detail before the Steering Committee by M. Alphand I do not wish to go into legal controversies. We are being attacked on principles. I shall answer on principles.

Since 1830—that is, for over 120 years—Algeria has been an integral part of French territory All international treaties that we have signed, including the U N. Charter, apply to Algeria as French territory. No-one has ever thought of contesting this fact How and by what right can anyone seek to question today a national and international reality that is more than a century old?

It has been argued against us that there exist in Algeria populations whose race, language and religion are different from those of the people of Metropolitan France It is inferred that in order to be free, these populations must be separated. A pretence is made of believing, that independence can be achieved only by dissociation.

Can it really be that certain countries have dared to raise this argument within an Organization which has set as one of its major objectives the erasing of all discrimination deriving from race, language or religion? Can it be meant that it is impossible for men of different races or religions to live side by side in peace, as citizens of the same State? Does anyone really want, within these walls, to support racism and to stir up religious fanaticism? No-one in France would understand the United Nations lending its support, even indirectly, to such theses. No Frenchman would understand France being indicted for not having ceased to believe that it is possible to treat a Frenchman of Algeria and a Frenchman of Metropolitan France as equals

The French Parliament includes Deputies of all races. The French Army includes Moslem officers and generals. Educated Moslem Algerians have acceded to the highest political and administrative responsibilities There is no country in the world where the very idea of racial and religious discrimination is as completely alien as it is in France. We believe, and millions of men throughout the world believe with us, that it is possible for them and for us to live in peace—in equality, freedom, and brotherhood—closely united within a single political organization The republics of Latin America, with their unfailing sense of human progress, have long since followed a course similar to ours, and in many cases have shown us the way. What would become of the national unity in our respective countries if certain States could henceforth incite, on the soil of their neighbours, disorders intended to provoke secession?

What actually are the aims that are being sought in this debate? Is it freedom for the Moslem peoples of Algeria? My answer is: Are they not already free? Do they not have universal suffrage? Are they not represented in local assemblies and in the Algerian Assembly, as well as in the Assemblies of the French Republic? The Moslems exercise the same rights as other French citizens Their position is in fact far superior to that of the peoples of many States which are today among our adversaries.

How can certain States dare to attack France when they themselves ignore the very existence of the right to vote, and when they do not respect the most elementary rules of justice? France can tolerate neither insults nor calumny of her civilizing mission from countries where there are minorities subject to cruelly discriminatory treatment; where poverty is regarded as an act of fate; where 90 per cent of the people are illiterate and the infant mortality rate is as high as 800 in 1,000; where there is not a single doctor for every 300,000 inhabitants or one hospital for 1,500,000. Let those countries call on the United Nations for guidance and aid in the effort which it is their duty to accomplish at home. That is the real mission of the United Nations .

The decision which you are about to take is more serious for the United Nations than for France, for the whole future of our Organization is at stake What would happen if it were henceforth established that the U N. has the right to intervene wherever there exists within the frontiers of a State a racial, linguistic, or religious minority? If it were decided to discuss here the French problem of Algeria, nothing would ever restrict, in the future, the right to interfere in the internal affairs of any one of us, since the Assembly would henceforth have recognized that very right. The territorial unity of any State, the treaties, whether old or recent, relating to boundaries, could at any moment be challenged. For many it would be the end of security, and for the weakest the end of independence The Organization, created in 1945 to establish understanding and security among nations, would then have defeated its very purpose. It would be playing a role diametrically opposed to that originally assigned to it It would become a tool of division, violence, and disorder instead of an instrument of unity, tolerance, and peace . . . Under these conditions, how could our Organization survive? If it appeared that it was putting its moral authority at the service of division, violence, and disorder, there would be many who would lose confidence and would be tempted to hold themselves aloof from this Organization

In North Africa, as elsewhere, France has shown that she is fully aware of the evolution of societies, that she knows how to find reasonable solutions adapted to the modern world, and that she is resolute in her determination to apply them. . . . She does not believe that our Organization—whose mission is to promote understanding between nations, and whose moral authority must support those who are seeking to introduce reforms, and not those who are attempting to jeopardize them—will play the role that some are trying to make it play. The proposals of the Steering Committee [to delete the Algerian resoluation from the agenda] is wise because it safeguards the future of the U.N. We earnestly hope that you will confirm it."

After the vote was taken, M. Pinay announced that any recommendation made by the Assembly on the Algerian situation would be considered by the French Government as "null and void." He then walked out of the General Assembly, accompanied by the entire French delegation, after declaring that he did not know what would be "the consequences of this vote on the relations between France and the United Nations."

During the debate before the vote was taken, **M. Spaak** (the Belgian Foreign Minister) gave a warning that there could be "no possible international life and no viable international organization if each and every country is entitled to intervene in the domestic affairs of other countries." If the Assembly were to violate the terms of its Charter, which specifically declared that no U.N intervention was permissible in domestic affairs, "many of us would be faced with a most agonizing question—the question of how it would be possible to remain in an Assembly which would have violated the terms of the contract which was established to govern our mutual relations" He added: "Are we here . . . to provide a refuge for excessive nationalism, for vehement language, and for the performance of international demagoguery? If this extraordinary situation were to become a reality . . . the very fate of our organization would be at stake." M. Spaak commented during his speech that some of the delegates who criticized the electoral laws in Algeria came from countries "where there are no electoral laws whatsoever."

Mr. Krishna Menon (India) said that a discussion of the Algerian question would "assist in allowing some of the pent-up steam to be released without explosions" and would "go a long way to bringing counsels of reconciliation nearer, rather than counsels of conflict." **Mr. Mohammed Ali** (Pakistan) said that there was "no equality" for the people of Algeria "either in law or fact," and that the electoral and other laws were based on discrimination against the Algerians as compared with the people of other French *départements* **Dr. Mahmoud Fawzi** (Egypt) declared that if the Assembly submitted to the "untenable attitude" adopted by France, "colonialism would gain a ready-made device for perpetuating itself", **M. Rafik Asha** (Syria) said that the U.N. would cease to be the champion of human rights if a debate were denied, and that Algeria would become "a running sore liable to affect all Africa", whilst **Dr. Jamali** (Iraq) maintained that the prestige and functioning of the U N were directly involved. With reference to M. Spaak's speech, Dr. Jamali admitted that some of the sponsors of the proposal for a debate did not have good electoral laws, but said that they "recognized their shortcomings and were working to improve conditions." **Prince Wan Waithayakon** (Siam) said that the French Government "need have no fear of a more far-reaching recommendation than an exhortation to a peaceful adjustment of the situation, such as an appeal for direct negotiations between the parties concerned."

After a five-hour meeting on Oct. 2, the French Cabinet unanimously decided to recall the French permanent delegation from the U.N. and to take no further part in the current session of the General Assembly. A communiqué described the Assembly's vote on Algeria as "a flagrant violation of the U.N. Charter," and said that it was necessary to dissociate France from a course which might be "fatal for the United Nations." It was, however, explained that although France had withdrawn from the current session of the General Assembly she would continue to take part in the work of the Security Council and of other U.N. organs, though she would no longer furnish to the U.N. economic, social and cultural information relating to the French overseas territories. It was also announced that M. Faure and M. Pinay would postpone their visit to Moscow, which was to have taken place during October, because of the Soviet Union's action in supporting a debate on Algeria.

M. Pinay and the other members of the French delegation, including M. Hervé Alphand (French permanent delegate at the U.N. and president of the Security Council in October) returned to Paris on the same day. On arrival at Orly Airport, M. Pinay said that he had returned "full of sorrow at the abominable allegations" made against France at the U.N., and that the General Assembly's decision to debate Algeria would require serious study by the French Government. He added: "France has withdrawn from the activities of the United Nations. I do not say that she will leave the U.N., but M. Alphand has returned with us to show that we do not accept the decision that has been taken." M. Pinay also said, *inter alia*, that the distribution of votes in the U.N. was unfair, since Western Europe disposed of only seven votes whereas the Arab and Asian States commanded 16 and the Latin American States 21.

The French withdrawal from the General Assembly was the second boycott of the U.N. by a major Power in recent years In January, 1950, the Soviet Union withdrew temporarily after the Security Council had refused to accept its motion for ousting Nationalist China from U.N. membership. It was the absence of the U S S.R which enabled the Security Council to take action without a Soviet veto in calling on U.N. member-States to support South Korea in resisting the North Korean invasion. The U.S.S.R. returned to the Security Council and resumed participation in other U.N. activities in August 1950.

Regret at the French withdrawal from the tenth session was expressed in the General Assembly on Oct. 3-4 by a number of delegates, including several who had supported a debate on Algeria.

Mr. Krishna Menon (India) stressed that the raising of the Algerian question had never been intended as a slight to France, that India had the highest regard for the French people, and that the Algerian question had been brought before the U N. solely for the purpose of conciliation, he expressed "deep regret" at France's withdrawal from the Assembly, and his hope that she would return within a very short time **Mr. Mohammed Ali** (Pakistan) similarly expressed "regret and concern" at France's withdrawal, and said that the U.N would be "greatly handicapped" without full French participation. **M. Victor Khoury** (Lebanon) said that "our action was misunderstood" by France, and regretted her absence from the Assembly Among other delegates, **Dr. Osten Unden** (the Swedish Foreign Minister) said that the participation of France in the U.N. was "of vital importance," and expressed the hope that "a solution will be found to this abnormal situation."

Rejection of Greek Proposal for Debate on Cyprus.

The Greek proposal that the U.N. should debate the Cyprus question was defeated both in the Steering Committee and in the plenary session of the General Assembly. As a result, the Cyprus issue was not placed on the Assembly's agenda.

Mr. Anthony Nutting (U.K.), speaking in the Steering Committee on Sept. 21, expressed regret that the Cyprus resolution should have been raised by Greece, a country with which Britain had "ancient bonds of friendship" and to which she was united by a common alliance. Having "no wish to quarrel with an old friend," the British Government had consistently sought, firstly, to foster the well-being of the Cypriot people and to promote their development towards full self-government, and secondly, to maintain its friendship and alliance with Greece and Turkey It had accordingly taken the "unprecedented step" of inviting Greece and Turkey to the recent London conference (see 14413 A) to examine, together with the U.K Government, what was undoubtedly a British responsibility. Although the conference "stood suspended in disagreement," the U.K. Government hoped that its proposals for finding a basis for agreement might in time prove acceptable in one form or another.

Although resumption of the tripartite talks might not be immediately possible (Mr. Nutting continued), the U K. Government was ready to resume them at any time. Its proposals for a liberal constitution for Cyprus, "designed to lead to the fullest measure of internal self-government compatible with the strategic requirements of the present situation," still stood, and it was prepared to consider amendments or counter-proposals Moreover, the U.K. had also proposed the creation of a three-Power committee to examine the British plan for a constitution, and to act as a standing body for consultation and co-operation between the three Governments on Cypriot problems. Public discussion of the Cyprus question in the U.N., however, would not contribute to a solution but would only "deepen existing divisions." After declaring that the Greek purpose was to acquire sovereignty over Cyprus through support of the *enosis* movement—which meant union with Greece, and not self-determination—Mr. Nutting pointed out that British sovereignty over the island had been confirmed in 1923 by the Treaty of Lausanne, to which Greece was a party.

M. Giorgios Melas (Greece) said that his Government were sponsoring "a legitimate claim of a distinct national entity which had every right to call for the application of the principles of the U N. Charter" He claimed that no member of the British Commonwealth had a lower administrative status than Cyprus, which was still a Crown Colony, that Article 2(7) of the Charter could not be invoked in the Cyprus dispute, and that it would be "politically unwise" for the Assembly to "shrink from its responsibilities as soon as a matter becomes a little touchy." After declaring that the Assembly's policy at the ninth session [i e of deciding not to discuss the Cyprus question] had been one of "playing the ostrich," M Melas said that there had been "an immediate and real deterioration" of the situation during the past year, involving "bloodshed and firing on unarmed people" He declared that the Greek Government would "not be found wanting" if constructive proposals on Cyprus were presented

M. Selim Sarper (Turkey) agreed with Mr. Nutting that the Greek resolution was based not on self-determination but on the desire to annex territory belonging to another State, and opposed the Greek request as an interference in the internal affairs of a member-country. He asserted that Greece itself was "full of majorities and minorities," with Albanian and Macedonian majorities in some areas and Bulgarian and Turkish minorities in others, and recalled that the late M. Venizelos had refused to accept self-determination for the Turks of Thrace

Sir Leslie Munro (New Zealand) and **M. Alphand** (France) supported the British viewpoint, Sir Leslie declaring that the inclusion of the Cyprus question on the agenda would constitute an infringement of British sovereignty and place a great strain on Greco-Turkish relations. **Mr. Cabot Lodge** (U S.A.) felt that "quiet diplomacy" would be better than "open debate", the Chinese Nationalist representative also doubted the usefulness of a debate; the Ethiopian and Siamese delegates thought that direct negotiations between the parties would be preferable to a discussion in the U.N.; whilst the Soviet, Polish, Egyptian, and Mexican delegates supported the Greek request for a debate on the subject.

By seven votes to four, with four abstentions, the Steering Committee decided not to place the Greek proposal for a debate on Cyprus on the Assembly's agenda. The decision was upheld by the full Assembly on Sept. 23 by 28 votes to 22, with 10 abstentions.

The 28 countries voting for the Steering Committee's recommendation were Australia, Belgium, Brazil, Canada, Chile, Colombia, Cuba, Denmark, France, Honduras, Iraq, Liberia, Luxemburg, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Panama, Paraguay, Peru, Siam, Sweden, Turkey, South Africa, the U.K., the U.S.A., and Venezuela. Those opposing were Afghanistan, Argentina, Bolivia, Byelorussia, Costa Rica, Czechoslovakia, Ecuador, Egypt, El Salvador, Greece, Guatemala, Iceland, Lebanon, Mexico, Poland, Saudi Arabia, Soviet Union, Syria, Ukraine, Uruguay, Yemen, and Yugoslavia. The abstentions were Burma, Nationalist China, the Dominican Republic, Ethiopia, Haiti, India, Indonesia, Israel, Persia, and the Philippines.

It was remarked that although the United States had abstained from voting on the Cyprus question at the ninth session, it voted for its exclusion from the agenda at the current session.

Dutch New Guinea.

By seven votes to five, with three abstentions, the Steering Committee decided to place the question of Dutch New Guinea on the Assembly's agenda. The decision was upheld by the full Assembly on Oct. 3 by 31 votes to 18, with 10 abstentions and France absent. The 31 countries supporting a debate on New Guinea included the Arab-Asian bloc, the Soviet group, Yugoslavia, and several Latin American countries, including Argentina, Bolivia, Mexico, and Uruguay, whilst the 18 opposing votes included those of Britain, France, the Netherlands, Belgium, the Scandinavian countries, Australia, New Zealand, South Africa, and Israel. The abstentions included the U.S.A., Canada, Brazil, Chile, Greece, Turkey, and Nationalist China.—(U.N. Information Centre, London - New York Times - New York Herald Tribune - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - Le Figaro, Paris - Soviet Weekly) **(Prev. rep. Tenth Anniversary Session, 14301 A; Ninth Session, 14010 A; 13993 A.)**

A. AUSTRALIA. — The Millionth Post-War Immigrant. - Increased Immigration Target in 1955-56.

Australia's millionth post-war immigrant, Mrs. Barbara Porritt, sailed from Tilbury (London) on Oct. 12 with her husband in the liner *Oronsay*, and was officially seen off by the Australian High Commissioner in London, Sir Thomas White. Almost exactly half of the million post-war immigrants to Australia have been British, of whom about 350,000 have emigrated directly from the U.K. to Australia. The other half million are almost entirely from continental Europe, 182,159 having been resettled in Australia under the auspices of the International Refugee Organization, and the greater part of the remainder by the Intergovernmental Committee for European Migration.

The Minister for Immigration (Mr Holt) announced on June 5 that Australia's immigration programme would be raised from 115,000 in 1954-55 to 125,000 in 1955-56, of whom 70,000 would travel under the assisted passage scheme and an estimated 55,000 would pay full fares. "If our expansion is not to be halted," Mr Holt said, "we must maintain from migration a supply of labour to all sections of industry. Large-scale immigration is accepted unhesitatingly by most Australians as imperative for our development and defence. The community as a whole shares the confidence of the Government that Australia can successfully absorb continued population growth on the scale proposed. In coming to its decision, the Government had information that our rate of creation of capital services is not only keeping pace with new demands resulting from population increase, but is making useful reductions in backlogs that accumulated during the war and immediate post-war years. Three-fourths of the additions to our labour force in post-war years have come from migration."

Figures published on Sept. 12 by the Commonwealth Statistician in Canberra showed that there had been a net population increase through immigration of 51,927 in the first six months of 1955—viz., 70,137 permanent arrivals (of whom 34,022 were British) and 18,210 who had left Australia permanently. The figure compared with a net immigration increase of 30,835 in the first six months of 1954.
(Australian News and Information Bureau - Times) **(13943 A.)**

B. JAPAN - SIAM. — Cultural Agreement.

The first cultural agreement between Japan and a South-East Asian country since the war was signed in Tokio on April 6 by the Siamese and Japanese Foreign Ministers (respectively Prince Wan Waithayakon and Mr. Shigemitsu). It came into effect on Sept. 6, when instruments of ratification were exchanged in Bangkok. (Japanese Embassy, London)

C. FRANCE. — Diplomatic Appointments. - M. Alphand appointed Permanent Delegate to the U.N. - M. de Margerie appointed Ambassador in Bonn.

The *Journal Officiel* published a decree on July 14 appointing M. Hervé Alphand as permanent French delegate to the United Nations. M. Alphand was one of the principal sponsors of the European Defence Community project and had been French representative on the North Atlantic Council until September 1954, when he resigned following the defeat of the E.D.C. Bill in the French National Assembly. As French representative on the U.N. Security Council he succeeded M. Henri-Etienne Hoppenot, who had been appointed French High Commissioner in South Vietnam on July 28.

The appointment of M. Roland de Margerie as director-general of political and economic affairs at the Quai d'Orsay (a post once held by M. Alphand) was also announced on July 14. On Oct. 6, however, M. de Margerie was appointed French Ambassador to the German Federal Republic in succession to M. François-Poncet, who retired on Sept. 30.

M. François-Poncet (68) had been closely connected with German affairs for nearly 20 years, having been Ambassador in Berlin from 1931-38. Since the end of the war he had represented France in Western Germany, first as political and diplomatic adviser to the French Military Governor, then as High Commissioner, and since May 1955 as Ambassador to the German Federal Republic.

Other French diplomatic appointments announced since the beginning of 1955 included the following:
M. Jean Filliol as Ambassador to Saudi Arabia *vice* M. Georges Gueyraud.
M. François Coulet (formerly Ambassador in Teheran) as Ambassador to Yugoslavia.
M. Armand de Blanquet du Chayla (formerly Ambassador in Stockholm) as Ambassador to Egypt.
M. Albert Ledoux as Ambassador to Norway, in succession to M. Louis de Monicault.
M. Jacques-Emile Paris (formerly Ambassador in Damascus) as Ambassador to Persia, succeeding M. Coulet.
M. Pierre Denis as Ambassador to Venezuela.
M. Henri Ingrand as Ambassador to Colombia.
M. Jacques Baeyens as Ambassador to Ethiopia *vice* M. Henri Roux.
M. Georges Bernis as Ambassador to Ecuador.
M. Francis Lacoste (retiring French Resident-General in Morocco) as Ambassador to Canada *vice* M. Guérin.
M. Jean-Charles Serres as Ambassador to Pakistan.
M. Jean de Hauteclocque as Ambassador to Portugal.
M. Géraud Jouve (French delegate to the Council of Europe) as Ambassador to Finland.
M. Philippe Baudet as Ambassador to Argentina.
M. Jacques de Blesson (head of the Department of American Affairs at the Quai d'Orsay) as Ambassador to the Irish Republic.
M. Edmond Petit de Beauverger (French delegate to the U.N. High Commission for Refugees) as Ambassador to the Netherlands *vice* M. Jean-Paul Garnier, who was appointed Ambassador to Turkey.

It was announced on July 23 that the French Government had agreed with the Governments of Nicaragua, Guatemala, and Costa Rica to raise the status of their respective diplomatic missions to the level of embassies.—(Le Monde - Le Figaro) **(Prev. rep. 14253 A; 13820 B.)**

D. ASTRONOMY. — Discovery of Vegetation on Mars.

It was announced in Washington on Sept. 18 by the National Geographic Society that observations carried out in South Africa during the summer of 1954 by Dr. E. C. Slipher (of the Lowell Observatory, Arizona) had resulted in the "totally unexpected" discovery of a vast blue-green area on the planet Mars, covering about 200,000 square miles (approximately the size of Texas), which was believed to be living vegetation.

It was explained that Dr. Slipher, as leader of an expedition sponsored jointly by the National Geographic Society and the Lowell Observatory, had carried out a very large number of visual and photographic observations at the Bloemfontein Observatory, and that a study of more than 20,000 photographs taken by him had disclosed the existence of the large area of apparent vegetation on Mars. The observations were carried out in South Africa because Mars was too far south at the time to be effectively studied by observatories in the northern hemisphere.

The announcement said that the 200,000 square-mile area of presumed vegetation was situated near one of the Martian "canals," and that its discovery had produced "the greatest change in Martian geography since the planet was mapped 125 years ago." It added: "Never before has such a dark splotch appeared except as an increase of an existing dark area. The remarkable transformation indicates that the division between the Martian (orange-red) desert and dark areas is not necessarily fixed or permanent: one may change to the other at any time. It helps to support the conclusion that Mars is not a dead world, and that the darkening is due to the growth of plant life. . . ." (New York Times - New York Herald Tribune - Times) **(Prev. rep. Astronomy, 13335 D.)**

A. GREECE. — Death of Field-Marshal Papagos. - New Government formed by M. Karamanlis.

Field-Marshal Alexander Papagos, the Prime Minister of Greece and a distinguished soldier-statesman, died in Athens on Oct. 4, aged 72, after having been seriously ill for many months.

Alexander Papagos, the son of General Leonidas Papagos, was born in Athens on Dec 9, 1883, entered the Greek Army after studying at the Brussels Military College, and took part as a young officer in the Balkan Wars of 1912-13 and the Greco-Turkish War of 1921-22. He entered politics for the first time in 1935, when he became Minister of War in the Kondylis Government After a brief period as Inspector-General of the Army he was reappointed Minister of War, but in August, 1936, became Chief of the Army General Staff, a post he held throughout the dictatorship of General Metaxas from 1936 to 1940 He carried out many important reforms which greatly increased the quality and efficiency of the Greek Army, and which enabled 500,000 men to be rapidly mobilized after the Italian invasion of 1940.

In a brilliant military campaign General Papagos drove the Italian Army out of Greece within a few weeks, inflicted upon it a series of severe defeats, and counter-attacked deeply into Albania. After Greece was overrun by the German Army in April, 1941, he retired into private life, refused to co-operate in any way with the "quisling" government set up with German and Italian support, and declined to accept a pension from that regime. He was arrested by the Germans as a hostage in 1943 and imprisoned in a number of concentration camps, being eventually liberated from Dachau by American troops during the Allied invasion of Germany He returned to Greece seriously ill from his sufferings in the concentration camps, and subsequently developed consumption.

Early in 1949, at a time when the Communist guerrillas were threatening to overrun the country during the Civil War, General Papagos was recalled to active service by the Sophoulis Government and appointed C.-in-C. of the armed forces, with wide powers. Within a few months he had routed the guerrillas in all areas, and in August of the same year the Communists admitted total defeat. On Oct. 28, 1949—the ninth anniversary of Greece s rejection of the Italian ultimatum—he was promoted to the rank of Field-Marshal. On May 31, 1951, Field-Marshal Papagos resigned from the post of C -in-C after King Paul had denied him the right of vetoing military appointments, and on the same night a group of senior officers supporting the Field-Marshal attempted, without the latter's knowledge, to stage a *coup d'état* and seize power. Field-Marshal Papagos, however, dissociated himself from the plot and personally ordered the rebel leaders to return to their homes.

In August 1951, at a time of acute political instability and ministerial crises, Field-Marshal Papagos founded a party of national unity under the name of the Greek Rally In the elections of November of that year the Greek Rally was returned as the largest party in the Greek Parliament, winning 114 of the 256 seats As it did not have an absolute majority, and as Field-Marshal Papagos was strongly opposed to coalition governments (which he regarded as the principal weakness of the Greek political system), the Greek Rally remained in opposition during a series of short-lived coalitions. New elections were held in November, 1952, at which the Greek Rally won an absolute majority (241 seats in the expanded Parliament of 300), and Field-Marshal Papagos accordingly became Prime Minister—a post he continued to hold until his death—in a Government recruited exclusively from that party.

The Papagos administration was noteworthy for a number of important economic and financial reforms carried out by M. Markezinis, the Minister of National Economy and one of the Field-Marshal's closest associates. In November, 1954, however, M. Markezinis (who had meanwhile relinquished his ministerial post) left the Greek Rally with a number of other deputies after a dispute with the Prime Minister on questions of economic policy (see 13973 A).

A few hours before his death, Field-Marshal Papagos had signed a decree nominating M. Stephanopoulos, the Foreign Minister, as acting Prime Minister. M. Stephanopoulos tendered his resignation to King Paul after the Field-Marshal's death, and the King called upon M. Karamanlis, Minister of Public Works under Field-Marshal Papagos, to form a new administration. M. Karamanlis accepted the task and formed a new Government on Oct. 6 which was drawn—like its predecessor—entirely from the Greek Rally. Its members were:

M. Constantine Karamanlis .	Prime Minister and Minister of Defence.
M. Spyros Theotokis . .	Foreign Affairs.
M. Ioannis Trinatafilis . .	Interior.
M. Constantine Adamopoulos . .	Justice.
M. Andreas Apostolides . .	Finance and Economic Co-ordination.
M. Vassilios Paparigopoulos .	Commerce.
M. Achilles Gerokostopoulos . .	Education.
M. Constantine Papaconstantinou	Agriculture.
M. Stavros Polyzogopoulos . .	Labour.
M. Giorgios Rallis . .	In charge of the Prime Minister's Office.
M. Lambros Eftaxias . .	Public Works.
M. Ioannis Voyatzis . .	Shipping.
M. Giorgios Exindaris . .	Minister without portfolio.

Nine of the Ministers held office under Field-Marshal Papagos, but two of the most important former Ministers were dropped—M. Stephanopoulos, whose portfolio (Foreign Affairs) was taken by M. Theotokis, and M. Kanellopoulos, whose portfolio (Defence) was assumed by M. Karamanlis concurrently with the Premiership. Both M. Stephanopoulos and M. Kanellopoulos had been Deputy Premiers in the former Government. M. Exindaris, Minister without portfolio in the new Cabinet, is Greek representative on the North Atlantic Council.

M. Karamanlis (48), a lawyer, is strongly anti-Communist, and an exponent of close links between Greece and the Western countries. In a statement to the Greek Parliament on Oct. 10, he declared that the new Government would give full support to the "just aspirations of the Cypriot people"; that Greece would remain faithful to her alliances; but that her allies should "appreciate the need to remove all the causes which endanger those alliances." He added that the recent anti-Greek riots in Turkey had aroused the "sharp and just indignation" of the Greek people, and that it rested with Turkey to take adequate steps to ensure that the material losses were made good, and, above all, to repair the moral damage caused to Greco-Turkish friendship. M. Karamanlis was given a vote of confidence by 200 votes to 77, after announcing that general elections would be held in April, 1956 —(Times - Manchester Guardian - Daily Telegraph - Le Monde, Paris)

(Prev. rep. Cabinet, 13973 A.)

B. INDIA - PAKISTAN. — New Trade Agreement. - Resumption of Calcutta-Lahore Train Service. - Statement by Dr. Azad on India Office Library Question.

A new trade agreement between India and Pakistan was signed in Karachi on July 19.

An official communiqué said that the agreement provided for the movement of jute and coal between the two countries and for a revival of trade in other commodities, including cotton, whilst trade in commodities not specified in the agreement would continue according to the respective licensing policies of the two Governments. Special facilities were provided for small-scale trade, free from Customs and exchange regulations, across the borders of East Pakistan and the neighbouring Indian States, and provision was also made for the exchange of films, books, and periodicals between the two countries.

It was announced on Aug. 28 that the agreement had been ratified by both Governments, would come into force on Sept. 1, and would be valid for one year.

Further details of the trade agreement, released in Delhi and Karachi, showed that Pakistan would supply to India 1,800,000 bales of raw jute, 1,000,000 raw cow-hides, 100,000 pieces each of sheepskins and goatskins, and an undisclosed quantity of cotton, as well as fish, poultry, eggs, betel nuts, saltpetre, rock salt, etc. India would export to Pakistan at least 78,000 tons of coal a month, 5,000 tons of hardwood, and 10,000 tons of softwood, as well as mica, antimony, bauxite, tobacco, strawboard, chemical and pharmaceutical products, etc. The special facilities for border trade would apply between East Pakistan on the one hand and the Indian States of West Bengal, Bihar, Assam, and Tripura on the other.

Through passenger train services between Calcutta and Lahore (West Punjab) and between Munabao (Rajasthan) and Khokrapar (Sind) began on Aug. 1, under an agreement concluded on July 14 between representatives of the Indian and Pakistani railway systems.

Hitherto the only train service operating between India and Pakistan had been a shuttle service between Amritsar (East Punjab) and Lahore The agreement also provided that Customs examination on this line should be held at the two termini, in order to avoid stops at the border stations, and that services between Ferozepur (East Punjab) and Kasur (West Punjab) would be resumed at a date to be announced later.

The Indian Minister of Education, Dr. Azad, stated on July 29 that he was in correspondence with Lord Home (the British Secretary for Commonwealth Relations) regarding the latter's claim that the India Office Library was legally the property of the United Kingdom. He added that there was complete agreement between India and Pakistan that the library belonged to them.—(Indian and Pakistani High Commissioners' Offices, London - The Hindu, Madras - The Statesman, Calcutta - Eastern Economist, New Delhi) **(Prev. rep. Trade Agreement, 13016 B; Rail Communications, 14151 A; India Office Library, 14303 A; 14308 A.)**

C. CANADA. — Increase in Bank Rate.

The Bank of Canada increased its bank rate on Oct. 13 from 2 to 2½ per cent. The increase was the second in two months and brought the Canadian bank rate to the highest level ever recorded.—(Times) **(Prev. rep. 14368 A.)**

A. UNITED KINGDOM. — Labour Party. - Report of Wilson Committee on Party Organization.

The report was published on Oct. 5 of the sub-committee which was appointed in June last, under the chairmanship of Mr. Harold Wilson, M.P., to inquire into the general organization of the Labour Party. It made numerous criticisms of the existing state of the party organization; presented 41 recommendations for improvements, many of which were concerned with technical details of organization; and declared *inter alia*, that "compared with our opponents [the Conservative Party] we are still at the penny-farthing stage in a jet-propelled era, and our machine is getting rusty and deteriorating with age."

The sub-committee visited all the regions into which the party organization is divided, and received evidence, oral or written, from some 550 full-time or part-time agents, 140 Labour M.P.s, and 163 Labour candidates. Its report to the National Executive Committee is summarized below under cross-headings.

Defects of Existing Party Organization. "After what we have seen of party organization throughout the country, our surprise is not that the general election was lost but that we won as many seats as we did We were particularly disturbed by what appears to be the progressive deterioration of the party's organization, especially at constituency level. Constituencies which were not particularly well organized in 1950 and 1951 have declined seriously since then, and, at a time when our opponents' organization has become more streamlined and efficient, ours has been getting worse.

"We have not been holding an inquest into our electoral defeat; that would involve questions far wider than party organization. Obviously full employment, overtime, and the widespread employment of married women affected not only political attitudes but also the numbers of volunatry workers willing and able to carry on election activities. Apathy, disputes in the party, national and local, the absence of sufficient clearly defined differences between the parties, disillusionment with nationalization in the way it has been presented to the public, the rationing scare: all these have played their part.

"The main effect of all this has been to reduce the numbers and enthusiasm of party workers available. With the exception of a small number of constituencies, mainly marginal all reports have confirmed that voluntary workers were fewer and less enthusiastic than at any previous time Many of those who did work for a Labour victory were older men and women · with many it was habit rather than enthusiasm which provided the motive force. Another major difficulty in this election was redistribution In many cases it was impossible to constitute the redistributed constituency Labour party until the latter part of April or even early May. This led to serious delay in the selection of the candidate and the appointment of the agent. . . .

"But, making every allowance for these difficulties, we feel it our duty to report that we are deeply shocked at the state of party organization in many parts of the country. Without putting the main blame for our electoral defeat on the mechanics of organization, it is our view that even a limited improvement in organization would have won us the election, if only by a narrow margin The National Agent has listed 35 marginal constituencies won by the Conservatives which were, in his words, 'lost primarily through poor organization'

"On grounds of space we cannot publish all the evidence we collected; one or two examples should suffice.

(1) In one large city with three marginal constituencies, not a house was canvassed in the general election or the municipal elections which preceded it,

(2) In another large city, constituency organization was almost non-existent at the time of the announcement of the election; there was no recorded canvass, and what door-to-door work was done was mainly the work of the candidates and friends and relatives brought in from outside.

(3) In each of two adjacent rural areas the only party workers right up to polling day were the agent and candidate; the only literature distributed was personally pushed through letter-boxes by the candidate. These were safe Tory seats and we could not have made much impression on the majorities there; nevertheless, from these divisions coachload upon coachload of Tory party workers poured into a neighbouring industrial area, where they captured a seat from us,

"We do not wish to give the impression that every constituency was as badly organized as those we have quoted, though a number of others were little better. In many constituencies, especially marginal seats where a keen contest was fought, efficient organization and fighting enthusiasm went hand in hand. But the fact remains that, compared with our opponents, we are still at the penny-farthing stage in a jet-propelled era, and our machine is getting rusty and deteriorating with age."

". . . We do not suggest any attempt to copy the Tory election system. Even if sufficient money were available, we are convinced that an attempt to build up a streamlined professional machine would be offensive alike to our traditions and our principles For half a century our party has relied on voluntary workers, supplemented and assisted by a handful of paid officers. Our problem is not to replace the voluntary workers by professionals. It is to provide sufficient help in terms of staff, finance, inspiration and advice as will enable constituency parties once again to mobilize to the full the voluntary workers available, and, having mobilized them, to use them more efficiently. . . .

"An important element in the successful reorganization of the party is to restore organization to its rightful standing and prestige. At both national and constituency level since the war, organization has become an 'also ran' compared with the more glamorous and exciting task of policy-making. Arguments about policy and personalities, both national and local, have tended to squeeze questions of organization off the agenda of both the Executive and its committees, at one end of the scale, and constituency and ward (or village) parties at the other, . . Organization has become the Cinderella of the party at all levels It is vital that it should play a more central part in party affairs, and that those concerned with it should be given more encouragement and support."

Central Organization. As regards the Labour Party's central organization, the report expressed the conviction that the status of the National Agent's department "has declined, is declining, and ought to be increased." It also believed that there was "too much overlapping" between the National Agent (Mr A L. Williams) and the General Secretary (Mr. Morgan Phillips). The General Secretary's duties and interests were so wide—particularly in view of his position as chairman of the Socialist International—that it was unfair to him, and detrimental to the party, that he should be involved in duties which could and should be decided within the National Agent's department. It was therefore proposed that the day-to-day control of organization, both nationally and regionally, together with a greater part of the duty of reporting to the National Executive, should devolve upon the National Agent's department. Unless this action was taken, "satisfactory party organization is impossible."

In order that the National Executive could provide the "necessary drive" which was at present lacking, it was proposed that a special standing sub-committee of the N E C. should be created to supervise the organizational work of the party. This committee should consist of three or four members of the Executive, the party Treasurer (*ex-officio*), the National Agent, the assistant National Agent, and the chief woman officer, under the chairmanship of a member of the Executive; other departmental officers—e g the Press and Publicity Officer, the Education Officer, and the National Youth Officer—would attend as required The committee should meet regularly and should be charged with the duty of receiving and considering reports from regional organizers, organizing and supervising conferences of regional staffs, maintaining contact with the regions, etc.

Regional Organization. "One of the most urgent reforms required," the report continued, "is to improve relations between head office and the regional offices, principally by giving a freer hand to regional organizers and by bringing them more fully into consultation on all matters affecting party organization . . . There is too little disposition [at Transport House, the party headquarters] to make use of the field knowledge, and in many cases long experience, of the regional organizers"

After recommending that there should be regular conferences between organizers and the principal officers of Transport House, and that, in addition, there should be an annual conference of the full regional staff, the report continued: "There is too much written work, too much bureaucracy, too little devolution of authority, and far too much reservation to head office of decision over matters that should be dealt with locally We were particularly concerned at the volume of unnecessary paper-work. Reports from regional staff are pouring into Transport House at the rate of at least 7,000 per annum. The task of reading (and dictating) the reports is, in our view, a wasteful use of headquarters and regional staff. Moreover, the very existence of the system creates a wrong relationship between head office and the regions, based on a degree of overcentralization which we should expect to find in a minor department of the War Office rather than in a great national party We therefore recommend that . . . the system of reporting on individual visits should be discontinued, and that in its place there should be a monthly report from each regional organizer giving a review of activities and developments in the region, under previously agreed heads."

Among other recommendations, the sub-committee urged that a redistribution of the areas covered by the existing regional offices should be considered. It suggested the possibility of creating a new Central Southern area (corresponding to the Conservatives' Wessex Division) to include Hampshire, Wiltshire, Dorset, Berkshire, and Oxfordshire, or a new Home Counties area north of the Thames to cover Middlesex, Bedfordshire, Hertfordshire, and Buckinghamshire. It also suggested that the question of sub-regional offices in Wales and Scotland might be reconsidered.

Consideration was also given, *inter alia*, to the question of transport facilities, in which connexion the report recommended that "the necessary steps be taken to enable members of the regional staff to buy cars for use on organizational work"; to the work done by women organizers, who in many divisions provided "the majority of active party workers," and to which high tribute was paid, and to the Labour League of Youth. On the last-mentioned matter the report said: "We are deeply concerned at the widespread evidence we have received showing that we are an 'ageing' party. Apart from one or two divisions, we are entirely failing to appeal to youth. Certainly our opponents have been able to mobilize far more young people for active work at election times than we have. . . ."

Marginal Constituencies. The sub-committee devoted special attention to the marginal constituencies, and in this connexion listed more than 60 parliamentary seats which Labour had failed to win at the general election but which were considered "winnable" by improved organization. The report said:

"Since it is probably true that the majority of non-voters [at the last general election] were Labour, and since we may set 90 per cent as the possible maximum vote (allowing for deaths, untraceable

removals, and those becoming ill too late to qualify for the postal vote), we would regard as winnable Labour seats those where the Tory majority is less than half the number of non-voters necessary to raise the actual voting percentage to 90 per cent. . . For the purpose of defining a marginal constituency we have taken those cases where only half the available non-voters are needed to cancel out the 1955 Tory majority. There are some 47 seats at present held by Tories which are on this definition winnable, and in none of these does the task exceed getting to the polls half the 'available' non-voters. If all these were won we should have 324 Labour members in the House of Commons and a working Labour majority of 23 To get a majority of 60 we should need, on the 1955 voting figures, to win all the 66 constituencies in which the Tory majority is less than 60 per cent of the 'available' non-voters.

"Twenty-eight of the 35 seats listed by the National Agent as lost 'primarily through poor organization' appear in the list; most of these require only a very small proportion of the non-voters to be mobilized to give us victory. It is interesting to note that though the seats listed include most of the low-majority constituencies, there are others, such as Toxteth (4,539 majority), where polling by 42 per cent of the 'available' non-voters would give us victory. The poor organization and low total polls in a number of other Liverpool constituencies, and some in Glasgow, bring them into the easily winnable category. . .

"We must insist that if we are to mobilize anything like a full Labour vote, a permanent record of Labour votes is necessary in every marginal constituency, with appropriate action to keep it up to date and to register potential postal and proxy votes The preparation, by September, 1957, of an adequate marked register [i e. a register on which the political leanings of every voter are recorded] in every marginal constituency must be our target, and our planning, national and regional, must be directed towards it."

The report laid emphasis on the fact that help for "marginal" seats from divisions with safe seats was "infinitesimal"—"in marked contrast to the highly organized and effective work of our opponents in this field." It added: "Far too many of our parties in safe seats, basking in the glory of majorities of 20,000 or more . . . take little trouble with either membership or party organization. They have little thought for the broader interests of the movement In most safe seats membership is low. The 89 seats with majorities exceeding 10,000 have an average membership of 1,345. There are 49 with fewer than 1,000 members, and nine of these have fewer than 500 . . . The committee therefore recommend that there should be a drive to ensure that parties in safe seats, including those in safe Conservative seats, should increase their membership and improve their organization so that they can assist marginal divisions"

Candidates. "We have heard of a number of constituencies," said the report, "where many votes were lost because of the quality of the candidate. The oft-quoted statement that no candidate is worth more than 500 votes was an understatement in the last election the absence of a major clash between the parties made the personality and record of the candidate much more important. It is disturbing to record that in some constituencies there was the greatest difficulty in finding a suitable candidate. Since the question of the quality of candidates is under review by the appropriate sub-committee of the National Executive, we make no recommendation on it We do, however, recommend that every possible step be taken to ensure that candidates are selected early. Partly because of redistribution, but in undistributed divisions, too, the campaign was gravely affected by the late choice of candidate . . .

"We feel also that many prospective candidates should do more, once selected, to build up a personal vote through service in their constituencies. In the last election the sitting member, whether Conservative or Labour, had a great advantage through his personal contacts with individual voters, his 'surgeries', and his correspondence. There is no reason why a prospective candidate should not engage in similar activities. . . We recommend, therefore, that prospective candidates be pressed to undertake these duties. We further recommend that prospective candidates [should] take an active interest in their constituency party organization

"There is one further point . . . We are disturbed at the number of candidates who, out of their own pockets, are required to make annual contributions towards constituency party finances. Quite apart from the undesirability of this practice on general grounds, the dependence of constituency party finances on such a source of income has a detrimental effect on organization. We recommend that early steps be taken to end this practice, and that it shall be an instruction to N.E C. representatives at selection conferences that any attempt to influence a selection by personal promises of money, or any attempt to exact a financial pledge from a possible candidate, shall invalidate the conference"

Party Agents. "The party's problem with full-time agents is that we have too few. . . . During the past two years 100 full-time agencies have collapsed and a further number are in course of doing so. . . . We are in no doubt at all that present relatively low salaries and, above all, insecurity, have had a bad effect on the present agency service. Morale is low, real hardship is not unknown, and the chronic insecurity . . . has caused the loss of many good agents and a serious deterioration in the quality of candidates for agency posts. . . .

"Salaries are low, not only in comparison with the rates paid to Conservative agents (many of whom have Service pensions), but in comparison with prevailing rates in industry and in terms of purchasing power in relation to pre-war. In 1939, the basic rate was £200 to £310: this compared with a man's average wage in manufacturing industry of £178 per year. The Grade I rate today is £450-£550, compared with average industrial earnings of £500 per annum. , . . For a family man with young children there is real hardship and risk involved in taking an agency, and there is nothing like the flow of new recruits that the movement enjoyed before the war.

"The National Union of Labour Organizers and Election Agents has repeatedly pressed for a national service giving status and, above all, security to their members. Although the party should declare its aim of working towards a full national agency service, we see no immediate prospect that party finances would enable us to proceed in the foreseeable future to a national agency service with a full-time member in every marginal constituency. Moreover, the case is not in our view fully made out for the appointment of full-time agents in every constituency. Evidence from M P.s, and an examination of the position in some highly marginal constituencies in the 1955 general election, suggest that in some constituencies a first-class part-time agent has been successful where a full-time agent, particularly one from outside, might have failed. . . .

"It is obvious that it will be necessary to create the nucleus of a national agency service, nationally staffed and paid and working under the control of regional organizers. We therefore recommend that the proposed new special sub-committee be instructed to draw up, for consideration by the National Executive, a plan for the recruitment, terms of appointment, and training of a small national agency service adequate to meet the needs of regional schemes. The conditions of employment in this service should provide for long-term security on a career basis . . ."

Affiliation Fees. The present affiliation fee for individual party members (6d a member per annum) was criticized because it meant that in areas where Labour was strongest, the smallest proportionate contribution was made to the common effort [i.e , because party membership tended to be low in the majority of safe Labour seats, as pointed out above]. It was therefore suggested that the party's constitution should be changed to provide that affiliation fees should be 6d. a member or £2 per 1,000 or part of 1,000 votes, whichever was the greater If party affiliation fees were raised to 9d. a member, the rate per 1,000 votes (or part thereof) should be raised to £3. The committee admitted that there was bound to be resistance to this proposal, but believed that the case was unanswerable.

The report will be considered at the forthcoming Labour Party conference at Margate.—(Daily Herald - Times - Manchester Guardian) **(Prev. rep. Wilson Committee, 14287 A.)**

A. MOTOR VEHICLES.—Production in 1953 and 1954.

The following table, compiled from information given in the European edition of the *New York Herald Tribune* on Oct. 8, shows motor vehicle production in the United States, Canada, and the principal European producing countries in 1954 and 1953:

	Passenger Cars		Commercial Vehicles	
	1954	1953	1954	1953
United States	5,559,000	6,117,000	1,042,000	1,206,000
United Kingdom	769,000	595,000	270,000	240,000
Western Germany	518,000	369,000	113,000	96,000
France	437,000	368,000	163,000	130,000
Canada	282,000	365,000	68,000	119,000
Italy	181,000	143,000	36,000	31,000

The 1954 output of the above-mentioned six countries represented 92 per cent of world production of motor vehicles, the U.S.A. alone accounting for 65 per cent of the total. Other non-Communist countries produced or assembled in 1954 a total of 171,000 motor vehicles (Japan 60,000, Australia 55,000, Sweden 45,000, various other countries 11,000). Production in the Soviet Union in 1954 was estimated at 503,000 lorries, 51,000 passenger cars ,and 7,000 buses, whilst Poland produced an estimated 38,000 vehicles and Eastern Germany 30,000. (New York Herald Tribune) **(Prev. rep. 13290 B.)**

B. BULGARIA.—The Dimitrov Hydro-electric Scheme.

The Georgi Dimitrov hydro-electric scheme, situated in the Kazanluk plain (the "Valley of Roses") between the Balkan and Sredna Gora mountain ranges, was officially inaugurated on Sept. 6 by the Deputy Premier, M. Anton Yugov. The scheme, which took four years to complete, consists of a dam, two power stations, and two large irrigation canals, one supplying the Kazanluk region and the other passing through a long tunnel under the Sredna Gora mountains to supply water to the Stara Zagora region. The dam holds a third of the annual flow of the River Tundja, and to make better use of the remaining water it is planned to build a second dam (even larger than the Georgi Dimitrov dam) on the River Gyurlya, which flows into the reservoir itself. The Kazanluk plain, in addition to roses, grows essential oil-bearing crops, while the Stara Zagora plain, famous for its good wheat, is intended to become one of Bulgaria's important cotton-growing areas. (Bulgarian Legation, London)

C. LIBYA - SOVIET UNION. — Diplomatic Relations.

The Libyan Foreign Minister announced on Sept. 25 that Libya and the Soviet Union had agreed to establish diplomatic relations between the two countries. (New York Times)

A. AUSTRALIA. — Further Import Restrictions. - Export Promotion Programme. - Reductions in Capital Works Programme and Hire Purchase Financing. - Balance of Payments and Trade Figures.

Further import restrictions, designed to cut imports by £A80,000,000 (£64,000,000) in a full year, or by £A20,000,000 in 1955-56, were announced by Mr. Menzies (the Prime Minister) in the Federal House of Representatives on Sept. 27. He said that the new restrictions, which would come into force on Oct. 1, were planned to reduce imports to a level at which it would be possible to finance them by June 30, 1956, without further running down the country's external reserves. Mr. Menzies also announced a reduction of £A10,000,000 (from £A140,000,000 to £A130,000,000) in the Federal Government's capital works programme; a reduction in the value of import licences being sought by Government departments from £A59,000,000 to £A40,000,000; the introduction of measures designed to stimulate exports; and restrictions on high-purchase finance and on hire-purchase rates and periods of repayment. Mr. Menzies stated "quite categorically" that there would be no depreciation of the currency.

Mr Menzies listed four major factors in Australia's present economic situation. "(1) High and growing money purchasing power which gives rise to a level of demand for goods and services higher than ever before in our history. (2) As such demand cannot be entirely satisfied by Australian products there is a vast demand for imported goods and as that demand exceeds our export earnings our external balance of payments is in heavy deficit. (3) Any expansion of export earnings is made more difficult by substantially increasing levels of wages and costs, partly arising from competition for labour. (4) During the past two years the fortunes of international trade have not been so favourable, the terms of trade have moved against us, while overseas trading practices such as subsidies and bilateral trade deals have frequently not been helpful." "In short," he added, "there has been an over-rapid growth in demand for goods and resources without a corresponding growth in export income. Our economy has therefore tended to become unbalanced, with a disposition in favour of a permanent debit on our international trading account"

Reviewing the worsening of Australia's payments position, Mr. Menzies said that after the crisis of 1951-52 imports had fallen to £A511,000,000 in 1952-53, export income had amounted to £A846,000,000, and Australia's international reserves had risen by £A189,000,000. Import restrictions had consequently been relaxed, and this process of relaxation had continued over the next 18 months. During 1953-54 imports had risen again by £A172,000,000, exports had fallen by A34,000,000, and international reserves had increased by £9,000,000 In 1954-55 this process of rising imports and falling exports had continued; wool prices had dropped somewhat and there had also been some difficulties in selling wheat, as a result of which export income had declined by £A49,000,000 International reserves had fallen and from April 1, 1955, fairly severe additional restrictions had been imposed on all classes of non-dollar imports (see 14111 A). The reserves had nevertheless continued to fall, and since June 30 had declined by a further £A58,000,000 to £A370,000,000. "This kind of process cannot be allowed to go on" Mr Menzies declared "It would not inevitably be disastrous if, by the end of next year, our reserves were somewhat below £A300,000,000, but it would be disastrous if that point were reached with nothing done to check the downward fall in the reserves. It has been decided, therefore, that our external payments situation must be brought into full balance not later than June 30, 1956."

After referring to the Central Bank's directive regarding credit (see below), the Prime Minister said that at a subsequent meeting with representatives of the banks it had been agreed that a tightening-up of credit was needed if the problem of overseas balances was to be solved It was clear that, irrespective of any formal directive by the Central Bank, the trading banks would co-operate with the Government

With regard to hire-purchase finance, Mr Menzies said that this had been growing too rapidly and that in the past 12 months alone no less than £A50,000,000 had been added to its resources—an increase of 33 per cent The Government had been hoping to raise £A120,000,000 on the loan market for current works, but, by offering high rates of interest of up to 6 and 7 per cent for short- and medium-term investment, hire-purchase companies had been pulling money away from Government loan issues. The problem of moderating the present rate of expansion of hire-purchase finance fell primarily within the power of State Governments, but, because of the difficulty of securing early concerted action by the States, representatives of the major hire-purchase corporations had been invited to confer with him (the Prime Minister) At this meeting it had been unanimously agreed that the hire-purchase industry should recommend to its various boards of directors (*a*) that they should "peg turnover or outstandings at the present levels, with an allowable increase not exceeding 10 per cent between now and June 1956"; (*b*) that minimum "down" payments on motor vehicles should be fixed at 33⅓ per cent and the maximum hiring period at 30 months. The Prime Minister added that although the terms of this resolution should not be regarded as precise in their operation, assurances had been given that restraint would be exercised in respect of hire-purchase and that the Government might expect a large measure of co-operation. As in the case of the finance corporations, representatives of the retail trade engaged in hire-purchase operations would also exercise a cautious policy.

Turning to the promotion of exports, Mr. Menzies said that unless Australia was to have a permanently unbalanced economy, with import restrictions as a "chronic feature of life," something must be done to stimulate export income. New markets must be opened up and retained, and old ones expanded. If as was hoped, a sound basis could be found for an Export Credit Scheme, having regard to the special difficulties and peculiarities of Australia's export trade, such a scheme would be introduced. Thanks to positive policies, the great primary industries had expanded quite well and the volume of exports had increased by some 15-20 per cent in the last three years To sustain existing markets a considerable publicity drive was now well under way and the Australian Trade Commissioner services were being suitably strengthened. The Government was also prepared to send strong missions overseas with special tasks to develop new markets, these missions would comprise practical men who knew their goods and were experienced in salesmanship, and the Government would subscribe money "liberally" for this purpose.

Referring to possible Government economies, Mr Menzies said that the Commonwealth Government could do little to reduce its expenditure unless it was prepared to reduce such items as defence, pensions, or payments to the States. Nevertheless, the Government had decided on the following economies (*a*) the above-mentioned cut in its capital works programme; (*b*) the £A19,000,000 reduction in import licences for Government departments, (*c*) a request to the independent committee which was examining parliamentary salaries and allowances to make no report until the end of 1955-56.

In conclusion, Mr Menzies said that the essence of the Government's policy was to call upon the community to observe self-restraint in demand and that, as a result of the conferences with all sections of industry, they had been encouraged to hope that there would be a "wide and wise" response If, however, this turned out to be wrong, the Government would not hesitate to take further fiscal or other measures to ensure that, by June 30, 1956, Australia's payments were in balance and her payments position secure As public co-operation depended on authoritative and accurate information about the basic economic facts, it had been decided that the Treasury would issue periodically (quarterly if practicable) a paper setting out the principal economic facts. It was also proposed that in March or April of each year the Prime Minister should present to Parliament an economic report on the state of the nation

Details of the import cuts announced by Mr. Menzies were given on the following day (Sept. 28) by Senator O'Sullivan, Minister for Trade and Customs, as follows:

"Category A" Goods (mainly essential imports such as machinery and raw materials), which had been imported since April 1 at 85 per cent of the base year 1950-51, would be further reduced by 12½ per cent. The following exceptions would be transferred to the Administrative Category and be reduced by only 7½ per cent: surgical instruments, bacteriological products, yarns (other than rayon and jute), ophthalmic instruments, aluminium angle bars, aluminium wire, brass, bronze and other non-ferrous alloys.

"Category B" Goods (less essential goods and luxuries), which had been imported since April 1 at 40 per cent of the base year quotas, would be further reduced by 25 per cent. Goods in this category included fully assembled motor vehicles, liquors (including Scotch whisky). piece goods, clothing and apparel, drapery and napery, household washing machines, electric stoves, radiators, kettles, gas and electrical appliances, cutlery, lamps, torches, bottles, glassware, toys, jewellery, watches, clocks, cigarettes, cameras, and smokers' requisites. Two exceptions in "Category B" goods would be textiles for manufacturing purposes and "completely knocked down" motor vehicles, quotas for which would be reduced by only 12½ per cent.

Administrative Category Goods (essential imports such as capital equipment and raw materials). Their total value would be reduced by 12½ per cent overall, though individual items would be affected differently. Thus, items for which there would be no reduction would include tobacco leaf, iron and steel, rubber, rock phosphate, nitrate of soda and other fertilizers, crude asbestos, ferrous alloys, aluminium and nickel blocks, ball and roller bearings, steel ball-bearings, manganese, chrome ore, paper pulp, and medicines. Goods which would be reduced by only 7½ per cent included the following · replacement parts for agricultural machinery, motor vehicles, and motor cycles; motor cycle accessories, bicycle components and accessories; hand tools; household sewing machines; replacement parts for watches and clocks; plate glass; scientific instruments; alarm clocks; coir and ramie fibres. Quotas for cigarettes, sporting rifles, and sodium and potassium bichromate would be cut by 25 per cent.

Raw Materials. Senator O'Sullivan also announced that existing regulations relating to certain basic materials would be relaxed so as to permit importers to buy the materials from any country, regardless of currency considerations, thereby enabling them to purchase them from the best and cheapest source of supply. These materials were titanium oxide, sulphur, paper pulp, cotton, aluminium, nickel, copper, tobacco leaf, hog casings, crude asbestos fibre, and newsprint.

Dollar Goods. The level of licensing of goods from the dollar area would be subject to an overall reduction of 12½ per cent.

The central Bank's directive on credit, referred to by Mr. Menzies in his speech, had been issued by Dr. H. C. Coombs, Governor of the Commonwealth Bank, on Sept. 18.

Trading banks throughout Australia, Dr. Coombs stated, had been asked (*a*) to to restrict loans and overdrafts likely to stimulate investment and demand for imports, and specifically not to approve new or increased loans of any magnitude for capital expenditure, and not to enter into any new commitments involving increased accommodation for financing imports; (*b*) to review large overdraft accounts to achieve reductions in both limits and indebtedness, especially where substantial permanent borrowing persisted. He added that the Central Bank had asked business enterprises to co-operate by being prepared to revise their plans for expansion so as to permit reduction of their dependence on the banking system for this purpose

In view of the continued rise in prices in Australia, price controls—which had been abandoned by the Federal Government in 1954—were reimposed in New South Wales, Tasmania, South Australia and Western Australia in July and August. Queensland had not relinquished price controls in 1954, whilst the remaining State Government, Victoria, had announced that it would "not be rushed" into taking action. In other recent actions connected with the rise in prices, the Western Australian Arbitration Court had awarded the first quarterly adjustment to the State basic wage for two years, whilst the New South Wales Cabinet had decided to restore quarterly cost-of-living adjustments to basic wages.

Australia had a deficit of £A256,000,000 in her balance of payments in 1954-55, the biggest since 1951-52. This payments deficit compared with one of £A18,000,000 in 1953-54, and with a surplus of £A191,000,000 in 1952-53, Although the effect of the unfavourable balance in 1954-55 on Australia's international reserves was offset to some extent by the net result of capital transactions, the reserves nevertheless fell to £A428,300,000 on June 30, 1955, compared with £A570,000,000 on June 30, 1954, and £A561,200,000 on June 30, 1953.

Details of Australia's visible trade, published on July 7 and Sept 12, showed that imports in 1954-55 amounted to £A843,400,000 and exports to £A775,400,000, leaving an adverse balance of £A68,000,000. These figures compared with imports of £A681,600,000, exports of £A828,300,000, and a favourable balance of £A146,700,000 in 1953-54. The trade deficit with Britain increased from £A30,971,000 in 1953-54 to £A92,338,000 in 1954-55, due to an increase in imports from £A331,701,000 to £A378,664,000 and a decrease in exports from £A300,730,000 to £A286,326,000. The deficit with the U.S A. also increased from £A17,720 000 in 1953-54 to £A49,722,000 in 1954-55, imports having risen from £A73,254,000 to £102,162,000 and exports having fallen from £A55,534,000 to £A52,440,000. Imports from Japan in 1954-55 amounted to £A18,419,000, which was nearly twice as much as in 1953-54 and nearly three times as much as in 1952-53; exports to Japan totalled £A58,572,000, some £A3,000,000 more than in 1953-54.

The Department of Commerce announced on Sept. 30 a major Australian export drive in the New Zealand market, aimed at capturing a part of Britain's market there. A spokesman said that although the U.K. held 57 per cent of New Zealand's import trade, against Australia's 13 per cent, Australia should enjoy a "natural advantage" because of proximity, favourable tariff and licensing treatment, and ready access for first-hand knowledge of the market's requirements. Australian goods which would sell well in New Zealand included farm machinery, clothing, footwear, and paints and varnishes. The Minister of Commerce, Mr. McEwen, said that the attack on the New Zealand market was part of the export drive announced by Mr. Menzies, and that Australia also hoped to sell more cars and trucks in New Zealand.—(Australian News and Information Bureau - Times - Financial Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 14111 A.)**

A. SOVIET UNION. — New Ministries.

It was announced in Moscow on Sept. 25 that two new Ministries had been formed by dividing the Ministry of Consumer Goods—one for light industry and the other for the textile industry. M. Nikita Ryzhov, hitherto Minister of Consumer Goods, became Minister for the Textile Industry, and M. Nikolai Mirotvortsev was appointed Minister for Light Industry, a portfolio he had formerly held in the Cabinet of the Russian Soviet Republic.

On July 24 it had been announced that the Ministry of the Automobile, Tractor, and Agricultural Machine-Building Industry would be divided into two separate Ministries, one for the automobile industry under M. Strepin and the other for the tractor and agricultural machine-building industry under M. Khlamov. The Minister hitherto in charge of the combined Ministry was M. Akopov.

Pravda announced on Aug. 1 that M. Kazakov, the Minister for Heavy Mechanical Industries, had been relieved of his duties because of his inability to "adapt himself to new progressive techniques," and that he had been replaced by M. Constantin Petukhov.—(Times - Le Monde, Paris) **(14315 C.)**

B. YUGOSLAVIA. — New Economic Policy. - Increased Investment in Agriculture and Consumer Goods Industries.

An official statement on Yugoslavia's new economic policy was issued in Belgrade on Oct. 1, following a meeting of economic experts under the chairmanship of President Tito on Sept. 28. The statement affirmed that the policy of industrialization, carried out under "extraordinarily difficult conditions," had created the essential industrial basis for Yugoslavia's further economic and social development, and for the gradual improvement of the people's standards of living. This, however, had required a high level of investment in the key industries, as a result of which insufficient capital had been invested in secondary industries and agriculture. In consequence, there had been a slowing-down in the growth of the national income and consequently in the standard of living, especially in the larger cities and industrial centres.

The statement therefore outlined the objectives which should form the basis of future industrial policy, as follows:

(1) To secure the consolidation and gradual improvement of the workers' standard of living, in line with the general growth of production and in proportion to the productivity of individual workers.

(2) To plan capital investment in such a way as to eliminate disproportions and to secure higher standards of living It was emphasized, however, that the total volume of investments in the coming period must not be so large as to imperil stability and endanger the standard of living. The production of agricultural consumer goods and consumer goods from the processing industry, together with the improvement of communal and housing services, should be increased in proportion to each other, and investment policy should be designed with this end in view

(3) "To secure the greatest possible stabilization of the market through an adequate policy for distributing the national income between investment and the strengthening of the reserves."

(4) To promote, through further economic development, the growth of Yugoslavia's share in world trade

(5) To encourage the growth of rural co-operatives, farms, etc. Agricultural policy in the last few years had produced useful results, but this had been "only the beginning."

(6) To continue to help the under-developed regions of Yugoslavia in conformity with the principles defined above

It was further decided that measures should be undertaken to improve the economic system and adapt it to the new policy. Such improvements should include measures designed to overcome trading difficulties, especially in agriculture, by placing commerce under the control of consumers, improving marketing by better transport and other means, entrusting rural co-operatives with the purchase of agricultural products, and eliminating middlemen.

It was agreed that the Federal, Republican, and local economic plans should be based on the above-mentioned objectives

M. Vukmanovich, a Vice-President of the Federal Executive Council, referred to the new economic policy in a recent speech in Belgrade.

Declaring that the time had come to remove the disparity between the key industries and the processing industries, he said that since the war "huge investments," amounting to over 40 per cent of the national income, had been required to pull Yugoslavia out of her backwardness and "semi-colonial dependence" on foreign countries in the shortest possible time. The focal point of new investments would, however, now be transferred from the key industries to the consumer goods industries and agriculture M Vukmanovich also referred to the great achievements which had taken place, saying in this connexion that Yugoslavia was now producing four times as much electric power as before the war; that machinery and electrical industries, non-existent before the war, had been built up, and that a strong shipbuilding industry was developing

President Tito, speaking at Zvornik (Serbia) on Sept. 26, emphasized that industrialization would continue, but that it would be aimed at improving the people's standards of living. (Tanjug Agency, Belgrade) **(Prev. rep. 14324 B.)**

C. PAKISTAN. — Cabinet Appointments.

The Government of Pakistan was expanded on Sept. 26 by the appointment of Mr. Hamidul Haq Choudhury as Minister of Foreign Affairs and Commonwealth Relations, and of Mr. Akshya Kumar Das as Minister of State for Economic Affairs. The two new Ministers both come from East Pakistan, Mr. Choudhury belonging to the United Front and Mr. Das to the Scheduled Castes Federation.

Mr. Choudhury, a lawyer, became a member of the Bengal Legislative Council in 1937 and a member of the Pakistan Constituent Assembly in 1947. He is a former Minister for Finance, Industries and Commerce in East Bengal, and has led Pakistani delegations at important international meetings

The appointments brought the total strength of the Government to eleven Cabinet Ministers and three Ministers of State. By party affiliation, seven Ministers belong to the United Front, five to the Moslem League, and one is an Independent. (Pakistan High Commissioner's Office, London) **(14405 E.)**

A. UNITED KINGDOM. — Opening of Independent Television. - First I.T.A. Broadcasts.

Commercial television was inaugurated on Sept. 22 with a programme broadcast from the Independent Television Authority's station at Croydon. The programme was preceded by a ceremony—also televised—at London's Guildhall, at which the chief speakers were the Postmaster-General (Dr. Charles Hill), the Lord Mayor of London (Sir Seymour Howard), and the chairman of the I.T.A. (Sir Kenneth Clark).

The inaugural programme was produced jointly by Associated Rediffusion Ltd. and the Associated Broadcasting Company, and was seen by viewers within an estimated range of about 70 miles The programme was interrupted for the showing of the first commercial advertisements—for brands of toothpaste, drinking chocolate, and margarine, followed by advertisements for tyres, motor spirit, and beef extract.

Recent developments in connexion with independent television are summarized below :

Broadcasting Hours. Earl De La Warr (then Postmaster-General) had announced on March 22, 1955, that commercial television broadcasting would be permitted for up to 50 hours a week, with a maximum of 8 hours on weekdays and 7¾ hours on Sundays. After discussions between the I.T A., the B B.C , and himself, it had been agreed that there should be a maximum of 35 hours actual broadcasting time in the period Monday-Friday and a maximum of 15 hours in the period Saturday-Sunday. Broadcasting would not start before 9 a.m. or continue beyond 11 p.m., and on weekdays there would be a " close period " from 6 p.m. to 7 p.m , and not more than two hours broadcasting before 1 p.m. Sunday broadcasting would be permitted from 2 p.m. to 11 p.m., with a " close period " arranged to meet the views of the Churches (6.15 p.m -7.30 p m). Sunday programmes between 2 p m and 4 p.m (the normal Sunday-school hours) would be designed for adults. On special occasions the daily maximum of broadcasting hours might be exceeded in order to broadcast outside events.

Programme Contractors. The I.T.A. announced on Aug 12 that in consequence of the withdrawal of Lord Kemsley from the Kemsley-Winnick group (reported on July 8), the contract for the supply of week-end programmes to serve the Birmingham and Manchester areas had been re-advertised A further announcement on Sept 14 stated that out of nine applications received, the Authority had selected that of a new company, Associated British Cinemas (Television) Ltd It was explained that this company was a subsidiary of the Associated British Picture Corporation, which would subscribe 95 per cent of its capital of £1,000,000, and that the remaining £50,000 would be subscribed by three leading provincial newspaper companies—the Birmingham Post and Mail Ltd , the Birmingham Gazette Ltd., and the Bradford and District Newspaper Co , Ltd., publishers of the *Yorkshire Observer* and the *Bradford Telegraph and Argus*. Sir Philip Warter, chairman of the Associated British Picture Corporation, would be chairman of the new company, whilst its managing director would be Mr. Howard Thomas, originator of the B.B.C " Brains Trust " programmes, and subsequently producer-in-chief for Associated British Pathé Ltd., makers of newsreels and documentary films.

On March 10 the formation had been announced of a new programme company—to be known as the Associated Broadcasting Company—by the amalgamation of the Associated Broadcasting Development Company (see 12705 B) with the Incorporated Television Programme Company, which had been formed in September, 1954, with Mr Prince Littler (chairman and managing director of the Stoll Theatres Corporation) as chairman. It was stated that the new company, of which Mr. Littler and Mr. Norman Collins would be chairman and vice-chairman respectively, would have a capital of £1,500,000, and that it had arranged with the I.T A. to take over the Associated Broadcasting Development Company's contract for week-end programmes from London and for Monday-Friday programmes from Birmingham On Oct. 6 it was announced that, in order to avoid confusion with Associated British Cinemas (Television) Ltd., the Associated Broadcasting Company had agreed to change its name to Associated TeleVision Ltd., and that the two companies had arranged to work together in providing studios in the London and Birmingham areas.

The first programme contract, between the I T.A. and Associated Broadcasting Co , Ltd., for the provision of the Saturday-Sunday programmes from London and the Monday-Friday programmes from Birmingham, was signed on May 3, whilst contracts with Associated-Rediffusion Ltd. (for the Monday-Friday programmes from London) and with Granada T.V. Network Ltd. (for the Monday-Friday programmes in the Manchester area) were signed on May 25. All three contracts will remain in force until 1964—i e for the full term of the Authority's life under the Television Act The week-end programmes for the Birmingham and Manchester areas will, as stated above, be the responsibility of Associated British Cinemas (Television) Ltd.

Advertising Rates and Times. Provisional charges for advertising at week-ends from London and from Mondays to Fridays in the Midland area were announced by the Associated Broadcasting Corporation on March 14 as follows : **London :** From £200 per minute during the " test period " from 10 a m. to noon on Saturday to £1,000 per minute for the " peak period " of 8 p m.-9.30 p m. on Saturdays and Sundays. Rates were also quoted for (*a*) " time signals," broadcast for a maximum period of five seconds at least seven times a day (£750 on Saturdays and £1,000 on Sundays); (*b*) documentary advertising films, lasting up to 30 minutes (from £1,000 to £2,000, according to time of broadcasting) ; (*c*) participation in " shopping guides." **Birmingham :** From £100 per minute during the " test period " (10 a.m -11 30 a.m) to £500 per minute for the peak period (8 p m -9 p m) Documentaries, £500-£1,000 according to time of broadcasting.

Rates for advertising in the Monday-Friday programmes from London were announced by Associated Rediffusion Ltd on March 15 The basic rate for advertising between 3 p m.-6 p m , 7 p m -8 p m , and 10 p.m -11 p.m. was fixed at £650 per minute, with a 50 per cent higher charge (i e. £975 per minute) for the period 8 p m.-10 p m , and a 50 per cent reduction (i.e £325 per minute) for all other periods except when test transmissions were being made, when the rate would be £195 per minute Participation in " shopping guides " would be assessed on a basic rate of £500 , documentary advertising programmes would cost up to £4,000 for 15 minutes during the peak viewing period , and " time signals " of seven seconds' duration would cost £750 per day, with a guaranteed minimum of five transmissions.

Sir Edward Boyle (Parliamentary Secretary, Ministry of Supply) stated in the House of Commons on March 23 that the I.T A had decided that, apart from shopping guides and advertising documentaries, the time given to advertising should not exceed six minutes an hour, and that not more than six advertisements should be permitted in any one hour. As regards the type of advertisement and the methods of advertising, the Postmaster-General understood that the Authority intended " to follow closely the accepted standards of other advertising media "

Television News Service. It was announced on Feb 9 that the four provisional contractors for independent television programmes had jointly formed a company on a non-profit-making basis under the terms of the Television Act to provide a news service for their programmes With the I.T A 's approval, Mr Aidan Crawley (well known for his B.B C. television programme " Viewfinder," and a former Labour Under-Secretary for Air) had been appointed editor-in-chief of the proposed service.

Future Developments. The I.T A. announced on May 24 that work would shortly start on a transmitting station at Winter Hill, near Bolton, to serve Lancashire, and that it was hoped to bring this transmitter into service by, at latest, the spring of 1956 Because of the hilly nature of the surrounding country, the radius of reception would vary, but it was expected to extend to Barrow-in-Furness, Lancaster, and Settle in the north , to Stoke-on-Trent, Crewe, and Wrexham in the south , and to Liverpool and Colwyn Bay in the west In the east, effective coverage would be curtailed by the Pennines, and was not expected to extend much beyond Rochdale. The estimated population within the reception area was about 7,000,000.

The statement added that the Authority was also considering plans for a Yorkshire station to be located at Ovenden Moor, near Halifax, but that the timetable for this station would depend on the allocation to the I.T.A. of an additional frequency channel in Band III. If this were made available, there was " a strong possibility " that this station could be in operation by the autumn of 1956

Children's Advisory Committee. The I.T A. announced on Oct. 4 that a Children's Advisory Committee had been appointed with Mr. W. Hamilton, Headmaster of Westminster School, as chairman, to give advice in connexion with the broadcasting of children's programmes.

The Postmaster-General announced on Dec. 14, 1954, that Sir Charles Colston had resigned from the deputy-chairmanship of the I.T.A. for personal reasons. On Feb. 4, 1955, it was announced that Sir Ronald Matthews, chairman of the Brush Group Ltd., and formerly chairman of the London and North Eastern Railway, had been appointed to succeed Sir Charles Colston. The appointment of Mr. B. C. Sendall, formerly home controller of the Central Office of Information, as deputy director-general of the I.T.A. was announced on July 21.
(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Independent Television, 13915 A.)

B. POLAND. — Completion and Opening of Warsaw " Palace of Science and Culture."

The " Palace of Science and Culture," the construction of which had been agreed upon in 1952 between the Polish and Soviet Governments, was opened in Warsaw in July last after having been completed in three years. The building—a 750-ft. skyscraper, the highest in Poland—houses the Polish Academy of Sciences and other official bodies, and has some 2,800 halls and rooms, including three theatres, two cinemas, a congress hall seating 3,500 people, a concert hall, libraries, gymnasia, etc. It was erected at Soviet expense as a gift to Poland.—(Polish Embassy Press Department, London)

(Prev. rep. 12188 B.)

C. JAPAN - PAKISTAN. — Extension of Trade Agreement. - Commodity Exchanges.

It was announced on Sept. 21 that the trade agreement between Pakistan and Japan for 1954-55, which would have expired on Sept. 15, had been extended to Jan. 31, 1956. The principal Pakistani exports covered by the agreement are raw cotton, jute, skins, and chrome ore, whilst the main Japanese supplies to Pakistan include cotton textiles and yarns, rayon, iron and steel, capital goods and machinery, and chemicals and dyes.—(Pakistan High Commissioner's Office, London)

(Prev. rep. 12894 D.)

OCTOBER 15—22, 1955

A. FRENCH MOROCCO. — Terrorist and Counter-terrorist Campaigns. - The Casablanca Riots. - The Middle Atlas and Riff Revolts. - Appointment and Resignation of M. Grandval as Resident-General. - General Boyer de Latour succeeds M. Grandval. - French Government's Reform Plan. - The Aix-les-Bains Conference. - The Antsirabe Discussions with Ex-Sultan Ben Youssef. - Agreement on Setting-up of Representative Moroccan Government and New Franco-Moroccan Relationship. - Withdrawal of Sultan Ben Arafa to Tangier. - Formation of Council of the Throne.

The crisis arising from the deposition of the former Sultan Ben Youssef in 1953, which had led to a growing succession of Moroccan terrorist and French counter-terrorist attacks, came to a head in June last when the French Government appointed M. Gilbert Grandval as Resident-General, with the task of restoring internal security, settling the problem of the throne, and introducing fundamental reforms. Although M. Grandval was able to initiate discussions on the plan, his position was rendered untenable by the hostility shown to him personally by important sections of the French community in Morocco and the "traditionalist" supporters of the reigning Sultan Moulay Arafa, as well as by a massacre of Europeans by Berber tribesmen in the Middle Atlas region. These factors, as well as his disagreement with the French Government on certain aspects of the timing of the various steps, led to his premature resignation at the end of August, followed by the appointment of General Boyer de Latour (the French High Commissioner in Tunisia) as his successor.

At a conference held at Aix-les-Bains in August between French Ministers and spokesmen of various sections of Moroccan opinion, agreement was reached that Sultan Moulay Arafa should withdraw, that a Council of the Throne should be installed, and that the Council should appoint a broadly-based Moroccan Government, which in turn would negotiate with France a new Franco-Moroccan relationship. This policy subsequently received the approval of the ex-Sultan Ben Youssef, who also agreed to refrain from all political activities on being allowed to return to France. After Sultan Moulay Arafa had agreed to withdraw to Tangier, without, however, renouncing his rights, the Council of the Throne was installed on Oct. 15.

These events, as well as an organized rising in the Riff at the beginning of October, are summarized below.

Terrorist and Nationalist Activities, January 1954 - June 1955.

The terrorist campaign, which had begun after the deposition of the ex-Sultan Ben Youssef, continued throughout 1954 and the first half of 1955, and led to reprisals by French counter-terrorists. Most of the victims of Moroccan terrorist attacks were either Moroccan officials and policemen, or other Moroccans considered to favour Sultan Moulay Arafa and the "traditionalists," whilst in a number of cases anti-nationalist French leaders, French military and officials, and ordinary French civilians were killed or wounded. The French terrorist counter-attacks were directed both against Moroccans and French citizens considered to sympathize with Moroccan nationalist aspirations. In a statement published on March 8, 1955, the French authorities gave the total casualties between Aug. 20, 1953 (the date of the ex-Sultan's deposition) and the end of February, 1955, as 57 Europeans and 240 Moroccans killed and 201 Europeans and 709 Moroccans wounded. The more important incidents are described below.

January - July, 1954. Most of the terrorist outrages during this period occurred at Marrakesh and Casablanca In Marrakesh two grenades were thrown on Feb 19 at the Pasha of that city (Haj Thami el-Glaoui), who had taken the lead in Ben Youssef's deposition and in Moulay Arafa's installation on the throne The Sultan was slightly wounded by a grenade which was thrown at him in a mosque on March 5; this was his second escape, an earlier attempt on his life having been made on Sept 11, 1953 (see 13129 A). A bomb explosion on May 26, when General Guillaume (then Resident-General) was visiting Marrakesh, injured 30 soldiers and 12 civilians; General d'Hauteville, the military commander of the region, was shot and seriously wounded on June 20; and M Thivent, the local director of urban affairs, was shot dead on July 23. In Casablanca, where terrorist attempts were of almost daily occurrence, Dr. Eyraud, managing director of the anti-nationalist *La Vigie Marocaine*, was shot dead on June 30. A boycott of French goods, and particularly of tobacco (a Government monopoly), was launched with considerable success, and acts of arson, including the deliberate burning of crops, became increasingly frequent.

August 1954. During August an agitation in support of the ex-Sultan's restoration led to serious riots at Fez, Petitjean, and Port Lyautey. The increase in tension was attributed to the approach of the festival of Aid-el-Kebir, in which the Sultan plays a prominent part, and of the anniversary of the ex-Sultan's deposition, and also to the hopes aroused by the French offer of internal autonomy to Tunisia and by General Guillaume's replacement by M. Lacoste (see 13586 B)

An open letter was addressed to M. Lacoste on July 26 by 128 leading Moroccan public figures, who appealed for the recognition of Moroccan sovereignty in practice; for a frank discussion of the problems raised by the ex-Sultan's deposition; for the raising of the state of siege and the release of political prisoners; and for the introduction of "elementary liberties." A similar manifesto issued on Aug. 4 by the moderate nationalist Democratic Independence Party demanded the restoration of the ex-Sultan and the formation of a provisional Government which would negotiate a new treaty between Morocco and France Numerous petitions in support of these demands were sent to M Lacoste, among the signatories being 40 of the *ulema* of Fez (the body of Moslem theologians and magistrates which elects the Sultan), judges and high officials, and 20,000 citizens of Rabat

At Fez demonstrations of loyalty to the ex-Sultan continued from Aug 1-10, and gave rise to almost daily clashes with the police, in which over 20 people were killed. At Petitjean (90 miles N.E of Rabat) rioters murdered six Jews on Aug. 3 and set fire to Jewish-owned shops, four people were killed when the police opened fire on the rioters. At Port Lyautey nine Europeans were murdered and at least four Moroccans killed by police fire during riots on Aug. 7-8. A nationalist call for a general strike on Aug. 9 met with a wide response, whilst Aug 10 (the festival of Aïd-el-Kebir) was widely observed as a day of mourning.

During police operations between Aug. 13-20 about 250 people were arrested in Casablanca, 130 at Fez, 280 at Petitjean, and 70 at Meknès The *ulema* who had signed the petition in support of the ex-Sultan, and who had taken sanctuary in the Mosque of Moulay Idriss, were forcibly removed on Aug. 18 by the Sultan's guard, all but five, however, were subsequently released

September 1954 - June 1955. During this period Casablanca and its neighbourhood became the main centre of the terrorists' activities, which resulted in almost daily shooting or bomb-throwing incidents. Attempts were made by Moroccan terrorists on the lives of M. Boniface (former chief of the Casablanca police) on March 10, 1955, and of Dr. Causse (president of the Right-wing *Union pour la Présence Française*) on March 21. Unsuccessful attacks by French counter-terrorists on other Frenchmen included attempts on the lives of M. Clostermann, a Gaullist member of the National Assembly and a distinguished fighter "ace" in the Free French Air Force during the last war (Oct 28, 1954 and March 7, 1955), M Gouin, an industrialist (Oct 28, 1954), and M Reitzer, a businessman (June 5, 1955), all of whom had opposed the ex-Sultan's deposition. Prominent Moroccan nationalists murdered by French counter-terrorists included M. Slaoui, a lawyer (Aug. 28, 1954), and M Diouri (Nov. 30, 1954) and M. Sebti (Jan. 2, 1955), both businessmen.

The police announced on April 25, 1955 the arrest of 179 members of two secret organizations, who were alleged to be plotting a general uprising. A later statement issued on May 17 said that five terrorist groups were known to exist in Casablanca, and that their activities were co-ordinated by the *Moundama Seria*, a secret society founded by a group of Marrakesh students in 1952, which was thought to have been responsible for the explosion in the central market in Casablanca on Dec. 24, 1953 (see 13349 A), and for the attempts on the lives of Dr. Eyraud and M Boniface.

A strike of Moslem shopkeepers was enforced in Casablanca, Rabat, and Salé on May 20, and, despite the expulsion from Casablanca of 67 shopkeepers who had taken part, spread throughout the country. The serious food shortage caused by the strike was intensified by a fishermen's strike at Safi, in protest against the arrest of six leading members of their trade union early in June.

The Murder of M. Lemaigre-Dubreuil.

Intense indignation was aroused in France by the murder on June 11, 1955, of M. Jacques Lemaigre-Dubreuil, an industrialist, who was shot dead outside his home in Casablanca by French counter-terrorists. M. Lemaigre-Dubreuil (60) had acquired a controlling interest in the newspaper *Maroc-Presse*, in which he had denounced the counter-terrorists and advocated a policy of conciliation and reform. During the last weeks of his life he had approached both Marshal Juin and the Pasha of Marrakesh in an unsuccessful attempt to win their support for such a policy, and on June 10 he had been received by M. Faure, the Prime Minister. His last letter, written to M. Faure a few hours before his death, emphasized that any use of force by the Government could only increase the terrorists' influence, and appealed for the release of the arrested trade union leaders at Safi.

M. July (the Minister for Moroccan and Tunisian Affairs), in a statement on June 12, denounced counter-terrorism—which, he said, "finds support not only in Morocco but also in Paris"—as "dishonouring France," and announced that M Wybot, director of the French security police, would leave immediately on a mission of inspection of the Moroccan police forces. As a result of M. Wybot's inquiries, M. Delrieu, a former chief inspector of the Casablanca police,

was arrested on June 17, whilst during the next few days 10 more Europeans, including seven policemen and a woman, were also arrested; four of them were reported to have confessed that they belonged to a gang which was responsible for the murder of M. Lemaigre-Dubreuil and of numerous Moroccans, for the attempts on MM. Clostermann and Reitzer, and for the burning of Arab shops. These persons were the first Europeans to be arrested on charges of terrorism

Protest demonstrations by French residents against these arrests took place in Casablanca on June 27-28, in response to an appeal issued by the "Organization for Anti-terrorist Defence" (O.D.A.T.), which accused members of the Government of being "in the pay of the terrorists," asserted that the arrested men had "served France with honour and glory," and described M. Lemaigre-Dubreuil as "a man for whom money counted more than human lives." The demonstrators, who included Customs officials in uniform, forced European shops to close and attempted to attack the *Maroc-Presse* office.

Outrages by terrorists and counter-terrorists meanwhile continued, and on July 4 the Moslem magistrates of Casablanca informed the French authorities that they could not perform their duties until the situation returned to normal, as they had been threatened with death by Moroccan terrorists if they did so.

M. Grandval appointed Resident-General.

The French Government announced on June 20, 1955, that M. Gilbert Grandval, the French Ambassador to the Saar, had been appointed Resident-General in succession to M. Lacoste. M. Grandval (51), who is of Alsatian-Jewish origin, served with distinction in the resistance movement, and was appointed High Commissioner in the Saar in 1945 and Ambassador in 1952, displaying in his handling of the Saar question great ability both as administrator and diplomat.

M. Faure stated in the National Assembly on June 21 that the Government had been unable to accept all the recommendations formulated in M Lacoste's reports, and had therefore decided to entrust the execution of its policy to a new Resident-General. The Government's policy, he added, was based on four principles: (1) it would never renounce or allow to be disputed the permanence of France's presence in Morocco; (2) it was determined gradually to abolish direct French administration; (3) it would progressively introduce in all spheres the modern institutions towards which Morocco aspired; and (4) it sought to establish a genuine Franco-Moroccan community on a solid basis.

M. Grandval arrived at Rabat to take up his post on July 7, and paid a formal visit to the Sultan In his speech on this occasion he expressed his desire to restore their "true meaning" to the international undertakings uniting France and Morocco (a reference to the Government's declared policy of abolishing direct French administration), to "re-establish order in men's work, reason in their minds, and concord in their hearts"; and to "promote the democratic evolution of Moroccan institutions." The directors of the departments of Moroccan political affairs, industrial production, commerce, education. agriculture, public works, and labour were subsequently retired on July 12; these changes, M. Grandval explained, had been made for "essentially psychological reasons," as the new policy required to be carried out by new personnel.

Although terrorist attacks continued to take place, a certain relaxation of tension occurred after M Grandval's arrival Following the annulment of the expulsion orders against certain Casablanca tradesmen, the Moroccan shopkeepers' strike in the city ended on July 7, and the Moslem magistrates agreed to resume their duties. In Casablanca, M. Grandval received an enthusiastic welcome on July 9 from the Moslem population, and when the police arrested about 50 nationalists for demonstrating in favour of the ex-Sultan he ordered their release. On July 13, in honour of the French national holiday, he ordered the release of 31 political prisoners and the closing of the last internment camp in Morocco, rescinded the orders banishing 46 nationalists and trade unionists from their homes, and promised that further measures of clemency would be taken on the occasion of the Aïd-el-Kebir festival if the atmosphere of *détente* continued On July 14 he held a single reception at Rabat for Europeans, Moslems, and Jews, instead of the two separate receptions which had previously been the custom

The July Riots.

The situation again deteriorated gravely following the explosion of a powerful bomb outside a crowded café in the European quarter of Casablanca during the evening of July 14, which killed six Europeans and injured over 30. (Four Moroccans arrested on Sept. 5 were subsequently reported to have confessed to causing the explosion.) Violent demonstrations were immediately begun by thousands of Europeans, who marched through the streets shouting "Death to Grandval," tearing down Moroccan flags, and plundering and burning Moslem and Jewish shops. An attempt was made to attack the *Maroc-Presse* office, and several hundred people broke into the house of Maitre Legrand (a barrister who had frequently defended Moroccans charged with terrorism); in self-defence, M. Legrand fired at the mob, killing one person and wounding two others. He was subsequently arrested, but was released on bail on July 18 and flown to France.

The rioting was resumed on July 15, when the demonstrators—led by a retired naval officer, Admiral Le Fluch—forced European shops to close, set fire to Moslem shops, stoned the *Maroc-Presse* office, murdered three Moslems, and molested others. No attempt to interfere was made by the police, some of whom were reported to have taken part in the riots. During the evening a counter-demonstration was organized by several hundred Moslems, who entered the European quarter, stoned a European to death, and set fire to a number of cars, in one of which a man was burned alive. By order of M. Grandval, who had arrived in Casablanca during the day, a curfew was imposed from 9 p.m. to 5 a.m., and on July 16 all public assemblies were banned, martial law was proclaimed, and General Franchi was appointed commanding officer with full civil and military powers.

The funeral on July 16 of the victims of the bomb explosion was made the occasion for a new demonstration against M. Grandval, who was spat upon and assaulted as he left the Cathedral. Little or no attempt was made by the police to protect M. Grandval from these insults. Further rioting in the Moslem quarters on July 16-17 was suppressed by French armoured forces. The number of casualties during the four days' disorders in Casablanca (including those killed in the explosion) was officially estimated at 12 Europeans, 19 Moslems, and one Jew killed, and 68 Europeans, 168 Moslems, and 18 Jews injured.

Following the riots, M. Vergnolle, chief commissioner of the Casablanca police, who was considered responsible for their failure to take action against the European rioters on July 14-16, was suspended on July 18; M. Mattei, secretary-general of the *Présence Francaise*, and M. Cambiazo, who had led the attack on Maitre Legrand's house, were expelled from Morocco on the same day; Dr. Causse and 13 other Europeans who had taken part in the riots were expelled on July 21; and disciplinary measures were taken against 55 members of the Casablanca police on July 24.

M. Grandval's firm attitude towards the counter-terrorists was denounced in a violently anti-Semitic leaflet issued by the O D A.T. on July 19, which declared that "the renegade Jew Hirsch-Ollendorf, calling himself 'Grandval,' a friend of Abramovich, calling himself 'Mendès-France,' has come to sell Morocco as they have sold Tunisia." The leaflet protested against the release of "the murderer Jean-Charles Legrand" and the expulsion of "good Frenchmen", and called upon the Europeans of Casablanca to prepare to "liberate our second country by force if necessary."

On July 21, M Grandval visited Marrakesh, in accordance with the custom whereby a new Resident-General makes a tour of the principal cities Although orders had been issued beforehand by the Pasha of Marrakesh that there should be no demonstrations of support for the Resident-General or the ex-Sultan, large crowds cheered M. Grandval and shouted slogans in favour of the ex-Sultan, the police then opened fire and rioting broke out, in consequence of which a member of the Pasha's guard and five civilians were killed. Similar scenes marked M. Grandval's entry into Meknès on July 25, when the police fired on demonstrators cheering the Resident-General and the ex-Sultan, at least 19 people being killed. To avoid further bloodshed, M. Grandval cancelled on the same day his projected visit to Fez.

The celebration on July 30-31 of Aïd-el-Kebir—which, as in the previous year, was observed by most Moroccans as a day of mourning—gave rise to new disorders. At Marrakesh nationalist mobs took over the Moslem quarter on July 30, burning and plundering, and on the following day the police fired on demonstrators, 11 people being killed and 23 wounded in the two days' rioting. At Moulay-Idriss on July 30 a crowd of rioters attacked the Khalifa's house, set fire to buildings, and murdered a French fire brigade officer, four Moroccans being killed when the police opened fire

French Proposals for a Settlement.

M. Grandval was meanwhile engaged in discussions on the situation with representatives of all sections of Moroccan opinion, including the Sultan, the Pasha of Marrakesh, and Si Bekkai, the former Pasha of Sefrou, who had resigned his post as a protest immediately after the ex-Sultan's deposition, and had since lived in voluntary exile. Although no official statement was issued, details of M. Grandval's proposals were given in a letter from the Pasha of Marrakesh to M. Faure, which was published on Aug. 4.

The Pasha stated that, as a result of several conversations with M. Grandval, he had gathered that the Resident-General regarded the Sultan's abdication as probable, and envisaged (*a*) the formation of a Government representing all shades of opinion, which would be entrusted with the introduction of reforms; (*b*) the nomination of a religious leader of the Moroccan people, in whose name prayers would be said, for a period of two years; and (*c*) the choice of a new Sultan at the end of that period, with the agreement of the ex-Sultan Mohammed Ben Youssef, who, with his descendants, would himself be excluded from the throne. In the Pasha's view, however, the present Sultan's abdication was "unthinkable" except under "inadmissible external pressure"; even if he did abdicate, a new Sultan would have to be chosen immediately, and he (the Pasha) and his friends could not admit that Ben Youssef should be consulted on this. A communiqué expressing similar views was published on the same day by the *Présence Francaise*

At a meeting of the French Government's co-ordinating committee for North African affairs on Aug 11-12, a compromise settlement was agreed upon whereby the present Sultan would be asked to form a Government representing all political tendencies to carry out reforms. A letter from M. Faure, suggesting that such a Government should be formed by Aug. 18, was delivered to the Sultan by M.

Grandval on Aug. 14, together with a list of representatives of the traditionalist, moderate nationalist, and nationalist tendencies from whom such a Government might be chosen The two leading nationalist parties (the Istiqlal and the Democratic Independence Party), however, both issued statements on the same day emphasizing that they could not participate in any Government formed by the present Sultan, as they still regarded the ex-Sultan Ben Youssef as the legitimate sovereign.

In view of this situation, the Sultan informed President Coty on Aug 17 that he could not consider himself bound by any time-limit; that the Government he envisaged would represent all tendencies "willing to take an active part in the construction of a new political organization"; and that if certain parties adopted publicly "such an attitude that their consultation or participation is impossible," their position as an organized Opposition would be recognized. The French Cabinet accordingly agreed on Aug 18 to grant the Sultan a few more days in which to try to form a Government, and on the following day decided to open discussions with representatives of all sections of Moroccan opinion at Aix-les-Bains on Aug. 22.

The Uprising in the Middle Atlas.

The anniversary of the ex-Sultan's deposition was marked by a savage uprising of Berbers of the Ait Smalla and Zaian tribes of the Middle Atlas, who occupied the town of Oued Zem and murdered about 50 Europeans, among them a number of women and children. The shock to French opinion caused by these events was the greater because these tribes had hitherto been regarded as pro-French and as opponents of the ex-Sultan. In the large towns, however, the situation remained comparatively peaceful, although widespread loyalist demonstrations gave rise to a number of incidents.

The disturbances in the Middle Atlas began at Khenifra on Aug 19, when 10 Moroccans and three soldiers were killed in fighting between French troops and some 700 rioters who had set fire to European shops and besieged the police station The fighting was renewed on Aug 20, and ended only after the garrison had been reinforced by parachute troops, whilst tribesmen who attempted to enter the town were scattered by fighter planes Casualties were three soldiers and 32 Moroccans killed, and 41 Moroccans wounded. At the village of Boujad two Moroccans were killed and three wounded on Aug. 20 in a clash between demonstrators and troops When this news reached the nearby town of Oued Zem, the Moslem population, who were joined by tribesmen from the hills, attacked the European quarter, setting fire to houses and killing men, women, and children indiscriminately In the ensuing massacre about 50 of the 800 European residents were murdered, their bodies being mutilated or set on fire, the victims included 14 patients in a hospital (11 of them Moslems) which was broken into by the tribesmen. After holding the town for several hours the insurgents were expelled by troops, about 60 Moroccans being killed At the mines of Ait-Ammar (north of Oued Zem) 22 Europeans were murdered, whilst at Khouribga (a few miles west of Oued Zem) rioters killed three Europeans and completely wrecked the surface installations of the phosphate mines, the damage being estimated at 1,000,000,000 francs.

In the native suburbs of Casablanca rioting began on Aug. 17 and continued sporadically for the next three days, 11 Moroccans were killed by police fire and two by the rioters during Aug 17-19, and 35 when the police fired on rioting demonstrators on Aug. 20 A restraining influence, however, was exercised by the nationalist parties, who emphasized their wish not to embarrass M. Grandval in his attempts to find a settlement; accordingly, a demonstration of 30,000 people on Aug 21 at the funeral of those killed on the previous day passed off in complete order. Other incidents occurred at Safi, where eight demonstrators were killed on Aug 21 in a clash with the police, and at Marrakesh and Magazan, where nine Moroccans were killed in disorders on Aug 22.

Large-scale military operations were begun in the neighbourhood of Oued Zem and Khenifra on Aug 22 by the Foreign Legion and other French forces, supported by tanks and aircraft. They terminated on Aug 26, when the local tribesmen and the Moslem population of Oued Zem formally surrendered their arms and asked for pardon. Only 300 out of 4,000 adult tribesmen took part in this ceremony, however, and a new operation was launched during the week Sept 2-7 which led to the rounding-up of nearly 400 suspects

It was officially announced on Aug 27 that altogether 88 civilians had been killed on Aug 20, and four soldiers and 700 insurgents in the subsequent operations. Unofficial estimates placed the number of Moslem victims at a much higher figure, a statement issued by the Istiqlal on Sept 3 alleging that several thousand had been killed by the French troops or armed bands of settlers. A Reuter dispatch of Aug. 24 stated that 300 Moroccans had been killed at Oued Zem; that 250 men who had taken part in the massacres had been subsequently killed in the mountains, and that several villages had been razed to the ground for having sheltered rebels who had killed or wounded *légionnaires*

General Duval, commander of the French forces in Morocco, lost his life on Aug 22 when his aeroplane crashed near Khenifra; reports that the accident was due to sabotage were denied by the French military authorities His funeral at Rabat on Aug. 24 was made the occasion for further violent demonstrations against M. Grandval by members of the French community.

The Aix-les-Bains Conference.

Discussions with Moroccan political and religious leaders opened at Aix-les-Bains on Aug. 22, the French Government being represented by a five-man committee comprising M. Faure, M. Pinay (the Foreign Minister), M. July (Minister for Tunisian and Moroccan Affairs), General Koenig (Defence Minister), and M. Schuman (Minister of Justice). On Aug. 23-25 the committee met El Mokri (the centenarian Grand Vizier of Morocco), the Pasha of Marrakesh, General Béthouart (Senator for Morocco), leaders of the Democratic Independence Party and the Istiqlal, and Si Bekkai. The nationalist representatives insisted that essential features of any settlement must be the departure of the present Sultan, the establishment of a Council of the Throne (but not of a Council of Regency, as Mohammed Ben Youssef must be considered the legitimate Sultan), the formation of a representative Government which would negotiate reforms with France and arrange conditions in which the Moroccan people could reach a free decision, and the return of the ex-Sultan to France from his exile in Madagascar. The talks concluded on Aug. 27 after the French Ministers had heard the views of El Kittani (the religious leader who played a prominent part in the ex-Sultan's deposition) and of a delegate representing the French community.

The leaders of five right-wing groups represented in M. Faure's Government had previously sent a letter to the Prime Minister on Aug. 23 threatening to withdraw their support if the talks led to the Sultan's abdication. M Schmittlein (the Gaullist leader), one of the signatories of the letter, was, however, disavowed on Aug 24 by a section of the Gaullist party, which issued a statement emphasizing the need for sweeping reforms. On Aug. 25 M. Clostermann (see above) resigned from the party in protest against its leader's policy. In a letter to M. Schmittlein he pointed out that the party had never protested against the crimes of the counter-terrorists and the European rioters in Casablanca, and observed that "our group seems to be making itself the defender of falsehood and sordid interests"

The French Cabinet met on Aug. 28-29 to consider the issues raised at the conference, and, after prolonged discussions, reached agreement on its policy. Although no official statement was issued, it was reported to have been agreed that the Sultan should leave the country, that his powers should be assumed by a Council of the Throne consisting of three members, and that the Council should nominate a representative Government. M. July stated that the Government had "every reason to believe" that a representative Moroccan Government would be formed by Sept. 12. The Sultan, however, declared in a communiqué on Aug. 26 that he intended to "continue his divine mission," whilst on Aug. 29 the Pasha of Marrakesh and El Kittani published a statement asserting that the Sultan's removal would violate "the rules of Islam" and the Protectorate Treaty.

Resignation of M. Grandval.

The resignation of M. Grandval, and the appointment of General Boyer de Latour (then Resident-General in Tunisia) as his successor, were announced on Aug. 30 in a statement issued by M. Faure, who paid tribute to "the courage and devotion which M. Grandval has displayed in difficult circumstances," and affirmed that "the cause of Franco-Moroccan conciliation, which he has served with conviction and self-sacrifice, remains our own." The events leading up to M. Grandval's resignation were summarized in a letter which he wrote to President Coty on Aug. 27, and which was published on Aug. 31.

M. Grandval recalled in his letter that the instructions given to him on July 6 recognized that the Moroccan situation was dominated by two facts: that the ruling Sultan, Moulay Ben Arafa, possessed neither authority nor prestige, and that since his exile the ex-Sultan had become a national hero. In consequence two alternatives had existed: either the maintenance of Ben Arafa in power, which would have made it almost impossible to introduce reforms, or the withdrawal of Ben Arafa and the establishment of a Council of Regency, "balancing the traditionalist and progressive forces." The latter solution, however, had involved the difficulty that the Council of Regency would be purely provisional, and would have to "exercise its powers in the name of a sovereign who in Moroccan eyes could only be Ben Youssef." He (M Grandval) had therefore been instructed to study all the solutions which had been proposed, and particularly the suggestion that the Sultan should voluntarily hand over his political powers provisionally to a third person and should withdraw from Rabat for some months Above all, it had been laid down as a basic principle that Ben Youssef's return to the throne was completely excluded, although the Government would be prepared to allow him to return to France as soon as the problem of the throne had been settled, a Moroccan Government had been formed, and peace had been restored in Morocco.

After studying the situation, M. Grandval continued, he had proposed to the Government on Aug. 1 (1) that Ben Arafa should be persuaded to abdicate; (2) that a Council of Regency should be formed, and should choose a Government; (3) that Ben Youssef should be asked to recognize publicly the legitimacy of the provisional authority, as a pre-condition of his return to France, and (4) that he should be persuaded to renounce his claim to the throne. He had also emphasized "the necessity of reaching a solution before Aug. 20, in the conviction that that date might offer the pretext for bloody

disturbances" The Cabinet, however, had decided to invite Ben Arafa to form a Government and, in the event of his failure, to hold a conference to discuss the situation, in consequence, he (M Grandval) had tendered his resignation on Aug 13, but this had not been accepted. In a second report on Aug 16 he had expressed the opinion that the "absolutely superfluous" conference could only render Ben Youssef's return inevitable, and had threatened to resign if it were held The Aix-les-Bains conference had nevertheless been summoned, thereby "convincing Moroccan opinion that Ben Arafa's reign was over, and persuading those who had hesitated to support Ben Youssef."

M. Grandval went on to say that he had again submitted his resignation on Aug. 22, and had rejected on the following day a request by M Faure that he should withdraw it In his letter of resignation he had pointed out that it was now doubtful whether "the enthusiasm which would greet Ben Arafa's departure and Ben Youssef's return to France could be restrained," and had quoted the opinion of officials familiar with the countryside that "in the state of excitement which certain tribes have reached, they would regard the ex-Sultan's return to France as a first concession won by violence, and undoubtedly would turn to further subversive activities." Only two possible policies now remained—either one of repression, with which he did not wish to be associated, or the continuation of the policy laid down in the Government's instructions of July 6 and his own report of Aug 1, which subsequent events had rendered it dangerous to carry out. Ben Arafa's departure, the establishment of a Council of the Throne, and Ben Youssef's unconditional return to France, the letter concluded, would not produce the indispensable *détente*, but would inevitably lead to Ben Youssef's restoration, which could not be tolerated by France.

General de Latour arrived in Rabat on Aug. 31 to take up his post as M. Grandval's successor.

Negotiations in Madagascar with ex-Sultan.

Following discussions in Paris between M. Faure and Moroccan nationalist spokesmen, General Catroux (the distinguished French soldier and diplomatist) and M. Yrissou (principal private secretary to M. Pinay) left Paris by air on Sept. 2 for consultations with the ex-Sultan at Antsirabé (Madagascar). General Catroux had served for many years in Morocco and in recent years had been a prominent advocate of liberal policies in French North Africa. A second delegation of moderate nationalist leaders, consisting of Si Bekkai (the former Pasha of Sefrou), Ben Slimane (the former Pasha of Fez, who had likewise opposed the ex-Sultan's deposition and had been dismissed by Ben Arafa immediately after his accession), and Moulay Hassan (the ex-Sultan's brother-in-law), followed on Sept. 4.

On his return to Paris on Sept. 11 General Catroux announced that an agreement had been reached. In return for an assurance that he would be allowed to stay in France, the ex-Sultan had given an undertaking that he would abstain from all political activities and from any other activities which might embarrass the French Government, and that he would not leave France without its permission. He had also approved the French Government's proposals for the formation of a Council of the Throne and of a representative Government, and its long-term plans for the transformation of Morocco into a free and sovereign State, permanently linked with France by a treaty of inter-dependence; this treaty would guarantee France's strategic, diplomatic, political, and cultural interests, and would ensure the French colony a privileged status as compared with foreign nationals.

The executive committee of the Istiqlal, meeting in Rome, announced on Sept. 7 that it would agree to the establishment of a Council of the Throne on condition that its membership was approved by the ex-Sultan and did not include anyone who had been involved in his deposition. A joint delegation representing the Istiqlal and the Democratic Independence Party subsequently visited Madagascar for discussions with the ex-Sultan, at the conclusion of which they announced on Sept. 15 their approval of the agreement between Ben Youssef and General Catroux.

The Sultan's Departure for Tangier.

After hearing General Catroux's report the French Government decided on Sept. 12 to proceed with its plan for the establishment of a Council of the Throne. A letter requesting the Sultan to withdraw to Tangier, guaranteeing the security of himself and his friends, and assuring him that Ben Youssef would not be permitted to return to the throne, was drafted on Sept. 13 by President Coty, with the assistance of M. Faure and M. July. When it was submitted to the Cabinet's committee of five on the following day, however, M. Pinay and General Koenig took strong exception to it, and it was therefore decided that it should not be delivered.

During the following week further delay was caused by disagreements between the French Government and the nationalists over the composition of the Council of the Throne, which it had previously been agreed should consist of the Grand Vizier, Si Bekkai, and a non-political religious leader. On Sept. 15, however, the Government proposed that the third member should be a traditionalist; this was strongly opposed by the nationalists, as giving their opponents a majority on the Council. After General Kettani, a Moroccan officer and a close friend of General Juin, had refused on Sept. 19 an invitation to take the third place on the Council, the Cabinet agreed on the following day to leave the choice of the third member to M. Faure and M. July.

The Government's attempts to reach a settlement were greatly hindered during this period by the opposition of the right-wing parties, and particularly of the Gaullist Ministers. On Sept. 13 General Koenig issued through his Ministry an announcement of his disagreement with his colleagues' policy, on Sept. 18 General de Latour revealed at a Cabinet meeting that M. Triboulet (the Gaullist Minister for Ex-Servicemen) had sent him messages advising him not to follow M. July's instructions; and on Sept. 20 the Gaullist Ministers' opposition to M. Faure's policy was reported to have been overcome only by the M.R.P. Ministers' threat to resign if it was not approved. M. Montel, an Independent Republican and chairman of the defence commission of the National Assembly, went to Morocco, where he was received by the Sultan on Sept. 17 and 19; it was reported that M. Montel had advised the Sultan not to consent to abdicate.

After consultations with the Cabinet, General de Latour returned to Rabat on Sept. 21 with instructions to deliver President Coty's letter to the Sultan and to choose the third member of the Council of the Throne from a list prepared by M. Faure and M. July; at General de Latour's request, however, the Government agreed that no force should be used to bring about the Sultan's retirement and that no time-limit should be fixed for his departure. During the following week a number of petitions by Moroccan dignitaries in support of the Sultan were sponsored by the Pasha of Marrakesh and the *Présence Française*, whilst the nationalists organized a shopkeepers' strike in several towns in protest against the delay in the implementation of the Aix-les-Bains agreement.

General de Latour confirmed on Sept. 28 that he was now in a position to execute the Government's plan, and during the evening of Sept. 29 M. de Panafieu (Minister Delegate at the Regency) and M. de Lipkowski (the political director) had an interview with the Sultan, who assured them that he was anxious to leave. The Sultan's director of protocol, Si Abderrhamane Hajoui, however, succeeded in delaying Ben Arafa's signature of two documents in which he gave his reasons for leaving and appointed a Council of the Throne, and twice left the palace for discussions with the leaders of *Présence Française*, armed members of which had meanwhile stationed themselves round the building. M. de Panafieu accordingly ordered the arrest of El Hajoui, who thereupon fled from Rabat to an unknown destination. On Sept. 30 the Sultan sent a letter to President Coty informing him that he had decided, "in order to appease men's hearts and to reconcile their minds, to hold ourselves at a distance from the responsibilities of the throne, without renouncing our rights in any way."

The Sultan left Rabat by air in the early hours of Oct. 1 for the international zone of Tangier. At the airport before his departure General de Latour read to him a letter from President Coty paying tribute, on behalf of the French Government, to the "self-sacrifice and sovereign dignity" of his conduct. The letter also acknowledged that the Sultan's decision, taken solely to end the divisions in the country, would in no way affect his rights and prerogatives, and gave an assurance that there was no question of Ben Youssef's restoration, saying that this was made "legally impossible" both by the terms of the Sultan's withdrawal and by "the undertakings freely accepted by Ben Youssef on behalf of himself and his sons."

Establishment of the Council of the Throne.

Shortly after the Sultan left Rabat, a statement was broadcast announcing that he had delegated "the responsibility for dealing with all matters concerning the crown" to his cousin Moulay Abdallah Ben Moulay Abdel Hafid (son of the Sultan Moulay Hafid, who signed the Protectorate treaty in 1912). This was followed by a broadcast by General de Latour calling on French and Moroccans to rally for the time being round Moulay Abdallah, appealing to the Moroccan population for their continued support for himself, and assuring the French community that he fully understood the "painful problems" with which they were confronted, and which were "too often over-simplified by Frenchmen of the metropolis."

This appeal was made by General de Latour without preliminary consultation with the Government, and after discussions with the leaders of the *Présence Française*, who subsequently claimed that the General had given them an assurance on Sept 30 that the Council of the Throne would not be set up In a statement on Oct. 4 General de Latour declared, however, that his policy was that of the French Government, viz , the formation of a representative Moroccan Government and the subsequent solution of the problem of the throne It was nevertheless pointed out in the French Press that the French Government's plan in fact provided for the establishment of a Council of the Throne (of which no mention was made in the Resident-General's statement) before the formation of a Moroccan Government

The Istiqlal and the Democratic Independence Party both announced on Oct. 1 that, as they had never regarded Ben Arafa as a legitimate sovereign, they denied his right to delegate powers which he had never possessed, and insisted on the observance of the Aix-les-Bains and Antsirabé agreements. A similar attitude was adopted by the independent nationalists and the *Union Marocaine du Travail.*

A statement defining the main principles of the French Government's Moroccan policy was issued by M. July on Oct. 1.

The Government's plan, it said, was aimed at the establishment of a permanent union between France and Morocco and of a community of the two peoples, and was based on the following principles : (1) respect for existing international treaties ; (2) respect for the sovereignty and integrity of Morocco , (3) the permanence of France's presence in Morocco, in the common interest of both countries and of the free world , (4) recognition of the position and rights acquired in Morocco by the French community, and equitable representation of their interests.

Moroccan Sovereignty. The formation of a Moroccan educated class (*élite*), the statement continued, made it possible to entrust them with increasingly large responsibilities for the conduct of public affairs, and the French Government was therefore prepared to discuss with a representative Moroccan Government the progressive withdrawal of French direct control.

Problem of the Throne. The French Government was anxious to reach agreement on arrangements which would permit a " peaceful and conciliatory " solution of the problem of the throne

Moroccan Government. The proposed Moroccan Government would represent different trends of opinion and different sections of the population , it would in principle be homogeneous, but would include French technicians wherever this should be considered necessary. Its tasks would be (*a*) to carry on the administration and prepare legislation, " with full respect for fundamental liberties and existing rights, and without discrimination," and (*b*) to co-operate with the French Government in the introduction of modern democratic institutions and in the definition of the future permanent links between the two countries.

Franco-Moroccan Relations. Whilst France would retain her responsibility for defence and foreign affairs, it was proposed that a joint council of representatives of the two Governments should be formed for the discussion of matters of common interest, and that a high tribunal should be set up to deal with problems arising from the new system of association. In addition the reciprocal rights of the French and Moroccan sections of the population in the economic, political, administrative, and judicial fields would be recognized.

M. de Panafieu and M. de Lipowski, who were reported to have offered their resignation in protest against the Sultan's delegation of his powers to Moulay Abdallah, flew to Paris on Oct. 1 and were received by M. Faure and M. July On Oct. 3 M. de Panafieu returned to Rabat with instructions from M. Faure to General de Latour to proceed with the establishment of the Council of the Throne ; the Resident-General, however, was reported to have refused to do so, on the ground that Si Bekkai's inclusion would be regarded by the traditionalists and the French community as a first step towards Ben Youssef's return. The Prime Minister's Office nevertheless stated on Oct. 4 that in view of the military situation in Morocco (see below) General de Latour would not be recalled " even if he did not give political satisfaction." M. de Panafieu then proceeded to Tangier, and was received on Oct. 5 by the Sultan, who assured him that his delegation of powers to Moulay Abdallah was " in no way incompatible with the establishment of the Council of the Throne."

After further discussions in Rabat between General de Latour, General Billotte (General Koenig's successor as Defence Minister), and M. Yrissou, a proclamation establishing a Council of Guardians of the Throne, with four members instead of the three originally agreed upon, was issued by El Mokri, the Grand Vizier, on Oct. 15. The members named were El Mokri, Si Bekkai, Hadj Mohammed Sbihi (the Pasha of Salé), and Si Tahar Ou Assou (Caid of the Air Alham tribe in the Middle Atlas). The increase in the number of members was intended as a compromise between the French and nationalist viewpoints, Hadj Sbihi being regarded as politically neutral and Si Tahar as a moderate traditionalist.

Hadj Mohammed El Mokri, who is nearly 100 years old, took part in the Algeciras conference of 1906, negotiated the Treaty of Fez in 1912, and has been Grand Vizier since 1917. **Si M'Barek Ben Mostapha El Bekkai** (48) was seriously wounded while serving in the French Army in 1940, losing a leg, and was captured by the Germans. After his release he served successively as Pasha of Beni-Drar and as Pasha of Sefrou until his dismissal in 1953. **Hadj Mohammed Ben Hadj Taibi Sbihi** (71) has been Pasha of Salé since 1920, and is a noted Koranic scholar **Si Tahar Ou Ali Ou Assou Loudyi** (38) served in the French Army before succeeding his father as Caid of his tribe.

Uprisings in the Riff and Middle Atlas.

During the night of Oct. 1-2 a series of concerted attacks occurred simultaneously in the Riff area in the north, near the frontier of French and Spanish Morocco, and in the Middle Atlas in central Morocco. In both areas the attacks were carried out by tribesmen, led by uniformed " commandos " heavily armed with automatic guns and sub-machine guns and other weapons.

In the frontier zone, north of the small town of Taza, the rebels concentrated their attacks on the mountain posts of Boured, Tizi Ouzli, and Bou Zineb (a post forming an enclave in Spanish Morocco) Boured was overrun but the small garrison recaptured it with the help of reinforcements on Oct 2 ; at Tizi Ouzli the garrison successfully fought off the attackers until a relief column arrived late on Oct. 4 ; and Bou Zineb, where the small garrison was compelled to withdraw after burning down the fort, was likewise reoccupied by relief forces on Oct 3 During the next few days sharp fighting continued in the triangle formed by Boured, Tizi Ouzli, and the small town of Aknoul, from where French reinforcements tried to reach Boured and Tizi Ouzli but found the road, which passes through precipitous mountain territory, cut in several places , only after strong efforts with air support did the relief columns succeed in breaking through at the narrow mountain pass in the Col du Nador, which had been dominated by small groups of rebels firing from concealed and almost inaccessible mountain positions Although the relief columns eventually reached Tizi Ouzli late on Oct 4 and Boured on Oct 5, the rebels again closed in on both posts, and bitter fighting continued on successive days, especially along the road to Tizi Ouzli After air and artillery attacks on the rebels' positions on the Col du Nador, another armoured French relief column succeeded in breaking through to Tizi Ouzli on Oct 7.

A fresh offensive with air and artillery support, to clear up the triangle, was launched on Oct 9 by strong French forces estimated at 10,000 men During the following week the French troops gradually moved up to positions along the Franco-Spanish border, whilst the rebels withdrew before them General de Latour and General Billotte (the new French Defence Minister) visited the fighting areas and subsequently confirmed previous French statements that supplies for the rebels were coming from the Spanish zone, and that the majority of the withdrawing rebels were finding refuge there—allegations which were, however, denied by the Spanish authorities

In the Middle Atlas mountains, about 1,000 Berbers of the Marmoucha tribe, led by "commando" units (who were believed to have infiltrated into this region in recent weeks from Algeria), attacked the town of Immouzer (65 miles S.E. of Fez) during the night of Oct 1-2 and were only driven out after 10 hours' fierce fighting by the small garrison of Moroccan *Goums* ; during the fighting 11 civilians (including three women and two children) were killed. In the subsequent clearing-up operations a French motorized column reached on Oct 5 the small town of Almis, believed to be the centre of the rebellion in the area, and was making contact with the rebel tribesmen in order to obtain their surrender On the same day about 400 tribesmen who had taken part in the attack on Immouzer formally surrendered and asked for pardon, whilst on Oct 6 it was reported that many villages were flying white flags, and that several friendly tribes had asked to be allowed to join in the operations on the French side

Smaller attacks also occurred on Oct 3-4 near the town of Berkine (about 70 miles S E. of Fez) and on the French post of Taforalt, about 30 miles west of Oujda, 18 miles from the Spanish Moroccan frontier and near the Moroccan-Algerian frontier, but in both cases the rebels were driven off by the garrisons. The French press reported on Oct. 15 that groups of rebels had infiltrated into the Oujda area, but that an attempt to establish a continuous " front " between Boured and the Oran department in Algeria had been frustrated by the counter-action of the French forces in that area, which had sealed off the " corridor " between Algeria and Spanish Morocco

French Military Reinforcements.

In view of the situation in Morocco and Algeria, the French Defence Ministry announced on Aug. 24 that the first half of the 1953 class of conscripts, comprising 50,000 - 60,000 men, would be recalled for active service. During the following week troops from garrisons in Germany were sent to Morocco, bringing the number of French forces in that country to over 25,000. Following the attacks on Oct. 1-2 it was announced in Paris that five more battalions, including two from Metropolitan France and three from Algeria, would be flown to Morocco immediately.

Franco-Spanish Relations.

The Riff uprising was followed by a renewed serious deterioration in Franco-Spanish relations, which had improved during recent months. Thus, in April last the Spanish Government had brought to an end the anti-French propaganda in Arabic

which had been broadcast by Tetuan Radio since the end of 1953, whilst a Spanish Note of Sept. 26 informed the French Government that Spain regarded the re-establishment of legality in Morocco as a matter concerning France alone; the Note added, however, that if this should lead to any changes in the regime of the Protectorate implying any revision of the treaties in force, Spain would have to be represented at the negotiations from their outset.

The secretary-general of the French Foreign Ministry, M. Massigli, told the Spanish Ambassador (the Count of Casa-Rojas) on Oct. 5 that the French Government had received information that the Riff insurgents had entered French Morocco from the Spanish zone, and called on the Spanish Government strictly to supervise the frontier and to take all necessary measures to ensure that the rebels did not use Spanish territory as a base. (Le Monde, Paris - Le Figaro, Paris - Times - New York Times) **(Prev. rep. Deposition of Ex-Sultan, 13129 A; Terrorist Activities, 13349 A; Resident-General, 13586 B; Franco-Spanish Relations, 13400 A; "North African Liberation Army," Formation, 14452 B.)**

A. SOVIET UNION. — Release of Mrs. Wallach.

Mrs. Erika Glaser-Wallach, foster-daughter of Mr. and Mrs. Noel Field, who were released from a Hungarian prison in 1954, was freed from the Soviet prison camp at Vorkuta (Siberia) at the beginning of October, and was released in Moscow on Oct. 18 pending the receipt of the necessary documents to enable her to leave the country. Mrs. Wallach said that she had been arrested by the East German police in the Soviet sector of Berlin in 1950, when she had gone to that city in an effort to trace the whereabouts of her foster-parents, who had disappeared the previous year. In January 1953, after being held in solitary confinement for 2½ years, she had been put on trial before a Soviet military court in East Berlin and found guilty of espionage against the Russians She had been sentenced to death and had been taken to Moscow, but in July 1953, four months after the death of Stalin, her sentence had been reduced to 15 years' imprisonment and she had been sent to Vorkuta.—(Times - Daily Telegraph) **(13957 D.)**

B. INTERNATIONAL RED CROSS. — 1949 Geneva Conventions. - Further Ratifications.

The U.S. Senate unanimously approved on July 7 the four Red Cross conventions signed at Geneva on Dec. 12, 1949, dealing with the protection of civilians in wartime, the treatment of sick and wounded military personnel in the field, the treatment of shipwrecked military personnel at sea, and the treatment of prisoners-of-war. The conventions were formally signed by President Eisenhower on Sept. 8.

The U.S. ratification, which was deposited in Berne on Aug. 2, brought the number of States which had ratified the conventions to 48; viz., the 36 listed in report 13664 B and—in addition to the U.S.A.—Rumania, Bulgaria, the Ukraine, Byelorussia, Netherlands, Hungary, Ecuador, the German Federal Republic, Poland, Siam, and Finland, which had ratified the conventions since May 1954.—(International Committee of the Red Cross, Geneva - New York Times) **(Prev. rep. 13664 B.)**

C. POLAND. — Death of General Okulicki.

Information released by Polish exiles in London on Oct. 18 said that the Soviet Government had disclosed the death nine years ago of General Leopold Okulicki, the last C.-in-C. of the Polish wartime underground Home Army. It was stated that the Soviet Red Cross had now informed his widow in London that he had died in a Moscow prison on Dec. 24, 1946. General Okulicki was one of 16 Polish underground leaders invited to Moscow for discussions in 1945 and then arrested and accused of working against the Red Army. They were tried in Moscow in 1945 and were, with one exception, sentenced to imprisonment, General Okulicki receiving the longest sentence of ten years.—(Daily Telegraph) **(Prev. rep. 7206 A.)**

D. EGYPT - CHINA. — Three-year Trade Agreement between Egypt and Communist China. - Chinese Machinery for Egypt.

The New China News Agency announced on Oct. 14 that Egypt and the People's Republic of China had signed a three-year trade agreement on Oct. 14 under which Egypt would receive light machinery from China. It was stated that the agreement provided for balanced trade between the two countries, with payments in transferable sterling unless another currency was considered suitable; that the two countries would open commercial offices in their respective capitals; and that they would accord each other most-favoured-nation treatment. (Times)

E. INDUSTRIAL DISPUTES. — Strikes, 1952-54.

The following table showing the incidence of strikes in a number of countries during the last three years was published on Sept. 12 by *The Times*, which reproduced it from an article which appeared in the July issue of the *International Labour Review*. The basis of comparison used was the number of working-days lost per year for each 1,000 workers employed:

Days Lost a Year per 1,000 Employed

Country	1952	1953	1954	Average 1947-54
Switzerland	10	60	25	39
Netherlands	20	15	35	80
Sweden	35	240	10	81
Western Germany	50	150	168	103*
Denmark	5	5	30	108
Norway	190	65	110	112
United Kingdom	140	170	190	151
Canada	1,140	620	660	736
Belgium	520	250	220	760
Japan	1,770	470	370	786
Irish Republic	1,730	320	258	881
Australia	810	740	680	941
New Zealand	110	70	75	963
Italy	530	1,110	710	1,023*
France	250	1,370	210	1,244
United States	2,400	1,070	850	1,515
Finland	65	120	200	1,520

* The figures given for Western Germany and Italy are the average for 1949-1954.

The Times commented as follows on these statistics:

"In some countries there have been great variations and their position in the table is affected by one or two very bad years of industrial strife Finland, for instance, lost 8,140 days for each 1,000 employed in 1950, a much higher proportion than any other country Similarly New Zealand's position is affected by a loss of 4,640 days a 1,000 in 1951. . Denmark would be at the top of the table if it were not for the loss of 790 days a 1,000 in 1947. The U K figures varied less than those of any country, the range being from 100 to 190, while the U.S. figures, varying from 850 to 2,290, were consistently high.

"It is tempting to try to draw conclusions about the kind of economy in which serious strikes are least likely to occur. It is to be noted . . that the Scandinavian countries, with strong united trade unions under powerful central guidance, and often central wage negotiations, have an excellent record, as have the Netherlands, where the trade unions are not united but wage movements are nationally controlled. On the other hand Australia, where there is also a strong element of Government control, has a consistently bad record

"Weak unions certainly do not means industrial peace, as the record of France shows, though the strong position of the Communists has no doubt a good deal to do with that. The figures for both France and Italy are much affected by one-day political strikes, which were demonstrations rather than industrial disputes The heavy ratio of strikes in the United States suggests that this may be a characteristic of a free competitive economy. The article quoted [in the *International Labour Review*] notes that in the five-year period from 1949 to 1953 a total of about 60,000,000 workers were involved in disputes and 400,000,000 days of work were lost in the 28 countries for which data were available. Strikes and lock-outs in the United States accounted for about one-fourth of the world total of workers involved and 50 per cent of the man-days lost in disputes.

"The trend of strikes in the United Kingdom might be held to give some added force to this contention. The number of days lost a 1,000 workers went steadily down from 190 in 1947 to 100 in 1950. The year 1951, in which a Conservative Government came into office and began to free the economy, was the beginning of a slight rise which has continued ever since There are other figures—for instance, those for Germany—which cannot be held to support this deduction.

"As for trade competition, it will be seen that British industrialists have been more handicapped by strikes than those of Germany, Sweden, or Switzerland, but much less than those of the United States, Canada, Japan, Italy, or France. Even in America, however, the total effect is probably very slight The article quoted points out that the number of days lost through disputes in the United States in 1954 represented only 0.2 per cent of all available working time The proportion was about the same in Britain's worst recent year, 1944. Illness and absenteeism both cause much more serious loss of time."

The figures given by the *International Labour Review* showed that the incidence of strikes was lightest in Switzerland, the Netherlands, and Sweden; relatively light in Western Germany, Denmark, Norway, and the United Kingdom; and heaviest in a group of countries which included Belgium, France, Italy, the United States, Canada, Australia, New Zealand, and Japan. (Times - International Labour Review)

F. NEW ZEALAND.—Further Increases in Bank Rate.

The Reserve Bank of New Zealand, which had increased its discount rate on July 1 from 4 to 5 per cent, further raised it to 6 per cent on Sept. 5 and to 7 per cent on Oct. 18. (Directorate of Information Services, Wellington) **(14323 D.)**

A. BRAZIL. — Presidential Elections. - Victory for Senhor Kubitschek. - 1954 General Elections. - Changes in Brazilian Cabinet.

Presidential and Vice-Presidential elections for the five-year term beginning Jan. 31, 1956, were held in Brazil on Oct. 3. The four candidates for the presidency were Senhor Juscelino Kubitschek, former Governor of the State of Minas Gerais, who was supported by the *Partido Trabhalista Brasileiro* and the *Partido Social Democratica* (the two groups which had supported the late President Vargas); Senhor Adhemar de Barros, former Governor of São Paulo, who had the support of the *Partido Social Progresivo* (the party for which President Café had stood in the previous Presidential elections in 1950); Major-General Juarez Tavora, a professional soldier, who was supported by the anti-Vargas *União Democratica Nacional*; and Senhor Plinio Salgado, founder and former leader of Brazil's Fascist Party, the *Integralistas* The candidates for the Vice-Presidency were Senhor João (Jango) Goulart, leader of the *Partido Trabhalista Brasileiro* and a former Minister of Labour; and Senhor Milton Campos and Senhor Danton Coelho, two veteran politicians.

Although separate votes are cast for the new President and the new Vice-President, candidates for the two offices are generally supported by the same groups Thus Senhor Goulart campaigned for election with Senhor Kubitschek, Senhor Coelho with Senhor de Barros, and Senhor Campos with General Tavora The Communists, who, though banned as a party, are still allowed to publish propaganda and otherwise express their views publicly, had announced in their newspaper *Imprensa Popular* on Aug 11 that they would support Senhor Kubitschek and Senhor Goulart for election as President and Vice-President

Preliminary election results, published on Oct. 11 when some 75 per cent of the votes had been counted, showed that Senhor Kubitschek had polled more than 2,600,000 votes, followed by General Tavora with 2,400,000. Senhor de Barros with about 2,000,000, and Senhor Salgado with 600,000 votes; it was thought unlikely that these positions would be changed by subsequent returns. In the vote for the vice-presidency Senhor Goulart had a margin of 40,000 votes over Senhor Milton Campos, with Senhor Danton Coelho third, and was regarded as assured of election.

Senhor Kubitschek (54), the son of a Czech immigrant and a doctor by profession, had a successful term as Governor of the State of Minas Gerais In his election campaign he promised to give "more food, more power, and more transportation" to Brazil and to develop the country's oil resources through the State monopoly. **Senhor Goulart** (37), known as "Peronsinho" (Little Peron) because of his close contacts with the former President of Argentina, was appointed Minister of Labour by the late President Vargas in 1953. In February 1954, however, his resignation was forced upon the President by the Army, which alleged that Senhor Goulart was trying to set up in Brazil a syndicalist movement having certain analogies with the *Peronista* Labour movement in Argentina (see 13530 B).

In a broadcast on Oct. 15 Senhor Kubitschek promised to work for social progress while President, and appealed for national unity to help develop the country "I need peace to work and to let all Brazil work," he declared, adding that he would pray that God would bring about "the miracle of transforming all the vehemence, all the aggressive impulse, all the pugnacity that we generally waste in senseless struggles into thoughtful energy applied in favour of the recovery and development of our country."

Elections held on Oct. 3, 1954, for a new Chamber of Deputies, two-thirds of the Senate, and Governors of 11 States, showed a swing away from the pro-Vargas groups towards the centre parties and the conservatives. In the new Chamber the centre parties supporting President Café Filho gained a working majority by winning some 170 of the 324 seats, whilst in the Senate the pro-Vargas *Partido Trabhalista Brasileiro* won less than 10 of the 42 contested seats. One of the most important of the gubernatorial elections was that in São Paulo, where Senhor de Barros, a wealthy industrialist and the former incumbent, was defeated by Senhor Janio Quadros, mayor of São Paulo City.

The following changes in President Café's Administration were announced in the last nine months.

Finance. Professor Eugénio Gudin resigned on April 5 and was succeeded by Dr. José Maria Whitaker, who had held the post under President Vargas in 1930. On Oct. 6, however, Dr. Whitaker resigned after President Café had decided to submit Dr. Whitaker's exchange reform plan to Congress instead of approving it immediately as the Finance Minister had requested. Dr. Whitaker was succeeded in turn by Senhor Mario Camara, former Brazilian Treasury representative in London and New York.

Justice. Dr. Miguel Seabra Fagundes resigned in February as Minister of Justice, being succeeded by Dr Alexandre Marcondes Filho In April, Senhor Marcondes himself resigned and Senhor José Duarte Prado Kelly was appointed to the post.

Transport and Public Works. Senhor Lucas Lopes resigned on Jan. 30 and was succeeded by Colonel Rodrigo Otavio Jordão Ramos. The latter also resigned on April 5 and was succeeded by Dr. Otavio Marcondes Ferraz.

Agriculture. Senhor José Costa Porto resigned in April and was succeeded by Senhor Bento Munhoz de Rocha Neto.

The President of the Bank of Brazil, Senhor Clemente Mariani Bittencourt, also resigned on April 5 together with Professor Gudin, whilst his successor, Senhor Alcides da Costa Vidigal, submitted his resignation in sympathy with Dr. Whitaker on Oct. 6.—(Brazilian Ministry of Foreign Affairs - New York Times - New York Herald Tribune - Bank of London and South America, Fortnightly Review - Times - Le Monde)

(Prev. rep. 13773 A; 11176 A.)

B. RUMANIA. — Government and Party Changes. - M. Stoica appointed Prime Minister. - Amnesty for War Criminals, Collaborators, and Rumanians Abroad.

The following changes in the Rumanian Cabinet and the Rumanian Workers' (Communist) Party were announced in Bucharest on Oct. 2, following a two-day conference of the party's central committee:

(1) M. Chivu Stoica, hitherto Minister for the Metallurgical Industry, was appointed Prime Minister in succession to M. Gheorghe Gheorghiu-Dej.

(2) M. Gheorghiu-Dej was appointed First Secretary of the Rumanian Workers' Party in succession to M. Gheorghe Apostol, who became president of the central council of Rumanian trade unions.

(3) M. Josif Chisinevschi became Second Secretary of the Rumanian Workers' Party, relinquishing his former position as a First Deputy Premier in the Rumanian Cabinet.

(4) M. Emil Bodnaras (Minister of National Defence), M. Petre Borila (Minister for the Food Industry), and M. Miron Constantinescu (chairman of the State Planning Commission) were promoted from Deputy Premiers to First Deputy Premiers, relinquishing their ministerial portfolios.

(5) M. Simion Bughici (Foreign Minister), M. Dimitru Petrescu (Finance Minister), and M. Alexandru Barladeanu (Minister of Foreign Trade) were appointed Deputy Premiers, also relinquishing their portfolios.

(6) M. Grigori Preoteasa, hitherto Deputy Foreign Minister, succeeded M. Bughici as Foreign Minister.

(7) General Leontin Salajan, hitherto Deputy Defence Minister, succeeded M. Bodnaras as Defence Minister.

(8) M. Gherasim succeeded M. Stoica as Minister for the Metallurgical Industry; M. Stefan Voitec became Minister of Foreign Trade; M. Manescu succeeded M. Petrescu as Finance Minister; and M. Theodoru was appointed Minister for the Food Industry *vice* M. Borila.

M. Gheorghiu-Dej, Prime Minister since 1952, had been First Secretary of the Rumanian Workers' Party from 1945 to 1954, when he relinquished the post to M Apostol. The new Prime Minister, M. Stoica, has been a member of the Rumanian Workers' (then Communist) Party since 1930, and is a leading trade union official. He had been a First Deputy Premier since 1950, and as Minister for the Metallurgical Industry had played an important part in the industrialization of Rumania.

An amnesty on identical lines to that recently issued in the Soviet Union (see 14459 B) was announced by the Rumanian Government on Sept. 25.

It provided (1) that Rumanians sentenced to less than 10 years' imprisonment for crimes committed during the war would be immediately released, (2) that those serving terms of more than 10 years would have their sentences reduced by half, but would be released if they had "taken part in the anti-Hitlerite war in the zone of operations" (after Aug. 23, 1944) or if they had not "committed murders on their own initiative", (3) that the amnesty would not apply to "members of Fascist Governments between Sept. 6, 1940, and Aug. 23, 1944"; (4) that all foreigners sentenced for war crimes would be released immediately, irrespective of the length of their sentences.

It was reported from Vienna on Oct. 16 that M. Titel Petrescu, former secretary-general of the Rumanian Social Democratic Party, had been released from prison in Bucharest, together with M. Valmarescu, one-time Rumanian Consul-General in Dresden, and a number of Army and Air Force officers M. Petrescu resigned from the Social Democratic Party in 1946 when the party decided to present joint election lists with the Communists (see 8025 A), and was subsequently imprisoned.

Earlier (in June) the Rumanian Government had offered a general amnesty (open until Aug. 23) for Rumanian citizens or former citizens living abroad, in order to afford them "the chance to return to their homeland to participate in the constructive work of their compatriots."—(Le Monde, Paris - Neue Zurcher Zeitung - Agerpres, Bucharest)

(Prev. rep. Cabinet, 13808 A; Amnesty, 12951 C.)

A. CZECHOSLOVAKIA. — Cabinet Reorganization. - Drive for increased Food Production and Farm Collectivization.

A major reorganization of the Czechoslovak Government was announced in Prague on Oct. 14, as follows:

(1) M. Karel Polacek, hitherto Minister of Engineering, was appointed Deputy Prime Minister.

(2) The Ministry of the Engineering Industry was divided into three new Ministries, viz., the Ministry of Heavy Industry, under M. Jano Bukal (previously Deputy Minister of the Engineering Industry); the Ministry of Precision Industry, under M. Vaclav Lomsky; and the Ministry of Motor Vehicles and Agricultural Machinery, under M. Emil Zatloukal.

(3) The Ministry of Agriculture was split into two—a Ministry of Agriculture under M. Vratislav Krutina (a Communist Party secretary), and a Ministry of State Farms under M. Marek Smida (hitherto Minister of Agriculture)—thus restoring the position before the merger of these two Ministries in September 1953.

(4) M. Joseph Tesla, chairman of the Communist Party's Central Committee and a former First Secretary of the Trade Union Federation, was appointed Minister for Manpower, succeeding M. Nosek, who had died on July 22.

(5) A new State Office for Reconstruction was created, headed by M. Oldrich Beran, hitherto Minister of State Control.

(6) M. Michael Bakula, formerly First Vice-Chairman of the Slovak Board of Commissioners, became Minister of State Control *vice* M. Beran.

The appointment of M. Polacek brought the number of Deputy Premiers to six, whilst the other ministerial changes increased the number of Ministries from 28 to 31 and of State Offices from three to four.

Earlier, a reorganization of the Politburo of the Central Committee of the Slovak Communist Party had been announced on April 25, and changes in the Slovak Board of Commissioners on July 6.

It was stated that at the meeting of the party's Central Committee on April 24 neither M. Siroky (the Czechoslovak Prime Minister), M. Zupka (deputy-chairman of the Czechoslovak trade unions), M. Culen (former Slovak Commissioner for Agriculture), nor M. Sebesta (a vice-chairman of the Board of Commissioners), had been re-elected to the Politburo, and that in the case of MM. Siroky and Zupka this decision had been due to the fact that they were "overburdened with other work." M. Siroky, however, remained a member of the Slovak Communist Party's central committee, as well as a member of the Politburo of the Czechoslovak Communist Party. The new Politburo of the Slovak Communist Party was headed by M. Karel Bacilek (the party's First Secretary).

Under the changes in the Slovak Board of Commissioners Dr. Horak, formerly in charge of Posts, became Commissioner for Local Industry; Dr. Lukacovic (Commissioner for Building and Construction) succeeded Dr. Horak as Commissioner for Posts, M. Takac (Commissioner of Light Industry) took over Building and Construction; and M. Hrusovsky (hitherto chief of the secretariat of the Board of Commissioners) was appointed Commissioner for Light Industry. M. Hojc was relieved of his position as Commissioner for Manpower, and it was stated that he would be given another post.

Prior to the above-mentioned reorganization of the Ministry of Agriculture M. Novotny, First Secretary of the Central Committee of the Czechoslovak Communist Party, had announced a drive to make collective farms predominant in Czechoslovak agriculture by 1960.

Addressing the Central Committee's session, which was held on June 29-30, M. Novotny complained about the unsatisfactory state of Czechoslovak agriculture and said that every effort would have to be made to increase food production by 6·5 per cent in 1956 and to bring under cultivation a further 81,000 hectares of land, in addition to the 39,000 newly cultivated so far. M. Novotny declared that apart from land lying fallow there were large areas of poorly cultivated land belonging to "sick or incompetent landlords or *kulaks*;" that this land had to be gained for co-operative farms (i.e. collectives); and that this would be achieved by refusing Government aid to the *kulaks*, who remained the "hereditary enemies of the working class." Recalling that the party had condemned forcible administrative measures to bring about collectivization, he urged small and middle farmers to join farm co-operatives wherever conditions for these were suitable, and added that such co-operatives would be formed, and would receive the Government's support, even in those villages where only a minority of the farmers were in favour of founding them. [This implied that even if the majority in a village were not directly forced to join the co-operative farms, the best lands and facilities would be given to the minority, so that the others, who would receive no Government aid and would also be oppressively taxed, would have to join the collectives in due course.]

The Central Committee adopted resolutions on June 30 calling for more food production, mainly by creating new collective farms, and approving the agricultural plan for 1955. In the annual Budget, which had been submitted to the National Assembly on March 22, it was provided that 7,952,000,000 Czechoslovak crowns (nearly £400,000,000) were to be spent in 1955 to increase agricultural production.

Introducing the Budget, M. Duris (the Minister of Finance) stated that, although industry had developed rapidly, agricultural production had basically not advanced from the pre-war level and was acting as a brake on the entire economy; among details which he gave was that the average milk yield per cow was not even up to the pre-war level.

The economic plan for 1955, which was submitted to the National Assembly on March 21, stated that the planned yields of the main agricultural crops for 1954 had not been realized, partly because of bad weather.—(Le Monde, Paris - Neue Zurcher Zeitung - Manchester Guardian - New York Times) **(Prev. rep. 13971 B; Slovak Board of Commissioners, 13156 A.)**

B. OBITUARY. — Mr. L. S. Amery.

The Right Hon. L. S. Amery, C.H., the eminent Conservative statesman, and a former Secretary of State for India and Burma, Secretary of State for the Dominions and Colonies, and First Lord of the Admiralty, died on Sept. 16 at the age of 81.

Leopold Charles Maurice Stennett Amery was born on Nov. 22, 1873, at Gorakhpur (India), the son of an officer of the Indian Forestry Department. Educated at Harrow and Balliol College, Oxford, he took a first class in Classics and *Literae Humaniores* and was elected a Fellow of All Souls. From 1899 to 1909 he worked on the editorial staff of *The Times*, and in 1902 was called to the Bar, although he never practised. After unsuccessfully contesting East Wolverhampton in 1906, 1908 and 1910, and Bow and Bromley in 1910, he was returned unopposed in 1911 as Unionist member for South Birmingham (now the Sparkbrook Division), which he represented unbrokenly throughout the 34 years of his parliamentary life.

During the 1914-18 War he saw service in Flanders and the Balkans, but was recalled in 1916 to become assistant secretary to the War Cabinet, subsequently serving on the staff of the War Council at Versailles and on the personal staff of the Secretary of State for War (1917-18). In the immediate post-war years he was successively Parliamentary Under-Secretary to Lord Milner at the Colonial Office (1919-21), Parliamentary and Financial Secretary to the Admiralty (1921-22) and First Lord of the Admiralty (1922-24). In the Conservative Government of 1924 he became Colonial Secretary, and in the following year Secretary of State for the Dominions when that post was created. He held both these posts until 1929, when the second Labour Government was returned to office. In 1927-28 he made a six-months' tour of the Dominions, during which he visited Canada, Australia, New Zealand, South Africa, and Southern Rhodesia, covering 55,000 miles and delivering some 300 speeches.

Although Mr. Amery held no Cabinet post during the 'thirties, he remained one of the leading Conservative personalities in the House of Commons. During the years immediately preceding the Second World War he made frequent appeals for a stronger foreign policy and for an intensification of rearmament, and was an outspoken critic of the "appeasement" policy and the Munich agreement. In May, 1940, he made his most famous speech when he addressed Mr. Chamberlain (then Prime Minister) in the words used by Cromwell in dissolving the Long Parliament. "You have been here too long for any good you have been doing. Depart, I say, and let us have done with you. In the name of God, go!"

In 1940 Mr. Amery was appointed Secretary of State for India and Burma in Mr. Churchill's Coalition Cabinet, and held that post throughout the Second World War. He was responsible for the offer of August, 1940, accepting the principle that India should work out her own constitution, for the increasing, and ultimately almost complete, "Indianization" of the Viceroy's Executive Council, and for the offer conveyed to New Delhi in 1942 by Sir Stafford Cripps. Among the many problems with which he had to deal were the building-up of India's war effort, her constitutional development towards full self-government within the Commonwealth, the subversive "Quit India" movement, and the severe Bengal famine of 1943-44. In the Labour victory of 1945, however, Mr. Amery lost his seat at Sparkbrook, and was never again to sit in the House.

Throughout his life Mr. Amery was an unswerving supporter of a strong and fully-developed Commonwealth and Empire, and one of the foremost advocates of Imperial Preference. He was a brilliant linguist (speaking more than a dozen languages), a keen mountaineer in his younger days, and the author of a number of political and other works, including *My Political Life* (his memoirs, the third and last volume of which was published shortly before his death), *The Times History of the South African War* (in seven volumes, completed in 1909), *Empire and Prosperity* (a defence of Imperial Preference), *Days of Fresh Air* (an account of his travels), and *In the Rain and the Sun* (his mountaineering and walking experiences). He was made a Companion of Honour in 1945.

Mr. Amery married in 1910 Florence, the daughter of the late John Hamar Greenwood and the sister of the first Viscount Greenwood. His elder son, Mr. Julian Amery, is Conservative M.P. for Preston North.

Tributes to the late Mr. Amery were paid by Sir Anthony Eden, Sir Winston Churchill, Mr. Attlee, and Mr. Clement Davies.—(Times - Daily Telegraph - Manchester Guardian)

A. UGANDA. — Return of Kabaka of Buganda. - New Constitutional Arrangements in Force. - Appointment of Buganda Ministers and Baganda Members of Uganda Legislative and Executive Councils.

Kabaka Mutesa II, who had been exiled from Buganda on Nov. 30, 1953, returned to his country on Oct. 17 in accordance with the constitutional arrangements worked out at the Namirembe Conference and subsequently approved by the British Government and the Buganda Lukiko. These provided for three main stages · (1) the signing of a transitional agreement on the constitutional changes by three of the Kabaka's representatives, who would then become regents until the Kabaka's return; (2) the election by the Lukiko of a new Katikiro (Chief Minister), who would then choose his five Ministers from a list of 15 selected by the Lukiko; (3) the election of five Baganda representatives to the Uganda Legislative Council. Six weeks after the second and third stages had been completed the Kabaka would be authorized by the British Colonial Secretary to return to Buganda, where he would formally sign the new constitutional arrangements himself. The implementation of these developments is described below.

Signing of Transitional Agreement. - Appointment of Regents. The Buganda (Transitional) Agreement, 1955, was signed in Kampala on Aug. 15 by the Governor of Uganda (Sir Andrew Cohen) and the three representatives of the Kabaka—Prince Badru Kangalu, the Kabaka's great-uncle, and a Moslem; Mr. Munyangenda, father of the Kabaka's chaplain, and a Protestant; and Mr. Andrea Kyemwa, a Roman Catholic. After the agreement had been signed the Kabaka's representatives were sworn in as Regents.

Election of Katikiro.—Appointment of Ministers. As the next step in implementing the Buganda agreement, the Lukiko on Aug. 17 elected Mr. Raphaeri Kasule to the new office of Speaker. [Previously the Katikiro had been both chairman and chief spokesman for the Buganda Government, but in future the Speaker will preside over the Lukiko and, in particular, will be responsible for the elections whenever there is a new Ministry.] Mr. Kasule, a wealthy landowner and a Roman Catholic, had been one of the Kabaka's six nominees in the Lukiko for the past 12 years; he was one of the plaintiffs in the Kabaka case in 1954, and was a member of both the recent Lukiko delegations to London.

Four nominations for the post of Katikiro were submitted to the Speaker, and in the elections by the Lukiko on Aug. 24 Mr. Mikaeri Kintu was returned with 40 votes. Mr. Matayo Mugwanya, the outgoing Omulamuzi (Chief Justice) received 37 votes, Mr. D. M. Mukubira, an elected member, five, and Mr. Paulo Kavuma, the outgoing Katikiro, four. Mr. Kintu is a *saza* (county) chief and was chairman of the drafting committee which went to London to draw up the new Buganda agreements.

On Sept. 4 Mr. Kintu announced his list of Ministers as follows: Omulamuzi, Mr. Antonio Gita, Omuwanika (Treasurer), Mr. Bulasio Kavuma; Education, Mr. A. K. Sempa; Health, Mr. Kasimu Male, Natural Resources, Mr. D. M. Mukubira. Mr. Gita and Mr. Kavuma are both *saza* chiefs, Mr. Sempa was secretary of the Lukiko, and Mr. Male was senior assistant to the Katikiro, so that Mr. Mukubira was the only non-official appointed. Mr. Gita, in accordance with tradition, is a Roman Catholic, while Mr. Male is the first Moslem to hold ministerial office in Buganda.

Election of Baganda Members of Uganda Legislative Council. The Buganda electoral college, whose members had earlier been elected by villages throughout Buganda, met on Sept. 5 and elected the following five Baganda members of the Uganda Legislative Council. Mr. A. K. Kironde, a Muganda lawyer and a member of the Uganda National Congress (U.N.C.); Mr. I. K. Musazi, president-general of the U.N.C.; Dr. E. M. K. Muwazi, secretary of the U.N.C.; Dr. B. N. Kununka, treasurer of the U.N.C., and Father R. Masagazi, editor of the Roman Catholic newspaper *Munno*. It was pointed out by *The Times* correspondent in Kampala that the educated members of the Lukiko had shown little interest in the elections, and that if they had done so it was doubtful whether the U.N.C. would have achieved their success.

Completion of Uganda Executive Council. After the Buganda elections to the Legislative Council of Uganda, Sir Andrew Cohen announced on Sept. 14 the appointment of the two remaining Ministers, both Baganda, in the Protectorate Government. Mr. Y. K. Lule, who failed to secure election to the Legislative Council, was named as Minister of Rural Development, and Mr. A. K. Kironde was appointed Assistant Minister of Social Services. Mr. Z. C. K. Mugonya, originally appointed Assistant Minister for Social Services (see 14356 A), was reappointed as Minister without executive responsibilities but with the title of Minister of Land Tenure.

The Kabaka left London by air on Oct. 16 and arrived at Entebbe (Uganda) on Oct. 17, six weeks after the completion of the stipulated preliminary arrangements. He was greeted by his wife (the Nabagareka), by the Governor and Lady Cohen, and by the regents and Ministers of Buganda, officials of the Protectorate and Buganda Governments, and the rulers of Bunyoro, Ankole, Toro, and Busoga.

The Kabaka was given an enthusiastic reception by a crowd of some 8,000 at the airport, and drove in an open car to Kampala along a route lined with people and crossed at intervals by triumphal arches. In Kampala, where the crowds were estimated at 100,000, he attended a special service in the cathedral, which was followed by a ceremony in the Lukiko Hall. Loyal demonstrations continued throughout the day.

The Buganda Agreement, 1955, was signed in Kampala on Oct. 18 by Sir Andrew Cohen and the Kabaka, thus formally bringing into effect the agreed constitutional changes. In a speech the Kabaka thanked those in Buganda and Britain who had served him or helped to bring about the present result, mentioning Sir Keith Hancock and Mr. Lennox-Boyd (the Colonial Secretary), and said that he looked forward to the "self-government of Buganda within the framework of a self-governing Uganda." In reply, the Governor, after welcoming the Kabaka, declared that as a result of the recent events a better understanding between the British and the Baganda could now emerge. The British would know that however fervently the Baganda desired progress in the western way, they were still deeply attached to their traditional institutions; while the Baganda might know "that the force which drives us in our work is the desire to help you forward."

The revised Bunyoro agreement (see 14356 A) was signed at Hoima on Sept. 4 by Sir Andrew Cohen and the Omukama of Bunyoro.—(Times - Daily Telegraph) **(Prev. rep. 14356 A.)**

B. PAKISTAN - AFGHANISTAN. — Settlement of Dispute over Insult to Pakistani Flag.

As a result of discussions between the Afghan Foreign Minister, Sardar Mohammed Naim Khan, and the Pakistani Ambassador in Kabul, Colonel A. S. B. Shah, an agreement was reached on Sept. 9 whereby the Afghan Government promised to make amends for the insult offered to the Pakistani flag during the Kabul riots of March 30, and both Governments undertook not to conduct propaganda calculated to arouse hatred and incite violence against each other.

Accordingly, the Pakistani flag was ceremonially rehoisted on the Embassy in Kabul on Sept. 13 by Sardar Mohammed Naim Khan in the presence of an Afghan military unit and heads of foreign diplomatic missions. In a short speech the Foreign Minister expressed regret for the incident, and gave assurances for the safety of the life and property of Pakistanis in Afghanistan. Similar ceremonies took place on Sept. 14 at Jalalabad, where the Afghan Communications Minister rehoisted the flag on the Pakistani Consulate, and on Sept. 15 at Peshawar, where Dr. Khan Sahib (the Pakistani Communications Minister) rehoisted the flag on the Afghan Consulate "as a gesture of good will" towards Afghanistan and, in a formal statement, gave assurances for the safety of Afghan life and property in Pakistan.

Relations between the two countries again deteriorated during October, however, as a result of continued Afghan opposition to the inclusion of the Pathan areas in the new Province of West Pakistan, leading to the recall of the Afghan Minister in Karachi and the Pakistani Ambassador in Kabul.

In a survey of the latest developments, the Pakistani Foreign Office stated on Oct. 18 that the Afghan Foreign Minister had proposed on Oct. 8 that the Prime Ministers of the two countries should meet urgently, either in Karachi or Kabul, for a "heart-to-heart talk on matters affecting Afghan-Pakistani relations." This proposal had been accepted immediately by the Pakistani Prime Minister, Chaudhri Mohammed Ali, who had sent an invitation to the Afghan Prime Minister, Sardar Mohammed Daud Khan, to visit Karachi whenever convenient. On Oct. 11, however, the Pakistani *Chargé d'Affaires* in Kabul had been informed that the visit of the Afghan ministerial delegation led by the Prime Minister was conditional upon the postponement of the implementation of the One-Unit Act setting up West Pakistan. On being told by the Pakistani Ambassador on the following day that the establishment of West Pakistan could not be postponed, the Afghan Foreign Minister (Prince Naim) had replied that no useful purpose would be served by the visit of the Afghan Ministers to Karachi, since its very object had been to secure the postponement of the implementation of the One-Unit Act.

Moreover, on Oct. 13 the Afghan Minister in Karachi had handed over a Note expressing his Government's concern at the incorporation of "Pashtunistan" in the new province of West Pakistan, and asserting that this was against the wishes of the Pashtuns, at the same time he had again proposed a high-level meeting of representatives of both countries to settle "all outstanding political differences." In its reply, the Pakistani Government had deprecated the "continued Afghan attempts at interference in Pakistan's affairs," and had rejected the Afghan contentions as "wholly unwarranted," reiterating that all territories lying to the east of the Durand Line were an integral part of the Pakistan and completely outside the jurisdiction of the Afghan Government. Nevertheless the Pakistani Government had expressed willingness to have a meeting of responsible Ministers of the two countries, provided that matters which were purely Pakistan's own concern were excluded from the scope of the discussions.

The Afghan Minister in Karachi was recalled to Kabul on Oct. 17, and the Pakistani Ambassador in Kabul on the following day.—(Pakistani High Commissioner's Office, London - Times) **(Prev. rep. 14291 A.)**

A. UNITED STATES. — Federal Employees. - Commission to review Loyalty-Security Programme. - Completion of Security Investigations. - The Ladejinsky, Peters, and Service Cases.

President Eisenhower signed a Bill on Aug. 9 creating a 12-member bipartisan commission to review the Government's loyalty-security programme for Federal employees and defence workers. The Bill provided that President Eisenhower, the President of the Senate, and the Speaker of the House of Representatives would each appoint four members of the commission, which would make a thorough study of the Administration's method of determining security risks. Although a revised procedure for dealing with Government employees suspected of being "security risks" had been approved by the President on March 5, there had been a growing demand in Congress for a complete revision of the loyalty review system, especially after the apparent lack of co-ordination between Government departments shown in the case of Mr. Wolf Ladejinsky.

Mr. Ladejinsky, a Russian-born expert on Far Eastern agriculture, was serving as an agricultural attaché at the U.S. Embassy in Tokio when the Department of Agriculture announced on Dec. 22, 1954, that he had failed to meet "technical standards and security requirements" and was therefore being removed from his post. It was stated that Mr. Ladejinsky had sisters living in the Soviet Union through whom he might be coerced; that he had worked for the Bureau of Transportation of the Soviet railways (later known as the Amtorg Trading Corporation) in 1930-31 after he had left the Soviet Union because of his professed dislike for the Communist regime; that he had visited the Soviet Union as a tourist in 1939; and that he had belonged to Communist-front organizations.

This decision was in complete contradiction to one of the U.S. State Department, from whom Mr. Ladejinsky had previously received a security clearance, and the U.S. Ambassador in Japan (Mr. John M. Allison) informed the State Department that the removal of Ladejinsky was damaging American prestige in the Far East. Mr. Ladejinsky himself described the allegations made by the Department of Agriculture as "utterly false and thoroughly unsubstantiated"; stated that he had worked for Amtorg only as an interpreter, strongly denied that he had belonged to "Communist front" organizations, and pointed out that he had made his journey to the Soviet Union in 1939 with the approval of the Agriculture Department, and that he had, at the Department's request, studied agricultural developments in the U S S R. He also said that he had not communicated with or heard from his sisters in the Soviet Union since 1946 or 1947.

On Jan. 5, 1955, it was announced that the Foreign Operations Administration had cleared Mr Ladejinsky as a "security risk" and had appointed him to a post dealing with land reform in Vietnam. It was indicated in the American Press that this action had been taken at the direction of senior White House officials, and President Eisenhower himself, at a press conference on Jan 12, upheld the right of two Government departments to reach conflicting opinions about whether or not Mr. Ladejinsky was a security risk. After repeated requests by Congressmen that the Secretary of Agriculture (Mr. Benson) should explain more fully the grounds on which Mr. Ladejinsky had been dismissed from his Tokio post, Mr. Benson sent a letter to Senator Carlson on July 2 in which he publicly retracted the charge that Mr. Ladejinsky was a "security risk," and informed the Senator that he had ordered that the findings against Mr. Ladejinsky should be expunged from the records. Mr. Benson noted that since Mr. Ladejinsky's case had been considered by the Department of Agriculture it had also been reviewed by "two agencies more experienced in security than this department," and that in both instances Ladejinsky had been cleared.

In two other recent cases the Courts had reversed decisions on Government employees who had been dismissed on the grounds that they were security risks.

On June 6 the Supreme Court ruled that Dr. John Peters, a professor of medicine at Yale University, had been wrongly dismissed on security grounds in 1953 from his post as consultant to the Public Health Service, and ordered that the Loyalty Review Board's findings should be expunged from the records of the Civil Service Commission The Supreme Court held that the Board, by reviewing a decision of Dr Peters' department on its own motion, had exceeded its powers, as the Executive Order under which it was established merely empowered it to review cases involving persons recommended for dismissal and to hear their appeals In view of the illegality of the Board's action, the Supreme Court did not decide on Dr. Peters' claim that his dismissal without being allowed to confront and cross-examine the witnesses was a violation of the Fourteenth Amendment. [This Amendment states that no person shall be deprived of liberty and property without due process of law.]

As a result of the Court's ruling on Dr. Peters, Judge Edward M. Curran, of the Washington Federal District Court, ruled on June 30 that the Loyalty Review Board's decision in the case of Mr. John S. Service was "a nullity," and ordered the Civil Service Commission to expunge from its records a finding of "reasonable doubt" of his loyalty. Mr. Service, a career diplomat with 18 years' service in the State Department, and an expert on China (where he was born), had been dismissed in December 1951 by Mr. Dean Acheson, then Secretary of State, after the Loyalty Review Board had held that his loyalty to the United States was "questionable," despite the fact that he had previously been cleared by six agency loyalty boards. However, although Judge Curran ruled in Mr. Service's favour with regard to his loyalty, he did not order his reinstatement, on the grounds that Mr Service had been validly discharged from the State Department because the Secretary of State had "absolute discretion" to dismiss any employee when he deemed it necessary or advisable in the interests of the U.S.A.

The chairman of the Civil Service Commission, Mr. Philip Young, stated on July 29 that the security investigation of 2,300,000 Federal Government employees had been completed and that henceforth the Government's security programme would only affect new applicants, unless fresh evidence should require a "reappraisal." Mr. Young said that between May 28, 1953, and March 31, 1955, a total of 3,432 Government employees had been dismissed "because of security reasons," and that 5,447 had resigned when unfavourable information had been found in the files. The resignations amounted to 1.2 per cent of the 441,000 resignations from Government service in the same two-year period, whilst the security discharges accounted for about 10 per cent of the total dismissals.

Following President Eisenhower's statement in his State of the Union message in January 1954 (see page 13353, first column) that "more than 2,200" Federal Government employees had been dismissed by the Republican Administration under the loyalty security programme, Democratic spokesmen had challenged the figures issued from time to time by the Government on the grounds that they were meaningless without further explanation. The *New York Times*, in an editorial (Jan. 4, 1955), stressed that the term "security risk" covered "such a multitude of real or imagined sins that the term does not have much significance any more." It pointed out that, under the Administration's security programme, sexual perverts, drunkards, employees with criminal records or "character defects," and those whose "behaviour, activities, or associations" tended to show that they were "not reliable or trustworthy" were all defined as security risks.—(New York Times - New York Herald Tribune) **(14304 A; 13862 A.)**

B. HUNGARY. — Release of Archbishop Grosz.

It was officially announced in Budapest on Oct. 13 that the Minister of Justice had consented "to interrupt the imprisonment" of Mgr. Joszef Grosz, Roman Catholic Archbishop of Kalocsa, who had been sentenced on June 27, 1951, to 15 years' detention on charges of "conspiring to overthrow the democratic regime," "organizing a counter-revolutionary movement," "illegal foreign exchange transactions," and the "organization of escapes abroad." The announcement said that the Minister's decision had been taken in response to a request by the chairman of the Hungarian Bishops' conference, Mgr. Czapek (Archbishop of Eger), and that Mgr. Grosz would take up residence in an "ecclesiastical building" to be assigned to him. Four Roman Catholic priests who had been sentenced to varying terms of imprisonment were granted an amnesty at the same time.

Archbishop Grosz, who became the leader of the Roman Catholic hierarchy in Hungary after the imprisonment of Cardinal Mindszenty, concluded the agreement with the Hungarian Government in 1950 regulating the relations between Church and State (see 11259 A). In 1951, however, he refused to sign a "peace appeal" and, after a violent campaign against him in the Communist Press, was arrested on June 18, 1951. His "provisional release" from prison followed that of Cardinal Mindszenty, announced in July last. (Le Monde, Paris - New York Herald Tribune) **(Prev. rep. Cardinal Mindszenty, 14315 D; Grosz Trial, 11769 A.)**

C. INDIA. — Congress Party. - Central Election Committee. - Membership.

The All-India Congress Committee elected on Sept. 4 the five members of the party's Central Election Committee, who, together with the six members of the Central Parliamentary Board, will constitute the supreme body to direct the Congress Party's work in the next general elections. Those elected were: Mrs. Indira Gandhi (a daughter of Mr. Nehru), Mr. Lal Bahadur Shastri (Minister of Railways and Transport), Mr. Kamaraj Nadar (president of the *Tamil Nad* Congress party), Dr. B. C. Roy (Chief Minister of West Bengal), and Mr. U.S. Mallayyah (a party whip). The Central Parliamentary Board consists of Mr. Dhebar (the Congress Party president), Mr. Nehru (the Indian Prime Minister), Dr. Maulana Azad (the Minister of Education), Pandit Pant (the Home Minister), Mr. Morarji Desai (Chief Minister of Bombay), and Mr. Jagjivan Ram (the Minister of Communications).—(The Hindu, Madras - The Statesman, Calcutta) **(Prev. rep. 14150 A.)**

A. UNITED KINGDOM. — Electricity Industry. - British Electricity Authority Report for 1954-55. - Net Surplus of £18,794,878. - Issue of £200,000,000 B.E.A. Stock.

The report and accounts of the British Electricity Authority (now renamed the Central Electricity Authority, see 14016 C) for the year ended March 31, 1955, were published on Sept. 27. They showed that, before transferring £10,500,000 to supplementary reserve for depreciation of fixed assets, the Authority itself and the 14 Area Boards earned a combined surplus of £18,794,478, the largest since nationalization in 1948. The net surplus after this special depreciation provision was £8,294,478.

The combined revenue of the Authority and the Area Boards amounted to £364,526,686, and combined expenditure (including £54,063,183 for normal depreciation) to £308,512,734, leaving a net surplus from trading of £56,013,952. These figures compared with a revenue of £325,547,395, expenditure of £277,772,146, and a consolidated trading surplus of £47,775,249 in 1953-54. After adding interest from subsidiary companies, rent receipts, etc , and deducting interest, financing expenses, and further amounts written off for undertakings acquired, etc , the consolidated net surplus for 1954-55, before transfer to reserve, amounted to £18,794,478, compared with £13,188,738 in 1953-54. The Authority itself (which is responsible for supplying electricity to the Area Boards) made a surplus of about £11,600,000, the balance of about £7,200,000 representing the net trading surplus of the Area Boards. The final net surplus of £8,294,478 compared with a net surplus of £5,525,738 in 1953-54, and brought the net surplus since Vesting Day to £49,814,973

Salient points from the report are summarized below :

Revenue and Expenditure. Of the combined revenue, £356,327,522 came from the sale of electricity to consumers and £3,076,544 from rentals of meters and apparatus The principal items of expenditure were . generation costs, £165,313,883 ; distribution costs, £25,436,678, payments in lieu of rates, £16,553,796 , administrative and general exponses, £11,954,037 ; consumer services, £12,548,222

Consumers and Sales. The number of consumers increased during the year by 548,000 to over 14,900,000, supplies having been brought to a further 14,800 farms, thereby increasing the number of farms supplied with electricity to 167,307, or 60 per cent of all farms in the country, compared with only 32 per cent at the time of nationalization and with the target figure of 85 per cent by 1965. Sales of electricity totalled 62,410,000,000 units, or 11.8 per cent more than in 1953-54. The largest percentage increase (22.4) was in electricity sold to farms, followed by industrial consumption (12.5), consumption by electrified railways (11.5), commercial consumption (11.0), domestic sales (10.5), and public lighting (9.2). Consumption by tramcars and trolleybuses declined by 11 1 per cent Over half the sales during 1954-55 (32,063,000,000 units) were to industry and nearly one-third (18,486,000,000 units) to domestic consumers.

Prices and Costs. The average price received for electricity was 1.37d. per unit, compared with 1.373d in 1953-54. The report stated that costs had been kept down by improved thermal efficiency, which now averaged 23.85 per cent, compared with 23.4 per cent in 1953-54. It added that improvements in thermal efficiency since nationalization had saved 17,600,000 tons of coal and about £53,400,000, and that although the price of coal had gone up in the same period by about 40 per cent, the cost of electricity had risen by only about 0.2d per unit

Generating Plant Capacity, Capital Expenditure, etc. The report stated that on March 31, 1955, the Authority owned 294 power stations with a total installed capacity of 20,172,974 kw , new plant installed during the year having added about 1,539,000 kw. The Authority planned to increase generating capacity by 45 per cent by 1960, this programme being entirely separate from the Government's plan to build 12 nuclear power stations expected to be providing an additional 1,500,000-2,000,000 kw. by 1950 The Authority's capital expenditure during 1954-55 amounted to about £350,000,000.

Hire Purchase. Hire purchase sales rose to about £25,501,894, compared with £12,288,584 in 1953-54 The report pointed out that the reimposition of hire-purchase restrictions at the end of February (see 14067 A) had not had time to affect the results for 1954-55.

Lord Citrine (the Authority's chairman), commenting on the report, stated that the increases in coal prices announced in July (see 14428 A) were expected to cost the Authority £20,000,000 in a full year, and would necessarily involve increases in the price of electricity. However, even before the higher coal prices were announced, the Authority had already been considering whether it could substantially increase its revenue in order to provide a larger amount towards self-financing, and discussions would shortly take place with the Area Boards on the further methods to be adopted towards this end. To finance a programme of the size contemplated without operating on the open market would be " a terrific job," and might involve " increasing prices of electricity beyond the amount necessary to recover the increased cost of coal."

Dealing with the siting of the 12 nuclear stations announced in the White Paper on Atomic Development (see 14045 A), Lord Citrine explained that until public confidence had been built up it was proposed to site the early stations well away from urban areas and big coalfields, since the cost of uranium fuel was independent of locations, and nuclear stations would show the most economy if sited where normal fuels were expensive. At the same time they should be near areas of heavy electricity demand, whilst at present they required much more cooling water than conventional stations; these considerations pointed to the South of England, and particularly to the Severn estuary and the Essex coast, as the most suitable areas for the first stations.

Lord Citrine added that it should not be thought that " unlimited supplies of electricity from nuclear power are just around the corner." He pointed out in this connexion that present plans envisaged a capacity of about 2,000,000 kw. to be provided by such means by 1965, compared with the total capacity of 35,000,000 - 40,000,000 kw. which would be required. In ten years' time, therefore, the proportion of nuclear power to fuel-fired plant would only be about 6½-7 per cent, and this fact, together with indications that the National Coal Board would be unable to meet demands, had led the Authority to turn their attention to oil. It was anticipated that by 1965 sixteen power stations would be using oil fuel at a rate equivalent to about 10,000,000 tons of coal annually.

An issue of £200,000,000 4½ per cent Central Electricity Authority Guaranteed Stock, 1967-69, at £98. 10s. per cent was announced on Aug. 9 and was over-subscribed.
(Times - Manchester Guardian - Financial Times) **(Prev. rep. 1953-54 Report, 13854 A; Coal Situation, 14428 A.)**

B. AVIATION. — Pan American Airways Order for U.S.-built Jet Airliners. - New Turbo-Prop " Vanguard " Airliners for British European Airways.

Pan American Airways announced on Oct. 13 that it had placed orders for 20 Boeing-707 and 25 Douglas DC-8 jet airliners at a total cost of $269,000,000 (about £96,071,000), and that a contract had also been signed with the United Aircraft Corporation for Pratt and Whitney jet engines to power the planes. The orders were described as the largest ever placed by a commercial airline, and the first to be given for U.S.-built civil jet transports.

The statement said that it was intended to put the airliners into service on the Pan American trans-Atlantic, South American, and trans-Pacific routes, beginning in December 1958, when the first Boeings would be delivered Delivery of the Boeings was expected to be completed in November 1959, and that of the Douglas DC-8's to take place between December 1959 and January 1961. Both types of aircraft would have a speed of 575 m.p.h. and would carry slightly over 100 passengers in the standard versions and about 25 per cent more in the tourist versions. They would be capable of non-stop flights between New York and London in 6 hrs 15 mins., and would reduce the flying time between New York and Paris from 11 hrs. to 6 hrs 25 mins., between Chicago and London from 16 hrs. to 6 hrs. 45 mins., and between San Francisco and Tokyo from 25 hrs. to 12 hrs 45 mins.

The Pan American statement was followed on Oct. 17 by an announcement by British European Airways Corporation that it was negotiating with Vickers-Armstrong Ltd. for a " substantial fleet " of double-decked turbo-prop airliners which, it was claimed, would set new standards of speed and economy, and would provide greater passenger comfort and spaciousness than had hitherto been attained in any type of civil air transport.

The new airliners, the first of which was expected to be delivered by 1959-60, would be known as Vickers *Vanguards* or V-900's, and would be used on all B.E.A. major high density routes between 200 and 2,000 miles. Each would carry 93 to 105 passengers ; would cost nearly £750,000 without spares , and would be powered by four Rolls-Royce RB-109 airscrew turbine engines, now known as the *Tyne*, developing 4,470 h.p. each and giving a cruising speed of 425 m.p.h The fuselage, shaped in cross-section like a figure ' 8 ' or " double bubble," would be the largest yet incorporated in any civil airliner, and would contain three separate passenger saloons in the upper part, and two freight and luggage holds in the lower. The airliners would have sufficient cargo space to enable a full load to be carried when only 30 per cent of seats were occupied, and would be economic to run on most routes with only 30 seats filled.

Mr. G. R. Edwards, managing director of Vickers-Armstrong Ltd., stated on the same day that the *Vanguard*, in which a number of other airlines were already interested, would be developed to enable it to carry almost its maximum payload for 2,500 miles—about the distance across the U.S.A.—(Times - Daily Telegraph - New York Times - New York Herald Tribune) **(Prev. rep. 14397 A.)**

C. ISRAEL. — Private U.S. Aid for Resettlement of Moroccan Jews.

It was announced in New York on Oct. 13 that the United Jewish Appeal had raised over $10,000,000 to resettle Moroccan Jews in Israel, and that a mission was leaving for that country to survey " priority Jewish immigration, settlement, welfare, and rehabilitation needs." (New York Herald Tribune)

A. CAMBODIA. — General Elections. - Victory for Prince Norodom Sihanouk's "Popular Socialist Community." - Reference to French Union removed from Constitution. - Premiership accepted by Prince Norodom Sihanouk. - Military Aid Agreement with U.S.A. sanctioned by International Control Commission.

General elections held in Cambodia on Sept. 11 resulted in a complete victory for the "Popular Socialist Community" led by Prince Norodom Sihanouk, which won all the 91 seats in the National Congress. Although failure to vote had been made a punishable offence, only 500,000 people went to the polls out of an electorate of nearly 1,000,000; of the votes cast, 400,000 were for the Popular Socialist Community and most of the remainder for the left-wing nationalist Democratic Party. The remaining parties, the most important of which were the Liberals and the Communist-led "Khmer resistance forces," received negligible support.

The Democratic Party—which had had a majority in the previous Assembly (dissolved in 1952) and which was led by Prince Norodom Phurissara, a cousin of Prince Norodom Sihanouk—blamed the Government in its election propaganda for its alleged subservience to foreign countries, and asserted that it had handed over Cambodia to U.S. "economic domination." During the election campaign a number of Democratic Party candidates and election agents were arrested under a law forbidding propaganda against the monarchy, the Government, and public order, whilst on Sept. 11 the deputy secretary-general of the party (M. Van Vang-Sek) was arrested on a charge of conspiring to murder a former Premier, M. Sam Sary, and the secretary-general of the Popular Socialist Community, M. Sim Var. Several Democratic leaders subsequently fled from Pnom-Penh, and a number of others were placed under surveillance. The elections themselves, however, went off without incident; a number of teams of the International Control Commission toured the country as observers, the Commission's task being confined to ensuring the secrecy of the poll and the avoidance of any discrimination against former members of the Khmer resistance forces

Prince Norodom Sihanouk gave details of his proposed home and foreign policy at a press conference on Sept. 13.

Whilst admitting that he was "slightly embarrassed" at his "too complete victory," he claimed that this victory proved that the results were genuine. "If I had falsified the elections," he added, "I would never have had the effrontery to give us all the seats" He stated that he himself did not propose to enter the new Government, although he would act as its "constant mentor."

The Government, he said, would pursue a policy of strict neutrality, would not join "any international military pact or organization, even defensive," and did not wish to accept a SEATO guarantee of Cambodia's independence. The question of accepting further U.S. military and economic aid would be referred to the Assembly. Cambodia would, however, remain in the French Union in order to "keep their place as friends and equals at the round table." Diplomatic recognition would be extended to China as soon as there was a single Chinese Government; this also applied to Vietnam, although political missions would be exchanged in the meantime with both South and North Vietnam, provided the latter ceased to attack Cambodia.

Turning to home affairs, the Prince stressed that the Popular Socialist Community would put itself at "the service of the small people"; promised that a general amnesty would be granted to the Opposition; and declared that only those guilty of "incitement to murder" had been arrested. Constitutional changes would be introduced to end "dictatorship by Parliament," to ensure better control of representatives by their constituents, and to set up provincial assemblies, and measures would be taken against corruption. Finally, areas of vacant land would be distributed among impoverished peasants, and large-scale irrigation works would be undertaken immediately.

The new National Congress, at its first meeting on Sept. 25, unanimously adopted an amendment to the Constitution substituting the phrase "Cambodia, an independent and sovereign State" for "Cambodia, an autonomous State belonging to the French Union as an Associated State." Prince Norodom Sihanouk had previously announced that this change would be made because Cambodia "does not need to mention in its Constitution alliances which it might freely form or dissolve with other countries," and "no longer wants to take part in the Council and Assembly of the French Union, whose powers and existence are incompatible with her conception of independence." The final decision on Franco-Cambodian relations, he added, would rest with the Cambodian people, who would consider membership of the French Union only if it were modified on the lines of the British Commonwealth.

The Assembly also voted in principle for a number of internal changes, including (1) the creation of provincial assemblies, which would be elected by universal suffrage and consulted on matters relating to the Budget and to the conclusion of treaties with other countries; (2) the creation of an Upper House or "Council of the Kingdom"; (3) female suffrage and eligibility for office; (4) the limitation of the official use of French and other foreign languages to "diplomatic, administrative or technical requirements."

The Assembly offered the Premiership on Sept. 25 to Prince Norodom Sihanouk, who accepted it for three months in the first instance. He reversed his decision on the following day, suggesting three other possible nominations, but, after consultation with his father (King Norodom Suramarit), finally decided to accept the post.

Mr. Parthasarathi, the Indian chairman of the International Control Commission, stated on Oct. 4 that, with the conclusion of the elections in Cambodia, the political settlement envisaged for that country under the Geneva Agreement had been completed and the Commission's major task fulfilled. Accordingly, while the Commission had still a few important tasks for the future, it had now decided to contract its activities in accordance with the provisions of the Geneva Agreement; to reduce its strength by about 40 per cent; and to reduce the number of inspection teams from nine to five.

On May 30 the International Control Commission had requested the Cambodian Government to clarify certain clauses of the military aid agreement between Cambodia and the U.S.A., which, it suggested, were not strictly in conformity with the Geneva Agreement. The Government, in reply gave an assurance that the military aid agreement did not involve the acceptance of any military alliance or the obligation to cede bases to the U.S.A., but was merely a continuation of the assistance previously given by France, adapted to the needs of Cambodia's newly-acquired independence. This explanation was unanimously accepted on July 23 by the Commission.—(Le Monde, Paris - Le Figaro, Paris - Times - Indian High Commissioner's Office, London) **(Prev. rep. 14286 A.)**

B. PERU. — Cabinet Reorganization.

President Manuel Odría reorganized his Cabinet on Sept. 15, its new membership being as follows: Navy and President of the Cabinet, Vice-Admiral Roque A. Saldías; Foreign Affairs, Dr. David F. Aguilar Cornejo; Interior, Sr. Alejandro Esparza Zañartu; Justice, Dr. Alejandro Freundt Rossell; War, General Carlos Indacochea; Finance, Don Emilio Guimoye; Development and Public Works, Sr. Fernando Noreiga Calmet; Education, Dr. Carlos Rodriquez Pastor; Public Health, Dr. Jorge Romaña; Air, General F.A.P. Enrique Bernales Bedoya; Agriculture, Sr. Jaime Miranda Souze; Labour and Indian Affairs, Sr. Carlos d'Ugard.

New Ministers were Dr. Rodrigues Pastor (previously vice-president of the Chamber of Deputies), Sr. Esparza Zañartu (head of the internal security department of the Ministry of the Interior), Sr. d'Ugard, Dr. Roman, and General Indocochea. The other members were reappointed to their previous posts.

In a broadcast on Sept. 9, President Odría announced that he did not intend to remain in office after the expiry of his present term on July 28, 1956.—(Bank of London and South America, Fortnightly Review - New York Times) **(13848 C.)**

C. CANADA. — Immigration. - Extension of Assisted Passage Scheme for British Immigrants.

The Migration Council Ltd., in co-operation with the Canadian Department of Citizenship and Immigration, announced in London on Oct. 14 that the assisted passage scheme for emigrants to Canada, hitherto applicable only to school teachers, university professors, nurses, farmers, stenographers, and domestic servants, was to be extended to the heads of families in any trade or profession. Under the scheme an emigrant to Canada pays £10 towards his fare and undertakes to repay the balance over a period of two years; the scheme does not cover the passages of wives and children. Mr. Wallace, the Canadian immigration service director for the U.K., emphasized that his department reserved the right to decide whether applicants were likely to be readily absorbed into Canadian life, and to exclude those who would not qualify. (Times - Manchester Guardian) **(Prev. rep. 12839 A.)**

D. INDIA - PAKISTAN. — Canal Waters Dispute. - Extension of Interim Agreement.

It was announced by the International Bank in Washington on Oct. 15 that the provisional agreement between the Indian and Pakistani Governments concerning the use of the waters of the Indus river system had been extended for six months—i.e., to March 31, 1956—as it had not been possible to bring the discussions for a permanent agreement to a successful conclusion by the originally specified date of Sept. 30, 1955. (International Bank, Washington) **(Prev. rep. 14303 A.)**

OCTOBER 22—29, 1955

A. MIDDLE EAST. — Political Developments. - Persian Adherence to Baghdad Pact. - Turkish President's Visit to Persia. - Closer Turkish-Persian Economic Relations. - Egyptian Military Pacts with Syria and Saudi Arabia. - Israeli Appeal for Arms from Western Countries. - Mr. Sharett's Denunciation of Soviet Policy in Middle East. - Paris Discussions with Mr. Dulles and Mr. Macmillan.

A number of recent important political developments in the Middle East are summarized below under cross-headings.

Persian Accession to Baghdad Pact.

The Persian Government's decision to adhere to the Turkish-Iraqi mutual defence pact, of which Pakistan and the United Kingdom are also members, was announced in Teheran on Oct. 11 and officially communicated to the Iraqi Government on the following day. A single-clause Bill providing for Persia's accession to the pact was unanimously approved by the Majlis on Oct. 23, after having been passed by the Senate on Oct. 19 by 36 votes to four.

In a speech to the Persian Senate on Oct. 7 the Shah had declared that a policy of neutrality for Persia was "as futile as it is dangerous," and had dwelt on the need to safeguard Persian independence by taking all possible defensive measures. "Our neutrality," he declared, "was violated twice during the past half-century. . . . By remaining neutral we shall invite aggression, while adherence to regional pacts, which are permissible under the U.N. Charter, lessens the danger of war. We have no aggressive intentions, nor have we protested against the defensive measures of others."

A strong protest against Persia's accession to the Baghdad Pact was handed by M. Molotov to the Persian Chargé d'Affaires in Moscow on Oct. 12, its text being as follows:

"The conclusion of the Baghdad Pact meant the formation in the Near and Middle East of a military grouping which is an instrument of certain aggressive circles who are not interested in the consolidation of peace and international security. The creation of such an alignment had, at the same time, the aim of preserving and re-establishing the colonial dependence of countries of this region.

The accession of Persia to this military alignment is incompatible with the interests of consolidating peace and security in the Middle and Near East, and is in contradiction to good-neighbourly relations between Persia and the Soviet Union and to certain treaty obligations undertaken by Persia."

The Soviet protest was rejected by Persia as "incorrect and inadmissible," a Note to this effect being delivered on Oct. 16 to the Soviet Ambassador in Teheran.

The Persian Note emphasized that the Baghdad Pact aimed at the consolidation of peace and security in the Middle East, that it had been freely entered into by all the signatories, and that it conformed in every respect to the principles of the U.N. Charter, its purpose being purely defensive. The Persian Government saw no reason why its adherence to the pact should mar Soviet-Persian relations, nor did it agree that it conflicted in any way with existing agreements between the two countries.

Persia's adherence to the Baghdad Pact was warmly welcomed in London, Karachi, Ankara, and Baghdad, and also in Washington.

Visit of Turkish President to Persia. - Intensification of Turkish-Persian Economic Co-operation.

President Bayar of Turkey, accompanied by the Turkish Foreign Minister (Mr. Zorlu), paid an official visit to Persia from Sept. 19-26. Two communiqués were issued at the conclusion of the visit, of which the first stressed the need for "closer co-operation in all matters concerning the mutual interests of the two countries." The second communiqué announced that a joint Turkish-Persian commission would be set up in the near future to establish closer economic and cultural co-operation between the two countries, and, in particular, to study the following matters: the development of transport and travel between Turkey and Persia; the formation of a joint Turkish-Persian transport company; the linking of the Turkish and Persian railway systems; the introduction of regular telecommunication services between the two countries; the conclusion of a trade and barter agreement; and the formation of a joint civil airline company.

Egyptian Military Pacts with Syria and Saudi Arabia.

A military pact between Egypt and Syria was signed in Damascus on Oct. 20. Its provisions, as made public in Cairo and Damascus, included the following: (1) a joint command would be set up for the Egyptian and Syrian armed forces; (2) this command would control, both in peace-time and in time of war, "all striking units, including troops concentrated on the Palestine borders"; (3) a Supreme War Council would be set up, consisting of the Chiefs of Staff of both countries; (4) political authority would be exercised by a supreme council which would include the Foreign and War Ministers of the two countries; (5) military planning would be financed by a joint fund, to which Egypt would contribute 65 per cent and Syria 35 per cent. It was understood that the joint command would be headed by an Egyptian general, although no announcement was made in the official statement.

The Cairo Correspondent of *The Times* commented that the military pact bewteen Egypt and Syria was "obviously intended to counterbalance the Western-sponsored pact between Turkey and Iraq, thus striking another blow at the rising influence of Iraq in the Middle East."

A similar defence pact between Egypt and Saudi Arabia was signed in Cairo on Oct. 27 by Colonel Nasser, the Egyptian Prime Minister, and the Emir Faisal, Crown Prince and Foreign Minister of Saudi Arabia. Like the Egyptian-Syrian pact, it provided for joint command of the armed forces both in war and peace; for a combined military council consisting of the Egyptian and Saudi Arabian Chiefs of Staff; and for a supreme council including the Foreign and Defence Ministers of the two countries. It was laid down that Egypt and Saudi Arabia would consider an armed attack against either of the countries as an attack against both; that they would hold immediate consultations, at the request of either party, whenever international tension threatened their frontiers or independence; and that neither country would conclude a separate agreement without the consent of the other.

The general lines of a proposed treaty "to strengthen the military, political and economic structure of the Arab world" had been agreed upon between Egypt, Syria, and Saudi Arabia in March (see page 14105, second column). As the three countries had pledged themselves not to join the Turkish-Iraqi pact (now the five-nation Baghdad Pact) the conclusion of the Egyptian-Syrian and Egyptian-Saudi Arabian treaties meant, by implication, the abandonment of the original Egyptian project for a defence pact embracing all the Arab countries. Although the Yemen had expressed its support for such a pact, neither the Lebanon nor Jordan (which has treaties of alliance with Britain and Iraq) had committed themselves to the project.

Israel's Appeal for Arms Supplies from the West.

In a speech to the Israeli *Knesset* on Sept. 18, Mr. Sharett (the Prime Minister) declared that the supply of arms to Egypt by Czechoslovakia had cast "a deep shadow over the entire scene of Israel's foreign and defence affairs" and was "liable to bring about a revolutionary and ominous change in Israel's security situation." He claimed that the arms agreement between Egypt and Czechoslovakia implied a political and military link-up between Egypt and the Soviet bloc; appealed to the Western Powers to supply arms to Israel; and declared that Israel also desired a security pact with the Western Powers, and particularly with the United States.

Mr. Sharett (who spoke during a foreign affairs debate) emphasized that a security pact between Israel and the West, though desired by Israel, would not be regarded as a substitute for arms supplies. He declared in this connexion: "The ability for defence when war breaks out, the ability to deter an enemy from attacking and so to avoid war, depends first and foremost on the military strength of the country which is the target for aggression. What is happening around us . . . imposes upon us cool judgment and firm inner balance. Above all it enjoins on our people alertness, unity, and a constant, well planned effort to enhance our economic consolidation and defensive capacity."

The Prime Minister went on to accuse the Soviet Union of being behind the Egyptian-Czechoslovak arms agreement, and derided the Soviet assertion that that arms deal was merely a "commercial transaction." After pointing out that neither of the parties had pretended that the arms were not designed for use against Israel, he declared: "How does the U.S.S.R. justify the sale of such quantities of weapons to Egypt? What is all this about a financial transaction, cotton and rice, 'modest means of self-defence,' and all the other whitewash of which the Tass Agency's statement [see page 14450, top of first column] is compounded? This Soviet initiative in the strife-torn Middle East, this dangerous disturbance of the balance of armed forces, this vehement spur to an arms race giving free reign to fierce aggressive instincts—what relation does it all bear to a policy of lessening international tension, progressive disarmament, and working towards stable world peace which the U.S.S.R. at present avows?"

Speaking of the comparative military strengths of Israel and the Arab countries, Mr. Sharett said: "What is the truth about the relative strength of Israel and the Arab nations which surround her, maintain a state of war against her, and are constantly vowing to wipe her off the face of the earth? The truth is that the strength of the military manpower of the Arab States—regulars and reserves—is more than twice as great as ours. The truth is that the military budgets of Egypt, Syria, Lebanon, Jordan, Iraq, and Saudi Arabia amount to £140,000,000 ($392,000,000) annually together, or £700,000,000 (Israeli), while Israel's entire budget—ordinary and development, including defence—amounts to £631,000,000 (Israeli) ($353,360,000). The military budget of Egypt alone is almost equal

to the entire Israeli budget. Egypt's Army alone is superior to the Israeli defence forces in all categories of heavy weapons for use on land, sea, and in the air. The truth is that there are Arab States which possess heavy arms which we do not have—they are sold to them, but not to us Our strength is in quality, in the morale of the army, in its organizational and technical superiority. But quality, even the highest, can never serve as a full substitute for the vast quantitative advantage."

After emphasizing that Israel had always opposed an arms race in the Middle East, Mr. Sharett concluded : " Faced with an alarming and decisive increase in the armed power of Egypt, our first demand has become 'Arms ! Arms in quantity and of quality, and cheap ! ' This claim is directed first and foremost towards the great Powers who undertook publicly to keep the military balance between us and States hostile to us. . . . At this hour, from this house, from this city of Jerusalem, let the call go out to all Israeli citizens, to the dispersed Jewish people, and to the whole world—arms for Israel ! "

Speaking again on Oct. 19, in the concluding stages of the debate, Mr. Sharett disclosed that he had asked the Soviet Ambassador in Israel to outline his country's Middle East policy but had received no reply. After declaring that the Israeli Government had information that the initiative for the Czechoslovak-Egyptian arms deal had come from Russia, whose representatives were trying to bring about similar deals between other Arab States and the Communist countries, Mr. Sharett said that if war should result from the present crisis " it would be perfectly clear who struck the match which started the conflagration."

By 84 votes to five (the Communist deputies opposing) the *Knesset* passed a resolution on Oct. 24 expressing anxiety at the large shipments of arms to Egypt, and at the continued arming of Iraq and other Arab countries " which declare themselves to be still at war with Israel and which are plotting against this country's existence." The resolution urged the Government to marshal the Israeli people to meet the present dangers, to increase the strength of the defence forces, and to demand that the Powers provide arms for Israel.

Following Mr. Sharett's appeal in his speech to the *Knesset*, a nation-wide " Arms for Israel " campaign was launched on Oct 20 to buy arms for the country's defence. Over £800,000 (Israeli), equivalent to £160,000 sterling, was raised within three days from contributions by all sections of the community, including the forfeiture of a day's wages for this purpose by factory, bank, and public employees.

A spokesman of the U.S. State Department (Mr. Henry Suydam) said on Oct. 12 that the department had " some information indicating that the Soviet bloc may be making an approach to an offer of arms for Israel." The Tass Agency, however, issued a statement on Oct. 24 denying that the U.S.S.R. had offered any arms to Israel, and describing Mr. Suydam's statement, and similar reports in the foreign Press, as " a complete invention calculated to mislead world public opinion." Reports that Israel intended to buy arms from the Soviet bloc to counterbalance Egypt's arms deal with Czechoslovakia were also denied by the Israeli Foreign Ministry.

Mr. Sharett arrived in Paris on Oct. 23 to discuss the Middle Eastern situation with the Western Foreign Ministers, who were meeting in the French capital prior to the opening of the Foreign Ministers' conference at Geneva. He had separate meetings with Mr. Macmillan and Mr. Dulles on Oct. 26 (no official statement being issued), and on the following day arrived in Geneva for discussions with M. Pinay and M. Molotov.

On arrival in Paris, Mr Sharett said that his visit had a double purpose : " first, to consult with the Israeli Ambassadors in Washington, Moscow, London and Paris on the present situation ; and secondly, to draw the attention of the Foreign Ministers to the highly dangerous effect of the sudden change which is about to occur in the balance of military strengths in the Middle East and the security position of Israel—I refer, of course, to the arms deal between Czechoslovakia and Egypt."

The Egyptian Ambassador in Washington (Dr. Ahmed Hussein) stated on Oct. 17 that he had personally assured Mr. Dulles that Egypt's arms supplies from Czechoslovakia were being acquired as a " single commercial deal," that they would be used solely for defensive purposes, that Egypt had " no intention at all of using these arms to attack Israel," and that the Egyptian decision to buy arms from Czechoslovakia would not affect U.S.-Egyptian relations. It had been officially announced in Cairo ten days earlier that arms to be supplied to Egypt from Czechoslovakia would include MIG fighter aircraft ; other (non-official) reports had mentioned tanks, artillery, and torpedo-boats as among the military equipment to be supplied.—(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - Turkish Embassy Press Department, London) **(Prev. rep. Middle East, 14449 A ; Defence Pacts, 14454 B ; 14137 A ; 14105 A.)**

A. NORTH VIETNAM.—Cabinet Changes. - M. Pham Van-Dong elected Prime Minister. - Trade and Payments Agreements with France.

The North Vietnamese National Assembly, meeting in Hanoi on Sept. 20, unanimously elected M. Pham Van-Dong as Prime Minister on the proposal of President Ho Chi-minh, who had hitherto combined this office with that of President of the Republic. M. Pham Van-Dong, who had previously been Vice-Premier, retained the post of Foreign Minister, whilst General Vo Nguyen Giap (Defence Minister) and M. Pham Ke-Toai (Minister of the Interior) were elected Vice-Premiers. M. Ton Duc-Thang was elected president of the Permanent Committee of the Assembly in place of the late M. Bui Bang-Doan.

M. Ton Duc-Thang is also president of the National Committee of the Lien-Viet Front, which replaced the former Vietminh organization in 1951 (see 11429 A). The committee consists of 13 members representing the Communist (Laodong), Socialist, and Democratic parties, trade union, peasant, women's, and youth organizations, and the Roman Catholic, Buddhist, and Caodaist communities The Roman Catholic representative, Father Ho Thanh-Bien, is vice-president of the committee.

Trade and payments agreements between France and North Vietnam were signed in Hanoi on Oct. 14. The agreements, covering the period July 1, 1955, to June 30, 1956, provided for trade exchanges worth 1,000,000,000 French francs on each side, it being stated in Paris that their purpose was " to enable certain French firms to maintain their ties with North Vietnam." Hanoi radio announced that France would supply machinery, spare parts and accessories, textiles, motor cars, bicycles, food products, chemicals, pharmaceutical products, building materials, books, newspapers and periodicals, in return for Vietnamese exports of anthracite, raw silk, agricultural products, timber, embroideries, lace work, and lacquered articles. It was pointed out in Paris, however, that no strategic material would be sent to Vietnam, in accordance with the rules laid down by the International Control Commission.—(Le Monde, Paris) **(Prev. rep. 14378 A.)**

B. SOVIET UNION. — Middle East Policy. - Loan Offer to Egypt for Building of Aswan Dam. - Diplomatic Relations with Yemen.

The Egyptian Ambassador in Washington, Dr. Ahmed Hussein, announced on Oct. 17 that the Soviet Union had offered Egypt a loan of $200,000,000 towards the cost of building the Aswan Dam on the Nile, repayable in the form of Egyptian cotton and rice supplies over 30 years at 2 per cent interest. Dr. Hussein said that the amount of the loan represented about one-third of the estimated cost of the dam ; that he did not know, however, what action the Egyptian Government would take on the offer ; and that the question of the possible despatch of Soviet technicians to Egypt had not yet been discussed.

It was also announced in Cairo on the same day, after meetings between the Soviet Ambassador to Egypt (M. Solod) and the acting Foreign Minister of the Yemen, that the Soviet Union and the Yemen would exchange diplomatic representatives, and that the 1927 treaty of friendship between the two countries (which expired in 1954) would be renewed. It was stated that trade and economic relations between the U.S.S.R. and the Yemen would also be strengthened.—(Times - Manchester Guardian - Le Monde, Paris) **(Prev. rep. Middle East Situation, 14485 A ; 14473 A ; 14449 A ; Soviet-Libyan Relations, 14469 C.)**

C. BURMA. — Signing of Loan Agreement with India. - Amended Provisions.

The agreement on the Indian loan to Burma, announced on Sept. 20, was signed in New Delhi on Oct. 17 by Sir Chintaman Deshmukh, the Indian Finance Minister, and Sithu U Aung Soe, the Burmese Ambassador. At the request of the Burmese Government, India agreed during the negotiations to increase the loan to 200,000,000 rupees, instead of making a loan of 100,000 rupees and a credit of another 100,000,000 as had originally been intended ; moreover, it was also agreed that the whole loan could be converted into all sterling area currencies, instead of limiting part of it for use in India alone. The rate of interest was fixed at 4 per cent, the loan being repayable in half-yearly instalments of 25,000,000 rupees beginning in March, 1959.—(The Hindu, Madras - Indian High Commissioner's Office, London) **(Prev. rep. 14456 E.)**

D. AUSTRIA - SPAIN. — Diplomatic Relations.

It was announced in Vienna and Madrid on Oct. 4 that the Austrian and Spanish Governments had decided to re-establish diplomatic relations and to set up Legations in Madrid and Vienna respectively. Relations between the two countries had been severed since the *Anschluss* in 1938.—(Le Monde, Paris)

A. UNITED STATES. — "Freedom Award" and Williamsburg Prize conferred on Sir Winston Churchill.

The annual Freedom Award, first instituted in 1941, was conferred on Oct. 9 upon Sir Winston Churchill, the first non-American recipient. The presentation was made *in absentia* at a ceremony in New York on Oct. 9 at which the award was accepted on Sir Winston's behalf by the British Ambassador, Sir Roger Makins.

The Freedom Award is conferred by Freedom House, an organization founded in October, 1941, "as a symbol and centre of the struggle against the forces of tyranny." Previous recipients of the award have included General Eisenhower, General George C Marshall, Mr. Bernard Baruch, Mr Walter Lippmann, Senator Arthur Vandenberg, and Mr Dean Acheson. The award to Sir Winston Churchill took the form of a plaque inscribed "For devotion to liberty, courage in adversity, leadership in victory."

A speech of thanks by Sir Winston Churchill, recorded in England, was broadcast during the ceremony by the National Broadcasting Company's network. Sir Winston spoke as follows:

". . . Freedom House was formed by men and women who recognized the imperative need of the United States to join the allies in their defence against the Hitlerite aggression. But prevention is better than cure, and it might well have been possible to avert the great and needless catastrophe which Hitler brought on the world, the marks of which scar our life today.

"Looking back into the history of the inter-war years, two events strike one as having had a most serious effect upon the future. Both involved the drifting apart of our two countries One was the withdrawal of the strength and influence of the United States from the League of Nations after the First World War The second was the failure of the British Government to grasp the opportunity which was offered when, in January 1938, President Roosevelt suggested that he should intervene in the ever-increasing tension in Europe. This proposal of President Roosevelt's made it clear that he wished to bring the United States on the scene at a time when the approaching peril might well have been warded off, and the chilling reply which he received from the British Government must have been a source of great satisfaction to those who, within two years, were leaping at our throats

"Our mistakes cannot be undone, but let us at least study and profit from them. At all times when America and the British Commonwealth have stood together, things have gone more or less right for us Whenever we have drifted apart . . . we have met with calamity, and we have had to come closer together to save ourselves from destruction. What improvement there may have been during the past few years in international affairs we owe to the unity of the Western world, and to the sacrifices we have made to maintain a strong, bold, and united front

"If this improvement continues, there may well be felt on either or both sides of the Atlantic a temptation to drift apart again, and for nations to go their own way Nothing could be more disastrous than that, and it would surely lead sooner or later to a catastrophe such as mankind has never known It is probably true to say that our two countries are closer today than they have ever been before This is the most significant fact of the post-war era, and so long as it continues we need fear no foe . .

"I believe in the essential and fundamental unity of the English-speaking peoples, not at the expense of other countries, not by the creation of elaborate machinery, but as the natural realization of a great truth The safety of the world depends upon it"

It was announced on Oct. 16 that Sir Winston Churchill would be the first recipient of a new award—known as the Williamsburg Award—to be conferred periodically upon "a person who has influenced the course of national or world events significantly by expressing in sustained action or eloquent and persuasive statement a dedication to liberty and justice for all men."

The award was established by Mr Winthrop Rockefeller and other trustees of a foundation (Colonial Williamsburg) which, with the aid of extensive benefactions from Mr. Rockefeller, has restored the historic town of Williamsburg, Virginia, to its 18th-century aspect. [Williamsburg, formerly the capital of British America, played an important role in the American War of Independence.] Mr Rockefeller explained that the award had been created to give "new strength . . to the belief in human liberty and the dignity of the individual which made Williamsburg and its leaders a moving force in Colonial America," and declared that Sir Winston Churchill "better exemplifies the principles for which the award stands than any other living person." The award will consist of an honorarium of $10,000 (£3,570) and a replica of a colonial town crier's bell, symbolic of "the people's vigil in defence of their liberties." Recipients may be of any race, nationality, or occupation.

The Williamsburg Award will be presented to Sir Winston Churchill in London, probably in December.
(New York Times - New York Herald Tribune) **(14430 D.)**

B. EGYPT - YUGOSLAVIA. — Embassy Status.

It was announced in Belgrade and Cairo at the end of September that the Yugoslav and Egyptian Governments had decided to raise their respective Legations to the rank of Embassies.—(Tanjug Agency, Belgrade)

C. AVIATION. — Ninth Session of ICAO Assembly. - Admission of Laos. - Further Signatories of Rome Convention. - Proposed Revision of Warsaw Convention.

The ninth session of the Assembly of the International Civil Aviation Organization (ICAO) was held at the Organization's headquarters in Montreal from May 31 to June 13 under the presidency of Brigadier C. S. Booth (Canada). The session—another "small-scale" one largely confined to financial and administrative matters—was attended by representatives of 53 member-countries, as well as by a number of observers. A summary of some of the principal decisions is given below.

Budget. The Assembly approved a net budget of Can $2,826,971 for the year 1956, compared with Can.$2,745,260 for 1955.

Membership. It was announced during the session that Laos had adhered to the Chicago Convention and would therefore become a member of the Organization on July 13, bringing the total membership to 66

A request by the German Federal Republic for admission to membership was approved by 51 votes to nil, with one abstention (Israel), and was passed on to the next session of the U.N. General Assembly for its agreement

Council Sessions. The Assembly accepted an Australian suggestion that the ICAO Council—the Organization's policy-making body—should hold shorter sessions, as an experiment.

ICAO Headquarters. In view of the difficulties which the Organization had encountered with the Quebec provincial authorities, the ICAO Council was asked (*a*) to request the Canadian Government's continued help in reaching a settlement with the Quebec Government; (*b*) to determine the cost of maintaining the ICAO headquarters elsewhere.

[It was pointed out in the Canadian Press that the chief complaint of ICAO members was that the Quebec Government refused to grant their representatives the "normal diplomatic immunities" granted to international civil servants in other countries]

Technical Assistance. In his report to the Assembly, the president of the ICAO Council, Dr Edward Warner, stated that since April 1951, when the first Technical Assistance mission had started work, experts recruited by ICAO had visited 22 countries to give advice on all aspects of civil aviation, 11 training centres had been established with ICAO's co-operation for training local people in subjects relating to civil aviation, and 123 persons had been awarded fellowships for the study of civil aviation abroad It was later stated that, of the total of about $26,000,000 allocated for U N Technical Assistance purposes in 1955, ICAO's share was expected to be about $1,000,000

Other recent developments connected with ICAO are described below.

Rome Convention on Damage to Third Parties. Since the 1954 session, four more countries had signed the Rome Convention of 1952, which specifies the limits of liability in the event of an aircraft causing harm to persons or property in foreign territory. The countries were Norway (Dec. 10, 1954), Greece (April 6, 1955), India (Aug 3, 1955), and Ceylon, bringing to 27 the number of signatories to the Convention, which will come into force after five countries have deposited their instruments of ratification.

Regional Offices. The ICAO Far East and Pacific regional office at Bangkok (Siam), where it had been moved from Melbourne, was officially opened in May, 1955. This brought the number of ICAO regional offices to five, the others being in Paris (European and African office), Cairo (Middle East), Lima (South America), and Montreal (North America and Caribbean).

Warsaw Convention. A conference to amend the 1929 Warsaw Convention, which limits the liability of air carriers for damage caused to passengers and cargo, took place at The Hague on Sept. 6-29 and was attended by legal experts from 44 countries and seven international organizations On the final day 26 countries signed a protocol amending the provisions of the Convention, the principal change being an increase in the maximum liability of an air carrier for a passenger killed or injured on an international flight from 125,000 "Poincaré" gold francs, or U S $8,291, to 250,000 gold francs, or U.S. $16,582. The amending protocol, however, retained the provision in the Warsaw Convention whereby, when an accident occurs which causes damage to passengers or cargo, there is a presumption of liability against the air carrier, thereby placing on the air carrier the onus of proof that the damage had not come about as a result of his own, or his agent's, negligence, and that he can therefore not be held responsible for it The amending protocol will come into force upon ratification by at least 30 countries

Following the Assembly's resolution on the question of the ICAO headquarters, seven representatives of the Organization, led by Dr. Warner, discussed the situation with Mr. Duplessis, the Premier of Quebec, on June 16, the meeting having been arranged by the Canadian Minister of Transport, Mr. Marler.
(International Civil Aviation Organization - Montreal Star)
(Prev. rep. Assembly, 13656 A; Membership, 13904 E; Warsaw Convention, 13146 A.)

D. PERU. — Equal Rights for Women.

Under a law promulgated on Sept. 7 the Peruvian Constitution was amended to give women the same civil rights as men, thus enabling them to vote and to be elected as members of Congress or to any other public office.
(Bank of London and South America, Fortnightly Review)

A. INDIA. — Report and Recommendations of States Reorganization Commission.

The report of the Commission on the Reorganization of the Indian States, which had been appointed in 1953, was submitted to the Government of India on Sept. 30 and published on Oct. 10. The Commission consisted of Mr. Fazl Ali (a former Judge of the Supreme Court), as chairman, Pandit H. N. Kunzru (an Independent member of the Council of States), and Sardar K. M. Panikkar (a former Ambassador to Communist China and Egypt). During their inquiries the members of the Commission travelled 38,000 miles, interviewed over 9,000 persons, and received 152,250 memoranda, petitions, and communications in their attempt to obtain a complete cross-section of public opinion.

The report made the following proposals:

(1) The number of States should be reduced from 27 to 16, in addition to three centrally-administered territories, and the distinction between Part A, B, and C States, together with the office of Rajpramukh, should be abolished.

(2) Only the Part A States of Orissa and Uttar Pradesh and the Part B State of Jammu and Kashmir (which was not included in the Commission's terms of reference) should retain their present boundaries.

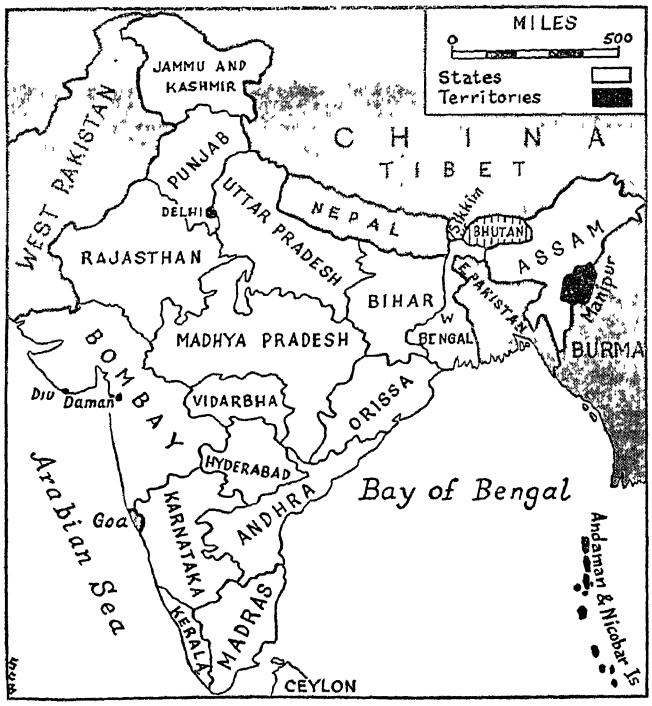
(3) The Part A States of Andhra, Assam, Bihar, and West Bengal and the Part B State of Rajasthan should be subject to minor boundary changes.

(4) The Part A States of Bombay, Madhya Pradesh, Madras, and the Punjab and the Part B State of Hyderabad should undergo more extensive changes.

(5) Three new States should be formed, to be known as Karnataka, Kerala, and Vidarbha.

(6) The Part B States of Madhya Bharat, Mysore, Patiala and the East Punjab States Union (PEPSU), Saurashtra, Travancore-Cochin, and Vindhya Pradesh, and the Part C States of Ajmer, Bhopal, Coorg, Himachal Pradesh, Kutch, and Tripura, should all disappear.

(7) The Part C States of Delhi and Manipur, together with the Andaman and Nicobar Islands, should become Centrally-administered territories.



Proposed reorganization of Indian States, as recommended by the States Reorganization Commission. (*The Statesman*, Calcutta)

The Commission's report is summarized below under cross-headings:

Historical Background.

The existing structure of the States of the Indian Union, the report pointed out, was "partly the result of accident and the circumstances attending the growth of British power in India, and partly a by-product of the historic process of the integration of former Indian States. The division of India during the British period into British provinces and Indian States was itself fortuitous, and had no basis in Indian history. The formation of provinces had been mainly governed by considerations of administrative convenience and economy and by reasons of military strategy and security. To the extent that there was a conscious or deliberate design behind the demarcation of the territories of administrative units, it was grounded in Imperial interests or the exigencies of a foreign Government, and not in the actual needs, wishes, or affinities of the people" With the emergence of nationalism in the later 19th century, the policy of balance and counterpoise had begun to over-ride purely administrative considerations in making territorial changes

At the time of their integration after 1947 the former Princely States had been in different stages of development, and some transitional expedient had therefore had to be adopted to fit them into the constitutional structure of India, which had added to the disparities already existing between the British Indian provinces These disparities had led to the classification of States into the three categories of Part A, B, and C States.

No State of the Union, the report emphasized represented a pre-existing sovereign unit, as did the American Colonies or the Swiss Cantons before federation, and the Indian Union, unlike the U S.A., was not an indestructible Union composed of indestructible States It was therefore unnecessary to invoke the provisions governing constitutional amendments to make territorial adjustments as the Constitution empowered Parliament to admit or establish new States, to increase or diminish the area of an existing State, or to alter its boundaries.

Whereas the British had given only qualified support to the linguistic principle in making territorial adjustments between administrative units, the Indian National Congress had accepted linguistic redistribution of provinces in 1920 as a political objective In recent years, however, there had been a growing recognition of the need to balance the linguistic principle with other factors, such as national unity and administrative and economic considerations The State of Andhra had been formed by the separation of the Telugu-speaking districts of Madras, but in determining its boundaries cultural administrative, and economic factors had been considered, as well as linguistic factors

After examining the arguments for and against speedy action in this matter, the Commission concluded that "the task of redrawing the political map of India must be undertaken now and accomplished without delay, in the hope that the changes which are brought about will give satisfaction to a substantial majority of the Indian people" In support of this view, it pointed out that for purposes of large-scale planning the country had to think in terms of enduring political units; that the integration of the States had "removed the main obstacle in the way of rationalization of the existing units", and that further deferment of a general reorganization would cause dissatisfaction and disappointment

Factors Bearing on Reorganization of States.

An essential consideration, the report stated, was that no change should be made unless the resulting advantages, in terms of "the welfare of the people of each constituent unit, as well as the nation as a whole," were such as to compensate for the heavy burden on the country's administrative and financial resources which reorganization must entail Four principles must govern reorganization. (1) the preservation and strengthening of India's unity and security; (2) linguistic and cultural homogeneity; (3) financial, economic, and administrative considerations, (4) the successful working of the national development plan The administrative set-up in strategic areas should be determined by considerations of national security, and when border areas were not under the direct control of the Centre it would be safer to have large and strong border States

It was neither possible nor desirable to reorganize States on the basis of a single test, either linguistic or cultural, and a balanced approach to the problem was necessary. Such an approach would appear to be as follows:

(i) To recognize linguistic homogeneity as an important factor conducive to administrative efficiency, but not to consider it as a binding principle over-riding all other considerations.

(ii) To ensure that communication, educational, and cultural needs of the different language groups, whether in predominantly unilingual or in composite units, were adequately met.

(iii) Where economic, political, and administrative considerations favoured composite States, to continue them with the necessary safeguards to ensure that all sections enjoyed equal rights and opportunities.

(iv) To repudiate the concept of communal or historical "homelands," which negated the fundamental principle of equal rights and opportunities for all citizens

(v) To reject the principle of "one language, one State," which was neither justified on the grounds of linguistic homogeneity, since there could be more than one State speaking the same language without offending the linguistic principle, nor practicable, since different language groups, including the vast Hindi-speaking population, could not always be consolidated to form distinct linguistic units.

(iv) To the extent that the realization of unilinguism at State level would tend to breed particularist feelings, to counterbalance it by measures calculated to give a deeper content to Indian nationalism.

Financial viability, economic self-sufficiency within an administrative unit, the wishes of the people, historical arguments, and geographical factors all had an important bearing on the reorganization proposals, but they had to be considered along with other relevant factors. Some degree of dislocation in the working of the second Five-Year Plan was likely to be caused by any scheme of reorganization, but this also should be considered together with the possible advantages The States could not be so reorganized as to conform

to economic regions, but it would be desirable to avoid as far as possible wide disparities in resources between them. The units should be large enough to ensure administrative efficiency and the co-ordination of economic development, and geographical continuity was important from this point of view. The report emphasized, however, that no proposals for reorganization should be determined by a single test, and that conclusions had to be reached after taking into consideration all the circumstances in each case

As a necessary consequence of reorganization, the existing constitutional disparity between the States would disappear. Part B States could be equated with Part A States by omitting Article 371 of the Constitution and by abolishing the institution of Rajpramukhs, which, apart from its undemocratic character, tended "to maintain, even where it does not create, loyalties which in our opinion are undesirable" In the Commission's view, there were "some weighty considerations" against the continuance of this institution. The Commission considered that the constitutional head of a State should not normally be a resident of the State, and that "the Rajpramukh being *ex hypothesi* a person having deep-rooted local interests and influence, his position as the constitutional head of a State is altogether anomalous." In view of the Rajpramukhs' past associations with the territories of which they were hereditary rulers, it was doubtful whether they could effectively discharge the essential functions of the constitutional head of a State. The institution, moreover, had a political aspect, and large sections of public opinion viewed its continuance with disfavour as not being in accord with the country's democratic framework The Commission considered that the Rajpramukhs' rights and privileges, including the privy purses guaranteed to them as former rulers of their respective States, would not be greatly affected if the institution were abolished.

The "economically unbalanced, financially weak, and administratively and politically unstable" Part C States, the Commission proposed, should, as far as was practicable, be merged in the adjoining larger States, although in the border States of Himachal Pradesh, Kutch, and Tripura the Central Government should retain supervisory powers for a specified period Those States which, for security and other imperative considerations, could not be merged in the adjoining States should be administered by the Centre as "territories." The component parts of the Indian Union would thus fall into two categories—the States and the Centrally-administered territories

Proposals for Reorganization of Existing Units.

Madras. Since the separation of Andhra (see 13165 A), Madras State had formed a homogeneous Tamil-speaking unit except for the west coast districts of Malabar and South Kanara, which were mainly Malayalam and Kannada-speaking respectively, and the Kannada-speaking areas on the borders of Mysore. The Commission recommended the separation of these areas from Madras on the one hand, and the transfer to Madras of five Tamil-speaking *taluks* in the south of Travancore-Cochin on the other [The demand for the union of these areas with Madras had previously given rise to serious disorders in Travancore-Cochin—see 14054 A.]

Kerala. The new Malayalam-speaking State of Kerala would consist of (*a*) the State of Travancore-Cochin (minus the areas transferred to Madras); (*b*) the Malabar district (including Fort Cochin and the Laccadive Islands); (*c*) a Malayalam-speaking *taluk* of South Kanara and the Amindive Islands. The Commission rejected arguments that the new State would not be economically viable, and that it should therefore be united either with Madras or with the whole of South Kanara and part of North Kanara.

Karnataka. The Commission recommended the formation of a single Kannada-speaking State consisting of (*a*) the State of Mysore (except certain areas to be transferred to Andhra); (*b*) the Kannada-speaking areas of southern Bombay; (*c*) two districts of Hyderabad; (*d*) South Kanara (except the area included in Kerala); (*e*) part of the Coimbatore district of Madras, (*f*) the State of Coorg. [The demand for a Karnataka State had led to disorders in southern Bombay in 1953—see 13165 A.]

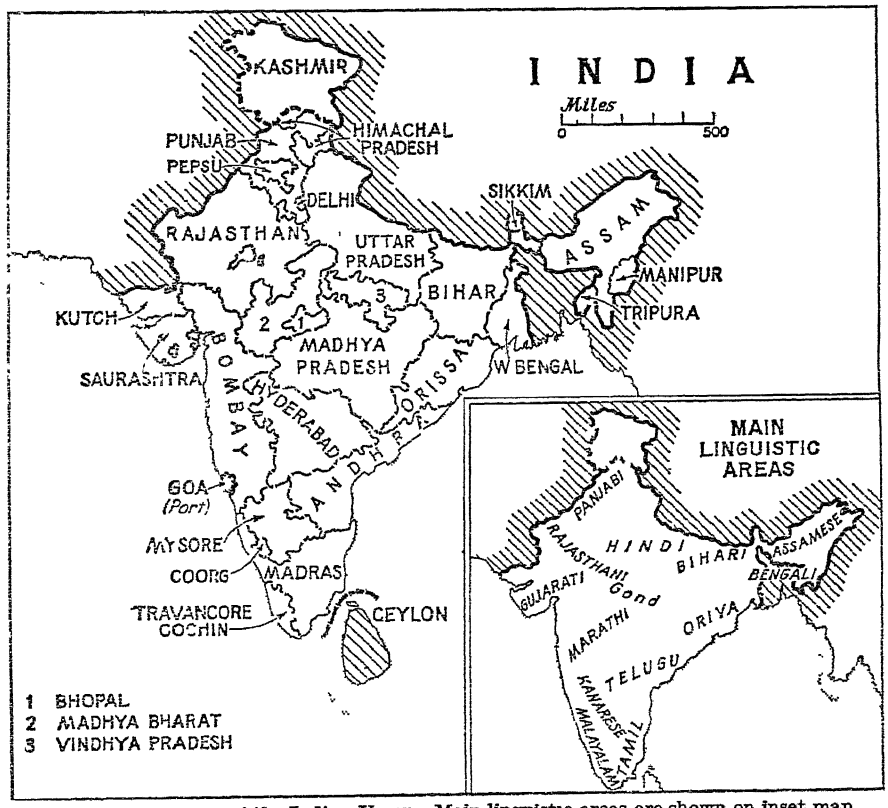
Hyderabad. The report pointed out that Hyderabad was a multi-lingual State, 47 8 per cent of the population speaking Telugu, 24.3 per cent Marathi, 11 6 per cent Urdu, 10.5 per cent Kannada, and 5 8 per cent other languages The unity of the State, being based not on a free association of the people but on personal rule, was purely superficial, and public sentiment, both inside and outside Hyderabad, was "overwhelming and insistent" on the need for its disintegration This demand was accepted by the Commission, which recommended the transfer of the Kannada and Marathi-speaking areas to Karnataka and Bombay respectively, leaving the Telengana district (which is predominantly Telugu-speaking) as a unit by itself. Whilst recognizing that "impressive" arguments existed for the union of Telengana with Andhra in a single Telugu-speaking State (usually referred to as Vishalandhra), the Commission noted that Telengana could be a stable and viable unit, and that fears existed among its people that they might be "swamped and exploited" by the people of Andhra, among whom higher educational standards prevailed. The report recommended, therefore, that Hyderabad should remain a separate State, but that provision should be made for its union with Andhra after the general elections to be held in or about 1961, if a two-thirds majority of the State Legislature expressed itself in favour.

Andhra. The boundaries of Andhra would remain as at present, subject to possible slight changes on the Madras and Karnataka borders, to be settled by negotiation between the State Governments concerned. The Commission recommended, however, that a part of the Bellary district which had been transferred to Mysore in 1953 (see 13165 A) should be added to Andhra. Proposals for joint control of Madras City by the States of Madras and Andhra, which had been put forward by the Andhra Government, were rejected by the Commission

Bombay. Bombay would remain a bilingual State, with Gujarati as the main language in the north and Marathi in the south. The Gujarati-speaking States of Saurashtra and Kutch and five Marathi-speaking districts of Hyderabad would be added to Bombay State, whilst the Kannada-speaking areas in the south would be transferred to Karnataka, and a Hindi-speaking *taluk* in the north to Rajasthan.

Vidarbha. The new State of Vidarbha would be formed from eight Marathi-speaking districts in the south-west of Madhya Pradesh.

Madhya Pradesh. Madhya Pradesh (language Hindi) would consist of the present State (minus the districts included in Vidarbha), the States of Madhya Bharat (except the Sunel *enclave*), Bhopal, Vindhya Pradesh, and the Sironj sub-division of Rajasthan. The Commission suggested that Jubbulpore should become the State capital of Madhya Pradesh instead of Nagpur, which was included in the area transferred to Vidarbha.



The existing States of the Indian Union. Main linguistic areas are shown on inset map. (*Economist*)

Rajasthan. Rajasthan (language Hindi) would lose the Sironj sub-division to Madhya Pradesh, but would absorb the State of Ajmer (which forms an *enclave* in its territory), one *taluk* of Bombay, the Sunel *enclave* of Madhya Bharat, and part of the Hissar district of the Punjab.

The Punjab. The Commission rejected the Akali Sikhs' demand for a Punjabi-speaking State (see 14412 C), and recommended the union of PEPSU with the Punjab in a bilingual State containing both Punjabi- and Hindi-speaking areas Mr Kunzru and Mr. Panikkar favoured the inclusion of Himachal Pradesh in the Punjab, on the ground that security considerations required "the establishment of a stronger and more resourceful unit than the present Himachal Pradesh"; Mr Fazl Ali, however, in a minute of dissent, recommended that the State, in view of its strategic position on the Chinese frontier, should be directly administered by the Centre as a territory.

Uttar Pradesh. Mr. Fazl Ali and Mr. Kunzru considered that there was no cause for dividing Uttar Pradesh (language Hindi), and recommended that it should retain its present boundaries. Mr. Panikkar, however, put forward a minority recommendation that the State should be divided into two, of which the western half (consisting of the Meerut, Agra, Rohilkand, and Jhansi divisions and the four northern districts of Madhya Bharat) should be known as the State of Agra

Bihar. Bihar (language Hindi) would retain its existing boundaries, except that part of the Purnea district to be transferred to West Bengal. The Commission rejected proposals for the formation of a Jharkhand State in southern Bihar, but recommended that the special needs of this area should be recognized.

West Bengal. West Bengal (language Bengali) would be enlarged by the addition of parts of the Purnea district, which would provide a direct link between the northern and southern sectors of the State

Assam. Assam (language Assamese) would absorb the State of Tripura, but would otherwise remain unchanged. The Commission rejected the demand for the creation of a separate State from the hill districts of Assam as impracticable, but recommended that special attention should be paid to these districts and that a Commissioner should be put in charge of their administration and development

Orissa. No changes were called for in the boundaries of Orissa (language Oriya), which had been fixed in 1936 after detailed examination.

Jammu and Kashmir was excluded from the Commission's terms of reference.

Territories. Delhi would be a Centrally-administered territory, but the question of creating a municipal corporation with substantial powers should be considered **Manipur** would also be a Centrally-administered territory for the time being, although its ultimate merger with Assam should be kept in mind In the **Andaman and Nicobar Islands** the *status quo* would continue.

Under the proposed reorganization, the areas and populations of the constituent units of the Indian Union would be as follows:

	Area (In sq. miles)	Population
States.		
Madras	50,170	30,000,000
Kerala	14,980	13,600,000
Karnataka	72,730	19,000,000
Hyderabad	45,300	11,300,000
Andhra	64,950	20,900,000
Bombay	151,360	40,200,000
Vidarbha	36,880	7,600,000
Madhya Pradesh	171,200	26,100,000
Rajasthan	132,300	16,000,000
Punjab	58,140	17,200,000
Uttar Pradesh	113,410	63,200,000
Bihar	66,520	38,500,000
West Bengal	34,590	26,500,000
Assam	89,040	9,700,000
Orissa	60,140	14,600,000
Jammu and Kashmir	92,780	4,400,000
Territories.		
Delhi	578	1,744,072
Manipur	8,628	577,635
Andaman and Nicobar Islands	3,215	30,971

Administrative and Other Implications of Reorganization.

The report recommended that constitutional recognition should be given to the right of linguistic minorities to primary education in their mother-tongue, if a sufficient number of pupils were available, and that the Central Government, in consultation with the State Governments, should adopt a clear code to govern the use of different languages at different levels of State administration. In examinations regulating entry into the public services of the States, a candidate should be allowed to use either one of the main languages of the State, the Union language (English or Hindi), or the language of a minority constituting 15 to 20 per cent or more of the population of the State.

Assets and liabilities should be divided among the States on the basis of principles which should as far as practicable be of general application. and the setting-up of special machinery to expedite the final settlement of this question should be considered Current inter-State agreements regarding water rights, etc, should be adapted as soon as possible after decisions regarding reorganization had been reached The creation of special development boards for under-developed areas should be considered, and a permanent body, on which members of the Planning Commission might be included, should be set up to examine any grievances regarding alleged neglect of certain areas The Government should consider the possibility of formulating an industrial location policy for the whole of India, in order to ensure the equitable distribution of development expenditure.

As a general rule, 50 per cent of the new entrants in the all-India services should be from outside the State concerned, and certain all-India services, such as the Indian Service of Engineers, the Indian Forest Service, and the Indian Medical and Health Service, should be reconstituted in the interests of national unity and good administration. At least one-third of the judges of State High Courts should consist of persons recruited from outside the State, so that the administration might inspire confidence and help to arrest parochial trends.

In formulating a policy with regard to the recognition of Hindi in competitive examinations for the all-India and other services, the need for encouraging the study of other Indian languages, and particularly of the South Indian languages, should be kept in view. For some time to come English should continue to occupy an important place in the universities and higher educational institutions, even after the adoption of Hindi and the regional languages for official and educational purposes

The Prime Minister, Mr. Nehru, in a broadcast on Oct. 9, appealed to the public to give the report "most careful consideration" and to approach the whole question of reorganization of States "in a democratic and peaceful way." The ultimate decision, he pointed out, would be taken by Parliament, and meanwhile the State Legislatures and the general public would have every opportunity to express their opinion. The Congress Working Committee adopted a resolution on Oct. 14 calling upon Congress members to "avoid the agitational approach," and not to associate with other parties or groups in any agitation or demands.

First reactions to the Commission's report in certain States are described below.

Mysore. The Commission's proposals for the inclusion of Mysore in Karnataka led to serious differences of opinion within the State Cabinet Whereas the Chief Minister, Mr Hanumanthaiya, publicly expressed his support for the formation of a single Kannada-speaking State, Mr Ramachandra Rao (Education Minister), Mr. Chenniah (Health Minister), and Mr Manjappa (Revenue Minister) issued a joint statement maintaining that if Mysore was "submerged in a backward area much larger than itself" its development would be "stunted and retarded" The three Ministers therefore advocated the formation of two Kannada States, one of which would comprise Mysore, Coorg, and the Kannada districts of Madras, and the other the Kannada districts of Bombay and Hyderabad The statement also opposed the suggested transfer of part of the Bellary district to Andhra

Bombay. Congress leaders from Bombay City, Maharashtra, and Gujarat took part in talks with Mr Nehru, Pandit Pant (the Home Minister), and Mr. Dhebar (president of Congress) in Delhi on Oct. 17-19 Whilst the delegation from Bombay favoured the acceptance of the report *in toto*, the Maharashtrian spokesmen demanded the formation of a single Marathi State with Bombay as its capital, and the Gujaratis stated that they were not averse to the formation of a separate Gujarati State Both the Bombay and Gujarati delegations, however, strongly opposed the inclusion of Bombay in a Marathi State, they maintained that if Bombay State were divided into linguistic units, the City of Bombay should be constituted as an independent unit in view of its cosmopolitan character

Punjab. Master Tara Singh, the Akali leader, who had been released from prison on Sept 9, declared on Oct 10 that the Sikhs were facing "a greater calamity than that of 1947," as the Commission's report "completely wipes us off the face of the earth."

The Home Ministry was reported on Oct. 12 to have sent instructions to the State Governments to be watchful of the law and order situation arising from the Commission's report, especially in the Punjab, Maharashtra, the Bellary district, and the border of Bihar and West Bengal.—(The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London) **(Prev. rep. 13356 A.)**

A. UNITED KINGDOM. — Housing. - Construction Figures, First Half of 1955. - Sir Humfrey Gale appointed Adviser on Relief of Population Congestion.

Figures published by the Ministry of Housing and Local Government on Aug. 4 showed that 155,850 permanent houses were completed in Britain in the first six months of 1955, compared with 167,695 in the corresponding period of 1954. The number of permanent houses and flats completed since the end of the war was thus brought up to 1,838,719, of which 1,354,674 had been built by local authorities, 403,270 by private builders, 34,613 by housing associations, and 46,162 by Government departments.

Mr. Duncan Sandys (Minister of Housing and Local Government) announced on Oct. 18 that he had appointed Lieut.-General Sir Humfrey Gale, chairman of the Basildon Development Corporation, to advise and assist him in speeding up schemes for relieving population congestion in large built-up areas by the expansion of small existing towns in the surrounding countryside.

Mr. Sandys had stated on April 30 that the 12 new towns being built in England and Wales had already provided new homes for 100,000 people and employment for 20,000.
(Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. Housing, 14222 C.)

B. LIBYA - PAKISTAN. — Legations raised to Embassy Level.

It was announced in Karachi early in October that Pakistan and Libya had decided to raise their respective Legations to Embassy level.—(Pakistan High Commissioner's Office, London)

A. UNITED KINGDOM. — Miscellaneous Legislation. - The Food and Drugs (Amendment) Act.

Miscellaneous legislation enacted during recent months is summarized below. It includes legislation enacted during the first few weeks of the present Parliament (before the summer recess) and during the last few months of the former Parliament.

The County Courts Bill. This Bill was based on the recommendations of a Committee on Supreme Court Procedure, headed by Lord Justice Evershed, which reported in 1949, and was designed to relieve the pressure of work on the High Courts. It was given a second reading in the House of Lords on Feb 26 and, after passing through all its Parliamentary stages (House of Commons second reading, June 24), was enacted on July 27.

The Bill (1) increased the jurisdiction of County Courts in England and Wales from cases where the maximum sum involved was £200 to those where the maximum involved was £400, with power to increase the limit to £500 by Order-in-Council; (2) conferred a right of appeal from County Court judgments (in certain circumstances) on questions of fact as well as of law; (3) raised the statutory maximum number of County Court judges from 65 to 75, and extended the powers of County Court registrars to hear minor cases; (4) made legal aid available in all County Court cases to which the Legal Aid and Advice Act was applicable. In order to induce litigants to resort to the County Courts rather than to the High Court, the Bill introduced various "economic sanctions," including a provision that a person who started proceedings in the High Court when they could have been begun in a County Court should not be able to recover his full costs.

In the House of Commons Committee stage a Government amendment was agreed to entitling a High Court litigant who recovered between £300 and £400 to recover High Court costs, notwithstanding that he could have sued in the County Courts Sir Reginald Manningham-Buller (the Attorney-General), who moved the amendment, explained (*a*) that it had been introduced to meet criticisms (voiced in the second reading debate) that the Bill would penalize litigants in cases where it was difficult to assess what damages would be recovered, (*b*) that a litigant would be forced to go to the County Court, where £400 was the maximum that could be recovered, when he could have recovered £500 or more in the High Court

A second Government amendment (agreed to in the Report stage) provided that where an action had been started in a County Court and it later appeared that the plaintiff ought to recover an amount in excess of County Court jurisdiction, the case might be transferred to the High Court.

The Crofters (Scotland) Bill. This Bill received a second reading in the House of Commons on Jan 27 and was enacted on May 6. It (1) provided for the reorganization, development, and regulation of crofting; (2) authorized the making of grants and loans for agricultural production on crofts or for the provision of houses and buildings for crofters and cottars, (3) re-enacted the provisions of the Landholders' Act in respect of cottars.

The Fisheries Bill This Bill, enacted on March 29, increased from £3,000,000 to £3,500,000 the maximum for grants to the Herring Industry Board for the promotion of herring sales, and empowered the Minister of Agriculture, Fisheries and Food and the Secretary of State for Scotland to make loans and grants for harbour and other works.

Mr. Heathcoat Amory (Minister of Agriculture and Fisheries) explained on the second reading that herring sales had steadily declined in both home and export markets, home sales having fallen from the post-war peak of 836,000 crans in 1947 to about half that number, whilst the export market was now taking only about 300,000 crans annually, compared with up to 1,000,000 crans annually before the war.

The International Finance Corporation Bill, to enable the United Kingdom to take part in the proposed organization to assist economic development in backward countries (see 14168 A), was given an unopposed second reading in the House of Commons on July 1 and received the Royal Assent on July 27.

The Isle of Man (Customs) Bill (House of Commons second reading, March 24, enacted May 6). This Bill cancelled the requirement that resolutions of the Tynwald (the I O M Parliament) concerning tariffs must be validated by the U.K. Parliament, and provided that such resolutions might henceforth be validated by Order-in-Council.

The Oil in Navigable Waters Bill applied to British ships the provisions of the International Convention for the Prevention of Oil Pollution of the Sea (see 13598 C). It made it an offence, punishable by a fine of up to £1,000 on summary conviction, (*a*) for crude, fuel, lubricating, or heavy diesel oil to be discharged or allowed to escape from ships registered in the United Kingdom, (*b*) for oil of any description to be discharged or allowed to escape from any vessel or place on land into U.K territorial waters. Exceptions were made, however, where discharge of oil was necessary for the safety of a vessel, for preventing damage to the ship or her cargo, or for saving life. The Bill did not apply to naval vessels or to Government ships in Admiralty service.

The Bill was given a second reading in the House of Lords on Dec. 14, 1954, and in the House of Commons on March 21, 1955, and was enacted on May 6.

The Rating and Valuation (Miscellaneous Provisions) Bill. This Bill (1) simplified the procedure for appealing against rating valuations, (2) extended the exemption from rates of churches and chapels to cover church and chapel halls, so long as these were not let for profit; (3) provided for the remission or reduction of rates on properties occupied by charities, and for the exemption of garages for invalid chairs, etc., supplied by the Ministry of Health; (4) introduced a new method of assessing the rating of Gas Boards.

The following private members' Bills were also enacted during the period covered (sponsors' names in parentheses):

The Public Service Vehicles (Travel Concessions) Bill. (Mr. E Short, Lab). This Bill was originally named the Public Service Vehicles (Contract Carriages and Special Facilities) Bill, and, as introduced (1) empowered local authorities to provide travel free or at reduced rates for men over 65, women over 60, children between 15 and 18 to and from school, and blind or seriously disabled persons, and to levy a rate to meet the cost of these concessions, (2) authorized local authorities to run contract carriages—i.e. to cater for weekend private hire work, etc.

Mr. Short, in moving the second reading on Feb 18, explained that 96 local authorities already gave fare concessions to blind, disabled, or elderly people. A recent decision of the Court of Chancery that a scheme operated by the Birmingham Corporation was *ultra vires* the Corporation, however, made it essential that such schemes should be given a legal standing. The clause authorizing local authorities to run contract carriages would enable them to utilize profitably at week-ends vehicles which they were forced to provide for week-day rush periods, and which would otherwise be idle.

Mr. Molson (Parliamentary Secretary, Ministry of Transport) stated that the Government would support the Bill provided (*a*) that it was amended so as to limit the power to grant free or cheap travel concessions to those local authorities which already operated such schemes, and (*b*) that the clauses authorizing local authorities to run contract carriages (which, he said, might lead to unfair competition with private coach owners) were dropped A Government amendment to secure these points having been agreed to in the Committee stage, the Bill passed through its remaining Parliamentary stages and was enacted on May 6.

The Public Libraries (Scotland) Bill (Sir William Darling, C.) This Bill, given a second reading in the House of Commons on April 1 and enacted on May 6, removed the limitations imposed on Scottish county councils' expenditure and borrowing powers in respect of public libraries

On Nov. 25, 1954, the Royal Assent had been given to the Food and Drugs Amendment Bill, based on the recommendations of working parties for the catering and manufactured meat products trades, and of an inter-departmental committee on meat inspection. The Bill had originally been introduced in the House of Lords, where it was given a second reading on Dec. 3, 1953. As introduced, its provisions were as follows:

(1) It empowered the Minister of Food to require the registration of shops, restaurants, cafés, public houses, and other places used for the sale of food or its preparation for public consumption, as well as the licensing of food stalls or barrows

(2) It authorized the Minister to prescribe standards of hygiene for such premises.

(3) It substituted, for the specific provisions on hygiene contained in the Food and Drugs Act, general powers to make regulations for each trade. Regulations would cover the construction, layout, and maintenance of premises, the provision, maintenance and cleanliness of sanitary and washing facilities; the inspection of animals for slaughtering; the prohibition of the sale from stalls or vehicles of meat or other food liable to infection, and the prohibition or regulation of sales of shellfish from designated beds

(4) It prohibited the sale of food or drugs rendered injurious to health by addition, subtraction, or other processes

(5) It empowered the Minister of Food to make regulations to control the composition and treatment of food, and to demand information about new substances intended for use in the preparation of food.

(6) It embodied in permanent form Defence Regulations enabling a court to find food or drug labels or advertisements misleading, and protecting the public against misleading claims of nutritionary, dietary, or medicinal value.

After passing through its remaining stages in the House of Lords (third reading, March 30, 1954), the Bill was given a second reading without a division in the House of Commons on July 23. In the Committee stage, Dr. Charles Hill (then Parliamentary Secretary, Minister of Food and Agriculture) moved an amendment to delete the provision requiring catering establishments to be registered with local authorities, and substituting a clause empowering the courts to disqualify establishments which contravened the standards of cleanliness, etc., laid down. The amendment was agreed to by 211 votes to 185, after an Opposition amendment (moved by Mr. Willey) to retain the registration requirement had been defeated by 215 votes to 188.

Amendments were also agreed to (*a*) deleting the provision empowering the Minister of Food to prohibit the sale from stalls or vehicles of food susceptible to infection (agreed to without a division after Mr. Hurd, C., its sponsor had pointed out that such prohibition would affect travelling shops operating in country districts); (*b*) empowering the Minister to make regulations for refuse disposal from premises dealing with food (moved by Dr Broughton, Lab.); (*c*) authorizing him to make regulations for the cleanliness of clothing and apparatus on such premises (moved by Mr. Chapman, Lab); (*d*) prohibiting spitting on premises where food was sold, offered, exposed, stored, or prepared for sale (moved by Dr. Edith Summerskill, Lab.)

The Bill received its third reading in the House of Commons on Nov. 11. The Commons' amendments were agreed to in the House of Lords on Nov. 22, the amendment substituting disqualification for registration of catering premises being carried by 33 votes to eight.

A similar Bill applying to Scotland was given a second and third reading in the House of Lords on Feb. 8 and March 8, 1955, respectively.

The Minister of Agriculture informed the House of Commons on May 2, 1955, that a Food Hygiene Advisory Council had been set up with Lord Strang (chairman of the National Parks Committee) as chairman, and with 17 other members, 11 of whom would represent the public, three the food trades, and three the workers in those trades.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Legislation, 14055 A.)**

A. HIGH COMMISSION TERRITORIES. — Economic Development in Basutoland, Bechuanaland Protectorate, and Swaziland.

A White Paper summarizing the progress of economic and social development in the three High Commission territories of Basutoland, the Bechuanaland Protectorate, and Swaziland was published in London on Oct. 5.

It stated that the following sums had been allocated to the territories under the Colonial Development and Welfare Acts. Basutoland—grants £2,081,415, loans £500,000, Bechuanaland Protectorate—grants £2,282,918, loans £499,500, Swaziland—grants £2,107,683, loans £352,000. The bulk of these funds would be devoted to developing the wealth and resources of the territories to make possible a higher standard of living, but some direct assistance would also be given to the social services. In particular, it was recognized that there was special need to raise the standard of social services in Bechuanaland without delay, and a "substantial" grant-in-aid would be made for this purpose over the next five years. The chief projects to be undertaken in the three territories would be as follows:

Basutoland. Concentration would be on agricultural and land development, owing to the lack of minerals. It was hoped that the soil conservation scheme would be finished within five years; meanwhile the "Happy Valley" pilot scheme, where a whole catchment area had been developed by co-operative groups using tractors, was making good progress, a road into the mountainous interior was nearing completion, and explorations for diamonds were being carried out.

Bechuanaland Protectorate. Here efforts would be concentrated on water development, which, it was hoped, would increase the cattle population by 150,000 head; meanwhile the Commonwealth Development Corporation's abattoir at Lobatsi had been opened in October, 1954, and was now "in full swing." It was also proposed to spend £500,000 on a geological survey, minerals being already exploited in some parts of the territory.

Swaziland differed from the other territories in being an area of European settlement, the areas for European and African settlement being approximately equal. The country possessed a rich asbestos mine, but future development would consist chiefly in its large forest schemes. The C D C irrigation scheme was also being expanded.

The White Paper was based on a report by Sir Alexander Symon (now High Commissioner in Pakistan), who visited the territories on behalf of the Commonwealth Relations Office in the spring of 1954. (Commonwealth Survey) **(13394 B.)**

B. RHODESIA AND NYASALAND FEDERATION. — Kafue By-election. - Mr. Van Eeden re-elected.

Mr. G. F. M. Van Eeden, who had resigned his seat at Kafue in the Federal Parliament on July 8 after having been expelled from the Federal Party, was re-elected as an Independent at the ensuing by-election on Oct. 6.

Mr. Van Eeden received 500 votes, compared with 305 for Mr. G. B. Beckett (Federal Party) and 30 for Mr. F. S. Derby (Independent Confederate)—a majority of 255. At the 1953 general election Mr. Van Eeden, contesting the seat for the Federal Party, had had a majority of 244 in a straight fight. In the by-election, however, the electorate totalled 1,290, against 1,015 in the general election.

On July 13 Mr Van Eeden had signed an agreement with the leader of the Confederate Party, Mr. J. R. Dendy Young, under which the latter had pledged his party not to contest the by-election. For his part, Mr Van Eeden had undertaken to stand as an Independent and not to form a separate political party for the duration of the agreement, which would be "for at least the term of the present Parliament." As a result of their opposition to this agreement, two former members of the executive of the Confederate Party, Mr S. Gurland and Mr. C R. I. Weekes, were expelled from the party on July 29. They subsequently announced that they would form an Independent Confederate Party.

As a result of the by-election, party representation in the Federal Parliament was: Federal Party, 23 seats; Confederate Party, 1; Independents, 2; members representing African interests, 9.—(Federal Information Dept., Salisbury) **(Prev. rep. 14163 C; 13333 A.)**

C. UNITED STATES. — Agriculture. - Increased Surplus Disposals Bill. - Acreage Allotments for Maize, Wheat and Cotton. - Reduced Guaranteed Wheat Price. - Meeting of Joint U.S.-Canadian Committee for Trade and Economic Affairs.

President Eisenhower signed a Bill on Aug. 15 amending the Agricultural Surplus Disposals Act of 1954 (see 13991 A) by raising from $700,000,000 to $1,500,000,000 in the three years 1954-57 the amount of surplus agricultural commodities which the Government might sell abroad for foreign currencies. The President stated that during the past year agreements providing for the sale of surplus commodities valued at $469,000,000 had been reached with 17 countries; that they had been negotiated so as to safeguard "usual marketings of the United States" and to avoid undue disruption of world prices and world markets; and that the foreign currencies received would be used for development and expenditure abroad, "with substantial benefit to both the recipient countries and ourselves."

The U.S. Secretary of Agriculture, Mr Benson, stated on May 5 that the U S. Government owned, or held as collateral for loans, agricultural commodities valued at nearly $7,500,000,000, and that the Government would soon be paying $1,000,000 a day merely for the storage of these commodities.

Butter stocks, however, declined sharply in the first six months of 1955, the Agriculture Department stating on July 21 that they had been cut from 461,000,000 lbs in mid-1954 to 179,000,000 lbs. Cheese stocks were similarly reduced from 422,000,000 lbs to 273,000,000 lbs, and stocks of non-fat dry milk solids from 293,000,000 lbs to 157,000,000 lbs. It had been announced at the end of January that the U.S Government planned to reduce its butter surplus by converting quantities into ghee (made by melting the butter cooling it, and pouring off the more liquid part), the first sale of ghee (some 4,000,000 lbs to Pakistan) was announced on March 11.

The following acreage allotments and support prices were announced in recent months for maize, wheat, and cotton.

Maize. The Department of Agriculture on Jan. 31 fixed an acreage of 49,842,697 acres for the 1955 maize crop—an 8 per cent increase on the 1954 allotment of 46,995,504 acres. It was stated that the increase had been made to ensure a normal supply of livestock feed grains and reserves.

Wheat. Mr Benson announced on June 10 that the price support for wheat in 1956 would be $1.81 a bushel, or 76 per cent of the "parity" price. This compared with $2 06 a bushel (82½ per cent of parity) for the 1955 crop, and was the lowest support price since 1946. On May 13 Mr Benson had announced new wheat marketing quotas and a limitation of the area to be sown to wheat to 55,000,000 acres (the same as in 1955). The price and quotas were accepted by wheat farmers in a national referendum on June 26, the voting being 254,197 for and 73,852 against—a majority of 77 5 per cent.

Cotton. Production controls on cotton for 1956 were announced by Mr. Benson on Oct 14, the acreage allotment being cut by 4 per cent from 18,113,208 acres to 17,391,304 acres. The quotas will become operative if approved by a two-thirds majority of cotton growers in a national referendum on Dec. 13.

Mr. C. D. Howe, the Canadian Minister for Trade and Commerce, announced on Sept. 26, after the second meeting of the Joint U.S.-Canadian Committee on Trade and Economic Affairs (see 13312 A), that officials of the two countries, who were responsible for the sale and disposal of wheat, would meet as soon as possible in Washington to see whether the U.S. disposal programme could not be carried out without interfering with Canadian markets.—(New York Times - New York Herald Tribune) **(Prev. rep. 14207 B; 13991 A.)**

D. UNITED KINGDOM. — Financial and Monetary Policy. - New Defence Bonds and Conversion Issues.

The Treasury announced on Sept. 30 that a new issue of 4 per cent Defence Bonds would replace the current issue of 3½ per cent Bonds from Nov. 1.

The terms of the issue would remain unchanged, except that only three months' notice of encashment (instead of six months') would be required during the first five years of life of the bonds, whose full life would be ten years. The rate of 4 per cent was the highest yet paid on a Defence Bond issue.

On Oct. 9 the Treasury announced that £250,000,000 of a new issue of 4 per cent Conversion Stock, 1957-58, would be offered for cash on Oct. 18 at 99½ per cent, whilst another £524,000,000 was being offered to holders of 3 per cent Serial Funding Stock on a £100 per £100 basis, together with an adjusting cash payment of 10s. per £100 stock. It was stated on Oct. 12 that the cash offer had been over-subscribed and that applications for stock up to £5 had been granted in full, and larger applications as to about 78 per cent. At the expiry of the conversion offer on Oct. 21 the Bank of England announced that over three-quarters of the 3 per cent Serial Funding Stock (i.e., about £425,000,000 out of £524,000,000) had been tendered for conversion.—(Financial Times) **(Prev. rep. 14198 D.)**

A. UNITED KINGDOM. — Conservative Party Conference. - Debates and Resolutions. - Mr. Butler on Economic Policy. - Sir Anthony Eden's Review of Home and International Policy. - Statement on Government's Defence Policy. - Reduction in Armed Forces. - Raising of Call-up Age. - Lord Woolton's Farewell Speech.

The 75th annual conference of the Conservative and Unionist Party was held at Bournemouth on Oct. 6-8 under the chairmanship of Mrs. Evelyn Emmet, M.P. The subjects discussed and resolutions adopted are summarized below.

Economic Policy.

With only 20 dissentients, the conference adopted a resolution (moved by Mr. R. Elliott, Morpeth) which *(a)* congratulated the Government on the success of its policies, "which have contributed greatly to the present high level of production and employment"; *(b)* recognized that "the continuance of this prosperity depends on the maintenance of our competitive powers as a trading nation"; and *(c)* pledged its support of the Government "in the exercise of the strictest economy and all measures designed to eliminate the dangers of inflation."

Replying to the debate on the resolution, Mr. R. A. Butler (Chancellor of the Exchequer) discussed the country's economic problems in terms broadly similar to those of his Mansion House speech a few days earlier (see 14453 A). In the course of his speech to the conference, extracts from which are given below, he gave the new slogan "Expand success and curb excess" as the keynote of the Government's economic policy.

Mr. Butler said that the resolution echoed the policy of the Conservative election manifesto, which promised the use of "sound monetary and fiscal weapons" to combat inflation. He continued: "We propose not only to continue the flexible use of these instruments, but to make them effective until they have cured the inflammatory inflation. . . . Our policy has consistently been a dual one of encouragement and discipline, and there is no alteration of the basic lines. We are not acting through panic or in a crisis mentality. But I do think it is necessary to take firm action.

"The discipline which I applied in February, and which had immediate results, has not proved to be strong enough and needs strengthening in a mixed economy, that is, in the public sector and the private sector. The rate of interest and the credit 'squeeze' need supplementing by a control of the demands of the public sector of our economy on our resources of manpower and material. That is precisely the problem that we are going to deal with. . . ."

After declaring that the Government was seeking to build "a pioneering path between the extremes of rugged individualism and creeping bureaucracy with cramping State control," the Chancellor continued: "We shall not go back to physical controls, allocations, rationing, and restriction. I cannot see how you can cut one import, especially in foodstuffs, without resorting in the end to some form of allocation and rationing. We do not propose to have rationing by the purse. Physical cuts in imports on the scale I had to resort to in 1951-52 would be bound to result in retaliation against our exports. Furthermore, we should not get the advantages of the widening of world trade we are beginning to get.

". . . It is essential for Government policy to avoid two sorts of strain. One is the economic strain which we have been undergoing, but which in the last few weeks shows some slight easing on our balance of payments overseas; and the second is the social strain within our country. We must look after those who cannot protect themselves against rising costs. It must be a first aim of our Government to look after those on fixed incomes. Last year I used the slogan 'Invest in Success.' I still believe in it. This year my advice is: 'Expand success and curb excess.' That is the line we must take now.

"Last year I mentioned the possibility of doubling our standard of living in 25 years. That has been shown to be possible. In some ways the manner in which we have galloped towards prosperity has been too fast. We have to put a curb or bridle on the horse. I did not know it would be quite so fiery or so excitable when it saw the oats of freedom for the first time.

"To maintain full employment and to maintain the value of money there must be great restraint in wage demands and the distribution of profits. It has also become increasingly evident that more of the benefits arising from increased production should be passed on to the community as a whole, not just to the wage-earning section, through a reduction of prices. The aim must not be to give or see given such pecuniary increases, but to reduce the general costs so that money has a greater value. If we are to see industry reducing its prices, and the leaders of organized labour following the fine lead given by the T.U.C. at Southport [see 14440 A] to reduce wage demands, then it is quite clear that the Government must give its lead and then expect to be followed by their partners in industry and labour. . .

"I am called on to abolish or reduce purchase tax, income tax, and surtax; to speed up the repayment of post-war credits, to expand the road, hospital, education, and coast-protection programmes. All these things are important, but they confront us with the familiar difficulty of reconciling the general wish to cut expenditure with the individual wish to spend more. Or, as Samuel Butler put it, 'the universal innate desire on the part of every organism to live beyond its means.' Therefore you must take it flatly from me that you will have to exercise restraint about these notions. These will be the battles we will win later. . . ."

Turning to the Government's immediate policy, the Chancellor said: "We shall give first priority to what I describe as expanding success—to expenditure which will help Britain to keep level with, and in some respects ahead of, our giant competitors overseas. For example, we will back atomic power. We are going to back new inventions. We must go on supporting coal, which is woefully lagging behind. We have already announced our support of the realistic education and hospital programmes for the future. We will certainly support home agriculture, but we must continually review the subsidies to see that we do not spend too much on overseas payments, such as the immense bill for feeding-stuffs. We shall hold back sharply on Government building. We cannot go further on roads than the programme I have already approved, at any rate at present. We shall adjust the defence programme to modern needs. In controlling Government expenditure, the number of non-industrial Civil Servants has fallen by 53,000, and in the trade and industry group of departments, where we changed the policy on controls and rationing, the staffs were reduced by no less than 32 per cent. We shall go on with this and other processes . . "

Foreign Policy.

With a few dissenting votes, the conference adopted a resolution (moved by Mr. David Webster, Bristol North-East) welcoming the progress achieved by the Government to obtain a secure and lasting peace, and pledging support for further measures to reduce the threat of war and world-wide destruction. Mr. Harold Macmillan, the Foreign Secretary, replied to the debate.

Mr. Macmillan said that the principal achievement of the Geneva "summit" conference was the recognition that, however great the differences between the Communist countries and the free world, they must somehow or other try to live together in practice. They had now approached a point where no Power, however great, could hope to win a war in a nuclear age. This, however, was only true if there was the will to resist and if men and women refused to be blackmailed or paralysed into submission.

Turning to the forthcoming Foreign Ministers' conference at Geneva, Mr Macmillan said: "I do not expect to see spectacular results. I shall be satisfied if we make some practical progress. We have been set three tasks. First, the reunification of Germany within the framework of European security. Whether we succeed or not depends on the answer given to a simple question: 'Why does the Soviet Government object to the establishment of a united Germany under a system of free elections?'

"I am sure we can formulate plans which . . . would give full protection to Russia against any threat which might come from a reunited Germany if she chooses to join NATO. She may, of course, prefer to remain neutral. We are prepared to add to a legal pact actual military dispositions and arrangements for mutual inspection or control; that is, to underwrite the words of a pact by deeds of military understanding. If these proposals do not fully satisfy Russian requirements, let them suggest amendments. We will certainly consider them in the spirit of wishing to reach agreement. Our proposals are sincerely put forward. If they are acceptable in principle, something very real will have been achieved. The solution of the German problem, without which no true security is possible in Europe, will then be within our grasp . "

As regards the question of Cyprus, Mr. Macmillan stressed that Britain's strategic position in that island was vital for the defence of the Middle East. He believed there would eventually be progress on the lines of developing the greatest possible internal measure of self-government for Cyprus; but he was confident that the conference would not wish the Government to surrender the vital interests of Britain and her partners in the Middle East.

Other Subjects.

Other subjects discussed by the conference included industrial relations, housing, education, Commonwealth and Empire policy, electoral reform, etc. Summaries are given below.

Industrial Relations. Two resolutions on this subject were adopted by large majorities: (1) a resolution by Mr. Alan Green, M.P., congratulating Ministers on their encouragement of profit-sharing and co-partnership schemes, and calling for an early initiative by the Government to speed the process: (2) a resolution by Mr. B. Forbes (Solihull), a shop steward, which *(a)* welcomed the initiative taken by the Prime Minister and the Minister of Labour in discussing with the T.U.C., the British Employers' Confederation, and the nationalized industries ways and means of avoiding strikes in industrial disputes, and *(b)* urged more effective co-operation between management and labour in all sections of industry with a view to removing causes of industrial unrest.

Sir Walter Monckton (Minister of Labour) pointed out that the discussions between the Prime Minister and the three sides of industry were at present on a confidential footing, and therefore he could not disclose "the full nature of what we are doing." All the parties, however, had displayed "a genuine desire to find a way to avoid all unnecessary strikes," and there was "no question about the spirit of those taking part." Whilst he (the Minister) would not deny the impact of last summer's industrial disputes, it was necessary to preserve a sense of proportion; there was a wide area in which agreements had been reached, but people tended to overlook settlements and to exaggerate strikes, since the former were "not such good news value" as the latter. The T.U.C. had fully recognized their share of responsibility in respect of inter-union disputes, and he welcomed their decision to take powers to intervene at an earlier stage in such disputes (see 14440 A).

After stressing that there were " no quick cures " for the problem of strikes, Sir Walter said : " Nobody wants me to suggest repressive legislation That is a good thing, because I would not. The aim is to create and encourage partnership between all men and women of goodwill—Government, management, shareholders, and labour, working for the prosperity of all. If we don't get prosperity for all, there will not be prosperity for any. If we have prosperity for all, there is something to share, and then is the time to consider how to share it." He added that his Ministry was inquiring into the extent and working of co-partnership and profit-sharing schemes, and would publish the results.

Housing and Local Government. Two resolutions were accepted by large majorities . (1) a resolution by Cllr. P. F. Broadhead (Romford) which deplored " the subsidizing of persons in council houses and flats whose income is adequate to pay the full economic rent," and (2) a resolution by Mr. T. S Hayton (Lancaster) calling upon the Government " to introduce at an early date legislaton which will reform the structure and finance of local government so as to give greater local responsibility and a more even sharing of the rate burden." In moving his resolution, Councillor Broadhead said that young couples today " seem to think that the nation should provide them with a house fully equipped for the fruition of their natural instincts," and called on the Government to " stop this dreadful subsidized housing racket and sponging on the community."

Mr William Deedes (Parliamentary Secretary, Ministry of Housing and Local Government) replied in the absence of the Minister, Mr. Sandys, who was ill After pointing out that talks on subsidies were being resumed in the immediate future, he said · " We accept that the total burden of housing subsidies is too heavy and may be reduced without hardship. Rents charged should be more closely related to the current level of wages and the value of money The best way of achieving that is by some form of differential rents. It is the job of the Ministry to determine the course and then leave it to the local authorities to implement it in detail."

As regards Mr Hayton's resolution, Mr Deedes said that the Government were starting a comprehensive review of local government finance, which was essential before they could legislate for reform.

Education. With only six dissenting votes, the conference adopted a resolution (moved by Mr R J. Fulford, Conservative and Unionist Teachers' Association) congratulating the Government and the Minister of Education (Sir David Eccles) on their record of progress, but calling for immediate steps to fulfil the declared policy of expanding technical education Mr Fulford doubted whether the Conservative Party was as keen about technical education as it should be, and stressed the need for sufficient talent in the rising generation to meet the requirements of the atomic age.

Miss Primrose Hockey (of the same Association) also accused the party of lacking sufficient interest in educational matters, declaring in this connexion : " The Butler Act of 1944 said we would give secondary education to every child with the ability Yet there are thousands of children denied it. In our election manifesto we said we would build more technological schools and colleges, yet nothing has been done Our opponents are far more interested in this problem than we are "

Sir David Eccles, in reply, pointed out that investment in technical education had increased from £4,500,000 in 1954 to £7,000,000 in the present year, and would rise to £9,000,000 in 1956 Moreover, the Government were increasing grammar school places and had asked the local authorities to bring the proportion up to between 15 and 25 per cent, " with preference for the 25 per cent " In addition, they must do all they could to make the secondary modern school "a really interesting alternative," and to raise that kind of secondary school in the estimation of the public After recalling that Mr Butler had declared that the Government would continue to give high priority to education, Sir David emphasized that the programme of education expansion already announced would mean that education estimates would rise , this decision placed a great responsibility, both upon himself (the Minister) and local education authorities not to waste a penny, and for this reason " attractive but not strictly necessary improvement " must wait " The great thing," Sir David added, " is that we are still going to expand. It is a remarkable decision at this time "

Commonwealth and Empire Policy. The conference unanimously adopted a resolution (moved by Mr Peter Walker, Dartford) which (*a*) urged the Government to embark upon " a bolder and more imaginative policy of strengthening our economic and traditional ties with the Commonwealth and Empire," and (*b*) called upon Conservative constituency associations to launch " a virile campaign to arouse the interest of the electorate in the Commonwealth and Empire." Speakers in the debate included Mr Norman Cole, M P , who urged greater capital investment in the Commonwealth, and a Nigerian student, Mr. A Adejomo (Leicester Colleges Conservative Association), who called for " a real spirit of partnership and co-operation " between Britain and the Commonwealth

Mr Lennox-Boyd (Colonial Secretary) declared that, in spite of occasional differences of view, there had never been a greater unity of purpose between Britain and the Dominions than at the present time. Problems occasionally arose and could not be ignored—e.g , the import restrictions imposed by Australia and New Zealand (see 14470 A, 14460 C). Nevertheless, however unwelcome those restrictions might be, it was in the general interest of Britain that sterling area countries should rectify their balance of payments. As regards the Colonial Empire, Mr. Lennox-Boyd said that there were naturally " strains, as there are bound to be in any family when people are growing up " ; he emphasized, however, that the Colonial Empire was " not breaking up but growing up."

Electoral Reform. Two resolutions were presented on this subject : (1) a resolution by Mr F T. Nicholson (S.W. Norfolk) urging the Government " to repeal Section 88 of the Representation of the People Act, 1949, which limits the number of cars used to take voters to and from the poll " , (2) a resolution by Miss M. E. Clayton (East Leeds) asking the Government to consider extending the postal vote to people away from home " on legitimate business in a recognized voluntary, professional, or religious organization " Mr. Nicholson described the 1949 Act as " out-dated, ill-conceived, and obsolescent," and alleged that it had been widely abused at the general election.

Major Lloyd-George (the Home Secretary) agreed that a strong case could be made out for repealing Section 88 of the 1949 Act, the effect of which was undoubtedly to make voting more difficult for the elderly, the infirm, and those in scattered rural areas. They must consider, however, whether the great controversy that would be aroused would not be out of proportion to the usefulness of repealing the Section. The middle course would be to allow the restriction to remain in force in substance and to relax it where it caused most hardship.

On the second resolution he said that, broadly speaking, the present law restricted postal voting to people prevented, through circumstances over which they had no control, from going to the poll This was a logical restriction, and if one went beyond it, and allowed postal voting in circumstances of the voter's own choosing, it would be almost impossible to know where to stop.

Mr Nicholson's resolution was adopted by a considerable majority, whilst Miss Clayton's resolution was defeated

Nationalized Industries. With four dissenting votes, the conference adopted a resolution (moved by Mrs G Openshaw, Bournemouth) which (*a*) viewed " with anxiety " the present state of some of the nationalized industries, and (*b*) expressed " concern at the decreasing level of coal production with ever-rising prices " Criticizing the state of the railways in particular, Mrs Openshaw said that the country should be ashamed of its stations, that trains were often dirty, and that meals were expensive and often unappetising

Mr Geoffrey Lloyd (Minister of Fuel and Power) said that the coal industry was perhaps the most important and the most difficult of the nationalized industries ; in the coal industry they were dealing not only with a difficult economic problem, but with one which had been " twisted in the bitterness of political controversies." The complaint that had been made for years past about the shortages and the quality of coal had done more to discredit nationalization than any other factor Though there was much to put right, they had to carry the miners with them if they were to secure the results required. The Government had therefore acted in a way which showed their sincerity to help the coal industry, and not to " play any political monkey tricks with it." After referring to the report and recommendations of the Fleck Committee (see 14115 A), Mr Lloyd declared that the Government's present task was " to help the new Coal Board get on with the job "

Pensions. The conference accepted a resolution by Mr K J. Holloway (Bath) urging the Chancellor of the Exchequer (*a*) to implement at an early date the policy of increasing aid to old-age pensioners, and (*b*) to afford some relief to persons living on small fixed incomes It also adopted an amendment by General Sir Frank Messervy (Wokingham), incorporated in the main resolution, asking the Government to honour its undertaking to officers who had retired under the 1919 Royal Warrant, and to improve the conditions of other officers receiving obsolete rates of retired pay

Powers of Tribunals. Against the advice of the Attorney-General (Sir Reginald Manningham-Buller), the conference adopted a resolution by Dr. A. H Russell (Louth) deploring " the arbitrary and far-reaching power of administrative tribunals " and urging the Government to review the functions and powers of such tribunals " to conform to the accepted and ancient legal rights of the citizen "

The Attorney-General thought it would be unwise and foolish to condemn all tribunals, many of which were working excellently. The Conservative manifesto had said that a strong advisory committee would attend to the problems of administrative law, and an announcement to this effect had been made in the Queen's Speech. He therefore suggested that the resolution should be withdrawn, but Dr. Russell declined to withdraw it and the resolution was carried by a large majority

Other Resolutions. The conference also adopted resolutions which (1) called upon the Government to tackle " with vigour " the evils of monopolistic and restrictive practices on both sides of industry (sponsor—Mr D W P Collins, Wimbledon) , (2) urged the Government to expedite the repayment of post-war credits as soon as the country's financial position permitted (sponsor—Mr. Geoffrey Hirst, M P.) ; and (3) called upon the Government to provide greater stability for the horticultural industry (sponsor—Mr. C. J. M. Alport, M P)

The Prime Minister's Speech.

Sir Anthony Eden, speaking at the end of the conference on Oct. 8, reviewed domestic and foreign policy and, in particular, the Government's defence policy. He announced in this connexion (*a*) that the call-up age would be raised to 18 years five months in 1955 and to 19 years in 1956, resulting in a gradual reduction in the strength of the forces from 800,000 to 700,000 ; (*b*) that part-time service would be reduced from 60 days and three camps to a maximum of 20 days and one camp for most National Service men ; (*c*) that the Minister of Defence would have greater powers to direct general policy and co-ordinate

training and planning; and (*d*) that a full-time Commander-in-Chief, Home Forces, would be appointed. He stressed, however, that there could be no immediate cut in the present (two-year) period of service.

The Prime Minister spoke as follows (cross-headings inserted):

The General Election. "About the general election I have only a few words to say. First, that the decision to hold it was not an easy one. Apart from weighty national arguments, I was conscious of two hoodoos: that no Government in the history of this country had ever increased its majority since universal franchise had come into force, and that the summer was, from our point of view, a bad time for an election. As against this, I felt, and still feel, that we had a message to give the country to which the electors would respond. . . . We described to them what we had done, what the difficulties were, and what we proposed to do, and they have given us a mandate to get on with the job. Yet, despite our faith, despite the fervour of our voluntary supporters, despite the hard work of each one of you, the results of the general election could not have been won without the loyalty and spirit of our organization, presided over by the penetrating and avuncular genius of Lord Woolton. . . .

Economic Problems. Our first task at home is to do battle with our economic problems. These are formidable, but they have been worse. They can be solved if we take the necessary measures now. This is precisely what we propose to do. The action which our wise and experienced Chancellor took last February and again in July has had its effect.

In this connexion I have just received the provisional trade figures for September. Imports are £304 million, exports £243 million, and re-exports £11 million. The trade gap for September was therefore £50 million, compared with £68 million in August and £108 million in July. The September gap is actually about the same as the average monthly gap last year. The exports of £243 million for September bring the total figure of exports for the first nine months of this year to the formidable total of £2,123 million, nearly six per cent above the first nine months of last year.

These results are encouraging. They show that the action which we have already taken has been right. But we cannot be sure that this alone will be enough. Nor is this a business where any doubt can be allowed to creep in. Therefore we must do more in the way of corrective measures. We have been examining all this during the last weeks, and our plans are now ready. I cannot tell you today what additional measures we propose to take. That statement will be made as soon as Parliament meets.

There is another consideration. If our efforts are to be effective, many departments of State will have a part to play. This will be a combined operation. I think it important that the same team of Ministers should handle unchanged the essential work we have to do in the coming weeks. For this reason I have asked my colleagues to remain at their posts for the present. . . .

Those measures of which I have just spoken must be largely concerned with reducing excessive home demand on our resources But it is just as important to increase the efficiency of our production. We want not only to export enough to pay our way, but also to have a surplus. We want to use it at home, and to get ahead with schemes for development in the Commonwealth and Empire. The Government, however, can only create the conditions. It is industry which must create the wealth. British industry has been doing powerful work. Men and management alike deserve praise for the increase in production which has been won. . . . We should not forget that the greater part of industry has been running with smoothness and good will. As you know, I have personally had talks in the last few months with the leading employers and trade unionists, representative of all sections of industry. Our invaluable Minister of Labour is following up this matter, and we hope that the discussions which are going on will lead to constructive ideas and action.

Industrial Relations. We also welcome the steps which have been taken in the last few months by the T.U.C. in this field of industrial relations. I am particularly anxious to see the growth of what I have often called partnership in industry. I use the word 'partnership' in its widest sense. I include in it joint consultation and the giving of full information to employees about the affairs of the companies in which they work. I also include profit-sharing in a number of forms, particularly when it offers opportunities for employees to hold shares and so acquire a real stake in the enterprise in which they work. I would ask every firm in the country to consider carefully and urgently whether they cannot introduce further measures to promote the sense of partnership of which I speak. In this and other ways I believe that we can over the years bring greater peace throughout industry. At the same time we shall do something more than that. We shall make work a more satisfying part of life, and thereby raise the quality of our free society.

The International Situation. After we had concluded our work at the conference of Heads of Government at Geneva in July, I used these words at the final session · 'If we can continue our work together in the spirit of this meeting, what is hopeful purpose today should become solid performance as events unfold' I see no need to change those words or to modify their emphasis in any way today.

The meeting of the four Heads of Government did not resolve any of the stubborn problems which still confront the world. But it wasn't meant to do so. All that it could do was to chart a course and make it possible for the Foreign Ministers to meet and get to grips with problems which so far we have not been able to discuss across the table with any useful result.

The processes of diplomacy are slow. Behind all this repetition of public and private argument, conciliation may grow and the power of peace prevail. No doubt the discussions this month will be difficult. It is quite possible that after weeks of negotiation they will be adjourned without any progress made. I cannot tell. But of this at least I am certain, that the international anxieties in Europe and the Far East are less immediately acute today than they were when you and I met at Blackpool a year ago. I do not mean that the Great Powers have changed their purposes I do not think they have. But it could be that the knowledge of the weapons which some of them now command is helping to create a feeling of 'maybe we had better go along without trying to get all we want, because to try to get all we want might blow us where we don't want to go.'

I wish I could stop there, but the Middle Eastern situation is serious and could be dangerous. Everyone knows of the tension between Israel and Egypt, and how each country tries to build up its armaments to be stronger than the other. We have worked for a long time past by all manner of methods to try to bring about a reduction of tension in that part of the world. We have also tried to hold the balance even as regards the delivery of armaments. But now, if a Great Power from outside steps in with supplies on an infinitely larger scale, the risks are going to be intensified. That is inevitable. Here is, surely, an occasion where the Great Powers should agree to exercise restraint themselves and to join together to restrain others. That seems to me what the spirit of Geneva should mean.

As I look back over recent years, certain influences have moulded our diplomacy and helped to chart our progress. First, the constant unity of the Commonwealth, which has become a more active influence in world affairs in recent years. The influence of the Commonwealth will always be felt rather than enforced in world affairs But it is, none the less, important for that. Then there is our close partnership with the United States . . Finally, there is the unity of Western Europe, which has grown and found expression in trade, travel, and treaties. . . .

Disarmament and Defence. This afternoon I will only say this. The first aim is to reduce tension at points of contact. In my judgment, European security cannot be based on the division of Germany for an indefinite period. It was with this end in mind that we put forward at Geneva a plan for a Five-Power pact to give confidence and security to all.

Finally, looming before everything there is nuclear warfare and the hydrogen bomb—the bomb which has compelled the nations to talk against a terrifying back-cloth of universal destruction Here, of course, the problem of supervision and control is so important. Many ideas have been canvassed, but I do not think that any one country has found a final solution yet.

Peace in the modern world is closely associated with defence. I have always held that to build up the defensive military strength of the West would improve the international situation And so it has turned out. It was the conclusion of the Paris Agreements, whether some like it or not, that made the Geneva talks possible.

Defence Policy. The Minister of Defence and I, and the Service Ministers, have been examining our long-term plan for the defence forces. These present some pretty baffling problems. We have to take into account our overseas obligations. We have to consider the cost of our programme, and every new weapon with its improved performance, and probably additional gadgets as well, costs more than the weapon before. We have to weigh the demands that defence makes on our resources of manpower and materials We have to be sure that our forces are fitted in size and equipment for their tasks. Our examination of all this vexing business has made good progress since the general election. The Minister of Defence has been tireless in his efforts. I am now reviewing with him our research programme to make sure that our main effort is concentrated at the right places. Last June we transferred from the Ministry of Supply certain functions connected with the iron and steel and engineering industries. It has meant that the Minister can now devote more attention to the provision of military equipment It has also meant that the Ministry of Supply has become mainly a fourth defence department within the co-ordinating powers of the Minister of Defence. This takes us a further step towards our objective, which is to secure a closer integration of our forces and their supply. The Minister of Defence, if he is to do his work effectively, must be able to direct policy over the whole of this field. I am considering what further changes of organization can be made to enable us to handle smoothly and effectively these questions of defence policy.

Reduction in Armed Forces. There is one special matter to which I must refer, and that is the manpower in the Forces. We have made enough progress with our other plans to make it possible for me to say something definite on that topic. At present there are about 800,000 men and women in the Forces, of whom about 280,000 are National Service men. H.M Government have decided that by the end of the financial year 1957-58, the strength of the Services shall be reduced to about 680,000 men and 20,000 women—a reduction of about 100,000 upon the present figure. Over the five years from March, 1953, to March, 1958, it will be a reduction of 170,000, or more than 20 per cent—a very substantial figure by any standard.

The reduction must be gradual. Nothing could be more inefficient or cause more disorganization in the Forces than sudden and violent fluctuations in manpower. The decrease will be about 20,000 in the next six months and about 40,000 in each of the following financial years. We are confident that we can discharge our treaty obligations and maintain our position as a world Power despite this reduction in numbers. The precise extent to which the reduction will affect National Service men will depend on how successful we are in encouraging Regular recruitment . . .

Service Pay and Conditions. The Government are again considering pay and conditions of service for the regular forces. . . . Our decisions will be announced at the time of the Service Estimates at the beginning of the [next financial] year.

The Call-up Age. I have been considering for some time what is the most efficient and fairest method of bringing about the proposed reduction in the burden of National Service. It is a pretty intricate question. I do not believe that a system of selective service or balloting would be acceptable to the people of this country. If that is so—and I am quite sure you agree—the effective choice lies between reducing the period of service and reducing the number of young men called up every year. The difficulty about an immediate reduction in the period of service is that it would inevitably lead to a reduction in the numbers of fully trained men, because the cut would fall upon the most useful period of a man's service. At this moment in the international situation, and having regard to the state of our overseas commitments, this is a reduction for which I am not prepared to be responsible. We have accordingly decided that, for the present, the reduction should be brought about by calling up fewer young men each year.

The age of call-up will rise, the period of service remaining at 24 months. We hold ourselves free, however, to decide, in the light of future developments in the international situation, whether the reduction which we intend to make in the size of the Forces shall continue to be brought about in this way or by reducing the period of service. The option will remain open to us. I thought that was the fairest system we could possibly devise. Accordingly, this year there will be only three registrations instead of the usual four, and the age of call-up for the balance of this year will be about 18 years and five months. Plans are also being made for a reduced call-up next year If the whole of the proposed reduction in the size of the Forces were to be carried out by allowing the age of call-up to rise, the normal age of call-up would reach 19 years. It will still remain possible for men to apply for early call-up when good reasons exist. We realize that we must make sure that those called up are used efficiently. Vigorous steps are being taken to investigate cases where it is alleged that men's time is being wasted.

The Reserve Forces. We have also decided to reduce the burden of part-time service for National Service men. . . . The conception of Reserve forces waiting to take part in large-scale conventional warfare is, in our judgment, out of date In the event of a nuclear war the primary role of the Reserve Army would be to help to maintain the life of the nation and to deal with raids and sabotage. For these purposes we need a different type of training and organization, and it will be introduced The present requirement for part-time training of National Service men is 60 days, including three camps, spread over 3½ years. We consider that this requirement should be reduced to a maximum of 20 days, including one camp. There are, however, two or three categories to whom this will not apply Except for these categories, National Service men who have already done one period of continuous training will not be required to do further training. This decision will apply from Dec. 31 this year. . .

Home Defence. We must think of this question as one problem of home defence, which is a better term than civil defence ; a defence in which both civil and military forces have to take part. I have made certain arrangements to co-ordinate planning and training for this purpose under the Minister of Defence. A full-time Commander-in-Chief, Home Forces, will be appointed in the near future. We shall intensify our research work to find means of reducing the damage caused by nuclear attack .

The National Outlook. I would like, finally, to give you some reflections on our country's future as I see it We are today in an exciting but difficult transition period In this highly competitive modern world our island has always to be in the lead, or our people have no future. At the moment, one of our greatest difficulties is that we are short of an essential raw material, coal. I do not want to blame anyone for this, because the reasons for it are, many of them, complicated and of long standing If we could get 20,000,000 more tons of coal a year, or its equivalent in other fuels, the outlook would be transformed. In time that will happen The new discoveries on which our scientists and engineers are engaged will change the whole pattern of the future for this country and other countries

Meanwhile there is one problem which has been pressed upon me from all sides ; the shortage of young scientists and designers. Unless we can hold our own with the other great nations, Russia and the U S.A in particular, in scientific research and its application in engineering design we shall fall behind in the industrial race At this moment there are not enough young men studying these subjects. If they will come forward, if with their help we can continue to keep abreast of every new development, we shall be ready, whether the new world bursts or creeps upon us. It is for these reasons that I have agreed with the Chancellor of the Exchequer that, whatever the difficulties, balance-of-payments or others, nothing will be cut away from the necessary work in this nuclear sphere or in the training of scientific manpower."

Lord Woolton's Farewell.

Viscount Woolton was given an enthusiastic ovation when he took official farewell as chairman of the Conservative Party Organization at the close of the party conference.

Addressing the conference in a farewell speech, Lord Woolton said that when he became chairman of the party in 1946 the need was not primarily one of building up " a well-oiled machine," but of revitalizing the party's faith in its duty and in its capacity to do its duty. " I knew," he said, " that if we were to gain the responsibility for the government of the country, the party would have to be revitalized as a broad-based democratic party embracing and serving all sections of society, its inspiration the phrase ' Tory democracy.' We have made that phrase into a reality. . . ."

Calling upon the party for redoubled efforts in the future, Lord Woolton declared · " I leave you now because I believe we are at the beginning of a new era, calling for the energy as well as the outlook of younger men. The task ahead for them and for you is thrilling, enthralling, and often exacting. The party has a little more than half the country on its side. The vast trade-union movement, in its devotion to the cause of the artisan classes, still thinks of us with such suspicion that they support the Labour Party, though many of their leaders must know that disaster would follow the full practice of their creed. There is the task for us. . . You have a leader who in his person and outlook symbolizes all that is meant by the new, modern Conservative movement What does this mean ? To me it means a new confidence in this country and the Commonwealth as a force for peace ; a new stream of opportunity with wealth flowing in ever-widening channels ; and, above all, a sense of care and responsibility for the old, the weak, the unfortunate, and for the children. All these things we have started on the road, but the impetus and carry-forward belong to youth and to you."

Mr. Derek Walker-Smith, Q.C., M.P. for Hertford and chairman of the Conservative 1922 Committee, was appointed Parliamentary Secretary to the Board of Trade on Oct. 19 in succession to Mr. Donald Kaberry, M.P., who relinquished the post consequent upon his appointment as vice-chairman of the Conservative Party.—(Times - Daily Telegraph - Sunday Times) **(Prev. rep. Conservative Party, 1954 Conference, 13835 A ; Party Chairmanship, 14439 E.)**

A. RELIGIOUS LIFE. — Church of England. - Increase in Clergy Stipends. - Church Commissioners' Assets and Income, 1954-55.

The Church Commissioners announced on Oct. 20 that it was proposed in April, 1956, to raise the annual sum for allocation to diocesan stipend funds to £1,400,000, thus enabling further increases to be made in many clerical salaries. At the same time the present minimum salary would become permanently guaranteed, and (except in a few special cases) no incumbent would receive less than £550 a year, together with a free house and his Easter offerings up to £50. Subject to the approval of the Church Assembly, it was also proposed to provide a further £25,000 to cover increases in the stipends of bishops and archdeacons, and a similar amount to cover the stipends of cathedral bodies.

The Archbishop of Canterbury (Dr Fisher), chairman of the Commissioners, explained on the same date that, out of the Commissioners' total income in 1954-55, about £10,000,000 was available for spending after making provision for writing-down capital expenditure, reserves, administrative expenses, etc. Of this sum, £9,750,000 had been set aside for stipends, pensions, and maintenance of parsonage houses, and the remaining £250,000 for church buildings in new housing areas. He added that the Commissioners' eventual aim was a minimum stipend of £750 for incumbents, together with a rent-free house, but that this could only be achieved by the laity, with such help as the Commissioners could give.

The Commissioners' accounts for the financial year ended March 31, 1955, showed that gross income from all sources totalled £10,529,490, compared with £9,053,847 in 1953-54. Income from Stock Exchange investments amounted to £6,507,626 (against £5,672,266 in 1953-54) and net income from real estate to £2,594,747 (£2,232,606). During the year the Commissioners bought 31 large commercial properties in London and the provinces at a cost of £4,591,053, and it was estimated that the reinvestment policy recently adopted had resulted during the year in increased income of £1,018,480

Sir Malcolm Trustram Eve, Q.C., First Church Estates Commissioner, stated on Oct. 20 that the value of the Commissioners' land, farms, buildings, mortgages, and tithes was about £90,000,000. The value of their Government and public stock was £95,000,000, and that of their industrial and commercial equity shares about £50,000,000 at cost.

On Oct. 27 the Church Commissioners announced that, as part of their policy of reorganization to produce a higher income, they had decided to sell part of their " Paddington estate," consisting of about 650 residential, shop, and office properties near Paddington station. The announcement added that outlying parts of the estate sold by the Commissioners earlier in the year had realized over £1,000,000, and it was hoped that the present properties—the largest single block ever sold by the Commissioners—would realize a similar figure. (Church Times) **(Prev. rep. Stipends, Increases, 12816 A ; Church Finances, 11700 B.)**

B. GREECE. — Further Cabinet Appointments.

The membership of the new Greek Cabinet formed by M. Karamanlis was completed on Oct. 15 with the appointment of M. Levandis as Minister of Welfare, M. Vassilikos as Minister of Industry, and M. Babacos as Minister for Northern Greece. (Times) **(Prev. rep. Greek Cabinet, 14467 A.)**

OCTOBER 29—NOVEMBER 5, 1955

A. SAAR TERRITORY. — The Saar Referendum. - Rejection of Statute for "Europeanization" of the Saar. - Electoral Campaign by Pro-German Parties. - Repercussions in France and Germany. - Adenauer-Faure Discussions in Luxemburg. - Resignation of Herr Hoffmann. - Dr. Welsch appointed Saar Premier. - Forthcoming General Elections.

The Statute for the proposed "Europeanization" of the Saar, which had been signed on Oct. 23, 1954, by Dr. Adenauer and M. Mendès-France (see 13845 A), was rejected by the Saarlanders in a referendum held on Oct. 23, 1955—i.e., exactly one year after the signing of the Statute. The electorate, numbering about 670,000 (of whom 53 per cent were women) out of the total Saar population of 960,000, were asked to reply "yes" or "no" to the question: "Do you approve the European Statute for the Saar agreed on by the Federal German and French Governments on Oct. 23, 1954, with the assent of the Saar Government?" The number of "no" votes was 423,434 and the number of "yes" votes 201,973, the Statute therefore being rejected by a majority of more than two to one.

The referendum was carried out under the supervision of the International Commission for the Saar, whose headquarters were at Saarbrucken, with the assistance of 1,005 observers (including many mayors, lawyers, and government officials) drawn from all the member-countries of the Western European Union except France and the German Federal Republic. The two latter countries, as interested parties, took no part in the supervisory arrangements. Of the 1,005 observers, 345 came from Luxemburg, 325 from the Netherlands, 165 from Belgium, 120 from Italy, and 50 from Britain. A British national (Colonel William Urton, Conservative Central Office agent for the London area) acted as head of the neutral observer teams, general control being exercised by the International Commission. Neutral observers were present at all the 929 polling stations in the Saar to ensure that the elections were carried out fairly and in an orderly manner, and that there was no intimidation, fraudulent voting, etc. As a precautionary measure, and with the co-operation of the French, Federal German, and Luxemburg Governments, the frontiers of the Saar were "sealed" from mid-day on Oct. 22 until 6 a.m. on Oct. 24, on the instructions of the International Commission; the only persons allowed to enter the Saar during this period were qualified voters from outside, diplomats, NATO troops, and members of the Commission. The voting took place in an atmosphere of complete calm and order, no incidents occurring at any of the polling stations.

The categories of persons entitled to vote in the Saar referendum, the principles on which the referendum would be conducted, and the powers and duties of the International Commission, had been defined on May 13 by the Council of the Western European Union (see 14288 A). The International Commission, as originally constituted, consisted of Senator Dehousse (Belgium), as chairman, Sir George Rendel (Britain), Baron Bentinck (Netherlands), Signor de Paolis (Italy) and M. Kunnen (Luxemburg) (see 14288 A). On Sept. 27, however, it was announced that Sir George Rendel would be unable to continue his duties owing to ill-health, and that he had been succeeded by Sir John Troutbeck as British representative.

Sir John Troutbeck was Ambassador in Baghdad from 1951 to 1954, and had previously been head of the British Middle East Office in Cairo.

Legislative measures regulating the conditions under which the referendum would be held, in accordance with the provisions of the Saar Statute, had been promulgated by the Saar Government on July 23 after approval by the Saar *Landtag*. They had been approved by the Council of the Western European Union meeting at ministerial level in Paris on July 15, and at a further meeting on July 22 the Council decided that the date of promulgation would mark the beginning of the three-month period preparatory to the referendum. During this period the Saar was the scene of a vigorous electoral campaign in which intensive propaganda was waged both for and against the Statute.

On the one hand, the Saar Statute—involving the "Europeanization" of the Saar, its continued detachment from Germany, at least pending the conclusion of a peace treaty, and the maintenance of the economic union with France—was supported by the Christian People's Party and the Saar Socialist Party, headed respectively by Herr Johannes Hoffmann (the Saar Premier) and Dr. Peter Zimmer. They pointed to the advantages of maintaining the present economic union with France, and stressed that the "Europeanization" of the Saar would constitute an important stage in fostering European unity and promoting Franco-German understanding.

On the other hand, the Statute was strongly opposed by three new pro-German parties, corresponding to the three principal parties in the Federal Republic, which were formed in the Saar shortly after the above-mentioned legislation had been promulgated. These three parties were the Christian Democratic Party (the largest of them, and commanding strong support from the predominantly Roman Catholic population of the Saar), headed by Dr. Hubert Ney and corresponding to the Christian Democratic Union in Western Germany; the Saar Democratic Party, headed by Dr. Heinrich Schneider and corresponding to the Free Democrats (Liberals) in the Federal Republic; and the Saar Social Democratic Party, headed by Herr Kurt Conrad (a trade union official) and corresponding to the German Social Democratic Party.

Grouped as a *Heimatbund* (Homeland League), the three parties conducted a vigorous campaign for the reunion of the Saar with Germany, maintaining that rejection of the Statute would be tantamount to a vote in favour of reunion. The Saar Communist Party also opposed the Statute and supported the Saar's reunification with Germany.

The electoral campaign, and its repercussions on Franco-German relations, are described below under cross-headings:

Preparations for the Referendum. Four Bills regulating the conditions for holding the referendum, and incorporating certain amendments made by the International Commission for the Saar, were approved by the Saar *Landtag* on July 8 with only three dissenting votes (the Communist deputies), and, as stated above, were promulgated on July 23, after approval by the Council of the W.E.U. They covered, *inter alia*, the formation of political parties, Press and propaganda activities, and the holding of meetings, in conformity with the principles laid down by the Council of the W.E.U. With the promulgation of these laws, and the official entry into force of the three-month "pre-referendum" period, the former ban on the formation of pro-German parties came to an end, and parties were free to organize themselves and to campaign either for or against the Saar Statute. An immediate result was the formation of the above-mentioned three pro-German parties in the Saar

In a statement issued on July 15, the International Commission declared that it would carry out its task in accordance with three guiding principles: (1) "the protection of the Saar population, which is entitled to tranquility and peace"; (2) a fair referendum which would truly reflect the will of the population; (3) a desire, within the limits of its terms of reference, to help towards the establishment of good relations between France and Germany.

Memorandum by the Federal German Government. The Federal German Government presented a memorandum to the International Commission on July 21 which, although agreeing that the conditions for the holding of the referendum "contain important elements guaranteeing that the referendum will be held in a satisfactory manner," raised certain doubts and objections. The memorandum said in this connexion: "They [the Federal Government] feel bound to say that on examining the laws passed by the Saar *Landtag*, they have noted a number of points which give rise to some anxiety The provisions of the Saar laws differ considerably from those of corresponding legislation in other Western European countries; in particular, the laws relating to associations and to the Press confer on the Saar authorities wide powers, defined in very general terms, enabling them to take drastic measures of a preventive nature affecting freedom of political action and the formation of public opinion in the Saar. The Federal Government attach great importance to this matter, mainly for psychological reasons. In their view, neither legislation nor practice in the Saar have up to the present given due recognition to the need of allowing complete freedom for the formation of political opinion, as is the case in the Western world. . . . The people of the Saar will only regard the result of the referendum as intrinsically valid if they believe it reflects the freely expressed will of the population. . . . It is essential to avoid anything which might justify an allegation of unfair conduct of the referendum."

The Electoral Campaign. The leaders of the pro-German parties, Dr. Ney and Dr. Schneider in particular, conducted an intensive campaign for the rejection of the Saar Statute and the reunion of the Saar with Germany, their meetings commanding considerably bigger and more enthusiastic attendances than those of Herr Hoffmann and Dr. Zimmer, the leaders of the pro-Statute parties At many of the meetings and demonstrations held by the three pro-German parties the audiences sang *Deutschland über alles* (the German national anthem) and the song *Deutsch ist die Saar* ("The Saar is German"), which had been composed under the Nazi regime for the plebiscite of 1935. In addition, hostile demonstrations against the Saar Government, and against Herr Hoffmann personally, occurred, and violent incidents, resulting in intervention by the International Commission, took place when pro-German demonstrations tried to break up meetings of the pro-Statute parties, especially those addressed by Herr Hoffmann

[Dr. Schneider, a lawyer and former Nazi storm-trooper, joined the Nazi Party in 1930 but was expelled in 1937 after having held the post of head of the Saar Department in the German Foreign Office. He held a minor clerical post during the war and was denazified in 1949, thereafter resuming his legal practice in Saarbrucken. Dr. Schneider himself, though admitting that he had joined the Nazi Party in its early days, stressed that he had withdrawn from the party in 1934, three years before his expulsion.]

Twelve demonstrators and seven Saar policemen were injured on Aug. 17 at Neunkirchen when some thousands of pro-German demonstrators, mainly youths and young men, attempted to break up a meeting which was being addressed by Herr Hoffman; the demonstrators used iron railings, stones, etc., against the police, who in turn were obliged to use truncheons and tear-gas to restore order. A further incident occurred on the following day at St. Ingbert, when a hostile crowd of over 5,000 attempted to break into another meeting addressed by Herr Hoffmann, the police were again called in to restore order, and eventually dispersed the demonstrators with fire-hoses.

As a result of these incidents, the chairman of the International Commission (Senator Dehousse) called a meeting at Saarbrucken on Aug. 19 which was attended by the leaders of all the Saar political parties, both pro-Statute and anti-Statute. To guard against future incidents, M. Dehousse put forward two proposals (1) that the opposing groups should agree to hold joint meetings at which the various points of view would be put forward by a spokesman of one side and answered by a spokesman of the other side, and (2) that there should be a political truce for a week or a fortnight. Objections to these proposals were raised by both sides, and no definite action was taken. Nevertheless, as a result of appeals by all parties for the maintenance of calm and order, no further incidents occurred from Aug. 20 onwards, and the electoral campaign was conducted in a relatively calm atmosphere from that date until polling day on Oct 23

On Aug. 5 the International Commission had sent a message to the West German Foreign Minister, Dr. von Brentano, pointing out that "serious difficulties" would arise if the Christian Democratic Party in the Federal Republic sent representatives to attend the foundation meeting of the parallel party in the Saar on Aug 7. to which they had been invited It was pointed out that the Franco-German agreement on the Saar specifically forbade any intervention from outside which might influence Saar political opinion. As a result, Dr. von Brentano informed the Commission that the Christian Democrats would not send any representatives to the "foundation meeting" in Saarbrucken.

Complaints had earlier been lodged with the Commission that three prominent members of the Social Democratic Party in the Federal Republic—Herr Mellies, Herr Wehner, and Dr. Mommer—had attended the "foundation meeting" of the Saar Democratic Party at Sulzbach, near Dudweiler.

Repercussions in Western Germany. As stated above, the three pro-German parties in the Saar were, in effect, the counterparts of the similar parties in the Federal Republic The situation, however, was complicated by the fact that whilst the Social Democrats and the Free Democrats in Western Germany, equally with those in the Saar, were opposed to the Saar Statute, the Christian Democratic Party in the Federal Republic had approved the Statute, whereas the parallel party in the Saar was opposed to it.

The West German Christian Democratic Party issued a statement on Aug. 26, with Dr. Adenauer's approval, regretting the way in which the referendum campaign was being conducted in the Saar, and declaring that the question of accepting or rejecting the Saar Statute had become submerged in arguments for or against the present Government headed by Herr Hoffmann—a matter which, it was stated, should properly be settled in the *Landtag* elections to be held after the referendum Reiterating the party's support for the Saar Statute, the statement recalled that Dr. Adenauer had already explained to the *Bundestag* that he had agreed to the Statute as a way of restoring political freedom to the Saarlanders and of giving them the chance of choosing the Government they desired. The statement strongly denied allegations by the anti-Statute parties in the Saar that Dr. Adenauer had accepted the Statute "under pressure," and quoted the Chancellor's own denial before the party executive and before the *Bundestag*.

Dr. Adenauer himself, in a speech at Bochum on Sept. 2, expressed the hope that the Saarlanders would accept the Saar Statute and would subsequently reject the Hoffmann Government at the *Landtag* elections which would follow the referendum. He explained that he understood the desire of the Saarlanders to oust the present Saar Government, but maintained that the correct order of events should be, firstly, acceptance of the Saar Statute, and secondly, the holding of elections at which the Saarlanders would be free to choose their Government. The Chancellor's speech was strongly criticized both by Dr. Dehler and by Herr Ollenhauer (the respective leaders of the Free Democrats and the Social Democrats) as an attack on the pro-German parties in the Saar

In spite of Dr Adenauer's appeal, the leaders of the Christian Democratic, Social Democratic, and Free Democratic parties in the Saar announced on Sept. 3-4 that they would maintain their opposition to the Statute, and at the same time announced the formation of the *Heimatbund*, with the following aims. "To remain faithful to the German fatherland, to defend German culture in the Saar, to oppose any falsification of the popular will, and to further Franco-German understanding in the spirit of truthfulness through a just solution of the Saar question."

Subsequently some 600 delegates of the Saar Christian Democratic Party, meeting in Saarbrücken on Sept. 18, unanimously adopted a resolution reiterating their opposition to the Saar Statute and expressing full confidence in Dr. Ney, the party leader.

Dr. Ney gave an interview on the same day to a correspondent of the *Manchester Guardian* in which he denied that the pro-German movement in the Saar was in any way nationalist, or directed against the interests of France. "We are perfectly ready," he said, "to take France's economic needs into account. By all means let France have the Saar coal she requires, and let her pay for it with francs or, if she wishes, with foodstuffs from Alsace-Lorraine. . . . But even more important to us is our determination not to be separated from Germany politically"

Three West German parties—the Social Democrats, the Free Democrats, and the Refugee Party—issued a joint statement on Oct. 14 asking the Federal Government to take measures to ensure the reunification of the Saar with the Federal Republic The suggested measures—based on two considerations, (*a*) that the Saarlanders were Germans and desired to remain in Germany, and (*b*) that the Saar was legally a part of Germany within her 1937 frontiers—were as follows.

(1) Reduction of the duties on Saar goods imported into the Federal Republic

(2) Improvement of rail and road communications between the Saar and Germany

(3) Encouragement of Saarlanders to attend youth, trade union, cultural, and sports meetings of all kinds in Germany.

(4) The formation by the Federal Ministry of All-German Affairs of a Saar Council to investigate all problems connected with the reunion of the Saar with Germany.

(5) The implementation of a previously prepared economic plan for the Saar as soon as the territory was reunited with Germany. Its main purpose would be to modernize and rationalize the Saar's industries in order to bring them up to the same standards as those of the Federal Republic

(6) The raising of social benefits in the Saar to the same level as those in the West German *Länder*.

(7) An assurance that Saarlanders would be allowed to express their desire to return to Germany, and that no-one would be penalized in any way because of his attitude towards reunification.

Ten days earlier (Oct. 4) the leaders of the three pro-German parties in the Saar had visited Bonn to exchange views with representatives of the Federal Government. In a press conference, at which Dr Schneider acted as spokesman, they pointed out that any intervention in the electoral campaign, from whatever quarter it might come, would be contrary to the provisions of the Saar Statute and would "falsify" the results of the referendum. [The statement was issued on the eve of a meeting between Dr. Adenauer and M Faure, the French Prime Minister, which was held in Luxemburg on the following day—see below.] Dr. Schneider emphasized that all the pro-German parties had obeyed the regulations laid down for the conduct of the referendum, and that none of them had been rebuked by the International Commission.

Repercussions in France. - Faure-Adenauer Discussions. M Faure and Dr. Adenauer, accompanied respectively by M. Pinay (the French Foreign Minister) and Dr. Hallstein (State Secretary for Foreign Affairs in the West German Government), had a meeting in Luxemburg on Oct 5 at which the Saar and other European questions were discussed. The following joint communiqué was issued:

"The Federal Chancellor and the French Prime Minister . . . had an exchange of views which showed their opinions to be in full agreement. . . . The two Governments reaffirmed their wish to continue along the path of Franco-German co-operation in the European framework They expressed anew their conviction that the unification, peace, and welfare of Europe can be assured only by building up European institutions and by a sincere understanding between Germany and France. They made known their resolve to do everything to contribute to such a policy.

"Bearing in mind that the agreement on the Statute for the Saar is a component part of such a policy, they agreed that the details of the Statute, which will require to be worked out in consultation with the Saar population after it has accepted the Statute, must guarantee the full maintenance of the material and spiritual interests, character, and affinities of the Saar population. They recognized similarly that after acceptance of the Statute political freedoms must continue to remain in force as laid down in Article 6 of the Statute and in the decisions of the Western European Union Finally, they declared themselves ready to begin in February the tripartite negotiations envisaged in Art 12 of the agreement of Oct. 23, 1954."

[Art. 12 of the Saar agreement, while providing that the principles of the economic union of the Saar with France should be incorporated in an agreement between the Saar and France, also laid down that there should be progressively closer economic relations between the Saar and the German Federal Republic. Such relations would be "similar to those existing between France and the Saar," though they were not to endanger the currency union with France. Tripartite agreements—to which France, Germany and the Saar would be parties—were to be concluded to apply those principles.]

M. Pinay issued the following statement after the Luxemburg meeting "In answer to tendentious reports, the French Government wishes to make it clear that it has never lost sight of the fact that the final status of the Saar must have the approval of the Saar population. If at the peace conference France supports the continuation of the Saar Statute, which in her view is the best solution from a European point of view, she knows that this will be permanent only if the Statute has worked satisfactorily and has obtained the free consent of the Saar population. France in no way intends to exert pressure on the free decision of the Saar population by delaying the peace treaty."

A further statement on the French Government's policy *vis-à-vis* the Saar was made on Oct. 20 by M. Pinay to the Foreign Affairs Commission of the French National Assembly, in the form of the following six-point declaration:

"(1) As was recalled in the Luxemburg communiqué, the agreement of Oct. 23, 1954, constitutes an essential element in the policy of Franco-German co-operation and European reconstruction. . . This is really what is at stake in the vote of Oct. 23, 1955. It does not imply any choice between France and Germany, but involves a choice between co-operation and disunity.

(2) Thanks to the European Statute, the Saarlanders will be united instead of divided, and will thus be called on to play a decisive role in the reinforcement of the Western community. They will go to the poll in freedom, just as they will go in freedom to decide their future at the second referendum [i e. for the election of a new *Landtag*] The French Government, convinced of the need for a European solution, will never bring any kind of pressure to bear upon the free decision of the Saarlanders.

(3) On Oct 23 the Saarlanders will choose between a European solution and the maintenance of the *status quo*. The French Government formally denies allegations that an alternative solution might be envisaged The situation created by the rejection of an agreement arrived at after five years' effort, and approved by the Parliaments of the two countries, would make it impossible for any Government or Parliament to reopen negotiations.

(4) Negotiations to extend the economic relationship between the Saar and the Federal Republic will open in February, 1956, as foreseen in the agreement of October, 1954.

(5) That agreement entrusts to a European Commissioner the responsibility for deciding how the Saar shall contribute to common defence within the framework of Western European unity. It is thus untrue to say that it will be possible to enlist Saarlanders in the French Army, and absurd to claim that they could be sent to North Africa. [This assertion had been made during the electoral campaign by pro-German speakers]

(6) The agreement of October, 1954, opens up bigger prospects of development to the Saar. In Luxemburg the German and French Governments committed themselves to work in the spirit of co-operation and *rapprochement* between the two peoples. The application of the Statute must pay great attention to the character and affinities of the Saar population, and secure for it the advantages and essential achievements from which it now benefits. . . . The European Statute of the Saar opens the door to the future"

Defections from Saar Government and Christian People's Party. The position of Herr Hoffmann's Government was weakened a few days before the referendum by the withdrawal from the Christian People's Party (announced on Oct. 19) of four leading officials: Herr Gotthard Lorscheider, head of the Saar Government's Foreign Affairs Department; Dr Schutz, State Commissioner for Reconstruction and *Landrat* of St Wendel; and Herr Linicus and Dr. Dierkes, the respective *Landräte* of Merzig and Ottweiler. [A *Landrat* has roughly the same duties as a Prefect of a French *département*, acting as head of the local district administration.] No official reasons were given for the resignations.

Professor Paul Senf, the Saar Minister of Finance and also a leading member of the Christian People's Party, had resigned from the Government on Sept. 7 and in subsequent weeks appeared on the platform of the pro-German parties. The organ of the Saar Christian Democratic Party stated that Dr. Senf had resigned because he regarded the resignation of the Government, the dissolution of the *Landtag*, and the holding of new elections as essential preconditions for the holding of the referendum.

Post-Referendum Developments.

The following statement was issued by the Federal German Government on Oct. 24 after the result of the Saar referendum had been announced:

"With the consent of their Parliaments, the Governments of the French Republic and the German Federal Republic agreed to submit the Saar Statute worked out by them to a free, uninfluenced vote of the people of the Saar. The people of the Saar have expressed themselves by a large majority against the Statute. Thereby the problem is posed afresh of finding a solution which takes into account the will of the people of the Saar, expressed in the result of the referendum, and which serves German-French co-operation and the goal of the European community."

Dr. Adenauer sent a message to M. Faure on the same day reiterating his conviction, as expressed at the Luxemburg meeting, "that the outcome of the referendum should not and will not prejudice the good relations between our two countries." He added: "Knowing that both our Governments sought a settlement in the spirit of European solidarity and have loyally observed their obligations, I am certain that in the future, too, they will go the way of harmony and friendship." M. Faure replied: "Like you, I am convinced that the results of the Saar referendum cannot divert our two Governments from the path they have taken. The new difficulties in our way make our task harder. They will not, however, weaken our common will to serve the cause of Europe and of understanding between our two peoples."

The result of the referendum was enthusiastically welcomed in Western Germany by the Social Democrats, the Free Democrats, the Refugee Party, and the German Party, and by the West German Press generally. Herr Kaiser, the Federal Minister for All-German Affairs, sent a telegram of congratulation to the Saar Christian Democratic Party and demanded the resignation of Herr Hoffmann; Herr Blücher (Free Democrat), the Federal Vice-Chancellor, declared that he "thoroughly approved" the decision taken by the Saarlanders; whilst Dr. Dehler, the leader of the Free Democrats, said that he had "seldom been more delighted by a piece of news," and that the Saarlanders had "said 'no' to the Statute but 'yes' to Germany and Europe." Herr Ollenhauer, the leader of the Social Democrats, similarly expressed his pleasure at the result, declaring that the Saarlanders had "rejected the hated Hoffmann regime" and "demonstrated their German nationality." The Christian Democrats maintained reticence and issued no official statement.

In France, a statement was issued by the Quai d'Orsay saying that the referendum had "not brought that positive response which seemed to conform with the interests of Europe" It declared, however, that France stood by the ideals of European co-operation, that she was determined to pursue them in spite of all difficulties, and that the new situation could be considered only within the legal framework of existing institutions. Keen disappointment with the result of the referendum was expressed by the French Press, *Le Monde* heading its editorial article "A Rude Awakening." M. François-Poncet, the retiring Ambassador in Bonn (see 14466 C), writing in *Le Figaro*, said that the most serious aspect of the matter was the personality of the leader of the anti-Statute campaign, Dr. Schneider, whom he accused of having "acted in the manner and style of the Third Reich" and of having "shamelessly exploited national sentiment" in an attempt to persuade the Saarlanders that they had to vote either for France or Germany.

Herr Hoffmann, who had been Prime Minister of the Saar since 1952, resigned immediately the result of the referendum was made known. The Saar *Landtag*, meeting on Oct. 29-30, agreed to dissolve itself on Dec. 17 and decided that elections for a new *Landtag* should be held on Dec. 18. At the same time it appointed Dr. Heinrich Welsch, a lawyer and non-party man, as Prime Minister of the Saar on a "caretaker" basis until the elections. At the request of all the Saar parties except the Communists, it was agreed to ask the International Commission to remain in the Saar to ensure that the *Landtag* elections were held in a free and unfettered manner.

The pro-German parties, though not represented in the present *Landtag*, agreed to Dr. Welsch's appointment and to the arrangements for new elections. Although there had been some dispute about the date on which the elections should be held—the pro-German parties urging that they should take place on Dec 4, and the older parties suggesting January, 1956—the compromise date of Dec. 18 was agreed upon through the mediation of Senator Dehousse.

Dr Welsch (65), a Saarlander, was legal adviser to the German military administration in Alsace-Lorraine during the war, and was instrumental in saving M. Robert Schuman (the post-war French Premier and Foreign Minister, and author of the "Schuman Plan") from being sent to a concentration camp His clean war record and integrity were not questioned from any quarter, and after the war he held several Civil Service posts in the Saar administration. In 1951-52 he was Minister of Labour in Herr Hoffmann's Government (in a non-party capacity), and at the time of his appointment to the Premiership was chairman of the State Insurance Board.

Dr. Welsch formed a four-man caretaker Government on Oct. 30 with the following membership: Dr. Heinrich Welsch, Prime Minister, Labour, and Justice; Dr. Paul Schütz, Internal Affairs and Cultural Affairs; Professor Adolf Blind, Finance; and Herr Eugen Huthmacher, Economic Affairs. In a broadcast on taking office, Dr. Welsch promised that a new electoral law would be introduced in preparation for the *Landtag* elections, and pointed out that his administration was of an interim character until the elections took place. He declared that his chief aim would be to bring about internal pacification and compromise, whilst realizing the desires of the population as expressed in the referendum, and emphasized that there would be no victimization of any description.
(Le Monde, Paris - Le Figaro, Paris - Frankfurter Allgemeine Zeitung - Welt der Arbeit, Cologne - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Saar Referendum, W.E.U. Decisions, 14288 A; Franco-German Agreements, 14223 A; Saar Statute, 13845 A; 1935 Referendum, 1508 C.)**

A. INTERNATIONAL FINANCE CORPORATION. — Articles of Agreement signed by 20 Countries.

The United Kingdom and Canada signed the Articles of Agreement of the International Finance Corporation in Washington on Oct. 26, thus bringing to 20 the number of Governments which have signed to date. India had signed on Oct. 19, the other 17 signatory countries being Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, Greece, Guatemala, Haiti, Honduras, Iceland, Mexico, Nicaragua, Pakistan, Panama, Paraguay, and Peru. A further 29 member-countries of the International Bank have expressed their intention of joining the I.F.C., including the United States, where a Bill authorizing U.S. participation was signed by President Eisenhower early in August, and Australia, where the Federal House of Representatives approved Australian membership on Oct. 27.—(International Bank, Washington) **(Prev. rep. I.F.C., 14168 A; U.K. Participation, 14490 A.)**

A. UNITED KINGDOM. — Supplementary Budget, 1955-56. - Increases in Purchase Tax and Undistributed Profits Tax. - Abolition of "D" Scheme. - Higher Postal Charges. - Cut in Housing Subsidies and Government Building. - Central Control of Local Government Borrowing.

It was announced from 10, Downing Street, on Oct. 19 that the Chancellor of the Exchequer would introduce a supplementary Budget in the House of Commons on Oct. 26, and that his statement would "cover a series of economic measures, some of which are fiscal and will need to be embodied in a Finance Bill." Mr. Butler accordingly introduced his autumn Budget on that date, the principal changes proposed by him being as follows:

Purchase Tax. The existing rates of 25 per cent, 50 per cent, and 75 per cent would be increased, with certain exceptions, by one-fifth to 30, 60, and 90 per cent respectively. Kitchenware, china, and some household goods which had been exempt for some years would become subject to purchase tax at the 30 per cent rate. The changes would apply to goods delivered by registered manufacturers and wholesalers, or imported by unregistered persons, on and after Oct. 27.

"D" Scheme. This scheme, which provided for purchase tax relief on certain articles of clothing, footwear, bedding, textiles, furs, and furniture, would be abolished, but most of the articles affected would become subject to preferential tax rates of 5 and 10 per cent as from Oct. 27.

Profits Tax. The rate of tax on distributed profits would be raised from 22½ per cent to 27½ per cent as from Nov. 1.

Housing Subsidy. The Exchequer subsidy for housing projects of local authorities would be abolished as soon as possible, except where it applied to slum clearance and to rehousing excess population from big cities In the meantime it would be cut substantially.

Loans to Local Authorities. The volume of Government lending to local authorities would in future be checked, to induce them to borrow on their own credit in the stock or mortgage markets and thus to relieve demands on the Exchequer. Local authorities borrowing from the Public Works Loans Board would have to pay rates at the current market level. A Government message was being sent to all local authorities asking them to review at once their capital spending programmes and to keep capital expenditure down to that of 1954-55.

Nationalized Industries. The electricity, gas, and coal industries had agreed to cut or delay certain capital expenditure.

Public Works. Certain Government building projects would be suspended for the time being, but the roads programme would go ahead as announced. There would be no cut in the hospital building programme, but hospital boards would be asked to undertake urgent projects only.

Postal and Telephone Charges. The following increases would come into force on Jan. 1, 1956

Letters, etc. Inland charge would remain at 2½d. up to 2 oz. (95 per cent of all letters are sent at this rate); but, instead of ½d. for the next 2 oz. and 1d. for each additional 2 oz., the charge for each 2 oz. above the first 2 oz would be 1½d.

Printed papers and samples, at present charged at 1½d. for 4 oz and ½d. for each additional 2 oz., would go up to 1½d. for the first 2 oz. and then 1d. for each additional 2 oz. Newspaper rates would remain unchanged

Special charges: The basic express letter charge would be increased from 6d. to 1s., and fees for long-term redirection of mail would also be higher.

Parcels. Inland rates would be as follows (old rates in parentheses): Up to 2 lb., 1s. 3d. (1s 1d); 2 lb - 3 lb, 1s 5d (1s 3d); 3 lb. - 4 lb., 1s. 8d (1s 6d.); 4 lb - 5 lb, 1s 11d. (1s 8d.); 5 lb. - 6 lb., 2s. 1d. (1s. 10d); 6 lb. - 7 lb, 2s 3d. (2s. 0d.), 7 lb - 8 lb., 2s 6d (2s. 1d.); 8 lb. - 11 lb, 2s 8d. (2s. 3d); 11 lb. - 15 lb, 2s. 9d. (2s. 4d). Price charges to the Irish Republic would be increased accordingly.

Telephones. Rental increases would be made varying from £1 a year for London business subscribers to £2 for London residential subscribers and £3 for provincial residential subscribers. There would also be increases for auxiliary lines, extensions, etc Local calls from telephone call-boxes would remain unchanged at 3d, but local calls from subscribers' telephones would be charged at 2d., as against 1½d. hitherto (for up to 5 miles), 4d. instead of 3d. (5 - 7½ miles), 6d. instead of 4½d. (7½ - 12½ miles), and 8d instead of 6d (12½ - 15 miles). Increased charges would be made for alarm calls, reversed charge calls, temporary transfer of calls, etc.

Surtax. (*a*) Measures would be taken to combat "dividend stripping"—a device operated by certain financial concerns under which the liquid reserves of companies (mostly private businesses) are extracted free of surtax by means of selling them to finance houses

(*b*) The relief from surtax allowed to Lloyds Underwriters on profits which they pay into special reserve funds would be increased, subject to certain conditions.

National Savings. The limit of holdings of National Savings Certificates would be raised from £750 to £900.

The Chancellor pointed out that these measures were intended to restrain public and private demand and thus to reinforce still further the Government's credit and monetary policy.

The Chancellor's speech to the House of Commons was as follows (cross-headings inserted):

"I have a variety of measures, including fiscal proposals, to put before the House which the Government judge are essential if the present economic situation is to be tackled thoroughly and effectively. The fact that my speech will include Budgetary measures might lead members to think that things are more difficult than they had imagined. Actually there has been a distinct improvement in the past month. . . . Since the middle of last month, sterling has strengthened and the loss of reserves has been effectively halted, and our current deficit under the European Payments Union has been greatly reduced Moreover, the September trade returns indicate that the gap between our export and import figures has been narrowed, and during 1955 the terms of trade have moved rather in our favour than against us."

Need for a Supplementary Budget. "What, then, have been the causes for our anxiety over this long summer, and why is further action needed now? These are the points I propose to answer Since the last Budget, over six months ago, rumours and speculations arose in July about the future parity of sterling and the margins within which it might move. This was largely due to the discussions in Paris in June on the subject of a European clearing system.

This uncertainty coincided with a second and separate factor the emergence of a significant degree of internal inflation due to wage claims and rising personal incomes, to increased spending on both consumption and investment, and to industrial unrest, in which the effects of the dock strike should not be under-estimated. Altogether there has been shown to be excessive demand for our limited supply of labour and materials. These two influences—rumours and uncertainty, and the emergence of a degree of internal inflation—reacted one on the other, and our reserves suffered some losses.

But a plain statement of our policy towards sterling—and I have nothing to add today to what I said at Istanbul over a month ago [at a meeting of the International Bank and Monetary Fund]—has altogether improved the standing of sterling, in so far as it was threatened by doubts about our exchange policy Some people may therefore be inclined to ask whether we could not wait till the next Budget to take further action against the internal inflationary pressure. This would be a much easier and more comfortable course than taking steps at once. But this Government are determined to restore the balance of the economy without delay so that we may rebuild our reserves and create a firm basis for future forward moves in national policy Thus we shall consolidate sterling's recent recovery and take advantage of the opportunities which world trade offers us.

I am quite clear where my duty lies, namely, that we must take further action, and take it now. We shall be moving in company with the Governments of Australia and New Zealand. These and a number of other countries have been suffering from troubles somewhat similar to our own, and Members will have observed that somewhat similar restraint is being applied in the United States, Western Germany, and Holland"

Dangers of Growing Economic Expansion. "Let us be clear, at the outset, that the problems which we in Britain are facing are not problems caused by a slack or enfeebled economy. We are moving on the tide of a vigorously growing expansion which is outstripping the resources available to maintain its strength Twenty-five years ago John Maynard Keynes said: 'We are suffering not from the rheumatics of old age but from the growing pains of over-rapid changes.' That statement is equally true of our situation today.

In addressing ourselves to the cause and cure of our growing pains, we must reflect that we have not experienced the problems of a free economy for some 17 years, that we have taken on many and varied overseas burdens far greater than some of our main competitors, such as Western Germany, and that we are sustaining, and mean to continue to sustain, a system of social services which is the envy of the world. In view of these three postulates I have made it clear that, in my view, the problems of the British economy demand a dual policy, combining both incentive and restraint.

We need and have needed incentive to secure the maximum expansion of production and employment at home. . . . In the last four years we have what may now be said to be the fullest employment known in our history. We need restraint to enable us to combine internal expansion with external solvency, and to ensure that the demand which results from full employment does not imperil our balance of payments or prevent us from honouring our manifold commitments overseas.

We have had these two considerations in mind during this year. In February, when the first signs of serious strain appeared, we took action by raising the Bank rate to 4½ per cent, and by reimposing a moderate degree of restriction on hire-purchase transactions. Therefore, at the time of the Budget in April, I could point both to the strengthening of sterling and to the improvement in the reserves which had resulted. I warned the House that it would 'naturally take some time for the effects of the Bank rate and of the tightening of credit to make themselves fully felt on our balance of payments.'

With the single and disquieting exception of coal, my confidence in our ability to increase production has been fully justified. So far this year industrial production has been running between 5 and 6 per cent above the corresponding period of last year, thus maintaining the momentum of the expansion of the last two or three years. Our exports have improved, and there is a generally high level of activity and well-being in the country. So much so that some people may find it hard to understand why, with full employment and better rewards, there is any need for remedial action to be taken.

But the truth is that, while the incentive side of our policy has worked to the advantage of the country as a whole, the disciplinary side, in the form of the restriction on credit—of which we had little practical experience in conditions of full employment when the trend of consumption and investment was rising, which was opposite to what happened when I applied it on first taking office—has proved to operate less rapidly than we expected and intended. That was the reason for the further measures which I introduced on July 25.

We cannot be certain as yet how far the various restraints which we have progressively brought into force during the year are exerting, in their totality, their effect on the economy Bank advances are generally gradually falling ; the trade gap is becoming rather smaller , and, as I foretold in the Budget—and my conclusion was correct—there has recently been some slowing down in the rate at which personal consumption has been growing. So my forecasts in the Budget were correct

But I am conscious of too many signs that, before the original pressures have been sufficiently checked, new pressures may develop to reinforce them. Here are some of the indications. The unsatisfied demand for materials and labour, which has been marked throughout the year, persists In spite of new production records, we are faced with a shortage of steel and of other essential materials ; and we are managing to overcome these only by additional imports And these are significant figures : for every individual unemployed, there are now more than two vacancies notified to employment exchanges. The excess of demand is showing itself not only in terms of personal consumption but also in a tempo of new investment which threatens to outstrip the growth of our resources "

Excessive Consumer Expenditure and its Effects. " These are the factors which have caused us to take action. The sum total of consumers' expenditure remains too high The Index of Weekly Wage Rates rose by no less than five points between December and March, when a good many of the large wage claims were settled But the figures now available show that it rose by another three points between March and June, and has since risen again by a further point And new wage claims are now being pressed forward.

At the same time the level of dividend distribution has continued to rise. Reports published by industrial companies in the first nine months of this year show an increase in net dividends of 22 per cent over the corresponding period of 1954 ; on a gross basis, that is before deduction of tax, the increase is about 19½ per cent. The conclusion is inescapable that we must design our policies so that they face up to, and cope with, the danger to the economy—and especially to our competitive power—of a further expansion of incomes and of consumer demand.

In addition to the evidence of continuing expansion in the amount of work actually done on fixed investment, all the indications of future intentions—the increase in the plans approved for new factory construction, and the rising value of orders on hand for machine-tools—point to a gathering momentum of demand in this field, which, taken with an increase of industry's stocks and work in progress, and with the rise in incomes and consumption, is now overloading the economy.

When a productive machine is working at such brimful capacity, it becomes easier not merely to obtain higher money incomes but also to pass on in higher prices the increased costs which result. Both costs and prices have been gradually edging upwards, reflecting the continuing rise in personal incomes This leads to social strains at home ; and abroad it threatens the competitive power of our exports in a world market where prices are becoming increasingly keener. It is significant that the index of our export prices has risen by 3 per cent since the end of last year.

It is difficult to define the trend of exports exactly, because of the interruptions of the dock strikes. So far as we can tell, it is rising at an appreciable rate Our exports to the U.S.A., in particular, will do better this year than they have been doing for a long time past. But it is becoming increasingly clear that home demand and home spending are not only sapping the competitive power of our exports but are also drawing in a larger volume of imports than we can afford.

In the first nine months of this year the excess of our total imports c.i.f. over our total exports has been no less than £676,000,000, as against only £425,000,000 in the same period last year. And although higher prices account for some part of this increase—the Index of Import Prices during this period has been, on average, some 3 per cent higher than over the same period last year—it is an expansion in the volume of imports which is mainly responsible. In volume, imports have been no less than 11 per cent higher in the period from January to September of this year than in the corresponding months of 1954 ; and the strain which they have imposed on our balance of payments has been particularly aggravated by the need to import substantial tonnages of coal. As a result we are faced with too wide a gap in the balance of our visible trade, and with a marked decline in the reserves of gold and dollars

The revised estimate for the overall current balance of the United Kingdom, recently published, shows a surplus for the second half of 1954 of £21,000,000 , and the provisional estimate for the first half of 1955 is £17,000,000. This surplus of £38,000,000 (including aid) for the 12 months ending in June, 1955, is at any rate a surplus, but it is insufficient to enable us to discharge the full range of our commitments and responsibilities overseas.

By Sept. 30 of this year the reserves had fallen to £838,000,000, and during October we have had to pay to the E.P.U. £28,000,000 in respect of our September deficit, which was incurred almost entirely in the first half of that month. On the other hand, on June 30, 1953, the International Monetary Fund still held sterling in excess of our original subscription to the extent of £96,000,000 ; the whole of that excess has now been redeemed. Thus our borrowing rights have increased, and this constitutes a significant reinforcement to our own reserves. In short, we have room in which to make effective our determination to reinforce and maintain sterling ; but we have no room for complacency."

Need for Measures of Restraint. "Now, when world trade is expanding, is the time for the level of our reserves to rise rather than to fall. As far as we can foresee, it would appear that the rest of the sterling area should, with improved commodity prices, do a little better in the months to come. On the other hand, the closest possible examination of our own prospects suggests that results in the U.K. are not likely to show sufficient improvement—though they might show a small improvement—unless we moderate the pull of home demand.

In judging what further measures of domestic restraint are required for this purpose, we must remember that a near balance or a small surplus on our overseas current account is not good enough. It is essential that we should earn a good surplus if we are to honour our manifold commitments overseas while allowing for adverse swings in our balance of payments, and if confidence in sterling is to be maintained

Having watched the recent course of events—the continuing high level of demand, both public and private, the persistent shortage of labour, the renewed pressure for higher wages, and the strain to which our reserves remain subject—I see both reason and need to reinforce the restraints which we have so far applied, in order to give the economy, in good time, the degree of relief which it needs and to strengthen the foundations of our balance of payments.

The methods by which we propose to deal with this problem will be consistent with the Government's economic policy as a whole, as it has developed during the past years. We shall not fall back on physical import cuts, which, so far from correcting inflation, may aggravate it still further and, in any case, can be effective only if they are reinforced by rationing, allocation, and controls Our measures must be of a more general character, consistent with our set policy of freer trade and payments, and designed to moderate the expansion of demand without distorting the natural pattern of growth of a free economy. The measures I shall outline are of this kind

But however firmly and wisely the Government acts, it is only if the Government's measures are recognized by public opinion as being taken in the best interests of the country as a whole that the economy will be restored to full health. It is an illusion to suppose that full employment, price stability, and a healthy balance of payments can be secured by the Government, irrespective of the contributions made, or withheld, by the people. Our plans are, therefore, framed to create the economic climate in which all elements of the community can play their full parts, and so balanced as to command the support of the whole country."

Principles of Restraining Public Expenditure. "I come now to the action which we propose to take. The measures of restraint which were imposed in the earlier months of the year will, of course, be maintained and allowed to develop their full effect. But the progressive operation of credit-policy will now be reinforced by further, and more direct, measures designed to restrain demand in both the public and the private sectors of the economy, and to reduce expenditure on both investment and personal consumption.

I sometimes hear it said that there is one simple solution for all our economic difficulties, namely, to make dramatic reductions in Government current expenditure. Most people who say this are the victims of two fallacies. First, that Government expenditure is making increasing demands upon the nation's resources ; secondly, that vast economies can be made by squeezing administrative costs, without changing the functions of the Government or reducing the scope of any important service

In fact, we have been wielding the knife continuously for four years now ; and during that period we have been much more successful in restraining Government expenditure than is commonly realized Four years ago Government current expenditure was eating up 29 per cent of gross national production. This year we have got it down to 26 per cent. Meanwhile, the squeeze on administrative costs goes on all the time, and it will tighten still more.

But it is not in the administrative cost that the big money lies. It lies in quite a small number of very large and important functions which the Government have to discharge : defence, law and order, social services, national insurance, assistance to agriculture, colonial and foreign services, and so on. When we look at Government expenditure, not in detail but in the large, the question of major changes of policy arises at once, for I emphasize that we are now at a point where major reductions in expenditure can only flow from major policy changes.

Do those who say that Government expenditure could be drastically reduced propose a reversal of policy in education, or a cut in the cost of pensions, or are we to hold up work on the roads ? Perhaps I can answer by saying that in each of these spheres we have to do all we can as it is to meet the imperative needs—in education, of a rising school population ; for the old, of an increased number of retired pensioners ; and for the roads, a programme which I cannot increase, but which is already insufficient to deal with the industrial needs of the country.

Are we, then, to make a big cut in our defence obligations ? The Defence Estimates will be published at the usual time, and they will show that we are carrying out our commitments with the utmost economy consistent with maintaining the efficiency of the Services in a period of revolutionary changes in strategy and equipment. This same criterion of economy and efficiency will have to be applied at the right time to the range of subsidies which fall within the field of the Ministry of Agriculture.

But at present—and I have been over the whole field of Government expenditure very thoroughly—the main possibilities of major economies do not lie in cutting back existing services. They lie in restraining the rate of development, in moderating the capital outlay on the expansion of services over the whole of the field where its cost affects Government finance, whether directly or through grants, loans, or guarantees, and so reducing the increased operating costs to which that expansion inevitably leads. It is in this way that we can best constitute a balanced and considered pattern of economy in public expenditure, such as the country needs."

Cut in Housing Subsidies to Local Authorities. "In the public sector the investment expenditure of the local authorities is a very important element. It represents about a quarter of the total of the nation's investment Ever since the first formulation of full employment policy in 1944 it has been common ground that this area of public investment is of particular significance in the task of keeping the economy on an even keel

By far the largest element is subsidized housing, which represented a capital expenditure of £390,000,000 in 1954 Housebuilding continues at a high rate; and there is no reason to doubt that the total number of houses completed in Great Britain will substantially exceed 300,000 this year, and will, if all goes well, probably be somewhere near that figure in 1956. Thus, in the first five years since the end of 1951, about 1,500,000 houses will have been built, and just under 2,500,000 since the end of the war. Of these, about 2,000,000 are houses built by public authorities for letting.

Nevertheless, local authorities still need to build a very large number of houses, more especially for two purposes. first, to rehouse families now living in slums, and second, to provide homes and industrial facilities in new and expanded towns for the excess population of the large congested cities.

It is against this background that the Government have been examining the problem of housing subsidies. The Minister of Housing and Local Government will tomorrow be announcing the revised rates for future housing subsidies in England and Wales It will be our policy in future to concentrate the subsidy as far as possible on the special purposes to which I have referred—namely, slum clearance and providing new industrial facilities for excess population. Our intention is to abolish the Exchequer housing subsidy for other purposes as soon as possible, and meanwhile to reduce it substantially."

Reduction in Local Authority Borrowing. "As for the other capital expenditure of local authorities, which represents well over £200,000,000 a year, the Government have now decided to reinforce their appeal of last July by a message to all local authorities, asking them not only to observe particular restraint in their current expenditure but also to review their capital expenditure, with the object of ensuring that in the financial year 1956-57 it will not exceed the expenditure of the year which ended last March in England and Wales and last May in Scotland. The Government are leaving it to the authorities to decide, in the light of local conditions, which of the various capital projects can be delayed with the least damage to the standards of their services.

I intend to support this action further by monetary measures It would be wrong to exempt the local authorities from the pressure of interest rates, and I have not hesitated to vary the lending rates of the Local Loans Fund in order to keep them in line with the market. But further action is needed if we are to restore financial responsibility to the local authorities and financial health to the Exchequer.

Hitherto, the local authorities have used the Exchequer as a source from which they can borrow as it suits them. But within their loan sanctions there has been no limit to the amount of their borrowing from the Exchequer; and they have had the benefit of rates based on Government credit.

This system has had two disadvantages. First, since the tap is open from which the local authorities can draw the money when their capital commitments mature, they have less incentive to consider, before they incur the commitments, how the money to meet them will be found. Their sense of financial responsibility is also weakened if they borrow at rates which reflect not their own credit but the credit of the Government. Second, the system is unhealthy for the Exchequer. The Budget of last April provided £320,000,000 'below the line' for loans to local authorities this year. In the 29 weeks so far, demands on the Exchequer for this purpose have already amounted to £223,000,000, an increase of £83,000,000 by comparison with the same period last year.

This drain is due to the fact that, when interest rates have been rising, the local authorities have chosen to concentrate their borrowing on the Public Works Loan Board. As a direct result, the Exchequer has been obliged to raise these large sums by increasing the Floating Debt, and this increase, by the operation of the monetary system, has diminished the pressure on the liquidity of the banks and added to the difficulties of credit control."

Government Check on Local Authorities' Loans. "In the next 18 months or so the capital expenditure of local authorities may be expected to fall. It is probable that the reduction in housing expenditure will continue; at the same time, if the local authorities succeed, as I am sure they will, in carrying out the Government's wishes in the rest of their programmes, their other capital expenditure will be no larger than it was last year This contraction of expenditure provides the opportunity for a change in the local authorities' arrangements for raising the capital finance.

I have therefore decided to exercise a check on the volume of Government lending to local authorities. I am not suggesting that any local authority, or class of authorities, should be denied the right of access to the Public Works Loan Board. But I have asked the Board, before it grants any advances in future, to put all applicants in inquiry as to their ability to raise the finance on their own credit, either in the stock market or in the mortgage market. I intend that all authorities who can borrow on their own credit shall make full use of the capacity of both markets, with corresponding relief to the demands on the Exchequer....

I know that this change implies a substantial modification in the financial practice of the local authorities. Transitional arrangements may well be required to avoid dislocation, and to ensure that there is no risk of delay in meeting commitments which the authorities, relying on past practices, have already incurred. We are fortunate, however, in having standing machinery for consulting the local authorities about arrangements for borrowing from the Public Works Loan Board; and I intend to use this machinery in order to ensure that the transition is carried out as smoothly as possible.

At the same time, I propose to change the present practice whereby an authority is charged a rate based on its own credit if it borrows on the market, but a rate based on Government credit if it borrows from the Public Works Loan Board. In future, an authority which makes its case for borrowing from the Board will pay a rate reflecting not Government credit, but the credit of local authorities of good standing in the market for loans of comparable periods.

The local loans rates now in operation are 5 per cent on advances for periods of five years and over, and 4½ per cent on advances up to five years Given current market levels, I consider that these rates provide at least a fair starting-point for the new policy of local loans rates based on local authority credit; and for the present I do not propose to change them. But the local loans rates will be kept under close review as the new policy develops. I have said before, and I say again, that day-to-day fluctuations will be avoided. But the local loans rates must not be insulated from the market, and the Treasury will continue to adjust them, in either direction, as may be required to keep them in line with future changes in the level of the relevant rates in the market."

Capital Expenditure Cuts by Nationalized Industries and Public Services. "I gave some account on July 26 of the preliminary surveys of capital expenditure and borrowings which the nationalized industries had made at the request of the Government In particular, I mentioned various measures which the Central Electricity Authority and the Gas Council, together with their area boards, were prepared to take, including the deferment of certain capital projects. In the result, the gas industry will make do with older equipment, such as carbonization plant, for a longer period, and will be able to reduce expenditure this year by something approaching £3,000,000. The Central Electricity Authority has asked the area electricity boards for an all-round percentage cut in their expenditure in the current year, and even in the priority field of generation they have been able to postpone certain less vital projects, while pressing on urgently with the nuclear power programme

In both industries promotional expenditure is being cut back; and working capital employed in hire-purchase activities, and stocks held for those activities, have been curtailed, as a result both of the boards' own efforts and the Government's restrictions on hire-purchase arrangements. These initial measures will produce some useful savings in this year's capital expenditure. In addition, the House will be aware that, owing to the funding operations undertaken during the summer, the overdraft limits of the two industries authorized by the Government have fallen from a peak of £280,000,000 earlier this year to a figure of £130,000,000.

But it is only in the period ahead that substantial changes can be made. For that period the nationalized industries have been carrying out a more detailed survey of capital projects and internal resources, the results of which will be incorporated in the investment programmes which they are about to submit to the Government. Such programmes are submitted every year; and the industries are fully conscious that on this occasion their proposals for future investment will necessarily be examined with a much more critical eye than in the previous years.

This examination is not confined to gas and electricity. I said on July 26 that the coal mines must have their full investment; but I am glad to learn that the National Coal Board are pursuing the possibility of some saving by deferring projects such as brickworks and office buildings which do not affect output. The modernization and re-equipment plan for British Railways is at an early stage of its development. It does not at present involve any substantially increased demand on labour and resources. The British Transport Commission are well aware of the general needs of the economy, and in carrying through their programme will have those needs in mind.

Other public authorities are being asked to co-operate in restraining both current and capital expenditure. The Minister of Health and the Secretary of State for Scotland are communicating with hospital boards in this sense. In the hospitals, as in the local authority services, we are not reducing the programmes which have already been announced; but, subject to this, we are asking the hospital boards to ensure that only those works are undertaken which are of the most urgent and necessary character. The Minister of Transport and Civil Aviation is going ahead with the roads programme which has already been announced; but, in present circumstances, the Government cannot agree to an extension or acceleration of it, much as we should like to"

Reduction in Government Capital Programmes. "The Government must exercise a similar restraint in its own capital programmes. We have therefore examined the present programme of new Government building, and have considered which projects can be postponed with least detriment to our interests and without waste of expenditure. By way of illustration I will mention one or two of the larger schemes which we have had under review.

First, the Westminster Hospital site . . . This site was acquired in 1947 for the purpose of providing a new Colonial Office building, at an estimated cost of some £3,000,000 We have now decided that, for the present, we must discontinue the work at the point it has now reached—that is to say, at basement level Then there is the site in Horseferry Road [Westminster] which has been acquired for the erection of new Government offices, estimated to cost nearly £3,000,000 Here again, we have decided to halt the work at basement level

We have also had to look particularly closely at plans for Government buildings overseas, since this is a field in which savings have a double effect, on the balance of payments as well as on the total of Government expenditure. One major project, which has now reached the sketch-plan stage, is that for a new office in Washington to house the staff of the Embassy and other U K. missions, at a total cost of about £1,000,000. We had hoped to make a start with this building by the end of 1956 ; but we have reluctantly decided that we should not be justified, in present circumstances, in proceeding with plans which may involve us in heavy dollar expenditure, if not now then in 12 or 18 months' time.

There is a number of other, more long-term projects, where we may have to consider spreading expenditure over a longer period than we had hoped One of these is the Royal Mint, in which I have a personal interest because, as Chancellor of the Exchequer, I am *ex-officio* Master, Worker, and Warden , and I have long wished to see the Mint more adequately housed than it is at present We shall have to look at the timing of the plans for this and other projects All that I have said indicates the Government's intention to set an example of restraint in its own capital expenditure "

Post Office Finances. " It is in this spirit that we have also considered the investment requirements of the Post Office, and the steps necessary to bring Post Office finances into line with current economic needs The Postmaster-General is laying a White Paper today which sets out his plans in detail In common with other authorities, the Post Office must restrain the rate of its capital investment, and I am sorry that it will not be possible for the Postmaster-General to reduce the size of the telephone waiting-list quite as quickly as we should have liked But we shall do all we can.

It is also necessary to bring charges into closer relationship with the cost of the services offered to each class of subscriber, including a proper allowance for the present high cost of equipment. Many telephone subscribers at present have a telephone for half of what it costs the Post Office to instal and maintain it. The adjustments which the Postmaster-General is proposing will bring us nearer to a position in which the waiting-list consists of persons who are prepared to pay an economic rent. Together with some necessary increases in postal tariffs, they will produce an extra £26,000,000 a year "

Restraint in Capital Expenditure by Private Enterprise. " It would not be in accordance with the Government's policy to try to control directly investment in the private sector. But I look to all those who provide or control the finance for capital expansion by private enterprise to bear well in mind the spirit of the decisions which the Government have taken for their own part, and the request which they have made to local authorities, to other public boards, and to the nationalized industries.

The banks and the Capital Issues Committee took note of my statement on July 25, and have applied it in their scrutiny of applications. I take this opportunity to underline, with fresh emphasis, what I then said, and to make it clear that there can be no question, for the time being, of the authorities relaxing their critical attitude. To the extent that those concerned with investment programmes are willing to enforce a stricter order of priority in giving effect to their projects, and to move rather more slowly for the time being in implementing their projects, they will be contributing directly to the stability of our economy and thus ultimately to their own prosperity."

Incentives for Saving. " The measures which I have described are directed to controlling the growth of expenditure in the public sector. They need to be supplemented by a policy to deal with the growth of personal consumption Restraint in this field can be achieved by self-discipline no less than by external compulsion; and I am anxious to give every encouragement to those who are willing to forgo a little of the luxury of immediate spending for the sake of the future well-being of our country.

Last April I paid tribute to the results of the National Savings Movement's campaign for 2,000,000 new savers, and the great success achieved in raising the level of new savings I renew my tribute to the movement, its leaders and workers alike, and I urge them to remember that their efforts are even more important today. This year's National Income Blue Book shows the great rise in personal savings of all kinds under this and the last administration since 1951. The amounts invested through the National Savings Movement increased by £86,000,000 in 1954, and the first nine months of 1955 show a further increase of some £80,000,000

A new Defence Bond will be available on and after Nov. 1, with the same bonus and limit on holdings as the present bond, but carrying interest at 4 per cent Lord Mackintosh [chairman of the National Savings Committee] has represented to me that an increase in the limit on holdings of National Savings Certificates would be of very timely assistance to the savings movement The Government have decided to give the movement this encouragement, and to increase the maximum permitted holding of certificates of the current issue from the present figure of 1,000 units, or £750, to 1,200 units, or £900. This measure, like the new Defence Bond, will come into effect on Nov. 1. These are fresh and attractive incentives ; and I am confident that the National Savings movement will rise to both the needs and opportunities of the present time, backed by public opinion and by members on both sides of the House."

Purchase Tax. Announcing the increases in purchase tax, the Chancellor said that he was " satisfied that some direct restraint on consumption is also required," and that for this purpose there was " one revenue measure which lies ready to hand and is immediate in its effect." After explaining the new rates, he went on : " I am also taking the opportunity to modify the tax, bringing into its ambit certain goods which at present lie outside, and reducing its impact in some cases where industry is undoubtedly suffering from its effects Two of the changes are major.

" The first affects a range of kitchenware, tableware, and other household goods, which were for the most part at one time subject to tax, but have for some years been exempt The general case for an increase in purchase tax applies equally to these goods ; moreover, the exemptions are arbitrary in their nature, and have proved difficult to administer, giving rise to a number of anomalies which are a frequent source of friction with the trades concerned. This range of articles will now be brought within the purchase tax field, and made subject to the lowest rate of 30 per cent.

" The second major change relates to the ' D ' allowance schemes, which now apply to clothing, footwear, textiles, furs and furniture. The levels at which the ' D ' figures now stand have for some time been too high, and have resulted in a far larger range of items becoming exempt from tax than was the intention when the levels were fixed. This situation was thus, in any case, overdue for revision. Moreover, with the ' D ' levels in mind, manufacturers at present tend to concentrate design and production on lower quality goods for the home market. The Government have therefore decided to abolish the ' D ' schemes, in order to open up the home market in quality goods and to provide a better base for the export market . . . . I believe that traders in general will welcome this change.

" While abolishing the ' D ' schemes, however, I am not proposing to apply the full rigour of the new rates of purchase tax to the articles affected. Apart from fur garments, which will remain chargeable at 50 per cent but with no ' D ' allowance, the whole range of articles now affected by the ' D ' schemes will be made liable to tax at rates of 5 or 10 per cent, corresponding broadly to the previous rates of 25 or 50 per cent with ' D ' allowances. For example, hats will be charged at 10 per cent. These low rates cannot be held to constitute any serious burden on the industry or the consumer, and the general financial effect of the changes will be that the yield from textiles and clothing will not be significantly increased.

" The other adjustments of purchase tax which I propose to make will give some help to the silverware and cut-glass industries, by reducing the amount of tax paid on most of these craft products.

" The result of these alterations in the purchase tax will be a simplification which will give much more freedom to the designer and the exporter. They therefore fit into the general pattern of the needs of the moment, and I commend them They will come into effect as from to-morrow, and should produce in a full year additional revenue of approximately £75,000,000. Their yield in this [financial] year will be £15,000,000. Their effect on the cost-of-living index will be an increase of a little under one point "

Profits Tax. " In considering whether I need do anything further in the field of direct taxation, I am governed by the conclusion reached in the earlier part of my speech . ' That we must design our policies so that they face up to and cope with the danger to the economy—and especially to our competitive power—of a further expansion of incomes and of consumer demand.'

" I do not propose to single out personal incomes, not even the highest personal incomes, for further taxation or for any reduction of the relief from taxation which I have already given them. Personal incentives, especially to those who give a lead on the shop floor or in the office, are hard enough to give, with taxation at its present level, and should not lightly be withdrawn.

" In death duties also the rates are already very high ; nor indeed would any practicable change in these duties make any direct contribution to the solution of our problem, which, as I have said, requires an early reduction in the call which we are making on our resources.

" There remain the taxes on profits. It is clear that the leaders of industry, large and small, as well as of organized labour, realize that what may be described as a ' demand race ' will price us out of overseas markets. This is true whether the demand derives from increased wages or from bigger incomes resulting from a considerable enlargement of the distribution of profits It is true that there are reasons for some of the increased wage claims, and that many of the increased dividends have been due to a pent-up restraint over a number of years.

" Provided that productivity per man increases at least in proportion, there are great advantages in higher wages and there is positive virtue in making profits. Profits are an indication both of efficiency of production and of the directions in which economic changes are needed. Unless the economy incorporates some index by which to evaluate rewards for efficiency, and to distinguish between the results of greater and smaller success in the business of risk-taking, it will soon lose the powers of adaptation and innovation which are essential to survival. Nevertheless, at a time when our resources are overloaded and the demand for the products of industry exceeds the supply, the level of profits can contribute to this excess demand. It is, therefore, appropriate that profits should make some contribution to the effort of restraint which is required of all sections of the community.

" We do not propose to withdraw the investment allowance. We propose to rely on the good sense of managements and on the credit squeeze to moderate the pace of investment. I have come to the conclusion that if we are to tackle excess demand as stimulated by the general level of profits, I must deal with the difficulty by

other means. In the U.S.A., for example, they find it necessary in the interest of the community to check undue fortuitous increases in personal fortunes. I have studied the arguments of the minority of the Royal Commission in favour of a capital gains tax; I confess that I am far from convinced by them. In any case, I am sure that it is premature to jump to conclusions about a capital gains tax, and most unwise to revert to any conception of an excess profits tax or a special contribution or levy. I have therefore turned my attention to the existing profits tax.

"This tax is now charged at two rates—22½ per cent on distributions and 2½ per cent on amounts put to reserve. The whole question of its structure, and of the taxation of corporations generally, has recently been exhaustively reviewed by the Royal Commission. The majority report recommends that the existing differential rates should be replaced by a single flat rate; the minority propose a wholly new system of taxing companies.

"I was attracted at first by the majority recommendation; but on examination I have found that it would be very variable in its incidence and have the most anomalous results. Companies which distribute a high proportion of their profits would gain, while those which put a large proportion to reserve would lose—and the latter include a large number of new and important industries. Such a change would not be directed to our present needs. Nor am I ready to make up my mind on the permanent alterations in the structure of the tax recommended by the Royal Commission For the moment, I must do what seems best within the existing framework.

"I have considered whether I should increase the rates of profits tax both on distributed and on undistributed profits. I am reluctant to increase the rates specifically charged on amounts put to reserve, since to do so would tend to impede the necessary replacement of capital assets, and to discourage future investment rather than current consumption Here our long-term interests diverge from our more immediate needs.

I realize that the tax on distributions has to be paid by the company. Nevertheless, I consider that in present circumstances, when increased dividends may imply increased consumption, there must be an increased tax on the profits which companies distribute. I have therefore decided to increase the rate of profits tax on distributed profits from 22½ to 27½ per cent, as the measure which is most appropriate to our requirements.

"The increase will apply to accounting periods beginning on or after Nov. 1, and, in the case of accounting periods which overlap that date, to so much of the period as falls on or after that date. As on previous occasions when the rate has been increased, there will be provisions for splitting companies' accounts, and for ensuring that a company cannot avoid the increased rate of tax by declaring on or after today an increased dividend for a period before Nov. 1. The yield in a full year will approach £40,000,000.

"I trust that the prospect of this additional charge on profits, combined with the effect on the whole economy of the sum of the measures which I am proposing, will exert a significant degree of restraint on the amounts actually distributed."

Conclusion. The Chancellor concluded: "Those, then, are the measures which the Government propose to restore the balance of the economy. We must not under-estimate our achievement over the last four years. We have removed restrictions and controls and restored liberty of choice: we have opened markets, widened the channels of trade, and moved nearer the freeing of payments. Now, if we show responsibility at home, we shall prove ourselves worthy of the position of leadership in the Commonwealth and among the nations of Western Europe. Moreover, the House may observe that this Government has always taken action in time and looked forward. It is our conviction that, by taking action of this sort in time, we can look forward not only to many years of successful government but to a continuance of our standard of living..."

The estimated effect of the taxation changes as set out in the Government's White Paper was as follows: (*a*) profits tax increase—gain negligible in 1955-56, £10,000,000 in 1956-57, and £38,000,000 in a full year; (*b*) purchase tax increases—gain of £15,000,000 in 1955-56 and £75,000,000 in a full year; (*c*) surtax, increased relief for Lloyds Underwriters—loss nil in 1955-56 and £500,000 in a full year. Total gain, £15,000,000 in 1955-56 and £112,500,000 in a full year.

Changes in Purchase Tax.

Further details of the purchase tax changes were given in the financial statement, as follows:

(1) Kitchenware and table-ware now chargeable at the rate of 30 per cent of the wholesale value included the following items: Vessels for use as containers for food or drink, and lids for them; serving trays, bread boards, bowls, jugs, etc; household brushes, brooms and mops; dustbins, buckets and pails, coal-hods, coal-scuttles, and pedal-operated sanitary bins; wash-tubs, wash-boards, portable baths, ironing boards, clothes-line posts, clothes pegs, clothes props, and clothes airers; pot-scourers and steel wool; pastry-boards and rolling-pins; coal or cinder sieves and sifters; electric kettles and other cooking utensils incorporating heating elements; smoothing irons and pressing irons, and shields and stands for them; interval timers; kitchen scales and weights; hand-operated wringers; and shopping baskets and shopping bags.

(2) Tax at 50 per cent on cut-glass vases was abolished, such goods becoming chargeable at the rate of 30 per cent.

(3) Tax at 50 per cent on goldsmiths' and silversmiths' wares and on articles made of semi-precious materials was also abolished, and liability to tax of such articles will no longer be determined by reference to the materials they contain. Articles of precious metal worn on the person will be chargeable at the new rate of 60 per cent, and trophy cups, bowls, etc, and picture frames, stands for photographs, etc., at the new rate of 30 per cent.

(4) Under the system of "D" reliefs, now abolished, certain wearing apparel, handkerchiefs, cloth, domestic textile articles, bedding and furniture were chargeable with tax only on the excess, if any, of their wholesale value over a fixed amount. Goods within these descriptions, at present exempt from tax (young children's garments and footwear), remained exempt. In addition, babies' gloves, headgear, high chairs, cots, playpens, and cradles became exempt.

Tax at 50 per cent, with "D relief," on woollen domestic textile articles and soft furnishings, including travelling rugs and pram rugs, was abolished.

Other goods of this kind will be taxed at the following rates, on the full wholesale value · garments, footwear and gloves, 5 per cent; headgear, 10 per cent; handkerchiefs, scarves, shawls and braces, 5 per cent; other haberdashery (excluding tapes, ribbons, and other narrow fabrics), 30 per cent; fur gloves, 5 per cent; fur garments and footwear, fur headgear, dressed fur skins and fur rugs, 50 per cent, clothing, bedding, etc., 10 per cent; mattresses, pillows, bolsters, and cushions, 5 per cent; most domestic furniture, 5 per cent, other domestic furniture and office furniture, 30 per cent.

Increase in Post Office Charges.

A White Paper on Post Office development and finance, issued on the same date, stated that the prices charged for many Post Office services had become uneconomic and that it was necessary to raise £25,750,000 additional revenue in the next financial year from the telephone and postal services.

It was stated that the additional funds were needed partly to meet the increased cost of telephone equipment and materials, which now called for an additional annual provision of £12,500,000, whilst additional wage awards and other increased costs accounted for another £17,000,000. Although the impact of these increased costs was being reduced by internal economies, they alone would put the Post Office in deficit in 1956-57. During the post four years, it was pointed out, at least £50,000,000 had been added to Post Office current costs, most of it through wage increases, and by no means all of this had been passed on to the public. It was estimated that without the proposed increases, and taking costs at their current level, the Post Office surplus of over £5,000,000 in 1954-55 would be turned into a deficit of £3,000,000 in 1956-57.

The White Paper also said that it was now necessary to provide for a payment of £5,000,000 to the Treasury, as it had been decided to reintroduce for a trial period of five years one of the reforms ensuing from the Bridgeman Committee of 1932, which entailed a limit on the use of the Post Office as a revenue-producing instrument for the Exchequer. This arrangement, which had been suspended during the war, meant fixing a definite contribution to the Exchequer beyond which any net earnings were at the disposal of the Post Office. This amount, together with the increased depreciation provisions of £12,500,000, the cost of improvements, and a sum in respect of rising current costs sufficient to convert the prospective deficit of £3,000,000 into an appropriate working margin of £5,000,000, made a total of £25,750,000 to be found by tariff increases.

The new rates, the White Paper pointed out, would bring the average paid by a telephone subscriber to about 80 per cent above pre-war, and postage for inland letters and printed papers to 98 per cent over pre-war—increases which compared with a 150 per cent increase in the cost of telephone apparatus and 175 per cent in Post Office wage rates, whilst new telephone equipment cost at least 2½ times that in 1939. The new rentals, estimated to produce another £9,750,000 a year, would still leave charges below costs for provincial subscribers, particularly residential ones As regards local calls, the cost to the Post Office of a 1½d call was at present slightly over 2d, and was increasing as the proportion of new plant grew. The additional income from increased call charges was estimated at £7,000,000 a year

Finally, the White Paper announced the forthcoming introduction of various improvements, stating that a big increase was required in the number of public trunk circuits, and that at least 4,000,000 more would be added during the next three years. The Post Office was also starting to build a chain of radio relay stations from south to north through the centre of the country, which, when completed in four years, would have an ultimate capacity for several thousand telephone circuits and a number of television channels for transmitting B.B.C. and I.T.A. programmes. In addition, mechanism was being installed to make it possible for all calls over 15 miles to be handled by one operator. As a further step subscribers would be able to dial long-distance calls themselves; suitable equipment for this was now being designed and should be ready for a first installation within four years. Finally, new coin boxes would be introduced with long-distance dialling facilities. For letter mails further use would be made of inland air services, and free delivery of telegrams was to be made universal.

Cuts in Housing Subsidies.

The proposed cuts in housing subsidies were announced by Mr. Duncan Sandys on Oct. 27, his statement being as follows:

"The basic subsidy of about £22 a house was fixed a year ago. Since then rates of interest on loans have risen appreciably, and if the Government were to follow the previous practice of adjusting subsidies to take account of such changes, the basic subsidy would now have to be raised to well over £30.

But the Government do not consider that such an increase is either necessary or desirable. Local authorities own about 1,250,000 houses built before the war, and a further 1,500,000 built since the war. The Exchequer subsidies which they are receiving on these existing houses amount in all to nearly £47,000,000 a year

There is no doubt that, in general, council house rents are today being subsidized to a greater extent than the financial circumstances of the individual tenants require. This shows that the amount of subsidy which the Exchequer is now paying out in respect of existing houses is unnecessarily large and provides a margin which could properly be used for financing some part of the future house-building programme.

For a number of years there will continue to be a large demand for more houses, and in many areas the shortage is still serious But most, if not all, the authorities which have long waiting lists possess a big pool of existing houses upon which they are receiving large amounts of subsidy. These usually include many pre-war houses, built at much lower cost. Provided, therefore, that they subsidize only those tenants who require subsidizing, and only to the extent of their need, local authorities should be well able to continue building the new houses they require with appreciably less Exchequer assistance than hitherto

We are not proposing that the rates of subsidy on houses already built or building should be altered · but we have come to the conclusion that the subsidy on future houses, built for general needs, should be abolished altogether. In order not to make the transition too abrupt, we propose, for a year or so, to pay a much reduced annual subsidy of £10 a house.

Since we wish to encourage local authorities to restart the slum clearance campaign with all possible vigour, we have decided, as a matter of policy, to maintain the subsidy on houses built for this purpose at the existing level of £22

What I have said about the position of local authorities as a whole does not apply to the corporations of the New Towns They do not possess any pool of low-cost pre-war houses, and consequently their rents are substantially above the general average. A special problem arises also in the case of authorities of small towns or districts which are being expanded to accommodate overspill population from congested cities.

We propose, therefore, in these special circumstances, to provide a basic Exchequer subsidy of £24, an increase of £2 over the existing rate. A Bill to effect these and other consequential changes will be introduced next week, and the new subsidy rates will apply to any dwellings for which tenders were approved by local authorities after that date.

Unless local authorities exercise more discrimination in giving rent relief to their tenants, there is bound to be a continued misuse of public money At present councils are discouraged from introducing differential rent schemes because no matter how much they increase their revenue from rents they still have to pay into the housing revenue account a fixed contribution from the rates We therefore propose to abolish this obligation. This will allow local authorities, if they so desire, to use any savings they may make to reduce the rate burden, and will give them for the first time an incentive to adopt realistic rent policies.

The revision of the subsidies has provided a convenient opportunity to look again at the system of housing allocations. There is no doubt that this control has caused friction, and I have accordingly decided to bring it to an end. Local authorities will henceforth be left to determine the size of their own housing programmes, and I look to them to keep their demands upon our building resources within reasonable bounds.

The reduction in the rates of subsidy will tend to encourage local authorities to charge rents more in line with current wages and the present-day value of money In this connexion the Government recognize that the level of rents of council houses and that of privately owned houses are inter-related. Since most of these latter are subject to rent control, it will clearly be necessary for us to review the provisions of the Rent Acts. This we shall now do ; and we shall announce our conclusions in due course

The proposed changes in the subsidy rates will have the effect of slowing down the annual growth of Exchequer expenditure on housing. But, since they will not affect the subsidies payable on houses already built, they cannot, of course, reduce the present total of the subsidy bill. Nevertheless, I believe that it will be generally recognized that the policy which I have announced represents an important step in the direction of restoring some measure of reality to our housing finance."

Mr. James Stuart, Secretary of State for Scotland, announced on the same date that there would be a review of housing subsidies in Scotland, but that any change would be deferred until after legislation had been passed to give effect to the Sorn Committee's report on valuation and rating in Scotland, including the abolition of owners' rates.

The messages sent on Oct. 26 to local authorities in England, Scotland, and Wales by the Chancellor of the Exchequer, the Secretary of State for Scotland, and the Minister of Housing and Local Government urged these authorities to review current expenditure so as to secure economies wherever possible and to refrain, save in cases of exceptional need, from undertaking new services which would involve additional expenditure either from Government grants or from the rates. The aims of the authorities' review, it was stated, should be to ensure, first, that total capital expenditure in the year 1956-57, excluding expenditure on housing in the case of county and district councils, should not exceed that of 1954-55, and secondly, that no new works, even those already authorized, were undertaken unless the authority was satisfied that they were urgently needed by the area.—(Times - Daily Telegraph - Manchester Guardian - Financial Times) **(Prev. rep. Budget, 14145 A ; Financial and Monetary Measures, 14332 A ; Local Authority Loans, 14436 B ; Postal and Telephone Charges, 12065 A ; Parcel Postage, 13516 D.)**

A. RELIGIOUS LIFE. — Anglican Communion. - Dispute between Archbishop of Canterbury and "The Church of England in South Africa."

Following an announcement that a religious body named "The Church of England in South Africa" had elected the Rt. Rev. G. F. B. Morris, formerly Anglican Bishop of North Africa, as its bishop, the Archbishop of Canterbury (Dr. Fisher) issued a statement on Oct. 3 emphasizing that unless Bishop Morris withdrew from this position he must be regarded as "having put himself out of Communion with the See of Canterbury and outside the fellowship of the Anglican Communion." The Archbishop's statement was as follows :

"In order to avoid misunderstandings which may arise from the announcement that a small body known as 'The Church of England in South Africa' has elected the Right Rev. G. F. B. Morris to be its bishop, I must make clear that this body has no place in the constitutional system of the Church of England and is not amenable to the jurisdiction of the Archbishop of Canterbury Bishop Morris has accepted episcopal office in this body against the advice and direction of the Archbishop of Canterbury and without any reference to the Archbishop of Capetown He has thus acted against the principles of Church order in the Anglican communion. I find it necessary to state that unless Bishop Morris withdraws from this position I must regard him as having put himself out of communion with the See of Canterbury and outside the fellowship of the Anglican communion."

It was explained in the Press on the same date that the dispute between the "Church of England in South Africa"—described as having only seven churches—and the Anglican "Church of the Province of South Africa"—which is in communion with the Province of Canterbury—dated back to 1870. In that year Dr. Colenso, the Bishop of Natal, refused to accept the jurisdiction of the newly-appointed Archbishop of Capetown, and was eventually excommunicated from the Anglican communion. He thereupon founded "The Church of England in South Africa," and after his death his adherents (who had been left without a bishop until the election of Bishop Morris) had constantly refused on doctrinal and liturgical grounds to join with the Church of the Province of South Africa.

Bishop Morris, in a letter to the Archbishop of Canterbury on Oct. 3, complained of the Archbishop's failure to reply to an earlier communication from the "Church of England in South Africa" giving "a clear and factual review of the Church's position" and "the clearest historical, legal, ecclesiastical moral, and scriptural grounds" for his (Bishop Morris's) acceptance of the C.E.S.A.'s invitation to become its Bishop. The letter concluded :

"If your Grace persists with charges of schism against my Church and against myself as Bishop, and if you hold it and me up to fault and opprobrium and thereby refuse to recognize the settled laws of this State, then I formally notify your Grace that an appeal to the proper authorities will be lodged through Her Majesty's representative, the Governor-General of South Africa."

In a formal reply issued on Oct. 4 the "Church of England in South Africa" claimed that it was "the only Church of England in this land as recognized by Courts and Parliament." It declared that Bishop Morris's election had been "entirely legal and regular and based on excellent precedents," and described the Archbishop of Canterbury's interference as "unconstitutional and presumptuous in a sovereign independent State."
(Church Times - Times - Daily Telegraph - Cape Times)

B. LONDON. — King George VI Statue.

A statue of the late King George VI, constituting part of the National Memorial to the late Sovereign, was unveiled in London on Oct. 21 by H.M. the Queen. Situated in Carlton Gardens, overlooking the Mall, it is cast in bronze and shows the late King in the uniform of an Admiral of the Fleet, with the mantle of the Order of the Garter. The statue is 9 ft. 6 in. in height and stands on a 9 ft. pedestal approached by a flight of steps. The architect was Mr. Louis de Soissons, R.A.
(Times - Daily Telegraph) **(Prev. rep. 12495 A.)**

C. PERSIA. — Formal Accession to Baghdad Pact.

Persia formally acceded to the Baghdad Pact—of which Turkey, Iraq, Pakistan, and the United Kingdom are the other members—on Nov. 3, when instruments of ratification were deposited in Baghdad.—(Times) **(Prev. rep. 14485 A.)**

A. UNITED KINGDOM. — Princess Margaret's Decision against Marriage with Group-Captain Peter Townsend.

The following personal message was issued by Princess Margaret on Oct. 31 from Clarence House, London:

"I would like it to be known that I have decided not to marry Group-Captain Peter Townsend. I have been aware that, subject to my renouncing my rights of succession, it might have been possible for me to contract a civil marriage. But, mindful of the Church's teaching that Christian marriage is indissoluble, and conscious of my duty to the Commonwealth, I have resolved to put these considerations before any others.

"I have reached this decision entirely alone, and in doing so I have been strengthened by the unfailing support and devotion of Group-Captain Townsend. I am deeply grateful for the concern of all those who have constantly prayed for my happiness."

For some considerable time there had been much speculation, both in Britain and the Commonwealth and in foreign countries, as to whether Princess Margaret (who became 25 years of age on Aug. 21) intended to marry Group-Captain Townsend, who had been a personal friend of the Princess for a number of years. Group-Captain Townsend, a Battle of Britain pilot with a distinguished war record, was granted a divorce from his wife in 1952 in an undefended petition, and was given the custody of the two children of the marriage.

Group-Captain Peter Townsend, a commoner with no royal connections, was born in Rangoon on Nov. 22, 1914, the son of Lieut.-Colonel E. C. Townsend, of the Indian Civil Service. Educated at Haileybury and the R.A.F. College, Cranwell, he was commissioned in the Royal Air Force and served before the war in the Far East and Middle East. During the Battle of Britain he shot down the first German plane to be destroyed over Britain, and subsequently shot down three more enemy planes over the North Sea, being awarded the D.S.O. and the D.F.C. and Bar. He was himself shot down over Kent in 1941, but was able to bale out of his machine, though badly wounded. For some time thereafter he was in hospital, and after his release was given command of a training squadron. In 1944 he was appointed an Air Equerry of Honour to King George VI, in conformity with the King's desire to appoint as his equerries young men who had served with distinction in the Forces. The appointment was initially for a few months, but was renewed for an indefinite period because of the King's personal regard for Group-Captain Townsend.

In 1947 Group-Captain Townsend accompanied the Royal Family on their South African tour as acting Master of the Household, and in the following year, by virtue of his office, accompanied Princess Margaret to the Coronation of Queen Juliana of the Netherlands. He was appointed Deputy Master of the Royal Household in 1950, and after King George's death in 1952 became Equerry to the Queen Mother and Princess Margaret. It was subsequently announced that he would become Comptroller of the Queen Mother's Household, but before taking up this post he was appointed Air Attaché in Brussels in July, 1953. He had held the latter post since that date.

In July, 1941, Group-Captain Townsend married Rosemary, the daughter of Brigadier Pawle. There were two sons of the marriage, born in 1942 and 1945. The marriage was dissolved in 1952 on an undefended petition by Group-Captain Townsend.

Until Oct. 12, 1955, when Group-Captain Townsend returned to London on leave from Brussels, he and the Princess had not met for over two years—i.e., since his appointment to Brussels in July 1953. After his return to London he called on several occasions at Clarence House, where he saw both the Princess and the Queen Mother, and also attended several dinner parties and social functions with the Princess at the homes of mutual friends. On Oct. 27 it was announced that Princess Margaret had visited Lambeth Palace and had had a meeting with the Archbishop of Canterbury (Dr. Fisher) lasting about an hour. Four days later the above-mentioned announcement—the text of which, it was understood, had been communicated beforehand both to the Queen and to the Queen Mother—was issued by the Princess from Clarence House. The announcement came shortly after Group-Captain Townsend had called at Clarence House to see the Queen Mother and the Princess.

The possibility of a marriage between Princess Margaret and Group-Captain Townsend had raised questions of major importance, both religious and constitutional. Firstly, the remarriage of a divorced person—even though the person concerned, like Group-Captain Townsend, is the innocent party—cannot be solemnized by the Church of England while the other party to the divorce is still living. Secondly, Princess Margaret is third in the line of succession to the throne, and, in the eventuality of her becoming Sovereign, would constitutionally be head of the Church as well as of the State. Thirdly, Princess Margaret's marriage to Group-Captain Townsend might have involved the question of the Royal Marriages Act of 1772. This Act, passed in the reign of George III, laid down that all descendants of George II—other than the issue of princesses married into foreign Royal families—must obtain the Sovereign's consent if they married under the age of 25. If they married above that age, Parliament could raise objections to the marriage, within one year, if it wished to do so.

The Church of England's doctrine on marriage had been set forth by the Archbishop of Canterbury in evidence presented to the Royal Commission on Marriage and Divorce, and also in a pamphlet published by Dr. Fisher in February last. In giving evidence before the Royal Commission, the Archbishop made the following statement: "The Church of England affirms, according to Our Lord's teaching, that marriage is a union permanent in its nature and lifelong, for better or for worse, till death them do part, of one man with one woman, to the exclusion of all others on either side."

In the above-mentioned pamphlet, Dr. Fisher reaffirmed the Church's doctrine on this matter but admitted that there might be some cases where the remarriage of divorced persons might be justified, even though such marriages could not be solemnized in church. He wrote in this connexion: "Let me say quite frankly that in some cases where a first marriage has ended in a tragedy, a second marriage has, by every test of the Holy Spirit that we are able to recognize, been abundantly blessed. For this very reason I do not find myself able to *forbid* good people who come to me for advice to embark on a second marriage . . The decision is on their conscience. . ."

The Convocations of Canterbury and York ruled in 1938: "In order to maintain the principle of lifelong obligation which is inherent in every marriage contract between Christians, and is expressed in the plainest terms in the Marriage Service, the Church should not allow that service in the case of anyone who has a partner still living."

Although no official statement on the part of the Church of England had been issued before the announcement of Oct. 31, the constitutional and religious issues involved had been set forth in the following statement issued on Oct. 26 by the President of the Methodist Conference, Dr. Leslie Weatherhead:

"Princess Margaret and Group-Captain Townsend are popular young people in love with one another, and everyone would wish that they could have the right of any other young British couple and find happiness in marriage. But clearly the status of the Princess raises difficulties in regard to a fiancé who is divorced and whose wife and two children are living.

Should anything—an aeroplane accident for instance—unfortunately end the lives of Prince Charles and Princess Anne, or if they both died without issue, then at Princess Margaret's death her eldest child would be heir to the Throne. Yet that child would be the fruit of a marriage which many Anglicans would not recognize as valid.

This is bound to be a matter of vital public concern, for, among other things, such an heir would be doomed to disapproval or worse in the eyes of many of the people of this realm. If the State Church approved this marriage, it would break its own rules.

If, however, Princess Margaret renounced all claim to the Throne for herself and her issue, then she would be free, in the eyes of many, to enjoy married happiness with Group-Captain Townsend, though, even then, her example would not make it easier to uphold the ideal of Christian marriage in a land in which divorce is already too lightly regarded, homes too readily broken up, and children too thoughtlessly deprived of the mental security of having two united parents. . . "

The Princess's decision not to marry Group-Captain Townsend was commended by Church leaders of all denominations throughout the Commonwealth. At the same time there was world-wide sympathy for the Princess—expressed by the Churches, newspapers of all shades of opinion, and individuals in all walks of life—in the extremely difficult choice with which she had been confronted in so personal a matter. Although no statement was issued by the Church of England after the Princess's decision was made known, the Archbishop of Canterbury—in a B.B.C. television interview on Nov. 2—stressed that there had been no Church pressure on Princess Margaret in reaching her decision not to marry Group-Captain Townsend. Dr. Fisher added:

"I can say, perhaps, just three things. These underline the things Princess Margaret herself said. First, she said she took this decision alone. That means by her own free will. Of course she took advice. She got plenty of advice, asked for, and a good deal more unasked for. In the end it was her own decision, and she was under no pressure from State or Church.

The second thing I can say is that her decision was purely on the grounds of conscience. She was seeking all the time what God's will was, and when it became clear what God's will was she did it, and that is not a bad thing for people in general to take note of.

The third thing, again from her own statement: she especially thanked those who prayed for her. Only people who have been praying for her can really understand the decisions demanded of her, the problems she had to face, the tearing of the heart one way or another. Those who prayed for her know what she has been through, and those who have not do not."

Statements by other Church leaders in Britain and the Commonwealth are given below:

The President of the Baptist Union of Great Britain and Ireland (the Rev. Henry Cook): "All honour to the Princess that in view of her responsibility to the Commonwealth she has been willing to put aside her own personal feelings. . . . The sacrifice she has made in obedience to her conscience and sense of duty will call forth the admiration and good will of everyone."

The President of the Methodist Conference (Dr Weatherhead) commended the Princess's decision as "very courageous" and "absolutely right." He added: "One feels very sorry for them both. . . . I think everyone must feel deeply sorry that the Princess cannot have the liberty which every other girl in the country enjoys in this respect One feels proud that she has shown the quality of heroism which again and again has characterized the Royal Family."

The Primus of the Episcopal Church in Scotland (Bishop Hanney): "One is very thankful that her sense of duty has prevailed, for quite obviously this was a matter of very great importance to the moral standards of the country."

The Anglican Archbishop of Sydney (Dr. Mowll). "Princess Margaret has upheld the high standards and prestige of the Royal Family. She has enhanced her high office of leadership by putting duty to God, her people, and her family before her own personal inclinations."

The Roman Catholic Archbishop of Sydney (Cardinal Gilroy): "I have always felt that Princess Margaret would do what was right. I congratulate her and Group-Captain Townsend on the decision"

Statements were also made by three Commonwealth Prime Ministers—Mr. Menzies (Australia), Mr. Holland (New Zealand), and Sir John Kotelawala (Ceylon):

Mr. Menzies: "I have very great and affectionate respect for Princess Margaret's character and judgment. She has made up her own mind, as she is entitled to do All I hope now is that the gossip writers will leave her alone"

Mr Holland "The Princess's decision becomes her well for reasons she has plainly stated—the teachings of her Church and the precept of the Royal Family that duty to the Commonwealth is the first call. . . . The Princess has shown that high example and unfading devotion to duty which has secured for the Royal Family its unassailable place in the hearts of the British people everywhere"

Sir John Kotelawala: "Princess Margaret has sacrificed love for duty, and the whole world should appreciate her sense of duty"

British Press comment is given below from *The Times* (editorials of Oct. 26 and Nov. 1), the *Daily Telegraph*, the *Manchester Guardian*, the *Daily Express*, the *Daily Mail*, the *News Chronicle*, the *Daily Herald*, *The Observer*, and the *Sunday Times*:

The Times (Oct. 26): "In the mounting tumult over the assumed wish of the Queen's sister to marry a gallant officer, with nothing to his disadvantage except that his divorced wife is still living, few if any persons holding responsible positions in the Commonwealth have yet expressed an opinion. Their reasons for reticence are clear: they know too little, and they care too much. But now that the reckless magnification of mere guesses has gone so far that the name of the Princess is being bandied about, sometimes in heartless and offensive contexts, far beyond the confines of the British Commonwealth, it will soon be necessary for all who care for the monarchy to form some tentative judgment, even if it must for the time being rest partly upon hypothesis.

The enormous popular emotion that has been generated by the recent happenings is in itself perfectly healthy. It is sentimental, it is ill-informed; but it proceeds from that genuine affection for all the Royal Family which they have inherited and continue to deserve, and which is a principal guarantee of the stability of Kingdom and Commonwealth. The odious whipping-up of these honest and warm-hearted feelings, and their vulgar exploitation for motives of gain, have already dishonoured part of the British Press in the eyes of the world, and deserve only contempt. Though this mass sentiment would be a gratifying proof of the soundness of our institutions if it were allowed to be spontaneous, the only help it can give the Princess in a matter of conscience is the assurance that her choice matters greatly to untold millions of people. For a personal concern can seldom be a private concern when the person is royal; it is part of the sacrifice the whole Royal Family make to the ideal they represent, that they must live their private lives largely in public. Yet personal the choice remains; what is at issue is the future direction of a life, hitherto dedicated That can be determined only by Princess Margaret herself; the inner responsibility can in no way be lightened by any weight of mass opinion, however sympathetic, on one side or the other.

Neither can Her Royal Highness's ultimate decision be much helped, or seriously hindered, by posing the issue in a harshly legalistic light. At present, it is true, the suggested marriage is forbidden by the law of the State without the permission of the Queen, who is its head, and by the accredited authorities of the Church of England, of which she is Supreme Governor. But there is a procedure by which the Princess might release herself from the rigour of the Royal Marriages Act, and the Act itself would be easily set aside by Parliament if it were generally felt that the crucial matter was merely the capacity of the Princess and her issue, in a remote eventuality, to inherit the Crown. The teaching of the Church of England on divorce comes much nearer the heart of the matter, but again not quite for the technical reason that has in some places been advanced. If the objection to the marriage on these grounds derived solely from the constitutional fact that the Queen is Governor of the Church, it would be relevant only to that southern part of the United Kingdom in which the Church of England is established. But the dilemma is felt, and rightly felt, to be the concern of all the Queen's subjects through the Commonwealth, each kingdom of which regards not only Her Majesty herself but the Royal Family as an integral part of its own community The truth is that the public factor in the Princess's personal problem is introduced by something which is neither Church nor State, but a living organism which is broader and more profoundly based than either, but less easily definable in the lawyer's terms. That organism is the many-sided society or family of the Queen's subjects, of which Church and State are no more than ecclesiastical and political aspects.

Now, in the twentieth-century conception of the monarchy, the Queen has come to be the symbol of every side of the life of this society, its universal representative in whom her people see their better selves ideally reflected; and since part of their ideal is of family life, the Queen's family has its own part in the reflection. If the marriage which is now being discussed comes to pass, it is inevitable that this reflection becomes distorted. The Princess will be entering into a union which vast numbers of her sister's people, all sincerely anxious for her lifelong happiness, cannot in conscience regard as a marriage. This opinion would be held whether the Church of England were established or not, and extends to great bodies of Christians outside it. That devout men have argued that it is a wrong interpretation of Christianity is not here relevant. All that matters is that it is widely and sincerely held; and therefore that a royal marriage which flouted it would cause acute division among loyal subjects everywhere. But the Royal Family is above all things the symbol and guarantee of the unity of the British peoples; if one of its members herself becomes a cause of division, the salt has lost its savour.

There is no escape from the logic of the situation. The Queen's sister married to a divorced man (even though the innocent party) would be irrevocably disqualified from playing her part in the essential royal function—a part which she has hitherto played with the utmost charm and devotion On the other hand, the royal service to the people would lose most of its grace if it were felt to be conscript service, nor can representation of a people's unity be sustained with a divided heart. If the Princess finally decides . . that she is unable to make the sacrifice involved in her continued dedication to her inherited part, then she has a right to lay down a burden that is too heavy for her. It would, however, involve withdrawal, not merely from her formal rights in the succession established by law . . . but abandonment of her place in the Royal Family as a group fulfilling innumerable symbolic and representative functions. . . .

But the peoples of the Commonwealth would see her step down from her high place with the deepest regret, for she has adorned it, and is everywhere honoured and loved. Moreover, there would be profound sympathy with the Queen, who would be left still more lonely in her arduous life of public service in which she needs all the support and co-operation that only her close kindred can give. These things said, the matter is, in the last resort, one to be determined solely by Princess Margaret's conscience. Whatever the judgment of that unsparing tribunal, her fellow-subjects will wish her every possible happiness—not forgetting that happiness in the full sense is a spiritual state, and that its most precious element may be the sense of duty done."

The Times (Nov. 1): "The message issued from Clarence House will still further deepen the affection that has never ceased to surround Princess Margaret during all the time when she was believed to be at grips with a harsh personal dilemma. There has been deep sympathy with her throughout the Commonwealth during her lonely ordeal. As her announcement explicitly states, the decision is hers alone Her Royal Highness's language, dignified and reticent as it is, clearly puts the issues with which she has been faced, and she has done the nation a service by the clear and courageous way in which she has given the reasons for her decision.

The reasons that Princess Margaret gives are the highest of those that have been argued, and in the last resort the only ones that are worthy to be considered at so great a moment in her life. They are her duty to God, and, what is a part of it, her duty to the peoples at whose head her family has been set. She is loyal to the teaching of the Church of England on marriage, not because it is established by law, but because it is the Church to which she herself belongs and by whose standards she wishes her life to be judged. She is loyal to the Queen her sister, and through her to the family of many nations which the Queen represents, and which the Princess herself has finely served and will continue to serve All the peoples of the Commonwealth will feel gratitude to her for taking the selfless, royal way, which in their hearts they expected of her. They will pray and hope for her abiding happiness. . . ."

Daily Telegraph (Nov. 1). "All will respect the motives which have led Princess Margaret to decide against marrying Group-Captain Townsend. They include no element of selfishness—it would be quite alien to the Princess's character if she had been actuated by material considerations. It is, therefore, irrelevant that, if the marriage had taken place, she would undoubtedly have had to renounce the succession. Nor can reasons of State have influenced her, since there is no cause for her to contract such a marriage as would ensure the succession. The simple explanation, confirmed by the dignified statement which she issued, is that her own religious convictions caused her to conclude, in accordance with the tenets of the Church, of which she is a devout member, that marriage with a person whose divorced wife is still living would be wrong. The decision has obviously been reached without promptings or pressure from any member of her family. The time taken to reach it is proof of that. . . .

It can also now be said that the affair has been much over-sensationalized. For that, of course, the prolongation of the period of indecision—marked, as it was, by circumstances which led many to believe that the decision would be different—is largely to blame. But this was really not a case, as envisaged by some correspondents, of a Princess fretting to declare the world well lost for love. As all can now know, it was a matter of conscience. Outsiders may well feel that conscience has been the ally of common sense It is no reflection on Group-Captain Townsend to remember that he is 15 years older and the father of two children by his first marriage.

As for the conduct of the Press, the speculation and sensationalism indulged in by some newspapers was indeed nauseating. But it was quite futile to pretend that a matter which was engaging the interest of millions did not exist, or that its outcome was of no more importance than that of an affair between any couple whose names had been linked Factual notice of events was the only possible course to follow Finally, now that a decision has been reached upon grounds that, without impertinence, can be said to be convincing, it remains only to wish that Princess Margaret may, in due course, find elsewhere that happiness which, both as a Princess and as a woman, she deserves."

Manchester Guardian (Nov. 1): "Princess Margaret has decided not to marry Group-Captain Townsend although quite plainly she would like to. She has sacrificed her personal wish to what she conceives to be, or has been told by her family and the head of her Church, the Church of England, is, her duty. . . . Her decision is a personal one which must be respected. All will wish her happiness in the hard path of duty and abnegation she has chosen.

None the less her decision, which has plainly been come to after subtle pressure, will be regarded by great masses of people as unnecessary and perhaps a great waste. In the long run it will not redound to the credit or the influence of those who have been most persistent in denying the Princess the same liberty that is enjoyed by the rest of her fellow-citizens. Even the least cynical among us find it hard to see why an innocent party to a divorce can become the man who appoints archbishops and bishops while the Princess, who merely exercises her social graces and has a very remote chance of succeeding to the Throne, should be denied by ecclesiastical prescription the right to marry an innocent party to a divorce. That odd piece of inconsistency may be typically English but it has more than a smack of English hypocrisy about it. And it must be said frankly that a good deal of the discussion about the proposed marriage has shown a degree of intolerance and dogmatism, clerical and journalistic, that is not pleasant to contemplate England will hardly be won back to the Christian faith by the enforcement of disregarded taboos and the assertion of ecclesiastical authority.

Certainly Princess Margaret by her decision has rescued the Church of England from a rather awkward dilemma and has, perhaps, preserved the Crown from some difficulties But the fundamental questions are unaffected. They need not now be discussed again. There will be time enough when the present affair has blown over. But points are presented which are of great and continuing interest —the trend in the Church of England towards narrower doctrines, the turn of the Methodist Church towards official Anglicanism and away from the old Free Church tradition, the constitutional relations between Church and Royal Family, the affections between royalty and people, and, not least, the unsavoury developments of modern newspaper publicity. For the moment, however, the hour is the Princess's. She deserves all our sympathy and affection."

Daily Express (Nov. 1): "There will be dismay and perplexity at Princess Margaret's moving message to the nation. Dismay that she should renounce a marriage she still so plainly desires. Perplexity at the manner in which this painful decision has been taken. The Princess says that she has chosen entirely alone. But the decision has been reached amid a pressure campaign that would have brought to their knees even more determined personalities than she.

In a single week the Archbishop of Canterbury twice chose to make public affirmations of his uncompromising viewpoint on divorce. He referred to his own pamphlet, in which he rejects Church marriage for divorced persons, even for innocent parties. Then at a society wedding . . . he preached an unrelenting sermon on marriage. . . . And *The Times* launched a full-scale pronouncement of its own, confronting the Princess with a harsh and bitter choice. Marriage to Group-Captain Townsend, said *The Times*, would involve 'withdrawal not merely from her formal rights in the succession . . . but abandonment of her place in the Royal Family. . . .'

Nor was that the end of it. In America the news is printed that the Marquis of Salisbury threatened to resign from the Cabinet if the Royal Marriages Act were amended to facilitate the marriage. So it appears that there has been pressure too from the Government.

How could any girl fail to be influenced by so much opposition? Would the Princess have entered on this reunion with Townsend if it had not been in her mind to marry him? There would have been no point in seeing him again after two years if the decision were to be made on principles which were known to her all the time. Surely the Princess met the Group-Captain to test her emotions Surely she wanted to find out if her affections had changed during his long absence. Her statement shows unmistakably that they have not changed. And that she would marry him tomorrow if she felt able to. If she does not now feel able to marry, the explanation must be sought in the force with which the issues were put to her in these last two weeks.

Yet neither Christian teachings nor constitutional obligations are as unequivocal as they have been presented. The marriage could have taken place without any renunciation by the Princess. It could have taken place in church. And it would have had the full support of the people."

Daily Mail (Nov. 1). "The hard choice has been made. Hard. indeed, and sad it must have been for Princess Margaret to issue the announcement given to the world. . . . We can realize how she feels and how her emotions must have been wrenched only if we try to put ourselves in her place. Her ordeal has been severe The strain on nerve and spirit must have been almost unendurable. . .

Yet who can doubt that the Princess has made the right decision? She has put her duty before her inclinations. Such an example was sorely needed in a world where rights too often take precedence over responsibilities. She has not listened to those voices which . . bade her heed nothing except her own will and pleasure In rejecting them she has immeasurably strengthened the Throne and has rendered an enduring service to Queen and people

It must now be said that this marriage could not have had those effects. If the doctrines of the Church had been set aside and the deep-felt beliefs of millions of people flouted, the place of the Royal Family in our national life must have been diminished Apart from these high matters, the standing of the young couple would have been anomalous. Princess Margaret would have renounced her rights to the succession, but to ask her to retire into private life would have been a harsh demand Yet had she proceeded, as usual, with her accustomed social, official, and public activities, situations would have arisen which would best have been avoided. .

Princess Margaret has faced her problem by herself. She has fought her fight alone. Now, having won it, she has earned the sympathy, gratitude, and understanding of all the British peoples They owe her a debt which they cannot repay Let us never forget the sacrifice she has made for Crown, Constitution, and Commonwealth"

News Chronicle (Nov. 1) ". . The first reaction can only be personal . sympathy for a girl of 25 faced with the mountain of issues involving Church and State by which royalty is surrounded The second contains the seeds of danger. There is bound to be a strong reaction against the Church and possibly against its leaders. Already and before last night's announcement, a national division of opinion had begun to show its head Rightly or wrongly a great section of the public, although Christian by sentiment and tradition, was prepared to view with revulsion any attempt to interfere with or forbid the marriage. . .

One could have wished that some of those influential voices, both in and outside the Church, who have opposed this match, had done so with greater sympathy and understanding. The Princess is intelligent as well as devout. We feel she could have reached her decision without the help of sanctimonious calls to duty from *The Times* or high-pitched injunctions from the minor canons.

Traditionally the British people and those of the Commonwealth look to the monarchy for moral leadership. It is expected of the Royal Family that they should reflect the highest standards of family life. Princess Margaret has remained true to this monarchical imperative It had always been known that she was a practising Christian, and her belief has now survived the harshest personal test. There is also the reference in her statement to the Commonwealth. Royal obligations stretch far beyond the confines of a kingdom, and throughout the Dominions, colonies and protectorates similar divisions must also have occurred. There will be time enough to consider the implications in due course What must be uppermost in everybody's mind today is the feeling of the two young people directly implicated. The sympathy that goes out to both is only part of what Britain and the Commonwealth must feel. To each of them, in different ways, we owe a certain debt; and this debt has not been lightened by Princess Margaret's decision. She is, in her own right as a woman, putting duty, moral obligation, call it what you like, before self. If the purpose of royalty is to serve certain traditions above all else, she is proving herself true. That is why the nation offers affection, sympathy, and respect."

Daily Herald (Nov. 1). "There is little to add to Princess Margaret's own statement of her decision not to marry the man she loves. It is a noble statement. This young woman, standing alone, has been through the ordeal of choosing between love and that high conception of duty which is an enduring basis of the Monarchy. The people of this country and the Commonwealth will accept her decision and will feel for her personally sympathy, affection, and respect."

The Observer (Nov. 6): ". . At the very moment when the freedom of comment and uproar of controversy were beginning to surround the Royal Family with a public hubbub, the two principals in this romantic drama, hitherto silent, spoke—and at once replaced the distorted impressions of the public by a glimpse of the simple, sad, but dignified reality of their story. . . . The Princess was certainly not prevented from marrying by an archaic Act of Parliament—at most a year's delay was involved A disestablished Church of England would not have taken a different view of the irrevocability of marriage · moreover, as far as the question of the succession may have weighed with the Princess, the Commonwealth, containing almost as many Roman Catholics as Anglicans, would not have been indifferent to the divorce issue, even if the leaders of the Church of England had been able suddenly to alter their ideas. In any case, the widely-held public wish that the Royal Family, unlike anyone else in public life, should present an impeccable example may well have been one of the Princess's deepest reasons for thinking that the interests of the Commonwealth and her personal wishes were at variance. . .

Whether the Church's doctrine on divorce or the Church's relationship to the State are right or not—these are highly debatable questions. . . . But it remains obvious that neither the establishment of the Church nor its attitude towards divorce is the creation of persons living today, and that neither factor could have been suddenly altered, even by the most important persons concerned. To blame the Archbishop or any other individual for this situation is not only unfair . it is childishly unconvincing. It also seems clear that the Princess followed her own course throughout the whole wistful story, uninfluenced by *The Times* or the *Daily Mirror*, or by anyone else except those she personally chose to consult. Her personal faith is that of a sincere Anglican ; hence it was natural that she should consult the Archbishop and pay heed to his views. . . .

We feel confident that we speak for many readers in offering Princess Margaret and Group-Captain Townsend our condolence and respect, and our good wishes for their future happiness in the stern course that they have chosen. We offer our sympathy to the Royal Family and to the Group-Captain's family, in what must have been a disturbing time for them all. And we politely suggest that the public search for who is to blame might be discontinued It can serve only as a means to continue discussing a story which genuine sympathy should prompt one to close . . . One thing that this episode has definitely done is to remind us how much dignity can be conferred on such situations by a brave and unselfish attitude "

Sunday Times (Nov. 6) " . . . Now that the orgy of speculation, gossip and rumour is ended, two things are apparent. One is that the allegations that the Princess's decision was influenced by pressure from this, that or the other quarter were baseless ; we have her own word for that. The other is the clear implication that the Princess accepts 'the Church's teaching,' not just because it is the Church's teaching but because she herself believes in that teaching. The battle has not been with external forces, but in her own heart and mind and conscience. Its outcome must be accepted with respect and sympathy. From an ordeal—inseparable perhaps in these days from her station—as appalling as any young woman could face, she has emerged with increased prestige. . . ."

Sir Anthony Eden was asked in the House of Commons on Nov. 1 by Lieut.-Colonel Lipton (Lab.) whether the Government were considering repealing or amending the Royal Marriages Act of 1772. He replied :

" I have had this possibility very much in mind. I should, however, warn the House that this Act is of concern not to the United Kingdom alone but to all the Commonwealth countries of which her Majesty is Queen, and amending legislation could not be undertaken here without their concurrence."

Colonel Lipton then asked : " Has the Government decided, after considering this Act of 1772 in the light of 1955, that it still provides a useful and necessary weapon of control which the Government at the moment are reluctant to abandon, no matter what personal ordeal is involved for anyone ? "

The Prime Minister replied . " In view of Colonel Lipton's imputations, which is what they really are, about the Act, I ought to add that the advice of her Majesty's Government has neither been sought nor given to the Queen during recent events."

Group-Captain Townsend returned to Brussels on Nov. 4 to resume his duties as Air Attaché.—(Times - Daily Telegraph - Manchester Guardian - Daily Express - Daily Mail - News Chronicle - Daily Herald - Observer - Sunday Times)

A. AUSTRALIA. — Trans-Australia Airlines Results.

The annual report of Trans-Australia Airlines, published on Oct. 20, showed that in the financial year 1954-55 the company (which is Government-owned and operated) made a profit of more than £A220,000—nearly double that of the previous year. Its aircraft carried nearly 700,000 paying passengers during the year and flew 322,000,000 passenger-miles—both record figures for Australian domestic airline services. The report said that since its establishment in 1946 Trans-Australia Airlines had carried nearly 4,500,000 paying passengers without a single fatality in its scheduled services.

(Australian News and Information Bureau)

B. FRANCE. — Renewal of British Wool Credit.

It was announced in London on Oct. 26 that a new revolving credit of £7,500,000, which could be increased temporarily to £10,00,000 during the peak of the wool-buying season, had been arranged by Lazard Bros. and Co. with the *Groupement d'Importation et de Répartition de la Laine* for financing French wool purchases in the British Commonwealth during the 1955-56 season. The credit, which was £5,000,000 less than in 1954-55, will be finally repaid in November 1956, the repayment being linked, as hitherto, with the export of French woollen products.—(Times) **(Prev. rep. 13768 A.)**

C. FINLAND. — New Minister of the Interior.

It was announced in Helsinki on Oct. 3 that M. Valto Kakela had been appointed Minister of the Interior in succession to M. Vaino Leskinen, who had resigned. M. Kakela, like his predecessor, is a Social Democrat.—(Le Monde, Paris)

(Prev. rep. 14073 A.)

D. NOBEL PRIZES. — Awards for 1955.

The Nobel Prize awards for 1955 were announced in recent weeks as follows :

Literature Prize. The Literature Prize was awarded to Hr. Halldor Kiljan Laxness (53), the Icelandic author, for " his vivid epic writing which has renewed the great narrative art of Iceland." Halldor Laxness's writings—many of which have been translated into English—deal almost exclusively with life in Iceland, and include *Children of Nature, Olafur Karason, Iceland Bell, Independent People, The Weaver of Cashmere, The Atomic Station*, and *Salka Valka*, the last-named having been filmed A convert to Roman Catholicism, Hr. Laxness has expressed strong Leftist views in many of his works but has denied that he is a Communist. The son of a roadmender, he was born in Reikjavik and was a shepherd-boy in his childhood. Halldor Laxness, the first Icelander to receive the Nobel Prize for Literature, is generally regarded as the leading Icelandic writer of the present day.

Medicine Prize. The Prize for Medicine was awarded to Professor Hugo Theorell (52), the Swedish biochemist, for " his discoveries concerning the nature and mode of action of oxidation enzymes." [Oxidation enzymes—also called " breathing enzymes "—are essential to living matter in helping the cells to burn oxygen, that is, to breathe.] A blood specialist of international repute, Professor Theorell has been director of the Nobel Institute of Biochemistry in Stockholm since its foundation in 1935. In the course of his researches into cell metabolism he evolved the blood-test which is now accepted in the Swedish courts as a test for drunkenness in cases concerning drivers under the influence of drink.

Physics Prize. The Physics Prize was divided between two American scientists—Professor Willis E. Lamb (42), of Stanford University, California, and Professor Polykarp Kusch (44), of Columbia University, New York. Professor Lamb was honoured for his researches into the structure of the hydrogen spectrum, and Professor Kusch for his " precision determination of the magnetic movement of the electron." Both recipients—working independently of each other—have made important contributions to the study of atomic nuclei.

Chemistry Prize. The Chemistry Prize was awarded to an American scientist, Professor Vincent de Vigneaud (54), of Cornell University, for his work on the synthesis of hormones secreted by the pituitary gland. The citation mentioned his success in producing synthetically the gland preparation A C.T.H (Adrenocorticotrophic hormones), which is used in the treatment of rheumatoid arthritis Professor de Vigneaud has done outstanding research on the chemistry of a number of complex substances which are of medical interest.

Peace Prize. The Peace Prize was awarded to the Office of the U.N. High Commissioner for Refugees (Dr. G. J. van Heuven Goedhart, of the Netherlands), which has under its care some 2,000,000 refugees and seeks permanent solutions for their problems It was stated in Geneva (the headquarters of the U N. High Commission) that the award would be used to finance a refugee project which would be named after Alfred Nobel The award was made for 1954 —in which year the Peace Prize was not awarded—and not for the present year. The last occasion on which the prize had been awarded to an organization and not to an individual was in 1948, when the recipients were the American Friends' Service Committee and the Friends' Service Council, London.

The Literature Prize is awarded by the Royal Swedish Academy of Literature ; the Medicine Prize by the Royal Carolinian Medico-Surgical Institute of Stockholm ; the Physics and Chemistry Prizes by the Royal Swedish Academy of Science ; and the Peace Prize by the Norwegian Parliament. The value of the prizes for the present year is about £13,500 each. (Svenska Dagbladet, Stockholm - Berlingske Tidende, Copenhagen - Times - New York Times - New York Herald Tribune)

(Prev. rep. Nobel Prizes, 1954 Awards, 13912 A.)

E. INDIA. — The Konar and Canada Dams.

The Konar Dam, situated in the Hazaribagh district of Bihar, some 23 miles above the confluence of the Konar and Damodar rivers, was officially inaugurated on Oct. 15 by Mr. Nehru. The dam, which is the second of the four multi-purpose dams included in the first phase of the Damodar Valley Project, creates a lake over ten miles square and will provide irrigation in the lower valleys, generate hydro-electric power from the reservoir, and supply water to the thermal power station at Bokaro, which was opened in 1953. It was built at a cost of nearly 100,000,000 rupees.

The Canada Dam, built with funds raised from Canadian assistance to India under the Colombo Plan, was opened on Nov. 1 by Mr. Lester Pearson, the Canadian Secretary for External Affairs. Situated in the jungle district of Santhal Parganas, Bihar, about 160 miles from Calcutta, it harnesses the waters of the Mayurakshi River in a 15 square mile lake, and will provide power for an important hydro-electric scheme for which the equipment will be supplied by Canada. In addition, it will enable 250,000 acres of land to be irrigated, with an ultimate target of 600,000 acres. The dam is 2,000 ft. long and was built at a cost of 160,000,000 rupees.—(The Hindu, Madras - The Statesman, Calcutta) **(14430 A ; 7472 A.)**

A. POLAND. — Premier of Emigré Government in London returns to Poland. - Appeal for Return of Poles Abroad. - Polish Government's Repatriation Offer.

Mr. Hugon Hanke, who had been Premier of the Polish "Government-in-exile" in London since the beginning of August, returned to Poland on September 8.

Mr Hanke (57) held a leading position before the war in the Polish Christian Democratic Party and the Christian trade unions, and was known as a staunch Catholic. He fought in the Polish campaign of 1939, escaped to France after the fall of Poland, was captured by the Germans in 1940, but succeeded in escaping to Britain, where he joined the Polish First Armoured Division He was subsequently on the staff of the Polish Ministry of Internal Affairs in London, and settled in Britain after the war. Shortly after his appointment as Premier of the Government-in-exile (Aug. 8, 1955) he visited Rome, where he saw the Polish (i.e émigré) Ambassador to the Holy See; on leaving Rome on Sept. 5, however, he did not return to Paris, as had been expected, but went on to Warsaw instead Immediately after his arrival he saw Mr. Nowak, First Deputy Premier in the Polish Cabinet.

On Sept. 10 Warsaw Radio broadcast a statement by Mr. Hanke in which he explained his reasons for returning to Poland, strongly criticized the émigré Government in London, and appealed to all Polish émigrés abroad to return to their country. He explained that he had returned to Poland not only to rejoin his wife and children, from whom he had been separated for many years, but also because he could not accept the policies of the émigré Government; at the same time he insisted that he remained a convinced Catholic and a non-Communist. Extracts from his statement are given below.

"Sixteen years ago, as a result of the September [1939] defeat, I found myself abroad During the war I served in Polish Army units in France and Britain. After the war I held different posts in émigré circles in London, including those of chairman of the Christian Association of Trade Unions and deputy chairman of the Christian Democratic Party. In 1953 I became a Minister in General Odzierzynski's Government. In July of this year I was asked by Mr. August Zaleski [the Polish President-in-exile] whether I would accept the post of Prime Minister of the émigré Government in London. I accepted this post at the beginning of August.

Being well acquainted with the life of our émigrés in the West, I had had doubts for some time as to the correctness of the road taken by their leaders. . . . Every day I could see more clearly that the émigré politicians were placing all their hopes on a third war But I did not want a third war which would destroy Poland. The shock which the Geneva Conference was for the émigré leaders made it clear to me beyond any doubt that, apart from a third war, the émigré leaders had no political line or conception. The repatriation campaign, initiated a few weeks ago by the authorities in Poland [see below], showed me the way out for all Polish émigrés and for myself personally—the way of returning to Poland.

I deluded myself into thinking that . . . I might be able to induce the émigré Government to support the repatriation campaign. In August I called a meeting of the Council of Ministers. . . In spite of profound hesitation among the émigrés, I did not succeed in winning over a majority of the London Government for the cause of repatriation. I did not restrict myself to this attempt, and on Aug. 26 I called a conference of representatives of all the political groups, together with the members of the Government. At this conference I saw once again how much selfishness and stubbornness existed with regard to the problem of repatriation among those present Under the circumstances I resolved to go back to Poland and thus set an example to all those who are still hesitating. My decision was hastened by the announcement of official circles in the Polish People's Republic that the Polish authorities would not victimize those coming back for their previous activities. . . "

Shortly before Mr. Hanke's return to Poland, the Polish Government had invited all émigrés abroad to return to Poland, and had promised to "forget and forgive" any past offences of which individuals had been guilty.

Specifically, it was announced that repatriates would be helped by the Polish Government to travel back to Poland and would receive non-repayable grants and allowances from the Government to enable them to settle down. They would be given free food and medical attention until they had found jobs, and would also be helped to find homes. Those who possessed no professional or trade qualifications would receive suitable vocational training, whilst returning farmers would be assured individual farms or work on State farms, with any necessary financial assistance All repatriates would be eligible for old-age and disability pensions, equally with other Polish citizens; and those who had served in the Polish or Allied armed forces during the war would retain the military rank which they held at the conclusion of hostilities with Germany, irrespective of the national forces in which they had served. A Government Plenipotentiary for Repatriation Problems was appointed to co-ordinate the decisions concerning the care and settlement of repatriates.

During recent months many Polish émigrés in Britain, France, and other countries had received appeals to return to Poland, coupled with assurances that they would be given full opportunity to resettle in civilian life and that there would be no victimization for any past activities.

In the case of Polish émigrés in Britain (who number about 140,000) the appeals were particularly directed towards such persons as former political leaders, former high officials, writers, and journalists, and were in some instances signed by university professors and priests. These and other émigrés were promised "a life of decent and dignified employment" in Poland instead of "dish-washing" in Britain.

It was announced by Warsaw Radio in mid-October that over 100 émigrés, the majority from Britain and France, had returned to Poland during the past three weeks. Among those returning from Britain were Dr. Adam Szczpiorski, formerly a leading member of the Polish Ex-Servicemen's Association in Britain, and Mr. Jerzy Wlodarezyk, chairman of the Polish Peasant Party in London. The British Home Office had announced on Sept. 29 that a deportation order had been made against Mr. Malicki, general secretary of the Polish Cultural and Social Association in Britain, an organization sponsored by the Polish Government (i.e. the Government in Warsaw); although no reasons were given for his deportation, it was believed to be connected with his activities in trying to persuade Polish émigrés in Britain to return to Poland.

The Polish Council of National Unity in London issued a statement on Sept. 12 describing Mr. Hanke's return to Poland as an "act of treachery and stupidity," and calling upon Polish émigrés to resist Communist appeals to return to Poland. Count Raczynski (the former Polish Ambassador to Britain) also issued a statement in London on the same day declaring that Mr. Hanke's defection had produced a "sense of injury" among Poles engaged in the struggle for their country's liberation from Communist rule. He asserted that most of the Poles in Britain had been opposed to Mr. Hanke's appointment as Premier of the Government-in-exile.—(Polish Embassy Press Department, London - Times - Manchester Guardian)

(Prev. rep. Polish Government-in-Exile, 13931 B.)

B. PAKISTAN. — Cabinet. - New Appointments.

Further Cabinet changes were announced in Karachi on Oct. 17, as follows: Chaudhri Mohammad Ali, the Prime Minister, took over the portfolio of Kashmir Affairs and States and Frontier Regions, in addition to Defence and Economic Affairs, but relinquished the Finance Ministry; Mr. Syed Amjad Ali (formerly Ambassador in Washington) became Minister of Finance; Mr. M. R. Kayani (a member of the North-West Frontier Province Ministry) was appointed Minister of Communications; and Mr. Fazlul Huq, the Minister of the Interior, was also placed in charge of the Education portfolio. The former Minister of Communications and States and Frontier Regions, Dr. Khan Sahib, and the former Minister of Education and Kashmir Affairs, Colonel Abid Hussain, left the Central Government to join the Ministry of the newly-created Province of West Pakistan.

(Pakistan High Commissioner's Office, London) **(14405 E.)**

C. EGYPT. — Suspension of Coptic Patriarch.

The Egyptian Government decided on Sept. 21 to suspend the Patriarch of the Coptic Church (Amba Yussab II), in accordance with a resolution recently passed by the Copt Holy Synod which had demanded the dismissal of the Patriarch and had accused him of using church revenues for his own benefit. As the Patriarch had been elected for life he could not be deposed, and the Government therefore decided to entrust the direction of the Coptic Church for the time being to a committee of three church dignitaries to be elected from among members of the Holy Synod. The Patriarch, who is 82, was removed on the following day to a desert monastery. An attempt had been made on his life on Sept. 20, and in 1954 he had been kidnapped by members of an extremist Coptic group, but released after a few days. (Le Monde, Paris - Times)

D. FRANCE. — Acquittal of Mme. Ollier.

Mme. R. M. Ollier, formerly Second Secretary at the French Embassy in Canberra, was acquitted by a military tribunal in Paris on Oct. 20 of the charge of having "failed to reveal acts prejudicial to national defence." As a result of the disclosures made by M. Petrov when he defected from the Soviet Embassy in Canberra, Mme. Ollier had originally been charged with "having intelligence with a foreign power," but this was subsequently changed to the above charge.—(Le Monde, Paris)

(Prev. rep. 14446 A.)

E. WESTERN GERMANY. — Lower Saxony. - New Minister of Education.

The *Landtag* of Lower Saxony approved on Sept. 14 the appointment of Dr. Richard Tantzen (Free Democrat) as *Land* Minister of Education to fill the vacancy caused by the resignation of Herr Schlüter.—(Frankfurter Allgemeine Zeitung)

(Prev. rep. 14339 A.)

A. ISRAEL. — Economic Development. - Discovery of Oil Deposits. - Mineral Prospecting in the Negev. - Reopening of King Solomon's Mines. - The Negev Water Pipeline. - New "Potash Road" to Dead Sea.

The first discovery of substantial oil deposits in Israel occurred on Sept. 23, when oil gushed 60 ft. into the air from borings near Huleiquat, south-east of Ashkelon (the biblical Askalon) and close to the northern border of the Egyptian-held "Gaza strip." The oil was struck at a depth of 4,900 ft.—about 2,000 ft. deeper than drillings carried out at the same place by the Iraq Petroleum Company, which abandoned oil prospecting in Palestine in 1947.

The concessions previously held by the Iraq Petroleum Company (covering some 66 acres) passed to the Government of Israel when the company abandoned operations. They were re-parcelled into areas available for drilling and leased to private companies, the Government remaining entitled to a royalty of 12½ per cent on any oil produced. The oil strike of Sept. 23 was made on a concession belonging to the Lapidoth Oil Company, an American-Israeli concern in which the Israel Trade Union Confederation (the *Histadruth*) is a substantial shareholder.

The discovery of oil in Israel was greeted with nation-wide enthusiasm in view of the possibility that the country might eventually become independent of oil imports—at present costing between $40,000,000 and $50,000,000 a year, or about one-sixth of Israel's total import bill

On July 19 the biggest irrigation project yet undertaken in Israel was officially inaugurated by President Ben-Zvi, when a 68-mile water pipeline was opened between Rosh Haayin, in central Israel, and the northern areas of the Negev (the arid desert which extends from the Beersheba area to the Gulf of Akaba). Built in two years at a cost of $24,750,000, the pipeline harnesses the waters of the Yarkon River to irrigate a large area of potentially fertile land—about 100,000 acres—which had lain waste for centuries. The water supplies will benefit about 8,000 farming families, and, according to Israeli estimates, should ultimately make possible the settlement of 300,000 to 400,000 people in the northern Negev.

The Yarkon River, rising in the Judean Hills and flowing into the Mediterranean north of Tel-Aviv, has an annual flow of about 200 million cubic metres, half of which will henceforth be diverted southward to the Negev through the new pipeline. At its northern end (Rosh Haayin, near the site of the Herodian city of Antipatris) the pipeline draws water supplies from 450 wells and 1,000 springs near the headwaters of the river. The project involved the laying of nearly 72,000 sections of pipes (of Israeli manufacture), each weighing ten tons; the construction of three big pumping-stations, each with three 2,050-h.p. Diesel engines, and the building of three reservoirs. For security reasons, the pumping stations were built deep underground. Over 60 agricultural settlements in the Beersheba and Lachish areas will be connected with the pipeline.

The U.S. Government granted $4,500,000 for the purchase of equipment for the Yarkon-Negev pipeline and associated water-supply projects, whilst the Israeli Government allotted $9,350,000 from counterpart funds accruing to Israel from the sale of commodities received from U.S. grants. Another $14,850,000 was raised by the United Jewish Appeal in America.

Mineral prospecting in the Negev during the past three or four years had disclosed the presence of important mineral deposits, including phosphates, iron, copper, manganese, gypsum, felspar, and kaolin (china clay). Together with the potash deposits in the Dead Sea region (see below), they gave promise of the ultimate establishment of important chemical, iron, and copper industries, on which, in some cases, work has already begun; e.g., the Fertilizer and Chemical Company (Haifa) is now producing superphosphates from rock phosphate found in the Negev. Moreover, numerous borings have disclosed the presence of considerable subterranean sources of water in the Negev, which can be tapped to irrigate the desert. The Government of Israel has also been engaged in opening up communications in the area, and a road running through the Negev to the port of Eilat, at the head of the Gulf of Akaba (see map, page 14436), was opened in the autumn of 1954.

The Minister of Development (Dr. Joseph) had announced in September, 1953, that the Government intended to exploit the large copper reserves of the southern Negev, amounting to about 100,000 tons; a pilot extraction plant had already been set up, and it was hoped in due course to achieve an annual output of 6,000 tons, resulting in a saving of approximately $4,000,000 a year in foreign exchange. Dr. Joseph added in this connexion that the historic King Solomon's Mines, near the modern port of Eilat, would be brought into production again after having been unworked for 3,000 years. [The copper mines of the southern Negev were worked in the time of Solomon, who built a copper refinery and a seaport and naval base—Ezion-Geber—near the site of modern Eilat.]

A new 50-mile road running from Beersheba to S'dom (the biblical city of Sodom), at the southern end of the Dead Sea, was opened on March 27, 1953, to facilitate the exploitation of the important potash deposits of the area.

The road, described by a correspondent of *The Times* as "the most extraordinary in the world," drops from 1,390 feet above sea-level to 1,250 feet below sea-level at Sodom, and runs between deep canyons and jagged mountains, for eight miles of its course it is cut out of the solid rock in its descent into the deepest gorge in the world. Its construction presented engineering problems of exceptional difficulty, complicated by the fact that all food, water, and other supplies for the workers had to be brought from considerable distances, and that the workers themselves (most of whom were recent immigrants) had to work in conditions of intense heat and discomfort. To allow heavily-laden trucks to drive through the passes, the road had to be constructed without sharp bends or gradients.

Before the Palestine War which followed the establishment of the State of Israel, the potash extracted from the southern end of the Dead Sea was carried by barge to its northern end, near Jericho, and transported from there by road and rail to Haifa *via* Jerusalem The potash plant at the northern end of the Dead Sea was, however, destroyed in the Palestine War, and this area, together with the town of Jericho, is now part of the Kingdom of Jordan. As the only remaining potash works in Israeli territory were those at Sodom, it was necessary to build a new road avoiding Arab-controlled territory for transporting the potash supplies.

Until 1948 potash exports exceeded citrus exports in value, and the Israeli Government aims at raising potash production to 15,000 tons a month.—(Times - Manchester Guardian - New York Times - New York Herald Tribune)

B. WESTERN GERMANY. — Bremen Elections.

Elections for a new *Bürgerschaft* in Bremen (the smallest *Land* of the Federal Republic) were held on Oct. 9. Although Bremen had for several years been governed by a "grand coalition" between the Social Democrats, the Christian Democrats, and the Free Democrats, under the leadership of Herr Kaisen (Social Democrat), the Christian Democrats and Free Democrats opposed the Social Democrats in the present elections, and, together with the right-wing German Party, tried to wrest control from them and to form a new *Land* Government based on the same coalition as the Federal Government. The Social Democrats, however, gained nine seats and secured an overall majority over all other parties, the results being as follows.

	Bürgerschaft seats 1955	1951
Social Democrats	52	43
German Party	18	16
Christian Democrats	18	9
Free Democrats	8	12
Communists	4	6
Refugee Party	—	2
Others	—	12*

* Including eight for the Socialist Reich Party, which were declared vacant when the Federal Constitutional Court suppressed that party as unconstitutional in January, 1952.

At the dissolution of the former *Bürgerschaft* there were 46 Social Democrats, 15 German Party, 9 Christian Democrats, 10 Free Democrats, 6 Communists, 5 Refugee Party members, and one non-party member.

The number of votes was as follows, those in the 1951 *Bürgerschaft* and the 1953 *Bundestag* (Federal) elections being shown for comparison:

	1955 *Bürgerschaft*	1953 *Bundestag*	1951 *Bürgerschaft*
Social Democrats	174,123	137,608	130,471
German Party	60,557	60,283	49,007
Christian Democrats	65,750	88,062	30,172
Free Democrats	31,486	26,680	39,432
Communists	18,229	13,730	21,244
Refugee Party	10,570	11,548	18,744
Others	3,986	16,085	44,430

Polling percentages in the three above-mentioned elections were respectively: Social Democrats, 47 8 (1955), 38.9 (1953), 31.9 (1951); German Party, 16.6, 17.0, 14.7; Christian Democrats, 18 0, 24.9, 9.0; Free Democrats, 8.6, 7.5, 11.8; Communists, 5.0, 3.9, 6.4; Refugee Party, 2.9, 3.2, 5 6, Others, 1.1, 4 6, 13.3.

The electorate totalled 438,953, of whom 84.2 per cent went to the polls.

Despite the Social Democratic victory, Herr Kaisen stated on Oct. 10 that he was still in favour of continuing the coalition with the Christian Democrats and Free Democrats if those parties wished to remain in it. He would not, however, include the German Party, which had ruled itself out by its "attitude to democracy" during the election campaign.
(Die Welt, Hamburg - Welt der Arbeit, Cologne) **(Prev. rep. "Land" Elections, 14339 A; Bremen Elections, 11844 B.)**

A. LITERATURE. — Book Selections for October.

Selected books published in Great Britain, the United States, France, and Italy during October are given below:

Great Britain. Bates, H. E.—"The Daffodil Sky." Collected Short Stories. (Michael Joseph, 12s. 6d.)

Bertelsen, Aage—"October '43." The Mass Escape of the Danish Jews from German-occupied Denmark. Translated from the Danish. (Museum Press, 12s. 6d.)

Blake, Robert—"The Unknown Prime Minister: The Life and Times of Andrew Bonar Law." (Eyre & Spottiswoode, 42s.)

"Boswell on the Grand Tour, 1765-66: Italy, Corsica and France." The Boswell Papers, fifth volume. (Heinemann, 25s.)

Boyle, Andrew—"No Passing Glory." A Biography of Group-Captain Leonard Cheshire, V.C. (Collins, 16s.)

Bruce, David—"Sixteen American Presidents: From Washington to Lincoln." (Sidgwick & Jackson, 25s.)

Ferrier, Winifred—"The Life of Kathleen Ferrier" (Hamish Hamilton, 15s.)

de Gaulle, General Charles—"The Call to Honour, 1940-42" War Memoirs, translated from the French. (Collins, two volumes. Memoirs, 18s., Documents, 25s.)

Hartley, L. P.—"A Perfect Woman." (Hamish Hamilton, 12s. 6d.)

Maclean, Alistair—"H.M.S. *Ulysses*." (Collins, 12s. 6d.)

Mann, Thomas—"Confessions of Felix Krull, Confidence Man" (Part I). Translated from the German and published posthumously (Secker & Warburg, 18s.)

McVeagh, Diana—"Edward Elgar The Man and his Music." (Dent, 18s.)

Owen Tanney, F. D.—"Isle of Cloves: A View of Zanzibar." (Longmans, 18s.)

Postgate, Raymond—"Story of a Year. 1848." (Cape, 21s.)

Rowse, A. L.—"The Expansion of Elizabethan England." The Elizabethan Age, Volume II. (Macmillan, 30s.)

Thomson, Sir George—"The Foreseeable Future" (Cambridge University Press, 10s. 6d.)

Tolkien, J. R. R.—"The Return of the King." The Lord of the Rings, Volume III. (Allen & Unwin, 21s.)

United States. Gunther, John—"Inside Africa." (Harpers, New York, $6.00.)

France. Murciaux, Christian—"Le gros lot." (Plon, Paris, 420 francs.)

Italy. Scotellaro, Rocco—"Contadini del Sud." (Laterza, Bari, 900 lire.)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 14439 D.)**

B. INTERNATIONAL SUGAR AGREEMENT. — Export Quotas for 1955 - World Sugar Production in 1954. - Greek Ratification of International Agreement.

At a meeting of the International Sugar Council in London on Sept. 20, attended by delegates from 23 countries and observers from four others, it was announced that the International Sugar Agreement had been ratified by Greece. Earlier, on July 9, Brazil had notified the Council that she did not intend to ratify the agreement owing to dissatisfaction with the export quota allotted to her.

The Council had announced on April 29 that, in view of changed market conditions and the better balance prevailing between demand and supply, world quotas for sugar exports would be raised from the existing level of 3,709,000 metric tons (at which they had been fixed in November, 1954) to 4,153,000 metric tons. At the same time the quotas of individual exporting countries would be raised from 80 per cent of the countries' basic export tonnages to 90 per cent.

Owing, however, to a subsequent fall in prices, which dropped below the minimum of 3·25 cents per lb. fixed under the International Sugar Agreement, the total world export quota was again reduced on July 5 to 3,925,750 metric tons, and the quotas of individual exporting countries were cut by 5 per cent each. A further 5 per cent cut in individual quotas was made on Aug. 11.

World production of sugar in 1954 was estimated by the U.N. Food and Agriculture Organization at 33,600,000 metric tons—higher than any year except 1953, when production reached 43,200,000 metric tons.—(Economist - Financial Times)

(Prev. rep. 13658 D.)

C. TUNISIA. — Néo-Destour Party. - Expulsion of M. Salah Ben Youssef.

M. Salah Ben Youssef, the secretary-general of the Néo-Destour, was removed from his post and expelled from the party on Oct. 12, on the grounds (*a*) that by his opposition to the recent Franco-Tunisian Conventions he had pursued a policy contrary to that approved by the political bureau, and (*b*) that he had attempted to create divergencies and sow confusion among the membership. As a counter-move, the "Liberation Committee of the Arab Maghreb" (see 13577 A), meeting in Cairo on Oct. 15, expelled M. Bourguiba (president of the Néo-Destour) and the members of the party's political bureau, and announced that it recognized M. Salah Ben Youssef as the only legitimate representative of the Néo-Destour. M. Salah Ben Youssef himself had refused to recognize his expulsion from the Néo-Destour.—(Le Monde, Paris) **(14427 A.)**

D. UNITED STATES.—President Eisenhower's Illness.

President Eisenhower suffered a heart attack on Sept. 24 while on holiday in Colorado, the attack being described by General Snyder, the President's personal physician, as "a mild coronary thrombosis" affecting the anterior portion of the heart. The President was taken to the Fitzsimons Army Hospital in Denver and Colonel Thomas Mattingley, a heart specialist at the Walter Reed Military Hospital, immediately flew to Denver from Washington. Dr. Paul Dudley White, of Boston, a leading American heart specialist, was also called in.

Subsequent bulletins reported a slow but steady improvement in the President's condition. On Oct. 1 he was able to sign some official documents for the first time, and on Oct. 3 he conducted official business with his assistant, Mr. Sherman Adams. On Oct. 8 he had a meeting with Vice-President Nixon, which was followed by meetings with Mr. Dulles, the Secretary of State, and other members of his Cabinet. President Eisenhower left his room in a wheelchair for the first time on Oct. 10, and a medical bulletin on Oct. 23 stated that he would probably be able to leave hospital within 2½ weeks for a prolonged period of convalescence.

Messages of sympathy were sent to the President from all parts of the United States and from many foreign countries. They included messages from Queen Elizabeth II, the Kings of Sweden, Denmark, Norway, Belgium and Greece, the Queen of the Netherlands, the Emperor of Japan, the Presidents of France, the Federal German Republic, Italy, Austria, Switzerland, Yugoslavia, the Irish Republic, and Turkey, his Holiness the Pope, the President of the U.S.S.R. (Marshal Voroshilov), and the Soviet Prime Minister (Marshal Bulganin).

The President's illness caused much political speculation in the United States, where it had hitherto been assumed that General Eisenhower would run for a second term as President and would thus be the Republican candidate in the 1956 election. On Oct. 9 Dr. Paul White said that it was impossible yet to say whether it would be physically possible for President Eisenhower to run for a second term, as it was too early to know for certain whether he would make a complete recovery.

(New York Times - New York Herald Tribune)

E. FINLAND - SOVIET UNION. — Ratification of Porkkala Agreement and 20-Year Extension of Finnish-Soviet Friendship Treaty. - Aviation Agreement.

President Paasikivi of Finland ratified on Oct. 7 the protocol on the 20-year extension of the Soviet-Finnish treaty of friendship and the agreement on the Soviet evacuation of the Porkkala base, which had been signed in Moscow on Sept. 19. Both documents were ratified on Oct. 11 by the Supreme Soviet.

The Finnish Diet had ratified the two documents on Oct. 4 without a division. The Prime Minister (M. Kekkonen) disclosed during the debate that the Finnish delegation had raised with the Soviet Union the possibility of a revision of Finland's eastern (Karelian) frontier, but that there had been no response from the Russian side to these representations.

An aviation agreement between the two countries was signed on Oct. 19. It provided for a direct air service between Helsinki and Moscow with Finnish and Soviet aircraft, Finland thus becoming the first non-Communist country whose aircraft were allowed to fly on a regular traffic route to the Soviet capital. Hitherto the Moscow-Helsinki service had been operated only by *Aeroflot*, the Soviet civil airline.

(Finnish News Bureau - Svenska Dagbladet, Stockholm)

(Prev. rep. 14460 A.)

F. SOVIET UNION. — New Minister of Agriculture.

It was announced in Moscow on Oct. 17 that M. Vladimirovich Matskevich, Deputy Minister of Agriculture, who had recently led a Soviet agricultural delegation to the United States and Canada, had been appointed Minister of Agriculture. The post had been vacant since March, when the Minister of State Farms, M. Kozlov, was dismissed for inefficiency and replaced by M. Benediktov, who was then Minister of Agriculture; in the meantime M. Lobanov, a Deputy Premier, had been placed in general charge of agricultural affairs.—(Times)

(Prev. rep. 14471 A; 14085 B.)

G. WESTERN GERMANY. — Refugee Party goes into Opposition. - New Party Chairman.

A congress of the All-German Bloc (Refugee Party), held on Oct. 15-16 at Kassel, unanimously decided (1) to request Dr. Adenauer to dismiss Herr Kraft and Professor Oberländer from their ministerial posts, following their action in leaving the party's parliamentary group; and (2) to go into opposition to Dr. Adenauer's Coalition Government. Herr Friedrich von Kessel was elected chairman of the Refugee Party.

(Frankfurter Allgemeine Zeitung) **(Prev. rep. 14400 A.)**

NOVEMBER 5—12, 1955

A. CYPRUS. — Field-Marshal Harding appointed Governor of Cyprus. - Breakdown of Discussions with Archbishop Makarios. - Continuation of Terrorist Activities. - British Troop Reinforcements. - Passive Resistance Campaign sponsored by Ethnarchy Council.

The Colonial Office in London announced on Sept. 25 that Field-Marshal Sir John Harding, Chief of the Imperial General Staff, had been appointed Governor of Cyprus in succession to Sir Robert Armitage. The announcement was worded as follows:

"H.M Government have reviewed the existing arrangements for supreme control of the administration in Cyprus. In view of the importance of the island as a base for the discharge of H.M. Government's obligations in the Eastern Mediterranean, including their obligations as a member of the North Atlantic alliance, and having regard to the need for concerted action by all security forces in the island in order to maintain internal law and order, they have decided that in present circumstances the Governorship should be held by a high-ranking Service officer"

After announcing Field-Marshal Harding's appointment, the statement continued: "A new civilian post of Deputy Governor will also be created. It will be the special duty of the Deputy Governor to assist the Governor in normal administrative work unconnected with security measures A further announcement will be made shortly about the appointment to this post.

"Sir John Harding will proceed to Cyprus very shortly to take up his new duties. Arrangements have been made for General Sir Gerald Templer to assume office as Chief of the Imperial General Staff before the date of Nov. 1 previously announced.

"The present Governor of Cyprus, Sir Robert Armitage, will take up another appointment, which will be announced later"

A further announcement on Sept. 29 stated that Mr. George Sinclair, Regional Officer for the Trans-Volta Togoland Region, Gold Coast, had been appointed Deputy Governor of Cyprus.

Field-Marshal Sir John Harding (59) commanded the 7th Armoured Division at Alamein, and was subsequently Chief of Staff to Field-Marshal Alexander in Italy. Before his appointment as C.I.G.S. in 1952 he had been successively G.O.C.-in-C., Southern Command, C.-in-C., Far East Land Forces, and C.-in-C., British Army of the Rhine As C.I.G.S. he had advised Ministers on strategic problems of the Eastern Mediterranean area

Sir John Harding arrived in Cyprus on Oct. 3 and was sworn-in as Governor on the same day. A few hours after his arrival he announced that he would be meeting Archbishop Makarios (the leader of the *enosis* campaign) on the following day for "man to man" discussions, and expressed the hope that "the position will be clearer to both sides" as a result of these talks. He added that he had three main objectives as Governor of Cyprus: (1) the maintenance of law and order, so that people could go about their business in peace without fear of threats or oppression; (2) social and economic progress; and (3) a readiness at all times to discuss the constitutional development of the island "in the terms of the proposals already made by the British Government."

The Governor had three meetings with Archbishop Makarios —who had previously expressed his willingness to meet Sir John Harding—at the Ledra Palace Hotel in Nicosia on Oct. 4, 7, and 11. In addition, Sir John Harding met the leaders of the Turkish Cypriot community at Government House on Oct. 5. On Oct. 11, however, after the third meeting between the Governor and the Archbishop, it was announced that they had "stated their separate views without being able to reach agreement." The following statement was issued by Sir John Harding the same evening:

"It is with deep regret that I have to announce that discussions with Archbishop Makarios have come to an end without agreement. During our first talk we exchanged views on all aspects of Cyprus's problems. The Archbishop made certain suggestions . . . which were immediately transmitted to London. At the second meeting I explained to him that H.M. Government's position was as stated in the proposals announced at the London tripartite talks. At today's meeting the Archbishop told me he was unable to accept H.M. Government's proposals and his position remained the same as stated. I repeated that H.M. Government's position also remained the same. In reply to the Archbishop's questions I further explained certain passages in the British proposals, but after discussion we were unable to reach agreement on the basis of which we could co-operate for the future well-being of the people of Cyprus.

The breakdown of these discussions is a very serious matter, since I believe that the proposals of H.M. Government were both reasonable and practicable. Before parting, the Archbishop and I agreed that the discussions had not been entirely fruitless, as we had got to know and understand each other. I told the Archbishop that I was always ready to meet him again at any time.

Meanwhile, the life of the people of Cyprus must go on under peaceful conditions. It is my duty as Governor to maintain law and order, and this I intend to do. I call on all law-abiding citizens to exercise restraint and to carry out their duty in preventing terrorism, disturbances, and intimidation. Police and troops have direct orders from me to exercise proper restraint. But law and order must, and will be, maintained"

A statement on the breakdown of the discussions was also made by Archbishop Makarios on Oct. 12.

The Archbishop said that he had submitted to Sir John Harding a plan which declared the right of self-determination to be the indispensable basis for a solution of the Cyprus question. After recognition of this principle, he continued, he (the Archbishop) would be ready to co-operate with the British Government in framing a Constitution for Cyprus which would operate during the transitional period pending the application of the principle of self-determination. Sir John Harding had conveyed these views to London, and at their second meeting had informed the Archbishop that H.M. Government rejected them and insisted on the Macmillan proposals [i.e. those put forward by Mr. Macmillan at the London tripartite conference—see 14413 A.] He (the Archbishop) had replied that these proposals had already been rejected by the Greek Government and by the people of Cyprus, and that in no circumstances should a solution to the question be sought within the framework of the tripartite conference, "the consequences of which have been so sad."

Continuing, Archbishop Makarios said that he had suggested to Sir John Harding that the question should be placed on a new basis, and in no circumstances on "implacable British plans which have already been tried and failed." After declaring that he could not discern in the "Macmillan plan" any possibility of development from a colonial constitution to self-government and self-determination, the Archbishop claimed that his views were fully supported by the Ethnarchy Council and by all Greek Cypriots At his meeting with the Governor on the previous day (i.e. the third meeting on Oct. 11) he had made it clear that new discussions would only be possible "on the basis of self-determination"

The Archbishop expressed his "sincere regret" at the breakdown of his talks with Sir John Harding, and added: "We realize that the consequences will be unpleasant, both to H.M. Government and to the people of Cyprus, but our conscience remains clear." In reply to questions, he said that he would always be ready to meet the Governor if another basis for discussion could be found, but that the initiative would have to come from the Government

In his first broadcast to the people of Cyprus, Sir John Harding declared on Oct. 9 that he would shortly be submitting to the British Government specific proposals for the island's social and economic development. He gave a warning, however, that nothing could be done to further the island's prosperity "if conditions of disorder prevail." After asking the Cypriots to reflect upon the prospects for self-government which had been submitted at the London conference, he continued:

"I am fully aware that it has been represented to you that these proposals were wholly negative and slammed the door in the face of the people of Cyprus. This is not true. On the contrary, they threw wide open the door to self-government, and the path through that door is safeguarded. Beyond that, the future is left open. No-one is asked to commit himself.

It is for you to consider to what destination your steps should be directed after you have passed through the door of self-government. Through your elected representatives you will be completely free to express your views to H.M. Government. Our proposals hold out the promise that freely elected representatives of the Cypriot people can take the main responsibility for the management of their internal affairs. They also look forward to a time when, self-government having been effectively established, elected representatives of Cyprus will be in a position to express their views on the island's future to H.M. Government.

I recognize the close cultural links of the people of Cyprus with Greece and Turkey. I hope, too, that Cyprus feels proud of her place in the British Commonwealth, which is the most powerful association of like-minded nations there has ever been in the world. The road to peace, prosperity, and self-government lies wide open before you, It is for each one of you to decide for yourselves what to do."

Finally, Sir John Harding called upon the people of Cyprus to play their full part in eliminating terrorism, and declared that "there can be no more worthy task than to participate in creating conditions wherein fear no longer exists and everyone can live in peace"

[The broadcast, delivered in English, was also translated into Greek and Turkish. Its text was made known in advance to Archbishop Makarios]

Meanwhile, both before and after Sir John Harding's appointment, terrorist activities by the illegal *Eoka* organization had continued in different parts of the island, leading to the arrest of several hundred persons and to the imprisonment, for terms of up to five years, of individuals found in illegal possession of arms. These and other recent developments in Cyprus are described below under cross-headings.

Terrorist Activities and Security Operations. The principal incidents during the period covered (mid-September to the first week of November) were as follows:

Sept. 17.—The British Institute in Nicosia was destroyed when a crowd of pro-*enosis* demonstrators, mainly youths and young men, set fire to the premises. Serious rioting broke out in Metaxas Square, in the centre of the city, when British troops and Cypriot police were called out to restore order About 40 persons were arrested and a number of policemen and demonstrators injured. Three youths were subsequently sentenced to imprisonment for up to two years for setting fire to the British Institute

Sept. 21.—Rioting villagers at Amiandos (45 miles S.W. of Nicosia) stoned British Commandos who had been sent to the village to remove arches and banners, bearing anti-British slogans, which had been

erected in the main street; the British troops were forced to open fire after the mob refused to disperse, one villager being wounded. In south-east Cyprus, 1,000 troops searched villages in the Akhna area (near Famagusta) after masked terrorists had attacked a police station and escaped with rifles and ammunition.

Sept. 29.—A 24-hour general strike, supported by the Nationalist and Communist trade unions, took place on this date in protest against the refusal of the U.N. General Assembly to debate the Cyprus question (see page 14465) Apart from some clashes with demonstrators at Nicosia, no serious disorders occurred in the island generally. A water-pipe for a British camp was blown up near Limassol, and military vehicles were stoned at road-blocks.

Oct. 5.—A Greek Cypriot policeman was shot by a terrorist in Famagusta, and subsequently died in hospital; the assailant (Savva Karaoulis, a 22-year-old clerk) was arrested Elsewhere in Cyprus, a masked terrorist shot and severely wounded Mr. Stanley Hollowday, the British chief engineer of the asbestos mines at Amiandos.

Oct. 6.—The hill village of Neokhorio, in the extreme north-west of Cyprus, was cordoned off by a detachment of the Royal Scots while a house-to-house search was made for suspected terrorists and arms. British troops had been sent to the village the previous evening to remove Greek flags and anti-British slogans hoisted in the main street; they were pelted with stones and bottles by a crowd which sheltered behind a number of women, and the troops accordingly withdrew for fear of injuring the women if they opened fire.

Oct. 10.—A number of armed and masked terrorists broke into a War Department store at Famagusta, overpowered the Turkish watchman, and escaped with nine cases containing Bren guns, Sten guns, rocket-launchers, and a number of empty Bren-gun magazines A note, bearing the *Eoka* emblem, was left behind acknowledging "the delivery of nine cases of arms from the British Government" and saying that payment would be made "when this island is liberated"

Oct. 20 —Famagusta was placed under a curfew (maintained for the next nine days) after an R.A F. officer had been shot and badly wounded while garaging his car, the assailant escaping. A hand-grenade was thrown into a bar at Nicosia frequented by British troops, the only casualty being a Turkish Cypriot boy who was slightly wounded.

Oct. 22-24.—A number of bomb explosions at Limassol and Famagusta caused injuries to several persons, four of whom were British. A Turkish special constable was severely wounded at Limassol by a hand-grenade, the town being placed under a curfew —continued for several days thereafter—as a result of these incidents.

Oct. 26.—In a broadcast on this date, Sir John Harding announced that assemblies and demonstrations would be banned on Oct. 28 and Oct. 29 during the present conditions in the Colony "created by the forces of disorder and lawlessness." [October 28, the anniversary of Greece's rejection of the Italian ultimatum in 1940, was to have been celebrated by the Greek Cypriots, and Oct. 29, the anniversary of the founding of the Turkish Republic, by the Turkish Cypriots.] At the same time Sir John Harding deplored the "disgraceful record of indiscipline and rowdiness" of some secondary schools in Cyprus, and said that the Government were unable to accept assurances that the school authorities were able to guarantee their pupils' good behaviour.

Earlier in the day some 500 students and schoolboys had staged a "token strike" at Famagusta in protest at the curfew imposed on the town, and had refused to disperse when called upon to do so by the police. Troops were called in and the students were dispersed by riot-sticks and tear-gas.

Oct. 27.—A soldier of the Royal Scots Regiment—Lance-Cpl. Angus Milne, the first British soldier to lose his life as a result of Cypriot terrorism—died in hospital at Paphos from wounds received when a grenade was thrown at a military lorry near the town. In Limassol, where a 24-hour strike had been called by trade unions as a protest against the curfew, two Royal Marine Commandos were wounded by a bomb thrown from a roof-top, a military car was set on fire and destroyed, and an attempt was made to burn down a Naafi store.

Oct. 28.—The Government's ban on processions and assemblies was defied in a number of places, notably in Nicosia, Famagusta, Limassol, Larnaca, and Morphou, and serious rioting occurred in many parts of the island. In Nicosia, the police used tear-gas and batons to disperse groups of youths who had assembled in Metaxas Square and had begun to stone policemen and to erect road-blocks. In Famagusta serious disorders broke out when a mob of several thousand stoned the police and soldiers and threw several sticks of dynamite; the demonstrators were dispersed by baton charges, tear-gas, and fire-hoses and some 500 persons arrested, mostly youths. In Larnaca, some 300 persons—mainly schoolchildren—paraded the town carrying banners with pro-Greek and anti-British slogans, whilst in Limassol a crowd assembled outside the church and sang the Greek national anthem. The most serious disorders occurred at Morphou (a coastal town 25 miles west of Nicosia), where a big crowd attacked the police station, which was reinforced by men of the Gordon Highlanders; three British soldiers were wounded by a hand-grenade, and three demonstrators wounded when the troops opened fire after the mob refused to disperse. Over 300 people were arrested, about 40 Greek Cypriots wounded, and seven British soldiers injured during the day.

A special assize court sitting in Nicosia imposed the death sentence on Savva Karoulis for the murder of the policeman in Famagusta on Oct. 5 (see above). Karoulis was given leave to appeal. The court consisted of Sir Eric Hallinan (Chief Justice of Cyprus), a Greek Cypriot judge, and a Turkish Cypriot judge.

Oct. 30.—The post office in Famagusta and adjacent Government buildings were damaged by a time-bomb which had been placed in a post-box. There were no casualties. The curfew was lifted in Famagusta after having been in force for ten days.

Nov. 7.—An Army communiqué stated that valuable information concerning the organization, equipment, tactics, and supply system of the *Eoka* terrorists had been gained during a successful large-scale operation carried out by troops and police in the mountainous area east of Kyrenia between Oct. 31 and Nov. 6. It was disclosed that 1,700 troops took part in the operation, together with police forces, that six camp sites used by the *Eoka* organization had been discovered; that a number of persons had been detained for interrogation; and that a quantity of arms and equipment had been seized, including two sacks of explosives, some rifles, pistols and daggers, smoke-bombs, police uniforms, and steel helmets. Helicopters and "spotter" aircraft assisted the troops taking part in the operation, who included men of the Royal Marine Commandos, the Royal Leicestershire Regt, the Royal Norfolk Regt, and the 40th Field Regt., Royal Artillery. The communiqué said. "There is no doubt the operation disrupted the *Eoka* organization in the area, and that a satisfactory beginning was made in getting to terms with the terrorists and their under-cover supporters."

British Troop Reinforcements. The British garrison in Cyprus was further reinforced during October by the arrival of the 1st Bn. Gordon Highlanders from Edinburgh, the 1st Bn. Royal Norfolk Regt. from Colchester, and the 1st Bn. Royal Leicestershire Regt. from the Sudan The reinforcements brought the total number of British troops in the island to about 12,000, in addition to 2,000 R A.F personnel.

Major-General A. H. G. Ricketts, Military Commander of the Cyprus District, was given on Sept 28 the new appointment of Director of Public Security, with responsibility for co-ordinating all security forces, troops and police in the island.

Special Court for Political Offences. A special court was set up in Cyprus on Nov 2 to deal with all political offences such as terrorism, illegal processions and assemblies, possession of firearms, and thefts of weapons and explosives. The court was given jurisdiction to try summarily any specified offence punishable by imprisonment not exceeding seven years, defendants having the right of appeal to the Supreme Court. The special court was instituted because the Cyprus courts were overburdened with political cases

Extension of Detention Law. The Government of Cyprus issued an Order-in-Council on Oct. 13 extending for six months (until April 30, 1956) the law under which suspected terrorists can be detained without trial pending investigation of their activities, the persons concerned having the right of appeal to an advisory committee. The law was due to expire on Oct. 31.

"Passive Resistance" Campaign. In a sermon at Kalopsida (25 miles from Nicosia) on Sept 25, Archbishop Makarios announced his intention of sponsoring a "passive resistance" campaign throughout the island which would be "so intense that it would disrupt the machinery of government." Declaring that the "struggle for Cyprus" would be fought in the island after the breakdown of the London tripartite conference, he said that the Cypriot people would "not abandon the struggle even if the whole island is turned into one great prison," and that the passive resistance campaign would "paralyse all life in Cyprus and certainly compel the British to change their views."

Addressing the Ethnarchy Council on Sept. 27, the Archbishop said that his campaign involved the gradual withdrawal of all Greek Cypriots from village boards, municipal councils, advisory committees, school boards, and other public bodies. The Ethnarchy Council approved this proposal and called upon all *Mukhtars* and *Azas* to resign their posts as a first step in the campaign. [*Mukhtars* and *Azas*—equivalent to village headmen—are appointed by the Government to superintend village administration; their duties, which are unpaid, include registration of births, marriages and deaths, the drawing up of local taxation lists, assessment of damage to property, etc] A large number of these officials resigned their functions during succeeding weeks in response to the Ethnarchy Council's appeal.

Archbishop Makarios's Contacts with Communist Mayors. The British Colonial Office stated on Sept. 28 that it had definite evidence that Archbishop Makarios was enlisting Communist support in his campaign against the Government in Cyprus, and that he was arranging to receive three Communist mayors in interview. A spokesman of the Ethnarchy Council denied the allegation that the Archbishop was enlisting Communist support for the *enosis* campaign, but admitted that he had recently seen the three Communist mayors at their own request. The three Communist mayors in Cyprus are those of Famagusta, Larnaca, and Limassol.

Resignation from Cyprus Executive Council. Sir Paul Pavlides, a prominent merchant of Limassol, resigned from the Cyprus Executive Council on Sept. 19 "in view of Britain's failure to recognize the right of the Cypriot people to determine their own future."

The Executive Council (which advises the Governor) consists of seven members, of whom four are Government officials appointed by the Governor, two are Greek Cypriots, and one is a Turkish Cypriot. Sir Paul Pavlides had been one of the Greek Cypriot members since 1946.

Sir John Harding flew to London on Oct. 30 to report to the Cabinet on the Cyprus situation. He returned to Cyprus on Nov. 10.—(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Cyprus, 14413 A; U.N. Assembly, 14461 A.)

A. UNITED KINGDOM. — Labour Party Conference. - Debates and Resolutions. - Mr. Gooch elected Chairman of Labour Party. - Mr. Gaitskell re-elected Treasurer. - Dissolution of Labour League of Youth. - Party Membership Figures.

The 54th annual conference of the Labour Party was held at Margate on Oct. 10-14 under the chairmanship of Dr. Edith Summerskill, M.P., chairman of the National Executive Committee. Over 400 resolutions were submitted, together with more than 100 amendments, and a large number of matters had to be remitted to the Executive without debate, notably resolutions dealing with housing, education, agriculture, and the health service. The proceedings of the conference are summarized below :

Party Treasurer. Mr. Hugh Gaitskell, M P., was re-elected to the party treasurership, receiving 5,475,000 votes against 1,225,000 votes for Mr. Aneurin Bevan, M P., his only opponent Mr. Gaitskell thus had a majority of over 4,000,000 votes, as against one of 2,300,000 votes over Mr Bevan in 1954. Mr. Gaitskell was nominated by seven trade unions and 18 constituency parties, whilst Mr. Bevan's nomination was put forward by four unions and 33 constituency parties. The unions nominating Mr. Gaitskell were the Amalgamated Engineering Union (A.E.U.), the Transport and General Workers' Union (T.G.W.U.), the National Union of General and Municipal Workers (N.U.G.M.W.), the National Union of Mineworkers (N.U.M.), the United Textile Factory Workers' Association, the National Union of Boot and Shoe Operatives, and the Transport Salaried Staffs Association (T.S.S.A.)—which together have a total vote of more than 2,000,000 Those nominating Mr. Bevan were the National Union of Vehicle Builders, the National Union of Public Employees, the Association of Cinematograph and Allied Technicians, and the Electrical Trades Union (E.T.U.)—which have a combined voting strength of about 206,000. The National Union of Railwaymen (N.U.R), which in 1954 was one of the few large unions to support Mr. Bevan's candidature, switched its support in 1955 to Mr. Gaitskell.

Elections to National Executive. There were three changes in the trade union section, all other members of the National Executive being re-elected. The new Executive will be composed as follows :

Constituency Members. Mr Harold Wilson, M P. (1,066,000 votes), Mrs. Barbara Castle, M.P (1 034,000) ; Mr Anthony Greenwood, M.P (969,000) ; Mr. Richard Crossman, M.P. (897,000) ; Mr. James Griffiths, M.P (853,000) ; Mr. Tom Driberg (790,000) ; Mr Ian Mikardo, M.P. (777,000). Mr. Sydney Silverman, M.P. headed the list of unsuccessful candidates.

Trade Union Members Mr W. A. Burke, M.P. (Union of Shop, Distributive and Allied Workers) ; Mr. H Earnshaw (United Textile Factory Workers Association), Mr. J. W. Stafford (N.U.R.) ; Mr. E. G. Gooch, M.P. (National Union of Agricultural Workers) ; Mr. G. I. Brinham (Amalgamated Society of Woodworkers), Mr. Sam Watson (N.U.M.) ; Mr. J. Cooper (N.U.G.M.W.) ; Mr. F. Cousins (T.G.W.U.) ; Mr. W. M. Tallon (A E.U.) ; Mr. R. J. Gunter (T.S.S.A.); Mr. E. Irwin (E.T.U.) ; Mr. D H. Davies (British Iron, Steel and Kindred Trades Association).

The three new members were Mr. Cousens, Mr. Tallon, and Mr Gunter, who replaced Mr. A. E. Tiffin, of the T.G.W.U. (recently elected to the General Council of the T.U.C.—see 14440 A), Mr. Percy Knight, National Union of Seamen, and Mr. J. Haworth, T.S S.A. (both retiring from the Executive).

Socialist, Co-operative and Professional Organizations. Mr. Arthur Skeffington, M.P. (Royal Arsenal Co-operative Society and National Association of Labour Teachers).

Women Members. Miss Margaret Herbison, M.P , Miss Alice Bacon, M.P., Dr. Edith Summerskill, M.P., Mrs. Jean Mann, M.P., and Miss Alice Horan.

Ex-officio Members. Mr Clement Attlee, M.P , leader of the Parliamentary Labour Party, Mr. Herbert Morrison, M.P., the deputy leader, and Mr. Hugh Gaitskell, M.P., the party treasurer.

Future Policy. The debate took place on the following motions : (1) that all policies should have a Socialist content and that banking, iron and steel, textiles, engineering and shipbuilding, chemicals, and building should be nationalized (moved by Mr. H. Selby, Glasgow, Govan) ; (2) that a special committee be appointed to recast and reinstate, in the light of present-day conditions, the basic principles of Socialism in such terms as to inspire and attract young people into the Labour Party (moved by Mr. C. G. Barson, Harrow) ; (3) that the next Labour Government's policy should include legislation to end all air pollution injurious to the nation's health and economy (moved by Mr. R. E Winterbottom, Brightside) ; (4) that the Executive should compile a policy statement on the role of the Co-operative movement in the formulation of Socialist policy for consideration at the next annual conference (moved by Miss Thomas, Wirral), (5) that the Executive should adopt as the party's official policy the proposals put forward by Co-operative M.P.s to the last Parliament for establishing a Ministry of Consumers' Welfare (moved by Mr. T. I Boagey, Hartlepools).

For the Executive, Mr Griffiths recommended the conference to accept or to remit to the general council—subject to minor qualifications—all the resolutions with the exception of the one from Govan. It was essential, he said, that a new policy should be devised which would be relevant to contemporary problems, would inspire enthusiasm in the party, and would clearly take them " on the next great step towards realizing a Socialist society." Changes were taking place with great speed. Ten years ago the Welfare State, with its twin supports of full employment and comprehensive social services, was only a promise in a political programme Now that it existed it was taken too much for granted. The Labour Party would oppose any attempt to whittle it away, as they regarded it not as a luxury to be discarded in time of stress, but as an essential part of life in any civilized society.

Although he did not want to go into the causes of the defeat at the general election, Mr. Griffiths believed that Labour had, in part, been the victims of their own successes. The present problem for the party was to adjust their thinking and apply their ideals and principles of Socialism to the new environment which their past successes had created. In particular, they must attract youth, who now took security for granted. The problem would be to get a policy which would go onwards from security The party had never regarded the Welfare State as an end in itself but as the means of creating security, which would release great creative energies and harness them in the service of the country and of mankind. In their future policy they must show how to proceed to a society in which there was equality of opportunity and also equality in the ownership of wealth and property.

Urging the conference to reject the Govan resolution, Mr. Griffiths said : " The task at this moment is not to draw up lists of industries to be nationalized. We need to survey, to analyse from our experience, and from there to decide what is the future role of public ownership as an instrument of planning, as the means by which we can bring about greater equality in the ownership of wealth. The Executive think that what we ought to be doing is to examine public ownership in all its roles. We have not devoted as much attention as we ought to have done to the possibilities of methods other than those which we have adopted, not least that of the Co-operative movement. We must now re-examine public ownership in the light of experience . . . We must consider both industries already publicly owned and the other industries which we shall bring under public ownership. In the light of this we must decide what kind of organization we want to control and administer nationalized industries."

Mr. Griffiths then announced that the Executive had rejected the idea of seeking to bring to the next conference a general, comprehensive statement of policy, and proposed instead to prepare a number of reports on specific subjects and to present them at the annual conferences in the course of the next three years. These reports would be on the following subjects : equality, the ownership of industry, housing, the publicly-owned industries, social security (and, in particular, pensions), planning and controls, the nuclear age and automation, education, agriculture, and the individual and society.

The resolutions from Harrow, Brightside, and Wirral were agreed to ; that from the Hartlepools was remitted to the Executive ; and the Govan resolution was defeated by a large majority.

The Right to Strike. Two resolutions on the right to strike were rejected by large majorities The first, moved by the Surrey Federation of Labour Parties, proposed that the conference should resist " with every means at its disposal, including industrial action, any attempt by legislation or otherwise to interfere with the workers' right to strike, whether official or not " ; that the principle should be recognized that negotiations should take place whilst workers were still on strike ; and that the Parliamentary Labour Party should press for an immediate repeal of the Emergency Powers Act of 1920. The second, moved by Mr. W. Malloy (Barons Court), proposed that the conference should resist any attempt to remove, or to interfere with, the workers' right to withdraw their labour.

The resolutions were opposed by many trade union delegates, including Mr. T. Williamson (N.U G M.W), and Mr. Tom O'Brien, M.P. (National Association of Theatrical and Kine Employees), both of whom emphasized the damage done to the trade union movement by unofficial strikes. Mr. F. Cousins (T.G.W U) maintained that the matter was one for the T.U.C. and not for the party conference.

Mr. Sam Watson (N.U.M.), replying for the Executive, appealed for the rejection of both resolutions on the grounds that the first was extremely dangerous and would place on the Executive responsibility for giving an instruction that they could not fulfil, whilst the second said almost the same in different terms. The Executive were not questioning the right to strike, but he thought that it would be " a sorry day " if the party took on themselves a fundamental right that really belonged to the trade unions.

Defence Policy and the Hydrogen Bomb. The following motions were considered by the conference :

(1) A composite resolution opposing the manufacture by Britain of the hydrogen bomb and all nuclear weapons, and condemning " the Government's policy of using those weapons unconditionally in the event of war " (moved by Mr. M. S. Davidson, Wycombe).

(2) A resolution instructing the Executive to obtain from the International Court of Justice an advisory opinion on the legality of (*a*) manufacturing nuclear and other weapons of mass destruction, and (*b*) testing nuclear weapons (moved by Mr R. J. Waterton, Kingston-on-Thames).

(3) A composite resolution declaring that recent developments on atomic and hydrogen weapons had shown that there could be no victors in a world war, which would mean the end of civilization, and calling for speedy action in the United Nations with a view to the peaceful settlement of disputes, the immediate reduction of armaments, and the banning of hydrogen and other weapons (moved by Mr. E A C. Roberts, Amalgamated Engineering Union).

(4) A composite resolution suggesting that Russia and the U.S.A. should be brought together to dissipate their mutual fears ; that the policy of trying to be " a poor third " among the world Powers manufacturing the hydrogen bomb was economically wasteful and militarily futile ; accepting the political risk of a British initiative for

negotiations with Russia and China for a general settlement and peaceful co-existence, "supported by readiness to go ahead on our own and refusing to be committed to war by the U.S.A."; and instructing the Executive to set up a working party, including members of the Socialist Medical Association, to collect and analyse all information on the effects of nuclear bomb tests (moved by Mr. K. Zilliacus, M.P., Gorton).

(5) A resolution demanding the abolition of compulsory National Service (moved by Mr. J. Hepplewhite, United Society of Boilermakers and Shipbuilders)

(6) A resolution calling on the party to take immediate action to reduce the period of National Service and to secure an independent inquiry into its conditions (moved by Mr. F. S. Winchester, National Union of Vehicle Builders).

Mr. Attlee, who opened the debate, said that he had never regarded the argument for banning particular weapons as "a very fruitful line." What the world needed was a general agreement for disarmament down to the point of the absolute minimum required for the preservation of law and order "We are not going to get real agreement on armaments without broad political agreements and, to put it no higher, co-existence," he declared. "As Socialists we want to go beyond co-existence to world brotherhood, but co-existence is a start; for that reason we pressed for top-level talks. It is not enough to have just an agreement. It has to be enforced, and if there is agreement that there should be no war and for reduction of those weapons, inspection must be accepted by all concerned.

"The question facing humanity today is: 'Is it going to survive or is it going to be destroyed by its own inventions?' First we have to get agreement between those Powers which have the hydrogen bomb or can make it, but the whole matter has also to come before the United Nations . . . I believe that the signs are more hopeful for getting agreement today on world disarmament than ever before, because I think all Governments are facing up to realities. We shall continue to press for high-level talks with a view to bringing about all-round disarmament" He did not believe, however, that this could be done by disarming and hoping other countries would follow. Such a policy was unrealistic, and one had to get agreement all round.

Turning to the question of National Service, Mr. Attlee said that there was a case for some reduction in the period of service. "In our view," he added, "given the conditions of modern atomic and hydrogen warfare, the conception of sending masses of troops across the Channel to fight in Europe is out of date." Referring to Sir Anthony Eden's announcement about the age of call-up [made at the Conservative Party conference—see 14493 A], Mr. Attlee said: "I think this is really evading and dodging the issue. It is putting it off for a year or so, and doing so in a way that makes the worst of both worlds. It is not going to be a great help to industry or education. The Government have failed to meet their responsibility. Therefore we are pressing for a full examination. We are prepared to take our full responsibility in the House for looking into this in full. Defence is a matter which concerns us all."

In conclusion, Mr Attlee spoke of the dangers of atomic and hydrogen bomb tests, saying that "we do not realize all the dangers of these modern weapons." The Labour Party believed that there should be an international agreement to stop tests of these weapons.

Mr. Herbert Morrison replied for the Executive at the end of the debate. He said that whilst an agreement was needed on the manufacture of nuclear weapons, the Executive could not support the idea that Britain should take unilateral action. If Britain were the only country to cease manufacturing these weapons, she would be at the mercy of Powers who had them, both in diplomacy and in times of stress and strain. Describing Mr. Zilliacus's resolution as "muddled and confused," Mr. Morrison emphasized that the Labour Government, when in power, had never accepted dictation from the U.S A., and that the Executive would not support any policy which would cut off a future Labour Government from co-operation with other friendly Powers.

The Executive considered that the resolution demanding the ending of National Service was premature, but recommended adoption of the other resolution on this subject, being convinced that there was a case for reducing the period.

Resolutions (3) and (6) were carried, but the other four were defeated by large majorities.

Automation and Nuclear Developments in Industry. Three resolutions were debated on this subject: (1) A composite resolution noting "with concern" that an increase of productivity through automation would ensue without a corresponding increase in the demand for labour; recognizing that only by economic planning could the benefit of this increase in productivity be made available to all the people; and calling on the Executive, in consultation with other sections of the Labour movement, to examine the political and economic implications of these new technological developments and issue a policy statement in time for the next Labour conference (moved by Mr. J. H. Williams, Association of Supervisory Staffs, Executives and Technicians). (2) A resolution demanding a campaign for introducing automation as swiftly and as universally as possible, making unlimited national funds available for the development and introduction of labour-saving techniques, and introducing shorter working days, longer holidays, and earlier retirement as automation became installed (moved by Mr. Lewis, Sutton and Cheam). (3) A resolution asserting that increased productivity through automation would bring mass unemployment if industry continued to be privately owned; declaring the conference to be in favour of converting all industry to public ownership and control; and pledging full support to trade unions in their attempts to secure for workers the full benefits of increased productivity (moved by Mrs. Lena Jeger, M.P., Holborn and St. Pancras South).

Mr. Herbert Morrison, for the Executive, attacked the provision in Mrs. Jeger's resolution which called for the public ownership of all industry. "That is all very fine," he said. "Only, if we are to put in our programme that the next Labour Government will go for public ownership of all industry, let [the] conference face up to considering not only whether it is right for such a policy to be adopted, but whether you are going to get a chance to bring it about. I don't know one member of the Executive . who really believes in such a policy. We had a policy document some years ago in which there was a whole section devoted to privately-owned industry, and it contemplated deliberately and consciously a mixed economy for at any rate a long time to come This policy was accepted . . . but that does not mean that the Executive have turned their backs on public ownership. It means that we have to consider it on the merits of each case." Mr Morrison said that it might be that public ownership would emerge. arising from automation and other new developments, in that case it would have to be justified, as in the case of the application of atomic energy for civil purposes.

The first resolution was agreed to, but the other two were rejected by large majorities.

Fuel and Power. The conference accepted a composite resolution, moved by Mrs. A. Roberts (Barkston Ash) and seconded by Mr. Ernest Jones (N U M), which deplored the Government's "failure to ensure an adequate supply of labour for the mining industry"; their inability to insist on fuel economy by industry; and the "decision to import 12,000,000 tons of coal involving a loss to the community, and charging the loss on imported coal against the mining industry."

Mr Sam Watson, for the Executive, agreed that manpower was dwindling, and attributed this partly to a full economy. If a Socialist State wished to get men to work in the industry, he said, it must address itself to the reason why men would not work in it The campaign of "blaming the miner" was slowly taking effect, because the country had been used too long to an abundant and cheap supply of coal. "This question of finding an adequate supply of labour," he added, "is neither wholly the fault of the Conservative Government nor of the miners, but partly also the fault of the community. which is not prepared to send its sons into mining."

Nationalization and Nationalized Industries. Two resolutions on this subject were agreed to (1) calling for a comprehensive report not later than 1957 on nationalized industries, with particular attention to management, including workers' participation, industrial relations, and compensation, and suggesting that this could be a guide to the extension of public ownership (moved by Mr. G. Foster, Sunderland); (2) declaring that not enough was being done by the Labour Party to inspire confidence in the nationalized industries, and that the party should put the favourable facts before the electorate more forcibly (moved by Mr. F. Tyler, South Hendon).

On behalf of the Executive, Mr. Gaitskell said that they were "absolutely confident" that the policy of nationalization carried out by the 1945 Labour Government was essential to the country's economy. Already a great measure of success had been achieved in those industries. "I get a bit tired of the sniping at the industries from the Tories," he said, "but also of our failure to defend them." With regard to future nationalization, Mr. Gaitskell said: "It is, and will remain, our policy when we take industries into public ownership to pay fair compensation. If we ever departed from that policy I can think of no better gift to the Tories for the next election. But in this inquiry [i.e. the inquiry proposed in the first resolution] we will examine the methods of compensation which have been adopted, and go into the whole question of probable improvements."

Continuing, Mr. Gaitskell said that it might "clear the air" if the party asked itself why it was that people were prepared to accept nationalization proposals in 1945 but not in 1950-51 and 1955. He suggested that it was not because the electors in 1945 had been converted to a belief in Labour's fundamental principles, but because Labour had convinced them that in those particular industries nationalization was the right course. In 1950-51 and 1955, however, Labour had failed to get their proposals across to the people, and had probably lost rather than gained votes as a result of those proposals. After saying that the industries which they were now tackling were not "problem children" in the same way as the older basic industries had become, Mr. Gaitskell declared: "It is not enough just to repeat mechanical slogans to the modern electorate. They want more We have to show that nationalization is related to the standard of living, and it may well be that automation will play a large part in this new age. We have to show that it is related to economic security and to greater equality, a new spirit in industry, and the necessity for economic planning . . . Nationalization to me is a means and not an end in itself."

Foreign Policy. A debate on foreign policy was initiated by Mr. Ernest Jones (N.U M.), who moved a resolution which (*a*) noted with concern the development of the hydrogen bomb and other weapons of mass destruction, and called on the Government to take fresh initiatives for talks between the Powers to bring about the relaxation of tension and the abolition of such weapons through general disarmament under effective international supervision; (*b*) stated that a Far Eastern settlement required the admission of China to the U.N. and the withdrawal of Chiang Kai-shek's forces from Formosa; (*c*) welcomed the stand taken by the Parliamentary Labour Party against the danger of an arms race in the Middle East; and (*d*) called on the Government to do their utmost to achieve German reunification.

Mr. John Burns (Fire Brigades Union) moved an amendment declaring that a peaceful solution of the German problem could be obtained only within the wider framework of measures designed

to ensure the security of all the European States; that German reunification must be achieved in such a way as to prevent the rebirth of German militarism; and that reunification through free elections and the limitation of German military forces must be agreed upon simultaneously.

Two other resolutions were also discussed: (1) recognizing that war was incompatible with Socialism, and declaring the adherence of the conference to a policy of pacifism in foreign affairs (moved by Mrs. B. Lowton); (2) urging the party to press the Government to resume normal trading relations with China (moved by Mr A. Booth, Tynemouth).

Mr. Sam Watson, for the Executive, said that they accepted the resolution on trade with China, but could not accept that on pacifism. They also accepted the N.U.M resolution, but they must oppose the amendment because of the conditions it sought to impose on the reunification of Germany and free elections. Referring to the Middle Eastern situation, Mr. Watson said that Labour's policy was to press for a defence pact with Israel similar to those which Britain had with Iraq, Turkey and Persia. They wanted to defend the Socialist experiment now going on in Israel, but that could "not be done with balloons when the other guy has got tanks and guns."

The N.U.M. resolution was agreed to, Mr. Burns's amendment being rejected by 4,968,000 votes to 1,669,000. The resolution on pacifism was defeated, and that on trade with China accepted.

Racialism in South Africa. The conference agreed, without discussion, to a resolution which stated: "This conference is of the opinion that the policy of *apartheid* now being practised in South Africa is more than an expression of colour prejudice. It is a dangerous and immoral doctrine which condemns certain races as unfit to assume the same responsibilities or enjoy the same democratic principles as others, and sets them apart as inferior human beings, restricting them to a life of servility. Therefore the time has now come for our movement to urge the British Government to officially express its strong disapproval of this policy on two grounds: its incompatibility with the principles of the British Commonwealth, and its violation of the Declaration of Human Rights subscribed to by a majority of States within the U.N. Organization."

Cost of Living. A resolution (moved by Mr. P. Stafford, Ogmore) was adopted, instructing the Executive to press for measures to stabilize the cost of living, and declaring that the next Labour Government would prevent monopolies and price rings from forcing up prices.

Local Government. This matter was debated on two resolutions: (1) expressing concern at the loss of powers by local authorities to such bodies as regional hospital boards, and calling for area conferences, followed by a national conference of representatives of councils, to formulate a Labour Party policy on local Government reform (moved by Mrs. Joan Sterne, Kent Federation of Labour Parties); (2) expressing concern at the lack of consultation between Labour groups throughout the country, and asking for one full session of each annual conference to be devoted to local government affairs (moved by Mr. H Collins, Bristol).

Mr. M Cooper, for the Executive, agreed that local government was an urgent problem which the party had to face. On his advice the conference agreed to the first resolution but rejected that from Bristol.

Pensions and National Insurance. This subject gave rise to one of the most lively and important debates of the conference. Three resolutions were put forward:

(1) A composite resolution expressing concern at the inadequate increases in national assistance allowances, which denied to the majority of old-age pensioners the full amount of the increase in national insurance benefits, and urging the Executive to press the Government to grant immediately the full amount in national assistance allowances (moved by Mr. T Eccles, N.U.G.M.W.). An amendment to add "and to ensure that these are kept in step with any future rise in the cost of living" was moved by Miss A. Brierly (Knutsford).

(2) A composite resolution calling on the party to press for an immediate review of all pensions because of the continued rise in the cost of living, and urging that women widowed before 1946 and now receiving 10s. a week pension should have their pensions raised to the same rate as widows whose husbands were insured under the National Insurance Act, 1948 (moved by Mr F. O. Roberts, Oxford).

(3) A resolution, moved by Mr. Aneurin Bevan, M.P. (Ebbw Vale), urging that the national insurance scheme should be reviewed, and declaring (*a*) that "the scheme should be removed from its present actuarial basis and be financed wholly through the Exchequer, and the principle of equal benefits should be strictly adhered to"; and (*b*) that "the earnings rule regarding retirement pensions should be abolished and all pensions should be related to the cost-of-living index."

In moving his resolution, Mr. Bevan said that the time had come for the Labour movement to review its whole approach to the financing of insurance. "I am not suggesting this in criticism of what we have done," he said, "because I was one of the authors, nor that what we did was immortal. There are some modifications and improvements we should make, and one conclusion we should now reach is that when everybody is in, when insurance is universal and compulsory, it is no longer insurance." If everyone was in, said Mr. Bevan, there was no reason why 26,000 Civil Servants should be employed to count them; people said that it was necessary to defend the fund and keep it on an actuarial basis, but that was "a lot of nonsense." "There ain't no fund," Mr. Bevan added. "Gaitskell knows it better than any of us. Once you raise money on such a scale as this, you have to invest it. When we had a discussion in the Cabinet there were some comrades who suggested we might meet the increased cost of the service by making a contribution from the insurance fund which had grown to enormous proportions. But the Treasury had to tell us that there was no fund. It is just an actuarial fiction."

Sir Alfred Roberts (United Textile Factory Workers' Association) opposed Mr. Bevan's resolution on behalf of his union. From the inception of the national insurance scheme, he said, the T.U.C. General Council had accepted the insurance principle. If the Exchequer took over the liability, the Treasury would have to find £436,000,000 a year by taxation. The first danger in Mr. Bevan's proposal was the arrangement of an adequate subsistence basis of benefit; in a period of depression or slump a Chancellor would have to make cuts, and benefits would therefore be reduced when they were most needed. The second danger was that there would no longer be benefit as of right, since, if the money were to be raised and "doled out" as benefits, it would inevitably be done on the basis of a means test.

Mr. Richard Crossman, M.P., for the Executive, recommended the conference to accept the first composite resolution and its amendment, and to remit to the Executive the second composite resolution and also that proposed by Mr. Bevan—though he emphasized that this did not mean that the Executive accepted the principle of the resolution. There were, he said, two problems to solve: (1) What kind of pensions—a flat-rate or a differing scale? (2) How should the scheme be financed? The grave danger in a flat-rate tax, under which the lowest-paid and the highest-paid made the same contribution, was that the pension would be only what the lowest-paid worker could afford to pay for. There was also serious objection to complete transference of the scheme to the Exchequer. He did not know what a Socialist Chancellor would feel if he had to raise income tax by two or three shillings in the pound to pay for this, thereby limiting all the other jobs Labour had to do in education and health.

It was unrealistic (Mr Crossman continued) to say that the State pension was the only one available in Britain, for half the men who now retired from industry at 65 were receiving some form of superannuation in addition to their old-age pension. One possible plan for Labour would be to leave the private schemes as they were and to try and arrange through the Ministry of National Insurance for a scheme under which any worker who did not belong to a private scheme could belong to a Government scheme. They could go even further. Nationalization of insurance was still technically a part of Labour's programme, and if there were an issue on which he could see the advantage of public ownership, it was in insurance. They had to consider not only what sort of basic pension they could afford, but whether they could work out a scheme of national superannuation so that everyone could look forward to a basic pension and, in addition, a form of superannuation—a full-scale, nationally-owned scheme if that were possible "We had hoped to have a better pensions policy in our election programme," Mr. Crossman added. "We could not have it because we could not reach agreement on these basic problems. We must try to reach agreement very soon."

The first composite resolution was accepted, and the other resolutions remitted to the Executive.

Resolutions remitted without Debate. In addition to the resolutions on housing, education, agriculture, and the health service mentioned above, a number of resolutions were remitted to the Executive without debate because of the lack of time to discuss them. They included resolutions urging that Justices of the Peace should be paid subsistence and loss-of-time allowances; instructing the Executive to prepare a scheme for a full-time organizer in every marginal constituency; affirming that the tradition that the Speaker's seat should not be contested was outdated and should no longer be observed; demanding lower interest rates on loans to local authorities; and urging the abolition of capital punishment.

At the first meeting of the new National Executive, Mr. Edwin Gooch, M.P. (Norfolk North), president of the National Union of Agricultural Workers, was elected chairman of the Labour Party for the coming year, and Miss Margaret Herbison, M.P., vice-chairman. (Mr. E. Irwin, the next in seniority for the party chairmanship, had stated that he did not wish to stand for the office for health reasons.)

At a private session of the conference on Oct. 13 it was decided to abolish the Labour League of Youth as a separate organization, and, in its place, to have youth sections integrated into the constituency parties. It was announced that the National Executive would set up a committee to encourage the formation and education of youth sections. The private session also discussed party finances and expressed general approval for an increase in the affiliation fee as recommended by the Wilson Committee (see 14468 A). Mr. Morgan Phillips (the party secretary) stated after the meeting, however, that the changes necessary in the party's constitution before the increase could be made would have to await the next annual conference. Mr. Phillips also stated that resolutions on the *Daily Herald* had been remitted to the Executive for discussion.

On Sept. 21 a deputation from the National Executive had laid complaints about the *Daily Herald* before the T.U.C. directors of the paper. The main criticism was that not enough space or prominence had been given to political news during the general election and for some time before it. The T.U.C. holds 49 per cent of the shares of the

Daily Herald and appoints four of the directors, whilst Odhams Press, who print and publish the paper, hold the remaining 51 per cent of the shares and appoint five directors. There is an agreement that the paper shall follow the policy of the T.U.C. on industrial matters and of the Labour Party on political matters.

The annual report of the National Executive, published on Sept. 13, showed that individual membership of the Labour Party fell by 71,028, from 1,004,685 in 1953 to 933,657 in 1954, whilst affiliated membership rose by 473,033, from 5,019,337 to 5,564,370. The decline in the number of the League of Youth branches continued, the total (237) being 129 fewer than in the previous year. Party income in 1954, excluding the income of certain other funds, was £206,133 (£7,715 more than in 1953), whilst expenditure amounted to £202,069 (£9,845 more).—(Daily Herald - Times - Manchester Guardian) **(Prev. rep. Wilson Committee Report, 14468 A ; 1954 Conference, 13823 A.)**

A. NETHERLANDS. — Anti-inflationary Measures.

The Netherlands Government announced on Oct. 20 several measures—officially described as an "amber light"—against certain dangerous aspects of the economic situation which indicated that the economy was becoming overstrained, and that domestic expenditure was approaching or exceeding the level of available resources. The measures proposed were :

(1) Depreciation allowances on all new capital investments of industrial and commercial undertakings would be cut from 33⅓ per cent (the rate hitherto prevailing) to a maximum of 10 per cent per annum. ["Capital goods" include office buildings, factories, and office equipment, a depreciation allowance of 33⅓ per cent of their cost price having hitherto been allowed annually.]

(2) The preliminary levy on the annual tax assessment of commercial and industrial firms was increased from 50 per cent to 75 per cent of the previous year's tax. It became payable within the first seven months of the fiscal year, instead of after nine months as was previously the case.

The Government's statement added that restrictions on domestic consumption would at the present time have only a partial anti-inflationary effect because factors abroad were largely responsible for the present favourable world economic situation. It added a warning, however, that if inflationary tendencies became more pronounced the Government would have to enforce further measures affecting all categories of expenditure. (Netherlands News Agency)

B. ITALY. — Joint Action Agreement between Monarchists and Neo-Fascists.

It was announced in Rome on Aug. 28 that the Monarchists and the neo-Fascist M.S.I. (*Movimento Sociale Italiano*) had decided to investigate the possibility of a joint action agreement between the two parties in "the political, parliamentary, and trade union spheres," and that the two party secretaries had been asked to work out a definite understanding. After discussions lasting several weeks the joint action agreement was approved on Oct. 17 by the central committee of the M.S.I. and the national executive of the Monarchists. The agreement, whilst stressing the independence of the two parties as regards their political ideology and organization, contained detailed provisions for "unity of action by the two groups," it being announced that they would wage "a radical fight" against both the Christian Democrats and their allies (the Democratic Socialists, Liberals, and Republicans) on the one hand and against the Communists and "Nenni" Socialists on the other.

The Monarchists, led by Signor Covelli, have 30 deputies in the Chamber and the neo-Fascists 29, thus giving the new Rightist bloc 59 seats out of a total of 590. In the Senate they control 28 seats out of 237. The dissident Monarchist group, under Signor Lauro, remained outside the new alliance.
(Giornale d'Italia, Rome - Corriere della Sera, Milan)
(Prev. rep. Monarchist Party, 13633 B.)

C. AUSTRIA. — New Right-wing Party.

It was announced in Vienna on Oct. 18 that negotiations between the three Right-wing Opposition groups—the Independents, the "Liberal Rally" led by Herr Stubers, and followers of the former Nazi Minister, Herr Reinthaller—had resulted in an agreement to form a new national unity party representing the entire Right-wing Opposition. A committee headed by the former Major-General Franz Rainer was set up at the same time. (Neue Zurcher Zeitung)

D. NYASALAND. — New Governor.

Sir Robert Armitage, lately Governor of Cyprus, was appointed Governor of Nyasaland on Sept. 26 in succession to Sir Geoffrey Colby, whose term of office expires in March, 1956.—(Times) **(Prev. rep. Sir Robert Armitage, 14513 A.)**

E. EGYPT - SYRIA.—Provisions of Defence Pact. - Syrian Ratification. - Saudi Arabian Loan to Syria.

The provisions of the defence pact signed on Oct. 20 between Egypt and Syria were released in Cairo on Oct. 22. They comprised the following 13 Articles :

Art. 1. The two countries affirmed "their devotion to the maintenance of peace and security and their determination to resolve all their international disputes by peaceful means."

Art. 2. Any armed aggression against the forces of either country would be regarded as an aggression against the other. In such an eventuality, each party would render immediate aid to the other, and bring to bear "all means at its disposal, including recourse to armed force, to repel the aggression and restore peace and security."

Art. 3. Egypt and Syria would consult each other, at the request of either party, "whenever international affairs become disturbed to a degree affecting the security of any Arab part of the Middle East or the territorial integrity, independence, or peace of either of the parties."

Art. 4. "In the event of sudden aggression against the frontiers or armed forces of one of the contracting parties, both States will take immediate steps to bring this treaty into force in addition to taking military action to repel the aggression."

Art. 5. To realize the objectives of the agreement, Egypt and Syria agreed to set up (1) a Supreme Council, (2) a War Council, and (3) a Joint Command.

Art. 6. The Supreme Council would consist of the Ministers of Foreign Affairs and Defence of both countries. It would constitute "an official authority to which the C.-in-C. of the Joint Command shall be responsible."

Art. 7. The War Council would consist of the Chiefs of Staff of the two countries. It would be a consultative body to the Supreme Council

Art. 8. The Joint Command would be headed by a Commander-in-Chief, who would have at his disposal units [of the two countries] which would be placed at the disposal of the Joint Command. This Command would have "a permanent character and would function in peace-time as well as in wartime."

Art. 9. Egypt and Syria agreed to place at the disposal of the Joint Command, in peace-time as well as in wartime, "all forces under arms that they possess, including troops stationed on the Palestine frontier."

Art. 10. To cover the expenses of the Joint Command, the two countries agreed to establish a common defence fund which would be distributed equally between the two States. Egypt would contribute 65 per cent of the fund and Syria 35 per cent.

Art. 11. "The treaty contains no stipulation affecting, or capable of affecting, the rights and obligations of the two States under the U.N. Charter, that derive from or might result from responsibilities assumed by the Security Council for safeguarding peace and international security."

Art. 12. The treaty would have a duration of five years, and would be renewable by mutual agreement.

Art. 13. It would be ratified according to the constitutional processes of both countries, and would come into force on the exchange of instruments of ratification, which would take place in Damascus not more than 30 days after the signing of the treaty.

General Abd-el Hakim Amr, Egyptian Minister of Defence and C.-in-C. of the Egyptian armed forces, was appointed Supreme Commander of the Joint Egyptian-Syrian Command set up under the treaty.

The Syrian Parliament ratified the defence pact on Nov. 5, and on Nov. 10 approved a Bill allocating £15,000,000 (Syrian) for the Defence Ministry and for equipping the Army. On Nov. 8 the Saudi Arabian Government granted Syria a loan of $10,000,000 (£3,571,000) to enable her to meet her current economic difficulties and her commitments under the defence pact with Egypt.—(Le Monde, Paris - New York Times - Times) **(Prev. rep. 14485 A.)**

F. MALTA. — Budget. - Introduction of National Insurance and National Assistance.

Mr. Mintoff, the Maltese Prime Minister and Minister of Finance, presented his first Budget to the Legislative Assembly on Nov. 7. It showed income at £8,968,000 and expenditure at £11,160,000, leaving a deficit of £2,192,000 which, Mr. Mintoff said, would be made good with British Government assistance, no new taxation being proposed. The Budget envisaged the introduction of national insurance and a national assistance board, an increase from 2 to 2½ per cent in Government savings bank interest rates, salary increases for the police, fuller technical education, and harbour development. (Times - Daily Telegraph) **(Prev. rep. British Aid, 12563 A.)**

G. PUERTO RICO. — U.S. Supreme Court rejects Appeals by Nationalist Leaders against Prison Sentences.

The U.S. Supreme Court rejected on Oct. 24 the appeals of 12 Puerto Rican nationalist leaders against the sentences of six years' imprisonment which they had received in October, 1954, on charges of seditious conspiracy to overthrow the Government of the United States. The appellants included the four nationalists convicted in connexion with the shooting incident in Congress.—(New York Herald Tribune) **(13898 B.)**

A. UNITED KINGDOM. — The Prime Minister's Guildhall Speech. - Statement on Arab-Israeli Dispute. - British Offer to guarantee Arab-Israeli Frontiers. - Criticism of Soviet Attitude to German Reunification.

A review of the international situation, with special reference to the tension between Israel and her Arab neighbours, was made by Sir Anthony Eden on Nov. 9 at Guildhall, on the occasion of the annual banquet given by the new Lord Mayor of London (Alderman Cuthbert Ackroyd). In the course of his speech Sir Anthony announced that Britain would be prepared to give a formal guarantee to both sides if an acceptable arrangement could be reached for settling the frontiers between Israel and the Arab States. He also spoke of the lack of progress at the four-Power conference of Foreign Ministers at Geneva (which had opened on Oct. 27), and, in this connexion, condemned the Soviet refusal to agree to the holding of free all-German elections as a prior condition for German reunification.

". . . Since my famous predecessor spoke to you a year ago," Sir Anthony said, " we have seen the free nations of the West happily welded together. The Federal Republic of Germany has joined NATO and the Western European Union. It is sad that the first Supreme Commander of the North Atlantic Forces, President Eisenhower, should at this moment be laid aside by illness. It is an unhappy conjunction of events that at this time two of the world's wisest and bravest statesmen, the President of the United States and the Chancellor of the Federal Republic of Germany, should be absent from our counsels through illness. We look forward eagerly to their full recovery.

We in this country are indeed fortunate that, in spite of lively controversy in our political life, there is profound agreement between us on those matters which affect our country's safety and its place in the world. In this instinctive unity we are at one with our fellow nations of the Commonwealth. I am happy that it has been possible to arrange a meeting of the Commonwealth Prime Ministers in London in June next year. . . .

It has been the hope of us all that at Geneva the welcoming smiles of summer would be interpreted into solid agreements. . We all welcome the easier personal relationship established by the Heads of Government in Geneva, but we have always made it plain that it will be upon the results of these more detailed meetings that judgment will finally be pronounced. I have, therefore, only three comments to make on the present state of the discussions at Geneva.

First, to attempt to keep Germany divided for a further indefinite period, ten years after the war is ended, adds to the dangers in Europe and is no contribution to peace.

Secondly, Germany, like any other country, must be free to make her own decision as to her political future by the free voice of her people. In other words, she is entitled to free elections. It is indefensible to hold that free elections cannot take place because the Communist system must be preserved.

Thirdly, the Western nations and Soviet Russia cannot but recall the experience of past years. Mutual undertakings should therefore be given and taken against any act of aggression in Europe. This is the most effective assurance we have been able to devise. If it can be improved upon, let other suggestions be made.

We in this country have had something to do with the authorship of the proposals put forward by the West at Geneva, but of course we do not suggest that they are unalterable. But any alternative, to be of real value, must take account of the three essential elements I have described.

Meanwhile, the discoveries of science underline the responsibilities of statesmen. . . There is no leader of any one of the great Powers of the world who does not know how utterly destructive to all mankind any conflict between them must be. We pray that this knowledge will bring prudence. In a measure it has probably already done so, but it is not enough for the great nations to hold back from the final act that leads to war They must lead, guide, and restrain those whose conflicts may begin on a minor scale but could yet wrap the whole of the world in flames.

Here I have to discuss a grave situation Between Israel and Egypt lies an area of dangerous tension. During the past seven years we have been trying to bring about some kind of settlement in that part of the world, and to prevent competition in armaments there. We have not been entirely unsuccessful. Despite frontier incidents from time to time, some more serious than others, there has been no war since 1948. The level of arms has been kept relatively low. This applies especially to the more modern weapons. There has been some kind of a balance, though naturally each side proclaims it is less favoured than the other.

I had hopes that many people in these lands were beginning to see that a way to peace must somehow be found in all their interests. We have been working for a long time past without publicity to promote such a result. In this connexion, the reception given to Mr. Dulles's proposals [see 14392 A] was by no means discouraging. It should be followed up.

But now, into this delicate situation, the Soviet Government have decided to inject a new element of danger and to deliver weapons of war—tanks, aeroplanes, even submarines—to one side only. It is fantastic to pretend that this deliberate act of policy was an innocent commercial transaction. It is no such thing. It is a move to gain popularity at the expense of the restraint shown by the West. By this means it is intended to make it easier for Communism to penetrate the Arab world. Its consequences should be clear for all to see. Many proud States, some of which have not long enjoyed independence and national identity, will be threatened with submergence in the Communist empire if they fall victims to these tactics. For our part we find it impossible to reconcile this Soviet action with protestations that they wish to end the ' cold war ' in the new spirit of Geneva.

The authors of these actions must have known well enough in advance what the effect of the sudden arrival of these large quantities of arms must be It has brought a sharp increase of tension with very dangerous possibilities, particularly between Egypt and Israel. Yet when nations face each other in hostility it is not much use blaming them for getting arms wherever they can. It is not the recipients, it is the suppliers, who must be held mainly responsible.

The immediate task is to prevent the outbreak of war. General Burns, the U N Chief of Staff in Palestine, has been tireless in his efforts to keep the forces of the two sides apart. He and his staff have shown patience and courage in this hazardous work, and we are most grateful to them General Burns is urging both sides to withdraw their forces from the El Auja demilitarized zone. We are giving him full diplomatic support for his present proposal in the capitals concerned. Let there be no mistake. Were any country to reject counsels of moderation, it would forfeit the sympathy of this, and I believe every other, peace-loving nation. Once lost. this sympathy might be hard to regain.

I have never known a situation where it was clearer that neither party has anything to hope for in the long term from any military conflict. It is in the interests of both to put the demilitarized zone between them I saw General Burns when he was in London three days ago, and he knows that if there is any further help we can give him, we shall be glad to do so.

It will be a great gain if the risk of frontier incidents can be reduced. It will be a greater gain if the tragic problem of the refugees can be dealt with. I much regret that the hard work which Mr. Johnston, of the United States, has devoted to preparing irrigation schemes has not yet been accepted by those concerned It should be, for it is in the interests of all, Israeli and Arab alike. We are ready to help here also, as we have done with the Arab refugees But beneath the volcanic crust of these smouldering dangers lies a deeper peril still. The hostility between Israel and her Arab neighbours is unreconciled. Here, time has proved no healer. There is no progress to record since the armistice agreements six years ago. If it were not for these harsh and enduring sentiments, the countries of the Middle East could give all their efforts to their economic and social plans. They could then all concentrate on building up happy and prosperous societies in their lands.

As I have said, we have tried for a long time past to find common ground for some kind of settlement. I think that the time has now come when the acute dangers of the situation force us to try again. We must somehow attempt to deal with the root cause of the trouble. Our country has a special responsibility in all this, for we have a long tradition of friendship with the Middle East. I believe that it should be possible for us to find common ground between the two positions.

There is, after all, one interest the parties ought to share Neither Israel nor her Arab neighbours want to see their differences turned to the advantage of anyone else. From that starting-point, can we not all look once again at the proposals which the U.S. Government and we ourselves have advocated. We have only one desire in this, if our Arab and Israeli friends would but believe us It is to help to find a means of living which will enable the peoples concerned to dwell side by side in peace.

If, for instance, there could be accepted an arrangement between them about their boundaries, we, and I believe the United States, and perhaps other Powers also, would be prepared to give a formal guarantee to both sides. This might bring real confidence and security at last. Our countries would also offer substantial help—financial and other—over the tragic problem of the refugees.

Can we not now move even a little further than this ? The position today is that the Arabs take their stand on the 1947 and other U.N. resolutions. They have said that they will be willing to discuss terms with Israel on that basis. The Israelis, on the other hand, found themselves on the Armistice Agreement of 1949 and on the present territories which they occupy. Between these two positions there is a wide gap, but is it so wide that no negotiation is possible to bridge it ? It is not right that U.N. resolutions should be ignored. But equally, can it be maintained that the U.N. resolutions on Palestine can now be put into operation as they stand ?

The stark truth is that if these nations want to win a peace which is in both their interests, they must make some compromise between these two positions I am convinced that it is possible to work this out, and if we could do so it would bring relief and happiness to millions The sooner the better. If we fail to do so, none can tell what the consequences may be. Her Majesty's Government, and I personally, are available to render any service in this cause. If there is anything we can do, we will gladly do it for the sake of peace."

Sir Anthony Eden informed the House of Commons on Nov. 10 that the conference of Commonwealth Prime Ministers —referred to in his Guildhall speech—would open in London on June 27, 1956.—(Times - Daily Telegraph) **(Prev. rep. Sir Winston Churchill's 1954 Guildhall Speech, 13900 A; Middle East Situation, 14485 A.)**

A. ISRAEL. — New Cabinet formed by Mr. Ben-Gurion. - Statement of Policy. - Peace Offer to Arab States. - Government Programme.

A new Israeli Cabinet was formed on Nov. 2 by Mr. David Ben-Gurion, the leader of the Israel Labour Party (*Mapai*). It comprised 16 members, of whom nine were drawn from the *Mapai*, two from each of the Left-wing parties, the *Mapam* and *Ahdut Avoda*, two from the orthodox *Mizrachi - Hapoel Hamizrachi* group, and one from the Progressives (Liberals), its membership being as follows:

Mr. David Ben-Gurion (*Mapai*)	Prime Minister and Minister of Defence.
Mr. Moshe Sharett (*Mapai*)	Foreign Affairs.
Mr. Israel Bar-Yehuda (*Ahdut Avoda*)	Interior.
Mr. Pinhas Rosen (Progressive)	Justice.
Mr. Levi Eshkol (*Mapai*)	Finance.
Mr. Pinhas Saphir (*Mapai*)	Commerce & Industry.
Mrs. Golda Myerson (*Mapai*)	Labour
Mr. Kadish Looz (*Mapai*)	Agriculture.
Mr. Mordecai Bentov (*Mapam*)	Development.
Mr. Israel Barzilai (*Mapam*)	Health.
General Moshe Carmel (*Ahdut Avoda*)	Transport.
Mr. Josef Burg (*Mizrachi* group)	Posts.
Mr. Moshe Shapiro (*Mizrachi* group)	Social Welfare and Religious Affairs.
Mr. Behor Shitreet (*Mapai*)	Police.
Mr. Zalman Aranne (*Mapai*)	Education.
Dr. Perez Naphtali (*Mapai*)	Minister without portfolio.

Mr. Ben-Gurion (who is 69) was Israel's first Prime Minister from May, 1948, until December, 1954, when he retired into private life. He rejoined the Cabinet in February last (see 14063 C), when he was appointed Minister of Defence in Mr. Sharett's Government. Mr. Sharett, the former Prime Minister, retained the portfolio of Foreign Affairs, a post he has held uninterruptedly since the establishment of the State of Israel.

A statement of policy was made by Mr. Ben-Gurion to the *Knesset* on Nov. 2, the greater part of his speech dealing with the tension between Israel and her Arab neighbours. Mr. Ben-Gurion strongly criticized the supply of arms to Egypt by the Communists, emphasized that Israel would defend her freedom and independence by all means in her power, but at the same time offered to meet the Prime Minister of Egypt (Colonel Nasser) and any other Arab rulers in order to reach a settlement of Arab-Israeli problems.

After a warm tribute to the work done by the outgoing Prime Minister, Mr Sharett, Mr. Ben-Gurion said that the Government was ready to conclude a lasting peace settlement and to enter into long-term political, economic and cultural co-operation with Israel's neighbours. The Egyptian Government, and other Arab countries, "now have the opportunity to show the world what they really want, war or peace," and he was prepared to meet Colonel Nasser and other Arab rulers as soon as possible in order to work out "a mutual settlement without any prior conditions."

Mr. Ben-Gurion continued: "If the other side should not yet be ready to go so far, we would agree to a limited settlement ensuring the full implementation of the armistice agreements, the mutual elimination of all acts of hostility, including boycott and blockade, the observance of the freedom of seas, and such other arrangements as may be agreeable to both sides. The Government is prepared, as in the past, to observe faithfully all the provisions of the armistice agreements, both in the letter and in the spirit.

"But this is an obligation which is also binding on the other side. An agreement which is violated by the other side will not then be binding on us. If the armistice lines are regarded as being open to the passage of murderers and saboteurs from one side, they can by no means remain closed to the defenders of the other side. If our rights are affected by acts of violence on land or sea, we shall reserve our freedom of action to defend them in the most effective manner. Our aim is peace, but not suicide. . . . We have never initiated a war against anyone, and never will. We do not covet a single inch of foreign soil, just as we shall not permit anyone to deprive us of a single inch of our soil as long as we remain alive."

Deriding the Communist assertion that the supply of arms to Egypt by Czechoslovakia was a mere "commercial deal," Mr. Ben-Gurion said that he had too much respect for the political understanding and realism of the Czechoslovak Government to believe that it was unaware of the use to which Egypt would put the tanks, aircraft, guns, submarines, and other armaments now being supplied to her. "But," he added, "in fairness to the Prague Government, I am bound to say that they acted not entirely of their own volition but also by the decision and initiative of the Soviet Union." Mr. Ben-Gurion also criticized Britain for selling to Egypt arms which were denied to Israel, and the United States for supplying arms to Iraq, "a country which has gone so far as to refuse to sign even an armistice agreement with us."

"It is my duty," Mr. Ben-Gurion declared, "to tell the Powers that rule the world—all of them without exception—that the people of Israel will not be led like cattle to the slaughter. . . . Many peoples have fought for their freedom and existence, as this small people of Israel has fought and will fight for its freedom and existence. What Hitler did to the 6,000,000 helpless Jews of Europe's ghettoes will not be done by any foe of the House of Israel to the community of free Jews rooted in their own land. Any aggressive design against our freedom and existence is bound to lead to a dangerous explosion, the results of which cannot be foreseen. The responsibility will then fall both on those who supply arms to the many aggressors and on those who deny arms to the few defenders . . . "

The parties represented in Mr. Ben-Gurion's Cabinet (which command 75 of the 120 seats in the *Knesset*) issued an agreed programme of Government policy which included the following principles:

(1) Encouragement of immigration from countries where the present position of the Jewish population was difficult; (2) progress towards economic independence; (3) settlement of uninhabited areas, particularly the Negev; (4) security, peace, and friendly relations with all countries, (5) full employment, with steps to lower the cost of living; (6) encouragement of education and science, (7) strengthening of democracy and the independence of Israel. The programme also declared, *inter alia*, that the Government would seek to establish Eilat as a port with free access to the Red Sea; that it would meticulously observe the Arab-Israeli armistice agreements and insist on their observance by neighbouring countries, and that it would take "effective measures for the protection of frontier settlements and the relief of tension along the borders, and work untiringly for the achievement of peaceful relations and co-operation between Israel and the Arab States."

The programme also declared that the Government of Israel "will not lend its support to any aggressive trend or alliance directed against any State whatsoever." Foreign observers commented that this was an apparent indication of the growing influence of the Left-wing Socialist parties (the *Mapam* and *Ahdut Avoda*), both of which advocate a "neutralist" foreign policy.—(Times - Manchester Guardian - New York Times)

(Prev. rep. Elections, 14370 B; Cabinet, 14308 A.)

Corrigendum. In the last paragraph of 14370 B, dealing with the politico-religious parties in Israel, it was erroneously stated that the *Mizrachi* and *Hapoel Hamizrachi* group is of a more strictly orthodox character than the *Agudat Israel* and *Poalei Agudat Israel* group. The converse is in fact true, the last-mentioned group being the more orthodox of the two.—(Ed. K.C.A.)

B. UNITED KINGDOM. — Parliament. - Unseating of Sinn Fein Members. - Seats taken by Ulster Unionists.

Lord Justice Black and Mr. Justice Sheil, of the High Court of Northern Ireland, ruled at Enniskillen on Sept. 2 that Mr. Philip Clarke, the successful Sinn Fein candidate in the Fermanagh and Tyrone division at the general election, was legally incapable of having been elected, and that the unsuccessful Ulster Unionist candidate, Lieut.-Colonel Robert Grosvenor, should have been returned. A similar decision was given by the same two judges at Omagh on Oct. 7, when they ruled that Mr. Thomas Mitchell, who had been returned for Mid-Ulster as a Sinn Fein candidate at both the general election and the subsequent by-election (see 14357 C), was also incapable of having been elected, and that his seat should have gone to Mr. Charles Beattie, the unsuccessful Ulster Unionist candidate.

Petitions for the unseating of Mr. Clarke and Mr. Mitchell had been presented to the High Court of Northern Ireland on behalf of Lieut.-Colonel Grosvenor and Mr. Beattie respectively, on the ground that neither of the Sinn Fein members were legally capable of election because they were serving ten-year sentences for treason-felony for taking part in the arms raid on Omagh barracks in 1954. Neither Mr. Clarke nor Mr. Mitchell chose to appear in court or to be represented.

Mr. Beattie and Lieut.-Colonel Grosvenor accordingly took their seats in the House of Commons on Oct. 25, after the Speaker had been officially notified by the High Court of Northern Ireland that the election of the two Sinn Fein members was invalid and that the Ulster Unionist candidates should have been returned. A Government motion to amend the electoral return for Fermanagh and South Tyrone (i.e. to unseat Mr. Clarke and to declare Colonel Grosvenor elected in his place) was adopted by 280 votes to 99, a number of Labour back-benchers opposing. The motion to amend the electoral return for Mid-Ulster (i.e. to unseat Mr. Mitchell and declare Mr. Beattie elected) was passed without a division.

The return of Mr. Beattie and Colonel Grosvenor increased the Government's majority by two, and meant that all 12 Northern Irish constituencies were represented by the Ulster Unionists. Party strengths in the House of Commons at the beginning of November (excluding the Speaker and four vacancies) were thus: Conservatives and associates (including 12 Ulster Unionists), 345; Labour, 274; Liberals, 6. The four vacancies were caused by the deaths of Mr. Hector McNeil (Lab., Greenock), Mr. William Whiteley (Lab., Blaydon), Mr. J. T. Hall (Lab., Gateshead West), and Mr. Charles Williams (C., Torquay).—(Times - Daily Telegraph - Belfast Telegraph)

(Prev. rep. 14357 C.)

A. PAKISTAN. — Establishment of Province of West Pakistan. - Interim Cabinet formed by Dr. Khan Sahib.

Under an Order issued on Oct. 5 by the Governor-General of Pakistan, Major-General Mirza, the unified Province of West Pakistan came into being on Oct. 14. The Governor of the new Province, Mr. M. A. Gurmani, an interim Cabinet of seven members headed by Dr. Khan Sahib, and the judges of the new High Court of West Pakistan, led by the Chief Justice (Mr. S. A. Rahman) took the oath of office at Lahore on the same day. To mark the occasion the Governor-General granted an amnesty to all prisoners detained under martial law, special prayers were said in the mosques, and all Government offices in West Pakistan were closed for the day.

The main provisions of the Establishment of West Pakistan Bill, which had been given a third reading in the Constituent Assembly on Sept. 30, were as follows:

(1) The Governor-General was empowered to declare by public notification the integration into a new Province of West Pakistan of (*a*) the Governors' Provinces of the Punjab, the North-West Frontier, and Sind; (*b*) the Chief Commissioner's Province of Baluchistan, (*c*) the Federal Capital area of Karachi, subject, however, to the provisions under (3) below; (*d*) the States of Bahawalpur and Khairpur and the Baluchistan States Union; (*e*) the Tribal Areas of the N.W. Frontier; and (*f*) the Frontier States of Amb, Chitral, Dir, and Swat.

(2) The Governor-General was empowered to rename the Province of East Bengal as East Pakistan.

(3) The Federal Capital area, to be demarcated by the Governor-General, would be situated in or near Karachi, and would continue to be administered by the Central Government as the supreme authority. Accordingly, the Governor-General would have power to suspend or modify any provision of any Provincial or Central law in its application to the Capital area

[It was subsequently explained that the new site at Gadap, on which the main Federal Government buildings would be situated (see 14427 B), fell within the present city limits of Karachi, and that the capital would continue to be known as Karachi or New Karachi.]

(4) The Tribal Areas of Baluchistan and the N.W. Frontier Province, and the States of Amb, Chitral, Dir, and Swat, were declared "special areas," the boundaries or administrative structure of which might be changed by the Governor-General only after consultation with the representatives of the areas concerned.

(5) All laws in force in West Pakistan at the time of its formation would remain valid, unless changed by an Order of the Governor-General or by the competent Legislature.

(6) The Governor-General was empowered to adapt existing laws for the administration of the new Province during a transitional period of six months, and to delegate to the Governor of the Province powers to modify laws so as to ensure efficient administration.

(7) A single High Court of Judicature for West Pakistan would be established from a date to be proclaimed by the Governor-General, and the High Court at Lahore, the Chief Court of Sind, the Judicial Commissioners' Courts in the N W. Frontier Province and Baluchistan, and any other court functioning as a High Court within West Pakistan, would be abolished. The new High Court would consist of judges of the Lahore High Court, the Sind Chief Court, and the Judicial Commissioner's Court in the N.W. Frontier Province, and would have the same original, appellate, and other jurisdiction, and the same powers and authority in respect of West Pakistan, as the Lahore High Court had possessed hitherto within the territories in which it exercised appellate jurisdiction. The new Court would establish benches which would sit in circuit at various places in the new Province.

(8) Pending the election of a Provincial Assembly by adult franchise, which would require the delimitation of constituencies and the establishment of electoral machinery, an Interim Provincial Assembly of 310 members would be chosen by indirect election The distribution of seats would be as follows.

(*a*) Punjab—124 (including four women and three non-Moslems), elected by the members of the existing Provincial Assembly.

[The Bill thus implemented the concession earlier made by the Punjab to accept, for a 10-year period, a representation equivalent to only 40 per cent of the Legislative Assembly, instead of the 56 per cent to which it was entitled on a strict population basis—see 14972 A.]

(*b*) Sind—57 (including two women and six non-Moslems, one of whom would represent the Scheduled Castes), elected by the members of the existing Provincial Assembly.

(*c*) North-West Frontier Province—42 (including two women), elected by the members of the existing Provincial Assembly.

(*d*) Khairpur—4, elected by the members of the existing State Assembly.

(*e*) Bahawalpur—23 (including one woman), elected by non-official members of the Bahawalpur, Bahawalnagar, and Rahimyarkhan District Boards.

(*f*) Frontier Province Tribal Areas—22, elected by the Councils of Elders (*Jirgas*) of the various areas and agencies.

(*g*) Baluchistan—8, seven of whom would be elected by *Jirgas* of the various areas, and one by non-official members of the Municipal Committee and Cantonment Board of Quetta.

(*h*) Frontier States—9, elected by the *Jirgas* of the States of Chutral, Dir, and Swat (the State of Amb will not elect any representative).

(*i*) Baluchistan States Union—7, elected by the *Jirgas* of the States of Kalat, Kharan, Las Bela, and Makran.

(*j*) Karachi—14 (including one woman and one non-Moslem), elected by the Municipal Corporation and the non-official members of the Karachi Cantonment Board.

Members of the existing Legislative Assemblies of the Punjab, Sind, and the N.W Frontier Province would form electoral colleges on a district basis to choose representatives to the Interim Legislature, the number of seats allocated to each district and area being specifically laid down; election would be by majority vote. Elections by the *Jirgas* would be conducted in accordance with arrangements to be made by the Governor of West Pakistan.

The Establishment of West Pakistan Bill had been introduced into the Constituent Assembly on Aug. 23 by Sardar Amir Azam Khan, Minister of State for Parliamentary Affairs. It was adopted after debates lasting more than a month, during which the Bill was strongly opposed by Awami League and Independent members.

Sardar Amir Azam Khan, opening the debate on Aug. 24, said that Pakistan could not justify its claim to be a nation "unless we cease to think in terms of groups divided." But for the geographical peculiarity of the country, the ideal form of government for Pakistan would have been unitary; a two-unit Federal Government, which could only be achieved by the integration of West Pakistan into a single unit like East Pakistan, was, however, the next best alternative The solution of this problem had been the chief obstacle to the drafting of a Constitution providing for a maximum measure of regional autonomy consistent with national solidarity. As regards the economic advantages of integration, the Minister said that the removal of provincial barriers would stimulate trade and the flow of capital, eliminate artificial scarcities, and stabilize basic levels. Integration, he concluded, would give future generations a common national outlook and a pride in their heritage

Supporters of the Bill in the ensuing debate included **Mr. Khuhro** (Chief Minister of Sind), **Mr. Daultana** (a former Chief Minister of the Punjab), **Mr. B. K. Das** (a Congress member from East Bengal), and members from the Tribal Areas, the Baluchistan States Union, and Bahawalpur. **Mr. Jaffar Shah** (a former Education Minister in the Frontier Province) and **Mr. Fazlur Rahman** (a former Central Minister of Commerce), however, both demanded that the Bill should be submitted to a referendum, a demand which was supported by **Mr. Mujibur Rahman,** of the Awami League.

Mr. Firoz Khan Noon (a former Chief Minister of the Punjab), who claimed to be one of the originators of the integration plan, said that, with West Pakistan consolidated into a single unit like East Pakistan, greater autonomy would be given to the two areas, ensuring speedier administration. Nevertheless, he criticized the Government for not having consulted the public, and asserted that a good scheme had been spoilt by bad handling on the part of the Moslem League Strong opposition to the inclusion of the Federal Capital in West Pakistan was expressed by a number of members from East Bengal, who pointed out that Karachi, as the national capital, belonged to East as well as to West Pakistan

Chaudhri Mohammad Ali (the Prime Minister), replying to the debate on Sept. 15, said that all members were agreed on the principle of the unification of West Pakistan, and that the only difference of opinion was whether West Pakistan should have a unitary form of government or zonal federation. The latter proposal was, however, impracticable from a financial and administrative point of view, as there was no justification for having eight or nine administrative units in West Pakistan. The Bill would ensure that all the people of West Pakistan would have the same standard of administration and the same degree of development and social progress. He emphasized that he wished to see democracy at all levels, extension of local self-government, and Divisional Boards with wide powers for the divisions of West Pakistan, and announced that an Electoral Reforms Commission would shortly be appointed to ensure free and fair elections under the new Constitution.

The Bill passed its first reading on Sept. 17 by an overwhelming majority, after Opposition amendments demanding a referendum and the reference of the Bill to a Select Committee had been rejected.

Mr. Suhrawardy (leader of the Awami League and Leader of the Opposition), speaking during the second reading debate on Sept. 21, appealed for an all-party conference to consider the Bill before it was "rushed through." He alleged that support for the Government's plan had been obtained by threats of arrest and other forms of persecution; maintained that there was need for a referendum; and strongly opposed the inclusion of Karachi in West Pakistan, declaring that such a step would force the Bengalis to demand the transfer of the capital in Dacca.

A number of amendments were adopted on Sept. 22, including one providing for the continued administration of Karachi by the Central Government; another stipulating that the Governor-General should consult the people of any special area before altering its boundaries or amalgamating it with any other area in West Pakistan; and a third, moved by Mr. Abdus Sattar, laying down the procedure for district-wise election of members of the new Interim Legislature of West Pakistan, and finalizing the distribution of members as between the different Provinces, States, and Areas. The Bill passed its second reading on Sept. 29 and its third on Sept. 30 (by 43 votes to 13), and received the Governor-General's assent on October 8.

In the final debate on Sept. 30, **Mr. Suhrawardy** gave an assurance that he would co-operate with the Government if it worked for the interests of the nation. His offer was warmly welcomed by the **Prime Minister**, who pointed out that the Assembly would now turn to the much bigger issue of drawing up the new Constitution.

Three members of Dr. Khan Sahib's interim Cabinet—Sardar Abdul Hamid Khan Dasti, Mr. Mohammed Ayub Khuhro, and Sardar Bahadur Khan—had previously been the heads of the provincial Ministries in the Punjab, Sind, and the N.W. Frontier Province respectively, which were automatically dissolved with the establishment of West Pakistan. The remaining members were Mian Mumtaz Mohammed Khan Daultana, Khan Qurban Ali Khan, and Syed Abid Hussain Shah. Dr. Khan Sahib assumed responsibility for general administration and for law and order, and Khan Qurban Ali Khan for tribal affairs; the distribution of the other portfolios was postponed until after the election of the Interim Provincial Assembly, when it was proposed to expand the Cabinet to its full strength of 15 members.

Under an Order issued by the Governor-General on Oct. 6, West Pakistan was divided into ten divisions (Peshawar, Dera Ismail Khan, Rawalpindi, Lahore, Multan, Bahawalpur, Khairpur, Hyderabad, Quetta, and Kalat), which were subdivided into 50 districts under deputy commissioners. An Order of Oct. 9 established the High Court of West Pakistan, and provided that it should have its seat at Lahore and permanent benches at Karachi and Peshawar.

It was officially announced on Oct. 28 that the basic principle of the new administration of West Pakistan was to be the establishment of a Welfare State, and that a policy directive had been issued to all District Commissioners, heads of departments, and other senior officials to take measures to level up the present standards of social and economic progress.

Outside the Constituent Assembly, an agitation against the unification of West Pakistan was conducted by the "Redshirt" organization, led by Khan Abdul Ghaffar Khan (Dr. Khan Sahib's brother), the Frontier Awami League, and a number of other organizations, which maintained that provincial autonomy was fundamental to the concept of Pakistan and demanded that the Bill should be submitted to a referendum. Khan Abdul Ghaffar Khan was arrested on Sept. 17 for entering Baluchistan in defiance of an Order issued by the Provincial Government, but was released ten days later.—(Pakistan High Commissioner's Office, London - Dawn, Karachi) **(Prev. rep. West Pakistan, 14179 A; Constituent Assembly, 14371 A.)**

A. UNITED STATES. — Population Figures.

Figures published by the Census Bureau on Oct. 23 showed that the population of the United States had risen by nearly 12,000,000—from 150,697,361 to 162,409,000—between the census on April 1, 1950, and July 1, 1954.

All but seven of the 48 States showed population increases, the greatest absolute increase being in California, where the population rose by 1,914,000 (18 per cent) to 12,500,000. The territory of Alaska showed the greatest percentage increase (62 per cent), other large increases being recorded in Nevada (31.3 per cent), Arizona (23 8 per cent), Florida (19 1 per cent), Delaware (15 7 per cent), Maryland (11 per cent), Utah (10.6 per cent), and Michigan (10.3 per cent).

The seven States whose population declined were Arkansas (5.8 per cent), Oklahoma (2.7 per cent), Maine (2.6 per cent), Mississippi (2.4 per cent), Alabama (2 0 per cent), West Virginia (0 8 per cent), and Vermont (0.3 per cent).

The total U.S. population rose by 7 per cent over the four years, at an average rate of 1.6 per cent a year.
(New York Times) **(Prev. rep. 12331 B; 11290 A.)**

B. UNITED KINGDOM. — Travel Allowances.

The Treasury announced on Oct. 28 that tourist travel allowances for the year beginning Nov. 1, 1955, would remain unchanged, viz.: £100 basic travel allowance for all countries outside the dollar area; £70 for children under 12; and allowances of £35 and £15 respectively for motor cars and motor cycles. There was also no change in the list of countries for which the basic travel allowance was available; in the special allowances available for travel in Norway, Sweden, Denmark, the Faroes, and Greenland; or in the maximum limit (£10) which could be taken out of the U.K. in sterling notes.—(Financial Times) **(Prev. rep. 14175 B; 13827 C.)**

C. YEMEN. — Friendship Treaty with Soviet Union.

A five-year treaty of friendship between the Soviet Union and the Yemen was signed in Cairo on Nov. 1 by the respective Ambassadors in the Egyptian capital, M. Daniel Solod and Abdul Rahman abu-Taleb. It provided for economic, cultural, and diplomatic relations between the two countries and, as earlier stated by M. Solod (see 14486 B), replaced a treaty which expired in 1954.—(Times) **(Prev. rep. 14486 B.)**

D. SOVIET UNION. — M. Molotov's Admission of Mistaken Interpretation of Communist Theory - Criticism by "Communist" and "Pravda." - Speech by M. Kaganovich.

M. Molotov, the Soviet Foreign Minister, in a letter dated Sept. 16 and published on Oct. 8 in *Communist* (the Soviet Communist Party's leading political and theoretical journal), admitted having made a statement that was "theoretically mistaken and politically harmful" before the Supreme Soviet on Feb. 8, 1955, the day M. Malenkov resigned as Prime Minister. The text of M. Molotov's letter was as follows:

". . . In my report to the session of the Supreme Soviet . . on Feb 8, 1955, a mistaken formula on the question of building a Socialist society in the U S.S.R. was permitted by me In the report it was said: 'Together with the Soviet Union, where the foundations of a Socialist society have already been built, there are also those people's democratic countries which have taken only the first but very important steps in the direction of Socialism.'

This mistaken formula leads to incorrect deductions that allegedly a Socialist society has still not been built in the U.S.S.R.—that only the foundations of a Socialist society have been built This does not correspond with reality and is at variance with repeated evaluations of the results of building Socialism in the U.S.S R., given in party documents. For instance, as early as 1932 it was pointed out in the decision of the 17th party conference that the building of the basis of Socialism had been achieved in the U S.S.R., and that the Leninist question of 'who is who' had been decided against capitalism and in favour of Socialism fully and irrevocably in both towns and countryside.

On the basis of further successes of Socialist construction, the 18th congress of the All-Union Communist Party noted that the U.S.S.R. had entered a new field of development, the field of perfecting the building of Socialism and of the gradual transfer to a Communist society During the period which followed, enormous success in perfecting the building of a Socialist society in the U.S S.R has been achieved by the Soviet people under the leadership of the Communist Party. The material and technical bases of a Socialist society have immeasurably grown and consolidated. . .

These successes in Socialist construction in the U.S S.R. are also reflected in the charter of our party adopted at the 19th congress of the Communist Party of the Soviet Union, in which it is declared that the party 'has guaranteed the building of a Socialist society,' and that 'today the main task of the Communist Party of the Soviet Union consists in building a Communist society by means of a gradual transfer from Socialism to Communism.'

In connexion with the above, I consider that my formula of Feb. 8, 1955, on the question of building a Socialist society in the U S.S.R. from which the conclusion can be drawn that only the foundations of a Socialist society have been built, is theoretically mistaken and politically harmful The political harmfulness of this formula lies in the fact that it brings confusion into ideological questions and . . . throws doubt on the presence of a Socialist society, which has already been built in the main in our country."

An editorial in the same issue of *Communist* declared that anyone who denied that the Soviet Union had achieved Socialism "ignores real life and minimizes the great economic, political and ideological achievements of Soviet society and of our regime."

The editorial went on to say that such a conception "can bring harm to our cause because it distorts the prospects for development and leads to under-estimation of the forces and possibilities of Socialist structure. . . . The party attaches enormous importance to correct Marxist evaluation of the contemporary stage of the struggle for Communism. Therefore the party unmasks the theoretical falsity and political harmfulness of attempts to transfer to the present period formulae and evaluations of a long-past age, which present things as though we have allegedly only built the basis of Socialism —that is, the foundation alone."

Pravda, in an article on Nov. 4, also condemned the "political harmfulness" of the view that only the foundations of Socialism had so far been built in the Soviet Union, saying that the Soviet Union had now reached "the completion of the building-up of Socialism, and of the gradual transfer from Socialism to Communism."

An interpretation of Communist theory in the field of foreign affairs was given by M. Lazar Kaganovich, a First Deputy Premier, when delivering the customary annual review of the nation's policies on Nov. 6—the eve of the anniversary of the 1917 revolution. In the course of his speech he reiterated that the Soviet Union stood by its policy of "peace and the co-existence of different social and economic systems"; declared that people who talked about the export of revolution were "either fools or provocateurs" because revolutionary ideas "know no frontiers—they travel without visas and without fingerprints"; and expressed his conviction that Communism would in any event triumph abroad. He ended his speech by declaring that "the peoples and working-folk of all countries can rest assured that the Soviet Union . . . has been and remains a reliable bulwark for peace, friendship, and brotherhood of the peoples of the whole world."—(Times - Manchester Guardian - Soviet Weekly) **(Prev. rep. 14059 A.)**

A. AUSTRALIA. — Petrov Case. - Debate on Report of Royal Commission on Espionage. - Statements by Mr. Menzies and Dr. Evatt. - Announcement of General Election in December.

A debate on the report of the Royal Commission on Soviet Espionage in Australia (see 14446 A) was opened in the Federal House of Representatives on Oct. 19 by Dr. Evatt, Leader of the Opposition. During the course of a bitter attack on the Royal Commission and on the Prime Minister, Mr. Menzies, Dr. Evatt repeated his allegations that the defection of Petrov had been engineered by Mr. Menzies with the 1954 elections in view, and announced that he had been in communication with the Soviet Foreign Minister, M. Molotov, who had assured him that the documents handed over by Petrov to the Australian authorities were, in fact, forgeries. Mr. Menzies, who replied on Oct. 25, described Dr. Evatt's appeal to M. Molotov as "a new Communist technique" in which Dr. Evatt was "against the Prime Minister of his own country and for the Soviet Foreign Minister," and declared that "the man now on trial in the Petrov affair" was Dr. Evatt himself.

Dr. Evatt said that the report required "forthright analysis and plain speaking." Two foreigners, the Petrovs, and one foreign-born spy, Dr. Michael Bialoguski, had made a lot of money, but the forum in which they had appeared had cost the taxpayers £A140,000, plus unlimited security expenses. Moreover, the nation had suffered a heavy loss of trade and the rupture of diplomatic relations with a great Power, there had been attempted "smearing" of many innocent Australians; and grave inroads had been made on Australian freedoms by attacks on political nonconformity. No spies had been discovered, however, and not a single prosecution recommended

"It is now clear," Dr. Evatt continued, "that the Prime Minister must have known when appointing the Commission that there would be no legal evidence to warrant the prosecution of any person; that there was, in fact, no security ground for an inquiry. It is abundantly clear that Mr. Menzies knew many months before April 13, 1954, when he made his melodramatic, coldly calculated announcement, that Petrov's defection was being deliberately organized by security agents under his ministerial control. But he waited and sprang the announcement on the very last sitting night of Parliament before the general election, and completely deceived the House into rushing through legislation to appoint the Royal Commission."

Dr. Evatt went on to say that the outstanding question was the genuineness of the documents produced by Petrov. Being determined to ascertain the truth, he [Dr. Evatt] had communicated with M. Molotov, pointing out that the Soviet Government could testify to the genuineness of the documents The reply on behalf of M Molotov said that the documents "can only be, as it had been made clear at the time and was confirmed later, falsifications fabricated on the instructions of persons interested in a deterioration of Soviet-Australian relations and in discrediting their political opponents."

"I attach grave importance to this letter," Dr. Evatt declared, "which shows clearly that the Soviet Government denies the authenticity of the Petrov documents. The matter cannot be left where it is. If possible some form of international commission should be established by agreement with Russia to settle the dispute once and for all. The Soviet Union, which was not represented before the Royal Commission, will then be in a position to prove clearly, definitely, and unequivocally that the letters are fabricated."

Dr. Evatt added that he had checked the authenticity of one document alleged by Petrov to have been written by M. Sadovnikov, of the Soviet Embassy, by submitting it with genuine specimens of M. Sadovnikov's handwriting to Dr. Charles Monticone, a Sydney handwriting expert, who had found that the documents had been written by two entirely different persons. These two matters provided overwhelming ground for his demand that all the Russian documents produced by Petrov should be immediately tabled in the House.

With regard to the timing of the Prime Minister's announcement about the defection of Petrov, Dr. Evatt contended that Mr. Menzies had known of "Operation Petrov" at least seven months earlier. In his statement to the House on April 13, 1954 (see 13540 A) Mr Menzies had said that Petrov had applied for asylum "some days before," and had referred to "a comparatively few days since Petrov came to our security people." These "carefully worded phrases," Dr. Evatt said, had been "deliberately misleading"; at the "most conservative estimate" Petrov had come to the security authorities and had been under the control of Bialoguski at least seven months before, and Bialoguski had been working for Petrov's defection since the middle of 1951.

Dr. Evatt went on to contend that the opening address to the Royal Commission by Mr. Windeyer (the Australian Government's chief counsel) had obviously been prepared after consultations with Mr. Menzies, and asserted that the Prime Minister must take personal responsibility for all the "exaggerations and deceptions" and for giving specific instructions that the payment of £A5,000 to Petrov should not be disclosed until after the election. Dr. Evatt also attacked the Australian security service, in which connexion he recalled a statement by Dr. John Burton (a former Secretary of the External Affairs Department) that intelligence officers did not shrink from "smearing" anyone who might influence public opinion in ways contrary to the policies which they favoured, and declared that there was a threat to individual liberties in the whole Petrov affair.

Mr. Menzies, in reply, said that Dr. Evatt had made a "monumental exhibition" of himself, and warned "all Labour men who believe in decent standards" against being misled by "false and hopeless loyalties" into telling people that many of the judges on the Royal Commission were incompetent or dishonest The Prime Minister said that before appearing professionally in front of the Royal Commission, Dr. Evatt had clearly made up his mind to attack it, to lower its reputation in the public mind, and, if possible, to destroy its findings in advance. Dr. Evatt's real function before the Commission, as the political exponent of certain viewpoints, had made him the instant ally of all the Communists involved in the inquiry. In a recent speech he [Dr. Evatt] had defended Dr. John Burton, whose published political views could not sensibly be regarded as finding favour, except with Communists, Mr. Sharkey, a leading Communist, against the well-founded charge that he had received $20,000 from Moscow as recompense for the costs incurred in his campaign, conducted in the closest collaboration with Dr Evatt, against the Communist Party Dissolution Bill; and Mr. Clayton, who had been found by the Royal Commission, on the clearest possible evidence, to be the chief member of a Communist spy ring in Australia Mr. Menzies added that Dr. Evatt, suffering from delusions of persecution, was "introducing Parliament into a world of sheer fantasy."

Referring to Dr. Evatt's charge that he [Mr Menzies] had had a hand in the preparation of Mr. Windeyer's opening address to the Royal Commission, Mr Menzies said that the one meeting he had had with Mr. Windeyer was on the Saturday or Sunday before the address was delivered, and he had given him no directions except on four points. First, he had decided that there should be no Press interview with the Petrovs, and, second, that references in the Moscow documents to Mme Ollier should be communicated to the French Ambassador. Thirdly, not having known before this occasion of the payment of £A5,000 to Petrov, he had told Mr. Windeyer that he considered that it was a matter to be proved publicly, in its proper setting, when Petrov was examined. To have opened with the payment to Petrov, except in association with the surrounding circumstances, would have invited gross misrepresentation Fourthly, he had also told Mr. Windeyer that it would not be proper to mention the name of any individual before the Commission until after the elections.

Dr. Evatt's theory was that the whole matter had been "cooked up" to defeat him at the 1954 elections. If this were true, he [Mr. Menzies] could have mentioned the names of persons directly or indirectly associated with Dr. Evatt, and the political reaction would have been tremendous. Dr. Evatt would not be in Parliament today, and the Labour Party would be united. When, early in the campaign, some reference had been made to the Petrov affair on the election platform (Mr. Menzies continued), he had asked every Government candidate to keep it out of the campaign. If he had cunningly schemed to produce Petrov on the eve of the election, why, he added, should he thus go to all sorts of trouble to defeat his own scheming? He had never heard of Petrov before his defection in April, 1954. Early in February, the Solicitor-General and the Secretary of the Department of External Affairs had been warned of the possibility of a defection, and he [Mr. Menzies] had been told of this, but the identity of the person concerned had not been disclosed, nor had Petrov then asked for it.

Turning to Dr. Evatt's charges against the security service, Mr. Menzies said that counter-espionage required great character, great courage, great skill, and considerable freedom of action. The Australian security organization had been so effective in the past six years that practically no information had been obtained by Communist agencies. In the United Kingdom, the United States, and Canada its reputation was very high, and its handling of the Petrov case had been the subject of commendation and congratulation. Without mutual trust and confidence between the security services of those countries and Australia, information would have been withheld from Australia, as it frequently was before the establishment of the security service.

"It is a wicked thing," Mr. Menzies went on, "that such a consistent campaign should have been conducted by the Communist Party outside this House, and by Dr. Evatt inside it, for the express purpose of weakening confidence in Australian security, and so rendering it less effective for counter-espionage. This is one of Dr Evatt's principal purposes in this matter. He has not concealed his violent hatred of that service, or of the people who make it up. It will be clear that should he become head of the Government of this country, the present senior personnel of the service will be dismissed and the possibility of getting adequate recruits perhaps permanently destroyed. The Government regards these security officers as men of capacity, integrity, and patriotism, and will do everything in its power to protect them.

"It is the very fury of Dr. Evatt's obsessions against the security service that has led him to make his celebrated appeal to M. Molotov. It would be childish were it made by an obscure nonentity. It becomes atrocious when made by a party leader who is an aspirant to the Prime Ministership. It is as if, after a person in the dock has been convicted by a jury, Dr. Evatt springs up and says to the convicted person: 'Were you guilty?' and he replies: 'I was not.' Dr. Evatt then denounces the judge, denounces the jury, denounces the counsel, denounces all the witnesses for the Crown: in an ordinary court such conduct would be regarded as some evidence of eccentricity, and would certainly lead to a process of contempt of court. It represents a studied insult to Australian judges, Australian judicial procedure, and an Australian report."

Mr. Menzies went on to say that too little attention had been given to the valuable results of the Petrovs' defection. Information provided by the Petrovs, only some of which came within the scope

of the Royal Commission, had proved invaluable to other democratic countries. Petrov had supplied more information than any previous single defector about the espionage activities of the M.V.D., and much of it had been confirmed by information held abroad. It had enabled material additions to be made to the British security authorities' information, and scores of Soviet intelligence operatives working in democratic countries had been identified as a result of the Petrovs' disclosures. In all the circumstances, it would have been astonishing had no money been paid to the Petrovs for their protection and maintenance.

"Public opinion," concluded Mr. Menzies, "will acquit those charged by Dr. Evatt beyond question, but it will not acquit the man who made these reckless charges If there is a charge to be made, it is this: Dr. Evatt has from first to last in this matter, for his own purposes, in his own interests, and with the enthusiastic support of every Communist in Australia, sought to discredit the judiciary, subvert the authority of the security organization, cry down decent patriotic Australians, and build up a fifth column of our enemies. I am compelled to say to Australia—in the name of all good and honourable men, in the name of public decency, in the name of safety—that the man on trial in this debate is Dr. Evatt himself."

On Nov. 26, the day after the close of the debate on the Royal Commission's report, Mr. Menzies announced that he had advised the Governor-General to dissolve the House of Representatives, and that elections for a new House and for half the Senate (30 members) would be held on Dec. 10.

Explaining the Government's decision, the Prime Minister pointed out that until the double dissolution of Parliament in 1951 it had been normal for elections to the House of Representatives and the Senate to be held simultaneously, but since that time elections for either the House or the Senate had become necessary every 18 months. This situation was not helpful for long-term policy, or to concentration by Parliament and the Cabinet on the executive and legislative problems of the nation. The achievement of the Government's economic policy, which he had announced recently, required firm action, and the Government wanted a clear mandate to deal with the economic problems Another important factor in the decision to dissolve Parliament was the fact that New South Wales, Queensland, South Australia, and Western Australia must have elections before May, 1956, which was the latest month in which the next Senate election could be held It was obviously undesirable to have a national campaign preceded by some months of State campaigning, and to hold the Federal elections "in an atmosphere of political exhaustion" Moreover, an election just before the opening of the new financial year in July would tend to increase uncertainty in business planning

Dr. Evatt agreed that elections for the two Houses should be synchronized, and welcomed the election on behalf of the Opposition. He asserted, however, that the "economic crisis" was "an imaginary crisis caused by Government mismanagement," and accused the Government of "trying to seize a political advantage to capitalize on political deception."
(Australian News and Information Bureau - Times) **(Prev. rep. Petrov Case, 14446 A; General Elections, 13652 A.)**

A. UNITED STATES. — Defence Appointments.

It was announced in Washington on Oct. 17 that Lieut.-General Randolph McCall Pate had been appointed Commandant of the U.S. Marine Corps as from Jan. 1, 1956, in succession to General L. C. Shepherd, retiring. General McCall Pate had hitherto been Deputy Commandant.

The appointment of Vice-Admiral Alfred M. Pride as Commander of the U.S. Pacific Fleet Air Force, in succession to Vice-Admiral H. M. Martin, was announced on Oct. 19. Admiral Pride had hitherto been Commander of the U.S. Seventh Fleet, in which capacity he directed the evacuation of Chinese Nationalist civilians from the Tachen Islands in February last. It was also announced that the new Commander of the Seventh Fleet would be Admiral Stuart H. Ingersoll, Deputy C.-in-C., Atlantic Fleet.—(New York Times) **(Prev. rep. 14234 A.)**

B. BURMA. — Waiving of War Claims against Siam.

It was announced in Rangoon and Bangkok on Oct. 5 that the Burmese Government had decided to waive all war claims against Siam arising out of the Siamese occupation of certain Burmese territory during the Second World War. A joint communiqué said that the decision had been taken after a review of the position and in view of "the close and friendly relations so happily existing" between the two countries.
(Burmese Government Information Department, Rangoon)
(Prev. rep. Siamese Peace Treaty, 7695 A.)

C. PARAGUAY. — Outlawing of Communism.

A law for the repression of Communism, and outlawing all forms of Communism under penalty of imprisonment from six months to five years, came into effect in Paraguay on Oct. 26. Prohibited activities include the spreading of Communist doctrine, membership of Communist associations, and the financing and distribution of Communist propaganda.
(New York Herald Tribune)

D. AUSTRIA. — Reopening of Vienna Opera House and Burgtheater.

The Vienna Opera House, completely rebuilt after having been almost entirely destroyed during the last months of the war, was officially reopened on Nov. 5 in the presence of President Korner, the Austrian Chancellor (Dr. Raab), members of the Cabinet, and many distinguished composers, conductors, and opera singers from a number of countries, including Dmitri Shostakovich, Gian-Carlo Menotti, Arturo Toscanini, Jacques Ibert, Bruno Walter, and Mme. Lotte Lehmann. One of the finest and most commodious opera houses in the world, it is decorated in the traditional red, gold and cream of the Hapsburg monarchy, seats 2,200 people, and incorporates many modern features as compared with the old Opera House, which closed its doors in July 1944. It was rebuilt at a cost equivalent to £3,500,000, its reopening coinciding with the re-emergence of Austria as a fully independent State.

The Vienna State Opera reopened with a performance of Beethoven's *Fidelio*, the precursor of a four-weeks' operatic festival which will include Mozart's *Don Giovanni*, Verdi's *Aida*, Wagner's *Die Meistersinger*, and Strauss's *Die Frau ohne Schatten* and *Der Rosenkavalier* The director of the new Vienna Opera is Dr. Karl Bohm.

The *Burgtheater*—one of the leading German-language theatres, and the home of the traditional State repertory company of Vienna—had been reopened on Oct. 17, at a cost approximating to £1,600,000, after having been gutted by fire during the fighting of April 1945. The theatre reopened with a gala performance of *Konig Ottakars Glück und Ende*—the 13th-century drama by Grillparzer, the Austrian national poet—which was attended by President Korner, members of the Government, and distinguished representatives of the theatre from all parts of Europe. (Wiener Zeitung)

E. SWEDEN. — Abolition of Drink Rationing.

Drink rationing in Sweden, which had been in force for 41 years (since 1914), was abolished on Oct. 1 under legislation previously enacted by the Swedish Parliament. The principal changes caused by the abolition of rationing were as follows:

(1) Adult Swedes (both men and women) were no longer required, as hitherto, to possess ration-books entitling them to a specified amount of "hard" spirits (i.e. those with a strong alcoholic content, such as schnapps, gin, and whisky) from State-controlled liquor shops The ration was three litres a month, except where more was authorized on a doctor's prescription.

(2) Persons could consume any reasonable quantity of spirits in restaurants, cafés, etc., after 4 p.m., provided they ordered at the same time a meal costing a certain minimum amount. Previously adult Swedes had been restricted in the amount of spirits they could consume in restaurants, the quantity for women having been smaller than for men. The new regulations, however, retained the previous requirement that persons ordering spirits in restaurants and cafés had to consume a certain amount of food at the same time.

(3) Strong beer became available for the first time in restaurants, cafés, and retail shops, with the proviso that persons ordering it would also have to order a certain amount of food—e.g., a sandwich. Previously strong Swedish beer was available for export only, or on a doctor's prescription, and only weak beers and ales could be bought. The lifting of this restriction meant that British beers, ales and stouts became available on the Swedish market, as well as Austrian, Belgian, Czech, Danish, Dutch, German, and Irish beers.

(4) Restaurateurs and café proprietors would have to ensure that no intemperate drinking took place on their premises, and would forfeit their licences if they permitted excessive drinking by customers.

All advertisements for alcoholic beverages were banned for a 60-day period beforehand, in order to "cushion" the impact of the abolition of drink rationing. To forestall undue celebrations, all liquor-shops were closed on the day when drink rationing was abolished (a Saturday), with the result that customers could only take advantage of the new regulations on the following Monday.—(Svenska Dagbladet, Stockholm)

F. UNITED KINGDOM. — Gold and Dollar Reserves in October. - Fall of $48,000,000.

The sterling area had a gold and dollar deficit in October of $48,000,000 after taking into account (*a*) the receipt of $3,000,000 in U.S. defence aid; (*b*) the payment of $80,000,000 to the E.P.U., representing that part of the September deficit which had to be settled in gold or dollars; (*c*) the payment of $2,000,000 under bilateral settlements with creditors of the E.P.U. As a result, the sterling area's gold and dollar reserves fell to $2,297,000,000 on Oct. 31.

Provisional figures for the E.P.U. October settlement showed that the U.K. had a deficit of $42,000,000 (£15,000,000), which would be settled in November three-quarters in gold or dollars and one-quarter by an increase in the U.K. debt to the Union.
(Treasury Press Office, London) **(Prev. rep. 14453 A.)**

NOVEMBER 12—19, 1955

A. MIDDLE EAST.—Renewed Tension on Israel-Arab Borders. - Clashes between Egyptian and Israeli Forces. - Fighting at El Auja. - Reactions in America and Britain. - Statements by President Eisenhower and Sir Anthony Eden. - Mr. Ben-Gurion rejects Eden Proposals. - U.N. Proposals for Easing of Border Tension.

The situation on the border between Egypt and Israel, which had been relatively quiet since the Gaza clashes in August, again deteriorated during the last week of October, when further incidents occurred in different parts of the frontier area. The tension culminated on Nov. 3 in sharp fighting in the El Auja demilitarized zone, in which a number of casualties was suffered by both sides. Developments in the border area during the period covered (mid-September to Nov. 12) are described below.

Sept. 20. Despite the Security Council's resolution of Sept. 8 (see 14419 A), in which the erection of a " physical barrier " between the forces of the two sides had been recommended, neither Egypt nor Israel took any immediate measures towards its implementation. Although Israel accepted the U N. suggestion in principle, Egypt opposed the erection of a barbed-wire barrier along the whole length of the demarcation line—as had been suggested by General Burns, chief of the U.N Truce Supervisory Organization—on the ground that it would imply some degree of recognition of that line as a permanent frontier between the two countries On Sept 20, however, the Egyptian Prime Minister (Colonel Nasser) announced (*a*) that he had ordered Egyptian troops in the Gaza area to withdraw at least 500 metres from the demarcation line, and (*b*) that he had also ordered the erection of barbed-wire obstacles at " certain vital points " in this area. He explained that such barriers would be set up a short distance inside Egyptian territory and not on the demarcation line itself.

Sept. 21-22. A small number of Israeli troops entered the El Auja demilitarized area, where for a short time they occupied the headquarters building of the Egyptian-Israeli Mixed Armistice Commission The Israeli Foreign Minister (Mr Sharett) subsequently sent an apology to General Burns explaining that the Israeli unit had entered the building in error and had withdrawn immediately they became aware of their mistake. At the same time Mr. Sharett informed General Burns that the Israeli unit would be withdrawn from El Auja if the Egyptians withdrew two of their outposts which, he alleged, had been established inside the demilitarized zone for some time

The village of El Auja, the scene of heavy fighting during the Palestine War, is strategically important because it is astride one of the two roads linking Egypt and Israel Under the armistice agreement of 1949 the village and a small surrounding area were proclaimed a demilitarized zone, and El Auja became the headquarters of the Egyptian-Israeli Mixed Armistice Commission Since the area was demilitarized there had been frequent controversies in which each side had accused the other of infringing the 1949 agreement

Sept. 26. General Burns sent messages to the Egyptian and Israeli Governments calling upon them to withdraw their forces from the El Auja demilitarized area simultaneously and immediately, under U N. supervision He declared in these messages that " both Egyptian and Israeli military forces have taken up positions in the demilitarized zone in flagrant violation of the armistice agreement between Egypt and Israel "

Oct. 2. In compliance with General Burns's request, both Egypt and Israel withdrew their forces from the demilitarized zone simultaneously, the withdrawal being carried out under the supervision of U N observers.

Oct. 7. The Israeli Foreign Ministry issued a statement claiming that the Government of Israel was in possession of information proving that the Egyptian authorities had decided, after the cease-fire arrangements of Sept. 4 (see 14419 A), to continue raiding operations against Israel by gangs of saboteurs (*fedayeen*) from the " Gaza strip," and also to organize similar guerrilla attacks from the territory of other Arab States. After listing a series of raids carried out in recent weeks from the " Gaza strip " and from Syria, Lebanon, and Jordan, which had resulted in the death of three Israelis, the wounding of 11 others, and the destruction of houses and water installations, the statement warned Egypt that if she did not put an " immediate and total end " to these attacks she would be responsible for breaking the cease-fire agreement, and would oblige Israel to take " all necessary steps for the protection of her citizens." The statement pointed out that the *fedayeen* gangs had originally been formed as " suicide squads " to attack British troops in the Suez Canal Zone, and were now incorporated in the Egyptian Army

Oct. 28. In retaliation for two Egyptian attacks on an Israeli frontier post in the El Auja area, an Israeli battalion attacked and captured the Egyptian frontier post of El Kuntilla, in the Sinai desert 60 miles south of El Auja and four miles inside Egyptian territory. The attacking force withdrew into Israel after taking 27 prisoners, destroying 15 Army vehicles, and capturing a considerable quantity of arms, including machine-guns, automatic rifles, and ammunition. It was stated on the Israeli side that ten Egyptians were killed and four Israelis wounded—one of whom subsequently died—in the operation.

The Israeli Foreign Ministry said that the attack on El Kuntilla had been carried out " after two successive days of Egyptian aggression against Israeli territory " in the El Auja area. On Oct. 26, it was stated, an Egyptian unit had overrun an Israeli police post and killed an Israeli policeman, wounded three others, and taken two prisoners before withdrawing, on the following day, Oct 27, other Egyptian units had returned to the area and established themselves one mile inside Israeli territory, where they still remained. The statement added " The purpose of the Israeli counter-action [at El Kuntilla] was to emphasize what should have been clear to Egypt—that attack on Israel will be met by counter-attack If they leave us alone, we will leave them alone If they want us to leave them alone, let them leave us alone The Israeli action was directed against an Egyptian post which carried out attacks against Israeli territory By contrast with Egypt, whose soldiers are still in Israeli territory, the Israeli forces returned to Israel "

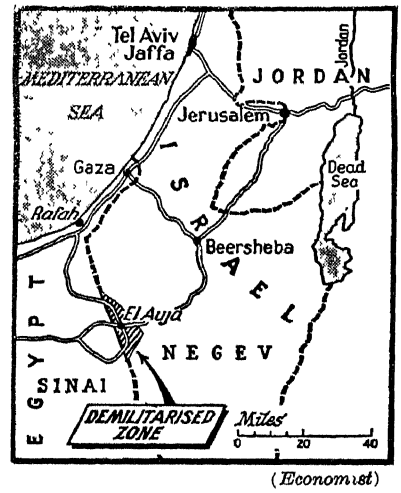
In Cairo it was denied that Egyptian forces had occupied Israeli territory in the El Auja area. Egyptian casualties at El Kuntilla were stated to be four men of the Egyptian Camel Corps killed and 27 taken prisoners.

Oct. 30. General Burns (who was then on a visit to U.N. Headquarters in New York for discussions with the U.N Secretary-General, Dr. Hammarskjold) called upon Egypt and Israel to end clashes on their borders, pointing out that continued aggressive actions might have the gravest consequences He said that the Egyptian forces bore the responsibility for the latest series of clashes, which had led to retaliation by Israel, and formally appealed to both sides to stop fighting in the demilitarized area

Nov. 1. Three Egyptians were killed when they crossed the demarcation line in the " Gaza strip " and clashed with an Israeli military patrol The Israel Army authorities stated that the three men were in the uniform of *fedayeen* irregulars, that they carried identity cards bearing their names and showing that they had come from Gaza, and that the bodies had been handed over to the U.N. Truce Organization.

Nov. 3. The heaviest fighting since the end of the Palestine War occurred on this date, when Israeli forces launched an attack with the objective of dislodging Egyptian troops from the El Auja demilitarized zone After several hours' fighting the Israeli forces withdrew after taking 49 prisoners and capturing a large quantity of military equipment, including 20 vehicles, four heavy mortars, two 6-pdr guns, two 30 mm. anti-aircraft guns, a quantity of light mortars, a number of machine-guns of Belgian, Swedish, and Spanish manufacture, and a large quantity of small arms and ammunition The Egyptians tried to bring up reinforcements, including eight *Sherman* tanks (two of which were destroyed), but were unable to reach the defenders in the zone

Discrepant versions of the fighting were given by the Israeli and Egyptian sides Whilst the Israeli military authorities stated that Egyptian forces had been ejected from the demilitarized zone with the loss of 50 killed, against Israeli casualties of four killed and 19 wounded, the Egyptian High Command claimed that 200 Israeli soldiers had been killed and a number captured, that Egyptian troops, supported by armour and heavy guns, had recaptured positions at El Sabha (an outpost on the border of the demilitarized zone), and that the Egyptian forces were " in complete control of the battlefield " Egyptian losses were given in Cairo as 70 men killed and missing.



(*Economist*)

The following comment was made by the Jerusalem Correspondent of *The Times* " This latest attack by Israel has the excuse that Egyptian troops have been moving steadily into the Auja demilitarized zone since Oct. 26, in defiance of the terms of the armistice and subsequent agreements. . . . Repeated appeals by the [U N.] truce organization to the Egyptians to withdraw have been consistently ignored. It seems clear that the Egyptian military forces have no right to be in the zone. In fact, no military forces have a right to be there. What is less clear is the political status of the area. Israel claims that it is her sovereign territory; it is, indeed, situated on the Israeli side of the old international frontier. . . . On the other hand, it is pointed out by U N officials that the demilitarized zone was defined as such, and as nothing more, in the armistice agreement. Its intention was to cover the Auja crossroads and to serve as a means of preventing direct military access along the Beersheba - Ismailia road towards either of those two points. . . ."

Nov. 4. The border remained quiet after the fighting of the previous day, apart from a small-scale Egyptian attack against an Israeli outpost near the " Gaza strip," which was repulsed.

Nov. 8. Egyptian and Israeli forces clashed near the Israeli port of Eilat, at the head of the Gulf of Akaba, contradictory versions of the incident being given by the two sides. The Israeli authorities said that an Egyptian force had crossed into Israel from the Sinai desert and attacked an Israeli mobile patrol, but had been driven back

across the frontier, with no casualties to the Israeli forces. The Egyptian authorities said that an Israeli force had crossed the frontier at Ras el-Naqb (five miles N W. of Eilat), supported by four armoured cars and aircraft, but had been repulsed after losing four men killed and eight wounded.

Incidents also occurred during October on the Israeli-Syrian border, apart from attacks inside Israeli territory by sabotage (*fedayeen*) groups apparently operating from the Lebanon and Jordan.

Sept. 23. Three civilians, including an American tourist, were killed when an armed gang held up a bus near Meron (on the Haifa - Safed road, in northern Israel) and flung hand-grenades at it. Following a complaint by the Israeli authorities, who expressed the belief that the attackers had crossed the frontier from the Lebanon, an investigation was begun by the Israeli-Lebanese Mixed Armistice Commission.

Oct. 22-23. A border clash occurred on the Syrian frontier, apparently in retaliation for an earlier incident on Oct. 18 in which Syrian troops had captured an Israeli soldier on the Israeli side of the frontier and carried him off into Syria The U N. Truce Organization, reporting on the incident of Oct. 22-23, quoted a Syrian statement that one officer and two Syrian soldiers had been killed, six soldiers wounded, and five others listed as missing After placing responsibility for the incident upon Israel, and stating in this connexion that investigations had shown that the attack had been carried out by two Israeli platoons which advanced about a kilometre into Syrian territory, the U N. communiqué recalled that General Burns had "strongly condemned the policy of retaliation, the consequences of which are here so tragically illustrated." The Israeli Army authorities announced that five Syrian soldiers had been captured during the night of Oct. 22-23 and would be held as hostages for five Israeli soldiers in Syrian hands. [Five Israeli soldiers had been captured by the Syrians in December last, one of whom subsequently took his life in his prison cell; U N efforts to obtain the release of the other four had proved unavailing The fifth Israeli soldier in Syrian hands was the one captured on Oct 18.]

Nov. 5. A group of armed Jordanians tried to blow up houses in the Israeli frontier village of Sde-Hemed, causing some damage but no casualties An inquiry was instituted by the Israeli-Jordanian Mixed Armistice Commission

Nov. 13. Another group of Jordanians blew up a house at Rosh Haayin, near the northern terminal of the Negev water pipeline (see 14511 A). There were no casualties A strong Israeli protest was made to the Mixed Armistice Commission.

The Israeli delegation at the U.N. announced on Oct. 23 that it had protested to the Security Council against the "grave situation" which had arisen on the Israeli-Syrian border. The Israeli memorandum referred particularly to the abduction of the Israeli soldier on Oct. 18 (see above), which, it charged, was "the latest in a series of aggressive acts committed by Syria against Israel during the past few months." It added:

"A particularly dangerous feature of this situation is the evidence which has come to light of Syrian complicity in the campaign which has been waged in northern Israel in the past few weeks by Egyptian-controlled *fedayeen* operating from bases in Syria, the Lebanon, and Jordan. The Government of Israel has for some time been aware of an Egyptian plan to continue the operations of these gangs from bases in other Arab countries, in addition to those at Gaza, and it is known that Egypt has solicited, and received, both support and material in this connexion from Syria."

U.N. Proposals for Easing of Tension.

Proposals for easing the tension between Egypt and Israel, drawn up by Dr. Hammarskjold after discussions with the British, U.S., and French representatives at the U.N., were conveyed by General Burns to Mr. Ben-Gurion (the new Prime Minister of Israel—see 14520 A) in Jerusalem on Nov. 9 and to Colonel Nasser in Cairo on Nov. 10. Although they were not officially made public, it was understood that they involved the withdrawal of all troops from the demilitarized zone at El Auja and the demarcation of the Egyptian-Israeli frontier in that area. While in Cairo, General Burns also had discussions with the British and U.S. Ambassadors (Sir Humphrey Trevelyan and Mr. Byroade) and with the Canadian Secretary of State for External Affairs, Mr. Lester Pearson, who had arrived in the Egyptian capital in the course of a tour of European and Asian countries.

It was stated at U.N. Headquarters on Nov. 4 that Dr. Hammarskjold had had meetings with the Israeli and Egyptian delegates at the U.N., and had expressed to the Israeli delegate his "grave concern" at the Israeli attack at El Auja. In addition, it was announced that "the Secretary-General, in his protest, drew attention in particular to the restrictions placed by the Israeli authorities on the free movement of U.N. observers in the El Auja area immediately before and during the attack."

Sir Humphrey Trevelyan had two meetings with the Egyptian Foreign Minister (Dr. Fawzi) on Nov. 6-7, and, it was understood, urged the Egyptian Government to accept the U.N. proposal for the withdrawal of all troops from El Auja.

Reactions in the United States. - Statement by President Eisenhower.

The Egyptian and Israeli Ambassadors in Washington were called to the State Department on Nov. 5 for separate discussions with Mr. George V. Allen, Assistant Secretary of State for Near Eastern Affairs. The following communiqué was issued after the meetings:

"During recent weeks, especially during the last few days, the United States has noted with deep concern the increasing tempo of hostilities between Israel and Egypt According to our information there have been violations of the General [Armistice] Agreement by both Israel and Egypt which have led to bloodshed and loss of life The United States deplores resort to force for the settlement of disputes.

The U.N Secretary-General and General Burns have put forward proposals to Israel and Egypt which are designed to ease the present situation along their common border. The U S A. strongly supports the U.N. efforts to achieve a settlement by peaceful means, especially the current proposals of General Burns.

Recent reports have also been received that U.N. observers who are under General Burns's direction have been prevented from carrying out their assigned functions. The U S.A continues to believe that these observers should have full liberty to perform their peaceful functions

Assistant Secretary Allen informed the Ambassadors of Israel and Egypt of the attitude of the United States, and asked for information with respect to their Governments' intentions regarding these matters"

A prepared statement by President Eisenhower—then recovering from his recent illness—was released in Denver on Nov. 9 by Mr. Herbert Hoover jr., Under-Secretary of State.

"All Americans," said the President, "have been following with deep concern the latest developments in the Near East. The recent outbreak of hostilities has led to a sharp increase in tensions. These events inevitably retard our search for world peace Insecurity in one region is bound to affect the world as a whole

While we continue willing to consider requests for arms needed for legitimate self-defence, we do not intend to contribute to an arms competition in the Near East, because we do not think such a race would be in the true interest of any of the participants The policy which we believed would best promote the interests and the security of the peoples of the area was expressed in the tripartite declaration of May 25, 1950 This still remains our policy.

I stated last year that our goal in the Near East, as elsewhere, is a just peace. Nothing has taken place since which invalidates our fundamental policies—policies based on friendship for all the peoples of the area We believe that true security must be based upon a just and reasonable settlement. The Secretary of State outlined on Aug 26 [see 14392 A] the economic and security contributions which this country was prepared to make towards such a solution On that occasion I authorized Mr Dulles to state that, given a solution of the other related problems, I would recommend that the United States join in formal treaty engagements to prevent any effort by either side to alter by force the boundaries between Israel and its Arab neighbours

Recent developments have made it all the more imperative that a settlement be found The U.S.A will continue to play its full part and will support firmly the United Nations, which has already contributed so markedly to minimizing violence in the area. I hope that other nations of the world will co-operate in this endeavour, thereby contributing significantly to world peace."

The following declaration was issued by the State Department on Nov. 10: "The United States has let it be known that we will be strongly opposed to the side which starts a war in the Middle East, and very favourably disposed to the side which convinces the United States that it desires to maintain peace. We are doing everything we can to convince both sides that to start a war would be utter folly on their part."

British Reactions. - Statement by Sir Anthony Eden.

Mr. Nutting, Minister of State at the Foreign Office, had separate meetings on Nov. 3-4 with the Egyptian and Israeli Ambassadors in London, to whom he expressed the grave concern of H.M. Government at the deterioration of the situation. He also had a meeting on Nov. 4 with General Burns, who was returning to the Middle East after his visit to U.N. Headquarters.

A Foreign Office communiqué said that Mr. Nutting and General Burns had "a most useful talk about ways of restoring tranquillity on the Israel-Egypt border"; that Mr. Nutting had expressed "H M. Government's appreciation of General Burns's great efforts to this end, and assured him of their fullest possible support"; and that Britain would make "strong diplomatic representations in Israel and Egypt in support of the proposals put forward by the U.N. Secretary-General in connexion with the situation in the El Auja area."

In the House of Commons, Mr. Arthur Henderson (Labour) suggested on Nov. 15 that, in view of the tension between Egypt and Israel, H.M. Government should propose a conference under U.N. auspices to secure a peaceful settlement of Middle East problems. This suggestion was rejected by Sir Anthony Eden, who made the following statement:

"A conference such as that suggested can, I think, only have any hope of success if the parties concerned have previously shown willingness to compromise. It is for this that we are working. In my speech at the Lord Mayor's banquet [see 14519 A] I tried to set out as accurately as possible the conflicting points of view which impede a settlement of the long-standing Palestine dispute. I think the House will agree that this dispute lies at the heart of all troubles in the Middle East It has been our policy, in close co-operation with the U.S. Government, to seek some means of bringing about a settlement. The proposals put forward by Mr. Dulles in August, and fully supported by us, were such a step My deliberate purpose last week was to give a new impulse towards a settlement.

"I stated what I believed to be the Arab and Israeli positions with regard to the negotiations. I said that the Arabs stand on the 1947 and other U.N. resolutions, whereas the Israelis base themselves on the Armistice Agreements of 1949 and the present *status quo*. . . . The gap between the two positions is certainly wide But how can there ever be a peaceful settlement unless both sides are willing to compromise? Peace and conciliation are so urgently necessary for the peoples of the Middle East that sacrifices by both sides must be in the ultimate interest of both It is in that conviction that I have appealed to them to work together with us and our American allies for peace."

Mr. Robens (Lab.) asked the Prime Minister whether he had in mind "considerable changes" or "small changes" in the boundaries between Israel and her Arab neighbours, in view of his (the Prime Minister's) appeal to both sides to compromise. Sir Anthony replied. "As to how far either party should move, I did not attempt to lay down anything and I would not attempt to do so now If both parties are willing to consider moving from the fixed positions they have taken, negotiations may have a chance."

Mr. Shinwell (Lab.) drew attention to the fact that Egyptian and other Arab spokesmen had recently declared that they would never be content until the State of Israel was destroyed, and asked how it was possible to effect a settlement while such an intransigent attitude continued In reply, the Prime Minister said that that was one of the problems which had to be considered, if there was a discussion about boundaries, there had to be "acceptance on both sides of the existence of States which have boundaries"

Mr. Grimond (Liberal) asked the Prime Minister to make a statement on his proposal for a guarantee of Israel's frontiers Sir Anthony made the following written reply "The position of the Government is that they are prepared to guarantee Israel's frontiers after a settlement which includes an agreement on what those frontiers are to be That is also the position of the U.S Government, as will be seen from President Eisenhower's statement on Nov 9 [see above] . . . If we can get an arrangement between Israel and the Arab States we should be ready to guarantee it."

Mr. Ben-Gurion's Rejection of Eden Proposals. - Statement by Israeli Embassy in London.

Mr. David Ben-Gurion, speaking in the Israeli *Knesset* on Nov. 15, rejected Sir Anthony Eden's offer to mediate between Israel and her Arab neighbours on the ground that it was designed "to truncate the territory of Israel for the benefit of her neighbours" and therefore had "no legal, moral, or logical basis."

Mr. Ben-Gurion said that Sir Anthony Eden's proposals, instead of fostering better relations and bringing peace nearer, were more likely "to encourage and intensify Arab aggression and lessen the likelihood of peace in the Middle East." He emphasized that Israel could not conduct negotiations on the basis of those proposals, which, he said, involved the "dismemberment of Israel's territory" and were tantamount to "bestowing a prize upon the aggressors." He added: "The invasion by the Arab States [i.e. in 1948] has made all U.N. resolutions on Palestine null and void They cannot be brought back to life, any more than the thousands of Jewish defenders who gave their lives"

Quoting Sir Anthony Eden's criticism of the Soviet Union, Mr. Ben-Gurion said that it was disquieting that he [Sir Anthony] had "deliberately ignored the grave danger which the supply of weapons of war to one side only meant for Israel." Although Sir Anthony had placed the whole responsibility on the suppliers and not on the recipients—"as if the purchasers of the arms had bought them for decorative purposes only"—he had apparently forgotten that "for a long time his Government, too, had been sending arms to one side only—and there is no indication in his statement that it will not do so again in future."

The British Prime Minister (Mr. Ben-Gurion added) had not seen fit to point out that Israel, which was the victim of aggression in 1948, harboured no hostility towards her neighbours after the end of the fighting, and had stretched out the hand of peace "That hand is still outstretched," said Mr Ben-Gurion, "but when Sir Anthony Eden asks for a compromise between the frontiers of 1947 and the frontiers of 1949, his request may be described as fitting his own definition of an innocent commercial transaction as applied by Russia to the Czech arms deal with Egypt."

A statement on the U.N. resolutions of 1947, to which Sir Anthony Eden referred in his Guildhall speech, was issued on Nov. 10 by the Israeli Embassy in London.

The statement recalled that the Arab leaders had rejected the U.N. resolutions at the time, after the withdrawal of the mandatory Power (Britain); had attacked Israel to prevent them from being enforced; and had only supported the U.N. resolutions after the failure of their invasion of Israel. Israel's title to the territories she had occupied at the end of the defensive war, the statement declared, was at least as valid as that by which Egypt had occupied the "Gaza strip," which had not been given to her under the U.N plan, or that by which Jordan had annexed part of mandatory Palestine without U.N authority. It reaffirmed that Israel would accept the existing armistice lines and would be ready, in the course of general negotiations for a peace settlement, "to make necessary minor adjustments of those boundaries . . to facilitate the solution of local problems and to make the 'line' more workable" The statement added, however: "Israel does not admit any claim on the part of the Arabs, whether alone or supported by other Powers, to any of the territory Israel now holds" At the same time it reiterated the offer "to meet Arab representatives, without pre-conditions on either side, for the amicable discussion of a just and lasting peace"

Following his discussions with Mr. Macmillan and Mr. Dulles in Paris, Mr. Sharett, the Foreign Minister of Israel (then Prime Minister), had meetings in Geneva on Oct. 27 and subsequent days with Mr. Macmillan, Mr. Dulles, and M. Pinay, and on Oct. 31 with M. Molotov. No official statements were issued, but it was understood that assurances had been given to Mr. Sharett by the Western Foreign Ministers that the tripartite declaration of 1950 constituted an adequate guarantee to Israel against any attack by her Arab neighbours. [Under the tripartite declaration, the U.S.A., Britain, and France agreed to take joint action in the eventuality of any aggression in the Middle East, whether from the Arab or the Israeli side.] After his conversation with Mr. Molotov—which was understood to have dealt with Communist arms supplies to the Arab countries—Mr. Sharett said that "nothing unexpected had occurred."

A spokesman of the Israeli Foreign Ministry stated on Nov 7 that Mr. Sharett was leaving for the U S A with a "completely revised" arms policy, which had "become inevitable the moment Egypt made her deal with Soviet Russia for Czechoslovak arms" The spokesman added "Previously we had been favourable to a limitation of armaments in the Middle East, now we ask for the right to a balance in arms" Mr Sharett arrived in New York on Nov. 10 for a fortnight's speaking tour on behalf of Israel development bond issues.

The Israeli Ambassador in Washington (Mr Eban) said at a press conference on Nov. 8 that Israel would ask the U.S.A. for a "significant quantity" of arms to ensure Israel's security.

No official statement was made by any of the Arab States in response to Sir Anthony Eden's offer to mediate in the Arab-Israeli dispute. Colonel Nasser, however, issued a statement on Nov. 3 declaring that the Israeli attack at El Auja proved that Mr. Ben-Gurion was "not sincere" in his appeal for peace (see 14520 A), which had been delivered only a few hours before the attack was launched. He described Mr. Ben-Gurion's appeal as "a smoke-screen designed to conceal his aggressive intentions," and said that "it seems that Ben-Gurion wants to force peace on us." (Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris) **(Prev. rep. Middle East Situation, 14485 A; Communist Arms Supplies to Egypt, 14449 A; Border Incidents, 14419 A; 14389 A; Egyptian-Syrian Pact, 14518 E; Sir Anthony Eden, Guildhall Speech, 14519 A; Mr. Ben-Gurion, 14520 A.)**

A. PORTUGAL - UNITED KINGDOM. — State Visit to Britain by President of Portugal.

The President of Portugal (General Craveiro Lopes), accompanied by Madame Craveiro Lopes, paid a three-day State visit to Britain on Oct. 25-27.

During their first day in London, the President and Mme. Craveiro Lopes laid wreaths on the Tomb of the Unknown Warrior, visited the Queen Mother at Clarence House, received addresses at St. James's Palace from the London County Council and the Mayor and Corporation of Westminster, and in the evening attended a State banquet given at Buckingham Palace by H.M. the Queen and the Duke of Edinburgh.

On Oct. 26 the President and Mme. Craveiro Lopes received the High Commissioners of Commonwealth countries and the Ambassadors of foreign countries at Buckingham Palace, attended a luncheon given in their honour at Guildhall by the Lord Mayor (then Sir Seymour Howard) and Corporation of the City of London, visited the Exhibition of Portuguese Art at the Royal Academy (Burlington House), and in the evening gave a dinner to H.M. the Queen and the Duke of Edinburgh at the Portuguese Embassy in Belgrave Square.

In the morning of Oct. 27 the Portuguese President visited the Atomic Energy Establishment at Harwell and the R.A.F. station at Benson, Oxfordshire, whilst Mme. Craveiro Lopes visited a children's day nursery in Westminster, followed by a visit to the Wallace Collection. In the evening General and Mme. Craveiro Lopes, accompanied by the Queen and the Duke of Edinburgh, attended a gala performance of Smetana's *The Bartered Bride* at the Royal Opera House, Covent Garden.

President and Mme. Craveiro Lopes travelled to Britain on board the Portuguese sloop *Bartolomeu Dias*, returning to Lisbon on Oct. 28 by air. (Times - Daily Telegraph)

A. FRENCH MOROCCO. — Abdication of Sultan Moulay Ben Arafa. - Return of Sultan Mohammed Ben Youssef after Recognition by French Government. - M. Dubois succeeds General de Latour as Resident-General. - Suppression of Riff Revolt. - French Allegations of Spanish Aid to Rebels.

Sidi Mohammed Ben Youssef, who had arrived in France on Oct. 31 from his exile in Madagascar, returned to Morocco on Nov. 16 after the French Government had formally recognized him on Nov. 6 as the legitimate Sultan. The Sultan's return and reinstatement brought to an end the controversy caused by his deposition on Aug. 20, 1953. Developments in Morocco since the establishment of the Council of the Throne on Oct. 15 are described below.

The Council of Guardians of the Throne was formally installed on Oct. 17, and two days later invited Si Fatmi Ben Slimane, a leading independent nationalist, to form a Government.

Ben Slimane, who accepted the Council's invitation on Oct. 22, is a member of a prominent Moroccan ruling family, and was appointed president of the Supreme Sherifian Court at Rabat in 1945, and subsequently Pasha of Fez. In June 1953 he publicly protested against the intrigues then being conducted against the Sultan Mohammed Ben Youssef, and in consequence was removed from office by the new Sultan immediately after his accession in August of that year He was a member of the nationalist delegation which visited Madagascar in September last for negotiations with Ben Youssef.

Although the Democratic Independence Party expressed its willingness to serve in the new Government, its formation was delayed by the attitude of the Istiqlal (the other nationalist party), which refused to recognize the Council of the Throne on the grounds that its composition differed from that agreed upon at the Aix-les-Bains conference, and that Ben Youssef had not yet been allowed to leave Madagascar. In reply to these objections, Si Bekkai (the nationalist representative on the Council) published on Oct. 22 a telegram from Ben Youssef approving of the Council as constituted, whilst Ben Slimane announced on the same day that Ben Youssef's departure for France was imminent.

Popular dissatisfaction with Ben Youssef's continued exile and with the composition of the Council had led to serious riots at Marrakesh and Rabat, and to an increase in terrorist activities in Casablanca, Rabat, Meknès, and other cities. The political situation, however, was dramatically transformed on Oct. 25 when Hadj Thami El-Glaoui (the Pasha of Marrakesh), after visiting the Council of the Throne at Rabat, publicly announced his support for the restoration of Ben Youssef. This development came as a complete surprise, as El Glaoui had been Ben Youssef's bitterest opponent since 1950, had led the movement for his deposition, and had violently opposed any suggestion that Sultan Moulay Ben Arafa should abdicate.

In his statement El Glaoui said : " My visit to the members of the Council of Guardians of the Throne must not be interpreted as a recognition of the Council, the legitimacy of which I have never ceased to deny. I share the joy of the entire Moroccan people at the announcement of His Majesty Sidi Mohammed Ben Youssef's return to France. I associate myself with the desire of the Moroccan nation for the speedy restoration of Sidi Mohammed Ben Youssef and his return to the throne, which alone can unify the nation in heart and spirit...."

Similar declarations of support for Ben Youssef were issued during the next few days by almost all his former opponents, including the religious leader El Kittani, Prince Moulay Abdallah (whom Ben Arafa had entrusted with the Royal seal on his departure to Tangier), Si Abderrahaman El Hajoui (former director of protocol to Ben Arafa), and many pashas and caïds The *ulema* of Fez (the religious body which elects the Sultan) proclaimed on Oct 26 that prayers should be offered " in the name of the legitimate Sultan Sidi Mohammed Ben Youssef."

On Oct. 29 the Sultan Moulay Ben Arafa announced his decision to abdicate in a letter to President Coty, which was worded as follows :

" The situation in Morocco obliges us to take a further step along the path of self-effacement on which we have entered in our people's interests. In view of the unanimity of our beloved people, and of the will of a nation to which France has given unity and prosperity, we now consider it our duty . . . to renounce all our rights, whilst calling upon our subjects to rally, now that all obstacles have been removed, to the person of Sidi Mohammed Ben Youssef."

Following the publication of this letter on Oct. 31, the French Government issued a communiqué stating that El Glaoui's declaration and Ben Arafa's decision had fundamentally modified the dynastic problem, which it had always regarded as a " strictly Moroccan problem," and noting with satisfaction "the possibilities which are now offered of ensuring calm and orderly development in Morocco."

El Glaoui's declaration was followed by mass demonstrations in all the large towns, which continued until Oct. 31 and gave rise to a number of incidents ; several people were killed and wounded in clashes at Oujda and Marrakesh, although in general the demonstrations passed off peacefully. Terrorist attacks, however, continued, in one of which the vice-president of the Moroccan section of *Présence Francaise* (Mustapha ben Raissi Bouchaid) was killed by a gunman

Ben Youssef arrived at Nice by air from Madagascar on Oct. 31, and was welcomed by Ben Slimane and other Moroccan notables and by representatives of the French Government. On the following day he proceeded to St. Germain-en-Laye, near Paris, where he was installed as the French Government's guest and where he later received M. Pinay, the French Foreign Minister, who had returned for the purpose from the Geneva conference of Foreign Ministers. In a statement issued after their meeting Ben Youssef declared that he welcomed with " immense pleasure " the Moroccan people's " unanimous desire to achieve the full exercise of its democratic liberties, within the framework of its sovereignty and of a Franco-Moroccan inter-dependence freely elaborated in justice, friendship, and respect for each other's interests, as the French Government, in accordance with our wishes, proposed on Oct. 1."

The members of the Council of the Throne tendered their resignation to Ben Youssef on Nov. 2, stating that they considered their task to be accomplished. During the next three days Ben Youssef received a number of delegations representing different sections of Moroccan opinion.

To representatives of the Istiqlal and of the Democratic Independence Party he gave an assurance that he favoured the institution of a democratic regime and a constitutional monarchy in Morocco On Nov. 4 he informed two representatives of the French community that he regarded the French settlers as " an essential component of the Moroccan community," and that he considered that " no durable progress can be made in the definition of their rights and duties without their co-operation " On Nov. 5 he received two officials of the World Jewish Congress, to whom he gave a pledge that Moroccan Jews would enjoy complete equality of rights with Moslems ; in this connexion he recalled that during the war he had resisted pressure by the Nazis and by the Vichy regime to introduce discriminatory measures against the Jews of Morocco

The French Government issued a communiqué on Nov. 5 recognizing Ben Youssef as Sultan, in the following terms : " The French Government is happy to state that the crisis which has long divided Morocco can now end with the unanimous agreement of the Moroccan people. With the return of his Majesty Sidi Mohammed Ben Youssef to the Sherifian throne, the way is now open for constructive negotiation. The sovereign, who is at present the guest of France, will soon return to Morocco. The French Government, which remains faithful to the policy laid down in its declaration of Oct. 1, 1955, and to the principles expounded by the Prime Minister before the National Assembly on Oct. 8, 1955, will work for the development of Morocco into a modern, free, and sovereign State, within a framework of interdependence with France, in accordance with the guiding principles which formed the subject of the letters exchanged between General Catroux and H.M. Sidi Mohammed Ben Youssef on Sept. 8-9, 1955, at Antsirabé." The text of the Antsirabé correspondence was published at the same time.

General Catroux's letter of Sept. 8 defined the objectives of the French Government's policy as " to confirm by indisputable acts the principle of Moroccan sovereignty, and to lead Morocco to the status of a modern, free, and sovereign State, united to France by the permanent bonds of a freely accepted interdependence ; with the reservation that, in view of the indissoluble nature of the bonds uniting the two countries, the rights and major interests of France in strategic, political, diplomatic, economic, and cultural matters shall be guaranteed, and that Frenchmen settled in the [Sherifian] Empire shall be granted a status proportionate to the important contribution which they have made and will continue to make to Morocco's general well-being." During their conversations (the letter recalled) Ben Youssef had completely approved this policy ; had stated that " the permanence of France's presence in Morocco and of her rights and prerogatives was not a subject for discussion, as the two countries were inseparable " ; and had agreed that Frenchmen in Morocco should have "a different status from foreigners."

In his reply, dated Sept 9, Ben Youssef reaffirmed his support for this policy, for the appointment of a Council of the Throne " without thereby abandoning any of our rights," and for the formation of a representative Government.

On Nov. 6 M. Pinay received Ben Youssef at the Château of La Celle-St. Cloud, near Paris, and officially informed him that the French Government recognized him as the *de jure* Sultan of Morocco and that he was free to return to Rabat. They then returned together to the Sultan's temporary residence at St. Germain-en-Laye, where the Sherifian flag was hoisted and a military guard of honour was posted. A joint statement issued after the ceremony announced that the

Sultan had authorized the Council of the Throne to conduct Government business pending his return to Rabat; that he would establish a representative Government entrusted both with negotiations with France and with reforms creating a democratic State and a constitutional monarchy in Morocco; and that "France and Morocco would build their common future together, without the intervention of any third party, affirming their sovereignty, mutually guaranteeing their rights and those of their citizens, and respecting the treaty rights of foreign Powers."

The right-wing settlers' organization, *Présence Française*, issued on Nov 7 a communiqué declaring that it officially recognized Ben Youssef as Sultan "for the first time," and putting forward the following demands. "The future status of the French population of Morocco must be based on numerically equal representation for Frenchmen and Moroccans in internal assemblies, the Council of Government, municipal councils, etc. This status must be negotiated under the aegis of France, but directly between the spokesmen of the French population and of the Moroccans The Frenchmen of Morocco will never recognize any statute or agreement concluded without their participation. Regular elections must be organized for the formation of a Council of the French of Morocco The task of this Council will be to discuss the future status of the French population with the future Sherifian Government."

El Glaoui travelled to France and presented himself before the Sultan on Nov. 8, asking on his knees for pardon and declaring that he had been "deceived" The Sultan, in reply, assured him that "the past is forgotten" and that "you will be judged by what you do in the future." A large number of pashas and caïds who had taken part in the Sultan's deposition also appealed for, and received, his pardon on the same day.

Si Allal El Fassi, the exiled leader of the Istiqlal, sent the Sultan a telegram of congratulations from Cairo on Nov 8 assuring him of his loyalty, but in a Press statement on the same day criticized the reference to "permanent bonds with France" in the joint statement issued by the Sultan and M. Pinay two days earlier A delegation from the Istiqlal was received by the Sultan on Nov. 9, and subsequently issued a communiqué noting with satisfaction the French undertaking to lead Morocco to the status of an independent State, emphasizing that the first objective of Franco-Moroccan negotiations must be the replacement of the Treaty of Fez of 1912 by a new agreement, and claiming that a complete identity of views existed between the Sultan and the Istiqlal on this matter.

On subsequent days the Sultan had another meeting with El Glaoui on Nov. 11, and with M. Balafredj (secretary-general of the Istiqlal) and M. Ouazzani (of the Democratic Independence Party) on Nov. 12. On the latter date it was announced in Rabat that, on behalf of the Council of the Throne and on the orders of Sultan Ben Youssef, M. Ben Slimane had notified the members of the *Makhzen* (i.e. the Moroccan members of the Council of Viziers and Directors) that they would no longer be required to attend any official functions, and that their offices would be terminated as from Nov. 15.

The French Government announced on Nov. 9 that it had accepted the resignation of General de Latour, the Resident-General in Morocco, and had appointed M. André Dubois as his successor with immediate effect.

M Dubois (52), a Civil Servant born at Bône (Algeria), had been Prefect of the Paris police since July 1954, and in that capacity had become well known for prohibiting the use of motor-horns in Paris (see 13948 D)

Sultan Ben Youssef returned by air to Morocco on Nov. 16, being received at Rabat (the capital) by the members of the Council of the Throne, M. Ben Slimane, M. Dubois, and several hundred notables from French and Spanish Morocco and the International Zone of Tangier. He was enthusiastically welcomed by vast crowds—including large numbers of Berber tribesmen—lining the route from the airport to the palace.

Addressing the crowds from the palace, the Sultan declared: "Like you, we have kept faith; like you, we have done our duty. Behold us now before you, the same as you have always known us, ever devoted to the service of our homeland. Praise be to Allah, who in his mercy has brought our trials to an end."

Later in the day the Sultan held an official reception at which M Dubois reaffirmed the intention of the French Government to lead Morocco to the position of an "independent State, united with France by permanent links of inter-dependence based on free consent."

In reply, the Sultan declared that M. Dubois could always count on his support in effacing the causes and consequences of the past two years of crisis—a crisis, he affirmed, essentially political in character. His own desire was to be "the constitutional monarch of a modern, democratic, and independent State." He asked the Resident-General, as representative of France, to assuage the anxieties of the French settlers in Morocco and to assure them of his desire that they should live in fruitful co-operation with his subjects in "a new but ever hospitable Morocco."

On the previous day M. Dubois had announced an amnesty for 1,700 prisoners convicted on minor charges, and had empowered prison governors to shorten the sentences of other convicts. The three-year ban on the newspaper *El Allam*, the daily organ of the Istiqlal, was lifted by M. Dubois on Nov. 14.

Despite the relaxation of tension caused by the Sultan's return, and his appeal for the preservation of law and order, clashes and terrorist activities continued in various cities. During the first week of November 28 people were killed and 59 injured by terrorists, a higher total than for any corresponding period since August. Casualties through acts of terrorism during the weekend Nov. 12-13 numbered 18 killed and 11 wounded, including 13 killed and 6 injured in 29 terrorist attacks at Casablanca.

The Riff Revolt.

In the Riff area, where an uprising had broken out on Oct. 1-2, the French forces launched a fresh offensive on Oct. 23 to the east of Tizi Ouzli, as a result of which the last considerable insurgent force still at large was driven across the frontier into Spanish Morocco. A group of rebels from Bou Zineb (a French *enclave* in Spanish Morocco) made a successful raid on Oct. 25 on a French unit near Boured, but on Nov. 3 Bou Zineb was reoccupied by French troops, most of the insurgents having fled. Total rebel casualties from Oct. 1-15 were estimated by the French authorities at 100 killed and 2,000 wounded in the Riff area, 40 killed and 100 wounded in the Middle Atlas, and three killed and 15 wounded in the Taforalt area.

Although the French authorities announced, at the beginning of November that the Riff rebellion was virtually over, another serious clash occurred on Nov. 11 north of Boured, near the Spanish Moroccan border, when a rebel force about 300 strong and armed with automatic weapons twice attacked a unit of French Moroccan troops, French casualties were 10 soldiers and n c.o.s killed, 16 injured, and several missing

Franco-Spanish Note Exchanges.

The disturbances in the Riff led to exchanges of Notes between the French and Spanish Governments, the former complaining at the alleged help given to the rebels from the Spanish zone of Morocco, and the latter repudiating these allegations.

The Spanish Government protested to France on Oct 15 against "the systematic campaign of false information conducted by the French Press and radio," and against allegations by General de Latour and General Billotte (the French War Minister) that the Riff revolt was receiving support from Spanish Morocco The Note claimed that strict border control was being exercised by the Spanish authorities to prevent any infiltrations into French Morocco by trouble-makers, and declared that Spain might be obliged to take the matter to the U.N if the French press campaign against Spain continued The High Commissioner of Spanish Morocco (General Valino) stressed that those sections of the frontier affected by the Riff revolt had been completely closed by the Spanish authorities.

In reply, General de Latour declared on Oct 16 that "it is notorious that the Moroccan rebels have found help and refuge in the Spanish zone of Morocco." He added: "The most patent fact, which no-one can deny, is that the French post of Bou Zineb, which was only an observation post in the Spanish zone, was attacked by rebels, and that the neighbouring Spanish post, which is responsible for maintaining order in the area, did not intervene." General de Latour also alleged that a French unit had been fired upon from the Spanish zone on Oct 14. The Spanish Note was rejected by France

A reply to General de Latour's statement was issued on Oct. 17 by the Spanish Foreign Ministry, which pointed out that the nature of the terrain made it impossible to define the frontier with exactitude, and therefore difficult to prove that French forces had been fired upon from the Spanish zone. It added "The Resident-General complains that the Spanish position near the advanced post of Bou Zineb did not help that post when it was attacked by rebels. Yet the French Government, when it violated treaties to depose the legitimate Sultan, cannot now call upon Spain for assistance in military operations intended to suppress the discontent provoked by this obtuse policy . . ." The Spanish Consul-General at Rabat protested to General de Latour on Oct. 18 against three recent incidents in which French artillery or aircraft were alleged to have bombarded Spanish territory. The allegations were denied by the French authorities.

During his stay at St. Germain-en-Laye the Sultan received the Spanish Ambassador in Paris (the Count of Casa-Rojas) and expressed his gratitude to General Franco and to the Spanish Government for having continued to recognize him throughout his exile.—(Le Monde, Paris - Le Figaro, Paris - Times - Daily Telegraph - New York Herald Tribune)

(Prev. rep. French Morocco, 14473 A.)

A. UNITED KINGDOM. — Purchasing Power of £.

The Economic Secretary to the Treasury (Sir Edward Boyle) stated in a parliamentary answer on Nov. 10 that, taking the value of the £ as 20s. in 1938, it was estimated that the internal purchasing power for 1946 (for which monthly figures were not available) was 11s. 10d.; for May 1952, 8s. 6d.; for February 1955, 8s.; and for September 1955, 7s. 10d. This estimate was based on the consumer price index, supplemented by the interim index of retail prices.—(Times) **(13025 E.)**

A. BRAZIL. — Army Coup d'Etat. - Deposition of Acting President Luz. - Senhor Nereu Ramos appointed President of Brazil until January, 1956. - New Cabinet. - Final Presidential Election Results.

President Café Filho took indefinite leave on Nov. 8, having suffered a heart attack a few days earlier, and on the same day Senhor Carlos Coimbra da Luz, the President of the Chamber of Deputies, became acting President of the Republic under the provisions of the Brazilian Constitution. On Nov. 11, however, Senhor Luz was deposed by a *coup d'état* led by the Minister of War, General Teixeira Lott, and Senhor Nereu Ramos, President of the Senate and constitutionally next in line of succession to the presidency of the Republic, was elected Acting President by Congress; the voting was 185 to 72 in the Chamber of Deputies and 44 to 19 in the Senate. President Ramos will serve until Jan. 31, 1956, when Senhor Kubitschek—who was elected to the presidency in the recent elections—formally takes office.

President Ramos (66), a close friend of the late President Vargas, belongs—like both Senhor Luz and Senhor Kubitschek—to the *Partido Social Democratica*. A professor of constitutional law, and a former Governor of the State of Santa Catarina (where he owns a number of newspapers), he was elected to the Chamber of Deputies in 1930 and to the Senate in 1954.

The *coup* was organized by the Army, as the traditional defenders of the Constitution, because of a movement by influential officers and politicians who were strongly critical of the results of the recent elections in which Senhor Kubitschek and Senhor Goulart were returned as President and Vice-President. Senhores Kubitschek and Goulart had been supported not only by the parties which backed the late President Vargas but also by the Communists, who, although banned as a political party, are still allowed to publish propaganda and otherwise to express their views publicly. Because of this support there had been moves to have the election results declared invalid, and these attempts were believed to have been favoured by the Navy and the Air Force.

The immediate events leading up to the Army *coup* originated in a speech on Nov. 1 by Colonel Mamede, one of the signatories of the "manifesto of the colonels" at the beginning of 1954 which had led to the resignation of Senhor Goulart as Minister of Labour in the Vargas Cabinet, and had initiated the political crisis that ended in President Vargas's suicide. In his speech Colonel Mamede publicly advocated a rising to prevent the installation of Senhor Kubitschek and Senhor Goulart in January. General Teixeira Lott, determined to keep the Army out of politics, demanded that acting President Luz should transfer Colonel Mamede to some less influential post, but the President supported the Colonel and refused to take action against him. General Teixeira Lott thereupon resigned as Minister of War and subsequently staged the *coup d'état*.

Army forces under the command of generals occupied the central police headquarters and the mayor's office in Rio de Janeiro, whilst other Army contingents surrounded Government buildings, the radio station, the post office, and several newspaper buildings. In a statement General Lott claimed that the Presidents of the Supreme Court and of Parliament had declared their "solidarity with the movement tending to return the situation to that of a normal constitutional regime," and that his action was supported by all the officers of the garrison in the capital, by the commanders of the central and northern military zones, by the 5th Infantry Division, and by the Governor of the State of Minas Gerais.

The Navy and Air Ministers, on the other hand, issued a statement declaring that they considered the Army's action to be "illegal and subversive," and pledging the support of their forces to President Luz. Marines with field guns were deployed in strategic positions around the Air Ministry, and defensive positions were established at the Galeao air base, outside the capital. Later, however, the Navy Ministry informed Congress that it would support General Lott and abide by the decision of Congress, and the Galeao air base surrendered without opposition.

The *coup* was carried out without any fighting, although a number of senior officers were arrested, including Lieut.-General Alvaro Fuiza de Castro, who had briefly succeeded General Lott as War Minister. Senhor Luz left Rio de Janeiro aboard the cruiser *Tamandare* on Nov. 11, but subsequently returned to the capital and on Nov. 14 resigned his position as President of the Chamber of Deputies, though retaining his seat in Congress. No action was taken against him or against others who had opposed the *coup*, and all arrested persons were later released. Senhor Carlos Lacerda (the editor of *Tribuna da Imprensa*), however, who had openly favoured a *coup* of the sort which General Lott's action had been designed to prevent, remained in the Cuban Embassy, where he had taken refuge.

On assuming the presidency, Senhor Ramos reinstated General Teixeira Lott as Minister of War and retained Senhor Camara as Minister of Finance, but otherwise completely reorganized the Government. The following new appointments were announced on Nov. 12: Foreign Affairs—Senhor José C. Macedo Soares; Justice—Senhor Francisco Mendez Pimentel; Labour—Senhor Nelson Omegna; Navy—Rear-Admiral Antonio Alves Camara jr.; Air—Brigadier Jasco Alves Secco.

Shortly before these events, the final results of the recent Presidential elections had been officially announced as follows: Senhor Juscelino Kubitschek, 2,878,345; Major-General Juarez Tavora, 2,543,067; Senhor Adhemar de Barros, 2,188,781; Senhor Plinio Salgado, 697,931. In the Vice-Presidential elections the voting was: Senhor João Goulart, 3,413,651; Senhor Milton Campos, 3,253,194; and Senhor Danton Coelho, 1,127,907.—(New York Times - New York Herald Tribune - Times - Le Monde, Paris) **(14479 A.)**

B. CYPRUS. — Economic Development Programme.

Details of a comprehensive economic and social development programme for Cyprus, costing about £38,000,000, were announced by the Governor (Field-Marshal Sir John Harding) in a broadcast on Nov. 16. The main features of the programme, which had been approved by the British Colonial Secretary (Mr. Lennox-Boyd), were as follows:

(1) Development of rural areas, with emphasis on irrigation and water-supply programmes. A sum of £500,000 had been allotted for this purpose during the next 12 months.

(2) Agricultural research and the expansion of forestry, to enable the island to rely to a much greater extent on its own timber resources than hitherto.

(3) Expansion of electrical supply and inland telecommunications.

(4) Port development, in which connexion Sir John Harding said that there was "no reason why a first-rate modern port should not help to make Cyprus the busiest and most prosperous island in the Mediterranean." Plans for such a port were at present being drawn up by a firm of consulting engineers.

(5) A first-class network of trunk roads capable of carrying all types of modern vehicles.

(6) Improvements at Nicosia airport.

(7) Improvements to school buildings, the establishment of technical high schools in the four main towns outside Nicosia, and the conversion of the technical trades' school at Nicosia into a technical institute. As regards higher education, a "liberal and extensive" range of scholarships would be provided for residential courses at universities and other institutions in the United Kingdom.

(8) The provision of funds to provide small dwelling houses on hire-purchase terms. In addition, measures for social insurance would be announced shortly.

Sir John Harding emphasized that the British Government were determined both to restore law and order and to develop the island's economy so as to ensure a substantial rise in the standard of living. No progress in the betterment of economic and social conditions, however, could be made without the restoration of public security and confidence, and in this connexion immediate measures would be taken to build up an adequate police force, which had hitherto been lacking. The Governor ended his broadcast with an appeal to all Cypriots to co-operate in achieving prosperity and the development of "this lovely island."

The new development plan was an expanded version of one that had been worked out earlier between the Colonial Office and the former Governor, Sir Richard Armitage.
(Times - Daily Telegraph) **(Prev. rep. Cyprus, 14513 A.)**

C. JORDAN. — Expansion of Armed Forces. - Acquisition of Jet Aircraft from Britain.

The Jordanian Prime Minister (Said el-Mufti) announced on Nov. 1, when reading the Speech from the Throne on behalf of King Hussein, that Jordan intended to reinforce her armed forces with heavy modern weapons and to build up an effective air force. He declared that the Government's policy with regard to Palestine was based on the principles of the Arab League, that Jordan regarded herself as the Arabs' "front line against the Zionist danger," and that a solution to the Palestine problem should be found within the framework of a complete understanding between the Arab countries.

It was stated in Amman on Nov. 6 that Britain had agreed to supply the Jordanian Air Force with ten *Vampire* jet aircraft.
(Times - Daily Telegraph) **(Prev. rep. 14210 B.)**

D. UNITED STATES. — President Eisenhower leaves Hospital. - Convalescence at Gettysburg.

President Eisenhower flew to Washington on Nov. 11 from Denver, where he had been recovering from his heart attack on Sept. 24, and was given an enthusiastic welcome by large crowds. On Nov. 14 he drove to his farm at Gettysburg (Pennsylvania), some 75 miles from the Federal capital, for an indefinite convalescence. A temporary office for the Administration was established at Gettysburg under Mr. Sherman Adams, the President's Assistant, until the President could resume his duties in Washington. (New York Times) **(Prev. rep. 14152 D.)**

A. JAPAN. — Party Mergers. - Establishment of Two-Party System.

After a four-year split, the two Japanese Socialist parties—the Right-wing and Left-wing Socialists—merged on Oct. 14 as a unified Socialist Party, with 155 seats in the House of Representatives (the Lower House) and 70 seats in the House of Councillors (the Upper House). On Nov. 15 the Democratic and Liberal parties merged under the name of the Liberal Democratic Party, with 302 seats in the House of Representatives and 115 in the House of Councillors. As a result of these developments, a two-party political system emerged for the first time in Japanese parliamentary history.

Merger of Socialist Parties. The merger of the two Socialist parties had been agreed upon in January last, and was effected after many months of negotiations which ended in agreement on a programme acceptable to both groups. Whereas the Left-wing Socialists had based themselves on the Marxist conception of the "class struggle" and had demanded the complete disarmament and neutralization of Japan, the Right-wing Socialists had worked for the establishment of Socialism by parliamentary processes, and had supported limited rearmament and the recognition of Japan's dependence on the United States for security purposes During the three months preceding the merger, the gap between these points of view had gradually narrowed, largely as a result of major concessions by the Left-wing Socialists

Eventually, both groups accepted a programme of which the principal points were as follows : (1) internal policy—the achievement of Socialism by democratic and peaceful processes, accompanied by far-reaching economic and social reforms ; (2) foreign policy—the termination of the U S.-Japanese security pact, and its replacement by a "Locarno-type" pact for the Pacific and Far East which should include the Soviet Union and the People's Republic of China as well as Japan and the United States , (3) defence policy—support for world disarmament, opposition to Japanese rearmament, a halt to the present expansion of the armed forces, and the creation of a security police force for internal protection The two principal objectives of the Socialist Party were defined as (1) "to change the present capitalistic structure of the country into one of socialistic form through democratic and peaceful methods," and (2) "to recover complete independence for Japan." Whilst the party's constitution stipulated that the Socialist Party was based on the working-class, and was of a working-class character, it reaffirmed that its principles were not compatible with Communism, which was strongly denounced in the preamble to the party's programme.

The two parties formally dissolved themselves on Oct. 13, the unified Socialist Party coming officially into existence on the following day Mr Suzuki, formerly head of the Left-wing Socialists, became chairman of the unified party, whilst Mr Asanuma, formerly secretary-general of the Right-wing Socialists, assumed the same post in the unified party

Merger of Democratic and Liberal Parties. Negotiations for the merger of the Democratic Party (the Government party headed by the Prime Minister, Mr. Hatoyama) and the Liberal Party, which began last spring, ended on Nov. 13, when the Liberals finally approved the merger Both parties formally dissolved themselves on Nov 14, and the Liberal Democratic Party—which is Conservative in character —came officially into existence on the following day. A six-point programme was adopted which included the attainment of economic independence, the establishment of a Welfare State, measures to combat bureaucracy, revision of the post-war Constitution to permit Japanese rearmament, and the eventual revision of the U.S.-Japanese security pact

The principal obstacle to the unification of the two parties had been a dispute about the party leadership, which remained unresolved The Democrats wanted Mr Hatoyama to become party chairman, with Mr. Ogata (the leader of the Liberals) as his deputy, whilst the Liberals had demanded the open election of officers When a deadlock on this matter threatened to wreck the merger of the two parties, it was agreed, as a compromise, that the new party should be headed by a four-man executive committee comprising Mr. Hatoyama, Mr. Ogata, and two other members—Mr. Kishi, a Democrat, and Mr. Ishii, a Liberal. It was agreed that this arrangement should continue until the spring of 1956 Mr. Kishi, formerly secretary-general of the Democratic Party, was appointed to the same post in the new party, whilst Mr Ishii, his former Liberal counterpart, was appointed chairman of the executive committee

Two prominent Liberals—Mr. Yoshida, the former Prime Minister, and Mr. Sato, a former secretary-general of the Liberal Party—refused to accept the arrangements for a joint executive committee, and announced that they would sit in the Diet as Independents.

As a result of the mergers, party strengths in the two Houses of the Japanese Parliament were as follows · (*a*) House of Representatives (467 members)—302 Liberal Democrats, 156 Socialists, eight others (including two Communists), one vacancy; (*b*) House of Councillors (250 members)—115 Liberal Democrats, 70 Socialists, 47 *Ryukufukai*, 18 others, five vacancies.—(Japanese Embassy, London - Times - Manchester Guardian - New York Times - New York Herald Tribune) **(Prev. rep. Political Parties, 14005 A ; Elections, 14133 A.)**

B. ALBANIA. — Population Figures.

Tirana Radio announced on Nov. 12 that a recent national census had shown the population of Albania to be 1,894,310, an increase of 175,867 since 1950. (Times)

C. EUROPEAN TRANSPORT. — Formation of "Eurofima" Company. - Convention signed.

At the third meeting of the European Conference of Ministers of Transport, held in Berne from Oct. 18-20 under the chairmanship of Dr. Lepori (the Swiss Minister of Communications), the Transport Ministers of 14 European countries signed the international convention formally establishing the "Eurofima" Company for the financing of railway rolling-stock, with headquarters in Basle. The signatory countries were Austria, Belgium, Denmark, France, the German Federal Republic, Italy, Luxemburg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and Yugoslavia. The only European countries represented at the conference which did not sign were Greece, Turkey, and the United Kingdom.

The company's capital of 50,000,000 Swiss francs, divided into 5,000 shares of 10,000 francs each, will consist of A shares (payable in cash) and B shares (for which payment is to be made by bringing in goods wagons). The largest participations will be those of the German Federal Railways and the French National Railways Company (1,300 B shares each), followed by the Italian State Railways (700 B shares) and the Belgian National Railway Company (550 B shares). The Swiss Federal Railways will hold 400 A shares ; the Netherlands Railways 300 B shares , the Swedish State Railways, the Spanish Railways, the Luxemburg National Railway Company, and the Yugoslav Railways 100 A shares each , the Portuguese Railway Company 20 A shares ; and the Austrian Federal Railways, the Danish State Railways, and the Norwegian State Railways 10 A shares each It was stipulated that the B shares would have to be converted into A shares within 10 years.

The value of the goods wagons to be brought in will be : German and French Railways, 11,700,000 Swiss francs each ; Italian Railways 6,300,000 frs. ; Belgian Railways 4,900,000 frs , and Netherlands Railways 2,700,000 frs. The wagons brought in will be rented back by the various national systems.

According to its articles of association, "Eurofima" will procure new uniform rolling-stock for the railway administrations holding shares in the company. For this purpose it will place orders for goods wagons either for its own account or for the account of the participating railway administrations or similar undertakings. Any rolling-stock bought for its own account will be let or sold to the railways of member-countries. In addition to its own capital, "Eurofima" may take up loans and credits.

The lifetime of the "Eurofima" Company was fixed at 50 years. The members of the board of administration will be elected irrespective of their nationality. Each member-country holding at least two per cent of the shares (i.e , shares with a nominal value of 1,000,000 Swiss francs) will be entitled to two seats on the board Any dividends paid on A shares out of net profits will be limited to a maximum of four per cent The railways of any other countries adhering to the convention may be admitted to membership by decision of the Company's general meeting. In an additional protocol it was stipulated that payments for share subscriptions and rents of goods wagons would be settled outside any bilateral or multilateral payments agreements.

The conference also considered the co-ordination of investments in roads and road transport, as well as certain projects for waterways of European importance. It elected Dr. Lepori as chairman of the Council for the next 12 months.
(Neue Zurcher Zeitung - Le Monde, Paris)
(Prev. rep. Eurofima Company, 14357 A.)

D. UNITED KINGDOM. — University of Exeter.

The University College of the South-West of England, at Exeter, was reconstituted on Oct. 29 as the University of Exeter under a Royal Charter granted by H.M. the Queen.

The new university—the origins of which go back to 1865, and which became a university college in 1922—will initially have faculties of Arts, Law, Science, and Social Studies, and will be developed on a 200-acre site on the northern outskirts of the city. The existing buildings will be supplemented by a large building for the Faculty of Arts, to be built at a cost of £300,000, and a university chapel to be built from a benefaction by Mr. E. Vincent Harris, the former college architect.

The University of Exeter has at present over 1,000 full-time students. Its first Chancellor will be the Duchess of Devonshire. (Manchester Guardian) **(Prev. rep. Universities, 13601 A.)**

E. LIBYA. — British and U.S. Arms Supplies.

The Prime Minister of Libya (Mustafa ben Halim) announced on Nov. 16 that the British and U.S. Governments, in response to a request by the Libyan Government, had decided to supply the Libyan Army with full equipment for one battalion, including armoured cars. He added that there were no conditions of any kind, and that the arms supplies were "a new proof of the strong ties which bind Libya with Britain and America."—(Times - Daily Telegraph - New York Times)
(Prev. rep. 13790 B ; 13046 D.)

A. AUSTRIA - SOVIET UNION. — Soviet Return to Austria of Former German Industries and Oilfields. - Agreements on Austrian Compensation Payments. - Treaty of Commerce and Navigation. - Trade and Payments Agreements.

About 350 industrial enterprises which had been seized by the Soviet Government as former German property at the end of the Second World War were formally handed over to Austrian public administration on Oct. 13 under the terms of the Austrian State Treaty.

The enterprises included the 319 so-called "USIA" undertakings, 28 oil wells and refineries in N.E Austria, and the shipping and installations of the Danube Steamship Company in the former Soviet zone, as well as some 1,000 railway trucks and over 4,000 acres of land. The number of workers employed by the enterprises totalled some 50,000 According to reports by Austrian officials, the oil installations and refineries were found to be in "good shape," but in many of the factories returned to Austrian control the equipment was obsolete and worn out, whilst in some cases factories had been closed down and denuded of everything movable.

The annual production of the four oilfields returned to Austrian control was stated to have reached 3,540,000 tons in 1954 (including 2,500,000 tons from the Matzen field), making Austria the largest oil producer on the European Continent, underground oil reserves in the whole of the Soviet zone are estimated at between 50,000,000 and 100,000,000 tons. In addition, there are large reserves of natural gas, including an estimated 20,000,000 cubic metres at the Zwerndorf gas field. The other undertakings handed back comprised factories in the following industries . iron and steel, metal-goods manufacturing, metal smelting, machinery and other engineering, railway equipment, building and building accessories, electro-engineering, leather and leather goods, and glass.

The return of these assets had been preceded by the conclusion of two agreements, one specifying the manner in which Austria would pay to the Soviet Union the sum of $150,000,000 as compensation for the industrial enterprises, and the other covering Austrian oil supplies to the Soviet Union in compensation for the return of the oilfields and oil refineries. The two agreements (which had been signed in Moscow on July 12) implemented the Soviet-Austrian agreement of April 15 (see 14154 A) which preceded the final negotiations on the Austrian State Treaty.

An official communiqué was issued in Moscow on July 12 giving the following details of the two agreements :

(1) Under the first agreement Austria would supply to the Soviet Union goods valued at $25,000,000 annually for six years, the goods concerned being rolling-mill equipment, paper manufacturing machinery, wood manufacturing equipment, electric compressors, chemical apparatus, special motor vehicles, control and measuring instruments, steel sheet, tinplate, rolled copper, electric cables, oil, lacquers, rayon yarns and textiles, and footwear

(2) Under the second agreement, Austria would also deliver to the Soviet Union 1,000,000 tons of crude oil annually for ten years.

(3) Simultaneously with the negotiations on the abovementioned agreements, discussions had also taken place for the conclusion of a treaty of commerce and of a trade and payments agreement, both covering a period of five years.

It was announced in Vienna on the same date that it had been agreed at Austria's request that if, as a result of shortages of raw materials, the actual deliveries of goods or of oil should not reach the annual totals laid down in the agreements, Austria would be entitled to make up the difference by cash payments in dollars; these payments would correspond to the world market prices of the goods or oil that Austria had failed to supply

As security for the fulfilment of the agreements by Austria, the Austrian Government deposited with the Soviet Ministry of Foreign Affairs on Aug. 9 300 bills of exchange totalling $150,000,000. In addition, the Austrian Government subsequently agreed to repay to the Soviet Union the equivalent of nearly $20,000,000 which, it was claimed, had been advanced by the Soviet military bank in Vienna to the USIA enterprises.

Although Article 22 of the State Treaty provided that the rights, properties and interests to be relinquished to Austria by the Soviet Union would be transferred without any charges or claims on the part of the U.S S.R., and although it was impossible for Austria to obtain any check as to how the amount had been computed, the Austrian Government agreed to settle it after a reduction of 33 per cent (i e., from 760,000,000 schillings to 509,000,000 schillings) had been obtained.

The treaty of commerce and navigation and the trade and payments agreements between Austria and the Soviet Union, referred to in the Moscow communiqué, were signed in Vienna on Oct. 17.

Treaty of Commerce and Navigation. Under this treaty the two countries granted each other most-favoured-nation treatment as regards both trade and shipping, undertaking not to apply in their imports from or exports to each other any restrictions or prohibitions which would not also apply *vis-à-vis* all other countries. Most-favoured-nation treatment would also be granted in respect of all Customs duties, import and export charges, and taxes on imported goods, this concession applying even if the goods were sent *via* third countries. The only exceptions from the most-favoured-nation treatment would be special concessions (*a*) granted to neighbouring countries with a view to facilitating frontier traffic, or (*b*) resulting from any Customs union which either of the countries might enter. The treaty also regulated the status of legal entities and commercial corporations set up by one country or its nationals in the territory of the other, contained provisions on arbitration in commercial disputes, and defined the status of the Soviet trade organization in Austria and its responsibility for legal obligations and contracts entered into by it.

Trade and Payments Agreements. Under the trade agreement, Soviet exports to Austria will include cereals, coal and other solid fuel, hides, platinum, miscellaneous machinery, motor vehicles, caviare, chemicals, medicinal herbs, bristles, printed products, and cinema films Austrian exports to the Soviet Union will include machinery for light industries and the foodstuffs industry, woodworking equipment, turbines, hydro-electric equipment, spares for motor buses, steel wire and cables, steel pipes, veneers, kerosene, diesel fuel, leather, woollen yarns, and ship repairs.

The payments agreement provided for dollar clearing accounts with a permitted "swing" of $5,000,000

The treaty and the agreements were for five years, and subject to six months' notice of termination. They will continue in force for further five-year periods until one year's notice is given by either party.—(Wiener Zeitung - Neue Tageszeitung, Vienna - Neue Zurcher Zeitung) **(Prev. rep. State Treaty, 14193 A; Moscow Agreement, 14154 A.)**

B. UNITED KINGDOM. — Disposal of Japanese Assets. - Distribution of Proceeds to Former P.O.W.s.

Mr. Turton (Under-Secretary, Foreign Office) stated in a written parliamentary answer on Nov. 14 that about £5,500,000, representing the value of Japanese assets in neutral and ex-enemy countries, had been handed to the International Committee of the Red Cross in Geneva, and that the committee would distribute these funds in accordance with Article 16 of the Japanese Peace Treaty to appropriate national agencies for the benefit of former prisoners-of-war and their families. The committee were checking the lists of P.O.W.s and, as soon as this had been completed, the U.K. share, which might be about £1,250,000, would be handed to the Ministry of Pensions and National Insurance for distribution. It was hoped that a distribution to individual former prisoners would be possible in April 1956.

The Minister of Pensions and National Insurance (Mr Peake) announced in a statement circulated on the same day that up to the end of October a total of £2,615,000 had been paid to 57,490 beneficiaries under Article 14 of the treaty. He proposed to admit further claims until March 31, 1956, and until that closing date would not be able to give a precise appreciation of the financial position. In the meantime, however, to meet needs which were now arising, he proposed to make the following allocations to voluntary funds especially concerned with the interests of former P.O.W.s of the Japanese : The Far East Prisoners of War Central Welfare Fund, £10,000; the Returned British Prisoners of War Association, £3,000; the King's Fund (1940), £10,000. The proportionate amount for benevolent purposes for civilian internees was £4,000, and it was proposed to place this in a special fund to be administered through the King's Fund.

Mr. Peake added that, although it had been envisaged that the second distribution to individuals would be a final distribution, he would bear in mind the possibility of a further distribution when all claims received up to March 31, 1956, had been met and the financial situation was clearer. Any surplus, however, would be used entirely for the benefit of prisoners-of-war.—(Times - Daily Telegraph) **(Prev. rep. 13934 B.)**

C. JORDAN - SYRIA. — Joint Declaration by Prime Ministers. - Agreement on Defence Policy.

The Prime Ministers of Jordan and Syria (respectively Said el-Mufti and Said el-Ghazzi) issued a joint declaration in Amman on Oct. 31 stating (*a*) that the policy of both Governments was "based on the consideration that the armistice demarcation line [in Palestine] is a single Arabic defence line"; (*b*) that "any aggression against any part of that line shall be considered aggression against the whole of it"; and (*c*) that the Syrian and Jordanian representatives had "studied the practical steps that should be taken to fulfil this policy, their viewpoints being identical." It was stated in Damascus—but not confirmed in Amman—that the two countries had agreed in principle to a joint command of the Syrian and Jordanian forces on the frontier with Israel.—(Times - Le Monde, Paris) **(Prev. rep. Egypt-Syria Pact, 14518 E.)**

A. SWITZERLAND. — General Elections.

General elections to the Swiss National Council (the Lower House of the Swiss Parliament) took place on Oct. 30, the results being as follows:

	1955 Seats	1951 Seats
Social Democrats	53	49
Radical Democrats	50	51
Catholic Conservatives	47	48
Farmers', Traders', and Citizens' Party	22	23
Liberal Conservatives	5	5
Independents' Party	10	10
Democrats	4	4
Communists	5	4
Evangelical People's Party (Zurich)	1	1

The Social Democrats gained four seats (one each in Zurich, Baselland, Berne, and Vaud) and thus became the strongest party The Radical Democrats, who dropped to second place, lost two seats (one in Zurich to the Catholic Conservatives and one in Vaud to the Social Democrats), but gained one in Schwyz from the Catholic Conservatives, who, in turn, lost three seats (Schwyz to the Radical Democrats, Aargau to the Independents' Party, and Vaud to the Communists) and gained two (in Zurich and Geneva), a net loss of one. The Farmers', Traders', and Citizens' Party likewise lost one seat (Baselland, to the Social Democrats), whilst the Independents' Party maintained its position, losing one seat in Berne to the Social Democrats but gaining one in Aargau from the Catholic Conservatives. The Communists lost two seats (one in Zurich to the Social Democrats, and the other in Geneva to the Catholic Conservatives) and gained one (in Vaud), their representation being reduced to four seats, two of which are in Vaud. Only nine seats in seven cantons changed hands, the results showing that 80 per cent of the electorate continued to support the four leading parties.

Elections to the Upper House (the Council of States) also took place on Oct. 30 in 14 cantons out of 25. In six of the cantons the returns were unopposed, whilst in three of the remaining eight (Valais, Baselland, and Lucerne) the results of the first ballot were indecisive and a second ballot took place on Nov. 6. The new composition of the Council of States was as follows, previous party strengths being shown for comparison:

	New	Old
Catholic Conservatives	17	18
Radical Democrats	12	12
Social Democrats	5	4
Farmers', Traders', and Citizens' Party	3	3
Liberal Democrats	3	3
Democrats	2	2
Non-party	2	2

The Radical Democrats won a seat from the Catholic Conservatives in Lucerne (a canton hitherto represented exclusively by Catholic Conservatives), whilst the Social Democrats gained a seat from the Radical Democrats in Baselland

The combined strength of the two Houses forming the Federal Assembly (which elects the Federal President and the members of the Federal Council—i.e. the Cabinet), will thus be as follows, former party strengths being shown in parentheses. Radical Democrats, 62 (63); Catholic Conservatives, 64 (66); Social Democrats, 58 (53); Farmers', Traders', and Citizens' Party, 25 (26); Independents' Party, 10 (10); Liberal Democrats, 8 (8); Democrats, 7 (7); non-party, 6 (7).
(Neue Zürcher Zeitung) **(Prev. rep. 11806 A.)**

B. CEYLON - CHINA. — Revised Prices for Rubber and Rice under Five-Year Trade Agreement.

Revised prices for rubber and rice under the trade agreement between Ceylon and Communist China were announced in Colombo on Oct. 18 by Mr. Corea, the Ceylonese Minister of Commerce and Trade, on his return from negotiations in Peking.

Mr. Corea said that China had agreed to pay higher prices for rubber from Ceylon in the second half of 1955 and in 1956, and that these would be on a sliding scale, with a minimum of 27d. a lb and a premium on the average Singapore monthly price when this average rose above 22d. For the second half of 1955 the premiums would be as follows 5d. if the price was between 22d and 34d. a lb.; 4d. if it was between 35d. and 39d.; and 3d. if it rose above 40d In 1956, the 5d. premium would only apply in the price range 22d. - 27d.; the 4d. premium would be paid if prices were between 28d. and 39d., and the other premiums and the guaranteed minimum would be unchanged.

With regard to Chinese rice deliveries, Mr. Corea said that "an entirely new formula for price fixing" had been adopted, because "at a time when rice prices in world markets are falling it is neither easy nor wise to fix a price with a supplier who is not a main exporter of rice." "We have therefore agreed with China," he said, "on a formula for fixing rice prices for 1956 which will preserve for us complete flexibility of obtaining our rice requirements for 1956 at world prices."
(Ceylon Government Information Department, Colombo)
(Prev. rep. 13900 B.)

C. CANADA. — Formation of Transoceanic Development Corporation by U.S., Canadian, and European Interests.

The formation of a new international finance company, to be known as Transoceanic Development Corporation Ltd., was announced on Oct. 4. The new corporation, which will be backed solely by private capital from the United States, Britain, and a number of other countries, was formed by Kuhn, Loeb & Co. (New York), the First Boston Corporation (New York) and S. G. Warburg & Co (London), with the support of a large number of banks and issuing and investment houses in the United States, Canada, Britain, France, Western Germany, Belgium, the Netherlands, and Switzerland, including the following.

U.S.A.—American Metal Company, Ltd, Bear, Stearns & Co.; André Istel & Co, Model, Roland & Stone, Pennroad Corporation; White, Weld & Co

U.K.—Helbert, Wagg & Co, Ltd., London, N. M. Rothschild & Sons, London

Netherlands.—Amsterdamsche Bank, Amsterdam; Heldring & Pierson, Amsterdam; Nederlandsche Handel-Maatschappij, Amsterdam.

France—Banque de Paris et des Pays Bas, Paris; De Rothschild interests, Paris.

Belgium.—Banque Lambert, Brussels

Switzerland.—Credit Suisse, Zürich

Western Germany.—Deutsche Bank Group, Frankfurt, Dusseldorf and Hamburg, Deutsche Union Bank, Frankfurt, Sal Oppenheim Jr. & Cie, Cologne.

Canada.—Royal Bank of Canada.

The corporation was registered in Canada (where it could secure double tax advantages) with an authorized capital of 10,000,000 Canadian dollars. U.S. and Canadian shareholders provided about three-fifths of the capital and the European participants the remainder. The corporation's charter envisaged both investment in existing companies and the promotion, financing, and development of new enterprises.

Sir William Wiseman, a partner in Kuhn, Loeb & Co., was named as chairman of the corporation; Mr. George D. Woods, chairman of the First Boston Corporation, as vice-chairman; and Mr. Siegmund G. Warburg, chief officer of S. G. Warburg & Co., as chairman of the portfolio committee.—(Financial Times - Economist - New York Times - Montreal Star) **(13168 E.)**

D. CENTRAL AFRICAN FEDERATION. — Loan for Rhodesia Railways.

Sir Roy Welensky, the acting Federal Prime Minister, announced on Oct. 16 that the newly-formed Anglo-American Rhodesian Development Corporation was to invest £5,000,000 in rolling-stock for the Rhodesia Railways—£750,000 for trucks which had been delivered in 1955, £3,500,000 for trucks in 1956, and an immediate advance of £750,000 for the purchase of tank cars and other miscellaneous types of rolling-stock needed by the railways. Sir Roy said that the rolling-stock paid for by the Corporation would be hired by the railways at agreed rates for 25 years—a period which could be extended—and that responsibility for maintaining the wagons would rest with the railways.

"I regard the agreement as one of great significance in the economic development of the Federation," Sir Roy declared. "It will contribute materially to the necessary expansion of our basic economic service. It will be recalled that in November last year Rhodesian Anglo-American Ltd. lent the Rhodesia Railways £1,000,000 for the purchase of 500 high-sided trucks. Sir Ernest Oppenheimer's companies have thus, in the last 10 months, helped us to the extent of £6,000,000. They have also indicated their willingness to help in other directions"

Sir Roy Welensky added that the Corporation had agreed to discuss a similar agreement for the railways' needs from 1957 onwards.—(Federal Information Department, Salisbury)
(Prev. rep. 14256 C; Rhodesia Railways, 12860 A.)

E. INDONESIA. — Army. - New Chief of Staff.

It was announced in Jakarta on Oct. 31 that President Soekarno, in his capacity as Supreme Commander, had sanctioned the appointment of Colonel Abdul Nasution as Chief of Staff of the Army. Colonel Nasution (36), a nominee of the Army, had been Chief of Staff from December 1949 until December 1952, when he was put on reserve because of his responsibility for the Jakarta disturbances in October of that year in connexion with the Army's demonstrations against the Indonesian Parliament. During his period of suspension he had been one of the sponsors of the IPKI Party (*Ikatan Pendukung Kemerdekaan Indonesia*—the Association of Supporters of Indonesian Independence).—(Indonesian Embassy, London)
(Prev. rep. 14448 A; 12744 A.)

A. SAUDI ARABIA - UNITED KINGDOM. — The Buraimi Oasis Dispute. - British and Saudi Arabian Statements on Suspension of Arbitration Tribunal's Inquiry. - Occupation of Buraimi Oasis by British-led Forces. - Saudi Arabian Protests to Britain and U.N.

The British Foreign Office issued on Oct. 4 a statement on the dispute between the United Kingdom and Saudi Arabia over the ownership of the Buraimi Oasis area, giving details of the allegations of attempted bribery by Saudi Arabia which Britain had brought in September before the international arbitration tribunal appointed to consider the dispute.

After recalling that the United Kingdom had asked the tribunal to consider its complaints of repeated violations by Saudi Arabia of the arbitration agreement of July 30, 1954, in view of the Saudi Government's failure to take action on British diplomatic representations, the statement said that "the main charges which the United Kingdom made against Saudi Arabia were that the latter had tried to overthrow the Ruler of Abu Dhabi by force in favour of a Saudi nominee, and that they had been engaged in a deliberate, systematic, and persistent policy of large-scale bribery calculated to subvert the people in the disputed areas from their allegiance to the Ruler of Abu Dhabi or the Sultan of Muscat" Evidence given by Sheikh Hazza (the brother of the Ruler of Abu Dhabi), which counsel for Saudi Arabia had not attempted to refute, had shown that in 1954 the cadet branch of the ruling family, which was not well disposed towards the present ruler, had gone to Saudi Arabia and had been given a very large sum of money and facilities for obtaining arms. On their return to Dubai, a sheikhdom bordering on Abu Dhabi, they had attempted to secure support for an armed entry into Abu Dhabi with a view to overthrowing the present Ruler.

Although evidence showed that as much as 5,000 rupees a month was being paid to certain individuals as the price of their adherence to the Saudi cause (the statement continued), the campaign of bribery was particularly directed against members of the ruling family of Abu Dhabi, notably Sheikh Zaid bin-Sultan, a brother of the present Ruler and his representative in Buraimi. On March 30, 1955, Abdullah al-Quraishi (ostensibly a clerk in the Saudi police at Buraimi, but known to be a high political officer) had promised Sheikh Zaid that if he would throw in his lot with the Saudis he would be assured of his position in Buraimi, and would receive funds from the Saudis and 50 per cent of the profits from any oil that might be discovered there, he had also said that should the arbitration go against the Saudis, they would take the area by force. On Aug 4 Quraishi had said that King Saud would give Sheikh Zaid 400,000,000 rupees (about £30,000,000) if he would prevent the Iraq Petroleum Company from operating in the disputed territories and leave the field open to Aramco (the Arabian-American Oil Company, which holds the concession for operating in Saudi Arabia). Evidence to this effect had been given before the tribunal both by Sheikh Zaid and by Captain Clayton (the commander of the Abu Dhabi and Muscat police detachment in the Buraimi zone), to whom he had reported these approaches, neither witness being shaken in cross-examination. A similar attempt at bribery had been made against two of the principal sheikhs of the Dhawahir tribe, who had been offered a monthly payment of 100,000 rupees each

Counsel for Saudi Arabia, the statement emphasized, had not denied that a substantial sum of money had been distributed, and had made no attempt to refute the evidence of Sheikh Hazza or of the two sheikhs of the Dhawahir tribe. Quraishi had admitted in evidence that there had been meetings between himself and Sheikh Zaid, but said that they had been asked for by Sheikh Zaid because he wanted advice about how to make his peace with Saudi Arabia, and had denied that he had ever made any offers of money.

When the British Government had laid their case before the tribunal at Geneva, the statement alleged, Sheikh Yusuf Yasin (the Saudi member of the tribunal) had had to be called to order by the president for sending a note to the Saudi agent during a sitting of the tribunal, whilst Quraishi had admitted under cross-examination that his first act on arriving in Geneva had been to get in touch with Sheikh Yasin. The statement said that there could be "little doubt that the evidence he [Quraishi] subsequently gave was carefully rehearsed with the Saudi arbitrator," who had made it abundantly clear that he was conducting the proceedings on behalf of the Saudi Arabian Government and "was representing that Government on the tribunal rather than acting as an impartial arbitrator." Although Sheikh Yasin had also stated that Quraishi was his official, for whose acts in Buraimi he accepted responsibility, he nevertheless claimed that he had "forgotten" to take action on three British protests against Quraishi's presence in the Buraimi zone Finally, confirmation had been secured of the British Government's suspicion that attempts had been made to tamper with the impartiality of the tribunal behind the president's back, and in these circumstances Sir Reader Bullard (the British representative on the tribunal) had had no choice but to declare that he could not continue as a member of the tribunal.

The Saudi Arabian Embassy in London, in a statement issued on Oct. 7, completely denied the British allegations, and accused Sir Reader Bullard of withdrawing in order to prevent the tribunal from recording its judgment.

The statement said that since the sessions had been private and the president of the tribunal had been specially asked by the parties not to make public disclosures of information about its proceedings, it could not reply in detail to the British charges. The allegation that the British witnesses had not been shaken in cross-examination, however, would be shown to be "absolutely false" by the tape-recording of the proceedings. Sir Reader Bullard's resignation had taken place "at the very last moment, after the hearing had been concluded and the decision of the tribunal had been drafted by the three neutral members," and had alone prevented the tribunal from issuing its decision with respect to these "fantastic charges." If the British Government had been truly persuaded of the validity of its accusations, the statement observed, "it might have induced its member to remain for another half-hour, to enable the tribunal to record its judgment" Sheikh Yasin's dual capacity as Saudi arbitrator and Deputy Foreign Minister had been known to the British Government and to the tribunal for more than a year, and had been seized upon at the last minute to justify the British member's resignation and to keep the tribunal's decision from becoming a matter of public knowledge No evidence had been cited in support of the allegation that attempts had been made to tamper with the impartiality of the tribunal, which the statement described as "utterly untrue and unworthy of the Government of the United Kingdom." In conclusion, the statement observed that although Saudi Arabia had originally wished to settle the dispute by a plebiscite in the disputed area, it had accepted the British proposal for arbitration, and was still willing to proceed with it if Britain would abandon "public recrimination and the campaign of intimidation it has carried on in the areas adjacent to those in dispute"

The Buraimi Oasis was occupied on Oct. 26 by forces of the Ruler of Aba Dhabi and the Sultan of Muscat, which were commanded by British officers and supported by the Trucial Oman levies. Some fighting occurred in which two of the attacking force were killed and three wounded. The Saudi Arabian force of 15 police stationed in the Oasis, two of whom were wounded, were taken prisoner and subsequently repatriated.

Sir Anthony Eden stated in the British House of Commons on Oct. 26 that Dr. Dihalgo, one of the two remaining neutral members of the arbitration tribunal, had resigned, and that as the Saudi Arabian authorities had "systematically disregarded" the agreed conditions of arbitration, a fair and impartial arbitration had not been possible. The British Government had therefore felt obliged "in the exercise of its duty, which is to protect the legitimate interests of the Ruler of Abu Dhabi and the Sultan of Muscat, to advise them that the attempt to reach a just compromise by means of arbitration has failed," and their forces had accordingly resumed control of the Oasis and areas to the west of it. "I regret that this step should have been necessary," Sir Anthony concluded, "but as negotiations and arbitration have both failed, we have no other means of honouring our obligations and standing by our friends."

The British Foreign Secretary (Mr. Harold Macmillan) also made a statement to the House of Commons on Nov. 7 in which he said that the situation in the Buraimi Oasis was "completely quiet and normal" since the Ruler of Abu Dhabi and the Sultan of Muscat had reasserted their rights in the area. After referring to Sir Anthony Eden's statement that the actions and conduct of the Saudi Arabian Government amounted to a repudiation of the arbitration agreement, Mr. Macmillan added, in reply to a question by Mr. Grimond (Liberal):

"This conclusion was based partly on the widespread corruption and bribery which had taken place among the inhabitants of the disputed area and had clearly rendered any genuine expression of their wishes impossible, and partly upon the attitude of the Saudi Government towards the tribunal itself. Our position has been fully justified by the evidence obtained as a result of the re-entry of the forces of the Ruler of Abu Dhabi and the Sultan of Muscat into Buraimi In the first place, a large sum of money was found in the possession of the Saudi police detachment there, far in excess of anything that could have been required for the maintenance of this small post. The sum of money is being returned to the Saudi Government. Secondly, many documents came into our possession which gave ample confirmation of the charges we have made."

The Emir Feisal (Crown Prince, Premier, and Foreign Minister of Saudi Arabia), who was visiting Cairo at the time, said on Oct. 27 that Britain, "to throw dust in our eyes," had informed Saudi Arabia after the suspension of the tribunal's sittings that she would adhere to the arbitration agreement; while they were awaiting the next move in arbitration, however, Britain had "sent a military expedition to a peaceful oasis" and had thereby committed "an aggression against its inhabitants." After discussing the matter with the Egyptian Prime Minister, Colonel Nasser, the Emir flew to Jeddah on Oct. 31 for consultations with King Saud, but said that he would return to Cairo for an emergency meeting of the Arab League, which would consider the Buraimi situation. The Egyptian Press published the text of a telegram to King Saud in which Colonel Nasser "deplored" the British attitude on the Buraimi question and said that Egypt "wholeheartedly" supported the King's attitude "*vis-à-vis* these aggressors."

The Saudi Arabian Government sent Notes of protest to Britain on Oct. 29 and Nov. 9, and also drew the attention of the United Nations to the situation in the Buraimi Oasis, reserving its right to convene a meeting of the Security Council to consider the matter. The British Government's point of view was explained in a letter sent by Sir Pierson Dixon (permanent British delegate at the U.N.) to the president of the Security Council, couched in similar terms to Sir Anthony Eden's statement of Oct. 26. The Political Committee of the Arab League, meeting in Cairo on Nov. 14, decided to give "complete support" to Saudi Arabia against Britain on the Buraimi Oasis question, and recommended the resumption of arbitration in the dispute.

The Sultan of Muscat stated on Oct. 31 that the administration of the Buraimi Oasis was in the hands of his representative, "who will restore peaceful and orderly government and will advise me on steps which may be required to bring about the economic development of the area, which had been unfortunately interrupted by the Saudi invasion."—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 14445 A.)**

A. AUSTRALIA - INDONESIA. — Mr. Casey's Visit to Jakarta. - Meetings with Indonesian Foreign Minister. - Bursaries for Indonesian Students in Australia.

Mr. Richard Casey, the Australian Minister of External Affairs, visited Jakarta from Oct. 29 to Nov. 2 for discussions with the Indonesian Foreign Minister, Mr. Anak Agung Gde Agung.

A joint communiqué stated that the two Ministers were agreed "that their respective countries had . . . a joint responsibility in the promotion of real co-operation between Australia and Indonesia", that they were "convinced that a policy based upon mutual respect would prove to be to the benefit of each country", that, accordingly, each country should refrain from any interference in the other's internal affairs, and that, "while maintaining their respective views on the question of West Irian (Dutch New Guinea), the matter should be dealt with by means of peaceful discussions and with the firm desire to uphold peace and stability in South-East Asia."

The communiqué also announced that the Australian Government would make available an additional 120 bursaries for Indonesian students; that Cultural Attachés would be exchanged by the two countries; and that other means for improving friendly relations between them had been discussed.

It was semi-officially stated that 127 Indonesian students had completed their training in Australia, with another 63 still studying there; that 190 more were shortly due to begin their studies; and that the 120 students mentioned in the communiqué would be sent in addition, making a total of 500 Indonesian students who would have received training in Australia by the beginning of 1957, at a cost of £A.400,000. The total funds so far made available by Australia to Indonesia under the Colombo Plan amount to £A.1,500,000.

An Indonesian goodwill mission, led by Dr. Mohammed Rum (the former Foreign Minister), left for Australia towards the end of October. (Indonesian Embassy, London)

B. CHINA. — Territorial Claim to Macao.

Peking Radio broadcast on Oct. 25 an article from the Peking newspaper *People's Daily* in which it was claimed that the Portuguese Colony of Macao (on the coast of Kwangtung province) was Chinese territory, and that the Chinese people had the right to demand that Portugal should return it to them.

"The Chinese people," said the article, "have never forgotten Macao, nor have they forgotten that they have a right to demand the recovery of this territory from Portugal . . . The fact that Macao has not yet been returned to China does not mean that the Chinese people can tolerate the continued occupation of Macao. Apparently the Portuguese authorities in Macao mistake the Chinese people's peace policy for a sign of weakness. . . ."

Portuguese plans to commemorate in November the 400th anniversary of the Colony's accession to Portugal were denounced by the Chinese paper as an "outrageous attempt to show off" which the Chinese people "will never tolerate."
(New York Herald Tribune)

C. BELGIAN CONGO.—Establishment of University.

A decree establishing a University for the Belgian Congo was signed on Nov. 8 by King Baudouin of the Belgians. The University, situated at Elisabethville (Katanga province), will be open to both African and European students and will have branches in other parts of the Congo. A new University College (known as the *Centre Universitaire Lovanium* and closely connected with the University of Louvain) had been opened in February last at Kimuenza, near Leopoldville. (La Nation Belge)

D. UNITED KINGDOM. — Coal Industry. - Quarterly Statistics. - Joint Committee on Coal Production. - Union Demand for "Miners' Charter." - Successful Off-Shore Drillings. - Winter Coal Stock Position.

The following table shows the average weekly rates of coal production and consumption, and of manpower, output, and absenteeism in the third quarter of 1955:

	Saleable Mined Coal Produced Tons	Plus Open-cast Tons	Total Production Tons	Inland Consumption Tons	Overseas Shipments & Bunkers† Tons
July ..	3,157,200	251,050	3,408,250	3,399,000	275,000
August .	3,439,380	258,920	3,698,300	3,352,800	283,600*
September	4,128,700	268,800	4,397,500	3,789,500	306,700

	Wage-earners on colliery books		No. of shifts worked per	Output per manshift at		Percentage of
	Total	at coal-face	wage-earner	coal-face Tons	overall Tons	absenteeism
July	702,975	286,675	3.79	3 267	1 174	12.64
August ..	702,040	287,660	4.18	3.146	1.160	14.63
September	700,575	287,225	4.79	3.341	1.228	12.75

† Including fishing vessels, but excluding coastwise bunkers.
* Average of five weeks

Other recent developments in the coalmining industry are summarized below.

Coal Production Inquiry. It was announced on Sept 17 that the committee appointed jointly by the National Coal Board and the National Union of Mineworkers to inquire into problems of production and manpower would consist of Sir Hubert Houldsworth and Mr J. Bowman (respectively chairman and vice-chairman of the N.C.B.), Mr W. H. Sales (the member of the Board responsible for industrial relations), and Mr. Ernest Jones, Mr Ted Jones, and Mr. Arthur Horner (respectively chairman, vice-chairman, and secretary of the N.U.M.). The committee would begin its work immediately.

N.U.M. Proposal for "Miners' Charter." The N U.M. executive sent to the N.C B on Sept. 22 the draft of a "miners' charter," based on resolutions adopted at the union's annual conference in July. The charter provided for (1) reduction of the present 7½-hour working day for underground workers to 7 hours, and of the present 42½-hour working week for surface men (excluding mealtimes) to 40 hours, including mealtimes; (2) sick pay at full wage rates up to six weeks' absence; (3) three weeks' paid holiday annually instead of two; (4) consolidation of the "bonus shift" into ordinary shifts. [It was explained in the Press that, with the aim of discouraging absenteeism, miners who worked five shifts weekly were at present paid as if for six shifts, whilst any miner missing a shift (except through illness, etc.) was paid only for the shifts actually worked. The union's proposal meant, therefore, that the "bonus shift" should be abolished and that the payment for each of the five shifts actually worked should be correspondingly increased.]

The cost of these demands, together with that of other claims and demands outstanding, was unofficially estimated at about £60,000,000 a year. It was explained, however, that the pay increases and other reforms specified would not be demanded all at once, and that the "charter" was, in effect, a "plan of campaign," it being intended that the union executive should decide "from time to time in the light of events" the order in which the demands should be presented.

Submarine Mining. The N C B. announced on Oct. 19 that, after six months' drilling, coal had been found 2,000 feet below the Firth of Forth about 1½ miles off-shore from Kirkcaldy (Fife). The operations—the first major out-to-sea drillings undertaken in the U.K.—had been carried out in order to gauge the extent of a new coalfield being developed at Seafield (near Kirkcaldy), which was estimated to possess reserves for a daily output of 5,000 tons over 60 years. Another boring would be attempted 1½ miles further out to sea, followed by borings off the Durham coast and possibly also off the coasts of Cumberland and Kent, and in the Dee estuary of North Wales.

The Minister of Fuel and Power (Mr. Geoffrey Lloyd) announced on Nov. 1 the Government's plans to deal with any coal shortage which might arise in the coming winter through severe weather and disappointing colliery output.

Mr. Lloyd stated that distributed coal stocks totalled slightly over 19,000,000 tons at the end of October, or about 1,750,000 tons more than on Oct. 31, 1954, but gave a warning that shortages might nevertheless develop if the weather became severe and coal production did not pick up quickly enough. In this event, preferential supplies would be given to vital services and industries and to the house-coal market, leaving less essential industry to carry the burden of the shortage. He stressed, however, that industry could "make it less likely that the plans need ever be put in operation by making the coal go further," and declared that, with little or no capital expenditure, many firms could cut their consumption by at least 10 per cent, thus saving about 2,000,000 tons of coal during the winter, equivalent to coal imports worth £14,000,000.

Mr. Lloyd added that coal imports during 1955 were expected to amount to 12,000,000 tons and exports to only 11,000,000 tons, this being the first time that Britain had had to import more coal than she exported.—(Times - Daily Telegraph - Manchester Guardian - Financial Times) **(Prev. rep. Coal Industry, 14428 A; Undersea Coal Borings, 13528 A.)**

A. UNITED NATIONS. — Unesco Loyalty Cases. - Reinstatement of dismissed U.S. Employees.

The administrative tribunal of the International Labour Office, acting as the recognized appeals tribunal, ordered the U.N. Educational, Social, and Cultural Organization in Paris on April 26 to reinstate three officials of U.S. nationality whose fixed term contracts had not been renewed upon their expiry at the end of 1954. The three officials concerned were Mr. David N. Leff, Mr. Peter Duberg, and Mrs. Annette Wilcox, and the decision not to renew their contracts had been taken because they had failed to appear before the U.S. loyalty board at the U.S. Embassy in Paris, and had thus "lost the confidence" of the Director-General of UNESCO (Dr. Luther Evans). The tribunal (which has no statutory powers to enforce reinstatement) also ordered UNESCO to pay the following damages if the reinstatement order were not complied with: Mr. Leff—$12,800, plus children's allowances for two years, the whole with interest at 4 per cent a year as from Jan. 1, 1955; Mr. Duberg—$15,500, also with children's allowances for two years and interest at 4 per cent from Jan. 1, 1955; Mrs. Willcox—$15,500, with interest at 4 per cent from Jan. 1, 1955. Each of the three officials was also awarded $300 towards costs.

Although the UNESCO staff regulations specify that a fixed term contract expires on the date specified therein, without any need for the Director-General to give notice or to state the reasons for non-renewal, the three appellants claimed to have an "acquired right" to the extension of their contracts This claim was based on the assumption—as in some previous cases concerning the U.N. Organization—that if the post occupied by the appellant was maintained and the appellant's professional performance judged satisfactory by his immediate superiors, there was no justice if his contract were not renewed upon expiry. The Director-General of UNESCO maintained, however, that by refusing to co-operate in measures of investigation and to appear before the loyalty board, the three employees had adopted an attitude "incompatible with the high standards of integrity required of those who are employed by the Organization," and one which was "capable of harming the interests of the Organization."

The tribunal, in its judgment, said that "loyalty towards a State" was entirely different from the idea of "integrity" embodied in the staff regulations and rules of UNESCO. The staff regulations clearly established "the entire freedom of conscience" of international officials in respect of "both their philosophical convictions and their political opinions," but at the same time imposed on them "the duty to abstain from all acts capable of being interpreted as associating them with propaganda or militant proselytism in any sense whatever." There was no evidence that the appellants had engaged in, or were engaging in, activities that could be shown to constitute misconduct under the staff regulations and rules It was irrelevant to inquire whether or not they had engaged in "militant political activities" before being appointed to the international service and at a time when they were not bound by the obligations involved in joining that service, unless it had been proved that they had been guilty of "dishonourable or criminal acts." The tribunal held, therefore, that the complaint adduced by the Director-General of UNESCO for the non-renewal of the appointments was "entirely unjustified"

In a similar decision on Oct. 29, the administrative tribunal ruled that Dr. Evans's suspension on Dec. 10, 1954, and subsequent dismissal, of three other U.S. employees of UNESCO with long-term contracts—Miss Ruth Froma, Mrs. Kathryn Pankey, and Miss Helene van Gelder—for failure to appear before a U.S. loyalty board was unwarranted. All three persons, together with a fourth (Mrs. Kathryn Bernstein, whose case was heard separately), were awarded damages in lieu of reinstatement to their posts, as follows: Miss Froma—$10,000; Mrs. Pankey—1,638,000 French francs; Miss van Gelder—2,260,000 French francs; Mrs. Kathryn Bernstein—2,600,000 French francs.

The tribunal said in its judgment that under the UNESCO Constitution the responsibilities of the staff, including the Director-General, were exclusively international, and that each member-State undertook to respect such responsibilities. If, however, any one of the 74 members of UNESCO chose to bring an accusation of disloyalty against one of its nationals, then the Director-General, having once established a precedent, would be required to withdraw his confidence from such an official. If this happened in matters of conscience, a state of uncertainty and insecurity would arise, prejudicial to the performance of the duties of the Organization and "liable to provoke disturbances in the international administration such as cannot have been imagined to have been the intention" of those who drew up the Constitution of UNESCO. Referring to the Director-General's failure to produce to the tribunal the report made on the three cases by a special advisory board, the judgment said that if the board's opinion was to be restricted to the Director-General alone, then the additional guarantee given to the staff of UNESCO against arbitrary decisions was unavailing.

In the separate case of Mrs. Bernstein the tribunal found that the action taken against her was "a wrongful exercise of power and an abuse of rights."

The United States, supported by the United Kingdom, Canada, Cuba, Pakistan, Iraq, China (Nationalist), and Argentina, presented a resolution to the U.N. General Assembly's Administrative and Budgetary Committee on Oct. 17 proposing that new machinery be set up to review decisions handed down by the U.N. administrative tribunal. It was proposed (*a*) that member-States should have the right to demand a review of any of the tribunal's judgments if they felt that the tribunal had erred or exceeded its powers, and (*b*) that a committee, composed of delegates from 15 States, should act as a "screening" committee on requests for review, and should refer approved cases to the International Court of Justice. The resolution was approved by the committee on Oct. 25 by 27 votes to 18, and by the General Assembly on Nov. 8 by 33 votes to 17, with nine abstentions.—(New York Times - New York Herald Tribune) **(Prev. rep. Unesco Employees, 14084 A.)**

B. UNITED KINGDOM. — Committee of Inquiry into Procedure of Administrative Tribunals.

Sir Anthony Eden announced in the House of Commons on Nov. 1 the appointment of a committee, under the chairmanship of Sir Oliver Franks (formerly Ambassador in Washington), to review the constitution and working of administrative tribunals. Its terms of reference were as follows:

"To consider and make recommendations on (*a*) the constitution and working of tribunals, other than the ordinary courts of law, constituted under any Act of Parliament by a Minister of the Crown or for the purposes of a Minister's functions, (*b*) the working of such administrative procedures as include the holding of an inquiry or hearing by or on behalf of a Minister, on an appeal or as a result of objections or representations, and in particular the procedure for the compulsory purchase of land."

The members of the committee, apart from Sir Oliver Franks, were:

Lord Balfour of Burleigh, formerly chairman of Lloyds Bank; Mr. Roderic Bowen, Q.C., M.P (Liberal, Cardiganshire), Mr J C. Burmer (a former Lord Mayor of Birmingham), representing local authority interests, Dame Florence Hancock, chief woman officer, Transport and General Workers' Union, and a former president of the T.U C.; Mr. Douglas Johnston, Q C, M P. (Labour, Paisley), formerly Solicitor-General for Scotland in the Labour Government; Sir Geoffrey King, formerly Permanent Secretary, Ministry of Pensions and National Insurance, Lord Linlithgow, director, Eagle Star Insurance Co., and a landowner; Major John Morrison, M P (Conservative, Salisbury); Miss K. M Oswald, secretary, National Citizens' Advice Bureaux Committee, National Council of Social Service; Lord Justice Parker, a Lord Justice of Appeal; Mr. H. Wentworth Pritchard, member of the council of the Law Society, Mr. Charles Russell, Q.C.; Lord Silkin, formerly Minister of Town and Country Planning in the Labour Government; Mr. Alan Symons, chairman, Tootal, Broadhurst, Lee and Co, representing industry; Professor Kenneth C. Wheare, Gladstone Professor of Government and Public Administration, University of Oxford.

The appointment of the committee implemented a policy pledge in the Conservative election manifesto, repeated in the Queen's Speech in June and reaffirmed by a resolution passed at the Conservative conference in October. The demand for an inquiry of this kind arose mainly out of the Crichel Down case. (Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Crichel Down, 13705 A; Conservative Election Manifesto, 14199 A; Queen's Speech, 14255 A; Conservative Conference, 14493 A.)**

C. SWEDEN. — Cabinet Changes.

Following the resignation of Mr. Skold, the Finance Minister, the Swedish Government headed by Mr. Erlander was reorganized on Sept. 25 as follows: (*a*) Mr. Gunnar Strang, the Minister for Social Affairs, became Minister of Finance, being succeeded in his former portfolio by Mr. John Ericsson, hitherto Minister of Commerce; (*b*) Mr. Gunnar Lange, hitherto Civil Minister (a post corresponding to that of Permanent Secretary of the Treasury in the British Government, and carrying with it the functions of head of the Civil Service), became the new Minister of Commerce in place of Mr. Ericsson.
(Svenska Dagbladet, Stockholm) **(Prev. rep. 11780 B.)**

D. RELIGIOUS LIFE. — Church of England. - New Bishops of Bradford and Worcester.

It was announced from 10, Downing Street, on Oct. 25 that the Queen had approved the appointment of the Rev. Lewis Mervyn Charles-Edwards, Vicar of St. Martin-in-the-Fields, London, as Bishop of Worcester in succession to the late Dr. W. W. Cash, who died in July, and of Dr. Frederick Donald Coggan, Principal of the London College of Divinity, as Bishop of Bradford in place of Dr. Alfred Blunt (76), who was resigning through age and ill-health.—(Church Times) **(14032 E.)**

NOVEMBER 19—26, 1955

A. WESTERN POWERS - SOVIET UNION.—Geneva Conference of Foreign Ministers. - Failure to reach agreement on Implementation of "Summit" Directives.

In conformity with the directives issued by President Eisenhower, Sir Anthony Eden, Marshal Bulganin, and M. Faure at the end of the Geneva "summit" conference (see 14325 A), the conference of the Foreign Ministers of France, the Soviet Union, the United Kingdom, and the United States (respectively M. Pinay, M. Molotov, Mr. Macmillan, and Mr. Dulles) opened at Geneva on Oct. 27 to discuss the three-point agenda agreed upon by the Heads of Government: (1) European security and German reunification, (2) disarmament, and (3) contacts between East and West. After three weeks of discussions, in which it proved impossible to reconcile the Western and Soviet viewpoints, the conference ended on Nov. 16 without reaching agreement on any of the subjects on the agenda.

Prior to the opening of the Geneva Conference, Mr. Dulles, Mr Macmillan, and M Pinay met on Sept 27-28 in New York, where the 10th session of the U.N General Assembly was then in progress. A joint communiqué stated (1) that the three Foreign Ministers had reviewed the preparations for the Geneva Conference and were in "complete accord", (2) that they were agreed that priority should be given to the reunification of Germany, within the framework of a plan for European security, and (3) that they would meet the members of the North Atlantic Council in Paris before going to Geneva The communiqué added that Dr von Brentano (the West German Foreign Minister) had taken part in the discussions in so far as they concerned Germany.

The Western Foreign Ministers also issued the following statement in connexion with matters arising out of the agreements concluded between the Soviet Union and Eastern Germany on Sept 20 (see 14451 A)

"They wish, in the first place, to emphasize that these agreements cannot affect the obligations or responsibilities of the Soviet Union, under agreements and arrangements between the three Powers and the Soviet Union, on the subject of Germany and Berlin. The Soviet Union remains responsible for carrying out these obligations.

"The three Foreign Ministers reaffirm that the Federal Republic of Germany is the only German Government freely and legitimately constituted and therefore entitled to speak as the representative of the German people in international affairs Their three Governments do not recognize the East German regime nor the existence of a State in the Soviet Zone.

"Finally, as regards . . . the frontiers of Germany, the three Foreign Ministers reaffirm the repeatedly expressed position of their Governments that the final determination of frontiers must await a peace settlement for the whole of Germany."

Mr Dulles, Mr. Macmillan and M Pinay had a further meeting in Paris on Oct 21, at which Dr von Brentano was also present. On the following day, before going to Geneva, they attended two meetings of the North Atlantic Council, which heard and approved statements of policy by the three Foreign Ministers. Mr Dulles presented the views of the three Western Powers on the question of European security and the reunification of Germany; Mr. Macmillan put forward the Western Powers' views on disarmament; whilst M Pinay discussed the Western Powers' attitude to the question of promoting contacts between the Western countries and the Soviet Union.

M Molotov broke his journey to Geneva for discussions on Oct. 25 with Herr Grotewohl and other members of the East German Government.

At the first meeting of the Foreign Ministers on Oct. 27, it was agreed that the chairmanship should rotate between them from day to day for the duration of the conference. The introductory speeches of the three Western Ministers and of M. Molotov were, in effect, restatements of the positions of the four Powers with regard to the questions on the agenda, and were broadly similar to those made by the Heads of Governments at the "summit" conference. The subsequent proceedings of the conference are described below in the order of the three-point agenda.

I.—European Security and German Reunification.

Two sets of proposals—one Western and one Soviet—were introduced on Oct. 28. The Western proposals were in the form of a draft treaty on Germany, and envisaged (*a*) a European security pact, and (*b*) a concurrent agreement to unite Germany through free elections, as provided in the "Eden plan" presented at the Berlin conference of 1954. The Soviet proposals—which made no mention of all-German elections or the eventual reunification of Germany—provided for (*a*) a collective European security treaty, with the United States as a member and the People's Republic of China as an observer, and (*b*) the dissolution of the NATO, the Western European Union, and the Warsaw Treaty Organization after an interim period following the coming into force of the European security treaty.

Western Proposals for Draft Treaty on Germany.

The Western proposals were in the form of a draft "Treaty of Assurance on the Reunification of Germany," the provisions of which were as follows:

Preamble. "At the Geneva conference [in July] the Heads of Government recognized, in their directive to the Foreign Ministers, the common responsibility of the four Powers for the reunification of Germany by free elections in conformity with the national interests of the German people and the interests of European security

France, the United Kingdom, and the United States have striven unceasingly for the reunification of Germany in freedom in order to promote real stability in Europe They put forward, in the 'Eden plan,' proposals which offer the German nation the means to recover its unity in accordance with the rights of peoples and the liberty of the individual They renew these proposals.

Free elections leading to the formation of a single Government for the whole of Germany are the right way of ensuring the full participation of the German people in the solution of the German problem, which the Soviet Government says it also desires If agreement in principle is reached during the present conference, it should be possible to settle without delay questions concerning the electoral law and the supervision of the elections, which could take place as early as 1956

Without German unity, any system of European security would be an illusion The division of Germany can only perpetuate friction and insecurity as well as grave injustice France, the U.K., and the U.S.A. are not prepared to enter into a system of European security which . . . does not end the division of Germany.

At the [summit] conference, the Soviet Government expressed concern about the policy and associations of a reunified German Government. The Soviet Union appears to fear that a unified Germany, established by free elections and free to choose its associates in collective defence, would constitute a threat to the security of the Soviet Union and Eastern Europe The fact is that the NATO and the Western European Union are strictly defensive organizations. Far from constituting a threat to peace, they contribute to the security not only of their members but of all States. This is evident from the limitations and restrictions which the members of the W.E.U. have assumed, and from the restraint on individual action which the NATO system imposes on its members. If a reunified Germany elects to associate itself with these organizations, the inherent obligations of restraint and control would enhance rather than detract from Soviet security.

Nevertheless, to remove any possible grounds for Soviet refusal to reunify Germany promptly, France, the U.K., and the U.S.A. are prepared to take further steps to meet the concern expressed by the Soviet Government. They accordingly propose the conclusion of a treaty in the terms set forth below, concurrently with the conclusion of an agreement to reunify Germany under the 'Eden plan' This treaty would comprise undertakings to refrain from the use of force and to withhold aid from an aggressor, provisions for the limitation and control of forces and armaments, and the obligation to react against aggression

The treaty would enter into force only in conjunction with the reunification of Germany. It would be carried out by stages. Its signature would be concurrent with the signature of the agreement on the 'Eden plan.' The final stage would become effective when a reunified Germany decides to enter NATO and the W.E.U

France, the U.K., and the U.S.A. are convinced that these proposals could lead to an agreement satisfactory to both sides. If the Soviet Union's concern over immediate German reunification is primarily security, these proposals should constitute an acceptable basis for negotiation since they provide a system of controls in which the Soviet Union would directly participate, and reciprocal assurance from which the Soviet Union would directly benefit Such a settlement, by creating confidence in an area vital for world security, would facilitate the solution of even wider problems.

The treaty, which would be concluded concurrently with an agreement on the reunification of Germany under the Eden plan, would cover the following subjects:

1. Renunciation of the Use of Force. Each party would undertake to settle by peaceful means any international dispute in which it might be involved, and to refrain from the use of force in any manner inconsistent with the purposes of the United Nations

2. Withholding Support from Aggressors. Each party would agree to withhold assistance, military or economic, to any aggressor, and any party could bring the aggression to the attention of the U.N. and seek such measures as are necessary to maintain or restore international peace and security

3. Limitation of Forces and Armaments. In a zone comprising areas of comparable size, depth, and importance on both sides of the line of demarcation between a reunified Germany and the Eastern European countries, levels for armed forces would be specified so as to establish a military balance which would contribute to European security and help to relieve the burden of armaments There would be appropriate provisions for the maintenance of this balance In parts of the zone which lie closest to the line of demarcation, there might be special measures relating to the disposition of military forces and installations

4. Inspection and Control. The parties would provide information on an agreed progressive basis on their armed forces in the zone. There would be agreement on procedures of mutual inspection to verify such data and to warn against any preparation for surprise attack.

5. Special Warning System. In order to provide added depth to the surveillance system on both sides, and thus give further protection against surprise attack, provisions could be made to establish:

(*a*) In the Western part of the zone mentioned in Paragraph 3, a radar warning system operated by the Soviet Union and the other Eastern members of the treaty.

(*b*) A like system in the Eastern part of that zone, operated by the NATO members of the treaty

6. Consultation. There would be provision for consultation among the parties to implement the treaty.

7. Individual and Collective Self-defence. It would be provided that nothing in the treaty would impair or conflict with the right of individual and collective self-defence recognized by the U N Charter and treaties under it No party would continue to station forces in the territory of any other party without the latter's consent, and upon request of the party concerned any party would withdraw its forces within a stated period, unless these forces are present in the territory concerned under collective defence arrangements.

8. Obligation to react against Aggression. Each party would agree that armed attack in Europe by any party, which is also a NATO member, against any party which is not a NATO member, or *vice versa*, would endanger the peace and security which is the object of this treaty, and that all the parties would then take appropriate action to meet that common danger.

9. Entry into Force by Stages. The provisions would come into effect progressively at stages to be agreed."

Attached to the Draft Treaty was a statement of the " Eden Plan " for the reunification of Germany, as set forth below ·

The Eden Plan.

" German reunification and the conclusion of a freely negotiated peace treaty with a united Germany should be achieved in the following stages :

I. Free elections throughout Germany.
II. The convocation of a National Assembly resulting from these elections.
III. The drafting of a Constitution and the preparation of peace treaty negotiations.
IV. The adoption of the Constitution and the formation of an all-German Government responsible for the negotiation and conclusion of the peace treaty.
V The signature and entry into force of the peace treaty.

I. Free Elections throughout Germany. Free and secret elections should be held throughout Germany, including Berlin, at the earliest possible date. These elections must be held in conditions of genuine freedom. Safeguards must be agreed to assure this freedom before, after, and during the elections. The elections must also be supervised in such a manner as to make sure that these safeguards are observed and that the elections are properly conducted.

Preparation for the Elections.

(A) The Electoral Law.

The electoral law should be prepared by France, the U.S.S.R., the U.K., and the U.S A. in consultation with German experts, taking into consideration the electoral laws already drafted for this purpose by the *Bundestag* of the Federal Republic and the Soviet zone *Volkskammer*. When approved by the four Powers, it would be published throughout Germany. Elections should take place as soon as possible thereafter.

(B) Guarantees for Free Elections

The draft electoral law must contain provisions which will guarantee the genuine freedom of the elections These include, amongst others ·

Freedom of movement throughout Germany.
Freedom of presentation of candidates.
Immunity of candidates.
Freedom from arbitrary arrest or victimization.
Freedom of association and political meetings.
Freedom of expression for all.
Freedom of the press, radio and television, and free circulation of newspapers, periodicals, etc.
Secrecy of the vote.
Security of polling stations and ballot boxes.

(C) Supervision of the Elections.

Supervision should be carried out by a Supervisory Commission throughout the whole of Germany. There should be a central body with subordinate bodies at *Land* and local levels All votes should be counted and verified at local headquarters in the presence of the Supervisory Commission.

(i) Composition of Supervisory Commission—The Commission should be composed of representatives of the four Powers, with or without the participation of neutrals, assisted by Germans in a consultative capacity.

(ii) Organization of the Commission—The Commission should work on a committee basis. Its decisions should be taken by majority vote.

(iii) Functions and powers of the Commission—The principal task of the Commission will be to ensure that the elections take place in genuine freedom and in strict conformity with the provisions of the electoral law.

Method for completing the above preparations.

The Foreign Ministers must in the first place agree on the principles contained in this plan. They will then give instructions accordingly to a working group, consisting of the principal representatives in Germany of the four Powers, or members of their staffs, which will work out the necessary details and submit a report. This report should include, in particular ·

(i) The draft of the all-German electoral law.

(ii) Detailed recommendations regarding the supervision of the elections.

The working group should begin work not later than two weeks after the Foreign Ministers have agreed on the principles contained in this plan It should submit its report to the four Governments not later than one month after beginning its work.

II. The National Assembly. The all-German elections will establish an all-German National Assembly.

During the period between the end of the elections and the full assumption of control by the all-German Government, it will be desirable for part of the supervisory machinery to remain in operation, in order to prevent action after the elections which would impair the conditions of genuine freedom under which they will have been held, as provided above Recommendations on this subject should be included in the report of the working group

III. Drafting of a Constitution and Preparation of Peace Treaty Negotiations. The National Assembly will begin drafting a Constitution as soon as possible after its first meeting. Meanwhile, it may form a provisional all-German authority charged with assisting the Assembly in drafting the Constitution and with preparing the nucleus of the future all-German executive organs The authority may also open with the four Powers preliminary negotiations for the peace treaty.

IV. Adoption of the Constitution and Formation of an All-German Government. The draft of the Constitution will be submitted to the Assembly as soon as possible Immediately after it has been adopted, an all-German Government will be formed This Government will then be responsible for the negotiation and conclusion of the peace treaty. At the same time such other institutions as may be provided for in the Constitution shall be established.

As soon as the all-German Government has been formed, the National Assembly will determine how the powers of the [West German] Federal Government and the German authorities in the Soviet zone shall be transferred to the all-German Government, and how the two former shall be brought to an end.

The all-German Government shall have authority to assume or reject the international rights and obligations of the Federal Republic and the Soviet zone of Germany, and to conclude such other international agreements as it may wish. The four Powers will support any application of the all-German Government to accede to the U.N Organization

Each of the four Powers will exercise, with respect to the National Assembly, the provisional all-German authority, and the all-German Government, only those of its rights which relate to the stationing of armed forces in Germany and the protection of their security, Berlin; the reunification of Germany, and a peace treaty. [A footnote to the document said . The provisions of this plan are subject to any provisions of a security agreement concluded in connexion with the reunification of Germany]

Decisions of the National Assembly, the provisional all-German authority, and the all-German Government in carrying out this plan will not require the approval of the four Powers. Such decisions may not be disapproved except by a majority vote of the four Powers.

V. Signature and Entry into Force of the Peace Treaty. The signatories to the treaty should include all States, or the successors thereof, which were at war with Germany. The treaty should enter into force when ratified by the four Powers and by Germany."

Soviet Proposals for European Collective Security Treaty.

The following draft of a proposed European collective security treaty was presented by M Molotov ·

Preamble. " For the purpose of ensuring peace and security and of preventing aggression against any State in Europe ;

For the purpose of strengthening international co-operation in conformity with the principles of respect for the independence and sovereignty of States and non-interference in their internal affairs ,

Striving to achieve concerted efforts by all European States in ensuring collective security in Europe instead of the formation of groupings of some European States directed against other European States, which gives rise to friction and strained relations among nations and aggravates mutual distrust ;

Bearing in mind that the establishment of a system of collective security in Europe would facilitate the earliest possible settlement of the German problem through the unification of Germany on a peaceful and democratic basis ;

European States, guided by the purposes and principles of the U.N. Charter, conclude a general European treaty on collective security in Europe, the basic provisions of which are as follows .

Treaty Provisions. (1) All European States, irrespective of their social systems, and also the United States, may become parties to the treaty provided they recognize the purposes and assume the obligations set forth in the treaty.

Pending the formation of a united, peace-loving, democratic German State, the German Democratic Republic [Eastern Germany] and the German Federal Republic [Western Germany] may be parties to the treaty, enjoying equal rights with other parties thereto. It is understood that after the unification of Germany the united German State may be a party to the treaty.

The conclusion of the treaty on collective security in Europe shall not affect the competence of the four Powers to deal with the German problem, which shall be settled in accordance with decisions previously taken by them.

(2) The parties to the treaty undertake to refrain from aggression against one another and also to refrain from having recourse to the threat or use of force in their international relations, and, in accordance with the U.N. Charter, to settle any dispute that may arise among them by peaceful means and in such a way as not to endanger international peace and security in Europe.

(3) Whenever, in the view of any party to the treaty, there is danger of an armed attack in Europe against one or more of the parties to the treaty, they shall consult one another in order to take effective steps to remove the danger and to maintain security in Europe

(4) An armed attack in Europe against one or several parties to the treaty by any State or group of States shall be deemed an attack against all the parties In the event of such an attack, each of the parties, exercising the right of individual or collective self-defence, shall assist the State or States so attacked by all the means at its disposal, including the use of armed force, for the purpose of re-establishing and maintaining international peace and security in Europe

(5) The parties to the treaty undertake jointly to discuss and determine as soon as possible the procedure under which assistance, including military assistance, shall be provided by them in the event of a situation in Europe requiring a collective effort for the re-establishment and maintenance of peace in Europe.

(6) The parties to the treaty, in conformity with the provisions of the U N Charter, shall immediately inform the Security Council of any action taken or envisaged for the purpose of exercising the right of self-defence or of maintaining peace and security in Europe

(7) The parties to the treaty undertake not to participate in any coalition or alliance and not to conclude agreements the objectives of which are contrary to the purposes of the treaty on collective security in Europe.

(8) The parties to the treaty undertake to promote economic and cultural co-operation among themselves, as well as with other States, through the development of trade and other economic relations and the expansion of cultural ties on a basis excluding any discrimination or restrictions which hamper such co-operation

(9) To implement the provisions of the treaty concerning consultation among its parties, and to consider questions arising in connexion with the task of ensuring security in Europe, the following shall be provided for ·

(*a*) Regular, or, when required, special conferences at which each State shall be represented by a member of its Government or by some other specially designated representative.

(*b*) The setting-up of a Permanent Consultative Political Committee, the duty of which shall be the preparation of appropriate recommendations to the Governments of the States which are parties to the treaty.

(*c*) The setting-up of a Military Consultative Organ, the terms of reference of which shall be specified in due course.

(10) Recognizing the special responsibility of the permanent members of the U.N Security Council for the maintenance of international peace and security, the parties to the treaty shall invite the Chinese People's Republic to designate representatives to the organs set up in accordance with the treaty, in the capacity of observers.

(11) The treaty shall not impair in any way the obligations of European States under international treaties and agreements to which they are party, provided the principles and purposes of such agreements are in conformity with those of the present treaty.

(12) The parties to the treaty agree that during the first period (two or three years) of the implementation of measures for the establishment of the system of collective security in Europe under the present treaty, they shall not be relieved of the obligations assumed by them under existing treaties and agreements At the same time, the parties to existing treaties and agreements which provide for military commitments shall refrain from the use of armed force and shall settle by peaceful means all the disputes that may arise between them. Consultations shall also take place between the parties to the corresponding treaties and agreements, in case any differences or disputes arise among them which might constitute a threat to the maintenance of peace in Europe.

(13) Pending the conclusion of agreements on the reduction of armaments and the prohibition of atomic weapons, and on the withdrawal of foreign troops from the territories of European countries, the parties to the treaty undertake not to take any further steps to increase their armed forces on the territories of other European States under treaties and agreements concluded by them previously.

(14) The parties to the treaty agree that on the expiration of an agreed time-limit from the entry into force of the present treaty, the Warsaw Treaty of May 14, 1955, the Paris Agreements of Oct. 23, 1954, and the North Atlantic Treaty of April 4, 1949, shall become ineffective.

(15) The duration of the treaty shall be 50 years "

In the ensuing discussion on Oct. 28 the Soviet proposals were criticized by the Western Foreign Ministers, notably on the ground that they made no provision for free all-German elections and the subsequent reunification of Germany, whilst the Western draft treaty was criticized by M. Molotov.

Mr. Macmillan emphasized that the continued division of Germany created " a state of tension in Europe which is dangerous to us all," and declared that it was essential as a first step to reach agreement on unification. " At the same time," he continued, " we in the West have given very careful thought to whether we can devise a system of security which would meet the Soviet Government's fears. These proposals are set out in the Western Governments' paper [i.e. the draft treaty on Germany].

" May I say first of all that the Western Powers cannot possibly admit that in order to give security to the Soviet Union they must abandon their own. . . . Nor do the Soviet proposals really provide for the reunification of Germany. There are no concrete proposals for reunification. On the contrary, the Soviet plan provides for the continued division of Germany. Thus the main cause of insecurity is not removed. It is prolonged. The Western Powers have a more satisfactory solution in mind. They propose the conclusion of a treaty of assurance, concurrently with an agreement to reunify Germany under the Eden plan This treaty would comprise undertakings to refrain from the use of force and to withhold aid from an aggressor, provisions for the limitation and control of forces and armaments, and obligations to react against aggression.

" In order that the benefits of this treaty should be felt as soon as possible, its entry into force would be linked to the reunification of Germany, and the two processes would go forward together by stages. . . . Naturally, if such an agreement is to be effective, France, the U K , the U.S.A., the Soviet Union, and a reunified Germany must be parties. But we shall be ready to consult with Mr. Molotov and our own allies on how the membership might be widened to the general advantage.

" In order to establish a military balance and thus contribute to a sense of security, we should work out arrangements for the limitation of forces and armaments in a zone, the precise limits of which are to be determined, lying on either side of the line of demarcation between a reunified Germany and the Eastern European countries. We believe this interchange of facilities marks a real step forward in establishing confidence. If the Soviet Union is truly concerned with security, these proposals should offer a good basis for negotiation."

M. Molotov declared that a settlement of the German problem could only be achieved by " the establishment of an effective system of security in Europe and a gradual *rapprochement* between the two existing German States—the Democratic Republic and the Federal Republic " The creation of such a collective security system, in which the two German States should participate, would " facilitate the creation of the pre-requisite for the development of a peaceful Germany, and would at the same time create confidence among the European nations that the destiny of Germany would not again pass into the hands of the forces which once drove her along the path of aggression and military adventure."

After stating that the Soviet Government would submit proposals on the German question at a later stage of the conference, M Molotov continued " The Soviet delegation welcomes the fact that the Governments of Britain, the U.S A., and France have admitted the necessity of raising not only the German question but also the question of European security Some provisions in the [Western] document call for further discussion, and we shall study them thoroughly. Nevertheless, even now certain points with regard to this document suggest themselves. First of all, it is necessary to point out that the very formulation of the proposals is not in conformity with the directives of the Heads of Government of the four Powers, where the first emphasis is placed on European security. The new proposals [by the Western Powers] do not accord with the demands for the creation of an effective European collective security system , moreover, their implementation would aggravate the situation in Europe still further and would add to the tension in the relations between States. It would lead in fact not only to the preservation of the existing military groupings in Europe, but also to their consolidation.

" The proposal clearly envisages the unification of Germany only if the whole of Germany proceeds along the path of remilitarization. At the same time it is predetermined that such a Germany must necessarily be a party to the North Atlantic bloc. . . . The acceptance of this proposal would mean that the Soviet Union, as well as a number of European States, would assist in the resurrection of German militarism, in handing to the German militarists a united Germany, and in strengthening the military groupings directed against those States. One can hardly expect it to be taken seriously. ."

Mr. Dulles emphasized that the " military blocs " denounced by M. Molotov were in reality associations for the collective security of their members, purely defensive in character and sanctioned by the provisions of the U N. Charter. " It is suggested," he continued, " that these collective defence associations are a cause of increased military expenditures, and in support of that figures are given [from the Soviet side] showing that in some of our countries our military budgets went up very sharply between 1948 and 1951 But it should not be forgotten that some things happened during that period other than the formation of collective security associations. There were the events which took place in Czechoslovakia, there was the blockade of Berlin, there was the attack upon the Republic of Korea. It was such events as these that led to the increase of military budgets, and not the creation of collective security associations. . . .

" We have come here to deal with two problems, the solution of which would serve the interests of consolidating peace. We have put on the table the proposal for the unification of Germany, which reflects in essence the Eden plan put forward at Berlin, and the new proposals to give security assurance in connexion with the reunification of Germany. The suggested treaty on the reunification of Germany is new, and represents an honest, sincere, painstaking effort to carry out the directive in that respect and to meet what we recognize to be a legitimate preoccupation—of the Soviet Union and, indeed, of all of us—against the possibility that Germany might again become a militaristic State.

" I was very glad to hear Mr. Molotov say that he would study these proposals more carefully, because it is quite obvious that his initial reaction is based upon an inadequate understanding of the document. As I understand Mr. Molotov, his basic objection to the proposal is that it requires Germany to become a party to the North Atlantic Treaty Organization . . . . Let me say that there is nothing whatsoever in the treaty which conflicts with the provision of the Eden plan

that the all-German Government shall have authority to assume or reject the international rights and obligations of the Federal Republic and the Soviet zone of Germany There is nothing whatsoever in the treaty which requires Germany to become a member of NATO. It is recognized that a reunified Germany will be free to accept or reject existing obligations with reference either to NATO, to Brussels, or to Warsaw That is a complete freedom, and nothing in our proposals is in any way contrary to that."

In conclusion, Mr. Dulles said that the Western Powers would "carefully examine" the Soviet proposals, although they seemed to be "in no way connected with the reunification of Germany."

M. Pinay spoke as follows: "... Free elections and the constitution of a freely chosen single Government are the two essential stages necessary to any reunification of Germany. They are based on a logic so obvious and so time-tested that it is difficult to see how such a method could be contested without ulterior motives If the French Government is convinced that the re-establishment of German unity must be brought about as rapidly as possible, it is no less convinced of the necessity of seeing that this reunification takes place under conditions which ensure the security of all. It is convinced that these conditions would be fulfilled if a reunified Germany were integrated in the Western defensive organizations.

"NATO and the Western European Union are defensive organizations which have as their object the assurance of the security of their members. Moreover, they provide effective security guarantees to all other States, whether they are members or not. For the first time in history we are in the presence of organizations whose members cannot act in their individual capacity on the political level, any more than their military forces can take isolated action.

"Nevertheless, the Soviet Government appears to want a reunified Germany to adhere to a collective system which would bring the Soviet Union a certain number of additional guarantees which it considers necessary to its own security. To take account of this Soviet concern, the Heads of Government last July accepted the principle of a security agreement that will enter into force at the same time as an agreement on the reunification of Germany. It is indeed essential that this shall take place simultaneously, as, without the reunification of Germany, no security system can be based on a lasting foundation. . . ."

On Oct. 31 and Nov. 2 M. Molotov presented two new sets of proposals: (*a*) for a European security pact embracing the four Powers, all the other parties to the Western European Union and the Warsaw Treaty, the two German States, and possibly Denmark and Yugoslavia, (*b*) for the setting-up of an All-German Council on which both German States would be represented. The Western Powers presented a proposal on Nov. 4 calling for free all-German elections in September 1956. None of these proposals was acceptable to the other side, and, as a result of the *impasse*, the discussions on the first item on the agenda ended on Nov. 15 without agreement being reached.

Before presenting his new proposal for a European security pact, **M. Molotov** urged on Oct 31, that the conference should invite the Prime Minister of the German Democratic Republic (Herr Grotewohl) and the Chancellor of the German Federal Republic (Dr. Adenauer) to take part in the conference in order "to expedite a solution of the German problem" and "to achieve a *rapprochement*" between the two German States The **Western Foreign Ministers,** however, declined to invite the East German Government on the grounds that it was not representative of the German people, as it had not been freely elected, and that the Western Powers had no diplomatic relations with Eastern Germany.

M. Molotov then tabled the following "Draft Treaty on Security in Europe," consisting of eight Articles and an Annexe dealing with the creation of a demilitarized zone

Second Soviet Draft Treaty on European Security.

"**Art. 1.** The parties to the treaty undertake not to use armed force against one another, to refrain from having recourse to the threat of force in their relations with each other, and to settle by peaceful means any dispute that may arise among them

Art. 2. In the event of any party or parties to the treaty being subjected to an armed attack in Europe by any State or group of States, the other parties to the treaty shall immediately render the State or States so attacked all such assistance, including military assistance, as may be deemed necessary for the purpose of re-establishing and maintaining peace and security in Europe.

Art. 3. The parties to the treaty undertake to refrain from rendering, under any pretext, any direct or indirect assistance to the attacking State in Europe.

Art. 4. The parties to the treaty shall consult one another whenever, in the view of any one of them, there arises the danger of an armed attack in Europe against one or more of the parties to the treaty, in order to take effective steps to remove any such danger. They shall immediately undertake the necessary consultations whenever agreed steps may be required for the re-establishment of peace, in the event of an attack on any party to the treaty.

Art. 5. The signatory States shall establish, by common consent, a special body (or bodies) for the purpose of holding the above-mentioned consultations and also of taking such other steps to assure security as may be found necessary in connexion with the fulfilment by the States of their undertakings under the treaty.

Art. 6. The parties to the treaty agree that their undertakings under the treaty shall not infringe the undertakings assumed by them under existing treaties and agreements

Art. 7. The assumption of undertakings under the treaty shall not prejudice the rights of the parties to individual or collective self-defence in the event of an armed attack, as provided for in Article 51 of the U N Charter.

Art. 8. The treaty is of a provisional character and shall remain in effect until replaced by another, more extensive treaty on European security which shall replace the existing treaties and agreements

Proposal for Demilitarized Zone. (1) The zone of limitation and inspection of armaments in Europe shall include the territory of the German Federal Republic, the territory of the German Democratic Republic, and the territories of all or some neighbouring States.

(2) The agreement on the zone shall envisage maximum levels for the strength of the U S , Soviet, British, and French troops stationed on the territories of other States in this zone

(3) The obligations pertaining to the limitation and control of armaments, assumed by the States under an appropriate agreement, shall be agreed upon by those States which are free to take decisions in this matter in accordance with their sovereign rights

(4) To fulfil the obligations pertaining to the limitation of armaments on the territories included in the zone, there shall be joint inspection over the armed forces and armaments of the parties to the agreement"

At the resumed session on Nov 2 **Mr. Dulles** pointed out that, although there was some degree of parallel thinking between the Western and Soviet viewpoints on the question of security, no progress was being made on the question of German unification All three Western Foreign Ministers dwelt on the necessity for free and unhampered all-German elections **M. Molotov** reiterated his plea for the representation of Eastern and Western Germany at the conference, declaring that their exclusion was "tantamount to closing the door on fruitful discussion of the German problem" He insisted that the essential thing was to ensure security against a revival of German militarism, and in this connexion made the following points. (1) the Western proposals (i e for a guarantee to Russia against German aggression, if a unified Germany joined NATO) contained no guarantee that a unified and remilitarized Germany would not break the agreement, (2) they supplied neither the Soviet Union nor Germany's neighbours with any assurance of security; (3) the "Eden plan" for free elections was meaningless since it was only part of an agreement which would come into force when Germany joined the NATO.

M. Molotov asserted that the Soviet proposals, unlike those of the Western Powers, took account of "hard facts" because they recognized the existence of two sovereign German States, each with its own political and social system He then presented the following proposals for the creation of an All-German Council which would "facilitate the settlement of the problem of Germany's reunification" and permit the two German States "to co-ordinate their efforts in the political, economic and cultural life of the German people and in regard to other States in the consolidation of peace":

Soviet Proposals for All-German Council.

"(1) An All-German Council shall be formed, composed of representatives of the Parliaments of the German Democratic Republic and the German Federal Republic, as a consultative body to discuss matters in the solution of which the German Democratic Republic and the German Federal Republic are interested.

(2) Mixed committees shall be set up under the All-German Council, consisting of representatives of the Governments of the German Democratic Republic and the German Federal Republic, on matters relating to economic and cultural ties between the two German States, German currency and intra-German financial transactions, Customs, posts and telegraphs, transport, etc.

(3) The All-German Council shall bring about accord on matters relating to the strength, armaments and location of the units required to ensure the defence of the frontiers and territories of the German Democratic Republic and the German Federal Republic.

(4) The All-German Council shall bring about accord on matters relating to the participation of the German Democratic Republic and the German Federal Republic in measures designed to consolidate European security, and shall consider, by mutual agreement, questions pertaining to the bringing about of pre-requisites for the unification of Germany as a peaceful and democratic State."

At the session on Nov 3, the Western Foreign Ministers said that the Soviet proposal for an All-German Council offered no prospects of reunifying Germany, and reiterated that it was unnatural that the German people should continue to be divided. **Mr. Macmillan** declared in this connexion: "During the last century the German people united themselves as one nation It cannot be right to put back the clock of history by now holding them apart by artificial means. . . . If we wait, conditions will not improve—they will deteriorate. The German people will become more and more frustrated, intolerant, and unbridled in their national aspirations. We shall be living in an increasingly explosive situation. With each year that passes the chances of a sane solution in co-operation with the German people will become more and more remote."

Mr. Dulles, speaking in support of early all-German elections, produced a ballot paper used in the East German elections, pointing out that there was only a single list of names and that the electors had no opportunity to vote for anyone else. **M. Molotov,** in reply, said that the single-list system might not be a model for all countries, but it worked very well in the Soviet Union and he saw "no reason to regret it"; in Tsarist Russia, he added, there had been a system of many lists, which was unsatisfactory.

Western Proposals for All-German Elections.

On Nov 4 the three Western Foreign Ministers presented the following proposal " as a first step in order to carry out the reunification of Germany " :

(1) Free and secret elections shall be held throughout Germany during September, 1956, for the selection of representatives for an all-German National Assembly to draft a Constitution and to form a Government thereunder for a reunified Germany.

(2) Each of the four Powers will designate a representative to a commission to prepare, in consultation with German experts, the electoral law for such elections, including effective provisions for safeguards and supervision to ensure the freedom of such elections.

(3) The commission shall undertake its functions promptly and shall submit its report to the four Powers by January, 1956."

M. Molotov said that he would comment on the Western proposals at a later date. After recapitulating the points on which the Western and Soviet security proposals were closest to each other, he said that there were two " main questions " which had to be answered before any further progress could be made (1) Why should the West talk of unification only on condition that Germany must enter NATO ? (2) Why should the West not provide security guarantees against German aggression to Germany's neighbours ?

The conference adjourned for three days on Nov. 5-7, during which M. Molotov returned to Moscow for consultations with his Government, whilst Mr. Dulles visited Yugoslavia for a discussion with President Tito (see 14552 E).

When the Foreign Ministers met again on Nov. 8, **Mr. Macmillan** said that the Western Powers did not believe it possible to impose demilitarization on Germany , it might be that the Germans themselves would desire to remain unarmed, but it would be more prudent if, in making their plans, the four Powers assumed that the Germans would exercise the normal right of independent States and maintain an army. " Surely, therefore," he added, " the practical course is to devise arrangements which will ensure that a rearmed Germany does not constitute a menace to her neighbours " Dealing with the specific objections raised by M Molotov, Mr. Macmillan said that the Western Powers had deliberately refrained from specifying the membership of their proposed security treaty, as they felt that this was a matter to be discussed with the Soviet Union and with their own allies They regarded it as desirable, however, that Poland and Czechoslovakia on the one hand, and Germany's Western neighbours on the other, should become parties to the treaty.

As regards M. Molotov's question as to what would happen if a remilitarized Germany violated the treaty, Mr. Macmillan pointed out that the Western proposals, like those of the Soviet Government, provided for joint action by all the signatories to meet the common danger—on this point there was no difference between the Western and Soviet proposals With regard to M Molotov's point that the Western proposals required the integration of a united Germany in NATO, Mr Macmillan stressed that in framing the proposals it was natural for the Western Powers to relate them to the contingency which was most distasteful to the Soviet Union. " We felt," he added, " that the practical thing to do was to deal with the most extreme case. Of course, the Western Powers are not dictating to the Germans. Under the Eden plan, the Germans are left free to make their own choice , nothing in the Treaty of Assusrance limits that choice "

M. Molotov, in an uncompromising speech, described the Western proposals for free all-German elections in September, 1956, as " unreal," " dangerous," and " artificial." He asserted that the real aim of those proposals was to ensure the remilitarization of the whole of Germany and to bring both Eastern and Western Germany into NATO, which was directed against the U.S S R. and other countries. This plan did not commend itself to the Soviet Union, which " knew too much about German militarism." After accusing the Western Powers of " ignoring realities," M. Molotov said that the question of all-German elections was " not yet mature," that it could not be implemented " without the agreement of the two Germanies that now exist," and that " a mechanical merger of the two Germanies by so-called free elections, conducted according to the Eden plan with the presence of foreign troops, would violate the legitimate interests of the working people of the German Democratic Republic." He declared that the East German workers would " never permit the disappearance of their Government and its achievements," and that the Soviet Union " cannot agree to deprive the workers of the German Democratic Republic of their factories, their plants, their lands, and their wealth "

After asserting that the " Eden plan " would " provoke a general dislocation in Germany, which none of us desires," M. Molotov said that all-German elections involved not merely " a case of changing Governments but the question of the fate of Germany as a whole." He added in this connexion . " It is a question of whether Germany shall be a democratic and peace-loving State or whether she shall once again take the road of militarism. There does not exist between the two parts of Germany the mutual confidence which is essential to the restoration of German unity. It will take time. We have to be patient and consistent. . . ."

Throughout his speech M. Molotov reiterated that German unity could only be brought about by agreement between the East and West German Governments—" when the Germans in East and West find a common language and take the task of preparing a settlement into their own hands." To this end he again proposed the establishment of an All-German Council to bring about a *rapprochement* between the two German States. He admitted that the Soviet Union had proposed all-German elections at the Berlin Conference of 1954, but said that it had since rejected this because Western Germany had entered NATO and had begun to rearm against the Soviet Union.

After M. Molotov had spoken, Mr. Dulles (who was in the chair) said that " the implications of what M. Molotov has said are so serious, both in terms of our directive and as regards the hopes with which we came here, that I prefer to study the matter overnight before making any comment." Mr. Macmillan and M. Pinay concurred with Mr. Dulles, and the conference adjourned until the following day.

When the discussions were resumed on Nov. 9, the three Western Foreign Ministers described M. Molotov's speech of the previous day as amounting to a direct repudiation of the directives given by the four Heads of Government, in view of his refusal to discuss the holding of free all-German elections. Extracts from the speeches of Mr. Macmillan, Mr. Dulles, and M. Pinay are given below :

Mr. Macmillan : " . . . Up to now we have been discussing at considerable length, but without acerbity, the twin problems of European security and German unification, which were entrusted to us by the Heads of Government. Up to now we have assumed . . that the directives which were agreed upon by the Heads of Government last July marked a distinct advance on any previous negotiations. We have also assumed that the directives would be loyally followed That, indeed, is what we meant by the Geneva spirit—a determination to move out of the immobility which had characterized so much previous discussion into a field of flexible negotiation. . . .

" But it now appears that there has been what amounts to a repudiation of the directives The Soviet Government no longer accepts free elections throughout Germany. This is a very grave statement and marks a very grave situation I do not see how we can usefully continue the discussion on Item 1 And since this item is the one of over-riding importance, our failure on this must gravely affect the spirit in which we approach Items 2 and 3. Nevertheless, it would be right to sum up the position and the result of our work up to now.

" On the credit side we have had a valuable exchange of views, in the course of which we have made some advance We now know that, if the Soviet Government should ever make up its mind that there is no need to disrupt the defence arrangements of the West, and that it is in the interests of all of us to have a contented, united Germany, it should not be too difficult to reach speedy agreement on an effective security system. That is a gain which we value

" On the other side, there is a heavier loss. It is a loss of confidence for the future. For, unless M. Molotov has something fresh to say at this late hour, the following views of the Soviet Government will remain on record

" What is it that the Soviet Government has really said ? It is this.

" First, Germany cannot be reunified until NATO and the Western European Union have been abolished. The Soviet Government is prepared to use the happiness, unity, and independence of the German people as pawns in its game to break up the defensive system of the West.

" Secondly, even if NATO and the W.E.U. were to be destroyed, the Soviet Government would still not give the German people freedom or independence. There will be no choice of their future for the German people even then. They must accept the odious system which has been imposed on Eastern Germany, or else continue to remain divided Because, if the German people were ever allowed to express their feelings at free elections, the puppets who are held in power in Eastern Germany by Soviet arms would be swept away.

" The brutal fact is that, for the Soviet Government, the only acceptable guarantee for the reunification of Germany is the Bolshevization of the whole country. This is the only contribution which the Soviet delegation could find to add to what was agreed by our Heads of Government in the summer. This is their contribution to the Geneva spirit

" But I must assure M. Molotov that his Government is making a very grave error. The Western Powers are not prepared to give up NATO and the Western European Union. The German people are not prepared to accept an alien political and social system and the loss of their independence as the price of their unity. They want to be a free and united people, not a satellite in a Communist constellation Therefore, so long as the Soviet Government persists in its policy, the present state of affairs can only continue with all its dangers and with diminishing hopes of a just solution. I earnestly beg the Soviet Government not to incur so grave a responsibility before history."

Mr. Dulles began with two observations : (i) The Soviet position, if persisted in, would perpetuate conditions which put in jeopardy the people of Europe ; (ii) it struck " a crippling blow " at the possibility of developing relations of confidence with the Soviet Union. Amplifying these two points, he went on :

" The Soviet Union says in the most categorical manner that the security of Europe is best assured by a continued division of Germany, at least until Germany can be unified under conditions which would Sovietize the whole of Germany. . . . The directive which brought us here, and which ought to guide us, did not ask us to judge the relative merits of social systems as between that of the Federal Republic of Germany and that of the so-called German Democratic Republic. It told us to reunite Germany in the ' national interest.' Thus, the German people themselves will determine under what system they want to live."

After declaring that the Western proposals, based on a reunified Germany, would "give Europe a security which it has not known for hundreds of years," Mr. Dulles recalled that M Molotov, speaking on Oct. 31, 1939, after the outbreak of World War II, had referred to what he called the "German efforts to break the fetters of the Versailles treaty," and had declared that that treaty had "in the long run led to the present war in Europe." Mr. Dulles remarked in this connexion :

"The Versailles treaty did impose certain fetters upon Germany. But nothing that the Versailles treaty did compares with the cruelty and injustice of dividing the German people by the separation from Germany of the Soviet zone, comprising 17,000,000 Germans The anguish of this is demonstrated by the fact that 2,704,680 Germans, at the cost of great sacrifice and risk, have fled from the Soviet zone into Western Germany. The situation, thus dramatized, cannot be indefinitely perpetuated without grave risk. . . . We urge upon the Soviet Government that it should not perpetuate the injustice of a divided Germany, with the menace which it carries to European security. Can we not learn from the lesson of Versailles ? We make that plea, and we shall go on making it, in the hope, and indeed in the expectation, that before it is too late wisdom will prevail. . ."

Mr. Dulles continued : "The U.S Government believes that the refusal of the Soviet Government even to discuss seriously the reunification of Germany involves a grave breach of the agreement of the Heads of Government. The effect of this is bound to affect adversely the overall relations of the Soviet Union with other countries, including the United States I would be less than frank if I did not say that, so far as the U.S A. is concerned, what has happened here has largely shattered such confidence as was born at the 'summit' conference at Geneva.

"There can, of course, be peace and a limited degree of working relations between nations which have no confidence that agreements between them—even though made at the highest level—will be honoured. However, relations under those conditions are bound to be difficult and restricted. Let me illustrate what I say by referring to what remains to be discussed at this conference We are directed to go on to discuss the problem of disarmament and the development of contacts between East and West. But I fear that these discussions will profit us little when we feel that we cannot make agreements between us which are dependable."

Mr. Dulles ended by saying : "It is not the desire or intention of the U.S.A., so far as we can control it, to revert to the conditions which existed prior to the meeting of the Heads of Government last July It is our purpose to continue to strive by all the means in our power for a just and durable peace But I do deplore the setback to European security and the damage to the spirit of Geneva which has been inflicted by the Soviet Union When the issues are as great as those here at stake, we shall not easily be discouraged. It is still our hope that the Soviet Union, if not now, then soon, may give loyal substance to the agreement of the Heads of Government that Germany shall be reunified by free elections. When that day comes, European security can be assured, and the spirit of Geneva will have borne a major part of the good fruit which it seemed to offer to the world."

M. Pinay said that M Molotov's speech had at least "the merit of clarity" He had made it clear that the policy of the Soviet Union was simply to consolidate the Communist regime in Eastern Germany and to prepare for the extension of Communism throughout Germany. M. Molotov had admitted that free elections would threaten the existence of the Communist regime, and it had become clear that Russia's alleged fears of German militarism were only a cloak for a policy based on political considerations.

Discussion of the first item on the agenda ended on Nov. 15, when the three Western Foreign Ministers declined to revive the discussion on European security. Emphasizing that they had been directed by the Heads of Government to link the question of security with that of German reunification, they declared that further debate would be profitless as M. Molotov had refused to discuss the question of free all-German elections.

M. Molotov tabled a last-minute proposal involving a 50 per cent reduction in foreign troops in Germany, limitation of forces in Eastern and Western Germany, a non-aggression pact between the NATO and the Warsaw Treaty Organization, and a draft agreement on security setting out the following six points on which the Western Powers and the Soviet Union were in agreement : (1) Renunciation of the use of force; (2) joint assistance against an aggressor; (3) refusal of assistance to an aggressor; (4) the establishment of a zone between East and West in which there would be maximum levels of armaments, and inspection; (5) joint consultation; (6) recognition of the rights of States to individual and collective self-defence. The Western Foreign Ministers promised to study the document, but no further debate on the subject was held during the remainder of the conference.

II.—Disarmament.

Discussion of the second item on the agenda began on Nov. 10, when two sets of proposals on disarmament were presented by the Western Foreign Ministers and M. Molotov respectively.

M. Molotov, opening the debate on Nov. 10, said that the Soviet Government could not accept President Eisenhower's proposals (i.e. for aerial inspection and the exchange of blueprints, as put forward at the "summit" conference) for the following reasons : they did not contribute to disarmament; they did not cover the foreign bases of the U.S.A.; their implementation would be a costly and prolonged operation; they would increase suspicion rather than increase confidence; they provided no guarantees against a surprise attack. He added, however, that the Soviet Government would give favourable consideration to the Eisenhower proposals if they formed part of a comprehensive plan for disarmament; moreover, careful consideration would also be given to the proposals put forward at the "summit" conference by M. Faure and Sir Anthony Eden.

Mr. Dulles said that the U S. delegation intended to comply loyally with the "summit" directive on disarmament, "despite the loss of confidence resulting from Soviet action under Item 1" He appealed to the Soviet Government to accept President Eisenhower's proposals in conjunction with Marshal Bulganin's plan for ground inspection, as a first step towards creating an effective system of inspection and control After pointing out that major aggression was unlikely "unless the aggressor has the advantage of surprise and can hope to strike a blow that will be devastating because it is unexpected," he said that the combined Eisenhower-Bulganin proposals would constitute "a decisive initial step" in providing against the possibility of a surprise attack

M. Pinay doubted whether the conference was in a position to implement a general disarmament plan, in view of M. Molotov's rejection of the Western proposals for European security and German unity. Nevertheless, he believed that "preliminary measures" could be taken immediately without any major difficulties, and suggested that these measures should consist of : (1) the Eisenhower plan for aerial reconnaissance and exchange of blueprints; (2) the Bulganin plan for setting up ground posts at strategic points, (3) the budgetary control measures suggested by M. Faure; (4) the appointment of inspection teams over a specified area on either side of the East-West German border, as proposed by Sir Anthony Eden M Pinay thought that the Eisenhower and Bulganin plans were "very close" to each other and offered the answer "in almost identical terms" for safeguarding against a surprise attack.

Mr. Macmillan pointed out that the U N. Disarmament Subcommittee, despite lengthy discussions, had been unable to make any progress on the vital question of control and inspection, for two reasons : (1) the Soviet proposals seemed to the West wholly inadequate, whilst the Soviet representative had been unable to comment on the Western proposals; (2) because of the real difficulties which arose in any attempt to control the production of nuclear weapons

Western Proposals on Disarmament.

The three Western Foreign Ministers presented the following declaration which, it was suggested, should be issued jointly by the four Powers :

"The four Ministers of Foreign Affairs :

(1) Note that their representatives on the sub-committee of the U N. Disarmament Commission, in the pursuit of their efforts to establish a satisfactory system of disarmament, have followed the directive given by the Heads of Government at Geneva on July 27, 1955

(2) Take note of the work this sub-committee has accomplished during its meetings in New York from Aug. 29 - Oct. 7, 1955, and express their appreciation of its efforts

(3) Express their agreement on the following :

(*a*) the renunciation of the use of nuclear weapons and all other weapons in any manner inconsistent with the U.N. Charter.

(*b*) the need to arrive at limitations and reductions of armaments and armed forces;

(*c*) the need to devote to the peaceful economic development of nations, for raising their well-being, as well as for assistance to less developed countries, the material resources that would be released by agreements in the disarmament field;

(*d*) the fact that an effective system of inspection and control is the keystone of any disarmament programme, and, consequently, the need to establish an organ responsible for the inspection and control of agreed measures of disarmament under effective safeguards;

(*e*) the fact that there are possibilities beyond the reach of international control for evading this control and for organizing the clandestine manufacture of atomic and hydrogen weapons, even if there is a formal agreement on international control;

(*f*) the need for continued scientific research by each State, with appropriate consultation between Governments, for methods which might be derived from evolving scientific knowledge that would make possible a thoroughly effective inspection and control system of nuclear material as part of a disarmament programme covering all kinds of armaments.

(4) Declare their intent to continue to seek agreements on a comprehensive programme for disarmament which will promote international peace and security with the least diversion for armament of the world's human and economic resources.

(5) Recognize that inspection, control, limitation, and reduction of armaments can best be achieved in an atmosphere which is free from fear and suspicion.

(6) Propose accordingly that, as a contribution to such an atmosphere and as a prelude to a general programme, the States concerned :

(*a*) should agree promptly to put into early operation, in order to help prevent a surprise attack : (i) a plan for exchange of military blueprints and aerial inspection on the basis of the proposal of the President of the United States of July 21, 1955; and (ii) a plan for establishing control posts at key points, as suggested in the proposals of the Chairman of the Council of Ministers of the U.S.S.R. of July 21, 1955;

(*b*) should also agree : (i) to arrange for the exchange and publication of information regarding military expenditures and budgets, as suggested in the proposals made by the Prime Minister of France

on July 22, 1955; and (ii) to study how best to gain practical experience regarding the problems of inspection and control, as suggested by the Prime Minister of the United Kingdom on July 21, 1955.

(7) Direct their representatives on the U N Disarmament Commission to request that its sub-committee be reconvened at an early date and continue to seek an acceptable solution to the problem of disarmament."

Soviet Proposals on Disarmament.

At the same session (Nov. 10) M. Molotov presented Soviet proposals which were virtually identical with those presented by Marshal Bulganin at the "summit" conference, and which, in addition, called for consideration of the Eisenhower, Faure, and Eden proposals and for agreement on the banning of nuclear weapons. The text was as follows:

"To lessen tension in the relations between States, to consolidate mutual confidence between them, and to remove the threat of a new war, the Governments of the Soviet Union, the United States, Great Britain, and France . . . have agreed on the following:

I.

(1) The level of the armed forces of the U.S.A., the U S.S.R., and China shall be established at 1,000,000 to 1,500,000 men for each, and that of Great Britain and France at 650,000 men for each. The level provided for China, as well as other questions bearing on the armed forces of China, shall be the subject of consideration in which the People's Republic of China shall participate. The level of the armed forces of all other States shall not exceed 150,000 to 200,000 men, and shall be agreed upon at an appropriate international conference.

(2) After armed forces and conventional armaments have been reduced to the extent of 75 per cent of the agreed reductions, a complete prohibition of atomic and hydrogen weapons shall come into effect. The elimination of such weapons from the armaments of States, and the destruction of those weapons, shall be completed in the course of the reduction of armaments covering the final 25 per cent of the agreed reductions. All atomic materials shall thereafter be used exclusively for peaceful purposes.

(3) Simultaneously with the initiation of measures to effect the reduction of armaments and armed forces, and before the entry into force of the agreement on the complete prohibition of atomic and hydrogen weapons, the four Powers shall solemnly pledge themselves not to use nuclear weapons, which they shall regard as prohibited to them. Exceptions to this rule may be permitted for purposes of defence against aggression, when a decision to that effect is taken by the U.N. Security Council.

(4) As one of the first measures for the execution of the programme for reducing armaments and prohibiting atomic weapons, States possessing atomic and hydrogen weapons shall pledge themselves to discontinue tests of these weapons.

(5) Effective international control shall be established over the implementation of measures for the reduction of armaments and the prohibition of atomic weapons.

II.

The Foreign Ministers of the four Powers have recognized the need to strive for the necessary agreement on the still outstanding questions of the above-mentioned convention, subject to consideration by the U.N. Organization. Being guided by the desire to reduce international tension, to consolidate confidence among States, and to put an end to the armaments race, the Foreign Ministers agree that it is necessary in this connexion to consider the provisions contained in:

(*a*) the proposal of the U S.S R. of May 10, 1955, on the reduction of armaments, the prohibition of atomic weapons, and the elimination of the threat of a new war;

(*b*) the proposal by the President of the United States of July 21 on aerial photography and exchange of military information;

(*c*) the proposals by Great Britain on disarmament, submitted on July 21 and Aug. 29; and

(*d*) the proposal by France on financial control over disarmament and the allocation of the released resources for peaceful purposes.

III.

The Governments of the Soviet Union, the United States, Great Britain, and France . . . solemnly declare:

'Pending the conclusion of an international convention on the reduction of armaments and the prohibition of atomic weapons, the Soviet Union, the United States, Great Britain, and France assume an obligation not to be the first to use atomic and hydrogen weapons against any country, and call upon other States to join this declaration.'"

When the debate was resumed on Nov. 11, the argument centred mainly on the relationship between disarmament and the means to control and supervise it. No common ground was found between the Western and Soviet viewpoints, and discussion on the second item was abandoned.

Mr. Macmillan pointed out that the levels proposed by the U.S.S.R. for the armed forces of the Great Powers had originally been proposed by the West as long ago as 1952. The Western proposals had been put forward at that time on the explicit understanding that it would be practicable to conclude a comprehensive disarmament agreement, including the abolition of all nuclear weapons. Unfortunately the technical and political situation had changed since 1952, and the Soviet Government itself had stated categorically that it was scientifically impossible at present to guarantee effective control over nuclear weapons. The Western Powers had "therefore been compelled to see in what way a practical start could be made on disarmament in the new situation," and their proposals would be presented to the U.N. Sub-committee on Disarmament.

As regards the level of forces, Mr. Macmillan pointed out that Britain had reduced her armed forces from nearly 4,000,000 in 1945 to 682,000 in 1951. "The Korean aggression," he continued, "compelled us somewhat to reverse this process. But since the Korean war ended, British forces were once again reduced from 870,000 in 1953 to 790,000 in 1955; and it was announced by Sir Anthony Eden recently that these forces would be further reduced to 700,000 by 1958. Whilst welcoming the Soviet announcement that they are reducing their forces by 640,000 men, I must point out that this only represents the belated adoption on a modest scale of the policy long pursued by the Western Powers. Nor is it possible, since the strengths of the Soviet armed forces are never published, to know exactly the level that will result from this reduction. For purposes of comparison, M. Molotov might reciprocate and tell us what that figure will be."

Mr. Macmillan concluded by putting the following questions to M Molotov. "Does the Soviet Government agree that international inspectors should be established in the territory of all States which are parties to the proposed disarmament agreement, and that these inspectors should be ready to work before disarmament actually begins?" (2) "What rights of access and of communications would the Soviet Government allow to the staff of the international control organ?"

M. Molotov criticized the Western proposals on the following grounds, among others: they did not put an end to the arms race, or ban atomic weapons; the West was (he alleged) using technical difficulties as an excuse for inaction; Mr. Dulles had failed to answer his [M. Molotov's] objections to President Eisenhower's proposal for aerial inspection, it was not clear how the Faure plan (for budgetary control) or the Eden plan (for the inspection of forces) were to be put into practice. As regards nuclear weapons, M. Molotov agreed that it was virtually impossible to prevent the stockpiling of such weapons for a surprise attack; he maintained, however, that the Soviet proposals met this difficulty through the establishment of control points, as proposed by Marshal Bulganin, and by the force of "moral condemnation." He added that the Soviet Government would give detailed answers to Mr. Macmillan's questions in the U.N. Sub-committee on Disarmament.

Mr. Dulles said that the Soviet disarmament proposals were "a cruel deception," in view of the general recognition of the impossibility of evolving an effective system of control in present circumstances. He urged that the proper way to proceed was "to discuss and agree on what could be controlled, and then control it," since it was useless to press for a type of agreement which could not be controlled. "Let us find what we can control, and then proceed to disarm accordingly," he declared. In the course of his statement Mr. Dulles told M. Molotov that the United States was willing to extend President Eisenhower's inspection plan to U.S. foreign bases, if the Soviet Union accepted the plan itself.

III.—East-West Contacts.

Discussions on the third item on the agenda began on Oct. 31, when the Western Foreign Ministers and M. Molotov presented separate memoranda designed to foster contacts between the Soviet Union and the Western countries in the fields of cultural and trade relations, tourism, etc. Although the two sets of proposals were referred to a sub-committee of experts, the Soviet and Western viewpoints remained irreconcilable and no progress was made.

Western Memorandum on East-West Contacts.

The following memorandum, containing 17 points for promoting contacts between East and West, was tabled jointly by Mr. Dulles, Mr. Macmillan, and M. Pinay:

"The Foreign Ministers of Great Britain, France, and the United States, mindful of the directive issued by the Heads of Government, express a desire to explore, together with the Soviet Foreign Minister, measures designed to bring about a progressive elimination of barriers which interfere with free communications and with peaceful trade between peoples, and to bring about such freer contacts and exchanges as are to the mutual advantage of the countries and peoples concerned.

The three Ministers wish to point out that their Governments have consistently favoured the free communication of information and ideas, the free exchange of persons, and the development of peaceful trade, as constructive means of promoting an atmosphere of confidence among States and a better understanding among peoples. Their Governments have always sought to foster free expression of thought, to promote the free development of the individual conscience, and to encourage, through free competition of ideas, the development of objective opinion. They are confident that a constructive development of contacts with the Soviet Union, together with a progressive resolution of those issues which constitute causes of international tension, can contribute to the establishment of a durable peace, desired by all mankind. . . .

Accordingly the Western Powers consider that it is essential, in agreement with the Soviet Union, to determine forthwith areas in which it appears most appropriate to proceed with exchanges that are to the mutual advantage of the peoples of Eastern Europe and of the West. It is with this intention that the three Western Governments submit . . . the following concrete propositions:

(1) The freer exchange of information and ideas should be facilitated. All censorship should be progressively eliminated. The obstacles which hamper the flow of full factual information and varied comment between the peoples of the West and the Soviet Union should be removed

(2) Arrangements should be made for the four Powers to open information centres, on a basis of reciprocity, in each other's capitals, where these do not already exist. Everyone should be allowed the full use of these centres without hindrance or discouragement from their own Government.

(3) The four Powers, where they do not already do so, should permit the publication and facilitate the distribution to public institutions and private individuals in each other's countries of official periodicals in English, French, or Russian.

(4) Exchanges of books, periodicals, and newspapers between libraries, universities, and professional and scientific bodies in the Soviet Union and the three Western countries should be encouraged. Such books, periodicals, and newspapers should also be available for general and unimpeded public sale in the Soviet Union on the one hand, and in the three Western countries on the other.

(5) There should be a substantial increase in the exchange of Government publications. Full lists, catalogues and indexes of such publications should be made available by Governments where they do not already do so.

(6) Film producers of the three Western countries are ready to make films available to the Soviet Union at normal commercial prices and on normal commercial terms. Soviet films are already accepted in the West on these terms.

(7) There should be exchanges of exhibitions between the Soviet Union and the three Western countries.

(8) The systematic jamming of broadcasts of news and information is a practice to be deplored. It is incompatible with the directive of the Heads of Government, and should be discontinued.

(9) The Soviet Union and the Western Powers should consider the desirability of exchanging monthly uncensored broadcasts on world developments This could take the form of half-hours for the Soviet Union on Western broadcasting systems, with reciprocal arrangements for the Western Powers on the Soviet system.

(10) The censorship of out-going press despatches, and the denial to journalists of access to normal sources of information, are serious barriers to the free circulation of ideas. The four Governments, where appropriate, should take immediate steps to remove such barriers

(11) Private tourism should be increased. This will require more liberal procedures as regards travel restrictions and other administrative practices. Above all, it will require reasonable rates of currency exchange

(12) There should be further exchanges of persons in professional, cultural, scientific, and technical fields.

(13) Meetings of outstanding scientists and scholars of the four countries at international congresses should be facilitated.

(14) There should be cultural and sporting exchanges on a reciprocal basis, drawing on the best each has to offer under the auspices of the principal cultural institutions and sporting organizations on both sides.

(15) A beginning should be made with exchanges of students, particularly those engaged in language and other area studies. It should be possible for students to share fully and freely the student life of the country they visit.

(16) Restrictions on the ability of members of diplomatic missions of the four Governments to travel in each other's countries should be removed on the basis of reciprocity.

(17) Agreement should be reached in principle for reciprocal exchanges of direct air transport services between cities of the Soviet Union and cities of the three Western countries.

So far as trade is concerned, the Western Powers sincerely desire to see an improvement in the commercial relations between the countries of Eastern Europe and themselves, leading to an increase in mutual trade in peaceful goods To this end they have made freely available to the countries of Eastern Europe a wide area of trade with respect to exports and imports.

That only small advantage so far has been taken of these opportunities is, in their view, basically a reflection of the policies and conditions within the countries of Eastern Europe. While they feel, therefore, that the major initiative in securing an increase in East-West trade must be taken by the countries of Eastern Europe, they are, for their part, prepared to consider sympathetically any proposals which seem likely to lead to a mutually beneficial development of peaceful trade. In particular, the Western Powers would urge the Soviet Government to make it less difficult for Western private traders to engage in and to develop opportunities for East-West trade to the advantage of both sides."

Soviet Memorandum on East-West Contacts.

The following memorandum was presented by M. Molotov on the same day on behalf of the Soviet Government :

" In accordance with the directives issued by the Heads of Government, the Foreign Ministers of the four Powers. . . . have agreed on the following :

(1) Measures should be taken to facilitate the development of international trade with a view to eliminating the existing obstacles and restrictions in international trade between East and West, and to apply the most-favoured-nation principle in the field of trade and navigation.

(2) The four Powers will do their utmost to facilitate free passage of merchant ships of all countries through seas, straits, and canals of international importance, and to remove the existing restrictions in sea communications with certain States [This was an apparent reference to the Chinese Nationalist embargo on the passage of Soviet and " satellite " oil tankers through the Formosa Straits to Communist China]

(3) Measures shall be taken to broaden international scientific and technical relations, in particular, in the field of peaceful use of atomic energy, through holding conferences with the participation of specialists, etc. Appropriate steps shall be taken by the representatives of the four Powers in international organizations dealing with international co-operation in the field of science and technology As an immediate measure, the four Powers should convene in 1956 an international conference on the use of atomic energy in the field of health.

(4) The four Powers declare themselves in favour of the participation in international specialized agencies [such as the I.L.O , UNESCO, W H O., etc] of all States desiring to co-operate in the work of these organizations.

(5) The following measures shall also be encouraged, including those possible in U.N. organs and agencies, to facilitate the strengthening of contacts between East and West in the spheres of industry, agriculture, cultural relations, and tourism

(*a*) Mutual exchanges of delegations and reciprocal visits of representatives of industry, agriculture, and trade, for the purpose of exchanging experience and getting acquainted with the achievements of the respective countries in these fields

(*b*) Development of cultural relations for the purpose of wider intercourse between men of science and culture, having in view the desirability of concluding appropriate agreements among States on cultural co-operation

(*c*) Expansion of mutual exchanges of publications (books, magazines, newspapers, etc) between scientific research institutions, libraries, scientific and cultural associations, public organizations, and individuals

(*d*) Measures for a wider development of international tourism, and of sporting encounters between nations.

(*e*) Measures for eliminating the existing artificial barriers in the field of immigration and other regulations hampering the expansion of the above-mentioned contacts between States."

As stated above, the Foreign Ministers agreed to remit the two memoranda to a sub-committee of Western and Soviet experts. After 18 meetings, however, the sub-committee failed to reach any agreement, and the Foreign Ministers dropped the subject after an acrimonious debate on Nov. 14-15 during which M. Molotov described the Western proposals for freer exchange of ideas as " freedom of propaganda for war " and as being " incompatible " with peace.

Mr. Macmillan, in a lengthy speech on Nov. 14, said that the reports of the experts showed that there was no satisfactory response from the Soviet side to any of the Western proposals. " The longer the discussions proceeded," he said, " the clearer it became, not merely that the Western and Soviet representatives had a radically different view of what subjects it would be most important to discuss, but a radically different approach even to the subjects on which it might have been thought that we should have something in common." The Foreign Secretary continued : " Of the 17 Western points, no fewer than 12 made a sincere and specific offer to the Soviet Union of greater opportunities for contact or improved facilities. The remaining five, which called for the removal of restrictions, asked for no more than that the Soviet Union should match existing practice in the three Western countries. We made positive proposals on censorship, on jamming, on the exchange and sale of books, on the sale and showing of films, on the exchange of official publications, on restrictions on diplomatic missions, and on the encouragement of private tourism in either direction. We added what might be regarded as less radical requests . that the rouble rate should be adjusted , that the working journalist and the travelling businessman should be granted more facilities ; that there should be exchanges of students ; that we should exchange direct air services. We had no satisfactory response on any of these subjects.

" Why has the result been so negative ? The attitude of the Soviet representatives in the sub-committee gives the answer only too clearly. The Heads of Government instructed us in the first place to seek to remove barriers to free communication and peaceful trade. Yet the only barriers which the Soviet Government could suggest as important to remove were the strategic controls, which were clearly excluded from the directive Except on trade, where they harped continually on the strategic controls—to the exclusion, I would almost say, of all other business—they sought to avoid a discussion of subjects which they said were not common ground between us. Out of the 18 meetings, the Soviet experts could be persuaded to devote only two to subjects such as censorship and jamming—and these on the basis of whether they were admissible for discussion at all . . . I am reluctantly led to the conclusion that the proposals set out in the Soviet memorandum are the frills with which the Soviet delegation seek to clothe the *nakedness* of their ideas on how ordinary, simple, unaffected intercourse between the peoples of East and West can be made into a reality."

On the subject of East-West trade, Mr. Macmillan said : " I agree that trade is important. We want to see it increased. But the short answer to the Soviet delegation is—if they want more trade, they should trade more. Our experts asked them for positive proposals on this subject. The Soviet delegation had none to offer, beyond the abolition of the strategic controls, which we are not willing to negotiate. We suggested that the Soviet Union should afford our businessmen better facilities—a lower rouble rate, protection for their patents and copyrights, greater freedom to travel and to obtain

commercial information—matters which are normal commercial practice in our community. The Soviet delegation was unresponsive. If the Soviet delegation proclaims the doctrine of free trade, this is certainly in itself a respectable, if rather old-fashioned, principle. But what are we to make of an attitude which proclaims unlicensed freedom in trade, which announces, as the Soviet delegation did—I quote the Soviet words—'All trade is peaceful trade,' and then asks us to accept as beyond question prohibitions and controls of the most illiberal nature in all the other fields of human intercourse?"

As regards the jamming of broadcasts, Mr. Macmillan declared "We are not claiming to force our opinions on the Soviet people We are making the modest request that the Soviet people should be allowed to know what they are. We want them to be able to listen to our broadcasts in the way that our people can listen to Soviet broadcasts The Soviet delegation's first comment on this was that their people should be protected against subversion and corruption My answer is that not only do I repudiate this charge, but that our broadcasts are jammed—not on the basis of what they contain, but systematically jammed

"To jam everything is not censorship Censorship implies selection. To jam everything implies exclusion Recently the B B C recorded statements by the Soviet Minister of State Farms and by the Deputy Minister of Agriculture of the R S F S R, and also a sermon by the Metropolitan of Minsk, while these gentlemen were visiting Britain They were jammed Even more extraordinary, a statement which the B.B.C recorded here in Geneva by Marshal Bulganin and Mr Khrushchov was jammed when broadcast by the B B C That is not even censorship It is *lèse-majesté* While this is going on on the one side, on the other side the Soviet Union broadcasts, without the slightest impediment, 103 hours a week in the English language, of which 31½ hours are beamed to the United Kingdom For 14 hours a week there is a broadcast by the B B C to Russia. That is always jammed by the Soviet Union But more than that, the B B C. broadcasts in Finnish, Hebrew, Turkish, and German are also jammed.

"It seems that the Soviet Union is to be the judge, not only of what its own people, but of what other people are to hear This is jamming, not only in the import market, but in the export market Finally, the Soviet delegation complained that we disturb the air by using too many frequencies This is a most preposterous claim . . It is putting a very small cart before a very large horse If you force a man to talk to you through a brick wall, you can hardly complain if he raises his voice"

On the question of censorship, the Foreign Secretary said that the Soviet delegation had replied that this subject was not within the purview of the conference, and had declared that the Soviet people must be protected against subversion and corruption in all its forms. "What are we really proposing?" said Mr Macmillan "We are proposing that the ordinary Soviet citizen should have freely available our books, periodicals, and newspapers Is this a claim to 'corrupt and subvert?' If so, the Soviet Union practices it towards us; for its literature is available in the U.K. to all who seek it. The fact is really that the censorship is applied, like the jamming, not selectively but wholesale"

"Finally, may I say a word about the rouble rate. We are bound to point out that, so long as the present [exchange] rate continues, it effectively bars all but a chosen few from visiting the Soviet Union It makes our Embassy in Moscow the most expensive for its size in the world It is equally discouraging to newspapers who would like to maintain correspondents in Moscow, and to businessmen who might like to travel or establish a representation there; and, of course, above all, to private tourists travelling at their own expense. At a rough calculation, the cost of living for a foreigner at the current rate of exchange is four times in Moscow what it is in London. Even for visitors who receive special vouchers and other reductions, a hotel with meals costs about £7 a day. . . ."

Mr. Macmillan ended as follows: "The third item of our agenda is, in a sense, bound up with the other two. . . Some real progress on this third item might well have assisted, even if indirectly, progress on the first two items. That is why I greatly regret the negative result which has emerged from this prolonged discussion of the whole problem by our expert committee."

Mr. Dulles supported Mr. Macmillan's denunciation of the Soviet jamming of radio broadcasts from other countries, and said that the experts' studies in the fields of transport and trade had been frustrated by the negative Soviet attitude. Ignoring the directive issued by the Heads of Government, the Soviet representatives in the experts' sub-committee had "confined their approach to an openly political attack upon the Western system of security controls over the exportation of a relatively small range of strategic commodities."

Mr. Dulles continued: "It was precisely to avoid disputes and recriminations over these controls, and to direct attention to the vast problems of economic relationships between East and West, that the directive of the Heads of Government speaks of 'peaceful' trade. The fact is that the economic policies pursued by the Soviet Union, and directed towards ensuring the greatest degree of self-sufficiency, leave for export no important stocks of consumer and other goods which normally enter into international trade. This consequence of Soviet economic policy, and not the small percentage of goods covered by strategic controls, has been and remains the chief limitation on any important development of trade with the Soviet Union." In an obvious reference to the Czechoslovak-Egyptian arms deal, negotiated with Soviet support, Mr. Dulles added:

"Apparently the Soviet Union at the present time does, however, have large stockpiles of discarded arms resulting from the production of new models for the Soviet's own use It would be a matter of utmost concern to the other nations of the world if the Soviet bloc should try to meet its large import needs, and serve its other aims, by exporting these surplus arms throughout the world."

In his concluding passage Mr Dulles said "I have often expressed the friendship of the American people for the Russian people. Our countries have never been at war. Our people have never fought each other And we do not believe that we could ever be brought to fight each other if only we know each other The great danger comes from the carrying on year after year of a persistent campaign which distorts the minds of the Russian people"

M. Molotov made no response to the Western appeals for freer exchanges of ideas and for the cessation of radio jamming, press censorship, and other discriminatory practices After saying that "various measures of a discriminatory nature" were being taken by a number of Western countries, and above all by the U S.A, in their trade relations with the U S.S R., he declared that no normal development in East-West contacts could be achieved "without the elimination of these barriers" "This," he added, "is precisely what the proposals of France, Britain, and the U.S A lack. Only . unhindered trade will correspond to the lessening of tension and to the directives of the Heads of Government on this question."

M Molotov went on to allege that the Western memorandum contained "a number of proposals to interfere in the internal affairs of individual States"—"to change in one way or another the legislation and administrative regulations of individual States, and also to alter the exchange rate of the currency of individual States." The Soviet delegation, he declared, was "unable to agree to the consideration of such claims," and regarded them as "inappropriate." After denying that his Government was trying to isolate the Soviet people from contacts with the outer world, M. Molotov continued:

"We do not conceal, however, that the Soviet Union has not granted previously, and will not grant in future, such 'freedom of exchange of ideas' as would mean freedom of propaganda for war, or propaganda imbued with a hatred of mankind calling for atomic attack We cannot agree to such 'freedom' as would result in the unleashing of subversive activities by the dregs of society who have been thrown out of the countries of Socialism and the people's democracy, although, as is known, millions of dollars are sometimes spent to this end . . No supporter of democratic principles can agree to the assertion that radio stations disguised under the name of 'Free Europe,' and so forth, actually contribute to the cause of the freedom of peoples. Every honest man must agree that such radio stations serve, not the ends of freedom, but the ends of arch-reactionaries—the instigation of hatred among nations, the undermining of peace, and the preparation of a new war . ."

M. Pinay presented French proposals which stressed the desirability of cultural, scientific, and sporting exchanges between East and West, exchanges of students, and an increase in tourism **M. Molotov** promised to consider them, and on the following day (Nov. 15) presented a draft declaration recommending "the creation of conditions suitable for peaceful trade"; measures "to facilitate the free passage of ships through straits and canals of international importance"; measures to facilitate the exchange of books, newspapers, films, and broadcasts "in accordance with agreements which may be of a bilateral or multilateral nature"; cultural, scientific, professional, and sporting exchanges; visits between representatives of industry and agriculture; exchanges of professors and students, and the development of tourism.

Mr. Dulles pointed out that the new Soviet draft rejected the substance of all but five of the original 17 proposals, including everything of importance relating to the free exchange of ideas **M. Pinay,** similarly, observed that after all concrete plans had been rejected, M Molotov's latest proposals were merely generalizations on subjects which did not permit of rapid or important progress. **M. Molotov,** however, claimed that his new proposals were designed to create the basis for a co-ordinated decision by the four Ministers, and represented an attempt to meet M. Pinay's suggestions "halfway" and to "fulfil our directive" No further action, however, was taken on the proposals of either M. Pinay or M Molotov.

In a second speech, **Mr. Dulles** commented as follows with regard to M. Molotov's opposition to the free exchange of ideas: "We had thought that Socialism was fully established in the Soviet Union, so that it would not topple if, perchance, some contradictory ideas found their way into the Soviet Union. But, apparently, Socialism is not as strongly established as we had thought. . . The nervousness and fear of the Soviet Government for its own future is something we shall have to take into account and evaluate when we consider the possibility of further contacts."

At the opening of the discussion on the third item, Mr. Dulles had announced that the U.S. Government was taking the following measures to develop East-West contacts:

(1) The lifting of restrictions on travel by U.S. citizens to the Soviet Union and Eastern European countries, with the result that U S. passports would be valid for the U.S S.R. and all East European countries with which the U.S.A. had diplomatic relations (i.e. Poland, Czechoslovakia, Rumania, and Hungary, but not Bulgaria and Albania) (2) The lifting of the restrictions on the movement of Soviet citizens in the U.S.A., provided the Soviet Union gave reciprocal treatment to U.S. nationals in the U.S.S.R. In addition, the U.S. Government was prepared to simplify certain of the procedures governing exports to Eastern Europe.

Ending of Geneva Conference. - Final Speeches.

The Geneva conference ended on Nov. 16, when final speeches were made by the Foreign Ministers. Extracts are given below:

Mr. Dulles.

"We must all feel the seriousness of this moment, as our conference draws to an end The indispensable premise of our security proposal was the reunification of Germany, without which we feel there can be no solid peace in Europe. The Soviet Union made no effort whatsoever to meet this point, or to comply with that portion of our directive which called for the reunification of Germany by free elections. The Soviet delegation refused to discuss the provisions of our reunification proposal, and never submitted a reunification proposal of its own It pointed to alleged obstacles to German reunification, such as the existence of NATO and the Western European Union, but it never said that it would permit the reunification of Germany, even if these alleged obstacles were done away with Rather, it took the position that it would not permit the so-called German Democratic Republic, the regime which the Soviet Government has installed in Eastern Germany, to be subjected to the test of free elections.

"The Soviet refusal even to contemplate free elections in Eastern Germany . . . high-lights, as no words could, the situation throughout Eastern Europe. If the so-called German Democratic Republic cannot stand the test of the people's choice, no more can the regimes imposed on the other peoples of Eastern Europe This topic was not on our agenda. . . . But we were all conscious of the fact that Soviet preoccupation with its problems in Eastern Europe weighed heavily upon it at this conference

"Last July Marshal Bulganin agreed that there was a close link between German reunification and European security; that the four Powers have a responsibility for the reunification of Germany; and that Germany should be reunified by free elections. The U S Government and people will find it hard to understand why in the light of this, Marshal Bulganin sent to this conference a delegation which was apparently under orders not to discuss seriously the matter of German reunification.

"Conditions in Eastern Europe may be such that the Soviet Union feels that it cannot now agree to free elections in any area it controls, because that would have a contagious effect But we think it unfortunate that this was not foreseen by the Soviet Government before it agreed, at the highest level and under the most solemn circumstances, that Germany should be reunified by free elections.

"The second item of our directive was disarmament. In this matter primary responsibility was not given to the Foreign Ministers' Conference. The Heads of Government agreed to work together through the sub-committee of the U.N. Disarmament Commission to develop an acceptable system for disarmament. The Foreign Ministers were given what might be called a watching and supporting role.

"Nevertheless, I believe that our discussions on disarmament have been useful. I hope they have led the Soviet delegation to realize the sincerity of U S purpose We have made it clear that we are determined to seek the reduction of armaments, but we want a reduction that can be checked and controlled, so that it will not be one-sided. President Eisenhower's proposal for an exchange of blueprints and aerial inspection was presented as a start towards that goal.

"The Soviet Union has suggested the giving of pledges not to wage an atomic war. We pointed out that the four of us here, and indeed most of the nations of the world, are already pledged not to wage any war in violation of the U.N. Charter. The great weight of world opinion and the potency of moral judgment should be directed against the initiation of any war, and not merely wars with particular weapons. Any war is horrible. And any Government which defied world opinion by going to war in violation of its solemn pledges could not be relied upon to keep its new pledge not to use atomic weapons. Therefore, in the case of atomic as of other weapons, the primary task is to find means of supervision and control. Pledges alone are not enough. . . .

"Item III of our agenda dealt with the development of contacts. Here again there is no agreement to record. It is apparent that there has been little change in the sensitiveness of the Soviet Government to the introduction into the Soviet Union of any ideas which conflict with the official ideology. . . .

"International conferences rarely produce as much as people hope from them. . . . Having lived through more conferences than are the lot of most human beings, I have learned not to be discouragod. . . . This conference has had its merits. We have talked plainly. We have in the main discussed seriously and without vituperation. Our talks have not been wholly barren The U.S. Government and people want to develop better relations with the Soviet Union. Our hope for the future derives from our belief that the Soviet Government will, sooner or later, come to see that the advantage to it in better relations with the West is far greater than the local and passing advantages which it could gain at the price of forfeiting the good relationship which, at the summit conference, the Soviet rulers seemed to want. . . ."

Mr. Macmillan.

After commenting that the conference of Heads of Government had "sent a thrill of hope and expectation round the world," the Foreign Secretary continued: "What struck the imagination of the world was the friendly meeting between the Heads of the two great groups into which the world is divided. These men, carrying their immense burdens, met and talked and joked together like ordinary mortals. It was not from some new and profound political decision or formula that the Geneva spirit was born. It was from the ordinary human contacts of the leaders of vast organizations of mankind. . . .

"What I fear we must recognize as the immediate result of our meeting during the last three weeks is that, instead of taking another step forward, at the best we are locked again in a stalemate; at the worst, we have taken a step backwards. I am not so much concerned that we have failed to agree on all the questions which we were instructed to discuss What worries me is that the Soviet delegation do not seem to mind our failure"

On European security and German unification, Mr Macmillan said that the Ministers had actually succeeded in doing what they were bidden to do: they had discussed both subjects under a single heading. "On the security part of the problem," he added, "we seemed even to be making progress. We were like two men trying to do a jigsaw puzzle together. We were looking for the pieces to try to fit them into the right place. Indeed, many of the details of our proposals were similar; the zone, the system of inspection and control, the limitation of armaments within the zone, the interchange of radar facilities, and all the rest It is true that the Soviet delegation demanded the dissolution of NATO. But this in their second paper they were prepared to postpone. . . Moreover, the Soviet delegation accept the principle of 'the inalienable right of States to individual or collective self-defence.' NATO is an organization for collective self-defence.

"In the light of all this, I felt, and still feel, that there would be no difficulty in writing a security treaty which would satisfy East and West, if the freedom and unity of Germany could be secured. But when Mr Molotov returned from Moscow, the real division between us emerged with brutal frankness This division is political, not military or strategic. But here, alas, there is a great gulf fixed. We thought the [summit] meeting had done something to narrow it, but now again it seems wide and deep The real problem is our radically different approach to German reunification. We believe that individuals and nations should be free. The Soviet Government, however, continues to believe in its right, nay, its duty, to impose political and economic systems on other nations.

"The passages that I have had with Mr Molotov on the subject of free elections and the varying merits of the single-list and the open-candidature system have been illuminating. It is clear that we are back in that strange nightmare where men use the same words to mean different things. 'Peaceloving,' 'democratic,' 'freedom,' all these splendid words, which we have inherited through the long history of civilized Europe, have clear and inspiring meanings to us, with deep undertones They appear to have a wholly different significance to the Soviet Government. And so that contact, that meeting of minds and almost of hearts, which seemed to have taken place four months ago, is—for the moment—broken. We stand looking at each other across the great divide.

"Yet I do not feel altogether discouraged. I feel that there are many new forces operating in the Communist world and in the satellite countries which they control. There is an old saying, which Mr. Molotov may know: 'He admires the sea, who stays at the edge of the forest.' I cannot help thinking that last summer's Geneva idyll was not a sham affair. There was a genuine longing on both sides of the Iron Curtain to break down the wretched thing; to let the free current of thought and human contacts, which have so long been cut off between us, start again. But when it comes to the point, the Soviet Government has not set out to sea. They have stayed at the edge of the forest.

"I feel that the Russian delegation and the Russian Government really do want pacification and security. But they are not prepared as yet to accept the consequences of what they wish. The German people must be allowed to live their own lives, to choose their own economic and social system, to decide their own foreign policy. Guarantees the Germans, and those with whom they may be allied, may properly be asked to give. But freedom the Germans have a right to demand. I have been driven to feel that the Soviet Government does not accept that right."

Turning to the free movement of ideas and persons, Mr. Macmillan cited a saying which we had heard recently: "The terrible thing is that the Russian Government fears our friendship more than our enmity." "Yet," he added, "this isolation cannot last for ever. Western books cannot always be excluded as subversive, or Western newspapers always be banned as corrupting. Information cannot, year after year, be classed as espionage, or travel restricted to hand-picked groups. After all, this is medievalism—or a parody of medievalism."

On disarmament, Mr. Macmillan declared that the exchange of views had been useful, but it would be wrong to suggest that agreement was at hand. Two things were necessary: confidence and controls.

Finally, Mr. Macmillan said, there must be a new spirit. "A vague *bonhomie* or a few phrases are not enough. These are words or gestures, outward things. The Geneva spirit, if it is anything, is an inward spirit. Its light is not bright today. It burns low. But it burns. It has not been extinguished. Like those street lamps which I remember as a child, it needs but one sincere touch of the lamplighter to set it once more aflame."

M. Pinay.

"If the meeting has not permitted us to reach a conclusion on any of the points which the Heads of Government instructed us to study, at least it has given us the chance to define our respective positions with clarity. . . . The proposals presented by the Soviet delegation regarding security are not inspired by a realism comparable to that which inspired us, since they concentrate on two main themes: the eventual dissolution of the Atlantic Pact, and the perpetuation of the division of Germany. Such is the path which, according to M. Molotov, should lead us to the security of Europe.

" In fact, these two exigencies are of a political order and have no relation to the organization of security. Security, for us, consists in giving everyone a real guarantee that no individual aggression will take place in Europe, and that, if such an aggression should come about, it would be strangled by collective and instantaneous action.

" So long as there exists in Eastern Europe a bloc of Powers so closely welded one to another that an individual voice can never be heard in any domain, the peoples of Western Europe will see in their own defensive organizations the irreplaceable basis of their security. Behind the formulas ' Europe for the Europeans ' and ' Europe united in security ' hides in fact the desire to deprive the Western countries of the collective defence system imposed on them by the existing balance of forces in Europe. I repeat that the existence of regional security systems does not in itself in any way constitute a danger of aggression—quite the contrary.

" I am convinced that the Soviet Government, if it now gives careful attention to the proposals we have made, will measure the consequences of an indefinite adjournment of the settlement of the German question, from which would result, in the centre of Europe, a constant cause of friction and a pretext for all kinds of rivalries. Such a policy would lead precisely to the rebirth of German nationalism and militarism, which the French Government could not admit It is the duty of the four Powers to prevent such an evolution. . . ."

M. Molotov.

" . . . The principal question we faced was European security, and in this connexion the German question. There is no problem more important than that of strengthening peace among nations and preventing the threat of another war. It is particularly true as far as Europe is concerned, where in the past two world wars were unleashed. This is precisely the premise from which the Heads of Government of the four Powers proceeded. It follows from the text of their directives, which establish a connexion between these two questions, that the first place is given to European security For the nations of Europe the problem of European security naturally comes at the top

" The German question, as related to this problem, is of subordinate importance. If European security is assured, then security for the German people will be assured, and also the most favourable conditions for the settlement of the German problem as a whole, including German unity.

" In the course of the entire meeting the Soviet delegation sought to convince the representatives of France, Britain, and the U S A. . . . that the setting-up of military groupings like the North Atlantic bloc and the Western European Union would lead to no good Such actions compel other European States to set up groupings of their own Only a system of collective security embracing all European States, irrespective of differences in their social structure, can meet the interests of peace and security in Europe.

" If some Western States are not yet prepared for the establishment of an organization for collective security for the whole of Europe, a start could be made with a security pact for a part of Europe, which would embrace both existing German States and those European countries that are prepared to join. This is also clearly indicated in the directives of the Heads of Government. . . . However, no agreement was reached.

" On the part of the representatives of the U S.A., France, and Britain, there was displayed a tendency which in no way conformed with the decisions of the Heads of Government. There was insistence to obtain our consent not only to the remilitarization of Western Germany, which is already being carried out under the Paris Agreements, but also to the remilitarization of Eastern Germany and to the inclusion of the whole of Germany into the military groupings of the Western Powers All this was proposed to be put into effect by means of all-German elections to be carried out under the ' Eden Plan.'

" The settlement of the German problem and the unification of Germany are related to the question of what course of development a unified Germany should take; its transformation into a military State joined to the military groupings of certain Powers, or its development as a peace-loving and democratic State which does not take part in any military blocs and which co-operates with other States in consolidating peace. He who evades the answer to this question delays the settlement of the German problem. The discussions on the German problem were doomed to failure if only for the reason that they took place in the absence of representatives of both Western and Eastern Germany. . . It is impossible to settle the German question and at the same time to disregard the fact that there exist two German States with two different social structures. One should not ignore realities . .

" The proposals of the Western Powers boil down to the absorption of Eastern Germany by Western Germany under the ' Eden Plan.' We stand for the restoration of German unity on the basis of free all-German elections. We cannot assist the plans for the remilitarization of any part of Germany, and moreover of the whole of Germany, and for its inclusion into military groupings directed against the Soviet Union and other peace-loving States. We were presented with a plan of German reunification that ignored the principal task —that of reuniting Germany as a peace-loving and democratic State. We were offered a draft under which the very reunification of Germany was made dependent on the remilitarization of the whole of Germany and on the membership in the NATO bloc not only of Western Germany but of Eastern Germany as well, to which the German Democratic Republic vigorously objects. . . .

" The directives of the Heads of Government say that the settlement of the German problem and the reunification of Germany should be carried out ' in conformity with the national interests of the German people and the interests of European security.' On the other hand, the proposals of the Western Powers clearly contradicted the actual situation existing in Germany and the interests of ensuring peace and security in Europe . . . The discussion of European security and Germany has not yet brought us to agreed conclusions. But we hope that this discussion will be useful, that the settlement of these questions will not be protracted, and that we shall come to agreed conclusions and decisions.

" On the disarmament question . . . we cannot boast of the results achieved. The proposals of the Western Powers do not say a word about ending the arms race or about reducing armaments. They make no mention of the need to prohibit atomic weapons, though the U.N. declared its positive attitude in this respect as far back as 1946. . . . Attempts have been made to present the case in such a way as if it is impossible at the present time to implement a general disarmament programme, and it has been proposed that we confine ourselves to the institution of inspection without taking any measures for the reduction of armaments. This approach cannot yield positive results

" The Soviet Union proceeds from the premise that the principal task in the field of disarmament is the implementation of practical stages aimed at putting an end to the arms race and delivering nations from the threat of an atomic war. This can be achieved only by putting into effect the earlier decisions unanimously adopted by the United Nations . But the Soviet Union believes that even in existing circumstances there is a possibility of making substantial progress in the field of disarmament . . Under present conditions, pending the conclusion of a general convention providing for the complete prohibition of atomic weapons, the moral and political condemnation of the use of such weapons would be of great significance. If such a condemnation were adopted by the U.N on the initiative of the four States represented here, it would be impossible to disregard it. .

" On the third item of the agenda the Soviet delegation submitted proposals aimed at eliminating the barriers between East and West which hamper the development of trade and economic relations. It also submitted a number of proposals on the development of contacts in the fields of culture, science, the press, radio, art, sport, tourism, and so forth However, they found no support from the delegations of the Western Powers, whose proposals moved away from the spirit of co-operation which characterized the conference of the Heads of Government . . . The three Western Powers kept on insisting on proposals which dealt with matters within the competence of the respective States. Since they concerned the internal affairs of States, they naturally could not be a subject of discussion for this meeting.

" But we still believe that the discussion on contacts at this meeting will help in arriving at agreed decisions in future The Soviet Government, without waiting for such decisions, will carry out practical measures for the development of contacts with those countries which seek them. We hope for positive results in this respect. . . ."

In conclusion, M. Molotov said that although the Foreign Ministers' conference had been " quite different from the spirit of Geneva." it had nevertheless been " helpful in drawing the attention of the public to the most urgent problems of our time," which " cannot but have a positive effect " He ended : " It is not only obstacles that have become more discernible, but also the broad possibilities that exist for the successful settlement of such problems as ensuring European security, disarmament, a settlement of the German question, and the expansion of economic and cultural ties between the East and West. We are convinced that this meeting will be helpful for the development of international co-operation and for the further lessening of international tension."

Final Communiqué. - Joint Declaration on Disarmament. - Western Declaration on Germany.

The following agreed communiqué was issued at the end of the conference :

" In compliance with the directive issued by the four Heads of Government in July, the Foreign Ministers of the French Republic, the United Kingdom, the Union of Soviet Socialist Republics, and the United States of America met in Geneva from Oct. 27 to Nov. 16, 1955. They had a frank and comprehensive discussion of the three items entrusted to them in the directives, namely : (1) European Security and Germany ; (2) Disarmament ; and (3) Development of Contacts between East and West

" The Foreign Ministers agreed to report the result of their discussions to their respective Heads of Government, and to recommend that the future course of the discussions of the Foreign Ministers should be settled through diplomatic channels."

The four Foreign Ministers also issued a joint declaration on disarmament, worded as follows :

" Guided by the desire to contribute to the lessening of international tension, to strengthening confidence between States, and to reducing the burden of armaments, the Foreign Ministers . . . remain convinced of the need to continue to seek agreement on a comprehensive programme for disarmament which will promote international peace and security with the least diversion for armaments of the world's human and economic resources.

" Their discussions showed that while there was agreement on this objective, it was not yet possible to reach agreement on effective methods and safeguards for achieving it.

" The Ministers will transmit the record of these discussions to their representatives on the U.N. Disarmament Sub-committee, They believe that their exchange of views has been useful in clarifying their respective positions and should assist the sub-committee in its efforts to reach agreement. . . . In the meantime, the Ministers agree that the studies of methods of control which are now proceeding in different countries should be designed to facilitate a settlement of the disarmament problem.

" The Ministers further reaffirmed the obligation of their Governments to refrain from the use of force in any manner inconsistent with the U N. Charter."

In addition, the following declaration on Germany was issued by the three Western Foreign Ministers :

" The Foreign Ministers of France, the United Kingdom, and the United States tried to reach agreement with the Soviet Foreign Minister on what the four Heads of Government, in July, agreed were the closely linked problems of German reunification and European security. To this end they made a proposal for the reunification of Germany by free elections in 1956, and for a Treaty of Assurance giving the Soviet Union far-reaching safeguards against aggression when German was reunified.

" Marshal Bulganin, in July, had agreed that the reunification of Germany was the common responsibility of the four Powers and should be carried out by means of free elections. The Soviet Foreign Minister, however, despite the directive of the Heads of Government, made it plain that the Soviet Government refused to agree to the reunification of Germany, since that would lead to the liquidation of the East German regime He made counter-proposals which would have involved the continued division of Germany, as well as the eventual dissolution of the Western security system It is for this reason that the negotiations have failed

" The Foreign Ministers of France, the U K , and the U S A. are aware that this result must bring a sense of cruel disappointment to the German people, East and West of the zonal border which now unjustly divides them. However, they believe that the Soviet Government will come to recognize that its own self-interest will be served by ending the injustice of a divided Germany They believe that the Soviet Government will realize that so long as it persists in withholding unity from the German people, thus perpetuating the division of Europe, there can be no solid security in Europe, nor indeed in the world

" The three Western Powers themselves will not cease their efforts to end the injustice and wrong now being done by dividing the German people, and will continue to stand ready to contribute to the security which can be enjoyed by all only when Germany is reunified."

German Reactions to Geneva Conference.

Deep disappointment was expressed in Western Germany, both by the press and by leaders of the political parties, at the failure to make any progress on German reunification. The Federal Government issued a statement on Nov. 9 declaring that M. Molotov had dealt " a ruinous blow " to the spirit of Geneva, and had " shown unequivocally that he would give the German people freedom of decision neither in domestic nor in foreign affairs." An official spokesman in Bonn said on Nov. 16 that the Federal Government was grateful to the Western Powers for having " made the cause of German unity their own," for having emphasized " the demand for reunion of the divided parts of the country," and for having shown themselves " dependable allies of the German people."

Over 50,000 Berliners demonstrated on Nov 20 outside the West Berlin City Hall in protest against the failure of the Geneva conference to reach agreement on German reunification. The Chief Burgomaster (Dr Suhr) declared that " the world will not find peace until Germany is unified," and appealed to the world to allow the German people the right of self-determination guaranteed to all peoples under the U.N Charter Speeches in support were made by the chairman of the West Berlin trade unions, the president of the West Berlin City Assembly, and other prominent personalities.

While the Geneva Conference was in progress, the East German Government presented on Nov. 1 proposals for German reunification which were virtually identical with those introduced by M. Molotov.

The proposals envisaged, *inter alia*, an All-German Council to bring about a *rapprochement* between the Democratic and Federal Republics , direct negotiations between the East German *Volkskammer* and the West German *Bundestag* for the creation of such a council , the eventual reunification of Germany on the basis of merging the existing capitalist and communist economies, so that the united country would contain both types of enterprise ; and military neutrality between the East and the West. The proposals were planned to run concurrently with the security pact proposed by M. Molotov, and were accompanied by a letter protesting at the exclusion of the East German Government from the conference and reserving its right to participate in future conferences on Germany. The East German proposals—described by Mr Macmillan as a *Diktat*—were rejected by the Western Foreign Ministers.

On the same day on which these proposals were presented (Nov. 1), the central committee of the Socialist Unity Party in Eastern Germany issued a statement declaring that there could be no question " in present circumstances " of holding all-German elections as a prelude to the reunification of Germany. After denouncing Western Germany's membership of NATO and the W.E.U., and the plans for West German rearmament, it went on to declare that all-German elections were being proposed by the Western Powers " to enslave the German people in preparation for a third world war " , that the status of a united Germany must be settled before reunification took place, on the basis of the " successful struggle of the German people to combat militarism in Western Germany " ; and that German reunification should be accompanied by the establishment of a European collective security system The statement emphasized that the East German Government would be prepared to negotiate with Western Germany only on a basis of equality, and that it would not surrender any of the " achievements of the German Democratic Republic."

Dr. von Brentano visited Geneva on Nov. 8 for discussions with Mr. Dulles, Mr. Macmillan and M. Pinay, and subsequently reported to the Federal Cabinet. On the previous day Mr. Dulles had had a meeting in Geneva with Herr Ollenhauer (the leader of the German Social Democratic Party), who, it was understood, discussed with the Secretary of State his party's attitude to the question of German reunification.
(Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - Le Figaro, Paris - Soviet Weekly - New York Times - New York Herald Tribune - Frankfurter Allgemeine Zeitung)
(Prev. rep. " Summit " Conference, 14325 A.)

A. FRANCE. — Arms Shipments resumed to Egypt.

It was announced in Paris on Nov. 13 that France would resume deliveries of arms to Egypt, which had been temporarily suspended for two months owing to the hostile tone of Cairo broadcasts to French North Africa. A spokesman of the Quai d'Orsay said that the decision resulted from an improvement in Franco-Egyptian relations ; that the arms shipments to Egypt—details of which were not given—all arose out of contracts which were more than a year old ; and that similar shipments to Israel had not been and would not be disrupted.

An article in *Le Monde* (Nov. 14) said that the easing of tension in Morocco had led to a " more normal basis " in the relations between France and the Arab States It added in this connexion : " It must be stated . . . that the amelioration of our relations with the Arab States is in no way directed against Israel. Relations with that country remain what they have always been—cordial. It is not our intention to favour one side to the detriment of the other , this explains the continuation of the normal deliveries promised to Israel."

For some weeks beforehand the Egyptian press and radio had adopted a more moderate tone in their comments on the North African situation, and had ceased to attack France and French policy.—(Le Monde, Paris) **(Prev. rep. 14452 B.)**

B. UNITED KINGDOM. — British Transport Commission accepts Principle of Equal Pay for Women Employees of British Railways.

The British Transport Commission announced on Oct. 6 that, as a result of negotiations with the Transport Salaried Staffs Association and the National Union of Railwaymen, it would be " prepared to agree in principle to the introduction by stages of equal pay for equal work as between men and women in the administrative, technical, and clerical staffs of British Railways." The Commission stressed, however, that the proposal was " subject to the clear understanding that it will apply only to those posts where there is equal responsibility in all respects."

It was stated in the Press that about 20,000 women were employed in the grades affected, compared with about 75,000 men. At present women received about four-fifths of the men's rate, but it was " extremely unlikely " that all of them would qualify for equal pay. Proposals for implementing the scheme were being worked out, and it was hoped to introduce it early in 1956 on the basis of reaching parity between men's and women's scales by seven yearly instalments.

The British Transport Commission is the first body controlling a nationalized industry to follow the lead of the Civil Service in granting the principle of equal pay.—(Times)
(Prev. rep. Equal Pay, 14165 B.)

C. UNITED STATES - SOVIET UNION. — Exchange of Books and Periodicals.

Mr. Martin E. Malia, Assistant Professor of Russian History at Harvard University, announced in Moscow on Oct. 27 that, for the first time since the end of World War II, major research libraries throughout the Soviet Union had agreed to exchange books and newspapers with comparable U.S. institutions. Professor Malia, who was visiting the Soviet Union on behalf of the Library of Congress and a group of U.S. universities (including Harvard, Yale, Columbia, and the University of California), said that the U.S. institutions would supply their own publications and such representative American newspapers as the *New York Times* to research libraries in Moscow, Leningrad, Kiev, Tiflis, Erivan, Baku, Tashkent, and Alma Ata. In return, they would receive publications of university and scientific bodies in those cities, as well as Soviet provincial newspapers. He added that although Harvard had been sending 300-400 volumes annually to the U.S.S.R. since the end of the war, the supply of Soviet publications to the U.S.A. had hitherto been " totally inadequate." (New York Times)

A. TURKEY. — Cabinet Appointments and Resignations. - Split in Democratic Party. - "Freedom Party" formed by Dissident Democrats.

The Turkish Minister of the Interior, M. Namik Gedik, resigned on Sept. 8 following the anti-Greek riots in Istanbul, Izmir, and Ankara two days earlier. M. Ethem Menderes, the Defence Minister, resigned from that post on Sept. 16 and was appointed Minister of State in succession to M. Osman Kapani, who had previously tendered his resignation, the Defence portfolio was taken over by Professor Koprulu, who retained the posts of Deputy Premier and Minister of State. On Sept. 30, however, M. Ethem Menderes was appointed Minister of the Interior and M. Fahrettin Ulas became Minister of State.

A crisis within the Democratic Party (the Government party) came to a head at its national congress, which was held in Ankara on Oct. 15-16.

The congress decided on Oct. 15 to expel nine deputies who had urged the repeal of a Government-sponsored Press law which made it a criminal offence for newspapers to insult or undermine the prestige of the Government or of Government officials, and which denied newspapers the right to present evidence supporting the authenticity of their allegations in criminal libel cases brought against them. The expelled deputies included M. Karaosmanoglu, a former Minister of the Interior, and M. Ustundag, a former Minister of Health. Twelve other Democratic deputies subsequently resigned from the party in sympathy with those expelled.

M. Karaosmanoglu, the leader of the dissidents, sent a letter to M Adnan Menderes (the Prime Minister) accusing him of "dictatorial methods" and alleging that nothing had changed since the Popular Party had been replaced by the Democratic Party He added. "The same totalitarian regime exists, if anything it is worse. The Democratic Party came to power pretending freedom Now, even within the party, there is no freedom."

M. Menderes, in his opening address to the congress, had stressed the necessity for Turkey to maintain her national unity and, while promoting free institutions, to be watchful lest freedom should degenerate into anarchy For this reason, he said, the Democratic Party must maintain strong discipline within its own ranks and see to it that the right of criticism and free discussion should not undermine national unity.

In his closing speech to the congress, M Menderes accused the dissident Democratic deputies of having tried for a long time to sow discord within the party, and of having used the Press legislation as a pretext to put the Government in a difficult position The Government's position, however, was stronger than ever, and they were quite prepared if necessary to hold a new general election to test the confidence of the Turkish people

M. Menderes was re-elected leader of the Democratic Party by an almost unanimous vote.

The 21 former Democrats who were expelled from the party, or who had resigned in sympathy with the expellees, constituted themselves on Nov. 19 as a new political group under the name of the Freedom (*Hurriyet*) Party. They issued a statement of policy which laid special emphasis on the introduction of truly democratic institutions in Turkey, including the independence of the judiciary and freedom of the Press; political impartiality in administration and the police; and a non-partisan broadcasting system. As a result of the secession, there are now five political parties in Turkey: the Democratic Party, which has been in power since 1950; the People's Party, which was in power from 1923 to 1950; the National Party, which has three members in the Grand National Assembly; the Peasant Party, which is unrepresented in Parliament; and the new Freedom Party, with 21 members in Parliament.

Prior to these developments, the secretary-general of the People's Party (the principal Opposition party), M. Kasim Gulek, had been arrested on a public prosecutor's warrant on Aug. 13 but was provisionally released three days later.

It was officially announced that the charges against M. Gulek related to a statement made by him at a press conference in which he had said: "We have decided . . . to abstain from participating in the forthcoming local elections, and wish circumstances were different, allowing us to take part in those elections They [meaning the Democrats] know better than we do how they won the 1954 general election; I much prefer not to say anything more on this subject." The public prosecutor charged that this remark implied that the last general election had been conducted unfairly and that therefore the present Grand National Assembly did not represent the Turkish people.

Professor Köprülü, speaking in Ankara on Aug. 13, had accused the Opposition of systematic misrepresentation of facts and of a deliberate attempt to disrupt public order. Such an attitude, he added, trespassed on the limits of legitimate opposition and verged on high treason, and the Government was determined to take drastic measures against anyone who tried to undermine the country's political and economic stability. (Turkish Embassy Press Bulletin, London - Times - Le Monde) **(Prev. rep. Cabinet, 14384 E; Democratic Party, 13597 A.)**

B. UNITED STATES. — Navy. - Launch of U.S.S. "Saratoga." - Commissioning of U.S.S. "Forrestal" and Guided Missile Cruisers.

The aircraft-carrier *Saratoga* (59,600 displacement tons), the most powerful warship in the world, was launched on Oct. 8 by flooding the dry-dock at the New York Navy Shipyard. The *Saratoga*, the sixth U.S. warship to bear the name, is a sister-ship of the *Forrestal* (which was commissioned on Oct. 2, 1954) but will develop greater horsepower. When completed she will have cost about $207,000,000.

The first U.S. warship to carry anti-aircraft guided missiles —the 13,600-ton cruiser *Boston*—was re-commissioned at the Philadelphia Navy Yard on Nov. 1. A sister-ship—U.S.S. *Canberra*—is also being converted as a guided missile warship, and will be re-commissioned for this purpose during 1956. The commanding officer of the *Boston* disclosed that the missiles had a range of 20 miles, were able to "home" on their target by a radar device, and possessed a high rate of fire, being fitted with an automatic loading device.

The U.S. Chief of Naval Operations (Admiral Burke), speaking at the re-commissioning of the *Boston*, said that the U.S. Navy would have an atomic-powered surface fleet within two years, and that it was intended to "extend nuclear power . . . to guided-missile cruisers, frigates, and aircraft-carriers," in addition to atomic-powered submarines such as the *Nautilus* and her sister vessels. He also stated that the giant aircraft-carrier *Forrestal* would carry "very effective" air-to-air guided missiles, as well as "any one of many types of atomic weapons," and that the first guided-missile squadron of the U.S. Navy would comprise the *Boston*, *Canberra*, and another cruiser at present undergoing conversion.

It was disclosed by Admiral Burke that the *Boston* carried guided missiles of the type known as "Terriers." In addition, the Navy possessed the supersonic air-to-air "Sparrow"; the surface-to-surface missile known as the "Regulus", carried in submarines, cruisers, and aircraft-carriers; and the air-to-underwater missile known as the "Petrel." With these developments, and the application of nuclear power, the U.S. Navy would soon "pack a terrific wallop."—(New York Times - New York Herald Tribune) **(Prev. rep. 13976 B; 12349 D.)**

C. RHODESIA AND NYASALAND FEDERATION. — Federal and Southern Rhodesian Cabinets.

The complete membership of the Governments of the Federation of Rhodesia and Nyasaland and of Southern Rhodesia is given below.

Rhodesia and Nyasaland Federation.

Viscount Malvern ..	Prime Minister, External Affairs, and Defence.
Mr. D. Macintyre ..	Finance.
Sir Roy Welensky ..	Transport and Communications.
Sir Malcolm Barrow ..	Commerce and Industry, and Power.
Mr. J. M. Greenfield ..	Law and Education.
Mr. J. M. Caldicott ..	Agriculture and Health.
Mr. F. S. Owen ..	Home Affairs.

Southern Rhodesia.

Mr. R. S. Garfield Todd	Prime Minister.
Mr. P. B. Fletcher ..	Native Affairs.
Mr. G. A. Davenport* ..	Mines, Lands and Surveys.
Mr. C. J. Hatty ..	Treasury.
Mr. G. Ellman-Brown ..	Roads and Road Traffic, Irrigation, and Housing.
Mr. A. R. W. Stumbles	Justice and Internal Affairs.

* In a letter to the Prime Minister dated Oct. 31, Mr. Davenport asked to be released from the Cabinet as he wished to retire Mr. Todd, in reply, asked Mr. Davenport to remain in office until the end of January 1956, "by which time I hope to have the work of Government reorganized under five ministries."

Although there were no changes in membership, the various portfolios held in Southern Rhodesia show a number of changes from those given in previous articles.—(Federal Information Department, Salisbury) **(Prev. rep. Federal Cabinet, 14151 C; 14279 C; 13856 A; 13333 A; 13133 A; Southern Rhodesian Cabinet, 13950 A; 13399 D.)**

D. FRANCE. — New Paris Daily Newspaper.

L'Express, hitherto a well-known weekly, appeared for the first time on Oct. 13 as a Paris daily newspaper. Politically a "Left-Centre" organ, it gives strong support to M. Mendès-France and will carry regular signed leaders by him. The editor is M. Jean-Jacques Servan-Schreiber, who also edited the paper when it was a weekly. (Le Monde, Paris)

A. UNITED KINGDOM. — Press. - "Daily Mirror" Group acquires Controlling Interest in Glasgow Newspapers. - "Daily Mirror" and "Sunday Pictorial" to publish Manchester Editions. - "Daily Dispatch" taken over by "News Chronicle." - "Sunday Chronicle" ceases Publication.

Daily Mirror Newspapers Ltd., and its associated company Sunday Pictorial Newspapers Ltd., jointly announced on Nov. 9 that they had acquired from Kemsley Newspapers Ltd. the controlling interest in Scottish Daily Record and Evening News Ltd. of Glasgow, publishers of the *Daily Record, Glasgow Evening News,* and *Sunday Mail.* The announcement added that the three newspapers would "retain their distinctively Scottish character" and that Mr. C. B. Livingstone, who had been associated with Kemsley Newspapers for 31 years, would remain managing director. Kemsley Newspapers Ltd. stated on the same day that it was retaining a financial interest in the three Glasgow papers.

It was also announced on Nov. 9 that Kemsley Newspapers Ltd. had signed a 10-year contract with the Daily Mirror group for the printing of Northern editions of the *Daily Mirror* and *Sunday Pictorial* in Manchester. On the same day Kemsley Newspapers Ltd. informed the printing trade unions that publication of the company's Manchester daily newspaper, the *Daily Dispatch,* would cease from a date still to be decided, and that its two Sunday papers in Manchester, the *Sunday Chronicle* and *Empire News,* would be amalgamated under the latter name.

The *Daily Dispatch* was founded by Mr. (later Sir) Edward Hulton in 1900. By devoting special attention to the business and commercial interests of Manchester and the surrounding industrial area, it eventually acquired the largest circulation of any provincial daily newspaper. It was sold by the Hulton interests to the first Lord Rothermere in 1923, and was acquired by Allied Newspapers Ltd.—later renamed Kemsley Newspapers Ltd.—in 1924. The present circulation figure is about 463,000.

The *Sunday Chronicle,* founded by the first Mr. Edward Hulton in 1885 as a weekly, with special emphasis on sporting news, acquired a strong political flavour (Socialist) between 1887-1891, when Robert Blatchford contributed a daily column, and built up a large circulation. The paper subsequently developed along similar lines to other popular Sunday newspapers, and was acquired by Allied Newspapers Ltd. in 1924. After the incorporation of the *Sunday Referee* in 1939 the circulation of the *Sunday Chronicle* increased considerably, but subsequently dropped sharply. Its present circulation is about 830,000.

The *Empire News,* founded in 1917, has a present circulation of about 2,049,000

It was announced on Nov. 21 that the title, goodwill, and relevant copyrights of the *Daily Dispatch* had been bought from Kemsley Newspapers by the Daily News Ltd., proprietors of the *News Chronicle.* From the same date the Northern editions of the *News Chronicle* (published in Manchester) were published as the *News Chronicle and Daily Dispatch,* incorporating many *Daily Dispatch* features.

The acquisition of the Glasgow group of newspapers and the arrangements made for publishing Northern editions of the *Daily Mirror* and *Sunday Pictorial* in Manchester marked a new departure for the Daily Mirror group, which had hitherto had no publishing interests in Great Britain outside London. In other Commonwealth countries, however, the group has for some years controlled the *Melbourne Argus* (daily) and *Australian Post* (weekly), as well as three newspapers in Nigeria, two in the Gold Coast, and one in Sierra Leone. It also has a controlling interest in large pulp and paper mills in Quebec and Ontario.

Owing to increases in printers' wages and other production costs, the prices of the *News Chronicle, Daily Herald,* and *Daily Mirror* were raised from 1½d. to 2d. from Sept. 19, that of the *Daily Worker* from 2d. to 2½d. from Oct. 10, and that of the *Observer* from 3½d. to 4d. from Oct. 23. The increases were described as "the most widespread increases in the prices of London newspapers since May 1951."—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Kemsley Group, 12625 B; Newspaper Prices, 11472 A.)**

B. SYRIA - SOVIET UNION. — Trade and Payments Agreement. - Legations raised to Embassy Status.

A one-year trade and payments agreement was signed in Damascus on Nov. 16 providing for Syrian exports to the U.S.S.R. of cotton, wool, tobacco, vegetables, and dried fruits, against Russian deliveries to Syria of motor vehicles, tractors and other agricultural machinery, wood-pulp, and various non-industrial products. The two countries also agreed to raise their respective Legations in Damascus and Moscow to the status of Embassies. (Neue Zürcher Zeitung)

C. INDONESIA. — Visits of Malayan and Singapore Government Missions. - Cultural and Economic Agreements.

A goodwill mission from the Federation of Malaya, led by the Malayan Prime Minister, Tengku Abdul Rahman, visited Indonesia from Nov. 8-16. During its stay in Jakarta, Tengku Abdul Rahman had talks with the Indonesian Foreign Minister, Anak Agung Gde Agung, and other members of the Indonesian Government. A joint communiqué issued on Nov. 14 said that the mission had "helped to strengthen the bonds of brotherhood between the two peoples," and announced the following agreements between the two Governments:

Culture and Education. Both Governments would co-operate in efforts to develop the Indonesian language (*Bahasa Indonesia*) and the Malayan language (*Bahasa Malayu*) with the eventual aim of fusing the two languages They would also exchange educational and linguistic experts, cultural and educational material, and exhibitions

Agriculture. The two Governments had agreed "in principle" on the exchange of technical information in agriculture; the exchange of agricultural experts, and the exchange of information on the cultivation and processing of rubber.

Commodities. The two Governments would also attempt to co-operate in the international sphere, with particular reference to tin and rubber; to arrange for consultations on the development of tin production; and to improve trade relations between North Sumatra and Penang.

The Indonesian Foreign Ministry announced on Nov. 14 that the Indonesian Consulate in Kuala Lumpur (the capital of the Malayan Federation) would be raised to the status of a Consulate-General.

The Malayan mission's visit was preceded by a mission from Singapore, which stayed in Jakarta from Sept. 8-12 and was headed by Mr. David Marshall, the Chief Minister of Singapore.

After discussions between the mission and members of the Indonesian Government, a joint communiqué was issued on Sept. 12 stating (*a*) that a full-scale economic mission from Singapore, in conjunction with one from the Malayan Federation if the latter desired, would visit Indonesia in December; (*b*) that both sides had agreed to reconsider certain regulations affecting their present trade relations, including foreign exchange regulations and the restriction of exports of rubber from Sumatra.

The Singapore Government also agreed to the opening of a branch of the Indonesian State Bank in Singapore, whilst Indonesia expressed the wish for the appointment of a Singapore Trade Commissioner in Jakarta, with a view to establishing permanent trade relations between Indonesia and Singapore. (Indonesian Embassy, London - New Commonwealth)

D. SPAIN - UNITED STATES. — Mr. Dulles's Visit to Madrid. - Meeting with General Franco.

At the invitation of the Spanish Government, Mr. Dulles flew on Nov. 1 from Geneva—where he was attending the Foreign Ministers' Conference—to Madrid, where he had discussions with General Franco during the course of a five-hour visit.

A communiqué issued by the Spanish Foreign Ministry said that Mr. Dulles and General Franco had reviewed "the principal problems which affect the peace and security of the free nations," and had found themselves in mutual agreement on these questions. It added: "Discussions were also held on matters within the framework of the agreements on mutual defence assistance, economic aid, and defence support concluded between Spain and the United States in 1953. The meeting affirmed the spirit of collaboration which resulted in the signing of these agreements between the two countries."

The Secretary of State was accompanied by Mr. Livingston Merchant, Assistant Secretary of State for European Affairs, and Mr. John D. Lodge, the U.S. Ambassador in Madrid. On the Spanish side, the Foreign Minister (Señor Artajo) and the Ministers of Commerce, Agriculture, War and Air took part in the discussions in addition to General Franco.
(New York Times) **(Prev. rep. 14185 C; 13527 B; 13157 A.)**

E. PAKISTAN. — Civil Aviation Agreements with Syria and Turkey.

An agreement between Pakistan and Turkey for the establishment of a direct air link beteen Ankara and Karachi was signed on Nov. 2. An air agreement between Pakistan and Syria had been concluded at the end of October.
(Pakistan High Commissioner's Office, London)

F. NATIONALIST CHINA. — Ending of State of War with the German Federal Republic.

Nationalist China formally ended the state of war with the German Federal Republic on Oct. 27.—(New York Times) **(Prev. rep. 4921 A.)**

A. UNITED KINGDOM. — Aircraft Industry. - Government Decision to abandon Vickers-1000 Jet Transport. - Fighter Aircraft Development. - Future Aircraft Policy. - Abandonment of "Princess" Flying-boat. - British, U.S., and Canadian Collaboration on Long-range Turbo-prop Airliner.

The Ministry of Supply announced on Nov. 11 that the Government had decided to abandon both the military and civil versions of the *Vickers-1000* long-range jet transport aircraft, and had cancelled orders already placed for one prototype and six further aircraft for Transport Command. Instead, Transport Command would acquire six *Britannia* Mark-250 aircraft of the long-range type, to be built by Short and Harland, Ltd.

The announcement explained that it had taken longer than anticipated to overcome certain problems in connexion with the specifications laid down for the *V-1000*: that there was an urgent need to re-equip Transport Command; and that the long-range *Britannia* could be made available earlier. Also, it was not intended to develop a civil version of the *V-1000*, since the B.O.A.C. had no use for it.

A Ministry spokesman stated that the *V-1000* had originally been conceived as a military transport, but with a civil application, in development, however, its weight had grown so fast that it had outstripped engine capacity, although this also had increased. Its civil application depended on potential customers, and B.O.A.C had decided to base its transatlantic operations on the *Comet IV* and the long-range *Britannia*.

It was stated in the Press that the prototype of the *Vickers-1000* would have been ready to begin trial flights in 1956, and that the civil version, the *VC-7* (the specification of which had been developed in conjunction with B.O.A.C), would have been designed for non-stop transatlantic crossings, carrying 100 first-class or 150 tourist-class passengers at a high subsonic speed. The Government's decision meant that for some years ahead Britain would have no long-distance turbo-jet airliner capable of making non-stop transatlantic crossings, whereas the two new U.S jet airliners recently ordered by Pan-American Airways—the *Douglas DC8* and *Boeing 707* (see 14483 B)—were expected to be able to do so. Another result of abandoning the *Vickers-1000* would be that there would be no aircraft specially designed to use the Rolls-Royce *Conway* engine, the first large "by-pass" jet engine to be produced in any country, though it was possible that this engine might later be fitted to one of the V-class bombers.

Mr. G. R. Edwards, managing director of Vickers-Armstrong, declared on Nov. 11 that by the Government's decision Britain had "abandoned to the Americans without a struggle a highly important market," the future size of which "could be of the order of £19,000,000," and that this was "a decision we shall regret for many years." The *V-1000*, he added, could have been available by 1960 and could have been "better in some ways than the American aircraft because the *Conway* engine around which it is built is better than the American engine." Moreover, it would have been able to fly the Atlantic in a westbound direction, whereas "with 100 passengers the Americans, in our view, are unlikely to have engines capable of the non-stop westbound Atlantic crossings before that date."

A Ministry of Supply statement reviewing recent British progress in military and civil aviation, and outlining policy for the British aircraft industry, was also published on Nov. 11. Its main points are summarized below:

Rocket Interceptor Aircraft. Two new fighters—the *Saunders-Roe SR-53* and the *Avro-720*—had been evolved powered by combined jet engines and rockets, but it had been decided to concentrate on the development of the *SR-53*.

[It was explained in the Press that the object of using "mixed" power plants was to improve the performance of interceptor fighters, particularly at very high altitudes. Aircraft thus equipped would show exceptional performances in take-off, climb, forward speed, acceleration, operating altitude, and manoeuvrability in the stratosphere. Whereas the power of jet engines fell off seriously at great heights, the thrust of rockets improved with altitude, and by using the jet engines for the take-off and early part of the climb, and adding the rocket thrust when the rate of climb began to deteriorate seriously, the time taken to gain height to intercept bombers could be considerably reduced. Alternatively, the climb could be performed by the jet engine alone, and the rocket fuel conserved for extended combat at high altitudes.]

The P.1. Jet Fighter and Fairey Delta Research Plane. These aircraft had both attained supersonic speeds in climbs as well as in level flights. The *P-1* would be followed by a fighter developed from the *SR-53* rocket-jet plane (see above).

The Javelin Delta Wing All-Weather Fighter. Development troubles had been solved, and these aircraft would shortly be released for service.

Future Policy. Development and production of both airliners and R.A.F. transports would be concentrated on turbine-propeller (turbo-prop) types, and development of "pure jet" airliners would be suspended for the time being. Research and development of jet engines would, however, be continued, and much research was now in progress on supersonic aircraft. Aircraft production in Britain had increased 2½ times in the past five years, but now that R.A.F. expansion had reached its peak the industry would have to face a big contraction in military orders over the next few years.

The Government's decision in 1954 to suspend work on the development of the *Princess* flying-boat was disclosed in the report of the Comptroller and Auditor-General (Sir Frank Tribe), published on March 14, 1955.

After recalling that the original estimate of the cost of building three large flying boats, including engines, had been about £2,800,000, the report explained that the estimate had increased to £4,500,000 by the end of 1947 and to £10,800,000 by June 1950. Work on the second and third airframes had been suspended in 1952, and they had been "cocooned" and stored. When the first flying boat was tested in 1954 it had been decided that its *Proteus* engines would have to be developed further, but as this could not be done without delaying development of the engines of other super-priority aircraft, the *Princess* project had been shelved. Total expenditure on the main contracts up to March 31, 1954, had amounted to over £8,000,000, and some further expenditure had been incurred since then.

The Bristol Aeroplane Company announced on Nov. 21 plans for Anglo-U.S.-Canadian collaboration to produce a long-range turbo-prop aircraft capable of flying the Atlantic non-stop.

The announcement said: "The Bristol Aeroplane Co., Ltd. and the U.S. General Dynamics Corporation announce that, following discussions between Bristol, Convair, and Canadair in London, Montreal, and New York, progress has been made towards long-term collaboration of their aviation interests, including, as a first stage, work on a joint specification for a new exceptionally long-range transport aeroplane." It was explained that the new aircraft would be "in the 500 m.p.h. class"; that it would be designed around four Bristol *BE-25* turbo-prop engines, and that a joint engineering group working at San Diego, with the background of the experience of the Bristol Company on the long-range *Britannia*, would complete the technical specification in January 1956.

The statement added that the three companies intended that the aircraft and engines should be produced on both sides of the Atlantic.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Vickers-1000, 12904 A; U.S. Jet Airliners, 14483 B; "Princess" Flying Boats, 12541 A; Aircraft Developments, 14397 A.)**

B. SOVIET UNION. — Executions in Georgia.

It was announced on Nov. 22 by Tiflis Radio that six leading security officials in Georgia, including two former Ministers of the Georgian Soviet Republic, had been executed after having been found guilty on charges of "high treason," terrorism, and counter-revolutionary activity." The persons concerned were N. M. Rukhadze, formerly Minister of Internal Security; A. N. Rapava, formerly Minister of State Control; Tsereteli, a former Deputy Minister of Internal Security; Stavitsky and Khazani, police prosecutors; and Kriman, a police interrogator. Two others were sentenced to life imprisonment. All the condemned persons were said to have been supporters of the late Lavrenti Beria, who was executed in December 1953.

Two of the condemned men, Rukhadze and Rapava, had held high office in Georgia for many years before their downfall. Rukhadze, formerly a member of the Georgian Politburo, had been arrested in March 1953—a month after Marshal Stalin's death—and was succeeded as Minister of Internal Security by M. Dekanozov, who, in turn was "purged" at the time of Beria's arrest and later executed. Rapava was removed by Rukhadze in 1952 from the post of Minister of Justice on the ground of "criminal offences against the State," but was subsequently reinstated by Beria as Minister of State Control after it had been announced that the earlier charges against him were "fabricated." In July, 1953, Rapava was again arrested for "loyalty to Beria."—(Times - Manchester Guardian - Le Monde, Paris) **(Prev. rep. Georgia "Purges," 13468 A; 13029 A; Beria, 13363 A; Abakumov, 13978 A.)**

C. INDIA - PAKISTAN. — Canal Waters Dispute. - New Interim Agreement.

The Governments of India and Pakistan announced on Nov. 3 that a new interim agreement covering the winter cropping period had been signed in Washington on Oct. 31 by the leaders of the delegations of the two countries which were negotiating on the division of the waters of the Indus river system. The new agreement continued from Oct. 1, 1955 to March 31, 1956, the arrangements establishing *ad hoc* amounts for additional canal withdrawals by India from the three eastern rivers (the Ravi, Beas, and Sutlej) on similar lines to those laid down by the previous agreement, which expired on Sept. 30. The announcement also stated that the terminal date for the discussions on the preparation of a comprehensive plan had been extended to March 31, 1956, by agreement between the two Governments and the International Bank. (Indian and Pakistani High Commissioners' Office, London - International Bank, Washington) **(14303 A; 14484 D.)**

A. UNITED KINGDOM. — Trade Unions. - Recognition as Legal Entities. - The Bonsor Case.

The House of Lords unanimously ruled on Nov. 7 that trade unions constituted legal entities distinct from their individual members, and could therefore be effectively sued by members for breach of contract. The decision arose out of the rejection by the courts of a claim for damages by a Mr. Harry Bonsor (who had since died) against the Musicians' Union, which had expelled him. Mr. Bonsor had based his claim on the ground that, as the union was a "closed shop" union, he had been unable to obtain any employment as a musician after his expulsion, and had been obliged to seek entirely different work. The case was subsequently brought before the House of Lords by Mr. Bonsor's widow, who appealed against the decision of the Court of Appeal.

Lord Morton of Henryton, giving the decision of the House of Lords, said that the Court of Appeal had dismissed Mr Bonsor's claim for damages because they held themselves to be bound by an earlier decision of the Court of Appeal in *Kelly v National Society of Operative Printers and Assistants* (1915) He was, however, of the opinion that Kelly's case had been wrongly decided in so far as the plaintiff's claim for damages was rejected The basis of that decision was that the plaintiff had contracted, not with the trade union—which was merely an unincorporated society of individuals—but with each and every one of its members, including himself, so that if he sued the trade union for the act of one of its agents he was suing himself among others. In his (Lord Morton's) opinion, however, Kelly's case was an action by a member against his union as an entity recognized by the law, and distinct from the individual members thereof, for breach of a contract between the plaintiff and his union. If that was so, there was no foundation for the refusal of damages

After quoting the Taff Vale case (1901) and other precedents in support of his argument, Lord Morton of Henryton said that the authorities quoted had led him to the following conclusions

(1) The Musicians' Union, though it was not an incorporated body, was capable of entering into contracts and of being sued as a legal entity, distinct from its individual members.

(2) When Mr. Bonsor applied to join the union, and his application was accepted, a contract came into existence between him and the union whereby he agreed to abide by the rules of the union, and the union agreed, by implication, that he would not be excluded by the union or its officers otherwise than in accordance with the rules.

(3) The union had broken this contract by wrongfully expelling Mr Bonsor, and he was suing the union as a legal entity. Mr. Bonsor was not suing all the members of the union at the date of the writ other than himself (many of whom must have joined since the breach of contract), or all the members of the union including himself.

(4) There was no reason in law why Mr. Bonsor should not be granted against the union all the remedies appropriate to a breach of contract.

(5) The Court of Appeal in Kelly's case should have awarded damages to the plaintiff.

The appeal by Mr. Bonsor's widow having been granted, the case was remitted to the Chancery Division for the assessment of damages. (Times - Manchester Guardian)

B. NEW ZEALAND. — Sale of Government Shareholding in British Petroleum Company of New Zealand.

It was announced in Wellington and London on Nov. 15 that the New Zealand Government was selling its 51 per cent shareholding in the British Petroleum Company of New Zealand to the British Petroleum Company of London, at par.

Mr. J. Watts, the N.Z. Minister of Finance, stated that the additional finance required by B.P. of New Zealand for development meant that the Government had either to increase its investment in the company, or to withdraw from it. After careful consideration they had decided to withdraw, and the additional finance would now be found from the existing resources of the group.

The N.Z. Government hold 1,275,000 £1 shares in the company, which was formed in 1946 to import, store, and distribute petroleum products. (Financial Times)

C. PAKISTAN. — Left-hand Driving to continue.

It was announced in Karachi on Nov. 9 that, on reconsidering the matter, the Pakistani Government had decided that left-hand driving should continue in Pakistan. It accordingly rescinded its earlier decision to change over to right-hand driving as from Jan. 1, 1956.—(Pakistan High Commissioner's Office, London) **(Prev. rep. 14390 D.)**

D. EGYPT - HUNGARY. — Full Diplomatic Relations.

It was announced in Cairo on Oct. 24 that the Egyptian and Hungarian Governments had decided to exchange Ministers Plenipotentiary. Hitherto their respective diplomatic missions in Budapest and Cairo had been headed by Chargés d'Affaires. (Le Monde, Paris)

E. UNITED STATES - YUGOSLAVIA.—Mr. Murphy's Belgrade Visit. - Mr. Dulles's Meeting with Marshal Tito.

Mr. Robert Murphy, U.S. Deputy Under-Secretary of State, visited Belgrade from Sept. 26 to Oct. 3 for discussions with President Tito and other Yugoslav leaders and officials. The talks dealt with U.S.-Yugoslav relations in the light of the recent improvement of Yugoslavia's relations with the Soviet Union, and with misunderstandings between the two countries resulting from U.S. insistence on the inspection of the use to which her military aid to Yugoslavia was put.

A joint communiqué said that there had been a "frank and fruitful discussion of a wide range of problems of mutual interest to Yugoslavia and the United States," as a result of which "differences of opinion had been ironed out and a clearer understanding of reciprocal positions reached" This had been achieved in "a very cordial atmosphere" and would establish "a solid basis for future co-operation between the two countries." The communiqué added . "The meetings gave further evidence of the co-operation of the two countries and of the confidence and mutual respect which has been established between them in recent years"

Mr. Murphy stated at a press conference that the controversy over the inspection of U.S. arms deliveries to Yugoslavia had been caused by a misinterpretation of the word "inspection", that the U.S.A. in no way wished to "dominate" the Yugoslav forces , and that a "completely satisfactory formula" had been found to settle the dispute. He also stated that Yugoslavia had asked for further supplies of U.S. wheat, and announced that Yugoslav scientists would visit the U.S.A. to study the industrial uses of atomic energy.

Mr. Dulles, the U.S. Secretary of State, flew on Nov. 6 from Geneva (where he was attending the four-Power Foreign Ministers' conference) to Yugoslavia for discussions with President Tito on Brioni Island.

On the eve of the meeting, Mr. Dulles broadcast a message over Belgrade Radio in which he said : "Yugoslavia's fight to win and keep her independence is a dramatic chapter in history. Your country has made it clear that it will be no-one's satellite. We applaud this stand. You want to be independent, to progress, and to be free to choose your destiny. That is what we Americans also want for Yugoslavia, for ourselves, and for every nation That creates a common bond between our peoples, a bond which I hope will grow ever stronger."

Although no communiqué was issued after the Brioni meeting, it was understood that Mr. Dulles had reported to President Tito on the progress of the Geneva discussions, and that the two statesmen had also considered other international questions, including the Middle East and the Soviet "satellite" countries of Eastern Europe. Mr. Dulles stated that he and the President had found a "common accord" in recognizing the principles of independence for the Eastern European "satellites," of non-interference in the internal affairs of those countries, and of their right to develop their own social and economic systems in ways of their own choosing.
(Tanjug Agency, Belgrade - New York Times) **(14358 A.)**

F. FRENCH MOROCCO. — Moslem Population.

Detailed results of a census of the Moslem population of French Morocco, taken in 1952 and published on July 2, 1955, showed that it numbered 7,442,110 (3,691,180 males and 3,750,930 females), of whom 5,770,480 were living in rural areas and the remainder in urban areas. The Moslem population of Casablanca (the largest city) was 472,020, out of the city's total population of 682,388. Nearly 48 per cent of the Moslem population (3,563,790) were under 20 years of age, 3,362,715 between 20 and 60, and 515,605 over 60. (Le Monde, Paris) **(Prev. rep. 13315 E.)**

G. SOUTH AFRICA. — South-West Africa Elections.

Elections to the South-West Africa Legislative Assembly were held on Nov. 16 and resulted in an overwhelming victory for the National Party, which increased its representation by winning Swakopmund from the United Party. The state of the parties in the new Assembly will therefore be : Nationalists, 16 ; United Party, two—compared with 15 and three previously. Of the 28,000 voters in the territory—all White—70 per cent are Afrikaners, 22 per cent German-speaking, and eight per cent English-speaking.—(Times - Daily Telegraph) **(11076 A.)**

H. SWIMMING. — New Cross-Channel Record.

The record of 14 hours 6 minutes for the England-to-France swim, set up in August by Mr. William Pickering, was beaten on Oct. 11 by Miss Florence Chadwick, of California, who swam from Dover to Calais in 13 hours 55 minutes and thus beat Mr. Pickering's time by 11 minutes. The new record was officially recognized by the Channel Swimming Association.
(Daily Telegraph) **(Prev. rep. 14419 C.)**

NOVEMBER 26—DECEMBER 3, 1955

A. ARGENTINA. — Coup d'Etat. - General Lonardi displaced as President by General Aramburu. - Cabinet Changes. - Ex-President Perón's Flight to Panama. - Dr. Prebisch's Report on Argentina's Economic Position. - Peso Devaluation. - "La Prensa" returned to Paz Family.

General Eduardo Lonardi, who had been Provisional President of Argentina since the overthrow of the Peronista regime, was himself deposed in a bloodless *coup d'état* on Nov. 13 and was succeeded by General Pedro Eugenio Aramburu, Chief of the General Staff. The coup was organized by political and military leaders of liberal convictions, after increasing criticism of the over-tolerant attitude of President Lonardi towards former Peronista supporters and of the appointment of ultra-nationalistic Roman Catholic Ministers to his Cabinet. Matters first came to a head on Nov. 9, when General Bengoa, the Minister of War, was dismissed and replaced by Colonel Ossorio Arana. General Bengoa had been criticized by liberal elements for his slowness in investigating alleged corruption in the Army, and for his wish that such investigations should not be pursued too far for fear of weakening prestige and discipline. President Lonardi had at first supported General Bengoa's attitude, but had eventually given way and asked for his resignation.

The subsequent *coup* was precipitated by President Lonardi's action on Nov. 12 in dismissing the Minister of the Interior and Justice, Dr. Eduardo Busso, and appointing in his place Dr. Luis Maria de Pablo Pardo as Minister of the Interior and Dr. Bernardo Velar de Irigoyen as Minister of Justice. Both men were generally regarded as extreme Catholic Nationalists, Dr. Velar de Irigoyen having served at one time as Treasury lawyer under President Perón. At the same time liberal elements expressed concern at a speech made by President Lonardi advocating tolerance towards former Perón supporters.

In the course of this speech President Lonardi had said: "The deposed dictator unquestionably had at one time a great part of the Argentine people on his side, especially on the eve of his first presidential period, and before the opposition which always arises against authority had embittered his power and pride It is not possible to apply the epithets 'unpatriotic' or 'partisans of tyranny' to all who supported the dictator disinterestedly and in good faith. The great majority of the Argentine people should be allowed to participate in the country's civic life unrestricted, even though some, often against their will, supported the deposed regime . . ."

The National Advisory Committee (representing all Argentine political parties except the Peronistas and Communists), which had been appointed to assist President Lonardi after Congress had been dissolved following the September revolt, resigned in protest against Dr. Busso's dismissal. All the judges of the Supreme Court also resigned following the appointment of Dr. Velar de Irigoyen as Minister of Justice. In view of these developments General Aramburu had prolonged discussions with military and political leaders, as a result of which President Lonardi was presented with an ultimatum demanding that he should either dismiss the extreme right-wing members of his Cabinet or should himself resign. Shortly afterwards it was announced from the *Casa Rosada* (Government House) that the "armed forces have accepted the resignation of General Eduardo Lonardi as Provisional President of the nation," and that General Aramburu had succeeded to the presidency.

In a brief speech after taking the oath of office President Aramburu said that "as the result of difficulties which could not be overcome," General Lonardi had "given back to the armed forces the responsibility for selecting a new interpreter of his revolutionary concepts." His [the new President's] "unalterable aim" would be" to restore the democracy inherited from the war of independence," and he would choose as his collaborators men of "irreproachable antecedents"

General Lonardi issued a brief statement after his deposition in which he said: "I want to make it known that it is untrue that I presented my resignation as Provisional President, or that my health had anything to do with my departure from the *Casa Rosada*. This has been an act ordered exclusively by a decision made by a part of the armed forces."

The Argentine Secretariat of Press and Cultural Activities, in a statement on Nov. 13, asserted that General Lonardi had been under the influence of extremist totalitarian groups whose ideas were "incompatible with the democratic convictions of the revolution of liberation." These groups, it was alleged, had succeeded in obtaining key posts in the leadership of the country, had stultified healthy revolutionary opinion, and had been leading Argentina "along a dangerous path which can end only in a new dictatorship."

On assuming the presidency General Aramburu confirmed in office the three Service Ministers—Brigadier-General Ossorio Arana (Army), Vice-Commodore Amada Abrahim (Air), and Rear-Admiral Teodoro Hartung (Navy)—and appointed them as a Revolutionary Junta, with himself as head, to govern the country. Vice-President Rojas was confirmed in office and also made a member of the Junta. In addition to the three Service Ministers, the following were appointed to President Aramburu's Cabinet:

Dr. Luís A. Podestá Costa ..	Foreign Affairs.
*Dr. Julio Alizón García .	Finance.
Sr. Eugenio A. Blanco ..	Treasury.
Dr. Eduardo Busso	Interior and *ad interim* Justice.
Sr. Juan Llamazares . ..	Trade.
Captain Sadí Eduardo Bonnet	Transport.
Sr. Pedro Mendiondo ..	Public Works.
Dr. Raúl Migone	Labour.
†Dr. Alberto Mercier	Agriculture and Livestock.
†Ing. Luís María Ygartúa ..	Communications.
†Dr. Atilio Dell'Oro Maini ..	Education.
†Brigadier-General Manuel A. Argibay Molina	Health and Social Welfare.

* Appointed by President Lonardi on Oct. 10 and confirmed in office. † Confirmed in office.

Dr Podestá Costa is a professor of international law, a career diplomat, and a former permanent Under Secretary-General of the League of Nations. Dr. Alizón García is a former research manager at the *Banco Central*.

General Juan José Uranga, Minister of Transport in General Lonardi's Government, was arrested with his family on Nov. 20 after he had issued a statement asserting that General Lonardi had been the victim of a "treacherous conspiracy"

The powerful Argentine Confederation of Labour (C.G.T.), which had been built up by President Perón and the late Eva Perón, and which formed one of the main supports of the Peronista regime, called a general strike against President Aramburu's Government at midnight on Nov. 14. Among the reasons given for calling the strike were that the Confederation's headquarters in a number of cities had been taken over by "free" labour leaders without any preventive action by the police. The Confederation also protested against the action taken against its newspapers, notably *La Prensa*, which had been confiscated from its rightful owner by President Perón and handed over to the Confederation in 1951 (see 11419 C).

The Confederation's action in calling the strike was generally regarded as designed to stem the steady loss of influence which it had suffered since the overthrow of the Perón regime. The taking over by anti-Perón factions of the control of a number of unions, including the important Meat Workers' Union, led to strikes in the meat-packing plants on Oct. 5 and to the occupation of the plants by troops in order to prevent clashes On the same day, however, the Minister of Labour (then Dr. Cerruti Costa) announced that the secretariat and executive committee of the C G T , headed by Señor Hugo de Pietro, had resigned and that new elections would be held by all trade unions within 120 days. In the meantime, the C.G.T. would be directed by Señor Andres Framini (Textile Workers' Union) and Señor Luis Nattalini (Utilities Workers' Union), and Peronista leaders would be allowed to remain in office in the constituent unions.

Despite this arrangement, anti-Perón groups continued to take over trade union premises in a number of cities, as a result of which the C.G.T. called a general strike for midnight on Nov. 1. This strike was called off at the last minute, however, after the Confederation had reached an agreement with the Government under which (*a*) Señores Framini and Nattalini would remain in charge of the C.G.T., whilst a Government-appointed trustee would protect its material and financial assets and see that the newspapers controlled by it remained neutral in the forthcoming union elections; (*b*) in those unions where so-called "free union" elements had seized control, the Government would appoint a neutral controller, who would be aided by a committee including "free unionists" and Peronista members; (*c*) in unions where there was no internal conflict, the incumbent C.G.T. officer would remain in control, though with Government observers; (*d*) all union leaders now under arrest would be freed immediately, except those detained on criminal charges.

In reply to the Confederation's call for a general strike on Nov. 14, the new Government of President Aramburu immediately broadcast a statement in which it declared that it would "in no case tolerate certain sectors using workers to achieve political aims." The statement advised the trade unions to "state their grievance clearly" and take it to the proper authorities; declared that the Government, whilst recognizing the right to strike, did so only when all other methods of reaching agreement had failed; and gave a warning that all other types of strike were illegal and that the instigators would suffer "all the penalties of the law."

Although the strike was effective in certain industries—notably in the meat-packing plants, breweries, metal works, and tyre factories, where 100 per cent absenteeism was reported—many other workers ignored the strike call; transport ran as usual, banks and Government offices remained open, and newspapers appeared normally. The Government nevertheless acted promptly to deal with the situation and on Nov. 16 the headquarters of the C.G.T. were occupied by Marines, supported by tanks; all the C.G.T. officials were dismissed and many arrested (including, it was reported, Señores Framini and Nattalini); and Captain Alberto Patrón was named as special federal director of the organization.

The new Minister of Labour (Dr. Migone) declared in a broadcast that the C.G.T. had served " tyranny " more than it had its 6,000,000 members, and blamed it for many of the country's economic difficulties. He nevertheless promised that Labour's future claims would receive an " honest hearing " from the Government, and guaranteed the unions a " fair deal " provided that they remained " unpolitical."

As a result of the Government's action, the trade union leaders met the Minister of Labour on Nov. 17 and agreed to call off the strike if all workers who had been dismissed for striking were reinstated and all arrested union leaders released. The Government promised to consider these requests and to release all arrested strikers unless they had been charged with common crimes, and the strike was accordingly called off on the following day.

The former secretary-general of the C.G.T., Señor Hugo de Pietro, was arrested on Nov. 23 as a result of investigations by a committee inquiring into the methods by which former trade union leaders had rapidly acquired large fortunes.

President Perón's Exile.

Prior to the events described above, ex-President Perón, —who since his overthrow had taken refuge on board a Paraguayan gunboat in Buenos Aires harbour—had been given a safe-conduct by the Argentine Government and had left the country. He was first granted asylum in Paraguay, but subsequently took up residence in Panama. In Argentina, meanwhile, a military court of honour tried the ex-President *in absentia* for alleged offences committed whilst he was in office, and after finding him " guilty " on Oct. 31 deprived him of his rank of general of the Argentine Army and barred him from ever wearing the Argentine uniform again. The court accused him of having taken advantage of his official position to enrich himself and to live a life of luxury, of having incited violence, and of having sown hatred among the Argentine people. It also condemned him for his affair with a girl, Nelida (Nelly) Rivas, when she was only 14 years old, and for having lived for two years a " marital life " with her in the presidential palace following the death of Señora Perón (see below).

After spending 12 days on board the gunboat *Paraguay* in Buenos Aires harbour, during which time negotiations took place between the Argentine and Paraguayan Governments on the conditions under which the latter would grant him a safe-conduct, ex-President Perón left Argentina on Oct. 2 in a Paraguayan flying boat for Asunción, the capital of Paraguay. Shortly after his arrival there he asserted in a press interview on Oct. 4, that he was still the " constitutional President " of Argentina, and denied that he had ever resigned. " I would have remained in my country if a minimum of guarantees existed there," he declared, " because I have nothing to reproach myself for." After saying that the revolution against his regime was carried out by " the parasitic class against the producing class," he added · " The oligarchy contributed their money, the clerics their sermons, and a section of the armed forces—dominated by the ambition of certain chiefs—the arms of the Republic." Asked whether he planned to remain head of the Peronista party, the ex-President replied : " If some day it occurs to me to return to politics, I would go back to my country and act there."

On Oct. 6 the Argentine Foreign Minister (then Dr. Amadeo) announced that a Note had been sent to the Paraguayan Government advising it that a prolonged stay by General Perón in Paraguay would damage that country's relations with Argentina, and suggesting that " the lodging of General Perón in any country beyond the bounds of this continent would redound to the benefit of Argentina's internal tranquillity " as well as to " the harmony among our countries." Dr. Amadeo also announced that the Argentine Chargé d'Affaires in Asunción had been instructed to inform the Paraguayan Government that Argentina considered it " a grave violation of its obligations " to allow General Perón to make political statements while he was a political exile in Paraguay.

The Paraguayan Government, in its reply (Oct 8), rejected the Argentine request that General Perón should not be allowed to stay in Paraguay, declaring that the question of asylum was one for the Paraguayan Government to decide. The Note expressed regret, however, at the statements made by General Perón, and explained that they had been made " despite precautions." It added : " Paraguay will take all necessary steps to prevent a repetition of such incidents, including stricter vigilance, and awaits advice from the Argentine Government whether to proceed with the internment of the refugee." Accepting this offer, the Argentine Government formally requested Paraguay on Oct. 10 to intern General Perón " at a distance sufficiently removed from the Argentine-Paraguayan frontier so that his presence does not create disturbances."

On Oct. 17 General Perón was accordingly taken to a place of residence on the outskirts of Villarrica, in central Paraguay. A fortnight later, however (on Nov. 2), he left Paraguay in a Paraguayan military aircraft and flew to Panama to take up residence in exile in that country. In a statement in Panama on Nov. 6, Señor Perón asserted that the revolt against him had been financed in Uruguay by the Argentine " oligarchy," but denied that he had any intention of trying to regain the Argentine presidency.

On Oct. 3, after General Perón's arrival in Asunción, the Paraguayan Government had announced its recognition of the new Government in Argentina.

Argentine Economic Position.

One of the most important problems facing General Lonardi's Government after taking over from the Perón regime was the country's economic and financial position. To deal with this question, Dr. Raúl Prebisch (executive director of the U.N. Economic Commission for Latin America) was invited on Oct. 2 to examine and report on the matter. Dr. Prebisch was a former general manager of the Argentine Central Bank, but had gone into exile in 1943 after General Perón's rise to power.

A preliminary report on the economic state of Argentina, submitted by Dr. Prebisch to President Lonardi on Oct. 24, said that Argentina was going through " the most acute crisis in all its economic history," and that an " intense and prolonged effort " would be needed to " re-establish the country's vigorous production rhythm." It referred to the precarious exchange position, the mistaken investment policy, and the internal inflation, and said that immediate action would have to be taken to relieve the present precarious state of affairs, whilst long-term plans should be drawn up to correct the structural flaws in the economy. Extracts from the report are brought below.

Balance of Payments. Pointing out that the national income per head in 1955 (according to estimates based on figures for the first six months of the year) was barely 3 5 per cent higher than in 1945, the report said that the fundamental problem in Argentina's economy was the need to attain a vigorous rate of growth which would enable her great economic potentialities and the population's productive abilities to be realized. To achieve this aim, large obstacles would have to be surmounted—obstacles which lay principally in the precarious exchange position, the power shortage, and the " decapitalization " of transport.

It was estimated that the balance of payments deficit for 1955 would amount to $186,000,000 (U.S.), which, added to existing liabilities, would bring outstanding liabilities at the end of the year up to $757,000,000. Of this latter amount, $233,000,000 represented the use of credits under bilateral agreements, and $409,000,000 liabilities for imports on deferred payment. The greater part of the total was in short-term liabilities, $260,000,000 falling due in 1956 and $173,000,000 in 1957. As against this, Argentina's gold and foreign currency reserves amounted to only $451,000,000 ($360,000,000 in gold, $91,000,000 in foreign exchange), compared with $1,682,000,000 in 1946. This pronounced decline was due not only to balance-of-payments deficits and to repatriations of foreign capital, but also to the fact that the reserves had been deprived of about $150,000,000 which the Central Bank had had to release in order to meet the consequences of the suspension of overseas payments in 1949.

Three principal factors had led to the present precarious exchange position : (1) the considerable decrease in exports and the deterioration of their relative prices ; (2) the over-emphasis placed on industrialization : (3) the sharp increase in petroleum imports, caused by the country's failure to make the most of its resources. The report pointed out that the volume of Argentine exports during the five years 1950-54 amounted to barely 64 per cent of those during the five years immediately preceding the Second World War. Moreover, taking account of the increase in Argentina's population, exports per head in recent years amounted to only half the pre-war volume.

Agriculture and Industry. One of the most serious mistakes in Argentine economic policy had been a disregard for the close connexion between industrial expansion and technical progress in agriculture. Agriculture had received neither the incentives nor the resources necessary to pursue its technical progress, and had been deprived of the necessary labour force. The essential importance of rural production as a support to the policy of industrialization had been ignored; although attempts had later been made to rectify this mistake, they had not been carried out " to the extent, nor with the determination, required by the magnitude of the harm done to the productive mechanism."

With regard to industrialization, Dr. Prebisch said that policy should have been directed towards reducing the traditional vulnerability of Argentina's economy to foreign influences. Plans for the establishment of an Argentine steel industry had been drawn up before the Second World War, but the initiation of the scheme had been delayed until recently. The same was true of certain basic chemical industries, paper, cellulose, and other industries of primary importance, where action had been " late, slow, or inadequate."

Fuel and Power. Commenting on the slowness with which petroleum production had increased relatively to the rapid growth of consumption, the report said that imports of petroleum and coal during the past five years had formed about 20 per cent of total imports, compared with only 10 per cent in the five years immediately preceding the war. The share of imports in the total consumption of fuel and power had similarly risen from 39 per cent pre-war to 49 per cent during the last five years. To this growing dependence on foreign oil supplies should be added the shortage of electric power from which the country was suffering, and which had become more serious from year to year. Although an increase in electricity supplies was planned, consumption was also increasing, and no appreciable relaxation of the present restrictions could be expected.

" In short," Dr. Prebisch declared, " the State has neither made the investments needed to provide the country with the fuel and power supplies required for its economic growth, nor created favourable conditions for private enterprise to make such investments, nor even, in certain cases of critical importance, undertaken the complete technical study of these problems, which has resulted in considerable delays in arriving at appropriate solutions."

Transport. Referring to the running-down of the capital of the railways, Dr. Prebisch said that renewals of rolling-stock were 25 years in arrears and permanent-way renewals even further behind-hand. Experts had indicated the urgent need for a modernization plan involving a total cost of 22,000,000,000 pesos, much of which would be needed for imported material. The poor state of Argentina's transport system dated back many years, and was not confined to the equipment The "outdated administration" of the British companies had been followed by the "impressive inefficiency" of Government intervention, and added to this was the "age and inefficiency" of the country's motor-lorry fleets.

The report pointed out, moreover, that apart from the problem of renewals there was also a considerable working deficit in the operation of the transport services, both of the railways and of the urban passenger services in Buenos Aires This deficit was estimated for the current year at 3,500,000,000 pesos, of which 2,000,000,000 pesos represented the actual financial loss and 1,500,000,000 pesos the amount that should be allowed for calculating amortizations on the basis of the replacement value of equipment rather than of its original cost. The experts who had been consulted considered that if present-day tariffs and fares and the existing organization were maintained, and the above-mentioned renewals programme fully carried out, it would take 15 years to cancel the deficit, using only the revenue earned by the transport system.

Use of Foreign Assets. Argentina's "huge" capital requirements at the end of the war had not been met to the extent or in the manner required by her economic expansion. In fact, said the report, a large proportion of the gold and exchange reserves accumulated during the war, and of those earned immediately after the war through the great improvement in Argentina's terms of trade, had been devoted to the repatriation of foreign capital already established in the country, instead of to the acquisition of new capital assets With the exception of the purchase of the railways, where the accumulation of blocked sterling had enabled Argentina to realize an old national ambition, the repatriation operations had been premature and they had been made while agriculture, transport, and fuel and power were short of the machinery and equipment essential to their normal development The total value of the repatriations effected, including the railways, was $764,000,000, they generally represented commitments with slow amortization and low interest rates, whereas Argentina's present foreign debts generally involved high interest rates and peremptory payment within relatively short terms.

State Intervention and Inflation. "The excessive and disorderly intervention of the State," said Dr. Prebisch, "has seriously upset Argentina's economic system, to the detriment of its efficiency, and together with inflation has engendered extraordinary profits which are at variance with the direction given to social policy. . . . The control of imports by means of exchange permits, the control of prices to check the consequences of inflation, the regulation of internal and external financial movements, a series of measures that hamper the fluidity of productive factors in both urban and rural economic activities, and other forms of intervention, have led the State unnecessarily to engage in commercial and industrial operations These activities have resulted in the bureaucratic perversion of private economic activity and have encouraged certain tendencies that disrupt the healthy development of the economy and of the administration ..

"The granting of exchange permits at rates differing greatly from those ruling in the official market, and authorizations to import without the release of exchange, have produced a considerable volume of profits for those favoured by such permits or authorizations Besides what this means in itself, the effects on the working of the economic system are very serious, for they tend to divert effort towards this type of easy transaction away from productive operations and from the pursuit of improvements in efficiency and increases of productivity, which are the essential justification for profit in economic activity"

The report went on to point out that although the decline in productivity in the Argentine economy was frequently made out to be the responsibility of the workers alone, this was only a one-sided explanation. The fact was that the easy profits which inflation had brought in recent years for large classes of employers, and which certain groups had obtained by means of official regulations, had until quite recently taken away all incentive to improve productivity and reduce costs. Apart from this indirect responsibility for the decline in productivity, the State had a direct responsibility in administrative operations.

Referring to the "appreciable number of redundant employees" in the public administration, the report said that this was one of the factors that had prevented the adjustment of wages and salaries in the public services In the Buenos Aires transport system it was estimated that about 15 per cent of the 48,000 employees could be dispensed with, whilst in the railways there were some 200,000 workers, of whom an estimated 10 per cent, taken on during the years of greatest activity, continued in their jobs although they were not really needed. Similarly, it seemed that there was surplus staff in the meat-packing plants, and this was one of the factors which had led to the State subsidy, now amounting to about 470,000,000 pesos a year.

With regard to inflation, Dr. Prebisch said that this had also resulted from the "ill-directed intervention" of the State in the country's economic life, notably the Government's monetary and wages policy. On the monetary side the excessive creation of currency arose principally from the losses incurred by the State in its operations with agricultural produce and its management of transport, and also from the manner in which mortgage operations had been financed. These three factors would lead in 1955 to an increase of about 9,700,000,000 pesos in the money supply, of which 3,500,000,000 pesos would come from losses on grain trading, 2,000,000,000 pesos from losses on transport (not including the deficit of 1,500,000,000 pesos calculated for amortizations at replacement cost, mentioned above), and 4,200,000,000 from the financing of mortgage operations.

In addition to these inflationary factors, there had also been an expansion of credit for private investments, e g, in 1954 the creation of additional money supply amounted to 13,714,000,000 pesos, of which 4,832,000,000 pesos were reabsorbed, leaving a net increase of 8,882,000,000 pesos. The report noted, however, that the Administration's budget had not been a direct inflationary factor, since the authorities had resorted to the placing of Government bonds with the pension funds in order to maintain equilibrium from the monetary point of view

The consolidated national debt officially shown amounted to 47,000,000,000 pesos, but to this sum should be added another 28,000,000,000 pesos for the Government's debt to the banking system under various headings The total of the consolidated and floating public debt thus amounted to over 70,000,000,000 pesos, compared with 9,000,000,000 pesos at the end of 1945.

The second main inflationary factor was the "massive salary and wage increases," which, where not accompanied by an increase in productivity or not met out of employers' profits, had been immediately translated into higher prices Nevertheless, the effect on real wages had been different in various industries, for though the real wage of industrial workers had been maintained despite the rise in prices, the real income of public employees, for example, must have declined. "The case of the industrial workers has special characteristics," Dr. Prebisch continued. "Whereas the real income *per capita* for the whole country has increased by only 3.5 per cent during the last 10 years, the real income of industrial workers has increased during the same period by 47 per cent, or 37 per cent without counting pension fund contributions If an appreciable sector of the population has been able to improve its real income in this manner at the same time as there has been an insignificant growth in the average income per inhabitant, it is obvious that other groups have suffered a decline in average real income. These are the groups that have been overtaken by inflation, and they include, particularly, agricultural producers and extensive sectors of middle-class workers."

Immediate Remedial Measures. Among the remedial measures which Dr. Prebisch recommended should be taken immediately were the following:

(1) Strong incentives to agricultural production. Prices should be appreciably increased by means of an adjustment in the rates of exchange—which had artificially overvalued the peso—thus enabling farmers to increase their small capacity for capital formation. They must also be permitted to import, without restriction, the necessary production equipment if it was not manufactured adequately by local industry

(2) Re-establishment of a free exchange market in order both to encourage new exports, especially industrial products, and to facilitate the importation of urgently needed capital goods and spares. Imports of motor-cars should be restricted so that imports of production goods could have precedence. It could not be expected, however, that the free market would provide for the importation of all the urgently needed capital goods, and it would therefore be necessary to seek credits abroad.

(3) Special investments in the petroleum industry, including the building of pipelines, to overcome the present serious supply problem, which lay not so much in production as in distribution. At the same time plans should be drawn up for increasing future production from further exploration and from new wells. These extraordinary investments above the normal operating expenditure would require $200,000,000 in imports and $3,000,000,000 pesos in local expenditure.

(4) A start should be made on dismantling by stages the mechanism of State intervention.

(5) There was no doubt that the modification of exchange rates would cause prices to rise, but there was every indication that the rise would be moderate Any considerable wage and salary adjustments through which the spiral of costs and prices would receive new impetus, should be prevented at all costs, though it would be wrong to ignore the position of certain groups of workers whose earnings had not been adjusted satisfactorily or in a manner compatible with the current situation. In such cases it would be necessary and expedient to adjust their remunerations cautiously.

(6) The possibility that could be glimpsed 10 years ago of Argentina reaching a stage of maturity in which the need for foreign capital would be reduced to insignificant proportions had receded for a number of years. If she was to emerge rapidly from the present crisis, private loans and investments from abroad were needed. To negotiate foreign loans, it would be essential to establish favourable conditions, starting by halting inflation and taking severe measures to achieve equilibrium in the balance of payments. On the other hand, if there was no desire to accept such loans, the country must be content to continue indefinitely in its present precarious position.

On Oct. 27 the Government of President Lonardi issued a series of decrees in immediate implementation of certain recommendations of the Prebisch report. The most important of these involved the devaluation of the peso by abolishing the three buying and selling rates of exchange previously ruling in the official market, and replacing them by a single rate of 18 pesos = 1 U.S. dollar and 50.28 persos = £1 sterling. In addition, a new free exchange market was created in which the rates would be determined by supply and demand. [When

this free market opened on Nov. 3 the U.S. dollar was quoted at around 30 pesos.] The decrees also provided (*a*) for a surcharge on certain goods imported at the free rate of exchange, and (*b*) for a levy on the peso proceeds of certain exports. The surcharge—introduced only as a temporary measure—was designed to provide some protection to Argentine industry, while the export levies would be paid into a National Economic Recovery Fund and used (*a*) to develop agricultural and pastoral production, and (*b*) to pay temporary subsidies on certain essential commodities in order to mitigate the social effects of higher prices caused by the new exchange regulations.

Official Exchange Rate. This would apply to the greater part of Argentina's exports Of these, the principal items subject to the new export levy would be grains, oilseeds, and other arable farm products (10 per cent of the export proceeds), meat, most dairy products, carded wool and wool tops, and pastoral by-products (15 per cent), scoured wool (20 per cent); greasy wool, dry and salted hides, timber, and re-exports (25 per cent). For imports, the official rate would apply to a long list of items, including fuels, essential raw materials, certain foods, paper and newsprint, drugs and chemical products, a wide range of iron and steel goods, musical instruments, certain types of agricultural machinery and spares, tractor spares, and aircraft spares.

Free Exchange Rate The Central Bank issued two lists of goods that might be imported at the free market rate of exchange without the need for a prior exchange permit The first list, comprising goods which would attract no surcharge, included spices, aromatic, synthetic and vegetable essences, printed music and books, some chemicals, spare parts for bicycles, and electrical generating equipment. The second, attracting a surcharge of 20 pesos per U S dollar or the equivalent in other currencies, included spare parts for motor vehicles, for certain types of industrial and non-industrial machinery, and for motor cycles. Imports of motor-cars would be permitted at the free market rate on payment of surcharges to be established later by the Central Bank.

The free market rate would also apply (*a*) to financial remittances and other inward and outward movements of funds, with the exception of funds, investments and other property in Argentina belonging, on Oct. 27, to holders resident abroad, which would remain subject to the control of the Central Bank until the situation on the free exchange market permitted them gradually to be released; (*b*) to the negotiation of the proceeds of certain exports not included in the official market list, provided that materials used in their manufacture and previously imported into Argentina represented no more than 20 per cent of their export value.

Political Measures.

Following the flight of General Perón, the Lonardi Government took a number of measures designed to abolish the legacies of the Perón regime. These measures included the granting of a "full and general amnesty" to all persons sentenced for political offences between June 4, 1946 (when General Perón assumed the presidency) and Sept. 28, 1955, and to all persons prosecuted for such offences up to Sept. 28, 1955 (Sept. 28); the abolition of the "state of internal war" which had been decreed by President Perón in 1951, and which deprived Argentine citizens of many of their civil liberties (Oct. 1); the dissolution of the Argentine Supreme Court, which had been appointed by President Perón (Oct. 5); the dissolution of the Peronista Party itself (Oct. 24); and the annulment of the law of *desacato* (disrespect), under which anyone making a remark that could be constructed as disparaging against a public official could be imprisoned (Oct. 18).

President Aramburu's Government also issued a decree on Nov. 30 confirming the dissolution of the Peronista Party.

A number of other developments in Argentina since the overthrow of President Perón are summarized below.

Proceedings against ex-President Perón and Associates. A Federal judge, Dr. Luis Botet, requested the Argentine Foreign Ministry on Nov 21 to apply for the extradition of the ex-President to stand trial on charges of treason. The request was based on the preliminary findings of an investigating commission which had been set up by President Lonardi to examine treason charges brought against ex-President Perón and 269 of his principal associates. Dr. Botet also asked for the extradition of Señor Angel Borlenghi (the former Minister of the Interior, who had fled to Cuba) and of Señor Saul Gonzales Ruiz (a former Government tax assessor, who had taken refuge in the Paraguayan Embassy), and for the arrest of Señor Alberto Teisaire, the former Vice-President. [Señor Teisaire, formerly a Rear-Admiral, had been deprived of his rank and of his right to wear uniform by a naval court of honour on Nov. 3 The court had found him guilty of having tarnished the honour and prestige of the Argentine Navy by publicly and repeatedly showing obsequiousness towards ex-President Perón, and of condoning acts of violence against fellow-citizens.]

On Sept. 30 the police had announced the arrest in a Buenos Aires suburb of a 16-year old girl (subsequently identified as Nelly Rivas), alleged to have been the ex-President's mistress, and the seizure of jewels and currency worth 635,000 pesos given to her by Señor Perón, together with two love letters which he had written to her whilst he was taking refuge on the Paraguayan gunboat in Buenos Aires harbour. On Oct. 13 jewels and other possessions amassed by President Perón and the late Señora Eva Perón were exhibited to the Press at the presidential palace; the jewels alone were estimated to be worth £1,250,000, whilst other exhibits included 400 suits and dresses, 600 hats, and large numbers of handbags and shoes

Señor Jorge Antonio, one of ex-President Perón's closest friends and advisers, who from obscure beginnings had become one of the country's richest men in a few years, and who was chairman of the Argentine subsidiary of the Mercedes-Benz motor company and many other concerns, was refused a safe-conduct by the Argentine Government after he had sought refuge in the Uruguayan Embassy, and was reported on Oct 7 to have been arrested In refusing a safe-conduct the Argentine Foreign Ministry rejected Señor Antonio's claim for political asylum on the ground that he was a "common criminal."

Dr. Ronald Richter, who in 1951 claimed to have discovered a revolutionary method of producing atomic energy (see 11397 A, 13932 B), was described by an investigating committee on Oct 7 as knowing nothing whatever of physics and of having manufactured an "atomic journalistic bomb" The commission stated that the theories which Richter had put forward to President Perón emanated from other people who had rejected them as impossible several years earlier

Two former Perón Cabinet Ministers, General Humberto Sosa Molina (Defence) and General Franklin Lucero (Army), were arrested on Nov. 22

Church-State Relations. - Restoration of Religious Holidays. Relations between the Argentine Government and the Roman Catholic Church, which had been severely strained during the past 12 months as a result of the Perón Government's action against the Church (see 13983 A, 14066 D, 14277 A), were re-established on Nov. 4 when a new Argentine Ambassador to the Holy See, Dr Maximo Etchecopar, arrived in Rome Dr Etchecopar, who had already served as Ambassador to the Vatican, expressed his intention of starting immediate negotiations for the conclusion of a concordat

The two Roman Catholic prelates who had been dismissed from their posts and expelled from Argentina by the Perón Government—Mgr. Manuel Tato, Auxiliary Bishop of Buenos Aires and Vicar-General of the diocese, and Mgr Ramon Novoa, the assistant Vicar-General—had returned to Buenos Aires on Oct 23.

The Lonardi Government announced on Oct. 9 that the Peronista decree removing religious festivals from the list of Argentine public holidays (see 14277 A) had been revoked, and that these holidays had consequently been restored. The Government also decreed that Oct. 17, proclaimed by President Perón as "Loyalty Day" to mark his release from temporary imprisonment in 1945, should no longer be observed as a public holiday. [Strong measures were taken by the Government to prevent any disorders on Oct 17, troops being called out and placed in strategic positions. About 33 per cent of the workers stayed away from work, but no disorders were reported.]

It was disclosed on Oct. 2 that the burning of the Argentine flag outside the Congress building on June 11, which took place after a Corpus Christi procession and was falsely imputed to Roman Catholics (see page 14277, second column), had in fact been ordered by President Perón's police

Closing of Press Secretariat. - "La Prensa" returned to Dr. Gainza Paz. The Secretariat of Press and Cultural Activities, the organ responsible for censorship and propaganda under President Perón, was dissolved under a decree issued by President Aramburu's Government on Nov. 18. A preamble to the decree said that it was the Government's firm intention "to re-establish, assure, and respect fully the right to the free expression of thoughts, writings, and speech." Señor Adolfo Lanus (who was on the editorial staff of *La Prensa* before the paper was confiscated in 1951 and handed over to the General Confederation of Labour) was appointed Presidential Press Secretary and entrusted with the task of liquidating the propaganda apparatus of the former Secretariat and of ensuring that the aim of providing "freedom of Press and access to sources of information" was achieved

The newspaper *La Prensa*, the leading newspaper in Latin America before its confiscation by the Perón Government in 1951, was returned to its lawful owner, Dr. Gainza Paz, on Nov 30, by a decree of President Aramburu's Government The decree, a preamble to which declared that *La Prensa* had been the victim of "one of the most implacable campaigns of persecution perpetrated under dictatorship," repealed the law under which the paper had been expropriated, and ordered all the newspaper's property and rights to be restored immediately. Dr. Gainza Paz himself returned to Argentina from exile on Dec. 1, to resume the direction of *La Prensa*

The Socialist paper *La Vanguardia*, closed down in 1950, the Independent *El Intransigente*, of Salta, closed down in 1949, and *El Norte*, also of Salta, all resumed publication after the fall of the Peronista regime.

Repeal of Law on Crimes against State Security. The Government of President Aramburu announced on Nov. 24 that it would repeal the law on crimes against the security of the State, which had been issued by President Farrell in 1945 when Señor Perón was Minister of Labour, and had been one of the latter's principal weapons in suppressing opposition to his own regime when he became President. Among the law's 50 articles defining "crimes against the security of the State" was one which made it a punishable offence to advocate any changes in the country's constitution or basic principles, and another (aimed against the Press) which involved imprisonment for up to three years for "anyone who, by whatever means, publishes or despatches abroad, or from abroad, tendentious or false information with intent to disturb the order, economy, and security of the country."

Cancellation of Five-Year Plan. A decree was issued on Oct. 11 cancelling President Perón's second five-year plan by repealing the law which had brought it into operation in 1952. The decree was based on the grounds that the plan had been used as a political instrument.

Dissolution of State Economic Organizations. The Minister of Trade, then Dr. Cesar Bunge, announced on Nov. 3 that the *Instituto Argentino de Promoción del Intercambio* was to be dissolved, and that the *Instituto Nacional de Granos y Elevadores* and the *Instituto Nacional de Carnes* were to be reorganized with a view to the possible transfer of their functions to the Ministry of Trade and the Ministry of Agriculture and Livestock.

Among new diplomatic appointments made after the deposition of President Perón, in addition to that of Dr. Etchecopar (see above), were those of Dr. Adolfo Vicchi as Ambassador to the United States (Oct. 2), and of Señor Alberto Candioti as Ambassador to the United Kingdom (Oct. 5). Dr. Vicchi is Professor of Constitutional and Administrative Law at the University of Guyo, whilst Señor Candioti, a prominent member of the Radical Party, is a career diplomat who was dismissed from the diplomatic service by President Perón. Rear-Admiral Toranzo Calderón, who had been sentenced to life imprisonment by the Perón Government for leading the naval attack on Government House in the June rising, was appointed Ambassador to Spain on Sept. 29.
(Bank of London and South America, Fortnightly Review - New York Times - New York Herald Tribune - Le Monde, Paris - Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. Argentina, 14437 A.)

A. UNITED KINGDOM. — Government Rejection of Major Recommendations of Royal Commission on Capital Punishment.

Major Lloyd-George, the Home Secretary, announced in a written reply on Nov. 10 that, after further considering the report of the Royal Commission on Capital Punishment, the Government had decided that it could not accept the following major recommendations:

(1) That the age-limit below which sentence of death might not be imposed should be raised from 18 to 21.

(2) That in all other cases the jury should be given discretion to decide whether there were such extenuating circumstances as to justify the substitution of sentence of imprisonment for sentence of death.

(3) That the test of criminal responsibility laid down (so far as concerned England and Wales) by the McNaghten rules should be abrogated.

The second group of the Committee's recommendations (the Home Secretary added) consisted of a number of less important proposals which could not be implemented without legislation. The Government saw no prospect of being able to introduce legislation on the matter in the near future, and proposed to defer a decision on these recommendations until an opportunity for legislation could be found.

The third group, however, consisting of recommendations to which effect could be given administratively, had in the main been accepted and were being put into effect. In particular, he had authorized the Prison Commissioners to proceed with plans for a special institution for the detention and treatment of psychopaths and other mentally abnormal prisoners. Moreover, arrangements were now in force for persons charged with murder, should there be any doubt about their mental state, to be seen by a psychiatrist from outside the prison service as well as by a doctor or doctors from within the service.

Major Lloyd-George added that his statement applied only to the position in England and Wales.
(Times - Daily Telegraph) **(Prev. rep. 14285 A.)**

B. COCOS ISLANDS. — Australian Sovereignty.

The Cocos Islands, in the Indian Ocean some 1,300 miles north-west of Australia, were formally transferred to Australian sovereignty on Nov. 3 after the enactment of enabling legislation by the U.K. and Australian Parliaments. Lieut.-Commander H. J. Hull, of the Royal Australian Naval Reserve, was appointed Administrator of the Islands by the Australian Government. During the Bill's passage through the Australian Parliament, Mr. Hasluck (Minister for Territories) stated that the rights of the Clunies-Ross family (the traditional rulers of the islands) would remain unaltered; that Singapore laws in force at the time of the transfer would be continued; and that the Malay institutions, customs, and usages of the islands would be preserved.—(Australian News and Information Bureau - Times) **(Prev. rep. Cocos Islands, 11545 B.)**

C. CANADA. — Increase in Bank Rate.

The Bank of Canada raised its bank rate on Nov. 19 from 2¼ to 2¾ per cent, this being the third increase in four months.
(Financial Times) **(Prev. rep. Bank Rate, 14467 C.)**

D. UNITED STATES. — Membership of Loyalty-Security Investigating Commission.

The members of the commission set up by Congress to investigate the Government's security and loyalty programmes were announced on Nov. 10 as follows:

Appointed by President Eisenhower —Mr James P. McGranery, Attorney-General under President Truman in 1952, Mr Franklin D. Murphy, Chancellor of the University of Kansas, Mr Carter L. Burgess, Assistant Secretary of Defence in charge of manpower and personnel; and Mr Louis S. Rothschild, Under Secretary of Commerce in charge of transport.

Appointed by Vice-President Nixon:—Senator John C. Stennis (Dem.), Representative Francis E. Walter (Dem.), Senator Norris Cotton (Rep.), and Mr. Loyd Wright, a past president of the California Law Association.

Appointed by Mr Sam Rayburn, Speaker of the House of Representatives —Dr Susan B. Riley, Professor of Education at the Peabody College for Teachers at Nashville, Tennessee, Representative William M. McCulloch (Rep.), Mr James L. Noel jr., a lawyer from Houston, Texas, and Mr. Edwin L. Mechem, a former Governor of New Mexico.

The commission's terms of reference include the examination of laws, Executive Orders, and departmental regulations which have governed the security and loyalty programmes, and also the conduct of Congressional investigations.
(New York Times) **(Prev. rep. 14482 A.)**

E. POLAND-YUGOSLAVIA.—Economic Agreements.

A number of economic and technical co-operation agreements between Poland and Yugoslavia were signed in Warsaw on Nov. 14.

A **trade agreement** for 1956 provided for commercial exchanges totalling $14,000,000 in both directions, thus doubling Polish-Yugoslav trade as compared with 1955. Poland will export coal, coke, rolled iron, chemicals, machinery, and consumer goods to Yugoslavia, whilst Yugoslavia will supply Poland with lead, zinc, concentrates, pyrites, chrome ores, and other minerals, machines, tobacco, hemp and maize; and such consumer goods as footwear, garments, wines, and fresh and dried fruit.

An **agreement on scientific and technical co-operation** between the two countries provided for the exchange of technical specifications, specialists and students, and scientific material.

Other agreements dealt with (*a*) air communications, (*b*) the settlement of mutual debtors' and creditors' claims covering the period 1945-1955, and (*c*) tourist traffic between the two countries.

During the negotiations Poland also expressed readiness to supply Yugoslavia with industrial equipment for food processing factories, railways, and mines, on credits to be repaid in yearly instalments at 2 per cent interest.

It was stated that the air transport agreement would be supplemented by an agreement between Polish Air Lines and the Yugoslav Aerotransport Company for the opening of direct air services between Warsaw and Belgrade *via* Budapest.
(Polish Embassy, London - Tanjug Agency, Belgrade)

F. BAHAMAS. — The Freeport Area. - £12,000,000 Dockyard Project.

The Governor of the Bahamas (Lord Ranfurly) disclosed on Nov. 30 that plans had been drawn up for a £12,000,000 dockyard on the island of Grand Bahama (the northernmost island of the group) capable of handling the world's largest vessels. He also announced that a chemical lime plant with an annual capacity of at least 100,000 tons would be built in the same area.

The dockyard and chemical plant will constitute the first industrial projects in the development of "Freeport," a new area of some 50,000 acres created by Bahaman legislation in August with the aim of fostering industrial development in the Colony. Special incentives are offered to commercial and industrial enterprises establishing themselves in the area, e.g., companies and individuals will be exempted from all taxes (corporate, personal, or property) for 30 years, and concerns will not be subjected to import duties, excise stamps, or export taxes for 99 years. "Freeport" is operated by the Grand Bahama Port Authority, which was created by the above-mentioned legislation.

Both projects—the dockyard and the chemical plant—are being undertaken by the D. K. Ludwig interests of America. Affiliated interests are National Bank Carriers, Inc., American Tankers Corporation of Delaware, Seatankers Inc., and Universe Tankers Inc.

The interests at present involved in the development of Freeport are all American, and the special incentives to establish industries in the area are aimed primarily at attracting American concerns.—(Times - Daily Telegraph)

G. FINLAND - SPAIN. — Diplomatic Relations.

It was announced in Madrid on Nov. 25 that the Finnish and Spanish Governments had decided to re-establish diplomatic relations, which had been in abeyance for over ten years.
(A.B.C., Madrid)

A. UNITED KINGDOM. — Civil Aviation. - B.O.A.C. Report and Accounts, 1954-55. - Net Surplus despite Withdrawal of "Comet" Fleet. - New Deputy Chairman.

The report and accounts of the British Overseas Airways Corporation for the year ended March 31, 1955, were published on July 27. They showed that the Corporation's operational revenue totalled £36,866,199 (compared with £38,361,337 in 1953-54) and the operational surplus £1,362,180, compared with £2,012,792. After deducting £1,100,493 for interest on capital, the net surplus for 1954-55 amounted to £261,687, compared with a net surplus of £1,065,397 in 1953-54. Allowing for a capital loss of £282,401 [the net result of adjustments following the grounding of the *Comet I* fleet] the accumulated deficit was increased by £20,714 to £861,974.

The report explained that the financial year had been "bedevilled" by the withdrawal of the *Comets* from service early in April, 1954, and that, whereas "the Corporation's principal competitors increased their seat-mileage offered for sale, in some cases by 20 per cent, the Corporation's output suffered a severe decline." Relatively, therefore, B.O.A.C had "lost much ground through the failure of an aircraft which it had pioneered into service and in which the whole country had such a big stake." In order to ensure that adequate fleet capacity would be available until the new British aircraft now on order (see below) were in service, an emergency fleet programme had been worked out and additional second-hand *Constellations* and *Stratocruisers* ordered; these, however, required extensive modification and only some of them could be brought into service by March 31, 1955, although the remainder should be in service during 1955-56, thereby providing B.O.A.C. with 16 aircraft of each of these types Meanwhile the utilization of other aircraft in the Corporation's fleet had been stepped up; *Hermes* airliners had been recalled for a brief period; the Corporation's Commonwealth partners—Qantas Empire Airways and South African Airways—had provided an increased share of the capacity on the Australian and South African routes; and the South American services had been temporarily suspended As a result of all these measures, the capacity provided had dropped by only 2 6 per cent as compared with 1953-54, although the *Comets* had been scheduled to provide 21 per cent of the total capacity for 1954-55.

Salient points from the report are summarized below:

Revenue. Passenger revenue declined from £24,202,328 to £22,900,117, and mail revenue from £9,058,879 to £8,800,630, but freight revenue increased from £2,942,294 to £3,453,042. The report attributed the fall in passenger revenue to the inability of the airliners which replaced the *Comets* to match the latter's "unique passenger attraction," as well as to the temporary suspension of the South American services. Similarly, the loss of the *Comets* had largely accounted for the decline in mail revenue, since it had entailed the transfer of much first-class mail to other operators The fact that the substitute airliners had greater cargo capacity than the *Comets* partly explained the increase in revenue from freight

Traffic. The number of passengers fell from 304,980 in 1953-54 to 291,136, 45.2 per cent of the total were tourist-class passengers, compared with 32.5 per cent in 1953-54. The passenger load-factor was 61.6 per cent (63.5 per cent in 1953-54).

Cargo carried had increased from 5,409 tons to 6,003 tons, the report stressing that the carriage of cargo, particularly of livestock and birds, had become "an essential part of the Corporation's business."

Mail had increased slightly to 3,407 tons, but first-class mail had fallen by 5 per cent, second-class and parcel mail, however, had both increased by about 10 per cent

Capacity-Ton-Miles and Load Factor. Owing to the redeployment of fleets following the *Comet* withdrawals, the capacity provided by the Corporation fell from 220,530,209 capacity-ton-miles in 1953-54 to 214,924,282 in 1954-55 The volume of traffic on scheduled services fell from 136,067,520 ton-miles to 132,343,250, and the overall load factor from 64.5 per cent to 63 7 per cent.

Costs. Operating costs rose from 39 2d. per capacity ton-mile in 1953-54 to 39.9d. The rise—the first for several years—was ascribed to (*a*) the premature writing-off of expenditure connected with the introduction of the *Comets*, and reorganization and re-training costs following their withdrawal; (*b*) the Corporation's inability to offset rising costs of labour and materials by increasing the aircraft capacity offered.

Capital Losses. The report stressed that it was "impracticable to estimate precisely the financial effect of the withdrawal of the *Comets*." Residual development expenditure amounting to £619,936 had had to be written off; there was a direct capital loss of £1,730,259 on *Comet I* fleet and equipment, as well as a loss of revenue which the aircraft would have attracted. In addition, the replacement aircraft could only be bought at "top of the market" prices, which in many instances were greater than the cost of the same aircraft when new, leaving "a legacy of high operating costs to be borne during the continuing life of these aircraft in the Corporation's fleet."

There had been a further loss of £406,587 on disposal of the *Hermes* fleet, but those capital losses had been partly offset by a capital profit of £1,113,158 on disposal of the older *Constellations*, and by surpluses amounting to £233,956 on other disposals during the year. After taking account of these items and of adjustments in respect of previous years, the accumulated deficiency had been increased by only £20,714 (see above).

Relations with Associated Companies and Private Operators. The Corporation had given much attention to the promotion and development of regional airlines overseas, and to the strengthening of subsidiary and associated companies in the Middle East and Western Atlantic areas It had also supported two British independent companies in the development of all-freight services—Airwork Ltd., operating across the North Atlantic, and Hunting-Clan Air Transport Ltd. operating to Africa—and had participated with them in regional airline operations

Staff. The Corporation's staff at March 31, 1955, numbered 17,062 (13,080 at home and 3,982 overseas), compared with 17,255 employees in 1953-54.

Fleet. Owing to the withdrawal of the *Comets*, the Corporation's revenue-earning fleet at March 31, 1955, numbered only 43 aircraft—22 *Argonauts*, 11 *Constellations*, and 10 *Stratocruisers*. The utilization of these airliners had been so stepped up, however, that revenue flying-hours on scheduled passenger services totalled 133,428, compared with 135,010 in the previous year.

Contracts for New Aircraft. During the year the Corporation had increased its order for Bristol *Britannias* from 25 to 33 (15 *100's*, 7 *300's*, and 11 *Long-Range 300's*) Four of the *100's* were expected to be delivered by the end of 1955, with delivery of the remainder promised between January and August 1955, sufficient crew training and route flying should be possible to enable scheduled services to begin in April 1956 Deliveries of the *300's* had been promised for the second half of 1956 and of the *Long-Range 300's* (designed to operate non-stop between London and New York with 64 first-class or 83 tourist passengers) between October 1956 and April 1957. Orders had also been placed with the Bristol Aircraft Company for 60 *B E.25* engines for re-engining the *300's* and *Long Range 300's*

Besides "reaffirming its faith in the de Havilland *Comets*" by ordering 20 Mark IV's (see 14397 A), which would be able to operate the longer sectors of B O A.C.'s Commonwealth routes, the Corporation had also placed an order for 10 *Seven Seas* airliners with the U S. Douglas Aircraft Co, for delivery between October 1956 and May 1957. This had been done "as an insurance that the Corporation is not left without aircraft capable of operating non-stop over the North Atlantic," if delays occurred in the delivery of the British aircraft on order The Ministry of Transport and Civil Aviation had, however, been given an undertaking that the Douglas aircraft would be sold as soon as the *Britannia Long Range 300's* were in scheduled service.

Since the close of the 1954-55 financial year, the Corporation's original order for four Vickers-Armstrong *Viscounts* had been increased to 16, of which four would be for British West Indian Airways and 12 would be used by the Corporation's subsidiary and associated companies in the Middle East and West Atlantic areas.

The Corporation, therefore, was now awaiting delivery of 79 airliners—33 *Britannias*, 20 *Comets*, 16 *Viscounts*, and 10 Douglas *Seven Seas* Contracts outstanding for British aircraft, engines, and spares represented business for the British aircraft industry amounting to nearly £85,000,000.

Sir Miles Thomas (chairman of B.O.A.C.), commenting on the report, pointed out that for the fourth year in succession sufficient profit had been earned "to provide in full for all depreciation and meet all interest charges"; in addition, a "substantial surplus" had been shown "without the aid of an Exchequer grant," and despite the loss of the *Comets*. He stressed that it was entirely due to the Corporation's success in improvising a replacement service after the withdrawal of the *Comets*, and to the soundness of its financial structure, that it had been able to "absorb a crippling blow and yet end the year financially stable."

It was announced on Oct. 4 that Mr. Whitney Straight, deputy chairman of B.O.A.C., was leaving the Corporation to become executive vice-chairman of Rolls-Royce Ltd. Mr. Boyd-Carpenter (Minister of Transport and Civil Aviation) announced on Nov. 15 that Lord Rennell, a partner in the banking firm of Morgan, Grenfell and Co., and a part-time member of the B.O.A C. board since March 1954, would succeed Mr. Straight as the Corporation's deputy chairman.
(B.O.A.C. Annual Report - Times - Daily Telegraph)
(Prev. rep. 1953-54 Report, 13880 A; Aircraft, 14397 A.)

B. RUMANIA. — Reduction of Military Service.

It was officially announced in Bucharest on Nov. 22 that the Rumanian Government had decided to reduce the period of military service from Dec. 1, as follows: (*a*) conscripts in the Army would in future serve for two years instead of three years; (*b*) those in the Navy would serve for two years instead of four years. The period of service in the Air Force, the anti-aircraft formations, and the frontier guards remained unchanged at three years.—(Le Monde, Paris) **(Prev. rep. 14393 B.)**

C. SWITZERLAND. — General Elections. - Corrigendum.

In the tabulated results of the recent Swiss general elections, given in 14533 A, the figures for the Communist Party should be transposed—i.e., the figure "4" should come under the column for 1955, and the figure "5" under the column for 1951. As explained in the article, the Communists suffered a net loss of one seat.
(Ed. K.C.A.)

A. SUDAN. — Sudanese Proposal for Plebiscite on Self-determination. - British and Egyptian Approval. - Withdrawal of British and Egyptian Forces. - Resignation and Reappointment of Azhari Cabinet. - Suppression of Equatoria Mutiny. - Commission of Inquiry.

The Sudanese Parliament adopted unanimously on Aug. 29 a resolution expressing the opinion that "a direct plebiscite is the best method of ascertaining the true wish of the Sudanese as regards self-determination," and calling upon the Government to convey this opinion to the British and Egyptian Governments.

The Prime Minister, Mr. Azhari, suggested on Oct 18 that the decision on the Sudan's future and the drawing-up of a Constitution and electoral laws should be entrusted to the present Parliament instead of to a Constituent Assembly as envisaged by the Anglo-Egyptian agreement of 1953, thereby making a plebiscite unnecessary [In making this proposal, it was believed that Mr. Azhari was partly influenced by the situation in Equatoria province, where the unsettled conditions caused by the recent mutiny would make it impossible to hold either a plebiscite or elections for some time]

In a subsequent Press statement on Oct 29, Mr Azhari reiterated his suggestion that the present Parliament should take the decision on the independence of the Sudan and should then seek the approval of the co-domini An outline of this view—which, he emphasized, was "an idea only"—had been put before a joint parliamentary committee for consideration by all parties, but it might be some time before it was fully explored, until it was accepted or rejected, the Government would continue on the assumption that the country's future would be decided by plebiscite or along the lines laid down in the 1953 agreement

On Oct. 21 the Egyptian Government invited Czechoslovakia, India, Norway, Pakistan, Sweden, Switzerland, and Yugoslavia (the seven countries chosen by the Sudanese Parliament to supervise the process of self-determination) to serve on the international commission, but enclosed draft terms of reference which ignored the Sudanese Parliament's recommendation for a plebiscite. In London, it was pointed out by the Foreign Office on Oct. 22 that the invitations had been sent without consultation with Britain, and that the commission could not convene until the condominium Powers [i.e. Britain and Egypt] had agreed on its terms of reference. The Indian Government accordingly informed Egypt on Nov. 2 that it was unwilling to serve on the commission unless its terms of reference were acceptable to Britain.

In a Note to Britain, published on Oct. 29, the Egyptian Government stated that it approved the holding of a plebiscite and wished to negotiate the necessary amendment of the 1953 agreement; it was suggested that the plebiscite should be accompanied by the election of a Constituent Assembly to draw up the Constitution and a permanent electoral law. The British Government announced on Nov. 4 (*a*) that, in view of Mr. Azhari's statement of Oct. 29, it had accepted the proposal for a plebiscite; (*b*) that it would invite the Governments chosen by the Sudanese Parliament to take part in the international commission; and (*c*) that it was ready to discuss with Egypt the amendment of the 1953 agreement. Invitations to serve on the commission were accepted on Nov. 9 by the Indian Government, which nominated Colonel E. H. Zaidi (a former Indian representative at the U.N. General Assembly) as its representative, on Nov. 15 by Czechoslovakia, and on Nov. 22 by Switzerland.

Following discussions between the British Ambassador in Cairo (Sir Humphrey Trevelyan) and the Egyptian Minister of the Interior (Colonel Mohieddin), it was announced in the Egyptian capital on Nov. 29 that Britain and Egypt had reached agreement for a plebiscite on self-determination in the Sudan. Specifically, Britain and Egypt had agreed on (1) the amendment of the 1953 Anglo-Egyptian agreement on the Sudan in connexion with the holding of a plebiscite; (2) the formation of an international commission to supervise the plebiscite; and (3) the terms of reference of the international commission.

The withdrawal of the British and Egyptian armed forces from the Sudan was completed on Nov. 13. British and Egyptian Army units had been stationed in the country since 1898, and R.A.F. units since 1923.

Other recent developments in the Sudan are summarized below under cross-headings:

Resignation and Reappointment of Azhari Cabinet.

Mr. Azhari's Government resigned on Nov. 10 after it had been defeated in the House of Representatives by 40 votes to 45 during the Budget debate. The Government's defeat was caused by the fact that four parliamentary under-secretaries, who had resigned from the Government (but not from the National Unionist Party) on the previous day, voted with the Opposition. In a statement issued at the time of their resignation they had announced their support for the demand, which had been put forward by all the Opposition parties, for the formation of a national all-party Government for the remainder of the transitional period.

The Opposition agreed on Nov. 11 to form a coalition Government under the leadership of Mr. Mirghani Hamza, who had formed the Independent Republican Party after his dismissal from the Government in December 1954 (see 13969 A). When a vote was taken on Nov. 15, however, three of the four under-secretaries supported Mr. Azhari, who, in consequence, was re-elected Prime Minister by 48 votes against 46 for Mr. Hamza. Mr. Azhari's new Cabinet, which was sworn in on the following day, was the same as before, except that Mr. Buth Diu was appointed to the post of Minister of Animal Husbandry, which had been vacant since June.

Suppression of Equatoria Mutiny.

During the first few days of September units of the Sudan Defence Force reoccupied without opposition the areas of Equatoria province affected by the mutiny in August. The rounding-up of the mutineers, many of whom had returned to their villages or taken to the bush, proved a slow process, and an ultimatum was issued to the chiefs of the province to assist in bringing in members of their tribes. When this expired on Sept. 20, however, only about 400 of the garrison of Torit (originally numbering nearly 1,000) had surrendered, in addition to about 150 mutineers who had given themselves up at the Uganda border. The Government subsequently announced on Nov. 3 that 959 of the mutineers had given themselves up, but that about 360 were still at large.

Mr Lennox-Boyd, the British Colonial Secretary, told the House of Commons on Oct. 26 that 167 soldiers and between 2,000 and 3,000 civilians from the South Sudan had fled into Uganda The *Daily Telegraph* correspondent in Kampala, however, reported on Oct. 30 that the number of civilian refugees given by Mr Lennox-Boyd was a considerable underestimate, and that the number of tribesmen who had entered Uganda was smaller than that of those who had fled to the Belgian Congo and to French Equatorial Africa.

A Commission of Inquiry, consisting of a member of the judiciary, a Southern chief, and the Khalifa Maghoub (a former police officer and deputy agent in London) was appointed by Mr. Azhari on Aug. 29 to determine the causes of the mutiny. As a result of the commission's investigations, which opened in Khartoum on Sept. 17, fuller details of the mutiny and of the events leading up to it became available.

Daoud Abdel Latif (Governor of Bahr-el-Ghazal province and a former Governor of Equatoria), giving evidence on Sept. 19, suggested the following contributory causes of the mutiny: the "separatist" policy of previous administrations, the alleged encouragement of enmity towards the Moslem Northerners by Christian missionaries; the hopes of advancement raised among the Southerners by party politicians; subversive propaganda by the Egyptian Government; and the present Sudanese Government's failure to co-operate with Northern administrators in the Southern provinces and to heed their repeated warnings. Army officers and police officials gave evidence that documents had been discovered several days before the mutiny revealing the existence of a secret organization headed by a local chief and a Government official, and including Southern officers, n.c.o.s, and men of the Equatoria Corps among its members. This organization, it was alleged, had received funds from outside sources and had distributed leaflets calling for a massacre of Northerners. Moreover, it was alleged that forged documents, purporting to contain confidential instructions from Mr Azhari to Northern officials that the Southerners should be expelled, and killed if they resisted, had been circulated in the South, and had also been broadcast by Cairo Radio and published in certain Egyptian newspapers.

Another contributory cause of the mutiny was believed to be the intensified agitation in support of federalist or separatist aims conducted by Southern politicians in recent months, in preparation for the Sudanese Parliament's decision on self-determination Witnesses before the commission alleged that contacts had existed between the soldiers who planned the mutiny and the Southern Liberal Party; that Eliya Kuse, a Southern member of Parliament, had received sums of money from Major Salah Salem (the former Egyptain Minister for Sudanese Affairs) in December 1954, and from an Egyptian Army officer in April; and that this officer had visited Torit early in August. A violent propaganda campaign against Mr. Azhari and his Government had been carried on immediately before the mutiny by Mr. Aliet (the former Minister of Animal Husbandry), Mr. Benjamin Lwoki (president of the Southern Liberal Party), and other Southern politicians, both in Cairo and in Khartoum (see 14377 A).

Unrest among the Equatoria Corps and the police had led to a number of incidents from the end of July onwards, and requests were made for Northern troops to be sent to Equatoria. When a company of Southern troops was ordered on Aug. 18 to move north from Torit they mutinied, killing three officers, and a rumour was then circulated that the Northerners were massacring the Southerners. The mutineers were joined by almost all the Equatoria Corps (totalling 1,100 men) and by the majority of the local African police force (totalling 400 men), whilst thousands of armed tribesmen launched

attacks, apparently planned beforehand, against Government buildings. After three days' fighting the mutineers held the whole of Equatoria except the town of Juba, which was defended by a small Northern garrison, and over 450 people were murdered in a general massacre of Northern officers, officials, and traders, together with their wives and children. At Torit all the Northern traders and their families (except 30 people who had taken refuge in an Italian Roman Catholic mission) were shot down with machine-guns, only three men surviving. The revolt, however, was confined to Equatoria province (which contains only 28 per cent of the population of the Southern Sudan), and the garrison at Wau (the capital of Bahr-el-Ghazal province) resisted attempts to persuade them to mutiny.

The mutineers were tried by a military court consisting of four senior officers assisted by an Indian judge, whilst the major civilian offenders were tried by three special courts presided over by Sudanese judges. Minor offences, such as looting, were dealt with by the district commissioners' and chiefs' courts. All court proceedings were subject to scrutiny by the Chief Justice of the Sudan, and all death sentences to confirmation by the Governor-General.

The Times Correspondent at Juba (southern Sudan) reported on Dec. 2 that about 1,800 prosecutions had been made in Equatoria; that at Yei 43 men had been sentenced to death, 19 to terms of imprisonment from five to 10 years, and 175 to lesser terms; and that at Torit (the centre of the worst massacres committed by the mutineers, including the machine-gunning of over 70 men, women and children), 83 men had been sentenced to death. In London, Mr. R H. Turton (Under-Secretary, Foreign Office) stated in a parliamentary written answer on the same date that 30 executions were reported to have taken place up to Dec. 1 for crimes committed during the mutiny, and that 19 death sentences had been commuted by the Governor-General. It had been reported from Khartoum on Nov. 25 that of a total of 163 death sentences so far passed, 72 had been confirmed by the Governor-General, the remaining cases being still under consideration.

By the beginning of December conditions in Equatoria were reported to have largely returned to normal.
(Times - Daily Telegraph - Manchester Guardian - Observer)
(Prev. rep. Sudan, 14377 A; 14391 B.)

A. LITERATURE. — Book Selections.

Selected books published during November in Great Britain, the United States, and France are given below.

Great Britain. Butler, D. E.—"The British General Election of 1955." (Macmillan, 24s.)
Carrington, Charles—"Rudyard Kipling His Life and Work." (Macmillan, 25s.)
Carson, Rachel—"The Edge of the Sea" (Staples, 18s)
Clifford, James L—"Young Samuel Johnson." (Heinemann, 25s.)
Daniel-Rops, Henri—"Jesus in His Time." Translated from the French (*Jésus en Son Temps*) (Eyre & Spottiswoode, 30s)
Gunther, John—"Inside Africa" (Hamish Hamilton, 30s)
Hanson, Lawrence and Elisabeth—"Portrait of Vincent. A Van Gogh Biography." (Chatto & Windus, 15s)
Kendall, Paul Murray—"Richard the Third" (Allen & Unwin, 30s.)
Linklater, Eric—"The Ultimate Viking." The Story of Sweyn Asleifsson (Macmillan, 21s)
Scott, J. M—"Sea-Wyf and Biscuit." (Heinemann, 12s. 6d.)
Symons, Julian—"Horatio Bottomley A Biography." (Cresset Press, 21s)
Wilson, Edmund—"The Scrolls from the Dead Sea." (W. H. Allen, 10s. 6d.)
Wrench, Sir Evelyn—"Geoffrey Dawson and Our Times." (Hutchinson, 30s)

United States. Acheson, Dean—"A Democrat Looks at his Party." (Harper, New York, $3.00)
Brinnin, John Malcolm—"Dylan Thomas in America · An Intimate Journal." (Little, Brown & Co, Boston and New York, $4.00.)
Kantor, MacKinlay—"Andersonville." (World Publishing Company, Cleveland and New York, $5.00.)
Truman, Harry S.—"Year of Decisions, 1945." Memoirs, Volume I. (Doubleday, New York, $5.00.)
White, Walter—"How Far the Promised Land?" Foreword by Ralph J. Bunche. (Viking Press, New York, $3.50.)

France. Dhotel, André—"Le pays où l'on n'arrive jamais" *Prix Fémina.*
La Varende—"M. le duc de Saint-Simon et sa Comédie Humaine" (Hachette, Paris)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 14512 A.)**

B. YUGOSLAVIA. — Accession to Austrian Treaty.

The Federal Council of the Yugoslav National Assembly ratified at the beginning of November Yugoslavia's accession to the Austrian State Treaty signed on May 15 by Great Britain, the U.S.A., France, the Soviet Union, and Austria.
(Tanjug Agency, Belgrade) **(Prev. rep. 14412 D.)**

C. SWEDEN. — Referendum on "Rule of the Road." - Large Majority for Continuation of Left-hand Driving.

A national referendum was held on Oct. 16 in which all adult Swedes over 21 were asked whether they wished left-hand driving to continue (Sweden is the only country on the European continent where road traffic keeps to the left) or whether they desired a change-over to right-hand driving, as had been recommended by a committee of transport experts appointed by the Government. It resulted in a large majority for the continuance of left-hand driving, the results being: for left-hand driving, 2,111,342 votes (83.2 per cent); for right-hand driving, 386,017 votes (15.2 per cent); undecided, 1.6 per cent. Only 52 per cent of the electorate, however, voted in the referendum.

Although legislation approving right-hand driving in principle had been passed by the *Rigsdag* in 1953, a committee of road traffic experts was subsequently set up to report on the matter, it being provided that its recommendations should be submitted to a national referendum The committee recommended a change-over to right-hand driving by 1959, principally on two grounds (1) the large number of accidents caused by Danish and Norwegian drivers becoming confused by Sweden's left-hand system, (2) the fact that about 90 per cent of all vehicles in Sweden had the steering-wheel on the left-hand side The opponents of the scheme argued that the cost of changing over to right-hand driving would be excessive, and urged that the money could be better spent in improving roads and abolishing unguarded railway level-crossings, which had caused over 3,000 accidents in the past five years

The results of the referendum were not binding on the Government, but the Prime Minister (Hr. Erlander) indicated that the question had been shelved for the time being.
(Swedish Embassy, London - Svenska Dagbladet, Stockholm)
(Prev. rep. 13373 D.)

Note. The only other European countries to use left-hand driving (apart from Sweden) are the United Kingdom, the Irish Republic, Iceland, and Malta. Outside Europe, left-hand driving applies in all countries of the British Commonwealth except Canada, in a number of Asian countries (including China, Japan, Burma, Siam, and Indonesia), and in one Latin American country, Paraguay.
(Times - Daily Telegraph)

D. UNESCO.—Agreement on Extraterritorial Status of New Paris Headquarters.

Instruments of ratification of an agreement between the U.N. Educational, Scientific, and Cultural Organization (UNESCO) and France, recognizing as "international" the site on which UNESCO's new headquarters building will be erected in Paris, and thereby exempting the property and correspondence of UNESCO from French jurisdiction, were exchanged on Nov. 23 after the agreement had been ratified by the UNESCO conference and the French Parliament. On the same day the foundation-stone of UNESCO'S new headquarters building in the Place de Fontenoy was laid by Dr. Luther Evans (Director-General of the Organization) in the presence of a large gathering of academic and diplomatic representatives, including Dr. Jaime Torres Bodet the former Director-General of UNESCO and now Mexican Ambassador in Paris. The ground on which the building will be erected has been leased by the French Government to UNESCO for 99 years at a nominal rent of 1,000 francs a year.
(Le Monde, Paris) **(Prev. rep. 12680 A.)**

E. TUNISIA. — Ending of State of Siege. - Political Amnesty Bill passed by French National Assembly.

On the advice of the Acting French C.-in-C. in Tunisia, in his capacity as Tunisian Minister of Defence, the Bey of Tunis issued a decree on Sept. 21 ending the state of siege in Tunisia, which had been in force since 1939.

The French National Assembly passed a Bill on Nov. 23 granting a complete amnesty for "all offences of any kind committed on the territory of Tunisia between Jan. 1, 1952, and Aug. 3, 1955, and connected with the political events which took place in that country during this period." The voting on the Bill was 391 to 199, the opponents belonging to the Right-wing parties.—(Le Monde, Paris) **(14427 A.)**

F. UNITED KINGDOM. — Sir Malcolm Trustram Eve appointed Commissioner of Crown Lands.

Sir Anthony Eden announced in the House of Commons on Nov. 3 that the Queen had approved the appointment of Sir Malcolm Trustram Eve, Q.C., as Commissioner of Crown Lands with a view to his subsequent appointment as chairman of the proposed board of trustees. Sir Malcolm (61) is First Church Estates Commissioner and chairman of the Road Haulage Disposal Board.—(Times - Manchester Guardian)
(Prev. rep. 14296 A.)

A. AUSTRIA. — Withdrawal of Occupation Forces. - Permanent Neutrality Law. - Formation of Austrian Army. - Soviet Return of Military and Civilian Prisoners.

Vienna was completely evacuated by the Allied troops on Sept. 19, when the last British and Soviet units left the Austrian capital. All the French occupation forces had been withdrawn from Austria some time earlier, whilst the U.S. forces, some 5,500 strong, had left the country for Italy during August and early September, with the exception of a few rearguards. The last organized units of the Soviet Army withdrew from Austrian territory on Sept. 19, whilst the last British troops left Klagenfurt on Oct. 24.

October 25—on which date the 90-day period for the withdrawal of the occupation forces ended, and Austria became a completely free and sovereign country—was celebrated throughout Austria as the "Day of the Flag." It was announced that the day would be celebrated in future every year.

The National Council (the Lower House of the Austrian Parliament) met on Oct. 26 and finally passed by an overwhelming majority the constitutional law pledging the Austrian Federal Republic to remain permanently a neutral country, in accordance with the undertaking given by the Austrian delegation at the negotiations with the Soviet Government in Moscow in May last. The Federal Council (the Upper House) passed the Bill on Oct. 28.

The Neutrality Bill—the first draft of which had been referred to the appropriate parliamentary committees before the summer recess in July—was adopted in the following version.

"With the object of the lasting maintenance of her independence from without and the inviolability of her territory, Austria declares of her own free will her perpetual neutrality She is resolved to maintain and defend it with all means at her disposal

Austria, in order to secure these objectives, will join no military alliances and will not permit the establishment of military bases of foreign States on her territory. The Federal Government is entrusted with the implementation of this constitutional law"

The Bill was supported by the two parties of the Government coalition (the People's Party and the Socialist Party), as well as by the four members of the Communist-led "People's Opposition" group. The Right-wing League of Independents, although it did not object to neutrality as such, opposed the Bill because it objected to the phrase "of her own free will," and asserted that Austria had been more or less forced to accept neutrality as a condition of regaining her freedom.

Dr. Raab (the Federal Chancellor) stated during the final debate that the declaration of Austria's permanent neutrality had been incorporated in a special constitutional law, not only in order to bind the Legislature and the Executive in future, but also because it was a matter of such supreme importance that the Government had considered it appropriate to leave the ultimate decision to Parliament He emphasized, however, that neutrality as the basis of the country's foreign policy only imposed obligations on the State as such, but not on the individual citizens. Consequently the Neutrality Law would in no respect curtail the basic rights and liberties of the individual citizen, the freedom of the Press, or freedom of speech, nor was any obligation to maintain an ideological neutrality involved "Our military neutrality," he added, "includes no liabilities or restrictions in the economic or cultural spheres"

After reiterating Austria's request for membership of the United Nations, and stressing that the undertakings under the Bill had been given voluntarily in order to guarantee peace and well-being to the country, Dr Raab expressed Austria's gratitude to the U.S.A. for the American help given in the difficult post-war period, to the Soviet Union for changing its stand and making the completion of the Austrian Treaty possible; and to Britain and France for their constant proofs of friendship "Now that the troops of the four great Powers have left our country," he added, "we may say: 'Long have we had to wait for our freedom, but we have parted as friends' Our sincere friendship with all the four great Powers will be an important factor in our neutrality policy and will constitute a guarantee of our independence. I would like to state, however, that we would welcome an express joint guarantee of the inviolability and integrity of our territory by the four great Powers."

Speaking of Austria's relations with her neighbours, Dr Raab paid tribute to Switzerland's friendship and help; expressed the hope that outstanding questions with the German Federal Republic would be solved in a friendly spirit and in "an atmosphere of calm and mutual confidence"; and spoke of the improvement in relations with Czechoslovakia and Hungary, expressing Austria's willingness to maintain understanding and neighbourly co-operation. As regards Yugoslavia, he referred to the "sincere friendship and mutually fruitful economic and cultural exchanges" which had developed during the post-war period, and expressed the hope that the forthcoming negotiations with that country on Austrian property would lead to a satisfactory solution. With regard to Italy, with whom Austria was connected by "sincere friendship" in the economic and cultural spheres, Dr. Raab referred to the Austro-Italian agreement of 1946 on South Tirol, and the differences which had since arisen in its interpretation and implementation; he welcomed, however, the understanding shown by the Italian Government in recent talks in Rome, and expressed the hope that Italy would understand the interest which Austria felt in all matters relating to South Tirol.

Other developments in connexion with the regaining by Austria of her full sovereignty are described below.

Formation of Armed Forces. The National Council passed on Sept 7 a Defence Bill, details of which had been worked out between the two Coalition parties The voting was 147 to 18, the opposition comprising the 14 Right-wing deputies (including those belonging to the League of Independents) and the four members of the People's Front The Bill was approved by the Federal Council on Sept 14.

Under the Bill all male Austrian citizens between the ages of 18 and 51 became liable to nine months' military service, but without supplementary training periods when they were placed on the reserve Volunteers will be accepted for longer periods of service up to nine years, and these regulars will supply n.c o.s and the personnel of training cadres Active officers will all be regulars

The normal call-up age will be 19, but university students and others preparing for a profession will be allowed to postpone their service until they are 25 or (for doctors) 28 Conscientious objectors will be required to perform 12 months' service without weapons

The Bill vested supreme command over the Federal Army in the Federal President It laid down that any powers not exercised by the President himself would be exercised by the competent Federal Minister, within the authority given him by the Government

A National Defence Council will be set up, attached to the Federal Chancellery, to decide on all basic questions of defence It will meet under the chairmanship of the Federal Chancellor and will include the Vice-Chancellor, other Ministers concerned, two defence officials, and two representatives of each of the major political parties.

Other provisions of the Defence Law dealt with (*a*) the setting-up of a Complaints Commission, comprising representatives of the principal political parties under the chairmanship of the competent Federal Minister, and acting as an independent forum to which complaints in all Army matters might be submitted; (*b*) the election of "soldiers' representatives" who would co-operate with local commanders in all matters concerning pay, clothing, accommodation, food, leave, complaints, and disciplinary matters, without, however, prejudicing the rights of individual servicemen to put forward their wishes and complaints; (*c*) the preservation of their civilian jobs and rights of promotion for called-up servicemen.

The basis for the formation of the new Army had been laid on July 21, when some 6,500 cadets of the *gendarmerie* schools in Western Austria passed formally from the jurisdiction of the Ministry of the Interior to that of the newly-created Defence Office of the Federal Chancery (see 14309 B). Dr Raab said in a Press statement on Oct 8 that Austria's armed forces would be limited for the time being to 24,000 men, who would be called up in two stages He also stated that the new Army would be supplied with arms and equipment from all the four former occupation Powers (see below)

Civil Aviation. The Allied Council decided on June 10 to return full control over civil aviation to the Austrian Government On Sept 17 it was officially announced in Vienna that Austria had regained complete sovereignty in the air, and that the last civil aviation restrictions in the Soviet Zone had been abolished

Arms Supplies by Allied Powers. It was officially announced on Sept 15 that "at the request of the Austrian Government" the Soviet Union had offered to provide arms and ammunition for the new Austrian Army, and that the supplies would include rifles, machine-guns, howitzers, tanks, aircraft, ammunition, and spare parts.

An agreement under which the U.S.A. handed over to Austria all buildings, roads, utilities, and related installations constructed by the U S. occupation forces was signed in Vienna on Sept 26. The cost of the installations, etc., transferred, which included the big Roeder Camp, near Salsburg, was estimated at about $22,000,000. In return the Austrian Government agreed to take over all costs incurred by the U.S. forces in connexion with rail transport and communications within Austria, terminal rents after Aug. 31, and the restoration of real estate and claims for damage remaining unsettled; the total cost of these obligations was estimated at about $1,500,000. It was stated that the agreement was not concerned with the "large amount" of military equipment which had been made available from U S. reserve stocks to Austria.

As stated by Dr. Raab (see above), arms and equipment were also supplied by Britain and France, no details, however, were announced.

Return of Prisoners by Soviet Union. In accordance with the Moscow agreement, the Soviet Union returned to Austria, between June 5 and Aug 7, a total of 693 Austrian military and civilian prisoners held in the Soviet Union, among them 46 women. The civilian prisoners, many of whom had been sentenced on charges of alleged espionage and anti-Soviet activities, included Dr. Margarete Ottlinger (departmental head in the former Ministry of Economic Planning during the occupation period), who had been abducted from the Western sectors of Vienna in 1948, and Chief Police Inspector Anton Marek, who had been detained while on an official visit to the Soviet authorities Whilst the great majority of the prisoners were freely released, 74 who had been condemned for serious war crimes, and to whom the Russians refused an amnesty, were handed over under escort to the Austrian Ministry of the Interior.

The last Austrian to be released (on Oct. 17) was Dr. Alfred Sokolowski, a Vienna city councillor and official interpreter to the Vienna municipal administration, who had been arrested by the Soviet occupation authorities on Jan. 15, 1955.

It was announced in Berne on Nov. 24 that the Swiss Government had officially recognized Austria's perpetual neutrality.—(Wiener Zeitung - Neue Zürcher Zeitung - Times - Daily Telegraph - Le Monde, Paris - New York Times)

(Prev. rep. State Treaty, 14193 A; 14376 B; Soviet-Austrian Relations, 14532 A; Defence, 14309 B.)

A. NORWAY. — Cabinet Changes.

Hr. Jens Haugland was appointed Minister of Justice on Oct. 28 in succession to Hr. Jens Hauge, who had resigned three days earlier.

Hr Hauge's resignation followed a vote in the Storting concerning 183 Norwegian officials who had belonged to Quisling's *Nasjonal Samling* during the war and had been suspended from their duties for a time after the war. The officials concerned had claimed compensation in the courts for the salaries which they lost during the period of their suspension, on the ground that they had resigned from the *Nasjonal Samling* before Nov 24, 1944, the date on which the Norwegian Government—then in exile in London—had issued a decree declaring that all officials belonging to National Socialist organizations would forfeit their salaries The Norwegian Supreme Court had approved their claim, and Hr Hauge, in consequence, had recommended to Parliament that their back pay should be allowed to them The Storting, however, by 72 votes to 66, rejected this proposal and adopted another resolution, moved by members of the Labour Party (i e , the Government party), declaring that the claims in question had " lapsed "

Hr. Hauge, a lawyer, was one of the leaders of the Norwegian resistance movement during the war, heading the clandestine military organization. From 1945-52 he was Defence Minister in the first Gerhardsen Cabinet. When Hr. Torp became Prime Minister, Hr. Hauge was appointed a member of the Supreme Court, but on the formation of the present Gerhardsen Cabinet in January 1955 he entered it as Minister of Justice.

Earlier, at the beginning of July, Hr. Gudmund Harlem had been appointed Minister for Social Affairs in succession to Fru Rakel Seweriin (who resigned), whilst Fru Aase Bjerkholt was appointed Minister for Family and Consumer Affairs and Hr. Gunnar Bråthen Minister for Wages and Prices, both new portfolios.—(Aftenposten, Oslo - Norwegian Embassy, London)

(Prev. rep. Cabinet, 14013 D.)

B. WESTERN GERMANY.—Appointment of Minister for Atomic Questions. - Plans for Nuclear Reactors at Karlsruhe and Munich.

It was announced in Bonn on Oct. 12 that Herr Franz-Joseph Strauss, the Federal Minister without portfolio, had been appointed Minister for Atomic Questions.

In a letter to Dr. Hogner, the Chief Minister of Bavaria, which was reported in the Press on Aug. 21, Dr. Adenauer approved the Bavarian Government's plan to set up an atomic experimental reactor in Munich, additional to the one to be established at Karlsruhe under Federal auspices. On Oct. 11 it was officially announced that it had been decided to transfer the Max Planck Institute for Physics from Göttingen to Munich, where it would conduct research at the new atomic reactor station. The head of the Institute is Professor Werner Heisenberg, the eminent physicist and Nobel prizewinner.

Professor Ophuls, who led the West German delegation to the recent International Conference on the Peaceful Uses of Atomic Energy in Geneva, announced on Aug. 24 in Bonn that West Germany's first two reactors (i.e. those at Karlsruhe and Munich) would be purchased in the United States.
(Frankfurter Allgemeine Zeitung - Daily Telegraph - New York Times) **(Prev. rep. Cabinet, 14400 A; 13243 B; German Atomic Energy Projects, 14360 A.)**

C. SOVIET UNION. — The Leningrad Metro.

Leningrad's first underground railway, known officially as the V.I. Lenin Metro, was opened on Nov. 15. Built since the war, it is seven miles long, has eight stations (including the two termini), and connects all the city's main-line railway stations. Like the Moscow Underground, which was opened in 1935, each station on the Leningrad Metro is decorated with murals illustrating a special theme, e.g., subjects of historical, revolutionary, or literary interest. A decree was signed by President Voroshilov on Nov. 25 whereby the Moscow Metro was also given the name of the Lenin Metro. Hitherto the Moscow underground railway system had been named after M. Lazar Kaganovich, who was largely responsible for its construction. (Soviet Weekly - Daily Telegraph)

(Prev. rep. Moscow Metro, 1653 C.)

D. ITALY. — Approval of NATO Agreements.

The Italian Chamber of Deputies approved on Nov. 11 the agreement of June 19, 1951, on the status of NATO forces in Italy, against Communist and Left-wing Socialist opposition. It also approved a Bill ratifying the NATO agreement of Aug. 29, 1952, for the establishment of international military headquarters in Italy—i.e., Supreme Headquarters, Allied Powers, Southern Europe, which is installed at Naples. Both agreements had previously been ratified by the Senate.
(Corriere della Sera, Milan) **(Prev. rep. 11269 A; 9890 A.)**

E. NORTHERN IRELAND. — Salary Increases for Ministers and M.P.s. - New Salaries for Senators.

The Northern Ireland House of Commons approved regulations on Nov. 29 which increased the salaries of M.P.s from £200 to £400 a year, and established a new salary of £400 a year for Senators. Tax-free expense allowances of £300 a year for M.P.s, and £2. 5s. for each attendance by Senators, remained unchanged. [Hitherto, members of the Senate whose annual income from all sources (excluding the Senate attendance allowance of £2. 5s. a day) fell short of £600 were entitled to an annual payment to make up the deficiency, or £200, whichever was less, on making a declaration to the Speaker.]

The House also gave a second reading to the Ministerial and Other Offices Bill, which increased the salaries of the Prime Minister from £2,850 to £4,000; of the Attorney-General from £2,800 to £3,000; of Cabinet Ministers from £1,700 to £2,500; of the Minister in the Senate from £1,200 to £2,500; of the Speaker of the N.I. House of Commons from £2,000 to £3,000; and of the Speaker of the Senate from £1,000 to £2,000.

The increased salaries and the new salary for Senators will come into effect on Jan. 1, 1956. They were based on the recommendations of a Select Committee which had been appointed in June and presented its report on Oct. 5.

(Belfast Telegraph - Northern Whig)

F. POLAND - EASTERN GERMANY. — Agreements on Görlitz and Stettin. - Establishment of Consulates.

An agreement between the Polish and East German Governments was announced on Nov. 8 under which Poland agreed to return to the German Democratic Republic the eastern part of the city of Gorlitz (Zgorzelec), on the right (Polish) bank of the Neisse River, whilst the East German Government undertook to settle in that district of the city Germans who were at present living in Poland. The agreement also provided for a joint German-Polish commission to work out a plan for the common administration of the port of Stettin (Szczecin). It was also agreed that Poland would open Consulates in Leipzig, Dresden, Gorlitz, Erfurt, and Rostock, and that Eastern Germany would establish Consulates at Wroclaw (Breslau) and Gdansk (Danzig).—(Le Monde, Paris) **(14321 D.)**

Note. The city and port of Stettin, near the mouth of the Oder, was annexed by Poland in 1945 It lies on the left bank of the river and thus forms an *enclave* in German territory west of the Oder-Neisse frontier.

G. UNITED KINGDOM. — Foreign Trade. - Figures for September, October, and Third Quarter of 1955.

Imports into the United Kingdom in September totalled £304,400,000, exports £243,200,000, and re-exports £10,600,000, the adverse visible balance for the month thus amounting to £50,600,000. Total imports during the third quarter were £985,500,000, and exports and re-exports amounted to £758,900,000; the adverse balance was thus £226,600,000, bringing the total adverse balance for the first nine months of the year to £686,600,000.

Imports in October totalled £333,400,000, exports £267,800,000, and re-exports £12,800,000, the adverse visible balance thus amounting to £52,800,000.
(Board of Trade Journal) **(Prev. rep. 14452 C; 14384 A.)**

H. CANADA. — Bank Merger.

Plans to amalgamate the Imperial Bank of Canada and Barclays Bank (Canada) were announced in Toronto on Oct. 11. The statement said that the amalgamation would first have to be approved by the shareholders of each bank and then by the Dominion Government, and that, on completion of the merger, both businesses would be continued under the name of the Imperial Bank of Canada. Barclays Bank in London and Barclays Bank, D.C.O., are already shareholders in the Imperial Bank of Canada and own the whole of the share capital of Barclays Bank (Canada)—(Montreal Star)

(Prev. rep. 14186 B.)

I. NATIONALIST CHINA. — Cabinet Appointment.

Kiang Piao, an economist, was appointed Minister of Economic Affairs in the Chinese Nationalist Government on Formosa on Nov. 4 in succession to Mr. K. Y. Yin.
(New York Herald Tribune) **(Prev. rep. 13627 D.)**

J. CEYLON - SIAM. — Diplomatic Relations.

An agreement for the establishment of diplomatic relations was concluded between the Governments of Ceylon and Siam on Nov. 20.—(Ceylon Government Information Dept., Colombo)

A. MALAYA. — Inauguration of New Legislative Assembly. - Amnesty Offer to Malayan Communists. - Meetings between Government and Communist Representatives. - Sultan of Johore's Denunciation of Malayan Nationalism. - Further Outbreaks of Terrorist Activities. - Operations renewed by Security Forces.

Developments in the Malayan Federation since the beginning of August, when Tengku Abdul Rahman formed his "Triple Alliance" Government after the Federation's first general elections (see 14376 A), are described below under cross-headings.

Inauguration of New Legislative Assembly.

The new Legislative Assembly held its first session at Kuala Lumpur on Aug. 21 in the presence of the British Colonial Secretary, Mr. Lennox-Boyd (who was then visiting Malaya and Singapore), and the High Commissioner of the Federation, Sir Donald Macgillivray.

In his inaugural speech, Tengku Abdul Rahman called upon the British Government to appoint a special independent commission on Malayan constitutional reform, and also urged early talks in London on such matters as the "Malayanization" of the public services and the transfer to Malayan control of all matters pertaining to internal security and local defence. He stressed that the "Triple Alliance" of Malay, Chinese, and Indian organizations would take part in such talks only as equal partners in the affairs of Malaya, claimed that only by acceding to these demands could Malaya be "helped along the road to peace and prosperity and saved from Communism"; and said that the British Government must be prepared either to foster the growth of a "genuine nationalism" or to hand Malaya over to Communist control.

After declaring that it was "not unreasonable" for the Federation Government to expect independence for Malaya within a target date of four years, the Chief Minister added "If it is delayed beyond this period you will help the spread of Communism, since Communism thrives and flourishes on colonialism It will be a sorry day indeed, not only for us here but for the British people, if the Communists ever get a foothold in this country. They have already infiltrated into the rubber estates, mines, towns, and villages, and, what is worse, into our schools. Unless these infiltrations can be checked in time, the Communists will consolidate their position and constitute a real menace to the peace of Malaya and of the world."

Amnesty Offer to Malayan Communists.

In a statement on Aug. 23, Tengku Abdul Rahman announced that the Federation Government proposed to offer an amnesty to the Malayan Communists.

After stating that he had discussed this matter with Mr Lennox-Boyd, Sir Donald Macgillivray, and General Sir Geoffrey Bourne (the Director of Operations), Tengku Abdul Rahman stressed that the Government had no intention of recognizing the Malayan Communist Party or of negotiating with its leaders; he added, however, that he was prepared—in the capacity of a private citizen, and not as Chief Minister—to meet the Communist leader at an agreed rendezvous in the jungle. Although he did not think there could be any place for a Communist party in a self-governing Malaya, he said that the Communists could participate in the country's political life on the following conditions: (1) that they gave proof of their loyalty to Malaya; (2) that they respected legal and constitutional authority, (3) that they accepted the Malayan way of life; (4) that they conformed to a Malayan political system recognized by the Government; (5) that they ceased to be members of the Malayan Communist Party.

The Chief Minister's proposal for an amnesty was supported by Mr. Lennox-Boyd, Sir Donald Macgillivray, and General Bourne, the terms of the amnesty being broadcast by the High Commissioner on Sept. 8. They were as follows:

(1) Terrorists who surrendered would be given a free pardon for crimes committed under Communist direction before, or in ignorance of, the amnesty offer

(2) Terrorists could surrender to whom they wished, including members of the public

(3) Although there would be no general cease-fire, the security forces would be on the alert to help those who accepted the offer, and local cease-fires would be arranged for this purpose.

(4) The Government would conduct an investigation into those who surrendered. Individuals who showed that they genuinely intended to be loyal citizens, and to give up Communist activities, would be helped to regain a normal position in society and would be reunited with their families. As regards other persons, restrictions would be placed on their liberty, but if any wished to be sent to China their requests would be given consideration

(5) Terrorists could surrender in any of 186 designated "safe" areas, in which no troops would be present. [The designated areas included stretches of road and railway-line, rubber estates, tin mines, vegetable gardens, temples, etc.]

(6) There would be no time-limit to the amnesty, its termination depending upon the progress made.

Sir Donald Macgillivray said in his broadcast that the Government would repeal the emergency regulations "to the extent circumstances justify if it is satisfied that the response to the [amnesty] offer is such as to remove or reduce the need for these regulations." Emphasizing that the amnesty offer constituted "a major step," he added: "The Government realizes that people who have committed treason and murder in furtherance of Communist terrorism will escape prosecution. But it feels that this unusual act of clemency should be accepted to hasten the end of the emergency and thereby to lessen dangers to which law-abiding citizens are now exposed."

Immediately after the High Commissioner's proclamation over 20,000,000 leaflets were dropped by air over suspected Communist hide-outs in the jungles, giving details of the amnesty terms and safe-conduct passes for those who surrendered. Millions more leaflets were distributed by hand in villages where the inhabitants were known to be in contact with terrorists. Simultaneously, offensive military action against the terrorists—though not defensive action—came to a virtual standstill, whilst loyal aborigines were flown into the jungle to set up reception centres for terrorists who surrendered.

The response to the amnesty proved, however, to be very disappointing, little more than 30 terrorists—out of an estimated total of some 3,000—having surrendered by the end of November. Moreover, terrorist attacks—both on the security forces and against civilians—continued in different places after the proclamation of the amnesty, culminating on Nov. 21 in a large-scale attack on a village in the Cameron Highlands (see below). As a result, the security forces recommended full-scale military operations against the terrorists on Dec. 1, although officially the amnesty continued to remain in force.

Meetings between Government and Communist Emissaries.

It was announced in Kuala Lumpur on Sept. 28 that letters had been received by Tengku Abdul Rahman and other members of the Malayan Government, including Sir Cheng Lock Tan (president of the Malayan Chinese Association), stating that the secretary-general of the Malayan Communist Party, Chin Peng, was willing to send an emissary to negotiate with the Government on the restoration of peace in Malaya. Though the letters were unsigned, they were accepted as having come from Chin Peng. They were posted in the village of Klian Intan (northern Perak), a few miles from the Siamese frontier, and dated Sept. 24.

After consultations with Sir Donald Macgillivray and General Bourne, Tengku Abdul Rahman subsequently agreed to send emissaries to discuss the amnesty offer with Chin Peng, or representatives of the latter, at an agreed rendezvous. As a result of further correspondence between the Chief Minister and Chin Peng, a preliminary meeting took place on Oct. 17 at Klian Intan between Chin Peng, who was accompanied by a guide, and two representatives of the Malayan Government—Mr I. S Wylie, Deputy Police Commissioner for the Federation, and Mr. Too Joon Hing, Assistant Minister of Education. Mr. Wylie and Mr. Too were flown back to Kuala Lumpur after the meeting and reported to Tengku Abdul Rahman. [Mr. Wylie was parachuted into Malaya during the Japanese occupation and was personally acquainted with Chin Peng, both having fought in the resistance movement. The whereabouts of Chin Peng—the leader of the Communist rebellion, on whose head a large price had been put—had not been known for seven years.]

Two further meetings took place at Klian Intan on Nov. 17 and Nov. 20 between Mr. Wylie and Mr. Too, on the one hand, and Chen Tian, an emissary representing Chin Peng, on the other. In statements issued after these meetings, Tengku Abdul Rahman said that Chin Peng had suggested direct peace talks between them at an agreed spot—preferably Kuala Lumpur—and had also suggested that the Chief Minister of Singapore, Mr. Marshall, should take part in the discussions. In addition, the Communist leader had asked that the security of himself (Chin Peng) and other Communist emissaries at such talks should be guaranteed; that an international commission should be set up to implement any peace terms that might be negotiated; and that the Government's amnesty should be made "more liberal."

Commenting on these proposals, the Chief Minister said that he might meet Chin Peng towards the end of December, though not in Kuala Lumpur, and that the safety of the Communist emissaries would be guaranteed. He emphasized, however, that while he was ready to explain the amnesty terms to the Communist leader, and to consider any proposals the latter might put forward, he was "not going to negotiate or treat with Chin Peng as an equal," nor would there be any question of recognizing the Malayan Communist Party. Chin Peng's proposal for an international commission was dismissed by Tengku Abdul Rahman as "nonsense."

Sultan of Johore's Denunciation of Malayan Nationalism.

The octogenarian Sultan of Johore, speaking at Johore Bharu (the State capital) on Sept. 17 during the celebration of his diamond jubilee, gave a strongly-worded warning against premature Malayan independence and against the "dire consequences" which would result if the British left the country.

After denouncing those of his subjects who co-operated with the Communist terrorists and who clamoured for immediate independence, he declared that if Britain left Malaya the Communists would immediately take over, with a result that would be "99 times worse than the Japanese occupation." "It is all very well to clamour for

merdeka (freedom)," he declared, " but where are your warships, your planes, your armies to withstand and repel aggression from outside ? " After saying that he often wondered why the British people should continue to send their sons to be killed in Malaya, the Sultan declared : " If I were British I would leave Malaya today. But if the British go today, someone else will come in tomorrow."

The Sultan's speech was made in the presence of Tengku Abdul Rahman and other members of the Federation Government who were attending the celebrations The Chief Minister and the other Ministers subsequently boycotted the State banquet and other official functions to which they had been invited.

Terrorist Activities. - Operations by Security Forces.

As stated above, terrorist activities in different parts of Malaya—notably in Johore and Negri Sembilan—continued after the amnesty proclamation, and in some areas were on a bigger scale than for many months previously.

During the first fortnight of October terrorist bands in Johore wrecked a number of lorries and other equipment in attacks on estates and plantations, destroyed rubber trees, and clashed on several occasions with the local security forces. On Oct. 13 a British officer (a captain in the Royal Welch Fusiliers) and two other ranks were killed, and another soldier seriously wounded, in an ambush near Seremban (Negri Sembilan), whilst on Oct 20 terrorists seriously wounded Mr. C. G Stanley, the British manager of a rubber estate near Labis, in Johore Two other European planters, Mr. J. Hall and Mr. E King, were seriously wounded on Nov. 16, when terrorists attacked a rubber estate in the Rengam area of Johore. During the night of Nov. 20-21 over 100 armed terrorists attacked the new village of Kea Farm, in the Cameron Highlands, killed a policeman in an exchange of fire, murdered a villager, and escaped with a number of weapons, over 600 rounds of ammunition, and large quantities of food.

To combat the intensified terrorism in the jungle areas of central Johore, two additional infantry battalions (the 1st Bn. Hampshire Regt and the 1st Bn. Northern Rhodesia Regt.) and a squadron of parachute troops of the Special Air Service Regt were flown to the Kluang area in mid-October from other parts of the Federation. The reinforcements, totalling some 1,300 men, brought the number of troops in Johore State—British, Malay, Gurkha, African, and Fijian —to nearly 3,000.

Following the attack on the Cameron Highlands village (see above), General Bourne announced that full-scale operations against the terrorists would be resumed from Dec 1. On the latter date British and Gurkha troops accordingly launched a large-scale operation against terrorist hideouts in the jungles of Negri Sembilan, which were heavily bombed from the air

Australian and New Zealand Reinforcements.

The British and Imperial Forces in Malaya were reinforced in October and November by the arrival of the 2nd Bn. Royal Australian Regt. and by a New Zealand parachute squadron. It was announced on Oct. 19 by Far East Land Forces H.Q., Singapore, that the Australian and New Zealand reinforcements would join the 28th Commonwealth Independent Infantry Brigade Group, " the Army component of the Commonwealth Far East strategic reserve."

The formation of this Brigade Group, comprising British, Australian, and New Zealand forces, had been announced on Sept. 10 by the British War Office, which stated that it would consist of the 1st Bn. Royal Lincolnshire Regt , 1st Bn. Royal Scots Fusiliers, 2nd Bn. Royal Australian Regt., a squadron of the Royal Engineers, an Australian field battery, and New Zealand units

Terrorist-free Areas.

The Federation Government announced on Oct. 28 that a wide area of central Malaya—3,464 square miles, in Pahang State—had been declared " white," i.e., cleared of terrorists and no longer subject to emergency restrictions.

After pointing out that this area had formerly been one of the worst terrorist-infested regions of Malaya. the announcement added : " In the remainder of the Federation, too, good progress has been made. Throughout the country there are now 2,465,000 people, or nearly half the total population, living in ' white ' areas. In 1951, when the Communist organization reached its zenith, terrorist incidents averaged about 500 a month. In the worst month, June (1951), they reached a peak of 606. Now they average 60 a month,"

The announcement added that the Communists' strength in Malaya had been reduced from about 8,000 in 1951 to about 3,000 at the present time, and that " their organization has, in fact, been largely disrupted."—(Times - Daily Telegraph - New Commonwealth) **(Prev. rep. Malaya, 14376 A; 14309 A.)**

A. PAKISTAN. — Abolition of Visas for Travel to Denmark, Sweden, Holland, and Western Germany.

It was announced in Karachi on Nov. 1 that Pakistan and Sweden had agreed to abolish visas for nationals of one country visiting the other. Similar agreements had previously come into effect between Pakistan and the Netherlands (May 1953), Denmark (Oct. 1, 1954), and the German Federal Republic (May 1, 1955).—(Pakistan High Commissioner's Office, London)

B. UNITED KINGDOM. — Motor Industry. - Sir Miles Thomas joins Board of Harry Ferguson Research Ltd. - The Ferguson Car.

It was announced on Nov. 20 that Sir Miles Thomas, chairman of the British Overseas Airways Corporation, had joined the board of Harry Ferguson Research Ltd., a company formed by Mr. Harry Ferguson (designer of the Ferguson tractor) to develop motor vehicle design. The statement added that the Minister of Transport and Civil Aviation, Mr. Boyd-Carpenter, had agreed to Sir Miles's assumption of this extra responsibility, and that his position as full-time chairman and chief executive of B.O.A.C. would not be affected.

Sir Miles Thomas explained that the chairmanship of B O.A.C. would remain his " main preoccupation," but that, owing to " the back knowledge accumulated in 27 years' experience of the motor industry," he was in a position " to give advice on the production and marketing of the new Ferguson car " His position with Fergusons would be purely advisory and non-executive, and his director's fees would be refunded to the B O.A C. He added : " This car, which introduces many new characteristics important to safety and road holding, is of considerable military and export importance, and that is why the Minister has allowed me to do this." Negotiations for the production of the car were " reaching a decisive stage."

Mr. Ferguson explained on the same day that British motor manufacturers would be given the first opportunity of producing the new Ferguson vehicle. Discussions had taken place between Lord Chandos (chairman of the Northern Ireland Development Council) and himself on the possibility of manufacturing the vehicle in Northern Ireland, but it had been agreed that no decision could be made until plans had been considered for production on a wider basis, and that the next step was to bring British motor manufacturers into close consultation. So far, however, only preliminary conversations had been held, as the full range of Ferguson inventions had only recently been completed for demonstration in prototype vehicles.

In the House of Commons on Nov. 23 Mr. Boyd-Carpenter answered a number of Opposition questions about the decision to allow Sir Miles Thomas to take up part-time employment with a private firm.

The Minister said that the appointment of chairmen and members of public boards on a full-time basis did not preclude permission being given to them to accept membership of other boards, public or private. The essential point was whether such membership might affect the proper discharge of their duties. He was satisfied that in the case of Sir Miles Thomas the small amount of additional work involved in his membership of two outside boards would in no way affect the discharge of his duties as chairman of B.O.A.C. The position of boards of nationalized industries was quite distinct from that of Civil servants [who are not allowed to take outside part-time jobs], and there were a number of precedents of full-time members of these boards accepting seats on other boards.

It had been announced in 1954 that Mr. Ferguson had sold his interests in the Ferguson tractor (manufactured by the Standard Motor Company) and would concentrate on a group of inventions expected to revolutionize road vehicles.
(Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. Sir Miles Thomas, 14558 A.)

C. CEYLON - NETHERLANDS. — K.L.M. Participation in Air Ceylon Corporation.

Agreements were signed in The Hague on Nov. 21 under which the Air Ceylon Corporation (the official Ceylonese airline) will resume international operations in February 1956 by reopening a weekly service between Colombo and London, with the co-operation and technical assistance of K.L.M. (Royal Dutch Airlines). It was also agreed (*a*) that K.L.M. would become a shareholder in Air Ceylon for an initial period of 10 years ; (*b*) that effective control of Air Ceylon operations and a substantial interest in the Corporation would, however, remain vested in Ceylon ; (*c*) that K.L.M. would assist in the training of Ceylonese personnel, pending which time Air Ceylon aircraft would be manned by K.L.M. personnel ; and (*d*) that schemes had also been prepared for the future development of Air Ceylon services and for the purchase of modern four-engine aircraft. (Ceylon High Commissioner's Office, London)

D. UNITED STATES. — Appointment of New Commissioner of Internal Revenue.

The Secretary of the Treasury, Mr. Humphrey, announced on Oct. 25 that he was recommending to President Eisenhower the appointment of Mr. Russell C. Harrington as Commissioner of Internal Revenue in succession to Mr. T. Coleman Andrews, whose resignation had been announced on Oct. 16. Mr. Harrington (64) is a partner in an accounting firm at Providence, Rhode Island.—(New York Times) **(Prev. rep. 12777 B.)**

DECEMBER 3—10, 1955

A. BAGHDAD PACT. — First Meeting of Baghdad Pact Council. - Creation of Council of Deputies and Military and Economic Committees. - Permanent U.S. Liaison with Baghdad Pact Organization. - Persian Rejection of Second Soviet Protest against Persia's Adherence to Pact.

The first meeting of the Council of the Baghdad Pact was held in Baghdad on Nov. 21-22 under the chairmanship of the Prime Minister of Iraq, Nuri es-Said. The chief representatives of the five member-countries were—*Great Britain*: Mr. Harold Macmillan, the Foreign Secretary, and General Sir Gerald Templer, Chief of the Imperial General Staff; *Iraq*: Nuri es-Said, the Prime Minister, and Major-General Rafiq Arif, Chief of the General Staff; *Pakistan*: Choudhri Mohammad Ali, the Prime Minister and Minister of Defence, and General Mohammed Ayub Khan, the C.-in-C. of the armed forces; *Persia*: M. Hussein Ala, the Prime Minister, and General Hidayat, Chief of the General Staff; *Turkey*: M. Adnan Menderes, the Prime Minister, and General Tunaboylu, Chief of the General Staff.

The State Department in Washington had announced on Nov. 19 that, in reply to an invitation from the members of the Baghdad Pact, the United States had decided to establish military and political liaison with the organization. The statement expressed the hope "that this new organization will develop increasing strength, enabling it to fulfil its defensive purpose." It was also announced that the U.S. Ambassador to Iraq, Mr. Waldemar J. Gallman, and the C.-in-C. of U.S. Forces in the Eastern Atlantic and Mediterranean, Admiral John Cassidy, would attend the Council meeting as political and military observers respectively.

At the end of its deliberations the Council issued the following communiqué announcing the setting-up of a Permanent Council of Deputies, a permanent Military Committee, and an Economic Committee:

"(1) The inaugural meeting of the Baghdad Pact Powers . . was held in Baghdad on Nov. 21-22 under the chairmanship of the Prime Minister of Iraq, Nuri es-Said.

(2) The U.S. Government, having accepted the invitation of the Baghdad Pact Powers to take part in their proceedings in the capacity of observers, was represented on the Council by the U.S. Ambassador at Baghdad and on the Military Committee by a U.S. Service representative.

The Council welcomed the intention expressed by the U.S. Government to establish permanent political and military liaison with the Council and to have an observer present at the organizational meeting of the Economic Committee.

(3) The Government of Iraq emphasized that . the responsibilities of Iraq under the pact and as a member of the Council are in full accord with her obligations under the Treaty of Joint Defence and Economic Co-operation between the Arab League States. The other member Powers were glad to note this.

(4) The Council decided that the Baghdad Pact, the Special Agreement concluded under the Pact between Iraq and the United Kingdom, and the Instruments of Accession of the Powers who have joined the Pact, should be registered by the Government of Iraq with the United Nations.

(5) The five Governments reaffirmed their intention, as provided in the Pact and consistently with Art. 51 of the U.N. Charter, to work in full partnership and with united purpose for peace and security in the Middle East, to defend their territories against aggression or subversion, and to promote the welfare and prosperity of the peoples in that region.

(6) The five Governments reviewed the critical world situation, particularly in the light of the Geneva Conference, and resolved in consequence to maintain constant contact and even closer co-operation in the face of any threat to their common interests.

(7) The five Governments set up a Permanent Council as provided for in Article 6 of the Pact. The Council will be deemed to be in continuous session. Ministerial meetings will take place at least once a year. Iraq as host country will provide the first chairman until the end of 1956, and the chairmanship will be held thereafter in alphabetical order of the other Powers for a period of one year. If, however, additional meetings were to be held elsewhere than in the capital of the regular chairman, the host country will be asked to provide the chairman for that meeting.

(8) The permanent seat of the Organization and its dependent bodies shall be in Baghdad.

(9) Each Government will appoint a deputy representative to the Council with Ambassadorial rank.

(10) The Council, through their Permanent Deputies in Baghdad, shall meet at any time to discuss any matters of political, economic and military interest to the five Governments.

(11) The Council agreed that a permanent Secretariat for the Baghdad Pact Organization should be established in Baghdad.

(12) The Council established a permanent Military Committee, responsible and subordinate to the Council and charged with carrying out such directives as may be entrusted to it. The representatives of the five Governments on the Military Committee will be their Chiefs of Staff or their Deputies.

(13) The Military Committee at its first meetings laid the foundations of a military organization to ensure the security of the region.

In this connexion the Council noted that the Governments of Iraq and the United Kingdom have concluded a Special Agreement under the Pact on April 4, 1955. By this agreement Iraq assumed full responsibility for her own defence and took over the command and guarding of all defence installations in Iraq. Withdrawal of U.K. forces from the bases at Habbaniya and Shaiba is proceeding according to plan and as stipulated in the Special Agreement. . . . The Council further noted that the U.K. is affording Iraq help in building up her armed forces and maintaining them in a state of readiness for the defence of Iraq.

(14) The Council took note with appreciation of the generous and valuable help extended to each of them by the U.S. Government in the form of free aid in the provision of arms and other military equipment to enable them to strengthen their defence against aggression, and of the support and encouragement of the U.S. Government in their efforts to co-operate for peace.

(15) An Economic Committee was set up to develop and strengthen the economic and financial resources of the region. In particular, the Economic Committee will consider ways and means of sharing experience in the field of development, and how a regional approach to some of the problems involved would be of common benefit, including discussion on a regional basis with the World Bank, the W.H.O., UNICEF, and other specialized agencies.

(16) In this connexion the Council viewed with satisfaction the practical progress already made in this field. They noted, for example, that the U.K. has decided to assist Iraq by making available gold to constitute a reserve of £5,000,000 during the next two years, and by other forms of financial co-operation.

(17) The Council noted the statement of the U.K. representative that his Government are ready to use their experience in the field of atomic energy to assist other countries with their own atomic energy projects for the peaceful application of this science, and, particularly, that they were ready to assist the Baghdad Pact countries in the application of atomic technique, with special reference to local and regional problems. The Council welcomed this offer and directed the Economic Committee to consider its practical application.

(18) The five Governments expressed their gratification for the extensive economic assistance which has been freely accorded by the U.S. Government.

(19) The Council decided to meet again in special session in Teheran during April, 1956. They directed the Military Committee and the Economic Committee to report progress at that session."

As stated in the communiqué, the U.S. Government, in addition to maintaining permanent political and military liaison with the Council of the Baghdad Pact, also declared its intention to establish permanent liaison with the Economic Committee. Mr. G. E. Larsen (economic adviser at the U.S. Embassy in Baghdad) was nominated as permanent liaison officer.

Mr Gallman said in a press statement on Nov 23 that in present circumstances the U.S. Government did not intend to join the Baghdad Pact organization, although its eventual adherence was not excluded; at the moment, however, the U.S. Government considered that it could make a more efficacious contribution by staying outside the pact.

In addition to their official meetings, the four Prime Ministers and Mr. Macmillan also had private meetings at which they informally discussed the position in the Middle East. Mr. Macmillan broke his return flight to London for discussions in Beirut with President Chamoun and the Lebanese Prime Minister, M. Rashid Karameh.

The Soviet Government, in a Note handed to the Persian Chargé d'Affaires in Moscow on Nov. 26, reiterated its earlier protest against Persia's accession to the Baghdad Pact.

The Note expressed regret that Persia had decided to join the Baghdad Pact despite "the friendly and repeated warnings of the Soviet Union". Persia, it said, had thereby become "a member of a military grouping which constitutes an instrument of certain aggressive circles," and had "tied her interests to alien forces whose aim it is to maintain and re-establish the colonial dependence of the countries in that area." The Note declared that Persia's membership of the pact was "incompatible with the interests of consolidation of peace and security in the Near and Middle East and with the treaty obligations of Persia", referred specifically to Article 3 of the Russo-Persian Neutrality Treaty of 1927, which said that each side undertook not to take part in alliances or agreements directed against the other; gave a warning that Persia's adherence to the Baghdad Pact "inflicts serious damage" to Soviet-Persian relations; and said that Persia must "bear full responsibility for the consequences of joining the pact." "The situation created is fraught with danger to the Soviet frontiers," the Note concluded, "and the Soviet Government cannot be indifferent to Persia's accession to the Baghdad Pact."

The Soviet protest was again rejected by Persia in a Note published in Teheran on Dec. 6.

The Note said that Persia "cannot see any valid reason for anxiety by the Soviet Union over the situation created by Persia's accession to the Baghdad Pact." It emphasized once again the defensive nature of the pact, reiterated Persia's allegiance to the United Nations, denied that there had been any secret agreements, and refuted the assertion that Persia's adhesion to the pact would open the door to "colonial influence" in Persia. It went on to recall the continued presence of Soviet troops in Persia after the war—when they had

prolonged their stay beyond the wartime Anglo-Soviet occupation justified by the German threat—and accused the Soviet Union of trying at that time "to disintegrate Azerbaijan and Kurdistan," and of encouraging and supporting the formation of "traitorous and subversive bands." As regards the 1927 treaty, the Note said that the U.S.S.R had violated it in the past and could not base on it objections to the Baghdad Pact, which was in accordance with the U.N. Charter and contained no provisions threatening Soviet interests. The Note concluded: "The responsibility for any act detrimental to the relations between the two countries, which may ensue as a result of the incorrect interpretation given by the Soviet Government to Persia's accession to the Baghdad Pact, will devolve entirely on the Soviet Union"

Before leaving Baghdad for London, Mr. Macmillan announced that the Permanent Council set up at the Baghdad meeting would consist of the Ambassadors of Britain, Turkey, Persia, and Pakistan in the Iraqi capital, and the Iraqi Foreign Minister, who would be chairman for the first year of the organization's existence.—(Press Division, Foreign Office, London - Times - Daily Telegraph - Pakistan High Commissioner's Office, London - New York Times - Turkish Embassy, London - Le Monde, Paris) **(Prev. rep. 14505 C.)**

A. SOVIET UNION. — Hydrogen Bomb Test.

It was officially announced in Moscow on Nov. 26 that "tests of new types of nuclear and thermo-nuclear (i.e. hydrogen) weapons" had recently been carried out in the Soviet Union, and that they had "fully justified the corresponding scientific and technical calculations, showing the important new achievements of Soviet scientists and engineers." The announcement stated that the tests had ended with the explosion of a hydrogen bomb, described as "the most powerful of all explosions so far carried out"; that the bomb had been exploded at a great height to avoid radioactive fall-out; and that at the same time "wide research was conducted into questions of the defence of the population."

The following statement by the Soviet Government was appended to the announcement:

"The Soviet Government stands for the prohibition of atomic and thermo-nuclear weapons, with the establishment of effective international control Such a decision would permit the use of atomic energy to be directed towards exclusively peaceful aims. Proposals for the unconditional prohibition of atomic and thermo-nuclear weapons were made by the Soviet Union both in the United Nations and at the recent Conference of Foreign Ministers in Geneva, but were not accepted. The Soviet Union also submitted a proposal for the moral and political condemnation of atomic and hydrogen weapons. The Western Powers also refused to accept this proposal...

The Soviet Union will continue to strive for agreement in the U.N. on the prohibition of atomic and hydrogen weapons, on the reduction of all other types of armaments, on the further reduction of international tension, and on the establishment of confidence between States, as well as for the consolidation of peace generally."

Mr. Khrushchov (who was paying an official visit to India at the time, together with Marshal Bulganin) confirmed on Nov. 27, in a speech at Bangalore, that the Soviet Union had exploded a bomb "of unprecedented power" equivalent to "millions of tons of conventional explosives," and said that Soviet scientists and engineers had succeeded in achieving "the maximum explosion with the use of the minimum of atomic power." He reiterated, however, that the U.S.S.R. desired the total prohibition of all atomic and thermo-nuclear weapons, and gave an undertaking that it would not be the first country to use them.

Although no statement on the Soviet atomic tests had been made in the U.S.S.R. prior to the announcement of Nov. 26, three statements had previously been issued by the U.S. Atomic Energy Commission.

The first U.S. statement (Aug. 4) said that the Soviet Union had resumed tests of nuclear weapons "in the past few days," and that this might mean "the beginning of a new test series." The second statement (Sept. 25) said that "another Soviet nuclear explosion occurred in recent days, indicating a continuation of their tests of atomic weapons." In its third statement (Nov. 23) the A.E.C. said that the latest explosion in the Soviet test series was "the largest thus far in the U.S S.R." and "in the range of megatons" [a megaton is equivalent to the explosive force of 1,000,000 tons of T.N T.], indicating "an increasingly intensive effort by the Soviet Government to develop their nuclear-weapons potential." All three statements were issued by Rear-Admiral Lewis Strauss, chairman of the Atomic Energy Commission.

A Moscow radio commentator declared on Nov. 28 that the Soviet Union "cannot discontinue the production and testing of nuclear weapons so long as the United States and Britain manufacture such weapons and test them." He added, however: "The proposals which the U.S.S.R. has put before the United Nations stipulate a total ban on nuclear weapons and their removal from conventional armaments. As one of the first steps towards this, the U.S.S.R. suggests that the countries which possess nuclear weapons should undertake to discontinue their testing. We are ready to do so here and now if the other Powers possessing such weapons agree to do the same."

In Britain, the Prime Minister was asked by Mr. Attlee (Leader of the Opposition) on Nov. 30 whether, in view of the Moscow broadcast, he would approach the Soviet Union and the U.S.A. with a view to stopping tests of hydrogen bombs.

Sir Anthony Eden, in reply, said that the terms and scope of the Moscow broadcast were "far from clear" and "might have appeared in a better light if it had been made before the recent Soviet explosion, of which Mr Khrushchov has spoken in such enthusiastic terms" No communication had been received from the Soviet Government suggesting an agreement with Britain and the U S.A to stop further hydrogen-bomb tests, but H.M. Government were ready at all times to discuss these matters. In such discussions, however, regard would have to be paid to the number and nature of the tests which each country had already made, as well as to the number and nature of tests proposed. It remained the view of H M. Government that a comprehensive agreement on disarmament was the only final solution to these problems.

Mr. Attlee: "As I understand it, nothing that is not official is allowed to be said over Moscow radio, and therefore we are allowed to take this statement as authoritative from the U.S S R. Government In view of the fact that there is still considerable doubt among scientists whether these explosions may not have very deleterious effects, should we not take any opportunity there is to try to halt these experiments? Surely this gives an opportunity for an approach?"

Sir Anthony Eden. "I said deliberately that the terms of this statement were not clear. The words 'nuclear weapons' were used several times—which, in the language originally used, means atomic weapons as well as hydrogen weapons As the House will see readily, the abolition of all tests of atomic weapons as well as hydrogen ones would be an entirely different matter from the banning of hydrogen-bomb explosions It is for that reason we are ready to discuss this question at any time or place, but we must take some account of our position in relation to these discussions"

The Prime Minister was again asked on Dec. 6, by Mr. Roy Mason (Lab.), (*a*) whether, at his forthcoming meetings with Marshal Bulganin [i.e. during the Soviet Prime Minister's visit to Britain in the summer of 1956—see 14369 A] and President Eisenhower (see 14566 B) he would propose limiting atomic and hydrogen bomb tests to "one per country per year," and (*b*) whether he would suggest to them the cessation of all such tests. Sir Anthony replied:

"I would remind the House that our decision to manufacture the hydrogen bomb was announced in the Statement on Defence on Feb. 17 this year, which was approved by this House on March 2 H.M. Government have no intention of departing from this decision, for they still regard our manufacture and possession of the hydrogen bomb as a deterrent to war.

While H M. Government will at all times welcome arrangements which contribute to world security, they are not prepared to accept agreements which would put the U.K. in a position of decisive inferiority to other great Powers, a position which is not justified by the state of our scientific knowledge and resources. H.M. Government are, however, prepared to discuss methods of regulating and limiting test explosions which take account of their own position as well as that of other Powers."

The U.S. Secretary of State, Mr. Dulles, was asked at a press conference on Nov. 29 to comment on the Moscow radio statement that Russia would cease A-bomb and H-bomb tests if other countries did the same. In reply, Mr. Dulles said that the U.S. Government had for many months been studying the possibility of an agreed suspension of tests, but so far no formula had been found to meet two essential criteria: (1) whether any agreement on the suspension of tests would be dependable; and (2) whether it would be in the best interests of the United States and the world. The subject involved many highly technical problems, and no conclusions had yet been reached.—(Times - Le Monde, Paris - New York Times)
(Prev. rep. Soviet Atomic Tests, 13877 B; 13840 B; Hydrogen Bomb, 13096 A.)

B. UNITED KINGDOM. — Sir Anthony Eden and Mr. Macmillan to visit the United States and Canada.

Sir Anthony Eden informed the House of Commons on Dec. 5 that he had accepted an invitation from President Eisenhower to visit Washington for discussions towards the end of January, 1956; that he would be accompanied by the Foreign Secretary; and that both he and Mr. Macmillan would visit Ottawa after leaving Washington, in response to an invitation from the Canadian Prime Minister. (Times)

C. NORWAY. — Golden Jubilee of King Haakon.

The 50th anniversary of the accession of King Haakon VII was celebrated throughout Norway on Nov. 25. The King (who is 83) was in hospital at the time recovering from a fractured thigh caused by a fall five months earlier.
(Aftenposten, Oslo)

A. WESTERN GERMANY. — Defence Legislation. - The Volunteers Act and Soldiers' Bill. - Civilian "Vetting" Committee for Higher Military Appointments. - Herr Blank's Statement on Defence Policy. - Four-year Programme for Armed Forces. - Cabinet Defence Council. - Formal Rebirth of German Army.

Following the coming into force of the London and Paris Agreements, and the entry of the German Federal Republic into NATO and the Western European Union, a number of measures for the creation of West German armed forces were taken by the Federal Government and Parliament, as described below under cross-headings.

The Volunteers Bill.

On May 28 the Federal Government presented to Parliament a temporary measure—the Volunteers Bill—designed to enable the Government to proceed immediately with the raising of armed forces until such time as the necessary permanent defence legislation had received parliamentary approval. As originally presented, the Volunteers Bill was a short measure containing the following provisions :

(1) (i) The formation of the fighting forces of the German Federal Republic would begin with the enrolment of volunteers. (ii) Until the promulgation of definitive legislation, these volunteers would have the status of "officials on probation," and the legislation on the rights and duties of Civil Servants would be applicable to them *mutatis mutandis* (iii) Soldiers would take the following oath of service . "I swear to uphold the Basic Law of the Federal Republic of Germany, to serve faithfully, and to defend freedom and the Fatherland valiantly with my life, so help me God "

(2) Rates of pay for volunteers would be determined by legal ordinance, pending future legislation on Service pay, and would be related to corresponding grades in the Civil Service.

(3) The Bill would enter into force on the day of its promulgation, and would cease to have effect upon the entry into force of the Soldiers' Law (*Soldatengesetz*)—see below—and the Soldiers' Pay Law, and, in any case, on March 31, 1956 at the latest

The Bundesrat (Upper House), after endorsing numerous criticisms of the Bill by its Committee on European Security, refused to give a final opinion on the measure and returned it to the Federal Cabinet on June 10.

In his report to the Bundesrat on the latter date, the chairman of the European Security Committee—Dr Sträter (Christian Democrat), Minister for Federal Affairs in the *Land* Government of North Rhine-Westphalia—described the Volunteers Bill as a "*blitz* Bill in three paragraphs," and criticized the "unworthy haste " with which such an important measure had been presented to Parliament Specifically, he made the following criticisms of the Bill (*a*) it made no provision for parliamentary control of the armed forces, nor did it give an assurance that their administration would be in the hands of the civilian authorities , (*b*) it did not give clear expression to the legal status of members of the armed forces, a defect which might "seriously prejudice their future " , (*c*) it sought to regulate only one part of the problem, without dealing with the defence structure as a whole ; (*d*) it did not indicate "how the military forces are to fit into the structure of our State and society."

A resolution recapitulating these criticisms, and demanding that decrees implementing the Bill should be subject to its approval, was unanimously adopted by the Bundesrat At the same time, however, the Bundesrat declared (with only the four Hessian representatives dissenting) that it was "of the same opinion as the Government that the Paris treaties should be implemented without delay," and that it was willing to take its full legislative responsibility in this matter

Despite the Bundesrat's criticisms, the Federal Government announced on June 15 that it intended to present the Volunteers Bill to the Bundestag (Lower House) unaltered and in its original form. The Bill was accordingly introduced in the Bundestag on June 27.

On the previous day (June 26) the Free Democratic Party announced that they would insist that the Federal Government should abide by its undertakings on defence legislation which it had given to the coalition parties early in 1954—specifically, that the President of the Federal Republic should become Commander-in-Chief of the German armed forces, a condition on which the Free Democrats had placed special emphasis [Under pressure from the Free Democrats, Dr Adenauer had agreed at the time that constitutional amendments should be written into the Basic Law to regulate the questions of the C.-in-C. of the armed forces, the territorial structure of the forces, and the defence administration. The Free Democrats had insisted that the Chancellor should give a written undertaking to this effect, subscribed to by all the coalition parties, and this was accordingly done on Feb 26, 1954]

In presenting the Bill to the Bundestag, Herr Theodor Blank, the Defence Minister, made a declaration on the Government's defence policy in general.

Herr Blank expressed the Federal Government's view that, as defence was a sovereign function of the State, responsibility for it was subject to the principles laid down in the Basic Law, and that accordingly the armed forces were "part of the Executive." Although certain functions belonged to the Federal President as head of State (e.g the right of reprieve), whilst other functions (e.g. the right of appointment) could be assigned to him, the armed forces as such came under the responsibility of the Federal Government and thus under parliamentary control Within the Federal Government, the Federal Chancellor's task of determining the basic outlines of policy was also applicable to defence matters, whilst the Federal Defence Minister—within the same principles—would have full responsibility for all defence matters and would direct the armed forces.

Referring to the international agreements on the rearmament of Germany, and to the strength of the future German forces Herr Blank recalled that under the Paris Agreements the Army would consist of 12 divisions totalling 370,000 men , that the Air Force would have about 70,000 men and 1,326 front-line aircraft, whilst additional units would also be required for the telecommunications and ground organization of NATO ; and that the Navy would have 20,000 men, with only light warships He added that territorially the military organization would be divided into six areas, in conformity with the borders of the *Länder* ; that the Federal Government would attempt to man and distribute the various units in such a way that men were stationed in their own *Land* , but that technical transport personnel might necessarily be required to serve outside their home areas The Federal Government would also consult the *Länder* Governments on the stationing of garrisons, the construction of aerodromes, and the building of other defence installations, so as to meet their wishes as far as possible.

On the question of military service, Herr Blank pointed out that universal military service would become necessary at a later stage—i e , after the basic cadres, to be recruited from volunteers, had been formed and trained The peacetime obligation for service would extend between the ages of 18 and 45, though for officers and n c.o s a longer period was contemplated ; men would normally be called up at the age of 20 for 18 months' service ; reasons for deferment or exemption would be clearly defined , and the right of conscientious objection to military service would be recognized.

Dealing with the legal status of the members of the future armed forces, Herr Blank outlined the principles to be laid down in the Soldiers' Law which the Government had already submitted to the Bundesrat. He mentioned, *inter alia*, that the problem of the individual soldier's dilemma when faced with a criminal order—a problem which arose in many cases of war crimes—would be dealt with in the *Soldatengesetz* ; that the power of command would be "expressly tied to law and justice " ; and that the *Soldatengesetz* would "itself deprive a criminal order of its binding force "

Though the obligation of defence might be a necessary evil, Herr Blank continued, "the soldier must not be a necessary evil in the mind of the citizen " To regard the soldier as an evil would be "precisely what we want to avoid—namely, the isolation of the armed forces from the community." In its preparatory work on the "inner structure " of the fighting forces, the Government had sought to preserve civil liberties within the forces to the maximum extent permitted by the soldier's task Special attention would be paid to the selection of officers for the higher posts, so as to ensure that those posts would be filled only by men who, in addition to possessing the necessary qualities of leadership, were also "convinced supporters of the democratic order." In a defence of the former German soldier, Herr Blank declared, amidst applause : "The German soldier did his duty bravely, loyally, and obediently He believed himself to be doing it for his Fatherland. He was misused by a criminal State leadership. There lies his tragedy "

Turning to defence policy in general, Herr Blank stressed that the character of the new forces would be determined not only by legislation but also by the persons who were to occupy the leading positions, and that the Federal Government fully recognized the importance attached to the selection of these men Accordingly it was intended to form a Personnel Committee, composed of a number of well-known personalities in public life, as well as former professional officers who could themselves no longer be actively employed in leading posts in the forces. This civilian committee would examine the character and political suitability of all candidates for commissions from the rank of colonel upwards, and no-one would be recommended for appointment if he was vetoed by the committee.

After dealing with questions of military discipline, the right of soldiers to put forward complaints, and disciplinary courts (which, he said, would be under the chairmanship of independent judges), Herr Blank pointed out that all administrative tasks in connexion with the armed forces would be handled by a civilian organization, and that questions of supply and equipment would likewise be handled by civilian authorities under the direction of a special new Federal Office.

Finally, Herr Blank expressed the Federal Government's view that the raising of armed forces did not, on legal grounds, require any "formal amplification " of the Basic Law. After pointing out that permanent legislation for the raising and maintenance of armed forces would have to be embodied in ten separate Bills, he stressed that the Volunteers Bill was purely a transitional measure designed to enable the Government to make a start upon its task while consideration of the permanent legislation was still going on. About 6,000 men were needed for military purposes before March 31, 1956, and the present Bill was designed to form provisionally the legal basis for their recruitment and employment. In the main, these 6,000 volunteers were needed to take over American material, to prepare fixed local military installations, to undergo initial courses of instruction, to strengthen the Ministry of Defence, and to provide the first personnel for international staffs and international study courses. He could not agree with the Bundesrat's view that the Bill anticipated future decisions on the permanent defence administration, nor did he share the Bundesrat's misgivings on the Bill as a whole.

The Bill was given a first reading by the Bundestag on June 28 and, against Social Democratic opposition, was referred to the Bundestag's Committee on European Security Questions for detailed study, after a 10-hour debate in which it was strongly criticized both by Government and Opposition members.

Dr. Richard Jager (a leader of the Christian Social Union in Bavaria), the principal Christian Democratic spokesman, regretted that the Government had not seen fit to amend the Bill, despite the criticisms to which it had been subjected in the Bundesrat. He expressed particular opposition to the proposed "soldier's oath" which volunteers would be required to take under the Bill, and urged that it should be replaced by a written declaration of loyalty. Dr. Jäger insisted that this question was of special importance in the rebuilding of the new German Army, in view of the manner in which Hitler had utilized the former *Reichswehr* oath of loyalty to turn it into an oath of personal allegiance to himself. He also expressed the hope that there would be no revival of certain features of the German Army of the past—e g , that officers would no longer be "decorated like Christmas trees," and that there would be no separate military flag distinct from the national flag. Speaking as a Bavarian, he criticized the harm which had been done to Germany in the past by the Prussian military tradition.

Herr Ollenhauer (leader of the Social Democrats) attacked the timing, method, and purpose of the Government's defence programme; declared that neither the 6,000 volunteers nor the projected 12 divisions would afford protection to Germany against atomic air attack; and complained that too little was being done for civilian air defence Denouncing the Volunteers Bill as a "monstrosity," he declared that the Government's only concern was "to get the Bill into force as soon as possible, regardless of the consequences that the realization of the Paris Agreements would have on the chances of reunification." The Bundestag, he declared, should be discussing the best way of bringing about the unification of Germany, instead of a Bill which, if not amended, "might bring about the possibility of an absolutely ideal alliance of the military and the bureaucracy against Parliament" **Herr Erler** (the S D.P 's expert on military affairs) recalled that the Defence Committee of the *Bundestag* had expressed itself unanimously against reintroducing the "soldier's oath," and criticized the Government for including it in the Bill in defiance of the committee's known views. After stressing that the decisive factor for the attitude of the Social Democrats would be the way in which civilian control over the armed forces was to be secured by law, he asked the Bundestag to reject the Volunteers Bill and to request the Government to produce its first Bills regulating the whole organization of future defence legislation

The former **General von Manteuffel** (Free Democrat) urged that the Federal President should be C.-in-C. of the German defence forces, that his orders should be counter-signed by the Federal Chancellor, and that a Federal Defence Council should be created to assist the Government—an innovation which had also been suggested by Dr Jäger Other Free Democrats, as well as a number of Christian Democrats, insisted that an independent committee should be set up by special legislation to "screen" all appointments of higher officers in the new German Army, instead of leaving this matter to Executive action.

Dr. Adenauer, in a brief reply to the debate, recalled that Parliament had overwhelmingly voted for the Paris Agreements, and said that he had hoped that the Social Democrats would co-operate with the Government in the difficult task of rearmament. After deploring the hostile tone of Herr Ollenhauer's speech, the Chancellor claimed that events had shown the correctness of the Federal Government's policy, since it had brought about the unity of the free Western world, the Geneva "summit" conference, and his (Dr. Adenauer's) invitation to Moscow. Amidst strong protests by the Social Democrats, Dr Adenauer asserted that the policy of the S.D P would have led the 50,000,000 Germans in the Federal Republic and the 18,000,000 in the Soviet zone "like lambs to the slaughter-house," and that their recommendation to "do nothing and wait" was "the worst possible counsel that could be given to the German people in a world full of perils."

After being drastically amended and, in effect, rewritten by the Bundestag's Committee on European Security Questions, the Bill was re-submitted to the Bundestag on July 10 in a form which met the objections expressed by both the Government parties and the Social Democrats. The amended Bill—in the re-drafting of which Dr. Jäger and Herr Erler played a prominent part—contained the following provisions:

(1) The Defence Ministry was authorized to recruit up to 6,000 volunteer officers and n c.o.s. [No limit to the recruitment of volunteers had been set in the original text]

(2) The volunteers would be employed as instructors, trainees on foreign courses, and representatives on international staffs (NATO and the W.E.U.), for the preparation of defence installations, and as specialists in the Federal Ministry of Defence. They would not be formed into military units.

(3) Volunteers would be on probation for a four-month trial period to determine their suitability. During this period their civilian jobs must be kept open for them.

(4) Once chosen, the volunteers would be in the service of the Federal Government, but would have a status corresponding to that of Civil Servants on probation, and not of Civil Servants permanently employed. [The original text had laid down that the status of volunteers would correspond to that of permanent Civil Servants—a provision which had been strongly criticized by the Bundesrat on legal and juridical grounds.]

(5) Volunteers would not take an oath of service, as originally envisaged, but would make a written declaration to defend the Basic Law and to do their duty conscientiously. [It was explained that the question of the soldier's oath would be finally determined in the *Soldatengesetz*]

(6) Rates of pay would be determined by Government decree subject to Bundesrat approval, and would be based on the pay of corresponding grades in the Civil Service. The pay of a general would be equivalent to that of an ambassador [i.e. 2,800 DM a month, or about £2,800 a year] but somewhat lower than that of the highest grade of Civil Servants

(7) Persons who had suffered in their military career under the Nazi regime would, at their own request, be reinstated with the rank which they would have reached in the normal course of events had their military career not been interrupted

(8) Financial provisions for the pay of volunteers would be included in the Supplementary Budget Estimates, whilst any provisional expenditure grants would be subject to the consent of the Bundestag's Committees for the Budget and for European Security Questions They must also be notified to the Bundesrat.

(9) All military appointments from the rank of colonel upwards would be approved by a special committee to be set up under separate legislation (see below) [It was stated that the number of senior officers employed would be 24 generals and 275 colonels]

(10) Organization of defence, especially of the higher structure of the armed forces, would be regulated by special legislation

The Bundestag gave the revised Volunteers Bill a second reading on July 15 and a third reading on July 16, only the Social Democrats opposing—mainly on grounds of foreign policy and, in particular, on the ground that defence legislation should not have been introduced on the eve of the Geneva "summit" conference. In the earlier clause-by-clause voting, however, the great majority of the Social Democrats gave their support. The Bill was passed by the Bundesrat on July 22 and signed on the same day by President Heuss.

Civilian Personnel "Vetting Committee."

In addition to passing the Volunteers Bill, the Bundestag also passed through all its stages on July 15 a Bill setting up a Personnel Vetting Committee (*Personalgutachterausschuss*) of from 30 to 60 civilians to investigate the political background, character, and general suitability of all senior officers of the rank of colonel upwards, and to lay down rules for examining the personal suitability of all other officers, n.c.o.s, and men, as had been recommended in the revised version of the Volunteers Bill (see above). The Bill, drafted by the Bundestag's Committee on Security Questions and approved by Dr. Adenauer and the Federal Cabinet, was introduced by the Christian Democrats, Social Democrats, Free Democrats, and the Refugee Party, and was opposed only by the ultra-conservative German Party on the ground that it involved undue civilian interference in the affairs of the armed forces. The Bill was passed by the Bundesrat on July 22.

The Personnel Vetting Committee—a complete innovation in German military history—will work independently of Parliament; will be empowered to obtain from Government departments and other public authorities any information or files it deems necessary for its task; and will have the right to veto, without appeal against its decisions, any senior military appointments which it considers politically unsuitable or undesirable. The members of the Committee would be appointed by the Federal President on the proposal of the Federal Government, which would require Bundestag approval. It was laid down that members of the committee must not be Government servants, members of the Bundestag, or persons who hoped for military appointments themselves.

The Federal Government accordingly submitted on the same date a list of 38 members of the Committee whom it was proposed to appoint, and all of whom had been approved by Dr. Adenauer personally. This list was approved by the Bundestag immediately after the passing of the Bill setting up the Committee.

The list included members of the anti-Nazi resistance movement, lawyers, professors, retired Civil Servants, and a number of former regular Army officers, among them six generals. The latter included ex-General Adolf Kuntzen, a former *Panzer* commander, now working in the Chancery of the Evangelical Bishop of Hanover (Dr. Lilje), and ex-General von Zenger und Ettolin, formerly Commander of the 14th Armoured Corps at Cassino, who is now a housemaster at Salem School and deputy chairman of the German Society for European Education. Among representatives of the anti-Nazi resistance movement were Herr Fabian von Schlabrendorff, author of a book on the officers' resistance movement (in which he took an active part), and Frau Annedore Leber, the widow of Dr. Julius Leber, a trade union leader executed by the Nazis early in 1945.

The Soldiers' Bill.

The *Soldatengesetz*—the permanent Bill designed to regulate the rights, duties, and status in law of the German soldier—was submitted on July 22 to the Bundesrat. In giving it a first reading, the Upper House raised many objections to the

measure in its present form, demanding specifically that defence administration should not be a Federal subject but should be left to the *Lander*, and that the soldier's oath in the form proposed by the Government should be replaced by a "declaration of loyalty" linking the soldier more closely with the general body of citizens. The Bill came before the Bundestag on Oct. 12 for a first reading, and was referred to the Bundestag Committees for European Security Questions and for Legal and Constitutional Questions.

The *Soldatengesetz* laid down (in Article 3) that soldiers must be appointed and employed "according to their suitability, capabilities, and performance, without regard to birth, race, faith, religious or political views, home area, social standing or connexions" It also laid down that the soldier would have the following duties "to serve faithfully and to defend the Fatherland and freedom valiantly" (Art. 6), "to support the free democratic order as laid down in the Basic Law, and to uphold its preservation" (Art 7); to obey orders, subject to certain qualifications (see below) (Art 9), to "respect the dignity, honour, and rights of his comrades and to help them in distress and danger" (Art 10), to maintain discipline, respect his superiors, behave in a way "conforming to the respect and confidence required by his position as a soldier and the prestige of the armed forces," and to preserve and improve his capability for defence (Art. 11), to "tell the truth in service matters" (Art. 12), and to preserve secrecy on matters which came to his knowledge during his service period, even after he had left the armed forces (Article 12).

Article 9 (see above) was worded as follows "An order may not be followed when it would lead to the commission of a crime or an offence. If, nevertheless, the subordinate obeys the order, his guilt is excluded if he did not know, and if it is also not apparent to him through the circumstances known to him, that a crime or misdemeanour is thereby committed." [A supporting memorandum to the Bill described the principle of responsibility for war crimes laid down by the Allied Control Council's Law No 10 as a "transitory phenomenon" which "need not influence the legal settlement of the question."]

Article 15 laid down that a soldier must not take any active part in favour of a specific political creed while performing his military service, whilst outside his service activities he should show in political matters "that toleration and reserve which his position as a soldier demands" Moreover, he should "not become conspicuous as an active member of a political organization," nor wear uniform when attending meetings of political organizations Under Article 22 soldiers will not be restricted in the exercise of the franchise or in voting in referenda, etc. Any professional soldier who becomes a candidate for the Bundestag, a Landtag, or a local authority will automatically be retired.

It was laid down in Article 8 that officers and n c o s should "set an example by their attitude and fulfilment of duty", look after those under their command, be responsible for the discipline of their subordinates; and see to it that their orders were carried out It was specifically laid down that officers must give orders only "in respect of service matters and with due respect to the existing laws, the rules of international legislation, and service regulations," and that they would be fully responsible for the orders they gave.

The Bill also retained the text of the proposed "soldier's oath" as in the original draft of the Volunteers Bill (Art 16)

During the Bundesrat debate representatives of all parties except the Free Democrats expressed themselves in favour of replacing the proposed "soldier's oath" by a "declaration of loyalty." Objections were also raised on many other points of detail. The Social Democrats reiterated their "serious political and legal doubts" about the *Soldatengesetz*, though promising their co-operation in helping to improve it.

Other recent developments in connexion with the future German armed forces are described below.

Directive on Ethical Standards. The Personnel Vetting Committee published on Oct. 14 a directive on the ethical standards of the future German armed forces, intended as a statement of fundamental principles It laid down that the armed forces should possess the confidence of the whole German people, that they should have no "special position" in the social order, and that individual officers and men must have a clear recognition of the value of personal freedom and should unreservedly accept the democratic system, since freedom and justice could only be defended by men who believed in them. Among the personal qualities expected of officers and men would be "ethical seriousness," "strength of character," "courage and bravery," "love of the Fatherland," "chivalry towards women," and "readiness to help the weak and defenceless."

Special emphasis would be placed on qualities of leadership in recruiting men for the new armed forces. Ex-soldiers applying to join the armed forces would be expected to have displayed "soldierly and humanely unobjectionable conduct" during the war, and the possession of decorations and medals would not in this respect be decisive. Behaviour after the war, in captivity and in civil life, would also be examined, and it would be expected that the family life of candidates should be orderly. In cases of divorce or separation from a wife, inquiries would be made into the conduct of the candidates concerned. It was also laid down that professional soldiers must respect the political and religious convictions of others, and hence "the decision of conscience of the men of July 20, 1944" [i.e. the officers who unsuccessfully attempted to assassinate Hitler.]

The following categories of persons would not be accepted for membership of the armed forces: persons who had committed crimes against humanity at home or abroad; all persons who held the rank of general or colonel in the *Waffen S S.*, and members of parties and associations opposing the free democratic order expressed in the Basic Law Persons who served in the *Waffen S S.* with a rank lower than colonel would be admitted only after special investigation, and in such cases the candidate would have to give proof that he had completely abandoned the tenets of National Socialism.

The decision of the Ministry of Defence would be necessary in the case of certain other categories of candidates, including former members of the *Sicherheitsdienst* (the Nazi security service, which worked in close collaboration with the Gestapo); former members of the "National Committee for Free Germany," a body of German officers formed in the Soviet Union during captivity after the German defeat at Stalingrad; former members of the French Foreign Legion; persons who had been sentenced by non-German courts for war crimes, persons who had belonged to the information services of a foreign Power, and members of defence associations of a political character—in particular, associations "acknowledging a defence policy at variance with these principles"

Defence Appointments. - Progress of Recruiting. Generals Adolf Heusinger and Hans Speidel officially became the first two generals in the new German Army on Nov 10, when their commissions were signed by President Heuss after their appointment had been approved by the Personnel Vetting Committee General Heusinger, chief of the Operations Division of the German High Command during the war, had been adviser on defence questions to Dr Adenauer and head of the military planning department in the Federal Defence Ministry, whilst General Speidel, formerly Chief of Staff to Field-Marshal Rommel, is the Federal Government's military representative at Supreme Allied Headquarters, Europe They will hold the rank of lieutenant-general—the same rank they held in the war, and the highest rank in the new German Army

The Federal Defence Ministry announced on Nov. 9 that 172,000 men had so far volunteered for service in the armed forces, of whom about 140,000 had seen service during the war as officers, n.c o s, or private soldiers. It was, however, pointed out that a big percentage of the volunteers (estimated in some German papers as high as 40 per cent) were ineligible for physical or other reasons, and that the number of recruits was still very far short of that needed to form training cadres for the projected force of 500,000 men

Defence Council. It was announced in Bonn on Oct 6 that a Defence Council had been formed within the Federal Government with Dr Adenauer as chairman and with Dr Franz Blucher (the Vice-Chancellor) and Herr Franz-Josef Strauss (Minister without portfolio, and now Minister for Atomic Questions—see 14562 B) as vice-chairmen The other members would be the Ministers of Defence (Herr Blank), Foreign Affairs (Dr von Brentano), the Interior (Dr. Schroder), Economics (Dr Erhard) and Finance (Herr Fritz Schäffer), whilst other Ministers would be asked to attend if questions concerning their departments were under discussion It was officially stated that the Defence Council would have four main fields of activity —military defence, civil defence, economic questions, and financial questions

Dr Josef Rust, a high-ranking official in the Ministry of Economics, was appointed on Oct. 12 to the new post of State Secretary in the Ministry of Defence

Four-year Time-table for Armed Forces. - Incorporation of Federal Frontier Police. A Bonn announcement of Sept. 21 stated that it had been agreed, as a result of discussions between the Federal Chancellor, the Vice-Chancellor, and the Ministers of Defence, Finance, and Economics, that the 500,000-strong armed forces would be raised over the four-year period beginning on Jan. 1, 1956, in accordance with the following time-table (1) During the 18 months from Jan 1, 1956, to July 1, 1957, the cadre units of 150,000 n.c o.s and other ranks would be formed and trained; (2) in the 18 months from July 1, 1957, to Jan 1, 1959, the first recruits would be called up for 18 months' military service, (3) by the end of the three-year period (i.e by Jan. 1, 1959) there would be an Army of 400,000 trained men, (4) during the fourth year (Jan. 1, 1959 to Jan 1, 1960) the Air Force would be brought up to its scheduled strength of 80,000 men and the Navy to its strength of 20,000, bringing the total strength of the armed forces to the scheduled 500,000 by the end of the four-year period

The cost of rearmament during this period was officially estimated at 51,000,000,000 DM. (£4,250,000,000), of which 36,000,000,000 DM. (i.e. 9,000,000,000 DM. in each year) would be covered by budgetary provisions and about 15,000,000,000 DM. would come from U.S. aid.

A Bill for the incorporation of the Federal Frontier Police (the para-military force of 20,000 men designed for frontier protection) into the German Army was approved by the Federal Government on Nov. 30. It was stated that recruitment would be on a voluntary basis and that there would be no compulsion on individual members of the Frontier Police to enter the Army, although it was anticipated that the great majority would do so.

New Uniforms. The uniforms of Germany's new armed forces were given their first public showing on July 22 after having been approved by President Heuss and the Federal Cabinet. Both in colour and style they differ widely from the former uniforms, except that the Navy retains its traditional dark blue. The Army and Air Force uniforms—both identical except for the insignia—are a medium shade of grey (officially described as "slate grey"), in contrast to the former grey-green Army uniform and the grey-blue *Luftwaffe* uniform. The headgear is peaked caps for officers and n.c.o.s and ski-type caps for other ranks. Two characteristic features of the former German Army are abolished—the *Stahlhelm* (the former steel

helmets with curved brims), now replaced by steel helmets of the American type, and the jackboot, replaced by rubber-soled footwear similar to that used by the U S Army. Another innovation is that German officers and other ranks (except in the Navy) will wear shirts and ties with walking-out dress The German Army's new battle-dress is non-inflammable, proof against infra-red rays, and capable of giving protection against the secondary effects of atomic radiation. It was adopted after successful trials by Belgian Army units

Parliamentary Missions to Britain and America. - Recommendations for Civilian Control of Armed Forces. A Bundestag mission representing the three principal parties (the Christian Democrats, Social Democrats, and Free Democrats) visited Britain in November and the U S A during the previous April to study British and American methods of civilian control of the armed forces, and to inspect British and U S military installations The leading members of the delegation were Dr Jäger (Christian Democrat), chairman of the Bundestag's Committee on European Security Questions and a vice-president of the Bundestag ; Herr Fritz Erler, the Social Democratic Party's expert on military affairs; and ex-General von Manteuffel (Free Democrat), one of Germany's leading tank experts, and commander of the *Grossdeutschland* armoured division during the war.

High tributes to both the British and American systems were paid by the delegations after their return to Bonn from these visits After the visit to Britain, the delegation stated that they were particularly impressed by the British system of parliamentary control over the armed forces and arms supply, and unanimously recommended the institution of Parliamentary Secretaries to the various Ministries concerned with defence, on the British model General von Manteuffel spoke of the excellence of British military equipment, mentioned electronic and aviation equipment as possible fields for German procurement, and praised the " mutual trust " between the British Government, Parliament, and armed forces, describing Britain as " a happy country whether from the standpoint of the parliamentarian or of the former soldier." Herr Erler was impressed by the British system in standardizing equipment and co-ordinating its development, but criticized the " time-wasting " in the British Army on drills and parades. All the delegates were agreed that, although not all British institutions were suitable for adoption in the Federal Republic, it should be a primary aim of German defence policy to establish confidence between the Executive, the Legislature, and the armed forces, as was the case in Britain, combined with full parliamentary control over the armed forces and arms supply.

After the mission's return from the U S A., General von Manteuffel strongly recommended that the Federal Parliament should have powers in the future to summon top-ranking German generals before it for questioning by committees, as was done by the Congressional committees in Washington [This, if adopted, would be a revolutionary innovation in German military history, as the generals had traditionally regarded themselves as immune from interference by anyone except the Supreme Commander] In addition, General von Manteuffel proposed that all departments in the Defence Ministry should be headed by civilians, and that a small Defence Committee should be set up under the Supreme Commander (who should be a civilian) on which all the parliamentary parties should be represented, including the Opposition Finally, he suggested that Germany's new armed forces should be known as the *Bundeswehr*, since the former name of *Wehrmacht* had aroused too much resentment to be used again. [Although the term *Streitkräfte* had been proposed by Herr Blank for the new armed forces—see page 13862, first column—it had not " caught on " with the German public as a whole, and the term *Bundeswehr* had found increasing support, especially in Bavaria]

The above-mentioned parliamentary missions had been appointed following a personal pledge by Dr. Adenauer to the effect that the Army must never again become " a State within a State." The Federal Chancellor had declared that he would do everything in his power to prevent such a state of affairs from ever again recurring in Germany, and that the question of civilian control over the armed forces would be regarded as one of the most vital issues to be faced when rearmament began in the near future.

The German Army was officially reborn on Nov. 12, when the first 100 officers, n.c.o.s and men received their letters of appointment from Herr Blank.—(Frankfurter Allgemeine Zeitung - Die Welt, Hamburg - Welt der Arbeit, Cologne - Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune) **(Prev. rep. Defence Minister, 14243 B ; Armed Forces, 13861 A.)**

A. EASTERN GERMANY. — Scientific Council for Peaceful Uses of Atomic Energy.

The East German Government announced on Nov. 10 that it had entrusted responsibility for all atomic questions to the Deputy Premier, Herr Willi Stoph, and that a Scientific Council for the Peaceful Application of Atomic Energy had been set up under Professor Dr. Gustav Hertz, the well-known physicist and Nobel prizewinner. (Neues Deutschland, Berlin)

B. LIBYA. — French Evacuation of the Fezzan.

The first contingent of French troops evacuated the Fezzan on Nov. 30 under the terms of the Franco-Libyan agreement of Aug. 11. It was announced that the remainder of the French garrison would be withdrawn by July 1, 1956.
(Le Monde, Paris) **(Prev. rep. 14376 C.)**

C. UNITED KINGDOM. — Gateshead and Greenock By-elections.

The by-election at Gateshead West, caused by the death of Mr. John Hall (Labour), was held on Dec. 7 with the following result :

Randall, H. E. (Labour) ..	13,196
Wright, D. A. (Conservative)	6,661
No change. Labour majority . .	6,535

Figures at the general election last May were · J. T Hall (Lab.) 22,040, J Quigley (C) 11,701—Labour majority, 10,339 The Labour candidate received 66 45 per cent of the votes in the by-election and the Conservative candidate 33 55 per cent, compared with 65 3 per cent and 34 7 per cent respectively at the general election The Labour proportion of the poll thus increased by 1 15 per cent 42 2 per cent of the electorate voted in the by-election, compared with 72 4 per cent in May. The electorate numbered 46,996, compared with 46,567 at the general election

Mr. Harry Randall, a national officer of the Union of Post Office Workers, was M P. for Clitheroe from 1945 to 1950

The Greenock by-election, caused by the death of Mr. Hector McNeil (Labour), was held on Dec. 8 with the following result :

Mabon, Dr. J. Dickson (Labour) . ..	19,698
MacArthur, Ian (Conservative)	17,004
No change. Labour majority	2,694

Figures at the general election were . H. McNeil (Lab.) 19,378, I MacArthur (C) 18,345—Labour majority, 1,033. The Labour candidate received 53 67 per cent of the votes in the by-election and the Conservative candidate 46 33 per cent, compared with 51.4 per cent and 48 6 per cent respectively at the general election. The Labour proportion of the poll thus increased by 2.27 per cent 75.27 per cent of the electorate voted in the by-election, compared with 77 9 per cent at the general election The electorate numbered 48,760, compared with 48,400 at the general election

Dr. Dickson Mabon (30) is on the staff of the public health and social medicine department of Glasgow University He unsuccessfully contested West Renfrewshire at the general election and Bute and North Ayrshire in 1951

The late Mr. Hector McNeil (48), who died in New York on Oct. 11 while on a visit to the U.S.A., held successive office under the Labour Government as Parliamentary Under-Secretary of State, Foreign Office (1945-46), Minister of State, Foreign Office (1946-50), and Secretary of State for Scotland (1950-51). He was a vice-president of the U N. General Assembly in 1947, and led the British delegation to the Economic Commission for Europe in 1948. A journalist by profession, he had represented Greenock since 1941, and was a Privy Councillor.—(Times - Daily Telegraph - Daily Herald)
(Prev. rep. General Election, 14257 A.)

D. TUNISIA. — New Heir to the Throne. - Death of Prince Mohammed es-Sadok.

Prince Mohammed es-Sadok (72), the Heir-Presumptive to Tunisian throne (*Bey du Camp*), died at La Marsa on Oct. 2. A cousin of the present Bey, he became Heir-Presumptive on July 5, 1953, following the assassination of Prince Azzeddine by nationalist terrorists. According to the right of primogeniture, which governs succession in the Tunisian royal family, the new Heir-Presumptive will be Prince Hassine (62), a brother of the late Bey Moncef, who succeeded to the throne in 1942, was deposed in May 1943 shortly after the Allied liberation of Tunisia, and died in France in 1948.—(Le Monde, Paris)
(Prev. rep. 13037 A.)

E. BULGARIA. — Reduction in Military Service.

It was announced in Sofia on Nov. 9 that the Bulgarian Government had decided to reduce the period of military service from May 1, 1956, as follows : (*a*) from three to two years for all men serving in the Army and Air Force ; (*b*) from four to three years for men serving in the Navy and anti-aircraft units.—(Bulgarian Legation, London)
(Prev. rep. 14441 A ; Rumania, 14558 B.)

F. AUSTRIA. — Four-Power Recognition of Austrian Neutrality.

The British, U.S., French, and Soviet Governments sent Notes to Vienna on Dec. 6 formally recognizing the " perpetual neutrality " of Austria, as defined in the Neutrality Law adopted by the Austrian Parliament on October 26.
(Wiener Zeitung) **(Prev. rep. 14561 A.)**

G. FRANCE. — M. Monteil readmitted to M.R.P.

The national executive of the M.R.P. decided on Oct. 8 to re-admit to the party M. André Monteil (Minister of Health in M. Mendès-France's Cabinet), who had been expelled in September 1954 for his opposition to the E.D.C. project.
(Le Monde, Paris) **(Prev. rep. 13902 B.)**

A. UNITED KINGDOM. — The Burgess-Maclean Case. - Parliamentary Debate. - Appointment of Conference of Privy Councillors to consider Security Precautions in Public Services.

Sir Anthony Eden proposed in the House of Commons on Nov. 7 that a " small informal conference of Privy Councillors from both sides of the House " should be convened to examine the security procedures which were now applied to the public services, and also to consider whether, within the law, any further precautions could properly be taken to reduce the risk of treachery such as had arisen in the case of Burgess and Maclean. The Prime Minister's proposal was made at the end of a debate on the disappearance of Burgess and Maclean, during the course of which both Labour and Conservative speakers had pressed for an inquiry into the security services. The debate followed the publication of the White Paper on the disappearance of the two diplomats (see 14457 A).

Mr. Harold Macmillan (Foreign Secretary), who initiated the debate, said that he thought that many criticisms in the Press and elsewhere of the handling of the case were based on a misapprehension of the rights of a citizen in a free society in time of peace Whilst action against employees, whether of the State or of anybody else, arising from suspicion and not from proof might be taken with good motives and might avert serious consequences, it seemed, judging from what happened in other countries, that the practice soon degenerated into the satisfaction of personal vendettas or a general system of tyranny, all in the name of public safety It had also been said that statements on the case made by Foreign Office spokesmen or by Ministers had been disingenuous or obscure But (Mr. Macmillan pointed out) inquiries by the security service had continued for several years, and while they were in progress a full statement would have indicated to the world the real degree to which they were meeting with success, thereby possibly compromising the investigation itself.

With regard to the conduct of Maclean and Burgess while they were in the Foreign Service, Mr. Macmillan said that it was important to realize that the quality of Maclean's work, prior to his appointment in Cairo in 1948, had been " not only good but outstanding among his contemporaries." During his first 14 years in the Service his conduct had given rise to no adverse comment, and his behaviour in Cairo [referred to in the White Paper] had been interpreted at the time as the result of a prolonged period of overwork and strain As regards Burgess, Mr. Macmillan refuted suggestions that he had been promoted after having been found guilty of serious indiscretions In actual fact, from the time of his establishment [i.e ceasing to be a temporary employee] he had remained a member of the fourth grade of the junior branch of the Foreign Service. He had been recommended for promotion to the Senior Branch by the late Mr Hector McNeil, but as there was a good deal of doubt about his suitability, in view of his slight experience of the ordinary duties of the Foreign Service, it had been decided that he should be given a thorough trial on routine work in the Far Eastern department. While he was working in that department allegations were made that he had been guilty of a serious indiscretion about intelligence matters; after these had been fully investigated, he was severely reprimanded and informed that he would be transferred and that his prospects for promotion would be diminished. He had thereafter been transferred to Washington, but the Ambassador had reported unfavourably both on his office work and on his behaviour outside, and he had been recalled and the conclusion reached that he would have to leave the service. Nevertheless, until the day of his disappearance there had been no grounds to suspect that Burgess was working against the State; he had been indiscreet, but indiscretion was not generally the characteristic of a secret agent

Dealing with the security investigations, the Foreign Secretary said that diligent inquiries had been started in January 1949 immediately after a report had been received that certain British information had become available to the Soviet authorities a few years earlier. In the course of the next two years the security services had narrowed down the field of suspects to one, namely Maclean, but even then the evidence was inconclusive and circumstantial The best, and perhaps the only, chance of obtaining evidence which could have been used to support a prosecution lay in obtaining admissions from him There was, however, no firm starting-point for an interview, and it was highly desirable to obtain further information about his contacts and activities which could be used as a basis for questioning him. A watch had therefore been kept on him, though this had not been extended to his home at Tatsfield because of the technical difficulties of keeping him under observation there and the consequent risk of putting him on his guard.

Turning to the question of whether the two men had received a warning of the investigations into their activities, Mr Macmillan said that whilst the circumstances of their disappearance were certainly explainable in terms of a warning, it was quite possible that they had fled because one or the other had noticed circumstances or a combination of circumstances which aroused their suspicions Nevertheless, the possibility that they had received a warning had to be seriously considered, and searching and protracted investigations into this possibility had been undertaken and were now proceeding.

In this connexion the Foreign Secretary referred to Mr. H. A. R. Philby, temporary First Secretary in the British Embassy in Washington from October 1949 to June 1951, whose alleged " dubious third man activities " had been mentioned in a parliamentary question by Lt.-Col. Lipton (Lab.) on Oct. 25. Mr. Macmillan said that although Mr. Philby had been friends with Burgess from their time as fellow undergraduates at Cambridge, and although Burgess had been accommodated in Mr Philby's home in Washington from August 1950 to April 1951, it should be realized that at no time before he fled was Burgess under suspicion. It had been found, nevertheless, that Mr. Philby had had Communist associations before and after his university days, and in 1951 he had been asked to resign from the Foreign Service. He had subsequently been the subject of the closest investigation, but no evidence had been found that he was responsible for warning Burgess and Maclean. While in Government service he had carried out his duties ably and conscientiously, and there was no reason to conclude that he had at any time betrayed the interests of Britain, or to identify him with the so-called " third man," if there was one.

As regards others whose names had been associated with the affair, he [Mr. Macmillan] had caused them to be carefully studied and investigated No-one was being shielded Had any evidence of guilt been forthcoming, he or his predecessors would not have hesitated to take appropriate action, but no such evidence had been found

Referring to the subsequent disappearance of Mrs Maclean, the Foreign Secretary said that she had been of little importance. Anything that she knew before Maclean left she must have got from him, and she had had no means of obtaining information after he had left Whether she remained in Britain or not made little difference, as she could do no good in this country and little harm abroad

The next question (Mr Macmillan continued) was . What steps were taken to ensure that there should be no repetition of " such a deplorable story " ? Since 1945 a check had regularly been made on all new entrants into the Foreign Service and on all new temporary employees, but from 1951 onwards it had been recognized that more must be done to check the political reliability of those holding important positions in the public service At the beginning of 1951, therefore, a regular system of positive " vetting " had been introduced, under which a detailed search had been made into the whole background of the officer concerned, including his school and university career and any previous employment before joining the Foreign Service Since 1951 some 900 cases, involving the Senior, Junior, and Clerical Branches of the Foreign Office, had been examined. So far, there had been four cases in which an officer's political activities and associations had led to his leaving the service altogether, whilst in six other cases it had been considered prudent to move officers to other work of lesser importance, or to accept their resignations Mr Macmillan pointed out that the " vetting " procedure was not confined to the Foreign Service but was extended to all Government departments having access to classified material involving the security of the State

Immediately after the disappearance of Burgess and Maclean, Mr. Herbert Morrison (then Foreign Secretary) had set up a committee to look into all aspects of the security arrangements in the Foreign Service. This committee, reporting in November 1951, had approved the security check, including the plans for positive " vetting " which had already been prepared. Mr Macmillan emphasized that the committee had considered not only political unreliability in itself, but also the problem of character defects which might lay an officer open to blackmail, or otherwise determine his loyalty and sense of responsibility. Moreover, shortly after the disappearance of Maclean and Burgess, and before the committee had reported, fresh instructions had been issued by the Permanent Under-Secretary of the Foreign Office to heads of missions and other senior officials impressing on them the need to watch, in particular, the forms of behaviour among their staff likely to sap an officer's discretion, sense of responsibility, or his public duty, or to expose him to undue influence or blackmail, or to heighten the tension of his existing behaviour

Turning to the question of recruitment to the Foreign Service, Mr Macmillan said that it was sometimes alleged that the Foreign Service was kept to " a closed circuit " and that its members were taken too narrowly from one social group. This he denied, pointing out that the selection of recruits from all except the most junior grades had for a long time been in the hands of the Civil Service Commissioners, and that the Foreign Service was not a service renewing itself by co-option. Mr Macmillan also denied suggestions that the Foreign Service, like the rest of the Civil Service, was " a sort of closed shop," that its failures were protected, and that there was no means of getting rid of incompetent or unsuitable people. Since the introduction of the Foreign Service Act (1943), he explained, members of the Foreign Service had not enjoyed the same degree of security as the rest of the Civil Service. That Act had introduced arrangements more like those of the fighting Services, which provided for compulsory retirement of established members who did not make sufficient progress to justify their retention or promotion. It seemed, therefore, that the case for a further inquiry into the recruitment and organization of the Foreign Service had not been made out.

With regard to the security service and the inquiries into the whereabouts of the two missing diplomats, the Foreign Secretary emphasized that the search for information had necessitated a search among 6,000 people. They had eventually narrowed it down to one, but, unlike the Fuchs case, had been unable to obtain sufficient evidence to justify a charge; this was to be regretted, but the difficulties under the British system of law were very real. On the more general aspects of security, Mr. Macmillan said that he was satisfied that the new arrangements had enormously strengthened the security system, and doubted whether any substantial improvements could be made within the existing system of law. It could not be ignored, however, that this incident, following upon others in the

world of science, had had a serious effect on Britain's reputation abroad, although many of the allegations made by irresponsible persons were so exaggerated that they carried with them their own refutation, there was a real danger that a feeling might be spread among Britain's allies that her reliability—hitherto regarded as a model—was no longer to be trusted. It was therefore of great importance to the country's defence and safety that successive Governments should be known to have taken all steps within their power to stop any loopholes and strengthen any legitimate methods of defending vital secrets. "It is my belief," Mr Macmillan added, "that every practical means has been taken which is open to the Executive."

In conclusion, the Foreign Secretary expressed the conviction that the measures already taken made a recurrence of such an affair "exceedingly improbable," although he emphasized that these measures did not and could not go beyond the letter and the spirit of the existing law. "Before the limitations of the existing law are relaxed," he concluded, "Parliament would have to weigh carefully the balance of advantage and disadvantage, for it would be a tragedy indeed if we destroyed our freedom in the effort to preserve it."

Mr. Herbert Morrison (Lab.), Foreign Secretary at the time of the disappearance of Burgess and Maclean, said that although he agreed with most of what the Foreign Secretary had said, he was not as fully satisfied as Mr. Macmillan appeared to be. He was inclined to think that Maclean had been warned by someone, because it was a remarkable coincidence that he [Mr. Morrison] should have given the order for the questioning of Maclean on May 25 and that the two men were missing on the same night. In this connexion Mr. Morrison said that he had received a letter from a friend whose judgment of men and affairs he respected. The person concerned had asked that his name should not be mentioned—though it was available to the Foreign Office if they wanted it—because he did not want to be pursued with publicity in this matter. This letter said:

"I was very interested to read your remarks about Maclean and Burgess . . . because I know them both and actually lunched with Maclean the day before he disappeared. The point I wanted to mention to you was that on the day I am sure he had no intention of leaving in the way he did. He spoke to me so normally as to his private affairs, his wife's confinement, and his plans for the immediate future, that I am convinced he was not then intending to leave the country. This makes me feel that, subsequent to meeting me on May 24, he received some warning that he was under suspicion, and immediately left the country with Burgess. It may be, therefore, that someone in the Foreign Office told him on May 25 that you had authorized him to be questioned. Of course, it was not until the Foreign Office knew that the security service knew as well."

In the light of these "unhappy and beastly incidents" (Mr Morrison continued), and in view of public apprehension or even misunderstanding, there should be an inquiry by a select committee or some other suitable body into the administration, recruitment, and promotion in the Foreign Office. The inquiry should also include the problem of the heavy burden that fell on the Foreign Secretary in modern times. There was also a case for examining security, partly in the light of the Burgess and Maclean incidents, and partly to be satisfied that the security services were good. Clearly it could not be a public inquiry, nor could the report be published, as they could not risk divulging the secrets of espionage or counter-espionage. Mr. Morrison thought that there might be an investigation by a judge, or judges, in private, with a private report to the Prime Minister. Both subjects might be covered by a committee of Privy Councillors, representing both sides of the House and with experience that made them specially qualified in these matters. He emphasized, however, that there must be an inquiry, and that the country would not be satisfied unless the inquiry covered an adequate field. The country had a right to know that adequate action was being taken, arising out of an experience that was disturbing and worrying to them all.

Mr. Morrison's suggestion for an inquiry into the Foreign Service and the security service was supported by members from both sides of the House. **Mr. Richard Crossman** (Lab.) contended that the White Paper, instead of defending the Foreign Service, had "put it far deeper into the mire." If, after four years, "this tissue of palpable half-truths and contradictions" was the best they could produce, then the impression of a "cover-up" was more strongly substantiated than ever. The real problem of the Foreign Office was not security, but whether the reforms introduced 10 years ago had produced the right results. **Mr. Tomney** (Lab.) alleged that the White Paper was "an attempt to cover up something within a circle of associates in the Foreign Office, to protect somebody from their follies and mismanagement, misjudgment and neglect." He maintained that there would be no reassurance unless there was an independent inquiry. **Mr. Robens** (Lab.) similarly said that the public and many M.P.s were sure that there was a close circle of people in the Foreign Office who "covered up" for their friends. "How else could it be," he asked, "that a couple of drunks, a couple of homosexuals, well known in London, could for so long have occupied important posts in the Foreign Office?"

Mr. Speir (C.) felt that the security services could be considerably improved, and that it would reassure the country if there was some inquiry into their adequacy. **Lt.-Col. Cordeaux** (C.) maintained that the public's faith in the security services had been badly shaken and that an inquiry was therefore necessary, whilst **Mr. Rawlinson** (C.), referring to the Foreign Service, asserted that it appeared from the White Paper that there had been some "covering up" by bureaucracy because of the feeling that the two people involved belonged to the Service.

Sir Anthony Eden, replying to the debate, said that whether mistakes might or might not have been made, one thing was certain—that nobody at the Foreign Office had at any time covered up any form of disloyalty to the State. If any mistakes had been made, they were not of the kind even remotely tinged with disloyalty. He rejected the suggestion that the Foreign Service should be made part of the Civil Service, saying that such an idea was "absolutely unworkable." The members of the amalgamated Foreign Service undertook to accept service at home or abroad, and this could not be asked of the members of the Civil Service.

After making his proposal for a small conference of Privy Councillors to examine the question of security procedures, the Prime Minister said that "behind the anxieties, fears, misapprehension, and confusion" there was a larger question. He continued: "How far are we to go in pursuit of greater security at the cost of the essential liberties of the British people? Some have said that Burgess and Maclean should not have been allowed to escape. Under the law as it stands today, they could not have been prevented from escaping unless a charge could have been preferred. Would the House like that law altered? Would the House agree that the law should allow any British subject to be detained on suspicion? We have to face these questions. When there is no evidence on which a man can be charged, would the House be willing that people should be held indefinitely by the police while evidence is collected against them? In this case detention would have been justified. But who could tell then whether Maclean was innocent or guilty?

"British justice over the centuries has been based on the principle that a man has to be presumed innocent until he can be proved guilty. Have we got to abandon that principle? Perhaps worst of all, are we to make an exception for political offences? The last thing I would wish to see in this country is the security services having the power to do some of the things which some of our friends in the Press do not seem to realize would flow from what they advocate. It may be true that if the security services had such powers, Burgess and Maclean would not be where they are today. I think it is true. But what would have been the consequences for British freedom, and for the rights this House has so far always determined to defend? I want to make one thing quite clear: I would never be willing to be Prime Minister of a Government which asked those powers of this House."

The Burgess - Maclean case was also debated in the House of Lords on Nov. 22, when a number of Conservative peers criticized the Government's handling of the case.

Viscount Astor, who raised the matter, said that many questions still remained unanswered which, if confidence had to be restored, would be better answered. In particular, he asked whether the conference of Privy Councillors proposed by the Prime Minister would make a report which would be debatable in the House. Declaring that it was the Government's own fault that this matter had continued so long, Lord Astor asserted that they seemed more concerned "to hide the truth than to uncover it," that answers in the House and elsewhere had given the minimum of information, and that inquiries, journalistic and otherwise, had been discouraged. Surely the Crichel Down affair should have shown the Government that the affairs of a great department could not be carried on "veiled in mystery"; it was "far better to get the truth out and be finished with it than attempt to save prestige by hiding it."

Referring to Maclean's conduct in Egypt, Lord Astor said that what was surprising was that after this behaviour he should have been appointed to an important post. The "ridiculous playing down" of the Cairo incident did no credit to anyone. Maclean had continued his extraordinary standard of conduct when in Britain. He had got disgustingly drunk and had twice been engaged in drunken brawls with former left-wing friends, in one of which they were rolling on the floor; in each case the cause of the fracas was that the persons concerned had repudiated former left-wing opinions. Had the Foreign Office had any knowledge of these things, Lord Astor asked, or had they been ignorant? Burgess apparently was an amusing conversationalist, but had also been drunken, dirty, and a sexual inebriate ever since school, and had made no pretence about it either in his conversation or his conduct. Did the Foreign Office know about his conduct and tolerate it, or were they the only people who did not know about it?

In conclusion, Lord Astor said that it was remarkable how slow Britain had been in realizing the theory of Communism and its importance. They had to recognize that for the first time since the reign of Queen Elizabeth I there was a "fifth column" in Britain. It had apparently penetrated the highest ranks of the Civil Service, science, and the Church. They had to face the fact that they had a "cold war," to look again at traditional practices from that point of view, and to ensure that the security service had ample facilities, men, and technical means at its disposal.

Lord Teviot (leader of the Liberal National peers) said that there seemed to be no doubt that Ministers had not been given the information which they should have received. Everything, he declared, must be done to prevent that happening again, and to ensure that men of such low character and with such notorious reputations should never again be promoted or represent Britain.

Lord Conesford (formerly Mr. Henry Strauss, M.P., the Conservative Minister) said that two considerations led him to take part in the debate: the defects and contradictions of the White Paper, and the fact that they had not been wholly remedied and removed by the speeches of the Foreign Secretary and the Prime Minister. Maclean's appointment as head of the American department of the Foreign Office, and his flight from Britain without let or hindrance, cast discredit on the authorities, and the reasons hitherto given in explanation or excuse would not bear examination. Why was it

assumed that his conduct had a purely physical explanation? What excuse was there for not considering treachery as a possible explanation of the strain to which this misconduct had been attributed? A Communist agent would be subject to great strains, and if a breakdown of this nature occurred in the public service the possibility of a mental cause should not be excluded Had an adequate inquiry been made at the time of Maclean's breakdown, Lord Conesford maintained, his Communist sympathies would have been discovered then and not later. After the Cairo incident Maclean should have been dismissed at once, or the most searching inquiry should have been made before he was given another post.

Lord Salter questioned the decision to reinstate Maclean after his serious misconduct in May 1950, saying that a man who was guilty of such conduct was unsuitable by temperament and personal habit to occupy a high position of trust in the public service. It was no answer to say that he had been appointed to a post of no great importance in a department not dealing with questions of major policy. The concern was not that the Foreign Secretary had been guided in decisions of major policy by the advice of Maclean, but that, after what had been disclosed of Maclean's character and conduct, he should have been put in a post in which he had access to most secret papers, and in which personal relations requiring personal discretion were involved. It was "monstrous" not to admit in such cases that the first duty of the employer was to the country and the service, and not to an admittedly flagrantly guilty employee; whilst security of tenure must remain in the Civil Service, it should not prevent dismissal in cases of gross misconduct, gross incompetence, and inability. Ministerial responsibility must be maintained, but officials should present issues fully and with all information for the Minister's decision; when they failed in this respect, the Minister should take appropriate steps

Lord Reading (Minister of State, Foreign Office), replying for the Government, stressed that the House should bear in mind not what had been acquired by knowledge or rumour since the time of Maclean's disappearance, but what had been known to the Foreign Office at the time when the appointment was made, and what reasons there had been for thinking that it was a suitable appointment for him to hold in view of what had taken place in Cairo Referring to the Cairo incident, Lord Reading pointed out that in "this shocking escapade" Maclean had not been in company with any member of the Foreign Service, and that "nothing like the full story" had reached the Ambassador The Ambassador had taken the view that Maclean had had a breakdown and that the moment had arrived—signalized by this bout of drunkenness and some violence—for him to undergo medical treatment As the medical treatment was presumed to have been successful, and as Maclean had been so valuable a member of the Foreign Service, it had been only right that he should have been given a further opportunity of devoting his talents to the public service

It was easy to say, after what had happened, that this was a wrong decision, but it had been taken in good faith and on the basis that Maclean had been, and was capable of continuing to be, a valuable servant of the public and one of the most promising members of the service After his appointment as head of the American department he had been working in London; whilst it might be true that he had indulged in drunken bouts during that period, the Foreign Office had known nothing about them "It seems to me," Lord Reading added, "that a great many people, since Burgess and Maclean disappeared, have been dining out freely on reminiscences of all they knew about them when they were still in the Foreign Office It would have been much more in the public interest if these people had come forward and told the Foreign Office during the time when that information could have been put to proper use."

As a result of this "singularly unhappy business," the disciplinary aspect of the administration of the Foreign Service had been considerably strengthened, and greater emphasis was now placed on personal behaviour than had been the case a few years ago. The new methods of recruitment laid special emphasis on character and personality, and were designed to find out any weaknesses in the individual which might make him unsuitable for the Foreign Service The present case had pointed clearly to a possible connexion between a weakness of character, a particular form of perversion, and security. It was certainly realized now, and perhaps should have been realized earlier, that anyone who was thought to be disposed to homosexual practices was thereby laying himself open to blackmail to an extent which made him an unacceptable security risk. That lesson had now been learned

Lord Reading emphasized, however, that they had no evidence of any kind, and had none up to the time of his disappearance, that Maclean was in any way affected by homosexual impulses. The only thing that had come to their notice since had been a letter from Mrs. Maclean. It might be that Burgess, when in the Foreign Office, had been addicted to these practices, but there again those in authority did not know that this was the case. He had had unqualifying good testimonials from those with whom he had been employed during the previous years He was obviously a person of a brilliant though somewhat erratic turn of mind and character, and had been given a full run—perhaps, in the light of circumstances, too full a run—before it had been decided to remove him from the Foreign Service. The Government had no evidence up to the time of their disappearance to suggest that Burgess had any connexion with Communism or was in any way acting as an agent of Communists.

In conclusion, Lord Reading announced that the report of the Privy Council committee would not be published. The whole object of the report was to concentrate on the present state and the possible future improvement of the security services, and nothing less suitable for publication and debate could be imagined.

The membership of the conference of Privy Councillors to inquire into security precautions in the public services was announced in the House of Commons by Sir Anthony Eden on Nov. 23, as follows: Lord Salisbury, Lord President of the Council; Viscount Kilmuir, the Lord Chancellor; Major Lloyd-George, Home Secretary; Lord Jowitt, a former Lord Chancellor in the Labour Government; Mr. Herbert Morrison, M.P., Deputy Leader of the Opposion; Mr. George Russell Strauss, M.P., formerly Minister of Supply in the Labour Government; and the Permanent Secretary of the Treasury (Sir Edward Bridges). Its terms of reference were: "To examine the security procedures now applied in the public services and to consider whether any further precautions are called for and should be taken."

In reply to **Mr. Bellenger** (Lab), who asked whether there would be any report to Parliament and suggested that the conference was "almost a closed shop," **Sir Anthony Eden** said: "I do not think it is a closed shop It is composed of members of both sides of the House who have had considerable experience in these matters, and I think, rightly, we have both of us excluded in the main those with direct Foreign Office responsibility during the period this matter was under discussion We have also chosen with great care from both sides Home Secretaries and past Home Secretaries with special experience in this matter The report will be made to me, and if the conference recommends changes in the law, or anything of that kind, clearly they would be for reference to the House"

Mr. Turton (Joint Under Seeretary, Foreign Office) stated in a parliamentary reply on Nov. 21 that no officials had been dismissed or transferred as a result of the inquiries into the Maclean-Burgess case. One official, however, had been asked to resign and had received a financial settlement in accordance with the terms of his engagement, whilst another had been permitted to resign in view of his relationship to one of the persons involved, and had been given a gratuity. No names were given by Mr. Turton.

Mr. Philby—who, as stated above, had been referred to by Lt.-Col. Lipton in the House of Commons as the alleged "third man" in the Burgess and Maclean affair—strongly denied on Nov. 8 the charges made against him. On Nov. 10 Lt.-Col. Lipton, in a personal statement to the House, said that as a result of further examination of the question he was satisfied that there was no justification for his allegations against Mr. Philby, that he deeply regretted having made these charges, and that he unreservedly withdrew them.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 14457 A.)**

A. UNESCO. — Universal Copyright Convention.

The Universal Copyright Convention, signed at an international conference in Geneva in September 1952 under the sponsorship of the U.N. Educational, Scientific, and Cultural Organization, came into force on Sept. 16, 1955—i.e., three months after the twelfth signatory country (Monaco) had deposited its instrument of ratification. The other 11 countries which had previously ratified the Convention were, in chronological order: Andorra (Dec. 20, 1952—Jan. 22, 1953); Cambodia (Aug. 3, 1953); Pakistan (April 28, 1954); Laos (Aug. 19, 1954); Haiti (Sept. 1, 1954); Spain (Oct. 27, 1954); the United States (Dec. 6, 1954); Costa Rica (Dec. 7, 1954); Chile (Jan. 18, 1955); Israel (April 6, 1955); and the German Federal Republic (June 3, 1955).

The following countries deposited their instruments of ratification after Monaco's deposition; the Vatican (July 5); Luxemburg (July 15); the Philippines (Aug. 19); and France (Oct. 14). In all these cases the Convention will come into force for the countries concerned three months after the date of deposition.—(Unesco, Paris) **(14084 A; 12639 B.)**

B. UNITED KINGDOM. — Creation of Political Office with the Middle East Forces.

The Foreign Office announced on Oct. 11 that the organization and functions of the British Middle East Office would be reconstituted and its name changed to that of Political Office with the Middle East Forces. The announcement added that the present head of the Office, Sir John Sterndale Bennett, was shortly retiring, and that the first head of the new Office would be Mr. J. S. H. Shattock (at present Counsellor at H.M. Embassy in Belgrade), who would be known as the Political Representative. It was also stated (*a*) that the British Middle East Office—which had been functioning in Cairo for many years until 1952, and subsequently at Fayid—had been moved from Egypt to Cyprus in connexion with the evacuation of British forces from the Suez Canal Zone; (*b*) that the Political Representative would represent the Foreign Office with the Commanders-in-Chief, Middle East; and (*c*) that the Information Section of the B.M.E.O. (which had previously been transferred to Beirut) would become the British Regional Information Office for the Middle East, remaining in the Lebanese capital. (Times) **(Prev. rep. Middle East Office, 7575 A.)**

A. CANADA.—Development of Natural Resources and Industry. - Royal Commission on Economic Prospects.

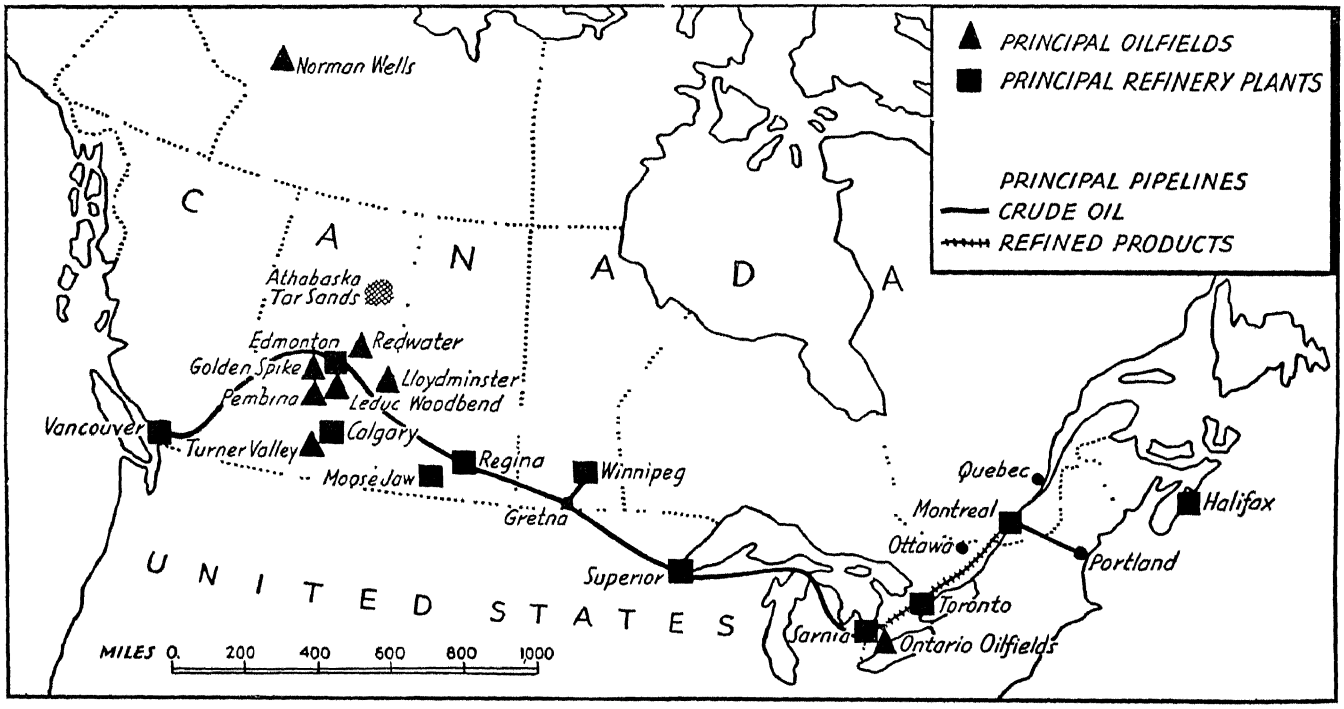
Recent important developments in the exploitation of Canada's natural resources and the expansion of Canadian industry are summarized below :

Hydro-Electric and Aluminium Projects.

Quebec. Mr Duplessis, the Provincial Premier, announced on Sept 10 that work on the Bersimis hydro-electric scheme (see 13053 A) was virtually complete, and that plans had been prepared for utilizing the full power potentials of the rivers Outarde and Manicougagan in north-eastern Quebec, in addition to that of the Bersimis River. He added that the existing Bersimis project would have an output of 1,200,000 horse-power (to be increased later to 1,700,000 h.p), whilst the power potentials of the Outarde and Manicougagan were estimated at 1,000,000 h p. and 2,000,000 h p respectively.

On June 5 Mr. Duplessis had announced that a hydro-electric power plant would be built on the Chicoutimi River at a cost of about $4,750,000 (£1,725,000).

British Columbia. Mr. Nathanael Davis, president of the Aluminium Company of Canada, announced on March 18 plans to expand the production capacity of the company's Kitimat smelter by a further 180,000 tons annually, making—with the existing installed capacity of 91,500 tons, and the further 60,000 tons authorized in October, 1954 (see 13900 C)—a total annual capacity of over 330,000 tons



The Oil Resources of Canada. (*New Commonwealth*)

The cost of the expansion programme was estimated at about $190,000,000, most or all of which would be met from the company's own resources. Mr Davis added that by the end of 1956 production from the Kitimat plant would have increased to 181,500 tons annually, whilst the balance of about 148,500 tons a year would come into operation by stages, the last of which was expected to be completed by 1959.

On Aug. 22, 1954, it had been announced that the Canadian Government had granted to North-West Power Industries Ltd. (a subsidiary of Quebec Metallurgical Industries Ltd. and Frobisher Ltd) a priority permit assuring the company of first consideration for its plans for a vast hydro-electric project in the Atlin Lake area of northern British Columbia. The project, expected to cost about $270,000,000, envisages the ultimate development of 5,000,000 h.p., with the construction of an 880,000 h p. hydro-electric and smelter project 800 miles north of Vancouver as its first stage.

Oil and Natural Gas Deposits. - The Athabaska "Tar Sands."

Alberta. Plans for the immediate exploitation on a commercial basis of the Athabaska "tar sands" in north-eastern Alberta were announced on Aug. 5, 1955, by the Royalite Oil Co Ltd. and the Can-America Oil Sands Development Co. Ltd., which had been granted an option to take over the pilot extraction plant set up by the Albertan Government. The Athabaska "sands," covering an area of about 30,000 square miles, are estimated to contain up to 300,000,000,000 barrels of oil, more than all the known oil reserves of the world. Previous attempts to exploit them commercially had been unsuccessful, since no method could be devised of separating the oil from the rocks and sand with which it is mixed.

British Columbia. Mr. Bennett, the Provincial Premier, announced on Dec. 16, 1954, that a provisional agreement had been signed between the West Coast Transmission Co of Canada and two U.S. companies (the Pacific North-West Pipeline Corporation and the El Paso Natural Gas Company) for the construction of a natural gas pipeline to run from the Peace River district of British Columbia and Alberta to the U.S A. It was explained in the Press that the agreement—described as "the most important economic development in British Columbian history"—provided for the delivery by the Canadian company at the U.S -Canadian border of 300,000,000 cu. ft of natural gas daily ; about 50,000,000 cu ft of this quantity would be delivered in the North-West States of the U S A (Washington and Oregon), and the remainder added to the Colorado-New Mexico pool In addition, about 55,000,000 cu. ft would be used initially in British Columbia, the quantity increasing to over 100,000,000 cu. ft a day by 1958. Mr Bennett added that construction of the pipeline —about 600 miles long, and estimated to cost over $100,000,000— would probably begin in September, 1955, and that the first deliveries of natural gas would be made by December, 1956. The U S companies would build connecting lines from the San Juan basin to meet the British Columbia line at the California border, with a separate line from the border into eastern Washington and Oregon.

Production Figures. Statistics for crude oil and natural gas produced in Canada during 1954 were given by the Federal Bureau of Statistics on Jan. 7, 1955, as follows (1953 figures in parentheses) . *Crude Oil* · Production, 95,480,000 barrels (80,898,000 barrels), value, $246,000,000 ($200,500,000). *Natural Gas* . Production, 122,854,000 cu. ft (101,000,000 cu ft.), value, $12,683,000 ($12,681,000) ,

Mineral Production.

Production Figures The total value of mineral production in Canada during 1954 (including production of oil and natural gas) was given by the Federal Bureau of Statistics on Jan 7, 1955 as $1,454,000,000, compared with $1,336,000,000 in 1953. The value of metallic ores produced rose during the year from about $709,000,000 to $763.000,000. Figures for the principal minerals (apart from oil and natural gas—see above) were as follows, with 1953 figures in parentheses : *Gold* · 4,280,000 fine oz. (4,056,000 fine oz.), value $145,000,000 ($139,000,000) ; *Copper* : 600,000,000 lb. (506,500,000), value $174,000,000 ($151,000,000) ; *Nickel* 320,000,000 lb. (281,300,000 lb.), value $180,200,000 ($160,200,000) ; *Lead* : 442,500,000 lb. (387,500,000 lb.), value $59,000,000 ($50,000,000) ; *Iron Ore* : 7,280,000 tons (6,480,000 tons), value $46,700,000 ($44,100,000) , *Silver* · 31,500,000 oz. (28,000,000 oz.), value $26,260,000 ($23,750,000) ; *Zinc* : 747,700,000 lb. (802,700,000 lb.), value $89,300,000 ($96,100,000) ; *Coal, etc.* . value $96,073,000 ($92,753,000).

Gold Mining. The Federal Minister of Mines (Mr. Prudham) announced on Jan 28, 1955, that, owing to the improved position of the gold mining industry, the emergency subsidies payable to gold mines in 1955 would be reduced from $13.50 to $12.33 an oz. of gold produced, and that the minimum of production costs entitling mines to the subsidies would be raised from $18 to $26.50 an oz. of gold produced.

New Railway in North-Western Quebec. The Quebec Minister of Transport (Mr. Marler) announced on Aug. 14 that the Canadian National Railways had decided to build immediately, with Government assistance, a 289-mile rail extension from St. Felicien, on Lake St. John, to the mining areas of Beattyville and Chibougamau in north-western Quebec, where development of gold, copper, zinc, and iron resources had been retarded by lack of transport. The new railway

was expected to cost $35,000,000, and a grant of $1,250,000 had already been approved by the Provincial Parliament as "a first instalment" of financial assistance.

Industrial and Allied Developments.

Quebec. Mr. Duplessis announced on June 5 that a copper refinery would be built at Chicoutimi at a cost of $20,000,000 (about £7,250,000). On Sept 12 he further announced that the Dominion Steel and Coal Corporation intended to build two subsidiary steel plants in Montreal at a cost of over $2,000,000, and stated that a total of about $23,000,000 was being spent on factories at Valleyfield, Varennes, and Pointe aux Trembles, near Montreal, and at La Tuque, near Quebec City. He added that in the last two years "several hundred million dollars" had been invested in new industry and construction in Quebec Province.

Ontario. Mr Frost, the Provincial Premier, announced on March 13 that in the coming financial year (1955-56) the Ontario Government planned to spend $220,000,000 on roads and $36,000,000 on other public works. In the past 12 years, he pointed out, the population of Ontario had grown by 1,250,000 and the rate of increase had risen from 40,000 annually to 150,000—a higher rate than anywhere else in Canada and more than double the rate in the United States In 1953-54 investment in the province had risen by 2 per cent and salaries and wages by 3 per cent, whilst mineral production had increased and production of pulp and paper had set a new record.

The Minister of Lands and Forests (Mr. Mapledoram) announced on March 31 that, as part of its programme to develop Ontario's forest industries, the Provincial Government had concluded an agreement with British interests controlled by Lord Rothermere whereby the latter undertook, if it proved economically feasible, to build a $50,000,000 pulp and paper mill in the Sioux Lookout district of north-eastern Ontario.

Saskatchewan. Mr. Douglas, the Provincial Premier, stated on Aug. 24 that the Hoesch Company of Dortmund (Western Germany) would build a plant at Regina to manufacture steel pipes, primarily for the transmission of oil and natural gas. The plant—which would initially cost about $3,000,000, but which might be greatly expanded—would be in operation within a few months, and would be the first of its kind on the Canadian prairies and the first to be established by the Hoesch Company outside Germany.

Nuclear Energy.

A statement on developments in connexion with nuclear energy was published by the Canadian Government in August, 1955

The statement explained that the atomic power station at Des Joachims, Ontario (see page 14363), was being operated by the Crown company, Atomic Energy of Canada Ltd. (see 13053 A). The company was engaged in (*a*) the development of nuclear power; (*b*) fundamental research; (*c*) the operation of nuclear reactors and the separation of nuclear fuels (plutonium and uranium-233); (*d*) the production of radioactive isotopes and associated equipment, such as therapy units for cancer treatment. It had at present 1,900 employees, in addition to which a number of engineers and scientists employed by universities, power concerns, and industrial firms were working on atomic energy development. Detailed design had just begun on Canada's first atomic power station, known as Nuclear Power Demonstration (NPD), which was expected to go into production in 1958 Meanwhile preliminary studies for a 100,000 kw. electricity station would be carried out jointly by Atomic Energy of Canada Ltd., the various power companies, and industrial firms Complete information on the design and performance of the NPD station and on the preliminary design study for the larger station would be made available to the Advisory Committee on Atomic Power, which included representatives of the various privately- and publicly-owned power companies throughout Canada.

Aircraft Manufacture.

The rapid recovery of the Canadian aircraft industry after the contraction which followed the end of World War II (when the number of employees fell from about 80,000 to 8,000) is shown by the following list of firms, with their affiliations and products, enumerated by the *Financial Times* in a special Canadian supplement on Nov. 28

Avro Aircraft Ltd. and **Orenda Engines Ltd.** (both of Malton, Ontario), subsidiaries of A. V. Roe (Canada) Ltd, a member of the Hawker-Siddeley group These companies had in production respectively the *Avro CF-100 Mark 4* all-weather, rocket-firing, twin-jet interceptor and the *Orenda* two-stage, axial-flow, turbo-jet engine. Avro Aircraft also had in course of development the *Avro CF-105* delta-wing supersonic interceptor.

Canadair Ltd. (Montreal). This company, a subsidiary of the General Dynamics Corporation of New York, was producing *F-86 Sabre V* and *VI* jet interceptor planes and the *T-33 Silver Star* trainer. In the engineering and planning stage it had the maritime reconnaissance version of the Bristol *Britannia*.

De Havilland Aircraft of Canada Ltd. (Toronto). This organization, an offshoot of the British de Havilland company, had in production the *Otter*, the *Beaver*, and the *L-20 Beaver* for the U.S. Air Force, and the *Chipmunk* for the Royal Canadian Air Force. In the engineering and planning stage it had the *Sentinel* for the Royal Canadian Navy.

Canadian Car and Foundry Ltd. (Fort William, Ont.) This firm, also a subsidiary of A. V. Roe (Canada) Ltd., had in production the *T-34 Mentor* training plane for both the U.S.A.F. and the R.C.A.F.

Rolls-Royce of Canada Ltd. (Montreal), whose parent company was Rolls-Royce Ltd. of Derby, had in production the *Nene* centrifugal turbo-jet engine.

Canadian Pratt and Whitney Ltd. (Longueil, Quebec) This subsidiary of the United Aircraft Corporation, of East Hartford (Conn.), had in production Pratt and Whitney *Wasp* piston engines.

It was announced on July 8 that the Canada Wire and Cable Company would collaborate with the Telegraph Construction and Maintenance Company of London and the General Cable Corporation of New York in the formation of a new company—Telecables and Wires Ltd.—to manufacture telephone wires and cables in Canada. The controlling interest would be held by the Canada Wire and Cable Co., which would act as managers of the new company.

The Federal Department of Trade and Commerce stated in February last that new capital investment in Canada in 1954 had totalled $5,489,000,000, compared with $5,826,000,000 in 1953. The Dominion Bureau of Statistics estimated on March 7 that long-term foreign investment in Canada had reached the record total of $12,000,000,000 at the end of 1954, against $11,422,000,000 in 1953.

Mr. St Laurent, the Federal Prime Minister, announced in the House of Commons on June 17 the appointment of a Royal Commission on Canada's economic prospects. Its terms of reference were as follows:

"(1) To inquire into and report on the long-term prospects of the Canadian economy, i e the probable economic development of Canada and the problems to which such development appears likely to give rise,

(2) to study and report on (*a*) developments in the supply of raw materials and energy sources, (*b*) the growth to be expected in the population of Canada, and the changes in its distribution, (*c*) prospects for growth and change in domestic and external markets for Canadian products; (*d*) trends in productivity and standards of living, (*e*) prospective requirements for industrial and social capital"

The members of the Royal Commission are: Mr. W. L. Gordon (Toronto, Ontario), chairman; Mr. Omer Lussier (Quebec), Mr. A. E. Grauer (Vancouver, B.C.); Mr. Andrew Stewart (Edmonton, Alberta); and Mr. Raymond Gushue (St. John's, Newfoundland).

The Royal Commission began its work by making an aerial survey of the North-West Territories and the Yukon during August. It subsequently held public hearings in Newfoundland and the Maritime Provinces in October, and in Manitoba in November.—(Montreal Star - The Gazette, Montreal - New York Times - Manchester Guardian - Financial Times - Commonwealth Survey - Canadian High Commissioner's Office, London) **(Prev. rep. Economic Development, 13053 A; Kitimat Smelter, 13900 C.)**

A. UNITED KINGDOM. — Royal Commission on Law relating to Common Land. - Membership and Terms of Reference.

The Prime Minister announced on Oct. 25 that Sir Ivor Jennings, Q.C., Master of Trinity Hall, Cambridge, had been appointed chairman of a Royal Commission to inquire into the law relating to common land in England and Wales.

The other members of the Royal Commission were announced on Dec. 1, as follows: Mr. Charles Arnold-Baker, secretary of the National Association of Parish Councils; Mr. T. G. C. Evans, agent to the Duke of Norfolk for the Arundel estate, Sussex; Mr. C. M. Floyd, president of the Royal Forestry Society for England and Wales, Dr. W. G Hoskins, Reader in Economic History, University of Oxford; Mr. Alan Lubbock, a member of the National Parks Commission, Mr Ivor Morris, chairman of the Wool Marketing Board; Mrs. Florence Paton, formerly M P. (Labour) for Rushcliffe; Sir George Pepler, planning consultant; Professor R. A Roberts, Professor of Agricultural Botany, University of Wales; Sir Donald Scott, formerly M.P. (Conservative) for Penrith, and a former Parliamentary Secretary to the Ministry of Agriculture, and Dr. Dudley Stamp, Professor of Social Geography, University of London.

The Royal Commission has the following terms of reference: "To recommend what changes, if any, are desirable in the law relating to common land in order to promote the benefit of those holding manorial and common rights, the enjoyment of the public, or, where at present little or no use is made of such land, its use for some other desirable purpose."

(Times - Daily Telegraph - Manchester Guardian)

B. PAKISTAN. — Rawalpindi Conspirators released.

It was announced in Karachi at the beginning of October that the Governor-General had remitted the unexpired portions of the sentences imposed on the defendants in the Rawalpindi conspiracy case. The prisoners were the former Major-General Akbar Khan; the former Air-Commodore Janjua, the former Brigadiers Sadiq Khan and Latif Khan; the former Lieut.-Colonels Ziauddin and Arbab; the former Majors Hasan Khan and Ishaq Mohammad; the former Captains Khizar Hayat Khan and Zafrullah Poshni; Mr. Faiz Ahmad Faiz; Mr. Sarjab Zaheer; and Mohammad Husain Atta.—(Pakistan High Commissioner's Office, London) **(Prev. rep. 14232 A, p. 14234)**

A. SINGAPORE. — Legislative Assembly's Demand for Immediate Self-Government. - Governor's Reply to Assembly Resolution. - London Discussions in 1956.

The Singapore Legislative Assembly adopted a resolution on July 25 demanding immediate self-government for the Colony, and asking the Governor (Sir Robert Black, who had formally taken office on July 3) to convey the request to the British Colonial Secretary, Mr. Lennox-Boyd, who was then on a tour of the Far Eastern colonies and was due to arrive in Singapore in August. The terms of the resolution were as follows :

(1) The Speaker of the Legislative Assembly was asked to convey to the Governor " the view of this House that the people of Singapore are determined to end colonialism and to rule themselves through their elected representatives."

(2) The British Government was asked to adopt " the most liberal Constitution legally permissible in favour of the elected representatives of the people in the interpretation of the Singapore Colony Order-in-Council, 1955." [This Order set up the Legislative Assembly and provided a new Constitution.]

(3) " Where the Governor is required by the said Order-in-Council to consult with the Chief Minister before taking any action, he should act in accordance with such advice "

(4) The Legislative Assembly declared that " the time has arrived for the transference of power from the United Kingdom " and that " a new Constitution providing self-government should be granted immediately."

The Speaker was asked to present the resolution to the Governor and to report back to the Legislative Assembly, which would " thereafter . . . take such action . as circumstances may require "

The resolution, introduced by the right-wing Progressive Party and accepted by the Chief Minister (Mr. David Marshall), was carried with only one dissenting vote—the nominated European member, Mr. G. A. Sutherland. The three official members—Mr. W. A. Goode, the Chief Secretary, Mr. T. M. Hart, Financial Secretary, and Mr. E. J. Davies, Attorney-General—abstained from voting. As originally worded, the resolution called for immediate " independence " for Singapore, but at Mr. Marshall's suggestion it was agreed to substitute " self-government."

Mr. Lennox-Boyd arrived in Singapore from Hong Kong on July 31, and on the following day had discussions on constitutional questions with Mr. Marshall and Sir Robert Black. The Colonial Secretary subsequently left Singapore for a visit to North Borneo, but returned on Aug. 15 and had further discussions on subsequent days with the Governor and the Chief Minister. No official statement was issued about these meetings, but Mr. Marshall said on Aug. 17 that his talks with Mr. Lennox-Boyd had been " very satisfactory " and had " dealt completely with all constitutional issues raised."

Meanwhile, Sir Robert Black had sent a message to the Legislative Assembly on Aug. 2 in reply to its resolution of July 25.

The Governor pointed out that he would continue his discussions with Mr. Lennox-Boyd after the latter's return to Singapore on Aug 15 ; that he was therefore not yet able to send a full reply to the Assembly's resolution, but that he hoped to do so after the resumption of his talks with the Colonial Secretary. He informed the Assembly (1) that he had been asked by Mr Lennox-Boyd to assure members of " the continuing sympathetic interest which H M. Government take in Singapore's problems and of the sincerity of their policy to assist Singapore to achieve self-government within the British Commonwealth ", (2) that he [Sir Robert Black] desired to give the Singapore Government " all possible help in the execution of its policies," and that in doing so he did not propose to exercise his discretionary powers " in a didactic or harsh manner, or in any way calculated to frustrate the Government in discharging responsibilities which it has accepted ", (3) that " valuable and friendly talks " had taken place between Mr. Lennox-Boyd, Mr Marshall, and himself on the matters contained in the Assembly's resolution

After his further discussions with Mr. Lennox-Boyd in mid-August, the Governor sent a message to the Legislative Assembly on Aug. 18 stating—with regard to the Assembly's request for a new Constitution providing for immediate self-government—that " H.M. Government will be glad to welcome to London at a suitable date a representative delegation from Singapore to consider the situation in the light of a year's working of the [existing] Constitution. (This meant, in effect, that a Singapore delegation would go to London about April, 1956, by which time the Colony's constitution would have been in force for a year.) In addition, Sir Robert Black informed the Assembly that where he was required under the Constitution to consult with the Chief Minister, he would accept the latter's advice except where the Constitution provided for the prorogation or dissolution of the Assembly, in which case the Governor's existing powers would be preserved. (This meant that while the Governor's reserve powers—e.g. to prorogue or dissolve the Assembly—would not be affected, the Chief Minister would have complete freedom in deciding on Cabinet portfolios and appointing Ministers.)

Mr. Marshall welcomed the Governor's message as " warming and encouraging "—in particular, the assurance that " our request for immediate self-government will be considered within the next nine months." The Opposition parties, however, complained at what they described as the " calculated ambiguity " of the Governor's message, and asked for time to consult their supporters and " party officials." When this was refused, all 12 Opposition members left the Assembly in protest at Mr. Marshall's " dictatorial conduct " in refusing them the time for which they had asked. A motion expressing the Assembly's thanks for the Governor's message was adopted by the remaining members—the 17 members of the Labour Front Government and the nominated European member, Mr. Sutherland.—(Times - Daily Telegraph - Manchester Guardian - New Commonwealth)

(Prev. rep. Singapore, 14324 A ; 14152 A.)

B. UNITED KINGDOM. — Railways. - £10,000,000 Order for Diesel Locomotives placed by Transport Commission.

The British Transport Commission announced on Nov. 22 that, as part of its plan to modernize and re-equip British Railways, it had placed contracts worth nearly £10,000,000 with British manufacturers for 141 main-line diesel locomotives (130 diesel-electric and 11 diesel-hydraulic), as well as for 30 power units to be incorporated in locomotives to be built in British Railways' workshops. The total number of main-line locomotives to be built under the modernization plan would be about 2,500.

It was explained that the 171 locomotives covered by the contracts formed a pilot scheme under which trials would be carried out before any further orders were placed, and that they comprised three main designs . Type A (800-1,000 h p.), for freight ; Type B (1,000-1,250 h.p.), for mixed traffic ; Type C (2,000 h p. and over), for heavy duties.

The contracts for complete locomotives were placed as follows · Birmingham Carriage and Wagon Co. Ltd., Smethwick—20 Type B; British Thomson-Houston Co , Rugby—10 Type A ; Brush Bagnall Traction Co , Loughborough—20 Type B ; English Electric Co., Bradford—10 Type C, 10 Type B and 20 Type A , Metropolitan-Vickers Electrical Co., Manchester—20 Type B ; North British Locomotive Co , Glasgow—10 each of Types A and B, besides 11 diesel-hydraulic locomotives (six of Type B and five of type C). The contracts for power equipment sets were placed with Sulzer Bros., London, a subsidiary of the Swiss firm of Sulzer & Co., Winterthur (10 for locomotives of Type C), and with the British Thomson-Houston Co , Rugby (20 for locomotives of Type B) Delivery time for the first locomotives would vary from 18 months to two years

The types of diesel engines to be used in the locomotives would include products of British makers, but, in addition, the Commission would carry out extensive trials of the Sulzer (Swiss) and M.A.N. (German) engines, both of which were now made in Britain under manufacturers' licences The external form and liveries of the new locomotives had yet to be settled, but the Commission, in conjunction with the makers, were " paying special attention to aesthetic external design."

It was stated that 80 of the diesel locomotives would be used on the London Midland Region, another 80 on the Eastern Region, and 11 on the Western Region.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 14024 A.)**

C. AUSTRALIA. — Embassy Status for Legations in Siam and the Philippines.

The Australian Minister for External Affairs, Mr. Casey, announced on Dec. 6 that the Australian Legations in Bangkok and Manila would be raised to the status of Embassies, and that the Legations of Siam and the Philippines in Canberra would have similar status. Mr. Casey said that it was the Australian Government's policy to promote closer relations with the free countries of Asia and to develop full mutual understanding with individual countries in the political, economic, and cultural fields.—(Australian News and Information Bureau) **(Prev. rep. Manila Treaty, 13761 A.)**

D. PAKISTAN. — New Chairman of Commission on Marriage and Family Laws.

Following the death of Khalifa Shujauddin, chairman of the recently-created Commission on Marriage and Family Laws, the Government of Pakistan appointed Mian Abdul Rashid (lately Chief Justice of Pakistan) as his successor at the beginning of November.—(Pakistan High Commissioner's Office, London) **(Prev. rep. 14435 A.)**

E. FRANCE. — Armed Forces. - Appointment of New Commanders in Morocco and Tunisia.

It was announced in Paris on Nov. 15 that General Bourgund had been appointed Supreme Commander of the Armed Forces in Morocco. The appointment of Major-General Baillif as Commander of the Armed Forces in Tunisia had been announced on Oct. 4.—(Le Monde, Paris) **(Prev. rep. 14427 A.)**

DECEMBER 10—17, 1955

A. FRANCE. — Faure Cabinet. - National Assembly Approval of Moroccan and Algerian Policies. - Resignation of Gaullist Ministers. - M. Faure's Demand for Early Elections. - Proposals for Simultaneous Electoral Reform. - Debates in National Assembly and Council of the Republic. - Government dissolves Assembly after No-confidence Vote. - General Elections to be held in January. - M. Faure expelled from Radical Party.

After having obtained the National Assembly's approval of its Moroccan and Algerian policies, the Government of M. Edgar Faure was defeated in the Assembly after a prolonged struggle over its proposal to end the Assembly's life six months ahead of the expiration of its normal term of office and to hold general elections before or immediately after the end of 1955. In spite of its defeat over the electoral question (which it had made a question of confidence) the Government decided not to resign but to invoke that provision of the French Constitution authorizing the dissolution of the Assembly and the holding of new elections in the event of the Government having been defeated on a confidence motion by an absolute majority in the Assembly twice within 18 months. This decision led to the resignation of five Radical Ministers, whilst, prior to the Assembly's debate on the Government's Moroccan policy, four of the five Gaullist Ministers had also left the Cabinet because of their disagreement with its handling of the Moroccan situation. These developments are described below.

Cabinet Changes.

Four of the five Social Republican (Gaullist) members of M. Faure's Cabinet resigned on Oct. 6 after the Prime Minister had asked them either to show their complete support of the Government's policy or to resign. The four Ministers who chose to resign were General Koenig (Defence), M. Palewski (Minister attached to the *Présidence du Conseil*), M. Triboulet (Minister for War Veterans), and M. Bayrou (State Secretary for Overseas Territories), all of whom had in recent weeks adopted a critical attitude towards the Government's policy, especially in connexion with Morocco (see 14473 A). The fifth Gaullist Minister, General Corniglion-Molinier (Public Works and Transport), expressed his support for the Government and remained in office.

M. Faure's action followed the publication by the national council of the Social Republican Party (Oct. 5) of a statement calling for "the immediate formation of a Government of public safety, the only Government capable of facing events which threaten the existence both of the Franco-African community and of republican institutions." A deputation from the national council saw President Coty on the following day, and afterwards issued a second statement explaining that the proposed Government should be "placed under the direction of an unchallenged national authority" and should consist of "men belonging to all the national shades of opinion."

General Pierre Billotte (Dissident Gaullist - A.R.S.) was appointed Defence Minister on Oct 6, whilst the following new appointments were announced on Oct. 21 :

M. Pierre July (*non-inscrit*) ..	Minister attached to the *Présidence du Conseil.*
M. Vincent Badie (Radical) ..	Minister for War Veterans.
M. Jean Lecanuet (M.R.P.) .	State Secretary to the *Présidence du Conseil.*
M. Jean Chamant (Independent Republican) .	State Secretary for Foreign Affairs.
M. Henri Laforest (Radical) ..	State Secretary for Defence.

M. July had previously been Minister for Moroccan and Tunisian Affairs, and M. Laforest State Secretary for Relations with the Associated States. Both these posts are now abolished, the responsibility for relations with Morocco, Tunisia, and the Associated States having been transferred to the Foreign Ministry.

General Billotte (49) served with distinction in the campaign of 1939-40, was captured and interned in Germany, and escaped in 1941 *via* the Soviet Union to London, where he became Chief of Staff to General de Gaulle After serving as secretary of the Free French National Defence Committee from 1942-44 he took a prominent part as field commander in the liberation campaign which followed the Allied landings in France. At the end of the war he became Military Governor of the French Zone of Germany, and Deputy Chief of the French General Staff. From 1946-50 he headed the French delegation to the Committee of Chiefs of Staff at the United Nations, taking a prominent part in the negotiations which led to the signing of the Atlantic Pact. He entered the National Assembly as a Gaullist in 1951, but joined the A.R.S. (Dissident Gaullist) group on its formation in the following year.

M. Badie (53), a lawyer, entered the Chamber of Deputies in 1936, voted against the delegation of powers to Marshal Pétain in 1940, and was deported to Dachau in 1943 for his activities in the resistance movement. He was elected to the Assembly after the liberation, and in July last became president of the Radical group. **M. Chamant** (42), a lawyer, and **M. Lecanuet** (35), a former civil servant, were elected to the Assembly in 1946 and 1951 respectively.

The Debate on Morocco.

A debate on the Government's Moroccan policy, on which 18 *interpellations* had been tabled, was opened on Oct. 6 by M. Faure, who had been authorized by the Cabinet to make the question one of confidence.

M. Faure declared that a "concerted campaign" was being carried on against the presence of France in North Africa, as shown both by recent developments in the U.N. General Assembly (see page 14464) and by the uprisings in Algeria and the Riff area, which appeared to have been organized from abroad. The problem of Morocco was not a problem of who should be Sultan, but of defining French policy, and his Government's policy was one of "evolution and reforms." Such a policy, however, pre-supposed the existence of a Moroccan Government containing representatives of both the nationalists and traditionalists. Moroccan nationalism, M Faure emphasized, was a force which could be neither ignored nor suppressed, and it was necessary to lead it towards co-operation with France At the Aix-les-Bains conference the Moroccan spokesmen had not concealed the fact that their ultimate aim was independence, but independence combined with "a free association safeguarding our pride and the Franco-Moroccan community." On the question of the throne, two solutions had to be resolutely avoided . the *status quo*, which could only lead to increased disorders ; and still more, the restoration of the former Sultan. The creation of the Council of the Throne was an "intermediate formula" In conclusion, M Faure said that he had no intention of resigning, since the "public safety" would not be furthered by a Cabinet crisis.

In the ensuing debate the Government was strongly criticized by a number of right-wing deputies, who demanded firmer measures against terrorism, whilst other speakers approved the Government's policy but deplored the weakness and hesitation with which, they maintained, it had been carried out. **M. Savary** (Socialist) declared that in his party's view the Government's task was "to repair the deplorable error of Ben Youssef's deposition and to democratize and modernize Morocco." He suggested that the impunity enjoyed by those responsible for the ex-Sultan's deposition had encouraged crime and rebellion, and asserted that the recall of M. Grandval "under pressure from certain Ministers" had been interpreted as a sign of weakness and (he alleged) had encouraged General de Latour to defy the Government's orders **M. de Moustier** (Ind. Republican) complained that the Government's policy had been frustrated by an "organized gang" forming a "Moroccan lobby," and that no measures had been taken against officials who had refused to obey M Grandval, or against those responsible for the Casablanca riots in July last. **M. Vallon** (*non-inscrit*) strongly criticized the conduct of General de Latour, who, he alleged, had appointed opponents of the Government's policy to high positions, conspired with Marshal Juin and the *Présence Française* to delay the implementation of the Government's plan, and tried to prevent the formation of the Council of the Throne

General Aumeran (*apparenté* to the Independent Republicans) denounced the Government's plan for a representative Moroccan Government and demanded the proclamation of a state of siege throughout North Africa, the appointment of a single Governor for the whole area, and the establishment of itinerant military courts. **M. Pierre André** (Ind Republican) declared that by opening negotiations before terrorism was stamped out France would "lose face," that terrorist murders could not be stopped by reforms, and that the Government should take all necessary measures to track down the authors and instigators of the terrorist attacks and to execute those who committed the murders In reply, **M. July** pointed out that although the Government had sent large reinforcements to Morocco, the terrorists could not be suppressed as long as they enjoyed support from amongst the population, and that only reforms would end this situation. **M. Montel** (Ind. Republican) recalled the massacre at Oued-Zem, which, he said, had been started because some agitators had spread the rumour of an Egyptian troop landing in Morocco. In view of these happenings he doubted whether Moroccans had yet reached sufficient maturity for self-government, and warned the Government against negotiating with men who might have been responsible for the massacre. **M. Bardoux** (*Paysan*) asserted that the Government's measures resulted from "an error in principle" and constituted a violation of the Treaty of Fez. **M. de Bénouville** (Gaullist) maintained that an agreement concluded on Sept. 30 between General de Latour and the *Présence Française* was binding on the Government; this agreement, he said, provided that the Council of the Throne should not be set up, that there should be no modification of the Protectorate Treaty, and that the traditionalists should have a majority on the new Moroccan Government. M. de Bénouville's argument was strongly rejected by **M. Faure,** who pointed out that no agreement could be concluded between the Resident-General and any private organization.

In the continued debate the Government's Moroccan policy was condemned on the one hand by **M. Billoux** (Communist), who particularly denounced the Pasha of Marrakesh, and on the other hand by **M. Quilici** (Ind. Republican deputy for Oran), who described the Istiqlal and the Democratic Independence Party as the "enemies of France," and who declared that the Government would lose any remaining loyalties in North Africa if they did not stop the "series of scuttles before agitating minorities." **M. Dronne** (Gaullist) agreed on the need to modernize the political and social structure of Morocco,

but asserted that the Government's policy was not the right way to carry this out and would only lead to disorder. **General de Monsabert** (Gaullist) called for the appointment of a Commander-in-Chief for the whole of North Africa and the proclamation of a state of siege, but **M. Catroux** (Gaullist) expressed the view that a policy of "order first, then reforms," would alienate both the Moroccan people and world opinion, and would involve France in ruinous military expenditure.

M. Faure, replying to the debate, reaffirmed his view that nothing substantial could be achieved without the support of the nationalists, who spoke for the cities and the younger generation of Moroccans. Despite the recent appeal of Si Allal El Fassi (see 14452 B), it was indispensable to obtain the collaboration of the Istiqlal as well as the other nationalist parties; at present Allal El Fassi did not speak for the whole of the Istiqlal, and it was for France to ensure that "other men disillusioned by Paris do not turn completely towards Cairo." Answering a question by General Aumeran on the meaning of the phrase "independence in interdependence," M. Faure said: "In a short time there will be no more dependent peoples. All wish to move and are moving towards independence. That is also true of the Moroccans, but they are willing to move towards it by stages. At the end of the road there is one possibility which we wish to avoid: separation. We wish, on the contrary, to create a permanent community through an association which is freely accepted, and based on respect for national pride and the interlocking of common interests. If you don't have that, you will have nothing but blood and ruins." To a further question by **M. Dassault** (Gaullist), who asked for an assurance that the French community in Morocco would have the right to take part in public affairs, **M. Faure** replied that it was important to avoid the suggestion of "co-sovereignty," which offended Moroccan susceptibilities; the solution lay in a reciprocity of rights between Frenchmen and Moroccans, similar to that guaranteed by the Franco-Tunisian agreement.

M. Depreux (Socialist) said that it was highly desirable that a majority of the deputies should express themselves in favour of a policy of Franco-Moroccan association, based on the speedy formation of a Council of the Throne and a representative Moroccan Government. The Socialists, however, could not support any motion implying confidence in M. Faure's Government, which, by tolerating disobedience by high officers and officials, had brought about "a certain degradation of the regime." "We accuse you," M. Depreux declared, "not of having governed badly, but of not having governed at all."

The National Assembly then agreed by 360 votes to 205 to give priority to a Socialist resolution, sponsored by M. Depreux, which read as follows:

"The National Assembly . . . (1) considers that the only policy capable of assuring peace in Morocco, and of bringing about association and interdependence between France and Morocco in conformity with the interests of both countries, demands in the immediate future the setting-up of the Council of the Throne and the formation of a Government composed of all Moroccan representative elements, and capable of promoting the modernization and democratization of Morocco and of negotiating the necessary permanent links with France;

(2) approves the Aix-les-Bains agreements;

(3) regrets that the Government has compromised this policy by its hesitations and weaknesses;

(4) and, rejecting any further addition, passes on to the *ordre du jour.*"

This resolution was voted upon sentence by sentence, the first part of clause (1) being adopted without a division, and that part advocating the setting-up of the Council of the Throne by 320 votes to 287. After the latter vote had been taken M. Depreux announced that the Socialists would withdraw clause (3) in order to permit a clear vote for or against Franco-Moroccan understanding. M. Faure then declared that the Government would accept the resolution as thus amended.

After the section dealing with the setting-up of a representative Moroccan Government had been adopted by a show of hands, with only two dissenting votes, section (2) approving the Aix-les-Bains agreements was adopted by 470 votes to 151, and section (4) by 460 votes to 161. The resolution as a whole was put to the vote in the early hours of Oct. 9 and adopted by 462 votes to 186, with 10 abstentions. Those voting in favour included the Socialists, Communists, Overseas Independents, and the majority of the Radicals, U.D.S.R., M.R.P., and Independent Republicans, whilst the majority of the *Paysans,* Independent *Paysans,* Gaullists, and Dissident Gaullists (A.R.S.) voted against.

The distribution of votes on the final division was as follows: For the resolution—103 Socialists, 98 Communists and *Progressistes,* 84 M.R.P., 63 (out of 75) Radicals, 39 (out of 56) Independent Republicans, 21 U.D.S.R., 16 Overseas Independents, four Gaullists, four Independent *Paysans,* seven *Paysans,* five A.R.S., and 13 *non-inscrits.* Against the resolution—55 Gaullists, 13 Independent Republicans, 22 Independent *Paysans,* 13 *Paysans,* 25 A.R.S., five Radicals, and three M.R.P. Abstentions—one Radical, two U.D.S.R., two Gaullists, three Independent Republicans, and two A.R.S. deputies. Six Gaullist deputies did not take part in the vote on the final division.

The Debate on Algeria.

A three-day debate on the Algerian situation, on which 15 *interpellations* had been tabled, opened in the Assembly on Oct. 11.

M. Duclos (Communist) protested against the dissolution of the Algerian Communist Party and the suppression of the newspaper *Alger Républicain,* and appealed for the opening of negotiations either with representatives of the Algerian political parties or with an Algerian Assembly freely elected by proportional representation. **General Aumeran** (*apparenté* to the Ind. Republicans), after demanding the public execution of terrorists, denounced the conception of "integration"—which, he said, would involve the admission of 140 Algerian deputies to the National Assembly—and insisted that Frenchmen and Moslems must continue to receive equal representation in all Algerian institutions. **M. Bendjelloul** (a non-party Moslem deputy) emphasized that there was no question of secession, and that Algerian opinion favoured association with France. The idea of assimilation, however, which the Moslem population had demanded unanimously and which had been refused in 1936, had now become discredited and had been gradually replaced by nationalism As the conception of "integration" was no longer taken seriously, it was necessary to find a new policy by means of free elections.

M. Violette (Radical) warned the Assembly that integration was impossible without popular support, as the Germans' experience in Alsace-Lorraine had shown. M. Soustelle's proposals for administrative and educational reforms meant little to "poor devils dying of hunger," and what was really needed was agrarian reform. Huge estates stretched right across Algeria, whereas in France the size of estates was limited by law; moreover, 99 per cent of Government credits granted to agriculturists in Algeria went to Europeans, and only 1 per cent to Moslems "The time for studying the problem is past," M. Violette concluded. "The experiment which we are going to make is our last chance. If the Government can break down purely selfish opposition, there may still be hope" **M. Fonlupt-Esperaber** (M.R P.) suggested that the most urgent reform was the dissolution of the unrepresentative Algerian Assembly and the holding of free elections as soon as order was restored. He also demanded that the police should be purged of officials "whose morality leaves much to be desired," and that collective reprisals, indiscriminate executions, and the destruction of villages without ascertaining whether they had been evacuated, should be brought to an end." He declared that "integration," "association," and "federation" were vague words, whereas reforms were indispensable and urgent, no matter whether Algeria was later to be "integrated" or "associated" with France. **M. Caillavet** (Radical) described the idea of "integration" as out-of-date, and suggested a round-table conference representing all shades of Algerian opinion. The **Abbé Gau** (M.R.P) referred to the unrest among reservists recalled for service in Algeria and declared that the Government must give them an assurance that they were not being sent to suppress a people's legitimate aspirations towards self-government, to defend "certain economic interests," or to "carry out collective murders involving both the innocent and the guilty."

M. Bourgès-Maunoury (Minister of the Interior), after rejecting any suggestion of negotiations with the rebels, said that if secession were ruled out two extreme solutions were possible. One was assimilation—Algerians enjoying the same rights, duties, and laws as Frenchmen in metropolitan France; the other was federalism—an Algerian nation associated more or less directly with France within the framework of the French Republic. The latter solution, however, as history showed, might tend to violence between the majority and the minority, resulting in autonomy or secession; in that event either the French minority would be expelled, or they would enforce their rule on the Moslem majority. Intermediate solutions existed, but none would work unless it was clearly defined by Parliament and supported by public opinion The Statute of 1947, which had been intended as a step towards integration, had not been enforced as quickly as had been desirable, but the Government's plan of reforms provided for its application as a whole. The Government also proposed to draw up "a new charter for Algeria, on the forefront of which will be inscribed the French citizenship and the French character of the Algerian *département.*"

Turning to the question of reprisals, the Minister admitted that the uprising of Aug. 20 had been followed by "a wave of madness," but claimed that measures to protect the Moslem population had immediately been taken by the Governor-General **M. Benbhamed** (a Moslem deputy) intervened to read a letter from Algeria describing how nine "suspects," including an old man of 90 and his 13-year-old grandson, had been shot by French troops on Sept. 16 and their bodies mutilated, and 12 Moslems, including a young boy who refused to leave his father, had been shot in a nearby village on the same day. **M. Bourgès-Maunoury,** resuming his speech, stated that a strong self-defence movement had developed among the Moslem tribes of the Oran area, and that the Government was supplying them with arms. After referring to the Government's proposals for administrative reforms, he concluded: "The word 'integration' leads, it seems, to misunderstandings. It also arouses many hopes. It is not opposed to either particularism or decentralization. What has a clear meaning is its opposite: disintegration. Let us agree to avoid that in Algeria."

M. Ali Cadi (U.D.S.R.) warned the Assembly that they had "no right to integrate against their will populations which wish to retain their personality, traditions, religion, and language," and that France must "recognize the personality of the Algerian people." **M. Fouques-Duparc** (Gaullist), the mayor of Oran, said that there was complete peace between Europeans and Moslems in his constituency, and that thousands of ex-servicemen had asked for arms to drive out the rebel

fellaghas entering Algeria from Spanish Morocco **M. Lapie** (Socialist) advocated a federal solution, and observed that, apart from security measures, the Government's only remedy for the situation was the word "integration," which M Bourges-Maunoury's speech had shown to be meaningless **M. Benbhamed** gave further examples of alleged atrocities by the Government forces during the suppression of the uprising **M. Cot** (*Progressiste*) maintained that it was illogical to refuse to the Algerians the autonomy which had been granted to the Tunisians and Moroccans; after recalling M. Faure's statement that there would soon be no dependent countries, he asked why Algeria should be an exception.

Replying to the debate on Oct. 13, **M. Faure** said that the essential issue was that of nationality There was no Algerian State, there had long been a large European population in Algeria; and it had always been French policy to treat Algeria, not as a colony, but as a part of France, whilst scrupulously respecting local traditions The majority of the population had remained loyal, but their attitude towards the rebels had not always been "as resolutely hostile as it might have been." The rebels themselves did not consist only of murderers and bandits; many believed that they were fighting in a noble cause, and had been driven to revolt by land hunger, poverty, unemployment, or "a sense of being treated as second-class citizens" In choosing the word "integration" to define its policy, the Government had rejected both secession and assimilation. Secession would be disastrous for both the 1,000,000 French settlers in Algeria and the 300,000 Algerians working in France, whilst total assimilation suffered from two objections—the distinctive qualities of the Moslem population, and the fact that it had been used as an excuse for inaction In the economic field integration implied an investment policy of modernization and industrialization, intended to raise the living standards of the Moslems to the same level as those of the European producers Turning to political problems, he said that the principle that Algeria formed part of the French nation and of the French Republic did not exclude certain special institutions The Statute of 1947 must be applied completely, but otherwise it was for the Assembly to decide on such matters as the status of the Algerian Assembly and the Governor-General. No institutions, however, could function without popular support, and future elections must be free from both terrorist pressure and official interference. In conclusion, M. Faure deprecated talk of federalism, which could give rise to misunderstandings and open the door to more than was intended.

During an all-night sitting on Oct. 13-14 a procedural deadlock arose as the Assembly refused to grant priority to any of the six resolutions submitted. M. Faure then announced that the Government would regard the acceptance of a motion sponsored by M. Gaborit (Radical), which had been refused priority, as a question of confidence.

This resolution, after reaffirming that "Algeria constitutes a group of French *départements*" and that all French citizens resident in Algeria enjoyed the same rights and were subject to the same duties, irrespective of origin or religion, called upon the Government to take firm measures for the restoration of order, whilst avoiding collective reprisals; to submit to Parliament and the Algerian Assembly proposals for the full and speedy application of the 1947 Statute, and for agrarian reforms, to take steps to raise the living standards of the Algerian population; and, in particular, to raise wages and social security benefits by gradual stages to the same level as in France. The Government was also asked to take all necessary measures against foreign countries or groups conducting subversive propaganda in Algeria; to revise the clauses of the 1947 Statute relating to the political, legislative, administrative, and financial system, in collaboration with the Algerian Assembly, in order to "integrate Algeria still more closely with the French Republic, whilst respecting its personality and originality", and to place no obstacles in the way of the expression of "loyal and constructive" opposition.

The vote on the motion of confidence (the first under the new rule forbidding proxy voting on such a motion) was taken on Oct. 18 and resulted in a Government majority of 308 votes to 254, with 20 abstentions. The majority of the M.R.P., Radicals, U.D.S.R., Overseas Independents, Independent Republicans, Independent *Paysans*, *Paysans*, and A.R.S. voted for the Government, whilst the Communists, Socialists, and the majority of the Gaullists voted against.

The distribution of votes was as follows: For—85 M R P., 71 Radicals, 43 Independent Republicans, 27 Dissident Gaullists (A.R.S.), 19 Independent *Paysans*, 14 *Paysans*, 14 Gaullists, 14 U.D.S R, 14 Overseas Independents, and 7 *non-inscrits*. Against—100 Socialists, 91 Communists and *Progressistes*, 39 Gaullists, 6 Independent Republicans, 4 each Independent *Paysans* and *Paysans*, 2 each U.D S.R and Dissident Gaullists, 1 M.R.P., and 3 *non-inscrits*. Abstentions—9 Gaullists, 4 U.D.S.R., 3 *non-inscrits*, 2 Independent Gaullists, 1 *Progressiste*, and 1 Independent *Paysan*.

Advanced Date for General Elections. - Proposals for Electoral Reform. - Parliamentary Debates.

On Oct. 21 the Cabinet approved a proposal by M. Faure that the date of the next general election should be advanced from June 1956 to the first half of December. At a press conference on the same day, M. Faure said that the Government had decided in favour of early elections because it was necessary to take "important and grave decisions affecting national life for a long time ahead" on such questions as Algeria, Morocco, the structure of the French Union, France's position in the United Nations, and relations between East and West. These decisions called for a continuity of policy which must not be at the mercy of a change of parliamentary majority following elections; the present Assembly was at the end of its mandate, and if elections were not held before June 1956 the first half of that year would be largely wasted. The Government, he stated, would not itself put forward any proposals for changes in the electoral law, but the Assembly would be free to do so if it wished.

The Government's Bill, consisting of a single clause terminating the Assembly's mandate on Jan. 2, 1956, was placed before the Assembly on Oct. 25. On the same day, however, M. Faure agreed that two *interpellations* on Government policy should be debated before the Bill. The first of these, which had been sponsored by M. Pineau (Socialist), asked "what measures the Government intends to propose to Parliament to pay for military expenses in North Africa, in view of the already considerable deficit in the State budget"; the other, sponsored by M. Duclos (Communist), called for details of the "unpopular measures" which the Government envisaged that the new Assembly would have to introduce.

Opening the debate on the *interpellations* on Oct 26, **M. Pineau** contended that the budget deficit for the current year totalled 978,000,000,000 francs, and in 1956 would rise to 1,222,000,000,000 fr. **M. Pflimlin** (the Finance Minister) replied that the figure for the current year was actually 875,000,000,000 fr., he maintained that the financial situation was healthy, that production and exports were rising, and that real wages had increased by 21.6 per cent since 1952 In the ensuing debate a number of deputies, on both the right and the left, strongly criticized the Government's foreign and North African policy, citing in particular the result of the referendum in the Saar, El Glaoui's announcement of his support for Sultan Mohammed Ben Youssef, and the anti-French policy of M. Ngo Dinh-Diem in South Vietnam. On a procedural vote, the Assembly gave priority to M. Pineau's motion of no-confidence in the Government by 289 votes to 286; those supporting the motion, in addition to the Socialists and Communists, included M Mendès-France and nine other Radicals, and 60 of the 69 Gaullists When M Pineau's motion was put to the vote on Oct. 28, however, it was rejected by 271 votes to 259, M. Mendès-France's group again voting against the Government.

The Government's proposal to advance the date of general elections led to a prolonged controversy on the reform of the electoral system, which continued in the two Chambers from Oct. 30 to Nov. 17 without any final decision being reached. This controversy arose from the fact that, although a majority in both Chambers was opposed to the system adopted in 1951 (see 11502 A), no alternative system could command a majority in the Assembly. The law of 1951, which provides for a modified form of proportional representation with *apparentements* (electoral alliances between parties), was adopted with the object of weakening the Communists and Gaullists in the elections of that year. This aim was achieved, as alliances between the Socialists, Radicals, M.R.P., and right-wing "moderates" enabled these groups, with only 50 per cent of the votes cast for them individually, to win 63 per cent of the seats in the Assembly, whereas the Communists and Gaullists, with 26 and 23 per cent of the votes respectively, gained only 16 and 19 per cent of the seats. This system, however, was generally recognized to be unpopular in the country, as it was regarded as being unfair or too complicated; moreover, it had failed in practice to produce a coherent majority. Among the political parties, support for the 1951 system was strongest on the right, whilst the Communists and M.R.P., both of which enjoy considerable minority support in many *départements*, favoured the use of some form of proportional representation. The Radical Party, on the other hand, decided on Nov. 5 in favour of a return to the pre-war system of single-member constituencies (*scrutin d'arrondissement*) with two ballots, a similar decision being subsequently taken by the Socialists.

The Assembly's Universal Suffrage Commission decided on Oct. 29, by 22 votes (Communists, Socialists, and M.R.P.) to 19 (Radicals, U.D.S.R., and "moderates") to recommend a system of strict proportional representation, whereby "unspent" votes were distributed on a national basis. [This system had been approved in April 1946 by the Constituent Assembly in the first draft Constitution, which, however, was rejected at a referendum in the following July.] During the debate in the Assembly, which opened on Oct. 30 and concluded on Nov. 3, the Government's Bill in favour of early elections was adopted, but none of the 12 proposals for electoral reforms which were put forward by various deputies succeeded in obtaining a majority. After rejecting by 441 votes to 77 a proposal by M. Caillavet (a member of the Radical group supporting M. Mendès-France) that the debate on the date of the election should be

suspended until a new electoral law had been agreed upon, the Assembly voted against the following proposed systems, which had been put forward as amendments to the Commission's resolution :

(1) Single-member constituencies with one ballot (*scrutin d'arrondissement à un tour*), as in the British system. Proposed by **M. Bruyneel** (Ind *Paysan*) and rejected by 330 votes to 183.

(2) Single-member constituencies with two ballots (*scrutin d'arrondissement à deux tours*), proposed by **M. Bénard** (U.D S R). Under this system, which was that generally used under the Third Republic, an absolute majority is necessary for election on the first ballot and a relative majority for election on the second. It was rejected by 320 votes to 266, the Radicals and Socialists voting in favour and the Communists, the M.R P., and the majority of the "moderates" against

(3) Voting for a list of candidates by simple majority with one ballot (*scrutin de liste majoritaire départemental à un tour*), proposed by **M. Hugues** (Radical) The party list obtaining an absolute majority of votes would win all the seats for the *département*, whilst if no party received such a majority the seats would be distributed by proportional representation. Rejected by 329 votes to 284.

(4) Voting for a list of candidates by simple majority with two ballots (*scrutin plurinominal majoritaire départemental à deux tours*), proposed by **M. Dronne** (Gaullist) The candidates with an absolute majority would be returned at the first ballot, and the remaining seats would go to the candidates receiving the highest vote on the second ballot Rejected by 320 votes to 259.

(5) Voting for a single candidate on a proportional representation basis with one ballot (*scrutin uninominal proportionnel départemental à un tour*), proposed by **M. Denais** (Independent) Candidates would stand as individuals but would be allowed to form alliances with other candidates, the seats being distributed by proportional representation. Rejected by 395 votes to 125.

(6) Single-member constituencies with one ballot and electoral alliances (*scrutin d'arrondissement à un tour avec apparentement*), proposed by **M. Boisdé** (Dissident Gaullist). Candidates might issue a "previous declaration of unity," and the one obtaining most votes (cast for him personally or for candidates allied with him) would be elected. Rejected by 399 votes to 111.

(7) Voting for a list of candidates with two ballots (*scrutin de liste départmental à deux tours*), proposed by **M. Barrachin** (Dissident Gaullist) On the first ballot any list obtaining an absolute majority would be elected. If a second ballot was necessary, lists might be withdrawn or form alliances, and any list obtaining 60 per cent of the votes would secure all the seats, which otherwise would be distributed by proportional representation. Rejected by 328 votes to 263

(8) Single or double-member constituencies with two ballots (*scrutin d'arrondissement*), proposed by **MM. Caillavet** and **Baylet** (Radicals). Constituencies would be so redrawn that the number of deputies returned by each *département* would remain as at present, with certain large constituencies returning two members Rejected by 302 votes to 285.

(9) Election by majority vote with two ballots (*scrutin départemental majoritaire à deux tours*), proposed by **M. Olmi** (Ind. *Paysan*). Candidates might stand as individuals or on a complete or incomplete list. An absolute majority would be necessary for election on the first ballot, and a relative majority on the second Rejected by 323 votes to 243

(10) Multi-member constituencies with one ballot (*scrutin départemental à un tour*), proposed by **M. Delachenal** (Ind. *Paysan*). Candidates would stand as individuals, but might form alliances. Those obtaining an absolute majority would be elected, or, in the absence of an absolute majority, those with the highest average vote. Rejected by 304 votes to 197.

(11) The single-list system (*liste unique comportant toutes les candidatures*), proposed by **M. Defos du Rau** (M.R P.). A single list of individual candidates would be drawn up, on which the voter would leave only the number of names corresponding to the number of seats to be filled. Rejected by 407 votes to 119.

After all the amendments had been rejected, **M. Faure** stated on Nov. 1 that the Government regarded proportional representation as an "admissible" system, but not in the form recommended by the Commission. He therefore proposed that the Assembly should vote on the first section of the Commission's resolution, which read: "The deputies for metropolitan France are elected by party lists on a single ballot with proportional representation." This motion was adopted by 265 votes to 239, with the Socialist deputies abstaining.

M. Faure then announced the Government's support for a modified form of proportional representation under which the electoral law of 1951 would remain in force, except that the system of *apparentements* would be abolished. This proposal, however, was defeated by 459 votes to 145. Immediately after the vote the Prime Minister pointed out that the Assembly had rejected all the electoral systems submitted to it except the Commission's proposals for unrestricted proportional representation, which, he maintained, were unworkable. The Government would therefore ask for a vote of confidence on its Bill to end the Assembly's mandate, and, once this vote of confidence had been given, the debate on electoral reform could be resumed.

The debate on the Government's Bill was opened on Nov 2 by **M. Daladier** (Radical), who stated that he would vote against the Government as a protest against "snap elections and proportional representation with or without *apparentements*" He alleged that the Government wished to prevent a normal election campaign which would enable the deputies "to explain certain problems to the electors" **M. Mendés-France** (Radical) asserted that a vote of confidence meant that elections would be held under the law of 1951, and defended the *scrutin d'arrondissement* on the grounds that it was the most popular system and made for close contact between deputies and electors **M. Duclos** (Communist), whilst emphasizing that the Communists had no confidence in the Government, said that they would vote for the Bill because they believed that the sooner elections were held, the better. **M. Le Bail** (Socialist) accused the Government of calling for elections in order to conceal its lack of a policy, and expressed strong support for the *scrutin d'arrondissement*

M. Faure, in reply, reiterated his argument that very important problems must be solved soon, and that if elections were not held until June 1956 it would cause a gap of several months It was necessary to place the issues before the electorate, but not to spend time on explaining problems which should be devoted to solving them. What was important, he stressed, was to allow the formation of a new Assembly and of a stable Government.

The Government's Bill was adopted in the early hours of Nov. 3 by 330 votes to 211. The Government was supported by 92 Communists and *Progressistes*, 32 Radicals, six U.D.S.R., 78 M.R.P., 12 Overseas Independents, five Gaullists, 43 Independent Republicans, 20 Independent *Paysans*, 10 *Paysans*, 29 Dissident Gaullists, and three *non-inscrits*. The opposition comprised 92 Socialists, 31 Radicals, 12 U.D.S.R., three M.R.P., 47 Gaullists, five Independent Republicans, five Independent *Paysans*, seven *Paysans*, two Dissident Gaullists, and seven *non-inscrits*. One Radical, one U D.S.R., three M.R.P., two Independent Republicans, six Gaullists, and one *non-inscrit* abstained.

The Council of the Republic, after an all-night debate, adopted the Government's Bill on Nov. 9 by 225 votes to 60, with the addition of a clause providing for the elections to be held in single-member constituencies with two ballots (*scrutin d'arrondissement à deux tours*) ; the majority of the opposing votes were cast by the M.R.P. and the Communists. The Bill then went back to the National Assembly, whose Universal Suffrage Commission, however, rejected the Council's text by 25 votes to 18 and decided in favour of the system of proportional representation laid down in the law of 1951, but without *apparentements*. The Commission's report was debated on Nov. 9-10 by the Assembly, which rejected the *scrutin d'arrondissement* by a majority of only five votes, as well as four other amendments. The rejected proposals were as follows :

(1) Single-member constituencies with two ballots. Proposed by **M. Naegelen** (Socialist) and rejected by 298 votes to 293

(2) Voting for a list of candidates with two ballots Proposed by **M. Barrachin** and rejected by 358 votes to 131

(3) Voting for a list of candidates with two ballots and "declarations of unity," proposed by **M. Hugues** (Radical). This proposal meant that before the first ballot "declarations of unity" between party lists might be issued. If a list obtained an absolute majority on the first ballot it would be elected If there was a second ballot, any single list with an absolute majority would win all the seats ; if no single list received such a majority, a "united list" with an absolute majority would win all the seats, if no "united list" received an absolute majority, the seats would be divided by proportional representation Rejected by 383 votes to 223.

(4) Single-member constituencies and the division of "unspent" votes by proportional representation on a national basis. Proposed by **M. Denis** (*non-inscrit*) and rejected by a show of hands.

(5) Proportional representation with *apparentements*, in accordance with the law of 1951. Proposed by **M. Bergasse** (Dissident Gaullist) and rejected by 370 votes to 240.

On behalf of the Socialists, **M. Minjoz** then proposed a return to the system of proportional representation laid down in the electoral law of 1946. **M. Faure** thereupon intervened to announce the Government's support for the Commission's report, as against M. Minjoz's proposal, and stated that he would make the issue one of confidence.

In this form the Government's Bill was adopted by the Assembly on Nov. 12 by 285 votes to 247. The Communists supported the Bill after M. Duclos had reaffirmed that, although they had no confidence in the Government, they favoured early elections, whilst the majority of the Radicals (M. Faure's own party) voted with the Opposition.

Those supporting the Bill consisted of 94 Communists and *Progressistes*, 25 Radicals, two U.D.S.R., 83 M.R.P., 10 Overseas Independents, 22 Independent Republicans, six Independent *Paysans*, nine *Paysans*, 27 Dissident Gaullists, four Gaullists, and three *non-inscrits*. The opposition comprised 94 Socialists, 12 U.D.S.R., one Overseas Independent, 38 Radicals, two M.R.P., 15 Independent Republicans, 15 Independent *Paysans*, nine *Paysans*, three Dissident Gaullists, 51 Gaullists, and seven *non-inscrits*. Six Radicals, three U.D.S.R., 12 Independent Republicans, four Independent *Paysans*, one Dissident Gaullist, one Gaullist, and one *non-inscrit* abstained.

The Council of the Republic, to which the Bill had been remitted in its revised form, again reinstated on Nov. 15 (by 233 votes to 50) its amendment in favour of the *scrutin d'arrondissement* with two ballots (except in the Seine *département*, where proportional representation would remain in force). As amended by the Council, the Bill also provided (*a*) that each *département* should be divided into single-member constituencies, the number of which would be equal to the number of deputies returned under the existing electoral law; (*b*) that the Government's proposals for the re-delimitation of constituencies should be submitted to Parliament for ratification within 12 days of the promulgation of the Act; and (*c*) that the Assembly's mandate should expire on the seventh Tuesday after the ratification of these proposals.

On Nov. 17 the Assembly decided, by 311 votes to 286, to take the Council of the Republic's text into consideration; the vote in favour of the *scrutin d'arrondissement*, which the Assembly had previously rejected, was explained by the fact that the majority of the Gaullists voted in its favour for the first time. The Universal Suffrage Commission subsequently decided, at the suggestion of M. Moisan (M.R.P.), to refuse to discuss the Bill further until the Government had submitted detailed proposals for the re-delimitation of constituencies on the basis of the 1954 census. When this resolution was placed before the Assembly later the same day, M. Faure appealed for a clear decision for or against the *scrutin d'arrondissement*; M. Moisan, however, maintained that the delimitation of constituencies was the key to the electoral system, and that many deputies' attitude towards the *scrutin d'arrondissement* would depend on how it was carried out. The Commission's resolution was then carried by 334 votes to 265, the Communists, M.R.P., and Gaullists voting for it, and the Socialists, Radicals, and U.D.S.R. opposing; the members of the Government also voted against the resolution, whilst the "moderates" were divided.

The Assembly had previously begun a debate on Nov. 15 on a Bill dealing with electoral registration, postal voting, and elections in Algeria, and had adopted, against the Government's advice, two amendments to the Universal Suffrage Commission's text which made voting compulsory under penalty of a fine, and which enabled persons who were prevented by heavy snow from voting in person to vote by post. The Assembly rejected the Government's proposal that the elections in Algeria should take place on the same day as in France, except in districts where conditions were too disturbed to permit it, and on Nov. 17 adopted the Commission's text, which provided that they should be held on the fifth Sunday after the ending of the state of emergency, and that the present deputies for Algeria should retain their mandates until new elections were held.

In view of the Assembly's decision of Nov. 17, the Cabinet decided on Nov. 23 to submit to the Assembly two alternative schemes for the delimitation of constituencies, which had been prepared by the Ministry of the Interior after consultation with the local authorities. One of these schemes, in accordance with the Council of the Republic's vote of Nov. 15, divided the *départements* into constituencies but left each *département* with the same number of deputies as before; the other, following the Assembly's instructions of Nov. 17, re-divided the seats between the *départements* on a basis of one deputy for every 75,000 inhabitants. Under the second scheme, which was based on the results of the 1954 census, the Seine *département* (i.e. the Paris area) would gain 10 deputies; 17 other *départements* (mostly in the industrial areas of the North and East) would gain from one to five deputies; 37 *départements* (mostly in the rural areas of the Centre and South) would lose one or two deputies; and 33 would retain the same representation as hitherto.

The Assembly's Universal Suffrage Commission decided on Nov. 25 to postpone consideration of the new constituency boundaries, whilst the *conférence des présidents* (the committee of party leaders which decides on the Assembly's agenda) voted on the same day to devote Nov. 29 to the discussion of a number of hostile *interpellations* on the Government's general policy, rather than to a debate on the elections as M. Faure had requested. The Cabinet, however, decided to introduce a new Bill under which the Assembly's mandate would expire on the seventh Sunday after the promulgation of a new electoral law; if no such law had been voted by Dec. 31, however, the Assembly's mandate would automatically expire on Feb. 16, 1956. When the Assembly met later in the day M. Faure announced that he would demand priority for the new Bill and would regard the question as one of confidence.

The vote on the motion of confidence (i.e. on the Government's demand that its new Bill should be given priority) was taken on Nov. 29, and resulted in the defeat of the Government by an absolute majority.

M. Ladurie (*Paysan*) declared that his group, although supporting early elections, would vote against the Government because (he alleged) the electoral issue was being used by the Government to prevent the Assembly from discussing international affairs, in which France had recently suffered a number of setbacks, and North African policy. **M. Barrachin** (A.R.S.) asserted that the Assembly's failure to pass an electoral law had been due to the fact that the Government was itself too divided to have a policy on the subject. **M. Mitterand** (U.D.S.R.) accused the Prime Minister of trying to prevent the Assembly from discussing its general policy, of attempting to discredit the Assembly in the eyes of the country, and of secretly wishing to hold elections under the law of 1951. **M. Depreux** (Socialist) alleged that M. Faure wished, "like the English Conservatives, to avoid having to reveal to the electors a disturbing economic and financial situation with a probable deficit of 1,000,000,000,000 francs for 1956"; he also accused M. Faure of "discrediting parliamentary institutions by spreading the insinuation that those who voted against the Government were afraid to face the electorate." **M. Duclos** declared that the Communists would vote against the Government as they did not wish to give implicit approval to a policy which they considered contrary to the national interest. He appealed to the Socialists to co-operate with the Communists in the forthcoming elections to ensure a left-wing victory. **General de Monsabert** (Gaullist) violently denounced the Government's policy in North Africa, and especially in Morocco.

M. Faure, replying to the debate, rejected the allegations that the Government was trying to "paralyse" the Assembly's debates on general policies. He recalled that the Government had already agreed to two full-scale debates on Morocco and Algeria before putting forward its proposals for early elections. Since then it had accepted M. Pineau's *interpellation* of Oct. 26, had left Parliament free to choose an electoral system, and had drawn up the proposals for delimitation of constituencies which it had been asked for.

The Assembly had approved the Government's North African policy, as well as its economic and financial policy, and should therefore now agree on a date for ending its mandate, after which it could decide on the agenda for the remainder of the session.

The motion of confidence was rejected by 318 votes (six more than the required absolute majority of 312) to 218, with 20 abstentions.

Those voting against the Government comprised 92 Communists and *Progressistes*, 97 Socialists, 34 Radicals, eight U.D.S.R., one M.R.P., one Overseas Independent, 51 Gaullists, 12 Independent Republicans, four Independent *Paysans*, seven *Paysans*, five dissident Gaullists, and six *non-inscrits*. The Government was supported by 31 Radicals, six U.D.S.R., 75 M.R.P., eight Overseas Independents, 34 Independent Republicans, 21 Independent *Paysans*, 10 *Paysans*, 25 dissident Gaullists, 3 Gaullists, and five *non-inscrits*. Three Radicals, two U.D.S.R., four M.R.P., three Gaullists, four Independent Republicans two *Paysans*, and two Dissident Gaullists abstained from voting.

Dissolution of National Assembly.

After prolonged discussions under the chairmanship of President Coty, the Cabinet decided on Nov. 30 to dissolve the Assembly and to hold general elections. This decision—which was strongly supported by the M.R.P. and "moderate" members of the Government, but was opposed by six of the eight Radical Ministers—was in accordance with Article 51 of the Constitution, which lays down that if the Government is defeated twice in 18 months by an absolute majority on a vote of confidence or a vote of censure, the Council of Ministers may order a dissolution after consulting the President of the Assembly. [M. Mendès-France's Government was defeated on a vote of confidence on Feb. 5 by 319 votes to 273.] The dissolution was the first in French history since 1877, when the French Parliament was dissolved by President MacMahon shortly after the foundation of the Third Republic.

Radical and Socialist Opposition to Dissolution. - M. Faure expelled from Radical Party.

The Cabinet's decision brought to a head the crisis which had divided the Radical Party since the fall of M. Mendès-France and his supersession as Premier by M. Faure, both leading members of the party. Five of the six Radical Ministers who had opposed the dissolution of Parliament rendered their resignation to the Prime Minister on Dec. 1: M. Bourgès-Maunoury (Interior), M. Berthoin (Education), M. Morice (Industry and Commerce), M. Gilbert-Jules (State Secretary for Finance), and M. Laforest (State Secretary for Defence). At a meeting of the bureau of the Radical Party held on the same day and presided over by M. Herriot, 19 members voted to expel M. Faure from the party for "persistent indiscipline"; six of the bureau's members recommended that M. Faure should only be reprimanded, whilst two opposed his expulsion.

A statement issued after the meeting accused M. Faure of conducting "manoeuvres to bring about a snap election with an obscure and unpopular electoral system, in defiance of decisions of the party congress and of repeated appeals by M. Herriot and a majority of the Radical deputies." M. Faure, who had attended the first part of the meeting, was reported to have said that he had always considered himself to be "on leave from the party" since he had accepted the Premiership; he was also said to have pointed out that he had

done everything in his power to bring about a change in the electoral system to the *scrutin d'arrondissement*—i.e., the electoral system advocated by the Radicals Commenting later on the bureau's decision to expel him, M. Faure declared that it was an unwarranted and unprecedented procedure to expel a Prime Minister because a decision taken by his Government had not been approved by his party. He added that he would appeal against the decision.

Shortly before the announcement of the Assembly's dissolution on Nov. 30, the Government's intention to follow this course had been denounced in a joint statement issued by M. Herriot, M. Mendès-France, and M. Queuille (all former Radical Prime Ministers), as well as by the chairmen of the Radical, Socialist, and U.D.S.R. parliamentary groups (respectively MM. Tony Révillon, Depreux, and Secrétaire), M. François Mitterrand (national president of the U.D.S.R.), and M. Chaban-Delmas (president of the Gaullist group). In their statement they said that, though dissolution of the Assembly might conform to the letter of the Constitution, it "violated its spirit" and constituted a "manoeuvre which tried to utilize the Constitution for the obvious purpose of preventing any electoral reform as desired by the great majority of Frenchmen."

The executive committee of the Socialist Party issued a statement on Dec. 1 strongly condemning the Government's action in dissolving the National Assembly "without having obtained parliamentary approval for the reform of the electoral system."

The Socialist parliamentary party also decided on Dec. 1 to demand an immediate meeting of the Assembly to discuss the abolition of the system of *apparentements*. This demand was supported by the Radical group, and a meeting of the bureau of the Assembly was fixed for the afternoon of Dec. 2 to consider it. In order to prevent the Assembly from meeting, however, the Government published during the morning of Dec. 2 the decree dissolving the Assembly, which it had not immediately promulgated in order to avoid having to hold elections on Christmas Day (i.e. the last Sunday within the 30-day time-limit provided for under Article 52 of the Constitution).

The Ministry of the Interior announced on Dec. 3 that the elections would take place on Jan. 2, 1956; that the elections would be conducted on the basis of electoral lists to be completed by Dec. 10; and that parties wishing to form electoral alliances under the law of 1951 would be required to complete the necessary formalities by midnight on Dec. 10.

After consultations with President Coty, M. Faure informed the five Radical Ministers who had tendered their resignation that he could not accept it under the Constitution, since Article 52 provided that the Cabinet "continues to function" pending the meeting of the new Assembly, and as its composition was therefore unchangeable. The Ministers in question would thus be expected to attend to current business in their Ministries, but would be considered as "prevented" from attending Cabinet meetings, though having the right to participate in such meetings whenever they wanted to prevent measures from being taken to which they were opposed. It was announced at the same time that M. Faure himself would take over *ad interim* those functions of the Ministry of the Interior which concerned the consequences of the Assembly's dissolution —i.e., the elections and Algerian affairs.

Postponement of Elections in Algeria.

Although it was announced on Dec. 3 that elections in Algeria would take place on Jan. 2, simultaneously with those in Metropolitan France, the Government subsequently decided on Dec. 10 to reverse this decision and to postpone the elections in Algeria.

M. Faure explained in a press statement that the decision to postpone elections in Algeria was due to the following reasons: (1) it was considered that *force majeure* (i.e., the present troubled state of Algeria) was legally a sufficient reason to postpone the elections "for a while, though not indefinitely"; (2) the Algerian Assembly had adopted a resolution on Dec. 8, by 67 votes to 10, demanding that elections should not be held in Algeria at the present time; (3) the creation of the new *département* of Bône required a revised delimitation of constituencies which had not yet been carried out, but would start immediately.

It was pointed out in the French Press that the dissolution of the National Assembly automatically terminated the state of emergency in Algeria, in accordance with Article 4 of the Law of April 8, 1951, which contained an express provision to that effect. In consequence, all measures taken under the state of emergency would automatically be annulled, except that military tribunals would continue to deal with crimes or offences which had been referred to them previously. (Le Monde, Paris - Le Figaro, Paris) **(Prev. rep. Electoral Reform (1951), 11502 A; Algeria, 14431 A; Morocco, 14528 A; 14473 A; Cabinet, 14069 A.)**

A. GREECE - TURKEY. — Turkish "Moral Reparation" for Anti-Greek Riots in Izmir.

Two ceremonies intended to make "moral reparation" for the anti-Greek riots in Izmir (Smyrna) on Sept. 6 took place in that city on Oct. 24. During the riots the Greek Consulate had been burned down and Greek officers attached to the South-Eastern European Command of NATO had been attacked and insulted.

At the first ceremony of "moral reparation" the Greek flag was hoisted over the new Greek Consulate building by the Turkish Minister of Communications (who represents Izmir in the Turkish Grand National Assembly), with full military honours The ceremony was attended by the Greek Ambassador in Ankara, representatives of Turkish civil and military authorities, and the Consuls of NATO member-countries

At the second ceremony, later the same day, there was a joint meeting of Greek and Turkish officers at which apologies were tendered to the Greek officers for the insults made to their uniform Turkish and Greek Army units also attended the hoisting of the Greek flag on the Turkish Officers' Club, to demonstrate "the Turkish Army's regard for the Greek Army and officers"

Deep regret for the incidents of Sept. 6, and an expression of Turkey's desire to continue the ties of friendship developed with Greece, had earlier been expressed by M. Menderes (the Turkish Prime Minister) in a statement to the Grand National Assembly on Sept. 12. In the course of his speech M. Menderes emphasized that Turkey had always considered that a Greco-Turkish alliance was a guarantee of the mutual existence of both countries, and that Turkey's views in this respect remained unchanged.

Turkish-Greek negotiations on the question of material reparations to those Greeks who had suffered damage or injury during the anti-Greek riots in Istanbul commenced in October.

A mission of friendship sponsored by the World Council of Churches left Geneva on Nov. 6 to pay a week's visit to the Christian Churches in Turkey. It was stated that about three-quarters of the Greek Orthodox churches in Istanbul had been either destroyed by fire in the disturbances of Sept. 6 or were so badly damaged as to be unusable. The total material damage was conservatively estimated by the World Council of Churches at $150,000,000.—(Times - Daily Telegraph - Le Monde, Paris - Turkish Embassy, London) **(14424 A.)**

B. UNITED KINGDOM. — Torquay By-election.

The Torquay by-election, caused by the death of Mr. Charles Williams (Conservative), was held on Dec. 15 with the following result:

Bennett, F. M. (Conservative)	20,964
Hamling, William (Labour)	10,383
Bessell, P. J. (Liberal)	9,775
No change. Conservative majority ..	10,581

Figures at the general election were: C. Williams (C.) 29,777, R Briscoe (Lab.) 12,547, P J. Bessell (L.) 7,012—Conservative majority 17,230.

The Conservative candidate received 50.9 per cent of the votes in the by-election, the Labour candidate 25 3 per cent, and the Liberal candidate 23 8 per cent, compared with respective percentages of 60.4, 25.4, and 14.2 at the general election. The Conservative proportion of the poll thus fell by 9.5 per cent and the Labour proportion by 0.1 per cent, whilst the Liberal proportion increased by 9.6 per cent.

62.6 per cent of the electorate voted in the by-election, compared with 75.5 per cent at the general election. The electorate numbered 65,702, compared with 65,353 at the general election.

Mr. Frederic Bennett (37), a barrister, represented Reading North from 1951 until the general election last May, when he narrowly failed to secure election for the reorganized Reading constituency.

Mr. Charles Williams (69), who died on Oct. 28, had represented Torquay since 1924, and was previously member for Tavistock (1918-22). He was Parliamentary Secretary to the Ministry of Agriculture in 1921-22, and served as Deputy Chairman of Ways and Means in 1943 and Chairman and Deputy Speaker in 1945. He became a Privy Councillor in 1952. (Times) **(Prev. rep. By-elections, 14570 C.)**

C. CANADA.—Construction of Bridge between Nova Scotia and Cape Breton Island.

A bridge across the Canso Strait, separating Nova Scotia and Cape Breton Island, was formally opened on Aug. 13 by Mr. C. D. Howe, the Federal Minister of Trade and Commerce. The bridge, completed at a cost of $28,000,000 (Can.), owed its inception to the late Mr. Angus Macdonald, Premier of Nova Scotia, and will provide a direct link between the coal-mining areas of Cape Breton and the industrial region around Halifax, Nova Scotia. (Montreal Star)

A. UNITED KINGDOM. — Mr. Attlee's Resignation from Labour Party Leadership. - Mr. Gaitskell elected Leader of Labour Party. - Mr. Morrison's Resignation from Deputy Leadership. - Earldom conferred on Mr. Attlee. - Lord Alexander of Hillsborough elected Leader of Labour Peers.

Mr. Clement R. Attlee (72) resigned on Dec. 7 from the leadership of the Parliamentary Labour Party, which he had held for 20 years. It was announced by the Prime Minister on the same day that the Queen had approved the conferment of an earldom on Mr. Attlee.

Mr. Attlee's decision to resign the party leadership had been announced by him earlier in the day at a meeting of the Parliamentary Labour Party. On the proposal of Mr. Herbert Morrison, seconded by Mr. Tom Williams, the meeting unanimously adopted a resolution placing on record "its high appreciation of the services rendered by the Right Hon. C. R. Attlee over many years both as leader of the party, Prime Minister in the Labour Governments of 1945-51 and to the wider movement outside and the country as a whole."

Clement Richard Attlee was born in 1883 at Putney (London), the son of a solicitor, and was educated at Haileybury and University College, Oxford. He was called to the Bar in 1909, did much social work in the East End of London, and was secretary of Toynbee Hall before the First World War He was also a lecturer in Social Science at the London School of Economics in 1912-13 During the war he served as an infantry officer at Gallipoli, in Mesopotamia (where he was wounded), and on the Western front, ending his service with the rank of major

In 1919 Mr Attlee became the first Labour mayor of Stepney, and in 1922 entered the House of Commons as Member for Limehouse After a period as deputy leader he was elected leader of the Parliamentary Labour Party in 1935 in succession to Mr George Lansbury, holding that post uninterruptedly until his retirement. In 1940 he entered Sir (then Mr.) Winston Churchill's Coalition Government, and played an important part in the direction of the nation's war effort as Deputy Prime Minister and member of the War Cabinet He became Prime Minister in 1945, when the Labour Party came to power with a large overall majority, and remained Premier after the 1950 election, when the Labour majority was reduced to six After Labour's defeat in the election of October, 1951, he became Leader of the Opposition. Since 1950 he had been M P for Walthamstow West, following the abolition of his former Limehouse constituency.

Tributes to Mr. Attlee were paid in the House of Commons on Dec. 8 by the Prime Minister, the leader of the Liberal Party (Mr. Clement Davies), and Mr. Herbert Morrison, who replied on behalf of the Labour Party.

Sir Anthony Eden expressed "the personal regret which Members in all parts of the House sincerely feel at the departure of Mr Attlee from our midst" He continued: "Mr Attlee, in the 33 years he sat here, never made a personal enemy, and I know how many sincere attachments for his gifts were made and felt by us on this side Thirty-three years is a long span in the life of anyone, and Mr Attlee in that period was sometimes on these benches and sometimes on those; sometimes with many companions, sometimes with few That is the lot of political life we all endure But however that fell out, at all times he was a good House of Commons man, and his translation to another place [i.e. the House of Lords] can never really change that For nearly five years I sat with Mr Attlee in the War Cabinet. Times were more often stern than smooth, and although this is not a day for obituary, there were three qualities of the right hon. gentleman which come to my mind from those years—his courage, his patience, and his tenacity. We like to feel that in another place health will be given him for many years to come to continue to serve his party and the nation."

Mr. Clement Davies recalled that he had known Mr. Attlee as a friend for a quarter of a century, and added: "In his partnership with Sir Winston Churchill during the war his loyal devotion to duty and his sound judgment won the respect of all He, together with Sir Winston Churchill, made history.... His outstanding quality was integrity, coupled with great modesty and a complete and unremitting devotion to duty"

[On the previous day the Liberal leader had issued the following statement: "Not only his party, but the nation, and indeed the Commonwealth, are heavily indebted to Clement Attlee. For over 20 years he has borne the heavy burden of leadership. He is in the proud position of being able to say that he was Prime Minister when the great building containing the welfare society of which we are all proud was completed.... It will be a permanent memorial to him."]

Mr. Morrison, on behalf of the Opposition, thanked the Government and the Liberal Party for their tributes to Mr. Attlee. "So far as the official Opposition are concerned," he added, "we owe him a special debt for the services rendered to us over a long period of 20 years, and a number of years before that. The House will agree that he not only served his party, but the country and the world, to the best of his ability.... We shall remember with respect and pride the association of all of us, in all quarters, with the man who served Parliament with great distinction and ability."

Tributes were also paid to Mr. Attlee by many Commonwealth statesmen, among them the Prime Minister of Australia (Mr. Menzies), who described Mr. Attlee as "a great Englishman, a man of singular political skill and high integrity" who deserved well of the whole British people, the Prime Minister of New Zealand (Mr. Holland), who invited Mr. and Mrs. Attlee to visit the Dominion; and the Prime Minister of Ceylon (Sir John Kotelawala), who said that "Mr. Attlee set the seal of statesmanship on British policy in Asia when his Government had the foresight to grant complete independence to Burma, India, Pakistan, and Ceylon."

Three nominations were received on Dec. 8 for the vacant leadership of the Parliamentary Labour Party—those of Mr. Herbert Morrison (67), the Deputy Leader of the party; Mr. Hugh Gaitskell (49); and Mr. Aneurin Bevan (58).

It was made known after a meeting of the Parliamentary Labour Party on Dec 8 that Mr. Bevan had offered to withdraw his nomination in order to secure the unopposed return of Mr. Morrison, if Mr Gaitskell did the same The following statement was issued by Mr Bevan: "I have been approached by Mr. D. R Grenfell, Mr. L Hale, Mr D T. Jones, Mr. C W Key, Sir Frederick Messer, Mr. W Monslow, Mr W. T Paling, Mr E Shinwell, Mr R. R. Stokes, and Mr S P Viant, who have suggested to me that it is desirable in the interests of the Labour Party to avoid a contest for the leadership of the party They have asked whether, if other nominees withdrew, I would also withdraw in order to give an unopposed return to Mr Herbert Morrison. I have informed them that I should certainly be willing to fall in with their suggestion"

Mr. Gaitskell, however, declined to withdraw his candidature and issued the following statement "A number of my colleagues have been good enough to nominate me They have made it plain to me that they would greatly regret it if I were to withdraw I propose to allow my name to stand I have the highest regard for Mr Morrison, but I think the party should have the opportunity of choosing"

[The leader of the Parliamentary Labour Party is elected by the Labour Members of Parliament, who numbered 274 at the time of Mr Attlee's resignation Under party rules, the successful candidate must obtain an absolute majority over all other candidates (i e the votes cast for him must exceed the combined totals of the other candidates) Should an absolute majority not be forthcoming, the candidate with the lowest number of votes drops out, and a new ballot is held until an absolute majority is obtained]

Balloting was completed on Dec. 14, when Mr. Gaitskell was elected leader of the Parliamentary Labour Party in succession to Mr. Attlee, having obtained an absolute majority of votes on the first ballot. The total number of votes cast was 267, the result being as follows

Mr. Hugh Gaitskell	157
Mr. Aneurin Bevan	70
Mr. Herbert Morrison	40

Mr. Gaitskell thus became leader of the Labour Party, and concurrently Leader of the Opposition, at the age of 49.

Born in 1906, Hugh Gaitskell was educated at Winchester and New College, Oxford, taking first-class honours in philosophy, politics, and economics After unsuccessfully contesting Chatham in 1935, he later became head of the Department of Political Economy at University College, London, and Reader in Political Economy in the University of London. He was seconded to the Civil Service after the outbreak of war, and in 1940 was appointed principal private secretary to Dr. Dalton, then Minister of Economic Warfare in Mr. Churchill's Coalition Government. In 1942 he became Principal Assistant Secretary at the Board of Trade when Dr. Dalton became President of that department, retaining the post until the end of the war In the general election of 1945 he was returned for Leeds South with a majority of over 10,000. He became Parliamentary Secretary to the Ministry of Fuel and Power in 1946, and in the following year succeeded Mr. Shinwell as Minister of Fuel and Power.

Following the general election of 1950 Mr. Gaitskell was appointed Minister of State for Economic Affairs, a position of considerable importance in view of the seriousness of the economic situation at the time. In that capacity he frequently deputised for the then Chancellor of the Exchequer (the late Sir Stafford Cripps), who was already suffering from ill-health. After Sir Stafford's resignation in October, 1950, Mr. Gaitskell succeeded him as Chancellor of the Exchequer at the age of 44—the youngest Chancellor since the appointment of Mr. (later Sir) Austen Chamberlain in 1903 He introduced one Budget, which involved a number of taxation increases and which was severely criticized by the Conservative Party.

After the defeat of the Labour Government in 1951 Mr. Gaitskell continued to deal with financial and economic matters from the Opposition front bench. During the subsequent "Bevanite" controversy within the party he strongly supported the official party leadership, voting for the expulsion of Mr. Bevan from the National Executive Committee. With the support of many trade unions, he was elected Treasurer of the Labour Party in 1954 in succession to the late Mr. Arthur Greenwood, obtaining a big majority over Mr. Bevan. At the last party conference in October (see 14515 A) he was re-elected to the party treasurership with a still bigger majority.

After Mr. Gaitskell's election, Mr. Morrison formally tendered his resignation as deputy leader of the Labour Party—a decision which meant that he would no longer be a member either of the Opposition "Shadow Cabinet" or of the party's National Executive Committee. It was agreed that the election of the new deputy leader should be deferred until after the Christmas recess, and that the filling of the vacant seat in the

"Shadow Cabinet" resulting from Mr. Gaitskell's election as party leader should be similarly deferred. A statement was issued by the Parliamentary Labour Party accepting Mr. Morrison's resignation "with regret," and recording the party's "great appreciation of the services rendered by him over so many years."

Addressing the Parliamentary Labour Party after his election, Mr. Gaitskell expressed his thanks to his colleagues and paid the following tribute to Mr. Morrison's work for the Labour movement:

"He has served the party and the country in the most devoted manner for well over 30 years. He has been in many ways the main architect of the party's policy in home affairs as it has developed over this period. He has played the major part in building up the party organization, particularly in the period before and immediately after the war. His work on the L.C.C. and in the London Labour Party set everybody an extraordinarily fine example. We shall miss very much his wise counsel and his great experience, just as we shall miss those qualities in Mr. Attlee."

Mr. Attlee's title was gazetted on Dec. 16 as Viscount Prestwood, of Walthamstow in the County of Essex, and Earl Attlee. The title was taken from the name of the Buckinghamshire village where Mr. and Mrs. Attlee live, and from Mr. Attlee's constituency.

Viscount Alexander of Hillsborough was elected Leader of the Labour peers on Nov. 16 in succession to Earl Jowitt, who had retired on grounds of age. Lord Alexander (who is 70, the same age as Lord Jowitt) represented the Hillsborough division of Sheffield (as Mr. A. V. Alexander) from 1922-31 and 1935-40, and was prominently associated with the co-operative movement. He was First Lord of the Admiralty throughout the Second World War, and held the same position in 1929-31 under Mr. Ramsay Macdonald and in 1945-46 under Mr. Attlee. (Times - Daily Herald - Manchester Guardian) **(Prev. rep. Labour Party, 14515 A; Mr. Attlee, Election to Party Leadership, 1823 B.)**

A BRAZIL. — Failure of Senhor Café Filho's Attempt to resume Presidency. - State of Siege. - Completion of President Nereu Ramos's Cabinet.

Senhor Café Filho, who had taken indefinite leave from the presidency on Nov. 8 after suffering a heart attack, announced on Nov. 21 that he had recovered his health and would resume office. His decision, however, was strongly opposed by those groups who, with the support of the Army, had deposed his successor, Senhor Coimbra da Luz, and had secured the election of Senhor Nereu Ramos as acting President. The opposition to Senhor Café Filho's return arose from the belief that he belonged to those groups who were against Senhor Kubitschek and Senhor Goulart taking office in January 1956 as the new President and Vice-President.

As soon as Senhor Café Filho's intention was made known, troops were called out and surrounded the Presidential palace, the Chamber of Deputies, the War Ministry, and Senhor Café Filho's private residence, whilst guards were mounted at other strategic positions in Rio de Janeiro. The Chamber of Deputies, at a special session, voted on Nov. 22 (by 179 votes to 94) to disqualify him from office and to confirm Senhor Nereu Ramos as acting President, this decision being endorsed by the Senate on the same day by 35 votes to 16. Senhor Café Filho himself, who insisted that he was still constitutionally President and who refused to resign, was placed under house arrest.

At the request of the Army leaders, and in order to prevent Senhor Café Filho's friends from taking action to reinstate him as President, a Bill imposing a state of siege for 30 days was passed by Congress on Nov. 24, the voting being 178 to 91 in the Chamber of Deputies and 35 to 15 in the Senate. The state of siege—a modified form of martial law—provides for press and radio censorship and for the suspension of a number of civil liberties, including *habeas corpus*.

The Cabinet of President Nereu Ramos (see 14580 A) was completed on Nov. 25 with the following appointments: Agriculture—Senhor Eduardo Catalão; Transport—Senhor Lucas Lopes; Public Health—Senhor Mário Pinnotti; Education—Senhor Abiguar Renault. Senhor Mario Brandt took office on Nov. 17 as the new president of the Bank of Brazil.—(Times - Le Monde, Paris - New York Herald Tribune) **(Prev. rep. Brazil, 14530 A.)**

B. NETHERLANDS. — Foreign Service.

It was announced in The Hague during September that the Netherlands Legations in Luxemburg, Chile, Colombia, Egypt, Peru, Greece, and Turkey would be raised to the status of Embassies. (Netherlands News Agency)

C. YUGOSLAVIA-UNITED KINGDOM.—M. Kardelj's Visit to London. - Discussions with British Ministers.

M. Edvard Kardelj, senior Vice-President of the Yugoslav Federal Executive Council, visited London from Nov. 14-20 at the invitation of the British Government. During his stay he had talks on the international situation and on matters of common concern with Sir Anthony Eden, Mr. Macmillan (the Foreign Secretary), and Mr. Butler (the Chancellor of the Exchequer). He met other members of the British Government, was received in audience by H.M. the Queen, and visited the Atomic Energy Establishment at Harwell. M. Kardelj's visit was a continuation of the series of personal contacts between British and Yugoslav leaders, the last such occasion having been President Tito's visit to London in March 1953.

The following statement was issued by the Foreign Office on Nov. 19:

"The full and very cordial discussions which Mr. Kardelj has had with H.M. Ministers have confirmed the extent to which both countries share the same basic aims in the conduct of their foreign relations. They have shown that the U.K. and Yugoslavia attach the same importance to the maintenance of the independence of sovereign States, the reduction of international tension, and the achievement of lasting peace and genuine co-operation between all nations. The points of view of both Governments on the methods of pursuing such common aims have been freely discussed. The conversations have been most valuable and have shown a wide measure of agreement and understanding between the two Governments.

"Mr. Kardelj's visit has served to confirm the sincere friendship existing between the U.K. and Yugoslavia, and the happy state of their relations. H.M. Government and the Yugoslav Government are determined to maintain and develop their collaboration through frequent consultations and in all other appropriate ways. Both Governments are convinced that in this way they will together be able to make an important contribution to the solution of world problems."

It was authoritatively stated that M. Kardelj's conversations with the British Ministers on the international situation had dealt principally with developments after the Geneva Conference of Foreign Ministers, and that M. Kardelj had also discussed new arrangements for the repayment of the British loans to Yugoslavia, totalling £17,000,000.—(Times - Manchester Guardian - Daily Telegraph - Tanjug Agency, Belgrade) **(Prev. rep. 14358 A; U.K. Aid to Yugoslavia, 14162 A.)**

D. PAKISTAN. — Formation of West Pakistan. - Amendment Bill.

The Pakistani Constituent Assembly passed a Bill on Nov. 9 amending the Establishment of West Pakistan Act in certain respects. The principal changes made by the Bill were as follows:

Bahawalpur. The electoral college to choose the 23 Bahawalpur representatives in the Interim Legislature of West Pakistan would not be the District Boards (as laid down in the original Act) but the State Legislative Assembly. It was explained that this Assembly had only been suspended in November 1954 and not dissolved, as had been originally reported (see 13893 A) and as had also been assumed when drafting the West Pakistan Establishment Act. Under the Amendment Bill the members of the State Legislative Assembly were grouped in three district electoral colleges. Bahawalpur (electing nine members, including one woman), Bahawalnagar, and Rahimyarkhan (electing seven members each).

Karachi Federal Area. The electoral college was divided into two, viz., the elected councillors of the Municipal Corporation of Karachi, who would choose 13 representatives to the Interim Legislature (including one non-Moslem and one woman), and the elected members of the Cantonment Boards of Karachi, Drigh Road, Malir, and Manora, who would jointly elect one member.

West Pakistan High Court. The Amendment Bill laid down that the Court would have jurisdiction over the whole of West Pakistan except the special areas, which, as defined by the Act itself, comprise the Tribal Areas of Baluchistan, the Punjab, and the North-West Frontier, and the States of Amb, Chitral, Dir and Swat.

The Amendment Bill was piloted through the Assembly by Mr. Chundrigar (Minister for Law) and Sardar Amir Azam Khan (Minister for Parliamentary Affairs), and was subsequently signed by the Governor-General.—(Pakistan High Commissioner's Office, London) **(Prev. rep. 14521 A.)**

E. IRISH REPUBLIC. — Transport Board Report.

The annual report of *Coras Iompair Eireann* (the Irish Transport Board) for the year ended March 31, 1955, published on Nov. 29, showed a loss of £866,535, compared with a loss of £1,021,069 in 1953-54. This increased the Board's indebtedness to the Central Fund to £2,526,000.

In addition to road passenger and freight services, including the Dublin buses, C.I.E. runs the railways in the Irish Republic. It was stated in the report that the number of diesel rail-car units in service had been increased by 20 to 67.
(Irish Times, Dublin) **(Prev. rep. 13585 A.)**

A. BURMA. — Premier U Nu's World Tour.

The Prime Minister of Burma, U Nu, made two extensive tours of foreign countries during the spring and autumn of 1955. In the first of these tours (May 28 - June 23) he visited in succession Israel, Yugoslavia, Britain, the U.S.A., and Japan, whilst on his second tour (Oct. 17 - Nov. 16) he visited the Soviet Union (after brief visits to India and Afghanistan), Finland, Sweden, Norway, Denmark, and Poland. The itinerary for the first tour was also to have included Egypt, but U Nu's projected visit to that country was cancelled in view of the Arab States' objections to his visit to Israel, which he refused to abandon in spite of Arab pressure.

Summaries of U Nu's visits to Israel, Yugoslavia, Britain, the U.S.A., and the Soviet Union are brought below.

Israel. During his eight-day visit (May 29 - June 6), the first to be paid to Israel by the Prime Minister of a foreign country, U Nu had conversations in Jerusalem with Mr Sharett (then Prime Minister of Israel) and other Israeli Ministers, called upon President Ben-Zvi, attended a State banquet given in his honour, and laid wreaths on the tombs of Dr Theodore Herzl, the "father" of Zionism, and Dr Chaim Weizmann, the first President of Israel He also visited Tel-Aviv (where he received the Freedom of the city) and Haifa, as well as agricultural settlements, land reclamation projects, industrial enterprises, schools, and religious institutions

Speaking at a reception before leaving Israel, U Nu thanked the Israeli people for "the extraordinary warmth of the welcome extended to me everywhere in your hospitable country" He expressed particular interest in the work of the *Kibbutzim* (the agricultural settlements in which Israeli farmers hold all land, property, and equipment in common), and announced that he would study "this unique experiment" with a view to encouraging it in Burma

A joint communiqué was issued by U Nu and Mr. Sharett which declared (1) that the Burmese Premier's visit had "reaffirmed the friendly relations so happily existing between the two countries", (2) that the "close and friendly" ties between Israel and Burma "will serve the interests of peace and brotherhood between the nations of Asia and elsewhere", (3) the willingness of the two countries to pool their efforts for their mutual economic, social and cultural advancement, and (4) the dedication of the two countries "to the principles of the U.N. Charter and the ideals of peace, progress, democratic freedom, and social justice"

U Nu held a press conference before leaving for Yugoslavia in which he gave the following message to the people of Israel "Perhaps as an outsider I should avoid making observations, but as a friend I should like to offer a few remarks If firm foundations are to be laid for the new State of Israel, strengthen your faith as much as possible The people of Israel belong to one of the most ancient races of mankind, but in the long course of history they have been subjected to a series of persecutions In spite of these persecutions, the Jews have now recovered their old land and are building their own way of life Adverse circumstances in the past were enough to make you extinct as a race It seems to me that the main reason for your brave refusal to become extinct is your faith in the spiritual values and ideals of Judaism, which has sustained you throughout the ages and should continue to instil in you a new spirit of service to your land."

U Nu disclosed that he had had "intimate talks about economic relations" with Mr. Sharett, details of which would be announced later. He emphasized that Burma was friendly towards the Arab States as well as towards Israel.

Yugoslavia. During a 10-day visit to Yugoslavia (June 6-16) U Nu had discussions with President Tito on Brioni Island, paid visits to Belgrade, Zagreb, Skoplje, and other cities, and inspected a number of factories, farms, hydro-electric projects, etc At the end of the visit a joint communiqué was issued by U Nu and President Tito stating that their discussions had taken place "in a very cordial and friendly atmosphere of complete mutual understanding and identity of views" It continued

"The important events that have recently taken place in the international sphere clearly indicate that tension in the world is continuing to decrease, and that the possibilities for the preservation and consolidation of peace are becoming broader and more definite. Burma and Yugoslavia have made their contribution to such a state of affairs by their consistently peaceful policy. This fully confirms the correctness of the principles on which the foreign policy of the Union of Burma and the Federal Peoples' Republic of Yugoslavia rest, as expressed in the joint statement issued by President Tito and Premier U Nu in Rangoon on Jan. 17, 1955 (see 14040 A)

"It was noted . . . that the policy of active co-existence is gaining increasing support as the only sure way to achieve permanent peace and develop international co-operation The two Governments reaffirm their determination to continue their efforts towards the fullest possible application of the policy of co-existence; to support the settlement of all international problems by negotiation and agreement, in the first place through the United Nations; and to work for the establishment of peaceful relations among nations on a basis of equality.

"Consideration was also given to the further advancement of mutual relations in the economic and mutual fields. Special significance was attached to the development and extension of economic co-operation between the two countries, as an exceptionally important element in the consolidation of friendship and co-operation between them."

The communiqué went on to announce that President Tito and U Nu had signed a protocol on economic co-operation between Burma and Yugoslavia, with the following provisions:

(1) "Competent agencies and organizations" of the two countries would consult each other and take mutually agreed steps towards increasing the exchange of goods

(2) The two countries would conclude a five-year agreement under which Yugoslavia would purchase 50,000 tons of rice a year from Burma "and such other commodities as may be agreed upon," whilst Burma would purchase capital and consumer goods from Yugoslavia.

(3) The two Governments would also conclude agreements on long-term economic co-operation with the aim of "jointly promoting development in industry, the utilization of sources of power and natural resources, and other sectors of the economy."

(4) In addition, Burma and Yugoslavia would conclude a technical co-operation agreement covering such matters as the training of experts for work in each other's countries, the exchange of patents, technological documentation, etc, and the exchange of technological experience

(5) Joint Burmese-Yugoslav Chambers of Commerce would be set up in Belgrade and Rangoon

It was stated that the above-mentioned agreements would be signed by the end of 1955

Great Britain. During his visit to Britain (June 16-23) U Nu was received in audience at Buckingham Palace by H M the Queen, had discussions on international affairs with Sir Anthony Eden at 10, Downing Street, called upon Mr Attlee at the House of Commons and Sir Winston Churchill at the latter's London residence, and was the guest of honour at a banquet given by H M Government In the course of a two-day visit to Scotland he visited the Clydeside shipyards, the new town of East Kilbride, and the Pitlochry hydro-electric scheme in the Highlands, and was given a civic reception by the Lord Provost and Corporation of Glasgow. Before leaving Britain, U Nu presented to the Burma Star Association, through Admiral of the Fleet Earl Mountbatten (the First Sea Lord, formerly Allied Supreme Commander in South-East Asia), a cheque for £1,500 for the benefit of veterans of the 14th Army who fought in Burma

United States. At the invitation of President Eisenhower, U Nu spent three days in Washington (June 29 - July 1) and during his stay had discussions on international affairs with the President and Mr. Dulles. The following joint statement was issued by President Eisenhower and U Nu:

". . The Prime Minister (U Nu), the President, and the Secretary of State reviewed problems of peace and security in Asia They had a frank discussion of the complex economic problems arising from the existence of substantial surpluses of exportable rice both in Burma—one of the world's leading rice-producing countries—and in the United States . The problem of imprisoned American fliers in Communist China was also reviewed. . . .

"There is a wide area of agreement and a traditional friendship between Burma and the U.S A., resting upon certain noble concepts to which both countries subscribe The U S A and Burma share two fundamental goals—a peaceful world and a democratic way of life . . Both countries are deeply concerned with a subject that is predominant in the minds of all responsible world leaders today—the problem of achieving peace with justice, a peace based upon the liberty of human beings and the security of nations. Such a peace can best be achieved by loyal support for the U.N. Charter. . .

"The Prime Minister, the President, and the Secretary of State deplored the conditions which force the peoples of the world to divert their energies from a single-minded effort to improve and expand those cultural and economic opportunities by which men can raise the levels of their existence They renewed their own determination to uphold the principles of the U.N. in its unceasing effort to save mankind from the scourge of future war"

While in Washington, U Nu gave an address to the National Press Club in which he emphasized that Burma's policy of neutralism was "not a negative policy towards world affairs" but a "positive policy of seeking peace and friendship with all countries; of actively seeking to discover, through negotiation, compromise, and accommodation, some acceptable basis on which the peace of the world can be secured" He declared that Burma would join no military blocs or groupings, that she was determined to maintain her independence, and that she relied on the United Nations for protection against any aggression from without. Stressing that the Burmese people preferred their own way of life to any other, he declared . "We do not claim that our way of life is better than that of other people We merely say that it suits us better. We therefore cannot be induced to give it up in exchange for some other way of life—be it the Communist way, the West European way, the American way, or any other way." In reply to a question, U Nu said that Burma was ready to offer her services as mediator in the Formosa dispute if asked to do so by the U S A. and the People's Republic of China.

During his tour of the U.S A, U Nu attended a civic reception given in his honour in New York, lectured to New York University on Buddhism, and visited the Detroit industrial area, the Middle West, the South-West, and California

Soviet Union. During his visit to the U.S.S.R. later in the year (Oct. 20 - Nov 3) U Nu had discussions with Marshal Bulganin and other leaders of the Soviet Government, called upon President Voroshilov, and toured various parts of the country. Speaking on Oct. 22 in the Kremlin, at a State banquet given in his honour, U Nu spoke of the benefits to Burma accruing from the recent Burmese-Soviet trade agreement (see 14408 A), and announced that Soviet technicians and architects would be engaged for various Burmese projects, including the building in Rangoon of a big conference hall for international conferences, and a stadium to hold 100,000 people. On foreign affairs, U Nu reiterated his support for the co-existence of countries with differing political and social

systems, and suggested that the Soviet Government should attend future meetings of the "Bandung countries."

A joint communique was issued by Marshal Bulganin and U Nu on Nov. 3 containing the following points

(1) The Soviet and Burmese Prime Ministers "unanimously condemn the policy of creating blocs, and agree that a policy of non-participation in blocs guarantees security for the peoples and plays a positive part in establishing world peace"

(2) The Soviet Union and Burma would base their mutual relations on the "Five Principles" (*Panch Sila*) agreed upon by Marshal Bulganin and Mr. Nehru during the latter's visit to Moscow (see 14372 A), viz—non-aggression, non-interference in internal affairs; peaceful co-existence, co-operation based on equality and mutual economic benefit; and respect for each other's sovereignty and territorial integrity

(3) Both Premiers welcomed the recent easing of international tension as expressed in such developments as the ending of the Korean and Indo-Chinese wars, the normalization of Soviet-Yugoslav relations, the success of the Bandung Conference of Afro-Asian nations, Mr Nehru's visit to the Soviet Union, and the "summit" conference at Geneva

(4) Both countries were agreed that special attention should be paid to the "problems of Asia and the Far East," including Formosa, and that the Chinese People's Republic should be seated in the U N.

(5) The two Prime Ministers called for the unconditional prohibition of nuclear and thermo-nuclear weapons, substantial reductions in conventional armaments, and "effective control" of disarmament

Before leaving Moscow, U Nu held a press conference in which he pointed out that the Soviet Union was the first of the great Powers to accept Burmese rice supplies in exchange for technical aid He added that Burma was trying to negotiate similar terms with other countries, including Britain and the U.S.A

During U Nu's visit to Warsaw (Nov. 11) it was announced that the Polish and Burmese Governments had agreed to exchange diplomatic missions headed by Ministers Plenipotentiary.—(Burma Weekly Bulletin, Rangoon) **(Prev. rep. U Nu, Visits to China, North Vietnam, Cambodia, 14037 A.)**

A. UNITED KINGDOM. — Wholesale and Retail Prices. - Movements in Third Quarter of 1955.

The movements of wholesale and retail prices in the third quarter of 1955 are shown below:

Wholesale Prices (1930 = 100).	July	August	September
Intermediate products	376 4	382 3	380 4*
Iron and steel	379.0	393 1*	394 3*
Food and tobacco	312.9	305 3	305 2*
All items	342 4	342.5*	342.7*
Retail Prices (Jan. 15, 1952 = 100).†			
Food	125.6	122 4	123 6
Rent and rates	115.0	115.2	115 4
Clothing	96 3	96 4	96 4
Fuel and light	113 0	119.2	120 9
Household durable goods	95.8	95 9	96 4
Miscellaneous goods	101 5	101.5	102.3
Services	115 5	115 7	116.6
Alcoholic drink	102 8	102.8	103.0
Tobacco	100.7	100 7	100 7
All items	113.3	112.5	113.2
All items (June 1947 = 100)	150.1	149.1	150.0

* Provisional † On July 12, Aug. 16, and Sept. 13 respectively

The six-point rise in the fuel and light index in August resulted from the increase of about 18 per cent in the pithead prices of coal (which came into operation on July 18—see 14428 A), together with increased gas prices in many areas.

The Board of Trade Basic Materials index in the third quarter (June 30, 1949 = 100) was 153.8 in July, 156.4 in August, and 155.8 in September.—(Board of Trade Journal - Ministry of Labour Gazette) **(Prev. rep. 14373 A.)**

B. UNITED STATES. — Further New England Floods.

Further severe floods, the second in two months, occurred in the States of Connecticut, New Jersey, New York, Pennsylvania, Rhode Island, and Massachusetts as a result of torrential rain on Oct. 14-16. Southern Connecticut was again the worst-hit area, the towns of Winsted, Naugatuck, Westport, Ansonia, Danbury, Seymour, Norwalk, Stamford, and Westbury —all of which had suffered extensive flood damage in August—again being severely affected. In the stricken area as a whole 48 people lost their lives, 6,900 families were evacuated, and tens of millions of dollars worth of damage done. The Army Corps of Engineers reported on Oct. 17 that 50 per cent of the restoration work completed since August had been destroyed in the new floods.

A final report on the August floods, published on Oct. 30 by the Business and Defence Services Administration of the Department of Commerce, stated that 179 people had lost their lives, 6,992 were injured, and 813 homes were destroyed. The total damage was estimated at $457,674,044.
(New York Times - New York Herald Tribune) **(14456 A.)**

C. NORWAY - SOVIET UNION. — Hr. Gerhardsen's Visit to Moscow. - Soviet-Norwegian Trade Pact.

The Norwegian Prime Minister, Hr. Einar Gerhardsen, arrived in Moscow on Nov 10 for a 12-day State visit to the Soviet Union, being accompanied by Hr. Arne Skaug, the Norwegian Minister of Commerce. During his stay in the Soviet capital he had discussions with Marshal Bulganin, Mr. Mikoyan, and other Soviet leaders.

A joint communiqué issued on Nov 15 stated that the Soviet - Norwegian discussions had covered both questions of direct interest to both countries and international problems, and that in the latter respect there had been "an identity of views on a series of problems now being discussed by the United Nations." The Norwegian Prime Minister had given an assurance that Norway would "not contribute towards a policy which had aggressive aims, and that she would not grant bases on Norwegian territory to foreign forces as long as she was not attacked or threatened with attack." The communiqué added that both countries would co-operate towards a general relaxation of world tension; would develop trade and cultural relations, would continue talks at diplomatic levels on questions relating to the Soviet-Norwegian frontier, and on the use of the Pasvik River (which runs along the frontier) for the generation of electric power, and would take steps to widen Soviet-Norwegian exchanges in science, industry, culture, and sport.

It was also announced that a three-year trade agreement had been initialled between Norway and the U.S.S.R., together with a protocol covering trade exchanges in 1956.

The three-year agreement provided for annual Norwegian exports to the U S.S R aggregating 130,000,000 kroner ($18,300,000) and for Soviet exports to Norway totalling 120,000,000 kroner, the difference being accounted for by Norway's current trade debt to the Soviet Union of about 40,000,000 kroner Norway would export to the Soviet Union chiefly salt herrings and hard fats, as well as tinned fish and cellulose wool, in exchange for Soviet deliveries of bread grains, feeding-stuffs, minerals, and motor-cars

Hr. Gerhardsen said in a press statement on Nov. 15 that the Soviet leaders had given "satisfactory" answers to his questions with regard to a number of Norwegians detained in the Soviet Union. He had been informed that six of these persons had died, four had been released some time ago (though apparently no news had been received from them in Norway), and one was serving a 15-year sentence for "crimes against the Soviet people." The last-named case would be reviewed by the Soviet authorities, who had promised to "do what they could" towards a reprieve. After leaving Moscow Hr. Gerhardsen visited Stalingrad, Volzhsky (a new town adjoining the site of the new hydro-electric station on the Volga, near Stalingrad), Tiflis, and Leningrad, returning to Oslo on Nov. 22.

In a press statement on his return to Oslo, Hr. Gerhardsen pointed out that in his discussions on Norwegian membership of NATO he had merely reiterated Norway's undertaking not to permit foreign military bases on her soil unless she was attacked or felt herself threatened, and that he had used exactly the same words as had been contained in a Note sent to the Soviet Union in 1949 (see 9841 A). Nothing he had said, therefore, implied any change in Norway's policy towards NATO.—(Aftenposten, Oslo - Soviet Weekly - Times - Manchester Guardian - New York Times) **(Prev. rep. 12777 A.)**

D. AUSTRIA. — Retention of Austrian Prisoners by Soviet Union and "Satellite" Countries.

It was reported from Vienna on Nov. 17 that the Austrian Government had informed the National Council (the Lower House of Parliament) that, in spite of the official Soviet claim to have released all Austrian P.O.W.s and civilian prisoners, 421 of the latter were still detained in the Soviet Union, including a considerable number of Austrians whose detention in Siberia had only recently been ascertained through information supplied by returned prisoners. In addition, 59 Austrian nationals were still being detained in the "satellite" countries, principally in Czechoslovakia. All these persons had "disappeared" from Austria during the Soviet occupation.
(Neue Zürcher Zeitung) **(Prev. rep. 14561 A.)**

E. NEW ZEALAND. — Uranium Discovery.

It was announced in Wellington on Nov. 10 that two prospectors had discovered uranium in the Buller Gorge area of South Island, near the small mining township of Berlins some 20 miles from the coast. Although first reports about the quality of the ore and the extent of the find were encouraging, a report to the Government on Nov. 23 by the Director of the Geological Survey said that on present evidence the lode which had been discovered was "not of commercial significance." It nevertheless gave "a valuable lead" as to places in which to search, as some 25 miles of carbonaceous shale beds in the district had registered a low content of uranium and offered scope for careful prospecting.
(Directorate of Information Services, Wellington)

A. UNITED KINGDOM.—Civil Service. - Report and Recommendations of Royal Commission on Pay and Conditions of Employment.

The Royal Commission appointed by the Chancellor of the Exchequer in July 1953 to review pay and conditions of employment in the Civil Service published its report on Nov. 17. The principal changes recommended by the Commission involved (1) pay increases estimated to cost £11,000,000 yearly; (2) the abolition of regular overtime and extra duty allowances, which at present cost about £20,000,000 a year; (3) shorter holidays. The report and recommendations of the Royal Commission, which sat under the chairmanship of Sir Raymond Priestley, are summarized below.

Civil Service Pay.

The report defined the end to be served in determining Civil Service pay scales as "the maintenance of a Civil Service recognized as efficient, and staffed by members whose remuneration and conditions of employment are thought fair both by themselves and by the community they serve." The primary principle should be "fair comparison with current remuneration of outside staffs employed on broadly comparable work, taking account of differences in other conditions of service." A subsidiary principle, to be borne in mind when fixing rates in detail, was "internal relativity" (i.e. the relationship between grades within the service), but this should never be allowed to override the primary principle.

The Commission suggested that the Treasury and the Civil Service associations should from time to time agree upon "an appropriate selection of organizations which employ staff on broadly comparable work and whose rates of pay and other conditions should be taken into account in determining Civil Service pay." The field of selection should include public, semi-public, and private employment, as well as (for some classes and grades) the universities, the teaching world, and professional practice. "Fact-finding" about pay and conditions in the selected organizations should be "a continuous and detailed study by qualified and experienced staffs."

Proposed New Rates. Meanwhile, the Commission proposed the following new rates for the various grades (shown with existing rates, excluding overtime, and present rates plus overtime for comparison):

	Present pay excluding overtime or extra duty allowance	Present pay including overtime or extra duty allowance	Proposed pay
	£	£	£
ADMINISTRATIVE CLASS (London)			
Permanent Secretary	4,500	—	6,000
Deputy Secretary	3,250	—	4,250
Under Secretary	2,600	—	3,250
Assistant Secretary	1,700-2,200	—	2,000-2,600
Principal	1,245-1,595	1,344-1,620	1,300-1,850
EXECUTIVE CLASS			
Senior executive officer			
London	1,125-1,325	1,215,1,431	1,220-1,450
Provincial	1,077-1,257	1,109-1,295	1,140-1,370
Executive officer			
London	312-870	346-940	340-950
Provincial	306-830	315-855	325-900
CLERICAL CLASS			
Clerical officer			
London	195-625	214-685	225-650
Provincial	186-595	193-618	210-610
SCIENTIFIC OFFICER CLASS			
Principal scientific officer			
London	1,245-1,595	1,344-1,620	1,300-1,850
Provincial	1,185-1,567	1,220-1,567	1,220-1,750
Scientific officer			
London	514-925	555-999	575-1,000
Provincial	489-885	504-911	535-950
WORKS GROUP OF PROFESSIONAL CLASSES			
Senior grade			
London	1,470-1,595	1,588-1,620	1,600-1,850
Provincial	1,390-1,571	1,432-1,571	1,500-1,750
Main grade			
London	1,095-1,415	1,183-1,528	1,150-1,550
Provincial	1,055-1,335	1,087-1,375	1,090-1,450
MEDICAL OFFICERS CLASS (London)			
Senior medical officer	2,200	—	2,600
Medical officer	1,595-2,100	1,620-2,100	1,650-2,250

The Royal Commission's findings on the system of "provincial differentiation" (i.e. the system of paying higher rates in London than in the provinces), and on the remuneration of the higher (administrative) and specialist grades of Civil Servants, were as follows:

Pay Differentials between London and Provinces. Arguments in favour of some sort of "provincial differentiation" were conclusive, and the Commission was unable to recommend acceptance of the proposal, put forward by the staff associations, that the London scale of pay should become a national rate. It believed, however, that a national rate, with additions for London and possibly for other high-cost areas, would be preferable to the present system of provincial differentiation, and recommended that negotiations for a change on these lines should be initiated as soon as possible. The Commission also suggested that the adequacy of transfer grants (paid to Civil Servants transferred to other districts) should be examined.

Remuneration of Higher Civil Servants. In determining the remuneration of higher Civil Servants, regard should be had to (1) salaries in industry (both private and nationalized), commerce, and finance; (2) comparison with other public services (e.g. senior posts with local authorities), (3) "the level of remuneration which would be considered reasonable in the light of tradition and convention for the most senior Civil Servants." Account should also be taken of the absence of benefits in kind, such as were enjoyed by comparable staffs outside the Service.

The Commission was satisfied that "a case exists for an increase in the remuneration of the higher Civil Service." Having regard to "the general level of remuneration in industry, commerce, and finance in other areas of public and semi-public employment, and in the professions," it considered that "the salary of a Permanent Secretary should be £6,000 and that of the Permanent Secretary to the Treasury £7,000, an increase of £2,000." In respect of the higher Civil Service generally, it proposed that the range should be £2,000 - £6,000, which it considered would "provide sufficient room in the middle ranks of the service to allow for a proper structure with rates of pay commensurate with those obtaining in outside employment." It should also lead to "rewards which are fair both to the individuals concerned and to the community in general," and should result in a pay structure which would "assist the Civil Service to recruit and retain the number of staff which it requires for the administrative class, including a small proportion each year of really outstanding candidates."

The Commission also recommended the appointment by the Prime Minister (after informal consultations with staff interests) of "a committee of five persons, chosen to reflect a cross-section of informed opinion in the country, with the function of exercising a general oversight of the remuneration of the higher Civil Service." The staff associations should have no right of direct access to the committee, but, in cases where it had proved impossible to reach agreement on any major matter by negotiation, a staff association should be entitled to ask the Treasury to invite the committee to intervene.

The Specialist Classes. Recommending revised rates of pay for certain specialist classes, including scientific officers, the report stressed that the efficient organization and proper staffing of the Government scientific, professional, and technical services would not be achieved by forcing their pay structure into a mould intended for staffs employed on work which was for the most part different in nature and content. The Commission considered that—particularly in the scientific field—the content and quality of the work would justify larger numbers of higher posts, without departing from normal Civil Service practice in the matter of grading specialist work. They therefore stressed the need of as much flexibility as possible to ensure that the Civil Service did not lag behind outside employment in improving the attractions and rewards of a scientific or professional career.

Other Conditions of Service.

Working Hours. The Commission recommended that working hours per fortnight should be 84 gross and 74 net in London, and 88 gross and 78 net elsewhere. The report explained that these hours seemed to the Commission "not unreasonable having regard to outside practice," and that in making its decisions the Commission had been influenced by the difference in the time and stresses of travel in inner London and the country generally.

Mealtime intervals should be 60 minutes in London and elsewhere for lunch, and tea at desks where possible, or otherwise "unofficial" tea breaks of 5-10 minutes.

Annual Leave Allowances. The report stressed that the present leave allowances in the Civil Service were "much more generous than those found in comparable employment outside the service," whilst the pre-war figure of 48 days was even more so. Although recognizing that the present trend in Britain was towards longer holidays, and that alterations in leave and arrangement of hours tended to create administrative problems, the Commission considered that it would be "failing in its duty" if it did not recommend some steps in the direction of greater conformity with outside practice. It therefore proposed the following allowances, related to a 10½-day working fortnight (see below):

Staff on scales with maxima up to and including that of clerical officer.	16 days, after 10 years, 19 days.
Staff on scales with maxima above that of clerical officer up to and including that of senior executive officer.	19 days; after 10 years on 19, 23 days; after 10 years on 23, 27 days; after 10 years on 27, 32 days.
Staff on scales with maxima above that of senior executive officer up to and including that of assistant secretary.	27 days; after 10 years on 27, 32 days.
Staff on scales with maxima above that of assistant secretary.	32 days.

Any Saturday taken as leave outside a period of a fortnight's leave should count as a half-day only, subject to a limit of 12 half-days a year.

The Five-Day Week. The Commission also recommended that the five-day week should be introduced as widely as possible in two stages, the first being the introduction of a 10½-day fortnight, wherever practicable. It suggested that staffs who might frequently have to work on Saturdays should be given compensation in the form of an alternative half-day or shorter hours.

As regards the cost of its proposals, the Commission pointed out that, taken in isolation, the abolition of regular overtime and extra duty allowances would involve a financial saving, whereas the proposed new rates of pay would involve additional cost. It added: "There is, however, a third element in the calculation—namely, the cost of such additional manpower as might be required if our recommendations were brought into operation. We have been unable to obtain or form any estimate on this exceedingly important point. We think it wiser, therefore, not to suggest any figure for the net cost of our recommendations."—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Royal Commission, 13308 C.)**

A. CANADA. — Defence Production Act. - Three-year Extension of Special Powers.

The Canadian House of Commons gave a second reading on July 11 to a Government Bill extending the Defence Production Act beyond July 31, 1956, when it would otherwise have expired. The second reading was given after a 10-day debate (starting on June 7) during which the Progressive Conservatives (the principal Opposition party) strongly opposed the Government's original proposal that the special powers under the Act should be extended indefinitely. Eventually, after a "filibuster" by Opposition speakers, and after repeated appeals by C.C.F. and Social Credit leaders for a compromise solution, Mr. St. Laurent (the Prime Minister) and Mr. Drew (Leader of the Opposition) reached an agreement under which the nine sections of the Act conferring special powers upon the Government would be extended for three years only—i.e., until July 31, 1959. The other sections of the Act, dealing with the setting-up of the Defence Production Department to administer the Government's defence procurement programme, were extended indefinitely, thus making the Department a permanent institution.

The special powers extended for three years enable the Minister of Production, *inter alia*, to compel manufacturers and suppliers to accept defence contracts, to requisition supplies, to appoint controllers to operate defence industries, to allocate essential defence materials, and to fix their maximum prices Among the sections made permanent was one empowering the Minister to acquire or manufacture defence supplies and to do anything he deemed necessary to carry out that purpose.

The House also adopted a second amendment to the Bill, moved by the Government, to provide for parliamentary control of any Orders made under the Act, and laying down that all such Orders would be tabled in both Houses as soon as possible after they were made. After such Orders had been tabled any 10 members could sign a petition for their repeal or amendment, thereby forcing a debate within four days.

In its revised form the Bill was passed unanimously through all its remaining stages.

A statement issued by Mr. C. D. Howe (Minister of Defence Production) on Dec. 27, 1954, showed that Federal expenditure on arms and equipment during 1954 amounted to about Can. $1,000,000,000, a decrease of about Can. $174,000,000 from the post-war spending peak of 1953.—(Montreal Star)
(Prev. rep. Defence Production, 11842 D; 11295 A.)

B. SWITZERLAND. — Compulsory Civil Defence.

A draft Bill providing for compulsory civil defence was approved on Nov. 30 by the Swiss Government. It laid down that all males between the ages of 15 and 65 (including foreigners living in Switzerland) would have to undergo 16 hours' basic training, and thereafter eight hours' basic training every year; that women between 15 and 60 could volunteer for service; and that industrial establishments employing over 50 people would have to organize Civil Defence teams. All communities with more than 1,000 inhabitants were required to set up a Civil Defence organization. (Neue Zürcher Zeitung)

C. SOVIET UNION. — Release of Polish Officers.

It was reported from Moscow on Oct. 25 that the Soviet Government, at the request of the Polish Prime Minister, M. Cyrankiewicz, had agreed to release 3,000 Polish officers, some of whom had been kept in captivity in the Soviet Union since 1939. The majority of the released officers had taken part in the abortive Warsaw rising of 1944. The Soviet Government declared its willingness to pay compensation to the released officers on the ground that their detention had been "a mistake." (Neue Zürcher Zeitung)

D. RHODESIA AND NYASALAND FEDERATION. — Preparation for Start of Shire Valley Scheme.

The Government of the Federation accepted a motion in the Federal Assembly on July 5 asking it to make provision for the early starting of work on the first stage of the Shire Valley project, in Nyasaland. This project, which envisages the control of the waters of Lake Nyasa, the reclamation of the Lower Shire marshes, hydro-electric works on the Shire River, and an appropriate system of communications, had been recommended in a report by Sir William Halcrow and Partners, presented to the Federal Parliament on March 14. The report had estimated the total cost of the scheme at about £78,000,000, and that of the first phase at £23,631,000, including the installation of a hydro-electric power station to produce a peak load of 30,000 kilowatts.

Mr. John Foot (Federal Party, Nyasaland), who introduced the motion on July 5, said that the level of Lake Nyasa—which is about 360 miles long, and the third largest in Africa—varied from time to time and thus prevented the building of jetties, etc, whilst silting had caused serious flooding. By controlling the level these difficulties would be overcome, and the reclaimed areas could be used for growing wheat, sugar, and particularly, cotton. Ships would be able to travel downstream from Lake Nyasa to a land and water terminus at Matope, only 36 miles from Blantyre (the capital of Nyasaland).

Mr Foot pointed out that the total estimated cost of £78,000,000 included £37,000,000 for hydro-electric schemes—which would "undoubtedly produce a great deal more power than Nyasaland now needs", £14,000,000 for work on the Portuguese [i e. Mozambique] part of the scheme, and £2,000,000 to build a pumping station at the outlet of the lake—which was not likely to be necessary at the present stage. That brought the figure down to £25,000,000, which was more or less the original sum it had been intended to spend on the first stage It had been realized, however, that even this sum would be greater than the Federation could afford at the present time, and a further proposal had therefore been put forward to develop the first phase at a cost of £8,000,000 spread over five years, or £4,500,000 leaving out the power station and transmission costs of the Matope barrage hydro-electric scheme

The Federal Minister of Commerce, Industry and Power (Sir Malcolm Barrow) announced during the debate that consultations would take place with the Portuguese Government to ascertain to what extent it wished to participate in the development of the project. Meanwhile the Federal Government would "make every effort" to find the necessary funds to start the early stages of the scheme. The Government supported the motion on the understanding that the funds would have to be found outside the ordinary loan vote.
(Federal Information Department, Salisbury)
(Prev. rep. Kariba Scheme, 14151 C.)

E. UNITED KINGDOM. — Benefactions to Universities of Cambridge and Leeds.

It was announced on Nov. 17 that a gift of £250,000 had been made to the University of Cambridge by Mr. Harold Samuel, chairman of the Land Securities Investment Trust, for the furtherance of research and study in estate management at the University.

Mr. Samuel, a chartered surveyor who owns considerable property in the West End of London, made the gift to the University's Estate Management Department, which was established in 1946 and is headed by Mr. Noel Dean, Fellow of Trinity Hall. The money will be paid in seven annual instalments.

On Oct. 19 it had been announced that the Anglo-American Corporation of South Africa, Ltd., had made a gift of £100,000 to the University of Leeds for the foundation of a research institute of African geology.

The University authorities stated that the institute would have as its primary objects "research into the origin of mineral deposits generally, the study of the African geological structure in particular, and the training of post-graduate research geologists by active field work on the problems of African geology."

The research institute will be headed by Professor W. Q. Kennedy, an authority on African geological problems, who led expeditions to Mount Ruwenzori (on the border of Uganda and the Belgian Congo) in 1951 and 1952.
(Times - Daily Telegraph) **(Prev. rep. 13664 D; 13305 E.)**

F. UNITED STATES. — Increase in Bank Rate.

The Federal Reserve Banks in New York, Philadelphia, Atlanta, and Chicago raised their rediscount rate on Nov. 18 from 2¼ to 2½ per cent, a similar increase being subsequently announced by the Reserve Banks in Cleveland, San Francisco, Dallas, Kansas City, Minneapolis, Boston, Richmond, and St. Louis. This was the fourth increase in the rate during 1955, bringing it to the highest level since 1934.—(New York Times)
(Prev. rep. 14448 B.)

DECEMBER 17—24, 1955

A. MALTA. — Report of Round-table Conference. - Support for Maltese Representation at Westminster.

The report of the Round-table Conference on the future of Malta (see 14352 A) was published in London on Dec. 16 as a White Paper (Cmd. 9657). With two dissentients, it recommended that Malta should be represented at Westminster by three Members of Parliament. The report described Malta as "a tower of strength to British causes," and said that the offer of representation at Westminster would be "a recognition by the people of the United Kingdom that they and the people of Malta should enjoy equality of status." The proposals will be submitted to a referendum in Malta and will be debated by the British Parliament before H.M. Government decides upon its policy.

The Round-table Conference (for membership see 14352 A) held its first sitting in London on Sept 19, visited Malta from Oct 16-23, and subsequently returned to London for further meetings The White Paper stated that 12 plenary sessions had been held in London and a further three in Malta, that the Conference had also held 11 closed sessions at which evidence was heard from British Ministers, the Governor of Malta (Major-General Sir Robert Laycock), representatives of the fighting Services in Malta, the Prime Minister of Malta (Mr Dominic Mintoff), and the Leader of the Opposition in the Maltese Legislative Assembly (Dr Borg Olivier), that private discussions had taken place in Malta between members of the Conference and the Roman Catholic Archbishop of Malta, and that evidence had also been heard from representatives of professional and trade bodies in Malta, and from the principal trade union (the General Workers' Union) In addition, the Conference held 12 private sittings in London to discuss their recommendations and prepare their report

The report was divided into the following sections: (1) the present situation in Malta, (2) the evidence submitted to the Round-table Conference; (3) examination of the evidence; and (4) conclusions and recommendations.

The Situation in Malta.

Facts and Figures. Giving "the salient facts and figures with which we are concerned," the report said: "The Maltese Islands (of which Malta and Gozo are the only sizable ones) cover a land area of 122 square miles, which is about the size of the County of London or little more than four-fifths of Rutland or the Isle of Wight The people of Malta, who have their own language, culture, and customs, and their ancient Roman Catholic traditions, have a strong national pride and a history of parliamentary government They have never lost their separate identity. The Islands have held a position of importance in the Mediterranean for many centuries, though always in association with other Powers The total civil population of almost 316,000 is roughly equal to that of Bedfordshire Population density is high—over 2,600 to the square mile, or 3½ times that of England and Wales The natural increase of population is high, but has been partly offset by emigration Over the last five years the net increase has been only one per cent

"The Maltese Islands are rocky and in some parts barren, the soil, though fertile in the low-lying areas, is in the main shallow The Islands are almost treeless and no minerals or other natural resources have been discovered The comparatively low mean annual rainfall of about 20 inches, and the absence of rivers and lakes, means a perennial shortage of water, which is aggravated by the high population density.

"A third of Malta's national income is derived from payments by the U.K Service Departments, and a further important part is indirectly so derived. A quarter of the working population is employed on or in connexion with defence activities About 90 per cent of Maltese imports are paid for by expenditure in Malta of U K Departments or by direct financial aid from the U K. Treasury.

. The standard of living in Malta is generally lower than in the United Kingdom, but higher than in many other Mediterranean countries . . Even with the substantial assistance which she receives from direct and indirect expenditure by the U K, Malta is only able to maintain a level of social and other services considerably lower than that of the United Kingdom.

"The people of Malta freely chose in 1802 to place themselves and their Islands under the protection and sovereignty of the British Crown The Islands were formally annexed in 1814 under the Treaty of Paris. Since the Napoleonic wars, Malta has been in continuous use as a British naval base and fortress. Its fine natural harbours and its strategic position on the sea lanes to the East have been of immense value to the U.K. and the other countries of the Commonwealth and Empire. In the Second World War, the heroic garrison and the indomitable people of Malta were exposed to frequent, heavy and sustained air attacks, and to an intense blockade. In recognition of their courageous resistance and of the exceptional hardships and privations they endured, Malta was awarded the George Cross in 1942.

"Recent years have seen the decision to withdraw British forces from the Suez Canal Zone; the growth of tension and unrest in the Middle East and North Africa, and the establishment in Malta of the Headquarters of the NATO C.-in-C, Allied Forces, Mediterranean. All these factors have combined to emphasize the continued importance of Malta as a pivotal point in the Mediterranean. The strategic importance of Malta, and the events of the last 150 years, have resulted in its economic dependence upon the United Kingdom The degree of this dependence, and the vulnerability of the Maltese economy resulting from the predominance of our military, naval and air requirements, are factors which we have had constantly in mind in considering the future political status of the Islands"

The Present Constitution. The remainder of this section was devoted to an analysis of the present Maltese Constitution (that of 1947—see 8905 A), and to an account of political developments in recent years, culminating in the decision to appoint a Round-table Conference on the future of Malta.

The Evidence.

This section of the report summarized the proposals put forward by the three political parties in Malta—(i) the Malta Labour Party, which is headed by the Prime Minister (Mr. Mintoff); (ii) the Malta Nationalist Party, headed by Dr. Borg Olivier, Leader of the Opposition; and (iii) the Progressive Constitutional Party, headed by Miss Mabel Strickland.

Proposals of the Government of Malta. The following proposals were put forward by the Prime Minister of Malta, the Maltese Government, and the Malta Labour Party

"(1) There should be a unicameral Maltese Parliament, whose members should be elected by adult suffrage in a direct voting system similar to that obtaining in the United Kingdom

(2) All matters other than foreign relations, defence, and (at a later stage, the timing of which would be dependent on the rate of progress of the Maltese economy towards 'parity' with that of the U.K.) direct taxation, should be allocated to the legislative authority of the Maltese Parliament

(3) The overriding powers of the Imperial Parliament over all matters should remain untouched, but their use should be governed by what the Prime Minister of Malta described as the normal conventions which would, in effect preclude their application to matters on which the Maltese Parliament had power to legislate

(4) Malta should be represented in the House of Commons at Westminster by not less than three Members, elected in accordance with U K. electoral laws

(5) H M. Government in the U K should provide economic aid for the capital development of Malta and, by way of subventions, towards recurrent budgetary expenditure Such aid would have among its objects the gradual raising of the standard of living of the Maltese people towards the level of the people in the U K, the ultimate aim being 'parity' and the disappearance of wage discrimination.

(6) There should be a consultative committee in Malta, presided over by a Minister of the Maltese Government, with equal representation of the U K Defence Departments and the Home Office (which would take over from the Colonial Office responsibility for the administration of Maltese affairs), on the one hand, and of the Maltese Government on the other.

(7) There should be a second committee in London, consisting of U K and Maltese Ministers. This committee, on which the U K members would have the majority voice, should have powers of decision, subject to the right of members to consult their respective Cabinets before committing themselves"

Proposals of Malta Nationalist Party. These proposals were as follows:

"(1) Malta should ultimately achieve a new form of full self-government within the Commonwealth in which it would be autonomous in its relations with the U K, but not with Commonwealth and foreign countries Defence and Commonwealth and foreign affairs would be the joint responsibility of the U K. and Malta.

(2) The joint responsibility for handling defence and Commonwealth and foreign affairs, in so far as they affected Malta, would be governed by agreements to be made between the two Governments

(3) The Prime Minister of Malta would be entitled to attend meetings of Commonwealth Prime Ministers when matters affecting Malta were under discussion.

(4) There should be an exchange of High Commissioners between London and Valetta, and the affairs of Malta should become the responsibility of the Secretary of State for Commonwealth Relations

(5) In place of the Governor, there should be a Governor-General who, in the exercise of his powers and functions, would, generally speaking, act in accordance with the constitutional conventions applicable to the exercise of similar powers and functions in the United Kingdom by Her Majesty."

The report added, however, that the Malta Nationalist Party recognized that "some time must pass before a Constitution giving effect to these proposals could be brought into operation" In view of this consideration, the party put forward the following interim proposals "designed to fulfil Malta's immediate requirements for constitutional advance":

"(1) The Maltese Parliament should have power to legislate on all matters other than defence and external affairs (the scope of both terms being subject to strict definition) Its legislation should not be reserved by the Governor for the signification of Her Majesty's pleasure, nor should powers of disallowance be exercised in respect of legislation passed by the Maltese Parliament and assented to by the Governor.

(2) In exercising his powers in the fields of foreign affairs and defence, the Governor would act on the advice of H.M Ministers in the U.K. but should seek the advice of an advisory council consisting of himself, the Prime Minister of Malta, and two other Maltese Ministers. In other matters, the Governor should act on the advice of Maltese Ministers.

(3) There should be a committee in London, consisting of the Prime Minister of Malta and two U K Cabinet Ministers, with the duty of resolving disputes as to whether any matter is a reserved matter (i.e , defence or foreign affairs) or not.

(4) The emergency powers reserved to Her Majesty in Council under Section 59 of the Constitution should be limited to reserved matters.

(5) No powers should be reserved to Her Majesty in Council to revoke, amend, or alter by Order-in-Council any provision of the Constitution, except in accordance with a resolution passed by not less than three-fourths of all the members of the Legislative Assembly.

(6) Malta should receive economic assistance from the U.K. with a view to reducing Malta's dependence on defence expenditure, developing Malta's resources and social services, maintaining full employment, and raising living standards "

Proposals of Progressive Constitutional Party. These were set forth as follows ·

" (1) The present legislative powers of the Maltese Legislative Assembly, including responsibility for fiscal legislation, should not be diminished.

(2) The Maltese Legislative Assembly should be given increased powers in the ' reserved ' field, by a revision of the present definition of defence and foreign affairs and a curtailment of the present list of reserved matters

(3) There should be a closer administrative association in Malta between the Imperial Government and the Maltese Government.

(4) The Privy Council of Malta should be abolished, and the Lieutenant-Governor should be replaced by a Chief Secretary The Prime Minister of Malta should have a seat on the Nominated Council, renamed the Defence Council, in Malta so as to enable him to be kept informed on defence, foreign affairs, and other reserved matters

(5) There should be a separate Malta Office in London, either as an independent department or as a part of the Home Office, with a Minister of State or Parliamentary Under-Secretary of State responsible for Maltese affairs

(6) Attached to the Malta Office, there should be a senior Maltese secretary responsible for liaison with U K. Departments concerned with Maltese affairs. He should be appointed after consultation with the Prime Minister of Malta

(7) There should be a Malta Council in London, comprising Ministers representing a number of U K Departments, and presided over by the U K Minister responsible for Maltese affairs The Council should be responsible for co-ordinating policy matters relating to Malta.

(8) Malta should receive financial aid for economic development and social welfare through a new Malta Development and Welfare Fund, which would be administered by a financial board within the framework of the proposed Malta Council, and monies from which should be available for a period of at least ten years."

Examination of Evidence.

The evidence presented to the Round-table Conference was discussed under three heads: (1) common ground; (2) points of difference; and (3) disagreement on ultimate aims.

Common Ground. " The proposals presented to us," said the report, " disclosed a considerable measure of common ground between the political parties in Malta All witnesses expressed themselves in favour of enhancing the status of the Maltese Parliament and Government by a reallocation of legislative functions between the Imperial authorities and the Maltese Parliament. All agreed that the position of the Roman Catholic Church in Malta should not be diminished. All accepted the need for the Parliament at Westminster to retain, in practice, ultimate power in defence and foreign affairs Again, all witnesses recommended improvements in the administrative and consultative machinery of government, both in Malta and in London. Finally, the Maltese Government and the representatives of the other parties and organizations in Malta were agreed on the need for continued aid from the U K. towards the economic development of Malta, and to promote the improvement of Maltese social services and the standard of living "

Points of Difference. " Within this measure of agreement there were, however, certain differences of detail and emphasis. On the division of legislative functions, the Maltese Government proposed that defence and foreign affairs, and, ultimately, direct taxation, should be exclusively reserved to the Parliament at Westminster. Subject to the continuance of the present over-riding powers of the Parliament at Westminster in all fields, all other matters should be dealt with by the Maltese Parliament The Malta Nationalist Party proposed that, when the interim period came to an end, the Maltese Parliament should have power to legislate in all fields, including defence and foreign affairs, subject only to two conditions. First, under the proposed joint agreements on defence and foreign affairs, H.M. Government in the U.K. and the Maltese Government should exercise a joint responsibility for these matters; secondly, in case of dispute, the last word should rest with H M. Government Under the proposals of the Progressive Constitutional Party, the present form of Government in Malta would be substantially maintained, but the post of Lieutenant-Governor would be abolished and replaced by that of a Chief Secretary. The Governor (and not the Parliament at Westminster) would retain the power to legislate in the fields of defence and foreign affairs in Malta.

" As regards administration of defence and foreign affairs in Malta, the proposals of the Maltese Government imply that the Governor would cease to have executive authority in this field. It would instead be exercised by an ' Imperial Branch ' in Malta, consisting of a representative of the Home Secretary (the Secretary of State responsible for Maltese affairs), representatives of other U K. Departments with branches in Malta, and the heads of the Services The Malta Nationalist Party proposed that the executive power in defence and foreign affairs should ultimately become the joint responsibility of the two Governments, acting in Malta through a U K. High Commissioner and in London through a High Commissioner for Malta Under their proposals for interim constitutional reform, and under the proposals of the Progressive Constitutional Party, the Governor would retain both legislative and executive authority, subject to consultation with the Maltese Government

" There were also differences about the form which arrangements for consultation should take. As regards consultation in Malta, the Maltese Government proposed a committee presided over by a Maltese Minister The Malta Nationalist Party appeared to suggest consultation through a U K High Commissioner in Malta and a High Commissioner for Malta in London, or direct between U K and Maltese Ministers; but in the interim period, when the Governor still retained responsibility for defence and foreign affairs, he should seek the advice on these matters of a new advisory council consisting of himself, the Prime Minister of Malta, and two other Maltese Ministers The Progressive Constitutional Party proposed that the Privy Council should be abolished and that the Prime Minister should be given a place on the Nominated Council, which should be renamed the Defence Council.

" As regards consultation in London, the Maltese Government proposed that there should be a consultative committee of Ministers with powers of decision, the Malta Nationalist Party that there should be a similar body with the power of deciding disputes over the allocation of legislative functions between the Maltese and U K. Parliaments, but only during the interim period; and the Progressive Constitutional Party that there should be a larger and more formal body, with powers of co-ordinating policy

" On the economic side it became apparent that, although all were agreed on the broad lines of economic development, there were differences about the ultimate objective and, more particularly, about the time which would be needed to attain it. The economic objective set by the Maltese Government was to raise the standard of living of the Maltese people towards that of the people of the U.K. over a period of 15 to 20 years, with the ultimate aim of ' parity.' The Maltese Government made it clear, however, that they did not regard this economic aim as meaning immediate and absolute ' parity ' of Maltese wage levels, social service standards, and taxation with those prevailing in the United Kingdom. Both they and the Malta General Workers' Union stressed that ' parity ' did not, in any case, mean equality of wages of Maltese and U K workers, ' parity,' to the Labour Party and the General Workers' Union, meant equivalence of living standards, having regard to local conditions in Malta

" The Malta Nationalist Party and the Progressive Constitutional Party criticized, both on grounds of principle and of practicability, the objective of ' parity ' of wages, social services, and taxation with those in the United Kingdom . . . The economic aim of the Malta Nationalist Party was stated to be viability in accordance with Maltese conditions, and not an artificial standard to be achieved in a pre-determined period of time. The party proposed that viability should be achieved by means of a series of plans assisted by grants from the U.K. Treasury, to be negotiated between the two Governments, they were not prepared to forecast when viability could be achieved, but were confident that success in achieving it would be easily distinguishable.

" Finally, there were important differences of approach between the parties in Malta as to the nature of closer association which they all claimed their proposals were designed to achieve The Maltese Government emphasized that their proposals were intended to maintain and strengthen the responsibility of the Maltese Parliament for such matters as the Roman Catholic Church, religious education, and family life; that they would be opposed to any interference with this responsibility; and that they had given categorical assurances to the Roman Catholic Church in Malta and to the Vatican to that effect. They rebutted the criticisms of the Malta Nationalist Party and the Progressive Constitutional Party, which were strongly opposed to any form of closer association involving the absorption of Maltese political, social, and economic institutions into those of the United Kingdom. In particular, these parties said they were anxious to preserve intact the faith and institutions of the Roman Catholic Church in Malta, and were highly critical of the Maltese Government's proposals on the ground that they ran counter to the real wishes of the Maltese people The Maltese Government denied that their proposals bore any such interpretation and said they would be strongly opposed to integrating Malta with the U.K. in that sense."

Disagreement on Ultimate Aims. " Beyond these differences, there was a strong and profound disagreement on the ultimate constitutional status which Malta should achieve, and about the nature of the constitutional link which should unite Malta and the United Kingdom. Both the Maltese Government and the Malta Nationalist Party made it clear that, in their opinion, the limited proposals of the Progressive Constitutional Party . . . were inadequate [and] would not, in their view, go far enough to meet the desire of the Maltese people for an advance from their present status. It was therefore essential to decide immediately the nature of the ultimate status to be attained.

" The Malta Nationalist Party maintained that the Maltese people could not surrender their inalienable right of self-determination and that the aspirations of enlightened Maltese opinion were for a status of independence. The Malta Nationalist Party, therefore, regarded the normal road towards self-government within the Commonwealth as the proper road for further advance, but recognized that the end, which was most recently achieved by Ceylon, could not be fully

achieved by Malta. We understood them to agree that, in the special circumstances of Malta, whose future is so largely dependent upon defence expenditure, the ultimate goal of complete independence cannot be reached in the foreseeable future, and to have framed their proposals for the ultimate status of Malta in the light of this fact They were strongly opposed, on a number of grounds, to the proposal of the Maltese Government that Malta should be represented at Westminster Their most important criticisms were that, in their view, it would not meet the desire of the Maltese people for more independence, that it could not be a permanent or satisfactory solution, and that it would inevitably involve, if not their complete absorption, at least the domination of Maltese laws and institutions by those of the United Kingdom The Malta Nationalist Party would, therefore continue to oppose representation at Westminster, whatever the outcome of the Conference. In their view, the rights and aspirations of the Maltese people, and the harmony of future relations between the U.K and Malta, could be guaranteed only by the acceptance of proposals on the lines they themselves had put forward.

" On the other hand, the proposals of the Maltese Government included representation at Westminster as their cardinal feature, and were put forward on the ground that they truly met the realities of Malta's unique situation In particular, they argued that their proposals recognized that independence was not an attainable aim, and that the Parliament at Westminster must retain for an indefinite period control over defence and foreign affairs, as well as over-riding powers in all fields Their proposals were accordingly designed to give the Maltese people an opportunity of sharing at Westminster in Parliamentary discussion and decisions on these matters, thereby taking into account their legitimate political aspirations and making manifest the equality of their status and responsibilities with those of the British people . . .

" The Maltese Government maintained that their proposals for the division of legislative powers between the Parliament at Westminster and the Maltese Parliament, and the assurances they had given on religious questions, disposed finally of any Maltese fears They argued that, on the contrary, the presence of Maltese representatives at Westminster, able to draw attention to the interests and faith of the Maltese people, would constitute an added protection which did not exist at present

" Finally, the Maltese Government maintained that their proposals clearly represented the will of the Maltese people, since they were put forward by representatives of the Maltese people freely elected by a majority of votes at a recent general election. They intended, however, to dispose of any contention that they were imposing their solution on the Maltese people, by submitting the matter to a referendum at the appropriate time "

Conclusions and Recommendations.

The conclusions and recommendations of the Round-table Conference were set forth under two heads: (1) economic development, and (2) constitutional changes.

Economic Development.

" All witnesses," said the report, " were agreed that defence expenditure is likely to remain for the foreseeable future the essential basis on which Maltese economy rests. . . . We are, however, convinced of the need for a concerted drive to strengthen the rest of the Maltese economy as a precaution against a possible falling-off in defence expenditure, and to raise Malta's income sufficiently to pay for improved social services. It is therefore important that, subject to the over-riding requirements of urgent defence projects, there should be consultation on, and co-ordination of, the requirements of both Governments to secure the best use of Malta's resources and labour, and to avoid inflation of costs."

Although specific recommendations for the future economic development of Malta were excluded from its terms of reference, the Conference nevertheless put forward some general observations " to relate this aspect of the Maltese problem to the recommendations for constitutional changes " Specifically, the Conference drew attention to (i) the need to improve and expand Malta's water supply, which was at present " dangerously inadequate even for present needs " ; (ii) the possibility of improving agriculture by the scientific application of fertilizers, etc., (iii) the need to improve the Maltese fishing industry, combined with " a vigorous effort to reduce Malta's dependence on imported fish supplies " ; (iv) the " urgent need " for improvements to the civil harbour at Valetta ; (v) the possibility of building up a tourist industry in view of " the natural attractions, beautiful buildings, and historic associations of the Islands " ; (vi) industrial expansion.

On the last-mentioned subject the report said : " Because of the lack of local resources, entrepreneurs, and markets, it is unlikely that there will be a rapid expansion of industries, even light industries, in the immediate future. . There are, however, some measures which the Maltese Government can properly take to encourage industrial development, particularly through the provision of improved basic services, such as water supplies, power and harbour development, and by increasing the flow of skilled workers through improved technical education. Furthermore, certain materials and manufactured goods, at present imported by the Service Departments from the U.K., might be produced in the Islands, thereby helping to stimulate local industry. We recommend that this should be a matter for consultation between the Maltese Government and the Services."

On the question of emigration from Malta (see 13978 B) the report said . " Much of the evidence we have heard drew attention to the serious problems created by the rapidly rising population, and stressed the need for continued emigration on a substantial scale in order to prevent unemployment and a fall in the standard of living. Some witnesses were, at the same time, fearful of the effects of continued emigration . . . on the supply of skilled labour in Malta. We recognize the urgent need for carrying on with the programme of assisted emigration , but we suggest that this should be a balanced programme and so ensure that, as further opportunities for skilled employment in Malta are created by the development of local resources, there is an adequate supply of skilled workers to fill them. . . We recommend that both the Maltese Government and H.M. Government in the U.K should continue to give high priority to the problems of emigration "

After recapitulating the U.K. financial aid already made available to Malta, this section concluded : " It is universally agreed that the task of raising the Maltese standard of living will be a long and arduous one, involving a bold and sustained effort by the Maltese Government and people, with financial and other assistance from H.M Government in the United Kingdom A series of development plans, designed to raise productivity and expand national income, will have to be carefully planned and carried out In this connexion we emphasize the words agreed by all the representatives at the June talks (see 14352 A) ' that the degree of success attained will depend on the hard work and self-discipline of the Maltese people, and on the Maltese Government and people making the best possible contribution from their own resources ' Without continued support from the U K , further development, even along modest lines, would be virtually impossible We are confident that, in this task of economic development and progress, the Maltese people can count upon continued and whole-hearted co-operation and assistance from the Government and people of the United Kingdom."

Constitutional Changes.

" We have not regarded it as our duty," the final section of the report said, " to seek either to describe an ideal Constitution for Malta or to arbitrate between the aspirations of the different Maltese parties. Our primary task has been to decide how far the proposals for closer association and, in particular, those put forward by the Maltese Government, are consonant with the interests and requirements of both the United Kingdom and Malta, and with the responsibilities of the Imperial Parliament. The Prime Minister of Malta has made it clear to us that, in his opinion, representation at Westminster is the crucial issue, and the one which will determine the direction of Malta's future political evolution . We therefore consider it first.

" In the special circumstances of the Islands, we cannot foresee a time when Malta could achieve complete independence There can, therefore, be no question of the Parliament at Westminster abandoning the authority which is now vested in it. At the same time we record our conviction that the discretion which Parliament has shown in exercising its authority during the 150 years since Malta came under the Crown will be continued in the future, and that the inability of Parliament to enter into any convention or binding agreement to devolve powers deriving from that authority need cause no fear that it will invade those legislative fields which are accepted, in practice, as the direct concern of the Maltese Government and people.

" We were impressed . . . by the extent to which defence requirements in Malta are inextricably bound up with the everyday life of the community and thus impinge on the domestic concerns of the Maltese people , and we have had ample evidence of the difficulties which have arisen in the past in the exercise of the Governor's jurisdiction in reserved matters It would be unrealistic to expect that difficulties will not be encountered in the future in determining whether a matter properly lies within the respective competence of the Maltese and the U.K Parliaments This is a problem which has to be faced in any division of functions between two Legislatures. . .

" There are now two distinct governments in Malta, each having legislative and executive powers and operating concurrently within its defined sphere When this system was instituted in 1921, it was thought possible that the respective spheres of the Imperial and Maltese Governments could be clearly defined, and that neither in administration nor in legislation would there be any confusion between their functions, nor any doubt as to their respective responsibilities. Practice has proved otherwise

" Nearly all the friction has arisen from disputes on the interpretation of reserved matters, principally over what is a matter of defence. The Maltese people are naturally jealous of their powers of self-government, and they have been suspicious of the matters reserved to the Maltese Imperial Government being interpreted in such a way as to impinge on those powers. The ever-widening sphere of defence, complicated by the introduction of Allied forces, and the wide scope of the reserved matters as enumerated in the Constitution, have thus undoubtedly involved a practical restriction of Maltese self-government.

" The wider the scope of the authority of the Maltese Parliament and Government, the greater is the possibility of a conflict of interests and jurisdictions between them and the Imperial side. The very nature of government in Malta makes it impossible to devise a Constitution which would entirely separate the requirements of defence from those matters which are within the authority of the Maltese Government, in such a way as to remove all possibility of conflict.

" In the course of their evidence, several witnesses expressed the opinion that it would be desirable for us to limit our constitutional recommendations to those matters on which the three political parties in Malta are in broad agreement. This, it was argued, would meet the needs of the present situation and would avoid the danger of splitting the Maltese people on the one really controversial issue —the ultimate constitutional status of Malta. However, we are

satisfied . . . that both the main parties in Malta are deeply concerned about this question. The desire for prestige and feelings of self-interest are naturally involved; but, given recognition of the wish for an advance in the present constitutional status of Malta, they have a right to know the direction in which it will be possible for them to move and the ultimate goal which they may expect to reach. . . .

"The proposals of the Malta Nationalist Party and of the Maltese Government both include measures which are claimed to be essential to fulfil Maltese aspirations; the former in the direction of Dominion status, the latter through the new conception of representation of the Maltese people at Westminster. Having considered the special circumstances of Malta, we are obliged to reach the conclusion that the road to full self-government is blocked, in that the Parliament at Westminster must, in order to maintain the defences of Malta and the facilities necessary to enable it to fulfil its role as one of the principal Commonwealth and NATO bases in the Mediterranean, exercise overriding powers in Malta in the fields of defence and foreign affairs. These requirements inevitably involve a limitation in possible advances open to the Maltese Parliament itself. We are also obliged to conclude that, having regard to the special circumstances of Malta, the proposals put before us for a 'quasi-Dominion' status would not be workable. They lack essential definition and would inevitably lead to conflicts of interpretation and to embarrassment in relations with Commonwealth and foreign countries. . . .

"We also reject the idea that there might be Maltese representatives in Parliament who would only have the right to ask questions and take part in debates on foreign affairs, and not to vote. This would be repugnant to the dignity and traditions of our Parliament, and would not give the Members from Malta equality of status and responsibility with Members from the United Kingdom. Such an arrangement is also, in our view, unworkable, since it is not in fact possible completely to distinguish matters of defence from more domestic aspects of U.K. affairs, any more than it is possible to do so in Malta. We also feel that there is considerable merit in the argument that Maltese representatives at Westminster would be interested in, if not directly concerned with, many aspects of life in Britain, including the effects of budgetary policy. Finally, we should not wish to encourage . . . the idea that the ties of the Maltese and U.K. peoples, within the Commonwealth and under the Crown, depend only on their common interests in defence.

"We do not think that Malta's desire for a voice in the Parliament at Westminster could be met by enabling one or more representatives chosen by the Maltese Parliament to sit in the House of Lords. A proposal designed to make any formal arrangement for representation of Malta in the House of Lords would have wider implications, involving the general question of the reform of the Second Chamber, and would require legislation. Moreover, such representation would not, in present circumstances, give Malta an effective voice in decisions at Westminster on expenditure affecting the Maltese people and their economy.

"In examining the proposals put before us by the two main Maltese parties we have been left in no doubt about the objections and difficulties seen by many people, both in the U K and in Malta, to offering Malta full representation in the Parliament at Westminster. These objections were made to us with force and authority, and we do not treat them lightly. Indeed, we consider it our duty to bring them to the attention of H M. Government and Parliament, so that their decision on this complex and delicate issue may be taken in the light of all the relevant circumstances.

"We have considered, first, whether there is any merit in the contention that Maltese Members of Parliament, necessarily very few in number, could have little or no influence on the proceedings of the House, and would thus suffer from feelings of frustration and discontent. Similar feelings are not wholly absent from the minds of many of the Members elected for U.K. constituencies, but we are sure that they would be the first to agree that the opportunities for individual Members to express views, and to safeguard the interests of constituents, are a guarantee of democratic freedom. Nor did we find convincing the argument that these few Members from Malta would be able to exploit the balance of power if Government and Opposition were evenly divided.

"Fears have been expressed to us about the possible repercussions elsewhere of the admission to Westminster of representatives from Maltese constituencies. Such repercussions, it has been said, might take the form of claims from Colonial territories which, owing to their small size, lack of natural resources or other reasons, see no prospects of achieving the normal form of constitutional development, to be accorded a status similar to that of Malta. The claim by Malta to representation at Westminster is based on, and justified by, the quite exceptional circumstances and position of Malta. For this reason, we do not consider that claims from other quarters should arise which cannot be dealt with on their own merits.

"We are, however, bound to feel concern about the anxieties of a substantial section of the Maltese people regarding the suggestion that the two countries should be brought closer together by the link of representation at Westminster. We have outlined earlier in our report the fears expressed on the one hand, and the assurances given on the other, about the maintenance of the position of the Roman Catholic faith in Malta. We do not wish to involve ourselves in this question, which in our view is one for the Maltese people themselves; but we have a number of general observations to make on it.

"As we understand the position, there is unanimous desire in Malta for an improvement of economic and social conditions. Similarly, there is widespread agreement on the need for the close association of Malta with the United Kingdom. It is only with regard to the form of that association, and the particular issue of representation, that any fears are entertained about the possible long-term effects on social and religious life in Malta. So far as the Parliament at Westminster is concerned, we do not see that the presence of Maltese Members, elected by a Maltese people devoted to their laws and institutions, would lessen, in regard to religious matters, the restraint and respect which the Parliament at Westminster has shown for the last 150 years. We consider that, on the basis recommended below, the Maltese Parliament should remain responsible for legislation on all domestic affairs and, in particular, on such matters as the position of the Church, education, and family life. Moreover, although the representatives of the Conference were able to discuss the matter with the Archbishop of Malta only on a hypothetical basis, they felt entitled to give him assurances that, in their opinion, the Maltese Parliament would continue . . . to exercise authority in all fields in which the Church is directly concerned, and that the Parliament at Westminster had no desire whatever to intervene in such fields and, following its long-standing tradition, would not so intervene

"Finally, we recognize that a decision to grant representation for Malta in the Parliament at Westminster would not meet the wishes expressed to us by the representatives of a large section of the Maltese electorate. Our sole concern is to devise the best means of meeting the aspirations of the Maltese people, subject to their acceptance of necessary limitations in the fields of defence and foreign affairs, for a higher ultimate constitutional status and a greater stability in future The offer of representation at Westminster would be a recognition by the people of the U K. that they and the people of Malta should enjoy equality of status. Common membership of the Parliament at Westminster—the highest authority under the Crown, which ultimately controls both our destinies—would make this equality manifest and meet the realities of the situation. However, it is for the Maltese people themselves to determine, and to demonstrate clearly and unmistakably, whether the proposals of the Maltese Government do indeed correspond to their own wishes.

"If the principle of representation at Westminster were to be accepted by the Maltese people and by H.M. Government and Parliament at Westminster, the detailed implementation would have to be worked out in consultation between the two Governments. We confine ourselves to stating two considerations which we think must guide such further elaboration. First, having regard to the basis on which the separate parts of the U.K. are represented in Parliament and the size of the Maltese electorate, there should be three Maltese representatives at Westminster. Secondly, Maltese representatives should be elected in exactly the same way, and under the same laws governing representation of the people and electoral practices, as the Members from the United Kingdom.

"We conclude that representation at Westminster is practicable and reasonable, and, subject to the considerations mentioned above, we recommend its acceptance by H.M Government in the United Kingdom and by the Parliament at Westminster."

The report went on to recall that the Round-table Conference had been asked, in its terms of reference, "to consider constitutional and related questions arising from proposals for closer association between Malta and the United Kingdom, and, in particular, from the proposal that Malta should in future be represented in the Parliament at Westminster." Its conclusions on these questions were set forth as follows:

". . . We refrain from commenting on the question whether the Maltese Parliament should continue to be elected by proportional representation or should be elected in the same way as Members of the House of Commons. This is a matter for the Maltese themselves to decide With regard to the other changes proposed [by the Maltese political parties] there is already broad agreement that the legislative scope of the Maltese Parliament should be widened and that there should be provision for regular and continuous consultation, both in Malta and in London, between the Maltese Government and H.M. Government in the U.K. on matters which affect their mutual interests and responsibilities. We consider that reforms in these fields are desirable to ensure a more efficient and cordial relationship between the two Governments.

"As regards the division of legislative functions between the Parliament at Westminster and the Maltese Parliament, we recommend that, subject to the principle of religious toleration as embodied in the Declaration of Rights of 1802 [see Appendix below], and in recent Constitutions, the legislative authority of the Maltese Parliament should extend to all matters other than defence and foreign affairs, and, ultimately, direct taxation. As we have explained, the process of raising Maltese living standards will be slow and gradual, and the attainment of equivalence with the U.K. is difficult to envisage at the present time. For that reason we consider that the question of transferring powers of taxation from the Maltese legislature to the Parliament at Westminster should be left in abeyance for the time being.

"We further recommend that the separation of authority for defence and foreign affairs from authority for those matters which are the direct concern of the Maltese Parliament and Government should not, as at present, take the form of two separate Maltese Governments, one composed of elected Maltese Ministers and the other of the servants of the Imperial Government. This does not, however, dispose of the necessity for an authority in Malta to carry out the decisions of the Parliament and Government at Westminster in the fields of defence and foreign affairs, and for the Maltese Government to recognize the need to ensure the efficient and speedy exercise of responsibility by H.M. Government in those fields. We have not thought it possible, as part of our task, to work out and recommend how this authority should be set up and staffed. This

will require careful study, in consultation with the Maltese Government, but we suggest that the authority responsible for defence and foreign affairs in Malta should be organized on the following general lines.

"The responsibility for Maltese affairs in London should be transferred to the Home Secretary, who should be represented in Malta by a U.K. representative, at the head of a staff constituting the U.K. agency in Malta, with the necessary powers . . . to carry out the decisions of H.M. Government in defence and foreign affairs and to consult and collaborate with the Maltese Government in matters of joint concern. . . .

"The problem as regards legislation is comparatively small, since we understand that the main legislation on foreign affairs affecting Malta relates to diplomatic privileges, and that, in the field of defence, there are a good many provisions in U.K. law which would neither be appropriate nor needed in Malta. We see no reason why legislation on defence and foreign affairs should not, for the most part, be enacted by the Parliament at Westminster, and by Her Majesty in Council legislating for Malta by Order-in-Council, on the advice of a Secretary of State. The power to make subordinate legislation could, subject to the normal safeguards, be devolved on the Home Secretary and, in turn, on his representative in Malta The main difficulty would arise with regard to borderline cases or changing requirements It is thus important to ensure that legislation is not held up by disputes over *vires*. It has been suggested to us in evidence that the Maltese Parliament should be given power of legislation in all fields, subject to the over-riding legislative authority of the Parliament at Westminster This has the merit of simplicity, but might give rise to difficulties and misunderstandings and engender feelings of frustration. It would, in our view, be better not to confuse the normal roles of the two Parliaments. We are therefore more attracted by another suggestion—that provision should be made for the power of the Parliament at Westminster to legislate on defence and foreign affairs to be devolved at discretion on the Maltese Parliament. This suggestion appears to offer a means of dealing with matters (such as the control of transit of strategic materials), the subject of which may normally be one falling to be dealt with by the Maltese Parliament, but the object of which may be for the purpose of defence and foreign affairs.

"Another difficulty which might arise is that the Maltese Parliament might wish to pass a Bill touching on defence and foreign affairs. This difficulty might be overcome by adapting the provisions of Section 34 of the present Constitution to the requirements of the new Constitution—i.e., by providing that any Bill which, in the opinion of the Governor, or, alternatively, on the basis of representations to him by the U.K. representative in Malta, appeared to impinge on the field of defence and foreign affairs, should be referred to the Home Secretary, whose decision, after consultation with the Maltese Ministers, would be final.

"It is even more important that, once legislation is enacted, the exercise of executive authority by the agency in Malta of the Government at Westminster, however it may be constituted, should not be subjected to unreasonable delays owing to differences, however genuine, about the propriety of the action involved. This is one reason why it is important to ensure a regular means of consultation and co-ordination between the U.K. agency in Malta and the Maltese Government—a matter which we discuss below.

"Subject to these requirements, we consider that, once it is accepted that the authority of the Maltese Parliament and Ministers can be enlarged on the lines indicated above, the Governor should no longer have discretion to ignore the advice of Maltese Ministers in matters which are their concern. We therefore recommend that in matters other than defence and foreign affairs, the new Constitution should provide that the Governor should act upon the advice of his Maltese Ministers.

"However, in view of the unique situation of Malta as an island-fortress, we consider that some discretion must be reserved to the Imperial side in the event of an emergency. Strong views were expressed to us by all Maltese witnesses that the present powers of the Governor are too extensive and should be restricted to what is necessary to deal with 'real' emergencies. It was argued that Maltese Ministers would be ready to recognize a situation of emergency and to take the necessary steps to deal with it. They would be fully competent to deal with emergencies caused by fire, flood and other forms of natural disaster; in emergencies involving defence interests, responsibility would in any case fall to H.M. Government.

"On this question we feel that . . . there is an apprehension, rooted in past events, that the present scope of Section 59 [of the Maltese Constitution] could be used to frustrate the will of the Maltese Parliament. We sympathize with the view that any interference, even in times of natural disaster or other emergency, with the authority normally exercised by Maltese Ministers could be justified only in the most serious circumstances. Nevertheless, we are convinced that it would not be in the general interest, particularly when urgent action is required to deal with a threatening situation, if the powers of the Imperial side to deal with an emergency were to be unduly restricted; and we trust that, in the new constitutional framework we are recommending, it will be possible for the Maltese Government to accept this view.

"As regards consultation between the two Governments, we recognize that the avoidance of friction under any constitutional arrangements for Malta will always depend on the ready acceptance of defence needs, which include the needs of foreign forces and of NATO, and on goodwill and mutual trust between the two sides of Government. Nevertheless, we consider that many of the difficulties which have arisen in the past regarding the respective spheres of authority of the Maltese and Imperial sides could be avoided, or dealt with before becoming sources of grievance, if there were machinery both in Malta and London to ensure effective consultation and co-ordination between H.M. Government in the U.K. and the Maltese Government. This would provide a forum in which apparently difficult requirements of either side could be explained, and opportunity taken wherever possible of making mutually satisfactory adjustments. It could also provide a means for consultation on Malta's economic and social problems and for arranging mutual assistance by the two Governments in each other's projects. . . .

"We believe that the Maltese Prime Minister should be kept informed of general developments in the field of defence and foreign affairs in the Mediterranean area to the extent necessary to provide the Maltese Government with the background required for a proper understanding of the requirements of defence in Malta Our first recommendation, therefore, is that there should be set up, in place of the Nominated Council, a new Defence Council, under the chairmanship of the Governor, of which the Maltese Prime Minister, the U.K. representative in Malta, and the Heads of the Services in Malta would be members. The Defence Council should be used both to inform the Maltese Prime Minister of developments in defence and foreign affairs, and to discuss matters of defence policy in Malta on which there might be a conflict of interests with the Maltese Government Secondly, we recommend that, to deal with matters concerning the economic and financial problems involved in the respective activities in Malta of the Service Departments and the Maltese Government, there should be established another committee, presided over by a Maltese Minister, on which representatives of the Services and of the U.K agency in Malta would sit. Both these committees should meet regularly at stated times throughout the year.

"We hope that most of the difficulties which might arise in the future will be resolved when consultative machinery on these lines is set up in Malta. It must be recognized, however, that some important issues, and some problems of particular difficulty, will need to be dealt with by U.K. and Maltese Ministers meeting personally. We therefore recommend, in addition, acceptance of the proposal, broadly agreed by all Maltese parties, that there should be a joint Ministerial committee in London, presided over by a U K. Minister. We think it is important, however, to make it clear that such a Ministerial committee could not function successfully if it were to be regarded, and used, merely as a court of appeal for disputes unresolved by the process of consultation in Malta, or for striking bargains on other disputed questions. It should also be clear that such a committee, like the committees in Malta, would be advisory and consultative in character, and would not have independent executive powers. It should be used for the exchange of information, and for consultation, between the two sides. U.K. Ministers should use it to inform Maltese Ministers of general developments in defence and foreign affairs, and of other important policy matters of which the latter should be aware; and for explaining the need for particular policies which required to be implemented by the U K agency in Malta Maltese Ministers should use it similarly for informing and explaining to U K. Ministers their problems and policies in Malta.

"The sole purpose of such consultative bodies must be to ensure co-ordination of governmental policy They could not alter decisions of Parliament, nor purport to effect *ad hoc* changes in the Maltese Constitution to suit the requirements of particular cases; nor should they be allowed to obscure the responsibilities of Ministers to their Parliaments, nor infringe the doctrine of collective Ministerial responsibility For these and other practical reasons, we recommend that the consultative bodies should be set up administratively rather than by constitutional instrument.

"In our opinion, the solution that we have suggested meets the special situation which confronts us On the one hand, Malta is still a separate entity whose people desire to manage their local affairs, and arrangements for the local government of Malta must have regard to this fact, as well as to the situation of the Islands and their people's way of life. On the other hand, there must be remembered the traditions which Malta has chosen to share with us. She voluntarily came under the British Crown 150 years ago, and continued to accept, with the prestige and material benefits of being a stronghold in the Mediterranean, the difficulties of an island-fortress economy. She has been a tower of strength to the causes which the British and Maltese peoples both believe to be those of the civilization of which Malta has been again and again a bastion. The two world wars of this century have set their seal on Britain and Malta standing together. In these circumstances we believe that the people of Malta are entitled to a special road to political equality, and that that road should be, if they so choose, representation at Westminster."

Two of the 17 members of the Round-table Conference—Mr. John S. Maclay, M.P. (Liberal National) and Mr. Kenneth Pickthorn, M.P. (Conservative)—were unable to agree to Maltese representation in the British House of Commons "at the present stage," though they expressed "general agreement with the economic, consultative, and administrative recommendations in the report."

Statement by Mr. Maclay and Mr. Pickthorn.

The White Paper gave the text of the following statement issued by Mr. Maclay and Mr Pickthorn:

"We consider that there is urgent need for (*a*) revision of the present 'list of reserved matters'; (*b*) improvements in the administrative and consultative machinery of government both in Malta and London, and (*c*) continued aid from the U.K. towards the economic development of Malta and towards the improvement of the Maltese standard of living and social services.

We agree—

(a) that the historic association of Malta with the U.K , and the development of Malta as an island fortress, have produced an island economy which, in relation to the size of the population, means that viability as an independent unit is difficult to foresee ,

(b) that the special characteristics and strategic position of Malta as a fortress require that for the foreseeable future overriding powers of legislation and authority for administration in the fields of external affairs and defence must be retained by the Government at Westminster ;

and that for these reasons one road to the attainment of full self-government by Malta is blocked

While we recognize that representation at Westminster may well prove to be the ultimate answer to the constitutional desires and needs of both the peoples of the U.K and of Malta, we are not convinced that representation in the next Parliament of the U.K. is in accordance with the realities of the present situation

It has been made clear that all shades of opinion in Malta desire authority and responsibility for all matters other than defence and foreign affairs to remain with the Maltese Parliament. The report accepts this view, with which we concur. The report further recommends that the Maltese Parliament should continue to be the authority for raising indirect taxation and, during an indeterminate period, direct taxation

In these conditions, if Malta is represented at Westminster, the Maltese Members of Parliament will have full rights to debate and vote, not only on questions of defence and foreign affairs, but also on all matters affecting the U K., including the voting of supply, direct and indirect taxation, and colonial affairs. They will have equality of function with all other Members of Parliament at Westminster, but they will not have equality of responsibility , they will have no responsibility to their Maltese constituents for Maltese domestic affairs, including taxation, which will remain with the Maltese Parliament . . . Can Maltese membership of the Parliament at Westminster then be justified as a first step towards a degree of integration of the social and economic life of Malta with that of the U K., a degree which would give reality to the concept of equality of function and responsibility of all Members of Parliament at Westminster ?

In our opinion such a step is premature and, in view of the inherent implications of representation at Westminster, could lead to serious misunderstandings in Malta, in the U.K., and possibly in those territories overseas which are directly affected by decisions of the U.K. Parliament.

For the time being we believe that revision of the list of reserved matters, development of the administrative and consultative machinery of government in Malta and in London, and continued economic aid, can together result in very real progress towards the meeting of Malta's economic needs and towards that constitutional advance which is consistent with immediate realities."

Among the Appendices to the report was the text of the "Declaration of Rights of the Inhabitants of the Islands of Malta and Gozo," issued on June 15, 1802 and referred to in the report.

The Declaration of 1802.

This declaration was issued by an elected "Congress of the Islands of Malta and Gozo," convened during the French siege of the islands at the time of the Napoleonic Wars The signatories (comprising "all representatives, deputies, and lieutenants of villages and towns") declared their intention of "fixing a Constitution which shall secure to us and our descendants in perpetuity the blessings of freedom and the rights of just law, under the protection and sovereignty of the King of a free people, His Majesty the King of the United Kingdom of Great Britain and Ireland." It was worded as follows

"We make the following declaration, binding ourselves and our posterity forever, on condition that our now acknowledged Prince and Sovereign shall, on his part, fulfil and keep inviolate his compact with us .

(1) That the King of the United Kingdom of Great Britain and Ireland is our Sovereign Lord, and his lawful successors shall, in all times to come, be acknowledged as our lawful Sovereigns.

(2) That his Majesty has no right to cede these Islands to any Power. That if he chooses to withdraw his protection and abandon his sovereignty, the right of electing another Sovereign, or of governing these Islands, belongs to us, the inhabitants and aborigines alone and without control.

(3) That H.M. Governors or representatives in these Islands and their dependencies are, and shall ever be, bound to observe and keep inviolate the Constitution which, with the sanction and ratification of his British Royal Majesty, or his representative or plenipotentiary, shall be established by us, composing the General Congress elected by the people. . . .

(4) That the people of Malta and Gozo, and their representatives in Popular Council assembled, have a right to send letters, or deputies, to the foot of the Throne, to represent and to complain of violation of rights and privileges, or of acts contrary to the constitution of the Government or of the spirit thereof.

(5) That the right of legislation and taxation belongs to the *Consiglio Popolare*, with the consent and assent of His Majesty's representatives, without which the people are not bound.

(6) That His Majesty the King is the protector of our holy religion, and is bound to uphold and protect it as heretofore, and without any diminution of what has been practised since these Islands have acknowledged His Majesty as their Sovereign to this day ; and that His Majesty's representatives have a right to claim such Church honours as have been shown to the regents of these Islands

(7) The interference in matters spiritual or temporal of no other temporal Sovereign shall be permitted in these Islands , and reference in spiritual matters shall only be had to the Pope, and to the respective Generals of the Monastic Orders.

(8) That freemen have a right to choose their own religion. Toleration of other religions is therefore established as a right ; but no sect is permitted to molest, insult or disturb those of other religious professions.

(9) That no man whatsoever has any personal authority over the life, property or liberty of another. Power resides only in the Law, and restraint or punishment can only be exercised in obedience to law"

The Maltese Parliament passed through all its stages on Dec. 22 a Bill providing for the holding of a referendum in February on the proposals for Malta's integration with Britain and for her representation at Westminster. The entire Opposition walked out before the vote was taken, in protest against the Government's decision to limit the debate on the second reading and during the committee stage of the Bill. A statement was subsequently issued by the Malta Nationalist party complaining that the Government's action had left "a mere 3½ hours for debate on a Bill intended to alter Malta's Constitution fundamentally, and containing many provisions of a controversial nature not in keeping with British electoral law."

The Prime Minister of Malta (Mr. Mintoff), who welcomed the report of the Round-table Conference as "a glorious day for Malta," had visited London on Dec. 17-18 for discussions with the British Colonial Secretary, Mr. Lennox-Boyd.
(Cmd. 9657 - Times - Daily Telegraph) **(Prev. rep. 14352 A.)**

A. INTERNATIONAL BANK. — Loans. - Bond Issues.

The following loans were made by the International Bank during the fourth quarter of 1955 :

Japan. $5,300,000 on Oct. 26 to the Japan Development Bank, which would re-lend the proceeds to the Yawata Iron and Steel Co. Ltd to assist in financing the modernization of steel plate rolling facilities at Yawata (Kyushu). [The Japan Development Bank is a government agency established in 1951 to supply long-term credit for industrial development and to act as a medium for government guarantees of private foreign borrowing]. The Manufacturers Trust Company of New York participated in the loan, without the International Bank's guarantee, to the extent of $791,000. The loan was guaranteed by the Japanese Government. Terms · 3⅞ per cent p.a. interest, plus 1 per cent p.a. commission, repayable in 15 years, starting on March 1, 1958

South Africa. An agreement was signed in New York on Nov 28 under which South Africa borrowed an amount equivalent to $50,200,000, comprising (a) £9,000,000 sterling, equivalent to $25,200,000, from the International Bank, and (b) $25,000,000 by a bond issue to be offered to the public by an investment banking group headed by Dillon, Read & Co., Inc.—the first such offering by South Africa in the U.S.A. The proceeds of both will be used to finance the current expansion programme of the South African Railways and Harbours Administration.

The International Bank loan, for which the U.K Government agreed to release £9,000,000 from its capital subscription to the Bank, carried 3¼ per cent p.a. interest, plus 1 per cent p.a. commission. It is repayable within 10 years, starting on July 1, 1958.

The $25,000,000 of bonds, which were issued on Nov. 30, consisted of (i) $3,000,000 3-year 3⅞ per cent Bonds, (ii) $3,000,000 4-year 4 per cent bonds, and (iii) $2,000,000 5-year 4¼ per cent Bonds, all issued at par ; and (iv) $17,000,000 10-year 4½ per cent Bonds, issued at 98½ per cent. If unrestricted Swiss francs were available, interest or principal on the Bonds could, at the option of the holder, be collected in Switzerland in Swiss francs, at the fixed rate of 4.30 Swiss francs = $1.

Honduras. $4,200,000 on Dec. 22 for highway maintenance and construction. Terms · 3½ per cent p.a. interest, plus 1 per cent p.a. commission, repayable in nine years beginning on Dec. 1, 1957. This was the Bank's first loan to Honduras.

An issue of 50,000,000 Swiss francs 3½ per cent International Bank Bonds was offered for public sale at par in Switzerland on Nov. 25 by a syndicate of Swiss banks headed by the Union Bank of Switzerland, the *Crédit Suisse*, and the Swiss Bank Corporation. The bonds (the sixth Swiss francs issue) will be repayable in 1965-74 in 10 annual instalments of 4,000,000 francs, plus two instalments of 5,000,000 francs each in 1975 and 1976.—(International Bank, Washington) **(14420 A.)**

B. IRAQ. — Cabinet Reorganization.

The Prime Minister of Iraq, Nuri es-Said, reorganized his Cabinet on Dec. 18 by appointing three new Ministers—Abdul Rassoul Khalisi (Social Affairs), Munir Alqadhi (Education) and Abdul Amir Alawi (Health). Four Ministers of the former Cabinet were dropped—Ali Mahmud (Development), Mohammed Hassan Salman (Health), Colonel Shakir al-Wadi (Social Affairs) and Abdul Majid Mahmoud (Minister of State)
(Times) **(Prev. rep. Iraqi Cabinet, 14234 B.)**

A. UNITED STATES. — Trade Unions. - Merger of A.F.L. and C.I.O.

The American Federation of Labour and the Congress of Industrial Organizations formally merged into a single organization at a founding convention in New York on Dec. 5, thus ending the split in the American trade union movement which had lasted for nearly 20 years. The new organization will be known as the American Federation of Labour and Congress of Industrial Organizations (A.F.L.-C.I.O.). Mr. George Meany and Mr. William F. Schnitzler, formerly president and secretary-treasurer respectively of the A.F.L., were elected to the same posts in the joint organization. Mr. Walter P. Reuther, formerly president of the C.I.O., who had been one of the principal advocates of a united trade union organization, was elected one of the 27 vice-presidents of the A.F.L.-C.I.O.—17 of whom will come from former A.F.L. unions and 10 from former C.I.O. unions.

The merger, which had been agreed upon by the two organizations in February last, had been confirmed by special conventions of the A.F.L. and C.I.O. on Dec. 1 and Dec. 2 respectively. Voting at the A.F.L. convention was unanimous in favour of the merger, but at the C.I.O. convention Mr. Michael J. Quill (president of the Transport Workers Union) opposed the merger on the grounds that the C.I.O. was being "swallowed" by the A.F.L., that all the high offices in the new organization were going to the A.F.L., and that the proposed constitution of the A.F.L.-C.I.O. would give licence to "racial discrimination, racketeering, and inter-union raiding."

In speeches to the founding convention, Mr. Meany and Mr. Reuther reiterated statements made on Labour Day (Sept. 3) to the effect that the new organization would take a more active part in political affairs than the trade union organizations had done hitherto, though it was emphasized that there was no intention of forming a Labour Party.

Mr. Meany asserted that the legislative trend in the past eight years had been backward so far as liberal and remedial legislation was concerned, and declared that it was up to the A.F.L.-C.I.O. to reverse that trend. After referring to the need for better housing, schools and roads, and to the need to amend the Taft-Hartley [Labour-Management Relations] Act, he continued: "Labour not only has a right to raise its voice in regard to policy under which our Federal Government is administered, but we have a duty as citizens to take part in shaping the policies of our Government; and as workers we have a special interest in foreign policy. . . . We are going to use our economic weapon in dealing with the employers, if that is necessary, in order to get a fair share of the wealth that we jointly produce with management. And we are going to meet those who would destroy our movement and who would turn back the clock. We are going to meet them on the political front. . . . [But] I don't see any sentiment for a Labour party, and I don't see any sentiment for labour to take over one of the existing parties . . ."

Mr. Reuther, after saying that politics was "the practical housekeeping job of democracy" and that the American labour movement intended to help "keep democracy in America," declared: "We have said very clearly that we are going to work within the two-party system, endorsing candidates not based upon their party label but based upon the competence and integrity of the individual, and where his party stands on the basic issues as they affect the American people." He added: "To do this we need to work hard to raise the level of political understanding in America on the part of the great mass of people."

The A.F.L.-C.I.O., with a membership of more than 15,000,000, will be the largest trade union organization in the world, excluding the Soviet and Chinese Communist unions. It consists of 141 affiliated unions (109 formerly A.F.L. and 32 formerly C.I.O.), of which the largest are the United Automobile Workers (1,239,000 members), United Steelworkers (1,194,000), International Brotherhood of Teamsters (1,281,000), United Brotherhood of Carpenters (804,000), International Association of Machinists (864,000), and the International Brotherhood of Electrical Workers (630,000). The principal American unions remaining outside the new organization are the United Mine Workers (led by Mr. John L. Lewis), with a membership of some 400,000, and the independent railway unions, with a combined membership of about 500,000.

(U.S. Information Service - New York Times - New York Herald Tribune) **(Prev. rep. 14058 A.)**

B. MEXICO. - Currency. - New Stabilization Agreement with the United States.

A new currency stabilization agreement between Mexico and the United States, extending the arrangements initiated in 1941 for a further two years until Dec. 31, 1957, was signed in Washington on Dec. 2. The agreement provided that the U.S.A. would use up to $75,000,000, if needed, in financial operations for the purpose of stabilizing the dollar-peso rate.

(New York Times) **(Prev. rep. 11668 D.)**

C. SOVIET UNION. — Criticisms of "Architectural Extravagance." - Dismissal of Leading Architects.

The Soviet Council of Ministers and the central committee of the Soviet Communist Party issued a statement on Nov. 9 severely criticizing the work of leading contemporary Soviet architects as "wasteful" and "extravagant," and accusing them of wasting public funds through the excessive over-ornamentation of buildings and of "disregarding the needs of the people." The statement said that "tower-like superstructures, numerous ornamental colonnades, and other architectural superfluities" had become "mass phenomena" in the construction of new housing-blocks and other buildings, with the result that "a large amount of Government funds has been over-expended in past years." It was announced at the same time that two of Russia's leading architects, M. Alexander Vlasov and M. Chechulin, had been deprived of their decorations and dismissed from their posts as chief architects of Moscow, and that two others, MM. Polykov and Boretsky (designers of the 28-storey Leningradskaya Hotel in Moscow) had been deprived of their Stalin Prize laureates. M. Vlasov, however, remained president of the Soviet Academy of Architecture.

The statement said that while progress had been made in construction through modern technique, "our achievements in this matter would have been more considerable had they not been hindered by great drawbacks and errors on the drawing-board and in construction itself." After denouncing the "flashy" architecture which had become increasingly popular with Soviet architects, and declaring that this type of architecture "does not correspond with the lines of the party and the Government in architectural building plans," the statement added: "Numerous architects are occupied mainly in ornamenting the façades of buildings . . . and not on improving the internal planning and equipment of dwelling-houses and apartments. They are ignoring the need of creating comfort for the people, the demands of economy, and the normal utilization of buildings."

Earlier in the year M. Khrushchov had publicly criticized the ostentatiousness of much modern Soviet architecture and had called for a less pretentious style of building.

During the following weeks similar criticisms of contemporary Soviet building were made by civic authorities in many parts of the Soviet Union, including Kiev, Kharkov, Lvov, Kishinev, Dnepropetrovsk, Tiflis, and Alma-Ata. In these and other centres resolutions were passed by the city councils denouncing architects for excessive "dado ornamentation" and wasting public funds, and calling for a return to a simpler style of architectural construction. The deputy mayor of Moscow (M. Promyslov), writing in the magazine *Ogonyok*, complained at the unnecessary architectural embellishments on the Moscow Underground railway (e.g. the great numbers of statues, bas-reliefs, panels, and mosaics), whilst Professor I. Nikolayev (a leading architect), writing in *Izvestia*, similarly criticized the architects of the Volga-Don canal system for having wasted "millions of roubles" on "garnishing the structures on the canal and the Volga hydro-electric station with towers, colonnades, sculptured bas-reliefs, and triumphal arches."

M. Vlasov—who, at the time of his dismissal as chief architect of Moscow, was heading a Soviet architectural mission to Western Europe and the U.S.A.—declared in Paris on Nov. 16 that the criticisms of his work were "fully justified," and said that he would be "guided by them in future." The Soviet Architects' Union, after a week's congress in Moscow, adopted a resolution on Dec. 4 declaring that the work of its board of directors had been "unsatisfactory," and elected a new board which included M. Vlasov among its members. A message was sent to the Soviet Government and the central committee of the party stating that Soviet architects were "deeply aware of the gravity of their mistakes", and promising to rectify them. During the architects' congress M. Vlasov said that the Soviet Union was lagging behind America, France, Germany, Italy, and other countries in many aspects of building.

(Times - Manchester Guardian - Le Monde, Paris)

D. UNITED KINGDOM. — Co-operative Societies.

Figures recently published by the Chief Registrar of Friendly Societies showed that there were 1,094 retail co-operative societies registered in 1954 (1,101 in 1953), with 11,316,807 members (11,065,405). Sales in 1954, including purchases from wholesale societies, amounted to £774,447,000 (£747,910,000), the dividends on sales totalling £39,496,000 (£37,099,000). There were 187 wholesale and productive co-operative societies in 1954 (182 in 1953), with 59,812 members (59,302). Sales in 1954 totalled £519,787,000 (£539,325,000), and dividends on sales totalled £8,826,000 (£8,527,000).

(Bradford Chamber of Commerce Journal)

A. NORTHERN IRELAND - IRISH REPUBLIC. — Armed Raid on Roslea Barracks (Fermanagh). - New Measures in Northern Ireland to check Border Raids. - Ban on "Saor Oladh" Organization. - Statements by Lord Brookeborough, Mr. Hanna, and Mr. Costello. - Publicity for I.R.A. banned in Irish Republic.

The Royal Ulster Constabulary barracks at Roslea, Co. Fermanagh (Northern Ireland), a few miles from the Eire border, were raided shortly before dawn on Nov. 26 by about 12 armed men who were believed to be members of the *Saor Oladh* ("Free Ulster") organization, a splinter group of the illegal "Irish Republican Army" operating in Northern Ireland. The raiders were repulsed after an exchange of shots, and subsequently fled across the Eire border in two cars without having captured any arms. A constable of the R.U.C. was severely wounded in the attack and was taken to hospital in a critical condition.

The raiders blew a large breach in the wall with gelignite, entered the barracks through this breach, and called upon the occupants to surrender. The constables on duty, led by Sergeant W. R. Morrow (who was in charge of the station, and who lived there with his wife and two small children), opened fire on the attackers, who fled after an exchange of fire and left behind them a sub-machine gun, a fully loaded American-type automatic weapon, a loaded gas-pistol, three gas masks, and a box containing 11 hand-grenades filled with gelignite. Constable Gordon Knowles was struck by at least seven bullets as he lay half buried in the débris caused by the gelignite explosion. The telephone line to the barracks had been cut by the raiders before the attack.

It was subsequently disclosed that one of the raiders had died of wounds received during the attack and had been buried in Carrickroe churchyard, Co. Monaghan (Eire), after an inquest by the Coroner for north-east Monaghan.

The Government Information Bureau in Dublin issued a statement on Nov. 28 saying that the Coroner had been informed that "the body of an unknown man who appeared to have died from gunshot wounds" was lying in a farmhouse in the district; that an inquest had been held; and that the jury found that the unknown man had "died from shock and haemorrhage, and that there was no evidence to show how the injuries had been received." The Information Bureau did not identify the man by name, nor did it make any mention of the Roslea attack. A week later, however, it was disclosed in the Press that the man concerned was Con Green, a 33-year-old native of Londonderry.

New measures to check border raids by "gangs of would-be murderers" into Northern Ireland, and to reduce the chances of their escape across the border into the Irish Republic, were announced on Nov. 28 by Mr. G. B. Hanna, the Northern Irish Minister for Home Affairs, in a speech in Belfast. They included (1) the immediate imposition of a speed limit of 10 m.p.h. for at least one mile on the Northern Ireland side of all unapproved roads across the border; (2) the erection of "semi-permanent" barricades and obstructions on these roads; (3) a "very substantial" strengthening of border patrols; (4) special police powers to stop all vehicles and to detain any person for a few hours' interrogation. In the course of his speech Mr. Hanna said that the Government of the Irish Republic were "morally responsible" for the Roslea raid by the failure to interfere with illegal drilling by the I.R.A. in County Monaghan, near the Northern Ireland border.

"In recent months," said Mr. Hanna, "members of the Government in the South of Ireland, and the Leader of the Opposition there, have repeatedly made speeches deploring violence, but that Government has refused to take any steps to implement these pronouncements. . . . Illegal organizations such as the I.R.A. can openly recruit and drill in the 26 Counties [i.e. the Irish Republic] and can hold exercises within a short distance of the border. An even more disquieting result is that members of these organizations know that if they can escape across the border, they can find sanctuary there after having committed crimes in this country.

"I wonder what the Government and people of Eire would feel like if the boot were on the other foot, if murderous gangs were to go from Northern Ireland with evil intent, attack places and buildings in the south, and then escape across the border and find sanctuary here. We have never allowed this to happen, nor would we. But we are entitled to expect that the Government of a country which purports to be amicably disposed towards us should reciprocate in some manner. . . . If the Government and people of the South of Ireland want to encourage this co-operation, and the preservation of peace and the maintenance of order on both sides of the border, they will realize that they must take steps to ensure that gangs of would-be murderers cannot find sanctuary in any part of the country. I am afraid, however, that the truth is that all co-operation is being deliberately withheld.

"This afternoon a statement was issued by the Eire Government Information Bureau [see above] to the effect that on Nov. 26 the Coroner for North-East Monaghan held an inquest on the body of an unknown man who had, apparently, died from gunshot wounds and was lying in a farmhouse in his district. The jury found that the unknown man died from shock and haemorrhage. There was no evidence to show how the injuries were received. Surely it is not too much to expect that the police authorities in Eire would have got into touch with our police when this body was discovered almost immediately after the armed raid, of which they cannot but have been aware. . . . The only possible conclusion is that the Southern Government is not willing to co-operate with us in these matters."

Mr. Hanna said that it seemed clear from the place in which the raiders made their escape that the gang was in some way connected with persons who had been drilling in the Scotstown area [Co Monaghan, near the N.I. border] in recent months. The existence of this drilling had been brought to the attention of the authorities south of the border, but they took no steps to stop it. "In these circumstances," Mr Hanna added, "I cannot think that I will be regarded as going too far when I charge the Government in the South as being morally responsible for the raid by reason of their failure to interfere."

Mr. Hanna concluded: "I think I ought to draw attention to one feature of this attack about which coming generations in the South may read in their history books as the glorious battle of Roslea, extolling the courage of the Irishmen who attacked the armed forces of the Crown. Let us look at their bravery. They placed an explosive charge outside the window of the day-room. After the explosion they burst into the day-room, firing machine-guns with the obvious intention of killing whoever might be there. In that building not only were there five members of the R.U.C., but also the wife and two infant children of the sergeant. They fired their guns at the prostrate body of the constable who was on duty, who had been blown from his couch and was lying on the ground, dazed and covered with débris. It took great courage to fire in those circumstances. Outside, they gallantly fired at an old lady who had been awakened by the noise and came down to see what was wrong. But when Sergeant Morrow came on the scene with a Sten gun and opened fire, they ran. Although there were only five policemen in the station, the 12 attackers turned tail at the first hint of counter-attack, leaving guns and other weapons behind. I hope these facts will be recorded for posterity, so that the truth will be known when the story of the famous Irish victory at Roslea is recounted."

The Prime Minister of Northern Ireland (Lord Brookeborough), in a statement on Nov. 29 to the N.I. House of Commons, said that it was "unbelievable" that a neighbouring country [i.e. the Irish Republic] which had outlawed the I.R.A. should be afraid to take action against it. He announced that he would make further approaches to the British Government, if necessary, for an extradition treaty between Eire and Northern Ireland, and said that he had already mentioned the matter to Sir Anthony Eden and the Home Secretary, Major Lloyd-George. After denouncing the "blackguards and scoundrels" who crossed the border to carry out attacks in Northern Ireland, Lord Brookeborough said that conferences had already taken place with the military authorities in Ulster, and that, should the necessity arise, the military would be called out to protect the people against such attacks.

Mr. Hanna informed the House that the *Saor Oladh* organization had been banned in Northern Ireland; that a mobile police force had been set up to deal with attacks on police stations; and that the special constabulary might be increased. He described the *Saor Oladh* as the military arm of *Fianna Oladh* ("Warriors of Ulster"), a political group led by Mr. William Kelly, the Ulster abstentionist M.P. and a member of the Irish Republican Senate.

The Prime Minister of the Irish Republic, Mr. Costello, stated in the Dail on Nov. 30 that the Government would use all means in its power to bring terrorist activities to an end, and that it was "for the Dail and the people of Ireland, in the interest of this generation and of the generations to come, to give us full and unwavering support in the performance of that duty."

Mr. Costello asserted that the problem of the unlawful use of force was one which had been created by the actions of the British Government and Parliament, and by the "unrelenting opposition" of the Northern Ireland authorities to "any reasonable approach to the ending of partition." With reference to the Northern Irish complaint that the Irish Republic was not prepared to enter into an extradition agreement for the handing over for trial of persons accused of offences in the "Six Counties" [Northern Ireland] or in Britain who had taken refuge in the territory of the Republic, Mr. Costello spoke as follows:

"There has never been any serious difficulty about the reciprocal enforcement of warrants in respect of ordinary criminal offences between the British and ourselves. For the first few years after the establishment of the State there was the same reciprocity in the execution of warrants between the Six Counties and the Republic, although there were doubts whether the execution in the Republic of warrants emanating from the Six Counties was in accordance with law. In 1939 the High Court decided that there was no authority for the practice of executing 'Six County' warrants here, and we had no option but to discontinue the practice. As a result, the authorities in the Six Counties ceased to execute our warrants.

"This situation is one that can be remedied only by legislation. We see no objection in principle to such legislation applying to persons accused of offences that have no political complexion, but we think that in any such arrangement provision should be made

for the reciprocal enforcement of maintenance orders and some other matters of the same kind, and that there should be parallel legislation by the British and ourselves."

The question of extradition, however, Mr. Costello went on, stood on a different footing, and was governed by international law. Every State had the right to grant asylum to political offenders and to decide for itself what constituted a political offence, and it was common form for every extradition treaty to include a provision specifically excepting political offences from the category of extraditable offences.

He added : " I must emphasize that there can be no question of our handing over, either to the British or to the Six County authorities, persons whom they may accuse of armed political activities in Britain or in the Six Counties."

Lord Brookeborough issued the following statement on Dec. 1 in reply to Mr. Costello's speech to the Dail :

" It is an elementary principle of international law . . . that a country will not allow its citizens, or the citizens of any other country, to conduct a campaign of attack from within its boundaries against a neighbour. This is all the more necessary when, as Mr. Costello has admitted is the case in Eire today, the conduct of such a campaign constitutes a threat to the established Government of his country. I therefore regret that Mr. Costello did not announce the immediate intention of his Government to enforce the law in regard to illegal drilling and the illegal possession of arms and explosives

" The declared purpose of those who are advocating the use of force is to encourage armed attacks upon Northern Ireland. What possible object, therefore, can be served by any failure to deal promptly with open and undisguised illegal drilling ? Mr. Costello appears to be under the impression that expressions of condemnation from his Government and the Opposition will, of themselves, be sufficient to end the threats to use force. I do not share his optimism in this respect. . . . However, I welcome that part of his speech which appeals to all his people for the abandonment of violence in any form, and I would recommend the wisdom of following this excellent advice.

" I do not want to say anything which might lessen the force of his appeal, and so do not propose to deal at length with the contents of his statement. In spite of this fact, I would be failing in my duty to the people of Great Britain and Northern Ireland if I failed to express my regret that his appeal was prefaced by an attempt to lay the blame for the events and the behaviour which it deplores at our door. I would have much preferred that it had not been necessary for me to repudiate any allegation of the kind. Northern Ireland's Constitution and boundaries were established in 1920 and were freely accepted by the Southern Government and Parliament in the treaty of 1925. It is preposterous to suggest that, because we will not agree to surrender our rights, privilege and duties under that treaty, we are morally responsible for invasions of our territory by armed gangs from the South.

" I have repeatedly urged a policy of good-neighbourly relations between our two areas, based on the recognition that each should refrain from interference with the affairs of the other. We, for our part, have given practical proof of our readiness to co-operate in matters of common interest. The Southern Government must, however, realize that satisfactory relationships between us can never be achieved so long as they exclude from co-operation the supremely important matter of law and order. Their police force, and their local officers concerned with the enforcement and administration of the law, should be permitted and encouraged to extend to us the assistance and co-operation that are normal between friendly and neighbouring States. Such extraordinary happenings as arrangements being made by one party for secret inquests, surreptitious burials, and anonymous death certificates, where it is thought that the facts of such matters might be of assistance to the other, are without honour or profit to anyone.

" I am very glad indeed to note that the Southern Government are now prepared to discuss extradition arrangements between us. I am at a loss to understand what appears to be a suggestion by Mr. Costello that negotiations on this subject reached a deadlock over such matters as the scope of the arrangements and the manner in which effect was to be given to them. We have never, at any time, suggested that wider extradition powers should be provided for than those which are common to all international extradition arrangements, nor have we ever expressed any preference for any one form of machinery rather than another. The plain fact of the matter is that so far, in spite of all our efforts and every possible approach, it has been impossible to bring the Southern Government to the point of starting discussions on the subject. However, I am perfectly willing that we should both now assume that there has been some misunderstanding on one side or the other, without going into the question of which, and proceed to deal with the matter afresh. It will be very much to our mutual advantage if we can bring to an end the existing very unsatisfactory state of affairs."

A conference of newspaper editors in the Irish Republic was convened in Dublin on Dec. 2 by Mr. Costello. After reminding them that the " so-called I.R.A." was an illegal organization, the *Taoiseach* announced that the Government intended to invoke the provisions of the Offences against the State Act (1939) to prevent any publicity being given to the I.R.A. or other revolutionary bodies in the Irish Republic.

An explanatory statement was issued by the Government Information Bureau recalling that the I.R.A. was " an unlawful organization in respect of which a Suppression Order under the provisions of the Offences against the State Act, 1939, was made on June 22, 1939." The statement added : " The Act and Order referred to are still in force, and the Act contains a prohibition against printing or publishing certain kinds of matter . . . in relation to, or purporting to be contributed by or on behalf of, an unlawful organization."

A spokesman of the Ministry of Justice pointed out that the ban on any mention of the I.R.A. and similar organizations would apply not only to Eire newspapers but also to British and foreign newspapers and publications entering the Irish Republic. If such newspapers and publications did not observe the ban, copies of their editions circulating in the Irish Republic would be seized and destroyed, and the periodical concerned would be banned for a period not exceeding three months. The spokesman observed that publicity was the " breath of life " to illegal bodies such as the I R.A., and that the Government's action would " cut off the supply of oxygen " to these organizations.

The effect of the ban meant that no newspaper circulating in the Irish Republic would be allowed to use the description " I.R.A." or to publish any communications from the I.R.A. or other illegal organizations, except when discussed by the Dail. From time to time—e.g., after the raid on the Arborfield camp, in Berkshire (see 14405 A)—the Irish newspapers had published " communiqués " purporting to come from the " I.R.A. Command " and signed by a certain D. Macdiarmada, describing himself as " adjutant-general of the I.R.A." The last such " communiqué " was issued to the Press in Dublin on Nov. 27, when it was stated that the I.R.A. had " no connexion with the incident in Roslea " and that " no member of the army was involved."—(Belfast Telegraph - Northern Whig, Belfast - Irish Times, Dublin) **(Prev. rep. I.R.A., Arborfield Raid, 14450 A ; 14405 A ; Omagh Raid, 13975 A.)**

A. BRAZIL. — Supply of U.S. Agricultural Surplus Products on 40-year Credit.

An agreement was signed in Rio de Janeiro on Nov. 16 under which the U.S. Government agreed to supply Brazil with $41,220,000 worth of surplus agricultural products and to lend 76 per cent of the cruzeiro proceeds from the sale to Brazil, which would repay the money over 40 years.

An official statement said that the U.S.A. would sell to Brazil 500,000 metric tons (about 18,333,000 bushels) of wheat at $31,000,000 ; wheat flour to the value of $1,100,000 ; food grains worth $3,010,000, lard, $1,790,000 ; and tobacco, $250,000. Shipping charges would account for the remaining $4,070,000 Brazil would pay for the goods in cruzeiros as they were shipped, and the U S A would then lend to Brazil 76 per cent of the proceeds at interest rates varying from 3 to 5 per cent according to the method of repayment. Brazil would use the cruzeiros through her National Bank for Economic Development to finance long-term projects, and would repay the loan within 40 years.

The remaining 24 per cent of the cruzeiros (about $9,840,000) would be used to finance a number of U S. activities in Brazil, including the expenses of the U.S. Embassy and other agencies, purchases of strategic materials for the U S. stockpile, " activities related to the expansion and distribution of agricultural products in Brazil," and an expansion of cultural exchanges. The statement added that the agreement would cover Brazil's wheat requirements for the remainder of 1955 and the early months of 1956.

Although no details of the exchange rates to be used in calculating the cruzeiro payments were announced in the official statement, it was reliably reported in the U.S. Press that the rate would be 50.06 cruzeiros to the dollar.
(New York Times - New York Herald Tribune - Bank of London and South America, Fortnightly Review) **(13024 D.)**

B. WALES. — Cardiff recognized as Capital.

The Government's decision to recognize Cardiff as the capital of Wales was announced on Dec. 20 by the Home Secretary and Minister for Welsh Affairs (Major Gwilym Lloyd-George) in the following written answer to Mr. David Llewellyn (Labour, Cardiff North) :

" The Government have been impressed by the volume of support in Wales for the view that Cardiff is the city which should most appropriately be regarded as the capital of Wales. In deference to these views, the Government are prepared to recognize Cardiff as the capital of the Principality. No formal measures are necessary to give effect to this decision."

Wales, unlike Scotland, had never had an official capital, and the Government's decision to recognize Cardiff as such was warmly welcomed in that city and throughout the Principality. A ballot organized by the Association of Welsh Local Authorities in 1954 on the question of a capital for Wales (see 13575 C) had resulted in 134 votes for Cardiff, 11 for Caernarvon (where the Prince of Wales has been invested since the time of Edward I), four for Aberystwyth, and one for Swansea.—(Manchester Guardian - Western Mail, Cardiff) **(Prev. rep. 13575 C.)**

A. ETHIOPIA. — Silver Jubilee of Emperor Haile Selassie. - Promulgation of New Constitution.

The 25th anniversary of the accession of the Emperor Haile Selassie I was celebrated throughout Ethiopia on Nov. 3-5, a special service of thanksgiving being held in St. George's Cathedral in Addis Ababa. On Nov. 4 the Emperor promulgated a new Constitution—superseding that of 1931, which was adopted after his accession to the throne—at a special session of the Ethiopian Senate and Chamber of Deputies, the ceremony being attended by the Diplomatic Corps and by notables from all parts of the country.

The new Constitution, which had previously been adopted by the Ethiopian Parliament, consists of 131 Articles and introduces a number of important reforms, including the following: the principle of ministerial responsibility to Parliament; the broadening of the Chamber of Deputies; the introduction of free, secret, and universal suffrage; the extension of the franchise to women; the independence of the judiciary; recognition of full civic rights for all Ethiopians without distinction of race or creed; recognition of the fundamental human rights and freedoms, embodied in a special Bill of Rights incorporated in the Constitution; and the suppression of all feudal practices. The Emperor also announced that the civil, penal, commercial, and maritime laws would be codified by European jurists. The Ethiopian Orthodox Church (founded in the fourth century) remained the established State Church, though full religious freedom was guaranteed to all citizens.

Certain important prerogatives were retained by the Emperor, including the supreme direction of foreign affairs, the right to conclude and ratify treaties with foreign Powers, the right to dissolve Parliament, and the appointment of Cabinet Ministers and judges. The Emperor also retained powers to promulgate decrees in an emergency when Parliament was not in session, with the proviso that such decrees would subsequently have to be ratified by Parliament.

The present Ethiopian Chamber of Deputies has 60 members, elected on a restricted franchise and chosen largely by official nomination The 30 Senators are nominated by the Emperor.

In promulgating the new Constitution, the Emperor reviewed Ethiopia's progress during the 25 years of his reign in his speech to the joint session of Parliament. Extracts are given below (cross-headings inserted):

Development of Social Services and Communications. "Nearly a quarter of a century ago we granted to our beloved people the first Constitution in the history of this 3,000-year-old Empire. Today . . . we are pleased to proclaim a revised Constitution consolidating the progress achieved, and preparing the way for further advance. Since our first and foremost objective is the welfare and prosperity of our people, it has been our constant aim to strengthen the economic and educational foundations of our country and to improve the standard of living of our people. In consequence of this programme, the population of the Empire has increased during the period under review. . . . This increase has been due, in part, to the introduction, not only of the latest techniques in medicine and public health, but also of facilities which did not exist here 25 years ago. For instance, the number of hospitals and clinics which existed then did not exceed 48, whereas today there are 240 hospitals and clinics throughout the Empire. The result of these measures has been an increase in the span of life, a reduction of infant mortality, and an overall increase in the national population . .

Today there are 35 times as many schools as existed 25 years ago. Before the war the number of students pursuing their studies abroad was limited to a few score. Today large numbers of our youth are pursuing higher studies abroad Some have completed their studies and are back home, rendering services to their country in various capacities. . . .

We now have a national network of telephone and radio communications. Today there are more roads in Ethiopia than anywhere else in East Africa. To these achievements must be added the outstandingly successful airlines. As a result, Ethiopia is not weeks but hours from the world capitals, and foreign nationals are able to visit our country without difficulty.

Industrial Expansion. Not only have the resourcefulness, initiative, and enterprise of Ethiopian subjects during this period resulted in the introduction and establishment of new industries, but also foreign capital has in recent years been coming to Ethiopia in ever-increasing amounts, although not to the extent of our expectations. The face of our cities and of our countryside is being transformed through the construction of imposing industrial establishments, mining installations, and mechanized agricultural projects. Plans have now reached the stage of execution for an ambitious national programme of hydro-electric development and of irrigation

Trade and Finance. With regard to foreign trade, Ethiopia has won for her products a place in world markets which greatly exceeds our expectations. . . . She has entered these markets with entirely new products and on a scale exceeding the most optimistic predictions of 25 years ago. For example, Ethiopia's exports of fresh vegetables, meat, and other fresh foodstuffs, in one year alone, exceed the entire exports in one year before the war of coffee or hides As regards coffee, the value of the annual crop exported has increased over tenfold in the 25-year period under review. Exports generally have increased by nearly the same amount. Even in the much shorter period of the last nine years, exports have quadrupled, as have imports, the former rising from $37,000,000 in 1946 to $169,000,000 in 1954, and the latter from $36,000,000 to $137,000,000

Similarly, and as a concomitant development, the financial picture has been completely transformed during the past 25 years, notwithstanding the incredible hardships and sacrifices imposed by the occupation and the subsequent bleak years following the liberation Whereas, before the war, the National Budget did not exceed $5,000,000, today it exceeds $100,000,000. Money in circulation has increased from $80,000,000 in 1946 to over $220,000,000 in 1954 In that same period our holdings of gold have increased by approximately 20 times.

Need for New Constitution. It is obvious that Ethiopia, and indeed the Government itself, has burst out of the limits imposed by a Constitution promulgated under vastly different conditions However, this progress calls for increasing governmental supervision and control, as is evidenced by the ever-increasing number of laws governing the protection of property and of national and foreign investments; the legislation governing limited liability corporations; the establishment and supervision of commercial and industrial corporations, guarantees for monetary stability, etc This development is also reflected in the growth of the judicial system. During the last 12 years . . . the courts of our Empire, including Moslem or *Sharia* courts, have grown in numbers from 182 to 593 In other words, this great material development has required a simultaneous development not only of the judiciary, but also of the other branches of government charged with the responsibility of fostering and protecting this thriving plant of national economy.

In yet other ways the developments of the past 25 years have called for an ever-increasing expansion of the Governmental framework. Many of you will recall the state of the organization which existed 25 years ago as regards the Ministries of our Empire. These were not only few in number, but greatly understaffed. Today, although much remains to be accomplished, 14 Ministries, housed under far more adequate conditions and with an ever-growing and increasingly trained staff of Civil Servants, are seeking to cope with the ever-widening perspectives of national development. Similarly, the Army of 25 years ago, although valiant, was inadequately armed and lacked adequate numbers of officer cadres and training. Today that situation has been vastly improved, to the extent even that Ethiopia has been able to send a contingent to participate in the United Nations effort in Korea This development has required an ever-increasing expenditure and heavy sacrifices, but we will resolutely pursue to completion, regardless of cost and obstacles, the programme for the modernization of our armed forces.

The growth in the size and responsibilities of the Government has necessitated the strengthening of the processes of centralization All regions of the Empire are now closely knit together under a single unified direction capable of guiding them along parallel lines of progress and integrating all into a common national endeavour In addition, all vestiges of feudalistic and other class or personal privileges have been wiped out, so that all our beloved subjects may live together as equals and brothers in the same family.

Ethiopia's international horizons have been enormously expanded during our reign. Twenty-five years ago Ethiopia was still a little-known corner of the dark continent of Africa. Through her courageous resistance against aggression, and through our appeal to the world founded on respect for international morality and collective security, Ethiopia has achieved imperishable fame. The world has come to recognize the moral stature and greatness of the Ethiopian people. In consequence, we have been able to rectify certain of the crying injustices perpetrated against our country during the iniquitous period of imperialism against which Ethiopia, under our leadership, had to fight alone. No longer is Ethiopia a land-locked country. Two ports on the Red Sea are being developed to handle the rapidly expanding foreign trade of Ethiopia to which we have referred. With the rectification of 60 years of injustice, and with the return of our devoted Eritrean subjects, Ethiopia has known, once again, that national unity and coherence which she has enjoyed since before the time of Christ.

Here again, however, the increase in population, territory, and national responsibilities has called for a broader concept of governmental organization. For example, problems connected with a maritime frontier, the development of ports, of naval forces and of a merchant marine, did not exist until recently. Today the Government must be remodelled to take these developments into consideration. Engineering skills and administrative supervision of a high order are involved, as well as the establishment of a Naval Academy, a Coast Guard Academy, and Marine and Fisheries Administrations.

In other words, the past 25 years have been characterized by material—including commercial, industrial, and financial—progress, a steeply ascending curve of cultural and political development, an expanded population and national territory, and ever-widening international horizons. Ethiopia, under our guidance, must consolidate this progress. She must do more. She must advance yet further. To assure the progressive welfare of our beloved people is our sole aim in life. There can be no justification for any Government, whatever its form, except that of ensuring and promoting the welfare of its subjects.

The Revised Constitution. Obviously, the structure of the Government itself must grow in size and power To do so we must broaden and strengthen the bases of all three branches of government . the Executive, Legislative, and Judiciary. The revised Constitution which we have promulgated reflects these preoccupations and enlarges and consolidates the Government

In this revised Constitution we have not only sought to provide the essential conditions for effective work by Ministers and Government officials, but at the same time to provide that Ministers shall be responsible to us and to the State for the proper fulfilment of their functions Close collaboration between the Executive and Legislative branches of all modern Governments has become an ineluctable necessity In order to work intelligently in the drafting of laws, Parliament must be acquainted with problems as viewed by the Executive Consequently, we have provided that Ministers, on their own initiative or at the request of Parliament, may appear before it to explain these matters It is our hope that this procedure will serve to co-ordinate the Executive and Legislative processes, and that, with the explanations which our Ministers may from time to time furnish to Parliament, this latter body will be able, more intelligently and with a fuller knowledge of the facts and circumstances involved, to devise legislation more responsive to the exigencies of the present hour and to the needs of the future

We have mentioned the rapid expansion of legislation in social and economic fields New industries, the accumulation of wealth, the acquisition of a maritime frontier and of ports, the existence of new fields of social endeavour, and, finally, problems of international import, including treaties and other international commitments, have all served to broaden the responsibilities of Parliament and to demand from the members thereof greater social, economic, national, and indeed, international vision

To respond to these problems, we have sought in two ways to strengthen the Legislative branch of the Government first, by organizational improvements, and secondly, by a broadening of the parliamentary functions. We have provided for a substantial increase in the size of both Houses of Parliament Perhaps even more important, we have provided for direct elections to the Chamber of Deputies, by secret ballot, throughout the Empire upon the basis of universal suffrage In order that these provisions should be promptly translated into reality, we have prepared a national electoral law for consideration and approval by Parliament.

The Constitution contains provisions to ensure that all parts of the Empire shall receive their due representation in Parliament, and that there shall be no discrimination whatsoever amongst racial or religious groups. Furthermore . . we have provided that there shall be no discrimination among Ethiopian subjects with respect to the enjoyment of all civil rights or citizenship It is our steadfast aim that all citizens of the Empire shall live together as brothers in one large family

In order that every member of Parliament shall feel himself free to carry out his responsibilities to the nation, without fear or favour, we have provided for the traditional system of parliamentary immunities as consecrated by the original Constitution and by the practice in other countries of the world

Finally, by detailed provisions, we have established means for resolving differences of opinion between the two Houses of Parliament. In this matter we have followed time-honoured precedents from the parliamentary systems of other countries with bicameral legislatures. It is essential that the two Houses should work together in harmony for the national interest They should not constitute warring or antagonistic elements. Those elected by the people must also benefit by the advice of those to whom long years of experience in government administration and positions of responsibility have given wisdom and insight

Such, then, are the concepts which we have adopted in respect of the reorganization of Parliament There is, however, another aspect of this problem of strengthening the bases and enhancing the importance of Parliament. We refer to the role which Parliament itself, as reorganized, will be called upon to play in the legislative process. We have envisaged, and provided for, a broadened role of Parliament in respect of the law-making functions. We have continued the well-established precedent that no law may go into effect without the approval of both Houses of Parliament In addition, we have maintained the principle that every decree promulgated for reasons of emergency in the absence of Parliament [i.e. by the Emperor himself] must, in every case, be promptly submitted to Parliament for its consideration . Furthermore, we have provided that all legislation involving an increase in governmental expenditure, or new or increased taxation, shall first come before the Chamber of Deputies.

In the revised Constitution it is provided that, before entering into force, the approval of both House of Parliament shall be required in respect of all treaties and international agreements affecting Ethiopian subjects personally, or modifying existing legislation, or requiring expenditure of State funds, or involving loans or monopolies, or modifying the territory of the Empire or its sovereignty or jurisdiction over any part of its territory, and in respect of all peace treaties.

Although the original Constitution already contained provisions on Human Rights and Fundamental Liberties, the revised Constitution contains provisions adopted in the most advanced countries of the world for the protection of Human Rights. . . . No fewer than 29 Articles have been inserted in the Constitution to provide for the protection of the liberties and rights of the people. For example, we have provided that ' no-one shall be denied equal protection of the laws ', that ' there shall be no discrimination amongst Ethiopian subjects with respect to the enjoyment of all civil rights ', that ' there shall be no interference with the exercise in accordance with the law of the rites of any religion or creed by residents of the Empire '; that ' freedom of speech and of the press is guaranteed throughout the Empire, in accordance with the law ', that ' correspondence shall not be subject to censorship except in time of national emergency.' We have, moreover, confirmed our practice that every person accused of a crime shall be presumed innocent until proved guilty, and that no-one shall be imprisoned for debt except in cases of legally proved fraud.

Unlike many countries of the world, we have given every resident of the Empire the right to sue the Government, or any ministry, department, or agency thereof, for wrongful acts resulting in substantial damage Similarly, everyone in the Empire shall have the right to present petitions to us. So important have we considered these guarantees of Human Rights and Fundamental Liberties that, in the revised Constitution, we have stipulated that not only the courts but, in particular, ourselves, shall at all times assure and protect these Human Rights They constitute principles which no branch of government, be it the Executive, Legislative, or Judiciary, can transgress, and which, in consequence, must be placed under the particular protection of the Sovereign himself. We will always be ready to act positively to ensure respect for these rights by all branches and every official of the Government Thus the lowliest subject of the Empire, the poorest as well as the richest, even the convict in prison, has always the assurance that the Sovereign is at all times vigilant in the protection of his rights and fundamental liberties . . .

We have been alive to the realization that no document, however profound and comprehensive, can of itself bring about far-reaching and fundamental constitutional progress No constitutional progress can take effect unless it is rooted in the traditions, customs, habits, predilections, and legal concepts of the society upon which it is based The great liberal regimes of France and the Anglo-Saxon countries, and the great contributions which they have made in the development of political thought, have been based not only on strictly constitutional concepts, but also on the broader and all-pervading philosophy of civil and penal law, a philosophy based on the sanctity of the individual Conscious of the broader implications of constitutional reform, and of the necessity of providing means by which it may take root, we have called upon the services of the most enlightened jurists of Europe to codify, under our direct supervision and in the light of Ethiopian age-old traditions and of her present-day and future needs, the civil, penal, commercial and maritime laws of the Empire. The work undertaken and already accomplished has been gigantic, and we expect shortly to receive the final fruits of all these labours for the benefit of our beloved people. . "

In addition to the above-mentioned constitutional reforms, four Imperial proclamations were issued on Nov. 13. In the first, the Emperor proclaimed that all peasants working farms up to 40 hectares (98.8 acres) would receive full title to the land, whilst those working farms in excess of 40 hectares would receive ownership title to the greater part of their land. The new peasant proprietors were given exemption from all taxation until 1957. The second proclamation announced the creation of several agricultural credit banks and the abolition of the State monopoly for banking, thereby enabling foreign banks to open branches in Ethiopia. The third proclamation announced a general amnesty for prison sentences, under which persons serving sentences of life imprisonment had them reduced to 20 years, whilst those serving more than ten years' imprisonment had their sentences reduced by three years. Under the fourth proclamation, education was made free and compulsory for all children between the ages of seven and 18. (Imperial Ethiopian Embassy, London - Times - Le Monde, Paris - New York Times - Neue Zurcher Zeitung)

(Prev. rep. H.M. Haile Selassie, 14026 D.)

A. UNITED KINGDOM. — Gold and Dollar Reserves in November. - Fall of $14,000,000.

The sterling area had a gold and dollar deficit in November of $14,000,000 after taking account of (*a*) $2,000,000 received in U.S. defence aid, (*b*) the payment of $32,000,000 to the E.P.U., representing that part of the October deficit which had to be settled in gold or dollars, and (*c*) the payment of $2,000,000 under bilateral settlements with creditors of the E.P.U. As a result, the sterling area's gold and dollar reserves fell to $2,283,000,000 on Nov. 30.

Provisional figures for the E.P.U. November settlement showed that the U.K. had a deficit of $11,200,000 (£4,000,000), which would be settled in December three-quarters in gold or dollars and one-quarter by an increase in the U.K. debt to the Union.—(Treasury Press Office) **(Prev. rep. 14524 F.)**

B. SOVIET UNION. — Reduction of Armed Forces.

Moscow Radio announced on Dec. 12 that the Soviet Union had carried out its decision, announced on Aug. 13, to reduce the armed forces by 640,000 men to aid industry and agriculture. (Times) **(Prev. rep. 14384 C.)**

A UNITED KINGDOM. — Gas Industry. - Report and Accounts of Gas Council and Area Boards for 1954-55. - Surplus of £2,472,553. - Proposed Use of Gas from Oil Refineries. - Investigations into Use of Natural Gas. - Further Issue of Gas Stock.

The sixth annual report and accounts of the Gas Council and the 12 Area Boards, covering the year ended March 31, 1955, were published on Oct. 18. They showed that the gas industry as a whole had earned a net surplus of £2,472,553 (compared with a net surplus of £2,111,536 in 1953-54), bringing the cumulative disposable surplus since Vesting Day to £10,965,244.

The total net surplus for the year was achieved after charging £18,457,944 for depreciation and £14,761,037 for interest, and after two Area Boards had set aside a total of £150,000 for taxation, whilst two others had transferred back to revenue account £722,489 previously set aside for taxation purposes but no longer required for this. Ten of the Area Boards earned surpluses totalling £2,732,355, but the remaining two—the West Midland and North Thames Boards—incurred deficits totalling £259,802. The largest trading surplus (£1,027,784) was made by the North-Western Board, whilst the Scottish Board reported a trading surplus (£388,874) for the first time since nationalization.

Salient points from the report are summarized below.

Revenue. Gross revenue totalled £325,280,000 (compared with £297,400,000 in 1953-54), comprising £180,600,000 from the sale of gas (£170,100,000), £92,300,000 from disposal of by-products (£83,100,000), £36,600,000 from sales and hire-purchase of appliances, (£29,500,000), and £15,800,000 from other sources (£14,700,000).

Costs and Prices. As a result of higher coal prices and wages, costs increased during the year by £7,165,000 The report estimated that further increases in costs since March 31, 1955, would total about £25,023,000 in a full year, including about £17,700,000 to cover higher coal prices since July In this connexion, the report stated that the gas industry's bill for coal at the pithead would now be about £47,000,000 more than it would have been at Vesting Day prices. All the Area Boards had adjusted their selling prices to take account of the increases

Consumption. Sales of gas totalled 2,636,300,000 therms (2,513,300,000 therms in 1953-54), industrial consumption having risen by 9.3 per cent to 720,000,000 therms, representing 28 per cent of total sales. Sales to domestic consumers rose from 1,347,500,000 therms in 1953-54 to 1,373,500,000 therms.

Capacity and Efficiency of Plant. Total manufacturing capacity increased by 2 2 per cent during the year, but a further 83 small and less efficient gasworks were closed, reducing the number of works in operation to 785, compared with 1,050 taken over on nationalization. In addition, a great deal of older plant was being scrapped and replaced.

Capital Expenditure. The expansion and modernization programmes continued to involve heavy capital expenditure, and £55,300,000 had been spent in 1954-55 on fixed assets, bringing the total amount thus spent since nationalization up to £258,900,000 The report stated, however, that the development programme was now being reviewed in conjunction with the Minister of Fuel and Power, and it was probable that the peak of capital investment had been reached.

Sales of Appliances and Hire Purchase. Sales of appliances reached the record total of £36,620,209, and hire-purchase transactions outstanding had increased from £34,580,004 to £44,220,502. The re-imposition of hire-purchase restrictions in February, however, had had a "substantial effect" on subsequent hire-purchase sales.

Smoke Abatement and Coke Supplies. Stressing that the gas industry intended to produce as much coke as possible as a contribution to the smoke abatement campaign, the report stated that a special panel was now investigating methods of increasing coke supplies, particularly to domestic consumers If enough suitable coal could be obtained at a reasonable price, it was believed that the industry could expand its production of gas and coke sufficiently to solve the problem of the "black" areas in 10 to 15 years.

Gasification of Heavy Oil. In view of the difficulties of the coal position, the gas industry had concentrated its research and development work on the possibility of making more efficient use of coal and on discovering other sources of gas-making. Emphasis had been placed on the gasification of heavy oils, and five plants with a daily capacity of 5,000,000 cu. ft. were already at work, with 16 more with a daily capacity of 26,000,000 cu. ft. on order. It was expected that these plants would together save about 364,000 tons of coal annually.

Employees. The number of persons employed in the industry at March 31, 1955, was 143,373, a reduction of 1,653 during the year and of 4,559 since nationalization. The report pointed out that the 5 per cent increase in gas sales during the year had been achieved in spite of a 3 per cent reduction in the number of employees.

Other recent developments in connexion with the gas industry are summarized below:

Natural Gas. Mr. H. F. H. Jones, deputy-chairman of the Gas Council, stated on Oct. 16 that drillings for natural gas had been made during the year at Crowborough (Sussex) but "could not now be regarded as promising" Drillings would shortly be begun, however, at Hunmanby, near Filey (Yorkshire) He added that the possibility of importing frozen natural gas from the Middle East was still under consideration, and that investigations into transport problems were being carried out by the North Thames and South-Eastern Gas Boards

Gas from Oil Refineries. The South-Eastern Gas Board announced on March 15 that it was investigating the practicability of building a plant at the British Petroleum Co 's Isle of Grain (Kent) oil refinery to convert petroleum products into town gas The initial installation would probably have a capacity of about 15,000,000 cu ft daily (to be increased later to 45,000,000 cu ft), which would be fed into the Board's grid at Strood (Kent) and would help to supply an area covering South London and parts of Kent, Surrey, and Sussex

The Southern Gas Board announced on Oct 18 that it had agreed "in principle" with the Esso Petroleum Co for "tail gas" (at present burnt to waste) from the company's Fawley refinery to be supplied through the Board for domestic use The quantity of gas involved was estimated at about 8,000,000 cu ft daily—enough to supply about 80,000 households, with a probable coal-saving of 70,000 tons annually

The Gas Council announced on July 13 the issue of £100,000,000 British Gas 4 per cent Guaranteed Stock, 1969-72, at 98 per cent, the proceeds of which would be used to repay temporary borrowings of about £70,940,000 by the Council on behalf of the 12 Area Boards, to meet capital expenditure by the Council and the Boards, to provide working capital, and for other authorized expenses. The issue was slightly over-subscribed.—(Times - Daily Telegraph - Manchester Guardian - Financial Times) **(Prev. rep. 1953-54 Report, 13877 A.)**

B. JAPAN. — Trade Union Movement.

The Information Bulletin of the Japanese Embassy in London published on Dec. 1 a survey of the Japanese trade union movement, a summary of which is given below.

Of a total of about 7,000,000 trade union members, it was stated that some 3,000,000 were affiliated to the General Council of Trade Unions of Japan (*Sohyo*), which supports the former Left-wing Socialists; that about 670,000 were affiliated to the Japan Trade Union Congress (*Zenro*), which, together with the Japan Federation of Trade Unions (*Sodomei*), supports the former Right-wing Socialists; that about 42,000 workers belonged to the National Federation of Industrial Organizations (*Shin San-betsu*), supporting the former Left-wing Socialists; and that the pro-Communist Congress of Industrial Unions of Japan had about 9,000 members. In addition there were a number of unaffiliated "neutral" unions.

The two largest labour organizations were thus the *Sohyo* and *Zenro*, but, in spite of the recent merger of the two Socialist parties, the antagonism between the trade union groups hitherto supporting one or the other party had so far remained unchanged. The *Sohyo*, at its convention in July, had emphasized the need for unifying the trade union movement, but the *Zenro* remained opposed to any unification centring on *Sohyo* and maintained that, in view of fundamental objections to *Sohyo* policies, the only sound way towards creating a united labour front was the expansion and strengthening of *Zenro* itself. The *Sodomei*, however, adopted a resolution on Oct. 28 recognizing the need to co-operate with the united Socialist Party, and the executive council of *Zenro* had subsequently adopted a similar attitude.

All affiliates of *Zenro* are members of the International Confederation of Free Trade Unions, to which six of the *Sohyo* member-unions are also affiliated. Although the *Sohyo* was previously critical of ICFTU policies, it now advocates co-operation with all trade union organizations on an international scale, regardless of whether they are affiliated to the ICFTU or to the (Communist-dominated) World Federation of Trade Unions.—(Japanese Embassy, London)

(Prev. rep. Socialist Party Merger, 14531 A.)

C. ARGENTINA. — Cabinet Appointments. - New Chief of General Staff.

President Aramburu's Government was completed on Nov. 10 with the appointment of Captain Alvaro Carlos Alzogaray as Minister of Industry. It was subsequently announced that Dr. Laureano Landaburu, jr., had been appointed Minister of Justice (a portfolio held temporarily by the Minister of the Interior, Dr. Busso), and that the Minister of Health and Social Welfare, Brigadier-General Manuel A. Argibay Molina, had resigned and been replaced by Dr. Francisco Martinez.

General Roberto Dalton was appointed Chief of the General Staff on Nov. 15 in succession to President Aramburu.
(Bank of London and South America. - New York Times)

(Prev. rep. 12553 A.)

DECEMBER 24—31, 1955

A. UNITED KINGDOM. — Government Changes.

A major reorganization of the Government—the first since Sir Anthony Eden took office as Prime Minister—was announced on Dec. 20, the new appointments being as follows:

Mr. R. A. Butler . ..	Lord Privy Seal and Leader of the House of Commons.
Mr. Harold Macmillan ..	Chancellor of the Exchequer.
Mr. Selwyn Lloyd ..	Foreign Secretary.
Sir Walter Monckton ..	Minister of Defence.
Mr. Iain Macleod	Minister of Labour and National Service.
Lord Selkirk	Chancellor of the Duchy of Lancaster.
Mr. Patrick Buchan-Hepburn	Minister of Works.
Mr. Nigel Birch ..	Secretary of State for Air.
Mr. J. A. Boyd-Carpenter	Minister of Pensions and National Insurance.
Mr. Robert Turton . .	Minister of Health.
Mr. Harold Watkinson ..	Minister of Transport and Civil Aviation.
Mr. Aubrey Jones .. .	Minister of Fuel and Power.
Mr. John Hare ..	Minister of State, Colonial Office.

Six former Ministers left the Government—Lord Woolton, formerly Chancellor of the Duchy of Lancaster; Mr. Harry Crookshank, formerly Lord Privy Seal and Leader of the House of Commons; Mr. Osbert Peake, formerly Minister of Pensions and National Insurance; Lord De L'Isle and Dudley, V.C., formerly Secretary of State for Air; Mr. Geoffrey Lloyd, formerly Minister of Fuel and Power; and Mr. Henry Hopkinson, formerly Minister of State for Colonial Affairs.

It was also announced that the Queen had approved the conferment of an earldom on Lord Woolton; that viscounties would be conferred upon Mr. Crookshank, Mr. Peake, Mr. J. P. L. Thomas (First Lord of the Admiralty), and Lord De L'Isle and Dudley, V.C.; that a barony would be conferred on Mr. Hopkinson; and that Lord Selkirk, Mr. Harold Watkinson, Mr. Aubrey Jones, and Mr. John Hare would become Privy Councillors. Mr. Jones and Mr. Hare entered the Government for the first time.

Mr Butler (53), who succeeded Mr Crookshank as Lord Privy Seal and Leader of the House of Commons, will be responsible for planning and carrying through the Government's legislation during the next few years, and also for the policy direction of the Conservative Central Office. He will continue, as hitherto, to preside over the Cabinet in the absence of the Prime Minister Mr Butler had been Chancellor of the Exchequer since 1951.

Mr. Macmillan (61), who succeeded Mr Butler as Chancellor of the Exchequer, will have full responsibility—under the Prime Minister—for co-ordinating all aspects of economic policy, internal and external. Mr. Selwyn Lloyd (51), formerly Minister of Defence, and prior to that Minister of State, Foreign Office, took over the Foreign Secretaryship from Mr Macmillan, and will accompany the Prime Minister on his visit to the U S A and Canada in the New Year (see 14566 B). Sir Walter Monckton (64), who took over the Ministry of Defence from Mr. Selwyn Lloyd, had been Minister of Labour and National Service for over four years, in which capacity he had had to cope with many industrial disputes and wage negotiations. The Earl of Selkirk (49), Paymaster-General since 1953, succeeded Viscount Woolton as Chancellor of the Duchy of Lancaster

Mr. Iain Macleod (43), the new Minister of Labour and National Service, had been Minister of Health for over three years His former portfolio was taken by Mr. Robert Turton (52), formerly Parliamentary Under-Secretary of State, Foreign Office Mr. Buchan-Hepburn (54), former Parliamentary Secretary to the Treasury, and Government Chief Whip, succeeded Mr. Nigel Birch as Minister of Works, whilst Mr. Birch (49) became Secretary of State for Air in place of Lord De L'Isle and Dudley

Mr. Boyd-Carpenter (47), formerly Minister of Transport and Civil Aviation, succeeded Mr. Osbert Peake as Minister of Pensions and National Insurance, whilst Mr. Harold Watkinson (45), formerly Parliamentary Secretary to the Ministry of Labour and National Service, succeeded Mr. Boyd-Carpenter as Minister of Transport and Civil Aviation

Mr Aubrey Jones (M.P. for Hall Green, Birmingham) became Minister of Fuel and Power in succession to Mr Geoffrey Lloyd, whilst Mr. John Hare (M P. for Sudbury and Woodbridge) succeeded Mr Hopkinson as Minister of State at the Colonial Office. Mr. Jones (44), the son of a Welsh miner, was educated at a Merthyr Tydfil secondary school and the London School of Economics; he was economic director of the British Iron and Steel Federation at the time of his appointment to the Government. Mr. Hare (44), a brother of the Earl of Listowel, was formerly vice-chairman of the Conservative Party Organization. Both were prominent Conservative back-benchers prior to their ministerial appointments.

The Cabinet continued to have 18 members, as hitherto, whilst 19 Ministers were not of Cabinet rank. The membership of the reconstructed Government was as follows:

The Cabinet.—Sir Anthony Eden (Prime Minister), Lord Salisbury (Lord President of the Council), Mr R. A. Butler (Lord Privy Seal), Mr Harold Macmillan (Chancellor of the Exchequer), Lord Kilmuir (Lord Chancellor), Mr Selwyn Lloyd (Foreign Secretary), Major Gwilym Lloyd-George (Home Secretary and Minister for Welsh Affairs), Mr James Stuart (Secretary of State for Scotland), Lord Home (Secretary of State for Commonwealth Relations), Mr. Alan Lennox-Boyd (Colonial Secretary), Sir Walter Monckton (Minister of Defence), Mr Duncan Sandys (Minister of Housing and Local Government), Mr Peter Thorneycroft (President of the Board of Trade), Mr. Heathcoat Amory (Minister of Agriculture, Fisheries, and Food), Sir David Eccles (Minister of Education), Mr. Iain Macleod (Minister of Labour and National Service), Lord Selkirk (Chancellor of the Duchy of Lancaster), and Mr. Patrick Buchan-Hepburn (Minister of Works)

Ministers not in the Cabinet. Mr. J P. L Thomas (First Lord of the Admiralty), Mr Antony Head (Secretary of State for War), Mr. Nigel Birch (Secretary of State for Air), Mr. Reginald Maudling (Minister of Supply), Mr. Aubrey Jones (Minister of Fuel and Power), Mr Harold Watkinson (Minister of Transport and Civil Aviation), Mr J. A. Boyd-Carpenter (Minister of Pensions and National Insurance), Mr Robert Turton (Minister of Health), Dr. Charles Hill (Postmaster-General), Lord Reading and Mr Anthony Nutting (Ministers of State, Foreign Office), Lord Strathclyde (Minister of State, Scottish Office), Mr. John Hare (Minister of State, Colonial Office), Mr Austin Low (Minister of State, Board of Trade), Lord Munster (Minister without portfolio), Sir Reginald Manningham-Buller (Attorney-General), Sir Harry Hylton-Foster (Solicitor-General), Mr W R Milligan (Lord Advocate), and Mr William Grant (Solicitor-General for Scotland), in addition to the new Paymaster-General (succeeding Lord Selkirk) when appointed.

The following junior ministerial appointments were announced at the same time:

Mr. George R Ward (48) .	Parliamentary and Financial Secretary, Admiralty.
Mr. Christopher Soames (35)	Parliamentary Under-Secretary of State, Air Ministry.
Commander A H P. Noble (47)	Parliamentary Under-Secretary of State, Commonwealth Relations Office
Mr. A. D. Dodds-Parker (47) .	Parliamentary Under-Secretary of State, Foreign Office.
Mr. David Renton (47) .	Parliamentary Under-Secretary of State, Ministry of Fuel and Power
Mr W F. Deedes (42) .	Parliamentary Under-Secretary of State, Home Office.
Mr. J E Powell (43) .	Parliamentary Secretary, Ministry of Housing and Local Government.
Mr. Robert Carr (39) . ..	Parliamentary Secretary, Ministry of Labour and National Service.
Miss Edith Pitt (49) and Mr Richard Wood . .	Joint Parliamentary Secretaries, Ministry of Pensions and National Insurance.
Mr. C. J. M. Alport (43) .	Assistant Postmaster-General
Mr. E. R. G. Heath (39) .	Parliamentary Secretary, H.M. Treasury.

Junior ministerial changes were as follows · Mr. Ward succeeded Commander Noble; Mr. Soames (a son-in-law of Sir Winston Churchill) succeeded Mr Ward; Commander Noble succeeded Mr. Dodds-Parker; Mr Dodds-Parker succeeded Mr. Turton, now Minister of Health; Mr Renton succeeded Mr Joynson-Hicks, resigned, Mr Deedes succeeded Sir Hugh Lucas-Tooth, resigned; Mr Enoch Powell succeeded Mr. Deedes; Mr. Robert Carr succeeded Mr. Watkinson, now Minister of Transport and Civil Aviation; Miss Edith Pitt and Mr. Wood succeeded Mr Ernest Marples, resigned, and Brigadier J. G. Smyth, V C., resigned; Mr. Alport succeeded Mr. David Gammans, resigned, Mr. Heath succeeded Mr. Buchan-Hepburn, now Minister of Works.

The holders of the following junior ministerial offices remained unchanged:

Admiralty—Civil Lord (Mr. Wingfield Digby); Agriculture, Fisheries and Food—Parliamentary Secretaries (Mr. G. H R. Nugent, Lord St Aldwyn, Mr Harmar Nicholls); Colonial Office—Under-Secretary (Lord Lloyd); Defence—Parliamentary Secretary (Lord Carrington); Education—Parliamentary Secretary (Mr. Dennis Vosper); Foreign Office—Joint Under-Secretary (Lord John Hope); Health—Parliamentary Secretary (Miss Patricia Hornsby-Smith), Home Office—Under-Secretary for Welsh Affairs (Lord Mancroft); Scottish Office—Under-Secretaries (Mr Niall Macpherson, Mr. Henderson Stewart, Mr. J. N. Browne); Supply—Parliamentary Secretary (Mr. F. J. Erroll); Board of Trade—Parliamentary Secretary (Mr. D. Walker-Smith); Transport and Civil Aviation—Parliamentary Secretary (Mr. Hugh Molson) and Parliamentary Secretary for Civil Aviation (Mr. John Profumo); Treasury—Financial Secretary (Mr. Henry Brooke), Economic Secretary (Sir Edward Boyle), and Lords Commissioners (Mr. Martin Redmayne, Mr. Richard Thompson, Mr. Gerald Wills, Mr. Peter Legh); War Office—Under-Secretary (Mr. Fitzroy Maclean); Works—Parliamentary Secretary (Mr. J. R. Bevins). There were also no changes in the holders of appointments in H.M. Household.

A further announcement on Dec. 21 stated that the Queen had approved the conferment of baronetcies on Mr. David Gammans (the former Assistant Postmaster-General), Mr. L. W. Joynson-Hicks (the former Parliamentary Secretary to the Ministry of Fuel and Power), and Brigadier J. G. Smyth, V.C. (former Joint Parliamentary Secretary to the Ministry of Pensions and National Insurance), and that Mr. Edward Heath would be made a Privy Councillor. It was understood that Mr. Geoffrey Lloyd had declined a peerage because of his wish to remain in the House of Commons.

The Government changes reduced the average age of the Cabinet from 55 years eight months to 54 years four months. As stated above, the Cabinet continued to have 18 members, the only difference being that the Minister of Works (Mr. Buchan-Hepburn) will sit in the Cabinet instead of the Minister of Pensions and National Insurance. It was announced that Mr. Edward Heath, the new Parliamentary Secretary to the Treasury, would succeed Mr. Buchan-Hepburn as Government Chief Whip. Mr. Heath had been deputy Chief Whip since 1953.

Four by-elections will be necessary as a result of the Government changes—at Gainsborough, Leeds North-East, Hereford, and Taunton, owing to the conferment of peerages on Mr. Crookshank, Mr. Osbert Peake, Mr. J. P. L. Thomas, and Mr. Hopkinson respectively. Two other by-elections are also pending—at Walthamstow West, caused by the conferment of an earldom on Mr. Attlee (see 14583 A), and at Blaydon (Durham), caused by the death of Mr. William Whiteley, the former Labour Chief Whip.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Eden Cabinet, 14129 A)**

A. DENMARK. — The "Copenhagen Clock."

The most accurate and elaborate clock ever made, claimed to lose only one second in 1,000 years, was officially started in Copenhagen Town Hall on Dec. 15 by King Frederick of Denmark. In addition to measuring local time in all parts of the world (Middle European Time, Greenwich Mean Time, etc.) it shows star time for different latitudes, times of sunrise and sunset, the day and year both by the Julian and Gregorian calendars, the positions of the planets and stars, and the phases of the moon. The clock also incorporates a calendar for 570,000 years, showing all movable feasts (e.g. Easter); indicates on which day any date within the next 4,000 years will fall; and indicates where and when eclipses of the sun and moon will take place in any part of the world. One part of the mechanism, called the "Festival Calendar," will tick only once a year—six minutes before midnight on New Year's Eve, when the clock will chime.

The clock was made by Jens Olsen, an astronomical instrument maker who died in 1945 after having worked on it for 30 years. After Hr. Olsen's death the work was completed with funds made available by the Copenhagen City Council, the total cost approximating to £35,000. The clock, which stands in a seven-ft.-high case in Copenhagen Town Hall, is specially insulated against dust, temperature changes, and humidity, and consists of some 15,000 hand-made parts and 445 cogwheels. As the slowest-turning wheel—to measure the equinoxes—would have taken about 26,000 years to complete one revolution, the makers put in only a quarter-wheel, sufficient for 6,000 years. (Berlingske Tidende, Copenhagen)

B. UNITED KINGDOM. — Prices. - Six Months' Guarantee of Price Stability by Cement Industry.

Sir Malcolm Trustram Eve, Q.C., announced on Dec. 14 on behalf of the Cement Makers' Federation (of which he is independent chairman) that it had been agreed to make no increase in the prices at which Portland cement was sold in Britain for at least six months.

Sir Malcolm explained that the cement industry had decided to guarantee stable prices for this period because it believed that "some positive and definite action should be taken to slow down the inflationary spiral," and expressed the hope that its example would be followed by other industries. He pointed out that it was impossible to guarantee stable prices for a longer period because about two-thirds of the industry's costs were outside its control, nearly half being accounted for by coal, electric power, and transport. If cement makers could be certain that the charges of the National Coal Board, the British Electricity Authority, and the British Transport Commission would not be raised for a specified period, the term for which cement prices could be guaranteed might well be extended, and requests for their co-operation had been sent to these bodies and to the trade unions associated with the cement industry. Sir Malcolm added that the production of cement for home use in 1955 was estimated at 10,750,000 tons, the average delivered price being about £5 per ton. In 1956 production was expected to be increased by about 500,000 tons.

A similar guarantee of price stability was given on the same day on behalf of the manufacturers of plaster board, the annual value of whose output, excluding exports, was stated to be about £6,000,000. (Times - Manchester Guardian)

C. UNITED STATES. — Foreign Bids for U.S. Contracts. - New Regulations by Department of Interior. - Rejection of New British Tenders for Chief Joseph Dam.

The U.S. Department of the Interior issued new regulations on Nov. 14 governing the award of contracts to foreign firms tendering in competition with U.S. concerns. Under the Executive Order issued by President Eisenhower in December, 1954, it was laid down that foreign bids should be accepted in preference to U.S. bids if the latter were more than 6 per cent higher, but that this rule could be disregarded if the contract was awarded to a U.S. firm in an officially certified area of "substantial unemployment." Difficulties subsequently developed, however, in deciding how great the difference between a U.S. and a foreign bid needed to be in an area of unemployment for a contract to be nevertheless awarded to a foreign firm. The new regulations therefore fixed a differential of 6 per cent for domestic concerns in unemployment areas, in addition to the normal 6 per cent differential granted under the President's Order. A spokesman of the U.S. Defence Department (the other agency chiefly concerned with foreign bids for contracts) stated on the same day (Nov. 14) that his department had made no similar decision.

The Department of the Interior's new regulations arose out of the rejection at the beginning of November of British and Italian tenders (by the English Electric Co. and the Legnano Electric Corporation respectively) for electrical equipment, and the award of the contracts to U S firms on the ground that they were situated in areas of unemployment. The U.S. Government, however, stopped the award of the contracts to the U S firms, and on Nov. 14, after the new regulations had been issued, it was announced that the two contracts had been awarded to the British and Italian firms, and that two other small contracts had been awarded to Swiss and Italian firms (the Brown Boveri Corporation and Legnano Electric Corporation).

Earlier (Aug 26) it had been announced that the U.S. Defence Department had rejected bids by the English Electric Company for supplying generators and transformers worth some $6,000,000 for the Chief Joseph Dam project in Washington State, and had awarded the contracts to U.S. concerns in order to help relieve unemployment in the Pittsburgh area. The Foreign Office in London stated on Sept 2 that "strong representations" had been made to the U.S. Government expressing the British Government's "deep concern" at the rejection of the British tenders. It was subsequently announced that the British protest had been rejected, but no details of the U.S. reply were published.

The Department of the Interior announced on Sept. 11 that at least 179 contracts, totalling more than $8,000,000, had been awarded to foreign firms in the past four years. Excluding 73 very small Fish and Wildlife Service contracts, contracts had been awarded to firms in the following ten countries: Switzerland, 31; Italy, 22; Austria, 16; United Kingdom, 12; Japan, 6; Canada, 6; Western Germany, 6; France, 3; the Netherlands, 2; Sweden 2. No figures were published for Defence Department contracts.

It was announced in New York on Dec. 27 that the U.S. Army had awarded a $2,080,940 contract for transformers on the Dalles Dam, on the Columbia River near Portland (Oregon), to the British firm of Ferranti. The contract was secured in the face of competition from U.S. companies and a Swiss firm. (New York Times - New York Herald Tribune) **(14030 C.)**

D. NEW ZEALAND. — Adherence to German Debt Agreement.

The N.Z. Minister of External Affairs, Mr. Macdonald, announced on Nov. 30 that New Zealand had acceded to the Agreement on German External Debts, signed in London on Feb. 27, 1953, and that N.Z. creditors could now take steps under the agreement to enforce their rights against their debtors in the German Federal Republic in respect of those debts which were covered by the agreement.—(Directorate of Information Services, Wellington) **(Prev. rep. 12487 A.)**

E. AUSTRIA. — Recognition of Neutral Status.

It was announced in Vienna on Dec. 8 that the German Federal Government had officially recognized the permanent neutrality of Austria. Apart from the four former occupation Powers and Switzerland, other countries which had also recognized Austria's status as a perpetually neutral Power up to Dec. 1 included Czechoslovakia, Hungary, Italy, Yugoslavia, Finland, India, Japan, and Sweden.—(Wiener Zeitung) **(Prev. rep. 14561 A.)**

F. PERSIA. — New Foreign Minister.

The appointment of M. Aliquli Ardalan as Foreign Minister of Persia in succession to M. Abdullah Entezam was announced on Dec. 27 in Teheran. M. Entezam, who was convalescing in Europe at the time, was appointed Deputy Prime Minister and Minister without portfolio.—(Times) **(Prev. rep. 14151 B.)**

A. SOVIET UNION - ASIAN STATES. — Visits by Marshal Bulganin and M. Khrushchov to India, Burma, and Afghanistan. - Soviet Leaders' Attacks on Western Powers, Portugal, and Pakistan. - Statements on Goa and Kashmir. - M. Khrushchov's Denunciations of "Colonialism." - Soviet Economic Agreements with India, Burma and Afghanistan.

The Soviet Prime Minister, Marshal Bulganin, and the First Secretary of the Soviet Communist Party, M. Khrushchov, visited India, Burma, and Afghanistan during November and December. They were accompanied by M. Gromyko, First Deputy Foreign Minister, M. Kumykin, Deputy Minister of Foreign Trade, M. Mihailov, Minister of Culture, and a number of officials. The visits of the Soviet leaders to India and Burma followed those paid to the U.S.S.R. earlier in the year by the Prime Ministers of India and Burma (see 14372 A; 14585 A).

Marshal Bulganin and M Khrushchov made a 12-day tour of India from Nov. 18-30, during which they visited Delhi, Bombay, Madras, Calcutta, and other places They then spent a week in Burma (Dec. 1-7), returned to India for another week's visit (Dec. 7-14), during which period they visited Kashmir, and ended their tour with a four-day visit to Afghanistan (Dec 15-18), returning to Moscow on Dec 21.

During their tour of India and Burma, Marshal Bulganin and, in particular, M. Khrushchov, made a number of political speeches in which they attacked the policy of the Western Powers and in which M. Khrushchov specifically denounced Britain for having, he alleged, "exploited" India and Burma in the past. In addition, the Soviet leaders denounced Portugal for "colonial exploitation" in Goa, upheld India's claim to that territory, and described Kashmir as a part of the Indian Union. M. Khrushchov, moreover, in speeches in Bombay and Rangoon, accused the Western Powers of responsibility for the Second World War by having, he alleged, sought to turn Hitlerite Germany against the Soviet Union. These recriminations and allegations gave rise to strong protests in Britain, the United States, Portugal, and Pakistan, and were refuted in a number of official statements issued in those countries.

Visit to India.

Marshal Bulganin and M. Khrushchov arrived by air in Delhi on Nov. 18, and were given an enthusiastic welcome by great crowds numbering hundreds of thousands. During their first two days in India they called upon President Rajendra Prasad and the Vice-President, Dr. Radhakrishnan; visited many of Delhi's historic buildings and monuments, including the Red Fort and the Jama Masjid mosque; laid wreaths at the shrine of Mahatma Gandhi at Rajghat; and visited Agra to see the Taj Mahal.

On Nov. 21 Marshal Bulganin and M. Khrushchov addressed a joint session of the two Houses of the Indian Parliament, their speeches being delivered in Russian and translated into Hindi. Marshal Bulganin's speech was largely devoted to a recapitulation of Soviet international policy, during which he criticized the policies of the Western Powers, whilst M. Khrushchov spoke mainly on the development of the U S S.R. since the October Revolution and on the role of the Soviet Communist Party.

Marshal Bulganin expressed the Soviet people's friendship and admiration for India, stressed the identity of views between the two countries on all important international questions, and emphasized that their mutual relations were based on the "five principles" of peaceful co-existence. After declaring that the Soviet people had "sympathized whole-heartedly with the courageous struggle which your people waged against colonial oppression," he went on to pay a tribute to the late Mahatma Gandhi and to Mr. Nehru, describing the latter's visit to the Soviet Union as "a great and important event."

The Soviet Prime Minister then spoke of the Geneva "summit" conference and the subsequent conference of Foreign Ministers; recapitulated the Soviet proposals put forward at the latter conference; and said, in connexion with the Soviet proposals for disarmament: "To our great regret our efforts to resolve the deadlock on the question of disarmament and the prohibition of atomic and hydrogen weapons have not so far brought about positive results As a matter of fact, the U S.A., Britain, and France have backed down from what they themselves proposed at the beginning of this year It is necessary to state that on the question of disarmament the Western Powers are moving backwards and . . . are setting the problem back by at least ten years. Despite the difficulties created, the Soviet Government will do its utmost to prohibit atomic and hydrogen weapons and to settle the problem of disarmament"

Marshal Bulganin went on to speak of the "understandable anxiety of all peoples of the world" at the existence of "military groupings" in Europe and the presence of "foreign troops and military bases on the territory of a number of European States." He reiterated the Soviet view that NATO was an "aggressive" organization, accused the Western Powers of seeking to militarize Western Germany through the Paris Agreements, and asserted that the Soviet Union and the Eastern European countries had been forced in self-defence to conclude the Warsaw Treaty. After referring to the evacuation of the former Soviet bases at Port Arthur (China) and Porkkala (Finland), he continued:

"If certain other Powers which have military bases on foreign territories would follow the example of the Soviet Union, it would have been an important contribution to the lessening of tension and a confirmation of the spirit of Geneva by concrete deeds. It is regrettable that here again one has to note the unwillingness of certain circles to follow the spirit of Geneva in their practical activities. This is proved, for example, by efforts to broaden and consolidate the notorious South-East Asia Treaty Organization [SEATO], whose signatories are mainly non-Asian countries It is also proved by the creation of a military bloc in the Near and Middle East near the borders of India and the Soviet Union [i.e. the Baghdad Pact]. . . ."

On the question of Germany, Marshal Bulganin said that it was necessary to take account of the fact that two German States had come into existence in the past decade, with their own political and economic systems "The German question," he declared, "is primarily a matter for the German people themselves to decide, and the task of the great Powers is to help them to carry out the unification of Germany along the road of peaceful and democratic development..." He claimed that the establishment of an All-German Council, as proposed by the U S S.R at the Foreign Ministers' Conference, would have "facilitated the creation of conditions for the settlement of the German question and the unification of Germany by means of free elections, in accordance with the national interests of the German people and the interests of European security."

Marshal Bulganin concluded: "When our people won the October Revolution they set before themselves the aim of achieving economic and cultural change in our motherland, and of converting our country into an industrial and socialist State Under the leadership of the Communist Party, the Soviet people have successfully implemented this historic task You are following your own road You also have the objectives of converting your motherland, which has forever overthrown colonial domination, into an advanced State with a developed national economy and a high standard of living It is with complete sympathy and sincere understanding that the Soviet people regard your efforts to achieve these objectives In our opinion, every possibility is present for further expanding Soviet-Indian co-operation in the fields of economy and culture, as well as in those of scientific and technical research We are prepared to share with you our economic and scientific experience. . . ."

After a visit to the Punjab, where they saw the Bhakra Dam and other public works, the Soviet leaders paid a two-day visit to Bombay on Nov. 23-24, followed on Nov. 25 by a visit to the Indian National Defence Academy at Kharakvasla, near Poona.

Speaking in Bombay (Nov. 24) at a dinner given by the Indo-Soviet Friendship Society, M. Krushchov accused the Western Powers of having "started the Second World War" by sending "the troops of Hitlerite Germany against our country" He also accused the U.S.A., Britain, France, and Japan of having sought by armed intervention to overthrow the Russian revolution in its early stages. At the same time, M. Khrushchov stressed the necessity for co-existence between capitalist and communist States, saying *inter alia* "Neither we nor the capitalist States want to make a trip Mars-wards, so we shall have to exist together on one planet. . . ." After his speech, however, M. Khrushchov apologized to the Chief Minister of Bombay (Mr. Morarji Desai), saying that after-dinner speakers were "like drunkards and do not know how long they are talking."

The Soviet leaders went on Nov. 27 to Bangalore, where M. Khrushchov issued his statement declaring that the Soviet Union had exploded a hydrogen bomb "of unprecedented power" (see 14566 A). On Nov. 28 they visited Madras, where Marshal Bulganin—speaking at a civic reception—described the existence of the Portuguese colony of Goa as "a shame to civilized people."

After saying that "for many decades and even centuries the people of Asia were living under the yoke of foreigners and were fighting for liberty, freedom and national independence," he added: "Now the colonial regimes are collapsing and are slipping into the unreturnable past. But certain European States cannot understand that the time is past and that there can be no return to the old colonial order There is no justification for the continued existence of the Portuguese colony of Goa on the territory of India. This is a shame to civilized people. The sympathies of the Soviet people are always on the side of those fighting colonialism. . . ."

Marshal Bulganin and M. Khrushchov paid a visit on Nov. 29-30 to Calcutta, where they appeared on the platform with Mr. Nehru at a big open-air rally which was addressed by the Indian Prime Minister. In this speech Mr. Nehru stressed India's friendship towards Britain since the achievement of Indian independence, reiterated that India would join no alliance of any description, and emphasized her desire for friendship and co-existence with all countries, irrespective of their social systems.

Mr. Nehru said that India and the Soviet Union had different political and economic structures, but respected each other and co-operated in many ways. Stressing that the ideal of peaceful co-existence was fundamental to the Indian way of life, and was as old as India's thought and culture, he declared: "That is the

reason why we try to be friendly with all countries, whether we agree with them or not. That is the reason why we refrain from criticizing other countries, even when we disagree with their policies, unless circumstances compel us to explain our point of view The great welcome our guests have had in India has alarmed some of our friends in other countries, who cannot help thinking in terms of rival camps and military alliances. I have often said that we don't propose to join any camp or alliance . . ."

In a reference to Indo-British relations, Mr Nehru said · " The British ruled over us for 150 to 175 years We fought them for our independence, but when we became free we ceased to bear them any hostility. Once the problems between us had been solved, we became friends."

Mr. Nehru ended by welcoming the Soviet condemnation of Portuguese " colonialism " in Goa, and declared that India would never regard the question of Goa as closed

After spending a week in Burma (see below) Marshal Bulganin and M. Khrushchov returned to India on Dec. 7, when they visited the Damodar Valley projects in West Bengal, as well as the new industrial township of Sindri and the locomotive works at Chittaranjan. On Dec. 8 they flew to Jaipur, the capital of Rajasthan, and on Dec. 9-10 visited Kashmir at the invitation of Karan Singh, the *Sadar-i-Riyasat* (Head of State), and the Kashmiri Premier, Ghulam Mohammed.

Replying to an address of welcome at Srinagar airport, Marshal Bulganin referred to Kashmir as " this northern part of India " and to its inhabitants as " part of the Indian people." Speaking at a Government reception on the following day, M. Khrushchov also declared that Kashmir was part of India, asserted that former undivided India had been partitioned for " imperialist reasons," and attacked the Government of Pakistan for being, he alleged, under the influence of " American monopolists."

After declaring that " the people of Jammu and Kashmir . . . want to work for the well-being of their beloved country—the Republic of India," M. Khrushchov continued : " The people of Kashmir do not want to become toys in the hands of imperialistic Powers. But this is exactly what some Powers are trying to do under the pretext of supporting Pakistan with regard to the Kashmir question . It made us very sad when imperialist Powers succeeded in bringing about the division of India into two parts—India and Pakistan. Before the Indian people achieved their independence, there existed only one united India The division of India into two parts was not brought about in the interests of the people of India. . . . We are absolutely convinced that, when passions have calmed down and people realize the significance of such an artificial division of India, they will regret it. But the question of the creation of two independent States—India and Pakistan—has already been decided, and if I express my frank opinion about it, it is not because I want this question to be reconsidered "

Continuing, M. Khrushchov asserted that " the question of Kashmir as one of the States of the Republic of India has already been decided by the people of Kashmir." He went on : " Whilst, in the Republic of India, we find an ally in the struggle for the peaceful solution of unsettled problems, unfortunately we cannot say the same about Pakistan. . . . The present Government of Pakistan openly professes its close ties with American monopolistic circles They were among the first to initiate the notorious Baghdad Pact. They have permitted the creation of American military bases on their territory, which cannot but disturb us With the active participation of Pakistan, attempts are now being made to increase the number of States which are parties to the Baghdad Pact. . . . We do not like the Baghdad Pact at all, but we are patient and confident that it will burst like a soap-bubble, and that only unpleasant recollections of it will remain

" Another unfriendly act of the Government of Pakistan has become known to us. The Pakistan Ministry of External Affairs summoned the Soviet Ambassador and suggested to him that I and my friend Bulganin should refuse to visit Kashmir and should reject the invitation from the Head of your State to visit Srinagar. This is a case of unprecedented interference in other people's affairs. We shall not be told where to go and where not to go, what to do and what not to do, or what sort of allies we should choose for ourselves. . . . A representative of the Pakistan Ministry of External Affairs also told our Ambassador that the Government of Pakistan would not like us to visit Afghanistan—a neighbour of ours. This is going a bit too far. . . . Afghanistan is a good neighbour with whom we have had friendly relations for a long time. We should very much like to have similar friendly relations with Pakistan, and it is no fault of ours if such relations have not developed. . . ."

The Soviet leaders returned from Srinagar to Delhi for final discussions with Mr. Nehru, leaving India by air for Afghanistan on Dec. 14. Two communiqués were issued before Marshal Bulganin and M. Khrushchov left India—a 2,000-word statement on international affairs, signed by Mr. Nehru, Marshal Bulganin, and M. Khrushchov, and an agreement on Indo-Soviet economic co-operation.

International Affairs. The joint statement was on similar lines to that issued in Moscow by Marshal Bulganin and Mr. Nehru after the latter's visit to the Soviet Union (see 14372 A). It contained the following points :

(1) **Both countries reaffirmed that their relations were based on the " five principles of peaceful co-existence."**

(2) Disappointment was expressed that the " high expectations " of the Geneva " summit " conference had not been realized at the Conference of Foreign Ministers This disappointment, nevertheless, " need only be temporary," and every effort should be made " to relax international tension, relying solely on the settlement of differences by negotiation."

(3) The two Prime Ministers and M. Khrushchov expressed their conviction that there could be " no lasting peace in Asia until the People's Republic of China is given its rightful place in the United Nations " They expressed the hope that the question of Formosa and the offshore islands would soon be settled in a manner which would " satisfy the legitimate rights of the People's Republic of China " They also agreed that the Korean question should be settled " on the basis of recognition of the national rights of the Korean people and in accordance with the interests of peace in the Far East "

(4) With regard to Indo-China the statement expressed regret that " impediments have been placed in the way of carrying out the Geneva agreements in Vietnam," and that " difficulties had also arisen in Laos " An appeal was made " to all parties and interests concerned to remove the obstacles in the way of the agreements, and to co-operate fully in carrying out their provisions in the letter and the spirit "

(5) Both countries were " strongly of the opinion that the principles of universality should be applied to membership of the United Nations "

(6) Both countries reiterated their support for the " unconditional prohibition of the production, use, and experimentation of nuclear and thermo-nuclear weapons ", for a " substantial reduction " of conventional armaments , and for effective international control of disarmament.

(7) Opposition was expressed to " such regional alliances as have widened the frontiers of the 'cold war,' introduced an element of instability in the areas concerned, and increased fears and tensions "

(8) After welcoming the friendship between the two countries, and urging that it should be expanded by economic and cultural exchanges, the statement referred to the help given by the U.S.S R. to India in building up her steel industry (see 14103 A), and observed that " the Second [Indian] Five-Year, with its emphasis on the development of industry, may reveal further opportunities for such co-operation " In conclusion, the signatories expressed their " faith in the future and their firm resolve to devote their energies to the promotion of peace for the benefit not only of the peoples of their two countries but of the world as a whole "

Economic Co-operation. The provisions of this agreement were as follows ·

(1) India would purchase 1,000,000 tons of steel from the Soviet Union during the next three years (beginning in 1956)—300,000 tons in the first year and 350,000 tons in each of the two subsequent years. Terms and conditions would be settled by later negotiations.

(2) During the same three-year period India would also purchase from the U S.S.R. " such equipment for the production of oil, mining equipment, and other goods as may be agreed upon between the parties." Terms and conditions would also be settled by subsequent negotiations.

(3) The U.S.S.R. would " substantially increase " its purchases of raw materials and manufactured goods from India, on terms to be agreed It was hoped that " the total value of such purchases, including sums which may be required for the maintenance of Soviet official organizations in India, will be equal to the total of goods purchased from the U.S.S R."

(4) Both Governments would grant each other in their trade exchanges the " maximum facilities allowed by their respective laws, rules and regulations."

(5) In view of the increased volume of trade envisaged, regular shipping services would be organized between Indian and Soviet ports.

(6) Delegations would be exchanged at the earliest possible date " to discuss terms and conditions and to enter into agreements to implement the above understandings "

Both Marshal Bulganin and M. Khrushchov made broadcasts before leaving India, in which they affirmed the Soviet Union's policy of non-interference in the internal affairs of other countries. The Soviet Prime Minister described Indo-Soviet relations as " a striking example of friendship and co-operation between States with different political systems."

M. Khrushchov, speaking on Dec. 13 at a function organized by the Hindi Association, said that the Soviet Union had no wish to create discord between India and the Western Powers, and declared that it was " fantastic " to suggest that either he or Marshal Bulganin desired to incite the Asian peoples against Europe. Referring to Western press criticisms of his views on colonialism, he declared : " We do not want to create any conflict between you [India] and the United States or Britain, but this does not mean that we should not speak the truth. The fact that India was suppressed in the past is a historical truth and cannot be denied." After pointing out that India's population was second only to that of China, he asserted that the only reason why India was not in the forefront of world affairs today was because those who had " dominated " her in the past " did not want her to achieve that status." With reference to Goa, he said that the United States had come out " in full support of Portugal," and added : "The Portuguese conquered the territory 400 years ago. They enslaved it by force, violence and fraud. The fact that they did this 400 years ago does not invest the Portuguese with the right to maintain their domination any longer. Goa does not belong to Portugal and will have to go to the people to whom it belongs."

Visit to Burma.

During their visit to Burma (Dec. 1-7) Marshal Bulganin and M. Khrushchov had discussions in Rangoon with the Prime Minister, U Nu, and visited Mandalay, Taunggyi, and Maymyo in a tour of the Shan States and Central Burma.

M. Khrushchov was involved in what the Special Correspondent of the *Daily Telegraph* called a "highly undignified scene" when visiting the Shwe Dagon Pagoda (the greatest Buddhist shrine in the world) with Marshal Bulganin in Rangoon on Dec 21. On being informed that many Burmese temples were 2,000 years old, M. Khrushchov commented: "England did not exist as a country before William the Conqueror, your temples are twice as old as theirs, yet they call you savages and barbarians" He also said that "we Russians are the only ones who fight against colonialism," and expressed his satisfaction that "Burma thinks along the same lines as we do"

After contrasting ancient Burmese architecture with the modern functional architecture of the U.S S R, M Khrushchov said that the Americans and French had made a "stupid mistake" when they tried (he alleged) to persuade the Soviet architect Vlasov not to return to the U S.S.R. after the criticisms which had been directed against his work (see 14595 C). Turning to a French correspondent present (M. Piérard, of the *Agence France-Presse*), M Khrushchov said that he should be "red with shame", when M Pierard replied that he "preferred to remain as I am, pink," M Khrushchov retorted. "As to your political complexion, as far as I am concerned you can be black."

M. Khrushchov was also involved in an altercation with U S press correspondents who, commenting on his denunciation of "colonialism," asked him what was happening in Estonia, Latvia, and Eastern Germany. M. Khrushchov replied: "You do not understand what the East Germans are doing because you are the paid slaves of capitalism. If you wanted to write anything good about Russia you would starve to death because the capitalist press would refuse to print it." Marshal Bulganin was not involved in any of these exchanges

[It was later strongly denied in Moscow, and also by Russian journalists accompanying Marshal Bulganin and M Khrushchov, that the latter had said that the British regarded the Burmese as "savages and barbarians." The Soviet newspaper *Pravda* maintained that Western correspondents had "credited Khrushchov with something that he in fact never said" and had "grossly misrepresented the remark that had actually been made." The incident in the Shwe Dagon Pagoda was described by *Pravda* as follows "Pointing to the majestic spire of the pagoda, one of the Burmese diplomats said: 'When struggling for our independence we often said that when William the Conqueror landed in England our pagoda was already here England did not exist as a nation, while our people were at the height of civilization This memory inspired our people to struggle.' 'Quite right,' Khrushchov noted, 'the heritage of the ancestors must be honoured'"]

In a speech at Taunggyi while visiting the Shan States, M. Khrushchov again denounced "colonialism" and accused the British of having "sat on the necks" of the Burmese people and of having "robbed them of the last piece of bread." In a further speech at Rangoon on Dec. 6, he again accused the Western Powers of having, as he alleged, tried to use Hitlerite Germany as their "watchdog" and to direct it against the Soviet Union. The speech was made at a meeting of the Anti-Fascist People's Freedom League (the ruling party in Burma), over which U Nu presided in his capacity as party chairman.

After saying that the Soviet people had "always given moral support to the Burmese people in their noble struggle against colonial oppression," and referring to the identity of views between the Soviet Union and Burma on international questions, M Khrushchov continued: "Certain gentlemen were greatly displeased by our speeches and frank statements during our visit to India and Burma. But the truth is often not to the liking of everyone... That is why certain organs of the British Press have been irritated by my statements and the statements of Comrade Bulganin in India. They particularly disliked that part of one of my speeches [i.e. M. Khrushchov's speech in Bombay—see above] where I said that certain circles had untied Hitler's hands in the war against the Soviet Union. Yet this is an historical fact

"Could Hitler have started a war if he had been opposed by the united forces of Britain, France, the Soviet Union, and other countries? If the then ruling circles of Britain and France had wanted to restrain Hitler and prevent the unleashing of war, they would have opposed Hitler's seizure of Austria and would not have agreed to the conclusion of the shameful Munich agreement France had a treaty of mutual assistance with Czechoslovakia. However, when Hitler set out to occupy Czechoslovakia the French refused to come to her assistance, although they knew that the Soviet Union was ready to give immediate help in curbing Hitler's aggression. It is no secret that the Soviet armed forces were made ready for action in order, jointly with French troops, to repulse Hitler's aggression against Czechoslovakia. However, the French Government refused to do this.

"The history of the pre-war years shows that the Western Powers made one concession after another to Hitler, nudging him towards the East—against our country. But it so happened that the very one whom Britain, France, and the United States regarded as their watchdog to set on the U.S S.R. broke loose and attacked those who had fed him.

"The question arises whether there is not a certain analogy with the pre-war period if we examine the measures taken with regard to present-day Western Germany Are not the very same methods being used now by the very same countries in an attempt to push Western Germany on to the path of aggression and new adventures? They have drawn Western Germany into NATO They are supplying her with arms. Many Western statesmen even consider it unnecessary to hide the fact that they are preparing the West German Army for use against the Soviet Union. . .

"I should also like to say this: Russia has never started a war against Britain, but Britain has attacked our country, both in the past and in our times It is worth mentioning the Sevastopol war [i e. the Crimean War] as an example The Russians did not invite the British to the Crimea so that they could kill Russian people on Russian soil We can also recall British intervention against our country during the Civil War At a time when the Soviet Republic had not yet firmly established itself, British troops occupied Archangel. . . . All these are also historical facts, which cannot be evaded.

"Let us recall, finally, the notorious directive given by Mr. Churchill at the end of the Second World War to his Commander-in-Chief in Europe Churchill then ordered that all the weapons discarded by the capitulating Hitlerite troops should be gathered up and stocked, and that those troops should be kept in readiness because quite possibly they would be of use in operations against the Soviet Union, although the Soviet Union was Britain's ally. . . .

"All our actions show that we do not want any conflicts with the Western Powers We want to be friends with all the peoples of the world . . . Yet obviously it irritates some people when friendly relations are now developing between us and the peoples of India, Burma, and other countries, not to mention our great friend and brother, the People's Republic of China Some people dislike the fact that we are supporting the countries which have thrown off the colonial yoke . . . Some newspapers do not like the truth about the past, but I am sure that neither do they like the truth about the present. The truth, however, remains the truth, and I must speak about it. The following question, for instance, arises. Why have American troops occupied Taiwan [Formosa] and the outlying islands which are a part of the lawful territory of the People's Republic of China? Why are they preventing the Chinese people from completing the liberation of their country? Not a single bourgeois journalist dares to raise his voice against such actions. Neither are any serious protests voiced in the British press against the atrocities committed by the Portuguese colonialists who illegally hold Goa—an inalienable part of India . . Let no-one think that I am out to lecture anyone. I am merely citing facts And facts are stubborn things

"I should like to go back again to the events of the Second World War. It is common knowledge that when Nazi Germany perfidiously attacked the Soviet Union and we became allies of France, Britain, and the United States in the struggle against Germany, our country honestly and scrupulously fulfilled all its commitments as an ally. The Soviet people shed more of their blood in that war than all our allies together, but we respect and give due praise to the British, French, American, and other troops who fought against Hitlerite Germany and her satellites. The struggle was grim, but our allied armies won a very great victory This experience of joint struggle for a common cause is of great significance The Second World War showed that the British, French, American and Soviet peoples can be the best of friends, not only in good times, but also in the most severe and difficult trials. If we were allies in war, what then can prevent us from being just as good friends in the struggle for the preservation and consolidation of peace? . . ."

A joint statement was issued by Marshal Bulganin and U Nu on Dec. 6 in terms broadly similar to those of the Soviet-Indian declaration. *Inter alia*, it condemned the policy of "creating blocs"; urged the unconditional prohibition of nuclear and thermo-nuclear weapons; and called for the seating of the People's Republic of China in the United Nations, the "return" of Formosa to Communist China, and an immediate political settlement in Indo-China.

Details of a Soviet-Burmese economic agreement were announced in Rangoon on Dec. 7 as follows: (1) the Soviet Government would assist the Burmese Government by providing materials and services for a programme of agricultural development, major irrigation works, and the establishment of industrial plants; (2) the U.S.S.R. would accept payment for such materials and services in the form of rice supplies from Burma, and, where quantities were insufficient, would accept deferred payment in kind spread over a number of years; (3) the Soviet Union would build and equip a technological institute in Rangoon as a free gift to the Burmese people; (4) in return for this gift, U Nu had offered "an appropriate quantity of rice and other products of Burmese origin" as a gift to the Soviet people.

Visit to Afghanistan.

After leaving India, Marshal Bulganin and M. Khrushchov flew on Dec. 14 to Stalinabad, the capital of the Soviet Republic of Tajikistan, and then flew to Kabul for a four-day visit to Afghanistan (Dec. 15-18). On arrival in Kabul, Marshal Bulganin made a statement at the airport praising Afghanistan's "unswerving adherence to a policy of neutrality."

During their stay in the Afghan capital the Soviet leaders were received by King Zahir Shah and had discussions with the Afghan Prime Minister, Sardar Mohammed Daud Khan, and the Foreign Minister, Sardar Naim Khan. Speaking at receptions given by the Afghan Government, Marshal Bulganin expressed his sympathy with Afghanistan in the "Pakhtoonistan" dispute with Pakistan (see 14481 B), and gave it as his opinion that the Pakhtoon (Pashtu) people should be consulted on this matter. He also offered complete equipment for a 100-bed hospital and 15 motor-buses for Kabul.

Three documents, signed by Marshal Bulganin and Sardar Mohammed Daud Khan, were issued on Dec. 18 before the Soviet leaders left Kabul. The first was on international affairs, the second extended the Soviet-Afghan neutrality treaty of 1931, and the third related to Soviet economic aid to Afghanistan.

(1) The joint statement on international affairs said *inter alia* that both countries had decided to expand the friendly political, economic, and cultural ties linking them, that the Soviet and Afghan Governments based their relations on the "five principles" accepted by the Bandung Conference, that both countries stood for universal disarmament and the banning of all nuclear and thermo-nuclear weapons, and that all unresolved questions in the Far East should be settled by peaceful means, taking into account the "legitimate rights" of the Chinese People's Republic, including its admission to the United Nations

A passage in the joint statement spoke of the Geneva "summit" conference as having "yielded positive results," and expressed the hope that similar conferences of Heads of Governments would be convened in the future.

(2) The second document extended the Soviet-Afghan treaty of neutrality and non-aggression for a further ten years. It provided that the treaty would be automatically renewed from year to year thereafter, unless either party terminated it at six months' notice

(3) The economic agreement provided for a Soviet long-term credit of $100,000,000 (about £36,000,000) to Afghanistan "for the fulfilment of an agreed programme of works for the development of the Afghan economy." It was stated that technicians of both countries would examine, in particular, "questions regarding co-operation in the fields of agricultural development, construction of hydro-electric stations, irrigation works, and motor-car repair workshops, as well as the reconstruction of Kabul airport"

In a press statement on Dec. 18, the Prime Minister of Afghanistan said that the visit of the Soviet leaders had in no way changed Afghanistan's policy of neutrality. In reply to questions, he said that Afghanistan was ready to obtain arms from any source as long as no political conditions were attached, but declined to say whether the question of Soviet arms supplies had been raised during the discussions. He welcomed Marshal Bulganin's sympathy with Afghanistan on the Pakhtoonistan question.

The Afghan Foreign Minister also made a statement on the same date emphasizing that Afghanistan desired a peaceful settlement of this question, adding, however: "Afghanistan has no commitments to the Pashtu leaders, but the ties between Pashtus and Afghans are so close that, if there is trouble on the other side, a situation might arise which the Afghan Government could not control"

Marshal Bulganin and M. Khrushchov arrived back in Moscow on Dec. 31 after breaking their journey in Tashkent, the capital of the Soviet Republic of Uzbekistan.
(The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London - Burma Weekly Bulletin, Rangoon - Soviet Weekly - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris) **(Prev. rep. Visits to U.S.S.R. by Mr. Nehru, 14372 A; U Nu, 14585 A.)**

Note. Reactions in Britain, the U.S.A., Portugal, and Pakistan to the various speeches and statements made by Marshal Bulganin and M. Khrushchov during their tour of India and Burma will be described in a subsequent issue.—(Ed. K.C.A.)

A. AUSTRIA. — Further Bank Rate Increase. - Credit Restrictions.

The Austrian National Bank announced on Nov. 17 that it had raised the Bank rate from 4½ to 5 per cent with immediate effect. In addition, all Austrian credit institutions were required from Dec. 1 to keep a minimum of 5 per cent of their holdings at the National Bank.

These measures, which were aimed at intensifying the Austrian Government's "credit squeeze," had been preceded by an agreement between the Finance Ministry and the Association of Banks which provided that all banks would (1) immediately call back outstanding credits; (2) demand an overall reduction of 10 per cent within three months if they agreed to the extension of credits; (3) grant new credits only after a severe scrutiny both quantitatively and qualitatively; and (4) in the case of hire-purchase credits, insist on increased cash-down payments and a reduction of the overall settlement period.

The various measures had been announced by Dr. Kamitz, the Finance Minister, on Nov. 12, and came into force on Nov. 14.—(Wiener Zeitung) **(Prev. rep Bank Rate, 14342 C.)**

B. LITERATURE. — Book Selections for December. - British Book Production in 1955. - Prix Goncourt Award.

Selected books published in Great Britain, the United States, France, and Germany are given below:

Great Britain. Aldiss, Brian W.—"The Brightfount Diaries" (Faber & Faber, 12s 6d)
Findlay, Richard—"Grimaldi. King of Clowns" (MacGibbon & Kee, 21s)
Greene, Graham—"The Quiet American" (Heinemann, 13s. 6d.)
Kenward, James—"The Suburban Child" (Cambridge University Press, 12s 6d.)
Morris, Christopher—"The Tudors" (Batsford, 21s.)
Truman, Harry S.—"Year of Decisions. 1945" Memoirs, Volume I (Hodder & Stoughton, 30s)
Ward, Dame Irene—"F.A.N.Y. Invicta." The Official History of the First Aid Nursing Yeomanry (Hutchinson, 21s)

United States. Dobie, J. Frank—"Tales of Old-Time Texas." (Little, Brown & Co., Boston, $5 00)
O'Hara, John—"Ten North Frederick." (Random House, New York, $3 95)
Lord, Walter—"A Night to Remember" The Loss of the s s *Titanic* (Holt, New York, $3.50)
Stevenson, Elizabeth—"Henry Adams. A Biography. (Macmillan, New York, $6 00)

France. Ikor, Roger—"Les eaux mêlées" (Albin Michel, Paris, 890 francs) *Prix Goncourt* award
Marceau, Félicien—"Les élans du coeur" (Gallimard, Paris, 520 francs) *Prix Interallié* award

Germany. "Briefwechsel Benedetto Croce - Karl Vossler." Translated from the Italian (Suhrkamp Verlag, Frankfurt, 24 DM)

A total of 19,962 books (of which 5,770 were reprints or new editions) was issued by British publishers during 1955, the highest figure ever recorded. The principal categories were as follows (1954 figures in parentheses):

Fiction, 3,702 (4,204); educational, 1,844 (1,680); children's books, 1,756 (1,966), religion and theology, 1,058 (961), medicine and surgery, 785 (737), poetry and drama, 658 (622); politics, 651 (610); trade, commerce and industry, 626 (403); law and parliamentary, 437 (403), sports and pastimes, 433 (383); topography, 399 (360); travel and adventure, 199 (193).

The output of fiction was 1,397 lower than in the peak year of 1937, whilst that of children's books declined for the first time for several years. On the other hand, books on trade, commerce and industry rose by 50 per cent, whilst there was an appreciable increase in religious and theological books. Output of political books surpassed the pre-war figure of 633 for the first time since the war.

The *Prix Goncourt*, the leading French literary prize, was awarded on Dec. 5 to M. Roger Ikor for his novel *Les eaux mêlées* (see above), adjudged by the *Académie Goncourt* as the most outstanding work of fiction published in France during 1955. M. Ikor (44), a schoolmaster, was born in Paris of Russian-Jewish parents. (Ed. K.C.A. - Times - Le Monde, Paris) **(Prev. rep. Book Selections, 14560 A; Book Production in 1954, 13983 B; Prix Goncourt, 13957 B.)**

C. UNITED STATES. — Ford Foundation Gift of $500,000,000 for Medicine and Education.

The Ford Foundation announced on Dec. 12 that it would make a gift of $500,000,000 (£178,000,000)—described as "the largest single philanthropic act in world history"—to all privately-supported colleges, universities, and hospitals in the United States, to be disbursed during the next 18 months. The gift would benefit 4,157 institutions and would be used in the following manner: (1) $210,000,000 to help raise the salaries of teachers in 615 privately-supported colleges and universities, additional to $50,000,000 appropriated for the same purpose in March, 1955; (2) $200,000,000 to improve and extend the services of the nation's 3,464 voluntary non-profit-making hospitals; (3) $90,000,000 to strengthen instruction in privately-supported medical schools.

The biggest bequest to an educational institution was $5,000,000 to New York University. Thirty-six other gifts exceeded $1,000,000, including $4,510,000 to Harvard University, $4,324,200 to the University of Chicago, $4,000,000 to Yale University, $3,386,200 to the Massachusetts Institute of Technology, $3,320,400 to Princeton University, and $3,115,500 to Columbia University.

The new grants far surpassed the $350,000,000 which had been disbursed by the Ford Foundation in the 19 years of its existence.—(New York Times) **(Prev. rep. 12856 A.)**

D. GERMANY. — West German Threat to sever Relations with Countries recognizing Eastern Germany.

It was officially announced in Bonn on Dec. 9 that the German Federal Republic would break off diplomatic relations with all countries which recognized the East German regime, and would refuse to enter into diplomatic relations with any Communist country except the Soviet Union.
(Frankfurter Allgemeine Zeitung) **(Prev. rep. 14425 A.)**

A. UNITED KINGDOM. — House of Commons Debate on Political Broadcasting. - Continuation of "14-Day Rule." - Select Committee to be appointed.

A debate took place in the House of Commons on Nov. 30 on a Government motion declaring that it was "in the interests of Parliament and the nation to preserve the principle of some limitation to the anticipation of Parliamentary debates by broadcasting," and calling for the appointment of a Select Committee "to consider whether any changes are desirable in the present methods of giving effect to this principle."

The debate followed strong criticisms—voiced by the B.B.C., the Independent Television Authority, the Parliamentary Labour Party, the Liberal Party, and many back-bench Conservative M.P.s—of the so-called "14-day rule," which forbids broadcast discussions on political issues during the fortnight before the subject in question is due to be debated in Parliament.

The rule in its present form dates from 1948, but originated in an earlier voluntary decision of the B B C itself. In 1953 the B B.C proposed to the Government that the rule, as such, should be abrogated, and that sole responsibility for deciding what political matters should be broadcast should rest with the B.B.C itself. The leaders of the three political parties decided, however, that they could not agree to this, and that the existing arrangement should be converted into a directive After prolonged but abortive discussions with the B.B.C , the Government accordingly issued a directive to the Corporation and to the I T A. (on July 27, 1955) making the 14-day rule permanent and binding

On Aug. 27 the B B C issued a statement expressing opposition to the 14-day rule and explaining that it had accepted the Government's directive "unwillingly." Protests against the rule were also voiced by the I.T.A. After meetings between representatives of the three political parties and officials of the B B C. and I T A on Sept 14, it was announced that the leader of the Parliamentary Liberal Party, Mr Clement Davies (who had previously supported the rule), had urged its withdrawal The Parliamentary Labour Party decided on Nov 9 to ask the Government to set up a Select Committee to inquire into the working of the 14-day rule

The Postmaster-General, Dr. Charles Hill, moved the Government motion in the House on Nov. 30. He outlined the events leading up to the issue of the Government's directive and surveyed the reasons for the retention of the 14-day rule, though possibly in a more limited form.

Dr. Hill explained that in 1944 the B.B C had decided on its own responsibility not to allow broadcast discussions or *ex parte* statements for 14 days before a debate on a major matter of policy took place The 1948 version of the rule was based on suggestions made by the B B C , and had been agreed between the Corporation and the leaders of the then Government and Opposition Early in 1951, however, after the Beveridge Committee had recommended that the arrangements should be reconsidered, the B B C. had indicated a desire to re-open the matter. In 1953 it had put forward positive proposals (see above), combined with an undertaking not to allow members of either House to broadcast during the 14 days before a debate, and to take particular care to avoid *ex parte* statements or discussion programmes on controversial matters during that period. The Corporation had asked that if its proposals were not approved, the position should be regularized by the issue of a directive In July 1954 the leaders of the three political parties had reluctantly agreed to this course, and although both his predecessor and he himself had tried to persuade the B B.C. to continue the 1948 arrangements and so make a direction unnecessary, the Corporation had insisted on a direction, which had accordingly been issued last July. Dr. Hill added that if the B B.C.'s proposals had been accepted the Corporation would doubtless have acted "with full recognition of its responsibility," but that the party leaders had been unable to agree that the B B.C. alone should have responsibility for working the limitation and modifying it

The questions to be decided (Dr. Hill continued) were · (1) if there were no such rule, would broadcasting encroach on the position of Parliament by prejudicing the Parliamentary discussion of public issues ? (2) was it right to limit anticipation of debates by the 14-day rule or its equivalent ? It had been widely contended by opponents of the rule that a restriction on the B.B.C. could not be justified if it was not also applied to the Press. The latter, however, consisted of "a miscellany of competing and diverse organs," and views expressed by one organ could be challenged or refuted in another, whereas the air was controlled by a single agency which selected the speakers, and was not available to all and sundry. Similarly, broadcasting differed from public meetings because the audience was much larger, and speakers addressed audiences which could not reply.

"If it be accepted that broadcasting has immense influence," Dr. Hill went on, "and if it be also accepted that the limited number of people who appear are selected for special qualities not necessarily related to the knowledge or authority with which they speak, is there not a real danger that if these persons are free to broadcast on matters shortly to come up for discussion in the House, before the Ministers or the Opposition have deployed the facts or arguments, Parliamentary discussion will be prejudiced and the authority of Parliament will suffer ? "

As regards the argument that this risk ought to be taken in the interests of free speech, Dr. Hill pointed out that it had never been held that the B.B.C. itself ought to be free to express its own views. "Whose freedom then is involved ? ", he asked "It is not the freedom of the ordinary man, for he has no right to a place on the air Nor is it the freedom of the M P , who has the right to catch the Speaker's eye, and in any case can only appear on the air if he satisfies the broadcasting service. This direction is not the beginning of censorship but is designed to protect the public from having views thrust on them by a few people, sometimes unrepresentative, sometimes not fully informed, and often trying to cover a vast problem in a few minutes "

In conclusion, Dr Hill said that although he did not think that the existence of a second television programme affected the main arguments for retaining some limitation on broadcast discussions, a new situation would arise if television developed so as to give it the variety and diversity of the Press. Meanwhile, a good case could be made out for limiting the rule to the items of business announced by the Leader of the House on Thursdays, and then only to the end of the following week, or until Parliament had disposed of the subject in the week after It had also been suggested that the rule should be limited to M P s These matters could be dealt with by the proposed Select Committee Once the committee had reported, it was possible that the B B C and the programme companies might agree to adopt its recommendations without a specific direction from the Postmaster-General

Support for the motion was expressed by **Mr. Attlee** (then leader of the Opposition), who, however, explained that he spoke for himself only He pointed out that the 14-day rule had "worked perfectly well until it was reduced to writing ", stressed the need to "maintain Parliament as the right forum for debating measures and policies ", and gave a warning that irresponsible or ill-informed broadcasters might endanger delicate negotiations at home and abroad and inflame situations He considered, however, that although it was important that there should be no broadcast discussions on Government Bills before the second reading, this restriction should not apply to private members' Bills Among other Labour supporters of the motion were **Mr. Gordon-Walker, Mr. Pannell,** and **Mrs. Jean Mann,** whilst Conservative speakers in its favour included **Mr. McAdden** and **Mr. Orr-Ewing.**

An amendment advocating the appointment of a Select Committee to consider "what changes are desirable in the limitation of broadcasts in anticipation of Parliamentary debates," but refraining from endorsing the principle of limitation of broadcasting rights, was moved by **Mr. Donnelly** (Lab) He pointed out that at present M P s were free to express their views at any time in any medium except broadcasting, and argued that the Select Committee ought not to be tied in advance to support of the "mean and petty" principle of limitation The amendment was seconded by **Mr. Montgomery Hyde** (U U.) and supported by **Sir Robert Boothby** (C), a well-known political broadcaster Sir Robert criticized "attempts to make the B B.C the lackey of the party machines," which, he alleged, had formerly brought "great pressure to bear" on the Corporation and had succeeded in driving "unorthodox" political speakers off the air

Other Conservative speakers in favour of the amendment included **Mr. Julian Amery** and **Mr. Rhys-Davies,** whilst Labour supporters of the amendment included **Mr Edelman, Miss Elaine Burton, Mr. J. Hynd,** and **Mr. Michael Stewart.** The 14-day ban was also criticized by **Mr. Grimond** (Lib), who believed, however, that if there had to be a ban, it would be better imposed by a directive than by "a hole-in-corner arrangement between the party machines "

Mr. Donnelly's amendment was defeated on a free vote by 271 votes to 126, and the Government's motion agreed to without a further division.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Beveridge Committee Report, 11261 A.)**

B. UNITED STATES. — President Eisenhower's Christmas Message to the Peoples of Eastern Europe.

A Christmas message to the peoples of the East European countries from President Eisenhower was broadcast by Radio Free Europe, worded as follows: "I want you to know that the American people recognize the trials under which you are suffering; join you in your concern for the restoration of individual freedom and political liberty; and share your faith that right in the end will prevail to bring you once again among the free nations of the world."—(New York Times)

(Prev. rep. 14414 A.)

C. SCOTLAND. — Transfer of Scottish Road Powers.

An Order-in-Council was laid before Parliament on Dec. 30 under which the powers of the Minister of Transport and Civil Aviation relating to the construction, maintenance and management of roads, ferries and bridges in Scotland will be transferred to the Secretary of State for Scotland on April 1, 1956. Under this Order the Secretary of State will become responsible for all trunk roads in Scotland and for making grants to local highway authorities in respect of classified roads.

(The Scotsman, Edinburgh)

D. WESTERN GERMANY. — Defence Legislation. - Corrigendum.

In article 14567 A (German defence legislation) the beginning of the seventh paragraph in the first column of page 14569 should read: "During the Bundestag debate ..." and not "the Bundesrat debate ..."—(Ed. K.C.A.)

A. UNITED KINGDOM. — National Parks and Nature Reserves. - Designation of Yorkshire Dales, Exmoor, Northumberland, and Brecon Beacons National Parks. - The Queen Elizabeth Forest Park. - The Cairngorm, Cader Idris, and other Nature Reserves.

Developments during the past two years in connexion with the establishment of National Parks, Forest Parks, and Nature Reserves are summarized below.

National Parks, etc.

Yorkshire Dales An Order designating the Yorkshire Dales as a national park was signed by Sir Patrick Duff (then chairman of the National Parks Commission) on Dec 7, 1953, and was confirmed by Mr. Harold Macmillan (then Minister of Housing and Local Government) on Oct. 13, 1954. The park (the seventh to be designated) covers an area of 680 square miles in the North and West Ridings of Yorkshire, it stretches from north of Skipton to Swaledale and from Sedbergh to the outskirts of Richmond, and corresponds broadly with the proposals of the Hobhouse Committee It includes within its boundaries Bolton Abbey, Gardale Scar, Ingleborough, Whernside, and Penyghent.

Exmoor. A Designating Order for the Exmoor National Park was signed by Sir Patrick Duff on Jan 27, 1954, and confirmed by Mr. Macmillan on Oct 18, 1954. The park covers an area of 265 square miles, including the whole of Exmoor and the wooded coastline from Minehead through Porlock and Lynmouth to Combe Martin The Quantock Hills are not included in the park, which otherwise corresponds with the Hobhouse Committee's proposals

Northumberland. A Designating Order for the Northumberland National Park was signed on behalf of the National Parks Commission on Sept 20, 1955. The park covers most of the upland country of Northumberland from the Cheviot Hills in the north to the Roman Wall in the south

Brecon Beacons. The Brecon Beacons Designating Order, signed on Sept. 22, 1955, covered 515 square miles in the counties of Breconshire, Carmarthenshire, and Monmouthshire from Abergavenny in the east to Llandilo in the west. The area includes the Brecon Beacons, the Black Mountains, the cathedral city of Brecon, Hay-on-Wye, and Llanthony Abbey.

Pembrokeshire Coastal Footpath. The Minister of Housing and Local Government approved proposals on July 16, 1953, submitted by the National Parks Commission, for a footpath along the Pembrokeshire coast from the county boundary at Amroth to St. Dogmaels The path, about 167 miles long, will lie almost entirely within the Pembrokeshire National Park.

"Offa's Dyke" Footpath. On Oct 27, 1955, Mr Sandys (Minister of Housing and Local Government) approved the Commission's proposals for a long-distance path from the north to the south of Wales running mainly along the line of Offa's Dyke. The path, about 168 miles in length, will run from Prestatyn (Flintshire) to Chepstow (Monmouthshire), passing through or near Llangollen, Oswestry, Hay-on-Wye, and Monmouth. Between Prestatyn and the Vale of Llangollen it will run along the Clwydian range, will then follow Offa's Dyke through the border country between England and Wales, and in Herefordshire will leave the Dyke and pass through the moorlands on the eastern edge of the Black Mountains

Forest Parks.

Scotland. The Forestry Commissioners announced on June 2, 1954, that, in order to provide "a suitable commemoration in Scotland of Coronation Year," they had arranged for an area of nearly 41,500 acres in the Trossachs to become a national forest park The area —to be named the Queen Elizabeth Forest Park—will extend from the headwaters of the Forth at Loch Vennachar to the shores of Loch Lomond, and will include Ben Lomond, Loch Ard Forest, and some of the most beautiful parts of the Trossachs

Border Area. On Sept 20, 1955, the Commissioners announced that they intended to create a national forest park—to be known as the Border Forest Park—from a number of forested areas lying immediately to the west of the new Northumberland Park, including Kielder Forest (Northumberland), Kershope Forest (Cumberland), and Newcastleton and Wauchope Forests (Roxburghshire).

Nature Reserves.

The director-general of the Nature Conservancy (Mr. E. M. Nicholson) announced on July 9, 1954, that an area of about 62 square miles in the Cairngorm mountains (Scotland) had been designated as a nature reserve, with the primary object of safeguarding characteristic Highland wild life.

The area of the reserve—described by Mr Nicholson as "much the largest in Britain, and probably the largest in Western Europe, except for a nature reserve in Switzerland"—includes four mountains (Ben Macdhui, Braeriach, Cairntoul, and Cairngorm) over 4,000 feet high, and is the home of golden eagles, red and roe deer, wild cats, and over 200 species of flowering plants. Mr. Nicholson added that the programme of scientific investigations for the reserve would probably include the regeneration of the native Scots pine; the ecology of mountain birds, plants, and insects; and high-altitude meteorology.

The more important Nature Reserves designated by the Conservancy since 1953 are listed below:

(1) Blean Woods, near Canterbury. About 76 acres, the haunt of the rare heath fritillery butterfly.

(2) Monk's Wood, Huntingdonshire. About 275 acres, noteworthy for rare plants and insects

(3) Tentsmuir Point, Taymouth, Fife. About 92 acres used as a breeding place by terns, and also much used by migratory birds

(4) Scolt Head Island, Norfolk coast 1,628 acres of dunes and marsh on which it is intended to carry out researches into the use of grass to consolidate mud-flats into sea-resisting embankments as a precaution against floods

(5) Orfordness and Havergate Island, Suffolk coast About 500 acres used by avocets as a breeding ground

(6) Barnfield, Kent Site of the discovery of the Swanscombe skull and other prehistoric relics

(7) Old Winchester Hill, Hampshire About 140 acres of chalk grassland studded with trees of great horticultural interest

(8) Woodwalton Fen, Huntingdonshire About 500 acres of fenland

(9) Huntspill, near Bridgwater, Somerset Over 6,000 acres of mudflats and foreshore, used for experiments in the use of grass to check coastal erosion, and a favourite wintering ground for wildfowl.

(10) Castor Highlands, near Peterborough About 105 acres of heath and woodland particularly rich in butterflies and other insects

(11) Cwm Idwal, near Snowdon, Caernarvonshire. About 984 acres, forming the first Nature Reserve in Wales; a natural amphitheatre of great botanical, geological, and scenic interest, with flora of Arctic-Alpine type dating from the Ice Age

(12) The Axmouth - Lyme Regis Undercliffs, on the Devon - Dorset coast A coastal strip of 5½ miles covering the most important landslip area in England.

(13) The Cader Idris Reserve, in the south of the Snowdonia National Park (see 11301 C) About 969 acres (to be increased later to over 2,500 acres) of mountain scenery, including the peak of Cader Idris itself Of great geological interest, with clearly-marked strata of volcanic laval, igneous rocks, and fossil-bearing slates

(14) Cors Tregaron, near Aberystwyth Described as "the best actively growing raised bog in England and Wales," and the haunt of the very rare polecat Extent 15,000 acres.

(15) Newborough Warren and the neighbouring promontory of Ynys Llanddwyn, southern Anglesey. A well-known bird sanctuary, with interesting flora, 283 acres, intended to be increased to about 3,800 acres

(16) Wychwood Forest, Oxfordshire The remnant (647 acres) of a Royal Forest owned by the Crown from the Norman Conquest to the early 19th century, intended to be treated as a permanent forest, regenerating naturally.

(17) Hales Wood, near Saffron Walden, Essex A small area for the preservation of the oxlip, which in Britain grows only in this area

(18) Tring Reservoirs, Hertfordshire - Buckinghamshire border. A small area of great ornithological importance.

(19) Hermaness (island of Unst) and Noss Island. These two areas in the Shetlands, measuring 1,071 acres and 774 acres, will be maintained as a bird sanctuary

(20) Roundsey Wood, near Grange-over-Sands (Lancs) An area of 287 acres in the south of the Lake District; intended to serve as an outdoor laboratory for the Conservancy's research workers at Grange-over-Sands

[Nos. 1-2 were designated on July 2, 1953; 3-8 on March 10, 1954; 9-10 on June 15, 1954, 11 on Nov 24, 1954; 12 on March 16, 1955; 13-15 on June 4, 1955; 16-18 on July 28, 1955; and 19-20 on Sept 26, 1955.]

It was announced on March 2, 1954, that Lord Strang (formerly Permanent Under-Secretary, Foreign Office) had been appointed chairman of the National Parks Commission in place of Sir Patrick Duff, retiring.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 12455 C.)**

B. UNITED STATES. — 1956 Presidential Election. - Mr. Stevenson and Senator Kefauver to seek Democratic Nomination. - 1955 State and Local Elections.

Mr. Adlai Stevenson, the former Governor of Illinois and Democratic candidate in the 1952 presidential election, formally announced on Nov. 15 that he would seek the Democratic nomination in the 1956 presidential election. Senator Estes Kefauver (Tennessee), who was defeated by Mr. Stevenson for the 1952 Democratic nomination, announced on Dec. 16 that he also would seek the Democratic nomination in 1956. On Dec. 8 Senator Knowland of California, the Republican leader in the Senate, had stated that unless President Eisenhower announced by the end of January that he intended to seek a second term as President, he would offer himself as a candidate for the Republican nomination.

Elections were held on Nov. 8 for four State Governorships and for a number of State legislatures, mayoralities of cities and towns, and minor offices throughout the country. Although polling was generally light, and although the elections were mostly fought on local issues, a certain swing to the Democrats was observed. This was most noticeable in the State of Indiana —where many towns elected Democratic mayors for the first time in over 20 years—and in the Democratic gain of the mayoralty of Philadelphia.—(New York Times - New York Herald Tribune) **(Prev. rep. 1954 Elections, 13881 A; 1952 Presidential Elections, 12553 A; 12667 A.)**

A. SUDAN. — Declaration of Independence by Parliament. - Resignation of Governor-General.

The Sudanese House of Representatives adopted unanimously four resolutions on Dec. 19 declaring the Sudan a sovereign independent republic, providing for the election of a Constituent Assembly and of a five-man committee to exercise the powers of the Head of State, and promising full consideration to Southern demands for a federal Constitution. The wording of the resolutions—which, by agreement between the parties, were moved by back-benchers from both sides of the House—was as follows :

(1) " That an address be presented to the Governor-General in the following terms : ' We, the members of the House of Representatives in Parliament assembled, declare in the name of the Sudanese people that the Sudan has become a fully independent sovereign State, and request your Excellency to ask the two condominium Powers [i.e. Britain and Egypt] to recognize the declaration forthwith '

(2) " In view of the fact that the creation of a Sudanese Head of State is a necessary consequence of recognition of the independence of the Sudan, the House is of the opinion that a committee of five Sudanese should be elected by Parliament to exercise the powers of the Head of State under the temporary Constitution to be enacted by the present Parliament, until such a Head is elected in accordance with the provisions of the final Constitution of the Sudan, that the chairmanship of the committee should be by monthly rotation ; and that the committee should fix its own rules of procedure "

(3) " That the House is of the opinion that an elected Constituent Assembly should be set up to draft and approve the final Constitution of the Sudan and electoral laws for future Parliaments "

(4) " That the House is of the opinion that the claims of the Southern members of Parliament for a federal Government for the three Southern provinces should be given full consideration by the Constituent Assembly "

The British and Egyptian Governments had previously (Dec. 3) signed documents amending the 1953 agreement on the Sudan so that the country's future status might be decided by a national plebiscite, as had been proposed by the Sudanese Parliament on August 29.

A supplementary agreement for the establishment of an international commission to supervise both the plebiscite and elections for a Constituent Assembly was signed at the same time, and joint invitations were handed two days later to the Cairo envoys of the seven countries which, it had been agreed, should be represented on the commission. The Sudanese Cabinet, however, protested to the British and Egyptian Governments on Dec 11 that it had not been consulted on the procedure for Sudanese self-determination ; demanded representation on the plebiscite commission ; and rejected the commission's proposed terms of reference.

The British Foreign Office announced on Dec. 12 that the Governor-General of the Sudan, Sir Knox Helm, wished to resign for personal reasons ; that H.M. Government were prepared to accept his resignation, and did not propose to nominate another British candidate in his place, and that the British and Egyptian Governments were in consultation on " the steps to be taken in regard to the post of Governor-General, having in mind the requirements of the Anglo-Egyptian agreement that there should be a free and neutral atmosphere during the rest of the period of self-determination " Sir Knox Helm's resignation was also subsequently accepted by the Egyptian Government.

The National Unionist Party proposed on Dec. 14 that a commission of three, consisting of a Government supporter, an Opposition nominee, and a Southern representative, should be appointed to fulfil the functions of Head of State, this suggestion was accepted by the Opposition parties, on condition that the commission also included two Independents The proposal to appoint a commission of five to act as Head of State was incorporated in the above resolutions which were adopted by the House of Representatives on Dec. 19

The Sudanese Prime Minister, Mr. Azhari, stated on Dec. 15 that his Government had completed its first two tasks, the Sudanization of the Administration and the evacuation of foreign troops, and that it only remained for Parliament to proclaim the country's complete independence. The suggestion that the decision on the country's future should be taken, not by a Constituent Assembly or through a plebiscite, but by Parliament, had previously been put forward by Mr. Azhari on Oct. 18, and was approved on Dec. 18 by the joint parliamentary committee which had been considering the question. Following the Sudanese Parliament's resolution of Dec. 19, statements were issued on the same day by the British and Egyptian Governments welcoming its decision, and announcing that the two Governments were in consultation on the formal steps necessary to put the resolution into effect.

Sayed Ali el-Mirghani, the leader of the Khatmia sect, and Sayed Abdel Rahman el-Mahdi, leader of the Ansar sect, issued a joint statement on Dec. 3 calling on Sudanese politicians to work for the immediate creation of an all-party Government. The statement caused considerable surprise, as the two leaders had been political opponents for many years, el-Mirghani being associated with the Ashigga Party and later with the National Unionists, and el-Mahdi with the Umma Party Since the National Unionists' decision in favour of complete independence, however, the differences between the two parties had largely disappeared, and demands had been put forward by the Opposition for the formation of an all-party Government during the period of transition Immediately after the publication of this statement, negotiations were opened for the creation of such a Government, but without immediate success

A Sudan Government spokesman announced on Dec. 19 that the state of emergency imposed after the mutiny in August had been lifted in the provinces of Upper Nile and Bahr-el-Ghazal.—(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Sudan, 14559 A.)

B. GERMANY. — Return of Dr. John from Eastern to Western Germany.

It was officially announced in Bonn on Dec. 13 that Dr. Otto John (the former head of the Federal Office for the Protection of the Constitution, who had defected to East Berlin in July 1954) had secretly returned to West Berlin on the previous day. The announcement said that Dr. John had " placed himself at the disposal of the security group of the Federal Criminal Office," and that his examination by the investigating judge had been opened. It was reported in the Press that Dr. John had been flown immediately to Western Germany, where he was being detained for further interrogation.

Although no details were officially given of Dr. John's escape to West Berlin, the Berlin Correspondent of the Copenhagen paper *Berlingske Tidende* (Hr Henrik Bonde-Henriksen) revealed that he had driven Dr John from the Humboldt University in Unter den Linden to West Berlin At the university Dr. John had been able to disappear amongst the students and evade his security escort, and had then been driven straight to Tempelhof aerodrome in the American sector of the city.

The official East German News Agency (ADN) announced Dr. John's return to West Berlin in the following terms " Dr John, former president of the Bonn Office for the Protection of the Constitution, who was granted asylum in the German Democratic Republic on July 20, 1954, has left the German Democratic Republic Dr. John had repeatedly stated that he intended to conduct the fight against neo-Fascism in Western Germany."

Dr. John's reappearance in West Berlin coincided with a meeting of the special Bundestag committee investigating his flight in July 1954, at which Dr Schroder, the Federal Minister of the Interior, had reiterated his earlier view that Dr John had not gone to East Berlin with traitorous intentions and that the theory of his abduction should not be rejected

Dr. John was formally arrested at Wiesbaden on Dec. 23. The Federal public prosecutor in Karlsruhe, Dr. Wiechmann, stated on the same day that a warrant for his arrest had been authorized on Dec. 12 but had not been immediately enforced because Dr. John had voluntarily placed himself in custody. There was, however, " strong suspicion " that he had maintained treasonable connexions, and also a fear that he might flee abroad to avoid a possible trial ; the order for his arrest had therefore been executed to make sure that he would be available to stand trial if the investigating judge decided that there was a charge against him.—(Frankfurter Allgemeine Zeitung - Der Tagesspiegel, Berlin) **(Prev. rep. 13851 A.)**

C. UNITED KINGDOM. — National Debt.

A White Paper issued on Oct. 19, 1955, gave the total National Debt of the U.K. at March 31, 1955, as £26,933,696,186 —an increase of £350,663,424 over the total of £26,583,032,762 at March 31, 1954.

Of the total National Debt at March 31, 1955, £3,828,356,674 constituted Funded Debt, £11,614,000 was the estimated capital liability of Terminable Annuities, £5,246,600,000 represented the Floating Debt, £15,716,773,298 represented other internal Unfunded Debt, and £2,130,352,214 represented debt payable in external currencies (excluding debt arising out of the First World War). Total debt conversions effected in the year ended March 31, 1955, amounted to £1,407,514,690

During the year Stock totalling £35,000,000 was issued as compensation under the Coal Industry Nationalization Act, 1946, whilst £13,000,000 of Iron and Steel Stock, 1953, was transferred back to the Treasury and cancelled.—(Cmd. 9297)

(Prev. rep. National Debt, 13982 A.)

D. INDIA. — Establishment of Diplomatic Relations with Outer Mongolia.

It was announced in New Delhi on Dec. 23 that India had established diplomatic relations with Outer Mongolia ; that the Indian Ambassador in Peking (Mr. R. K. Nehru) would serve concurrently as Ambassador to Mongolia ; and that the Mongolian Ambassador in Peking would similarly serve as Ambassador to India as well as to the People's Republic of China.—(The Hindu, Madras - The Statesman, Calcutta)

A. SPORT. — Review of Sporting Events in 1955.

A review of the leading sporting events during 1955 is given below, covering cricket, association and rugby football, lawn tennis, rowing, and horse-racing.

Cricket.

County Championship. The County Championship was won by Surrey for the fourth successive year, the final championship table being as follows :

	P.	W	L	D	First innings lead in match: Tie	No dec.	L	D.	Pts
Points awarded	—	12	—	—	6	—	4	4	—
Surrey	28	23	5	0	0	0	2	0	284
Yorkshire	28	21	5	2	0	0	2	2	268
Hampshire	28	16	5	6	1	0	0	3	210
Sussex	28	13	8	6	1	0	3	5	196
Middlesex	28	14	12	2	0	0	6	0	192
Leicestershire	28	11	10	7	0	0	3	2	154
Northamptonshire	28	9	10	9	0	0	3	7	148
Derbyshire	28	9	10	9	0	0	2	7	146
Lancashire	28	10	9	8	0	1	2	3	140
Warwickshire	28	10	9	9	0	0	2	3	140
Nottinghamshire	28	10	11	7	0	0	1	2	132
Gloucestershire	28	9	13	6	0	0	2	3	128
Kent ..	28	8	13	7	0	0	0	2	104
Essex	28	6	15	7	0	0	3	4	100
Worcestershire	28	5	17	6	0	0	2	4	84
Glamorgan	28	5	14	8	0	1	2	3	80
Somerset	28	4	17	7	0	0	2	2	64

England v. Australia Test Matches. The M.C.C. touring team visited Australia during the winter of 1954-55 and played five Test matches, of which three were won by England, one by Australia, and one was drawn. England thus retained the "ashes," which she had regained in 1953 after 20 years (see 13316 A). Results of the Test matches were as follows :

First Test. Australia won by an innings and 154 runs. Scores : Australia 601 for 8 dec. (R. N. Harvey 162, A. Morris 153, R. Lindwall 64 not out), England 190 (T. E. Bailey 88, R. Lindwall 3–27, I. Johnson 3–46) and 257 (W. J. Edrich 88). Played at Brisbane.

Second Test. England won by 38 runs. Scores : England 154 (R. Archer 3–12) and 296 (P. B. H. May 104, M. C. Cowdrey 54), Australia 228 (F. Tyson 4–54, T. E. Bailey 4–59) and 184 (R. N. Harvey 92 not out, F. Tyson 6–85). Played at Sydney.

Third Test. England won by 128 runs. Scores : England 191 (M. C. Cowdrey 102, K. R. Miller 3–44, R. Archer 4–34) and 279 (P. B. H. May 91, W. Johnston 5–85); Australia 231 (J. B. Statham 5–60) and 111 (F. Tyson 7–77). Played at Melbourne.

Fourth Test. England won by five wickets. Scores : England 341 (L. Hutton 80, M. C. Cowdrey 79) and 97 for 5 wkts. (K. R. Miller 3–40); Australia 323 (L. Maddocks 69, T. E. Bailey 3–39) and 111 (R. Appleyard 3–13, J. B. Statham 3–38, F. Tyson 3–47). Played at Adelaide.

Fifth Test. Match drawn (play possible on only three days owing to rain). Scores : England 371 for 7 dec. (T. W. Graveney 111, D. Compton 84, P. B. H. May 79, T. E. Bailey 72); Australia 221 (C. McDonald 72, J. H. Wardle 5–79) and 118 for 6 wkts. Played at Sydney.

England v. New Zealand Test Matches. The M.C.C. touring side also played two Test matches in New Zealand, both of which were won. Results were as follows :

First Test. England won by eight wickets. Scores : England 209 for 8 dec. (J. R. Reid 4–36) and 49 for 2 wkts.; New Zealand 125 (B. Sutcliffe 74, J. B. Statham 4–24, F. Tyson 3–23) and 132 (F. Tyson 4–16). Played at Dunedin.

Second Test. England won by an innings and 20 runs. Scores : England 246 (L. Hutton 53, A. M. Moir 5–62); New Zealand 200 (J. R. Reid 73, J. B. Statham 4–28, R. Appleyard 3–38) and 26 (R. Appleyard 4–7, J. B. Statham 3–9). Played at Auckland. New Zealand's second innings score of 26 was the lowest in the history of Test match cricket.

The M.C.C. team which toured Australia and New Zealand was as follows : L. Hutton (Yorkshire) (capt.), P. B. H. May (Surrey) (vice-capt.), R. T. Simpson (Nottinghamshire), W. J. Edrich (Middlesex), T. E. Bailey (Essex), M. C. Cowdrey (Kent), D. C. S. Compton (Middlesex), A. V. Bedser (Surrey), T. G. Evans (Kent), J. H. Wardle (Yorkshire), J. B. Statham (Lancashire), T. W. Graveney (Gloucestershire), R. Appleyard (Yorkshire), J. E. McConnon (Glamorgan), P. J. Loader (Surrey), F. Tyson (Northamptonshire), K. V. Andrew (Northamptonshire), and J. V. Wilson (Yorkshire).

England v. South Africa Test Matches. The South African touring team visited England in the summer of 1955 and played five Tests, of which three were won by England and two by South Africa. Results were as follows :

First Test. England won by an innings and five runs. Scores : England 334 (D. Kenyon 87, P. B. H. May 83); South Africa 181 (D. J. McGlew 68, J. E. Cheetham 54, J. H. Wardle 4–24) and 148 (D. J. McGlew 51, F. Tyson 6–28). Played at Trent Bridge, Nottingham.

Second Test. England won by 71 runs. Scores : England 133 (P. Heine 5–60) and 353 (P. B. H. May 112, D. Compton 69, T. W. Graveney 60, H. J. Tayfield 5–80); South Africa 304 (R. A. McLean 142, H. J. Keith 57, J. H. Wardle 4–65) and 111 (J. B. Statham 5–39). Played at Lord's.

Third Test. South Africa won by three wickets. Scores : South Africa 521 for 8 dec. (J. H. B. Waite 113, P. L. Winslow 108, D. J. McGlew 104 not out, T. L. Goddard 62) and 145 for 7 wkts. (R. A. McLean 50, F. Tyson 3–53), England 284 (D. Compton 158) and 381 (P. B. H. May 117, D. Compton 71, M. C. Cowdrey 50, P. Heine 5–86). Played at Old Trafford, Manchester.

Fourth Test. South Africa won by 224 runs. Scores : South Africa 171 (P. Loader 4–52) and 500 (D. J. McGlew 133, W. R. Endean 116 not out, T. L. Goddard 74, H. J. Keith 73); England 191 (D. Compton 61, P. Heine 4–70, H. J. Tayfield 4–70) and 256 (P. B. H. May 97, T. L. Goddard 5–69, H. J. Tayfield 5–94). Played at Headingley, Leeds.

Fifth Test. England won by 92 runs. Scores : England 151 (T. L. Goddard 5–31) and 204 (P. B. H. May 89 not out, H. J. Tayfield 5–60); South Africa 112 (G. Lock 4–39) and 151 (J. H. B. Waite 60, J. Laker 5–56, G. Lock 4–62). Played at The Oval.

The South African touring side was as follows : J. Cheetham (Western Province) (capt.), J. McGlew (Natal) (vice-capt.), N. Adcock (Transvaal), C. Duckworth (Rhodesia), W. R. Endean (Transvaal), F. Fuller (Western Province), T. L. Goddard (Natal), P. Heine (Orange Free State), H. Keith (Natal), R. A. McLean (Natal), P. Mansell (Rhodesia), A. Murray (Eastern Province), V. Smith (Natal), H. J. Tayfield (Natal), J. H. B. Waite (Transvaal), P. L. Winslow (Transvaal).

University Match. The 111th University cricket match was drawn, the scores being as follows : Cambridge, 304 and 178 for 8 dec.; Oxford 170 and 230 for 6 wickets. Played at Lord's. Of the 111 University matches (which began in 1827) Cambridge have won 48 and Oxford 42, with 21 matches drawn.

Association Football.

Football League. League champions—Chelsea (for the first time in the club's history); runners-up—Wolverhampton Wanderers, promoted to Division I—Birmingham City and Luton Town; promoted to Division II—Barnsley (from Division III North) and Bristol City (from Division III South); relegated to Division II—Leicester City and Sheffield Wednesday; relegated to Division III—Derby County and Ipswich Town.

Scottish League. League champions—Aberdeen; runners-up—Glasgow Celtic; promoted to Division A—Airdrieonian and Dunfermline Athletic.

The two bottom clubs in Division A (Motherwell and Stirling Albion) were not relegated to Division B because the Scottish League was reorganized at the end of the season, as follows : Division A—18 clubs, comprising all the 16 clubs who were in the division during the 1954-55 season, plus the two promoted clubs; Division B—19 clubs, comprising all clubs in the division during the season (minus the two promoted teams) and five new clubs hitherto in Division C—Berwick Rangers, Dumbarton, East Stirlingshire, Montrose, and Stranraer. The former Division C was abolished.

International Championship. The International Championship was won by England, the final table being as follows :

	P.	W.	D.	L.	Goals F.	A.	Pts.
England	3	3	0	0	12	4	6
Scotland	3	1	1	1	5	9	3
Wales ..	3	1	0	2	5	6	2
Ireland ..	3	0	1	2	4	7	1

Results of the championship matches were as given below :

Ireland 0, England 2 (Belfast, Oct. 2).
Wales 0, Scotland 1 (Cardiff, Oct. 16).
Scotland 2, Ireland 2 (Hampden Park, Glasgow, Nov. 3).
England 3, Wales 2 (Wembley, Nov. 10).
England 7, Scotland 2 (Wembley, April 2).
Ireland 2, Wales 3 (Belfast, April 20).

International Matches against Foreign Countries. Matches were played by the home countries against Germany (the world champions), Hungary (the Olympic champions), Yugoslavia, Portugal, France, Spain, and Austria, results being as follows :

Wales 1, Yugoslavia 3 (Cardiff, Sept. 22.).
England 3, Germany 1 (Wembley, Dec. 1).
Scotland 2, Hungary 4 (Hampden Park, Glasgow, Dec. 8).
Scotland 3, Portugal 0 (Hampden Park, Glasgow, May 5).
France 1, England 0 (Paris, May 15).
Spain 1, England 1 (Madrid, May 18).
Yugoslavia 2, Scotland 2 (Belgrade, May 15).
Austria 1, Scotland 4 (Vienna, May 19).
Portugal 3, England 2 (Oporto, May 22).
Hungary 3, Scotland 1 (Budapest, May 29).

F.A. Cup. Won by Newcastle United, who beat Manchester City 3–1 at Wembley on May 7. By winning the Cup for the sixth time Newcastle equalled the record of Aston Villa and Blackburn Rovers.

Scottish Cup. Won by Clyde, who beat Glasgow Celtic 1–0 on April 27, after a 1–1 draw.

F.A. Amateur Cup. Won by Bishop Auckland, who beat Hendon 2–0 at Wembley on April 16 and thereby won the Amateur Cup for the eighth time.

Rugby Union Football.

International Championship. Won jointly by France and Wales, the final table being as follows .

	P.	W	D.	L.	Points F	A.	Pts.
{ France	4	3	0	1	47	28	6
{ Wales	4	3	0	1	48	28	6
Scotland	4	2	0	2	32	35	4
England	4	1	1	2	24	31	3
Ireland	4	0	1	3	15	44	1

Results of the championship matches were as given below :

France 15 points, Scotland nil (Paris, Jan 8).
Wales 3 points, England nil (Cardiff, Jan 22)
Ireland 3 points, France 5 points (Dublin, Jan 22)
Scotland 18 points, Wales 8 points (Edinburgh, Feb. 5).
Ireland 6 points, England 6 points (Dublin, Feb. 12)
England 9 points, France 16 points (Twickenham, Feb 26).
Scotland 12 points, Ireland 3 points (Edinburgh, Feb. 26).
Wales 21 points, Ireland 3 points (Cardiff, March 12)
England 9 points, Scotland 6 points (Twickenham, March 19).
France 11 points, Wales 16 points (Paris, March 26)

Internationals with South Africa. A British Isles touring side (the " British Lions "), drawn from England, Scotland, Wales, and Ireland, toured South Africa during the autumn of 1955 Four international matches were played with the following results

South Africa 22 points, British Isles 23 points (Johannesburg, Aug 6)
South Africa 25 points, British Isles 9 points (Cape Town, Aug 20)
South Africa 6 points, British Isles, 9 points (Pretoria, Sept 3)
South Africa 22 points, British Isles 8 points (Port Elizabeth, Sept 24)

Although South Africa maintained her record of not having lost an international series since 1896, the British Isles succeeded in sharing the series The last occasion on which South Africa had shared a series was in 1928, against New Zealand The " Lions " played 24 matches during their South African tour, with the following result—won 18, drawn 1, lost 5, points for 418, points against 271.

County Championship. The County Championship for 1954-55 was won by Lancashire, who beat Middlesex by 14 points to 8 points.

University Match. Cambridge beat Oxford by three points to nil at Twickenham on Dec. 7, 1954.

Lawn Tennis.

Wimbledon Championships. The Wimbledon Championships ended on July 2, the winners being as follows

Men's Singles—T. Trabert (U.S.A.) beat K Nielsen (Denmark) 6–3, 7–5, 6–1

Women's Singles—Miss L. Brough (U.S A) beat Mrs. J. Fleitz (U.S.A.) 7–5, 8–6.

Men's Doubles—R N Hartwig and L. A Hoad (Australia) beat N A. Fraser and K. R Rosewall (Australia) 7–5, 6–4, 6–3

Women's Doubles—Miss A Mortimer and Miss J A. Shilcock (Great Britain) beat Miss S J Bloomer and Miss P E Ward (Great Britain) 7–5, 6–1.

Mixed Doubles—V. Seixas and Miss D Hart (U S A.) beat E. Morea (Argentina) and Miss L. Brough (U.S.A) 8–6, 2–6, 6–3.

Davis Cup. Australia regained the Davis Cup from the United States by winning all five matches in the challenge round, played in New York on Aug 26-28. Results were as follows . K. R. Rosewall (Australia) beat V. Seixas (U S.A.) 6–3, 10–8, 4–6, 6–2 ; L Hoad (Australia) beat T Trabert (U S A.) 4–6, 6–3, 6–3, 8–6 ; L. Hoad beat V. Seixas 7–9, 6–1, 6–4, 6–4 , K R Rosewall beat H. Richardson (U.S.A.) 6–4, 3–6, 6–1, 6–4 ; L. Hoad and R. Hartwig beat V. Seixas and T Trabert 12–14, 6–4, 6–3, 3–6, 7–5. Australia and the U S A. met in the challenge round for the 12th successive year

Australia, the winners of the North American zone, beat Italy, the winners of the European zone, and thus qualified to meet the United States in the challenge round

Rowing.

Henley Royal Regatta. The Royal Regatta ended on July 2, the winners of the various trophies being as follows ·

Grand Challenge Cup—University of Pennsylvania (U S A) beat Vancouver R C. (Canada) by one-third of a length in 6 min 56 sec.

Ladies' Plate—Queens' College, Cambridge, beat Lady Margaret, Cambridge A by 1½ lengths in 7 min. 26 sec

Princess Elizabeth Cup—Shrewsbury School beat Oundle School by eight feet in 7 min. 34 sec.

Thames Cup—Massachusetts Institute of Technology (U S.A.) beat Royal Air Force R.C. by two-thirds of a length in 7 min. 21 sec.

Stewards' Cup—Krylia Sovietov (U.S.S R.) beat Leander Club by three lengths in 7 min. 40 sec.

Visitors' Cup—Trinity Hall, Cambridge beat Lady Margaret, Cambridge A by 2¼ lengths in 7 min. 58 sec.

Wyfold Cup—Thames R.C beat Kettering R.C. by 1½ lengths in 7 min. 51 sec.

Silver Goblets—I. Buldakov and V. Ivanov (U.S.S.R) beat J. A. Gobbo and C. G. Davidge (Leander Club) by four lengths in 8 min 30 sec.

Double Sculls—G Zhilin and I. Emchuk (U.S.S.R.) beat H Vollmer and T. Keller (Switzerland) by half a length in 7 min. 55 sec

Diamond Sculls—T. Kocerka (Poland) beat S. C. Rand (Royal Air Force R.C.) by 1¼ lengths in 8 min. 33 sec

University Boat Race. In the 101st University boat race, rowed on March 26, Cambridge beat Oxford by 16 lengths in 19 min. 10 sec. The margin was the second largest in the history of the boat race, being exceeded only by Cambridge's 20-lengths' win in 1900. Cambridge have won 55 races and Oxford 45, with one dead heat

Horse Racing.

The results of the five " classic " races and the Grand National were as follows :

The Derby. Madame Volterra's *Phil Drake* (F. Palmer) beat *Panaslipper* by 1½ lengths, with *Acropolis* third. Run at Epsom on May 25.

The Oaks. Lady Zia Wernher's *Meld* (W. Carr) beat *Ark Royal* by six lengths, with *Reel In* third. Run at Epsom on May 27.

St. Leger. Lady Zia Wernher's *Meld* (W. Carr) beat *Nucleus* by three-quarters of a length, with *Beau Prince* third. Run at Doncaster on Sept 7.

1,000 Guineas. Lady Zia Wernher's *Meld* (W. Carr) beat *Aberlady* by two lengths, with *Feria* third. Run at Newmarket on April 29.

2,000 Guineas. Mr David Robinson's *Our Babu* (D Smith) beat *Tamerlane* by a neck, with *Klairon* third Run at Newmarket on April 27

Grand National. Mrs W. H. Welman's *Quare Times* (P Taaffe) beat *Tudor Line* by 12 lengths, with *Cary's Cottage* third Run at Aintree on March 26

(Times - Daily Telegraph - Manchester Guardian - Observer - Sunday Times - New York Times - Cape Times - Australian News and Information Bureau) **(Prev. rep. 13961 A.)**

A. UNITED KINGDOM. — New Company for Production of Synthetic Rubber in Britain.

The Dunlop Rubber Company announced on Nov. 18 the forthcoming creation of a new company, the International Synthetic Rubber Co. Ltd , to make " general purpose " synthetic rubber on a considerable scale for the first time in Britain.

It was stated that the new company would have an initial capital of £100 in £1 shares, to be increased later (subject to the consent of the Capital Issues Committee) to £7,000,000, with provision for raising a further £2,000,000 if necessary The company's ordinary share capital would probably be £4,000,000, and firms who had already agreed to subscribe included—in addition to Dunlop's—the Goodyear Tyre and Rubber Co (Great Britain), the Firestone Tyre and Rubber Co , and the Michelin Tyre Co Other tyre manufacturers would be invited to participate. Production was expected to start in 1958, and it was hoped that the initial output would be about 50,000 tons of synthetic rubber annually

It was pointed out in the Press that the Dunlop Rubber Company had recently begun building a new synthetic rubber plant, to cost £500,000, at Fort Dunlop (Birmingham), but that this project aimed at the production of only about 2,000 tons of new synthetic rubber for experimental purposes, and was not intended for the manufacture of " general purpose " synthetic rubber on a commercial scale.—(Times - Daily Telegraph - Financial Times) **(Prev. rep. Synthetic Rubber, World Production, 14283 C.)**

B. SWITZERLAND. — New Federal President.

Dr. Markus Feldmann (58), head of the Department of Justice and Police in the Swiss Federal Council (i.e. the Government), was elected on Dec. 15 as President of the Swiss Confederation for 1956. He is a member of the Farmers', Traders' and Citizens' Party and a former editor of the *Neue Berner Zeitung*.

Prior to electing the new President, the Federal Assembly (the two Houses of the Swiss Parliament meeting in joint session) re-elected the seven members of the Federal Council for a further four-year term, as required by the Constitution after the election of a new National Council. The Government consists of three Radical Democrats, three Catholic Conservatives, and one member of the Farmers', Traders' and Citizens' Party.

Because of their gains in the recent general elections, which made them the strongest party in the National Council, the Social Democrats had claimed two seats in the Federal Council, but the coalition parties took the view that any decision on this proposal would have to be deferred until a vacancy arose in the Government.—(Neue Zurcher Zeitung)

(Prev. rep. President, 13999 E ; Elections, 14558 C.)

C. CANADA. — Immigration Policy. - Further Extension of Assisted Passage Scheme.

The Canadian Government and the Commonwealth Migration Council in London announced on Dec. 16 (*a*) that the assisted passage scheme, hitherto applicable only to working heads of families, would be extended to wives and children ; (*b*) that migrants already settled in Canada could apply for assisted passages in order to bring their relatives over from Britain ; and (*c*) that the repayment of passage loans, hitherto made in monthly instalments over two years, would be spread over a longer period. It was stated that the concessions would take effect immediately, and would apply to European immigrants as well as to those from Britain.—(Daily Telegraph - Manchester Guardian) **(Prev. rep. Immigration. 14484 C.)**

A. SOUTH AFRICA. — Election of New Senate. - Protests by United Party.

Following the dissolution of the old South African Senate on Nov. 4, the electoral colleges met in each of the four provinces and in South-West Africa on Nov. 25 to elect 67 new members to the enlarged Senate, in accordance with the terms of the Senate Act passed by Parliament in June. The voting by the electoral colleges, however, was a mere formality, as the Senate Act laid down that all the Senate seats in each province should go to the party which was in a majority in that province; the effective selection of candidates had therefore taken place within the party caucuses.

The Nationalist Party accordingly took all the 27 seats for the Transvaal, the 22 seats for the Cape, the eight seats for the Orange Free State, and the two seats for South-West Africa, whilst the United Party took the eight Natal seats. The four Natives' Representatives (who normally vote with the United Party) were unaffected by the election, whilst another 18 members—four for each province and two for South-West Africa—were nominated by the Government on Dec. 6, all being Nationalists.

Of the 89 members in the new Senate, therefore, 77 will be Nationalist supporters and 12 will support the Opposition. As a result, the Nationalists will be able to rely on 171 votes in a joint sitting of the two Houses of Parliament (against 77 for the Opposition), five more than the two-thirds majority required to amend the "entrenched clauses" of the South Africa Act and remove the Cape Coloured votes from the common electoral roll.

Among the Nationalist Senators elected were a number of former Senators, including Dr H. F. Verwoerd (Minister of Native Affairs), Mr J de Klerk (Minister of Labour), and Mr. C. A van Niekerk (President of the former Senate) Three former M.P.'s were also elected—Mr J. H Grobler, Mr. J. S Labuschagne (both former members of the Afrikaner Party), and Mr J. D H. V Verster A very large number of Nationalist Party candidates sought nomination, each of whom (in accordance with a recently adopted party rule) was required to contribute a nomination fee of £20 to the party's funds. There were 156 candidates for the 27 Transvaal seats alone, but the number of candidates in the other provinces was not disclosed. The 18 nominated Senators included one woman, Mrs M D J Koster, of Port Elizabeth, the first woman in South Africa to become a senator.

The United Party in Natal had decided before the election to nominate only five candidates for the new Senate, leaving the other three seats to which it was entitled for representatives from each of the other three provinces. Of the eight U.P. Senators elected, five were former Senators. Dr Colin Steyn (leader of the United Party in the Orange Free State), who had been elected to the Senate in December 1954 in succession to Mr. G. Heaton Nicholls (see 14036 A), had stated on Nov. 11 that he had declined an offer to stand for the new Senate as he was temporarily retiring from active politics on medical advice.

When the electoral colleges met on Nov. 25, heated exchanges over the method of election to the new Senate took place between United Party and Nationalist members both in Cape Town and in Pretoria. At the Pretoria meeting the U.P. members, led by the party's leader, Mr. Strauss, left the chamber *en bloc* after the chairman of the electoral college had refused to allow speeches in support of nominations on the ground that they would make the proceedings unduly protracted.

The Parliamentary leader of the Labour Party, Mr. Hepple, had announced on Nov 16 that his party would take no part in the elections, and that no Labour M P. would participate in any joint sitting of the two Houses which the Government might arrange during the next session because "we do not recognize the new Senate as a constituent element of Parliament" Mr. Bailey Bekker, M P., leader of the Conservative Party, announced on Nov. 22 that his party also would take no part in the election.

Mr. Strauss issued a statement on Nov. 26 in which he asserted that the Nationalists were embarking on "a revolution of nihilistic destruction," and expressed the conviction that they would "destroy themselves in the process."

"History shows," he declared, "that the control of the legislative body, of the courts, of the electoral rolls, and of the army have failed to keep dictators and enemies of the people in power once the just wrath of citizens has been aroused to a determined purpose. We are nearing that point The hour of truth for South Africa is at hand. The way now lies open to those who have succeeded by their excess, and they have already cast their eyes on other objectives—our courts, our rule of law, and our parliamentary system Soon a helpless minority is to be robbed of franchise rights it has enjoyed for more than a century. No one knows yet which language or racial group may be the next target.

"The days that lie ahead will make great calls on our courage and steadfastness of purpose. .. Apathy and minor dissensions must not be allowed to sap our energies or to delay the fulfilment of our purpose. The United Party is proud to lead the battle on the political front. We shall continue to fight the present Senate, and the evil that may flow from it, with all the legal and constitutional means at our disposal We shall, if so advised by counsel, fight it before the highest tribunal in the land. We shall contest this measure and what may flow from it both in Parliament and outside .."

Protest meetings were staged throughout the Union on Nov. 25 by members of the Women's Defence of the Constitution League, who wore black sashes in mourning for the "death" of the South African constitution. Members of the League had become increasingly active since the passing of the Senate Act, and, in addition to standing in "silent vigil" outside the Union Buildings in Pretoria, had staged many protest processions in a number of cities.—(Cape Times - State Information Department, Pretoria) **(Prev. rep. 14353 A.)**

B. UNITED KINGDOM. — The Queen's Christmas Broadcast to the Commonwealth and Empire.

Her Majesty the Queen broadcast the following Christmas message to the Commonwealth and Empire from Sandringham on Dec. 25.

" . For my husband and myself and for our children the year that is passing has added to our store of happy memories We have spent most of it in this country, and we have enjoyed seeing many parts of the British Isles which we had not visited before. Now a new year will soon be upon us, and we are looking forward to seeing something of Nigeria, that great country in Equatorial Africa where more than 30,000,000 of my people have their homes

"For them and for all of us each New Year is an adventure into the unknown. Year by year, new secrets of nature are being revealed to us by science—secrets of immense power for good or evil, according to their use These discoveries resolve some of our problems, but make others deeper and more immediate A hundred years ago our knowledge of the world's surface was by no means complete; today most of the blanks have been filled in. Our new explorations are into new territories of scientific knowledge and into the unknown regions of human behaviour We have still to solve the problem of living peacefully together as peoples and as nations

"We shall need the faith and determination of our forebears when they crossed uncharted seas into the hidden interiors of Africa and Australia to guide us on our journeys into the undiscovered realms of the human spirit. In the words of our Poet Laureate [Mr. John Masefield]

> 'Though you have conquered Earth and charted Sea
> And planned the courses of all Stars that be
> Adventure on, more wonders are in Thee,
> Adventure on, for from the littlest clue
> Has come whatever worth man ever knew;
> The next to lighten all men may be you'

"We must adventure on if we are to make the world a better place. All my peoples of the Commonwealth and Empire have their part to play in this voyage of discovery. We travel all together, just as the Maori tribes sailed all together into the mysterious South Pacific to find New Zealand.

"There are certain spiritual values which inspire all of us. We try to express them in our devotion to freedom, which means respect for the individual and equality before the law. Parliamentary government is also a part of this heritage We believe in the conception of a Government and Opposition and the right to criticize and defend. All these things are part of the natural life of our free Commonwealth.

"Great opportunities lie before us Indeed, a large part of the world looks to the Commonwealth for a lead. We have already gone far towards discovering for ourselves how different nations from north and south, from east and west, can live together in a friendly brotherhood, pooling the resources of each for the benefit of all. Every one of us can also help in this great adventure. For just as the Commonwealth is made up of different nations, so those nations are made up of individuals. The greater the enterprise, the more important our personal contribution.

"The Christmas message to each of us is indivisible; there can be no 'peace on earth' without 'good will toward men.' Scientists talk of 'chain reaction'—of power releasing yet more power. This principle must be most true when it is applied to the greatest power of all · the power of love. My grandfather, King George V, in one of his broadcasts when I was a little girl, called upon his peoples in these words: 'Let each of you be ready and proud to give to his country the service of his work, his mind, and his heart' That is surely the first step to set in motion the 'chain reaction' of the powers of light, to illuminate the new age ahead of us.

"And the second step is this · To understand with sympathy the point of view of others within our own countries and in the Commonwealth, as well as those outside it. In this way we can bring our unlimited spiritual resources to bear upon the world.

"As this Christmas passes, and time resumes its march, let us resolve that the spirit of Christmas shall stay with us as we journey into the unknown year that lies ahead."

The Queen's forthcoming visit to Nigeria—referred to in her Christmas broadcast—had been announced on Nov. 28. Together with the Duke of Edinburgh, she will leave London on Jan. 27, 1956, for an 18-day tour of the Colony.

The quotation in the Queen's broadcast was from the Poet Laureate's poem *The Wanderer of Liverpool*.—(Times)

(Prev. rep. Christmas Broadcast (1954), 13954 A.)

DECEMBER 31, 1955—JANUARY 7, 1956

A. SOVIET UNION - WESTERN POWERS - INDIA - PAKISTAN. — World Reactions to Speeches of Soviet Leaders during Asian Tour. - British and U.S. Criticisms. - U.S.-Portuguese Statement on Goa. - Pakistani Denunciations of Soviet References to Kashmir and "Pakhtoonistan." - Indian Press Criticisms of Soviet Leaders' Statements. - Mr. Nehru's Reaffirmation of India's Policy of Neutrality and Non-alignment.

Reactions to the speeches and declarations made by Marshal Bulganin and M. Khrushchov during their recent tour of India, Burma, and Afghanistan are described below.

Reactions in Britain.

Following Marshal Bulganin's speech on Nov. 21 to the Indian Parliament, the British Foreign Office spokesman (Mr. Peter Matthews) issued a statement on Nov. 22 describing the Soviet Premier's references to the situation in Germany as "thoroughly hypocritical." The spokesman said:

"The fact that there is a disunited Germany is due exclusively to Soviet interference in the affairs of Germany, without which the East German regime would not have been set up and would not continue today to exist. If Marshal Bulganin were sincere in believing that the problem of German unity could be solved by leaving that problem to the Germans themselves, then we should be in entire agreement with him. What the Government cannot accept is that a body of men in Pankow [the Berlin suburb which is the seat of the East German regime], who have no mandate whatever from the people of Germany, should be allowed to veto the unification of Germany

"Soviet propaganda has sought to represent that the obstacle to German reunification is the adherence of the German Federal Government to NATO and the Western European Union. But Mr Molotov made it plain that, in the Soviet view, German unity could only be achieved if what Mr. Macmillan called at Geneva 'the odious system at present existing in Eastern Germany' was maintained, and provided that an all-German Government was peace-loving in character As is well known, the Soviet Government only considers that Communist regimes are fully entitled to be regarded as peace-loving. The point of view expressed by Marshal Bulganin seems to be thoroughly hypocritical"

Sir George Young (head of the Foreign Office News Department) replied on Dec. 2 and Dec. 7 to M. Khrushchov's allegations, made in Rangoon, that the British regarded the Burmese as "savages" and that Britain, with other Western Powers, bore responsibility for the Second World War by having sought to "push Hitler to the East."

After saying that it was "ludicrous" to suggest that the British regarded the Burmese as "savages," Sir George referred to M. Khrushchov's claim that Russia was the only country fighting colonialism. He recalled in this connexion a speech made at the Bandung Conference by the Prime Minister of Ceylon (Sir John Kotelawala) in which the latter had enumerated the Soviet "satellite" countries and had asked "Are not these colonies as much as any of the colonial territories in Africa or Asia? If we are united in our opposition to colonialism, should it not be our duty openly to declare our opposition to Soviet colonialism as much as to Western imperialism?"

As regards M. Khrushchov's reference to the alleged responsibility of the Western Powers for the Second World War, Sir George Young remarked that this allegation was substantially the same as that put forward by M. Molotov at the Berlin conference of 1954. He recalled that Sir Anthony Eden had replied to it at the time in the following words: "It is really fantastic to suppose that Mr. Chamberlain was in any way responsible for Hitler's attack on Poland, to which Britain had given a guarantee. The Government of which Mr. Chamberlain was head gave the guarantee to Poland openly and honourably It was in fact this guarantee which resulted in the declaration of war by Britain and France on Sept. 3, 1939"

In addition, Sir George Young recalled that Mr. Dulles, at the Berlin conference, had quoted a speech made by M. Molotov to the Supreme Soviet on Oct. 31, 1939, in which he said that it was "not only senseless but criminal to wage a war for the destruction of Hitlerism camouflaged as a fight for democracy."

The Foreign Office spokesman's use of the expression "thoroughly hypocritical," in relation to Marshal Bulganin's speech to the Indian Parliament, led to a Soviet protest to Britain on Nov. 29. The Soviet Chargé d'Affaires in London called at the Foreign Office on that date to "draw attention to the fact that expressions were permitted . . . by a representative of the British Foreign Office which are incompatible with the nature of the relations existing between our countries."

The matter was raised in the House of Commons on Nov. 29 by Mr. Arthur Henderson (Lab), who asked the Prime Minister whether he would take steps to ensure that "official pronouncements containing personal criticisms of heads of Governments" were made at ministerial level. Sir Anthony Eden replied that it was "certainly desirable that important statements on behalf of the Government should not be made without proper authority," and that Ministers were already aware of this. It had been announced on the previous day that Sir George Young, or his deputy, would henceforward make official statements on behalf of the Foreign Office.

Reactions in the U.S.A. - U.S.-Portuguese Statement on Goa.

A joint statement was issued in Washington on Dec. 2 by Mr. Dulles and the Portuguese Foreign Minister, Dr. Paulo Cunha (then on an official visit to the U.S.A.), which said that they had discussed "various statements attributed to the Soviet rulers now visiting Asia," including "allegations concerning the Portuguese provinces in the Far East." Although no specific reference was made to the support expressed by Marshal Bulganin and M. Khrushchov for Indian sovereignty over Goa, the Dulles-Cunha statement accused Marshal Bulganin and M. Khrushchov of attempting to "foment hatred between the East and West."

At a press conference on Dec. 6, Mr Dulles said that the speeches of Marshal Bulganin and M. Khrushchov during their Asian tour showed "no great solicitude for a relaxation of tension with the West" As regards his discussions with Dr. Cunha, he stressed that the joint statement had taken no position on the merits of the Goa question, but had expressed the mutual concern of the U S A and Portugal at the Soviet leaders' attempts to "whip up prejudice and hate in a situation that needs to be dealt with in a spirit of calm." Asked whether the U S.A. considered Goa to be a province of Portugal, Mr. Dulles replied: "As far as I know, all the world regards it as a Portuguese province. It has been Portuguese for about 400 years."

Mr. Nehru (the Prime Minister of India) announced on Dec. 22 that a Note had been sent to the U.S. Government in connexion with the joint statement by Mr. Dulles and Dr. Cunha referring to "the Portuguese provinces in the Far East." It was stated in Washington on Dec. 29 that the U.S. Government had replied to the Indian Government's request for a "clarification" of the Dulles-Cunha statement.

Dr. Cunha, at a press conference during a visit to Ottawa, said on Dec. 12 that Portugal would fight India, if necessary, to retain Goa. He added: "I hope we are not going to have war, but if my hope is unfounded . . . Portugal is going to defend Goa by force with all her power."

Reactions in Pakistan.

The Prime Minister of Pakistan (Chaudhri Mohammad Ali) issued the following statement on Dec. 11 in reply to the remarks made by Marshal Bulganin and M. Khrushchov during their visit to Kashmir:

"In a statement in Srinagar, Marshal Bulganin reportedly said that Kashmir was part of Northern India and the Kashmiris part of the Indian people Mr. Khrushchov went even further. He reportedly said that Kashmir was part of India and that the Kashmiris had themselves decided to become part of India.

"These are extraordinary statements Coming from leaders of a country which denounces colonialism and is a member of the Security Council, which has resolved that Kashmir's accession to Pakistan or India shall be decided by a free plebiscite, they must have surprised all those who cherish freedom and the right of self-determination for all peoples. The people of Kashmir have not been allowed to exercise that right The State is under the occupation of the Indian Army. A plebiscite has not been held. Kashmir's leaders who ask for a plebiscite are being ruthlessly suppressed and jailed by an Indian puppet regime which depends for its existence on the support, not of the people of Kashmir, but of Indian bayonets. How then could it possibly be claimed that the people of Kashmir had decided to become part of India?

"In an attempt to justify this attitude towards the Kashmir dispute, Mr. Khrushchov is reported to have mentioned Pakistan's membership of the Baghdad Pact. He charged that the pact was not created in the interest of peace but with a view to building American military bases in Pakistan close to Soviet territory. These charges are wholly baseless. We have repeatedly made it clear that the Baghdad Pact is purely a defensive arrangement It is not directed against any country whatsoever Nor has Pakistan any intention of allowing any country to establish bases in the country or to use its territory for any aggressive purposes Pakistan has no aggressive designs against any country, least of all the Soviet Union. By joining the pact, Pakistan aims solely at strengthening the collective security of this region and at promoting its stability in the interest of world peace. This surely is a right which every country must enjoy, and in fact does enjoy, under the U.N. Charter to which the U.S S.R. also subscribes. It is surprising that such an act should cause apprehension in the minds of the Soviet leaders and that they should have seized on it as a justification for their present attitude to the Kashmir dispute.

"Mr. Khrushchov has said that the question of Kashmir is a matter for the people of Kashmir to decide for themselves. This is precisely why the Security Council resolved that the question of the accession of the State to India or Pakistan should be decided by a plebiscite under U.N. auspices. Mr. Khrushchov also said that Kashmir should not become a toy in the hands of imperialist forces. We wholly agree. But, judging by the statements of Messrs. Bulganin and Khrushchov, it would seem that the Soviet leaders are now bent on making Kashmir a toy in a far more dangerous game which is bound, not only to aggravate discord between Pakistan and India, but also to heighten world tension. . . ."

Similar statements deploring the remarks made by Marshal Bulganin and M. Khrushchov in Kashmir were issued by the Pakistani Foreign Minister, Mr. Hamidul Haq Choudhury, and the Leader of the Opposition, Mr. H. S. Suhrawardy. A Pakistan Foreign Office spokesman denied on Dec. 12 M. Khrushchov's assertion that Pakistan had attempted to persuade the Soviet leaders not to visit Kashmir and Afghanistan. He said that the Pakistan Foreign Office had merely conveyed its thoughts on the subject to the Soviet Chargé d'Affaires in Karachi "verbally," and had expressed the hope that, as the U.S.S.R.'s attitude towards Pakistan's disputes with India and Afghanistan had so far been one of strict neutrality, "the Russian leaders would not say or do anything that would detract from that attitude."

The Foreign Minister of Pakistan referred on Dec. 17 to Marshal Bulganin's support for the "Pakhtoonistan stunt" during his visit to Afghanistan.

Mr. Hamidul Haq Choudhury commented that "while Bulganin is prepared to give the right of self-determination to the Frontier tribesmen, who are part and parcel of the State of Pakistan and who never wanted it, he denies the same right to the people of Kashmir who are struggling for it." After accusing Marshal Bulganin of trying "to set India and Pakistan at loggerheads," and also of trying "to eliminate all chances of the Afghans taking a reasonable attitude towards Pakistan," the Foreign Minister declared that Soviet tactics were aimed at "bringing this whole area under the spell of the cold war."

Indian Press Comment.

Several of India's leading newspapers and journals criticized the speeches made by Marshal Bulganin and M. Khrushchov during their tour of India and Burma. Extracts are given below from *The Statesman* (Calcutta), the *Times of India* (Bombay), the *Hindustan Standard* (New Delhi), and the *Eastern Economist* (New Delhi):

The Statesman. ". . The Russian leaders' visit was in return for that paid by the Prime Ministers of India and Burma to their country. Yet matters have so turned out that it has become an international issue, so much so that ordinary people may well ask what has happened to the much publicized 'spirit of Geneva' manifested at the 'summit' conference. . . Not the slightest breath of criticism could reasonably be directed against anything that Mr. Nehru or U Nu said during their tour of Russia. It is unfortunate that as much cannot be said of statements attributed to Mr Khrushchov. Some of his references to Britain and the U.S A., as reported, have been strongly resented in those countries, a fact all the more regrettable because they were made in a country detached from the Power blocs and seeking, as Mr. Nehru said at Calcutta, to be friendly with all nations and avoiding hatred, violence and hostility. When the peoples of the world are longing for genuine amity among nations and their leaders are avowedly striving for this, to harp on alleged injuries in the past is wrong; others can do the same, and there is no end to the process. It is the future that counts. . . .

"There is, after all, nothing new in Communist bloc accusations against the West. But suddenly, out of the blue, Mr. Dulles thought fit to intervene with a statement, issued jointly with the Portuguese Foreign Minister, referring to Goa in terms which the people of India rightly resent. . . No amount of legalistic clarification by Mr. Dulles can excuse the impropriety of this statement. The Portuguese have no business to be in Goa or on any other Indian territory. Talk about Portuguese 'provinces' in the Far East is nonsense. The figurative explosion at Washington was preceded by an actual one of a thermo-nuclear nature somewhere in Russia—surely an inappropriate accompaniment of a goodwill tour in a country which has strong views on this subject This was not cause and effect, but there seems to be a chain of developments which can only be regarded as lamentable. It now comes to this, that leaders of Great Powers need to exercise more restraint in their language and actions. . . ."

Times of India. The newspaper published an article in connexion with the visit of Marshal Bulganin and M. Khrushchov to Bombay which said: "The visit of our Russian guests, while it has helped to heighten the permutations and combinations of international politics, carried its own warnings to us. . . . By all means let us return courtesy with courtesy, but not to the point of letting the guest edge the host out of his own mansion. When our own Parliament is converted into a pulpit from where foreign guests, however highly placed and honoured, attack countries with whom we have no basic quarrels, it is time to be more than slightly wary. India's position in the Commonwealth gives her a status of peculiar vantage from which both Britain and India derive advantages, and which in a sense lends an authoritative stamp to our policy of independence. There can be no doubt that what Moscow is now engaged in is a manoeuvre to undermine, isolate, and outflank Western influence in Asia. . . ."

The same newspaper also commented as follows on M. Khrushchov's remarks in Rangoon. "To accuse the British . . of having treated the Burmese as 'barbarians' can hardly be described as subtle, and is noteworthy even by the sledgehammer standards which the Russians have imported into world affairs. Khrushchov displayed abysmal ignorance of the Asian mind. . . . Moscow has yet to learn the first lesson of Bandung—that in no circumstances will independent Asian Powers allow themselves to deteriorate into cheap, unprincipled anti-Western agitators."

Hindustan Standard. An editorial in this newspaper deplored the manner in which M Khrushchov had "abruptly introduced" his reference to the Soviet hydrogen bomb during his visit to Bangalore. After declaring that India was "not interested in knowing whether the Soviet Union or the United States has bigger and better hydrogen bombs," it added: "Mr Khrushchov's frank and forthright words were no doubt addressed to the United States and her allies. . The occasion of his H-bomb speech nevertheless would appear to most of our people ill-chosen. The Soviet leaders have come among us on a goodwill mission, and whatever complaints they may have against other Powers are not of any direct concern to us. If we accept the Soviets' friendship that does not mean that we accept or endorse all that the Soviet Union does and stands for"

Eastern Economist. A leading article in this journal (Dec. 16) contrasted the apparently differing conceptions of *Panch Sila* (the "five principles" of peaceful co-existence) held by India and the Soviet Union, and, *inter alia*, drew attention to a remark by M. Khrushchov (at a press conference on Dec. 14 before leaving India) in which he had said that the Cominform would remain in existence.

". . There are many Indians," wrote the *Eastern Economist*, "and this applies to Ministers of the Government as well as to many Members of the Legislature, who hold the view that our Russian guests greatly exceeded propriety. . . . It is necessary that . . it should be made clear that Indian foreign policy was by no means affected by these pronouncements, and remains as friendly to the West as it is to our new-found friends . . The particular association of the U.S.S.R. with Indian views on colonialism, with special reference to Goa, and with the definite statement on Kashmir that it is a portion of India, will be reckoned as Russian inducements for us to ride with them on the Volga—that is, blandly to give them a *quid pro quo* Are there no dangerous strings attached? . .

"We still have substantial independence on major issues of foreign policy For example, the mere fact that we have signed an agreement with a reference to 'the Geneva spirit' by no means debars us from asserting that the failure of the last Geneva conference was as much a result of Soviet obstinacy as it was of hesitation in the Free World. Again, no Indian will wish to decry President Eisenhower's spacious air-inspection proposal which the Russians have rejected Thirdly, we dislike U S S.R. hydrogen bombs—one of which was unwisely detonated whilst our visitors were in India—as much as any other lethal atomic weapons Finally, the interpretation of *Panch Sila* in India is obviously different from that of the Soviet Union. In the Soviet Union it would appear that peaceful co-existence can be an active instrument of propaganda. The Cominform, Mr. Khrushchov said, would continue in existence as a source of information In other words, the propaganda battle is still on. India would never concede that the existence of the Cominform for this purpose is consistent with an honest interpretation of *Panch Sila*, it means that while we cannot criticize totalitarianism, the totalitarians can hurl all their thunder against democracy.

"Thus . . there are vital differences between the attitudes of minds of the Russian and Indian Prime Ministers, although they are signatories to the same statement. It is necessary that both we in India and our friends in the Free World should appreciate that the construction of the words of the common statement are less important than the intangible, but nonetheless real, differences in the minds of the two Prime Ministers. . . ."

Mr. Nehru on India's Neutrality Policy.

Mr. Nehru, in a speech at Coimbatore on Dec. 22, expressed India's determination to pursue her own independent policy "internally in the domestic sphere and externally in the international sphere." He added: "Controversies have arisen in other countries about the consequences of the visit of the Soviet leaders to India. They ask: Is India aligning herself with the Communist countries and the Soviet Union? Is she giving up her policy of non-alignment and neutrality? . . . People in many parts of the world seem to think that if you are friendly with one person, that means you are hostile and inimical to the other—as if you can only be friendly with one in order to be hostile to another. The area of friendship should not be confined by a wall of hostility. That is our national and international outlook, and that is the real basis of the policy of neutrality or non-alignment that India follows. . . . India has an individuality and soul, not of today but of the last 2,000 years. She has a mind of her own and a soul and spirit of her own. . . . She will pursue her own independent policy."—(The Statesman, Calcutta - The Hindu, Madras - Times of India, Bombay - Eastern Economist, New Delhi - Pakistan High Commissioner's Office, London - New York Times - New York Herald Tribune - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 14603 A.)**

A. EGYPT. — Further Release by Britain of Blocked Sterling Balances.

It was announced in London and Cairo on Jan. 2 that Britain had released a further £20,000,000 of Egypt's blocked sterling balances in accordance with the agreement of Aug. 29, 1955.—(Financial Times) **(Prev. rep. 14420 B.)**

A. FRANCE. — M. Poujade's Tax-Resistance Movement. - Poujadists to contest General Election.

A movement aimed at encouraging small shop-keepers and tradesmen to refuse to pay their taxes until the Government had introduced certain fiscal reforms developed in many parts of France during 1954 and 1955, claiming a total membership of nearly 1,000,000 by the end of the latter year. It was directed by an organization, the Union for the Defence of Tradesmen and Artisans (*Union pour le défense des commerçants et artisans*, or U.D.C.A.), founded in 1953 by M. Pierre Poujade, a 34-year-old stationer and bookseller living in the small town of Saint-Céré, in the Lot *département* of central France.

During March, 1955, when the Finance Bill was being debated by the National Assembly, the Poujadist movement attempted to bring strong pressure upon the Government, and also upon individual deputies, to secure a revision of fiscal policy, and, in particular, to secure the repeal of two provisions of previous Finance Laws which were strongly opposed by the U.D C.A.: (*a*) a provision which authorized "mobile squads" of tax inspectors to examine the books of shopkeepers and others suspected of tax evasion, and (*b*) another provision which imposed penalties upon persons obstructing or impeding tax-collectors and inspectors in the performance of their duties. Although M. Faure (the Prime Minister) stressed that the Government would not submit to any outside pressure, he nevertheless announced during the Budget debate that two concessions would be made to meet legitimate grievances: (*a*) the "mobile squads" would in future only investigate the books of establishments with a turnover of more than 60,000,000 francs (about £60,000) a year; (*b*) the regulation imposing penalties for obstructing tax-collectors in the performance of their duty would be amended to prevent abuses. The first-mentioned concession implied that the smaller shopkeepers—of whom there are about 1,200,000, forming the backbone of the Poujadist movement—would in future be free from visits by "mobile squads" of tax inspectors.

During August and September, 1955, a number of disturbances, several of a violent character, occurred in various parts of France—at Chartres (where the police had to use tear-gas to restore order), in the Vendée, in the Bouches-du-Rhône, and elsewhere—when local Poujadists forcibly resisted visits by tax-collectors and other officials, refused to pay their taxes or social security contributions, and broke up meetings addressed by Cabinet Ministers. A meeting addressed by M. Bourgès-Maunoury (the Minister of the Interior) in the Aveyron *département* had to be abandoned after the Minister was howled down by Poujadist demonstrators. The agitation became particularly acute after M. Poujade had issued a call to his supporters (on Aug. 29) to refuse to pay their annual "turnover" tax for the current year, and had threatened "reprisals" against any member of his movement who defied the ban. Such "reprisals," he announced, would take the form of a boycott of the offender or of refusal to help "blacklegs" who were in trouble with the authorities for non-payment of taxes.

On Sept. 28 the Paris public prosecutor issued a summons against M. Poujade and other leaders of the U.D.C.A. on a charge of inciting people to refuse to pay taxes. The decision to take legal action against the Poujadist movement had been taken by the French Council of Ministers on the previous day on the proposal of the Minister of Finance.

Six months earlier, on March 21, 1955, it had been announced in Paris that judicial inquiries had been instituted against "X" (a traditional terminology of French legal procedure) for inciting people to refuse to pay their taxes The examining magistrate was specifically asked to determine the authorship of an anonymous pamphlet, published at Romarantin (central France), urging collective resistance to tax-collection. [The inquiries were instituted under a law of 1839 which laid down maximum penalties of two years' imprisonment and heavy fines for organizing resistance to tax-collection.] Although this inquiry was obviously directed against M. Poujade, no further action was taken for several months as the U.D.C.A. remained generally quiet during the spring and summer.

At a press conference on Sept. 30, M. Poujade said that he welcomed the Government's decision to take proceedings against him, since "a good trial would present an excellent platform for stating our views." He declared that the U.D.C.A. would continue its demonstrations whenever a Minister appeared in public until the Government recognized the organization as representing the interests of small tradesmen and artisans, and agreed to negotiate with it for a settlement of fiscal grievances. When questioned by the examining magistrate on Oct. 5, M. Poujade accepted full responsibility for the U.D.C.A.'s activities, and admitted that he had urged shopkeepers and tradesmen to refuse to pay taxes. He emphasized, however, that he had never approved of acts of violence towards officials and policemen, and declared that he had sent strict instructions to his supporters to refrain from such acts.

During October and November, 1955, the police raided the premises of the U D.C.A. in Paris and in a number of provincial centres, including Limoges (the headquarters of the movement's directing committee), Marseilles, Nice, Montpellier, Clermont-Ferrand Beauvais, Orléans, Bourges, Cahors Albi, and M. Poujade's home town of Saint-Céré. Many documents were seized in these searches.

At a congress of the U.D.C.A., held on Nov. 8-10 at Saint-Céré it was decided that the Poujadist movement would present candidates in the forthcoming general elections in all *départements* where the organization had local offices. M. Poujade subsequently announced that he personally would not stand for election, and declared that his movement "has for its exclusive goal the satisfaction of the economic demands of the shopkeepers, artisans and peasants, and, in particular, the struggle against excessive taxation."

The electoral programme of the U.D.C.A. was concentrated almost entirely on the movement's economic and financial demands, and made little or no mention of political issues. Apart from its anti-taxation policy, the programme also demanded the replacement of the National Assembly by a "States-General" (*Etats-Généraux*) representative of all classes and sections of the community; the conversion of the Council of the Republic into an economic chamber; the abolition of the Assembly of the French Union; the amalgamation of Ministries; reductions in State expenditure; the dismissal of officials engaged in economic supervision, price-fixing, etc.; and economies in the nationalized industries.

All Poujadist candidates were required to take an oath in the following terms: "I swear to work for the establishment of a States-General with all my responsibility, honour and faith. If I am elected, I solemnly pledge myself not to take up a position on any subject which has not been approved in advance by the central directing committee. If I betray this oath, I agree to submit in my own person to the physical and moral punishment reserved for traitors. . . ."

No clear definition of what the Poujadists meant by a "States-General" was contained in the electoral programme. From various statements made by M. Poujade, however, it seemed that the conception was analogous to that of the pre-war Fascist "corporate State"—a Chamber based on economic, professional, and other interests, and not on political representation. Although M. Poujade denied that he was a Fascist, and insisted that his movement was "neither Right, Left, nor Centre," he made a number of statements in which, *inter alia*, he denounced the weaknesses of the parliamentary regime and the confusion of the party system, bitterly attacked France's present and post-war leaders, and declared that he would like to see them "beheaded" or "brought to trial before a high court" In particular, he denounced the existing National Assembly as being completely out of touch with the people's needs, and demanded its replacement by a "States-General" to which all trades, professions, and classes would elect representatives, present their grievances, and decide upon a solution of important problems in the interests of all.

A split in the Poujadist movement occurred on Nov. 22, 1955, when some 60 leading members of the U.D.C.A., headed by its secretary-general (M. Francis Bos, a friend of M. Poujade from boyhood), decided to secede from the organization in protest against the increasingly "authoritarian" attitude of M. Poujade, his alleged misuse of the U.D.C.A.'s funds for personal purposes, and against various aspects of his policy, particularly his advocacy of a States-General and his demand for the replacement of existing republican institutions by a new regime.

Eight Poujadist candidates were returned *en bloc* at elections for the Paris Chamber of Commerce, held on Dec. 8, 1955. [The elections were for one-third of the members of the Chamber of Commerce and for the category of *commerçants* (businessmen).] Similar successes were obtained by Poujadist lists in Chamber of Commerce elections held in other centres, including Marseilles, Montpellier and Perpignan. (Le Monde, Paris)

B. CAMBODIA - JAPAN. — Friendship Treaty.

A treaty of friendship pledging "eternal peace" between Japan and Cambodia was signed in Tokio on Dec. 9 by Prince Norodom Sihanouk, the Cambodian Prime Minister, and Mr. Shigemitsu, the Japanese Foreign Minister. It also provided for mutual technical co-operation and for the expansion of economic and cultural relations.—(Japanese Embassy, London)

(Prev. rep. 14062 C.)

C. WESTERN GERMANY. — Admission to Economic Commission for Europe.

The U.N. Economic and Social Council decided on Dec. 15 to admit the German Federal Republic to the Economic Commission for Europe. The voting was 16 to two (the Soviet Union and Czechoslovakia).—(New York Herald Tribune)

(Prev. rep. E.C.E. Membership, 13538 C.)

A. INDIA. — Reactions to States Reorganization Commission's Report. - The Bombay Riots.

The Indian Home Minister, Pandit Pant, gave details in the Council of States on Nov. 21 of the Government's proposed time-table for the implementation of the decisions to be taken on the States Reorganization Commission's report. He stated that a conference of Chief Ministers held in Delhi on Oct. 22-23 had already settled certain procedural matters; that the Chief Ministers had given their preliminary opinions; and that the State Governments were expected to communicate their views on the Commission's recommendations to the Central Government by the end of November, after which the State Legislatures would be consulted. The report would be placed before Parliament during the current session, and it was proposed that legislation for implementing the reorganization scheme should be passed before the end of May 1956. This would enable the new units to be established on or before Oct. 1, 1956, and general elections to be held early in 1957 as scheduled.

The Congress Working Committee, meeting on Nov. 8-9, had previously approved most of the Commission's recommendations, but had put forward alternative proposals on the future of Bombay and the Telengana area of Hyderabad (see below). A sub-committee consisting of Mr. Nehru (the Prime Minister), Mr. Dhebar (president of Congress), Dr. Azad (the Education Minister), and Pandit Pant was set up to reach decisions on the problems of the Punjab, the proposed Karnataka State, and the various border issues that had been raised.

Developments in certain States arising out of the Commission's report are summarized below.

Bombay. The Maharashtra Pradesh Congress Committee unanimously rejected on Oct 21 both the Commission's proposals for a bilingual Bombay State and the suggestion for three separate States of Bombay City, Maharashtra, and Gujarat which had been put forward by the national Congress leaders during the discussions on Oct. 17-19 (see 14488 A), with the proviso that Bombay should have the option after five years of deciding whether to join the Maharashtra State or to remain a separate unit. As a compromise, the Committee proposed the formation of a State consisting of all the Marathi- and Gujarati-speaking areas, with Bombay as its capital, from which the Gujarati areas would be free to secede after five years This proposal, however, was rejected by both the Bombay City and the Gujarat Congress parties.

The Congress Working Committee decided on Nov 9 in favour of the formation of three separate States of Bombay City, Maharashtra (comprising the Marathi-speaking areas of Bombay State, Hyderabad, and Madhya Pradesh), and Gujarat (comprising Saurashtra, Kutch, and the Gujarati-speaking areas of Bombay State). Whilst the Bombay Pradesh Congress Committee endorsed this decision on Nov. 19, the Maharashtra Pradesh Congress Committee adopted on Nov 27 a resolution urging that it should be reconsidered.

Agitation by the influential *Samyukta Maharashtra Parishad* (United Maharashtra Conference) against the Congress Working Committee's decision was followed by disorders in Bombay City, culminating in serious rioting on Nov. 21. Crowds of demonstrators attempting to march on the Council Hall (seat of the State Legislature) on Nov. 18 were broken up by the police, who used *lathis* and tear-gas and made over 100 arrests, whilst on Nov 20 Mr. Morarji Desai (the Chief Minister of Bombay) and other Congress leaders were stoned by hooligans while addressing a public meeting in support of the Working Committee's proposals. Following an appeal for a one-day *hartal* issued by the Communist and Praja Socialist parties, large numbers of industrial, transport, and dock workers came out on strike on Nov. 21. In the northern (industrial) areas of the city the mob stoned or set fire to those buses and trams which continued to run, forced most schools and colleges to close down, and burned down a police post. Large crowds subsequently attempted to march on the Council Hall, where the State Legislature was debating a resolution by the Chief Minister supporting the reorganization of the existing State of Bombay in accordance with the Congress Working Committee's proposals; when the demonstrators became violent, attacking buses, cars, police vehicles, and public property, and stoning the police, a battle ensued in which the police opened fire. During the various incidents 15 demonstrators were killed, 266 people injured (94 detained in hospital) and 155 arrested, whilst 49 policemen were also wounded, mostly as a result of stone-throwing. Material damage included the destruction of eight buses by fire, serious damage to 15 tram-cars, and slighter damage to 160 buses, as well as damage to police-stations and other public property.

On Nov. 22, when calm had been restored, the State Legislature decided to adjourn its debate on the Chief Minister's motion *sine die* The Revenue Minister (Mr. Hiray) explained that this action was in no way prompted by any "fear, weakness, or pressure arising out of the disorders or hooliganism," but was meant to "give all sides concerned more time to reconsider the whole position."

Discussions on the future of Bombay City were held between Mr. Desai and Mr. Shankarrao Deo (president of the *Samyukta Maharashtra Parishad*) on Dec 28, and between Mr. Nehru (who flew specially to Bombay) and Mr. Desai on Dec. 29. On Dec. 30 Mr. Desai resumed his talks with Mr. Deo, the secretary of the Gujerat Pradesh Congress Committee (Mr. Thakorbhai Desai) and another prominent Gujerat Congress leader (Mr. Jeevanji Desai) being present at these discussions. Later the same day Mr. Deo had talks with Mr. S. K. Patil (president of the Bombay Pradesh Congress Committee). Earlier, on Dec. 24, the Congress Working Committee had decided to leave the final decision in respect of Bombay to the special sub-committee consisting of Mr. Nehru, Pandit Pant, Mr. Dhebar, and Dr. Azad

Punjab. Discussions between Mr. Nehru and Master Tara Singh, the Sikh leader, took place in Delhi on Oct. 24 and Nov. 23 Between their two meetings Mr. Nehru paid a visit to Amritsar on Nov. 11, and was enthusiastically welcomed by the Sikh community. In a speech of welcome Master Tara Singh emphasized that the Sikhs were "Indians first and last," and that there had never been any question of establishing a separate Sikh State.

Vindhya Pradesh. An agitation against the proposed incorporation of the State in Madhya Pradesh was launched in Vindhya Pradesh during October with the support of the Praja Socialists, the right-wing *Ram Rajya Parishad*, and other Opposition parties. While the report was being discussed in the State Legislature at Rewa on Nov. 23, about 100 demonstrators broke into the building, stoned the members, assaulted the Finance Minister (Mr. Manav), and withdrew only after the Speaker had adjourned the House *sine die*. The Vindhya Pradesh Ministry unanimously accepted the State Reorganization Commission's proposal, but decided to urge the Central Government to establish a university, a bench of the High Court, and important State offices in Vindhya Pradesh.

Madhya Bharat. The general council of the Madhya Bharat Pradesh Congress Committee adopted on Oct. 21 a resolution opposing the proposed incorporation of the State in Madhya Pradesh, and advocating the union of Madhya Bharat and Bhopal. The resolution was supported by Mr. Jain and Mr. Sharma, the respective Chief Ministers of Madhya Bharat and Bhopal. The Congress Working Committee, however, decided on Nov. 9 in favour of the amalgamation of Vindhya Pradesh, Madhya Bharat, and Bhopal with the Hindi-speaking areas of Madhya Pradesh, whilst rejecting the States Reorganization Commission's recommendation that Jubbulpore should become the State capital.

Hyderabad and Andhra. The Congress Working Committee adopted on Nov. 9 a resolution recommending that the Telengana area of Hyderabad should be attached to Andhra, subject to the wishes of the people concerned, to form a single Telugu-speaking State (Visalandhra) Whilst the Andhra Assembly voted in favour of the formation of Visalandhra on Nov. 26, opinion was divided inside the Hyderabad Congress Party; one section led by Mr Ramakrishna Rao (the Chief Minister of Hyderabad) advocated immediate union with Andhra, provided that the city of Hyderabad became the State capital, but another led by Mr. Narasing Rao (president of the Hyderabad Congress) supported the Commission's recommendation that a decision should be postponed until 1961.

Mysore. The sub-committee appointed by the Congress Working Committee adopted on Nov. 19 a resolution stating that the inclusion of Mysore in the proposed Karnataka State would be "in the best interests of the people of Mysore and of the country as a whole" The Mysore Legislative Assembly, after a nine-day debate, adopted on Dec. 1 a resolution, moved by the Chief Minister (Mr. Hanumanthaiya), approving the incorporation of Mysore in Karnataka on condition that the new State should be called Mysore and that it should include the whole of the Bellary district, part of which the Commission had proposed should be transferred to Andhra. The resolution was passed by 57 votes to three, with over 30 abstentions. Of the three Ministers who had previously opposed the Commission's recommendations for the incorporation of Mysore in Karnataka (see 14488 A), Mr. Chenniah and Mr. Manjappa voted for the resolution and Mr. Ramachandra Rao abstained.

Madras and Travancore-Cochin. The Madras Legislative Assembly adopted on Nov. 24 a resolution proposing that the largely Tamil-speaking areas of Devicolam and Permeedu should be transferred from Travancore-Cochin to Madras, in addition to the five Tamil-speaking *taluks* the transfer of which had been recommended by the Commission. The Travancore-Cochin Legislative Assembly, on the other hand, rejected on the same day (by 90 votes to 14) a resolution for the transfer of Devicolam and Permeedu to Madras, and adopted another in favour of the inclusion of the whole of Travancore-Cochin in the proposed Kerala State by a majority of 12. The Congress and Praja Socialists opposed the former resolution and supported the latter, whilst the Communists voted against both resolutions.

A proposal put forward by the Congress Working Committee on Nov. 9 that the Laccadive and Amindive Islands (which the Commission had recommended should be included in Kerala) should become a Centrally-administered territory was approved on Nov. 24 by both the Madras and Travancore-Cochin Legislatures.

The Constitution (Fifth Amendment) Bill was passed by the Council of States on Dec. 15 by 162 votes to nil, having been previously passed by the House of the People. One of its principal provisions was an amendment to Article 3 of the Constitution enabling the President to prescribe the period for the expression of views by the Legislatures of the States affected by the proposed reorganization, and thus to ensure that those Legislatures had a reasonable opportunity of stating their views before the Bill implementing the reorganization proposals was debated by the Indian Parliament.

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(Prev. rep. 14488 A.)

A. NORTH ATLANTIC TREATY ORGANIZATION. — Meetings of North Atlantic Council and Defence Ministers. - Reaffirmation of NATO Alliance. - Statements on Growing Strength of Soviet Armed Forces. - Co-ordination of NATO Air Defence and New Communications System in European Command. - Other Developments. - Field-Marshal Montgomery's Proposal for Centralization of Political and Military Authority.

A meeting of the North Atlantic Council, attended by the Foreign, Defence, and Finance Ministers of the 15 member-countries of NATO, took place in Paris on Dec. 15-16 under the chairmanship of Dr. Gudmundsson, the Icelandic Foreign Minister. The following communiqué was issued:

I.

"The Council examined and assessed the present international situation.

It unanimously welcomed the vigour with which the three Western Ministers had presented to the second Geneva Conference the proposals already outlined at previous meetings of the North Atlantic Council. These proposals aimed at the reunification of Germany through free elections, left the unified German Government free to choose its own foreign policy; and offered a security pact to the U.S.S.R.

The Council noted with regret:

(1) that the U.S S.R. had repudiated the proposal to negotiate on the reunification of Germany through free elections, in spite of the directive agreed at the first Geneva Conference;

(2) that the U.S S.R was opposed to any effective system for the control of armaments, including the air inspection plan proposed by President Eisenhower;

(3) that the U.S S R had given proof of its fear and hostility with regard to the free exchange of information between the peoples of the Soviet Union and the free world.

The Council declared that the negative outcome of the Geneva Conference had in no way halted the efforts of the North Atlantic Powers to secure the reunification of Germany in freedom, such reunification continuing to be held by them as an essential condition for the establishment of a just and lasting peace

The Council reaffirmed that they consider the Government of the Federal Republic as the only German Government freely and legitimately constituted, and therefore entitled to speak for Germany as the representative of the German people in international affairs It stressed once again that the security and welfare of Berlin should be considered as essential elements of the peace of the free world in the present international situation, and it urged the importance of consulting further within NATO on the question of German reunification and on the situation in Berlin.

The Council also reviewed recent provocative moves and declarations by the Soviet Union regarding the Middle East and Asia They recognized that these tactics, coupled with a continued increase in Soviet military capability, created new problems and a new challenge to the Free World.

II.

Following a report by the Secretary-General on the work and activities of the Organization in the last eight months, the Council discussed future defence planning of NATO. It considered the Annual Review Report for 1955 and approved force goals for 1956, 1957, and 1958. The Council welcomed the German Federal Republic's participation for the first time in the NATO Annual Review, adopted procedures designed to give new impulse and direction to the future defence planning of the Alliance and to ensure even closer co-operation in this field; expressed the firm determination of all member governments to see the Atlantic forces equipped with the most modern weapons, and noted with satisfaction that substantial progress could be achieved in this respect as a result of the valuable assistance of the United States, the United Kingdom, and Canada.

The Council devoted major attention to improving the arrangements for air defence and warning in Europe. It accepted recommendations for the reorganization and closer co-ordination of air defence in NATO European countries, so as to integrate further NATO activities in this vital field. The Council also received a report on a new type of communications system for air defence and warning. The U.S.A. offered to finance a pilot project for this new system.

III.

The Council recognized that recent developments in the international situation made it more necessary than ever to have closer co-operation between the members of the Alliance, as envisaged in Article 2 of the Treaty They decided to instruct the Permanent Council to examine and implement all measures conducive to this end. [A resolution calling on the North Atlantic Council to study measures for aiding under-developed member countries—envisaged in Article 2 of the treaty—had been presented by the Italian Foreign Minister, Dr. Martino, and adopted by the Council.]

IV.

In concluding its work, the Council declared that the North Atlantic Treaty Organization remains the essential foundation of the security of the 15 associated nations. Such association is in direct contrast to the obsolete system under which isolated nations are in danger of being subjugated, one by one, by despotic groups such as the Soviet bloc."

In addition to the communiqué, the following details of the Council's deliberations were made public:

Air Defence System.

General Gruenther (Supreme Allied Commander, Europe) announced on Dec. 15 that the North Atlantic Council had approved his proposal for a co-ordinated air defence and radar warning system, under his authority, for the whole of Western Europe, including Britain. Air defence would be divided into four regions: (1) North, covering Norway and Denmark, with headquarters at Oslo; (2) Central, covering the Low Countries, Germany and France, with headquarters at Fontainebleau; (3) Southern, covering Italy, Greece, Turkey and the Mediterranean, with headquarters at Naples; (4) the United Kingdom. General Gruenther emphasized, however, that he had neither asked for nor been given any new powers of command, and that his authority to co-ordinate did not mean that the air defence units of the various countries could be "switched about" by him.

Hitherto (General Gruenther explained) air defence had been a national responsibility except in the Central area, where Supreme Headquarters had command Air defence, however, was the least effective part of the Allied Command in Europe, and the decision now taken represented "the first step in an important process of evolution" "We did not want to cut across national sensibilities at the first step," he added; "this is a big change which is sufficient at this time." It meant that Supreme Headquarters could now co-ordinate such matters as the siting of radar installations to produce an integrated system, whereas hitherto each country had sited them according to its own plans, which were not always in the best interests of European air defence

General Gruenther also announced that, in order to make the new air defence scheme effective, there would be a new system of communications based on "ionospheric scatter" and "tropospheric scatter"—a method newly developed in the U.S.A. and now being made available to NATO.

The Supreme Commander pointed out that Supreme Headquarters' present communications system was subject to jamming, could not always be used quickly in emergency, and often depended on a large number of relay stations. The new system, however, was not susceptible to jamming, was almost 100 per cent reliable, and would require only 250 men for its operation in the whole of Western Europe. By means of "tropospheric scatter," beam frequencies of 100 to 5,000 megacycles could pass messages in short "hops" of up to 250 miles a time, whilst by "ionospheric scatter" messages could be passed in "hops" of 600 to 1,300 miles. Such messages could not be jammed because they depended on the reflection of radio waves from particular points in the ionosphere and troposphere.

The U S Government had offered to finance two pilot projects with the new system—one using "tropospheric scatter" in Norway, and the other using "ionospheric scatter" to provide a link between Paris, Naples, and Izmir (Turkey). If these pilot projects were successful —as the experts were certain they would be—a complete network would be created in Europe covering all the critical parts of SHAPE communications which had to be at instant readiness Work on this project would begin in 1957, and its cost—to be financed on the same basis as other NATO infrastructure projects—would be only £15,000,000 The new system would be fully manned at all times and would be under military control

General Gruenther said that no decision had yet been taken on the type of radar and other equipment to be used. This would be settled after further research at the Air Defence Technical Centre which had been set up during the year at The Hague.

Military Committee's Report.

The report of the Military Committee, which was presented to the Council on Dec. 15 by General Dallis (Greece), pointed out that the military threat to the North Atlantic Alliance was "greater than at any previous time." There had been a great improvement in the quality of the Soviet Air Force, and Soviet long-range aircraft could now reach "any part of the NATO area."

The report added that weapons "in the megaton class" [i.e. hydrogen bombs] were no longer the exclusive possession of the West, and stressed that there was no sign of any slackening in the Soviet Union's effort to develop its military strength. The recently-announced reduction of the Soviet forces by 640,000 men had "in no way significantly diminished" the combat capacity of the Soviet Union, whose armed forces were better equipped than ever before. The Soviet Army remained at about 175 divisions, which, like the NATO armies, were being trained and reorganized to fit them for atomic warfare and for mobility and dispersion. The armies of the "satellite" countries had also increased in number and quality. The Soviet Navy had new cruisers, submarines, and destroyers, and its minelaying capacity was being greatly enlarged.

Review of Force Goals.

The North Atlantic Council decided that defence expenditures in 1956 would be neither substantially larger nor smaller than in 1955. Total defence expenditures in 1955, as forecast, are shown in the following table (released by NATO on Dec. 16), comparison being given with actual expenditure from 1949 to 1954 (the figures covering the years 1949-1953 are revised from earlier estimates):

	Currency Unit	Actual 1949	1950	1951	1952	1953	Forecast 1954	1955
Belgium	Belg. francs (million)	7,653	8,256	13,387	19,965	19,815	19,925	18,589
Canada	Canadian $ (million)	372	495	1,220	1,875	1,970	1,771	1,973
Denmark	Kroner (million)	360	359	475	676	889	885	971
France	Francs ('000 millions)	479	559	881	1,253	1,387	1,171	1,097
German Federal Republic (*a*)	DM. (millions)	..	..	..	..	..	..	..
Greece	Drachmae ('000 millions)	1,630	1,971	2,615	2,655	2,767	3,428	3,809
Italy	Lire ('000 millions)	301	353	457	521	480	543	549
Luxemburg	Lux francs (millions)	112	170	264	436	488	566	640
Netherlands	Guilders (millions)	680	901	1,060	1,253	1,330	1,583	1,800
Norway	Kroner (millions)	370	357	572	831	1,067	1,141	1,000
Portugal	Escudos (millions)	1,419	1,516	1,553	1,691	1,975	2,100	2,392
Turkey	£T. (millions)	721	693	763	860	1,026	1,123	1,241
United Kingdom	£ Sterling (millions)	779	849	1,149	1,561	1,684	1,570	1,639
United States	U.S. $ (millions)	13,580	14,559	33,398	47,852	49,621	42,780	40,548
Total NATO Europe (*b*)	U.S. $ (millions)	4,830	5,413	7,581	10,191	11,006	10,313	10,393
North America	U.S. $ (millions)	13,952	15,054	34,618	49,727	51,591	44,551	42,521
Total NATO (*b*)	U.S. $ (millions)	18,782	20,467	42,199	59,918	62,597	54,864	52,914

(*a*) Not available.—The German Federal Republic, through occupation and support costs, has been contributing to the defence budgets of NATO countries and is budgeting funds for its own troops. Nevertheless, in the short time which has elapsed since the accession of the Federal Republic to NATO, it has not been possible to establish defence expenditure figures which would compare with those of other countries and apply to the same periods of time

(*b*) Excludes expenditures of the German Federal Republic.

Note. The figures given in the table are based on the NATO definition of defence expenditures and represent payments actually made or to be made in the course of the calendar year 1955. There may be considerable divergency between these figures and those given in national budgets because the national classification of expenditures for budgetary purposes never coincides exactly with the NATO definition, and because certain countries, under their national budgetary procedures (which differ from country to country), include large sums which will in reality be used to cover expenditures spread over a number of years.

The figures relating to the U.S.A. and Canada include expenditures on special military support, direct forces support, and on the purchase of military items to be delivered to European NATO countries in the form of "end-item aid." The value of these items has not been included in the defence expenditures of the European NATO countries.

Guided Missiles.

The North Atlantic Council accepted an offer by the British Minister of Defence (then Mr. Selwyn Lloyd) to make information on the development of guided missiles available to other NATO countries, and to help with the training of technicians in guided missiles. The U.S. Secretary of Defence (Mr. Charles Wilson) announced that the U.S.A. would also be willing to supply information to Allied countries on "lines of development" of guided missiles, but would not be able to make actual missiles available.

The British offer led to a misunderstanding on the part of the Netherlands Defence Minister, Hr. Staf, who said at a press conference on Dec. 16 that "the time is not far ahead when guided missiles will be made available to us," and who indicated that the smaller NATO countries could expect financial help from Britain for the supply of these missiles. A British spokesman, however, subsequently denied that the British offer included the supply of actual weapons, and pointed out that it included the training of technicians on general aspects of guided missiles; their principles and basic techniques; access to certain development centres in the U.K., the supply of certain research and development facilities, assistance in the development of various kinds of instruments; and advice on planning facilities. Full details of the information to be made available by Britain would be given to the NATO Permanent Council, and any NATO nation would be able to take advantage of the offer,

New Tactical Air Force.

The Council approved the creation of a Fifth Allied Tactical Air Force which, it was announced, would come into operation on Jan. 1, 1956, with headquarters at Vicenza (Italy). It would be under the command of Allied Air Forces, Southern Europe; would include Italian, French, Greek, American, and Turkish personnel; and would co-operate with the newly-created Southern European Task Force (see below).

The December session of the North Atlantic Council had been preceded by one on Oct. 25 at which M. Pinay, Mr. Macmillan, and Mr. Dulles had discussed with the Foreign Ministers of the other NATO countries the "plans and positions" which they would present at the Geneva Conference of Foreign Ministers, and at which the other Ministers had expressed their agreement with the general positions outlined (see 14537 A),

Meetings of Defence Ministers.

The Defence Ministers of the NATO countries had met in Paris on Oct. 10-12 as a preliminary to the full ministerial meeting in December.

The communiqué issued on Oct. 12 said that the meeting of Defence Ministers had been "primarily for the exchange of information," and that they had heard statements on the strategic situation and NATO's defensive arrangements from General Sir John Whiteley (U.K., chairman of the Standing Group), Generals Collins (U.S.A.) and Valluy (France), the other two members of that Group, General Gruenther, Admiral Jerauld Wright (Supreme Commander, Atlantic), Admiral of the Fleet Sir George Creasey (C.-in-C., Channel Command), Air Chief Marshal Sir John Boothman (Allied Maritime Air C.-in-C., Channel Command), and General Partridge (U.S.A.), representing the Canada-U.S. Regional Planning Group.

General Whiteley was reported to have given details about the military strength of the Soviet Union on the lines mentioned in the report of the Military Committee (see above). He said that although he did not believe that the Soviet Union wanted war, and would seek to avoid one so long as there was an adequate deterrent in the West, she was now in an era of "demonstrative technological progress and achievement" to a much greater extent than had been foreseen a few years ago. He also mentioned that the last May Day air display in Moscow had shown that the Russians had solved the problems of mass-producing jet and turbo-jet fighters and bombers.

Admiral Wright was reported to have said that the Soviet Union was building, as fast as her economy would allow, an "iron ring" of submarines, cruisers, destroyers, and other attack vessels to separate the U.S.A. from Europe. He stressed that the Soviet Navy was now the second largest in the world, and had more submarines than all the other nations of the world put together. Unlike the NATO naval forces, which were partly in reserve or in "mothballs," the Soviet Navy was completely equipped and armed, always fully manned, and ready for sea at any moment. He envisaged no possible reductions in NATO's naval forces, as any levelling-off would mean that the balance would go increasingly in favour of the U.S.S.R.

General Partridge spoke on the complete co-operation between the Canadian and U.S. military authorities and on the work being done to establish a line of defence and anti-aircraft warning system in the north of the American Continent (see 14235 B).

General Gruenther dwelt on the need to reorganize air defence, on the lines of his proposals later adopted by the North Atlantic Council. He stressed that although the NATO forces had made good progress, both qualitatively and quantitatively, they were inferior to what had been planned, and declared that it was indispensable for member-countries to intensify their efforts as regards air, naval, and ground forces. In reply to a question, General Gruenther described the effect upon SHAPE of the withdrawal of French forces from Europe to North Africa as "harmful," because it tended to weaken the already "thin" numbers of troops. He recalled, however, that France had remedied the situation by calling up 64,000 reservists, and that other measures were being envisaged by the French Government to counteract any weakness in the North Atlantic Command. He added that although Morocco was not under his command, the situation there ought to be looked at "with understanding" because "any military deterioration in this sector would represent a supplementary danger for the Atlantic Command."

Other recent developments in connexion with NATO are described below.

Military Appointments.

Military Committee. General Mancinelli (Italy) became chairman of the Military Committee of NATO in mid-December, in succession to Lt.-General Pallis (Greece). [The chairmanship of the Committee rotates annually in alphabetical order among member-countries.]

On Oct. 24 it was announced in London that Admiral Sir Michael Denny (C.-in-C, Home Fleet) would succeed General Sir John Whiteley as British representative on the Standing Group of the Military Committee and chairman of the British Joint Services Mission in Washington, as from July 1956.

Staff Posts. The British War Office announced the appointment of Brigadier J. N. Carter as Assistant Chief of Staff at SHAPE on July 18, with the temporary rank of brigadier-general.

The appointment of General Paul Allard (France) as Deputy Chief of Staff for Plans and Operations at SHAPE was announced by General Gruenther on Aug. 10.

Central European Command. Air Chief Marshal Sir George Mills assumed command of Allied Air Forces, Central Europe, on Jan. 4, 1956, in succession to Air Chief Marshal Sir Basil Embry, who retired on Dec. 31.

Naval Commands. The appointment of Air Vice-Marshal Sir Bryan Reynolds as Allied Maritime Air C.-in-C., Channel Command, and Air C.-in-C., Eastern Atlantic Area of Supreme Allied Command, Atlantic, was announced by SHAPE on Nov. 11. Sir Bryan Reynolds will succeed Air Chief Marshal Sir John Boothman, and in addition to his NATO commands will also become Air Officer C.-in-C., R.A.F. Coastal Command.

Defence College. Lt.-General Clovis E. Byers (U.S.A.) assumed the appointment of Commandant of the NATO Defence College in Paris on Nov. 15. General Byers, who had been Deputy Commandant of the U.S. National War College in Washington, succeeded Air Marshal Lawrence Darvall (Britain) on completion of the latter's two-year term of duty.

Civilian Appointments.

It was announced by the Ministry of Defence in London on Sept. 12 that Mr. H. A. Sargeaunt, scientific adviser to the British Army Council, had been appointed assistant to Dr. H. P. Robertson (U.S.A.), scientific adviser to General Gruenther.

New Task Force.

A new NATO defence unit—the Southern European Task Force (SETAF)—was officially inaugurated on Oct. 25. The force comprises the former U.S. occupation troops in Austria (numbering about 5,500 men) and has its headquarters at Vicenza, northern Italy

Despatch of Further U.S. Guided-Missile Units.

It was announced in Washington on Dec. 22 that six guided-missile battalions armed with *Corporal* missiles would be sent to Europe early in 1956 to strengthen West European defences. The *Corporal*, which has a range of well over 50 miles, is a development of the German V-2 and can be fitted with a conventional or an atomic warhead. The European Command of the U.S. Army already has one *Corporal* battalion and several *Honest John* rocket batteries, as well as six atomic cannon battalions consisting of three batteries of two cannon each.

Position of Greece.

In view of the anti-Greek riots which had taken place in Istanbul and Izmir on Sept. 6, 1955 (see 14424 A), the new Greek Government of M. Karamanlis announced on Oct 11 that the Greek armed forces would not take part in NATO manoeuvres in the Eastern Mediterranean which were to be held during that month, and that the Greek battalion in Korea would be recalled as soon as possible. It was stated that these measures had been taken as a protest against the "passive attitude" of NATO after the anti-Greek incidents in Turkey, and that Greece's attitude would remain unchanged until the Turkish Government gave moral and material satisfaction.

Loan of Canadian Warships to Norway.

NATO H.Q. announced on Nov. 28 that, following discussions between the Chiefs of Naval Staff of the Royal Canadian Navy and the Royal Norwegian Navy, arrangements were being made by Canada to lend Norway three 2,360-ton frigates—the *Penetang*, *Prestonian*, and *Toronto*—to strengthen Norway's anti-submarine defences. They will be delivered in March 1956.

Fellowship and Scholarship Programme.

The North Atlantic Council announced on Oct. 27 that it had approved detailed arrangements for the NATO fellowship and scholarship programme agreed upon in July 1955, in implementation of Article 2 of the North Atlantic Treaty. A total of 13,500,000 French francs would be set aside for 1956-57, and there would be two categories of awards: (1) NATO research fellowships, to be awarded to established scholars for a period of a few months, and (2) long-term scholarships, to be awarded to younger scholars for the 1956-57 academic year. The programme is designed to promote the study of historical, political, constitutional, legal, social, cultural, linguistic, economic, and strategic problems relating to the common heritage and historical experience of the Atlantic countries, as well as the present needs and future development of the North Atlantic community.

It was stated that a select committee to choose candidates had been formed under the chairmanship of Mr. Wilgress (Canadian permanent representative to NATO, and chairman of the NATO committee on information and cultural relations), the other members being Dr. James B. Conant (U.S. Ambassador in Bonn, and formerly President of Harvard University); M. Robert Marjolin (Professor at Nancy University, and formerly Secretary-General of the O.E.E.C.); Dr. Alberto Tarchiani (a former Italian Ambassador in Washington); and Mr. H. U. Willink (Master of Magdalene College, Cambridge).

New Italian Fighter.

An agreement was signed on June 2, 1955, under which the U.S.A. agreed to provide military aid for the construction by the Fiat works in Turin of three prototypes of a new light jet fighter, the *Frat G-91*. A further agreement was signed on Dec. 7 between the Bristol Aeroplane Company and the Fiat Motor Company for the installation of Bristol *Orpheus* jet engines in the *Frat G-91*, and giving the Fiat company the exclusive rights to make and sell in Italy any turbo-jet engine of Bristol design.

Belgian Contribution to NATO.

The Belgian Minister of Defence announced on March 2, 1955, that Belgium had undertaken to keep three Army divisions at 77 per cent of strength at the disposal of NATO during 1955. Because of the fall in the Belgian birth-rate, however, she would be able in 1956 to keep only three divisions at 55 per cent of strength; for this reason it had been decided to organize two divisions at adequate strength, and one division as a reserve which in an emergency could be placed at the disposal of NATO within a fortnight.

Cost of German Defence.

The German answer to the questionnaire sent out annually by NATO to all its members was handed over in Paris on Aug. 31, 1955, after it had been approved by the Federal Government. One of the features of the report was the contention of Dr. Schäffer, the Federal Minister of Finance, that a net West German defence contribution of more than 9,000,000,000 DM. a year would "endanger the financial order and monetary stability" of the Federal Republic.

It was, however, reported from Bonn on Oct. 12 that the report had been returned by the NATO review committee, which had criticized it as incomplete and inadequate and as having failed to take into account the normal factors for computing a member-country's capacity to pay. This criticism was said to have been based principally on the conclusion that whilst the Ministry of Finance had obtained a grant of 9,000,000,000 DM. from Parliament for rearmament, only a small fraction of this amount would actually be spent in 1956, since virtually nothing had so far been done about raising the German armed forces. The committee also pointed out that it was unlikely that most of the 9,000,000,000 DM. Defence Budget would be spent in 1957, and it was suggested that the Federal Government should bear these facts in mind and review its position.

Lord Montgomery's Proposal for Unified Defence System.

Speaking on "Organization for War in Modern Times" to the Royal United Service Institution in London on Oct. 12, Field-Marshal Lord Montgomery urged that there should be a single political authority for the direction of war, with its seat in North America, and a supreme military authority for its military direction and to control world-wide air operations.

The first object of Western strategy, Lord Montgomery said, must be to win command of the air, which could not be done unless the Western air forces were organized and controlled as a single weapon. The economics of defence demanded closer integration, and eventually unification, of the three Services. Because of the increased tempo of modern war, the side that could execute its plans the most effectively from the beginning would gain the advantage. To destroy the enemy air forces, the air war must be directed and timed as part of a great single campaign, and the Western alliance must have the means of centrally controlling all moves in it.

The supreme military authority which he proposed would allocate the Western air forces (taking into account their countries of origin and logistics) to subordinate air commanders, who would each have reconnaissance, strike, and logistic support forces under them. The strike forces would be composed of bomber, fighter-bomber, and fighter-interceptor units and would also be responsible for air defence. In this way the whole weight of Western air power could be applied quickly to the right targets.

The supreme military authority would control air operations, either through some agency within its own organization or, preferably, through a commander appointed for the purpose—preferably an American, since the U.S.A. had the only large strategic air force in the Western alliance. For the initial air battle all air forces would come under the direct control of this authority; when the West had won control of the air, the air commanders could be put under the Supreme Commanders. [At present there are two Supreme Commands, Europe and the Atlantic; Lord Montgomery urged the creation of three more—Pacific, Middle East, and South-East Asia.]

Continuing, Lord Montgomery said that the bigger nations could prepare for both unlimited nuclear war and limited conventional war only by working on the principle of economy of force. But at the present time each Service tried to be self-contained, and in a large measure succeeded. Armies and navies saw in air power a way of concentrating great fire-power for their particular tasks, and the cry went up for air forces to support armies and air forces to support navies. "This, surely, is not the way to use the decisive instrument of warfare," he said. "We want to release the air forces from bondage and forge them into one mighty weapon. Instead, in the struggle between the Services there is duplication and wastage.

"Our objective," said Lord Montgomery, "must be to bring the three Services more closely together, so that unification will be possible without confusion. . . . One difficulty is the intermingling of functions in modern war. Armies require the support of air forces; air forces require protection of their bases; both are served by navies bringing fuel, food, and ammunition, and often able to participate in the land-air battle with naval aircraft. . . . To integrate the three [Services] more closely, a new type of senior officer, trained to be completely inter-Service from his earliest days, should gradually be produced. Cadet colleges, staff colleges, and so on might well be combined now."

Lord Montgomery criticized what he called the "committee system of management" found in London, where the professional side of defence was run by committees, boards, and councils. Instead, he suggested:

(i) A Minister of Defence with real power of decision and responsible for air, sea, and land forces, and also for civil defence.

(ii) An Under-Secretary in each Service Ministry to direct the Services in accordance with the instructions of the Minister of Defence.

(iii) A Chief of Staff of the armed forces as professional adviser to the Minister. He would issue orders to the Service chiefs on defence matters and have power of decision in case of disagreements.

(iv) A Chief of Staff of each Service who would be the sole professional adviser to his Under-Secretary.

Only in this way, Lord Montgomery thought, could the Minister of Defence get true and unbiased advice, and only when he had the power of decision would the "Service empires" disappear.

Lord Montgomery emphasized the importance of the Royal Navy, which might well play a definite part in saving Britain from complete disaster after a heavy surprise attack. To control the seas, navies must have their own aircraft, for which some form of floating airfield was necessary; with the progress in vertical take-off and landings, however, something smaller and cheaper should be designed than the present aircraft-carrier.

The development of guided missiles and rockets, Lord Montgomery thought, would lead to the recasting of the present organization of tactical air forces, which were highly vulnerable so long as they were tied to long, easily distinguishable, concrete runways in forward areas. "We must enable our aircraft to be launched without the use of large airfields, and to use pierced steel-plating airstrips in fields throughout the countryside. The tactical air forces ought to be freed from their role in air defence, their primary task being to disrupt enemy land movement. All bombing and ground-attack aircraft must carry the nuclear weapon, which today many of them cannot do."

For armies, Lord Montgomery suggested the formation of "standard" divisions and the abolition of the infantry and armoured divisions as at present existing. The "standard" divisions would be composed of three groups of infantry, tanks, and artillery, able to fight both mobile or static battles. A detailed investigation was needed into the size, role, tasks, and organization of reserve armies in the European theatre.

As regards logistics, Lord Montgomery declared: "We shall be fighting the air war at 700 knots or more But we still have a logistic system that moves at 15 knots." Air transport on a gigantic scale was needed, and the "tremendous administrative tail the Allies had to drag across Europe in World War II" must be cut down. He also criticized as "archaic" the present mobilization system, which he described as based on the old concept of a "nation in arms," with adequate warning of war and time to mobilize This concept, however, was no longer practical against a background of nuclear warfare. A sound civil defence organization was also vital, and must be under military direction and control.

Agreement on New NATO Headquarters.

An agreement making available to NATO a site in the Boulevard Lannes (near the Porte Dauphine on the edge of the Bois de Boulogne) for the construction of its new headquarters building in Paris was signed on Dec. 20 by Lord Ismay, the Prefect of the Seine Department, and the chairman of the Paris Municipal Council. The building will be constructed according to designs by M. Jacques Carlu (Inspector-General of Civil Monuments in France, and an eminent French architect) and is expected to be ready in 1957. Its cost will be $6,500,000, of which 40 per cent will be contributed by the United States.

Dr. Kristinn Gudmundsson, the Icelandic Foreign Minister, assumed the chairmanship of NATO for the year 1955-56 on Sept. 26, succeeding M. Stephanopoulos (Greece).
(NATO Information Division, Paris - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times - New York Herald Tribune) **(Prev. rep. NATO, 14365 A.)**

A. EGYPT. — Aswan High Dam Project. - U.S. and British Offer to assist in Financing of Initial Stage.

Following a visit to the United States by the Egyptian Minister of Finance (Dr. Abdel Moneim el-Kaissouni) it was announced in Washington on Dec. 17, 1955, that the U.S.A. and Britain would give Egypt financial support in the construction of the first stage of the proposed High Dam at Aswan. Subject to approval by their respective Parliaments, they would also be prepared to "consider sympathetically in the light of then existing circumstances further support towards financing the later stages [of the Aswan Dam project] to supplement World Bank financing." No official statement was made about the amount of the British and U.S. offer, but it was unofficially reported that the U.S.A. would contribute $56,000,000, whilst Britain would provide $14,000,000 in the form of additional releases from Egypt's blocked sterling balances.

An offer of Soviet financial assistance in the construction of the Aswan Dam had been made to the Egyptian Government in October last (see 14486 B).

The Aswan Dam project, the completion of which is estimated to take 15-18 years, envisages the construction of a main dam 365 feet high and three miles long to form a lake with an area of some 750 square miles. Irrigation projects would convert 700,000 acres of intermittently irrigated land to dependable irrigation, and would open an additional 1,300,000 acres to irrigation for the first time. In addition, a power station at the dam would have a generating capacity of 750,000 kilowatts, almost half as much again as the present total installed capacity of Egypt.

An agreement had been signed in Cairo on Oct. 30 by the Egyptian Government and the British firm of Sir Alexander Gibb and Partners under which the latter undertook to act as consulting engineers for the Aswam Dam project. Dr. Mohammed Selim, secretary-general of the National Production Council, stated on Oct. 6 (when a preliminary agreement with Sir Alexander Gibb and Partners was signed) that an international body of consultants would be retained as a "higher body" than Sir Alexander Gill and Partners, as Egypt wanted to "draw on experience from all over the world."
(Times - Manchester Guardian - New York Times)
(Prev. rep. Nile Projects, 13650 A.)

B. JAPAN. — New Cabinet formed by Mr. Hatoyama.

Following the merger of the Democratic and Liberal parties as the Liberal Democratic Party (see 14351 A), the Japanese Prime Minister, Mr. Hatoyama, reconstituted his Cabinet on Nov. 22 and presented it to the Emperor. The new administration—the third headed by Mr. Hatoyama—was drawn solely from the Liberal Democratic Party (which has an overall majority in Parliament) and contained ten new Ministers, its membership being as follows:

Mr. Ichiro Hatoyama ..	Prime Minister.
Mr. Mamoru Shigemitsu	Deputy Premier and Foreign Minister.
*Mr. Ryozo Makino	Justice.
Mr. Hisato Ichimada	Finance.
*Mr. Ichiro Kiyose	Education.
*Mr. Eizo Kobayashi .	Welfare.
Mr. Ichiro Kono ..	Agriculture and Forestry.
Mr. Tanzan Ishibashi .	Industry and International Trade
*Mr. Shinji Yoshino	Transport.
*Mr. Isamu Murakami .	Postal Services.
*Mr. Tadao Kuraishi ..	Labour.
*Mr. Motoharu Baba ..	Construction.
*Mr. Naka Funada ..	Minister of State and Director-General of the Defence Board.
Mr. Tatsunosuki Takasaki	Minister of State and Director-General of the Economic Planning Board.
*Mr. Masataka Ota .	Minister of State and Director-General of the Local Autonomy Board.
Mr. Tadao Oasa	Minister of State and Chairman of the National Public Safety Commission.
*Mr. Matsutaro Shoriki ..	Minister of State and Director-General of the Hokkaido Development Board.
Mr. Ryutaro Nemoto .	Chief Cabinet Secretary.

* New Ministers.

The new Ministers of Justice and Education (Mr. Makino and Mr. Kiyose) have both been members of the House of Representatives since 1920, and are both lawyers. Mr. Kobayashi, an engineer, has been Vice-Minister for Commerce and Industry. Mr. Yoshino was Minister of Commerce and Industry in Prince Konoye's Cabinet of 1937; he was "purged" after the war but subsequently "de-purged" and re-entered public life. Mr. Murakami, chairman of the Board of Directors of the Yamato Construction Company, is a former deputy secretary-general of the Liberal Party. Mr Kuraishi, formerly chairman of the Diet Policy Committee of the Liberal Party, led a Japanese parliamentary delegation to the U.S.A. and the Philippines in 1951. Mr. Baba has been a member of the House of Representatives since 1936, and was chairman of its Legal Committee before entering the Cabinet. Mr. Funada, a former Deputy Mayor of Tokio, was a prominent member of the *Seiyukai* party before the war, and held several important Government posts. Mr. Shoriki, proprietor of the newspaper *Yomuri Shimbun*, was an advisor to the Koiso Cabinet during the war. Mr. Ota was formerly vice-president of the newspaper *Hochi Shimbun* and a leading member of the *Seiyukai* party; he was "purged" after the war, subsequently "de-purged," and entered Parliament as a Liberal in 1952.

Mr. Shigemitsu, Mr. Ichimada, Mr. Kono, Mr. Ishibashi, Mr. Takasaki, Mr. Oasa, and Mr. Nemoto retained their former portfolios, in addition to the Prime Minister himself.

In presenting his new Government to the House of Representatives, Mr. Hatoyama said that it would have three principal goals: "(1) Overall reform of the Government's administrative structure in line with the special conditions of the country; (2) complete revision of the tax structure with a view to making the tax burden more bearable for the people; (3) revision of the Constitution so as to make it accord with the status of an independent nation."

Mr. Hatoyama welcomed the emergence of a two-party political system as "a happy development for the advancement of democracy and parliamentary government in our country." He added: "While it goes without saying that democratic government is based on the will of the majority, it is also important that the minority be treated in such a way as to be assured of respect for its position. Standing on the basis of the support of an absolute majority party, the new Cabinet pledges itself to abide by this principle by listening with respect to the views of the minority party and by being constantly attentive to the voice of the people on all matters. . . ."

Mr. Hatoyama was re-elected Prime Minister by the House of Representatives on the same day (Nov. 22), receiving 288 votes against 150 for Mr. Suzuki, chairman of the Socialist Party. In the House of Councillors Mr. Hatoyama received 149 votes and Mr. Suzuki 64.—(Japanese Embassy, London)
(Prev. rep. Party Mergers, 14531 A; Hatoyama, Cabinet, 14133 A; 14005 A.)

A. KENYA. — Continued Decline in Mau Mau Activities. - Relaxation of Conscription and Security Measures. - Ban on New African Political Organization. - Government Changes.

The security situation in Kenya continued to improve in the last three months of 1955, Mau Mau activities being almost entirely confined to thefts of cattle. Security forces maintained their pressure against the remaining terrorists, who were estimated to number not more than 3,000 and to be confined mainly to the slopes of the Aberdare range and Mount Kenya. A field intelligence officer (James McNab) was killed on Nov. 10 while leading an attack against a terrorist gang, whilst on Oct. 21 another British intelligence officer (Donald Bellingham) had been shot in error by loyal Africans when leading a patrol disguised as a Kikuyu. In view of the improved situation the Kenya Government announced on Dec. 15 that the period of compulsory national service in the Colony would be reduced after Jan. 1, 1956, from two years to 18 months, though the Government would reserve the right to retain for two years men regarded as operationally essential.

Casualty figures of Mau Mau and of the security forces since the start of the emergency are given below, together with other recent developments.

Casualty Figures. Statistics published in Nairobi on Jan. 1, 1956, showed that 10,173 Mau Mau terrorists had been killed, 2,274 had been captured, and 2,124 had surrendered since the beginning of the emergency (October 1952). In the same period the security forces had lost 57 Europeans, three Asians, and 512 Africans killed The number of civilians killed totalled 32 Europeans, 24 Asians, and 291 Africans. It was estimated in the report that not more than 20 gang leaders of importance were still at large

A detailed statement on the Government's rehabilitation programme for Mau Mau detainees, published on Oct. 19, 1955, showed that just under 62,000 Mau Mau were in custody at the end of September. Some 10,000 had already been released by that date, and it was hoped to increase the release rate from the existing level of about 1,000 a month.

Temporary Suspension of Death Penalty for Unlawful Possession of Ammunition. Amendments to the emergency regulations concerning the possession of firearms and ammunition were published in the Kenya official Gazette on Dec. 28, 1955. They provided that, for a trial period of three months from Jan. 1, 1956, the penalty for unlawful possession of ammunition in circumstances such as to raise a reasonable presumption that it was intended to be used in a manner prejudicial to the public safety or to the maintenance of order was to be reduced from death to life imprisonment, whilst the penalty for a similar offence committed in other circumstances would be reduced from life imprisonment to 10 years.

Banning of African Political Organization. Following the relaxation in June 1955 of the total prohibition of African political associations, which had been in force since the beginning of the emergency, a new African political organization, known as the Kenya African National Congress, was formed at a meeting of many tribes in Nairobi on Dec. 18. The president of the organization, Mr C. M. Argwings-Kodhek (a Nairobi African lawyer), said that it would have an African and not a tribal flavour, and that its policy would be "slightly left of centre." The declared aims of the new body were "to promote political organizations among Africans in Kenya and cultivate in them political and civic awakening and consciousness," and "to cultivate mutual relations with other political organizations in Kenya."

On Dec. 21, however, the Minister for African Affairs (Mr. Windley) announced that the Kenya Government would not permit the registration of the Kenya African National Congress. He explained that the proposals for the organization went beyond and infringed the Government's published policy, which was intended to encourage the formation of African political associations on a district but not on a colony-wide basis. Previous experience had shown that the colony-wide type of organization had been used in the past to further the aims of terrorists, and at the present time, with gangs still at large, the Government could not accept such an organization. In the existing conditions, therefore, the Government could not permit any Kikuyu, Embu, or Meru to join political associations, and permission to hold further meetings to discuss a similar project would be refused. Mr. Windley also stated that the name of the proposed new organization was not acceptable to the Government.

Increased Sentences on European Officials. Two former inspectors of the Kenya Police, A. P. Fuller and O. D. Waters, who had been sentenced on Sept. 1 to 18 months' hard labour on charges of causing grievous bodily harm to an African prisoner who had died in their custody (see 14423 A), had their sentences increased to 3½ years by the Kenya Supreme Court on Oct. 21 on the grounds that their earlier sentences were inadequate. Chief Justice Sir Kenneth O'Connor, giving the court's decision, said that "the cruelty inflicted on a helpless prisoner was not an isolated act or done in hot blood," but was "a deliberate, protracted, relentless course of conduct continued over five days."

On Oct. 14 the Supreme Court had set aside a fine of £10 imposed on the third man accused in the case (Mr. W. R. Bosch) and substituted for it a sentence of six months' imprisonment with hard labour. A fourth man charged in the case, Mr. G. P. Coppen, who had been fined £25 for his part in the affair, had since left Kenya.

Mr. Lennox-Boyd, the British Colonial Secretary, answering questions on the case in the House of Commons on Oct. 26, said that he and the Governor had been "greatly disturbed" by the case, which had occurred at a time when a marked improvement had appeared in the control and discipline of the security forces. He was satisfied, however, after a detailed examination of all the circumstances, that this was an isolated case and not symptomatic of a general disregard of lawful procedures by the Kenya police force. He did not consider, therefore, that an independent inquiry was required.

Mr. D. L. Blunt, a former Director of Agriculture in Kenya, was appointed Minister of Forest Development, Game, and Fisheries in the Kenya Government on Sept. 30, 1955, in succession to Major (now Sir) F. W. Cavendish-Bentinck, the newly appointed Speaker. Mr. J. J. Adie was appointed Minister for Education, Labour, and Lands on Sept. 19, but was succeeded on Dec. 6 by Mr. W. F. Coutts.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 14423 A.)**

B. UNITED KINGDOM. — Capital Issues in 1955.

New capital issues in the U.K. in 1955 amounted to £567,192,000, as compared with £471,130,000 in 1954. Of the 1955 total, £525,101,000 (92.6 per cent) was for the home market, £39,941,000 (7 per cent) for Commonwealth and Empire countries, and £2,150,000 (0.4 per cent) for foreign countries.

Issues in respect of the home market were divided into the following categories: Public Bodies, £305,725,000; Production, £165,482,000; Trade, £13,375,000; Transport, £11,715,000; and Finance, £28,804,000 Classified by industrial and other groups, the total of all capital issues (home and overseas) was divided as follows: Governments, £17,513,000; Local Authorities, £8,805,000, Public Boards, £296,920,000; Railways, nil, Gas and Water, £5,052,000; Electric Light and Power, £3,480,000; Telegraph and Telephone, £2,868,000; Road Transport, £50,000; Shipping, Canals and Docks, £11,665,000, Banking, Insurance, Investment and Finance, £37,536,0000; Property, £1,010,000; Coal, Iron, Steel and Engineering, £11,763,000; Motors and Aircraft, £1,143,000; Mining, £8,706,000; Oil, nil; Tea, Coffee and Rubber, £50,000; Breweries and Distilleries, £4,614,000; Miscellaneous, £156,018,000.

The above figures exclude all borrowings by the British Government; shares issued to vendors; allotments arising from the capitalization of reserve funds and undivided profits; sales of already issued securities which add nothing to the capital resources of the company whose securities have been offered; issues in replacement of securities previously held in the United Kingdom; and private placings for which no market quotations are obtained.—(Midland Bank Ltd.) **(14293 E.)**

C. PAKISTAN. — Expansion of East Pakistan Cabinet.

The Provincial Ministry of East Pakistan was expanded on Sept. 7 to a total membership of 14. Based on a coalition of the *Krishak Sramik* party (K.S.P.), the *Nizam-e-Islam*, dissidents of the Awami League (Dissident A.L.), the Congress Party, and the Scheduled Caste Federation, its composition was as follows (new Ministers marked by asterisk):

Mr. Abu Hussain Sarkar (K.S.P.)—Chief Minister and Home Affairs, including General Administration, Prisons, Transport, and Jute, Mr Ashrafuddin Ahmed Chaudhry (*Nizam-e-Islam*)—Education; Mr Abdus Salam Khan (Dissident A.L.)—Communications, Buildings and Irrigation; Mr. Hashim-uddin Ahmed (K.S.P.)—Agriculture and Relief; Mr. Syed Azizul Huq (K.S.P.)—Commerce, Labour, and Industry; Mr. Syed Mustaghausul Huq* (Dissident A.L.)—Revenue; Mr Ghyasuddin Ahmed Chaudhri* (K.S.P.)—Local Self-Government and Registration; Mr. Latif Hosain* (K.S.P.)—Food and Fisheries; Mr. Mahmudunnabi Chaudhri* (K.S.P.)—Public Relations; Mr. Nasir-uddin Ahmed Chaudhri* (*Nizam-e-Islam*)—Judicial and Legislature; Mr. A. M. Zahoorul Huq* (Dissident A.L.)—Medical and Public Health; Mr. Basanta Kumar Das* (Congress)—Finance; Mr. Sarat Chandra Nazumdar* (Congress-Scheduled Caste)—Co-operatives; and Mr. Madhusudhan Sarkar* (Scheduled Caste Federation)—Excise and Forests.

The Ministry comprised six members of the *Krishak Sramik* party, three of the Dissident Awami League, two of the *Nizam-e-Islam*, and three of the Congress Party or Scheduled Caste Federation.—(Pakistan High Commissioner's Office, London) **(Prev. rep. 14273 C.)**

D. CHINA. — Adoption of Horizontal Script.

As from Jan. 1, 1956, all Chinese newspapers appeared with characters printed horizontally, instead of in vertical form, and reading from left to right. The reform was the first instalment of a comprehensive linguistic project which had been decided upon in October last, and which will include the simplification of Chinese characters; the promotion of the Peking form of pronunciation throughout the whole of China; and, ultimately, the adoption of an alphabetic script for written Chinese.

(Times - New York Times)

A. NORTHERN IRELAND. — Unemployment Situation. - Discussions between N.I. and British Ministers. - Appointment and Membership of Development Council to advise on Industrial Promotion.

The Government of Northern Ireland announced on Sept. 27, 1955, that Lord Chandos, chairman of Associated Electrical Industries, Ltd. and (as Mr. Oliver Lyttelton) a former British Colonial Secretary, had accepted an invitation to become chairman of a new development council to assist the N.I. Government to promote new industries and to reduce unemployment in Northern Ireland.

The creation of such a council had been foreshadowed by Major Lloyd-George (the British Home Secretary) on May 5, following a meeting which took place on Feb. 26 with a group of Northern Ireland Ministers comprising Mr. Brian Maginness (acting Prime Minister), Mr. Ivan Neill (Minister of Labour and National Insurance), and Lord Glentoran (Minister of Commerce and Industry). Major Lloyd-George's statement was made in the course of a House of Commons debate on the employment position in Northern Ireland.

Mr. Robens (a former Labour Minister of Labour and National Service), who opened the debate, said that since 1945 unemployment figures for Northern Ireland had fluctuated between 28,000 and 60,000, the present figure being 36,000, or 7.7 per cent of the working population. He pointed out that the position would have been worse but for the fact that 21,000 persons had emigrated to Canada since 1951, and called for a " drastic programme " of public works and the setting up of a development corporation with the primary task of co-ordinating efforts to deal with unemployment, but having powers to borrow and lend money, as well as to carry on business itself if it thought fit.

Major Lloyd-George, in reply, stated that the N.I. Government, in an effort to provide more employment, had spent £5,000,000 since 1945 on new factories, besides over £1,000,000 on grants and £500,000 on loans to new firms settling in Northern Ireland. However, although about 26,000 new jobs had thus been provided and " encouraging " progress been made in inducing firms to come to Northern Ireland, there was an undoubted need for increased expenditure on social investment, particularly on housing, schools, and hospitals. As regards the immediate situation, the Home Secretary pointed out that harbour works to the value of £2,000,000 would be carried out at Belfast. Furthermore, in an attempt to alleviate the situation in the aircraft industry caused by the cancellation of military orders, the Ministry of Supply had arranged with the English Electric Company to sub-contract to Short Brothers and Harland (Belfast) the construction of additional *Canberras*, whilst Bristol Aircraft Ltd. had placed orders with Shorts for a further seven *Britannias*. In addition, the Admiralty had arranged for the aircraft-carrier H.M.S. *Perseus* to be refitted at Belfast, thereby providing work for 500-600 men for 12 months.

After careful consideration, and after consulting the N.I. Government, the British Government had come to the conclusion that a development corporation with executive powers would not be desirable in Northern Ireland, where there were strong arguments against dividing responsibility and multiplying executive functions. The two Governments had agreed, however, that there should be set up without delay an advisory development council, including representatives of both sides of industry from Britain and Northern Ireland, to advise the N I. Government on ways of promoting further economic development. The appointment of the council would not in any way derogate from the general responsibility of the N.I. Government, and it would be for that Government to carry into effect such of the council's recommendations as it might approve. Major Lloyd-George added that the British Government had promised the N.I. Government its support " in whatever way seemed most appropriate in the light of the recommendations adopted by Northern Ireland," not excluding the provision of any supplementary finance required to give them effect.

The comparatively heavy incidence of unemployment in Northern Ireland (which, at the time, averaged 8-10 per cent as compared with less than 2 per cent in Great Britain) had led to representations calling for urgent measures to alleviate the situation being made to the British Government in November, 1954, both by a deputation of Ulster Unionist M.P.s and by a mission of three Labour M.P.s who had previously visited Northern Ireland.

The Labour M.P.s concerned—Mr. Robens, Mr. Callaghan (a former Parliamentary Secretary to the Admiralty), and Mr. Bottomley (a former Secretary for Overseas Trade)—called in their memorandum to the Home Secretary for (1) a vigorous plan of economic expansion, financed by grants and low-interest loans; (2) the construction at Belfast of a new drydock able to take the largest ships afloat; (3) the setting-up of a textile development council; (4) greater use of existing facilities for aircraft production; (5) the expansion of workers' training facilities.

The first meeting of the Northern Ireland Development Council took place on Nov. 24, 1955. Its membership (apart from Lord Chandos, the chairman) had been announced on Nov. 1 as follows:

Mr. James Crawford, general president, National Union of Boot and Shoe Operatives, and member of the T.U.C. General Council; Mr. H J. Curlis, district organizer, National Union of General and Municipal Workers; Captain R. C. M. Duckworth, R.N., Colonel S. G. Haughton, chairman of John Kelly, Ltd., Belfast, coal importers and shipowners; Mr. S. C. Leslie, head of the Information Division, H.M. Treasury; Sir Ewart Smith, a director of Imperial Chemical Industries Ltd.; Mr. W. J. P. Webber, general secretary, Transport Salaried Staffs Association, and a member of the T.U.C General Council.

It was announced on Sept. 29, 1955, that the British Thomson-Houston Co. Ltd. (a subsidiary of Associated Electrical Industries Ltd., of which Lord Chandos is chairman) would build at Larne (Co. Antrim) the largest steam-turbine works in Europe. The project, expected to be completed by 1957 at a cost of £8,000,000, will give employment to 3,200 persons. (Belfast Telegraph - Northern Whig, Belfast - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 14393 E.)**

B. NORWAY - SOVIET UNION. — Norwegian Labour Party rejects M. Khrushchov's Proposal for Closer Contact with Soviet Communist Party.

It was reported on Dec. 10 by *Arbeiderbladet*, the organ of the Norwegian Labour Party, that during the recent visit to Moscow of Hr. Gerhardsen, the Norwegian Prime Minister, M. Khrushchov had enquired about the possibility of establishing closer contact between the Norwegian Labour Party and the Soviet Communist Party, and had suggested that delegations should be exchanged between the two parties and their related organizations. After consideration of the proposal by the central executive of the Norwegian Labour Party, however, Hr. Gerhardsen, in his capacity as party chairman, had informed M. Khrushchov that his party was unable to accept it.

" The Communist Party of the Soviet Union and the Norwegian Labour Party," Hr. Gerhardsen's letter said, " have very different views about many basic political questions, and there is therefore no basis for party co-operation between them. In so far as the Communist Party's proposal represents a desire for greater mutual understanding between the countries in the East and West, we welcome it with pleasure."

A suggestion in Hr. Gerhardsen's letter that reciprocal visits of Norwegian Labour and Soviet journalists would make " a worthwhile contribution to mutual understanding " was subsequently accepted by M. Khrushchov.—(Arbeiderbladet, Oslo - Royal Norwegian Embassy, London) **(Prev. rep. 14586 C.)**

C. WALES. — New Functions for Welsh Office.

The Minister of Housing and Local Government (Mr. Sandys) informed Welsh local authorities on Dec. 30 that all local government functions relating to Wales and Monmouthshire would in future be exercised through the Ministry's Welsh Office at Cathays Park, Cardiff, except where such arrangements presented serious difficulties.

The only Welsh affairs which would continue to be dealt with from Whitehall would be district audits (with the exception of appeals), Exchequer grants under the Local Government Act, 1948, statistical returns, superannuation of local government employees, rating and valuation, and the administration of certain works regulation Acts.

A Ministry official explained that the transfer of these functions completed a process that had been going on for some time. When the Welsh Office was set up in 1951 it assumed all the responsibilities for local government, housing, water supply, etc., which had previously been carried out by the Welsh Board of Health.—(Times - Manchester Guardian) **(14597 B.)**

D. SOVIET UNION - UNITED STATES —Publication of U.S. Magazine to be resumed in the U.S.S.R.

It was announced in Moscow on Dec. 23 that the Soviet Government had agreed to a proposal by the U.S. Government that the Russian-language magazine *Amerika* should again be published and distributed in the Soviet Union by the U.S. Embassy in Moscow. The magazine was founded in 1945 but suspended publication in 1952, when the U.S. Embassy said that it had reason to believe that it was not reaching the general public. The magazine will be edited and printed in the U.S.A. and will concentrate on cultural and other non-political subjects. (New York Herald Tribune) **(Prev. rep. 12382 B.)**

E. NEW ZEALAND - UNITED KINGDOM. — Reciprocal Social Security Agreement.

An agreement for a reciprocal social security scheme between the U.K. and New Zealand was signed in Wellington on Dec. 20 and will come into operation on April 1, 1956. It covered the payment of retirement and widows' pensions and made benefits at the current rate available to British people emigrating to New Zealand and to New Zealanders living in the United Kingdom—(Directorate of Information Services, Wellington) **(Prev. rep. U.K.-Australian Agreement, 12967 F.)**

A. UNITED KINGDOM. — The New Year Honours.

The New Year Honours List was published on Jan. 1, the principal awards being set out below:

Barons. Colonel J. J. Astor, chairman of the Times Publishing Company, lately chairman of the Press Council, and Conservative M.P. for Dover from 1922 to 1945, Sir Raymond Evershed, Master of the Rolls; the Most Rev Dr Cyril Garbett, Archbishop of York and Primate of England, Sir Frederick Godber, chairman of the Shell Transport and Trading Co Ltd

[The Archbishop of York, Dr. Garbett, died on Dec. 31, 1955, the day before the Honours List was published. The barony will not be created, its publication in the Honours List being due to the fact that it had been approved by the Queen before Dr. Garbett's death]

Baronets. Sir Hubert Houldsworth, Q.C., chairman of the National Coal Board; Colonel J. R. H. Hutchison, M.P. (Conservative, Glasgow, Scotstoun), for political and public services; Colonel Charles Ponsonby, chairman of the Royal Empire Society, formerly Conservative M.P. for Sevenoaks (1935-50), for political and public services.

Companions of Honour. Viscount Cecil of Chelwood (91), for public services, Sir John Kotelawala, Prime Minister of Ceylon; Mr. Arthur Waley, for services to the study of Chinese literature.

[Viscount (Robert) Cecil of Chelwood was President of the League of Nations Union from 1923 to 1945, and received the Nobel Peace Prize in 1937. He was Conservative M P. for East Marylebone from 1906-10 and Independent Conservative M P for Hitchin from 1911-23, and held the successive posts of Parliamentary Under-Secretary for Foreign Affairs (1915-16), Minister of Blockade (1916-18), Assistant Secretary of State for Foreign Affairs (1918), Lord Privy Seal (1923-24) and Chancellor of the Duchy of Lancaster (1924-27)]

Knights Bachelor. Dr. Eric Ashby, President and Vice-Chancellor of Queen's University, Belfast, Mr. J. G. Banks, Lord Provost of Edinburgh; Major A. H Bibby, for political and public services in Lancashire and Cheshire; Major Reginald Bullin, chairman, Portsmouth Local Employment Committee and Disablement Advisory Committee, vice-president of the Magistrates' Association, Mr. Charles Connell, chairman, Charles Connell & Co Ltd (shipbuilders), Glasgow; Judge Edgar T. Dale, County Court Judge; Mr Henry Dalton, Assistant Commissioner, Metropolitan Police; Colonel Alan Gomme-Duncan, M.P. (Conservative, Perth and East Perthshire), for political and public services; Colonel Bartle Edwards, chairman of Norfolk County Council; Lieut.-Colonel Fordham Flower, chairman, Executive Council, Shakespeare Memorial Theatre, Stratford-on-Avon, Mr Leslie Ford, general manager, Port of London Authority; Alderman Harry Hardy, for political and public services in the West Riding of Yorkshire; Mr R. G Hawtrey, the economist; Mr. Frank Higginson, secretary, Imperial War Graves Commission, Dr. Eric James, High Master of Manchester Grammar School, Mr. H. F. H. Jones, deputy chairman, Gas Council, Brigadier A. H. Killick, secretary, Royal Institute of Chartered Surveyors; Professor Hersch Lauterpacht, Q.C., British judge of the International Court of Justice, lately Whewell Professor of International Law at Cambridge; Mr. William Lyons, chairman and managing director, Jaguar Cars Ltd., Coventry, Mr G M McNaughton, Chief Engineer, Ministry of Housing and Local Government; Mr. Walter Mercer, Professor of Orthopaedic Surgery, University of Edinburgh, and President of the Royal College of Surgeons, Edinburgh, Mr. Victor Negus, consulting surgeon, King's College Hospital, London; Dr George North, the Registrar-General; Mr. Tom O'Brien, M P. (Labour, Nottingham West), member of the General Council of the T.U C. and general secretary of the National Association of Theatrical and Kine Employees; Dr. A. G Pugsley, Professor of Civil Engineering, University of Bristol; Brigadier R. H. Rayner, formerly Conservative M.P. for Totnes (1934-55), for political and public services; Mr. W. W. F. Shepherd, for political and public services in Cheshire; Brigadier E. O. Skaife, for political and public services in Wales; Colonel C. F. Stern, for services to horticulture; Mr. John Stewart, chairman of Wages Councils, Mr. A. R. Astley Weston, Legal Adviser and Solicitor, Ministry of Agriculture, Fisheries, and Food, Professor Solly Zuckerman, deputy chairman, Advisory Council on Scientific Policy.

Other recipients of knighthoods, apart from those enumerated above, included the following:

Foreign Office List. Mr. Charles Empson, H.M. Ambassador in Santiago; Brigadier Richard Gambier-Parry, Director of Communications, Foreign Office; Mr. W. H. T. Luce, lately Adviser on External and Constitutional Affairs, Sudan Government; Mr. J. W. Nicholls, H M. Ambassador in Tel-Aviv; Mr. F B. A. Rundell, H.M. Consul-General at New York, Mr. W. J. Sullivan, H.M. Ambassador in Mexico City.

Commonwealth of Australia List. Mr. J. V. H. Best, formerly Federal President of the Australian Dental Association, for public services; Mr. R. J. F Boyer, chairman of the Australian Broadcasting Commission, for public services; Mr A. S. Brown, Secretary of the Prime Minister's Department, Canberra, and Secretary to the Cabinet, Mr. J. R. McGregor, for services to the Australian wool industry, Mr. A. S. Mitchell, of Melbourne, for public services to the Commonwealth of Australia; Mr. F. B. Phillips, Chief Judge of the Supreme Court of Papua and New Guinea; Lieut.-General Henry Wells, Chief of the Australian General Staff.

New Zealand List. Mr. W W. Mulholland, of Canterbury, for services to farming in New Zealand; Mr. Thomas Clifton Webb, Q.C., New Zealand High Commissioner in London.

Ceylon List. Mr. R. S. E. Gunewardene, the Ceylonese Ambassador in Washington.

Commonwealth Relations Office List. Judge G. C. Ligertwood, of the Supreme Court of South Australia; Mr. Malcolm McIntosh, Minister of Works and Minister of Marine, South Australian Government; Mr. F P. Selleck, Lord Mayor of Melbourne; Professor S. McM. Wadham, Professor of Agriculture, University of Melbourne, for public services.

Colonial Office List. Kamil Mohamed Ariff bin Kadir Mustan, for public services in Penang, Malaya; Dr. Paul Boffa (formerly Minister of Health and Social Services in Dr. Borg Olivier's Cabinet), for public services in Malta; Mr. J. E. Carberry, Chief Justice of Jamaica; Major F. W. Cavendish-Bentinck, Speaker of the Kenya Legislative Council, for public services in Kenya, Mr. J. H. M. de Comarmond, Chief Justice of the High Courts of Lagos and the Southern Cameroons; Mr. Gordon Hadow, Deputy Governor of the Gold Coast; Mr. J. D. Harford, Governor of St. Helena; Mr. J. B. Hutchinson, Director, Empire Cotton Growing Corporation's Research Station, Uganda; Mr. Ragnar Hyne, Chief Justice of Fiji; Mr. T. P F. McNeice, chairman of the Committee on Local Government, Singapore; Dr. S. L. Ayodeji Manuwa, Chief Medical Adviser to the Federal Government, Nigeria; Mr. Theodore Pike, Governor of British Somaliland; Mr R. Evelyn Turnbull, Governor of North Borneo; Mr D C. Watherston, Chief Secretary, Federation of Malaya

Royal Navy List, Army List, and Royal Air Force List. Recipients of knighthoods in the armed forces included Vice-Admiral W. W. Davis, Vice-Admiral M. H. Elliott, Vice-Admiral C. F. W Norris, Rear-Admiral L. E Rebbeck (retd), Lieut.-General R A. Hull, Lieut-General B. C. H. Kimmins, Lieut-General Horatius Murray, Acting Air Marshal Lawrence Darvall, Air Vice-Marshal L. J. V. Bates, and Air Vice-Marshal Douglas Macfadyen.

Royal Victorian Order. Recipients of the K C.V O. included Professor A. E. Richardson, the President of the Royal Academy.

D.B.E. Awards. The D.B.E was conferred upon the Countess of Albemarle, chairman of the Development Commission; Miss Margot Fonteyn, *prima ballerina* of the Sadlers Wells Ballet (Miss Fonteyn is the wife of the Panamanian Ambassador in London, Dr. Roberto de Arias), Mrs. Kathleen Lonsdale, Professor of Chemistry and head of the Department of Crystallography, University College, London, and Mrs. Lucile Sayers, for political and public services

The D.B E. was also conferred upon Mrs Grace Hilda Ross, Minister for the Welfare of Women and Children in the New Zealand Cabinet. The award was announced in the New Zealand List.

C.B.E. Awards. Recipients of the C.B.E. included Group-Captain Douglas Bader, the legless fighter "ace," for services to the disabled; Mr. Vernon Bartlett, the journalist and broadcaster; Mr. Rudolf Bing, manager of the Metropolitan Opera, New York, formerly artistic director of the Edinburgh Festival and manager of the Glyndebourne Opera; Miss Agatha Christie (Mrs Max Mallowan), the writer of detective stories; Mr. L. P. Hartley, the novelist and critic, Dr. R. T Jenkins, the Welsh historian; Mr. Paul Scofield, the Shakespearean actor; Sir Osbert Sitwell, the author and poet; and Miss C. V. Wedgwood, the historian.

The following titles were taken by the new barons created in the Birthday Honours of June 1955 (see 14252 A) and by the two recipients of baronies in the governmental reorganization of April last (see 14129 A, page 14132):

Mr. Ralph Assheton, formerly Conservative M.P. for the City of London, Rushcliffe, and Blackburn West—Lord Clitheroe; Sir Geoffrey Heyworth, chairman of Unilever Ltd—Lord Heyworth; Mr. Malcolm McCorquodale, formerly Conservative M.P. for Epsom and Sowerby—Lord McCorquodale of Newton, Sir Arnold McNair, Q.C., formerly President of the International Court of Justice—Lord McNair; Mr. Henry Strauss, Q.C., formerly Parliamentary Secretary to the Board of Trade—Lord Conesford; Commander T. D. Galbraith, Minister of State, Scottish Office—Lord Strathclyde.

Viscount Swinton, who received an earldom on relinquishing the post of Commonwealth Relations Secretary in April last, took the title of the Earl of Swinton.

Lord Iveagh was invested with the Order of the Garter (K.G.) on June 18, 1955, and Lord Bilsland and Lord Crawford and Balcarres were invested with the Order of the Thistle (K.T.) on July 4. A baronetcy was conferred on Sir Seymour Howard in November last on his retirement from the office of Lord Mayor of London.—(Times - Daily Telegraph)

(Prev. rep. Birthday Honours, 14252 A.)

B. SPEED-BOAT RACING. — New World Record.

Mr. Donald Campbell, of Britain, broke his own world water-speed record on Nov. 16 when his jet-powered speedboat *Bluebird* set up a new record by averaging 216.2 m.p.h. on two runs over a measured kilometre on Lake Mead, Nevada, U.S.A. Mr. Campbell achieved a speed of 239.5 m.p.h. on the first run and of 193 m.p.h. on the second run.
(Times - New York Times) **(Prev. rep. 14338 E.)**

C. UNITED KINGDOM. — November Trade Figures.

Imports into the United Kingdom in November totalled £341,500,000, exports £262,200,000, and re-exports £10,000,000, the adverse visible balance for the month thus amounting to £69,300,000. (Board of Trade Journal) **(Prev. rep. 14562 G.)**

A. TURKEY.—New Cabinet formed by M. Menderes. - Democratic Party's Criticisms of Government's Economic Policy.

M. Menderes submitted his resignation to President Bayar on Nov. 29, following a stormy meeting of the parliamentary group of the Democratic Party during which all the members of his Cabinet had resigned. The dispute arose out of strong criticisms of the Government's economic policy, and demands by a number of Democratic deputies for a parliamentary debate on the economic situation. During the meeting several deputies accused Ministers of having placed the country in a precarious economic position, emphasizing in this connexion the growing inflation, the constant rise in the cost of living, the shortage of certain goods, and the unbalanced state of Turkey's foreign trade. Several Ministers, including M. Polatkan (the Finance Minister), M. Yircali (the Minister of Commerce and Industry), and M. Zorlu (the Deputy Premier) were also accused of alleged irregular practices in the granting of import licences and the issue of foreign exchange permits. M. Menderes, who was himself given a vote of confidence by the parliamentary group, eventually suggested that those Ministers who had ceased to enjoy the party's confidence should resign.

Press reports from Ankara pointed out that, in addition to the deterioration in the economic situation, the secession of a number of leading Democratic deputies at the time of the party's National Congress (see 14549 A) had caused increasing perturbation in the ranks of the party.

President Bayar immediately asked M. Menderes to form a new Cabinet, and on Dec. 9 the membership of the new Government—the fourth headed by M. Menderes since 1950—was announced as follows:

*M. Adnan Menderes ..	Prime Minister and Acting Minister of Defence.
M. Cemil Bengü	Ministers of State.
M. Semi Ergin	
*M. Emin Kalafat	
*M. Celâl Yardimci ..	
M. Huseyin Avni Goktürk	Justice.
*M. Ethem Menderes ..	Interior.
*Professor Fuat Koprulu ..	Foreign Affairs.
*M. Nedim Ökmen ..	Finance.
M. Ahmet Özel	Education.
*M. Muammer Çavusoglu ..	Public Works.
*M. Fahrettin Ulas .	Commerce.
M. Nafiz Korez	Health.
M. Hadi Husmen	Customs and Monopolies.
M. Esat Budakoglu ..	Agriculture.
M. Arif Demirer	Communications.
M. Mümtaz Tarhan ..	Labour.
*M. Samet Agaoglu ..	Industrial Development.

* Member of previous Cabinet.

Of the 18 Ministers, nine were members of the previous Government, but only M. Ethem Menderes and M. Agaoglu retained their former portfolios, whilst Professor Köprülü returned to the Ministry of Foreign Affairs, which he had headed from May 1950 until April 1955. The new Ministers were MM. Bengu, Ergin, Göktürk, Özel, Körez, Hüsmen, Budakoglu, Demirer, and Tarhan

The new Government's statement of policy was approved by the parliamentary group of the Democratic Party on Dec. 14 by 343 votes to 37, with seven abstentions, and by the Grand National Assembly in the early hours of Dec. 17, when, after a long debate, the Assembly passed a vote of confidence by 390 votes to 58. All the Opposition parties—the People's Party, the National Party, and the newly-formed Freedom Party—voted against the Government, whilst 50 to 60 Democrats were reported to have abstained.

In the economic field the Government proposed to continue economic development projects already begun but not to start new projects, and to take measures to reduce Turkey's adverse trade balance. The programme also announced the formation of a High Economic Council to co-ordinate economic affairs, the setting-up of a new Ministry of Industry, Minerals, and Power, and drastic measures to combat corruption and profiteering.

In the political sphere the Government proposed to amend the Constitution to improve the working of the country's political institutions; to repeal some of the Press laws enacted during the past 18 months, and, in particular, to amend the law so as to enable journalists accused of libel in matters of public interest to plead justification (the denial of this right was one of the principal reasons for the recent split in the Democratic Party); to repeal also the amendments to the electoral law passed in 1954; and to introduce other amendments to that law ensuring free voting at elections.

It was announced on Dec. 20 that the Defence portfolio had been provisionally transferred by the Prime Minister to M. Ergin, Minister of State, who consequently became acting Minister of National Defence.

The parliamentary group of the Democratic Party decided on Dec. 21, by 360 votes to 20, to demand a parliamentary inquiry into the conduct of M. Zorlu, M. Yircali, and M. Polatkan in connexion with the allegations about malpractices in the issuing of import licences and foreign exchange permits under the previous Government. The motion had been opposed by M. Menderes, who suggested that a parliamentary inquiry should be held by the new Government prior to any further proceedings; his proposal, however, was overruled.

On Dec. 15 the disciplinary committee of the Democratic Party decided that M. Mukerrem Sarol, the former Minister of State in charge of Press affairs, and a member of the party's directing committee, should be temporarily suspended from acting service in the party pending the next party congress. The directing committee had previously passed a motion to bring M. Sarol before the disciplinary committee on charges of having been guilty of "irregular practices" and of having caused dissension within the party.—(Turkish Embassy, London - Times - Manchester Guardian - Le Monde, Paris)

(Prev. rep. 14549 A.)

B. SUDAN.—Proclamation of Independence. - Ending of Anglo-Egyptian Condominium.

The world's youngest nation, the "independent and democratic republic of the Sudan," was officially proclaimed in Khartoum on Jan. 1, 1956, on which date the Anglo-Egyptian condominium (established in 1898) came to an end after 57 years. At the same time the former office of Governor-General was abolished, and the powers of Head of State were formally assumed by a five-man Council of State consisting of Mr. Ahmed Mohamed Yasin (nominated by the National Unionists), the Speaker of the Senate; Mr. Dardiri Mohamed Osman (nominated by the united Opposition parties), a member of the former Governor-General's Commission; Mr. Siricio Iro (of the Liberal Party), representing the southern Sudan; and Senator Ahmed Mohamed Salah and Mr. Abdel Fattah el-Moghrabi, the two independent members.

The formal proclamation of Sudanese independence took place at the Governor-General's Residency, the ceremony being attended by the leaders of the Government and Opposition parties, the leaders of the two religious sects (Sayed Abdel Rahman el-Mahdi and Sayed Ali el-Mirghani), and representatives of foreign Powers. The British and Egyptian Governments were represented by Mr. Dodds-Parker (Parliamentary Under-Secretary for Foreign Affairs) and Miralai Abdel Fatteh Hussein, who, on behalf of their Governments, formally presented documents recognizing the independence of the Sudan and the ending of the former Anglo-Egyptian condominium.

Mr. Ismail Azhari, the Prime Minister of the Sudan, gave an address in which he said that there was "no occasion in the history of the Sudan and its people greater than this, when the country has attained its full independence and sovereignty." He added: "If this day marks the end of our struggle for independence, it is also the beginning of our task of building our future progress. Our people were determined to achieve their independence; they are even more determined to maintain it." After Mr. Azhari had thanked Britain and Egypt for fulfilling their pledges to the Sudan, he and the Leader of the Opposition formally hauled down the British and Egyptian flags and hoisted in their place the new Sudanese flag—a horizontally-striped tricolour of blue, yellow and green, symbolizing respectively the Nile, the desert, and agriculture.

Apart from Britain and Egypt, nine countries announced their formal recognition of the Republic of the Sudan on Jan. 1—the United States, Belgium, Ethiopia, India, Iraq, the Lebanon, Pakistan, South Africa, and the Yemen. Congratulatory messages were sent to the Council of State by H.M. Queen Elizabeth II, President Eisenhower, Sir Anthony Eden, Mr. Nehru, and other Heads of State and statesmen. (Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Sudan, 14609 A.)

Note. The Sudan has an area of nearly 1,000,000 square miles, being bounded on the north by Egypt, on the east by the Red Sea and Ethiopia, on the south by Kenya, Uganda, and the Belgian Congo, and on the west by French Equatorial Africa and Libya. The population, nearly 9,000,000, is of Arab, Negro, and Nubian (mixed Arab-Negro) blood, with a small foreign element. The principal exports are cotton and ground-nuts, and the principal grain-crop millet, the staple food. Much livestock (camels, sheep, goats, horses) is owned by the nomadic Arab and Negro tribes. The only two towns of appreciable size are Khartoum, the capital (about 87,000) and Omdurman (over 130,000). The principal ports are Suakin and Port Sudan.—(Ed. K.C.A.)

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A. FRANCE. — The General Elections.

General elections for a new National Assembly were held on Jan. 2 throughout Metropolitan France and the oversea departments and territories. As explained on page 14582 (end of first column) the elections in Algeria were postponed.

The total number of deputies elected in Metropolitan France was 544, whilst 50 were elected in the oversea departments and territories—a total of 594. The National Assembly will be brought up to its full strength of 626 by the subsequent election of 30 deputies for Algeria and of two more deputies for the oversea territories—one for New Caledonia, where the elections will take place on Jan. 8, and another for French Oceania, where they will be held on Jan. 29.

Tabulated results of the elections are given below, showing (1) the results for Metropolitan France (544 seats); (2) the results for the oversea territories and departments (50 seats), excluding the two results still outstanding; and (3) the overall total for Metropolitan France and the oversea departments and territories (594 seats).

Results for Metropolitan France.

Party gains and losses were as follows:

	Seats (1956)	Seats (1951)	Gains (+) or losses (—)
Communists and *progressistes*	145	93	+52
Socialists	88	94	— 6
Modérés (Independents, Independent *Paysans*, A.R.S.)	94	125	—31
Radicals, R.G.R., U.D.S.R.	71	82	—11
M.R.P. (Popular Republicans)	71	85	—14
Poujadists (U.D.C.A.)	52	—	+52
Social Republicans (Gaullists)	16	57	—41
Various Left-wing groups	4	6	— 2
Rassemblement National	3	—	+ 3

Abbreviations. R.G.R.—*Rassemblement des gauches républicaines;* U.D.S.R.—*Union démocratique et socialiste de la Résistance*; M.R.P.—*Mouvement Républicain Populaire*; A.R.S.—*Action républicaine et sociale* (Dissident Gaullists); U.D.C.A.—*Union pour la défense des commerçants et artisans.*

The Independents are also known as Independent Republicans.

The figures given below show the votes cast for the various parties, gains and losses of votes compared with 1951 (the last general election), and the approximate percentage of votes received in both elections:

	Votes	Gain or loss	Percentage of votes (1956)	Percentage of votes (1951)
Communists and *progressistes*	5,492,332	+ 481,074	25.6	25.9
Socialists	3,187,890	+ 465,457	15.0	14.9
Modérés	3,085,576	+ 760,144	14.1	12.3
Radicals, R.G.R., U.D.S.R.	2,852,567	+ 866,941	13.6	11.2
M.R.P.	2,355,873	+ 38,106	10.6	12.8
Poujadists	2,608,481	—	12.1	—
Social Republicans (Gaullists)	911,450	—3,068,987	4.2	20.4
Various Left-wing groups	354,919	+ 313,584	1.6	0.1
Rassemblement National	335,486	—	1.5	—

The figures given above were those officially issued by the French Ministry of the Interior.

The electorate in Metropolitan France totalled 26,871,688 (of whom 53 per cent were women), an increase of over 2,300,000 since the general election of 1951—attributable to the natural increase of the population by about 300,000 a year, improved methods of electoral registration, and naturalizations among the fairly large immigrant population. Nearly 21,800,000 voters (82.2 per cent of the electorate) went to the polls, voting being heavy in all areas and reaching 90 per cent in some parts of France. Abstentions numbered over 4,500,000 (17.2 per cent, the lowest since the war and comparing with 19.8 per cent in 1951). Over 670,000 ballot papers were spoiled.

Results for Oversea Departments and Territories.

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	Seats 1956	Seats 1951	Gains (+) or losses (—)
Overseas Independents	9	14	— 5
*Rassemblement Democratique Africain**	9	3	+ 6
Socialists	6	8	— 2
Social Republicans (Gaullists)	6	8	— 2
Communists	5	4	+ 1
U.D.S.R.	4	7	— 3
R.G.R.	3	1	+ 2
Paysans and Ind. *Paysans*	2	3	— 1
M.R.P.	1	2	— 1
Others	5	—	+ 5

* Affiliated to the U.D.S.R.

The elections took place in the oversea *départements* of Martinique, Guadeloupe, Réunion, and French Guiana, and in the following *territoires d'outre-mer*—Senegal, Dahomey, the Cameroons, Togo, Mauritania, Upper Volta, the Ivory Coast, French Sudan, Middle Congo, Gaboon, Ubangui-Chari, Chad, French Guinea, Niger, French Somaliland, Madagascar, St. Pierre and Miquelon, and the Comoro Islands. As explained above, New Caledonia and French Oceania (Tahiti, etc.) will also go to the polls.

Overall Results for Metropolitan France and Oversea Departments and Territories.

With the exception of the 30 Algerian deputies still to be elected, and the two results outstanding from the *territoires d'outre-mer*, the membership of the new National Assembly will therefore be as follows:

Communists and *progressistes*	150
Modérés (Independents, Ind. *Paysans*, A.R.S.)	96
Socialists	94
*Radicals, R.G.R., U.D.S.R.	87
M.R.P. (Popular Republicans)	72
Poujadists (U.D.C.A.)	52
Social Republicans (Gaullists)	22
Overseas Independents	9
Various Left-wing groups	6
Various Overseas groups	5
Rassemblement National (right-wing)	3

* Including the *Rassemblement Démocratique Africain.*

[Although the first official statistics gave the Communist representation as 151, this was not borne out by analysis of the results, and the figure was subsequently amended. The final party affiliations will not become known until the new National Assembly meets. They will be described in a subsequent article.—*Ed. K.C.A.*]

Analysis of Election Results.

The principal features of the election were the large gains made by the Communists, who became the strongest party in the National Assembly, and the success of M. Poujade's *Union pour la défense des commerçants et artisans* (see 14615 A), which obtained 52 seats on its first appearance at the polls. The Socialists, *Modérés*, Radicals, M.R.P., and Overseas Independents all returned fewer deputies than in 1951, but nevertheless command a combined total of 358 votes in the new Assembly. The most severe setback was suffered by the Social Republicans (Gaullists), who lost over 3,000,000 votes —most of which apparently went to the Poujadists.

Communist Party. Although the Communists gained 52 seats in Metropolitan France and polled nearly half a million votes more than in 1951, their percentage of the total poll was slightly smaller than at the last general election. As explained on page 14579 (second column), the Communist Party was considerably under-represented in the last National Assembly in proportion to its strength in the country as a whole. The returns showed that the Communists had regained most of the seats which they had lost in 1951 through electoral alliances between the Socialists and the Centre parties. The biggest Communist gains were made in the eastern and north-eastern industrial areas. The party lost seats, however, in the rural areas south of the Loire.

All prominent leaders of the party were re-elected (many in the Seine department, comprising Paris and its environs), including M. Maurice Thorez, the party leader (Seine), M. Jacques Duclos (Seine), M. Marcel Cachin (Seine), M. Kriegel-Valrimont (Meurthe-et-Moselle), M. Waldeck-Rochet (Saône-et-Loire), Mme. Vaillant-Couturier (Seine), Mlle. Jeannette Vermeersch (Mme. Thorez) (Seine), M. Laurent Casanova (Seine-et-Marne), M. Florimond Bonte (Seine), M. Etienne Fajon (Seine) and M. François Billoux (Bouches-du-Rhône).

New Communist members included M. Dreyfus-Schmidt, a former mayor of Belfort, who won a seat in the *département* of Belfort from M. Schmittlein, the leader of the Social Republican (Gaullist) parliamentary group in the former National Assembly.

Socialist Party. The Socialists, like the Communists, increased their total vote by nearly half a million, and also increased their proportion of the total poll, but nevertheless returned six fewer members than in the former Assembly. The returns showed, however, that the party had recovered its electoral strength in many parts of France after an almost uninterrupted decline since the war. A noteworthy feature of the elections was the considerable increase in the Socialist vote in the industrial *départements* of Nord and Pas-de-Calais, and also in eastern and western France.

All prominent party leaders were re-elected, including M. Guy Mollet, its secretary-general (Pas-de-Calais), M. Robert Lacoste, vice-president of the National Assembly (Dordogne), M. Jules Moch (Hérault), M. Daniel Mayer (Seine), M. André Le Troquer (Seine), M. Félix Gouin (Bouches-du-Rhône), M. Marcel Naegelen (Basses-Alpes), M. P.-O. Lapie (Meurthe-et-Moselle), M. Edouard Depreux (Seine), M. Jean Meunier (Indre-et-Loire), M. Eugène Thomas (Nord), M. Tanguy-Prigent (Finistère), M. Minjoz, mayor of Besançon (Doubs), and M. Ségelle, mayor of Orléans (Loiret).

M. Paul Ramadier, the veteran Socialist statesman and post-war Prime Minister, was elected in the Aveyron *département*. He had lost his seat in the 1951 elections.

"Moderate" Parties. The *modérés*—politically the "Right-Centre" groups—comprised the Independents (also known as Independent Republicans), Independent *Paysans*, and Dissident Gaullists (A.R.S.), who in many *départements* presented joint lists. Though returning 31 fewer deputies than in 1931, the combined votes of these parties rose by over three-quarters of a million, while their proportion of the total vote increased by nearly two per cent.

Prominent Independents and Dissident Gaullists re-elected included M. Antoine Pinay, the Foreign Minister and leader of the Independents (Loire), M. Paul Reynaud, the former Prime Minister (Nord), M. Jacquinot (Meuse), M. Pierre Montel (Rhône), M. Edmond Barrachin (Seine), M. Frédéric-Dupont (Seine), M Jacques Féron, president of the Paris Municipal Council (Seine) and M. Pierre July (Eure-et-Loir). MM. Jacquinot, Montel, Barrachin, Frédéric-Dupont, Féron and July were returned on joint Independent-A.R.S. lists, and MM. Pinay and Reynaud as Independents.

Leading members of the Independent *Paysan* group re-elected included M. Jean Sourbet, Minister of Agriculture (Gironde), M Joseph Laniel, a former Prime Minister (Calvados), M. Emmanuel Temple (Aveyron) and M. Camille Laurens (Cantal).

Among Dissident Gaullists who failed to secure re-election was General Billotte, the Minister of National Defence, who was defeated in the Côte-d'Or *département*. Several prominent Independent *Paysans* also failed to secure re-election, including M. Chamant, State Secretary for Foreign Affairs, M. Chastellain, a former Minister, and M. Ramarony, who lost their seats in the departments of Yonne, Seine-Maritime, and Gironde respectively.

Radical Party and Associates. The "Left-Centre" parties—Radicals, R.G.R., and U.D.S.R.—lost 11 seats in Metropolitan France, but nevertheless increased their votes by over 860,000, their proportion of the total rising by 2.4 per cent. M. Mendès-France headed the poll in the Eure department with 59,787 votes—22,000 more than in 1951. M Edgar Faure, the Prime Minister and leader of the R.G.R., who was expelled from the Radical Party in December (see page 14581, end of second column), headed the poll in the Jura department (for which he sought re-election on a joint R.G.R.-Independent list) with 39,195 votes—13,000 more than in 1951 That section of the Radical Party led by M. Mendès-France (the so-called *Mendèsistes*) polled particularly well in the Paris area.

Other prominent Radical, R.G.R and U D.S.R. members re-elected included M. Edouard Herriot, the veteran Radical statesman and mayor of Lyons (Rhône), M. Henri Queuille (Corrèze), M. Bourgès-Maunoury, Minister of the Interior (Haute-Garonne), M. André Marie (Seine-Maritime), M. Edouard Daladier (Vaucluse), M. Laforest, State Secretary to the *Présidence du Conseil* (Dordogne), M. André Morice, Minister of Commerce and Industry (Loire-Inférieure), M. Jean Masson (Haute-Marne), M. Bonnefous (Seine-et-Oise), M. André Maroselli (Haute-Saône), M Bernard Lafay, Minister of Public Health (Seine), Maître de Moro-Giafferri (Seine), M René Pleven (Côtes-du-Nord) and M. François Mitterrand (Nièvre).

New Radical deputies included M. Georges Bonnet, the pre-war Foreign Minister (elected in Dordogne), and M. Anxionnaz, secretary-general of the Radical Party, who was returned for the Marne department and who sat in the National Assembly before 1951.

M Martinaud-Déplat (Radical), a former Minister of Justice, lost his seat in the Bouches-du-Rhône department, whilst M Claudius-Petit (U.D.S.R.), a former Minister of Reconstruction, was defeated in the Loire department.

M.R.P. The M.R.P.—the Catholic "centre" party, or Popular Republicans—lost 14 seats in Metropolitan France, their proportion of the total vote declining by 2.2 per cent. Although they gained some seats in the eastern *départements*, they lost ground in other areas, notably in the Paris region and in the Rhône valley.

Among the M.R.P. leaders, M. Georges Bidault was re-elected for the Loire department, though with 60,000 fewer votes than in 1951. Other prominent M.R.P. members re-elected included M. Pierre Pflimlin, Minister of Finance (Bas-Rhin), M. Pierre Schneiter, president of the National Assembly (Marne), M. Pierre-Henri Teitgen, Minister for *France d'outre-mer* (Ille-et-Vilaine), M. Robert Schuman, the former Foreign Minister (Moselle), M. Paul Coste-Floret (Hérault), M. André Colin (Finistère), M Maurice Schumann (Nord), M. François de Menthon (Haute-Savoie), and M Paul Bacon (Seine). New M.R.P. deputies included M. Joseph Rey, mayor of Colmar (Haut-Rhin).

A number of former M R P. deputies lost their seats (former constituencies in parentheses), including M. Lecanuet, State Secretary to the *Présidence du Conseil* (Seine-Maritime), Mme. Germaine Poinso-Chapuis, a former Minister of Public Health (Bouches-du-Rhône), the Abbé Gau (Aude), M. Alfred Coste-Floret (Haute-Garonne), M. Juglas (Lot-et-Garonne), M. Letourneau (Sarthe), M. Robert Prigent (Nord), and M. Defos du Rau (Landes).

Poujadists. The Poujadists (U.D.C.A.), as stated above, obtained 52 seats on their first appearance at the polls and received over 2,600,000 votes—12.8 per cent of the total. Poujadist deputies were returned in all parts of the country, although, paradoxically, the U.D.C.A. polled poorly and failed to return any candidates in the Lot *département*—the birthplace of the movement, containing M. Poujade's home town of Saint-Céré.

The 52 Poujadist deputies included 26 shopkeepers of various kinds—provision merchants, *pâtissiers, limonadiers, cafétiers*, etc.—as well as artisans, engineers, manufacturers, building contractors, a farmer, a chemist, an ex-commissioner of police, and two students. M. Pierre Poujade himself did not stand for election (see 14615 A). One of the leaders of the Poujadist movement, M. Jean-Marie Le Pen —*président d'honneur* of the law students in Paris, and an ex-parachute officer—was returned in the Seine department.

Gaullists. The Social Republicans (Gaullists) suffered the biggest defeat of the elections by losing 41 seats and over 3,000,000 votes, their proportion of the total vote falling by 16.2 per cent French political commentators drew the inference that the bulk of the right-wing votes cast in 1951 for the Gaullists (then the R.P.F.) had been transferred to the Poujadists.

Among prominent Gaullists re-elected were General Koenig, the former Minister of National Defence (Bas-Rhin), M Jacques Soustelle, Governor-General of Algeria (Rhône), M. Maurice Lemaire (Vosges,) M. Chaban-Delmas (Gironde), and General Corniglion-Molinier, the last-named being returned in the Alpes-Maritimes department on a joint Radical-R.G.R.-Social Republican list.

Many former Gaullist deputies lost their seats (former constituencies in parentheses), including General de Monsabert (Basses-Pyrénées), M. Henri Ulver, a former Secretary of State (Seine), M. Gaston Palewski, formerly Minister in charge of atomic energy developments, and one of the closest collaborators of General de Gaulle (Seine), M. Marc Jacquet (Seine-et-Marne), M. Schmittlein (Belfort), M. J.-P. Palewski (Seine-et-Oise), and M. Diomedè Catroux (Maine-et-Loire).

Other Parties. The *Rassemblement National* (National Rally), an extremist right-wing "authoritarian" group, returned three deputies. Its leader, M. Tixier-Vignancour (a former deputy), was elected in the Basses-Pyrénées department. Amongst those elected on an "Independent National - U D.C.A list" was M. Jean Dides, a former Police Commissioner in Paris in charge of anti-Communist intelligence, He had been suspended from duty in September 1954, was subsequently arrested, but later released, in connexion with the alleged possession of confidential information on proceedings in the National Defence Committee which had been divulged through a "leakage"

No fewer than 146 deputies of the former National Assembly lost their seats, whilst 61 former deputies did not seek re-election.

Pre-Election Developments.

A total of 28 parties and political groups had registered with the Ministry of the Interior by midnight on Dec. 5-6—the last date for depositing *déclarations d'intention* to contest the elections.

Apart from the major parties mentioned above, there were many small groups and "splinter," parties, e.g., the "League of Consumers for the Lowering of the Cost of Living and the Stabilization of the Franc," the "Group for the Reform of the State and the Defence of Electoral Liberties," etc. None of these groups returned any deputies except the right-wing *Rassemblement National*.

The last date for registering electoral alliances between the parties (*apparentements*) was Dec. 10, when the Ministry of the Interior announced that 995 lists containing the names of 5,381 candidates had been presented for the 544 seats to be filled in Metropolitan France. (At the 1951 election there were 722 lists with 3,962 candidates.) The following electoral alliances were concluded between the major parties:

(*a*) 47 by the Socialists, of which 20 were concluded with the Radicals; 18 with the Radicals, U.D S.R., and various left-wing groups; and 9 with the Radicals (or U.D.S.R.) and the Social Republicans (Gaullists).

(*b*) 52 by the M.R.P., of which 24 were concluded with the *Modérés*; 18 with the *Modérés* and Social Republicans; and 10 with the *Modérés* and the R.G.R.

(*c*) 37 by the Social Republicans, of which 38 were concluded with the *Modérés* and M.R.P., 10 with the *Modérés*, R.G.R., or M.R.P.; and 9 with the Radicals and Socialists.

(*d*) 54 by the *Modérés*, of which 24 were concluded with the M.R P.; 18 with the M.R.P. and Social Republicans, 7 with the M.R.P. and R.G.R.; and 5 with the Social Republicans.

(*e*) 67 by the Radicals (or R.G.R.), of which 38 were concluded with the Socialists; 9 with the Socialists and Social Republicans; 10 with the M.R.P. and/or *Modérés*; and 10 with the Social Republicans, M.R.P., and/or *Modérés*.

No *apparentements* were entered into by the Communists. The Poujadists entered into electoral alliances with various small groups in certain departments, but not with any of the major parties.

The most important political developments during the four weeks before the elections were the formation by M. Mendès-France of a "Republican Front," in the form of an electoral alliance between the left-wing Radicals, Socialists, U.D.S.R., and some Social Republicans; an open split in the Radical Party between the *Mendèsistes* and the R.G.R. (the Radical right-wing, led by M. Faure); and the Socialist Party's refusal to enter into electoral alliances with the Communists.

The "Republican Front." A joint statement was issued on Dec. 7 by M. Pierre Mendès-France (Radical), M. Guy Mollet (Socialist), M. Mitterrand (U.D.S.R.) and M. Chaban-Delmas (Social Republican) announcing that the four parties were agreed upon broad lines of policy, and would work together as a "Republican Front" to elect candidates pledged to common ideals. The statement strongly criticized M. Faure's Government for having—it was alleged—desired a "snap" election in order to preserve the present electoral law, which was denounced as producing unrepresentative results. After condemning the economic, fiscal, social, and North African policies pursued by the Faure Government, the signatories called

upon the electorate to return a majority of deputies who would immediately modify the existing electoral law and carry out economic and other reforms It was pointed out that the electoral alliance would not exclude the right of any of the four parties to enter into similar alliances with other parties

M. Mendès-France issued a separate statement stressing that the four parties, although holding different *nuances* of opinion, were united on general principles and inspired by similar ideals He declared that the "governmental majority "(i.e the supporters of M. Faure) had no definite programme, alleged that they were united by nothing more than the desire to keep or win seats, and said that he (M Mendes-France) and his supporters were trying, on the contrary, to constitute "a real majority of men who were in agreement upon a certain number of precise points." M. Mendès-France denied that the situation could be construed as a struggle between himself and M. Faure, or that he was engaged in a "duel" with the Prime Minister, but declared that there were only two alternatives—either the country would vote for a "dynamic and constructive majority" or it would vote for the *immobilistes*, who, he added, would be "as incapable of governing in the future as they have been in the past."

Split in Radical Party. The split between the "Mendesian" left-wing of the Radical Party and the right-wing (R.G R.) group headed by M Faure was accentuated on Dec. 9 when M. Mendès-France announced the expulsion of a further eight members of the Radical Party for refusing to resign from the R G R. Among those expelled were M. René Mayer, chairman of the High Authority of the European Coal and Steel Community, and a former Prime Minister; M. Martinaud-Déplat, a former Minister, and M. Bernard Lafay, Minister of Public Health, the last-named being expelled on the ground that he had remained in the Government after the party executive had asked him to resign Announcing these dismissals, M. Mendès-France declared that "a man who calls himself a Radical must be one who unequivocally endorses the Radical programme of action, accepted by us and the Socialist Party as the platform on which we are going before the electors. We do not want any ambiguity, or any candidates who face both ways in the name of the Radical Party."

On the same date (Dec 9) correspondence was released between M. Faure and M Mendès-France in which the Prime Minister strongly protested against the "authoritarian methods and process of intimidation" which, he said, were characteristic of the new direction of the Radical Party. M. Faure emphasized that he and his supporters (i e. the R G R) were ready to examine with the leaders of the Radical Party, and of other affiliated parties, any question concerning the selection or joint recognition of candidates, but were not prepared to accept the "authoritarian methods" of the present Radical Party leadership. On Dec. 6 M. Faure had sent a letter to the disciplinary committee of the Radical Party contesting the validity of his expulsion from the party, and insisting that he could not be called upon to give an account to the party for his actions taken in the capacity of Prime Minister.

There was also published on Dec. 9 the text of a letter from the secretary-general of the R G.R to the secretary-general of the Radical Party in which the former declared that the R G.R. would refuse to submit itself "to the judgment of a single trend." After denouncing the "crazy pretension" of trying to make Ministers of the Government responsible to a political party (a reference to the expulsion of M. Faure from the Radical Party), the letter added: "We (the R G.R.) remain Radicals, faithful to ideals that we are certain of serving We feel a certain shame at the totalitarian methods which now obtain in the oldest party of the Republic"

The split between the "Mendesian" Radicals and the R G.R. meant, in effect, that the latter group contested the elections separately from the Radical Party itself According to the electoral statistics issued by the Ministry of the Interior, the 71 seats in Metropolitan France won by the Radicals, R.G R. and U D S R. were divided as follows: 34 "Mendesian" Radicals, 4 U.D S.R. (supporting M. Mendès-France), 18 R G R. (supporting M. Faure), and 15 elected as "Radical and R.G.R." deputies.

The electoral returns also showed that the four parties associated in M. Mendès-France's "Republican Front" ("Mendesian" Radicals, Socialists, U.D.S.R and Social Republicans) obtained a combined total of 132 seats in Metropolitan France.

Socialist Policy. The national council of the Socialist Party adopted a resolution on Dec. 6 declaring that, although opposed to the system of *apparentements*, it was ready to enter into electoral alliances with any party except those of a "reactionary, clerical, or totalitarian character," on the basis of the following principles: (1) preservation of democratic liberties, (2) "the struggle for peace by negotiation, controlled general disarmament, Atlantic defence, and the construction of Europe"; (3) social progress; (4) economic expansion; (5) organization of agricultural markets; (6) peace in North Africa, (7) "the building of a true French Union"; and (8) the "restoration of *laïcité*" [i.e the refusal to continue State grants to Catholic schools under the *Loi Barangé* (see 11878 A), which will come up for renewal in the new Assembly and was an important domestic issue in the elections].

An invitation by the Communist Party to form a Communist-Socialist electoral alliance was rejected by the Socialist Party. The party's national council issued a statement on Dec. 9 saying that such an alliance had been made impossible by the Communist leaders, who had made their own party an "instrument of Soviet diplomacy" and who, "according to the interests of that diplomacy, proclaim at one moment unity with the Socialists and at another throw out coarse insults against those same Socialists." After recalling that the Communist leaders had on numerous occasions described the Socialists as "traitors" and "agents of capitalism," the national council asked how it could seriously consider an electoral alliance with "the men who yesterday were insulting us and who today are holding out their hands to us because it is in the interests of Russia."

Post-Election Developments.

As none of the parties or electoral alliances succeeded in obtaining an overall majority, it became apparent that some form of inter-party coalition offered the only possibility of forming a Government capable of commanding a majority of votes in the new National Assembly. Among immediate post-election developments were an appeal by M. Faure for the formation of a coalition on as broad a basis as possible, extending from the *modérés* on the right to the Socialists on the left; a demand by M. Mendès-France and M. Guy Mollet that the leadership of the new Government should be entrusted to the parties of the "Republican Front"; and an approach by the Communist Party to the Socialists and Radicals for a "Popular Front" between the three parties.

M. Faure's Appeal for National Union. The Prime Minister commented on the election results in a speech to the Foreign Press Association in Paris on Jan 4 After asking "our friends abroad not to let themselves be alarmed by the successes of the Communists and the U D C A (Poujadists)," M. Faure pointed out that the Assembly elected in 1951 had originally included 100 Communists and 120 Gaullists—i.e a larger number of opponents of the parliamentary regime than had been elected in 1956 He pointed out also that the system of *apparentements* had reduced the number of Communist seats in 1951, that this had produced a "false sense of security"; and that the Communists were now represented in proportion to their actual strength in the country "But what counts now," he added, "is what the non-Communist deputies are going to do"

Defending his decision to dissolve the previous National Assembly, M. Faure said that the dissolution had not "created" the anti-parliamentary movement but had "disclosed its existence" and had therefore had "diagnostic value." He adduced three reasons for the "anti-parliamentarianism" indicated by the successes of the Poujadist movement: (1) ministerial instability, (2) the multiplicity of political parties, and (3) the "polemical violence" in which the parties had indulged Nevertheless, the extent of the general discontent would not have become known had not the former Assembly been dissolved.

M. Faure went on to call for the union of all the "parliamentary" parties, from the Socialists on the left to the Independents on the right, to "reform French institutions and draw up a charter for Algeria" He felt that there was little difference between M Mendès-France's "Republican Front" and the outgoing Government on important issues such as economic and social policy and the situation in North Africa, and that it should therefore be possible "to draw up a bi-partisan policy which could settle the great problems on which the future of France depends." "The time has now arrived," he declared, "to form a real Republican Front, for our institutions will be submerged if we leave them as they are."

Radical and Socialist Demand for "Republican Front" Government. The following statement was issued on Jan. 5 by M Guy Mollet (secretary-general of the Socialist Party) after discussions with M. Mendès-France "Our meeting has shown complete identity of views on all urgent problems We shall oppose all attempts to create confusion [within the Republican Front]. . We have decided to pursue a joint course of action, both within the Republican Front and, eventually, with regard to governmental responsibility We are also united by the desire to implement the common programme which we have drawn up together. In particular, we are agreed that Parliament should be convened as soon as possible . . ." In reply to a press correspondent, M. Mollet said: "M Mendès-France and I are agreed that the Republican Front must be responsible for the direction of the future Government"

M. Mendès-France—who had also had discussions with M. Mitterrand and M Chaban-Delmas—expressed his full agreement with the statement issued by M. Mollet

In an interview published on Jan. 9 in the left-wing newspaper *Combat*, M Mollet expressed the view that a national coalition of all the Centre parties could only result in a return to *immobilisme*, and might create a popular reaction which might well result in the establishment of a "Popular Front" government. The Socialist Party, he added, was aware of the dangers of *liaison* with the Communists, but whilst it would not solicit Communist votes it would not refuse them on specific issues.

Communist Appeal for "Popular Front." The central committee of the French Communist Party sent identical letters on Jan. 6 to M. Guy Mollet and M. Herriot (president of the Radical Party) proposing the formation of a "Popular Front" Government by the Radicals, Socialists, and Communists. The text was as follows:

"By voting for the candidates of the Communist, Socialist, and Radical parties, the majority of the electors have shown that they wish the nation's affairs to be conducted by a Government of the Left. They will not understand it if these three parties do not do all in their power to make such a Government possible. Such a Government should have the following aims:

(1) To find a peaceful solution to the problems of Algeria through negotiation;

(2) to improve the living conditions of urban and rural workers;

(3) to apply the minimum programme of the national committee for lay action (*action laique*) [i e. to abolish the law granting State subsidies to Catholic schools];

(4) to oppose victoriously every factious movement (*entreprise factieuse*),

(5) to carry out a policy of international *détente* leading to general disarmament.

We propose, accordingly, that our parties should examine ways of bringing about an agreement corresponding to the wishes of the majority of the population"

Policy of "Moderate" Parties. The *Centre National des Indépendants, Paysans et A R S* issued the following post-election statement: "Various political parties are still publishing 'war communiqués' They are making tendentious statements designed to show that the Republican Front has achieved the victory This must be answered by the truth The Socialists have increased their votes by 0 6 per cent, the Radicals, including the R G R, have increased theirs by 1 6 per cent, the Social Republicans vote has gone down by 16 7 per cent, the Independents and *Paysans* have gained exactly as much as the Radicals and R.G R —1 6 per cent But all the national parties have lost seats, and the only victors at the poll are the Communists and Poujadists. Instead of making high-sounding declarations, the national parties should draw up as quickly as possible a bold and realistic plan for the reform of our institutions—notably for electoral reform . "

M.R.P. Policy. The executive committee of the M R P. issued a statement on Jan 5 offering the party's co-operation in a common programme designed to bring about "the restoration of the State, the solution of the Algerian question, progress in economic expansion, and the construction of Europe." It was pointed out that except on the extreme Right, "where the votes were for the most part transferred from the R P F (Gaullists) to the Poujadists," the votes received by the major parties had varied only by 1 or 2 per cent from those obtained in 1951, and that "no party or group of parties has obtained an absolute majority."

Social Republican Policy. The following statement was issued on Jan 9 by M. Chaban-Delmas with the approval of all the Social Republican deputies in the new National Assembly. "After ten years of *immobilisme*, defeats, and demoralization, France has come to the edge of the abyss. No time must be lost in reforming the State, pacifying Algeria, and consolidating the French Union This triple goal . . . can only be achieved by a national and healthy Government (*un gouvernement de salut national*) Such a Government must base its existence on a coherent and solid majority . . "

Poujadist Statements. M Poujade issued a post-election statement declaring that he was not surprised at his movement's success, and expressing the opinion that the U.D C.A. would double or even treble its representation if new elections were held in the next few months. He declined to issue a statement on his party's policy, but said that this would be defined at a congress of the U D C A to be held before the National Assembly was convened. He strongly denied that he was either Fascist or anti-semitic (allegations to both effects had been widely made before and during the election campaign), declaring in this connexion. "Fascism is the dictatorship of a minority by force or ruse. . . When I ask the Government to respect the will of the people, I am dubbed a Fascist People say I am anti-semitic because I attacked Mendès-France, but they do not call me anti-Catholic when I attack other Ministers in the same way" After claiming that the U D.C.A. had won hundreds of thousands of votes from the Communists as well as from the Gaullists, M Poujade insisted that his movement was solely an economic party, that it was "only interested in economic proposals," and that it wanted "to prevent the middle classes from being squeezed out of existence." He added that the U.D C A. deputies would not play the role of obstructionists or "saboteurs" in the National Assembly.

A further statement was issued on Jan 6 by M Poujade in which he again denied that he or his movement were Fascist, saying in this connexion. "Our movement is the exact opposite of Fascism. It is easy, but rather arbitrary, to stick a label on people without knowing their policy You will never find representatives of the middle classes among Fascists. The German Fascists were often former Socialists" After declaring that the U.D C A was ready to ally itself with any party which supported its twin programme of tax reform and the convening of a "States-General" (*Etats-Généraux*), M. Poujade said that the U.D.C.A. deputies would "demand the reopening of the *dossiers* of certain political scandals." He did not, however, state which *scandales* he had in mind.

[M. Pierre Poujade (34), the son of an architect and the youngest of a family of seven, worked as a youth in a variety of employments, including those of printer's apprentice, vineyard worker, and docker. He joined the French Air Force at the outbreak of war in 1939, and after the Bordeaux armistice played a prominent role in the sports organization—the *Compagnons de France*—founded in Vichy France and run on authoritarian lines by the Pétain regime. After the Germans invaded the former unoccupied zone he escaped through Spain (where he was imprisoned for six months) to North Africa, joined the Allied forces, and at the end of the war was in an R.A.F. training camp in England. He subsequently established himself as a bookseller and stationer in his home town of Saint-Céré.]

The Faure Cabinet will remain in office until the new National Assembly meets on January 19.—(Le Monde - Le Figaro - L'Express - Le Populaire - L'Humanité) **(Prev. rep. National Assembly, Dissolution, 14577 A; Poujadists, 14015 A; 1951 Election, 11541 A.)**

A. WESTERN GERMANY. — Creation and Membership of Atomic Energy Commission.

It was announced in Bonn on Dec. 21, 1955, that the German Federal Government had decided to set up an Atomic Energy Commission, and at the same time to create an inter-departmental Committee for Atomic Questions.

Herr Strauss (the Federal Minister for Atomic Questions) said in a press statement that in creating an Atomic Energy Commission the Federal Government was following the example of the United States, Britain, and France, and referred to the fact that such commissions had also been set up in two of the *Lander*—Bavaria and Baden-Wurttemberg. He pointed out, however, that the new Commission would have no executive powers, and that, in accordance with Article 65 of the Basic Law, sole responsibility for all atomic matters would rest with him as the competent Minister

The 25 members of the Commission include Professor Otto Hahn, president of the Max Planck Society in Gottingen, Professor Ulrich Haberland, of the Bayer chemical works at Leverkusen, Professor Werner Heisenberg, head of the Max Planck Institute, which is being transferred from Gottingen to Munich; Dr Hermann Reusch, an iron and steel industrialist, Herr Abs, a financial expert (who was in charge of the negotiations on Germany's pre-war debt leading to the London Agreement), Dr Alfred Petersen, one of the directors of the *Metallgesellschaft* in Frankfurt (one of the leading German metal and mineral trading concerns); and Herr Ludwig Rosenberg, member of the executive of the German Trade Union Federation.

Professor Otto Hahn, one of the world's leading atomic scientists, received the Nobel Chemistry Prize in 1944 whilst Professor Heisenberg received the Nobel Physics Prize in 1932

The inter-departmental committee will be under the chairmanship of Herr Strauss.—(Frankfurter Allgemeine Zeitung) **(Prev. rep. 14562 B.)**

B. UNITED KINGDOM. — Fifth Annual Payment of Interest and Principal on U.S. and Canadian Loans and on Lend-Lease Settlement.

The Chancellor of the Exchequer, Mr. Butler, stated in a parliamentary written answer on Dec. 13 that the fifth annual payments of interest and principal on the U.S. and Canadian lines of credit and the Lend-Lease settlement with the U.S.A. would be made in full when they became due on Dec. 31, the amounts being as follows:

	Interest	Principal	Total
U S. Loan .	U.S.$71,345,000	U S.$47,991,000	U.S.$119,336,000
U S.Lend-Lease Settlement†	U S.$11,410,000	U.S.$7,423,000	U S $18,833,000
Canadian Loan	Can $22,545,000	Can.$15,165,000	Can $37,710,000
Total U.S. dollars*† .	$105,300,000	$70,579,000	$175,879,000
Total sterling equivalent*	£37,600,000	£25,200,000	£62,800,000

* Approximate † Subject to possible slight correction. ‡ Taking U.S. and Canadian dollars as equivalent.

The Treasury stated on the same day that the following additional dollar payments would be made in December: (*a*) $4,000,000 in interest on certain U.S. loans received under the E.R.P.; (*b*) a quarterly payment of $7,500,000 (Can.) on the Canadian interest-free loan of 1942 (see 13101 A).
(Treasury Press Office) **(Prev. rep. 13957 A.)**

C. RUMANIA. — Soviet Union relinquishes Share in Rumanian Oil Industry.

An agreement was signed in Bucharest on Dec. 13, 1955, under which the Soviet Government undertook to transfer to Rumania its 50 per cent interest in *Sovrompetrol*, the joint Soviet-Rumanian company established in 1945 to prospect, produce, and refine Rumanian oil. The amount to be paid by Rumania for the Soviet share in the company was not disclosed, the joint announcement stating only that Rumania would buy back the Soviet-held shares "on favourable terms and by instalments over a number of years."—(Agerpres, Bucharest) **(Prev. rep. 13801 C.)**

D. POLAND - YUGOSLAVIA. — Civil Aviation Agreement for Belgrade-Warsaw Services.

An agreement on the mutual operation of direct passenger air services between Belgrade and Warsaw was signed in Belgrade on Dec. 11, in implementation of the civil aviation agreement concluded between the two countries on Nov. 14, 1955.—(Polish Embassy, London) **(Prev. rep. 14557 E.)**

E. PERU. — Increased Membership of Congress.

President Manuel Odria signed a Bill on Dec. 22, 1955, which provided for an increase in the membership of the Peruvian Senate from 44 to 52 and of the House of Representatives from 164 to 182.—(New York Times)

A. INDIA. — Report on Foreign Assets and Liabilities and Foreign Business Investments in India, 1948-1953.

A survey published by the Reserve Bank of India on Nov. 25, 1955, showed that foreign business investments in India rose by 1,750,000,000 - 1,800,000,000 rupees gross, or 1,320,000,000 rupees net of repatriation, during the period July 1948 - December 1953. Of the net increase, 85 per cent, or Rs.1,120,000,000, was in the "direct investment" category, comprising investment in branches of foreign firms and companies and in "controlled" joint stock companies. The bulk of the new investment—Rs.1,370,000,000—was from the U.K., Rs.560,000,000 being in manufacturing industries, Rs. 210,000,000 in plantations, Rs.200,000,000 in trading, and Rs.190,000,000 in public utilities.

Overall International Financial Position. During the 5½ years covered by the survey India's total foreign liabilities increased by Rs 2,610,000,000, whilst her total foreign assets fell by Rs 5,420,000,000 (mainly on short-term account) The main items accounting for this change were the transfer to Pakistan under partition arrangements of Rs 2,000,000,000, foreign official loans of Rs 1,380,000,000, and private foreign investments of Rs. 1,350,000,000 India's overall international financial position at the end of 1953 showed a net excess of assets over liabilities of Rs 5,000,000,000, of which Rs. 3,460,000,000 was on short-term and Rs 1,540,000,000 on long-term

Foreign Long-term Assets. At the end of 1953 India's foreign long-term assets (i e. those maturing beyond a year) amounted to Rs 11,750,000,000 of which Rs. 11,120,000,000 were held by the central Government and Rs 630,000,000 privately The main components were (i) foreign Government securities, Rs. 3,730,000,000, (ii) debts due from Pakistan and Burma, Rs 3,480,000,000; (iii) subscription to and quota in the I.M F. and International Bank, Rs 2,290,000,000; (iv) deposits (largely the outstanding value of the annuity purchased by the Indian Government for payment of pensions to retired British nationals), Rs. 1,860,000,000.

Foreign Long-term Liabilities. These amounted to Rs.10,360,000,000 at the end of 1953, of which the Government owed Rs. 5,830,000,000 and the private sector Rs 4,530,000,000. The principal Government liabilities were (i) the securities of the central Government, States and local authorities owned abroad, Rs. 2,540,000,000; (ii) the capitalized value of the Government's pension liability to retired British nationals, Rs 1,810,000,000, and (iii) official loans abroad, Rs 1,380,000,000. A major portion of the foreign-owned securities (Rs 2,130,000,000) was non-interest-bearing and had been issued in favour of the I M.F or International Bank Of the total official loans outstanding, Rs 900,000,000 represented the food loan granted by the U S A in 1951, and Rs 220,000,000 the loans extended by the International Bank for financing various development projects

The survey said that there were 565 foreign-controlled companies in India; in 123 companies all the ordinary shares were owned abroad, whilst in another 190 non-residents held more than 40 per cent. On the other hand, 91 companies were controlled from abroad without any ownership of capital whatsoever, whilst in another 110 companies foreign ownership was less than 20 per cent, these 201 companies had foreign-controlled managing agents, largely from the U.K.

(The Statesman, Calcutta - The Hindu, Madras) **(11306 A.)**

B. JAPAN. — Population Census.

Preliminary figures of a population census taken on Oct. 1, 1955, released in Tokio on Dec. 6, showed that the population of Japan was 89,269,278, of whom 45,413,514 were women and 48,855,764 were men. The figure was 6,069,641 more than that of the 1950 census, an increase of 7.3 per cent. The census showed that Japan ranked fifth in the world in regard to population, following China, India, the Soviet Union, and the United States. The population density was 241 persons to the square kilometre.

The population of the largest cities was: Tokio, 6,966,499 (an increase of 1,581,428, or 28 per cent, since 1950); Osaka, 2,547,321; Nagoya, 1,336,779; Kyoto, 1,204,017; Yokohama, 1,143,287.—(Japanese Embassy, London) **(Prev. rep. 13879 A.)**

C. NEPAL. — New Ambassador to Britain, France and the United States.

It was announced in Khatmandu on Jan. 1 that Sri Ram Prasad Manandhar (41) had been appointed Nepalese Ambassador to the United Kingdom, and concurrently to France and the United States. The new Ambassador, formerly a professor of English at Khatmandu College, had been Counsellor at the Nepalese Embassy in London from 1949 to 1952, when he became secretary to the Nepalese Foreign Ministry.

(Times - Manchester Guardian) **(Prev. rep. 13587 A.)**

D. SOUTH AFRICA. — Diamond Sales in 1955.

Sales of diamonds in 1955 effected through the Central Selling Organization on behalf of South African and other producers reached the record figure of £74,288,695, of which £50,253,946 was from the sale of gems and £24,084,749 from the sale of industrial diamonds.—(Times - Financial Times)

(Prev. rep. 14009 F.)

E. UNITED KINGDOM. — December Gold and Dollar Deficit. - Gold and Dollar Reserves at End of 1955.

The sterling area had a gold and dollar deficit in December, 1955, of $163,000,000 after taking account of the receipt of $5,000,000 in U.S. defence aid and the payment of (*a*) $188,000,000 as service of the U.S. and Canadian loans, the U.S. Lend-Lease settlement, and the Marshall Aid loans, (*b*) $7,000,000 to the E.P.U. in respect of transactions in November, and (*c*) $2,000,000 to creditors of the Union in bilateral settlements. As a result of the December deficit, the sterling area's gold and dollar reserves fell to $2,120,000,000 on Dec. 31. This was the lowest figure since February 1953, and compared with $2,762,000,000 on Dec. 31, 1954.

The monthly gold and dollar movements in 1955 are shown in the following table:

	Gold Payments to (−) or Receipts from (+)					
	E P.U *	Other Countries†	Total	U.S Aid	Change in Reserves	Reserves at end of Month
			($ million)			
January	− 10	− 2	− 12	+ 13	+ 1	2,763
February	+ 6	−103	− 97	+ 15	− 82	2,681
March	+ 3	− 38	− 35	+ 21	− 14	2,667
April	+ 13	− 11	+ 2	+ 17	+ 19	2,686
May	+ 31	− 49	− 18	+ 18	—	2,686
June	+ 12	− 28	− 16	+ 10	− 6	2,680
July	− 10	−142	−152	+ 16	−136	2,544
August	− 36	− 55	− 91	+ 4	− 87	2,457
September	− 59	− 55	−114	+ 2	−112	2,345
October	− 80	+ 29	− 51	+ 3	− 48	2,297
November	− 32	+ 16	− 16	+ 2	− 14	2,283
December	− 7	−161‡	−168	+ 5	−163	2,120
Year 1955	−169	−599	−768	+126§	−642	—

* Gold payments to or receipts from the E P U in each month as a result of operations in the preceding month. † Including $2,000,000 in each of the 12 months to creditors of the E P U. under bilateral settlements ‡ Including $188,000,000 in special payments (see above and 14624 B) § Only $114,000,000 actually received, the balance of $12,000,000 going to repay a commercial dollar loan against which Britain had bought U S tobacco.

As shown in the table, there was an improvement in the reserves position in the last quarter of the year, if the debt payments, U S. aid, and E P U. payments were excluded On this basis the residual gold and dollar balance (i e with the rest of the world outside the E P U. area) showed surpluses of $31,000,000, $18,000,000, and $29,000,000 in October, November and December respectively, the final quarter being the only one of the year to show surpluses calculated on this basis

Provisional figures for the E.P.U. December settlement showed that the U.K. had a deficit of $30,800,000 (£11,000,000), which would be settled in January three-quarters in gold or dollars and one-quarter by an increase in the U.K. debt to the Union.—(Treasury Press Office - Financial Times)

(Prev. rep. 14599 A; 13973 B.)

F. BRAZIL. — Asylum for Chinese and Korean ex-Prisoners of War in Indian Custody.

It was announced in New Delhi on Dec. 1 that the Brazilian Government had offered to admit all the remaining Chinese and North Korean ex-prisoners of war (62 in number) who were being given temporary asylum in India. The men concerned were the last of a group of 88 P.O.W.s who had refused repatriation to their homelands and who had been placed in the temporary custody of the Government of India. The Brazilian Ambassador in New Delhi (Senhor Ildefonso Falcao) paid a visit on Nov. 30 to the camp in which the men were lodged, and informed them that Brazil was willing to admit them as immigrants and to give them the necessary vocational training for rehabilitation. The ex-P.O.W.s expressed their gratitude to the Brazilian Government, and also to the Indian Government for having given them temporary asylum since the end of the Korean War.—(The Statesman, Calcutta - Indian High Commissioner's Office, London) **(Prev. rep. 13874 A.)**

Note. A request to the U N General Assembly to be relieved of the burden of maintaining the ex-prisoners of war had been made by the Government of India before the opening of the Assembly's tenth session—see page 14463, last paragraph of second column.

G. RUMANIA. — Further Price Reductions.

A decree issued in Bucharest on Dec. 3, 1955, provided for price reductions varying from 5 to 25 per cent for a number of consumer goods, including ready-made men's and women's wear, furniture, sewing machines, bicycles, watches, cameras, china and earthenware, household utensils, toys, hats, books, medicines, soap, and kerosene.—(Agerpres, Bucharest)

(Prev. rep. 14296 B.)

A. MIDDLE EAST. — U.S. Oil Prospecting Concessions in Yemen and Libya. - Revised Royalties Agreement between Syria and Iraq Petroleum Company. - Opening of Iraq's first Government-owned Refinery.

Recent developments in connexion with the exploitation of oil deposits in the Middle East are summarized below under cross-headings:

Yemen.

The Yemen Development Corporation of Washington, a privately-owned U.S. concern, announced on Nov. 22, 1955, that it had signed a 30-year agreement for exclusive oil and mineral exploration and development rights in the Yemen. The agreement covered about two-thirds of the Yemen, an area of some 40,000 square miles, but excluded the narrow coastal strip. All net profits will be divided equally between the Corporation and the Yemeni Government, but if commercial quantities of petroleum or minerals are not found within six years the agreement can be voided. This oil concession was the first to be granted in the history of the Yemen.

Libya.

Four U.S. oil companies announced on Dec. 6 that they had been granted oil exploration concessions by the Government of Libya, affecting a total of 35,000,000 acres. Three concessions —to subsidiaries of the Amerada Petroleum Corporation, the Ohio Oil Company, and the Continental Oil Company— concerned districts along the coast and inland from the Mediterranean, whilst the Standard Oil Company of New Jersey announced that it had obtained a concession covering about 5,135,000 acres in the Fezzan, and was awaiting further concessions.

Syria.

It was announced on Nov. 28 that a new agreement had been reached between the Iraq Petroleum Company and the Syrian Government on the royalties which the company should pay on its pipelines across Syria from Iraq to the Mediterranean port of Banias.

Calculated on an expected throughput of 26,000,000 tons in 1956, and designed to give Syria 50 per cent of the profits on the pipeline and terminal operations, the new payments will amount to about £6,500,000 (rising as the flow of oil increased), compared with about £2,000,000 a year under the old agreement. In addition, the company agreed to pay £8,500,000 sterling in settlement of all outstanding claims—largely for royalties on shipments during the past few years, when payments had been suspended during negotiations. It was disclosed on Dec. 11 that Syria had asked the American-owned trans-Arabian pipeline company, Tapline, to start negotiations for the revision of its oil agreement with Syria

On Jan. 9, 1956, the Syrian Government decided to invite international tenders for the construction of an oil refinery with a capacity of 750,000 tons, thereby giving other countries and private concerns a chance to outbid a recent offer made by the Soviet Union. On the same date the Syrian Cabinet approved a proposal (already approved by Lebanon and Iraq) to divert the Iraq Petroleum Company's Kirkuk-Haifa pipeline, closed since 1948 as a result of the economic blockade of Israel by the Arab countries, to the Lebanese port of Sidon.

Iraq.

Iraq's first Government-owned oil refinery, at Daura on the River Tigris, three miles south of Baghdad, was formally opened by King Feisal on Nov. 28, 1955. Built at a cost of over £11,000,000, the refinery has an estimated capacity of over 24,000 barrels of crude oil a day.—(Times - Financial Times - Economist - New York Times - Le Monde, Paris)

(Prev. rep. 14163 B; 12662 A.)

B. HUNGARY. — Changes in Cabinet and Communist Party Secretariat.

It was announced in Budapest on Nov. 18, 1955, that the central committee of the Hungarian Workers' (Communist) Party, at a meeting held on Nov. 9-12, had recommended (*a*) that Dr. Ferenc Erdei, the Minister of Agriculture, be appointed a Deputy-Premier, and (*b*) that M. Janos Matolcsi, hitherto one of the secretaries of the central committee, should succeed Dr. Erdei as Minister of Agriculture.

The central committee also appointed two new Secretaries (M. Istvan Kovacs, a member of its politburo, and M. Gyula Egri, First Deputy Minister of the Interior), bringing the total number of Secretaries to six: M. Rakosi (the First Secretary), M. Lajos Acs, M Bela Szalai, M. Bela Veg, M. Kovacs and M. Egri. M. Kovacs and M. Szalai had taken a prominent part in the governmental and party changes which led to the appointment of M. Imre Nagy as Prime Minister, both being considered as belonging to the right-wing of the Hungarian Workers' Party,

The ministerial changes were approved by the National Assembly on Nov. 15. On the same date it was announced that M. Imre Nagy, the former Prime Minister, had been deprived of his seat in the National Assembly.—(Neue Zürcher Zeitung - Hungarian Review, Budapest)

(Prev. rep. 14405 D.)

C. CANADA. — Mr. Lester Pearson's Visit to Soviet Union and Asian Countries.

The Canadian Secretary of State for External Affairs, Mr. Lester Pearson, left Ottawa on Sept. 30 for a six-week tour of foreign countries, and after brief visits to London and Paris arrived in Moscow on Oct. 5. During a week's stay in the Soviet Union (Oct. 5-12) Mr. Pearson had discussions with M. Molotov (Soviet Foreign Minister), M. Kabanov (Minister of Foreign Trade), M Kafanov (acting Minister of Culture), and MM. Kaganovich and Malenkov (Deputy Premiers); visited Leningrad; and subsequently had discussions in the Crimea with Marshal Bulganin and M. Khrushchov, who were on holiday there at the time.

A communiqué on the talks between Mr Pearson and the Soviet Ministers, issued in Moscow on Oct. 12, said that the exchange of views had led to "a clearer understanding of the points of view of the two sides" which would help to improve relations between Canada and the U.S.S.R. The possibility of concluding a Soviet-Canadian trade agreement on "most-favoured-nation" terms had been considered, and "a considerable degree of agreement" had been reached in principle on an early continuation in Ottawa of the talks started in Moscow, which, it was hoped, would "yield positive results to the advantage of both sides."

It had been agreed that distrust and misunderstanding could to a certain degree be eliminated by an increasing number of both official and non-official visits, and that every effort should be made to remove obstacles to freer exchange of information and opinions and to expand as far as possible co-operation between the two countries in the spheres of culture, science and engineering Accordingly, it had been arranged to consider measures of co-operation in industry, transport services, and agriculture, and also in the exchange of scientific information on scientific research work in the Arctic It had also been agreed that reciprocal visits of parliamentary delegations would promote better understanding between Canada and the Soviet Union, and strengthen the ties between them.

Finally, the communiqué said that "the different approach of their Governments to political and economic problems should not be an obstacle to co-operation in many practical questions on a basis of mutual interest and the desire to promote the cause of peace and good neighbourly relations." Such co-operation should be based "on the principle of non-interference of each country in the internal affairs of the other, and should be inspired by a desire on both sides to work jointly for the establishment of world peace"

Mr. Pearson flew from Moscow to Singapore for the annual meeting of the Consultative Committee for Co-operative Economic Development in South-East Asia (the Colombo Plan) which was held on Oct. 17-21, and subsequently visited Malaya before going to India. On Nov. 1 he formally inaugurated the Canada Dam in Bihar State (see 14509 E), and on Nov. 3-5 had discussions in New Delhi with Mr. Nehru.

At a press conference on Nov. 5 Mr. Pearson announced that Canada would contribute $100,000 for the relief of flood victims in India and Pakistan, and gave details of three new Canadian projects for India under the Colombo Plan, the cost of which would be met partly out of the unappropriated balances of last year's funds and partly from new appropriations Canada, he said, would give India diesel generating sets worth $3,000,000 for supplying power to rural areas, would carry out an aerial magnetometer survey of mineral resources, particularly petroleum, in Rajasthan, and would supply two Canadian aircraft to be used for controlling crop pests.

Addressing the Indian Council of World Affairs on the same day, Mr. Pearson said that the Commonwealth had been strengthened "immeasurably" by the inclusion of three Asian members, India, Pakistan, and Ceylon, which permitted it to act as a bridge between Asia and the West at a time when there were "all too few bridges of this kind" It was a matter of great satisfaction to Canadians that they had been able, under the Colombo Plan, "to give some assistance to India, which has chosen to work out her economic destiny by democratic means."

On Nov. 6 Mr. Pearson left Delhi for West Pakistan, where he visited Karachi, Lahore, and Peshawar, as well as the Warsak development project (see page 12953, first column), the biggest single undertaking financed by Canada under the Colombo Plan. While in Karachi he had talks with Chaudri Mohammad Ali and Mr. Hamidul Haq Choudhury (the Pakistani Prime Minister and Foreign Minister) and other Government leaders, and on Nov. 9 signed a revised agreement providing for increased Canadian participation in the Warsak project. Under this agreement Canada agreed to provide the services of a general contractor to build the dam, power house, and related works, as well as to provide equipment, building materials, and design and supervisory services.

Mr. Pearson left Karachi on Nov. 10 for Cairo, where he had talks with the Egyptian Prime Minister (Colonel Nasser) and the Foreign Minister (Dr. Mahmoud Fawzi), as well as with General Burns (a Canadian), the head of the U.N. Truce Supervisory Organization in Palestine. He indicated while in Cairo that he was not going to Israel as the Israeli Foreign Minister (then Mr. Sharett) was out of the country at the time. Mr. Pearson arrived back in Ottawa on Nov. 15 after a brief visit to London.—(Montreal Star - The Statesman, Calcutta - The Hindu, Madras - Pakistan High Commissioner's Office, London)

A. UNITED KINGDOM. — Civil Aviation. - B.E.A. Report for 1954-55. - First Net Profit. - Resignation of Mr. Peter Masefield as Chief Executive.

The report and accounts of the British European Airways Corporation for the year ended March 31, 1955, were published on Aug. 24. They showed that the Corporation's gross revenue amounted to £17,141,314 (compared with £14,773,170 in 1953-54) and total expenditure to £17,078,275 (£16,546,967), resulting in a net profit of £63,039. This net profit, which was the first achieved by the Corporation in the eight years of its existence, and which compared with a loss of £1,773,797 in 1953-54, was obtained after (*a*) setting aside £1,515,725 for amortization of aircraft and depreciation of assets, (*b*) charging £653,697 for interest and other charges on the Corporation's total capital of £18,400,000, and (*c*) paying £387,294 in fuel tax.

The report stressed that these "encouraging results" had been obtained "during a year in which both operating costs and fares were reduced to the lowest point in the Corporation's history," and reflected a "substantial rise in revenue" and "comparatively small increase in expenditure." After expressing special satisfaction at "the achievement of a profitable state over the short-haul pattern of the B.E.A.'s route network," which presented "a continuous challenge to management and staff alike," it went on: "The margins are still small and there can be no relaxation of effort. But the Board of the B.E.A. believes that the Corporation has now reached a sound and stable situation in which concentration can be made on a still further improvement in service to the travelling public while maintaining and enhancing the profitable state."

Other points from the report are summarized below:

Traffic Revenue. This amounted to £16,594,461 (£14,256,091) in 1953-54), made up as follows passengers £14,203,085 (£12,006,905), mail £1,249,727 (£1,130,337), freight £1,047,232 (£1,038,112); charters £94,417 (£80,737). Of the total revenue from scheduled services, £12,941,461 (78 4 per cent) was contributed by the international and £3,558,575 (21 6 per cent) by the domestic services.

The average revenue rate for all services had decreased from 63 8d. per load ton-mile in 1953-54 to 62 6d. in 1954-55 On the BEA's international routes it had dropped by 3 1 per cent, mainly owing to the extension on these routes of night services at lower fares; night services, however, had made "a useful contribution to improvements in aircraft utilization and towards an increase of capacity in the summer peak" On domestic services the average revenue rate per ton-mile had increased by 1.9 per cent.

Operating Expenditure. This amounted to £16,589,000, compared with £15,975,721 in 1953-54. The report stressed that "a most important factor in the improved financial result" had been the "significant reduction in specific operating costs," the total "cost of production" per capacity ton-mile having been reduced by 12.2 per cent to 41 7d.

Traffic. During 1954-55 traffic on the Corporation's international services increased by 19 5 per cent to 47,826,475 load ton-miles, and traffic on the domestic services by 16.5 per cent to 15,820,427 load ton-miles.

The number of passengers carried increased from 1,656,779 in 1953-54 to 1,874,316 in 1954-55, revenue passenger-miles from 480,065,449 to 577,077,730, and the passenger load factor from 66 3 to 68 4 per cent. For the first time in any year BEA carried over 1 000,000 passengers on its international services alone—the second highest international total of any airline in the world The largest number of passengers (235,430) were carried on the London-Paris route, followed by London-Jersey (126,189), London-Glasgow (92,347), London-Belfast (77,887), and Berlin-Hanover (72,799). The report stated that in 1954-55 the seasonal problem in passenger traffic had been "somewhat less acute" owing to an "encouraging increase" in winter traffic, which had grown by about 22 per cent, compared with only 19 per cent in the six summer months.

Cargo carried increased from 14,559 tons in 1953-54 to 14,884 tons in 1954-55, and freight ton-miles from 5,556,773 to 5,728,479. Although 72 per cent of BEA freight traffic in 1954-55 had been carried on passenger services (compared with 57 per cent in 1953-54) the Corporation continued to operate with *Pionair-Leopard* aircraft a network of all-cargo services to cater for regular heavy loads and consignments which were unsuitable for carriage in passenger aircraft. The report pointed out that the increase of only 3 per cent in freight traffic, though "disappointing," corresponded to "the general increase in freight traffic in Europe," but stated that further measures to expand the total freight market had been put in hand, including wider market research, special commodity rates, and simplified procedures.

Mail carried increased from 6,582 tons in 1953-54 to 6,964 tons, and mail ton-miles from 2,601,317 to 2,918,889, an increase of 12 2 per cent, compared with only 2.4 per cent in the previous year. Negotiations were proceeding for the carriage of additional mail which should help to maintain the growth in 1955-56.

Load Factor and Costs. The revenue load factor increased from 64 1 per cent in 1953-54 to 64.7 per cent in 1954-55. The load factor required to cover expenditure fell from 71.8 per cent to 64.5 per cent; the Corporation's operations consequently resulted in a profit, instead of in a loss as in 1953-54.

Fares Policy. The report stressed that much of the traffic increase in 1954-55 resulted from the introduction of tourist fares in 1953, which had "gone some way towards expanding the scope of air transport from a semi-luxury business to a major industry." Many fares on domestic routes had been increased during the year by 5-10 per cent, but the general level of domestic fares remained about 25 per cent below the level on international routes.

Route Mileage. During 1954-55 route mileage increased from 18,231 miles to 21,190 miles

Aircraft Fleet. During the year this was reduced from 112 to 99, of six types. The principal services were maintained with Vickers *Viscounts* and de Havilland *Elizabethans*, but extensive use (mainly on domestic routes) was also made of Douglas *Pionairs*.

The *Viking* fleet, which had been the mainstay of BEA services for seven years, was withdrawn from service during the year BEA *Vikings* had flown 54,500,000 miles, carried nearly 3,000,000 passengers, and earned £35,000,000.

Airports. From Oct. 31, 1954, when Northolt Airport was closed to civil flying (see 13760 C), all BEA operations in London were concentrated at London Airport. The report recalled that since the operation of the first scheduled BEA service from Northolt on Sept. 1, 1946, that airport had handled about 2,000,000 BEA passengers to and from the Continent and 1,000,000 to and from the Channel Islands It added that the BEA now served 25 airports in the U.K. and 42 overseas

Helicopter Experimental Unit. The first scheduled passenger service with a British helicopter (the *Bristol* 171) was started on June 15 between London Airport and Eastleigh airport (Southampton). During the summer months the service (twice daily) carried 700 passengers and achieved a 96 per cent regularity In November, 1954, the first of three *Westland-Sikorskys*, seating eight passengers, was added to the fleet, this being the largest helicopter type yet operated by British European Airways,

The BEA helicopter service between the South Bank (London) and London Airport (see 13880 A) was inaugurated on July 25 with eight services daily, the single fare being fixed at 35s

Staff. At March 31, 1955 staff numbered 9,117, against 8,992 at March 31, 1954 Productivity (measured in capacity ton-miles produced per employee) increased during the year by 16 3 per cent.

Future Plans The report stated that although in 1956, as in 1955, the Corporation would be short of aircraft, the position should begin to improve by the end of 1956, when first deliveries were expected of the *Viscount-Major* V 802, which had been designed to BEA requirements and of which 22 had been ordered Plans were also well advanced for a larger, faster, and more economic successor to the *Viscount*, and for a replacement of the DC-3 *Pionair* on the shorter low-density routes [i.e. those in Scotland] In this connexion it was stressed that the Corporation regarded the development of domestic routes as of "the highest importance, both socially and economically," and had planned further improvements

The Bristol Aeroplane Company and BEA announced jointly on Sept. 4, 1955, that Mr. Peter G. Masefield, who had been chief executive of BEA since 1949, would leave the Corporation in November to become (as from Jan. 1, 1956) managing director of a new subsidiary of the Bristol Aeroplane Co., which would be known as Bristol Aircraft Ltd. and would take over the operations of the parent company's aircraft division. On Nov. 1 it was announced that Lord Douglas of Kirtleside, chairman of BEA, would temporarily combine that office with the post of chief executive.

Mr. Boyd-Carpenter (Minister of Transport and Civil Aviation) announced on Nov. 28 that an agreement had been signed between BEA and the Soviet airline (*Aeroflot*) under which each would sell through tickets to any points on the routes operated by the other. BEA planned to extend their Scandinavian services to Helsinki, and it would then be possible for passengers to make connexions between BEA and *Aeroflot* services at Helsinki, Vienna, and possibly Berlin. The exchange of rights to operate through services between London and Moscow had also been discussed between Government representatives, but the Soviet authorities were not yet able to contemplate the operation of such services. (BEA Report and Accounts - Times - Daily Telegraph - Financial Times)

(Prev. rep. B.E.A. Report for 1953-54, 13880 C; Mr. Peter Masefield, 10305 B.)

B. YUGOSLAVIA - SOVIET UNION. — Co-operation in Nuclear Research and Peaceful Uses of Atomic Energy.

It was officially announced in Belgrade on Jan. 3 that, following negotiations by a Yugoslav delegation in Moscow, a draft agreement had been approved providing for co-operation between the U.S.S.R. and Yugoslavia in nuclear research and the peaceful uses of atomic energy. The agreement covered the exchange of experts, Soviet aid for the building of an experimental reactor in Yugoslavia, and deliveries of nuclear materials by the U.S.S.R. to Yugoslavia. It implemented the decision on mutual co-operation in the field of atomic energy which was taken by President Tito, Marshal Bulganin, and M. Khrushchov during the Soviet leaders' visit to Yugoslavia in 1955.—(Tanjug Agency, Belgrade)

(Prev. rep. 14412 A; 14265 A.)

A. SHIPPING. — World Tonnage and Construction Figures. - New Tanker Orders. - Israeli Transatlantic Shipping Line. - New Transatlantic Liner to be built for Holland-America Line.

Statistical tables published by Lloyd's Register of Shipping on Dec. 31 gave the total of world shipping at June 30, 1955, as 100,569,000 gross tons, compared with 97,422,000 gross tons at June 30, 1954—this being the first time that the world's merchant fleets had together exceeded 100,000,000 gross tons. The sizes of the principal national fleets (excluding ships under 100 tons, sailing vessels, and barges) at June 30, 1955, are shown in the following table.

	1955	1954
United States*	26,423,000	27,344,000
United Kingdom	19,537,000	19,014,000
Norway	7,249,000	6,805,000
Liberia	3,997,000	2,381,000
Panama	3,923,000	4,091,000
France	3,922,000	3,841,000
Italy	3,911,000	3,798,000
Japan	3,735,000	3,578,000
Netherlands	3,696,000	3,443,000
Sweden	2,807,000	2,701,000
Germany (Western)	2,653,000	2,226,000
U.S.S.R.	2,506,000	2,371,000
Denmark	1,652,000	1,614,000
Canada	1,521,000	1,610,000
Spain	1,383,000	1,309,000
Greece	1,245,000	1,176,000
Argentina	1,043,000	1,057,000
Brazil	893,000	899,000
Finland	731,000	665,000
Honduras	432,000	439,000
Costa Rica	341,000	201,000

* Including reserve fleet, estimated at 14,000,000 tons at June 30, 1955, and June 30, 1954.

It was pointed out that the Liberian fleet was now the fourth largest in the world, and that the Liberian flag had become "the foremost of the flags of convenience" (i.e. flags under which shipowners in certain other countries register their ships for economic, taxation, or other reasons).

Of the total world tonnage, the largest group again consisted of ships of 6,000 - 8,000 tons, but a large proportion of these (including the U.S Reserve Fleet) were not in commission By far the greatest amount of tonnage built since 1950, however, was of 10,000-15,000 tons, 85 per cent of ships of this size, and also of ships between 15,000 and 20,000 tons, were oil tankers Of the principal maritime powers, Western Germany had the largest proportion of modern tonnage, with 57 per cent of her ships under five years old, followed by Norway (37 per cent) and the United Kingdom (about 21 per cent).

The world tanker fleet at June 30, 1955, totalled about 26,455,000 gross tons, or about 26 per cent of all ships, compared with 25 per cent at June 30, 1954. The largest tanker fleets were owned by the United Kingdom (5,261,000 tons) the U.S.A. (4,321,000 tons), Liberia (2,356,000 tons), and Panama (2,134,000 tons).

Of world tonnage of all types, 34.5 per cent were motorships and 56.2 per cent oil-burning steamers, making a total of 90.7 per cent using oil fuel.

Lloyd's Register returns of merchant shipbuilding for the third quarter of 1955 gave the gross tonnage under construction throughout the world (excluding the U.S.S.R., Poland, and China, as well as all vessels under 100 tons, barges, etc.) as 6,285,699 tons, of which 34.16 per cent was building in the United Kingdom and 65,84 per cent elsewhere.

Ships building in Great Britain and Northern Ireland numbered 346 of 2,147,054 tons (steamers 1,231,360 tons, motorships 615,697 tons), including 2 steamers of over 30,000 tons, 2 of 25,000 - 30,000 tons, 23 of 20,000-25,000 tons, and 10 steamers and 3 motorships of 15,000-20,000 tons. Of the total, 248 ships (1,390,771 tons) were building for Great Britain and N. Ireland, 27 (50,662 tons) for other British Commonwealth countries, 22 (294,585 tons) for Norway, 10 (145,920 tons) for Liberia, 8 (85,170 tons) for Panama, 2 (42,500 tons) for the U.S.A., 4 (30,900 tons) for Greece, 2 (24,000 tons) for Sweden, 3 (20,100 tons) for the Irish Republic, 2 (13,000 tons) for Honduras, 4 (4,725 tons) for the U.S.S.R. 1 (4,000 tons) for France, 2 (1,744 tons) for Brazil, 5 small vessels for Burma, and 3 (14,980 tons) for unspecified countries. Principal shipbuilding centres were the Clyde (101 ships of 634,277 tons), the Tyne (34 ships of 390,044 tons), Sunderland (33 ships of 253,040 tons), the Tees (21 ships of 250,544 tons), Belfast (21 ships of 240,140 tons), Liverpool (17 ships of 142,143 tons), and Barrow (4 ships of 86,412 tons).

Ships building abroad numbered 1,033 of 4,138,642 tons (steamers 1,632,892 tons, motorships 2,505,750 tons), divided as follows: Germany 256 (713,838 tons), the Netherlands 146 (579,002 tons), Japan 66 (573,871 tons), France 65 (465,339 tons), Italy 104 (452,162 tons), Sweden 71 (376,395 tons), Norway 61 (240,559 tons), Spain 63 (158,009 tons), Denmark 29 (110,273 tons), Belgium 26 (106,326 tons), British Commonwealth countries 46 (100,870 tons), Finland 43 (83,302 tons), Yugoslavia 17 (81,260 tons), U.S.A 12 (69,100 tons), Portugal 7 (14,799 tons), Turkey 10 (9,360 tons), Indonesia 9 (3,477 tons), Irish Republic 1 (2,000 tons), Iceland 1 (200 tons) The total included 2 steamers of over 30,000 tons in France, 3 steamers of 25,000-30,000 tons in Japan and one motorship of this size in the Netherlands, and 10 steamers of 20,000-25,000 tons in Japan, 7 in France, 5 in the Netherlands, 2 each in the U S A and Germany, 2 steamers and 1 motorship of this size in Italy, 1 steamer and 1 motorship in Sweden, and 1 motorship in Norway

Tankers of over 1,000 gross tons building throughout the world numbered 225 of 2,782,998 tons, including 79 (993,969 tons) in the U.K., 17 (330,481 tons) in Japan, 15 (309,295 tons) in France, 21 (285,797 tons) in the Netherlands, 16 (200,844 tons) in Sweden, 20 (164,549 tons) in Italy, 16 (147,394 tons) in Norway, and 20 (164,549 tons) in Germany.

Further tanker orders placed by British oil companies during recent months included · (1) seven tankers (four of 32,000 deadweight tons and three of 15,000 tons) ordered from British shipbuilders by the Eagle Oil and Shipping Co on Oct 14 at a cost of £12,000,000, (2) nine tankers (three of 32,000 tons and six of 15,000 tons) ordered by the Shell Petroleum Co on Oct 13, all from German yards except for one 32,000-tonner to be built in the U K.; (3) 23 tankers of 32,000-42,000 tons ordered by the British Petroleum Co on Oct 24 at a total cost of £52,000,000. Fourteen of these latter vessels will be built in the U K and 6 in Italy, the British Petroleum Co explaining that the "compelling reason" which had led it to order tankers abroad for the first time in its history was the absence of enough suitable berths in British yards to enable sufficiently early delivery to be given

Ships launched during the quarter included the Cunarder *Carinthia*, the third of four 22,000-ton ships for the line's Canadian service (John Brown and Co., Clydebank), and the *Spyros Niarchos* (47,750 deadweight tons), the largest tanker in the world and the largest merchant ship built in Britain since the war (Vickers-Armstrong, Barrow-on-Furness).

The maiden voyage took place in October of the Zim Navigation Co.'s passenger and cargo liner *Israel* (10,000 tons), one of 12 ships delivered to Israel from German shipyards under the Israeli-German reparations agreement (see 12621 A). She will be employed on the Haifa-New York route together with a sister ship, the *Zion*, still under construction.

It was stated in the Press that the Zim Navigation Co., which had been founded under the British mandate in 1945 by the Jewish Agency, the Jewish Trade Union Confederation, and the Jewish Maritime League, now owned 22 ships totalling 55,000 tons, and had carried over 30,000 passengers and 745,000 tons of cargo in 1954.

The Holland-America Line announced on Oct. 27 that it had placed an order with Rotterdam shipbuilders for a new passenger liner for its New York service. The new ship, to be named *Rotterdam* and to be delivered by 1959-60, would be of about the same size as the *Nieuw Amsterdam* (36,667 gross tons, 21½ knots) but would be slightly faster. Only half of her estimated cost of 100,000,000 guilders (about £9,500,000) would be borne by the Holland-America Line, and the remainder would be advanced by the Netherlands Recovery Bank.
(Lloyd's List and Shipping Gazette - Times - New York Herald Tribune - Algemeen Handelsblad, Amsterdam) **(Prev. rep. World Tonnage, 14065 A; World Construction Figures, 14443 A.)**

B. ITALY - WESTERN GERMANY. — Agreement on Employment of Italian Workers in Western Germany.

The Italian Foreign Minister, Signor Martino, and the German Federal Minister of Labour, Herr Storch, signed an agreement in Rome on Dec. 20 providing for the large-scale employment of Italian workers in Western Germany.

The agreement, which covered only those persons recruited at the request of the German Federal Government, laid down that Italian workers in Western Germany would receive the same pay, family allowances, and other social security benefits as were enjoyed by German workers. It established a special mixed German-Italian commission, with headquarters in Milan, to examine and regulate all matters concerning the working conditions of Italian workers recruited for work in Germany, including their employment contracts. This commission would allocate jobs to Italians looking for employment in Germany according to the labour shortages prevailing in various branches of German industry, and the workers would be chosen from the following spheres, in order of numerical importance · agriculture, building, and mechanical industries.

It was stated that Italians would not work for the time being in German coal mines, but might be accepted for such work later if they knew the German language sufficiently well to understand orders and safety regulations. The first Italian workers would not be recruited until March—i.e., after the end of the winter season with its usual "swing" towards greater unemployment. The total number of Italian workers that might be recruited under the agreement was unofficially estimated at 80,000 to 100,000; they will be guaranteed employment for a maximum period of nine months.

It was stated in Bonn that the recruitment of foreign workers was expected to counteract the anticipated labour shortage resulting from the diversion of labour to rearmament.
(Frankfurter Allgemeine Zeitung - Corriere della Sera, Milan)

A. UNITED STATES. — President Eisenhower's State of the Union Message.

The President's annual State of the Union message was read to a joint session of the 84th Congress on Jan. 5 by a clerk of the House, President Eisenhower being unable to deliver the message personally as he was at Key West, Florida, convalescing from his recent heart attack. The principal proposals and recommendations were as follows:

(1) Congressional approval of U.S. membership of the proposed Organization for Trade Co-operation.

(2) The approval by Congress of limited authority to make long-term commitments for assistance to overseas development projects.

(3) A substantial increase in funds for the U.S. Information Agency.

(4) Revision of the McCarran-Walter Immigration Act to make it more liberal and more flexible.

(5) "Strengthened" Federal civil defence assistance to States and cities.

(6) Extension of the Defence Production Act.

(7) Continuation of present levels of taxation.

(8) A further attack on the problem of agricultural surpluses.

(9) A new programme of Federal assistance to depressed areas.

(10) A five-year programme of Federal assistance for school-building.

(11) Extension of old age and survivors' insurance programmes and other social security measures.

(12) A "substantial" increase in Federal aid for medical research.

(13) Amendment of the Taft-Hartley [Labour-Management Relations] Act and an extension of coverage of the minimum wage law.

(14) Authorization for the construction of 35,000 public housing units in each of the next two years.

(15) Salary increases for Civil Servants at the executive level.

(16) The creation of a commission to examine allegations that Negroes in some States were being prevented from voting.

(17) The granting of Statehood to Hawaii, "progress" towards Statehood for Alaska, and the extension of voting rights to the District of Columbia [the Federal capital].

A summary of the President's message is given below.

Introduction. ". . . In the past three years . there has been broad progress in fostering the energies of our people, in providing greater opportunity for the satisfaction of their needs, and in fulfilling their demands for the strength and security of the Republic. Our country is at peace. Our security posture commands respect A spiritual vigour marks our national life. Our economy, approaching the 400,000,000,000 dollar mark, is at an unparalleled level of prosperity. The national income is more widely and fairly distributed than ever before. The number of Americans at work has reached an all-time high. As a people, we are achieving ever higher standards of living —earning more, producing more, consuming more, building more, and investing more than ever before. Virtually all sectors of our society are sharing in these good times Our farm families, if we act wisely, imaginatively, and promptly to strengthen our present farm programmes, can also look forward to sharing equitably in the prosperity they have helped to create

War in Korea ended 2½ years ago. The collective security system has been powerfully strengthened. Our defences have been reinforced at sharply reduced costs. Programmes to expand world trade and to harness the atom for the betterment of mankind have been carried forward. Our economy has been freed from governmental wage and price controls. Inflation has been halted, the cost of living stabilized. Government spending has been cut by more than $10,000,000,000. Nearly 300,000 positions have been eliminated from the Federal payroll Taxes have been substantially reduced. A balanced Budget is in prospect. Social security has been extended to 10,000,000 more Americans and unemployment insurance to 4,000,000 more. Unprecedented advances in civil rights have been made. The long-standing and deep-seated problems of agriculture have been forthrightly attacked . .

Many measures of great national importance recommended last year to Congress still demand immediate attention . Many new items of business require our attention But our responsibilities require that we approach this year's business with a sober humility. A heedless pride in our present strength and position would blind us to the facts of the past, to the pitfalls of the future. We must walk ever in the knowledge that we are enriched by a heritage earned in the labour and sacrifice of our forbears; that, for our children's children, we are trustees of a great republic and a time-tested political system; that we prosper as a co-operating member of the family of nations. . . ."

Foreign Policy. " In the past year our search for a more stable and just peace has taken varied forms. Among the most important were the two conferences at Geneva, in July and in the fall of last year. We explored the possibilities of agreement on critical issues that jeopardize the peace. The July meeting of Heads of Governments held out promise to the world of moderation in the bitterness, of word and action, which tends to generate conflict and war. All were in agreement that a nuclear war would be an intolerable disaster which must not be permitted to occur. But in October, when the Foreign Ministers met again, the results demonstrated conclusively that the Soviet leaders are not yet willing to create the indispensable conditions for a secure and lasting peace.

Nevertheless, it is clear that the conflict between international Communism and freedom has taken on a new complexion. We know the Communist leaders have often practised the tactics of retreat and zigzag We know that Soviet and Chinese Communism still poses a serious threat to the Free World. And in the Middle East recent Soviet moves are hardly compatible with the reduction of international tension Yet Communist tactics against the free nations have shifted in emphasis from reliance on violence and the threat of violence to reliance on division, enticement, and duplicity. We must be well prepared to meet the current tactics which pose a dangerous though less obvious threat. At the same time our policy must be dynamic as well as flexible, designed primarily to forward the achievement of our own objectives rather than to meet each shift and change on the Communist front We must act in the firm assurance that the fruits of freedom are more attractive and desirable to mankind in the pursuit of happiness than the record of Communism.

In the face of Communist military power we must, of course, continue to maintain an effective system of collective security. This involves two things—a system which gives clear warning that armed aggression will be met by joint action of the free nations, and deterrent military power to make that warning effective. Moreover, the awesome power of the atom must be made to serve as a guardian of the free community and of the peace. In the last year, the Free World has seen major gains for the system of collective security; the accession to NATO and Western European Union of the Federal German Republic; the developing co-operation under the South-East Asia Collective Defence Treaty, and the formation in the Middle East of the Baghdad Pact between Turkey, Iraq, Persia, Pakistan, and the United Kingdom. In our own hemisphere, the inter-American system has continued to show its vitality in maintaining peace. . We now have security pacts with more than 40 other nations. . .

We have been steadfast in our support of the U N. In the release of our 15 fliers from Communist China, an essential prelude was the world opinion mobilized by the General Assembly which condemned their imprisonment and demanded their liberation. The successful Atomic Energy Conference held in Geneva under U N. auspices, and our Atoms for Peace programme, have been practical steps toward the world-wide use of this new energy source Our sponsorship of such use has benefited our relations with other countries. Active negotiations are now in progress to create an international agency to foster peaceful uses of atomic energy.

During the past year the crucial problem of disarmament has moved to the forefront of practical political endeavour At Geneva I declared the readiness of the U.S A. to exchange blueprints of the military establishments of our nation and the U S.S R., to be confirmed by reciprocal aerial reconnaissance . In the U.N Sub-committee on Disarmament last fall, this proposal was explored and the U.S A also declared itself willing to include reciprocal ground inspection of key points. By the overwhelming vote of 56 to 7, the U N on Dec. 16 endorsed these proposals and gave them a top priority Thereby the issue is placed squarely before the bar of world opinion. We shall persevere in seeking a general reduction of armaments under effective inspection and control, which are essential safeguards to ensure reciprocity and protect the security of all.

In the coming year much remains to be done. While maintaining our military deterrent, we must intensify our efforts to achieve a just peace In Asia we shall continue to give help to nations struggling to maintain their freedom against the threat of Communist coercion or subversion In Europe we shall endeavour to increase not only the military strength of the North Atlantic Alliance but also its political cohesion and unity of purpose. We shall give such assistance as is feasible to the recently renewed effort of Western European nations to achieve a greater measure of integration, such as in the field of peaceful uses of atomic energy In the Near East we shall spare no effort in seeking to promote a fair solution of the tragic dispute between the Arab States and Israel, all of whom we want as our friends. The U.S.A. is ready to do its part to assure enduring peace in that area We hope that both sides will make the contributions necessary to achieve that purpose In Latin America we shall continue to co-operate vigorously in trade and other measures designed to assist economic progress in the area.

Strong economic ties are an essential element in our free world partnership . I most earnestly request that Congress approve our membership in the Organization for Trade Co-operation (O.T C.), which would assist the carrying-out of the General Agreement on Tariffs and Trade to which we have been a party since 1948 Our membership in the O T.C. will provide the most effective and expeditious means for removing discriminations and restrictions against American exports and in making our trade agreements truly reciprocal. U S. membership in the Organization will evidence our continuing desire to co-operate in promoting an expanded trade among the free nations. . . . Being strictly an administrative entity, the O.T C. cannot, of course, alter the control by Congress of U.S. tariff, import, and customs policies.

We need to encourage investment overseas by avoiding unfair tax duplications, and to foster foreign trade by further simplification and improvement of our customs legislation.

We must sustain and fortify our mutual security programme. Because the conditions of poverty and unrest in less developed areas make their people a special target of international Communism, there is a need to help them achieve the economic growth and stability necessary to preserve their independence against Communist threats and enticements.

In order that our friends may better achieve the greater strength that is our common goal they need assurance of continuity in economic assistance for development projects and programmes . . . which require a period of years for planning and completion. Accordingly, I ask Congress to grant limited authority to make longer-term commitments for assistance to such projects, to be fulfilled from appropriations to be made in future fiscal years . . .

In much of the world the ferment of change is working strongly, but grave injustices are still uncorrected. We must not, by any sanction of ours, help to perpetuate these wrongs. I have particularly in mind the oppressive division of the German people, the bondage of millions elsewhere, and the exclusion of Japan from U N. membership. We shall keep these injustices in the forefront of human consciousness and seek to maintain the pressure of world opinion to right these vast wrongs in the interest both of justice and secure peace

Injustice thrives on ignorance Because an understanding of the truth about America is one of our most powerful forces I am recommending a substantial increase in budgetary support of the U.S. Information Agency.

The sum of our international effort should be this · the waging of peace with as much resourcefulness, with as great a sense of dedication and urgency, as we have ever mustered in defence of our country in time of war. In this effort our weapon is not force. Our weapons are the principles and ideas embodied in our historic traditions applied with the same vigour that in the past made America a living promise of freedom for all mankind. To accomplish these vital tasks all of us should be concerned with the strength, effectiveness, and morale of our State Department and Foreign Service."

Defence. " Because peace is the keystone of our national policy, our defence programme emphasizes an effective flexible type of power calculated to deter or repulse any aggression and to preserve the peace. Short of war, we have never had military strength better adapted to our needs with improved readiness for emergency use. The maintenance of this strong military capability for the indefinite future will continue to call for a large share of our national Budget. Our military programmes must meet the needs of today. To build less would expose the nation to aggression. To build excessively under the influence of fear could defeat our purposes and impair or destroy the very freedom and economic system our military defences are designed to protect.

We have improved the effectiveness and combat readiness of our forces by developing and making operational new weapons and by integrating the latest scientific developments, including new atomic weapons, into our military plans We continue to push the production of the most modern military aircraft. The development of long-range missiles has been on an accelerated basis for some time. We are moving as rapidly as practicable towards nuclear-powered aircraft and ships. Combat capability, especially in terms of fire-power, has been substantially increased. We have made the adjustments in personnel permitted by the cessation of the Korean war, the build-up of our Allies, and the introduction of new weapons. The Services are all planning realistically on a long-term basis

To strengthen our continental defences the U.S A. and Canada, in the closest co-operation, have substantially augmented early warning networks. Great progress is being made in extending surveillance of the Arctic, the Atlantic, and the Pacific approaches to North America.

. . . Much has been done to attract and hold capable military personnel, but more needs to be done This year I renew my request of last year for legislation to provide proper medical care for military dependents and a more equitable survivors' benefit programme. The Administration will prepare additional recommendations designed to achieve the same objectives, including career incentives for medical and dental officers and nurses, and increases in the proportion of regular officers.

Closely related to the mission of the Defence Department is the task of the Federal Civil Defence Administration. A particular point of relationship arises from the fact that the key to civil defence is the expanded continental defence programme, including the Distant Early Warning System. Our Federal Civil Defence authorities have made progress in their programme, and now comprehensive studies are being conducted jointly by the Federal Civil Defence Administration, the States, and critical target cities, to determine the best procedures that can be adopted in case of an atomic attack. We must strengthen Federal assistance to the States and cities in devising the most effective common defence.

We have a broad and diversified mobilization base. But mobilization base requirements change with changing technology and strategy.

We must maintain flexibility to meet new requirements. I am requesting, therefore, that the Congress once again extend the Defence Production Act.

Of great importance to our nation's security is a continuing alertness to internal subversive activity within or without our Government. This Administration will not relax its efforts to deal forthrightly and vigorously in protection of this Government and its citizens against subversion, at the same time protecting the constitutional rights of all citizens."

The Budget. " . . . We have made long strides these past three years in bringing our Federal finances under control. The deficit for the fiscal year 1953 [i.e. July 1952 - June 1953] was almost $9,500,000,000. Larger deficits seemed certain. . . . , But Government waste and extravagance were searched out. Non-essential activities were dropped. Government expenses were carefully scrutinized. Total spending was cut by $14,000,000,000 below the amount planned by the previous Administration for the fiscal year 1954. This made possible . the largest tax cut in any year in our history. Almost $7,500,000,000 were released, and every taxpayer in the country benefited Almost two-thirds of the savings went directly to individuals This tax cut also helped to build up the economy, to make jobs in industry, and to increase the production of the many things desired to improve the scale of living for the great majority of Americans.

The strong expansion of the economy, coupled with a constant care for efficiency in Government operations, and an alert guard against waste and duplication, has brought us to a prospective balance between income and expenditure This is being done while we continue to strengthen our military security.

I expect the Budget to be in balance during the fiscal year ending June 30, 1956 I shall propose a balanced Budget for the next fiscal year ending June 30, 1957. But the balance we are seeking cannot be accomplished without the continuing everyday effort of the Executive and Legislative Branches to keep expenditures under control. It will also be necessary to continue all of the present excise taxes without any reduction, and the corporation income taxes at their present rates for another year beyond next April 1.

It is unquestionably true that our present tax level is very burdensome, and, in the interest of long-term and continuous economic growth, should be reduced when we prudently can. It is essential, in the sound management of the Government's finances, that we be mindful of our enormous national debt and of the obligation we have toward future Americans to reduce that debt whenever we can appropriately do so. Under conditions of high peace-time prosperity, such as now exist, we can never justify going further into debt to give ourselves a tax cut at the expense of our children. So, in the present state of our financial affairs, I earnestly believe that a tax cut can be deemed justifiable only when it will not unbalance the Budget—a Budget which makes provision for some reduction, even though modest, in our national debt. In this way we can best maintain fiscal integrity . . ."

Agriculture. " Our farm people are not sharing as they should in the general prosperity. They alone of all major groups have seen their incomes decline rather than rise They are caught between two millstones—rising production costs and declining prices. Such harm to a part of the national economy so vitally important to everyone is of great concern to us all No other resource is so indispensable as the land that feeds and clothes us. No group is more fundamental to our national life than our farmers

In successful prosecution of the war, the nation called for the utmost effort of its farmers. Their response was superb, their contribution unsurpassed Farmers are not now to be blamed for the mountainous, price-depressing surpluses produced in response to wartime policies and laws that were too long continued. War markets are not the markets of peace-time. Failure to recognize that basic fact by a timely adjustment of wartime legislation brought its inevitable result in peace-time—surpluses, lower prices, and lower incomes for our farmers. . . .

We are here concerned not only with our essential continuing supplies of food and fibre, but also with a way of life . . Consideration of these matters must be above and beyond politics. Our national farm policy . . . must not become a field for political warfare Too much is at stake. .

Our objective must be to help bring production into balance with existing and new markets, at prices that yield farmers a return for their work in line with what other Americans get. To reach this goal, deep-seated problems must be subjected to a stepped-up attack. There is no single easy solution Rather, there must be a many-sided assault on the stubborn problems of surpluses, prices, costs, and markets; and a steady, persistent, imaginative advance in the relationship between farmers and their Government.

In a few days, by special message, I shall lay before the Congress my detailed recommendations for new steps that should be taken promptly to speed the transition in agriculture and thus assist our farmers to achieve their fair share of the national income. . . ."

Water Conservation. " . . . I strongly recommend that action be taken at this session on such wholly Federal projects as the Colorado River Storage Project and the Frying Pan - Arkansas Project; on the John Day partnership project, and other projects which provide for co-operative action between the Federal Government and non-Federal interests; and on legislation which makes provision for Federal participation in small projects under the primary sponsorship of agencies of State and local government . . ."

Disaster Assistance. " . . . Through the past three years, the Administration has repeatedly moved into action wherever disaster struck. The extent of State participation in relief activities, however, has been far from uniform, and in many cases has been either inadequate or non-existent. Disaster assistance legislation requires overhauling, and an experimental programme of flood-damage indemnities should be undertaken. The Administration will make detailed recommendations on these subjects."

Depressed Areas. " We must help deal with the pockets of chronic unemployment that here and there mar the nation's general industrial prosperity. Economic changes in recent years have been often so rapid and far-reaching that areas committed to a single local resource or industrial activity have found themselves temporarily deprived of their markets and their livelihood. Such conditions mean severe hardship for thousands of people as the slow process of adaptation to new circumstances goes on. This process can be speeded up. . . . Recommendations will be submitted, designed to supplement with Federal technical and loan assistance local efforts to get on with the vital job. Improving such communities must, of course, remain the

primary responsibility of the people living there and of their States. But a soundly conceived Federal partnership programme can be of real assistnace to them in their efforts."

Highway Construction. "Legislation to provide a modern, inter-State highway system is even more urgent this year than last. . . . During the [past] year the number of motor vehicles has increased from 58,000,000 to 61,000,000; over 38,000 persons lost their lives in highway accidents, while the fearful toll of injuries and property damage has gone on unabated.

In my message of Feb. 22, 1955, I urged that measures be taken to complete the vital 40,000-mile inter-State system over a period of ten years at an estimated Federal cost of approximately $25,000,000,000. No programme was adopted. If we are ever to solve our mounting traffic problem, the whole inter-State system must be authorized as one project, to be completed approximately within the specified time. . . . The pressing nature of this problem must not lead us to solutions outside the bounds of sound fiscal management. . . . There must be an adequate plan of financing. To continue the drastically needed improvement in other national highway systems, I recommend the continuation of the Federal Aid Highway Programme.

Small Businesses. ". . . In this past year the steady improvement in the economic health of small business has reinforced the vitality of our competitive economy. We shall continue to help small business concerns to obtain access to adequate financing and to competent counsel on management, production, and marketing problems. Through measures already taken, opportunities for small business participation in Government procurement programmes, including military procurement, are greatly improved. The effectiveness of these measures will become increasingly apparent. We shall continue to make certain that small business has a fair opportunity to compete and has an economic environment in which it may prosper. . . ."

Postal Service. "As part of our programme of promoting efficiency in Government and getting the fiscal situation in hand, the Post Office Department in the past three years has been overhauled. Nearly 1,000 new post offices have been provided Financial practices have been modernized and transportation and operating methods are being constantly improved. A new wage and incentive plan for the 500,000 postal employees has been established. Never before has the postal system handled so much mail so quickly and so economically.

The Post Office Department faces two serious problems. First, much of its physical plant—post offices and other buildings—is obsolete and inadequate. Many new buildings and the modernization of present ones are essential if we are to have improved mail service. The second problem is the Department's fiscal plight. It now faces an annual deficit of $500,000,000. Recommendations on postal facilities and on additional postal revenues will be submitted to Congress.

Education. ". . . I urge that Congress move promptly to enact an effective programme of Federal assistance to help erase the existing deficit of school classrooms. Such a programme, which should be limited to a five-year period, must operate to increase rather than decrease local and State support of schools and to give the greatest help to the States and localities with the least financial resources. Federal aid should in no way jeopardize the freedom of local school systems. . . ."

Social Security. "Under the 1954 amendments to the old-age and survivors' insurance programme, protection was extended to some 10,000,000 additional workers, and benefits were increased. The system now helps to protect nine out of ten workers and their families against loss of income in old age or on the death of the bread-winner The system is sound. It must be kept so. In developing improvements we must give the most careful consideration to population and social trends and to fiscal requirements. With these considerations in mind the Administration will present its recommendations for further expansion of coverage and other steps which can be taken wisely at this time.

Other needs . . . include increased child welfare services, extension of the programme of aid to dependent children, an intensified attack on juvenile delinquency, and special attention to the problems of mentally retarded children. The training of more skilled workers for these fields and the quest for new knowledge through research in social welfare are essential Similarly the problems of our aged people need our attention."

Health and Medical Research. ". . . A well-supported, well-balanced programme of research, including basic research, can open new frontiers of knowledge, prevent and relieve suffering, and prolong life. Accordingly, I shall recommend a substantial increase in Federal funds for the support of such a programme. As an integral part of this effort, I shall recommend a new plan to aid construction of non-Federal medical research and teaching facilities and to help provide more adequate support for the training of medical research manpower.

We must aid in cushioning the heavy and rising costs of illness and hospitalization to individuals and families. Provision should be made, by Federal reinsurance or otherwise, to foster extension of voluntary health insurance coverage to many more persons, especially older persons and those in rural areas. Plans should be evolved to improve protection against the costs of prolonged or severe illness. . . ."

Wages and Working Conditions. ". . . The need still exists for improvement of the Labour-Management Relations Act. The recommendations I submitted to Congress last year take into account not only the interests of labour and management but also the public welfare. The needed amendments should be enacted without further delay.

We must also carry forward the job of improving the wage-hour law. Last year I requested Congress to broaden the coverage of the minimum wage. I repeat that recommendation and I pledge the full resources of the Executive Branch to assist Congress in finding ways to attain this goal. . . .

The Administration will shortly propose legislation to assure adequate disclosure of the financial affairs of each employee pension and welfare plan, and to afford substantial protection to their beneficiaries in accordance with the objectives outlined in my message of Jan. 11, 1954.

Legislation to apply the principle of equal pay for equal work without discrimination because of sex is a matter of simple justice. I earnestly urge the Congress to move swiftly to implement these needed labour measures."

Housing. "We must carry forward the housing programme. . . . Home ownership is now advanced to the point where almost three of every five families in our cities, towns, and suburbs own the houses they live in. For the housing programme most of the legislative authority already exists However, a firm programme of public housing is essential until the private building industry has found ways to provide more adequate housing for low-income families. The Administration will propose authority to contract for 35,000 additional public housing units in each of the next two fiscal years for communities which will participate in an integrated attack on slums and blight. . . .

Federal Government Employees. "The legislation I have recommended for workers in private industry should be accompanied by a parallel effort for the welfare of Government employees. . . . Additional personal management legislation is needed. As I stated last year, an executive pay increase is essential to efficient governmental management. Such an increase, together with needed adjustments in the pay for the top career positions, is also necessary to the equitable completion of the Federal pay programme initiated last year. Other legislation will be proposed, including legislation for prepaid group health insurance for employees and their dependants, and to effect major improvements in the Civil Service retirement system."

Ex-Servicemen's Pensions. ". . . The Commission on Veterans' Pensions is conducting a study of the entire field of veterans' benefits and will soon submit proposed improvements."

Civil Rights. ". . . In Executive Branch operations throughout the nation, elimination of discrimination and segregation is all but completed. Progress is also being made among contractors engaged in furnishing Government services and requirements Every citizen now has the opportunity to fit himself for, and to hold, a position of responsibility in the service of his country. In the District of Columbia, through the voluntary co-operation of the people, discrimination and segregation are disappearing from hotels, theatres, restaurants, and other facilities.

It is disturbing that in some localities allegations persist that Negro citizens are being deprived of their right to vote and are likewise being subjected to unwarranted economic pressures. I recommend that the substance of these charges be thoroughly examined by a bi-partisan commission created by Congress . . ."

Statehood for Hawaii and Alaska. ". . . I urgently request this Congress to grant statehood for Hawaii. Also . . I trust that progress toward statehood for Alaska can be made in this session. . . ."

Immigration. "In keeping with our responsibility of world leadership and in our own self-interest, I again point out to the Congress the urgent need for revision of the immigration and nationality laws Our nation has always welcomed immigrants to our shores. The wisdom of such a policy is clearly shown by the fact that America has been built by immigrants and the descendants of immigrants. That policy must be continued realistically with present-day conditions in mind.

I recommend that the number of persons admitted to this country annually be based not on the 1920 census but on the latest—1950—census. Provision should be made to allow for greater flexibility in the use of quotas so that, if one country does not use its share, the vacancies may be made available for the use of qualified individuals from other countries.

The law should be amended to permit the Secretary of State and the Attorney General to waive the requirements of finger-printing on a reciprocal basis for persons coming to this country for temporary visits. This and other changes in the law are long overdue and should be taken care of promptly. . . .

I am happy to report substantial progress in the flow of immigrants under the Refugee Relief Act of 1953. However, I again request this Congress to approve without further delay the urgently needed amendments which I submitted in the last session. Because of the high prosperity in Germany and Austria, the number of immigrants from those countries will be reduced. This will make available thousands of unfilled openings which I recommend be distributed to Greece and Italy and to escapees from behind the Iron Curtain."

Extension of Suffrage to District of Columbia. "I renew my request that the principle of self-government be extended and the right of suffrage granted to the citizens of the District of Columbia. . . ."

President Eisenhower left Key West (Florida) and returned to Washington on Jan. 8. Before leaving Florida he said that he was ready to resume the "full duties of the presidency" but that he had not yet come to a decision about whether or not he would stand for a second presidential term.

(New York Times - New York Herald Tribune)

(Prev. rep. 13979 A.)

A. GOLD COAST. — Sir Frederick Bourne's Report on Devolution of Powers to Regions. - Ashanti Opposition to Government Legislation.

A report on the devolution of powers from the Gold Coast Government to the regions, drawn up by Sir Frederick Bourne (who had been visiting the colony since September 1955 as constitutional adviser), was issued on Dec. 23. It recommended "a very substantial transfer of power from the centre to the regions."

The report suggested that a regional assembly should be established in any region where a majority of the district councils desired it. Regional assemblies should be limited for the time being to the Eastern, Western, Ashanti, and Northern territories, the Accra region being left as it was If Togoland joined the Gold Coast before the new Constitution was finally approved, it should be added as a region. The assemblies should have no power to raise money by taxation or other means, and the proceeds of local taxation should be entirely used in the local, urban, and district councils.

The devolution of power to the regions (the report observed) required very careful consideration, but could be of great value to the Government in relieving Ministers of a great deal of local business, thus enabling them to devote more time to issues of national policy. Items which it was recommended should be transferred under the heading of "local government" were agriculture, animal health, education, forestry, communications, medical and health services, rural water development, town and country planning, and housing.

The object of the regional assemblies would be to afford an effective link between the regions and the central Government, thereby removing the danger of excessive centralization and providing for the expression of local opinion on important matters. The supreme legislative power, however, should remain at the centre.

As regards the position of the chiefs, it was suggested that no measure affecting their transitional functions or privileges should be introduced in the Legislative Assembly without first consulting them. Any views received as a result should be circulated to all members of the Assembly, and should be voted upon without regard to party affiliations.

Finally, Sir Frederick Bourne observed that it would be unfair to criticize the Opposition's federal proposals in detail, as they had declined to discuss them with him. He added, however, that "fragmentation" of existing States was on general grounds mistaken.

The Asanteman Council (the supreme council of chiefs in Ashanti) and the Opposition parties had refused to meet Sir Frederick Bourne during his visit, in protest against a Government Bill, passed by the Legislative Assembly on Nov. 16, which gave lesser chiefs in Ashanti the right to appeal from the Asanteman Council to the Governor in constitutional disputes. The Opposition alleged that the object of the Bill was to reduce the Asantehene (the paramount chief of the Ashanti) to the status of a mere divisional chief, and thereby to break up the Ashanti nation, and accused the Government of prejudicing the very issue which Sir Frederick Bourne was investigating.

The Prime Minister, Dr. Nkrumah, announced on Jan. 1, 1956, that he had invited all parties and organizations in the Gold Coast to a conference to study the report. He said that Sir Frederick Bourne had intimated that he would be willing to preside over such a conference.—(Times - New Commonwealth)

(Prev. rep. Gold Coast 14455 A.)

B. PHILIPPINES. — Partial Senate Elections.

Elections were held in the Philippines on Nov. 9, 1955, for nine seats in the Senate—eight for full six-year terms and one to complete an unexpired two-year senatorial term. Voting was on a nation-wide basis for the full-term seats, the eight candidates with the highest number of votes being declared elected. The elections resulted in a victory for President Magsaysay's Nationalist Party, which won seven of the full-term seats as well as the seat for the unexpired two years. The remaining seat was won by a Liberal, Señor Carlo M. Recto (a critic of President Magsaysay's foreign policy), who was seeking re-election. The poll was headed by Señora Pacita M. Warns, Administrator of Social Welfare and the only woman in the Philippine Cabinet.

As a result of the elections, party representation in the Philippine Senate was: Nationalists, 22; Liberals, 1; Democrats, 1; Citizens' Party, 1.—(New York Times) **(13305 A.)**

C. UNITED KINGDOM. — Fiduciary Issue Changes.

The following changes were made in the fiduciary issue during 1955:

Jan. 20, £1,725,000,000; April 6, £1,750,000,000; May 4, £1,775,000,000; June 8, £1,825,000,000; July 20, £1,875,000,000; Aug. 17, £1,825,000,000; Sept 7, £1,800,000,000; Nov. 30, £1,850,000,000; Dec. 14, £1,900,000,000.

The December level was the highest ever recorded, and compared with £1,775,000,000 at the end of 1954.—(Economist)

(Prev. rep. 14043 A.)

D. RELIGIOUS LIFE. — Church of England. - Death of Dr. Cyril Garbett. - Dr. Ramsey appointed Archbishop of York. - Dr. Campbell becomes Bishop of London.

The Most Rev. Dr. Cyril Garbett, Archbishop of York and Primate of England, died on Dec. 31, 1955, at the age of 80.

Cyril Foster Garbett was born on Feb. 6, 1875, at Tongham, near Aldershot, where his father was vicar. Educated at Portsmouth Grammar School and Keble College, Oxford, he became President of the Oxford Union, graduated with a second-class degree in Modern History, and was ordained in 1900 to a curacy at St. Mary's, Portsea, where Cosmo Gordon Lang (later Archbishop of Canterbury) was vicar at the time. During his 19 years at Portsea (a large industrial parish), of which he became vicar in 1910, Dr. Garbett played an active part in combating such social evils as overcrowding, sweated labour, and the slums, and became an authority on housing and slum clearance.

From 1919-32 he was Bishop of Southwark, where he was equally active in combating the moral evils consequent on bad housing, malnutrition, and unemployment. While at Southwark Dr. Garbett began his "pilgrimages" to outlying rural areas of the diocese, often covering ten miles a day on foot and meeting many of his rural parishioners He was also instrumental in raising, both locally and centrally, nearly £250,000 for the Twenty-five Churches Fund, aimed at providing new churches for the rapidly expanding population. In 1932 Dr. Garbett was translated to the See of Winchester, and in 1942 became Archbishop of York when Dr. Temple was translated to Canterbury.

Dr. Garbett, who had already visited India and Ceylon in 1938 as chairman of the Missionary Council of the Church Assembly, paid visits to the Soviet Union in 1943 and to the United States in 1944 to convey the Church of England's greetings to the Russian Orthodox Church and the Protestant Episcopal Church of America. During his stay in the U.S.S.R. he was the guest of the Patriarch Sergius, head of the Russian Orthodox Church, whilst his visit to the U S A. was marked by a notable sermon preached in the Cathedral of St. John the Divine (New York City) on the essentials of a just and durable peace. In 1945-46 he visited Ethiopia, Greece, and the British forces in the Middle East, the Mediterranean, and Western Europe, whilst in 1947 he visited Czechoslovakia and Yugoslavia. In 1951-52 he made an extensive tour of the Pacific Islands, Australia, New Zealand, and the British colonies in South-East Asia.

In addition to his speeches in the Convocation of York, the Church Assembly, and elsewhere on such matters as the Church's position on the question of marriage and divorce, Christianity and Communism, and doctrinal questions, Dr. Garbett was nationally known for the forthrightness of his views on important international questions such as relations between East and West, the situation in the Middle East, and atomic warfare, as well as on housing and other social matters. He was a frequent speaker in the House of Lords, served on committees dealing with town and country planning and with rural housing, and presided over the Archbishop's Commission on Canon Law, which was set up in 1943 and reported in 1946. He was the author of several important books (all written when he was over 70)—*The Claims of the Church of England* (1947). *Church and State in England* (1950), *In an Age of Revolution* (1952), and *World Problems of Today* (1954)

Dr Garbett, who was unmarried, became a Privy Councillor in 1942, and was made a Knight Grand Cross of the Royal Victorian Order by H.M. the Queen on the occasion of his 80th birthday (see 14039 B). His name was included in the recent New Year Honours as the recipient of a barony (see 14623 A), his death occurring on the day before the Honours List was published He had previously announced his intention of resigning the archiepiscopal See owing to failing health.

The funeral service for Dr. Garbett was held in York Minster on Jan. 4, an address being delivered by the Archbishop of Canterbury.

It was announced on Jan. 4 from 10, Downing Street, that the Queen had approved the appointment of Dr. Michael Ramsey, Bishop of Durham, as Archbishop of York in succession to the late Dr. Garbett, and of Dr. Henry Montgomery Campbell as Bishop of London in succession to Dr. Wand.

Dr. Michael Ramsey (51), a distinguished scholar, was educated at Repton and Magdalene College, Cambridge (where he was President of the Union), and was ordained in 1929. After a curacy in Liverpool he became in succession sub-warden of Lincoln Theological College (1930), Vicar of St. Benedict, Cambridge (1929), Professor of Divinity in the University of Durham and Canon of Durham Cathedral (1940), Regius Professor of Divinity in the University of Cambridge and Fellow of Magdalene College (1950), and Bishop of Durham (1952), in which capacity he was one of the two bishops (the other being the Bishop of Bath and Wells) who had the traditional privilege of supporting the Queen at the Coronation.

Dr. Montgomery Campbell (68), a Londoner by birth, has worked nearly all his life in the capital. He won the Military Cross in the First World War as a chaplain to the Forces, later served as a parish priest in Poplar, Hackney, the West End, and the City, and became Rector of St. George's, Hanover Square, in 1933. He was subsequently Suffragan Bishop of Kensington and Suffragan Bishop of Willesden before becoming Bishop of Guildford in 1938. Dr. Campbell was educated at Malvern, Brasenose College, Oxford, and Wells Theological College, and was ordained in 1911.

Dr. J. W. C. Wand (70), Bishop of London since 1945, had resigned on Dec. 31, 1955, on the grounds of age and health. (Church Times) **(Prev. rep. 14536 D; Dr. Garbett, 14039 B.)**

JANUARY 14—21, 1956

A. UNITED NATIONS. — General Assembly. - Admission of 16 New Member-Nations.

The most important achievement of the 10th session of the U.N. General Assembly (see 14461 A) was the admission of 16 new member-countries to the United Nations, thereby virtually resolving a deadlock which had persisted for nearly ten years. The new member-States were: Albania, Austria, Bulgaria, Cambodia, Ceylon, Finland, Hungary, the Irish Republic, Italy, Jordan, Laos, Libya, Nepal, Portugal, Rumania, and Spain. Two other countries, Japan and the Mongolian People's Republic (Outer Mongolia), were also originally proposed for U.N. membership, but after difficulties in the Security Council it was agreed to defer consideration of their applications.

The initiative in securing the admission of the new member-countries was taken by Canada, whose delegate (Mr. Paul Martin) circulated a proposal in mid-November recommending the admission of 18 countries—the 16 eventually agreed upon, together with Japan and Outer Mongolia The Canadian proposal excluded the " partitioned " countries—i.e. Germany, Korea, and Vietnam.

In statements issued on Nov. 13-14, the Soviet delegate (M. Kuznetsov) announced the U.S S.R.'s full support for the Canadian " package " proposal, whilst the British delegate (Sir Pierson Dixon) said that the U.K. would support Canada's efforts to resolve the deadlock over the admission of new members, " even if the qualifications of some of them are open to doubt " Sir Pierson added in this connexion that Mongolia's qualifications were especially doubtful, that Britain would not, however, oppose Mongolia's admission if there was general support for the other 17 countries, and that she would not exercise the veto in the Security Council when the various candidatures came up for discussion.

The U.S. delegate (Mr. Cabot Lodge) announced on Nov 14 that the U.S.A. would abstain from voting on the applications from Albania, Bulgaria, Hungary, and Rumania, both in the Security Council and in the General Assembly. He added that it was " obvious that Mongolia cannot make the grade."

A spokesman of the Chinese Nationalist delegation said that his Government would oppose the admission of Mongolia even if it meant the exercise of a veto in the Security Council. [Nationalist China, as one of the five permanent members of the Security Council, has the right to exercise the veto equally with the other permanent members—the U S.A , the U.S.S.R., Great Britain, and France]

A resolution was presented on Dec. 1 to the *ad hoc* Political Committee of the General Assembly by Canada and 27 other countries which (1) noted " the general sentiment which has been expressed on numerous occasions in favour of the widest possible membership of the U.N." ; and (2) asked the General Assembly to request the Security Council " to consider the pending applications for membership of all those countries about which no problem of unification arises, and to report to the General Assembly during the present session." The co-signatories of the resolution included four British Commonwealth countries in addition to Canada (Australia, New Zealand, India, and Pakistan), the Scandinavian countries, and a number of Asian and Latin American nations.

During the debate on Dec. 1 **Dr. Victor Belaunde** (Peru), chairman of the Good Offices Committee set up at earlier sessions to study the question of admitting new U.N. members, presented his report to the *ad hoc* Committee. He said that although it appeared impossible at one time to achieve a *rapprochement* between the great Powers on this question, such a *rapprochement* had in fact taken place " in spite of tremendous obstacles." Whilst the permanent members of the Security Council continued to adhere to their previously stated positions, they had nevertheless given the impression that " such adherence was not necessarily immutable in view of the current evolution of the international situation." Describing his meetings with representatives of the great Powers, he said that on Sept. 28— " a memorable day for the U.N."—he had had a discussion with M. Molotov, who, though non-committal, had not turned down the possibility of admitting Japan and Spain to the United Nations. Dr. Belaunde welcomed the Canadian resolution because it supported the position " consistently maintained " by the Good Offices Committee, and urged the admission of all the 18 countries mentioned in the resolution.

Sir Pierson Dixon (U.K.) reiterated that the British Government was ready to acquiesce in the admission of all 18 applicants, although it was " not wedded to the view that the solution must be to admit all 18." " Our only aim," he added, " is to break the deadlock, and we shall accept any solution within the terms of the Canadian resolution which does this."

M. Kuznetsov (U.S.S.R.) alleged that the U.S.A. " continued to oppose the admission of countries of the People's Democracy only because the peoples of those countries have embarked upon a course of free political and economic development which is not to the liking of the ruling circles in some States." He maintained that Bulgaria, Hungary, Rumania, and Albania were fully entitled to U.N. membership because they were peace-loving States and thereby conformed to the requirements of the Charter; that their exclusion on the grounds of their political and social structure would be tantamount to interference in their internal affairs, and that the Mongolian People's Republic was also qualified because it maintained diplomatic relations with a number of countries and had been officially recognized by China in 1946.

Mr. Cabot Lodge reiterated that the U.S.A. would not use the veto but would abstain from voting on the applications from Bulgaria, Hungary, Rumania, Albania, and Mongolia, both in the General Assembly and in the Security Council. He maintained that none of these countries could be regarded as fully independent.

Dr. Tsiang (Nationalist China) declared that the four East European countries were not eligible for U.N. membership because they were " exploited for the benefit of the U.S.S R ", whilst Outer Mongolia was not eligible because she had invaded China, taken part in the Korean War against the U N , and thereby shown that she was not a peace-loving State.

The 28-nation resolution was adopted by the *ad hoc* Committee on Dec 7, the voting being 52 in favour and two against (Cuba and Nationalist China), with five abstentions (the U.S.A., France, Belgium, Greece, and Israel) and South Africa absent. The plenary session of the Assembly accepted the resolution on the following day by an identical vote (with the same abstentions and absentee), after which the resolution went to the Security Council.

After an initial deadlock in the Security Council, resulting from a Chinese Nationalist veto against Mongolia and a retaliatory Soviet veto against all the 13 non-Communist countries applying for membership, agreement was eventually reached on the admission of 16 of the 18 applicants (i.e., excluding Japan and Mongolia), a recommendation to this effect being forwarded to the General Assembly.

Three resolutions were before the Security Council when it met on Dec. 10 .

(1) A resolution, sponsored jointly by New Zealand and Brazil, proposing that the Security Council should vote separately upon each of the 18 applications in the chronological order in which they had been presented to the U.N., and then present its recommendations to the General Assembly as a " package " resolution.

(2) A Soviet resolution proposing that the Security Council and the General Assembly should meet in simultaneous but separate session to consider each of the 18 applications in the same order as proposed in the New Zealand - Brazilian resolution The Security Council should make its recommendations to the General Assembly singly in the case of each applicant, and the Assembly should take its decision on that particular applicant before passing to the next on the list.

(3) A Chinese Nationalist resolution for the admission of 11 of the 18 countries (excluding Finland and Nepal as well as Albania, Bulgaria, Hungary, Rumania, and Mongolia), and adding South Korea and South Vietnam to the list—making a total of 13.

Sir Pierson Dixon reiterated that the U.K. would support the entry of all 18 candidates, though it had doubts about the qualifications of Mongolia and Albania. As regards the former, little was known of its degree of sovereignty and independence; nevertheless, the Government of India had recognized the Mongolian People's Republic, and because the U.K. had confidence in India's political judgment it would make it easier for her to support the Mongolian application. With regard to Albania, he doubted whether that country could be regarded as " peace-loving " in view of the incident in 1946 in which two British warships were sunk in the Corfu Channel with the loss of 51 lives. Moreover, although the International Court had ruled in favour of the U.K. and had awarded compensation against Albania, that country had never paid the indemnity. But despite this, the U.K. would support Albania's application " as an act of faith in that country's future good conduct."

Sir Leslie Munro (New Zealand), president of the Security Council during December, and **M. Sobolev** (U.S S.R) urged the admission of all 18 countries mentioned in the resolution, while **Mr. Cabot Lodge** again reiterated that the U S.A. would abstain from voting on the Bulgarian, Hungarian, Rumanian, Albanian, and Mongolian applications, but would not use the veto. **M. Sobolev** expressed fears lest the procedure laid down in the New Zealand - Brazilian resolution might lead to a situation in which, although the Security Council had approved all 18 candidatures, the necessary two-thirds majority might not be forthcoming in the General Assembly in respect of one or other individual applicants. For this reason he urged the Council to adopt the " one-by-one " procedure recommended in the Soviet resolution rather than the " package " procedure advocated in the New Zealand - Brazilian resolution.

When the Security Council met again on Dec. 13, it decided by eight votes to one (Nationalist China), with Belgium and the U.S.A. abstaining, that priority should be given the New Zealand - Brazilian resolution—that is, that separate votes should be taken on the admission of each applicant, and then on the group of applicants as a whole, before the General Assembly dealt with the question. A Chinese Nationalist amendment to add South Korea and South Vietnam to the list was rejected by nine votes to one, with New Zealand abstaining.

The Council then voted on Albania's application (the first of the 18 countries mentioned in the N.Z. - Brazilian resolution), which was approved by seven votes to nil, with four abstentions (the U.S.A., France, Belgium, Nationalist China). The second country on the list, Mongolia, was, however, vetoed by the Chinese Nationalist.

representative, Dr. Tsiang, the voting being eight in favour of the Mongolian application, one against (Nationalist China), and two abstentions (the U S A. and Belgium). The Soviet representative, M. Sobolev, thereupon vetoed the applications of all the 13 non-Communist countries—Jordan, the Irish Republic, Portugal, Italy, Austria, Finland, Ceylon, Nepal, Libya, Cambodia, Japan, Spain, and Laos. (In each case—except that of Spain, on which Belgium abstained—the voting was ten in favour and the U.S S.R. against.) The applications of Bulgaria, Hungary, and Rumania were each approved by nine votes to nil, with two abstentions (the U.S.A. and Nationalist China)

At the urgent request of M. Sobolev, the Security Council was re-convened on Dec. 14. After declaring that the efforts to admit all 18 applicants had been "wrecked by the obstruction of one man" (i.e. Dr. Tsiang), **M. Sobolev** announced (*a*) that the Soviet Union was prepared to withdraw its veto against all the non-Communist countries with the single exception of Japan; and (*b*) that it was also prepared to drop its sponsorship of Mongolia for the present session He explained that the U.S S.R. desired the admission of both Japan and Mongolia to the U.N. at the earliest opportunity, and expressed the hope that efforts would be made to bring about the admission of these two countries before the 11th session of the General Assembly. The Soviet representative then introduced a resolution for the admission of 16 countries—i.e., all except Japan and Mongolia.

Sir Leslie Munro announced that he would recess the Council for a short time, in view of the importance of the Soviet proposal, to give members an opportunity of considering their position in the light of this new development. When the meeting was resumed, **Mr. Cabot Lodge** moved an amendment adding Japan to the list of countries in the Soviet resolution. **M. Sobolev,** however, said that he would have to use his veto against Japan "for reasons well known," and this was accordingly done when a vote was taken on the U.S. amendment. (The voting was ten in favour of the amendment and the U.S.S R. against)

The Council then voted upon the individual applications, with the following result: the applications of Jordan, the Irish Republic, Portugal, Italy, Austria, Finland, Ceylon, Nepal, Libya, Cambodia, and Laos were approved unanimously; Albania was admitted by eight votes to nil, with the U.S.A., France, and Nationalist China abstaining; Bulgaria, Hungary, and Rumania were admitted by nine votes to nil, with the U.S.A. and Nationalist China abstaining; and Spain was admitted by ten votes to nil, with Belgium abstaining. The Soviet resolution for the admission of all 16 countries was then adopted by eight votes to nil (the U.S.A., Belgium, and Nationalist China abstaining) and forwarded to the General Assembly

When the General Assembly met later on the same day (Dec. 14), the Cuban delegate (Dr. Nuñez-Portuondo) proposed that each country should be voted upon separately in a roll-call vote. In making this request, Dr. Nuñez-Portuondo referred to the advisory opinion of the International Court of Justice (given in 1948) that applications for U.N. membership should be considered only in the light of the relevant provisions of the Charter, and that the granting of one country's application should not be made contingent upon also granting others. The Cuban proposal was agreed to, as well as a proposal by the President of the Assembly (Señor José Maza) that, after the individual roll-call votes, the 16 applicants should be voted upon collectively.

After admitting all 16 applicants to the United Nations on separate roll-call votes, the General Assembly adopted a resolution (sponsored by 41 countries) for the collective admission of all 16 countries. The 41-nation resolution was adopted without a vote, though Cuba expressed the wish that her abstention should be recorded.

The voting in the General Assembly on the 16 applications was as follows (the list is in chronological order of application for U.N. membership):

	For	Against	Abstained
Albania	48	3	5
Jordan	55	—	1
Irish Republic	56	—	—
Portugal	56	—	—
Hungary	49	2	5
Italy	56	—	—
Austria	56	—	—
Rumania	49	2	5
Bulgaria	50	2	5
Finland	57	—	—
Ceylon	57	—	—
Nepal	57	—	—
Libya	56	—	1
Cambodia	57	—	—
Laos	57	—	—
Spain	55	—	2

Ethiopia was absent on the first eight votes, and Haiti, Paraguay, and South Africa were absent on all votes. The following negative votes and abstentions were recorded:

(i) Israel abstained on the admission of Jordan and Libya.

(ii) Belgium and Mexico abstained on the admission of Spain.

(iii) Cuba, Greece, and Nationalist China voted against the admission of Albania, whilst the U.S.A., France, the Netherlands, the Dominican Republic, and the Philippines abstained.

(iv) Cuba and Nationalist China voted against the admission of Bulgaria, Hungary, and Rumania, whilst the U.S.A., Greece, the Netherlands, the Dominican Republic, and the Philippines abstained from voting

The admission of the 16 new member-countries—which increased the membership of the United Nations from 60 to 76—was warmly welcomed by the President of the Assembly (Señor Maza) and by many delegates. Special tributes were paid to Mr. Paul Martin (Canada)—who was described by Sir Leslie Munro as "the chief architect of this successful and historic event"—and to Dr. Victor Belaunde (Peru), chairman of the Assembly's Good Offices Committee, for the outstanding parts they had played in helping to resolve a dispute of long standing.

In welcoming the new members, Señor Maza said that the General Assembly had "given life to a deep desire which has existed for several years—to overcome the obstacles that have impeded the development of the U N. towards an international organization representing all the peoples of the world and enjoying true universality." He added: "It is true that the objective has not been reached. There are still notable absences among us. But today's advance marks an historic stage in an evolution which cannot but heighten the prestige of the United Nations and give it new vigour"

Numerous expressions of regret were voiced at the absence of Japan from the list of successful applicants, coupled with hopes—expressed by both the U.S and Soviet delegates—that the situation would soon be remedied

Delegates of 13 of the new member-countries took their seats in the Assembly on Dec. 15, the exceptions being Albania, Laos, and Nepal

A British resolution was presented to the Security Council on Dec. 21 by Sir Pierson Dixon asking the Council to take note of the fact that Japan was "fully qualified for membership of the U.N.", and expressing the hope that she might soon be admitted to the Organization. M. Sobolev moved a Soviet amendment adding the name of Mongolia to that of Japan and linking the two countries as equally well qualified for U.N. membership. After the amendment had been rejected (one vote in favour and ten abstentions) Sir Pierson Dixon said that he would not press his resolution to a vote at the present stage, in the hope that the Soviet Government might find it possible to adopt a more positive attitude towards it in the near future.

The U.S. State Department issued a statement on Dec. 15 describing the exclusion of Japan from the U.N. as "a glaring injustice," and declaring that it was "clear that the Soviet Union, in vetoing Japan, had sought only to preserve for itself a bargaining pawn." After protesting against the "cynical attitude" of the Soviet Government, and declaring that the U.S.A. would continue to press for the admission of Japan to the U.N., the statement added that the U.S. Government was "greatly pleased" at the admission of new member-countries "despite continued Soviet obstruction over the past nine years, including the casting of 45 vetoes on the admission of new members."—(United Nations Review, New York - U.N. Information Centre, London - New York Times - New York Herald Tribune - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris)

(Prev. rep. U.N. General Assembly, 14461 A.)

Footnote. With the admission of the above-mentioned 16 countries, the only countries still outside the United Nations are Japan, Switzerland, the German Federal Republic (Western Germany), the German Democratic Republic (Eastern Germany), the two Korean governments, the two Vietnamese governments, Outer Mongolia, the Holy See, and Europe's four "miniature" States—Andorra, Liechtenstein, Monaco, and San Marino. Several of these countries, nevertheless, are associated with the U.N. through specialized agencies such as Unesco, the World Health Organization, etc., whilst the headquarters of a number of U.N. organizations are on Swiss territory. The Chinese People's Republic claims the seat at present occupied by Nationalist China.

The 51 founding nations of the U.N. in 1945 were Argentina, Australia, Belgium, Bolivia, Brazil, Byelorussia, Canada, Chile, China, Colombia, Costa Rica, Cuba, Czechoslovakia, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, France, Greece, Guatemala, Haiti, Honduras, India, Iraq, Lebanon, Liberia, Luxemburg, Mexico, Netherlands, New Zealand, Nicaragua, Norway, Panama, Paraguay, Persia, Peru, Philippines, Poland, Saudi Arabia, South Africa, Soviet Union, Syria, Turkey, Ukraine, United Kingdom, United States, Uruguay, Venezuela, and Yugoslavia.

Subsequent admissions were as follows—Sweden, Iceland, and Afghanistan in November, 1946; Siam in December 1946; Pakistan and Yemen in December 1947; Burma in April 1948; Israel in May 1949; Indonesia in September 1950; and Albania, Austria, Bulgaria, Cambodia, Ceylon, Finland, Hungary, the Irish Republic, Italy, Jordan, Laos, Libya, Nepal, Portugal, Rumania, and Spain in December 1955.—(Ed. K.C.A. - New York Times)

A. UNITED KINGDOM. — The Prime Minister's Bradford Speech - Review of Economic Problems.

An important speech on the Government's domestic policy, notably in the field of economic affairs, was made by the Prime Minister at Bradford on Jan. 18 in an address to some 4,000 Conservatives. In the course of his speech (the text of which is given below, with cross-headings inserted) Sir Anthony Eden expressed the Government's determination to combat inflationary trends, to launch a drive against monopolistic practices throughout industry, to seek further reductions in Government expenditure, to encourage price stabilization and reductions by all means in its power, and to give priority to the development of nuclear energy and technological education. In that part of his speech dealing with Commonwealth and foreign affairs, he repudiated the allegations made against Britain by the Soviet leaders during their recent tour of Asian countries.

Sir Anthony Eden began his speech by repudiating insinuations in certain London newspapers that the Government and the Conservative Party were disunited and that far-reaching governmental changes were contemplated, including Sir Anthony's retirement from the Premiership. He said in this connexion: "I do not have to advise this great Yorkshire audience not to believe everything they read in certain London newspapers. I know that one or two of these cantankerous newspapers claimed that they were reflecting public feeling. They were doing nothing of the sort. What they were doing was to try to make you think and feel what they wanted you to. I am sure you will always be on your guard against such methods. That way lies the denial of democracy. Yorkshire will never let Britain forget that the first duty of a citizen of a free country is to think for his or her self.

"I would not even mention these matters tonight except for one reason. I must be concerned for our party when baseless reports of disunity are spread abroad. I want everyone, therefore, to understand this. Our party is united, and the Government is more than ever determined to do what it believes to be right for our country, whatever anyone says. This country is not on its way down, and this Government is not on its way out. As to the Government, we were elected not for six or eight months but for five years. It is on our record at the end of those years that we are prepared to be judged, and I intend—if God wills—to be there on that day. In the Cabinet we have a good team and a loyal one, and they are in the right places in the field. Under my instructions plans are being prepared which will be unfolded as our term of office continues. Some of these I shall refer to. As to our country, the future is at your command. There is no limit to what it can hold. It is the purpose of my speech to suggest how we should seize our opportunities and discharge our duty.

The Balance-of-Payments Position. "Our gold and dollar reserves are not big enough to allow us to maintain our present standards without a substantial increase in our earnings abroad. If our prices are too high in the world we shall not win those earnings and our standards will fall. This is the reality which faces every man and woman in the country, whether they work at the bench, in a shop, in an office, in the Government, on a farm, or at sea. It is stern and deadly serious.

"There is no slick or swift solution to our difficulties. If employers, workmen, management, and Government look only to their immediate advantages and ignore the more distant results of their actions, then we shall all get into a very bad jam. The way to hold what we have now is not to be greedy for more. Further improvements cannot come just by writing figures into the balance-sheet or the wage-packet. They can come only out of increased production and new resources. We are not advocates of rationing and restriction. Least of all do we want to go back to a period of unemployment. All of us who lived through that would never tolerate such a thing again. We still favour expansion, but it must be balanced and restrained. We don't want a blown-up economy, we want a steadily developing economy.

Problems of an Expanding Economy. "First let us look at what we have won. The great majority of our people are today enjoying prosperity such as they have never known. Never has so much been available to so many in our country before. Unemployment is at its lowest ever. A few years ago many people were troubled that we were not building enough factories or installing enough new plant to keep up with our competitors. But recently industrial investment has gone up by leaps and bounds. During the past 12 months about twice as much factory building has been approved as in 1951. And with the new factories go new machines and modern equipment to make us more efficient.

"But here we come to the plagues of prosperity. Our victories are threatened. We have overstretched ourselves. It is this surge of confidence and expansion, healthy enough in itself, which has produced the unfamiliar problems with which we are now grappling. The danger is not of depression and stagnation, but of launching out on new efforts in too many directions at once. All this wouldn't matter so much if it were not for the balance-of-payments problem—our constant Jeremiah. A country small in acres, which grows only half its food and has only one raw material in fair supply, simply cannot afford to ignore the gloomy Prophet Jeremiah. His forebodings are written in our import figures. They are too high: everyone agrees about that. But a large proportion of our import bill is the cost of foreign coal and steel for our expanding industry.

"Production of deep-mined coal fell last year by 3,250,000 tons. The number of miners also declined. That is serious, but it is not surprising when there is so wide a call for labour. On the contrary, it is remarkable that so many miners stay loyally at the coal-face at this time. On the other hand, I cannot help regretting that the plea of those miners' leaders who recommended that we should have some more foreign labour to help us get more coal (see 14641 E) did not win the day. For that is what is happening in countries abroad, to their great economic advantage.

"As to steel, the country's effort last year was magnificent. Steel production surpassed all records, and for this year the target is higher still. By this means we may be able to reduce our steel imports a little during the coming year. I must congratulate you here in this world centre of the woollen textile trade on the splendid results of last year both in production and exports.

The Combating of Inflation. "But for most people today the real problem arising out of our prosperity is the problem of inflation, or, as you and I feel it, rising prices. This is not only the domestic question of the cost of living. It is also the country's problem: how to keep our prices competitive in order to continue to sell our goods abroad. The cost of living at home, and the cost of our exports abroad, these are the real problems. What have we done about them? What more can we do?

"I well understand how severely rising prices have hit those who are dependent on fixed incomes and pensions. Theirs is perhaps the hardest case of all. We have already taken steps to help many of them. Less than a year ago war pensions, retirement pensions, and National Insurance benefits were substantially increased. Next month the increased National Assistance scales take effect. And now we are preparing detailed proposals, which will be put before Parliament shortly, to assist retired members of the public services, including teachers and the armed forces. Nor will we forget those who have no organizations to press their claims. But the best way in which we can help them, and indeed each other, is by fighting the battle against inflation. That is what we are doing.

"First, we introduced as long ago as February of last year, restrictions on credit and on spending out of borrowed money. Since then we have been tightening this 'credit squeeze.' I know that it hurts, but let us get this clear in our minds: you cannot fight inflation without pain. It is such an insidious disease. Some people even think they like it until they have too much of it. It is always tempting to those who treat it to avoid giving pain, and then the poison spreads.

"Second, we have limited expenditure by the Central Government. I shall have more to say about this.

"Third, we have taken steps to encourage economy in local Government expenditure.

"Fourth, we have moderated expenditure in certain nationalized industries.

"Fifth, we have discouraged personal expenditure by increasing the profits tax and by the purchase tax in the recent Budget.

"All these measures are playing their part to restrain demand at home and to free goods for export. We knew that some of these measures would be disagreeable and unpopular. But it was our duty to take the action we did, when we did, and it is having its effect. Nobody can pass final judgment on it yet. These measures we will continue.

Action against Restrictive Practices. "And now, what more can we do? Nobody wants more nationalization. Even the Socialists are hunting the hedgerows for alternatives. We are convinced that British industry should be based on free enterprise. But just because this is our faith, we recognize the danger that restrictive practices in any industry may harm our economy. Therefore, as we announced last July, we are making a new approach to this problem and intend to present a Bill to deal with it during the present session of Parliament. The provisions of this complicated measure have been settled, and it is now being drafted. We must get rid of the Maginot Line mentality in industry.

"But it is not only on the management side that restrictive practices exist. We cannot afford restrictive practices anywhere which stand in the way of a more competitive and progressive economy. In a time of full employment no-one is justified in behaving as if there was unemployment. . . The creation of a sense of partnership in industry has long been my aim. Many firms, both great and small, are working in their own ways towards it. When every man feels part of the concern in which he is employed, he will be working for something greater than himself. Then men and managements will discover that old suspicions, old attitudes and practices which hold back production, are out of date. The power of mutual trust and human understanding is every bit as great in the psychological field as is nuclear energy in the scientific field.

"One of the most disturbing features of the past year has been the number of working-days lost because of disputes. The total was 3,750,000, nearly twice as large as the average for the past 20 years, and it has cost the nation dear. Much of this was due to differences between unions. The previous Minister of Labour (Sir Walter Monckton) and I had a number of helpful discussions with leading employers and trade unionists about industrial relations and our country's problems. I intend to invite them for further talks with me and my colleagues after I return from my visit to President Eisenhower.

Reductions in Government Expenditure. "Next, as to Government expenditure. Government spending, other than defence, can be divided under three heads. First, there are the costs of administration. Mr. Butler rendered devoted service to this country as Chancellor of the Exchequer. He was always at work to cut down the running costs of the Government machine, with remarkable success. From the beginning of 1952 to the end of last year the civil staff of Government Departments has been reduced by nearly 46,000 out of a total of 300,000. This does not include the Post Office and the Service

Departments, whose civil staffs have also been reduced. That is a notable result The present Chancellor of the Exchequer is determined to continue with this process The Estimates of the various Government Departments for the coming financial year have largely been prepared. But I have asked Mr Macmillan to carry out a review of them all, with the purpose of making an additional saving We will do all we can We intend to go on cutting. For instance, our target for the reduction in the staff of Government Departments is a further 10,000 to 15,000.

"The second broad division of Government expenditure is the distribution of social benefits covering wide ranges of the population, including the young and the old.

"The third division is the one in which the Government takes the lead in creating large public expenditure. I give you an example If you consider the total building of every kind going on in the country today, you will find that the Government, local and central, is responsible for more than half of it Now here again are activities that we do not want to cut, but some cherished schemes have got to be delayed They are all good in themselves, but we cannot do them all at once. That is the message I must impress upon you tonight. There must be priorities and selection in all these good efforts which we wish to see expressed in terms of bricks, mortar, and steel.

Defence Expenditure. "There are some sectors in which we cannot take risks. I have made it clear that we will not reduce expenditure on defence so as to endanger our national survival or our authority in world affairs. Even so, we have made drastic economies in defence expenditure. But the variety of new weapons is constantly increasing and the standard which must be maintained if our forces are to be fairly equipped is constantly rising—almost as fast as the rockets themselves. All this is expensive. It is not only a question of manufacturing costs, it is the complexity of modern weapons, each one of which is more expensive than the one it replaces

"And then there are the personal problems of pay and conditions for the Services. Our decisions on these matters will be announced next month. We have given much thought to them. I have always believed that in this business half-measures will achieve nothing. Let no-one think that increased pay for the Services is an extravagance It is no such thing There is no doubt at all that if we were able to recruit the Regular air, land and sea forces that we need, the profit to the nation in manpower and money would be immense Then indeed we could look forward to the abolition of National Service. That is our objective

Nuclear Research and Technological Education. "There are other fields in which we must expand if we are not to jeopardize the future. We are engaged on an extensive programme to harness nuclear energy. We dare not stint this. It is the key to the future. We have now to provide for an age of transition until the full meaning of the new world unfolds before us . We are making plans to meet this, and high on the list are our schemes for technical education. This scientific recognition may be world-wide, but the prizes will not go to the countries with the largest populations. Those with the best systems of education will win. Science and technical skill give a dozen men the power to do as much as thousands did 50 years ago.

"Our scientists are doing brilliant work But if we are to make full use of what we are learning we shall need many more scientists, engineers and technicians. I am determined that this shortage shall be made good You will see what a harvest of talent waits to be gathered when I tell you that only one boy in four leaving school goes to any kind of technical college This is often because he cannot get to such a college or because there isn't room for him. But the consequence is clear enough For this and other reasons, thousands of our boys and girls don't get the chance of technical education at all The Universities are helping us by enlarging their scientific and engineering schools. But even so, the Universities can take only a fraction of those leaving school who need further education Therefore, when it comes to numbers, an increasing share must be taken by the technical colleges with full-time or part-time courses for the boy of 15 through to advanced studies for the man who spends six months in the factory and six months in the college.

"The aim we set before the country is to build a high road that runs from school to the highest positions in industry and commerce; to make it possible for every boy and girl to join that road at the point which suits them best, and to travel on it as far as their talents will take them

"We have already decided on an extensive programme for technical education, which will be put into effect over the next five years. The Minister of Education will describe the details in a White Paper to be published next month.

Price Stability and the "Battle against Inflation." "I have told you some of our proposals, and you will want to know what part each of you can play in the struggle We all want full employment and we all want steady prices. But we have not yet succeeded in combining the two; we had better admit that. We all want an increase in our standard of living. We can get it if everyone makes a vigorous effort to put production up, and if we are prepared to think of the community as a whole. Some industries, some sectors of the economy, are bound to increase production more quickly than others. The engineer can do this; it is not so easy for the bus driver. If those engaged in industries where production is being vigorously increased will take the wider view, they will allow part of the benefits of their higher production to be passed on to the community, which includes themselves, in the form of lower prices. That is the way.

"A number of firms have set a helpful example They have taken a decision to hold their prices stable, some for six months, some for a year. I welcome this action and I ask others to join them, for this is a practical example of how to fight rising prices. The best way in which the benefits of higher production can reach the whole community is by lower prices. This means that increased profits should be passed on in the form of lower prices, rather than of increased dividends

"There is another way in which every one of us can take part savings. To save is the most effective weapon against rising prices The more we save, the more we maintain the value of savings already made Every additional penny saved helps the battle against inflation and maintains the value of the £ For our part, the Government are actively considering what further steps we can take to make savings attractive . .

"Make no mistake about it. The battle against inflation is on If the weapons we are using now do not suffice, we shall not hesitate to use others. What is tantalizing in all this is that if once our balance of payments could be put right and our reserves built up to a reasonable figure, there is hardly any limit to our future. There are the countries of the Commonwealth eager to use our help, our technical skills and experience In this modern age of the *Comet* and the *Britannia* we are much closer to our Commonwealth partners and in a better position to help each other. Our economic policy is not designed for domestic consumption only, it has a wider aim. We want to develop our internal strength and our competitive power to respond to these opportunities overseas. We must be economically sound at home, so that we can continue to play our special part in world affairs

The World Situation. "I have always hoped that it would be possible for the Communist Powers and the free countries to work out some method of tolerating each other's systems without quarrelling for the domination of the world. The search for this way of life between the nations has never been easy. But I do not propose to abandon it, because I know so well that the alternative must eventually be world conflict and annihilation. In these last months the character of the contest between the Communist Powers and the Western democracies has changed, not for the better It has been for some time generally accepted that the danger of world war and military conflict has receded I do not want to be misunderstood. The risk is always there and a universal explosion could easily be touched off by hostilities in some critical region such as the Middle East There is plenty of dry tinder about. Governments should beware lest, in trying to undermine long-established friendship between others, they embroil themselves in graver perils.

"If there is less fear of world conflict today, this is due to the deterrent of nuclear weapons Remove the deterrent, or take risks in pretending that it is not there, and the world outlook would be terrifying indeed. The justification of both the atomic and hydrogen bombs is that they are deterrents, so awful that no country will risk their use against itself. It is, therefore, true that the danger of world war should decrease unless an aggressive-minded nation gets it into its head that the bomb will not be used against it, whatever it does. It becomes increasingly unlikely that any country possessing the hydrogen bomb would deliberately use it against a rival power that owns it also We intend to own it also

"As events are unfolding in the world today, two conditions are necessary if there is to be an enduring peace:

"(1) That all countries should remember what a world conflict would involve

"(2) That this awful knowledge should build up a growing sense of responsibility that peace must be kept everywhere.

"It is increasing carelessness about this which is our greatest danger today. But in the final resort there will be no security until an arms agreement is reached which covers all weapons, and not only nuclear weapons. That is our aim. To abolish nuclear weapons alone would hand power to the Big Battalions.

The British Commonwealth. "Some foreign travellers have been making speeches lately [a reference to the statements of Marshal Bulganin and M. Krushchov during their Asian tour—see 14613 A, 14603 A]. On these I will make only this comment. It is a fantastic travesty of this country's policy to pretend that our purpose is to put our feet on other people's necks. The opposite is the truth All over the world today, the trend towards self-government continues in the countries of the British Commonwealth and Empire The address of the Power which dragoons and dominates its satellites is 'The Kremlin, Moscow.'

"I would say that at the present time in this disturbed world the strongest influence for peace is without doubt the British Commonwealth of Nations. Why is it so strong? Why is it so powerful? Why do others respect us? Because it is an association of free peoples. There is no obligation on any member of the Commonwealth to be compelled to vote this way or that, nor is it being ordered to do this or that by anybody else. That is the whole difference between the free conception and the Communist conception of the world.

"This country has largely expended its resources in two world wars In one of them the Commonwealth fought for a year against tyranny almost alone. So we require no lectures from anyone.

"Our purpose is, whether through the Colombo Plan or any other arrangements we may make in any part of the world, to provide means to help countries to improve their own conditions and bring to their people something of that higher standard of life which our own enjoy. We have no desire to impose our will on any nation. We believe in free countries working together, whether in the Common-

wealth, in NATO, or in any other group to which we may belong There is no-one in this country who has more reason to know what is the true value of the Commonwealth in the scales for world peace Let us hold it, let us understand it, and realize it is an association of free nations which others will join as their own development towards self-government expands. That is something of which you can be immensely proud and of which you young people, when you grow up, will look back on with undying pride.

Conclusion. "My message to you tonight is that on the foreign front, in a situation more anxious than a while ago, we will persevere in our work for peace. At home, this Government is determined to do what is necessary, whatever it may cost in popularity or electoral fortune We cannot drift to safety. But we can command it, if every citizen will help us in our country's cause As a Government we have set our hands to a task We never doubted its difficulty, but we shall carry it through until we have discharged it to the nation and the world at large."

An official statement had been issued on Jan. 7 from 10, Downing Street, emphatically denying rumours published in certain papers that Sir Anthony Eden intended to resign within a few months' time, and that he was to be succeeded in the Premiership by Mr. R. A. Butler. The statement described such reports as "false and without any foundation whatever." Mr. Butler issued a statement on the same day saying that he knew nothing about any such rumours, and expressing his determination "to support the Prime Minister in all his difficulties."—(Times - Daily Telegraph)

(Prev. rep. Sir Anthony Eden, 14519 A; 14493 A.)

A. SAUDI ARABIA. — King Saud's Visits to India and Persia. - Statement on Position of Indian Moslems. - Saudi Arabian Adherence to "Five Principles."

At the invitation of the Indian Government, King Saud of Saudi Arabia paid a state visit to India from Nov. 27 - Dec. 13, in the course of which he visited Delhi, Simla, Agra, Aligarh, Benares, Nagpur, Hyderabad, Bangalore, and Bombay. The King had previously declined an invitation from the Kashmir State Government to include Kashmir in his tour.

Speaking in Bombay on Dec. 10, King Saud recalled the fears for the fate of Indian Moslems aroused by the communal disorders following the withdrawal of British rule He added "I desire now, at the conclusion of my visit to India, to say to my Moslem brethren all over the world that the fate of Indian Moslems is in safe hands . Mr Nehru, I was consistently assured by Moslems in all walks of life, is bravely and determinedly executing a wise policy of neighbourliness to all Indians, irrespective of creed In my capacity as guardian of the Moslem Holy Places, I desire to express my gratitude and that of my Moslem brethren to Mr Nehru, and all those through whom he executes this policy of equality and equity . . ."

A joint statement, issued in New Delhi on Dec. 12, said that there had been a "friendly and informal" exchange of views between King Saud and Mr. Nehru on matters of mutual interest, including recent developments in the international situation; that both countries fully subscribed to the "five principles of peaceful co-existence" (*Panch Sila*); and that they were resolved to strengthen their friendship by further co-operation in the cultural, political, and economic spheres.

During his return journey King Saud stopped for two hours in Karachi for discussions with Major-General Mirza and Chaudhri Mohammad Ali, respectively Governor-General and Prime Minister of Pakistan.

Prior to his Indian visit, King Saud had visited Persia from Aug. 9-17, 1955, as the guest of the Shah. A communiqué stated that discussions between the two rulers had revealed "a complete identity of views, notably regarding the imperious necessity of strengthening the unity of the Islamic countries." It was announced that they had decided to raise their respective diplomatic missions in Persia and Saudi Arabia to the status of embassies.—(Indian and Pakistani High Commissioners' Offices, London - The Hindu, Madras - The Statesman, Calcutta)

B. LIBYA. — Appointment of Soviet Ambassador.

M. Generalov arrived in Tripoli on Jan. 6 to become the first Soviet Ambassador to Libya, following the recent establishment of diplomatic relations between the two countries. He had been Ambassador in Canberra at the time of the Petrov case (see 13540 A), which led to the breaking-off of diplomatic relations between Australia and the Soviet Union.

(Daily Telegraph) **(Prev. rep. 14469 C.)**

C. COSTA RICA - NICARAGUA.—Friendship Pact.

A treaty of friendship between Costa Rica and Nicaragua was signed on Jan. 10, thereby ending the tension between the two countries arising out of the incidents a year earlier in which Costa Rica had been invaded by an insurgent force from Nicaraguan territory.—(New York Herald Tribune)

(Prev. rep. 14142 A; 14048 A.)

D. JAPAN. — Atomic Co-operation Agreement with the U.S.A. - Creation of Atomic Energy Research Institute and Atomic Energy Commission.

An agreement for co-operation in the peaceful uses of atomic energy between the U.S.A. and Japan was signed in Washington on Nov. 14, 1955. Two Bills were subsequently introduced in the Japanese Diet: one providing for the setting-up of an Atomic Energy Commission and an Atomic Energy Bureau within the Prime Minister's Office, and another regulating basic atomic energy questions. Both Bills were passed in December 1955 by an overwhelming majority in the Diet, which also approved the U.S.-Japanese agreement.

It was laid down that the Atomic Energy Commission would be a policy-making body headed by a Minister of State and consisting of four members, and that it would decide on basic policies concerning the uses of atomic energy, and other important related matters. The Atomic Energy Bureau within the Prime Minister's Office would perform the duties of a secretariat, and both the Commission and the Bureau would start to function as from Jan. 1, 1956.

The four members of the Atomic Energy Commission were approved by the Diet on Dec. 23 They were Dr Hideki Yukawa, a Nobel prizewinner for Physics, Dr. Yoshio Fujioka, Professor of Physics at Tokio University; Dr Hiromi Arisawa, Professor of Economics at Tokio University, and Mr. Ichiro Ishikawa, chairman of the Federation of Economic Organizations. Mr Shoriki, Minister of State in Mr. Hatoyama's reconstructed Cabinet, was appointed chairman of the Commission.

An Atomic Energy Research Institute had been established in October 1955, whilst a Preliminary Council for Atomic Energy Utilization had been set up within the Cabinet in May 1954. The latter body (which will be superseded by the new Atomic Energy Commission) decided in November last to carry out a development plan providing for the building of five small reactors of various types. Japan will receive enriched uranium from the U.S.A. under the U.S.-Japanese co-operation agreement. (Japanese Embassy Press Bulletin, London)

E. UNITED KINGDOM. — Railways. - N.U.R. Acceptance of Manpower Saving and Recruitment Proposals. - Rejection of Proposal for Recruitment of Italian Labour.

The National Union of Railwaymen announced on Jan. 6 that it had agreed to a number of proposals put forward by the British Transport Commission for meeting labour shortages and stimulating recruitment.

The proposals comprised (1) the transfer of men from fully-staffed areas to areas where labour was short, the men transferred to be paid lodging allowances (with additional payments of 25s. weekly where lodgings cost more than the normal allowances), plus special allowances of 20s. weekly as compensation for "domestic disturbance" and time spent in travelling home at week-ends; (2) free passes after three months' service, instead of after one year, and earlier availability of "privilege" tickets; (3) the raising of the upper age-limit for recruitment of engine cleaners from 25 to 30. The N.U.R. rejected the Commission's proposal that footplate men should remain at their jobs beyond the present retiring age of 65, on the ground that, by reducing the prospects of promotion, this would hinder recruiting instead of encouraging it.

Previously, however, the executive committee of the N.U.R. had rejected (on Dec. 14, 1955) proposals made by the British Transport Commission in November that the union should agree to the recruitment of about 2,000 Italians for unskilled work on British Railways. An N.U.R. spokesman explained that the union considered that the proposals were "makeshift" and that men should be recruited in Britain who would make their careers in the railway service, whereas the proposed Italian recruits might well drift into better-paid jobs when their contracts had expired.

It was stated in the Press that about 720 Italians had been recruited for work on British Railways in 1951-52, but that over 300 had since left, many having returned to Italy.

(Times - Daily Telegraph Manchester Guardian)

(Prev. rep. 14316 A.)

F. INDIA - INDONESIA. — Cultural Agreement.

A cultural agreement between India and Indonesia was signed in New Delhi on Dec. 29 by Dr. Azad, the Indian Minister of Education, and Dr. Palar, the Indonesian Ambassador.

The agreement aims at encouraging and facilitating "co-operation in all fields of science, literature, and art." Specifically, it provides for the exchange of university teachers and members of scientific and cultural institutions; the institution of scholarship schemes for students of one country studying in the other; and the training of nationals of one country in scientific, technical, and industrial institutions maintained by the Government of the other

The agreement will remain in force for ten years.

(The Statesman, Calcutta) **(Prev. rep. 13977 A.)**

A. VATICAN. — The Pope's Christmas Broadcast. - Appeal for Renunciation of Nuclear Experiments. - The Pope's Vision of Christ.

Pope Pius XII, in his annual Christmas message broadcast from the Vatican on Dec. 24, 1955, called for the renunciation of experiments with nuclear weapons, and appealed to the world's statesmen to outlaw such weapons and to bring about all-round controlled disarmament. In the course of his address the Pope analysed, and discussed the implications of, the various proposals put forward by the Powers for an international agreement on the renunciation of nuclear weapons, the banning of experiments with such weapons, and the reduction and control of conventional armaments. The Pope also discussed, among other matters, the attitude of Christians towards Communism and " the relations between Europe and those non-Europeans who aspire to full political independence." Extracts from his broadcast are given below.

" . . . We reject Communism as a social system by virtue of Christ's doctrine, and we have a particular obligation to proclaim the fundamental principles of the natural law. For the same reason, we also reject the opinion that the Christian ought today to see Communism as a phenomenon or a stage in the passage of history, one of the necessary ' moments,' as it were, of its evolution, and consequently to accept it as if directed by divine providence But, at the same time, we warn Christians of the industrial age against being satisfied with an anti-Communism founded on the slogan and the defence of a liberty which is devoid of content. Rather do we urge them to build up a society in which man's security rests on that moral order of which we have often set forth the need and the consequences, and which has regard for true human nature. . ."

The Pope continued " We propose to direct our attention to a recent proposal which aims at putting a check on experiments in nuclear weapons by means of an international agreement. There has also been talk of taking further steps towards conventions through which the use of those weapons would be renounced and all States subjected to an effective arms control. Thus there would be a question of three steps . the renunciation of experimentation with atomic weapons , the renunciation of their use , and the general control of armaments. The supreme importance of these proposals is tragically illustrated if one stops to consider what science thinks it can predict about such actions, which we think it useful to sum up here.

" As regards experiments with atomic explosions, the opinion of those who fear the effects produced if they are multiplied would seem to be finding greater acceptance. Too many explosions would in time cause an increased density of radioactive products in the atmosphere, whose diffusion depends on elements not under man's control. Thus would be generated conditions very dangerous for many living beings.

" Concerning the use : in a nuclear explosion an enormous amount of energy, equivalent to several billions of kilowatts, is developed in an exceedingly short time. This energy is composed of electromagnetic radiations of very great density, distributed within a vast range of wave-lengths. This energy is transferred into the atmosphere, and within thousandths of a second increases the temperature of the surrounding air-masses by hundreds of degrees. The spectacle offered to the terrified gaze as the result of such use is of entire cities wiped out, a pall of death over the pulverized ruins, countless limbs burned and scattered, the groaning of death agonies. And the radioactive cloud hinders the survivors from giving any help. There will be no song of victory, only the inconsolable weeping of humanity, which, in desolation, will gaze upon the catastrophe brought about by its own folly

" Concerning the control : inspection by properly equipped aeroplanes has been suggested [a reference to President Eisenhower's proposal for mutual aerial inspection]. Others might perhaps think of the possibility of a world-wide network of observation posts, each one staffed by different countries and protected by solemn international pacts. Such centres would have to be equipped with delicate and precise meteorological and seismic instruments. They would render possible the control of many—unfortunately not all—of the activities of atomic experimentation.

" We do not hesitate to declare . . that the sum total of these three precautions, as an object of international agreement, is an obligation on the conscience of nations and their leaders. We say ' the sum total of these precautions ' because the reason why they are morally binding is that equal security must be established for all. If, however, only the first point, concerning experimentation, were put into effect, the result would be that that condition would not be verified, the more so since sufficient reason would be given to doubt a sincere desire to put into effect the other two conventions.

" We speak so frankly because the danger of insufficient proposals concerning peace depends in a large part on the mutual suspicions that often trouble the dealings of the Powers concerned, each accusing the other even of a lack of sincerity in a matter basic to the fate of the whole human race.

" For the rest, efforts towards peace must consist not only in measures aimed at restricting the possibility of waging war, but even more in preventing, eliminating, or lessening with time the quarrels between nations which might lead to war. To this kind of preventive pacification statesmen must devote themselves with great vigilence, imbued with a spirit of impartial justice and also of generosity, within the limits, of course, of healthy realism.

" In last year's Christmas message we indicated the points of dispute in the relations between Europeans and those non-Europeans who aspire to full political independence. Can those disputes be allowed to run their course, so to speak—a procedure which might easily increase their gravity, sow hatred in men's souls, and create the so-called traditional enmities ? And might not a third party come to profit from such enmities, a third party which neither of the others really wants, and cannot want ? At any rate, let not those peoples be denied a fair and progressive political freedom. . They will give credit for their advancement to that Europe without whose influence they might be drawn by a blind nationalism to plunge into chaos or slavery.

" Western peoples, especially those of Europe, should not remain passive in the face of such problems in futile regret over the past or in mutual recrimination over colonialism. Rather, they should set themselves constructively to work, to extend, where it has not yet been done, those true values of Europe and the West which have produced so many good fruits in other continents The more Europeans strive for this, the more help will they be to the just freedom of young nations, which in turn will be saved from the pitfalls of false nationalism This in truth is their real enemy, which would put them one day against each other, to the advantage of third parties. . . "

The *Osservatore Romano*, the official Vatican newspaper, published an article on Dec. 10, 1955, confirming that Pope Pius had had a vision of Christ on Dec. 2, 1954, during his serious illness. The first account of the Pope's vision had been published in the Milan magazine *Oggi* in November, and was substantiated by the Vatican Press Office and the Vatican Sunday newspaper *Osservatore della Domenica* before its official confirmation by the *Osservatore Romano*.

The magazine *Oggi* said that it had learned of the Pope's spiritual experience through the " affectionate indiscretion " of one of his intimates It gave the following version of the Pope's vision " At the height of the Pope's suffering he often repeated the prayer *Anima Christi* (Soul of Christ). In the night during which the crisis reached its climax, the patient, then alone in the room, repeated the prayer again. When he arrived at the invocation *In hora mortis meae voca me* (hearken unto me in the hour of my death) he saw beside his bedside the figure of Jesus. At that moment the Holy Father thought that the Master had come for him, and continued praying *Jube me venire ad te* (command me to come unto Thee) But Jesus had not come to call him away but to comfort him and, we believe, to assure him that his hour was not yet come . . It was no dream At that moment the Holy Father was wide awake and lucid." The magazine added that the vision proved to be the turning-point in the Pope's illness and his eventual recovery.

The Vatican Press Office issued a brief statement on Nov 21 saying that it had been " authorized to confirm what the illustrated weekly *Oggi* announced regarding a vision which the Holy Father had during the course of his illness in December, 1954." The *Osservatore della Domenica* (issue of Nov. 27) also confirmed in essentials the account given by *Oggi*. Finally the *Osservatore Romano*, " to remove uncertainties and inexact suppositions," published on Dec. 10 " the precise exposition of the truth as we have received it from one of the few devoted collaborators who, in that December, daily approached the Pontiff."

The *Osservatore Romano* said that the above-mentioned informant had written down the Pope's spiritual experience after he had first heard it from him, and had placed it in a sealed envelope with instructions that it should only be opened after the Pope's death After the publication of the *Oggi* article, however, the person concerned felt it his duty to bring his account to the attention of Pope Pius, who had confirmed its veracity. The events of Dec. 2, 1954, were described by the informant [i.e. the account he had placed in the sealed envelope] as follows :

" Having entered the chamber of the Holy Father at about 9 a.m. on Dec. 2, the visitor had scarcely made his morning greeting when, as the only response, he heard the Holy Father exclaim : ' This morning I saw the Lord.' The Pontiff then added that on the preceding day [i.e. Dec. 1] he had heard a voice most clearly and distinctly announce : ' A vision will come.' That morning of the vision, while he was repeating the invocation of *Anima Christi—In hora mortis meae voca me*—the Lord had come and paused by him. In that moment His Holiness had immediately thought of the well-known passage of the Gospel of St. John, *Magister adest et vocat te* (the Master is present and calls thee), and had added the following verse of the same *Anima Christi* prayer : *Et jube me venire ad te. . . .*"

The *Osservatore Romano* added that the Pope had been displeased at the indiscretion whereby his spiritual experience had been made known to the world nearly a year after its occurrence, and that he had neither desired nor approved of its publication, even though the account had leaked out through obviously well-intentioned persons.

During the latter months of 1954 the Pope had been seriously ill as a result of gastric trouble caused by a hernia of the oesophagus. His condition was for a time critical, the crisis being reached in the early days of December, but he subsequently made a remarkable recovery.—(The Universe - The Tablet - Corriere della Sera, Milan - Giornale d'Italia, Rome - Times - Le Monde, Paris - New York Times) (Prev. rep. Pope Pius, 14076 B ; Christmas Broadcast (1954), 13390 A.)

A. MIDDLE EAST. — Israeli Raid on Syrian Positions. - Syrian Appeal to U.N. - Condemnation of Israel in Security Council. - Israeli Proposals for Peace Settlement with Arab States. - Mr. Ben-Gurion on Israel's Policy. - Extension of National Service in Israel. - Egyptian Hint of " Third Party " Mediation in Egyptian-Israeli Dispute.

During the night of Dec. 11-12, 1955, Israeli forces raided Syrian positions north-east of Lake Tiberias (the Sea of Galilee), 49 Syrian soldiers and civilians and six Israelis being killed. The raid, the most serious to have occurred on the Israeli-Syrian frontier since the conclusion of hostilities in 1948, was intended as a retaliation for an incident on Dec. 10, when an Israeli police launch on Lake Tiberias had been damaged by Syrian artillery fire.

One Israeli force landed south of a Syrian post near the mouth of the upper Jordan, while another crossed the river; the two then made a joint attack on the post, which was completely destroyed, and seriously damaged a nearby farm. At the same time a third force advanced northward from Ein Gev (on Israeli territory east of the lake) to attack Syrian positions near the village of Koursi. After heavy fighting the attacking forces succeeded in destroying all Syrian installations in the neighbourhood, and withdrew with 30 prisoners and large quantities of captured war material.

An Israeli Government statement issued on Dec 12 said that the aim of the attack had been to silence Syrian batteries which had shelled Israeli fishing boats and their police escort on Dec 10. The statement claimed that Lake Tiberias and its shores were entirely within Israeli territory, although the Syrian frontier north-east of the lake came within 10 metres of its shore, and that Israeli sovereignty over the lake had been recognized by the armistice agreement of 1949 and confirmed by the Israeli-Syrian mixed armistice commission in 1954 Israel had nevertheless offered to negotiate on the possibility of allowing Syrians certain fishing rights on the lake, or to issue fishing permits to individual Syrians on personal application, but both offers had been rejected by Syria. Israeli fishing boats and police vessels, the statement alleged, had been repeatedly shelled by Syrian batteries, and during the first 10 months of 1955 there had been at least 25 such attacks, causing loss of life and property.

Intense indignation was aroused by the raid in Syria and other Arab countries; the funeral in Damascus on Dec. 13 of three officers killed in the fighting was made the occasion for a mass protest demonstration, and on the following day the Syrian Foreign Ministry warned the British, French, and U.S. Ambassadors that any new arms shipments to Israel would encourage her to " widen her aggression." The Egyptian Prime Minister, Colonel Nasser, issued a statement on Dec. 15, copies of which were sent to the U.N. Secretary-General and the Governments of the countries represented in the Security Council, declaring that in the event of further Israeli aggression against Egypt or Syria, Egypt would " throw the whole of her armed strength into action against Israel."

The Syrian Government called on Dec. 13 for an urgent meeting of the Security Council to consider " a flagrant violation and an act of open aggression and provocation by Israel," and to take " the measures necessary to meet this serious situation." At a meeting of the Security Council on Dec. 16, the Syrian representative (Mr. Shukairy) demanded Israel's expulsion from the U.N. and the application of economic sanctions against her.

Mr. Shukairy stated that five officers, 32 soldiers, and 12 civilians, including three women, had been killed in the attack, eight other soldiers wounded and 30 taken prisoner, and a large number of houses belonging to Syrian villagers destroyed. These facts had been confirmed by the U.N Truce Supervision Organization, and were not denied by the Israeli authorities Israel, he asserted, had consistently violated the principles of the U N Charter and had not heeded the Security Council's previous warnings. After pointing out that the Charter provided for the expulsion of members who violated its principles, he demanded " effective action " by the Council, observing that economic sanctions were all the more imperative since Israel was receiving financial assistance from " international sources."

Mr. Eban (Israel), in reply, referred to numerous Syrian attacks on Israeli fishing vessels on Lake Tiberias, and said that the object of the raid had been to " ensure the security of Israeli citizens engaged in their lawful occupations." The fundamental issue, he added, was " whether the peaceful exercise of legitimate rights must be suspended whenever there is an Arab threat of force, and whether the Arab Governments have a right to practise belligerency and hostility against Israel and themselves enjoy complete immunity against any response " In the ensuing discussion Israel's action was condemned by the British, U.S., French, Soviet, Belgian, New Zealand, and Turkish representatives.

In a report submitted to the Security Council on Dec. 21, Major-General Burns (Chief of Staff of the Truce Supervision Organization) dealt with the causes of the incident and put forward proposals for the improvement of Israeli-Syrian relations.

General Burns said that the relations between the two countries had been embittered by failure to agree on an exchange of prisoners, and by the earlier Israeli raid on Oct. 22-23 (see 14525 A) The Israeli-Syrian mixed armistice commission had not met since March 1955, although both countries had continued to file complaints, and on Dec. 9 there were 568 Syrian and 401 Israeli complaints outstanding Like the Qibya and Gaza incidents (see 13199 A, 14157 A), the raid had been explained by Israel as a large-scale retaliatory action, whilst allowing that there had been culpable incidents on both sides and enough tension to produce a " practical paralysis " of the truce agreement, there was a risk, however that such retaliatory actions might produce a violent reaction by the forces of the country attacked, and develop into full-scale hostilities. After observing that there was " a striking disparity between the scale of the retaliation and the provocation which was cited by the Israeli Government," the report stated that " the Syrian military, after being informed by the chairman of the mixed armistice commission of the Israeli plans for the present fishing season, which began about Nov 15, have not interfered with Israeli fishing boats."

Dealing with the question of avoiding further incidents, General Burns pointed out that although it was " probably not realistic " to find a solution by suggesting arrangements which might be effected within the scope of the Israeli-Syrian armistice argeement, informal " gentlemen's agreements " might be reached whereby Israeli police boats would keep at a reasonable distance from the shore, Syrians would be allowed to water their cattle in the lake, and the Syrian authorities would allow Syrian citizens to apply to the Israeli authorities for permits to engage in fishing on the lake

The **Israeli Government,** in a reply issued on the same day, maintained that the Syrian Army positions made no distinction between unarmed fishing boats and the police launches which accompanied them, and cited documents—alleged to have been captured in the raid —which purported to prove that the Syrian posts had been ordered to fire on Israeli vessels approaching within 250 metres of the shore. The authenticity of these documents was officially denied by the Syrian military authorities

General Burns, in a supplementary report on Dec. 30, stated that interrogation of a captured Syrian officer had established that Syria had violated the armistice agreement by firing on an Israeli police boat on Dec. 10, in accordance with an order to fire on armed Israeli craft coming within 250 metres of the shore which had been issued by the Syrian Chief of Staff in March 1954, and which was " presumably still valid now "

Mr. Shukairy formally submitted to the Security Council on Dec. 22 a Syrian resolution condemning Israel's " outrageous attack," calling for the expulsion of Israel from the United Nations, and demanding economic sanctions against her. Two other resolutions were presented to the Council on the same day—one by the Soviet Union and the other jointly by the U.S.A., Great Britain, and France.

The Soviet resolution, like that presented by Syria, called upon the Council to denounce Israel for its " outrageous " attack, to declare that the attack was a violation of both the Israeli-Syrian armistice agreement and the U N. Charter; to warn Israel that any recurrence of such action would " bring about a situation requiring the Security Council to consider the question of applying Article 39 of the U.N. Charter ", and to direct Israel to pay compensation for the loss of life and damage to property caused by the incidents on Dec. 12 Unlike Syria, the U.S S R did not suggest the expulsion of Israel from the U.N. or the application of economic sanctions against her. [Article 39 of the Charter empowers the Security Council to decide what measures shall be taken in the face of any threat to world peace, or of active aggression]

The resolution presented jointly by the United States, Britain, and France · (*a*) condemned Israel's attack as a " flagrant violation " of the armistice agreement and of Israel's obligations under the U.N. Charter; (*b*) expressed " grave concern " at Israel's " failure " to comply with those obligations, and called upon her to do so in future; (*c*) warned her that, in default of this, the Security Council would " have to consider what further measures are required to maintain or restore peace."

When the resolutions were discussed on Jan 12, **Sir Pierson Dixon** (U.K) said that there could be no possibility of reducing tension with a view to a settlement " so long as Israel seeks to impose her policy on her Arab neighbours by the use of military force," and pointed out that this was the fourth such complaint which had been brought against Israel within two years. Whatever provocation Israel had received did not justify the scale and violence of the attack, and if another attack were launched the Council might consider that injunctions, even of the most formal kind, were insufficient to meet the circumstances. The Western Powers, he added, had considered the idea of providing for compensation, but had decided against it as there was no precedent.

In the resumed debate on Jan 13, Sir Pierson Dixon said that the U.K. Government would pursue its " unswerving aim " of bringing about a lasting settlement between Israel and her neighbours. It was clear from General Burns's report, he continued, that Israel had a " legitimate grievance " regarding Syrian activities in the Lake Tiberias area, which was " wholly under Israeli jurisdiction," and that there had obviously been " illegal interference " by Syrian forces against Israel's activities there. Nevertheless, the " scale and violence " of the Israeli attack and the " shocking " loss of life were " totally unjustified," and the Israeli action was " all the more heinous " because it came as the culmination of a series of retaliatory actions for which Israel already stood condemned by the Security Council and world opinion. Israel should understand that the whole

principle of retaliation was morally wrong and "unworthy of her," and, moreover, that it did not pay.

Mr. Cabot Lodge (U.S.A.) declared that the Council could not fail to condemn Israel's action, and expressed his Government's grave concern at the incident. He said it was essential to prevent a recurrence of such actions, and that no government was justified in taking the law into its own hands. The U.S.A. had given careful thought to the question of compensation, but had been unable, in view of the difficulties involved, to propose an adequate solution, the U.S. Government, however, did not disagree with the principle of compensation, and felt that the Security Council could establish the necessary machinery by a separate resolution. After declaring that it was essential for both sides in the Arab-Israeli dispute to observe their obligations, co-operate with General Burns, and make full use of the U.N. machinery, Mr. Lodge added that the United States had made "serious representations" to Israel and remained "ready to help both sides to attain a just and lasting settlement—but the parties themselves must also help."

M. Hervé Alphand (France) similarly stressed the gravity of the Lake Tiberias incident, which had been a "breach of the peace" and had "come very close" to obliging the Security Council to intervene under Article 39 of the Charter.

M. Arkady Sobolev (U.S.S.R.) declared that the "wholly unjustifiable" Israeli attack must be severely condemned, and that the Council should call upon Israel to compensate Syria by payment of damages. He charged that Israel, as in previous similar cases, was attempting to justify its attack by the alleged right to retaliate, and denied that she possessed any such right.

Mr. Ronald Walker (Australia) said that Israel's action involved "an element of contempt" for the Mixed Armistice Commission and the United Nations, and that the Council "must be prepared to consider further action if its authority is subjected to further challenges of this kind." Though there had undoubtedly been provocation by Syria, this did not excuse Israel's action. Nevertheless it had to be recognized that the explanation of such incidents went far beyond the friction over Lake Tiberias; neither Syria nor Israel had shown "scrupulous regard" for the armistice agreement or any strong determination to reduce tension, and neither side had a "monopoly" of armistice violations.

All the other members of the Security Council similarly condemned the Israeli attack, and stressed the necessity for a peace settlement between Israel and her Arab neighbours.

The Security Council ended its debate on the Lake Tiberias incident on Jan. 18, when it unanimously approved the U.S.-British-French resolution. M. Sobolev (U.S.S.R.) explained that he had voted for the Western resolution because, although the Soviet Government considered it inadequate, it contained a strict censure on Israel.

Other recent developments affecting the relations between Israel and the Arab States are described below under cross-headings:

Egyptian Hint of "Third Party" Mediation in Dispute with Israel. - Israeli Initiative for Peace Conference.

The Israeli Foreign Ministry had announced on December 29, 1955, that Israel intended to propose the convening of a conference with Egypt under Article 12 of the Israeli-Egyptian armistice agreement, with a view to contributing to the restoration of peace between the two countries, "after an effective cease-fire has been achieved and the armistice agreement faithfully implemented by Egypt." Article 12 of the armistice agreement provides that either party may require the U.N. Secretary-General to call a conference of the signatories, participation in which would be obligatory, to review, revise, or suspend any of the articles of the agreement.

The Egyptian Deputy Foreign Minister (M. Ahmed Khairat), in a press statement in New York on Nov. 25, intimated that Egypt would be prepared to negotiate with Israel on outstanding issues through a third party. Though stating that the time was not yet ripe for direct talks between Egypt and Israel, he told U.N. correspondents that Egypt desired an honourable peace on the basis of a solution of the main issues, and that she was ready to seek it "from whatever quarter it comes."

General Burns—who had previously had discussions with Colonel Nasser and Mr. Ben-Gurion—announced on Dec. 28 that both Egypt and Israel had accepted the proposals of Dr. Hammarskjold (the U.N. Secretary-General) for easing the tension between the two countries, subject to certain conditions. On the Israeli side, the conditions were that Egypt should accept a complete cease-fire and should withdraw her forces beyond the El Queseima - Abu Aouegila line, whilst the Egyptian conditions were that all boundaries within the El Auja demilitarized zone should be re-marked, and not only the western boundary as proposed by Dr. Hammarskjold. General Burns's report censured both Egypt and Israel for continuing to maintain forces in areas not permitted under the demilitarization agreement.

Minor incidents continued to occur on the Egyptian-Israeli border during November and December, mainly in the Gaza and El Auja areas. The Israeli Foreign Ministry announced on Nov. 23 that a strong protest would be made to the Security Council in connexion with incidents on the previous day in which Israeli troops and civilians had been attacked by Egyptian units on four occasions.

Sir Anthony Eden's Statement on Guildhall Speech.

Sir Anthony Eden denied in the House of Commons on Nov. 24 that he had suggested in his Guildhall speech (see 14519 A) that Israel should make substantial territorial concessions, and reiterated that the British Government's offer of mediation still stood.

In reply to Labour questions, **Sir Anthony Eden** said: "I took the opportunity in my speech of advising both sides that if they want peace they must make some compromise between the positions they have taken up. I did not attempt to lay down where and how that compromise should be found, nor do I propose to do so now. I am, however, convinced that a settlement would be so valuable to both sides that they would find that any concessions they made would be more than worth while. I have given the assurance that if our services are required in the negotiations, both the Government and I personally are very ready to offer them in the cause of peace. Although I do not want to bind our American friends to every word of what I said at Guildhall, it is a fact that the United States and ourselves are in close agreement in this difficult business."

Mr. Herbert Morrison (Lab.) said that the Prime Minister's speech had caused "great alarm and apprehension" in Israel, and suggested that it implied that there should be "substantial concessions" by that country. **Sir Anthony Eden,** in reply, denied that he had used the phrase "substantial concessions of territory," and reaffirmed that H.M. Government would abide by the terms of the tripartite declaration. In reply to **Mr. Robens** (Lab.), who maintained that the Prime Minister "threw into the arena remarks about concessions of territory which applied to one side only," **Sir Anthony Eden** declared that his speech had clearly asked for concessions from both sides, he mentioned as possible subjects for concessions the Arab refugee problem and the Arab blockade and non-recognition of Israel.

Mr. Sharett's Visit to Washington. - Israeli Proposals for Peace Settlement with Arab States.

While visiting the U.S.A., the Israeli Foreign Minister (Mr. Sharett) had discussions on Nov. 21 and Dec. 6 with Mr. Dulles, in which he repeated Israel's request for U.S. arms supplies and at the same time informed him that Israel was prepared to make five major concessions as a contribution towards a peace settlement. Details of his proposals were published in Washington on Dec. 19, as follows:

(1) Israel would agree to mutual adjustments of the 1949 armistice line for purposes of security and improved communications, but would not consider negotiating on the basis of the 1947 partition line.

(2) Israel would consider granting the Arab States transit rights for the free flow of commerce from north to south between Lebanon and Egypt and across the Negev between Egypt and Jordan, provided the Arab States granted similar transit rights desired by Israel. Such rights would apply to both land and air travel.

(3) Jordan would be offered free port facilities in Haifa and the necessary transit rights to reach the port by land.

(4) Israel would be willing to raise funds to compensate the Arab refugees, and accepted the U.S. offer of a loan to help in the work of resettlement and rehabilitation, she insisted, however, that the refugees should be settled in the Arab States and not returned to Israel.

(5) Israel agreed to accept the Jordan River development plan drawn up by Mr. Johnston (the U.S. envoy), whereby Israel and the Arab States would share the waters of the Jordan and Yarmuk rivers. She considered this a concession because more than half the water supplies would go to the Arab States.

It was made clear that Israel would not retreat from her previous position on the following points: (1) She would not agree to any unilateral concessions, and would expect that minor adjustments in the armistice line would leave Israel's total territory virtually the same; (2) she would not relinquish the port of Elath, on the Gulf of Akaba; (3) in granting transit rights to Jordan and Egypt across the Negev, she would not permit the creation of any extra-territorial corridor; (4) she would continue to oppose the internationalization of Jerusalem.

A State Department spokesman confirmed on Nov. 18 that a request by Israel for arms supplies from the United States was "under consideration by the departments concerned." The spokesman declined to confirm or deny a *New York Times* report that Israel had asked for 40-50 jet aircraft, anti-submarine vessels, tanks, and anti-aircraft guns.

Mr. Ben-Gurion on Israel's Policy. - Extension of National Service Period.

In the course of a foreign affairs debate in the *Knesset* on Jan. 2, the Prime Minister of Israel (Mr. David Ben-Gurion) announced that the period of national service in Israel would be extended from 2½ to 3½ years.

Mr. Ben-Gurion said that in view of the imminent danger of attack by Egypt, and perhaps by other Arab countries, there was "one certain method of preventing war in the Middle East—the speedy supply of defensive arms to Israel of the same kind as supplied to the Egyptian air, sea and land forces." This, he said, followed

logically from " the pernicious flow of Soviet arms to Egypt," which was being augmented by the " uninterrupted flow " of surplus British military equipment to Egypt. Ridiculing the idea that Egypt might use the Soviet arms for war against the West, or the British arms for war against the East, Mr. Ben-Gurion declared that Egypt's arms supplies were intended " exclusively for war against Israel."

Announcing the extension of the period of national service, Mr Ben-Gurion said " We shall be grievously at fault if we do not prepare to defend ourselves in good time to the limit of our moral, economic, and military capacity. But at the same time we shall be guilty of a serious error if we assume that war against us is unavoidable and predestined." Throughout his speech Mr Ben-Gurion emphasized several times that war was not inevitable, that there was no occasion for panic or fear, and that a war would never be begun by Israel He declared, however, that Israel was determined to defend her territory and citizens against any assault After recalling how in 1940 the British people " fought alone, almost without an army and without arms, against a cruel and powerful enemy, undeterred by relentless bombardment and the destruction of their homes," Mr. Ben-Gurion said . " The people of Israel, in their own land, will not fail to fight for their lives as the British people did."

Defending the Lake Tiberias raid, Mr Ben-Gurion stated that as long as attacks on Israel's territory continued, retaliation would also continue After defending the Israeli Army command against the complaint that it had developed a tendency to act without the Government's authority, Mr Ben-Gurion referred as follows to the present frontier situation : " I do not know of any State in the world where the lives of its citizens, especially in border settlements, are exposed to such constant danger by saboteurs and murderers from across the frontier I must declare before the whole world . that we hold the frontiers of our country no less dear than the rulers and peoples of the Soviet Union, Britain, or any other country hold theirs "

If Israel's borders were attacked (Mr. Ben-Gurion continued), Israel would first appeal to the U N observers to rectify the situation If the observers did not succeed in doing so, " either because of lack of power or lack of will," Israel would consider it her duty " to use the most effective means for the defence of the lives of our citizens and the security of our frontiers." He recalled that General Burns had admitted " with regret and consternation " that Egypt had not given an undertaking to observe an absolute cease-fire or to enforce proposals for a frontier demilitarized zone

Commenting on the political situation in the Middle East, Mr Ben-Gurion declared : " Apart from the two stable and strong countries in the Middle East—Israel and Turkey—all Near Eastern countries are immersed in a whirlpool of disturbances, revolts, political chaos, assassinations, depositions of monarchs, and constant contests for power between adventurers and dictators In this confused, crazy, electrified atmosphere any spark in any quarter may ignite a conflagration of unforeseeable extent and results "

Mr. Ben-Gurion reiterated that Israel, while desiring peace and a settlement with the Arab States, was not prepared to make unilateral concessions or to cede any part of the Negev. After declaring that Israel's aim had always been peace, he asserted that the Arab countries had frequently violated the armistice agreements, in which connexion he mentioned (*a*) that all Israel's neighbours had proclaimed an economic boycott against her, (*b*) that Egypt had closed the Red Sea and the Suez Canal to Israeli shipping, (*c*) that Egypt's representatives at the U.N had on several occasions declared that Egypt was in a state of war with Israel, and for this reason had refused to comply with Security Council resolutions condemning the closing of the Suez Canal to Israeli vessels; (*d*) that Jordan, despite the truce agreement, had prevented access to the Holy Places and the Hebrew University on Mount Scopus; and (*e*) that Syria had tried to seize Israeli territory in 1951 and had killed 40 Israeli soldiers.

The following figures were given by Mr. Ben-Gurion of the number of Israelis killed and wounded in recent years by marauders from the Arab States . 137 in 1951 (111 killed and wounded by Jordanians); 147 in 1952 (114 by Jordanians); 162 in 1953 (124 by Jordanians); 180 in 1954 (117 by Jordanians and 50 by Egyptians), 258 in 1955 (192 by Egyptians and 37 by Jordanians).

In conclusion, Mr Ben-Gurion said that the plans for building up the " home front " would include, apart from the additional year of national service, the building of air-raid shelters, the raising of at least £50,000,000 (I). during the next few weeks as a defence fund, and voluntary efforts to integrate new settlers into the community He ended . " If, by the efforts of the State and people, we are able to raise the moral, economic, and military strength of Israel, we have it in our power also to ensure peace. With all our might and all our soul we must strive for these two things : strength and peace "

Mr. Sharett, speaking later in the debate, said that conversations with U.S. representatives on the possibility of a settlement had begun in Paris and Geneva in October, and had continued in Washington. Mr. Dulles' proposal of " mutual concessions " (see 14392 A) implied that the Arab States were expected to give up some of their demands, and Israel to part with some things that " we now possess "; Israel, however, was not prepared under any circumstances to make unilateral territorial concessions or to resettle Arab refugees. The British Government, he added, had disqualified themselves for the role of mediator by " adopting at the start an attitude of their own on what should be the actual content of a settlement," and by laying down the principle of compromise between the 1947 U.N. resolution, which had been " overtaken by history," and the existing situation Mr. Sharett stressed that the Israeli peace plan published in Washington was not a precondition for negotiations, as Israel was ready to enter into direct negotiations without stipulating conditions of any kind in advance

Colonel Nasser on the Guildhall Speech.

Colonel Nasser (the Egyptian Prime Minister), in a press statement on Nov. 28, 1955, said that Sir Anthony Eden's reference to the U.N. resolutions of 1947 [in his Guildhall speech] " indicates that the rights of the Palestine Arabs have not been abandoned—as had been imagined—by some of the great Powers, and that the time has come for a revival of those resolutions which have been ignored for eight years." Colonel Nasser added that Sir Anthony Eden had not put forward any definite proposals calling for Egyptian support, but had simply taken up the U.N. resolutions again—a fact which Egypt considered " as an acknowledgment of the rights of the Palestinian Arab people, whose country had been usurped when it was under the British mandate."—(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - U.N. Information Centre, London) **(Prev. rep. Middle East, 14525 A.)**

A. IRISH REPUBLIC. — Roman Catholic Hierarchy's Warning against Membership of Armed Organizations.

The Irish Hierarchy issued a statement on Jan. 18, in the name of the Archbishops and Bishops of the Roman Catholic Church in Ireland, declaring that it was " a mortal sin for a Catholic to become or remain a member of an organization or society which arrogates to itself the right to bear arms and to use them against its own or another State; that it is also sinful for a Catholic to co-operate with, express approval of, or otherwise assist any such organization or society; and that, if the co-operation or assistance be notable, the sin committed is mortal."

After pointing out that the Hierarchy felt it its duty " to warn all Catholics against erroneous ideas and claims which are being advanced in regard to the raising of military forces and the waging of war," the statement continued : " Catholic moral teaching lays down precise conditions in order that war be at all lawful War is the cause of very grave evils, physical, moral and social It is not lawful unless it be declared and waged by the supreme authority of the State No private citizen or group or organization of citizens has the right to bear arms or to use them against another State, its soldiers or citizens Just as no private citizen has the right to inflict capital punishment, so he has not the right to wage war.

" Sacred Scripture gives the right to bear the sword and to use it against evil-doers to the supreme authority, and to it alone If individuals could arrogate to themselves the right to use military force, there would be disorder and chaos, leading inevitably to tyranny and oppression The second condition for a lawful war is that there be a just cause It must be certain that all peaceful means have been tried and found unavailing, that the matter at issue far outweighs the havoc that war brings; and that it is reasonably certain that war will not make things worse. No private individual has authority to judge these issues or to involve the people, from whom he has received no mandate, in the serious losses inevitable in hostilities. But of all wars, a civil war between the people of one nation causes greatest injury, and is most to be avoided "

After giving the above-mentioned warning against membership of, or support for, armed organizations, the statement added : " We warn young men to be on their guard against any such organization or society, and not to be induced by false notions of patriotism to become members of it We appeal also to the general body of our people to avoid violence, cherish peace, and, as a Christian nation, give an example to the world of order, forbearance, concord and goodwill."

The statement was ordered to be read in all Roman Catholic Churches in Ireland on January 29.—(Irish Times, Dublin)

B. FRANCE - UNITED STATES. — Final French Payment on Purchase of U.S. Surplus Ships.

The final payment by France for the surplus U.S. vessels bought under the Franco-American agreement of 1946 was made on Dec. 2, when a cheque for $26,698,637 was handed over to the Federal Maritime Board. Total French payments for the ships amounted to $74,635,005, the 98 vessels purchased by France consisting of 76 Liberty ships, 18 tankers, and four coastal cargo carriers. In all, the U.S. Government sold 1,956 surplus vessels (including 943 for American flag operations) for $1,776,303,702, and the liquidation of the French debt left some $65,000,000 of mortgages outstanding in respect of other buyers.—(New York Times - Le Monde, Paris) **(Prev. rep. 1946 Agreement, 8047 A.)**

C. SUDAN. — Admission to Arab League.

The Sudan was admitted to the Arab League on Jan. 19 as its ninth member.—(Manchester Guardian) **(14624 B.)**

A. JORDAN. — General Templer's Visit to Amman. - Discussions on Jordanian Accession to Baghdad Pact. - Anti-Pact Riots. - Attacks on U.S., French and Turkish Consulates and British and U.N. Property. - Murder of British Officer of Arab Legion. - Cabinet Crises. - Dissolution of Chamber of Deputies declared Unconstitutional. - New Premier's Pledge against Jordan's Accession to Pacts. - Egypt, Syria and Saudi Arabia offer Financial Assistance in Replacement of British Aid. - U.K. Financial Aid for Jordan in 1956-57.

The Chief of the British Imperial General Staff (General Sir Gerald Templer), accompanied by Mr. Michael Ross, head of the Levant Department of the Foreign Office, visited Amman from Dec. 6-14 for discussions on "questions connected with Jordan's defence and matters connected with the Arab Legion." During his stay in the Jordanian capital General Templer had a number of meetings with the Prime Minister (Said el-Mulki) and the Defence Minister, and was received in audience by King Hussein. Although no official statement was issued on these discussions, it was authoritatively stated in London that General Templer had presented proposals involving the revision and strengthening of the U.K.-Jordanian mutual assistance treaty of 1948; the strengthening of Middle Eastern defence by Jordan's accession to the Baghdad Pact (of which the present members are Britain, Turkey, Pakistan, Persia, and Iraq); and the reinforcement of the Jordanian Army, the Arab Legion, and the Jordanian Air Force with British equipment.

Four Ministers in the Jordanian Government, all of whom were from Western Jordan (i.e. the Arab areas of Palestine under Jordanian sovereignty), resigned on Dec. 13 after a three-hour Cabinet meeting which was attended by General Templer. On the following day Said el-Mulki submitted his Cabinet's resignation to King Hussein, who asked Hazza el-Majali (the outgoing Minister of the Interior, and a former Vice-Premier) to form a new administration. Hazza el-Majali accepted this commission and formed a 10-member Government on Dec. 15 in which he took over the portfolios of Foreign Affairs and Economics in addition to the Premiership. Five of the Ministers entered the Cabinet for the first time, whilst the others had held office in the previous administration.

Serious rioting, resulting in a number of casualties and some loss of life, broke out in different parts of Jordan on Dec. 16, and continued for two days thereafter, in protest against Jordan's proposed accession to the Baghdad Pact. The principal centres affected were Amman, the Old City of Jerusalem (which is under Jordanian control), Nablus, Jericho, Hebron, and Bethlehem.

Some 10,000 demonstrators in Amman, including many students and young persons, clashed with the police and Arab Legionaries, an officer of the Arab Legion being killed by the mob and several soldiers and a number of demonstrators being injured. At Nablus, demonstrations were held demanding the resignation of Hazza el-Majali and threatening to set up a separate Palestinian Arab state if Jordan acceded to the Baghdad Pact. Disturbances also took place at Jericho, where rioters broke into an agricultural training project for refugees and caused much damage; at Hebron, where the U.N. Refugee Office was attacked; and at Bethlehem, where a curfew was imposed.

The worst disorders occurred in the Old City of Jerusalem, where the mob—including a large hooligan element—broke into and looted the Turkish Consulate, tore down and burned the Turkish flag, set fire to the ground floor premises, and wounded the Turkish Consul-General, who succeeded in escaping to the Israeli-controlled part of Jerusalem (the New City). The French and U.S. Consulates were stoned, the French Vice-Consul wounded when stones were thrown at his car, and the U.N. flag torn off the car belonging to General Burns, the head of the U.N. Truce Supervisory Organization in Palestine. Soldiers of the Arab Legion had to open fire over the heads of the mob on several occasions before order was restored.

During the three days' disturbances it was estimated that three persons were killed and 20 injured in the Old City of Jerusalem; one killed and 13 wounded in Amman; one killed and 20 wounded in Jericho; and two killed and eight wounded in Bethlehem.

Hazza el-Majali issued a statement on Dec. 18 giving the reasons for the resignation of Said el-Mulki's Government and stating, *inter alia*, that Britain had proposed that Jordan should join the Baghdad Pact. After referring to earlier exchanges for a revision of the U.K.-Jordanian treaty of 1948, he said:

"At the wish of the Jordanian Government, General Templer headed a British delegation which submitted a Note outlining the principles which Britain considers as a suitable basis for new relations with Jordan. Other military and economic offers were made, aimed at strengthening the Arab Legion on the understanding that Jordan's political and military obligations towards the Arab States would not be affected. They included the supply of arms and aircraft in return for Jordan's accession to the Baghdad Pact.

"After careful study, the previous Council of Ministers decided to accept the principle of joining the pact, provided Jordan's claims were realized. A committee of three ex-Ministers and myself prepared a Note, written by Azmi Nashashbi [the former Minister of Posts and Telegraphs], outlining Jordan's minimum claims. The former Council of Ministers approved this Note, but four Ministers suggested showing it to a certain Arab State [presumably Egypt] before submitting it to Britain. The other Ministers thought it premature to send details of the Note, as the British and Jordanian points of view still differed. The four Ministers maintained their view and discussion was postponed. Next morning the four Ministers resigned without consulting their colleagues, and the Mulki Cabinet had to make room for a new one as a result. General Templer then left, and the Jordanian Note was not officially handed to the British Government. Talks will be resumed later."

Hazza el-Majali announced on Dec. 19 that his Government had resigned in order to allow the nation "to give its verdict on the issues before it" [i.e., in effect, whether or not Jordan should join the Baghdad Pact.] King Hussein, who had broadcast an appeal for the maintenance of order, accordingly dissolved the Jordanian Chamber of Deputies on Dec. 19, and on the following day appointed Ibrahim Hashem (the President of the Senate, and a former Prime Minister under King Abdullah) as head of a "caretaker" Government to hold office pending general elections to be held within the next four months. A royal decree was subsequently issued for the election of a new Chamber of Deputies on April 15, 1956.

A nine-member "caretaker" Government headed by Ibrahim Hashem was sworn in on Dec. 21, with three former Prime Ministers among its members. The portfolio of Foreign Affairs was taken by Samir el-Rifai, who was concurrently appointed Deputy Premier. A statement was issued in Amman emphasizing that the new Government was of a temporary character, that it would not concern itself with political matters, and that it had no authority to commit the country to any new treaties or pacts.

It was announced on Jan. 1, 1956, however, that the Constitutional Court had been asked by the new Government to give a ruling as to the legality or otherwise of King Hussein's action in dissolving the Chamber of Deputies. The court ruled on Jan. 4 that the dissolution was unconstitutional—a decision which implied that the Chamber of Deputies would have to remain in existence until its normal term had expired.

After only 18 days in office, Ibrahim Hashem's "caretaker" Cabinet resigned on Jan. 7 after a general strike had been called in Amman by a "National All-Classes Conference" whose meetings had earlier been banned by the Government. Some thousands of demonstrators, including large numbers of students and schoolchildren, marched to the Government buildings shouting slogans denouncing the Baghdad Pact, calling for an alliance with Egypt, Syria and Saudi Arabia, and demanding the immediate dissolution of the Chamber of Deputies. Troops were called out to restore order after demonstrators had set fire to the U.S. technical aid centre, burned a U.S. Embassy car, smashed the windows of the British Bank of the Middle East and the British Council offices, and attacked an office of the U.N. refugee agency.

On the same day further serious disorders broke out in the Old City of Jerusalem and in other centres.

The U.S. Consulate-General in Jerusalem was again attacked by a mob—led by a number of Communists, and ostensibly demonstrating against the Baghdad Pact—which tore down the American flag, hurled stones through the windows, and did considerable damage before it was dispersed by Arab Legionaries and U.S. Marines, some of whom were rushed from the Israeli sector of the city to protect the Consulate-General. The demonstrators, several of whom were killed and injured, were dispersed by tear-gas. No U.S. citizens were injured, the wives and children of several Western consular officials having previously taken refuge in the Israeli sector of the city.

A British officer of the Arab Legion, Lieut.-Colonel Patrick Lloyd, was killed at El Zerka (the Legion's headquarters) while dispersing rioters. Although the news of his murder was at first suppressed by the Jordanian censorship, it was subsequently disclosed by the Special Correspondent of the *Daily Telegraph* in Amman that Colonel Lloyd had been trapped by Arab mobs who pulled him from his car, stoned him, and then shot him. A feature of the demonstrations in different parts of Jordan was the demand made by many of the rioters for the dismissal of British officers of the Arab Legion and their replacement by Jordanians. [The Arab Legion has about 60 British officers, and has been commanded for many years by Lieut.-General J. B. Glubb (Glubb Pasha). Most of the British officers are employed on technical or staff duties.]

Elsewhere in Jordan rioting also occurred at Jericho, where troops used tear-gas and opened fire, wounding some of the demonstrators; at Ramallah, where demonstrators were also dispersed by tear-gas; and at Bethlehem and Hebron, where the disturbances were on a smaller scale. On Jan. 12 a mob burned down and looted two buildings belonging to a U.S. Baptist mission hospital at Ajloun (northern Jordan), there were no casualties among the hospital staff or patients, four Americans being rescued by Arab Legion troops and escorted to Amman.

The U.S. Secretary of State (Mr. Dulles) summoned the Jordanian Chargé d'Affaires in Washington to the State Department on Jan. 8 and demanded an explanation of the attacks made on the U.S. Consulate-General in Jerusalem and on U.S. property in Amman. It was stated that the Chargé d'Affaires had expressed his Government's "deep regret" at the incidents and had given assurances against their repetition. The British Chargé d'Affaires in Amman also protested to the Jordanian Foreign Minister against the attacks made on British property.

A Foreign Office spokesman in London said on Jan. 9 that information had been received which led the Foreign Office to believe that "a certain amount of money has been spent in Jordan in fomenting riots—and not only from Communist sources." It was also stressed at the Foreign Office that the British Government had never put pressure on Jordan to join the Baghdad Pact, though it had always maintained that it would be to Jordan's advantage to join the pact. "We were asked," the spokesman said, "for certain information about arrangements we might make if Jordan joined the pact, and General Templer went to Amman to explain what these arrangements would be. The initiative for these discussions was taken by the Jordan Government."

Following the resignation of Ibrahim Hashem, Samir el-Rifai (Deputy Premier and Foreign Minister in the "caretaker" Cabinet) agreed on Jan. 8 to form a new administration at the request of King Hussein. The new Government—Jordan's fourth in four weeks—was sworn in by the King on the following day, five of the portfolios being given to senators and five to deputies. Samir el-Rifai took over the Ministry of the Interior in addition to the Premiership, Ibrahim Hashem became Deputy Premier, and Dr. Hussein Fahkri el-Khalidi (Minister of Health and Welfare in the "caretaker" Cabinet) became Foreign Minister. All the Ministers had previously held ministerial office.

Samir el-Rifai made a broadcast on taking office in which he declared that his Government would not adhere to "any new pacts." He said:

"I have assumed responsibility after a period of unrest and in circumstances in which the Jordanian nation vitally needs security and a resumption of normal life. . . . My Government will give full details of its internal and external policies in the ministerial statement which I shall shortly delivery to Parliament, but meanwhile I wish to declare that adherence to any new pacts is not the policy of my Government, and that we shall continue our endeavours to strengthen co-operation and consolidate our friendly and brotherly relations with Arab countries The Palestine case remains our first preoccupation, and we shall continue our efforts unceasingly until we attain the complete rights of the Arabs."

In a letter to Samir el-Rifai approving the new Cabinet, King Hussein wrote:

"We sincerely hope the policy of your Government will be (1) preservation of friendly and brotherly relations with all Arab countries within the framework of the welfare of our country and its first problem, which is the Palestine case; (2) preservation of the good relations existing between our country and friendly and allied countries; (3) the implementation of law and the restoration of order; (4) the organization of proper Government administration; (5) the endeavour to improve economic and social affairs; (6) redoubling of efforts to improve military affairs in general, and concentration on the strengthening of the Air Force"

A nation-wide curfew had been imposed at the outbreak of the latest disturbances on Jan. 7, but was lifted on Jan. 14. In a broadcast on the following day King Hussein said that Jordan had passed through a "severe crisis" which had now, however, ended. After thanking the Government for restoring order and the Arab Legion for showing restraint, he looked forward to "our greatest day . . . when our usurped rights in Palestine are restored." It was announced in Amman on Jan. 16 that the Jordanian Government would set up a commission of inquiry to establish responsibility for the attacks on foreign establishments during the disturbances; that persons who were found guilty would be punished; and that collective fines might be imposed where the instigators of the attacks could not be brought to justice.

Violent opposition to the possibility of Jordan's accession to the Baghdad Pact had been expressed by the press and radio in Egypt, Syria and Saudi Arabia. Broadcasts from Cairo had openly called upon the Jordanian people to overthrow their Government, and the anti-pact demonstrations in Jordan were warmly welcomed in all three Arab countries. The Diplomatic Correspondent of *The Times*, commenting on the Jordan riots, said that feelings in that country had "evidently been exacerbated by broadcasts from Cairo, the widespread use of Saudi Arabian funds to stimulate agitation, and the influence of local Communists."

Arab Countries' Offer of Economic Aid to Jordan.

The following statement was issued in Damascus on Jan. 11 announcing that Syria, Egypt, and Saudi Arabia had offered Jordan economic aid in place of that made available to the Jordanian Government by Britain:

"The Syrian Prime Minister, Said Ghazzi, today submitted to the Jordanian Chargé d'Affaires, in the presence of the Egyptian Ambassador and the Saudi Minister, a memorandum expressing the desire of the three Arab States to negotiate with the Jordanian Government on the manner in which those States can offer the Jordanian Government help and financial aid.

"The three States suggest a conference of the four heads of the Arab States to discuss the problem. The purpose of this is to render Jordan strong enough to withstand possible Israeli aggression The three States are prepared to give Jordan aid in substitution for British aid for the Arab Legion and the National Guard. If King Hussein agrees to the conference, he will advise the three Arab States of the date and place—either in Damascus, Cairo, or Riyadh The memorandum was presented by agreement between the three Governments."

British Financial Aid to Jordan.

The British Foreign Office had announced on Dec. 20 that H.M. Government intended (subject to Parliamentary approval) to give financial aid to Jordan during the fiscal year 1956-57 totalling £12,550,000—an increase of £950,000 over the amount (£11,600,000) provided during 1955-56. The sum was divided as follows: £9,200,000 as a subsidy for the Arab Legion (an increase of £280,000 over 1955-56); £2,250,000 as an interest-free loan for promoting economic development (an increase of £500,000); and £1,100,000 to help balance the Jordanian Budget (unchanged).

It was stated that the £2,250,000 interest-free development loan would include £500,000 for the construction of a deep-water port at Akaba; £700,000 for road construction, including a first-class road from Amman to Maan; and £1,050,000 for the provision of village co-operatives, etc., and for building or maintaining civil airports at Amman and Jerusalem. The £1,100,000 for the Jordanian Budget would include £350,000 for the expenses of the National Guard—a gendarmerie responsible for local frontier duties.

It was pointed out in London that the above-mentioned arrangements had no connexion with General Templer's visit to Amman, but related solely to the annual financial assistance supplied by the U.K. to Jordan since 1946.—(Times - Daily Telegraph - Manchester Guardian - New York Herald Tribune)

(Prev. rep. Baghdad Pact, 14565 A; Jordanian Cabinet, 14253 B; Armed Forces, 14530 C; U.K. Financial Aid to Jordan, 14210 B.)

A. UNITED KINGDOM. — Increase in Minimum Wage of Agricultural Workers.

The Agricultural Wages Board on Dec. 7, 1955, reached provisional agreement on an increase of 8s. weekly in the minimum wage of adult farm workers, bringing it to £6. 15s. a week, with proportionate increases for women and juvenile workers and in overtime and holiday pay. The cost of the increases (applicable to about 600,000 agricultural workers) was estimated at about £15,000,000 in a full year.

The agricultural unions had asked for a minimum of £7 a week (an increase of 13s.) for adult males. They claimed that the earnings of adult farm workers, including overtime, averaged only £7. 10s. 5d. for a 52-hour week, or about £3 less than average industrial earnings, and argued that the drift of labour away from agriculture (about 25,000 farm workers had left for other employment in the year ended Sept 30) could only be stopped by substantially higher pay. The employers' counter-offer of a £6. 15s. minimum was, however, supported by the independent members of the board, and was eventually accepted by the union representatives.

The new rates were confirmed by the Board on Jan. 11, whereupon the union representatives gave notice that they would submit a further claim on February 1.—(Times)

(Prev. rep. Agricultural Wages, 13985 A.)

B. SPAIN. — The March Foundation.

The creation of a fund of 348,000,000 pesetas (approx. $10,000,000) for educational and cultural purposes was approved by the Spanish Government on Jan. 11, under the name of the March Foundation. The money was donated by Señor Juan March, the richest man in Spain and reputedly one of the wealthiest in Eruope, and was the largest philanthropic benefaction ever made in that country.—(A.B.C., Madrid)

C. CHINA. — Opening of Trans-Mongolian Rail Link with Soviet Union.

The new trans-Mongolian railway linking China and the U.S.S.R. was officially opened on Jan. 4. It will permit through services between Peking and Moscow *via* Ulan Bator, the capital of the Mongolian People's Republic, and is the first railway to be built on Mongolian territory.—(Le Monde, Paris)

(Prev. rep. 14403 A; 13855 A.)

A. UNITED KINGDOM. — Record Steel Production in 1955. - United Steel Development Programme. - Denationalization of Consett Iron Company.

Figures published by the British Iron and Steel Federation on Jan. 11 showed that U.K. steel production in 1955 reached the record figure of 19,791,000 tons, compared with 18,250,000 tons in 1954 and exceeding the 1955 target of 19,500,000 tons. Production of pig iron, at 12,470,000 tons, was also a record, comparing with 11,883,000 tons in 1954.

Detailed monthly figures for the second half of 1955 are given below, with 1954 figures for comparison:

	1955		1954	
	Weekly Average tons	Annual Rate tons	Weekly Average tons	Annual Rate tons
	Steel Ingots and Castings			
July	307,700	16,002,000	263,100	13,682,000
August	345,100	17,946,000	325,600	16,932,000
September	397,800	20,683,000	372,300	19,358,000
October	399,500	20,773,000	374,500	19,472,000
November	408,600	21,246,000	377,000	19,606,000
December	381,900	19,860,000	354,700	18,442,000
	Pig Iron.			
July	230,800	12,000,000	211,200	10,984,000
August	236,200	12,282,000	227,400	11,823,000
September	246,200	12,804,000	222,900	11,591,000
October	249,200	12,957,000	230,700	11,998,000
November	252,600	13,135,000	235,300	12,236,000
December	250,100	13,004,000	233,600	12,149,000

Developments in recent months in connexion with the iron and steel industry are summarized below:

Price Increases. In consequence of higher costs of imported ore, the Iron and Steel Board on Dec. 19, 1955, raised prices of basic and hematite pig iron by 11s. 6d. and 17s. 6d. per ton respectively, and prices of low-phosphorus and Scottish foundry iron by 16s. and 7s. 6d. per ton respectively.

United Steel Group Developments. It was announced on Nov. 7 that three of the four principal steel-making companies in the United Steel Companies group planned a joint total expenditure on development projects during the next three years of nearly £14,500,000. The amounts to be spent by the three companies, with their ingot outputs in 1954-55 shown in parentheses, were as follows: Appleby-Frodingham Steel Co. (1,029,810 tons), nearly £6,000,000; Steel, Peach and Tozer (961,656 tons), over £3,000,000; Samuel Fox and Co. (295,463 tons), over £6,000,000. Individual schemes included (*a*) the new medium strip mill planned by Steel, Peach and Tozer (see 14406 A); (*b*) reconstruction of the plate mill and replacement of older coke-ovens at the Appleby-Frodingham works; and (*c*) the installation at Samuel Fox and Co 's Stockbridge works of a second electric ore furnace and of a new rod and bar mill. The total ingot output of the group was stated to have risen from 1,886,000 tons in 1947-48 to nearly 2,560,000 tons in 1955, or about 12-14 per cent of the entire U.K. output. During the same period the group had spent about £44,000,000 on development, largely out of its own resources.

The Industry's Efficiency. It was stated in the October issue of the *British Iron and Steel Federation Monthly Bulletin* that by economies in the use of raw materials, fuel, equipment, and labour, the steel industry had increased its output by five-eighths since the war, with a rise of only one-eighth in the number of workers employed. The improvement in fuel efficiency over the whole post-war period had been about one-eighth, representing (at the 1954 rate of operation) an annual saving of about 3,500,000 tons of coal, whilst a "striking economy" in the use of equipment had been achieved by the extension of "continuous working" (already customary in the blast furnace section) to the melting shops. Local arrangements had also been made with the unions to permit an extended week in the rolling mills; thus, whereas much of British industrial equipment was in use for only one shift daily, the steel industry's plant worked 17-21 shifts weekly. Labour economy had been achieved partly by the provision of reasonable incentives, but mainly by means of large-scale capital investment, which had made possible the elimination of obsolete plant and a gradual increase in the average size of furnaces. Additional sinter plants, bigger blast furnaces and steel furnaces, more mechanical handling equipment, and the adoption of continuous rolling processes had all enabled each man to handle a larger tonnage than before, and labour productivity had increased by about 40 per cent since the war.

Public Offer of Steel Shares. On Dec. 13 the Iron and Steel Realization Agency offered for sale 10,000,000 £1 Ordinary shares in the Consett Iron Co. at 25s. 6d. each, the Agency retaining for the time being the remainder of the issued capital—£4,000,000 5 per cent Redeemable Debenture stock. The offer was heavily over-subscribed, and it was announced on Dec. 18 that about 166,000 applications had been received for about 65,000,000 shares, including 5,800 applications for 14,600,000 shares from former shareholders and present employees, who had been promised preferential treatment.

Of the preferential applications, those for up to 300 shares were accepted in full, but larger ones only as to about two-thirds, with a maximum of 10,000 shares. Applications from the general public for 700 shares and over were granted as to about one-sixth with a maximum of 2,500 shares, but smaller applications were dealt with by ballot, 100 shares each being allotted to 20,000 successful applicants.

Import Duties. Following consultations with the Iron and Steel Board about the supply position, the Board of Trade announced on Jan. 2 that import duties on a wide range of iron and steel products and on certain cold-rolled steel sheets had been suspended for a further six months—i.e. until March 18 and Sept. 18, 1956, respectively.

Sir Ernest Lever (chairman of Richard Thomas and Baldwins Ltd.) succeeded Mr. A. G. Stewart (chairman of Stewarts and Lloyds Ltd.) as president of the British Iron and Steel Federation from Jan. 1, 1956.—(Times - Daily Telegraph - Manchester Guardian - Financial Times - Board of Trade Journal)

(Prev. rep. 14406 A; 14003 A.)

B. FRANCE. — Diplomatic Appointments. - New Ambassadors in Moscow and Bonn.

It was announced in Paris on Dec. 16, 1955, that M. Maurice Dejean had been appointed Ambassador to the Soviet Union in succession to M. Louis Joxe, and that M. Joxe would succeed M. François-Poncet (retired) as Ambassador to the German Federal Republic.

The French Government had previously announced its intention of appointing M. Roland de Margerie to the Moscow Embassy (see 14466 C), whilst it was understood that M. Joxe would succeed M de Margerie as Director-General of Political and Economic Affairs at the Quai d'Orsay. Ultimately, however, M. Joxe was appointed to the Bonn Embassy and M. Dejean to the Moscow Embassy, as stated above.

M Dejean (56) was one of the leading members of the French Committee of National Liberation set up in London during the war, and was accredited to other Allied Governments-in-exile which had their headquarters in Britain at the time After serving as Director-General of Political Affairs in 1944-45 he successively held the posts of Ambassador in Prague, Ambassador in Tokio (1952), and Commissioner-General in Indo-China (1953).

M. Joxe (54), like M Dejean, was a prominent member of the Free French movement during the war, having been secretary-general of the Committee of National Liberation in 1943-44. He was subsequently Director-General of Cultural Relations at the Quai d'Orsay (1944-45), State administrator of the *Agence France-Presse* (1947), and French representative at the U.N. before his appointment in 1952 to the Moscow Embassy.

Other French diplomatic appointments during the latter months of 1955 included the following: M. Louis Roche, Ambassador in Canberra since 1952, as Ambassador to the Lebanon; M. Renaud Sivan, formerly Ambassador in Jakarta, as Ambassador to Australia *vice* M. Roche; Baron Edmond de Beauverger as Ambassador to the Netherlands; M. Francis Lacoste as Ambassador to Canada, *vice* M. Hubert Guérin; M. Jean Serrès as Ambassador to Pakistan; and M. Jean Baelen (a former Ambassador in Warsaw and Athens) as Ambassador to Yugoslavia *vice* M. Coulet.—(Le Monde, Paris) **(14466 C.)**

C. UNITED KINGDOM. — Conference of Diplomats in Middle Eastern Countries. - Reinforcement of British Middle East Forces.

The Foreign Secretary, Mr. Selwyn Lloyd, presided at the Foreign Office on Jan. 4-5 over a conference attended by the British Ambassadors in Egypt, Israel, Iraq, Syria, the Lebanon, Jordan, and Saudi Arabia, and also by the Political Resident in the Persian Gulf. It was subsequently announced that the talks had enabled the Foreign Secretary to receive a first-hand account of the situation in the Middle East before accompanying the Prime Minister to Washington for his talks with President Eisenhower.

The War Office issued the following statement on Jan. 10: "In view of the disturbed position in the Middle East, H.M. Government have thought it desirable as a precautionary measure to increase the number of troops at the disposal of the C.-in-C. for the protection of British subjects in the area, should the need arise. Additional troops, including airborne units, are therefore being flown to Cyprus."

Although no official announcement to that effect was issued, it was understood that the decision to reinforce British military forces in the Middle East had been taken as a result of the recent disturbances in Jordan (see 14646 A), where British property had been attacked and where a number of British nationals were resident, and also of the possibility of Arab-Israel clashes at a time when Jordan was disturbed internally. It was also understood that the reinforcements would not be needed for internal security duties in Cyprus, which were being carried out by the seven British battalions already stationed there.

It was disclosed that the troops to be flown out would consist of the 1st and 3rd Bns. Parachute Regiment, and H.Q. 16th Independent Parachute Brigade Group, constituting a strategic reserve at the disposal of General Sir Charles Keightley, C.-in-C., Middle East Land Forces.—(Times - Daily Telegraph)

(Prev. rep. Middle East Situation, 14646 A; 14643 A.)

JANUARY 21—28, 1956

A. AUSTRALIA. — General Elections. - Increased Liberal-Country Majority in House of Representatives. - Deadlock in Senate. - Government Reorganization.

General elections for a new House of Representatives and for one-half (30 members) of the Senate took place on Dec. 10, 1955. They resulted in an increased majority in the House of Representatives for the Liberal-Country Party coalition led by Mr. Menzies. In the Senate, however, the Government parties and the Opposition were left with 30 seats each as a result of the loss of one seat by the Government. The state of the parties in the new Parliament is shown below, compared with party strengths before the elections: -

	New House	Former House	New Senate	Former Senate
Liberal Party	57	47	30	31
Country Party	18	17		
Labour Party	47	50	28	28
Labour (Anti-Communist)	-	7	2	1
Total* . .	122†	121	60	60

* Excluding two members of the House of Representatives, one for the Australian Capital Territory (Canberra) and one for the Northern Territory, who have a vote only on matters affecting their own constituencies.

† Under a reorganization of constituencies carried out in 1955 (on the basis of the latest population census) the total number of seats in the House of Representatives was increased from 121 to 122, New South Wales losing a seat and Western Australia and South Australia each gaining one. As a result, representation of the States in the new House will be as follows · New South Wales, 46 ; Victoria, 33 ; Queensland, 18 , South Australia, 11 , Western Australia, 9 , Tasmania, 5 ; Australian Capital Territory, 1 ; Northern Territory, 1.

The Government parties (ten of whose candidates were returned unopposed) won eight seats from Labour—Hume, Phillip, and St. George in New South Wales ; Marybyrnong and Wannon in Victoria ; Sturt in South Australia ; and Perth and Swan in Western Australia. They also won the Victorian constituencies of Ballarat and Fawkner from the Anti-Communist Labour Party, as well as the new Victorian seat of Bruce. Labour won the other five Victorian seats previously held by the anti-Communist Labour group—Darebin, Gellibrand, Scullin, Wills, and Yarra. Labour lost two formerly safe seats in New South Wales because of boundary changes, but won the new constituency of Hughes. As a result of their gains the Government parties had a majority of representatives in each State except South Australia, with 25 in New South Wales (Labour 21), 23 in Victoria (10), 13 in Queensland (5), 6 in Western Australia (3), and 3 in Tasmania (2). In South Australia Labour won 6 seats to the Government parties' 5.

All the members of the Government who sought re-election were again returned. The former Minister for the Army and Navy, Mr. Francis, had previously been appointed Australian Consul-General in New York and had not contested the elections, whilst the Government Whip, Mr. H. B. Gullett, had announced on Oct. 25 that he would not seek re-election. Mr. Menzies had a majority of over 15,000 in the Kooyong constituency of Victoria ; Sir Arthur Fadden had a majority of more than 6,000 in McPherson (Queensland), Mr. R. G. Casey won La Trobe (Victoria) by a margin of nearly 9,000 ; Sir Philip McBride (Wakefield, South Australia) also had a majority of some 9,000 ; and Mr. J. McEwen won Murray (Victoria) by a margin of some 12,000 votes.

Among the Labour candidates, Dr. Evatt, Leader of the Opposition, retained his Barton (N.S.W.) seat by only 226 votes over his Liberal opponent after the second preferences of the Independent candidate had been divided. Mr. Calwell, deputy-leader of the Labour Party, retained Melbourne with a majority of over 12,000, whilst Mr. E. J. Ward, a former Labour Cabinet Minister, held East Sidney with a majority of nearly 13,000. The defeated Labour candidates included Mr. A. S. Drakeford (Marybyrnong), a former Cabinet Minister. Mr. R. Joshua, leader of the Anti-Communist Labour Party, lost his seat at Ballarat (Victoria) to the Government parties' candidate.

Of the 30 seats contested in the Senate (five from each State), 18 were held at the dissolution by Liberal-Country Party members and 12 by Labour ; in each State three of the retiring members were Government supporters and two were Labour. The only change in representation was that the Government lost one seat to the Anti-Communist Labour group in Victoria, where Mr. Frank McManus (secretary of the Anti-Communist Labour Party in Victoria) was returned.

In the new Senate, which does not take office until July, the Government will thus have to depend on the votes of the two Anti-Communist Labour members (the other being Senator Cole of Tasmania) for a majority. Under Senate procedure a tie vote is regarded as a negative vote.

The Labour Party's electoral programme proposed widespread increases in social security benefits and tax rebates for lower income groups, to be financed by a reduction in defence expenditure and by the introduction of an excess profits tax on all companies with a taxable income of £A25,000 or more. The Government parties—who argued that the increases in benefits proposed by Labour were impossible in present conditions—campaigned largely on their record in office, and promised a continuation of existing policies.

Dr. Evatt, outlining the Labour Party's policy on Nov 9, said that they welcomed the opportunity for the people to record their censure of the Government, which had " squandered the country's overseas reserves and had begged and borrowed all round the world," with the result that Australia now had " the dubious distinction of being the largest debtor of the International Bank." The Government could have stayed in office another 18 months, but had sought an election " before the results of its handiwork become obvious to all the people."

The Labour Party would increase social service and repatriation benefits by a total of £A71,000,000, which would include a £A7,000,000 rise in subsidies on butter, wheat, and homes for the aged ; an increase of 11s. a week on age and invalid pensions ; an increase in child endowments by amounts ranging from 2s. 6d. to 7s. 6d. a week ; and a doubling of maternity benefits and a trebling of funeral benefits In addition, Labour would abolish income-tax on taxable income not exceeding £A250 a year and purchase tax on household equipment and furniture, and ask the Arbitration Court to restore the quarterly basic wage adjustments These various concessions would be met by reducing defence expenditure by £A40,000,000, raising £A50,000,000 by a tax on " exorbitant company profits " where taxable income was £A25,000,000 or more, and using some of an estimated Budget surplus of £A50,000,000.

Dr. Evatt again called for the return of Australian troops from Malaya " to their true strategic base, Australia," and said that in addition to saving £A40,000,000 on defence a Labour Government would modernize Australia's defence system, which was " antiquated in the light of atomic warfare " With regard to trade policy, Dr. Evatt said that Labour would examine the whole machinery of import quotas, eliminating luxury goods in favour of essentials ; create a Ministry of Exports , and try to ensure that Britain was included in a new International Wheat Agreement. They would also seek reductions in overseas freight rates—" recently increased without justification "—and establish a special Shipping Commission to compete with the inter-State shipping combine.

Mr. Menzies, addressing a meeting in his constituency on Nov. 15, said that as the Government was still carrying out the policy announced only in May, 1954, he did not intend to make a " catalogue of new promises." He declared that the long list of promises made by Dr. Evatt would cost more than £A150,000,000 a year and would land Australia in an international and internal financial crisis. The Government, he stressed, had " never sought to win votes by offering bribes "

Mr. Menzies explained that there were two principal reasons for having another election only 18 months after the last. Firstly, under the Constitution there had to be an election for the retiring half of the Senate during the present financial year, and to have an election for the House of Representatives on the same day was economical and made for stable government. Secondly, as Dr Evatt's deputy leader, Mr Calwell, had said, " the tensions and strain now existing in Canberra had made Parliament practically unworkable."

Reviewing the Government's policy, Mr. Menzies said that it was consistently following the broad lines laid down when it was first returned in 1949 : encouragement to private enterprise and production ; high and stable employment , national development ; sound finance ; adequate defence; and international friendship. These tasks were not completed, but he asked people to judge how the Government would deal with future problems by remembering how it had dealt with the problems in the past. He announced that the Government had accepted in principle a proposal to establish export payments guarantees (see 14470 A), and said that they had asked the U K. Government for expert assistance in formulating details of the plan.

On questions of defence and foreign policy Mr. Menzies emphasized Australia's adherence to the principles of the U.N. Charter, and said that his Government would continue its efforts to promote goodwill and trade and to give assistance to Australia's Asian neighbours. They would co-operate with Britain in defence, would honour the ANZUS treaty, and would remain an active member of the Manila Treaty Organization ; Mr. Menzies pointed out in this connexion that Australia was already spending about £A200,000,000 a year to play her part in these arrangements. After rejecting Dr. Evatt's suggestion that Australian troops should be withdrawn from Malaya, Mr. Menzies referred to the " considerable success " which had attended his Government's efforts to improve mutual understanding and friendship with the peoples of South-East Asia. " We want the new nations of Asia to preserve their freedom and independence," he declared. " We welcome the progress of Malaya and Singapore towards self-government. Australia's forces, like other British Commonwealth forces in Malaya, are one of the guarantees to Malayans that they will decide their own future in peace, instead of having it decided for them by aggressive Communism."

Referring finally to the proceedings and findings of the Royal Commission on Soviet Espionage in Australia, Mr. Menzies said that the investigations themselves and the subsequent parliamentary

debate had "conspicuously disclosed Dr. Evatt's state of mind." The Leader of the Opposition had found "nothing but incompetence, conspiracy, or fraud in the Prime Minister, judges, eminent lawyers, and intelligence organization of his own country" Dr. Evatt, whose whole preconceived case was that the masses of Russian documents brought over by Petrov were forgeries, had appealed to M Molotov "It is a novelty," said Mr. Menzies, "when an Australian aspiring to become Prime Minister rejects the evidence of witnesses called in Australia and the findings of three Australian judges on the mere say-so of a nation whose agents have been found guilty of systematic spying."

The policy of the Australian Labour Party (Anti-Communist) was outlined on Nov. 10 by the party's leader, Mr. Joshua.

It included the retention of Australian troops in Malaya; the admission of a number of peaceful countries to the U.N., but not of Communist China, a strengthening of Australian laws dealing with treason and allied crimes in peace-time, the control of bank lending in order to ensure balanced development, provision of finance for importing raw materials, selling manufactured goods, and developing Australia's exports, and a review of the Ottawa Agreement to ensure real preference for Australian exports to Britain

Following the Government's electoral victory, Mr. Menzies made a number of changes in his Government, details of which were announced at midnight on Jan. 10. In making his announcement Mr. Menzies stated that he had decided to adopt something like the British system of having a Cabinet including certain Ministers, and other Ministers not in the Cabinet who would be responsible solely for the administration of departments. A reduction of the Cabinet to 12 Ministers would enable it to concentrate on discussion and reach policy decisions more quickly, though Ministers not in the Cabinet would be invited to attend its meetings and take part in its discussions whenever matters affecting their departments were under Cabinet consideration. He would also invite to Cabinet discussions any Ministers not in the Cabinet who had special knowledge or experience of a particular matter under consideration.

The new Government, which had 22 members compared with 20 in the previous Government, was as follows:

The Cabinet.

*Mr. R. G. Menzies	Prime Minister.
*Sir Arthur Fadden ..	Treasurer.
*Sir Eric Harrison ..	Vice-President of Executive Council, Minister for Defence Production.
*Mr. Harold Holt ..	Labour, National Service, and Immigration.
Mr. John McEwen ..	Trade.†
*Mr. R. G. Casey ..	External Affairs.
*Sir Philip McBride ..	Defence.
Senator N. O'Sullivan	Government Leader in the Senate and Minister for the Navy.
*Senator J. A. Spicer ..	Attorney-General.
*Senator W. H. Spooner	National Development.
*Mr. A. G. Townley .	Air and Civil Aviation.
*Mr. P. M. C. Hasluck	Territories.

Ministers not in the Cabinet.

*Senator W. J. Cooper	Repatriation.
*Mr. H. Beale	Supply.
Mr. W. McMahon . ..	Primary Industry.†
*Senator S. D. Paltridge	Shipping and Transport.
‡Dr. D. A. Cameron ..	Health.
‡Mr. J. O. Cramer ..	Army.
‡Mr. C. W. Davidson ..	Postmaster-General.
‡Mr. F. M. Osborne ..	Customs and Excise.†
‡Mr. A. Fairhall ..	Interior and Works.
‡Mr. H. S. Roberton ..	Social Services.

* Held same portfolio in previous Government. † Now Department. ‡ New member of Government.

Three new Departments were created in the governmental reorganization—Trade, Customs and Excise, and Primary Industry. The Trade Department took over the trade functions of the Department of Commerce and Agriculture and of the Department of Trade and Customs, both of which were abolished. The remaining functions of the two Departments were transferred to the other two new Departments. In addition, the Army and Navy Departments, formerly under one Minister, were divided into separate Departments.

Mr. Menzies stated when announcing the changes that as the Government had been increased by two Ministers, he would introduce an amendment to the Ministers of State Act when Parliament met to provide for their appointment. Mr. Cramer and Mr. Roberton would not be sworn in until that legislation had been passed, though they would take charge of their departments immediately.

Mr. John McEwen, the new Minister for Trade, was formerly Minister of Commerce and Agriculture. Senator O'Sullivan, formerly Minister of Trade and Customs, took over the Navy portfolio from Mr. Francis, who had been appointed Australian Consul-General in New York. Mr. McMahon, appointed to the new portfolio of Primary Industry, was formerly Minister of Social Services. Of the new ministerial appointments, Dr. Cameron (Health) succeeded Sir Earle Page, retiring; Mr. Cramer succeeded Mr. Francis as Minister for the Army, a post which the latter had held concurrently with the Navy portfolio; Mr. Fairhall (Interior and Works) succeeded Mr. Kent Hughes; and Mr. Davidson (Postmaster-General) succeeded Mr. Anthony, who had resigned but, like Sir Earle Page, will continue to sit in Parliament.

Dr. Cameron (55), a medical practitioner from Queensland, served in the Second World War in the Medical Corps **Mr. Davidson** (58), a Queensland sugar-grower, served in New Guinea with the Australian Imperial Forces, and was formerly Country Party Whip. In the 1946 general election he won the Capricornia seat from Mr Forde, the deputy leader of the Labour Party, who had held it for 24 years **Mr. Cramer** (59) is a Sydney real estate agent. **Mr. Osborne** (46) is a Sydney solicitor who served with the Royal Navy during the war **Mr. Fairhall** (46) is a New South Wales businessman with wide experience in the radio and wireless industry **Mr. Roberton,** son of the late Sir Hugh Roberton (the Scottish composer and conductor), is a N S W wheat grower and grazier, and is widely known as a writer on political, economic and general subjects.

Mr. Menzies and Sir Eric Harrison were re-elected Leader and Deputy Leader of the Liberal Party respectively on Jan. 6, whilst Sir Arthur Fadden and Mr. McEwen were re-elected Leader and Deputy Leader of the Country Party. (Sydney Morning Herald - Australian News and Information Bureau) **(14523 A; Cabinet, 14454 C; Elections, 13652 A.)**

A. IRISH REPUBLIC - NORTHERN IRELAND. — Plan for Merger of Irish Trade Union Organizations.

Two special delegate conferences of the Irish T.U.C. and the Congress of Irish Unions, meeting separately in Dublin on Jan. 5, voted in favour of proposals to set up a joint provisional organization representing all trade unions in the Irish Republic and Northern Ireland. The provisional organization was given the task of drafting "a constitution for a single national trade union centre for the whole of Ireland which shall be representative of, responsible to, and democratically controlled by, Irish trade unionists and no other persons or organizations." The decision represented the first step towards ending the 11-year split in the Irish trade union movement.

A joint statement said that the delegates to both conferences had voted for the above-mentioned proposals "by an overwhelming majority." It was agreed that the Irish T.U.C and the C I U should each nominate eight representatives and a secretary to the executive committee of the provisional organization (officially known as the Provisional United Organization of the Irish Trade Union Movement), and that a draft constitution for a united Irish T U. movement should be worked out within three years—a period which might, however, be extended to six years if necessary. In drawing up such a constitution, the provisional organization would make "special proposals as might be appropriate" in respect of certain matters, including "special provisions for Northern Ireland and for associating the membership of British unions in Ireland with the national centre" On the establishment of a national centre, the provisional organization would be dissolved and its funds and liabilities transferred to the national centre.

The first step in healing the 11-year breach in the Irish T U. movement was taken in September 1953, when a Joint Unity Committee representing the Irish T.U.C. and the C I.U was appointed under the chairmanship of Professor Busteed. This committee held 35 meetings during the next 2½ years, resulting in a decision—taken in the autumn of 1955—for the establishment of a united provisional organization. In December 1955 the Joint Unity Committee published its recommendations, which were endorsed on Jan 5 by the two delegate conferences.

The split in the Irish trade union movement originated in 1945, when the Congress of Irish Unions broke away from the Irish T.U.C. on the question of British-based trade unions (i.e. unions with their headquarters in Britain). The C.I.U. has at present about 21 affiliated unions, all in the Irish Republic, with a total membership of about 175,000; by far the largest of its affiliated unions is the Irish Transport and General Workers Union, representing all transport workers in the Republic and having about 150,000 members.

The Irish T.U.C., operating both in the Republic and Northern Ireland, has 65 affiliated unions and a total membership of some 220,000 (about 125,000 in the Irish Republic), of whom about 45,000 are members of British-based unions. The largest of the British-based unions in membership of the Irish T.U.C. are the Transport and General Workers Union (which in Ireland bears the prefix "Amalgamated," and which has a separate Irish council and Irish officer) and the Amalgamated Engineering Union (which has about 22,000 members on both sides of the border). (Irish Times, Dublin - Belfast Telegraph) **(Prev. rep. Irish Unions, 12637 B; 8755 C; 7620 A.)**

A. COLOMBO PLAN. — Singapore Meeting of Consultative Committee. - Extension of Plan to 1961. - Increased U.K. Assistance. - U.S. and Canadian Offer of Atomic Energy Research Facilities. - Simla Meeting of Asian Colombo Plan Powers. - Reports of Consultative Committee and Technical Co-operation Council.

The seventh meeting of the Colombo Plan Consultative Committee was held in Singapore on Oct. 17-22, 1955, and was attended by representatives of the 17 member-countries (Australia, Burma, Cambodia, Canada, Ceylon, India, Indonesia, Japan, Laos, Nepal, New Zealand, Pakistan, the Philippines, Siam, the United Kingdom, the United States, and South Vietnam), as well as by representatives of Malaya and Singapore. A communiqué said that the Consultative Committee had decided that the Colombo Plan should continue until June 30, 1961, and that its future should be considered by the Committee at its 1959 meeting. Recalling that it had originally been agreed that the Plan should run until June 30, 1957, the communiqué said that this date "no longer has any special significance," and that it had been generally agreed that the development programmes of South and South-East Asia would have to be continued "for many years to come."

During the course of the meeting Lord Reading (Minister of State, Foreign Office, and leader of the U.K. delegation) announced that the U.K. would grant a total of £7,000,000 in technical assistance to Colombo Plan countries during the seven years beginning in April, 1956.

Lord Reading recalled that the U.K. had committed itself at the outset of the plan to spending £2,800,000 on technical assistance in the six years ending June, 1957. Of that amount, about £1,900,000 would have been spent by April 1956, whilst obligations already accepted by Britain would certainly absorb more than the balance of £900,000. The U.K. Government was conscious that much expansion was desirable, more especially since it had not yet been able to give as much help of this kind as it could wish to non-Commonwealth members who had only been elected to membership in the years since the Plan first came into being. After announcing the new U.K. contribution, Lord Reading explained that as it would start from April 1956, and not June 1957 (the end of the original period), the £7,000,000 would include any balance of the original £2,800,000 which might not have been spent by the earlier date. He expressed the hope that the increased U.K. contribution would "be taken as an earnest of our close and continuing interest in the work of the Plan and of our steady faith in its future usefulness."

Mr. J. B. Hollister, director of the U.S. International Co-operation Administration, informed the meeting on Oct. 20 that the U.S.A. would establish in South or South-East Asia a centre for research into the peaceful uses of atomic energy, which would include a research reactor and a small power reactor. On the same day the Canadian delegate (Mr. Lester Pearson, Minister of External Affairs) announced that Canada and India were working out details of a plan for the establishment of a research reactor in India. Mr. Pearson also announced that Canada would provide Burma with a cobalt beam-therapy unit for the diagnosis and treatment of diseases, including cancer, and that she wished to receive as many Asian scientists for research and training in nuclear physics as her own facilities allowed.

Mr. Hollister said that the centre which the U.S.A. proposed to establish could supplement existing facilities for the basic training of engineers, chemists, and physicians, and could offer facilities for training and research in the fields of medicine, agriculture, and industry, applying the new techniques of atomic research. Asian scientists would be able to use isotopes and other tools of atomic research to study and cure diseases endemic to Asia, and to improve crops. He emphasized, however, that such an institution must "rest firmly on Asian interest and support," and said that it would have to be "staffed largely by scientists from the region, supervised by administrators from the region, and supported by the Governments of the region."

Mr. Hollister further announced that if in the next few years power reactors became available for export from the U.S.A., and the necessary safeguards could be provided, the U.S. contribution to the centre would also include a small power reactor. If the Colombo Plan countries accepted the U.S. offer, the U.S. Government would consider what further steps were necessary and where the centre should be sited--taking into consideration local facilities, ease of access and communication, and equal availability to all Colombo Plan countries.

In a subsequent press statement Mr. Hollister explained that the U.S. contribution would come out of the $100,000,000 fund for Asian economic development approved by Congress in the Foreign Aid Bill (see 14364 A), and that it might amount to between $10,000,000 and $15,000,000.

Mr. Pearson explained to the conference that the reactor to be set up in India would be similar to the so-called NRX reactor at Chalk River, Ontario, which was used for research and experiment. Its manufacture, installation, and operation would be costly and would require a large number of experts. Nevertheless, in meeting the external costs of the reactor, Canada would not reduce her other aid under the Colombo Plan, and India would be free to use her counterpart funds obtained from earlier Canadian aid. Mr. Pearson stated that the Canadian Parliament would be asked to make "a significant increase" in its contribution to the Colombo Plan above the 1955 level of $26,400,000.

Prior to the meeting of the Consultative Committee, a number of Asian "Colombo Plan" Powers had met in Simla from May 9-14 to consider certain aspects of the utilization of external aid, particularly American aid from the special U.S. fund for Asian economic development. The basic question discussed was how best to use additional external aid in the region, and whether it would be more advantageous to use it on a regional rather than on a bilateral basis as at present. The countries represented at the Simla meeting were Cambodia, India, Indonesia, Japan, Laos, Nepal, Pakistan, Siam, and South Vietnam. A U.K. representative was present on behalf of Malaya, Singapore, North Borneo, and Sarawak.

The Simla conference unanimously agreed that in the present stage of economic development of the Asian region, and in view of the amount of additional aid likely to be available, there would be no advantage in having a regional organization to decide on the allocation of aid, but that all foreign aid, including that from the U.S.A., should continue on a bilateral basis. It was felt that the expenditure of additional funds on projects which readily lent themselves to regional treatment would be welcome, but that it was not desirable to earmark any special funds for such projects.

The conference also considered the question of setting up a special regional fund to meet balance-of-payments difficulties and to promote intra-regional trade, but decided that such a course could only be adopted when there was a clear indication that the substantial sums required for this purpose would be forthcoming.

The fourth annual report of the Colombo Plan Consultative Committee, which was approved at the Singapore meeting, was published in London on Nov. 22 as a White Paper (Cmd. 9622). A summary of the first part of the report is given below.

Review of Economic Progress.

During 1954-55 (the fourth year of the Colombo Plan) most countries of the area maintained, and a few surpassed, the rate of progress recorded in the last Report. The rate of increase in income and output, however, was uneven as between the countries in the area, and in a few countries there was some setback in the financial situation, caused largely by a fall in their export prices. Economic progress in the area as a whole was favoured by a generally expanding world economy, although a few countries were adversely affected by the continued readjustment in the relatively high post-war prices of rice in the wake of a growing world food supply. In addition to rice, hemp, copra and other coconut products were among other export products whose prices fell, whilst raw cotton prices suffered a minor setback. Tin prices were somewhat lower; tea prices were substantially higher; whilst rubber prices maintained "notably higher" levels. All countries in the area benefited from a drop in import prices.

Expansion of agricultural resources had continued to be a major goal of development efforts, and more than two-fifths of total outlays had been on agriculture (including irrigation and multi-purpose projects). Considerable progress had been made in carrying out large and small irrigation works, although, in view of the length of time generally required for their completion, their full impact on production would not be felt for some years. Whilst most of the large irrigation projects were being carried out in India and Pakistan, most other countries had also been expanding their irrigated area, and projects were being carried out in Siam, Ceylon, Nepal, Malaya, and Indonesia.

Rural community development projects were playing an increasingly important role in many countries, especially in India. Pakistan had initiated a programme similar to that in India, Indonesia had established 250 rural community centres; Nepal had started an agricultural extension and village development programme in 1952; the Rural and Industrial Development Authority in Malaya was fostering local self-help projects; whilst similar work was being carried out in Burma and Ceylon. The development of agriculture was also being helped by the provision of agricultural credit on reasonable terms, the organization of co-operative societies, the greater use of fertilizers, and the dissemination of better varieties of seeds.

As regards transport and communications, the bulk of the expenditure on highways in India had been devoted to the maintenance of existing roads, but in Pakistan, the Philippines, Siam, and Nepal there had been some additions to road mileage. Much progress had been made in rehabilitating the railway systems in many countries of the area, the restoration of the war-damaged railway system in Siam now being almost completed. In Burma, however, the pre-war capacity had not yet been restored, even though more than a quarter of Burma's foreign exchange outlay for capital purposes had been allotted to transport, including railways. Expansion of port facilities had also been accorded priority in the countries' development programmes.

Expenditure on health, education, housing, and other social services had continued to rise in the area, notwithstanding financial stringency in a few countries because of the paramount need to raise low standards of living.

With regard to private investment, the report said that while the plans of the Colombo Plan countries necessarily focussed primarily on public investment and development, the important role of private

investment and enterprise should not be under-estimated. It mentioned in this connexion the initiative taken by the Government of India in establishing the Industrial Credit and Investment Corporation (see 13974 A) and the National Industrial Development Corporation (see 13856 B). In Ceylon, an institution similar to the I C.I.C had recently been approved by Parliament, whilst in Pakistan the establishment of an industrial bank was contemplated In Pakistan, also, the Industrial Development Corporation (see 11112 D) had been playing an important role in developing industry, as well as in fostering private enterprise, by setting up industrial units and selling their stocks to the public as soon as they became going concerns. Countries in the "Colombo Plan" area had also taken further steps to encourage the investment of foreign capital

Turning to agricultural and industrial production, the report said that whilst output in the area had generally increased, this rise had not for the most part been directly attributable to the development expenditure thus far undertaken. Many development projects, particularly major undertakings involving large expenditure, remained uncompleted and could therefore be expected to affect production only after a considerable lapse of time Of agricultural products, the production of food grains in 1954-55 was 3 per cent lower than the record output of 1953-54, owing to adverse weather conditions. This was mainly due to the reduction in the output of rice, particularly in India, Siam, Pakistan, Laos, and Vietnam, total rice production being 6 per cent lower than in the previous year. Among the cash crops, however, output of tea, sugar, cotton, jute, oilseeds, and rubber had increased. There was a further improvement in the production of minerals, particularly of tin and iron-ore

In the industrial sector, the area as a whole had achieved remarkable progress, and in many industries targets were exceeded—notably in Pakistan, India, and the Philippines Cement production in the area had risen by 17 per cent. The output of cotton fabrics and yarn in 1954 represented increases of 5 per cent and 8 per cent respectively over the previous year, though in Pakistan the increase in output of fabrics amounted to 38 per cent as a result of the rapid expansion of capacity in the textile industry. The trend in India was towards increased production through higher productivity by replacement of obsolete machinery. Jute manufactures increased by 6 per cent in 1954 over the previous year, whilst steel production was 12 per cent higher.

As regards the countries' financial position, the report said that, despite an acceleration of development, the financing of investment and other outlays had—with some conspicuous exceptions—been somewhat less difficult than anticipated. In a number of countries the internal and external financial position had eased during the year as a result of the improvement in terms of trade and an expanding world demand for raw materials Ceylon, Indonesia, Malaya, and North Borneo had all experienced substantially better terms of trade, but the principal rice-exporting countries—Burma and Siam, and to some extent Vietnam and Cambodia—had suffered a substantial deterioration in their terms of trade.

Most countries in the area had been able to avoid substantial resort to deficit financing In India, such deficit financing had so far been on a more modest scale than was originally anticipated because expenditure continued to lag somewhat behind the targets, and a large amount could be borrowed from the public In Pakistan, the balance-of-payments situation remained difficult and the "austere" import policy adopted towards the end of 1952 had been continued. Ceylon had experienced a marked recovery in her financial situation, and her Government had been able to reduce its debts and replenish its cash balances, whilst increased exports and higher rubber prices in Malaya and Borneo had also improved the internal and external financial position of those territories. In the Philippines, the financial situation had deteriorated somewhat, though the deficit of 117,000,000 pesos incurred by the Government in 1954 had resulted almost entirely from expenditure on economic development. South Vietnam, Laos and Cambodia had continued to tackle the financial aftermath of civil war, and all three countries were able to manage only with very large contributions of outside assistance.

In Burma, the combination of rising development outlays, continued high expenditure on internal security, and falling rice prices had put a heavy strain on the country's financial resources; it became necessary early in 1955, therefore, to cut private imports drastically and to reduce the development expenditure contemplated in the 1954-55 budget. Indonesia, despite rather modest expenditure on development, had had to struggle with a chronic budget deficit which so far had proved intractable. Successive deficits had been financed by the Bank of Indonesia and had inflated the money supply, which had risen by 42 per cent in the 11 months ended May 1955. In Siam, the budget deficit occasioned by a high level of expenditure and diminishing receipts from rice had also created serious financial strains, though there was evidence of a notable improvement in the first half of 1955 as compared with the acute position in 1953-54.

The Task Ahead.

The report stressed that if the progress achieved so far, not only in food production but in economic development generally, was compared with the fundamental problem of raising the living standards of a rapidly increasing population, it was clear that much more remained to be done. Current levels of food consumption per head, though substantially higher than in the early post-war years, were lower than before the war and below the accepted nutritional standards. At the same time the population of the "Colombo Plan" area as a whole was estimated to be increasing by about 10,000,000 a year. This rapid growth of population, deriving from an increasing birth-rate and from the less often recognized phenomenon of a falling death-rate, was a fact of major importance for the future development of the area and the improvement of its living standards The increasing population, and the resultant increase in the labour force available had a special bearing on the magnitude of the employment problem, under-employment—especially in rural areas—was common in practically every country of the region, and in some countries unemployment had become a serious issue. To the extent that the substantial investment necessarily devoted to large-scale projects for the improvement of basic economic services had been required for the importation of services and equipment, additional local employment had not been created to a proportionate degree Moreover, these projects could not, of their nature, generate increasing employment until after a considerable interval Development plans had, therefore, both a current and a long-term problem to meet if opportunities for employment in activities beneficial to the economy generally were to be created at a rate sufficient not merely to keep up with the annual increase in the labour force, but to overtake it.

"It is evident," the report said, "that even in countries where the largest increases in output have been recorded, the next phase of development may require still greater efforts Quite apart from the influence of favourable weather conditions on agricultural output, it is becoming clear that in many cases increased output has so far owed more to the greater and more efficient utilization of existing capacity than to any appreciable increase in capacity. Further increases in production are therefore likely to require a proportionately greater effort. Moreover, the fact that much of the investment carried out so far has been concentrated on large-scale projects for the improvement of basic economic services, means that visible improvements in living standards cannot be expected immediately, since it is only after a considerable interval that such projects show their full results"

The report went on to refer to the internal and external financial difficulties being experienced by a number of countries in the area, because of the time-lag between the investment and the return on large-scale development projects, and because of their heavy dependence on the export trade After saying that the operation of these factors "may lead to a vicious circle, with development checked for lack of financial resources, while resources remain low for lack of development," the report continued: "In these circumstances greater development in the private sector can become very important. While the provision of certain public utilities has often been the responsibility of the public sector, the actual production of goods and services is the main concern of private enterprise. A vigorous and expanding private sector is therefore an essential complement to the activities in the public sector, and Governments will no doubt give increasing recognition to this fact by assisting the private sector to play its part in the planned programme of economic development. One form of assistance which may be needed more and more by the private sector in countries with a very large public sector of development may be finance. It is possible that, with the emphasis on finding resources for the development of the public sector, sufficient financial resources may not be left in the economy for the private sector to draw upon."

Contributions to Economic Development.

The following information on the assistance given to economic development in the area by other participating countries is compiled partly from the second part of the report and partly from press sources.

Australia. Of Australia's contribution of £A31,250,000 for economic development, a total of £A28,600,000 had been spent or committed by the end of the financial year 1954-55, the allocation between the principal recipient countries being as follows. Pakistan, £A12,600,000 (including £A3,200,000 for earth-moving equipment for the Canal Links project on the Indus in the Punjab, and £A12,000 for a radio beacon for the port of Chalna, East Pakistan); India, £A9,600,000 (of which £A3,200,000 was for 1954-55 and included £A2,400,000 for 2,000 railway wagons and £A600,000 for equipment for All-India Radio); Ceylon, £A2,300,000 (including £A1,500,000 for an irrigation project, half the money being supplied in the form of flour to provide counterpart funds for local costs); Indonesia, £A1,700,000; Cambodia, £A504,000 (£A384,000 for railway development and £A120,000 for road-making equipment and a service station), Vietnam, £A300,000; Burma, £A300,000.

The first of nine diesel-electric locomotives, being built for Pakistan at a total cost of £A900,000, was presented to the Pakistan High Commissioner in Australia (Mr. Habibur Rahman) by the Australian Minister for External Affairs (Mr. Casey) on March 25 The first consignment of agricultural tractors supplied by Australia to Burma under the Colombo Plan was formally handed over in Rangoon on Aug. 23 by the Australian Minister to Burma, Mr. C T. Moodie. A specially equipped hospital ship to serve the 30,000 people living in the Andaman and Nicobar Islands was formally handed over by Mr. Casey to the Indian High Commissioner in Australia (General Cariappa) at a ceremony at Sydney on Nov. 29.

Canada. The Canadian Government's contribution for 1955-56 would amount to $26,400,000, bringing the total since 1951 to $133,400,000. The principal recipient countries were India ($55,000,000), Pakistan ($45,000,000, plus a special grant of $5,000,000 of wheat, the counterpart funds from which were used for the Warsak hydro-electric and irrigation project), and Ceylon ($8,000,000).

Assistance to India in 1954-55 included funds to complete the projects initiated in 1953 for the supply by Canada of 120 steam locomotives at an estimated cost of slightly over $21,000,000), as well as trucks and wireless equipment (at an estimated cost of $120,000) for use by the Indian Government in locust control.

Aid to Ceylon in 1955-56 would include $550,000 for diesel locomotives; $400,000 of further help in constructing and equipping a school of practical technology, $660,000 of further assistance to the Ceylon fisheries; and $200,000 towards an aerial survey

Aid granted to Pakistan in 1954-55 included a further $9,500,000 towards the Warsak hydro-electric and irrigation project; an additional $1,250,000 for the Daud Kel Cement Plant in the Thal area (bringing the total of Canadian aid for this project to $6,750,000); and a further $50,000 for the soil survey being undertaken in conjunction with the aerial resources survey Canada also confirmed her earlier decision in principle to make available about $4,000,000 for the purchase of equipment and the provision of engineering services for the power transmission line between Dacca and Chittagong, and also approved the provision of a thermal power station at Khulna (East Pakistan) at a cost of about $2,000,000.

Among the Colombo Plan gifts delivered by Canada during the year were five diesel-electric locomotives handed over to Ceylon on Jan. 19, and the first of the 120 steam locomotives promised to India, formally transferred on Sept 15. Agreements were signed by Canada in January 1955 for the setting-up of biological control centres at Bangalore (India) and Rawalpindi (Pakistan), whilst another Canadian-Pakistani agreement, signed on June 29, provided for the supply by Canada of a steam power plant, boilers, and generators at Hardinge Bridge (East Pakistan) as part of the Ganges-Kobadak project [For further Canadian assistance to India see Mr. Lester Pearson's announcement on Nov 5—14630 C.]

India. About 85,000,000 rupees (£6,375,000) of aid had been made available to Nepal under the Colombo Plan, mainly on highway and hydro-electric projects

New Zealand. During the four years ended June 30, 1955, New Zealand had made available £N.Z.1,000,000 a year for capital aid under the Colombo Plan. A further £N.Z 1,000,000 would be made available in 1955-56, together with £N Z 500,000 uncommitted from previous years Of the total aid, India had received £N.Z 1,300,000 (£N.Z 1,000,000 for the All-India Medical Institute and £N.Z.300,000 to assist the development of the dairy industry), Pakistan, £N Z 1,100,000 (including £.N Z.850,000 for the purchase of imported equipment for a cement factory at Hyderabad, Sind); and Ceylon, £N Z 645,000 (mainly for the establishment of a dry farming research station)

In 1954-55 two grants totalling £N.Z.229,140 were made to Indonesia to meet the capital cost of establishing a trading centre at Malang; £N.Z.100,500 was given to Burma to help meet the cost of establishing a fertilizer factory in Rangoon; and a grant of £N.Z 33,000 was made to Cambodia to meet the cost of constructing a railway apprentices' school at Pnom-Penh.

The new workshop of the Government Training College at Maharagama (Ceylon), the equipment of which had been supplied by New Zealand, was formally opened by the Prime Minister of Ceylon, Sir John Kotelawala, on June 6, 1955, whilst the cement factory at Hyderabad (Pakistan), named the Zeal-Pak cement factory, was officially opened by the Pakistani Prime Minister (Chaudhri Mohammad Ali) on Jan. 15, 1956.

United Kingdom. The report pointed out that "very large capital sums" went out each year from the U.K. to aid the economic development of South and South-East Asia. These mostly took the form of private investment and drawings by India, Pakistan, and Ceylon on their sterling balances, which the U.K. Government had from the outset regarded as their main contribution to the Colombo Plan. Owing to the nature of these commitments, however, it was not possible to state their total precisely.

Outside these fields, the U.K. Government had made available since 1951 to countries in the area approximately £80,000,000 by way of grants, loans, credits, and technical assistance, including some £50,000,000 for rehabilitation and development in Malaya, Sarawak and North Borneo; £10,000,000 to Pakistan in 1953 to assist schemes designed to expand food production (see 13106 A); and £1,000,000 by the Commonwealth Development Finance Company for the Sui Gas undertaking in Pakistan (see 13442 A)

United States. In the five years 1950-55 U.S. economic assistance made available to Colombo Plan countries under appropriations by the U.S. Congress totalled about $841,000,000. This included $273,000,000 to India (of which $45,000,000 was on a long-term local currency repayable loan basis); $230,000,000 to Cambodia, Laos, and Vietnam; $117,000,000 to Pakistan (of which $20,000,000 was on a long-term local currency repayable loan basis); $100,000,000 to the Philippines; $65,000,000 to Siam; $21,000,000 to Burma; and $4,000,000 to Nepal In addition, Pakistan had received about $21,000,000 to finance the procurement and transport of wheat in 1953. A further $324,000,000 had been appropriated for aid to the Colombo Plan countries in 1955-56 Additional sums had been made available by the U.S A. from the proceeds of sales of U S. surplus agricultural products, and through development credits by the U.S. Export-Import Bank.

In India, more than 90 per cent of U.S. aid in the years 1950-55 had been devoted to expanding food supplies, but in 1955-56 the programme had placed greater emphasis on transport and industry. In Indonesia the U.S. technical co-operation programme had emphasized the improvement and expansion of facilities for technical and vocational education, and improvements in public health, public administration, and industrial training; it also helped to increase production in agriculture, fisheries and industry through the use of demonstration equipment, improved seeds, pilot plants, etc., whilst U.S. assistance was also being given in a special malaria-control programme.

In Pakistan, U.S. assistance had principally been used to increase agricultural production through improved methods and the expansion of the cultivable area In Siam, the primary objective had been to help meet the need for trained manpower by expanding and improving technical and vocational education.

In the Philippines the programme had included irrigation and water supply projects, and the development of agriculture and sanitation; in Vietnam, it had been concerned principally with land reform measures to improve the social and economic status of farmers; in Laos, it had been devoted largely to improving transport facilities, whilst in Nepal it had covered village development, health and sanitation, transport and communications, education, irrigation, increased food production, and industry and mining.

Four large steam locomotives and tenders, the first consignment of a total of 100 broad-gauge locomotives being supplied by the U.S A. to India under the Indo-American technical co-operation programme, were unloaded at Bombay on Dec. 22, 1955.

The annual report of the Colombo Plan Technical Co-operation Scheme, published on Oct. 15, showed that up to June 30, 1955, 2,676 training places and 392 experts had been provided under the scheme. Of the trainees, 440 had gone abroad for training in food and agriculture, the next most important groups being administration (428), engineering (331), education (305), medicine and health (293), industry and trade (219), transport and communications (195), and fuel and power (146). Experts had been provided for medicine and health (117), transport and communications (54), engineering (51), food, agriculture, and forestry (47), education (42), industry and trade (27).

Australia had provided facilities for 916 trainees (principally Indonesia 173, India 148, Pakistan 147, Ceylon 101, Malaya 75, Burma 68, Singapore 64, the Philippines 49, Siam 29, North Borneo 27, Sarawak 24), and had provided 115 experts (Malaya 35, Ceylon 28, Pakistan 28).

Canada had provided facilities for 311 trainees (principally Pakistan 138, India 109, Ceylon 33, Indonesia 21), and had provided 59 experts (mainly Ceylon 26, Pakistan 11, Mayala 8, India 6).

Ceylon had provided facilities for 11 trainees from Nepal (4), Indonesia (3), Malaya (2), Burma (1), and Singapore (1).

India had provided facilities for 340 trainees (principally Nepal 188, Ceylon 76, Pakistan 26, Philippines 20), as well as 14 experts (Ceylon 10, Indonesia 4).

Japan had granted facilities for 11 trainees (Philippines 6, Ceylon 3, India 2) and had sent 3 experts to Ceylon.

New Zealand had provided facilities for 226 trainees (chiefly India 52, Ceylon 51, Malaya 46, Pakistan 42, Burma 12, Indonesia 10), and had sent 44 experts (Pakistan 14, Ceylon 10, India 7, North Borneo 6, Indonesia 4).

Pakistan had provided facilities for trainees from Ceylon (4) and Malaya (4).

The **United Kingdom** had granted facilities for 853 trainees (principally India 245, Ceylon 244, Pakistan 218, Indonesia 72, the Philippines 32, Burma 24) and had sent 157 experts (chiefly Ceylon 65, India 64, Pakistan 23).

The report said that expenditure under the scheme up to June 30, 1955, had been approximately £3,500,000, plus firm forward commitments of another £2,000,000, making a total of about £5,500,000.—(Cmd. 9622 - Commonwealth Relations Office, London - Times - Daily Telegraph - Manchester Guardian - Australian News and Information Bureau - Montreal Star - N.Z. Directorate of Information Services, Wellington - Indian and Pakistani High Commissioners' Offices, London - The Statesman, Calcutta - Ceylon Government Information Department, Colombo)

(Prev. rep. Colombo Plan, 14016 A; 13956 A.)

A. HUNGARY. — Espionage Trials of Correspondents of U.S. News Agencies and U.S. Legation Employees.

Budapest radio announced on Jan. 14 that M. Endre Marton, correspondent of the Associated Press in Budapest, and his wife Ilona, who worked for the United Press, had been sentenced to six and three years' imprisonment respectively after trial by a military court on charges of "espionage for a foreign State and instigation to rebellion against the State power."

It was also announced that during the same trial three Hungarian employees of the U.S. Legation in Budapest had been sentenced on similar charges—Bela Kaposi to life imprisonment, Ferencz Arpad to 15 years, and Cornel Balzs to eight years—and that an undefined number of their accomplices had also received severe prison sentences.

M. and Mme Marton lived in Britain during the war, but in 1947 gave up their British citizenship and returned to Hungary. On July 9, 1955, it was announced that they and the above-mentioned employees of the U.S. Legation had been arrested on charges of espionage for the United States.

The official announcement stated that there would be no appeal against the sentences.—(Times - New York Times)

A. SOVIET UNION. — Meeting of Supreme Soviet. - Speeches by Marshal Bulganin and M. Khrushchov. - Report on Visit to Asian Countries. - M. Khrushchov's Criticisms of Western Powers.

A three-day session of the Supreme Soviet (the two Houses of the Soviet Parliament meeting in joint session) was held in Moscow on Dec. 26-29, 1955, at which Marshal Bulganin and M. Khrushchov reported on their visit to India, Burma, and Afghanistan.

Whereas Marshal Bulganin's speech was almost wholly devoted to the Asian tour, the speech of M. Khrushchov—which was of considerably greater length—contained many references to the international situation, in the course of which he attacked Western policy in general and U.S. policy in particular. Both Marshal Bulganin and M. Khrushchov, however, reiterated that the Soviet Union desired friendly relations with all countries in the spirit of the "five principles" which governed its relations with India, Burma, and Afghanistan. Extracts from their speeches are given below.

Marshal Bulganin.

The Soviet Prime Minister said that the year 1955 would "go down in history as one of a definite shift in the strained international situation which has developed over the past period." After declaring that "no little credit" for this development was due to the U S S.R., he said that the friendship and co-operation between the Soviet Union and India, Burma, and Afghanistan was "an important contribution to peace" and "showed the correctness of the fundamental Leninist principle of the Soviet Union's foreign policy—the principle of peaceful co-existence of nations with different social and political systems."

After describing in much detail the visits paid by himself and M. Khrushchov to India, Burma, and Afghanistan, and expressing the thanks of the Soviet Government and people for the "friendship and love" with which they had been received in those countries, Marshal Bulganin said that the Asian peoples "cannot but feel alarmed at the establishment of such aggressive military groupings as SEATO and the Baghdad Pact." He added in this connexion

"The United States, Britain, and France have been the engineers of SEATO. As for the Baghdad military grouping, we know only too well that it was Britain who played the first fiddle in whipping it up. The Baghdad Pact is a new form of colonialism [and] is aggressive in essence, as is shown by the nature of the commitments of the parties to it. This became particularly obvious after the inclusion of Persia in this grouping.

"The Soviet Government has on a number of occasions drawn the attention of the Persian Government to the fact that Persia's accession to military groupings which the Western Powers have long tried to make her join is incompatible with the maintenance of good-neighbourly relations between Persia and the Soviet Union. In doing so we have stressed that we wish to maintain good relations with Persia, just as we do with other neighbouring countries. It is regrettable that those responsible for Persia's policy have adopted a different course by joining the Baghdad Pact and thus taking on themselves a grave responsibility for the situation resulting from it We wave aside as groundless the attempts of the Persian Government to pretend that Persia's accession to the pact has the objective of strengthening peace in the Middle East. . "

After stressing the close friendship between India and the U S S.R , Marshal Bulganin continued : "Our frank statements on Goa and the Kashmir question have aroused the dissatisfaction of the reactionary Press and of some foreign statesmen. It is well known that Portugal's small colony, Goa, is still preserved on India's territory. The Indian people rightly demand that an end be put to such an intolerable situation, and demand Goa's liberation. It is enough to look at the map of India and at these 'possessions' of the Portuguese usurpers to become convinced that the Indian Government justly and lawfully raises the question of reunifying this territory with India. The Soviet Government supports this just demand of India's and holds that the preservation of a Portuguese colony on Indian territory . . . is a disgrace to civilized nations.

"As for the Kashmir problem, it has been created by States which pursue military and political objectives in that area. On the pretext of supporting Pakistan in the Kashmir question, certain countries tried to entrench themselves in that part of India, in order to threaten the areas around Kashmir and to exert pressure on them. Attempts have been made to sever Kashmir artificially from India and to turn it into a foreign military base. The people of Kashmir have resolutely come out against this imperialist policy. The Kashmir question has already been settled by the people of Kashmir themselves. They consider themselves an integral part of the Republic of India. . . We became profoundly convinced of this during our talks in Srinagar with the Prime Minister of Kashmir, Mr. Ghulam Mohammed Bakshi, and his colleagues. The Soviet Government supports India's policy on the Kashmir question because it is entirely in the interests of the consolidation of peace in that part of Asia."

Marshal Bulganin went on to describe his and M. Khrushchov's visit to Burma, declaring *inter alia* that Soviet-Burmese relations, like Soviet-Indian relations, were based politically upon the "five principles" and economically upon "principles of equality and mutual benefit, which preclude the imposition by one side of political or other fettering conditions on the other side."

As regards the U.S S R.'s relations with Afghanistan—a country which he described as having "won its national independence in a fierce struggle against the British imperialists who tried to turn Afghanistan into their colony"—Marshal Bulganin declared · "Our relations with Afghanistan . could serve as an example of genuine good-neighbourly relations and friendly co-operation. . . . We want to see Afghanistan an economically strong and politically independent country, and we are glad that our policy meets with the complete understanding of the Royal Afghan Government and the Afghan people."

Marshal Bulganin reiterated the Soviet Union's support for Afghanistan in her dispute with Pakistan on the Pakhtoonistan (Pushtunistan) question, saying in this connexion "In our speeches in Kabul we set forth our views regarding the Pushtunistan question, which greatly worries the Afghan people. Pushtunistan is a region inhabited by independent Afghan tribes In 1893 the region was included in the British Empire, and in 1947, contrary to the interests of the tribes inhabiting it, Pushtunistan was incorporated in Pakistan We think the demands of Afghanistan to give the population of Pushtunistan an opportunity of freely expressing their will are justified and well grounded."

The Soviet Prime Minister concluded as follows . "Not everybody liked our visit to the Asian countries. Our speeches in India, Burma, and Afghanistan, and the documents of friendship signed in Delhi, Rangoon and Kabul, evoked the dissatisfaction and even the indignation of the Press and official representatives of certain countries. They do not like our friendship with India, Burma, and Afghanistan. But we like it very much and we will strengthen it, just as we will strengthen friendship and co-operation with other countries. Certain Western statesmen dislike our frank statements regarding colonialist policy. But we, like the Asian and African peoples, dislike even more the colonial policy itself We will continue to oppose it because we hold that colonial regimes are a disgrace to present-day mankind and are incompatible with the peaceful and democratic principles of the United Nations.

"During our trip, statements appeared in the Western countries alleging that our visit to India, Burma, and Afghanistan had the purpose of undermining relations between those countries and the Western States. Such assertions are absolutely groundless The strengthening of friendly relations between the Soviet Union, India, Burma, and Afghanistan can in no way prejudice relations between those nations and other peoples. On the contrary, it will promote the development of international co-operation. . . ."

M. Khrushchov.

M. Khrushchov, like Marshal Bulganin, thanked the Governments and people of India, Burma, and Afghanistan for the cordiality and warmth of their welcome. He continued · "In some countries, however, our journey was received in a very unfriendly and even hostile way by certain people, and was the occasion for virulent outbursts against us We have been condemned, lectured, and subjected to other forms of pressure because we, in their eyes, have allegedly taken an incorrect stand against the colonialists, because we have condemned the enslavement and plundering of the people of colonial and dependent countries.

"What have we said about colonial regimes that is new? Why did our statements cause such a frenzy ? After all, we cited universally known and irrefutable facts. It is a fact, for instance, that the British colonialists—not the people, but the colonialists—held sway in India for two centuries, and that for a long time they oppressed the peoples of Burma and Afghanistan. . . . But the British colonialists are not Britain, and cannot be identified with the British people Our statements contained nothing that could in any way offend Britain or the British people. We profoundly respect the talented and industrious British people, and want to be friends with them We said nothing insulting about the British Government either. But we condemned, and do condemn, the colonial system, and we think that the sooner it is ended the better. . . .

"It is surprising when certain short-sighted politicians accuse us of unfriendliness towards Britain or the U.S.A. and allege that we want those countries to quarrel with India, Burma, and other countries. They themselves commit unfriendly acts against these countries. How can India regard, for instance, the statement made by Mr Dulles and the Portuguese Foreign Minister, Dr. Cunha, concerning Goa? Mr Dulles permitted himself openly to declare that Goa must belong to Portugal because the Portuguese invaders conquered it 400 years ago. In this connexion the Indian Press quite rightly reminded Mr. Dulles that 250 years ago the present-day United States of America was a colony of Britain, and that, if we adhere to his logic, then Mr. Dulles should still consider himself today a subject of Her Majesty the Queen of Great Britain "

In the course of a lengthy attack on the policies of the Western Powers, including denunciations of the "aggressive" character of NATO and of the remilitarization of Western Germany, M. Khrushchov accused "certain imperialist elements" of having "whipped up war hysteria since the end of the war" and of having sought "to frighten the peoples with a fictitious 'Soviet menace'" After declaring that it was "a well-known precept of Marxism-Leninism that revolutions are not exported," and that the U.S.S.R would always follow "the path of peaceful co-existence pointed out by Lenin, which implies non-interference in the internal affairs of other States," he continued :

"We set much value on our friendship with India. . . . Both we and our Indian friends would like to develop and strengthen these friendly relations without in any way harming India's and the Soviet Union's relations with other countries. Our friendship, as

we understand it, should not be confined to friendly contacts with one, two, or a few nations. We want to be friends with all nations We are happy, therefore, to see our friends developing friendly relations with third States, including those with whom our relations are, perhaps, somewhat strained and cool We hope to improve our relations with those nations through India, our friend

"We have always striven earnestly, and are continuing to strive, for friendship with all countries, including the capitalist countries. We should like to live in friendship with the United States, Britain, and France, the most powerful capitalist nations If we were to achieve this—and that depends, not on us, but on the Governments and peoples of the U.S A., Britain, and France—it would create the conditions for genuine peaceful co-existence and competition of the two systems Unfortunately we have not yet achieved this, but we are not giving up hope and we shall not spare our efforts in this direction. We fully understand and support the position of the Indian leaders who have declared that India maintains a neutral position between us and other States ."

In discussing the four-Power negotiations on disarmament, M. Khrushchov rejected President Eisenhower's plan for aerial inspection, and referred to the recent tests of the Soviet hydrogen bomb "Both at the Geneva conferences and in the U.N ," he said, "the Soviet Union put forward a number of concrete proposals on the reduction of armaments, the prohibition of atomic and hydrogen weapons, and the establishment of international control. Agreement on these questions was prevented by the change in the attitude of the U S A , which suddenly disavowed its former proposals when we agreed to accept them as a basis Now the U S A is putting in the foreground the only proposal submitted by President Eisenhower at Geneva—on the exchange of military information and unhindered aerial photography

"We have already pointed out that the proposal on aerial photography does not settle the substance of the matter. In conditions in which no reduction of armaments is actually envisaged, flights over territories and aerial photography can only foment war-like passions and war hysteria This is no longer control, and is not even a semblance of control It is actually a means for finding out more about the forces of another country In essence it does not differ in any way from military reconnaissance It is quite another matter to make a realistic approach to the disarmament problem , to reach agreement on levels and armaments and on the prohibition of atomic and hydrogen weapons , to establish a rational system of international control at railway junctions, naval bases, aerodromes, etc., thus making it possible to prevent a sudden attack by one country on another Such measures are entirely practicable, and all peoples would welcome them

"Some enemies of disarmament proceed from the erroneous assumption that they allegedly possess some kind of superiority in strength, and hence that it is disadvantageous for them to disarm. We have warned these advocates of the notorious 'policy of strength' that they may grossly miscalculate in their gamble. We do not want to intimidate anyone , still less do we want to boast about our military-technical achievements But in order to cool the inflamed imaginations of the more zealous advocates of the arms drive, we have to recall the results of the recent tests of the latest Soviet hydrogen bomb The power of this weapon, as has already been announced, is equivalent to the power of many millions of tons of explosives, and it can be increased substantially. We continue to stand, as hitherto, for the prohibition of the manufacturing, testing, and use of all atomic and hydrogen weapons. But those who are opposed to this ought not to forget the results of the aforementioned tests.

"It must be mentioned in passing that some Western statesmen have recently been displaying, to say the least, a strange conception of the Geneva spirit. They want the Soviet Union to disarm its army unilaterally, and they also want us to disarm morally, spiritually and ideologically. . I shall be betraying no secret if I say that such an unrealistic policy is being most zealously advocated in the United States, the role of theoretician of this policy having been assumed by Mr Dulles It is he who for a long period has been preaching the idea of a 'massive retaliatory blow' and similar absurdities. . . ."

M Khrushchov went on to refer to the Christmas message to the peoples of the Eastern European countries issued by President Eisenhower (see 14607 B), and to similar messages issued by Mr. Dulles and other U S. leaders. He declared that these messages did not correspond with the "Geneva spirit"; described them as "crude interference in the domestic affairs of free and sovereign States"; and alleged that "the American authors of these far from religious 'Christmas messages'" had "the closest possible ties with capitalists expelled from the people's democracies" and desired the restoration of the capitalist system in those countries. "I should prefer," said M Khrushchov, "not to speak about this subject, and especially about President Eisenhower, for whom I have a great respect. . . . But I am not putting forward these questions myself but merely replying to those who, violating the spirit of Geneva, openly interfere in the domestic affairs of our allies and friends."

Continuing, M Khrushchov asserted that it was "not the Soviet Union but its partners in the Geneva Conference who are betraying the spirit of Geneva." He said in this connexion: "Certain [foreign] journalists . . . lament that in our statements we say that the teaching of Marxism-Leninism will triumph. But is this a violation of the Geneva spirit? We have said, and will continue to say, that the peaceful competition of the two economic systems will lead to the victory of the socialist system. . . . We do not protest when the ideologists of the opposing system declare that capitalism will emerge victorious. We consider this argument to be natural, and we think that only history will decide it . . We say 'In this competition, this struggle, we shall never start an aggressive war; we shall constantly fight for disarmament, for strengthening peace, and for peaceful co-existence.'"

M. Khrushchov went on to criticize Persia, Turkey, and Pakistan for their participation in the Baghdad Pact, saying in his connexion: "Even before the ink with which our joint statements on the results of the Geneva Conference was signed had dried, our partners in the conference had begun to involve more countries in the aggressive Baghdad Pact They have dragged Persia into the pact and are forcing other countries to follow suit . . . We cannot remain silent about the fact that, in spite of all the efforts the Soviet Union has made to ensure friendly relations with Persia, the Government of that country has joined the Baghdad military pact, thus placing Persia's territory at the disposal of aggressive forces who are plotting attacks against the Soviet Union.

"This is true not only of Persia but of Turkey as well. When Kemal Ataturk and Ismet Inonu held the reins of power in Turkey, our relations with that country were very good, but those relations have subsequently become clouded We cannot say that this happened through Turkey's fault alone We, too, made some improper declarations which cast a cloud over those relations. But subsequently we took steps to retrieve the situation and to restore friendly relations with that country Unfortunately, these steps have not been reciprocated by Turkish statesmen American generals and admirals are travelling to Turkey, making bellicose speeches, and making a parade of their forces through visits of naval squadrons. . .

"Pakistan, which is also a party to the Baghdad Pact, has found herself in a similar position in relation to her neighbours It is a fact that Pakistan's relations with India, and also with Afghanistan and the Soviet Union, leave much to be desired One cannot, for instance, fail to notice that the American Admiral Radford visited Pakistan, and subsequently Persia, quite a short time ago It was evidently purposes entirely different from those of promoting economic and cultural contacts that he had in mind when he went to those countries .

"In connexion with the Baghdad Pact, a few words should be said about the situation in the countries of the Near and Middle East The sponsors of the Baghdad Pact are moving heaven and earth to inveigle the Arab nations into this aggressive bloc. But they are coming up against the mounting resistance of the peoples of those nations Soviet public opinion has been following sympathetically the valiant struggle of the people of Jordan against the attempts to force their country to join the Baghdad Pact

"We understand the yearnings of the Arab nations who are fighting for their complete liberation from foreign dependence. One cannot, at the same time, fail to recognize as deserving of condemnation the acts of the State of Israel, which, ever since it came into being, has been threatening its neighbours and pursuing a policy hostile to them It stands to reason that such a policy does not conform to the national interests of Israel, and that imperialist Powers stand behind those who are carrying out this policy. They are seeking to use Israel as their instrument against the Arab peoples, with an eye to the ruthless exploitation of the natural wealth of that area"

In conclusion, M Khrushchov asserted that "at a time when the Western Powers are carrying on the policy of an arms drive and knocking together aggressive blocs," the Soviet Union was "pursuing its peace-loving policy and strengthening friendship with all peoples who desire it" He recalled that in 1955 the U S S.R. had reduced its armed forces by 640,000 men, returned Porkkala to Finland and Port Arthur to China, concluded a State treaty with Austria, established diplomatic relations with the German Federal Republic, and re-established friendly relations with Yugoslavia.

After hearing the speeches of Marshal Bulganin and M. Khrushchov (both of which were made on Dec. 29), the Supreme Soviet unanimously passed a resolution expressing its "complete satisfaction" at the results of their Asian tour, and declaring that "a further great step has been taken in consolidating the U.S.S.R.'s friendship with India, Burma, and Afghanistan in the struggle for peace, the ending of the 'cold war,' and the further easing of international tension." The resolution added that the "community of views of the U.S.S.R., India, Burma, and Afghanistan is not to be explained by transient causes but is the result of the basic identity of interests of these States."—(Soviet Weekly)

(Prev. rep. 14613 A; 14603 A.)

A. RHODESIA AND NYASALAND FEDERATION.—Non-African Agriculture in Northern Rhodesia made a Federal Responsibility.

Under an Ordinance gazetted on Dec. 23, 1955, non-African agriculture in Northern Rhodesia became a Federal responsibility as from Jan. 1, 1956. Forestry and irrigation will, however, remain the responsibility of the Northern Rhodesian Department of Agriculture, although the production side of irrigation now comes under the Federal Ministry of Agriculture. The Ordinance had received its third reading in the Northern Rhodesian Legislative Council on December 16.

(Federal Information Department, Salisbury)

(Prev. rep. Federal Legislative Powers, 12829 A.)

A. KASHMIR. — Statements by Pandit Pant on Kashmir's Accession to India. - Pakistani Protests to Indian Government. - Pakistani All-Party Conference on Kashmir. - Formation of "Plebiscite Front" in Indian Kashmir. - Arrests of Opposition Leaders.

The Indian Home Minister (Pandit Pant), in a speech at Srinagar on July 5, 1955, said that in finding a solution to the Kashmir controversy India must pay attention to the wishes of the people of Kashmir, which had already been expressed through a democratically-elected Constituent Assembly. Enlarging on this statement at a press conference on July 9, Pandit Pant suggested that the conditions for a settlement had been transformed by changes in the situation in both Kashmir and Pakistan.

"We made a certain statement at the time when Kashmir acceded to India—a fact which cannot be denied," Pandit Pant said. "But at the time when we made that statement, circumstances were different from what they are now. The time factor is important, many things have happened during the last seven or eight years. Firstly, Kashmir has been following a certain policy for her advancement, and many development schemes are in progress. Secondly, Pakistan has entered into a military alliance with America. Thirdly, the Constituent Assembly of Kashmir, which was elected by adult franchise, has taken a definite decision. Fourthly, the resolutions passed by the National Conference on the eve of the elections to the Constituent Assembly, and the inaugural address delivered by Sheikh Abdullah, made it abundantly clear that the Constituent Assembly had been constituted primarily for the purpose of determining and deciding this vital issue. While I am not oblivious of the initial declaration made by India, I cannot ignore this important series of facts. In these circumstances, I personally feel that the tide cannot now be turned." As regards the area occupied by Pakistan (*Azad Kashmir*), Pandit Pant said that the people there had so far not made their choice and had not been given the opportunity to do so. Pakistan, he added, had "failed to agree to any reasonable conditions" for a plebiscite for the last seven or eight years, and he did not see any possibility of her "agreeing to any reasonable conditions" at the present time.

Strong feeling was aroused in Pakistan by these statements. Major-General Mirza (then Minister of the Interior, and now Governor-General of Pakistan) described them on July 13 as "tantamount to a repudiation by India of her international commitments," whilst on July 14 a Pakistani Note of protest, asking for an authoritative clarification of Pandit Pant's views, was delivered to the Indian Government. According to unofficial reports, the Note also asked the Indian Government to disavow the statements publicly and to reaffirm unequivocally that India would honour all her commitments in Kashmir, including the agreement to hold a plebiscite. The Indian reply (no details of which were published) was handed to the Pakistani High Commissioner in Delhi on July 29.

Mr. Nehru, the Indian Prime Minister, said in the Indian Parliament on Aug. 22 that political leaders in Pakistan had "objected to an inference that could be drawn from the Home Minister's speech"—namely, that a plebiscite was no longer feasible or necessary. After saying that this inference "was not, according to us, wholly justified," Mr. Nehru recalled that India had made a unilateral declaration at the time of the accession of Kashmir that the people of the State would be consulted, no mention being made of a plebiscite. Two years later the U.N. Commission on Kashmir had adopted a resolution, which had been accepted first by India and later by Pakistan, recommending the holding of a plebiscite, provided that certain conditions were fulfilled. There had since been many discussions on the fulfilment of these conditions, but they had not led to any settlement; meanwhile, there had been developments which "will be taken into consideration."

The new Prime Minister of Pakistan, Chaudhri Mohammad Ali, announced on Sept. 2 that he proposed to call a conference of leaders of all parties, including leaders of *Azad Kashmir*, to work out a "national plan" for the solution of the Kashmir problem. The conference, held in Karachi on Nov. 26-28, was attended by about 100 delegates, including representatives of the Moslem League, the United Front, the Awami League, and minor parties, and also of all the religious communities in Pakistan.

Addressing the conference on Nov. 26, Chaudhri Mohammad Ali said: "The issue is in fact extremely simple. Both India and Pakistan are solemnly pledged that the [Kashmir] question shall be settled through a free and impartial plebiscite. All that remains to be done is to hold this plebiscite. It has not been held because India would not allow it to be held." When partition was agreed upon, he recalled, Lord Mountbatten had advised the rulers of the Indian States that in deciding the question of accession they must pay "due regard to the communal position of their population, the wishes of their peoples, and the geographical location of their States." In Kashmir, although the ruler was a Hindu, 77 per cent of the population were Moslems, and the State's territory was contiguous to Pakistan. Political, economic, strategic, and other considerations all made accession to Pakistan the natural course. The Indian Government, which had fully agreed with Lord Mountbatten's advice, had forcibly occupied the Hindu State of Junagadh when its Moslem ruler acceded to Pakistan, and in the case of Hyderabad had maintained that a State with a Hindu majority must accede to India even if its Moslem ruler did not wish to do so.

"When it came to Kashmir, however," Chaudhri Mohammad Ali continued, "the Indian claim that accession of Indian States must follow the partition pattern, irrespective of the wishes of their respective rulers, was conveniently ignored." The Maharaja's offer of accession to India, he asserted, had been made against the wishes of the population, at a time when "his writ had ceased to be supreme in the major part of the State," and when a standstill agreement which he had signed with Pakistan was still in force. India had nevertheless accepted the offer, and had flown troops into Kashmir. In its reply to the Maharaja, the Indian Government had "categorically said that as soon as law and order was restored in the State the question of the State's accession should be settled by a reference to the people," but this reference had never taken place.

Reviewing the subsequent history of the dispute, Chaudhri Mohammad Ali claimed that Pakistan had been compelled by the advance of the Indian forces "to move a limited number of troops into Kashmir." The agreement between Pakistan and India negotiated by the U.N. Commission on Kashmir had provided for the holding of a plebiscite after the Pakistani forces and the bulk of the Indian forces had been withdrawn, but "Indian intransigence" had prevented any progress to date in the withdrawal of troops The Prime Minister then summarized the unsuccessful attempts at mediation by Sir Owen Dixon and Dr Graham, and the subsequent negotiations between Mr. Nehru and Mr Mohammed Ali, in support of his contention that "the responsibility for preventing the plebiscite from being held is wholly that of India."

Turning to the question of the Kashmir Constituent Assembly, Chaudhri Mohammad Ali recalled India's assurance to the U.N. Security Council that "while the Assembly might express an opinion on the question of accession, it can take no decision on it." The Assembly, he maintained, was completely unrepresentative as all its members had been "nominated at India's behest" and had been returned unopposed at a time when Indian troops were in full control of the State. Even in this Assembly, however, things had not "proceeded according to plan." The Prime Minister of the State, Sheikh Abdullah, had become "disillusioned about India's designs," had been dismissed and imprisoned, and had been replaced by Bakshi Ghulam Mohammed "with the help of the Indian occupation forces" "In due course," he went on, "Bakshi Mohammed fulfilled his part of the bargain. The so-called Constituent Assembly was persuaded to agree to accede to India. This is the true nature of the alleged accession decision which this Assembly rubber-stamped at India's dictation."

Developments inside Indian-occupied Kashmir, the Prime Minister declared, did not "reinforce faith in Indian professions that India means to abide by her international commitments" Alleging that a "reign of terror" prevailed, he pointed out that Sheikh Abdullah had been imprisoned for over two years without trial, and that a number of prominent Kashmiri leaders who had demanded a plebiscite had recently been arrested (see below). Although there were some 90,000 Indian soldiers in the State, or one for every 12 adult males in the Indian-occupied territory, "a strong resistance movement" had nevertheless remained in existence and had been "gaining rapidly in strength."

"All the Kashmiris ask," Chaudhri Mohammad Ali concluded, "is that India should abide by her international commitments and let them decide the question of accession by means of a fair and impartial plebiscite. All that Pakistan wants is that the Kashmiris should freely exercise their choice in respect of accession. India, Pakistan, and the Security Council are committed to it. Let that commitment be fulfilled. It is unfortunate that this dispute should have become a serious potential threat to world peace. We have shown the utmost patience. Every effort to break the deadlock by impartial mediators has been defeated by Indian intransigence. We are prepared to explore and exhaust all other possibilities of a peaceful settlement. I must give warning, however, that as time passes and this dispute remains unresolved, frustration and bitterness will grow among Kashmiris and Pakistanis. It is of the utmost importance that the dispute should be resolved before this frustration and bitterness have so seized the minds of the people that they turn to desperate measures It behoves India and Pakistan, and all the countries interested in the promotion of peace and the welfare of this region, to see that a just settlement of this dispute is reached without further delay."

The conference (whose discussions were held in private) ended with the unanimous adoption of a resolution moved by Mr. Suhrawardy, Leader of the Opposition in the Constituent Assembly, and seconded by Mr. Daultana, Finance Minister in the West Pakistan Cabinet.

The resolution strongly condemned India's "intransigent attitude"; expressed "profound disappointment" at the Security Council's failure to enforce its decisions regarding a plebiscite, and deplored the Security Council's "acquiescence" in "the evasive tactics adopted by India to wriggle out of her international commitments." After declaring that "all efforts which are being made to secure for the people of the State the right to self-determination

should be intensified and integrated on a national basis," the resolution reaffirmed Pakistan's "irrevocable determination" to secure this right for the people of Kashmir "at all costs." It called upon the Government of Pakistan to take "all possible steps to give effect to the national will" and to "arouse the conscience of the world against the grave injustice that is being done to the people of Jammu and Kashmir in depriving them of their right to self-determination." The president of the conference was empowered to set up a committee to advise the Government on the steps to be taken, and it was agreed that similar conferences should be held from time to time to take stock of the situation. A second part of the resolution recommended that the Constituent Assembly should make provision that when the people of Kashmir had decided to accede to Pakistan, the relationship between Pakistan and Kashmir should be determined in accordance with the wishes of the Kashmiri people.

Other developments relating to Kashmir during the past 15 months are described below.

Political Developments in Indian-held Kashmir.

The Working Committee of the Kashmir National Conference (the ruling party) adopted on Nov. 1, 1954, a resolution declaring that "limited accession to India is our final and irrevocable decision," and rejecting the alternatives of accession to Pakistan or complete independence. The resolution denounced the campaign of the *Praja Parishad* in favour of complete merger with India, and accused the *Parishad* of wishing to restore the monarchy and to return the peasants' newly acquired lands to the dispossessed landlords. In reply, the General Council of the *Praja Parishad* adopted a resolution on Nov. 7, 1954, reaffirming its demand for "one flag, one Constitution, and one president for Kashmir and India," and declaring that complete accession to India was "essential to maintain Kashmir's integrity."

The Kashmir Legislative Assembly adopted on Nov. 6, 1954, with only one dissentient vote, a resolution declaring that the State's four representatives in the Indian House of the People, all of whom supported Sheikh Abdullah, had "lost the trust and confidence of this House by having worked against the interests of the State."

The period of detention of Sheikh Abdullah was extended for a further six months on May 5, 1955, and again on Oct. 31, 1955. Ten leading supporters of Sheikh Abdullah were released from detention on Aug. 2, 1955, by order of the High Court, which granted their *habeas corpus* applications; nine of them, however, were rearrested by the Government on the following day, the tenth having gone into hiding.

An Opposition group was formed in the Legislative Assembly for the first time on Oct. 18, 1954, by four members headed by Mr. G. M. Hamdani, a former deputy Minister in Sheikh Abdullah's Government, who had previously resigned from the National Conference. Mr. Mirza Afzal Beg, the former Revenue Minister, who had been arrested with Sheikh Abdullah in August 1953, was released in November 1954 and immediately joined the Opposition group (now numbering eight members), which took the name of the Socialist Democratic Front.

The Budget debates in March 1955 gave rise to heated exchanges between Mr. Beg and Bakshi Ghulam Mohammed, the Prime Minister. **Mr. Beg** demanded on March 6 an independent judicial inquiry into the events of August 1953, when, he alleged, more than 1,000 people had been killed by the police, and accused the Government of having "murdered democracy." He denied that he and Sheikh Abdullah had conspired with foreigners to make Kashmir an independent State, and asserted that there was "an obsession of foreign intrigue" in the minds of Government members.

Bakshi Ghulam Mohammed, who described Mr Beg as Sheikh Abdullah's "evil genius," subsequently stated on March 17 that if he had not been sworn to secrecy, he would have published the correspondence between Sheikh Abdullah and Mr. Nehru to prove that there had been a conspiracy in the State since 1949. Sheikh Abdullah was reported on March 22 to have asked Mr. Nehru to publish the correspondence between them.

A "Plebiscite Front," with Mr. Beg as president and Mr. Hamdani as secretary, was formed on Aug. 10, 1955, by seven members of the Legislative Assembly and a Kashmiri member of the Indian Parliament to campaign for the holding of a free and impartial plebiscite under U.N. auspices, the withdrawal of Indian and Pakistani forces from Kashmir, the restoration of civil liberties, and free elections. A number of other Opposition groups, including the Kashmir Political Conference, the Kashmir Democratic Union, and the Kashmir branch of the Praja Socialist Party, subsequently announced their support for this programme. The Kashmir Government, however, took immediate counter-action, all public meetings and processions being banned in Srinagar on Aug. 23 to prevent clashes between Government and Opposition supporters, and a number of Plebiscite Front spokesmen being arrested for activities prejudicial to the security of the State.

Among those arrested were Mr. A. G. Goni, a member of the Legislative Assembly; Mr. G. M. Beg (a brother of Mr. Mirza Afzal Beg) and Hakim Habibullah, both members of the Legislative Assembly; Mr G. M Karra, a prominent barrister and president of the Kashmir Political Conference; and Mr. Mirza Afzal Beg himself, who was arrested on Nov 19. Pandit Prem Nath Bazaz, president of the Kashmir Democratic Union and a founder-member with Sheikh Abdullah of the National Conference, was arrested on Sept. 8 in New Delhi (where he had lived since 1950) under the Indian Preventive Detention Act. He had been a leading advocate of a free plebiscite in Kashmir.

Political Developments in Azad Kashmir.

Serious unrest was reported to have developed in the Poonch area of *Azad Kashmir* (the Pakistani-controlled territory) in April 1955, and to have been followed by the imposition of martial law and numerous arrests. Although no official details were published in Pakistan, the *Civil and Military Gazette* (Lahore) wrote on July 3 that the situation in *Azad Kashmir* was "very grave indeed," and called for an immediate independent high-level inquiry.

Economic and Social Developments.

Recent economic and social developments in the Indian-controlled and Pakistani-controlled areas of Kashmir are summarized below:

Indian Kashmir. The final draft of the State Government's second Five-Year Plan, for which a sum of Rs. 350,000,000 (£26,500,000) had been sanctioned by the Planning Commission, was published in December 1955 The largest allocations were for irrigation (Rs. 46,000,000), electric power developments (Rs. 35,000,000), education and public health (Rs 30,000,000 each), community projects (Rs. 20,000,000), and agriculture and animal husbandry (Rs. 17,000,000). The setting-up of a State Development Committee under the chairmanship of Bakshi Ghulam Mohammed had been announced in January 1955.

A year earlier (Oct 14, 1954) Bakshi Ghulam Mohammed had announced that work would begin on the extension of the railway from Pathankot (East Punjab) to Lakhimpur, as a first step towards linking Jammu with the Indian railway system, and on the construction of a new tunnel through the Banihal range. He also stated that progress had been made in irrigation schemes which would help to make Kashmir self-sufficient in rice production, and that work had been begun on the construction of a flood control channel 45 miles long between Narwal and the Wular Lake. Under the Government's free education plan 500 new schools had been opened, free board was being provided for students from backward classes, and mobile schools had been established for nomadic tribes

The Banihal tunnel, to which Bakshi Ghulam Mohammed referred, is intended to provide a permanent road link between India and the Kashmir Valley. Unlike the existing tunnel through the Banihal range, which is closed by snow during the winter, the new tunnel will be located at a height where there is no heavy snowfall, when completed it will be the longest in Asia, over a mile in length. It is expected to be finished by the winter of 1956, at a cost of over Rs 30,000,000.

Azad Kashmir. The Pakistani Government announced in September 1954 that it had sanctioned Rs. 2,500,000 for development schemes in Azad Kashmir, and that the Azad Kashmir Development Board had approved schemes costing over Rs. 1,500,000 for agricultural and forest development. A subsequent statement claimed that 500 new primary schools and a number of high schools and colleges had been opened · that the number of students had risen to about 200,000, and that it was planned to convert 389 primary schools into technical schools with modern equipment, and to open about 100 primary schools and two adult education centres every year.

The Nekowal Incident.

It was stated in New Delhi on May 17, 1955, that the U.N. observers who had investigated the Nekowal incident (see 14303 A) had found that a small Indian party had been attacked by a large and well-armed Pakistani border police force; that the attack was premeditated; and that it had taken place on Indian territory.

No statement about the U.N. findings was made in Karachi, but the Pakistani Press maintained that, in accordance with the terms of an agreement reached in 1950 between senior military officers of both sides, Indian soldiers were restricted from entering the Nekowal area and should have given prior notice to the Pakistani authorities if they wanted to enter the area in order to cultivate land. Commenting on these reports, an official spokesman in New Delhi refuted what he called "attempts to belittle and question the findings of the U.N. observers' report and to justify wanton aggression resorted to by the Pakistan police."

As a result of the observers' report, India lodged a compensation claim for 1,200,000 rupees with Pakistan. Mr. Nehru stated on Dec. 3, 1955, however, that Pakistan had so far refused to accept liability, in spite of several approaches, and had declined to accept the facts as stated by the Indian Government.—(Indian and Pakistani High Commissioners' Offices, London - The Statesman, Calcutta - The Hindu, Madras - Times - Manchester Guardian)

(Prev. rep. Kashmir, 14303 A; 13636 A.)

A. UNITED KINGDOM. — Television. - B.B.C. and I.T.A. Developments. - 5,000,000 Television Licences.

Developments in recent months in connexion with the television services of the British Broadcasting Corporation and with commercial television are summarized below.

B.B.C. Services.

Proposed Schools Television Service. The Corporation announced on Nov. 23, 1955, that it proposed to inaugurate an experimental service of school television in the autumn of 1957. The service would consist initially of two or three transmissions weekly for secondary schools, and would probably at first deal mainly with current affairs and science Miss Enid Love, Assistant Head of School Broadcasting (Sound), and a former headmistress of a girls' grammar school, had been appointed head of the new service

Colour Television. A series of experimental transmissions in colour from the Alexandra Palace studios began on Oct. 10, 1955. The B B.C. explained that these transmissions (mainly of still patterns, demonstration colour films, and simple studio shots, designed to provide technical information) were being carried out by agreement with the Television Advisory Committee, which had been asked by the Postmaster-General to report on the whole field of colour television. They should not be regarded, however, as an indication of an early start with colour transmission.

B.B.C. Purchase of Film Studios. The purchase by the B.B.C. for £350,000 of Ealing Film Studios, where many notable films had been produced since the war, was announced on Oct. 19, 1955 The studios will be used by the Corporation as a permanent home for the film department of its television service.

Resignation of Director of Television. It was announced on Nov. 20, 1955, that Sir George Barnes, the Corporation's director of television, would resign with effect from Aug. 31, 1956, in order to take up the appointment of Principal of the University College of North Staffordshire.

Independent Television.

Religious Sunday Programmes. The Independent Television Authority and Associated Television Ltd. announced jointly on Jan 2, 1956, that, beginning on Jan. 8, regular religious programmes or services would be broadcast by the latter company on Sundays at 7 p.m., i.e. within the Sunday "closed period" (see 14472 A). In a separate statement the I.T A. explained that the programme companies operating at the week-ends were anxious to introduce a religious element, although no advertisements would be allowed in connexion with religious features, the companies were finding the money for their production The Central Religious Advisory Committee on Broadcasting had agreed, after careful consideration, that the I T.A. (and the B.B C. if it wished) should be free to put on religious programmes on Sunday evenings. The statement added that with the B.B C.'s concurrence the I T A would draw advice on broad issues from the Central Religious Advisory Committee, but had appointed a sub-committee of three (representing the Anglican, Nonconformist, and Roman Catholic churches) for consultation on day-to-day problems.

Morning Television Programmes. Saturday morning programmes for the London area (provided by Associated Television Ltd.) were discontinued from Dec. 24, 1955, and morning programmes on Mondays to Fridays for the same area (provided by Associated-Rediffusion Ltd.) from Jan 9, 1956.

It was stated in the Press that advertising in the morning had been "negligible" since independent television started, viewer research figures showed that the size of the audiences had never risen above 10 per cent of the potential, and was usually no more than about 4-6 per cent.

Editorial Resignations from Independent Television News Service. It was announced on Jan 13 that Mr. Aidan Crawley (see 14472 A) and Mr. Richard Goold-Adams, respectively editor-in-chief and deputy-editor of Independent Television News, had resigned; Mr. Crawley had, however, agreed to carry on for six months or until his successor was ready to take over. Mr Crawley explained on Jan. 14 that the "main reason" for his resignation was his "conviction that a board composed of representatives of contractors who differ so widely in their outlook towards television is incapable of maintaining a consistent policy towards the news," and that the only way to ensure proper handling of the news was for the Independent Television Authority itself to take over the news company. It was explained in the Press that the resignations of Mr Crawley and Mr. Goold-Adams followed disagreements with the board of Independent Television News about the importance of the television news service and the time and money to be spent on it; during the past few weeks, it was pointed out, the I T.N. bulletin had been cut and relegated to "lean" viewing times.

The Independent Television Authority announced on Jan 17 that it had opened discussions with the programme companies on "how best to organize, in the light of experience, the control and direction of the news company in order to consolidate the successful start that has been made." The statement added "There will be no change in the presentation of the news as an essential part of balanced programmes, or in broad editorial policy."

Ending of "Spot" Advertising. The I.T.A. announced on Jan. 24 that "spot" advertisements—delivered immediately before, after, or during breaks in television programmes by *compères* appearing in the programmes—would in future be disallowed, to avoid the possibility of viewers inferring that the programmes themselves had been supplied or suggested by advertisers It would, however, be prepared to review the matter when the system of advertising control established by the Television Act became better known, and meanwhile programme contractors would be allowed a month's grace to enable current commitments to be met.

Rival Television Audiences.

The B.B.C announced on Dec. 4, 1955, that its audience research department estimated that during the first eight weeks of rival television programmes an average of 56 per cent of people in the London area, who could tune in either to B.B C or I.T.A. programmes, had chosen those provided by the B B.C. The statement added that although it was true that "at certain times a majority of those viewing chose to watch the I.T A programme," more often "the B B C programme was the majority choice" The B.B C. figures were derived from a partial census of a section of the population in certain districts chosen at random.

The B.B C. claim, however was contested by the I T.A., which, in a statement issued on the same day, asserted that figures provided by two independent research agencies (using programme-recording meters attached to several hundred television receivers chosen at random in the London area) gave the I T A. share of possible audiences at "round about 55 per cent" An Associated Television spokesman stated that independent research companies had estimated that 77 per cent of the viewing audience on Sundays preferred the programmes produced by A T.V. to those of the B B C, and that the figure for Saturdays was 71 per cent.

The Post Office announced on Nov. 23, 1955, that the five millionth television licence had been issued in October. The number of "sound only" licences in force at Oct. 31 was given as 9,130,223, including 286,755 licences for sets fitted in cars.—(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. B.B.C., 14444 A; I.T.A., 14472 A.)

B. NEW ZEALAND. — U.K. Withdrawal from Participation in Wairakei Heavy Water Project.

It was announced in London and Wellington on Jan. 26 that the U.K. Atomic Energy Authority had decided to withdraw from participation in the Wairakei heavy water scheme because the cost of the heavy water plant would be much higher than had been originally estimated.

The statement said that the elimination of the heavy water plant meant that the project now became solely one for electric power development, and that the N.Z. Government would "proceed actively" with this work. The deletion of the heavy water plant would enable about 50 per cent more power to be developed, as the steam which would have been used for heavy water production would now be utilized to drive further turbines Any financial costs incurred on account of the heavy water proposals would be met by the U.K. Atomic Energy Authority, whilst Geothermal Development Ltd. (the joint U.K.-N.Z company formed for undertaking the construction of the factory and the subsequent production of heavy water) would be wound up in due course.

The proposal to develop a heavy water project at Wairakei had first been announced in March 1953. In December, 1953, the U.K. Government had announced its withdrawal from the scheme, but in July 1954 it had reversed its decision and decided to participate.—(Times - Directorate of Information Services, Wellington)**(Prev. rep. Wairakei Scheme, 14072 A.)**

C. NORTH KOREA. — Death Sentence imposed on former Foreign Minister.

The Soviet Tass Agency announced on Dec. 18 that a North Korean military court had passed sentence of death on Pak Hen Yen, a former Foreign Minister of the Korean Democratic Republic (North Korea), after he had been found guilty of "espionage, subversion, murder, and terrorism." Pak Hen Yen had been leader of the South Korean Communists until 1946, when he fled to North Korea.

The Tass Agency quoted reports from Pyongyang alleging that Pak Hen Yen had acted under the orders of General Hodges (the former U S. Commander in South Korea) and the U S Embassy in Seoul, and that he had "worked against the setting up of a patriotic government in South Korea until he was sent to North Korea under General Hodges' instructions" It was also alleged that he had been an American agent since 1921, and subsequently a Japanese agent since 1925; that he had betrayed leaders of the Korean Communist Party to the Japanese authorities; and that, while occupying a leading position in the Communist Party in South Korea, he was in reality "a traitor and *provocateur* endeavouring to disrupt the revolutionary movement from within."

It was stated that Pak Hen Yen had confessed to all the charges brought against him. (New York Herald Tribune)

D. ARAB LEAGUE. — Economic Organization.

It was announced in Cairo on Jan. 26 that the Economic Council of the Arab League had approved the establishment of an inter-Arab organization for economic development, with a capital of £20,000,000 to be financed jointly by member-States in proportion to their contribution to the League's general funds. The Council also approved the formation of a company to exploit minerals in the Dead Sea area, with a capital of £4,000,000 and headquarters in Amman. (Times)

A. YUGOSLAVIA - ETHIOPIA - EGYPT. — President Tito's State Visits to Ethiopia and Egypt. - Discussions with Emperor Haile Selassie and Colonel Nasser. - Criticisms of Baghdad Pact.

President Tito of Yugoslavia left Belgrade on Dec. 1, 1955, for an official visit to Ethiopia and Egypt, accompanied by M. Koca Popovich (State Secretary for Foreign Affairs) and other high-ranking officials. Travelling in the Presidential yacht *Galeb* through the Suez Canal and the Red Sea, President Tito landed at the Eritrean port of Assab on Dec. 10, arriving on Dec. 14 at Addis Ababa after a 600-mile motor journey.

During his stay in the Ethiopian capital President Tito attended a number of official functions, including a State banquet given by the Emperor Haile Selassie. Conversations also took place between the Emperor and the President, as well as between Yugoslav and Ethiopian Ministers.

On Dec. 19 the Emperor and President Tito left Addis Ababa for Asmara, the capital of Eritrea, calling *en route* at a number of towns and visiting historic monuments. The President's visit concluded on Dec. 24, when he left Massawa on board the *Galeb* after having presented the Emperor with a Yugoslav-built yacht. On the same date a joint official communiqué was issued in Addis Ababa on the results of the visit.

The communiqué said that during President Tito's stay in Ethiopia, by which he had returned the Emperor's State visit to Yugoslavia in 1954, the "friendly relations existing between the two countries through their common struggle for the preservation of their independence had found full expression." The conversations between President Tito, the Emperor, and their Ministers had been conducted "in an atmosphere of cordiality and full mutual understanding," and a "broad exchange of views" had taken place "on the international situation, including the situation in the Middle East, as well as on questions directly affecting the relations between the two countries."

"As regards the international situation," the communiqué went on, "there was identity of views in appraising the principal international problems and the most efficacious ways of consolidating general peace and the realization of general prosperity. It was jointly stated that this goal can be accomplished only on the basis of respecting the principles of independence, sovereignty, integrity, and equality of all countries.

"Significance is attached by both sides to free international trade and the broadest international co-operation in the economic field, especially economic and technical assistance for the development of the under-developed countries, without discrimination towards any country or area, primarily by using the appropriate U.N. bodies. . . . A special contribution would be made to such co-operation by an agreement between the great Powers on the limitation of armaments and the utilization of atomic power for peaceful purposes.

"The consistent devotion of the two countries to the principles of the U.N. was noted with satisfaction. Based, in accordance with these principles, on constructive co-operation with the greatest number of countries, regardless of ideological and other differences, the policy of Ethiopia and Yugoslavia offers a significant contribution to the consolidation of peace . . ."

The communiqué noted "with great satisfaction" that Yugoslav-Ethiopian relations were "growing ever closer," and said that it had been agreed "to bring about still greater mutual assistance and *rapprochement* through both existing and new forms of co-operation, especially in the economic and technical spheres." The need for promoting scientific and cultural co-operation was also stressed.

Marshal Tito landed at Suez on Dec. 28 and later the same day arrived in Cairo, where he was met by Colonel Nasser and other Egyptian leaders. This was the second meeting between the two statesmen, following a lengthy talk which they had had on board the *Galeb* in the Suez Canal on Feb. 5, 1955, during Marshal Tito's return from his visit to India and Burma.

It had been announced after the earlier meeting that increasing efforts would be made "to take advantage of the existing close relations between Yugoslavia and Egypt and the possibilities for the further development of these relations," and that President Tito had accepted an invitation from Colonel Nasser to visit Cairo, later in the year.

During his stay in the Egyptian capital President Tito and his collaborators had a number of discussions with Colonel Nasser and Dr. Fawzi (the Egyptian Foreign Minister) on the international situation, including Middle Eastern problems. The Yugoslav visitors also attended a State banquet at the Abdin Palace, visited the Pyramids and other antiquities near Cairo, and spent several days at Luxor and Aswan, in Upper Egypt. After returning to Cairo on Jan. 3 President Tito had further discussions with the Egyptian leaders, sailing on Jan. 6 from Alexandria.

A joint communiqué was issued in Cairo on Jan. 5 saying that President Tito and Colonel Nasser, "continuing the talks they had on Feb. 5, 1955, exchanged views on the international situation, including problems of Southern Europe and the Near East, as well as on the further development and consolidation of relations and co-operation between the two countries. These talks took place in an atmosphere of cordiality and mutual understanding. . . ." The statement continued:

"(1) President Tito and President Nasser noted with satisfaction the identity of their views on the fundamental questions of the present international situation. They consider that during the past years . . . the general danger of war has receded and the general situation has improved. However, the retention of methods from the past and from the time of the acute 'cold war' results in periodical tension in different areas, which necessarily impedes the general tendency towards a relaxation of tension. It is the view of the two heads of State that a solution of world problems should be approached in new constructive ways. Among these is, in the first place, the problem of accelerating the process of strengthening the independence of countries which have recently achieved sovereignty, as well as the process of giving sovereignty to those nations which are still dependent, and the process of economic development of under-developed countries.

"The two heads of State consider that . . . these problems should be solved in conformity with the U.N. Charter on the basis of full equality and non-interference in the internal affairs of other countries. Every effort in this direction would lead to the relaxation of tension and, at the same time would expand the basis for negotiation and agreement as the only methods of solving existing conflicts. The policy of non-alignment, to which both countries remain consistently devoted, becomes even more significant in this connexion.

"Both Presidents wish to reiterate that the policy which they have adopted . . . is not a passive but a positive, active, and constructive policy seeking to lead to world-wide collective security.

They also agree that a policy of military blocs and pacts inevitably results in a suicidal armaments race, causes misunderstanding among nations, and heightens tension in the world. They expressed their conviction that peace can be consolidated by co-operation in all fields on the basis of the independence and full equality of all nations. The decisions adopted at the Afro-Asian conference at Bandung in April, 1955, gave expression to these principles and are directed towards aims in which both Egypt and Yugoslavia believe, and for the achievement of which they are steadfastly working, in accordance with the letter and spirit of the U.N. Charter."

(2) After noting "with particular satisfaction" the "fruitful co-operation" of both countries in the U.N., the statement welcomed the recent decision of the U.N. General Assembly to admit 16 countries to membership (see 14637 A). It also welcomed the efforts of the U.N. to reach agreement on disarmament, and noted with satisfaction "the progress made within the U.N. towards the organized utilization of nuclear energy for peaceful purposes and for the well-being of all nations."

As regards Egyptian-Yugoslav relations, President Tito and Colonel Nasser declared that they had "noted with satisfaction that these relations have become ever closer and firmer during the past years, and that they are inspired by a spirit of sincere friendship. . . . The fundamental elements for the creation of close ties of friendship and mutual understanding arise principally from the fact that both peoples are firmly resolved to defend their hard-won freedom and independence, that they are confronted by similar problems regarding their internal development and progress, and that they hold identical views on the fundamental questions of foreign policy and economic co-operation.

"The two Presidents are firmly resolved to continue developing the relations between their countries in the political, economic, cultural, and other fields, based on mutual respect, joint interests, and permanent non-interference in each other's internal affairs. It has been established that there are broad possibilities for the development of mutual beneficial co-operation, and it was decided to make further efforts towards strengthening trade and economic co-operation. Agreement was also reached on the strengthening of cultural ties. The usefulness of further mutual exchanges of views in order to examine joint problems and to strengthen their relations was specially emphasized."

M. Popovich told a press conference on the same date that there was no question of Yugoslav mediation in the Israeli-Arab conflict, and "even less question" of intervention on the part of President Tito.

Before leaving Egypt, President Tito gave a press interview on Jan. 6 in which he strongly criticized the Baghdad Pact. Replying to a remark that this pact had been referred to as "the northern wall of defence in the Middle East," President Tito said that in his view the pact did not "represent a wall against anyone," nor did he think that it served the interests of the countries of that part of the world because it "disunites them."

President Tito arrived back in Belgrade on Jan. 12.

Addressing the crowds which welcomed him in Belgrade, President Tito referred to statements in foreign newspapers to the effect that in his remarks on Jan. 6 he had attacked the Baghdad Pact "for the first time," and that his statement was "a blow to Yugoslavia's allies" [i.e., Turkey, a member both of the Balkan Pact and the Baghdad Pact]. He declared in this connexion: "This is not the first time that I have criticized the Baghdad Pact. I have now been myself to the countries concerned, and I have seen that this pact is causing concern to these people and that I was right when I said that I considered it an element of disunity rather than of unification in the Middle East. The pact carries new elements of unrest and creates new hotbeds of possible conflicts. It could not be an efficient means of defence as far as military effectiveness is concerned, as these peoples were unable to create any large military forces before and cannot do so now. I consider that as the peoples, if left to

themselves, do not want any such arrangements or pacts, these should not be imposed on them by force. If one wants to help certain nations and gain their sympathies, this could be better achieved by giving them economic assistance and helping them to raise themselves out of their under-developed conditions . . . Until recently there existed two basic hotbeds—the Far East and Europe—but now there is this third dangerous hotbed which could bring a catastrophe upon mankind."

Speaking of the Egyptian arms purchases from Czechoslovakia, President Tito gave it as his view that Egypt was not arming for purposes of revenge. "The Egyptians," he said, "wish to preserve peace, and consider that they have the right to purchase arms where they can . . . because in this way they will strengthen their independence. We believe that Egypt is a mature nation, that her leaders are intelligent, and that no danger threatens from her re-arming."

After appealing for "unselfish aid" for the under-developed countries as the best means of winning their sympathies," rather than arming them in order to create blocs," President Tito said that both in Ethiopia and Egypt he had found a similar outlook to his own. These countries had different systems from Yugoslavia, but he had seen that such differences "do not in the least hinder co-operation between countries and peoples provided they have sincere feelings towards each other, have no intention of interfering in the internal affairs of others, and wish to co-operate on an equal footing and to help each other. These visits, as well as my visits to India and Burma last year, prove that there exist in the world conditions for taking a new path—the path of mutual understanding and the settlement of problems in a peaceful way, without the need to speak from 'positions of strength,' without the need for sabre-rattling, and without the need for an arms race. The peoples we visited want peace as much as the peoples of Yugoslavia. . . ."

In a statement on Jan. 10 on his arrival at Pula (Pola), President Tito had said that all the Arab peoples looked upon Yugoslavia "as an example of how they should develop quite freely, without discrimination from any side, to govern themselves."—(Tanjug Agency, Belgrade - Times - Manchester Guardian - Le Monde, Paris) **(Prev. rep. President Tito, Visits to India and Burma, 14040 A; Emperor Haile Selassie's Visit to Yugoslavia, 14026 D.)**

A. GUATEMALA.—Election of Constituent Assembly. - New Constitution. - President Castillo Armas confirmed in Office. - Abortive Coup d'Etat. - General Elections. - Ex-President Arbenz Guzman granted Asylum in Czechoslovakia.

Following the overthrow of the pro-Communist regime of President Arbenz Guzman in July 1954, and the assumption of power by an army *junta* headed by Colonel Castillo Armas (who was subsequently elected President), elections were held on Oct. 10, 1954, for a Constituent Assembly to draw up a new constitution. Political parties as such remained banned, and the election resulted in an overwhelming victory for the Government's National Anti-Communist Front, which won 63 out of the 66 seats.

At the same time a plebiscite was held on an "open ballot" system to decide whether or not Colonel Castillo Armas should remain as President, the electors being required to appear in person before the polling committees and answer publicly "yes" or "no" to the question: "Do you wish Colonel Castillo Armas to continue as President of the Republic for a period to be fixed by the National Assembly?" The plebiscite resulted in an overwhelming majority for Colonel Castillo Armas, who received 485,693 votes against only 400 cast against him. The Constituent Assembly subsequently proposed that he should be proclaimed constitutional President for a five-year term, and on Nov. 6, 1954, Colonel Castillo Armas was accordingly installed as President of Guatemala until March 15, 1960.

During 1955 a draft Constitution was drawn up by a 17-member committee of the Constituent Assembly. The Assembly debated the draft in the latter half of 1955, approving on Dec. 30 the final version of the new Constitution, which will come into force on March 1, 1956.

The principal new provisions of the Constitution, as compared with the previous (1945) constitution, included the following:

(1) The functioning of Communist or totalitarian parties was forbidden, and any Communist activity, whether individual or in a group, was made a criminal offence

(2) For the first time since 1871, when the Roman Catholic Church was disestablished in Guatemala, religious organizations were granted juridical status, the right to own or dispose of property, and the right to teach religion in public schools The existing ban against ministers of religion participating in politics was, however, continued.

Elections were held on Dec. 18, 1955, for a new unicameral Congress of 66 members, to take office on March 1, 1956. They resulted in an overwhelming victory for one of the pro-Administration groups, which campaigned under the name of the National Electoral Alliance and won all the 66 seats. Another pro-Government group contested the elections under the name of the "National Anti-Communist Front," comprising the traditional "liberal" or anti-clerical elements in Guatemalan politics; it failed, however, to secure any seats. Voting was extremely low, amounting to no more than 25 per cent in some areas.

The Opposition groups boycotted the elections on the ground that the electoral procedure had been unfairly weighted against them. In particular, they argued that the election had been held at too early a date, giving them no time to organize a campaign; that the constitutional provision requiring a party to produce the signatures of 5,000 members before it could be registered was designed to intimidate people and dissuade them from joining opposition groups; and that the provision making the ballot secret for literate voters but public for illiterate voters (who comprise a majority of the electorate) implied that pressure would be brought to bear upon the latter.

Other developments in Guatemala during the past 15 months are summarized below:

Abortive Coup d'Etat. An attempted *coup d'état* took place on Jan. 20, 1955, when civilian and military rebels unsuccessfully tried to occupy the military base of La Aurora, outside the capital. A Government communiqué said that the plot was Communist-inspired and had been led by Colonel Francisco Cosenza, formerly Chief of the Air Staff and Ambassador to Italy under President Arbenz Guzman. Over 400 persons were arrested and it was later announced that 11 had been brought to trial, of whom nine had been released and two, after being sentenced to death, had had their sentences commuted to 20 years' imprisonment. Colonel Francisco Cosenza himself fled to El Salvador, but, after having been asked to leave that country, sought permission to enter Costa Rica. Colonel Elfego Monzon, one of the original members of the military *junta* which took control in Guatemala when President Arbenz was overthrown, was alleged to have been implicated in the plot, he was arrested and flown out of the country, a Presidential spokesman stating that he had been "assigned to a South American diplomatic post"

Confiscation of Property of Former Government's Supporters. Following the expiry of the period of grace granted in September 1954 to officials of President Arbenz's Government for furnishing proof that their properties had been acquired honestly, a commission was appointed in April 1955 to confiscate those properties which had not been satisfactorily accounted for. This commission subsequently recommended the confiscation of the properties of 38 people who had not contested the proceedings.

New Foreign Minister. Señor Ricardo Quinonez was appointed Foreign Minister on Jan 7, 1956, in succession to Señor Domingo Goicolea. The latter had succeeded Señor Carlos Salazar on Jan. 10, 1955.

Ex-President Arbenz Guzman, who had fled from Guatemala to Mexico, subsequently went to Switzerland and from there to Czechoslovakia, where he stated on Nov. 25, 1955, that he intended to make his home in Prague for an indefinite period. Two other former Communist leaders in Guatemala, Señor Carlos Manuel Pellicer and Señor Ricardo Raul de Leon, had earlier left Argentina (where they had been given asylum) for Czechoslovakia. Colonel Jaime Rosenberg and Colonel Rogelio Cruz Wer, the former chiefs of the Guatemalan secret police, were released by the Mexican authorities on May 24, 1955, after the Guatemalan Government had lost an action for their extradition on charges of mass murder.—(Bank of London and South America, Fortnightly Review - New York Times - New York Herald Tribune - Le Monde, Paris - Times) **(Prev. rep. Guatemala, 13826 A.)**

B. UNITED KINGDOM. — War Damage Payments.

The War Damage Commission announced on Jan. 17 that it had paid out £27,250,000 during 1955, compared with £32,000,000 in 1954 and £38,000,000 in 1953.

The Commission made 21,000 "cost of works" payments for repairs during the year, and 6,700 payments on account or as instalments. The amount involved was £22,500,000, of which about £5,000,000 was for the repair and rebuilding of houses. The report said that as most of the war damage claims of owners of houses and small businesses had been met, and it was possible for public bodies to proceed with large rebuilding projects, the War Damage Commission were making payments for the repair or rebuilding of many substantial and well-known buildings.

So far the War Damage Commission has paid out £1,174,000,000 in 4,678,000 separate payments. The peak year for payments was 1947, since when the annual amounts paid have steadily declined.—(Times) **(Prev. rep. 13373 F.)**

C. JAPAN. — New Ambassador in Washington.

A Tokio announcement of Jan. 22 stated that the Japanese Cabinet had approved the appointment of Mr. Masayuki Tani, adviser to Mr. Shigemitsu (the Foreign Minister), as Ambassador to the United States in place of Mr. Sadao Iguchi, retiring. Mr. Tani, a former Ambassador to China, was Foreign Minister in General Tojo's Cabinet, and became principal adviser to Mr. Shigemitsu when the first Hatoyama Cabinet was formed. (New York Herald Tribune) **(Prev. rep. 13571 A.)**

A. UNITED KINGDOM. — Coal Production in 1955. - Loss of 2,000,000 Tons. - Figures for Fourth Quarter of 1955. - Mr. Bowman appointed Chairman of N.C.B.

Final revised figures published by the Ministry of Fuel and Power on Jan. 11, 1956, gave the total output of saleable coal in 1955 as 221,563,200 tons (210,192,800 tons deep-mined, 11,370,400 tons opencast), compared with 223,619,800 tons (213,561,300 tons deep-mined, 10,058,500 tons opencast) in 1954. The loss of over 2,000,000 tons, as compared with 1954 production, was thus more than accounted for by the fall in the output of deep-mined coal.

Only two divisions—the Northern and the East Midlands—increased their output, provisional tonnage figures for the divisions being as follows (1954 figures in parentheses). Scottish, 22,036,200 (22,577,200); Northern, 13,486,800 (13,478,900), Durham, 25,586,700 (25,914,000); North-Eastern, 43,805,800 (45,615,700), North-Western, 15,623,400 (15,646,100): East Midlands, 46,071,500 (45,570,400); West Midlands, 17,746,900 (18,038,700), South-Western, 24,223,600 (25,058,900); South-Eastern, 1,526,300 (1,661,400).

The following table shows the average weekly rates of coal production and consumption, and of manpower, output, and absenteeism in the fourth quarter of 1955:

	Saleable Mined Coal Produced Tons	Plus Opencast Tons	Total Production Tons	Inland Consumption Tons	Overseas Shipments & Bunkers Tons
October ..	4,354,975	267,575	4,622,550	4,055,750	314,500
November	4,433,325	235,375	4,668,700	4,382,250	318,000
December	4,098,380	180,040	4,278,420	4,667,200	309,000

	Wage-earners on colliery books Total	at coal-face	No. of shifts worked per wage-earner	Output per manshift at coal-face Tons	overall Tons	Percentage of absenteeism
October ..	699,200	287,300	4.96	3.333	1.251	12.91
November	699,150	287,325	5.03	3.345	1.260	12.27
December	699,860	287,320	4.70	3.110	1.236	12.12

Other recent developments in connexion with the coal industry are summarized below:

N.C.B. Quarterly Report. The Board's accounts for the third quarter of 1955, published on Dec. 13, showed that profits on collieries, opencast mines, and ancillary undertakings totalled £2,362,452, of which opencast mining accounted for about £1,900,000. After charging about £5,250,000 for interest and about £2,000,000 for losses on imported coal, there was an estimated deficit of £4,970,582, compared with one of £19,189,054 in the second quarter. The Board explained that the loss on imported coal would have been much higher but for the arrangement made in July under which a charge of 3s. 2d had been added to the price of all coal, both home-produced and imported, to offset losses on coal bought abroad. This levy had produced £6,537,966 in the quarter, and without it the loss on imported coal would have amounted to about £8,500,000.

Cut in Coal Imports. It was announced on Dec. 7 that Britain had agreed to forego temporarily 100,000 tons of coal imports contracted to be delivered by European Coal and Steel Community countries during the first quarter of 1956. It was stated in the Press that in the first nine months of 1955 British coal imports had been running at an annual rate of nearly 5,000,000 tons. Recently, however, the rate had been lower, and the agreement to forego deliveries temporarily had been made possible by the fact that British coal stocks were higher than had been anticipated.

Mining Accidents. Provisional figures published on Jan. 15, 1956, by the Ministry of Fuel and Power gave the numbers killed and injured in pit accidents in 1955 as 423 and 1,899 respectively, compared with 371 killed and 1,855 injured in 1954.

N.C.B. Staff Appointment. The N.C.B. announced on Nov. 7 the appointment of Mr. J. H. Mitchell, an assistant secretary in the Ministry of Labour and National Service, to the new post of Deputy Director-General (Manpower and Training) in the industrial relations department at national headquarters. The establishment of an industrial relations department had been recommended in the Fleck Committee's report (see 14115 A).

New Part-time Members of N.C.B. It was announced on Dec. 31, 1955, that the Minister of Fuel and Power had appointed the following as part-time members of the N.C.B.—Mr. S. P. Chambers, a deputy-chairman of Imperial Chemical Industries Ltd., Mr. J Crawford, general president, National Union of Boot and Shoe Operatives; Mr W. L. Heywood, general secretary, National Union of Dyers, Bleachers, and Textile Workers; and Sir Henry Wilson, deputy-chairman, Powell Duffryn Ltd. The appointments (which took effect immediately and will be for three years) were made to fill the places on the Board previously held by Lord Heyworth and Mr J. H. Hambro (who had resigned in February, 1955) and by Mr. Gavin Martin and Alderman William Bayliss (whose appointments had expired).

The Minister of Fuel and Power (Mr. Aubrey Jones) announced on Jan. 17 that he had appointed Mr. James Bowman, the vice-chairman of the National Coal Board, to succeed Sir Hubert Houldsworth as chairman of the Board when Sir Hubert's term of office expired on July 31, 1956. Mr. J. Latham [who had been a full-time member of the Board since February 1955, and was formerly its Director-General of Finance] would succeed Mr. Bowman as vice-chairman. Mr. Bowman (57), a former vice-president of the National Union of Mineworkers, is the son of a blacksmith and entered the mines as a pitboy at the age of 15.—(Times - Daily Telegraph - Manchester Guardian - Financial Times)

(Prev. rep. 1954 Production, 13978 A; Quarterly Figures, 14535 D; Fleck Report, Mr. Bowman, 14115 A.)

B. NORTHERN IRELAND. — Parliamentary Disqualifications for "Offices of Profit" Reasons. - Sir Norman Stronge resigns as Speaker of N.I. House of Commons. - Election of New Speaker.

In a statement to the Senate at Stormont on Jan. 17, the Prime Minister of Northern Ireland (Lord Brookeborough) announced that the Speaker of the N.I. House of Commons (Sir Norman Stronge), two other members of the House of Commons, and a member of the Senate, might be disqualified from parliamentary membership by reason of holding "offices of profit" under the Crown. He added that Sir Norman Stronge had already tendered his resignation as Speaker.

In addition to Sir Norman Stronge (Unionist M.P for Mid-Armagh, and Speaker of the N.I. House of Commons since 1945), the other members of the N.I. House of Commons affected were Sir William McCleery, Unionist M.P. for North Antrim and a former Minister of Commerce, and Dr Eileen Hickey, Independent M.P. for Queen's University. The Senator involved was Lieut-Colonel H S. C. Richardson (Unionist).

Lord Brookeborough explained that a recent investigation by the Ministry of Finance had shown that the above-mentioned members were technically disqualified for the following reasons (1) Senator Richardson, by reason of holding an "office of profit" in virtue of his membership of the Enniskillen Disablement Advisory Committee, established under the Disabled Persons (Employment) Act (Northern Ireland), 1945; Sir Norman Stronge, by reason of holding the office of chairman of the Central Advisory Council on Disabled Persons, established under the same Act; Sir William McCleery, by having held the office of assessor under the Reinstatement in Civil Employment Act, 1944, and Dr. Eileen Hickey, on the ground of her membership of the Belfast Advisory Committee of the National Assistance Board under the National Assistance Act (N.I.), 1948. Lord Brookeborough pointed out that "in no case has the person involved either sought or received any payment in respect of the public service so rendered."

The Leader of the Senate (Lieut.-Colonel A. R. G. Gordon) explained that both the N.I. Senate and House of Commons, under the Government of Ireland Act, 1920, had "the powers, privileges and immunities of the House of Commons at Westminster," which meant that each House could consider the position of any of its members who might appear to be subject to disqualification. He added:

"Since the Westminster law 'for the time being in force' applies here, the Parliament of Northern Ireland has no power to legislate on the subject of disqualification, and consequently cannot pass any indemnifying or validation Acts on this subject. Thus, both the substance of the law and the remedy to be applied in any particular case are matters within the purview of the Parliament of the United Kingdom In any consideration of the respective functions of the two Parliaments in parliamentary disqualification, due regard must be paid to this separation of powers"

Select Committees of both Houses were subsequently set up to consider the position of the members liable to disqualification, and to report thereon. All the committee members were Unionists, the Nationalists having declined invitations to serve on the committees.

Mr. William F. McCoy, Q.C., Unionist M.P. for South Tyrone, was elected Speaker of the Northern Ireland House of Commons on Jan. 25 in succession to Sir Norman Stronge. (Belfast Telegraph - Northern Whig, Belfast)

(Prev. rep. U. K. Parliament, 14381 A.)

C. IRAQ. — The Tigris Barrage.

A large barrage across the River Tigris at Samarra (the former capital of the Abbasid caliphs, and about 75 miles north of Baghdad) was completed in November last. One of the biggest engineering projects ever carried out in Iraq, it diverts the Tigris into an artificially-controlled channel and will thereby relieve Baghdad of the threat of frequent and disastrous floods, such as had occurred on many occasions in the past. In future the floodwaters, instead of sweeping down to Baghdad, will be diverted at the barrage into a depression—the Wadi Thartar—where they will be allowed to collect, losing volume by evaporation; it is eventually intended to utilize the diverted waters for irrigation purposes. The barrage was built by the Iraq Development Board, which engaged German constructors and British consulting engineers. Over 3,000 Iraqi workers were employed on the construction of the barrage. (Times)

A. UNITED STATES. — President Eisenhower's Reply to M. Khrushchov. - Defence of Christmas Messages to East European Countries. - U.S. Declaration on Soviet Economic Penetration of Asia and Middle East. - Controversy over Mr. Dulles' " Brink of War " Statement.

With the approval of President Eisenhower and the Secretary of State, Mr. Dulles, the following statement was issued on Dec. 30 by the President's Press Secretary in reply to M. Khrushchov's criticisms of the Christmas messages sent by the President and Mr. Dulles to the peoples of Eastern Europe (see 14654 A ; 14607 B):

" Mr. Khrushchov is reported to have said [in his speech to the Supreme Soviet on Dec. 29] that the Christmas messages of President Eisenhower and Secretary of State Dulles to the peoples of Europe in no way accord with the spirit of Geneva. It was made abundantly clear at Geneva to the Soviet rulers that the ' spirit of Geneva ' could not and did not involve any relaxing of the peaceful purpose of the United States to achieve liberty and justice for the oppressed peoples of the world.

" In his opening statement at Geneva, President Eisenhower said : ' There is the problem of respecting the right of peoples to choose the form of government under which they will live, and of restoring sovereign rights and self-government to those who have been deprived of them. The American people feel strongly that certain peoples of Eastern Europe, many with a long and proud record of national existence, have not yet been given the benefit of this pledge of our U.N. wartime declaration, reinforced by other wartime agreements '

" In his radio-television report to the American people immediately following the Geneva conference, President Eisenhower said . ' The Secretary of State and I specifically brought up, more than once, American convictions, American beliefs, and American concern about such questions as the satellites of Eastern Europe and the activities of international Communism. We made crystal clear what were American beliefs about such matters as these '

" The peaceful liberation of the captive peoples has been, is, and, until success is achieved, will continue to be a major goal of U S. foreign policy."

On Jan. 11 Mr. Dulles released the text of a statement issued by all the members of the U.S. delegation to the United Nations, but not hitherto made public, calling upon the American people to " wake up to the implications " of Soviet economic penetration in the Asian and Middle Eastern countries. Mr. Dulles explained that the statement was fully endorsed by the President and himself, and that it had been decided to make it public in order to draw attention to the long-term aspects of the President's State of the Union message (14633 A).

After saying that the U S. delegation at the U N. was " impelled by a unanimous feeling that economic and social questions are assuming increasing importance in the international scene," the statement continued : " The present period in history may one day be recognized as a major turning-point in the struggle between Communism and freedom. It appears to be clearly a shift in the cold war, in which economic and social problems have moved to the forefront.

" Members of the U.S. delegation during this General Assembly session have observed the effectiveness of Soviet tactics under these new conditions. This can be seen both in the way the Soviet-bloc delegates work in various U N meetings, and also in the voting that occurs in many committees. As we observed these manoeuvres, we were conscious that the Soviet Union elsewhere in the world was using economic and social collaboration as a means for jumping military as well as political barriers. Examples of this can be found in India, Egypt, and Burma.

" We believe that the United States must counter these Soviet efforts. We can succeed, not by outbidding Communism in sheer amounts of economic aid, but by making newly independent and newly articulate peoples feel that they can best satisfy their wants by becoming and remaining part of the community of free nations. We welcome more emphasis on economic and educational endeavours, for we have a proven experience in these fields.

" We are in a contest in the field of economic development of under-developed countries which is bitterly competitive. Defeat in this contest could be as disastrous as defeat in an armaments race We could lose this economic contest unless the country as a whole wakes up to all its implications."

An interview with the Secretary of State was published on the same day (Jan. 11) in the magazine *Life*, which quoted Mr. Dulles as saying that the United States had " walked to the brink of war " on three occasions during 1953 and 1954. Mr. Dulles was credited with having said that the U.S. Administration had averted war in Korea, Indo-China, and the Formosa Straits by the deterrent effect of its warnings that any Communist aggression in those areas would be met by superior forces, including the use of nuclear weapons.

According to the article published in *Life*, the first threat of war had arisen in June 1953, when it appeared that the Chinese Communists might break off the Panmunjom negotiations for the ending of hostilities in Korea. The situation became particularly acute on June 18, 1953, when President Syngman Rhee released all North Korean prisoners and gave the Chinese Communists the opportunity of breaking off truce negotiations and evading the issue of prisoner-of-war repatriation. The Communists had not walked out of the conference, however, because Mr. Dulles, in an earlier talk with Mr. Nehru (the Indian Prime Minister), had made it clear that if Communist China broke off the negotiations the U S A would not only renew the Korean war but would extend it by air bombardment of Manchuria and the use of atomic weapons

The second threat, according to the *Life* article, came in April 1954, when there were urgent French requests for U.S. intervention in Indo-China at the time of the Dien Bien Phu battle Mr. Dulles was quoted as saying that he and President Eisenhower had urged a link-up of the U S A., France, Britain, and friendly Asian States in an effort to check Communist guerrilla warfare in Indo-China , that two U S aircraft-carriers, the *Boxer* and *Philippine Sea*, had moved into the South China Sea, carrying tactical air groups and atomic weapons , and that a warning had been given that Chinese Communist intervention in Indo-China would be followed by U S. retaliatory action against assembly-points in South China. Although Britain and France had refused to agree to this plan, the U.S reaction had helped to bolster up the French position at the first Geneva conference on Indo-China and had saved Vietnam, Laos, and Cambodia from what seemed to be certain loss to the Communists. Moreover, the U.S. " policy of boldness " had made it clear to the Soviet Union and Communist China that the U S A was " prepared to act to prevent the fall of South-East Asia "

The third threat of war had arisen in the autumn of 1954, when an invasion of Formosa by the Chinese Communists appeared imminent. The magazine quoted Mr. Dulles as saying that it was a " pretty fair inference " that war had been averted by the deterrent effects of the Congressional resolution authorizing President Eisenhower to use U S. forces in the event of a Communist attack on Formosa.

The State Department spokesman (Mr. Lincoln White) stated on Jan. 13 that Mr. Dulles had read the *Life* article and " feels that the statements specifically attributed to him do not require correction from the standpoint of their substance."

Mr. Dulles made the following statement at a news conference on Jan. 17 :

" An article in *Life* magazine has attracted much comment Let me say this I did not write the article, I did not review or censor the article, and, in fact, I did not read the article until after it was released for publication. Having read it, I authorized our Press Officer to say that the statements specifically attributed to me did not require correction from the standpoint of their substance Most of the statements specifically attributed to me are quotations or close paraphrases of what I had already said elsewhere. . .

" I believe that the U S A should adopt every honourable course to avoid engagement in war Indeed, I have devoted my whole life to the pursuit of a just and durable peace. I believe, however, that there are basic moral values and vital interests for which we stand, and that the surest way to avoid war is to let it be known in advance that we are prepared to defend these principles, if need be by life itself

" This policy of seeking to prevent war by preventing miscalculation by a potential aggressor is not a personal or a partisan policy ; it is a national policy It is expressed in mutual security treaties which we now have with 42 nations and which the U S Senate has overwhelmingly approved. It is expressed in Public Law 4, whereby the Congress, by an almost unanimous bipartisan vote, authorized the President to use the armed forces of the U S A. if he deemed it necessary for the protection of Formosa and the Pescadores

" This policy of making clear our position in advance, of course, involves risks As Senator Vandenberg said about the North Atlantic Treaty, it is a calculated risk for peace. But as we have learned by hard experience, failure to make our position known in advance makes war more likely because then an aggressor may miscalculate The policy of deterrence is only one aspect of the task of maintaining a just and durable peace. It is necessary to be patient, to be conciliatory. . . . My views with respect to peace have been made known on many occasions, and there is no reason to think that they have altered because articles dealing with complex subjects of foreign policy inevitably tend to oversimplification and special emphasis."

In answer to a question, Mr Dulles said that there was " no substantive information [in the *Life* article] which has not been generally a matter of public knowledge and found in the Press "

The statement attributed to Mr. Dulles in *Life* magazine was strongly criticized by leading members of the Democratic Party, including Mr. Adlai Stevenson.

Mr Stevenson said that " Secretary of State Dulles has told us that three times during the last three years he led the American people to the brink of war, with the President's approval , and boasts that such dangerous risks are a diplomatic ' art '—to quote his words —of which he claims mastery . . Sabre-rattling, threats of atomic war, and disregard of our allies will not reduce tensions, make friends, or inspire confidence in the United States , also, they tend to confirm the propaganda that America is a greater danger to peace than Russia. Instead of torturing history, demeaning our friends, hurling threats, and brandishing weapons, the Administration would serve us and the cause of peace better if it exerted our military and moral force with positive determination to end the hydrogen race and to rid the world of this ghastly menace."

At his press conference on Jan. 19 (the first since Aug. 4, 1955) President Eisenhower defended Mr. Dulles as a man devoted to the defence of peace, and described him as " the best Secretary of State I have ever known." The President declined to be drawn into the " brink of war " controversay or to discuss the *Life* article.—(New York Times - New York Herald Tribune)

A. GERMANY. — Berlin. - East German Restrictions on Road Traffic from Western Germany. - Heavy Increase in Charges. - Temporary Detention of U.S. Congressmen in East Berlin. - Soviet and East German Statements on Status of Berlin. - Western Protests.

Note exchanges on the question of access to Berlin by the Western Powers took place in October 1955 between the Soviet Union on the one hand and the U.S.A., Britain, and France on the other, following the Soviet-East German agreement of Sept. 20 (see 14451 A) under which the U.S.S.R. transferred to the East German Government the control of traffic, other than military traffic, between Western Germany and Berlin. Britain, France, and the U.S.A., in identical Notes on Oct. 3, claimed that the Soviet Government had no right to hand over to the East German authorities obligations which it had assumed under four-Power agreements, and maintained that the laws, orders, and directives of the four-Power Allied Control Council could not be annulled without their consent. In its reply (Oct. 18) the Soviet Government affirmed, however, that the agreement of Sept. 20 had "taken into account the obligations which both sides bear under the existing international agreements dealing with Germany as a whole," and insisted that, apart from military traffic, the East German Government "exerts jurisdiction over the territory under its sovereignty."

This exchange of Notes followed certain measures taken several months earlier by the East German authorities placing restrictions on traffic along the *Autobahn* linking Berlin with Western Germany. Western protests to the Soviet authorities against these restrictions had persistently evoked the response that the matter was solely the concern of the East German Government, and not of the Soviet Union.

The dispute originated on March 30, 1955 (less than a week after the ratification of the Paris agreements by Western Germany), when the East German Government announced without any previous warning that the dues levied on West German motor vehicles using the *Autobahn* would be increased as from April 1 by amounts varying between 100 and 1,000 per cent, ostensibly on the ground that increased traffic and wear-and-tear had led to higher road-repair and maintenance costs.

The West German Bundestag unanimously adopted a resolution on March 31 denouncing this step, which, it said, might endanger supplies to West Berlin and constituted a violation of the 1951 agreement The resolution also requested the Federal Government to demand the cancellation of the increase in the *Autobahn* dues, both through the intermediary of the Western High Commissioners and in the current direct interzonal trade negotiations between Eastern and Western Germany, and meanwhile to provide financial support to cover the cost of the higher charges

The U S., British, and French High Commissioners in Germany presented Notes to the Soviet High Commissioner (M. Pushkin) on April 1 describing the increased dues as "disproportionate" and as a violation of the 1949 agreements which had ended the Soviet blockade of Berlin, and requesting the Soviet authorities to urge the East German Government to cancel the measure. No reply, however, was received from M. Pushkin. The official East German newspaper *Neues Deutschland* claimed that the fixing of road tolls in interzonal travel was "an internal affair of the German Democratic Republic" It was subsequently admitted in the East German Press that the decision to raise the charges had been influenced by the West German ratification of the London and Paris agreements.

On April 14 it was reported that the German Federal Government had broken off the interzonal trade discussions with Eastern Germany and had set aside a special subsidy to cover the cost of the higher toll charges; the West Berlin City Government voted a similar subsidy.

The Western High Commissioners sent further Notes to M. Pushkin on April 15 reiterating that the higher charges were exorbitant and politically inspired, and asking him to meet them to discuss the matter. In his reply (April 30) M. Pushkin agreed to a meeting, but emphasized that the matter fell within the competence of the East German Government and could only be settled in direct negotiations between the East and West German Governments He supported the East German Government's contention that the higher tolls were justified because large sums were being spent by the East German authorities on roads and bridges which were used by Western German and by West Berlin traffic.

Meanwhile, further impediments to the flow of traffic between Western Germany and West Berlin had been introduced by the East German authorities. They included such measures as the detailed inspection of lorry-loads, and their confiscation for any slight irregularity, the lengthy checking of papers and the detention of lorries and loads for any infringements; and the fining of drivers for alleged speeding along the *Autobahn*. Herr Otto Nuschke, the East German Deputy Premier, stated on April 24 that these measures would not have been initiated if official recognition had been granted by the Western Powers to the East German Government, and gave a warning that "greater inconveniences" would be imposed if recognition continued to be withheld.

The three Western High Commissioners (who, with the West German ratification of the Paris Agreements, had been accredited as Ambassadors to the Federal Republic on May 5) met M. Pushkin on May 20 to discuss the question of the increased tolls. M Pushkin, however, reiterated that the matter was entirely within the competence of the East German Government, and the meeting consequently broke down without any agreement being reached.

Nevertheless, as a result of representations by the West German Ministry of Communications to the East German Ministry of Transport, the East German Government announced on June 4 that the traffic dues would be reduced from June 10 by amounts ranging from 15 per cent for heavy lorries and trailers to 50 per cent for passenger cars, motor cycles, buses, and light lorries The announcement said that the relaxation had been made "in the interests of the German people" and had been prompted by "the desire to contribute in every field to *rapprochement* between the Democratic and Federal Republics"

The question of the status of Berlin again became the subject of controversy at the end of November, 1955, following the arrest of two U.S. Congressmen during a visit to East Berlin on Nov. 27, and their detention by East German "people's police" for several hours. The two members of Congress, Mr. Edward P. Boland (Dem.) and Mr. Harold C. Ostertag (Rep.), together with Mrs. Ostertag and a U.S. Army officer, were arrested by "people's police" on the grounds that the U.S. Army vehicle in which they were travelling was equipped with a radio telephone, in contravention of an East German law forbidding foreigners to own or operate a radio in a vehicle. (A U.S. spokesman in Berlin pointed out that it had been standard practice for years, and well known to the Soviet authorities, for U S. Army vehicles travelling in East Berlin to be equipped with radio telephones for use in emergency.)

When the U.S. Commandant in Berlin (General Dasher) protested to the Soviet Commandant (General Dibrova) on Nov. 29 about the action of the East German police, General Dibrova (as subsequently quoted by General Dasher) replied that Eastern Germany was "a sovereign State recognized by the Soviet Union," and that "East Berlin is its capital and is not an occupied sector of this city." General Dasher, after stating that he considered this incident as "by far the most serious" of those in recent years, declared that he expected the Soviet authorities to take "immediate measures" to prevent any repetition; that he had no intention of altering the practice of maintaining radio transmitters in U.S. vehicles entering East Berlin; and that he would not tolerate "any further molesting of U.S. personnel by members of the 'people's police.'"

The U.S. Ambassador (Dr. Conant) visited Berlin on Dec. 2 and reaffirmed in a press statement that Britain, France, and the U.S.A. intended to remain in West Berlin until the reunification of Germany and would "continue to hold the Russians responsible for the proper treatment of Allied persons from their sector." During his stay he visited East Berlin, travelling in a U.S. car equipped with a radio-telephone and displaying the American flag, without interference by the East German authorities.

The three Western Ambassadors in Bonn delivered Notes to M. Pushkin on Dec. 1 protesting against the action of the East German police and against General Dibrova's interpretation of the status of East Berlin. These protests were subsequently rejected by M. Pushkin.

The U.S. Note, after referring to the "unwarranted detention" of a U S. military vehicle and its occupants, repeated the protest made by General Dasher against "interference with the freedom of Allied circulation in Berlin and the grossly discourteous and threatening conduct displayed towards U.S citizens by persons acting under Soviet authority and control" All three Notes added, in identical terms. "... General Dibrova's assertions are wholly inconsistent with the quadripartite status of Berlin. The position of my Government as regards the status of Berlin, and its attitude to the so-called German Democratic Republic, are well known to you . ."

M. Pushkin reiterated in his reply (Dec. 14) that it was a violation of East German laws to drive a car with an unregistered radio transmitter in East Berlin, and that the matter fell "fully and completely" within the jurisdiction of the East German people's police. He again stated that, in accordance with the Soviet-East German treaty of Sept. 20, 1955, "the German Democratic Republic exercises full and complete jurisdiction on its territory, and regulates the corresponding questions which arise from its relations with the German Federal Republic, as well as from its relations with other States"

On Dec. 4 it was disclosed that the Soviet authorities in Eastern Germany had refused to register West German and West Berlin barges for interzonal trade on the ground that the issue of permits now fell within the competence of the East German Ministry of Transport. A British Foreign Office spokesman stated on Dec. 6, however, that British officials in Germany (who had been responsible for canal traffic since 1945 because the canals lead to what was formerly the British zone of occupation) had waived their right to

countersign permits for barges using the East German canals and rivers. This action, it was stated, had been taken in October after the Soviet officials had transferred to Eastern Germany their authority to approve such permits, but it had been agreed to beforehand by the U.S., French, and West German authorities, and the Chief Burgomaster of West Berlin (Dr. Suhr) had also been informed. The British authorities had emphasized at the time that they considered the new arrangements to be only a question of administrative convenience, and that they could in no way be regarded as affecting the obligations of the four occupying Powers to ensure the normal functioning of water transport in Germany.

The East German Government announced on Dec. 9 that the "people's police" had taken over from Soviet troops the control of the State borders of Eastern Germany and East Berlin, in accordance with the Soviet-East German treaty. (Der Tagesspiegel, Berlin - Frankfurter Allgemeine Zeitung - Times - New York Times - Le Monde, Paris) **(Prev. rep. Agreements on Germany, 14451 A; 14169 A; Berlin Blockade, 10539 C; 9971 A.)**

A. UNITED KINGDOM. — Ending of Restrictions on Short-Term Borrowings by Local Authorities in Money Market. - Higher Interest Rates on Local Authority Loans.

The Treasury announced on Jan. 6 that, after full discussion with representatives of the Association of Local Authorities of Great Britain, the Government had agreed, on an experimental basis, to allow local authorities to borrow outside the Public Loans Board without the prescription of any minimum period. It relied on those authorities, however, to keep their borrowings within prudent limits; although it was hoped to make the removal of the embargo permanent, it might nevertheless have to be reimposed if the volume of short-term borrowings became excessive.

It was explained in the Press that the rule forbidding local authorities to raise loans on mortgage for periods of less than seven years (with certain exceptions) had been introduced in 1943 to prevent the building-up of short-term debts which might prove embarrassing when the war ended. The restriction had not proved onerous while local authorities could borrow all the money they needed from the Public Loans Board, but now that the Treasury required them to raise money from the Board only in the last resort (as explained by the Chancellor of the Exchequer in his autumn Budget speech) it was reasonable that they should have full freedom to raise funds in the mortgage market.

From Jan. 13 interest rates on loans advanced to local authorities from the Local Loans Fund were increased as follows: under 5 years, from 4½ to 5½ per cent; 5-15 years, from 5 to 5⅝ per cent; over 15 years, from 5 to 5¼ per cent. The Treasury explained that the new rates had been fixed on the principle enunciated by the Chancellor in October—i.e. they had for the first time been based on "the credit of local authorities of good standing in the market for loans of comparable periods." (Financial Times) **(Prev. rep. Autumn Budget, 14500 A; Local Authority Loans, 14436 B; Municipal Loans, 6617 A; Local Authorities Loan Act, 7094 C.)**

B. FINLAND. — Reoccupation of Porkkala.

The former Soviet base at Porkkala, ten miles from Helsinki, was formally returned to Finland on Jan. 26, when Finnish troops entered the area and hoisted the Finnish flag after all Soviet forces had been withdrawn. A protocol for the formal transfer of Porkkala to Finland was signed in Helsinki on the same day by M. Kekkonen, the Prime Minister of Finland, and M. Pervukhin, a First Deputy Premier in the Soviet Cabinet. Most military installations had previously been destroyed by the Soviet authorities.—(Times - Soviet Weekly) **(14512 E.)**

C. PAKISTAN. — National Economic Council.

The Pakistani Prime Minister, Chaudhri Mohammad Ali, set up a National Economic Council on Jan. 5 to review the overall economic situation in Pakistan; to formulate financial, commercial, and economic policies for consideration by the Central and Provincial Governments; and to ensure that uniform standards were attained in the economic development of all parts of the country.

(Pakistan High Commissioner's Office, London)

D. JORDAN. — Parliament to remain in Session.

King Hussein issued a decree on Jan. 18 inviting the Jordanian Parliament, whose dissolution had been declared unconstitutional, to continue to remain in session. The King had dissolved the Chamber of Deputies after the riots against Jordan's proposed adherence to the Baghdad Pact.
(Daily Telegraph) **(Prev. rep. 14646 A.)**

E. WESTERN GERMANY. — Federal Cabinet. - Dr. Adenauer's Refusal to accept Resignations of former Refugee Party Ministers. - Death of Dr. Tillmans.

It was announced in Bonn on Jan. 12 that Dr. Adenauer had finally declined to accept the proffered resignation from the Federal Government of Herr Waldemar Kraft and Professor Theodor Oberländer, following their resignation from the Refugee Party in July last.

In his reply to the two Ministers, Dr. Adenauer pointed out (*a*) that, according to Article 64 of the Basic Law, Federal Ministers were to be appointed and dismissed by the Federal President on the proposal of the Federal Chancellor, (*b*) that the latter, subject to his parliamentary responsibility, was free in the choice of his collaborators in the Government; and (*c*) that this also applied if the Government was based on a coalition. In consequence, the members of the Government were not dependent on the confidence of the parties which had nominated them. It was therefore for the Federal Chancellor, in the event of differences between a Minister and his party, to decide on his own responsibility towards Parliament as a whole whether or not the Minister in question should remain in or leave the Government.

The Chancellor's decision was strongly criticized by the Social Democrats, the Free Democrats, and the Refugee Party. These parties maintained that his decision meant a disregard for the basic rules of parliamentary democracy by retaining Ministers who had severed their connexion with the party that had nominated them, and by determining the Government's composition at his own discretion.

Dr. Robert Tillmans, Minister without portfolio in the Federal Government, died on Nov. 12, 1955, aged 59. Dr. Tillmans, a councillor in the former Prussian Ministry of Cults and Education, was dismissed from that post by the Hitler regime. After the war he became secretary-general in the social welfare department of the Evangelical Church, and was one of the original founders of the Christian Democratic Party, of whom he became a vice-president after the death of Dr. Ehlers. (Frankfurter Allgemeine Zeitung - Die Welt, Hamburg)
(Prev. rep. 14400 A; 14562 B.)

F. TIBET. — Continuance of Monastic Rule.

During an official visit to Nepal with a mission from Lhasa, the Governor of the Tibetan frontier province of Kutyaye (Dola Chitung) told a Press Trust of India correspondent on Jan. 14 that Mao Tse-tung (the head of the Chinese People's Republic) had given Tibet the "statutory right" to continue monastic rule in her internal affairs, and had also assured the Dalai Lama that he would continue to enjoy a unique position in Tibetan life. In addition, the Dalai Lama had been assured that Tibet would continue to enjoy full provincial autonomy and unrestricted religious freedom.

Dhola Chitung stated that these assurances had been given to the Dalai Lama by Mao Tse-tung in the presence of Mr. Nehru, during the latter's visit to Peking in 1954. He also said that Chinese troops in Tibet had been ordered to refrain from interfering in Tibetan political affairs, and to regard the Dalai Lama not only as the supreme head in all matters of general administration, justice, and religion, but as Supreme Commander of the armed forces in Tibet. In reply to questions, Dhola Chitung explained that there were no Chinese troops as such in Tibet; that the armed forces there consisted entirely of Tibetan soldiers; but that they were organized as an integral part of the Chinese Army.—(The Hindu, Madras)
(Prev. rep. Tibet, 14128 A.)

G. UNITED KINGDOM. — New Peerages.

The following titles were taken by the recipients of peerages in the Government reorganization of Dec. 20, 1955, and in the New Year Honours:

The four former Ministers on whom viscounties were conferred on Dec. 20 took the following titles: Mr. Harry Crookshank, formerly Lord Privy Seal and Leader of the House of Commons—Viscount Crookshank; Mr. Osbert Peake, formerly Minister of Pensions and National Insurance—Viscount Ingleby; Lord De L'Isle and Dudley, V.C., formerly Secretary of State for Air—Viscount De L'Isle; Mr. J. P. L. Thomas, formerly First Lord of the Admiralty—Viscount Cilcennin. Mr. Henry Hopkinson (the former Minister of State for Colonial Affairs), on whom a barony was conferred, took the title of Lord Colyton.

The three recipients of baronies in the New Year Honours took the following titles: Colonel J. J. Astor, chairman of The Times Publishing Company—Lord Astor of Hever, Sir Raymond Evershed, Master of the Rolls—Lord Evershed; Sir Frederick Godber, chairman of the Shell Transport and Trading Co Ltd.—Lord Godber.

Viscount Woolton, who received an earldom on relinquishing the post of Chancellor of the Duchy of Lancaster, took the title of the Earl of Woolton.—(Times - Daily Telegraph)
(Prev. rep. 14623 A; 14601 A.)

JANUARY 28—FEBRUARY 4, 1956

A. SOVIET UNION - UNITED STATES. — Marshal Bulganin's Letter to President Eisenhower. - Proposal for U.S.-Soviet Treaty of Friendship and Co-operation. - President Eisenhower's Reply.

It was announced in Washington on Jan. 25 that M. Zarubin, the Soviet Ambassador, had delivered to President Eisenhower a personal letter from Marshal Bulganin, the Soviet Prime Minister. A White House statement said that "intermittently since the Geneva conference the President and Premier Bulganin have been exchanging correspondence," and that the letter handed over by the Soviet Ambassador was "friendly" and contained "certain ideas which the Premier asked the President to study further in the interests of promoting world peace."

After considering Marshal Bulganin's letter, President Eisenhower and Mr. Dulles drafted on Jan. 28 the President's reply, which was presented in Moscow by the U.S. Ambassador (Mr. Charles Bohlen) on Jan. 29. The text of both letters was released in Washington and is given below.

Marshal Bulganin to President Eisenhower.

"In the firm conviction that you share my concern over the present state of the relations between our countries, I should like to impart to you my ideas regarding possible means of improving those relations.

"You, I am sure, agree with me that the present international situation requires all States, particularly the great Powers which bear special responsibility for assuring world-wide peace and the security of nations, to take measures that may help further to lessen international tension, and to strengthen confidence and co-operation between States This would conform to the ardent desire of the peoples to live in peace and tranquillity and to devote their material resources and energy to creative, constructive work, cultural advancement, and prosperity.

"At the Geneva Conference of the Heads of Government of the four Powers, all of us declared our readiness to strive to lessen international tension and improve relations between States in accordance with the principles of peaceful co-existence and economic co-operation There is no doubt that in any future lessening of international tension the question of relations between the Soviet Union and the United States has special significance. This raises the problem of the necessity for taking steps to improve substantially the relations between the U S.S R. and the U.S.A. Such improvement of Soviet-American relations would be a genuine contribution towards ameliorating the entire international situation and maintaining and consolidating world peace

"The history of the relations between our countries convincingly shows that their friendly co-operation, based on a striving for mutual understanding, mutual respect for sovereignty, and joint struggle against the forces of aggression, conforms to the highest interests of the peoples of both countries It is certainly not by accident that, with the exception of the period of foreign intervention against the young Soviet Republic, the peoples of our States have never fought each other , that between them there have never been, and are not now, any irreconcilable differences, nor any frontiers or territories that might become an object of dispute or conflict. . . .

"That is why the Soviet people received with complete understanding the statement you made at Geneva in which you pointed out : 'The American people want to be friends with the Soviet people There are no natural differences between our peoples or our nations There are no territorial conflicts or commercial rivalries. Historically, our two countries have always been at peace' History itself has affirmed that the co-operation between the U S.S.R and the U S A was based not on chance or transient motives, but on vital and long-term interests This was vividly expressed in the fact that our countries were allies in two World Wars.

"You, as one of the outstanding military leaders of the anti-Hitler coalition, are particularly well aware that the co-operation between the Soviet Union and the United States in the Second World War played a most important part in the rout of the common enemy—the fascist aggressors Cemented with the blood of the best sons of the peoples of both countries, their military alliance, in which Britain, France, China, Poland, Yugoslavia, Czechoslovakia, Norway, Greece, and other freedom-loving countries also took part, withstood with honour all the trials of the war imposed upon our peoples by the forces of aggression in the West and East.

"It is highly regrettable that in the post-war period the relations of friendship and co-operation between the U S.S.R. and the U S.A. should have worsened. The impairment of relations between the Soviet Union and the United States, whatever the reasons may be, is contrary to the interests of both the Soviet and the American peoples, and adversely affects the entire international situation.

"I am sure that you, like myself, are convinced that the differences between the social structures of the U.S.A. and the U.S.S.R should not prevent our countries from maintaining the political, economic, and cultural relations in which our peoples are interested. . . . Soviet-American relations developed greatly in the years preceding the Second World War, particularly in the economic field. In the course of the war relations between our countries underwent a new development which enjoyed wide support from the peoples of our countries, and strengthened mutual sympathies between them. This hastened the end of the war and lessened the sacrifices of the peoples.

"It is, of course, impossible not to take account of the fact that during the period of the 'cold war' serious disagreements have arisen with regard to various international problems connected with disarmament, the assurance of security in Europe, and the German question, together with certain problems of the Far East, and the importance of these problems is recognized.

"At the Geneva Conference of Foreign Ministers of the four Powers, notwithstanding the narrowing of the gap between the positions of the parties on individual items of the agenda, substantial differences were revealed, and further time and efforts will be required to achieve the necessary agreement for the solution of the above-mentioned problems However, the continuation of the existing situation in Soviet-American relations cannot promote a settlement of outstanding international problems At the same time an improvement in Soviet-American relations . . . could create a new international atmosphere favouring a settlement of disputed questions through negotiations on a mutually acceptable basis . . .

"I believe that you, Mr President, will agree that under existing conditions international tension is fraught with the possibility of breaking the peace, with nations reaping all the dangerous consequences thereof. Moreover, it is well known to everyone that the newest implements of war, such as atomic and hydrogen weapons, jet and rocket techniques, and other weapons of mass destruction, place the peoples of all countries in an equally dangerous situation in the event of international peace being disturbed, and threaten to subject their territories, and, above all, densely populated areas of highly developed countries, to the devastating effects of atomic war. More than ever before, it is the duty of all States today to concern themselves with the maintenance and strengthening of peace and with the settlement of international disputes exclusively by peaceful means, in conformity with the aims and principles of the U.N. Organization.

"There can be no doubt that the peoples of the Soviet Union and the U.S A are equally interested in putting an end to the armaments race, which forces them to waste their strength and resources for unproductive purposes. The present arms drive not only places a heavy burden of military expenditure on the shoulders of the peoples . . . but also greatly increases the danger of another war An improvement in Soviet-American relations would facilitate the ending of the armaments race and would contribute to the fuller utilization of economic resources in the interests of peace. Resources that are now being directed towards unproductive military expenditure could then be used to improve the material well-being of the peoples; to reduce taxes, raise real wages, carry out housing construction and public works, and help under-developed countries, in the interests of peace and of strengthening international co-operation. . .

"It must be conceded that the recent period has witnessed developments, the positive significance of which has influenced the entire international situation. The past year was a year without war in any part of the world. In this recent period, several complex international problems which remained unresolved after the Second World War were settled. A meeting of the Heads of Government of the four Powers took place, in Geneva, for the first time since the war, and the results we achieved at that meeting were sincerely and enthusiastically welcomed by the peoples of the whole world, as being in line with their hopes and aspirations.

"Contacts between countries of the East and the West have improved visibly in this period—and, in particular, the relations between the Soviet Union and the U S A , although these relations are still far from what one could consider broad and adequate . . . These growing contacts have shown how great is the desire of the peoples of our countries to develop contacts and friendly co-operation. In all these important international developments, in which the Soviet Union has defended the interests of peace and friendship among the nations, the results attained were ensured very substantially by co-operation between our two countries.

"I am sincerely convinced that an improvement in Soviet-American relations is urgently needed. In my opinion, this aim would be helped by the conclusion of a treaty of friendship and co-operation between our two countries. Such a treaty could provide for the development and strengthening of friendly relations between the peoples of the U.S.S R. and the U S.A. in a spirit of sincere co-operation and mutual understanding, based on the principles of equality, mutual respect for sovereignty, and non-interference in one another's domestic affairs, and for the settlement of all their international disputes by peaceful means in conformity with the U.N. Charter It could also provide for the development and strengthening of economic, cultural and scientific co-operation between the U.S.S.R. and the U.S.A. on the basis of mutual advantage and equality

"My colleagues and I believe that the conclusion of such a treaty between the Soviet Union and the United States would be an important contribution to the development of Soviet-American relations and, at the same time, would be an act of great international significance.

"I firmly believe that you will receive favourably the proposal to conclude a treaty of friendship and co-operation between the U.S.S.R. and the U.S A. . . . and that you will find a positive response from the Soviet and American peoples, and also from the peoples of other countries. . . . I hope to receive at an early date your views on the matters I have raised."

Appended to Marshal Bulganin's letter was the text of a proposed 20-year treaty between the two countries, the provisions of which were as follows:

Draft Treaty of Friendship and Co-operation between the U.S.S.R. and the U.S.A.

"**Art. 1.** The contracting parties will develop and strengthen, in a spirit of sincere co-operation and mutual understanding, friendly relations between the peoples of the Soviet Union and the United States of America on the basis of equal rights, mutual respect for State sovereignty, and non-interference in internal affairs.

Art. 2. The contracting parties agree, in conformity with the U.N. Charter, to settle all their international disputes by peaceful means only.

Art. 3. The contracting parties will promote the development and strengthening of economic, cultural, and scientific co-operation between the two States on the basis of mutual benefit and equal rights. To implement this Article, appropriate agreements may be concluded between the contracting parties.

Art. 4. The treaty is subject to ratification; shall come into force on the exchange of instruments of ratification, and shall remain valid for 20 years from its entry into force At the end of this period each of the contracting parties may terminate it Such notice of termination shall come into force one year after it has been given."

President Eisenhower to Marshal Bulganin.

"I wish to thank you for your letter of Jan 23 . . . I have given it careful thought.

"Let me say at the outset that I do indeed believe that the present international situation requires all States, particularly the great Powers, to seek to lessen international tension and strengthen international confidence and co-operation As the power of destruction grows, it becomes imperative not merely to strive to control and limit that power, but also to do away with antagonisms which could tempt men to use that power.

"That view, I can assure you, is held by the people of the United States and by their political leaders, without any exception whatsoever I am confident that it is also shared by all the peoples of the world, and that those who have been entrusted with political authority have a high duty to respond to the universal longing of the peoples for peace

"As you are good enough to recall, I have more than once alluded to the immensely valuable asset we have in the historic friendship between our peoples I profoundly believe that upon that foundation better political relations could be established.

"I can assure you, Mr Chairman, that there is in the whole world no people more sincerely dedicated to building a structure of peace than the American people Our whole nation longs for a cessation of the strains and dangers now present in the international situation There is indeed no honourable thing that we would not do if we were convinced that it would promote a just peace in the world.

"It is from this viewpoint that I have examined your present suggestion that the cause of peace would now be served by the conclusion between our countries of a treaty of friendship and co-operation of 20 years' duration.

"I first observe that our countries are already bound to each other by a solemn treaty—the Charter of the United Nations. The treaty which you now propose would consist of three substantive Articles I observe also that each one of these is already covered by the explicit provisions in the U.N. treaty between us.

"The first Article of your draft would bind our two countries to develop friendly relations between our peoples on the basis of equal rights, mutual respect, and non-interference in internal affairs. As members of the United Nations, we are already bound through that Organization 'to develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples.'

"The second Article of your proposed treaty would bind us to settle our international disputes by peaceful means alone. This is an undertaking to which our two countries are already bound by the provisions of Article 2 (3) of the U.N. Charter, which specifies that 'all members shall settle their international disputes by peaceful means.'

"The third Article would bind us to the strengthening of economic, cultural, and scientific co-operation Chapter IX of the U.N. Charter, dealing with 'international economic and social co-operation,' pledges us to work for 'solutions of international economic, social, health, and related problems,' and to 'international cultural and educational co-operation.'

"The U.N. Charter constitutes a solemn treaty not only between your country and our own—it is a treaty among many countries, all of whom are bound to us and to each other, and all of whom are concerned with world peace The American people sincerely desire to help make a reality of these Charter goals.

"But the present state of international tension was not prevented by the words of the Charter How can we hope that the present situation would be cured merely by repeating those words in a bilateral form? I wonder whether again going through a treaty-making procedure, and this time on a bilateral basis only, might indeed work against the cause of peace by creating the illusion that a stroke of a pen had achieved a result which in fact can be obtained only by a change of spirit

"Friendly collaboration between States depends not solely upon treaty promises but upon the spirit that animates the Governments of the States concerned, and upon actual performance. It was in the hope of promoting such a spirit and such performance that I went to Geneva last July, a course which had no peace-time precedent in American history. Despite the doubts of many that the mission would, in fact, serve any useful purpose, I felt that the existing situation was so serious that no chance for improvement, however slight, ought to be neglected. In Geneva you expressed similar views and aspirations.

"I had earnestly hoped that out of that meeting with you, and with the Heads of Government of France and the United Kingdom, would come a bettering of international relations, especially as between the four nations represented, and in relation to particular problems for which our four nations had a particular responsibility. Unhappily, the American people have had sadly to conclude that the events following our meeting have not given substance to their hope.

"Permit me to recall to your mind a short record of recent events

"At Geneva we directed our Foreign Ministers to propose effective means for the solution of three specific problems

"The first of these problems was that of European security and Germany. We explicitly agreed that the settlement of the German question and the reunification of Germany by means of free elections should be carried out in conformity with the national interests of the German people and the interests of European security However, despite constructive proposals by the three Western Powers for German reunification and European security, your Government felt that it could not at this time entertain any proposal dealing with the reunification of Germany by means of free elections.

"The second problem was that of disarmament. In our discussion of that problem I made my 'open skies' proposal in the hope that we might actually do something to convince the world that we had no aggressive purposes against each other But this proposal your Government rejected at the Foreign Ministers' meeting

"The third problem was the development of contacts between East and West The Western Ministers proposed many concrete measures to bring about closer relations and better understanding, none of which was accepted by your Government Despite that fact, there has, as you point out, recently been some improvement in contacts between the Soviet Union and the United States

"A further deterioration has taken place because to us it has seemed that your Government had, in various areas of the world, embarked upon a course which increases tensions by intensifying hatreds and animosities implicit in historic international disputes. I share your conviction that an improvement in Soviet-American relations is urgently needed But, frankly, our people find it difficult to reconcile what appears to us to be the purposes of your Government in these areas with your present words—words which so rightly emphasize the special responsibility of our Governments to lessen international tension and strengthen confidence and co-operation between States

"I deal with the history of this past year solely for the purpose of enabling us with better prospect of success to chart our future This nation holds out the hand of friendship to all who would grasp it in sincerity. I have often said, and I now repeat, that there is nothing I would not do to promote peace with justice for the world But we know that it is deeds and not words alone which count

"Consider, Mr. Chairman, what a vast change would be effected, not only in our relations but throughout the entire world, if there were prompt measures to reunify Germany in freedom within the framework of security, if there were carried out our wartime pledge to respect the right of peoples to choose the form of government under which they will live; if there were arranged such mutual openings of our countries to inspection that the possibilities of surprise attack would vanish, and if reductions of armament were made practical, with the release of productive power for the betterment of mankind Consider, also, the mountain of distrust and misunderstanding that would disappear if our peoples freely exchanged news, information, visits, and ideas

"These are all matters which you and I have discussed together at Geneva. They are results to which my nation remains dedicated, and towards which we are prepared at any moment to move in a spirit of conciliation May I hope, from your letter, that you, too, are dedicated to these great ends?

"I shall look forward to receiving a further expression of your views."

Sir Anthony Eden, to whom details of both letters had been cabled while he was travelling to New York on board the liner *Queen Mary*, said on his arrival on Jan. 30 that he thought the President's reply to Marshal Bulganin's letter was "admirable." (Soviet Weekly - New York Times - New York Herald Tribune)

(Prev. rep. Geneva "Summit" Conference, 14325 A; Foreign Ministers' Conference, 14537 A.)

A. LIBERIA. — Soviet Offer of Technical Aid.

A Soviet delegation which visited Monrovia to attend the third inauguration of President Tubman of Liberia had discussions with the President on Jan. 6. A spokesman of the Soviet Foreign Ministry stated on the following day that the U.S.S.R. was ready to give Liberia technical aid, if desired, thus confirming press reports from Monrovia that this matter, together with a proposal for an exchange of diplomatic representatives, had been discussed with President Tubman.

M. Volkhov, chairman of the Council of the Union and leader of the Soviet delegation to Monrovia, stated in Moscow on Feb. 1 that whilst no actual negotiations on trade or technical assistance had taken place with Liberia, the Soviet Union believed that the establishment of normal diplomatic relations would provide the opportunity to reach agreement on other forms of contact, including trade, technical co-operation, and cultural relations.

(Times - New York Times - Le Monde, Paris)

A. UNITED NATIONS. — Tenth Session of General Assembly. - Proceedings and Decisions.

The 10th session of the U.N. General Assembly, which had opened in New York on Sept. 20, 1955 (see 14461 A), ended on Dec. 20 after the Assembly had completed an agenda covering some 60 items. The principal subjects discussed and decisions taken during the 10th session—apart from the admission of 16 new member-countries (see 14637 A)—are summarized below under cross-headings.

Elections to Security Council.

Australia and Cuba were elected on Oct. 14 to succeed New Zealand and Brazil as non-permanent members of the Security Council for two-year terms as from Jan. 1, 1956. Both countries were elected on a first ballot with the required two-thirds majority, Cuba receiving 53 votes and Australia 42, with 34 votes cast for Poland, 33 for the Philippines, two each for Indonesia and Siam, and one each for South Africa and Yugoslavia.

An unprecedented situation arose, however, from the fact that no country obtained the necessary two-thirds majority to fill the non-permanent seat on the Security Council vacated by Turkey. After a two-months' deadlock during which 35 inconclusive ballots were held at a number of plenary sessions, Yugoslavia was eventually elected to the vacant seat on the 36th ballot, held on Dec. 20. (The Assembly's session was to have ended on Dec. 18, but was extended by the President of the Assembly, Señor José Maza, who had insisted that the deadlock must be resolved and that the Security Council should start the year 1956 with its full complement of 11 members.)

Before the final ballot, however, the two contenders for the vacant seat—Yugoslavia and the Philippines—had agreed to a compromise arrangement, suggested by Señor Maza, whereby the successful candidate would sit on the Security Council for only one year, whilst the unsuccessful candidate would sit for the second year.

Prior to the first ballot on Oct. 14, the candidatures of Poland and the Philippines had been put forward for the seat vacated by Turkey, Poland being supported by the U.S.S.R. and the Philippines by the United States. The Soviet delegation complained that U.S. support for the Philippines was a violation of the "gentlemen's agreement"—reached in 1946 at the Assembly's first session in London—whereby the six non-permanent seats on the Security Council were to be filled by two Latin American countries and one each from the British Commonwealth, Western Europe, Eastern Europe, and the Middle East. (The seat vacated by Turkey was that allocated under the "gentlemen's agreement" to Eastern Europe.) The U.S. delegation, however, maintained that the "gentlemen's agreement" was a commitment for the first Assembly session only, that it was no longer binding, and that, on the basis of equitable geographical representation, another country from the Far East should be represented on the Security Council.

After the election of Cuba and Australia, five inconclusive ballots—the first three of which were "restricted" and the fourth and fifth "unrestricted"—were held for the third vacancy, i.e., the seat vacated by Turkey. [Under the Assembly's rules of procedure, the first three ballots in such a case are restricted to the two countries next in order after the successful candidates on the first ballot—that is, in the case before the Assembly, they were restricted to Poland and the Philippines. The fourth and subsequent ballots are unrestricted—that is, the delegates may vote for any country they wish.]

Neither Poland nor the Philippines obtained a two-thirds majority on the three "restricted" ballots, the Polish vote varying from 35 to 38 and the Philippine vote from 20 to 23. On the fourth (unrestricted) ballot the Philippines received 30 votes, Yugoslavia 25, and Poland and Yemen one each, while on the fifth ballot the Philippines received 29 votes and Yugoslavia 28. In view of the deadlock, the Assembly agreed, at the suggestion of Sir Pierson Dixon (U.K.), to postpone further voting until Oct. 19.

Further inconclusive ballots were held on Oct. 19, Oct. 27, Nov. 8, and Dec. 6, by which date 29 ballots had been taken without either Yugoslavia or the Philippines receiving the necessary majority for election. After the balloting on Dec. 6, Señor Maza warned the Assembly of the "serious judicial repercussions" which would arise if the deadlock continued and if the Security Council did not have its complement of 11 members in the coming year. After calling upon the delegates to "co-operate actively" in solving this problem, he warned them that he was prepared to convene "a plenary session which will not adjourn until the vacant seat has been filled and the Security Council is in a position to perform its vital role."

Six more ballots were held on Dec. 16, in which ten of the newly-elected member countries took part. The *impasse* nevertheless continued, neither Yugoslavia nor the Philippines obtaining a two-thirds majority, and a few individual votes being cast for Sweden, Spain, Italy, Bulgaria, and Finland. Before the 35th ballot, Señor Maza suggested a compromise solution—to which, he said, both Yugoslavia and the Philippines had agreed—whereby the two countries would divide the two-year term between them, each sitting on the Security Council for one year. He then allowed himself to be blindfolded and drew lots to determine which of the two countries should sit for the first year, the name of Yugoslavia being drawn first. The Assembly refused, however, to accept this "lottery" procedure and went on to one more inconclusive ballot. Señor Maza thereupon released Yugoslavia and the Philippines from their undertaking, declared that "the Assembly will remain in session until a result is achieved," and extended the session until Dec. 20 for this purpose.

The deadlock was ended on the latter date, when Yugoslavia obtained the necessary majority on the 36th ballot. The voting was 43 for Yugoslavia, 11 for the Philippines, and one vote each for Finland and Sweden, 13 countries abstained and one vote was invalid. It was understood, however, that Yugoslavia would sit on the Security Council for only one year, in accordance with the undertaking previously given to the President of the Assembly.

The membership of the Security Council on Jan. 1, 1956, was therefore as follows: Australia (until Jan. 1, 1958), Belgium (until Jan. 1, 1957), China (permanent), Cuba (until Jan. 1, 1958), France (permanent), Persia (until Jan. 1, 1957), Peru (until Jan. 1, 1957), Soviet Union (permanent), United Kingdom (permanent), United States (permanent), and Yugoslavia (until Jan. 1, 1957, under the above-mentioned agreement).

International Atomic Energy Agency.

The Assembly unanimously approved on Dec. 3 an 18-Power resolution for the creation of an International Atomic Energy Agency, the early establishment of which had been unanimously recommended at the Assembly's ninth session after the "atoms-for-peace" debate (see page 13994).

The resolution had originally been introduced in the Political Committee on Oct. 6 by the U.S.A. and Britain, but was subsequently amended to take account of the views expressed by a number of other countries—notably by India, whose delegate (Mr. Krishna Menon) took a prominent part in the debate. The following co-sponsors of the resolution were added during the Political Committee's discussions: Argentina, Australia, Belgium, Brazil, Canada, Denmark, Iceland, Israel, Luxemburg, Mexico, the Netherlands, Norway, Peru, Sweden, South Africa, and Turkey.

After protracted debate, the resolution in its final form was endorsed by the Political Committee on Oct. 27 by 53 votes to nil, the six Arab countries abstaining because Israel was among the sponsors. It was divided into two parts, dealing with (1) "international conferences on the peaceful uses of atomic energy," and (2) "an International Atomic Energy Agency."

Peaceful Uses of Atomic Energy.

The first part of the resolution—

(1) Expressed satisfaction with the proceedings of the International Conference on the Peaceful Uses of Atomic Energy held in Geneva during 1955, and noted "the impressive results achieved by the conference in facilitating the free flow of scientific knowledge relating to the production and peaceful uses of atomic energy, and in laying a foundation for the fuller exchange of information on the development of atomic energy for the ends of human welfare."

(2) Recommended that a second such conference be held under U.N. auspices "in two to three years' time."

(3) Requested the U.N. Secretary-General and his Atomic Advisory Committee, "in consultation with the appropriate specialized agencies," to determine the place and date for the second conference, and to issue invitations.

International Atomic Energy Agency.

The second part of the resolution—

(1) Noted with satisfaction (*a*) that "substantial progress has been made towards a draft statute establishing an International Atomic Energy Agency," and (*b*) that this draft had been circulated to Governments for their consideration and comment.

(2) Welcomed "the announced intention of Governments sponsoring the Agency to invite all members of the U.N. and of the specialized agencies to participate in a conference on the final text of the statute of the International Atomic Energy Agency."

(3) Welcomed the extension of invitations to the Governments of Brazil, Czechoslovakia, India, and the U.S.S.R. "to participate with the present sponsoring Governments in negotiations on the draft statute of the International Atomic Energy Agency." [See below.]

(4) Recommended the Governments concerned to "take into account the views expressed on the Agency during the present session of the General Assembly, as well as the comments transmitted directly by Governments," and to "take all possible measures to establish the Agency without delay."

(5) Requested the U.N. Secretary-General, in consultation with his Atomic Advisory Committee, "to study the question of the relationship of the International Atomic Energy Agency to the United Nations, and to transmit the results of this study to the Governments concerned."

(6) Requested Governments "to report to the General Assembly as appropriate."

(7) Suggested that the International Atomic Energy Agency, when established, should "consider the desirability of arranging for an international periodical devoted to the peaceful uses of atomic energy."

The preliminary draft statute for an International Atomic Energy Agency had been worked out by an eight-nation sponsoring group comprising Australia, Belgium, Canada, France, Portugal (which had been invited to join the group,

although not at the time a member of the U.N.), South Africa, the U.K., and the U.S.A. It was agreed during the Political Committee's debate that Brazil, Czechoslovakia, India, and the U.S.S.R. should join the group, bringing its membership to twelve.

The enlarged sponsoring group therefore represents those countries where atomic energy development is most advanced (the U.S.A., U.K., Soviet Union, France, and Canada) and the principal producers of uranium (Australia, Brazil, South Africa, Czechoslovakia, India, Belgium, and Portugal, the last two countries in respect of their African territories). The draft statute itself was not debated in the Committee, since the U.S.A. had requested all interested Governments to submit their comments direct to Washington

Several Soviet amendments were rejected before the resolution was voted upon as a whole.

The most important were recommendations (*a*) that the Agency should be established "within the framework" of the U.N. (the approved text left the relations between the Agency and the U.N. to be settled after the Agency had been established), and (*b*) that all countries, and not only U.N. member-States, should be permitted to join the Agency (a proposal which would have enabled the Chinese People's Republic to be admitted to membership).

The first amendment was rejected by 40 votes to 11 (with 8 abstentions) and the second by 33 votes to 14 (with 12 abstentions) India, Indonesia, and most of the Arab countries voted for both amendments. The resolution as a whole, however, was supported by the U.S.S.R. both in the Political Committee and in the full Assembly.

U.N. Study of Effects of Atomic Radiation.

The General Assembly also unanimously adopted on Dec. 3 a resolution establishing a 15-member scientific committee to study the effects of atomic radiation on man's health and environment, and to collect and disseminate information on this matter. The creation of such a body had been urged by the U.S. delegation at the opening of the session, the proposal being eventually adopted as an eight-nation resolution sponsored jointly by the U.S.A., the U.K., Australia, Canada, Denmark, Iceland, Norway, and Sweden.

The resolution was unanimously adopted by the Political Committee on Nov. 7, its provisions being as follows:

(1) A 15-member scientific committee should be set up consisting of one scientist each (and an alternate) from Argentina, Australia, Belgium, Brazil, Canada, Czechoslovakia, Egypt, France, India, Japan, Mexico, Sweden, the Soviet Union, the U.K., and the U.S.A.

(2) This committee should (*a*) "receive and assemble in an appropriate and useful form" the following radiological information furnished by U.N. member-States or members of the specialized agencies: (i) "reports on observed levels of ionizing [i.e. atomic] radiation and radioactivity" in the atmosphere; and (ii) "reports on scientific observations and experiments relevant to the effects of ionizing radiation upon man and his environment already under way, or later undertaken by national scientific bodies or by authorities of national governments";

(*b*) "recommend uniform standards with respect to procedures for sample collection and instrumentation, and radiation-counting procedures to be used in analyses of samples";

(*c*) "compile and assemble in an integrated manner the various reports on observed radiological levels",

(*d*) review, collate and evaluate these reports;

(*e*) make yearly progress reports and "develop by July 1, 1958, or earlier if the assembled facts warrant, a summary of the reports received on radiation levels and radiation effects on man and his environment, together with the evaluations provided for above, and indications of research projects which might require further study",

(*f*) transmit "from time to time as it deems appropriate" the above-mentioned documents and evaluations to the U.N. Secretary-General, for publication and dissemination to U.N. member-States or members of the specialized agencies.

(3) The U.N. Secretary-General was asked to provide appropriate assistance to the scientific committee to enable it to carry on its work

(4) "All concerned" were asked to co-operate "in making available reports and studies relating to the short-term and long-term effects of radiation upon man and his environment."

(5) The U.N. specialized agencies were asked to co-operate with the scientific committee.

(6) The Japanese Government was invited to nominate a representative to the committee.

The original eight-nation proposal suggested that the scientific committee should consist of 11 members—Australia, Brazil, Canada, Czechoslovakia, France, India, Japan, Sweden, the Soviet Union, the U.K., and the U.S.A. (Although Japan was not a member of the U.N., she was invited to join the committee because the first atomic bombs were used against two of her cities, Hiroshima and Nagasaki.) The 20 Latin American countries, however, presented a joint amendment adding Argentina, Belgium, Egypt, and Mexico to the list, and this was agreed to by the Political Committee by 48 votes to nil, with 11 abstentions.

Before approving the eight-nation resolution (as amended by Latin America), the Political Committee rejected a number of amendments, including the following: (*a*) Soviet proposals calling, *inter alia*, for the inclusion of the Chinese People's Republic and Rumania in the scientific committee, and for the new body to be established as a scientific committee of the U.N.; (*b*) Indian and Soviet proposals to extend the field of collaboration in radiological research to all countries, and not only those in membership of the U.N. or the specialized agencies; (*c*) a Syrian-Indonesian resolution seeking to prohibit tests of nuclear weapons pending scientific studies of the results of radiation.

The Committee accepted, however, an Indian amendment calling upon "all concerned" to make information available to the scientific committee. (In its original wording the resolution had asked all members of the U.N. and the specialized agencies to provide such information.) There was some debate on the precise meaning of the phrase "all concerned," but the consensus of opinion was that it applied specifically to countries in membership of the U.N. or its specialized agencies

The Political Committee was addressed on Oct. 12 by Dr Homi Bhabha, the eminent Indian scientist who presided over the Geneva Conference on the Peaceful Uses of Atomic Energy **Dr. Bhabha** called for "concerted and massive research" into the genetical effects of radiation, adding in this connexion: "Although there is no cause for alarm, it would be wise wherever possible not to permit people to be subjected to more than one-tenth of the dose [i.e. of atomic radiation] considered safe at present until the matter has been fully studied and understood"

The eight-nation resolution was unanimously approved by the General Assembly on Dec. 3. **Mr. Krishna Menon** (India) moved two amendments—both of which were rejected—asking (*a*) that the scientific committee should be enabled to gather reports from all countries, and (*b*) that the U.N. Secretary-General should be authorized to disseminate radiological data without restriction. Mr. Menon declared that the subject was "not concerned with frontiers or political groups" but affected "the whole of humanity," whilst **M. Kuznetsov** (U.S.S.R.), supporting Mr. Menon, said that the exclusion of the Chinese People's Republic meant that the scientific committee would not receive information from "a very extensive, area of the world." **Mr. James Wadsworth** (U.S.A.) maintained, however, that Mr. Menon's proposals would have the effect of "reopening a political issue" that had already been decided in the Political Committee.

Resolution on Disarmament. - Endorsement of U.S. "Open Skies" Plan and Soviet Proposals.

By 56 votes to seven, with no abstentions, the Assembly approved on Dec. 16 a resolution on disarmament, sponsored by the U.S.A., the U.K., France, and Canada, incorporating President Eisenhower's plan for mutual aerial reconnaissance and exchange of blueprints and Marshal Bulganin's plan for control posts at strategic centres, both put forward at the "summit" conference of Heads of Governments in Geneva. Four of the new U.N. members took part in the vote, Spain and Ceylon supporting the four-Power resolution and Hungary and Rumania joining the U.S.S.R., Poland, Czechoslovakia, the Ukraine and Byelorussia in opposition.

The resolution was presented in the Political Committee by the four Powers, and in its final form incorporated certain amendments designed to meet the views of the U.S.S.R. and India as expressed during the debate Its provisions were as follows:

(1) The U.N. Sub-Committee on Disarmament [which consists of the four Powers sponsoring the resolution, plus the Soviet Union] was asked:

(*a*) to continue its efforts for a "comprehensive disarmament agreement";

(*b*) to give priority to "such confidence-building measures as President Eisenhower's plan for exchanging blueprints and mutual aerial inspections, and Marshal Bulganin's plan for control posts at strategic centres," and also to "all such measures of adequately safeguarded disarmament as are now feasible";

(*c*) to take account also of M. Faure's proposals "for exchanging and publishing information regarding military expenditures and budgets," of Sir Anthony Eden's proposals "for seeking practical experience in the problems of inspection and control," and of proposals of the Government of India "regarding the suspension of experimental explosions of nuclear weapons and an 'armaments truce'"

(2) It was recommended that "further scientific research should be conducted by each State, with appropriate consultations between Governments, for methods that would make possible thoroughly effective inspection and control of nuclear weapons and material, with the aim of facilitating the solution of the problem of comprehensive disarmament"

(3) "The States concerned" were called upon "to make an early start on arms reduction without waiting for a comprehensive disarmament plan."

The resolution was approved by the Political Committee on Dec. 12, by 53 votes to five (the Soviet group opposing), after a lengthy debate which opened on Nov. 30. **M. Kuznetsov** (U.S.S.R.), who opened the debate, claimed that the "summit" conference, the Bandung conference, and "important steps" taken by the U.S.S.R.—such as the return of Porkkala to Finland and of Port Arthur to China—had resulted in a relaxation of tension during the past year. He asserted, however, that "certain circles" in some countries were continuing to "follow the path of aggravating the international situation and intensifying the arms race," and that the growth of confidence was "seriously hindered by the formation of aggressive blocs" He drew particular attention to the Baghdad Pact, which, he alleged, constituted "a link in the NATO chain and a threat to peace in the area."

Mr. Nutting (U.K.), speaking on the same date, described M. Kuznetsov's statement as "a familiar demonstration of the Soviet technique which we hoped had been abandoned last summer, but which now seems to have been revived by itinerant Soviet leaders—the technique of diplomacy through accusation." After referring to the "sad and disillusioning story" of the Disarmament Sub-committee's meetings during the past summer, he added: "M. Kuznetsov has made much of the Soviet Government's announcement that it intends to give up Porkkala and Port Arthur He claimed that this decision was a significant contribution to the relaxation of international tension. But when we are asked to applaud what the Soviet Union has done to relax tension, one cannot but recall the recent Soviet transaction in the Middle East [i.e. the supply of arms to Egypt] We cannot but remember, too, the Soviet refusal at Geneva to contemplate any settlement of the German problem which . . . might have the effect of disrupting the Communist system of government in Eastern Germany. Besides, what is there in this Soviet abandonment of the Porkkala and Port Arthur bases? Can the Soviet Union say that these are the only military bases they are occupying on foreign soil? . . In Eastern Germany alone there are 22 Soviet divisions. Do they exist in mid-air? Surely they have bases for their maintenance? There are also Soviet divisions in Hungary, Poland and Rumania They, too, must have their bases. . ."

Mr. Cabot Lodge (U.S.A.), speaking on Dec. 5, urged the Soviet Union to accept President Eisenhower's "open skies" proposal as "the most important single contribution which the present U.N. session could make to the peace of the world." After declaring that he saw nothing "fantastic" [an expression that had been used by M. Khrushchov] in the spectacle of U.S. and Soviet planes flying over each other's territories to maintain international peace, Mr Lodge added: "If we succeed in shackling surprise attack, we may set a seal against war itself. We believe that this vision of 'sentinels of peace' crossing each other in the 'open skies' is something which millions of people in every country can see plainly It will be as reassuring as the policeman on his beat . . "

Among other speakers, **Mr. Krishna Menon** (India) criticized alliances such as SEATO and the Baghdad Pact as contrary to the terms of the U.N. Charter He asserted that India was being "encircled" by such alliances, and that they constituted "an incipient threat to India's authority and a challenge to her self-respect"

The Political Committee approved the resolution after rejecting a Soviet amendment calling for the prohibition of nuclear tests and the banning of nuclear weapons **M. Sobolev** (U.S.S.R.) asserted that the four-Power resolution "supplants the fulfilment of the tasks of reducing armaments, prohibiting nuclear weapons, and instituting international control"

After the four-Power resolution had been endorsed by the full Assembly by the above-mentioned majority (on Dec. 16), **Mr. Cabot Lodge** described it as "the most significant resolution on disarmament the U.N. has yet passed", and declared that the acceptance of President Eisenhower's "open skies" plan by so large a majority would "mobilize the irresistible force of world opinion so that no Government can long stand out against it." He added: "Our action will make the 'open skies' plan a household word in every land. I am confident that the Soviet Union will join"

M. Kuznetsov (U.S.S.R.), however, maintained that the resolution had "really failed to undertake disarmament," and asserted that it "in fact leaves us as we were."

Review of U.N. Charter.

By 43 votes to six (the Soviet group and Syria opposing), with nine abstentions, the General Assembly adopted on Nov. 21 a six-Power resolution—sponsored by the U.K., the U.S.A., Canada, Ecuador, Iraq, and Siam—providing (*a*) that a general conference of all U.N. members should be held "at an appropriate time" to discuss the question of reviewing the U.N. Charter; (*b*) that a committee, consisting of all U.N. members, should consider the time, place, organization, and procedure for such a conference, in consultation with Dr. Hammarskjold (the U.N. Secretary-General); and (*c*) that this committee should make its recommendations to the 12th session of the General Assembly during the latter part of 1957. The resolution also said that the review of the Charter "should be conducted under auspicious international circumstances."

The U.N. Charter, signed in 1945 at San Francisco, provides that the 10th session of the General Assembly (i.e. the 1955 session) should consider the question of calling a special conference to review the Charter—if such a conference had not taken place earlier—in the light of the experience gained during the first ten years of the Charter's working. Under Article 109 of the Charter, any revision recommended by a review conference would require a two-thirds majority vote at that conference, and would go into effect only when ratified by two-thirds of all U.N. members, including all the permanent members of the Security Council.

Since the question of Charter revision concerned all U.N. members, the subject was debated only in the full Assembly, and not in committee. As originally introduced on Nov. 17, the six-Power resolution proposed that the time and place for a review conference should be decided by an 18-member committee representing the five permanent members of the Security Council plus Australia, Burma, Chile, Colombia, Czechoslovakia, the Dominican Republic, Egypt, El Salvador, India, the Netherlands, Norway, the Philippines, and Turkey. During the debate, however, there was a general consensus of opinion that the committee should include all U.N. members, and the resolution was amended accordingly.

M. Kuznetsov (U.S.S.R.) maintained that there was no need to hold a conference to review the Charter's working, nor any need to revise the Charter itself, which had proved "a fairly satisfactory international instrument" Shortcomings in the work of the U.N., he declared, were not the result of imperfections in the Charter but of "violations of the most important provisions of the Charter." He expressed the opinion that what was necessary was not a review of the Charter but "a sincere desire by member-States for international co-operation among nations." The Soviet, Polish, and Czechoslovak delegates subsequently announced that they could not take part in any action to revise the Charter, and would thus be unable to serve on any committee that might be created for that purpose

Sir Pierson Dixon (U.K.) believed that the holding of a review conference would be desirable. He stressed, however, that it would be "wise to await the effects of an increase in the membership of the U.N. before we start reviewing the Charter itself," since this would give new members time to gain experience in the practical working of the Organization before they were called upon to give their views on any suggested improvements to the Charter. Sir Pierson thought that one possible amendment—which could be effected without calling a review conference—might be an increase in the size of the Security Council, once the deadlock on the admission of new U.N. members had been broken, so as to provide for suitable representation of all parts of the world under the new circumstances

The six-Power resolution was adopted on Nov. 21, after the rejection of a Syrian amendment (by 35 votes to 14, with nine abstentions) urging that no decision be taken to hold a review conference. The nine countries abstaining on the Syrian amendment, as well as on the final vote, were Denmark, Norway, Sweden, Iceland, India, Yugoslavia, Afghanistan, Saudi Arabia, and Yemen Delegates of several of these countries maintained that a review conference would only serve to intensify international disagreement, and that the time was not auspicious to decide upon such a conference

The proposal to leave it to a later Assembly session to decide on the actual date for a review conference originated with Dr. Hammarskjold. His suggestion was adopted by the sponsors of the six-Power resolution, and was incorporated in that resolution

Resolution on South African Racial Legislation. - South African Walk-out from Tenth Session.

By 41 votes to six, with eight abstentions, the Assembly adopted on Dec. 6 a 17-Power resolution (sponsored by the Arab-Asian group and two Latin American countries) expressing concern at the South African Government's policy of racial discrimination (*apartheid*) and calling upon it to observe its obligations under the U.N. Charter. At the same time, however, the Assembly decided to discontinue the three-man U.N. Commission which had studied the *apartheid* question for the past three years, and to remove this question from the agenda of the 11th session—thereby reversing the *ad hoc* Committee's decision that the U.N. Commission should remain in being and that the question of racial discrimination in South Africa should remain on the Assembly's agenda.

Prior to the final vote, however, the South African Government had withdrawn from the 10th session of the U.N., and recalled its permanent representative, after the *ad hoc* Committee had adopted the full 17-nation resolution on Nov. 9. The resolution was denounced by the Union Minister for External Affairs (Mr. Eric Louw) as an unwarrantable interference in South Africa's domestic affairs such as "no self-respecting State can tolerate."

[The South African walk-out, following the French walk-out on Sept. 30 in protest at the Assembly's decision to discuss the Algerian situation (see 14461 A), meant that two national delegations had withdrawn from the Assembly's 10th session. Whereas, however, the French delegation subsequently returned when the Assembly dropped the Algerian question (see below), the South African delegation remained absent for the rest of the session.]

The three-man U.N. Commission of inquiry into the racial situation in South Africa was set up by the Assembly in 1952, with Dr. Hernan Santa Cruz (Chile) as chairman and M. Dantes Bellegarde (Haiti) and M. Henri Laugier (France) as its other members, and had reported annually to the Assembly on the Union Government's *apartheid* policies. In its third report—a 150,000-word document—presented on Oct. 12, 1955, the Commission stated that South Africa's progress towards *apartheid* had been extremely slow in the past year, and expressed the hope that this "marks the beginning of a change of mind in favour of the principles upheld by the United Nations." The Commission stressed, however, that the general lines of the *apartheid* policy had not changed, and said that the Union Government had enacted a series of legislative measures which were consistent neither with South Africa's obligations under the U.N. Charter nor with the Universal Declaration of Human Rights.

As regards discriminatory legislation, the Commission drew particular attention to the effects of the Bantu Education Act (see 14077 A), which was described as "a negation of the principles of human rights." By these and other measures the Union Government had diminished the Bantus' opportunities of education, limited their freedom of movement, and curtailed their free choice of employment. "*Apartheid* in education," the Commission declared, ". . . is likely to accentuate even more and to spread among the entire native

population a Bantu nationalism with a strong anti-White orientation The Commission believes that the Nationalist Government, in carrying its policy of school segregation to extremes, may receive some sad surprises, including a stiffening in the anti-European attitude of the Bantu population. . "

Concerning the effects of *apartheid* on non-Europeans, the Commission said "Every day more and more non-Europeans are confronted with some basic facts of international life—for example, they have now become aware that there is not another country in any of the five continents that has set up racial segregation as an absolute and eternal principle. . In no other country of the world is there an ethnic minority labouring to clear up to its own advantage a racial muddle which it has itself created."

After expressing regret that the Union Government refused to co-operate with the Commission, and recommending that South Africa should "reconsider its policy towards the U.N and enter into close and extensive co-operation with the Organization," the Commission repeated the suggestion (made in its earlier reports) that the U.N. should "offer co-operation to South Africa, including, as special technical assistance, the intellectual and material resources which the U N and its specialized agencies can command, for the purpose of promoting international studies and contacts and carrying out economic and social manoeuvres conducive to a peaceful settlement of the racial conflicts in the Union. . ." It also suggested that inter-racial conferences between "white and coloured men of good will" should take place in the presence of the highest-ranking U.N representatives.

The South African permanent representative at the U.N. (Mr. du Plessis) walked out of the *ad hoc* Committee on Oct. 24 in protest against its decision to discuss the *apartheid* question. As at previous sessions, he maintained that discussion of this matter was a "flagrant intervention" in the Union's internal affairs and thus a violation of the U.N. Charter. He reserved the right to return to the committee and take part in the voting on any resolution that might be presented.

The above-mentioned 17-Power resolution was adopted by the *ad hoc* Committee on Nov. 9 by 37 votes to seven, with 13 abstentions. Mr. du Plessis (who had returned to take part in the vote, after having boycotted the committee's discussions during the preceding fortnight) thereupon announced that South Africa would take no further part in the 10th session of the Assembly, and would recall her delegation for the remainder of the session.

The resolution was presented jointly by Afghanistan, Bolivia, Burma, Egypt, Ethiopia, Haiti, India, Indonesia, Iraq, Lebanon, Liberia, Pakistan, Persia, the Philippines, Saudi Arabia, Syria, and Yemen. It (*a*) expressed concern that the Union Government continued to give effect to the *apartheid* policy, despite previous Assembly requests that it should reconsider its position "in the light of the high principles contained in the Charter," and in view of "the pledge of all member-States to respect human rights and fundamental freedoms without distinction as to race"; (*b*) called upon South Africa to observe her obligations under the Charter, and to co-operate with the U.N. Commission, (*c*) kept the Commission in being, and requested it to keep the *apartheid* question under review and to report to the 11th session; and (*d*) retained the *apartheid* question on the Assembly's agenda.

The seven countries voting against the resolution, and supporting South Africa's contention that its racial policies were a domestic affair outside the purview of the U N., were Australia, Belgium, Canada, the Netherlands, New Zealand, South Africa, and the United Kingdom. The 13 abstaining countries were Argentina, Brazil, Nationalist China, Colombia, Cuba, Denmark, Honduras, Nicaragua, Norway, Peru, Turkey, the U.S.A., and Venezuela

Mr. du Plessis made the following statement after the resolution had been adopted by the *ad hoc* Committee:

"I have been instructed to inform the Committee that the Union Government regard in a most serious light the inquiry into the legislation of the Union which resulted from previous resolutions and which will now no doubt continue. The Government considers that such an inquiry constitutes the most flagrant of all examples of transgression of Article 2 of the Charter, which no self-respecting sovereign State can tolerate Patience has been exercised in the hope that wiser counsels would prevail, but that hope has not been realized. South Africa is no longer prepared to accept this position. After very serious consideration, my Government have accordingly decided to recall the South African delegation, and also the permanent representative at the U.N [i.e. Mr du Plessis himself] from the present session"

Before leaving the room with the other members of the South African delegation, Mr. du Plessis accused the Indian delegation of having pursued a "vendetta" against South Africa "practically from the inception of the U.N." He added that this "vendetta" had "again found expression" in the speech which the Indian delegate made to the Committee and in the resolution which had been adopted—"a resolution which has been sponsored by many countries of the Arab-Asian bloc, but in the formulation of which, we have no doubt, India played the leading role." [The South African *apartheid* policy had been strongly denounced during the debate by the Indian representative, Mr. Ali Yawar Jung, and by several of the Arab delegates.]

The following statement was issued in Pretoria on Nov. 10 by Mr. Louw, the Union Minister for External Affairs:

"By appointing the Santa Cruz Committee to inquire into Union Government policy, and into legislation passed by the South African Parliament, the U N went to the utmost lengths in transgressing the provisions of Article 2, Paragraph 7 of the Charter. The *ad hoc* Committee has now decided that a policy of supervision over the domestic affairs of the Union is to be continued, which means that the U.N. would arrogate to itself the role of a policeman in regard to South African governmental and legislative action.

"No self-respecting sovereign State can tolerate such an interference in its domestic affairs as is contained in the resolution of the *ad hoc* Political Committee. Its decision constitutes an even more flagrant transgression [of the Charter] than that which led to France's recent withdrawal of her delegation.

"For nine years successive Union delegations have vigorously opposed interference in South Africa's domestic affairs The Union, on its part, has faithfully carried out its obligations under the Charter, including the sending of a military contingent to Korea, where a number of South African airmen lost their lives

"A few months ago, at the San Francisco anniversary session, I made the following statement: 'The U N., by interfering in the domestic affairs of member-States, has embarked on a dangerous course, which, if persisted in, may ultimately lead to its disintegration.' The warnings were not heeded, and the withdrawal, first of the French and now of the South African delegation, is 'the writing on the wall'"

Mr. Strauss, the Leader of the Opposition in the Union Parliament, issued the following statement endorsing South Africa's walk-out from the United Nations:

"While, as a general rule, we as a party [i e. the United Party] are opposed to withdrawing from and boycotting . . . the United Nations merely because we disagree with some of its views, we believe the step taken by the Union delegation to have been fully justified by the special circumstances. The appointment of an *ad hoc* committee to inquire into the Union's internal affairs and to keep the racial situation under review in the next 12 months is an act contrary to the letter and spirit of the Charter."

The 17-Power resolution came before the full Assembly on Dec. 6 for a paragraph-by-paragraph vote.

The Assembly approved—with the necessary two-thirds majorities—those sections of the resolution expressing concern at the *apartheid* policy and recalling South Africa's obligations under the Charter to observe human rights The clause empowering the U.N. Commission to remain in existence and to report further on the *apartheid* situation failed, however, to obtain the required two-thirds majority (the voting was 33 in favour of the clause, 19 against, and nine abstentions—only one vote short of the required majority), and was therefore not adopted

The 33 countries voting for the clause were—Afghanistan, Bolivia, Burma, Byelorussia, Chile, Czechoslovakia, Ecuador, Egypt, El Salvador, Ethiopia, Greece, Guatemala, Haiti, India, Indonesia, Iraq, Lebanon, Liberia, Mexico, Pakistan, Panama, Paraguay, Persia, the Philippines, Poland, Saudi Arabia, the Soviet Union, Siam, Syria, Ukraine, Uruguay, Yemen, and Yugoslavia.

The 17 dissenting votes were those of Australia, Belgium, Brazil, Canada, Cuba, Denmark, France, Israel, Luxemburg, the Netherlands, New Zealand, Nicaragua, Norway, Peru, the U K., the U.S A, and Venezuela, whilst the nine abstentions were Argentina, Nationalist China, Colombia, Costa Rica, Dominican Republic, Honduras, Iceland, Sweden, and Turkey. The South African delegation was absent, having earlier withdrawn from the Assembly

A Costa Rican amendment "to continue consideration of this question at the 11th session" also failed to obtain the necessary two-thirds majority (27 in favour, 15 against, 15 abstentions), whereupon the resolution as a whole (excluding all references to the U.N. Commission) was carried by 41 votes to six, with eight abstentions.

In its final form, therefore, the resolution merely expressed the U.N.'s concern at the *apartheid* policy, and appealed to South Africa to observe the provisions of the Charter, abandon all forms of racial discrimination, and take note of former Assembly resolutions. The U.N. Commission was disbanded and the *apartheid* question dropped from the Assembly's agenda, on which it had figured at every session since 1946.

The Government of India had presented a memorandum to the U N. on Nov. 13 declaring that South Africa was "fast becoming a police State," and saying that the bitterness and hostility created by the Union Government's *apartheid* policy constituted "a serious threat to peace and co-operation between the different races, and one which must sooner or later react on the peace of the world."

Status of South-West Africa.

The Assembly approved a series of resolutions on South-West Africa similar to those adopted at every session since 1946.

By 40 votes to two (Belgium and South Africa), with 10 abstentions, the Trusteeship Committee passed a resolution (sponsored by Burma, Colombia, Costa Rica, El Salvador, India, Siam, Syria, and Yugoslavia) on Nov. 7 calling upon the South African Government to place S.W. Africa under U.N. trusteeship; inviting it to present annual reports on the territory; and noting that, with the exception of S.W. Africa, "all mandated territories which have now achieved independence have been brought under trusteeship."

The Trusteeship Committee also passed, by 44 votes to one (South Africa) and four abstentions, a resolution accepting and endorsing the advisory opinion of the International Court of Justice on the voting procedure to be adopted on reports and petitions concerning S W Africa [The Court had ruled unanimously that the two-thirds majority procedure was applicable to such reports and petitions—see 14323 F.]

The South African representative (**Mr. Donald Sole**) reiterated that his Government could not recognize or accept the International Court's ruling in respect of S.W Africa He emphasized that General Smuts, at the San Francisco conference of 1945, had made it clear to all U.N members that the South African Government did not propose to bring S W Africa under the trusteeship provisions of the Charter, and would seek to incorporate the territory in the Union of South Africa

By majority vote, the Trusteeship Committee decided to give a hearing to the **Rev. Michael Scott,** the British clergyman who had acted at previous sessions as spokesman of the native tribes of S W Africa, and whose entry into South Africa had been banned by the Union Government Mr Scott presented complaints on Nov. 11 from leaders of the Herero and other tribes alleging that native communities in S W Africa were deprived of medical facilities and essential water supplies, that their movements were limited to certain periods, and then only with official passes; and that the indigenous peoples were denied education and the opportunity of economic advancement He asked that U.N. specialized agencies, such as the World Health Organization and the Food and Agriculture Organization, should be allowed to send technical missions to South-West Africa

The various resolutions adopted by the Trusteeship Committee were approved by the full Assembly early in December. That recommending the placing of S W Africa under U.N trusteeship was carried by 43 votes to two, with nine abstentions, whilst the resolution inviting South Africa to co-operate with the Assembly's Committee on S.W. Africa was carried by 45 votes to one (Britain), with 10 abstentions.

In protest against the Trusteeship Committee's action in giving a hearing to the Rev. Michael Scott—a decision officially described in Pretoria as "a calculated affront" to South Africa—the Union Government announced on Nov. 14 that it was closing down the New York office of its delegation to the U.N., thereby severing the last link between South Africa and the 10th Assembly session. The office had continued to remain open despite the earlier withdrawal of the South African delegation.

Indian Community in South Africa.

By 48 votes to nil, with eight abstentions, the Assembly adopted a resolution on Dec. 14 urging South Africa, India, and Pakistan "to pursue negotiations with a view to bringing about a settlement of the question of the treatment of people of Indian origin in the Union of South Africa." The resolution invited the three Governments to report to the 11th Assembly session, either jointly or separately, on any action taken to implement it.

The resolution was presented to the *ad hoc* Committee on Dec. 9 by Yugoslavia and eight Latin American countries, and was carried by 43 votes to nil, with eight abstentions (Australia, Belgium, Colombia, France, Luxemburg, the Netherlands, New Zealand, and the U K) **Mr. Krishna Menon** (India) informed the Assembly that his Government desired to negotiate with South Africa "in spite of the attitude of the South African Government."

[The ninth U.N Assembly had adopted a resolution recommending (i) that India, Pakistan, and South Africa should negotiate directly within six months on the question of the Indian minority in South Africa, and (ii) that the U N Secretary-General should designate a person to assist in resolving the dispute if a settlement had not been reached within the six-month period. As no such settlement had been reached by June, 1955, Dr. Hammarskjold accordingly nominated Senhor Luis de Faro, a Brazilian diplomat, to facilitate contacts between the parties Senhor de Faro, however, subsequently reported that his efforts had been unsuccessful because the South African Government had "regretfully" declined to collaborate with him on the ground that the matter was "purely of domestic concern"]

Dropping of Algerian and Moroccan Questions. - French Delegation returns to Assembly.

On the initiative of the Arab-Asian group, headed by Mr. Krishna Menon (India), the Political Committee decided on Nov. 25—by unanimous vote, and without debate—to remove the question of Algeria from the Assembly's agenda for the current session. A resolution to this effect was approved by the full Assembly on the same day, also by unanimous vote.

The decision was warmly welcomed in France, whose delegation had been withdrawn from the Assembly on Sept. 30 after the Arab-Asian resolution to place the Algerian question on the agenda had been approved by a majority of one vote. The French Foreign Minister (M. Pinay) said on Nov. 25 that the Assembly's new decision to refrain from a debate on Algeria represented "a victory for reason" and would enable France to return to the United Nations. The French delegation, led by M. Hervé Alphand, accordingly returned to the Assembly on Nov. 29, after an absence of two months.

The formula devised by **Mr. Menon,** and accepted by the Political Committee and the full Assembly, was worded as follows: "The General Assembly decides not to consider further the item entitled 'The Question of Algeria,' and therefore is no longer seized of this item on the agenda of the 10th session." Mr. Menon explained that the formula was a procedural one which did not imply any change in the political, juridical, or moral attitudes of the parties to the dispute.

The Political Committee similarly decided on Nov. 28 (by 40 votes to nine, with five abstentions) not to debate the Moroccan situation. This decision was upheld by the full Assembly on Dec. 3 by 51 votes to nil, with five abstentions.

A 31-nation resolution to this effect was presented by all the Arab-Asian countries (which had originally sponsored the placing of the Moroccan question on the agenda) and nearly all the Latin American countries Although French policy in Morocco was criticized in the Political Committee by Arab and Asian delegates, the criticisms were of a moderate character, and confidence was expressed that France and Morocco would come to an understanding, particularly as a result of the latest steps taken by France to give Morocco an important measure of self-government (see 14528 A; 14473 A).

The resolution "noted that negotiations between France and Morocco will be initiated," expressed confidence that a satisfactory solution of the Moroccan question would be achieved, and recommended the Assembly "to postpone further consideration of this item." The five abstaining countries—both in the Political Committee and in the full Assembly—were Australia, Belgium, Luxemburg, the Netherlands, and the U K, who abstained on the ground that the matter was one in which the U N had no competence

The French delegation, although it had returned to the Assembly, was not present during the debates on Morocco, in conformity with its policy at previous U N sessions

The Korean Situation.

By 44 votes to nil, with 11 abstentions, the Assembly adopted on Nov. 29 a U.S. resolution affirming its intention "to continue to seek an early solution of the Korean question in accordance with the objectives of the United Nations"; urging continued efforts to achieve those objectives; keeping the Korean question on the Assembly's agenda for the 11th session; commending the work of the U.N. Korean Reconstruction Agency (UNKRA); and asking that the Agency's programmes should be expeditiously implemented.

The resolution also approved the report presented to the U.N 's ninth session by the countries represented on the U N Command in Korea, expressed the hope that it would soon be possible to make progress towards achieving by peaceful means a unified, democratic, and independent Korea, and asked that the armistice agreement should remain in force until superseded by an appropriate agreement for a peaceful settlement of the Korean question

Both **Sir Pierson Dixon** (U.K.) and **Mr. Jacob Blaustein** (U S A) expressed concern on Nov 11—when the debate opened in the Political Committee—at what they described as "violations" and "evasions" of the armistice agreement by the North Koreans. Mr Blaustein spoke of the "significant Communist build-up" in North Korea, particularly of aircraft, tanks, and heavy artillery, and asserted that there were still in Communist-controlled territory "tens of thousands of people who are entitled under the terms of the armistice agreement to proceed to the territory under the control of the Republic of Korea." Although the exact number of these persons was unknown, Mr Blaustein said that there were 24,000 ROK military personnel and at least 17,000 ROK civilians still unaccounted for

M. Malik (U S S R.) described Mr Blaustein's figures as "fantastic," and alleged that they had been advanced "only to divert attention from the numerous violations of the armistice committed by the U.N. Command in Korea." He added that the "already enormous armies" maintained by South Korea "kept the country and its people in a state of perpetual tension"

After an acrimonious debate, the Political Committee adopted the U S. resolution on Nov. 22 by 45 votes to nil, with 11 abstentions. At the same time it approved a U.S proposal (by 44 votes to five, with nine abstentions) to invite the Republic of Korea (South Korea) to participate in the debate. A Syrian amendment to invite North Korea also was defeated by 34 votes to 14, with 10 abstentions, the U.S A and a number of other countries maintaining that North Korea could not be invited because she was the aggressor in the Korean conflict. The countries supporting the Syrian resolution were the Soviet group, Afghanistan, Burma, Egypt, India, Indonesia, Saudi Arabia, Yemen and Yugoslavia, in addition to Syria herself

A Polish amendment for the deletion of that part of the resolution approving the report presented to the ninth session by the countries represented on the U.N. Command in Korea was rejected by 38 votes to nine, with eight abstentions

Netherlands New Guinea.

Without debate, and by unanimous vote, the Political Committee (and subsequently the full Assembly) approved on Dec. 12 a resolution, sponsored jointly by Ecuador, India, New Zealand, Norway, and Syria, expressing the hope that "the dispute between the Netherlands and Indonesia over Western New Guinea will be peacefully resolved." The resolution noted that discussions between the Netherlands and

Indonesian Governments had begun on Dec. 1, 1955, and expressed the hope that they would be "fruitful." It was understood that the terms of the resolution had been approved beforehand by the Netherlands and Indonesian delegations.

Netherlands Antilles and Surinam.

By 21 votes to 10, with 33 abstentions, the Assembly approved a resolution recognizing the self-governing status of the Netherlands Antilles and Surinam, and freeing the Netherlands Government from the obligation to submit reports to the U.N. on social and economic conditions in those territories. The new status of the Netherlands Antilles and Surinam as integral parts of the Kingdom of the Netherlands, equally with Metropolitan Holland, had been laid down in the Statute of the Realm signed by Queen Juliana in December, 1954 (see 14041 A).

The resolution had been adopted by the Trusteeship Committee on Nov. 30 by 18 votes to 10, with 27 abstentions. Most of the abstentions resulted from an Uruguayan amendment (incorporated in the resolution) asserting the Assembly's competence to decide whether a dependent territory had achieved full self-government.

The Prime Ministers of Surinam and the Netherlands Antilles (respectively **Dr. Johan Ferrier** and **Dr. Jonckheer**) appeared before the committee. Both expressed their full satisfaction with the new status of the two territories as component parts of the Kingdom of the Netherlands, and both emphasized that it had never been the desire of the two territories to sever their relations with the Netherlands Crown and form a separate and independent State.

Mr. Schurmann (Netherlands) disputed the claims of some delegations that the U.N. Charter envisaged the attainment of total independence for all non-self-governing territories; he also disagreed with the Uruguayan contention that it was for the General Assembly to decide whether or not a territory had attained a full measure of self-government.

U.N. Plebiscite in British Togoland.

By 42 votes to seven, with 11 abstentions, the Assembly approved on Dec. 15 the holding of a plebiscite in British Togoland under U.N. supervision, and requested the United Kingdom to make the necessary arrangements without delay. The object of the plebiscite will be to ascertain whether the inhabitants of British Togoland wish their territory to join an independent Gold Coast, when the latter is constituted, or to remain under U.N. trusteeship pending the final determination of their future. The Assembly also confirmed the appointment of Señor Eduardo Espinosa Prieto, Mexican representative on its Trusteeship Committee, as U.N. Plebiscite Commissioner, with the task of supervising the plebiscite in a free and neutral atmosphere.

In addition, the Assembly approved the eventual holding of a plebiscite in French Togoland, and asked the U.N. Trusteeship Council to study the matter in consultation with France and to report, if possible, to the 11th session.

The resolution was based on the recommendations of a U.N mission which had visited Togoland, and which submitted its report on Oct. 30. This mission had been appointed after the British Government's announcement that Togoland would cease to be a trust territory when the Gold Coast attained independence. The report recommended that the inhabitants of British Togoland (about 400,000) should be given the opportunity of deciding by plebiscite (*a*) whether they wished the territory to be integrated with the Gold Coast, when the latter attained independence, or (*b*) whether they desired the continuance of U.N. trusteeship, with Great Britain as the administering Power. For the purposes of the plebiscite it was recommended that British Togoland should be divided into three electoral areas—northern, central, and southern.

The U.N. mission expressed agreement with the British administration's view that British Togoland should be integrated with the Gold Coast, particularly as the two territories had become closely associated as a result of nearly 40 years of joint administration, and as the area of British Togoland was too small and its resources too limited to make its continued existence as a separate entity feasible.

The mission pointed out, however, that if the British Togolanders voted for a continuation of U.N trusteeship, the whole question of their political status would be bound up with the future of French Togoland, where the authorities contemplated the holding of some form of popular consultation "in due course." In such an eventuality the mission recommended that, after the political future of French Togoland had been decided (i.e. when its inhabitants had decided whether they wanted the territory to become independent or to remain part of the French Union), the people of British Togoland should be given another opportunity to decide by plebiscite (*a*) whether they wished to join the Gold Coast, or (*b*) whether they wished to join French Togoland under its new status.

[Before the First World War the territories now comprising British and French Togoland formed the German colony of Togo. After 1918 the colony was mandated by the League of Nations to France and Great Britain, by far the greater part coming under French administration and a small area (adjacent to the Gold Coast) passing under British rule. When the League of Nations was succeeded by the United Nations after 1945, the two Togolands passed under U.N. trusteeship, with France and Britain continuing to administer their respective territories.]

An Indian resolution incorporating the U.N. mission's recommendations was adopted by the Trusteeship Committee on Dec. 12 by 40 votes to five (the Soviet group), with eight abstentions.

It (1) called for the holding of a plebiscite in British Togoland under U.N. supervision with the minimum of delay, so as to give the inhabitants an opportunity of expressing their wishes on the future of the territory; (2) proposed the appointment of Señor Espinosa Prieto, the Mexican member of the Committee, as U.N Plebiscite Commissioner; (3) asked that the General Assembly, on the basis of the Plebiscite Commissioner's report and in consultation with Great Britain, should determine the further steps to be taken after the Gold Coast had attained independence; and (4) took note of French assurances that political reforms would be introduced in French Togoland as a prelude to a "popular consultation" in that territory during the next few years. The resolution incorporated a Liberian amendment that British Togoland might remain temporarily separate from the Gold Coast, under continued British administration, pending the final determination of its status.

Mr. Henry Hopkinson (then British Minister of State for Colonial Affairs) told the Assembly that its vote on British Togoland marked "a unique and historic occasion—the decisive step in the first termination of a trusteeship by an administering Power according to the U.N. Charter" **Mr. Krishna Menon** (India) warmly praised Britain's action as "a great act in fulfilment of the Charter," and as an example which would enable other dependent African peoples to gain independence more speedily **Senor Espinosa Prieto,** in accepting his appointment as Plebiscite Commissioner, said that he would do all in his power to discharge his duties with the greatest conscientiousness. (It was stated at the U N that Señor Espinosa Prieto would be assisted by an international staff, including observers, recruited by the U.N. Secretary-General)

On his return to London, Mr. Hopkinson announced that the Togoland plebiscite would be held in April 1956.

U.N. Fund for Under-developed Countries.

The Economic and Financial Committee unanimously adopted on Nov. 25 a 32-nation resolution (sponsored by the Arab-Asian-African group, 13 Latin American countries, and Greece, the Netherlands, and Yugoslavia) asking all members of the U.N. and the specialized agencies to give their detailed views by March 31, 1956, on the structure and operation of the proposed Special U.N. Fund for Economic Development in under-developed countries (SUNFED), the creation of which had been recommended at the ninth session.

The resolution asked the President of the Assembly to set up a committee of Government representatives to analyse the replies received, and requested that committee to submit interim reports to the Economic and Social Council and a final report by 1957, on the understanding that no Governments would be committed by any suggested course of action.

The full Assembly unanimously approved the resolution on Dec. 6, when it was announced that Señor Maza had appointed a 16-member committee (comprising representatives of Canada, Chile, Colombia, Cuba, Egypt, France, India, Indonesia, the Netherlands, Norway, Pakistan, Poland, the Soviet Union, the U.K., the U S.A., and Yugoslavia) to study the views presented by member-countries.

U.N. Technical Assistance Programme.

At a one-day "pledging conference" held on Oct. 26, 61 member-countries pledged a total of $28,031,536 for the U.N. Technical Assistance Programme to under-developed countries during 1956—the highest annual amount raised since the programme was launched in 1950. (The 1955 figure was $27,966,017, pledged by 70 countries.)

The executive chairman of the Technical Assistance Board, Mr. David Owen, announced that ten countries had raised their 1955 donations by 20 per cent (the biggest proportionate increases being those of Israel, the Netherlands, and Belgium) and that seven others had bettered that ratio The U.S.A. made $15,500,000 available for the 1956 programme, whilst the British and Soviet contributions remained unchanged at $2,240,000 and 4,000,000 roubles ($1,000,000 at the official exchange rate) respectively.

The sum finally allocated for the 1956 Technical Assistance programme, and approved by the General Assembly, amounted to $29,734,085, divided as follows:

Food and Agriculture Organization	$8,057,000
U.N. Technical Assistance Administration	$6,434,852
World Health Organization	$5,689,280
Unesco	$4,940,933
International Labour Organization	$2,933,900
International Civil Aviation Organization	$1,081,750
World Meteorological Organization	$382,170
International Telecommunications Union	$214,200

U.N. Refugee Fund.

Without opposition, the Assembly approved a resolution by its Social, Cultural and Humanitarian Committee urging all member-Governments to give "early and serious consideration" to making contributions to the $16,000,000 U.N. Refugee Fund so as to attain the targets set for 1955 and 1956, and thereby to make it possible for the U.N. High Commissioner for Refugees (Dr. van Heuven Goedhart) to carry out fully his programmes for those years.

The resolution noted with satisfaction that the main emphasis of the High Commissioner's work would be on reducing the number of persons in refugee camps, and asked him to continue his efforts to solve the refugee problem through voluntary repatriation, resettlement, and integration.

The resolution, sponsored by nine countries (Australia, Belgium, Costa Rica, Denmark, the Netherlands, Norway, Sweden, the U K. and the U S A.), had been approved by the Social, Humanitarian and Cultural Committee in October by 42 votes to nil, with 14 abstentions By 29 votes to 14, with 10 abstentions, the Committee rejected a Soviet proposal whereby the Assembly would instruct the High Commissioner to encourage the early return of refugees and displaced persons to their homelands, on the basis of the principle of voluntary repatriation

Palestine Arab Refugees.

By 38 votes to nil, with 17 abstentions, the Assembly adopted on Dec. 3 a resolution, presented by the U.S.A., the U.K., and Turkey, with the following provisions:

(1) Directing the U.N. Relief and Works Agency (UNRWA) to continue its programme for the relief and rehabilitation of Palestine Arab refugees; (2) noting that the position of the refugees continued to be "a matter of grave concern", (3) calling upon Governments in the Near East to make a "determined effort" to carry out projects capable of supporting a substantial number of refugees, in co-operation with UNRWA, and without prejudice to the U.N. resolution of 1948 which envisaged repatriation or compensation as a solution to the refugee problem, (4) calling upon all Governments, whether members or non-members of the U N, to make voluntary contributions to UNRWA; and (5) requesting private organizations to meet the needs of other claimants for relief—e.g. those of frontier villages in Jordan, of non-refugees in the "Gaza strip," of various Bedouin groups, and of a number of refugees in Egypt—"to the extent that local Governments cannot do so."

The resolution had been adopted on Nov 30 by the *ad hoc* Committee (by 38 votes to nil, with 19 abstentions), which had previously (Nov. 14) heard a report by **Mr. Henry Labouisse,** the Director of UNRWA Mr Labouisse stressed that "difficult political decisions" were a pre-requisite for a solution of the "very human problem" of the 900,000 refugees "displaced from their homes in Palestine and with no future in sight" The refugees, he said, were one of the causes of the present tension in the Middle East, in view of the "simple but insufficiently appreciated fact" that they constituted "a very large and restive proportion" of the population of the countries in which they now lived. For example, in the Gaza area they outnumbered the local population by more than two to one, in Jordan they made up over one-third of the population, and in the Lebanon they comprised nearly 10 per cent of the population.

Mr. Labouisse emphasized that it would "not be feasible for the Agency to carry out fully the intent of the Assembly resolutions concerning their reintegration into the economic life of the Near East" unless and until some opportunity was given to the refugees to choose between repatriation and compensation for loss of or damage to their property in their original homeland, as provided in the Assembly's original resolution, "or unless and until some other political solution to the Palestine problem can be agreed upon." For reasons which were "partly human, partly economic, and partly political," UNRWA had been able to rehabilitate or reintegrate only a relatively small number of refugees

"In the minds of the great majority of refugees," said Mr. Labouisse, "participation in a rehabilitation project—which they consider synonymous with permanent resettlement—means the giving up of rights guaranteed to them by the U N, this, in spite of repeated U.N statements to the contrary" After observing that relief assistance in the area would be required for "several years to come," no matter what ultimate solution of the refugee problem might be reached, he appealed to Governments to make funds available to UNRWA so that its work could continue Furthermore, he appealed also to the host countries in which the refugees were living "not to interfere in the internal affairs of the Agency," and to accord UNRWA "the rights and privileges pertaining to an organ of the United Nations." Mr Labouisse also referred to the activities of "small groups of agitators" who were trying to obstruct UNRWA'S operations "from purely selfish motives or at the instigation of political trouble-makers."

Mr. Shukairy (Syria), supported by a number of other Arab delegates, urged that the refugees should be given the opportunity to return to their original homes or, alternatively, should receive compensation. A proposal was put forward by Mr Shukairy (but not taken to a vote) for the creation of a special U N. Commission, consisting of the U.S A., the U.S.S R., and Persia, to settle the refugee problem along the following lines: (1) "effective measures to emancipate all areas assigned to the Arabs [under the 1947 U N. partition plan for Palestine] from Israeli control, and thereupon to repatriate the refugees to their homes"; (2) the restoration of their homes to refugees living in areas controlled by Israel; (3) compensation for refugees who did not desire repatriation; (4) guarantees to secure full political, civic and human rights for refugees returning to their homes.

Mr. Eban (Israel) rejected the solution proposed by Mr. Shukairy, declaring that it would be "unmerciful and imprudent" to hold out hopes that could not be fulfilled. He accused the Arab States of keeping the refugee issue alive "for the sake of sterile political controversy", asserted that the refugees had been prevented from settling down in and becoming part of the economically expanding Arab world, to which they naturally belonged, and stressed that the repatriation of many thousands of refugees to Israel would hold "great perils both for Israel and for the refugees themselves," and would give rise to grave security and economic problems.

Mr. James Wadsworth (U.S.A.) declared that responsibility for improving the lot of the Palestine Arab refugees required "courage and imagination from all, but particularly from the Arab States directly concerned, whose brothers the refugees are." Inability to settle important political questions should not stand in the way of bettering the refugees' conditions, on which a start "should have been made long ago" Appealing for an immediate start "in beginning a new and better life for the refugees," Mr Wadsworth said that "in making this start our Arab friends will understand that what will benefit the refugees will benefit the Arab countries themselves" He agreed, however, with Mr Labouisse that UNRWA could not fully carry out its mandate unless there was a settlement of the important political questions involved

Miscellaneous Subjects.

Other decisions taken at the Assembly's 10th session are summarized below:

U.N. Administrative Tribunal. Procedures for reviewing judgments of the U.N. Administrative Tribunal were approved by the Assembly on Nov. 9. (The Tribunal, appointed by the Assembly, is the highest body of appeal for U.N staff members on matters involving the alleged non-observance of their contracts.) The procedures adopted permit a member-State, the Secretary-General, or the individual on whose case the Tribunal has rendered judgment, to apply to a special screening committee for a review of the judgment if they think the Tribunal "has exceeded its jurisdiction or competence, or . . . has failed to exercise the jurisdiction vested in it, or has erred on a question of law relating to the provisions of the Charter, or has committed a fundamental error in procedure which has occasioned a failure of justice." A time-limit of 30 days was set for filing an application to the screening committee, whose members will consist of representatives of the countries on the Assembly's Steering Committee In addition, the revised procedures permit the Secretary-General, or the applicant concerned, to apply to the Tribunal for the revision of a judgment on the basis of the discovery of some decisive fact unknown at the time the judgment was given

The proposal for the new procedures was submitted by the U.S A. after the Tribunal's action in ordering the payment of heavy compensation by the U.N to 11 American citizens dismissed from U.N. employment following Congressional loyalty checks (see page 14012, second column) The Assembly adopted the resolution by 33 votes to 17 (with 9 abstentions) on the recommendation of its Administrative and Budgetary Committee.

Safety of Commercial Aircraft. By 45 votes to nil, with 13 abstentions, the Assembly adopted a resolution on the safety of commercial aircraft flying in the vicinity of, or inadvertently crossing, international frontiers [The resolution was based on the Israeli memorandum drawing attention to incidents in recent years in which civilian aircraft had been shot down in such circumstances, and referring specifically to the shooting-down of an Israeli airliner by Bulgarian planes—see page 14464, top of first column.] It noted that such incidents caused loss of life, affected relations between States, and were thus a matter of international concern, called upon all States to take the necessary measures to avoid such incidents; and drew the attention of the appropriate international organizations to the resolution.

Dissolution of U.N. Libyan Tribunal. The Assembly approved a resolution by its Legal Committee for the dissolution of the U.N. Tribunal in Libya as from Dec. 31, 1955, and its replacement by an Italo-Libyan Mixed Arbitration Commission of three members—one chosen by Italy, one by Libya, and a third appointed by the U.N Secretary-General in agreement with the two countries.

The U.N. Libyan Tribunal was set up by the Assembly in 1950 to decide any economic and financial disputes arising between Italy and Libya The expenses of the successor body will be borne exclusively by the two countries and not by the United Nations.

Elections to Economic and Social Council. Six vacancies on the U.N. Economic and Social Council, caused by the expiration (on Dec. 31, 1955) of the three-year terms of Australia, India, Turkey, the U.S.A., Venezuela, and Yugoslavia, were filled by the election of Brazil, Canada, Greece, and Indonesia and the re-election of the U.S A. and Yugoslavia. The membership of the Council during 1956 is—Argentina, Brazil, Canada, Nationalist China, Czechoslovakia, Dominican Republic, Ecuador, Egypt, France, Greece, Indonesia, Netherlands, Norway, Pakistan, Soviet Union, United Kingdom, United States, and Yugoslavia.

Elections to Trusteeship Council. Two vacancies on the Trusteeship Council were filled by the election of Guatemala in place of El Salvador and the re-election of Syria. The membership of the Trusteeship Council during 1956 is—Australia, Belgium, Burma, Nationalist China, France, Guatemala, Haiti, India, Italy, New Zealand, Soviet Union, Syria, United Kingdom, and the U S A.

Italy, as the Power responsible for administering Italian Somaliland (a trust territory), had automatically joined the Trusteeship Council when she was elected to U.N. membership (see 14637 A). As the U.N Charter provides that membership of the Council must be equally divided between States which administer trust territories and those which do not, elections were held on Dec. 20 for another non-administering member to restore the equal composition of the Council. Burma was elected after six inconclusive ballots, the unsuccessful candidates being Liberia and Cambodia.

U.N. Budget for 1956. A U.N. Budget of $48,566,350 for 1956 was approved by the Administrative and Budgetary Committee on Dec 13, and was agreed to by the General Assembly by 56 votes to seven, with one abstention. A supplementary amount of $3,264 200 was appropriated for the 1955 Budget of $46,963,800 In addition, a Working Capital Fund of $20,000,000 was established for 1956 to meet special expenses incurred in enlarging the seating capacity of the Assembly Hall and Committee rooms

Dr. Hammarskjold announced on Dec. 22 that he would leave New York on Jan. 15, 1956, on a world tour during which he would visit 15 capitals—London, Athens, Ankara, Cairo, Tel-Aviv, Beirut, Damascus, Baghdad, Karachi, Delhi, Rangoon, Bangkok, Jakarta, Canberra, and Wellington. While in India he would attend the twelfth session of the U.N. Economic Commission for Asia and the Far East, to be held at Bangalore.—(United Nations Review, New York - U.N. Information Centre, London - Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - Netherlands News Agency - The Statesman, Calcutta - Cape Times)

(Prev. rep. U.N. Tenth Session, 14637 A ; 14461 A.)

A. NORWAY. — Plan for Export of Electric Power to Sweden. - New Hydro-electric Plants. - Completion of Iron and Steel Works in Northern Norway.

The *Storting* approved on Dec. 6, 1955, by 81 votes to 63, the Norwegian Government's proposals for exporting electric power to Sweden from a plant to be built at Nea, near Trondheim. The plant will have an estimated output of 600,000,000 kw.-hours a year, of which 330,000,000 kw.-hours will be exported to Stockholm under a contract with the municipality of that city. The total cost of the Nea power-station was estimated at some 102,000,000 kroner (£5,900,000), of which 90,000,000 kroner (£4,500,000) will be raised by a loan in Sweden, to be repaid over 15 years through the delivery of power from Nea. The cost of the electricity to Stockholm will be 2.6 ore (about ¼d.) a unit.

The opponents of the scheme urged that power from the Nea plant should not be exported but used for the expansion of aluminium production at the State-owned Ardal works, in Western Norway.

Work started in December on Norway's largest hydro-electric power project at Tokka, in Telemark (south-eastern Norway). On the completion of the first stage (which is expected to take six years) the plant will have a capacity of 350,000 kilowatts, which will be increased during the second stage by another 600,000 kilowatts—making it one of the largest hydro-electric schemes in the world. The total cost is estimated at between £30,000,000 and £35,000,000, part of which it is hoped to finance through the International Bank.

It was also reported in December that Norway's hydro-electric generating capacity had increased during 1956 by 560,000 kilowatts, the largest increase ever recorded, and equivalent to the increase during the 14-year period from 1927 to 1940 As a result of large-scale hydro-electric expansion since the end of the war, Norwegian electricity output at the end of 1955 had reached 23,000,000,000 kw.-hours a year, or more than double the output in 1945.

Norsk Jernverk, a new Government-owned iron and steel plant at Mo i Rana, within the Arctic Circle in Northern Norway, went into production in May 1955. Built at a cost of 500,000,000 kroner (£25,000,000), it will have a total capacity of 180,000 tons of pig-iron and 170,000 tons of rolled steel products annually when its third furnace is completed early in 1956 ; with a fourth furnace planned, pig-iron production will increase to 240,000 tons. The plant will utilize extensive local iron-ore deposits.—(Aftenposten, Oslo - Arbeiderbladet, Oslo - Royal Norwegian Embassy, London) **(Prev. rep. 12039 E.)**

B. FRANCE. — Formation of State Broadcasting Corporation for Overseas Territories.

A decree was published in the *Journal Officiel* on Jan. 21 providing for the creation of a State-owned Broadcasting Corporation for Overseas France (*Société de radiodiffusion de la France d'outre-mer*, or Sorafom). The new corporation will be independent of the French Metropolitan Broadcasting Corporation (R.T.F.) and will be governed by an administrative council of 10 to 14 members nominated by the Ministry of *France d'outre-mer*. The council was given powers to elect its president and to appoint a director-general, after approval by the Minister.

The corporation—whose initial capital was fixed at 5,000,000 francs (£5,000), all held by the State—will have financial autonomy and will be able to negotiate loans. M. Pierre Schaeffer, head of broadcasting services in the Ministry of *France d'outre-mer*, was elected president of "Sorafom."

(Le Monde, Paris)

C. LITERATURE. — Book Selections for January.

Selected books published in Great Britain, the United States, France, and Germany are given below :

Great Britain. Baldwin, A. W —"My Father The True Story." (Allen & Unwin, 25s)

Desio, Ardito—"The Ascent of K-2." Translated from the Italian (Paul Elek, 21s.)

FitzGibbon, Constantine—"The Shirt of Nessus" The Story of the Attempts to assassinate Hitler. (Cassell, 21s.)

Masters, John—"Bugles and a Tiger A Personal Adventure." (Michael Joseph, 16s.)

"Memoirs of Michael Karolyi . Faith without Illusion" Translated from the Hungarian (Jonathan Cape, 35s.)

Steegmuller, Francis—"La Grande Mademoiselle" The Story of the Duchesse de Montpensier. (Hamish Hamilton, 21s)

Thompson, J. Eric—"The Rise and Fall of Maya Civilization." (Victor Gollancz, 21s.)

Way, R P —"Antique Dealer An Autobiography." (Michael Joseph, 15s.)

Willson, David Harris—"King James VI and I" (Jonathan Cape, 30s.)

United States. Boles, Paul Darcy—"Glenport, Illinois" (Macmillan, New York, $4.50)

Lee, W. Storrs—"The Green Mountains of Vermont" (Henry Holt, New York, $5 00)

Randall, Ruth Painter—"Lincoln's Sons" (Little, Brown & Co . Boston, $5 00.)

France. Paléologue, Maurice—"Journal de l'affaire Dreyfus" (Plon, Paris)

Germany. Weymar, Paul—"Konrad Adenauer · Die autorisierte Biographie" (Kindler Verlag, Munich, 24 DM)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 14606 B.)**

D. SOUTH AFRICA. — New Political Party.

The formation was announced on Dec. 17, 1955, of a new political party under the name of the South African Bond (*Suid Afrikaanse Bond*).

A statement by the party's action committee said that "the ideal of a united South African nation at the time of Union has not been achieved by any of the existing political parties," and that the relationship between the European groups had deteriorated because "party interests have been placed before principles, and the lack of a uniform policy towards the less-developed groups in the Union has resulted in racial tension."

The new party's principles were listed as the building of a united nation among the White population ; a positive policy of guidance and development of the Native races , the raising of the "moral tone" in the conduct of the State, business, and the home, with a guarantee of equal justice for all; and the development of an economic policy for peace, progress and prosperity in place of the "unrealistic political approaches" by existing political parties

The party undertook, if eventually returned to power, to govern the country in accordance with the Constitution as set out in the South Africa Act, 1910, and as in operation until May, 1955, and not to alter South Africa's present position in the Commonwealth without the approval of two-thirds of the electorate in a national referendum It also emphasized that the existing political rights of Natives would not be diminished, and pledged itself to the social and economic development of the Native community.

Mr. C. A. Retief, a Johannesburg broker, is chairman of the new party.—(Cape Times) **(Prev. rep. New Parties, 13431 D.)**

E. INTERNATIONAL SUGAR COUNCIL. — Export Quotas for 1956. - Proposed Review of International Sugar Agreement.

The International Sugar Council met in London on Nov. 28-Dec. 1, 1955. After considering estimates of the requirements of the "free market" in 1956, and of the amount of sugar likely to be available from countries which are not parties to the International Sugar Agreement, it decided on a 10 per cent cut in basic export tonnages, the initial export quotas for 1956 being fixed at a total of 3,996,000 metric tons. A reserve of 20,000 tons was created to enable additional export quotas to be allotted in cases of special hardship. The Council also decided to request the United Nations to call a conference in 1956 to review the International Sugar Agreement.

At a further meeting on Jan. 25-28, 1956, the Council set up a preparatory committee and a technical sub-committee to undertake preliminary work for a full-scale survey of world trade in sugar during the forthcoming U.N. conference. The Council estimated the requirements of the free market in 1956 at 4,570,000 metric tons.—(Financial Times) **(Prev. rep. 14512 A.)**

F. UNITED STATES. — Steel Production in 1955.

U.S. steel production in 1955 reached the record level of 117,000,566 tons, nearly 29,000,000 tons higher than in 1954 and over 5,000,000 tons more than the previous record figure achieved in 1953. Over the year as a whole steel plants operated at an average of 93 per cent of rated capacity.—(New York Times)

(Prev. rep. 14072 D.)

A. EASTERN GERMANY - COMMUNIST CHINA. — Herr Grotewohl's Visit to China, North Korea, and Outer Mongolia. - East German-Chinese Friendship Treaty. - Economic and Cultural Co-operation with China, North Korea, and Mongolia.

Herr Grotewohl, the East German Prime Minister, accompanied by Dr. Lothar Bolz (the Foreign Minister) and senior officials, left East Berlin at the beginning of December for an official visit to the People's Republic of China. He arrived in Peking on Dec. 8 and during his stay in the Chinese capital had discussions with Mao Tse-tung (Chairman of the Chinese People's Republic), Chou En-lai (the Prime Minister and Foreign Minister), and other members of the Chinese Communist Government. In a formal ceremony on Dec. 11 Herr Grotewohl handed to the Chinese Prime Minister ten banners of the Boxer movement (the *I Ho Tuan*) which had been seized by the German Imperial troops in 1901 during the suppression of the Boxer rising.

After visiting a number of other Chinese cities and industrial areas, Herr Grotewohl and the East German delegation flew to North Korea, where a joint statement was signed on Dec. 21 with the Prime Minister of the Korean People's Democratic Republic, Marshal Kim Il Sung.

On the German delegation's return to Peking, Chou En-lai and Herr Grotewohl signed a friendship pact between the Chinese People's Republic and the German Democratic Republic on Dec. 25, and also issued a statement on the joint aims of the two Governments in the international field.

On Dec. 26 the German delegation left Peking for Ulan Bator, the capital of Outer Mongolia, where Herr Grotewohl and the Prime Minister of the Mongolian People's Republic, Marshal Zedenbal, signed a joint statement on Dec. 27.

The various agreements concluded during Herr Grotewohl's visit to the Far East are summarized below.

East German - Chinese Friendship Pact.

Art. 1. The two contracting parties agreed to "co-operate in all international fields which aim at guaranteeing world peace and the security of nations in accordance with the principles of the U N. Charter."

Art. 2. The parties agreed to confer "in a spirit of fraternal alliance" on all important international questions affecting the interests of both countries. They would "devote particular attention to the necessity of guaranteeing the inviolability of their respective sovereign territories and the security of their States, and to safeguarding world peace."

Art. 3. The parties undertook "to strengthen and broaden their friendly relations in all spheres on the basis of mutual respect for their sovereignty, non-intervention in internal affairs, equality of rights, and mutual benefit."

Art. 4. "The parties will extend to each other all possible economic help, and will further develop their economic co-operation in the interests of the peaceful construction of both countries"

Articles 5 and 6 dealt with increased scientific and cultural co-operation.

Art. 7 said that the pact would come into effect upon ratification and would remain in force until the "reunification of Germany as a peace-loving and democratic State," or until the parties decided to amend or terminate it.

East German - Chinese Joint Statement.

(1) Both Governments stated that they would support the stand taken by the German Democratic Republic on the solution of the German problem, as outlined in the East German proposals submitted to the Four-Power Foreign Ministers' Conference at Geneva (see 14537 A)

(2) "Aggressive circles in the U.S A and their supporters are attempting to pursue further the bankrupt 'policy of strength.' One expression of this is the extremely hostile attitude adopted towards the Chinese People's Republic and the German Democratic Republic This policy is doomed to failure."

(3) "Both countries are ready to do everything in their power to maintain peace, and to participate in all international actions which serve peace and collective security."

(4) "The Government of the German Democratic Republic declares that it would welcome a normalization of relations between the Chinese People's Republic and the German Federal Republic [i.e. Western Germany] in the interests of peace and the unification of Germany as a peace-loving and democratic State."

(5) "Both countries agree that the tension created by the American occupation of the Chinese territory of Taiwan [Formosa] must be speedily removed. The Chinese People's Republic must take its rightful place in the United Nations and in the Security Council."

(6) "All countries which meet the conditions of the U.N. Charter should be accepted as members of the United Nations."

(7) "Both countries urge compliance with the Geneva agreement on the restoration of peace in Indo-China. They agree that an international conference of all interested States should be called as soon as possible for a peaceful solution of the Korean question."

(8) "Both sides welcome the speedy development of the national democratic forces in the Asian and African area. They reject every form of colonialism and support all States and peoples in their struggle for national independence and the defence of State sovereignty and territorial integrity. They support the rightful demand of India for the return of Goa, and of Indonesia for the return of West Irian [Dutch New Guinea], the fight of the peoples of North Africa for their national right of self-determination; the rightful claims of the Arab peoples; and their resistance against being drawn into aggressive military blocs"

(9) "Both sides are strongly opposed to aggressive military blocs, and believe that the security of the countries of Europe, Asia, and Africa is menaced by NATO, the Western European Union, SEATO, the Manila Pact, and the Baghdad Pact."

(10) "International disputes must be solved by peaceful negotiations between all interested States, irrespective of their social system The aim must be to abolish military blocs, to establish general security and disarmament, and to ban the production, testing, and use of atomic and hydrogen bombs."

East German - Korean Statement.

This statement called for the withdrawal of all foreign troops from both Korea and Germany It said that the reunification of Germany and Korea was primarily a matter for the German and Korean peoples to solve, that it must be accomplished by peaceful means, and that it should be achieved "step by step through mutual contacts between the two States existing respectively in Germany and Korea." Both Governments pledged themselves to a further extension of their existing friendly relations in the economic and cultural spheres

East German - Mongolian Statement.

This statement similarly envisaged an extension of economic and cultural co-operation between the two countries. The Mongolian Government expressed its "full solidarity" with the German people "in their struggle for the peaceful reunification of Germany on a democratic basis" The statement strongly criticized the Chinese Nationalist veto against the admission of Mongolia to U N membership (see 14637 A)

On their return flight the East German delegation stopped in Moscow on Dec. 29 for discussions with Marshal Bulganin, M. Khrushchov and M. Molotov.

An official statement said that the U S S R and the German Democratic Republic agreed that the organization of a European collective security system, with the co-operation of the two German States, would create the necessary pre-requisites for a settlement of the German problem It added that in present conditions the only "realistic method" of bringing about the unification of Germany as a peaceful and democratic State was through *rapprochement* between the Democratic Republic and the Federal Republic.

Herr Grotewohl and the members of his delegation arrived back in Berlin on Dec. 30. At a Cabinet meeting on Jan. 6 Herr Grotewohl announced that he had agreed with the Chinese Government on the drawing-up of a five-year trade agreement between the two countries, instead of the existing annual agreements, so as to allow East German industry to plan ahead. The value of East Germany's trade with China was recently stated to have trebled since 1951, making China the most important trade partner of Eastern Germany after the Soviet Union. (A.D.N. Agency - Neues Deutschland, Berlin)

B. UNITED KINGDOM. — Trade Union Finances.

The annual report of the Registrar of Friendly Societies, published on Nov. 7, showed that in 1954 the 411 registered employees' trade unions had a membership of 8,356,617 and received subscriptions totalling £18,380,000, compared with £17,917,000 in 1953, when membership was 8,322,706. Average expenditure per head was £2. 4s., while the average contribution was only £2. 2s. 11d., but after adding investment income the unions' total funds had increased by over £3,000,000 to £73,887,000. Expenditure on strike pay, at £483,000, was nearly twice as great as in 1953 and higher than in any year since 1926—the year of the general strike. Unions with political funds had 7,707,000 members, but 899,000 of these had contracted out of political contributions. Total political funds at the end of 1954 amounted to £981,000—nearly twice as much as at the end of 1945. (Ministry of Labour Gazette) **(14440 A.)**

C. BRITISH EAST AFRICA. — Armed Forces. - Commissions for Africans and other Non-Europeans.

It was announced in London and Nairobi on Jan. 4 that residents of British East Africa who were British subjects or British-protected persons could now obtain commissions in the East African Land forces, regardless of race. The decision meant that military commissions would be open to Africans and other non-Europeans who met the necessary standards.

(Times - New Commonwealth)

D. FRANCE. — Population Figures.

The population of Metropolitan France as at Jan. 1, 1956, was estimated by the French National Institute of Statistics at 43,430,000, an increase of over 300,000 since Jan. 1, 1955. During 1955 there were 800,000 births, 520,000 deaths, and 315,000 marriages.—(Le Monde, Paris) **(Prev. rep. 14056 C.)**

A. UNITED KINGDOM. — Defence Policy. - Reorganization of Reserve Army. - Alteration in National Service Call-up.

The Secretary for War (Mr. Head) announced in the House of Commons on Dec. 20 the following " drastic changes " which were proposed in the organization of the Reserve Army :

(1) Only two Territorial divisions, together with the necessary supporting troops, would remain organized at full strength in order to meet Britain's NATO requirements.
(2) The remainder of the Reserve Army would be reorganized for home defence, but the divisional organization would be retained.
(3) The two armoured divisions and the Lowland mixed division would be converted to infantry divisions, but six armoured units would be retained to support the British NATO divisions
(4) The Airborne Division would be reduced to a parachute brigade of about 4-5 battalions, and the remainder of the division would be absorbed in infantry divisions
(5) Apart from the two divisions and supporting troops available to meet NATO commitments, and some light anti-aircraft units there would be no requirement for non-divisional artillery, and a number of non-divisional artillery units would be converted to other roles.
(6) A " considerable number " of Army Emergency Reserve units would be disbanded.
(7) The Home Guard would be placed on a reserve basis
(8) Throughout the Reserve Army the £12 bounty would be increased to £20 after three years' service.

Explaining the proposed changes, Mr. Head stressed that it was " no longer realistic " to adhere to the conception that it would be possible in a global war to send out from Britain 10 or 12 fully-equipped Reserve divisions. Instead, the Reserve forces constituted " the country's potential strategic reserve," and if war came they would initially have to maintain the life of the nation and deal with raids and sabotage. They must be capable of acting in close co-operation with the Civil Defence services and of providing the reserve power necessary for the various aspects of home defence. They would therefore continue to be organized as military forces with a fighting capacity, and the retention of the divisional organization afforded the best method of control, both operationally and geographically. As regards the units of the Army Emergency Reserve to be disbanded, it was hoped to offer to the great majority of volunteers the opportunity of transferring to other units Details were being worked out of the future role on mobilization of the Home Guard, which in the event of war would play a most useful part in the country's defence ; meanwhile it was intended that sector and battalion commanders, and two other members of each battalion, should remain to keep war plans up-to-date and maintain the lists of those registered for service.

A White Paper was published on Oct. 28 giving details of the alterations in National Service announced by the Prime Minister on Oct. 8, 1955 (see 14498 A).

It was explained that under the Government's plan each age-group called up would still cover men born within a given three months, but that the actual call-up would be spread over four months. Thus, the age-group following would be called up one month later than would previously have been the case, and at the end of the year three, instead of four, registrations would have taken place. The call-up age would be increased by one month at each registration, or by three months in a year, so that it would be raised to about 19 by March 1958.

The White Paper gave the following table showing, on the basis of present estimates, how the call-up age would normally rise as a result of registering only three quarterly age-groups a year :

Date of birth 3-month period	Date of Registration	Age	Medical examination	Call-up (oldest first) in 4-month period	Average age of call-up
Oct. to Dec , 1937	Nov. 19, 1955	17.11 to 18.1	Jan. to April, 1956	March to June, 1956	18.5 to 18.6
Jan. to March, 1938	March 3, 1956	18 to 18.2	May to Aug., 1956	July to Oct., 1956	18.6 to 18.7
April to June, 1938	July, 1956	18.1 to 18.3	Sept. to Dec., 1956	Nov. 1956, to Feb., 1957	18.7 to 18.8
July to Sept., 1938	Nov , 1956	18.2 to 18.4	Jan. to April, 1957	March to June, 1957	18.8 to 18.9

The White Paper stressed that the Government's decision would afford substantial relief to industry, since it would mean a manpower accession of 20,000 by March 1956, and of a further 80,000 by March 1958. Moreover, although interruption of working life was inseparable from National Service, the higher call-up age would mean that the men called up were more mature physically and mentally, and had had more time to train for jobs to which they could return after National Service. It was also hoped that the eventual raising of the call-up age to 19 would induce more youths to take up apprenticeships on leaving school, whilst the additional year would be particularly helpful to those engaged in commerce or studying at evening classes, who did not normally qualify for deferment. Special arrangements would be made to reduce uncertainty about the date of call-up, and the existing provision to allow certain classes of young men (e g. those wishing to go to a University after completing National Service) to be called up early if they wished, would remain.

As regards National Service reservists, the White Paper explained that the general reduction of the training period from 60 days to not more than 20, announced by the Prime Minister, would not apply to (*a*) naval National Service reservists who had served as signalmen, telegraphists, or coders ; (*b*) technical and operating members of the reserve flights supporting R.A F control and reporting systems, as well as certain other R A F units , (*c*) members of all Services who had received specialized language training during active service. In all, however, not more than 8,000 of the National Service-men transferred each year to the reserve would be called up for more than 20 days' training.

Regulations were announced by the Ministry of Labour and National Service on Oct. 11, 1955, making all full-time farm workers eligible for deferment of National Service (instead of only workers on small farms and stockmen, as previously), provided that the Agricultural Advisory Panel and the National Service Board were satisfied that there would be a substantial loss of food production if they were called up.
(Times - Daily Telegraph - Manchester Guardian) **(14493 A.)**

B. CHILE. — Major Cabinet Changes. - Anti-Inflationary Legislation. - Strike Movements.

A number of Cabinet changes took place in Chile in the latter half of 1955 and early 1956, mostly arising out of the continuing inflation in the country and disagreement within the Cabinet on methods of dealing with the problem.

The Minister of Economy (Señor Arturo Zúñiga) resigned on Aug. 12, following which the remaining members of the Cabinet also resigned to enable President Ibañez to reorganize the Government. A new Cabinet was completed towards the end of August in which Señor Oscar Palacios (hitherto Minister of Education) became Minister of Economy, and new Ministers were also appointed to the portfolios of Justice, Agriculture, Education, and Land and Colonization.

On Oct. 1 the Minister of Finance (Señor Abraham Pérez) resigned because President Ibañez disapproved of his measures to prevent stock-market speculation, the Finance portfolio being taken over by the Minister of Economy. The Cabinet was again reorganized on Dec. 9 after a number of Ministers had submitted their resignations, new Ministers of Public Works, Agriculture, and Labour being appointed

Señor Oswaldo Koch, Minister of the Interior, who had been a member of every Cabinet formed by President Ibañez since 1952, resigned on Dec. 23 for reasons of health, whilst on Jan. 2, 1956, the Foreign Minister (Rear-Admiral Kaare Olsen Nielsen) resigned to take up an appointment in the Navy. Señor José Serrano Palma was appointed as the new Foreign Minister, but owing to opposition to his appointment by the Liberal Party, whose support the President needed in order to obtain Congressional approval of a Bill to regulate wages and prices, he was obliged to resign after only two days in office and was succeeded by Señor Enrique O. Barbosa Beaza, a well-known lawyer and academician.

As a result of the above-mentioned changes, the membership of the Chilean Cabinet on Jan. 4, 1956, was as follows :

Colonel Benjamin Videla Vergara, Interior ; Señor Enrique O. Barbosa Baeza, Foreign Affairs ; Señor Oscar Herrera Palacios, Finance and Economy , Vice-Admiral Juan Francisco O'Ryan Orrego, Defence ; Señor Santiago Wilson Hernandez, Justice ; Señor Tobias Barros Ortiz, Education ; Señor Adalberto Fernandez Ferreira, Public Works , Señor Aníbal León Bustos, Agriculture ; Señor Mariano Fontecilla Vargas, Land and Colonization , General René Vidal Merino, Labour , Dr Raúl Barros Ortiz, Health , Señor Osvaldo Sainte-Marie Sorucco, Mines.

On Jan. 4, 1956 the Senate approved (by 20 votes to 19) the Government's proposals for dealing with inflation. These proposals, which had been approved earlier by a large majority in the Chamber of Deputies, but had been held up by a split vote in the Senate, " froze " the prices of most commodities at the levels of Nov. 15, 1955 ; drastically restricted credit ; limited the automatic readjustments of pensions ; lowered social legislation benefits ; and modified the existing scale for wage increases. On Jan. 24 the Central Bank published estimates which showed that the cost of living in Chile had risen by 93.1 per cent during 1955 and the early part of January 1956.

A general strike was called by the Central Union of Workers on Jan. 9 in protest against the anti-inflationary legislation, but was called off on the following day owing to lack of support and to the prompt action taken by the Government. Troops had been called out to guard key points in the principal cities and to maintain essential services, and a number of persons—estimated at over 300, and including all the union's leaders—were arrested. In addition, a state of siege (a modified form of martial law) was proclaimed in 20 provinces.

Five provinces had been under a state of siege since Sept. 26 after a strike in the copper mines ; though the miners subsequently returned to work, a new law regulating relationships between the workers and management led to a further strike in the mines on Dec. 14, which only ended on Jan. 7, 1956, after President Ibañez had agreed not to put the law into effect.
(Bank of London and South America, Fortnightly Review - New York Times - New York Herald Tribune - Times - Le Monde, Paris) **(Prev. rep. Chile, 14284 B.)**

A. MOROCCO. — Cabinet formed by Si Bekkai. - Administrative Reforms. - Disorders and Terrorist Activities. - Revival of Riff Revolt. - Legalization of Moroccan Trade Unions. - Meetings between M. Dubois and General Garcia Valino. - Death of El Glaoui. - Political and Economic Reforms in Spanish Morocco. - Statements by General Franco.

Morocco's first Cabinet, in which 15 of the 21 portfolios were held by members of the two leading nationalist parties, was formed on Dec. 7, 1955, by Si Bekkai, the former Pasha of Sefrou. The tasks before the new Government had previously been defined by the Sultan in a public speech on Nov. 18, the 28th anniversary of his accession.

After recalling his recent discussions with the French Government, which had resulted in an agreement on essential principles, the Sultan spoke as follows "We rejoice to be able to announce the end of the regime of wardship and protectorate, and the opening of an era of freedom and independence. . . . The independence towards which our people aspire must not mean a loosening of our links with France, for the friendship between our two countries is deep-rooted and goes back into history. . Our first objective is the formation of a responsible and representative Moroccan Government which will be an authentic expression of the will of the people It will have to carry out three tasks (1) The conduct of public affairs (2) The creation of democratic institutions, freely elected, and based on the principle of the separation of powers within the framework of a constitutional monarchy, granting to Moroccans of all religious beliefs the rights of citizens and the exercise of political and trade union liberties. . . (3) The opening of negotiations with the French Government. . .

"The ideas of liberty and democracy have become so widespread in the post-war world that the conscience of humanity cannot tolerate that independence and dignity should remain the exclusive prerogative of a few peoples only. On the other hand, the problems of the modern world and the interpenetration of interests are driving all countries into closer unity and co-operation, in order to safeguard their patrimony and ensure their security. That is why the Moroccan Government must define, in the course of negotiations, the framework and content of our country's independence and the new relations of interdependence between Morocco and France, on the basis of equality and mutual respect for sovereignty These new relations are not incompatible with the maintenance of our spiritual and cultural links with the other Arab peoples. We wish to see the West take account of the needs and aspirations of these peoples and co-operate with them for the common good of humanity At the conclusion of the negotiations the protectorate will come to an end and Morocco will enter a new era in which it will exercise its sovereignty within the framework of new agreements, and in a spirit of understanding and co-operation with the French Government. . . .

"It is important not to forget that Morocco includes among its inhabitants a considerable number of French citizens, who have contributed to its general progress and particularly to its economic prosperity. We have noted with satisfaction the understanding shown by the majority of them towards our people's aspirations for liberty and independence We desire them all to be reassured regarding their future. We are always ready to guarantee their interests, rights, and personal status, with due respect for Moroccan sovereignty. It is our wish to see Moroccans and Frenchmen co-operating for the prosperity of Morocco and the good of all . . ."

The Sultan accepted on Nov. 22 the resignation of the Council of the Throne and of the Premier-designate, Si Fatmi Ben Slimane, and began consultations with spokesmen of the political parties, the trade union movement, and other bodies with a view to forming a Government. Si Bekkai accepted the Sultan's invitation to form a Government on Nov. 30, and after prolonged discussions succeeded in doing so on Dec. 7, 1955.

The left-wing nationalist Istiqlal, as the largest party, had at first demanded half and subsequently 45 per cent of the seats, whereas the right-wing nationalist Democratic Independence Party (P.D.I) had maintained that the seats should be evenly divided between the Istiqlal, the P.D I., and the independent nationalists. At Si Bekkai's suggestion, a compromise was finally reached whereby the Istiqlal received nine seats and the P.D.I. and Independents six each.

The membership of the Moroccan Cabinet was as follows:

Si M'Barek Ben Mostapha El Bekkai (Independent)	Prime Minister.
Si Mohammed Zeghari (Independent)	Vice-Premier.
Maître Renda Guedira (Independent)	Ministers of State.
Maître Mohammed Cherkaoui (P.D.I.)	Ministers of State.
Maître Abderrahim Bouabid (Istiqlal)	Ministers of State.
Maître Driss M'Hamedi (Istiqlal)	Ministers of State.
Maître Abdelkrim Bendjelloul (Istiqlal)	Justice.
Si Lahcen Lyoussi (Independent)	Interior.
Si Moktar Soussi (Istiqlal)	Religious Foundations.
Maître Abdelkader Bendjelloun (P.D.I.)	Finance.
Si Ahmed Lyazidi (Istiqlal)	Commerce and Industry.
Si Ahmed Ben Mansour Nejai (Istiqlal)	Agriculture.
Si M'Hamed Douiri (Istiqlal)	Public Works.
Maître Thami Ouazzani (P.D.I.)	Industrial Production and Mines.
Dr. M'Hamed Ben Bouchaib (P.D.I.)	Town Planning and Housing.
Si Mohammed El Fassi (Istiqlal)	Education.
Si Abdelhadi Boutaleb (P.D.I.)	Labour and Social Questions.
Dr. Farradj (Independent)	Public Health.
Si Abdallah Ibrahim (Istiqlal)	State Secretary for Information.
Si Ahmed Ben Souda (P.D.I.)	State Secretary for Youth and Sport.
Dr. Benzaquen (Independent)	Posts and Telegraphs.

The various Government departments became Ministries on Dec. 9, and the French directors previously in charge of them became advisers to the new Ministers. The Moroccan Cabinet—most of whose members were drawn from the professional classes—did not include any representatives of the aristocratic families which had previously monopolized the high offices of state, and contained only two former *caïds* (Si Lahcen Lyoussi and Si Ahmed Ben Mansour) Dr. Benzaquen, a Casablanca physician, was appointed to the Cabinet on Dec. 27 as representative of the Jewish community. The average age of the Cabinet was comparatively low, its oldest member (Si Moktar Soussi) being 55 and its youngest (M Thami Ouazzani) only 28 Over half the new Ministers had served periods of imprisonment, detention, or residence under surveillance for their former political activities.

Si Bekkai gave details of his Government's programme in a broadcast on Dec. 13, 1955.

The Government's first task, he said, would be to negotiate a new agreement with France, which, "after having formally announced the abrogation of the Treaty of Fez of 1912, will define the basis of the relationship between the two States" Morocco's independence had already been recognized by France, and it was the Government's "fundamental and unchanging position" that Moroccan sovereignty must be complete Morocco needed French assistance, however, in the fields of defence, the national economy, and technical matters, and there would be a "close, honourable, and fruitful co-operation" between the two countries By its geographical position and its economic needs Morocco was a Western country, but it also belonged to the great Moslem community, and his ambition was to make it "a meeting-place of two civilizations"

The Prime Minister declared that the Government would democratize the country's institutions, reorganize and "purify" the caïdal system of administration, and reform the judicial system, which would be based on the principle of the separation of powers Civil liberties would be restored, implying the raising of the state of siege, agricultural workers would be granted trade union rights; and measures would be taken for the development of industry, agriculture, education, and housing, the improvement of working conditions, and the modernization of the countryside. In conclusion, the Prime Minister appealed to the Moroccan people to assist the Government by maintaining order.

One of the first measures of the new Government was a decree, issued on Dec. 19, dividing Morocco for administrative purposes into two autonomous cities (Rabat and Casablanca) and 13 regions (Meknès, Fez, Taza, Oujda, Agadir, Safi, Mazagan, Beni-Mellal, Marrakesh, Ouarzazate, Rabat, Tafilet, and Chaouia), each of which was placed under an *amel* (plural *oumal*), or governor. The *oumal*, who were appointed on the same day, included Si Fatmi Ben Slimane and Si Tahar Ou Assou (a former member of the Council of the Throne), who were appointed governors of the Fez and Safi regions respectively. No appointments were made for the Marrakesh and Ouarzazate regions, which fell within the sphere of influence of the Pasha of Marrakesh, El Glaoui.

This reorganization of the administration was made necessary by the fact that the Sultan's restoration had undermined the authority of those pashas and *caïds* who had supported the ex-Sultan Ben Arafa In consequence, certain rural areas had lately lapsed into semi-anarchy; tribesmen had refused to pay taxes, many *caïds* had been driven away, and a number had been murdered. To restore governmental control throughout the country, the *oumal* were given responsibility for the maintenance of order, and were also required to supervise the conduct of the pashas and *caïds* in order to prevent any abuse of their authority The Ministry of the Interior emphasized that no activities calculated to disturb public order would be tolerated; that all taxes must be paid regularly, and that officials guilty of corruption or misappropriation would be severely punished.

The Sultan appointed on Jan. 12 new pashas for the towns of Meknès, Port-Lyautey, Agadir, and Azemmour, as well as 14 new *caïds*, to replace former supporters of Ben Arafa who had been dismissed.

A general amnesty had been issued by the Sultan on Dec. 2 for all prisoners sentenced by the Sherifian courts on political charges since January 1954. The Resident-General, M. Dubois, had previously announced that all political prisoners and certain common-law prisoners who had been sentenced by the

Sherifian courts to terms of two years or less would be released; that the sentences on other prisoners would be reduced; and that the cases of prisoners condemned by French or military courts would be examined in Paris.

Dr Causse, M. Mattei, and M Cambiazo (leading members of the *Présence Française*), as well as Maitre Legrand (a prominent pro-nationalist lawyer), all of whom had been expelled from Morocco following the July riots in Casablanca (see 14473 A), were granted permission to return on Dec. 21

Other recent developments in Morocco are described below under cross-headings.

Policies of Nationalist Parties.

The executive of the Istiqlal, at the conclusion of a four-day meeting in Madrid, issued a policy statement on Nov. 21 expressing support for the main lines of the Sultan's speech of Nov. 18, and calling for the abolition of the protectorate system set up by the Treaty of Fez.

The statement said that the Istiqlal took the side of "the exploited and oppressed classes, that is, the workers, peasants, and small traders," and rejected "any economic conception based on profit alone." The statement was signed by Si Allal El Fassi (the party leader, who had refused to return to French Morocco until independence was achieved), Hadj Ahmed Balafredj (the secretary-general), Si Mohammed Lyazidi (a brother of Si Ahmed Lyazidi), M Bouabid (Minister of State), and Hadj Omar Abd-el Djellil

An Istiqlal party congress held at Rabat on Dec. 2-4 adopted resolutions demanding the abrogation of the Treaty of Fez, the conclusion of an agreement with France recognizing Morocco's full independence, including the right to diplomatic representation and a national army, wage increases, agrarian reforms, and other measures to raise living standards; the lifting of the state of siege and other restrictions on civil liberties, equal rights for women, including the right to vote and to hold public office; equality of treatment for all citizens, regardless of race or creed; and full civic and political rights for the Jewish community. A notable feature of the congress was the active part played by women delegates, all of whom were unveiled and some of whom wore European dress.

At a press conference on Nov. 17, M. Bendjelloun defined the policy of the P.D I., which, he said, would demand diplomatic representation for Morocco, the formation of a Moroccan army and police force, the admission of Morocco to the U.N., and the opening of negotiations between France and Spain "in order that the whole of Morocco's territory may recover its independence." He added that the United States had no right to establish bases in Morocco without the Sultan's consent, and that the P.D.I. would demand the opening of negotiations "so that these bases may be regularly installed."

After a number of clashes between members of the Istiqlal and the Democratic Independence parties (one of which resulted in the death of several people and injuries to over 30), and after an appeal by the Sultan, who severely condemned such inter-party strife, a conference of representatives of the Istiqlal, the Democratic Independence Party, the National Reformist Party, and the Party of Unity and Independence was held on Jan. 28. It adopted a resolution, subsequently signed at the Imperial Palace in the presence of the Sultan, providing for the setting up of a four-party "committee of conciliation and union" to settle inter-party disputes and to reinforce a "fraternal spirit" between all Moroccan patriots.

Disorders and Terrorist Activities.

Despite the Sultan's return, local disorders continued throughout the latter half of November and during December and January.

At Rabat on Nov. 19, the Khalifa (deputy pasha) of Fez was killed in the courtyard of the Sultan's palace, together with his bodyguard, after he had drawn his revolver on a threatening crowd, a *caïd* and a sheikh were murdered by members of their respective tribes, and five other "collaborators," including two *caïds*, were seriously injured All these incidents were attributed to tribesmen who had entered Rabat to pay homage to the Sultan, and who were less amenable than the townspeople to the discipline imposed by the militias maintained by the big political parties To prevent further violence, the Sultan announced that he would receive no more deputations, and issued an appeal for order.

In Casablanca three Moroccans were fatally wounded on Nov. 19 when guards used tear-gas to suppress a mutiny of political prisoners A general strike in the city was called as a protest on Nov. 22—the day of their funeral, which was attended by over 100,000 people—without any incidents occurring

In southern Morocco serious riots, in which three Moroccans were killed and nine injured by police fire, occurred at Marrakesh on Dec 5, following the funeral of a Moroccan who had been found murdered and whose death was popularly attributed to Europeans. Troops which had been sent on Jan. 9 to El-Kelaa (60 miles E of Ouarzazate), where rioting had recently taken place, opened fire when stoned by the crowd, five people being killed. In the Oulmes mountains (70 miles S.E of Rabat), an area which had hitherto remained peaceful, about 15 men attacked a forestry post during the night of Jan. 15-16, and killed a French forestry official.

Numerous incidents were also reported from north-eastern Morocco, where some 200 *fellaghas* were believed to be operating with the aim of encouraging the turbulent Beni-Snassen tribe to revolt and thereby to establish a continuous "front" from the Riff area to Algeria, as a result, the number of terrorist acts in the Beni-Snassen country during October and November reached 98, as against 84 during the whole of the previous nine months. In other parts of N E Morocco, a French patrol was ambushed near Berkane on Dec. 3, and a wounded rebel, together with his two guards, was carried off from the hospital at Berkane during the night of Dec 5-6 by a uniformed commando of about 30 men Near Taforalt the house of a *caïd* who had supported Ben Arafa was attacked during the night of Dec 8-9, one of his guards being killed, and a police officer was killed during an attack on a police post on Dec 19 In the Oujda area an armed band attacked on Jan. 16 the house of the French director of a rural development scheme, who was murdered together with his wife

Ten murders took place on Jan 15-16 in different parts of Morocco, five of them in Casablanca, whilst on Jan. 17 a Frenchman was shot in Casablanca and a French soldier and a Jewess were murdered at Fez. The Sultan and the Cabinet issued a statement on Jan. 18 denouncing these crimes and saying that their authors had "made clear their criminal determination to disturb the atmosphere of confidence in the country on the eve of the negotiations which are about to open between France and Morocco."

The *Agence France-Presse* reported on Nov. 21, 1955, that over 6,000 acts of terrorism had occurred between the Sultan's deposition on Aug. 20, 1953, and his return to the throne, as a result of which 710 persons (including 103 Europeans) had been killed and about 2,000 injured, 460 of whom were Europeans. An official estimate of the number of terrorist acts in recent months was given on Dec. 12 as follows: August, 822; September, 613; October, 536; November, 386. During November one European and 79 Moroccans were killed and 33 Europeans and 107 Moroccans were injured.

The Riff Revolt.

The general unrest among the tribes was particularly marked in the Riff area, where there was also a flaring-up of *fellagha* attacks.

The most serious incident since the beginning of the Riff uprising occurred on Nov. 25, when about 100 rebels ambushed a French force escorting an ambulance between Tizi Ouzli and Aknoul; 19 soldiers and at least five insurgents were killed, and eight soldiers wounded French casualties in the Riff from Oct 1 - Dec. 1 were given on Dec. 3 as 101 killed and 173 wounded.

General Agostini was appointed on Nov 26 to the command of this area, where 15,000 French troops were said to be operating. The rebels, who were helped by the almost inaccessible mountainous terrain, were believed to number about 2,000, under the command of Mohammed el-Khabouchi, a former company-sergeant-major in the French Army, who had served in Indo-China and had been taken prisoner at Dien Bien Phu

After an interval during which only minor skirmishes were reported, the insurgents began a new offensive on Dec 29. They unsuccessfully attacked the post of Beni-Ouled, after blowing up bridges and cutting telephone lines in the area, but succeeded in overrunning the frontier posts of Bab-Mareklo and Taounate-El-Kchourne during the night of Dec 31 - Jan 1. In the fighting, which was spread over a 95-mile front, the rebel bands suffered heavy casualties, 56 being killed in an action at Tizi-Ouzli on Dec 29. General Agostini launched a large-scale operation on Dec. 31, with artillery and air support, in which the two posts were recaptured

Violent fighting again broke out in the Riff on Jan. 28 when a battalion of the Foreign Legion clashed with a rebel band some 300 strong north of Taza, the engagement being the bitterest since October last In fierce hand-to-hand fighting at least 40 rebels and 18 Foreign Legionaries were killed, but with darkness falling the rebels broke off the fight and made off into the hills, carrying away a number of their dead and wounded. Jet fighters and bombers of the French Air Force attacked the rebels on Jan. 30, and more troops were moved up to the high barren mountains The French military authorities connected the increased rebel activity with a recent meeting held at Nador by North African nationalists, in the course of which it was decided to intensify operations in Eastern Morocco and on the Algerian-Moroccan border

Legalization of Moroccan Trade Unions.

A prominent part in the negotiations before the formation of the Cabinet was taken by the *Union Marocaine du Travail* (U.M.T.), or Moroccan Workers' Union, which, however, decided against accepting representation in the Government. This organization had been formed on March 20, 1955, when Moroccan trade unions were still prohibited, but was legalized by a decree issued on Sept. 19.

Although Moroccans had been forbidden since 1938 to organize or join trade unions, this prohibition was largely evaded in practice as many Moroccans joined European unions. A draft decree permitting the formation of Moroccan unions, on condition that all executive offices were held by Europeans, was rejected in 1948 by the Sultan, who two years later appealed to the French Government to grant Moroccans full trade union rights The *Union Générale des Syndicats Confédérés du Maroc* (affiliated to the Communist-led

C G T. in France) was formed in 1951, but ceased to exist after the arrest of its leaders on charges of complicity in the Casablanca riots of December 1952 (see 12643 A). The investigating magistrates of the French military court found on Sept 27, 1954, however, that no case had been established against 51 of the nationalist and trade union leaders arrested at that time, and ordered their release

The conference on March 20, 1955, at which the U M.T. was formed, decided that it should be independent of all the existing French trade union federations. It elected a purely Moroccan executive, with M Ben Seddik as general secretary, adopted a resolution emphasizing that the U M T. was intended to unite all the workers of Morocco, irrespective of religion, nationality, or race, and voted in favour of affiliation to the International Confederation of Free Trade Unions. The Casablanca dock-workers, both French and Moroccan, subsequently announced on April 19 their decision to join the U.M.T. The Moroccan section of the C G T dissolved itself as from Jan 1, 1956, and appealed to its members to join the U.M.T.

After consultation between the French authorities and the U M.T. leaders, a decree granting to Moroccans (except agricultural workers) the right to organize and belong to trade unions was issued on Sept 19, 1955. A second decree promulgated on Sept 28 provided for the election, in all enterprises with more than 50 employees, of workers' delegates empowered to negotiate on wages and working conditions and to co-operate with the management in the administration of welfare schemes Government and municipal employees were excluded from the scope of the decree, and it was stated that the date of its entry into force, and the method of its application as regards agricultural workers, would be announced later

Death of El-Glaoui.

The Pasha of Marrakesh, who had recently undergone a serious operation, resigned his post on Jan. 13 and died on Jan 23, 1955.

Sidi Hadj Thami Ben Mohammed El Glaoui (who was over 80) was born at Telouet, in the Great Atlas, the son of a Berber chief claiming descent from Mohammed. In his youth he took part in tribal wars which brought a large area south of the Atlas under the domination of the Glaoui tribe, and was appointed Pasha of Marrakesh and many of the surrounding areas in 1908, after a revolt led by his elder brother had caused the abdication of Sultan Mulai Abdul Aziz and the enthronement of Sultan Mulai Hafid, Following the establishment of the French protectorate in 1912, El Glaoui consistently supported French interests, helped to suppress Berber revolts, and maintained order when French troops were withdrawn during the 1914-18 war. In 1952 he declared for the Allies after the landings in North Africa, and in consequence was allowed to retain control of the police and the administration of justice in Marrakesh, to levy taxes, and to maintain a private army. His influence was increased by his great wealth, derived mainly from his large agricultural estates and from mining interests.

After a quarrel with Sultan Mohammed V (the official title of Sultan Ben Youssef) in 1950 he emerged as the leader of the "traditionalists," and in 1951, by sending a large force of Berber tribesmen against Fez and Rabat, compelled the Sultan to dismiss his nationalist advisers. In May 1953 he launched an agitation for the Sultan's deposition, which culminated in August in the latter's exile and the enthronement of Ben Arafa. The nationalists replied with a terrorist campaign, during which an attempt was made on El Glaoui's life The Marrakesh riots of July 1955, and the Middle Atlas rising in the following month, showed that his influence had been undermined, and on Oct. 25 he publicly announced his support for the restoration of Mohammed V, to whom he subsequently appealed for pardon

Relations between French and Spanish Morocco.

The French High Commissioner in Morocco, M. Dubois, and the High Commissioner of Spanish Morocco, Lieut.-General Garcia Valino, met for discussions on Jan. 10 at Palafito, in the Spanish zone. A joint communiqué stated that the talks had taken place in an atmosphere of "cordiality and mutual understanding"; that they had considered questions affecting both zones, and particularly the situation in the Riff; that General Garcia Valino had informed M. Dubois of the Spanish Government's intention to introduce "political reforms which will permit, by a parallel development, the independence of Morocco to be assured, while safeguarding the legitimate interests of the two Powers"; and that he had accepted an invitation to meet M. Dubois shortly in the French zone. The meeting was the first to be held between the French and Spanish representatives in Morocco since January 1953.

Nationalist Agitation in Spanish Morocco. - Political and Economic Reforms.

From November, 1955, onwards demands for the unity and independence of Morocco were put forward by the two nationalist parties operating in the Spanish zone—the Reformist Party and the Unity and Independence Party.

A delegation from the latter party was received by Sultan Ben Youssef on Nov. 28, and subsequently issued a communiqué expressing the hope that "Spain, which has never ceased to give promises to the Moroccan people, will carry out those promises now that France has recognized the principle of Moroccan independence" M Abdelkhalek Torres (leader of the Reformist Party and Minister of Social Affairs in the Khalifa's Cabinet) issued on Dec. 10 a joint statement with Si Allal El Fassi, who was then visiting Tetuan, in which they appealed to the Spanish Government to "take the measures which are now called for to help in the attainment of Morocco's independence and territorial integrity."

General Franco declared on Nov. 30, in an interview with U.S. journalists, that it would be a "grave error" to introduce a democratic system in Morocco, as France appeared to be doing; he added that political evolution must be brought about gradually, "as we are doing in our zone," until the Moroccans were ready to govern themselves. In a further statement on Dec. 15 he said that it would be contrary to the interests of the Moroccan people to introduce "the trickery and internal strife of political parties on the European model," and that democracy would open the door to Communism. General Garcia Valino announced on Dec. 19 that he would "increase the responsibilities of Ministers of the native Government and intensify the transfer of administrative powers to Moroccans," but added that "several long and complex stages" must be passed through before Morocco achieved complete unity and independence.

General Franco's statements aroused strong dissatisfaction in Spanish Morocco. Sheikh Mekni Naciri, the leader of the Unity and Independence Party, said on Jan. 2, 1956, that they had caused "stupefaction in Arab circles" and that the Moroccans were "beginning to feel reserved as to Spain's policy in Morocco." M. Torres and Si Abdallah Guennoun (Minister of Justice) resigned from the Khalifa's Cabinet on Jan. 9, and the Khalifa himself issued a statement expressing the hope that General Franco would make as soon as possible "a declaration recognizing the independence and territorial unity of Morocco and the sovereignty of the Sultan."

The Spanish Government issued on Jan. 13 a statement announcing its decision "(1) to make known its firm intention to continue to defend, with the authority of the legitimate Sultan Mohammed V, the unity of the Empire and the independence of Morocco; (2) to supply, in agreement with the Khalifa and in collaboration with the Moroccan Government and authorities, the means of attaining the self-government of the zone by its natural authorities in an orderly and peaceful manner; (3) to continue to assist and co-operate with the Moroccan people, so as to ensure that neither Communism nor any other form of subversion will be able to disturb the peaceful execution of this task; (4) to follow attentively the development of the general situation in Morocco, as well as the policy pursued in the neighbouring zone [i.e., French Morocco], so as to realize the aspirations of the Moroccan people without injuring Spain's legitimate interests."

In statements made on Jan. 17-19, the National Reformist Party, as well as Si Abdallah Guennoun, expressed their willingness to accept a separate Government in the Spanish zone and to co-operate with the Spanish authorities, on the understanding that such a Government would be of a transitional character pending the realization of the independence and unity of the whole of Morocco.

A decree promulgated in Madrid on Jan. 28 authorized General Garcia Valino to reorganize his administration in such a way as to transfer governmental powers progressively to Moroccans, under the authority of the Khalifa. General Franco's previous assent was required for any such measure.

A new economic and financial charter for the Spanish possessions in Morocco, including the ports of Ceuta and Melilla, came into operation on Jan. 1 under a law approved by the *Cortes* in December.

The preamble, which described these territories as of "inalienable Spanish sovereignty," said that Spain had the obligation to develop the "exceptional natural advantages" of Ceuta and Melilla by converting them into modern commercial and industrial centres, bearing in mind "the possible consequences of today's decisions on the more or less near future, not only in these territories but also with regard to the evolution of the neighbouring peoples and the permanent influence of Spain in North Africa"

The most important feature of the charter was that the free Customs zone, previously confined to the port areas of Ceuta and Melilla, was extended to the whole of Spanish Morocco, thus facilitating the establishment of processing industries for foreign materials imported duty-free without losing their nationality of origin and intended for re-export abroad. To attract capital, the taxes on profits obtained in the territories were reduced by 50 per cent, and relief was given from some other levies Provision was also made for an extensive programme of public works.

Melilla has been Spanish since 1496, and Ceuta since 1581.
(Le Monde, Paris - Le Figaro, Paris - A.B.C., Madrid)

(Prev. rep. Morocco, 14528 A.)

A. UNITED KINGDOM. — Labour Party. - Mr. James Griffiths elected Deputy Leader. - Working Parties to report on Party Policies.

Mr. James Griffiths was elected deputy leader and vice-chairman of the Parliamentary Labour Party on Feb. 2, receiving 141 votes against 111 for Mr. Aneurin Bevan, with 23 Labour M.P.s not voting. The deputy leadership became vacant after the resignation of Mr. Herbert Morrison.

Mr. Griffiths (65), a former miner, and onetime president of the South Wales Miners' Federation, has represented Llanelly since 1936 and has been a member of the National Executive of the Labour Party since 1939. He was Minister of National Insurance from 1945-50 and Secretary of State for the Colonies in 1950-51.

The two vacancies on the Parliamentary Committee of the Labour Party (the "shadow Cabinet"), resulting from the election of Mr. Gaitskell and Mr. Griffiths as party leader and deputy-leader, were filled—in accordance with party procedure—by the two runners-up in the "shadow Cabinet" election of October last: Mr. Kenneth Younger (a former Minister of State at the Foreign Office) and Mr. Tom Fraser (a former Under-Secretary of State for Scotland). Mr. Gaitskell and Mr. Griffiths are *ex-officio* members of the "shadow Cabinet" in their new capacities.

At a press conference on Nov. 24, Mr. Griffiths had announced that special studies of a number of subjects would be carried out by working parties, including representatives of the T U C, which had already been set up. These working parties would report to the party conferences during the next few years, and their reports, if approved by the party, would form the basis of the Labour Party's electoral programme. Three subjects would be given priority for the next (1956) conference—studies of "equality," of "the individual and society," and of housing. Four more reports (on social security and old age, publicly-controlled industries, ownership of industry, and control of industry) would be presented to the 1957 conference, and the remaining three—on "the atomic and automative age," agriculture, and education—to the 1958 conference. Mr. Griffiths explained that the new studies would be a continuation and extension of the policies embodied in the previous policy statement, *Challenge to Britain*, and the election manifesto, *Forward with Labour*, and that existing policy covered in those documents would remain unchanged for the time being.

Mr. Morgan Phillips (the party secretary) announced on the same day that the National Executive had agreed to set up two new sub-committees to deal respectively with party organization in the regions and with the organization of young people. He explained that, with the concurrence of Mr Harold Wilson, the National Executive had decided not to create a special standing sub-committee on party organization, such as had been proposed in the Wilson Report on party organization. It was subsequently announced that Mr. Wilson had been appointed chairman of the Organization Sub-committee, and Miss Alice Bacon chairman of the Executive's Publicity and Political Education Sub-committee (a new body).

The National Executive decided on Jan. 25 that Mr. Hugh Gaitskell should continue to hold the post of treasurer of the Labour Party, concurrently with that of party leader, until the next annual conference in October. Mr. Morgan Phillips recalled that a precedent existed in the case of Mr. Arthur Henderson, who had simultaneously held the positions of leader, treasurer, and secretary of the party.—(Daily Herald) **(Prev. rep. Mr. Gaitskell, 14583 A; Wilson Report, 14468 A; Margate Conference, 14515 A.)**

B. ISRAEL. — Protest to Soviet Union.

The Foreign Minister of Israel (Mr. Sharett) made a strong verbal protest on Dec. 30 to the Soviet Ambassador in Tel-Aviv (M. Abramov) at M. Khrushchov's references to Israel in his speech to the Supreme Soviet on Dec. 29 (see page 14655, second column). No details were made public, but it was stated in the Israeli press that the Government of Israel took particular exception to M. Khrushchov's statement that Israel had adopted a "hostile and threatening" policy towards her neighbours since the State came into existence, and that she had allowed herself to be used by "imperialist Powers" as their "instrument against the Arab peoples." It was understood that Mr. Sharett had warned the Ambassador that M. Khrushchov's remarks could be construed as a direct encouragement to the Arab States to attack Israel.
(Times - Le Monde, Paris) **(Prev. rep. 14654 A.)**

C. YUGOSLAVIA. — U.K. and Turkish Requests for Clarification of Marshal Tito's Criticism of Baghdad Pact.

The British and Turkish Ambassadors in Belgrade (Sir Frank Roberts and M. Sadi Kavur) called at the Yugoslav Foreign Ministry on Jan. 14 to request a clarification of President Tito's criticisms of the Baghdad Pact, made after his return from his visits to Egypt and Ethiopia. No official statement was issued, but it was understood that satisfactory assurances had been received.—(Daily Telegraph - Le Monde) **(Prev. rep. President Tito, 14659 A.)**

D. BAGHDAD PACT. — Inaugural Meeting of Economic Committee. - Anglo-Iraqi Agreement on Disposal of U.K. Property in Iraq. - Abolition of Visas between Turkey and Pakistan.

The inaugural meeting of the Economic Committee of the Baghdad Pact was held in Baghdad on Jan. 10-11 under the chairmanship of Mr. A. H. Ebtehaj (Persia), and was attended by delegates from Iraq, Pakistan, Persia, Turkey, and the United Kingdom, and also by U.S. observers. The Committee agreed that, in order to secure joint consideration of the economic problems affecting the area, special studies should be made by working parties in a number of fields, including trade relations, communications, agriculture and land use, joint development projects, technical education and training, health, and other matters. It was also agreed to propose to the Council of the Baghdad Pact the establishment, with British assistance, of an atomic energy training centre in Baghdad for the benefit of all member-countries.

Lord John Hope, Joint Parliamentary Under-Secretary, Foreign Office, announced in the House of Commons on Dec. 21, 1955, that an exchange of Notes between Britain and Iraq regarding certain matters arising from the special agreement of April 4, 1955 (see 14137 A) had been signed in Baghdad on the previous day.

He recalled that it had been agreed that certain property in Iraq was to be handed over to the Iraqi Government and paid for at its *in situ* value, and said that as a result of subsequent negotiations the value of this property had been agreed at £2,755,000. The two countries had decided that their common interest in the defence of the area would best be served if Britain waived the payment of this sum and Iraq, in return, undertook to devote in the years 1956 and 1957 at least £2,000,000 to the purchase in the U.K. of arms, equipment, and defence stores, and the remainder to expenses connected with the training of Iraqi forces in co-operation with British forces. The Iraqi Government had also undertaken to make available in Iraq, free of charge, certain facilities for the British armed forces. Lord John Hope added that these measures were designed to strengthen the close connexion between the British and Iraqi forces and thereby to consolidate the new defensive association of the Baghdad Pact.

A Turkish-Pakistani agreement abolishing visas for travel between the two countries was signed on Jan. 7.—(Times - Board of Trade Journal - Pakistan High Commissioner's Office, London) **(Prev. rep. Baghdad Pact, 14565 A.)**

E. UNITED STATES. — Central Intelligence Agency. - Appointment of Reviewing Committee.

The appointment of a part-time "watchdog" committee to keep under review the activities of the Central Intelligence Agency, and other departments concerned with gathering security information, was announced by President Eisenhower on Jan. 18.

The members of the committee were Dr. James R. Killian jr., president of the Massachusetts Institute of Technology (chairman); Admiral Richard L. Conolly, president of Long Island University; Lieut.-General James H. Doolittle; Mr. Benjamin F. Fairless, director of the United States Steel Corporation, General John E. Hull, former Commander of the U.S. Forces in the Far East, and now president of the Manufacturing Chemists Association; Mr. Joseph P. Kennedy sr, former Ambassador to Britain; Mr Robert A. Lovett, former Secretary of Defence and Under-Secretary of State, and Mr Edward L Ryerson, chairman of the executive committee of the Inland Steel Corporation.

The setting-up of such a committee was one of the recommendations made by the Hoover Commission on the Organization of the Executive Branch of the Government, which had published a report on the U.S. intelligence services on June 28, 1955. The commission had noted "administrative deficiencies" in the Central Intelligence Agency and had urged an internal reorganization of the C.I.A. It had also expressed "deep concern" about the lack of intelligence data from the Soviet Union and other Communist countries.—(New York Times - New York Herald Tribune) **(Prev. rep. C.I.A., 12701 A; Hoover Commission, 14364 A.)**

F. CEYLON. — Prime Minister's Home donated to Orphan Children of Ceylon.

The Ceylon Government Information Department announced in December last that the Prime Minister of Ceylon, Sir John Kotelawala, was to make a gift of his Colombo home, Kandawela, to the orphan children of Ceylon, irrespective of caste, creed or race. The income from the Kandawela estate, nearly 10,000 rupees a month, would go to finance a Home for the orphan children of Ceylon on the lines of Dr. Barnardo's Homes in Britain.

(Ceylon Government Information Department, Colombo)

FEBRUARY 4—11, 1956

A. FRANCE. — M. Guy Mollet forms "Republican Front" Government. - Socialist and Radical Coalition. - M. Mollet's Policy Statement. - Vote of Investiture by National Assembly. - M. Mollet's Visit to Algeria. - French Settlers' Demonstrations against Appointment of General Catroux as Resident Minister. - Resignation of General Catroux. - M. Lacoste appointed Minister Governor-General in Algeria.

The newly-elected National Assembly met for the first time on Jan. 19 under the chairmanship of M. Marcel Cachin, the 86-year-old Communist leader, who presided as *doyen d'âge* pending the election of the President of the Assembly. M. Cachin opened the new Parliament with a speech in which he called, *inter alia*, for the formation of a "Popular Front" Government, increased social security benefits, and recognition of the right of colonial peoples to administer their own affairs.

An official list of party affiliations in the new National Assembly, differing only slightly from the figures issued by the Ministry of the Interior after the elections (see 14625 A), was published on Jan. 25 in the *Journal Officiel*, and is reproduced below. It excludes the 30 deputies still to be elected in Algeria, as well as one result (for French Oceania) still outstanding from the overseas territories. The figures include deputies who are *apparentés* (affiliated) to the various parties:

Communists and *progressistes*	150
Socialists	95
Radicals	58
U.D.S.R. and *Rassemblement Démocratique Africain* (R.D.A.)	19
R.G.R. and *Centre Républicain*	14
M.R.P. (Popular Republicans)	73
Overseas Independents	10
Independents and *Paysans d'Action Sociale*	83
Paysans	12
Social Republicans (Gaullists)	21
Poujadists	52
Non-inscrits (unaffiliated)	6

Notes. (1) The Communist figure of 150 deputies comprises 144 Communists, 5 *Progressistes* affiliated to the Communists, and one deputy affiliated to the *Progressistes*.

(2) The total Radical and affiliated strength is 91, comprising 58 "Mendesian" Radicals (the left-wing of the Radical Party, led by M. Mendès-France), 19 U.D.S.R. and R.D.A. deputies (supporting M. Mendès-France), and 14 R.G.R. deputies (the Radical right-wing led by M. Edgar Faure, the outgoing Prime Minister). Owing to the split between the two wings of the Radical Party, the R.G.R. will, in effect, follow an independent policy in the National Assembly.

(3) The *Journal Officiel* described the Overseas Independents as *apparentés* to the M.R.P., giving the latter party a total voting strength of 83 in the Assembly.

(4) The "Moderate" (Conservative) parties—Independents, Independent *Paysans*, and Dissident Gaullists—formed themselves into a group under the designation *Indépendants et Paysans d'Action Sociale* (see below). The *Journal Officiel* described the 12 *Paysan* deputies as affiliated to this group, thus bringing the total voting strength of the *Modérés* to 95—equivalent to that of the Socialists, and making these two parties the largest in the Assembly after the Communists.

(5) The Poujadists (who include one *apparenté*) took the official designation of *Union et Fraternité Française* (UFF), by which name they will be known in the Assembly.

(6) The *non-inscrits* include the three deputies of the right-wing *Rassemblement National* group. They also include the deputy who was returned for New Caledonia on Jan. 8 as an Overseas Independent, but who was not officially listed as such in the *Journal Officiel*.

M. André Le Troquer (Socialist) was elected President (Speaker) of the National Assembly on Jan. 24, after three ballots, in succession to M. Pierre Schneiter (M.R.P.), who presided over the former Assembly.

On the first two ballots no candidate succeeded in obtaining the absolute majority required for election, the figures on the first ballot being: M. Schneiter (M.R.P.) 212, M. Cachin (Communist) 145, M. Le Troquer (Socialist) 133, and M. Ruf (Poujadist) 57. The Communists then announced that they would support M. Le Troquer, the vote on the second ballot being: M. Le Troquer 279 (two less than the absolute majority needed), M. Schneiter 217, M. Ruf 56. On the third ballot (in which only a relative majority was required) M. Le Troquer received 280 votes against 205 for M. Schneiter, and was accordingly elected. [A biography of M. Le Troquer is given in 13359 A.]

Six Vice-Presidents of the Assembly were elected, as follows: M. Garaudy (Communist); M. Lacoste (Socialist); M. Bruyneel (Independent), M. Konaté (U.D.S.R.-R.D.A.), a deputy from the French Sudan, M. Liquard (Social Republican), and Mme. Vaillant-Couturier (Communist).

M. Le Pen (Poujadist) maintained that his party was entitled to one of the vice-presidential posts on the basis of its representation, and asserted that the Assembly had departed from its usual procedure of allotting these posts between the parties on a proportional basis. By 387 votes to 160, however, the Assembly defeated a Poujadist motion asking it "not to give consideration" to the vice-presidential appointments.

Prior to the inaugural session of the new National Assembly, the various political parties had held meetings to define their policies in the new Parliament. The most important decision was that of the Socialists and Radicals to co-operate in forming a "Republican Front" Government, based upon a coalition of the Socialist Party, the "Mendesian" Radicals, and the U.D.S.R. group.

Socialists. A congress of the Socialist Party (Jan. 15) unanimously approved a motion calling for a "Republican Front" Government without alliances with either "the representatives of reaction" (i.e. the parties of the Centre and Right) or "the enemies of democracy" (i.e. the Communists and Poujadists). Reviewing the various kinds of Government that could theoretically be formed, M. Mollet said that the parties of the Right and Centre did not have a sufficient majority to form an administration, whilst the democratic parties of the Left would be unable to form any "Popular Front" Government which did not depend either on Centre or on Communist support. Were the Communists to be included in a "Popular Front" Government, there was every reason to expect that they would try to sabotage it from within, as they had sabotaged M. Léon Blum's Government in 1936-37. A Government of national union was also out of the question because the Socialists could not co-operate with parties whom they had denounced for their "disastrous" policies in the past. The only solution, therefore, M. Mollet concluded, was a "Republican Front" Government comprising the Socialists, Radicals, and affiliated groups.

The short-term aims of such a minority Government, M. Mollet declared, should be the establishment of budgetary stability; an increase in the purchasing power of wage-earners by increasing the minimum wage and gradually abolishing the differentiation between minimum wage-levels in various parts of France, the introduction of three weeks' paid holiday a year, instead of the present official fortnight, and tax reforms for the benefit of small shopkeepers. The Government would also have to face the problems of reforming the Constitution and the electoral system, although these could be left to the Assembly and not necessarily to Government initiative. The Socialist Party would unanimously support the abrogation of the *Loi Barangé* providing for the payment of subsidies to Catholic schools, but the defence of the principle of *laicité* must not be allowed to take on an anti-religious character. Finally, the problem of Algeria had to be solved, and this could only be done by negotiations with an Algerian Assembly freely elected by a single college of voters. Such a solution must pay due regard to the rights of minorities, and particularly of the European minority.

Radicals. The executive committee of the Radical Party, meeting on Jan. 16, approved the formation of a "Republican Front" Government with the Socialists, and gave full support to a three-point programme (put forward by M. Mendès-France) comprising (1) a settlement of the Algerian problem by free elections to be held within six months, (2) constitutional reforms; and (3) reform of the electoral law of 1951. M. Mendès-France stressed that no alliance was possible with the Communists, in view of fundamental differences on questions of foreign policy, electoral and constitutional reform, and North Africa.

The committee also confirmed the exclusion from the party of M. Edgar Faure, subject to confirmation by the next party congress in October. M. Faure, who attended the meeting, reiterated that he had had no obligation to seek the party's approval for decisions taken in his capacity as Prime Minister, nor had he been under any obligation to submit to party discipline at the time when he held the Premiership.

M. Mendès-France subsequently had conversations with M. Mollet at which full agreement was reached on the policy to be pursued by a "Republican Front" Government.

Moderates. The deputies of the "Moderate" parties unanimously agreed on Jan. 18 to form a single group in the Assembly under the name of the *Indépendants et Paysans d'Action Sociale*. M. Antoine Pinay (Foreign Minister under M. Faure) was unanimously elected leader of the group, which, it was stated, would "place the interests of France above all else."

M.R.P. The national committee of the M.R.P. passed a resolution recommending the formation of a Government based upon "the necessary union of Republicans", disapproving of any form of minority Government; and opposing the formation of any "Popular Front" Government which included the Communists.

Poujadists. A three-day conference of the U.D.C.A., held at the Vélodrôme d'Hiver in Paris on Jan. 14-16, ended with the adoption of motions reiterating the party's demand for the convening of a "States-General" (without, however, precisely defining this body) and for economic and financial reforms to benefit the shopkeepers, artisans, and "small men." No definite statements of policy were issued on other matters—e.g., on Algeria, electoral reform, etc.

M. Poujade reiterated that the U.D.C.A. would not act as "saboteurs" in the National Assembly; again denied that he was in any way a Fascist; and declared that his movement was "attached to democratic institutions—but they must be clean." He insisted that the Poujadist deputies were "professional and syndical," and

declared that "once we have achieved fiscal reform and the convocation of a States-General, our deputies will consider that our task is ended and will go home." In reply to questions, M. Poujade said that candidates of his movement, including Moslems, would stand in the Algerian elections, and that Poujadist branches would be formed in the overseas territories

Addressing the Foreign Press Association in Paris on Jan 18, at a luncheon at which he was guest, M Poujade declared that his party were not opposed to taxation but had been "driven to action" by an "unjust and antiquated" system of taxation which, he alleged, benefited the rich and hit the "small man" severely He strongly denied that his movement was activated by racial hatred, declaring in this connexion ·

". . The Constitution of the First Republic guaranteed equality to all citizens If the authors of the Declaration of the Rights of Man were Fascists, I shall accept that designation for myself . Racialism—which means the exaltation of a race—is impossible here. France is a melting-pot of many races . I have attacked Jewish Ministers because they were Ministers, not because they were Jews. I have never denied the right of Mendes-France to govern the country if he can get a mandate for it . . I have attacked others —such as Pinay and Bidault—just as violently, and the Vatican has made no complaint." M Poujade added that there were Jews in his movement, and that he had written to the Chief Rabbi of France to assure him that he was not anti-semitic. Asked whether he approved of a violently anti-semitic statement made at the Vélodrôme d'Hiver meeting by one of his leading supporters, M Léon Dupont, M. Poujade said that he deprecated M. Dupont's method of expression, but added that M. Dupont had been "carried away by the atmosphere." In answer to further questions, also on the subject of anti-semitism, M Poujade expressed the opinion that immigrants should not be allowed to hold public office until they had been "some time" in France—"perhaps three generations"

Despite M. Poujade's denials of anti-semitism, the chairman of the U.D C.A. in the Bas-Rhin *département*, M Jean Kaufman, resigned from the party on Jan 25 in protest at its alleged anti-semitic tendencies In a letter to M Poujade, he said that statements by certain leading members of the party, notably M Dupont, had "the same smell as Hitler's propaganda," and added that the atmosphere of the Vélodrôme d'Hiver meeting had been one of "hate, provocation, and racialism"

After M. Le Troquer's election as President of the Assembly, M. Edgar Faure formally tendered his resignation from the Premiership to President Coty, who, after two days of consultations with party leaders, asked M. Guy Mollet on Jan. 26 to form a new administration. M Mollet accepted the task and subsequently announced the formation of a Government in which two posts—those of Minister for Ex-Servicemen's Affairs (to which M. Chaban-Delmas was appointed) and of State Secretary for Industry and Commerce—were allotted to the Social Republicans, the other portfolios being distributed between the Socialists, Radicals, and the U.D.S R.-R.D.A. group.

The Social Republican group in the National Assembly, however, passed a resolution on Jan. 30 refusing to take office in M. Mollet's "Republican Front" Government, though promising to support it in the Assembly. Accordingly, a revised Cabinet list was issued by M. Mollet on Jan. 31, and subsequently confirmed by President Coty, comprising 13 Ministers, 19 Secretaries of State, and two Under-Secretaries, as follows :

The Cabinet.

M. Guy Mollet (Socialist) . .	Prime Minister.
M. Pierre Mendès-France (Radical)	Minister of State.
M. François Mitterrand (U.D.S.R.)	Minister of State and Minister of Justice.
M. Christian Pineau (Socialist) . .	Foreign Affairs.
Senator Gilbert Jules (Radical) . .	Interior.
M. Maurice Bourgès-Maunoury (Radical)	National Defence and Armed Forces.
M. Robert Lacoste (Socialist) . .	Economic Affairs and Finance.
M. René Billères (Radical) . .	Education, Youth, and Sport.
M. Gaston Defferre (Socialist) .	Overseas Territories (*France d'outre-mer*).
M. Albert Gazier (Socialist) . .	Social Affairs.
M. François Tanguy-Prigent (Socialist)	Ex-Servicemen and War Victims.
General Georges Catroux (non-party)	Resident Minister in Algeria.
M. Félix Houphouet-Boigny (U.D.S.R.-R.D.A.) . . .	Minister attached to the *Présidence du Conseil.*

Secretaries of State. Of the 19 State Secretaryships, three were for the *Présidence du Conseil*, two for Foreign Affairs, two for the Interior, three for National Defence, six for Economic Affairs, two for Social Affairs, and one for Education, as follows .

Présidence du Conseil :
Scientific Research and Atomic Energy—M. Georges Guille (Soc.)
Information—M. Gérard Jacquet (Soc)
Civil Service—M. Pierre Métayer (Soc.)

Foreign Ministry
Foreign Affairs—M. Maurice Faure (Rad.)
Morocco and Tunisia—M. Alain Savary (Soc)
Interior
Departmental and Communal Affairs—Senator Maurice Pic (Soc)
Algerian Administration—Senator Marcel Champeix (Soc.)
National Defence
Land Forces (operations in Algeria)—M Max Lejeune (Soc)
Air—M. Henri Laforest (Rad)
Navy—M Paul Anxionnaz (Rad.)
Economic Affairs
Budget—Senator Jean Filippi (Rad)
Economic Affairs—M Jean Masson (Rad)
Public Works, Transport, and Tourism—Senator Pinton (Rad.)
Agriculture—Senator André Dulin (Rad.)
Reconstruction, Housing, Industry, and Commerce—Senator Bernard Chochoy (Soc.)
Posts and Telegraphs—M Eugene Thomas (Soc)
Social Affairs ·
Labour and Social Security—M Jean Minjoz (Soc.)
Public Health and Population—M André Maroselli (Rad)
Education
Arts and Letters—Senator Jacques Bordenave (Rad)

Under-Secretaries. The four Under-Secretaries of State were M. Roger Duveau (U.D S R -R D.A.), Merchant Marine , M Hammadoun Dikko, a French Sudanese deputy (Soc), Industry and Commerce , M. Kléber-Loustau (Soc.), Agriculture , and M Pierre de Félice (Rad), Reconstruction and Housing

Only three members of M. Mollet's Government held office under M. Edgar Faure—M. Bourgès-Maunoury, formerly Minister of the Interior ; Senator Gilbert Jules, formerly State Secretary for Finance and the Budget ; and M. Henri Laforest, formerly State Secretary for Defence. An important innovation was the appointment of General Catroux, one of France's most distinguished soldiers, to the new post of Resident Minister in Algeria. Of the 13 Ministers in the new Cabinet, 11 (including M. Mollet himself, and also General Catroux) had previously held ministerial office, mainly in the immediate post-war years, whilst two entered the Cabinet for the first time—M. Billères and M. Houphouet-Boigny. Many of the State Secretaries were newcomers to Government office.

Apart from the change in the Premiership, and the entry of M. Mendès-France into the Cabinet as Minister of State, the formation of the "Republican Front" Government resulted in the following changes :

M Pineau succeeded M Pinay at the *Quai d'Orsay* , M Mitterrand succeeded M Robert Schuman as Minister of Justice , Senator Jules succeeded M. Bourgès-Maunoury as Minister of the Interior , M Bourgès-Maunoury took over the portfolio of National Defence from General Billotte , M. Lacoste succeeded M Pflimlin as Minister for Economic Affairs and Finance ; M Billères succeeded Senator Berthoin at the Ministry of Education ; M. Defferre became Minister for *France d'outre-mer* in succession to M Teitgen ; M Gazier took the portfolio of Social Affairs from M Paul Bacon, who had also held the portfolio of Labour , M Tanguy-Prigent succeeded M Badie as Minister for Ex-Servicemen's Affairs , and M Houphouet-Boigny became Minister attached to the *Présidence du Conseil* in place of M. Pierre July

A feature of the new Government was the drastic reduction in the number of Cabinet Ministers, and a corresponding increase in the number of State Secretaryships. The changes introduced by M. Mollet involved the abolition of the former Cabinet portfolios of Public Works and Transport, Industry and Commerce, Agriculture, Reconstruction and Housing, Labour, Public Health and Population, Posts and Telegraphs, Merchant Marine, and Moroccan and Tunisian Affairs, and the placing of these subjects under Secretaries of State, overall responsibility being exercised by various Cabinet Ministers.

No fewer than six State Secretaryships relating to economic and financial matters came under the overall control of M Lacoste , the three State Secretaryships relating to the armed forces came under the control of M. Bourgès-Maunoury , and two State Secretaryships relating to Social Affairs came under M. Gazier As shown above, M. Pineau and Senator Jules each became responsible for two State Secretaryships under their respective departments, whilst the three Secretaries of State for the *Présidence du Conseil* came under the supervision of M Mollet himself

The new Ministry was the 22nd to be formed in France since the liberation, and the first since 1947 to be headed by a Socialist.

M. Guy Mollet (50) was born on Dec 31, 1905, at Flers (Orne department), the son of a textile worker who died of wounds received in the First World War. He took a degree in English and for many years taught that language in various schools. He joined the Army at the outbreak of war in 1939 (at which time he was teacher of English at the Arras *lycee*) and was wounded in action in 1940, being taken prisoner by the Germans After his release in 1942 he became a leader of the Resistance movement in the Pas-de-Calais department, and subsequently an officer in the Free French Forces of the Interior. He was captured by the Gestapo in 1943, but

succeeded in escaping almost immediately and took part in the battles which followed the Allied landings in Normandy. He was secretary of the *Comité de libération* of Arras, became mayor of that city in 1945, and entered the Constituent Assembly in the same year as deputy for a Pas-de-Calais constituency, which he has represented ever since

An active Socialist since the age of 16, M. Mollet became secretary-general of the Socialist Party in September 1946. He was Minister of State in M. Léon Blum's Government (1946-47) and Minister of State for Council of Europe Affairs in the Government of M. René Pleven (1950-51). On the resignation of M. Pleven, M. Mollet accepted an invitation from President Auriol to form a Government (March 1951), but failed to obtain the absolute majority required in the National Assembly. He was, however, a Vice-Premier in the short-lived Government formed by M Queuille in the same year.

M. Mollet has been a delegate to the Consultative Assembly of the Council of Europe since 1949, and has given strong support to the various projects for European unity. He is the author of an English grammar, *Du français à l'anglais*, and holder of the Legion of Honour, the *Croix de Guerre*, and the *Médaille de la Résistance*.

M. Christian Pineau (51), the new Foreign Minister, played a leading role in the Resistance movement, founded the clandestine newspaper *Libération* in occupied France, and was liaison officer between the *Résistance* and General de Gaulle's Free French organization in London After successfully carrying out two secret missions to London, he was captured by the Germans and deported to the Buchenwald concentration camp, from which he was liberated in 1945 by U S. troops. He received many French decorations, as well as the Order of the British Empire, for his wartime exploits.

After serving as Minister for Food Supplies in General de Gaulle's Cabinet (1945), M. Pineau subsequently held the posts of President of the Assembly's Finance Commission (1945-47), Minister of Public Works in the Cabinets of M. Robert Schuman and M. André Marie (1947-48), Minister of Finance and Economic Affairs in the second Schuman Cabinet (1948), and Minister of Public Works in the Queuille and Bidault Cabinets (1948-50). A lawyer by profession, and a graduate in economics and political science, he has been a prominent member of the Socialist Party for many years

M. Robert Lacoste (57), who was given the important portfolio of Economic Affairs and Finance, is a lawyer by profession, and an expert on financial and economic questions. A leading member of the Resistance movement, he held the portfolio of Industrial Production in General de Gaulle's post-liberation Government, and was Minister of National Production in the Blum and Ramadier Cabinets (1946-47 and 1948) From 1947 to 1950 he was a member of the Schuman, Marie, Queuille and Bidault Cabinets as Minister of Industry and Commerce Before the last war he was secretary-general of the *Fédération générale des fonctionnaires*.

General Catroux (80), Grand Chancellor of the Legion of Honour, was Governor of Indo-China at the outbreak of the Second World War. He rallied to General de Gaulle immediately after the Bordeaux armistice, commanded the Free French Forces in the Syrian campaign, and became Free French High Commissioner in the Levant He negotiated the agreement between Generals de Gaulle and Giraud in 1943, became a Minister of State in the first Free French Government formed in North Africa, and was subsequently appointed Governor-General of Algeria, in which capacity he issued the decree of March 1, 1944, giving the Algerian Moslems equal status with French nationals After serving as Minister for North Africa in the first post-liberation Government he was appointed Ambassador in Moscow in 1945, holding that post until 1948. In September 1955 he went to Antsirabé (Madagascar), on behalf of the Government, for discussions with the Sultan of Morocco, who was then in exile

M. Billères served in M Mendès-France's Government (1954-55) as State Secretary in charge of the Civil Service, after having been president of the Assembly's Commission of National Education from 1948-54. He is a teacher by profession **M. Houphouet-Boigny,** a doctor of medicine, is president of the *Rassemblement Démocratique Africain* and has represented the Ivory Coast (where he was born, and where he owns large properties) in the National Assembly since 1945 All the other Ministers, as stated above, had held office in previous Governments, mainly before 1951. [A biography of **M. Mendès-France** is given on page 13631, second column.]

M. Mollet made a statement of policy to the National Assembly on Jan. 31, and was confirmed as Prime Minister by 420 votes to 71, with 83 abstentions. The majority vote included 141 Communists and *progressistes*, 93 Socialists, 94 M.R.P. and Overseas Independents, 76 Radicals and UDSR-RDA deputies, 16 Social Republicans, 10 R.G.R. deputies, one Independent, and one *non-inscrit*, whilst the opposing votes comprised 49 Poujadists, 14 Independents, six *paysans*, and two *non-inscrits*. The abstentions included 67 *modérés*.

The policy statement made by M. Mollet is summarized below under cross-headings :

Constitutional and Electoral Reform. M. Mollet said that three problems of the first importance had to be solved : (1) constitutional reforms " to reinforce the stability of the Executive power and strengthen the authority of the State " ; (2) electoral reform, in which connexion the country desired " a clear and simple " electoral system , (3) the reform of parliamentary procedure, which at present hampered and " paralysed " the working of the National Assembly.

The Schools Question. " There is another problem," said M Mollet : " one which the wise and prudent believe that I should not mention, but one which will have to be solved—the question of *laïcité*, or more precisely the *question scolaire* The Government will assure the application of the present legislation [i e. the *Loi Barangé* extending State aid to Catholic schools], will respect liberty of conscience, and will also respect the complete independence of the State *vis-à-vis* the Churches. But certain proposals will be laid before the Assembly for the repeal of earlier legislation [i e. the *Loi Barangé*]. The Government will not take up a definite position in the debate on this matter, and the decision will be left to a free vote of members . . ."

Algeria. The " saddest and most pressing problem " facing the Government was that of Algeria. " It is to this problem," M. Mollet declared, " that the Government must give first priority I will devote my fullest personal efforts to its solution. . . ." After saying that the appointment of an " eminent personality " (i e. General Catroux) as Resident Minister in Algeria showed the importance which the Government attached to this question, M. Mollet continued :

" What matters today is not opposing theories : it is intentions, objectives, and methods that are important. The objective of France and the Government is, in the first place, to re-establish peace, to liberate the people from fear, and to end terrorism and blind repression To this end we must foster the democratic evolution of political institutions, assure the co-existence of the two elements of the population which history has linked together, and which we must never permit to be severed, and promote the country's economic and social development We must maintain and reinforce the indissoluble union between Algeria and Metropolitan France . . whilst at the same time respecting the *personalité algérienne* and achieving full political equality for all the inhabitants of Algeria "

" The population of Algeria comprises two main groups," he continued. " On the one hand there is an important minority of European origin, which is itself divided into a group whose egoism and short-sightedness is largely responsible for the present situation, and another—for the most part consisting of persons of modest origin, of conscientious workers devoted to their country—by whose efforts France is present in Algeria. On the other hand there is the autochthonous population, growing every day in numbers. If this latter group includes a minority of madmen and criminals, the immense majority desires only to maintain its ties with France. The Moslems already have equality of duties they must now have full equality of rights.

" These objectives being fixed, it remains to determine the methods by which they shall be achieved. In any case, the National Assembly must solemnly affirm that the future of Algeria shall never be determined unilaterally It must also affirm unequivocally that we shall never accept a solution which one element of the population might attempt to impose forcibly on the other.

" The Government intends, with the shortest possible delay, to carry out a true popular consultation by free elections with a single electoral college. This implies electoral reform . In a short time the Government will present the necessary legislation to the Assembly asking for powers to carry out certain preliminary reforms—notably the reform of the municipal administration and the reform of the Civil Service in Algeria. These fundamental decisions will bring about a change of climate. . . . In addition to these indispensable reforms, all political prisoners will be released except those who have committed offences punishable by the penal code. . . . Moreover, urgent and indispensable measures of an economic and social character will be taken, and the greatest importance will be attached to agrarian reform. . . ."

Morocco and Tunisia. " The Government will immediately enter into negotiations with the Government of his Majesty the Sultan of Morocco with the aim of defining anew the links uniting the two countries, based upon recognition of the independence of the Sherifian Empire. These agreements will define and consolidate the interdependence of France and Morocco. They will guarantee the rights and assure the future of the hundreds of thousands of Frenchmen who have been the pioneers of modern Morocco The French Government will be happy to welcome his Majesty Sidi Mohammed Ben Youssef in Paris, and to express to him its pleasure that he has given his country a modern and constitutional form of government. I firmly believe that the Moroccan Government, headed by the great soldier Si Bekkai, will use its full authority to end the rebellion in the Riff, which is not justified by any Moroccan national consideration.

" Our policy with regard to Tunisia is based on the principles of the Conventions of June 3, 1955, conferring internal autonomy on Tunisia—a policy which assures both independence and interdependence. . . . In the spirit of the historic initiative taken by Pierre Mendès-France, the Conventions will permit the aspirations of the young State to be reconciled with the imperatives of Franco-Tunisian solidarity.

" It is within the framework of common institutions with France, freely defined and accepted, that Morocco and Tunisia will achieve their full independence The principle of interdependence has been laid down—it must now be translated into concrete measures with the aim of maintaining and developing the solidarity created by geography, history, and identity of interests and aspirations."

International Policy. M. Mollet pledged the Government's full support for the North Atlantic Treaty ; expressed its determination to maintain solidarity with France's allies ; and defined the objectives of its international policy as " the consolidation of peace, the solidarity of the free nations, general and controlled disarmament, and the construction of Europe." He added that " the way towards the reunification of Germany is by general and controlled disarmament."

European Unity. The Government would give its full support to all projects aimed at bringing about *construction europeenne*, and, in particular, would support the proposals for a common European market and the formation of a European atomic energy "pool" (Euratom) M Mollet stressed the desirability of close British association with these projects, particularly with "Euratom"

Economic, Financial, and Social Policy. After declaring that his Government would fight inflation, devaluation, and all forms of social injustice, M. Mollet outlined a programme which included industrial expansion with full employment; a new modernization and re-equipment plan with emphasis on heavy industry; organization of agricultural markets with guaranteed prices for farmers; the extension of legal paid holidays from two to three weeks a year; the gradual abolition of regional differences between minimum wage-rates; immediate assistance to old persons and the "economically weak"; and fiscal reforms which would include the abolition of the system whereby small shopkeepers and artisans "had to make themselves their own tax-collectors"—an announcement which was warmly welcomed by the Poujadist deputies. M. Mollet added that the Government would seek special powers from the Assembly to carry out some of these reforms.

At his first Cabinet meeting on Feb. 3, M. Mollet announced that he intended to visit Algeria immediately for discussions with the leaders of the European and Moslem communities, and that General Catroux would follow a few days later to take up the post of Resident Minister. M. Mollet's arrival in Algiers on Feb. 6, however, was marked by serious rioting on the part of thousands of French settlers, who demonstrated violently against General Catroux and the Prime Minister and who attempted to break into the Governor-General's residence, where M. Mollet was staying. In view of these hostile demonstrations, General Catroux announced on the same day (Feb. 6) that he had resigned from the post of Resident Minister in Algeria—which, in fact, he had not yet taken up.

The announcement of General Catroux's appointment had aroused strong opposition among the French settlers in Algeria, and had led to a number of protests to President Coty and M. Mollet, coupled with demands that the outgoing Governor-General (M. Jacques Soustelle) should remain at his post. The *Fédération des maires de l'Algérie*, in a telegram to the President of the Republic, expressed "indignation" at the appointment of General Catroux, whom it described as "a specialist in the abandonment of the empire overseas," whilst the European elected members of the Algerian Assembly sent a memorandum to M Mollet on Feb. 3 protesting both against General Catroux's appointment and against M. Mollet's proposal for a single electoral college in Algeria.

The memorandum to M. Mollet welcomed the Government's intention "to place the solution of the Algerian problem in the first rank of its preoccupations." It stated, however, that it saw "no advantage" in the substitution of the post of Governor-General by that of Resident Minister, particularly since the former post was "a very old institution" which had been confirmed by the Statute of Algeria adopted in 1947. The memorandum continued .

"Whilst we respect the Grand Chancellor of the Legion of Honour [General Catroux], we fear that his appointment will give rise to dramatic consequences (*conséquences dramatiques*), and we urge you not to expose Algeria to this new risk. Relations between the two *collectivités* [i.e. Europeans and Moslems] have already deteriorated enough as a result of terrorist activities, without a further aggravation of the situation. We do not doubt that your examination of the Algerian question will be seriously conducted. We fully agree with you that terrorism is the work of 'a minority of madmen and criminals,' and that the immense majority of the population desire only to maintain their ties with France. You, an eminent specialist in international questions, are certainly aware that this minority is fomented from abroad. . . ."

The memorandum added that M. Mollet's proposal for a single electoral college would "strike a considerable blow" at the European community in Algeria. Moreover, as the Government apparently intended to introduce this reform without consulting the European community, it was an apparent contradiction of the Prime Minister's own declaration that the future of Algeria would not be determined by unilateral action The "only conceivable system" was one which gave equality of representation to both the European and the Moslem communities.

At a mass meeting in Algiers on Feb. 4, attended by tens of thousands of French settlers, the Federation of Ex-Servicemen in Algeria pledged themselves to resist the appointment of General Catroux by all means in their power. A telegram was sent to President Coty requesting his personal intervention, declaring that General Catroux's appointment would mean "the collapse of Algeria and all French Africa," and adding that his arrival in Algiers would "collide with an irresistible popular movement."

Although the Ex-Servicemen's Federation had appealed for the maintenance of order, M. Mollet's arrival in Algiers was made the signal for violent demonstrations against General Catroux and against the Prime Minister personally. Great crowds of European demonstrators called for the "hanging" of General Catroux, told M. Mollet to "return home," and demanded the reappointment of M. Soustelle as Governor-General. After a ceremony at which M. Mollet had laid a wreath on a war memorial, the memorial gardens were rushed by thousands of demonstrators—many of them youths and young men—who destroyed the wreath, tore down tricolour flags, and threw rotten vegetables, eggs, and earth at the Prime Minister, who was struck several times. Later in the day about 1,000 demonstrators tried to break into the Governor-General's residence, where M. Mollet was staying, and fought a pitched battle with heavily-armed police outside the building. Many of the demonstrators received minor injuries, the mob being eventually dispersed by tear-gas. The Moslem population of Algiers took no part in the disturbances.

After the news of the disturbances reached Paris, General Catroux sent a message to M. Mollet asking to be released from his appointment as Resident Minister, in view of the "critical situation in Algeria" and the "complete opposition shown by the Algerian ex-servicemen." He expressed the hope that "the policy which you (M. Mollet) have promised, and which alone is capable of making the destinies of Algeria and France inseparable, will be crowned with success."

M. Mollet announced in Algiers the same evening that he had accepted General Catroux's resignation, since "it does not seem either fitting or possible to expose General Catroux to conflicts over actions of national importance which would involve him with his former comrades-in-arms." M. Mollet added: "Directly he heard of today's demonstrations in Algeria, and particularly when he heard that his name would become a matter of discord between him and his former war comrades, General Catroux asked me to give him his liberty. Anxious not to add to the drama which already divides Algeria, I have accepted his resignation."

The news of General Catroux's resignation led to renewed demonstrations in which large crowds of French settlers paraded the streets singing the *Marseillaise* and renewing their demand for the re-appointment of M. Soustelle.

The situation in Algiers returned to normal on Feb. 7-8, when M. Mollet had a number of meetings with representatives of the European and Moslem communities, including representatives of the Federation of Ex-Servicemen. He also had discussions with the Roman Catholic Archbishop of Algiers, Mgr. Duval. No official statement was issued, but it was understood that M. Mollet had reassured the European representatives that France did not intend to abandon Algeria.

M. Mollet announced in Algiers on Feb. 9 that M. Robert Lacoste, the newly appointed Minister for Economic Affairs and Finance, would succeed General Catroux in Algeria with the official title of Minister Governor-General. (Le Monde, Paris - Le Figaro, Paris) **(Prev. rep. General Elections, 14625 A; Faure Cabinet, 14577 A; 14069 A; Algeria, 14431 A.)**

A. PERSIA. — Attempt to assassinate M. Hussein Ala. - Trial and Execution of "Fadayan Islam" Leaders. - Outlawing of "Fadayan Islam" Sect.

Four members of the extreme nationalist *Fadayan Islam* ("devotees of Islam") sect, including one of its leaders, were executed by a firing-squad in Teheran on Jan. 18 after trial by a military court. They were Navab Safavi, a leader of the movement; Mohammed Vahedi, one of his principal followers; Khalil Tahmesebi, who assassinated General Razmara (the former Prime Minister) in 1951 but was subsequently released by the Mossadeq Government; and Mozaffar Ali Zulghader, who made an unsuccessful attempt to assassinate M. Hussein Ala (the present Prime Minister) on Nov. 17, 1955. The Shah refused appeals by the condemned men for clemency. Several other members of *Fadayan Islam* were sentenced to hard labour for terms of up to six years.

The attempt on M. Hussein Ala was made while he was entering the Shah Mosque in Teheran, the Prime Minister being slightly wounded (The assailant, Zulghader, flung his gun at M. Ala and struck him in the neck after he had fired wide). During the next few days widespread arrests of *Fadayan Islam* members were carried out, Safavi and others being subsequently tried and found guilty on charges of plotting to overthrow the Government, planning the assassination of General Razmara, and attempting to assassinate M. Ala. The *Fadayan Islam* sect itself—which is strongly opposed to all foreign influences, both Western and Soviet, and which claims to base itself strictly on the Islamic religion—was outlawed on Nov 18, 1955.

It was announced in Teheran on Jan. 18 that the Persian Army authorities had detained the Mullah Kashani, leader of the *Fadayan Islam* sect, for questioning in connexion with the assassination of General Razmara. The Mullah (who is 72) was Speaker of the Majlis during Dr. Mossadeq's administration, and was notorious for his violent anti-British sentiments.
(Times - Manchester Guardian - Le Monde, Paris)
(Prev. rep. "Fadayan Islam" Sect, 13010 A.)

A. UNITED KINGDOM - UNITED STATES - CANADA. — Sir Anthony Eden's and Mr. Selwyn Lloyd's Visits to Washington and Ottawa. - The "Declaration of Washington." - Agreement on U.K. - U.S. Attitude to Middle East Problems.

Sir Anthony Eden and Mr. Selwyn Lloyd, the new British Foreign Secretary, arrived in Washington on Jan. 30 for talks with President Eisenhower and Mr. Dulles on the international situation. The White House Press Secretary (Mr. Hagerty) had stated on Jan. 26 that, although many subjects had been put down for discussion, there would be "no fixed agenda."

At the end of the three-day conference a joint communiqué was issued on Feb. 1 by the President and Sir Anthony Eden, which, after describing their meeting as a "friendly and fruitful reunion," set out the various matters they had discussed. The President and the Prime Minister also issued a joint "Declaration of Washington" reaffirming Anglo-American unity of purpose in the defence of democracy.

The text of these documents was as follows:

Joint Communiqué.

"Conscious of the unity of purpose of our two countries, we have restated in a separate Joint Declaration our view of the challenge which confronts the free world and the principles which it seems to us are required to meet it In our conversations we have also reviewed other matters of mutual concern to the two Governments in various areas of the world.

Europe.—We reaffirm that the North Atlantic Treaty is essential to our common security. We regard this association as far more than a military alliance We welcome the increasing range of consultation in the Council on political and other problems

In the economic field we recognize the contribution which the O.E.E C. makes to the stability of Europe Within the framework of the Atlantic community, and with regard for its broader interests, we support further progress on the Continent towards unity, both political and economic

With respect to Germany, we agree that so long as it remains divided there can be no genuine and stable peace We shall continue our efforts to bring about the reunification of Germany in freedom. We regard the Government of the Federal Republic as the only German Government freely and legitimately constituted, and therefore alone entitled to speak as the representative of the German people in international affairs.

We reaffirm our abiding interest in the security and welfare of Berlin. We shall continue, as we have stated in the past, to regard any attack against Berlin from any quarter as an attack upon our forces and ourselves.

Middle East.—We discussed the tensions which prejudice the stability of the area and carry a potential threat to world peace. It was agreed that every effort should be made to decrease sources of misunderstanding between this area and the Western world We are eager to contribute wherever possible to the settlement of difficulties between States in the region We wish to help peoples of this part of the world to achieve their legitimate aspirations

A settlement between Israel and her Arab neighbours is the most urgent need This will be possible only if both sides are willing to reconcile the positions which they have hitherto taken. Our two Governments have declared their readiness to contribute to such a settlement by assisting financially in regard to the refugee problem and by guaranteeing agreed frontiers.

In the meantime we are concerned at the state of tension in the area and have considered what steps can be taken to reduce it. The Tripartite Declaration of May 25, 1950, provides for action both inside and outside the United Nations in the event of the use of force or threat of force, or of preparations to violate the frontier or armistice lines We are bound to recognize that there is now increased danger of these contingencies arising. Accordingly, we have made arrangements for joint discussions as to the nature of the action which we should take in such an event The French Government is being invited to participate in these discussions.

We believe that the security of States in this area cannot rest upon arms alone but rather upon the international rule of law and upon the establishment of friendly relations among neighbours. The action of the Soviet bloc in regard to arms supplies to Middle East countries has added to the tensions in the area and increased the risk of war. Our purpose is to mitigate that risk

We express our full support for the efforts of General Burns, head of the U N. Truce Supervisory Organization, to maintain peace on the borders. We would favourably consider recommendations for any necessary enlargement of his organization and improvement of its capabilities.

The Baghdad and SEATO Pacts.—We discussed the work of the Baghdad Pact and agreed upon its importance for the security of the Middle East. We noted that this association, in addition to its defence aspects, has an important part to play in the economic and political development of member-countries. We believe that it serves the interests of the area as a whole and provides no reason for impairing the good relations we wish to maintain with non-member countries

The U.S. Government will continue to give solid support to the purposes and aims of the pact, and its observers will play a constructive part in the work of its committees.

We reviewed the situation in Arabia and the Persian Gulf, with particular reference to current disputes and differences in that area We believe that these differences can be resolved through friendly discussions.

We reaffirm our view that the South-East Asia Treaty Organization [SEATO] is a stabilizing influence. We will continue to give it our full support and to work with those countries who are associated with us as our allies in this organization. We welcome the co-operation of our allies and ourselves with other free nations in this important area, through such organizations as the Colombo Plan, in developing the resources and well-being of all participating countries.

Far East.—We discussed the situation in the Far East We are firmly united in our purpose: to deter and prevent aggressive expansion by force or subversion, and to assist the free nations of the area in their self-defence and in maintaining domestic stability and welfare. We are agreed that our policies must be directed to achieve these ends After frank discussion, some differences remain in our judgments as to the most effective means to achieve these.

We are agreed that trade controls should continue and should be reviewed now and periodically as to their scope, in the light of changing conditions, so that they may best serve the interests of the free world

Atomic Energy.—We noted with great satisfaction that atomic energy information now being exchanged as a result of the agreements concluded between our Governments last June represents a gain to the common security. We discussed the development of our close co-operation in this field. We confirmed our resolve to push forward with the setting-up, with suitable safeguards, of the International Agency for the promotion of the peaceful uses of atomic energy."

The Declaration of Washington.

"We are conscious that in this year 1956 there still rages the age-old struggle between those who believe that man has his origin and his destiny in God and those who treat man as if he were designed merely to serve a State machine Hence, we deem it useful to declare again certain truths and aims upon which we are united and which we are persuaded are supported by all free nations.

Because of our belief that the State should exist for the benefit of the individual, and not the individual for the benefit of the State, we uphold the basic right of peoples to governments of their own choice. These beliefs of ours are far more than theory or doctrine. They have been translated into the actual conduct of our policy, both domestic and foreign. We are parties to the Atlantic Charter, the U N. Charter, the Potomac Charter, and the Pacific Charter In them we have, with other friends, dedicated ourselves to the goal of self-government and independence of all countries whose people desire and are capable of sustaining an independent existence

During the past ten and more years 600,000,000 men and women in nearly a score of lands have, with our support and assistance, attained nationhood Many millions more are being helped surely and steadily towards self-government. Thus, the reality and effectiveness of what we have done is proof of our sincerity.

Further, we know that political independence cannot alone assure men and nations full opportunity to pursue happiness and to fulfil their highest destiny There is likewise need for economic sustenance and growth. This, too, we have helped to provide. We seek to develop with others a large volume of mutually beneficial trade.

Likewise we seek, through technical assistance, the Colombo Plan, and other programmes we support, to help economic progress in the less developed countries and to raise the living standards of their peoples. In these programmes we have not sought nor desired extension of either economic or political power. The purpose is not to dilute but to enrich and secure their freedom.

During this period of notable co-operative progress in the free world, those who assert the supremacy of the State and deny the inherent rights of man have also been active. Millions of people of different blood, religions, and traditions have been forcibly incorporated within the Soviet Union, and many millions more have in fact, although not always in form, been absorbed into the Soviet Communist bloc. In Europe alone, some 100,000,000 people, in what were once ten independent nations, are compelled, against their will, to work for the glorification and aggrandizement of the Soviet Communist State.

The Communist rulers have expressed in numerous documents and manifestos their purpose to extend the practice of Communism by every possible means, until it encompasses the world. To this end they have used military and political force in the past They continue to seek the same goals, and they have now added economic inducements to their other methods of penetration.

It would be illusory to hope that in their foreign policies, political and economic, the Soviet rulers would reflect a concern for the rights of other peoples which they do not show towards the men and women they already rule. Any free nation that may be persuaded, by whatever threat, promise or enticement, to embrace Communism will lose its independence, and its people will forfeit their rights and liberties. These contrasting records of recent years reflect the essence of the struggle between free countries and the Communist rulers.

In the face of the Communist challenge, almost 50 nations which cherish freedom have drawn together in voluntary associations for their collective security. These associations uphold for all their members the right to independent existence, the right to free expression, and the right to differ The purpose of their union is to preserve those national rights, just as within a State people join together to preserve their individual rights.

We reject any thought that the cleavage we have described should be resolved by force. We shall never initiate violence. Moreover, we shall use our full influence to assure that Soviet efforts to inflame old antagonisms will not succeed in breaking the peace. The U.N. provides appropriate machinery to assist countries desiring peacefully to bridge their differences and to settle disputes. Many nations of the free world are anxious to proffer their good offices to promote the same end. Our two countries stand constantly ready to aid in negotiation and conciliation with others directly concerned, so as to achieve just settlements of the concrete issues that now trouble the world.

We shall persevere in seeking a just and lasting peace and a universal and effectively controlled disarmament which will relieve mankind of the burden and terror of modern weapons Meanwhile, the society of free nations must retain the power needed to deter aggression. We recognize that such power should never serve as a means of national aggrandizement, but only as an essential shield for every member of the community of nations. We are determined to make the conquest of the atom a pathway to peaceful progress, not a road to doom.

We will not be deflected from the policies and purposes we have herein stated. On the contrary, we will maintain and, where necessary, strengthen and extend them Thus we shall help ourselves and others to peace, freedom, and social progress, maintaining human rights where they are already secure, defending them when they are in peril, and peacefully restoring them where they have temporarily been lost.

While resolutely pursuing these aims, which are the products of our faith in God and in the peoples of the earth, we shall eagerly grasp any genuine opportunity to free mankind of the pall of fear and insecurity which now obscures what can and should be a glorious future."

On Feb. 2 Sir Anthony Eden addressed the two Houses of the U.S. Congress separately. His speech to the Senate was as follows:

" We have just brought to a conclusion a memorable conference in the service of peace I must first express my sincere gratitude to the President of the United States for the patience, initiative, and understanding which alone made our results possible It was a privilege to work with him, and an added pleasure to find him in such good health. . . .

" It is a sombre prospect which we confront together. Uncertainty and fear stalk the world ten years after the victory was won. The scene shifts our problems take on different forms, but we have still to recognize them for what they are

" The most powerful nations on earth today possess the most destructive weapons man has ever had at his command. This has created a mutual deterrent. You and we and the Russians each command or will soon command the means to annihilate each other. But the warning does not end there. New weapons, guided missiles, rockets, and the like bring new powers of destruction to mankind. Is the world then in a few years to shoot itself to destruction at long range? You and we alone cannot give the answers to these questions. But we can face and examine them together and determine what conclusions we should draw

" Wars in the past have often begun because one Power or combination of Powers has believed its force sufficient to win and hold some overwhelming advantage. This has dazzled the eyes and enticed the minds of conquerors down the ages. Sometimes their ambition has brought them victory. It can never do so in this nuclear age, when oblivion confronts aggressor and victim alike.

" I wish I could say that on this account all possibility of world conflict is excluded I cannot. The direct danger is reduced. The indirect threat remains, and its consequences can equally be mortal.

" Brought to a halt in Europe, Soviet expansion now feels its way south and probes in other lands. There is nothing particularly new in this You can read it all in Russian imperialist history. But the emphasis has changed, and the symbol and method too. This is a struggle for men's minds, once expressed in these regions in conflicting faiths, but now in rival ideologies From the Kremlin streams forth into the lands of the Middle East, and into all Asia, a mixture of blandishment and threat, offers of arms and menaces to individuals, all couched in terms of fierce hostility to Western ideals.

" In the face of this, what answer should the West give? We do not intend to base our policies on the revival of old threats or the creation of new ones. We know that we can neither hold Communism, nor beat it back, by force of arms alone.

" Friendship and freedom and help of all kinds on which to base a rising standard of life—these are what we offer. It is not so much military containment as political enlightenment which is the need of the day. Let us therefore be quite clear about our philosophy in the appeal we make to other lands. We invite nations to share our free way of life. We neither compel them to join our company, nor hold them by force once they have done so. That is the difference between our approach to the rights of nations and the Communist denial of them.

" No-one supposes that the countries under Soviet domination today, from Prague to Stettin, from Sofia to Warsaw, are under Communist command because they like it. If they did, why do you think that over a quarter of a million refugees have escaped from Eastern Germany to the West in this last year? How many more people would follow them from other lands if they could? But, of course, these considerations don't influence Communist thought. Soviet rule is absolute what the people want is immaterial. For them, man exists for the State, not the State for man. The one-party system is, after all, so much simpler to handle. . . That is why Communists are convinced that free elections are a great mistake

" The contrast cannot, we think, be more sharply shown than in our Commonwealth community. Its older members—Canada, Australia, New Zealand, and South Africa—have for generations played their free and individual parts in world affairs, and made their distinctive contributions More lately they have been joined by the new partners in Asia—India, Pakistan, and Ceylon.

" But I would not like you to think that the process has stopped there, or can do so. It is a continuing development. Everywhere through our Commonwealth and Empire nations are growing up. This places a heavy responsibility upon the parent. He has to be sure that patience is shown, that guidance is given, that experience is passed—as a warning but not as a command.

" The process is continuing and its consequences will be far-reaching In many territories of the Commonwealth constitutional progress has reached, or is approaching, the last stage before their peoples assume full responsibility for their own affairs. I could give you examples of this in Africa, in South-East Asia, and in the Caribbean. . . . At this very moment her Majesty the Queen is in Nigeria, where dwell more than 30,000,000 of her people with elected Legislatures and African Ministers The spontaneous enthusiasm of her welcome will have shown how the people really feel.

" No-one can tell you yet to what these great adventures in self-government will lead There has been nothing like it in the world before. There are risks in it, grave risks, as there are in everything worth while. But there are also great rewards

" I have painted you this scene because you will see how different it is from the view of a Soviet leader who recently told us that he could not understand why people should go into other countries except to pump out their wealth and resources The Washington Declaration which the President and I signed yesterday sets out the principles of the faith we share.

" I suggest to you that we should follow the courses I will now describe to give it effect.

" First, we should maintain our alliances and friendships firmly, loyally, and without apology. This does not exclude a willingness to meet and talk with Communist Powers

" Secondly, in the areas where the danger of conflict is most acute, we should whenever we can declare our unity of purpose. For instance, between the Arab States and Israel, where the danger has increased, we have done well to make clear that we are to discuss together what action we should take. The more prepared we are, the less likely is an emergency to arise

" Thirdly, it would be a useless exercise to chase Soviet activity all round the world in the sense of trying to cap every offer they profess to make by a better on our own account. I doubt whether even the resources of your great country could stand that strain, and it would be a foolish effort anyway. I am convinced that our method should be different, that we should continue to give economic help in those areas where it is most needed, putting first the reasonable requirements of our own friends, but not forgetting others. . . .

" But this is not the only outcome of the conference. We have done more. We have shown once again that we can work together in the closest comradeship Of course we do not always agree at every point, but it is the strength of our unity that we have no need to conceal this. Never, I am sure, has the measure of agreement between us been so wide and true as it is today. Never has the identity of our common purpose been so plain. This is the keynote of our work together in these days."

In his speech to the U.S. House of Representatives, Sir Anthony Eden spoke of the need to maintain Britain's strength, and of the heavy burden imposed by the cost of overseas defence on Britain's budget and balance-of-payments.

" These costs," he continued, " are, in fact, infinitely larger than those of any other country except yours. Add to this the direct charges for defence—the medium bomber force, which we alone in Europe are today building as part of the deterrent; the cost of the hydrogen bomb, which we are engaged in making—and you will understand. I hope that we are not an unworthy partner. Of course our contribution is small in amount by comparison with yours. But in proportion to our size, our effort is comparable to yours.

" I know it is sometimes said in this country that the Prime Minister of the United Kingdom only comes to the United States in order to get dollars. I should like to lay this ghost. We are sincerely grateful for the economic aid we have had in the past. It has helped us to repair the consequences of six years of bombardment and war. But apart from a measure of defence aid, which we value, we now stand on our own feet. We intend to continue to do so."

Continuing, Sir Anthony said: " The scale of U.S. assistance for the free world in these post-war years has been an act of generosity unmatched in history. Marshall Aid . . . brought salvation to Europe at a critical hour. The world should not forget that you offered that help to all, on either side of the Iron Curtain. These policies you have upheld manfully and at heavy cost to yourselves. Never has a nation in years of peace so heavily taxed itself for others.

"As I have said, we have to continue to build our economic strength. It is with this in mind that we have never spared our efforts to develop nuclear power. These are now taking many forms. . . Our first atomic power station will be working this year. A number of others are under construction, and will come into operation in due course But machinery and power alone are not enough. To keep pace with these and other scientific needs, we are now undertaking an extensive programme of technological education. This will be spread over the next five years and will bring new opportunity to our young people, so that in quality we may hold our own in all these new fields. Though Britain is an old country, she is young in heart, ready to compete even with you in the expansion of this new industry which may well create a new industrial age for us all."

After speaking of the need for the free world "to display political stability," and of the British contribution to "imaginative and progressive policies abroad," Sir Anthony declared: "It is our faith that the confidence which self-government breeds is the best antidote to Communism. But we are also aware that a danger of our time is that freedom can be lost by subversion You will have noticed how those peoples who are just reaching nationhood are the special object of Communist ambitions, which seek to take advantage of any inexperience or weakness they may show. We know that these are the attendant hazards. Yet we are convinced that the encouragement of these many peoples toward self-government will prove itself as wise statesmanship. Indeed, the recent experience of the Commonwealth shows that this is true.

"The foreign policies of the free world should fairly measure the realities of the world in which we live. There are certain principles to which we hold: the sanctity of treaties, good faith between nations, the interdependence of peoples from which no country, however powerful, can altogether escape. We can join in building a free world. What of those who lie beyond it? I do not think that we should fear contact with those with whom we do not agree If we have faith in ourselves and in our convictions, we should be ready to meet with others of contrasting ideology .. The Declaration of Washington embodies our faith. It expresses our principles and shows confidence in our destiny. If we have the tenacity to maintain these before the world, and the courage to defend them in conference or in conflict, we can together face the future unafraid."

On Feb. 3 Sir Anthony Eden and Mr. Selwyn Lloyd flew to Ottawa, where they stayed as the guests of the Governor-General of Canada, Mr. Massey. On Feb. 6 they opened discussions with Mr. St. Laurent (the Canadian Prime Minister), Mr. Lester Pearson (Secretary for External Affairs), and other Canadian Ministers and also met Mr. Drew, the leader of the Progressive Conservative party and Leader of the Opposition in the Federal House of Commons.

Sir Anthony Eden addressed a joint session of the Canadian Parliament on the same date.

Referring to his talks with President Eisenhower, he said: "There has never been so full a measure of agreement between our Governments In the whole field of European policy there was no difference between us ... Much of our meeting was devoted to the difficult and critical problems of the Middle East Here, too, we were in agreement that the first danger was the continuing Arab-Israel dispute. We were also in agreement as to what we should do to try to resolve it.

"It has been decided that the necessary treatment of the troubles in the Middle East should be of three kinds:

(1) To work without publicity and by every means to bring about a settlement in that area. This can only be realized if both sides are prepared to reconcile the positions they have taken up to now. That means a compromise. But we can both help, and are ready to do so—e g., by financial help to settle the refugee problem, and by a guarantee of agreed frontiers.

(2) Britain, France, and the U.S A. have responsibilities under the 1950 Tripartite Declaration. We have arranged for discussions on the action to be taken to meet an emergency should it arise. The French Government have agreed to join us in this. Personally, I am convinced that to make ready in this way is to reduce the risk of conflict.

(3) Strengthening of the U.N. Truce Supervisory Organization to prevent incidents Both the U.K. and the U.S. Governments are very ready to agree to this. But of course we should wish to be guided by General Burns, who is resolutely carrying out his thankless task.

"The United States has declared its solid support for the Baghdad Pact, to which Britain belongs. This again we welcome, and here again our views are alike The pact has economic purposes and aims which fully match its military provisions and importance. We have considered the kind of help which each member-country needs, and we are determined to make a success of the pact. All this does not exclude help to other countries in the area. An example is Jordan, to whom we shall continue to make substantial payments under our treaty."

As regards the principles set forth in the Declaration of Washington, Sir Anthony Eden declared: "Some say that these have been stated before. Maybe, but it does no harm to state them again in a manner which makes it clear that we are aware of the modern Communist challenge. The Declaration . . . is in fact a charter to which the whole of the free world can subscribe."

Among the subjects discussed by the British and Canadian Ministers were the Middle East, U.N. affairs, atomic energy developments, the agenda for the Commonwealth Prime Ministers' Conference in 1956, and Anglo-Canadian trade. At a press conferene on Feb. 7 Sir Anthony pointed out that Canadian exports to Britain in 1955 had been about twice as large as British exports to Canada. It was most important, he said, that this trade balance should be rectified; "we understand that Canada is a highly competitive market, and we want to be in the competition."

Sir Anthony Eden and Mr. Selwyn Lloyd arrived back in London on Feb. 9. (Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Montreal Star) **(Prev. rep. 14566 B)**

A. UNITED KINGDOM. — Leeds and Blaydon By-elections.

By-elections were held on Feb. 9 at Leeds North-East and on Feb. 2 in the Blaydon division of County Durham.

Leeds North-East. The by-election was caused by the conferment of a peerage on Mr. Osbert Peake (now Viscount Ingleby), the former Minister of Pensions and National Insurance. Result:

Joseph, Sir Keith (Conservative)	14,081
Waterman, H M. (Labour)	8,212
No change Conservative majority .	5,869

Figures at the general election were: Osbert Peake (C.) 24,902, H. M. Waterman (Lab.) 15,623—Conservative majority, 9 279.

The Conservative candidate received 63.2 per cent of the votes in the by-election and the Labour candidate 36.8 per cent, compared with respective percentages of 61 4 and 38.6 at the general election. The Conservative proportion of the vote thus rose by 1.8 per cent.

39 9 per cent of the electorate voted in the by-election, compared with 73.1 per cent at the general election. The electorate numbered 55,876, an increase of 435 since the general election.

Sir Keith Joseph (38), a barrister, Fellow of All Souls College, Oxford, and director of a building and civil engineering company, contested the new London constituency of Barons Court at the general election, being narrowly defeated by 125 votes His father, Sir Samuel Joseph, was Lord Mayor of London in 1942-43.

Blaydon. The by-election was caused by the death of Mr. William Whiteley, the former Opposition Chief Whip. Result:

Woof, Robert E. (Labour)	18,791
Reay-Smith, John (Conservative)	8,077
No change. Labour majority .	10,714

Figures at the general election were: W. Whiteley (Lab) 25,273, J. Reay-Smith (C.) 12,750—Labour majority, 12,523.

The Labour candidate received 69.9 per cent of the votes in the by-election and the Conservative candidate 30.1 per cent, compared with respective percentages of 66.5 and 33.5 at the general election. The Labour proportion of the vote thus increased by 3.4 per cent.

56.4 per cent of the electorate voted in the by-election, as against 80.6 per cent at the general election. The electorate numbered 47,626, an increase of 488 since the general election.

Mr. Woof (44) is a coal-face worker and a member of Durham County Council.

Mr. William Whiteley (73), a former miners' agent, represented Blaydon from 1922-31 and from 1935 until his death on Nov. 3, 1955. He was Joint Chief Whip in the wartime Coalition Government, and also served as Comptroller of the Household and Joint Parliamentary Secretary to the Treasury. After Labour's electoral victory in 1945 he became Chief Government Whip, and when Labour went out of office in 1951 became Chief Opposition Whip, a post he resigned a few months before his death (see 14287 A). He was a Companion of Honour and a Privy Councillor.
(Times - Daily Herald) **(Prev. rep. By-elections, 14582 B).**

B. FRANCE. — Formal Expulsion of M. Lecoeur from French Communist Party.

The Communist newspaper *Humanité* announced on Nov. 16, 1955, that M. Auguste Lecoeur had been finally expelled from the French Communist Party. M. Lecoeur, previously one of the party's leading members, had been removed from the post of party secretary in March 1954, and on Jan. 27, 1955, the central committee of the party had decided to expel him from the party for one year because of his "failure to admit his mistakes," this expulsion being now made permanent.

M. Lecoeur, a deputy for the Pas-de-Calais department in the former National Assembly, had left the Communist Parliamentary Party in December, 1954, and had since sat as a *non-inscrit*. In October 1955 he published a book, under the title *l'Autocritique attendue*, in which he rejected the accusations made against him and severely criticized the Communist Party's leadership.—(Le Monde, Paris) **(Prev. rep. 13830 A.)**

A. INDIA. — Government's Proposals for Reorganization of States. - Serious Rioting in Bombay and Orissa. - Chief Ministers' Proposals for Merger of West Bengal and Bihar. - Riots denounced by Congress Working Committee.

The Government of India announced on Jan. 16 that it had accepted most of the recommendations of the States Reorganization Commission, with certain minor adjustments, but proposed that Bombay State should be divided into a Marathi and a Gujarati State, with Bombay City as a Centrally-administered area. It was also proposed that all the States should be grouped into five zones, each with a zonal council which would deal with matters of common concern. Decisions on the future of the Punjab and the Telengana area of Hyderabad were, it was stated, still under consideration.

The official announcement said that the Government, after giving "careful and anxious thought" to the views of the State Governments and the opinions expressed in Parliament and the State Assemblies, had arrived at conclusions which would be embodied in the States Reorganization Bill This Bill would be placed before Parliament after the Legislatures of the States concerned had been consulted. In general, the Government had accepted the Commission's recommendations, and the departures which had been made from them were "restricted to a few cases in which it has been found that minimum measures of agreement necessary for an efficient working of administrative units would not be forthcoming on the basis of the Commission's recommendations." In regard to certain disputed border areas some minor adjustments had been made, largely by agreement. The Government had accepted the recommendations that the existing constitutional disparity between the different States should disappear; that the present Part B States should be equated with Part A States by omitting Article 371 of the Constitution and abolishing the institution of Rajpramukh; that Part C States should disappear as a category of States; and that such of the existing Part C States as could not be merged in adjoining States should be directly administered by the Central Government. The question of devising suitable arrangements for associating representatives of the people of these areas with their administrations was under consideration.

Turning to the Commission's detailed proposals, the communiqué said that the Government had accepted its recommendations regarding the formation of the new States of Kerala, Karnataka (which would be named Mysore), and Madhya Pradesh, and regarding the continuance of the States of Madras, Rajasthan, Uttar Pradesh, Bihar, West Bengal, Assam, and Orissa, broadly on the basis proposed by the Commission Some minor adjustments had been made as regards areas to be included in some of these States.

"The Government of India," the communiqué went on, "have carefully considered the Commission's recommendation regarding the formation of Bombay and Vidarbha States. The proposal appears to be fair and reasonable. But in view of the strong opposition from the Marathi-speaking areas to the creation of the proposed bilingual State, and in view also of the special position of the City of Bombay and public opinion in this area generally, the Government of India have arrived at the conclusion that two States—namely, a Gujarat State comprising the Gujarati-speaking areas, with its capital within the State, and a Maharashtra State comprising the Marathi-speaking areas, including the areas of the proposed Vidarbha State, with its capital within the State, as well as one Centrally-administered area, namely, Bombay—should be constituted in place of the States of Bombay and Vidarbha as proposed by the Commission . The question of devising a suitable form of administration for Bombay and associating the people of this area with its goverance is under examination."

The Government had also decided that Tripura, in accordance with the wishes of its people, should for the time being remain a Centrally-administered area, and that the Laccadive, Minicoy, and Amindivi Islands, which at present formed part of Madras State, should be transferred to and administered by the Centre, in accordance with a suggestion by the Madras Government. The Commission's recommendations about the formation of (i) a Punjab State comprising the territories of the existing States of Punjab, PEPSU, and Himachal Pradesh, and (ii) a residuary Hyderabad State, or alternatively a larger Andhra State [i.e. Visalandhra], were still under consideration.

With regard to border adjustments, the Government had proceeded on the basis of the Commission's recommendations Some minor adjustments, however, had been made, largely by agreement, and others might follow if agreement were reached. The Commission's recommendations on safeguards for linguistic minorities, to which the Government attached great importance, had been accepted in principle, together with certain suggestions in the report intended to correct parochial trends or to secure greater inter-State co-ordination. Final decisions on some of these matters, however, would have to be taken in consultation with the State Governments.

The communiqué continued: "The Government feel that if the implications of the fact that the Indian Constitution recognizes only one citizenship—a common citizenship of the entire Indian people, with equal rights and opportunities throughout the Union—are fully appreciated and accepted, undue importance will not be attached to the question of territorial redistribution between States of the Union. As a further step in the direction of inter-State co-ordination, the Government propose, simultaneously with the creation of the new States, to establish Zonal Councils to deal with matters of common concern to the States in different zones, including economic planning and questions arising out of reorganization. The Zonal Councils will be deliberative and advisory bodies; their creation will not, therefore, in any way detract from the legislative and executive authority of the States If properly worked, however, these bodies should serve to promote inter-State concord and arrest the growth of acute State-consciousness

"It is proposed to group States and areas into the following zones for the purpose of establishing Zonal Councils. (1) Northern Zone, comprising the existing States of Punjab, PEPSU, Himachal Pradesh, Delhi, and Rajasthan, with such territorial adjustments as may be made; (2) Central Zone, comprising Uttar Pradesh and the proposed Madhya Pradesh State; (3) Eastern Zone, comprising the proposed States of Bihar, Orissa, West Bengal, Assam, Manipur, and Tripura, (4) Western Zone, comprising the proposed States of Maharashtra and Gujarat and the Centrally-administered area of Bombay, and (5) Southern Zone, comprising the States of Andhra and Madras, together with the proposed States of Mysore and Kerala and the residuary State of Hyderabad, as proposed by the Commission The Government also contemplate the appointment of common Governors and the establishment of common High Courts and common Public Service Commissions in certain regions"

An appendix to the communiqué, giving details of the proposed boundary changes, stated that Uttar Pradesh would remain as at present constituted; that Madhya Pradesh, Rajasthan, and Orissa would be as proposed by the Commission; that Madras, Kerala, Karnataka (Mysore), Bihar, and West Bengal would be as proposed by the Commission except for minor boundary adjustments, and that Assam would be as proposed by the Commission, except that Tripura would not be included in its territories. Maharashtra would consist of the Marathi areas of Bombay, Madhya Pradesh, and Hyderabad, and Gujarat of Saurashtra, Kutch, and the Gujarati areas of Bombay. The Commission's recommendations regarding the transfer to Andhra of certain parts of the Bellary district of Mysore were still under consideration

The Government's proposals aroused violent opposition in Bombay and Orissa, where serious disturbances took place during the following week. Strong discontent was also evident in West Bengal and Bihar, and, to allay the ill-feeling aroused by these boundary disputes, the Chief Ministers of West Bengal and Bihar proposed on Jan. 23 a merger between the two States. Repercussions in the various States to the Government of India's proposals are described below.

Bombay. Before the announcement of the Government's proposals, 451 Communist and other left-wing Marathi leaders were taken into preventive detention by the Bombay City police in the early hours of Jan. 16. When the proposals became known, the Bombay Municipal Council adjourned as a protest, and a protest motion was also adopted unanimously by the Poona Municipal Council During the day many textile and other factories in Bombay were closed because of a *hartal* observed by the workers in protest against the preventive arrests; many schools were closed down, whilst factories, buses, and cars were stoned by the mob, over 400 people being arrested After a broadcast in the evening by Mr. Nehru, who called unavailingly for the maintenance of order, more serious acts of violence began, and the police twice opened fire on crowds which were trying to set fire to a building and stoning buses and trams. One person was killed and seven injured.

Rioting continued on Jan. 17, when thousands of demonstrators carrying black flags with the inscription "Death to Nehru" thronged the streets of the city; one man was killed and three injured by police fire, and about 100 people arrested.

A call by left-wing organizations for a one-day strike on Jan 18 was generally observed by textile, engineering, and dock workers, bringing the port of Bombay to a standstill. Numerous clashes took place between demonstrators and the police, who had been given orders to fire at sight on looters and arsonists. The mobs barricaded streets, attacked buses and trams, set fire to public buildings, and threw stones and acid-filled bulbs at the police, who used tear-gas and opened fire 114 times, together 14 people were killed by police fire, 60 received bullet-wounds, and over 250 were injured by stone-throwing or *lathi* charges Train services were disorganized after rioters had cut down overhead power lines and damaged railway tracks, and an unsuccessful attempt was made to sabotage the power station at Kapoli (about 50 miles away), on which Bombay depends for its electricity supply. Mr S. A. Dange, general secretary of the Communist Party, was arrested at Bombay airport when he arrived from Delhi, and a curfew was imposed from 7.30 p.m. to 6 a.m.

The rioting reached its height on Jan. 19, when mobs streamed through the streets in an orgy of violence, hurling flaming torches into residential buildings, police posts, and Government premises, causing a number of fires, attacking buses and private vehicles, and looting many shops. Telephone communications were disrupted, electric train-wires cut, and train services seriously dislocated. Local curfews were proclaimed by the police in a number of areas, and 11 people were killed when the police opened fire on rioters.

As a result of the continued imposition of curfews in the main trouble areas, and following appeals by political and trade union leaders for the resumption of normal activities, the situation improved on Jan 20, looting of shops and attacks on private property nevertheless continued, one person being killed by police fire and 43 arrests being made. By Jan. 23, however, the city had virtually returned to normal. According to official figures 75 people were killed in the riots, although unofficial reports put the number of killed at over 300 and of injured at over 500, including about 200 policemen.

The mob violence into which the movement had developed was strongly condemned by the Maharashtrian leaders. Mr. Shankarrao Deo, the president of the *Samyukta Maharashtra Parishad*, declared that he had never envisaged the realization of Maharashtrian claims other than on a basis of peace and goodwill between the majority and minority communities, and that the restoration of peaceful conditions now took precedence for him over all other aims The Bombay police attributed the mob excesses to a carefully prepared rising engineered by Communists profiting by the friction aroused over the States' reorganization proposals.

Elsewhere in Bombay State, strikes and demonstrations occurred at Poona (where the mayor and corporation resigned in a body on Jan. 19), Sholapur, Kolhapur, and Sangli.

Five Congress members of the Bombay Legislative Assembly announced on Jan 18 that they had resigned their seats as a protest against the Government of India's decision and the "repressive policy" of the State Government. On the following day it was announced by Mr. N. V Gadgil (president of the Maharashtra Pradesh Congress Committee) that all Maharashtrian Ministers, Parliamentary Secretaries, M P.s , and members of the State Legislature would be called upon to resign Accordingly, Mr. Hiray (the Finance Minister) and Mr. Shavan (Minister for Local Government) announced their resignation from the State Government on Jan. 23 ; the Chief Minister (Mr Desai) refused, however, to accept their resignations The Deputy Minister for Prohibition, Dr Naravane, had resigned on Dec 27 at the request of Mr. Desai, who charged him with "undermining the Congress Party and the State ministry" by his activities.

Orissa. Strong feeling was aroused in Orissa by the Government's rejection of the State's claims to certain areas of Bihar and Madhya Pradesh Twenty leading Congressmen, including Ministers and members of the Central Parliament and the State Assembly, resigned from the party on Jan. 17. A general strike began at Cuttack (the State capital) on Jan 20, during which the All-India Radio station was attacked by students, aircraft were prevented from landing at the airport, and train services were disorganized by demonstrators who squatted on the railway lines. On Jan. 22-23 serious rioting occurred at Puri, where the mob burned down the railway station and several Government buildings, held up trains by squatting on the rails, and stormed the local gaol, liberating several convicts. Several hundred troops were flown in from Calcutta on Jan 23 to help the police, which had to fire repeatedly to disperse threatening crowds in Cuttack

West Bengal and Bihar. The Government's proposals aroused discontent both in Bihar, because of the proposed transfer of certain border areas to West Bengal, and in West Bengal, because an area of 500 square miles recommended for transfer by the States Reorganization Commission would remain part of Bihar The Chief Minister of Bihar, Dr S. K. Sinha, was reported on Jan. 18 to have asked Mr. Dhebar (the Congress President) for permission to resign, and during the next few days mass demonstrations and *hartals* occurred in the disputed areas. In West Bengal the Pradesh Congress Committee adopted on Jan. 13 a resolution declaring that the Commission's recommendations had fallen short of their expectations, and that a "greater wrong" was about to be perpetrated A general strike in Calcutta on Jan 21, called jointly by some Leftist organizations and a committee of prominent citizens, passed off peacefully except in one suburban area, where two people were killed and 25 injured in clashes caused by the refusal of some factories to close

The Chief Ministers of Bihar and West Bengal, respectively Dr. Sinha and Mr. B. C. Roy, issued a joint statement on Jan. 23 proposing that the two States should merge into one bilingual State, since the Government's decisions had satisfied neither of them. [The language of West Bengal is Bengali, whilst Hindi is spoken in Bihar.] The statement said, in part:

"Recent developments in various parts of India in regard to the proposals for the reorganization of the States have caused us and many others profound dismay. Provincial and linguistic feelings have been roused to such a pitch that separatist tendencies are imperilling the unity of India. This situation has been discussed by the Working Committee of the Congress Party, who have passed a resolution on this subject. In this resolution they have drawn attention to the grave danger that faces the nation, and have suggested that the whole question of the reorganization of States must be viewed from a positive point of view so that it might lead to the promotion of Indian unity.

"We have given earnest thought to the resolution of the Working Committee, and feel that we, the Chief Ministers of Bihar and West Bengal, should endeavour to give some content to this proposal in the larger interest of the nation, as well as in the interests of our two States.

"The Government of India has given its decision on the recommendations of the States Reorganization Commission regarding the border areas of West Bengal and Bihar. As subsequent events have shown, neither the report nor the Government of India's decision has given satisfaction to the people of Bengal or of Bihar. The people of Bihar are dissatisfied because the decision means the transfer of some territory from Bihar to West Bengal. On the other hand, the people of West Bengal feel that their State has not been given enough territory.

"These feelings . . . are easy to understand when the decisions are considered from the point of view only of the two States, but we cannot forget the fact that these two States are part of the Indian Union and are closely allied to each other in many ways. Some of the border areas between the two States have many common features and, from the economic point of view, many projects also concern the two States. Inevitably, there has to be close co-operation between the two for their mutual advantage. Any step which creates misunderstanding and leaves a sense of bitterness and frustration will be harmful to both the States, as well as to the larger cause of India. . . . We feel that every attempt should be made to find a more permanent solution of this problem. . .

"We propose, therefore, that the two States should be merged to form a single State It was not very long ago that Bengal and Bihar were parts of one State. It should not be difficult to create an atmosphere of a happy voluntary merger. . . From the economic point of view, and that of the five-year plans, it will also be easier to plan for progress in both these areas In particular, this will be a significant example of that positive approach to the problem of Indian unity to which reference was made in the Working Committee's resolution. . . .

"While we have made this proposal and have expressed our agreement to the merger of Bihar and West Bengal, in full confidence of its acceptance by the people concerned, it is clear that the details will have to be carefully worked out The people concerned will have to be consulted, and an atmosphere of voluntary reunion and co-operation has to be created To that end we intend to devote ourselves immediately"

Mr. Nehru, in a statement on the same day, warmly welcomed the proposal of the two Chief Ministers, and expressed the hope that "the great lead they have given will be accepted by the people of the two States, and will wake up others also to the realities of the situation today." He added: "We have had enough folly in this country during recent weeks, and it is time we turned our faces away from it."

The Congress Working Committee, in a resolution adopted on Jan. 23 (entitled *A Call to the Nation*), strongly condemned the disturbances in Bombay City and in other parts of India, which, it said, had "produced a situation imperilling the future of India and her people."

After recapitulating the Committee's efforts to "find as large a measure of agreement as possible in regard to the reorganization of States," the resolution went on: "The Committee was, above all, anxious that the unity and solidarity of India should be maintained and furthered It noted with deep regret that disrupting forces were at work in the name of linguistic provinces, but often with other aims in view. It tried to check them and to emphasize that primary importance should be attached to the solidarity of India as a whole, and not to administrative divisions Unfortunately, disruptive elements, taking advantage of the people's love of their language, misled many people and gathered strength . . In spite of the efforts of the Committee, serious disturbances took place in Bombay City. Bombay and India were disgraced and dishonoured In some other parts of India, also, deplorable occurrances took place, though on a lesser scale. All these occurrences have produced a situation which imperils the future of India and her people.

"Even though mob violence has been curbed by governmental action, the situation that has arisen is a dangerous one, and full of peril for the nation. It should be clearly understood that there can be no surrender to violence and methods of terrorism, and that they have to be met with all the forces of the State in order to protect innocent citizens and the well-being of the nation. It must also be clearly understood that no changes will be made in the decisions already arrived at, or that might be taken later, in regard to the reorganization of States because of violence or terroristic methods."

The resolution appealed to all Congressmen who had resigned from Ministries or Legislatures to withdraw their resignations.

Sir Chintaman Deshmukh (a Maharashtrian), the Indian Finance Minister, tendered his resignation on Jan. 22 as a protest against the Government's decision on the future of Bombay. On Jan. 30, however, he was reported to have agreed to reserve his decision until further consultations had been held with a view to reaching a settlement.—(The Hindu, Madras - The Statesman, Calcutta - Times of India, Bombay - Indian High Commissioner's Office, London) (14616 A.)

Note. It was stated by British press correspondents in India that the Gujaratis formed about 18 per cent of the population of Bombay City and the Marathis 48 per cent, the remaining one-third consisting of Sikhs, Moslems, Parsees, etc. The wealthy Gujarati community, it was pointed out, largely controlled the city's business and political life, whereas the Marathis formed the bulk of the working-class population (Times - Manchester Guardian)

A. FRANCE - ICELAND. — Legations raised to Embassy Status.

The *Quai d'Orsay* announced on Feb. 3 that the French and Icelandic Governments had agreed to raise their diplomatic missions in Reykjavik and Paris to the status of embassies. (Le Monde, Paris)

B. YUGOSLAVIA. — Diplomatic and Trade Relations with Ecuador.

It was announced in Belgrade and Quito on Jan. 30 that Yugoslavia and Ecuador had agreed to establish diplomatic and trade relations. (Tanjug Agency, Belgrade)

A. UNITED STATES. — Progress of Racial Desegregation in Southern States. - Virginian Referendum on Schools Question. - Inter-State Commerce Commission's Ban on Segregation on Trains and Buses. - Supreme Court Ruling against Segregation in Public Parks. - Allegations of Racial Discrimination in Mississippi. - Formation of "Federation for Constitutional Government." - Southern States' Counter-measures against Desegregation.

Following the U.S. Supreme Court's ruling of May 31, 1955, that States should make a "prompt and reasonable" start towards implementing the Court's earlier ruling that segregation in schools was unconstitutional, a number of southern and border States took measures at the start of the school year in September to abolish the separation of white and negro students in their public (i.e. State-assisted) schools. In Mississippi, Georgia, and South Carolina, however, action had already been taken to enable the State authorities to abolish the public school system and thus to avoid the Supreme Court's rulings (see page 14245, second column), whilst similar action was taken by Alabama and Virginia in the latter half of 1955.

The Governors of Georgia, Mississippi, South Carolina, and Virginia, with the Governor of North Carolina attending as an observer, met in Richmond (Virginia) on Jan. 24, 1956. They adopted a resolution declaring that "the States have not delegated to the Federal Government or any agency thereof the power to prohibit the segregation of the races in public schools," and stating that their respective legislatures would be recommended to take the following action:

"(1) That there be adopted a resolution of interposition or protest in appropriate language against the encroachment of the Central Government upon the sovereignty of the several States and their people. ['Interposition' is a theory by which dissenting States are held to possess powers to 'interpose' their rights against a supposed usurpation of the Constitution by the Federal Government.]

"(2) That a call be made upon the Congress of the United States to take such action within the limits of its constitutional authority as to protect the States and their peoples against present and future encroachment by the Central Government.

"(3) That each State exercise its right to enact and utilize such other appropriate legal measures as it may deem advisable to protect its sovereignty and the rights of its people."

Governor Hodges of North Carolina stated after the meeting that the programme would be given "serious consideration" by the North Carolina advisory commission on education, and by himself, with a view to submitting it to the next session of the State legislature.

Senator Eastland (Democrat, Mississippi), speaking on Jan. 26 at a meeting in Columbia (South Carolina) organized by groups in favour of maintaining segregation, outlined a strategy of organized delay by which the Southern States could circumvent the Supreme Court's ruling.

If necessary, he said, the States could abolish school districts, create other areas, and thus remove the basis of the legal actions which had been decided on by the Supreme Court. This would mean that the whole case would have to start again, with years of delay. The States could also, when necessary, close down schools. By changing State laws and creating new State policies which would have to be ruled upon by the courts, and eventually by the Supreme Court, the States could "litigate this for an indefinite time in hostile Federal courts." This would give the States time to frame a segregation policy based on factors other than race. Welcoming the proposal for State "interposition" put forward by the four Southern State Governors two days earlier, Senator Eastland said: "What we attempt to do is to point to the illegality and to void by constitutional and legal means an unconstitutional and illegal act committed by the Supreme Court."

A summary of the action taken by various Southern States in regard to "desegregation" in schools, and other related matters, is given below.

Alabama. On July 22, 1955, the Alabama State Legislature completed action on a Bill giving local school-boards almost unlimited authority to determine where individual pupils must attend school. Although the Bill made no mention of the race or colour of pupils, it provided that each child should be given his assignment on an individual basis, in accordance with what the school-board considered to be the best interests of the child and the community, and taking account (among other things) of his intelligence, learning ability, and personal character.

Among the relevant factors which school-boards were asked to consider were available room and teaching capacity in the various schools; the availability of transportation facilities; the effect of the admission of new pupils "upon established or proposed academic programmes"; the suitability of established curricula for particular pupils; the adequacy of the pupil's academic preparation for admission to a particular school and curriculum; the scholastic aptitude, relative intelligence, or mental energy or ability of the pupil; the psychological qualification of the pupil for the type of teaching and association involved; the effect of the admission of the pupil on the academic progress of other students, and on prevailing academic standards; the psychological effect on the pupil of attendance at a particular school; the possibility or threat of friction or disorder among pupils or others; the possibility of breaches of the peace or ill-will or economic retaliation within the community; the home environment of the pupil; the maintenance or severance of established social and psychological relationships with other pupils and with teachers; and the morals, conduct, health, and personal standards of the pupil.

Although the Bill was vetoed by the State Governor (Mr. James E. Folsom) it was re-enacted by the State Legislature with an overwhelming majority, the Governor's veto thus being overridden.

On Oct. 10, 1955, the U.S Supreme Court enjoined the University of Alabama to admit two Negro students who had been refused admission to the university "solely on account of their race and colour." The two students—Miss Autherine Lucy and Mrs Polly Anne Myers Hudson—had been seeking admission since 1952. Mrs Hudson, who was seeking a divorce at the time, was subsequently refused admission to the university on grounds of her "marital record" whilst Miss Lucy was suspended indefinitely on Feb. 6, after her first appearance at the university the previous week had led to anti-Negro demonstrations by white students.

Arkansas. For the first time in the State's history, a number of schools in Eastern Arkansas were opened to white and Negro pupils on equal status at the beginning of July, 1955.

Delaware. Only 15 of the 62 school districts had abolished segregation at the beginning of the 1955-56 school year, but there was no repetition of the disorders which had marked the start of desegration a year earlier (see page 14245, second column) The 15 districts which admitted Negroes to the local schools were all in Wilmington (the State capital) or its suburbs.

District of Columbia. The Superintendent of Schools for the District of Columbia (Dr. Horning) stated on Sept. 10, 1955, that discrimination on racial lines in the capital's school system had now been abolished Dr. Horning differentiated, however, between desegregation—which he described as "moving people and things about" in such a way as to remove the "colour line"—and integration—which he defined as "putting together two school systems that have been entirely separate for many years." He emphasized that although schools in the District of Columbia had been desegregated, full integration would take some years

Florida. The State Supreme Court ruled on Oct 19, 1955, that "the theory of separate but equal facilities, under which this State had developed its educational system, has been abolished by the decision of the Supreme Court . . . and we deem it to be our inescapable duty to abide by this decision. . ." The Court (which was giving its decision on a case in which a Negro graduate had been refused admittance to the University of Florida Law School) ruled that the State Board of Control could not lawfully refuse to admit the applicant "merely because he is a member of the Negro race and because equal facilities are available [elsewhere in Florida] for Negroes."

Georgia. The Georgia Board of Education unanimously adopted a resolution on July 12, 1955, which provided for the automatic revocation of the teaching licence and salary of any teacher who "supports, encourages, condones, offers to teach, or teaches" classes of mixed races On Aug 1 the Board ordered all teachers who were members of the National Association for the Advancement of Coloured People to resign from that organization by Sept. 15 or to have their teaching licences revoked for life

The State Attorney General (Mr. Eugene Cook) announced on Aug. 3 the appointment of 25 "special deputies" to assist his office to preserve racial segregation in public schools.

On Jan. 16-18, 1956, the State Senate passed six Bills designed to convert public schools into private schools and thus evade the Supreme Court's ruling on desegregation.

Kentucky. In the first suit to abolish segregation in Kentucky's public schools, a Federal District judge in Louisville ruled on Dec. 1, 1955, that the Supreme Court's decision outlawing segregation must be complied with "at the earliest practicable date."

Maryland. The integration of Negroes in Maryland's public schools, inaugurated in Baltimore in September 1954, was extended in September 1955 to 10 of the State's 23 counties, with only a few instances of comparatively minor friction.

Mississippi. Governor James P. Coleman, in his inaugural address to a joint session of the State legislature on Jan. 18, 1956, announced that Mississippi would retain segregation of Whites and Negroes without violence and despite the Federal Government "With all due respect to the mighty power of the U.S. Government," he declared, "it will never be able to force racial integrogation in Mississippi or in any other State where the people are unwilling to have it done" He predicted that at the end of his four years in office "the separation of the races in Mississippi will be left intact and will still be in full force and effect, in exactly the same manner and form as we know it today."

Missouri. Public school segregation in Kansas City was abolished on Sept. 7, when the city's 90 schools were opened to children of all races for the first time.

North Carolina. The State Advisory Commission on Education, after a meeting with Negro educational leaders in the State on July 8, 1955, recommended that local authorities should continue segregated schools during the 1955-56 school year unless the Commission had completed its studies on the problems of integration in time to make an earlier change.

The University of North Carolina announced on Sept. 15 that it would admit three Negro students to its undergraduate school, for the first time in the university's 166-year history. The university's action followed a ruling by a Federal Court on Sept. 10 that the university must consider the applications of the three Negro youths without regard to race or colour.

South Carolina. A Federal circuit court in Columbia issued an injunction on July 15 ordering the trustees of schools in the Somerton District of Clarendon County to establish, "with all deliberate speed," a school system not based on racial discrimination. The case was one of the original ones which had led to the Supreme Court's ruling on segregated schools, in 1952 the circuit court had ruled that segregated schools in Clarendon County were not illegal if equal facilities were provided, but this decision was reversed by the Supreme Court, which subsequently remitted the case to the lower court with instructions to order the Negro plaintiffs to be admitted to public schools 'on a racially non-discriminatory basis with all deliberate speed"

Tennessee. The State Board of Education, on June 15, 1955, approved a programme of gradual desegration in the State's colleges, beginning with the graduate schools in the autumn of 1955 The State's Assistant Attorney General said in an official opinion that the State law requiring segregation in schools had been invalidated by the Supreme Court decisions and was therefore no longer effective.

Texas. The State Supreme Court ruled on Oct. 13, 1955, that the U S Supreme Court's decision outlawing school segregation annulled a Texan constitutional ban on the mixing of white and Negro students in schools.

On July 8 the Board of Regents had abolished segregation in the Graduate School of the University of Texas and at Texas Western College, with effect from the coming term The board also announced that it intended to abolish segregation in the undergraduate courses of the main university in the autumn of 1956, and that it would formulate a policy of selective admission based on merit and applicable to all, beginning with the academic year 1956-57

Virginia. Although the City School Board of Norfolk—the largest city in Virginia—approved the principle of integration of Whites and Negroes in public schools "without mental reservation" on July 3, 1955, there was strong opposition elsewhere in the State to the abolition of segregation in schools. This opposition was particularly centred on Prince Edward County, a rural area in southern Virginia where the Negro population is numerically greater than the white population, and from where one of the original cases had gone to the Supreme Court A Federal circuit court in Richmond, giving its ruling on the question of school segregation in the light of the Supreme Court's decisions, directed on July 18 that Prince Edward County must eventually establish a school system which was not based on racial discrimination. As in the case of Clarendon County (South Carolina), however, the court neither fixed a time-limit nor prescribed the procedures by which that objective should be accomplished

On Nov. 12, 1955, the report was published of a special commission of 32 members of the State Legislature which had been appointed in August 1954 to find legal means of avoiding enforced integration in schools The commission recommended (1) that local school-boards should be permitted to assign pupils to schools on bases other than race or colour (as in Alabama—see above), and (2) that tuition grants should be paid to parents for the private schooling of their children if they refused to let them attend racially-integrated schools, or if they lived in communities which abolished public schools rather than integrate them The Commission expressed its conviction "that separate facilities in our public schools are in the best interest of both races, educationally and otherwise, and that compulsory integration should be resisted by all proper means in our power."

As the second of the commission's recommendations involved the amendment of the State's constitution, a special session of the Virginian Legislature was called at the beginning of December 1955 and passed a Bill which authorized the holding of a referendum on the matter within 60 days The referendum (in which voters were asked to decide for or against the election of a State convention to amend the constitution) was held on Jan. 9, 1956, and resulted in a large majority for the proposal. some 300,000 votes were cast in favour and 143,000 against.

A number of other recent developments in connexion with racial segregation are summarized below.

Ruling against Segregation in Parks and Bathing Places. The U.S Supreme Court, in two decisions on Nov 7, 1955, unanimously ruled that racial segregation in public parks, playgrounds, golf courses, and bathing beaches was unconstitutional. As in its decision on segregation in schools, the Court dismissed the doctrine of "separate but equal" facilities for Negroes One of the two cases originated in Maryland and the other in Georgia

On Jan 18, 1956, the Georgia Senate passed two Bills concerning the disposal of State parks in order to prevent their use by Negroes

Ban on Segregation on Inter-State Trains and Buses. The Inter-State Commerce Commission ruled on Nov 25, 1955, that racial segregation on inter-State trains and passenger buses, and the segregation of inter-State travellers in public waiting-rooms, were unlawful and must be brought to an end by Jan 10, 1956. [The Commission has no authority to lay down regulations regarding passengers travelling wholly within any State.] The Commission rejected the principle of "separate but equal" facilities which had previously guided its rulings, declaring that "in assigning or directing Negro inter-State passengers to coaches or portions of coaches designated or provided for the exclusive use of such passengers, and in maintaining waiting-rooms in stations designated for the exclusive use of such passengers," the Negro passengers were being subjected to "undue and unreasonable prejudice and disadvantage" The Commission's ruling was given in regard to two cases, brought by the National Association for the Advancement of Coloured People and by a Negro woman respectively. The Department of Justice had submitted a brief supporting the applicants' claim for the abolition of segregation.

Governor Kennon of Louisiana declared on Jan. 10 that the I C C 's decision was "illegal" and ordered all State, parish, and municipal officials in Louisiana to continue rigid enforcement of State laws requiring separate facilities for the races at stations. He said that the Commission's order directly violated a Supreme Court opinion in an 1833 civil rights case to the effect that the regulation of accommodation and facilities for public conveyances was reserved to the States under the Tenth Amendment to the U S Constitution. [The Tenth Amendment provides that powers not delegated to the Federal Government by the Constitution are reserved to the States]

Allegations of Racial Discrimination in Mississippi. The National Association for the Advancement of Coloured People requested the Department of Justice on Sept 7, 1955, to take "prompt and effective action" against what it described as "a state of jungle fury" in Mississippi It alleged that "White Citizens' Councils" had created an atmosphere of violence in the State which had resulted in three murders, hundreds of threats of violence, a drastic reduction in the number of Negro voters, and numerous instances of intimidation

The allegations about the "reduction in the number of Negro voters" arose out of incidents at the Gubernatorial Democratic primary election on Aug 23, when Negro voters were reported to have been turned away from the polls or their ballots challenged over a widespread area An inquiry into the allegations was instituted by the U S Attorney General, Mr Brownell. President Eisenhower, in his recent State of the Union Message, requested the setting-up of a Congressional bipartisan commission to examine the charges (see page 14653, second column).

Southern Opposition to Desegregation. Delegates from 12 southern States met in secret at Memphis (Tennessee) on Dec 28-29, 1955, to constitute formally a new national organization to fight racial integration and what were termed "other efforts to destroy the Constitution" It was disclosed that the organization—called the Federation for Constitutional Government—had been founded at a meeting at Jackson (Mississippi) on Jan 21-22, 1955, with Mr John U. Barr, a New Orleans industrialist, as chairman of its executive committee

Desegregation in Maryland National Guard. Governor McKeldin issued an order on Nov 20, 1955, providing for the immediate desegregation of the Maryland National Guard Maryland was the first of the Southern States to take such action

A report on the progress of race relations in the U.S.A. during 1955, published on Dec. 30 by Dr. L. H. Foster, president of the Tuskegee Institute, referred to "hundreds of formerly segregated schools" which had been desegrated "without creating serious tensions or conflict." The report also noted, however, that opponents of desegregation had resorted to "economic pressure, intimidation, and violence" in some areas. (New York Times - New York Herald Tribune)

(Prev. rep. Desegregation, 14244 A.)

A. BELGIUM - UNITED KINGDOM. — Atomic Energy Agreement.

An atomic energy agreement between the U.K. and Belgium was signed in London on Nov. 19, 1955, by Mr. Macmillan (then U.K. Foreign Secretary) and M. Spaak (the Belgian Foreign Minister).

The agreement (which runs for 10 years) provides for the sale of uranium from the Belgian Congo to Britain, and thus continues the tripartite arrangements made in 1944 between Belgium, Britain, and the U S.A., whereby Belgium agreed to supply the major part of its uranium production in the Congo to the Anglo-American Combined Development Agency

The second part of the agreement provides for collaboration between British and Belgian scientists in the development of the Belgian atomic industry. It also lays down that selected Belgian scientists and engineers who have been cleared for security purposes by the two Governments will be admitted to Calder Hall and other U K. atomic establishments to gain technical training and experience. In addition, Belgium will be able to buy supplies of purified natural uranium metal and agreed amounts of specially enriched fuels from the U K., on condition that such fuels will be returned for processing once they have been used in an atomic reactor.

The agreement was similar to that concluded between the U.S.A. and Belgium on June 15, 1955 (see page 14361).
(Times - Daily Telegraph) **(Prev. rep. 14360 A.)**

B. INDIA. — New Chief Justice.

Mr. Justice Sudhi Ranjan Das was sworn in on Feb. 1 as Chief Justice of the Supreme Court of India in succession to Chief Justice Mukerji, who had resigned because of ill-health. Before joining the Federal Court in January 1950, Mr. Justice Das was Chief Justice of the Punjab High Court.
(Indian High Commissioner's Office, London) **(13978 G.)**

C. CANADA. — Cabinet Appointment.

Mr. Hugues Lapointe, Minister for Veterans' Affairs, took over the additional portfolio of Postmaster-General on Nov. 8, 1955, in succession to Mr. Alcide Cote, who had died some months earlier.—(Montreal Star) **(Prev. rep. 13682 B.)**

A. UNITED KINGDOM. — Wage Increases and Trade Disputes in 1955. - The Wage-Price Relationship. - Statement by Chairman of Stock Exchange on Relationship between Wage Increases and Company Profits.

A general review of wage increases and industrial disputes in British industry during 1955 was published in the January issue of the *Ministry of Labour Gazette* and is summarized below:

Wages and the Cost of Living. The average increase in weekly wages during the year was about 7 per cent, and the average rise in the level of retail prices about 6 per cent, compared with increases of 4.5 per cent and 4 per cent respectively in 1954. The wage-price relationship in 1955 is shown in the following monthly index figures (June 30, 1947 = 100):

	Wages	Prices
January	146	146
February	147	146
March	149	146
April	152	147
May	152	147
June	152	150
July	153	150
August	153	149
September	153	150
October	153	152
November	154	154
December	154	154

During 1955 about 11,889,500 workers received increases totalling £5,138,700 weekly, an average of about 8s. 10d. per worker. The following table shows the approximate number of workers affected in each of the principal groups of industries, and the net amount of the weekly changes in wage-rates

	Approximate number of workers affected	Estimated net weekly increases £
Agriculture, Forestry, Fishing	818,000	269,000
Mining and Quarrying	476,000	299,600
Treatment of Non-metalliferous Mining Products other than Coal	233,500	85,000
Chemicals and Allied Trades	201,500	78,800
Metal Manufacture	211,000	119,900
Engineering, Shipbuilding and Electrical Goods; Vehicles; Metal Goods not elsewhere specified	2,500,500	1,133,900
Textiles	482,500	153,600
Leather, Leather Goods and Fur	50,500	24,400
Clothing	401,500	132,400
Food, Drink and Tobacco	371,500	160,600
Manufactures of Wood and Cork	185,500	95,600
Paper and Printing	290,500	96,400
Other Manufacturing Industries	112,500	73,800
Building and Contracting	1,217,000	616,000
Gas, Electricity and Water	246,500	136,200
Transport and Communication	1,136,500	632,200
Distributive Trades	1,469,000	474,300
Public Administration	853,500	393,100
Miscellaneous Services	632,000	163,900
Total	11,889,500	5,138,700

Of the wage increases granted, £2,032,300 (39.5 per cent) was obtained through direct negotiations, £1,591,300 (31 per cent) through joint industrial councils, £785,800 (15.3 per cent) through wage councils and other statutory wages boards, £300,100 (5.8 per cent) under sliding scales based on the index of retail prices, £244,500 (4.8 per cent) by arbitration and mediation, and £184,700 (3.6 per cent) through other standing joint councils or conciliation boards

The index figures of weekly rates of wages (June 30, 1947 = 100) for each month of 1955 are shown below:

Date (end of month)	Men	Women	Juveniles	All Workers
1954:				
December	142	148	156	144
1955:				
January	144	151	158	146
February	145	151	158	147
March	147	153	160	149
April	150	154	162	152
May	151	154	163	152
June	151	155	163	152
July	151	155	163	153
August	151	155	164	153
September	152	156	164	153
October	152	156	165	153
November	152	157	165	154
December	152	158	166	154

Industrial Disputes. There were 2,424 industrial disputes involving stoppages of work during 1955, compared with 1,989 in 1954. About 670,900 workers (approximately 2 3 per cent of the working population) were affected, the total number of working days lost (3,794,000, an average of 5½ day per worker involved) being the highest since 1932.

The largest number of stoppages (involving 353,600 workers and causing the loss of 1,113,000 working days) occurred in the coal industry, but were mostly of relatively short duration.

Stoppages in the transport industry, however, accounted for 1,688,000 days lost, or nearly one-half of the aggregate loss of time through all disputes; the principal strikes were that of railway locomotivemen in May-June (see 14140 A, 14280 A), in which about 865,000 working days were lost, and the dock strikes of the same months, costing 875,000 working days An unofficial strike—which at its height involved about 1,700 ships' stewards and seamen—broke out at Southampton and Liverpool at the end of May in protest against the alleged undermanning of certain ships, after costing about 25,000 working days and holding up many liners, it ended on June 25 after call-up notices had been sent to the strikers on the ground that by leaving their employment as seamen they had forfeited their exemption from National Service.

Stoppages in the vehicle-building and shipbuilding industries accounted for the loss of 452,000 and 121,000 working days respectively. In the former, the principal stoppages were (*a*) a strike of about 7,000 men employed at three Rolls-Royce aero-engine works in the Glasgow district, owing to the rejection of their demand for the dismissal of a worker who had been deprived of his trade union membership for alleged failure to comply with a workshop decision not to exceed a certain bonus limit (245,000 days lost in October - December), (*b*) a strike of aircraft workers at the Hawker-Siddeley Blackpool works, arising out of the rejection of a demand for an extra bonus for night-shift workers.

The principal stoppage in the shipbuilding industry began at Birkenhead in September over the employment of sheet-metal workers on work claimed by joiners. After 14,000 working days had been lost, the strike ended in October, but three weeks later another stoppage began as a result of the employers' termination of an agreement about demarcation; by the end of the year about 900 workers had become involved and 19,000 working days lost. About 24,000 working days were lost in a wage dispute at East Scottish shipyards (September-December).

Losses of 73,000 and 767,000 working days respectively were caused by the London strike of printing machinery engineers in March-April (see 14176 A), and by stoppages in the engineering industry generally.

The relationship between increases in company profits and dividends on the one hand, and wages and salaries on the other, was compared by Sir John Braithwaite, chairman of the Stock Exchange, in an open letter published in the Press on Aug. 29, 1955. He stated that in the seven-year period 1947-55 advances in wages and salaries had totalled nearly 14 times as much as the volume of the rise in interest and dividends.

After recalling that in March, 1955, figures of interest and dividends had been published in respect of most securities quoted on the Stock Exchange, Sir John attributed the misconceptions on the subject—which, he said, still persisted—principally to "the use of percentages without stating the total sums to which they apply." Since no true view could be obtained without reference to both at the same time, and since "decisions of the first importance to the economic life of the country" might be influenced by the views held on these matters, it was important that the two methods of measurement should be brought into relationship with each other.

"Any broad consideration of these matters," the letter continued, "must go back to the spring of 1948, when Sir Stafford Cripps, with the support of the T U C, called for . . a standstill on the figures for 1947 [see 9053 A]. The Federation of British Industries obtained from its members an agreement not to increase dividends for 1948, and again for 1949, and Sir Stafford Cripps acknowledged in the House of Commons that these agreements had been substantially observed. . . . The fact that wages and salaries rose by £1,040,000,000, or 19 per cent, when dividend limitation was substantially observed must be borne in mind in considering the rises in dividends which came later. . . . Neither of the post-war Governments has been able to prevent a steady rise in the cost of living, though happily this rise has throughout kept well behind the compensating rise in wages and salaries, which have not at any time since 1947 been chasing prices, as is sometimes stated"

Sir John then quoted published statistics showing that wages and salaries for the year ended Dec. 31, 1954, totalled £9,265,000,000, compared with a total of £1,122,000,000 for interest and dividends on securities quoted on the Stock Exchange—i.e., eight times as much. Wages and salaries had advanced since 1947 by 69.2 per cent (£3,790,000,000), compared with increases of 51 6 per cent (£877,000,000) in company trading profits and of 32 1 per cent (£273,000,000) in interest and dividends. The rise in wages and salaries had thus been appreciably more than the rise in company profits by percentage, and four time more by volume; moreover, it had been more than double the rise in interest and dividends by percentage and nearly 14 times as much by volume. Sir John added that in each year since 1947 the rise in wages and salaries had exceeded by at least £80,000,000 the whole total of the rise in interest and dividends on Stock Exchange securities over the entire seven-year period from 1948 to 1954.

In conclusion, Sir John stressed that whilst no firm statistics were available beyond Dec. 31, 1954, the rises were continuing in all three sectors, and there were no indications of any material alteration in the relative positions.—(Ministry of Labour Gazette - Times - Financial Times - Manchester Guardian) **(Prev. rep. 14064 A; Sir Anthony Eden, Bradford Speech, 14639 A.)**

FEBRUARY 11—18, 1956

A. CYPRUS. — Increase in Terrorist Activities. - Proclamation of State of Emergency. - Ban on Cyprus Communist Party. - Discussions between Sir John Harding and Archbishop Makarios. - Anti-British Broadcasts by Athens Radio. - British Protests to Greece.

The internal situation in Cyprus during the past three months (mid-November to mid-February) was marked by a great increase in terrorist activities by the outlawed Eoka organization, bomb-throwing and other outrages being of almost daily occurrence in Nicosia, Limassol, Famagusta, and other centres. During this period a number of British servicemen were murdered by Eoka terrorists, several of them being shot dead in the streets of Nicosia and other towns by assailants who succeeded in escaping. [The number of British servicemen murdered by terrorists since the start of the emergency totalled 17 by the middle of February.] To counter the growth of terrorism, the Governor (Field-Marshal Sir John Harding) imposed a state of emergency, involving the death penalty for anyone found in possession of arms and ammunition, whilst all British forces in the island were placed on a war footing.

The situation was exacerbated by violent and inflammatory anti-British broadcasts from Athens radio in support of the campaign for *enosis* (union with Greece), leading to strong representations by the British Government. A feature of this propaganda was its effect on Greek Cypriot students and schoolchildren, who staged many anti-British demonstrations and attacked and stoned British troops on numerous occasions. As a result, 15 of the island's 35 secondary schools, and many elementary schools, had been closed down by the middle of February because of the pupils' indiscipline and the failure of the school authorities to maintain order.

Terrorist Activities. - Operations by Security Forces.

The principal incidents during the three-month period are described below chronologically, in continuation of 14513 A:

Nov 13, 1955 Three British soldiers were wounded, two seriously, in Famagusta by terrorists who shot them as they were leaving a cinema. The assailants escaped.

Nov 14. Police and troops used tear-gas to disperse a large-scale pro-*enosis* demonstration in Nicosia by students and schoolchildren who tore down British flags and stoned the security forces, 27 arrests were made, including 16 schoolboys.

Nov. 15. After further demonstrations by children and young persons, Sir John Harding ordered the closing-down of a large secondary school in Nicosia whose pupils had taken a leading part in the disturbances. All other secondary schools in the island were warned that they would also be closed down if they continued to tolerate mass absenteeism of their pupils and other forms of indiscipline.

Nov 18 A British staff-sergeant was killed and a warrant-officer seriously wounded when a time-bomb exploded outside the sergeants' mess at the Kykko camp, near Nicosia.

Nov 19 Eight soldiers of the South Staffordshire Regt. beat off a night attack by armed raiders on an explosives store at a mine some 20 miles from Nicosia.

Nov 21 A British sergeant was killed in Famagusta by terrorists who opened Sten-gun fire on an Army lorry, two men of a Commando unit were wounded when a convoy was ambushed at night in the mountains west of Nicosia, and widespread rioting occurred in Nicosia and Larnaca, bombs being thrown and the police being stoned before order was restored by tear-gas and baton charges. A hand-grenade thrown into a British-owned bar in Nicosia seriously injured a Cypriot woman, who died later in hospital; British soldiers in the bar were unhurt.

Nov. 23 Bombs were thrown at the homes of three British officers in Famagusta, no casualties being caused. Other bomb outrages occurred in different parts of the island, a road-bridge near Nicosia being blown up.

Ten prominent Greek Cypriots were arrested by the security forces in a dawn raid at Limassol. They included two members of the Ethnarchy Council of the Greek Orthodox Church, Dr Tritoftides, a well-known gynaecologist, Mr. Kotsapas, a Limassol merchant; and five of his sons. (A sixth son had been detained earlier for having weapons in his car.)

Nov. 24. A British sergeant was shot dead in a Nicosia street by a terrorist who succeeded in escaping. In the mountainous country west of Nicosia an Army lorry was ambushed by terrorists near the village of Khandria, a British private being killed and two other soldiers wounded. A Cypriot who tried to approach the lorry was shot dead by Commandos after he had failed to answer a challenge and tried to run away; he was believed to be one of the terrorists who took part in the attack.

Nov. 27. Five people were injured at the Ledra Palace Hotel, Nicosia, when a bomb exploded during a ball organized by the Caledonian Society of Cyprus.

Dec. 4. A large quantity of arms and explosives was seized by Customs officers at Limassol when they opened cases sent from the Piraeus (Greece) and consigned to a Limassol bookseller, Andreas Joannides. The cases—which were landed from a Greek ship, ostensibly as containing books—were found, on examination, to contain sub-machine guns, a Sten gun, pistols, quantities of ammunition, "limpet" mines, some T.N.T., fuses, and detonators. The consignment was seized and the bookseller arrested.

Dec 5. A police car travelling with a military escort in the Troodos mountains was ambushed by terrorists who killed a British soldier, a Cypriot policeman, and a Cypriot civilian who was cycling along the road at the time and was caught by the terrorists' fire.

Dec 7. Four British soldiers walking in mufti in a Nicosia street were wounded by a terrorist who opened fire on them from behind with a Sten gun, and who subsequently escaped.

Dec. 8 About 1,000 troops carried out a search for hidden weapons in monasteries throughout the island. An official statement said that some weapons and a small quantity of explosives had been found during these searches, and eight arrests made. Some dynamite was found at the Kykko monastery, the largest in Cyprus.

[In a sermon on Dec. 12, Archbishop Makarios denounced the troops carrying out these searches as "British barbarians," and accused them of having "violated the sanctity of holy places." It was commented by some press correspondents that the Archbishop's sermon was made on the same day on which one of his own priests had been arrested in possession of explosives—see below.]

Dec. 11-13. British troops carried out several arrests and detained a number of suspects for interrogation during searches in terrorist-infested areas of the Troodos mountains. Among those taken into custody was a Cypriot priest found in possession of detonators and explosives, and a 22-year-old Cypriot (Renos Kyriakides, a brother of the Bishop of Kyrenia) who was found in possession of a loaded revolver—an offence punishable by death under the emergency regulations imposed on Nov 27 (see below).

[Kyriakides was subsequently committed for trial, and was sentenced on Feb. 9, 1956, to 12 years' imprisonment. He had pleaded "guilty" to carrying a loaded revolver.]

Dec 14. Two British soldiers were shot in the back in Nicosia by a terrorist, one of them later dying in hospital. Several other British soldiers were wounded in bomb and shooting outrages in different parts of the island, whilst a Cypriot official was seriously injured by terrorists at Limassol.

Dec 15. Four terrorist gunmen ambushed a British military vehicle on a mountain road near the village of Lefka (35 miles west of Nicosia), the driver—a British soldier—being killed by automatic fire. An officer of the Royal Engineers who was travelling in the car (Major Brian Combe) jumped out and engaged the gunmen single-handed, killing one, seriously wounding another, and capturing a third. After expending his ammunition he returned to the car, replenished his supply, renewed the exchange of fire, and stood guard over the captured men until help arrived. The man killed by Major Combe was found to be Charalambos Mouskos (22), a cousin of Archbishop Makarios and a well-known terrorist on whose head a reward of £5,000 had been placed.

[Major Combe, who was subsequently awarded the George Medal for "courage and initiative of the highest order," held a press conference on Dec 23 at which he deplored the fact that the Cypriots were "acclaiming the dead man [Mouskos] as their hero and the British Press acclaiming me as theirs." After declaring that the great majority of the Cypriot people were peaceful citizens who were "cowed by fear of a handful of murderers at large in the island," Major Combe asked that there should be "no jubilation over this tragedy" [the death of Mouskos], and appealed to all to wipe out the evil of terrorism and "save the island from more deaths, tears, and sorrow."

Dec. 16. The port of Limassol was placed out of bounds to British troops after a series of bomb incidents in which an R.A.F. man and two Cypriots were wounded.

Dec. 18 Three bombs were thrown into a Nicosia bar, wounding ten British Servicemen, a British civilian, three Americans, and a Greek Cypriot woman. In Famagusta, two British officers in mufti were shot in the back by a terrorist in the centre of the town, one of the officers being severely wounded.

The funeral of the terrorist Charalambos Mouskos, who was buried on this date in Nicosia cemetery, was made the occasion for nationalist demonstrations in different parts of the island. Disregarding instructions from the authorities, demonstrators created disturbances during the funeral ceremony and attempted to attack troops and police who were present to keep order. Archbishop Makarios, who conducted the funeral service, subsequently protested to Sir John Harding at the presence of "British troops and Turkish policemen," whom he accused of having "acted barbarously" by using tear-gas and batons to repulse the demonstrators. Sir John Harding rejected the protest, pointing out that only relatives of the dead man, clergy, and pall-bearers had been given permission to attend the funeral, that these orders had been wilfully disobeyed by members of the public, and that the security forces had been compelled to intervene to maintain order. The Governor also pointed out that Mouskos was "an outlaw who had taken part in ambushing and murdering a British soldier."

Dec 28 Troops operating in the mountains near Paphos caught a wanted terrorist who had gone into hiding in a monastery; a large quantity of military stores was seized during a search of the monastery.

It was disclosed in Nicosia that a lance-corporal of the Royal Leicestershire Regiment had disappeared from a military camp at Kyrenia some days earlier and could not be found. It was thought possible that he had been captured by terrorists and was being held as a hostage.

Jan. 2, 1956. Patrols of the Royal Marine Commandos and Gordon Highlanders, assisted by police dogs recently flown to the island from London, captured the biggest quantity of arms to date during searches in the snowbound Troodos mountains, where many terrorists were known to be hiding in caves. The arms seized included three machine-guns, a number of bombs, hand-grenades, and many small arms. Eight terrorists—three of whom were in possession of arms and ammunition—were captured during these searches after being tracked down by the police dogs. Searches of abandoned caves indicated that the terrorists were receiving food supplies from Amiandos and other villages in the area.

Two British soldiers were wounded by a bomb explosion in Famagusta, whilst a Cypriot policeman was shot and seriously injured by masked terrorists in a Nicosia suburb.

Jan. 5. A masked gunman broke into a ward in the Nicosia General Hospital and fired three shots at a woman patient who had been denounced by Athens radio as a "spy" against the Eoka organization. The assailant escaped by climbing down a fire-escape. The woman —Ariadne Constantiniou, a 45-year-old midwife—received bullet-wounds in the face, and it was feared that she would lose her sight

Jan 6. A time-bomb exploded outside a British military hospital near Nicosia but caused no casualties A bomb thrown by a terrorist into the home of a British serviceman in Nicosia wounded a three-year-old child, who, however, was only slightly injured and was subsequently discharged from hospital.

Jan. 11. A Turkish police sergeant (Abdullah Ali Riza), who had given evidence in trials of Eoka members, was shot dead by terrorists outside his home in Paphos. The murder aroused violent indignation among the Turkish community in Cyprus, the windows of Greek shops being smashed in Paphos and Nicosia The Turkish underground organization known as *Volkan* issued leaflets threatening that reprisals would be taken against five Greeks for every Turk killed, whilst a newly-formed Turkish Cypriot youth organization also distributed leaflets threatening "a life for a life and blood for blood." The leaflets declared that the Turkish Cypriots were supported by "25,000,000 Turks on the mainland," and said that "bearded priests will not be allowed to thrust us under the mercy of the Greeks."

Dr. Kutchuk, the leader of the Turkish Cypriot community, sent a telegram to Sir John Harding declaring that the Turks of Cyprus were enraged at the "cowardly and unprovoked" murder of Sergeant Ali Riza, and urging the Government to compel those who supported the terrorists to compensate Ali Riza's widow and children. He also sent a message to Archbishop Makarios demanding that the Greek community should unequivocally condemn the murder.

Jan. 15. A British soldier was shot dead in Famagusta while on sentry duty, the assailant escaping

Jan. 19. A British officer—Capt. J. P. Lane, of the R.A.O.C.—was shot five times in the back by two gunmen in one of the main squares of Nicosia, and died while being taken to hospital. The attack was carried out in broad daylight, the murderers escaping. Captain Lane was living in Nicosia with his wife and nine-weeks-old child.

Jan. 23. During the night of Jan. 22-23 masked terrorists in 28 towns and villages came to the doors of houses and ordered householders to hand over all guns in their possession. It was reported from Nicosia, however, that only some 200 sporting guns and air-guns had been obtained by these means. A Government order was immediately issued requiring everyone in Cyprus possessing shotguns, rifles, etc., to hand them over within 24 hours to prevent terrorists from getting them by threats of force. In compliance with this order, hundreds of such weapons were surrendered to the authorities in Nicosia, Famagusta, Larnaca, and other centres.

Jan. 27. Violent anti-British demonstrations were staged in Nicosia by several hundred schoolchildren who erected barricades in the streets, pelted British troops with stones and bottles, and hoisted the Greek flag Order was restored after tear-gas and batons had been used, one British soldier being wounded by the stone-throwing. The children were encouraged by two Greek Cypriot priests who remained in the background.

Jan. 29. A British soldier was wounded, and subsequently died in hospital, by a bomb flung into a police-station in a village near Paphos.

The Pan-Cyprian Gymnasium in Nicosia (the largest secondary school in Cyprus, with over 2,000 pupils) was closed down by Sir John Harding for an indefinite period. An official statement said: "During the past week the Greek secondary schools in Nicosia have failed to maintain proper discipline. and on every day of the week one or more of them have indulged in mass absenteeism, demonstrations, or clashes with the security forces The Nicosia Pan-Cyprian Gymnasium, in particular, has behaved deplorably. . . ."

Feb. 5. Tear-gas was used to disperse rioting schoolchildren at Limassol. The Headmaster of Limassol College (Mr. Avramides) was seriously wounded by a bomb intended by unknown assailants for a British military patrol.

Men of the Gordon Highlanders, aided by police and police dogs, searched three villages in the north of the island. Using masked informers to identify suspects among the male population, they made 19 arrests and seized some arms and ammunition.

Feb. 6. The Pan-Cyprian Gymasium in Famagusta was closed down after the pupils—about 1,000 boys and girls—had run riot in the streets, stoned British troops, and smashed the windows of an Army education centre. Tear-gas and baton charges were used to restore order.

Feb. 7. An 18-year-old Greek Cypriot youth, Petros Yiallouris, was shot dead by a British soldier in Famagusta during demonstrations in which barricades were erected and the security forces stoned The shot—which had been intended as a warning shot—was fired after another British soldier had been severely wounded by a stone which struck him on the head.

In the Limassol area, troops arrested three men—two of whom were terrorists for whose capture rewards of £5,000 had been offered —during searches in villages It was officially stated that the arrest of the three men was due to information received by the authorities in one of many anonymous letters denouncing the Eoka movement which were being sent on an increasing scale by the general public.

Feb. 10. Demonstrations were staged throughout Cyprus by secondary and elementary schoolchildren (some of the latter being only six years of age) in protest against the shooting of Yiallouris in Famagusta three days earlier In Limassol and Famagusta, children in the 6-11 age-group tore down Union Jacks and smashed portraits of the Royal family in their schools, hoisted the Greek flag, stoned British troops, and broke the windscreens of cars Schoolgirls in Limassol forcibly resisted men of the Norfolk Regt who entered their school to haul down a Greek flag, fought the troops for possession of the flag, and paraded the streets shouting anti-British slogans and stoning British soldiers British troops were also stoned by children at Paphos.

Feb 12 Two R.A.F men in mufti were shot dead in a Nicosia street, and another seriously wounded, by gunmen who opened fire on them while they were looking into shop-windows. The area was cordoned off but the assassins could not be found Nicosia was subsequently put out of bounds to British troops for the first time.

Feb 13. The wife of a British sergeant was severely injured, and subsequently had to have a foot amputated, by a bomb thrown into her home at Larnaca by a terrorist. Her young child was rendered unconscious by the explosion, and was only saved from being burned to death by a policeman who broke into the house and rescued it.

British troops were heavily stoned at the village of Kolossi, near Limassol, to which they had been sent to remove Greek flags being publicly flown. The population refused to disperse and adopted a threatening attitude, whereupon the troops opened fire. One person was killed and another injured.

The Abbot Epiphanios, head of the Krysoroyiatissa monastery, was shot dead by a masked and black-robed intruder who broke into the monastery and subsequently escaped.

Proclamation of State of Emergency. - Imposition of Collective Fines.

In view of the deterioration of the situation resulting from the increase in terrorist activities, Sir John Harding proclaimed a state of emergency in Cyprus on Nov. 27.

Under new regulations issued in the Official Gazette, the unlawful use or possession of firearms, bombs, and ammunition became an offence punishable by death, acts of sabotage such as interference with communications, power supplies, and water supplies became punishable by life imprisonment; the unlawful wearing of military or police uniforms also made the offender liable to life imprisonment; and looting, unlawful drilling, the wearing of disguises, and the harbouring of terrorists became punishable by imprisonment from five to seven years.

In addition, communities whose inhabitants engaged in unlawful activities became liable to collective punishment such as the imposition of fines, the closing of shops, and confiscation of property; youths under the age of 18 who engaged in such activities became liable to whipping; the Governor was given powers to deport or detain terrorists, impose a censorship, requisition property, and ban the display of flags, slogans, etc.; all public assemblies were banned with the exception of cinema and theatrical performances and religious services; and strikes unconnected with trade disputes were declared illegal.

With the concurrence of the British Colonial Secretary (Mr. Lennox-Boyd), Sir John Harding signed a proclamation on Nov. 28 placing the 10,000 British troops in Cyprus on a war footing for a period of three months. A Service spokesman said that this action "amounts to a parallel measure to the proclamation of a state of emergency by the civil power." The British forces in Cyprus were reinforced in January and February by units of the Highland Light Infantry and the Royal Horse Guards (The Blues).

Collective fines were imposed during December on three villages—Lefkoniko, Ypsonas, and Paralimni—under the emergency regulations. At Lefkoniko, where the post-office had been burned down by schoolboys, the 1,000 inhabitants were fined £2,000 (£2 per head), at Paralimni, a notorious trouble-spot, a collective fine of £1,500 was imposed, and at Ypsonas, where the telephone lines had been repeatedly cut, the inhabitants were fined £200 The fines were payable by all male members of the communities, under threat of imprisonment or confiscation of their property, and were paid over at the local police-stations without disorders. Sir John Harding paid a personal village visit to Lefkoniko to warn its inhabitants that they had "a very bad record."

Under the emergency regulations, several students in Famagusta, Paphos, and other centres were birched after having been found guilty of taking part in unlawful demonstrations and attacking the security forces. The youths were all between the ages of 15 and 18.

Field-Marshal Harding's Warning to Terrorists.

In a New Year message to the people of Cyprus, broadcast on Jan. 1, Sir John Harding warned the Eoka organization that " its days were numbered " and that " the net is slowly but surely closing around them."

The Governor said in his broadcast " We cannot look back at the last few months with much satisfaction We have seen this once happy, peaceful and prosperous island brought to a condition which all must deplore. Parents see the education of their children disrupted and the young incited to indiscipline and excesses Peaceful citizens see their businesses damaged and find it difficult to lead normal lives Worst of all, this island lives in the foul atmosphere of violence, murder and fear I warn Eoka here and now that their days are numbered, and that the net is slowly but surely closing around them No matter what temporary successes they may still gain by murder, raid, or ambush, they and their organization will be destroyed. I believe that 99 per cent of the population of Cyprus are longing for this sorry state of affairs to be brought to an end "

After denouncing the acts of brutality committed by the terrorists, such as the shooting of unarmed men in the back, Sir John Harding continued " I am glad that some people are now beginning to come forward and give the security authorities information about the terrorists I am not surprised to learn from captured terrorists that there exists in their ranks a growing sentiment of defeat . .

" There are people who say ' If only the British would not be so obstinate, if only they would agree tomorrow to the application of the principle of self-determination, all our problems would be solved. We could ring the bells and all live happily ever afterwards.' But anyone who sits down and thinks for a moment knows better than that. Would Cyprus, Greece, Turkey, the Middle East, and the world generally at once be safer and happier if Britain suddenly abdicated her responsibilities ? That would be unrealistic Any solution of the political problems here must take into account First, the wishes of all sections of the people of Cyprus ; secondly, the strategic requirements of the defence of the free world as a whole , and thirdly, the relations between the Powers concerned, primarily Britain, Greece and Turkey

" I am a soldier, and cannot help looking at the map of the world and thinking of the disaster that we are striving to avoid. We must all strive to reach a solution which will be acceptable to the pride and national interests of the peoples of Cyprus, Greece, Turkey, and Great Britain—a solution which will advance the political and economic development of Cyprus, and one which will keep our common front strong and unbroken."

Ban on Cyprus Communist Party.

The Communist Party of Cyprus (known as AKEL), together with all its subsidiary organizations—e.g. the youth and women's branches—was banned by Sir John Harding on Dec. 14 as an unlawful organization. At the same time the police arrested 135 leading Cypriot Communists, including M. Papaioannou (the secretary-general of AKEL), the Communist mayors of Limassol and Larnaca, and the deputy mayor of Famagusta. The Communist newspaper *Neos Democratis* was closed down and its machinery and equipment removed. A number of leading officials of the Pan-Cyprian Federation of Labour were detained at the same time, although the Federation itself (which has 22,000 members) was not proscribed. The Government announced that it was anxious not to disturb the work of legitimate trade unionists, who, it was recognized, had an important part to play in promoting stability and prosperity in the island.

M. Papaioannu had recently made violent attacks on Archbishop Makarios for his " conciliatory " attitude towards Sir John Harding.

Meetings between Sir John Harding and Archbishop Makarios.

Archbishop Makarios, the leader of the *enosis* movement, returned to Cyprus on Nov. 18 after a 17-day visit to Athens during which he had discussions with the Greek Prime Minister, M. Karamanlis, and the Foreign Minister, M. Theotokis. In a statement on Dec. 7, he called upon the people of Cyprus to " remain calm pending new developments."

The Archbishop disclosed that he had rejected a proposal by the Cyprus Government which, " although recognizing the right of self-determination for Cypriots," made its application " dependent on certain pre-requisites, and thus substantially unattainable." He reiterated that the Greek Cypriots were " determined not to accept any solution which does not secure in a positive manner the application of self-determination in the island."

In a further statement on Dec. 30, the Archbishop said that the solution of the Cyprus problem was " simply a question of time." He added : " As the people of Cyprus have taken the irrevocable decision to regain their freedom, and as the British Government have recognized the existence of a problem calling for a fair and honourable solution, I personally consider the question to be solved."

Sir John Harding and Archbishop Makarios met on Jan. 9 and Jan. 13 at the residence of the Anglican Archdeacon of Cyprus in Nicosia. No statement was issued except that the Governor and the Archbishop had discussed " the political and constitutional future of Cyprus." On Jan. 19 Sir John Harding flew to London for consultations with the Government, returning to Nicosia on Jan. 25 after having discussed the Cyprus question with Sir Anthony Eden and other Ministers, including Mr. Selwyn Lloyd, Mr. Lennox-Boyd, and Sir Walter Monckton, the Minister of Defence. On Jan. 27 he had a further meeting with Archbishop Makarios at which he presented new proposals by the British Government on the constitutional future of Cyprus. After these proposals (details of which were not made public) had been studied by the Ethnarchy Council, the Archbishop's reply was handed to Sir John Harding on Feb. 2. Further exchanges of correspondence between the Governor and the Archbishop took place during the next fortnight. Both before and after his visit to London, the Governor had received representatives of the Turkish community for exchanges of views on the constitutional problem.

Mr. Lennox-Boyd informed the House of Commons on Jan. 26 that the Government and Sir John Harding were " in complete agreement " on the next steps to be taken in Cyprus. He added that the Governor's talks with Archbishop Makarios had " not been concerned with the details of constitutional developments in Cyprus but with finding a general basis for co-operation in its development."

House of Commons Debate on Cyprus.

A statement on the British Government's attitude to the Cyprus problem was made by Mr. Harold Macmillan (then Foreign Secretary) on Dec. 5, when the Cyprus situation was debated by the House of Commons.

Mr. Macmillan stated that discussions had been going on in a number of ways since the end of the London conference on Cyprus in an effort to bridge the gap between the views of the Governments concerned [i.e. Great Britain, Greece, and Turkey]. He continued : " The only good settlement of the Cyprus problem is . . . one that commends itself as fair and honourable to all the Governments and peoples concerned It is that settlement we still hope to achieve. In this hope we shall no doubt have disappointments, but we are not prepared to accept defeat Meanwhile, we shall carry out our duty to ensure law and order. There will always be the critics abroad —and some, alas, at home—who will blame as guilty of reactionary, blimpish obstinacy any British Government which does not immediately accede to any demand made on it There are some people who seem to think this is merely a question of Britain being an ageing parent with an adolescent son. ' The boy is of age, give him his freedom and have done with it.' If that were all it was, it would be simple. . ."

Turning to the differences between the Greek and Turkish viewpoints, Mr Macmillan said that the Greek Government had appealed to the principle of self-determination, maintaining that the majority of the Cypriots were Greek and ought to have the eventual right of joining Greece. The principle of self-determination was a good one, which Britain as a nation had accepted in the U.N. Charter and had " honestly and honourably pursued over a wide area." The question in Cyprus, however, was not whether this principle should be recognized, but whether it should be applied without regard to other considerations.

The Turks, on the other hand, maintained that Britain had occupied Cyprus since 1878 " under a sort of tenancy," and with the duty of defending the whole area against possible Russian aggression. They argued that whilst Cyprus was 500 miles from Athens, it was only 40 miles from Turkey ; that the island might become " a pistol pointed at Turkey's heart " ; and that it should revert to Turkey if Britain abandoned her sovereignty over the island It would be a grave mistake to underestimate the strength of Turkish feeling on this matter—" a mistake which might well prove fatal to Greece, Turkey, and the NATO, as well as to ourselves and the peace of the world."

At the London conference (Mr Macmillan continued) the attitude of the three Governments to the question of self-determination for Cyprus could be summarized as follows Greece—" this year, or at any rate in a year or two " ; Turkey—" never ", Britain—" some time." As " dangerous and passionate feelings " were involved, he suggested that the three Governments should for the moment postpone their final decision on the island's future and co-operate in attempting to bring about self-government. When there were elected representatives of the Cypriot people who could join the discussions, the Governments could " sit down again to see whether they could settle by agreement the future status of the island."

" We are still hopeful," Mr. Macmillan declared, " that as the practical character of our plan begins to be understood, and the generosity and sincerity of what we are trying to do becomes known, the basis for an honourable settlement may be found. . . . Why cannot we all agree to work together for self-government, while refraining at this anxious moment in world history from too precise a definition of every word and phrase in our different approaches to the problem of the final status of the island ? "

After making this appeal to the Greek and Turkish Governments, as well as to the people of Cyprus, Mr. Macmillan pointed out that, in addition to the national opinions involved, there were "sinister forces at work who are opposed to any settlement and who are trying to make everything worse and not better." He added. "These are the forces which are using all the methods of terrorism to make sure the moderates do not get support and that the extremists win the day. By a strange paradox, the Communist agitators have taken advantage of a liberty of speech and action which would not be allowed them had Cyprus been part of Greece. I cannot believe that the Archbishop looks without misgivings on this strange and unholy alliance. A great responsibility lies on him. I trust and believe he will rise to it."

The Foreign Secretary concluded "It would be easy to win sympathy, and even the support of unthinking people, if we were to make a gesture of abdication in conformity to a vague feeling of sentiment But I must warn the House that if we did so the consequences would be grave and even disastrous We would be abdicating our duty, not only to ourselves, but to the Greek and Turkish peoples. We would be bringing about, not peace in the Eastern Mediterranean, but bitter war and strife. We would be failing in our obligations to all other peoples who depend on us as one of the main buttresses in the defence of freedom and democracy, both in NATO and the Middle East. We would be, in this sense, abandoning our task instead of doing it as we intend to do"

Mr. James Griffiths (formerly Colonial Secretary in the Labour Government) said that the Government's handling of the Cyprus question "left much to be desired and much to be condemned." It was still not clear whether the Government accepted and recognized the principle of self-determination for Cyprus, and he himself did not believe that a settlement was possible unless that principle was accepted. If self-determination was agreed to, a Constitution could be worked out containing full safeguards for the rights of minorities He urged that "everything is to be gained and nothing lost" by setting a definite date—for example, five years—for the introduction of self-government Whilst he did not ignore the fact that there were strategic considerations in the area—a fact that had been recognized both by the Greek Government and by Archbishop Makarios—he felt that from every standpoint it was better to have in Cyprus "a people who are working with us rather than a people hostile and bitter." Mr Griffiths added that he would like to see Sir John Harding and Archbishop Makarios issue a joint appeal to the people of Cyprus urging them to refrain from all forms of violence and to preserve law and order.

Greek Support for "Enosis." - British Protests at Athens Broadcasts to Cyprus.

The British Government's proposals for a settlement in Cyprus, presented at the London tripartite conference, were rejected by the Greek Government on Sept. 15, 1955, when a Note to this effect was handed to the British Ambassador in Athens, Sir Charles Peake. Diplomatic contacts between the British and Greek Governments nevertheless continued during succeeding weeks, and on Dec. 5 the Greek Government announced that it would not take the Cyprus question to the 10th session of the U.N. General Assembly (then in session) since such action would "not be in the interest of the Cypriot cause" at the present moment. [The General Assembly had earlier rejected a Greek proposal that it should debate the Cyprus situation—see page 14465, second column.] A senior official of the Greek Foreign Office visited Nicosia at the end of December for discussions with Sir John Harding and Archbishop Makarios.

Violent anti-British and pro-*enosis* demonstrations, principally by students, occurred in Athens, Salonika, and other Greek cities on various occasions during November and December, leading to clashes between the police and demonstrators. Students of the University of Athens and at high schools went on strike on Nov. 22 to urge intervention by the Greek Government on behalf of Savva Karaoulis, who had been sentenced to death after having been found guilty of the murder of a Cypriot policeman in Famagusta on Oct. 5 (see page 14514, end of first column) A Greek petition for the reprieve of Karaoulis, bearing over 1,600,000 signatures, was subsequently forwarded to the United Nations.

The premises of the British Council building in Athens were damaged on Dec. 16 by a time-bomb. Several suspects were detained by the police for questioning.

A strong British protest was presented in Athens on Jan. 16 by Sir Charles Peake, the Ambassador, following a broadcast by Athens radio in which it was alleged that the Turkish police sergeant killed at Paphos on Jan. 11 (see above) had been murdered by "British stooges" with the aim of inciting the Turkish community against the Greek Cypriots. A British Foreign office spokesman said that "this monstrous allegation is the latest and most grotesque example of the campaign of calumny about the Cyprus situation which has been consistently conducted by Athens radio." A Greek Note claiming that Athens radio was an "autonomous" organization, and that the Greek Government had no control over its broadcasts, was rejected by the British Embassy on Jan. 27 as "unsatisfactory and evasive."

The British Foreign Office published extracts on Jan 20 from monitored Athens broadcasts to Cyprus, covering the period from July 1955 to January 1956, in which, *inter alia*, the Cypriots had been exhorted to "talk [to the British] in the language of fighters"; to "disarm their opponents and seize their weapons", to "buy their liberty with their blood instead of receiving it as a favour"; and to "sweep away the constables of the Queen of England" Other Athens broadcasts described the terrorist Mouskos as a "hero"

A British spokesman in Cyprus denounced Athens radio on the same day (Jan 20) for perverting the minds of children by broadcasts which glorified Eoka terrorists who shot helpless women in hospital and killed men by shooting them in the back A direct responsibility fell upon Athens radio for encouraging Cypriot children to make "heroes" of murderers, and for playing on the worst emotions of children at the most emotionally unstable period of their lives

Mr. Lennox-Boyd informed the House of Commons on Jan. 30 that the British Government were "prepared" to jam broadcasts from Athens radio, if they considered it necessary, although it was hoped that such action would not be needed.

Asked by **Mr. Patrick Wall** (C.) what action the Government proposed to take "to prevent the spread of false and seditious anti-British propaganda" by Athens radio, **Mr. Lennox-Boyd** replied. "I have no statement to make at present; but I must make it plain that H.M. Government reserve the right to take any countermeasures which they may consider necessary and justified to preserve Cypriot and British lives from outrages directly provoked by these broadcasts, which contain incitements without precedent between allies and for which it would be difficult to find a parallel in the history of broadcasting"

Asked further by **Mr. Wall** whether he would consider the jamming of Athens broadcasts as a last resort, in view of their "incitement to murder British troops," **Mr. Lennox-Boyd** agreed about the "dreadful effect" of such broadcasts. After pointing out that 15 British servicemen and seven policemen had already been killed in Cyprus, he added: "I can only say that a decision has been taken to prepare to take any measures we may consider necessary, including jamming. But of course we hope that discussions now going on in Cyprus may lead to the end of the broadcasts and, consequently, of the need to take such measures"

Turkish Attitude to Cyprus Question.

A four-point statement on the Turkish Government's attitude to the Cyprus problem was issued on Jan. 25 by the Foreign Minister, Professor Koprulü, as follows:

(1) "Our Government is actively concerned with the progress of the Cyprus issue and is maintaining close contact with the British Government on the subject."

(2) Whilst Turkey accepted the principle of self-determination as an international principle, she was "of the opinion that this principle cannot be admissible in every part of the world, and especially in Cyprus."

(3) "We are of the opinion that the elimination of terrorism in Cyprus, the restoration of law and order, and the removal of animosities between the different communities are pre-requisites for the adoption of self-government in Cyprus. Even if these are achieved, the Turkish community must participate in the island's administration and government, enjoying equal rights with the other communities. Only in this way would it be possible to prevent oppression of the Turks and their reduction to an inferior position. Our Government has conveyed these views to the British Government"

(4) After declaring that Archbishop Makarios "cannot have the right to assume the position of representing the people of Cyprus," Professor Köprülü noted that Sir John Harding had had discussions with representatives of the Turkish community as well as with the Archbishop, and expressed the hope that "such contacts will continue as the situation requires"

American Appeal to Greece and Turkey.

Mr. Dulles, the U.S. Secretary of State, sent letters on Sept. 18, 1955, to the Prime Ministers of Greece (then Field-Marshal Papagos) and Turkey (M. Menderes) expressing "deep concern" at the developments which had adversely affected Greco-Turkish friendship "at a time when these two allies are in great need of mutual understanding." Despite the differences between the two countries on the Cyprus question, and the tension caused by the anti-Greek riots in Istanbul and Izmir (see 14424 A), he urged the two countries not to let these "unhappy events" destroy their partnership in the free world. "Regardless of the causes of this disagreement," said Mr. Dulles, "I believe that the unity of the North Atlantic community, which is the basis of our common security, must be restored without delay."

The U.S. Government requested Greece on Sept. 21 to agree to a postponement of the Cyprus debate in the U.N. General Assembly in order to ease the Greco-Turkish tension caused by the Cyprus dispute. As stated above, the Greek Government subsequently agreed not to press for a U.N. debate on Cyprus.—(Times - Daily Telegraph - Manchester Guardian - New York Times - Turkish Embassy Press Bulletin, London)

(Prev. rep. Cyprus, 14513 A.)

A. UNITED KINGDOM. — Gainsborough, Hereford, and Taunton By-elections.

By-elections were held on Feb. 14 at Hereford, Gainsborough (Lincolnshire), and Taunton (Somerset), the Government retaining the three seats with reduced majorities.

Gainsborough. The by-election was caused by the conferment of a peerage on Mr. Harry Crookshank (now Viscount Crookshank), formerly Lord Privy Seal and Leader of the House of Commons. Result:

Kimball, Marcus (Conservative)	12,836
Walston, Harry (Labour)	11,830
Spence, Major Ivan (Liberal)	6,806
No change Conservative majority	1,006

Figures at the general election were H F. C Crookshank (C) 21,576, G. R S. Hawkins (Lab.) 17,107—Conservative majority, 4,469.

The Conservative candidate received 40 8 per cent of the votes in the by-election, the Labour candidate 37 6 per cent, and the Liberal candidate 21 6 per cent At the general election (when the seat was not contested by the Liberals) the Conservatives obtained 55.8 per cent of the votes and Labour 44 2 per cent

61 7 per cent of the voters went to the poll, compared with 76.7 per cent at the general election. The electorate numbered 50,806.

Mr Kimball (27) is a farmer and a member of Rutland County Council. He unsuccessfully contested South Derby at the general election

Hereford. The by-election was caused by the conferment of a peerage on Mr J P L Thomas (now Viscount Cilcennin), formerly First Lord of the Admiralty. Result.

Gibson-Watt, David (Conservative)	12,129
Owen, Frank (Liberal)	9,979
Stanley, Bryan (Labour)	5,277
No change. Conservative majority	2,150

Figures at the general election were. J. P L. Thomas (C.) 18,058, F. Owen (L.) 8,658, Mrs. E. L P. Seers (Lab.) 8,154—Conservative majority, 9,400

The Conservative candidate received 44.3 per cent of the votes in the by-election, the Liberal candidate 36.4 per cent, and the Labour candidate 19 3 per cent, compared with respective percentages of 51 8, 24.8, and 23.4 at the general election The Liberal proportion of the vote thus increased by 11.6 per cent, whilst the Conservative proportion fell by 7 5 per cent and the Labour proportion by 4.1 per cent.

61.5 per cent of the voters went to the poll, compared with 78.8 per cent at the general election. The electorate numbered 44,529.

Mr. Gibson-Watt (37) is a farmer and a member of Radnorshire County Council.

Taunton. The by-election was caused by the conferment of a peerage on Mr. Henry Hopkinson (now Lord Colyton), formerly Minister of State for Colonial Affairs. Result.

du Cann, Edward (Conservative)	19,820
Pestell, Reginald (Labour)	19,163
No change Conservative majority	657

Figures at the general election were H L. d'A Hopkinson (C.) 22,962, R. Pestell (Lab.) 17,420, Brigadier G Barrington (L.) 3,684 —Conservative majority, 5,542

The Conservative candidate received 50 8 per cent of the votes in the by-election and the Labour candidate 49 2 per cent At the general election (when there was a Liberal candidate) the Conservatives obtained 52 1 per cent of the total votes, Labour 39.5 per cent, and the Liberals 8.4 per cent.

75 per cent of the voters went to the poll, compared with 85.5 per cent at the general election The electorate numbered 51,978.

Mr. du Cann (31), secretary to a group of investment companies, opposed Mr Attlee at West Walthamstow in 1951, and unsuccessfully contested Barrow-in-Furness at the last general election.

Taking the three by-elections together, and comparing them with the polling in the same constituencies at the general election, the Conservatives polled 45.8 per cent of the votes cast (a decline of 7.4 per cent), Labour polled 37 per cent (an increase of 0.7 per cent), and the Liberals polled 17.2 per cent (an increase of 6.7 per cent).—(Times - Daily Telegraph)

(Prev. rep. By-elections, 14687 A.)

B. EGYPT. — Soviet Aid in Atomic Research.

It was announced in Moscow on Feb. 10 that the Soviet Government would assist in the establishment of a nuclear laboratory in Cairo "for work concerned with the peaceful utilization of atomic energy"; that Soviet specialists would advise on the planning and construction of the laboratory; that Egyptian specialists would receive training in the Soviet Union; and that the U.S.S.R. would also supply Egypt with "equipment and instruments for carrying out geological research." It was stated that this agreement had been concluded after the visit of an Egyptian scientific mission to Moscow.

(Times - Manchester Guardian) **(Prev. rep. 14486 B.)**

C. NORWAY. — Arrest of 16 Soviet Fishing Vessels for Infringement of Norwegian Territorial Waters. - Soviet Admission of Liability.

Four Soviet herring drifters alleged to have been fishing in Norwegian territorial waters were arrested by Norwegian naval craft on Jan. 30 and taken into the harbour of Aalesund. A further eight vessels, together with the depot ship *Tambov*, were arrested on Jan. 31, the total number of Soviet ships detained at Aalesund reaching sixteen by February 2.

The Norwegian Government, in a Note to the Soviet Government on Feb 1, protested against the alleged violation of Norwegian territorial waters, which Hr. Lange (the Norwegian Foreign Minister) described as "more comprehensive than any violation of the fisheries frontier we have ever seen on any part of our coast." He explained that although in previous years Soviet vessels (except for one instance in 1954) had been careful to keep outside the Norwegian territorial limit, the captured drifters formed part of a large Soviet herring fleet which "in many cases had been fishing well inside the border line"

The Soviet Ministry of Fisheries, in a statement broadcast on Feb. 1, pointed out that the masters of all Soviet fishing vessels had "strict instructions not to violate the limits of the Norwegian fishing area," and said that the masters of the detained vessels had claimed that at the time of arrest their vessels were outside Norwegian territorial waters. The statement added "In sea fishing practice, however, there have been cases when the fixing of the precise location of ships has proved difficult owing to weather conditions. . . The U.S.S.R. Ministry of the Fishing Industry regards the detention of the ships as a misunderstanding, and expects speedy consideration by the Norwegian authorities of this question and the release of the vessels."

The Norwegian Foreign Ministry stated on the same day, however, that legal proceedings had been instituted, and that the question of whether the Soviet vessels had or had not been fishing in Norwegian waters would be determined by the law courts in accordance with usual Norwegian practice.

The official Soviet reply to the Norwegian Note, received in Oslo on Feb. 4, admitted an infringement of Norwegian territorial waters, but stressed that this had been "unintentional" and that the incident was "a regrettable misunderstanding."

On Feb. 6 it was announced that the masters of the detained fishing vessels had agreed to pay a total of 629,500 kr. (£31,475) in fines and compensation imposed by the Norwegian courts, and that payment had been guaranteed by the Soviet Embassy in Oslo. The vessels left Aalesund on February 7.

(Royal Norwegian Embassy, London - Aftenposten, Oslo)

D. CANADA. — Defence. - Full Strength reached by Royal Canadian Air Force.

In a review of its activities during 1955, issued on Dec. 28, the Royal Canadian Air Force announced that it had reached its planned strength of 41 squadrons during the year.

The R.C.A.F. disclosed that it had 12 *Sabre* jet fighter squadrons in Europe, nine jet-fighter interceptor squadrons for home defence, four transport squadrons, three maritime reconnaissance squadrons, one photographic squadron, and 12 reserve squadrons. It was also stated that the consolidation of the Canadian Air Division in Europe had now been completed with the movement of No. 1 Fighter Wing, R.C.A.F, from Britain to France The personnel strength of the R.C.A.F. passed 50,000 during the year, making it the largest of the three Canadian Services.

It was also disclosed that the transport tasks handled during the year included the large-scale movement by helicopters of equipment for the mid-Canada radar warning line along the 55th parallel. As regards equipment, it was stated that U S.-built *Neptune* medium bombers had replaced *Lancasters* on maritime reconnaissance, that Mark VI *Sabre* jets had continued to replace earlier marks of that fighter, and that a new version of the Bristol *Britannia* was being manufactured at Montreal for the Air Transport Command.

Greece became the tenth NATO country to send aircrews to Canada for training under the scheme introduced in 1950 as part of the Canadian contribution to NATO. Since the introduction of the scheme some 3,500 NATO aircrews from Britain, the Netherlands, France, Norway, Belgium, Portugal, Turkey, Italy, and Denmark have been trained by the R.C.A.F.

(Montreal Star) **(Prev. rep. 14365 A; 11842 A; 11295 A.)**

E. TURKEY. — Population Census.

Preliminary figures of a population census taken in October, 1955, were issued in January. They showed the population of Turkey as 24,111,778, compared with 20,936,524 in 1950, the population of the six largest cities being as follows (1950 figures in parentheses): Istanbul 1,214,616 (983,041), Ankara 453,151 (288,536), Izmir (Smyrna) 286,310 (227,578), Adana 172,465 (117,642), Bursa 131,336 (103,812), Eskisehir 122,755 (89,879). There were 17 cities with 50,000 to 100,000 inhabitants.

(Turkish Embassy Press Bulletin, London)

(Prev. rep. 11421 E.)

A. UNITED KINGDOM. — Motor Industry. - Record Production and Exports in 1955. - Control of Singer Motors acquired by Rootes Group.

The Society of Motor Manufacturers and Traders announced on Jan. 20 that the British motor industry had produced a record total of 1,236,146 vehicles in 1955, or about 18.99 per cent more than the previous record of 1,036,956 produced in 1954.

The 1955 total comprised 897,562 cars, 329,851 goods vehicles, and 8,733 buses and coaches (compared with 769,165 cars, 260,633 goods vehicles, and 7,158 buses and coaches in 1954), all the 1955 figures being records, and production of cars having doubled since 1952.

Car exports rose by only 2 per cent, but exports of goods vehicles rose by 14.1 per cent to a new peak of 122,668, and exports of buses and coaches by 75.8 per cent to 4,936. The total value of the industry's exports in 1955 (including vehicles, spares, accessories, etc.) rose by £47,000,000 to the new record of £387,000,000, of which cars accounted for £122,500,000, commercial vehicles for £87,100,000, tractors for £48,400,000, and spares and accessories for about £129,000,000. The Society explained that a serious fall during the year in exports to Sweden (from £12,700,000 to £6,100,000) and also to the U.S.A., had been offset by higher exports to Australia and South Africa, whilst Finland had trebled her imports of British commercial vehicles and tractors. The announcement added: "Although the final figures for 1955 from the industry's rivals have not yet been received, it is already clear that the British motor industry retains its lead as the world's largest exporter of cars and of cars and commercial vehicles combined."

Mr. Stanley Clark, the Society's chief executive, commenting on the 1955 production figures, said that motor manufacturers were aiming at still higher output and exports in 1956, and that the effect of the industry's expansion scheme—which had cost "well over £100,000,000 for factories in Britain alone"—had "still hardly begun to be felt." He added, however, that in some export markets, particularly in Europe, "all-out competition is now the battle cry," whilst home sales were "bedevilled by the credit squeeze and purchase tax" and rising costs were "a deadly menace to all the industry's plans."

Recent developments in the British motor industry are summarized below:

Output of British Motor Corporation in 1955. Sir Leonard Lord, chairman of the British Motor Corporation, announced on Dec. 30 that during 1955 the Corporation had exported nearly 200,000 vehicles (worth about £75,000,000), or more than any other motor-vehicle manufacturers in the world. Total output for the year had been 468,943 vehicles, an increase of 26.7 per cent over 1954, and equal to nearly four vehicles per minute of every working day. Sir Leonard added: "No other motor manufacturer outside America has ever achieved this output, and even in America it has been exceeded by only three of the great corporations."

Production Cuts and Short-time Working. Most of the 18,000 workers at the Longbridge (Birmingham) works of the Austin Motor Company—one of the component companies of the British Motor Corporation—were placed on a four-day working week from Jan 9 owing to the fact that production of Austin vehicles had overtaken demand and large stocks were accumulating. On the same day a small number of workers at the Humber works (Rootes group) at Ryton-on-Dunsmore, near Coventry, were also placed on a four-day week, and it was announced that the Standard Motor Company (also of Coventry) had cut production of smaller cars by 10 per cent, but had been able to avoid short-time owing to increased demand for their larger cars, particularly in export markets. An Austin spokesman had previously described the cut as "'a temporary phase which merely reflects current market conditions," adding: "Indications are that normal working should be resumed in the course of the next few weeks"

Control of Singer Company acquired by Rootes Group. It was announced on Dec. 29 that the stockholders of Singer Motors Ltd had accepted an offer by Rootes Motors Ltd. to acquire the control of the Singer company. It was explained in the Press that Singers had incurred serious losses in recent years, amounting in 1953-54 to £79,000 and in 1954-55 to £140,000. Sir William Rootes, chairman of the Rootes Group, stated on Dec. 29 that whilst it was too soon to outline future plans, the company would continue to produce Singer cars. Meanwhile the present Singer board would remain in office, but would be expanded to include representatives of Rootes, whilst Singer employees would be retained as far as possible.

The Austin Motor Company announced on Jan. 21 that, as a result of the work of a research team which had been trying to solve the problem of producing an economical gas-turbine engine since 1949, "the construction of a gas-turbine power unit suitable for modern production methods and road conditions is now a possibility." The statement added that the problem of producing a cheap heat-exchanger of light construction had still to be solved, but that when this had been done, and improvements achieved in compressor and turbine efficiencies, fuel economies might be expected "comparable to those of diesel engines."—(Times - Daily Telegraph - Manchester Guardian - Financial Times) **(Prev. rep. 1954 Production, 14037 B; Gas Turbine Car, 10598 A.)**

B. TRINIDAD. — Constitutional Reforms.

Proposals for constitutional changes in Trinidad and Tobago, based on recommendations contained in the majority report of a committee on constitutional reform which had been appointed by the Governor (Sir Edward Beetham) in 1955, were announced on February 11.

The principal changes included (1) the creation of the post of Chief Minister, who would be elected by the Legislative Council and would be the leader of the Government in both the Legislative and Executive Councils; (2) the replacement of the Financial Secretary by an elected Minister of Finance, (3) the removal of the nominated member from the Executive Council and the addition of one other elected member, increasing the number of elected members on the Executive Council to eight. (4) the replacement in the Legislature of a nominated Speaker by an elected one, and the creation of an elected Leader of the House in the person of the Chief Minister, (5) an increase in the number of elected members of the Legislature from 18 to 24.

Mr. Lennox-Boyd, the Colonial Secretary, informed the Governor on the same day that he had been "impressed by the thoughtful and reasonable nature of most of the views put forward." He said that he was prepared to recommend the proposals, with certain minor amendments, for approval by H.M. the Queen.—(Times - Manchester Guardian) **(Prev. rep. 12758 A; 9856 D.)**

C. NORTHERN IRELAND. — Select Committee Findings on Ineligibility of Members of Parliament.

The N.I. Senate and House of Representatives adopted on Feb. 8 the reports of the Select Committees of both Houses which had been inquiring into the position of Sir Norman Stronge, Sir William McCleery, Dr. Eileen Hickey, and Senator H. S. C. Richardson. The Select Committees found that the four members were ineligible to sit in the N.I. Parliament because they had technically held "offices of profit" under the Crown, and that their elections were therefore invalid. It was stressed that all four members had acted in good faith and without knowledge of the legal complexities involved, and that they had never received any remuneration in respect of their "offices of profit." The committees recommended that representations should be made to the Imperial Parliament to indemnify the members and validate their elections.
(Belfast Telegraph - Northern Whig) **(Prev. rep. 14661 B.)**

D. SOUTHERN RHODESIA.—Cabinet Changes.

A reorganization of the Southern Rhodesian Cabinet was announced on Jan. 31 following the resignation of Mr. George Davenport, the Minister of Mines, Lands, and Surveys. The changes were as follows: (*a*) Mr. Garfield Todd, the Prime Minister and Minister of Labour, also became responsible for Native Education, which was detached from the Native Affairs portfolio; (*b*) Mr. P. B. Fletcher became Minister of Lands in addition to remaining Minister of Native Affairs; (*c*) Mr. C. J. Hatty, the Minister of the Treasury, took over in addition the Ministry of Mines; (*d*) Mr. G. Ellman-Brown became Minister of Surveys, whilst retaining the portfolios of Roads and Road Traffic, Irrigation, and Housing. Mr. Stumbles remained Minister of Justice and Internal Affairs. The reorganization reduced the membership of the Cabinet from six Ministers to five.—(Federal Information Department, Salisbury) **(Prev. rep. 14549 C.)**

E. INDIA. — Cabinet. - Mr. Krishna Menon appointed Minister without Portfolio.

It was announced in Delhi on Feb. 3 that Mr. V. K. Krishna Menon had been appointed a Cabinet Minister, and that Mr. Rajbahadur (Deputy Communications Minister) and Mr. B. N. Datar (Deputy Home Minister) had been appointed full Ministers. It was subsequently announced that Mr. Menon would become Minister without portfolio, the Indian Press stating that he would assist Mr. Nehru in the conduct of foreign affairs. Mr. Menon (59) had led the Indian delegation at the U.N. during the past few years, and had played a prominent part in the U.N. General Assembly's sessions.
(The Hindu, Madras - The Statesman, Calcutta)
(Prev. rep. Cabinet, 14370 C.)

F. UNITED NATIONS. - Security Council Recommendation for Sudanese Membership of U.N.

The Security Council, meeting on Feb. 6, unanimously approved a resolution—submitted jointly by France, Britain, and the U.S.A.—for the Sudan's admission as the 77th member of the United Nations. The recommendation will be considered by the General Assembly at its 11th session.
(U.N. Information Centre, London) **(Prev. rep. Sudan, 14624 B; U.N. Membership, 14637 A.)**

A. UNITED KINGDOM. — The Burgess-Maclean Case. - Moscow Press Statement by Missing Diplomats.

The two former British diplomats, Guy Burgess and Donald Maclean, who had left England in May 1951 and whose whereabouts had since been unknown, reappeared in Moscow on Feb. 11, when they summoned two British and two Soviet correspondents to a press conference at a Moscow hotel and handed them a prepared statement giving the reasons for their flight.

The statement, which was handed to the Reuters and *Sunday Times* correspondents in Moscow and to two representatives of the Tass agency, denied that either Burgess or Maclean had ever been Soviet agents and declared that their aim had been to achieve a "better understanding" between Russia and the West—an aim which, they alleged, neither Britain nor the United States had been seriously working for at the time. The two men admitted that they were living in Moscow, Maclean with his wife and children, but refused to elaborate further on their statement or to answer questions. The text of their statement was as follows:

". . It seems to us that doubts as to our whereabouts and speculation about our past actions may be a small but contributory factor that has been and may again be exploited by the opponents of Anglo-Soviet understanding. Accordingly we have thought it best to issue the following statement:

We both of us came to the Soviet Union to work for the aim of better understanding between the Soviet Union and the West, having both of us become convinced from official knowledge in our possession that neither the British nor, still more, the American Government, was at that time seriously working for this aim. We had, in the positions we occupied, every reason to believe that such an understanding was essential if peace was to be safe We had every reason to conclude that such an understanding was the aim of Soviet policy We had had every opportunity to know and grounds for fearing the plans and outlook of the few but powerful people who opposed this understanding

At Cambridge we had both been Communists We abandoned our political activities not because we in any way disagreed with the Marxist analysis of the situation in which we still both find ourselves, but because we thought—wrongly, it is now clear to us—that in the public service we could do more to put these ideas into practical effect than elsewhere It was probably our action in necessarily giving up political activities by entering the public service that, falsely analysed, led the Foreign Office to say it 'believed' we had been Soviet agents at Cambridge. The Foreign Office can of course 'believe' anything it wishes. The important point however, is that on this question we know, and it does not. We neither of us have ever been Communist agents. So far the ground was common for us both. Details of our subsequent careers were completely different. .

As regards Maclean, he worked in London and in Paris, Washington, and Cairo as a regular member of the Foreign Service from 1935 to 1951 and as such was part of the machine which, with the exception of the war period, carried out a policy unacceptable not only to him but to many others. He was by no means alone inside the Foreign Service in objecting to British foreign policy before the war, particularly as regards Abyssinia, the Spanish civil war, and Munich. But he was increasingly isolated in doing so after the war. It became more and more difficult to find anyone willing to think or speak of anything but the 'menace of Communism' or to understand the folly and danger of American policy in the Far East and Europe.

Further work in the Foreign Service was becoming impossible. In May, 1951, there were clear signs that whatever future course he might work out for himself, the Foreign Office and security authorities had plans of their own. His telephones in his office and private house were used as microphones. Plain-clothes policemen followed him wherever he went, and one of his colleagues was put up to act as provocateur. Maclean therefore decided to come to the Soviet Union to do whatever he could to further understanding between East and West from there The difficulty of leaving the country while being tailed by the police was solved by a meeting with Burgess shortly after the latter's return from the Washington Embassy to London. The latter not only agreed to make arrangements for the journey but to come too The risks of such a journey would have been too great for Mrs. Maclean, who was shortly expecting a child. She and the children came to the Soviet Union in 1953.

As regards Burgess, when he decided to leave Cambridge he joined the B.B C. Subsequently, positions were offered to him which he accepted, first in a department of the secret service and secondly in the Foreign Office Throughout, he sympathized with Soviet policy and became increasingly alarmed by the post-war trend of Anglo-American policy. Most alarming of all was its failure first to reach, and later even to seek to reach, a *modus vivendi* between East and West Neither in the B B.C. nor in the Foreign Office, nor during the period that he was associated with the secret service and also M.I 5 itself, did he make any secret from his friends or colleagues either of his views or the fact that he had been a Communist His attitude in these positions was completely incompatible with the allegation that he was a Soviet agent.

This statement of Burgess's position is necessary to understand the situation which arose a week or so after his return to London from Washington in 1951 He went to see Maclean as head of the American Department of the Foreign Office. They found that their information and opinion about the political situation and the danger of war were in agreement.

What now happened was determined by the following facts. Burgess, who some months previously had himself initiated arrangements to obtain a new job with a view to leaving the Foreign Office, was faced with the fact that the Foreign Office had independently and subsequently decided that they would no longer employ him. It is, of course, obvious that no agent would take the initiative in arranging to leave the Foreign Office However, when the break came, Burgess was doubtful whether he wanted or could conscientiously do the new job he had been arranging Therefore, when Maclean told Burgess that he himself had decided that he could no longer work for the Foreign Office and its policies, and suggested that they should both go to the U.S.S.R., Burgess had no difficulty in agreeing. There alone there appeared to both to be some chance of putting into practice in some form the convictions they had always held. As a result of living in the U S.S.R., we, both of us, are convinced that we were right in doing what we did. . . ."

The Foreign Secretary, Mr. Selwyn Lloyd, made a statement in the House of Commons on Feb. 13 on the reappearance of Burgess and Maclean, in which he said that if the aim of the Soviet authorities in producing the two men had been to drive a wedge between Great Britain and the U.S.A. after the close accord reached at the Washington talks (see 14685 A), they would not succeed.

Replying to a question by **Mr. Herbert Morrison** (Lab), Foreign Secretary at the time of the disappearance of the two men, **Mr. Selwyn Lloyd** said: "I have certain comments to make on the appearance of these two men and their press conference First, it brings out into clear relief the consistent lack of candour of the Soviet authorities in their statements about these men. In addition to what had appeared in the Soviet Press suggesting that the whole story was Western anti-Soviet propaganda, in October of last year Mr. Macmillan asked Mr. Molotov in Geneva for information about them Mr. Molotov said that he was quite unable to provide any. As recently as Jan. 12, when Mr. Harold Wilson [the Labour M.P.] saw Mr. Khrushchov, he put the question. Mr. Khrushchov was reported to have replied: 'Are they in our country then? I have not heard anything of them from any Soviet officials, nor have I ever met them, so it stands to reason I cannot know what they are doing.' The House must form its own opinion about the veracity of those statements in view of this latest development. This kind of conduct shows how difficult it is to establish the relations of mutual trust which the Soviet Union professes so much to desire.

"The second comment I have to make is on the contents of the statement itself. The House will have noted that it is designed to be used for propaganda purposes, and that the two men were not permitted to answer any questions. In fact, no credence can be placed in their word. There is nothing in the statement which causes me to modify that view.

"My third comment is that there has been a certain amount of speculation about the reasons which have led the Soviet Government to change their ground and to announce, through this interview, the presence of these men in Moscow. One view is that it was to forestall awkward questions during the visit of the Soviet leaders to this country. That may be so. Another view is that, after the visit of the Prime Minister and myself to Washington, and the close accord we reached with the U.S. Government on so many matters, the Soviet authorities wished to create distrust and to drive a wedge. If this is the explanation, they will not succeed."

Mr. Morrison asked three further questions: Had there been anything to prevent Burgess and Maclean resigning from the Foreign Service and continuing propaganda in Britain on the lines of their opinions? Was it not the case that during and since the war the British Government had sought to improve friendly relations with the Soviet Union in the cause of peace? Was there any evidence that the two men had been agents acting on behalf of a foreign Power or the Communist Party?

Mr. Selwyn Lloyd replied. "There is nothing to prevent anyone in the Foreign Service from resigning and conducting such propaganda in this country. In my view all Governments since the war have sought most genuinely to improve relations with the Soviet Union. As to whether there is evidence that these men were Soviet agents: as was stated in the White Paper, suspicions of the person responsible for a known leakage of information to the Soviet authorities was narrowed down to Maclean before he departed. This was confirmed by his departure, and subsequently by what Mr. Petrov had said. With regard to Burgess, no suspicion attached to him before his departure, but strong suspicion fell on him when he departed, and that has also been confirmed by what Petrov has said."

Sir James Hutchison (C.) expressed disquiet at the fact that two men who had confessed to having been members of the Communist Party at Cambridge should subsequently have been employed in the Foreign Service, and that one should have been employed in the B.B C. and the secret service. He asked whether the steps taken as a result of the Privy Council examination would stop a repetition of the possibility, if it were true. **Mr. Selwyn Lloyd** said that he did not accept what had been said about the two men, and that, as far as Burgess was concerned, this had been explained in the White Paper. As regards the future employment of such men in the Foreign Service, he thought—as indicated in the earlier House of Commons debate—that adequate steps had been taken. In reply to a further question, the Foreign Secretary said that he did not believe that Burgess claimed exactly to have served in the secret service and M I.5, but that he had been employed in a department which on the outbreak of war dealt with propaganda to neutral countries—an organization which later came to be known as S.O.E.

Sir Anthony Eden was asked by **Mr. Morrison** whether he intended to make a statement about the conference of Privy Councillors' report on the security service In reply, the Prime Minister said that he had studied the report carefully and that the Government were considering what steps could be taken to give effect to it He hoped to be able to make a statement on it in due course, but would not be able to make its terms public

Mr. Vladimir Petrov—the former Soviet Embassy official in Canberra, who had alleged in a newspaper article in 1955 that Burgess and Maclean were "long-term Soviet agents" (see 14457 A)—expressed the view on Feb. 12 that the joint statement by the two men had been made under the direction of the Soviet authorities and was "a Soviet propaganda move against the Western Governments."

Mr. Petrov repeated his allegation that Burgess and Maclean were Communist agents, and added: "If, as alleged in the statement, Burgess and Maclean had gone over to the Soviets with a view to achieving peace between the Soviet Union and the British and U.S. Governments, why did not the Soviet authorities reveal the whereabouts of Burgess and Maclean and state their alleged reasons for deserting their posts in England when such publicity was given to the matter in the first place outside the Soviet Union?"

A spokesman of the British Foreign Office denied the assertion in the joint statement that Burgess had been "associated with the Secret Service and also M.I.5. itself." He said that Burgess had never been a member of the M.I.5. organization and that the only connexion he had had with it was that, when working for the B.B.C., he had from time to time reported to M.I.5. information about Germany received by him from a contact.—(Times - Daily Telegraph - Manchester Guardian - Observer - Sunday Times) **(Prev. rep. 14571 A.)**

A. SCOTLAND. — Transport Council.

The Minister of Transport and Civil Aviation (Mr. Harold Watkinson) informed the House of Common on Feb. 7 that he had appointed a Scottish Transport Council.

The Council's terms of reference are: "To examine questions of common interest to the transport undertakings which are nationalized, controlled by a nationalized undertaking, or State-aided, for the purpose of assisting the persons carrying on those undertakings in the consideration of plans for developing an efficient and coordinated system of public transport in Scotland, and to consult, as necessary, with other transport interests."

The membership of the council is. Mr. C. J D Shaw, Q.C. (Sheriff of Ayr), chairman; Mr. William Hughes (Lord Provost of Dundee) and Mr. T. G. Robinson, independent members; Sir Ian Bolton, representing the British Transport Commission, Sir Patrick Dollan, representing British European Airways; Mr. Ian Napier, representing D. MacBrayne, Ltd.; Mr. Robert Taylor, representing the Scottish Advisory Council for Civil Aviation; and Sir John Erskine, representing the Transport Users' Consultative Committee for Scotland.

The decision was taken after consultation with the Secretary of State for Scotland.—(The Scotsman, Edinburgh) **(14607 C.)**

B. TURKEY. — Parliamentary Investigation into Activities of Former Ministers.

The Turkish National Assembly decided on Jan. 11 to open a parliamentary inquiry into the activities of three members of the former Menderes Cabinet (M. Zorlu, M. Yircali, and M. Polatkan) on charges of irregularities in the granting of import permits. The inquiry had been demanded by the parliamentary group of the Democratic Party in connexion with alleged irregularities in the issuing of import licences and foreign exchange permits by the committee of which the three Ministers had been members.

The setting-up of a parliamentary committee to examine charges against M. Mukarek Sarol, Minister of State in charge of press affairs in the former Menderes Cabinet, was also ordered by the Turkish National Assembly on February 8.
(Times - Le Monde, Paris) **(Prev. rep. 14624 A.)**

C. UNITED KINGDOM. — Extent of Repayment of U.S. and Canadian Dollar Loans.

Mr. Macmillan, the Chancellor of the Exchequer, stated in a parliamentary written answer on Feb. 7 that total payments made since 1951 in respect of loans received from the U.S.A. and Canada in the immediate post-war years amounted to Can. $188,500,000 for interest and principal on the Canadian loan, and U.S. $727,400,000 for interest and principal on the U.S. loans. The amount remaining to be paid was Can. $1,697,000,000 for interest and principal on the Canadian loan, and U.S. $6,796,200,000 for interest and principal on the U.S. loans. In reply to questions, Mr. Macmillan pointed out that "this immense burden hangs over us for many years to come," and said that "we have to carry out our affairs in such a way as to be able to shoulder it." (Times) **(Prev. rep. 14628 B.)**

D. UNITED STATES - HUNGARY. — U.S. Ban on Travel to Hungary. - Further Restrictions on Movement of Hungarian Diplomats in Washington.

It was announced in Washington on Feb. 3 that the U.S. Government had reimposed the ban on travel to Hungary by American citizens, and that it intended to impose new restrictions on the movements of Hungarian diplomats in the U.S.A. so as to bring about "full reciprocity corresponding to the limitations affecting the movement of U.S. Legation staff in Hungary." It was added that the U.S. Government no longer considered feasible the possibility of talks with Hungary on "various problems" between the two countries.

A Note was handed to the Hungarian Minister in Washington (M. Szarka) charging the Hungarian Government with persecuting Hungarian employees of the American Legation in Budapest and curtailing the freedom of the Press by interfering with the legitimate activities of U.S. news agencies. The Note referred to the recent trial by a Hungarian military court of M. and Mme. Marton and of two Hungarian employees of the U.S. Legation, to the secrecy surrounding their long detention and the trial, and to their subsequent imprisonment on charges of espionage (see 14653 A). The Note also mentioned that, in addition, seven other Hungarian employees of the U.S. Legation had been seized by the Hungarian police between 1951 and 1954, their fate being unknown.

"The U.S. Government," the Note declared, "will not remain silent while the Hungarian Government, through its secret police, continues to persecute Hungarian employees of the American Legation It is obvious that such persons have been singled out as special targets, falsely accused of subversion, and subjected to cruel and wholly unwarranted punishment for the purposes of adding to the terrorism of the Hungarian people, attempting to discredit the American Legation, and undermining the prestige of the U.S.A. before the Hungarian people.

"For many years the Government and people of the U S.A. have looked in vain for some sign that the present leadership of Hungary might one day be disposed to act like an independent and responsible government, to honour its international obligations, and to show a decent respect for the rights of the Hungarian people Whatever its pretensions to principle, the Hungarian Government can command no credence in its words and no confidence in the rectitude of its actions. Now, as in the past, the Hungarian Government continues unabated its systematic suppression of human rights and liberties in violation of its specific treaty obligations. This policy, together with the irresponsible treatment and abuse of accredited foreign diplomatic missions by Hungarian authorities, stands in stark contrast to the insistent claims put forward by the Hungarian Government of qualification for membership in the United Nations. The record, including the latest incidents, not only contradicts those claims but also places in serious doubt the ability or willingness of Hungary, under its present Government, to carry out in good faith the Charter obligations it has assumed upon admission to the United Nations"

Budapest Radio announced on Feb. 6 that the Hungarian Government had refused to accept the U.S. Note on the ground that it was "couched in an unqualifiable tone" and contained "a series of slanders which deeply injure the feelings of the Hungarian Government and people."

On Sept. 1, 1955, the U.S. State Department had requested the Hungarian Legation in Washington to "cease all information activities" except for those carried on within the Legation building. This implied a ban on the distribution by mail of the Legation's magazine *New Hungary*, and on film shows and photographic exhibitions sponsored by the Legation. The U.S. action was stated to have been a reprisal for Hungarian interference with U.S. information activities in Budapest.

A ban on travel to Hungary by U.S. nationals had first been imposed in 1949. It was lifted in 1951 following the release of Mr. Robert Vogeler; reimposed in December 1952 following the forcing-down of a U.S. Dakota transport plane by Soviet fighters over Hungarian territory, and the trial and sentencing of four U.S. airmen by a Hungarian court; but lifted again on Oct. 31, 1955. Travel restrictions on Hungarian diplomats in the U.S.A. had been imposed in 1951 but were relaxed in October, 1953, when such diplomats were allowed to travel within 40 miles of Washington (instead of 18 miles as previously) without the special premission of the State Department.—(New York Times) **(14653 A; 12061 A.)**

E. UNITED KINGDOM. — Trade Figures for December and Year 1955.

Imports into the United Kingdom in December totalled £335,900,000, exports £253,700,000, and re-exports £10,700,000, the adverse visible balance thus amounting to £71,500,000. Provisional figures for the year 1955 showed that imports were £3,886,000,000, exports £2,905,000,000, and re-exports £119,000,000. The adverse balance was thus £862,000,000, compared with the revised figure of £599,000,000 for 1954.
(Board of Trade Journal) **(Prev. rep. 14623 C; 14127 A.)**

A. EASTERN GERMANY. — Formation of "People's Army" and Ministry of National Defence. - Herr Stoph appointed Defence Minister. - Herr Grotewohl's Proposals for East and West German Collaboration. - Western Protests at Para-military Activities in East Berlin.

A law creating a "National People's Army" in Eastern Germany, and at the same time setting up a Ministry of National Defence, was unanimously passed by the East German *Volkskammer* on Jan. 18. The official text stated that the National People's Army would consist of "ground, sea and air forces necessary for the defence of the German Democratic Republic," and that the army's numerical strength would be "limited in accordance with the tasks of defending the territory of the German Democratic Republic, defending its frontiers, and air defence."

The law was introduced in the *Volkskammer* by Herr Willi Stoph (Deputy Premier in the East German Government), whose appointment as Minister of National Defence was announced on Jan. 20. Herr Stoph declared that the "strengthening of the defences of the German Democratic Republic" had become necessary as a result of Western Germany's entry into the "aggressive North Atlantic pact," the establishment in Western Germany of "a mercenary army under the supreme command of U.S. NATO generals," and the "transformation of Western Germany and West Berlin into a NATO war base."

Herr Stoph (41), a former building worker, joined the German Communist Party in 1931 and worked underground during the Nazi regime. He was elected to the central committee of the Socialist Unity Party in Eastern Germany in 1950, became Minister of the Interior in 1952, and was appointed a Deputy Premier in 1954. It was stated that he would continue as a Deputy Premier concurrently with his new post as Minister of National Defence.

A proposal that the two German States should formally pledge themselves to refrain from the use of force against each other was made in the *Volkskammer* on the same day (Jan. 18) by Herr Grotewohl, the East German Prime Minister.

After declaring that "both parts of Germany must realize the danger of the policy of NATO and of military pacts," Herr Grotewohl called upon the "progressive forces" in Western Germany "to join with us immediately in seeking a way to release Germany from the deadly policy of American militarism." He put forward the following proposals:

(1) Both German States should (*a*) support a European Collective Security Treaty, (*b*) urge a reduction in the number of foreign troops, and (*c*) "pledge themselves in treaty form to refrain from all use of force against each other, and to use only peaceful methods in their efforts for the reunification of Germany."

(2) All "propaganda and preparations for atomic war on German soil" should be brought to an end. The two German Governments should reach "joint agreement on the renunciation of the atom bomb and on the mutual renunciation of the manufacture of atomic weapons."

(3) The German Democratic Republic and the German Federal Republic should "make efforts to normalize their relations with each other, and conclude relevant agreements in the various fields of economic and cultural life."

Herr Grotewohl reiterated his Government's earlier proposal for the formation of an All-German Council in which these matters could be discussed.

The British, U.S., and French Ambassadors in Bonn sent identical Notes on Feb. 10 to the Soviet Ambassador in East Berlin (M. Pushkin) protesting at the increase of East German para-military activities in the Soviet sector of the city, and drawing attention to the "serious implications" of such activities.

The Notes referred in particular to a demonstration on Jan. 15 in which thousands of civilians had marched through East Berlin, ostensibly to commemorate the assassination of Rosa Luxemburg and Karl Liebknecht in 1919, and had used the occasion to demonstrate against NATO and the rearming of the German Federal Republic. The British Note, after expressing the "growing concern" of H.M. Government at "the development in recent months of para-military activities in the Soviet sector of Berlin," continued:

"These activities assumed an ominous form when some thousands of civilians, armed with machine-pistols and other weapons, marched through East Berlin on Jan. 15. This demonstration even included the participation of young boys and girls carrying firearms. The formation of para-military groups and their employment in provocative displays have serious implications which H.M. Government cannot ignore. Their continued activity can only create unrest among the population and result in a heightening of international tension in the Berlin area.

"Such activity could have the gravest consequences. As your Government is aware, the United Kingdom, in common with the U.S.A. and France, has formally undertaken to defend the safety and welfare of the population in their sectors against attacks from any quarter. The U.K. cannot recognize any waiver of responsibility by the Soviet Government for acts which could lead to any such attack.

"As you are aware, the bearing of arms by members of the general public is prohibited by quadripartite legislation to which the British, French, and U.S. Commandants attach great importance, and which they have been careful to observe in their sectors.

"H.M. Government hopes that the Soviet Government, as the responsible authority, will prevent the local authorities in the Soviet sector from creating dangers to the peace of Berlin through the sponsorship of activities by armed civilian groups or through other threats directed at the Western sectors."

It was understood—although no official announcement was issued—that the militarized "people's police" (the *kasernierte Volkspolizei*, about 120,000 strong) would be incorporated *en bloc* in the "people's army." During a budget debate in the *Volkskammer* on Feb. 8, the East German Finance Minister (Herr Rumpf) stated that expenditure on the "people's army" in 1956 would amount to 974,800,000 East German marks [over £80,000,000 at the official East German rates, but only about £16,000,000 at the unofficial rate of approximately 5 East German marks = 1 West German mark]. Herr Rumpf added that the creation of the "people's army" would not raise the level of defence expenditure because the estimates for the "people's police" had been dropped.—(A.D.N. Agency - Neues Deutschland, Berlin - Times - Daily Telegraph - Le Monde, Paris - New York Times - Frankfurter Allgemeine Zeitung - Neue Zurcher Zeitung) **(Prev. rep. 14264 C.)**

B. SOVIET UNION. — New Minister of Internal Affairs. - Dismissal of M. Kruglov. - New Premiers of Russian, Lithuanian, and Uzbek Soviet Republics.

It was announced in Moscow on Feb. 1 that M. Sergei Kruglov, the Soviet Minister of Internal Affairs, had been "relieved of his duties" and had been succeeded by M. Nikolai Duderov.

The fact that the announcement made no reference to M. Kruglov's transfer to other duties was taken by foreign correspondents to indicate that he had been dismissed. M. Kruglov, formerly an official in the Ministry of Internal Affairs, became Minister in 1946; he was succeeded by the late Lavrenti Beria in 1953 after Marshal Stalin's death, but was reappointed to the post after Beria's arrest. Shortly afterwards the Ministry of Internal Affairs was stripped of its "security" functions, which were transferred to the State Security Committee, but M. Kruglov continued to retain command of large numbers of militarized police troops, in addition to the police (or "militia") proper. M. Kruglov has been a member of the central committee of the Soviet Communist Party since 1934.

M. Duderov worked with M. Khrushchov in the Moscow Committee of the Soviet Communist Party, where he was head of the Committee's construction department. Later he was appointed deputy chairman of the Moscow Executive Committee (the Moscow municipal council), and subsequently head of the construction department of the Communist Party's central committee. In his capacity as a "construction expert" he had recently travelled abroad to study building practices in other countries, including Britain. He is regarded as a close associate of M. Khrushchov.

It was remarked in the Western Press that in the past few years there had been complaints in the Soviet Press about the conduct and efficiency of the militia and its inability to maintain public order, suppress hooliganism, and deal with crimes.

An announcement in Moscow (Jan. 24) stated that M. Alexander Puzanov, Premier of the Russian Soviet Republic (the largest constituent Republic of the U.S.S.R.) since 1952, had been removed from the Premiership and appointed a Deputy-Premier, and that he had been succeeded by M. Mikhail Yasnov, hitherto mayor of Moscow. Both M. Puzanov and M. Yasnov are members of the central committee of the Soviet Communist Party. M. Yasnov visited London in October 1955 in his capacity as mayor of Moscow.

On Jan. 19 it had been announced that M. Mechislovas Gedvilas, Premier of the Lithuanian Soviet Republic since 1943, had been succeeded by M. Moteyus Shumauskas, First Secretary of the Lithuanian Communist Party. In December, following a visit by Marshal Bulganin and M. Khrushchov to Uzbekistan, it had been announced that the Premier of the Uzbek Soviet Republic, M. Nuritdin Mukhitdinov, had been appointed First Secretary of the Uzbekistan Communist Party and replaced in the Premiership by M. Sabir Kamalov. (Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times) **(Prev. rep. Soviet Cabinet, 14512 F; M. Kruglov, 13029 A; M. Puzanov, 12608 C.)**

C. SOUTH AFRICA. — Cyclotron in Operation.

South Africa's first cyclotron, the only one in the African continent, was formally inaugurated on Jan. 26 by the Minister of Economic Affairs and Mines, Dr. van Rhyn. It was built by the Council for Scientific and Industrial Research at a cost of about £100,000, and forms part of the national research laboratories' headquarters near Pretoria. (Cape Times)

A. CHINA - UNITED STATES. — Deadlock in Geneva Ambassadorial Talks. - Chinese and U.S. Statements. - Further Releases of American Citizens from China. - Repatriation of Chinese Citizens in the U.S.A.

Following the agreement reached in September, 1955, on the return of U.S. and Chinese civilians to their respective countries, the Geneva talks between Mr. Alexis Johnson (U.S. Ambassador in Prague) and Mr. Wang Ping-nan (Chinese Ambassador in Warsaw) became deadlocked over the second item on the agenda—" other practical matters at issue between the two sides." On Jan. 18, 1956, after a further 18 meetings had been held since mid-September without any agreement being reached, the Chinese Foreign Ministry issued a long statement accusing the U.S. Government of " dragging out " the talks, to which the U.S. State Department replied on January 21.

The two statements showed that the talks had become deadlocked principally over the question of Formosa. Whilst both sides were prepared to make a statement renouncing the use of force, the Chinese would not agree that such a statement should infringe their " sovereign right " to " liberate " Formosa. The United States, on the other hand, was not prepared to agree to any declaration on the renunciation of force unless Formosa was specifically mentioned in this respect, and unless a reservation was made regarding the " inherent right of individual and collective self-defence."

The two statements are summarized below.

Chinese Statement.

As soon as agreement had been reached on the return of civilians of both sides (the statement said) the Chinese delegate had put forward two subjects for discussion under the second item of the agenda—the U.S. embargo on exports to China, and the question of preparing for Sino-American negotiations at a higher level. The Americans, however, had refused to proceed to any substantive discussion of these subjects and had proposed on Oct. 8 that the two countries should make a joint declaration renouncing the use of force

The Chinese statement added: " If the so-called declaration renouncing the use of force means that China and the U.S.A. should, in accordance with the purposes and principles of the U.N. Charter, settle peacefully disputes between them without resorting to force, then it is precisely what China has consistently advocated " However, " the question of the non-use of force in the international relations between China and the U.S.A. should in no way be mixed up with the domestic affairs of either China or the United States. So far as the question of Taiwan [Formosa] is concerned, the occupation of China's territory by the U.S.A. is an international dispute between China and the U.S.A., whilst the liberation by the Chinese people of their own territory of Taiwan is China's sovereign right and internal affair. The Chinese Government has repeatedly declared that it would strive for the liberation of Taiwan by peaceful means so far as it is possible But this internal affair of China's cannot possibly be a subject of the Sino-American talks."

After having made their position clear in the talks, the Chinese had put forward on Oct. 28 the draft of an agreed declaration on the question of the renunciation of force, as raised by the U S Ambassador. This draft had proposed (i) that the two sides, in accordance with the U.N. Charter, should " settle their international disputes by peaceful means " and should " refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State ", (ii) that they should agree to settle any disputes between themselves " by peaceful means without resorting to the threat or use of force "; and (iii) that they should hold a conference of Foreign Ministers " to settle through negotiations the question of relaxing and eliminating the tension in the Taiwan area."

The U S. representative, however, had expressed " unwillingness " to make specific reference to the U N. Charter in the announcement, or to have it provide explicitly for the holding of a Sino-American Foreign Ministers' conference, and on Nov 10 had put forward a U.S. draft of a joint statement. The substantive part of this had been a declaration by both parties that " in general, and with particular reference to the Taiwan area," they renounced the use of force " except in individual and collective self-defence." Such a declaration (the Chinese statement declared) was an attempt " to confuse the international dispute between China and the U.S.A. in the Taiwan area with the domestic matter between the Chinese Government and the Chiang Kai-shek clique, and a demand that China should accept the *status quo* of the U.S. occupation of Taiwan and give up its sovereign right to liberate Taiwan." The statement added: " That is absolutely unacceptable to China. Taiwan is Chinese territory There can be no question of defence so far as the U.S.A. is concerned. . . ."

Nevertheless, in order that the talks might " progress step by step," the Chinese had put forward a new draft on Dec. 1 omitting all reference to the U.N. Charter or to a meeting of Foreign Ministers, and stating simply that the two countries were " determined that they should settle their disputes . . . through special negotiations without resorting to the threat of force," and that the two Ambassadors should continue their talks " to seek practical and feasible means for the realization of this common desire."

However after first refusing to make any specific comments, the U.S.A. had put forward a counter-proposal on Jan. 12 According to this, the two sides would announce that they would " settle disputes between them through peaceful means "; that, " without prejudice to the inherent right of individual and collective self-defence," they would not resort to the threat or use of force " in the Taiwan area or elsewhere ", and that (as in the Chinese text) the two Ambassadors " should continue their talks to seek practical and feasible means for the realization of this common end." " It is obvious," said the Chinese statement, " that in substance there is no difference whatsoever between this counter-proposal of the American side and its draft announcement of Nov. 10, which the Chinese side firmly rejected long ago."

On the question of the return of civilians of both sides to their respective countries, the Chinese statement accused the U S A of " continuously haggling " over the implementation of the agreement, and of violating it by failing to furnish China with a complete list of names and other information concerning Chinese residents and students in the U.S A, " thus making it difficult for India to carry out the tasks of a third country [i.e as mediator in the repatriation of U.S. and Chinese nationals] specified in the agreement " The statement added

" . There are tens of thousands of Chinese in the United States Owing to continued obstructions and threats by the American side, in violation of the agreement, the great majority of them have up to now not been able, or have not dared, to apply for return to China As for the Americans in China, their number was not very large to begin with. During the Sino-American talks, out of the 59 law-abiding Americans in China, all 16 who applied have been permitted to depart Even among the 40 Americans who committed offences against the law in China, 27 have been released before the completion of their sentences as a result of the lenient policy of the Chinese Government In spite of these facts, the American side still kept raising groundless charges in the talks. This can only be interpreted as an attempt to shirk its responsibility for violating the agreement and to manufacture a pretext for dragging out the talks."

In conclusion, the Chinese statement stressed that the tension in the Formosa area was the key issue between the two countries, and that " the root of the tension is the U.S. armed occupation of China's territory " It claimed that China had constantly been striving through the Ambassadorial talks to find a " practical and feasible means " of settling this dispute, whilst alleging that the U.S. side had " deliberately dragged out " the talks and had refused to enter into agreement on means of relaxing and eliminating tension in the area. In the meantime, the U.S. Secretary of State, Mr. Dulles, had " openly proclaimed recently that he would not scruple to start an atomic war in order to hold on to China's territory and infringe China's sovereignty." Such threats, however, would " not frighten the Chinese people into giving up their sovereign rights."

American Statement.

The State Department, in reply, said that the Chinese Government had issued " a misleading statement " on the course of the Geneva discussions, and that it was therefore necessary that " the record be set straight " Referring first to the repatriation of civilians, the statement said that to date only six out of the 19 Americans for whom representations were being made on Sept. 10 had been released, the remaining 13 still being held in Chinese prisons. As regards Chinese citizens in the U.S A., they were all free to leave the country for any destination of their choosing, and not a single one had been refused exit The Indian Embassy in Washington, which had been designated to assist any Chinese who wished to leave, had not brought to the attention of the U S. Government any case of a Chinese who claimed that he was being prevented from leaving, nor had it stated that it was in any way being impeded in carrying out its functions under the terms of the agreed announcement of Sept. 10

With regard to the Geneva discussions on the second item of the agenda, the U.S. statement said that it had been made clear, when the U.S. draft declaration of Oct. 8 had been put forward, that the renunciation of the use of force was not designed to commit the Communists to renounce the pursuit of their policies by peaceful means with respect to Formosa. The Chinese counter-proposal of Oct. 27 omitted any reference to the Formosa area or to the recognition of the right of self-defence, but inserted a provision about an immediate Foreign Ministers' meeting. It had not been acceptable to the U S.A because it would have made it possible for the Communists to claim that the proposal did not apply to the Formosa area, " which is the very place against which the Communist threats are directed," and to claim further that the U.S A. had renounced the right to use force in self-defence. The U.S. representative, moreover, had pointed out that " consideration of higher-level meetings was neither appropriate nor acceptable under existing circumstances."

The revised U.S. draft declaration of Nov. 10 had made it clear " that the renunciation of the use of force was without prejudice to the peaceful pursuit of its policies by either side; that it had general application, but applied particularly to the Taiwan area; and that it did not deprive either side of the right of self-defence." This had been rejected by China, and the Chinese counter-proposal of Dec 1, while representing an advance over their previous proposal by dropping the proposal for a Foreign Ministers' meeting in favour of continuing the ambassadorial discussions, had still pointedly omitted any references to the Formosa area and to recognition of the right of self-defence. In a further effort to reach agreement, the U.S. representative had on Jan. 12 suggested two simple amendments to the Chinese counter-proposal—the insertion of the words " without prejudice to the inherent right of individual and collective self-defence ", and of the words " in the Taiwan area or elsewhere."

The U.S. statement said that two points must be made clear with regard to Formosa "First, the United States is not occupying Taiwan, and Taiwan has never been a part of Communist China. The claims of Communist China and the contentions of the U.S.A. with respect to this area are well known, and constitute a major dispute between them It is specifically with respect to this dispute that the U S A has proposed the principle of renunciation of force and the settlement of differences by peaceful means This is the principle which the Communists say they have accepted In this connexion the U S A. has made completely clear that in renouncing the use of force neither side is relinquishing its objectives and policies but only the use of force to attain them.

"Secondly, the U S A. has rights and responsibilities in the Taiwan area, also it has a mutual defence treaty. Accordingly it is present in the Taiwan area. The Communist refusal to state that the renunciation of force is without prejudice to the right of self-defence against armed attack can only be interpreted as an attempt to induce the U S A to agree that, if attacked, it will forego the right to defend its lawful presence in this area The right of individual and collective self-defence against armed attack is inherent. It is recognized in international law, it is specifically affirmed in the U.N Charter No country can be expected to forego this right Indeed, the Communists should be as anxious to preserve this right as is the United States"

In conclusion, the U S. statement said that the Ambassadorial talks had made the following points clear

"(1) Four months after the Communists announced that they would adopt measures to permit Americans in China to return to the U S.A, 13 Americans are still held in Communist prisons.

"(2) The U S A. proposed that the parties should renounce the use of force without prejudice to the right of individual and collective self-defence against armed attack, in order that the discussions might take place free from the threat of war.

"(3) The U S.A. made it clear that this renunciation would not prejudice either side in the pursuit of its objectives and policies by peaceful means.

"(4) The Communists, while stating that they accept the principle of the renunciation of force, have deprived such acceptance of its value by refusing to agree that it is without prejudice to the right of individual and collective self-defence against armed attack, and that it is applicable to the Taiwan area

"In short, the Communists so far seem willing to renounce force only if they are first conceded the goals for which they would use force.

"The United States for its part, intends to persist in the way of peace We seek the now overdue fulfilment by the Chinese Communists of their undertaking that the Americans now in China should be allowed expeditiously to return. .. We shall also seek with perseverance a meaningful renunciation of force, particularly in the Taiwan area."

A further Chinese statement, issued in Peking on Jan. 24, reiterated the previous Chinese claims about the status of Formosa; asserted that the "new China" had "succeeded to China's entire territory and sovereignty"—an "indisputable fact" which "no statement by the U.S. State Department can alter"; and warned the United States that it must take responsibility for "all the consequences" if the Geneva talks broke down. "The real intention of the American side," it declared, "is to maintain and aggravate the tension in the Formosa area and to pursue its so-called 'brink of war' policy of intimidation."

Twenty-four U.S. nationals were released from China between Sept. 16 and Dec. 20, 1955 (eight of those whose release had been promised on Sept. 6, the ten whose release had been announced on Sept. 10, and six of the remaining 19 listed as still under detention in China), whilst 51 Chinese from the U.S.A. arrived at Hong Kong on Jan 31 *en route* for China. Most of the released Americans complained of having been imprisoned on false charges of "espionage."
(New York Times - New York Herald Tribune) **(14415 A.)**

A. UNITED KINGDOM. — Gold and Dollar Reserves in January. - Increase of $29,000,000.

The sterling area had a gold and dollar surplus in January of $29,000,000 after taking account of (*a*) the receipt of $6,000,000 in U.S. defence aid, (*b*) the payment of $23,000,000 to the European Payments Union, representing that part of the December deficit which had to be settled in gold or dollars, and (*c*) the payment of $2,000,000 under bilateral settlements with creditors of the E.P.U. As a result of the January surplus —the first increase in the reserves since April 1955—the sterling area's gold and dollar reserves rose to $2,149,000,000 on January 31, 1956.

Provisional figures for the E.P.U. January settlement showed that the U.K. had a deficit of $11,200,000 (£4,000,000), which would be settled in February three-quarters in gold or dollars and one-quarter by an increase in the U.K. debt to the Union.—(Treasury Press Office) **(Prev. rep. 14629 E.)**

B. SUDAN. — All-Party Government.

An all-party national Government was formed in Khartoum on Feb. 2 by the Prime Minister, Mr. Ismail Azhari. Negotiations for the formation of an all-party administration had been in progress since November, and particularly since the defeat of Mr. Azhari's Government in the Sudanese Parliament in January. The composition of the new Cabinet was as follows:

*Mr. Ismail Azhari (National Unionist) . .	Prime Minister and Minister of Interior.
*Mr. Mubarek Zarrouk (National Unionist) .	External Affairs and Justice.
*Mr. Ibrahim el-Mufti (National Unionist) . .	Trade, Industry, and Supply.
*Mr. Ali Abdel Rahman (National Unionist) .	Education.
*Mr. Hammad Tawfik (National Unionist) .	Communications.
*Dr. Amin el-Sayed (National Unionist) .	Health.
*Mr. Buth Diu (National Unionist)	Animal Resources.
*Mr. Santino Deng (National Unionist)	Stores and Equipment.
Mr. Abdullah Khalil (Umma Party)	Defence and Public Works.
Mr. Ibrahim Ahmed (Independent)	Finance.
Mr. Benjamin Lowki (Liberal) ..	Mineral Resources.
Mr. Mirghani Hamza (Liberal Socialist) .	Agriculture and Irrigation.
Mr. Mohamed Nur el-Din (Unionist) . ..	Local Government.
Mr. Yousif el-Agab (Republican Socialist) . ..	Minister without portfolio.
Mr. Stanislaus Abdulla Payasama (Liberal)	Mechanical Transport.
Mr. Ziada Arbab (Unionist) ..	Social Affairs.

* Member of previous Cabinet.

The Cabinet thus comprised eight National Unionists (the former Government party, led by Mr. Azhari) and eight members of the former Opposition. Of the latter, Mr Abdullah Khalil is leader of the Umma Party, Mr Mohamed Nur el-Din was the leader of that section of the National Unionist Party which favoured union with Egypt, and had been dismissed by Mr. Azhari in June 1955 owing to disagreement over Sudanese policy towards Egypt (see 14377 A); whilst Mr. Mirghani Hamza had resigned from Mr Azhari's Government in December 1954 because he favoured a more independent policy in relations with Egypt (see 13969 A) Mr Ibrahim Ahmed, the new Finance Minister, is a prominent supporter of the Umma Party but is not a member of Parliament, and was hence shown in the official list as an Independent.

Japan officially recognized the independence of the Sudan on January 6.—(Sudan Diplomatic Mission, London)
(Prev. rep. Cabinet, 14559 A; Independence, 14624 A.)

C. WORLD FEDERATION OF TRADE UNIONS. — Vienna Headquarters closed by Austrian Government.

The Austrian Minister of the Interior (Herr Oskar Helmer) issued an order on Feb. 4 withdrawing legal recognition from the Communist-dominated World Federation of Trade Unions, and "dissolving" the WFTU's headquarters in Vienna. The premises were closed down by the Austrian police two days later.

Herr Helmer declared that the WFTU—which he described as "an agglomeration of Communist-orientated trade unions of various countries"—had abused Austrian hospitality by engaging in propaganda against countries with whom Austria maintained diplomatic relations and who, like Austria herself, were members of the United Nations. By these actions the WFTU had exceeded its legitimate sphere of activity, endangered the interests of the Austrian Republic, and therefore failed to fulfil the conditions under which it had been registered as a society under Austrian law. [This registration had only taken place after the ending of the occupation.] In particular, it had issued publications and bulletins of a political character, for dissemination abroad, criticizing conditions in friendly countries, and had thereby overstepped the limits of its proper activities It had been hoped that the WFTU would have respected Austria's new status after the signing of the State treaty and the ending of the occupation, but it was apparent that the Federation was not prepared to respect the obligations arising from Austria's neutrality

In announcing the closing-down of the Vienna headquarters of the WFTU, Herr Helmer declared that "we shall not allow Austria to become a meeting-ground for foreign agents," nor would the Government tolerate "our country becoming a field for propaganda war."

M. Louis Saillant, the French secretary-general of the WFTU, described the Austrian Government's action as an "attack on trade union freedom," and announced that the Federation would establish its headquarters in another country. The headquarters of the WFTU had been established in Vienna since 1951, after having been expelled from Paris.
(Wiener Zeitung) **(Prev. rep. W.F.T.U., 11631 A.)**

A. **EASTERN EUROPE. — Prague Meeting of Warsaw Treaty Powers. - East German Army admitted to Joint Military Command. - Budapest Meeting of East European Council of Mutual Economic Assistance.**

The Political and Consultative Committee of the Warsaw Treaty Organization held a two-day meeting in Prague on Jan. 27-28 which was attended by the Foreign and Defence Ministers of all the eight signatories to the Warsaw Treaty —the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, and Eastern Germany—and also by the Premiers or Deputy Premiers of some of the countries. The Soviet delegation was headed by M. Molotov and Marshal Zhukov, whilst Marshal Koniev was present in his capacity as Supreme Commander of the armed forces of the Warsaw Treaty Powers. The People's Republic of China was represented by an observer, as at the founding conference in Warsaw.

The following decisions were taken at the Prague meeting, as announced in a communiqué:

(1) Contingents of the new East German Army (see 14701 A) would be incorporated in the unified command of the Warsaw Treaty Powers. The East German Defence Minister (Herr Stoph) would become a deputy commander under Marshal Koniev.

[Although Eastern Germany signed the Warsaw Pact in 1955, her participation in the unified command was deferred at the time for later consideration. Following the creation of a "National People's Army" in Eastern Germany, a formal request for the admission of the German Democratic Republic to the joint command was made to the Prague meeting by Herr Ulbricht (First Deputy Premier in the East German Government), and was agreed to by the other member-countries. The Defence Ministers of the "Warsaw Treaty" countries are deputy commanders of the joint military organization.]

(2) The Political and Consultative Committee would meet whenever necessary, and in any case not less than twice a year, "to discuss questions resulting from the application of the Warsaw Treaty." The chairmanship would rotate between the various countries.

(3) Two subsidiary bodies would be set up with headquarters in Moscow: (i) a Permanent Commission which would make recommendations on questions of foreign policy, and (ii) a Secretariat whose staff would be drawn from all the member-countries.

A joint declaration was also issued in which it was proposed, *inter alia*, that neither the East German nor the West German armed forces should possess atomic weapons, and that the NATO and the Warsaw Treaty Organization should give an undertaking to solve their differences by peaceful means.

Although denouncing the Western Powers for having created "aggressive military blocs" in recent years, thereby "heightening the tension between nations," the declaration spoke of "an improvement in the international situation" following the Geneva meetings of Heads of Government and Foreign Ministers. It affirmed that European peace could best be ensured by a Collective Security Treaty of which the NATO and Warsaw Treaty Powers should be signatories. In the meantime, non-aggression pacts between the U.S.S.R., the U.S.A., France, and Great Britain should be concluded, and consideration should be given to the British proposals [put forward at the Geneva "summit" conference by Sir Anthony Eden] for the creation of a demilitarized zone in Europe.

It was specifically proposed that the Soviet, American, French, and British forces in Germany should exclude nuclear weapons from their armament, as a step towards the "relaxation of tension"; that, in conformity with the "interests of the German people," neither the East German nor the West German forces should possess such weapons, and that immediate steps should be taken to improve relations between neighbour-States, "irrespective of their present or eventual membership of one or other military blocs"—e.g., between the U.S.S.R. and Turkey, Bulgaria and Greece, Albania and Italy, and Czechoslovakia and the German Federal Republic.

Speeches were made by the leaders of all delegations. M. Molotov declared *inter alia* that the Warsaw Treaty Powers "cannot accept it as a fact that the danger of war is past"; that the Eastern European countries had been obliged to concert common policies for their security because of the dangers arising from "aggressive military blocs and the renewal of German militarism"; and that "the unification of Germany cannot be achieved except through agreement between the two German States."

The East European Council of Mutual Economic Assistance met in Budapest from Dec. 7-11, 1955, the meeting being attended by representatives of the eight member-countries—the Soviet Union, Poland, Czechoslovakia, Eastern Germany, Hungary, Rumania, Bulgaria, and Albania. It was announced that the Council had discussed (1) the main trends of economic development in the member-countries during the next few years, the rise in standards of living already achieved, and matters relating to the conclusion of long-term trade agreements between the countries; and (2) the question of specialization and co-operation in the manufacture of certain types of machinery and equipment, with a view to achieving greater production, improving quality, and lowering costs through the extended application of new industrial techniques.
(Polish Embassy Press Bulletin, London - Hungarian Review, Budapest - Le Monde, Paris) **(Prev. rep. Warsaw Treaty, 14249 A; East European Economic Council, 9768 B.)**

B. **BRAZIL. — Inauguration of President Kubitschek. - New Cabinet. - Senhor Kubitschek's Visit to Europe. - Abolition of Press Censorship. - Brazilian Five-year Plan.**

Senhor Juscelino Kubitschek was formally inaugurated on Jan. 31 as President of Brazil for a five-year term, Senhor João Goulart being sworn in as Vice-President. Their election had been officially proclaimed on Jan. 27 by the Supreme Electoral Tribunal, which had given the following final revised figures for the presidential election: Senhor Kubitschek, 3,061,000; General Tavora, 2,601,000; Senhor de Barros, 2,221,000; Senhor Salgado, 713,411. Senhor Goulart polled some 200,000 votes more than his nearest rival, Senhor Milton Campos, in the vice-presidential election.

Before his inauguration, President Kubitschek had made a three-week tour of foreign countries during which he visited 10 capitals and had discussions with Government leaders and officials. Leaving Brazil on Jan. 4, he flew first to the U.S.A. for a meeting with President Eisenhower at Key West (Florida) before going on to Washington and New York. He left the United States for the Netherlands on Jan. 10, and on Jan. 11 flew from Holland to Britain, where he was received in audience by Queen Elizabeth II and dined with Sir Anthony Eden. From Britain he went to Luxemburg (Jan. 12), Belgium (Jan. 12-13), France (Jan. 13-15), Western Germany (Jan. 15-17), Italy (Jan. 17-20), Spain (Jan. 20-22) and Portugal (Jan. 22-23), arriving back in Rio de Janeiro on Jan. 25. President Kubitschek was received in audience by the Pope during his visit to Rome.

President Kubitschek completed his Cabinet on Jan. 30, its membership being as follows:

†Senhor José C. Macedo Soares.	Foreign Affairs.
*Dr. Nereu Ramos	Justice and Interior.
Senhor José Maria Alkimin .	Finance.
†General Henrique Teixeira Lott	War.
†Admiral Antonio Alves Camara	Navy.
†Brigadier Vasco Alves Secco	Air.
Commandant Lucio Meira .	Transport and Communications.
Senator Parsifal Barroso .	Labour.
General Ernesto Dornelles .	Agriculture.
Senhor Clovis Salgado .	Education.
Professor Mauricio Medeiros ..	Health.

* Acting President prior to the inauguration of Senhor Kubitschek.
† Held same portfolio in President Nereu Ramos's Cabinet

The press censorship, imposed in November 1955, was abolished by President Kubitschek on Feb. 1 as one of his first acts on taking office. The state of siege, however, imposed on Nov. 25 for 30 days and subsequently extended to Feb. 25, remained in force. A five-year plan of economic development, providing *inter alia* for a two-thirds increase in power capacity, the installation of a 10,000 kw. industrial atomic reactor, a 30 per cent rise in agricultural and livestock production, and the establishment in Brazil of lorry, motor car, locomotive, and heavy electrical equipment plants, and of shipyards, was also announced by President Kubitschek on Feb. 1.—(New York Times - New York Herald Tribune - Times - Le Monde, Paris) **(Prev. rep. Brazil, 14584 A.)**

C. **SOVIET UNION - UNITED KINGDOM. — Soviet Proposal on Gold Holdings of Former Baltic States.**

It was announced by Moscow Radio on Jan. 10 that the Soviet Union had suggested to Britain that sums still outstanding in compensation to two British companies formerly operating in Russia should be settled out of the former gold holdings of Latvia, Lithuania, and Estonia, amounting to £5,700,000, which were "frozen" by the Bank of England under an Order-in-Council in July 1940, when these countries were occupied and subsequently incorporated in the Soviet Union (see 4163 A). The two British companies concerned were the Tetiukhe Mining Corporation and the Lena Investment Trust, whose properties and holdings in Russia were seized by the Soviet Government in 1932 and 1934. A British Foreign Office spokesman stated on Jan. 11 that claims for compensation under these heads amounted to £2,500,000, but that they represented only a small part of total U.K. claims against the Soviet Union. The Moscow announcement said that the Soviet offer had been made last autumn but that there had been no British reply.—(Financial Times)
(Prev. rep. "Freezing" of Baltic States' Assets, 4175 E.)

FEBRUARY 18—25, 1956

A. UNITED KINGDOM. — Financial and Monetary Policy. - Increase in Bank Rate. - Further Anti-inflationary Restrictions on Public Expenditure and Hire Purchase. - Reduction in Bread and Milk Subsidies. - Suspension of Industrial Investment Allowance.

The Bank of England announced on Feb. 16 that the Bank Rate was being increased with immediate effect from 4½ per cent to 5½ per cent—the highest level since 1931, when it was raised for a while to 6 per cent.

This step was followed on Feb. 17 by the announcement of further anti-inflationary measures by Mr. Macmillan, the Chancellor of the Exchequer, in the House of Commons. The new measures included:

Hire Purchase. Deposits on consumer goods already controlled were increased (as from Feb 17) from 15 to 20 per cent for furniture, floor coverings, cookers, cycles. and clocks, and from 33⅓ to 50 per cent for radio and television sets, gramophones, washing machines, refrigerators, and vacuum cleaners

Control was extended to hire purchase of certain capital goods, including aircraft, ships, commercial vehicles, and machinery, with a minimum deposit of 50 per cent and a maximum repayment period of two years.

Perambulators were freed from control

Food Subsidies. The bread subsidy, now costing about £50,000,000 a year, would be cut by £18,000,000, and the milk subsidy, now standing at £37,000,000, would be reduced by £20,000,000—a total cut of £38,000,000. The price of bread would accordingly be increased from 7½d. to 8½d per loaf as from Feb 26, and the price of milk by ½d. a pint from July 1.

Private Capital Expenditure. The investment allowance to industry for capital expenditure (introduced in the 1954 Budget) would be suspended with immediate effect, and the former initial allowances restored Investment allowance would still be granted, however, where a definite contract had already been placed for the purchase or construction of capital assets, and for capital expenditure on shipbuilding and scientific research

Capital Issues. - Bank Credits. The Capital Issues Committee would be instructed to follow a "vigorously critical attitude" to new issues, and its consent would be recommended only under pressure of definite urgency for current requirements "Loopholes" arising out of the absence of control for capital issues below £50,000 were under review by the Government.

Banks would be asked to continue their efforts to reduce advances, and businesses would be urged to finance development out of their own resources.

Public Expenditure. The programmes of the nationalized industries for 1956 would be cut by a further £50,000,000; capital spending by the Government would be reduced by over £20,000,000; and local authority projects would be restricted by severely restraining loan sanctions. The hospital building programme would go on as announced, but some school building would be postponed, although the total amount authorized would not be cut.

The Chancellor's speech, in which he gave a survey of the Civil and Defence Estimates for the next financial year (1956-57), was as follows:

"The Government has come to the conclusion that further measures are needed to deal with the overload which has put such a strain on our balance of payments I propose to give a brief explanation of the measures we have taken and propose to take When the debate takes place, there will be an opportunity to develop at greater length the reasons why we think them necessary. I will confine my remarks today to a factual review.

Before, however, dealing with the wider field, I should like to refer to the current expenditure of the central Government The expenditure which we propose for 1956-57 is made known in the Defence White Paper and in the Civil Vote on Account, which are both published today. I should like to say a word about the new figures

The Defence total will be £1,499,000,000 net, as against the original Estimates of £1,494,000,000 for 1955-56 As the White Paper will show, we have carried out a comprehensive and forward-looking review of our defence effort In this we have had regard both to the needs of the new strategic situation and to the dangers of overloading the economy with the cost of defence, whether in terms of manpower, materials or money. The total Estimates for Defence would have been much lower but for the increases in Service pay and emoluments, which are to cost £67,000,000 in all

The Civil Estimates, at £2,481,000,000 show an increase of £112,000,000 over the original Estimates for 1955-56, of the increase, the Social Services account for £99,000,000.

It will be seen that the total estimates, defence and civil, are £117,000,000 more than those presented at this time last year. This represents a rise of about 3 per cent in money This, at a period of higher costs, is actually a fall in real terms—that is, in demand on labour and materials. If the Government had not exercised the most rigorous check, the increases in Service and Civil Service pay, in wages generally, and in the costs of all the supplies needed for the Government services, would of themselves have carried the total of the Estimates to far higher figures. But we have made vigorous and sustained efforts, initiated by the Lord Privy Seal and continued by me since I took up my present office, with the help of all my colleagues, to reduce the total The fact is that rises in Education, the Health Service, and Service Pay more than account for the net total increase. Over the rest of the field, notwithstanding developments such as those of Atomic Energy and roads, we have brought the total estimates below this year's figure.

We shall continue our efforts to reduce the total of public expenditure and shall not hesitate to ask the country to accept a reduction of existing services if we judge it at any time proper and expedient to do so. We shall also pursue a continuous search for further administrative economies We have already carried this so far that, short of changes in policy, such economies cannot yield large sums; but as an earnest of our intentions I would remind the House that in his speech at Bradford (see 14639 A) the Prime Minister said that our target was a reduction in the staffs of Government Departments by a further 10 000 to 15,000 This work is being put in hand.

Now I come to the wider problem There is general agreement that the combined demands of investment and consumption are growing too fast for our economic health This has held back our exports, swollen our imports, forced us into a balance-of-payments deficit, helped to reduce our reserves by a quarter, and driven up our domestic price level After much study during the past few weeks of developments under all these heads, it is clear to me that something more must be done, in addition to the measures taken by the Government in the course of last year. The more quickly we are able to act, the more effective will be the results We must make an even more determined attack on the roots of the trouble and enforce still further reductions in investment and consumption

I will state first the measures which are being taken in the monetary field. As the House knows, the Bank of England yesterday increased the Bank Rate from 4½ to 5½ per cent I regard this as a timely move which will reinforce the further disinflationary measures on which the Government have decided Next, the reduction in bank advances has accomplished a good deal, but I must look to the banks to continue their efforts to reduce the total of their advances. Similarly I look to the Capital Issues Committee to maintain a vigorously critical attitude towards all applications The Committee should recommend consent only where they are satisfied that the purpose has a definite urgency under current requirements; where such urgency is not proved, they need not be moved by the argument that the applicant has committed himself to the development in advance of Treasury consent

Credit restrictions are designed to slow down investment and consumption in the private sector of the economy. I would also appeal to businessmen who are able to finance investment out of their own resources to apply the same tests as to the timing and rate of their investment as if they had to borrow.

Meanwhile I have given careful thought to the question whether it is right, in present conditions, to continue the investment and initial allowances. I have reached the conclusion that I should suspend the investment allowance and in its place restore the former initial allowances I propose that as a general rule no investment allowances shall be given in respect of capital expenditure becoming due and payable after today but that such expenditure should qualify for the rate of initial allowance in force in 1953. There will be two classes of exception. In the first place, where a definite contract has already been placed for the purchase or construction of capital assets, the investment allowance will still be given in respect of the relevant expenditure when it becomes payable. Secondly, capital expenditure on the construction of ships and on scientific research assets will continue to qualify for investment allowance. The necessary resolutions and legislation will be brought forward in the Budget and the Finance Bill.

Again, we have reviewed the Orders regulating the terms of hire purchase. We propose to tighten up the present arrangements in three ways First, the minimum down payments for consumer goods will be increased from the present 15 per cent and 33⅓ per cent to 20 per cent and 50 per cent respectively. Maximum periods of repayment will remain unchanged Second, power will be taken to control hiring of certain of these goods. Third, the control will be extended to a comprehensive range of capital goods subject to a 50 per cent down payment and maximum repayment period of two years. We expect these changes to restrict credit over a wide field I regret the need for these changes, which will disappoint many people. But at a time when we are restricting borrowing for investment and production, we must also restrict borrowing for purchase. We must all join in the battle against inflation.

But the Government must also play its part in this campaign through the public authorities and departments over which it has control. I have therefore made a full review of all these plans with the Ministers concerned. Useful works already started must be completed with all expedition. But we shall take measures to impose delay on some works not yet started so as to reduce, as quickly and by as much as possible, our demands on productive industry, especially building and heavy engineering.

I will deal first with the nationalized industries. As a result of previous requests, they had already reduced their programmes of capital expenditure in 1956 before submitting them to their appropriate Ministers. They have readily co-operated further and by reassessing priorities and by re-phasing they have now further reduced their programmes, as submitted, by just under £50,000,000 In the result, the total capital requirements of the Fuel and Power industries should be some £20,000,000 less than in 1955, though investment in coal production will in fact be higher. On the other hand, the British Transport Commission, although they have agreed

to substantial reductions in their 1956 programmes, must spend more than in 1955 in order to make a start with their major plan for re-equipping and speeding up the railways. The contributions of the various authorities are :

Central Electricity Authority and the two Scottish Electricity Boards	£13,750,000
Gas Council and Area Boards . .	£5,000,000
National Coal Board (on items other than coal production	£5,000,000
British Transport Commission . .	£22,000,000
Airways Corporations and Airports .	£2,250,000
B.B.C. and I.T.A.	£1,500,000

Next, capital expenditure financed direct by the Central Government will be reduced by over £20,000,000 in all below what had been planned for 1956. Towards this the Post Office, by rearranging its programmes, will find £5,250,000 ; and the restriction of storage facilities and stockpiling for Home Defence will save £10,000,000 on the original plan. The New Town Corporations are also being asked to defer the starting of new capital projects wherever possible We do not propose any change in the programme of hospital building already announced.

The same principles must be applied to the capital programmes of Local Authorities. As regards Housing, the Government's proposals have been embodied in the Bill now before the House. As regards Education, the changes which the Ministers concerned are making in the school building programmes affect only timing The programme stands. But the 1955-56 programmes of the local authorities are seriously in arrears. It is therefore prudent to make room in the 1956-57 programmes for starting the carry-over from the current year. For this purpose a control of starts will be necessary The Minister of Education will therefore postpone until 1957-58 a proportion of the 1956-57 programme of starts. The Secretary of State will take the corresponding action in Scotland. My right honourable friends will shortly issue circulars to Local Authorities explaining these arrangements in detail. The grant of loan sanctions for other capital schemes of Local Authorities will have to be severely restrained, save where there are exceptional circumstances. The sanctioning Ministers will be sending out circulars to explain the new arrangements for the services with which they are concerned.

Finally, I must refer again to the question of the current expenditure of the central Government. This is part of the total demand on our resources, and we cannot allow any expenditure for which there is not full justification.

So far nearly all the decisions of the Government, whether in the monetary or in the physical sphere, bear principally on investment We regret the need for this ; but even investment, on which our future prosperity depends so much, cannot be allowed to outrun our resources of men and materials or to make excessive demands on the balance of payments.

Nevertheless, it would not be right to put the whole burden on the future, especially when we are paying out large sums to encourage consumption. In present circumstances, with full employment and high wages, it is difficult to justify the continuance of these general consumer subsidies on their present scale. At the same time a period of reasonable stability in prices remains a primary aim of Government policy ; and the progressive reduction of these subsidies must take place consistently with that aim The bread subsidy, which amounts to about 2½d. on the 7½d. loaf, costs about £40,000,000 a year. Ordinary milk—I am not speaking of school or welfare milk—is subsidized to the extent of £37,000,000 a year As a first step, the Government have decided to reduce the subsidy on bread by 1d. on the 7½d. loaf This will operate as from Feb. 26, and will represent an immediate reduction in the subsidy at the rate of some £18,000,000 a year. The retail price of milk will be put up by ½d. a pint as from July 1 The saving will be at the rate of some £20,000,000 a year. These proposals do not, of course, affect the cost of welfare or school milk to mothers and children.

The immediate increase in the price of bread amounts to an increase of 0.6 of a point in the cost-of-living index. The milk increase in July will amount to 0.4 of a point But these movements, although important, are not the true test of our measures. The real effect must be judged in the light of the general success or failure of the national campaign against inflation.

I have now completed my account of the results of the review which the Government have made of the whole range of public expenditure, capital and current. The reductions we have been able to make in the capital expenditure of the Government and of the nationalized industries will reduce the pressure of demand in 1956 by some £70,000,000. The savings on the food subsidies will amount to £38,000,000. To these must be added—though I cannot put a figure on them at this stage—the reductions in outlay which will result from the rephasing of Local Authorities' capital expenditure. Finally, we must expect that the continuing, and—in the case of hire purchase—the still tighter restriction of credit, coupled with the increase in the Bank Rate, will achieve a more definite slowing-down of demand from private industry and the consumer.

I have made this statement today to give hon. members good time to think over its contents before the debate on February 20. I trust that hon. members, in considering it, will bear in mind this one thing We are attempting to grapple with inflation, an obstinate and gravely serious problem which has beset us ever since the war, and has not been fully mastered at any time by any Government. Yet it must be mastered if our personal lives are not to be darkened by continual anxiety and uncertainty, and our country's position in the world steadily undermined.

Though our measures are restrictive, our purpose is positive and constructive. We want to call a halt to the prospect of a general continuing rise in costs, so that the constant upward pressure on prices will be relieved We want to safeguard the internal purchasing power of the pound, so that the shopping money will go as far at the end of the year as it does at the beginning. We want fixed incomes to mean what the figures say and not be reduced by a dwindling of the value of the money they represent We want to fill the gap between our exports and our imports by successful trading, not by draining our gold and dollar reserves. We want to go further than that and build up the strength and effectiveness of the whole Sterling Area by increasing our reserves. We want in fact to safeguard the striking gains in our standard of life that have been achieved since the end of the war, and to lay a firm foundation for renewed progress Never before has the standard of living been so high or general well-being so widespread Never before has every individual home had so great a stake in the continued prosperity and solvency of Britain I believe, therefore, that although these measures will necessarily result in some sacrifice or some disappointment, they will be accepted as wise and timely."

The Chancellor replied to a number of questions after making his statement to the House of Commons.

Asked by **Mr. Harold Wilson** (Lab) whether he intended to reintroduce building licensing in order to stop "frivolous building expenditure," **Mr. Macmillan** said · "We have no intention of introducing the old building licence system, which had practically broken down when it came to an end a year or two ago With a very high proportion of total building—over 90 per cent—on housing or factories, it is doubtful whether it is worth having "

Mr. Clement Davies (L) asked why the Chancellor had delayed his measures, although the Government must have known about the weak economic position for some considerable time. **Mr. Macmillan** replied : "One of the steps upon which we rely is the Bank Rate. I would have been very much averse—and so were the authorities—to raising it by itself until we were in a position to fortify it by the general Government decisions. Raising the Bank Rate a few weeks after I had taken office would have been regarded abroad as a sign of weakness and fear, while I believe now, combined with these measures, it will be regarded as a sign of strength."

Mr. Bellenger (Lab.) asked whether it was intended to maintain the £50,000 limit below which it was not necessary to obtain the authority of the Capital Issues Committee, and whether there was not some evidence that this limit was being circumvented by certain companies, particularly in hire-purchase, through the flotation of several £50,000 companies **Mr. Macmillan** replied that this loophole was under review, but added "I should hesitate to make a general line reducing the £50,000 limit, because it would be inconvenient to administer."

Replying to **Mr. Douglas Jay** (Lab.), who asked whether it was proposed to raise old-age pensions and national assistance rates in view of the cut in the bread and milk subsidies, **Mr. Macmillan** replied that national assistance rates had only recently been increased "to a figure which takes account of a greater increase than is covered by my proposals "

Mr. Crossman (Lab.) asked whether the £70,000,000 which Britain might have to pay for the British Army of the Rhine in the next financial year was included in the Chancellor's calculations. In reply, **Mr. Macmillan** said that the Government were allowing for the receipt of £50,000,000 from the German Federal Government When **Mr. Strachey** (Lab.) asked : "Why does the Chancellor think he can bring in an item of £50,000,000 for German support costs into his calculations ? ", and added . "Are his other calculations likely to be as unfounded as that appears to be ? " **Mr. Macmillan** replied : "Mr. Strachey must think it very odd if I were to embark on negotiations by starting to write off a figure before we began." [Mr. Strachey's remarks referred to statements made by Dr. Schäffer, the Federal German Finance Minister, that Western Germany would no longer make any contributions for the upkeep of the British, French, and U.S. forces on German soil—a question on which negotiations are in progress between the three Western Allies.]

Further details of the Government's decisions were announced on the same day, as follows :

Local Government Expenditure. The curtailing of capital expenditure by local authorities was the subject of a communication by the Ministry of Housing and Local Government to all local authorities in England and Wales. After referring to Government intentions with regard to housing and school building, the circular stated that in respect of other local government services, except certain major works on roads, loan sanctions would be severely restricted for at least six months. It continued ·

"During this period it should be assumed that there will be a virtual embargo on all new capital projects, or expansions of existing schemes, which can be deferred without risk to health, safety, or other vital interests. The restrictions will be applied to all capital expenditure which has not already received loan sanction, even though it may already have been approved in principle or for the purposes of grant."

Hire Purchase and Credit Sales. In addition to the changes mentioned above, the new Orders on hire purchase which came into force on Feb. 18 contained the following provisions :

(1) Instalments under credit sale agreements for less than nine months, for which no deposit had been required, would henceforward have to be paid in approximately equal payments at equal intervals.

(2) Goods affected by the new restrictions on rental agreements would include radio and television sets, gramophones, washing machines, vacuum cleaners, and refrigerators. The main restrictions were that for a hiring agreement of up to nine months, payment of the whole of the rentals and service charges would have to be made before the agreement was signed. In any other hiring agreements all rentals and charges payable during the first nine months would have to be paid in advance.

(3) Where goods had been hired for a definite period of nine months or less, the Order prohibited any further hiring of those goods to the person concerned, except that hirings for a period of less than one month might be extended up to a total of one month.

(4) Exemptions from the Order included (in addition to the goods mentioned in 14067 A) seagoing ships intended for commercial transportation of goods or passengers, tugs, and fishing vessels, equipment for such vessels, aircraft capable of carrying more than 10 passengers; livestock; and medical, surgical, dental, and veterinary appliances, equipment, and apparatus The exclusion of larger seagoing ships and aircraft meant that the new restrictions were directed at the purchase of smaller boats, ships, and aircraft for pleasure purposes.

[In the list of goods subject to hire purchase restrictions given on page 14333 (first column), the first series of items under the section "Deposit to remain at 15 per cent" should end with "clocks and watches," not "books and watches"]

Public Capital Expenditure Cuts.—*British Transport Commission.* The overall cut of £22,000,000 would be achieved by reducing expenditure (1) on British Railways, by £12,000,000 through economies on minor improvement schemes and by deferring the purchase of some new rolling stock; (2) on British Road Services, by £9,000,000 by deferring the purchase of new vehicles; (3) on "other smaller schemes," by £1,000,000. The cuts would not have any effect on the major development work on the modernization plan. As compared with this £22,000,000 cut, the recent wage settlement on the railways would cost £22,750,000 a year.

National Coal Board. The cuts of about £5,000,000 would be made by (1) reducing expenditure on "inherited ancillaries" such as coke-ovens and brickworks taken over from the coal owners, and (2) deferring some mining schemes which would not be expected to show a return for more than 10 years. Some of the long-term development would cease, whilst quick-return investment would continue.

Central Electricity Authority and Scottish Electricity Boards. The cuts of £13,750,000 would affect the construction of new power stations, reducing the completion of new generating plant in 1958 and 1959.

Post Office. The saving of £5,250,000 would be effected by spreading out some of the longer-term projects, but would not affect the arrangements for extending the telephone service in 1956.

B.B.C. and I.T.A. Dr. Charles Hill, the Postmaster-General, announced on Feb. 22 that both the B.B.C. and the I.T.A. had applied for consent to provide a second television programme, but that the Government had decided to defer consideration of this matter for two years; he added that such a postponement had the advantage that it should be possible by then to make a better assessment of the influence of current technical developments, including colour television. Dr. Hill also stated that the £1,500,000 cut in capital investment for broadcasting represented a reduction of the order of 20 per cent as compared with the original estimates, resulting in a slowing-down of the process of extending and improving existing services.

The Chancellor's statement led to a further improvement in the value of the pound, the official sterling-dollar rate closing at \$2.80 $\frac{11}{16}$ against an opening rate of \$2.80$\frac{1}{2}$. Transferable sterling in New York closed at \$2.77$\frac{5}{8}$—\$2.77$\frac{3}{4}$, against \$2.77$\frac{1}{2}$ - \$2.77$\frac{5}{8}$. Sterling remained firm on succeeding days, the official sterling - dollar rate rising to \$2.80$\frac{3}{4}$ by Feb. 21.

(Times - Daily Telegraph - Financial Times - Manchester Guardian) **(Prev. rep. 14332 A; Bank Rate, 14067 A.)**

A. IRISH REPUBLIC. — Creation and Functions of Gaeltacht Department of State.

A Bill setting up a special Department of State to promote the cultural, social, and economic welfare of the Irish-speaking areas of the Republic (the *Gaeltacht*) was issued in Dublin on Feb. 21. The new Department—known as the Department of the *Gaeltacht*—will encourage the preservation and extension of the Irish (Gaelic) language, and will consult with and advise other Departments of State on matters affecting the welfare and progress of the Irish-speaking areas. It gives the Government powers to define from time to time areas where the population is predominantly Irish-speaking and which ought for this reason to be included in the *Gaeltacht*. The Bill was printed in Irish and English, being the first Irish legislative measure to be printed in both languages.

The 1946 census showed that 588,725 people over the age of three years, or 21.2 per cent of the total population, were able to speak Irish as well as English. Only 40,000, however, spoke Irish habitually. Out of some 4,880 national schools in the Republic, only 486 use Irish as the medium of instruction. (Irish Times, Dublin)

B. CANADA. — Mr. Lester Pearson's Statement on Canadian Policy towards Communist China.

An important statement on Canada's attitude to Communist China, indicating that Canada might be moving towards recognition of the Peking regime and towards support for its representation in the United Nations, was made by the Secretary for External Affairs, Mr. Lester Pearson, in the Canadian House of Commons on Jan. 31.

Mr. Pearson stated that the Canadian Government had been re-examining its policy with regard to the recognition of Communist China, and had reached the conclusion that the policy which they had been following was the right one—"rejecting on the one hand immediate diplomatic recognition, but rejecting on the other hand the view that a Communist regime in Peking can never be recognized as the Government of China." After emphasizing that, although "moral considerations" were involved in the case of a "ruthless Communist regime," the decision was predominantly a political one to be taken "on the basis of enlightened self-interest," Mr. Pearson continued.

"It should not, however, be assumed that Canadian recognition of the Peking Government—even if it were to be granted at some time in the future—would extend to the island of Formosa. As we see it, the legal status of Formosa is still undecided, and no step taken *vis-à-vis* the Communist regime should prejudice that issue. In particular, we would not be a party to any action which handed over the people or Government of Formosa against their will to any mainland Government, let alone to a Communist Chinese Government.

"We condemn the cruelties and tyrannies of the Peking regime, and we continue to hope that the Chinese people will one day be governed by a more enlightened government of their own choice. But . . we must accept the fact of Communist control of mainland China That is one thing we cannot fail to recognize, with the corollary that in certain circumstances and in our own interests we may be obliged to deal—as we already have been obliged to do at Geneva and elsewhere—with that Government in respect of certain problems which cannot be solved without it. Nor should we . . . base our policy on the likelihood of the Nationalist Government of Chiang Kai-shek returning to power on the mainland Furthermore, the anomaly of that Government representing China at the United Nations, with a veto that can block any action desired by the other members, is becoming increasingly apparent I believe also that we should accept no commitment to intervene on behalf of the Nationalist Government in the struggle for the Chinese offshore islands.

"As for Formosa, the only commitment we have is that which might arise out of our obligations under the U.N. Charter. So far as diplomatic recognition is concerned, we should from time to time review the position in the light of conditions, of our own interests, and of the views of our friends and allies. However, I believe that we should not get ourselves into such an inflexible position that a change in policy, if it were to be considered wise and necessary, could be brought about only with maximum difficulty."

Mr. Pearson added that they must not let "this complicated and controversial problem of legal recognition" distract them from the longer-term issues raised by the emergence of Communist China as a new and powerful force in the world. "The consolidation and growth of Chinese power under Communist rule which is now taking place," he declared, "may be historically as important an event as the Russian Revolution of 1917." (Department of External Affairs, Ottawa) **(Prev. rep. 14117 A.)**

C. SOUTH AFRICA. — Exchange Control Measures.

The Finance Minister, Mr. Louw, announced on Feb. 21 that South Africa would not follow Britain by raising her Bank Rate, but would tighten up exchange controls to prevent investment funds from leaving the Union to secure higher interest rates in Britain. In future, South African residents would have to report their sterling holdings in the same way as their holdings of other currencies, and would not be allowed to transfer funds to London for the sole purpose of earning higher rates of interest. No restrictions, however, would be placed on the transfer of funds by South African residents for current commercial transactions, or for the purchase in London of South African shares quoted on the London Stock Exchange. The repatriation of capital by non-residents of South Africa would also be unaffected. Mr. Louw said that the new regulations would be administered "in a sympathetic spirit" and that exceptions would be allowed to prevent inconvenience to the public.—(Times - Financial Times) **(Prev. rep. U.K. Bank Rate, 14705 A; South African Rate, 14441 B.)**

D. UNITED KINGDOM. — Industrial Accidents.

The number of fatal industrial accidents (excluding accidents to seamen and fishermen) during 1955 was 1,351 (1,324 in 1954), comprising 480 in mining and quarrying, 700 in factories, foundries, engineering works, gas works, power stations, docks, and building operation, and 171 in the railway service. There were 209 fatal accidents among seamen and fishermen. (Ministry of Labour Gazette) **(Prev. rep. 14064 A; 14661 A.)**

A. ITALY. — Establishment of Constitutional Court.

After a deadlock lasting over two years, the Italian Parliament succeeded on Nov. 30, 1955, in electing five members of the Constitutional Court which, under the post-war Italian Constitution, will act as the highest tribunal in the country on all constitutional matters. The Constitution provided that the Court should consist of 15 judges—five appointed by Parliament, five nominated by the President of the Republic, and five nominated by the judiciary. Although the judiciary had earlier appointed its five nominees, President Gronchi had refrained from appointing the five presidential nominees until agreement had been reached on the five parliamentary nominees, for whose election a three-fifths majority was required in a joint session of both Houses.

Although joint sessions of the Italian Parliament had been held for this purpose in 1953 and 1954, party differences prevented any of the candidates from obtaining the necessary three-fifths majority At a joint session on Nov. 15-16, 1955, however, two parliamentary nominees were elected to the Constitutional Court after four ballots —Professor Ambrosini (professor of constitutional law in the University of Rome), whose candidature was sponsored by the Christian Democrats, and Professor Bracci (professor of administrative law in the University of Siena), who was sponsored by the Left-wing (Nenni) Socialists.

Further disagreements arose, however, on the election of the remaining three parliamentary nominees. Whereas the Christian Democrats claimed the right to a second nominee, the other parties of the Government coalition (Liberals and Republicans) claimed one of the three remaining nominations, whilst both the Left-wing and Right-wing groups (i.e. the Communists and Nenni Socialists on the one hand, and the Monarchists and neo-Fascist M.S.I. on the other) also demanded the right to nominate a candidate.

After several inconclusive ballots, followed by attempts at mediation by President Gronchi, and the Presidents of the Chamber and Senate, a compromise was eventually reached between the Government and Left-wing parties whereby the Christian Democrats agreed to support a Communist nominee, whilst the Communists and Nenni Socialists agreed to vote for candidates sponsored by the Government parties. When the Italian Parliament met in joint session on Nov 30, the Monarchists and neo-Fascists walked out before the vote was taken, protesting that the agreement between the Government and Left-wing parties would deprive the Right-wing parties of a nominee in the Constitutional Court.

The three remaining vacancies were then filled by the election of Professor Cappa, nominated by the Christian Democrats; Professor Cassando, nominated by the Liberals; and Professor Jager (professor of civil law at the University of Milan, and a Roman Catholic), nominated by the Communists. The five parliamentary nominees in the Constitutional Court therefore comprised two Christian Democrats, one Liberal, one "Nenni" Socialist, and one Communist.

The membership of the Constitutional Court was completed on Dec. 4, 1954, when President Gronchi nominated the following five members—Senator Enrico de Nicola, the first post-war President of the Italian Republic; Dr. Gaetano Azzariti, honorary president of the Court of Appeal; Professor Giuseppe Capograssi, professor of the philosophy of law in the University of Rome; Signor Giuseppe Castelli-Avolio, a member of the Council of State; and Professor Tommaso-Perassi, professor of international law in the University of Rome.

The Constitutional Court met for the first time in Rome on Jan. 23, 1956, and unanimously elected Senator de Nicola as its President. The court's headquarters are at the palace of the Consultà, once the seat of the Italian Foreign Office.

(Giornale d'Italia, Rome - Corriere della Sera, Milan)

B. FRANCE. — M. Poujade fined for Slander.

M. Pierre Poujade was fined 500,000 francs (about £500) on Jan. 21 by a Paris court after having been found guilty of slandering M. Pierre Schneiter, the president of the former National Assembly.

The slander concerned allegations—made by M. Poujade on various occasions during the election campaign—that M. Schneiter, while sub-prefect of Reims at the end of the war, had murdered a woman and appropriated for his own use the sum of 6,000,000 frs. parachuted to the Resistance movement Similar allegations had been made against M. Schneiter by M. Léon Dupont, a prominent Poujadist, who had earlier been fined 400,000 frs. for slander, and M. Poujade's counsel claimed that his client had acted in good faith in repeating M. Dupont's charges. The court pointed out, however, that the allegations against M. Schneiter had been investigated earlier and had been proved to be completely false.

M. Schneiter (who did not claim any damages) was awarded nominal damages of one franc, with costs against M. Poujade. He was also given the right to choose five newspapers in which the court's judgment should be published. M. Poujade subsequently announced that he would appeal against the verdict. (Le Monde, Paris - Le Figaro, Paris)

(Prev. rep. M. Poujade, 14681 A; 14615 A.)

C. UNITED STATES. — Ford Motor Company. - Capital Reorganization and Public Sale of Stock.

The trustees of the Ford Foundation announced on Nov. 7 that the stock of the Ford Motor Company was to be reclassified and that shares would be offered to the public for the first time in the company's history. It was stated that the Foundation itself, which owned more than 88 per cent of all the outstanding shares, planned to make a public issue of about 15 per cent of its holdings "in order to diversify its investment portfolio," whilst members of the Ford family, at present holding all the voting rights, would surrender 60 per cent of these rights to the holders of the shares which would be offered publicly.

The existing stock of the company consists of 172,645 shares of voting "B" stock, all owned by members of the Ford family and family interests, and 3,322,395 shares of non-voting "A" stock. Of the latter, 3,089,908 are owned by the Ford Foundation, 190,347 by members of the Ford family and family interests, and 42,140 by 108 key employees of the company (who also have options to buy in instalments over the next three years some 101,000 additional shares). The entire stock will be reclassified in three types, each of which will have the same interests per share in earnings and assets, but will vary as to voting rights—viz, a new voting Common stock (having 60 per cent of the voting power), a new voting "B" stock (having 40 per cent of the voting power), and a new "A" stock without voting rights.

Each of the existing "A" shares will be exchanged for 15 new shares and each of the existing "B" shares for 21 new shares, making a total of 53,461,470 new shares The "A" shares owned by the Foundation will become new non-voting "A" shares, but will be converted into Common stock when sold to the public. The existing "A" shares owned by company employees will become shares of new voting Common stock, whilst the "A" shares owned by members of the Ford family and their interests will become shares of the new voting "B" stock. The existing "B" shares owned by the Ford family will be exchanged for new voting "B" stock

As a result of the public interest shown in the proposed share offer, the Ford Foundation subsequently decided to dispose of some 22 per cent of its holdings, instead of 15 per cent as originally planned; 10,200,000 shares were accordingly offered for sale on Jan. 17, 1956, at $64.50 a share. The offer was made by a syndicate of 722 underwriting houses and was immediately oversubscribed, each purchaser being limited to 200 shares. The offering—one of the largest to be made on the New York Stock Exchange—realized $657,900,000.

Data filed by the Ford Motor Company with the U.S. Securities and Exchange Commission, and published for the first time on Dec. 21, showed that the company had total assets of more than $2,400,000,000, making it the third largest manufacturing enterprise in the United States. [The first two are the General Motors Corporation and the United States Steel Corporation.] In its first published statement of annual earnings and dollar sales (Feb. 20) the company reported that its profits in 1955 were $437,000,000 on total sales of $5,594,000,000, and were equivalent to $8.90 a share; this compared with net profits in 1954 of $227,800,000 on net sales of $4,062,000,000. Production in 1955 reached the record level of 2,614,558 cars and lorries, compared with 1,990,020 in 1954.—(New York Times - New York Herald Tribune) **(Prev. rep. Ford Foundation, 14606 C.)**

D. UNITED KINGDOM. — Roll of Honour of Civilian War Dead placed in Westminster Abbey.

A Roll of Honour containing the names of 60,000 civilians killed in the United Kingdom by enemy action during the Second World War was placed in the custody of the Dean and Chapter of Westminster on Feb. 21 by the Duke of Gloucester, president of the Imperial War Graves Commission. The names of the civilian war dead (nearly 20,000 of whom were Londoners, and ranging from newly-born infants to centenarians) are inscribed in six bound volumes which will be placed in a Memorial Case near the Tomb of the Unknown Warrior. One volume, over which a light will burn continually, will lie open in the case and a page will be turned every day. A seventh volume, containing the names of civilians who lost their lives abroad or at sea, will be added later.

(Times - Daily Telegraph - Manchester Guardian)

E. SOVIET UNION. — Abolition of M.V.D. Tribunal.

The legal journal *Soviet State and Law* disclosed on Feb. 9 that the secret M.V.D. tribunal which could send people to forced labour camps had been abolished in 1953 after Stalin's death, and that all cases previously referred to it were being dealt with by the ordinary law courts. The tribunal had dealt chiefly with political offenders, and had power to pass sentences by administrative decree without calling for the appearance of the persons concerned. (Times - Manchester Guardian)

A. AUSTRALIA. — Nation-wide Dock Strike.

A strike of waterside workers broke out at Australian ports on Jan. 23 after the failure of negotiations between the shipowners and the Waterside Workers' Federation over the W.W.F.'s claim for increased pay. The stoppage, which lasted over three weeks, completely paralysed shipping movements at Australian ports and caused serious disruption of the country's economy, including the cancellation of wool sales, the suspension of wheat shipments, and heavy losses to fruit growers.

The Federation's original demand was for a pay increase of 1s ½d. an hour, as well as an increase in "attendance money"—i e. the amount (at present 16s. daily) paid to men who attend for work but are not allotted any The shipowners had offered 6d an hour more, conditional on the workers abandoning certain restrictions and speeding up the turn-round of ships They claimed that dockers' pay at the leading Australian ports averaged £18. 6s 4d. for a 32.7 hour week, and that the increase of 6d an hour offered by the shipowners would bring the average wage up to £19 6s 1d. weekly; moreover, by working two hours' overtime a man would be able to earn £29. 8s. 7d. for less than 36 hours' work

Mr. Menzies (the Commonwealth Prime Minister) appealed on Jan. 23 for a speedy resumption of work, and gave a warning of the "evil consequences for the Australian economy" which a prolonged strike would entail This appeal, however, proved fruitless, the W W F. refusing an offer by the employers to submit the dispute to arbitration On Jan 27 Mr Justice Ashburner, of the Sydney Arbitration Court, granted the shipowners' application for an order declaring the strike illegal, and on Jan. 31 the Federal Minister of Labour (Mr Holt) gave a warning that the Government would have to consider introducing emergency measures, including appropriate legislation, if the strike continued.

On the Federal Cabinet's invitation, a conference of representatives of the shipowners, the W W F , and the Australian Council of Trade Unions (to which the W.W.F is affiliated) took place under Mr. Holt's chairmanship on Feb 2. The employers insisted on the submission of the dispute to arbitration, and Mr. Holt accordingly proposed (1) that Mr Justice Ashburner should be invited to preside at a further conference with a view to reaching a mutually acceptable settlement which would be registered with the Arbitration Court, (2) that if a settlement could not be reached voluntarily, the parties should agree to Mr. Justice Ashburner's arbitration on the sum (not less than 6d an hour) to be awarded "as fair compensation for the W W.F.'s acceptance of the shipowners' conditions, or of such of them as the judge shall determine are proper", (3) that every effort should be made to resume work on Feb 6, and that the judge should be asked to proceed with the conference as soon as this had been done; (4) that the shipowners should agree that some increase in attendance money was justified, and Mr Justice Ashburner be requested to decide the amount as quickly as possible.

Although these proposals were accepted by the shipowners, they were rejected by the W W F. and the A.C T U. The W.W.F. offered to call off the strike if the shipowners would agree either (*a*) to an increase of 9d. an hour, or (*b*) to the submission of the dispute to a judge of the Arbitration Court as a "straight wage issue," asking him to award between 6d. and 1s. an hour but to exclude altogether the review of working conditions desired by the shipowners.

The Minister for Trade (Mr. McEwen), discussing the effects of the stoppage on Feb. 5, stressed that while Australia was running up bills for imports at the rate of about £A65,000,000 a month, goods intended for export were piling up on the wharves at the rate of £A2,000,000 a day. The strike was causing hardship and ruin to Australian industries, which could not get delivery of the imports they had already paid for, and could not export their products. Something like £A15,000,000 worth of orders for wheat and flour "looked like being lost" because exporters could not meet delivery dates; butter storages were overflowing; meat storages were full and abbattoirs were being shut down; and fruit was piling up in cold stores because the picking of fruit crops had already begun. The physical problem of clearing the wharves of incoming cargoes was so difficult that shipowners had been asked to prepare an emergency scheme for cargo handling. Wool sales had been cancelled since Feb. 2 because of the strike.

On Feb. 7 Mr. Holt announced that the Cabinet had completed plans to deal with the stoppage if a resumption of work did not soon take place. On that day, however, the executive of the A.C.T.U., after a meeting in Melbourne with W.W F. leaders, ordered the strikers to return to work immediately and then to apply to the Arbitration Court for an increase of not less than 6d. an hour. This order aroused strong opposition amongst waterside workers in some States (notably in Queensland), but on Feb. 11 the Federal council of the W.W.F. instructed its members to resume, and on Feb. 15 all the 27,000 strikers reported for work.

It was unofficially estimated that the stoppage (which involved 185 ships at 55 ports) had resulted in a loss to the strikers of £A.1,750,000 in wages and in a cost to the shipowners of nearly £A.8,000,000.—(Australian News and Information Bureau - Times) **(Prev. rep. 14188 D.)**

B. ISRAEL. — Arab Unit for Israeli Army.

Hundreds of Christian Arab volunteers from Nazareth, Tiberias, and other areas enrolled on Feb. 23 in the Israeli Army, of which they will form the first Arab unit. (Daily Telegraph)

C. ITALY. — New Ministers for the Budget and Treasury. - Death of Senator Vanoni.

President Gronchi signed decrees on Feb. 19 appointing Senator Adone Zoli as Minister of the Budget in place of Senator Ezio Vanoni, who had died on Feb. 16, and Senator Medici as Minister for the Treasury in succession to Signor Silvio Gava, who had resigned on Jan. 28 after disagreeing with the Government's acceptance of large-scale salary increases for civil servants.

Senator Vanoni (52), the author of Italy's ten-year plan and an eminent economist, collapsed and died in the Senate after making a speech defending the Government's economic policy. He had replied to a no-confidence motion, tabled by the Monarchists and the neo-Fascist M.S.I., which was rejected by 111 votes to 18, with 56 abstentions.

Ezio Vanoni was born on Aug 3, 1903, at Morbegno (Lombardy), and had a distinguished academic career at the University of Pavia, where he graduated in economics and finance. He became Professor of Economics in the University of Rome in 1939, after holding several academic posts, and entered Marshal Badoglio's Cabinet in 1943 as Commissioner for Labour and Commerce An active member of the Christian Democratic Party, he organized underground resistance in Rome during the German occupation, and was subsequently a member of the Consultative and Constituent Assemblies before his election to the Senate in 1948.

Senator Vanoni became Minister of Foreign Trade in 1947, and acted as economic adviser to Signor De Gasperi at the Paris Peace Conference. He was Minister of Finance in all the De Gasperi Cabinets between 1948 and 1953, and Minister of the Budget in the Scelba and Segni Governments. In 1955 he published his ten-year plan (the "Vanoni Plan") which was designed to increase Italy's national income by five per cent annually over the 10-year period, to eliminate unemployment, and to develop Southern Italy, Sicily, and Sardinia. He was also the author of important tax reforms.

Senator Zoli had been Minister of Justice under Signor De Gasperi and Minister of Finance in the Fanfani Cabinet. He became president of the Christian Democratic Party after Signor De Gasperi's death. Senator Medici had served as Minister of Agriculture in several post-war Cabinets.
(Giornale d'Italia, Rome - Corriere della Sera, Milan)
(Prev. rep. Segni Cabinet, 14320 A.)

D. UNITED KINGDOM. — British Transport Commission. - Traffic Receipts in 1955.

Traffic receipts of the British Transport Commission in 1955 totalled £642,730,000, compared with £645,416,000 (revised figure) in 1954. An increase of £9,268,000 in total passenger receipts from railways and bus services was more than offset by a drop of £12,314,000 in receipts from freight, parcels, and mails. Details are tabulated below, with revised 1954 figures shown for comparison.

	1955 £'000	1954 £'000	Increase or Decrease £'000
British Railways			
Passengers	117,987	116,381	+1,606
Parcels	41,927	40,708	+1,219
Merchandise and Livestock	106,020	110,627	−4,607
Minerals	48,955	45,900	+3,055
Coal and coke	119,063	115,706	+3,357
	433,952	429,322	+4,630
British Railways Collection and Delivery Services	12,252	12,137	+ 115
Road Passenger Transport			
Provincial and Scottish buses, coaches, trolley-buses and trams	54,113	50,735	+3,378
London Transport			
Railways	20,735	19,150	+1,585
Road Services	52,979	50,718	+2,261
Other Services			
British Road Services, Ships, Inland Waterways, etc.	68,699	83,714	−15,015
Total	642,730	645,776	−3,046

The decline in total receipts—the first since the Commission was established in 1948—was attributed to the further denationalization of road haulage and to the 17-day strike of locomotivemen in June. It was pointed out in the Press that without these factors a substantial increase in receipts could have been expected as a result of the increase in most charges during the year, whilst the Commission had also had the benefit of a full year's income from the higher charges which came into force in 1954.—(Financial Times) **(14139 A.)**

E. ALBANIA. — Amnesty Offer to Exiles.

It was announced in Tirana on Jan. 11 that the Presidium of the Albanian National Assembly had declared an amnesty, expiring on Dec. 31, 1957, for Albanians who had fled abroad after committing crimes "during the anti-popular [i.e. pre-war] regimes, the liberation struggle, or after." (New York Times)

A. MALAYA.—London Conference on Constitutional Development. - Agreement on Independence and Self-government within British Commonwealth by August 1957. - Breakdown of Meeting between Malayan and Singapore Chief Ministers and Communist Leader. - Withdrawal of Amnesty Offer to Terrorists.

A conference on the future constitutional development of the Federation of Malaya was held in London from Jan. 18 - Feb. 8 under the chairmanship of the British Colonial Secretary, Mr. Lennox-Boyd. The Malayan delegation, which was led by the Chief Minister (Tengku Abdul Rahman), consisted of four elected Ministers and four representatives of the rulers, whilst other participants in the conference included the High Commissioner of the Federation, Sir Donald MacGillivray, and representatives of the Colonial Office, the Treasury, the Ministry of Defence, and the Service departments.

A report published at the conclusion of the conference announced that a constitution providing for full independence and self-government for Malaya would be introduced " at the earliest possible date," and that " full self-government and independence within the Commonwealth " for the Federation of Malaya would be proclaimed, if possible, by August 1957. Every effort would be made by the British and the Federation Governments to achieve this by the time proposed. In the meantime, the Malayan Government would take over responsibility for finance, internal defence, and security, including the prosecution of the war against the Communist terrorists, whilst Britain would continue to have direct responsibility for the external defence and external relations of the Federation of Malaya.

The report emphasized that throughout the discussions on defence and internal security the conference had drawn a distinction between the interim period before self-government and the time when full self-government and independence was achieved. " We have framed our proposals for the interim period," it was stated, " so that, as well as reflecting the distribution of responsibility between H.M. Government and Malayan Ministers during that period, they will be capable of being continued into the stage of full self-government with the minimum of administrative and other disturbances." The conference agreed that during the interim period the member of the Government responsible in the Executive and Legislative Councils for matters of internal defence and security should be a Malayan Minister, to be known as the Minister for Internal Defence and Security.

The transfer of the administration of the local internal security forces would be put in hand forthwith, and new arrangements would be made for handling operations during the remainder of the emergency. It was agreed in this latter connexion that it was consistent with the present stage of political development of the Federation that there should be some change in the arrangements for concerting the operations of the armed forces, the police, and the civil departments and agencies concerned. To this end, the present committee, of which the Director of Operations was chairman, would be replaced by an Emergency Operations Council with the Minister for Internal Defence and Security as chairman, and including the Director of Operations among its members. The armed forces required for the prosecution of the emergency would remain under the operational command of the Director of Operations and would be used to aid the civil authorities in giving effect to the directions of the Emergency Operations Council. Both the Emergency Operations Council and the post of Director of Operations would cease to exist when the emergency ended.

The administration of the armed forces of the Federation would be separated from that of the U.K. forces, for which purpose a Federation Armed Services Council would be set up under the Minister for Internal Defence. This would be a permanent body, distinct from the Emergency Operations Council and broadly corresponding to the Army and Air Councils in Britain.

During the interim period before full self-government, the British Government would retain in the Federation the forces which it considered necessary for external defence and " for the fulfilment of Commonwealth and international obligations." There would be consultation between the British and Federation Governments on all matters arising out of the stationing of British or Commonwealth forces in the Federation, and the Federation Government would be informed in advance of any proposed substantial changes in the size or character of those forces. At the end of the interim period, when the Federation became responsible for external defence as well as for all other duties of government, a mutual defence assistance treaty would be concluded between Britain and Malaya, under which Britain would retain the right to keep in the Federation the forces needed for fulfilling her international obligations. Details of this treaty would be worked out by a working party, which would be set up in the Federation under the chairmanship of the Commissioner-General for South-East Asia and with Australian and New Zealand observers.

The report also made a number of recommendations for the administration of the police during the interim period, and for its " Malayanization." Operational control of the police during this period would be the same as for the Federation's armed forces.

Responsibility for all financial matters, including foreign exchange, would be immediately transferred to a Malayan Minister of Finance, who would take over from the present Financial Secretary. Malaya would remain in the sterling area after attaining full self-government, would have responsibility for exercising restraint in dollar expenditure, and would encourage overseas investment The British Government recognized that financial aid from the U.K. was needed during the emergency if the Federation Government was to undertake a programme for social and economic development, and a conference would be held as soon as possible to decide what aid was necessary. If the emergency had not ended by the time self-government was attained, the British Government would be prepared to consider special assistance in meeting the cost over and above " the substantial assistance which will continue to be given through the forces."

Further recommendations dealt with the future organization of the public services, and provided for the setting-up of a Public Services Commission. The report recognized, however, that control of these services would be exclusively the concern of the Federation Government. Recommendations in principle were made about the compensation of officers retiring after the " Malayanization " of the services. The conference also considered a Malayan request for the withdrawal of the British Advisers to the Malayan Rulers It was stated in this connexion that it was the collective view of the Rulers that the time had come when these Advisers should be withdrawn, and that the British Government had not opposed this view.

Malayan and Singapore Premiers' Meeting with Chin Peng.

In accordance with the suggestion made in September by Chin Peng, secretary-general of the Malayan Communist Party and leader of the terrorists, a meeting to arrange for a possible ending of the hostilities in Malaya took place at Baling, some 20 miles from the Siamese border, on Dec. 28-29. Those taking part were the Chief Ministers of Malaya and Singapore, Tengku Abdul Rahman and Mr. David Marshall, and the leader of the Malayan Chinese Association, Sir Cheng Lock Tan, on the one side; and Chin Peng and two other Communist leaders—Abdul Rashid bin Maiden and Chen Tian—on the other. A cease-fire was ordered on Dec. 22 in an area of some 400 square miles around the site of the talks, and remained in force until ten days after the talks had concluded. The talks broke down, however, over Tengku Abdul Rahman's insistence on the dissolution of the Communist Party, and on the Communists' refusal to accept an investigation of their loyalty to Malaya after the cessation of hostilities, as had been demanded by the two Chief Ministers.

According to an account of the meeting given by the Government side, Tengku Abdul Rahman had emphasized that he and Mr. Marshall were the elected representatives of the people of the Federation and Singapore, and were neither the mouthpieces nor " stooges " of the British Government. The Communists had replied that they fully realized this, and had asked for recognition of their party if they ceased hostilities Tengku Abdul Rahman, however, had refused this request and had insisted that the Communist party would have to be dissolved—though he had given an assurance that, once freed from any detention to which party members might become liable after investigation, they could enter political life in some form or other

On the question of detention, the initial Communist standpoint had been that those who laid down their arms should go entirely free and have the right to join existing parties. Tengku Abdul Rahman had insisted that the people of Malaya could not accept this position, and that some detention and investigation would be required. Former terrorists who undertook to be loyal to Malaya and to refrain from Communist activity would be freed, except for possible restriction of residence and an obligation to report to the police, once allowed to " rejoin society " they might join existing parties or form new ones, provided these were not Communist. Those wishing to return to China would be repatriated.

The Communists' refusal to accept a loyalty investigation after the cessation of hostilities was based on the argument that it would imply that they had surrendered. This, they declared, they would never do, and they would rather continue the struggle " to the last man." Nevertheless, a statement issued by the Communists on the second day of the talks stated . " As soon as the elected Government of the Federation obtains complete control of internal security and the local armed forces, we will end hostilities, lay down our arms, and disband our forces. This does not amount to accepting the present amnesty terms."

Prior to the talks, the Malayan Communist Party, in letters sent to Malayan newspapers on Dec. 24, had put forward an eight-point " united front " programme.

This called for the cessation of hostilities by negotiations, and the abolition of the emergency regulations; independence for Malaya; reform of the political system; guarantees for all Malayan citizens of " democratic rights " in their religious and political beliefs; equality of the sexes; improvement of culture, education, health and welfare; development of industrial production; and support for world peace.

The letters also announced that the central committee of the party had elected a Malayan, Musa Bin Ahmad, as its new chairman and an Indian named Balan as its vice-chairman.

Following the breakdown of the talks, Tengku Abdul Rahman announced in a broadcast on Dec. 30 that, with the concurrence of the High Commissioner and the Director of Operations, the amnesty offered to the terrorists in September would be ended on Feb. 8, 1956, and that the war against them "must be intensified." "I have no intention of meeting the Communist leader again," he declared, "unless the Communists indicate beforehand their desire to see me in order to make a full and complete surrender. I regret having to resort to this course of action, but my Government and my party are convinced that no half-measures would ever bring to an end this struggle which has been going on for the past eight years."

Tengku Abdul Rahman said that the Malayan people were "sick and tired" of the state of emergency, but that the Communist leaders had turned down the Government's offer to end the struggle, thus indicating that "our ideology of peace and goodwill cannot exist side by side with their ideology of violence and hatred" "The war must be intensified until one or other must give in," he declared, "and it is certain that I will not give in and betray the Malayan people So the Malayan Communist Party must give in. . . "

On Feb. 22, on his return from the London conference, Tengku Abdul Rahman broadcast a personal appeal to Chin Peng to surrender. He said that as Malaya was now to be granted control of internal defence and security the Communists should honour their pledge, made at the Baling meeting, to lay down their arms.

Terrorist Activities. - Operations by Security Forces.

Terrorist activities continued throughout the period mid-November to mid-February, three Europeans being killed in various incidents—an Army officer, a police officer, and a rubber planter. As announced by Tengku Abdul Rahman, the amnesty offer to the terrorists was terminated on Feb. 8; it was announced that 73 terrorists had surrendered under the offer, but that over 3,000 were still at large.

Eleven terrorists were killed and one wounded on Dec 13 in the Ulu Langat area of Selangor, in what was considered to be the greatest single success of the security forces in the past four years A terrorist permanent camp was wiped out in the operation, one of the terrorists killed being Chang Lo, secretary of the Selangor State Committee of the Malayan Communist Party. On Jan. 13 Second-Lieut Bolam was killed and a soldier in his platoon wounded in an operation near Kuala Lumpur, a police officer, Lieut. Hughes was killed in a terrorist ambush in Johore on Jan. 24; and Mr. Richard MacVeigh, an assistant estate manager, was killed in an ambush in the Kulai district of Johore on Feb 1. On Feb 15 a gang of about 30 terrorists killed six Malay special constables in Perak State, near the new village of Langkap, by exploding a land-mine. Thirteen terrorists were killed near Kluang (Johore) on Feb. 21 in a successful R.A.F. air strike against a Communist camp, their bodies being subsequently found when the area was occupied by British and Fijian troops.

Tengku Abdul Rahman was given an enthusiastic welcome by all Malayan communities on his return from the London conference. In a speech at Malacca on Feb. 20 he thanked Britain for granting independence and self-government to Malaya, whilst on returning to Kuala Lumpur later in the day he announced his intention of calling a conference of all Commonwealth countries and territories progressing towards independence, to be held in Kuala Lumpur in May or June; he stated that the countries to be invited would include the Gold Coast, Nigeria, the Caribbean islands, and Singapore. On Feb. 21 the Malayan Premier announced that Britain would pay for the raising of two more battalions of the Malay Regiment, and that the Federation must also have an air force and a navy to defend its long coastline.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Malaya, 14563 A.)**

A. GOLD COAST. — New Railway.

The new rail link from Achiasi to Kotoku (see 13622 E), virtually revolutionizing the Gold Coast rail system and nearly halving the distance between Accra (the capital) and Takoradi (the chief port)—from 367 miles to under 200 miles—was officially opened on Feb. 1. It was built in 2½ years by the British firm of Taylor, Woodrow Ltd.

The line, driven through dense forest, bush, and swamp, involved the clearance of over 2,250,000 cubic tons of earth and nearly 1,000 acres of forest, in some parts of which trees 200 ft. high and 36 ft in girth formed an almost impenetrable wall. The work also involved the construction of seven bridges ranging from 30 ft. to 240 ft.; seven intermediate stations between Achiasi and Kotoku; and many cuttings, some more than 40 ft. deep.

In addition to speeding communications between the eastern part of the Gold Coast, where the Volta River development scheme is in progress, and the western part, where the £5,000,000 extensions to Takoradi harbour are nearing completion, the new line will make it possible to open up the rich area through which it passes.—(Times) **(Prev. rep. Rail Project, 13622 E; Volta River Scheme, 12846 A; 12645 A.)**

B. ATOMIC ENERGY. — British and U.S. Firms to co-operate in Building of Nuclear Plants. - First Privately-owned Reactor in Britain. - Anglo-Indian Co-operation in Peaceful Uses of Atomic Energy.

It was announced in London and New York on Feb. 14 that a British and an American company—Mitchell Engineering Ltd., of London and Peterborough, and A.M.F. Atomics Inc., of New York—had agreed to co-operate in designing and building nuclear power plants in the British Commonwealth and other countries. The agreement was the first of its kind between firms in different countries, and was sanctioned by the U.K. Atomic Energy Authority and the U.S. Atomic Energy Commission.

The chairman of the British company (Mr. F. C. Mitchell) stated that Mitchell Engineering and A.M.F. Atomics were prepared to quote for nuclear power plants "in practically the whole world," and described the agreement as "the first practical expression of Anglo-American policy to encourage the peaceful uses of atomic energy at home and abroad." He said that the "water-cooled" type of reactors to be developed would be particularly useful in South Africa, since they would overcome the problems of hauling coal and oil over long distances, moreover, they could be operated on the natural uranium which South Africa possessed in large quantities. Mr. Mitchell disclosed that the nuclear power plants would be built wholly underground, the only buildings on the surface being the control room and the fuel-handling room.

The chairman of A M F Atomics (General Bedell Smith) described the agreement with Mitchell Engineering as "the first international agreement made by private industry to fulfil the promise of President Eisenhower's atoms-for-peace speech before the U.N. General Assembly" (see 13285 A) He added: "We have every hope that this venture will result in the development of industry and agriculture in areas of the world now without adequate power, and in areas where power costs are prohibitive"

It was also disclosed on the same day that Britain's first privately-owned nuclear reactor would be built at Aldermaston (Berkshire) by Associated Electrical Industries.

The reactor, known as "Merlin" (medium energy light-water-moderated industrial research reactor) will be of the "swimming-pool" type and will use enriched uranium fuel provided by the U.K Atomic Energy Authority. Apart from its use by the companies associated with A E I., it will be used for research and training purposes by the universities (Oxford, London, Birmingham, Reading, and Southampton being mentioned particularly) and technical colleges. "Merlin"—which is claimed to represent a new departure in the development of atomic energy—will be built by the A E I.-John Thompson Nuclear Energy Company, subject to planning permission, and is expected to be fully operational by the end of 1957. Output in thermal power will range from one to five megawatts.

It was announced in London and Delhi on Dec. 23, 1955, that discussions between the U.K. Atomic Energy Authority and the Indian Department of Atomic Energy had resulted in an agreement for "close co-operation and mutual assistance between the Authority and the Department in the promotion and development of the peaceful uses of atomic energy." The agreement provided (1) that members of the staffs of both bodies would consult and work together on mutually agreed topics; (2) that the U.K. Atomic Energy Authority would provide the Indian Dept. of Atomic Energy with enriched uranium fuel elements for a "swimming pool" reactor under construction at Bombay; and (3) that the Authority would also assist in the design and construction of a high-flux reactor which might be built in India at a later date.
(Times - Manchester Guardian - New York Herald Tribune - The Statesman, Calcutta) **(Prev. rep. 14691 A; 14416 A.)**

C. UNITED STATES. — Relaxation of Restrictions on Trade with Soviet Union and Eastern Europe.

The U.S. Secretary of Commerce, Mr. Weeks, announced on Nov. 3, 1955, that the regulations applying to exports of non-strategic goods to the Soviet Union and Eastern Europe were to be relaxed by the end of the year and brought into line with those applying to Western European countries. He stated that the relaxation was being made in accordance with Mr. Dulles's promise at the Geneva Conference on Oct. 31 (see page 14545, second column), and was "designed to carry out further the objectives—urged by President Eisenhower at the Geneva 'summit' conference—to create conditions which will encourage nations to increase the exchange of peaceful goods."

A U.S. State Department official disclosed on Dec. 7 that Mr. Dulles, in a private discussion with M. Molotov at Geneva on Nov. 13, had referred to the "rather large surpluses" in the U.S.A. and to the possibility of trade in non-strategic goods with the Soviet Union. The official added that M. Molotov had made no response and that the matter had been dropped.
(New York Times) **(Prev. rep. Geneva Conference, 14537 A; Trade Restrictions, 13802 A.)**

A. MALTA. — Referendum on Integration Proposals. - Majority for Union with Britain. - Nationalist and Constitutional Parties' Opposition to Integration. - Nationalist Boycott of Referendum. - Referendum opposed by Archbishop of Malta. - Additional Guarantees demanded by Roman Catholic Church.

The referendum on the Maltese Government's proposals for integration with the United Kingdom, including Maltese representation at Westminster, was held on Feb. 11-12 with the following result:

In favour of integration	67,607
Against integration	20,177
Invalid votes	2,559

Out of the total electorate of 152,823 (of whom some 80,000 were women), 90,343 voted in the referendum—just over 60 per cent, compared with 82 per cent at the general election held in 1955. Of the total votes cast, approximately 75 per cent were in favour of integration and 27 per cent against, although the pro-integration vote was only 45 per cent of the electorate as a whole. It was commented by press correspondents that the votes in favour of integration were almost identical with the total of votes (68,000) cast for the Malta Labour Party at the general election, which was fought primarily on the integration issue.

As described below, the Malta Nationalist Party had called upon its supporters to boycott the referendum, whilst the Roman Catholic Archbishop of Malta (Mgr. Michael Gonzi) had asked for a postponement of the referendum—a request which was rejected by Mr. Mintoff, the Prime Minister—on the ground that the traditional position of the Roman Catholic Church in Malta was not sufficiently guaranteed by the integration proposals. The figures showed that over 62,000 voters, or approximately 40 per cent of the electorate, had abstained from voting.

Political developments in Malta between the publication of the report of the Round-table Conference (see 14589 A) and the referendum are described below under cross-headings.

Nationalist Party's Boycott of Referendum.

The leader of the Nationalist Party, Dr. Borg Olivier, called upon his supporters on Jan. 19 to boycott the referendum. At the same time he issued a statement—copies of which were forwarded to British Ministers and M.P.s, the Prime Ministers of all Commonwealth countries, and all non-Communist members of the United Nations—complaining of the conditions in which the referendum was to be held, and setting forth his party's objections.

Dr. Olivier said that the Nationalist Party objected to the referendum for the following reasons, among others:

(1) The Maltese Government had "rushed" the Referendum Bill through the Legislative Assembly without allowing sufficient time for proper discussion. The Opposition had therefore withdrawn from the Assembly because they were "unwilling to assist in a measure that would denationalize Malta and put an end to the legitimate aspirations of the Maltese people."

(2) Mr. Mintoff's decision to hold a referendum before the report of the Round-table Conference had been debated by the British House of Commons, and before any agreement had been reached with H M Government, was a denial of the promises made in his party's electoral manifesto.

(3) As illiterate voters—of whom there were a great number—would be able to cast their votes through "persons of trust," these latter persons would be able to exercise undue influence at the ballot, moreover, voting through "persons of trust" was calculated to lead to intimidation. [The electoral regulations laid down that persons who were illiterate or physically incapacitated could vote by proxy through "persons of trust."]

(4) Neither the U.K. nor the Maltese Governments were making any attempt to explain to the electorate that "integration and representation" was by no means a pre-requisite of British financial and economic assistance to Malta.

(5) The Maltese Government (it was alleged) had monopolized the island's broadcasting system to put forward its own views, and had denied similar propaganda facilities to the Nationalist Party.

Dr. Olivier declared that a referendum in existing circumstances would be "a mockery of democratic principles," and that his party would therefore refuse to recognize the result of the referendum, whatever it might be. He added that a referendum, if held at all, should take place under the supervision of an independent commission chosen from member-States of the Commonwealth, or otherwise selected and agreed to by all the parties concerned.

The Maltese Commissioner-General in London (Mr. Ellul) issued a statement on Jan. 24, on behalf of the Maltese Government, repudiating Dr. Olivier's allegations, and describing the Nationalist Party's boycott as "a declaration of political bankruptcy" and "a clear admission of defeat."

Denying the Nationalist charge that the Referendum Bill had been "rushed" through the Legislative Assembly, Mr Ellul said that the Government had allotted five sittings for its discussion and had offered to extend the normal time of sittings—a proposal declined by the Nationalists Far from being a "plot to denationalize Malta and put an end to the legitimate aspirations of the Maltese," as Dr. Olivier had alleged, the referendum would in fact give every Maltese an opportunity of saying what his own legitimate aspirations were

As regards the "persons of trust" provision, to which Dr Olivier had also taken objection, Mr. Ellul pointed out that it had been adapted from the Saar referendum law, and was designed solely to enable illiterates and the physically incapacitated to record their votes. To allay *bona fide* fears of misuse, however, the Government had now amended the regulations so as to provide that two assistant commissioners would be present at every polling station to cast the ballots of illiterate or incapacitated voters who were unable to do so for themselves, such voters, if they wished, could be accompanied by their own "persons of trust" who would be enabled to watch the assistant commissioners and see that the ballot was cast in accordance with the voter's directions.

With regard to Dr. Olivier's assertion that Mr. Mintoff had departed from the promises of his own election manifesto, Mr. Ellul pointed out that in February 1955 (when the manifesto was issued) it could not be known that the U K Government would decide to appoint a Round-table Conference That conference had recommended in its report that Maltese representation at Westminster should be conceded if the Maltese showed they wanted it, and it therefore followed that the people should express their views beforehand

Constitutional Party's Opposition to Integration.

The leader of the Progressive Constitutional Party, Miss Mabel Strickland, issued a statement on Jan. 5 viewing "with deep misgivings the manner in which the Maltese Government propose to conduct the referendum," and asserting that the referendum was being "organized and controlled by an interested party [i.e. the Malta Labour Party] and rushed through ahead of decisions in Great Britain, leaving the Maltese people in blinkers."

Miss Strickland said that her party "consider it to be in the best interests of Britain and Malta to live and work side by side with each other, but not as part of each other's legislatures." She added, *inter alia*, that it was a "fundamental plank" in her party's policy that the Maltese people should enjoy their own autonomy, as laid down in the Declaration of 1802 (see page 14594, first column); that U K. "interference" in Malta's domestic affairs would be increased if Maltese M P.s sat at Westminster, and that British economic aid could still be granted to Malta "regardless of which party is in office, and without political integration with all its pitfalls" After declaring that the referendum law was "open to wide abuse," Miss Strickland said "If the referendum is to have any national significance, it must be held in a manner which will secure the trust of all Maltese electors. To do this, the referendum should be conducted by a joint U.K.-Maltese commission on which Commonwealth representatives should be invited to sit."

Miss Strickland instituted legal proceedings on Jan. 11 against the Governor of Malta (Major-General Sir Robert Laycock) and the referendum commissioners in which she asked the Civil Court to declare that the warrant issued by the Governor fixing the dates for the referendum was outside the power of his commission, and therefore null and void. She alleged that no such power had been confided to the Governor, either in the Letters Patent creating his office or under Royal instructions, and therefore contended that the referendum commissioners should be "restrained from further purporting to conduct a referendum as at present devised." Sir Robert Laycock filed a counter-application pleading that a Maltese law of 1828 granted immunity to the Governor in all temporal matters, thereby making it clear that the Governor could not be subject to the jurisdiction of the local courts.

In a ruling given on Jan. 19 by Mr. Justice Magri, the Civil Court upheld the Governor's plea and rejected Miss Strickland's application that the referendum should be declared *ultra vires*. Miss Strickland appealed against this verdict to the Court of Appeal, which, however, upheld the Civil Court's verdict and dismissed Miss Strickland's appeal with costs. On Jan. 27 the Court of Appeal disallowed Miss Strickland's request for leave to appeal to the Privy Council, whereupon she withdrew her action.

Attitude of Roman Catholic Church.

Monsignor Gonzi, the Roman Catholic Archbishop of Malta, visited Rome on Jan. 17-18 for discussions with the Papal Pro-Secretary of State, Mgr. Tardini, on questions relating to the position of the Roman Catholic Church in the new situation created by the proposal for integration between Malta and Britain. In a pastoral letter on Jan. 22, Mgr. Gonzi called for assurances that the position of the Roman Catholic Church in Malta would remain unchanged in the event of integration, and expressed fears that no concrete agreement on this matter had been reached.

A special issue of the Government *Gazette* was published in Valetta on Jan. 24 containing the text of correspondence exchanged between Mr. Mintoff, Mgr. Tardini, and Mgr. Gonzi.

Mgr. Tardini, in a letter to Mr. Mintoff, said that the Holy See was "not concerned with the purely political aspect of the proposed integration" but attached importance "to the preservation of the *status quo* which the Catholic Church has enjoyed for centuries." "The [Papal] Secretariat of State," he added, "was caused certain anxiety by a declaration which your Excellency is said to have made in London on Sept 19 last, before the Round-table Conference—namely, that when integration came into force the British Parliament would have power to legislate not only in matters of defence and foreign relations, but also in matters of social services and education..."

After recalling that Mr Mintoff had sent an *aide-mémoire* to the Vatican stating that "any future integration would not in any way affect the position or interests of the Catholic Church (such as, for example, marriage, the family, schools, and education), the *status quo* of which would accordingly not be modified," Mgr. Tardini remarked

"What will be in practice the nature, characteristics, and limits of the said integration can only emerge from the instruments which define and promulgate it, as also from any official declarations which may accompany it It is therefore necessary that these instruments . . should contain assurances and guarantees which, in harmony with the praiseworthy intentions referred to above, will guarantee the preservation of the *status quo* as far as the Catholic Church in Malta is concerned in such a manner that the religious interests of the Catholic people shall remain absolutely unprejudiced"

Mr. Mintoff and other Ministers sent a letter to Mgr. Gonzi—in reply to the Archbishop's pastoral letter—reassuring him that integration would not involve any deterioration in the position of the Roman Catholic Church In reply to the Archbishop's fears (expressed in the pastoral letter) that the presence of Maltese M.P.s at Westminster might imply that the British Government would have greater powers to interfere in Church matters, Mr. Mintoff stressed that it would be one of the most important duties of the Maltese members "to ensure that no such interference would take place"

The British Colonial Secretary (Mr. Lennox-Boyd) was asked in the House of Commons on Feb. 1 by Mr. James Griffiths (Lab.) whether he would "give an assurance that H.M. Government accepted and supported the assurances given to the Archbishop of Malta by representatives of the Malta Round-table Conference, as set out in paragraph 79 of the report." [This paragraph gave assurances to the Roman Catholic Church in Malta.]

Mr. Lennox-Boyd replied. "I have read the pastoral letter of the Archbishop of Malta with the attention and respect that any pronouncement from him is bound to command It would be unworthy of the importance of the issues we have to decide if his Grace's words were misinterpreted by protagonists of either side in the controversy over integration. I would remind the House of what the Prime Minister said on Nov 10 to the member for Brighton, Pavilion [Mr. William Teeling, C]. 'My hon. friend can be assured that H.M. Government will take no action to prejudice the position of the Roman Catholic Church in Malta'

"I feel sure that the House, when it comes to debate the report [of the Round-table Conference], will pay very great attention to the views on this matter of the members of the conference, which was representative of all parties in this House. I can moreover assure the House that H M Government will not commend to Parliament any proposals which run counter to the assurances given to the Archbishop of Malta by representatives of the Round-table Conference as set out in paragraph 79 of the report."

Mr. Hugh Gaitskell (Leader of the Opposition) and **Mr. Clement Davies** (leader of the Liberal Party) welcomed the Colonial Secretary's statement and fully endorsed the assurances given to the Archbishop of Malta in the report of the Round-table Conference

In reply to a question by **Mr. Teeling** (C.), who had recently visited Malta and seen Mgr. Gonzi, **Mr. Lennox-Boyd** said: "Clearly steps will have to be taken, if the House is in favour of integration, to put into concrete form the assurance I have given, but I hope that what I have said will be regarded as an adequate assurance. It is not, of course, possible to formulate written guarantees in connexion with new constitutional documents in advance of a decision by the House that such documents should be prepared"

Mr. Mintoff and all other Maltese Ministers issued a statement on Feb. 2 noting Mr. Lennox-Boyd's declaration "with deep satisfaction," and stressing that "the Maltese Government are at one with the Church in their desire to secure from H.M. Government at the appropriate time satisfactory guarantees for the Catholic people in Malta."

Despite these assurances, a resolution was adopted unanimously on Feb. 3 by all Roman Catholic organizations in Malta —including Catholic Action, the Legion of Mary, the Young Christian Workers, and the Knights of St. Columba, with a total membership of about 30,000—asking the population "not to vote in favour of integration in the forthcoming referendum unless the Church declares herself satisfied with the constitutional guarantees which she has asked for and which have not been granted." The resolution said that it "appears clearly," both from Mgr. Gonzi's pastoral letter and from Mgr. Tardini's letter to Mr. Mintoff, "that if the integration proposals were to be accepted without the guarantees which the Church demands, faith and Catholic morals in Malta would be endangered."

On Feb. 5 Mgr. Gonzi asked Mr. Mintoff to postpone the referendum, since he was not yet satisfied with the assurances and guarantees given by the British Government about the position and privileges which the Roman Catholic Church would enjoy in Malta if the integration proposals were carried out. It was understood that the Archbishop sought specific guarantees, in writing and in detail, with regard to religion, family life, marriage, and education.

The Special Correspondent of *The Times* in Malta wrote (Feb. 5): "The Church authorities, besides fearing Maltese secular influences, fear the possibility of the infiltration of Protestant influence and of British practices in such matters as marriage laws, for example. It consequently seems probable that, before withdrawing his opposition to integration, the Archbishop will seek assurances not merely of British non-interference in Maltese religious affairs but guarantees that the Church's existing rights in Malta shall be substantially preserved Thus the constitutional document by which integration would be brought about would become the guarantor of the Church's position and privileges, rather than a Maltese Government which might not maintain this position unchanged for all time..."

Mr. Mintoff announced on Feb. 7 that he had examined the Archbishop's suggestion "on its merits" and "in a spirit of conciliation," but had come to the conclusion that the postponement of the referendum "would not only not be in the best interests of Malta but might actually prejudice the very purposes his Grace and we alike have so much at heart."

After emphasizing that the most explicit assurances had been given by the British Prime Minister, the Colonial Secretary, and the leaders of the British political parties that there would be no interference "in matters pertaining to our religion or to our Church" Mr. Mintoff declared that the Roman Catholic Church had "unofficially thrown its entire weight and influence against the Malta Labour Government and all it stands for." He alleged that certain members of the clergy and lay organizations had issued circulars "couched in the most intemperate language, abusing the Prime Minister personally and inciting members to open hostility against the [integration] proposals."

In a broadcast on Feb. 9 (subsequently read in all Maltese churches) Mgr. Gonzi accused Mr. Mintoff of having "declared war on the Church" and of "vulgar insinuations against the authority of the Church and the clergy." He asserted that the island would have had "peace" had the referendum been postponed, and said that the Government had missed a great opportunity. Mr. Mintoff, in an eve-of-the-poll broadcast on Feb. 10, denied that he had "declared war" on the Church, and said that the Archbishop's "violent outburst" was concerned with matters "which have nothing to do with our faith as Catholics." After emphasizing that Britain had never interfered in Maltese religious matters since she assumed sovereignty over the island in 1801, Mr. Mintoff reiterated that the British Government had given full assurances, both to the Vatican and to the Archbishop, that all matters pertaining to the Church would be left in Maltese hands after integration.

Post-Referendum Statements.

Mr. Mintoff declared on Feb. 14 that the referendum had shown that "a clear and unmistakable majority" of the people favoured integration, and expressed his pleasure at "the rock-steady support of the Malta Labour Government's plan for union with Britain." He added that "although voting took place in regrettable and exceptional difficulties, the votes in favour of integration were the same as those which assured our victory at the last general election." Dr Borg Olivier, however, said that the referendum had shown "the people's lack of confidence in integration," and demanded that the plan should be "dropped forthwith," whilst Miss Strickland said that it was "quite impossible to integrate on such terms." A spokesman for Mgr. Gonzi said that the referendum was "not a clear and unmistakable expression of the wishes of the people which the Round-table Conference stipulated."

Seven British M.P.s accepted an invitation from the Malta Government to visit the island as independent observers of the referendum. They comprised three Conservatives (Sir Roland Robinson, Mr. Biggs-Davison, and Mr. Patrick Wall), three Labour members (Mr. James Callaghan, Mr. Roy Jenkins, and Mr. Mellish) and one Liberal (Mr. Grimond).—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Malta, 14589 A.)**

A AUSTRIA. — Membership of Council of Europe.

The Austrian Federal Chancellor (Herr Raab) announced on Feb. 21 that Austria intended to join the Council of Europe as its fifteenth member.—(Wiener Zeitung)

(Prev. rep. U.N. Membership, 14637 A.)

A. INDIA. — Nationalization of Life Insurance. - Preparatory Taking-over by Government. - Proposed Compensation Terms. - Creation of State Life Insurance Corporation.

The Government of India promulgated an Ordinance on Jan. 19 providing for the taking-over, with immediate effect, of all life insurance business in India as a preparatory step towards its nationalization. The Ordinance, which applied also to the foreign business of Indian insurance companies and to the Indian business of foreign insurance companies, provided that firms which conducted life insurance business only should be taken over in their entirety. As regards general insurance companies, however, their general business would be unaffected and would continue to be managed as at present, although their life insurance business would be taken over. In all the businesses taken over, the existing managements would continue in office pending the appointment of Government custodians; they would act, however, as Government agents and would have no authority to make investments.

The nationalization proposals affected 109 Indian and three foreign companies doing purely life assurance business, and 40 Indian and 13 foreign companies doing both life assurance and general insurance business.

Sir Chintaman Deshmukh (the Indian Finance Minister) said in a broadcast the same evening that the nationalization of life insurance would be "another milestone on the road the country has chosen in order to reach its goal of a socialist pattern of society," and "a further step in the direction of a more effective mobilization of the people's savings." He stated that "reasonable compensation" would be paid for the businesses taken over.

After emphasizing that the nationalization of life insurance was a "vital part" of the planned acceleration in investment under the Second Five-year Plan, Sir Chintaman Deshmukh said that some 5,000,000 policies were at present in force, paying annually premiums amounting to Rs 550,000,000. Life insurance assets amounted to roughly Rs. 3,800,000,000, from which the companies derived a net income of about Rs 120,000,000 annually. Total insurances in force exceeded Rs. 10,000,000,000, or a little over Rs. 25 a head, and he was in complete agreement with a recent claim made by private enterprise that business could be increased to Rs. 80,000,000,000 and *per capita* insurance to Rs. 200.

Explaining why the Government had decided against taking over general insurance, the Minister said that the consideration which had influenced them most was the basic fact that general insurance was "part and parcel of the private sector of trade and industry" and functioned on a year-to-year basis; errors of omission and commission in the conduct of its business did not directly affect the individual citizen. Life insurance, on the other hand, directly concerned the individual citizen "whose life savings, such as needed for economic development, may be affected by any acts of misuse or misfeasance on the part of those in control, or be retained by their lack of imaginative policy."

Insurance (Sir Chintaman continued) was a type of business which ought not to fail if properly run; but during the past 10 years 25 companies had gone into liquidation, whilst another 25 had "frittered away" their resources to such an extent that they had had to be transferred to other companies at a loss to their policy-holders. "Far too unhealthy enterprise" had been shown by some companies in the investment of funds, and in the recent case of the Bharat Insurance Company some Rs. 20,000,000 had been "misapplied." The amount of money required for starting an insurance company was extremely small, as compared with the total life sum that the company might come to control. Once control was secured, however, the tendency, not infrequently, had been to utilize funds to meet the capital requirements of policies in which the managements were interested, rather than those which were really in the interests of policy-holders.

Sir Chintaman gave an assurance that the Government did not intend to divert the available funds to the public sector to a greater degree than under the present arrangements, but would ensure "that at least as much money as is today made available for investment in the private sector continues to be made available" He also emphasized that the Government had not been influenced by "any doctrinaire dislike of private enterprise," but had been prompted by the "misuse of power, position, and privilege that we have reason to believe occurs under the existing conditions."

On Feb. 17 the Government gave notice of two Bills confirming its decision to nationalize life insurance and defining its future organization: (1) the Life Insurance (Emergency Provisions) Bill, which confirmed the Ordinance providing for the taking over of all life insurance; and (2) the Life Insurance Corporation Bill, which provided for the transfer of all business to a new body to be called the Life Insurance Corporation of India.

Compensation to shareholders of former life insurance companies was fixed under the first Bill at 20 times the average annual distributed surplus, or 10 times this average plus total paid-up capital—whichever was the greater. Foreign companies would also be allowed to recover any assets originally brought in from outside India for the building-up of life insurance business there; in addition, they could continue to service policies issued in foreign currency in favour of non-Indian nationals, and could retain sufficient assets to meet their liabilities under these policies.

The new corporation to be established, for which the Central Government would provide an initial capital of Rs 50,000,000 (£3,750,000), would consist of 15 Government-appointed members, five of whom would form a committee for general superintendence and direction of business. It would have complete discretion in the investment of funds (subject to the rules, if any, made by the Government), and would be authorized to divest itself of any or all life insurance business carried on abroad if it considered this expedient. The corporation would have offices in Bombay, Calcutta, Delhi, and Madras, but it had not yet been decided where the head office would be located

On Feb. 4 the Government had announced that, as a first result of nationalization, a uniform system of rates and policy conditions would be applied in future to all life insurance business in India, and that premium rates on new policies which came into effect on or after Jan. 20 were to be lowered. The premium rates hitherto quoted by the Oriental Government Security Life Assurance Company would be reduced by one rupee for every Rs. 1,000 of the sum assured, and these rates would serve as the basis for the new rates on other policies. Where the existing premium was below 20 rupees per 1,000 rupees, however, the reduction would amount to five per cent. (The Statesman, Calcutta - The Hindu, Madras - Indian High Commissioner's Office, London) **(Prev. rep. Nationalization of Imperial Bank, 14279 F.)**

B. UNITED KINGDOM. — Housing Construction in 1955. - White Paper on Slum Clearance. - New Town at Cumbernauld (Lanarkshire).

Figures published by the Ministry of Housing and Local Government on Feb. 3 showed that 283,326 permanent houses and flats were completed in Britain in 1955, compared with 347,605 completed in 1954. Of the 1955 total, 162,525 houses and flats were built by local authorities, 109,934 by private builders, 4,444 by housing associations, and 6,423 by Government departments. The total number of permanent houses and flats completed in Britain since the end of the war was given as 2,239,650, of which 1,665,776 had been built by local authorities.

A White Paper on Slum Clearance, based on returns submitted by local authorities under the Housing Rents and Repairs Act, was published on Nov. 8, 1955.

The White Paper stated that of the 12,935,177 permanent houses and flats in England and Wales, 847,112 were estimated to be unfit for habitation It was proposed to demolish 375,484 of these during the first five years of slum clearance, whilst 88,278 houses would be retained for temporary use during this period.

Liverpool had the highest number of unfit dwellings (88,233 out of 204,486 permanent houses), followed by Manchester (68,000 out of 208,144), Birmingham (50,250 out of 311,805), and Leeds (22,500 out of 164,478). Other provincial cities with large numbers of unfit houses were Hull (14,768), Sheffield (13,500), Salford (12,026), Stoke-on-Trent (12,000), Bradford (11,148), Bristol (10,000), Portsmouth (7,000), Stockport (6,000), Wolverhampton (5,600), and Bolton (5,500).

The number of unfit houses in the London area was given as 20,947, the boroughs with the greatest numbers of such houses being Stepney (2,645), Bethnal Green (2,434), Woolwich (1,442), Lambeth (1,417), Poplar (1,330), Bermondsey (1,289), and Southwark (1,240).

The Secretary of State for Scotland (Mr. James Stuart) issued a draft Order on July 27, 1955, designating 4,150 acres at Cumbernauld (Lanarkshire) as the site of a proposed new town to accommodate about 50,000 people, mainly "overspill" from Glasgow. [The construction of a new town at Cumbernauld to relieve congestion in the Clydeside area had been recommended by the Clyde Valley Regional Planning Authority in 1949.] A Cumbernauld New Town Corporation was appointed in February, 1956, under the chairmanship of General Sir Gordon Macmillan.—(Ministry of Housing and Local Government - Times - Daily Telegraph - Manchester Guardian - Glasgow Herald) **(Prev. rep. Housing, 14490 A; Slum Clearance Plans, 14255 A; Clyde Valley Plan, 10296 A.)**

C. ARGENTINA. — Reappearance of "La Prensa."

The Buenos Aires newspaper *La Prensa*, which had been expropriated by the Peronista regime on Jan. 26, 1951, and was subsequently converted into the organ of the General Confederation of Labour, reappeared on Feb. 3 under its legitimate owner and editor-in-chief, Dr. Alberto Gainza Paz, who had recently returned to Argentina after nearly five years' exile in the United States. In a leading article Dr. Gainza Paz said that *La Prensa*, after "five years of enforced silence," would "resume its service in the cause of truth, justice, and progress, and, as always, in the defence of freedom." (New York Times) **(Prev. rep. 14553 A; 11848 D; 11653 A.)**

A. INDONESIA - NETHERLANDS. — Breakdown of Dutch-Indonesian Negotiations. - Unilateral Abrogation of Netherlands-Indonesian Union by Indonesia.

The Indonesian Government decided on Feb. 13, by unilateral action, to abrogate the Netherlands-Indonesian Union, following the breakdown of negotiations between the two Governments on an agreed dissolution of the Union and on financial and economic matters connected therewith. These negotiations had been held at the request of the Indonesian Government, after the refusal by the Indonesian Parliament to ratify the agreement on the dissolution of the Union which had been signed at The Hague on Aug. 10, 1954.

As a result of preliminary discussions between the Special Indonesian Ambassador in The Hague (Mr. Utojo Ramelan) and the Netherlands Minister without portfolio for Foreign Affairs (Mr. Luns), the following agenda for the renewed discussions had been announced on Dec. 7 :

(1) The Indonesian proposal that a new agreement on the dissolution of the Netherlands-Indonesian Union should be concluded to replace the unratified 1954 agreement

(2) The Indonesian proposal to replace the existing financial and economic provisions of the Round-table Conference agreements of 1949 by one or more new conventions, and to discuss the way in which this might be achieved.

(3) Certain problems concerning Dutch New Guinea (West Irian), on the understanding that each party maintained its own position regarding the sovereignty of that territory, and that the question was excluded from the discussions

(4) Other issues which either of the parties might consider important for the improvement of relations between the two countries [According to reports in the Netherlands Press, the last item had been proposed by the Netherlands Government in order to permit discussions on the arrest of 16 Dutch citizens in Indonesia on charges of alleged subversive activities.]

The conference opened in The Hague on Dec. 10, the Indonesian delegation being led by Mr. Anak Agung Gde Agung (Foreign Minister) and including Dr. Sumitro (Finance Minister) and Mr. Kasimo (Minister of Economic Affairs). The Netherlands delegation was headed by Mr. Luns and included Mr. van de Kieft (Finance Minister) and Professor Zijlstra (Minister of Economic Affairs).

At the Indonesian delegation's suggestion, it was agreed on Dec. 13 to adjourn the conference to Geneva, in order that it might take place in a neutral atmosphere. The political committee of the conference accordingly held its first meeting in that city on Dec. 16, and the financial and economic committee on the following day. A communiqué issued on Jan. 4, 1956, stated that three main areas of disagreement remained : (1) what procedure should be followed in arbitrating differences in the interpretation of whatever agreements were reached ; (2) whether the treaties between the two countries or Indonesian national legislation should prevail in the event of conflict between the two ; and (3) whether the Indonesian Government should recognize rights and concessions granted to Dutch citizens by the former Government of the Netherlands East Indies. The talks were adjourned on Jan. 7 to enable the two delegations to consult their respective Governments on these matters.

The conference had meanwhile met with strong criticism both in the Netherlands and in Indonesia.

During a foreign policy debate on Dec. 23 in the Second Chamber of the Dutch States-General, members maintained that the discussions were ill-timed ; that there was no guarantee that agreements concluded with the present Indonesian Government would be honoured by its successor ; and that the Netherlands Government should refuse even to discuss the sovereignty of Dutch New Guinea. In reply, Mr. Luns pointed out that the discussions had been undertaken at the Indonesian Government's request, as the Netherlands desired good relations with Indonesia.

In Indonesia, the *Nahdlatul Ulama* (Moslem Association), the second strongest party in the Indonesian Government, had announced on Dec. 6—i.e. before the opening of the conference —that it would take no part in it. Both the Socialist Party (which is also represented in the Government) and the Opposition Nationalist Party expressed the opinion that the Netherlands Government's refusal to discuss the sovereignty of Western New Guinea would render the conference of little value, whilst on Dec. 20 the Moslem Political Federation (P.S.I.I.)—another of the Government parties—voted in favour of suspending the conference.

This division of opinion among the Indonesian Government parties led to a serious crisis in Mr. Harahap's Cabinet in January. The *Nahdlatul Ulama* and the P.S.I.I. presented a joint note to Mr. Harahap on Jan. 11 in which they were reported to have demanded that the conference should be broken off immediately and that the delegation should report to the Cabinet. As the two parties considered Mr. Harahap's reply unsatisfactory, the Ministers belonging to these parties refused to attend a Cabinet meeting on the following day. On Jan. 13 the Minister of Information (Mr. Makmur) announced that there would be no further exchanges of views between the Dutch and Indonesian delegations, and that all that remained to be done was formally to end the conference. After a second Cabinet meeting on Jan. 16, Mr. Makmur announced that the Indonesian delegation would be recalled from Geneva immediately.

On Jan. 17, however, Mr. Djanu Ismadi (the First Vice-Premier) stated that the recall of the Indonesian delegation was meant only as a " temporary postponement " of the negotiations, and that it would depend on internal political developments whether or not the discussions were resumed. The four *Nahdlatul Ulama* and P.S.I.I. Ministers in the Government—Mr. Sunarjo (Home Affairs), Mr. Iljas (Religious Affairs), Mr. Tjokroaminoto (Second Vice-Premier), and Mr. Sudibjo (Social Affairs)—thereupon resigned, whilst their parties demanded the entire Cabinet's resignation and the final breaking-off of the negotiations. The Indonesian Cabinet nevertheless decided on Jan. 19 to reverse its decision to recall its delegation, and on Jan. 22 instructed them to conclude the negotiations with a final meeting. Mr. Harahap decided at the same time to abolish the office of Second Vice-Premier and to assign the portfolios of Home, Religious, and Social Affairs temporarily to other members of the Cabinet.

After some delay caused by Dutch requests for future clarification of certain Indonesian statements, notably with reference to the trial of the arrested Netherlands citizens, the conference reopened on Feb. 7, when agreement was reached in principle on the abrogation of the Netherlands-Indonesian Union and the financial and economic agreements. It was also decided that the problems referred to under item (4) of the agenda should be settled through diplomatic channels. No progress was made, however, on the question of a provisional agreement for the settlement of disputes, pending the conclusion of a permanent agreement. An Indonesian proposal that disputes should be submitted to an *ad hoc* committee set up by the two parties on a basis of parity was rejected by the Netherlands delegation as too vague, whilst a counter-proposal for the appointment of an arbitration commission was rejected by the Indonesian delegation on the ground that such a commission would be in an even stronger position than the Union Court of Arbitration. Negotiations were accordingly broken off on Feb. 11.

The official joint statement announcing the end of the conference stated · " The delegations were confronted with a difference of opinion, at present insurmountable, relating to the formulation of arrangements for the settlement of possible disputes. The extensive exchange of ideas . . . has contributed towards an understanding of the respective standpoints " Both the Dutch and Indonesian Foreign Ministers expressed their disappointment at the failure of the discussions.

The Indonesian Chargé d'Affaires in The Hague handed a Note to the Netherlands Foreign Ministry on Feb. 21 announcing Indonesia's withdrawal from the Netherlands - Indonesian Union with immediate effect, and declaring that Indonesia no longer considered herself bound to the Union Statute and the agreements connected therewith. A Netherlands official spokesman described Indonesia's unilateral abrogation of the Statute as " unprecedented in international relations in peace-time and a bad example to the whole world."
(Indonesian Embassy Press Department, London - Netherlands News Agency - Algemeen Handelsblad, Amsterdam)
(Prev. rep. Netherlands - Indonesian Relations, 13759 A ; Indonesian Cabinet, 14448 A.)

B. UNITED KINGDOM. — £100,000 Ford Foundation Grant to University of Oxford.

The University of Oxford accepted on Feb. 21 a grant of $280,000 (£100,000) made by the Ford Foundation to Nuffield College. Half the amount will be used to endow a Fellowship in Comparative Politics at the college, and the other half will be spent over a ten-year period on research into the government and politics of European countries, and into European political and economic organizations such as the O.E.E.C.—(Times)
(Prev. rep. 14588 E ; 14606 C.)

A. NEPAL. — Ending of Direct Monarchial Rule. - Cabinet formed by Mr. Tanka Prasad. - Five-year Economic Development Plan. - Indian Economic Aid.

The period of direct rule by King Mahendra of Nepal, which had started on March 2, 1955, ended on Jan. 27, 1956, when a Cabinet was formed by Mr. Tanka Prasad, leader of the *Praja Parishad*, with the following membership: Mr. Tanka Prasad—Prime Minister, Home Affairs, and General Administration; Mr. C. P. Sharma—Foreign Affairs, Food, and Agriculture; Mr. Gunjman Singh—Finance and Planning; Mr. Pashupatinath Ghosh—Public Works, Transport and Communications; Mr. P. V. Shah—Defence; Mr. Balchandra Sharma—Education and Health; Mr. A. P. Singh—Law and Parliamentary Affairs.

Mr Balchandra Sharma (the former president of the Advisory Assembly), Mr. Pashupatinath Ghosh, and Mr. C. P. Sharma are, like the Prime Minister, members of the *Praja Parishad*, whilst Sardar Gunjman Singh, Mr. S. P. Shah, and Mr. A. P. Singh had previously been members of the King's Advisory Council. Negotiations for the formation of a coalition Government containing representatives of the *Praja Parishad*, the Nepali Congress, and the Nepali National Congress had broken down on Jan. 21, when all three parties rejected a proposal by the King that there should be no Prime Minister and that the Sovereign himself should preside over Cabinet meetings

Mr. Tanka Prasad issued a press statement on Jan. 20 outlining his Government's policy.

Mr Prasad said that Nepal would pursue a policy of "friendship with all" in her international relations, and would "join the forces of world peace." His Government would accept help from all friendly countries "such as India, China, Britain, America, and France," and would also accept Soviet aid if it was unconditional, as all foreign aid must be. In addition, Nepal desired "direct trade relations with other countries" and supported Asian solidarity and the ending of colonialism

After paying tribute to the progress made by "our two great neighbours, India and China," Mr. Prasad said that his party would "respect the mass awakening in Nepal" and would initiate "a new social order" King Mahendra, he added, held progressive views, and the Government's task would be to give concrete shape to the King's progressive ideals. The Government would welcome co-operation from all individuals and parties in solving the country's problems, and would tackle domestic problems by "ending the old feudal order and introducing a new order of equality and social justice."

Other recent political and economic developments in Nepal are summarized below.

Political Parties. Mr. Subarna Shumshere (a member of the Rana family who led the uprising of 1950-51, and a former Finance Minister), was elected president of the Nepali Congress on Jan. 7 in succession to Mr. B. P. Koirala, who did not seek re-election. The party's annual convention (Jan. 24-26) approved a draft election manifesto defining the party's aim as the achievement of Socialism by peaceful and democratic methods The manifesto also advocated a constitutional monarchy on the British model; government by a Cabinet responsible to the people's representatives; a unicameral legislature elected by universal adult suffrage; independence of the judiciary, recruitment of the Civil Service by an independent Public Service Commission on the basis of merit; a foreign policy based on neutrality and co-existence; the industrialization of Nepal either through its own resources or with foreign aid, if the latter were granted without pre-conditions detrimental to national prestige and security, the reorganization of agriculture on Socialist lines by means of "legislation and persuasion"; State planning of the national economy; and the inauguration of industrial and agricultural enterprises by the State.

A new organization known as the United Democratic Party was founded on Oct. 22, 1955, by Dr. K. I. Singh. At a press conference at Lucknow on Nov. 17 he expressed his support for a constitutional monarchy, adding that the King's direct rule had been far better than that of the Koirala brothers. He repudiated violent methods as no longer necessary, and said that he believed in friendship with other countries on a basis of equality and independence.

Economic Development Plan. King Mahendra announced on Oct. 10, 1955, a five-year plan for the economic, cultural, and social development of Nepal, involving an expenditure of 210,000,000 Nepalese rupees (£10,000,000). The King stated that the plan would be financed from Nepal's own resources and would include the building of cement, pulp, and sugar factories; hydro-electric schemes; the construction of 900 miles of roads; village and agricultural development on a community basis; encouragement of cottage industries; the foundation of a residential university in Khatmandu, with faculties of arts, science, engineering, and medicine; and the development of tourism.

Indian Economic Aid. Under a "Colombo Plan" agreement concluded in July 1954, the Indian Government had undertaken to contribute Rs. 5,000,000 during the next four years towards the development of communications, irrigation projects, and water-supplies in Nepal. The Nepalese Government subsequently announced that work had begun on two irrigation projects in the Khatmandu valley which would bring 30,000 acres under cultivation; that two similar projects were envisaged in Western Nepal; and that two further projects were under survey in the Raxaul area. When completed these six projects would irrigate about 81,000 acres.

Lieut.-General Daman Shumshere Jung Bahadur Rana presented his credentials to President Prasad on Nov. 4, 1955 as Nepalese Ambassador to India. He had previously been Ambassador to Great Britain, France, and the United States (see 13855 B).

King Mahendra and Queen Ratna of Nepal paid a six-weeks' visit to India from Nov. 6 to Dec. 19, 1955, as the guests of President Prasad, during which they visited Delhi and Calcutta and toured industrial and development centres. Before leaving India the King invited President Prasad and Mr. Nehru to visit Nepal.—(The Statesman, Calcutta - Indian High Commissioner's Office, London - Times) **(Prev. rep. Political Developments, 14430 C; Indian Economic Aid, 14651 A.)**

B. SOUTH AFRICA. — Closing of Soviet Consulates.

The South African Minister for External Affairs, Mr. Louw, announced in the Union House of Assembly on Feb. 1 that a Note had been presented to the Soviet Consul-General in Pretoria informing him that Soviet consular representation was "not in the interest of peace and the well-being of South Africa," and requesting that all Soviet consulates in the Union should be closed and their staffs withdrawn by March 1. The Note stressed that this step would not affect diplomatic and trade relations between the two countries.

"The establishment of Russian Consular representation in South Africa," the Note said, "had its genesis in the exigencies of the last World War, in which South Africa and the Soviet Union were associated as allies. In the post-war period the situation has changed entirely. The Government has evidence that the Consulate-General, through the members of its staff, has cultivated and maintained contact with subversive elements in South Africa, particularly among the Bantu and Indian population, and that it has served as a channel of communication between such elements and the authorities of Soviet Russia Furthermore, the same channel has been used for the diffusion of Communistic propaganda directed particularly at the Bantu population, in transgression of the law which proscribes Communistic propaganda in any form. Confirmation is provided by a recent broadcast by Radio Moscow, controlled by the Soviet Government, which serves as a propaganda medium and expresses the views of that Government. The broadcast was in effect an incitement of the Bantu and non-European population, more particularly the African and Indian National Congresses respectively, to resist the South African Government."

The Note also alleged that the provisions of the Liquor Act had "not been observed on the premises of the Consulate-General" and that recently "a serious infringement of the Act was committed on those premises notwithstanding a previous warning." [This was understood to refer to a party at the Consulate-General on Nov 7 (the Soviet National Day) when, contrary to South African law, vodka and other alcoholic drinks had been served to non-European guests.]

After stating that the Union Government was satisfied that Soviet Consular representation was "not in the interest of peace and the well-being of South Africa," the Note requested the closing-down of the Soviet Consulate-General at Pretoria, the Consulate at Cape Town, "and any other Soviet agencies that may exist in South Africa." It added: "The termination of Soviet Consular representation in South Africa does not involve the discontinuation of diplomatic, trade, and other relations, which can in future be conducted by the Soviet Ambassador in London through the medium of the Union's High Commissioner there."

A Soviet reply to the South African Note, released for publication by Mr. Louw on Feb. 19, said that there was no foundation for the South African allegations that the Soviet consulates had maintained contacts with people carrying on subversive activities in South Africa. In particular, the reply denied the statement that there were special relations between the consulates and the Indian and Bantu people in the Union, and said that relations with all social levels had not gone "beyond the ambit of social intercourse customary for such occasions." (State Information Department, Pretoria - Cape Times)
(Prev. rep. 5742 C; 5299 B.)

C. UNITED STATES. — Release of "Tokio Rose."

Mrs. Iva Toguri D'Aquino ("Tokio Rose"), who had been sentenced in 1949 to ten years' imprisonment for broadcasting Japanese propaganda to the U.S. forces during the war, was released on Jan. 28 after having served six years of her sentence. A native of Los Angeles and a graduate of the University of California, she is the wife of a Portuguese journalist living in Japan.—(New York Times) **(Prev. rep. 10490 B.)**

D. NETHERLANDS. — Increase in Bank Rate.

The Netherlands Bank raised its discount rate on Feb. 6 from 2½ to 3 per cent—the first change in the rate for nearly three years. (Netherlands News Agency) (Prev. rep. 12871 D.)

A. SOVIET UNION. — The Sixth Five-year Plan, 1956-60. - State Budget for 1956. - Decentralization of Agricultural Planning. - New Ministry for Automation.

The draft directives for the sixth Soviet Five-year Plan, covering the years 1956-60 inclusive, were published on Jan. 15 prior to their presentation to the 20th Congress of the Soviet Communist Party, which opened on Feb. 14. The plan—which, for the first time, gave many of the targets to be achieved in figures instead of only as a percentage of some previous year—provided for an overall increase in industrial output of 65 per cent by the end of 1960, as compared with 1955, and for a rise of 70 per cent in the output of heavy industry. The national income was planned to rise by 60 per cent, and real wages of workers (who were estimated to number 55,000,000 by 1960) to increase by about 30 per cent. It was stated in this connexion that a special Government wages committee had been set up under M. Lazar Kaganovich (a First Deputy Premier, and chairman of the advisory commission on labour and wages) to supervise changes in the system of "norms" under which wage payments are made.

The plan called for an increase of "not less than 50 per cent" in industrial productivity generally and of at least 52 per cent in productivity in the building trade, and for an increase of 70 per cent in output per man on State farms and of 100 per cent on collective farms. The need for an increase in the pace of mechanization in industry was especially emphasized, and it was urged that more attention should be paid to introducing automotive production processes in industry on a wider scale, and to building fully automatic industrial establishments.

In a general passage it was stated that the Soviet aim was "to achieve, on the basis of the priority development of heavy industry, continued technical progress, higher labour productivity, and a further mighty advance of all branches of the national economy, to effect a steep advance in agricultural production; and, on this basis, to secure a considerable rise in the material well-being and cultural level of the Soviet people." "The Soviet Union," it declared, "now has a powerful socialistic production . . . and considerably more material resources and skilled personnel than ever before . It now commands every requisite for solving, in a short period of time and through peaceful economic competition, the U S S R 's chief economic task—that of catching up with and outstripping the most developed capitalist countries in output per head"

The directives also gave some figures regarding the achievements of the fifth Five-year Plan. A summary of these, together with a summary of the targets for the Sixth Five-year Plan, is given below.

Achievements of 1951-55 Plan. Gross industrial output rose by 85 per cent during the five years, the output of producer goods being 91 per cent higher and that of consumer goods 76 per cent higher, by the end of 1955 the level of industrial output was 3.2 times that of 1940. In all the most important branches of heavy industry the Five-year Plan had been more than fulfilled e g steel production (45 200,000 tons) was 1,000,000 tons in excess of the target, electricity output (170,200,000,000 kwh) was over 7,000,000,000 kwh more than originally planned; whilst oil and coal production showed a similar rise. Output of pig-iron, however, was some 700,000 tons short of the target of 34,000,000 tons.

Output of consumer goods, on the other hand, fell almost uniformly below both the original goals set in 1952 and the revised goals set in 1953 For example, the output of cotton textiles in 1955 was 5,910,000,000 metres, compared with the original target of 6,100,000,000 metres and the revised figure of 6,300,000,000 metres, of refrigerators, 151,200 (330,000 planned), and of washing machines, 86,600 (296,300 planned).

It was stated that the output of consumer goods, as well as the development of light and food industries, had been held up because of the failure to attain the planned level of agricultural production Nevertheless, major headway had been made: the development of hitherto uncultivated land had added another 60,000,000 acres to the area under grain, and output of meat and dairy produce had risen.

As a result of these increases in production it was claimed that real income had increased by 40 per cent for workers and by 50 per cent for collective farmers during the five years, whilst the national income had increased by about 70 per cent.

Agricultural Targets for 1956-60. Big increases were planned in all sectors, some of the principal increases being as follows (percentage increase in 1960 as compared with 1955): raw cotton, 56; flax fibre, 35; sugar-beet, 54; potatoes, 85; other vegetables, 118; meat, 100; milk, 95; eggs, 154; wool, 82. Planned 1960 production of other agricultural products was given in actual figures, as follows (1955 production in parentheses): granulated sugar 6,530,000 tons (3,418,800 tons); meat (excluding that to be consumed on farms), 3,950,000 tons (2,219,100 tons); butter and other dairy products, in milk equivalent, 25,000,000 tons (13,400,000 tons); vegetable oil, 1,115,100 tons (1,840,000 tons); fish, 4,200,000 tons (2,675,100 tons).

Mechanization of agriculture would be intensified, and during the five years it was planned to supply 1,650,000 tractors, 560,000 combine harvesters, 180,000 reapers, 400,000 combine pick-ups for grain, and 250,000 maize and silage combines.

The grain crop was planned to reach 180,000,000 tons by 1960, and hybrid seed production would be organized on a large scale. A new time-limit was set for bringing in the grain harvest—not more than 10 working days in the European part of the Soviet Union, and 7 to 8 days in Siberia and the Far East. Pigs would in future be raised for pork and bacon instead of for lard, and their numbers would be increased so as to provide about half the country's meat requirements. Cattle would be initially raised on the dry pastures of Kazakhstan, Siberia, and the Volga region, and fattened later on special farms.

A total of 75,000,000 acres of previously virgin or idle land would be sown to crops during 1956, but no major expansion of the sown area was contemplated thereafter. The area of irrigated land would increase by over 5,000,000 acres, and water would be brought to some 200,000,000 acres of pasturage. Afforestation would be carried out over 475,000,000 acres; shelter belts would be planted on about 920,000 acres, whilst collective farm "windbreaks" would cover 1,150,000 acres

"Milk-vegetable zones" would be organized around all major cities and industrial centres to supply milk, potatoes and vegetables to the urban population, and new State farms would be set up in these zones. In addition, city workers and collective farmers would be encouraged to grow vegetables on their private lots.

Production Targets for 1956-60. The following figures were given showing Soviet production of key commodities in 1955 and planned production for 1960

	1955 Output	1960 Target
Pig-iron (million tons)	33 3	53
Steel (million tons)	45 2	68 3
Rolled metal (million tons)	34 7	52.7
Coal (million tons)	390 1	593
Oil (million tons)	70 7	135
Gas ('000 million cubic metres)	13.9	40
*Electricity ('000 million kwh)	170 2	320
Mineral fertilizers (million tons)	9.6	19 6
Caustic soda (thousand tons)	565	1,000
Soda ash (thousand tons)	1,440 5	2,420
Metallurgical equipment (thousand tons)	171 8	280
Chemical equipment (thousand tons)	113 0	2 08
Oil equipment (thousand tons)	48 4	120
Steam and gas turbines (million kw.)	4 1	10.5
Hydraulic turbines (million kw.)	1 5	2.6
Generators for steam, gas and hydraulic turbines (million kw)	4 5	11
Metal-cutting machine tools (thousands)	104 7	200
Forging and pressing machines (thousands)	13 5	25.8
Motor vehicles (thousands)	445 2	650
Tractors (thousands)	163 4	322
Grain combines (thousands)	47 9	140
Electric locomotives (units)	194	550
Diesel locomotives (units)	136	1,630
Goods wagons (thousands)	34 4	52
Passenger coaches (units)	1 770	2,800
Cut timber (million cubic metres)	197	264
Sawn lumber (million cubic metres)	57 8	80
Cement (million tons)	22 4	55
Window glass (million square metres)	99 4	155
Cotton textiles (million metres)	5,911	7,270
Woollen textiles (million metres)	250 3	363
Linen (million metres)	305 5	556
†Silk textiles (million metres)	526.5	1,074
Artificial fibre (thousand tons)	110.4	330
Knitwear (million pieces)	429 6	580
Shoes (million pairs)	297.4	455
Watches and clocks (millions)	19.6	33.6
Radio and television sets (millions)	4 0	10 2
Refrigerators (thousands)	151 2	635
Washing machines (thousands)	86 6	528
Sewing machines (thousands)	1,608.5	3,780
Motor-cycles (thousands)	243 8	395
Bicycles (thousands)	2,877 5	4,230
Paper (thousand tons)	1,864 4	2,722

* Including 23,100,000,000 kwh. of hydro-electricity in 1955 and 59,000,000,000 kwh. in 1960 † Including both natural and synthetic silk textiles

Automation. Automotive processes would be introduced on a large scale, and the use of remote-control systems would be extended in power stations, at oilfields, and in other sectors of the economy. Open-hearth furnaces would "to a considerable extent" be controlled automatically, and such control would also be introduced for blast furnaces; underground transport and ore extraction in iron and manganese mines would be carried out by remote control; 40 steel-rolling and tube-drawing mills would be "automated"; automatic and semi-automatic production lines would be introduced for the manufacture of furniture, 60 per cent of all weaving looms in the textile industry would be made "automatic"; in the coal industry, automation and remote control would be "expanded" in underground operations and at plants, in engineering, at least 220 fully automatic and semi-automatic lines and workshops would be established; and 600 automatic lines for fish processing would be set up. (The plan listed hundreds of other processes in which automation would be introduced.) A "long-term plan for automation in all branches of industry" would be drawn up, in order that the change-over might be carried out without disturbance and that the necessary equipment and instruments should go where they might be used to the best advantage.

The radio and instrument industries, particularly those sections concerned with the manufacture of devices for the regulation and control of technological processes, would be developed "all-embracingly," to increase the output of the "means of automation" by 3 5 times. Work on electronic computers would be "intensified," and large-scale scientific research would be developed in order to evolve "new means of automation."

Atomic Energy. The peaceful uses of atomic energy would be considerably extended, and it was planned to build in the next five years atomic power stations with a total capacity of 2,500,000 kw. Development work would also be carried out on atomic-powered engines for transport, and an atomic-powered icebreaker with special ice-melting equipment would be designed. The further use of radio-active substances in agriculture, industry, and medicine would be extensively developed

Fuel and Power. New underground and opencast coal mines would go into operation. and the rate of tunnelling and the speeds of many other operations would be doubled. In the gas industry new gas deposits would be developed and several trunk pipelines, totalling about 5,600 miles, would be built. There would be "great advances" in the provision of electric power—for industry, agriculture, transport, and the domestic consumer. The Kuibyshev and Stalingrad hydro-electric stations, already in the final stages of construction, would be completed, whilst other big hydro-electric projects on the Volga, Kama and Dnieper rivers to be started or completed during the five years would include those at Saratov (1,000,000 kw.), Votkinsk (540,000 kw.), Lower Kama (900,000 kw.), Cheboksary (800,000 kw), Kremenchug (450,000 kw.), and Dneprodzerzhinsk (250,000 kw). In Siberia, the 660,000-kw Irkutsk station and the first section of the 3,200,000-kw. Bratsk station (both on the Angara River) would go into operation, as well as the 400,000-kw Novosibirsk station and the 500,000-kw. Kamenskaya station on the Ob. A new 3,000,000-kw station would be started at Krasnoyarsk, on the Yenisei.

Transport and Communications. The amount of freight carried by the Soviet railways would be increased by 40 per cent by 1960; over 4,000 miles of new track—twice as much as that built in the last five years—would be completed, over 5,000 miles would be electrified, and about 4,100 miles of single track would be doubled There would be a great increase in railway electrification and in the use of diesel power, and some 40-45 per cent of all goods traffic would be hauled by diesel or electric engines by 1960 The Soviet freighter and tanker fleet would be trebled, and the Soviet fishing fleet expanded almost fourfold. As regards air transport, new "fast, many-seated passenger planes" would go into operation on air transport routes; passenger traffic would be raised by 28 per cent, and freight traffic would be doubled. Big increases were also planned in the telephone, telegraph, radio, and postal services.

Building and Construction. In all the building programmes the greatest use would be made of standardization in building units etc, and of the most up-to-date assembly-line methods, with wide use of prefabrication. Transition to standard layouts would be completed in housing, etc., by 1957, and mainly completed in industry, agriculture and transport by 1958. The State housing programme over the five years would provide twice the accommodation that had been put up in 1951-55, corresponding to more than 5,000,000 two-living-room dwellings (i.e. two living rooms, plus kitchen, bathroom, hall, etc.). At the same time everything would be done to encourage workers and farmers to build their own homes, with the help of State and collective farm loans, and special supplies of prefabricated housing materials would be made available to meet this demand

Consumer Goods and Food. There would be an overall increase of about 50 per cent in supplies of goods in the shops, many more shops would be built, and staffs were expected to increase by about 40 per cent Sales of certain key goodstuffs and consumer goods were expected to increase by the following percentages as compared with 1955: meat products, 85; fish products, 59; butter, 57, vegetable oils, 60; cheese, 140; eggs, 160; milk and other dairy products, 170; sugar, 70, cotton fabrics, 30; woollen cloths, 100, silks, 100; leather footwear, 65; linen fabrics, 260; manufactured garments and apparel, 67, furniture, 100; clocks and watches, 70, bicycles, 46; radio sets, 120, TV sets, 400; household refrigerators, 370; vacuum cleaners, 290; washing machines, 500.

Film Industry and Television. By 1960 the Soviet film industry would be producing 120 full-length films a year. New cinemas seating 500,000 people would be built during the five-year period. Radio stations would increase their capacities by 90 per cent, and by 1960 there would be 75 television stations in the Soviet network.

Education and Technical Training. To enable the U S S.R. to cope with the expansion in all branches of industry, the plan provided for "50 per cent more technicians" by 1960 Full 10-year schooling to the age of 17 would be extended to the entire country, and the school curricula would be arranged so that all children got a good idea of the work in all key branches of modern industry and agriculture. All existing tuition fees—in colleges, technical schools, and the senior forms of secondary schools—would be abolished

State Budget for 1956.

Prior to the publication of the sixth Five-year Plan, the Soviet Budget for 1956 had been presented by M. Zverev, the Finance Minister, on Dec. 26 and approved by the two houses of the Supreme Soviet on Dec. 28. It provided for expenditure of 569,635,000,000 roubles and revenue of 592,761,200,000 roubles, giving an estimated surplus of 23,126,200,000 roubles. This compared with expenditure of 563,482,000,000 roubles, revenue of 590,192,000 roubles, and a surplus of 27,710,000,000 roubles in 1955.

No strict comparison could be made between the figures for the two years because of a reduction—made on April 1, 1955—in the prices charged to Soviet Government agencies for heavy industrial products, and in freight rates. Although these reductions had not been passed on to consumers, and amounted in effect to a book-keeping adjustment, they had increased the amount of goods and services which could be bought for a given amount of roubles. Some indication of the extent of this reduction was given by M Zverev in his Budget speech, when he explained that the 1956 appropriation of 158,700,000,000 roubles for heavy industry was 15 per cent more in terms of purchasing power than the 1955 appropriation of 163,600,000,000 roubles

The principal categories of expenditure in 1956 were social and cultural services (including education, public health, and family welfare), 161,200,000,000 roubles; heavy industry, 158,750,000,000 roubles; defence, 102,500,000,000 roubles (nominally a reduction of 9,600,000,000 roubles compared with 1955, and representing 18.2 per cent of total Budget expenditures as against 19.9 per cent in 1955); and consumer goods industries, 26,000,000,000 roubles. In addition, 160,800,000,000 roubles was provided for investment in capital expansion, including 96,600,000,000 roubles for heavy industry, 21,300,000,000 roubles for agriculture, 21,500,000,000 roubles for transport and communications, and 7,800,000,000 roubles for light industry, including consumer goods.

In the course of his speech M Zverev said that the reduction in defence expenditure meant that the Soviet Union "not only in words but in deeds, shows its concern for lessening world tension and ensuring peace and international security"—recalling in this connexion the decision to demobilize 640,000 men (see 14599 B) and to return the Porkkala naval base to Finland (see 14512 B) M Zverev criticized inefficiency in Government services, and said that 750,000 superfluous "white-collar" workers had been discharged and had "gone back into production." He announced that the Government planned a 4 5 per cent reduction in retail prices in 1956, and confirmed that the U S.S R was building "atomic power stations of 50,000 and 100,000 kw capacity"—though he did not say how many.

Agricultural Problems.

The failure to achieve the targets set for agricultural production in the fifth Five-year Plan had been causing concern for some time, and a radical change in the Government's policy had been announced on March 9, 1955. A decree issued on that date in the name of the Soviet Government and the Soviet Communist Party admitted that "serious mistakes" had been made in the methods of planning agriculture, and criticized the "extreme centralization" which, it said, had fettered the initiative of collective farms and machine-tractor stations and had thereby decreased their output. It was therefore proposed that the system of planning control should be decentralized, and that more responsibility and initiative should be given to the farmers themselves.

Under the new system, the higher organs of planning (i.e , the State Planning Commission, the Ministry of Agriculture, and other organs of the central Government) would exercise more general and less detailed supervision, and would deal mainly with such matters as determining the relative allocation of resources between agriculture and other branches of the national economy, and controlling the fulfilment of the overall agricultural plan They would still set quotas for delivery of farm produce to the State, but it would be left to the farms to decide how these quotas should be filled. The decree stated that the main consideration under the new system must be "volume of production" actually obtained, and not the number of acres sown or the number of heads of livestock maintained; the planning of agriculture, it declared, "must begin directly in the collective farms, the machine-tractor stations, and the State farms, taking into consideration the best possible utilization of land."

In its denunciation of "bureaucratic, highly inflated, and unrealistic planning," the decree cited several examples of the results of over-centralized planning. (i) Farms in the southern Ukraine had been ordered to plant spring wheat, although local farmers knew that winter wheat would give better yields, whilst farms in Kazakhstan, Siberia, and the Urals had been ordered to grow winter crops, although local conditions were unfavourable (ii) The planting of maize had been limited to the southern regions of the U.S.S.R., although it could be—and now would be—grown over a much wider area (iii) Peasants in Latvia, Lithuania, and Estonia, who for many decades had fed pigs for bacon, had been ordered to fatten them instead. (iv) Semi-urban districts had been ordered to raise sheep, although it was well-known that areas with limited pasture were best suited for cows and pigs; on the other hand, possibilities for breeding merino sheep in Siberia, Kazakhstan, and Central Asia had been neglected, although those areas had "enormous pastures." (v) Various areas of the U S S.R. had not been encouraged to grow their own food, although able to do so, and food had had to be sent to them from other areas; this was particularly true of the Soviet Far East, where the growing of potatoes, vegetables, and livestock had been neglected. (vi) Machine-tractor stations had been ordered to do a great variety of tractor work instead of being left to decide for themselves what type of work would yield the best results.

The decree said that the new system would permit collective and State farms to "improve the utilization of the land assigned to them and sharply increase the production of field crops and livestock." This would make it possible in a shorter time to "solve the national problem of a great upsurge in agriculture."

On March 30, 1955, M. Khrushchov announced at a conference of agricultural workers at Voronezh that "tens of thousands" of new managers were to be appointed to the collective farms in an effort to raise their level of production. It was subsequently stated in *Pravda* that the number of posts affected was about 30,000.

M. Khrushchov said that the results of the most successful collectives showed that under a good manager even the most backward farm could raise its production in one or two years. "Therefore the party has found that the strengthening of farms by experienced leaders is the most important task of collective farm development. Proceeding from this, the central committee of the Communist Party and the Council of Ministers have decided to select and recommend for the posts of farm chairman, notably in the case of backward farms, tens of thousands of the most experienced workers in party and Soviet organizations, enterprises, scientific research institutes, and other institutions. . . ."

M. Khrushchov cited cases of "criminal neglect" of farm equipment, saying that it had often been left to rust and deteriorate in the fields, and had even been "looted." "There have been cases," he declared, "in which brand-new machines were dismantled and their parts used to repair old machines . . . We must declare war on neglect, mismanagement, and irresponsibility. We must inflict the severest punishment on those guilty of such a barbarous attitude towards equipment."

M. Kozhevnikov, the Deputy Minister of State Farms, announced on Jan. 19, 1956, that the mass recruitment of settlers for the uncultivated steppelands of Siberia, Kazakhstan, and the Volga region (see 13604 A) had been ended, as people had come forward in sufficient numbers. Pointing out that settlers were still needed, he stated that 450,000 persons, mostly former factory workers from industrial centres in the European part of the Soviet Union, had answered the Government's appeal to migrate to the areas concerned.

After paying a tribute to their "heroism in overcoming enormous difficulties," notably their poor living accommodation in severe winter conditions, M Kozhevnikov stated that the new settlers had created 425 State farms, each of 50,000 - 62,000 acres, during the past two years. About half of the country's 2,400,000-ton increase in grain production during 1955 had come from the new lands, and the Government planned that each farm should carry 2,500 - 5,000 cattle, up to 15,000 sheep, 1,000 pigs, and over 1,000 poultry. The Minister strongly denied reports that many settlers had found conditions in the steppe too rigorous and had returned to urban areas, whilst conceding that there had been individual cases of people returning, he asserted that there had been no question of a mass return

It was announced in Moscow on Jan. 22 that a new "Ministry of Machine-Tool Construction and of Means of Automation" had been set up under M. Lesechko, an engineer. The new Ministry took over certain functions of the former Ministry of Machine and Machine-Tool Construction, which was renamed the Ministry of Machine Construction.—(Soviet Weekly - New York Times - Times - Daily Telegraph - Financial Times - Manchester Guardian - Le Monde, Paris - Neue Zurcher Zeitung) **(Prev. rep. Fifth Five-year Plan, 12709 A, 12489 A; 1955 Budget, 14160 B; Agricultural Policy, 13604 A; 13167 A.)**

A. FRANCE. — M. Ramadier appointed Finance Minister. - Social Republicans join Cabinet.

M. Mollet, who had returned to Paris from Algiers on Feb. 11, appointed M. Paul Ramadier (Socialist) on Feb. 14 as Minister for Economic Affairs and Finance in succession to M. Robert Lacoste, consequent upon the latter's appointment as Minister Governor-General in Algeria after the resignation of General Catroux. It was disclosed that M. Mollet had first offered the portfolio to M. Jules Moch, who had declined it because he wished to continue his work as French member of the U.N. Disarmament Sub-commission.

M. Ramadier (67) was Prime Minister from January to November, 1947. He lost his seat in the National Assembly in 1951 but was returned for the Aveyron department at the recent general election. A biography of M. Ramadier is given on page 8391.

M. Pierre-Olivier Lapie (Socialist), a former Minister of Education, succeeded M. Lacoste as one of the six vice-presidents of the National Assembly.

The Cabinet was enlarged on Feb. 20 by the appointment of two Social Republican (ex-Gaullist) Ministers—M. Chaban-Delmas, who became Minister of State without portfolio (a post similar to that held by M. Mendès-France), and M. Lemaire, who was appointed State Secretary for Commerce and Industry. The Social Republicans thereby reversed their earlier decision not to join M. Mollet's "Republican Front" Government. (Le Monde, Paris) **(Prev. rep. Cabinet, 14681 A.)**

B. EUROPEAN UNITY. — Proposed Creation of "European Postal Service." - Ministerial Meeting.

M. Edouard Bonnefous, then French Minister of Posts and Telecommunications, proposed to the Consultative Assembly of the Council of Europe in Strasbourg on July 9, 1955, a plan for a "European organization of posts and telecommunications," including closer administrative and technical co-operation between the various national organizations, the introduction of a new "international postal traveller's cheque," the issue of a "European stamp," and the development of television on a continental basis.

A conference of the Ministers of Posts and Telecommunications of the six member-countries of the European Coal and Steel Community (Belgium, France, Western Germany, Italy, Luxemburg and the Netherlands), held in Paris on Jan. 20, 1956, under the chairmanship of M. Bonnefous, took the following preparatory decisions for the implementation of the "postal pool" plan:

(1) The issue in September 1956 of a European stamp whose design would symbolize the "European idea," and which would be issued for sale in each of the six member-countries, its denomination being expressed in the respective national currencies

(2) The setting-up of three working parties to prepare the following measures of co-operation:

(*a*) In the sphere of telecommunications, the development of fully automatic and semi-automatic telephone links between the large European cities—a measure which, it was stated, would not present any technical difficulty and was only dependent on the settlement of various administrative and accountancy questions;

(*b*) in the sphere of postal services, the simplification of exchanges of correspondence;

(*c*) in the sphere of postal cheques, a joint investigation of mechanization measures, based on "revolutionary" experiments carried out in the U.S.A. and aiming at a speeding-up of operations and a reduction of "staff fatigue"

M. Bonnefous declared that the decisions taken had constituted "a first step towards a European postal service," and that the possibility of the adherence of other countries had been taken into account. The meeting was attended by a British observer.—(Council of Europe, Strasbourg - Le Monde, Paris) **(Prev. rep. European Transport, 14531 C.)**

C. RUMANIA. — Release of M. Gheorghe Tatarescu. - Death of Dr. Juliu Maniu and M. Dinu Bratianu. - Government Appeals for Return of Exiles.

It was disclosed in the latter half of 1955 that M. Gheorghe Tatarescu, the former leader of the National Liberal Party, a pre-war Premier, and Foreign Minister in the first post-war Government, had been released by the authorities after having been detained for over five years. In an interview with the *New York Times* correspondent in Bucharest, published on Oct. 21, M. Tatarescu confirmed earlier reports that Dr. Juliu Maniu, the veteran leader of the Rumanian Peasant Party, had died in 1952 while under detention, and said that he understood that M. Dinu Bratianu, a former leader of the National Liberal Party, had also died in prison in 1950. M. Tatarescu also stated that M. Alexandru Alexandrini (a prominent member of the National Liberal Party), who had resigned as Finance Minister in 1947 at the time of M. Tatarescu's resignation as Foreign Minister, had been tried in 1953 and condemned to hard labour for sabotage and other crimes.

With regard to his own case, M. Tatarescu said that after retiring from public life after his resignation he had been arrested in 1950 and placed in a political prison in Transylvania He had never been brought to trial, but had been subjected to prolonged questioning for over a year before going to hospital in 1952 with pneumonia and pleurisy. After having stayed at convalescent homes, he had been released in July 1955.

It was announced on Nov. 18 that a Rumanian Committee for Repatriation had been formed in order to encourage Rumanian exiles abroad to return to Rumania under a decree of June 24, 1955 promising them resettlement and freedom from punishment. The committee, whose members included M. Tatarescu, established an office in East Berlin.

Another appeal to Rumanian exiles was made by M. Titel Petrescu, the former secretary-general of the Rumanian Social Democratic Party, who had been released from imprisonment in October. In a letter to *Scanteia* (Dec. 18) he said that he had become convinced of the "righteousness" of the Rumanian Workers' [i.e. Communist] Party's policy, and invited Rumanian Socialist exiles "to return home and join in the people's effort towards a new life"

A new Rumanian radio station, the "Voice of the Homeland," began broadcasting in December as part of the campaign to encourage exiles to return.—(Agerpres, Bucharest - Le Monde, Paris - New York Times) **(Prev. rep. Amnesty, 14479 B; M. Tatarescu, 8975 B; Dr. Maniu, 10024 B.)**

A. VENEZUELA. — Economic and Political Developments. - Public Works Programmes. - Development of Caracas. - Creation of Venezuelan Steel Industry. - New Policy on Oil Concessions. - Building of International Centre for Neurology and Brain Research.

The President of Venezuela, General Marcos Perez Jimenez, officially " dedicated " on Dec. 2, 1955, a series of public works projects—the most extensive ever carried out in Venezuela—on which more than 1,105,000,000 bolivares ($331,615,000) had been spent during 1955. The programme—which covered a total of 1,083 public projects—was the third of its kind since President Perez Jimenez took office in 1952, and had been preceded by similar programmes during 1954 and 1953. The total value of the projects completed during the three years amounted to 3,352,000,000 bolivares ($1,005,000,000). Similar programmes will be carried out during the next few years.

A review of Venezuelan development since the inception of these programmes is given below under cross-headings.

Development of Caracas. A National Housing Programme, designed to make the Venezuelan capital one of the world's most beautiful cities, and to abolish the " slum belt " encircling the city, had begun in 1952 and had made rapid progress towards its objectives by the end of 1955. During the latter year a low-rent housing project consisting of 13 buildings, each 15 storeys high and containing nearly 2,000 apartments in all, as well as 52 four-storey buildings containing 416 apartments, was completed at a cost of 41,500,000 bolivares ($13,000,000). These buildings, of the most modern type and equipped with lifts, were used to rehouse 2,366 former slum families Shopping centres, kindergartens, schools, and sports fields were also included in the rehousing projects.

Extensive new highways were opened in Caracas during 1955 as part of a National Programme for City Improvement. Important extensions were also carried out at the University of Caracas, which has been redeveloped as a University City (see 6324 A).

Agriculture, Social Welfare, etc. Extensive agricultural, irrigation, and social welfare projects have been carried out in different parts of the country in the past three years, involving the building of many new schools, hospitals, clinics, agricultural research stations, waterworks, highways, bridges, etc. During 1955 alone 34 rural schools were built for over 17,000 children, together with 17 kindergartens and 22 other schools; considerable extensions were made to the University of the Andes at Mérida, and to other institutions of higher learning; 17 new electricity generating plants were built, and an extensive programme of modernization was set on foot or completed in many small towns and rural communities. Improvements were also made to ports and airfields, and a number of modern hotels were built in Caracas and other centres for the increasing tourist traffic. Four new cargo and passenger vessels, each of nearly 5,000 tons, were added to the State-supported shipping fleet—the *Compañía Venezolana de Navegación*

Highway Construction. Under a " Master Highway Programme," begun in 1950 and still being carried out, nearly 800 miles of new Federal highways have been added to the country's road network, another 7,000 miles being scheduled for completion during the next ten years. The programme so far completed has included the building of an expressway between Caracas and La Guaira, linking the capital with the sea; the opening of nearly 300 miles of the new Pan-American Highway; important progress in the construction of a Trans-Andean Highway, involving engineering problems of the first magnitude; and the construction of 87 steel and concrete bridges

Steel Industry. A $173,000,000 contract for the construction of a steel plant was signed by the Venezuelan Government on Dec. 31, 1955 with two Italian firms—the Fiat company and the Innocenti engineering company, a subsidiary of Fiat. The plant will be built on an 11,000-acre site at the confluence of the Orinoco and Caroni rivers, and is planned to be in full production by 1959. Power will be supplied by a new hydro-electric plant to be built in the vicinity, and all raw materials—iron-ore, coal,and limestone—will be obtained from Venezuelan sources The Italian firms obtained the contract in the face of competition from British, American, French, German, Belgian, and Norwegian firms.

The decision to establish a Venezuelan steel industry had been taken in 1954. The new plant will have an initial output of 300,000 tons of steel a year, rising progressively to 420,000 tons, and will make Venezuela completely independent of steel imports

Oil Industry. Although no oil concessions had been granted in Venezuela since 1945, it was announced on Jan. 11, 1956, that the Venezuelan Government had decided in principle to revoke this policy and to invite new applications for concessions. It was stated that President Perez Jimenez had reached this decision for the following reasons · (1) The desirability of increasing the country's oil reserves and avoiding the exhaustion of existing supplies; (2) the advisability of establishing more refining and by-products industries based on petroleum; (3) the attraction of capital that might otherwise be invested in other countries.

It was officially stated that applicants for new concessions would be required to pay higher taxes and royalties than those at present in force; to refine in Venezuela a larger percentage of oil extracted than had hitherto been customary, to build townships for oil workers instead of fenced-in camps; to co-operate with the Government in industrial and agricultural development, as well as in its health and communications policies; and to co-operate with Government agencies in the acquisition of radio-active isotopes and the extraction of rare minerals associated with petroleum, which would not be included in the oil concessions.

It was added that concessions would be granted to applicants who met the above-mentioned requirements, that all bids and negotiations for concessions would have to be made directly to the Ministry of Mines and Hydrocarbons, which would have sole jurisdiction over the oil industry; and that there would be no intermediaries or commission agents, either inside or outside the territory of the Republic.

An agreement was signed in Washington on June 14, 1955, whereby the U.S. Government agreed to furnish technical aid and certain radioactive materials in connexion with research work to be undertaken at the Venezuelan Institute of Neurology and Brain Research. This institution—created in 1954 as an autonomous agency of the Venezuelan Government—is being built on a 1,200-acre site overlooking Caracas and will be devoted to fundamental research on the structure and functions of the nervous system, using the most advanced biophysical, biochemical, and biomathematical techniques. The Institute is conceived not only as a national institution but also as a regional research centre for the whole of South America and, eventually, as an international neurological research and training centre.

The U.S.-Venezuelan agreement provided that Venezuela would receive information on the design, construction and operation of research reactors for peaceful purposes, that the U.S. Atomic Energy Commission would supply the Venezuelan Government with up to six kilograms (13 2 pounds) of enriched uranium; and that the two countries would exchange unclassified information relating to the use of radio-active isotopes in physical and biological research, medical therapy, agriculture, and industry

President Perez Jimenez had formally taken office as President of Venezuela for a five-year term on April 19, 1953. At the time of his inauguration he was the youngest President of any Latin American country, being only 39 years of age.

His installation had been preceded in November, 1952, by general elections—the first held since the overthrow of President Gallegos in 1948 (see 11221 B)—which were contested by the Independent Electoral Front (*Frente Independiente Electoral*, or F E I), representing the *junta* which assumed power after the deposition of President Gallegos; the National Democratic Union (U R.D), the principal Opposition group, the *Copei* (Christian Socialist) party; and some minor groups. The Democratic Action Party (*Acción Democratica*), which supported Dr. Gallegos, had been outlawed by the *junta* and thus took no part in the elections, which were for a Constituent Assembly of 104 deputies charged with drafting a new Constitution. The results, as announced by the Supreme Electoral Tribunal, were . F E I. 60 seats, U.R.D. 29, *Copei* 14, and one other.

Shortly after the elections it had been announced that General (then Colonel) Perez Jimenez, Minister of Defence and one of the three members of the *junta*, had taken office as Provisional President; that he would wield the powers formerly exercised by the *junta* collectively; and that the other two members of the *junta*—Dr Germán Suarez Flamerich and Colonel Luis Llovera Paez—had resigned. Dr. Suarez Flamerich had been head of the *junta* Government since December 1950.

The population of Venezuela was estimated on Dec. 31, 1954 at 5,858,000 (latest available figure), the natural rate of increase—3.6 per cent—being one of the highest in the world. According to official statistics, Caracas had a population of 946,969, being one of the most rapidly growing cities on the American continent, followed by Maracaibo (330,470), Barquisimeto (142,255), and Valencia (111,320).

Over 328,000 foreign-born nationals were living in Venezuela at the end of 1954, the rate of immigration—particularly from Italy and Spain—being about 6,000 a month. The Italians formed the largest foreign-born community (105,463), followed by 76,880 Spaniards, 33,390 Americans, 22,768 Portuguese, 20,609 Colombians, 9,400 British, 6,875 Cubans, 5,805 French, and 5,342 Germans. The figures included foreigners—principally U.S. and British nationals—working in the oil industry. (Venezuelan Embassy, Washington - New York Times)

(Prev. rep. 11221 B; Steel Industry, 10717 A; Oil Industry, 8501 A.)

B. SWEDEN. — National Wages Agreement.

After negotiations lasting several months, a proposal involving an all-round increase in wages and salaries of about four per cent on a national basis was accepted on Feb. 5 by the employers', trade union, and salaried employees' organizations. The agreement, which was worked out by a Government-appointed arbitration committee, will be valid for one year (beginning on March 6) and affects over 1,800,000 employees. Previous wages agreements had been concluded between the trade unions and employers' organizations separately, the increases in 1955 having varied from two to ten per cent in the different industries. The new nation-wide agreement was believed to be the first of its kind in the world.

(Svenska Dagbladet, Stockholm)

FEBRUARY 25—MARCH 3, 1956

A. SAAR TERRITORY. — General Elections. - Electoral Victory for Pro-German Parties. - New Cabinet formed by Dr. Ney. - Saar Parliament's Demand for Political and Economic Union with Germany. - Opening of Franco-German Negotiations.

Following the referendum of Oct. 23, 1955, in which the Statute for the proposed "Europeanization" of the Saar had been rejected, polling took place on Dec. 18 for a new Saar *Landtag* of 50 members. The elections resulted in a big majority for the three pro-German parties—the Christian Democrats, Saar Democrats, and Social Democrats, led respectively by Dr. Hubert Ney, Dr. Heinrich Schneider, and Herr Kurt Conrad—which had campaigned against the Saar Statute.

The elections were carried out on the basis of an electoral law approved by the former *Landtag* on Nov 18 (by 41 votes to 3, the Communists opposing) and accepted by the Commission of the Western European Union for the Saar (the new name given by the W.E.U. on Nov. 4 to the former European Plebiscite Commission). Voting was by proportional representation, the various parties presenting lists of candidates in the three electoral districts into which the Saar was divided (Saarbrucken, Saarlautern, and Neunkirchen). Parties obtaining less than five per cent of the total votes were ineligible for representation in the new *Landtag*. The franchise was exercised by all those who were entitled to take part in the referendum, provided they had been resident in the Saar for at least five years.

After prolonged negotiations between the pro-German and "pro-European" parties, conducted through the intermediary of Dr Welsch (the "caretaker" Premier who succeeded Herr Hoffmann after the referendum), it had been agreed to abstain from the use of such expressions as "separatist," "nationalist," "nazi," and "traitor to the fatherland" during the electoral campaign.

Nominations for the *Landtag* elections closed on Nov. 27, when lists of candidates were presented by nine parties : (i) the three pro-German parties, who were grouped into a *Heimatbund* as in the referendum campaign ; (ii) the two pro-European parties—the Christian People's Party and the Saar Socialist Party ; (iii) the Communists ; and (iv) three minor parties—the Christian Social Union, the German Democratic Union (neutralist), and the Supranational European People's Party. Herr Johannes Hoffmann, the former leader of the Christian Democratic Party, did not seek re-election and was succeeded in the party leadership by Herr Franz Ruland, who had been Minister of Economics in Herr Hoffmann's Cabinet. The Saar Socialist Party was led by Herr Peter Zimmer, the *Oberbürgermeister* of Saarbrucken.

The electoral campaign was conducted in a quiet atmosphere, and without any disturbances such as had occurred during the early stages of the referendum campaign The pro-German parties campaigned under the slogan "Union with Germany, friendship with France, and peace for Europe and the world," whilst the pro-European parties stressed the economic advantages of a "Europeanized" Saar and the important role it could play as a bridge between France and Germany. The German Federal Chancellor (Dr. Adenauer) issued an eve-of-the-poll appeal to the Saarlanders to vote for the Christian Democrats so that the Saar problem could be solved from "a German, European, and Christian point of view."

Out of an electorate of 664,077 voters, 600,200 (90.8 per cent) went to the polls, 589,110 votes being valid and 11,090 invalid. The results were as follows :

Pro-German parties :—	Votes	Percentage	Seats
Christian Democrats ..	149,516	25.4	14
Saar Democrats ..	142,593	24.3	12
Social Democrats .	84,408	14.4	7
Pro-European parties :—			
Christian People's Party	128,648	21.9	13
Saar Socialists .. .	34,284	5.8	2
Communists . .	38,696	6 6	2
Minor parties	10,995	1.6	—

The pro-German parties, with a total of 376,517 votes (63.8 per cent), thus obtained 33 seats in the new *Landtag*, whilst the two pro-European parties, with a total of 162,932 votes (27.6 per cent), received 15 seats. Despite their overall majority, the pro-German parties nevertheless failed to win the three-fourths majority (i.e. 38 seats in the *Landtag*) needed to change the Saar Constitution and eliminate the clauses describing the Saar as an autonomous territory economically linked to France.

The new *Landtag* held its first session on Jan. 2, 1956, when it elected Dr. Schneider (the leader of the Saar Democratic Party) as its President by 32 votes to 15, with three abstentions. Dr. Kratz (Christian Democrat) and Herr Schremer (Social Democrat) were elected vice-presidents of the *Landtag*.

Dr. Schneider visited Bonn on Jan. 5—Dr. Adenauer's 80th birthday—to convey to the Federal Chancellor greetings from what he described as "the tenth *Land* of the Federal Republic." He declared in a press statement that the pro-German parties aimed at the Saar's political incorporation in the Federal Republic "as quickly as possible," and at its economic incorporation "after a transitional period of about two years." Whilst emphasizing that the Franco-Saar customs union "must be abolished," and that French participation in Saar industrial and financial enterprises must also be ended, Dr. Schneider stressed that the Saar's political and economic incorporation in Federal Germany should be carried out in a spirit of Franco-German friendship and in harmony with the interests of France Germany, and Europe.

Cabinet formed by Pro-German Parties.

By 32 votes to nil, with 15 abstentions, the *Landtag* elected Dr. Ney on Jan. 10 as Prime Minister of the Saar in succession to Dr. Welsch ; two votes were invalid and one member was absent. The new Saar Cabinet, drawn from the three pro-German parties and including a non-party expert, was approved at the same time, as follows :

Dr. Hubert Ney (Christian Democrat)..	Prime Minister.
Herr Fritz Schuster (Saar Democrat) .	Interior.
Herr Norbert Brinkmann (Christian Democrat)	Economic Affairs.
Herr Kurt Conrad (Social Democrat)	Labour.
Herr Egon Reinert (Christian Democrat)	Education and Justice.
Professor Adolf Blind (non-party)	Finance.
Herr Erich Schwertner (Saar Democrat)	State Commissioner for Reconstruction.

Dr. Ney's Statement of Policy.

The new Ministers were sworn in after Dr. Schneider, in his capacity as President of the *Landtag*, had ruled that the oath required under the existing Saar Constitution did not prevent the Cabinet from amending its preamble. [This preamble describes the Saar as a territory independent of Germany and linked economically with France.] Prior to the swearing-in ceremony, Dr. Ney had made a statement of policy in which he emphasized that his Government would work for the Saar's political and economic union with the German Federal Republic.

Dr. Ney emphasized that the goal of his Government, and of all future Saar Governments, had been clearly laid down in the result of the October referendum—the political and economic reunification of the Saar with the German Federal Republic. The Saar's integration as a *Land* of the Federal Republic could only be attained, however, through an understanding between France and Germany. After saying that France had accepted the result of the October referendum "with dignity," Dr. Ney expressed the hope that new Franco-German negotiations on the Saar would take place "in the same conciliatory spirit" The Saar Government itself should take an active part in these negotiations, and not play the role of a mere passive observer.

Continuing, Dr. Ney emphasized that the existing Saar Constitution —and, in particular, its preamble—had been rejected in the October referendum, and that it was therefore his Government's task to dissolve the economic union with France and secure the territory's economic integration in the German Federal Republic. The economic ties with France, however, could not be cut "like a Gordian knot" ; their dissolution must be undertaken gradually and in a manner which would not be harmful to the Saar's economic interests, which were closely linked with both France and Germany. Economic relations which were mutually advantageous to the Saar, to Germany, and to France should be not only maintained but intensified, in which connexion Dr. Ney declared that "we are ready to co-operate with France in a spirit of true partnership."

Saar Parliament's Demand for Political and Economic Union with Germany.

On Jan. 31 the Saar *Landtag* adopted a joint declaration of principles, subscribed to by the Government (pro-German) parties and also by the Christian People's Party, setting forth its immediate political and economic demands. The declaration was worded as follows :

"The *Landtag* believes that it has the duty of translating into actuality the will of the people of the Saar, as expressed on Oct 23, 1955 [i.e in the referendum]. It expresses its firm determination to end the separation of the Saar from Germany, and will in due course take all necessary measures within its competence to attain this goal In consequence, it demands a solution of the Saar question on the basis of the following principles :

(1) The Saar is a part of Germany. Political union with the German Federal Republic, which represents the whole of Germany, must be achieved as rapidly as possible.

(2) Political union between the Saar and the German Federal Republic must be followed by re-integration with the Customs and monetary system of the Federal Republic.

(3) This objective should be attained by an economic integration in stages, carried out by agreement with the Federal Republic and France, as far as possible without creating new Customs barriers, and without detriment to the Saar's economy, to Saar industry, or to the working population of the Saar.

(4) The existing commercial and economic relations between the Saar and France must be maintained and developed, on principles of reciprocity, through agreements concluded between the German Federal Republic and the French Republic."

In this connexion the declaration listed the following as among the immediate objectives which would be sought by the *Landtag*—the administration of the Saar mines should be transferred to the Saar; the future of the coal deposits in the Warndt forest (at present worked by France) should be settled in a manner "corresponding to the legitimate interests" of the inhabitants of the Saar"; the Röchling steel plant should be returned to the Rochling family, in accordance with the *Landtag* resolution of Jan. 17 (see below).

Any compensation payments for French claims against the Saar or Saarlanders, which might be raised as part of the settlement of the Saar question, should be borne by the whole of Germany. Under no circumstances, however, should the economic conditions to be laid down for the Saar affect the incorporation of the Saar in the German Federal Republic.

(5) 'All efforts aimed at the creation of a common European market should be supported."

(6) Such a settlement should "serve Franco-German understanding as well as European unification."

The adoption of this declaration followed negotiations between the Government parties and the Christian People's Party, each of which had originally drafted a separate declaration of objectives. The Christian People's Party's text, whilst agreeing on political unification with Germany, had made no mention of economic reunification but had spoken only of guaranteeing full employment and developing the existing trade and economic relations between France and the Saar After inter-party discussions, however, it was agreed that the economic integration of the Saar and Germany should be achieved by stages, and in a manner not prejudicial to the economy of the Saar.

Demand for Return of Röchling Steelworks.

By 46 votes to nil, with four abstentions (the two Communists and two Saar Socialists), the *Landtag* passed a resolution on Jan. 17 demanding the abrogation of the Franco-German agreement of May 3, 1955 (see 14223 A) on the sale of the Rochling steelworks at Volklingen, and calling for its return to the Rochling family. [The agreement had provided for the sale of the concern for 200,000,000 Swiss francs and for equal French and German participation in its operation.] Spokesmen of the Government parties and the Christian People's Party maintained that the agreement was directly linked with the proposed European Statute for the Saar, and that it had been rendered obsolete by the rejection of the Statute in the October referendum.

The Rochling family itself had informed the French and Federal German Governments early in December that they no longer considered themselves bound by the agreement of May, 1955, in view of the result of the Saar referendum. It was claimed that an overwhelming majority of the employees were in favour of the return of the steelworks to its former owners.

Miscellaneous Measures.

Amongst other measures taken in the Saar since the referendum on the European Statute were (*a*) a decision by the Government of Dr. Welsch to revoke all expulsions, restrictions on residence, etc., ordered under the Hoffmann regime (Nov. 3, 1955); (*b*) the abolition by Dr. Welsch's Government of the former Information Department (also on Nov. 3); (*c*) a decision by the Social Democratic Metalworkers' Union (one of the two largest unions in the Saar) to leave the former Saar trade union federation and to join the recently-formed German Labour Federation of the Saar (Nov. 6); and (*d*) a resolution of the new *Landtag* to abolish the red, blue, and white Saar flag introduced by the Hoffmann Government and to restore the black, red, and gold tricolour of the German Federal Republic (Feb. 7, 1956).

Franco-German Negotiations.

Prior to the Saar elections, the French Foreign Minister (then M. Pinay) had had discussions on Nov. 13, 1955, with Dr. Adenauer at the latter's home at Rhondorf (near Bonn) on matters of Franco-German interest, including the Saar question, and on the international situation generally.

A communiqué said that the French and Federal German Governments were in "complete agreement" on international questions; that they had taken note of the result of the Saar referendum; and that they would seek a solution of the Saar problem, in consultation with the Saar Government, after the general elections for the Saar *Landtag*. It was stated that this solution would "take into account the essential interests of the two countries, especially in the economic field," and that the two Governments would "continue their efforts towards the construction of a balanced European edifice based on close co-operation between France and the German Federal Republic."

An official spokesman in Bonn said on Feb. 1 that the Saar *Landtag's* resolution on political and economic union "conformed to the programme" which the German Federal Government intended to follow in the forthcoming negotiations with France on the Saar question.

On Feb. 2, however, M. Pineau (the new French Foreign Minister) issued a statement declaring that the *Landtag* resolution could "only be regarded as the expression of a wish" and that "the actual position can only be modified in agreement with the French Government." After saying that the Rhondorf communiqué had made it clear that no unilateral action on the future of the Saar could be taken by the *Landtag*, M. Pineau added: "It is regrettable that the *Landtag* resolution makes no mention of French rights and interests. The French Government can accept no solution which does not take into account the essential economic interests of France, the volume of trade agreed between France and the Saar, and the necessary balance within the European organizations. . . ."

Franco-German negotiations on the Saar and other matters of common interest—including economic and cultural relations, and the proposed canalization of the Moselle River—opened in Paris on Feb. 20. The Prime Minister of the Saar, Dr. Ney, had previously visited Paris on Feb. 9 for discussions with M. Pineau, and Bonn on Feb. 17-18 for discussions with Herr von Brentano. It was stated after the Bonn discussions (in which Herr Conrad and Dr. Brinkmann also participated) that the Saar and Federal German Governments were in complete agreement on the policy to be followed in the Paris talks.

After being opened by M. Pineau and Herr von Brentano, the Franco-German negotiations were continued on Feb. 20-21 by M. Maurice Faure and Dr. Hallstein, the French and West German Secretaries of State for Foreign Affairs. It was agreed on the latter date, however, to suspend the talks until the beginning of March in order that experts of the two sides could study the memoranda presented by the French and Federal German Governments.

Although no official statement was issued, it was understood that there were considerable areas of disagreement between the two sides. According to the French and German press, these were mainly concerned with the following questions: (1) the future administration of the Saar mines; (2) the coal deposits of the Warndt forest, at present worked by France under lease, (3) the future fiscal system of the Saar; (4) the French economic position in the Saar after the end of the proposed transitional period, (5) the proposed canalization of the Moselle River.

It was understood that particular difficulties had arisen over the last-mentioned point, as the French Government were reported to have made acceptance of the Moselle project a condition for a general agreement on the Saar.
(Frankfurter Allgemeine Zeitung - Le Monde, Paris - Times)

(Prev. rep. Saar Referendum, 14497 A.)

A. CHINA. — Latinization of Chinese Alphabet.

The New China News Agency announced on Feb. 10 that official approval had been given to a 30-letter Latin alphabet to replace the approximately 30,000 ideographic characters at present used in written Chinese. It was stated that the Latinized alphabet would include all the English letters except V; that five additional letters had been added to reproduce sounds common in Chinese—"a soft G sound, ZH, CH, SH, and NG"; and that the letter Y had been adapted as a sixth vowel, pronounced like the German U with a diaeresis (··) or *umlaut*. A number of consonants in the English alphabet would be altered for adjustment to Chinese pronounciation.

It was pointed out that the introduction of a Latin alphabet would not entail the immediate abolition of the ideographic script; that the two scripts would continue to be used side by side for the time being; and that the Latinized alphabet had been introduced for "discussion and trial" in the Government campaign to modernize Chinese writing and eradicate illiteracy. The Latinized alphabet would be applied to the Peking (Mandarin) pronunciation, which the Government aimed at promoting throughout China.

The scheme to Latinize the Chinese alphabet was drafted by a Chinese Written Language Reform Committee which had been appointed in 1952 under a directive issued by Mao Tse-tung. In addition to announcing this reform, the committee also announced that it had approved a new Mongolian alphabet in Cyrillic (Russian) characters, which would be introduced in Inner Mongolia during the next few years.

There are about 20 principal Chinese dialects (Mandarin, Cantonese, etc.) and some 200 minor ones, but only one form of written Chinese—the ideographic characters, which have been used for some 3,500 years. The necessity for memorizing some 30,000 of these characters, coupled with the fact that they are pronounced differently in different parts of the country, has been a principal reason for the high illiteracy rate hitherto prevailing in China.—(New York Times - Manchester Guardian)

(Prev. rep. 14621 D.)

A. UNITED STATES. — Protests by Communist Countries against U.S. Balloon Launchings.

Protests against the sending of balloons across their territory were made to the United States during February by the Soviet Union, the Chinese People's Republic, Poland, Hungary, Eastern Germany, Czechoslovakia, Bulgaria, Rumania, and Albania, whilst the U.S.S.R. also protested to Turkey and Western Germany against the use of their territory for the launching of such balloons. The protests referred both to balloons carrying propaganda leaflets, launched in Western Germany by the "Free Europe Committee" (a private organization financed by U.S. citizens), and to balloons carrying photographic and other equipment—all of which were stated to be a danger to air traffic and a violation of the territorial airspace of the countries concerned. Allegations that balloons carrying photographic equipment were designed for aerial photographic reconnaissance were denied by the U.S. Government, which emphasized that they had been launched solely for the purpose of obtaining and recording meteorological information in the interest of international scientific research.

The **Soviet Note to the U.S.A.**, which was handed to the U.S. Ambassador in Moscow on Feb. 4, said that "during January of this year a large number of aerial spheres with a diameter of up to 15 metres [about 50 feet] and carrying suspended apparatus of various kinds and other ballast were discovered in the Soviet airspace." These balloons, it was alleged, had been launched by "U.S. military organs from the territory of Western Germany and from U.S. air bases on the territory of several States bordering on the Soviet Union." The Note stated that apparatus carried by the balloons included automatic photographic cameras for aerial photography, radio transmitters, radio receivers, and other items, all of which had clearly been manufactured in the United States. In addition, it was alleged that "U.S. organizations" were continuing to launch into the Soviet airspace balloons carrying "pamphlets and propaganda literature hostile to the U.S.S.R."

After referring to the danger from the balloons to aircraft flying over Soviet territory, the Note declared: "The launching of these spheres into Soviet airspace . . . represents a gross infringement of Soviet airspace and is a violation of the universally accepted principles of international law that every State has full and exclusive sovereignty in respect of airspace over its territory. . . The said actions by U.S. military bodies represent a violation of the territorial integrity of the U.S.S.R., are contrary to the obligations assumed by the U.S. Government under the U.N. Charter, and are incompatible with normal relations between States. The Soviet Government . . . demands . . . the immediate cessation of the said inadmissible acts by the U.S. military organs."

The **Soviet Note to Western Germany** recalled that M. Molotov, the Soviet Foreign Minister, had raised the question of the balloons with Dr. Adenauer when the latter had visited Moscow in September last (see page 14426, first column), and said that Dr. Adenauer had then promised to look into the matter with the U.S. authorities; far from having abated, however, the sending of balloons over Soviet territory had assumed even larger proportions. The Soviet Government therefore asked the German Federal Government to take "prompt and effective action" to end the use of its territory for the despatch of balloons into Soviet airspace. The **Soviet Note to Turkey** requested that country also to take measures to ensure that its territory was not used in future for the despatch of balloons over Soviet airspace.

The **Chinese protest**, as quoted by Peking radio on Feb. 7, referred to the finding on Chinese territory of a large number of "military reconnaissance balloons designed to photograph topographical positions in China for military use." "In openly sending military reconnaissance balloons over Chinese territory," it declared, "the U.S.A. has committed a grave encroachment upon the territorial airspace of China. We strongly protest against this and demand that the U.S. Government stop this provocative action immediately." The **Polish Note** referred to specific incidents in which, it asserted, U.S. balloons had floated near the aircraft carrying Mr. Lester Pearson, the Canadian Minister for External Affairs, over the Lodz area on Oct. 5, 1955, whilst other balloons had on the same day, come dangerously near a British courier plane *en route* from Berlin to Warsaw. The **Hungarian Note** alleged that the balloons had caused two fatal accidents to Hungarian aircraft.

The **U.S. reply to the Soviet Note** (released on Feb. 8) referred to "an apparent confusion" in the Soviet Note between "a publicized meteorological operation and previous Soviet allegations concerning the launching of propaganda balloons directed towards the Soviet Union." The U.S. Note recalled that oral denials had already been given to the Soviet Foreign Ministry about official U.S. participation in the launching of propaganda balloons, and declared: "The U.S. Government wishes to reaffirm that it is not directly or indirectly participating in any project to despatch propaganda balloons over the Soviet Union."

With regard to meteorological balloons, the Note stated that the U.S. Government was "happy to supply information complementary to that which is already public knowledge." Under U.S. auspices, a meteorological survey was being carried out by the launching of balloons which remained aloft for several days and "at a very considerable height," thus placing them out of the range of commercial aircraft. A number of balloons had been launched in several parts of the world, and many had been passing over the United States. One particular balloon, sent up on Jan. 8 in California, had crossed the United States, the Atlantic Ocean, and the Eurasian continent and had been identified on Jan. 20 transmitting homing signals from the Western Pacific. Whilst most of the balloon flights had taken place inside the U.S.A., the announced opening of additional U.S. research stations in Europe, Alaska and Hawaii had not led to objections by any Government.

Giving details of the equipment carried by the balloons, the Note said that they included instruments to measure and record meteorological phenomena such as jet streams, and photographic apparatus to provide pictures of cloud formations bearing on air movements at various velocities. Much valuable scientific information was being accumulated, and it was hoped that this method of meteorological research would contribute substantially to the forthcoming International Geophysical Year programmes. The declared purpose of the project was made clear by the fact that the equipment itself contained instructions in several languages, including Russian, for its recovery and delivery to the authorities charged with evaluation of the data obtained. The Note said that it would be "much appreciated if, in the interest of scientific research, the Soviet Government would return the instruments which had come into its possession."

In conclusion, the U.S. Note explained that all the balloons were equipped with safety devices and constituted no hazard, even to dense civilian air traffic, and expressed the U.S. Government's willingness to explain further to the Soviet Government the safety measures incorporated in the project. Finally, it stated that "provisionally, in order to avoid misunderstandings and in view of the Soviet Government's objection," the U.S. Government would seek to avoid the launching of balloons which, on the basis of known data, might cross the U.S.S.R.

The U.S. Air Force had stated on Feb. 6 that 500 weather balloons had been launched since the start of the current programme on Jan. 8—200 from "Scotland and other places in Europe," and 300 from the U.S.A., Japan, Okinawa, Alaska and Hawaii.

Mr. Dulles, the U.S. Secretary of State, answered questions about the balloons at a press conference on Feb. 7.

The U.S. Government, he emphasized, had not sent, either directly or indirectly, any propaganda balloons towards Soviet territory. Balloons of this type were launched by private organizations operating outside the United States, but the U.S. Government could not control them, nor had it any disposition to try to do so. With regard to the legal aspect of despatching balloons over other countries' territories, Mr. Dulles said that although the law was not clear, the U.S.A. felt that it had a perfect right to send up weather balloons provided that they did not interfere with anybody else's use of the air. Weather balloons were designed to rise to 50,000 feet, at which height they did not interfere with air traffic, if they failed to rise above 30,000 feet shortly after launching, a barometric device assured their destruction.

Mr. Dulles also stressed that charting the velocity and direction of jet streams in the upper atmosphere would give valuable information on weather and temperature changes; that the very nature of the project required balloons to travel long distances, and that their flight could not be predicted. When the data gathered by the balloons had been collated, it would be made available to all nations participating in the International Geophysical Year.

On Feb. 9 the Soviet Government called a conference of foreign press correspondents in Moscow at which it exhibited a number of the balloons and radio and photographic equipment said to have been sent across Soviet territory by the U.S. Government.

The spokesman of the Soviet Foreign Ministry (M. Ilyichev) reiterated the Soviet charges that the equipment had been used for aerial photographic reconnaissance, and said that other balloons had been used for carrying leaflets and propaganda literature hostile to the Soviet Union. He added that even if the balloons had been intended for meteorological research, the launching of them over Soviet territory would, in the Soviet view, be a violation of the territorial integrity of the U.S.S.R.

A Soviet Army officer (Colonel Tarantsov), who was described as a "specialist", stated at the press conference that "a most thorough examination of the apparatus had failed to disclose any equipment capable of recording meteorological data or any radio equipment which could have transmitted data to the base from which it was launched." He expressed the view that "all this equipment was therefore intended exclusively for aerial photography and might be described as a flying camera." He displayed an aerial photograph, said to be of a Turkish military airfield, which he claimed had been taken from a balloon caught over the Soviet Union, and said that there were also many photographs of Soviet territory. Colonel Tarantsov stated that the apparatus carried by the balloons was able to record the map co-ordinates of every photograph taken, and that the camera was equipped with sufficient film to take 450-500 photographs.

Further Soviet Notes were delivered to the U.S. and Turkish Ambassadors in Moscow on Feb. 18 and Feb. 20 respectively. In the Note to the U.S.A., the Soviet Government rejected the U.S. explanation about the balloons, saying that it had been refuted by "expert investigation." It reiterated the previous charges about aerial reconnaissance photography and about

the danger to aircraft, and offered to exhibit its specimens of U.S. balloons in Washington, London, Paris, or any other city to prove its charges. In the Note to Turkey, the Soviet Government again referred to the "serious violation" of Soviet territorial integrity and the infringement of international law, and asked whether the Turkish Government would consider sending specialists to Moscow to inspect balloons and equipment sent over Soviet territory.

In a reply on Feb. 12 to the first Soviet Note, the Turkish Government had pointed out that the balloons had been released in co-operation with the U S. services for scientific research on weather conditions at high altitudes. It also pointed out that the fact that their release had been publicized in the Press at the time showed that there was no ulterior motive. In view of the Soviet objections, however, measures had been taken in conjunction with "competent American services" to avoid similar incidents in the future.

The Czechoslovak Government sent a further protest to the U.S.A. on Feb. 26 against the release of balloons over its territory from Western Germany. The Note alleged that a leaflet balloon had caused a Czechoslovak civil aircraft to crash on Jan. 18 with the loss of 22 lives, and demanded that the U.S. Government should "punish with the utmost severity" those responsible for having launched it. The Free Europe Committee, in a statement on Feb. 22, denied that a balloon carrying leaflets had been responsible for the disaster. Whilst expressing "deep sympathy" for those who had lost their lives, the statement said that launching records proved that no balloons had been launched towards the region of Slovakia—where the crash took place—either on Jan. 17 or Jan. 18.—(New York Times - New York Herald Tribune - Times - Manchester Guardian - Le Monde, Paris - Soviet Weekly)

A. FINLAND. — Election of President Kekkonen.

Dr. Urho Kekkonen (55), the Prime Minister and leader of the Agrarian Party, was elected President of Finland on Feb. 15 for a six-year term in succession to President Juho Paasikivi (85), whose term of office was due to expire in March.

The presidential election had officially begun on Jan. 16-17, when elections were held for the Electoral College of 300 members which, under the Finnish Constitution, elects the President of the Republic. All the political parties presented candidates for the presidency, the nominees being Dr. Kekkonen (Agrarian); M. Karl-August Fagerholm (Social Democrat), the President of the Diet; Dr. Sakari Tuomioja (Conservative), Finnish Ambassador in London; M. Ralf Torngren (Swedish People's Party), a former Prime Minister; M. Eino Kilpi, nominated by the (Communist-dominated) People's Democratic Union; and M. Rydman, of the Finnish People's Party (Liberals). About 70 per cent of the electorate went to the polls, the results being as follows: Dr. Kekkonen, 88 seats in the Electoral College; M. Fagerholm, 72; Dr. Tuomioja. 57; M. Kilpi, 56; M. Torngren, 20; M. Rydman, 7.

When the Electoral College met on Feb. 15, Dr. Kekkonen was elected to the Presidency on the third ballot with the minimum possible majority—151 votes, against 149 for M. Fagerholm. [The Presidency goes to the candidate who first obtains a simple majority of the 300 electors, not more than three ballots being permitted and the final ballot being restricted to the two leading candidates in the second ballot.] After the first ballot, in which all groups voted for their own candidates, the nominations of Dr. Tuomioja, M. Kilpi, M. Torngren, and M. Rydman were withdrawn and the name of President Paasikivi put forward in their stead, although the outgoing President had not formally offered himself for re-election. The second ballot resulted in 114 votes for M. Fagerholm, 102 for Dr. Kekkonen, and 84 for President Paasikivi—an inconclusive result. The third and final ballot was thus contested by M. Fagerholm and Dr. Kekkonen, the latter being elected. In addition to receiving the 84 Agrarian votes, Dr. Kekkonen received the 56 votes of the People's Democratic Union, as well as the votes of 11 other electors.

President Kekkonen, a lawyer by profession, had been Prime Minister since October 1954, and had also headed several Governments between 1950 and 1953. A short biography is given in 10790 C.—(Berlingske Tidende, Copenhagen - Svenska Dagbladet, Stockholm - Times - Le Monde, Paris - New York Times) **(Prev. rep. Presidential Election, 10790 C; Dr. Kekkonen, 14073 A.)**

B. BRAZIL. — Ending of State of Siege.

The state of siege in Brazil, proclaimed on Nov. 25 in order to prevent action being taken to impede the inauguration of Señor Kubitschek as President, was ended on Feb. 15 under a Bill signed by President Kubitschek.—(New York Times) **(Prev. rep. 14704 B.)**

C. OBITUARY. — Lord Trenchard.

Marshal of the R.A.F. Lord Trenchard, the principal architect of British air power and creator of the Royal Air Force in its present form, died in London on Feb. 10, aged 83.

Hugh Montague Trenchard was born on Feb. 3, 1873, the son of an Army officer (Capt. Henry Montague Trenchard) descended from an old Dorset family Unsuccessful in the examinations for Woolwich and Dartmouth, he entered the Army in 1893 (being subsequently commissioned in the Royal Scots Fusiliers) and served for the following 20 years on the North-West Frontier, in the South African War (in which he was severely wounded), and in West Africa

After being invalided home from Nigeria in 1912 he became interested in aviation, qualified as a pilot and a flying instructor, and on the outbreak of war in 1914 was seconded from the Royal Scots Fusiliers to the Royal Flying Corps, then part of the Army. Eight months later he was appointed to the command of the R F.C. on the Western front, and quickly won a reputation as a distinguished and aggressive commander His primary objective—the attainment of decisive air superiority over the enemy—was achieved before the battle of the Somme. and from that time onwards the R F.C. maintained a supremacy in the air which, in spite of shortcomings in aircraft production and design, it held until the end of the war

In January 1918—in which month he was awarded the K.C.B — Sir Hugh Trenchard was recalled to London to become the first Chief of the newly formed Air Staff, following the creation of the Royal Air Force through the merger of the R.F.C. and the Royal Naval Air Service He resigned a few weeks later owing to differences of opinion with the Secretary of State for Air, Lord Rothermere, but in August 1918 was appointed to the command of the projected Inter-Allied Independent Air Force and made responsible only to the Supreme Allied Commander, Marshal Foch. Owing to the German surrender three months later, however, this new air force was not created. [The Allied war plans of 1918 had envisaged the creation of an Independent Air Force, with large contingents of bombers from all the principal Allies, to carry out a heavy air offensive against Germany in 1919 if the war continued into that year.]

Sir Hugh Trenchard, whose war services were rewarded by a baronetcy and a grant of £10,000 by the House of Commons, was reappointed Chief of Air Staff in 1919 by Mr. Winston Churchill, who then held the portfolios of War and Air in Mr. Lloyd George's Coalition Cabinet During the ten years in which he held that post (1919-29) he laid the foundations of the R A F in its present form, and established the organization which enabled it to play its outstanding role in the Second World War. Among the innovations carried out by him while Chief of Air Staff were the short service commission, the auxiliary squadrons, and the university air squadrons He had been made an Air-Marshal in 1919, an Air Chief Marshal in 1922, and the first Marshal of the R.A F. in 1927, and received a viscounty in 1930 after his retirement.

In 1931 Lord Trenchard became Commissioner of the Metropolitan Police, a post he held until 1935. In this capacity he carried out a number of important reforms—the "Trenchard reforms," embodied in the Metropolitan Police Act, 1933—which included the creation of the Police College at Hendon, the short-service scheme for recruiting police on a 10-year engagement, and the extended application of scientific methods to police work. On leaving the police service he became chairman of the United Africa Company, a position he held from 1936 to 1953.

Lord Trenchard held many British and foreign honours, and was a member of the Order of Merit. He was the founder of the R A.F. Benevolent Fund, which, since its establishment in 1919, has disbursed over £6,000,000 for the relief of distress among members of the R A F and their dependants He was succeeded in the viscounty by his second son, Capt Thomas Trenchard (32). His elder son, Hugh Trenchard, was killed in action in North Africa in 1943.

The ashes of Lord Trenchard were interred on Feb. 21 in Westminster Abbey, being buried in the Royal Air Force Chapel. The funeral service, conducted by the Archbishop of Canterbury, was attended by the Duke of Edinburgh (representing H.M. the Queen), Queen Elizabeth the Queen Mother, Sir Anthony Eden and other Ministers, Sir Winston Churchill, leaders of the armed forces, the Commonwealth High Commissioners, and foreign Ambassadors.

(Times - Daily Telegraph - Manchester Guardian)

D. GEOGRAPHY. — Ojos del Salado found to be Highest Peak in Western Hemisphere.

A Chilean Army expedition which had climbed the Andean peak of Ojos del Salado, in northern Chile, reported on Feb. 7 that it had been found to be higher than Aconcagua, hitherto believed to be the highest peak in the Western hemisphere. Ojos del Salado (some 280 miles south-east of Antofagasta) was previously thought to be about 22,550 feet high, but was now reported to be at least 23,293 feet, compared with the 23,080 feet of Aconcagua. (New York Times)

E. UNITED KINGDOM. — January Trade Figures.

Imports into the United Kingdom in January totalled £346,300,000, exports £257,900,000, and re-exports £14,200,000, the adverse trade balance thus amounting to £74,200,000. (Board of Trade Journal) **(Prev. rep. 14700 E.)**

A. UNITED KINGDOM. — Inland Waterways. - £5,500,000 Development Plan. - Committee of Inquiry into Future of Inland Waterways.

The general manager of the inland waterways division of the British Transport Commission (Sir Reginald Kerr) announced on Jan. 19 that, unless tighter Government control of capital expenditure intervened, the Commission planned to spend £5,500,000 during the next five years on developing the principal inland waterways.

Sir Reginald said that development would be concentrated on 325 miles of the seven wide waterways which carried substantial traffic and offered scope for commercial development Although these seven waterways represented only 15 per cent of the total mileage of inland waterways vested in the Commission, they had carried 8,194,000 tons of goods in 1954, or two-thirds of the total canal traffic. Estimated expenditure would be as follows:

	Tonnage passing in 1954 Tons	Proposed expenditure £
Aire and Calder Navigation Canal	2,581,150	765,000
Sheffield and South Yorkshire Navigation	941,250	614,000
River Trent	715,390	595,000
River Weaver	626,110	387,000
Grand Union Canal (below Berkhamsted)	736,150	1,396,000
River Lea (below Enfield Lock)	2,096,280	852,000
River Severn (including Gloucester-Berkeley Canal)	497,790	891,000
Total	8,194,120	5,500,000

Even in their present state, Sir Reginald stressed, these waterways had shown "a substantial and progressive increase in traffic since 1949," about 350,000 tons more having been carried in 1954 than in 1953 Although the Commission's fleets of barges and those of private traders were being modernized and extended, the canals were not being used to their full extent, and the Commission was "doing everything possible to attract traffic" and would "welcome private enterprise" Much of the work under the plan was essential maintenance and would be started immediately, but those parts which involved capital expenditure would be subject to considerations of the national investment policy and would be put in hand as economic conditions permitted

The greatest expenditure (£3,345,000) would be on bank protection and navigation works (necessitated by the effect of the general use of powered craft), followed by widening of locks (£1,105,000), additional dredging craft and plant (£636,000), and modernization of workshops and premises (£414,000) The plan did not include the improvement of carrying craft, warehouses, etc , for which schemes totalling £500,000 had already been announced in respect of the Trent and the Aire and Calder waterways, with many other smaller projects authorized.

Sir Reginald added that the remaining 994 miles of "narrow" waterways which the Commission considered worth retaining for transport purposes (and all of which were at present open for navigation) would have improved maintenance, whilst further narrow boats would be brought into operation

The Minister of Transport and Civil Aviation (then Mr. Boyd-Carpenter) stated in a parliamentary written answer on Nov. 16, 1955, that complete information about the tonnage carried on inland waterways was not available. Figures for the majority of canals and inland waterways (excluding estuarial rivers and the Manchester Ship Canal) were as follows: 1938, 12,952,000 tons; 1948, 12,218,000 tons; 1950, 12,817,000 tons; 1951, 13,341,000 tons; 1952, 13,430,000 tons; 1953, 13,714,000 tons; 1954, 13,253,000 tons; 1955 (to Sept. 11), 8,950,000 tons (estimated).

The terms of a private Bill authorizing the British Transport Commission, after consultations with interested parties, to prepare a scheme for the extinguishment of navigational rights on the Kennet and Avon Canal between Reading and Bath (as had been recommended by the Board of Survey of Canals and Inland Waterways, (see 14316 A) were published on Dec. 3, 1955.

The proposed closing of the canal had aroused strong public opposition, and on Nov 25 a meeting at the House of Commons—attended by M P s of all parties, as well as representatives of local authorities, industrial firms, yachtsmen, and other canal users—passed a resolution demanding an impartial public inquiry into "the best method of administering navigable waterways so as to retain, restore, and develop them for commercial and recreational navigation and at the same time promote . . . their uses for water supply, land drainage, angling, and as rural and urban amenities"

A petition to H M the Queen, bearing over 20,000 signatures and urging that the Kennet and Avon Canal should be preserved, was despatched from Bath to London *via* the canal on Jan. 16, and presented to the Minister of Transport on Jan. 28

Mr. Watkinson, the newly-appointed Minister of Transport and Civil Aviation, announced in the House of Commons on Feb. 1 that, in view of the interest aroused by the report of the Board of Survey appointed by the B.T.C. in 1954 (see 14318A), the Government had decided that there was need for a further inquiry on a broader basis, and had accordingly appointed an independent committee under the chairmanship of Mr. Leslie Bowes, managing director of the Pacific Steam Navigation Company.

The committee was given the following terms of reference: "To consider and report on the future of the country's system of inland waterways and to make proposals for any measures necessary to achieve (i) the maximum economic use of the system, (ii) the future administration of and financial arrangements for such inland waterways as cannot be maintained economically for transport purposes, having regard in particular to the requirements of public health and safety and to the facilities which these waterways can provide for purposes other than transport, such as recreation, water supply, land drainage, and disposal of effluents, and (iii) the conversion of canal sites to other purposes when this is considered desirable and practicable. To consider the present law relating to the closing of waterways to navigation, and to make recommendations"

The other members of the committee, apart from the chairman, were: Mr. John Corbett, partner in Peat, Marwick, Mitchell and Co., chartered accountants; Mr. G. C. Godber, Clerk to the Shropshire County Council; Mr. H. E. Hopthrow, assistant secretary, Imperial Chemical Industries; Mr. W. A. Muddell, chairman, Land Drainage Committee, River Boards Association; Mr. Francis Ritchie, a member of the National Parks Commission; Mr. Michael Rowe, Q.C.; and Mr. John Wilson, general manager and secretary, Clyde Navigation Trust.—(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 14318 A.)

B. LONDON. — The Elephant and Castle Scheme.

A scheme to convert the Elephant and Castle area, badly bombed during the war, into "the main commercial, shopping, and entertainment centre" of South London was sanctioned by the London County Council on Feb. 7. The total cost will be about £15,000,000 (much of which is expected to be provided by private enterprise), and the whole project is estimated to take 10 to 15 years for its completion. During the next five years the L.C.C. will spend about £3,500,000 on acquiring 30 acres for redevelopment.

The scheme, as approved by the L C C. Town Planning Committee, includes the construction of two traffic roundabouts; extensive road-widening and road-improvement works, involving the conversion of Newington Butts into a four-stream traffic road; new shopping centres, including a 17-storey building, a pedestrian concourse; and pedestrian subways No decision has been taken about the Elephant and Castle public house (from which the area gets its name), but it is expected to be re-sited on one of the roundabouts The area is at present one of the most congested traffic centres in London, being at the intersection of the approaches to six Thames bridges and several main roads to the south

It was stated at County Hall that the scheme would be the biggest of its kind to be undertaken by the London County Council since the redevelopment of Kingsway.

(Times - Daily Telegraph)

C. INTERNATIONAL TIN AGREEMENT. — Ratification by Majority of Producing and Consuming Countries. - Agreement in Force.

The Indonesian Parliament on Feb. 1 approved the ratification by Indonesia of the International Tin Agreement, thus completing the necessary action by a sufficient number of producing and consuming countries for the agreement to be brought into force.

The agreement had earlier been ratified by Canada (Sept 13, 1954); Denmark (Nov. 19, 1954); Australia (Nov 20, 1954); the United Kingdom, and also by the U K on behalf of Malaya and Nigeria (Dec. 15, 1954), Bolivia (Dec 29, 1954), India (Jan. 15, 1955); Ecuador (March 7, 1955); Belgium, and also on behalf of the Belgian Congo and the Trust Territory of Ruanda-Urundi (May 16, 1955); Spain (June 7 1955); France (Sept. 16, 1955), and the Netherlands (Nov. 5, 1955)

Dr. Walter Hallstein, State Secretary in the Federal German Foreign Ministry, had announced on Sept. 23, 1954, that the German Federal Republic had decided not to join the International Tin Agreement for the time being because she thought that consumer countries' interests were insufficiently represented.—(International Tin Council, The Hague - Indonesian Embassy Press Dept., London - Financial Times)

(Prev. rep. 13710 A.)

D. WORLD FEDERATION OF TRADE UNIONS. — Headquarters to be transferred to Rome.

Following the Austrian Government's decision to withdraw legal recognition from the Vienna headquarters of the World Federation of Trade Unions, the Federation's secretariat announced on Feb. 6 that it would transfer its headquarters to Rome. At the same time it issued a protest against the Austrian decision, alleging that it was based on the despatch from Vienna of letters and literature which bore the Federation's name without its authority and were "crude falsifications."

(Le Monde, Paris) **(Prev. rep. W.F.T.U., 14703 C.)**

A. MIDDLE EAST.—Arms Supplies to Middle Eastern Countries. - British White Paper on Surplus Arms Shipments. - House of Commons Debate. - Mr. Lester Pearson on Canadian Shipments. - U.S. Tank Shipment to Saudi Arabia. - Ban on Swiss Arms Shipments.

A White Paper (Cmd. 9676) on the export of British war surplus material, dealing especially with recent shipments of reconditioned British tanks from Belgium to Egypt, was published on Jan. 19. Concern about such shipments had been voiced in Britain when it was reported on Dec. 21 that an Egyptian cargo ship, the *El Kahira*, had sailed from Antwerp on that date with a cargo of British war surplus tanks. On the same day Customs officers at Cardiff detained 35 railway wagons containing several hundred tons of steel tank tracks, understood to be Army surplus, which were in transit to Belgium. It was subsequently announced on Jan. 13 that this consignment had been seized.

In a parliamentary written answer on Dec. 12, Mr. Turton (then Under-Secretary, Foreign Office) stated that the Government had received reports that some equipment, for which export licences had been granted on the understanding that it would be used for civilian purposes, had been reconditioned and re-exported as war material, and that the Government was taking measures to prevent this evasion. On Dec. 31 the Foreign Office announced that no export licences were now being granted for the export of surplus war material, and that licences had not been issued for the export of any significant quantities of surplus war material for several months; the announcement added that during this period no licences had been issued for tanks. A spokesman of the Belgian Foreign Ministry had stated on Dec. 29 that talks between the British and Belgian Governments on the export of disused war material had been going on for some time.

Mr. Hugh Gaitskell, Leader of the Opposition, accompanied by two other members of the Labour "shadow Cabinet," Mr. Robens and Mr. Younger, called at 10, Downing Street on Jan. 2 to discuss with Sir Anthony Eden and other Ministers the export of surplus war stores and the Government's policy of exporting arms to the Middle East. Mr. Gaitskell pressed for the issue at the earliest possible moment of a White Paper disclosing in full the facts of the situation. Meanwhile, he asked specifically that, in addition to the suspension of export licences for surplus war material, the actual exports should be completely banned, and that the Belgian Government should be invited to take similar action immediately. He also asked that the matter be debated in Parliament before the Prime Minister and the Foreign Secretary left for Washington at the end of January.

A statement issued from 10, Downing Street before the meeting reiterated the Government's intention to do all in their power to prevent an arms race in the Middle East "whatever the source of supply." It said that no licences would be granted to private dealers for the export of war materials which might be reconditioned and re-exported as weapons of war, unless the Government of the country of destination was prepared to give a guarantee against this happening.

The Government's White Paper, which was concerned solely with exports of surplus war materials by commercial firms in Britain to commercial firms abroad, showed that in the ten years 1945-55 over £800,000,000 of "surplus" had been disposed of—some £675,000,000 in the four years 1945-49. Of the total, about £300,000,000 worth had been disposed of overseas, of which the total value of the *Sherman* and *Valentine* tanks which had given rise to the recent public concern amounted to some £200,000. Other points from the White Paper are summarized below.

Government Policy. The White Paper began with a statement of Government policy, worded as follows: "The general policy of H.M. Government on the sale of arms is primarily governed by political and strategic considerations; only when these have been satisfied are economic considerations—i.e. the contribution of arms sales to export earnings—taken into account

"In respect of the Middle East, the policy is governed by the Tripartite Declaration of 1950. This Declaration acknowledges the right of the Arab States and Israel 'to maintain a certain level of armed forces for the purposes of assuring their internal security and their legitimate self-defence, and to permit them to play their part in the defence of the area as a whole' H.M. Government have supplied, and continue to supply, strictly limited quantities of arms in accordance with this Declaration. On this, as on other matters arising from the Declaration, they are in close consultation with the co-signatories (the United States and France) and also, as occasion arises, with other friendly countries who may be potential suppliers There are many foreign countries which supply arms, and it will be realized that not all of them take the same view of their international responsibilities as the U.K. and her allies. For their part H.M. Government have tried, and will continue to try so far as lies within their power, to prevent an arms race in the Middle East

"Subject to these considerations and to their obligations under the Tripartite Declaration, it is the policy of H.M. Government to supply, or to authorize manufacturers in the U.K. to supply, reasonable quantities of military equipment to Middle Eastern countries Spares are also supplied for the maintenance of equipment already exported under Government authority. (Among such supplies of spares are those recently reported as having been shipped from Liverpool in the *Star of Suez*.) It has been the policy of successive Governments not to disclose details of authorized exports of military equipment to foreign Governments, whether in the Middle East or elsewhere The present document, therefore, is concerned solely with exports of surplus war material by commercial firms in this country to commercial firms abroad.

"Since the war millions of tons of surplus obsolete and worn-out material of every description have been disposed of in this country and in the various theatres of war abroad, both by ourselves and by our allies. Most of the equipment was sold in 1946. 1947, and 1948 The process is still going on. and will continue as re-equipment progresses and Service requirements change, but on a smaller scale, as the large stocks left over from the war are now virtually exhausted. . . ."

Demilitarization of Equipment. The White Paper stressed that no surplus field, anti-aircraft, anti-tank, or naval guns had been disposed of to private traders except as scrap Before disposal, the breech-block (which carries the firing mechanism) was removed and made unusable, and the breech-ring was also cut so that even if breech-blocks could be obtained elsewhere, the guns would still be useless All the guns were sold subject to an obligation on the buyer to melt them down and furnish a certificate that this had been done. Automatic weapons were crushed in Army depots for sale as scrap, non-automatic rifles, small arms, and their ammunition were sold only to registered dealers, and other ammunition was either broken down or destroyed. Tanks, armoured cars, etc, had any automatic or light weapons, wireless, and periscopes removed. and the breech-blocks were taken out of the heavy guns before the vehicles were sold Combat aircraft were only sold to private persons under a contractual undertaking to reduce them to scrap or spares The effect of these various measures was "to render all such equipment unserviceable as weapons of war without major repairs at a cost which would be out of all proportion to the military value of the reconditioned article"

Export Control Machinery. Applications for licences to export military material had to state the proposed destination and use of the goods, the name of the foreign buyer, and the nature of his business. They were then passed, through an inter-Departmental Committee under Ministry of Defence chairmanship, to all the Departments which might have an interest in the transaction on foreign policy, strategy, supply, or economic grounds, to ensure that licences were granted in accordance with Government policy The Board of Customs and Excise were then responsible for seeing that goods subject to export licensing were not exported unless the necessary export licence had been issued.

Recent Transactions. *Shervicks.* These were former *Sherman* tanks converted into heavy-duty "crawler" tractors by stripping them of their upper armour and otherwise modifying them so that they were "of no more military use than an ordinary heavy farm tractor" Some of the parts might be of use for military purposes, but *Sherman* tank spares could in any case be obtained in many foreign countries. The *Shervick* had been designed for, and used by, the Overseas Food Corporation in place of heavy tractors (which were not then available) for the purpose of the East African groundnuts scheme. When this scheme was abandoned, 51 *Shervicks* were sold to the Israeli East African Purchasing Organization, the Israeli Government had stated that they were still in the hands of the Government-sponsored organization which took delivery of them in the first instance, and were all still in use in connexion with agricultural projects A further 398 *Shervicks*, sold to the Belgian firm of Jef Peeters et Fils, had been shipped to Belgium in 1954 and 1955, and the Belgian Government had given an assurance that they would not permit them to be exported from Belgium to any non-NATO country, either in the form of tractors or as spares

Sherman Tanks A licence had been issued in February 1954 to the British firm of Rotinoff Construction Ltd for the export of 54 demilitarized *Sherman* tanks to the French firm of *Societé Aero-Marine* In support of their application, the exporters had stated in writing that their clients had informed them that the tanks would be broken down for scrap and that the engines would be reconditioned and offered for re-sale A further licence had been issued to Rotinoff Construction Ltd in November, 1954, for the export of 55 more demilitarized *Shermans* to the same firm. In applying for this licence the firm had produced a letter from their clients which stated, *inter alia*. "We again confirm that this entire transaction has been authorized by the French Government and will be under special supervision by the French Customs authorities." A letter from the French firm had also stated that the 54 demilitarized tanks previously delivered were being dismantled.

In March, 1955 (the White Paper continued) information had been received from the Middle East of the despatch of 55 *Sherman* tanks to Israel from France This had immediately been investigated in co-operation with the French Government, who had stated on March 25 that some 50 *Shermans* had passed in transit through Cherbourg from the United Kingdom. As this did not correspond with the conditions under which export from the U.K. had been authorized, the French authorities had been asked to make further inquiries and to ensure that the tanks were not being reconditioned in France for re-export As a result of enquiries, the French Government stated on July 8 that the tanks had not been reconditioned in France but that some of them had gone on to Israel Meanwhile, in May 1955, Messrs Rotinoff had been advised by H.M. Government that no more exports of *Shermans* to the French firm would be permitted.

Valentines. After emphasizing that the term "Valentine tank" had been variously applied to the tank itself, to a self-propelling gun adapted from the tank, and to a bridge-laying vehicle, the White Paper said that no *Valentine* tanks, as such, had been sold since January 1948, except four to Australia However, 468 self-propelled gun-mountings, with their breech-blocks and detachable equipment removed, had been sold in the U.K in January 1955.

In May 1955 a licence had been issued to a Mr J Dawson-Ellis, of London, authorizing the export to Jef Peeters et Fils of "100 used Valentine self-propelled mountings for tractors," the exporters stating in support of their application that the machines were to be used for heavy haulage work. These had subsequently been shipped to Belgium, and on July 21 H.M. Government had been notified by the Belgian Government that the latter had issued a licence for the export from Belgium to Egypt of 100 demilitarized *Valentines*, described by the Belgians as "tanks bought in the U.K." The Belgian Government had stated that they could not revoke this licence, but would consult H.M. Government before approving any future exports of this kind. At that time the U.K Government had been considering an earlier request from the Egyptian Government for "100 demilitarized *Valentines*" from the U.K. as personnel carriers. In view of the Belgian Government's statement, it had been decided to refuse the export of demilitarized *Valentines* to Egypt from the U K , but not to prevent the shipment to Belgium of the remaining 15 *Valentines* covered by the export licence The Belgian authorities had since stated that these 100 *Valentines* had been imported into Belgium as "demilitarized tanks suitable for tractors" and that, both when they were imported and when they were re-exported, they had had guns but no breech-blocks or gun-sights.

Earlier, in March 1955, an export licence had been issued to a Mr. Cockerill of the Trading and Shipping Company (London) Ltd authorizing the export to *Etablissements Van Heyghen Frères* (Ghent) of 4,000 tons of "scrap armoured vehicles and parts relative thereto." The applicant had stated in a letter, accompanied by an official Belgian import certificate, that the equipment would be broken up on arrival in Belgium and scrap metal recovered from it. Shipments, which had taken place between March and October 1955, had included 259 *Valentine* self-propelled mountings, 146 of which were said to have had engines and gearboxes and 113 to have been without them In November and December information had been received that the *Valentines* exported from the U K. under the licence might be re-exported to Egypt, and the licence was therefore revoked as a precautionary measure on Dec. 12 The Belgian Government had since confirmed that 51 old and demilitarized *Valentines* had been received in Belgium under this licence and had subsequently been re-exported. These, said the White Paper, were the vehicles which were shipped in the *El Kahira* in December.

The White Paper then referred to the 400 tons of tank tracks seized by the Customs authorities at Cardiff, but withheld any further comment on the matter as the case was still *sub judice*

Aircraft. Seventy-three surplus *Mosquito* aircraft, with all their armament removed, had been sold by the Admiralty in 1953 to a Mr Short without the usual undertaking to reduce them to scrap or spares Licences to export 20 of these aircraft to Israel had been issued , the remainder were still in the U K., and a number of them had been scrapped by Mr Short.

Action by H.M. Government. From the time when doubts were aroused in July 1955 about the destination of the *Valentines* exported to Belgium, the U K Government had not issued any licences for the export of significant quantities of surplus war material to private dealers on the Continent unless the Governments of the countries concerned furnished H.M Government with a guarantee against re-export. Four applications had been received in August for the grant of licences to export various quantities and types of surplus war material to Belgium, but the Belgian Government had not felt able to give an assurance that they would not be re-exported. Three of the applications had therefore been refused, the fourth having meanwhile been withdrawn

A licence had been issued in October for the export to Holland of 8,000 tons of armoured fighting vehicle spares for use with agricultural tractors and for other civil purposes. This application had been granted on an undertaking from the Netherlands Government that the goods concerned would be prevented from leaving Holland in a form in which they could be used for military purposes.

Since Dec. 5 all outstanding licences to export armoured vehicles and spares and other munitions of war had been reviewed by the Inter-Departmental Committee referred to above Ten licences had been revoked as a precautionary measure, and the firms concerned had been asked to re-submit their applications, if they so desired.

The White Paper rejected a suggestion that the only really effective way of preventing the "remilitarization" of war material was to ensure that nothing was sold as surplus unless it had been so mutilated before sale that it was incapable of restoration This, it pointed out, could only be done at a great cost in money and manpower, and at a great waste of material of potential civilian use The Government believed that the better course was to permit the export of demilitarized vehicles or weapons only when the Government of the country of destination was willing to give a guarantee that the material would not be re-exported in a condition fit for use as weapons of war. Experience had shown that, without an agreed international system of control and elaborate machinery to enforce it at home and abroad, assurances about ultimate destination from the U.K. exporter, based on statements furnished by the foreign importer, did not of themselves afford an adequate safeguard.

The White Paper concluded: "H.M. Government deprecate the fact that surplus war material originating in the U.K. has indirectly found its way to the Middle East . . But from the exhaustive enquiries which they have made, they are satisfied that these have in no way disturbed the balance between the relative strengths of the parties concerned. All that these investigations have revealed is that between 50 and 100 old *Sherman* tanks, without breech-blocks, which had been licenced for export to France (a co-signatory of the Tripartite Declaration) have reached Israel and that 151 old *Valentine* self-propelled mountings, without breech-blocks, which had been licenced for export to Belgium, have reached Egypt. It can thus be fairly said that the surplus war material which is known to have found its way indirectly to Egypt and Israel in the course of the last year has been not only relatively small in quantity but obsolete, ineffective, and unreliable for war."

The French Foreign Ministry, in a statement on Jan. 20, took exception to the implication in the White Paper that the French Government had in any way been responsible for the re-export of 55 *Sherman* tanks to Israel.

The statement said that the Foreign Ministry could not agree with the White Paper's interpretation of the facts, and insisted that the import into France of the material in question had been quite regular and had been accomplished under conditions which could leave no doubt about its final destination The French firm of Aero-Marine had been given a licence explicitly for the import of the tanks and their re-export in their existing state, and it was after the granting of that licence that the British authorities had, in their turn, issued an export licence. The affair was simply one of ordinary transit, and as such could meet with no objection on the part of the French authorities.

A Foreign Office spokesman in London, amplifying the White Paper's account of the tank shipment to France, said that when the export licences were granted the exporters had produced what were taken to be French import licences, but were in fact French re-export licences. It might be that these French licences should have been more carefully scrutinized, but they had been accompanied by written assurances that the tanks would be scrapped, and in one case by an assurance that the entire transaction had been authorized by the French Government

The matter was debated in the House of Commons on Jan. 24—the day that Parliament reassembled after the Christmas recess, and immediately before the Prime Minister and Foreign Secretary left for their discussions in Washington. After Sir Walter Monckton had reviewed the position as outlined in the White Paper, the Leader of the Opposition criticized the Government's handling of the case.

Mr. Gaitskell, making his first major speech as Leader of the Opposition, referred to the matter as "an extraordinary picture of confusion and incompetence," and said that Labour did not criticize the disposal of surplus stores as such but complained that surplus arms had gone to the Middle East at an extremely dangerous time through "lax administration." Many questions remained to be answered about the "administrative weaknesses and blunders" . for example—Why, when British industry was desparately short of scrap and when large imports were necessary, were export licences for scrap granted? Were proceedings being taken against any of those concerned for making false declarations?

On the Middle Eastern situation generally, Mr. Gaitskell said that the Czech deliveries of arms to Egypt had profoundly changed the position as a whole. He found it extremely surprising that a Government whose Foreign Secretary made such bitter complaints against the Russian intervention should nevertheless have made it so much easier for the Egyptians to pay for those arms by doubling the rate of release of sterling balances. The Russian intervention had seriously tilted the balance of power in the Middle East in favour of the Arab States, and two grave dangers emerged as a result · the Arabs were bound to be encouraged to hope that in the not very distant future they would have their revenge by a war to eliminate Israel; and the Israelis, realizing that the balance was tilted against them, might be tempted to take preventive action.

Mr. Gaitskell suggested that three steps should be taken in the present situation. (1) The Russians should be asked "formally and openly" whether they would join in discussions to safeguard the peace between Israel and the Arab States; if they agreed, it would mean that they would have to give up the type of intervention on which they had embarked, and if they refused, "we should know better where we stood" (2) There should be immediate talks between the signatories of the Tripartite Declaration of 1950 [i e. the U.S.A., Britain, and France] on how it could be implemented. (3) The Government should invite Russian co-operation in preserving peace, and General Burns should be asked whether it would assist him in maintaining peace on the frontiers if there was a small international force at two or three points. Finally, a long-term settlement should be worked out covering such matters as the resettlement of refugees, the rectification of frontiers, and economic aid for the development of the whole area.

Mr. Selwyn Lloyd (Foreign Secretary), replying to the debate, said that no proceedings were contemplated with regard to the *Sherman* tanks exported to France, because there were no grounds for suspicion that the British firm had acted otherwise than in good faith. With regard to the *Valentines*, however, the question of proceedings was under consideration. There was no trace of any private trading in breech-blocks.

With regard to the supply of arms generally to the Middle East, the Foreign Secretary said that the Government's critics seemed to believe that it lay within the power of Britain to control or prevent the traffic in arms. That was not the case, because there were many other countries willing and anxious to supply arms to the Middle East. He recognized that the Russian arms deal had changed the situation and that in the course of time it would tilt the balance.

With regard to Mr. Gaitskell's second point, the signatories of the Tripartite Declaration had in fact discussed the situation both at the United Nations and subsequently at Geneva. An approach had been made at more than one level to the U.S.S.R., but the Russian answer had always been unpromising.

In conclusion, Mr. Lloyd said that if Britain were to supply to Israel quantities of arms equivalent to those supplied by the U.S.S.R. to the Arab States, the Soviet Union would at once supply more to the Arabs, and the result would be that Israel would be ringed round by Arab States armed to the teeth with Soviet arms. There would be no security for Israel in such a situation, which would be highly dangerous to the world. The better course was to try to persuade the Arab States of the grave dangers which they incurred in becoming dependent on Soviet arms, and to point out the risks they ran by further deals of this sort. "We must try to keep the peace on the frontiers and to continue trying to get negotiations going, at the same time watching the situation carefully, pointing out that quality as well as quantity mattered."

Referring finally to the Tripartite Declaration, Mr. Lloyd denied that it constituted a permanent guarantee of the present frontiers of Israel. He pointed out that the declaration said that any attempt to change the present frontiers or the armistice lines "by force" must be dealt with in the way stated, and emphasized that the Government intended to honour Britain's obligations under the declaration "in the spirit and the letter."

Other recent developments in connexion with arms shipments to the Middle East are described below.

Canadian Arms Shipments. The Canadian Minister of External Affairs (Mr. Lester Pearson) stated in the Canadian House of Commons on Jan 24 that the warlike stores exported by Canada to Israel in 1955 had amounted to $1,332,110, an increase of some $596,536 over 1954, whilst those exported to Egypt (consisting mostly of *Harvard* training aircraft and spare parts) had amounted to $770,825, an increase of $770,529. Shipments had included 25-pounder guns and accessories; tracks and spare parts for *Sherman* tanks; 3·7 in anti-aircraft guns, with accessories, spare parts, and ammunition, and small quantities of 75 mm. shells and anti-tank equipment. Israel had been the main recipient of the tank tracks and spare parts, which would be used only for servicing that country's existing stock of tanks. Mr. Pearson said that he was reluctant to make available to the public exact inventories of these stores, as Israel might feel that her security was being prejudiced. He emphasized also that the figures mentioned related to exports which had been approved, and that requests for similar stores, many times as great, had been rejected. On the question of dismantled parts of field artillery weapons which might be sold separately outside Canada by trading firms, Mr. Pearson said that there were procedures affecting the control of these items, but they did not constitute an effective control system. Nevertheless, a check-back to the beginning of 1952 had revealed that any gun barrels or breech-blocks disposed of in the form of scrap had been mutilated before delivery.

On the general question of arms shipments to the Middle East, Mr. Pearson pointed out that no embargo had been laid down by the U.K., France, and the U.S.A. Canada had followed the arms supply policy of the three Powers towards this sensitive area; moreover, there had been consultation and exchange of information about orders and requests with the Governments that had responsibilities in these fields, except in the case of insignificant orders. The Egyptian orders for *Harvards*, for example, had first been discussed with Britain and the U.S.A., and neither country had raised any objections. Egyptian inquiries about the supply of F-86 jet fighters had, however, been turned down.

Finally, Mr. Pearson said that his talks with Egyptian and Israeli leaders had left him with the impression that there was a basic desire on both sides for peace, which was indispensable for social and economic progress. An essential requirement for peace, however, was that the Arab States should recognize the legitimate and permanent existence of Israel. As a step towards Canada's "equal" attitude in the Middle East, Mr Pearson stated that he hoped soon to visit Israel [where he had not gone on his recent tour—see 14630 C].

The Canadian Government placed an embargo on all arms shipments to the Middle East on Jan 20, but lifted it again on Feb. 6.

U.S. Shipment of Tanks to Saudi Arabia. A number of protests were made in Congress following the disclosure by the State Department on Feb. 16 that the U.S.A. had sold 18 modern light tanks to Saudi Arabia. The tanks—which were being loaded on the s.s. *James Monroe* at New York when the announcement was made—were M-41 Walker "Bulldogs," which carry a 76 mm gun and machine-guns, and have a speed of 40 m.p.h. As a result of the opposition aroused, the shipment of all arms to the Middle East was temporarily suspended on Feb 17, but this decision was reversed on the following day and the *James Monroe* sailed on Feb 20 with the 18 tanks aboard. The Israeli Ambassador in Washington, Mr. Eban, denounced the shipment as "a regrettable departure" from the announced U.S. policy of trying to maintain an arms balance between Israel and the Arab States.

An explanatory memorandum on the shipment, issued by the State Department on Feb 18, noted that while the three Western Powers, under the Tripartite Declaration of 1950, were opposed to the development of an "arms race" in the area, they recognized that the Arab States and Israel all needed to maintain armed forces for purposes of legitimate self-defence and for the defence of the area as a whole. During recent years they had made many requests for U.S. arms, which had been scrutinized in the light of all the circumstances, including their justification within the framework of tripartite policy. Limited deliveries had been authorized from time to time for Israel and the Arab countries, but a U.S. export licence was required in every instance.

The memorandum explained that purchases of arms and military material could be made either through ordinary commercial channels or from the Government under the provisions of the Mutual Defence Assistance Act, and that they required an assurance from the purchasing country that they would be used only for internal security or self-defence. Since August 1955 the U.S.A. had authorized licences for arms exports to the Middle East involving a total of less than $16,000,000. A large proportion of these orders had been for spare parts and other technical equipment, and much of it had already been shipped; all outstanding licences, including the Saudi Arabian shipment, fell within this total. This, however, represented only a fraction of the large orders for U.S. arms placed by Middle Eastern countries within the past year, totalling some $150,000,000.

The Saudi Arabian Government, stating that it had no tanks, had asked the U.S.A. in April 1955 to sell a limited number for training purposes. After several months of negotiations, the sale of 18 tanks had been agreed upon last August, and full payment for them (at $135,000 each) had been made in November. The transaction had been subjected to the closest scrutiny in the light of the Tripartite Declaration and also of the "general discussions" with Saudi Arabia during the negotiation of the 1951 agreement. [Under this agreement the U.S.A. had undertaken to sell arms and defence material to Saudi Arabia, and to provide military training in the use of equipment purchased, in return for the continued use of the Dhahran air base—see 11609 B.] The memorandum added that outstanding requests for arms which had not yet been approved would continue to be subjected to "the most careful scrutiny" in the context of the three-Power declaration and the applicable Acts of Congress.

Suspension of French Shipments of Light Arms. It was announced in Paris on Feb 17 that the French Government had decided to suspend all shipments of light arms and ammunition to Arab countries. Though no official reason for this action was given, it was believed to be designed to prevent the smuggling of such weapons to Algeria, Tunisia, and Morocco, where they might be used against the French security forces. Heavy arms were not affected by the embargo, as the possibility of smuggling them was much less.

U.N. Report on Western Arms Shipments. The U.N. Commodity Trade Statistics, published on Jan. 27, showed that in the 4½-year period ending in mid-1955, $22,000,000 worth of arms (including tanks, but excluding aircraft) had been shipped by Western countries to Israel and the Arab countries. The total—which did not include Britain's supply of arms and equipment to Jordan, or the arms left in Egypt when British troops began their withdrawal from the Canal Zone—included British and U.S. sales totalling $1,763,000 to Israel and $6,708,000 to Egypt, Iraq, Lebanon, Saudi Arabia, and Syria. British shipments had amounted to £625,000 to Israel, £1,232,500 to Iraq, £502,140 to Egypt, £260,710 to Syria, and £259,300 to Lebanon. Apart from the U.S.A. and Britain, Belgium, Canada, Denmark, Finland, Western Germany, Italy, Luxemburg, and Sweden had supplied arms to the Middle Eastern countries. French shipments were not listed in the report.

A Swiss Government spokesman stated on Nov. 21 that for the time being no export permits would be granted for arms deliveries to the Middle East, in conformity with the Swiss policy of not sanctioning the sale of arms to areas where tension might give rise to the possibility of armed conflict.—(Cmd. 9676 - Times - Daily Telegraph - Manchester Guardian - New York Times - Montreal Star - Le Monde, Paris - Neue Zurcher Zeitung)
(Prev. rep. 14646 A; 14643 A; 14548 A.)

A. WESTERN GERMANY - UNITED STATES. — Atomic Energy Co-operation Agreement.

It was announced in Bonn and Washington on Feb. 13 that an agreement on co-operation in the peaceful uses of atomic energy had been concluded between the U.S. and Federal German Governments. The agreement (which was on similar lines to those signed by the U.S.A. with nearly 30 other countries) provided for U.S. aid to Western Germany in building a reactor for experimental purposes, and also for the loan of up to six kilogrammes of enriched uranium. The loan of uranium, however, was subject to the provisions of the Paris Agreements under which Western Germany agreed not to possess more than 3.5 kilogrammes of uranium for two years—a restriction which will expire in November 1956.

It was also provided that both countries would consult each other on the construction of atomic power plants; that there would be exchanges of unclassified information on atomic matters; and that the U.S.A. would supply isotopes for scientific, medical, industrial, and agricultural purposes.—(New York Times - Frankfurter Allgemeine Zeitung) **(14641 D; 14360 A.)**

A. UNITED KINGDOM. — Final Report of Royal Commission on Taxation of Profits and Income.

The final report of the Royal Commission on the Taxation of Profits and Income, appointed by the Labour Government in 1950, was published on June 7, 1955 (Cmd. 9474). Among the Commission's principal recommendations were: rejection of a capital gains tax; a simplified, flat-rate, profits tax; special relief for fluctuating incomes; exemption for the B.B.C. from income and profits tax on the trading profits of their main activities; capital allowance for commercial buildings; abandonment of the attempt to assess "home savings" under personal expenses; termination of the special relief for additional travelling costs through wartime circumstances; and a review by an expert committee of the provisions imposing penalties for tax offences. Three members of the Commission, however, found themselves unable to sign the majority report because of a "fundamental difference of view between ourselves and the majority on the basic requirements of an equitable system of taxation." The minority members, in a dissenting report, recommended *inter alia* the introduction of a capital gains tax which should be charged on the net realized gains of the year, after deduction of net realized losses.

The majority report was signed by Lord Radcliffe, who had succeeded Lord Cohen as chairman in April 1952 (see 12230 A); Sir Geoffrey Heyworth, chairman of Lever Brothers and Unilever Ltd, Mr S G. Gates, chairman of Tecalemit and Barclay Perkins, who had succeeded Mr. W. J. Keswick, one of the original members, Mr. J. E Greenwood, the former vice-chairman of Boots Pure Drug Company, Miss L. S. Sutherland, Principal of Lady Margaret Hall, Oxford, Dr. Vera Anstey, Reader in Commerce, London School of Economics, Professor J. R Hicks, Fellow of Nuffield College, Oxford, Mr W F Crick, general manager for research and statistics at the Midland Bank; Mr W. S Carrington, a partner in the accountancy firm of Whinney, Smith and Whinney, and Sir J. Millard Tucker, Q C, a specialist on taxation law and chairman of the Government committee on the taxation of trading profits Sir Thomas Gill, a former chairman of the Co-operative Wholesale Society, would have signed the majority report, but died suddenly just before the report was issued.

The minority report was signed by Mr George Woodcock, Assistant Secretary-General of the T.U C, Mr H. Bullock, former chairman of the T U.C General Council; and Mr. N Kaldor, Reader in Economics, University of Cambridge.

A summary of some of the most important of the Commission's 90 recommendations is given below.

Capital Gains. These, as normally understood, should not be brought under income or surtax charge on general income, nor under any supplementary flat rate Lump-sum payments on cancellations of contracts, however, should be subject to tax, except where such payments were made as compensation for loss of office through injury, where future earning capacity was impaired. Furthermore, in the company field, special distributions paid from capital profits should be regarded as income in the hands of shareholders, and profits capitalized in the form of debentures should be included in income for surtax purposes. The Commission appreciated, on the other hand, that other scrip issues were mere paper transactions giving no monetary value, and should accordingly not be taxed.

Profits Tax. A flat rate of profits tax should be charged in place of the two present rates on distributed and undistributed profits; when this was done, the exemption and abatement reliefs applicable to small companies should be dropped In principle, nationalized undertakings should be taxed on the same basis as other concerns, as should the profits and distributions of public utilities

Under the flat-rate profits tax, industrial and provident societies should be taxed only on the retained balance of profits In the case of building societies, also, only the retained balance of profits should be charged—at the undistributed rate pending the introduction of the flat-rate form of tax

The B.B C. should be exempt from income tax and profits tax on the "trading profits" of their main activities, but should be liable to both taxes in respect of their subsidiary sources of income

Income from Property. The Schedule A charge should be retained for owner-occupiers but the assessments should be revised annually, if necessary, thus obviating the need for "excess rent" assessments required under existing law. Gross annual value under Schedule A should be determined by the rent paid by the occupier or the gross annual value for rating purposes. The scale of statutory deductions for repairs should be reviewed at the next valuation

Schedule B (applying to landowners) should be abolished, and land and houses should be taken together for the purpose of maintenance. Relief for lost rent should be authorized by statute in Great Britain, as it was in Northern Ireland. The annual value of a Church of England parsonage house should cease to be attributed to the incumbent as income No scheme should be introduced for taxing premiums paid for leases, and, conversely, amortization allowances should not be granted to the payer

Expenses. The scope of special legislation regulating the tax treatment of benefits in kind, and payments to reimburse expenses when received by a company director or by an employee with remuneration of £2,000 or more, should be modified. The legislation should apply to any person, director, or employer with remuneration of £2,000 or more, but not to a director with remuneration below that figure unless he was a controlling director of a director-controlled company. Directors or employees of charitable bodies or non-trading concerns, and employees of educational establishments or local authorities, should cease to be excluded. The Inland Revenue Department should abandon their attempt to take into account so-called "home savings" (when the taxpayer is forced to be away on business). The special relief for additional travelling costs occasioned by war circumstances should be terminated.

The Schedule E rule governing deductible expenses should be amended to permit the allowance of expenditure "reasonably incurred for appropriate performances" of the duties of the office or employment.

Fluctuating Incomes. To mitigate the hardship of progressive taxation where incomes were markedly irregular, a fall in total income from one year to the next of at least 50 per cent should entitle the recipient to relief by averaging Consequentially, the special provisions for spreading certain receipts from the sale of literary and other copyright should be repealed

Charities. Relief to the subscribers themselves in respect of charitable subscriptions could not be recommended. Charities should continue to receive repayment of the tax deducted from subscriptions under covenant A more restrictive definition of charity for tax purposes should be enacted.

Superannuation. Relief should be continued and extended, but subject to a restriction in the amount of the lump-sum benefit taken in tax-free form

Depreciation. Capital allowances should be given for commercial buildings Surpluses realized on the sale of assets qualifying for capital allowances should be subject to tax, except for ships built before 1946 or agricultural buildings and works

Covenants. The maker of a covenant in favour of a child, grandchild, or other member of his family should be required to produce each year formal declarations by himself and the beneficiary as to the absence of any agreement for the return of any part of the benefit.

Mining Concerns. A depletion allowance should be granted for the cost of acquiring, after an appointed day, mineral rights or areas in the U K The existing depletion allowance for overseas minerals should be brought into line by removal of the present limitation by reference to the cost to the first U K purchaser. Balancing allowances should be adjusted for overseas mines or concessions to cover certain items

Post-Cessation Receipts. Post-cessation receipts which at present escaped tax by accruing after a trade or profession had come to an end should be rendered taxable, but only when the recommendations for superannuation relief and relief for fluctuating incomes had been implemented. The method of charging such receipts should take due account of expenses of collection and of unrelieved losses in the trade or profession

Relief for Losses. A loss in farming or market gardening should not rank for set-off against the taxpayer's general income unless the activities giving rise to the loss were genuinely carried on on a commercial basis

Tax Evasion. Everyone carrying on a trade, profession or vocation should have an obligation to keep certain simple business records, unless given a dispensation by the local inspector of taxes.

Return of Wife's Income. The report said that "one of the curiosities of the present system" was that a husband was required to make and sign a return of the income of himself and his wife without sure means of knowing precisely what his wife's income was "We think that it is, on any view, unfair to the husband, since it exposes him to the making of incorrect statements without any real power of safeguarding himself" It was therefore suggested that the wife should sign her husband's return, verifying those statements that related to her own income. The existing powers of the Board of Inland Revenue to require a taxpayer to produce business records for inspection should be extended to cover records of his own or his wife's private affairs

Betting and Gambling Winnings. The position of gambling profits in the tax code was best left as it was The most discouraging feature of making any alteration was the administrative aspect of a tax on gambling.

Partnership Income. A partner with a deficit should have the full amount recognized as a loss, while the full surplus of another partner should be regarded as taxable income.

Tax Avoidance by Companies. The law prohibiting "company emigration" without Treasury consent "might well be made subject to annual re-enactment so as to mark its character as an emergency provision which should be abrogated when the emergency that brought it into existence has receded."

Overseas Income of Individuals. This question should be clarified, and the maintenance of a place of abode in the U K. should cease to be of decisive importance in determining residence The test should be put on a basis laid down in the report, two of the conditions being (*a*) that anyone spending 183 days or more in the U.K in a year of assessment was resident, but (*b*) that no-one outside the U.K. for the whole of a year of assessment should be classed as a resident.

Overseas Profits. A special category of overseas trading concerns should be recognized, styled "overseas trade corporations," and their profits should be exempted from tax so long as they were undistributed. This would not preclude central management and control within the U K., but would be strictly limited in regard to any other internal activities.

Codification. This should be carried out regularly every 10 years from 1962.

Minority Recommendations. The minority members, in recommending a capital gains tax, thought that no distinction should be made between long- and short-term gains; that transfer of property through inheritance or *inter vivos* gifts or settlements should reckon as realization; but that gains arising out of the sale of owner-occupied houses, to the extent of one residence for each taxpaper, should be exempt from capital gains tax. Among other recommendations, the minority suggested that company profits should be subject to only one tax—the corporation profits tax; that earned income relief should be available to incomes assessed under Schedule E, without any upper limit; and that, apart from some financial concerns, losses should in future be offset only against future income from the same source

The Chancellor of the Exchequer (then Mr. Butler) stated when introducing the autumn Budget on Oct. 26 (see 14500 A) that the change to a single flat rate of profits tax, as recommended by the majority of the Royal Commission, would "not be directed to our present needs" because companies which distributed a high proportion of their profits would gain, whilst those which put a large proportion to reserve would lose. With regard to a capital gains tax, he said that he was "far from convinced" by the arguments of the minority of the Commission, and that it would be "most unwise" to revert to any conception of an excess profits tax or a special contribution or levy.—(Cmd. 9474 - Times - Daily Telegraph - Financial Times - Manchester Guardian) **(Prev. rep. Royal Commission, Interim Reports, 13616 A; 12880 B; Appointment, Membership, and Terms of Reference, 11163 E.)**

A. LITERATURE. — Book Selections for February.

Selected books published in Great Britain, the United States, and France are given below:

Great Britain. Birdwood, Lord—"Two Nations and Kashmir." (Robert Hale, 21s.)

Bridges, Yseult—"How Charles Bravo Died." (Jarrolds, 21s.)

Carrington, Richard—"A Guide to Earth History." (Chatto & Windus, 21s.)

Driberg, Tom—"Beaverbrook · A Study in Power and Frustration." (Weidenfeld & Nicolson, 21s.)

Gollancz, Victor—"From Darkness to Light: A Confession of Faith in the Form of an Anthology." (Gollancz, 15s.)

Gowers, Sir Ernest—"A Life for a Life? : The Problem of Capital Punishment." (Chatto & Windus 7s 6d.)

Hyland, Stanley—"Curiosities from Parliament." (Allan Wingate, 12s. 6d.)

Jarman, T. L.—"The Rise and Fall of Nazi Germany." (Cresset Press, 25s.)

Jolly, Cyril—"The Vengeance of Private Pooley." (Heinemann, 15s.)

Kotelawala, Sir John—"An Asian Premier's Story." (Harrap, 15s)

Waugh, Alec—"Island in the Sun." (Cassell, 16s.)

United States. O'Connor, Edwin—"The Last Hurrah." (Atlantic-Little, Brown & Co., Boston, $4.00.)

Young, Roland—"Congressional Politics in the Second World War." (Columbia University Press, New York, $4.50.)

France. Dumaine, Jacques—"Quai d'Orsay." (Julliard, Paris)

Naegelen, M.-E.—"Grandeur et solitude de la France." (Flammarion, Paris.)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 14674 C.)**

B. UNITED KINGDOM. — Walthamstow By-election.

Voting took place at West Walthamstow on March 1 in the by-election caused by the conferment of an earldom on Mr. Clement R. Attlee (now Lord Attlee), the former leader of the Labour Party. Result ·

Redhead, E. C. (Labour)	13,388
Hornby, R. P. (Conservative)	4,184
Smedley, Oliver (Liberal)	3,037
*Boaks, Lt.-Cdr. W. G. (Independent) ..	89
No change. Labour majority	9,204

* Forfeited deposit.

Figures at the general election were · C. R. Attlee (Lab.) 19,327, R. P. Hornby (C.) 10,077—Labour majority, 9,250

The Labour candidate polled 64 7 per cent of the votes in the by-election, the Conservative candidate 20.2 per cent, the Liberal candidate 14.7 per cent, and the Independent candidate 0.4 per cent. At the general election Mr. Attlee received 65.7 per cent and Mr. Hornby 34.3 per cent in a straight fight. The Labour proportion of the poll thus dropped by 1 per cent, and the Conservative proportion by 14 per cent.

51.9 per cent of the voters went to the poll, compared with 72.4 per cent at the general election. The electorate numbered 39,839—a decrease of 731 since the general election.

Mr. Redhead, a former mayor of Walthamstow, has been general secretary of the Society of Civil Servants since 1948. He was previously a high official in the Customs and Excise. (Times - Daily Herald) **(Prev. rep. By-elections, 14697 A.)**

C. ITALY - WESTERN GERMANY. — Italian Ministerial Visit to Bonn. - Italo-German Cultural Agreement. - Preparation of Treaty of Friendship, Commerce, and Navigation. - Return of German Properties in Italy.

The Italian Prime Minister, Signor Segni, accompanied by the Foreign Minister, Professor Martino, arrived in Bonn on Feb. 6 on a three-day official visit to the German Federal Republic. During their stay they had extensive discussions with Dr. Adenauer, Herr von Brentano (the Federal Minister of Foreign Affairs), and Professor Erhard (the Federal Minister of Economic Affairs), and called upon President Heuss.

A communiqué issued on Feb. 9 stated that the discussions had been conducted "in an atmosphere of trust and great amiability" and had dealt with the general political situation, Italo-German co-operation in the spheres of European unification and security, and Italo-German relations generally.

After recording "full agreement" on the general political situation the communiqué said that both countries regarded the effective defence of Europe and continued progress towards European unification as essential, in conformity with the aims of the late Signor De Gasperi. The two countries were also agreed on the need for strengthening their joint co-operation in NATO, the Western European Union, and other peaceful organizations, with particular reference to a more efficacious implementation of Article 2 of the North Atlantic Treaty. [This Article envisages joint action to improve the economic and social conditions of the NATO countries]

Both the Italian Government and the German Federal Government—"the only freely-elected and legitimate representative of the whole German people"—were also agreed that the reunification of Germany on the basis of free elections was an indispensable condition for a lasting relaxation of tension and for peace in Europe and the world.

As regards Italo-German relations, the communiqué announced that a cultural agreement had been signed by Herr von Brentano and Professor Martino; that a successful start had been made in implementing the recent agreement on the employment of Italian workers in Germany (see 14632 B) through arrangements for bringing 13,000 Italian farm workers to the Federal Republic, with more to follow; that the German draft of a treaty of friendship, commerce, and navigation had been handed to the Italian Ministers for further study; that both sides had expressed the wish to increase their economic co-operation and trade exchanges; and that measures had been discussed which would help in the realization of the Italian reconstruction programme (i.e. the 10-year "Vanoni Plan") within the framework of international co-operation.

The cultural agreement to which reference was made in the communiqué contained the following provisions:

The education authorities of the two countries would intensify the study of the language, culture, literature and history of the other in universities, schools, and other educational establishments. Textbooks printed in the two countries would not contain "incorrect statements on the history and way of life of the other country."

There would be exchanges of professors, teachers, scientists, students, and artists; scholarships to enable German students to study in Italy and Italian students to study in Germany; close co-operation between German and Italian cultural, artistic, and scientific bodies; and mutual visits by scientists, technicians, and artists. Consideration would be given to the possibility of recognizing the examinations of the other country.

Facilities would be given for the exchange and distribution of cultural and scientific books and periodicals, and for exchanges of lectures, concerts, exhibitions, broadcasts, theatrical performances, films, etc.

A permanent joint commission (consisting of four German and four Italian members) would be established to implement the agreement The commission would meet at least once a year, alternately in Germany and Italy, and would be presided over by the German Federal Foreign Minister (or his representative) during its sessions in the Federal Republic and by the Italian Foreign Minister (or his representative) when meeting in Italy

The agreement (which also applied to West Berlin) would come into force one month after exchange of ratifications; would remain in force for five years; and would automatically be renewed unless six months' notice was given by either party.

During his visit to Bonn, Signor Segni formally handed back to the Federal Government the control of two former German properties in Italy—the Villa Massimo in Rome and a hospital at San Remo (Italian Riviera)—which had been requisitioned by the Allies after the war and later made over to the Italian Government.—(Frankfurter Allgemeine Zeitung - Corriere della Sera, Milan) **(Prev. rep. 14632 B.)**

D. AUSTRIA. — Cabinet Appointment.

Herr Anton Proksch (Socialist), secretary-general of the Austrian Trade Union Federation, became Minister of Social Welfare in Herr Raab's Cabinet on Jan. 23 in succession to Herr Karl Maisel. The latter (also a Socialist) had tendered his resignation for personal reasons after having achieved the enactment of new and comprehensive social insurance legislation, which was passed by the *Nationalrat* on Sept. 9, 1955. (Wiener Zeitung) **(Prev. rep. Cabinet, 14016 E.)**

A. UNITED STATES. — The 1956-57 Budget. - Expenditure of $65,865,000,000. - Estimated Surplus of $435,000,000. - President Eisenhower's Budget Message.

President Eisenhower submitted to Congress on Jan. 16 his Budget proposals for the fiscal year 1957 (i.e. July 1956 to June 1957). Total expenditure was estimated at $65,865,000,000 (of which $40,370,000,000, or 61 per cent, was for major national security programmes) and revenue at $66,300,000,000, giving a budgetary surplus of $435,000,000. Detailed estimates of expenditure and revenue are shown in the following table :

	Actual 1955	Estimate 1956	Estimate 1957
		($ million)	
Estimated Expenditure :			
Major national security	40,626	39,467	40,370
International affairs and finance	2,181	2,053	2,108
Veterans' services and benefits	4,457	4,793	4,879
Labour and welfare	2,552	2,767	2,995
Agriculture and agricultural resources	4,411	3,376	3,364
Natural resources	1,081	1,045	1,031
Commerce and housing	1,622	2,182	2,071
General government	1,201	1,611	1,757
Interest	6,438	6,875	7,066
Reserve for contingencies	—	100	225
Total	64,570	64,270	65,865
Estimated Receipts :			
Individual income taxes	31,650	33,555	35,118
Corporation income and excess profits taxes	18,265	20,300	20,300
Excise taxes	9,211	9,894	9,887
Employment taxes	6,220	7,420	7,585
Estate and gift taxes	936	1,025	1,120
Customs	606	690	700
Miscellaneous receipts	2,566	2,505	2,805
Deduct :			
Transfer to Federal old-age and survivors' insurance trust fund	5,040	6,475	6,635
Transfer to Railroad Retirement account, excluding military service credits	599	625	660
Refunds of receipts (excluding interest	3,426	3,789	3,920
Total	60,390	64,500	66,300
Budget Surplus or Deficit	−4,180	+230	+435

Extracts from the President's Budget message are given below.

Defence. Expenditure on defence, the main constituent of the item "major national security," was estimated at $34,575,000,000, of which $15,960,000,000 was for the Air Force, $9,435,000,000 for the Navy, and $8,510,000,000 for the Army. The principal items were pay of the armed forces, $10,336,000,000; operation and maintenance, $9,100,000,000; major procurement and production, $11,719,000,000 (including $6,751,000,000 for aircraft, $1,032,000,000 for ships, and $1,276,000,000 for guided missiles), and research and development, $1,430,000,000.

The President stated that during the past three years the defence programme had been "successfully reoriented to reflect the changing nature of the threat to our security, the revised requirements brought about by the end of the Korean conflict, and the increasing availability of new weapons of unprecedented strategic and tactical importance." This re-orientation had been accomplished by developing the defence programme on the basis of policies and concepts which involved (1) Gearing the defence programme to "a long period of uncertainty instead of to a succession of arbitrarily assumed dates of maximum danger." (2) Maintaining the capability to deter a potential aggressor from attack (3) Developing military forces which minimized the numbers of men by making maximum use of science and technology. (4) Maintaining a strong and expanding peacetime industrial structure, readily convertible to the tasks of defence and war. "The readjustment of our military forces in line with these principles," the President declared, "is providing this nation with the greatest military power in its peacetime history."

Total military personnel on active duty would increase from an estimated 2,814,000 in June 1956 to 2,838,400 in June 1957. During the year there would be significant increases in certain combat elements, particularly units employing new weapons and units assigned to continental defence. "Every reasonable measure" would have to be taken to increase the attractiveness of a service career, and legislation would therefore be proposed to provide added incentives for members of the armed forces The number of Reserve personnel engaged in regularly paid drills was expected to increase to 1,100,000 by the end of 1957; in addition, the Budget provided for six months' active duty training under the Reserve Forces Act (see 14387 A) for about 80,000 Reserve forces personnel.

With regard to major procurement and production, although expenditure in 1956-57 would be about the same as in the previous fiscal year, there would be a change of emphasis within this total in line with the policy of modernizing the forces. The accelerated production programme for the B-52 long-range jet-bomber and the F-101 and F-104 supersonic interceptors would be continued, and in addition there would be substantial procurement of the Navy's new F-8U supersonic fighter. Expenditure on guided missiles would be the highest recorded—about one-third more than in 1955-56 and about double that in 1954-55 Expenditure on electronic and communications equipment would remain high so as to meet the needs for continental defence and the combat forces. Expenditure on ammunition, combat vehicles, trucks and other major equipment items would continue to decline, as requirements had now largely been met.

The naval shipbuilding programme would be continued at a slightly higher level than in 1955-56 in order to carry forward the modernization of the fleet, most of which had been built in the Second World War. In addition to the new ships already authorized by Congress, the Budget provided for the construction of a sixth aircraft-carrier of the *Forrestal* class (60,000 tons), additional nuclear-powered submarines, guided missile destroyers and frigates, and an experimental nuclear-powered cruiser. Conversion of ships now in the fleet would be undertaken to provide them with additional nuclear weapons and with guided missile capabilities, and to permit them to operate modern high-speed aircraft.

To ensure continued flexible authority for mobilization readiness, the President recommended that the Defence Production Act should be extended for a further two years.

Atomic Energy and Research. $1,945,000,000 was provided for atomic energy development under the "major national security" heading. After emphasizing that the U.S A had "long sought and continues to seek means to banish the threat of nuclear warfare," the President declared "Pending a trustworthy agreement, however, we must continue to increase our nuclear weapons stockpile which, together with the means of delivery, is the principal deterrent to armed aggression in the world." At the same time the U.S.A. would "speed the development of the peaceful uses of atomic energy and make the resulting benefits, under appropriate controls, available to other nations for the well-being of all mankind."

The President repeated his request, first made in April 1955 (see page 14361, second column), that Congress should authorize the construction of a nuclear-powered merchant ship to carry his "Atoms-for-Peace" message to the ports of the world.

Other atomic projects would include the construction by the Atomic Energy Commission of a special reactor for use by the Defence Department in developing methods of preserving food through irradiation.

Mutual Security Programme. Total expenditure was estimated at $4,292,000,000, of which $2,500,000,000 would be for military aid (included in the "major national security" section) and $1,792,000,000 for economic and technical aid (included in the "international affairs and finance" section). The message stated that about one-half of the military aid in 1956-57 would be for Korea, Pakistan, Formosa, and Turkey.

Agriculture. Gross expenditures for agricultural programmes were estimated at $9,100,000,000 in 1956-57, but this included loans made and commodities purchased by agencies of the Department of Agriculture and the Farm Credit Administration Receipts from agricultural programmes, reflecting loan repayments and commodity sales by these agencies, were estimated at $5,700,000,000, reducing the estimate of net Budget expenditure to $3,400,000.

Programmes designed to stabilize farm prices and incomes accounted for over 60 per cent of the estimated gross expenditures for agriculture and agricultural resources. Operations of the Commodity Credit Corporation—the agency principally responsible for agricultural price support activities—would entail gross expenditure during 1956-57 of $5,100,000,000; receipts from repaid loans and sales of commodities would amount to $3,500,000,000, leaving a net expenditure of $1,600,000,000. In recent years receipts had been substantially less than new outlays, and the stocks of the C C.C. had been rising steeply; on Oct 31, 1955, C.C C loans and commodity stocks had amounted to $7,700,000,000, as compared with $6,600,000,000 a year earlier The price support operations of the C.C C had realized losses in 1954-55 of about $800,000,000, of which more than one-half was on dairy produce Future losses on the loans and commodity stocks which the Corporation held in June 1955 were estimated at $2,400,000,000, of which about two-thirds represented anticipated losses on maize and wheat.

Other items in the agricultural budget included $400,000,000 for a proposed "soil bank." This would include an "acreage reserve" to reduce current and accumulated surpluses of crops in most serious difficulty, and a "conservation reserve" to achieve other needed adjustments in the use of agricultural resources.

Civil Defence. $90,000,000 was provided for this purpose in the "commerce and housing" budget. The President stated that comprehensive studies were being conducted jointly by the Federal Civil Defence Administration, the States, and "critical target cities" to determine the best procedures to be adopted in case of atomic attack. The Budget included funds to extend civil defence preparations to more metropolitan target zones, and also to accelerate the procurement of field-type emergency hospitals and to increase stockpiles of medical and radiological supplies.

The total "new obligational authority" (i.e. authority to enter new commitments for which payment might not be made until future years) recommended in the Budget was $66,300,000,000, as compared with $62,000,000,000 in 1955-56. (New York Times - New York Herald Tribune)

(Prev. rep. U.S. Budget, 14459 D; 14088 A.)

A. GREECE. — General Elections. - New Cabinet.

The Greek Parliament elected in 1952 was dissolved on Jan. 10, 1956, by King Paul, who signed a decree for the holding of general elections on Feb. 19. Five non-party Ministers —all retired from their former professions—were sworn in by the King on Jan. 11 to hold office in the "caretaker" Cabinet of M. Karamanlis during the pre-election period.

The new Ministers were M. Bouropoulos, a former judge of the Supreme Court (Justice); General Sergiopolis, retd. (Defence), M. Lianopoulos, formerly chairman of the Civil Service Commission (Interior); Dr Frangilas, a university professor (Minister for Northern Greece); and General Mandakis, retd. (Under-Secretary of State for the Interior).

The elections were carried out on the basis of a new and complex electoral law, introduced by the Karamanlis Government, which had been passed by the Chamber of Deputies in December 1955. The law abolished the former method of election by simple majority vote, and replaced it by a "mixed" system combining majority voting and proportional representation. It was stated that the primary objective of the new electoral system was to make possible the introduction of a strong two-party system of government.

The electoral law divided Greece into some 40 constituencies with unequal numbers of seats It laid down that elections would be conducted in the following manner: (*a*) in constituencies with one, two, or three seats, all the seats would go to the party polling the highest number of votes; (*b*) in constituencies with four, five or six seats, the party with the second highest number of votes would get one seat, whilst all the other seats would go to the majority party, (*c*) in constituencies with seven, eight, or nine seats, the second strongest party would receive two of the seats, the remainder going to the majority party; (*d*) in ten-seat constituencies, the second largest party would receive three seats and the majority party the other seven; (*e*) in constituencies with over ten seats (including Athens, the Piraeus, Salonika, and Larissa) the seats would be shared proportionately between the two leading parties on the basis of the votes obtained. The number of deputies remained at 300.

The elections were contested by two principal political groups—the National Radical Union, a new governmental party founded by M. Karamanlis as the successor to the Greek Rally, the party founded by the late Field-Marshal Papagos; and the Democratic Union, a heterogeneous coalition of seven parties led by M. Papandreou (the Liberal leader), and ranging from the Populists (royalists) on the right to the pro-Communist E.D.A. group on the left. There were also a number of minor parties and independent candidates.

The formation of the National Radical Union as the successor to the Greek Rally had been announced on Jan. 4 by M. Karamanlis, who declared that the Rally "could not survive its founder." The Rally had been considerably weakened by defections both before and after the death of Field-Marshal Papagos, and the great majority of its members joined the National Radical Union under the leadership of M. Karamanlis. At the last (1952) elections the Greek Rally obtained an absolute majority in the Chamber of Deputies.

The Democratic Union consisted of the following parties (several of them newly formed), listed politically from right to left—the Populist Party (royalist) founded by the late M Tsaldaris and now headed by his nephew; the Liberal Party led by M. Papandreou, who was also head of the Democratic Union; the Liberal Democrats led by M Sophocles Venizelos, who had returned to political life after having announced his retirement in 1954 (see 13529 C), the EPEK party, founded by the late General Plastiras and now led by M. Papapolitis; a new Agrarian Party founded by General Pausanias Katsotas (retd.), the mayor of Athens; a new Democratic Party led jointly by M. Kartalis and Professor Svolos; and the E.D A. (United Democratic Left), which is regarded as the successor to the outlawed Communist Party. It was emphasized by M Papandreou that the Democratic Union had been formed solely for the purpose of contesting the elections and not as a permanent political grouping, and that the centre parties would not co-operate with the E.D A. if returned to power [There were about 20 E.D.A. nominees in the joint list of 300 candidates.]

Other new parties contesting the elections included the Populist Social Party, formed by M Stephanopoulos (the former Foreign Minister), and the Progressive Party, formed by M Markezinis (formerly Minister for Economic Co-ordination) Among many minor political groups was a "Poujadist Party of Greece," formed by a M. Socrates Papadopoulos and demanding tax reforms similar to those advocated by M. Poujade in France.

Domestic issues played little part in the elections, attention being focussed mainly on foreign policy and on the question of *enosis* (the union of Cyprus with Greece)—a demand strongly upheld by all the parties. The Democratic Union accused the Government of being unduly subservient to Western influences, and campaigned on a platform which included a "neutral" foreign policy based on equal friendship with the countries of East and West, an economic policy to safeguard the people against "economic oligarchy," the "full operation of a free democratic regime," and a general amnesty. M. Karamanlis—who described the Democratic Union as an "unholy alliance"—deplored the decision of the centre parties to join forces with the extreme left-wing, and said that this might have "unpredictable repercussions" on Greece's future.

The electorate of about 4,000,000 included 1,900,000 women voters, who voted for the first time in a general election after having been enfranchised in 1952 (see 12252 A). There were 13 women candidates. All leading political personalities were returned with the exception of M. Stephanopoulos, who was defeated in his home constituency in the Peloponnesus, and M. Markezinis.

The "caretaker" Minister of the Interior, M. Lianopoulos, announced on Feb. 22 that counting of civilian votes had been completed, that 3,243,926 valid votes had been cast, and that their distribution between the parties had been as follows—Democratic Union, 1,614,878 (49.8 per cent); National Radical Union, 1,484,587 (45.7 per cent); Progressives, 71,553 (2.2 per cent); others 72,908 (2.3 per cent). The votes of the armed forces (about 176,000) were still being counted and the figures were therefore liable to adjustment.

Owing to the working of the new electoral system, the National Radical Union won a majority of seats in the Chamber of Deputies, despite the fact that it had polled fewer votes than the Democratic Union. (The Ministry of the Interior announced that the N.R.U. would have 155 seats and the Democratic Union 145, though the figures might be slightly modified when the forces' votes had been counted.) The election results were challenged by the Opposition parties on the ground that they had not truly reflected the voting, and three parties of the Democratic Union (the Liberals, Liberal Democrats, and Democrats) appealed to King Paul to order new elections under a system of proportional representation. M. Karamanlis, however, maintained that the National Radical Union was entitled to form a Government as it possessed a clear parliamentary majority.

After formally tendering his resignation on Feb. 27, M. Karamanlis was asked by King Paul to form a new administration. The new Government, drawn entirely from the National Radical Union, was sworn in on Feb. 29 with the following membership:

*M. Constantine Karamanlis	Prime Minister.
*M. Andreas Apostolides	Vice-Premier.
*M. Spyros Theotokis	Foreign Affairs.
M. Demetrios Makris	Interior.
M. Protopapadakis	National Defence.
M. Demetrios Helmis	Economic Co-ordination.
M. Christos Thivaios	Finance.
*M. Papaconstantinou	Justice.
*M. Giorgios Rallis	Public Works.
M. Evangelos Averoff	Agriculture.
Mme. Lina Tsaldaris	Social Welfare.
M. Leonidas Bournias	Labour.
*M. Petros Levandis	Education.
M. Papahgouras	Trade and Industry.
M. Stelios Kotiades	Merchant Marine.
*M. Paparigopoulos	Northern Greece.
Professor Grigoris Kassimatis	Minister without portfolio.
M. Constantine Tsatsos	Minister attached to the Prime Minister's Office.

* Member of former Government.

Several members of the former Karamanlis Cabinet remained in office, including the Vice-Premier, M. Apostolides, and the Foreign Minister, M. Theotokis. New Ministers included Mme. Tsaldaris, the widow of the pre-war leader of the Populist Party, and the first woman to become a Cabinet Minister in Greece. She has devoted her life to welfare work and has frequently represented Greece in U.N. commissions and congresses.—(Times - Daily Telegraph - Le Monde, Paris - New York Herald Tribune) **(Prev. rep. General Elections, 12604 A; Cabinet, 14496 B; 14467 A.)**

B. UNITED STATES. — Administration Appointments. - New Director of the Budget.

Mr. Rowland R. Hughes, Director of the Budget, resigned on Jan. 20 for "personal and family reasons," and was succeded by Mr. Percival F. Brundage, the Deputy Director.

On Feb. 11 President Eisenhower announced the appointment of Mr. Edward P. Curtis, vice-president of the Eastman Kodak Company, to a new Administration post of Special Assistant for Aviation Facilities Planning. In appointing Mr. Curtis the President emphasized that the "revolutionary possibilities and all-embracing character of aviation development require an independent, overall study of the national problem."

Mr. William H. Jackson, who in 1953 had been chairman of a special committee appointed to study the problem of unifying America's psychological warfare programme (see 12805 A), was appointed on Jan. 28 to succeed Mr. Nelson Rockefeller as Special Assistant to the President. (New York Times) **(Prev. rep. Administration, 13943 B; 13526 C.)**

MARCH 3—10, 1956

A. BRITISH WEST INDIES. — London Conference on Caribbean Federation. - Agreement on Constitutional Proposals. - Setting-up of Standing Committee for Final Pre-Federation Stages.

A conference to take final decisions on the major outstanding issues concerning the formation of a British Caribbean Federation, and to take the necessary administrative steps prior to the establishment of the Federation itself, was held in London from Feb. 7-23 under the chairmanship of the British Colonial Secretary, Mr. Lennox-Boyd. It was attended by delegations from Antigua, Barbados, Dominica, Grenada, Jamaica, Montserrat, St. Kitts-Nevis and Anguilla, St. Lucia, St. Vincent, and Trinidad and Tobago—all of whose Legislatures had approved the federation proposals—as well as by observers from British Honduras and British Guiana, whose legislatures had voted against participation in the proposed federation. Representatives of the U.K. Treasury and Colonial Office also participated in the discussions.

The leaders of the various delegations were: **Antigua**—Mr. V. C. Bird, Minister of Trade and Production; **Barbados**—Mr. Grantley H. Adams, Premier, **Dominica**—Mr. F. A. Baron, Member of the Executive Council; **Grenada**—Mr E. M Gairy, Member of the Executive Council; **Jamaica**—Mr. Norman W. Manley, Chief Minister, **Montserrat**—Mr W H. Bramble, Member of the Legislative Council, **St. Kitts-Nevis and Anguilla**—Mr R. L. Bradshaw, Minister of Trade and Production; **St. Lucia**—Mr. C. G. D. La Corbiniere, Member of the Executive Council; **St. Vincent**—Mr. J. A. Baynes, Member of the Legislative Council; **Trinidad and Tobago**—Mr. A. Gomes, Minister of Labour, Industry, and Commerce.

The observers attending were: **British Guiana**—Mr P. A. Cummings, Member for Labour, Health, and Housing on the Executive Council, **British Honduras**—Mr L. I. A. Richardson, Member for Natural Resources on the Executive Council

The conference agreed that the plan for a British Caribbean Federation put forward at the London Conference in April 1953 (see 12998 A), and subsequently endorsed by the Legislatures of all the territories concerned, should, with certain modifications, be the basis for the Federal Constitution, which would be drafted by the end of 1956. Federal elections should be held as soon as practicable after Jan. 1, 1958, and in any event not later than March 31, 1958. In the period between the ending of the present conference and the appointment of the Federation's first Governor-General, the British Caribbean delegations to the conference would continue as a standing body to carry out the necessary preparatory constitutional and administrative arrangements.

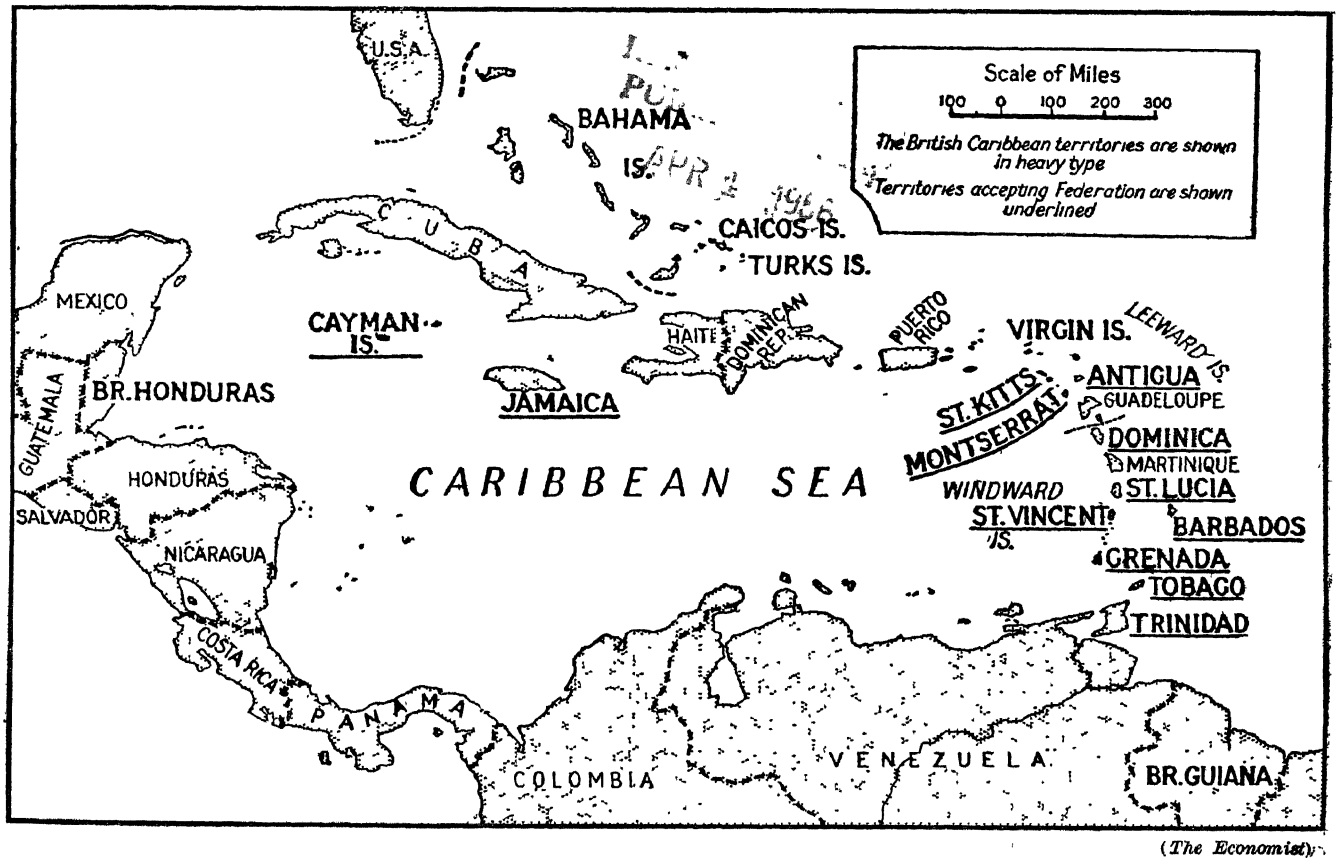
The conference was unable to reach agreement on the site of the Federal capital, and proposed that a fact-finding commission should be appointed to make recommendations.

Mr. Lennox-Boyd, in his opening address to the conference, announced that as the delegates had full powers and could take final decisions within the framework of the agreed Federal plan, without the necessity for further reference back to their Legislatures, he was prepared—subject to the conference reaching agreement on all substantial points—to introduce an enabling Bill in the U.K. Parliament at an early date. He hoped that it would be possible to pass it through all stages in both Houses before the summer of 1956. Such an Act would enable the constitutional instruments of the Federation to be embodied in an Order-in-Council which would provide for the establishment of the Federation, including the appointment of a Governor-General and the holding of Federal elections.

After reiterating that H.M. Government intended to do all in its power to further the wishes of the West Indies in regard to federation, Mr. Lennox-Boyd said that federation would facilitate the eventual achievement of West Indian self-government within the Commonwealth He emphasized, however, that self-government meant "something more than the relinquishment by the U.K. Government of formal powers of control"—it meant that a country must be able to stand on its own feet economically and financially, that it would finance its own administration, and that it was prepared to assume responsibility for its defence and its international relations to the extent that either was involved by its geographical or international standing. Nevertheless no country in these days was independent in the sense of being entirely self-contained and self-sufficient; mutual help was one of the great principles of the Commonwealth, and there was no reason why one member or group of members should not help other members with their economic development, perhaps on the lines of the Colombo Plan. He also gave an assurance that self-government would not preclude arrangements for inter-Commonwealth commerce, such as the Commonwealth Sugar Agreement.

On the question of membership of the Commonwealth, Mr. Lennox-Boyd said that this was a matter for all members to consider. He assured the conference, however, that when the British Caribbean Federation felt "in due course ready to assume the responsibilities and obligations involved," H.M. Government would be glad to sponsor its admission to full Commonwealth membership.

Mr. Norman Manley, Chief Minister of Jamaica, agreed that the Federation would require assistance from Britain to achieve economic stability, and welcomed the Colonial Secretary's assurance on this point. With regard to constitutional arrangements, he appealed for flexibility. "The draft constitution before us," he said, "bristles with peculiarities deriving from history and geography. We must not lay up troubles for ourselves in the future, as other federations have done, by the formulation of iron-clad constitutions which later prove difficult or impossible to amend"



(*The Economist*)

The principal decisions reached by the conference, in addition to those given above, are summarized below.

Constitutional Matters.

(1) The preamble to the Federation's Constitution should guarantee freedom of religious worship.

(2) A special clause should be added to the constitutional instruments to provide for the entry of other territories into the Federation, particularly British Guiana and British Honduras. After expressing the desire of the conference that the way should be "made as easy as possible" for these two territories to join the Federation, the report said that the terms of admission for new members should therefore not apply in respect of British Guiana and British Honduras.

(3) The proposed Council of State would not contain three official members as originally planned, but the Governor-General would nominate three officials who would be able to attend the meetings of the Council.

(4) The Governor-General would have to consult the Governors of the "units" (the former Colonies) before making appointments to the Federal Senate.

(5) The prohibition of simultaneous membership of both "unit" and Federal Legislatures, recommended in the report of the Standing Closer Association Committee but cancelled at the 1953 London conference, should be reinstated. [The prohibition of simultaneous membership of "unit" and Federal Executives had not been altered in 1953.] However, the period within which a member of a "unit" legislative or executive body was required to resign after becoming a member of the Federal Legislature should be extended from one month to three months.

(6) The Federal authorities would be empowered to co-ordinate such matters as the administration of the University College of the West Indies, the student services in the U.K. and the U.S.A., and intra-regional shipping.

(7) The "concurrent legislative list" (i.e. the list of subjects on which both the Federal and the "unit" legislatures might legislate, with Federal law prevailing) should be amended to take account of the recommendations of the 1955 Trinidad Conference on Movement of Persons within the Federation (see 14136 A).

Financial and Economic Matters.

(1) The preamble to the Constitution should include "a recital to the effect that it is essential for the economic strength of the area that there should be an integrated trade policy for the Federation, and that there should be introduced, as far and as quickly as practicable, a Customs Union, including internal free trade" A Commission on Trade and Tariffs should be set up as soon as possible, and in any case during 1956, to examine and report to the Federal Government on the economic, fiscal, and other technical problems involved in the establishment of a Customs Union for the Federal area, bearing in mind the possible accession of British Guiana and British Honduras, and to work out a scheme for a Customs Union to be implemented, if necessary, by stages. The Commission should make its report not later than two years after the setting-up of the Federal Government.

(2) The Constitution should provide that during the first five years the Federal Government should obtain its revenue from (i) the profits on the currency issue (i.e income from commissions and interest on investments held as backing for the currency, after deducting expenses of issue and statutory additions to the reserve funds), and (ii) a mandatory levy on the "unit" Governments, calculated on the percentage incidence of the Federal duties There should also be provision in the Constitution for the Federal Government to have concurrent legislative power to raise revenue by means of Excise and Customs duties.

(3) In view of the increased estimated cost, H.M Government agreed to increase their contribution to the cost of the Federal capital from £500,000 to a maximum of £1,000,000. This would be made available as soon as it was needed, thereby deferring the necessity for the Federal Government to raise by loan the remaining funds required for this purpose.

Civil Service Matters.

(1) The report of the Civil Service Commission (see below) should be remitted for detailed consideration by the post-conference organization in order that certain of the recommendations might be amplified. However, this should not be allowed to delay the inception of the Federation.

(2) Whilst it was agreed that there should be the greatest freedom of movement of staff between territories it was considered that complete unification of the public services was a separate issue from that of providing a Federal Civil Service.

(3) It was recognized that "unit" Governments must be prepared to make some sacrifices in order to obtain the best possible officers for the Federal Civil Service. Consideration should be given to the recruitment of eminent West Indians not at present employed in the public services, and also to arranging—where the officers concerned were willing—for the return of former members of the public services in the West Indies who were now serving elsewhere in the U.K. Oversea Civil Service.

Judicial Matters.

(1) Federal judges should be appointed by the Governor-General after consultation with the Prime Minister of the Federation.

(2) There should be no right of appeal from the Supreme Court of a "unit" direct to the Privy Council except with the consent of the Federal Supreme Court, which should grant it only in exceptional circumstances. There should, however, be no restriction on the prerogative right of Her Majesty in Council to grant special leave to appeal to the Privy Council from any decision of a "unit" Supreme Court or the Federal Supreme Court.

Post-Conference Machinery.

The delegations to the conference should continue as a standing body, to be known as the Standing Committee of the Federation of the British Caribbean, in order to carry out the constitutional and administrative work required before the appointment of the first Governor-General. On the constitutional side this would entail agreement on a complete draft Constitution, involving decisions on points of detail not covered by the 1953 plan or the conclusions of the present conference. The administrative work would include the selection of key officers; the setting-up of "skeleton" departments; the acquisition of buildings, including housing, for the Federal capital, and the drafting of laws, regulations, and standing orders for the Federal Assembly, etc.

Other Matters.

(1) It was agreed that the territories which had not yet decided to join the Federation—British Guiana, British Honduras, and the British Virgin Islands—should be enabled, on reimbursement of an appropriate proportion of the costs, to use the regional economic, advisory and co-ordinating services which the Federal Government would organize, and also to participate with the Federal territories in group membership of international organizations.

(2) The decision of the 1953 conference in favour of Grenada as the site of the Federal capital had not been endorsed by all the West Indian Legislatures, and it had therefore been necessary to review the matter. After lengthy discussion the conference had decided that it was not in possession of all the necessary information and had therefore agreed that the Colonial Secretary should be asked to appoint a three-man fact-finding commission composed of wholly impartial persons who had never resided in the West Indies, to submit recommendations to the Standing Federation Committee on the three most suitable sites In making their recommendations this commission should bear in mind such factors as political and social sentiment in the area, the convenience of the site in relation to the Federal area, the availability of land for immediate building and for future expansion; the cost of the buildings and other works; the suitability of communications by sea, air, cable, telephone and road; and the services available as regards general accommodation, hotels, water and power supplies, educational facilities, etc.

(3) The Governments of the "unit" territories should be asked to promulgate February 23 as an annual holiday throughout the British Caribbean in commemoration of "the historic decision to federate taken at this conference"

Before the opening of the conference, the reports had been published on Jan. 2 of the three commissions whose appointment had been announced by Mr. Lennox-Boyd in February 1955. These reports—which served as a basis of discussion for many of the questions considered by the conference—were those of the Fiscal Commission (Cmd. 9618), the Civil Service Commission (Cmd. 9619), and the Judicial Commission (Cmd. 9620).

The Fiscal Commission, which was under the chairmanship of Sir Sydney Caine, assumed that the Federal Government would be initially of modest size and of considerable flexibility, controlling no large executive staffs but employing advisers and high-level administrators. The total capital cost of building offices, houses, etc for the Governor-General, the Legislature, the judiciary, and executive Ministries was estimated at £2,000,000. It was also estimated that the annual Budget would be just over £2,000,000, with the addition of 50 per cent proposed by the 1953 London conference as a reserve. About three-quarters of the expenditure would fall on the "unit" Governments, and the extra cost of federation would be about £350,000. The revenue basis had to be re-examined as the suggested basis—15 per cent of Customs revenue—would yield only about £1,700,000, and it was therefore proposed that the Federal revenue should be obtained mainly from taxes under the direct control of the Federal Legislature, which would yield more than £2,000,000 a year.

The Civil Service Commission (under the chairmanship of Sir Hilary Blood) stated that, except for the present regionally controlled services, no immediate federalization of services was envisaged, although at an early stage Federal officers might be given powers of direction over Customs or postal administrations in the "units." The commission suggested that the initial organization of the Federal Government should consist of 12 offices and departments, among which would be distributed duties arising from the Constitution, the legislative lists, and other sources.

The report of the Judicial Commission, prepared under the chairmanship of Sir Allan Chalmers Smith, contained recommendations for the constitution of a Federal Supreme Court, whose principal work would be appellate. As it was not considered that sufficient candidates of suitable calibre for the Bench were likely to be obtained direct from the practising Bar, either in Britain or the West Indies, it was recommended that the qualification be extended to include membership of the Bar of any of the Commonwealth countries.

The population of the proposed Caribbean Federation is about 2,892,000, divided as follows: Jamaica (and dependencies) 1,545,100, Trinidad and Tobago, 697,600; Barbados, 222,900; St. Lucia, 86,200; Grenada, 82,100; St. Vincent, 73,100; Dominica, 59,100; St. Kitts-Nevis and Anguilla, 53,600; Antigua, 50,900; and Montserrat, 13,700. Of the non-participating territories, British Guiana has a population of 465,400, British Honduras of 78,100, and the British Virgin Islands of 7,600.—(Colonial Office, London - Times - Daily Telegraph - Manchester Guardian) **(14136 A; 12998 A.)**

A. SPAIN. — Student Agitation against Falangist Control of University Education. - Student Riots in Madrid. - Temporary Closing of University of Madrid. - Suspension of Constitutional Guarantees. - New Minister of Education and Secretary-General of Falangist Party.

Increasing discontent among Spanish university students, which had been evident for several months, culminated during February in serious rioting in Madrid between anti-Falangist and pro-Falangist students The disturbances were followed by the temporary suspension of two Articles of the Spanish Constitution (the Bill of Rights drafted in 1945—see 7419 A), amounting in effect to the suspension of *habeas corpus*, and by changes in the Government and in the leadership of the Falangist Party.

Towards the end of 1955 an outspoken report was drawn up by the Rector of the University of Madrid, Don Pedro Lain Entralgo, analysing the causes of the prevailing discontent among university students and suggesting remedies This report—which was presented to General Franco and to leading civil and ecclesiastical officials—enumerated the following causes, among others: the "restrictive and censorious paternalism" often exercised by the Government; the "sorry example" of large sections of Spanish society whose "preoccupation with immediate economic gain has become general and abusive"; the fact that more and more Spanish students went abroad and developed an "intense curiosity" about foreign intellectual movements, ways of life, and freedom of expression—"things which have for them the irresistible attraction of forbidden fruit"; and the fact that "the increase in jobs has not kept pace with the expanding university population" Don Lain Entralgo gave a warning that, although there was as yet no sign of Marxism among Spanish students, "it would not be strange if it were gestating among those whose conscience tends toward radicalism."

On Feb. 1, 1956, the students of the University of Madrid issued an open letter to the Government, the Ministry of National Education, and the secretary-general of the Falangist Party (the only political party permitted in Spain) demanding an end to Falangist control over the "thought, expression, and corporate life" of university students.

The open letter strongly denounced the Spanish University Syndicate (*Sindicato Español Universitario*, or S E U.), which is directed by the Falangist Party, exercises complete control over students and their activities, and acts as representative of the student body with the higher authorities. After calling for a national congress of Spain's 100,000 university students to work out some other form of organization, the letter spoke of the present "system of humiliating inertia . . in which all that is best in youth is being fatally lost year after year" The S E U was described as "an artificial structure which prevents or deforms true student representation," and as a barrier which "humiliates us in all international contacts with students of other countries." The letter also complained that university faculties were deficient in quality because many able professors and teachers were excluded from university life for "ideological or personal reasons."

Violent rioting occurred in Madrid on Feb. 8, 9 and 10, when pitched battles were fought in the streets between Falangist and anti-Falangist students of the University of Madrid. The anti-Falangists, about 1,000 strong, demonstrated against the Falangist Party's control of university life and education and also against General Franco's proposals for the restoration of the monarchy, whilst copies of the Falangist newspaper *Arriba* were publicly burned by students of the Law and Medical faculties. Order was eventually restored after police intervention, a number of students and others being arrested. A police statement, issued on Feb. 10, alleged that "elements of Communist affiliation" had been involved in the attacks against Falangist students and had used clubs, knives, and pistols, whilst *Arriba* alleged that a student seriously wounded in the riots had been shot by "Communists or fellow-travellers." The Ministry of Education announced that all classes at the University of Madrid had been suspended until further notice and that the Dean of the Faculty of Law had been dismissed. [The legal faculty was reported to be a stronghold of anti-Falangism.] It was officially stated that 57 persons had been arrested, among them Dionisio Ridreujo, a well-known poet and former Falangist director of propaganda, and Miguel Sanchez Mazas, the son of a leading Falangist writer.

After a meeting of the Spanish Cabinet, presided over by General Franco, it was decided on Feb. 11 to suspend two Articles of the Bill of Rights for a period of three months—Article 14, which gives Spaniards the right to reside in any part of the national territory, and Article 18 which lays down that no-one may be arrested without a judicial warrant, or detained for more than 72 hours without being brought before a magistrate. An official communiqué said that the Government had decided to apply the law vigorously against persons who "directly or indirectly cause disturbances of the peace or who may in future attempt to disrupt peace and public order and foment disunity among the Spanish people."

The suspension of the above-mentioned Articles implied that individuals could be banished from their places of residence to other parts of the national territory, or could be detained without judicial warrant for an indefinite period

Two changes in the Spanish Government—the first since 1951—were announced on Feb. 15: the appointment of Señor Jesus Rubio as Minister of Education in succession to Señor Joaquin Ruiz Jimenez, and of Señor José Luis Arrese as secretary-general of the Falangist Party and Minister without portfolio *vice* Señor Raimundo Fernandez Cuesta.

Señor Rubio (48), professor of commercial law in the University of Madrid, was Under-Secretary for Education from 1939 to 1951; he joined the Falangist movement at the outbreak of the Spanish Civil War, and spent that period as a political refugee in the Chilean Embassy in Madrid Señor Arrese (51), who joined the Falange on its foundation in 1933, had been secretary-general of the party from 1941 to 1945; an architect by profession, he is the author of a number of works expounding Falangist views on economic and social problems, and a close associate of General Franco

The University of Madrid was reopened on Feb. 20 after having been closed for ten days as a result of the student disturbances.—(A.B.C., Madrid - Le Monde, Paris - Times - Manchester Guardian - New York Times)

(Prev. rep. Spain, 14300 A.)

B. UNITED KINGDOM. — First Air-to-Air Guided Missiles for R.A.F. - Proposed Extension of Bahamas Proving Grounds. - Rocket Site in Cumberland.

The Ministry of Supply announced on Feb. 11 that it had placed a contract with the Fairey Aviation Co. for limited production of an air-to-air guided missile known as the *Fireflash*. This missile would be carried as part of the armament of piloted aircraft, would be propelled to supersonic speed by solid fuel rockets, and would have a "proximity-fused" warhead designed to explode as soon as it came within lethal range of its object. Delivery of the *Fireflash* would begin during the financial year 1956-57.

The Fairey Aviation Company announced on Feb. 27 that a *Fireflash* guided weapon [understood to have been fired from a Gloster *Meteor* night-fighter over the guided missile range at Aberporth, Cardigan Bay] had successfully destroyed a Fairey *Firefly* target aircraft. A week earlier (Feb. 20) it had been disclosed by the Royal Aircraft Establishment's guided missile department at Farnborough (Hants.) that on April 7, 1954, a *Firefly* target aircraft had been destroyed by a ground-to-air guided missile fired from a ramp at Aberporth, when the target was flying at a height of about 10,000 feet and about 8,000 yards from the missile launching-point.

It was explained that although this was the first time in Britain that a target had been destroyed by a ground-to-air missile fitted with a warhead, such missiles without warheads had been fired to within lethal distances some time earlier Altogether nearly 1,000 test missiles had been fired at Aberporth besides others on Salisbury Plain, whilst much testing was being done on the Woomera range in Australia.

Mr. Nutting (Minister of State, Foreign Office) announced on Feb. 7 that the British and U.S. Governments were engaged in negotiations to extend the Bahamas long-range proving ground for guided weapons (already extended in 1952 to include the Turks and Caicos Islands) to St. Lucia in the Windward Islands and Ascension Island in the South Atlantic. He explained that whilst the U.S. Government was free to reactivate any of the British bases which had been leased to the U.S.A. in 1941, separate agreements were needed to permit the establishment of long-range guided missile stations on these islands.

It was announced on Feb. 29 by the Minister of Supply (Mr. Maudling) that the Government were considering taking over an 8,000-acre site in the Cumberland fells as a testing-ground for rockets and rocket-motors. The area, known as Spede Adam Waste, contains only one inhabited dwelling, and is a few miles from the moorland hamlets of Gilsland and Moscow, near Hadrian's Wall.—(Times - Daily Telegraph)

(Prev. rep. Guided Missiles, 14093 A; 13111 A; U.K.-U.S. Co-operation, 14397 A; Bahamas Range, 10861 D; U.S. Bases in West Indies, 4214 A.)

C. CEYLON. — Mr. D. Senanayake resigns from United National Party.

Mr. Dudley Senanayake, the former Prime Minister of Ceylon, announced on Jan. 13 that he would resign from the United National Party (the Government party), and retire from active politics when the present Parliament was dissolved in February.

(Ceylon Government Information Dept., Colombo)

A. INDONESIA. — General Elections. - Population Census. - Start of Constituent Assembly Elections.

Indonesia's first general elections to the House of Representatives opened on Sept. 29 and concluded on Nov. 30, 1955. No single party obtained a majority, 198 of the 257 seats open to direct election being divided between the Nationalist Party, the *Masjumi* (Council of Indonesian Moslem Associations), the *Nahdlatul 'Ulama* (Moslem Association or Religious Teachers' Party), and the Communists, whilst the 59 remaining seats were distributed between 24 smaller parties. The final results —which were not officially announced until March 1, 1956— were as follows:

	Votes	Seats
National Party (PNI)	8,434,653	57
Masjumi	7 903,886	57
Nahdlatul-'Ulama	6,955,141	45
Communist Party (PKI)	6,176,914	39
United Moslem Party (PSII)	1,091,160	8
Protestant Christian Party (Parkindo)	1,003,325	8
Catholic Party	770,740	6
Socialist Party (PSI)	753,191	5
Movement for Defence of Indonesian Independence (IPKI)	541,306	4
Islamic Party (Perti)	483,014	4
National People's Party (Partai Rakjat Nasional)	242,125	2
Labour Party (Partai Buruh)	224,167	2
Movement for Defence of Pantja Sila	219,985	2
Indonesian People's Party (PRI)	206,261	2
PPPRI (Association of Police Personnel)	200,419	2
Party of the Masses (Partai Murba)	199,588	2
Consultative Assembly of Indonesian Citizens (Baperki)	178,887	1
Greater Indonesian Union (PIR)—Wongsonegoro group	178,481	1
Germda	154,792	1
Association of Indonesian Proletariats (Permai)	149.287	1
Dayak Association (Persatuan Dayak)	146,054	1
Greater Indonesian Union (PIR)—Hazairin group	114,644	1
Partai Tharikat Islam Indonesia	85,131	1
AKUI (minor Islamic party)	81,454	1
Village People's Party (Partai Rakjat Desa)	77,919	1
Party of the Independent Republic of Indonesia (PRIM)	72,523	1
Communist Youth Movement (Acoma)	64,514	1
" R Sudjono alias Prawirisudarso "	53,305	1

The long period between the opening of the elections and the announcement of the results was due partly to geographical reasons and partly to the complex nature of the electoral system. As Indonesia consists of hundreds of islands of varying size spread over a very large area, many of which are mountainous and covered with jungle, communications presented a particularly difficult problem, e.g., in Borneo electors living in remote areas had to travel to the polling stations by canoe along the rivers. In view of these difficulties, and also because of the activities of the *Dar-ul-Islam* and other rebel organizations, voting was spread over a period of two months in certain areas of Sumatra, Borneo, the Moluccas, and Celebes. In most areas voting took place in an orderly atmosphere, but in Central Java attempts to disrupt the elections were made by *Dar-ul-Islam* bands, and a second poll was ordered in Semarang and certain other towns after allegations of irregularities by both Nationalist and *Masjumi* supporters.

The process of electoral registration, which also served the purpose of a census, established that the population numbered 77,987,879, of whom 42,000,000 formed the electorate. All citizens over 18 were entitled to vote. The number of seats in the House of Representatives was fixed at 260 (one for every 300,000 people) and that for the Constituent Assembly (see below) at 520 (one for every 150,000 people). Seats were not divided among the 16 electoral districts on a strict population basis, however, additional representation being granted to districts with a comparative small number of voters. The distribution of seats was as follows:

Electoral District	Population	Number of Seats in the Constituent Assembly	Number of Seats in the House of Representatives
1. East Java	17,950,818	117	58
2. Central Java	17,602,101	115	57
3. West Java	14,419,993	94	47
4. Greater Jakarta	1,664,640	11	6
5 South Sumatra	3,155,830	20	10
6. Central Sumatra	3,360,548	22	11
7. North Sumatra	4,894,787	32	16
8. West Kalimantan (Borneo)	1,108,929	8	4
9. South Kalimantan	1,629,298	11	6
10. East Kalimantan	353,997	6	3
11. North-Central Sulawesi (Celebes)	1,605,850	11	6
12. S.E. and South Sulawesi	4,459,295	29	14
13. Maluku (Moluccas)	685,754	6	3
14 East Nusa Tenggara (Lesser Sunda Is)	2,183,545	15	8
15. West Nusa Tenggara	2,579,107	17	8
16 West Irian (Dutch New Guinea)	333,387	9	3
Total	77,987,879	520	260

The members for West Irian were nominated by the Government. The provisional Constitution laid down that Indonesian citizens of Chinese, Arab, and European origin should be represented in the House of Representatives by at least nine, six, and three members respectively, and in the Constituent Assembly by twice as many, and that if these numbers were not attained in the elections the Government should appoint additional representatives for these minorities.

Candidates, who were required to be at least 25 years of age, were allowed to stand either as individuals or on a party list. Individual candidates and the first candidate on a list had to be nominated by 200 voters, and other candidates by 25 voters As a large proportion of the electors were illiterate, each party list or individual candidate was represented by a symbol on the ballot paper, and the voter pierced a hole against the list or candidate of his choice inside the polling booth, afterwards placing it in the ballot box in public. [During earlier elections for certain seats in the House of Representatives, voters had been required to place blank papers privately inside a box marked with the symbol which they favoured—as is done in Indian elections. This system was abandoned, however, as some voters were found to have retained their ballot papers and sold them to political parties, which gave them to their supporters to drop in their boxes.]

Under the system of proportional representation employed, an electoral quotient was fixed for each district by dividing the total number of votes cast by the number of seats allocated to the district, and each individual or list receiving the required number of votes was declared elected. A new quotient was then fixed by dividing the " unspent " votes from all the districts by the number of seats still unfilled; candidates attaining this figure were returned, and any remaining seats were allocated to the candidates or lists with the highest number of votes. During the second stage of the counting, parties from the same district were allowed to " pool " their votes in order to reach the required quotient, whilst individual candidates were permitted to attach themselves to party lists with the same object

A total of 168 parties and groups contested the elections, most of which could be broadly classified as religious, nationalist, or marxist parties. Details of the leading parties are given below.

Religious Parties. The *Masjumi* was founded in 1945 as a federation of Moslem organizations, and has been represented in most Governments since Indonesia achieved her independence Generally regarded as " right of centre " in its outlook, it advocates the establishment of an Islamic republic and favours a pro-Western and anti-Communist foreign policy. It emerged as the strongest party in West Java, Greater Jakarta, Sumatra, West and East Borneo, the Celebes, the Moluccas, and East Nusa Tenggara.

The success of the *Nahdlatul 'Ulama* was the most unexpected feature of the election results. Founded in 1926 as a non-political organization, it joined the *Masjumi* in 1946 but broke away in 1952. Ultra-orthodox in its religious outlook, it is strongly nationalist and anti-Western in foreign policy and radical in its internal policy. It received the largest vote in East Java and South Borneo. The *PSII* (Moslem Political Federation or United Moslem Party) was founded in 1912, and was associated with the *Masjumi* from 1945-47 It stands to the left of the *Masjumi*, and is neutralist in foreign policy.

The *Christian Party*, founded in 1945, represents the Protestant community and draws its support mainly from the Moluccas, northern and central Celebes, and northern Sumatra. The *Catholic Party*, founded in 1949, received its highest vote in the Moluccas.

Nationalist Parties. The *Indonesian National Party* (PNI) was founded in 1946 by the merger of several nationalist organizations, and is left-centre in outlook and neutralist in foreign policy. Its home policy is based on the principle of " marhaenism," or the welfare of the common man, and is aimed at the establishment of a distinctively Indonesian form of democratic Socialism. It headed the poll in Central Java, and took second place in West Java, Jakarta, East Borneo, and East Nusa Tenggara.

Smaller nationalist parties include the *Indonesian People's Party* (PRI) and the *Greater Indonesian Union* (PIR). The latter has been split since 1954 into two groups, led respectively by Mr. Wongsonegoro and Professor Hazairin.

Marxist Parties. The *Communist Party*, founded in 1920, has increased greatly in membership in recent years—from less than 5,000 in 1948 to 500,000 in 1954 It won most of its votes in Java, taking second place in Central and East Java. The *Indonesian Socialist Party* was founded in 1948 as the result of a split in the Socialist Party, whose left-wing joined the Communists. It is regarded as pro-Western in outlook, and has co-operated closely in the past with the *Masjumi*. Smaller left-wing parties include the *Labour Party* (Partai Buruh) and the *Party of the Masses* (Partai Murba).

Elections to the Constituent Assembly, which will be a separate body entrusted with the drafting of a new Constitution to replace that adopted in 1950, commenced on Dec. 15, 1955, but have not yet been completed.

(Indonesian Embassy Press Department, London)

(Prev. rep. 11002 A; 10877 C; Population, 13382 A.)

A. JORDAN. — Dismissal of Glubb Pasha from Command of Arab Legion. - Sir Anthony Eden's Statement. - British Executive Officers withdrawn from Arab Legion.

King Hussein of Jordan issued a decree early on March 2 ordering the immediate dismissal on pension of Lieut.-General John Bagot Glubb (Glubb Pasha), the British commander of the Arab Legion, and appointing Brigadier Radi Innab (the Assistant Chief of Staff) as successor to General Glubb, with the rank of major-general. The decree also terminated the services of Colonel Sir Patrick Coghill, British head of the Legion's intelligence service, Brigadier Hutton, British infantry commander with the Legion, and three Jordanian officers. The dismissal of General Glubb—who was asked to leave the country immediately—had been preceded by a seven-hour emergency meeting of the Jordanian Cabinet during the night of March 1-2.

The following official statement was issued in Amman on March 4: "To clear the doubts of many people abroad concerning the relations of Jordan with Great Britain, King Hussein and his Government wish to emphasize that no changes have occurred in those relations, and that the Jordanian Government continues to preserve and respect the 1948 treaty with Britain. As regards the remaining British officers engaged in the Arab Legion, they will remain in their posts as technical advisers and instructors." Assurances to the same effect were conveyed to the British Ambassador in Amman, Mr. Charles Duke.

The announcement of General Glubb's dismissal gave rise to mass demonstrations throughout Jordan, extending over three days, in which large crowds acclaimed the King as a national hero, denounced General Glubb as a "traitor," and demanded Arab financial aid to Jordan in place of the annual grants at present given by Britain. Addressing the thousands of demonstrators who had gathered outside the royal palace in Amman to acclaim him, the King described March 2 as "a holy day on which we have succeeded in our movement by God's will." He added: "I hope God will help us to regain our stolen rights and to work unitedly side by side to serve our country."

The dismissal of General Glubb was also greeted with rejoicing in Egypt, Syria, and Saudi Arabia. In Damascus, the Syrian Prime Minister (Sayed Ghazzi) repeated that the three countries were ready to offer financial assistance to Jordan in place of the annual British grants, whilst the Syrian Chamber of Deputies passed a resolution of unanimous support for King Hussein. The Secretary-General of the Arab League (Abdel Khalek Hassouna) issued a statement in Cairo declaring that "the transfer of the Arab Legion's command to Arab hands is a cause for rejoicing to every Arab in the entire Arab world."

General Glubb (58), who had been Chief of Staff of the Arab Legion since 1939 after having been second in command since 1930, left Amman by air for Cyprus on March 2, accompanied by his family. On arrival at London Airport on March 3, he said: "Jordan and Britain have been friends for 35 years. The last thing I should like is that my personal affairs should cause any weakening of that friendship. I am neither shocked, dazed, nor angry. I have always been treated with great kindness by the Hashemite royal family, and have no complaints."

The British Foreign Office issued a statement on March 2 saying that "the abrupt dismissal of this distinguished officer, who has so long a record of service to Jordan, has come as a deep shock to opinion here." It added "The full facts which have led to the King's sudden action are not known. H.M. Government have received from the King and the Jordan Government assurances that they wish the friendly relations between the two countries to continue. But they are deeply concerned at these developments and the possible consequences, internal and external, to which they may lead."

After calling at the Foreign Office for discussions with Mr. Nutting, the Minister of State for Foreign Affairs (deputizing for Mr. Selwyn Lloyd, then abroad), General Glubb lunched at Chequers on March 4 with the Prime Minister, to whom he made a personal report. On the following day Sir Anthony Eden made a statement to the House of Commons after a Cabinet meeting at which developments in Jordan were discussed in the light of General Glubb's report, and which was attended by the Chief of the Imperial General Staff and the Chief of Air Staff.

Sir Anthony Eden made the following statement to the House of Commons: "The House will have heard with resentment and regret of the summary dismissal of General Glubb and two other senior British officers of the Arab Legion. The lifetime of devoted service which General Glubb has given to the Hashemite kingdom of Jordan should have received more generous treatment.

"The King of Jordan and the Jordan Prime Minister have told H.M. Ambassador that they do not want any change to take place in Anglo-Jordan relations, and that they stand by the Anglo-Jordan treaty. The Prime Minister has also issued a public statement to this effect in which he said that the Jordan Government 'intends to retain the British officers now working with the Arab Legion in the work and services which they are carrying out'. . . The Jordan Government have also given assurances as to the maintenance of order and the protection of British lives and property.

"Her Majesty's Government have given due weight to the Jordan Government's statement regarding the officers. They feel that in view of the treatment meted out to the British officers who have been dismissed, it would be wrong for British officers in the Arab Legion to be left in an uncertain position. It is with this immediate problem that I propose to deal today.

"In our opinion officers in executive commands cannot be asked to continue in positions of responsibility without authority. We have, therefore, asked that such officers should be relieved of their commands. Those on the active list of the British Army—about 15 in number—will be recalled, the future of those on contract with the Jordan Government will be discussed with the Government. Other British officers in the Legion are being asked to continue to carry out their duties for the present.

"In this statement I have dealt only with the position of the British officers. We are considering the effect which these events will have on our relations with Jordan and indeed on the whole situation in the Middle East. These are matters which we are discussing with our allies, but I do not propose to comment on this wider aspect today."

Mr. Crossman (Lab.) asked whether, in spite of the Jordanian Government's assurances, the dismissal of General Glubb and the other British officers was "an anti-British *coup d'etat* which has created an entirely new situation in Jordan." He also asked whether the removal of all British control from the Arab Legion might not create "the gravest danger" of new incidents on the Israel-Jordan frontier.

Sir Anthony Eden replied: "There is no obligation under the terms of the Anglo-Jordanian treaty for the Jordan Government to employ British officers. There is an obligation on the British Government to supply British officers if requested. At the same time, it is clear from the treaty that its whole spirit is based on the need for consultation to ensure mutual defence, and in this sense General Glubb's dismissal is, in the view of the Government, against the spirit of that treaty. . . As for the effect on the international situation and on Israel, the House must judge, and can judge as well as the Government, the effect of the presence or absence of these British officers. I would have thought that many would realize that the effect on the military value of the Legion will be very serious indeed."

Mr. Hugh Gaitskell (Leader of the Opposition) asked whether it was not clear that the dismissal of General Glubb "constitutes a major change in our relations with Jordan and . . . also . . . a major setback for British policy in the Middle East." He declared that the Opposition "cannot allow the matter to rest here," and must insist on an early debate. **Sir Anthony Eden** said that he had not sought "in the slightest degree to minimize the seriousness of the events," and agreed that the House should debate the matter "at the earliest possible moment."

[The debate was held on March 7 and will be brought in a subsequent issue.—*Ed. K.C.A.*]

The Prime Minister of Jordan (Samir el-Rifai) saw the British Ambassador on March 7 and expressed the hope that Sir Anthony Eden would reconsider his decision to withdraw the British officers of the Arab Legion. The Jordanian Foreign Minister (Dr. Khalidi) said on the same day that the Jordanian Government desired to retain the services of all British officers of the Legion, and "did not intend to effect any change in their position or status."

King Hussein issued a statement on March 6 in which he said that he had dismissed General Glubb because he had "lost faith in his judgment and loyalty to Jordan."

After saying that General Glubb "had the mentality and policy of the Victorian era," King Hussein added: "Since my assumption of constitutional powers in May 1953, and until recently, I had repeatedly warned General Glubb that he should reform the Army's administration, eliminate corruption, and help strengthen the Army's morale, which was continuously weakened by General Glubb himself. He repeatedly lectured officers and tribal chiefs, asserting that Israel was stronger than the Arabs and that Arab diplomacy was unwise and foolish.

"Since the summer of 1954 I repeatedly asked General Glubb, who advocated that Jordan should evacuate a major part of the western bank of the River Jordan in the event of Israeli aggression, to draw up a defensive plan. We wanted to defend every inch of Jordan's territory and could not accept the theory of evacuation. But all was in vain. General Glubb remained deaf to my repeated orders. I lost faith in his judgment and loyalty to Jordan. Consequently I decided to terminate his services. He was on the basis of a contract with Jordan.

"General Glubb was dismissed, but treated with full honours. My car carried him from his residence to the airfield, and my Director of the Cabinet and Defence Minister, representing the Cabinet, saw him off. I gave him a souvenir in recognition of previous services, with a personal dedication. This was an indication that we treated him quite decently in a personal manner, although we disagreed with his ways and policy.

"I have instructed my Government in writing that General Glubb's removal does not change the existing friendly relations between Jordan and Britain, and that the remaining British officers will continue in their jobs in fulfilment of their contracts."

General Glubb said on March 7 that he was "astonished" at the statement issued by King Hussein, as he had been by the King's suggestion that he should relinquish the command of the Arab Legion. He added:

"Only 24 hours before I was informed of the King's wishes, I enjoyed a long and cordial interview with him. What I did point out was that Israel was undoubtedly stronger numerically than Jordan, which is common knowledge. I never at any time discussed the country's defences with Arab chiefs. . . Although nearly a year ago the King stated that he wished to defend every inch of Jordan, he gave me to understand subsequently that this was impracticable, since when he has never mentioned the subject to me again."

Referring to King Hussein's statement that he (the King) had continually warned him to eliminate corruption from the Arab Legion, General Glubb emphasized that the Legion had for years been famous for its incorruptibility. "The Legion's integrity and loyalty," he added, "have been a by-word in the world"

The following letter was written by General Glubb to *The Times* on March 8:

"Since my arrival in England . . . I have noted with regret a number of statements to the effect that the people of Britain resent the manner of my dismissal from Jordan While deeply appreciating the generous feelings expressed in Britain towards myself, I cannot avoid the fear that such feelings of resentment might well lead to unwise political decisions. I feel that such decisions should be taken in an atmosphere of calm reflection and not under the influence of resentment.

"There are two factors which may have influenced King Hussein in his decision to dismiss me The first is largely a personal one. His Majesty is still young and enthusiastic and is intensely desirous to serve and benefit his country. The tragic situation in which Jordan is placed, with one-third of its population destitute refugees and an active enemy on a 400-mile-long frontier, convinced me of the necessity of caution. His Majesty tended to favour bolder courses of action than I felt it my duty to advise, not that there was ever any open difference between us. King Hussein invariably treated me with kindness and indeed with cordiality Our discussions were frank, but they revealed this difference in tone I favoured caution while his Majesty tended to favour a more enterprising policy.

"The second factor which might have influenced his Majesty is that of pressure by Egypt and Saudi Arabia These two countries have made no secret of their desire for my removal. But the Egyptian Revolutionary Government is ideologically opposed to monarchy and would form an extremely unreliable ally for King Hussein King Saud, at the same time, is a hereditary enemy of King Hussein for reasons of dynastic rivalry. Egypt and Saudi Arabia are therefore unlikely to prove satisfactory allies to Jordan, and King Hussein may indeed be in need of help against such friends if his throne is to survive

"I cannot therefore avoid the impression that it would be a serious political error to 'get tough' with Jordan at this stage. Armed coercion is out of the question, and suddenly to cut off the [British] subsidy would either destroy Jordan or force the King into the arms of friends who would almost certainly ruin him. I feel strongly that such irrevocable action should not be taken under the influence of resentment."

It was announced on March 5 that H.M. the Queen had conferred the K.C.B. on General Glubb.
(Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. Jordan, 14646 A.)

The Arab Legion. The Arab Legion has 64 British officers, of whom 16 are employed by the Jordanian Government on local contracts and the remaining 48 are volunteer Regular officers seconded—usually for three years—from the British Army and the Royal Air Force Of the officers who have been dismissed, General Glubb and Sir Patrick Coghill had both been on local contracts, whilst Brigadier Hutton was a seconded Regular officer whose tour of duty had almost terminated.

The Legion (about 20,000 strong) was created by Britain in 1920 and is entirely financed and equipped by the U.K. Government, the current rate of subsidy being around £9,000,000 a year. It comprises one infantry division, two armoured car regiments, an anti-tank regiment, and base installations, being the strongest military component of the Jordanian Forces. The National Guard, about 30,000 strong, is controlled by the Arab Legion and has duties analogous to those of the British Territorial Army and Home Guard—primarily in policing the frontiers

Small British military forces and installations, including infantry and armoured units, are stationed in Jordan under the 1948 treaty There are also R.A.F. bases at Amman, Mafrak, and Akaba.
(Times - Daily Telegraph)

A. INDIA - INDONESIA. — Mutual Aid Agreement between Indian and Indonesian Air Forces.

An agreement on mutual aid between the air forces of India and Indonesia was signed in Jakarta on Feb. 28. Valid for five years, it provides for the exchange of pilots and officers, the training of Indonesian Air Force officers in India, the sale, loan, or exchange of equipment by the two Governments, and the maintenance of courier air communications.
(Indonesian Embassy Press Department, London)

B. UNITED KINGDOM. — Civil Estimates, 1956-57.

The Civil Estimates for the financial year 1956-57 were published on Feb. 16, together with the Estimates for the Revenue Departments and the Ministry of Defence (civil expenditure). They showed an estimated total expenditure of £2,969,492,938, an increase of £77,349,783 over the total of the Original and Supplementary Estimates for 1955-56.

The sums required for the various classes of expenditure, with the corresponding amounts for 1955-56 given for comparison, are shown in the following table:

	Total Civil Estimates† 1956-57 £	1955-56 £
Central Government Services	20,849,475	21,723,997
Foreign and Colonial Offices, etc.	90,469,128	118,190,666
Home Department, Law and Justice	89,214,275	83,987,648
Education and Broadcasting	413,571,029	379,057,487
Health, Housing, and Local Government	728,731,862	693,244,256
Board of Trade, Ministries of Labour and Supply	257,507,394	232,623,699
Ministry of Works, Public Buildings, Stationery and Printing, Ministry of Information	74,391,613	66,818,085
Ministries of Agriculture, Food, etc.	324,078,392	363,951,212
Ministries of Transport and Civil Aviation and of Fuel and Power, Department of Scientific and Industrial Research, Atomic Energy, Roads, etc.	158,648,630	141,666,475
Ministry of Pensions and National Insurance, etc.	455,752,840	445,015,930
Total Civil Estimates	2,613,214,638	2,546,279,455
Revenue Departments		
Customs and Excise	14,756,300	13,810,700
Inland Revenue	38,014,000	35,849,000
Post Office	287,298,000	277,894,000
Total for Revenue Departments	340,068,300	327,553,700
Ministry of Defence*	16 200,000	18,300,000
Grand Total	2,969,482,938	2,892,133,155

* See also Defence Estimates. † Adjusted for Transfers

Particulars of the more important items included in the Civil Estimates are given below, with comparative figures for 1955-56 (revised) in parentheses:

National Health Service. £502,715,130 (£479,330,405), of which £446,836,175 was for England and Wales and £55,878,955 for Scotland.

Housing. England and Wales £62,998,280 (£62,170,020), Scotland £13,981,540 (£12,845,500).

Agricultural and Food Subsidies and Grants. £237,327,430 (£265,056,760).

Ministry of Education. England and Wales £304,834,218 (£276.493,636) and Scotland £42,537,493 (£38,744,090).

Ministry of Supply. £213,400,000 (£187,719,000).

Other Estimates included £213,282,000 for National Insurance and Family Allowances; £127,626,000 for the National Assistance Board; £88,841,000 for War Pensions; £22,496,526 for Colonial Services; £18,000,000 for Colonial Development and Welfare; £34,419,900 for grants to Universities and Colleges; £28,894,000 for Broadcasting; £28,307,000 for Public Buildings; £54,390,630 for Roads; and £68,264,390 for Atomic Energy.
(1956-57 Votes on Account) **(Prev. rep. 14163 A.)**

C. PAKISTAN. — New Governor of East Pakistan.

It was announced in Karachi on March 5 that Mr. Fazlul Huq, the Pakistani Minister of the Interior, had been appointed Governor of East Pakistan in succession to Mr. Amiruddin Ahmed. Mr. Fazlul Huq, leader of the United Front, had been Premier of East Bengal (now East Pakistan) after the United Front's electoral victory in March 1954, but had been dismissed by the then Central Government in May 1954 (see 13746 A).

Mr. Amiruddin Ahmed, formerly Chief Justice of the Dacca High Court, had been sworn in as acting Governor of East Pakistan on June 14, 1955, following the resignation of Mr. Shahabuddin.—(Pakistan High Commissioner's Office, London)
(Prev. rep. 14273 C; Mr. Fazlul Huq, 14371 A.)

D. NETHERLANDS. — New Minister of Justice.

Professor Julius C. van Oven was sworn in on Feb. 15 as Minister of Justice in the Netherlands Government in succession to Mr. L. A. Donker, who had died on Feb. 4. Professor van Oven (74) was professor of Roman Law at the University of Leiden from 1925 to 1952, and was formerly foreign editor of the newspaper *Nieuws van den Dag*.—(Netherlands News Agency)
(Prev. rep. 14363 B.)

A. UNITED KINGDOM. — Capital Punishment. - House of Commons Majority for Abolition of Death Penalty.

After rejecting on Feb. 16, by a majority of 31 on a free vote, a Government motion to retain the death penalty while amending the law of murder, the House of Commons adopted an amendment in favour of the abolition or suspension of capital punishment by a majority of 46 votes. The Prime Minister, Sir Anthony Eden, subsequently announced on Feb. 23 that the Government would give priority to the Death Penalty (Abolition) Bill, a private member's Bill sponsored by Mr. Sydney Silverman (Lab.) which had already been given a first reading on Nov. 15, 1955.

Mr. Silverman's Bill provided (1) that no person should be sentenced to death for murder, (2) that any enactment requiring a court to pronounce a death sentence for murder should be construed as requiring the court to sentence the offender to life imprisonment; (3) that the provisions of the Act could be ended by an Order-in-Council upon the recommendation of both Houses of Parliament at any time not earlier than five years after its passage, (4) that if, however, the legislation had not been repealed by such an Order within 10 years, it would continue indefinitely. The Bill was supported by seven Labour members (Mr. Chuter Ede, Mr Aneurin Bevan, Mr. Wedgwood Benn, Mr Paton, Mr. Daines, Mr Paget, and Dr Stross), two Liberals (Mr Clement Davies and Mr. Wade), a Conservative (Sir Beverley Baxter), and an Ulster Unionist (Mr Montgomery Hyde).

Government Motion.—The Home Secretary's Speech.

A Government motion "that this House is of opinion that, while the death penalty should be retained, the law relating to the crime of murder should be amended" was tabled on Feb. 9 by Sir Anthony Eden, Mr. R. A. Butler (Lord Privy Seal), Major Gwilym Lloyd-George (Home Secretary), Mr. James Stuart (Secretary for Scotland), and Sir Reginald Manningham-Buller (Attorney-General). The Government's proposals provided for the amendment of the law relating to constructive malice, provocation, and "suicide pacts," the motion being introduced in the House on Feb. 16 by the Home Secretary.

Major Lloyd-George said that no-one who had any close responsibility for capital punishment wanted to retain it for its own sake. There could be no Home Secretary, and no-one among his advisers, who would not be thankful to be relieved of the terrible burden which the existence of capital punishment laid upon them It was incumbent upon those who wished to abolish capital punishment, however, to show that a change in the law would be beneficial The Government were bound to start from the assumption that, in a matter of this kind, the law should not be changed unless it could be clearly shown that there was good reason for the change, and that it would not prejudice the safety or well-being of the public

The most important argument used in favour of the abolition of capital punishment was that there was no clear proof that it was an effective deterrent. Statistics, however, afforded "no reliable evidence one way or the other" The Royal Commission on Capital Punishment had not said that capital punishment was not a uniquely effective deterrent—in some respects they thought it was The abolitionists' case was that since the death penalty could not be proved by statistics to be a uniquely effective deterrent, therefore it was not one, but he did not believe that "what could not be proved by statistics could not be true."

"The argument against capital punishment which has assumed some importance recently," he continued, "is that there is a risk of an innocent man being hanged. 'No human institution,' it is said, 'is infallible, a mistake can be made.' That, as an abstract proposition, is no doubt true, but consider how many institutions, before an innocent man can hang, must make, not only a mistake, but the same mistake—the police, the judge, the jury, the Court of Criminal Appeal, all anxiously searching for the truth. . . . If in a capital case there is a scintilla of doubt, the invariable practice is to recommend a reprieve."

It had been suggested, in a recent case, that three innocent men would have been hanged if a policeman who had been attacked had died [In the case referred to, three men were convicted in 1954 of causing grievous bodily harm to a policeman, and sentenced to long terms of imprisonment After two other prisoners had confessed to the crime, the three men were released on Jan. 14, 1956] It was doubtful, however, whether they would have been convicted, as the evidence of the principal witness as to identity—the constable—would not have been available, or would have been available only in the form of a dying deposition. Even if there had been a conviction, he did not believe that any Home Secretary would have thought it safe to allow the sentence to be fulfilled It was untrue, as had been suggested in the Press, that people who killed policemen were never reprieved; during the present century 15 people had been sentenced to death for murdering policemen, and four had been reprieved.

"I do not believe," the Home Secretary declared, "that there has been in recent times any case in which an innocent man has been hanged I say that advisedly, and after full consideration of the cases of Rowland and Evans." [Walter Rowland was hanged for the murder of a woman in 1947. While he was awaiting execution a man named Ware confessed to the crime, but afterwards retracted his confession. Ware was subsequently convicted of the attempted murder of a woman in 1951, but was found to be insane and ordered to be detained during the King's pleasure. For details of the Evans case see page 14285, end of second column]

Major Lloyd-George continued: "I believe capital punishment to be justified only if it is likely to reduce the amount of murder. If there is reason to think that without it there might be more murder, then I think it should be retained I am not shaken in that view by the fact that capital punishment causes suffering both to the condemned man and to others Murder causes suffering. I see neither sense nor humanity in risking an increase of suffering by innocent victims and their families in order to reduce the suffering of murderers and theirs. The first function of capital punishment is to give emphatic expression to society's peculiar abhorrence of murder . . It is important that murder should be regarded with peculiar horror, which is in itself a powerful psychological barrier against killing. The fact that we now recognize it is wrong to hang for petty theft does not prove it is wrong to hang for murder. Nor does the fact that hanging did not deter from theft when there was no effective means of detection prove that hanging does not deter from murder now there are effective means of detection"

As regards the alleged deterrent effect of capital punishment, he said: "On common sense, I should have thought it was obvious that death is more feared than practically any other punishment. Many people are inclined to discount the fear of hanging—first, because less than half the people found guilty of murder are hanged, and secondly, because murder is commonly in this country the sudden unpremeditated outcome of passion or insanity, of a situation in which the murderer neither thinks nor cares whether he hangs or not But that is not in itself highly significant The effect of hanging as a deterrent is to be seen not in those who commit murder, but in those who do not Of this type there can be no statistics"

The type of murderer who was conspicuously rare in Britain was the professional criminal. The Royal Commission had found that it was the unanimous view of witnesses from the police and prison service that the existence of the death penalty was the main reason why lethal violence was not more often used, and why criminals did not carry weapons. The professional criminal was apparently prepared to accept imprisonment as an "occupational risk," but not hanging If a man with a bad record was convicted of robbery, house-breaking, or burglary, he stood a good chance of imprisonment or preventive detention for up to 14 years, and in some circumstances of a life sentence. If capital punishment were abolished he would run little or no additional risk if he committed murder, and there would be nothing to deter him from shooting to avoid capture or to silence the only witness of his crime.

It was sometimes said that it would be necessary to deal with this situation by arming the police The police themselves disliked this idea because it would adversely affect the whole relationship between the police and the public, and it would be exceedingly unfortunate if it became necessary. In some areas and at some times they might have to be armed, but the arming of the police did not touch the real problem. The way to keep the peace was not to have "an arms race" between the police and criminals but "to ensure as nearly as possible that arms were not used. "We are fortunate in this country that criminals are in general unarmed," Major Lloyd-George observed. "We must not lightly forgo the deterrent that is likely to keep them so"

Continuing, the Home Secretary said that the average number of murders per million people in England and Wales in the three decades from 1910 to 1939 was 4.1, 3.9, and 3.3, whilst in Scotland the corresponding figures were 1.9, 2.9, and 2.6. The next lowest figures were those of Norway (5.4, 4.9, and 5), which, unlike the British figures, excluded infanticide. Elsewhere the figures were higher, and in some cases substantially so The fact that the murder-rate in Britain was the lowest in the world did not prove that capital punishment had a deterrent effect, but it did afford additional evidence of the danger of relying on statistics, since the effect of the abolition of capital punishment in countries with a comparatively high murder-rate could not be regarded as a reliable indication of the possible effects of abolition in a country where murder was much less prevalent It might be that in Britain murder had been narrowed down almost to that very small number of cases where no form of deterrent could operate, but it could not be assumed that this would continue if the only deterrent which seemed likely to operate effectively were removed.

The number of murders was about one-third above the pre-war average, although at present it showed no tendency to rise. The number of crimes of violence against the person was about three times the number before the war, and there had been a continuing increase over the last few years The same was true of indictable sexual offences against women. Too much need not be read into these figures, as part of the increase might be due to improvement in enforcement or to a tendency to charge offences in more serious categories; but a time when such crimes were on the increase, as at present, was not one when capital punishment could be safely abolished

On the question of an alternative penalty, the Home Secretary said that any alternative must be as effective a deterrent as possible and must be acceptable to public opinion. In certain cases of murder the only possible alternative was a long and indefinite term of imprisonment. It was rare at present for a reprieved murderer to stay in prison for more than nine years, but if capital punishment

were abolished some prisoners would have to be detained for the rest of their lives, or until they were too enfeebled to present a risk. At a tentative estimate, the number of murderers in prison would gradually increase to a maximum of 250 more than at present, of whom at any given time there would be 150 who could be released after periods of up to 20 years The remaining 100, who might have to be detained for longer periods, some possibly for the rest of their lives would have to be kept in conditions of maximum security because of the danger that they would commit further offences if they escaped Many of the more dangerous and violent of this group were in their twenties or early thirties, and they would be faced with the possibility of 30 or 40 years in prison Releasing some of these men who at present would be executed would involve considerable risk. It was true that only one murderer who had been released had committed a second murder, but murderers now reprieved and ultimately released were not of the type who were likely to commit murder a second time.

His conclusion, and that of the Government, was that, in spite of the abhorrence with which capital punishment was viewed by many sections of the community, the time had not come when the Government could recommend with any confidence that it should be abolished. The Government would, however, continue to keep the problem under review, taking into account any changes in public opinion, as well as other factors. If they considered that capital punishment could safely be abolished they would not hesitate to propose that course to Parliament.

Turning to the Government's proposals, Major Lloyd-George said that the Royal Commission's proposals for the alteration of the statutory age limit, the giving of discretion to the jury, and the alteration of the M'Naghten Rules, were unacceptable to the Government. The Commission had dismissed as impracticable the proposal to define degrees of murder, but had suggested three points at which the scope of murder might be reduced—the doctrine of constructive malice; the doctrine that words alone could not, save in the most exceptional circumstances, constitute sufficient provocation to reduce murder to manslaughter; and the liability of the survivor of a "suicide pact" to be convicted of murder.

The present scope of the doctrine of constructive malice was by no means clear, but it could still produce the result that an act done while committing a felony or resisting an officer of justice might be murder, although if done in other circumstances it would only be manslaughter. The Commission had recommended the abolition of this doctrine, with the proviso that an accomplice should remain liable to be found guilty of murder if the principal was so liable. The Government agreed that the law was at present unsatisfactory in this respect; but they wanted to make sure, in whatever they proposed that they did not eliminate the deterrent against criminals carrying weapons.

As regards provocation, the Royal Commission had recommended that it should be open to the jury to reduce a charge of murder to one of manslaughter on the grounds of provocation by words alone. The Government agreed that the law on this point should be amended.

With regard to "suicide pacts," the law said at present that if two people agreed to commit suicide and only one died, the survivor was guilty of murder; but if the survivor had made a genuine attempt to kill himself the practice was to recommend a reprieve. The Royal Commission considered that if the survivor had killed the other party he should be guilty of murder, but it had recommended that one who only aided, abetted, or instigated another's suicide should be guilty of that offence but not of murder, and might be liable to life imprisonment. The Government accepted this recommendation.

Both the Government and the Royal Commission had given much thought to the problem of mental abnormality. The first question was how to identify insanity, and the second was how to deal with persons who, though not insane, were of sufficient mental abnormality to be regarded as less than fully responsible for their actions. On the question of legal insanity, the Government held the view that some formula was necessary for the guidance of juries. They recognized that the M'Naghten Rules were open to criticism, but so was every alteration which had been suggested. They preferred the definition whose operation was known, and which, in practice, led to little hardship or injustice, to one which might be equally imperfect and, in practice, less harmless.

There remained the question whether anything could be done about "the no-man's-land between the clearly sane and the clearly insane." The Royal Commission thought there were strong arguments for adopting in England the Scottish doctrine of diminished responsibility. The Government would give the matter full consideration, and if they concluded that something on these lines should be done, proposals would be laid before the House.

In conclusion, the Home Secretary said that the law must be drafted in terms of offence and not of individual offenders. However it was amended, it would not of itself distinguish between those murderers who, while capital punishment was retained, ought to suffer death and those who ought not. The Government's view was that discretion should continue to be exercised by means of the Royal prerogative of mercy. In considering whether to recommend the exercise of this prerogative he would give full weight to the points to which the Royal Commission had drawn attention as matters appropriate for consideration at this stage. No Home Secretary, he reiterated, wished to retain capital punishment for its own sake, but the Government, after long and anxious consideration, felt it their duty to advise the House that capital punishment must be retained.

Amendment for Abolition of Capital Punishment. - The Parliamentary Debate.

Mr. Chuter Ede, Home Secretary in the 1945-51 Labour Government, moved the following amendment: "That this House believes that the death penalty for murder no longer accords with the needs or the true interests of a civilized society, and calls upon H.M. Government to introduce forthwith legislation for its abolition or for its suspension for an experimental period."

Mr. Ede said that the Home Secretary's speech, to which he had listened with "increasingly heavy disappointment," really meant that there was to be no change at all. Affirming that there had been important changes in public opinion, Mr Ede said that he had not met a single person who believed that the execution of Timothy Evans was justified by the facts subsequently revealed. In another recent case, the Home Secretary had recommended a reprieve only a few days after deciding that the law must take its course. If a Home Secretary could have second thoughts, how could one say that there was no possibility of error? Such things troubled responsible public opinion, which had been profoundly shocked by the Evans case.

Mr. Ede continued: "The Home Secretary is confronted, as we all are, with statistics which really prove nothing because, as he said, we do not know the potential murderers who do not commit murder —who are, in fact, deterred. If we are to wait until we can get some proof that would satisfy the Home Secretary on the line he adopted this afternoon, I do not believe that any such proof will ever be forthcoming. What we have to face is the state of public opinion and the extent to which the public feel it is safe that this irrevocable penalty can be used. I believe that events during the last two or three years have gravely shaken public opinion on that point, far more than it was ever shaken One can also point to the fact that the voice of the various religious communities has been more outspoken on this issue than ever before."

Sir Patrick Spens (C.) said that in his four years as Chief Justice of India he had presided over a great number of appeals against death sentences "I am convinced," he declared, "that fear of violent death is a deterrent. No statistics or arguments will convince me that it is not. You will do a grave injury to society if you suspend or abolish the death penalty." The abolition of capital punishment, he added, would mean running the risk that some innocent man, woman or child would be murdered who would not have been killed if the death penalty had been retained.

Mr. Herbert Morrison (Lab.)—a former Home Secretary, like Mr. Chuter Ede—spoke as follows: "I confess that on this issue I have been uncertain in my mind. I thought in 1948, with Mr Ede and the then Government, that in the circumstances then obtaining it would have been wrong to advise the House to abolish the death penalty. But the more I think about this, and the more one studies it, I become increasingly uncertain as to whether it is right to defend the death penalty. I am less convinced that it is a decisive deterrent in cases of murder. Having thought and thought, and wrestled with my mind and conscience about it, I have become increasingly doubtful whether the death penalty is so decisive a deterrent, or is more a deterrent than life imprisonment. I feel that since 1948 there has been a change in public opinion in favour of abolition or suspension. I am not going to argue that there is yet a majority opinion if you count heads . . But there are times when the House must not be afraid to be a little in advance of public opinion. . . . I have it in my bones that this change is going to come. . . . I would sooner have the House facing this important change freely and of its own wisdom than waiting until we are pushed into it in an undignified way, possibly in a wave of emotion about a particular case."

Sir Lionel Heald (C), a former Attorney-General, maintained that both Evans and Christie had been concerned in the murder for which Evans was hanged. "I was Attorney-General at that time," he declared, "and I prosecuted Christie. I knew all about the case and I think Evans was guilty of murder. My own view is that both Christie and Evans were concerned in that matter, and if there was a miscarriage of justice it was a technical one in that Christie was not hanged at that time." Calling for the retention of capital punishment, Sir Lionel pointed out that if the death penalty were to be abolished for murder it could not logically be retained under the Treason Act, or in colonial territories such as Malaya and Kenya.

Mr. William Reid (Lab.), who supported the abolition of capital punishment, described an execution which he had had to attend as a junior magistrate in Glasgow, he said that the condemned man had been the calmest person present, and the most agitated had been the Prison Governor, whose mangled body had some time later been found on the rail track between Glasgow and Ayr. Mr. Reid described capital punishment as "legalized murder committed by the State," and said that "we should be a cleaner and healthier nation without it."

Mr. Atkins (C.) said that he welcomed any measures designed to exclude from the category of murderer everybody but "the cold-blooded, calculating man who deliberately set out to take another's life." For such persons he had reluctantly come to the conclusion that the law should not be altered.

Mr. George Rogers (Lab), who demanded the abolition of capital punishment, said with reference to the Evans case. "The time will come when I will demonstrate that Evans was innocent and that the judges were wrong" After referring to the Ruth Ellis case, he added: "Ruth Ellis had a son. I took that boy into my home to try and save him from the horror of the day of execution. Can you imagine the agony experienced by my wife and children when they had to

pretend to that fatherless boy that everything was normal when at the same time his mother was being taken from the condemned cell to be hanged ? "

Mr. Knox Cunningham (U U.) said that he favoured the retention of capital punishment because he believed in the sanctity of human life, and because murder was an evil thing. " On one occasion in my life," he added " I had grave temptation to commit a murder One of the factors which influenced me was the fear of hanging I think today, if ever the temptation came again, I should also find hanging a deterrent. I believe capital punishment is a deterrent, and because of that I will support this motion."

Mr. Kennth Younger (Lab.) said that while at the Home Office [in which he was an Under-Secretary during the Labour Government] he had become convinced that the death penalty was not necessary. He observed that the only body of evidence in favour of retaining the death penalty seemed to be the police, who apparently believed that more criminals would carry arms and use them if the death penalty was abolished. This view, however, was only a " hunch " and not a conclusion based on evidence.

Mr. Nigel Nicolson (C.), who supported the amendment, thought it unlikely that capital punishment would be in existence in 50 years' time. He asked whether sufficient attention was paid to the distinction made by the law between attempted murder and actual murder, and in this connexion cited two cases in which women had fired revolvers at their lovers In one case the man was killed and the woman who shot him was hanged ; in the other, the bullet missed the intended victim by a fraction of an inch, and the woman was today walking about free. Mr. Nicolson commented that " any system which can allow for such an appalling distinction of penalty is wrong."

Mr. Stanley Evans (Lab.), who supported the retention of the death penalty, said that he had discussed the question with all sorts of people—" waiters, quarrymen, lorry drivers, shopkeepers, chambermaids, and hall porters "—and had found no-one who was in favour of abolishing capital punishment where the murder was cold-blooded and premeditated.

Sir Hugh Lucas-Tooth (C) said that although he had voted against abolition at the last debate, he would now vote for it if the choice were between no immediate action and total abolition As a result of his experience as a former Under-Secretary at the Home Office, he had reached the opinion that the death penalty should be abolished except where it was committed in the course of a robbery and with a weapon likely to cause death The terms of the Government motion were not incompatible with what he would like to see, though the Home Secretary's actual proposals fell a great deal short of what he would like. He would therefore support the motion, whilst reserving his freedom of action on the Bill which would follow.

The **Rev. Llewellyn Williams** (Lab.), who spoke in favour of abolition, drew attention to the " dangerous psychological damage " which was being inflicted on the minds of adolescents and children by the sensationalism with which murder trials were treated in some sections of the Press

Mr. Sydney Silverman (Lab.) observed that members were unanimously agreed that there should be some change in the law. There was no member of the House who would not rejoice if he felt he could vote for the abolition of the death penalty without doing harm to the principle of the sanctity of human life Another proposition, not universally accepted, was that in a case where everyone wanted the same thing, but were divided on the way it could be done, a compromise should be reached This gave attractiveness to the idea that the death penalty should be retained for some capital crimes and abolished for others. In the end, however, the question which the House had to decide could not be answered out of the law books and legal precedents, or by statistics—it was a great moral issue which the House had to decide. The onus of justifying the death penalty was on those who wished to retain it, and those who supported the amendment were entitled to ask the House not to retain the death penalty if they had a reasonable doubt about its effectiveness. " Over and above all these arguments about deterrents, retribution, the status of the law, and onus of proof," he went on, " there remains in all our minds the fear that, from time to time, at some eight o'clock or nine o'clock in the morning you take an innocent man out of a cell and break his neck." Many votes had been swayed in 1948 by the assurances of Sir John Anderson and Sir David Maxwell-Fyfe (both former Home Secretaries) that there was no reasonable probability of an innocent man being convicted, yet within two years Evans had been hanged. The worst thing about the death penalty was that it could persuade a highly intelligent, responsible, conscientious, and humane man like the Home Secretary to convince himself, because he dared not believe the contrary that Evans was guilty. Mr. Silverman concluded " Let us, as free men, free women, free members of Parliament in a free society, go forward and wipe this dark stain from our Statute Book for ever."

Mr. R. A. Butler, replying to the debate, said that when there was a free vote the Government would naturally expect to base their actions, if necessary after deliberation, on the decision of the House. It was right that there should be a Government motion, although there was a free vote ; the Government had a mind on the matter, and a great responsibility to the public as the supreme authority. They were taking from the Royal Commission certain recommendations which they thought would improve the law of murder, but they were not attempting to define degrees of murder, or, as the Administration had unsuccessfully done in 1948, to define crimes. As far as he could ascertain, no innocent man had been hanged within recent memory, and judgment should not be based on the " erroneous belief " that innocent men had been hanged. Mr. Morrison had indicated that the Government must " gallop ahead " of public opinion, but this was not the way the Government should behave in regard to the death penalty. If members decided to abolish the death penalty, they would have to accept something which many of them felt was infinitely more cruel [i e. lifelong imprisonment]. In his opinion, it would be unwise to abolish the death penalty without waiting for the Government's amendments.

Majority Vote for Abolition of Capital Punishment.

Mr. Chuter Ede's amendment was put to the vote and carried by 293 votes to 262. The motion, as amended, was then adopted by 292 votes to 246, the result being received with loud cheering from the supporters of abolition.

The 295 members (including tellers) voting for the amendment included 48 Government supporters, among them Mr. Julian Amery, Mr. J J. Astor, Lord Balniel, Sir Beverley Baxter, Sir Robert Boothby, Mrs. Evelyn Emmet, Mr. Foster, Sir Henry d'Avigdor Goldsmid, Mr Reader Harris, Lord Hinchingbrooke, Mr. Montgomery Hyde, Mr. Leather, Mr. Nicolson, Mr Ormsby-Gore, Brigadier Prior-Palmer, and Miss Joan Vickers [Seventeen of these had either voted against the suspension of the death penalty or abstained in the debate in February 1955, and 17 others had entered the House for the first time at the general election.] Five Liberals also voted for the amendment, including the Liberal leader, Mr. Clement Davies, who had opposed the suspension of capital punishment in the previous debate. Eight Labour members (Mr. Boyd, Mr Evans, Mr Fletcher, Mr. Hobson, Mr. Moody, Mr. Philips Price, Mr. Turner-Samuels, and Mr Wells) voted for the Government motion—i e. to retain the death penalty.

Sir Anthony Eden and ten other Cabinet Ministers, as well as Sir Winston Churchill, voted for the retention of the death penalty, whilst three other Ministers—Mr. Selwyn Lloyd (Foreign Secretary), Mr. Macleod (Minister of Labour), and Mr Heathcoat Amory (Minister of Agriculture)—abstained from voting. Junior Ministers who abstained or were absent included Mr Nutting, Mr. Enoch Powell, Mr. Walker Smith, Mr. Bevins, Sir Edward Boyle and Mr. Carr. [In a free vote it is the accepted practice that Ministers who disagree with the Government's policy on the question under discussion may abstain, but not vote against the Government]

In reply to a question by Mr. Chuter Ede, the Prime Minister stated after the debate : " The Government will give full weight at once to a decision taken by this House on a free vote, but I must add that we will at the earliest opportunity make a considered statement of the consequences which will flow from that."

Major Lloyd-George stated on Feb. 23 that it would be unconstitutional for the Home Secretary and the Secretary of State for Scotland to " abrogate capital punishment by administrative action in anticipation of the amendment of the law," and that each case would be considered on its merits, regard being had to " all relevant considerations either of a public or private nature."

Priority for Death Penalty (Abolition) Bill.

On Feb. 23 Sir Anthony Eden announced that the Government had decided to find time for a second reading of the Death Penalty (Abolition) Bill on a free vote, as they did not consider it appropriate for the Government to bring forward a measure against which they had recently advised the House.

The Prime Minister's decision was criticized by **Mr. Gaitskell** (Leader of the Opposition) and by **Mr. Herbert Morrison,** who maintained that it was inconsistent with the pledges given on Feb. 16 by Mr. Butler and Sir Anthony Eden himself This view was rejected by **Sir Anthony Eden,** who contended that the Government could not be asked to do more than to offer time for Mr. Silverman's Bill both in second reading and for later stages if required, and to offer a free vote at each stage. The Government, he added, certainly could not contemplate introducing legislation in a contrary sense to their own expression of view **Mr. Silverman** suggested that a suitable precedent was provided by the Labour Government's action in 1948, when, after advising against the contemplated reform. Mr. Attlee had " loyally accepted the decision of the House and adopted the remaining stages as a Government measure " He also asked what, if the Commons passed the Bill, would be the Government's attitude in " pursuing any matters which have to be pursued thereafter with the House of Lords." **Sir Anthony Eden** replied that, after the decision of the House, the Government considered that Mr. Silverman's Bill was " entitled to jump the queue and be given time and a free vote," but that he could not attempt to answer questions on what the Lords might do in any hypothetical circumstances.

Resolution by Prison Officers' Association.

The Prison Officers' Association, in a resolution sent to Major Lloyd-George on Feb. 22, referred to the disquiet aroused among prison officers by the House of Commons decision, and pointed out that " a convicted murderer may in the early stages of his sentence commit a further murder of either a fellow prisoner or a member of the prison staff without altering in any material way the sentence which he has to serve." The Association therefore requested " (1) that where a second murder is committed by a person serving a sentence for murder,

his position shall be catered for under special legislation"; and (2) that the Civil Service Superannuation Act of 1949 should be amended to make special provision for the widows or dependants of prison officers who might be killed "as a result of an attack by a prisoner."

Resignation of Chief Public Executioner.

The Home Office announced on Feb. 26 that the chief public executioner, Mr. Albert Pierrepoint, had asked the Prison Commissioners to remove his name from the list of executioners. Mr. Pierrepoint (who is landlord of a public house near Preston, Lancs.) declined to discuss the reasons for his resignation, but said that they were unconnected with "present discussions about capital punishment." Mr. Pierrepoint (47) had been chief executioner since 1946, on the retirement of his uncle, Mr. Thomas Pierrepoint. His father was also a public executioner.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 14285 A.)**

A. UNITED STATES. — Foreign Aid, 1954-55.

A report of the U.S. International Co-operation Administration, dated Nov. 16, 1955, showed that during the fiscal year July 1954 - June 1955 the I.C.A. had allocated a total of $1,841,228,000 in foreign aid, of which $921,964,000 had gone to countries in the Far East; $477,874,000 to the Near East, Africa, and South Asia; $212,026,000 to Europe; and $46,339,000 to Latin America. Of the total, $807,146,000 had been for defence support; $502,000,000 for direct forces support; $256,329,000 for development assistance; and $111,796,000 for technical co-operation.

All the allocations to Europe—except $55,000,000 for direct forces support ($35,000,000 to the U.K and $20,000,000 to Yugoslavia)—were for defence support activities, divided as follows: Spain, $84,900,000, German Federal Republic, $24,051,000; Yugoslavia, $23,749,000, Italy, $16,072,000, Austria, $612,000; France, $518,000, Portugal, $76,000; Norway, $64,000, Belgium-Luxemburg, $49 000; Netherlands, $47,000; United Kingdom, $40,000, Denmark, $27,000.

The $46,339,000 to Latin America was entirely for development assistance and technical co-operation, the principal recipient countries being Bolivia ($12,887,000), Guatemala ($6,658,000), Brazil ($4.457,000), Haiti ($2,955,000), Peru ($2,418,000), and Chile ($2,130,000).

The division of aid between the countries in the Far East and the Near East, Africa, and South Asia is shown in the following table:,

	Direct Forces Support	Defence Support	Development Assistance ($'000)	Technical Co-operation	Total
Far East—					
Cambodia	25 000*	13,200	—	—	38,200*
Laos	35,000*	5,900	—	—	40,900*
Vietnam	234,800*	85,500	—	—	320,300*
Formosa	31,000	103,598	—	3,050	137,648
Indonesia	—	—	—	5,700	7,200†
Japan	—	—	—	475	475
Korea	—	236,194	—	—	236,194
Philippines	9,500	12,400	—	7,250	29,150
Siam	12,200	29,700	—	4,650	46,550
Near East, Africa, and South Asia‡—					
Afghanistan	—	—	—	2,021	2,021
Egypt	—	—	40,000	2,924	42,924
Ethiopia	—	—	—	4,091	4,091
Greece	10,000	24,110	—	—	34,110
India	—	—	69,135	15,168	84,303
Iraq	—	—	—	2,860	2,860
Israel	—	—	40,000	1,475	41,475
Jordan	—	—	5,000	2,293	7,293
Lebanon	—	—	5,700	1,995	7,695
Liberia	—	—	—	1,870	1,870
Libya	—	—	3,540	1,645	5,185
Nepal	—	—	1 675	772	2,447
Pakistan	—	65,500	950	5,300	71,750
Persia	—	—	65,800	8,730	74,530
Saudi Arabia	—	—	—	300	300
Turkey	25,000	65,690	—	—	90,690

* An additional $65,000,000 was allocated for direct forces support to the Indo-Chinese States as a whole. † Including $1,500,000 for other (unspecified) purposes. ‡ Also listed under this heading was $2,729,000 for technical co-operation in the overseas territories of Belgium, France, Italy, Portugal, and the United Kingdom, over half of which ($1,568,000) was for U K. territories.

The report gave cumulative totals of U.S. foreign aid since the start of the European Recovery Programme in April, 1948, showing that in this period a total of $19,908,527,000 had been allocated—$14,603,583,000 to Europe, $2,666,029,000 to the Far East, $2,330,477,000 to the Near East, Africa, and South Asia, and $110,815,000 to Latin America.—(International Co-operation Administration, Washington) **(14442 B.)**

B. FINLAND. — Coalition Cabinet formed by M. Fagerholm. - General Strike.

M. Fagerholm, the leader of the Social Democratic Party, was asked by President Kekkonen on Feb. 17 to form a Government, following the resignation of the former Cabinet which had been headed by Dr. Kekkonen before his election to the presidency. After prolonged inter-party negotiations, M. Fagerholm formed an administration which, like the Kekkonen Government, was based on a coalition of the Social Democrats and the Agrarians, and which also included one member each from the Finnish People's Party (Liberals) and the Swedish People's Party. Its membership was announced on March 3 as follows:

M. Karl-August Fagerholm (Social Democrat)	Prime Minister.
M. Ralf Torngren (Swedish People's Party)	Foreign Affairs.
M. Vilho Vayrynen (Social Democrat)	Interior.
*M. Aare Simonen (Social Democrat)	Finance.
*M. Emil Skog (Social Democrat)	Defence.
*M. Johannes Virolainen (Agrarian)	Education.
M. Eino Palovesi (Agrarian)	Posts and Telecommunications.
*M. Martti Miettunen (Agrarian)	Agriculture.
*M. Kauno Kleemola (Agrarian)	Commerce and Industry.
M. Eino Saari (Finnish People's Party)	Social Affairs.
M. Mauno Jussila (Agrarian)	Deputy Minister of Finance.
*M. Hannes Tiainen (Social Democrat)	Deputy Minister of Posts and Telecommunications.
*Mme. Vieno Simonen (Agrarian)	Deputy Minister of Agriculture.
Mme. Tyynne Leivo-Larsson (Social Democrat)	Deputy Minister of Social Affairs.

* Member of former Government.

Apart from M. Fagerholm's appointment as Prime Minister, the most important Cabinet change was the appointment of M. Torngren (the leader of the Swedish People's Party) as Foreign Minister in succession to M. Virolainen, who became Minister of Education. M. Simonen, the new Finance Minister, succeeded M. Tervo, who had been killed in a car accident on Feb. 26.

The new Cabinet was formed while a nation-wide general strike was in progress—the first general strike in Finland since 1917, at which time the country was under Russian rule. The strike began on March 1, when the 200,000 members of the Finnish Trade Union Federation struck work after the Government and the employers had refused to meet union demands for all-round wage increases of five per cent to balance the rising cost of living caused by an increase in farm prices. Although all factories, transport and postal services in Finland were brought to a standstill, the T.U. Federation agreed not to extend the strike to public utilities for humanitarian reasons.

M. Fagerholm's Government set up a three-man committee on March 5 to mediate between the parties with a view to reaching a settlement of the general strike. Its members were M. Teuvo Aura, a former Minister of Commerce; M. Aku Sumu, formerly head of the Trade Union Federation; and M. Klaus Waris, Governor of the National Bank of Finland. (Berlingske Tidende, Copenhagen - Svenska Dagbladet, Stockholm - Times) **(Prev. rep. President Kekkonen, 14724 A; Cabinet, 14509 C; 14073 A.)**

C. UNITED KINGDOM. — Gold and Dollar Reserves in February. - Increase of $61,000,000.

The sterling area had a gold and dollar surplus in February of $61,000,000 after taking account of (*a*) $6,000,000 received in U.S. defence aid; (*b*) the payment of $8,000,000 to the European Payments Union, representing that part of the January deficit which had to be settled in gold or dollars; and (*c*) the payment of $2,000,000 under bilateral agreements with creditors of the E.P.U. As a result of the February surplus —which was the largest increase in the reserves in any month since May 1954—the sterling area's gold and dollar reserves rose to $2,210,000,000 on Feb. 29.

Provisional figures for the E.P.U. February settlement showed that the U.K. had a deficit of $22,400,000 (£8,000,000), which would be settled in March three-quarters in gold or dollars and one-quarter by an increase in the U.K. debt to the Union.—(Treasury Press Office, London) **(14703 A.)**

A. UNITED STATES. — Presidential Election. - President Eisenhower to seek Second Term of Office.

President Eisenhower announced at a press conference on Feb. 29 that he was prepared to stand for a second presidential term if the Republican Party chose him as their candidate in the presidential election to be held in November 1956.

A fortnight earlier (Feb. 14) the President had been examined by six doctors, headed by Dr. Paul Dudley White (the Boston heart specialist), and had been pronounced fit to stand for a further term of office. The doctors said that "medically the chances are that the President should be able to carry on an active life satisfactorily for another five to ten years,"

In making his announcement, the President said that he had discussed the problem of whether or not he should run for a second term with "everybody that I thought was my friend and some that I wasn't so sure of" He stated that his decision had partly been influenced by his personal conviction that he could "last out the (next) five years," and declared that his campaign would be conducted "on the record I have established before the American people"

The President explained more fully his reasons for seeking a second term in the following broadcast made on the same evening:

". . . I have decided that if the Republican Party chooses to re-nominate me, I shall accept that nomination Thereafter, if the people of this country should elect me, I shall continue to serve them in the office I now hold I have concluded that I should permit the American people to have the opportunity to register their decision. .

In reaching this conclusion I have, first of all, been guided by the favourable reports of the doctors . Their reports are that my heart has not enlarged, that my pulse and blood-pressure are normal that my blood analysis is excellent and my weight satisfactorv, and that I have shown no signs of undue fatigue after periods of normal mental and physical activity.

In addition I have consulted literally with multitudes of friends and associates, either personally or through correspondence With their advice—once I had been assured of a favourable medical opinion—I have diligently sought the path of personal responsibility and of duty to the immense body of citizens who have supported me and this Administration in what we have been jointly trying to do In the last analysis, however, the decision was my own Even the closest members of my family have declined to urge me to any specific course, merely saying that they would cheerfully abide by whatever I decided was best to do.

From the moment that any man is first elected President of the United States there is continuous public interest in the question as to whether or not he will seek re-election In most instances Presidents in good health have sought, or at least have made themselves available for, a second term. In my own case this question, which was undecided before my recent illness, has been complicated by the heart attack I suffered. . . Aside from all normal considerations, I have been faced with the fact that I am classed as a recovered heart patient. This means that, to some undetermined extent, I may possibly be a greater risk than is the normal person of my age My doctors assure me that this increased percentage of risk is not great.

So far as my own personal sense of well-being is concerned, I am as well as before the attack occurred. It is, however, true that the conclusions of the doctors that I can continue to carry the burdens of the Presidency contemplate for me a regime of ordered activity, interspersed with regular amounts of exercise, recreation, and rest. I must keep my weight at a proper level. I must take a short midday breather I must normally retire at a reasonable hour, and eliminate many of the less important social and ceremonial activities.

But let me make one thing clear As of this moment, there is not the slightest doubt that I can now perform, as well as I ever have, all of the important duties of the Presidency. This I say because I am actually doing so, and have been doing so for many weeks Of course, the duties of the President are essentially endless. No daily schedule of appointments can give a full time-table—or even a faint indication—of the President's responsibilities. Entirely aside from the making of important decisions is the formulation of policy through the National Security Council and the Cabinet, and co-operation with Congress and with the States. There is for the President a continuous burden of study, contemplation, and reflection.

Of the subjects demanding this endless study, some deal with foreign affairs, with the position of the U.S A. in the international world—her strength, her aspirations, and the methods by which she may exert her influence in the solution of world problems and in the direction of a just and enduring peace. These are a particular constitutional responsibility of the President. The subjects that require this study and contemplation include major questions affecting our economy, the relationship of our Government to our people, the Federal Government's proper role in assuring our citizens access to medical and educational facilities, and important economic and social policies in a variety of fields. The President is the constitutional Commander-in-Chief of our armed forces, and is constantly confronted with major questions as to their efficiency, organization, operation, and adequacy. All these matters, among others, are with a President always: in Washington, in a summer White House, on a weekend absence, indeed, even at a ceremonial dinner and in every hour of leisure. The old saying is true—a President never escapes from his office.

These are the things to which I refer when I say that I am now carrying the duties of the President So far as I am concerned, I am confident that I can carry them indefinitely. Otherwise I would never have made the decision I announced today. The doctors insist that hard work of the kind I have described does not injure any recovered coronary case, if such a recovered patient will follow the regime they lay down. Certainly, to this moment, the work has not hurt me. Readiness to obey the doctors, out of respect to my present duties and responsibilities, is mandatory in my case. I am now doing so, and I intend to continue doing so for the remainder of my life, no matter in what capacity I may be living or serving. Incidentally, some of my medical advisers believe that adverse effects on my health will be less in the Presidency than in any other position I might hold. They believe that, because of the watchful care that doctors can and do exercise over a President, he normally runs less risk of physical difficulty than do other citizens. . . .

With this background of fact and medical opinion and belief. what do these circumstances imply in terms of restrictions upon the activities in which I have been accustomed to participate in the past? During the first 2½ years of my incumbency, I felt that a great effort was needed in America to clarify our own thinking with respect to problems of international peace and our nation's security, the proper relationships of the Federal Government with the States; the relationship of the Federal Government to our economy and to individual citizens, increased co-operation of the Executive branch with Congress; problems of the nation's farmers: the need for highways, the building of schools; the extension of social welfare, and a myriad other items of similar importance. To this public clarification of issues I devoted much time and effort.

In many cases these things can now be done equally well by my close associates, but in others I shall continue to perform these important tasks Some of the things in which I can properly have a reduced schedule include public speeches, office appointments with individuals and groups, ceremonial dinners, receptions, and portions of a very heavy correspondence

I have done a great deal of travelling, much of which was undertaken in the effort to keep in personal touch with the thinking of you, the people of America Both in war and peace it has been my conviction that no man can isolate himself from the men and women he is attempting to serve and really sense what is in their hearts and minds This kind of activity I shall continue, but not on such an intensive basis . . .

All this means that neither for re-nomination nor re-election would I engage in extensive travelling and in 'whistle-stop' speaking—normally referred to as 'barn-storming' I had long ago made up my mind, before I ever dreamed of a personal heart attack, that I could never, as President of all the people, conduct that kind of political campaign where I was personally a candidate The first duty of a President is to discharge to the limit of his ability the responsibilities of his office. On the record are the aims, efforts, accomplishments, and plans for the future of this Administration Those facts constitute my personal platform.

I put all these things clearly before you for two reasons The first is that every delegate attending the Republican Convention next August is entitled to know now that, for the reasons I have given I shall, in general, wage no political campaign in the customary pattern Instead my principal purpose, if re-nominated, will be to inform the American people accurately, through the means of mass communication, of the foreign and domestic programme this Administration has designed and has pressed for the benefit of all our people; to show them how much of that programme has been accomplished or enacted into law; to point out what remains to be done, and to show how we intend to do it.

If the Republican delegates believe that they should have as their presidential nominee one who would campaign more actively, they would have the perfect right—indeed, the duty—to name such a nominee I would accept their decision cheerfully, and would continue by all means within my power to help advance the interests of the American people . .

The second reason for placing these things before you is because I am determined that every American shall have all available facts concerning my personal condition and the way I am now conducting the affairs of this office. Thus, when they go to the polls next November to elect a President, they can—should I again be one of the nominees—do so with a full understanding both of the record of this Administration and of how I propose to conduct myself now and in the future. . . .

As I hope all of you know, I am dedicated to a programme that rigidly respects the concepts of political and economic freedom on which this nation was founded; that holds that there must be equal justice and equality of opportunity for individuals, that adapts governmental methods to changing industrial, economic, and social conditions, and that has as its never-changing purpose, the welfare, prosperity, and, above all, the security of 166,000,000 Americans.

The work that I set out four years ago to do has not yet reached the state of development and fruition that I then hoped would be accomplished within the period of a single term in this office. So, if the American people choose, under the circumstances I have described, to place this duty upon me, I shall persist in the way that has been charted by my associates and myself I shall continue, with earnestness, sincerity, and enthusiasm, to discharge the duties of this office."

In making his announcement at his press conference, President Eisenhower declined to state whether or not he wished Vice-President Nixon to run with him as vice-presidential candidate, saying that this was a matter for the Republican Convention to decide. He declared, however, that his "admiration and respect" for Mr. Nixon were "unbounded," and said that he had been "a loyal, dedicated and successful associate." (NewYork Times - New York Herald Tribune)

(Prev. rep. 14608 B; 14530 D.)

A. INDIA. — Press Commission's Report. - Implementing Legislation.

Resolutions approving the recommendations of the Indian Press Commission (see 13949 A), and requesting the Government to implement them as early as possible, were adopted by the House of the People on Aug. 23, 1955, and by the Council of States on Sept. 14.

Dr. Keskar (Minister of Information) told the Council of States that the Government accepted in principle the Commission's suggestions for the establishment of a Press Council, consisting mainly of journalists, which would maintain professional standards, examine matters relating to newspapers, and provide "a salubrious check on sections of the Press which carry on undesirable activities." The Government also accepted the recommendation that newspaper prices should be fixed according to the number of pages, in order to help the smaller and regional language newspapers. As regards the Commission's proposal that the Press Trust of India should become a public corporation and the United Press of India a public trust, Dr. Keskar said that he had no constitutional power to force the news agencies to reorganize, the Government would, however, see that they were run on the right lines

The Press and Registration of Books (Amendment) Bill, which provided for the appointment of a Press Registrar as recommended by the Commission, was passed by the House of the People on Nov. 22 and by the Council of States on Dec. 5, 1955.

The Bill, which amended the Press and Registration of Books Act of 1867, laid down that all newspapers must supply the Registrar with such information as the names of their proprietors, editors, printers, and publishers, the average number of pages printed each week, and any other particulars required by the Government. The Registrar's staff would have right of access to any relevant record or document relating to a newspaper in its publisher's possession, and would be empowered to enter any premises where they believed such documents to be, and to remove them if necessary.

The Working Journalists (Conditions of Service) and Miscellaneous Provisions Bill, which regulated the working conditions of journalists and other newspaper employees along the lines recommended by the Commission, was passed by the House of the People on Dec. 20, 1955, after previous approval by the Council of States.

This Bill dealt with working hours, periods of notice, payment of gratuities, the establishment of a provident fund, and the settlement of disputes, and provided that a board should be set up to determine minimum salaries and wages Introducing the Bill in the Council of States, Dr. Keskar stated that this was the first occasion when a statutory minimum wage had been fixed for any except "sweated" industries, and the Government had therefore decided to lay down a definite procedure which would serve as a model for other industries and professions.

Dr. Keskar told the Indian Parliament on Sept. 30 that the Government had accepted in principle the Commission's recommendation not to permit the publication in India of foreign newspapers and periodicals dealing mainly with news and current affairs. He added that permission had been refused for the publication of an Indian edition of the *New York Times*. (The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London) **(Prev. rep. 13949 A.)**

B. ISRAEL - BULGARIA.—Israeli and South African Compensation Claims for Shooting-down of Airliner.

It was announced by the Israeli Foreign Ministry on Feb. 15 that Israel had submitted a compensation claim for $2,656,858 to Bulgaria in connexion with the shooting-down of an Israeli airliner over Bulgarian territory on July 27, 1955, with the loss of 58 lives.

The South African Government announced on Feb 17 that it had also lodged a compensation claim against Bulgaria for the loss of four South African lives in the incident.

It had been announced in Washington on Aug. 11, 1955, that Bulgaria had offered to pay compensation for the death of the 12 American citizens who were on board the airliner when it was shot down. In addition, Bulgaria had made an apology to the U.S. Government and had promised to punish those responsible for the incident.—(New York Times - New York Herald Tribune - Cape Times) **(Prev. rep. 14359 E.)**

C. AUSTRIA - SOVIET UNION. — Danube Navigation Agreement.

It was announced in Vienna on Feb. 15 that an agreement on Danube navigation had been concluded between the Austrian and Soviet Governments enabling Austrian shipping to use the whole stretch of the river down to the Black Sea. The agreement—which followed those concluded by Austria with the other riparian countries—also provided that the carriage of passengers and freight from one country to the other should be shared by the Soviet and Austrian Danube navigation companies in a fixed proportion.—(Wiener Zeitung) **(Prev. rep. 14222 B.)**

D. AUSTRALIA. — Uranium Contract with Britain.

Mr. Beale, the Federal Minister for Supply, announced on March 1 that the Australian Government had approved an agreement reached between the U.K. Atomic Energy Authority and Mary Kathleen Uranium Ltd. under which the Authority would buy uranium oxide from the Mary Kathleen leases near Mount Isa, in Western Queensland, where a treatment plant would be erected. The total value of the contract (which would extend over several years) was expected to be more than £A40,000,000 but uranium development in the south Alligator River area of the Northern Territory, where some deposits undoubtedly existed, could increase the value of the contract to about £A60,000,000; the Authority had therefore agreed, at the Government's request, to buy additional uranium oxide from the area if ore reserves there were proved by the end of 1957.

Mr. Beale added that the Australian Government had reserved the right to acquire for defence purposes any part of the uranium produced during the term of the contract, and had also satisfied itself that Australia's future uranium needs would not be prejudiced. The Government had also stipulated, and the parties had agreed, that Mary Kathleen Uranium Ltd. should treat a certain tonnage of outside ores—to be included in the contract—at the Mary Kathleen plant if that were practicable Production at the plant would begin early in 1959, or possibly before.

With regard to finance, Mr. Beale said that the capital required would amount to about £A10,000,000, most of which would come from abroad, thereby avoiding a strain on Australia's present capital resources. Rio Tinto (Australia) Pty. Ltd, a subsidiary of the U.K. firm of Rio Tinto, was the major shareholder in Mary Kathleen Uranium Ltd, in which there was also a large Australian shareholding.

Mr John Poole, managing director of Rio Tinto (Australia) Pty. Ltd and Mary Kathleen Uranium Ltd, stated on the same day that it was less than 12 months since Rio Tinto technicians had begun to prove the deposit, the proving operations alone having cost the company more than £A300,000 All the capital required would be provided by the U K, but Australasian Oil Exploration Ltd. and the original prospectors' syndicate would together receive 44 per cent of the profits.

The U K Atomic Energy Authority stated on March 1 that it had undertaken to lend up to £5,000,000 (sterling) to bring the mine into operation

The development of the mine, which is equidistant (40 miles) from Cloncurry and Mount Isa, will entail the construction of a township for 1,000 people, complete with a hospital, hotel, shopping centre, cinemas, and recreational facilities; the company's own orchards and market gardens to supply the township; a 3,500,000,000-gallon reservoir able to withstand a three-year drought; a power station able to meet the heavy industrial and domestic demands; and an ore-crushing mill and treatment plant for processing the uranium ore.
(Australian News and Information Bureau - Times) **(14102 A.)**

E. UNITED KINGDOM. — The Duke of Edinburgh's Youth Award Scheme.

It was announced on Feb. 21 that H.R.H. the Duke of Edinburgh had decided to offer an award to young people, initially confined to boys, which would be known as "The Duke of Edinburgh's Award"; that he had accepted an offer from Brigadier Sir John Hunt (leader of the British Everest Expedition of 1952) to advise and assist in promoting the scheme; and that Sir John was retiring from the Army to take up this appointment. The announcement said:

"In recent years many people have spoken to the Duke of Edinburgh about the increasing need, under modern conditions, to provide further opportunities for young people between the ages of 15 and 18 to achieve a balanced development of their character. Emphasis has been given to this problem by a report entitled *Citizens of Tomorrow*, published recently by King George's Jubilee Trust Since 1954 His Royal Highness has been considering this need and the possibility of establishing certain standards, for progressive achievement, for which awards might be given. After consulting certain national voluntary youth organizations and others, His Royal Highness has decided to offer an award for such achievements, which will be known as 'The Duke of Edinburgh's Award'

"As a first step His Royal Highness has accepted the offer of certain organizations to conduct limited experiments in the operation of a scheme designed to carry out this purpose during a trial period. Other bodies may be invited to participate. This experiment is being financed as part of the Memorial to King George VI ... Details of the achievements, the standards to be set, and the award itself, are being worked out in co-operation with the organizations taking part in the experiment ..."

Sir John Hunt said that the award was expected to be made for performances in various fields of endeavour—e.g. first aid in rescue work, study or craftsmanship, adventurous enterprise, and physical fitness.—(Times - Daily Telegraph) **(Prev. rep. King George VI Memorial Fund, 13596 B.)**

MARCH 10—17, 1956

A. SOVIET UNION.—20th Communist Party Congress. - M. Khrushchov's Report on International Situation, Internal Developments, and Party Organization. - Criticisms of Stalinist Policy. - Denunciation of "Cult of the Individual." - Emphasis on Collective Leadership. - New Central Committee and Presidium.

The 20th congress of the Soviet Communist Party was held in Moscow from Feb. 14-25, being attended by over 1,400 delegates. The congress approved the sixth Five-year Plan (see 14717 A), endorsed the Central Committee's report presented by M. Khrushchov (First Secretary of the party), and elected a new Central Committee.

M. Khrushchov's report, delivered in a six-hour speech on Feb. 14, dealt with both international and internal affairs, as well as with developments inside the party. In the section on international affairs he rejected the view that war was inevitable, reaffirmed Soviet support for the principle of peaceful co-existence, and repudiated the idea that revolution could be "exported." He also appealed for co-operation between Communist and Social Democratic parties, and declared that in certain countries the transition to Socialism could take place by parliamentary methods. A summary is given below (cross-headings inserted).

The International Situation.

Economic Development in the U.S.S.R. Comparing the economic progress of the Soviet Union with that of the capitalist countries, M. Khrushchov claimed that between 1929 and 1955 industrial output in the Soviet Union had risen by 1,949 per cent, whereas during the same period it had increased in the U.S.A. by 134 per cent, in Britain by 81 per cent, in France by 25 per cent. in Italy by 94 per cent, in Western Germany by 113 per cent, in Japan by 139 per cent, and in capitalist countries as a whole by 93 per cent. Thus in 26 years the Soviet Union had increased its industrial output more than twenty-fold, despite the damage caused by the war, whilst the U.S.A., which enjoyed exceptionally favourable conditions, had little more than doubled its production. The Soviet Union, he claimed, held second place in the world in total volume of industrial output, whilst in the production of pig-iron, steel, aluminium, copper, machinery, electricity, cement, and coal it had outstripped France, Western Germany, and Britain, and was steadily catching up with the United States.

M. Khrushchov continued: "Today it is no longer necessary for each Socialist country to develop all branches of heavy industry, as had to be done by the Soviet Union, which for a long time was the only Socialist country and existed in a capitalist encirclement. Now, when there is a powerful community of Socialist countries whose defence potential and security is based on the industrial might of the entire Socialist camp, each European people's democracy can specialize in developing those industries and producing those goods for which it has the most favourable natural and economic conditions. This creates the necessary pre-requisites for releasing considerable resources to develop agriculture and the light industries . . Under treaties which it has concluded, the Soviet Union is now helping the people's democracies to build 391 enterprises . . We have granted the people's democracies long-term credits totalling 21,000,000,000 roubles on the most favourable terms. The Soviet Union is also helping friendly countries to organize the production and peaceful use of atomic energy. . . . Our country is helping the People's Republic of China to build, within one five-year period alone, 156 enterprises and 21 separate workshops, supplying industrial plant to a total value of about 5,600,000,000 roubles. In exchange for these deliveries the Soviet Union is receiving products from China and other people's democracies in which it is interested. . "

The Economic Situation in Capitalist Countries. M. Khrushchov asserted that "the capitalist world economy is developing extremely unevenly and has become still more unstable," and attributed the increase in production in the post-war period to the following factors: (1) increased expenditure on armaments; (2) the favourable situation created for the U.S.A., Britain, and France by the temporary removal of German, Japanese, and Italian competition and the acute demand for food and other staple commodities in Western Europe after the war, (3) the renewal of capital equipment after the war, (4) a fall in real wages in certain countries, accompanied by increased output per industrial worker. He affirmed, however, that the "stimulating action of many of these temporary factors" was becoming exhausted.

In support of his contention that "underlying crisis symptoms are evident," M. Khrushchov stated that in the U.S.A. commodity stocks and consumer credit had reached "dangerous proportions," and that in a number of countries huge quantities of farm produce had accumulated which could not find a market. Western Germany and Japan had practically regained their pre-war positions in the world market, and a further increase in each country's exports was possible only as a result of fierce struggle against competitors. The U.S.A. had "disorganized the world market by carrying on unilateral trade, fencing off its market from foreign imports, prohibiting trade with the East, dumping agricultural produce, and resorting to other measures which seriously affect other countries." The problem of markets was becoming all the more acute because of the formation of the new and growing Socialist world market and the development of industry in the former colonial countries, with the result that "the struggle for markets and spheres of influence will become still sharper within the imperialist camp." After asserting that strikes and industrial unrest had assumed much wider proportions in the capitalist countries than in pre-war years, M. Khrushchov suggested that "capitalism is steadily moving towards new economic and social upheavals."

International Relations. After the war, M. Khrushchov declared, the policy pursued by "reactionary and militarist groups" in the U.S.A., Britain, and France had led to "war hysteria, an ever-increasing arms drive, the establishment of U.S. military bases in countries thousands of miles from the U.S.A., the artificial kindling of international distrust, the wars in Korea and Indo-China, and the organization of such military blocs as NATO, the Western European Union, SEATO, and the Baghdad Pact." He added: "The 'anti-Communist' slogan is again being used as a smoke-screen to cover up the claims of one Power to world domination. The new thing here is that the U.S.A. wants, by means of blocs and pacts, to secure the dominating position in the capitalist world for itself, and to reduce all its partners in the blocs to the status of obedient executors of its will."

On the other hand, M. Khrushchov continued, "the forces of peace" had been "considerably augmented by the emergence in the world of a group of peace-loving European and Asian States which have proclaimed non-participation in blocs as a principle of their foreign policies" As a result, "a vast zone of peace has emerged in the world, including peace-loving States, both Socialist and non-Socialist, of Europe and Asia. This zone embraces vast areas inhabited by nearly 1,500,000,000 people—that is, the majority of the population of our planet"

"Under the impact of these incontestable facts," M. Khrushchov continued, "symptoms of a certain sobering-up are appearing among influential Western circles. More and more people in these circles are realizing what a dangerous gamble war against the Socialist countries may prove for the development of capitalism. . . Nor is it a coincidence that prominent leaders of bourgeois countries with increasing frequency frankly admit that 'there will be no victor' in a war in which atomic weapons are used. . . ."

The Colonial System. M. Khrushchov then referred to post-war developments in former colonial and semi-colonial countries, including the Chinese revolution and the attainment of independence by India, Burma, Indonesia, Egypt, Syria, Lebanon, and other countries, as a result of which "more than 1,200,000,000 people, or nearly half the world's population, have been freed from colonial or semi-colonial dependence during the last ten years" After declaring that "the disintegration of the imperialist colonial system now taking place is a post-war development of world historic significance," he continued "Peoples whom for centuries the colonialists have kept off the high road of progress . are now undergoing a great process of regeneration People's China and the independent Indian Republic have joined the ranks of the great Powers. We are the witnesses of a political and economic upsurge of the peoples of South-East Asia and the Arab East. The awakening of the peoples of Africa has begun The national liberation movement has gained in strength in Brazil, Chile, and other Latin American countries. The outcome of the wars in Korea, Indo-China, and Indonesia has demonstrated that the imperialists are unable, even with the help of armed intervention, to crush peoples who fight for freedom and independence. . "

After declaring that "the contradictions and rivalries between the colonial Powers for spheres of influence, sources of raw materials, and markets for the sale of goods are growing," M. Khrushchov said: "The U.S.A. is out to grab the colonial possessions of the European Powers South Vietnam is passing from France to the United States The American monopolists are waging an offensive against the French, Belgian, and Portuguese possessions in Africa. Once Persia's oil riches were fully controlled by the British, but now they have been compelled to share them with the Americans; moreover, the American monopolists are fighting to oust the British entirely. American influence in Pakistan and Iraq is increasing . "

Military aid to the under-developed countries, M. Khrushchov alleged, was also being used as a "new form of colonial enslavement" which on the one hand enabled "the American monopolies to load up their industry with arms orders" at the expense of U.S. taxpayers, and on the other made the receiving States economically and politically dependent on the U.S.A. He added that the Baghdad Pact and SEATO were being used to divide the Arab countries and the countries of South-East Asia respectively, in accordance with "the colonialists' long-standing policy of 'divide and rule'."

Soviet Foreign Policy. M. Khrushchov observed that for the first time since the war a certain relaxation of international tension had taken place, which had made the Geneva Conference possible. "Some people are now trying to bury the Geneva spirit," he added. "The facts show that certain circles in the West have still not given up hope of putting pressure on the Soviet Union and wresting unilateral concessions from it. But it is high time to understand that such calculations are not realistic. The Soviet Union has done much to bring the positions of the great Powers closer together Now it is up to the U.S.A., Britain, and France. This, of course, does not mean that the Soviet Union will refuse to make further efforts to ease international tension and strengthen peace On the contrary . . . the Soviet Union will strive with still greater persistence to establish confidence and co-operation among all countries, and above all the great Powers Equal effort and reciprocal concessions are indispensable in the relations between Powers. The method of negotiation must become the sole method of solving international problems."

M. Khrushchov went on to call for the establishment of a collective security system in Europe, the renunciation of the Paris Agreements, and *rapprochement* and co-operation between Eastern and Western Germany as a basis for settlement of the German question On the question of disarmament, he recalled the Soviet proposals of May 10, 1955, and the reduction in the Soviet armed forces, and complained that "no sooner did the Soviet Union accept the proposals of Britain, France, and the U S.A. on two stages of disarmament and maximum levels for armed forces than the Western Powers began to retract, and not only refused to accept the concrete proposals of the Soviet Union but even disowned their own proposals." The Soviet Union would nevertheless "continue to work to end the arms drive and ban atomic and hydrogen weapons."

"The establishment of firm friendly relations between the two biggest Powers of the world, the Soviet Union and the U.S A," M. Khrushchov went on, "would be of great significance for the strengthening of world peace If the well-known 'five principles of peaceful co-existence' were to underlie the relations between the Soviet Union and the U.S.A , it would be of truly great importance for all mankind. . . . These principles—mutual respect for territorial integrity and sovereignty, non-aggression, non-interference in one another's domestic affairs, equality and mutual advantage, peaceful co-existence and economic co-operation—are now subscribed to by a score of States. We have recently taken new important steps with a view to achieving a fundamental improvement in Soviet-American relations I have in mind the proposal for the conclusion of a treaty of friendship and co-operation between the Soviet Union and the U.S.A contained in Bulganin's letter to President Eisenhower (see 14665 A). We want to be friends with the U.S A. and to co-operate with it for peace and international security, and also in the economic and cultural spheres. We propose this with good intentions, without holding a knife behind our back . .

"As hitherto, we intend to work for the further improvement of our relations with Britain and France. Our countries, as European countries, have many common interests, and above all a common interest in preventing another war. Both World Wars started in Europe Militarist Germany was their breeding-ground . . It is important to recall this, particularly today when a revenge-seeking West German *Wehrmacht* is being created again with all speed, directly endangering the security of all the European peoples. . . .

"The Soviet Union will continue to strive unswervingly for the extension and strengthening of friendship and co-operation with the countries of the East. We note with satisfaction that good, friendly relations have developed between our country and the Indian Republic, and we are confident that these relations have a great future. We acclaim the desire of the peoples of the Arab countries to uphold their national independence We also believe that Persia, Turkey, and Pakistan will realize that normal relations with the Soviet Union are in keeping with their vital interests. It is our immutable principle to develop and strengthen friendly relations with all countries which, like us, desire to preserve peace."

M. Khrushchov went on to refer to the recent development of trade and cultural contacts between the Soviet Union and Britain, France, Sweden, Finland, Norway, and certain other countries, and expressed regret that such contacts between the Soviet Union and the U.S.A. were still "insignificant." "Trade," he added, "should play a big part in extending the basis for businesslike co-operation between countries. In contrast to the 'Let us arm' slogan of the North Atlantic bloc, we put forward the slogan 'Let us trade.' Our new Five-year Plan provides for a substantial extension of trade relations, both with the people's democracies and with all other States."

Peaceful Co-existence. M. Khrushchov then discussed a number of general questions affecting international relations, beginning with that of "peaceful co-existence" and the "export of revolution." "It has been alleged," he said, "that the Soviet Union puts forward the principle of peaceful co-existence merely out of tactical considerations—considerations of expediency But it is common knowledge that we have always, from the very first years of Soviet power, stood with equal firmness for peaceful co-existence. Hence it is not a tactical move, but a fundamental principle of Soviet foreign policy. . . It goes without saying that among Communists there are no supporters of capitalism. But this does not mean that we have interfered, or plan to interfere, in the internal affairs of countries where capitalism exists. .

"When we say that the Socialist system will win in the competition between the two systems, the capitalist and the Socialist, this by no means signifies that its victory will be achieved through armed interference by the Socialist countries in the internal affairs of the capitalist countries. Our certainty of the victory of Communism is based on the fact that the Socialist mode of production possesses decisive advantages over the capitalist mode of production. . . . We have always held, and continue to hold, that the establishment of a new social system in this or that country is the internal affair of the people of the country concerned. . The principle of peaceful co-existence is gaining ever wider international recognition. . . . And this is natural, for in present-day conditions there is no other way out. Indeed, there are only two ways: either peaceful co-existence or the most destructive war in history. There is no third way."

The "Inevitability of War." Discussing whether a third world war was inevitable, M. Khrushchov said "There is, of course, a Marxist-Leninist precept that wars are inevitable as long as imperialism exists. This precept was evolved at a time when imperialism was an all-embracing world system, and the social and political forces which did not want war were weak, poorly organized, and thus unable to compel the imperialists to renounce war. . . At the present time, however, the situation has radically changed. Now there is a world camp of Socialism which has become a mighty force. In this camp the peace forces find not only the moral but also the material means to prevent aggression. Moreover, there is a large group of other countries, with a population running into hundreds of millions, which are actively working to avert war The labour movement in the capitalist countries has today become a tremendous force. The movement of peace supporters has sprung up and developed into a powerful factor.

'In these circumstances the Leninist precept certainly remains in force that, so long as imperialism exists, the economic basis giving rise to wars will continue to exist. That is why we must display the greatest vigilance. As long as capitalism survives in the world, the reactionary forces representing the interests of the capitalist monopolies will continue their drive towards military gambles and aggression, and may try to unleash war. But war is not fatalistically inevitable. Today there are mighty social and political forces possessing formidable means to prevent the imperialists from unleashing war, and, if they actually do try to start it, to deliver a smashing rebuff to the aggressors and frustrate their adventurist plans"

Forms of Transition to Socialism. After declaring that the transition to Socialism might take a number of forms, M Khrushchov quoted a saying of Lenin that "All nations will arrive at Socialism, but not all will do so in exactly the same way." This saying, he observed, had been confirmed by the experience of history. "Alongside the Soviet form of reconstructing society on Socialist lines, we now have the form of people's democracy. . . Much that is unique in Socialist construction is being contributed by the People's Republic of China.

In the Federal People's Republic of Yugoslavia, where State power belongs to the working people and society is founded on public ownership of the means of production, specific concrete forms of economic management and organization of the State apparatus are arising in the process of Socialist construction. It is probable that more forms of transition to Socialism will appear. Moreover, the implementation of these forms need not be associated with civil war The greater or lesser degree of intensity which the struggle may assume, the use or the non-use of violence in the transition to Socialism, depends on the resistance of the exploiters—on whether the exploiting class itself resorts to violence, rather than on the proletariat."

"In this connexion," M. Khrushchov went on, "the question arises whether it is possible to make the transition to Socialism by parliamentary means No such course was open to the Russian Bolsheviks, who were the first to effect this transition . . Since then, however, the historical situation has undergone radical changes which make possible a new approach to the question. . . The present situation offers the working class in a number of capitalist countries a real opportunity to unite the overwhelming majority of the people under its leadership and to secure the transfer of the basic means of production into the hands of the people. . . . The winning of a stable parliamentary majority backed by a mass revolutionary movement of the proletariat and all the working people could create for the working class of a number of capitalist and former colonial countries the conditions needed to secure fundamental social changes. In the countries where capitalism is still strong and has a huge military and police apparatus at its disposal, the reactionary forces will, of course, inevitably offer serious resistance There the transition to Socialism will be attended by a sharp revolutionary struggle."

Principles of Foreign Policy. M Khrushchov concluded the first section of his report by laying down the following principles of Soviet foreign policy

(1) To pursue the policy of peaceful co-existence between States, irrespective of their social systems, and to work for the establishment of confidence between States, with a view to transforming the relaxation of tension already achieved into a lasting peace

(2) To strengthen the fraternal relations between the Soviet Union and China, Poland, Czechoslovakia, Bulgaria, Hungary, Rumania, Albania, Eastern Germany, North Korea, North Vietnam, and Mongolia, and "to strengthen in every way friendship and co-operation with the fraternal peoples of Yugoslavia."

(3) To consolidate Soviet friendship and co-operation with India, Burma, Indonesia, Afghanistan, Egypt, Syria, and "other countries which stand for peace", to support "countries which refuse to be involved in military blocs"; and to develop and strengthen friendly relations with Finland, Austria and other neutral countries

(4) To work for an improvement in relations with the U.S.A., Great Britain, France, Western Germany, Japan, Italy, Turkey, Persia, Pakistan, and other countries with a view to strengthening mutual confidence, extending trade, and expanding contacts and co-operation in the spheres of culture and science

(5) To "expose the activities of the enemies of peace and strengthen the country's defence."

The Internal Situation.

Industry and Transport. After summarizing the achievements of the fifth Five-year Plan (see 14717 A), M. Khrushchov dealt with a number of technical problems relating to industry. He sharply criticized the Ministry of Railways, which had carried out only 58 per cent of its electrification programme under the Five-year Plan, and announced that a long-term plan had been approved for the electrification of 25,000 miles of railways over the next 15 years.

M. Khrushchov pointed out that 75 per cent of the U.S.S R.'s coal reserves, 80 per cent of its water power, 80 per cent of its timber, its principal reserves of non-ferrous and rare metals, and great resources of chemical raw materials, iron ore, and building materials, were found in the eastern regions, and that the production of coal and electricity was cheaper there than in the European parts of the

Soviet Union "Within the next ten years," he stated, "we must make Siberia a leading producer of coal and electricity, the principal centre of industries consuming a great deal of fuel and power, especially industries producing aluminium, magnesium, and titanium as well as of the electro-metallurgical, coke by-products, and electro-chemical industries. . . . In 1955 the Urals and Western Siberia produced over 14,000,000 tons of pig-iron. . Nevertheless, every year we have to send several million tons of ferrous metals to the east from the European part of the U S.S R Hence we must take resolute steps to speed up the development of the iron and steel industry in Siberia, Kazakhstan, and the Far East The task now is to create in Siberia, within the next two or three Five-year Plans, the country's third great metallurgical centre, with an annual output of 15-20 million tons of pig iron . . . The engineering industry, too, has been insufficiently developed in the eastern regions. In the next ten years we must establish there new large engineering centres capable of producing all kinds of machines"

Agriculture. M Khrushchov said that the central committee of the Soviet Communist Party had brought to light serious shortcomings in agriculture, and had therefore drawn up an extensive programme for expanding the output of grain and livestock products To provide greater incentives for the collective farmers, procurement prices had been raised considerably, thousands of engineers, technicians, and party and Government officials had gone from industrial centres to work on machine and tractor stations and collective and State farms, and a new planning system had been introduced which had given scope to the initiative of the collective farmers. As a result of these measures grain production had been 22 per cent higher in 1955 than in 1954, and certain industrial crops had shown increases of 54 to 95 per cent, whereas during the period 1950 to 1954 the production of grain and industrial crops had hardly risen at all

M. Khrushchov strongly criticized the agricultural Ministries for their failure to increase the area under grain, which, he said, was almost the same in 1953 as in 1913. In view of this situation, the central committee had in January 1955 adopted plans for greatly increasing grain production and more than doubling the output of the main livestock products 350,000 people had volunteered to take part in the scheme for developing uncultivated land (see 13604 A), and in consequence 75,000,000 acres, which were expected to yield an annual average of 32,000,000 tons of grain, had been ploughed up within two years With a large quantity of marketable wheat from these lands, the Government proposed to expand the area under maize in the Ukraine and the North Caucasus, where it was planned to increase the production of meat, milk, and industrial crops

To increase livestock production, greater material incentives had been offered to collective farmers, and an extensive plan for the mechanization of livestock raising and the construction of buildings for livestock had been put into effect. As a result, the number of cattle had risen by 20 per cent during 1950-55, the number of pigs by 114 per cent, the number of sheep by 51 per cent, meat production by 30 per cent, milk production by 19 per cent, wool production by 42 per cent, and egg production by 54 per cent

Living Standards. During the fifth Five-year Plan (M Khrushchov stated) the national income had increased by 68 per cent, real wages by 39 per cent, and the real income of collective farmers by 50 per cent. Despite these achievements, however, the supply of consumer goods was still inadequate and there was a housing shortage. Production of meat, milk, butter, fruit, and vegetables, and also of certain high-grade manufactured goods still lagged behind the growing demand

M. Khrushchov called for the manufacture of more and cheaper labour-saving appliances, such as washing and sewing machines, an expansion and improvement of public restaurant services, and the introduction of a school meals service, which would be provided free or at reduced prices for the children of lower-paid parents All these changes, he observed, would "free millions of women from many household chores and enable them to take part in socially useful work and pay more attention to bringing up their children."

Wages. It was proposed to grant a general increase in the wages of lower-paid workers, and to take steps to establish "a correct ratio between the wage level of different categories of workers, depending on their qualifications and responsibilities" "There is a great deal of disorder and confusion in the system of wages and rate-fixing," M Khrushchov declared "Payment for the same type of work sometimes differs between various bodies, and even within a single body Alongside the low-paid workers there exists a category—a small one, it is true—in whose wages unjustified excesses are tolerated. . . We must work persistently to improve and perfect the wage system in all branches of the economy, to make wages directly dependent on the quality and quantity of the work done by each worker, and to utilize fully the powerful lever of material incentive in order to raise labour productivity. Part of the salaries of engineers, technicians, and managerial personnel should depend strictly on the basic work indices of the particular shop, establishment, industry, collective farm, machine and tractor station, or State farm. This will be in line with the Socialist principle of payment according to the work performed."

Working Hours. During 1957-60 a seven-hour day would be introduced for all factory, office, and other workers, and a six-hour day for underground miners and young people between 16 and 18 Where conditions made it preferable, a five-day working week, with an eight-hour day and two free days, would be introduced. The reduction of working hours would not be accompanied by any reduction in wages

Housing. The volume of urban housing construction under the sixth Five-year Plan would be nearly double that under the fifth, and the rate of construction would rise from year to year. In the big cities the housing problem was intensified by the influx of workers from other parts of the country—e g. 300,000 people had come to work in Moscow during the fifth Five-year Plan To meet this problem, the Government proposed to meet the labour needs of Moscow, Leningrad, Kiev, Kharkov, and other cities by employing only members of their present populations, and also to transfer some industrial establishments to small "satellite" towns a short distance away from the major cities. Greater assistance would be given to people building their own homes, and the manufacture and sale to the public of building materials and sets of parts for standard houses would be expanded.

Education. Universal seven-year education, M. Khrushchov recalled, had been introduced in the towns and the countryside, and 10-year education in the major cities Universal secondary education would be introduced under the new Five-year Plan, and the existing tuition fees charged in the upper forms of secondary schools, technical schools, and universities would be abolished. "A big shortcoming of our school system," he went on, "is that instruction is divorced from life to some extent, those who finish school are insufficiently prepared for practical work. . . . The schools must not only introduce new subjects which teach the pupils the fundamentals of technology and production, but also accustom them to working in factories, collective and State farms, experimental plots, and school workshops"

During the fifth Five-year Plan more than 1,120,000 specialists, or 72 per cent more than during the fourth Five-year Plan, had graduated from colleges and universities In addition, over 260,000 specialists had graduated from evening and correspondence colleges, an increase of 170 per cent over the previous five-year period The training in higher educational establishments, however, was too much divorced from practical experience in production, and it was necessary that students should acquire this experience in factories and in collective and State farms while pursuing their studies

The Union Republics. Turning to the question of relations between the various nationalities of the U S.S R, M Khrushchov cited statistics to illustrate the economic and cultural progress made by the formerly backward nationalities of the Soviet Union Compared with 1913, gross output in Kazakhstan had increased by 33 times, in Georgia by 27 times, in Kirghizia by 37 times, in Armenia by 41 times, and in Tajikistan by 24 times. The number of specialists with a higher education, as compared with the pre-war period, had increased by 380 per cent in Kazakhstan, 480 per cent in Kirghizia, and 340 per cent in Tajikistan and Moldavia. The rapid progress of these Republics, however, had given rise to certain problems

In the past, practically all enterprises in certain Republics had been managed through Union Ministries, but this system required revision in view of the development of industry and the rise in educational standards in these Republics Already the steel and coal-mining industries of the Ukraine, the oil industry in Azerbaijan, and the non-ferrous metals industry in Kazakhstan had been transferred to Republican Ministries, and the result had been "a noticeable increase in the initiative shown by the republican organizations" Further steps must be taken in the same direction

The fact that the incomes of collective farms in certain Republics were far higher than in others had given rise to criticism. Although it was necessary to encourage production of certain crops, such encouragement must be applied with the knowledge and approval of all the Republics, and M. Khrushchov therefore proposed the establishment of an Economic Commission of the Soviet of Nationalities of the Supreme Soviet. This body, composed of representatives of all the Republics and of prominent economists, would study the expenditure of labour in the production of particular crops, and on that basis make recommendations for procurement prices of agricultural produce. Its recommendations would then be discussed in the various Republics, and, if approved, would be submitted to the appropriate legislative and executive bodies

Whilst stressing the necessity for centralized planning, M. Khrushchov said that the Republics should "decide for themselves, within the limits laid down by the Union's national economic plans, the concrete problems of developing particular branches of their economy" Careful consideration must be given to the distinctive features of the various Republics, and to the differences between them in the guidance of their economic and cultural development.

Bureaucracy. M Khrushchov reported that during the last two years the number of persons employed in public administration had been reduced by 750,000. Too many people employed in the Ministries and other bodies, however, continued to "sit in their offices, killing time in paper work and bureaucratic correspondence," and it was necessary to conduct "a most ruthless struggle" against the "intolerable evil of red tape"

The Security Police. Referring to the activities of Beria and his associates, M Khrushchov said that they had attempted to "remove the State security agencies from the control of the party and the Soviet Government and put them above the party and the Government," and had "fabricated false charges against honest Soviet citizens" The central committee had investigated the "Leningrad case" (see 13978 D) and "a number of other questionable cases," with the result that the innocent people who were convicted had been rehabilitated.

"The central committee has drawn important conclusions from all this," M Khrushchov continued. "Proper control by the party and the Government has been established over the work of the State security agencies. A considerable amount of work has been done to

strengthen the State security agencies, the courts, and procurator's offices by putting in tried and tested people. The supervisory powers of the Procurator's Office have been completely re-established and strengthened. Our party, State, and trade union organizations must vigilantly ensure that Soviet laws are observed, expose everyone who violates Socialist law and order and the rights of Soviet citizens, and sternly call a halt to the slightest manifestation of lawlessness and arbitrariness. . ."

The Communist Party. - Denunciation of "Cult of the Individual." - Emphasis on Collective Leadership.

In that section of his report dealing with the Soviet Communist Party, M. Khrushchov laid emphasis on collective leadership and denounced "the cult of the individual." "The core of the party," he declared, "is not a group of men bound by personal relations or mutual advantage. It is a working collective of leaders whose relations are based on ideas and principles permitting neither of mutual forgiveness nor of personal antagonism Whenever it has been found that a party leader has made mistakes in his work, the central committee has unanimously taken the necessary steps to correct these mistakes. The work of party organizations and individuals . . . is subjected to criticism, without fear or favour, at plenary meetings of the central committee. . . "

"It is of paramount importance," M. Khrushchov declared, "to re-establish and strengthen in every way the Leninist principle of collective leadership . . . The central committee . . vigorously condemns the cult of the individual as alien to the spirit of Marxism-Leninism. To make a hero and miracle-worker of a particular leader belittles the role of the party and tends to reduce its creative effort. . ."

M. Khrushchov said that the central committee had "found it necessary to correct some people who introduced confusion in certain clear issues," referring in this connexion to the "erroneous formulation" that the Soviet Union had so far laid only the foundations of Socialism (see 14522 D). Some "hotheads," on the other hand, had begun to "compile a detailed time-table for the transition to Communism," with the result that "a negligent attitude to the Socialist principle of material incentives began to take root." Others had erroneously argued that priority for heavy industry had been essential only at the early stage of Soviet economic development, and that "the only job now was to force the pace of the development of light industry. . . ."

M. Khrushchov stated that the party's membership numbered 7,215,505, of whom 6,795,896 were full members and 419,609 candidate members. This was nearly three times the membership at the time of the 18th congress in 1939, and 333,000 more than at the time of the 19th congress in 1952. The Young Communist League had over 18,000,000 members.

Discussion on M. Khrushchov's report, in which 51 delegates took part, continued until Feb. 20. An outstanding feature of the speeches was the emphasis laid on collective leadership, as opposed to "the cult of the individual," by a number of members of the Central Committee, and notably by M. Mikoyan (First Deputy Premier), who outspokenly criticized certain features of Stalin's policies. A practical example of the application of this principle was given on Feb. 16, when M. Khrushchov requested delegates not to applaud party leaders whenever they entered the conference hall.

M. Mikoyan described the congress as the most important since the death of Lenin, and added: "The principle of collective leadership is fundamental for a party of the Leninist type, yet for nearly 20 years we had in fact no collective leadership. The cult of the individual, which had already been condemned by Marx and by Lenin, had flourished, and this could not fail to exert an extremely negative influence on the situation inside the party and its activities" The restoration of "Leninist methods of leadership" during the past three years [i e. since the death of Stalin] had enabled the central committee to reveal "the mistakes and shortcomings which had accumulated during past years," notably in foreign policy. As a result of these mistakes, M. Mikoyan said, "we too were to blame for increasing tension," the Yugoslav question being a case in point

M. Mikoyan went on to criticize as incorrect Stalin's statement in his *Economic Problems of Socialism* that the volume of production in the Western countries would contract, adding that some other statements in this work also needed "critical re-examination." After calling for a new history of the party to replace Stalin's *Short History*, M Mikoyan declared: "Scientific work in the sphere of the history of our party and Soviet society is perhaps the most backward sector of our ideological work. Books on the history of party organizations, such as those in the Caucasus and Baku, in which the facts were juggled, in which some people were arbitrarily glorified and others not mentioned at all, in which secondary events were raised to undeserved heights and more important events were minimized, in which the directing role of the central committee of the Party was belittled, until recently enjoyed currency with us, and even served as indisputable standard works [This passage apparently referred to Beria's history of the Bolshevik organization in the Caucasus, written in 1939.] Some complex and contradictory events of the civil war of 1918-20 are explained by certain historians not by changes in the relations of class forces at different periods, but by the alleged treacherous activities of individual party leaders of that time, who were unjustly declared enemies of the people many years after the events described." As an example of Communists who had thus been slandered, M. Mikoyan mentioned Stanislav Kassier (formerly Communist Party secretary in the Ukraine) and Vladimir Antonov-Ovseyenko (the leader of the military committee which carried out the Bolshevik revolution in Leningrad), both of whom were believed to have been executed in 1938.

Marshal Zhukov (Defence Minister) said that it was absurd to believe that in any future war nuclear weapons could be confined to front-line tactical use. He gave a warning that in the event of an atomic attack by the U S A, hydrogen and atomic bombs would be dropped on American territory. The Soviet armed forces, he stated had at their disposal "atomic and thermo-nuclear weapons and powerful rocket and jet equipment of various types, including long-distance rockets" Referring to the reduction of the Soviet armed forces by 640,000 men, he said that no further reductions were planned, as the Western Powers had not followed suit.

M. Molotov (Foreign Minister) declared that "we are not infrequently still prisoners of the habits and conventions formed in the past, before the second World War," and "not infrequently suffer from lack of appreciation of the new possibilities which have opened before us in the post-war period" This, he declared, was true of the work of the Foreign Ministry, which had failed to appreciate the importance of the "colonial liberation movements" and the "world peace movement." He expressed his desire for an improvement in U S.-Soviet relations, and observed that "the forthcoming visit of the leaders of our country to Britain offers a new opportunity to bring about a better mutual understanding and to make joint efforts in the direction of further easing international tension."

Commenting that the French Government had expressed a wish to improve Franco-Soviet relations, and had shown a particular interest in the problem of disarmament, he stated that "we shall make efforts jointly with France to bring about a definite advance in the solution of this problem," and remarked that "the strengthening in the position of the democratic forces in the last [French] elections will further this" After condemning "the cult of the individual," he observed that "never before has the central committee of the party and its Presidium been so actively concerned in foreign policy as in the recent past," referring in this connexion to Marshal Bulganin's and M Khrushchov's visits to Yugoslavia and India.

President Voroshilov announced that a revised Penal Code would soon be submitted to the Supreme Soviet; stated that the powers of the Procurator's Office to ensure the rights of citizens and strict observance of the law by Government departments had been reinforced; and called for a wide campaign of education and enlightenment to make citizens aware of their legal rights Bills dealing with the proposed increases in wages and pensions, the seven-hour day, the revision of the labour code, and procedure for the recall of deputies, would also be submitted to the Supreme Soviet.

Marshal Bulganin presented a report on the sixth Five-year Plan in which he recapitulated its major objectives in the spheres of industrial and agricultural development, etc. (see 14717 A).

The congress unanimously approved the draft of the new Five-year Plan on Feb. 24, and adopted a resolution approving M. Khrushchov's report. In particular it endorsed his appeal for stable and friendly relations with the Western Powers; reaffirmed his theses that war was not inevitable, and that each country would arrive at Socialism in its own way, which would not necessarily involve civil war; expressed support for collective leadership; and condemned "the cult of the individual."

The congress was addressed by a number of foreign Communist leaders, including Marshal Chu Teh (the Chinese Vice-President), M. Rakosi (First Secretary of the Hungarian Workers' Party), M. Chervenkov (the Bulgarian Prime Minister), M. Gheorgiu-Dej (First Secretary of the Rumanian Workers' Party), M. Maurice Thorez (general secretary of the French Communist Party), Signor Togliatti (general secretary of the Italian Communist Party), Mr. Harry Pollitt (general secretary of the British Communist Party), and Señora Ibaruri ("La Pasionaria," the Spanish Communist leader). The Yugoslav League of Communists was represented by an observer, whilst President Tito sent a message in which he referred to the "gradual and continual improvement" in relations between the two countries.

On Feb. 26 the congress adopted a resolution instructing the Central Committee to draft a new party programme, and elected a new Central Committee of 133 full and 122 "candidate" (i.e. non-voting) members. The Central Committee elected its Presidium and Secretariat on the following day. Details of the membership of these bodies are given below.

The Presidium. The 11 full members of the former Presidium were all re-elected, viz., M. Khrushchov, Marshal Bulganin, President Voroshilov, M Kaganovich, M Molotov, M. Mikoyan, M. Malenkov, M. Pervukhin, M. Saburov, M. Suslov, and M. Kirichenko. MM Kaganovich, Pervukhin, and Saburov all hold the rank of First Deputy Premiers in the Council of Ministers, whilst M. Kirichenko is First Secretary of the Ukrainian Communist Party.

The following were elected candidate members of the Presidium: M. Shvernik (chairman of the Council of Trade Unions), M Shepilov (editor of *Pravda*), Marshal Zhukov (Minister of Defence), Mme Ekaterina Furtseva (First Secretary of the Moscow Communist Party), M. Brezhnev (First Secretary of the Kazakhstan Communist Party), and M. Mukhlitdinov (First Secretary of the Uzbekistan

Communist Party). Of these, only M Shvernik (who was also elected chairman of the Control Committee, the body responsible for party discipline) had previously been a candidate member of the Presidium Mme. Furtseva (46), the wife of the Soviet Ambassador to Yugoslavia, is the mother of two children, a chemical engineer by profession, and a deputy to the Supreme Soviet, the youngest member of the Presidium, and its first woman member, she was elected to the Central Committee for the first time.

Former candidate members not re-elected were M. Ponomarenko (Soviet Ambassador to Poland), M. Melnikov (Minister for Construction in the Coalmining Industry), and M. Bagirov (the former Chief Minister of Azerbaijan, and First Secretary of the Azerbaijan Communist Party).

The Central Committee. Of the 255 members of the Central Committee, 102 were elected for the first time, whilst 83 of those elected at the 1952 congress were not re-elected New members included M. Duderov (Minister of Internal Affairs), M Kucherenko (a Deputy Premier), M. Matskevich (Minister of Agriculture), M. Zademidko (Minister for the Coal Industry) Marshal Moskalenko (Commander of the Moscow military district), and M. Bobrovnikov (mayor of Moscow). M Gromyko (First Deputy Foreign Minister), formerly a candidate member, became a full member, but M Melnikov and M Fadeyev (the novelist, and secretary of the Soviet Writers' Union), who were formerly full members, reverted to the status of candidate members.

Former members not re-elected included M Kruglov (the former Minister of Internal Affairs, who had been a member of the central committee since 1934), M. Gorshenin (Minister of Justice), M Chesnokov (formerly editor of the party organ *Communist*), Professor Zhdanov (son of the late M. Andrei Zhdanov), M Zasyadko (formerly Minister for the Coal Industry), M. Simonov (the well-known writer), and M. Ilyichev (head of the Press department of the Foreign Ministry).

A notable feature of the new committee was the reduced representation of the armed forces and the police and security forces. Full members included Marshals Koniev, Vassilevsky, and Sokolovsky, whilst the candidate members included Marshals Timoshenko, Chuikov, and Bagramyan, Admiral Gorshkov, and Air Chief Marshal Zhigarev, C -in-C. of the Soviet Air Force Marshals Vershinin and Meretskov, Generals Malinin and Bogdanov, and Admirals Kuznetsov, Basisty, and Yumashev were not re-elected The police and security forces had only three representatives on the new committee, compared with ten on the former committee.

The Secretariat. M. Khrushchov, M Suslov, M. Shepilov, M. Belyaev, M. Pospelov, and M Aristov were re-elected to the Secretariat, whilst M Brezhnev and Mme. Furtseva were elected to this body for the first time.

As M. Khrushchov had suggested in his report, the Central Committee appointed on Feb. 28 a special bureau to co-ordinate the activities of the party organizations in the Russian Soviet Republic, and to ensure "the more efficient handling of economic and cultural questions" in the R.S.F.S.R. The bureau included M. Khrushchov, who was elected chairman, M. Yasnov (Chief Minister of the Russian Soviet Republic), and MM. Kapitonov, Kozlov, Ignatov, and Kirilenko (First Secretaries of the Moscow, Leningrad, Gorky, and Sverdlovsk party organizations respectively).

Unlike the 15 non-Russian republics, the Communist Party of the Russian Soviet Republic (which comprises three-quarters of the territory and over half the population of the Soviet Union) had hitherto never had a separate organization, but had been administered directly by the Central Committee.
(Soviet Weekly - Times - Manchester Guardian - Le Monde, Paris - New York Times) **(Prev. rep. 19th Congress, 12709 A; Presidium, 14333 E; Russian Soviet Republic, 14701 B.)**

A. AUSTRALIA. — Trade Policy. - Increased Free Market Beef Exports.

The Australian Minister for Primary Industry (Mr. McMahon) announced on March 11 that Britain had agreed that Australia might freely export an additional 5,000 tons of beef to any destination in the current financial year, thus raising the maximum quantity available for free shipment to other countries under the 15-year meat agreement from 10,000 tons to 15,000 tons. Mr. McMahon said that beef prices in the U.K. were at an unsatisfactory level and that Australian exporters would now have more opportunity to explore possibilities of selling to better advantage elsewhere.
(Australian News and Information Bureau - Times)
(Prev. rep. 13256 C; 11779 A.)

B. HUNGARY. — Release of Professor Baranyai.

It was announced in Budapest on Feb. 26 that Professor Jusztin Baranyai, one of the six defendants tried with Cardinal Mindszenty in 1949, had been pardoned by a decree of the Hungarian Presidential Council. It was also announced that eight other Church dignitaries (unnamed) had been released from prison. Professor Baranyai had been sentenced to 15 years' imprisonment on charges of conspiring against the State.
(Times - Le Monde, Paris) **(Prev. rep. 14315 D; 9880 A.)**

C. UNITED KINGDOM. — Labour Party. - New Allocation of Responsibilities among "Shadow Cabinet." - Elections to National Executive Committee.

A new allocation of "specialist" responsibilities among the members of the Opposition front bench (the Labour "shadow Cabinet") was announced on Feb. 14, involving the following changes from those announced in July 1955 (see 14323 A):

Agriculture, Fisheries, and Food: Mr. T Williams, Mr. F. T Willey, Mr. A J. Champion. *Colonial Office*: Mr A. Bevan, Mr A. Creech Jones *Commonwealth Relations*: Mr A. Creech Jones *Air Ministry* Mr G de Freitas. *War Office*: Mr. J. Strachey *Ministry of Supply*. Mr. G Brown. *Education* Mr. M Stewart, Miss Margaret Herbison. *Fuel and Power and Atomic Energy* Mr. L. J. Callaghan, Mr. H Neal *Home Office* Mr K Younger, Mr. A Greenwood. *Labour and National Service* Mr. G. Brown, Mr. F Lee *Scottish Office*. Mr T. Fraser, Mr A Woodburn. *Transport and Civil Aviation*: Mr. G R. Strauss, Mr E Davies. *Treasury* and *Board of Trade*. Mr H Wilson, Mr D Jay, Mr A. Bottomley, Mr P. Gordon-Walker. *Works*: Mr A. Greenwood.

Specialist responsibilities not mentioned above remained unchanged—e g. Mr Robens and Mr Younger remained the Labour Party's "specialists" on foreign affairs

The reallocation of responsibility for special subjects among the Opposition front bench was made necessary by the election of Mr. Gaitskell as leader of the Labour Party and of Mr. Griffiths as deputy leader. The most important changes were the selection of Mr. Harold Wilson (assisted by Mr. Douglas Jay, Mr. Bottomley, and Mr. Gordon-Walker) as the Labour Party's principal spokesman on Treasury matters, *vice* Mr. Gaitskell, and of Mr. Aneurin Bevan (assisted by Mr. Creech Jones) as the party's principal spokesman on Colonial affairs, *vice* Mr. James Griffiths.

Two vacancies on the National Executive Committee of the Labour Party were filled on Feb. 22 by the election of Mr. Sydney Silverman, M.P., and Mr. R. W. Casasola, president of the Amalgamated Union of Foundry Workers.

Mr. Silverman was elected to the constituency party section of the N.E C. in place of Mr. Griffiths, who became *ex-officio* member of the Executive as deputy leader of the Labour Party Mr Casasola was elected to the trade union section of the N E.C in place of Mr. Frank Cousins, who was elected to the General Council of the T U.C. on the same day. [The T.U.C.'s rules forbid any person from being a member of the N.E.C. and the General Council at the same time, and Mr. Cousins therefore had to resign from the former body.] Both Mr. Silverman and Mr. Casasola were runners-up in the constituency party and trade union sections when the N.E.C. was elected at the last party conference.

The vacancy on the General Council of the T.U.C. was caused by the death of Mr. A. E. Tiffin (59), who had succeeded the late Mr. Arthur Deakin in May last as general secretary of the Transport and General Workers' Union (see 14336 C). Mr. Cousins had succeeded Mr. Tiffin as acting general secretary of the T.G.W.U.—(Daily Herald) **(14680 A; 14323 A.)**

D. SCIENTIFIC RESEARCH. — Atomic Physics. - Discovery of Anti-Proton.

The University of California and the U.S. Atomic Energy Commission announced on Oct. 19, 1955, that a new atomic particle, the "negative proton" or "anti-proton," had been produced and detected in the nucleus or core of the atom with the aid of the new 1,000,000,000 electron-volt accelerator at the University of California. The A.E.C. announcement said that the discovery was a "major development" which "may inaugurate a new era of nuclear physics," whilst Dr. Ernest O. Lawrence (director of the radiation laboratory at the University of California, and Nobel Prizewinner for his invention of the cyclotron) described the creation of the "negative proton" as "a major fundamental achievement in physics" which might be "a milestone on the road to a whole new realm of discoveries in high-energy physics." Although the existence of the "anti-proton" had been predicted by theorists over 20 years ago, it had never hitherto been detected. (New York Times)

E. INDIA. — Press. - Harijan Weeklies to close down.

The three *Harijan* weeklies founded by the late Mahatma Gandhi—*Harijan* (English), *Harijan Bandhu* (Gujerati) and *Harijan Sevak* (Hindi)—closed down as from March 1. It had been decided to discontinue their publication because of the heavy losses incurred—stated to total over Rs. 150,000 (over £10,000) since 1950, and Rs. 30,000 in 1955 alone—and the decline in the papers' circulation. (The Statesman, Calcutta)

F. WESTERN GERMANY. — Bank Rate increased.

The *Bank Deutscher Länder* announced on March 7 an increase in the West German bank rate from 3½ to 4½ per cent. The increase—the second in eight months—was designed to counteract the increasing volume of bank credits in connexion with the prevailing trade boom and wage increases.
(Frankfurter Allgemeine Zeitung) **(Prev. rep. 14368 A.)**

A. UNITED KINGDOM. — Security in the Public Services. - Findings of Conference of Privy Councillors. - Acceptance by Government.

A Government statement on the findings of the Conference of Privy Councillors on Security in the Public Services was published as a White Paper (Cmd. 9715) on March 8. The conference had been appointed by the Prime Minister in November last as a result of the public disquiet arising from the Burgess - Maclean case (see 14571 A). The White Paper emphasized that it would not be in the public interest to publish the full text of the Conference's report, or to make known all its recommendations; it therefore confined itself to giving "the substance of the report is so far as it can properly be made public, including a number of specific recommendations." The text is given below.

"... The report starts by an analysis of the general nature of the security risks with which this country is faced today The Conference point out that, whereas once the main risk to be guarded against was espionage by foreign Powers carried out by professional agents, today the chief risks are presented by Communists and by other persons who for one reason or another are subject to Communist influence. The Communist faith overrides a man's normal loyalties to his country and induces the belief that it is justifiable to hand over secret information to the Communist Party or to the Communist foreign Power. This risk from Communists is not, however, confined to party members, either open or underground, but extends to sympathizers with Communism.

"At one time the Fascist ideology also presented considerable security risks. Although today the chief risk is that presented by Communism, the security arrangements instituted in 1948 were directed, and will continue to be directed, against Communism and Fascism alike. In this paper, for convenience of brevity, the term "Communism" is used to cover Communism and Fascism alike.

"One of the chief problems of security today is thus to identify the members of the British Communist Party, to be informed of its activities, and to identify that wider body of those who are both sympathetic to Communism, or susceptible to Communist pressure and present a danger to security. Thereafter steps must be taken to see that secret information is not handled by anyone who, for ideological or other motives, may betray it H.M. Government agree with this broad analysis and will continue to base their policy on preventing persons of this nature from having access to secret information.

"Against the background of this general analysis ... the Conference address themselves to an examination of the Government's security arrangements. Their main conclusion is that there is nothing organically wrong or unsound about those arrangements. They make, however, certain recommendations, the purpose of which is to strengthen the system in some respects. H.M. Government propose to give effect to all the recommendations which the Conference have made. The report of the Conference deals with the public services generally But it is implicit in the report that the Conference recognize that in certain areas of the public service—notably in the Foreign Service, the Defence field, and the Atomic Energy Organization—the need for stringent security precautions is greater than elsewhere. H.M. Government accept this view.

"Some of the recommendations of the Conference deal with what may be called the relation between security risks and defects of character and conduct. The conference recognize that today great importance must be paid to character defects as factors tending to make a man unreliable or expose him to blackmail or influence by foreign agents There is a duty on Departments to inform themselves of serious failings such as drunkenness, addiction to drugs, homosexuality, or any loose living that may seriously affect a man's reliability. There is a natural reluctance to make adverse reports on colleagues, and nothing could be worse than to encourage tale-bearing or malicious gossip. Nevertheless, it is important to impress not only on Heads of Departments but on supervisory officers generally that it is their duty to know their staff and that they must not fail to report anything which affects security. This covers both evidence which suggests Communist associations or sympathies, and also serious defects or failings which might jeopardize the security of the section of the public service in their charge. The Government accept this recommendation, although they recognize that the measures necessary to give effect to it will require very careful consideration.

"While confining themselves to the security aspect of these defects of character and conduct, the Conference also record the view that in individual cases, or in certain sections of the public service, a serious character defect may appropriately be the determining factor in a decision to dismiss a particular individual or to transfer him to other work The Conference also recommend that it should be recognized that the fact that a public servant is a Communist not only bars his employment on secret duties, but may also in some Departments have an unfavourable effect on his prospects of promotion.

"The Conference also make a series of recommendations which turn on the risk presented by those in regard to whom there is no evidence that they are themselves members of the Communist Party, but evidence exists of Communist sympathies or of close association with members of the Communist Party. The Conference is of the opinion that, in deciding these difficult and often borderline cases, it is right to continue the practice of tilting the balance in favour of offering greater protection to the security of the State rather than in the direction of safeguarding the rights of the individual. They recommend that an individual who is living with a wife or husband who is a Communist or a Communist sympathizer may, for that reason alone, have to be moved from secret work, and that the same principle should be applied in other cases of a like nature.

"The Conference recognize that some of the measures which the State is driven to take to protect its security are in some respects alien to our traditional practices Thus, in order not to imperil sources of information, decisions have sometimes to be taken without revealing full details of the supporting evidence Again, it is sometimes necessary to refuse to employ a man on secret duties, or in those cases where no alternative work can be found for him in the public service, to refuse to employ him at all, because after the fullest investigation doubts about his reliability remain, even although nothing may have been proved against him on standards which would be accepted in a Court of Law. The Conference agree regretfully that these counter-measures, although they are distasteful in some respects, are essential if the security of the State is to be ensured. But they recognize that it is also important to convince public opinion that the measures taken and the procedures in force will not be exercised unreasonably For this reason the Conference approve the Tribunal (commonly known as the Three Advisers) set up in 1948 to hear appeals from civil servants threatened on security grounds with transfer from secret duties or, when that is not practicable, with dismissal from the Service. This machinery should continue, and the person whose continued employment in Government service is called in question on account of Communist association or sympathies will be able to have his case considered by it. The Conference also recommended that the terms of reference of the Three Advisers should be widened so as to enable them to present a fuller report to the responsible Minister. ..

"Two other matters should be mentioned. The first is that the Conference considered whether additional statutory powers should be sought to enable the Government to detain suspects or prevent them from leaving the country. The Conference point out that, while an individual can be arrested on suspicion that he is about to attempt to convey secret information to a foreign Power, he must be brought before the courts on a charge without delay. The time required to collect evidence upon which a charge can be based is often long, and the Conference dismiss any suggestion that power should be sought to detain persons for an unlimited period without preferring charges against them, on the grounds that this would run counter to this country's traditional principles of individual freedom, and would be most unlikely to be approved by Parliament in time of peace They also come to the conclusion that legislation which would permit arrest and detention, without a charge being preferred, for a short specified period, say 14 days, would not be much help The Conference also consider that the withdrawal of a passport could not be relied upon to prevent a U.K. citizen in connivance with a foreign Power from leaving the country For these reasons the Conference recommend that no additional powers should be sought to detain suspects or prevent them leaving the country

"The second matter is that the Conference reviewed the existing procedures for the security of secret Government contracts involving persons outside Government employment The Conference have considered whether persons subject to these procedures should be given the same right as is enjoyed by persons in the public service of having their case considered by the Three Advisers. The Conference recognize that this is a difficult matter, but are in favour, if suitable arrangements can be made, of access being given to the same tribunal in certain types of cases They recommend, however, that in the first instance this matter should be discussed with the National Joint Advisory Council. Arrangements for such discussion to take place are being made."

Sir Anthony Eden informed the House of Commons on March 8 that the Government had decided to give effect to all the proposals made by the Conference of Privy Councillors. (Cmd. 9715 - Times) **(Prev. rep. 14699 A; 14571 A.)**

B. AUSTRALIA. — State Elections in New South Wales and South Australia.

Elections for new State legislatures were held in New South Wales and South Australia on March 3. In New South Wales Mr. Cahill's Labour Government was returned to office with a reduced majority, the state of the parties in the new Assembly being as follows (position at the dissolution in parentheses): Labour, 50 (56); Independent Labour, 1 (2); Liberals, 27 (22); Country Party, 15 (14); Independent, 1 (0).

In South Australia the Liberal and Country Party coalition government led by Mr. Playford was returned to office with 21 seats, Labour winning 15 and three being won by Independents. There was only one change in party representation, Labour winning a seat from an Independent. Mr. Playford had completed 17 years as Premier of South Australia on Nov. 5, 1955—a record for any Australian State Premier. (Australian News and Information Bureau) **(13160 A.)**

C. COLOMBIA. — Outlawing of Communism.

A decree outlawing all forms of Communism was issued on March 4 by the Colombian Government. It provided that any individual found guilty of Communist activities would be liable to five years imprisonment, together with deprivation of civil rights for ten years.—(New York Times) **(14524 C.)**

A. RHODESIA AND NYASALAND FEDERATION.— The Kariba Scheme. - £30,000,000 Contribution by Copper-mining Companies. - Increased Cost of Scheme. - Economic Developments in the Federation. - Mineral Production in 1955. - Loans for African Development.

The Federal Minister of Finance (Mr. Macintyre) announced in the Federal Assembly on Feb. 22 that £38,000,000 of the amount needed for the Kariba scheme had been promised within the Federation. Of this amount, the copper-mining companies would contribute £30,000,000, the British South Africa Company £4,000,000, and Barclays Bank (Dominion, Colonial, and Overseas) and the Standard Bank of South Africa £2,000,000 each. Mr. Macintyre added that if overseas finance was available to the extent anticipated, the mining companies' contributions would mean that a "substantial margin" would be available for other projects, including railway development.

The Minister explained that the mining companies had offered to contribute £20,000,000 to a special Government loan at 4½ per cent, and in addition were prepared to accept a surcharge on Kariba power consumed by them over the period 1961-67, which would yield a further £10,000,000 He stressed that this offer—which he described as "probably without parallel in the history of any country's development"—was particularly significant at a time when the British Bank Rate had been raised to 5½ per cent" Mr. Macintyre added: "It not only ensures that a reasonable part of the cost of Kariba will be met from local resources, but it goes far beyond this if overseas resources for this scheme are mobilized in the way that I expect. The mines' contributions will not only help to finance Kariba but will also leave a substantial margin available for other projects, among which the requirements of the Rhodesian railways have an important place. . . In addition to this assistance from the copper mining industry, I am glad to say that for Kariba the British South Africa Company has agreed to lend £4,000,000, Barclay's Bank £2,000,000, and the Standard Bank of South Africa £2,000,000"

It was explained in a White Paper published on the same day that four copper-mining companies were concerned in the offer, two of them being associated with the Anglo-American Corporation group and two with the Rhodesian Selection Trust. The former two (Nchanga Consolidated Copper Mines Ltd. and the Rhokana Corporation) had agreed to take up loan stock to the value of £6,750,000 and £4,250,000 respectively, whilst the latter two (the Mufulira Copper Mines Ltd. and Roan Antelope Copper Mines Ltd.) had offered to subscribe for £5,000,000 and £4,000,000 worth respectively. The total amount to be subscribed by each company will be spread over five years, beginning in July 1956.

Statements on the copper-mining companies' offer were also made on Feb. 22 by Sir Ernest Oppenheimer, chairman of the Anglo-American Corporation, and by Mr. R. L. Prain, chairman of the Rhodesian Selection Trust.

Sir Ernest Oppenheimer said that the copper-mining industry "had for some years been handicapped by power scarcities," and recognized that it was in its interests to help the Government in securing the capital for a scheme which would "provide all the industry's requirements and additional supplies for other developments in the Federation." Mr. Prain stressed that the decision to invest in the Kariba scheme was "a natural consequence of the acceptance by the copper-mining companies of the fact that the future of copper-mining in Rhodesia is inextricably bound up with the future prosperity of the Central African Federal State, and that, as the largest industrial enterprise in this area, we are called upon to accept a special responsibility"

Sir Malcolm Barrow (Federal Minister of Power) announced in the Federal Assembly on Feb. 27 that the estimated cost of the first stage of the Kariba scheme had risen from about £54,500,000 to £79,414,000, and that of the full scheme from about £85,000,000 to £113,234,000. He explained that the Government proposed to make various amendments to the scheme as conceived in 1954 by the French consultants, which would have the effect of increasing the power output by 1,150,000,000 kw. hours to 7,650,000,000 kwh. Accordingly, the estimated cost per unit of power, delivered at the main sub-stations, would show a progressive decline from 0.869d. per unit in 1961 to 0.283d. per unit in 1972

The Federal Hydro-Electric Board announced at the end of February that it had awarded a £3,500,000 contract to the British firm of Richard Costain Ltd. for the provision of housing accommodation at Kariba for about 1,100 Europeans and 5,000 Africans, together with schools, roads, a temporary power station, and a hospital. In August last the Board had awarded a contract for a 690-ft. footbridge over the Zambesi at Kariba to the British firm of Dorman, Long and Co.

Plans to move about 30,000 Africans from the northern side of the Kariba basin and about 20,000 from the southern side were announced by the Governments of Northern and Southern Rhodesia respectively in November and December, 1955. The Southern Rhodesian Native Affairs Department stated on Dec. 3 that the Africans would be re-settled in the Sebungwe and Wankie districts (involving the building of about 400 miles of road to open up these areas), and that a Native Commissioner had been appointed to co-ordinate the work. On Feb 20, 1956, it was stated that about 5,000 Africans were expected to have been removed from the northern side of the Zambesi by the end of 1956, and that the work of moving Africans from the southern side was expected to begin in August.

The setting up of a committee to consider possible uses for the 150-mile lake which would be formed by the construction of the Kariba dam was announced by Sir Malcolm Barrow on Feb. 27.

Construction began in July last of a power transmission line from Le Marinel power station, now being built on the Lualaba River (Belgian Congo), to the copperbelt area. The transmission line—the longest and highest-voltage line in Africa—will supply the copperbelt during the critical period before the Kariba scheme comes into operation, its construction being the result of an agreement between the Rhodesia Congo Border Power Corporation (a wholly-owned subsidiary of the Rhodesian Selection Trust and the Anglo-American Corporation groups) on the one hand, and the Belgian Government and the *Union Minière du Haut Katanga* on the other. The Rhodesia Congo Border Corporation will build the section from the copperbelt to the border, whilst the section from Le Marinel to the border will be constructed by the *Union Minière du Haut Katanga*. The transmission line is expected to be completed by March, 1956, and the copper mines are expected to receive their first supplies from Le Marinel by the end of the year.

Other recent industrial developments in the Federation are summarized below:

Iron and Steel Industry. Discussions took place in London in August 1955 between the Southern Rhodesian Ministers of Roads and Irrigation (Mr. G. Ellman-Brown) and of the Treasury (Mr. C. J. Hatty), on the one hand, and British financial and industrial interests on the other, on the development of the Rhodesian Iron and Steel Commission's Que Que works (see 9100 A) so as to increase their production from the present 50,000 tons of pig-iron annually to about 200,000 tons. Mr Ellman-Brown and Mr. Hatty subsequently announced that the proposed expansion would require a capital investment of about £6,000,000, and that the transfer of the Commission's undertaking to private enterprise was under consideration. If the expansion plans went ahead, it was hoped that eventually it would be possible to export about 100,000 tons of pig-iron annually to the United Kingdom.

On July 27, 1954, Mr. Ellman-Brown had announced the appointment of Mr. S. M Pechey, chairman of the local board of Barclays Bank, as chairman of the Rhodesian Iron and Steel Commission. The Minister's announcement was made in the course of a statement in the Southern Rhodesian Parliament on the report of a Committee of Inquiry into the working of the Iron and Steel Commission. The Committee of Inquiry had found that the Commission's "present unsatisfactory position" was due to the failure of the board of directors to initiate managerial controls, especially over capital expenditure, and to the management's inability "to give direction and effectiveness to decisions." It recommended (1) the replacement of the Board by a new one, with a chairman of "outstanding personality and business capacity", (2) a complete overhaul of the Commission's administration, and of operational and commercial arrangements, with a view to securing maximum efficiency and economy at all levels; (3) the writing-off of £1,148 000 from the Commission's capital account and the waiving by the Government of loan interest for three years; (4) the completion of current development as soon as possible, and an increase in production up to the maximum economically possible with existing plant.

Mr. Ellman-Brown stated that the Government had accepted all the Inquiry Commission's recommendations and would ask Parliament to authorize the financial recommendations in due course He also stated the Mr Garfield Todd (the Prime Minister) had undertaken negotiations with the Commonwealth Development Corporation during a recent visit to Britain, and that it was probable that this body would be prepared to provide the Iron and Steel Commission with £1,000,000 of additional capital for current development.

Coalmining Industry. The Wankie Colliery Company announced on Nov. 19, 1955, plans to increase its output from the existing level of about 4,500,000 tons annually to 5,000,000 tons annually by the end of 1956. It was stated that the capital invested in the Wankie mines had increased from under £2,000,000 in 1948 to over £9,000,000.

Fertilizer Industry. It was announced on Nov. 29, 1955, that African Explosives and Chemical Industries (Rhodesia) Ltd. would shortly extend their Rodia factory, near Salisbury, at a cost of over £3,000,000, in order to bring its output of fertilizers up to 150,000 tons annually, and thus make the Federation independent of imported fertilizers.

Mineral Production. The total value of all minerals produced in the Federation in 1955 was about £141,000,000 (£120,500,000 in Northern Rhodesia and £20,500,000 in Southern Rhodesia) Of the total for Northern Rhodesia, copper accounted for £113,000,000 and zinc for £2,500,000. Of the Southern Rhodesian total, base minerals made up £13,906,816, gold £6,582,146, and silver £24,693, the largest individual item being asbestos (£7,051,831).

Although the value of minerals produced in Northern Rhodesia in 1955 was £23,000,000 greater than in 1954, less copper was produced, mainly owing to a strike of African workers in the copperbelt,

and to shortages of fuel In Southern Rhodesia the value of mineral production as a whole constituted an all-time record, but the value of gold produced declined by £104,860, as compared with 1954.

Atomic Energy. It was announced in December last that the U.K. Atomic Energy Authority had opened an office in Salisbury to advise the Federal Government on materials for the production of atomic energy, and to give assistance to prospectors and mining companies.

It was announced on March 15 that the Governments of Northern Rhodesia and of Nyasaland had accepted offers by the Rhodesian Selection Trust group of loans totalling £3,000,000 (£2,000,000 for Northern Rhodesia and £1,000,000 for Nyasaland) for rural African development.

Explaining the companies' reasons for making this offer, Mr Prain said that they considered that they had a duty to help redress the state of unbalance which their activities had helped to create in the Federation. On the one hand the copperbelt was attracting Africans from all over the Federation with its present prosperity and modern amenities; on the other, the rural areas were being weakened by the drain on manpower. Redressing the situation must involve large expenditure on capital works, which were unlikely to produce any return except on a long-term basis.

The loans, of which the Roan Antelope and Mufulira companies will provide £1,500,000 each, will be interest-free until June 30, 1960, when the Government will have the option of repayment in cash or the issue of 4½ per cent negotiable bonds redeemable at their option at any time up to 20 years of issue.—(Federal Information Department, Salisbury - Times - Financial Times) **(Prev. rep. Kariba Scheme, 14151 C; Rhodesia-Congo Power Line, 13149 A; Wankie Colliery, 10434 A; Que Que Steel Works, 9100 A; Mineral Production, 13463 B.)**

A. FRANCE - UNITED KINGDOM. — M. Pineau's Criticisms of Western Policy. - Eden-Mollet Discussions at Chequers. - Anglo-French Disarmament Plan.

In a speech on March 2 to the Anglo-American Press Association in Paris, the French Foreign Minister (M. Pineau) said that he was in "profound disagreement" with the policy pursued by the Western Powers during the past few years, particularly in the Middle East and Far East. His speech, which attracted wide attention in Britain and America as well as in France, is summarized below.

"I must state first of all," said M. Pineau, "that there is really no common Anglo-French-American policy in the world today. That has been shown in what, for us, is the most important area—North Africa We are undergoing there an ordeal in which the Anglo-Saxon world cannot be disinterested. I do not hide the fact that we have made mistakes. But the present problem is no longer that of colonialism. In Algeria . . . we have the feeling that behind certain forms of insurrection and propaganda there is a desire on the part of certain Powers to inherit what France may have to abandon" With regard to the situation in the Middle East, M Pineau said that if France had been consulted about the Baghdad Pact, Britain might have avoided some of the consequences which had now arisen. Similarly, if the U.S.A. had co-operated fully with France in Vietnam, the situation in Indo-China would have been different.

After expressing his "profound disagreement with the policy followed by the Western Powers during the past few years," M. Pineau continued: "We have made a tremendous mistake in thinking that problems of international security were the only problems with which we had to deal. Of course we need security, of course we need armies, but must we harp all the time about military strength? Between two forms of propaganda—one which thinks only in military terms and of security at any price, and one which offers a chance of peace, however remote—public opinion will side with those who offer peaceful solutions, even if they are not sincere, and not with those who talk only of military solutions. . . ." Criticizing recent SEATO naval exercises in the Gulf of Siam, M. Pineau added: "Do you think, in this atomic age, that people will be impressed by the manoeuvres of a few ships? The tour of India by Bulganin and Khrushchov was more important, since it promised economic aid which corresponds more with the needs of the [Asian] people."

"Two attitudes are possible towards the 'Iron Curtain' countries," M. Pineau continued. "Either we make total war against them—a policy which, I am happy to say, has been abandoned—or we strive for co-existence. If the Western countries indefinitely accept the position in which Communist propaganda can spread unchecked, without any chance of Western propaganda penetrating to the Communist countries, then the Western world will sooner or later be submerged by that propaganda On the other hand, if the Iron Curtain were raised, the Communist countries would not be insensible to the propaganda of freedom. In that case an immense prospect would be opened up to us. I shall systematically direct French policy towards cultural exchanges between East and West. I want to convince our Anglo-American friends of the need to revise our foreign policy. The policy of war has been ruled out. It is now a question of pursuing a policy of peace so as to ensure the triumph of our common ideal of justice, equality, and freedom."

It was announced on March 5 that the French Prime Minister, M. Guy Mollet, had accepted an invitation from Sir Anthony Eden to visit Britain for "an exchange of views on the international situation." Both in Britain and in France the invitation was linked with M. Pineau's criticisms of Western policy, the Diplomatic Correspondent of *The Times* commenting that "the immediate cause of the invitation, which was issued at short notice, was the speech of M. Pineau to the Anglo-American Press Association."

M. Mollet accordingly visited Chequers (the country residence of the British Prime Minister) on March 11-12 as the guest of Sir Anthony Eden, with whom he had private discussions on the international situation. No other Ministers took part in the conversations. The following communiqué was issued by the British Foreign Office at the end of M. Mollet's visit:

"In the course of cordial and intimate talks the two heads of Government exchanged views on the main international problems which at present preoccupy the British and French Governments. In particular, they reviewed questions concerning relations between the free world and the Soviet bloc, disarmament, Africa, and the Middle East.

"This survey enabled the two heads of Government to affirm their wide agreement and to strengthen their joint policy. They reaffirmed their attachment to the Atlantic alliance and their intention to maintain and reinforce the common front of the free nations They emphasized their common desire to make progress with general and controlled disarmament and the importance they attach to the forthcoming meeting of the U N. Sub-committee on disarmament.

"They recognized that both their countries have world-wide responsibilities which they are seeking to carry out in the interests of the peoples concerned. In that spirit they welcomed the course of the negotiations regarding Morocco and Tunisia. M Mollet conveyed to Sir Anthony Eden his gratitude for the recent statement in which H.M. Ambassador in Paris expressed H.M. Government's support and encouragement in regard to developments in Algeria [see footnote].

"As regards the Middle East, M. Mollet and Sir Anthony Eden took into account the talks now being held in Washington regarding action under the Tripartite Declaration. They reaffirmed their desire to see an end of the Arab-Israel conflict, the establishment of a stable peace, and the welfare and progress of all countries in the area. They emphasized the necessity of giving increased importance to economic action in the Far East, the Middle East, and Africa, notably within the framework of the regional organizations to which either of their countries belongs. They agreed on the need for close and continuing consultation with a view to furthering their joint policies."

On returning to Paris on March 12, M. Mollet said that he and Sir Anthony were in fullest agreement on all matters discussed, and had put the question of disarmament "at the head of their preoccupations."

M. Mollet disclosed that he and Sir Anthony had studied a disarmament plan which M. Moch (the French representative) would present at the next meeting of the U N Sub-committee on disarmament, and which took into account both the Western and the Soviet proposals so far presented Certain British suggestions for improving the French plan had been examined, and had been referred jointly to M. Moch and Mr. Nutting (British Minister of State for Foreign Affairs). "In a few days' time," M. Mollet added, "there will be a Franco-British disarmament plan, and everything leads us to hope that it will have the complete support of the United States. . . ."

The French Prime Minister emphasized that the reference in the official communiqué to "close and continuing consultation" was not meant to be limited to France and Britain alone, but also meant consultation with the U S.A. and other interested nations whenever necessary. He added that he had expressed to Sir Anthony the French Government's "reserves" about the Baghdad Pact, which remained unchanged.

It had been announced on March 2—a few hours before M. Pineau's speech—that M. Mollet and M. Pineau would pay an official visit to Moscow in May, at the invitation of the Soviet Government. The invitation had originally been extended to M. Faure and M. Pinay (the former French Premier and Foreign Minister), but the visit had not been paid at the time because of the Soviet Government's action in supporting the Arab-Asian resolution for a debate on Algeria in the U.N. General Assembly (see page 14464).

(Le Monde, Paris - Times - Daily Telegraph)

Note. The remarks by Sir Gladwyn Jebb (H.M. Ambassador in Paris) referred to in the joint statement were made at a press luncheon in Paris on March 6 Speaking of Communist tactics "to exploit internal conflicts in the capitalist world," Sir Gladwyn declared: "The best means of checking these insidious manoeuvres is to adjust oneself to the current of history (*de s'adapter au courant de l'histoire*) It is for this reason that we in Britain welcome the solutions applied by France to the problems of Tunisia and Morocco—solutions which are admirable and worthy of a great modern nation. We likewise welcome the determined efforts which France is making to bring about a liberal and generous settlement in Algeria, which will take account of her interests as a great Power. France is entitled to expect from her ally across the Channel support and encouragement in these efforts, and she will receive them. ."—(Le Monde, Paris)

A. UNITED KINGDOM. — House of Commons Debate on Middle Eastern Situation after Dismissal of Glubb Pasha. - Opposition Criticism of Government's Middle East Policy. - Defeat of Opposition Motion.

A full-scale debate on the Middle Eastern situation, with particular reference to the situation created by the dismissal of Glubb Pasha from the command of the Arab Legion in Jordan, took place in the House of Commons on March 7. The debate, which was characterized by heated exchanges between the Government and Opposition, was opened by Mr. Nutting (Minister of State, Foreign Office) in the absence of the Foreign Secretary, Mr. Selwyn Lloyd, who was visiting the Middle Eastern countries at the time.

Mr. Nutting said that British officers had " a long, proud and happy association " with the Arab Legion since it was founded in 1920, and General Glubb had given 26 years of devoted service to the Arab cause Under his command the Legion had expanded from a small body of about 1,500 men into a well-equipped and well-trained force of about 21,000—one of the most efficient and effective fighting forces in the Middle East. After recalling that substantial sums of British money were voted annually to support the Legion, Mr. Nutting continued ·

" The British Government have provided more than £50,000,000 [to Jordan] during the last nine years In addition, we are pledged under the Anglo-Jordanian Treaty to go to Jordan's aid if she is attacked, and we have maintained air and ground forces in Jordan to provide for her defence. We have, therefore, fulfilled the spirit and the letter of our obligations The summary dismissal by the Jordan Government of General Glubb and the other British officers, without consultation with the British Government, can hardly be said to fulfil the spirit of Jordan's obligations to us. The provisions of the treaty cannot be fulfilled unless there is full and continuous consultation between Jordan and the United Kingdom upon all matters essential to the defence of Jordan.

" A state of uncertainty exists for the remaining British officers as a result of the treatment received by those dismissed I am sure the House will feel that the Government acted correctly in asking that all those still in executive commands should be relieved. Meanwhile, it is no secret that one of the essential elements in our co-operation with Jordan has been the maintenance of the Arab Legion as an effective defence force. The effect on the Legion's efficiency of these sudden changes in its command may well be serious. That is one of the most important factors the Government must weigh in considering their future policy and relationship with Jordan It has always been our purpose to train as many Arab officers as possible to take positions of responsibility, but there are still few who have the necessary experience to take over the higher commands.

" The Government do not underestimate the gravity of the situation which has arisen We are consulting with our allies, and the House will not expect me to announce drastic new decisions before the consultations have been completed. There are many grave issues thrown up by these changes in Jordan—issues which reflect a wider situation than that of Jordan, and which must be judged against the wider background of the whole Middle East. No-one can deny that we are passing through a difficult and troublesome phase in our relations with Arab national feeling. The cause of this lies partly in history and has been aggravated by the bitterness of Arab hostility towards Israel. We shall not find a quick remedy for these ills, more especially as there are third parties pouring poison into the wound and doing their best to increase hostility against all we stand for.

" Our policy is based on the Baghdad Pact and the Tripartite Declaration We stand firm and four-square by the Baghdad Pact and have no intention of abandoning our friends who have joined in it with us. Our interests and theirs—political, strategic, and economic—make it imperative that we should stand together as we do, and as we shall continue to do, in defence of the Middle East against aggression from without. At the same time we intend to use the economic institutions of the pact to promote trade, technical assistance, and development. . . ."

After refuting as " complete and arrant nonsense " a recent statement by Mr. Robens (the Labour Party's specialist in foreign affairs) that the Baghdad Pact had provoked Soviet intervention in the Middle East, Mr Nutting declared : " The Soviet move [i.e. the supply of arms to Egypt] was a calculated and carefully planned action to stir up trouble in the Middle East and undermine Western influence. To those who say that the Baghdad Pact constitutes a major threat to peace in the Middle East, I say that the opposite is the truth. It is proving an effective instrument for the peace of the Middle East. . . ."

Turning to the dispute between the Arab States and Israel, Mr. Nutting continued : " I must frankly admit that while our efforts continue to try to bring about an Arab-Israel settlement, there is no progress to record. We have fulfilled, and will continue to fulfil, our obligations under the Tripartite Declaration. We are consulting with the U.N. Secretary-General on whether the machinery for truce supervision can be improved and, if necessary, expanded. We have repeatedly said we will support General Burns in any extension of the Truce Supervisory Organization he considers necessary. The Foreign Secretary, speaking on Feb. 24, threw out the idea of some additional measures to increase the preventive effect of the existing U.N. machinery. These ideas are being examined by the Secretary-General in consultation with General Burns.

" We are sometimes told that the Tripartite Declaration is not enough, and that we must give a treaty guarantee to Israel within her present borders That proposition has come many times from the Opposition, but I wonder whether Labour members have fully thought out the implications of such a step. It would be committing this country to the permanent recognition of a frontier which is not agreed, which results from an armistice and not from a peace treaty, and which is bitterly opposed by all the Arab States. The Government cannot be expected to give a guarantee which would amount to recognition in perpetuity of the existing armistice line It would, in effect, be the biggest step we could take away from a peace settlement.

" It is one thing to say that we would oppose the alteration of a truce line by force—because that would mean a fresh outbreak of war—but quite another to say that we would recognize in perpetuity, and undertake to maintain, a frontier about which the parties are in violent disagreement. We have said, and I repeat, that we stand ready to guarantee an agreed settlement. The United States have taken exactly the same line. If the Opposition say they are not asking for recognition in perpetuity of the existing armistice lines, but that they want a guarantee of those armistice lines, that is precisely what the Tripartite Declaration lays down—and that is precisely the obligation to which we are committed and which we shall fulfil."

Mr. Herbert Morrison (Lab) intervened to ask : " If the Tripartite Declaration protects these frontiers, including the frontiers of Jordan. why did we need a special treaty with Jordan to supplement that guarantee ? If it be the case that it is right to have a separate treaty and a specific guarantee in the case of Jordan, how can it be wrong to have a separate treaty and a specific guarantee in the case of Israel ?"

Mr. Nutting replied . " You ask me why we concluded the Anglo-Jordan treaty of 1948 and why we did not conclude a treaty with Israel You [the Labour Party] were in power in those days and not us. Mr Morrison has got his history a little wrong : the Anglo-Jordan treaty was made in 1948, the Tripartite Declaration in 1950. Why is it suggested that the Tripartite Declaration is such an ineffective affair? I do not pretend it pleases everyone, but this Declaration and the declared intentions of its signatories to carry it out have prevented a further outbreak of war between Jews and Arabs. That is what the Declaration was intended to do, and in that it has succeeded for the last six years."

Referring, in conclusion, to the question of arms deliveries to the Middle East, Mr Nutting said : " I can assure the House that, despite all the difficulties which have confronted the Tripartite Powers in keeping a check on deliveries, a balance of strength has been maintained up to date. We have never sought to deny that the Communist arms deal with Egypt may, in due course, upset this balance, but we do not believe that situation has yet arrived. We and our allies are convinced that the safety and security of Israel does not lie in entering upon an arms race in the Middle East. This might well end up with Israel being surrounded by hostile neighbours armed to the teeth. The safety and security of Israel must be found in establishing normal relations with her neighbours. That is one of several reasons why we consider a settlement so imperative, and we shall continue to concentrate on that. We and our American allies are taking every step open to us to strengthen the uneasy peace which exists between Israel and her Arab neighbours. . . . We stand by our obligations We offer genuine help, friendship, and co-operation to all nations in that area. Wherever and whenever necessary, we shall strengthen our interests and build up those who are our true friends Whatever the setbacks, whatever the disruptive forces which are ranged against us, we shall continue that policy of building on strength, confident that this will bring eventual stability and peace to the whole of the Middle East "

Mr. Hugh Gaitskell (Leader of the Opposition) said that whatever the Opposition's criticisms of the Government for its handling of the Middle East situation, it in no way wished to belittle the achievements of General Glubb He (Mr. Gaitskell) had met General Glubb three years ago and had been impressed by his moderation, wisdom, and calmness. " One of the features of this situation," Mr. Gaitskell continued, " is the degree of unanimity in the British press about the significance and probable consequences of Glubb Pasha's dismissal It is agreed that this increases the danger of war between the Arab States and Israel. Glubb Pasha and his fellow-officers have exercised a restraining influence upon the Arab Legion and the policy of Jordan. The Foreign Minister of Israel told me that three years ago. For the past 18 months the Arab Legion has been actively engaged in trying to prevent infiltration [into Israel] from the Jordan side of the frontier, and has attempted to exercise control over the Jordan National Guard. . . . There is real danger that we shall find ourselves, if the subsidy continues, subsidizing and maintaining a force which may go into action against Israel, and in a situation in which we may have to go to the defence and assistance of Israel. That is a highly contradictory situation. . . ."

Mr. Gaitskell declared that the dismissal of General Glubb and the other British officers had " struck a severe blow at our prestige in the whole Middle East, and to the prestige of the whole Western alliance " Moreover, " the consequence of General Glubb's dismissal will make it extremely probable that Jordan will now go into the anti-Baghdad camp." Since the Government had repeatedly declared that they based their policy on the hope of an Arab-Israel settlement and on the Baghdad Pact, it was undeniable that these events must be regarded as constituting a major setback to the Government's policy. Accordingly, it was clear that there must be a reassessment of British policy in the Middle East.

In the Opposition's view (Mr Gaitskell continued) the Baghdad Pact itself had contributed materially to the present situation Whilst no objection could be taken to the pact itself, since it was a voluntary defensive arrangement between Turkey, Iraq, Persia, Pakistan, and the U K., the Government's mistake had been to attempt to convert it into an instrument of Middle Eastern policy. By doing so they had provoked violent opposition from the Arab States; and, secondly, violent opposition in Jordan itself when an attempt had been made to force her into the pact. Declaring that the House had never heard the full story of General Templer's mission to Jordan, Mr Gaitskell asked whether it was true that the Chief of the Imperial General Staff had gone to Amman with instructions to offer a substantial increase in the Arab Legion without any guarantee that it would remain under British control, in return for Jordan's adherence to the Baghdad Pact? Furthermore, the Opposition took the view that the Prime Minister's Guildhall speech, with its implication of substantial concessions by Israel and "appeasement" of the Arabs, had been "a grave error" and had given "an impression of utter confusion."

After declaring that the Opposition could not accept the Government's reliance on the "arms race" argument, Mr. Gaitskell continued: "To say 'we will deprive one side of the opportunity of purchasing arms' when the other side is free to get as much as it likes, and defending it by saying 'we do not want to participate in an arms race,' reminds me of nothing else than the non-intervention agreement in Spain. The real reason why they [the Government] have refused to allow Israel to purchase so far even quantities of arms necessary for her defence is fear of Arab resentment. That kind of weakness makes no impression upon the Arab peoples. Either we stand by the tripartite agreement, and in that case we are bound to allow Israel enough arms for self-defence, or we do not If we intend to stand by it, we must make our position abundantly plain to the Arab States and give up this policy of trying to appease them by our policy towards Israel. The tripartite agreement must be upheld If you intend to carry out the tripartite agreement, you must allow Israel arms to balance those received from Czechoslovakia by Egypt. The Foreign Secretary has said that this would upset the balance, but to say it has not yet upset the balance makes one wonder how many more MIG fighters have to be delivered to Egypt Have we to wait another year or two while Egypt builds up an overwhelming force before we try to maintain the balance? . "

After emphasizing that the solution of the Middle Eastern problem was essentially a U.N affair, which involved the Soviet Union as a member of the Security Council, Mr. Gaitskell continued: "In deciding policy in the Middle East, we should first of all settle what are our real interests there, and what are our commitments Three things must be accepted as commitments or interests of an over-riding character Firstly, our commitments under the Tripartite Declaration to guarantee the temporary armistice frontiers. That carries with it the essential condition that we maintain the balance of arms between the two sides An alliance with Israel? We do not see that there is anything inconsistent with that and the Tripartite Declaration. That is something the Government should at least give serious consideration to in the light of recent developments

"Secondly, the supply of oil We get nearly 50 per cent of our oil from Kuwait, some from Persia, and some from Iraq. We make a mistake if we jump to the conclusion that the Arab States with oil reserves are going to be desperately anxious to sell them to anyone else. I do not believe, short of a big political change in that part of the world, that the danger that we should be cut off from oil is nearly so great The third objective is that we cannot accept that these territories, with oil reserves which are very important to us, should come under Russian control This is a vital interest of ours I do not believe that the Arab Governments are in the least anxious to allow the Communists to come in and control their territories For these reasons we certainly cannot just clear out and wash our hands of the whole area. We could not trust the Russians to keep out if we disappeared. . .

"What should our immediate policy be? Should we, for instance, reinforce our troops in Jordan? I take the view that we should only do that if it is necessary to protect British lives I would strongly urge the Government not to attempt by military force to impose a policy on Jordan If the Jordan Government wish to break their alliance with us, if they wish to link up with Egypt and the neutralist bloc, they should be allowed to do so. We must have . . . immediate talks with Jordan about the position under the treaty. It would be unwise to repudiate the treaty. It has not, of course, been broken technically by the dismissal of General Glubb, but it would be impossible to continue with the subsidy under the new situation. It may be that the money—and it is quite a substantial sum—could be made available for economic development and the settlement of Arab refugees as part of a general settlement. The third essential is surely to settle the ridiculous and absurd dispute between the British and American oil companies It is ridiculous because we all know they are interlocked, so the way they are playing against each other in that part of the world is absurd. I would like to see a wider plan emerge from any discussions between the companies under which both the Arab Governments concerned and the oil companies would subscribe to a large fund for the economic development of the whole area.

"The ban on arms for Israel must be lifted This does not mean any spectacular sale of arms. Israel should be allowed to buy the necessary weapons on terms with which they can match, if need be, the new arms Egypt is now obtaining. It means *Centurion* tanks —which they have never been given, although Egypt has had them from us—and modern fighters. There is a lot to be said for Britain and America making a declaration of Middle Eastern policy on the lines I have tried to indicate—saying what we care about and that, apart from that, we have no wish to stifle or restrain Arab nationalist sentiments, and, indeed, are only too anxious to help in the economic development of the area We must do a great deal more about our propaganda in that part of the world. When Mr. Bulganin and Mr Khrushchov come here in April I hope the Government will take the opportunity of talking about the Middle Eastern situation with them.

"Before the Prime Minister went to Washington I warned him that we were genuinely critical of the Middle Eastern policy of the Government, and that we could not support him if that policy continued. We hoped that Washington would produce a change It has not done so There has been nothing—just inaction What has happened in Jordan confirms our view that the policies of the Government were wrong and dangerous and, for this reason, I have not hesitated to criticize the Government today But I recognize that the duty of the Opposition is to be constructive I beg the Prime Minister to take these proposals seriously. Looking at the state of the world and, in particular, the condition of the Western alliance, one cannot feel anything but anxious and gloomy There are signs of division and separation, and a loss of that unity which existed when NATO was first created.

"There is desperate need for a lead which will both rally the democratic forces and restore their unity and, at the same time, give the reassurance we must give to the uncommitted countries that our policies are progressive and peaceful I hope the Government will give that lead or else make way for one that can and will"

Captain Charles Waterhouse (C)—the leader of the "Suez group" of Conservative M P.s who opposed Britain's evacuation of the Suez Canal—said that no-one knew the real position in Jordan. it might well be that King Hussein was no longer a free man and that a military junta had taken over He added: "Egypt has been the trouble-maker in the Middle East for a long time . . She has stirred up hatred where no hatred existed. She should be told—and if the United Nations will not do it, the British Government might well do it—that the Suez Canal is going to be free, and that in future there is to be no more interference with British or any other shipping The time for turning the other cheek to our enemies has passed. In some parts of the world we have to have the courage to disagree with a nation in an action she has taken, to stand by our friends, and to denounce our enemies Britain is still powerful and on occasion our strength must be used I urge the Government to make a statement as clearly as they can condemning the action of Egypt, both in the blocking of the Suez Canal and in her general conduct in the Middle East"

Mr. Shinwell (Lab.) said that the £70,000,000 provided to Jordan in the last ten years had "gone down the drain," and that it might have been far better if a substantial portion of the sum expended in the Arab countries had been devoted to Britain's Colonial territories Despite the vast sums made available to the Arab countries, Britain had got little or nothing in return, whilst no financial assistance of any sort had been provided to Israel "It seems to me," he added, "that we are at the mercy of the pro-Arab elements in the Foreign Office" Mr Shinwell said that both the Arab States and Israel must be told "in the most definite language" that force would be used against them if they resorted to military action. He believed that the Baghdad Pact was not responsible for the present tension in the Middle East, since "there would still have been trouble" even if the pact had not existed Finally, Mr Shinwell urged that the Prime Minister should consider a treaty with Israel, and that Israel should receive adequate arms to counterbalance those being supplied to the Arab countries.

Major Legge-Bourke (C.) believed that it was quite possible that King Hussein was no longer master in his own house After declaring that the position of Jordan and of King Hussein personally "ought to have our compassion rather than our wrath," he said that attention should be turned to those who were really undermining Britain's position in the Middle East—Egypt, Saudi Arabia, Russia, and "certain private individual interests emanating from America." He believed that the quickest solution of the Middle East problem would be for America to join the Baghdad Pact.

Mr. Clement Davies (the Liberal leader) said that Britain had received "a serious slap in the face which has resounded through the world" Now that the restraining influence hitherto exercised by General Glubb and his colleagues had been removed, the position in the Middle East had become far more acute than it was even at the time of the Communist arms supplies Something much more definite than the Tripartite Declaration was needed, and the Prime Minister should make it clear that Israel would be guaranteed against any attack.

Mr. Alfred Robens (Lab.), winding up for the Opposition, described as "nonsense" Mr Nutting's statement that British Middle Eastern policy was based on the Baghdad Pact, since there was only one Arab State in the pact [i e Iraq]. He declared that the Opposition would continue to press the Government for a treaty with Israel, similar to that with Jordan, and that Israel must have arms to balance the quantities received by the Arab nations However many times the Prime Minister said that the Government stood by the Tripartite Declaration, neither the Jews nor the Arabs believed him, and an international police force on the strategic parts of Israel's frontier was essential if peace was to be preserved. Mr Robens alleged that most, if not all, of the money used for "bribery and corruption" in the Middle East came from royalties paid by American oil companies, he added in this connexion that it was

strange that the most anti-Communist country in the world should allow its money to be used to create a vacuum into which Communism could penetrate. and expressed surprise that Sir Anthony Eden had not brought up this point during his Washington discussions with President Eisenhower.

Sir Anthony Eden, replying to the debate, said that the Government had made it plain that it was ready to contribute to an increased, number of U.N. observers on the Israel-Arab frontiers ; the decision, however, rested not with one member but with the United Nations collectively. After quoting a recent speech by Mr Robens in which the latter had " violently denounced " the Baghdad Pact, the Prime Minister commented that his [Mr Robens's] arguments had been refuted by Mr. Gaitskell and by Mr. Shinwell, both of whom had expressed support for the pact

Amidst repeated Opposition cries of "What is your policy ? ", the Prime Minister continued . " My policy is clear enough I am one of the authors of the Baghdad Pact. I am proud to be so, and I stand by every line. Our complaint is that the Opposition have been alternating in their criticism. one day saying it is a bad thing and another day saying it is a good thing "

In reply to a question by Mr Gaitskell, the Prime Minister said that the negotiations with Jordan had not been carried through " under any mystery nor through any form of blackmail," nor had Britain said to Jordan " If you do not join the Baghdad Pact you will not continue to enjoy the privileges you do now " The choice of General Templer had been criticized, but he (the Prime Minister) did not known of a more distinguished officer who could have been sent to Amman to negotiate with the Jordanian leaders, and he made no apology for that choice.

After recalling his statement to the House on March 5 (see 14737 A), and saying that the decision to withdraw the remaining British executive officers from the Arab Legion had been received " with distress " in Jordan, Sir Anthony continued .

" I must tell the House bluntly that I am not in a position to announce tonight, in respect of immediate policy for Jordan, definite lines of policy which are inevitably to be followed, because I am sure that to attempt to do so now. with such information as we have, would be not only premature but probably dangerous to our own interests—more perhaps than those of Jordan. During the debate a number of members have counselled a certain caution. I think it is right that that caution should be pursued But there is a factor which has been several times mentioned, which we simply cannot ignore in weighing up our present difficulties Mr Gaitskell and others referred, in passing, to Arab-Israel antagonism and to its possible effect on the course of events in Jordan. It is certainly true that where there are very large refugee populations the difficulties are infinitely greater, in trying to get any kind of relaxation of tension or toleration of another point of view, than anywhere else in the Middle East I have not the least doubt that although the House may try to weigh up the factors that have brought about this result, one is the number of people in Jordan today—half a million or more—who look back across that frontier, and whose whole thoughts and minds are bent on getting back across that frontier."

After pointing out that the Egyptian radio had kept up ' a stream of abuse " against General Glubb for some time before his dismissal, the Prime Minister said that if Egypt desired friendly relations with the Western Powers she could get them—but not at any price. One way of ensuring that she did not get them was " to pursue a policy of protesting friendship on the one hand and inciting hostility on the other."

As regards the Israel-Jordan question, Sir Anthony reiterated that the Tripartite Declaration provided for action both inside and outside the United Nations in the event of force or if there were a threat to violate existing frontiers. After quoting the joint declaration which he had signed with President Eisenhower (see 14685 A), the Prime Minister added . " If I was in the position of Israel, I would regard that undertaking . . as infinitely more valuable than an agreement to be allowed to buy a certain number of tanks or planes "

In conclusion, Sir Anthony claimed that the Baghdad Pact had created over a wide area of the Middle East a unity, both political and economic, which had never existed there before, and which had brought far-reaching advantages to all the peoples of the area. He reiterated that the British Government intended to uphold both the Baghdad Pact and the Tripartite Declaration of 1950.

Mr. Gaitskell said that the Opposition would divide the House in view of the Prime Minister's " totally unsatisfactory " statement. The Opposition thereupon formally moved the adjournment of the House, the motion to this effect being defeated by 312 votes to 252—a Government majority of 60. (Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Glubb Pasha, 14737 A.)

A. AVIATION. — Central African Airways to participate in London-Johannesburg Service.

It was announced in Salisbury on Feb. 11 that Central African Airways would begin to operate an international tourist-class service with Vickers *Viscounts* between Johannesburg and London in July, when it would join the " Springbok " service in partnership with BOAC and South African Airways. The general manager of C.A.A. (Mr. P. J. B. Wimbush) explained that the company would take over one of the six weekly flights between London and Johannesburg.

(Federal Information Department, Salisbury)

B. FRANCE. — Inauguration of Atomic Power Plant. - Creation of Institute of Nuclear Science.

France's first atomic power plant, at Marcoule (on the Rhône some 20 miles north of Avignon), went into operation on Jan. 7. The plant, known as G-1, is a primary reactor whose basic purpose is the production of plutonium, though some of its heat will be recovered to produce electric current. When the associated work at Marcoule is completed in July and the plant is fully operating, some 5,000 kw. of electricity will be produced ; but as 7,000 - 8,000 kw. are needed to run the air blowers, there will be a net deficit of 2,000 - 3,000 kw. The blowers send air heated by the atomic pile to a nearby electric power plant (now being completed), where the air vaporizes water and produces steam to drive the turbines.

A second and much larger plant at Marcoule is planned to begin operating by the middle of 1957. It will produce 100,000 - 150,000 kw. of heat energy and, through a more efficient system of transformation, a net surplus of 20,000 kw. of electricity ; this will not only make up the deficit of G-1 but will also supply the Marcoule community with its power needs and feed about 15,000 kw. into the general power lines for distribution elsewhere.

It was announced on Jan. 18 that an agreement had been concluded between the French Atomic Energy Commission and the Ministry of Education for the establishment of a National Institute of Nuclear Science and Techniques at the Saclay Centre for Atomic Studies. This new institute will have the tasks of organizing high-quality instruction in nuclear science and techniques, in close liaison with the universities ; of training engineers and technicians ; of bringing about permanent collaboration between the faculties of science, medicine, pharmacy, and the various higher educational establishments ; and of ensuring the necessary collaboration between the universities and industry in view of the development of industrial uses of atomic energy.—(Le Monde, Paris)

(Prev. rep. 14360 A.)

C. WESTERN GERMANY. — Kraft-Oberländer Group joins Christian Democratic Union.

The *Frankfurter Allgemeine Zeitung* reported on Feb. 16 that Herr Waldemar Kraft and Professor Theodor Oberländer, together with the five other former members of the Refugee Party who had been accepted by the Christian Democratic parliamentary party as " guests " after their secession from the Refugee Party's parliamentary group in July last, had now officially joined the Christian Democrats, increasing the latter's representation to 251. The strength of the other parties in the *Bundestag* is : Social Democrats 151, Free Democrats 48, All-German Bloc (Refugee Party) 18, German Party 16, Centre Party one, non-party one. One seat is vacant through the flight of Herr Schmidt-Wittmack (see 13851 A) to the Soviet zone.—(Frankfurter Allgemeine Zeitung)

(Prev. rep. 14664 E ; 14400 A.)

D. UNITED STATES. — Employment and Unemployment Figures. - Statistics for 1955.

The number of employed persons in the United States in December 1955 (over 14 years of age, but excluding the armed forces) was 64,165,000, of whom 5,884,000 were engaged in agriculture. The total compared with 60,688,000 in December 1954, 64,016,000 in June 1955, and a record figure of 65,489,000 in August 1955. There were 2,946,000 in the armed forces in December, compared with 2,996,000 in June, 1955. The number of unemployed was 2,427,000, compared with 2,679,000 in June and 2,838,000 in December 1954, amounting to 3.6 per cent of the total U.S civilian labour force.

(Department of Commerce, Washington) **(Prev. rep. 14376 E.)**

E. KOREA. — Scandinavian Hospital for Seoul. - Joint Financing by Norway, Sweden, and Denmark.

It was announced in Oslo on March 3 that Hr. K. Okkenhaug (a Norwegian Foreign Ministry official) had been appointed secretary-general of a Scandinavian hospital to be established in Seoul. The hospital, to be financed jointly by Denmark, Norway, and Sweden, will train Korean doctors and is expected to be open by 1958.—(Royal Norwegian Embassy, London)

F. BELGIUM. — Cabinet Appointment.

M. Leo Mundeleer was appointed Minister for the Middle Classes on Feb. 13 in succession to M. Oscar Bossaert, who had died on Feb. 1. M. Mundeleer is a Liberal, his appointment leaving the distribution of portfolios in the Van Acker Cabinet unchanged—i.e. nine Socialists and seven Liberals.

(La Nation Belge, Brussels) **(Prev. rep. 14003 C.)**

A. CEYLON. — Controversy over Proposed Recognition of Sinhalese as Sole Official Language. - Resignation of Tamil-speaking Members from Cabinet and United National Party. - Dissolution of Parliament.

The annual conference of the United National Party (the ruling party in Ceylon), meeting at Kelaniya on Feb.16-18, unanimously approved a resolution recommending that Sinhalese should be recognized as the country's only official language. This involved a fundamental change in the policy hitherto pursued by successive Ceylonese Governments, under which Sinhalese and Tamil had equal status as official languages in place of English. In view of this policy change, the Governor-General (Sir Oliver Goonetilleke) dissolved Parliament on Feb. 18 and ordered general elections to be held between April 4 and 11 in order that the Government might obtain a mandate for its new linguistic policy.

For some time the linguistic problem had been a major political issue in Ceylon. An agitation in favour of declaring Sinhalese the only official language had been launched by a number of Sinhalese and Buddhist organizations, and on Oct. 16 a crowd of over 5,000 people attacked a meeting in Colombo Town Hall, arranged by the *Lanka Sama Samaja* (Trotskyist) party, which advocated the retention of equal status for Sinhalese and Tamil. A motion for the formal amendment of the Ceylon (Constitution) Order-in-Council to grant parity of status to Sinhalese and Tamil was introduced in the House of Representatives on Oct. 19 by Dr. N. M. Perera, the leader of the *Lanka Sama Samaja*, but was opposed by the Prime Minister, Sir John Kotelawala.

Sir John Kotelawala recalled that the Government, in pursuance of its policy of equal status for both languages, had announced on Jan. 13, 1955, that from 1957 onwards the medium of instruction in schools up to the senior secondary stage should be Sinhalese for the children of Sinhalese-speaking parents and Tamil for the children of Tamil-speaking parents; a commission had also been appointed to report on the language to be used in higher education As regards the administration, both Sinhalese and Tamil were used in Parliament, local government bodies, and the law courts without any restriction whatever, although the translation of laws from English into the national language presented some difficulty. In the Civil Service a gradual transition from English to the national language was taking place, and classes were being organized and bonuses and increments offered to ensure that civil servants should have a competent knowledge of one national language and a working knowledge of the other. Both languages were therefore enjoying equal official recognition in practice, and any change in the Government's linguistic policy could be decided on only by the United National Party's annual conference. Sir John nevertheless refused to support Dr. Perera's motion, which he described as a mere "election stunt."

The Prime Minister's attitude in rejecting Dr. Perera's motion on the one hand, and in hinting at a possible reversal of the Government's policy on the other, led to an intensification of the campaign for the adoption of Sinhalese as the only official language, which, in turn, led to serious differences of opinion both in the Cabinet and in the United National Party. Mr. Kumaraswamy (Deputy Minister of Justice) resigned on Jan. 12 on the ground that the Sinhalese agitation had undermined the confidence of Tamil-speaking people in the Government, whilst Mr. Natesan (Minister of Posts), Mr. Kumaraswamy, and five other Tamil-speaking M.P.s resigned from the United National Party on Jan. 19, after the committee appointed to draft the agenda for the next party conference had decided to exclude resolutions on minority rights and parity of status for Tamil which had been presented by Mr. Natesan and Mr. Kumaraswamy. On Jan. 20 Mr. Natesan also resigned from the Ceylonese Cabinet and was succeeded by Mr. N. H. Keerthiratne, who had previously been Parliamentary Secretary to the Ministry of Posts.

The seven members who had resigned from the United National Party, together with Tamil-speaking members of the Opposition, announced on Jan. 20 that they had formed a "united front" to defend the Tamil language and culture and to "carry on the struggle for the creation of a Tamil State which will offer to federate with the Sinhalese State on terms of complete equality, if acceptable to both nations, or elect to remain independent."

Mr. C. Suntheralingham, a Tamil M.P., announced on Aug. 17, 1955, that he would voluntarily vacate his seat (Vavuniya) in order to force a by-election, because of the "discriminatory treatment" which, he alleged, had been given by the Government to the Tamils. In the by-election, which was held on Feb. 14, 1956, and fought largely on the language question, Mr. Suntheralingham was returned as an Independent, polling 8,995 votes against 2,003 for the United National Party's candidate.—(Ceylon Government Information Dept., Colombo)

B. UNITED KINGDOM. — Labour and Manpower. - Employment and Unemployment Statistics for 1955. - Distribution of Manpower.

The following table shows the manpower position in Britain at the end of 1955, comparison being given with 1954:

	Dec. 31, 1955	Dec. 31, 1954†
Total Working Population* .		
Men .	16,124,000	16,047,000
Women	7,896,000	7,776,000
	24,020,000	23,823,000
H.M. Forces and Women's Services .	779,000	830,000
Ex-Servicemen and Women on Release Leave	6,000	6,000
Registered Unemployed‡	235,000	266,000
Persons in Civil Employment	23,000,000	22,721,000
of whom . *Men* .	*15 201,000*	*15 058,000*
Women ..	*7,799,000*	*7,663,000*

* The "total working population" represents the total number of persons aged 15 or over working for pay or gain, or registering themselves as available for such work. It includes H.M. Forces and the Women's Services, those on release leave and not yet in employment, registered unemployed, private indoor domestic servants, and gainfully employed persons over pensionable age Part-time workers are counted as full units.

† Revised figures

‡ Excluding persons registered as "temporarily stopped," most of whom were on employers' pay-rolls and were therefore included in the numbers shown as in civil employment.

An analysis by industrial groups of the total number of persons in civil employment is given below:

Industries or Services	Dec 31, 1955	Dec. 31, 1954
Basic Industries		
Mining and Quarrying (including coal-mining .	858,000	864,000
Gas, Electricity, and Water	378,000	376,000
Transport and Communication	1,699,000	1,691,000
Agriculture and Fishing ..	1,012,000	1,031,000
Number in Basic Industries .	3,947,000	3,962,000
Manufacturing Industries		
Chemicals and Allied Trades .	526,000	512 000
Metal Manufacture .	583,000	565,000
Vehicles	1,254,000	1,208,000
Engineering, Metal Goods and Precision Instruments	2,818,000	2,709,000
Textiles	952,000	991,000
Clothing (including footwear)	674,000	684,000
Food, Drink, and Tobacco .	915,000	899 000
Other Manufactures ..	1,615,000	1 591,000
Number in Manufacturing Industries	9,337,000	9,159,000
Building and Contracting.. .. .	1,465,000	1,438 000
Distributive Trades . .	2,869.000	2,811,000
Professional, Financial and Miscellaneous Services	4,098,000	4,053,000
Public Administration .		
National Government Service .	560,000	574,000
Local Government Service	724,000	724,000
Total in Civil Employment ..	23,000,000	22,721,000

The largest percentage increases, as compared with 1954, were in engineering, etc. (4.0 per cent); vehicle manufacture (3.8 per cent); metal manufacture (3.6 per cent); chemicals (2.7 per cent); and distributive trades (2.6 per cent). The biggest decreases were in textiles (4.1 per cent), national government service (2.5 per cent); and clothing (1.4 per cent).

Figures of registered unemployment in Great Britain in the last five months of 1955 (for first seven months see 14393 E) were as follows:

	Wholly unemployed (including Casuals)		Temporarily stopped		
	Males	Females	Males	Females	Total
August 15	118,261	63,665	6,604	11,193	199,693
September 12 .	117,157	66,005	7,122	11,897	202,221
October 10 .	127,784	74,278	5,264	7,829	215,155
November 14	137,538	77,670	4,417	6,288	225,913
December 12	134,812	71,095	4,194	5,549	215,650

The December figure of 215,650 unemployed (which included 38,474 married women) represented one per cent of the total number of employees, and was the lowest end-year figure since the war. There were 31,642 unemployed in Northern Ireland at the end of 1955, making an overall total for the United Kingdom of 247,292—over 40,000 fewer than the end-1954 figure.—(Ministry of Labour Gazette) **(Prev. rep. Employment and Manpower, 14109 B; Unemployment, 14393 E.)**

MARCH 17—24, 1956

A. CYPRUS. — Breakdown of Constitutional Discussions. - Publication of Harding-Makarios Correspondence. - Deportation of Archbishop Makarios. - Evidence of Archbishop's Complicity in Eoka Terrorism. - Statement by Sir John Harding. - Continued Terrorist Outrages. - Clashes between Greek and Turkish Cypriots.

Archbishop Makarios, together with three other leaders of the *enosis* movement in Cyprus, was deported on March 9 to the Seychelles, in the Indian Ocean, by order of the Governor of Cyprus, Field-Marshal Sir John Harding. It was officially announced that the Governor had decided upon this action because, in addition to the Archbishop's overt seditious activities, there was also " a large volume of evidence indicating that the Archbishop has been deeply implicated in the campaign of terrorism launched by the organization known as Eoka."

Prior to the Archbishop's deportation, the British Colonial Secretary (Mr. Lennox-Boyd) had visited Cyprus from Feb. 26 to 29 for discussions on the constitutional future of the island with Sir John Harding, Dr. Kutchuk and other leaders of the Turkish Cypriot community, and Archbishop Makarios, whom he met at the residence of the Anglican Archdeacon in Nicosia. These discussions, however, proved abortive, no compromise being reached between the viewpoints of the British Government on the one hand and the Ethnarchy Council on the other.

Mr. Francis Noel-Baker, Labour M.P. for Swindon, had arrived in Cyprus on Feb. 22 on a personal fact-finding mission at the invitation of Archbishop Makarios, who had requested him to act as an " unofficial mediator." Mr Noel-Baker—who speaks fluent Greek, and who had met the Archbishop during previous visits to the island—had several interviews with Sir John Harding and with leaders of the Turkish community, as well as with the Archbishop himself He returned to London on March 1

Mr. Lennox-Boyd's Statement on Breakdown of Discussions with Archbishop Makarios.

In a statement to the House of Commons on March 5, Mr. Lennox-Boyd gave details of the discussions and exchanges of correspondence which had taken place between H.M. Government and Archbishop Makarios during the past five months. He disclosed that the British Government's plans for a constitutional settlement of the Cyprus question had broken down because Archbishop Makarios had insisted (1) that terrorists found in possession of arms and explosives should be included in the amnesty which had been offered by H.M. Government; (2) that Sir John Harding should not retain powers for the preservation of public security for as long as he (the Governor) thought necessary; and (3) that the composition of the elected majority in the Cyprus Legislative Assembly should be defined to his (the Archbishop's) satisfaction, in advance of the recommendations of the Constitutional Commissioner [Lord Radcliffe, a Lord of Appeal] whom the Government had proposed to appoint. Mr. Lennox-Boyd spoke as follows.

" The Governor had explanatory talks with the Archbishop last October to enable the issues to be established. Discussions continued from November to January, both with the Archbishop and with other Cypriot leaders In the light of these discussions, and after giving most careful consideration to the views expressed by the Governments of Greece and Turkey, both at the tripartite conference in London and in subsequent discussions, H M. Government prepared a statement which represents their policy on both the short- and the long-term aspects of the problem of the future of the island. This statement is as follows

' H.M. Government adhere to the principles embodied in the U.N. Charter, the Potomac Charter, and the Pacific Charter, to which they have subscribed. It is not, therefore, their position that the principle of self-determination can never be applicable to Cyprus It is their position that it is not now a practical proposition on account of the present situation in the Eastern Mediterranean

' H.M. Government have offered a wide measure of self-government now If the people of Cyprus will participate in the constitutional development, it is the intention of H M. Government to work for a final solution which will satisfy the wishes of the people of Cyprus, be consistent with the strategic interests of H M. Government and their allies, and have regard to the existing treaties to which H.M. Government are a party.

' H M. Government will be prepared to discuss the future of the island with representatives of the people of Cyprus when self-government has proved itself capable of safeguarding the interests of all sections of the community '

This statement was shown to Archbishop Makarios and to leaders of the Turkish Cypriot community, and was fully explained and discussed with them. On Feb. 2 the Archbishop indicated that, although he was not prepared to associate himself with the statement, he was prepared to co-operate in the framing of a Constitution on certain conditions. These conditions concerned the questions of the form of the Constitution and an amnesty. It was thus clear that general agreement had been reached on the need to establish self-government, and that the principle of self-determination was no longer a stumbling-block.

Discussions on these outstanding issues continued with the Archbishop during the early part of February, involving a further exchange of correspondence. During this stage it became clear that the outstanding points were the amnesty, the reservation of public security to the Governor for as long as he thought necessary, and the question of a Greek elected majority. At the time when those three points emerged, the hon. member for Swindon [Mr F. Noel-Baker], who was in the island at the time, and who later returned at the Archbishop's request, made ceaseless and selfless efforts to assist in bringing about a settlement.

It was at this point, when the outstanding issues had been narrowed to three, that I decided, with the full approval of the Prime Minister, to fly to Cyprus in order to ensure that everything within our power was done to reach an honourable settlement.

During my visit I had a discussion with the leaders of the Turkish Cypriot community who had throughout been kept informed by the Governor of developments. The Archbishop's letter of Feb. 25, which was received by the Governor on the day of my arrival in Cyprus, confirmed that he still sought clarification on certain points. After preliminary discussions I therefore spoke to the Archbishop on Feb. 29 in the following terms.

I said that I was prepared to give him certain undertakings on the understanding that he, on his part, would assure me that he would co-operate in the framing of a Constitution that he would encourage his fellow-countrymen to do the same, and that he would make an appeal for the cessation of violence and would, thereafter, use all his influence for the restoration of peace and order

The undertakings I offered were as follows :—

(1) I told him that when law and order had been re-established there would be an amnesty for all those convicted of offences under the emergency regulations except those involving violence against the person or the illegal possession of arms, ammunition or explosives, which would come up for review in accordance with the normal rules This would have applied to offences committed before a certain date. Had the Archbishop accepted my statement, this date would have been today. I said that the release of detainees would begin at the same time as the amnesty. I confirmed what the Governor had already made clear—namely, that he was prepared to repeal all emergency regulations at a pace commensurate with that of the re-establishment of law and order.

(2) I said that his letter of Feb. 25 raised certain questions concerning our intentions in the constitutional field, and that I felt that the best way of replying was to restate to him in person our position on these points I explained that H.M. Government's objectives had been set out in the Governor's letter of Feb. 14. They proposed to send a Constitutional Commissioner to Cyprus who would draw up a liberal and democratic Constitution in consultation with representatives of all sections of opinion in the island. It would reserve to the Governor all powers in the field of foreign affairs and defence Public security would also be reserved to the Governor for as long as he thought necessary. Control of all other departments would be handed over to Cypriot Ministers, responsible to a Legislative Assembly representing the people of Cyprus, as quickly as was consistent with an orderly transfer.

The Constitution would provide for an elected majority in the Legislative Assembly and would safeguard the interests of all sections of the community. It would be for the Constitutional Commissioner to recommend what arrangements should be made for this purpose, including the precise composition of the elected majority which he would define in accordance with normal liberal constitutional doctrine.

I told the Archbishop that the talks had now been going on for five months and that, in the view of H.M Government, the time had now come when it was essential to let the world know of the offers that they had made and to make their position clear

After a lengthy discussion, I regret to say that the Archbishop told me that he was not prepared to accept my statement as a basis for co-operation and indicated that, in particular, he could not accept the exclusion of those carrying arms, ammunition, and explosives from the amnesty, or the reservation of public security to the Governor ' for as long as he thought necessary.' He also made it clear that he required the composition of the elected majority to be defined to his satisfaction in advance of the recommendations of the Constitutional Commissioner The full correspondence will be published in a White Paper [see below]

As to the future, the first and most important duty is to restore law and order. We have the resolution and the forces, and it will be done. In the constitutional field our objective remains the same —that is, to reach agreement with the communities in Cyprus in accordance with the principles I have indicated.

It is difficult to find words in which adequately to express the admiration of H.M. Government for the skill shown by Sir John Harding in these discussions. The greatest possible praise is due to him and those under him, in both the civilian and fighting Services, for the calm and efficient manner in which they have discharged their duties in circumstances of immense difficulty."

Statement by Archbishop Makarios.

Archbishop Makarios issued a statement on the same day (March 5) calling upon the Greek Cypriots to " continue the struggle for self-determination until the British Government show respect for our national aspirations," and alleging that Britain had shown " no goodwill " in the attempt to find a basis for a " reasonable agreement."

After asserting that he had made "many concessions" to the British viewpoint, the Archbishop said. "We asked, on the one hand, that measures should be taken to end the anomalous situation in Cyprus, for which we too were prepared to make every effort. On the other hand, we asked that there should be basic assurances regarding the democratic nature of the self-governing Constitution offered by Britain for the transitional stage. As regards the first, we believe that no true pacification in the island's situation can be achieved unless an opportunity is granted for the return of all to normal life through an amnesty, combined with an early repeal of dictatorial measures at present in force."

The Archbishop said that "in view of the other party's sensitivity" he had offered to agree that an amnesty for more serious cases should not be immediate, as in the case of other categories The British Government, however, had shown "inadmissible intransigence on this vital question by wishing to restrict the amnesty to only a very few categories" He had also offered that the Government should retain control over public security for a fixed period, on the assumption that peace and order would in the meantime be secured, "but Britain had insisted in obscure language on keeping this control indefinitely"

"In short," the Archbishop declared, "the Cypriots were called upon to accept a regime under which it would be doubtful whether they would control their own Assembly, and on a basis in which a colonial ruling Power would be able to interfere indefinitely in everything under the pretext of public security"

Publication of Harding-Makarios Correspondence.

The correspondence exchanged between Sir John Harding and Archbishop Makarios was published in London on March 5 as a White Paper (Cmd. 9708).

The White Paper showed that on Jan. 28 **Sir John Harding** wrote to the Archbishop stating that H.M. Government was prepared to make a statement in the terms of that made in the Commons on March 5 by Mr. Lennox-Boyd. The letter went on: "This readiness on their part is on the understanding that you, on your part, would be prepared to indicate that you accept this statement as providing a basis for the co-operation of yourself and your fellow-countrymen in the development of constitutional government, and that you will use all your influence to put an end to violence and disorder. I must emphasize that in the view of H.M. Government the statement is so very reasonable as to be certain to command wide support not only in the United Kingdom but elsewhere also. I would therefore ask your Beatitude to let me know as soon as possible whether you are now able to accept H.M Government's statement as a basis for co-operation. . . ."

Archbishop Makarios, in his reply (Feb. 2), said that the text of the statement was "not satisfactory to the Greek people of Cyprus, whose only claim is self-determination." The letter added: "Since we earnestly desire the pacification of the island, we are prepared to exhaust every effort to find a way of reducing the present tension, while maintaining at the same time our reservations on the text of the statement, and our demand for an early application to Cyprus of the right of self-determination. We accept therefore the invitation of your Excellency to co-operate with you and representatives of the minority in the framing of a Constitution for the transitory regime after the statement has been made"

The letter set out the following general principles which, Archbishop Makarios stated, should be made clear simultaneously, if possible, with the statement:

(1) All legislative, executive, and judicial powers, with the exception of those expressly exempted, should originate from the people of Cyprus, and be exercised by them through their elected representatives and other organs.

(2) Responsibility for the defence and external political relations of the island should be excepted from the above principle, and vested in the Governor.

(3) The Governor should exercise the normal duties of a constitutional head of State.

(4) Representation in the Assembly should be proportional to the composition of the population There should be absolute equality of all citizens, and everyone should be eligible to any public office.

(5) A procedure should be defined for the impartial settlement of any difference arising out of the interpretation of constitutional provisions.

The Archbishop's letter continued: "Agreement on the above points will create the pre-requisites for allaying the present tension, and will permit the quickest possible elaboration and operation of the Constitution of self-government in an atmosphere of calm. To this pacification we shall contribute to the full measure of our powers by making an appropriate statement However, such pacification will be brought about more quickly than by anything else by the policy to be followed simultaneously by your Excellency This should be a policy of appeasement capable of inspiring the citizens with a feeling of freedom and safety. Thus emergency military measures and emergency legislation should be revoked, and an amnesty granted for all political offences."

Sir John Harding replied to this letter as follows on Feb. 14:

". . With regard to your Beatitude's request for the clarification of certain points regarding H M Government's views about a Constitution for Cyprus, I must make it clear that the form of any Constitution must arise out of full discussions with representatives of all communities. . . . Nevertheless, I am authorized to say that H.M. Government consider that the following points should be taken as a basis for discussion:

(1) H M. Government offer a wide measure of democratic self-government now. To this end a new and liberal Constitution would be drawn up in consultation with all sections of the community.

(2) The Constitution would enable the people of Cyprus, through responsible Cypriot Ministers, to assume control by a suitably phased process over the departments of government, except those relating to foreign affairs and defence, which would be reserved to the Governor, and to public security, which would also be reserved to the Governor for as long as he deemed necessary.

(3) The Constitution would provide for an Assembly with an elected majority.

(4) A Cypriot Premier to head the new administration would be chosen by the Assembly with the approval of the Governor Ministerial portfolios would be allocated by the Premier, subject to (5) below

(5) The Constitution would provide for Turkish membership in the Council of Ministers.

(6) There would be proper safeguards for the rights of individual citizens, the interests of all sections of the community, and the integrity and independence of the public service.

The points set out . . constitute the broad objectives that H.M. Government have in view Elaboration of precise constitutional arrangements are matters of crucial importance to everyone, and must be pursued by means of consultation and discussion on a widely representative basis . .

It must be recognized that persistent violence and disorder have increased the difficulties of introducing constitutional government. Fear of intimidation has stifled free expression of opinion The minorities are more concerned than before about the possible consequences for them of the advent of self-government. Nevertheless, as stated above, the proposals now put forward by H.M Government will constitute their objective The speed at which they can be realized will depend on the response of the general public and their leaders to their new responsibilities

I welcome the statement in your letter that your Beatitude will contribute to the full measure of your powers in bringing peace to the island. I trust, therefore, that as soon as H M. Government make their statement of policy you will, on your part, make the appropriate statement as indicated in your letter, and take active steps to use all your influence to bring an end to violence and disorder. I shall be glad to receive an early assurance from your Beatitude on that point. I will then the more easily be able to relax the emergency provisions without endangering public security

As an earnest of my desire to see peace and normality restored, I intend to take steps to repeal certain of the emergency regulations as soon as there is positive evidence of a genuine response to your Beatitude's appeal against violence I shall be prepared to repeal other parts of these regulations progressively as conditions in the island revert to normal. . . ."

Archbishop Makarios replied to the Governor's letter as follows on Feb 25. "In our letter of Feb. 2 we informed your Excellency that although we do not agree with the pre-conditions on which, in the statement they intend to make, H M. Government make the application of the principle of self-determination in Cyprus depend, we would nevertheless, in the interests of the pacification of the country, agree to co-operate in the framing and operation of a Constitution of self-government as a transitional stage towards self-determination, which ever remains our sole and final aim. However, we made it clear that such co-operation would be possible for us only in so far as the fundamental democratic principles, which we described in our previous letter, were clearly established now as a basis of the Constitution which is offered . .

As regards the substance of the general principles of the Constitution, a number of basic points remain unclear. Thus:

(1) It is not made clear that all powers—executive (except those expressly reserved to the Governor in the spheres of defence and foreign affairs), legislative, and judicial—originate from the people, and are exercised exclusively by them through their elected representatives and their other constitutional organs.

(2) It is not made clear that the representation in the Assembly will be proportionate to the composition of the population.

(3) No assurance is afforded that the Governor's approval as to the person of the Prime Minister will be entirely formal

We have noted what is stated in your letter regarding the incorporation in the Constitution of the general principles set forth; nevertheless no adequate assurance is given on this point.

In my letter of Feb. 2 we made it clear that for the purpose of restoring peace and order—to which we, too, wish to contribute with all our powers—the repeal by your Excellency of the emergency laws now in force, and the granting of an amnesty for all political offences, are indispensable Your reply contains no adequate assurance concerning the early repeal of all the above laws; furthermore, there is no mention whatsoever regarding the granting of an amnesty for all political offences. Both these points, however, constitute an indispensable precondition for the normalization of the island's political life.

In conclusion, we feel obliged to emphasize that in our desire that the island should spend in peace the period up to the application of the principle of self-determination we have made every possible concession beyond which our national conscience and natural dignity do not permit us to go"

Finally, the White Paper gave the text of the proposals conveyed by Mr Lennox-Boyd to the Archbishop on Feb. 29.

Deportation of Archbishop Makarios.

On the orders of Sir John Harding, Archbishop Makarios and three other leaders of the *enosis* movement were arrested on March 9 in Nicosia and Kyrenia and deported on the same day to the Seychelles, in the Indian Ocean. The three persons arrested with the Archbishop were Bishop Kyprianos of Kyrenia; Papastavros Papa-Aganthelou, a priest; and Polycarpos Ioannides, formerly editor of the extreme nationalist and violently anti-British newspaper *Ephemeris*.

The Bishop of Kyrenia (Kyprianos Themistocles Kyriakides) was described in an official statement as the head of the "Kyrenia group," the "most fanatical and extreme wing of the *enosis* movement in Cyprus." It was pointed out that he had consistently opposed acceptance of a Constitution, had delivered a large number of militant and ultra-nationalistic sermons, and had taken a leading part in organizing the Orthodox Church Youth Association (known as "Ohen"), which had become a fertile ground for the recruitment of young people by Eoka for terrorist activities Extracts were given from many inflammatory sermons in which the Bishop had called for a "liberty or death" struggle, had denounced Greek Cypriots co-operating with the Government as "traitors," and had advocated violence and bloodshed. In addition, he had repeatedly extolled the terrorists as "patriots" and had publicly praised the Eoka leader, "Dhigenis" Three of the Bishop's brothers were active supporters of Eoka, one having been sentenced to a 12-year sentence (see 14693 A) and the other two being under detention.

Polycarpos Ioannides, secretary of the Kyrenia Bishopric and a leading member of the "Kyrenia group," had been active in *enosis* agitation since 1931 and had begun publication of *Ephemeris* in 1946. In 1950, when he took an active part in organizing the "*enosis* plebiscite," he had been sentenced to 18 months' imprisonment and his newspaper had been suspended for two years for inciting hatred against the Government He was released from prison in August 1951, resumed his *enosis* activities and the publication of his paper, but suspended the latter in August 1954 after the Government had announced its intention of enforcing the anti-sedition laws

Papastavros Papa-Agathangelou was described as one of those mainly responsible for inciting Cypriot youths to lawlessness, and as having exercised "a most pernicious influence" over the members of the "Ohen" organization, of which he was president. He had been one of the main instigators of schoolboy riots in Nicosia, and had delivered many seditious sermons

The following official statement on the deportation of Archbishop Makarios was issued in Nicosia on March 9:

"Today the Governor, Field-Marshal Sir John Harding, ordered the deportation of Archbishop Makarios under Regulation VII of the Emergency Powers (Public Safety and Order) Regulations The Archbishop has already left the island under escort for a destination which will be announced later.

"The Governor entered into discussions on the political and constitutional future of the island with Archbishop Makarios as being the traditional leader of the Greek Cypriot community. In embarking on these discussions the Governor was aware that there were grounds for believing that the Archbishop was personally implicated in the terrorism. Nevertheless, the Governor decided to negotiate with him in the hope that he might be induced to denounce violence and to advise his fellow-countrymen to follow his lead. . . .

"Over the past five months, while the discussions have proceeded, further evidence, both direct and circumstantial, has accumulated to show the extent to which the Archbishop has been personally implicated in Eoka's activities. Nevertheless, the Governor has pursued these discussions to the furthest possible limit of conciliation and concession in the hope that the Archbishop might be induced to denounce violence, and so to open the door to co-operation and orderly constitutional progress.

"This hope has now been disappointed by the Archbishop's refusal to abandon the weapons of violence and intimidation in the pursuit of his political aims. The matters over which he has broken off the discussions cannot possibly be held to justify or excuse the continued resort to violent and extreme methods which are still rife in the island, and which have recently culminated in a dastardly attempt to wreck an aircraft carrying British Servicemen and their families [see section "Terrorist Activities" below]. It is impossible to escape the conclusion that the Archbishop is now so far committed to the use of violence for political ends that he either cannot or will not abandon it.

"The Governor has therefore reluctantly concluded that the Archbishop now personally constitutes a major obstacle to a return to peaceful conditions, and that his influence must therefore be removed from the island in the interest of promoting peace, order, and good government."

At the same time the following explanatory statement was issued giving the reasons which had led Sir John Harding to order the deportation of Archbishop Makarios:

(1) "The Governor reached his decision to order the Archbishop's deportation in the light not only of his overt seditious activities but also of a large volume of evidence indicating that the Archbishop has himself been deeply implicated in the campaign of terrorism launched by the organization known as Eoka

In recent months, as the security forces have penetrated further into the terrorist organization, evidence of the Archbishop's complicity has accumulated from many different sources. The Governor has scrutinized the information thus collected with the greatest possible care, and has reluctantly reached the conclusion that it establishes beyond all reasonable doubt that the Archbishop has not merely countenanced but has actively fostered terrorism in order to promote his political aims While overtly and in apparent good faith conducting negotiations for a political settlement of the island's future, the Archbishop has surreptitiously encouraged and abetted the terrorists in order to improve his own bargaining position in the negotiations.

(2) The Archbishop's association with the elements out of which Eoka has emerged dates back to 1951, when, soon after his election as Archbishop he personally undertook the formation of the extreme Nationalist youth organization known as "Peon."

(3) When establishing branches of that organization, the Archbishop said that it would be modelled on the lines of the National Youth Organization established under the Metaxas regime in Greece. He spoke of the need for secrecy and sacrifices, for the boycott of British goods and the British way of life, for the destruction of shops displaying English signs, for the production of a clandestine newspaper, and for establishment of contributory funds for the national struggle In July, 1951, Colonel Grivas (now reported to be the leader of Eoka) arrived in Cyprus at the Archbishop's invitation to advise on the organization of "Peon," which was to follow that of Grivas's extremist organization in Greece

(4) During the period 1951-53 evidence accumulated that this organization, to which the Archbishop continued to give his personal patronage, was being used for subversive purposes and was preparing for a resort to violence It developed contacts with irredendist agencies in Greece. Its members were involved in the dissemination of subversive propaganda and in illegal demonstrations resulting in damage to property In June, 1953, the organization was rendered illegal by the withdrawal of its registration under the Clubs Law.

(5) It continued to function underground and provided the organizational basis and staff on which Eoka was later built Its ex-general secretary (Stavros Poskotis) and several persons who had been leading members were among a group of terrorists who perpetrated the first Eoka outrages at Larnaca on April 1, 1955. They were sentenced to terms of imprisonment ranging from three to nine years.

Another person (Evghenios Cotsapas) who, as district secretary, had taken a leading part in establishing the branch at Limassol, was caught red-handed on Nov. 18, 1955, carrying bombs in his car, and was sentenced to three years' imprisonment. He is the son of an Ethnarchy councillor who is himself now in detention

No fewer than three out of the five members of the former Nicosia district committee of the organization (Christor Eleftherion, Evengelos Evangelakis, and Markos Dvakos) are now members of the terrorist gangs at large in the island, and one of these was a personal protégé of the Archbishop Such were the men to whom Archbishop Makarios entrusted the formation of a Youth Organization under his personal patronage

(6) In August, 1954, a certain Zephirios Valvis visited Cyprus at the Archbishop's request. This man is a Greek national, and by profession a lawyer practising at Athens He is now known to have been one of the principal lieutenants of Colonel Grivas, and a member of an organization in Greece which has been responsible for arranging shipments of arms and explosives to the terrorists in Cyprus. He had a number of meetings with the Archbishop and attended a meeting of the Holy Synod and of other leading Enosists held at Mesapotamos monastery and presided over by the Archbishop. There is reason to believe that at that meeting the plans were laid which later bore fruit in the organized violence and terrorism of Eoka.

(7) Over the past two years information has been received from a number of different sources indicating that the Archbishop has personally supplied funds to agents in Greece for the purchase and supply of arms and explosives for terrorist operations in Cyprus. In particular, it is reported that a large sum from the monies which the Archbishop collected from Greek communities in the United States during his visit there in 1954 was handed over by him in Athens to Valvis for the purchase and delivery of explosives, which were later seized while being smuggled into Cyprus in the Greek schooner *Aghios Gheorghios*

The Governor has carefully examined these various reports and is satisfied that they establish beyond doubt that the Archbishop has provided large sums of money to irredentist agencies in Greece and, in so doing, was aware that they would be used for the shipment of arms and explosives to Cyprus

(8) Funds under the Archbishop's control are known to have been used to pay fines imposed by the Courts on persons who had taken part in illegal political activities in Cyprus Members of the Greek Orthodox community requiring the services of the Archbishopric have been required to contribute to a fund for the 'national struggle,' and the various fees and dues charged for such services have been increased with the same object

(9) The Archbishopric has been used for the production of Eoka leaflets on a scale which would have been impossible without the Archbishop's connivance.

(10) The Archbishopric has also been used for the temporary storage of arms and grenades.

(11) There is strong circumstantial evidence to show that the timing and intensity of terrorist activities have been adjusted to strengthen the bargaining position of the Archbishop during the course of his negotiations with the Governor. It is also noticeable that during his absences from the island in April-May and October-November of last year, a marked lull occurred in terrorist activity.

(12) Besides his contacts with Grivas and his lieutenant, Valvis, the Archbishop's personal relations with known members of the Eoka organization are such as to provide strong corroboration of his complicity in the activities of the terrorists. The organizer of the *Aghios Georghios* gun-running venture was Socrates Loizides, brother of the Ethnarchy Councillor, Savvas Loizides, who has frequently acted as the Archbishop's spokesman in Athens

Certain of the detailed arrangements for this shipment were made by Andreas Azinas, a personal protégé of the Archbishop who had previously been elected Secretary-General of the Pan-Cyprian Farmers' Union with support from the Archbishop This man is now wanted by the police for his part in the *Aghios Gheorghios* case.

The convicted terrorist Stavros Poskotis, whom the Archbishop selected as secretary-general of the Youth Organization, "Peon," was employed in the printing works belonging to the Archbishopric. It was there, too, that the Archbishop's close kinsman. Charalambos Mouskos, was employed before he embarked on the career of murder and violence which terminated in his being shot dead in a gun battle with a member of the security forces (see 14693 A). It was on the Archbishop's orders that this man was given shelter and medical treatment in the Kykko monastery.

When Karaolis, the convicted murderer of a police constable (see 14513 A) was arrested, it was another employee of the Archbishopric printing works who was taking him in his car to join the terrorist gang then operating in the Kyrenia hills. The driver of the car absconded and is still wanted by the police.

(13) Finally, one of the most significant and surely one of the most culpable aspects of the Archbishop's conduct is his persistent failure, despite his position as the religious leader of the Greek Cypriot Orthodox Christian community, to condemn the wickedness and brutality of Eoka's methods. At once, on the outbreak of terrorism last April, he was urged by the then Governor to denounce violence He failed to do so. He failed even to comment on the patently irreligious oath which the terrorists were urging schoolchildren to take Further attempts to induce him to give his community a lead against terrorism were also fruitless.

He has remained silent while policemen and soldiers have been murdered in cold blood, while women and children have been killed and maimed by bombs, while a Cypriot woman was shot and wounded for the second time as she lay in hospital recovering from a previous terrorist attack, and even while he stood by the coffin of an abbot of his own Church who was brutally murdered by terrorists in his own monastery.

His silence has understandably been accepted among his community as not merely condoning, but even approving, assassination and bomb-throwing. He has confirmed that interpretation by referring in sermons to convicted terrorists as patriots, and by urging his fellow-countrymen to take the law into their own hands.

And now, in the last few weeks, he has sought positively to exploit his power to influence the members of his Church against violence by seeking to bargain this against concessions from H.M. Government on the form of a Constitution and on the grant of an amnesty to terrorists convicted of crimes of violence.

(14) On this evidence the Governor has decided that the example and influence of Archbishop Makarios is so detrimental to public safety and public order that his continued presence in the island can no longer be tolerated. He has taken this step only after the most careful and deliberate consideration. He is well aware of the pain and dismay that this measure will cause not only among the Greek Orthodox community in Cyprus but in the world at large.

(15) So long as there were grounds to hope that the Archbishop might be induced to use the influence which he possesses among his community to lead them away from violence, disorder, and fear, and back to the path of peace and democratic rule, the Governor was of the opinion that the good of the people of Cyprus as a whole compelled him to overlook the shameful record of the Archbishop's complicity in bloodshed, intimidation, and the tyrannous suppression of free opinion.

The Archbishop has chosen to reject the offer of a new and constructive approach to the Island's political problems, and to continue to seek to gain his ends by force. With that he has finally removed any compunction that the Governor may have felt against dealing with him, not as a responsible political leader, and still less as the head of a Christian Church, but in that character which he has himself chosen to prefer—the leader of a political campaign which relies on the use of ruthless violence and terrorism."

The statement concluded by recapitulating the seditious activities of the Bishop of Kyrenia, Polycarpos Ioannides, and Papastavros Papa-Aganthelou, as described above.

Archbishop Makarios was arrested at Nicosia airport while about to board a plane for Athens (where he was to have had discussions with the Greek Government), whilst the Bishop of Kyrenia, Ioannides, and Papa-Aganthelou were arrested in Kyrenia and Nicosia. They were flown on the same day (March 9) in an R.A.F. plane from Nicosia to Mombasa, where they were transferred to the frigate H.M.S. *Loch Fada*. On March 14 they arrived at Mahé, in the Seychelles, and were driven to Sans-Souci, the country residence of the Governor of the Seychelles (Sir William Addis) which had been chosen as the place of their internment.

Greek Reactions to Deportation of Archbishop Makarios.

The deportation of Archbishop Makarios aroused strong feeling in Greece and led to violent anti-British riots—notably by students—in Athens, Salonika, and other centres. In Athens, the rioters smashed the windows of the British European Airways office, burned the Union Jack in public, and tore down all signs over shops, hotels, cinemas, etc., bearing British names. Many demonstrators were injured in clashes with strong forces of troops and police who were guarding the British, Turkish, and U.S. Embassies. Serious rioting also occurred in Salonika, where some 2,000 students clashed with the security forces. The British Consulate at Heraklion (Crete) was sacked by a mob which broke through a police cordon, ransacked the premises, and destroyed furniture and documents; the Consul and his staff succeeded in escaping from the building and were given police protection. An apology for the attack on the Consulate was subsequently made by the Greek Foreign Minister (M. Theotokis) to the British Ambassador in Athens (Sir Charles Peake).

The Greek Cabinet decided on March 10 to recall the Greek Ambassador in London (M. Vassilios Mostras) immediately. On the same date the Greek Minister of the Interior ordered the temporary closing down of the British Institute in Athens, whilst the Minister of Education ordered the suspension of all English-language teaching in schools. The Holy Synod of the Greek Orthodox Church, meeting under Archbishop Spyridon (the Primate of Greece), decided to appeal to the heads of all Churches—including the Archbishop of Canterbury and the Patriarch Alexis, head of the Russian Orthodox Church—to secure the release of Archbishop Makarios, whose deportation was described as an "unholy act." It was also decided to send a similar appeal to the World Council of Churches.

A four-hour nation-wide strike in protest against the deportation of Archbishop Makarios, organized by the General Confederation of Labour, was observed throughout Greece on March 16. Between dawn and 10 a.m. all public transport came to a standstill, all factories, shops, and schools were closed, and train, ship, and aircraft schedules were cancelled. The strike culminated in half an hour's "silent protest" during which the streets remained deserted and church bells were tolled. It was estimated that 500,000 workers took part in the strike.

The Greek delegate at the United Nations (M. Palmas) handed a Note to the U.N. Secretary-General on March 10 protesting against the deportation of Archbishop Makarios, and asking that copies be circulated to all member-States. On March 13 the Greek Government formally asked for the Cyprus question to be placed on the agenda of the 11th session of the General Assembly.

The Greek Note to the U N described the deportation of Archbishop Makarios and the other persons concerned as "a flagrant violation of all international rules and morality which has no precedent in the political annals of the civilized world." After declaring that Britain's "policy of violence and provocative action" was "opposed both to the letter and the spirit of the Charter," the Note alleged that responsibility for the breakdown of the Harding-Makarios discussions rested "entirely on the British Government, which did not for one moment . . . have the sincere intention of restoring freedom to the island." It went on to accuse Britain of desiring "the prolongation by every means at its command of the arbitrary colonial rule imposed upon Cyprus," and, in addition, drew attention to the British jamming of Athens broadcasts to Cyprus (see below), which it described as "a measure not even taken against the Nazi and Fascist broadcasts during the Second World War."

The Greek Government issued an official statement on March 15 expressing the hope that negotiations on Cyprus might be resumed if Archbishop Makarios were allowed to return to the island. It insisted, however, that the British Government should accept three basic principles: "(1) recognition of the right of self-determination of the Cypriot people; (2) the establishment of a regime of self-government based on full constitutional guarantees until the Cypriot people has decided on its future; (3) the granting of a general amnesty to Cypriot patriots."

Jamming of Athens Broadcasts to Cyprus.

The jamming of Athens broadcasts to Cyprus was begun by the British authorities on March 5, the operation being officially described as "experimental." It was stated by the Radio Correspondent of *The Times* that the equipment used for jamming Athens broadcasts to the island was being operated by the Royal Corps of Signals in Cyprus. As a retaliatory measure, the Greek authorities decided on March 6 to discontinue relaying the daily B.B.C. programmes in Greek. [These programmes had been relayed in Greece for the past eleven years.]

U.S. Statements on Cyprus. - U.S. Ambassador in Athens expresses "Sympathy" with Greek Government.

The State Department spokesman (Mr. Lincoln White) read a prepared statement on March 12 in which he said that the U.S. Government had "earnestly hoped that basic agrement might be reached which would enable the people of Cyprus to achieve their legitimate desire of co-operation in the establishment of a government truly representative of the people of the island." He added: "We are confident that a solution may be reached which will take into account and safeguard the legitimate interests of the parties concerned. We earnestly hope that, despite the present reverses, no-one will lose sight of the overriding objective, which is the establishment of an atmosphere in which negotiations can be resumed and carried to a successful conclusion."

The U.S. Ambassador in Athens (Mr. Cavendish Cannon) called on M. Theotokis on March 13 and expressed to him the U.S. Government's "sympathetic concern" at the latest developments in Cyprus. Mr. Cannon also told the Greek Foreign Minister that the U.S. Government had taken "particular note of the dignity and statesmanship with which the Greek Government had dealt with the current situation" with regard to Cyprus.

The British Foreign Office announced on the same day that H.M. Ambassador in Washington (Sir Roger Makins) had been instructed to ask the State Department for an explanation of Mr. Cannon's remarks. After a meeting between the Ambassador and Mr. Livingston Merchant (U.S. Assistant Secretary of State for European Affairs), the State Department issued the following statement:

"The Cyprus issue involves the direct interest of close friends and allies of the United States. It is therefore a matter which the U.S A views with attentive interest. The U S A. has not itself been a party to the Cyprus issue Our sole effort has been to encourage those directly concerned to find a fair and just solution We were greatly disappointed that the substantial progress made towards such a solution through private discussions did not result in final agreement We are convinced, however, that further progress can be made once an atmosphere conducive to negotiations can be re-established. The U S.A is ready to assist its friends in the achievement of a just solution to the Cyprus problem."

The statement added that the U S. Government viewed present problems with "sympathetic concern," but was confident that a solution could be found that would strengthen Western interests as a whole.

President Eisenhower said at a press conference on March 14 that the U.S.A. was ready to do "anything reasonable and practical" to help in a solution of the Cyprus problem. Both the countries involved [i.e. Greece and Britain] were among America's "very best friends," and their co-operation in NATO was essential to the success of that organization. The solution of this "tough and complicated" problem would have to be reached by the parties concerned, but the U.S.A. wanted to maintain with both sides the very friendly historic relations it had always had with them.

Terrorist Activities in Cyprus.

Terrorist activities in Cyprus during the past four weeks, together with counter-operations by the security forces, are described below chronologically, in continuation of 14693 A:

Feb. 28. Two Cypriots—Andreas Zakos (25) and Charialos Michael (20)—were sentenced to death for shooting at Major Combe in the ambush on Dec. 15. Their conviction brought the number of Cypriots sentenced to death since the terrorist campaign began to four

[The other two Cypriots on whom the death sentence had been passed were Savva Karaoulis, who killed a Greek Cypriot policeman in Famagusta on Oct. 5, and Andreas Demetriou, who shot at and wounded a British resident of Famagusta, Mr Sidney Taylor, on Nov. 28 Karaoulis had been given leave to appeal to the Privy Council, but Demetriou's appeal against the death sentence was rejected by the Supreme Court of Cyprus on Feb 20 Demetriou was the first person to be sentenced to death under the emergency regulations, having committed the crime two days after they came into force]

March 2. Four bombs exploded in the English school in Nicosia (where most of the pupils are Greek Cypriots), causing extensive structural damage but no casualties. Over 20 bomb explosions took place in Nicosia during the night of March 1-2, damage being negligible.

March 4. A *Hermes* airliner of Skyways Ltd. was completely destroyed by an explosion at Nicosia Airport only 20 minutes before it was due to leave for England with 67 Servicemen and their families, including 16 women and children. No-one was on board at the time and there were no casualties It was subsequently announced on March 6 that an official investigation had shown that a time-bomb had been placed in one of the forward luggage compartments. The statement added that had the bomb exploded while the plane was in the air, as had obviously been intended, the machine would have disintegrated and all on board would have been killed.

March 7. Six Greek Cypriots, two of whom were under 17 and the others under 24, were sentenced to life imprisonment for carrying arms When arrested on Dec. 17 near Yialoussa (where terrorists had killed a British officer the previous night) they had been found in possession of revolvers, a Sten gun, and ammunition.

March 8. A bomb thrown at a police car near Paphos killed a Greek Cypriot policeman and injured four other persons

March 10-11. Strikes broke out in different parts of the island in protest against the deportation of Archbishop Makarios, whilst demonstrations—mostly on a small scale—occurred at Famagusta, Limassol, Kyrenia, and other centres. The authorities intensified active patrolling by troops and police, imposed a night curfew in several areas, and banned the riding of bicycles and motor-cycles after dusk in places where bombs had been thrown by terrorists Several bomb-throwing incidents occurred in different parts of the island, the only casualty being a terrorist who was killed when a bomb exploded in his hand as he was about to throw it at a British military ambulance.

The Government announced on March 11 that a search of Archbishop Makarios's residence had resulted in the discovery of a petrol bomb, ten similar bombs in course of construction, containers of petrol, and revolver ammunition. It was also announced that the security forces had made an important haul of Eoka documents, including letters and orders signed by "Dighenis," the leader of the organization. These documents, it was stated, contained material incriminating the Archbishop and confirming that he had actively supported the campaign of terrorism waged by Eoka *Inter alia*, they showed that "Dighenis" was directly responsible for having ordered the murder of Greek Cypriot "traitors" [i e. citizens opposed to Eoka terrorism]; that terrorists failing to obey orders were liable to "execution", that isolated British Servicemen were being deliberately singled out as targets of terrorist attack; that Eoka was deliberately fomenting sedition and unrest among schoolchildren; and that "Dighenis" was concerned at the growing indiscipline and insubordination among his followers.

March 12. Further unofficial strikes occurred at Nicosia and other centres in protest against the Archbishop's deportation most of the shops being closed in the principal towns. The strikes were organized by the Nationalist trade union organization, whose general secretary (Michael Pisas) was taken into custody.

A 17-year-old Greek Cypriot student was shot dead by British security forces near Paphos when he failed to obey a challenge to halt The shooting followed an incident in which a bomb had been thrown at two Army lorries without causing any casualties.

March 13. A general strike was again observed throughout the island, all shops and places of amusement being closed except in the Turkish quarters Rioting youths were dispersed by baton charges in Nicosia, whilst several bomb-throwing incidents—none serious—occurred at Larnaca and other places.

March 14. A British police sergeant (Sgt Gerald Rooney) was shot dead in the centre of Nicosia by a terrorist who succeeded in escaping, a Turkish policeman and a Greek Cypriot civilian standing nearby were wounded by the same gunman. The area (Hippocrates Street, near Metaxas Square) was immediately cordoned off and searches begun by troops and police, aided by police dogs.

A seven-year-old Cypriot boy was killed in Larnaca when a shot was fired to disperse a mob which was heavily stoning two British military vehicles and their occupants.

March 15 A systematic house-to-house search was carried out by the 1st Bn, Parachute Brigade, in the area of Nicosia in which Sgt. Rooney had been killed the previous day. Several arrests were made and a number of cartridges, percussion caps, etc., were discovered in a nearby carpenter's shop.

An R A F man on a motor-cycle was shot in the back by a terrorist near the Wolseley Barracks (Nicosia), but was not seriously wounded; the assailant escaped At the village of Dhora (25 miles N.W of Limassol) three masked terrorists entered a café, ordered those present to stand against the wall, and shot dead two Greek Cypriots who were regarded as "traitors."

March 16. The District Commissioner of Nicosia (Mr Clemens), with the sanction of the Governor, issued an order for the ejection of ten families (comprising about 120 persons) from the area of Nicosia in which Sgt Rooney had been shot. The area—a compact locality of some 20 shops and 10 houses—had been cordoned off and placed under curfew for three days while house-to-house searches were being made, but the inhabitants had given no help whatever in enabling the security forces to trace the murderer of Sgt. Rooney, although sealed envelopes had been distributed in which confidential information could be disclosed. The area had been the scene of nine murders of British and Cypriot troops and policemen, and of 20 attempted murders, since October last, but in no single case had the inhabitants—even eye-witnesses of the murders—come forward to give any information. It was officially stated that the inhabitants of the area had abetted these crimes, and that searches of the houses had led to the discovery of five bombs, cartridges and cartridge-making equipment, much Communist literature, and newly printed Eoka pamphlets.

March 17 Five villages in the Troodos mountains (S.W. Cyprus) were placed under an indefinite curfew after terrorists had made a night attack on security forces in the area, five British soldiers were wounded (two seriously) in the ambush, and a terrorist killed.

March 18. Four masked terrorists entered an Orthodox church at Kythrea (seven miles N.E of Nicosia) during the Sunday service, ordered the congregation of about 40 to face the wall, and shot dead

the choir soloist, who was slain by the altar. The murdered man, Peirides Manoli (45), was a Greek Cypriot employee of an insurance company, and the father of four children. An intensive search was set on foot for his murderers, who succeeded in escaping

Elsewhere in the island a member of the security forces was killed and another seriously injured by a bomb explosion at Yialoussa; a British soldier was killed in a bomb outrage at the village of Lapithos, near Kyrenia, and the British foreman of the Limni copper mines, near Paphos, was seriously wounded by two gunmen.

March 19. A collective fine of £7,000—the heaviest levied to date—was imposed on the village of Lapithos (population 3,000) as a punishment for the incident in which a British soldier was killed The village, a notorious trouble-centre, had been under curfew since March 14, when the elementary school had been destroyed by fire and men of the Wiltshire Regt. stoned when they arrived to restore order. A collective fine of £2,000 was also imposed on the village of Yialoussa.

About 20 people were injured, several seriously, when fighting broke out between Greeks and Turks at the village of Vassilia, 12 miles from Nicosia The clash began after a party of Greeks visiting the village had started to sing national songs to which the Turks took exception Six Turkish women were taken to hospital with knife-wounds. British troops were sent to the village to restore order, and a curfew was imposed.

March 20. As a reprisal for the incidents at Vassilia, some 500 Turks smashed the windows of Greek-owned shops and offices in the Turkish quarter of Nicosia. The demonstrators were dispersed by tear-gas.

March 21 A time-bomb of the "pencil" type was found in the mattresses of Sir John Harding's bed at Government House, Nicosia The discovery was made by the Governor's personal servant whilst making the bed, on which Sir John Harding had slept throughout the night. The bomb, which had apparently failed to explode because of a defect in the mechanism, was removed and detonated harmlessly in the open. Intensive police searches were made for a Greek Cypriot servant who had joined the staff at Government House six months earlier, and who was reported to be missing.

A British lance-corporal was fatally injured when two bombs were thrown at a military vehicle in Famagusta He was the 20th Serviceman killed in Cyprus since the launching of the Eoka terrorist campaign.

The deportation of Archbishop Makarios was regarded by the Turkish press, and by Turkish public opinion generally, as fully justified in view of the Archbishop's proved complicity in terrorist activities. No official statement was issued in Turkey, but articles welcoming the British Government's action, and expressing full support for it, were published in nearly all Turkish newspapers.—(Times - Daily Telegraph - Manchester Guardian - Observer - New York Times)

(Prev. rep. Cyprus, 14693 A.)

Note. The situation in Cyprus, with special reference to the deportation of Archbishop Makarios, was debated by the House of Commons on March 14 and by the House of Lords on March 15 The debates will be summarized in a subsequent issue.—(*Ed K.C A.*)

A. RHODESIA AND NYASALAND FEDERATION. — Creation of Central Bank.

A Bill providing for the setting-up of the Bank of Rhodesia and Nyasaland as the Federation's central bank was published on Feb. 10 and received its third reading in the Federal Assembly on Feb. 28.

The Bank will be responsible for regulating the monetary system of the Federation, and will take over the assets and liabilities of the Central Africa Currency Fund and the Currency Board, which will both cease to exist. It will also act as banker to the Federal Government and to any of the territorial Governments of the Federation wishing it to do so It may make arrangements or enter into agreements (subject to the consent of the Federal Minister of Finance) with any bank or financial institution outside the Federation to borrow foreign currency, may underwrite loans to be raised by the Federal Government, territorial Governments, and local authorities, and may act as agent or correspondent for the International Monetary Fund

The Bank's capital will be £1,000,000, to be held by the Federal Government. Its affairs will be managed by a governor, a deputy governor, and seven other directors.

(Federal Information Department, Salisbury)

B. CEYLON. — Legation opened in Paris. - New High Commissioner in Australia.

It was announced in Colombo on Nov. 28, 1955, that the Government of Ceylon had decided to establish a Legation in Paris and to appoint Sir Claude Corea, the High Commissioner in London, concurrently as Minister to France. It was also announced that Sir Claude would serve concurrently as Ceylonese Minister to the Netherlands.

Mr. P. R. Gunasekera, a judge, had been appointed High Commissioner to Australia on Oct. 11, 1954, *vice* Mr. J. A. Martensz, retiring.—(Ceylon Government Information Dept.)

(Prev. rep. 14016 B.)

C. AUSTRIA. — Forthcoming General Elections. - Coalition Parties' Disagreement on Future of Oil Industry. - Memoranda on Compensation for British, U.S., and French Oil Companies.

Representatives of the two Government parties (the People's Party and the Socialists) agreed on Feb. 28 to sponsor a joint motion in Parliament calling for general elections on May 13. The decision was taken because no agreement could be reached between the two parties on important economic questions.

The principal disputes were: (1) The future of the oilfields and oil installations returned to Austria by the Soviet Union. The Socialists demanded that they should remain the sole property of the State (and thus continue to be administered by Herr Waldbrunner, the Socialist Minister of Nationalized Industries), whilst the People's Party favoured a mixed administration in which the Federal Government would hold 51 per cent of the shares and exercise general control, with the Provincial Government of Lower Austria and private shareholders also participating, in the latter connexion the People's Party had proposed to issue special "people's shares" at a low nominal value of facilitate a wide distribution of private ownership (2) The future of the former German industrial properties returned by the U S S.R., including the question of whether they should be nationalized or developed partly by private enterprise. (3) The organization of the future Austrian civil aviation company

On Dec. 1, 1955, the Austrian Government had made public the text of two memoranda agreed upon with Britain, the U.S.A., and France on May 10, 1955—i.e., shortly before the signing of the Austrian State Treaty. They dealt with the claims of American, British, and French companies (notably oil companies) in respect of their former assets in Austria which had been seized, first by the Nazis after the *Anschluss* in 1937, and later by the Soviet authorities in 1945, and which formed part of the oilfields and industrial installations returned by the U.S.S.R. to Austria during 1955.

The memorandum with Britain and the U.S A. provided that Austria would either return the properties concerned or pay compensation to the former owners, notably the Socony-Vacuum Petroleum Company (U S.A) and the Anglo-Saxon Petroleum Company (British) The memorandum with France laid down that Austria would pay compensation to the *Société Française Industrielle et Commerciale du Petrole*, which the company might reinvest in the Austrian oil industry. In return, Britain, the U S.A. and France agreed to transfer to Austria unconditionally all former German property in their former occupation zones which they could have claimed as reparations, as a compensation for Austria's renunciation of her claims against Germany arising from the *Anschluss*.

The two memoranda corresponded to that signed by Austria and the Soviet Union on April 15, 1955 after the Moscow negotiations

The Government's proposal that Austria should join the Council of Europe was approved on March 1 by the *Nationalrat*, the only opposing votes being cast by the "People's Opposition" (Communists). The Upper House of the Austrian Parliament approved the proposal on March 8 without a dissenting vote.—(Wiener Zeitung - Neue Zurcher Zeitung)

(Prev. rep. Council of Europe, Entry, 14713 A; Austrian Oil Industry, 14532 A.)

D. PERSIA. — The Shah's Visit to India and Pakistan.

The Shah of Persia and the Empress Soraya toured India from Feb. 16 to March 8 as the guests of the Indian Government, being officially received by President Prasad in New Delhi and subsequently visiting Agra, Aligarh, Lucknow, Benares, Bangalore, Mysore, and Poona. The last three days of their visit were spent in Bombay, which has a large Parsee community of Persian descent.

During his return journey the Shah stopped on March 8 at Karachi, where he met the Governor-General of Pakistan (General Iskander Mirza) and the Prime Minister (Chaudhri Mohammad Ali). Before returning to Teheran on the following day he also met Mr. Dulles, the U.S. Secretary of State, who was visiting Karachi for a SEATO council meeting.

(Indian and Pakistani High Commissioners' Offices, London)

(Prev. rep. Indo-Persian Relations, 13989 C.)

E. EL SALVADOR. — Presidential Election.

Lieutenant-Colonel José María Lemus was elected President of El Salvador on March 4 in succession to President Oscar Osorio, both the new President and the outgoing President being members of the Revolutionary Party of Democratic Union Voting was very light, as all leading Opposition candidates had formally withdrawn on Feb. 29, alleging Government oppression and fraud. President Lemus will take office in September.—(New York Times) **(10800 D.)**

F. URUGUAY. — New President of National Council.

Señor Alberto F. Zubiría succeeded Señor Batlle Berres on March 1 as President of the National Council of Government for the year 1956-57.—(New York Times) **(Prev. rep. 14052 C.)**

A. ITALY - UNITED STATES - CANADA.—President Gronchi's Visit to Washington and Ottawa. - Speech to Joint Session of U.S. Congress.

President Gronchi of Italy, accompanied by the Italian Foreign Minister (Dr. Martino), arrived in Washington on Feb. 27 on a State visit to the United States. During his stay President Gronchi had discussions with President Eisenhower, a White House statement on Feb. 28 saying that they had explored "means of strengthening the solidarity" of NATO "in the political, economic, and psychological fields, as well as in the military field." Dr. Martino also had talks with Mr. Dulles, the U.S. Secretary of State

President Gronchi addressed a joint session of the U.S. Congress on Feb. 29.

After expressing the gratitude of the Italian people for American aid after the war, when "Italy had to rebuild her political, economic, and social life from the ashes of a painful past," President Gronchi continued: "Friendship between two nations, as between two persons, cannot be nurtured with sentiments and remembrances only. To keep it alive and vital it must draw nourishment from an intimate mutual knowledge and a steady co-operation of purpose and action. Consequently, I shall attempt to focus your attention on the present position of Italy, her major problems, and on the evaluation that we in Italy make of current international developments. . .

"It should be recognized that, despite patient and generous endeavours, the world is not more secure today than it was one or two years ago. We are going through a disquieting phase of confusion in ideas and political orientations, and consequently of greater potential danger. It is sufficient in this context to look at North Africa and the Middle East, and to listen to the rumblings which come from other parts of Asia. . .

"Two basic conceptions face each other throughout the greater part of the world Is there to be government for the people, or are the people to be subject to the government? Is there to be the Western brand of democracy—democracy through freedom—or the so-called people's democracy, that is, Marxism-Leninism?

"The latter ideology, while repugnant to our own as a moral and social conception, has in itself a great power of expansion, since it has the appearance of a political and social system capable of bringing to the under-privileged freedom from poverty and from their sense of inferiority. But this power of expansion must be viewed with alarm by people, such as us, of different traditions and background It makes co-existence difficult, since that ideology is embodied in a water-tight political and economic system, and consequently sustained by all the powers of a government—including not only the weapons of propaganda and the media of mass communications, but also more powerful and frightful weapons, conventional and nuclear. . .

"Against this ferment, which is spreading among the people of all continents, we can safeguard our ancient civilization through an effort that will enfold and display its fuller meaning. We have to make our democratic system more and more capable of accomplishing an effective reconciliation between the authority of the State and individual freedom. We have to reinforce the solidarity of the people who share those ideals and are striving to fulfil their ends. This solidarity exists among many Western nations, including the United States and Canada.

"The Atlantic Pact, as conceived and operated thus far, was appropriate and sufficient so long as there was the fear of imminent armed aggression, intensified by an unbalance of strength between the two sides It is an historical truth that the pact removed that danger and created the possibility of experimenting with solutions very different from those of the past However, it should be brought into line with contemporary realities now that the military unbalance has been reduced and there have been so many changes of situation in many parts of the world.

"Military co-operation remains very important, but it should be supplemented by new and imaginative forms of co-operation. This is necessary not only to move away from a climate of emergency measures and to enter into a phase characterized by more complex and permanent arrangements, but chiefly because we all realize that no person, nation, or group of nations can consider without anxiety and anguish the prospects of a world in which peace is based solely on military strength or on limited political alignments. Today, especially, when nuclear weapons have reached such a fearful stage of development . . it is essential that, while efficient military strength is maintained, every effort should be made to reduce the danger of war, so that gradually the employment of force may be no longer required. . .

"One might consider a better co-ordination of existing organizations—such as the O.E.E.C., the European Coal and Steel Community, the Western European Union, and the Council of Europe—so that new methods of a more organic co-operation can be extended from the political to the social and economic areas One might pay more attention to a better integrated functioning of NATO, involving a wider and more frequent use of the Atlantic Council. In this way we would accomplish the purpose of making more fruitful and timely the exchanges of views between the various members, giving to them a fuller sense of responsibility and at the same time a recognition of the value of their contribution to the common cause

"Within the framework of the NATO Pact one might consider the possibility of bringing life at last into the spirit of Article 2, which was meant to give to the military pact the wider and deeper connotation of a community of peoples. . .

"It is clear that the solution of these problems is not only an American responsibility. The European nations of Strasbourg [i.e. the members of the Council of Europe] must contribute their part by setting in motion the process of integration. Our old and restless Europe must find the way to spiritual and political unity, and must pool her resources, if she wishes to resume her mission of civilization in conformity with her traditions and history.

"I am convinced that, in the new competition of ideologies and economic assistance, we cannot hope for the success of our democratic conception unless this gives concrete and factual evidence of its superiority by bringing to bear the will-power and the means which, through appropriate action, can remove injustice and positions of inferiority within each national structure, and also internationally. Italy wishes to participate—within the limitations set by her resources and to the full extent of her commitments—in this work of redemption. . ."

After declaring that Italy would continue "to discharge faithfully" her commitments under the North Atlantic Treaty, President Gronchi continued: "I know that our financial effort has appeared to some observers as insufficient or lukewarm, or imperfectly planned at the technical level . . . Actually there is little justification for some of the comments which are made occasionally, and which would seem to throw an adverse light upon our determination to maintain our armed forces at the highest level of strength and efficiency consistent with our resources

"For instance, there is little meaning in a mere comparison of the percentages of gross national income allocated to defence in the various countries: 11 per cent in the U.S.A., 10 per cent in the U.K., and 8 per cent in France, against 5 per cent in Italy Such comparison does not take into account the differences in total and *per capita* national income in each country, and actually distorts the facts—as can be seen when one considers that the income of an American family, in real terms, represents the income of perhaps five or six Italian families Because of their low level of income, our people have to cut deeply into their resources, foregoing essential needs in order to bear the financial burden of defence

"But Italy's most significant and substantive contribution to the common cause is that of having strengthened her internal structure, of having restored democratic institutions and, with them, the authority of the State, of having overcome the disruptive economic and social effects that are typical of all post-war periods; and of having increased all-round production and improved the living conditions of the working classes, especially in Southern Italy. Owing to the depressed conditions of many segments of the Italian economy, this effort has been much more considerable than the one accomplished in order to strengthen our defensive military position within NATO. . .

"In the overall picture of a national economy, the important thing is not whether an individual item of accounting closes in the black or in the red, but whether the whole operation closes with a surplus or a deficit The ten-year period which has just ended for the Italian economy closed with a large 'plus' balance Consequently the [U.S.] Congress can tell the American people with satisfaction that the aid given to Italy was not an unproductive expenditure.

"It is not my intention to bother you with figures; yet a few of them may be quoted to substantiate my statements.

(1) Industrial production has increased five times since 1945, while agricultural production has doubled.

(2) *Percapita* income and consumption have increased by more than 50 per cent over 1947.

(3) The productive capacity of Italian industry has doubled since 1947, and defence production is now very close to the levels required by NATO

"All of us in Italy—the Government, the major parties, and all responsible persons—know that we have still a large pool of chronic unemployment We know that much has been done for Southern Italy, but that there is still an unfair and excessive gap in income per head between North and South. We know that we must complete the land reform undertaken with notable success. We are aware of the fact that our housing problem is still serious.

"I am not telling you this to ask your help or to suggest that you continue a policy of aid which we consider rightly closed by you. Italy can be compared to a working concern, well under way, which, however, has inadequate capital resources, falling short of what would be required to expand its physical plant and to improve its organization and its equipment Consequently, she does not hope for and does not ask sacrifices from others and free advantages for herself On the contrary, she is anxious to be considered in the same light as a customer of good moral and financial standing who gets in touch with a bank for loans at favourable terms, or who approaches a financial institution in order to enlist its interest in profitable and secure joint ventures or other enterprises

"In many countries, and probably also in yours, there are people who have a conventionalized picture of the Italian economy, based on stereotypes such as the hopeless lack of natural resources, the inability of the Government to collect taxes from its citizens and to manage its financial affairs competently, or the alleged deficiencies of its vocational education. This picture is either inaccurate or obsolete. . .

"Our natural resources are growing The discovery of large amounts of natural gas has permitted extensive practical applications to industry and science Very soon oil will become one of our most important productive resources. Taxes absorb a very high percentage of our national income, especially if one considers that the average income is very low. Vocational schools, which are being expanded and better organized, are increasing and improving the productivity of

our labour. . . . Finally, we have in Italy the essential pre-requisites for a steady and balanced development of our economy. The programme outlined by our lamented Minister, Ezio Vanoni, aimed at that purpose, and it remains valid today, with some amendments suggested by experience . . .

" Economic co-operation, in an age like ours, is not a burden or a mere act of generosity from one country to another. It is a policy consonant with the interest of each and all concerned. A poor country, or a country beset with difficulties and uncertainties, is a danger to all others on two counts—domestic weakness, and inability to protect itself against external dangers. No people, even the richest in resources and creative power, can be durably prosperous if there are many nations which are unhappy and restless because of the hardships of poverty and under-nourishment, the burden of injustice, and the uncertainty about their immediate future.

" The wonderful development of the United States, at which the world looks with admiration and astonishment, has become even greater since this country discarded its isolationist state of mind From that point on you have placed yourselves in the very heart of world events and have become the determining factor in world history. It is therefore in the name of a mutual interest that I appeal to you for closer and uninterrupted co-operation, carried out in a spirit of mutual trust and faith.

" Faith is the basic element which I would like to mention in closing Without faith there can be no meetings of the mind and no true co-operation. Italy can be trusted because of the capacity and willingness to work of her managers, technicians, and workers, and also because of her faithfulness to democratic ideals and her firm determination to defend and expand their accomplishments . . In spite of uncertainties which are natural—given the temperament of a Latin people—democratic stability in Italy is not in danger, and the democratic political parties, together with the great majority of public opinion, are fully conscious of their responsibility for maintaining and strengthening the institutions which the Italian people have freely accepted through their Constitution. . ."

A joint statement issued in Washington on March 1 said that it had been agreed that Italy no longer needed U.S. economic aid, and that her problem was rather the attraction of long-term foreign investments.

" The two Presidents," the statement declared, " reaffirmed their intention to direct their action toward the preservation of peace, freedom, and democracy. They reaffirmed that, while all possible efforts will continue to be made to achieve a reduction of armaments, the present situation does not allow any relaxation of the Western defence efforts. Concurrently, the President of the United States and the President of the Italian Republic agreed on the necessity of deepening and extending the solidarity among the members of the North Atlantic community through increased co-operation among them in all fields.

" They recognized that to the extent that it is possible to improve the Western-world economy, and to facilitate the development of the less advanced economies within it, the Atlantic community and indeed the entire free world will benefit. In particular, as far as Italy is concerned, they agreed that Italy no longer needs grants or economic aid The area that President Eisenhower and President Gronchi agreed should be increasingly explored within the framework of established Western economic co-operation is the possibility that, in addition to her own efforts, Italy could meet some of her problems by the extension of public and private long-term foreign investments. The problem facing Italy, it was agreed, is the improvement of the conditions which are necessary to her industrial development, particularly in the South, and further to attract private national and foreign investments."

On March 2 President Gronchi and Dr. Martino left Washington for an official visit to Ottawa, where Signor Gronchi addressed a joint session of the Canadian Parliament on March 5. During their stay in Ottawa, President Gronchi met the Canadian Governor-General, Mr. Massey, the Prime Minister, Mr. St. Laurent, and other members of the Canadian Government, whilst Dr. Martino had talks with Mr. Lester Pearson, the Secretary of External Affairs.

After returning to the U S.A. and visiting Detroit, San Francisco, and New York, President Gronchi and Dr. Martino left for Rome on March 14.—(New York Times - New York Herald Tribune - The Star, Montreal) **(Prev. rep. 14287 B.)**

A. BURMA - YUGOSLAVIA. — Economic Agreement.

Agreements were signed in Rangoon on March 7 covering (*a*) Yugoslav purchases of 50,000 tons of rice annually for five years from Burma, in exchange for consumer goods and equipment; (*b*) technical co-operation between the two countries; and (*c*) long-term co-operation in the development of power supplies. The technical co-operation will be effected by exchanging experts in general industry, mining, housing, communications, and agriculture, whilst there will also be co-operation in industrial development, utilization of power and natural resources, etc. The agreements implemented the protocol on Burmese-Yugoslav economic co-operation which had been signed by President Tito and U Nu during the latter's visit to Yugoslavia in June 1955.—(Tanjug Agency, Belgrade) **(Prev. rep. 14585 A.)**

B. SUDAN.—The Kosti Incident. - Death of 192 Arrested Farmers in Army Barracks. - Official Investigation.

Strong feeling was aroused in the Sudan by an incident at Kosti (in the Blue Nile Province, about 200 miles south of Khartoum), where 192 out of 281 tenant farmers who had been locked up in a single room of the local army barracks died of heat-stroke during the night of Feb. 21-22. The room in which they were confined measured only 40 ft. by 33 ft., and had its doors and windows locked.

During the previous week 700 of the 1,000 tenants of the privately-owned Guda Agricultural Scheme had put forward demands for an increase in their share of the profits from 40 to 60 per cent, for proper auditing of accounts, and for tenant participation in management committees and in drawing up sales policy, and had refused to pick or deliver their cotton until these demands were granted. In a clash on Feb. 18 the farmers had attacked the police, who dispersed them with tear-gas and then opened fire; three policemen and 18 farmers were killed and one policeman and 22 farmers wounded in the incident. The 281 men had been arrested on Feb. 21 on suspicion of active participation in the attack.

Dr. Ahmin el-Sayed (the Sudanese Minister of Health), the Police Commandant, and other senior officials immediately flew from Khartoum to Kosti to investigate the incident. As a result of an official inquiry, two police officers and a number of policemen were arrested on Feb. 25 by order of the Chief Justice on charges of causing the prisoners' deaths through negligence. Another 212 farmers who had been arrested had been released on Feb. 24.

The Government's resignation was demanded on Feb. 23 by the three leading Sudanese newspapers because of its failure to enforce the proper management of certain cotton schemes under the legislation controlling owner-tenant partnerships. A series of protest demonstrations took place in Khartoum from Feb. 23-26, including one by members of the Bar Association and another by members of the Communist-led Sudan Workers' Federation. The Prime Minister (Mr. Azhari) declared on Feb. 24, however, that he would not resign.
(Sudanese Ministry of Public Guidance, Khartoum - Times)

C. INDIA.—Death of Mr. Mavalankar. - New Speaker of House of the People.

Mr. G. V. Mavalankar, Speaker of the *Lok Sabha* (House of the People) died at Ahmedabad on Feb. 27.

Gamesh Vasudeo Mavalankar (67) was born at Baroda in 1888 and set up in practice as a lawyer at Ahmedabad in 1913 A follower of the late Mahatma Gandhi, he played an important part in the *Satyagraha* campaign for Indian independence, and was imprisoned on a number of occasions in the 'thirties and early 'forties.

After having been President of the Bombay Legislative Assembly from 1937-40, he was elected President of the Central Legislative Assembly in 1946, and Speaker of the Constituent Assembly on the achievement of Indian independence in 1947 In 1950, after India was declared a Republic, he became Speaker of the *Lok Sabha*.

Mr Mavalankar led the Indian parliamentary delegations to the Commonwealth parliamentary conferences in London in 1948 and Ottawa in 1952 He took an active part in the creation of a number of educational institutions in Ahmedabad, including the Gujerat University.

On March 8 the House of the People unanimously elected Mr. M. Ananthasayanam Ayyangar as its new Speaker. Mr. Ayyangar was hitherto Deputy Speaker of the *Lok Sabha*.
(The Hindu, Madras - The Statesman, Calcutta) **(9173 A.)**

D. ITALY - ETHIOPIA. — Reparations Agreement.

After three years of negotiations in Rome and Addis Ababa, an agreement was signed in the Ethiopian capital on March 5 whereby Italy undertook to pay Ethiopia a sum equivalent to $16,300,000 (about £5,800,000) as reparations. The Ethiopian Foreign Ministry stated that the agreement would include the construction by Italy of a hydro-electric power station on the Awash River, south-east of Addis Ababa; that Italy would also supply ships, marine equipment, cotton textile factories, public works installations, etc.; and that all historical objects taken from Ethiopia during the Italian occupation would be returned. (Times - Corriere della Sera, Milan)

E. RHODESIA AND NYASALAND FEDERATION. — University College of Rhodesia and Nyasaland accepted into Special Relationship with London University.

The Principal of the University College of Rhodesia and Nyasaland (Dr. Walter Adams) announced on Feb. 10 that the Senate of the University of London had accepted the College into special relationship with the University, enabling degrees gained by students to be regarded as full London degrees.
(Federal Information Department, Salisbury)

A. UNITED STATES. — Release of Uranium for Peaceful Development of Atomic Energy. - Report of Citizens' Panel on Peaceful Applications of Atomic Energy. - Export of Radioactive Isotopes and Heavy Water.

President Eisenhower announced on Feb. 22 that he was authorizing the release of 40,000 kg. of uranium-235 " for research and development purposes and for fuelling nuclear power reactors," half of which would be made available in the United States and the other half to foreign countries. He pointed out that the 20,000 kg. for distribution abroad would be additional to the 200 kg. already made available for research reactors abroad, but emphasized that countries already producing U-235, as well as the Soviet Union and its satellites, would not be eligible to share in the distribution. The uranium to be released would help to start nuclear power programmes with a generating capacity of " several millions of electrical kilowatts," and the U.S. Atomic Energy Commission had stated that as additional projects were undertaken they would recommend that further uranium supplies should be made available. The President stressed that the distribution of uranium would be subject to " prudent safeguards against diversion of the material to non-peaceful purposes."

The chairman of the Atomic Energy Commission (Mr Lewis L. Strauss) said that the uranium would not all be distributed in the coming year or in any other single year, but would be " distributed over a period of years as needed, with smaller amounts in the early years." Mr Strauss said that the procedures which would govern the distribution of the 20,000 kg of uranium to foreign countries, as well as the charges for sale-or-lease, would be announced later However, based on the value of $25 per gram for enriched uranium announced at the Geneva Conference on the Peaceful Uses of Atomic Energy, the 40,000 kilograms now made available would have a value of $1,000,000,000.

The report was published on Jan. 31 of a special citizens' panel appointed by the Joint Congressional Committee on Atomic Energy in March 1955 to inquire into " the impact of the peaceful uses of atomic energy," and presided over by Mr. Robert McKinney, editor and publisher of the *Santa Fé New Mexican*. Some of its main recommendations are summarized below.

Electric Power. The Government should undertake the construction of one full-scale " demonstration " plant of each major reactor size and type, if private capital did not undertake this work Atomic power should be exploited as a source of electric power " at a rate consistent with sound technological, economic, and public policy considerations."

Medicine and Public Health. To ensure the maximum benefit from atomic energy developments for medical and health purposes : (i) all medical schools should have adequate facilities for training in atomic medicine techniques , (ii) additional research centres should be created with all appropriate equipment, including reactors ; (iii) low-cost atomic medical equipment should be designed, suitable to the needs of hospitals and medical clinics without atomic facilities , (iv) the radio-active compounds essential for research and therapy should be made available at reasonable prices.

Agriculture. The application of atomic energy in this field, whilst accentuating the problem of U S. farm surpluses, would help the undernourished peoples of the world to get more food. This problem should therefore be " fully explored " with " high priority," and the agencies concerned with helping foreign countries should draw up a programme to focus atomic research on the "undernourished" countries where it could most quickly be used.

Transport. Atomic propulsion of commercial ships was technically feasible, but economically competitive atomic ships were not yet in prospect Prospects for economically competitive atomic aircraft seemed unlikely until some experience with military prototypes had been acquired. Atomic locomotives could in all probability be built and operated successfully, but appeared to offer no economic advantages until substantial improvements had been made in reactor technology Atomic-powered cars, lorries, and buses were not technically feasible at present, and apparently would not be in the foreseeable future The report recommended that the A.E.C., the Maritime Administration, and the shipping and shipbuilding industries should work out a programme for exploring the economic feasibility of atomic-powered ships, and that the A.E.C should co-operate with any industrial efforts to develop locomotives.

Atomic Aid to Friendly Countries. The United States must take the lead in developing the peaceful uses of atomic energy, and to this end should provide adequate research facilities to friendly countries. The U.S.A should also convene a series of regional conferences of those countries having bilateral atomic agreements with her to consider the establishment of atomic electricity plants. In issuing invitations to such conferences, the U S. Government should announce that it was prepared to furnish nuclear fuels, provide the necessary technological assistance, and permit contracts for the installation of at least 1,000,000 kw. of atomic generating capacity outside the United States as soon as possible—preferably by 1960.

Security Restrictions. All reactor technology should be removed from the " restricted data " category, and specific military applications of such technology should be protected by the defence classification system so far as national security was involved The Joint Congressional Committee should re-examine the concept that atomic information was " born classified " [i e. that all new knowledge should be automatically labelled secret], as this concept was not compatible with the expeditious action required to permit the rapid development of peaceful uses of atomic energy , it should therefore be limited to the design, manufacture, or utilization of atomic weapons.

Basic Research. Basic research in universities should be given generous support, both in funds and facilities, and the A.E.C should be encouraged to place research and development contracts with universities and other private research establishments.

Training Facilities. Efforts to increase the output and improve the quality of scientists and engineers capable of contributing to the development of atomic energy for peace-time purposes should be encouraged. Both the A E C and private enterprise should support university research and graduate study, and the facilities of the national nuclear laboratories should be more widely available to support college training programmes Future research facilities should be designed, located, and operated in such a way that they could be of the greatest use to the greatest number of college and graduate students.

Ownership of Nuclear Materials. The Joint Congressional Committee should create statutory devices to ensure a continuing review of the present policy of Federal ownership of all special nuclear materials, in anticipation of the establishment of private ownership.

Priorities of Atomic Development. The Joint Congressional Committee should review the 1954 Atomic Energy Act with a view to providing clear guidance to the Atomic Energy Commission on the relative priorities of military and peaceful uses of atomic energy, and between various peaceful uses

Charges for Atomic Fuel Supplies. The Atomic Energy Commission should waive all charges for fuel used in experimental, medical, research and " demonstration " facilities, where such facilities were owned by non-profit-making institutions and used substantially for educational or medical purposes.

Mr. Strauss welcomed the report as " a sound, comprehensive and objective study," and said that the A.E.C. would " study and give thoughtful consideration " to its findings and recommendations.

Other recent atomic energy developments in the United States are summarized below :

Relaxation of Export Restrictions on Radio-isotopes. As from Feb. 10 the U S. Government relaxed the restrictions on the export of radio-isotopes for medical, agricultural, industrial, and scientific purposes, by permitting foreign users to apply direct to the commercial manufacturers instead of having to secure export licences through their Embassies in Washington. The new regulation listed 65 atomic by-product materials which could be licensed to U.S. users provided that no person possessed more than 10 " scheduled quantities " at any one time. A spokesman of the A.E C said that the export of isotopes to the Soviet-bloc countries would be permitted, except where the A.E.C thought that they " would be inimical to the defence and security of the United States "

Sale of Heavy Water. On March 13 the Atomic Energy Commission announced that it had approved the sale of 129 tons of heavy water to foreign countries at $28 a pound on condition, that all the supplies were used for peaceful application Britain would receive 50 tons, France 30 tons, India 21 tons, Australia 11 tons, Italy 10 tons, and Switzerland up to seven tons. It was stated that some of the heavy water had already been shipped to the recipient countries.

Semi-annual Report of A.E.C. The 19th semi-annual report of the A.E C., published on Jan. 30, spoke of " significant progress " in the development of atomic power plants of all kinds during the latter half of 1955. It confirmed that the aircraft nuclear propulsion programme had been accelerated, and said that the prospects for nuclear-powered flight continued to " show promise " ; some test work had already been started on a nuclear aircraft engine at the National Reactor Testing Station at Arco, Idaho The construction of a prototype engine for a large ship would start in the spring, as part of the programme for a series of atomic engines " which can be used singly or in multiple to power new naval ships from small submarines to the largest aircraft-carriers "

The report also stated that since 1951 the Agency had " greatly expanded " its research on harnessing the energy of the hydrogen bomb, but emphasized that " many years of intensive and theoretical effort " would be required before the first prototype of an operating thermo-nuclear machine was developed.

Further Bilateral Atomic Agreements. - Gifts of Atomic Libraries. The Austrian Cabinet authorized the Austrian Foreign Minister on Oct. 11 to sign a co-operation agreement with the United States on the peaceful uses of atomic energy, whilst the Iraqi Government accepted a similar U.S. offer on Oct 25. [For the U.S agreement with Western Germany see 14728 A.] During the latter half of 1955 and in January 1956 the U.S A. made gifts of libraries of non-secret atomic literature to Nationalist China, the Lebanon, Switzerland, Israel, the Netherlands, Burma, New Zealand, and India

Mr. Harold S. Vance, chairman of the executive committee of the Studebaker-Packard Corporation, was nominated by President Eisenhower on Oct. 10 as a member of the A.E.C. in succession to Mr. Joseph Campbell, who had been appointed to the office of Comptroller-General. Mr. Allen Whitfield had previously been nominated for the position (see 14214 A) but had subsequently asked that his nomination be withdrawn.
(New York Times - New York Herald Tribune) **(14360 A.)**

A. UNITED KINGDOM.—Monopolies and Restrictive Practices Commission. - Reports on Supply and Export of Tyres and Semi-Manufactures of Copper.

The reports of the Monopolies and Restrictive Practices Commission on the supply and export of pneumatic tyres and of certain semi-manufactures of copper and copper-based alloys were published on Dec. 9 and Sept. 5, 1955 respectively.

Report on Pneumatic Tyres.

The Commission's inquiry into this subject was carried out by a panel consisting of the chairman (Sir David Cairns, Q.C.) and eight other members appointed by him. The panel was unanimous in finding that the existing system, under which identical prices to the consumer were collectively maintained, was against the public interest, and a majority of the members considered that tyre manufacturers should cease to prescribe retail prices, and that the tyre trade register should be discontinued. The report is summarized below.

The Present Position.

The report estimated the annual turnover of the U.K. tyre industry at about £100,000,000, of which remoulds were responsible for about £8,000,000 Nearly half of this turnover was accounted for by the Dunlop group, whilst this group and the four next largest manufacturers (three of which were offshoots of U K or Continental groups) engrossed between them about 90 per cent of the U.K. tyre trade. All tyre manufacturers who were members of the Tyre Manufacturers' Conference (T.M C.) maintained, and collectively enforced, identical consumer prices in the replacement market and made price changes simultaneously, after discussion in the Conference. These identical prices were further protected by (*a*) an agreed scale of discounts to large users; (*b*) inspection panels to examine complaints about "giant" and "agricultural" tyres, (*c*) agreements not to make "private brand" or unbranded tyres, (*d*) the branding of sub-standard tyres to ensure that they were priced as remoulds. All T.M.C. members used a common formula in calculating the initial rate to be charged to transport operators for new mileage contracts, and all tendered at the same rate.

As regards the supply of tyres to vehicle manufacturers, T.M C. members confined "original equipment" terms for all tyres, except cycle tyres, to manufacturers on registers kept by the T.M.C For the "no restriction" register—containing the names of the largest vehicle manufacturers—no terms were laid down, but the net prices charged to consumers in this group, who bought in large quantities, were generally identical except for the secret allowances and discounts granted in certain cases The nature of the terms applicable to manufacturers on the other registers (apart from aircraft manufacturers) was laid down by the T.M.C., but actual prices were not prescribed.

In respect of exports, the report stated that before prices were charged, "Dunlop consult confidentially the principal foreign manufacturers and inform U K. exporters of any proposed price changes, expecting them to follow them. This they almost always do."

Turning to tyre distribution, the report stated that the Dunlop group had "secretly acquired" and owned the share capital of groups of distributing companies whose turnover represented about one-fifth of replacement sales, and also, by their control of certain retreading companies, controlled about one-third of the U.K. output of remoulds Identical prices were maintained in the replacement market by the manufacturers' conditions of sale or licence, and were enforced, where necessary, by collective boycott, the prices covering the whole replacement market for new tyres and about 80 per cent of the market for new tyres and remoulds taken together. The T.M.C. contended that the identical prices shown in different manufacturers' price lists did not result from any agreement between them, but from "the operation of competition in a market where a price leader (usually, but not always, Dunlop) sets the market level to which the rest must conform if they wish to sell their goods"; each manufacturer, it stressed, was free to decide for himself what prices he would fix for his tyres, and as he was bound by no agreement to conform to the rest, competition was not restricted Although the Commission accepted "the manufacturers' evidence that in this industry there exists no agreement binding manufacturers to charge common prices," the report pointed out that this did not mean that it could "treat the activities which result in identical prices as being free from restrictiveness," and said the question was "whether this restriction of competition is such as to be against the public interest."

The Commission rejected the industry's contention that the alternative to the present arrangement was "full blooded competition and price war, which in the long run would be almost as dangerous to consumers as to manufacturers." It said that this suggestion was "inconsistent with the argument that identical prices are due to price leadership rather than to the T.M C 's discussions," nor did it explain why identical prices were charged in the export trade, to which the T.M C. arrangements did not apply The report added in this connexion. "Dunlops themselves have indeed said that it would be 'an ill-founded suggestion wholly unsupported by the evidence if it were sought to infer that because, after consultation, prices are found to be identical, they would be different if there were no consultations.'" The Commission thought that this was "a much more realistic view of the situation likely to exist if the T M.C.'s discussions were abolished than the suggestion that it would lead to 'full blooded competition,' although the general level of prices might well be different."

The report stated that the following 14 U.K. companies were members of the T M.C. · *Manufacturing Companies*: Avon India Rubber Co, Ltd, British Tyre and Rubber Co, Ltd, Dunlop Rubber Co., Ltd, Firestone Tyre and Rubber Co., Ltd., Goodyear Tyre and Rubber Co (Great Britain) Ltd., Henley's Tyre and Rubber Co., Ltd., India Tyre and Rubber Co., Ltd, John Bull Rubber Co., Ltd., Michelin Tyre Co, Ltd., North British Rubber Co., Ltd., Pirelli Ltd. *Non-manufacturing Companies*. Bergougnan Tyre Co, Ltd., Davies Tyre Co., Ltd, Dominion Rubber Co Ltd

Conclusions and Recommendations.

The Commission's conclusions and proposals were as follows.

Price Discussions within the T.M.C. These strengthened the tendency inherent in the industry's structure to reduce price competition, and were against the public interest. The Commission proposed that the T M C. should cease to concern itself with price levels and changes, and that no other committee or organization should be set up or employed by tyre manufacturers for this purpose.

Identical Prices. The Commission as a whole considered that the system under which identical prices were maintained to the consumer was against the public interest.

A majority of the Commission considered that in the industry's special circumstances the only way to secure genuine price competition at the retail stage was to abolish retail price maintenance altogether, and recommended that no manufacturer should prescribe the resale price of his tyres. A minority dissented, however, from this recommendation, which they did not think justified by the industry's circumstances, proposing instead that the British Motor Trade Association should refrain from enforcing resale prices until the T M C arrangements described in (1) above had been abandoned.

Discounts. The system by which the T M C fixed the discounts to be allowed to users whose aggregated expenditure on car tyres and giant tyres in the replacement and mileage contract market exceeded £500 annually was, in present conditions, against the public interest

Tyre Inspection Panels. The T M.C tyre inspection panels, which considered claims for giant and agricultural tyres that had failed prematurely, were not against the public interest as operated at present

Unbranded Tyres. The industry's ban on the production of unbranded tyres promoted safety and was not against the public interest. The Commission considered, however, that the ban on the manufacture of "private brand" tyres for concerns outside the T.M.C was restrictive of competition, against the public interest. and should be discontinued

Trade Registers. The maintenance by the Tyre Trade Joint Committee of the Tyre Trade Register, and by the T M C. of the Agricultural and Earthmover Tyre Trade Register, the Aircraft Tyre Register and the Aircraft Constructors' Register, tended to create a privileged class of trader and was against the public interest. The majority of the Commission recommended that these registers should be discontinued, but stated that they would not object to the T M C maintaining a list of traders which could be circulated to manufacturers to observe or not as they pleased.

A minority of the Commission, however, dissented from the recommendation that the Tyre Trade Register should be abolished, regarding it as "conducive to safety and efficiency in distribution."

Cycle Tyres. For similar reasons the limitation of "best factor" terms for cycle tyres to traders on the lists maintained by the British Cycle and Motor Cycle Manufacturers and Traders' Union (the so-called "Coventry Union") was against the public interest and should be discontinued.

Advertising and Exhibition. The advertising restrictions accepted by all T.M C. members left "a wide enough field open to allow a reasonable degree of competition," and were not against the public interest

The supplemental agreement of the Society of Motor Manufacturers and Traders, requiring tyre makers to prohibit traders from exhibiting loose tyres at shows not approved under the society's bond, interfered with traders' legitimate interests and should be terminated.

Mileage Contracts. The arrangements under which tyre manufacturers operated mileage contracts involved some restriction of competition, but were not against the public interest.

Net Prices to Vehicle Manufacturers. Consultations between tyre manufacturers on the net prices to be charged to vehicle manufacturers on the "no restriction" register, although in a sense restrictive of competition, were not against the public interest.

The secret end-of-year allowance paid by the Dunlop Rubber Company to certain customers, and the secret monthly credits allowed by one smaller manufacturer, provided "a sort of clandestine competition which is better than none at all," and were therefore not against the public interest

Common Scale of Rebates. This scale, based on aggregate purchases, are allowed by conference members to nine of the largest commercial vehicle manufacturers in the "original equipment" market, did not attract business to one group of manufacturers at the expense of another, and was not rigid in form. It therefore did not operate against the public interest.

Special Terms. All the T.M.C.'s registers of vehicle and aircraft manufacturers who were entitled to special terms for tyres supplied as "original equipment" were against the public interest The Commission recommended that they should be abolished and that the prescribing of various classes of "original equipment" terms should cease It did not, however, object to lists of reputable vehicle and aircraft manufacturers being circulated to tyre manufacturers as long as they were under no obligation to observe the lists.

"Dunlop Group" Practices. The Commission found that the arrangement by which the Dunlop group fixed export prices for all T.M.C. members after confidential discussions with their foreign competitors was not against the public interest.

The interests of the Dunlop group in the distribution field and the methods by which they had been conducted had not tended to restrict competition and were not against the public interest.

The dominant interest of the Dunlop group in the retreading industry had not in itself restricted competition, but their secret ownership of two retreading concerns—the Regent Tyre and Rubber Company Ltd. and Tyres (Scotland) Production Ltd.—hampered the efficient organization of their retreading businesses as a whole. For this reason the secrecy of these arrangements was against the public interest.

The confidential allowances paid by the Dunlop group to certain distributors and motor dealers were not against the public interest.

The Commission found that, apart from the specific matters dealt with above, the Dunlop group had not used their dominant position in the tyre industry to the detriment of the public interest.

Retread Manufacturers' Association. The Commission found that the arrangements made by this association promoted safety and were not against the public interest.

Remoulds. The Commission also found that the discussions within the T.M.C. resulting in identical prices for retreading materials and members' remoulds were not against the public interest.

Enforcement of Recommendations. In every case the practices condemned "could and should be brought to an end by the parties concerned." Failing this, the report recommended that, with the exception of the conclusions concerning individual control of tyre prices (which would also involve patent licences), Orders ending the practices objected to should be made under the Monopolies and Restrictive Practices Act.

The report was signed by Sir David Cairns, Professor G. C. Allen, Mr. J. Archdale, Sir Thomas Barnes, Mr. W. G. Cullen, Mr. C. M. Gallie, Mr. C. H. P. Gifford, Professor A. L. Goodhart, and Mr. G. Stott.

Mr. Archdale, Sir Thomas Barnes, Mr. Cullen, and Mr. Stott, however, signed a "note of dissent" explaining why they did not agree with the recommendations (*a*) that tyre manufacturers should cease to prescribe resale prices; (*b*) that the tyre trade register should be discontinued. They felt that the service to users was likely to be more efficient if the manufacturers were at liberty to supply tyres only through registered traders, and that "the fact that every supplier is equipped to render adequate service for fitting and testing tyres must make some contribution to road safety, particularly with the growing use of tubeless tyres." They stressed, however, that they would welcome "closer supervision by the T.M.C. of those on the register."

Report on Semi-Manufactures of Copper.

The Monopolies and Restrictive Practices Commission's report on the supply and export of certain semi-manufactures of copper and copper-based alloys covered six main wrought forms of copper and copper alloys—plate, sheet, strip, rods, wires, and tubes—supplied to various industries for further fabrication or incorporation in other products. The Commission found that the fixing of common minimum prices by trade associations was against the public interest, and recommended the abrogation of price-fixing arrangements.

The Present Position.

The report stated that about 140 manufacturers were engaged in the industry under review, and that about 70 (accounting for more than 75 per cent of the total production) belonged to one or more of 12 trade associations. Most of these associations were, in turn, members of the British Non-Ferrous Metals Federation. The principal arrangements found by the Commission to restrict competition in the home market were minimum price agreements and supporting arrangements, including the observance of uniform terms and conditions of trading and the granting of aggregated quantity rebates or "loyalty discounts." In the export market, the British Non-Ferrous Metals Federation and two Export Groups were parties to the "Lausanne Agreement," an international agreement (concluded in 1946) requiring signatory manufacturers to observe each other's home trade prices in each other's domestic markets and also to observe (with exceptions for certain products) an agreed price list in most other markets. There were also agreements requiring members of the federated associations and the export groups to charge minimum prices for exports.

Conclusions and Recommendations.

The Commission's principal conclusions and recommendations are summarized below.

Minimum Price Arrangements. The effect of these was to keep the level of costs and prices higher than it would be under price competition. The arrangements were therefore against the common interest and should be abandoned.

Other Common Trading Arrangements. Many of these were ancillary to the common price system and should be discontinued.

"Loyalty" and "Aggregated Quantity" Rebates. Both of these impeded access to the market by independent producers and should be brought to an end.

Export Price Arrangements. Since the industry's contribution to the balance-of-payments situation arose mainly from its position as supplier to a variety of export industries, the international arrangements amongst producers should be considered from the point of view of their effect on these export industries. The intention and effect of the international arrangements had been to keep up prices, and the effect on the British export industries supplied outweighed any advantage gained for direct U.K. exports of semi-manufactures. British manufacturers should therefore withdraw from the arrangements.

As regards agreements between British manufacturers themselves, there was no clear evidence of their effect on minimum export prices, but, unless these arrangements were abandoned as a result of the abolition of common minimum prices in the home market, their effect should be further examined after two to three years.

Common Prices and Collusive Tendering.

Mr. Thorneycroft, President of the Board of Trade, announced on Nov. 2, 1955, that the terms of reference of the Commission's inquiry into common prices and collusive tendering would be as follows:

"To report on the general effect on the public interest of agreements restricting or limiting the freedom of the parties in respect of (*a*) the prices at which they are to supply, offer to supply, or tender for the supply of goods in the United Kingdom; (*b*) the prices at which they are to supply, offer to supply, or tender for the application of any process to goods."

The Monopolies Commission announced on Nov. 15 that the group nominated by Sir David Cairns to investigate this practice would consist of Sir David Cairns (chairman), Professor G. C. Allen, Sir Thomas Barnes, Mr. W. G. Cullen, Mr. Brian Davidson, Mr. C. N. Gallie, Mr. C. H. P. Gifford, Mr. W. L. Heywood, Mr. I. C. Hill, and Mr. C. E. Wrangham.

(Board of Trade Journal - Times - Daily Telegraph - Manchester Guardian - Financial Times - Economist) **(Prev. rep. Tyres, 12515 A; Copper Manufactures, 12229 A; Common Prices, 14409 A.)**

A. POLAND. — Death of M. Bierut. - M. Ochab appointed First Secretary of Polish Workers' Party.

M. Boleslaw Bierut (63), formerly President of the Polish People's Republic, and since 1954 First Secretary of the Polish Workers' (Communist) Party, died on March 12 in Moscow, where he was attending the 20th congress of the Soviet Communist Party.

Boleslaw Bierut, the son of a farm labourer, was born at Leczno, near Lublin, and started life as a printing worker. A founder-member of the Polish Communist Party, he was active in party activities from an early age, worked in the Comintern offices in Moscow during the late 'twenties, and returned to Poland in 1932 as head of the local party organization in the Lodz area. He was arrested in 1933 and sentenced to seven years' imprisonment for illegal activities, but was released after having served five years and subsequently took refuge in Moscow.

During the war he returned to Poland to organize the underground Communist movement, and in 1943 formed the Polish National Council (of which he ultimately became chairman) together with Wladyslaw Gomulka, General Spychalski, and General Rola-Zymierski, all of whom later fell into disgrace. He co-operated closely with Marshal Stalin in establishing the Polish Committee of National Liberation (subsequently known as the "Lublin Government") in Moscow, and played an important part in the negotiations which led to the recognition of that Government by the Western Powers.

M. Bierut was elected President of the Polish People's Republic in 1947, after having served for several years as chairman of the Polish National Council. He remained President of Poland until November 1952, when the Presidential office was replaced by a State Council. M. Bierut then became Prime Minister, but relinquished that post in 1954 to become First Secretary of the Polish Workers' Party.

The appointment of M. Edward Ochab as First Secretary of the Polish Workers' Party in succession to M. Bierut was announced in Warsaw on March 21. M. Ochab, one of the leading Polish Communists, had been a member of the central committee and secretariat of the Polish Workers' Party since 1954, and had formerly been chairman of the Polish trade union organization (1948-49) and Minister for Home Affairs (1945-46). He was appointed director of political education in the Polish Army in 1950, with the rank of general.

(Polish Embassy Press Dept., London - Times - Manchester Guardian - Le Monde, Paris) **(Prev. rep. 13573 A; 10465 D.)**

B. NORWAY. — Education. - Compulsory English in Elementary Schools.

The Norwegian Minister of Education decided in January that English should be taught as a compulsory subject in all elementary schools in Norway, instead of as a voluntary subject as hitherto. The decision was taken because of the increasing importance of the English language.

(Royal Norwegian Embassy, London)

A. DENMARK - SOVIET UNION. — Danish Prime Minister's Visit to Moscow. - Agreement on Resumption of Trade Negotiations, Safety of Shipping in the Baltic, and Cultural Exchanges. - The Tanker Question.

The Danish Prime Minister and Foreign Minister, Hr. H. C. Hansen, accompanied by the Minister of Education, Hr. Julius Bomholt, visited Moscow from March 2-6 as guests of the Soviet Government. During their visit they had a number of discussions with Marshal Bulganin, M. Khrushchov, M. Mikoyan, and other Soviet leaders.

A joint communiqué issued on March 6 stated that the talks which had been conducted in "an atmosphere of mutual friendly understanding," had dealt with "questions of importance to Danish-Soviet relations." Both sides had agreed that there was no problem outstanding between the two countries which prevented friendly relations, and both had expressed the wish that the good relations existing between Denmark and the U.S.S.R. should be further developed.

(1) As regards economic relations, both countries were agreed that trade constituted one of the most important means of bringing about mutual understanding between peoples They had accordingly agreed that trade negotiations should start in Copenhagen as soon as possible with the aim of concluding a two-year trade agreement. The Danish Ministers had expressed their willingness to supply a tanker to the Soviet Union under this agreement, or, if this should be impossible, two fast freighters of 10,000 tons The final decision would be taken after the Prime Minister of Denmark had returned to Copenhagen.

(2) A Danish-Soviet agreement on the safety of shipping in the Baltic had been concluded. It provided for speedy help in the case of shipping in distress, as well as mutual assistance in passing on messages about ships and aircraft which were either missing or believed to be in distress

(3) Both sides were agreed that Danish-Soviet cultural relations had developed favourably in recent years, and there was agreement on the desirability of intensified co-operation in the fields of science, the arts, and education. In this connexion M Mikhailov (the Soviet Minister of Culture) and Hr. Bomholt had agreed on exchanges of Danish and Soviet professors and students, and on efforts to bring about a more comprehensive co-operation in scientific matters. The two sides had also agreed to expand tourist traffic between Denmark and the Soviet Union.

(4) It had also been agreed to begin negotiations in Copenhagen in the near future for the settlement of mutual compensation claims in connexion with the incorporation of the former Baltic Republics in the Soviet Union.

(5) The Danish Prime Minister had raised the question of Soviet exit permits for Danish nationals living in the Soviet Union who wished to return to Denmark. The Soviet Government had expressed their willingness to grant such permits, provided the persons concerned expressed the wish to leave the Soviet Union.

(6) The general question as to how closer contacts between the two countries could be brought about had also been discussed, and there had been agreement on the importance of developing personal contacts of leaders of the two countries through mutual visits. There had also been agreement on the importance of reciprocal visits by parliamentary delegations, so as to increase mutual understanding between Denmark and the Soviet Union. Both sides were agreed on the importance of closer contacts between all countries as a means of fostering international understanding.

(7) There had been full agreement between both sides that relations between countries should rest on the basis of non-interference in each other's internal affairs, respect for each other's sovereignty, non-aggression, and peaceful co-operation in conformity with the principles of the United Nations. Both sides had expressed their determination to find ways of settling such urgent international problems as the creation of effective security for all peoples the ending of the armaments race, and the achievement of the necessary confidence in international relations.

(8) The communiqué concluded by saying that, irrespective of existing differences of opinion, the discussions on general political questions had led to greater understanding of each other's views and would help to foster good relations between Denmark and the Soviet Union. In this connexion both sides had expressed their wish to contribute, to the best of their ability, to a relaxation of international tension and towards peaceful international co-operation.

In a press interview in Moscow on the same date, Hr. Hansen stressed the importance of a solution of the "tanker question" [see footnote below], which had hitherto prevented the conclusion of any new trade agreement between the Soviet Union and Denmark.

Hr. Hansen said that he had made it clear that Denmark would hardly be in a position to meet the Soviet Union's wishes for the supply of further tankers, and for this reason had suggested the delivery of two fast freighters as an alternative. In reply to questions he said that neither the question of American bases in Greenland nor the question of the stationing of foreign troops in Denmark had been raised during the talks by the Soviet Ministers In drafting the joint statement, the Russian side had suggested the inclusion of a clause pledging Denmark not to permit foreign troops to use bases on her soil, but the Danish side had been unable to agree to the insertion of such a clause.

Hr. Hansen stressed in this connexion that it had been affirmed in the Danish Parliament that there was no intention on the part of the Government to permit foreign troops to establish bases in Denmark, but that he considered this unilateral declaration to be quite different from a formal pledge given to the Soviet Union (see 13268 B, 12777 A).

After visiting Kiev, Stalingrad, and Leningrad, Hr. Hansen and Hr. Bomholt returned to Copenhagen on March 14.
(Berlingske Tidende, Copenhagen - Politiken, Copenhagen)
(Prev. rep. Norwegian Ministerial Visit, 14586 C.)

Note. The difficulties over Danish deliveries of tankers to the Soviet Union arose from the fact that Denmark would thereby have violated the controls over "strategic" exports imposed by NATO. The earlier supply of tankers to the Soviet Union had given rise to U.S protests (see 12354 A), but under U.S. Presidential orders Denmark had nevertheless been exempted from the provisions of the "Battle Act," thus retaining her eligibility for U S. aid (see 13542 A). Soviet insistence on the supply of two further tankers by Denmark led to the breakdown of trade negotiations between the two countries in July 1954, the U S.S R. maintaining that Denmark's refusal to build more tankers for Soviet account constituted an infringement of the most-favoured-nation clause in the Danish-Soviet commercial treaty of 1946 Although the Danish negotiators argued that this treaty contained an exemption clause, the Russians refused to recognize the validity of its application in this instance It was pointed out in the Danish Press, however, that since then the Soviet Union had concluded trade agreements with other NATO countries without insisting on the supply of tankers, and had thereby strengthened the Danish unwillingness to infringe NATO's strategic export controls —(Berlingske Tidende, Copenhagen - Politiken, Copenhagen)

B. FRANCE. — Changes in High Command.

The following changes in the French High Command were approved by the French Cabinet on Feb. 29. (*a*) General Paul-Henri Ely as Chief of General Staff of the Armed Forces (*chef d'état-major général des forces armées*); (*b*) General Clément Blanc as Inspector-General of the Army; (*c*) General Piatte as Chief of Staff of the Army.

General Ely succeeded General Augustin Guillaume, who had resigned on Feb. 28, whilst Generals Blanc and Piatte took over the functions of General André Zeller, who had combined the posts of Chief of Staff and Inspector-General of the Army.

General Ely (58) had been French representative on the Standing Group of NATO in Washington from 1949 to 1953 before taking over the newly-created post of Chief of General Staff of the Armed Forces. After going to Washington early in 1954 to obtain further U.S. arms supplies for the French forces in Indo-China, especially for the defenders of Dien Bien Phu, he was appointed in June 1954 as French C.-in-C and Commissioner-General in Indo-China. Lately he had been charged with an investigation into the Dien Bien Phu disaster.

General Blanc (58), who played an important part in organizing the Free French forces in North Africa during the war, was appointed director of the Institute of Higher Defence Studies in June 1955. General Piatte (56) had held high commands in the French Army in recent years.

It was reported in the French Press that the resignation of General Guillaume (a former Resident-General in Morocco) had been due to his dissatisfaction with the Government's willingness to negotiate with the Algerian nationalists and its reluctance to launch an immediate full-scale offensive against the Algerian rebels. General Zeller had resigned on the ground that the changes in the defence policy of the various French Governments did not allow him to carry out his functions efficiently.—(Le Monde, Paris) **(Prev. rep. Generals Ely, Guillaume, 13607 A; Generals Zeller, Blanc, 14359 B.)**

C. BULGARIA. — Soviet Economic Aid.

An economic agreement between Bulgaria and the Soviet Union was signed in Moscow on Feb. 3 by Marshal Bulganin and M. Chervenkov, the Soviet and Bulgarian Prime Ministers. It provided (*a*) that the Soviet Union would supply to Bulgaria on credit during the years 1956-59 tractors, combines, excavators, and other agricultural machinery, as well as pedigree livestock, to the value of 300,000,000 roubles; (*b*) that the Soviet Union would also give technical aid for the construction in Bulgaria of a nitrate fertilizer plant with an annual capacity of 200,000 - 220,000 tons of ammonia and saltpetre, and of a sulphate plant with an initial capacity of 100,000 tons per annum; (*c*) that the U.S.S.R. would grant Bulgaria a credit of 70,000,000 roubles to cover payment for the installations, the work of planning, and other forms of technical assistance in connexion with the construction of these plants; (*d*) that all the credits would be granted for a 10-year period, would bear two per cent interest, and would be repaid by Bulgaria in the form of goods, including agricultural products.
(Bulgarian Legation, London)

MARCH 24—31, 1956

A. PAKISTAN.—Adoption of Republican Constitution. - Continued Pakistani Membership of British Commonwealth. - Major-General Mirza elected Provisional President. - Inauguration of Islamic Republic of Pakistan.

The Pakistan Constituent Assembly adopted on Feb. 29 the Constitution Bill, under which Pakistan became an Islamic Republic, and on March 2 decided that Pakistan should remain within the British Commonwealth. Major-General Iskander Mirza, the Governor-General, was elected provisional President of the Islamic Republic of Pakistan on March 5.

The Constitution, which consisted of 234 Articles, was divided into 13 parts, of which Part I dealt with the Republic and its territories, Part II with fundamental rights, Part III with directive principles of State policy, Part IV with the Federation. Part V with the Provinces, Part VI with the relations between the Federation and the Provinces, Part VII with property, contracts, and suits, Part VIII with elections, Part IX with the judiciary, and Part X with the Services of Pakistan. Part XI dealt with emergency provisions, Part XII with general provisions, and Part XIII with temporary and transitional provisions. There were also six Schedules, the first of which dealt with the election of the President, the second with oaths and affirmations, the third with the powers of the Supreme Court and the remuneration of judges, the fourth with the remuneration and privileges of the President, the Speaker and Deputy Speaker of the National Assembly and the Provincial Assemblies, members of the National Assembly and the Provincial Assemblies, and Provincial Governors; the fifth with the lists of subjects for which either the Federation or the Provinces, or both concurrently, would be competent to legislate; and the sixth with the election of the first President of the Republic.

The main provisions of the Constitution, which was published in draft form on Jan. 8 and underwent considerable revision in the Assembly, are summarized below.

The Republic and its Territories. Article 1 stated that "Pakistan shall be a Federal Republic, to be known as the Islamic Republic of Pakistan," its territories comprising (*a*) the Provinces of East Pakistan and West Pakistan, (*b*) the States which had already acceded or might accede to Pakistan, (*c*) federally-administered territories not included in either East or West Pakistan, and (*d*) such other territories as might be included in Pakistan.

It was also laid down that the President might, by Order, make provision for the government and administration of the territories specified under (*b*), (*c*), and (*d*) until otherwise provided for by legislation

Fundamental Rights. All citizens would be equal before the law, and no person might be deprived of life or liberty save in accordance with the law. No person might be punished for an act which was not punishable by law when the act was done, or subjected to a punishment greater than that prescribed by law for an offence when the offence was committed Any person arrested (except enemy aliens or persons arrested under a law providing for preventive detention) must be informed of the grounds for his arrest; allowed to consult and be defended by a lawyer of his own choice; and brought within 24 hours before the nearest magistrate, whose authority would be required for his further detention No law providing for preventive detention might authorize the detention of a person for longer than three months, except on the recommendation of the appropriate Advisory Board Any person detained under such a law must be informed of the reasons for his detention, and permitted to appeal against it

Every citizen would have the right to freedom of speech and expression, subject to any reasonable restrictions imposed by law in the interests of national security, friendly relations with foreign States, public order, decency, or morality, or in relation to contempt of court, defamation, or incitement to an offence. Every citizen would have the right to assemble peacefully without arms, and to form associations or unions, subject to any reasonable restrictions imposed by law in the interests of morality or public order

Every citizen would have the right to move freely throughout Pakistan and to settle in any area, to acquire, hold, and dispose of property; to enter any lawful profession or occupation for which he possessed the necessary qualifications, and to conduct any lawful trade or business No person might be deprived of his property save in accordance with the law, and no property might be compulsorily acquired by the State or other authorities save by the authority of a law providing for compensation Slavery and all forms of forced labour were prohibited, although the State might require compulsory service for public purposes.

Subject to law, public order, and morality, every citizen would have the right to profess, practise, and propagate any religion, and every religious denomination and sect would possess the right to establish, maintain, and manage its religious and educational institutions. No student in educational institutions would be required to receive instruction in, or to take part in the ceremonies of, any religion other than his own, and no person might be compelled to pay any special tax the proceeds of which were to be spent for the propagation or maintenance of any religion other than his own.

In the making of public appointments, and in respect of access to places of public resort, there would be no discrimination against any citizen on the grounds of race, religion, caste, sex, or place of birth. The practice of untouchability in any form was forbidden, and would be declared a legal offence.

Any community having a distinct language, script, or culture would have the right to preserve it.

No law inconsistent with these rights might be passed, and any existing law inconsistent with them was declared void. The Supreme Court and the High Courts of West and East Pakistan were empowered to issue writs for the enforcement of these rights

Directive Principles of State Policy. Pakistan would endeavour to strengthen the bonds of unity among Moslem countries, promote international peace and security, foster goodwill and friendly relations among all nations, and encourage the settlement of international disputes by peaceful means.

No law repugnant to the injunctions of Islam as laid down in the Koran and Sunnah (traditional teachings of the Prophet) might be enacted; this clause, however, would remain inoperative until Parliament had received the recommendations of a commission to be set up to report on the codification of Islamic injunctions Gambling, prostitution, and the consumption of alcoholic drinks and other intoxicants, except for medicinal purposes, would be prohibited The State would take steps to enable the Moslems of Pakistan, individually and collectively, to order their lives in accordance with the Koran and Sunnah, and would make efforts to promote unity among Moslems and ensure observance of Islamic moral standards. These provisions, however, would not affect the personal laws of non-Moslems and their status as citizens.

The State would endeavour to promote "with special care" the educational and economic interests of the Special Areas, the backward classes, and the Scheduled Castes; to remove illiteracy, and provide free and compulsory primary education within the minimum possible period; to make provision for securing "just and humane" conditions of work, for the protection of children and women against employment of a kind unsuitable to their age or sex, and for maternity benefits for women in employment; and to enable the people of different areas, through education, training, and industrial development, to participate fully in all forms of national activities, including employment in the public services

The State would also endeavour to raise the standard of living, irrespective of caste, creed, or race, to prevent the concentration of wealth and the means of production and distribution in the hands of a few; to provide facilities for work and an adequate livelihood for all, to ensure social security by means of compulsory social insurance, and to furnish the basic necessities of life for citizens prevented from earning their livelihood by sickness or unemployment. A National Economic Commission—consisting of five members from West Pakistan and five from East Pakistan, with the Prime Minister as *ex officio* chairman—would formulate commercial, financial, and economic policies to ensure a uniform development of industry and agriculture in all areas

Steps would be taken to achieve parity in the representation of East and West Pakistan in all spheres of Federal administration, and to enable people from all parts of the country to participate in the Defence Services.

The independence of the judiciary was guaranteed.

The President. The President of the Republic, who must be over 40 years of age and a Moslem, would be elected for a five-year term by an electoral college consisting of members of the Central and Provincial Legislatures He would have supreme command of the armed forces, would be empowered to dissolve the National Assembly upon the Prime Minister's advice, and would appoint the Election Commission and the Public Service Commission No person might serve as President for more than two terms The President might be impeached by the Assembly on a charge of violation of the Constitution or of gross misconduct; while a motion of impeachment was under consideration he might not dissolve the Assembly or dismiss the Prime Minister.

If the office of President fell vacant, or if the President was absent from Pakistan or unable to discharge his duties owing to illness or any other cause, the Speaker of the National Assembly would act as Head of State pending the election of a new President or the resumption of duties by the existing President.

Pending the holding of the first general elections a provisional President would be elected by the Constituent Assembly.

The Cabinet. The President would, "in his discretion," appoint from amongst the members of the National Assembly a Prime Minister who, in his opinion, was "most likely to command" the confidence of a majority of the Assembly members Other Ministers, Ministers of State, and Deputy Ministers would be appointed and removed from office by the President, but only members of the National Assembly could become Ministers of State or Deputy Ministers. The appointment of Cabinet Ministers from outside the Assembly would thus be possible, but they would have to seek a seat in the Assembly within six months, since any Minister who was not a member of the National Assembly for a period of six consecutive months would cease to hold office The Cabinet, together with the Ministers of State, would be collectively responsible to the National Assembly. If the President was satisfied that the Prime Minister did not command the confidence of a majority, he could dismiss him

The National Assembly. The National Assembly would consist of 300 members equally divided between West and East Pakistan, and would be elected for five years on a basis of adult suffrage. For the first 10 years 10 additional seats in the National Assembly would

be reserved for women—five elected by women's territorial constituencies in West Pakistan and five by similar constituencies in East Pakistan. The Constituent Assembly would decide later whether elections should be by communal or joint electorates. An independent commission, members of which might not be reappointed for more than one term, would be appointed by the President to ensure fair and impartial elections. The total number of members of the National Assembly might be altered by Act of Parliament, provided that equality of representation between East and West Pakistan was preserved.

The Assembly would choose its Speaker and Deputy Speaker; frame its own rules of procedure; and take its decisions by a majority of the members present and voting (unless otherwise laid down in the Constitution), the Speaker or Deputy Speaker having a casting vote in the event of a tie The validity of any proceedings in the National Assembly could not be questioned in any court Members of the Assembly would have immunity from court proceedings in respect of any statements made or votes cast in the Assembly or its committees. The privileges of the Assembly and of its members would be determined by Act of Parliament

Legislative and Special Powers of the President. When a Bill had been passed by the National Assembly, the President could within 90 days either (*a*) assent to the Bill; (*b*) withhold his assent; or (*c*)—in the case of a Bill other than a money Bill—return it to the Assembly with the request that the Bill, or any provision thereof, should be reconsidered, and any amendment specified by him be taken into consideration. If in cases (*b*) and (*c*) the Assembly again passed the Bill, with or without amendment, by a two-thirds majority of the members present and voting, the President must assent to the legislation (Article 57).

Article 69 provided: "If at any time, except when the National Assembly is in session, the President is satisfied that circumstances exist which render immediate action necessary, he may make and promulgate such Ordinances as the circumstances appear to him to require, and any Ordinance so made shall have the like force of law as an Act of Parliament." The President's powers in this respect would, however, be subject to the same restrictions as the power of Parliament to make laws, and any Ordinance made by him under this clause might be controlled or superseded by an Act of Parliament. Such an Ordinance must be laid before the National Assembly, and it would cease to operate after six weeks from the Assembly's next meeting, or if the Assembly passed a resolution expressly disapproving it.

The President could also, at any time when the National Assembly was dissolved, make and promulgate an Ordinance authorizing Federal expenditure if he was satisfied that circumstances existed which rendered such action necessary Any such Ordinance would have to be laid before the new National Assembly as soon as possible, subject to the usual procedure laid down for Finance Bills.

Finance Legislation. No tax would be levied for the purposes of the Federation except by or under the authority of an Act of Parliament All revenues received by the Federal Government, as well as the proceeds of loans or loan repayments, would be credited to the Federal Consolidated Fund, whilst all other public monies received by or on behalf of the Federal Government would be credited to the Public Account of the Federation

In respect of every financial year the President would "cause to be laid" before the National Assembly a statement of estimated Federal receipts and expenditure. The Assembly would have power to assent, reduce, or refuse to assent to any demands for grants, with the proviso, however, that expenditure charged upon the Federal Consolidated Fund might be discussed but would not be subject to the Assembly's vote. Expenditure of this kind was defined as including, *inter alia*, remuneration and expenses of the President, the judges of the Supreme Court, the members of the Federal Public Services Commission, the Comptroller and Auditor-General, the Election Commissioners and regional Election Commissioners, the Speaker and Deputy Speaker of the National Assembly, and the members of the Delimitation Commission, as well as the administrative expenses connected with these offices. It would also include all charges on the Federal debt.

The Provinces. Each Province would have a Governor who would be appointed or dismissed by the President. Any citizen of Pakistan aged 40 years or over would be eligible, with the proviso that no-one could hold a Governorship and be a member of the National or a Provincial Assembly at the same time. Each Province would have a Cabinet of Ministers, headed by a Chief Minister, whose functions and responsibility to the Provincial Assembly would correspond to those of the Federal Government to the National Assembly.

Each Provincial Assembly would have 300 members, plus another 10 seats reserved for women members for a 10-year period. The National Assembly might, by legislation, alter the total membership of the Provincial Assemblies, provided that the number of members of the Assemblies for East and West Pakistan would always remain equal. Until Oct. 14, 1965, the distribution of members in the Provincial Assembly of West Pakistan would be subject to the proviso that the former Province of Punjab would not have more than two-fifths of the total membership.

The Governor would have the same special legislative powers with regard to provincial legislation as those conferred on the President with regard to Federal Legislation.

Division of Powers. The Central Government would protect the Provinces against external aggression. The allocation of responsibilities between the Central and Provincial Governments would conform to the policy of provincial autonomy, whilst vesting in the Central Government responsibility for matters of national interest. Railways would become a provincial responsibility. The fifth Schedule accordingly divided the principal subjects as follows:

Federal List.

(1) Defence and defence forces, defence industries; nuclear energy and mineral resources necessary for its production; armaments manufacture.

(2) Foreign affairs, including diplomatic, consular and trade representation, international organizations, decisions on war and peace, and the making and implementation of treaties, conventions, declarations, and other agreements with foreign countries; foreign and extra-territorial jurisdiction; offences against the laws of nations, Admiralty jurisdiction; piracy and offences committed on the high seas and in the air; admission into and emigration and expulsion from Pakistan, extradition, passports, visas, pilgrimages abroad and by foreigners to places in Pakistan, quarantine.

(3) Citizenship, naturalization, and aliens

(4) Inter-provincial and foreign trade and Customs matters.

(5) Currency, foreign exchange, the State Bank of Pakistan, and banking (excluding co-operative banking) not confined to one Province

(6) Federal public debt and foreign loans

(7) Stock Exchanges and futures markets not confined to one Province

(8) Insurance and Company Law for companies whose activities were not confined to one Province

(9) Copyright, patents, designs, inventions, trade and merchandise marks, and export standards

(10) Standards of weight and measure.

(11) Navigation and shipping, including coastal shipping unless confined to one Province, airways, aerodromes, aircraft and air navigation, lighthouses, etc

(12) Major ports, fishing, and fisheries outside territorial waters.

(13) Posts and telecommunications, including broadcasting and television

(14) Industries owned wholly or in part by the Federation or a federally-owned corporation.

(15) Mineral oil and natural gas

(16) Constitution, organization, jurisdiction and powers of the Supreme Court

(17) Elections to the National Assembly, the Provincial Assemblies, and to the office of President, and the Election Commission.

(18) Central intelligence and investigating organization, preventive detention for reasons connected with defence, foreign affairs, or the security of Pakistan.

(19) Census affairs, the Survey of Pakistan, geological surveys, and meteorological organizations

(20) Federal property and its revenues

(21) Federal agencies and institutions for the promotion of special studies and research, federally-financed libraries and museums

(22) Federal Services, the Federal Public Service Commission, and Federal pensions.

(23) Remuneration of the President, of members of the Federal Government, of members of the National Assembly, including the Speaker and Deputy Speaker, and of the Comptroller and Auditor-General, the Attorney-General, and the Provincial Governors.

(24) Privileges and immunities of the President and Governors.

(25) Powers, privileges and immunities of the National Assembly and its members.

(26) Customs and Excise duties, corporation taxes, taxes on income other than agricultural income, estate and succession duties (excluding agricultural land), taxes on capital (excluding agricultural land), sales and purchases, mineral oil and natural gas, sea and air fares and freights.

(27) Jurisdiction and powers of all courts (except the Supreme Court), and offences against laws, with respect to any of the matters in the Federal list.

(28) All matters within the legislative competence of Parliament under the present Constitution, and matters incidental thereto.

Concurrent List

(1) Civil and criminal law, including the law of procedure, marriage and divorce, minors and infants, adoption and family, succession by inheritance and transfer of property (excluding agricultural land); registration of deeds and documents; arbitration; contract; partnership; agency; bankruptcy and insolvency; actionable wrongs; legal and medical professions; contempt of court; trusts and official trustees

(2) Scientific and industrial research

(3) Poisons and dangerous drugs.

(4) Newspapers, books, printed publications, and printing presses.

(5) Relations between employers and employees, trade unions, industrial and labour disputes, labour welfare, provident funds, employers' liability, workmen's compensation, invalidity and old-age pensions, maternity benefits, vocational and technical training, social security and social insurance

(6) Measures to combat corruption

(7) Price control

(8) Relief and rehabilitation of refugees and the custody, management, and disposal of evacuee property.

(9) Economic and social planning.

(10) Commercial and industrial monopolies, combines, and trusts.

(11) Inter-provincial migration and quarantine.

(12) Iron, steel, coal, and mineral products (excluding mineral oil and natural gas).

(13) Banking, insurance, and corporations not falling under the Federal list

(14) Stock Exchanges and futures markets not falling under the Federal list.

(15) Ancient and historial monuments of national importance.

(16) Arms, ammunition, and explosives not falling under the Federal list.

(17) Jurisdiction and powers of all courts (except the Supreme Court), and offences against laws, with respect to any of the matters in the Concurrent List.

Provincial List.

This included, *inter alia*, public order; administration of justice and the constitution and organization of all courts except the Supreme Court; police, preventive detention for reasons connected with the maintenance of public order, prisons, land, including land tenures, transfer, alienation, and devolution of agricultural land, land improvement, agricultural loans, and colonization; Company Law as far as it was not within the competence of the Federation; literary, scientific, religious, and other societies and associations; co-operative societies, land revenue; compulsory acquisition or requisitioning of property; agriculture, including agricultural education and research; protection against pests and plant diseases; local government; livestock and prevention of animal diseases; water supplies, irrigation, storage, and flood control; education, including universities, technical education, and professional training; libraries; theatres, cinemas, sport, entertainments; film censorship; public health and sanitation, hospitals and dispensaries; registration of births and deaths; railways; communications (roads, bridges, ferries, inland waterways, etc.) not specified in the Federal List; shipping and navigation on tidal waters, and coastal shipping along Provincial seacoasts · smaller ports; vehicles; relief of the disabled and unemployed; intoxicating liquors; opium; industries; internal provincial trade and commerce; production, manufacture, supply and distribution of goods; weights and measures (except establishment of standards); salt manufacture, supply and distribution; money-lending; forests; protection of wild animals and birds and prevention of cruelty to animals; foodstuffs control, lotteries, betting, and gambling; fisheries; electricity and gas, professions; charities and charitable and religious endowments; *waqfs* and mosques, orphanages and almshouses; various taxes, duties, and estate duties in respect of agricultural land and income, taxes on mineral rights (as far as not regulated by the Federation) and certain other Excise duties and taxes.

Emergency Provisions. "If the President is satisfied that a grave emergency exists in which the security or economic life of Pakistan, or any part thereof, is threatened by war or external aggression, or by internal disturbance beyond the power of a Provincial Government to control, he may issue a Proclamation of emergency . . ." (Article 191, Section 1).

While such a Proclamation was in operation, (*a*) Parliament would have power to make laws for a Province or any part of it, with respect to any matter outside the Federal or the Concurrent Lists, (*b*) the executive authority of the Federation would extend to giving directions to a Province as to the manner in which the executive authority of that Province was to be exercised; and (*c*) the President might, by Order, assume to himself, or direct the Governor of a Province to assume on his behalf, all or any of the functions of the Provincial Government, and all or any of the powers vested in, or exercisable by, any body or authority in the Province other than the Provincial Legislature. He might also make such incidental and consequential provisions as appeared to him to be necessary or desirable for giving effect to the objects of the Proclamation, including provisions for suspending, in whole or in part, the operation of any provisions of the Constitution relating to any body or authority in the Province, except those relating to the High Court (Article 191, Section 2).

The powers of a Provincial Legislature to make laws which under the Constitution it had power to make would be unimpaired, but any provisions of a Provincial law repugnant to any provision of a Federal law made under this Article would be void so long as the Federal law continued to have effect (Article 191, Section 3).

Any law made by Parliament under (*a*) above would cease to have effect six months after the President's Proclamation had ceased to operate (Article 191 Section 5).

A Presidential Proclamation must be laid before the National Assembly "as soon as conditions make it practicable for the President to summon that Assembly"; if approved by the Assembly it would remain in force until it was revoked, but if disapproved it would cease to operate immediately (Article 191, Section 6).

A Proclamation declaring that the security of Pakistan or any part thereof was threatened by war or external aggression might be made before the actual occurrence of war or any such aggression if the President was satisfied "that there is imminent danger thereof" (Article 191, Section 7).

While a Proclamation of emergency was in operation, the President might, by Order, declare that the right to apply to any court for the enforcement of such fundamental rights as might be specified in the Order, as well as any proceedings already pending for the enforcement of such rights, should remain suspended for the period during which the Proclamation was in force but every Order so made "shall, as soon as may be, be laid before the National Assembly" (Article 192).

"If the President, on receipt of a report from the Governor of a Province, is satisfied that a situation has arisen in which the Government of the Province cannot be carried on in accordance with the provisions of the Constitution, the President may by Proclamation—(*a*) assume to himself, or direct the Governor of the Province to assume on behalf of the President, all or any of the functions of the Government of the Province, and all or any of the powers vested in, or exercisable by, any body or authority in the Province, other than the Provincial Legislature; (*b*) declare that the powers of the Provincial Legislature shall be exercisable by, or under the authority of, Parliament; (*c*) make such incidental and consequential provisions as appear to the President to be necessary or desirable for giving effect to the objects of the Proclamation, including provisions for suspending, in whole or in part, the operation of any provisions of the Constitution relating to any body or authority in the Province" The powers of the High Court of the Province and the operation of any Constitutional provisions relating to the High Courts would, however, remain unaffected (Article 193, Section 1).

A Proclamation under this Article must be laid before the National Assembly and would cease to operate after two months unless approved by the Assembly within that period; by an Assembly resolution it might be extended for up to another four months, but no Proclamation would in any case remain in force for more than six months. Nevertheless, if such a Proclamation was issued "at a time when the National Assembly stands dissolved, or if the dissolution of the National Assembly takes place during the period of two months referred to in this clause," the Proclamation would cease to operate after 30 days from the first meeting of the new National Assembly, unless approved by it within that period (Article 193, Section 2).

If a Proclamation had declared that the powers of the Provincial Legislature should be exercisable by or under the authority of Parliament, the latter might confer on the President the power of the Provincial Legislature to make laws, but any such laws would cease to have effect six months after the Proclamation had ceased to operate. Under such a Proclamation the President would also have emergency power to confer powers or impose duties on the Federation, and to authorize expenditure in the Province, and the National Assembly would be competent to sanction such expenditure (Article 193, Sections 3 and 4).

"If the President is satisfied that a situation has arisen whereby the financial stability or credit of Pakistan, or any part thereof, is threatened, he may, after consultation with the Governors of the Provinces or with the Governor of the Province concerned . . . . by Proclamation make a declaration to that effect, and while such a Proclamation is in operation the executive authority of the Federation shall extend to the giving of directions to any Province to observe such principles of financial propriety as may be specified . . . and to the giving of such other directions as the President may deem necessary for the financial stability or credit of Pakistan, or any part thereof" Any such directions might include provisions requiring salary reductions for Provincial Civil Servants and employees, and the President might also issue directions for salary reductions of Federal Civil Servants and employees, including judges. Any such Proclamation would be subject to the provisions of Clause 2 of Article 193 as to the period of its operation (Article 194).

The validity of any Proclamation issued, or Order made, under any of the aforementioned provisions might not be questioned in any court (Article 195).

Parliament would be free to make any law indemnifying any person, including Federal or Provincial Government employees, in respect of any act done in connexion with the maintenance or restoration of order in any area where martial law was in force, or validating any sentence, punishment, forfeiture, etc., under martial law (Article 196).

Inter-Provincial Council. With the consent of the Governors of the Provinces, the President might establish an Inter-Provincial Council if at any time it appeared to him that this would serve the public interest. The Council would be charged with the duty of (*a*) investigating and discussing subjects in which the Provinces, or the Federation, and one or both of the Provinces, had a common interest; or (*b*) making recommendations on any such subject, and in particular for the better co-ordination of policy and action in that respect (Article 130).

Federal Capital. Its administration would be vested in the President, who would, by Order, make provision for its government and administration, the laws to be enforced in it, expenditure from Federal revenues for it, etc. Parliament would have power to make laws for the Federal capital with respect to matters enumerated in the Provincial List, as well as matters (other than those relating to the High Courts) not listed in the Fifth Schedule.

Scheduled Castes and Backward Classes. The Federal and Provincial Governments would promote, with special care, the educational and economic interests of the Scheduled Castes and backward classes in Pakistan, and would protect them from social injustice and exploitation (Article 205). The President might appoint a commission to investigate their conditions and make recommendations for their improvement; he would also appoint a Special Officer for the Scheduled Castes and backward classes to investigate matters relating to the safeguards provided for them, to investigate the implementation of any recommendations by the aforementioned commission, and to report to the President.

Judiciary. There would be a Supreme Court consisting of a Chief Justice and not more than six other judges, and a High Court for each Province The Supreme Court would sit in Karachi and at such other place as the Chief Justice of Pakistan might, with the President's approval, from time to time appoint, but it would sit in Dacca (East Pakistan) at least twice a year.

Kashmir. The people of Kashmir, if they decided to accede to Pakistan, would be free to determine the relationship between Kashmir and the Republic of Pakistan (Article 203).

Language. The official languages of Pakistan would be Urdu (the language predominantly spoken in West Pakistan) and Bengali (the language of East Pakistan). English would also continue to be used for all official purposes for 20 years, but Provincial Governments

might replace English by one of the State languages before the end of this period. Measures would be taken for the development of one national language for Pakistan, and after 10 years the President would appoint a commission to make recommendations for the replacement of English.

Public Service Commission. An independent commission would be appointed by the President to ensure impartiality in recruitment to the Public Service

Amendment of the Constitution. The Constitution might be amended by an Act of Parliament passed by a majority of the Assembly's membership and a two-thirds majority of members present and voting The amendment of Articles dealing with the territories of the Federation, the composition of the National Assembly and Provincial Assemblies, the division of legislative competence between the Federation and the Provinces, and the composition and functions of the National Economic Council and the National Finance Commission, would also require the consent of the Provincial Assemblies before the President could give his assent (Article 216)

The draft Constitution, as published, represented a compromise between the two Government parties—the Moslem League and the United Front. The recognition of Bengali as an official language, and the establishment of a National Economic Council, had been demanded by the United Front, which, in return for these concessions, had abandoned its demand for full provincial autonomy and the limitation of the Centre's powers to the spheres of defence, foreign affairs, and currency. No agreement was reached, however, on the question of joint electorates, which was demanded by the majority of the United Front, the East Pakistan Awami League, and the Hindu community, but was opposed by the Moslem League and also by the *Nizam-e-Islam*, one of the constituent parties of the United Front. The clauses declaring Pakistan an Islamic Republic and excluding non-Moslems from the office of President encountered strong opposition from the Pakistan Congress and the United Progressive Party (two Hindu organizations supporting the United Front). The East Pakistan Awami League criticized the powers granted to the President, and demanded full regional autonomy for the Provinces.

The draft Constitution was submitted to the Constituent Assembly on Jan. 9 by Mr. Chundrigar, the Law Minister.

Mr. Chundrigar gave an assurance that the Islamic provisions would in no way deprive non-Moslems of their fundamental rights under the Constitution, which made extensive provisions for safeguarding and promoting their religions and cultures

During the general debate on the Bill, which continued from Jan 16 to Feb. 1, Mr. Chundrigar again defended the Islamic provisions, which had been strongly criticized by Hindu spokesmen. Denying that the clause requiring the President to be a Moslem deprived the minorities of any substantial right, he pointed out that in England the Sovereign must belong to the Church of England, and that the Head of the State was required to hold certain religious beliefs in Norway, Sweden, Spain, Greece, and some Latin American countries. All other offices, including that of Prime Minister, were open to the minorities. The description of Pakistan as an "Islamic Republic" was justified as 87 per cent of the population were Moslems.

Mr. Zahiruddin (Awami League) maintained that the clause dealing with the President was neither democratic nor truly Islamic, as it sought to distinguish and discriminate between citizens of Pakistan. He also pointed to the practical difficulties of interpretation, recalling that in a well-known case eight learned theologians had each given a different definition of a Moslem, and that some Islamic sects did not regard the others as Moslems. If this clause were adopted, it might lead to sharp differences which would ultimately result in Pakistan's disintegration.

Pir Ali Mohammed Rashdi (Moslem League), the Minister of Information, opposed Opposition motions for circulating the Bill to elicit public opinion and for referring it to a Select Committee. He said that the consensus of opinion was that Pakistan must have a Constitution as quickly as possible; all schools of thought had amply expressed themselves during the past eight years, and no document or decision had evoked so much enthusiasm or so little opposition as the draft Constitution.

Mr. Biswas (United Front), the Minister of Food and Agriculture, pointed out that as the membership of the Assembly was to be equally divided between East and West Pakistan, there could be no apprehension that one wing would do injustice to the other. East Pakistan had been given the maximum degree of autonomy consistent with the country's safety, and if, after deliberation, the country thought there was reason for doing more, the Government would not hesitate to do justice.

Mr. Dutta, the Hindu leader of the United Progressive Party, also expressed approval of the Constitution, which, he said, gave ultimate power to the people and effective authority to the Legislature, whilst limiting the power of the Executive.

Chaudhri Mohammad Ali, the Prime Minister, recalled that the object of the Pakistan movement had been, in the words of the late Mr. Jinnah, "that we should have a State in which we could live and breathe as free men and in which we could develop according to our own way of life and culture, and wherein the principles of Islamic social justice could find free play." It was an essential part of the faith of the Moslems of Pakistan that non-Moslems should be equally free to develop their culture and to practise and propagate their religion, and should be equal and honoured citizens. To realize these aims, West and East Pakistan must be welded into an indivisible whole, since any attempt to create misunderstanding between them endangered the integrity of the State The dictates of geography made a federal Constitution and the maximum of provincial autonomy inevitable, but provincial autonomy had to be consistent with the country's integrity, security, and stability. No Constitution was perfect, and they had tried to make the procedure for its amendment simple, easy, and flexible.

The Assembly unanimously adopted the motion for consideration of the Bill on Feb. 1, and began the second reading [corresponding to the committee stage in the British House of Commons] on Feb. 3. During this stage the following amendments were adopted:

(1) The President and the Provincial Governors, who under the draft Constitution had been empowered to dissolve the National Assembly and the Provincial Assemblies respectively at their discretion, could only exercise these powers on the advice of the appropriate Ministers

(2) The clause in the draft Constitution providing for a Vice-President was suppressed, and the Speaker was empowered to act as Head of State in the absence of a President.

(3) The Provincial High Courts, in addition to the Supreme Court, were empowered to issue writs for the enforcement of fundamental rights

The Bill passed its second reading on Feb. 28. During the third reading debate on the following day, 20 Awami League and Pakistan Congress members from East Pakistan walked out as a protest against the Islamic provisions of the Constitution and its failure to accord full provincial autonomy to East Pakistan. The Bill was consequently adopted without a division, and received the Governor-General's assent on March 2.

The Assembly adopted on March 2, by 42 votes to two, a resolution ratifying the declaration on Pakistan's continued membership of the British Commonwealth as a republic which had been issued on Feb. 5, 1955, by the Commonwealth Prime Ministers' Conference (see 14038 A).

In moving this resolution, **Chaudhri Mohammad Ali** pointed out that the declaration was almost identical in substance with that made by India. Pakistan accepted the Queen, "not as our Sovereign but as the symbol of the free association of the Commonwealth," and this did not involve any derogation of Pakistan's sovereignty. Membership of the Commonwealth was in the enlightened self-interest of Pakistan, and by retaining it Pakistan would contribute to world peace. The resolution was supported by **Dr. Khan Sahib** (Chief Minister of West Pakistan), who recalled that he himself had "fought against British imperialism all his life," as well as by **Mr. Suhrawardy** (Leader of the Opposition) and **Mr. Firoz Khan Noon** (Independent). The two dissentient votes were cast by **Mr. Mahmud Ali** (East Pakistan Democratic Party) and **Mr. Iftikharuddin** (Azad Pakistan Party) The members of the Awami League, except Mr. Suhrawardy, did not take part in the vote.

Major-General Mirza was elected Provisional President by the Constituent Assembly on March 5, without opposition. His nomination was put forward by 50 members, including Chaudhri Mohammad Ali (the Prime Minister), the Minister of the Interior (Mr. Fazlul Huq), the Governor of West Pakistan (Mr. Gurmani), the Chief Minister of West Pakistan (Dr. Khan Sahib), and three Hindu members. The election was boycotted by the 20 members who had walked out on Feb. 29.

The Islamic Republic of Pakistan formally came into existence on March 23, when President Mirza took the oath of office in Karachi from the Chief Justice, Mr. Mohammad Munir. The day was observed as a public holiday under the name of Constitution Day, and the anniversary will be similarly observed every year under the name of Republic Day.

In a message to President Mirza, H.M. Queen Elizabeth II expressed her warmest wishes for the peace and prosperity of the Islamic Republic of Pakistan, and her satisfaction that Pakistan intended to remain within the Commonwealth

Prior to these developments, the Constituent Assembly had taken several important decisions in recent months—notably the repeal of Section 92A of the Government of India Act and its replacement by a new Section 93, limiting the Governor-General's emergency powers (Oct. 5, 1955); provisions for the government and administration of the Federal Capital (Oct. 8); the appointment of a nine-man Committee of Privileges (Oct. 12); the reduction of the Assembly's quorum from one-third to one-quarter of its membership (Nov. 7); and the decision that the Speaker and Deputy Speaker should continue to preside over the House when it met as a Federal Legislature (Nov. 29). In response to the demand of East Pakistan members, the Speaker announced on Oct. 12, 1955, that Bengali would henceforth be one of the official languages permissible for use in the Assembly, in addition to Urdu and English.—(Constitution of the Islamic Republic of Pakistan - Pakistan High Commissioner's Office, London - Dawn, Karachi)

(Prev. rep. 14371 A; 14341 A.)

A. UNITED KINGDOM. — Defence Estimates, 1956-57. - House of Commons Debate on Defence Policy. - Appointment of Independent Chairman of Chiefs of Staff Committee and C.-in-C., U.K. Land Forces. - New Powers for Minister of Defence. - Child Education Allowances for Regular Members of the Forces.

The Government's Defence Estimates for 1956-57, providing for a gross expenditure of £1,548,700,000, or £11,500,000 more than the gross Estimates for 1955-56, were published as a White Paper (Cmd. 9691) on Feb. 21. The 1956-57 total included £50,000,000 to be covered by U.S. Defence Aid; allowing for this, the net expenditure was £1,498,700,000.

The U.S Aid was allotted as follows: Defence Support Aid, £3,500,000 (Navy £1,500,000, Army £2,000,000); Agricultural Commodity Aid, £8,500,000 (Navy £3,500,000, Army £5,000,000), Special Aircraft Purchase (R A F), £12,500,000; Additional R.A F. Programme, £25,500,000

Detailed estimates of expenditure were as follows (1955-56 estimates shown for comparison):

	Excluding receipts from U S. Aid £ million		Including receipts from U S. Aid £ million	
	1956-57	1955-56	1956-57	1955-56
Admiralty	351 0	347.0	346.0	340.5
War Office	479 0	484.0	472.0	474.0
Air Ministry	517 5	540 4	497.5	513.9
Ministry of Supply	185.0	147 5	185.0	147.5
Ministry of Defence	16 2	18.3	16.2	18.3
	1,548.7	1,537 2	1,498 7	1,494.2

A summary of the White Paper on Defence is given below under cross-headings:

Political and Strategic Factors. The hopes entertained last summer of a relaxation in international tension had not been realized, and the Foreign Ministers' Conference in October had made it clear that, for the present at least, there was no change in Soviet long-term aims at world domination. Meanwhile the Soviet Government's interventions had threatened the stability of the Middle East, sown mistrust between peoples, and lent support to revolutionary movements throughout the world. In these circumstances, it remained necessary for the Western Powers to hold their own by their defensive strength until a true understanding of Western policies had made its impact upon the Soviet people

The increased power of the deterrent to war—i.e. the nuclear weapon and the means of delivering it, to both of which Britain had already begun to make a "substantial contribution"—had made global war "more frightening and less likely," and the Government believed that it could be prevented, given the continued growth of NATO defensive power. But apart from global war Britain had to be prepared for the continuance of the cold war—the constant and world-wide threat of Communist penetration short of direct military aggression—and for the outbreak of localized conflicts on a scale short of global war, but in which the possible use of nuclear weapons could not be excluded.

If, nevertheless, global war should break out, its course would be unpredictable after the initial intense phase Forces must accordingly be flexible, mobile, well-trained and equipped, versatile, and ready for immediate action, as it would no longer be possible to rely on meeting needs for men or munitions by mechanizing reserves of untrained manpower or of industrial capacity. In home defence, the emphasis must be on planning and research and on measures to secure full co-operation between the military and civil authorities, new techniques must be developed and an organization created which could be readily expanded or adapted as changes in the international situation or the development of new weapons might require.

The forces required to support Britain's present strategy had therefore four roles to fulfil:

(1) To make a contribution to the "Allied deterrent" commensurate with Britain's standing as a world Power; this meant not only building up and maintaining a nuclear stockpile and the means of delivery, but also contributing to the maintenance of NATO's defensive effort by land, sea, and air

(2) To play their part in the cold war, and by their mere presence to contribute to the stability of the free world and the security of overseas territories whose peaceful development might be threatened by subversion.

(3) To be capable of dealing with outbreaks of limited war should these occur.

(4) To be able to play their part in global war should it break out, including support to the civil authorities

Economic Factors. The burden of defence, however, could not be allowed to increase so as to endanger the country's economic future Apart from the effect of high defence expenditure upon the general level of taxation, heavy defence production placed a serious drain on the metal and metal-using industries, which supplied about half the country's exports and played a vital role in strengthening the balance-of-payments position. The maintenance of large British forces overseas also involved a heavy direct charge on the balance of payments, whilst the size of the forces as a whole inevitably affected the manpower available for civil industry. Moreover, the continually increasing cost of new weapons meant that if the forces were maintained at their present level there would be a steeply rising curve of expenditure.

One consequence of equipping the forces with the new weapons made necessary by strategic developments was a decline in their numbers, as forecast by the Prime Minister in October (see 14493 A). This concept of smaller and better-equipped forces placed a premium upon the highly-skilled long-service Regular, since—quite apart from the advantages of a predominantly long-service force in terms of stability and morale—the newer weapons would demand increasingly high standards of training and maintenance The Government had therefore decided to introduce substantial improvements in Service pay and inducements, and hoped that these increases would produce a marked improvement in Regular recruiting, especially for long-service engagements

Reserve Forces. The new concept also involved a shift of emphasis in reserve planning, the two main requirements being (1) a number of trained reservists capable of reinforcing special areas, units, or ships, at very short notice; (2) a larger number to act initially in defence of the country in the event of global war, and to come to the help of the civilian population.

Review of the Future Role of the Services. Against this background the Government had been engaged in a review of the probable development of the Services over the next seven years in order (1) to ensure that they conformed to the needs of the new strategic situation and that the reduction in manpower was achieved with the least military risk, (2) to provide for the Services reasonably long-term plans on which their production, training, and building programmes could be based, and to make certain that the cost of defence, in terms of manpower, materials, and money, did not overload the economy. The Research and Development programme was also being examined to ensure a proper balance between the resources available and the projects to which the highest priority should be attached.

The general implications of the new strategic situation for each Service were as follows.

The *Navy* would maintain an effective fleet capable of supporting Britain's influence and interests as a world-wide Power and as a member of the Commonwealth and NATO The further development of new weapons and techniques should enable it to strike whatever might threaten the country by sea, either in limited or global war.

The *Army* would primarily be organized to enable it to bring force to bear quickly in "cold" or limited war. Balanced forces must be retained overseas to meet "cold war" requirements and hold the line until reinforced if limited war should break out Strategic reserves must be maintained and must be capable of rapid transportation to the scene of trouble for limited war tasks British formations in Germany must be reorganized to make them capable of giving the best account of themselves should global war break out, whilst units in the United Kingdom must be available for all forms of home defence.

The *R.A.F.* would provide Britain's contribution to the nuclear deterrent in the shape of strategic weapons and a nuclear bomber force capable of delivering them. New and improved aircraft and equipment would be introduced into the country's air defences as they became available, but planning was complicated by the need to balance the importance of continued development in manned fighter defences against the necessity of making resources available for the development of a guided-weapons system. Tactical air forces in Germany would continue to contribute to NATO defence, but the primary consideration in planning the air forces, both for combat and transport, would be their contribution to "cold" and limited war.

The chief task in home defence would be to continue preparations for minimizing losses and casualties by developing an evacuation plan, an effective fall-out warning and monitoring system, and methods of reducing disorganization after thermo-nuclear attack.

Disarmament. Whilst the Government's ultimate goal remained the conclusion of a comprehensive and world-wide disarmament agreement, covering both conventional and nuclear armaments, this could not be put into effect until adequate methods of control and supervision had been agreed upon In 1955 it had become widely apparent that no method yet existed of guaranteeing the elimination of stockpiles of nuclear weapons or completely controlling the production of potentially dangerous fissile material. The Government had therefore been considering the possibility of concluding an agreement which would allow of a first instalment of disarmament without delay. At the tenth session of the U N General Assembly, therefore, Britain had joined in sponsoring a motion calling for early agreement on "such measures of adequately safeguarded disarmament as are now feasible" (see 14667 A) In this connexion the White Paper stressed that since increased confidence was a pre-requisite of any large-scale disarmament, it followed that the adoption of "even a modest degree of disarmament related to conventional weapons," coupled with appropriate measures for control, including aerial inspection, should "create an atmosphere in which bolder advances could follow."

The Programmes of the Services. (*a*) *Royal Navy.* The new construction and modernization programmes included provision for the adaptation of existing aircraft-carriers to the operation of modern types of aircraft, and guided missiles would be installed in all new cruisers and destroyers. As the submarine threat was far greater than ever before, great attention was being paid to building anti-submarine ships and aircraft and to developing anti-submarine helicopters. It was also planned to replace the Navy's own submarine forces by vessels of considerably higher performance; meanwhile research continued into new means of propulsion, including the use of nuclear power.

As regards the Reserve Fleet, a survey had been completed and it was planned to keep in it only ships capable of fighting effectively in a modern sea war, and to dispose of all obsolete vessels. The structure of the Navy's shore support was also being examined to ensure that it met the changed requirements of the active and reserve fleets.

(*b*) *Army.* A large part of the manpower reduction would of necessity fall on the Army, and would include reductions in establishments, training staffs, and administration and supporting units. In conformity with the new concept of flexibility, the Army must also be able to adapt itself to either global or limited war conditions, and extensive trials had taken place in Germany to determine the best organization for a nuclear war. These had shown that the infantry division could be given more weight over a wider front by integrating armour with the infantry brigade and adding medium artillery. The present form of the armoured division would be changed to make it more mobile and flexible by reducing the number of supporting units to the minimum. The same principle of maximum flexibility was being applied to the re-equipment programme, and the range of arms held by units would be simplified and reduced and effectiveness progressively increased. Meanwhile, the Army would receive supplies of the U.S. *Corporal* guided weapon in 1956 (see 13786 A). Together with the R.A.F. it was carrying out experiments to determine how far helicopters or other aircraft able to land and take off in confined spaces would help to solve the Army's problems of greater flexibility and mobility.

The redeployment of forces from the Canal Zone had made it possible to progress with the build-up of the Strategic Reserve in Britain, but its strength would depend from time to time on variations in British commitments overseas. The major organization of the Reserve and Territorial Armies announced on Dec. 20, 1955 (see 14676 A) was now under way.

(*c*) *R.A.F.* The primary task continued to be the build-up of the V-Bomber force, and the first V-Bomber, the *Valiant*, was now in service and would be followed during 1956-57 by the *Vulcan*. For some time to come manned fighters would remain the backbone of the Air Defence system, and the fire power and lethality of fighter aircraft would be markedly increased by equipping them with air-to-air guided missiles, the first of these fighters—a special mark of the *Swift*—would become available during 1956-57. Surface-to-air guided weapons, however, might in time well play a predominant part in air defence, and a production order for them had been placed for trials with the air defence system. Owing to the wide area of destruction with nuclear weapons, close defence of vulnerable areas was an outmoded concept, and the aim was a guided weapons system which could break up enemy attacks before they penetrated across the coastline, and which could be integrated with the fighter defences. Considerable advances had been made during the past year in introducing new equipment and in linking the radar defence system with similar Continental systems.

Manpower. The estimated total strength of the Forces at April 1, 1956, and April 1, 1957, compared with the actual strength at April 1, 1955, was shown as follows:

	April 1, 1955 (Actual)	April 1, 1956 (Estimated)	April 1, 1957 (Estimated)
Regulars	518,119	465,500	464,600
National Servicemen .	284,954	289,100	253,400
Women's Services ..	20,557	17,400	17,000
Total . ..	823,630	772,000	735,000

The apportionment of the male Regular strength (officers and men) between the three Services was as follows:

	April 1, 1955 (Actual)	April 1, 1956 (Estimated)	April 1, 1957 (Estimated)
Royal Navy	114,200	106,500	104,800
Army	223,800	196,400	192,000
R.A.F. . ..	180,100	162,600	167,800
Total . ..	518,100	465,500	464,600

Regular Recruitment. Actual recruitment to the three Services in 1954-55, and estimated figures for 1955-56 and 1956-57 (excluding the Women's Services) are shown in the following table:

	1954-55 (Actual)	1955-56 (Estimated)	1956-57 (Estimated)
Navy	7,700	7,500	9,000
Army	38,900	34,000	42,000
R.A.F.	26,100	21,000	30,000
Total	72,700	62,500	81,000

The White Paper pointed out that Regular recruiting—largely of men on short-term engagements—had fallen from the post-war peak of 100,000 in 1952-53 to an estimated 62,500 in 1955-56, and stressed the necessity of increasing the number of long-service recruits and of persuading those already serving to prolong their service. The new proposals on pay and inducements, coupled with changes in the present system of engagements, had been designed specifically to attract additional Regular recruits and strengthen the long-service element in all three Services, thus getting nearer the manpower structures of the forces which obtained between the wars. If the structural changes which were the main objects of the pay changes could be effected, many manpower problems would become easier, and the day would be brought nearer when increased reliance upon strong and efficient Regular forces would permit an easing of the burden of National Service.

National Service. Requirements in 1956-57 would be about 162,000 men (Royal Navy 4,000, Army 106,000, R.A.F. 52,000).

Reserve and Auxiliary Forces. The strength of the reserve and auxiliary forces, including part-time National Servicemen, had decreased slightly during 1955 from about 647,000 on Jan. 1 to 624,000 on Dec. 31. The number of volunteers had also decreased from 117,000 to 110,000. The total number of National Service reservists remained throughout the year at about 530,000. The White Paper called attention to the "disturbing drop" in the number of National Servicemen volunteering for the reserve and auxiliary forces.

Colonial Forces. Seven battalions of the Malay Regiment, one battalion of the Federation Regiment, a battalion each from Central Africa and from Fiji, as well as the Royal Malayan Navy and the R.A.F. Regiment (Malaya), were still actively engaged against the Malayan terrorists. Seven battalions of the King's African Rifles were in East Africa—five in Kenya, one in Uganda, and one providing the garrisons of Tanganyika and Mauritius. The Kenya Regiment and the East African Independent Reconnaissance Squadron continued to serve in Kenya.

The present strength of the armed forces raised by the Colonial territories was about 42,000, in addition to about 16,000 Colonial personnel enlisted in the U.K. forces. The number of U.K. officers and n.c.o.s attached to Colonial units was about 4,000.

Research and Development. Increased financial provision would be made in 1956-57 for research work on the complex new weapons required by modern warfare, whilst some research and development must continue on conventional weapons which would still be used in many circumstances. At the same time, a number of new and technically very complex projects—especially those associated with the "deterrent"—would make increasingly heavy demands on resources. The programme was being kept under review in order to maintain the right balance between newer and older projects and to ensure the deployment of the research and development effort to the best advantage.

A further series of tests of nuclear weapons would be held in 1956, the first in the spring in the Monte Bello Islands, and the second later in the year at Maralinga, South Australia (see 14141 B). Particular emphasis was being placed on the development of the ballistic rocket as a deterrent to aggression, whilst progress continued to be made in the development of guided missiles for each of the Services. The number of trial firings in Britain and at the Weapon Research Establishment at Woomera (Australia) was increasing steadily, and encouraging successes had been obtained with both air-to-air and surface-to-air weapons (see 14735 B).

As regards aircraft development, the *Victor* bomber had reached an advanced stage and the development was in hand of later versions of the *Vulcan* and *Victor*, incorporating more powerful engines giving increased height and range. In the fighter category, the first mark of the *Javelin* had been given clearance for delivery to the R.A.F., and development work on later marks continued; development of the English Electric *P.1* was also proceeding satisfactorily. Increased effort was also being devoted to the solution of the problems of flight at high supersonic speeds, including problems of take-off from, and landing on, existing airfields and carriers. Different methods of achieving vertical or near-vertical take-off and landing were also being explored. In the field of naval aircraft, the first prototype of the new day fighter-strike aircraft, the *N.113*, had flown successfully, and would be followed into service by an all-weather fighter, the *D.H 110*, and by a strike aircraft of advanced design.

In regard to naval developments, two experimental high-speed submarines should be completed during 1956-57, and considerable advances had been made in increasing the range of under-water detection equipment. The guided weapons trial ship would begin work in the summer of 1956, and plans for the first operational ship to use guided weapons as its main armament were going ahead.

As to Army weapons and equipment, continued attention was being paid to developing weapons of greater mobility and fire-power; to transport problems and the improvement of methods for the rapid construction and repair of airfields; and to the design of vehicles with improved cross-country performance.

Close co-operation had continued with the U.S.A. (particularly on guided weapons) and with Commonwealth countries, this latter being maintained by organizational links with individual countries as well as by the Commonwealth Advisory Aeronautical Research Council and the Commonwealth Advisory Committee on Defence Science, which was currently meeting in Canada.

Production. The White Paper explained that Admiralty production expenditure for 1955-56 would be nearly as estimated, whilst underspending by the War Office had been small. Production for the Air Ministry, however, had been considerably lower than shown in the Estimates, partly through shortfalls in delivery, and partly owing to alterations in the production programme after the Estimates had been published (e.g. orders for some marks of the *Swift* had been cancelled, and the production programme for the *Javelin* re-phased to provide a better balance between the earlier and later marks). As a result, expenditure on the Air programme was expected to be greater in 1956-57 than in 1955-56. The main emphasis would continue to be placed on V-bombers and all-weather fighters.

Offshore Procurement. The value of new contracts placed in the U.K. in 1955 under the U.S. Offshore Procurement Programme was $33,000,000, bringing the total value of these contracts up to $683,000,000. The new contracts were for *Centurion* tanks, guns, vehicles, and miscellaneous articles of equipment.

U.S. and Canadian Military Aid. Further equipment, as well as aid for the expansion of ammunition production capacity, had been received from the U.S.A., whilst supplies of ammunition, propellants, and explosives had also been received under the Canadian Mutual Aid Programme

Home Defence. The White Paper stressed that "to give full protection to everyone from sickness or death from the hazard of radioactivity alone would involve physical preparation on a vast scale," and that, "whatever the preparations made, an attack on this country would involve loss of life and destruction on an unparallelled scale." Unduly heavy expenditure on purely defensive measures, therefore, by weakening Britain's economic strength and reducing the resources available for building up the strength of the deterrent, might very well work against the primary object of ensuring that global war was prevented.

Nevertheless, the Government's aim would be to take those precautions without which, should the worst happen, ordered society could not survive. The emphasis would be on (1) establishing a system of warning and monitoring of radio-active fall-out and an adequate system of control, through central and local government organs; (2) ensuring the availability of the necessary communications; (3) building up of local and national services trained and equipped to deal with casualties and to mitigate the other effects of thermo-nuclear attack; (4) revising evacuation plans; (5) securing the continued functioning of essential public services; (6) keeping the public fully informed of the dangers involved and of the steps which would be taken to meet them

Meanwhile the training of the members of the Civil Defence Corps and the Industrial Civil Defence Service had continued with increased emphasis on practical methods, and the formation had begun of the first 25 battalions of the Mobile Defence Corps (see 14089 A). The response to the call for volunteers to provide officers and n.c.o.s for the corps had been encouraging, the flow of National Servicemen to the battalions had started, and the strength of units would build up to a maximum in 3½ years' time. One month's training in rescue and ambulance duties was being given to selected National Servicemen towards the end of their whole-time service, with one 15-day camp during part-time service, and special training centres were being opened in various parts of the country.

It had been decided not to proceed with the raising of Mobile Defence Corps battalions for fire-fighting, and the planned strength of the Corps would be reduced in consequence from 48 battalions to 36, sustained by an annual intake of 7,500 men from the Army This would not, however, result in a reduction of the total number of Service reservists being trained for civil defence work, since the reduction in the strength of the Mobile Defence Corps would be offset by increasing from 10,000 to 15,000 a year the number of reservists made available by the Services for training in fire-fighting. Of these, the Army would provide 2,500 a year and the number of R.A.F Class "H" reservists would be increased to 12,500.

The first Home Office depot for training in fire-fighting, the White Paper continued, had been opened in July at Chorley (Lancs.), and by December 4,000 reservists had received their first period of two weeks' instruction. A second training depot would be opened in the summer of 1956 at Moreton-in-the-Marsh (Glos.), at which 15 days' more advanced instruction would be given to men who had completed their preliminary training. It was hoped to provide a third training depot early in 1957. In war, the bulk of the country's fire-fighting resources would be organized in mobile columns stationed outside the main built-up areas. Special types of equipment had been developed for these mobile formations and a Fire Service Tactical Training Centre had been established at Reigate (Surrey) at which selected firemen from brigades throughout Britain would be trained in operational techniques.

As regards evacuation, the Government had decided that first attention must be given to the evacuation of the "priority classes," including mothers, young children, and adolescents, and the aged and infirm. They therefore proposed to discuss with local authorities plans for the evacuation of these classes, including provisional conclusions reached on re-classifying the country into evacuation, neutral and reception areas. Considerable progress had been made in regard to the warning and monitoring of fall-out, and in the planning of a cable and ultra-high frequency radio network outside the main towns designed to ensure the maintenance of vital communications in the event of nuclear attack.

As to shelter in the event of nuclear war, full protection within a few miles of the ground burst of a megaton weapon was impracticable, but outside this range protection against blast and heat could be obtained from shelters similar to those used in the last war, provided that they could be occupied for periods of 48 hours or more. An ordinary brick dwelling house with 9-inch walls used to the best advantage would reduce gamma-ray radiation by about 20 times, and further protection could be obtained by thickening the existing walls and ceilings or roofs. The ideal, of course, would be a below-surface shelter, preferably inside the house, but to provide this degree of protection on a nation-wide scale would not be feasible. It was proposed to institute a survey, however, to determine how much shelter could be provided by adapting suitable accommodation for use as shelters, and what the cost would be.

Close attention was also being devoted by the Departments concerned to problems of dealing with casualties, the restoration of public utility services after attack, the reorganization of essential industry, and the provision of emergency facilities to replace those in existing major ports, which were likely targets for attack. Meanwhile, an appreciable strategic reserve of food already existed, and it was proposed to make substantial additions to it. Further progress had been made in arrangements for importing and distributing oil supplies and for acquiring a strategic reserve of oil. The strategic holdings of industrial raw materials, however, were already large, and could be run down to some extent without risk, and the Government had decided to make a start on this in 1956-57.

Finally, as regards finance, the White Paper explained that in 1956-57 about £45,000,000 would be provided for defence expenditure by Civil Departments (including loan expenditure by the Post Office), compared with £69,660,000 in 1955-56, of which it was estimated that only £50,000,000 would have been spent. The reduction in the amount for this purpose, as compared with the previous year, was accounted for chiefly by a curtailment of stockpiling, the amounts for expenditure on civil defence measures being kept at about the same level.

The Defence White Paper was debated by the House of Commons on Feb. 28-29.

House of Commons Debate.

Sir Walter Monckton (Minister of Defence), moving the adoption of the Estimates, stressed that Britain could not afford all the defence provision that might be thought to be militarily desirable, and that the problem was one of priorities. The Government had accordingly tried to foresee developments within the next seven years and had put forward plans which were flexible enough to permit of adjustments without drastic reorganization at every stage. After explaining the role of the Services as set out in the White Paper, and stating that the pay increases just introduced would cost an additional £67,000,000, Sir Walter said that it would be wrong to infer from the lower Air Estimates that there was to be any lowering of the priority accorded to the R.A.F. Of the £200,000,000 to be spent on research and development, most would go on development of aircraft, together with their equipment and armament, guided missiles and atomic weapons. It had been suggested that expenditure on research and development could be saved by closer co-operation with the U.S.A., but there was already a constant exchange of information between the two countries, especially with regard to guided missiles. It would be a mistake, however, to "roll British and American research and development programmes into one" and to divide the various tasks between the two countries, with complete exchange of information. Although in the case of ground-to-ground guided missiles Britain had deliberately stopped research and development at an early stage, and had decided to rely on the U.S. *Corporal* on the ground that the dollar expenditure involved would be justified by the saving in other ways, this would not be so in all cases

Some of the troubles encountered in the development of new weapons, Sir Walter continued, must be attributed to the overloading of resources. This was making itself particularly felt in aircraft development, and the remedy was to reduce the load, even if this meant taking risks Britain would have to be more selective in the re-equipment of her forces, and in some fields the Services might have to continue for longer than was desirable to use equipment which was not of the latest type. Although this was "a situation which it is not agreeable to have to accept," it was "better to take a deliberate decision to go forward with 10 projects and do them properly than make an unsuccessful attempt to cover 50."

Speaking of the "number of disappointments" which had been encountered in re-equipping the R.A.F. with new aircraft and equipment, and which had made it impossible for the R.A.F. to spend all its allocations under the 1955-56 Estimates, the Minister said that it had been suggested that it would have been more economical and efficient to produce one type of medium bomber only. To have relied solely on the successful development of one type, however, would have been an "unacceptable risk." The *Valiant*, already in service, was only an interim type, and although highly effective within its limits had never been intended as the final answer to operational requirements. Under the revised plan the R.A.F. would have fewer *Valiants* and a higher proportion of *Vulcans* and *Victors*, thus prolonging the operational effectiveness of the bomber force as a whole. Meanwhile the *Vulcan*—the first large delta-winged aircraft built by Britain—had fulfilled all hopes, whilst the new *Victor* had certain features which should make it even more effective than the *Vulcan* for certain operational roles. As regards fighters, the *Hunter* was "a robust aircraft with excellent flying qualities," well adapted for the job for which it was designed, the *Javelin* was now in service; and the fighter reconnaissance version of the *Swift* was being delivered to the 2nd Tactical Air Force.

In conclusion, Sir Walter Monckton dealt with home defence and the proposal for so-called "graduated deterrence," i.e., the limited use of atomic weapons in local conflicts. With regard to the former, he said that in another war scheduled evacuation areas would be more extensive than those of the last war, and that the Government estimated that plans would have to be made for the evacuation of nearly 12,000,000 people. [During World War II about 3,000,000 children, mothers, and blind and disabled persons were officially evacuated, together with about 2,000,000 others who made their own arrangements.] A re-deployment of manpower to action stations would coincide with the evacuation, and the Government were at present working on evacuation plans, the first task being to overcome probems of transport and accommodation.

Regarding "graduated deterrence" the Minister said: "I am far from saying that any aggressive move against the West would inevitably be countered by the use of the H-bomb. In some circumstances local aggression might be dealt with effectively by local

retaliation. This might involve the tactical use of atomic weapons, but it does not seem inevitable that this would necessarily lead to full-scale global war" It would not, however, be a practicable policy for any Government to define precisely in advance the circumstances in which it would use some weapons and not others as this might indicate to those contemplating aggression whether they could take risks and see how far they might go without bringing upon themselves the ultimate deterrent. "Moreover, even if the adoption of a policy of graduated deterrence was right in itself," the Minister went on, "would there be any reasonable ground for believing that its adoption would ensure the adoption of a similar policy by the other party to the argument? There are solid grounds for taking the other view. Judging from the speech made by the Soviet Minister of Defence to the recent Congress of the Soviet Communist Party, the Russians have evolved their own doctrine on this subject, and Britain should certainly not rely upon the response to graduated deterrence being similarly graduated retaliation." He did not feel, therefore, that the policy of "graduated deterrence" represented a practical solution, which must be sought in a comprehensive scheme of disarmament, and for which the Government would continue to strive in the U.N. Disarmament Sub-Committee.

Mr. Richard Stokes (Lab.) moved an Opposition amendment which criticized the White Paper for disclosing "grave weaknesses" in the country's defences; making no provision for an immediate cut in the National Service period and no specific plans for its eventual abolition, and containing no proposals for an enquiry into defence manpower or for "a more economical and effective allocation of resources between the Services"

Mr. Stokes described the British aircraft industry as 'living on failures," and asserted that out of 166 aircraft projects put forward in the past 10 years, 142 were in the waste-paper basket as useless, 16 were partially successful, and only eight were successful, on these £1,000,000,000 had been spent, mainly by the present Government. He urged the compulsory rationalization of the aircraft industry, the pooling of development and engineering, and adequate rewards for success, coupled with penalties for failure. He also suggested that the Royal Navy should be amalgamated with the R.A.F, and that the Services should be combed in order to see how many of the various duties in their "tails" could be performed by civilians, thus reducing Service manpower and making it more possible to end National Service

Mr. Maudling (Minister of Supply), replying to Mr. Stokes, pointed out that with both aircraft and guided missiles the worst difficulties always arose in the development stage, and that the main trouble on the production side had been the shortage of certain materials, particularly alloy steels The Government had decided to make substantial changes in the system for giving super-priority for aircraft production (see 12099 A), which had become more general than was required for effectiveness, and to concentrate on certain bottlenecks. In future, manufacturers having difficulties in obtaining supplies would get in touch with the Ministry of Supply, which, if satisfied that special help was needed, would arrange for priority to be given, whilst the Chancellor of the Exchequer would consider on its merits the early ordering of scarce materials in all instances where there were long waits for delivery. Arrangements for deferring the call-up of apprentices involved in schemes of particular defence urgency would be continued Mr. Maudling also announced that he had invited Mr. Nutcombe Hume (chairman of the Charterhouse Group) and Mr. John Pears (senior partner of Cooper Bros. and Co., chartered accountants) to advise him on the Ministry's methods of fixing prices paid for supplies and stores acquired for non-competitive contracts.

As regards the development of aircraft and guided missiles, the Minister said that the difficulties of engine surge, which had occurred in certain marks of the *Hunter* when the 430 mm. cannon were fired, had now been solved and that the necessary modifications were being installed It was not true that the *Hunter* could not carry guided missiles, and a version fitted to carry *Fireflash* missiles (see 14735 B) was being produced. In guided missiles, an inter-continental ballistic missile with a very long range was being constructed; eventually it would be difficult for any manned aircraft to penetrate enemy defences, and the real weapon was likely to be the ballistic missile. After referring to the Government's plan to use a site at Spede Adam Waste in Cumberland as a testing ground for rockets and rocket motors (see 14735 B), Mr. Maudling concluded by saying that the Government felt that at present there were too many helicopter projects under development. In future the War Office would concentrate on the Saunders-Roe *Skeeter*, the Navy would use the *Westland S.52*, and the R.A.F would have the *Bristol* twin-rotor helicopter; this would involve cancellation of the Navy version of the *Bristol* and of the *Hunting-Percival* helicopter, whilst Government support and expenditure on the *Fairey* ultra-light helicopter would also be cancelled.

Strong criticism of the Government's defence policy was expressed by **Mr. Shinwell,** a former Labour Minister of Defence He maintained that Britain could not afford the "three-legged stool" system on which it was based—the provision of a deterrent in the event of a major war, provision for a limited war or wars, and provision for dealing with colonial disturbances—and thought that because of her weakness in conventional weapons she would be forced to have recourse to nuclear weapons. If this were true, he argued, a halt should clearly be called in the production of conventional weapons It was also a mistake to produce too many aircraft, and to spend so much on aircraft-carriers, whose role in a nuclear war was quite uncertain

On a division the Opposition amendment was defeated on Feb. 29 by 816 to 250 votes, and the Defence Estimates approved.

Educational Allowances for Regulars. - Statement on Period of National Service.

During a debate on Nov. 2, 1955, on the Government's White Paper on National Service (see 14676 A) Mr. Selwyn Lloyd, then Minister of Defence, announced that the Government had decided to introduce (with retrospective effect from Sept. 1, 1955) a system of educational allowances for officers and other ranks serving overseas, as well as for those serving at home but subject to frequent posting. There would be a grant of £75 a year for each child between 11 and 18 at a boarding school, and £25 for each child between the same ages lodged with parents or guardians, in order to ensure continuity of day-school education. These allowances would not be subject to taxation in the case of men who were serving overseas.

Mr. Selwyn Lloyd pointed out that there were 66,000 Regular officers and 270,000 n c o.s and other ranks serving on engagements of four years or more The Army also now had 200,000 National Servicemen, including 88,000 tradesmen, representing half the tradesmen in the Army Training of National Servicemen took from six months to twelve months according to a man's job, and it would be a serious waste of manpower if little use could be made of these men after training A cut to 12 months' service, as had been suggested, would destroy the military value of Britain's forces altogether, and a cut to 18 months would diminish their efficiency by half A reduction in the period would also affect the balance between home and overseas service for Regulars, which, in turn, would be a further discouragement to Regular engagements.

As regards the overall size of the armed forces, the proposed reduction to 700,000 by March 31, 1958, represented a 20 per cent reduction over five years. Mr Selwyn Lloyd added: "As other countries are lauded for their reductions, for declarations of intentions the fulfilment of which cannot be verified, from totals which have never been ascertained, I hope that our action will not pass unnoticed and uncommended" [This statement was a reference to the cuts which had been announced in the strength of the Soviet armed forces.]

Referring to frequent talk about the size of the "tail" of the Army, the Minister pointed out that in 1950 manpower per division had been 51,000 and in 1955 about 38,200, the actual strength of the division itself remaining at about 12,500 This business of "combing the tail" proceeded all the time, and whilst there might be occasional cases of misuse of manpower it was not on such a scale as to vitiate the conclusion that it was necessary for the present to stick to 24 months of National Service The Government had rejected as unsuitable a method of collective call-up on the American pattern, as Britain was "too closely knit a country" to make it satisfactory; in this connexion Mr. Selwyn Lloyd said that a ballot system whereby a man would serve 24 months or not at all, according to the luck of the draw, seemed to be "intolerable."

Reduction of part-time service of National Servicemen from 60 to 20 days, Mr. Lloyd added, would be a substantial relief to industry. In 1954 half-a-million man-weeks had been lost through part-time service, whereas in 1956 the loss was likely to be about 180,000 man-weeks.

An Opposition amendment regretting that no provision had been made for an "immediate reduction" in the length of National Service was defeated by 326 votes to 263, and the Government's policy for raising the age of call-up and for scaling-down the strength of the armed forces by 100,000 during the next 2½ years was approved. Mr. Selwyn Lloyd made it clear during the debate, however, that the Government's plan did not preclude consideration of a reduction in the period of National Service at a later stage.

Independent Chairman of Chiefs of Staff Committee. - Increased Powers for Minister of Defence.

Sir Anthony Eden announced on Oct. 25, 1955, that the Government had decided to create the new post of Chairman of the Chiefs of Staff Committee; that Marshal of the R.A.F. Sir William Dickson had been appointed to that post; and that Air Marshal Sir Dermot Boyle would succeed Sir William Dickson as Chief of Air Staff. [The chairmanship of the Chiefs of Staff Committee had hitherto been held by the senior member of the Committee, Sir William Dickson having been the actual chairman.] The Prime Minister explained that the new Chairman and the three Chiefs of Staff would jointly be the professional military advisers of the Government, and that the Chairman would normally be U.K. representative on the Military Committee of NATO and on other international defence organizations. The new appointment would not affect the right of an individual Chief of Staff to tender his personal advice should he differ from his colleagues, nor would it alter the collective responsibility of the Chiefs of Staff Committee for the tendering of military advice.

Sir Anthony Eden also announced that while the Prime Minister must retain ultimate responsibility in defence matters, it was the Government's intention to strengthen the authority and influence of the Minister of Defence. Accordingly he had made certain arrangements within the Government to co-ordinate, under the Minister of Defence, planning and training for the joint action of civil and military forces in home defence.

As a result of " certain functions connected with the iron, steel, and engineering industries " (see 14406 A) the Ministry of Supply had become, in effect, a " fourth defence department " within the co-ordinating powers of the Minister of Defence. Moreover, the Minister of Defence's responsibility for the apportionment of available resources between the three Services would extend to a responsibility for seeing that the composition and balance of forces within individual Services met the strategic policy laid down by the Defence Committee.

Replying to Mr. Attlee, the Prime Minister pointed out that one of the reasons for creating the new post of Chairman of the Chiefs of Staff Committee was that the burdens which now fell on the Chiefs of Staff, especially in relation to many of the international organizations, were so heavy that they must be relieved of them. The new Chairman would have the use of the existing Chiefs of Staff organization, and the Government did not anticipate or provide for any great staff increases.

In reply to Mr. Shinwell (Lab.) and Mr. Wigg (Lab.). both of whom suggested that the Minister of Defence should have power to interfere with the autonomy of the three Service departments, Sir Anthony Eden said he was only asking the House to embark on a " comparatively modest step " which would greatly help the organization and which his technical advisers believed would assist them.

Sir William Dickson (55) served in the First World War in the Royal Naval Air Service and afterwards with the R.A.F. During the Second World War he commanded the R.A.F. in Italy. He became Vice-Chief of the Air Staff in 1946, C -in-C., Middle East Air Force in 1942, and Air Council Member for Supply and Organization in 1950

Air Marshal Sir Dermot Boyle (51) had been A O.C.-in-C., Fighter Command, since April 1953, after having been A.O C. No. 1 Group, Bomber Command, in 1951-52.

In addition to Marshal of the R.A.F. Sir William Dickson and Air Marshal Sir Dermot Boyle, the members of the Chiefs of Staff Committee are Admiral Earl Mountbatten (First Sea Lord), General Sir Gerald Templer (Chief of the Imperial General Staff), and General Sir Nevil Brownjohn (Chief Staff Officer to the Minister of Defence).

Appointment of C.-in-C., U.K. Land Forces.

The War Office announced on Nov. 3, 1955, that General Sir Robert Mansergh, Commander-in-Chief, Allied Forces, Northern Europe, had been appointed Commander-in-Chief, United Kingdom Land Forces, and would take up his new duties in January 1956.

The War Office recalled that the Defence White Paper of 1955 had made clear that all members of the armed forces in the U.K. must be prepared in time of war to play a large part in assisting the civil authorities in mitigating the effects of nuclear attack. Since January, 1951, the appointment of C.-in-C., U.K. Land Forces-designate had been held by General Sir Miles Dempsey (a retired officer) on a part-time basis. In view, however, of the paramount importance of control under conditions of thermo-nuclear warfare it was now considered necessary to appoint a serving officer on a full-time basis. In his new post General Mansergh would be chairman of the Commanders-in-Chief (U.K.) Committee, which was responsible to the Chiefs of Staff for co-ordinating service plans for home defence. In all other respects he would be responsible to the War Office. He would also be responsible for maintaining close contact with the Director-General of Civil Defence to ensure liaison at all levels of planning between the civil and military authorities in civil defence matters.

General Mansergh (55), who was born in South Africa, served for most of the Second World War with the Fifth Indian Division in the Western Desert, India, and Burma, and commanded the division during the final stages of the war against Japan After the war he held the successive appointments of Director of the Territorial Army, Military Secretary to the Secretary of State for War, Commander of British Forces in Hong Kong, and Deputy C.-in-C., Allied Forces, Northern Europe, before his appointment as C -in-C., Northern Europe in 1953 (see page 12736)

The changes in the defence organization described above, and the appointment of a C.-in-C., U.K. Land Forces, had been foreshadowed by the Prime Minister in his speech to the Conservative Party conference in October last (see pp. 14495-14496).—(Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. Defence Estimates, 1955-56, 14089 A ; 14093 A ; Commanders-in-Chief (U.K.) Committee, 11443 A ; National Service, 14676 A.)

A. FRANCE. — Press. - " l'Express " returns to Weekly Publication.

It was announced on March 1 that the newspaper *l'Express*, which had been published as a daily since Oct. 13, 1955, would revert to weekly publication as from March 9. M. Servan-Schreiber remained editor of the paper.—(Le Monde, Paris)
(Prev. rep. 14549 D.)

B. ITALY - YUGOSLAVIA. — Trade and Credit, Fishing, and Technical Co-operation Agreements.

Three agreements between Italy and Yugoslavia were signed in Belgrade on March 3 after lengthy negotiations extending over several years. They dealt respectively with trade and credits, Italian fishing rights in Yugoslav waters, and technical co-operation, details being as follows :

Trade and Credit Agreement. Italy agreed to supply capital goods and machinery to a total value of $60,000,000, of which $45,000,000 will be covered by an Italian loan to Yugoslavia, repayable eight years after the delivery of the equipment, and the remaining $15,000,000 will be settled by the use of Yugoslav reparations claims against Italy. It was pointed out in the Yugoslav Press that the agreement constituted an innovation inasmuch as it did not fix in advance the kind of capital goods to be supplied.

Fishing Agreement. Yugoslavia granted Italy the right to fish in certain zones of the Adriatic near the islands of Palagruza (Pelagosa) and Kajola (Cajola), in the waters west of the island of Vis; near the islands of Jabuka (Pomo) and Kamik (Camic); and along the western coast of Istria. Contrary to the Italo-Yugoslav fishing convention of 1949, under which Yugoslavia had demanded a payment of 750,000,000 lire annually in return for the fishing rights (later reduced to 600,000,000 lire), no charge will be made under the new agreement, which is valid until Oct 31, 1957, and may be extended by a further year.

Technical Co-operation Agreement. This provided for co-operation in the planning and construction of new industrial works and the enlargement of existing ones ; exchanges of technicians and specialists ; the award of scholarships for technicians ; the granting of licences ; the loan of building machinery for public works ; and other measures for increasing technical co-operation between the two countries in industry and agriculture.

The agreements were welcomed by political leaders in both countries. Signor Segni (the Italian Prime Minister) declared that Italy desired " to open new broad prospects of co-operation between the two countries in a fruitful atmosphere of mutual trust," whilst M. Vukmanovich (a vice-president of the Yugoslav Federal Executive Council) stated that the previous trade agreement between the two countries had already shown " that we did not make a mistake when we embarked upon the path of Italo-Yugoslav co-operation."—(Corriere della Sera, Milan - Tanjug Agency, Belgrade - Neue Zurcher Zeitung) **(14165 A.)**

C CANADA. — Diplomatic Appointments.

It was announced in Ottawa on Dec. 20 that Mr. Leon Mayrand would succeed Lieut.-General Maurice Pope (retiring) as Canadian Ambassador to Spain in April 1956. Mr. Mayrand, formerly Ambassador in Chile, had been appointed Canadian member of the International Control Commission for Laos in 1954, following the conclusion of the armistice agreements in Indo-China.

Earlier Canadian diplomatic appointments included those of Mr. W. S. Alphonse Turgeon as the first Canadian Ambassador to Portugal, following the raising of the Lisbon Legation to Embassy status (April 1955) ; of Mr. L. Philippe Picard as Ambassador to Argentina ; and of Mr. Alfred Rive as Ambassador to the Irish Republic (both Aug. 2, 1955). Dr. R. A. MacKay (Associate Under Secretary of State for External Affairs) became Canada's permanent representative to the United Nations on Aug. 1, 1955, with ambassadorial status. The appointment of Mr. S. Morley Scott as Canadian High Commissioner in Karachi had been announced in October 1954.

It was announced in December that the Canadian and Danish Governments had agreed to raise their respective Legations in Copenhagen and Ottawa to the status of Embassies, in view of the close relations existing between the two countries as members of the North Atlantic Treaty Organization.
(Canadian Ministry of External Affairs, Ottawa)
(Prev. rep. 13882 D ; 13795 C.)

D. JAPAN - NETHERLANDS. — Reparations Agreement. - Compensation for Dutch Civilian Internees.

An agreement was signed in Tokio on March 12 by the Japanese Foreign Minister (Mr. Shigemitsu) and the Netherlands Ambassador (Jonkheer Reuchlin) under which Japan undertook to pay $10,000,000 to the Netherlands in compensation for the internment of 110,000 Dutch civilians in Indonesia during the Second World War. Payment will be spread over five years and will be made in sterling. During the negotiations, which began last autumn, the Netherlands had originally claimed $27,500,000 —i.e. about $250 for every ex-internee. The agreement will come into force upon parliamentary approval in both countries.
(Netherlands News Agency - New York Times)

E. UNITED KINGDOM. — February Trade Figures.

Imports into the United Kingdom in February totalled £309,100,000, exports £246,100,000, and re-exports £13,500,000, the adverse visible balance thus amounting to £49,500,000.
(Board of Trade Journal) **(Prev. rep. 14724 E.)**

A. UNITED STATES. — Agricultural Policy. - President Eisenhower's Message to Congress. - Proposals for "Soil Bank" and Extension of Agricultural Surplus Disposal Programme. - Acreage Allotments for Cotton, Maize and Rice. - Government Stocks of Surplus Agricultural Products. - Foreign Protests at Disposal of U.S. Surplus Stocks below Market Prices.

Legislative proposals to deal with the mounting surpluses of agricultural products held by the U.S. Government, and at the same time to maintain the standard of living of American farmers, were sent to Congress by President Eisenhower on Jan. 9. The President's principal proposals were the creation of a "soil bank," under which farmers would be paid for taking land out of production, and an extension of the agricultural surplus disposal programme.

The President said that there were three main causes for the present position of U.S agriculture: (1) the prolonged retention of wartime production incentives, (2) current record livestock production and near-record crop harvests on top of accumulated surpluses carried over from previous years; (3) rising costs and high capital requirements. The problem of the "mountainous surpluses" overshadowed everything else, and although outlets had been found in the past three years for more than $4,000,000,000 worth of surplus commodities, these disposal efforts had not been able to keep pace with the problem. The 1954 Agricultural Act (see 13991 A) had not yet been able to make its potential contribution to solving the problem because it had only begun to take effect with the 1955 harvests, and because it was "smothered under surpluses amassed by the old programme." Whilst it was unthinkable to destroy surplus food, attempts to dispose of stocks domestically almost always competed with the new crops which farmers were trying to sell, whilst those disposed of abroad in quantities large enough to remedy present difficulties would "shatter world prices and trade, injure our friends, and undermine domestic prices as well."

The President's main proposals are summarized below.

The "Soil Bank." This should consist of an acreage reserve programme and a conservation reserve, its purpose being to "work off our surpluses so that our basic programme of 1954 can succeed in gearing production to prospective markets at fair prices." The problem had three aspects: (1) future production of crops of which there was the greatest surplus must be adjusted both to the accumulated stocks and to the potential markets, (2) producers of other crops and of livestock must be relieved of excessive production from acreage diverted from surplus crops; (3) lands poorly suited to tillage which were now producing unneeded crops, and were subject to excessive wind and water erosion, must be withdrawn from cultivation.

The acreage reserve programme, which would apply to wheat, cotton, maize and rice—the crops where the surplus position was most serious—would operate through farmers voluntarily agreeing to reduce their acreage sown to these crops, and receiving compensation from the Government equal to a percentage of the value of the crop they would normally have harvested. The scheme would be financed with commodities already owned and paid for by the Government, and as time, storage, and other costs were already depreciating the value of these stocks, the real net cost of the programme to the Government would be substantially less than the apparent cost in payments to farmers.

The conservation reserve programme sought to deal with the problem of the large areas of marginal land brought into production during the war, and by the post-war continuation of wartime incentives. Today the country did not need this land for harvested crops, and it was therefore proposed that farmers should be asked to contract voluntarily with the Government to change the lands most needing conservation measures to forage, afforestation, and water storage The Government would pay a fair share of the costs of establishing the conservation use, and the farmer would agree to carry out sound soil and water conservation policies, and to refrain for a specified period from returning the land to crop production and from grazing the land. It was estimated that some $350,000,000 would be invested in the conservation reserve during the 1956 calendar year, and about $1,000,000,000 over the next three years.

Disposal of Surpluses. Despite an expansion of the disposal programme, the investment of the Commodity Credit Corporation in price-supported commodities had increased by about $1,000,000,000 during the 1954-55 fiscal year Opportunities would therefore be sought to expand the programme of bartering for non-perishable strategic materials those agricultural products which deteriorated and were costly to store. In order to expand sales of surpluses abroad, the legislative provision limiting such sales to "friendly nations" only should be repealed To expand domestic sales, the Government should be permitted to sell at not less than the support price (plus carrying charges), instead of at 105 per cent as at present.

Commodity Programmes. For maize, the acreage allotments should be abandoned and price supports put on a discretionary basis comparable with other food-grains. For wheat, consideration should be given to authorizing the sale of limited quantities annually as animal feeding-stuffs; at the same time, several smaller wheat-growing States, which contributed little to commercial supplies or surplus stocks, should be removed from acreage and marketing controls. As regards cotton, rapidly advancing technology was "far outrunning" expectations based on acreage alone, and it was therefore proposed that the present acreage allotments should be replaced by quantity allotments, beginning with the 1957 crop. For rice, the existing production and marketing controls should be eliminated and prices supported on a discretionary basis. As regards peanuts, the present national minimum acreage allotment would normally produce more than the market would absorb at the support price, and it should therefore be abolished

The special school milk programme provided for under the 1954 Agricultural Act had met with "gratifying success." Some 9,000,000 children had benefited from the programme, and milk consumption had increased by over 450,000,000 half-pints It was recommended that the programme be extended for a further two years after June 30, 1956, and that expenditure thereon by the Commodity Credit Corporation should be raised from $50,000,000 a year to $75,000,000.

Limitation of Price Support Loans. The average size of American farms, measured either by capital or by acreage, had increased rapidly in recent years. This increase in size, in so far as it resulted from the removal of risk as a consequence of the price-support programme, constituted a threat to the traditional family farm. It was therefore proposed that a dollar limit be placed on the size of price-support loans to any one individual or farming unit, although this limit should be sufficiently high to give full protection to efficiently operated family farms.

A number of other recent developments concerning U.S. agricultural surpluses are described below.

Expenditure on Price Support Operations.

In a report published on Sept. 21, 1955, the Department of Agriculture stated that investment by the Federal Government in surplus agricultural products totalled $7,069,277,000 at the end of the last fiscal year (June 30, 1955), compared with $6,005,511,000 at the end of the previous fiscal year. Of the total, $4,971,463,000 represented farm products owned outright by the Government, and $2,097,814,000 loans to farmers for products withheld from the market. The report stated that the Government had lost $799,061,464 on its farm price operations during the year.

The products owned outright by the Government included 975,948,155 bushels of wheat valued at $2,546,979,497, maize, $985,969,678; cotton, $289.569,204; butter, $169,346,589; grain sorghum, $141,717,366; cheese, $139,874,426, rice, $124,868,960; and wool. $102,060.158. In addition, the Commodity Credit Corporation held $49,301,400 worth of strategic and critical materials acquired from abroad in barter deals. Crops stored under support loans included cotton ($1,094,361,157), maize ($469,550,944), tobacco ($402,556,449), wheat ($32.246,062), and other products ($99,099,658).

On Feb. 3, 1956, the Department of Agriculture announced that the Federal Government's investment in surplus agricultural products had risen to $8,700,000,000 as at Dec. 31, 1955.

Acreage Allotments and Price Supports.

The following acreage allotments and support prices were announced in recent months:

Cotton. In a referendum on Dec. 13, cotton growers voted overwhelmingly in favour of continued production controls and Government support for the cotton crop, on the basis of the acreage allotments announced on Oct. 14 (see 14492 C).

Maize. The Secretary of Agriculture, Mr. Benson, announced on Feb. 1 that the national acreage for the 1956 commercial maize crop would be cut by 15 per cent as compared with 1955—i.e. from 49,842,697 acres to 43,280,543 acres. On Feb. 8 it was announced that the support price would average $1.40 a bushel, or 81 per cent of parity, compared with $1.58 (87 per cent of parity) for the 1955 crop.

Rice. The Department of Agriculture announced on Dec. 30 that the national acreage allotment for the 1956 rice crop would be reduced by 15 per cent (the maximum permissible)—i.e. from 1,928,334 acres to 1,639,084 acres, and the support price from $4.66 per 100 lb. (85 per cent of parity) to $4.04 (75 per cent). The new quota was approved by a referendum of rice growers on Jan. 27.

Other Crops. Other parity prices for 1956 crops were announced on Feb. 8, as follows (1955 prices and parity percentages in parentheses): soya beans, $2.15 a bushel or 75 per cent of parity ($2.04, or 70 per cent); flaxseed, $3.09, or 70 per cent of parity ($2.91, or 65 per cent); cotton-seed, $48 a ton, or 70 per cent of parity ($46.34, or 65 per cent); oats, 59 cents a bushel, or 70 per cent of parity (61 cents, or 70 per cent); barley, 93 cents, or 70 per cent of parity (94 cents, or 70 per cent); rye, $1.16, or 70 per cent of parity ($1.18, or 70 per cent).

Disposal of Surplus Products.

Further plans for the disposal of surplus agricultural products, announced by the U.S. Government in recent months, included the following measures:

Dairy Produce. Diplomatic representatives of countries trading in agricultural products were informed by the State Department on Dec. 27 that a further large quantity of surplus dairy produce would shortly be offered by the U.S. Government on the world market on a competitive bid basis. It was expected that 10,000,000 lb. of butter would be offered (the same amount as in January 1955—see 13991 A), and also cheese and dried milk.

The Department of Agriculture reported on March 16 that it had disposed of all its stocks of surplus butter.

Wheat and Maize. Mr. Benson announced on Dec. 14 an extension of the surplus disposal programme to make wheat and maize available to needy people in foreign countries through religious and private welfare agencies. The programme would continue "until such time as any or all of the commodities can be disposed of in normal domestic channels or until they can be sold abroad," and the Commodity Credit Corporation would bear the costs of packaging, transportation to shipside, handling and other charges

Cotton. Mr. Benson announced on Feb. 28 that all stocks of surplus cotton held by the U.S. Government would be offered for sale on the world market at competitive prices after Aug 1, 1956. He said that the new programme would seek to recapture "our share" of the world market, and estimated this share at "somewhere in the neighbourhood of 5,000,000 bales a year," compared with 3,500,000 bales exported in 1954-55. Mr. Benson denied that the U S.A. was dumping cotton or other products to force down world prices, but emphasized that the new cotton programme was "notice to the world that we are not going to continue to hold an umbrella over world markets"

Agreements with Foreign Countries.

Some of the principal agreements concluded by the United States with foreign countries in recent months for the disposal of surplus agricultural products are summarized below.

Austria. Under an agreement signed in Vienna on Feb. 7, the U.S A. promised to supply Austria with $23,000,000 worth of surplus maize, wheat, cotton, tobacco, lard, and preserved fruit Austria would repay one-third of the value of the commodities in exports and would receive the remainder as a loan repayable in 20-40 years; the proceeds of the loan would be used to rehabilitate the economy of the former Soviet Zone of Austria, which had not benefited from E R P. assistance.

Indonesia. An agreement was signed in Jakarta on March 2 under which the U S A. agreed to sell Indonesia $91,800,000 worth of surplus agricultural products against payment in rupiahs, and to lend the proceeds to Indonesia for long-term economic development, for developing marketing facilities, and for educational exchanges between the two countries The agreement provided for the supply of 550,000,000 lb of rice ($35,800,000), about 206,000 bales of cotton ($36,000,000), 23,000,000 lb of leaf tobacco ($15,000,000), and about 1 270,000 bags of wheat flour ($5,000,000). Freight charges accounted for a further $4,900,000, bringing the total value of the agreement up to $96,700,000.

Japan. An agreement, signed in Tokio on Feb. 10, provided for the purchase by Japan of U S. surplus agricultural products worth $65,800,000, of which the principal items were wheat ($27,300,000), cotton ($18,700,000), and barley, maize and other grains ($11,200,000). At the same time the U S A made a grant of $15,000,000 worth of wheat and milk for use in the Japanese school-lunch programme. Of the proceeds from the sale of the agricultural commodities, 75 per cent would be available to Japan as a loan for economic development, whilst the remainder would be used by the U S A. to finance some of its activities in Japan

An earlier U.S.-Japanese agreement, concluded in May 1955, had provided for the sale of $85,000,000 worth of U.S. surplus agricultural products to Japan, the principal items being cotton ($35,000,000), wheat ($25,600,000), and rice ($15,600,000).

A number of protests against the U.S. disposals of agricultural products below market prices were made by the countries whose exports were most likely to be affected. The New Zealand Government protested on Dec. 20 about U.S. sales of surplus butter and cheese; Australia complained on Feb. 22 about disposals of wheat and other products; the Danish Government expressed anxiety on Feb. 15 about the growing sales in Europe of U.S. butter at subsidized prices; whilst a spokesman of the Egyptian Embassy in Washington described the U.S. decision to offer its surplus cotton on the world market "a very unfortunate step" about which his Government was "most unhappy."—(New York Times - New York Herald Tribune)

(Prev. rep. 14597 A; 14492 B.)

A. SOUTH AFRICA. — Proposed Contact with non-White African States. - Mr. Louw's Statement.

The Minister of External Affairs, Mr. Louw, stated at a Nationalist Party meeting in Cape Town on Dec. 30 that he planned to "make contact" with the non-White self-governing States of Africa. He said that South Africa would have to remain in touch with other territories in Africa, particularly those south of the Sahara, and announced that the Africa Division of the Department of External Affairs was being reorganized.

Speaking of the "seriousness" of the Native question, Mr. Louw declared that the steadily-growing spirit of national consciousness among the Natives of the African continent, the increase of Communist propaganda among the Natives, the influence on Natives of European and American liberalism, the attacks on South Africa and on the colonial Powers in the United Nations, and the new world cry of "fundamental human rights," were all factors which would have to be taken into consideration. (Cape Times)

B. PORTUGAL. — The Corporative State.

A Bill providing for the creation of corporations in many branches of Portuguese life, in accordance with the principles of the "Corporative State" proclaimed in the 1933 Constitution, was sent to the National Assembly on March 17 by Dr. Salazar, the Prime Minister.

Although Portugal had theoretically been a Corporative State since 1933, no actual corporations had in fact been set up, the creation of such bodies having been held up by the Second World War. Some 250 guilds, however, had come into existence, comprising associations of various kinds of workers, of employers and employees, and of persons engaged in the same trade or profession. Under the legislation introduced by Dr. Salazar, these guilds or associations will be organized into corporations, the first of which will be formed in the fields of agriculture, industry, commerce, transport and tourism, credit and insurance, and the fishing and canning industry. Similar corporations are envisaged in the field of cultural activities.

The Minister of Corporations and Social Security (Dr. Veiga da Macedo) stated at a press conference that the corporations would play an increasingly important role in the national life, that they would have the juridical status of "collective personality," and that they would have complete autonomy in representing the interests of their members. Emphasizing that the Portuguese corporative system bore no resemblance to the pre-war Italian Fascist corporative State, the Minister pointed out that whereas the Italian corporations had been controlled by the State, the Portuguese corporations would be independent bodies possessing powers which would limit those of the State. (Times - New York Times - Le Monde, Paris)

C. ATOMIC RESEARCH. — Joint Institute for Nuclear Research established by Communist Countries.

It was announced in Moscow on March 26, at the end of a six-day conference attended by representatives of 11 Communist countries, that an Eastern Institute for Nuclear Research would be jointly established in the Soviet Union. The communiqué added that the Soviet Government had provided a 680-million-volt cyclotron for the project; that an electrophysical laboratory would be provided by the Soviet Academy of Sciences; and that other countries could take part in the project if they wished, with equal rights.

The countries participating in the Eastern Institute for Nuclear Research are the Soviet Union, the People's Republic of China, Poland, Czechoslovakia, Bulgaria, Hungary, Rumania, Eastern Germany, Albania, Mongolia, and North Korea.
(Times - Manchester Guardian - Polish Embassy, London)

(Prev. rep. 14704 A.)

D. UNITED STATES - SOVIET UNION. — Soviet Payment for Loss of U.S. Plane in Bering Straits Incident.

The U.S. State Department announced on March 19 that the Soviet Union had paid damages of $724,947.68 for the loss of the U.S. naval plane shot down by Soviet fighters in the Bering Straits area on June 23, 1955. The State Department spokesman (Mr. Lincoln White) explained that although the amount represented only half the value of the plane, the U.S. Government had accepted it as the Soviet Government had expressed its regret at the incident and had instructed its military authorities "to refrain from any future action of this character." Mr. White added that the occasion was the first on which any Communist country, other than Yugoslavia, had paid compensation for such incidents.—(New York Times)

(Prev. rep. Bering Straits Incident, 14311 A.)

E. YEMEN - SOVIET UNION. — Trade Agreement.

The Yemeni Legation in Cairo announced on March 8 that a trade agreement had been signed between Yemen and the U.S.S.R. under which Yemen would export coffee, dried fruit, hides, and other commodities in return for Soviet industrial and agricultural machinery, building equipment, oil products, wheat, and rice. The announcement also said that the Soviet Union had offered to build complete factories in Yemen, as well as to give technical assistance.—(New York Times)

(Prev. rep. 14522 C.)

F. SUDAN. — Diplomatic Relations with U.S.S.R.

It was announced in Khartoum on March 15 that Sudan and the U.S.S.R. had agreed to establish diplomatic relations and to establish Embassies in each other's capitals. The Moscow announcement stated that Mr. Leonid Teplov, a senior official of the Soviet Foreign Ministry, and a former member of the London Embassy, would become the first Soviet Ambassador in Khartoum.—(Times) **(Prev. rep. 14703 B; 14624 B.)**

A. AUSTRALIA. — Economic Situation. - Increased Taxation and other Anti-inflationary Measures.

Mr. Menzies, the Prime Minister, announced in the House of Representatives on March 14 that the Government had decided, as an anti-inflationary measure, to impose a number of taxation increases estimated to yield £A110,000,000 additional revenue in a full year. The new taxes, which were designed to check excessive demand for consumer goods and for capital investment, would be imposed on motor vehicles and petrol, beer, spirits, tobacco, and cigarettes, on other less essential consumer goods, and on companies. Mr. Menzies gave the following details:

Motor Vehicles and Less Essential Goods. The present sales tax on non-commercial motor vehicles would be raised from 16⅔ to 30 per cent, and on commercial motor vehicles and motor-cycles from 12½ to 16⅔ per cent. The tax on less-essential goods, ranging from jewellery to gramophone records, would go up from 16⅔ to 25 per cent. These increases were estimated to produce about £A30,000,000

Beer and Spirits. The excise duty on beer would be increased by 2s. 8d. a gallon and the duties on spirits by 15s. 6d. a gallon. Estimated yields were £A29,300,000 and £A2,200,000 a year respectively.

Tobacco. Duties on manufactured tobacco would be increased by 4s a lb, on cigarettes by 6s. a lb, and on cigars by 5s 6d a lb, to produce an additional £A12,000,000.

Petrol. The petrol tax would be raised by 3d. a gallon, to yield £A12,000,000 At the same time, however, the payment by the Federal Government to the States for roads would be increased from 7d. a gallon to 8d, representing approximately an additional £4,000,000 on the roads grant.

Company Tax. This would be increased all round by 1s in the £ to yield an additional £A30,000,000

Bank Charges and Interest Rates. The Government had agreed (*a*) that the bank overdraft rate should be permitted to rise from 5 per cent to an average of 5½ per cent, with a maximum of 6 per cent, and (*b*) that there should be an increase of 1 per cent in interest rates paid by banks on fixed deposits.

Mr. Menzies said that Australia's overseas balance had been dropping steadily in spite of the import cuts imposed in October 1955. A vast demand for imported goods had put an immense strain on the country's balance of payments, and the wage level was threatening export capacity. Nevertheless, the new measures proposed by the Government gave every reason to suppose that the Government's objective of balancing its external accounts by the middle of 1956 would be achieved

Explaining the new taxation of motor vehicles. Mr Menzies said that vehicles not only constituted a substantial import item but also represented the bulk in value of hire-purchase transactions, generating a vast capital demand inside Australia. While fully aware of the benefits that would ultimately flow from this great industry, the Government was convinced that proper counter-inflationary action demanded a temporary restraint upon it Registrations of new motor vehicles had risen from 157,000 in 1952-53 to 245,000 in 1954-55, the main increase having been in cars. Imports of vehicles and parts, rubber and other tyre materials, motor spirit and oil were estimated at £A152,000,000 in 1954-55, out of total imports of £A844,000,000

The increased beer duty was not expected to reduce consumption, but would make a powerful contribution to the avoidance of deficit finance In spite of the increased duty of 2s. 7d in the 1951-52 Budget, consumption had risen from 173,000,000 gallons in that year to 183,000,000 gallons in 1953-54, and in the current estimate it was calculated to rise to the "staggering" total of 223,300,000 gallons. Mr Menzies added that beer consumption per head had doubled since 1938-39.

Referring to the proposed rise in interest rates, Mr Menzies said that the trading banks had found that funds were being diverted from fixed deposits to finance expenditure at much higher short-term rates of interest on hire-purchase and similar ventures The financing of enterprises at the present relatively cheap level had been increasingly resorted to because, if a company raised capital by a new share issue, it must succeed sufficiently to pay an adequate dividend on that capital, but if it raised the money on a bank overdraft, the whole interest charge on the overdraft was business expenditure deductable for taxation purposes, and the amount of the overdraft required no dividend. Overseas enterprises had been able to borrow from the banking system at a relatively low overdraft rate and then remit surplus funds abroad so as to take advantage of higher rates overseas. This had involved a greater reliance on borrowing in Australia, rather than overseas, for the development of local business and for financing exports, including wool

Mr. Menzies added that the Government's legal advisers did not believe that Federal control of capital issues could be reconstituted for anti-inflationary purposes, and the same applied to "the vexed problem of hire-purchase finance." The whole problem might be one for discussion with the States, which had the necessary powers.

Dr. Evatt (Leader of the Opposition) declared on March 20 that the Labour Party was "flatly opposed" to the Government's taxation proposals. He alleged that the Australian Government was following the example of the Conservative Government in Britain by reserving its taxation until after the election.—(Australian News and Information Bureau)

(Prev. rep. 14470 A.)

B. UNITED KINGDOM. — Ending of State Trading in Bacon and Pork. - Ten per cent Duty on Bacon and Pork Imports. - Negotiations on Danish Bacon Imports.

The Minister of State at the Board of Trade (Mr. Austin Low) informed the House of Commons on Feb. 28 that when the present long-term bacon agreement with Denmark ended on Sept. 30, 1956, the trade would be restored to private hands. Thereafter a general 10 per cent duty would be applied to imports of foreign bacon and pork, but imports from Commonwealth countries and the Irish Republic would continue to be admitted duty-free.

The decision to end State trading in bacon and pork marked the virtual completion of the process of ending State trading in food. Mr. Low's announcement came at the end of lengthy negotiations with Denmark (the principal supplier of imported bacon), whose representatives had objected to the proposed 10 per cent import duty and had sought compensatory guarantees.

Mr. Low said that an agreed minute on the negotiations with Denmark (i) took note of the fact that the U K had decided to apply a 10 per cent *ad valorem* tariff; (ii) provided for the necessary modification of the 1933 and subsequent agreements with Denmark, which guaranteed duty-free treatment for imports of Danish bacon, and (iii) authorized the British Government to inform the contracting parties to GATT that negotiations with Denmark for the establishment of the proposed tariff preference had been concluded In view of the great importance for the Danish economy of the bacon trade with the U K, the British Government had given Denmark the following undertakings.

(1) If at any time events should occur which were likely to affect the U.K market so as to cause substantial injury to Danish producers the U K Government would consult with the Danish Government at the latter's request

(2) Britain would not raise the rate of duty on Danish bacon above 10 per cent *ad valorem*

(3) Britain would suspend the tariff if at any time it was found necessary to apply quantitative restrictions to Danish bacon imports If quotas were allocated to individual countries, Denmark (subject to Britain's obligations under GATT) would be allocated the share of total imports of foreign bacon provided for in the 1933 and subsequent agreements.

(4) These arrangements would remain in force for four years from Oct. 1, 1956. During that time there would be regular joint reviews of the market prospects for Danish bacon in the United Kingdom

The Danish Prime Minister, Hr. Hansen, stated on Feb. 28 that whilst Denmark had no means of preventing Britain from applying the new arrangements, his Government had made it clear that Denmark could not sign a formal agreement accepting the principle of the tariff. They had learned with regret of the British Government's decision to introduce the bacon duty, especially in view of obstacles to agricultural exports which had arisen in other markets In all the circumstances, however, he considered the results of the negotiations to have been valuable—a view which was shared by the Danish agricultural organizations. Hr. Hansen added that it was of paramount importance that good trade relations with Britain should be maintained.—(Times - Manchester Guardian - Berlingske Tidende, Copenhagen - Politiken, Copenhagen) **(Prev. rep. Ending of Government Meat Trading, 13562 C; Anglo-Danish Bacon Agreements, 14456 B; 13101 D; 12534 C; 9540 A.)**

C. PERSIA. — Expulsion of Soviet Military Attaché.

It was announced in Teheran on March 1 that the Persian Government would demand the recall of the Soviet Deputy Military Attaché, Major A. T. Kuznetsov, who had been arrested in the street the previous evening after (it was alleged) he had just received secret maps and photographs of air defence plans for the Teheran region from a warrant-officer of the Persian Air Force A Note containing a formal protest, and demanding the recall of Major Kuznetsov within a week, was handed to the Soviet Embassy on March 4. A Soviet counter-protest alleging that Major Kuznetsov's diplomatic immunity had been violated was rejected by the Persian Government on March 15.—(Times - Manchester Guardian)

(Prev. rep. Persian-Soviet Relations, 14654 A.)

D. NEW ZEALAND. — Exchange of Cabinet Posts.

The N.Z. Prime Minister (Mr. Holland) announced on March 20 that Mr. Dean Eyre, Minister of Industries, Commerce and Customs, had exchanged portfolios with Mr. E. H. Halstead, Minister of Social Security, Tourism, and Health Resorts. The exchange of portfolios followed a political dispute in which Mr. Eyre, an importer and manufacturer, had been criticized for holding portfolios which, it was alleged, conflicted with his private interests. Mr. Halstead remained Minister Assistant to the Prime Minister.—(Directorate of Information Services, Wellington) **(Prev. rep. 13953 A.)**

MARCH 31—APRIL 7, 1956

A. MOROCCO. — French Recognition of Moroccan Independence. - Joint Declaration on Independence and Integrity of Morocco. - Agreement on Moroccan Diplomatic Representation and Formation of Moroccan Army - The Sultan's Broadcast. - Nationalist Demands for Integration of Spanish Morocco. - Ending of Riff Revolt. - U.S. Proposal to abandon Extra-territorial Rights in Morocco.

Negotiations between the French and Moroccan Governments on the future relationship between the two countries opened in Paris on Feb. 15 in the presence of the Sultan. The first phase of the talks concluded on March 2, when M. Pineau (the French Foreign Minister) and Si Bekkai (the Moroccan Prime Minister) signed a joint declaration recognizing the independence, sovereignty, and integrity of Morocco, and the right of Morocco to appoint her own diplomatic representatives and to control her own armed forces. The text of the declaration and of the attached protocol are given below.

Joint Declaration.

" The Government of the French Republic and H.M. Mohammed V, Sultan of Morocco, affirm their desire to give full effect to the declaration of La Celle-Saint-Cloud of Nov 6, 1955 (see 14528 A) They note that as a result of the evolution realized by Morocco on the path of progress, the Treaty of Fez of March 30, 1912, no longer corresponds to the needs of modern life and can no longer govern Franco-Moroccan relations.

"In consequence, the French Government solemnly confirms its recognition of the independence of Morocco, which implies in particular the possession of her own diplomatic representation and her own army, as well as its desire to respect and ensure respect for the integrity of Morocco's territory, as guaranteed by international treaties.

"The French Government and the Sultan of Morocco declare that the negotiations which have opened in Paris betwen Morocco and France, as sovereign and equal States, have as their object the conclusion of new agreements which, whilst respecting the sovereignty of the two States, will define their interdependence in those spheres in which they have common interests; that they will organize their co-operation on the basis of liberty and equality, notably in matters of defence, external relations, economy and culture; and that they will guarantee the rights and liberties of Frenchmen living in Morocco and Moroccans living in France.

The French Government and the Sultan of Morocco agree that, pending the entry into force of these agreements, the new relationship between France and Morocco will be based on the provisions of the protocol appended to this declaration "

Protocol.

" (1) Legislative power will be exercised by H M the Sultan as sovereign ruler. The representative of France will be informed of draft *dahirs* and decrees, and will submit his observations when these measures affect the interests of France, Frenchmen, or foreigners, during the transitional period.

(2) The Sultan will have a national army at his disposal. France will lend her assistance to Morocco for the formation of this army. The present status of the French Army in Morocco will remain unchanged during the transitional period.

(3) Those administrative powers which have hitherto been reserved [to France] will be transferred to Morocco under conditions to be decided by joint agreement

The Moroccan Government will be represented, with the right to vote, in the Committee of the Franc Area, which is the central directing organ of monetary policy for the whole of the franc area.

The guarantees enjoyed by French officials and agents serving in Morocco will remain in force.

(4) The representative of the French Republic in Morocco will bear the title of High Commissioner of France."

Exchange of Letters.

In an exchange of correspondence published simultaneously, Si Bekkai and M. Pineau agreed .—

(1) that the French Government should continue to be responsible for Morocco's foreign relations and to represent and protect Moroccan interests and Moroccan nationals abroad until new arrangements had been agreed upon ,

(2) that a joint commission should meet in Rabat or Paris on March 12 to consider the application of Article 2 of the protocol ;

(3) that the existing monetary and financial regime should continue unchanged until the new forms of co-operation between the two countries had been defined , and

(4) that a joint commission should meet in Rabat to examine the question of the transfer of powers, with the exception of monetary, financial, defence, and diplomatic problems.

A communiqué issued by the French Foreign Ministry on March 2 stated that, in accordance with constitutional practice, both the agreements resulting from the declaration, and those defining the future relationship between France and Morocco which would result from the discussions in progress, would be submitted to Parliament for ratification at the appropriate time.

The Sultan returned to Rabat on March 5, accompanied by M. Dubois (the former Resident-General, now known as French High Commissioner), and was enthusiastically welcomed by large crowds on his arrival. In a broadcast on March 7 he paid tribute to the co-operative attitude of the French Government; emphasized the necessity of upholding public order and respecting the rights of the French settlers ; and announced his determination to ensure the reunification of Morocco.

The Sultan said . " It will be the duty of our Government to ensure the security and protect the property of all the inhabitants of this country, whatever their origin or religion The Moroccan State cannot tolerate infringements of its authority and prestige, particularly as a legal regime exists and is the source of all power Any breach of the peace constitutes disobedience to the authority of the regime, is prejudicial to the country's interests, and endangers its existence. . . .

" During our stay in France we were again enabled to appreciate the dignity and generosity of the French people. This gives us reason to believe that future negotiations will be guided by the same feelings. We wish to see the same spirit dominate relations between our subjects and the Frenchmen resident in Morocco, whose contribution to our country's prosperity and progress we have never forgotten. We must guarantee their interests, their freedom, and their future in Morocco, and we hope that they will continue their work in the atmosphere of friendship and understanding which must prevail between all sections of the population.

" We are well aware that our efforts . . . will be ineffective so long as our country's soil remains divided, governed by different agreements and different regimes, despite the maturity of its people and their consciousness that it is necessary to reunite our country. Are not our people already united around the same throne, under the same flag, with the unity of feeling inspired by membership of a single nation ? Our first task, therefore, will be to do everything in our power to ensure that our country shall recover its unity. For this we count upon Divine assistance, the effective aid of the Moroccan people, and the goodwill of friendly nations. . ."

The second phase of the Franco-Moroccan negotiations opened on March 12, when discussions on the formation of a Moroccan army and on the transfer of the " reserved " powers began in Rabat. It was announced on March 14 that an agreement had been reached on the transfer to the Moroccan authorities of prison administration, and that the other reserved powers under discussion were the control of the public service, the police, and civil aviation.

The French Prime Minister, M. Mollet, had previously issued a statement on March 9 in which he gave an assurance that the transfer of the reserved powers would in no way affect the position of French nationals in Morocco, whose rights would be recognized in the final agreement between France and Morocco. Certain of these officials, however, would gradually be replaced by Moroccans, and the Government would therefore introduce legislation to protect their interests. The Socialist and Catholic civil servants' unions informed M. Mollet on March 14 of their uneasiness at the transfer of the public services to the Moroccan Government " without clearly defined guarantees," and requested the French Government to introduce a Bill providing for their integration into the French Civil Service.

It was officially announced in Rabat on March 22 that a Moroccan army of 20,000 men would be raised initially ; that it would be under the supreme command of the Sultan, with Prince Moulay Hassan as Chief of Staff ; and that M. Guedira (Minister of State) had been appointed Minister of National Defence. M. Mohammed Laghzaoui, a leading member of the Istiqlal, was appointed Director-General of Police (*sûreté nationale*) on the same day, although M. Petitjean, the director of police, retained his post for the time being at the Moroccan Government's request.

Developments in Spanish Morocco.

M. Massigli, the secretary-general of the French Foreign Ministry, officially informed the Spanish Ambassador (the Count of Casa-Rojas) of the Franco-Moroccan agreement on March 2. In its reply, handed by the Ambassador to M. Massigli on March 8, the Spanish Government was said to have expressed certain reservations in its attitude towards the agreement.

Nationalist demonstrations in the Spanish zone in celebration of the agreement led to serious clashes with the police in Tetuan, Larache, and El Ksar-el-Kebir on March 4-5, in which about 20 people were killed and 100 wounded. These incidents led to anti-Spanish demonstrations on March 6-8 in Rabat, Fez, and in the international zone of Tangier, whilst bombs thrown at the Spanish Consulates in Casablanca and Meknès caused some damage.

In his broadcast of March 7 (see above) the Sultan said that he had been " painfully surprised " by the incidents in the Spanish zone, which had originated in the " measures taken by the local police to prevent peaceful demonstrations organized by the people on the occasion of the proclamation of Morocco's independence." Si Bekkai informed the Spanish Vice-Consul in Rabat on the same day of the Moroccan Government's

"strong reprobation" of the incidents; the fact that this protest was transmitted through the Vice-Consul, and not through the Khalifa (the Sultan's representative in the Spanish zone), was regarded as an indication that the Sultan expected future negotiations to be conducted as between two sovereign States and on the basis of Moroccan unity. Most of those arrested during the demonstrations were released by the Spanish authorities on March 10, and a general amnesty was granted on March 15 to political prisoners in the Spanish zone.

The Spanish High Commissioner in Morocco, General Valino, visited Madrid on March 9 for consultations with General Franco. The Khalifa, who had appealed to General Franco to take steps to bring about a relaxation of tension in Spanish Morocco, also arrived in Madrid on March 17 and was received by General Franco and Señor Artajo, the Spanish Foreign Minister. Meanwhile, Si Allal El Fassi (the leader of the Istiqlal, who has lived for the last five years in Cairo) had visited Spain from March 13-17 and had been received by Señor Artajo and General Valino. He proceeded on March 17 to Tangier, where he announced that the National Reformist party (the principal nationalist party in the Spanish zone) had decided to amalgamate with the Istiqlal.

The Spanish Vice-Consul in Rabat informed Si Bekkai on March 13 that the Spanish Government had invited the Sultan to visit Madrid.

Ending of Riff Revolt.

Although minor incidents continued in the Riff area until March 18, no large-scale operations were undertaken either by the French forces or the rebels after the first week of March. M. Bouabid (the Moroccan Minister of State) announced on March 17 that an agreement had been reached with the insurgents after negotiations lasting some weeks. It was subsequently reported that the population of the Boured area, which had crossed into the Spanish zone in October, were returning to their homes, and that the Governor of the province of Tafilalet had persuaded a rebel band about 150 strong to lay down their arms.

Internal Disorders.

Terrorist activities continued during February and March, though on a decreasing scale; among the victims was Thouria Chaoui, Morocco's first woman aviator and a supporter of the Istiqlal, who was shot in Casablanca by unknown assailants on March 1. The total number of terrorist acts committed between June 1, 1955, and Feb. 15, 1956, was officially given on March 6 as 999 attempts on individuals and 3,116 against property, and the number of victims as 470 killed and 1,024 wounded.

A police post at Ain-Leuh (about 60 miles south of Meknès) was attacked on March 6 by two armed men, a French clerk being killed. As a result of inquiries, two former caïds were arrested on March 10 on suspicion of complicity in the incident, whilst on March 16 another ex-caïd was arrested and the former Pasha of Fez and two other ex-caïds were placed under surveillance. The ex-pasha and the five caïds had all been dismissed after the Sultan's return as supporters of the ex-Sultan Ben Arafa.

Relations with the United States.

The State Department announced on Jan. 26 that the U.S. Government would ask Congress for authority to abandon the extra-territorial rights exercised by the U.S.A. in Morocco. The communiqué added: "The United States is following closely the progress which France and Morocco are making in working out their future relationships. We consider that to modernize our own treaty relationship with Morocco, with respect to our extra-territorial rights, would be the only course in keeping with this evolution."

U.S. extra-territorial rights in Morocco originated in a treaty of 1787, which authorized U.S. consular authorities in Morocco to try civil or criminal actions brought by one U.S. citizen against another. They were renewed in a treaty of 1836, which also permitted the establishment of consular courts for the settlement of cases in which U.S. citizens were defendants, and were further extended by the Act of Algeçiras (1906), which forbade the application of Moroccan laws to U.S. citizens without the prior consent of the U.S. Government. The exercise of these rights, however, had been limited since 1952 by a decision of the International Court of Justice, which since 1950 has been considering a dispute between France and the U.S.A. over the liability of U.S. residents in Morocco to import controls (see 11110 C). The U.S.A. is the only country still retaining extra-territorial rights in Morocco, the similar rights formerly exercised by the United Kingdom having been abandoned in 1937.

M. Cherkaoui (a Minister of State) said in Paris on Jan. 17 that the agreement concluded between France and the U.S.A. in 1950, under which U.S. air bases were established in Morocco, had no legal basis as the Sultan's consent had not been obtained, and that it would be necessary to negotiate a new agreement on the subject. State Department spokesmen maintained that the agreement was valid, as France was Morocco's legal representative in foreign affairs, adding, however, that it might become expedient to re-negotiate the agreement when Morocco achieved independence.—(Le Monde, Paris - Le Figaro, Paris - New York Times) **(Prev. rep. Morocco, 14677 A.)**

A. MUSCAT AND OMAN. — Reassertion of Sultan's Sovereignty. - Flight of Imam of Oman.

Forces of the Sultan of Muscat and Oman occupied the town of Nazwa on Dec. 15, 1955, without resistance, after the Imam of Oman (Sheikh Ghalib bin Ali) had fled from the town. The mountainous province of Oman had not been under the effective control of the Sultanate for 40 years, as the local tribes had rebelled in 1913, since when *de facto* control had been exercised by a theoretically "elected" Imam. The present Imam had attempted to make Oman a completely independent State with Saudi Arabian and Egyptian support. An official statement issued in Muscat said that "certain disaffected sheikhs" had been plotting for some time to disrupt the Sultanate "with the aid of foreign gold, arms, and propaganda."

The Sultan's forces occupied Rostak, the last stronghold of the Imam, on Dec. 22, on which date the Sultan arrived in the area to re-establish his sovereignty over the province and accept the allegiance of tribal leaders. The only casualties reported in the operations—which took place entirely under the Sultan's responsibility, though with the British Government's approval—were six tribesmen killed.

The reoccupation of Oman and the reassertion of the Sultan's authority will make possible the establishment of road communication between Tahud (in the Omani Desert, where the Iraq Petroleum Company is drilling for oil) and the port of Muscat. The Muscat and Oman Field Force, which carried out the operations, consists of 350 men under the command of British and Pakistani officers headed by Lieut.-Colonel W. A. Cheeseman, and is financed partly by the Sultan and partly by a subsidiary of the Iraq Petroleum Company.

In October last other troops of the Sultan of Oman and Muscat, with those of the Sheikh of Abu Dhabi, had occupied the Buraimi Oasis, which is the subject of a dispute between the Sultan and Saudi Arabia.—(Times) **(Prev. rep. 14534 A.)**

B. PERSIA. — Rejection of Dr. Mossadeq's Appeal. - Arrest of M. Hussein Makki and Tudeh Party Members.

The Persian Supreme Court rejected on March 8 a further appeal by Dr. Mossadeq, the former Prime Minister, against the three-year sentence of imprisonment which had been passed on him in 1953.

On Jan. 8 M. Hussein Makki, the former head of Persia's nationalized oil industry under the Mossadeq regime, had been arrested in connexion with the assassination of General Razmara in 1951; other persons arrested at the same time included M. Narriman, Finance Minister under Dr. Mossadeq.

The Military Governor of Teheran, General Bakhtiar, announced on Jan. 1 that over 100 persons belonging to the "intelligence service" of the Tudeh (Communist) party had been arrested.

General Bakhtiar said that this organization had not only provided the Tudeh party with information about the Persian Army but had engaged in murder, arson, and bank robbery to provide party funds. It had been headed by Captain Ruzbeh, a former Army officer who had been implicated in the "officers' conspiracy" discovered in the autumn of 1954, and whose liaison with the Tudeh Party's central committee had been effected through Dr. Morteza Yazdi (see below). General Bakhtiar added that the main aim of the Tudeh Party was to force Persia into the Communist orbit through subversion and acts of terrorism.

Dr. Yazdi, one of the founders of the Tudeh Party and a former Minister of Health, was sentenced to death for treason by a Teheran military court on Sept. 25, 1955. The Shah commuted the death sentence to life imprisonment on Jan. 1, 1956.—(Times - Le Monde, Paris) **(Prev. rep. 13571 B.)**

C. UNITED STATES. — Senate Appointment.

Mr. William R. Laird (Democrat) was appointed to the U.S. Senate by Governor Marland of West Virginia on March 13 in succession to Senator Harley M. Kilgore, who had died on Feb. 28. The appointment of Mr. Laird, formerly a State Tax Commissioner, left the state of the parties in the Senate unchanged at 49 Democrats and 47 Republicans. An election will, however, be held in November for a Senator to serve the unexpired two years of the late Senator Kilgore's term.

Senator James O. Eastland (Democrat, Mississippi) was elected chairman of the Senate Judiciary Committee on March 2 in succession to the late Senator Kilgore.—(New York Times) **(Prev. rep. 13979 A.)**

A **CYPRUS. — British Parliamentary Debates on Cyprus Situation. - Opposition Protests against Deportation of Archbishop Makarios. - Defeat of Opposition Motion. - Archbishop of Canterbury's Correspondence with Archbishop Makarios. - Sir John Harding's Statement on Cyprus Situation.**

The decision to deport Archbishop Makarios was strongly criticized by the Leader of the Opposition, Mr. Hugh Gaitskell, and the leader of the Liberal Party, Mr. Clement Davies. In statements issued on March 9, Mr. Gaitskell said that the Archbishop's deportation seemed to him "an act of folly which will only make the insurgents more determined in their fight for self-determination and therefore encourage terrorist outrages against our troops," whilst Mr. Davies described the deportation as "an act of madness," adding that "nothing is more likely to stir up animosity and feelings of intense anger among the people of the island."

The following Opposition motion was tabled in the House of Commons on March 8 in the names of Mr. Gaitskell, Mr. Griffiths, Mr. Bevan, Mr. Robens, Mr. Creech Jones, and Mr. Younger.

"That this House regrets the failure of H M Government, after protracted negotiations, to reach a settlement in Cyprus, and in particular their action in discontinuing negotiations about the points now outstanding after the major issue of self-determination had been resolved."

An amendment was tabled on March 13 in the names of the Prime Minister, Mr. Butler, Mr. Selwyn Lloyd, and Mr. Lennox-Boyd, worded as follows:

"That this House welcomes the patient efforts of H M Government to secure agreements in Cyprus which would safeguard the interests of all communities and the strategic requirements of H.M. Government and their allies; approves the action already taken towards the restoration of law and order as an essential preliminary to constitutional progress, and pledges its full support to H.M. Government in the furtherance of these aims"

House of Commons Debate.

The situation in Cyprus was debated by the House of Commons on March 14, when the Opposition's motion was defeated by 317 votes to 252—a Government majority of 65—and the Government's amendment adopted by 317 votes to 251, a majority of 66.

Mr. Aneurin Bevan, who opened the debate by moving the Opposition's motion, declared that the Opposition had been "ill requited" for the restraint they had shown over the Cyprus question in the last four or five months "We had been told," he said, "that negotiations had reached a delicate stage and that intervention by debates in the House might adversely affect them Then, before we had an opportunity of considering what the Colonial Secretary had done and the statement he had made [i.e. Mr Lennox-Boyd's statement of March 5—see 14757 A], he proceeds to take further steps which makes this debate today almost retrospective reflection We consider that to be shabby treatment. . ."

It was hard to discover (Mr Bevan continued) whether the Government wanted Cyprus as a base, or whether they wanted a base in Cyprus If the former were the case, the discussions with Archbishop Makarios had been "dishonest from the beginning" After maintaining that there was no real conflict between Britain's strategic interests and the Cypriot desire for self-government, Mr Bevan said that the Opposition could not understand why the negotiations with the Archbishop had failed. The reasons given for his deportation were "reasons which were there before the negotiations started," and there was no evidence that he had recently committed any more culpable offences than those which were already known beforehand There was no justification for the Archbishop's deportation before the House had had an opportunity of discussing the situation, and "that almost irrevocable step" should not have been taken until the matter had been debated by Parliament.

"It is obvious to anybody who studies these events," Mr Bevan continued, "that it was only by close identification with those demanding full nationhood for Cyprus that he [the Archbishop] could have had any influence at all with the people of Cyprus. It is no use saying you must not negotiate with people who have been associated with violence It is absurd when we consider the history of the national movements in Ireland, the Gold Coast, and India. Why does the Tory party keep deceiving itself . . . by the assumption that you cannot negotiate with people who have been seditionists or terrorists?" After saying that "the same sort of language" had been used by the Conservatives about the Congress leaders in India in the early 'forties, and pointing out that Britain had eventually negotiated with the Indian leaders when in gaol, Mr. Bevan observed that it was "essential to remember that persons whom we look on here as terrorists are looked on by their fellow-nationals as patriots."

Mr. Bevan asserted that the Archbishop had emerged "an easy victor" from the publication of the Harding-Makarios correspondence, which had shown that the Government had never changed its position on fundamental matters. The Archbishop's request for a guarantee that the Greek majority in the island should have a majority of seats in the Legislative Assembly was in accordance with "the best liberal tradition," whilst his agreement that the Turkish minority should be represented in proportion to their numbers was also "a tolerant position." On the question of internal security—a matter in which the Government "had not moved one inch"—Mr. Bevan said that the Archbishop would certainly have been satisfied with a declaration that this subject should pass to the Cyprus Government "when reasonable order had been established." In view, however, of the fact that not only external affairs and defence, but also internal security, were to remain in British hands for an indefinite period, the Cypriots had been offered "not the reality of self-government but a sham"

Commenting on the fact that the Archbishop could not agree about the amnesty, Mr. Bevan said: "I cannot understand why Government supporters are so obstinate about this. Whenever settlements of difficulties like this have been accomplished, they have always been lubricated, and a new atmosphere of co-operation set going, by a wide and generous amnesty for those who have committed offences." Mr Bevan contended in this connexion that the amnesties offered in Malaya and Korea had been more generous than that which had been offered in Cyprus.

After asking whether there had been any justification at all for ending the negotiations, and whether it would not have been better to have suspended them and in the meantime reported to the House of Commons, Mr. Bevan declared: "We are doing the name of Great Britain great damage in almost every part of the world. We stood alone in 1940, but it was a noble isolation. We are almost standing alone today, but it is an ignoble loneliness that we are achieving. We have resorted to methods in Cyprus which in the worst days of the war we never adopted. Now we have no answer to those nations like the Soviet Union who jam our broadcasts We are deprived of our case The Government have thrown away our best armoury, over a small island like this, when the quarrel could have been settled long ago.

"Why is it that in the course of the last few days the British Government have received a further humiliation by the conduct of Washington? I almost sympathize with the Government here. I have been accused in the last four or five years of poisoning Anglo-American relations. If that had been my intention—which it never was—I could never have succeeded better than members opposite. . ."

In conclusion, Mr. Bevan said that the Opposition had been "disturbed" during the last few weeks by the behaviour of the Government, which "seemed to have got into a pendulum, swinging from one extreme to another." He added: "At one moment they are despondent, at another they are raucous. It appears that they have not adjusted themselves to what is happening in the world. They suffer from a kind of truculent nostalgia Every time a dependent territory or colony wins through to self-government and nationhood, the party opposite do not look on it as the progress of mankind but as the liquidation of their imperial inheritance. . . . Unless it can do better than it has done in the interests of Britain, it would be far better for it to resign and give another Government the opportunity."

Sir Anthony Eden (who moved the Government's amendment to the Opposition motion) said that the debates on Cyprus had so far paid little attention to the international aspects of the situation; in particular, the strategic importance of the island to Turkey had hardly been mentioned in the criticisms made "on both sides of the Atlantic." The island had been ceded to Britain after the First World War by the Treaty of Lausanne, to which Greece was a signatory, and Greece had thereby endorsed the island's cession to Britain In these circumstances it was not surprising that Turkey should take the view that she had a right to ask for modifications in the Lausanne treaty if any changes were made in the status of Cyprus. "For that reason," the Prime Minister declared, "I have never felt, and I do not feel now, that Cyprus is an Anglo-Greek question, or can ever be treated as such To attempt to deny it is to deny the map. It is equally unrealistic to lecture Turkey as to the view she ought to take about an island that is no farther from her coast than the Isle of Man is from ours"

Sir Anthony went on to refer to statements by the Greek Prime Minister (M. Karamanlis) in which the latter had said that failure to settle the Cyprus question would expose Greece to the danger of Communism, and that the Americans had saved Greece from being overrun by the Communists. "By saying that," said Sir Anthony, "he is really offering the most powerful argument against the transfer of sovereignty to Greece—and that is in Turkish minds as well as our own The claim to Cyprus was never made at any time during the war. Greek aspirations were then limited to the Dodecanese, and were supported by Britain. . . . When the Greek Prime Minister says that when Greece was in danger of being overrun by Communists, America came to her rescue, I am bound to take exception It is not in accordance with the facts. It was the British Government and British forces, in 1944 and 1945, which delivered Greece, at the cost of many British dead and wounded, from the certainty of Communist rule It is fair to say that the action of Sir Winston Churchill and the British Government—and I am not likely to forget, because I was in Athens at the time—saved Greece from being sucked behind the Iron Curtain"

Reviewing the Government's attempts to solve the Cyprus problem, the Prime Minister said that when the Archbishop had refused to co-operate with the Government towards the end of 1955, the difficulty then related solely to the question of self-determination. No other questions were raised at the time. An amended set of proposals were then put before the Archbishop and the Turkish Cypriot leaders, which went beyond anything proposed before and which could reasonably be held to meet any claim to self-determination "The Archbishop was not asked to sign the document," Sir

Anthony continued "All we asked was that he should undertake that he was prepared to accept it as a basis for co-operation in developing the Constitution. In return, we asked only one thing of the Archbishop, which is what we have asked throughout—that he should make some declaration showing that he was going to use his influence to end violence The Archbishop accepted the invitation to co-operate with the Governor in framing a Constitution . . but he made no offer to end violence, despite the fact that we told him repeatedly that he was entirely free at every stage of the discussions to reserve his whole position in respect of the Constitution if he wished"

The second phase of the negotiations, Sir Anthony went on, was concerned with the Archbishop's requirements about self-government. The Governor had been authorized on Feb 14 to put forward six important principles as representing the broad constitutional position of H.M. Government "They were as reasonable a set of proposals to work out a Constitution as could be devised. All we asked for at that stage, and at every stage, was a declaration against the use of violence We did not get it. . " Although the Archbishop's original demand was for self-determination (the Prime Minister continued), it had subsequently changed into a demand for details about the Constitution, and this, in turn, had been followed by other demands. "Step by step, as we made some arrangement and some concession. we were always asked for something more. '

After a tribute to the "valuable part" which had been played by Mr Francis Noel-Baker, M P., in his attempts as an unofficial mediator, the Prime Minister said that the final phases of the negotiations had been devoted to three issues raised by the Archbishop, "none of them having anything to do with self-determination as such" The first was the question of an amnesty The Colonial Secretary (Mr Lennox-Boyd) at first proposed that when law and order were re-established there should be an amnesty for all those convicted of offences under the emergency regulations, except crimes involving violence or the illegal possession of arms, ammunition, or explosives. Later, with the full approval of the Government, Mr Lennox-Boyd had agreed to include crimes involving incitement to violence, and also crimes of violence other than those against the person. "This meant that if a man threw a bomb into an empty room and there was nobody there, the amnesty would be applied to him."

The second issue raised had been that of public security, in which connexion the Archbishop had demanded a time-limit for the reservation of public security powers to the Governor—a year had been mentioned—or until law and order had been re-established "We could not agree to that," Sir Anthony declared. "It would have been utterly reckless to have handed over public security in Cyprus within a clearly defined period" The third issue raised was the position of the Legislative Assembly, which was of vital concern to the Turkish Cypriot community.

Despite tireless efforts by the Colonial Secretary and the Governor to achieve a settlement, extending over five months, the Archbishop had rejected all offers on these proposals. "We went as far as we could on all these points, and yet there was no sign at any time that he would condemn violence." They could not escape the conclusion that, had H.M. Government yielded still more on these three items, the Archbishop would have made still further demands, and the conclusion left in his (the Prime Minister's) own mind was that Archbishop Makarios would only have agreed to terms which gave him full control of Cyprus.

Sir Anthony said that it had been recognized for some time that it might be necessary to remove the Archbishop and the Bishop of Kyrenia from the island in the interests of restoring law and order. While the negotiations were in progress, more and more evidence had come to hand about the extent of the Archbishop's complicity in terrorist organizations "It became all too clear that, so long as the Archbishop could not condemn violence, order could not be restored in the island while he was at large there." When it became apparent, just before the Colonial Secretary's departure from Cyprus, that the negotiations were likely to break down, Mr Lennox-Boyd had reached the conclusion, in consultation with the Governor, that in the event of a breakdown it would be necessary to remove the Archbishop and the Bishop of Kyrenia from the island at an early date. Sir Anthony added "The Colonial Secretary arrived in London on March 2 and at once reported the position to me. The situation was fully discussed with other Ministers, and on March 6 the Government authorized the Governor to proceed with arrangements for deporting the Archbishop and his associate"

After recapitulating the large volume of evidence uncovered about the Archbishop's support for Eoka terrorism, the Prime Minister declared: "Whatever one may feel about all this, the most palpable aspect of the Archbishop's conduct was his failure to condemn publicly the wickedness and cruelty of these outrages How can anyone believe other than that, by his silence, he was approving assassination and murder?"

Emphasizing, in conclusion, that H.M. Government had no choice but to fulfil its responsibilities or to abdicate, Sir Anthony declared "We do not withdraw. Our immediate purpose must be to defeat terrorism so that the individual citizen in Cyprus—and there are plenty who want a quiet life—can enjoy personal security, and to go on trying to resolve the conflicting interests in this intractable problem. We must safeguard the strategic needs of our country and of our allies. Neither NATO obligations, nor the Tripartite Declaration, nor the Baghdad Pact, can be effectively carried out unless we have the sure and unfettered use of Cyprus. But there is more in it even than this. The Government must be concerned to protect the vital interests of its citizens. The welfare and, indeed, the lives of our people depend on Cyprus as a protective guard and staging base to take care of those interests, above all oil That is not imperialism It should be the plain duty of any Government, and we intend to discharge it."

Mr. Kenneth Robinson (Lab) said that the Prime Minister had given a "one-sided" account of the negotiations with the Archbishop. After alleging that H.M. Government had not conducted the negotiations in good faith, and expressing the opinion that the Government had never intended to reach a point at which the Greek Cypriots could ask for self-determination, he described the deportation of Archbishop Makarios as "an incredible act of insanity" which had "converted the Archbishop into a martyr," destroyed any hope of friendship between Cypriots and Britain "for a generation or longer," and provided the Communists with "most valuable propaganda which they will not be slow to use"

Mr. Julian Amery (C.) said that it was a profound error to believe that deportation had never been effective; he recalled in this connexion that the Congress leaders in India had been imprisoned on two occasions with the successful result that law and order had been restored Refuting Mr. Bevan's charges that the Government had handled the Cyprus situation clumsily, Mr. Amery declared that the clumsiness "resided not here but on the other side of the Atlantic." After expressing the hope that Mr Lennox-Boyd would not accept the idea of U.S mediation in Cyprus, and declaring that the Government's action had "given courage to all our friends throughout the world," he said that the Opposition should not underrate the claims of Turkey, which was Britain's most solid ally in the defence of the Middle East.

Mr. Clement Davies (Liberal) declared that force would never be a remedy for the Cyprus problem, but only understanding, generosity, and a desire to help the Cypriot people He appealed to the Government to adopt such a policy and expressed the belief that the Cypriots would be allies and friends of Britain if they were allowed responsibility for their own affairs

Mr. Francis Noel-Baker (Lab) said that during his recent visit to Cyprus (see 14757 A) he had developed a sincere respect and admiration for Archbishop Makarios "It is my considered view," he added, "that he is a sincere, patriotic, honest, and moderate leader of his people, and that he negotiated in perfect good faith throughout" After declaring that responsibility for recent events rested not on Sir John Harding but on the Government, and saying that he had been "saddened" by the "totally misleading charges" made against the Archbishop during the debate, Mr Noel-Baker continued. "When I went to him to say good-bye he said to me 'Did you hear those bombs go off an hour before we met? I don't know who let them off, whether it was the Communists or Eoka. Whoever did it, did it deliberately to wreck the talks If the Governor really believes that I can turn terrorism on and off like a tap, he must think I am a pretty curious kind of customer I deplore these outbreaks.'"

There were only two possible courses, Mr Noel-Baker declared—either the path of constitutional development, in which the Archbishop was "an indispensable factor and a great potential British asset," or the abandonment of all hope of constitutional development and the imposition of direct rule, with all the consequences it entailed It seemed that the Government had chosen the latter course, which could only end in disaster "I implore the Colonial Secretary," Mr. Noel-Baker concluded, "for the sake of the good name of this country, for the hope of peace in the Middle East, and for the sake of the lives of British Servicemen and Cypriots, to take up the negotiations where we left them . in Nicosia a few weeks ago."

Mr. Lennox-Boyd (Colonial Secretary) replied to the debate for the Government After paying a tribute to Mr Noel-Baker's mediation efforts in Cyprus, he emphasized that the complicity of the Archbishop and the other deported persons in the terrorist campaign had been fully proved by the documents published by the Governor, which were based on information derived from absolutely reliable intelligence sources. "My reluctant conclusion," he said, "is that the Archbishop was not prepared to surrender a powerful weapon in his armoury lest he might fail to get everything he wanted in the political field and find it difficult to start a campaign of terrorism again."

Continuing, Mr. Lennox-Boyd said that there had been reports from security sources that the Archbishopric was issuing grenades to the terrorists. and was also being used for the temporary storage of arms and grenades. A search of the Archbishopric had resulted in "a number of curious finds" and had shown these reports to be perfectly true and reliable. After pointing out that rounds of ammunition and a petrol bomb had been found in the Archbishopric garden, together with ten similar bombs in process of manufacture, Mr. Lennox-Boyd asked · "Can anyone seriously say that the Archbishop was not implicated in this up to the neck?" The Bishop of Kyrenia, moreover, had been shown to be one of the principal instigators in turning Cypriot schoolchildren into "thugs and murderers", he had started the Church youth organization which had become one of the chief recruiting grounds for Eoka terrorists, and he had publicly praised the murderer of a police constable

The Colonial Secretary said the following time-table of his two-hour meeting with Archbishop Makarios might be of interest to the House: "From 9.15 (p.m.) to 10.10 we talked about the amnesty, from 10.10 to 10 50 we talked about public security; and we had only five minutes' talk on the elected majority. To those members who are so naïve as to believe that the talks broke down because of the Government's refusal to anticipate the decisions of the Constitutional Commissioner, this time-table may do something to make them change their minds."

Mr. Lennox-Boyd then recapitulated "the problems on which the talks came to shipwreck"—i e, the proposed amnesty, the retention of security powers by the Governor, and the composition of the elected majority in the Legislative Assembly, as described by Sir Anthony Eden. He emphasized that he (the Colonial Secretary) had made concession after concession to the Archbishop on the subject of the amnesty, even to the extent of agreeing that it should apply where an attempted crime had been unsuccessful—"if, in fact, the blow had not struck its target, a sort of premium on bad marksmanship." When they came to the case of terrorists caught in possession of arms and bombs, however, he could go no further. He could not recommend that the amnesty should apply to those who had been "frustrated in their wicked purpose not by any change of heart but merely by the mercy of God," and he defied any member of the House to come to a different conclusion.

House of Lords Debate.

During the debate in the House of Lords, the Archbishop of Canterbury (Dr. Fisher) disclosed that he had personally appealed to Archbishop Makarios for a declaration that the Orthodox Church did not countenance terrorism. In the course of his speech Dr. Fisher suggested a three-point "peace plan" for Cyprus.

Earl Attlee (the former leader of the Labour Party), making his maiden speech in the Lords, believed that the British Government had not made its policy sufficiently clear, and that full understanding had yet to be obtained with the United States He added: "I sometimes feel, with all friendliness to our American friends, that they are apt to stand on the side-lines and leave us to carry on the fight They are not participators in the Baghdad Pact, a shield intended to protect the whole of that area: yet they draw more oil from what might be called the soft under-belly of that region than we do ourselves In my time they were not always helpful when the Government had to deal with difficulties in Persia and Egypt It is partly due to a rather out-dated anti-colonialism, and I am sure there has not always been the proper link between the State Department and the commercial interests of the oil firms."

Lord Attlee believed that there was a tendency to place undue importance on the strategic value of such places as Cyprus in the present age of atomic and hydrogen weapons. Everyone, however, must be disturbed at "the present tragic situation in Cyprus," and no-one could condone a murder campaign for one moment. After commenting that "in any nationalist revolt you always get the people who are reasonable and the extremists," Lord Attlee said that it seemed clear that the Greeks were willing, whatever happened in Cyprus, that Britain should have bases in the island. There seemed no reason, therefore, why there should be any quarrel on this matter. He believed that if the Cypriots obtained self-government, they might feel less inclined to put themselves under a Government "which no doubt has many virtues but, as far as I can make out, more parties." "If I were a Cypriot," he added, "I should hesitate before wishing to come under the Greek Government."

If one was going to give self-government to a people, Lord Attlee continued, one had to give them responsibility to look after law and order in their own interests. The deportation of Archbishop Makarios might have been justifiable if it were a case of an absolute ruler ruling against the will of the people, but he did not believe it was ever wise to deport the leader of a nationalist movement. "More often than not, you have eventually to bring back the deportee." Whilst he realized the difficulties involved, and held no brief for the Archbishop, he did remember that "the rebels of the past tended sooner or later to be Prime Ministers of the British Commonwealth."

The Archbishop of Canterbury began his speech by recalling that Archbishop Makarios was head of a Church—the Ethnarchy Church of Cyprus—with which the Church of England had for long been on terms of close fellowship and friendship, as was also the case with the Greek Orthodox Church He continued.

"Great perplexity and distress has been caused to Christian opinion, both here and elsewhere, by the arrest and removal of the head of one of the historic Churches of the world. I think it is only proper to stress the shock and uneasiness which Christians in many parts are feeling. The Orthodox churches regard this event with indignation, as an act of sacrilege, persecution, and barbarism From the Patriarchs of Alexandria and Antioch, from the Archbishop of Athens, from the Bishops in Cyprus and others, I have had urgent telegrams of protest using those very terms. It would be resented throughout the Orthodox world if I said nothing in this debate, and the fact that my words would be scrutinized there as certainly as those of the Government compels me to speak with a great sense of Christian responsibility.

"Archbishop Makarios is the leading ecclesiastical and political figure of Cyprus. Whatever he does, he does simultaneously and equally as churchman and politician. The Eastern churches find it hard to believe that the Archbishop of Canterbury is not also a political leader They have not passed through that historical experience which has taught us that while the concerns of Church and State are intimately related and equally involved in the issues of national well-being, yet, under God, the responsibilities and spheres of action of churchman and politician are different, and that when either tries to usurp the functions of the other, disaster follows, whether it be the politician trying to stifle the free speech and free judgment of the Church, or the Church trying to operate by the methods of political power

"Our friends in Greece and Cyprus must recognize that to us here it seems shocking that an Archbishop should take the lead in a political matter and involve himself in the passionate partialities which political incitement always involve. I must ask our good friends there to believe that, even though I am speaking in the House of Lords, I, as Archbishop, have had no share in these political matters and no previous knowledge of the actions taken.

"As a churchman I have one interest only—that is, in reconciliation, that hatred and division may be replaced by understanding, trust and co-operation. I trust that our Orthodox brethren will try, as I must try, to lay aside all political argument and, as far as possible, all national partialities and everything else which makes the way to reconciliation more difficult. . . .

"We must, however, recognize that in the Near East the kind of distinction I have made between the functions of churchman and politician hardly exists In this country the Government naturally judge Archbishop Makarios on his political record, since he has chosen to play the part of a politician; but in Cyprus he will be judged as a churchman, doing what it is proper—whatever the canon law may say—for a churchman to do. The British Government must therefore do a hard thing and recognize that, whatever his political activities, he remains the head of an independent Church, a religious and a Christian leader whose presence is indispensable to the proper functioning of that Church. There is bound to be uneasiness in any British mind when a political leader is arrested and removed without trial. It is even more alarming when such action has the effect of interfering with the functioning and loyalties of a Christian community It is important for the Government to realize that it is in such terms of sacrilege that much foreign opinion is viewing their action.

"In one matter of intense political and Christian concern the Archbishop has put himself very much in the wrong To his own people and others he has allowed himself to appear to condone violence; the Government goes further in saying that he connived at it in a way which the Christian conscience must condemn

"He has twice been a visitor in my house In June last I wrote a letter in which, after referring to increasing evidences of violence, I went on

> 'I am somewhat worried lest the absence of any clear statement from the Church authorities, and particularly from you as their undisputed leader, must cause people to suppose that the Church is in fact supporting such outrages as have occurred'

"I asked him to give a lead in this matter In his reply he said:

> 'I am profoundly grieved by the course events have taken in Cyprus . . . Unfortunately the serious situation which has been created here cannot be remedied by suggestions or advisory circulars I am sincerely afraid that an official condemnation of events by myself would not find at the present stage the necessary response, but would involve the risk of exposing me rather unprofitably'

"I feel he spoke then not as a churchman upholding a religious principle but as a politician calculating the risks and chances, ready to allow an evil which he regretted in private but would not publicly condemn So he exposes himself inevitably to contradictory judgments.

"I can fully sympathize with Mr. Noel-Baker's estimate of the Archbishop's character; indeed, there is good reason to suppose that he was a moderating influence with those extremists who were associated with him in the Ethnarchy Council His moderating influence might have been utilized far more profitably by the Government in the earlier stages of this quarrel to reach a solution if they had had a clearer imagination and foresight of where they would have to go in the end.

"At the same time, even if the Government have not established their case for the Archbishop's direct complicity in the earlier violence and outrages, the Archbishop has made it hard to doubt that, and his refusal to condemn it has had the same public effect as complicity would have had.

"Our Greek Orthodox friends must be ready to recognize that the Government has an absolute duty to restore civil order, and could not stand idly by when confronted with disorder and incitement to kill and destroy If they wish to criticize the Government's action—and there is plenty of room for criticism and plenty of critics—they must do so not on the grounds of insincerity, barbarism, or sacrilege, but simply on political unwisdom and misjudgment, especially in timing. . . ."

Dr Fisher then proposed that the following three measures should be taken to restore the situation in Cyprus:

(1) A Draft Constitution should be drawn up along the lines of the correspondence between the Governor and Archbishop Makarios, together with a suggested timetable for application, to become a basis of discussion

(2) The Greek, Turkish and British Governments should immediately issue a joint appeal to Cypriots to end terrorism

(3) Archbishop Makarios should be informed that his exile would end when public order in Cyprus had been restored, and that direct negotiations with him would be resumed immediately the Draft Constitution was in being

After expressing his conviction that these three steps, if taken quickly, would have the support of the Greek and Turkish Governments and also of all the Churches, including the Orthodox Church, Dr Fisher concluded: "Along these lines it would seem to me best for all parties to leave the past behind, and to go forward to a peaceful, orderly, and generous acceptance of the mutual responsibilities of Cyprus and Great Britain to one another and to the peace of the world It is in that direction, and to that end, I trust that the Christian churches in this country may work closely together with the Orthodox Church, with undiminished trust and ever-increasing fellowship."

The Earl of Listowel said that the decision to deport Archbishop Makarios had antagonized and shocked a large section of world opinion. The U S A had been moved to express sympathy with the Cypriots and Greece, and he hoped Cyprus would not become in American eyes a symbol of British imperialism He asked the Government to study the suggestions of the Archbishop of Canterbury, which were "an improvement on the sterile, negative policy of repression which is all that the Government has so far offered"

Viscount De l'Isle (the former Secretary of State for Air) said that the remarks attributed to the U S. Ambassador in Athens (see page 14761) had given "great and justifiable offence" in Britain, and had aroused the impression that "we have been let down by a friend" —an impression which the U.S Ambassador in London should not fail to report to his Government. Britain was entitled to expect a far higher degree of comprehension and sympathy than she had so far received, particularly at a time when she was supporting, at the expense of blood, treasure, and perhaps loss of reputation, the power of the free world in the Middle East. He regretted that the Archbishop of Canterbury had not deplored the murders which had taken place, at least with the connivance, if not under the instigation, of Archbishop Makarios.

The Archbishop of Canterbury intervened to say: "I dissociated myself utterly and entirely with the terrorism and murder in progress there, and certainly condemn Archbishop Makarios for not himself disowning it. I wish to make it perfectly clear that I was not lacking at all in condemnation of the terrorism and murder in Cyprus"

The Bishop of Chichester (Dr. Bell), a prominent member of the World Council of Churches referred to the many protests which had been made to that body against the deportation of Archbishop Makarios. He had received a statement from the general secretary of the World Council saying that it "must be made unmistakably clear to all concerned that this act of deportation against the head of a Church is very deeply resented throughout the ancient Orthodox churches." Whilst he (Dr Bell) abhorred and condemned the outrages in Cyprus, he believed that the Archbishop's deportation was a blunder which had struck a blow at British prestige and reduced Britain's capacity for moral leadership

Before they condemned Archbishop Makarios too vehemently (Dr. Bell continued), they should consider the strength of the nationalist movement in Cyprus. Even if the Archbishop had issued a public condemnation of terrorism, it was far from certain that the terrorist movement would have ceased In times of war and revolution it was not easy for archbishops and bishops of any country to take a line which large bodies of their fellow-countrymen resented and repudiated.

After regretting that he did not wholly agree with the Archbishop of Canterbury, and saying that he found himself in greater agreement with Lord Attlee, Dr. Bell asserted that the Government had offered Cyprus neither self-determination nor self-government, but a limited form of self-government with large areas reserved to British rule That was artificial, and no solution at all. The Government's refusal to concede that membership in the Legislative Assembly should correspond to the proportion of Greek to Turkish Cypriots was to be deplored. That was neither a liberal nor a democratic Constitution, and under its terms Cyprus would remain a dependent territory of lower grade for an indefinite period The Government's policy lacked an adequate moral basis and so could not succeed.

The Earl of Munster (Minister without portfolio) said that Archbishop Makarios, in the negotiations about an amnesty, had apparently believed that the carrying of arms, ammunition and explosives was a 'harmless occupation" and ought therefore to be removed from the exceptions to the amnesty. No normal-minded person in Britain, however, could have agreed to the Government giving way on this point. Referring to the correspondence between the Archbishop of Canterbury and Archbishop Makarios, Lord Munster commented that the latter's reply had shown that he did, in fact, condone terrorism and violence. "For this political and spiritual leader of the Greek Cypriots to say that his appeal [for the ending of terrorism] would meet with no response really put him in his true light," Lord Munster added.

Turning to the Primate's three proposals, Lord Munster stressed that one essential was needed if a Constitution was to be introduced —co-operation It was clear, however, that no co-operation was possible at the moment Even in the event of the cessation of violence, he could give the Primate no assurance that Archbishop Makarios would be allowed to return, and whilst he would bring the Primate's views to the attention of the Secretary of State, he saw no possibility whatever of meeting Dr Fisher's requests Lord Munster nevertheless emphasized that the Government had not "slammed the door" in Cyprus, and expressed the hope that other Cypriot leaders would come forward to assist in creating a new and more liberal situation once law and order had been restored in the island. He added that the Bishop of Chichester could have been speaking "for no-one but himself."

Lord Winster (Governor of Cyprus from 1946-49, and a former Labour M P.) expressed the view that the Government had got into a *cul-de-sac* from which they would be unable to extricate themselves He found it difficult to believe that they would be able to make a new start on the Cyprus problem and effect a settlement, and he felt that a change of government might be necessary before such a settlement could be achieved

Viscount Hailsham thought that the words of Archbishop Makarios, as quoted by the Archbishop of Canterbury, constituted "the most damning indictment of a political leader" that he had ever heard. In the last resort a Christian bishop could only serve one Master, but "by speaking with two voices on the subject of murder" and refusing to denounce extremism, the Archbishop had "been serving at least two." Lord Hailsham added:

'What is it that it is claimed we are doing wrong? Our duty to world peace is to remain in Cyprus at the present moment Are we for that to be assailed as oppressors and tyrants, and to have our soldiers and policemen murdered? And cannot our bishops speak out at least as boldly on these lines as they do when they are so anxious to explain that our Government is wrong? To attack us, and to allow us to be vilified and attacked because we have done no more than do our duty as civilized men and as Christians, is to miss the whole morality of the politics of a complex situation. I say this to our American friends—Mr Facing-Both-Ways does not get very far in this world The Americans must clearly understand that what we think of them is just as important as what they think of us, and that the *demarche* of their Ambassador in Athens has left with many good friends of the United States a nasty taste which will take many words to wipe out entirely"

The Marquess of Salisbury (Lord President of the Council) replied to the debate for the Government. After pointing out that Archbishop Makarios was a British subject, he stressed that no-one could excuse a man, whether churchman or layman, who used British nationality, and the social position attaching to a religious rank, not only for a subversive purpose but for fomenting violence and terrorism which resulted in the death of innocent people It was suggested that the Government had not established his complicity, but there was no doubt about the facts, if the sources were not given, it was because of security reasons

"I must confess," Lord Salisbury continued, "that I listened very sadly to what the Bishop of Chichester said He has the respect of us all, and we know that he has complete intellectual integrity. But he talked of the British Government by-passing law and order in deporting Archbishop Makarios I should like to have asked him Does he regard Makarios himself as having by-passed law and order? Does he think he should have been allowed to continue to foment terrorism and the murder of British soldiers, which was the alternative? I was driven to the conclusion that he cared so desperately about the World Council of Churches and the continuation of that great movement that he subordinated everything else to it. That is really playing ecclesiastical politics and merely thinking in terms of expediency"

The Archbishop of Canterbury intervened to say "I entirely agree on this matter I am sorry that the Bishop quoted the secretary of the World Council of Churches, who exceeded all his rights in issuing that statement"

Lord Salisbury continued "Frankly, I do not think I was ever more shocked than by the speech of the Bishop Makarios has not been treated harshly. On the contrary, I should have thought there were few examples in history of such tolerance being extended to a man who was known to the authorities to be plotting in secrecy to overthrow by violence the established Government of the country in the interests of another State. If a man of American nationality, in a territory under American sovereignty, had fomented in the interests of another nation a campaign of violence and terrorism resulting in the death of American soldiers, I do not believe the attitude of the American nation would be as detached as it has been in this case"

It was necessary to remember, Lord Salisbury went on, that there were limitations to negotiations with the Archbishop If the Government were under a moral obligation to find a solution of the problem that was acceptable to the Greek Cypriot community, they were under an equal moral obligation to find a solution acceptable to the Turkish Cypriot community. The purpose of the talks with the Archbishop, which were in a sense preliminary, was to try and resolve this difficulty, and they had never been intended to take the place of later negotiations. It could not be seriously contended that the Governor had broken off the talks on flimsy grounds, indeed, it had been said by some that it was not the Governor but the Archbishop who had broken off the negotiations

With the final and lamentable failure of the talks, the Governor had been faced by a new situation. He knew from information already in his hands that the Archbishop was actively fomenting terrorism Was it, then, any longer possible for the Governor to leave the Archbishop at large in Cyprus, "sitting in his palace planning sabotage and terrorism," once the talks had broken down? He (Lord Salisbury) did not believe that any Governor worthy of the name could have done so The Archbishop could, of course, have been allowed to go to Athens and then have been refused readmission to Cyprus, but that would have left him free to organize rebellion and terrorism on just as large a scale from Greece. The only course was to place him where he could do no harm

As regards the future, Lord Salisbury concluded, the first consideration must be the restoration of law and order Then, with the advent of more normal conditions, the Government firmly believed that more moderate leaders would emerge Such persons existed, but they had been driven out of politics by the extremists in recent months, and in the existing conditions it was as much as their lives were worth to attempt to show themselves. There was no desire on the part of the Government to sit still and do nothing, which would be a futile policy, but there must be some delay while things became normal.

Statement by Governor of Cyprus.

The Governor of Cyprus (Field-Marshal Sir John Harding) gave a press conference on March 18 in which he expressed the opinion that "in the long run the Western world will benefit from the fact that at this critical stage H.M. Government did not take the easy, weak, and superficially popular course in Cyprus."

Sir John Harding stressed that his policy for the future was (1) to end terrorism and intimidation so that people could live freely and without fear, and at the same time to ensure the military needs of Britain and the free world, (2) to press on with measures to promote prosperity and well-being in the island, (3) to re-examine with an open mind all methods of reconciling the conflicting interests which lay at the root of the political problem. He believed that another form of political leadership would emerge in Cyprus, but not until conditions had improved to such an extent that men could speak without fear. Questioned about the Eoka organization, he said "I would not say we have broken Eoka, but we have broken into it Eoka is not only a threat to the authority of the Government, it is a major obstacle to the development of democratic self-government"

He added: "Britain needs Cyprus for strategic purposes, not solely for herself but in the interests of the security of the free world as a whole. One day perhaps this need may not be overriding Self-determination is not now a practicable proposition I had hoped that our military requirements could be combined with a wide measure of self-government for the Cypriot people. After five months of patient negotiations with Archbishop Makarios, I was reluctantly forced to the conclusion that the Archbishop was unwilling to reach an agreement except on terms which implied the handing over to him of virtual control of the island. As evidence accumulated we decided that it was essential to remove him from the island so that we could more effectively tackle Eoka"

Asked to comment on the Archbishop of Canterbury's proposals, Sir John Harding said: 'Far be it from me to challenge the Primate, especially from this distance No doubt there are things in what he said which make good, sound sense But I cannot agree that when law and order is restored Archbishop Makarios should be brought back and we should start negotiating with him His sole ambition is to be the only arbiter of Cyprus, and this is incompatible with strategic requirements of the present day."

Asked also to comment on the view, expressed by Mr. Aneurin Bevan, that persons who were looked on in Britain as terrorists were regarded by their fellow-nationals as patriots, the Governor declared. "I am not very much taken with the patriotism of men who go sneaking round corners shooting people in the back. That is not the sort of patriotism to which I would like to belong. Was it patriotism for masked men to enter a church and shoot a defenceless member of the congregation dead?"

Sir John Harding said in conclusion: "It has been a very sad thing that the Cyprus situation has been the cause of a serious worsening of Anglo-Greek relations. The Greeks are old friends. In my opinion the failure of the Greek Government to control the violent and inflammatory broadcasts to Cyprus, and its refusal to use its influence to end violence, have been major factors in the blowing up of this problem to its present dimensions. This brings no advantage to the people of Cyprus, Greece, Turkey, Britain, or the free world."
(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Cyprus, 14757 A.)

A IRAQ. — Nationalization of Baghdad Light and Power Company's Installations.

The installations of the Baghdad Light and Power Company, an Anglo-Belgian undertaking founded in 1929, were taken over by the Iraqi Government as a State enterprise on Oct. 1, 1955, under an agreement (signed in September last) providing for the nationalization of the company's assets in Iraq against a compensation payment of £2,400,000. At the same time the Baghdad Electricity Service was created by ordinance to administer the undertaking under the control of the Iraqi Ministry of Works and Communications.—(Financial Times)

B. PAKISTAN. — Atomic Energy Council.

It was announced in Karachi on Feb. 29 that the Government of Pakistan had set up an Atomic Energy Council to develop atomic energy for peaceful purposes. The Council will regulate the procurement, supply, manufacture, and disposal of all radio-active substances and will be under the chairmanship of the Minister for Industries, its other members being the Foreign Minister, the Secretaries to the Ministries of Industries and Finance, and the chairman of the Atomic Energy Commission.—(Pakistan High Commissioner's Office, London)

C. MALAYA. — Acceptance of London Agreement on Independence.

The Federal Legislative Council on March 14 accepted by acclamation the agreement reached in London giving the Federation of Malaya independence by Aug. 31, 1957, "if possible." The High Commissioner, Sir Donald MacGillivray, announced that the Federation's copy of what had been termed the "*Merdeka* [freedom] Charter" had been specially treated to ensure durability and would be preserved in the national museum in Kuala Lumpur.—(Times)

(Prev. rep. London Conference, 14710 A.)

D. INDONESIA. — Resignation of Harahap Cabinet. - New Government formed by Dr. Sastroamidjojo.

Following the announcement of the final results of the Indonesian general elections, Mr. Harahap, the Prime Minister, resigned on March 3, whereupon President Sukarno called on Dr. Sastroamidjojo (Prime Minister in 1953-55 and leader of the Nationalist Party, which received the largest vote in the elections) to form a Government with the widest possible support in Parliament. After consultations with the leaders of other parties and with the heads of the armed forces, Dr. Sastroamidjojo succeeded in forming a coalition government which included representatives of the Nationalists, the *Masjumi*, the *Nahdlatul-'Ulama*, the United Moslem Party (PSII), the Christian (i.e. Protestant) Party, the Catholic Party, the Islamic Party, and the Movement for the Defence of Indonesian Independence (IPKI—an ex-servicemen's organization). The new Cabinet was approved by President Sukarno on March 20, its membership being as follows:

Dr. Ali Sastroamidjojo (Nationalist)	Prime Minister and acting Defence Minister.
Dr. Mohammed Rum (*Masjumi*)	First Deputy Premier.
Mr. Idham Chalid (*Nahdlatul-'Ulama*)	Second Deputy Premier.
Mr. Ruslan Abdulgani (Nationalist)	Foreign Affairs.
Dr. Sunarjo (*Nahdlatul-'Ulama*)	Home Affairs.
Dr. Muljatno (*Masjumi*)	Justice.
Mr. Sudibjo (PSII)	Information.
Mr. Mangunpranoto (Nationalist)	Education.
Dr. Sinaga (Christian)	Health.
Mr. Iljas (*Nahdlatul-'Ulama*)	Religious Affairs.
Dr. Jusuf Wibisono (*Masjumi*)	Finance.
Dr. Burhanudin (*Nahdlatul-'Ulama*)	Economic Affairs.
Mr. Eni Karim (Nationalist)	Agriculture
Mr. Sabilal Rasjad (Nationalist)	Labour.
Mr. Tedjasukmana (*Masjumi*)	Communications.
Dr. Pangeran Noor (*Masjumi*)	Public Works & Power.
Mr. Fatah Jasin (*Nahdlatul-'Ulama*)	Social Affairs
Dr. Suhardi (Catholic)	Agrarian Affairs.

The following Deputy Ministers were appointed: Mr Umbas (Christian)—Economic Affairs, Mr. Marbahan (PSII)—Agriculture; Mr de Rosari (Catholic)—Communications The following were appointed Ministers of State Dr. Djuana (non-party)—Planning; Mr Dahlan Ibrahim (IPKI)—Veterans' Affairs, Mr Roeslı Abdulwahid (Islamic Party)—General Affairs

Dr. Sastroamidjojo stated on March 20 that his Government's programme differed from that of his previous Cabinet of 1953-55, although it was directed towards the solution of the same problems.

The Government, he said, would take the steps required to meet the situation arising from the unilateral abrogation of the Netherlands - Indonesian Union and the Round-table Conference agreements, and would also continue the struggle for the incorporation of West Irian (Dutch New Guinea) in Indonesia. Its economic policy would include a long-term plan for the promotion of industry, increased agricultural production, the improvement of the country's financial position, the development of co-operatives, the acceptance of foreign technical and economic aid free from political and military commitments, and the regulation of foreign investments The Government would also take measures for the restoration of internal security, the progressive establishment of autonomous areas; the formation of an efficient administrative machinery, the elimination of corruption, the improvement of living standards; the settlement of labour disputes, the development of trade union organization, and the introduction of compulsory education within a specific period. Its foreign policy would be based on the resolutions of the Bandung Conference

The Government parties hold 189 of the 260 seats in the new House of Representatives.—(Indonesian Embassy Press Department, London) **(Prev. rep. Cabinet, 14448 A; 14715 A; Political Parties, 14736 A.)**

E. UNITED STATES. — Seizure of Rumanian, Hungarian and Bulgarian Assets.

The Department of Justice in Washington announced on March 12 that Rumanian gold bullion worth $13,000,000, "frozen" in the United States since 1940, had been seized by the U.S. Government in part settlement of U.S. war claims against Rumania. The announcement added that an additional $11,750,000 in blocked Rumanian, Hungarian, and Bulgarian assets would also be seized towards the settlement of claims against the three countries, estimated at more than $125,000,000.
(New York Times) **(Prev. rep. 10623 B; 9514 A.)**

F. SOVIET UNION. — Five-year Plan. - Corrigendum.

In article 14717 A, under the cross-heading "Agricultural Targets for 1956-60," the figures of vegetable oil production in 1955 and planned production in 1960 were inadvertently transposed. Planned production in 1960 should read 1,840,000 tons, compared with actual production in 1955 of 1,115,100 tons.—(Ed. K C.A.)

A. ORGANIZATION FOR EUROPEAN ECONOMIC CO-OPERATION. — Creation of Nuclear Energy Committee. - Proposals for European Nuclear Co-operation. - Further Trade Liberalization Measures. - Report on Progress of Italian Economic Development. - Seventh Annual Report of O.E.E.C. - Tourist Statistics.

The O.E.E.C. Council met in Paris on Feb. 28-29 under the chairmanship of Mr. Harold Macmillan, the British Chancellor of the Exchequer, who had been elected chairman on Jan. 6 in succession to Mr. R. A. Butler, the former British Chancellor. The principal decision taken by the Council was the setting-up of a special committee to deal with matters relating to nuclear energy, the committee being asked to submit proposals to the Council within three months with a view to implementing the report of the working party on the co-operation of member-countries in the field of nuclear energy. This working party had been set up by the Council in June 1955 (see 14383 A) as a result of the Armand Report on fuel and power problems (see 14346 A), and had published its report and recommendations on Dec. 28. Some of the more important points from the report are summarized below.

Need for Co-operation in Development of Nuclear Energy. The report said that nuclear energy would be essential to many countries in the "not too far distant future" Even those countries which had large untapped sources of hydro-electric power would, without exception, have to consider seriously how electric power production could continue to expand after all economically justified hydro-electric installations had been put into service. This point would be reached within 10 years in France, Italy, Switzerland and Portugal, within 20 years in Sweden, and a little later in Norway and Austria. The question of power was even more urgent in countries producing electricity mainly from coal

The development of a European nuclear energy industry would, however, require "a considerable effort" as regards equipment, technicians and expenditure. Most of the effort so far had been made by Britain and France, and although various other countries could already point to "useful achievements," Europe as a whole was "very under-equipped" as regards nuclear energy. There were, for instance, only five or six prototype power reactors under construction or in operation in Europe, compared with some 20 in the U S A.; the American reactors, moreover, were much more varied in type than the European models, six to eight entirely different prototypes already being in operation. It was also pointed out that there were only eight European-built research reactors at present in service, compared with 30 in the U.S.A., that Europe had no material-testing reactors in working order, whilst the U S A. had two; that the isotope separation plants for the enrichment of uranium were at least ten times larger in the U.S A. than the only European plant in Britain; and that Europe's only large heavy water plant, in Norway, produced less than one-twentieth of the U.S output. European expenditure on nuclear energy in 1955 was estimated at about $300,000,000, compared with U.S. expenditure in 1954 of $2,000,000,000.

Nevertheless (the report continued), no "entirely pessimistic" conclusions should be drawn from these comparisons, as Europe's present nuclear effort, taken as a whole, fell very far short of its industrial potential This was so despite the fact that the U.K. probably devoted a much larger proportion of its national income to nuclear energy for military and peaceful purposes than the 0.5 per cent allocated by the U S A, whilst France allocated hardly less than half this percentage for peaceful purposes alone. If Europe as a whole was willing to make the necessary effort, and provided that it secured adequate access to fissile materials, the leeway could be made up and a large European nuclear energy industry developed. The working party believed, however, that "the only chance of success" was to act "as quickly and effectively as possible," and this called for "some degree of co-ordination between the efforts of member-countries."

As the manpower, industrial power, and capital resources of the European countries were relatively restricted, their efforts should, as far as possible, be co-ordinated and complementary. Sometimes the scale of operations would be such that they should be carried out jointly by as many participants as possible, whilst in other cases the financial risk of carrying out a project in a field which was not yet fully explored would be more easily borne if shared between several countries "in a kind of mutual insurance" However, it would probably be impossible for all the countries to participate in all the projects suggested, as some of these projects would be of interest to a few countries only. The results of any co-operative efforts undertaken would in principle accrue to the participating member-countries, but any other member-country should be able to benefit from those results "on conditions to be agreed."

Forms of Co-operation. It was recommended that the following bodies should be set up to ensure the necessary co-operation between the member-countries and associated countries [i e. the U.S.A. and Canada] in developing nuclear energy: (1) a Steering Committee for Nuclear Energy, composed of all the countries who declared themselves interested and who were prepared to take part in a European Organization on Nuclear Energy; (2) a Control Bureau, responsible for security control of fissile materials. In addition, companies should be formed as required, independent of the Nuclear Energy Organization, to carry out joint production and research projects These companies would have independent managements and would not be subordinated in any way to the Steering Committee for Nuclear Energy, but would establish relations with it for the reciprocal exchange of information

The report emphasized that there was "no question" of the European Organization replacing national initiative, but said that by applying and strengthening the methods which had already been successfully applied in other fields, the Organization could make national efforts fully effective and prevent them working one against the other It was suggested that co-operation could take any of the following six forms.

(1) *Co-ordination of Programmes and Projects* The aim of this would be to avoid unproductive duplication, on the one hand, and to prevent any serious gaps being left in the overall system of development within the O.E E.C. area, on the other. Information on new nuclear energy projects should be communicated to other participating Governments, together with estimates of production, investment, and running costs.

(2) *Promotion of Joint Undertakings* This was desirable because (*a*) the demands of some undertakings, even on the smallest possible scale, exceeded what individual countries could or would be prepared to contribute in resources of all kinds, (*b*) some undertakings were of a particularly hazardous nature, so that a country would not be prepared to bear the whole financial risk unaided; (*c*) for some undertakings, production costs decreased rapidly as size increased, (*d*) member-countries were anxious to gain knowledge in this new branch of technology by direct experience, (*e*) security control would be facilitated.

(3) *Co-ordination of Legislation.* Legislation in the field of atomic energy, though still undeveloped, was rapidly gaining in substance, and it was therefore urgent to co-ordinate the legislative provisions already adopted, or under consideration, in order to prevent them from becoming divergent. This was mainly necessary with regard to public health (i.e industrial safety, disposal of waste, and transport of nuclear products); insurance problems in the field of production and transport, conditions for the granting of licences for prospecting and exploiting nuclear products, and conditions under which a licence to work a private patent might be granted.

(4) *Promotion of Training.* As the lack of qualified labour seemed at present to constitute one of the main bottlenecks in the development of nuclear energy for peaceful purposes, the following measures should be taken to promote training: co-ordination of lectures and training courses, exchanges of teachers and students, the creation of scholarships, and the establishment of a European Centre for the teaching of nuclear science to complete the training given in national centres.

(5) *Promotion of Standardization.* This offered undoubted advantages, though care must be taken not to introduce standardization where it was too late to standardize the products of existing plants without entailing considerable expenditure, or where it was too soon to standardize equipment in a branch where techniques were not yet sufficiently advanced. Experts should draft a list of equipment that could be standardized, and methods should be studied whereby Governments could enforce or encourage the observance of approved standards.

(6) *System of International Trade.* It was the unanimous opinion of the member-countries that their national programmes of nuclear energy could only progress "under a system of healthy international competition." The working party felt that, in the fields covered by nuclear energy, "it would be desirable at the outset to make provision for a more liberal system of trade than in other sectors" It was recognized, however, that trade in primary and secondary fuels would be subject to a very large measure of State control, as well as to security control

Joint Undertakings. Keen interest had been expressed by many member-countries about the joint establishment of a plant for separating isotopes, as it was thought that such a plant would help to speed up development of the use of nuclear energy without the countries concerned having necessarily to be dependent on installations outside Europe The working party thought, however, that if such a plant were to be built it should be done as soon as possible, as in 15 or 20 years' time large-scale production of concentrated nuclear fuels would certainly be carried out in other ways, with the risk that the isotope separation process might no longer be competitive. The U.K., which now had an isotope separation plant working at full capacity, had not been able to express a view on its participation in a new international undertaking, but had informed the working party that such participation might be envisaged if certain conditions were fulfilled

The joint establishment of one or more chemical separation plants for irradiated fuels also offered certain advantages, whilst several countries were considering setting up joint undertakings to produce heavy water. With regard to fabricating "fuel elements" from irradiated metal or oxide, many European countries would be unable to carry out this work themselves in view of the technical difficulties involved, and consideration should therefore be given to the setting-up of a joint undertaking to serve several countries. The U.K had surplus capacity for this work, which it was prepared to make available to other countries under jobbing contracts. Some countries had also expressed their interest in electric power stations which would supply them, as well as neighbouring countries, with current. Certain inter-connected countries might be interested, at least during the initial period, in the joint construction of nuclear power stations, so as to gain experience in operating such stations with the minimum of investment and, in some regions, to improve the balance between hydro-electric and thermal production.

An important factor in the negotiations on the setting-up of joint undertakings would be their site, the choice of which would depend on economic, political, and sometimes strategic considerations; it was also very likely that a certain balance would have to be achieved in the geographical distribution of joint undertakings. The working party thought that there would be "considerable advantage" if some factories were built on sites which were extra-territorial

Security Control. The sole aim of such control would be to prevent fissile materials used in joint undertakings, or produced by them, from being diverted to military purposes. Purely national installations would therefore be controlled only in so far as they used fissile materials originating directly or indirectly from the joint undertakings Although a general system of control might subsequently replace partial controls, intra-European co-operation must in the meantime provide member- and associated countries with a guarantee of effective control over all their joint activities "We believe," the working party declared, "that it is only on this condition that we can hope to obtain full co-operation from the United States and Canada in the supply of fissile materials, specialized equipment, and manufacturing secrets"

In setting up the Nuclear Energy Committee, the O.E.E.C. Council laid down that its proposals should deal with "(1) the establishment of security control, the institution of joint undertakings, and interim measures to be taken in the field of intra-European trade in nuclear materials and equipment; (2) the setting-up of a Steering Committee for Nuclear Energy and the tasks to be assigned to it; and (3) the means to be used to co-ordinate the action of existing organizations." In carrying out its work the Committee should enter into any necessary discussions with the U.S. Government in connexion with President Eisenhower's "important and generous declaration" of Feb. 22, in which the U.S.A. had offered to make 20,000 kg. of uranium available to foreign countries (see 14765 A).

One of the main points of discussion at the Council meeting was the relationship between the form of atomic co-operation envisaged in the working party's report and the proposed "Euratom" plan for pooling atomic resources and industries under a supra-national authority, which had been put forward by the six member-countries of the European Coal and Steel Community—France, Western Germany, Italy, Belgium, the Netherlands and Luxemburg.

M. Spaak (the Belgian Foreign Minister), speaking on behalf of the supporters of the "Euratom" project, said that the six countries of the Coal and Steel Community thought the conclusions in the O E E.C. report did not sufficiently answer the aims which they had set themselves in "Euratom," as they believed that they could "go faster and further among themselves." The six Governments had therefore decided to pursue their work actively on this basis. When they had drafted the treaty to set up the "Euratom" organization, one of their main preoccupations would be to seek means of associating other countries with the project within the general framework of the O.E.E C

Mr. Macmillan, who spoke in favour of the working party's report, said that the peaceful development of atomic power was "above all an opportunity where Europe could act together." "I venture to single out this atomic problem," he added, "because I think it gives us an opportunity as striking and as drastic as that which those who came before us seized at a vital moment in the world's history seven years ago" [i e. the formation of the O E E.C. itself]

Mr. Peter Thorneycroft (U K., President of the Board of Trade) also believed that it was essential that Western Europe should seize the opportunity of co-operating in the peaceful use of nuclear power, and declared that he saw no reason why "Euratom" should not subsist within the general European pattern. He stated that Britain was prepared to play her part in the preparatory committee to be set up, and that, although she was "stretched to the limit" as regards technicians, she would—so far as possible, and within the limits imposed by security—share her "know-how" for any imaginative European plan.

Mr. Wilgress (Canada) announced that his country would soon be ready to supply large quantities of raw materials for European nuclear projects

Other recent developments relating to the O.E.E.C. are summarized below under cross-headings:

Progress towards Trade Liberalization.

At its meeting on Feb. 28-29 the O.E.E.C. Council adopted a resolution declaring that "the achievement and consolidation after Sept. 30, 1956, of the target of 90 per cent liberalization in Europe, set by the Council in January 1955, is essential." The resolution pointed out that the O.E.E.C. must concentrate its immediate attention on other barriers to trade, such as high tariffs, restrictive State trading, and other artificial aids to exports, as well as on quantitative restrictions. The next step must be a "frontal attack" on the trade restrictions remaining after the 90 per cent stage had been realized, in so far as these restrictions were not designed to meet temporary balance-of-payments difficulties. The resolution also stated that the O.E.E.C. should study the effect on patterns of trade, both in and outside Europe, of the disposal of agricultural surpluses.

On Dec. 13, 1955, the O E E.C. had announced that the overall percentage of private trade freed from all quantitiative import restrictions between member-countries was now 85.6 per cent, compared with 83 3 per cent in December 1954, 76 6 per cent in December 1953, 64.7 per cent in December 1952, and 61.5 per cent in December 1951. In the three categories comprising the total, 93.1 per cent of the trade in raw materials had been liberalized, 81.9 per cent in food and feeding-stuffs, and 81 0 per cent in manufactured goods

The percentage of liberalization achieved by the various member-countries was as follows at Dec 1, 1955 Italy, 99.7; Portugal, 93.7, Sweden, 92.6, Switzerland, 92.5, Western Germany, 91.3, Benelux (Belgium, Netherlands, and Luxemburg), 91 1, Irish Republic, 90.2; United Kingdom, 84 8, Austria, 83 5; Denmark, 78 4, France, 77 5; Norway, 75 Greece, because of her economic situation, was not obliged to liberalize her imports, but did in fact apply an almost total *de facto* liberalization of imports, which was not taken into account in the combined percentages Turkey and Iceland had been compelled to suspend all or part of their liberalization measures for balance-of-payments reasons, and had been authorized temporarily not to comply with their obligations.

Austria subsequently increased her liberalization quota from 83.5 to 90 per cent on Jan. 1, 1956, whilst France raised her quota from 77.5 to 79 per cent on Jan 3

It had been announced on Nov. 19, 1955, that the O E.E.C. Council had appointed a committee of seven European experts, under the chairmanship of Mr. E R Copleston (U K), to study ways which would lead to the progressive removal of the remaining obstacles to "invisible" transactions. It was stated that the committee would study payments for freight, warehousing, the use of patents, insurance, advertising, etc., and also transfers of dividends, interest, rents, inheritances, dowries, etc.

The O E E C announced on Jan 25 that the three Benelux countries would in future be regarded as a single country in intra-European trade, and that the obligations regarding trade liberalization by the three countries would be met by their combined liberalization measures The Benelux countries had already unified their liberalization measures and submitted a single list to the O E E C, as shown by the December announcement on the extent of trade liberalization achieved.

A report on the liberalization of Europe's dollar trade, published on March 29, showed that member-countries as a whole had freed 54 per cent of their private imports from the dollar area from import restrictions as at Jan. 1, 1956 (on the basis of 1953 figures). The percentages of liberalization achieved in each of the three categories were: agricultural products, 71 per cent; raw materials, 55 per cent; manufactured goods, 36 per cent. The extent of liberalization of dollar trade achieved by each of the member-countries was as follows. Greece, 99 per cent, Switzerland, 98 per cent; Benelux, 87 per cent; Western Germany, 68 per cent; Sweden 64 per cent; United Kingdom, 56 per cent; Denmark, 55 per cent; Portugal, 53 per cent; Iceland, 33 per cent; Italy, 24 per cent; Irish Republic, 15 per cent; France, 11 per cent; Austria, 8 per cent.

The report said that member-countries' progress towards the liberalization of imports from the U S A. and Canada would be facilitated by the measures taken by these dollar countries to apply a more liberal commercial policy It listed in detail the various measures adopted by the U.S A. to make its markets more accessible to European goods, and expressed the hope that their favourable effect would not be weakened by the invocation of "escape clauses." It also recorded the concern of some member-countries about the extension by the U.S.A. of the application of the preferential clause under which 50 per cent of certain types of cargo had to be carried in American ships, and also about the disposal of U S. agricultural surpluses.

On the other hand, the report pointed out that member-countries' gold and dollar reserves, taken as a whole, had only continued to increase because of U.S. aid, and that there had been an appreciable increase in Europe's trade deficit with North America since the second half of 1953. Member-countries should therefore make further efforts to develop their exports to North America and to attract American investment capital The U.S.A., with its economic strength and its position as the biggest creditor country in the world, should take further measures to help set up, on a firm and lasting basis, a world multilateral trade and payments system free from the restrictions which had been hampering world trade.

Italian Economic Development.

At its meeting on Feb. 28-29 the O.E.E.C. Council also considered the Italian Government's first report on its Economic Development Programme (the "Vanoni Plan").

The report stated that during the first year of the Plan the Italian Government had made notable progress in raising the overall level of output A series of long-term development measures had been initiated, including a programme for the construction of "super-highways" (see 14442 A), plans for facilitating investment from abroad, and a special investment programme for Calabria, whilst a beginning had been made in integrating economic policies into the framework of the Plan, and in relating the formulation and administration of departmental policies to the overall conceptions of the Plan. Support to the Italian effort had been given by a special credit of $50,000,000 from the E.P.U. and by an International Bank loan

of $70,000,000 to the *Cassa per il Mezzogiorno* (see 14252 B), whilst the co-operative spirit of other countries and the favourable long-term prospects opened up by the Plan had facilitated the securing of important private credits from abroad by Italian concerns

The gross national product in Italy in 1955 had increased by almost 7 per cent over the previous year, though, after allowing for the fact that 1954 had been a poor year as regards cereal and other crops, the actual increase was probably only 5½-6 per cent. Even this, however, was higher than the annual average increase of 5 per cent contemplated by the Plan, and represented "a very satisfactory first year" It was also satisfactory that investment in fixed capital during 1955 had increased by 11 per cent over 1954, compared with the assumption in the Plan of an average annual rate of increase of 7 ¼ per cent. Consumption was estimated to have increased by 4 5 per cent, but there had been no appreciable rise in prices despite the considerable economic expansion, wholesale prices had remained virtually unchanged, whilst the cost-of-living index had risen by less than 3 per cent. The value of exports had increased by 13 per cent, and, despite a 12 per cent increase in imports and a slight increase in the trade deficit, there had been a 9 per cent reduction in the estimated overall adverse balance of payments on current account. Monetary reserves had increased by $109,000,000 after taking account of receipts of economic aid and military aid, and of foreign private investment and loans

Some progress had been made during the year in the utilization of the labour force It was estimated that although the Italian labour force had increased by 140,000, the number of those in employment had risen by 250,000, whilst under-employment had been substantially reduced except in some sectors such as textiles. Nevertheless, the number of registered unemployed in Italy, amounting to some 2,000,000, was larger than in any other Western European country and showed only a small reduction in 1955

As regards the attempts to improve the economic balance between Northern and Southern Italy, the report stated that although the expansion of total output in the South (after allowing for irregularities in agricultural output due to abnormal weather) was at best equal to that in the North, there was no evidence in 1955 of any perceptible closing of the gap between the two regions by the more rapid progress in the South contemplated in the Plan With the North developing satisfactorily, the problem for Italy was increasingly becoming the "problem of the South" As had been foreseen in the Plan higher employment in the North was stimulating migration from the South; but as this would affect only a small portion of the labour force in the South, it would remain necessary to attract industry to Southern Italy, and to diversify production there.

Tourist Statistics.

A report published by the O E.E.C. in January 1956 showed that 26,500,000 tourists visited O.E.E.C. member-countries during 1954—an increase of 16 per cent on 1953. Particularly large increases were recorded for Greece (67 per cent), Yugoslavia (38.5 per cent), the Netherlands (30 per cent), Western Germany (20 per cent), Austria (18.6 per cent), Sweden (17 per cent), and Italy (16 per cent). The number of American visitors to Europe rose from 376,000 in 1953 to 420,000 in 1954, and their total expenditure from $306,000,000 to $352,000,000; in addition, they spent $181,000,000 and $186,000,000 respectively in the two years with foreign transport companies in fares.

The following table gives statistics for foreign tourism in O.E.E C. countries in 1954.

	Tourist Arrivals	Tourist Nights	Receipts	Payments	Surplus or Deficit
			($ million)		
Austria	1,959,595	9,560,937	79.5	15.6	+ 63 9
Belgium	980,900	2,522,411	42 1[1]	50.8[1]	− 8 7[1]
Denmark	365,320	1,259,461	43.3	43.4	− 0.1
France . .	3,600,000	24,347,000	182 2	121.1	+ 61 1
Germany (Western)	3,331,800	6,496,591	186.4	144.5	+ 41 9
Greece .	157,618	890,000	28 9	8 3	+ 20.6
Iceland	6,843	—[6]	0 2	1 6	− 1 4
Irish Republic	3,796,000[2]	—[6]	82 6	32.5	+ 50.1
Italy ..	5,500,000[3]	25,300,000	156 4	18 3	+138.1
Luxemburg	—[6]	521,021	—[1]	—[1]	—[1]
Monaco ..	77,791	749,890	—[6]	—[6]	—[6]
Netherlands	954,291	2,154,322	55 0	51.0	+ 4 0
Norway .	807,201	—[6]	28 0	38 0	− 10.0
Portugal .	165,460[4]	739,610[5]	15 4	10 3	+ 5.1
Sweden .	230,213	3,452,564	44.0	62 0	+ 18 0
Switzerland .	3,434,065	11,361,181	204.0	85 0	+119.0
Turkey ..	71,331	—[6]	2.5	13.0	− 10.5
United Kingdom	901,460	24,906,962	266.0	283.0	+ 17.0
Yugoslavia	321,485	1,103,664	—[6]	—[6]	—[6]

[1] Luxemburg included with Belgium [2] Including visitors staying less than 24 hours [3] Excluding 3,827,512 one-day excursionists [4] Metropolitan Portugal only [5] Metropolitan Portugal, plus the Azores and Madeira [6] Not available.

Seventh Annual Report of O.E.E.C.

The Seventh Annual Report of the O.E.E.C., published on Feb. 22, said that since the beginning of 1953 Western Europe had enjoyed "a wave of uninterrupted and vigorous economic expansion," but gave a warning that a danger to this prosperity had arisen during the past year. Signs of inflationary pressure had appeared, even if there had been no element of crisis in the situation. Production was pressing on capacity in most industries, and a "tight" market situation had developed in certain basic industries such as coal and, to a certain extent, steel. These tendencies had not originated from outside causes, as was the case in 1951 (during the Korean War), but from "a somewhat too rapid rise of internal demand." Nevertheless, the report affirmed that the European economy was "not in serious difficulties, but rather in a position of strength."

Expansion of Production and Demand. The rate of expansion over the past three years had been very rapid, the combined gross national product of member-countries having increased by 5 per cent in both 1953 and 1954 and by an estimated 6 per cent in 1955 A significant part of this expansion was accounted for by the "exceptional upsurge" in German output, which had averaged 9 per cent a year during the period 1952-55 Fixed investment by member-countries as a whole had risen by about 9 per cent in 1953 and 1954, and probably by the same amount in 1955. While the rate of expansion of investment had varied considerably among the individual countries, the great majority had experienced a rise of 20 per cent or more in the three-year period, with Austria, Western Germany and Greece registering increases of over 40 per cent. The increase in house-building had been the outstanding feature in the growth of investment in 1953-54, but during the first part of 1955 a number of countries had modified their rate of expansion in this sector

Total *per capita* consumption had risen in 1952-53 by some 14 per cent Whilst consumer credit had played an increasingly important role in this rise, the underlying basis had been provided by the steady rise in wage rates, salaries, etc., and by the prospect of high and sustained levels of employment "Consumer durables" such as motor cars, electrical appliances, and television sets had played a large part in this rise in *per capita* consumption

Output of manufacturing industries in member-countries over the past three years had increased by 25 per cent, the biggest increases having taken place in engineering and metals, where demand had been increasing faster than output. Steel production capacity was now being used to the full, and shortages of the necessary raw materials had involved the need to import more than 10 per cent of the scrap iron and coking-coal used

As the expansion of production had absorbed virtually all the labour reserves in most member-countries, there was now a fairly general shortage of labour, which was often acute in skilled occupations in the engineering and building trades The serious unemployment and under-employment in Southern Europe had, however, been ameliorated only to a moderate extent by this expansion Under-employment in Greece and Turkey continued to be a major problem, whilst in Italy, although employment had increased, there had not yet been a significant fall in unemployment. Labour productivity in manufacturing had risen considerably in most member-countries in 1953 and 1954, and there had been further increases in 1955.

Financial Stability. The present problem facing most member-countries was to avoid excessive increases in demand whilst allowing output to expand to the extent feasible under conditions of full employment. The report emphasized, however, that the tensions in the present situation should not be exaggerated, as they were in no way comparable to the overt inflation which had developed as a result of the Korean War.

The report brought a table showing that in all member-countries (except Switzerland) the rise in wages since 1953 had outstripped the increase in consumer prices, and it gave a warning that "the speed at which wage-rates have been rising lately cannot be maintained without endangering the financial stability of member-countries." With regard to the problem of inflation, the report gave an account of the methods used to combat it—chiefly restriction of bank credit and a rise in official discount rates—and suggested that "too much of the total impact of the measures taken so far falls on investment rather than consumption." As the European economy still needed a higher level of industrial investment, it was preferable that "any further action should be directed towards restraining the rate of growth of consumption rather than of investment"

Trade and Payments. For almost all member-countries the current deficit on transactions with the dollar area (excluding U S. military aid) had widened rapidly as a result of greatly increased dollar imports. Receipts from U S defence aid had, however, continued to grow and had thus contributed to the continued rise, though at a somewhat slower pace, in the gold and dollar reserves of member-countries as a whole The development of exports to the dollar area had been disappointing, though there had been a substantial improvement in the third quarter of 1955.

The report expressed the view that short-term prospects for Western Europe's balance of payments were favourable, although the rise in member-countries' gold and dollar reserves was probably tailing off, and some additional measures might be required to safeguard the balance-of-payments position of individual member-countries, no general threat to European economic expansion was apparent In the long term, however, there could not be the same assurance. "In particular," the report stated, "the heavy reliance on U.S extraordinary expenditures, the failure of exports, particularly dollar exports, to expand with the same rapidity as imports, and the difficulties of increasing gold and dollar earnings from third areas, leave little room for complacency."

Main Lines of Future Action. After reviewing the activities of the O.E.E.C. in recent years in the fields of trade liberalization, agriculture, transport, productivity, etc., the report said that whilst the "impressive expansion" in European production over the past three years had allowed a substantial rise in the standards of living, important weaknesses had at the same time been revealed. Productive capacity in some basic sectors appeared too rigid, and internal financial stability in some countries too vulnerable, and both these factors had tended to create balance-of-payments difficulties, thereby revealing the underlying international disequilibrium which was an obstacle to the creation of a wider system of trade and payments. It thus appeared that there was need for further action towards the two longer-term objectives, which were in fact inseparable: development of productive resources on the one hand, and freer trade and payments on the other. "In order to deal successfully and in the light of future developments with long-term problems," the report concluded, "the Organization is ready to assume new responsibilities."

The O.E.E.C. Council elected M. Gerard Bauer (Switzerland) on Feb. 4 as chairman of the Executive Committee until June 30, 1956.—(O.E.E.C. Information Division, Paris - Times - Financial Times - Le Monde, Paris) **(Prev. rep. 14383 A.)**

Corrigendum. In 14383 A a line was inadvertently dropped from the opening paragraph in the printing. This paragraph should read as follows: "Although the meetings of the O.E.E.C. Council on June 9-10 and July 28-29 were concerned principally with the renewal of the E.P.U. and the provisions of a European Monetary Agreement (see 14374 A), a number of other matters were also discussed. These and other O.E.E.C. developments are summarized below."
(Ed. K.C.A.)

A. AVIATION. — World Speed Record regained by Britain. - Mr. Twiss achieves 1,132 m.p.h.

A new world air speed record—the first of over 1,000 miles an hour—was set up on March 10 by a British pilot, Mr. Lionel Peter Twiss (34), who averaged 1,132 m.p.h. (1,822 kilometres p.h.) in two runs over a nine-mile course between Chichester and the Ford naval air station, in Sussex. Mr. Twiss, a test pilot of the Fairey Aviation Company, and a former R.A.F. night-fighter pilot, flew a Fairey *Delta 2* research aircraft, powered by a Rolls-Royce *Avon* turbo-jet fitted with reheat. He achieved a speed of 1,117 m.p.h. on the first run and 1,147 m.p.h. on the second, the two runs being made at a height of 38,000 feet. The new record was officially announced by the Royal Aero Club, and is subject to confirmation by the International Aeronautical Federation.

The machine's flight path was plotted by radar stations of R.A.F. Fighter Command, and its speed was calculated by new photographic equipment, of the most advanced type, operated, constructed and designed by technicians of the Royal Aircraft Establishment, Farnborough. [It was stated in the press that the latest photographic equipment could calculate speeds with an accuracy of one-thousandth of one m.p.h.] The *Delta 2*, a swept-wing aircraft, was ordered by the Ministry of Supply for research into problems of supersonic flight, and is one of the most advanced research aircraft yet produced in any country.

Under new rules adopted by the International Aeronautical Federation, an aircraft attempting a speed record may fly at any height and is timed over a course which may be between 15 and 25 kilometres in length. Two runs must be made in opposite directions, the average for the two being the speed officially achieved. Until the last few years—when the higher speeds attainable had made the old rules obsolete—aircraft attempting new speed records had been required to fly at low altitude over a three-kilometre course.

The new record was over 300 m.p.h. faster than the previous official world record of 824.05 m.p.h. set up on Aug. 20, 1955, by Colonel H. A. Hanes, a U.S. officer, in a *Super Sabre* (F100) over a course in California. The last British holder of the world speed record was Lt.-Cmdr. Michael Lithgow, who averaged 785.7 m.p.h. in a Vickers Supermarine *Swift* (F4) over a course in Libya in 1953 (see 13227 B.). (Times - Daily Telegraph)
(Prev. rep. Aviation Records, 14406 B.)

B. COLOMBO PLAN. — Asian Nuclear Centre to be established in the Philippines.

The U.S. International Co-operation Administration announced on March 15 that the Philippines had been chosen as the site for the Asian nuclear centre which the U.S.A. had promised to provide at the Singapore meeting of the Colombo Plan Powers in October last. The announcement said that the Philippine site best met the requirements of accessible local facilities, ease of access, and convenience of communications.—(U.S. Information Service) **(14651 A.)**

C. AUSTRIA. — Diplomatic Relations with Israel.

The Austrian Cabinet decided on Feb. 21 to establish diplomatic relations with Israel and to open an Embassy in Jerusalem. **(Manchester Guardian)**

D. UNITED KINGDOM. — Gold and Dollar Reserves in March. - Increase of $67,000,000.

The sterling area had a gold and dollar surplus in March of $67,000,000 after taking account of (*a*) $5,000,000 received in U.S. defence aid; (*b*) the payment of $16,000,000 to the European Payments Union, representing that part of the February deficit which had to be settled in gold or dollars; and (*c*) the payment of $2,000,000 under bilateral agreements with creditors of the E.P.U. As a result of the March surplus, the sterling area's gold and dollar reserves rose to $2,277,000,000 on March 31.

Provisional figures for the E.P.U. March settlement showed that the U.K. had a deficit of less than $1,400,000 (£500,000), which would be settled in April three-quarters in gold or dollars and one-quarter by an increase in the U.K. debt to the Union. (Treasury Press Office) **(Prev. rep. 14742 C.)**

E. PARAGUAY. — Currency Devaluation.

The International Monetary Fund announced on March 1 that the Paraguayan guarani had been devalued from 21 guaranies to 60 guaranies to the U.S. dollar, the other new parities being: 1 guarani=0.0148112 grams of fine gold or 1.66667 U.S. cents; 2,100 guaranies=1 troy oz. of fine gold. The new par value would apply to all exports, essential imports, receipts and transfers of certain services included in the foreign exchange budget, and all Government transactions. For non-essential imports there would be a temporary exchange surcharge of 25 guaranies per U.S. dollar, whilst a free market would be retained for capital transactions and services not included in the official market. The new exchange system eliminated a large number of exchange rates for both exports and imports, as well as exchange rate discrimination among different foreign currencies.—(International Monetary Fund)
(Prev. rep. 13806 E.)

F. WORLD FEDERATION OF TRADE UNIONS. — Headquarters transferred to Prague. - Yugoslav Trade Union Federation readmitted to Membership.

Prague Radio announced on March 13 that the executive of the World Federation of Trade Unions had accepted an invitation from the Czechoslovak trade unions to set up its new headquarters in Prague, following its expulsion from Vienna. This decision superseded the earlier announcement that the Federation's new headquarters would be located in Rome.

The Secretary-General of the W.F.T.U., M. Louis Saillant, announced on March 2 that the Yugoslav Trade Union Federation had been readmitted to membership of the W.F.T.U., from which it had withdrawn in 1950 after the break between Marshal Tito and the Cominform.—(Le Monde, Paris)
(Prev. rep. W.F.T.U. Headquarters, 14725 D; 14703 C; Yugoslav Unions, 10760 B.)

G. AFGHANISTAN. — Soviet Economic Assistance.

An agreement was signed in Kabul on March 1 whereby the Soviet Union agreed to supply materials and equipment for the construction in Afghanistan of two hydro-electric stations, three vehicle repair factories, irrigation works, a physics and chemistry laboratory, airfields at Kabul and Bagram, and a motor-road across the Hindu Kush. It also provided that Soviet specialists and technicians would take part in the construction work and help to train local labour. The assistance will be provided under the Soviet long-term credit to Afghanistan agreed upon during the visit of Marshal Bulganin and M. Krushchov in December last.—(Manchester Guardian)
(Prev. rep. 14603 A, page 14606.)

H. ITALIAN SOMALILAND.—General Elections.

The first elections ever held in Italian Somaliland took place on Feb. 29. Of the 60 seats in the new Assembly, the League of Somali Youth, which advocates the unification of British, French and Italian Somaliland, obtained 42 seats, whilst 13 seats went to the *Hizbia Dighil Mirifle* (a party which favours the retention of tribal organization) and three to the Democratic Party. (Corriere d'Informazione, Milan - Le Monde, Paris)
(Prev. rep. 10689 A.)

I. INDIA. — Community Projects.

Official statistics published in New Delhi in March showed that over 81,000,000 people spread over 125,000 villages throughout India were covered by Community Projects and National Extension Service blocks as at Feb. 20. The total of such projects and N.E.S. blocks allotted was 1,140.
(The Statesman, Calcutta) **(Prev. rep. 13526 B; 12987 B.)**

A. INDIA. — Steel Industry. - Final Agreement on Construction of British and Soviet Steel Plants. - Expansion of Tata Steelworks. - Opening of First Steel Tube Plant. - Proposed Fourth Government Steel Plant at Bokharo (Bihar).

A number of important developments in connexion with the development of the Indian steel industry are summarized below:

The Durgapur Steel Plant.

It was announced in London and Delhi on April 4 that an agreement for the construction of the integrated iron and steel works to be built with British assistance (see 14447 A) had been concluded between the Indian Government and the Indian Steel Works Construction Company, a consortium of British firms. It had earlier been announced that the works would be situated at Durgapur, in the Damodar Valley of West Bengal. The plant will have an initial capacity of 1,000,000 tons a year, with facilities for increasing this to 2,000,000 tons, and will cost about £80,000,000. Payments in sterling under the contract will amount to about £52,000,000, whilst the remaining £28,000,000 (principally expenditure on labour costs) will be in rupees.

The project was officially described as a "package deal" by which the complete steelworks would be constructed and made over to the Indian Government, as distinct from a form of contract under which the Indian Government would buy the equipment from Britain and assemble the plant itself. A spokesman of the Indian Steel Works Construction Company stated that work on the site had already begun, but was at present confined to clearing and the construction of ancillary services, all of which were in the hands of the Indian Government. Final tenders for the construction of the plant itself were to be submitted by May 15, and were expected to receive agreement by the end of June. Shipment of materials should begin soon afterwards, and work on the plant would start as soon as possible after that

Of the £52,000,000 non-Indian currency needed for the plant, £25,500,000 would be met from sterling balances held by the Indian Government, £15,000,000 would be a Government-to-Government credit under the Export Guarantee Act, 1949, and £11,500,000 would be raised by the consortium through credit facilities arranged by Lazard Brothers & Co. with Lloyds Bank, Barclays Bank, Martins Bank, the District Bank, and Glyn Mills and Co Ltd

The members of the consortium, which was formed specifically to tender for the project and which had sent a delegation to India to discuss costs and other details, were: Simon-Carves, Ltd. (coke ovens); Head, Wrightson and Co. Ltd. (blast furnaces), the Wellman Smith Owen Engineering Corporation (melting shop equipment), Davy and United Engineering Co Ltd. (rolling mills), Joseph Parks and Son Ltd, Dorman Long and Co Ltd., Sir William Arrol and Co. Ltd., and the Cleveland Bridge and Engineering Co Ltd (structural steelwork); British Thomson-Houston Co. Ltd., the English Electric Co. Ltd., the General Electric Co. Ltd., Metropolitan-Vickers Electrical Co. Ltd (electrical installations); and the Cementation Co. Ltd., which will carry out all the civil engineering work.

The contract with the consortium was believed to be the largest single contract ever placed with a British company.

The Bhilai Steelworks.

It was announced in Delhi on March 8 that the Government of India had accepted the detailed project report for the Bhilai steelworks in Madhya Pradesh, furnished by the Soviet authorities in December 1955. On the same day letters were exchanged between the two Governments regarding certain modifications which had been agreed upon and which would be incorporated in the design of the works.

It was stated that the steelworks would have three blast furnaces for the production of iron instead of two, as originally proposed. In addition to producing 300,000 tons of saleable pig-iron, the plant would also turn out 1,000,000 tons of ingots yielding about 770,000 tons of rails, heavy, medium, and light structural steels, sleeper bars and billets With slight additions to the plant, such as an additional open hearth and a group of soaking pits, its capacity could be raised at any time to 1,300,000 tons of ingots. Apart from this, the plant layout had been so designed that it could be expanded in future to produce up to 2,500,000 tons of ingots.

The Bhilai steelworks will use the hitherto unexploited iron ore resources of the Dalli-Rajhara Pahar area, about 60 miles south of Bhilai; coal will be drawn from Jharia, Bokharo and the nearby Korba fields, now being developed; whilst power will be supplied from a thermal station at the Korba coalfields.

A contract for the supply of Soviet equipment to the Bhilai steelworks, costing about 550,000,000 rupees (£42,000,000), was signed in Delhi on April 2.

Expansion of Tata Steelworks.

It was announced on Nov. 22, 1955, that an agreement had been concluded between the Tata Iron and Steel Company Ltd. and the Henry J. Kaiser Company (U.S.A.) under which the latter would undertake the expansion of the Tata works, 150 miles west of Calcutta. This extension, which would increase Tata's production from 1,800,000 to 2,000,000 ingot long tons per year, was estimated to cost $130,000,000, of which $50,000,000 would represent the purchase of machinery and equipment. The contract was believed to be one of the largest steel-plant construction contracts ever awarded to an American firm.

Opening of First Indian Steel Tube Plant.

India's first steel tube plant, at Jamshedpur (Bihar), was formally opened on March 7 by Dr. Sinha, the Chief Minister of Bihar. The plant, jointly built by Tata's and Stewarts and Lloyds Ltd. (see page 14103, first column), cost Rs.30,000,000 (£2,250,000) and was expected to meet fully India's present and estimated domestic requirements. Another project by the two companies—a £1,500,000 welding mill for bicycle tubes and locomotive boilers—is under construction at Jamshedpur, whilst a third joint scheme—for the manufacture of seamless tubes essential for defence requirements—is awaiting sanction by the Indian Government.

Fourth Government Steel Plant.

The Indian Minister for Industry and Commerce, Mr. Krishnamachari, stated on Oct. 31 that the fourth steel plant to be erected by the Indian Government would be located at Bokharo, in Bihar. The site only would be developed in the period of the Second Five-year Plan, however, and operations on the plant itself would start during the period of the third plan.—(The Statesman, Calcutta - The Hindu, Madras - Indian High Commissioner's Office, London - Times - Financial Times - New York Herald Tribune) **(Prev. rep. 14447 A; 14105 A.)**

B. FINE ARTS. — World Prizes for Paintings.

It was announced in New York on March 15 that the Solomon R. Guggenheim Foundation had established a number of prizes for paintings, viz., (1) an international award of $10,000 (£3,570) for the best painting selected by an international jury; (2) at least 16 national awards, each of $1,000; and (3) three regional awards (for North and South America, Europe and Africa, and Asia and Australasia), also of $1,000 each. The awards would be made every two years, beginning in 1956, and there would be no stipulations with regard to the subject-matter of paintings submitted.

Preliminary selections will be made by national committees in the various countries, these committees being nominated by the International Council of Museums, the International Association of Art Critics, and the International Association of Plastic Arts (representing painters and sculptors). Each national committee will choose five paintings (which may be the work of one artist), and these paintings will be submitted to an International Committee—drawn from the above-mentioned international bodies—which will award the prizes.

The national awards will be given for paintings by artists born or living in countries where there are national sections having representation in all three international bodies Sixteen countries have such representation at present—Austria, Belgium, Brazil, Denmark, Egypt, France, Italy, Japan, the Netherlands, Poland, Portugal, Sweden, Switzerland, the United Kingdom, the United States, and Yugoslavia. Nations not at present represented in the three international organizations can become eligible for national section awards by acquiring such representation before June 1, 1956.

The three regional awards will be open to artists who are nationals of countries not represented in the international organizations, or to artists who the juries may decide are reasonably justified in not wishing to compete as nationals of the countries of their birth.

The Foundation was formed in 1937 by the late Solomon R. Guggenheim "for the promotion and encouragement of art and education in art, and the enlightenment of the public in the field of art." It runs the Guggenheim Museum of Art in New York City. The present chairman of the Foundation (Mr. Harry F. Guggenheim) said that President Eisenhower had shown much interest in the world prizes for painting, and had agreed to present the first international award.

(New York Times - Times - Manchester Guardian)

C. UNITED KINGDOM. — Bank of England.

It was announced on Feb. 10 that the Queen had approved the appointment of Sir Alfred Roberts, a member of the General Council of the T.U.C., as a Director of the Bank of England in place of Lord Piercy, who was resigning on Feb. 29 upon reaching the age of 70, and that Sir Alfred would serve for the remainder of Lord Piercy's term (until Feb. 28, 1958). It was also announced that her Majesty had approved the reappointment of Sir George Abell, Sir George Bolton, Sir John Hanbury-Williams, and Sir Harry Pilkington as Directors of the Bank for a four-year term from March 1, 1956.

(Financial Times) **(Prev. rep. 14044 B.)**

D. CANADA. — Increase in Bank Rate.

The Bank of Canada raised its Bank Rate on April 4 from 2¾ to 3 per cent, the increase being the fourth in eight months.

(Financial Times) **(Prev. rep. 14557 C.)**

APRIL 7—14, 1956

A. MIDDLE EAST. — Political and Military Developments in Arab-Israeli Dispute. - Dr. Hammarskjold's Mission to reduce Arab-Israeli Tension.

Recent important developments in the Middle Eastern situation are summarized below under cross-headings, in continuation of 14643 A.

Tripartite Discussions in Washington. - Meeting of Security Council. - Dr. Hammarskjold entrusted with Mission for relieving Arab-Israeli Tension.

Following the joint statement on the Middle East issued by President Eisenhower and Sir Anthony Eden during their Washington discussions (see 14685 A), exchanges of views on the Middle Eastern situation began at the State Department on Feb. 8 between Mr. Robert Murphy, U.S. Deputy Under-Secretary of State, and the British and French Ambassadors, Sir Roger Makins and M. Couve de Murville. Further discussions were held later in February and in March, but no official statement was issued. It was understood, however, that various suggestions for easing tension in the Middle East were under consideration.

The Lebanese Ambassador in Washington, on behalf of all the member-countries of the Arab League, had informed the State Department on Feb 2 that the Arab countries would not feel bound by any decisions taken as a result of the Anglo-American talks in which they had not been consulted. He added that "any policy pursued in our area [i e the Middle East] not agreed to by the Arabs cannot be a factor for stability."

President Eisenhower, at a press conference on March 22, declared that any major outbreak of hostilities in the Middle East would be a "catastrophe" for the whole world, and stressed the need to persuade both sides that the only hope of a peaceful solution lay in mediation. He emphasized that the U.S. Government was giving full support to the United Nations in these efforts, and that it took the Tripartite Declaration of 1950 "very seriously."

At the request of the U.S. representative, the Security Council met on March 26 to consider a U.S. resolution which proposed, "as a matter of urgent concern," (*a*) that the U.N. Secretary-General (Dr. Hammarskjold) should visit the Middle East to confer with Arab and Israeli leaders, and also with General Burns, the head of the U.N. Truce Supervisory Organization; (*b*) that he should conduct an on-the-spot survey of methods of relieving tension and strengthening the truce supervision machinery; and (*c*) that he should report to the Security Council within a month of the adoption of the resolution. The resolution described the situation in the Middle East as "such that its continuance is likely to endanger the maintenance of international peace and security."

Mr. Cabot Lodge (U.S.A.), who presented the resolution, pointed out that the Security Council had had the Palestine question on its agenda on 90 occasions during the past seven years Although there had been no further outbreak of war since 1947, and the U.N had been an indispensable factor in preventing renewed hostilities, the present situation was so alarming that the U.N. should exercise its full authority to deal with "the present ominous drift." "The United States," he declared, "believes that in the first instance U.N efforts should be concentrated upon full compliance with armistice agreements by Israel and the Arab States, and on the carrying out in detail of the Security Council's resolutions of March 30, 1955, Sept. 8, 1955, and Jan. 19, 1956."

The U.S. resolution was supported by **Sir Pierson Dixon** (U.K.), **M. Hervé Alphand** (France), and the Australian and Peruvian members. The Persian representative, however, asked that the debate should be formally adjourned so that the countries most concerned could have time to consider the implications of the resolution and to give their views to the Security Council [Requests had been received from Israel, Egypt, Jordan, Syria, and the Lebanon to take part in the Council's discussions] The adjournment was supported by the representatives of the U S S R (**M. Sobolev**), Yugoslavia, and Cuba, and the debate was accordingly adjourned by Sir Pierson Dixon (chairman during March) to enable Israel and the four Arab countries to be present during the discussions.

When the Security Council reassembled on April 3, **M. Sobolev** accused the Western Powers of planning armed intervention in the Middle East in violation of the sovereign rights of the Arab States, and declared that no decisions on Palestine could be taken outside the U.N., or without the consent of the parties concerned. He asserted that the Ambassadorial talks in Washington had led to a worsening of the situation, condemned M. Pineau's proposal for a tripartite conference of the Western Powers on the Middle East (see below), and denounced the despatch of U S. Marine reinforcements to the Mediterranean (see 14801 B) as a factor which would aggravate the situation. M. Sobolev moved several amendments to the U.S. resolution (notably in connexion with the wording), one of which sought to describe the position in the Middle East as "unsatisfactory" and not as constituting a threat to the peace and security of the area. He also asked the Security Council to rule that any proposals made by Dr. Hammarskjold to reduce tension should be agreed upon beforehand by the Arab States and Israel.

The British, U.S. and French representatives repudiated the allegations made by M. Sobolev, **Sir Pierson Dixon** commenting that it was unfortunate that the Soviet representative, alone among the members of the Security Council, had seen fit to criticize the "immediate and practical scope" of the U.S. resolution **Mr. Cabot Lodge** denied that the U.S.A. had taken any measures which could possibly exacerbate the situation in the Middle East, declared that the Soviet amendments were "not necessary or particularly desirable"; and emphasized that the U.S. resolution was designed to enable Dr. Hammarskjold to carry out his discussions with the parties concerned "entirely within the framework of the armistice agreements." The Arab and Israeli representatives welcomed the U.S. initiative and assured Dr. Hammarskjold of their co-operation in his proposed mission.

After rejecting the Soviet amendments on April 4, the Security Council unanimously adopted the original U.S resolution, which was supported by M. Sobolev despite his earlier criticisms, he stated that he would now vote for the resolution because it had been "accepted by the interested parties."

Immediately after the vote, Dr. Hammarskjold accepted the mission entrusted to him by the Security Council, asked for co-operation by all the parties concerned, and appealed to them to exercise restraint. He left New York for the Middle East on April 8, had consultations in Rome the following day with Mr. Henry Vigier (political adviser to General Burns) and Mr. Labouisse (head of the U.N. Relief and Works Agency in Palestine), and flew to Beirut on April 10. Later the same day he flew to Lydda (Israel), where he met General Burns and senior officials of the Israeli Foreign Ministry, and in the evening went on to Cairo with General Burns. On April 11 Dr. Hammarskjold had discussions with Colonel Nasser, at which Dr. Fawzi (the Egyptian Foreign Minister) and General Burns were also present.

Dr. Hammarskjöld's Earlier Visit to Middle East.

During his world tour, undertaken after the end of the 10th session of the U.N. General Assembly, Dr. Hammarskjold had visited the Middle Eastern capitals during the last week of January for discussions with the Prime Ministers of Egypt, Israel, Jordan, the Lebanon, and Syria, and also with General Burns. After his talks in Cairo with Colonel Nasser (Jan. 23) he informed Mr. Ben-Gurion in Jerusalem on the following day that Egypt had accepted three proposals put forward by him (Dr. Hammarskjold) for reducing tension in the demilitarized zone at El Auja, on the Egyptian-Israeli border (see page 14526). The Government of Israel had already accepted these proposals on Jan. 4, on which date a formal notification had been sent to General Burns.

The U.N. Truce Supervisory Organization gave the following details on Jan. 24 of the Secretary-General's proposals as accepted by Egypt and Israel:

(1) Egypt had agreed that U N. observers should mark the limits of the demilitarized zone at El Auja, wherever such marking was required

(2) Egypt had already withdrawn Egyptian personnel and obstacles from the demilitarized zone. Should a U.N. survey disclose any minor encroachments, these would be removed at once.

(3) The third proposal related to the removal by Israel of military forces, obstacles, and mines from the zone.

Soviet Warning against Despatch of U.S. and British Troops to Middle East. - U.S. and British Reaffirmation of Tripartite Declaration.

The Soviet Foreign Ministry issued a statement on Feb. 13 declaring that the despatch of U.S. and British troops to the Middle East would be "a gross violation of the U.N. Charter" and would "create a threat to peace in that area." The statement was worded as follows.

"Certain joint measures are envisaged in the statement of President Eisenhower and the British Prime Minister published on Feb. 1, 1956. The participants in the Washington conference affirm that the measures they have proposed with regard to the countries of the Near and Middle East are caused by the state of tension in the relations between Israel and her Arab neighbours. At the same time they try to present the case in such a way as if the Tripartite Declaration of the U S.A., Britain, and France of May 25, 1950, enabled them to undertake independent action outside the framework of the United Nations. . . .

"It is not the first time that efforts have been made to impose on countries of the Near and Middle East the will of certain foreign circles whose interests are alien to the national aspirations of the peoples of that area. Not without reason, the peoples of these countries connect these actions of the Western Powers with the aspirations of the oil monopolies to use the oil wealth of this area in the interests of their own enrichment, disregarding the interests of the peoples of those States. . . ."

After denouncing "the notorious Baghdad Pact," and alleging that the Western Powers were aiming at the creation of a "new military bloc" in the Middle East, the Soviet declaration continued: "The Washington statement alleges that its participants desire the settlement of the dispute between Israel and her Arab neighbours. This would be a good thing, were it true But in that case why have these decisions been adopted without the participation of the countries concerned, and behind their backs? The known facts show that there is a clear discrepancy between such statements and certain actions of the Western Powers in relation to the countries of the Near and Middle East. Moreover, there have been frequent reports of late that certain States intend to move their armed forces into the above-mentioned areas. These reports have not been denied. . . . The movement of troops into the countries of the Near and Middle East would represent an act contrary to the interest of strengthening peace, would create dangerous friction and tension in the area, and would make even more difficult the possibility of settling disputed issues between the countries of this area . . .

"Any action leading to complications in the Near and Middle East, and to increased tension in that area, is bound to be the subject of legitimate concern on the part of the Soviet Government. Such an act as the despatch of foreign troops to the countries of the Near and Middle East, without the consent of the interested States and without the sanction of the U N Security Council, would be a gross violation of the U N Charter and of the sovereignty of a number of countries. The United Nations cannot disregard actions involving the countries of the Near and the Middle East which would be prejudicial to their national independence and create a threat to peace in that area."

The U.S. State Department spokesman (Mr. Lincoln White) described the Soviet statement as "propaganda." He denied that the Western Powers were planning to send troops to the Middle East; emphasized that they were concentrating on diplomatic efforts to relax the tension between Israel and the Arab countries; and pointed out that under the Tripartite Declaration of 1950, intervention could only take place when an act of aggression had been committed. Whilst the U.S.A., Britain, and France were anxious to work as far as possible through the United Nations, they would not permit a Soviet veto to paralyse the U.N., as had happened in the past, if action was required to restore peace in the area.

The following statement was issued by the spokesman of the British Foreign Office, Sir George Young, on Feb 15:

"The Washington communiqué dealt with action which might have to be taken under the Tripartite Declaration of 1950. This declaration was designed to assist in the maintenance of peace and security in the area by making it clear that we should oppose the use of force to alter the frontiers or armistice lines resulting from the cease-fire of 1949 We said that we should take action both inside and outside the U N. in the light of the increased tension caused primarily by Soviet action. The three Powers decided in Washington that they had a duty to make it plain that the Tripartite Declaration means what it says. There has been no question of sending forces to Middle East countries without their consent. On the contrary, the purpose of the Washington statement . . has been to show the countries concerned that, if they become the victims of an attack, there will be friends within reach and ready to act in their support."

Statements by President Eisenhower and Mr. Dulles. - U.S. Offer to guarantee Arab-Israeli Borders.

In a statement to the Senate Foreign Relations Committee on Feb. 24, Mr. Dulles said: "Given a solution to other related problems, President Eisenhower has indicated his willingness to recommend that the United States join in formal treaty engagements to prevent or thwart any effort by either side to alter by force the boundaries between Israel and its Arab neighbours."

Mr Dulles said that the U.S. Government recognized that prior agreement on the borders was essential before they could be guaranteed. "The present border arrangements," he added, "were not designed to be permanent frontiers in every respect A more permanent and agreed line is necessary In spite of conflicting claims and sentiments, I believe the achievement of such a line is possible, and the U S.A remains willing to assist in the search for a solution"

Emphasizing that the U.S.A did not intend to get into an arms race in the Middle East, Mr. Dulles pointed out that the problem had been complicated in the past six months by shipments of Soviet-bloc arms to that area, with the result that "conditions for an arms race now exist as certain countries of the Middle East vie with one another in the purchase of military items" After saying that it was natural that Israel should want to increase her military capabilities in the circumstances, Mr Dulles added. "However, Israel, because of its much smaller size and population, could not win an arms race against Arabs having access to Soviet stock It would seem that Israel's security could be better assured, in the long run, through measures other than the acquisition of additional arms in circumstances which might exacerbate the situation" These measures included reliance on the United Nations, the Tripartite Declaration of 1950, and the arrangements made by President Eisenhower and Sir Anthony Eden for consultations with France on the Middle East, which together added up to "a more effective deterrent than additional quantities of arms."

As regards the sale of 18 light tanks to Saudi Arabia (see 14726 A), Mr. Dulles said that the U.S Government had agreed to this deal because it was physically impossible for Saudi Arabian tanks to attack Israel across the intervening desert. The tank sale was therefore not contrary to the Tripartite Declaration, since it did not upset the existing arms balance between Israel and its Arab neighbours. He added that Saudi Arabia was the only Middle Eastern country which had made substantial arms purchases in the United States.

In a further statement on April 3, Mr. Dulles said that he saw no immediate emergency in the Middle East requiring any Congressional action to strengthen the President's authority, and added that American policy remained "substantially what it was when I explained it to the Senate Foreign Relations Committee."

On April 9, however, following the renewed Egyptian-Israeli clashes in the Gaza area (see below), President Eisenhower issued a statement emphasizing (1) that the U S.A. would give fullest support to Dr. Hammarskjold's efforts to reduce tension in the Middle East, and (2) that the U.S.A., "in accordance with its responsibilities under the U.N. Charter, will observe its commitments within constitutional means to oppose any aggression in the area." The President added that both he and Mr. Dulles regarded the situation in the area "with the utmost seriousness."

At an earlier press conference on April 4, President Eisenhower had strongly denied British and U S. press reports—unsubstantiated either in London or Washington—that the British Government was exerting pressure on the U.S Administration to take a firmer line in the Middle East. The President confirmed that he had exchanged a number of messages with Sir Anthony Eden on the Middle East situation, but emphasized that there had been no question of any "pressure" from the British side. Whilst the two countries had "slightly differing viewpoints" about America's role in the Middle East, particularly as regards the Baghdad Pact, his exchanges with Sir Anthony Eden were in no way intended to take the place of normal diplomatic exchanges. In reply to a question about the despatch of U.S Marine reinforcements to the Mediterranean, the President declared. "I have announced time and time again that I will never be guilty of any kind of action that can be interpreted as war until Congress, which has the constitutional authority, says so . . . I am not going to order any troops into anything that can be interpreted as war until Congress directs it."

The British Foreign Office issued a statement on the same day denying press reports that Sir Anthony Eden had written a personal letter to President Eisenhower urging him to adopt a strong anti-Egyptian line in concert with the U.K. Government.

Mr. Selwyn Lloyd's Visit to Middle East. - M. Pineau's Proposal for Tripartite Meeting.

The British Foreign Secretary, Mr. Selwyn Lloyd, visited a number of Middle Eastern capitals and Delhi while on his way to, and returning from, a meeting of the SEATO Council held in Karachi on March 6-9. Before arriving in Karachi he visited Cairo (March 1-2) and Delhi (March 3-4), with a short four-hour stay in Bahrein, and after the Karachi meeting paid visits to Baghdad (March 9-10), Teheran (March 10-11), Ankara (March 11-13), Jerusalem, Israeli sector (March 13-14) and Tripoli (March 14). Mr. Lloyd had discussions with the Prime Ministers and Foreign Ministers of all the countries visited, returning to London on March 15.

The Foreign Secretary was questioned in the House of Commons on March 26 by Mr. Arthur Henderson (Lab.), who asked for details of "the new plan which, according to the Foreign Office spokesman [see above], has been prepared by the British Government with a view to taking immediate action in the event of aggression by any country in the Middle East."

Mr. Selwyn Lloyd replied: "So far as action by H.M Government is concerned, at the moment we are concerned with endeavouring to keep the peace In that function the United Nations has an important part to play As far as plans for various hypothetical circumstances are concerned, I do not think that these can be publicly announced. . We intend to honour in the spirit and the letter the application of the Tripartite Declaration. That, obviously, involves the preparation of various plans for various contingencies"

The French Foreign Minister (M. Pineau), after attending the meeting of the SEATO Council in Karachi, informed the National Assembly in Paris on March 22 that during his stay in the Pakistani capital he had had discussions with Mr. Dulles and Mr. Selwyn Lloyd and had proposed a three-Power meeting to discuss the Middle Eastern situation.

Cairo Meeting of Egyptian, Syrian, and Saudi Arabian Heads of State. - King of Jordan refuses Invitation to Arab "Summit" Conference.

Colonel Nasser, President Kuwatly of Syria, and King Saud of Saudi Arabia met in Cairo from March 6-11, together with the Prime Minister of Syria and the Foreign and Defence Ministers of the three countries. A communiqué published at the end of the conference stated that the situation in the Middle

East had been examined " in all its aspects " ; that the three countries were agreed on the need to " safeguard the Arab world against the dangers of the cold war " , that they were opposed to all " foreign pacts " which " sacrifice Arab interests and aspirations to the personal interests of the great Powers " ; and that " comprehensive plans " had been drawn up, " which will be our shield against all eventualities or unpleasant surprises."

After declaring that the talks had resulted in full identity of views between the three countries, and that Egypt, Syria, and Saudi Arabia based their policies on the principles of the U N. Charter, respect for national sovereignty and human rights, and the resolutions of the Bandung Conference, the communiqué announced that the following decisions and measures had been agreed upon ·

(1) A " comprehensive plan " had been drawn up " to safeguard Arab security and defend it against the dangers of Zionist aggression and foreign domination."

(2) A plan had been drawn up " to co-ordinate Arab defence plans in order to face any act of violence to which Israel might resort." Israel was accused of " pursuing an aggressive policy in defiance of the principles of law and justice," and of " ignoring U.N. resolutions."

(3) Agreement had been reached on measures " necessitated by the security of the Arab nations with regard to the supply of arms to Israel, which permits her to persist in her policy of aggression."

(4) Plans had been drawn up " to counteract attempts exerted through the Baghdad Pact to bring pressure to bear upon Arab countries, thus endangering Arab unity and disuniting the common Arab front at a time when the Arab countries need to be united in effort and policy "

(5) " All possible support " would be extended to Jordan " in the event of any foreign pressure or Zionist aggression." It was added that the three Heads of State had " contacted His Majesty King Hussein to convey to him their utter and complete readiness to assist Jordan and stand by her side " [see below].

(6) The three Heads of State had agreed " to strengthen the ties binding the Arab world " and to " foster co-operation between the Arab countries on the largest scale possible so as to realize purely Arab aims." They had also studied " ways and means of achieving Arab unity "

(7) It had been agreed to co-ordinate Egyptian, Syrian, and Saudi Arabian policies in the political, military, economic, and cultural fields.

(8) The three Heads of State had discussed " the problem arising from the British occupation of the Buraimi Oasis and the Oman Emirate," and had " defined means for the ending of this dispute in a manner which preserves to these areas their Arab character and prevents any breach of their sovereignty."

(9) There had been an " extensive examination of the situation in North Africa " After accusing France of " violating the rights of the North African peoples," the communiqué declared that " France must recognize the rights of those peoples to independence, in accordance with the U N Charter and the principle that all peoples have the right to national self-determination."

Prior to the Cairo " summit " conference, King Hussein of Jordan had attempted to convene a meeting of the Heads of State of the Arab countries, for which purpose the Prime Minister of Jordan (Samir el-Rifai) and the Chief of the Royal Cabinet (Bahjat Talhouni) had visited Damascus, Beirut, Baghdad, and Cairo towards the end of January and during the first fortnight of February for preliminary discussions. It was announced in Cairo on Feb. 11, however, that Egypt had refused to take part in the conference suggested by King Hussein unless certain conditions were agreed beforehand—notably that Egypt should have the right to consult her allies, Syria and Saudi Arabia, before taking part, and that the Baghdad Pact [of which Iraq is a member] should be unconditionally repudiated by all the Arab countries.

As stated in the Cairo communiqué, the Heads of State of Egypt, Syria, and Saudi Arabia contacted King Hussein during their conference. It was announced in Amman on March 9, however, that King Hussein had declined an invitation to take part in the conference which had been personally conveyed to him by the Syrian Prime Minister (Said el-Ghazzi). The Cairo communiqué made no mention of the fact that King Hussein had refused to take part in the " summit " meeting.

The Egyptian Ambassador in Amman delivered to King Hussein on March 17 a personal message from Colonel Nasser and President Kuwatly, the contents of which were not disclosed. The King's reply was conveyed to Colonel Nasser on March 19 by M Talhouni, who flew to Suez to see the Egyptian Prime Minister and King Saud, and to Alexandria to see President Kuwatly. On the same day King Hussein gave an interview to the Jordanian newspaper *Ad-Difaa* in which he emphasized that Jordan would maintain her policy of neutrality, and would adhere neither to the Iraqi-Turkish pact (i e. the Baghdad Pact) nor to the Egyptian-Syrian-Saudi Arabian pacts, but would " always endeavour to strengthen co-operation and union between the Arab countries." The King said that the recent changes in the Arab Legion (see 14737 A) would have " no effect whatsoever " on Anglo-Jordanian relations, and that Jordan would continue to fulfil her obligations to Britain as long as the Anglo-Jordanian treaty remained in existence.

King Hussein's Meetings with King of Iraq and President of Syria.

King Hussein of Jordan and King Faisal of Iraq, accompanied by their Prime Ministers, met on March 14 at an oil-pipeline station on the Iraqi-Jordanian frontier. A communiqué said that the discussions, conducted " in an atmosphere of complete fraternal understanding," had dealt with " matters of interest to both countries in particular and Arab affairs in general."

On April 9 King Hussein arrived in Damascus for a three-day visit during which he had discussions with President Kuwatly. It was announced in Amman and Damascus on April 12 (1) that Jordan and Syria had agreed to co-ordinate their defensive plans and ensure military co-operation to repulse any attack that might be made by Israel ; (2) that they would attempt to bring about the complete co-ordination of Arab military plans and defensive forces ; (3) that both countries were opposed to joining any " foreign pacts " ; and (4) that they had agreed to work for closer economic and cultural co-operation.

Iraqi Protest to Egypt. - General Nuri's Criticisms of Colonel Nasser.

An Iraqi Government spokesman stated on March 15 that a protest would be made to Egypt at the fact that the communiqué issued by the three Heads of State [i.e. Colonel Nasser, President Kuwatly, and King Saud] had purported to speak for all the Arab countries. The spokesman added that the Iraqi view was shared by the Lebanon.

The Prime Minister of Iraq (General Nuri es-Said) gave an interview on March 30 to the Special Correspondent of the *Daily Telegraph* in Baghdad, Mr. Anthony Mann, in which he strongly criticized Colonel Nasser's pretensions to leadership of the Arab world, refuted the Egyptian attacks on the Baghdad Pact, and accused Saudi Arabia, as well as Egypt, of striving to subvert the Iraqi Government.

General Nuri stressed that the Baghdad Pact, far from injuring Arab interests, was in fact a valuable shield for them, since it constituted a " defence against the Communist danger from within and without." After refuting Colonel Nasser's " baseless attacks " against the Baghdad Pact, and reaffirming Iraq's support for the pact, he declared . " The trouble about Nasser is that he wants to shine as the leader of all the Arabs. His opposition to the Baghdad Pact dates only from the moment when he thought it might interfere with his personal ambition. Earlier he actually discussed with me the possibility of Egyptian adherence on a perfectly friendly basis "

The Iraqi Prime Minister continued . " Cairo radio bombards us continuously with its ' Voice of the Arabs ' programme, which is full of threats against me and abuse of Iraq. Fortunately it doesn't have much effect, because people can look out of the window and see that the streets are not running with blood, in spite of what Cairo tells them. At the same time Saudi Arabia does its best to undermine us by pouring in large sums of money to buy the support of individuals. This is ridiculous ; we have no quarrel with the Saudis. The fact is that the Saudis still think that they are conducting a Sherifian tribal feud of a past generation. [The Saudi royal family nourishes a traditional vendetta against the Hashemite dynasty, to which both King Faisal and King Hussein belong] . . In fact, Egyptian and Saudi Arabian policy encourages Communist elements in the Arab world, together with so-called nationalists who in effect follow the Communist line. In Iraq we now have oil revenues which enable us to combat domestic Communism by an enlightened policy of development, construction, education, and improvement of health and living standards "

General Nuri said that the earlier plan for a " Fertile Crescent " union of Iraq, Syria, and Jordan was no longer under serious discussion " Before we can consider that plan," he added, " we must first deal with the question of Israel, and secondly with that of Communism in the Arab world. . . .If the West wants to solve the problem of Colonel Nasser, let it first solve the problem of Israel. The one will follow automatically from the other."

Colonel Nasser on Anglo-Egyptian Relations. - Denunciation of Baghdad Pact.

Colonel Nasser gave an interview on March 24 to the Cairo correspondents of *The Observer* and the *Sunday Times* in which he declared that Egypt was not opposed to British interests in the Middle East, but in which he reiterated Egypt's opposition to the Baghdad Pact and accused Britain of continuing to regard the Middle East as a " sphere of influence."

Colonel Nasser spoke as follows, as quoted by the *Observer* correspondent (Mr. Tom Little) : " I am not opposed to British interests. There are many interests which the British and the Arabs have in common, and we should attempt to further them. For example, both Arabs and British benefit from the oilfields. We should work for our mutual interests. There is no room for hate between us, and without hate Britain will not attempt to destroy my interests and I will not attempt to destroy hers. But I believe that by attempting

to keep this area as a sphere of influence, Britain will lose her real interests—do damage to herself. For that matter we are not opposed to the Northern Tier defence system [i e the Baghdad Pact] as long as it is outside the Arab bloc.

"After the Baghdad Pact was signed we asked Britain not to spring any more surprises, and when informed that Pakistan was going to join we raised no objections. Nor did we oppose Britain's adherence—we did not regard this as our affair. Britain did not keep her promise when it came to Jordan. She did not tell us of the mission of General Templer, and we were forced to fight against all efforts to bring Jordan into the pact If Jordan had joined, Syria would have been cut off, pressure would have been put upon her to join, and eventually Egypt would have been left alone to face Israel. . . . I was to be isolated in this area by British policy and was refused arms while Israel armed herself. I was told to look to the United Nations and the Tripartite Declaration, but frankly I have no faith in them. The whole situation could be turned upside down before either of them took any action. . . ."

Colonel Nasser said that he had asked every British Foreign Secretary he had met, including Mr. Selwyn Lloyd, for a statement of Britain's policy in the Middle East, but had never received a "comprehensive reply" As a result, Egypt herself could only "react to the activities of Britain." He continued :

"This means that the great opportunity for Anglo-Arab relations created by the Anglo-Egyptian agreement in October, 1954, has been thrown away There was a brief honeymoon, and then Britain plunged into the Baghdad Pact plan which she knew in advance was in our opinion a threat to our vital interests It was also against the genuine desires of the Arabs. Any policy in this area must recognize nationalism, its historical background and psychological condition. Arabs are no longer able to accept themselves as a tail to British policy, and that is how they would regard it if we all sat round the table with Mr. Selwyn Lloyd or Sir Anthony Eden Arabs would be convinced the policy came from London, and this is no longer acceptable to them. It must be recalled that the Northern Tier . . . will not have any value if the internal front collapses. It is the internal front which will defend the genuine interests not only of the Arabs but of Britain herself. That is why the Arabs must have their own regional organization and base their policy on the strengthening of the Arab collective security pact.

"This view of the internal situation is at the core of my policy, for it seems to me more important than the danger of world war whereon Britain bases her defence requirements. I may be wrong, but I do not expect world war. Nuclear weapons have changed the entire picture. . . . As I see it, war will from now on be different It will be fought on the internal fronts of all countries In this area it will use nationalism as a weapon, and we—the leaders of the area —must lead the nationalists and build a stable future on them That is what we are doing in Egypt, and as a result we have taken the weapon out of the hands of Communism. Communism is only dangerous when it can exploit the mass opinion of nationalism. There are about 5,000 Communists in Egypt, but we have taken the leadership of nationalism away from them Compare this situation with 1952, when small Communist groups brought about riots and the burning of Cairo People say there is dictatorship in Egypt, but this is not so I want to lead the people, not suppress them. British policy—if successful—would make it impossible to lead the people. They would rise up against us all."

British Reply to Colonel Nasser. - Egyptian Press Attacks on Britain.

The British Foreign Office issued a statement on March 25 in reply to the interview given by Colonel Nasser to the *Observer* and *Sunday Times* correspondents.

After commenting that Colonel Nasser's proclaimed desire for friendly Anglo-Egyptian relations had been jeopardized by recent Egyptian acts and policies, the statement continued : "Unfortunately, in spite of the Sudan agreement, the treaty over the Suez base, the offer of British help for the Aswan Dam, and consistent British efforts to establish better relations, Egypt has not ceased from propaganda directed against Britain and Governments in treaty relations with Britain. Such conduct has extended to areas where Egypt has no direct interests, for example, East Africa. So long as it continues it is difficult to see how there can be hope for improvement in Anglo-Egyptian relations, or for the friendship which Colonel Nasser says that he desires, and which the British Government desires.

"Colonel Nasser referred to the Baghdad Pact. Britain stands firmly by the pact. It began as a treaty between Turkey and Iraq. It is now an alliance between five independent sovereign States on a basis of complete equality. It is concerned not only with military security but also with the development of the economic resources of its members and the raising of their standards of living.

"With regard to further membership of the pact, H.M. Government has no intention of bringing pressure to bear on other States to join. The decision must remain a matter for the free choice of each country. But to prevent States from joining the pact is a denial of the right of independent governments to be the judges of the interests of their peoples. No one has the right to exercise a veto of that nature."

The reference in the Foreign Office's statement to East Africa related to the anti-British propaganda which had been broadcast by Cairo radio during the past 18 months to Kenya and Zanzibar, both in Swahili and Arabic, and which had been the subject of a number of British protests (see 18695 A).

Allegations by the Cairo newspaper *Al Akhbar* that the British authorities had "mistranslated" or "forged" the transcripts of these broadcasts were refuted on March 30 by the British Embassy in Cairo, which recalled that six official protests had been made to the Egyptian Government on the matter. The Embassy pointed out that five of the protests had been based on B B.C. monitoring reports ; that investigations had shown that the translations were accurate ; and that the sixth protest was based on "official reports" which were being further examined.

Al Goumhouria, the official organ of the Egyptian Government, published on April 2 a violently anti-British article by Colonel Anwar Sadat, Minister of State and a leading member of the Egyptian Revolutionary Council Writing of so-called British "atrocities" in the Arab countries, Colonel Sadat said *inter alia* that British forces had "killed and looted" in the Buraimi Oasis, and that General Glubb had "killed the martyrs of Jordan."

Arab-Israeli Border Tension. - New Clashes in Gaza Area. - Egyptian Commando Raids into Israel.

Further incidents on the borders between Israel and her Arab neighbours, particularly on the Egyptian-Israeli border, occurred on various occasions in March and during the first week of April, culminating in a heavy exchange of artillery fire in the Gaza area. Tension was also caused by an increase in ambushes and sabotage carried out by Egyptian *fedayeen* (irregulars) deep inside Israeli territory.

Egypt-Israel Border. The Israeli Government asked the U.N. Truce Supervisory Organization on March 11 to investigate Egyptian military concentrations in the "Gaza strip" and northern Sinai, alleging that the number of Egyptian troops concentrated in these areas was far in excess of Egypt's defence needs At the same time Israel lodged a protest with the Egyptian-Israeli mixed armistice commission, alleging heavy Egyptian troop concentrations just south of the Gaza demilitarized zone An earlier Israeli protest had been lodged with the commission in connexion with an incident on March 6 in which an Israeli and an Egyptian soldier had been killed, and two Egyptians captured, one mile inside Israeli territory The Israeli was killed when his jeep struck a land-mine placed by an Egyptian saboteur, who was himself shot dead while trying to escape across the border

Heavy exchanges of artillery fire, lasting several hours, occurred in the Gaza area on April 5, during which Israeli artillery shelled Gaza, Khan Yunis, and Beir el-Ballah whilst Egyptian artillery shelled Kissufim, Nahal Oz, and other Israeli settlements. Each side gave conflicting accounts of the incidents, the Egyptians alleging that Israeli batteries had begun to shell Gaza and the other townships, and the Israelis alleging that the Egyptians had first bombarded the frontier settlements with heavy mortars, after which retaliatory fire had been opened from the Israeli side The casualties in Gaza—the heaviest since the Palestine War—were officially reported by General Burns to the U.N. as four Egyptian soldiers killed and four wounded and 55 civilians killed (including 15 women and 10 children) and 102 wounded. On the Israeli side the casualties were given as four civilians killed and two soldiers wounded. The Egyptian authorities stated that all the civilians killed in Gaza were Palestine Arabs, and alleged that Israeli shells had fallen in the crowded market-place of the town. Both Egypt and Israel made strong representations to the U.N. Truce Supervisory Organization, each accusing the other of having first opened fire. A cease-fire came into effect at 7 p m. on April 5 at the intervention of General Burns, who had called upon both sides to cease hostilities by midnight. Further artillery exchanges occurred in the Kissufim area for about an hour the next morning, but ended after intervention by the Egyptian-Israeli mixed armistice commission.

Egyptian *fadayeen* units, operating in small groups of a few men each, penetrated deeply into Israeli territory during the night of April 7-8 to carry out sabotage activities in the Askalon, Faluja, and Beersheba areas. Two Israeli women were killed when grenades were thrown into isolated houses, two men were killed and seven injured when vehicles were ambushed, several cars were set on fire and destroyed, and considerable damage was done to water installations. Israeli security forces were deployed over a wide area to round up the *fedayeen* groups "dead or alive," nine Egyptian irregulars being killed in three clashes with Israeli troops on April 9. One of the clashes occurred near the "Gaza strip," the second among orange groves between Askalon and Rehovoth, and the third near Lachish. A captured raider said that the *fedayeen* groups had been trained in Egypt, that they were under the command of the Egyptian military authorities at Gaza, and that they had instructions to kill Israelis, blow up bridges and installations, mine roads, and shoot up passing traffic. He added that they had been instructed to return to Gaza on the completion of their mission, or, if that were too difficult, to make their way to Jordanian territory.

Two more Egyptian *fedayeen* were killed and one captured on the following night, when sabotage attacks were made on the railway running from Beersheba to Tel-Aviv. On April 11, in the deepest penetration yet made into Israeli territory, *fedayeen* ambushed a bus 10 miles from Tel-Aviv, wounding six passengers, and broke into the synagogue of an agricultural college in the vicinity, where they opened fire on 30 youths at prayer. Three of the youths were killed (including a 13-year-old boy) and five wounded, and a teacher was also seriously wounded and died later.

Cairo radio announced on the following day that *fedayeen* groups operating in Israel had returned to their bases after having carried

out 50 attacks "in revenge for the Israeli attacks on civilians at Gaza." It was claimed that a heavy toll of life had been taken of the "enemy," and much material damage done, for the loss of 10 *fedayeen* killed, out of a total of 300.

An air combat between four Egyptian and two Israeli planes occurred on April 12. The Israeli authorities stated that the Egyptian planes had been intercepted over Israeli territory south of Beersheba, that one of them (a *Vampire* jet) had been shot down in flames, the pilot being wounded, and that the others had flown back across the frontier, the two Israeli machines returning safely to base. The Egyptian version of the incident said that the clash had taken place over the border, that an Israeli machine of the French *Ouragan* type had been shot down, and that an Egyptian plane had made a "forced landing."

The Israeli Government made two strong protests to the U.N. Security Council on April 10-11 drawing attention to the numerous Egyptian violations of Israeli territory during the preceding week.

Israel-Syria Border. Two Israeli policemen were killed on March 4, and two others reported missing, when Syrian troops fired on police patrol vessels near the north-eastern shore of Lake Tiberias (the Sea of Galilee). The Syrian authorities claimed that they had repulsed an attempted Israeli landing "for espionage and subversive action," whilst the Israeli authorities said that the Syrians had deliberately opened fire after one of the vessels had gone aground and the other had gone to its assistance. After intervention by U.N. observers, the Syrians returned the captured vessel to the Israeli authorities, together with the bodies of the two men killed, but without the two wounded men.

A further incident occurred on March 5 when an aircraft of the Israeli Air Force was forced down on the Israeli side of the border by Syrian machine-gun fire, the pilot being wounded. A strong Israeli protest was made to the U.N. at these incidents, which were described as "wanton acts of aggression" by the Syrian armed forces.

Israel-Jordan Border. Armed Jordanians penetrated into Israeli territory on March 10-12, killing an Israeli policeman and wounding two others at the village of Karkur (which lies half in Israel and half in Jordan), and killing a settler four miles inside Israeli territory; one Jordanian was killed, the others fleeing across the frontier.

Israeli-Syrian Exchange of Prisoners. An exchange of prisoners was carried out on March 30, under U.N. supervision, at the Bnot Yaakov (Daughters of Jacob) Bridge across the Jordan River, on the Israeli-Syrian border. The Syrian group comprised 35 soldiers and six civilians, most of whom had been captured on Dec. 12, 1955, when Israeli Army units crossed into Syrian territory to destroy gun positions threatening Israeli fishermen on the Sea of Galilee, whilst the Israeli group comprised four soldiers who had been captured by the Syrians on Dec. 8, 1954, and one civilian. (A fifth Israeli soldier captured at the time had committed suicide in his prison cell.) Negotiations for the exchange of prisoners had been in progress for over a year.

Egyptian and Israeli Pledges to comply with Armistice Agreement.

It was announced on April 12 by Mr. Cabot Lodge (president of the Security Council during April) that both Colonel Nasser and Mr. Ben-Gurion had assured Dr. Hammarskjold that their Governments would unconditionally comply with the provisions of the Palestine armistice agreement prohibiting either side from resorting to warlike actions, whilst at the same time reserving the right of their Governments to act in self-defence.

Mr. Lodge circulated to the Security Council the texts of six communications which had been exchanged during the previous four days between Dr. Hammarskjold, on the one hand, and Colonel Nasser and Mr. Ben-Gurion, on the other, regarding the observance by Egypt and Israel of that section of the armistice agreement prohibiting "any warlike or hostile act against the military or para-military forces of the other party, or against civilians in territory under the control of that party." In his letters to the Egyptian and Israeli Prime Ministers (dated April 4) Dr. Hammarskjold expressed his deep concern at the recent deterioration of the situation in the Gaza area, drew attention to "the vital need of breaking the present chain of action and reaction," and asked both sides to comply strictly with the relevant provisions of the armistice agreement. The above-mentioned assurances were given by Colonel Nasser and Mr. Ben-Gurion in reply to these letters.

Following the Egyptian *fedayeen* raids into Israel, Mr. Ben-Gurion sent another letter to Dr. Hammarskjold on April 12 pointing out that "a series of murderous attacks perpetrated by Egyptian gangs deep inside our territory" had taken place since Colonel Nasser's earlier assurances to observe the armistice agreement. He asked what assurance Colonel Nasser had given "to put an end to the activities of sabotage and murder gangs and to refrain from all other acts of aggression and violence."

Soviet Training of Egyptian Troops in Poland.

Reports that a number of Egyptian officers and n.c.o.s (variously reported at between 200 and 300) were being trained at Soviet bases in Poland were confirmed on March 23 by the British Foreign Office, which also stated that Czechoslovak military personnel were training military forces in Egypt. The U.S. State Department spokesman also said that reports had been received that Soviet instructors were training Egyptian troops in Poland. It was stated in *The Times* (March 24) that the training was taking place in the Hel peninsula (near Gdynia) and that Polish ports had been used for some considerable time for the shipment of Czechoslovak arms to Egypt.

Israeli Defence Measures. - Mr. Ben-Gurion's Statement.

Mr. David Ben-Gurion, the Israeli Prime Minister, emphasized in the *Knesset* on March 6 that Israel would in no circumstances launch a "preventive" war, but added that she would continue to build up her defences and would give a good account of herself if attacked. He believed that war could be prevented, but said that if it broke out the "moral responsibility" would rest upon the Soviet Union, which had supplied arms to Egypt with full knowledge of the purpose for which Egypt wanted them, whilst "judicial responsibility" would rest upon the United States, which had so far refused arms to Israel.

Mr. Ben-Gurion's statement was made at the end of a debate in which the Nationalist party (*Heruth*) had moved a motion of no-confidence in the Government and had attacked it for remaining quiescent while Egypt was rearming—a policy which, it was alleged, had brought Israel "to the brink of the abyss" and confronted her with destruction. The no-confidence motion was defeated by 66 votes to 13, with the General Zionist (Conservative), Agudath Israel (Orthodox) and Communist deputies abstaining.

In a speech on Feb. 21 to the *Histadruth* (the General Confederation of Labour) Mr. Ben-Gurion had called for 150,000 volunteers to dig air-raid shelters, erect fortifications, and reinforce the defences of the frontier settlements in the border areas. The volunteers were asked to give six days' work for these purposes.

U.S. Refusal of Arms to Israel. - Resumption of Canadian Arms Shipments to Israel.

Although Israel had made a number of requests to the U.S.A. for the supply of arms to balance those received by Egypt from Communist sources, the Press Secretary at the White House (Mr. Hagerty) indicated on April 2 that President Eisenhower had decided to take no action on these requests for the time being. Mr. Hagerty pointed out that this decision represented no change in the policy which the U.S. Government had maintained since Israel made her original request for American arms in November last. The *New York Times* and other U.S. newspapers commented that the Administration was apparently reluctant to send appreciable quantities of arms to Israel for fear of precipitating an arms race in the Middle East.

The Prime Minister of Canada (Mr. St. Laurent) informed the Federal House of Commons on March 16 that the Canadian Government had approved the shipment to Israel of 1,754 rounds of 25-pdr. ammunition, valued at approximately $30,600; spare parts for *Sherman* tanks, valued at $136,300; and certain electronic equipment.

Mr. St. Laurent explained that the Canadian Cabinet had approved the resumption of arms shipments to Israel because, although basic tensions remained, it was felt that there had been some easing of the situation since the dismissal of General Glubb and the recent Israeli-Syrian clashes on Lake Tiberias. Moreover, talks were in progress as to how the U.N. could intervene effectively to bring about a solution to the Middle East problem.

The French Foreign Ministry announced on March 6 that Israel had ordered "certain anti-tank weapons" from private French arms manufacturers. No details were given, but reports in the French press said that the weapons were guided missiles claimed to be capable of knocking out the heaviest tanks.
(Times - Daily Telegraph - Manchester Guardian - Observer - New York Times - New York Herald Tribune - Le Monde, Paris)
(Prev. rep. Middle East, 14643 A; Arms Shipments to Middle East, 14726 A.)

A. SOUTHERN RHODESIA. — Territorial Capital to remain in Salisbury.

The Southern Rhodesian Parliament decided on Dec. 2, 1955, that the territorial capital should remain in Salisbury. The voting on the resolution (which was moved by the Prime Minister, Mr. Garfield Todd) was 17 to 10, an amendment by Mr. J. M. Macdonald (United Rhodesia Party) that the question of siting the capital be decided by a referendum being defeated by an identical majority. The decision constituted a reversal of an earlier one (Sept. 30, 1953) laying down that if the capital of the Federation of Rhodesia and Nyasaland were to be set up at Salisbury, the territorial capital should not be sited within 100 miles of that city.—(Federal Information Dept., Salisbury) **(Prev. rep. Federal Capital, 14333 B; Territorial Capital, 13333 A.)**

A. UNITED KINGDOM. — Revenue and Expenditure Returns, 1955-56. - The Floating Debt.

Exchequer returns for the financial year 1955-56, published on April 1, showed an Ordinary Budget surplus (after charging Sinking Funds of £36,489,125) of £397,102,092; this compared with a surplus of £148,275,000 estimated by Mr. Butler (the former Chancellor of the Exchequer) in his Budget speech. Net capital expenditure "below the line" (i.e., excluded from the Ordinary Budget) amounted to £537,979,000, as against Mr. Butler's estimate of £584,000,000, so that there was an "overall" deficit of £140,876,908 instead of the estimated £435,725,000, or £515,000,000 after taking into account Supplementary Estimates.

The following table gives the actual returns for the year, the 1955-56 Budget estimates, and the returns for the year 1954-55.

	Revenue £	Expenditure £
1955-56 Actual*	4,893,142,564	4,496,040,472†
Budget Estimate ..	4,710,150,000	4,561,875,000‡
1954-55 Actual§	4,737,892,404	4,304,725,810‖

* Excluding self-balancing revenue and expenditure amounting to £267,265,000, i.e., £264,900,000 for the Post Office and £2,365,000 for income-tax deducted from post-war refunds of excess profits tax. † Including Sinking Funds of £36,489,125. ‡ This was subsequently increased to £4,656,433,000 by Supplementary Estimates totalling £94,558,000, excluding £5,750,000 for additional Post Office expenditure which was transferred to self-balancing expenditure § Excluding self-balancing revenue and expenditure amounting to £248,786,000, i.e, £243,600,000 for the Post Office and £5,186,000 for income-tax deducted from post-war refunds of excess profits tax ‖ Including Sinking Funds of £36,067,202.

Details of the various revenue items were as follows:

	Year ending March 31, 1956 £	Year ending March 31, 1955 £	Increase (+) or Decrease (−) £
Income-tax . ..	1,942,902,000	1,892,965,000	+ 49,937,000
Surtax	138,600,000	134,700,000	+ 3,900,000
Death Duties ..	175,700,000	187,900,000	− 12,200,000
Stamps ..	70,600,000	75,100,000	− 4,500,000
Profits Tax and Excess Profits Tax ..	192,500,000	172,800,000	+ 19,700,000
Excess Profits Levy	18,450,000	76,500,000	− 58,050,000
Other Inland Revenue Duties	770,000	1,280,000	− 510,000
Customs ..	1,148,598,000	1,100,049,000	+ 48,549,000
Excise .	864,511,000	771,637,000	+ 92,874,000
Motor Vehicle Duties	86,987,000	78,980,000	+ 8,007,000
Post Office (net) ..	—	5,100,000	− 5,100,000
Broadcast Receiving Licences .	25,800,000	22,300,000	+ 3,500,000
Receipts from Sundry Loans	29,857,743	23,023,559	+ 6,834,184
Miscellaneous	197,866,821	195,557,845	+ 2,308,976
Total Ord Revenue.	4,893,142,564	4,737,892,404	+155,250,160

Of the Inland Revenue items exceeding the Budget estimates, Income-tax yielded £65,500,000 more, Surtax £2,600,000 more, and Profits Tax and Excess Profits Tax £12,500,000 more. Death Duties brought £9,300,000 less than estimated, Stamps £3,400,000 less, Excess Profits Levy £6,550,000 less, and other Revenue Duties £230,000 less Customs receipts were £16,900,000 higher than estimated, and Excise over £53,000,000, the two items together thus yielding about £70,000,000 more than budgeted last year. Of the other items, Motor Vehicle Duties contributed nearly £7,000,000 more than estimated, Sundry Loan receipts nearly £5,900,000, and Miscellaneous Revenue £22,900,000, whilst Broadcasting Licences were £800,000 above the estimate.

The following table shows Ordinary Expenditure:

	Year ending March 31, 1956 £	Year ending March 31, 1955 £
Interest and Management of National Debt . . .	637,884,353	569,722,542
Sinking Funds . .	36,489,125	36,067,202
Payments to Northern Ireland Exchequer	59,152,386	50,190,807
Other Consolidated Fund Services ..	10,172,608	8,812,259
Total	743,698,472	664,792,810
Total Supply Services (excluding Self-Balancing)	3,752,342,000	3,639,933,000
Total Ordinary Expenditure .	4,496,040,472	4,304,725,810

Total Ordinary Expenditure (excluding self-balancing items) was £65,834,528 less than the original Budget estimate of £4,561,875,000, and £160,392,528 less than the revised estimate (including Supplementary Estimates and Excess Votes) of £4,656,433,000 The shortfall in expenditure was due to less spending on the Supply Services. Defence expenditure, excluding American Aid receipts, was only £1,427,300,000, against an estimated £1,546,600,000, or over £119,000,000 less; the net Defence expenditure after appropriation of U.S. Aid (£22,400,000) was £1,404,900,000, against an estimated £1,503,600,000, or nearly £99,000,000 less. On Civil Votes actual expenditure also kept below the estimate, viz, £2,285,958,000, against an estimated £2,389,379,000, or nearly £103,421,000 less

Net expenditure "below the line" (i.e. capital expenditure) of £537,979,000 fell below the estimate of £584,000,000 by about £46,000,000. This was due to both higher receipts and lower payments. Of over £27,000,000 more received, £25,000,000 came from the proceeds of the denationalization of the iron and steel industry. The shortfall in payments was about £18,500,000 net. New Loans to the National Coal Board (at £86,050,000) were about £9,000,000 less; compensation payments under the Town and Country Planning Acts (at £49,379,000) nearly £8,000,000 less; Armed Forces housing (at £1,350,000) over £6,600,000 less; loans for New Towns development (at £31,820,000) over £4,000,000 less; and new export guaranteees (at £2,030,000) nearly £4,000,000 less. Larger outgoings than estimated were loans to Local Authorities at £330,700,000 (£10,700,000 more); War Damage payments £27,126,000 (over £3,000,000 more); and loans to the Colonial Development Corporation £8,500,000 (£1,500,000 more). Repayments of Post-war Credits amounted to £17,195,000; refunds of Excess Profits tax to £2,892,000; loans to the Northern Ireland Exchequer (excluding a small repayment) to £4,800,000; loans to the Independent Television Authority to £500,000; payments for the Development of Inventions to only £75,000; and loans to the Potato Marketing Board to £350,000. Scottish Special Housing took £5,280,000; Post Office capital expenditure was £70,200,000; and interest outside the Budget £119,214,000. The principal receipts in addition to the above-mentioned ones from iron and steel denationalization were loan repayments of £33,710,000 by Local Authorities; £14,872,000 by the Raw Cotton Commission; £8,089,000 by the National Coal Board; £6,400,000 under the Town and Country Planning Acts; £1,688,000 under Export Guarantees, £1,188,000 out of Post Office votes; and £1,078,000 under the Anglo-Turkish armaments credit. Interest receipts outside the Budget amounted to £119,214,000 —the same as payments. Amongst the smaller receipts were £200,000 from repayments by the National Film Corporation; £250,000 from the Colonial Development Corporation; and £96,000 from the Overseas Food Corporation.

Details of the Floating Debt are shown below.

	March 31, 1956 £	March 31, 1955 £
Ways and Means Advances Outstanding:		
Advances by Bank of England	—	—
Advances by Public Departments	294,600,000	315,210,000
Treasury Bills Outstanding	4,788,020,000*	4,931,390,000
Total Floating Debt Outstanding	5,082,620,000	5,246,600,000

* Includes £83,000, the proceeds of which were not carried to the Exchequer within the period of the Account.

The Floating Debt thus showed a net decrease over the year of £163,980,000.—(Treasury Press Office, London - Times - Financial Times) **(Prev. rep. Revenue and Expenditure 1954-55, 14134 A; 1955-56 Budget, 14145 A; Supplementary Budget, 14500 A; National Debt, 14609 C.)**

B. YUGOSLAVIA. — U.S. Aid Agreements.

Two agreements for the supply of $95,000,000 worth of U.S. agricultural products to Yugoslavia were signed in Belgrade on Jan. 19. The first (concluded under the U.S. Agricultural Surplus Act) provided that Yugoslavia would receive 375,000 tons of wheat, 40,000 tons of lard, and 10,600 tons of cotton, whilst the second (concluded under the U.S. foreign aid programme) made available to Yugoslavia a further 175,000 tons of wheat, 11,400 tons of cotton, and $1,500,000 worth of tallow. The greater part of these deliveries will be made as a gift, whilst the counterpart funds received from the sale of the remainder will be used to meet U.S. commitments in Yugoslavia or be lent to Yugoslavia for economic development programmes.

The Belgrade newspaper *Politika* stated that the counterpart funds from the sale of previous food shipments to Yugoslavia were being used for the construction of a motor-road between Ljubljana and Zagreb, and for the building of a number of blocks of flats in Belgrade.—(Tanjug Agency, Belgrade - Le Monde, Paris) **(Prev. rep. 14742 A; 14207 B; 14162 A.)**

C. BURMA - RUMANIA. — Diplomatic Relations.

It was announced in March that the Governments of Burma and Rumania had decided to establish diplomatic relations. (Agerpres, Bucharest) **(Prev. rep. 14585 A; 14411 B.)**

A. NIGERIA. — The Royal Visit.

Her Majesty the Queen and the Duke of Edinburgh paid a three-weeks' visit to Nigeria from Jan. 28 to Feb. 15. They were enthusiastically welcomed in all parts of the Colony, many people travelling hundreds of miles to greet them.

Her Majesty and the Duke left London Airport on Jan. 27 on the B.O.A.C. Argonaut *Atalanta* and arrived on the following morning at Lagos Airport, where they were welcomed by the Governor-General of Nigeria (Sir James Robertson), Nigerian Ministers, and the British naval, military and air commanders in West Africa. The 13-mile drive to Lagos, lined by hundreds of thousands of cheering Nigerians, was broken at Igbobi, where the Queen received a loyal address from the president of the Lagos Town Council, Oba Adeniji Adele II. A State dinner was given to her Majesty and the Duke at Government House the same evening.

On the following day (a Sunday) the Queen and the Duke attended the Mohaung Day service in Lagos Cathedral, which is held annually to commemorate the Battle of Mohaung (Burma), in which two West African divisions, drawn entirely from the Royal West African Frontier Force, defeated the Japanese on Jan. 24, 1945. The Queen was greeted at the Cathedral by the Archbishop of West Africa, the Most Rev J. L. C. Horstead, the address being given by the African Bishop of Lagos, the Rt Rev. A. W. Howells. On Jan 30 her Majesty presented new colours to the 2nd Battalion, Nigeria Regiment, visited an orthopaedic hospital near Lagos, and attended a garden party given by Sir James and Lady Robertson at Government House.

The Queen, accompanied by the Duke of Edinburgh, visited the Federal House of Representatives in Lagos on Jan. 31 to receive a loyal address from the Speaker (Sir Frederic Metcalfe). Speeches in support were made by the Minister of Transport (Mr Balewa), the Minister of Communications (Mr. Mbadiwe), and the Leader of the Opposition (Chief Akintola), all of whom spoke with gratitude of the part played by Britain in promoting self-government in Nigeria, and stressed the value of the British connexion and the importance of Nigerian membership of the Commonwealth. Later in the day her Majesty inaugurated the new Federal law courts in Lagos, where she was received by the Chief Justice of the Federation (Sir Stafford Foster-Sutton) and the Chief Justices of the four High Courts (for Lagos and the Southern Cameroons and for the Northern, Eastern, and Western Regions). The Federal Chief Justice pointed out in his address that the occasion inaugurated a new judicial system under which Nigeria had its own Court of Appeal. [Formerly appeals from the Nigerian courts were heard by the West African Court of Appeal, which served all British West African territories.]

On Feb. 1 the Queen and the Duke flew 350 miles from Lagos to Kaduna, the capital of the Northern Region, where they were greeted by the Governor (Sir Bryan Sharwood-Smith) and by many local notabilities, including the Sultan of Sokoto (the Regional Premier) and the Emir of Kano. On the following day they attended a Royal Durbar at Kaduna—the first ever held in Nigeria—at which 6,000 warriors from all parts of the Region, led by their chiefs and emirs, paid homage in a colourful ceremony attended by 50,000 spectators. The contingents taking part in the Durbar came from all 12 provinces of the Northern Region (which is greater in area than France), some of them having begun their journey in December by canoe and road. Before leaving Kaduna on Feb. 3, the Queen visited the Northern Legislature to receive a loyal address from the Sultan of Sokoto, and also visited the West African Institute for Trypanosomiasis Research.

After a week-end rest at Jos (100 miles east of Kaduna), where the Duke of Edinburgh visited the tin mines in the area, her Majesty and the Duke flew on Feb. 6 to Enugu, the capital of the Eastern Region, where they were welcomed by the Governor (Sir Clement Pleass) and the Regional Premier, Dr. Azikiwe. On the following day the Queen visited the Eastern Region Legislature, where she received a loyal address from Dr. Azikiwe, and later visited a welfare clinic run by the Nigerian Coal Corporation and a housing estate for African miners and their families. Before leaving Enugu, the Queen and the Duke drove 30 miles to visit a leper settlement on the Oji River.

Her Majesty and the Duke of Edinburgh flew on Feb. 8 to the historic port of Calabar, where they were welcomed by local notabilities headed by the 85-year-old Obang of Calabar, Ededem Arhibong V. While at Calabar the Queen laid a wreath on the grave of Mary Slessor, who died in 1915 after having worked for 35 years as a missionary of the Presbyterian Church. [Miss Slessor, a mill-girl from Dundee, spread the gospel to many parts of the hinterland and did outstanding work in combating poverty, ignorance, and disease.] The Queen and the Duke also paid brief visits on Feb. 8 to Port Harcourt, where work is to begin in June on a £750,000 harbour extension scheme, and Benin City, one of the oldest towns in Nigeria.

On Feb. 10 the Queen and the Duke returned to Lagos, where her Majesty opened the new Apapa wharf extension (costing £5,000,000 and providing deep-water berths for up to nine ships) and a new power-station. Later in the day her Majesty received a loyal address at Government House from members of the Executive Council of the Southern Cameroons.

On Feb. 12 the Queen and the Duke travelled by train from Lagos to Ibadan, the largest city in Nigeria and the capital of the Western Region, where they were welcomed by the Governor (Sir John Rankine) and the Regional Premier, Chief Awolowo. During their stay in the city (Feb. 12-14) her Majesty and the Duke paid visits to the University College of Ibadan, a teaching hospital, and the Ibadan branch of the Nigerian College of Arts, Science, and Technology, to the Regional Parliament, where her Majesty opened the new Parliament buildings and received a loyal address from Chief Awolowo, and to Moor Plantation, a model farm established 57 years ago, and today the principal agricultural research and experimental station in Nigeria.

Among other functions in Ibadan, the Queen held an investiture at which she conferred the accolade on the Oni of Ife and the Alake of Abeokuta; received the Governor of the neighbouring French colony of Dahomey, M. Marc Biros, who had visited Ibadan to convey the respects of the French Government; and addressed an open-air rally of 17,000 children and teachers, 600 ex-servicemen, and 3,000 representatives of voluntary organizations in the Western Region. Before leaving for Lagos, her Majesty visited Ijebu-Ode and Shagamu to receive greetings from a number of leading Yoruba chiefs, including the Awujale of Ijebuland (Oba Daniel Adesanya Gbelegbuwa II) and the Akaarigbo of Ijebu-Remo (Oba Moses Sowemimo Awolesi).

After returning to Lagos, her Majesty and the Duke ended their Nigerian tour with a visit on Feb. 15 to the ancient city of Kano, in the Northern Region, famous for its walls (11 miles in circumference) and for many centuries the capital of an important Moslem emirate. They were welcomed at the Palace by the Emir of Kano (Alhaki Muhammadu Sanusi) and many Hausa notables, including senior members of the Emir's Council.

A Nigerian orderly—Sergeant-Major Momo Zinder, of the Governor-General's staff—was in attendance on her Majesty throughout the tour as bearer of the Royal Standard. It was explained in Lagos before the Queen's arrival that although the carrying of the Royal Standard by a bearer in close attendance on her Majesty had not been a feature of other overseas visits, it was being introduced in Nigeria with the Queen's approval "to add an appropriate touch of pageantry to the Nigerian ceremonies and to ensure that her Majesty is quickly identified by those whose opportunities for seeing their Queen may unhappily be brief."

Before leaving Lagos for Kano and London, her Majesty broadcast the following farewell message to the people of Nigeria:

"For nearly three weeks my husband and I have travelled in your country and seen something of the immense variety of scenery, people, and customs which is Nigeria. Everywhere we have received a most warm-hearted welcome which has given us very great pleasure. We shall always remember with thanks your kindness and your hospitality.

"The peoples of Nigeria have welcomed me with one voice, and I hope that this may help you to feel a greater unity among yourselves. . . No-one visiting Nigeria in these stirring times can fail to notice the enthusiastic activity of all sections of the community. This universal demand for development is most impressive. Every period of great change anywhere in the world has always been attended by difficulties, sometimes by turbulence, but I hope that the partnership of Nigerians and British will ensure many years of smooth progress. Material progress by itself is not enough. It is just as important that the conduct of our everyday life—in business, industry, the public service, and in government—should come even closer to the ideals of honesty, integrity, and justice. Unless we maintain such standards, the benefits of science and technology cannot be enjoyed.

"I want to say a special word to the members of my Oversea Civil Service who are serving in Nigeria. I know that in these changing times some of you are facing special problems and anxieties. But you still have a vital part to play in the development of this great country. I have greatly admired the work you are doing and the courage and unselfish devotion you bring to it. In serving my peoples in Nigeria you are truly serving me, and I shall take a close interest in your future welfare.

"On the eve of our departure I would like to leave to all Nigerians a reminder of this visit, which has been a great experience to us and I believe also to you. I have therefore decided that from now on the Nigeria Regiment is to be called the Queen's Own Nigeria Regiment. In this way I can also pay my tribute to the gallantry and loyalty of the people of the whole Federation who have served the Crown and their country so faithfully in peace and war.

"I pray that for you and your children the future may hold peace, progress, and prosperity."

Her Majesty and the Duke of Edinburgh returned to London on Feb. 17. Addresses of welcome on the Queen's return were adopted by both Houses of Parliament on Feb. 20-21, *nemine contradicente*, whilst on Feb. 22 the Queen spoke of her Nigerian tour during a visit to Guildhall, at which she was welcomed by the Lord Mayor of London, Alderman Cuthbert Ackroyd.

A British parliamentary delegation headed by Mr. Walter Elliot (Conservative) visited Lagos on Feb. 26 to present a mace to the Nigerian Legislature as a gift from the British Parliament.—(Times - Daily Telegraph - Manchester Guardian)

B. UNITED STATES. — Rise in Bank Rate.

The Federal Reserve Banks in Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, St. Louis, Kansas City, and Dallas raised their rediscount rate on April 13 from 2½ to 2¾ per cent, and those in Minneapolis and San Francisco from 2½ to 3 per cent. Chicago made no change in its 2½ per cent rate.—(New York Times) **(Prev. rep. 14588 F.)**

A. SOVIET UNION - UNITED STATES. — Further Letter from Marshal Bulganin to President Eisenhower.

Following the exchange of correspondence between Marshal Bulganin and President Eisenhower in January (see 14665 A), the Soviet Prime Minister sent a second letter to the U.S. President on Feb. 1. The text was officially released in Moscow and Washington and is reproduced below.

" Your message of Jan. 27, written in such a friendly tone, could not fail to awaken in me memories of those sincere and frank talks which you and I and our colleagues had in Geneva six months ago. We may hold different positions, we may defend different opinions, but if there is good will and a striving to understand one another, these discussions help to strengthen confidence and establish friendly relations.

I am glad that you agree that the present international situation demands of all States, and first and foremost of the great Powers, the adoption of measures capable of lessening international tension and strengthening confidence and co-operation among States. I am glad that you also agree that the historic friendship between our peoples gives us a basis on which better political relations could be established between our countries.

It was precisely because such a basis exists that my colleagues and I decided to approach you, soon after our peoples had welcomed the New Year in, with the proposal to consider jointly a concrete step that would substantially improve the relations between our countries. At the same time we took into consideration the fact that the fate of world peace depends to a great extent on our relations. We believed, and still believe, that the time has come to conclude a treaty of friendship and co-operation between our countries. . . . We can only regret that our proposal did not meet with a more favourable reception on your part.

As far as I am able to judge, you are disturbed by the fact that the draft treaty we proposed reproduces to a certain extent some provisions of the U.N. Charter which both our countries have signed. But it seems to us that this fact, far from hindering, on the contrary favours the conclusion of the treaty. The existence of the Charter by no means precludes the possibility of bilateral agreements, based on its principles, being concluded between members of the Organization. The Charter explicitly states that the members of the United Nations should ' establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained.'

After the United Nations was formed, the U.S A., like many other States, became a party to a large number of both bilateral and multilateral treaties and agreements Moreover, there has never been, nor can there be, any doubt as to the indisputable right of sovereign States, in the interest of peace, to conclude any treaties and agreements that regulate their relations with other countries

The fact must also be borne in mind that the Charter itself cannot be sufficiently effective if the two greatest Powers in the world—the U.S S.R and the U S A —do not harmonize their relations. It can become more effective if our two countries co-operate in achieving the aims of the United Nations. I think you will agree with this

You appear to have certain doubts because we propose the conclusion of a treaty ' on a bilateral basis', whereas the U.N. Charter is 'a treaty between many States.' But you will agree that the conclusion of a treaty of friendship and co-operation between the two strongest Powers in the world would contribute enormously to a healthier international situation. We are willing to conclude similar treaties with other States as well, including the United Kingdom and France. Finally, the proposal for a treaty between the two groups of States—the parties to NATO and the parties to the Warsaw Treaty—still holds good.

In your message you rightly observe that it is deeds, and not words, that count in the establishment of world peace. A treaty of friendship and co-operation between the U.S S.R. and the U.S.A would be a major concrete step in this respect, since our two countries, in assuming the highly important commitments stipulated by the draft treaty, would strengthen confidence and bring tranquillity to the entire international situation. This would mean that our countries would not be confining themselves to verbal assurances of a wish to be friends, but would be beginning the practical implementation of the commitments assumed.

Incidentally, it may be noted that since the Geneva Conference several important steps conducive to the lessening of international tension have already been taken in this direction. In view of this, it is difficult to agree with the allegation that the post-Geneva period has not justified the hopes of the peoples The Soviet Government, for its part, has already carried out a number of measures with the aim of easing tension and strengthening confidence among States. I recall in this connexion the cut of 640,000 men in the armed forces of the Soviet Union in 1955; the reduction in allocations for the U.S.S.R.'s military needs for 1956 by 9,600 million roubles, as compared with 1955; the Soviet Union's renunciation of its last military base on the territory of other States, namely, the Porkkala base in Finland; and the Soviet Union's initiative in the conclusion of the Austrian State Treaty, which led to the withdrawal of all foreign troops from Austrian territory and to Austria's acceptance of a policy of permanent neutrality. . . .

It is presumed in the Soviet Union that other States should also reaffirm their declarations by definite deeds. But if we are to be frank, Mr. President, we must say that certain great Powers, far from having taken similar action, are, on the contrary, making no small efforts to worsen international tension. In spite of the positive results of our Geneva meeting, the military allocations of certain Western Powers, including the U.S.A , are not decreasing but, on the contrary, increasing. There is also an increase in the number of American military bases on foreign territories; moreover, these bases are situated primarily in areas adjacent to the frontiers of the Soviet Union. You must agree that this cannot but give rise to quite understandable fears among the Soviet people with regard to the intentions of the United States.

Nor can one fail to call attention to the fact that certain leading personages in the U S A. are continuing—in spite of the mutual assurances of peace given by you, Mr. President, and by myself at the Geneva Conference—to make statements which can in no way be said to conform with the ' spirit of Geneva.' It is common knowledge, for instance, that quite recently a statement was made in the U.S A. favouring a policy that would keep the country ' on the brink of war ' [A reference to Mr Dulles's interview with *Life* magazine—see 14662 A.] Nor can one fail to call attention to the bellicose utterances of certain military leaders of NATO who openly advocate a continuation of the arms race and the stockpiling of atomic weapons in the NATO armies, and who have no scruples about threatening to use those weapons

In offering to conclude a treaty of friendship and co-operation between our countries, we proceed from the premise that such a treaty, and the improvement of relations between our countries, would make it easier to accomplish substantial reductions of armaments and armed forces. We could, for instance, seek to reduce the armed forces of the five Powers [i e. the U.S.A , U.S.S.R., Britain, France, and China] to the levels at which both the United States and the Soviet Union at one time agreed. This would also contribute towards reaching agreement on the question of atomic weapons, the outlawing of which is being demanded by the peoples The solution of the question of establishing appropriate international control would also be facilitated.

In your message you again called attention to your ' open skies ' proposal which visualizes reciprocal flights over the territories of the U.S.S.R. and the U S.A., by American and Soviet aircraft respectively, for the purpose of aerial photography, and also for the exchange of military information. My colleagues and I have already had the opportunity of expressing our attitude towards this proposal. We think that in the present international situation, and particularly under conditions of an unrestricted armaments race, such flights would not only fail to rid the peoples of the fear of another war but, on the contrary, would increase this fear as well as mutual suspicion.

Judge for yourself, Mr. President: What would the military leaders of your country do if they were told that aerial photography had shown a neighbour to have more airfields? They would certainly order an immediate increase in the number of their own. . . . Naturally our military leaders would also do the same in a similar case. It is not difficult to see that the result would be a further intensification of the arms race.

It would be quite a different matter if we reached agreement on reducing armaments and armed forces. Then, the exercise of the appropriate control, the methods of which could be agreed upon, would be justified and necessary. Nor can one fail to note that a commitment undertaken by the U S.S R and the U.S A to settle all controversial issues between them exclusively by peaceful means . . . would have a really tranquillizing effect on the international situation and would create more favourable conditions for reaching agreement on other outstanding international problems. Thus, the conclusion of a treaty of friendship and co-operation between the U.S A. and the Soviet Union would mean that we could really do something, as you say in your message, ' to convince the world that we have no aggressive designs against each other.'

As far as the concrete international problems you deal with in your message are concerned, I am still convinced that, along with the disarmament problem, the problem of maintaining European security is the most important. At the Geneva Foreign Ministers' Conference the Government of the U.S.S.R put forward a number of concrete proposals for the solution of this problem. The Soviet Government maintains, as hitherto, that the task of effectively maintaining security in Europe can best be accomplished by establishing a single, all-European system of collective security.

At the same time we tried to meet the wishes of the three Western Powers half-way on many major issues, and also took into account the concrete ideas the representatives of the Western Powers had put forward at our meeting in Geneva. The Soviet proposals for the maintenance of European security also take fully into consideration the important role which the U.S.A plays in European affairs.

However, the Governments of the three Powers did not consent to our proposals, and offered instead a plan leading to the re-establishment of militarism throughout the whole of Germany and, moreover, envisaging the integration of a united Germany in a military bloc established by the Western Powers. Such a plan cannot present a basis for solving the problem of guaranteeing genuine security in Europe and for settling the German question.

Insofar as two German States with differing social and economic systems have appeared and become consolidated in post-war Europe, the question of establishing a united Germany as a peace-loving and democratic State cannot, it stands to reason, be solved without appropriate agreement between the German Democratic Republic and the German Federal Republic. At the same time, I am sure that the normalization of Soviet-American relations, and particularly a step such as the conclusion of a treaty of friendship and co-operation between the U.S.S.R. and the U.S.A., would be of great positive significance in creating the necessary pre-requisites for the solution of the German question.

With regard to your remark concerning the right of peoples to choose the form of government under which they wish to live, it must be said that the Soviet Union has always abided, and continues to abide, by the principle that the internal system in any State is the domestic concern of its own people We expect that other Powers will also be guided by the same principle in their international relations.

In your letter you also touch upon the important problem of developing East-West contacts. We fully agree with you on the importance of such contacts It was for this very reason that the Soviet Union submitted to the Foreign Ministers' Conference proposals aimed at eliminating the barriers obstructing the development of normal trade and economic relations, and of extending contacts in the fields of culture, science, the arts, sport, tourist travel, etc. We all noted with satisfaction that definite agreement was taking shape on this matter at the conference. However, at the last moment the delegations of the U S.A. and other Western Powers put forward demands contrary to the directives which we, together with Sir Anthony Eden and M Faure, had issued to our Foreign Ministers. The Soviet Government could not accept these new demands. as they envisaged direct interference in the domestic affairs of sovereign States.

Unfortunately, the practical measures which the Soviet Government is taking to develop contacts between our two countries, particularly by exchanging delegations, are encountering serious obstacles from the American side.

I believe that by a common effort we shall succeed in abolishing the so-called Iron Curtain and in creating conditions for the broad development of personal contacts between the citizens of our countries. May I express the hope that you also share this view? In this matter, too, the conclusion of a treaty of friendship and co-operation between our countries would unquestionably be of great benefit

These are some of the considerations I would like to put before you, my dear Mr. President, in connexion with the remarks you made in your letter. I should be very glad if they would help in clarifying the importance which my colleagues and I attach to the conclusion of a treaty of friendship and co-operation between the U.S.S.R. and the United States. For our part, we are ready to give the greatest attention to any remarks on any points of the draft treaty which you may deem fit to make. I await your further ideas on this subject."

(New York Times - Soviet Weekly) **(Prev. rep. Bulganin-Eisenhower Correspondence, 14665 A.)**

A. UNITED KINGDOM. — Foundation-stone of New Coventry Cathedral laid by H.M. the Queen.

The foundation-stone of the new Coventry Cathedral designed by Mr. Basil Spence, replacing the former Cathedral destroyed by German bombs on Nov. 14, 1940, was laid on March 23 by H.M. the Queen in the presence of the Archbishop of Canterbury, the Duke of Edinburgh, and the Prime Minister. Several leading German churchmen were present at the ceremony, including a representative of Bishop Dibelius, the Evangelical Bishop of Berlin.

It had been announced on Dec. 21, 1955, that a native of Coventry who wished to remain anonymous had made a gift of £20,000 to defray the cost of the tapestry to be hung in the new Cathedral. The tapestry—77 ft. high, 40 ft. wide, and weighing 15 cwt.—is believed to be the largest ever made and will take several years to complete. Its designer is Mr. Graham Sutherland, the subject being " Christ the Redeemer seated in the Glory of God the Father." The lower part of the tapestry will form the reredos of the Lady Chapel altar.

(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Coventry Cathedral, 11708 A.)**

B. UNITED STATES. — New Naval C.-in-C. in Eastern Atlantic and Mediterranean. - Marine Reinforcements for Mediterranean.

It was announced on March 7 that President Eisenhower had nominated Rear-Admiral Walter F. Boone, Superintendent of the Naval Academy at Annapolis, as C.-in-C. of U.S. naval forces in the Eastern Atlantic and Mediterranean areas, with the rank of full admiral. At the same time the President appointed Rear-Admiral Robert L. Dennison as Chief of Staff to Admiral Jerauld Wright, the NATO Supreme Commander in the Atlantic, and promoted him to vice-admiral rank.

The Defence Department announced on the same day that a battalion of 1,500 U.S. Marines would be sent to the Mediterranean area on the recommendation of the Joint Chiefs of Staff. It was explained that the reinforcements would replace a similar unit withdrawn from the Mediterranean in the spring of 1955, and that they would live afloat with the U.S. Sixth Fleet or be stationed at a Mediterranean port.—(New York Times - New York Herald Tribune) **(Prev. rep. 14524 A.)**

C. UNITED KINGDOM. — K.G. for Earl Attlee.

It was announced from Buckingham Palace on April 6 that H.M. the Queen had conferred the Order of the Garter on Earl Attlee, the former leader of the Labour Party.—(Times) **(Prev. rep. 14583 A.)**

D. GREECE. — Death of Archbishop Spyridon. - Enthronement of New Primate of Greece.

Archbishop Spyridon, Primate of Greece since 1949, died in Athens on March 21, aged 82.

Of Epirote origin, Archbishop Spyridon was born in 1874 in the village of Hili, on the Bosphorus. After his ordination he was sent by the Patriarchate to Kavalla, then part of the Ottoman Empire, where he campaigned actively for the liberation of Macedonia from Turkish rule. In 1906 he was consecrated Metropolitan of Vella and Konitsa (in Epirus), where he similarly devoted himself to the liberation of Southern Epirus from Ottoman control, and where he founded a clandestine pro-Greek organization—the Epirote Society —which helped the Greek Army to liberate the province during the Balkan War On account of these activities he was arrested by the Ottoman authorities at the time of the siege of Yanina, court-martialled, and sentenced to death, his life being saved by the personal intervention of King Constantine of the Hellenes.

In 1916 he was elected Metropolitan of Yanina, in Southern Epirus, remaining in that diocese for 33 years During his tenure of that office he engaged in active propaganda for the incorporation of Northern Epirus in Greece, both when the territory was under Albania and when it was conquered by the Italians during the occupation of Albania in 1939 During the Italo-German occupation of Greece he was sentenced to death by the Italian authorities for these activities, for the second time in his career. His life was saved, however, by the military collapse of Italy and the fall of the Fascist regime.

Archbishop Spyridon became Primate of Greece in 1949, after the death of Archbishop Damaskinos In recent years he had played a leading part in the campaign for *enosis* (the union of Cyprus and Greece), being chairman of the Pan-Hellenic Committee set up in Greece to foster this aim. After the deportation of Archbishop Makarios on March 9 last, he called for a nation-wide " half-hour of silence " as a protest against the British Government's action (see page 14760), but appealed to the Greek people not to take part in *enosis* demonstrations which might be used by the Communists to foment disorders.

The Holy Synod of the Greek Orthodox Church, meeting on March 29, elected Bishop Dorotheos (67), the Metropolitan of Larissa, as Primate of Greece and Archbishop of Athens in succession to the late Archbishop Spyridon. The new Primate, who had been Metropolitan of Larissa for 20 years, is regarded as an authority on canon law and has studied theology, law, and philosophy at the Universities of Athens and Leipzig. He was enthroned on April 1.—(Times - Daily Telegraph - Le Monde, Paris) **(Prev. rep. 10029 C.)**

E. NORWAY - SWEDEN. — Transit Traffic Agreement. - Swedish Oil Port in Trondheim Fjord.

An agreement providing greater facilities for Swedish transit traffic through Norwegian harbours in Trondheim Fjord was signed in Oslo on March 9. Specifically, the agreement provided (*a*) for the construction of a road linking the two countries between Enafors (Sweden) and Turifoss (Norway), and for improving the existing road from Turifoss to Stjordal, in the Trondheim area, at a total cost of 27,600,000 Norwegian kroner, of which Sweden will pay 18,900,000 kroner ; (*b*) for an adjustment of freight rates to encourage traffic on the existing railway line from Östersund (Sweden) to Trondheim ; and (*c*) for the construction of a Swedish " oil harbour " at Muruvik, and possibly later at Langstein, both in the inner part of Trondheim Fjord. The Norwegian Government also stated that it had no objection in principle to the construction of a pipeline for carrying oil to Sweden if the Swedish Government desired, although such a project would require further negotiations.

It was pointed out in the Norwegian and Swedish Press that the increased use by Sweden of the ice-free harbour facilities at Trondheim would overcome some of the difficulties caused by ice blockages in the Baltic in the winter. Attention was also drawn to the importance which the agreement might assume for Sweden in the event of war or blockade. Negotiations for a Swedish outlet through Trondheim had been in progress since 1953, and in 1954 the Soviet Ambassador in Stockholm lodged a formal protest against what he described as Swedish participation in the building of a " naval harbour " at Trondheim. This protest was rejected by Sweden on the ground that the arrangement of her communications with Norway was a purely Swedish affair.

The agreement will be valid for 25 years and will come into force on ratification by both Parliaments.—(Royal Norwegian Embassy, London - Aftenposten, Oslo - Svenska Dagbladet, Stockholm)

F. TURKEY. — Opening of Aegean University.

A new Turkish university—under the name of the Aegean University—was officially opened in Izmir (Smyrna) on March 8 in the presence of President Bayar and M. Menderes, the Prime Minister.—(Turkish Embassy, London)

A. UNITED KINGDOM. — Economic Implications of Full Employment. - Government White Paper.

A Government White Paper (Cmd. 9725) on the Economic Implications of Full Employment was published on March 22. It pointed out that the policies outlined by the Coalition Government in 1944 to maintain a high and stable post-war level of employment, and to combine this with a rising standard of living, had been applied over the past ten years with considerable success. Full employment had, in fact, been maintained in most parts of the country over practically the whole of that period, and the country as a whole was consuming more than ever before. Nevertheless, full employment had brought with it the problem of continually rising prices, to which no satisfactory solution had yet been found. It was the purpose of the White Paper to focus attention on this problem and to suggest what action would have to be taken if reasonable price stability was to be maintained in future.

Full Employment since 1945. The White Paper pointed out that in the immediate pre-war years the average rate of unemployment in the U.K. had been over 10 per cent. Since the war it had never (except for a few weeks in 1947) exceeded 3 per cent and for most of the period had been under 2 per cent, whilst at present it was about 1 per cent. It was pointed out, however, that these figures related to the country as a whole, and that unemployment in Northern Ireland and some other areas, though much lower than before the war, had remained appreciably above the national average.

The maintenance of full employment had been accompanied by a rapid increase in production, the national output of goods and services since 1946 having risen by 30 per cent and industrial production alone by 56 per cent However, because of the need to meet other claims on resources (such as making good war damage, overtaking arrears in capital investment, etc.), only part of this increase had been available for improving living standards At the same time the U.K. needed much larger exports than before the war, partly because import prices had risen more than export prices, and partly because a large proportion of the pre-war income from overseas investments had been lost. These difficulties had been only partially overcome when, in 1950, the outbreak of the Korean War and the growing international tension had compelled the country to undertake a substantial rearmament programme Nevertheless, the White Paper said that in the past two or three years the individual consumer had become the main direct beneficiary of the increase in production, and that "if we take full advantage of the opportunities open to us, there is every prospect that we shall be able to secure a further improvement in our living standards in the years ahead."

It must, however, be one of the country's major objectives to maintain in future a much greater degree of price stability than had been achieved in the past ten years. "In the increasingly competitive conditions which have developed in world markets in the past few years," the White Paper declared, "continually rising costs and prices in this country must inevitably weaken the whole basis of our export trade, and if we do not export enough, we shall be unable either to support a steady expansion of production at home or to maintain full employment."

Prices since 1945. Between 1946 and 1955 the prices of the final output of all goods and services had risen by about 50 per cent, about one-seventh of this increase being due to the net effect of changes in subsidies and indirect subsidies, and the remainder to increased import prices and higher costs of production. Although import prices had risen by 70 per cent, as compared with a 45 per cent increase in production costs (as measured by money incomes per unit of output), the latter were four to five times more important for the economy as a whole in terms of its effect on final prices, and had therefore been responsible for by far the greater part of the price increases

Whilst much of the rise in prices in the U.K since the war was attributable to the quite abnormal world conditions, there had been in Britain—to a greater extent than in many other countries—a continuing tendency for prices to rise as incomes increased faster than output. If these tendencies persisted, and incomes went on rising faster than output over the economy as a whole, full employment would continue to be associated with rising prices and all the consequent economic and social strains.

Changes in the Distribution of Income. Between 1938 and 1948 (taking no account of direct taxation) prices of consumer goods and services had roughly doubled, wages and salaries had rather more than doubled, and dividends of non-nationalized companies had risen by about one-tenth Over the period 1948 to 1955, while consumer prices had risen by nearly one-third, both wages and salaries and dividends had increased by nearly two-thirds, dividends having caught up in the past few years with wages and salaries. Taking the period 1938-55 as a whole, wages and salaries had increased by very much more (i e by 255 per cent) than dividends (80 per cent), and taking their real value, wages and salaries had increased by 40 per cent whilst dividends had decreased by 30 per cent. The distribution of companies' gross trading profits showed that between 1938 and 1955 the proportion allotted to dividends on Ordinary and Preference shares had fallen from 47 to 21 per cent, whilst the amount paid in taxation had increased from 9 to 24 per cent and the amount put to reserve or set aside for depreciation and stock appreciation charges had risen from 29 to 43 per cent.

Price Stability and Economic Progress. "Unless the upward pressure of rising money incomes on prices is moderated," the White Paper stated, "the economy is likely to be exposed to serious and increasing strains. These strains, if not relieved, will prevent us from realizing the full potentialities of economic growth and may lead to unemployment by making it more difficult to secure our imports. Our overseas earnings must be increased if we are to pay for the imports needed to sustain an expanding economy, to provide for overseas investment, and to build up our reserves"

The necessary expansion of exports would depend for its realization on a continuing growth of production and trade throughout the world, and on Britain's ability to secure a sufficient share of this trade. Yet, whilst the total volume of world trade in manufactures had risen by over 40 per cent between 1950 and 1955, Britain's share had fallen from over 25 per cent to about 20 per cent The White Paper emphasized that no efforts of the Government alone could ensure that Britain reaped the fullest advantage from the expansion of world trade An adequate volume of exports would depend above all upon the competitive strength of British goods in overseas markets, where the basic factor was price. Unless British prices were fully competitive exports would be inadequate for the country's vital national needs, the pound sterling would not retain its value in world markets, and unemployment would result from a shortage of imported raw materials.

Dealing with the effects of a disproportionate rise in costs and prices, the White Paper went on:

"Such a rise, if it persists, has . . . serious effects at home. The future growth of the economy will depend upon a sustained expansion of investment, and the rate of investment which we can afford will depend on our willingness to save. The full effect of continually rising prices on savings is unpredictable; but it is clear that they can progressively undermine the whole relationship between borrower and lender and thus the accepted structure of savings. That structure rests, to a considerable extent, on the willingness of the lender to hold, for long periods, titles to fixed sums—in the form of Savings Certificates, Government securities, insurance policies, debenture stock, and so forth. This willingness itself derives from a basic confidence that money will broadly retain its value. In so far as rising prices impair this confidence, and thereby reduce people's willingness to save, the financing of investment becomes more difficult and more expensive, industrial development is retarded, and the pressure on prices is accentuated This is particularly serious because the necessary expansion of production, with a labour force that is not likely to expand much further, will depend on a sustained expansion of investment. A high rate of investment cannot be achieved if too much of our wealth is devoted to consumption, and attempts to maintain both simultaneously at levels we cannot afford only result in further inflation.

"But the effects of a rising price level have a much more direct and more immediately personal impact. Continually rising prices are an obvious social evil. For many people this evil is obscured by the fact that they either are, or believe themselves to be, able to secure increases in their incomes to offset the rise in prices; and although their pressure for higher incomes adds to the pressure in prices, and they do not in fact gain very much from the rise in incomes, at least they do not lose very much from the rise in prices. Even so, the spiral of rising incomes and prices is a cause of considerable personal anxiety and of an acute sense of social unfairness. The difficulties and hardships inherent in such a situation bear most heavily on those dependent on fixed incomes, who are in continual danger of having their standard of living progressively reduced The longer this process continues, the more arbitrary its effects appear, and the more sharply the sense of injustice is felt

Conditions of Price Stability. After referring to the adjustments in fiscal, monetary, and social policies which would have to be made by the Government from time to time in order to maintain full employment without inflation, the White Paper continued: "As a nation whose lasting prosperity depends on a high level of overseas trade, we simply cannot afford to allow excessive demand at home to undermine our competitiveness in world markets or to take too much of the output that we need to sell abroad to secure our essential imports We must guard against the false sense of internal prosperity that can be given by continually rising money incomes unaccompanied by the necessary levels of output and exports, which cannot last and must ultimately endanger our long-term prosperity, and with it the whole ideal of full employment as a feature of our national economy

"In order to maintain full employment, the Government must ensure that the level of demand for goods and services is high and rises steadily as productive capacity grows. This means a strong demand for labour, and good opportunities to sell goods and services profitably. In these conditions it is open to employees to insist on large wage increases, and it is often possible for employers to grant them and pass on the cost to the consumer, so maintaining their profit margin. This is the dilemma which confronts the country. If the prosperous economic conditions necessary to maintain full employment are exploited by trade unions and businessmen, price stability and full employment become incompatible. The solution lies in self-restraint in making wage claims and fixing profit margins and prices, so that total money income rises no faster than total output. In the absence of such self-restraint, it may seem that the country can make a choice—albeit a painful one—between full employment and continually rising prices, or price stability secured with some danger to the level of employment that might otherwise have been achieved. But soon looms up the grim danger that the first of these apparent alternatives will turn out to have been no alternative at all because we may fail to secure sufficient imports to maintain full employment and our present standard of living.

"How fast output rises depends on our success in raising productivity. The achievement of a sustained increase in productivity calls for contributions from both management and labour Management must strive to ensure the maximum expansion of output by progressive investment in the most efficient capital assets, by the introduction of the most modern industrial techniques, and by the elimination of all restrictive practices which inhibit the economic growth of production The contribution of labour lies in co-operating to the full in the adoption of new methods of working, and in setting aside all practices which, however much they may have been justified in the past as means of safeguarding status, conditions of work, or the security of employment itself, are not appropriate in conditions of full employment. The healthy functioning of the economy and the progressive growth of its output depend also on co-operation within industry in maintaining an efficient and enlightened system of industrial relations The relationship between management and workers which this implies is a vital but intangible factor which only they can create by common effort. It demands a full and frank exchange of opinion and information at all levels between representatives who have confidence in each other's competence and integrity. .

"How well off we are as a nation depends not on the sum total of the money incomes we earn, but on the sum total of the goods and services we produce, and as individuals it is what we can buy with our pay, rather than the pay itself, which determines our standard of living. Price reductions can therefore contribute to raising our standard of living just as much as increases in money incomes, and so far as practicable it is through price reductions that we should aim to enjoy the benefits of higher productivity. If we all press constantly for more money, regardless of how much we produce to spend it on, prices are bound to go on rising But if we concentrate on increasing productivity, and on keeping costs down, price stability can be achieved along with full employment and a rising standard of living. From the point of view of industry and trade, this means that firms should try, wherever possible, to pass on gains from higher productivity in lower prices, and to expand their profits not by the maintenance of high profit margins but by the expansion of turnover . . . If general price stability is to be maintained, it is essential that there should be a positive reduction of prices in those sectors in which productivity tends to rise more rapidly than the average Enterprises which can achieve an increase of output and sales by a reduction of costs, including profit margins, will be making a real contribution to the maintenance of price stability and to the whole process of balanced economic growth."

The White Paper emphasized that the counterpart of realism in relation to prices was realism in relation to personal incomes If individuals always placed sectional interests before the nation's welfare, economic stability would be endangered and the possibilities of future expansion impaired, possibly to the extent of jeopardizing these very sectional interests which they sought to protect

The White Paper concluded "We all want full employment and we all want stable prices, but we have not yet succeeded in combining the two The experience of the past ten years has shown that the fuller employment is, the more liable prices are to rise. but the Government does not believe that there is any inevitable conflict between the two objectives We can achieve them both if certain conditions are fulfilled, and it has been the aim of this White Paper to state what these conditions are, in the belief that a greater awareness of the nature of the problem will contribute to finding a solution for it"

The Chancellor of the Exchequer (Mr Macmillan) disclosed on the same day that the sterling area's balance-of-payments deficit in 1955 amounted to £103,000,000. He also stated that for the fifth year in succession Britain's share of world trade in manufactures had continued to fall, and was now lower than before the war. He emphasized that the balance-of-payments deficit was more serious than might be supposed from its size, since it was "absolutely essential" that Britain should not merely be able to pay her way on external current account but should have a large surplus.

It was announced on April 10 that the Chancellor of the Exchequer had sent a letter to 10,000 British industrialists, and also to the nationalized industries, asking them to give the widest possible publicity to the "essential facts" contained in the White Paper. Mr. Macmillan said that he had arranged for the publication of a "popular version of the White Paper to assist in achieving an enlightened and well-informed opinion on our economic problems," and requested the firms and industries concerned to order "a suitable number of copies." (Cmd. 9725 - Treasury Press Office) **(Prev. rep. 14705 A.)**

A. JORDAN. — Cabinet Changes. - New Ambassadors in London and Paris.

An Amman announcement of April 2 stated that the Prime Minister of Jordan, Samir el-Rifai, would relinquish the portfolio of the Interior, which he had held concurrently with the Premiership, and that Falah Madadha had been appointed Minister of the Interior and Defence. It had been announced on March 30 that M. Bahadin Toukan, an under-secretary in the Foreign Ministry, would succeed Dr. Yousef Haikal as Ambassador in London, whilst Dr. Haikal would become Ambassador in Paris.—(Times) **(Prev. rep. Cabinet, 14646 A.)**

B. YUGOSLAVIA. — Debts to Britain. -Extension o Repayment Period. - Reduction in Interest Rate.

Under an exchange of Notes between the Yugoslav and British Governments on March 26, Britain agreed (*a*) to extend from 1962 to 1967 the period of repayment of the outstanding balance of £16,560,000 on the loans granted to Yugoslavia in 1949-51; (*b*) to reduce the rate of interest from an average of 4¼ per cent to 3 per cent per annum.

The following loans were affected by the new arrangements: (i) the credit of £8,000,000 extended under the Anglo-Yugoslav trade agreement of Dec. 26, 1949 (see 10464 B), (ii) the £3,000,000 credit extended on Dec. 28, 1950 (see 11092 A); (iii) the £2,000,000 credit for the purchase of raw materials granted on Jan. 11, 1951 (see 11282 C, 11371 D); and (iv) the £4,000,000 credit for the purchase of raw materials, given under the agreement of May 10, 1951 (see 11640 A).

These loans were made in the special circumstances arising out of Yugoslavia's break with the Cominform in 1948. and were designed, together with the credits extended at that time by other countries (particularly the U S.A. and Western Germany), to help her overcome the grave economic difficulties in which she found herself. In December 1954 the date of final repayment of the British loans had been extended from 1958 to 1962 and the interest rate reduced (see 14162 A), but in July 1955 Yugoslavia again indicated that the repayment of these post-war loans was imposing a severe strain on her economy. She therefore initiated fresh negotiations with her Western creditors (except the U.S A., which had already agreed to a revision of the terms of repayment on the lines envisaged by Yugoslavia) with a view to obtaining some further alleviation of this burden.

It was emphasized in London that the new agreement did not affect the Anglo-Yugoslav Agreement on Nationalization Compensation, under which Yugoslavia had agreed to pay £4,500,000 to British nationals (see 9726 A). About £1,010,000 still remained to be paid under this agreement.

The loans made by the United States to Yugoslavia (through the Export-Import Bank) total about $55,000,000; they bear interest at 3½ per cent and are repayable over the period 1954-68. The loans made by Western Germany amounted to about $64,000,000, the date of repayment being extended and the interest rate reduced under an agreement concluded on March 10, 1956.—(Treasury Press Office, London - Tanjug Agency, Belgrade) **(Prev. rep. 14584 C; 14162 A.)**

C. LITERATURE. — Book Selections for March.

Selected books published in Great Britain, the United States, and France are given below:

Great Britain. Collis, Maurice—"Last and First in Burma, 1941-1948" (Faber & Faber, 30s)

Crankshaw, Edward—"Gestapo. Instrument of Tyranny." (Putnam, 21s.)

Godden, Rumer—"An Episode of Sparrows" (Macmillan, 13s 6d.)

Howard, Elizabeth Jane—"The Long View" (Cape, 15s.)

Howarth, Patrick—"Questions in the House" (Bodley Head, 18s.)

Maurois, André—"Victor Hugo." Translated from the French. (Cape, 30s.)

Plumb, J. H —"Sir Robert Walpole · The Making of a Statesman." (Cresset Press, 30s)

Robertson, R. B.—"Of Whales and Men." (Macmillan, 21s.)

Sinclair, Lucy—"The Bridgeburn Days" (Victor Gollancz, 16s.)

Slim, Field-Marshal Sir William—"Defeat into Victory." The Story of the Burma War. (Cassell, 25s.)

United States. Bemis, Samuel Flagg—"John Quincy Adams and the Union" (Alfred A. Knopf, New York, $8.75.)

Brooks, Van Wyck—"Helen Keller. Sketch for a Portrait." (E. P. Dutton & Co., New York, $3.00.)

Chotzinoff, Samuel—"Toscanini: An Intimate Portrait" (Alfred A. Knopf, New York, $3.50.)

"Memoirs of Harry S. Truman: Volume II—Years of Trial and Hope, 1946-1952." (Doubleday, New York, $5.00)

O'Neill, Eugene—"Long Day's Journey into Night." Published posthumously. (Yale University Press, $3.75)

France. Bosco, Henri—"Les Balesta" (Gallimard, Paris, 750 francs.)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 14730 A.)**

D. LEBANON. — New Government.

The Government headed by M. Rashid Karame tendered its resignation to President Shamoun on March 15 following the resignation of the Ministers of Foreign Affairs, Education, and Agriculture in connexion with a domestic dispute about subsidies for private schools. M. Abdullah Yafi, a former Prime Minister, formed a new Cabinet on March 20 with the following membership:

M. Abdullah Yafi, Prime Minister and Interior; M Selim Lahoud, Foreign Affairs and Justice, Emir Majid Arslan, Defence; M. Georges Karame, Finance, M Emile Boustani, Public Works and Planning; M Georges Hakim, Economy and Education; M. Joseph Skaf, Agriculture; M. Nazik el-Bizry, Public Health and Social Affairs; M. Mohammed Sabra, Information, Posts and Communications; M Saeb Salam, Minister of State M. Lahoud and Emir Arslan retained the portfolios they held in M Karame's Cabinet.

The new Government was given a vote of confidence on March 30 by 24 votes to 14.—(Le Monde, Paris) **(14459 C.)**

A. ICELAND. — Call for Withdrawal of U.S. Forces. - Resignation of Thors Government. - Forthcoming General Elections.

The Icelandic Prime Minister, Hr. Olafur Thors, resigned on March 27 after a split in the Cabinet over the question of the stationing of NATO forces in Iceland and a revision of the 1951 defence agreement with the United States. On the following day President Asgeirsson prorogued the *Althing* (the Icelandic Parliament), announced that general elections would be held on June 24, and requested Hr. Thors and his Cabinet to carry on as a caretaker Government until the elections.

The split in the Government (a coalition of the Progressive and Independence parties) originated on March 13, when the Progressive Party decided at its annual conference that it was not possible to continue its coalition with the Independence Party because it considered that U.S. troops manning the Keflavik air base, 35 miles from Reykjavik, should be replaced by Icelandic personnel. A resolution was adopted calling for a revision of the 1951 U.S.-Icelandic agreement, and inviting the Social Democrats to form an electoral alliance with the Progressive Party with the aim of obtaining a majority in the *Althing*. On March 26 the Progressive Party formally announced its withdrawal from the coalition Government.

Before its prorogation on March 28 the *Althing* adopted by 31 votes to 18, with three abstentions, a resolution moved by the Progressive and Social Democratic parties calling for a revision of the 1951 agreement.

The resolution, after referring to the changed international situation since the conclusion of the agreement, called for the withdrawal of all foreign troops from Iceland and for the taking-over of the care and maintenance of the defence installations by Icelandic personnel—though it was emphasized that these personnel would not undertake any military activities. If, however, no agreement on the revision of the treaty could be reached, the treaty should be terminated by Iceland. The Foreign Minister, Hr. Kristian Gudmundsson (Progressive Party), speaking in support of the resolution, declared that missile warfare had reduced the importance of Iceland as a base, and argued that foreign troops would be unable to protect Iceland if war broke out. Nevertheless, although supporting the withdrawal of foreign troops, Hr. Gudmundsson emphasized that Iceland would continue her present relations with neighbouring countries and with NATO in matters of security and defence.

Article 7 of the 1951 agreement provided that either signatory might ask the NATO Council to "review the continued necessity for the facilities and their utilization." If at the end of six months the parties had not reached an understanding, either party could serve notice of its intention to terminate the agreement within one year.—(New York Times - Times) **(Prev. rep. Cabinet, 13149 C; 1951 Agreement, 11454 A.)**

B. INDIA - YUGOSLAVIA. — Trade, Shipping, and Technical Co-operation Agreement.

A four-year trade agreement between India and Yugoslavia expiring on Dec. 31, 1959, was signed in New Delhi on March 31.

Under the agreement Yugoslavia will export to India steel, aluminium, copper and copper products, building and other machinery, locomotives, railway wagons, tractors, etc., whilst discussions will take place on the possibility of Yugoslav deliveries of ships to India. Indian exports to Yugoslavia will consist of manganese and iron ore, mica, oil seeds, shellac, tobacco, cotton textiles, jute goods, and other products.

The agreement also provided that both countries would grant each other tariff and other facilities for the exchange of goods; that they would encourage scientific and technical co-operation by exchanges of information and documentation and visits of missions and expert groups; and that, as regards port facilities and services, ships of either country would enjoy in the other the same advantages as the other's own ships.

The desirability of an expansion of Indo-Yugoslav commercial exchanges had been recognized in the joint communiqué issued by President Tito and Mr. Nehru during the latter's visit to Belgrade in July 1955.—(Indian High Commissioner's Office, London - Tanjug Agency, Belgrade) **(Prev. rep. 14372 A.)**

C. SCANDINAVIA - SOVIET UNION. — Civil Aviation Agreement. - Direct Air Services between Scandinavian Capitals and Moscow.

A civil aviation agreement providing for direct air services between Copenhagen, Oslo, and Stockholm on the one hand and Moscow on the other was signed in Moscow on March 5 between Denmark, Norway and Sweden and the Soviet Union. An agreement between the Scandinavian Airlines System (SAS) and Aeroflot (Soviet Airlines) was signed at the same time, envisaging the beginning of the new services during April. (Berlingske Tidende, Copenhagen - Aftenposten, Oslo) **(Prev. rep. Finnish-Soviet Agreement, 14512 E.)**

D. UNITED KINGDOM. — Sir Winston Churchill on the Middle East Situation. - Statement on Bulganin-Khrushchov Visit to Britain.

Sir Winston Churchill, speaking in London on April 13 at a meeting of the Primrose League (of which he is Grand Master), expressed his conviction that "the United States, as well as the United Kingdom, will intervene to prevent aggression by one side or the other" in the situation between Israel and Egypt.

In a reference to the Middle East situation, Sir Winston said: "I do not share the view of those who think they [the Americans] have failed in their duty, or will fail in their duty if the moment comes. They are a wise and experienced people. They learn from history. They know well that both the great wars which have darkened our lives and dishevelled the world could have been prevented if the United States had acted, before they began, to prevent them.

"Now a somewhat similar case has arisen, though on a much smaller scale. Egypt and Israel are face to face and we and our American brothers have, with France, made a declaration in 1950 to the effect that we will not allow them to fight. The U.N. Secretary-General and General Burns are also doing their utmost to avert bloodshed, and they have our full support in their delicate, thankless, and humane task.

"I think we can be perfectly sure that the United States, as well as the United Kingdom, will intervene to prevent aggression by one side or the other. The need for this will probably never come. But it may come, and come at any moment, and if Israel is to be dissuaded from using the life force of her race to ward off the Egyptians until the Egyptians have learnt to use the Russian weapons with which they have been supplied, and the Egyptians then attack, it will become not only a matter of prudence but a measure of honour to make sure that they are not the losers by waiting. For my part I put my trust in President Eisenhower, that he will make the will-power of America felt clearly and strongly—and felt in time. . . ."

In a reference to the forthcoming visit of Marshal Bulganin and M. Khrushchov to Britain, Sir Winston said: "They have a right to be treated with courtesy and goodwill. . . . I hope they will enjoy their time in this country, and that easier and more fruitful relations will emerge as a result of their visit. Peaceful co-existence is, after all, the first thing we are seeking, and to this easier personal relations between their national leaders and ours, and a clearer comprehension of the way we live, can make a valuable contribution."—(Times - Daily Telegraph) **(Prev. rep. Middle East, 14793 A; Bulganin-Khrushchov Invitation, 14369 A.)**

E. SOUTH AFRICA. — Decimalization of Coinage. - Government Support in Principle.

The Minister of Finance (Mr. Louw), speaking in the House of Assembly on March 9 on the second reading of a private member's Bill advocating the decimalization of South Africa's coinage, said that the Union Government was "more than sympathetically disposed" to the project and was prepared to support decimalization of the coinage in principle. However, before the Government could make a final decision on the matter they must be satisfied about the problems involved and the methods of solving them, and he would therefore appoint a commission of inquiry to take evidence from those organizations most deeply affected by the proposed change. If the change went through, Mr. Louw added, the Government would probably have to accept responsibility for compensation. The question of naming any new coinage would be one for the Government to decide, and would not be considered by the commission; he himself would like to have purely South African names for the different units, unconnected with either the British or Dutch colonial periods.—(Cape Times) **(Prev. rep. 14152 E.)**

F. ANTARCTICA. — International Court declines British Application for Ruling on Antarctic Sovereignty.

The International Court of Justice decided on March 17 not to give a hearing to Britain's application in respect of Argentine and Chilean claims to British Antarctic territory, on the ground that both Argentina and Chile had declared beforehand that they would not accept the Court's jurisdiction. The British Government, when instituting proceedings, had claimed that Argentina and Chile had encroached upon British Antarctic territory, and had asked the Court to recognize British sovereignty over those territories and to declare that the Argentine and Chilean "pretensions and encroachments" were contrary to international law.—(Times) **(Prev. rep. 14276 A.)**

G. JAPAN. — Mr. Hatoyama elected Leader of Liberal Democratic Party.

The Japanese Prime Minister, Mr. Hatoyama, was elected on April 5 to the leadership of the Liberal Democratic Party formed in November last by the merger of the Democratic and Liberal parties.—(Times) **(Prev. rep. 14620 B; 14531 A.)**

APRIL 14—21, 1956

A. SOUTH AFRICA. — The South Africa Act Amendment Act. - Coloured Voters to be placed on Separate Electoral Roll.

A joint session of both Houses of the South African Parliament passed on Feb. 27, by more than the two-thirds majority required by the Constitution, the South Africa Act Amendment Bill, which re-enacted the Separate Representation of Voters Act (see 12211 A). This Act, passed in 1951, had transferred the Cape Coloured voters to a separate electoral roll, but was subsequently declared invalid by the Supreme Court (see 12409 A) on the ground that it had not been passed by a two-thirds majority of both Houses of Parliament in joint session, in accordance with the procedure laid down in the "entrenched clauses" of the South Africa Act.

Other sections of the Amendment Bill (1) removed those clauses of the South Africa Act entrenching franchise rights against amendment on grounds of race or colour; (2) provided for the retention of the clauses entrenching the equal rights of the English and Afrikaans languages; (3) laid down that "no court of law shall be competent to inquire into or pronounce on the validity of any law passed by Parliament other than a law which alters or repeals, or purports to alter or repeal, the provisions of Sections 137 or 152 of the South Africa Act" (i.e. the sections safeguarding equal language rights).

The joint session of Parliament opened on Feb. 13, when the Prime Minister, Mr. Strydom, gave notice of his intention to introduce the Bill. The Bill received its first reading on the following day.

After Mr. Strydom had asked for leave to introduce the Bill, **Mr. Strauss** (Leader of the Opposition) moved an amendment opposing its introduction on the grounds that "the history preceding and the circumstances attending its introduction, following upon previous attempts by the Government to circumvent the entrenched clauses of the South Africa Act, indicate that it is another piece of legislation designed to achieve the same object." Mr Strauss said that although it was unusual to oppose the first reading of a Bill, the steps that had been taken by the Government were also "extraordinary"; in support of this he quoted earlier statements by members of the Government and the Nationalist Party which, he suggested, implied that the Government would "pack" the Senate and the Supreme Court if it were unable to obtain the necessary majority for the Separate Representation of Voters Bill. The United Party, he announced, would launch a court action to challenge the validity of the Senate Act (see 14353 A), and would ask the courts to hold (*a*) that the present Senate was not one of the Houses of Parliament, (*b*) that the joint session was not properly constituted, and (*c*) that the legislation passed by the joint session or with the help of the enlarged Senate was invalid.

Mr. Hepple (leader of the Labour Party) said that his party did not intend to take part in the joint session, which he described as "a packed Parliament and a fraud." He refused to withdraw this statement when ordered to do so by the Speaker, and left the House with the other Labour members, none of whom took any further part in the debate on the Bill. **Mrs. Ballinger** (Liberal, Natives' Representative) said that the Natives' Representatives would take part in the joint session in order to oppose the Bill, which involved the rights of the Natives as well as of the Coloured population **Mr. Waring** (Conservative) stated that his party would allow its members to vote according to their consciences

In his reply to the debate, **Mr. Strydom** accused Mr Strauss of evading the rules of the House by casting reflections on the Senate Act in such a way that he could not be called to order by the Speaker.

Mr. Strauss's amendment was rejected by 170 votes to 65, three of the Conservative members (Mr. Barlow, Mr. Waring, and Mr. Coetzee) voting with the Nationalists, the others being absent. The second reading debate opened on Feb. 15 and continued until Feb. 23.

Mr. Strydom, in opening the debate, pointed out that the Bill dealt with two matters—the separate representation of the Cape Coloured voters in Parliament and the Cape Provincial Council, and the sovereignty of Parliament. With regard to the first question, a Bill would be introduced to amend the Separate Representation of Voters Act, one of the provisions of which would be that the representatives of Coloured voters in the Cape Provincial Council would be Europeans, instead of either Europeans or Coloureds as at present. When the Constitution of Cape Colony was drafted in 1853, he recalled, no difference had been made between a Native and a Coloured voter, and those who in 1936 had supported the transfer of Native voters to a separate roll could give no logical reason why Coloured voters should not also be placed on a separate roll. Mr Strydom asserted that in present circumstances the Coloured voter was nothing but a "political football" for political parties, and that the fight being put up by the Opposition had nothing to do with the Coloured voters' interests but was concerned only with the value of the Coloured vote to them. In the past the non-Europeans had often decided what European party should be successful in a constituency, which he (the Prime Minister) considered a "thoroughly unhealthy" position. It was estimated that 150,000 Coloured voters were entitled to be registered, which meant that in more and more constituencies the Coloured vote would become the deciding factor. To illustrate the rapid rise in the Coloured population, Mr. Strydom mentioned that in the Cape there were 186,430 European and 212,798 Coloured children at school in 1955, as compared with 170,200 Europeans and 183,252 Coloureds in 1951; even this did not fully show the position, as large numbers of Coloured children did not go to school or left at an early age.

The Nationalist Party, he went on, had taken successive steps over a long period to strengthen the position of the White man through the franchise laws It had introduced legislation in 1930 to extend the franchise to European but not to Coloured women, and in 1931 had removed all qualifications for White voters while retaining the qualifications for non-White voters Although "a lot of fuss" was being made about the policy of *baasskap*, or the supremacy of the White man, it was simply the traditional policy of South Africa, and the supremacy which the White man enjoyed in the Union was due to one thing and one thing only—the restrictive franchise laws.

On the question of parliamentary sovereignty, the Prime Minister said that if Parliament, out of the power of its own sovereignty, gave a testing right to the courts, then it was itself entitled to that right. Parliament had the right to introduce any changes in legislation or to repeal any legislation, and anything it had done it could also undo. For 15 years after 1937 Parliament had accepted that it possessed this sovereignty, and even the United Party under General Smuts had acted in terms of this acceptance of the sovereignty of Parliament. The Appeal Court's decision of 1952, however, which had reversed the same Court's decision of 1937, had led to the present constitutional crisis, and a court decision, whether right or wrong, remained the interpretation of the law till such time as another court reversed that decision or until Parliament itself amended the law The Bill therefore provided that no court should have the power to give a decision on the validity of any Act of Parliament, except in connexion with Article 137 of the Constitution relating to language rights.

Mr. Strauss, moving that the Bill "be read this day six months," recalled that General Smuts had considered it unthinkable that any Government would act in defiance of the entrenched clauses The re-entrenchment of language rights in the present Bill was valueless, as any future Government with a majority of one in the House of Assembly could evade it by "packing" the Senate to secure a two-thirds majority Mr. Strauss gave a warning that the abolition of the franchise entrenchment threatened not only the rights of Coloured and Native voters and of the Natives' representatives in Parliament, but the rights of everyone, it would be possible, for example, for Jews to be deprived of the right to vote by a simple majority of the two Houses of Parliament sitting separately. This irrevocable step would also be detrimental to race relations, as it would increase the danger of a united anti-White bloc It was untrue that the Coloured people were a menace to European civilization; in the last election there had been only one seat which the United Party might have failed to hold but for the Coloured vote. A greater menace was presented by the possibility that, if the Coloureds were given separate representation, the three Natives' and four Coloureds' representatives might hold the balance of power between the two major White parties.

Mr. Naudé (Minister of Health), who described the South Africa Act as "an Act of the British Parliament," pointed out that the British Parliament could amend the sections dealing with voting rights by a majority of one, but that the Union Parliament, in terms of the 1952 judgment of the Supreme Court, was unable to do so. In Britain, he said, the supremacy of Parliament was absolute, and that was what was being claimed for the Union Parliament also.

Senator Conradie (Leader of the Opposition in the Senate), seconding Mr Strauss's amendment, pointed out that the Constitution had in fact been drawn up by the Boer generals at a National Convention, and had stood the test of time and two World Wars. The Government's legislation, he declared, would bring about a sense of humiliation among non-Europeans, which in turn would cause bitterness and enmity.

Senator Rubin (Liberal, Natives' Representative) said that although the Government claimed to represent the will of the people, it represented only "a part of a portion of a section of the people of South Africa." He criticized the Bill because it made colour the criterion which determined a man's capacity to participate in and contribute to the life of the country, and maintained that this proposition was repudiated by 10,000,000 non-Europeans in South Africa, as well as by the rest of Africa and the majority of people throughout the world.

Mr. Fouché (Nationalist) maintained that the South African nation, as distinct from the population of South Africa, consisted of the English- and Afrikaans-speaking people, and that the Government therefore represented the majority of the nation.

Dr. Donges (Minister of the Interior) ridiculed the suggestion that the Bill meant the end of individual freedom in South Africa, pointing out that fundamental rights such as freedom of speech and religion were not protected by any entrenched clause in the Constitution. It had always been possible to restrict the franchise by introducing economic, religious, or educational qualifications, but no-one was afraid that these possibilities might become realities. Dr. Dönges also maintained that no right was being taken away from the Coloured people, as they would continue to exercise the right to vote, although on a separate electoral roll.

Mr. Bekker (Conservative), moving an amendment opposing the passing of the Bill, said that it created a danger that in the event of a change of Government non-Europeans could be placed on the common roll with a bare majority in Parliament. **Mr. Coetzee** (Con.) seconded the amendment, but said that he himself would support the Bill.

Mr. Sauer (Minister of Lands) declared that far more had been spent on social services for the Natives since they were removed from the common roll in 1936, and that the reason for this " change of heart " was that the whole population felt that because of the 1936 legislation the Natives were no longer a menace to White supremacy. If a " solemn word " was given to the Coloured people in 1910 that they would not be removed from the common roll, that solemn word applied equally to the Native voters ; in 1936, however, the majority of the United Party had voted for their removal from the common roll The argument about morality and a two-thirds majority made " a mathematical conception " of morality, for if it was immoral to put the Coloured voters on a separate roll with a majority of one, it was also immoral to do so even if there was unanimity.

Mr. Moore (U.P.) pointed out that the proportion of Coloured voters in the Cape had fallen from 21 per cent in 1921 to 10 per cent in 1931 and 6 3 per cent in 1954, and contended that they did not represent any urgent danger.

Mr. le Roux (Minister of Agriculture) declared that the Government's legislation was necessary to save Western civilization, and that what Australia was doing for Western civilization by its " White Australia " policy could only be achieved in South Africa by the policy of *apartheid*.

Senator Ballinger (Natives' Representative) observed that the will of the people should not be regarded from the viewpoint of the White voter only, and that he himself represented 1,045,000 Native votes—almost as many votes as the Government and the official Opposition combined.

Mr. Swart (Minister of Justice) asserted that the re-entrenchment of language rights in the Bill had disappointed the Opposition, which had hoped to " raise a scare " among English-speaking people This entrenchment, which he personally believed unnecessary, had been retained simply because of the use to which its omission could have been put to incite English-speaking people against Afrikaners The entrenchment, he recalled, had originally been inserted to protect not the English but the Afrikaans language, which had had to struggle for recognition and equality. As a member of South Africa's first completely bilingual Cabinet, he could give an assurance that the rights of the English language would never be threatened.

Dr. Verwoerd (Minister of Native Affairs) said that the French Empire had pursued a policy of integration of Native peoples similar to the idea of the common roll, whereas the British Empire had applied in effect a policy of *apartheid*. South Africa's message to non-European races was that they should be given the opportunity to develop themselves in their own areas. If the Natives of the Protectorates [i.e the High Commission Territories of Basutoland, Bechuanaland and Swaziland] could appreciate that *apartheid* would give them this opportunity, they would, he thought, favour incorporation in the Union instead of the " colonialism " which existed under the present British control.

Mr. Strydom, replying to the debate, contended that the National Convention had accepted the entrenchment of the Coloured vote because otherwise the British Parliament would have refused to pass the South Africa Act, and that Generals Smuts and Botha had both said that ultimately the voting position would have to be changed If it were the United Party's policy not to discriminate between races, and to make civilization the only yardstick, the time must come when all non-Whites would be civilized and would therefore be entitled to full citizenship rights. Such a policy, however, would mean " the death of the White race."

The Opposition amendment was rejected on Feb. 23 by 171 votes to 65, and the Bill was read a second time. Of the Conservative group, Mr. Bekker voted with the Opposition and Dr. Jonker with the Government, whilst Mr. Waring and Mr. Coetzee abstained.

At the opening of the committee stage (Feb. 24) **Mr. Strauss** announced that the United Party would not discuss the clauses of the Bill or propose any amendments, as it was impossible to remedy its defects, but would vote against every clause **Mrs. Ballinger** stated that the Natives' representatives would adopt a similar attitude. The four Conservatives present were again divided, Dr. Jonker and Mr. Barlow voting with the Government throughout, whilst Mr. Waring voted against the clause deleting the entrenchment provisions of the South Africa Act on Coloured voting rights. Mr Coetzee abstained.

During the third reading debate (Feb. 27) Mr. Strauss again moved that the Bill " be read this day six months," but after debate his amendment was rejected by 173 votes to 65. The motion for the Bill's third reading was then adopted by 174 votes to 68, or eight votes more than the required two-thirds majority of all members of both Houses. Of the Conservatives, Mr. Barlow, Dr. Jonker, and Mr. Coetzee voted with the Government in both divisions, whilst Dr. Shearer (who had not previously attended the joint session), Mr. Bekker, and Mr. Waring voted against the Bill but did not vote on the amendment. The Speaker (Mr. Conradie) recorded his vote in favour of the Bill, which received the Governor-General's assent on March 2.

During the joint session several hundred members of the Women's Defence of the Constitution League held a series of silent protest demonstrations outside the Parliament buildings in Cape Town, wearing black sashes as a sign of mourning. When forbidden to wear their sashes in the public gallery of the House, they pinned black roses to their dresses, their example being followed by the women members of the Opposition.

An application against the South Africa Act Amendment Act was filed by the United Party with the registrar of the Cape Supreme Court on March 2.

A Bill regulating the new status of Coloured voters—the Separate Representation of Voters Amendment Bill—was published on March 21.

The Bill provided (*a*) for the setting-up of a Union Council for Coloured Affairs, composed of 15 members nominated by the Government and 12 elected members, to advise the Government " at its request " on all matters affecting the economic, social, educational, and political interests of the Coloured population , (*b*) for the election by Coloured voters in Cape Province of four White members of the House of Assembly and two White members to the Cape Provincial Council , (*c*) for the division of Coloured voters in the Cape for this purpose into four constituencies, each of which, as well as electing the M P.s and Provincial Councillors, would elect three representatives on the Union Council for Coloured Affairs. Of the Government-nominated members of the Council, eight Coloured representatives would be nominated from the Cape (at least one being a Malay and one a Griqua), four from the Transvaal, two from Natal, and one from the Orange Free State , the Government would also nominate three of the five members of the Council's executive committee, and would appoint the chairman, who would have a deliberative and a casting vote. The Council would hold office for five years.

The new Bill differed considerably from the 1951 Separate Representation of Voters Act (revalidated by the South Africa Act Amendment Act), which provided for a Board for Coloured Affairs consisting of eight elected members from the Cape and only three nominated members for the three other Provinces. The 1951 Act also gave Coloured voters the right to elect either European or Coloured representatives to the Cape Provincial Council —(Cape Times - Die Burger, Cape Town)

(Prev. rep. Separate Representation of Voters Act, 13672 A ; Senate, 14612 A.)

A. TANGANYIKA. — Formation of United Tanganyika Party. - Statement of Policy.

The formation of a non-racial political party under the name of the United Tanganyika Party was announced in Dar-es-Salaam on Feb. 16. The new party, which is pledged to work for the political and social integration of all races in the Territory, was sponsored by 26 out of the 30 unofficial members of the Legislative Council, representing Europeans, Africans, and Asians.

Among prominent leaders of the European settlers supporting the party were Sir Eldred Hitchcock (who has large sisal interests), Sir Charles Phillips, and Mr. Tom Tyrrell, a former leader of the racially-exclusive Tanganyika European Council. Supporters also included a number of prominent Moslems ; Mr. I C Chopra (Indian), who took part in developing Tanganyika's diamond mines ; and prominent Africans such as Chief Kidaha Makwaia (a member of the East African Royal Commission on Land and Population) and Chiefs Lugushu and Gwao.

The manifesto published by the party's sponsors said, *inter alia* . " Political consciousness is growing in Tanganyika, and the tempo of events both within the country and outside it makes it imperative that a non-racial political party should be formed now pledged to uphold and further the principles which have been generally accepted by people of good will in Tanganyika. We believe that responsible people throughout the country must adopt a positive attitude in supporting and acting upon these beliefs, an attitude which is vital to Tanganyika's moral, social, economic, and political progress, and without which the goal of nationhood and full self-government within the Commonwealth will not be achieved. The United Tanganyika Party does provide a common basic approach to problems which have to be faced."

Among the party's proposals were the rejection of all forms of racial discrimination and the demand for the setting-up of unsegregated schools.—(Times - Observer)

(Prev. rep. Constitutional Reform, 14212 B.)

B. HUNGARY. — Release of Mme. Marton.

It was officially announced in Budapest on April 8 that Mme. Ilona Marton, a correspondent of the American news agency United Press, who had been sentenced to three years' imprisonment in January last on charges of espionage, had been released from prison.—(Times) **(Prev. rep. 14700 D.)**

A. UNITED KINGDOM. — British Transport Commission. - Further Increases in Rail Freights and Dock and Canal Charges.

Mr. Harold Watkinson, the Minister of Transport and Civil Aviation, announced in the House of Commons on March 19 that the Government had decided to authorize the British Transport Commission to increase railway freight, dock, and canal charges by not more than five per cent, and that, after consulting the Transport Tribunal, he would make regulations accordingly.

Mr. Watkinson explained that in 1955 the railway strike and increased costs and wages had added about £30,000,000 to the Commission's deficit, whilst as a result of further increases in costs and wages the deficit for 1956 might be as much as £55,000,000, increasing the Commission's total deficit to over £100,000,000. In view of the Commission's statutory duty to pay its way, taking one year with another, it had proposed a substantial increase in charges —including general increases in freight rates and passenger fares— designed to bring in an additional £37,000,000 in a full year

The Government realized that, in view of the Commission's obligations and financial position, it was fully justified in taking this action, moreover the Government's present economic policies required the nationalized industries, when fixing their charges, to seek fully to reflect their costs. At the same time there were now signs that renewed and strenuous efforts would improve the railways' financial outlook through more efficient working arising from better relations in the industry. In this connexion, the Government had been encouraged by recent statements of the British Railways Productivity Council and the British Transport Joint Consultative Council, which showed that there was " a new readiness on the part of all concerned to work together to these ends."

In these circumstances the Government had come to the conclusion that it would be justified in the national interest in asking the Commission to take a course involving an exception to the general policy in regard to the nationalized industries, and the Commission had agreed, on the " clear understanding " that the position would be reviewed again in six months' time, to defer increases in certain fares on London Transport services and on British Railways for which it had already applied to the Transport Tribunal. The Government hoped, however, that during the next six months " this new initiative will enable the Commission to put in train measures leading to improved efficiency and to getting their operations on a more economical basis."

Mr Watkinson added that the Commission would in due course make its own announcement regarding increases in passenger fares for which it had an existing authority The changes now announced would increase the Commission's revenue by about £20,000,000 in a full year

In a further statement on April 11 Mr. Watkinson announced that the Transport Tribunal had submitted to him a memorandum surveying the Commission's financial position since 1947 and showing " serious deficiencies in revenue in relation to expenditure." The memorandum had therefore recommended that the Commission should be authorized to increase its railway freight, dock, and canal charges by the 10 per cent originally asked for. Nevertheless, the Government had decided to retain the general limit of 5 per cent, but to authorize increases of (*a*) 7½ per cent on charges for consignments of under one ton by goods train and on all merchandise carried by passenger train, (*b*) 12½ per cent in railway freight charges on returned " empties." All the increases would take effect from April 23, and the " clear understanding " would remain that the charges would have to be re-examined in the light of the circumstances in six months' time.

The Transport Tribunal, in its memorandum to the Minister, pointed out that the Commission had been able to meet " the charges properly attributable to revenue " in only three of the eight years since nationalization—in 1951, 1952 and 1953. It attributed the Commission's inability in the other years to meet its statutory obligations under the 1947 Transport Act to " the insufficient earnings of British Railways," which had paid their way only in 1952 and over the whole eight years had " fallen short of doing so by approximately £100,000,000." " Taking 1955 by itself," the memorandum continued, " the operations of the Commission as a whole resulted in a deficiency of £30,500,000, whilst British Railways, treated as a separate undertaking, failed to pay their way by approximately £38,000,000. These facts would be sufficiently grave even if it were possible to expect that the Commission's financial fortunes would at all events be no worse in the immediate future than they have been in the past. No such mitigated hope can be entertained unless substantial relief can be afforded."

After saying that the Minister's statement of March 19 implied reductions in the additional annual revenue sought by the Commission from £24,800,000 to £14,100,000 in the case of freight charges, and from £5,700,000 to £1,000,000 in the case of passenger fares, the memorandum went on · " We have been informed by the Commission that if the other increases sought by it are scaled down to this extent, it is unlikely that more than £600,000 could be obtained by way of increases in the charges for the carriage of mails and parcel post. In the result, therefore, the £37,000,000 at which the Commission aimed would be reduced to £20,200,000. To reduce the additional revenue sought by the Commission to this figure will mean that in the absence of some radical change for the better its accumulated deficit will increase at the rate of more than £650,000 a week." Even if, after the six months' experimental period the full 10 per cent rises were brought into operation, the Commission's accumulated deficit would have swollen by about £35,000,000 to over £104,000,000 by the end of 1956.

As regards the hope expressed by the Minister that the railways' financial outlook would improve as a result of more efficient working, the memorandum stressed (1) that the estimates put forward by the Commission already allowed for some improvements in efficiency; (2) that no conceivable improvement in efficiency could " do more than reduce the gap of £18,000,000 which would still separate the Commission from solvency if all the measures proposed by it were put into effect."

The memorandum concluded : " We regret that we are unable to agree with the provisional decisions which you have reached. It may be that there are considerations . . . which . . make it necessary to disregard, at all events for the time being, the obligations and interests of the Commission. It is no part of our duty to discuss this possibility. . . . We think that in the light of the Commission's past history and present prospects it is plainly necessary to take all such measures as are available to stay the progressive deterioration of its financial position, and that the increases for which it sought sanction are urgently necessary if this object is to be attained "

Commenting on the memorandum, Mr. Watkinson stressed that his statement of March 19 had been made " with a full consciousness of the statutory duties imposed on the Commission " and that it involved " no disregard of these duties," since it proposed only that the increases should be limited to 5 per cent for six months. He added that the decision in regard to passenger fares had been taken by the Commission itself " as an earnest of its desire to co-operate fully in the matter." (Times - Daily Telegraph - Financial Times - Manchester Guardian) **(Prev. rep. Freight Charges, etc., 14316 A.)**

Note. It was unofficially estimated that a five per cent rise in rail freights would mean that coal prices would have to be raised by about 1s to 2s. a ton, according to distance from pithead This, in turn, would add over £1,000,000 a year to the fuel bills of the Gas and Electricity industries, and would raise steel production costs by 4s. to 5s. a ton. The increase would put rail freights at about 192 per cent above pre-war —(Ed K.C.A.)

B. CZECHOSLOVAKIA. — Cuts in Retail Prices.

The Czechoslovak Government announced on March 31 cuts in the retail prices of 22,000 items of food, industrial goods, and household equipment, estimated to result in an annual saving to the population of 2,100,000,000 crowns. Reductions of 10 to 25 per cent were ordered for a wide range of textiles, shoes, leather and plastic goods and chemical products, whilst some of the most important reductions in food prices were for flour (10 per cent), rice (23 to 41.6 per cent), vegetable fats (16 per cent), margarine (14.3 to 16.7 per cent), pork fat (11.8 per cent), chocolate (20 per cent), and coffee (18.5 to 20.8 per cent). This was the fifth general price reduction in Czechoslovakia since the currency reform of June, 1953.—(New York Times - Neue Zurcher Zeitung) **(Prev. rep. 14296 B.)**

C. NORTHERN IRELAND. — Retention of Death Penalty. - Ministerial Statement.

The Minister of Home Affairs, Mr. George B. Hanna, stated in the N.I. House of Commons on March 20 that although the question of retaining or abolishing the death penalty was receiving constant and serious consideration, the Government did not intend at present to introduce legislation abolishing the death penalty " for all cases where it now applies in Northern Ireland."—(Belfast Telegraph)

(Prev. rep. U.K. Legislation, 14739 A.)

D. IRAQ.— Anglo-Iraqi Defence Agreement. - R.A.F. Evacuation of Iraqi Bases.

The Iraqi Government announced on April 7 that the evacuation of all R.A.F. units stationed at the Habbaniyah and Shaiba bases had been completed, in accordance with the special agreement signed on April 4, 1955, between Britain and Iraq in conjunction with Britain's adherence to the Baghdad Pact. The agreement had provided for the evacuation of R.A.F. personnel from these bases within one year.—(Times)

(Prev. rep. 14256 A ; 14137 A.)

E. UNITED KINGDOM. — Public Service Security.

Mr. Henry Brooke (Financial Secretary to the Treasury) stated in a written parliamentary reply on March 20 that between 1951 and 1955 no officers of the rank of higher executive officer and upwards, and comparable professional and technical grades, had been dismissed for Communist Party membership, Communist sympathies, association with Communists, or character defects involving a security risk. Seven officers, however, had been transferred, and one had resigned.—(Times)

(Prev. rep. 14750 A.)

A. UNITED STATES. — Foreign Aid, 1956-57. - President Eisenhower's Request to Congress.

President Eisenhower submitted to Congress on March 19 his foreign aid message for the financial year July 1956 - June 1957, in which he recommended the authorization of $4,672,475,000 and the appropriation of $4,859,975,000. The principal items were as follows:

Military Aid	$2,925,000,000
Defence Support	1,130,700,000*
Development Assistance	170,000,000
Technical Co-operation	157,500,000
Foreign Atomic Reactor Projects	5,950,000
Emergency Fund	100,000,000
Additional Aid for Middle East and Africa (non-military)	100,000,000

* Of which $882,000,000 for Asia; $170,000,000 for Near East and Africa, and $78,700,000 for Europe.

Extracts from the President's message are given below.

Soviet Policy. After referring to the success of the foreign aid programme so far, and to the need for its continuance, President Eisenhower said: "Significant testimony to the success of our Mutual Security programmes appears in the new turns and developments of Soviet policy. Aggression through force appears to have been put aside, at least temporarily, and the Communists are now making trade approaches to many nations of the free world. The Soviet manoeuvre, which is still developing, includes offers of bilateral trade arrangements which may involve provision of arms and capital goods as well as technical assistance.

"Had we any reason to believe that the Soviet leaders had abandoned their sinister objectives, and now shared our own high purpose of helping other nations to develop freedom and independence, we would welcome the new Soviet programme, for it appears to have aspects of normal trade expansion and business competition. Its danger for us and for other free nations, however, lies in the traditional Soviet objectives and in the entanglements to which acceptance of their offers may lead.

"Even while we welcome respite from the Soviet policy of threat and violence, we must take careful stock of what still remains of it. The vast Soviet military establishment has not been scrapped. On the contrary, the Soviets and their Communist allies are increasing the strength and effectiveness of their armed forces and providing them with equipment of the most modern design. The threat implicit in this huge aggregation of military power still casts an ominous shadow over the world. There is nothing here to warrant a slackening of our efforts to strengthen the common defence of the free world.

"In its new departures in foreign policy we see that the Soviet Union continues in its familiar pattern of ceaseless probing for opportunities to exploit political and economic weaknesses. We cannot view otherwise the arms traffic in areas where tensions are high and peace is in danger. We cannot view otherwise the extension of credits hand-in-hand with the exploitation of ancient animosities and new hatreds in a world already overburdened with them. We must therefore assume that Soviet expansionism has merely taken on a somewhat different guise and that its fundamental objective is still to disrupt and, in the end, to dominate the free nations. With Soviet leaders openly proclaiming their world aim, it would be folly for us and our friends to relax our collective efforts towards stability and security. . . ."

Need for Long-term Commitments. Requesting authority from Congress to make commitments for up to 10 years to assist underdeveloped countries in long-term projects, the President pointed out that such authority was necessary in order to enable these countries to plan ahead intelligently. The money to fulfil such commitments would come from appropriations for non-military Mutual Security, and would not exceed $100,000,000 in any one year.

Asian Development Funds. The President requested the appropriation of another $100,000,000 for his special fund for economic development in Asia. He also asked for a further $100,000,000 for Asian economic development, to match a similar amount appropriated in 1955-56.

Additional Aid for Middle East and Africa. In asking for the creation of a special fund of $100,000,000 for use in any part of the Middle East or Africa "for non-military Mutual Security programmes which will advance the cause of free world security and economic strength," the President said that the Middle East and Africa were areas in which it was especially important to build "new strength friendly to us." "The United States," he added, "must be in a position to act promptly to help the Governments of this area in their efforts to find solutions for economic and social problems."

Improved Warning and Defence System. It was recommended that about $530,000,000 should be made available to enable the Defence Department "to begin a programme of aiding our allies in developing an even more effective defence based on an improved and better co-ordinated early warning and communications system [see page 14617, second column] and utilizing advanced weapons systems, including missiles, now being procured for our troops." The President emphasized that these advanced weapons were "purely defensive" in character, and posed no threat to any nation which did not initiate aggression. A sum of $195,000,000 had been included initially for NATO countries in 1956-57, and the eventual distribution of the balance of the $530,000,000 would be made "on the basis of later judgment as to their most effective employment world-wide."

Aid to Europe. No economic assistance was proposed for any European NATO country (Greece and Turkey being grouped under Middle East and Asia), but military assistance, including advanced weapons, was still necessary in most of these countries to assist them in maintaining equipment and replacing *matériel* lost by attrition. Continued economic support was, however, required for Berlin, and both military and economic support for Spain and Yugoslavia.

Aid to Middle East, Africa, and Asia. In Asia and the Middle East serious risk of aggression still existed, and the programme recommended approximately $1,640,000,000 in military assistance for countries in these regions which had to maintain substantial forces in the field to resist possible attacks. Economic aid was also proposed for those of America's allies whose own resources could not support their essential defence effort, it was designed partly to assist non-military projects which furthered defence activities, partly to help build internal resources and economic stability, and partly to contribute to the recipients' programmes of economic development. Provision was also made for economic assistance to countries in the area which received no military assistance, where it would contribute to the countries' economic strength and thus to their ability to retain their independence.

The President explained that his request for military assistance authorization in 1956-57 was substantially larger than in the past two years, when unexpended balances had been utilized to the extent of $2,500,000,000 - $3,000,000,000. An increase in appropriations was now necessary in order to maintain the flow of military assistance in subsequent years.
(New York Times - New York Herald Tribune)

(Prev. rep. 14364 A; 14173 A.)

B. UNITED KINGDOM. — Continuation of Newsprint Rationing. - Statement by President of Board of Trade.

The President of the Board of Trade (Mr. Thorneycroft) announced on Feb. 16 that the Government had reconsidered its earlier decision to remove statutory controls over the delivery of newsprint and the size of newspapers, and that newsprint rationing would accordingly continue. His statement (in the form of a written parliamentary answer) was as follows:

"On Aug. 15 last [see 14421 A] I announced the Government's intention to remove all statutory controls over the delivery of newsprint and the sizes of newspapers, provided that satisfactory arrangements could be made among the newspapers to meet the needs of the small users. All the newspapers, however, with one exception, have asked that rationing by statutory control should be continued for the time being, and have told me that they are unable to safeguard the position of the small user.

"In such circumstances I have decided that the necessary Order continuing the control should be laid before Parliament. I propose, however, to license an increased number of pages for *The Times*. I am doing this because this newspaper now intends to use exclusively a type of paper other than newsprint, which will be obtained entirely from new capacity and will release to other newspapers all the newsprint it would otherwise have used."

Mr. F. Bishop, M.P., general manager of the Newsprint Society Co. Ltd., stated on Feb. 22 that the schedule of permitted paging for newspapers would remain as hitherto except in the case of newspapers selling at 2½d. and at 4d. and over. He pointed out that such newspapers—including the popular dailies formerly sold at 1½d.—had increased their prices in recent months and would therefore become entitled to a "substantial increase" in their permitted paging.

Under the new arrangements, the average number of pages varied from nine for dailies costing 1½d. to 15 for those costing 4d.
(Times - Daily Telegraph) **(Prev. rep. 14421 A.)**

C. SOVIET UNION. — New Chairman of T.U. Council.

It was announced in Moscow on March 16 that M. Nikolai Shvernik had resigned the chairmanship of the All-Union Council of Trade Unions at his own request and had been succeeded by M. Viktor Grishin, a member of the central committee of the Communist Party and secretary of the Moscow Regional Committee. M. Shvernik, formerly chairman of the Presidium of the Supreme Soviet (the equivalent of President), remained an alternate member of the presidium of the party's Central Committee and chairman of the party's Control Commission. It was reported that he had recently been in ill-health.—(Soviet Weekly - New York Times)

(Prev. rep. 12797 A, page 12800.)

D. FINLAND. — Ending of General Strike.

The general strike in Finland ended on March 20, after having lasted for 20 days, when the Government's mediation proposals were accepted by the trade unions and the employers' representatives. All workers received an average wage increase of 10 per cent to compensate for the higher cost of living, whilst the employers were compensated by reductions in income-tax and children's allowance contributions.
(Berlingske Tidende, Copenhagen) **(Prev. rep. 14742 B.)**

A. INDIA. — Calendar Reform. - Proposals for Adoption of "Saka Year." - Report and Recommendations of Calendar Reform Committee.

A report was submitted to the Government of India in November last by a Calendar Reform Committee which had been set up in 1952 by the Indian Council of Scientific and Industrial Research "to submit proposals for an accurate and uniform calendar for the whole of India after examining the existing calendars which are being followed in the country at present, and after a scientific study of the subject." The report recommended the nation-wide adoption of the "Saka year" (described below) for the purposes of a unified National Calendar.

A summary of the report and recommendations of the Calendar Reform Committee, together with an account of the considerations involved, was published on Nov. 19, 1954, by the Indian High Commissioner's Office in London, and is reproduced below under cross-headings.

Need for Calendar Reform. In a Note on the Committee's report, the Central Government pointed out that India had "been suffering from a calendar confusion which very often places the Central and State Governments in difficulty." Although, for practical purposes, India had been using the Gregorian Calendar since 1757 (i.e. since the beginning of British rule), and although that calendar was now in world-wide use, it was nevertheless "inconvenient and unscientific," and India had made proposals to the United Nations to replace the Gregorian Calendar by a new World Calendar—a project, however, which could only be decided upon by international agreement. The article continued .

"Though India is a secular State, the Central Government and the State Governments have to declare a number of holidays in advance. These holidays are of four different kinds . (1) Holidays given according to the Gregorian Calendar (e.g. Mahatma Gandhi's birthday), which present no problem. (2) Holidays which are given according to the position of the Sun (3) Others which are given according to the Luni-Solar calendar. (4) Holidays for Moslems and Christians.

"It is the class of holidays under categories (2) and (3) which are the most numerous, and the calculations of their dates are done by astrologers who act as consultants to each State In making these calculations for the positions of the sun and moon in advance—technically known as compiling the Ephemerides—the formulae given in ancient and medieval astronomical treatises are used with corrections But these formulae, even with corrections, are incorrect, and formulae used from different astronomical treatises sometimes give different dates for religious festivals and observances It therefore not infrequently happens that according to different schools of astrologers the same festival falls on different dates in different parts of India, and on different dates even in the same city This causes a problem for every [State] Government"

After commenting that "calendars are based partly on science, which nobody is permitted to violate, and partly on conventions, which are man-made and vary from place to place," the article went on to point out the many discrepancies between the various calendars at present used in India For example, whereas Indian almanac-makers still took the length of the year as 365 258756 days, as laid down in the *Surya Siddhanta* about 500 A D , modern astronomical research had shown the length of the tropical year to be 365 242196 days. Thus "in the course of nearly 1,400 years the beginning of the year has advanced by 23 2 days, with the result that the Indian solar year, instead of starting on the day following the vernal equinox (i.e. March 22) as prescribed by the *Surya Siddhanta*, starts on April 13 or 14."

It was pointed out that an analogous situation had arisen in Europe, when an error of 10 days resulting from the use of the Julian Calendar (i.e the calendar introduced by Julius Caesar in Roman times) had been rectified in 1582 by a proclamation of Pope Gregory XIII whereby Friday, October 5, was proclaimed as Friday, October 15, and new leap year rules were introduced. [This was the beginning of the Gregorian Calendar, now used in nearly all countries.]

The article continued "Unlike Europe, where the Pope in medieval times possessed an authority which everyone in Catholic Europe obeyed, India had a multiplicity of eras and year-beginnings due to her history during the years 500-1200 A.D But for calendaric calculations our astronomers all over India have been using only the Saka era since 500 A D , and in local almanacs other eras are simply imposed on it." For this reason the Calendar Reform Committee had recommended the adoption of the "Saka year" for the purposes of "a unitary calendar which can be used in all parts of the country for the observance of Hindu religious rites, as well as for civil purposes by the public."

Recommendations of Calendar Reform Committee. These were, in brief, as follows :

(1) For all official purposes, both the Central and the State Governments should use the Saka era It was suggested that the change-over should take place from the Saka year 1878, Chaitra 1 (1956, March 21). If this was accepted, the last month of the Saka year 1877 would have an extra six or seven days.

(2) In addition, the Calendar Reform Committee had devised a solar calendar for all-India use in which it was proposed to abandon the calculations of the *Surya Siddhanta* (in which the solar months vary from 29 to 32 days). The new solar calendar would fix the dates of Hindu, Buddhist, and Jainic festivals in accordance with the solar motion—i.e., it would lay down a uniform procedure for the calculation of such dates, which at present differ widely in different parts of India In certain cases, however, festivals customarily fixed by reference to the lunar calendar would be retained—e.g., the religious festival of *Janmastami*, the birthday of Sri Krishna.

(3) Every State would be asked to give its opinion on the proposals and to signify whether or not it accepted the new dates suggested for the various religious festivals.

The Saka Year. The Saka year—which begins on March 22 (March 21 in a leap year)—has 365 days normally, and 366 in a leap year The 12 months of the Saka year are as follows, the number of days in the month and the first day of the month (corresponding to the Gregorian Calendar) being shown in parentheses : Chaitra (30, except in a leap year , March 22, except in a leap year) , Vaisakha (31, April 21) ; Jyaishtha (31, May 22) ; Asadha (31, June 22) ; Sravana (31, July 23) ; Bhadra (31, Aug 23) , Asvina (30, Sept. 23) ; Kartika (30, Oct 23) ; Agrahayana (30, Nov. 22) , Pausa (30, Dec. 22) ; Magha (30, Jan. 21) . Pharguna (30, Feb. 20). The year 1956 A.D. corresponds to the Saka year 1877-78

On several occasions during the past few years the Government of India has made proposals to various U.N. organs—e.g. Unesco and the Economic and Social Council—for the adoption of a World Calendar to supersede the Gregorian and other calendars at present in use.—(Indian High Commissioner's Office, London - The Hindu, Madras - The Statesman, Calcutta)

B. CANADA. — Three-Year Wheat Agreement with Soviet Union. - Wheat Sales to Poland, Czechoslovakia and Hungary. - Butter Sales to Czechoslovakia and Eastern Germany.

A three-year Canadian-Soviet trade agreement, covering the purchase by the U.S.S.R. of between 1,200,000 and 1,500,000 metric tons (44,000,000 - 55,100,000 bushels) of Canadian wheat in annual quantities of 400,000 - 500,000 metric tons, was signed in Ottawa on Feb. 29. The agreement stipulated that the price to be paid by the Soviet Union would be the same as that charged by the Canadian Wheat Board for sales to its major customers at such times as the Soviet purchases took place ; at current prices this represented an amount of some $60,000,000 - $75,000,000. The agreement also provided for the reciprocal granting of most-favoured-nation treatment for mutual trade, though the right of either country to apply prohibitions or restrictions of any kind in order to protect its "essential security interests" was expressly recognized.

The agreement with the Soviet Union was one of a number made by Canada with Eastern European countries during the past nine months in an attempt to dispose of her large stocks of surplus wheat.

The first such agreement, with Poland, had been concluded in June 1955, details being announced in the Canadian Parliament on June 30 It was then stated that Poland would buy 10,000,000 bushels of wheat for $19,000,000, but would pay only $3,000,000 immediately, the balance being advanced by a loan from a Canadian commercial bank, which was guaranteed by the Canadian Government. Mr. St. Laurent, the Prime Minister, answering strong Opposition criticisms of the agreement, admitted that the Polish Government had made "no pledge of assets" which would ensure Canada against a possible loss, but said that there was an undertaking to make the payment and that the Government expected that this undertaking would be carried out.

An agreement with Czechoslovakia, covering the sale in the next 12 months of between 3,700,000 and 11,840,000 bushels of Canadian wheat for $5,000,000-$17,000,000, was concluded on March 7, 1956, whilst on March 13 it was announced in Ottawa that Hungary would purchase 5,500,000 bushels of Canadian wheat

It was also disclosed during the second half of 1955 that Canada was shipping large quantities of surplus butter to Eastern European countries at prices some 20 per cent below the domestic support price of 58 cents a lb. Although no precise details were officially published, it was reported that some 10,000,000 lb. had been disposed of, largely to Czechoslovakia and (*via* a Dutch importer) to Eastern Germany. In reply to a New Zealand protest about this "dumping" of Canadian butter, the Canadian Minister of Agriculture, Mr. Gardiner, gave an assurance on Dec. 17 that Canada would not undersell New Zealand butter in any market in which New Zealand was at present doing business.—(Montreal Star - Times - New York Times) **(Prev. rep. 13654 A ; Mr. Lester Pearson's Soviet Visit, 14630 C.)**

C. AUSTRALIA. — Western Australian Elections.

State elections held in Western Australia on April 7 resulted in a victory for Mr. R. A. G. Hawke's Labour Government, which was returned to office with an increased majority. Labour won 29 seats and the Liberal-Country party 21 ; at the dissolution the Government and Opposition each had 25 seats. (Australian News and Information Bureau) **(13160 A.)**

A. UNITED KINGDOM. — Balance of Payments in 1955. - Deficit of £103,000,000.

A White Paper (Cmd. 9731) published on April 4 showed that the U.K. had a deficit of £103,000,000 in its balance of payments during 1955, comprising a surplus of £15,000,000 in the first half of the year and a deficit of £118,000,000 in the second half. Excluding U.S. defence aid totalling £44,000,000, the deficit for the year was £147,000,000, compared with a surplus of £155,000,000 in 1954 (excluding £50,000,000 in U.S. defence aid). Details are shown in the following table:

	1953	1954	Jan.-June	1955 July-Dec *	Year*
A. CURRENT ACCOUNT			(£ million)		
DEBITS					
Imports (f.o.b.)	2,887	3,009	1,685	1,728	3,413
Shipping	245	257	156	181	337
Interest, profits and dividends	212	233	108	150	258
Travel	89	101	46	77	123
Migrants' funds, legacies and private gifts (net)	4	10	6	9	15
Government					
(a) Military	144	152	79	78	157
(b) Colonial grants	24	29	13	19	32
(c) Relief and other grants	21	19	12	8	20
(d) Administrative, diplomatic, etc	29	28	17	15	32
	218	228	121	120	241
Total	3,655	3,838	2,122	2,265	4,387
CREDITS					
Exports and re-exports (f.o.b.)	2,670	2,817	1,527	1,534	3,061
Shipping	376	407	228	229	457
Interest, profits and dividends	285	306	153	164	317
Travel	88	95	50	61	111
Government					
(a) Grants	3	—	—	—	—
(b) Other	57	54	35	25	60
Other (net)	251	314	111	123	234
Total	3,730	3,993	2,104	2,136	4,240
BALANCE OF CURRENT TRANSACTIONS EXCLUDING DEFENCE AID NET (CREDIT, +, DEBIT, —)	+ 75	+155	— 18	—129	—147
of which (a) visible trade	—217	—192	—158	—194	—352
(b) invisible: Government	—158	—174	— 86	— 95	—181
other	+450	+521	+226	+160	+386
total	+292	+347	+140	+ 65	+205
Defence aid—grant less U.S. share of counterpart	+102	+ 50	+ 33	+ 11	+ 44
BALANCE OF CURRENT TRANSACTIONS INCLUDING DEFENCE AID NET (CREDIT, +, DEBIT, —)	+177	+205	+ 15	—118	—103
B. INVESTMENT AND FINANCING ACCOUNT					
Investment (—), borrowing (+), etc	—160	—201	+ 19	+ 21	+ 40
Sterling liabilities, etc (increase, +)	+223	+ 83	— 63	—103	—166
Drawings on (+) or additions to (—) gold and dollar reserves	—240	— 87	+ 29	+200	+229
BALANCE OF INVESTMENT AND FINANCING	—177	—205	— 15	+118	+103

* Provisional.

The sharp decline in the balance of current transactions between the first and second halves of 1955 was largely due to the increased payments made Total debits increased by £143,000,000 (imports up by £43,000,000, payment on interest, profits and dividends by £42,000,000, travel payments by £31,000,000, and shipping payments by £25,000,000) and defence aid grants fell by £22,000,000, this total worsening of £165,000,000 was only offset to the extent of £32,000,000 by higher receipts, making a net deterioration of £133,000,000 Although this was less than the deterioration of £143,000,000 between the first and second halves of 1954, it marked the third successive half-year in which the position had deteriorated.

Comparing 1955 as a whole with 1954, the position deteriorated by £308,000,000. Payments rose by £549,000,000 and defence aid receipts fell by £6,000,000, and this was only offset to the extent of £247,000,000 by increased receipts. The higher payments were mainly attributable to the increase of £404,000,000 in imports and £80,000,000 for shipping. Receipts from shipping also rose, but only by £50,000,000, whilst receipts from exports rose by £244,000,000.

Regional Balance of Payments. The U.K. deficit of £103,000,000 was made up of a surplus of £215,000,000 with the rest of the sterling area, which was more than counterbalanced by a deficit of £318,000,000 with non-sterling areas. The White Paper pointed out that the deterioration in the U.K. current balance (including defence aid) with the non-sterling world started in the middle of 1954, and that the most significant part of it was in the balance of visible trade, imports rising much more rapidly than export earnings. Because of the U.K. dock strike in October 1954, export earnings in the second half of 1954 were lower than they would otherwise have been, and those in the first half of 1955 somewhat higher, and if allowance was made for this the picture was one of "a rapid worsening in the visible balance between the first half of 1954 and the second half, and thereafter a more gradual but continuing deterioration down to the end of 1955."

The payments figures on a regional basis are analysed in greater detail in the following table.

	1952	1953	1954 Jan.-June	1954 July-Dec.	1955 Jan.-June	1955 July-Dec *
			(£ million)			
Dollar area†	—173	— 14	+ 25	—112	— 77	—130
Other Western Hemisphere	+ 93	— 24	+ 1	+ 7	+ 8	— 4
O.E.E.C. countries	— 31	+ 86	+ 44	— 5	— 21	— 62
Other non-sterling countries	+ 1	— 13	+ 5	— 23	— 9	— 17
Rest of sterling area	+363	+156	+106	+166	+119	+ 96
Non-territorial organizations	— 6	— 14	— 7	— 2	— 5	— 1
Total	+247	+177	+174	+ 31	+ 15	—118

* Provisional. † After allowing for U.S. defence aid of £121,000,000 in 1952, £102,000,000 in 1953, £24,000,000 in January-June 1954, £26,000,000 in July-December 1954, £33,000,000 in January-June 1955, and £11,000,000 in July-December 1955

The worsening of the payments position (by £308,000,000) between 1954 and 1955 was shared by all areas. Payments with O.E.E.C. countries deteriorated by £122,000,000, with the dollar area by £120,000,000, with the rest of the sterling area by £57,000,000, and with other areas by £12,000,000; the only slight improvement was one of £3,000,000 in payments to non-territorial organizations

The increase in the dollar deficit between 1954 and 1955 was almost entirely due to the higher value of dollar imports, which rose by £170,000,000 between the two years, whilst dollar exports rose by only £65,000,000. The increase in "invisible" dollar payments (£39,000,000), on the other hand, was largely counterbalanced by the £32,000,000 increase in "invisible" dollar receipts Imports from O.E.E.C. countries similarly increased by £118,000,000, whilst exports to those countries rose by only £40,000,000. "Invisible" payments likewise rose by £72,000,000 (of which £48,000,000 was accounted for by shipping), whilst "invisible" receipts rose by only £28,000,000.

Sterling Area Gold and Dollar Accounts. The sterling area had a net gold and dollar deficit during 1955 of £229,000,000 ($642,000,000), compared with a surplus in 1954 of £87,000,000 ($244,000,000). This deficit was wholly incurred by transactions with non-dollar areas, the U.K. deficit with the dollar area (£188,000,000, or $527,000,000) being exactly counterbalanced by the surplus of the rest of the sterling area with the dollar area.

A summary table of the sterling area's gold and dollar accounts in the 18 months July 1954 - December 1955 is brought below.

	1954 July - Dec		1955 Jan. - June		1955 July - Dec	
	£	$	£	$	£	$
Transactions with Dollar Area						
(i) U.K. net debit	— 71	—197	— 57	—160	—131	—367
(ii) Rest of sterling area net credit	+ 73	+205	+ 82	+230	+106	+296
Transactions with Non-Dollar Areas.						
(i) With other Western Hemisphere	+ 20	+ 55	—	— 1	— 10	— 27
(ii) With O.E.E.C. countries	— 74	—208	— 56	—156	—147	—411
(iii) With other non-sterling countries	— 4	— 11	— 1	— 3	— 11	— 31
(iv) With non-territorial organizations	— 36	— 99	+ 3	+ 8	— 7	— 20
Total net debit*	— 92	—255	— 29	— 82	—200	—560

* Corresponding to change in gold and dollar reserves

Britain's Position in the E.P.U. The U.K. had a net deficit of £121,000,000 in the E.P.U. in the second half of 1955, compared with a net surplus of £39,000,000 in the first half of the year and a net surplus of £59,000,000 in the whole of 1954. The overall deficit of £82,000,000 with the E.P.U. in the whole of 1955 was accounted for by a U.K. deficit of £108,000,000, partly offset by a surplus by the rest of the sterling area of £33,000,000, with other payments giving a net deficit of £7,000,000.

Overseas Investment. The White Paper gave, for the first time, round figures of U.K. annual net overseas investment since 1952. These showed that net long-term investment by the U.K. in the rest of the world (excluding inter-government lending, but including U.K. Government loans for commercial projects and borrowing by overseas Governments in the London market), less net long-term investment by the rest of the world in the U.K., was estimated in round figures at £150,000,000 in 1952, £175,000,000 in 1953, £200,000,000 in 1954, and £125,000,000 in 1955. Much the greater part of this investment represented net investment in the rest of the sterling area (a little over £125,000,000 in 1952, a little over £150,000,000 in 1953, rather under £175,000,000 in 1954, and about £100,000,000 in 1955).

The White Paper said that new investment in the U.K. from overseas was approximately balanced by sales and redemptions by overseas holders of their U.K. investments during this four-year period, so that the annual average of approximately £150,000,000-

£175,000,000 of net U.K. investment overseas represented new investment, less sales and redemptions. It was emphasized, however, that these estimates were subject to a considerable margin of error—largely because so much of the new investment overseas was private investment in the sterling area, for which it was particularly difficult to obtain accurate figures

U.K. Sterling Liabilities, etc. Total sterling liabilities (i.e. sterling balances held by other countries) on Dec 31, 1955, amounted to £3,742,000,000, compared with £3,865,000,000 on June 30, 1955, and £3,902,000,000 and £3,819,000,000 (revised figures) on Dec. 31 and June 30, 1954, respectively. During 1955 the sterling balances held by British Colonies increased by £58,000,000, but those held by other sterling area countries fell by £132,000,000. Sterling balances held by non-sterling area countries fell by £86,000,000, principally because of the £39,000,000 fall in balances held by the dollar area and a £34,000,000 fall in balances held by O.E.E.C. countries. Official U.K. holdings of non-dollar currencies rose from £13,000,000 on Dec. 31, 1954, to £18,000,000 on June 30, 1955, but declined again to £13,000,000 on Dec. 31, 1955. (Cmd. 9731) **(Prev. rep. Balance of Payments, 14235 A.)**

A. SWEDEN - SOVIET UNION. — Swedish Prime Minister's Visit to Moscow.

The Swedish Prime Minister, Hr. Tage Erlander, and the Minister of the Interior, Hr. Hedlund, visited Moscow from March 29 - April 5 as guests of the Soviet Government. During their visit they had a number of discussions with Marshal Bulganin, M. Khrushchov, M. Molotov, and other Soviet leaders.

A joint communiqué issued on April 3 stated that the talks, which had been conducted in the "friendly and good-neighbourly spirit which characterizes the relationship between Sweden and the Soviet Union," had dealt both with Swedish-Soviet relations and with general international questions of interest to both countries. The communiqué stated:

(1) Both countries were interested in a considerable increase of their mutual commercial exchanges The agreement on safety at sea concluded in 1954, and its subsequent extension, were considered a good example of successful co-operation between the two countries in a practical way. The new Swedish-Soviet air agreement (see 14804 C) would lead to the start of direct air traffic between Stockholm and Moscow in the near future.

(2) It had been agreed to start negotiations in Moscow in the near future for the implementation of the Swedish-Soviet agreement of 1941 concerning outstanding mutual claims in connexion with the incorporation of the Baltic Republics in the Soviet Union. [The net amount of Swedish claims in this connexion, after deduction of Soviet counter-claims, was given as 2,700,000 kronor.]

(3) As regards cultural relations, scientific and cultural contacts, to which the two countries attached great importance, had lately expanded in a gratifying way. It had been agreed that visits of artists, study delegations, and technical experts in various fields, as well as the expansion of sports meetings and tourism, would greatly strengthen relations and mutual understanding between the two peoples. The State organizations in both countries administering cultural contacts with foreign countries would be instructed to further the expansion of all such contacts in a suitable way.

The following concrete schemes would also be implemented in the near future . exchanges of qualified research workers in medicine, natural sciences, and technical sciences, the cost of which should be borne by the receiving countries ; the admission of research workers of one country to archives and libraries in the other ; and greater exchanges of literature and publications between scientific and cultural institutions in both countries.

The Swedish Ministers had expressed the wish to send an expert delegation to the Soviet Union to study the organization of Soviet higher education, whilst the Soviet Ministers had shown themselves interested in studying technical education in Sweden ; detailed arrangements would be worked out through diplomatic channels

(4) The Swedish Ministers had stressed the great importance attached by them to the fate of Hr Raoul Wallenberg [a Swedish diplomat who disappeared in Budapest after the Russian occupation of that city in 1945, shortly before the end of the war ; previous Swedish enquiries had always elicited Soviet denials of any knowledge of the case] The Swedish Ministers had handed to the Soviet side the material collected concerning Hr Wallenberg, with the request that the Soviet authorities should study and examine it, to which the Soviet Ministers had agreed. It had also been agreed that if Hr. Wallenberg was still alive in the Soviet Union he would be permitted to return, and that the results of the Soviet investigations would be notified to the Swedish Government through diplomatic channels.

(5) Any requests by Swedish or former Swedish nationals resident in the Soviet Union for permission to return to Sweden, or for members of their families to return to Sweden, would be given favourable consideration by the Soviet authorities provided that the persons concerned wished to leave.

Correspondingly, the Swedish authorities would place no obstacle in the way of Soviet or former Soviet nationals, or members of their families, wishing to leave Sweden for the Soviet Union

(6) During the conversations on the international situation the Swedish Ministers had pointed out (*a*) that Sweden was maintaining her traditional policy of keeping aloof from alliances with the aim of safeguarding her neutrality in the event of war, within the framework of her obligations as a member of the U.N , and (*b*) that in the Swedish view such a foreign policy not only corresponded to Sweden's own interests but was also furthering peaceful and friendly relations in her part of Europe The Soviet Ministers had declared that the Soviet Union would, as hitherto, respect Sweden's policy of peace and non-alignment

Furthermore, each side had stressed its country's interest in seeking to co-operate in the greatest possible relaxation of international tension and in the development of peaceful co-operation between the peoples, based on the principles of the U.N. Charter ; this included, in particular, respect for the independence and sovereignty of member-countries, non-aggression, and mutual abstention from interference in internal affairs.

(7) Both sides had expressed their willingness to support the "continued efforts at achieving practical results, both as regards general disarmament and the reduction of armed forces, together with the prohibition and control of atomic weapons, and in the matter of the development of international co-operation in the peaceful uses of atomic energy."

(8) The discussions over such a wide field had brought about a deeper understanding of the views of each side, and would help to strengthen the good neighbourly relationship between Sweden and the Soviet Union.

Hr. Erlander and Hr. Hedlund left Moscow on April 5, returning to Stockholm on April 11 after brief visits to the Ukraine, Georgia and Armenia. (Svenska Dagbladet, Stockholm) **(Prev. rep. Danish Ministerial Visit, 14768 A.)**

B. PERU - ECUADOR. — Exchange of Ambassadors. - Pan-American Inquiry into Amazon Frontier Dispute.

It was announced in Lima and Quito on March 1 that Peru and Ecuador had agreed to the reciprocal appointment of ambassadors. Although no formal break in diplomatic relations had taken place, both ambassadorial posts had been vacant for some time as a result of a fresh dispute over their frontier in the Upper Amazon area. On Sept. 8 a special emergency session of the Council of the Organization of American States had been called in Washington to hear a formal Ecuadorean charge that Peru was massing 20,000-30,000 troops on her frontiers, and that Peruvian naval forces were menacing the Ecuadorean coastline. On the same day a special meeting took place in Rio de Janeiro of the four guarantor countries (the U.S.A., Brazil, Argentina and Chile) of the 1942 treaty between Ecuador and Peru (see page 5090, second column), who decided to despatch immediately a commission of military observers to the frontier area. This commission reported to the Organization of American States on Sept. 14 that an aerial reconnaissance of the frontier area had disclosed no sign of the alleged Peruvian troop concentrations. (Bank of London and South America, Fortnightly Review - New York Herald Tribune) **(Prev. rep. 7221 B.)**

C. CANADA. — Creation of Free Gold Market.

The Canadian Finance Minister, Mr. Walter Harris, announced during the course of his Budget speech on March 21 that restrictions on the purchase and sale of gold by private individuals in Canada would be abolished with immediate effect, and that henceforth Canadians and foreigners would be able to buy and sell gold freely in Canada and to export it without Government permission.

In 1951 restrictions had been lifted to enable Canadian gold producers, under certain conditions, to sell gold in the world markets, and in 1953 the conditions regulating the release of gold for industrial purposes had been liberalized. A further relaxation had been granted in May 1955, when the Government agreed to grant export licences for gold imported into, or purchased in, Canada for safekeeping for account of foreign central banks and official international financial institutions.

It was pointed out in the Canadian press that the Government's latest decision did not imply a return to the gold standard.—(Montreal Star) **(Prev. rep. 12207 A.)**

D. UNITED STATES. — Postponement of Tax Reductions. - Congressional Legislation.

President Eisenhower signed a Bill on March 29 which postponed until April 1, 1957, tax reductions totalling some $3,000,000,000 due to take effect on April 1, 1956. Corporation taxes, due to have been reduced from 52 to 47 per cent, were continued at the higher rate, and existing rates of tax on alcoholic drink, cigarettes, petrol, and motor cars were also maintained. The Bill had been passed by the House of Representatives on March 13 and by the Senate on March 28. (New York Times) **(Prev. rep. 14631 A.)**

A. TUNISIA. — French Recognition of Tunisian Independence. - Tunisian Control of Foreign Affairs and Defence. - Economic Agreements. - Constituent Assembly Elections. - National Front's Electoral Victory. - Resignation of M. Tahar Ben Ammar. - Formation of Bourguiba Cabinet. - M. Salah Ben Youssef's Flight to Libya. - Revival of Terrorism and Fellagha Activities. - French Riots in Tunis. - Population Census.

As a result of negotiations which opened in Paris on Feb. 27, M. Pineau (the French Foreign Minister) and M. Tahar Ben Ammar (the Prime Minister of Tunisia) signed on March 20 a protocol whereby France recognized Tunisia's independence and her right to conduct her own foreign policy and to form her own army. Both countries recognized their interdependence, however, and agreed to define in further negotiations the details of their future co-operation, especially as regards defence and foreign affairs. The text of the protocol was as follows :

"On June 3, 1955, following the negotiations which had taken place between their delegations, the French and Tunisian Governments agreed to recognize Tunisia's full exercise of internal sovereignty They thus made clear their desire to enable the Tunisian people to attain their full development and to assume by stages the control of their destiny.

The two Governments recognize that the harmonious and peaceful development of Franco-Tunisian relations corresponds to the requirements of the modern world. They note with satisfaction that this evolution permits accession to complete sovereignty without suffering for the people or difficulties for the State. They affirm their conviction that, by basing their relations on mutual and complete respect for their respective sovereignties, and on the independence and equality of the two States, France and Tunisia will strengthen the solidarity which unites them, for the greater good of both countries

Following the investiture speech of the French Premier and the reply of His Highness the Bey, reaffirming their common will to promote their relations in the same spirit of peace and friendship, the two Governments opened negotiations in Paris on Feb. 27.

In consequence, France solemnly recognizes the independence of Tunisia.

It follows from this :

(*a*) That the treaty concluded between France and Tunisia on May 12, 1881, can no longer govern Franco-Tunisian relations.

(*b*) That those provisions of the conventions of June 3, 1955, which may be in contradiction with Tunisia's new status as an independent and sovereign State, will be modified or abrogated.

From this it also follows :

(*c*) That Tunisia will exercise her responsibility in the spheres of foreign affairs, security, and defence, and will form a Tunisian national army.

In recognition of each other's sovereignty, France and Tunisia agree to define or complete the ways and means (*modalités*) of an interdependence freely brought about between the two countries, by organizing their co-operation in those spheres in which they have common interests, particularly in matters of defence and foreign affairs.

The agreements between France and Tunisia will define the ways in which France will help Tunisia to build up a Tunisian national army.

The negotiations will be resumed on April 16, 1956, with a view to concluding, as quickly as possible and in accordance with the principles laid down in the present protocol, the agreements necessary for putting them into effect."

The negotiations were conducted on the French side by M. Alain Savary (State Secretary for Morocco and Tunisia), and on the Tunisian side by M. Behi Ladgham (general secretary of the Néo-Destour, who had recently been appointed Vice-Premier in the Tunisian Government) and M. Mohammed Masmoudi (Minister of National Economy). A virtual deadlock arose on March 17 over the wording of the reference in the protocol to Tunisian responsibility for defence and security ; during private discussions between M. Pineau and M. Bourguiba (president of the Néo-Destour), however, a compromise formula was agreed upon, which was incorporated in the final text.

In an interview with the Paris correspondent of the *Times* on March 21, M. Bourguiba stated that Tunisia might wish to join NATO or become associated with it, and denied that he was in favour of neutralism. Tunisian ambassadors would be sent to certain key capitals as soon as negotiations with France were completed, whilst in other capitals Tunisian interests would be looked after by friendly nations, but not necessarily in every case by France France had promised to support Tunisian membership of the U.N. and its subsidiary bodies. After a period of transition, which might last for a few years, all French forces would be expected to evacuate Tunisia, including the base at Bizerta ; if Bizerta became a NATO base, however, French troops would be allowed to man it, though only within the framework of NATO. The new Tunisian army would be under Tunisian command, but Tunisia would seek French aid for equipping and training it, she would, however, pay for such aid, since she did not wish to be morally obliged to a foreign Power, as Jordan was over the Arab Legion. Most of the Home Rule conventions would not need alteration, M. Bourguiba added, except certain economic clauses which still smacked of colonial privilege. The police, however, could not function properly while they were still under French control, as the Tunis riots of March 9 (see below) had made clear, and the process of transfer would have to be accelerated.

Other recent developments affecting Franco-Tunisian relations and the internal situation in Tunisia are described below.

General Elections for Constituent Assembly.

Tunisia's first general elections, which were held on March 25, resulted in a complete victory for the National Front, which won all the 98 seats in the Constituent Assembly ; it comprised the Néo-Destour, the General Union of Tunisian Workers (*Union générale des travailleurs tunisiens*, U.G.T.T.), the Union of Tunisian Craftsmen and Traders (*Union tunisienne des artisans et commerçants*), two smaller organizations, and a number of independent candidates. The "Youssefist" movement (see below) did not put forward any candidates, ordering its supporters to boycott the elections, and the only Opposition candidates were nominated by the Communists ; 84 per cent of the electorate (which consisted of all male Tunisian citizens over 21 and numbered about 750,000) voted in the constituencies contested, the results being as follows : National Front, 597,763, Communists, 7,352.

In six of the eighteen constituencies National Front candidates were returned unopposed, among them being M. Bourguiba. There were over 119,000 abstentions, however, notably in Tunis, where 27,480 out of 67,109 electors did not vote, and at Djerba (M. Salah Ben Youssef's birthplace), where less than 30 per cent of the electorate voted. Independent candidates returned on National Front lists included M. Tahar Ben Ammar, M. Mohammed Chenik (the former Premier), and M. Mohammed Badra (Minister of Agriculture).

Formation of Bourguiba Government.

The Constituent Assembly met for the first time on April 8 in the presence of the Bey, M. Seydoux (the French High Commissioner), and members of the Consular Corps. The Assembly unanimously elected M. Habib Bourguiba as its President, and M. Ben Ahmed Ben Salah (secretary-general of the U.G.T.T.) as First Vice-President.

On the following day M. Tahar Ben Ammar tendered his Government's resignation to the Bey, who on April 10 charged M. Bourguiba with the formation of a new Government, on the unanimous advice of the Bureau of the Constituent Assembly. M. Bourguiba accepted this mission and presented his Cabinet to the Bey on April 15, its membership being as follows :

M. Habib Bourguiba	Prime Minister, Foreign Affairs, and Defence.
*M. Mongi Slim .	Ministers of State in charge of
*M. Mohammed Masmoudi ..	Franco-Tunisian negotiations.
*M. Behi Ladgham	Deputy Premier.
M. Mehiri .	Interior.
M. Mestiri	Justice.
*M. Hedi Nouira ..	Finance.
*M. Ezzedine El-Abassi ..	Public Works.
M. Ferdjani Ben Hadj Ammar	Commerce and Industry.
M. Lamine Chabdi . .	Education.
M. Fillali .. .	Agriculture.
Dr. Materi .	Health.
M. Mahmoud Khiari .	Posts and Telegraphs.
M. André Barouch ..	Town Planning and Construction.
M. Chakroun .	Social Welfare.

* Member of previous Government.

M. Béchir Ben Yahmed was appointed State Secretary for Information, and M. Azouz Rabai State Secretary for Youth.

Of the 17 Ministers and State Secretaries, only one—Dr. Materi—was an Independent. All the other 16 belonged to the Néo-Destour, representing the party organization proper, the U.G.T.T., and the Union of Craftsmen and Traders.

Party representatives were the Premier himself (president of the Néo-Destour), M. Behi Ladgham (secretary-general), M. Mehiri (deputy secretary-general), and M. Rabai (leader of the youth movement), whilst MM Mongi Slim, Hedi Nouira, and Masmoudi also belonged to the party leadership Representatives of the U G.T.T. were M Fillali, M Khiari, and M. Chabdi, whilst M Abassi was closely connected with the U G T.T before he joined the Tahar Ben Ammar Cabinet. The Union of Craftsmen and Traders was represented by M Ferdjani Ben Hadj Ammar and M Barouch, the latter, like his prececessor as Minister of Town Planning and Construction (M. Albert Bessis), representing at the same time the Tunisian Jewish community All Ministers are members of the Constituent Assembly except M. Béchir Ben Yahmed, who, being under 30 years of age, is not yet eligible.

Members of the Tahar Ben Ammar Cabinet who retained their portfolios were M Hedi Nouira, M Ladgham, and M. Abassi. M Mongi Slim and M Masmoudi, who had been Ministers of State in the first Tahar Ben Ammar Government, and as such had been members of the Tunisian delegation which negotiated the Franco-Tunisian conventions of 1955, relinquished the portfolios of the Interior and of National Economy respectively which they had held in the second Tahar Ben Ammar Cabinet Of the other Ministers, M. Materi (58), the oldest member of the Government, had been Minister of State in the Chenik Cabinet; one of the founders of the Néo-Destour, of which he was president until 1938, he had left that party owing to a disagreement with M Bourguiba M. Béchir Ben Yahmed, the youngest member of the Government, was founder and director of the French-language weekly *l'Action*.

M. Djellouli Farès (Néo-Destour), Minister of Education in the second Ben Ammar Cabinet, was unanimously elected President of the Constituent Assembly on April 17, in succession to M. Bourguiba.

Constituent Assembly's Resolution on Tunisian Sovereignty.

The Constituent Assembly adopted on April 13 Article 1 of the new Tunisian Constitution, which read as follows:

"Tunisia is a free, independent, and sovereign State, Islamic in religion and Arabic in language. Sovereignty, which will be defined in the new Constitution, rests legally with the Tunisian people. The State assures freedom of religious belief and the protection of religious expression, in conformity with the spirit of the law."

It was commented in the French Press that this declaration implied the end of the absolute monarchy in Tunisia, and that it reserved a special place for the Mohammedan religion.

Franco-Tunisian Agreements on Public Order.

Two agreements on public order, amending the existing protocol on the subject, were concluded by M. Seydoux and the Tunisian Government during the latter months of 1955.

The first, signed at the beginning of October, aimed at strengthening the co-operation of the *caïds* with the local representatives of the French High Commissioner, who remained responsible for public order during the two-year period as provided in the 1955 conventions. The second agreement, announced on Dec. 8, provided for the formation of a new Tunisian police force in Tunis and an increase in the number of the auxiliary police forces at the Government's disposal in the rest of the country.

Franco-Tunisian Economic and Financial Agreements.

Three protocols dealing with the Franco-Tunisian Customs Union, the exchange system, and shipping were signed on Dec. 28, 1955, by M. Seydoux and M. Tahar Ben Ammar. The main provisions of the agreements, which had been drawn up as the result of negotiations between M. Hedi Nouira, the Finance Minister, and M. de Wailly, the French Inspector-General of Finance, were as follows:

Customs Agreement. (1) The same Customs duties and regulations would be in force in both countries, and could be changed only by mutual agreement wherever the changes proposed by one party affected the other's interests.

(2) No restrictions would be imposed on freedom of trade inside the Customs Union, except in the circumstances mentioned below

(3) Measures might be taken to prevent "dumping," if this practice seriously threatened the interests of one of the parties

(4) Either party might impose trade restrictions to protect morality, order, public health, animal health, or trademarks, or to ensure the application of regulations relating to the quality of goods, after consultation with the other, or without such consultation in cases of emergency.

(5) Any difficulties arising from the application of the agreements would be submitted to a mixed Franco-Tunisian commission, meeting alternately in Tunis and Paris, which would make recommendations to the two Governments.

Agreement on Exchange. This protocol defined the conditions in which French legislation on foreign exchange and foreign commerce would apply to Tunisia, and the responsibilities of the delegation of the French *Office des Changes* in Tunis

Agreement on Shipping. (1) Maritime transport between French and Tunisian ports would be carried only in ships flying the flag of either country.

(2) The French Government undertook to assist in the formation of a Tunisian merchant navy, and in the training of its officers.

Discovery of "Youssefist" Conspiracy.

The Néo-Destour congress, which met from Nov. 15-21, 1955, confirmed the expulsion of M. Salah Ben Youssef from the party; approved the Franco-Tunisian conventions, which he had denounced; re-elected M. Bourguiba as president; and elected M. Ladgham as secretary-general.

M. Salah Ben Youssef, however, who refused to recognize his expulsion or his removal from the post of secretary-general, had previously announced on Oct. 30 that he would form branches of the "general secretariat of the Néo-Destour." A number of clashes between "Bourguibists" and "Youssefists," in which several people were killed, occurred during the next three months. Following the Government's decision on Jan. 11, 1956, to refuse permission for the holding of a congress of "Youssefists," M. Salah Ben Youssef declared in a press statement on the same day that he would "wage war" on M. Bourguiba, whom he described as "the supreme traitor," and on the Tunisian Government, which he described as "that band of robbers and murderers."

The Tunisian Government and the French High Commissioner's Office jointly announced on Dec. 19 that a "dangerous association of malefactors" had been discovered, that 42 people had been arrested, and that a store of arms and ammunition had been seized. A Government spokesman stated on Jan. 31 that two suitcases containing arms and incriminating documents had been found on Dec. 16 during a search of the house of a prominent "Youssefist." The documents showed that a terrorist organization, branches of which were being set up all over Tunisia, existed to resist the application of the Franco-Tunisian conventions; that it was planned to murder M. Mongi Slim (Minister of the Interior) and 148 other leading members of the Néo-Destour; and that 200 armed commando groups were to be formed.

A warrant for M. Salah Ben Youssef's arrest on a charge of treasonable conspiracy was issued by the Tunisian Government on Jan. 28; however, when police arrived to search his villa in Tunis he had escaped, although a store of weapons and uniforms was found Of his followers, 115 were arrested between Jan. 28 and Feb. 1, and on Feb. 2 the Bey approved a decree setting up a special High Court, against whose verdicts there would be no appeal, to deal with crimes and conspiracies against the internal security of the State. M. Salah Ben Youssef arrived on Feb. 5 in Tripoli, and was granted asylum as a political refugee by the Libyan Government.

Renewal of Rebel Activities and Terrorist Acts. - Franco-Tunisian Counter-measures.

A revival of *fellagha* activities on an organized scale, in co-operation with the Algerian insurgents (who had made repeated raids into Tunisia since September), occurred during the second half of January, thus confirming the evidence supplied by the captured "Youssefist" documents that an armed rising was in preparation.

About 600 Tunisians and Algerians, organized in over 20 bands of varying sizes, were believed to be operating at the end of January, both on the Tunisian-Algerian frontier and in the interior, and in the Gafsa area alone 49 *fellaghas* were killed and 30 captured in six encounters during the period Jan. 1-25 Although some of the *fellagha* bands were believed to be mere brigands, others were known to be connected with the "Youssefist" movement; these included a band of about 100 men commanded by Tahar Lassoued, who had played a prominent part in the previous *fellagha* revolt against the French in 1954, and who called himself (in leaflets signed by him) "General Commandant of the National Tunisian Army of Liberation," and a band of about 50 men in the Mezzouna district led by Mosbah Ennifer, who had likewise fought in the previous *fellagha* revolt. During the French counter-operations Mosbah Ennifer and two other *fellagha* leaders were captured, and a fourth surrendered, on Jan. 25

In view of continued *fellagha* activities in Southern Tunisia during February and early March, French troops, several battalions strong and supported by artillery and aircraft, launched an offensive on March 10 in the Matmata Mountains, near Médenine, where a Berber tribe had recently joined the rebels. The French military authorities announced on March 23 that the rebels had lost about 100 killed and captured in a series of engagements during March 14-17, and that 86 more had been killed and 26 captured in further operations since March 20. Following another French encircling operation east of Gafsa, in which Tunisian mobile police forces also took part, further clashes with the rebels were reported during the first half of April in the mountains south of Tozeur and in the Gafsa area, in which over 20 *fellaghas* were stated to have been killed, whilst the French forces lost two killed and three wounded.

Terrorist acts against individual Frenchmen and Néo-Destour members also increased during February and March.

Some of the worst incidents were the throwing of a bomb into the European canteen of a mine at Redeyef, in which two French soldiers and an Italian miner were killed and 11 (including seven French soldiers) wounded, some of them seriously (Feb. 11); the murder of two French farmers near Medjez-El-Bab (March 7); the assassination of M. Hussein Bouzayane, secretary-general of the Néo-Destour federation at Gafsa and professor of Arabic Culture at the Grand Mosque in Tunis, who had been elected the previous day to the Constituent Assembly (March 26); the murder of three French civilians by *fellaghas* who stopped a number of motor-vehicles on the road from Sidi-Bou-Zid to Gafsa (April 3), and the murder of the wife and child of a local Néo-Destour leader at Moularès (April 9).

In order to support the police "in fighting urban terrorism and banditry in the countryside," the Government announced on March 6, after discussions with M. Seydoux, that "vigilance committees" were being formed in Tunis as well as in the towns of the interior. Earlier, on Feb. 15, it had been announced

that in view of the insufficient strength of the police in the capital a special night-watch committee had been recruited from 500 members of the Néo-Destour youth movement and Moslem scouts.

M. Mongi Slim (then Minister of the Interior), in a broadcast on March 28, strongly condemned the renewed terrorist activities; declared that the Government would take severe measures to suppress terrorism; and stated that no one who committed terrorist crimes after March 20 (the date of the French recognition of Tunisian independence) could hope to benefit from any amnesty or pardon that might be granted later on.

Speaking in the Constituent Assembly on April 13, both M. Bourguiba and M Mongi Slim rejected a proposal made by certain deputies from Southern Tunisia that the Government should appeal to the rebels to lay down their arms. The Ministers declared that persons committing terrorist acts would be punished without pity, whilst those who had joined the *fellagha* bands would be offered clemency if they returned to normal life within a week, after which repressive measures would be taken against everyone who continued to support the rebellion After the Ministers' statements the Constituent Assembly adopted a motion stressing the need for preserving order and restoring peace and asking the Government to take the necessary measures to assure speedily the return of general security, order, and protection by the State.

The Tunis Riots.

The murder of the two French farmers near Medjez-El-Bab on March 7 aroused strong feeling amongst the French community. After their funeral in Tunis on March 9, a crowd of about 700 or 800 French settlers, including many students, assaulted M. Seydoux, who had spoken at the ceremony, and stoned his car. They then marched through the city shouting anti-American and anti-Jewish slogans, sacked the U.S. Consulate-General and the U.S. Information Office, where they caused damage estimated at over $30,000, and attacked the offices of two nationalist newspapers before being dispersed by the police, who had to use tear-gas. During the attack on the offices of the Néo-Destour organ *Al Amal* one of the rioters was shot dead by two Tunisian members of the staff guarding the building, whereupon the mob stoned the building and attacked the two Tunisians, who were seriously injured.

A Tunisian Government spokesman strongly criticized the conduct of the Tunis police, who, he said, had made no attempt to interfere until the rioting had continued for three hours, and some of whom were alleged to have taken part in it. As a result of Tunisian demands for sanctions against certain police officers who had failed to transmit orders which would have prevented the riots the French High Commissioner announced on March 15 that four senior police officers had been relieved of their duties

Population Census.

The results of a census held in connexion with the preparation of electoral registers and the delimitation of constituencies were published on Feb. 27. They showed that the total population of Tunisia was 3,800,000, of whom 3,430,000 were Tunisians, and that the population of the city of Tunis was 680,000. At the previous census in 1946 the total population had been 3,231,000.—(Le Monde, Paris - Le Figaro, Paris - Times - New York Times) **(Prev. rep. Franco-Tunisian Conventions, 14408 C; 14289 A; Cabinet, 14427 A; Salah Ben Youssef, 14512 C.)**

A. NYASALAND. — Legislative Council Elections.

The first elections to be held in Nyasaland, for the five African and six non-African unofficial members of the Legislative Council, took place on March 15. The six non-Africans returned were all Europeans, the two Indian candidates being defeated, whilst three of the Africans returned were members of the Nyasaland African Congress, which advocates the withdrawal of Nyasaland from the Rhodesia and Nyasaland Federation.

A Bill providing for the implementation of the recommended changes in the constitution of the Legislative Council (see 14311 C), and for the appointment of a commission to draw up a voters' roll of non-Africans and divide Nyasaland into six constituencies, had been passed by the old Legislative Council on Sept. 6, 1955.—(Federal Information Department, Salisbury) **(Prev. rep. Nyasaland, 14311 C.)**

B. COUNCIL OF EUROPE. — Admission of Austria to Membership.

At a meeting of the Committee of Ministers of the Council of Europe held on April 16, the opening day of the eighth ordinary session of the Council's Consultative Assembly, Austria was formally admitted to membership of the Council after Dr. Figl, the Austrian Foreign Minister, had handed over the official documents embodying her decision to adhere. (Council of Europe, Strasbourg) **(Prev. rep. 14762 C.)**

C. UNITED KINGDOM.—Steel Industry. - Production Statistics. - Plant Expansion Schemes. - Denationalization of South Durham Steel and Iron Company. - Progress of Denationalization.

Production of steel and pig-iron in the first quarter of 1956 established new records, as shown by the detailed figures given below, with 1955 figures for comparison:

	1956		1955	
	Weekly Average Tons	Annual Rate Tons	Weekly Average Tons	Annual Rate Tons
Steel Ingots and Castings.				
January	405,200	21,069,000	380,600	19,789,000
February	417,800	21,724,000	394,200	20,498,000
March	425,800	22,141,000	394,900	20,536,000
First Quarter	416,400	21,651,000	390,300	20,295,000
Pig-Iron.				
January	260,700	13,558,000	236,400	12,292,000
February	263,300	13,692,000	241,700	12,567,000
March	262,000	13,624,000	240,700	12,516,000
First Quarter	262,100	13,630,000	239,700	12,463,000

Steel production in March was the highest recorded for any month.

Developments in recent months in connexion with the iron and steel industry are summarized below:

Plant Expansion. It was announced on Feb 8 that Bairds and Scottish Steel Ltd. would shortly begin work on a development scheme intended to increase the output of its Gartsherrie (Coatbridge) ironworks from 150,000 tons of pig-iron annually to 350,000 tons The project, expected to cost about £6,000,000, included two modern blast furnaces, new ore-stocking, sintering, and screening plants, and the doubling of the present number of coke ovens

On March 12 it was announced that the Iron and Steel Board had approved plans for the erection by the English Steel Corporation, at a cost of £15,000,000, of a new steelworks at Sheffield for the manufacture of very heavy castings and forgings, as well as of laminated and spiral springs for the automobile industry.

The chairman of the Steel Company of Wales (Mr. H Peake) stated on Feb. 15 that the second stage of the company's development plans, costing approximately £54,000,000, was expected to come into operation during 1956

Denationalization of Steel Undertakings. The second annual report of the Iron and Steel Holding and Realization Agency, covering the year ended Sept 30, 1955 and published on Jan 30, 1956, stated that during the year a further 15 steel undertakings had been sold for about £74,000,000. The number of undertakings sold was thus brought up to 28 and the sum realized to about £152,000,000, or almost exactly half the total of the net assets taken over by the Agency in 1953, plus the further investments made or contracted for by it since that year The excess over book values realized by the Agency's sales was about £4,000,000.

Details of sales by the Agency during the first quarter of 1956 are given below:

(*a*) The whole of the issued share and loan capital of the South Durham Steel and Iron Company, viz., 8,000,000 £1 Ordinary shares (offered at 27s 6d each) and £3,000,000 5½ per cent Debenture stock 1976-81 (offered at £97 per cent). Both offers were over-subscribed, and it was announced on Jan. 27 that about 25,400 applications had been received for a total of 8,500,000 Ordinary shares (including 900 applications from employees and former shareholders, who had been promised preferential treatment), and 2,370 applications for a total of about £5,500,000 Debenture stock (including 170 from former stockholders).

All preferential applications for Ordinary shares were accepted in full, as were applications from the general public for up to 10,000 shares, larger applications being accepted as to about 60 per cent Preferential applications for up to £10,000 Debenture stock were accepted in full, and larger ones as to about 60 per cent, public applications were accepted in full up to £2,000, and as to 40 per cent above.

(*b*) It was announced on Feb 22 that the Agency had sold the capital of the Patent Shaft and Axletree Company for £900,000 to Cammell, Laird and Co and the Metropolitan-Cammell Carriage and Wagon Co, which had taken 75 per cent and 25 per cent of the shares respectively. Prior to nationalization the Patent Shaft and Axletree Co was wholly owned by the Metropolitan-Cammell Co., which received £892,500 compensation when the Patent Shaft Co. was taken over.

(*c*) The sale of the entire share and loan capital of the Briton Ferry Steel Company for £2,300,000 to Duport Ltd., the Staffordshire engineers, was announced on April 7. The compensation paid to the Briton Ferry Co's shareholders on nationalization had amounted to £1,630,996.

(*d*) On Feb. 16 it was announced that Tube Investments Ltd. had purchased from the Agency the whole of the issued share capital of the Park Gate Iron and Steel Company, the purchase price of £5,600,000 including repayment of a loan of £3,750,000 received by the Park Gate Co. from the Agency.

Sir Ernest Lever, president of the British Iron and Steel Federation, stated on March 20 that about 1,000,000 tons more steel were expected to be available for the home market in 1956 than in 1955, the increase being principally in steel sheets and tinplate. It was estimated that by 1958 steel output would be almost double the output in 1945.—(Times - Daily Telegraph - Financial Times) **(Prev. rep. 14648 A; 14206 B.)**

A. FRANCE. — M. Guy Mollet's Criticisms of Western Policy. - Interview with U.S. Magazine.

M. Guy Mollet, the French Prime Minister, made an important statement on the French Government's views on international policy in an interview with the American weekly *U.S. News and World Report*. The most important point he stressed was that in the French Government's view first priority in the discussions with the Soviet Union should not be given to German reunification but to disarmament, which, if successful, would then create the necessary atmosphere for a solution of the German question. He also criticized what he called the "erroneous methods" pursued by the Western Powers, especially the U.S.A., in the Far East with regard to the distribution of aid to under-developed countries, and the U.S. attitude towards the Algerian problem. The following is a summary of the principal points of the interview, translated from the full text published in *Le Monde* on April 4.

After saying that he could not at present answer the question whether there had been a real change of policy in the Soviet Union, or just a change in tactics, M Mollet declared that it was important to bear in mind that Russia was "a country like others, with both internal problems and problems of foreign policy": that she had to think of her internal requirements, of China, and of the satellite countries, and that, through the action of the Western Powers, what was merely strategy today might become a policy tomorrow Replying to the further question as to whether a real peace was possible with the present Soviet Government, or whether he thought that the same struggle had to be expected as before but only in new forms, M. Mollet declared "One should not start by accepting the idea that the existence of governmental systems which do not suit us must lead to war—otherwise the whole world would always find a justification for war"

In reply to the question whether he regarded the threat of Soviet military aggression as past, M Mollet said . "I have never believed in the existence of this menace, and I have not changed my views I do not believe that a world war would be in Russia's interest and that the Russians want it, because their technicians, strategists, and economists could not consider such a war without fear. They might win the first battles but they would know well that there was a good chance of their losing the war. Moreover, their people have gone through hard trials during the last war. Whether Russian expansionist tendencies are still the same we do not know But we do know that if our attitude is positive, Russia's policy might undergo an evolution."

When asked whether he meant that the West would no longer need to maintain such large armed forces if the Russians did not intend to start a war, M. Mollet replied : "Certainly not. It is not a question of reducing our forces unilaterally if Russia does not reduce hers . . Russia, as I said before, cannot envisage an aggressive war because at present her strategists and economists might consider that she stands a risk of losing it. If we, however, relax in our defences they could envisage war. Therefore disarmament must be either universal or not at all"

He continued . "The basic principles of our foreign policy remain unchanged. We continue to be determined to defend liberty wherever it is menaced, to make our contribution to that defence, and to hope to obtain the co-operation of others in this defence But we try to induce our associates of the Atlantic world to change their direction and to organize this defence in a better way. The way in which the Western Powers have acted during these last few years has not been a particularly happy one. . .

"At the last Geneva conference in November the four Foreign Ministers limited the discussions between East and West to three questions, and said that numbers one and two were the unification of Germany and European security, whilst they gave disarmament third place. Our Government believes that this way of approaching the question was wrong. This is not only a Socialist view but a view which should be shared by every Government concerned with European unity. . . We do not know whether the Russians want Germany's reunification. It is even possible that they do not want it, but one thing is certain . if there is a chance that the Russians want to see Germany unified, this chance cannot really be envisaged except within the framework of general world-wide disarmament It is difficult to see Germany's unification in a period of rearmament, especially in the heart of Europe, which presents itself to the Russians—in spite of very important and concrete security guarantees offered by the Western Powers—as a Germany unified, rearmed, and entirely integrated in the Atlantic Pact. It is certain that if we take the trouble of putting ourselves in the place of the Russians such a solution is hardly conceivable for them On the other hand, if we begin to solve the question of general disarmament, the problem of European security becomes much easier . . . and, within the framework of security, Germany's reunification, in turn, will be much easier to realize."

Asked whether he thought that the conclusion of an agreement on general disarmament would entail Germany ceasing to be a member of NATO, M. Mollet answered : "There is no question of demanding that Germany should cease to belong to a security organization. Under the Franco-British disarmament plan each country would continue during the first stage to adhere to its present alliances—the Western countries to NATO and the Eastern countries to the Warsaw Pact—but the armed forces and armaments of each country would be restricted to an agreed level. Once such an agreement has been concluded, the number of troops provided for Germany would become totally different. . . In that event international negotiations might well induce Russia to accept free elections in Germany, and in the course of such negotiations Germany's status *vis-a-vis* the security organizations could be modified. I do not say that this implies that Germany would renounce her membership of NATO, but it would become possible to discuss the matter."

Replying to the question how he conceived the future status of a unified Germany within Europe, and whether Germany could then be a partner in a European Union, M Mollet declared : "Certainly ; within a European Union there is room for a unified Germany, just as there is for a German federal army. But one thing is clear, namely, that it will be much easier to integrate Germany, whether unified or not, in Europe—economically, socially, and perhaps even politically—if one looks at the matter within the framework of disarmament. If it is a question of having a completely rearmed Germany, its integration in Europe raises such problems that the possibilities of German reunification are thereby considerably diminished."

In answer to questions about the future of NATO, the French Prime Minister declared that its continued existence was "a necessity," adding . "I have spoken of the need to conceive a new way of approaching the question of the relations between East and West. This new way is only thinkable if there exists a solid and strong West One can only negotiate if one is strong" As to the question whether NATO should remain principally a military organization or whether it could be developed into an economic and political organization, M. Mollet said . "I have the firm hope that a decision will be taken to carry out Article 2 of the Atlantic Pact, and that we will make a start in setting up an economic community. To think of a political community might go too far ; we cannot go beyond the economic and social spheres, but in these matters we can go pretty far." Dealing with the question how long the American troops should stay in Europe, M Mollet replied · "I hope that they will stay as long as possible. If, in 1914 or in 1939, only 10,000 American soldiers had been on the Rhine—even with their hands in their pockets and without arms—neither William II nor Hitler would have started a war."

Asked about his opinion on the U.S. approach to disarmament, especially the U S. view that before discussing the reduction of conventional forces it was necessary to put into effect President Eisenhower's "open sky" plan and other controls, M. Mollet declared · "The Russians have different ideas, and that is why the Franco-British plan tries to bring about a synthesis of all these propositions. It is not certain that the Russians will reject an overall plan of this kind, but what is certain is that they will continue to speak of disarmament as the first necessity. The scepticism of our American friends, however, is such that they just say 'no'. Each time the U S A. says 'no' we lose a battle for world opinion. People then think 'Well, it is Russia after all which wants peace, and the U.S A. which does not.' You in the United States suffer much less from this than we do in France, Italy, and elsewhere in Europe In Europe the essence of all Communist propaganda—which has nothing in common with real Communism but is propaganda based on a false pacifism—is that it is only the Communists who really want peace. They pretend to be pacifists and it is on this assumption that people vote for them."

After saying that it was a "psychological error" to say—as the Americans did—that control was impossible, and at the same time to propose to throw open the entire world to aerial reconnaissance, M. Mollet emphatically denied that M. Pineau's recent statement could be interpreted as meaning that France wished to become a "connecting link" between East and West If that were the case, M. Mollet said, it would "presuppose that France has ceased to belong to the West. The correct position is that within the Western world, and amongst her friends and allies, France hopes to have new tactics accepted; but to say that France wishes to become a 'bridge' between East and West is certainly completely wrong."

After declaring that during their forthcoming visit to Moscow in May he and M. Pineau would not only discuss specific Franco-Soviet problems but would also "try to sound Russia about her true intentions," M Mollet reiterated that "no-one can put in doubt our fidelity to the West." Replying to a further question about the meaning of M. Pineau's remarks on the need for a change in Western policy, M. Mollet declared : "What he wanted to say is what I have just said. We have all committed an error of method. I have quoted two examples—Germany and disarmament—and I will quote a third—the Far East. If one compares the attitude of the Russians to ours, it certainly does not mean any rupture of the Atlantic Alliance if we say that the tactics followed by the Western Powers have not been good and continue not to be good. In fact, perhaps it will reinforce the common Western front if we make an effort to prevent the West from committing further errors.

"If one works out what the Western Powers have done to aid the under-developed countries, one arrives at gigantic, fantastic sums. In contrast, what has Russia promised ?—one hospital. But if you go into it you will see that M. Khrushchov's journey and his promise of one hospital have made a resounding impression in India and the whole Far East. People say 'This country is truly generous in being willing to share its last morsel of bread with us'—a phrase which comes from M. Khrushchov himself. We in the West, however, are considered to be terrible colonialists in spite of everything we have distributed. Why ? Because we do not know how to make known what we are doing, and because we do it badly, because our Anglo-Saxon friends, and particularly the Americans, do not know the old Latin proverb, 'the manner of giving is worth more than what one

gives.' And in this way they have brought it about that in those areas, as well as in the rest of the world, they have made themselves detested each time they have given a present."

Dealing with the reasons for this antagonism, M. Mollet said . " This had nothing to do with the attitude of the State Department, but was a result of the fact that the underlings distributed the aid in a high-handed way by accompanying it with good advice. Each and every one of them was more or less a preacher and said more or less what should be done, like a big brother. One cannot, however, make friends in this manner. . . . The second point is that it is better to give less without demanding anything in exchange, than to give much if at the same time one demands a counterpart, whether big or small. If you attach political or commercial conditions, you are lost and have given nothing.

" Moreover, you are doing this at a time when Russia and the Eastern bloc are on the point of launching a gigantic effort, and when the new phase of the conflict between them and us is becoming an economic one. During that phase the Russians will try to gain the Far East, and then the Middle East, and then Africa, by generous offers, completely disinterested—that is, at least, what they say—whilst each one of us in the West, and you particularly, continues to be led astray in isolation, often even competing with each other. To show you what I mean you need only look at what is happening in the Arab world, where each one of us, anxious to defend his oil, is about to set fire to the entire Middle East. The Socialist-directed French Government does not have the slightest intention of breaking its alliance with Britain and America, but it intends to tell them both that if we continue in this way we shall lose the game "

Asked how he thought aid to the under-developed countries should be given, M. Mollet replied · " The first condition is that it should not be distributed unilaterally, but in common. A good method would be to do it through the intermediary of the United Nations Why does one not apply the famous Point Four, or, better, why does one apply it so wrongly ? "

Answering a question about the reasons for widespread French criticism of the American attitude towards the Algerian problem in recent weeks, M. Mollet declared that certain Americans " understand nothing about the North African problem." He continued : " There is a tendency in American public opinion to condemn systematically and in an over-simplified way colonialism with a capital C. The French, knowing this, . . . are very irritated because they know that what is said of French colonialism is quite incorrect and grotesque. More or less every Frenchman has in Algeria a parent, a cousin, or a friend who is a small *fonctionnaire*, worker, employee, doctor, or chemist. He knows very well that his cousin is not a ' colonialist '. Therefore when he hears the Americans speak as if there were real slavery he becomes wrathful about the Americans. Moreover, it should be remembered that a certain number of subordinate American officials in France do not behave very well. . . ."

Replying to the question of how much of the responsibility for the present difficulties in French North Africa was due to the French and how much to U.S. or Egyptian policy, M. Mollet declared : " Responsibility falls essentially on France—not the France of today but that of the last 200 years . . . . but we no longer have time to look for those responsible. The time has come when, faced with a definite situation, we must see how to solve the problem. And it is for that reason that I have severely criticized our allies. It is not enough to say that it is above all France's fault and then to declare . ' France should extricate herself ' France will not be able to extricate herself alone, and her failure to do so would not only have repercussions for France. . . . If our allies start by saying that they are faithful to the Atlantic Pact, which explicitly covers Algeria, and that Algeria's security is of interest to them in the same way as it is of interest to France, then things would not go so badly."

After expressing appreciation of a statement made by the U S. Ambassador in Paris (Mr. Dillon) on March 20, in which he welcomed the new liberal French policy in Algeria, the Prime Minister declared, however, that such a statement alone was not sufficient unless certain very clear kinds of aid were given For instance, it was extremely irritating that if urgent French orders were placed for goods of a military character such as helicopters, which would considerably help in overcoming the difficulties, the first deliveries did not arrive until a year later.

In conclusion, M. Mollet denied that Communist influence in Algeria was considerable. Although Communists had tried to gain influence over the guerrillas, they had been expelled from almost all their positions because the Moslems did not want to have anything to do with them. On the other hand, it was clear that the organizational methods of the rebels were derived from Communist tactics, such as the political commissars attached to the guerrillas. Military measures, M. Mollet declared in reply to further questions, were indispensable to restore order, but they were not enough. They could restore confidence amongst the Moslem population against terrorization and intimidation by the guerrillas, but, he added " We must show the Moslem population not only the determination of France not to allow herself to be expelled from Algeria, but also the wish of France to change the former state of affairs. We must do two things at the same time—proceed with immediate reforms, and restore order."

M. Mollet's statement that agreement with the Soviet Union on disarmament should have priority over German reunification met with strong criticism in Western Germany, an official comment being issued by the Federal Foreign Ministry on April 4.

The statement recalled that previously there had been complete agreement between the German Federal Government, France, Britain, and the U.S.A. that there was no prospect of disarmament until the way had been opened up by German reunification and a satisfactory general security system. " The head of the French Government," the statement went on, " now describes the common policy of the three Western Powers as wrong, and says that disarmament must precede the solution of the problem of German reunification This seems to indicate a certain readiness to accept the Russian view on the order in which these questions should be settled. The Federal Government will not allow any doubts to arise about the fact that it does not share this view. No German Government will seriously discuss proposals which seek to bring about the relaxation of tension on the basis of a recognition of the division of Germany, or the tacit acceptance of such a division, even temporarily. The Federal Government believes that any other attitude on its part would be dishonest and therefore no contribution to peace Agreement on disarmament can only make sense and be effective if the actual causes of tension are removed Only thus can the political and psychological conditions be created for the renunciation of the arms race by all concerned "

Stressing that neither disarmament nor a relaxation of tension could be brought about " at the expense of the most elementary freedom of the German people," the statement took particular exception to M Mollet's view that Germany, " whether united or not," must be integrated into Europe It pointed out that the " tireless efforts of the Federal Government to create a United Europe " were " based on the understanding that the place taken today by Federal Germany would tomorrow be occupied by a united Germany "

It was announced in Paris on March 2 that M. Mollet and M. Pineau had accepted a Soviet invitation to visit Moscow and would leave for the Soviet Union on May 14.—(Le Monde, Paris - U.S. News and World Report - Frankfurter Allgemeine Zeitung) **(Prev. rep. M. Mollet, 14681 A ; M. Pineau, 14752 A.)**

A. UNITED STATES. — Presidential Election System. - Proposed Reforms rejected by Senate.

A number of proposed constitutional reforms designed to revise the electoral college system by which the American Presidents and Vice-Presidents are elected, in order to make the electoral vote more accurately reflect the popular vote, were rejected by the Senate on March 27.

At present, after the popular vote has taken place, the President and Vice-President are formally elected by an electoral college composed of members from each of the 48 States, each State having as many electoral votes as it has members in the U S. Senate and House of Representatives ; the number of electoral votes consequently varies from three in the least populous States, such as Nevada and Wyoming, to 45 in New York. The candidate receiving the majority of popular votes in each State automatically receives all the electoral college votes from that State, even though his popular majority may have been only one.

The various amendments designed to alter this system, their principal sponsors, and the voting, were as follows :

(1) The electoral college votes of each State should be apportioned to the three top candidates for President in a ratio based on their share of the popular vote. Alternatively, State legislatures should have the option of having the members of the electoral college from their State selected in the same way as Senators and Representatives (i.e. two elected by State-wide popular vote like Senators, and the remainder on the basis of popular majorities in each Congressional district like Representatives.) Proposed by Senator Price Daniel (Dem , Texas) and approved by 48 votes to 37—i.e by less than the required two-thirds majority.

(2) The electoral college system should be abolished. Presidential nominees should be selected in a nation-wide primary, and the President then elected by nation-wide popular vote. Proposed by Senator William Langer (Rep., North Dakota) and defeated by 69 votes to 13. An alternative proposal, providing for the direct popular election of Presidents, but without the national primary, was put forward by Senator Herbert H Lehman (Dem., New York), but was also defeated by 66 votes to 17.

(3) Each State should have two electoral votes on the basis of its popular majority in the Presidential elections, whilst the remaining 435 national electoral votes should be divided in proportion to the nation-wide popular vote. Proposed by Senator Hubert H Humphrey (Dem., Minnesota) rejected by voice vote

(4) Senator Daniel's proposal should be amended so as to make the electoral vote of each State depend on the percentage of its eligible voters who went to the polls in the previous election. Proposed by Senator Clifford Case (Rep., New Jersey) , defeated by 66 votes to 20.

In order to be adopted, a constitutional amendment must be approved by a two-thirds majority in each House of Congress and then be ratified by three-quarters of the States.
(New York Times) **(Prev. rep. Previous Constitutional Amendment, 13606 E.)**

B. POLAND - EGYPT. — Establishment of Embassies.

It was announced in Warsaw and Cairo during March that the Polish and Egyptian Governments, " taking into consideration the successfully developing co-operation and friendship between the two countries," had decided to raise their respective diplomatic missions in Cairo and Warsaw to the status of Embassies. (Polish Embassy, London)

APRIL 21—28, 1956

A. SOVIET UNION - EASTERN EUROPE. — M. Khrushchev's Attack on Marshal Stalin and Stalinist Policy. - Reactions in Soviet Union and Communist Countries. - Pro-Stalin Demonstrations in Georgia. - Release of Political Prisoners in Soviet Union, Poland, Bulgaria, Hungary, and Czechoslovakia. - Posthumous Rehabilitation of Bela Kun, Kostov, Rajk, and other Executed Communists. - M. Yugov succeeds M. Chervenkov as Prime Minister of Bulgaria. - Dismissal of Polish Security Chiefs and Czechoslovak Defence Minister.

At a secret session of the Soviet Communist Party congress held on Feb. 25, M. Khrushchev presented a lengthy report strongly attacking many aspects of the policy of the late Marshal Stalin. Although the report was not published, its main features were gradually revealed during March in the speeches of foreign Communist leaders who had attended the congress, and in articles published in the Soviet and foreign Communist Press. These made it clear that Stalin had been accused, *inter alia*, of abusing his powers as party leader to make himself supreme, of permitting the execution or imprisonment on false charges of loyal Communists who had opposed him; of mistakes in agricultural policy; of failure to prepare for the German invasion; of blunders in strategy; and of responsibility for the break with Yugoslavia in 1948.

The fullest summary of M. Khrushchev's report was given in an article by M. Jerzy Morawski, one of the secretaries of the Polish United Workers' Party, which appeared on March 27 in the Polish Communist newspaper *Trybuna Ludu*.

M. Morawski stated that the "cult of Stalin" had originated during the period after Lenin's death, when Stalin had led the struggle against the "distortions of Leninism" by Trotsky and Bukharin, and that this "cult" had been further strengthened by wartime circumstances. Stalin had, however, abused the prestige and popularity he had gained by gradually abolishing collective leadership inside the Communist Party, and by using repressive measures against his opponents and later against "everyone who did not share his views" During the war (M. Morawski continued) "Stalin's contribution was intertwined with grievous errors which cost many lives. These painful losses were due to the fact that the danger of Nazi invasion was not detected in time, that the necessary precautions were neglected, and that during the war a number of operations were carried out on Stalin's personal orders contrary to the opinion of military experts" Owing to the "weakening of control" over the various organs of government, the security police "became independent of the party authorities and were used to consolidate the personal power of Stalin. . . Recourse was had to *provocateurs*, evidence was forged to produce false accusations, and methods of investigation were abused to bring about the sentencing of the accused. As a result, many honest people were sent to penal camps or shot" As examples of the use of such methods, M. Morawski referred to the dissolution of the Polish Communist Party in 1938 (see below), the "Leningrad case" (see 13978 D), and the "doctors' plot" (see 12869 A). All these cases, as well as the break with Yugoslavia, had arisen out of "the erroneous and anti-Leninist theory, evolved by Stalin, that in the period of the construction of Socialism the class struggle was becoming more intense."

In the Soviet Press the attack on Stalin was developed by gradual stages. The Moscow papers ignored the third anniversary of his death on March 5, and prominence was given to attacks on the "cult of the individual." The first article attacking Stalin by name, however, did not appear until March 28, when *Pravda* published an editorial entitled: "Why the cult of the individual is alien to the spirit of Marxism-Leninism." This article was reprinted in full in all Moscow newspapers and the leading provincial papers.

After declaring that the condemnation of the "cult of the individual" by the party congress had "met with the unanimous approval of the entire party and of all the Soviet people," *Pravda* continued. "The cult of the individual signifies an inordinate exaltation of individuals, attributing to them supernatural powers and qualities, making them almost miracle-workers, and worshipping them. Such incorrect conceptions of man, which are alien to the spirit of Marxism-Leninism, and particularly concerning Stalin, were cultivated here over many years." The article paid a high tribute to Stalin's contribution during the revolution and the civil war, the industrialization of the country, and the collectivization of agriculture, but added: "These great successes in building a new society . . . were incorrectly attributed to the merits of one man—Stalin—and explained by some special merits as a leader inherent in him Far from cutting short the exaltations and praises addressed to him, Stalin—not possessing personal modesty—supported and encouraged them in every way . . . sometimes even resorting to self-glorification. . ."

The *Pravda* article continued: "Stalin's disregard of the principle of collective leadership, and the frequent decisions taken by him personally, led to the distortion of party principles and party democracy, to the violation of revolutionary law, and to repression. . . . The cult of the individual helped to spread methods of arbitrary adminstration detrimental to party leadership and economic management, and instilled contempt and disregard for initiative from below. Thus, serious mistakes were made in the direction of agriculture, which made it backward in many important branches . . .

"The cult of the individual has also done much harm in the ideological sphere. . . . It was considered that only one man—Stalin—could develop and advance theory or say anything original and new, while all others must popularize his thoughts and set out his formulations. . . . Many of our historical, and especially wartime films, works of literature, and paintings are dedicated to the exaltation and glorification of Stalin . Whilst paying tribute to the services of Stalin, and soberly assessing the great contribution which he made to the cause of the revolution and to the building of socialism, the party has resolutely raised the question of eliminating the Stalin cult so as fully to establish the Leninist principles and standards of party life and State activities. . . ."

Inside the Soviet Communist Party and the Young Communist League a series of meetings were held after the congress at which the Central Committee's views on the "Stalin question" were expounded and discussed. On March 19 it was officially announced that similar meetings were also being held in factories, offices, and schools, and that M. Mikoyan and M. Pervukhin (both Deputy Premiers and members of the Presidium of the Communist Party) had addressed meetings in Moscow factories. Over 6,000 such meetings were reported to have taken place in Moscow alone by the end of March, the speakers including M. Molotov and other members of the Soviet Government.

Pravda reported on April 5 that at party meetings Communists were "criticizing those who had not abandoned their bureaucratic methods of work, exposed shortcomings, and charted concrete ways and means of quickly eliminating them" It went on to complain, however, that "some rotten elements are trying to make use of criticism and self-criticism for all sorts of slanderous inventions and anti-party assertions," and that certain party officials were "tolerating impermissible criticism of the party line under the guise of condemning one-man rule." The article mentioned by name a number of persons who had made "libellous" and "demagogic" statements at party meetings, including M. Yaroshenko (an economist whose views had been attacked by Stalin in his *Economic Problems of Socialism*), and gave warning that "the party cannot permit freedom of discussion to be interpreted as freedom to spread views alien to Marxism and Leninism."

Reactions in Georgia. - Pro-Stalinist Demonstrations by Tiflis University Students.

In Georgia (Stalin's native republic) the new anti-Stalinist policy met with considerable opposition, particularly among university students, and led to a number of demonstrations in which clashes occurred between students and the police. After the authorities of the Stalin University at Tiflis had forbidden students to celebrate the anniversary of Stalin's death on March 5, the students staged a series of protest meetings at Stalin's statue with the result that official permission was given for the holding of demonstrations on March 9—the anniversary of Stalin's funeral. The Georgian Communist newspaper *Zarya Vostoka*, which had ignored the anniversary of Stalin's death, published on March 9 a leading article praising his achievements.

The Rector of Tiflis University (M. Kupradze) subsequently told a Reuters correspondent that "provocateurs" had exploited pro-Stalinist feelings to "disrupt order in the city" and to give utterance to "nationalistic slogans." Whilst admitting that there had been some casualties, he denied that any students had been killed. He attributed the disorders to "people without occupation," the remains of "broken classes such as former kulaks," and perhaps the remnants of political parties which had not existed "for a very long time," and suggested that some of them were "embittered by the repressions of 1937," when "Georgia had suffered more than any other republic."

It was announced on March 17 that 15,000 party propagandists had been sent to Georgia to explain the new policy, whilst on March 19-20 a conference of the Georgian Communist Party was held in Tiflis at which speakers strongly criticized indiscipline among students and denounced "survivals of bourgeois nationalism." *Zarya Vostoka* reported on March 24 that the secretary of the Communist Party organization at Tiflis University had been dismissed.

Release and Rehabilitation of Victims of Purges.

The Communist Party's denunciation of the repressive measures of the Stalin regime was followed by the release of a number of persons imprisoned during the purges of the 1930's, and by the posthumous rehabilitation of a number of others who had been executed. Among those released were M. Bubnov, a former Commissar for Education and member of the Politburo, who had been imprisoned in 1937, and M. Kosarev, formerly first secretary of the Young Communist League.

The journal *Problems of History*, in an article published on April 13, rehabilitated Marshals Blucher and Yegorov and Generals Gamarnik, Antonov-Ovseyenko, Bubnov, Kamenev, Kedrov, Rukhimovich, and Unglicht, whose names, it said, had been "ignored in recent years while the cult of the

individual flourished, but who did much to strengthen the Red Army." Marshal Blucher, formerly C-in-C. in the Far East, and Marshal Yegorov, formerly a Deputy Commissar for Defence, both disappeared in about 1938, whilst General Gamarnik, also a Deputy Commissar for Defence, committed suicide in 1937 to avoid arrest as an accomplice of Marshal Tukhachevsky, who was shot shortly afterwards. General Antonov-Ovseyenko had already been rehabilitated by M. Mikoyan at the party congress (see 14745 A).

One of the first victims of the " purges " to be rehabilitated was Bela Kun, the leader of the Hungarian Communist Government of 1919. After the suppression of the Hungarian revolution he settled in Moscow as an official of the Comintern, and was believed to have been shot in 1937 as a Trotskyist. In November 1955, however, M. Rakosi (first secretary of the Hungarian Workers' Party, and a former colleague of Bela Kun) paid tribute to him in an article published in *Problems of History*, whilst on Feb. 12, 1956, articles commemorating the 70th anniversary of his birth were published in *Pravda* and in the Hungarian Communist newspaper *Szabad Nep*. It was subsequently announced in *Szabad Nep* that recent research had established Bela Kun's innocence of the charges brought against him.

Revision of Soviet Penal Code.

Details of the new Soviet Penal Code, the forthcoming publication of which had been announced by President Voroshilov at the party congress, were given in the legal journal *The State and Soviet Law* on Feb. 25 It stated that offences would henceforth be divided into five categories: offences against the security of the State and against peace, offences against public property and the Socialist economy, offences against the administration of justice, offences against individuals, and offences against military law. Spies and traitors would remain liable to severe penalties, but the death penalty would be applied only in exceptional cases. Other penalties would be deprivation of liberty for a maximum period of 10 years, " re-education through labour," deprivation of civil rights, *interdiction de séjour*, fines, and public reproof. The new Penal Code recognized the principle that an accused person would be considered innocent until he had been proved guilty.

Position of the Jewish Community.

Together with these indications of the adoption of a more liberal policy, some evidence appeared that the anti-Zionist and anti-Jewish policy pursued by Stalin in his last years was being abandoned. On April 16 M. Molotov and M. Mikoyan attended the Israel Independence Day celebrations at the Israeli Embassy in Moscow—the first occasion on which Soviet leaders had attended such a function. It was reported on April 15 that about 300 Soviet Jews had been allowed to join their families in Israel during the past two years; that a number of stateless Jews living in the U.S.S.R. had also been allowed to leave the country; that M. Lyubimov, a well-known Jewish singer, had been released from a labour camp and had given song recitals in Moscow; and that permission had been granted for the reprinting of a Hebrew prayer-book. *Problems of History*, in an article published on April 13, emphasized that Lenin had condemned anti-semitism, and admitted that his policy on the national question had been " reflected in our literature only partially and one-sidedly."

In contrast to these developments, two Jews were sentenced in Moscow on Feb. 16 to five and three years' imprisonment respectively for possessing and distributing Zionist literature, whilst in March over 20 Jews were sentenced to terms of imprisonment ranging from three to 10 years on similar charges At the second trial the accused, who pleaded " not guilty," were defended by leading Moscow lawyers, and were reported to have been given full opportunities to justify their actions.

The New York *Daily Worker* (the official organ of the U S Communist Party) stated on April 14 that many Soviet Jewish writers had been executed in the late 1940's and that Jewish culture in the U.S S R. had been practically wiped out. It expressed " strong dissatisfaction that the Soviet leaders have not offered any explanation."

Repercussions on Soviet Cultural and Scientific Life. - Resignation of Professor Lysenko. - Posthumous Rehabilitation of Dr. Vavilov.

The new " line " produced profound repercussions in many fields of Soviet cultural life, notably in historical studies, art, and science, details of which are given below.

Historical Research. *Party Life*, the organ of the Central Committee of the Soviet Communist Party, criticized on March 13 the former policy whereby many historical documents had been classified as secret, and announced that the archives of the Ministry of the Interior (M.V D.), the Foreign Ministry, and the Marx-Engels-Lenin-Stalin Institute (subsequently renamed the Institute of Marxism-Leninism) would be thrown open to *bona fide* research workers, and that all secret files would be re-examined and " unreasonably secret documents " declassified In its article of April 13 quoted above, *Problems of History* called for a fundamental re-assessment of the history of the Russian revolutionary movement both before and since 1917, and for the publication of Lenin's unpublished writings and of a new biography of Lenin " free from the imprint of the Stalin cult." This cult, it declared, had led to " the deliberate distortion of historical facts "; in particular, the importance of Stalin's role in the civil war had been exaggerated, and he had been given the sole credit for the defeat of the Nazi invasion. The article also paid tribute to a number of Soviet historians whose works had been " slandered and banned " in recent years.

Art. M Gerasimov, one of the leading painters in the U.S.S.R., wrote in the magazine *Soviet Culture* (March 27) that the " Stalin cult " had resulted in the multiplication of " pompous pictures bearing the imprint of machine production," and had led to similar results in the fields of literature, the theatre, and the cinema. A delegation of U.S churchmen which was visiting the Soviet Union at the time reported that all portraits of Stalin had been removed from the Tretyakov Gallery, the principal art gallery in Moscow.

Science. Professor Trofim Lysenko, the well-known geneticist, resigned his post as president of the Academy of Agricultural Sciences on April 9, and was succeeded in that post by M. Pavel Lobanov, hitherto a Deputy Premier; M. Matskevich succeeded M. Lobanov as Deputy Premier, whilst retaining the post of Minister of Agriculture. It was officially stated that Professor Lysenko had been released from his administrative duties to enable him to devote more time to research

The Academy of Sciences had previously ordered on April 2 the re-publication of the works of the late Dr. N. I. Vavilov, the principal opponent of Professor Lysenko's theories. Professor Nesmeyanov, president of the Academy of Sciences, stated on April 12 that Professor Lysenko's views were still generally accepted, and that Dr. Vavilov's works were being re-published because he was undoubtedly one of the Soviet Union's greatest botanists. He added that in genetics, as in other sciences, Soviet scientists believed that the development of various schools of thought should be possible, provided they were really scientific

[Professor Lysenko succeeded Dr Vavilov in 1938 as president of the Soviet Academy of Agricultural Science, and subsequently became the virtual " dictator " of Soviet biological and genetical studies, his views on these subjects being officially approved by the Stalinist regime A bitter opponent of the Mendelian theory—of which Dr. Vavilov had been a leading exponent—Lysenko propagated the view that new varieties of wheat and vegetables could be evolved by climatic, nutritional, and other environmental conditions, and that the changes thereby produced could be transmitted to subsequent plant generations. This view, though strongly opposed by many eminent Soviet and foreign scientists, was dogmatically upheld by Professor Lysenko, who denounced opponents of his scientific theories as " reactionaries " and " idealists " After Stalin's death, however, leading Soviet cultural and scientific magazines had on several occasions denounced the " monopoly " of genetical and biological studies previously exercised by Lysenko, and had increasingly criticized his theories. Dr Vavilov disappeared during the war and was believed to have died in a Siberian labour camp in 1942. The dismissal of Dr Vavilov and other prominent scientists for refusing to support Professor Lysenko's theories had been strongly criticized abroad, and led Sir Henry Dale, president of the British Royal Society from 1940-45, to resign his honorary membership of the Soviet Academy of Sciences.—See 9703 A, 9487 B.]

Repercussions in Other Communist Countries.

The " revaluation " of Stalin led to a number of far-reaching political consequences in the other Communist countries, including the resignation of the Bulgarian Prime Minister, M. Chervenkov; the rehabilitation of those executed as a result of the Rajk trial in Hungary and the Kostov trial in Bulgaria; and the release of large numbers of political prisoners in Poland, Bulgaria, Hungary, and Czechoslovakia. These developments are described below.

Reactions in Eastern Germany. - Herr Ulbricht's Attack on Stalin.

The first attack on Stalin by a non-Russian Communist leader was made by Herr Ulbricht, the East German Vice-Premier, who had lived in the Soviet Union as a refugee throughout the Nazi regime. In an article in *Neues Deutschland* on March 4 he declared that Stalin, despite his services in the building of Socialism, had done " severe damage to the Soviet State and the Soviet Communist Party " by placing himself above the party, and that he could not be considered " a classical Marxist author." Herr Ulbricht elaborated these statements in a speech on March 17.

During Stalin's later years, he said, meetings of the Soviet Central Committee and the Politburo had become rarer and wrong decisions more numerous. As a result of Stalin's theory that the class struggle increased in intensity during the building of Socialism, the security police were turned during 1936-38 against leading Communists and against those who opposed Stalin's policy, such as M. Voznessensky (the former chairman of the State Planning Commission, who disappeared in 1949). The myth that Stalin was a " military leader of

genius," Herr Ulbricht continued, had been created by Stalin himself, in passages which he had contributed to his authorized biography and to his *Short History of the Communist Party of the Soviet Union*. In 1941 Stalin had ignored warnings from three separate sources that Hitler intended to attack the U.S.S.R., and had discounted the report of a German deserter who had crossed to the Soviet lines on the eve of the attack and told the Soviet authorities that an invasion was imminent.

At a congress of the Socialist Unity Party, held in East Berlin from March 24-30, Herr Grotewohl (the East German Premier) strongly criticized the administration of justice in Eastern Germany, which, he said, had been "arbitrary and vengeful," and attacked Frau Hilde Benjamin (the Minister of Justice) and Dr. Melsheimer (the Public Prosecutor) for failure to ensure strict regard for the law and civil rights. Herr Ulbricht announced that two committees had been set up, one to safeguard collective leadership, and the other to examine and, if necessary, to revise disciplinary action taken against party members in the past.

Reactions in Poland. - Release of M. Gomulka, General Spychalski, etc. - Amnesty for Political Prisoners. - Dismissal of Security Chiefs.

M. Ochab, the first secretary of the Polish United Workers' Party, announced on April 6 that M. Wladyslaw Gomulka (see 10351 E), the former Vice-Premier, had been released from prison and restored to full civil rights. [M. Gomulka had been arrested in 1951 on charges of "Titoism."] He pointed out that M. Gomulka's release did not mean that the party now approved of his opinions, but that it was recognized that his arrest in consequence of the Rajk trial in Hungary (see below) had been unjustified. M. Ochab admitted that the security police had "brought about the arrest of many members of the Communist party and the population by means of false evidence and bribed witnesses," and that the party had "committed grave mistakes between 1953 and 1955 by tolerating the imprisonment of people alleged to be opposing our regime." After checking the evidence and trial proceedings in a number of cases, he added, "dozens of people" had been released, rehabilitated, and readmitted to party membership. Simultaneously with M. Ochab's statement, it was officially announced in Warsaw that over 20 officers had been released, among them Generals Spyehalski, Komar, and others who had been imprisoned since 1951 (see 11687) on charges of espionage.

Warsaw Radio announced on April 20 that M. Kalinowski (the Prosecutor-General), M. Zaradowski (the Chief Military Prosecutor), and General Stanislaw Radkiewicz (the Minister of State Farms, and formerly head of the security police) had been dismissed from their posts. No official statement was issued as to the reasons for General Radkiewicz's dismissal, but it was announced that MM. Kalinowski and Zaradowski had been dismissed "in connexion with the discovery of serious deficiencies which have occurred in recent years.

General Radkiewicz had been responsible for thousands of arrests while head of the security police, including the arrest of M. Gomulka and the imprisonment without trial of General Spychalski He ceased to be head of the security police in December 1954, when he was appointed Minister of State Farms

On April 22 the Polish Government announced an amnesty for all political prisoners, under which persons who had been sentenced to death had their sentences commuted to 15 years' imprisonment; sentences of life imprisonment were reduced to 12 years; sentences exceeding 10 years were reduced by one-third, and those of 10 years by one-half; and sentences of five years or under were quashed. The amnesty also quashed all sentences for non-political offences punishable by two years' imprisonment or less, and offered a free pardon to all Polish exiles who returned before July 22, irrespective of any offences they might have committed. About 30,000 political prisoners were expected to be released under the amnesty, and another 70,000 to have their sentences reduced.

The Prime Minister of Poland (M. Cyrankiewicz) announced in the Seym on April 24 that compensation would be paid to all those released under the amnesty who had been wrongfully imprisoned. He added that a special commission had been set up to help the "large number" of released persons who had been victims of "provocation, lawlessness, abuse, and undeserved repression."

It had previously been announced by a Government spokesman, in a radio broadcast, that full rights would be restored to all members of the Polish Home Army (*Armja Krakowa*), the name by which the Polish underground forces were called during the war; that all those who had been arrested and imprisoned would be released; and that efforts would be made to obtain the release of the large numbers who had been deported to the Soviet Union after the war.

The broadcast declared that every Pole who had fought against Fascism "deserves to be remembered and esteemed by the nation"; that the struggle of the *Armja Krakowa* against the Nazi invaders equalled the struggle of all other Polish underground forces, including the *Armja Ludowa* (the People's Army, i.e. the forces organized and controlled by the Polish Communist Party); and that the comradeship in arms between all who fought against Fascism provided a moral basis for "full equality of civil rights." The announcement constituted an important reversal of previous official policy, since the Home Army had been bitterly attacked by the Communist Party since the end of the war

Reactions in Poland to the anti-Stalinist developments in the U.S.S.R. were stronger and more outspoken than in most other Communist countries. A speaker on Warsaw Radio (Feb. 29) called for greater freedom of thought, and declared that "for a long time we have been spoonfed on an insipid, messy hash of slogans. . . . Today everyone must realize that he has not only the right but the duty to think and to express his thoughts . . ."

The strength of this reaction was shown by a speech broadcast by M Ochab on April 7, in which he complained that "some comrades seem to be losing their sense of balance or proportion" while indulging in criticism. M. Ochab declared that it was necessary to "separate the chaff from the grain, the constructive ideas from the rare examples of irresponsibility and hysteria," and gave warning that no attacks on the Soviet Union or on the underlying philosophy of the regime would be permitted.

While the Soviet Communist Party congress was still in progress, a joint statement was issued on Feb. 19 by the central committees of the Polish United Workers' Party and the Soviet, Italian, Bulgarian, and Finnish Communist parties admitting that the dissolution of the pre-war Polish Communist Party by the Comintern in 1938 had been unjustified. The statement said that it had now been ascertained that the charge that "hostile agents had widely penetrated into the ranks of the party leadership," which had provided the grounds for the party's dissolution, had been "based on material forged by *agents-provocateurs* who were later unmasked."

Reactions in Bulgaria. - M. Chervenkov resigns Premiership. - M. Anton Yugov appointed Prime Minister. - Posthumous Rehabilitation of M. Kostov.

The central committee of the Bulgarian Communist Party, after discussions lasting from April 2-6, adopted a resolution condemning the "cult of the individual" and strongly criticizing M. Chervenkov, the Prime Minister. "The cult of personality around Comrade Chervenkov," the resolution stated, "put aside in many respects traditional and well-tried party methods, internal party democracy, and collective leadership." M. Chervenkov accordingly tendered his resignation to the National Assembly on April 17, admitting in a written statement that he had used "incorrect methods" which had been detrimental to State affairs. The Assembly accepted his resignation and unanimously elected M. Anton Yugov (a Deputy Premier) as Prime Minister, M. Chervenkov becoming one of the six Deputy Premiers.

M Yugov (52), a former tobacco worker, joined the Bulgarian Communist Party in 1929 and was elected to its Politburo in 1937. Interned in 1941, he escaped and became a partisan leader. He entered the Cabinet in 1944 as Minister of Health, and subsequently held the posts of Minister of the Interior, Minister for Industry, and Deputy Premier

M. Zhivkov (first secretary of the Bulgarian Communist party) stated in a speech published on April 14 that the accusations made at the trial of M. Traicho Kostov, and at subsequent political trials, had been proved untrue, and that all persons sentenced to imprisonment at these trials had been released and would be "rehabilitated before the party and the people."

M. Kostov, a former Deputy Premier and Communist Party secretary, was executed in 1949 after being found guilty of plotting an armed *coup* with Yugoslav support, whilst 10 other persons were sentenced to long terms of imprisonment—see 10511 A. The subsequent trials referred to apparently included that of five Bulgarians imprisoned in 1950 on charges of supplying information to Mr. Donald Heath, the U.S Minister in Sofia—see 10616 D.

A decree was issued on April 10 extending the amnesty for persons who had committed the crime of "flight abroad," and setting no time-limit for the return of exiles. It laid down (1) that Bulgarian citizenship would be restored to persons who had been deprived of it before the publication of the decree; (2) that the property of such persons confiscated by the State would be restored to them if they returned voluntarily to Bulgaria; and (3) that, if it was found impossible to return such property, the persons concerned would be compensated in cash, or by the granting of other suitable property.

Reactions in Hungary. - Posthumous Rehabilitation of Laszlo Rajk.

M. Rakosi, first secretary of the Hungarian Workers' Party, stated on March 29 that after the "exposure" of Beria and of Peter Gabor (the former head of the Hungarian security police, who was sentenced to life imprisonment in 1954—see 13464 B) the party leadership had investigated the Rajk trial, and had established that the charges brought against Rajk were untrue and had been based on "provocation and a miscarriage of justice." [M. Laszlo Rajk, a former Foreign Minister, was executed with six others in 1949 on charges of conspiring to overthrow the Government with Yugoslav assistance—see 10265 A, 10304 C.] Other similar cases had been reviewed, with the result that innocent persons had been rehabilitated and those who had "offended against the people's democracy" had been amnestied. M. Rakosi stated that all those involved, including a number of former Social Democrats, either had been or would be released within a few days.

M. Rakosi had previously told the central committee of the Workers' Party on March 15 that the "cult of the individual" had caused "serious political and theoretical mistakes" in Hungary, and that it was therefore necessary to "consolidate collective leadership," develop party democracy, and encourage criticism and self-criticism, especially criticism from below."

Reactions in Czechoslovakia. - Denunciation of "Cult" of President Gottwald. - Dismissal of Minister of Defence. - Repercussions of Slansky Trial.

The adoption of the new policy and the rehabilitation of the victims of political trials proceeded more cautiously in Czechoslovakia than in most Communist countries. Apart from the statements made at the public sessions of the Soviet congress, no criticisms of Stalin were published until March 29, when the *Pravda* editorial of the previous day was reprinted in the Prague newspapers. On April 9, however, the Czechoslovak press published the text of a speech, delivered ten days earlier to the Communist Party's Central Committee, in which M. Novotny (first secretary of the party) attacked the "cult" of the late President Gottwald and the methods of the security police.

M. Novotny said that an atmosphere of "infallibility" had been created around President Gottwald, and that collective leadership had been weakened by the propagation of the idea that "Gottwald thinks for us." Owing to Stalin's "wrong and one-sided thesis" on the intensification of the class struggle, the security organs had come to consider themselves a superior body, not subject to control but assuming the right to control the activity of the party. This had led to arbitrary actions and breaches of "Socialist legality," and a number of measures had now been taken against these methods. M. Novotny also urged that in such branches of social life as trade unions, youth, sport, and physical culture organizations, centralization and State control should be replaced by voluntary initiative.

On April 12 the Czechoslovak Communist paper *Rude Pravo* published an editorial attributing the excesses of the security police to Rudolf Slansky, Karel Svab, and Mme. Taussigova. [Slansky, the former general secretary of the Communist Party, and Svab, formerly head of the security police, were hanged with nine others in 1952 as "Trotskyist-Titoist-Zionist-bourgeois-nationalist traitors"—see 12685 A. Mme. Taussigova, a Communist party official, was sentenced to 25 years' imprisonment in 1954—see 13387 A.] As a result of investigations of "cases tried during the time Slansky was party secretary," a number of innocent people had been released and excessive sentences had been reduced, although some sentences had been found to be justified. "It has been shown," the article continued, "that it was quite wrong for people to be condemned merely on the basis of their own confessions produced by unlawful methods and without the existence of any material proof." These "impermissible methods," it was added, had been introduced by Slansky under Beria's influence and had continued for a certain time even after his "unmasking."

The Czechoslovak Prime Minister, M. Siroky, announced on April 14 that M. Artur London (formerly Deputy Foreign Minister), who had been proved to be a victim of a "breach of Socialist legality," had been released from prison; that M. Hajdu (also a former Deputy Foreign Minister) would also be released; and that the case of M. Loebl (formerly Deputy Minister of Foreign Trade) was under review. [London, Hajdu, and Loebl were all tried with Slansky in 1952 and sentenced to life imprisonment.] M. Siroky maintained that the sentence passed on Slansky himself and on M. Clementis (the former Foreign Minister, who was hanged with Slansky) had been justified. He admitted, however, that it had been a mistake to introduce into the trial charges of "Titoism," which was a "secondary issue," and to introduce an anti-semitic element by stressing the Jewish origin of many of the accused.

General Alexei Cepicka was dismissed on April 25 from the post of Minister of Defence, and also from the Politburo of the Czechoslovak Communist Party, for "shortcomings in the pursuance of his duties." He was succeeded as Defence Minister by Colonel-General Bohumir Lomsky, formerly Deputy Minister of Defence. General Cepicka is a son-in-law of the late President Gottwald.

Reactions in Rumania.

The central committee of the Rumanian Workers' Party adopted a resolution on March 30 declaring that Stalin's theory of the intensification of the class struggle had led to "incorrect tactical decisions" in Rumania, and that the party had failed to observe strictly the Leninist principle of party democracy. M. Gheorghiu-Dej, first secretary of the party, promised that plenary sessions of the central committee would be held more frequently than hitherto, and announced that several members of the security police would be punished for grave breaches of the law.

Reactions in China.

The Peking newspapers published on April 5 a statement issued by the Chinese Communist Party condemning the "cult of the individual." Chinese Communist newspapers criticized Stalin, *inter alia*, for neglecting the welfare of the peasants, ignoring the German invasion threat, and showing "conceit" in his later years. (Soviet Weekly - Times - Daily Telegraph - Manchester Guardian - Daily Worker - New York Times - Le Monde, Paris - Polish Embassy Press Dept., London - Hungarian Review, Budapest - Bulgarian Legation Press Bulletin, London - Tanjug Agency, Belgrade)

(Prev. rep. Soviet Party Congress, 14745 A.)

A. MAURITIUS. — Constitutional Changes.

The following constitutional changes for Mauritius were announced in the House of Commons on March 13 by the Colonial Secretary, Mr. Lennox-Boyd:

Executive Council. Membership would be increased from nine to 12, viz., seven unofficial members elected by the Legislative Council under the existing system of a single transferable vote, two unofficial members nominated by the Governor, and three *ex-officio* members. The elected element would therefore, for the first time, be in the majority, and the retention of the present system of election from the Legislative Council would ensure that they were as truly representative as possible of the community as a whole.

The Council would exercise collective executive responsibility (subject to the retention of the Governor's reserved powers), in contrast with the purely advisory functions of the existing Council. All its members would be titled "Minister." Six unofficial members would be assigned portfolios and would be responsible to the Governor in Executive Council for matters relating to their portfolios, and for the conduct of Government business relating to them in the Legislative Council.

Legislative Council. The number of elected members would be increased from 19 to 25, that of nominated members would be fixed at a maximum of 12, thus introducing flexibility; and the three *ex-officio* members would be retained.

The Speaker. There would be a Speaker for the Legislative Council, the first holder of the office being appointed from outside the Colony.

Constituencies. The present system of multi-member constituencies would be retained, with one modification in boundaries to provide for five constituencies each returning four members and one constituency returning five members.

Electoral System. The present literacy qualification required for electoral registration would be abolished, and universal adult suffrage introduced at the 1958 general election. The system of election by majority vote in multi-member constituencies would be replaced by proportional representation, with a single transferable vote similar to that already in operation for elections from the Legislative Council to the Executive Council. It was believed that this would produce a more precise reflection of public opinion.

With regard to the timing of these changes, Mr. Lennox-Boyd stated that provision would be made for the appointment of a Speaker as soon as practicable; that the increase in the Executive Council's membership and the introduction of a ministerial system would take effect in the autumn of 1956, and that the increase in the membership of the Legislative Council would take place in 1958 on the basis of the new franchise and electoral system, which together constituted interdependent parts of an integrated plan.

(Times - Manchester Guardian) **(Prev. rep. 8901 C.)**

B. BURMA - CHINA. — Air Service.

The first scheduled air services between Burma and China, operated by Soviet-type planes, went into operation on April 11 on the route Rangoon-Mandalay-Kunming. Agreement on the opening of direct air communications between the two countries had been reached during the Burmese Prime Minister's visit to Peking in December 1954—see 14047 A. (Times)

A. UNITED KINGDOM. — The Budget, 1956-57. - Premium Bonds Scheme and Other Inducements for Private Savings. - Increase in Tobacco Duty and Profits Tax. - Family Allowances increased. - Forthcoming £100,000,000 Cut in Government Expenditure. - Capital Requirements of Nationalized Industries to be financed by Exchequer.

The Chancellor of the Exchequer, Mr. Harold Macmillan, introduced the Budget for 1956-57 in the House of Commons on April 17. Estimates of Ordinary Revenue and Expenditure are shown in the following table:

ESTIMATED REVENUE

	£
Inland Revenue—	
Income Tax	2,085,500,000
Surtax	144,000,000
Death Duties	170,000,000
Stamps	58,900,000
Profits Tax and Excess Profits Tax	216,750,000
Excess Profits Levy	4,000,000
Other Inland Revenue Duties	1,000,000
Total Inland Revenue	2,680,150,000
Customs and Excise—	
Customs	1,204,000,000
Excise	953,350,000
Total Customs and Excise	2,157,350,000
Motor Vehicle Duties	92,000,000
Total Receipts from Taxes	4,929,500,000
Post Office (net receipt)	10,000,000
Broadcast Receiving Licences	28,000,000
Receipts from Sundry Loans	30,000,000
Miscellaneous	200,000,000
TOTAL REVENUE	5,197,500,000

ESTIMATED EXPENDITURE

	£
Interest and management of the National Debt	*670,000,000
Sinking Funds	37,000,000
Payments to N. Ireland Exchequer	61,000,000
Other Consolidated Fund Services	10,000,000
Total	778,000,000
SUPPLY SERVICES—**Defence—**	
Army Votes	479,000,000
Navy Votes	351,000,000
Air Votes	517,500,000
Ministry of Supply (Defence)	185,000,000
Ministry of Defence	16,200,000
	1,548,700,000
Less—American Aid receipts appropriated in aid of Defence Votes	50,000,000
	1,498,700,000
Civil—	
I. Central Government and Finance	20,850,000
II. Commonwealth & Foreign	90,469,000
III. Home Dept., Law & Justice	89,214,000
IV. Education & Broadcasting	413,571,000
V. Health, Housing and Local Government	728,732,000
VI Trade, Labour & Supply	72,507,000
VII. Works, Stationery, &c.	74,392,000
VIII. Agriculture and Food	324,078,000
IX. Transport, Fuel, Power, & Industrial Research	158,649,000
X. Pensions, National Insurance & National Assistance	455,753,000
	2,428,215,000
Tax Collection—	
Customs and Excise and Inland Revenue Votes	52,770,000
	3,979,685,000
Less—Net reduction in Supply Expenditure	† 20,000,000
TOTAL EXPENDITURE	4,737,685,000
SURPLUS	459,815,000
	5,197,500,000

SELF-BALANCING REVENUE AND EXPENDITURE

	£
Post Office Revenue required to meet Post Office expenditure	287,298,000
Excess Profits Tax, post-war refunds (part deducted for tax)	1,600,000
Total	288,898,000

* In addition £150,000,000 for interest on the National Debt will be met from receipts under various Acts authorizing such application.

† Representing the saving expected to accrue in 1956-57 from the reduction in the bread and milk subsidies, partly offset by the cost of the Agricultural Price Review [see 14831 A] and the increase in Family Allowances.

The changes brought about by the Budget, which Mr. Macmillan described as a "savings Budget," are set out below.

Premium Bonds. These will be of £1, without interest and repayable on due notice; for Bonds held for a minimum period, however, there will be draws every three months, with tax-free prizes up to £1,000. Individual holdings will be limited to, perhaps, £250.

Savings Certificates. A new issue as from Aug. 1 at 15s., increasing to 20s. within seven years.

Defence Bonds. A new issue as from May 1 at 4½ per cent interest, instead of 4 per cent, with a £2 per cent premium if held for five years and £5 per cent after ten years.

Post Office Savings Bank Deposits. The first £15 of interest to be exempt from Income-tax but not from Surtax.

Self-employed Persons. Self-employed persons and employees not coming under pension schemes will be given limited tax relief on premiums for retirement annuities.

Stamp Duty. Reduced for house purchase to 10s. per £100 up to £3,500, with a sliding scale up to £5,000, after which the full 2 per cent rate applies.

Family Allowances. An increase of 2s a week (from 8s. to 10s.) for third and subsequent children; qualifying age to be raised from 16 for children still at school or apprenticed.

Tobacco Duty. An increase of 3s a lb, equivalent to 2d more on 20 cigarettes [i.e. from 3s. 8d. to 3s. 10d.].

Profits Tax. The rate of distributed profits to go up 2½ per cent to 30 per cent, and on undistributed profits by ½ per cent to 3 per cent, from April 1, 1956

Wine Duty. Extended to cider and perry of 15 degrees proof alcoholic strength or more

Purchase Tax. Inclusion of shooting-brake type motor vehicles hitherto exempt.

Bread Subsidy. The remaining subsidy to be ended by Sept 30, increasing the retail price of a 1¾ lb. loaf by 1½d.

Government Expenditure. A review to start at once, with the aim of saving "not less than £100 000,000."

Nationalized Industries. The capital requirements of the nationalized industries to be met out of the Exchequer for two years, up to a maximum of £700,000,000.

Investment Allowance. This would be restored for approved fuel-saving equipment installed by industrial undertakings "by way of replacement or modernization in existing industrial premises."

Estate Duty. The charge to duty would be modified where settled property burdened with an annuity passed on the death of the life tenant who was not himself the creator of the settlement

Where land was compulsorily acquired by a public authority within three years of the death, duty could be charged by reference to the actual compensation paid if that was less than the value of the land at the date of the death (hitherto the basis for estate duty valuation).

Both changes would take effect in respect of deaths occurring after the passing of the Finance Bill.

The Chancellor's Budget speech is reproduced below under cross-headings:

"I have often thought of Budget Day as rather like a school speech day—a bit of a bore, but there it is! The parents and the old boys like it Indeed these occasions are very similar An unfortunate audience has to sit and listen to a long homily before it is told of the fortunate prize-winners. The analogy is not, of course, perfect, because on Budget Day there are quite likely to be impositions as well as prizes for distribution, and sometimes there are nothing but impositions."

Balance-of-Payments Position in 1955. "By all the rules, the year 1955 ought to have been a good one. The outflow of dollars from the United States continued at a high level. Output was growing rapidly in all major manufacturing countries and trade between them was increasing at an exceptional rate. The primary producing countries in general remained prosperous and provided good markets for manufactured goods—America sending out more dollars than she received, world trade increasing; markets good. Everything therefore seemed in our favour, but in spite of favourable external circumstances, the balance-of-payments figures were disappointing

The U.K. current account balance with all areas over the calendar year was in deficit to the extent of £103 million, £308 million down on 1954. This was divided between visible and invisible trade It is true that much of the fall of the invisible surplus was due to exceptional circumstances, such as the sudden expansion of the oil companies' expenditure All the same, the position, as a whole, is disappointing and unsatisfactory

The balance of the sterling area with the whole of the non-sterling world fell from a surplus of £97 million in 1954 to a deficit of £181 million in 1955. Of this deterioration of £278 million, no less than £251 million was due to the U K. The result of these unfavourable balances was naturally reflected in the reserves. . . . During 1955 we lost £229 million from the central gold and dollar reserves, which at the end of the year stood at £757 million—a loss of nearly one-quarter.

Over the turn of this year the reserves began to show improvement. In January they increased by £11 million and in February by £21 million. In March the figure showed an increase of £24 million, and this was all right so far as it went; but we have—and we must face it—a long way to go.

The truth is that our reserves, which now stand at £813 million, are really insufficient for their purpose. They represent in fact only about 8 per cent of the annual turnover of sterling area trade with the non-sterling world. In this sense, whether we take the figure of this year or the figure of last year, we are really trading beyond our capital resources. We lack just that amount of extra strength which would allow us to take the swings in our balance of payments with comfort. We must therefore increase the reserves. To do this we must correct the balance of payments. If we can do this, the rest will follow.

Our position in the E P.U has been even more markedly affected than our gold and dollar reserves. Our E.P U. deficit, which was over £90 million in the third quarter of 1955 and nearly £30 million in the fourth quarter, was in January better—only £4 million—and in February £8 million. In March, which should be a good month, it fell to only £100,000, so that is an advance

As regards the balance of trade, January was not a good month. The excess of imports over total exports was £74 million, compared with a monthly average of £62 million in the last quarter of 1955; and it was only slightly better than the figures for the earlier quarters of 1955. In February the excess was reduced to just under £50 million, but February is normally a low month for imports In March the deficit was again reduced to £47 million. This is encouraging, although it is too early yet to say that a better trend is firmly established."

Internal Economic Development. - Inflationary Trends. "It is against this somewhat sombre background that we must now have a look at the gay scenes, painted in bright, not to say glaring, colours, in the foreground of our picture.

On the home front, 1955 was a year of great prosperity for the mass of ordinary men and women. Everyone had a job; consumption again rose appreciably; and investments also increased. But, in total, demand rose faster than output, and in consequence the economy was overstrained Prices went up; there were shortages of labour and material; imports increased, exports were held back from the foreign market to be consumed at home, and so the balance of payments suffered.

Industrial production in 1955 was 5 per cent higher than in 1954, a smaller increase than the 7 per cent of the previous year Productivity, or output per man, rose less than in 1954—about 2 per cent, as against 5 per cent. . . .

Meanwhile the increase in demand was too much for the increase in output which took place during the year It is true that the increase in total personal consumption was rather less than the increases of the previous two years. Unfortunately, it was concentrated on our overloaded engineering industries. Motor cars, television sets, washing machines and similar products were in great demand—all of course in competition with precious exports.

At the same time there was a sharp increase in fixed investment Expenditure on plant, machinery and vehicles, after allowing for price changes, rose more than in any year since 1947. More orders were placed for capital goods than deliveries made, so that order books and delivery dates lengthened, and despite heavy imports, many types of steel were scarce. Stocks of raw materials, work in progress, and finished goods rose sharply, and this added to the strain on the economy.

The number of jobs waiting to be filled was substantially more than the number of unemployed, and unemployment remained at record low levels throughout the year. Employers competed with one another for labour, and wages and salaries went up by 8 per cent. Profits also increased by 8 per cent, and import prices went up by 3 per cent. As a result of the consequential cost increases, prices increased too. Retail prices were 4¼ per cent higher than in 1954, the price of manufactured goods was 3 per cent up, and export prices 2 per cent up. All these, together, are the symptoms of severe inflation

The strain was heaviest on the building and engineering industries, and the most important initiating factor in producing the inflation was the upsurge in industrial investment For this the Government certainly accepts part of the responsibility. I think everyone on both sides will agree that we need a high level of investment in this country It was to help achieve this that my predecessor, in two successive Budgets, stimulated investment first by the initial allowances, then by the investment allowances. In the long run we want all this extra investment and more. But the rise was too sharp and too sudden for the economy to sustain with all its other burdens One force acts and interacts upon another. The investment boom has stimulated both consumption and a sharp rise in stocks—particularly of work in progress—as the pipelines of industry become full to overflowing."

Anti-Inflationary Measures. "I need not again go over all the various measures which were taken to moderate the boom by restricting credit, by raising taxes, and by cutting Government expenditure They have all been discussed at length in this House . . . These measures took longer to act than we expected. They had to be—and they were—continually reinforced The economy is still running at a very high level. But I think we have learned this lesson from the events of the past year. We cannot afford to run our economy flat out, with more jobs than men to fill them, more orders than industry can meet, easy profits at home, and rising costs.

Of course, it would be very nice if we could do so—at least for some people—for we must remember that there are victims as well as beneficiaries of inflation. It would only be nice, even for the majority, so long as it lasted; and it would not last very long. There is really no future in importing extra materials that we cannot afford, in order to turn them into extra goods that we do not export We must pay for these imports honestly by our exports, and not by drawing on the reserves.

In our efforts to check the inflation, the Government have relied very largely on monetary policy. The extent to which we have done so is naturally the subject of controversy. The question is, what conclusions are to be drawn from the experience of 1955 and how shall we apply those conclusions in 1956?

On the debit side I recognize the increased cost of servicing the National Debt, including that part of it which is held abroad, and the time that it takes for monetary measures to achieve the desired results. On the credit side I claim that monetary policy has, in fact, operated with increasing effect as the year proceeded, thanks to the persistent pressure exercised on the monetary system, both by the interest rate and by the control of credit through the banks and the Capital Issues Committee Since this technique had not been used for many years—and even then under vastly different conditions—there are many new problems, especially as between the Exchequer and the monetary system. Two things at least are plain. First, no one has yet found an easy way to restrict credit without high interest rates I am told that if I appoint a committee I may find out, but I am not altogether sanguine about it Secondly, monetary policy cannot 'go it alone' It can only operate effectively in conjunction with fiscal and other measures to check demand, taken by the Government of the day and supported by an informed public opinion"

Out-turn for 1956-57. "Inland Revenue duties were £2,539 million, an increase of £61 million over the estimate. All the components of this total were up on the estimate, except for death duties, stamp duties, and excess profit levies. Customs and Excise produced £2,013 million, £85 million above the preliminary estimate. Almost everything was up, including beer, because it was a fine summer. Motor vehicle duties were £341 million, which was £37 million above the estimate, and so the total revenue was £4,893 million—£183 million above the estimate.

The expenditure, estimated at £4,562 million, came out at £4,496 million—£66 million below the estimate

The summary above the line shows—estimated surplus £148 million, actual surplus £397 million, or £249 million up. Below the line, receipts, were £219 million—up by £27 million Payments were £757 million, £19 million less than the forecast. The total net payments turned out at £538 million, or £46 million less than expected. As a result of all this, the amount which had to be borrowed was not £436 million as was forecast, but £141 million, or £295 million less"

The National Debt. After pointing out that the National Debt had increased by £106 million, i.e the afore-mentioned £141 million less certain adjustments, and that, in spite of this overall increase, there had been a decrease of £143 million in that part of the debt covered by Treasury Bills. Mr. Macmillan continued: "The total of the National Debt now stands at £27,040 million. On Sept. 3, 1939, it stood at about £8,400 million. On Aug. 4, 1914, it stood at about £645 million. These figures fill one with a certain awe There are few nations, victors or vanquished, in these 40 years that have so honourably tried to meet their obligations at home and abroad. The service of the debt cost us £638 million, which is about the sum of the 1914 debt, nearly 3s on the income tax The funded debt is a dull, dragging burden, the unfunded a constant and acute anxiety. No one who contemplates these figures can fail to draw the lesson that whatever may be the temporary difficulties from which we suffer by trying to run too fast, if we stand still we are lost.

Inflation must be curbed, because runaway inflation ends up by being itself restrictionist But deflation—in the sense of seeking stability by courses which, among other things, would result in an increase in the debt burden in relation to the national income—is out of the question. We must all be expansionists—but expansionists of real wealth. The problem of inflation cannot be dealt with just by cutting down demand, the other side of the picture is the need for increasing production. The only question is at what rate, for what markets, and how best guided our expansion is to be. There is one comfort in it—it has all happened before. We have done it before and we can do it again. But we shall need, as our fathers needed, prudence and daring in the right proportions and, above all, the instinctive judgment as to the right policy at the moment and the courage to apply it."

Revenue Estimates for 1956-57. "Inland Revenue duties in 1956-57, on the existing basis of taxation, are expected to yield £2,700 million, an increase of £161 million on the out-turn of last year. From income tax we expect to collect £2,102 million, or £159 million more than last year. This increase is due partly to the higher profits of 1955-56 which will be assessed in 1956-57, and partly to the effect in a full year of the increases in wages and salaries which have been negotiated in recent months. We expect the yield from surtax to rise by £5 million to £144 million From profits tax we expect to receive £216 million in 1956-57 compared with £192 million last year. This increase of £24 million is partly the result of higher profits, but also reflects the increase made last autumn in the rate charged on distributed profits.

Death duties and stamp duties are expected to yield £170 million and £63 million respectively. In each case there is a reduction from the 1955-56 yield, to take account of the lower Stock Exchange prices now ruling. Finally, £4 million may be expected from delayed settlements of the excess profits levy and £1 million from other duties.

The revenue from Customs and Excise duties on the existing basis of taxation is estimated at £2,130 million in 1956-57, compared with an out-turn of £2,013 million last year. The principal items in this total are: Tobacco, £680 million, purchase tax, £510 million, beer and other alcoholic drinks, £409,500,000, oil, £340,000,000; duties under the Import Duties Act, 1932, £71,000,000; entertainments, £39,250,000; and betting, £27,500,000

To this revenue must be added £92 million for motor duties, bringing the total tax revenue to £4,922 million, an increase of £283 million on the out-turn for 1955-56. From non-tax revenue I expect £268

million, or £14 million more than actual yield in 1955-56 Total revenue on the basis of existing taxation is thus expected to yield £5,190 million, an increase of £297 million on last year's out-turn."

Expenditure Estimates for 1956-57. " I estimate the total expenditure 'above the line' at £4,745 million, an increase of £183 million on the Budget estimate for 1955-56 The Consolidated Fund services, at £778 million, account for £79 million of this increase.

Supply expenditure in 1956-57 is estimated at £3,980 million, or £117 million above the expenditure last year Within this total, defence at £1,499 million is only £5 million above last year's estimate, but civil expenditure at £2,481 million is £112 million above the estimate. The major item in this increase is £107 million for social services, of which national health and education account for £39 million each. Development of atomic energy will require an additional £18 million, and other items showing increases include civil superannuation £10 million more, roads £8 million, police and fire services £7 million. On the other hand, there will be savings of £24 million on home defence

The figure for civil expenditure is based on the published Vote-on-Account. This did not, however, take account of the reductions in the bread and milk subsidies which I announced on Feb. 17 and which will save £35 million in 1956-57, or of the results of the agricultural price review, which were announced on March 15 (see 14831 A) and will require an additional £22 million in the coming year."

Exchequer Prospects on Existing Basis of Taxation. 'Above the line, therefore, on the basis of existing taxation and measures already announced, the prospects are for a surplus of £445 million. This compares with an estimated surplus for last year of £148 million and a realized surplus of £397 million.

During the year there will, of course, be overspendings and underspendings, as in previous years Some items are already known to us I hope that the Civil Service Staff Associations will accept the offer to carry out with certain modifications the proposals of the Royal Commission on the Civil Service. Certain pay increases have been made meanwhile The cost, none of which is covered by the estimates, will be £12 million, apart from the Post Office

Another known item on the other side of the picture is the removal of the remainder of the bread subsidy. The Government have decided that this should take effect at the end of September. It will produce a saving of about £12 million this year and about £23,500,000 in a full year Other items are uncertain. There is, for example, the prospect of an increase in teachers' pay in the autumn. I must bear all this in mind

Now I come to 'below the line,' and in this field I shall have some changes to propose. First let me forecast expenditure on the existing basis. This, at £678 million, is £98 million less than the estimate for 1955-56, and the receipts of £225 million are £33 million higher than the forecast made a year ago for 1955-56.

The main difference on the expenditure side comes from an estimated decline of £100 million in loans to local authorities. Repayments from local authorities are estimated to rise by £10 million, yielding a net improvement of no less than £110 million. This is mainly due to the expectation that this year they will raise more of their necessary finance in the stock and mortgage market. Loans to the National Coal Board are expected to be £25 million less, and I estimate that £27 million less will be required to meet outstanding claims for compensation under the Town and Country Planning Acts. Loans to the Potato Marketing Board, at £5 million, and to the Sugar Board, of £10 million, are new items of expenditure which have arisen since last year.

On the other side of the account the proceeds from the liquidation of the Raw Cotton Commission, which produced £158 million in 1955-56, practically come to an end. On balance, the forecast for 'below the line' items shows a deficit of £453 million, or £131 million less than the estimate made last year for 1955-56.

To sum up : estimated surplus above the line, with present taxation, £445 million ; estimated deficit on services at present financed below the line, £453 million. Not quite Mr. Micawber's ideal—but uncommonly near it.

Unfortunately for the appearance of the thing, it makes no difference to the reality I have some changes to propose which will apparently, though only apparently, rather spoil this pretty picture. It would be nice to show and proclaim an overall balance in 1956-57. It would sound well at home and abroad. It would be good advertising But, as Members know, this particular form of calculation depends on what items you choose to include in or exclude from the Budget arithmetic below the line. What matters is whether the total amount of saving by the whole nation, whether compulsory or voluntary, is sufficient to meet the needs of investment, and what Budget surplus is required to make that certain."

Exchequer Financing of Nationalized Industries. " This leads me to the difficult and complex question of the method of financing the nationalized industries Often as we have debated, inside and outside Parliament, the pros and cons of nationalization from the point of view of management, I do not think there has been so much public attention given to the question of finance. Yet ever since the war it has been necessary to raise very large sums, running to something between £300 million and £350 million a year, for their capital requirements.

In some cases, as with the railways, the years of war led to great destruction or neglect of capital assets. In others, as with the mines, the working out of old pits has made it necessary to spend immense sums in opening new pits and bringing older ones up to date. Again, the rapid development of industry, especially the metal-using industries, as well as the vast housing schemes, have made necessary a rapid expansion of gas and electricity production and distribution.

Before nationalization, the necessary capital would have been raised by the many and diverse bodies concerned in one or both of two ways. The new money might come from their own resources, from trading profits made and not distributed but ploughed back. Or the new money might be raised, by various channels and in various amounts, on their own credit on the market.

Today, for reasons which are well known to the House, the amounts made available from profits are not significant. I reckon that, of the total capital expenditure in coal, gas, electricity, transport, and airways since the nationalization of these industries, more than £1,600 million, or about 60 per cent, has had to come from external borrowing. But the House will also observe another difference. Before nationalization, these services were financed largely by money raised on the borrower's own credit. Now the new institutions pledge the credit of the nation. Perhaps this is right—since they are nationalized industries. . . . All the same, from the point of view of the national credit it is a considerable inconvenience

A number of institutions have been in the habit of borrowing from the State, that is from the Exchequer ; for instance, local authorities. But since their own credit allows them to borrow from the market without any Treasury underwriting, there is no reason why they should not do so more and more I will certainly press forward with this policy, initiated by my predecessor. The ultimate aim perhaps ought to be that the nationalized industries ought to be able to do the same. Members will have read with interest, and I hope approval, the suggestion made by the Herbert Committee in relation to the Central Electricity Authority. The time may come when this may happen. Perhaps electricity and gas might be the pioneers.

But, frankly, neither these industries nor coal nor railways have—to use a vulgarism—a cat in hell's chance in present conditions, and for two simple reasons. The first is that, as the nationalization Acts are drawn, the industries concerned cannot pledge their undertakings as security, and also they are not left with an unfettered ability to fix their charges Who would lend money without Treasury guarantee on this basis ? Secondly, even if we could overcome this difficulty, the very size of their requirements adds to the difficulty of flotation on their own credit—at least in present circumstances

At present, apart from coal, which has always been raised in a different way, the capital required is raised ultimately from the market investor, as and when the market completely absorbs these issues Generally, the borrowing starts with bank advances. From time to time these are followed by issues of stock carrying a Treasury guarantee. But if these are not taken up, or not fully taken up, then they have to be supported by the Exchequer In recent months support of this nature has had to be substantial and prolonged. If the nationalized industries are to carry on their programmes, further large issues will soon be necessary, doubtless with similar consequences,

Two embarrassing results will follow. First, official 'support' . . . can only be given, by and large, by borrowing the necessary funds on Treasury Bills. This impedes the operation of our monetary control. It kicks the ball, as one might say, through one's own goal. Secondly, and this is important technically, the necessity of making frequent issues on the basis of Government credit, often at inconvenient times, for particular nationalized industries which have reached their borrowing limits with the banks, prejudices the national programme of borrowing, re-financing and funding.

For the time being, therefore, it would be far better to face the reality, and for the Exchequer to be in control of the whole operation. I propose, therefore, as a temporary measure, to meet these capital requirements out of the Exchequer Bank advances for capital expenditure will gradually be repaid These industries will in future look to the banks only for their normal requirements of short-term capital.

I propose to move a procedural resolution in order that Parliament may embody the necessary provisions in the Finance Bill. These will be limited as to time and amount The new system will only be for two years ; the maximum sum will be £700 million, and this is for industries other than coal, which is already financed by the Exchequer 'below the line.' If these proposals are accepted, I estimate that issues may be required of about £350 million in 1956-57. This figure must be added to the estimate of the nominal deficit below the line. So disappears, by my own murderous act, my beautiful overall balance.

I am sure that we shall gain substantially from this plan It will give us, technically, far more control of the situation, and will enormously assist the authorities faced with their problems of dealing in general with the National Debt. Of course, it makes no difference to the method by which the physical programmes of the various boards are approved by the departments concerned and the Treasury. Still, if you actually press the fee yourself into the piper's hand, you have a better chance of influencing the tune.

Naturally, my purpose will be that this sum for the nationalized industries, with other borrowing by the Government, should be successfully absorbed by the public during the years—that is, draw in real savings and not depend on inflationary finance. But in the end, neither the nationalized industries nor the Government can borrow, except on a purely inflationary basis, more than the nation is able and willing to save."

Economic Prospects for 1956-57. - Need for Improved Statistics. " From the financial prospects for the Exchequer during the coming year, I now turn to the economic prospects. Here, alas, there is no true science which can give us certainty in this uncertain field. Some people feel that what passes for such is rather like astrology than like astronomy. Lyndoe or Old Moore may turn out just as reliable as Professor So-and-So or Dr. What's-His-Name. I do not share this extreme view. Nevertheless, I think we should all agree that if there is such a science it is not an exact one. There are too many unknowns and too many variables.

"I am told that too many of our statistics are out too late to be as useful as they ought to be. We are always, as it were, looking up a train in last year's Bradshaw. Nevertheless, I am still conscious of a certain gap in our defences in this matter, and of the need to strengthen our technical and administrative armoury We must continually improve our statistics, in form and timing. We shall, of course have to make further calls on the co-operation of industry. I am sure that this will be readily given. More complete and more up-to-date information will not only help in the proper ordering of the national economy, but will help industries themselves by enabling them to foresee more accurately the conditions in which they will have to operate.

So much for the reinforcement of our statistical arsenals. How are we to use these weapons? It is certainly true that the pressure of day-to-day work is so great that Ministers have very little time, perhaps not enough time, to think ahead On the other hand, it is no good thinking ahead in a vacuum, without that close contact with actual problems which Ministers on both sides obtain when in office

Nevertheless I believe that some improvement can and should be made. While the conditions within which the U.S economy has to be managed are very different from ours, there is undoubtedly much to be learned from a study of their methods. I feel sure that we can do a good deal, without embarking on a tedious investigation or setting up too elaborate a machinery, to improve the machinery available to us I am considering all this very carefully; and, as soon as more immediate preoccupations are out of the way, I hope to make progress

In the meantime the Chancellor of the Exchequer has to reach a decision and to indicate, in guarded phrases, if not in precise estimates, the factors which he has taken into account in forming his own judgment. From the Economic Survey and the other documents recently published, members will also be forming their own conclusions. We have to assess the outlook for the balance of payments—the crucial test. We all know our debts—whether on loans or in sterling balances. We all realize our obligations throughout the world if we are to play our part in the world. We all know our need not merely to balance the account, but, if we can, to earn a substantial surplus ..

One place where we can expect to do better is in our invisible trade. Last year our invisible surplus fell by £148 million. Half of this immense sum was on oil, due to heavier payments, a very large part of them being 'once for all' special payments of tax and royalties Oil earnings will go on increasing, and our net oil income this year should be well on its way back to the 1954 level. . . . Receipts of defence aid have been falling off for some time, but our invisible earnings from offshore sales have started to rise and are expected to be much larger this year than last

We took a bad knock last year in shipping payments, which were £80 million up. We had to hire more foreign ships and pay higher rates to bring in the goods we bought abroad, particularly bulky things like coal and timber. This year we should not have to import so much coal and timber and the rise in our other imports should be checked, while our earnings from shipping will go on rising.

All this is encouraging But what will really determine our success or failure is the balance of our visible trade—exports and imports. This in turn will depend on our success or failure in limiting the demands we make on our home production If these are too high, the gap is filled by increasing imports and reducing exports. The questions which the House and the public have the right to put to me—the questions which, with the burden I have to carry, I put to myself day by day—are these Have we done enough? Is the trend in demand already changing? Can the measures which we have taken be relied upon to overcome inflation?

It is usual for Chancellors of the Exchequer, at this stage, to try to judge the trend of the main elements of demand and to set these against an estimate of our own production. It is in the light of these assessments that the question of fresh taxation or remissions has to be decided This year I do not think that any detailed forecast of this kind would give us much help. Members must remember the various steps which were taken by my predecessor Those which I announced in February (see 14705 A) are so recent as to be fresh in their memory. None of them yet can have had their full effect

The object of present economic policy, whatever weapons are employed, must be to switch some labour and resources from less necessary to basic production—from production for home consumption to production for export Of course, if we were operating in a closed economy with vast natural resources and under a totalitarian system, where we could order everybody about and command, by the most ruthless methods, automatic obedience, it would be different. But in our country it is another story

In an island like ours, with a free system which we are determined to preserve, with a large population depending on its exports to pay for half its food and nearly all its raw materials, the Government of the day, of whatever complexion, is the servant of the people. And if the people are to be well served, they too have a part to play. To succeed in its purpose the redeployment of labour which must be secured by any control, whether it is monetary or fiscal or physical, should be allowed to take place as swiftly and smoothly as possible. The more smoothly it takes place, the less interference with production there will be.

How far have we moved in this direction? There are now signs that the pressure of demand is easing a little, but we still have an excess demand for resources. There are still more vacancies than people unemployed; expenditure on fixed investment is still rising, and consumers' purchasing power has been increasing. The main evidence of an easing of demand is confined to one sector of the economy—the industries producing consumers' durable goods—which has been affected both by the new hire-purchase regulations and by seasonal slackness. We cannot therefore say with any certainty that we are definitely moving in the direction in which we must go. That is why I have said that any detailed assessment of the course of demand and of production would not help us, for it would imply a degree of knowledge, which I do not think we possess, as to the exact position at which we stand today."

Continuation of Anti-Inflationary Policy. "In looking to the future I must first consider the credit squeeze and related monetary measures. We have placed a good deal of reliance on these—higher money rates, sharper control by the Capital Issues Committee, restrictions on hire purchase, and all the rest. In its use of the monetary mechanism, the policy of the Government has been much discussed by professional commentators and intelligent amateurs. Now it is my turn for a few moments

It would be unwise, and indeed it would defeat the purpose of monetary policy, if I were to attempt a forecast of the course of interest rates in the coming year, or to measure the part that credit restriction will be called on to play in our affairs But it is plain that for the time being credit restrictions must continue

I have been given a great deal of advice about the question of the credit base and the need for the banks to preserve a proper liquidity ratio for that purpose As I understand it, it has always been our practice for the conventional liquidity ratio to be determined by the clearing banks in accordance with their views of sound banking practice. But they would naturally take into account, on this as on other matters, any recommendations put forward by the Governor of the Bank of England acting on behalf of the central authority, and reflecting the needs of the general economic situation.

Further, I am advised that under the Bank of England Act, 1946, the Bank, subject to Treasury authority, has the power to give statutory force to any recommendations it may make to the banks about liquidity ratios However, it is often true that many things are better done on a voluntary basis, by honourable understanding, rather than by legal regulation—by unwritten law rather than by prescribed code.

Before making changes in a system which has on the whole worked well, we should need to be very certain that the changes would bring more advantages than disadvantages What matters is not the method but the result. In any event, the British banking system has shown that it can combine tradition with flexibility, and that it is able and willing to conduct its business with full regard to public policy. Carrying out a disinflationary policy is not pleasant, and I am fully aware of the difficulties it involves for the banks and for their managers and staff throughout the country.

Monetary policy and fiscal measures must go hand in hand. Today we are concerned with another instrument which I have in my mind —the Budget and the Budget policy. Is a surplus of £445 million enough? Is it too much? It is human to err But I think I would rather err on the safe side. A misjudgment on the side of over-optimism might have the gravest results. Any heightening of the inflationary pressure—indeed any delay in reducing it—might prove disastrous But an error in the opposite direction would be far less harmful—and far more easily remedied If we want to reverse the process and increase purchasing power or generally to reinflate, it would be simple to do so.

We have learned only too readily how to turn the taps on. But even Lord Keynes never told us how we were to turn them off a bit. Indeed, I rather look forward to the day—should we have gone a little too far in a policy of restriction—when a joint deputation from the F.B.I and the T.U.C. comes to see me asking for the abolition of surtax and profits tax, and the immediate reduction of all indirect taxation. It is very easy to do it the other way if we go a little too far in one direction. On the other hand, I am determined that this Budget should dispel any lingering doubts, at home or abroad, as to the determination of Parliament and the people to secure the welfare and solvency of the nation Therefore I have decided that any benefits which I may have to propose shall make no inroads on next year's surplus Indeed, the surplus must be fortified rather than depleted. In other words, any prizes which may be distributed must be more than balanced by impositions."

Need for Increased Savings. "I now turn to my main proposals. All of them, although in different senses of the word, may be regarded as having the same purpose; they may all be summarized by the word 'savings.'

First I would like to deal with personal savings. If we are to get our balance of payments out of the red and to restore an adequate margin on the right side, if we are to press on with investment in the means of production at home and overseas, our first and most urgent need is to restore, maintain and develop among all classes of our people the habit of saving.

Some modern critics will of course tell us that the only prescription for inflation is a large Budget surplus Does anyone read Dickens nowadays—except of course the Russians? If so, they will remember Mrs. Pardiggle in *Bleak House*:

> 'My family,' boasted this philanthropic lady 'are not frivolous. They spend the whole amount of their allowance in subscriptions, under my direction . . . they enrol their contributions, according to their ages, and their little means.'

Just so—first pay out far more money to the people than it is good for them to have. Then take it all off them again by taxation. It is as simple as shelling peas.

This method is called "public saving"—that is, an excess extracted from the citizens, singly or corporately, above what is necessary to carry on the work of Government. But what may be necessary

for an emergency cannot be erected into a system. In war, we give up many of our liberties in order to secure them all. But if we make a habit of it, it will grow on us—or rather on our masters—and we shall never escape. Mrs Pardiggle will reign in Treasury Chambers for ever

I can—and in times of difficulty like this, I must—reinforce and sustain the efforts of private savers, individual and collective But it will be a far better thing when the habit of saving has been so rebuilt and reinforced that a Chancellor can begin to reduce the terrible burden of taxation, so oppressive to energy, effort, and enterprise in so many spheres, without risking a serious degree of increased consumption and a fresh inflationary crisis He will best be encouraged on such a course when he is confident that reduced taxation would largely and almost automatically pass into the increased savings of a prudent people. In the meantime, while I must continue to make use of the processes described by this hateful phrase, 'public saving,' I want to do all I can to encourage the efforts of the private savers. I have some plans for a start.

It is customary for the Chancellor to pay his tribute to the National Savings Movement and its voluntary workers This is no empty ceremony. With all our political differences, we in this House are united in our acceptance of the need of savings and our support for the Savings Movement. It has been a difficult year for them. A fine summer does not encourage savings; although, as I have observed, it helps the Exchequer in other ways. Nor do rising prices help, even accompanied by rising wages. For these and other reasons, we cannot declare a net gain in the field of small savings in the last financial year. This is a disappointment to the movement and their leaders, but they have no cause to be discouraged I have complete confidence in their ability to play a decisive part in my plan of campaign for 1956. For the news I have for Lord Mackintosh and his movement is that I am moving them right into the front line, with new objectives and equipped with new ideas and new weapons.

First the objectives. The financial critics tell me that I must reduce bank deposits and the floating debt if I am to reduce the money supply. Very well. Let us see bank deposits turned into National Savings. As the National Savings rise the Treasury Bills will fall In this way the National Savings Movement will carry out a funding operation of the most effective and beneficial kind, and will prove itself a powerful ally in the battle against inflation. Let that be the first slogan—Save to Fund : Save for Solvency : Save for Security.

But there is something more. One of the most important tasks before us today is to ensure that, while maintaining our world-wide approach to the problems of trade and finance, we should lose no opportunity of taking a lead in strengthening the economic ties between this country and the Commonwealth and between this country and Europe. Thus we should aim at developing the mutual interests of these great groupings within the framework of our wider policies. For this, our position at home must be sound and strong. Nothing is more important to this end than an accumulation of savings. We must have capital resources. We must have stability for our currency. Our ammunition in the cold war is the power to invest, to develop other countries as well as our own, to play our part—and more than our part—in the struggle for the soul of the neutral world. So perhaps there could be other slogans too: Save to be free. Aye, and I am not ashamed of it : Save to be great!

So much for the new objectives. What are the new weapons? The first and greatest need of the Savings Movement is confidence in the currency. The saver needs to be assured that money will not continually lose its value. This Budget must play its part. But the thoughtful saver will also realize that this is a matter in which he is helping himself. A vigorous Savings Movement is itself the best protection that we can have against inflation But if the movement is to be vigorous it must have new securities to sell, and I will try to give them."

National Savings Certificates. "First, there is the question of putting a new cutting-edge on the old tool. The National Savings Certificate is by common consent the leading small savings security. The current issue yields £3. 0s. 11d. per cent tax free, if held to maturity in 10 years. I feel justified in offering the small saver a higher return, and a shorter period in which to earn it. There will therefore be a new issue opening on Aug. 1 of a 15s. Certificate rising to 20s. in seven years. The yield, if held to maturity, works out at £4. 3s. 11d. per cent tax free. The limit on holdings of the new issue will be 600 units. Till Aug. 1, the current issue will remain on sale, and I would urge everyone who can not to miss the chance of increasing his holding of the current issue before it closes. For the benefit of savers who already hold the maximum, I am raising the limit on holdings of the current issue from 1,200 units to 1,400 units"

Defence Bonds. "Next, the Defence Bonds Here again I feel justified in offering the saver a higher return. On May 1 the current 4 per cent issue will be closed, and a new issue will open yielding interest at 4½ per cent and encashable at par on six months' notice, but with a premium of £2 per cent if the bond is held for five years, or £5 per cent if it is held for its full currency of 10 years.

P.O. and Trustee Savings Bank Accounts. "The Post Office and Trustee Savings Banks are integral parts of the savings movement. Money saved in these institutions is effectively lent to the Exchequer. The rate of interest, fixed by statute since the last century, is 2½ per cent. I do not propose to change that. I believe that the savings movement is better off with a savings bank rate that does not fluctuate with the market but stays fixed whether money in the market is cheap or dear But I do propose to accept another proposal which the savings movement have often put forward. I do not think they have ever been very sanguine that any Chancellor would agree to it, but I propose to accept it. I propose to exempt from income tax the first £15 of income accruing to an individual from deposits in the Post Office Savings Bank or the ordinary department of a Trustee Savings Bank.

Naturally no more than £15 will be exempted in the hands of one individual, however many deposits are held Moreover this interest, grossed up by reference to income tax at the standard rate, will be chargeable to surtax. The cost to the revenue, as regards existing deposits, will be about £8 million in 1956-57 and about £10 million

The National Accounts.

1955-56 Out-turn and 1956-57 Estimates (after 1956-57 taxation changes)

Above the Line

Revenue	1955-56 Out-turn	1956-57 Estimate	Expenditure	1955-56 Out-turn	1956-57 Estimate
	£ million			£ million	
Inland Revenue ..	2,539	2,680	Interest on Debt .	638	670
Customs and Excise	2,013	2,158	Sinking Funds .. .	37	37
Motor Duties	87	92	Northern Ireland . .	59	61
			Miscellaneous ..	10	10
Total Tax Revenue	4,639	4,930	Total Consolidated Fund Services .	744	778
Post Office (Net Receipt)	—	10	Supply : Defence .	1,405	1,499
Broadcast Licences . .	26	28	Civil	2,286	2,428
Sundry Loans .. .	30	30	Tax Collection	61	53
Miscellaneous . .	198	200	Total Supply	3,752	3,980
			Reduction in Supply Expenditure .	—	20
Total Revenue . .	4,893	5,198	Total Expenditure	4,496	4,738
			Surplus .	397	460
	4,893	5,198		4,893	5,198

Below the Line

Receipts			Payments		
Interest outside Budget	119	150	Interest outside Budget ..	119	150
Export Guarantees—			Export Guarantees .	2	7
Repayments .	2	2	Post-war credits .	17	18
Housing receipts from Votes	7	7	Excess Profits Tax Refunds	3	2
Local Authorities—			War Damages	27	24
Repayments . .	34	44	Scottish Special Housing	5	7
Post Office capital repayments from Votes .	1	3	Armed Forces—Housing	1	8
Raw Cotton Commission—			Loans to Local Authorities	331	220
Net repayments	15	1	Loans to N. Ireland Exchq.	5	4
National Coal Board—			Loans for New Towns	32	35
Repayments	8	7	Post Office capital expenditure	70	78
Iron and Steel . .	25	—	Loans to Independent Television Authority .	1	1
New Towns—Repayments ..	—	1	Town and Country Planning Acts—Compensation payments	49	30
Town and Country Planning Acts—			Overseas Resources—		
Repayments . .	6	7	Colonial Development	9	9
Potato Marketing Board—			Loans to Potato Marketing		
Repayments ..	—	1	Board	—	5
Anglo-Turkish Armaments Credit—			Loans to Sugar Board .	—	10
Repayments .. .	1	1	National Coal Board—		
Other repayments	1	1	Capital expenditure, etc.	86	70
			Loans to other Nationalized Industries .. .	—	350
Total Receipts ..	219	225	Total Payments ..	757	1,028
Net Sum borrowed or met from Surplus . ..	538	803			
	757	1,028		757	1,028
Total Receipts . ..	5,112	5,423	Total Payments	5,253	5,766

in a full year The exemption from income tax does not apply to interest earned by deposits in the Special Investment Department of the Trustee Savings Banks. This is the field in which the banks can use their initiative to earn good rates of interest for their depositors, by judicious investment on terms which take full advantage of present market yields I want to be sure that the banks have full scope for this activity. The law at present sets a limit of £1,000 on the amount that a depositor may hold in the Special Investment Department. I am laying an Order before Parliament, which will take effect early in June and will raise the limit to £2,000."

Retirement Provisions by Self-Employed, etc. " I propose to give effect, though in a simplified and modified way, to the recommendations of the second Millard Tucker Committee on relief to the self-employed in respect of provision for retirement. This will grant relief from income tax and surtax, within certain limits, in respect of premiums paid to provide a deferred annuity on retirement. The relief will apply to professional men in practice, to individuals and partners who are not companies, to controlling directors of companies, and, finally, to employees who are not entitled to any benefit under schemes set up by their employers. It will be a condition of relief that the benefits secured by the premiums shall be payable only as annuities and not as lump sums

The relief will be limited to premiums not exceeding £500 or 10 per cent of earned income in any one year. The cost to the revenue of this relief will be small in the first year, perhaps £7 million, but may rise to some £30-£50 million in subsequent years, according to the extent to which advantage is taken of the relief. But, as I expect it to lead to a large amount of new savings, the effect on the economy should be the reverse of inflationary. The scheme covers a very wide range. The potential beneficiaries will be very numerous. The self-employed themselves number perhaps 1,500,000. They range from the city accountant to the village grocer There are the many employees whose jobs are not pensionable For all these, the scheme will be a measure of fiscal justice. It will also increase the savings that we want.

As a corollary of this new relief, I propose to carry out a related recommendation of the Tucker Committee and to relieve from income tax the annuity funds of life assurance companies, in so far as they represent invested premiums arising from deferred annuity business for the self-employed or from the reinsurance of approved superannuation funds This will cost about £500,000 in 1956-57, but the cost will increase later

I also propose to give effect to the Tucker Committee's recommendations that purchased life annuities not connected with a pension scheme should no longer be taxed in full, but that the part representing a return of the purchase money should be exempt. This will be of considerable benefit to those who are too old to secure any great advantage from the deferred annuity scheme It will cost about £1 million in 1956-57 and about £2 million in a full year."

Stamp Duty on House Purchases. " Now I come to an old love of mine—the owner-occupier. There is no better stimulus to saving than house ownership, and I believe that many more people will commit themselves to it if the initial costs are reduced I therefore propose to reduce the rate of stamp duty on house purchase The present rates are 10s. per £100 up to £500, with a sliding scale up to £3,450, when the rate becomes £2 per £100 The new rates will be 10s. per £100 up to £3,500, with a sliding scale up to £5,000 Above £5,000 the full rate of 2 per cent will apply. This relief will cost £4 million this year and £6,250,000 in a full year But it will help savings "

Premium Bonds. " Finally, I have something completely new for the saver in Great Britain—a premium bond. Let me say at once that this is not a pool or a lottery where you spend your money. The investor in the bond I propose is saving his money. He will get it back when he needs it, but as long as he holds it saved, his reward instead of interest is the chance of winning a tax-free prize. The idea is, of course, not novel. Various forms of it have been advocated in the Press recently, and schemes of this kind are being operated by the State in more than one oversea country.

Hitherto the State in this country has fought shy of using chance as an incentive to save Why? I can suggest two reasons. First, there has been the fear (I hope to show the unreasonable fear) of moral objections to rewards for saving based on chance. Secondly, there has been a reluctance to lay out the organization that must be made ready before the public can be invited to subscribe, with the risk that the public may or may not like it. But I have reached the conclusion that the moral objection is not really valid, and that the prospects of success make the outlay on organization well worth while.

Let me deal with the moral factor. This is not gambling, for the subscriber cannot lose This is an encouragement to the practice of savings and thrift by those members of the community who are not attracted by the reward of interest, but do respond to the incentive of fortune. My object is to invite the people to save for interest, or save for the chance of a prize, according to their preference.

The details of the scheme will be announced later, for they cannot be settled before the organization has been built up, and there is a great deal of organization to do. Here is an outline of the essential features It will be a £1 bond. There will be a limit on individual holdings, for we want the savings of ordinary people. The limit might be 250 to start with, or a little more. I am not quite certain A holder will get back his £1 on giving due notice. Each £1 bond that has been held for a fixed period will qualify for a draw to take place every three months. The number and amount of the prizes is not yet finally settled. I have in mind to give an annual prize fund equal in amount to 4 per cent of the bonds drawn, divided into prizes ranging from a few top prizes of £1,000 to a larger number of prizes of smaller amount

To handle the new money subscribed to these bonds on the large scale which I confidently expect, the Postmaster-General has a big organization to plan and build up; and that, of course, coming on top of all the work which I hope my proposals affecting Savings Certificates and Defence Bonds will be giving him in the coming months. The premium bonds have to be printed in large numbers. They will be held as savings—that means that he must organize a register. The drawing arrangements are by themselves a novel administrative problem. For all this, premises must be obtained and equipped and staff recruited and trained. The Post Office must be given time to get ready. I doubt whether we shall be ready at the end of this year. This cannot be done before the New Year.

This interval can be put to good use by the National Savings Movement. Naturally, I have not been able to consult the movement in advance But I hope that after studying the terms they will feel that it preserves and encourages saving.

I offer all this new range of securities as a challenge to the National Savings Movement. The securities are really attractive to every class of saver. To make them so, I have broken rules. It is now up to the movement to break records.

New Cuts in Government Expenditure. " I now come to another field in which the Government must make an effort of saving parallel to that which it is urging on private individuals That is the field of Government expenditure. We all know how difficult has been the task of effecting real economies. But we must be frank. War and the conditions following war produce a general atmosphere in which the whole idea of economy is necessarily weakened. We have to make a new effort, and get back to the point of view that however small a saving may be, it is worth making.

In my room at 11, Downing Street, there is a picture of Mr Gladstone, a copy of the famous Millais portrait I am told that some former Chancellors could not stand those eyes looking at them, day by day, reproachful and nostalgic The picture was, therefore, during certain periods removed Anyway, it is there now. We must all admit there was a great deal to be said for the older approach In those days it was the expenditure that had to be justified, and not the reduction in it

As regards defence expenditure, the net Estimates for this year do not show any increase in spite of rising costs. Indeed, making allowances for the new rates of pay for the armed Forces (which are likely to cost an extra £70 million), the real pressure of the defence bill upon our resources of manpower and materials should be smaller Nevertheless, the task of adapting the needs of defence to new interpretations of strategical and tactical concepts must go on all the time I am authorized by the Prime Minister to say that he and the Minister of Defence, with the other Ministers concerned, are taking special steps to ensure that the defence programme, and particularly those items most affected by recent changes in strategic thinking, are adapted to the new conditions as soon as possible and with maximum regard to the need for economy. I am sure that we shall be able to find worthwhile savings as a result.

So far as civil expenditure is concerned, without injury to the purposes which are common to us all, I believe there is still room for economy Even modest economies are worth making. They can be made both in central and local government, if economy is the order of the day—if people are economy-minded The Prime Minister announced in his Bradford speech that we are determined to make savings in administration He put as the objective a reduction of 10,000-15,000 in the Civil Service I believe this can be done, and perhaps still more can be done. Any economies, of course, whether in defence or in civil expenditure, fall into different classes—some become immediately operative, some only help us a little in the first year but fructify in future years

It is normally the practice for the Estimates to be discussed in the course of the autumn between Government departments and the Treasury. They are finally settled by Ministers in the early months of the calendar year, so that they can be presented to Parliament at the proper time This year the Government have decided that a review of all Government expenditure, civil and military, should be put in hand at once It will be continuous and comprehensive. It is an essential part of the effort which the whole nation is asked for this year

It has often been suggested that this work should be undertaken by some outside body. There are precedents for this. But I do not think that this is the right means to adopt. Ministers are responsible and they must carry their responsibility Although there are many individual detailed matters in which outside advice can be helpful to a Minister, yet it must be the Cabinet as a whole that must be responsible. In any case we intend to do this work ourselves. With the full approval of the Prime Minister and my colleagues, I can say that we are determined that this economy drive should bring us, over the whole field, savings amounting to not less than £100 million in this current year on services provided for in the Estimates as published."

Other Proposals. " The Finance Bill will of course contain the clauses to give effect to the Government's decision to suspend investment allowances, which has already been announced In my February statement I made two exceptions to the general rule. These were shipping and scientific research. Their investment allowance will remain. To these I now propose to add approved fuel-

saving equipment which is installed by way of replacement or modification in existing industrial premises. I think these three have an absolute priority today. The Bill will also contain legislation to correct defects in the profits tax law, which were revealed by decisions of the Courts last year in cases known to the initiated as "Heelex" and "Universal Grinding Wheel."

I propose to carry out the Royal Commission's recommendation that expenditure on what is known as cutting and tunnelling in connexion with an industrial building or structure—and this will include dredging—should qualify for capital allowances, including the initial allowance. This will be of particular importance to the construction of dry docks

I propose also certain changes, based broadly on the recommendations of the Royal Commission, in the basis of taxation of foreign employments, and a change in the residence rules so that in future an employee who goes to work wholly abroad will have his tax liability dealt with on the same basis, whether or not he continues to maintain a home in this country

In estate duty I propose to remove a hardship which can arise where an annuity is charged on settled property, and to carry out an undertaking of my predecessor to grant relief from duty in certain cases of compulsory purchase of land There will be a number of other minor proposals in the field of direct taxation. . .

There are also one or two minor matters relating to Customs and Excise with which I propose to deal The first concerns cider and perry. These drinks have for many years been excluded from the scheme of duties on alcoholic drinks, and I do not propose to introduce a duty on cider or perry as such However, there has recently been a rapid growth in the production of certain special types of cider and perry, of an alcoholic strength much above that of the ordinary product, and comparable in that and other respects with dutiable British wines To protect the revenue and to remove an unfair competitive advantage, I propose to extend the British wine duty to include cider and perry of a strength of 15 degrees of proof spirit or more. I am advised that in general cider and perry made by the ordinary processes do not exceed this strength

To avoid any possible hardship, particularly to farmhouse producers, I propose to provide for the exclusion of cider and perry from the duty even if this limit is exceeded, provided it is established that they have been made wholly by simple fermentation of natural apple or pear juice. This distinguishes those traditional beverages from more sophisticated products, which are made from a wide variety of fruits and vegetables. This change will operate as from tomorrow. It is estimated that the Exchequer will benefit to the extent of about £400,000 in a full year and £350,000 this year

I propose to close a loophole in the law of a very different kind I am informed that an increasing number of people have been able to acquire motor cars of the shooting-brake type in such a way as to avoid, in whole or in part, the purchase tax to which these vehicles are liable. I am including a clause in the Finance Bill to stop this form of evasion."

Strengthening of Budget Surplus. "I now turn to the means of preserving and strengthening the prospective Budget surplus. We certainly cannot afford to take any risks I am intending to place very considerable reliance upon the success of the new savings campaign with the whole body of the public I believe voluntary savings may bring us something of an order of magnitude far beyond anything yet achieved.

I have explained the Government's purpose to make a saving in expenditure of £100 million this year, and I would say frankly that, if I had not been fortified by the willingness of my colleagues to co-operate in this task, I would have felt it my duty to propose very heavy increases in taxation But public saving, that is compulsory saving, must in present circumstances, much as I deplore it, still play an important role. I have to be, this year ar any rate, another Mrs. Pardiggle after all The difficulty is to measure the need, and to find the means which do the least injury to the morale of all our people.

That our economy is basically sound, and in many ways stronger than for many years, we all know. We have escaped from the siege economy of the war and the years immediately after. It may be that in the first thrill of freedom we have gone a little too far in the other direction That is not to be wondered at; fresh air is rather intoxicating. But we must be careful The whole world is watching us today. It will judge us largely by the degree of self-control and self-discipline of which we can prove ourselves capable The prize of success is great; but so is the penalty of failure. For those we are asking to save, we must provide a stable pound. For the whole sterling area and all that this implies, politically as well as economically, we must ensure that our balance of payments shall improve and our reserves reasonably well built up. The period of strain comes in the second part of the year We must do everything we can now to prepare ourselves to take that strain

How do we stand on the 'above the line' surplus? The savings package which I have announced is estimated to produce a tax loss of £20 million in the year 1956-57. If the result is, as I hope, to stimulate savings on a very large scale, this tax loss is far more than offset from the point of view of inflation. It will pay for itself many times over. Nevertheless I must be scrupulous. Even in so good a cause I cannot allow the surplus to be reduced by this £20 million. Moreover, I want not merely to maintain the surplus but to increase it I want to send a message which will be understood that we are determined to protect the £, determined to overcome our difficulties. No one should doubt, here or overseas, that there will be made that extra effort required to achieve success.

We have £445 million in hand. What should the reinforcement be? I have thought a great deal about this—I have also had quite a lot of advice In the end I have reached the decision that I must look in about equal proportions to indirect and direct taxation for the purpose"

Tobacco Duty. "Let me take first indirect taxation The House will recall that the tobacco duty was raised sharply in 1947 and again by a smaller amount in 1948 Since then, the duty having remained unchanged, the prices of cigarettes and other tobacco have risen relatively little. The duty is a good deal less burdensome than it was eight or nine years ago While I am fully aware of the contribution already being made to the Treasury by smokers—the duty yielded £668 million last year—I am sure that part of the additional revenue which I need at the present time can best be obtained from this source. I accordingly propose to raise the duties on leaf tobacco by 3s. a lb., and to make corresponding adjustments in the rates chargeable on imports of cigars, cigarettes, and other manufactured tobacco. The effect will be, for example, an additional 2d on a packet of 20 cigarettes It is estimated that this increase in duty will bring in £28 million in a full year and £27 million in the present financial year The new rates of duty will come into effect from tomorrow.

I have naturally had to consider the arrangements under which old-age pensioners are given partial relief from the tobacco duty. This scheme had its origin and justification in the large increase in duty in 1947, which raised the price of tobacco out of line with the post-war increases for other goods In present circumstances I do not propose to extend it to cover the relatively modest increase now proposed."

Profits Tax. "Now I come to direct taxation. After much consideration I conclude that it would not be conducive either to increased incentives or to the successful operation of the savings campaign to place a further burden upon the income-tax payer. I have therefore decided to secure my purpose in the field of profits tax I propose to increase the rate of tax on distributed profits by 2½ per cent and that on undistributed profits by ½ per cent The effect will be to increase the rates to 30 per cent and 3 per cent respectively. The increases will take effect as from April 1 and there will be the usual provisions for dealing with accounts which overlap that date. The yield next year will be £30 million. It is true that in 1956-57 these increases will not actually reach the Exchequer. They will not therefore directly swell the surplus. Nevertheless, the deflationary effect will not be deferred. The tax to be paid next year will have to be taken into account by boards of directors in formulating dividend policy and expenditure programmes during this year. It will be saved."

Family Allowances. "I am conscious of the burden which is borne in these expensive days by the parents of the large family, and I have looked round for some small concession to help them. It must be something the benefit of which is widely spread, even more widely than the income-tax field I have found it in family allowances. A Family Allowance Bill will, we hope, be passed into law this session. Its purpose is to raise the age to which the allowance will continue if children remain at school or apprenticed The Government propose to ask Parliament to add to this an increase in the family allowance scale for the third and subsequent children at the rate of 2s a week. The cost in a full year will be £10 million. If, as we hope, this change can operate from Oct. 1, the cost will be £5 million for this year. This will be in addition to the £2,500,000 a year which is required to raise the age-limit, for which we have already made provision in the Estimates"

Conclusion. "Let us see how the balance sheet now stands. The savings package will cost £20 million The family allowances £5 million—£25 million in all. Against this, tobacco will bring in £27 million, the end of the bread subsidy £12 million, and miscellaneous tax changes £1 million—£40 million in all. As a result £15 million will be added to the estimated surplus above the line, making it £460 million in all. A further £30 million of profits will be earmarked in this year, and although the money will not accrue to this year's surplus, it will help to buttress it and support it The reduction of Government expenditure will bring further reinforcement. With all these measures together, I claim that our main objective will have been secured.

Naturally I regret that I cannot propose all the various alleviations and mitigations, in the realm of both indirect or direct taxation, which have been pressed upon me. For the time being, these must wait This is a savings Budget The Budget surplus, the Government saving in expenditure, and private savings will together make a foundation upon which we can take up without danger the task of increasing investment for the future. The rate of our progress during recent years makes it necessary to slacken the pace a little. But the great forward march goes on"

As pointed out by the Chancellor, the estimated effect of the taxation changes will be as follows: (*a*) Income Tax exemption of the first £15 of Savings Bank interest: a loss of £8,000,000 in 1956-57 and £10,000,000 in a full year; (*b*) Income Tax exemption on capital element in purchased annuities: a loss of £1,000,000 in 1956-57 and £2,000,000 in a full year; (*c*) Income Tax relief for premiums for retirement annuities: a loss of £7,000,000 in 1956-57 and of from £30,000,000 to £50,000,000 in a full year; (*d*) Income Tax exemption of investment income of funds for retirement annuities and reassured superannuation funds: a loss of £500,000 in 1956 and £1,500,000 in a full year; (*e*) Profits Tax increase: a yield of £750,000 in 1956-57 and £30,000,000 in a full year;

(*f*) reduction in stamp duty on house purchases: a loss of £4,000,000 in 1956-57 and £6,350,000 in a full year; (*g*) stamp duty reduction on certain purchased life annuities: a loss of £100,000 in 1956-57 and £150,000 in a full year; (*h*) tobacco duty increase: a yield of £27,000,000 in 1956-57 and £28,000,000 in a full year; (*i*) wine duty on strong cider and perry: a yield of £350,000 in 1956-57 and £400,000 in a full year. Total yield, £7,500,000 in 1956-57.

Certain aspects of the Budget speech are illuminated by the following information.

Borrowings of Nationalized Industries. Mr. Henry Brooke, the Financial Secretary to the Treasury, stated in the Commons on April 17 that temporary bank borrowings by the nationalized industries as at March 31, 1956, stood at £89,000,000. At the same time Exchequer advances to the National Coal Board amounted to £267,000,000

Market Borrowings by Local Authorities. In another reply on the same date, Mr. Brooke stated that four local authorities had raised £8,000,000 by issues of Stock since Feb. 7, whilst the estimated amount of local authorities' loans raised on mortgage was about £35,000,000.

4½ per cent Defence Bonds. Announcing details of the new issue, the Treasury said that holdings would be limited to £1,000, in addition to any permitted holdings of previous issues. Holders of 2½ per cent Defence Bonds maturing May 1 and Sept 30, 1956, who accepted conversion into the new Bonds would have their Bonds exchanged on the same terms as those issued for subscription.

National Savings Certificates. The Treasury also announcing on April 19 that certificates of the sixth issue (on sale from March 1, 1935 - November 21, 1939), which could hitherto be held for 22 years from the date of purchase, might now be retained indefinitely unless notice to the contrary was given by the Treasury Certificates of the eighth issue (on sale from April 1, 1947 - Jan 31, 1951), which could hitherto be held for 10 years from the date of purchase, might be retained for another 10 years.

Measures announced between Mr. Macmillan's statement on the Government's new anti-inflationary steps (Feb. 17) and his Budget speech were as follows:

Capital Issues. The Chancellor announced on March 13 that the limit of exemption from control of new capital issues by the Capital Issues Committee would be reduced as from March 14 from £50,000 to £10,000. Moreover, he stated, financial institutions would be requested to "examine with special care" transactions involving the sale of freehold properties to them in order to raise capital, and the subsequent leasing of these properties back to the vendor.

Local Authority Loans. The lending rates of the Public Works Loan Board for loans to local authorities were further raised as from March 24, the new rates being as follows (previous rates shown in parentheses) (*a*) for not more than five years: 5⅛ per cent (5¼ p.c.); (*b*) for 5-15 years 5¼ per cent (5⅜ p c.); (*c*) for more than 15 years: 5¼ per cent (5½ p.c.). These increases, which only applied to future loans, were in line with the policy announced by the Chancellor in his Supplementary Budget speech in October 1955, when he emphasized that the rates would be based on the credit of local authorities of good standing in the market for loans of comparable periods.

Hire Purchase Restrictions. A licence issued by the Board of Trade on March 21 exempted from the new restrictions announced by the Chancellor on Feb 17 certain goods manufactured to the special requirements of the buyer, for which an order had been placed and on which work had started before Feb. 18. Goods affected included machinery, machine tools, and certain commercial vehicles which would otherwise have come under the new hire purchase controls for capital goods.

The Chancellor's Budget speech led to an immediate further strengthening of sterling in overseas markets, spot sterling in New York closing on April 17 at $2.80⅞ - $2.81, and the London dollar rate on April 18 ranging from 2.80⅞ - 2.81⅛. Transferable sterling, which had already moved fairly close to the official spot rate since the beginning of April (reaching $2.7816 on April 5), further advanced on April 18 from $2.7845 to $2.7855.

Whilst the Opposition was critical of some features of the Budget, especially the Chancellor's refusal to grant old-age pensioners exemption from the increase in tobacco duty, the Parliamentary Labour Party decided on April 18 to accept the view of the Opposition "Shadow Cabinet" that no censure motion should be tabled.—(Times - Daily Telegraph - Manchester Guardian - Financial Times) **(Prev. rep. Supplementary Budget 1955-56, 14500 A; Revenue and Expenditure, 1955-56, 14798 A; Anti-inflationary Measures, 14705 A; Local Authority Loans, 14664 A; Defence Bonds, 14492 D.)**

A. SPAIN. — Death of Prince Alfonso of Bourbon.

Prince Alfonso of Bourbon (15), the younger son of the Pretender to the Spanish throne (Don Juan), was accidentally killed on March 29 while cleaning a pistol at his home in Estoril, Portugal.—(A.B.C., Madrid) **(Prev. rep. 14300 A.)**

B. FRANCE - ITALY. — President Gronchi's Visit to Paris. - Joint Franco-Italian Communiqué.

President Gronchi of Italy, accompanied by Dr. Martino, the Foreign Minister, paid an official visit to Paris from April 25-27—the first State visit to France by an Italian head of State since King Victor Emmanuel III's visit in 1903. During his stay in the French capital President Gronchi and Signor Martino had conversations with President Coty, M. Guy Mollet, the French Prime Minister, and M. Pineau, the Foreign Minister, whilst President Gronchi attended a State banquet at the Elysée.

A joint communiqué (April 27) stated that the conversations had been "marked by a spirit of friendly and close co-operation." It is summarized below under cross-headings.

NATO Policy. "France and Italy will continue to make their full contribution to NATO, and will act in concert to develop this organization in the economic, social, and cultural spheres in such a way as to give it its full meaning."

European Integration. "France and Italy will support all schemes aimed at tightening the links between the countries of Western Europe, by giving the Council of Europe all the possibilities of action which it must possess in order to exercise fully that initiative and direction which is its purpose. Both countries recognize as their objective a European integration which will affirm the community of ideas and interests which already transcend national frontiers."

East-West Relations. The statement stressed the importance of establishing "more confident and active relations between East and West," and pointed out that such a *rapprochement* would be facilitated by the settlement of urgent problems "such as Germany's reunification in freedom, and the creation of European security on a solid basis."

Disarmament. Both France and Italy were greatly interested in the current discussions on disarmament They believed that rapid progress in this matter would not fail to have an important influence on the international situation, and both countries would, in co-operation, make every effort necessary to achieve effective results.

Middle East. The communiqué said: "Special attention has been given to current problems in the whole of the Mediterranean basin. Any violation of peace and security in this area would directly affect the interests of the two countries, and in consequence close consultations will take place between them with the view of making efficacious that policy of peace, stability, and equilibrium which appears to be the only means of bringing about a settlement of the present crisis in the Middle East."

Franco-Italian Co-operation. "Both Governments are in full agreement on the necessity of achieving fresh progress in the economic co-operation already brought about between the two countries, and to which the joint Franco-Italian Commission established last year is making an active contribution. The concrete measures which this commission has been asked to study will not fail to have favourable effects in this respect."

Conclusion. "President Gronchi's visit to Paris has thus permitted the development and reinforcement of the close community of views already existing between two peoples who are allies and friends. On the eve of important negotiations, this meeting has made it possible to lay the foundations of joint action to solve the principal world problems, notably in Europe and in the Mediterranean basin."

The reference to "important negotiations" in the last paragraph of the communiqué related to the forthcoming meeting of the North Atlantic Council in Paris. The need to introduce greater political, economic and social cohesion into the NATO alliance was stressed by President Coty and President Gronchi at the State banquet held in the Elysée. In the course of his speech the Italian President spoke of the need to transform the NATO, at present "a purely defensive alliance which is by nature transitory and subject to the fluctuations of fear," into "a political, economic and social community based on a solidarity of interests, means and resources."

In a press interview (April 27) Dr. Martino expressed the belief that France and Italy would adopt a joint attitude at the next session of the North Atlantic Council, "which we hope will see the beginning of some concrete development within the framework of Article 2 [of the North Atlantic Treaty]." He added that Italy aimed at the creation of a joint fund for helping under-developed countries both inside and outside the NATO alliance, and that the French Government would submit proposals in this sense to the North Atlantic Council. Dr. Martino also expressed "the firm belief that it will be impossible for Europe to survive without European integration," and stated that the Italian Government shared the French view that "disarmament, European security, and German reunification are interdependent questions." Finally, he announced that a special working committee had been set up to study the position of the Italian community in Tunisia.

President Gronchi and Dr. Martino left Paris on April 28 to visit the Italian and French war cemeteries near Reims before returning to Rome on April 29. Before leaving Paris President Gronchi invited President Coty to visit Italy.
(Le Monde, Paris - Giornale d'Italia, Rome)
(Prev. rep. 14102 B; 14000 A.)

A. MIDDLE EAST. — Soviet Support for U.N. Efforts to achieve Peace in Middle East. - British, U.S. and Israeli Reactions.

The Soviet Government issued a statement on April 17 in which it was announced:

(1) That the U.S.S.R. would "render the necessary support to U.N. measures directed towards ways and means of strengthening peace in the area of Palestine, and implementing the corresponding decisions of the Security Council."

(2) The Soviet Government was of the opinion that "measures should be taken at the earliest moment to ease the tension in the Palestine area without outside interference, which is contrary to the will of the Near Eastern countries and the principles of the United Nations." At the same time the Soviet Government called upon the interested parties "to refrain from any kind of action which may exacerbate the situation on the existing demarcation line between the Arab countries and Israel," as well as to "make the necessary efforts to alleviate the difficult position of hundreds of thousands of Arab refugees deprived of their homes and means of subsistence."

(3) The Soviet Government "considers it essential, in the interests of strengthening international peace and security, to direct efforts towards a stable, peaceful settlement of the Palestine question on a mutually acceptable basis, taking due consideration of the just national interests of the interested parties."

The declaration was prefaced by the following statement:

"... The principal reason for the aggravation of the international situation in the Middle East is the continuous attempt to create and extend military alignments which serve the aims of colonialism and are directed against both the independence of the peoples of the area and the security of peace-loving countries The setting-up of such alignments has ... led to a deterioration of relations between the Arab States and Israel, between Pakistan and Afghanistan, and between Pakistan and India. . The pressure exercised by certain States on independent Arab States to force them against their will to join groupings such as the Baghdad Pact constitutes a violation of the principles of the U N. Organization, and is contrary to the interests of peace and international security.

"One of the most dangerous developments at present is the exacerbation of the Arab-Israel conflict Whatever interpretation one places on the emergence of this conflict, one cannot fail to see that certain circles in some countries .. are striving to make use of this conflict for aggressive aims, and are prepared to go as far as stationing foreign troops on the territory of countries of that area Interference in the affairs of Arab countries is aimed at re-establishing colonialism in the Near East, in which certain oil monopolies are particularly interested. The three-Power declaration of 1950 [i.e the Tripartite Declaration between Britain, the U S A and France] is in line with these aspirations. This is fraught with the danger of the emergence in the area of a hotbed of war, which cannot be permitted ...

"A great achievement of the peoples of the Middle East since the Second World War has been the establishment of the national independence and sovereignty of a number of States which, until recent times, were colonial or mandated territories. The Soviet Union regards with sympathy and ardent support the attempts of the Near Eastern countries—Egypt, Saudi Arabia, Syria, Lebanon, Yemen, Jordan, Libya, Sudan, Iraq, Israel, and others—to strengthen their independence. The Soviet Union has assessed in the same manner the actions of Britain and France, which facilitated the solution of urgent Near Eastern problems by recognizing the independence and sovereignty of these States

"The principles of respect for national independence, non-interference in the internal affairs of States, and the solution of international disputes by peaceful means, are enshrined in the U N. Charter. Being a steadfast supporter of these principles, the Soviet Government wholeheartedly supports the strivings of the Arab States for the consolidation of their recently acquired national independence. ..

"While striving to ensure the consolidation of peace and the development of international co-operation, with due regard for the rightful national interests of the peoples of all countries, the Soviet Government is unswervingly opposed to the violation of peace in the Near East, and to any actions which might lead to the outbreak of armed conflict or be used as pretexts for precipitating such conflicts. It considers that it is possible and necessary to avoid an armed conflict in the Near East, and that it is in the interests of all Near Eastern States not to allow themselves to be provoked into becoming involved in military operations. At the same time the Soviet Government considers that it is illegal and inadmissible to use the Arab-Israel conflict as a pretext for outside interference in the internal affairs of independent Arab States, or for introducing foreign troops in the territory of the Near East."

The Soviet Government's willingness to co-operate in U.N. efforts to bring about a settlement in the Middle East was welcomed in London, Washington and Paris. Mr. Dulles, at a press conference on April 17, pointed out that the U.S. Government had already taken up the position that peace in the Middle East was primarily a concern of the United Nations; he added that, as the Soviet Union was a member of the U.N., this automatically associated the Soviet Government with any U.N. proposals on the Middle East. Mr. Selwyn Lloyd, in a statement to the House of Commons on April 18, said that although there were "some evident mis-statements and inconsistencies" in the Soviet declaration, "H.M. Government nevertheless welcome Soviet emphasis on the need to preserve peace and to reach an Arab-Israeli settlement 'on a mutually acceptable basis, taking due consideration of the just national interests of the interested parties.'"

The Foreign Minister of Israel, Mr. Sharett, said on April 23 that the Soviet declaration "still had to pass the test of action." He thought that the arming of Egypt with Soviet weapons was in "striking contradiction" to the passage in the declaration which professed Soviet opposition to any action in the Middle East likely to bring about armed conflict. Nevertheless, he agreed that there were "innovations" in the Soviet statement which might "herald a change for the better."

On the same day on which the Soviet statement was published (April 17) M. Molotov and M. Mikoyan attended a reception at the Israeli Embassy in Moscow in connexion with the celebration of Israel's Independence Day—a gesture which was regarded as indicating the Soviet Government's desire to foster good relations with Israel as well as with the Arab countries. M. Molotov also stated on April 17 that the declaration "could serve" as a basis for discussions between the Soviet and British leaders during the forthcoming visit of Marshal Bulganin and M. Khrushchev to Britain.—(Soviet Weekly - Times - Manchester Guardian - Le Monde, Paris - New York Times) **(Prev. rep. Middle East, 14793 A.)**

B. COMINFORM. — Dissolution announced by "Pravda." - Cominform Journal ceases Publication.

The dissolution of the Cominform was officially announced on April 18 in the Moscow newspaper *Pravda*, organ of the Soviet Communist Party. The statement said that the eight Communist parties in membership of the Cominform (those of the U.S.S.R., Poland, Czechoslovakia, Hungary, Bulgaria, Rumania, France, and Italy) had unanimously agreed that the organization should be dissolved because it had "exhausted its function," and had also agreed to cease publication of the Cominform journal *For a Lasting Peace, For a People's Democracy.*

The statement (which was signed by all the eight national Communist parties concerned) said that the dissolution of the Cominform had been agreed upon as the result of a number of changes in the international situation, *inter alia*, the fact that Socialism had passed beyond the framework of a single country and had been transformed into a "world system", the formation of a wide "peace zone" that included non-Socialist as well as Socialist countries in Europe and Asia; and the strengthening of Communist parties in capitalist, dependent, and colonial countries.

The impending dissolution of the Cominform (Communist Information Bureau)—founded in 1947 as the successor to the pre-war Comintern (Communist International)—had been reported on various occasions during the past few months. The first official statement to this effect was made on April 17—the day before the *Pravda* announcement—by M. Mikoyan and M. Shepilov (editor of *Pravda*) at a reception at the Syrian Embassy in Moscow.

The news of the Cominform's dissolution was warmly welcomed in Yugoslavia, where the official *Borba* wrote that the decision would be "of benefit for the further advance of socialist and democratic movements generally." The Belgrade newspaper *Politika* said that the Cominform had sought to impose a rigid policy upon countries, which "did not contribute to international co-operation or to the improvement of relations between the peoples of the world."—(Times - Le Monde, Paris - New York Times - Tanjug Agency, Belgrade)
(Prev. rep. Cominform, 8864 A.)

C. SOUTH AFRICA. — Return to United Nations.

The Union Minister for External Affairs, Mr. Eric Louw, announced on April 26 that South Africa would take part in the 11th session of the U.N. General Assembly to be held at the end of the year. Mr. Louw added that he would lead the South African delegation at that session. South Africa had withdrawn from the 10th session (see page 14669, second column) in protest against the Assembly's decision to discuss the *apartheid* question, which was regarded as an interference in the Union's domestic affairs. (Times)

A. SOVIET UNION - UNITED KINGDOM. — M. Malenkov's Visit to Britain. - Study Tour of British Electrical Industry.

M. Georgi Malenkov, Minister for Electric Power in the Soviet Government, and formerly Prime Minister of the U.S.S.R., paid a three-weeks' visit to Britain from March 15 to April 7—officially described as a study tour—as the guest of the Central Electricity Authority M. Malenkov, who was accompanied by 14 Soviet experts in the fields of electrical engineering, technology, and economic planning, visited many power stations and electrical factories in different parts of the country, as well as the atomic energy research establishments at Harwell and Calder Hall. During his stay he exchanged views on problems of electric power production and generation with the Minister of Fuel and Power (Mr. Aubrey Jones), the chairman of the Central Electricity Authority (Lord Citrine), and a number of British experts.

Among industrial installations visited by M Malenkov were the power stations at Battersea, Hams Hall (Birmingham), Castle Donington (Leicestershire), Carrington (Manchester), Braehead (Glasgow), Loch Sloy (the hydro-electric station of the North of Scotland Hydro-Electric Authority), Littlebrook (near Dartford), and Brunswick Wharf (Poplar), as well as the super-grid sub-stations at Carrington and Elstree and the C E A. research laboratories at Leatherhead. In addition, he visited the factories of some of the largest manufacturers of electrical plant, including those of the General Electric Company, the English Electric Company, Metropolitan-Vickers, Babcock and Wilcox, and Scottish Cables Ltd During his visit to Harwell he met Sir Edwin Plowden (chairman of the U K. Atomic Energy Authority) and Sir John Cockcroft (Director of the establishment), and saw the " Bepo " reactor—the first atomic pile built in Britain—and the " Dido " heavy-water pile, which is nearing completion.

M Malenkov also called upon Sir Anthony Eden at Downing Street; attended a Government reception in his honour at Lancaster House; visited the House of Commons, where he listened to a debate on transport problems, addressed Labour M P s at the House of Commons on problems of electrification in the U S.S.R.; visited Mr. Gaitskell (leader of the Labour Party) at his Hampstead home; and called upon the Lord Mayor of London (Alderman Cuthbert Ackroyd) at the Mansion House. Among the places visited by M. Malenkov were Windsor Castle, Hampton Court, Kew Gardens, the British Museum, the National Gallery, Madame Tussaud's, the Royal Opera House (Covent Garden), and Highbury Stadium, where he saw a football match between Arsenal and Manchester United

Outside the capital, M. Malenkov paid visits to Stratford-on-Avon to see Shakespeare's birthplace and tomb, Canterbury, where he was shown round the Cathedral by the Dean of Canterbury, Dr. Hewlett Johnson, and the seaside resorts of Brighton, Blackpool, and Morecambe, where he spoke informally with a number of holiday-makers He also visited Aintree to see the Grand National. While in Scotland he visited Alloway (Ayrshire), the birthplace of Robert Burns, where he joined with the curator and workmen in singing *Auld Lang Syne* and recited some of Burns's poems in Russian. During a tour of Edinburgh he visited Holyroodhouse, Edinburgh Castle, the Scottish National War Memorial, the University, and other places of interest in the Scottish capital. Throughout his tour M. Malenkov met and spoke with many members of the general public in the places visited, and with many workers at the power stations and other installations visited by the Soviet delegation.

M. Malenkov held a press conference on April 5 at the Soviet Embassy (Kensington Palace Gardens, London, W.), attended by some 300 British and foreign journalists, at which he replied to a number of questions.

Asked to make a personal comment on the denunciation of the " cult of the individual " in the U S S R, M. Malenkov said: " This question of the cult of personality has been dealt with in the decision of our party congress (see 14817 A, 14745 A), and also in our Press. We have decided to oppose this cult, which attributes ' supernatural ' features to individuals and belittles the party as a whole . . . In conformity with the principle of collective leadership, we believe that as time goes on this principle of criticizing the ' cult of personality ' will bring fruitful results."

M Malenkov spoke in high praise of the British electricity industry and British technological achievements, saying that the Soviet delegation had found a great deal in common in the technical development of the British and Soviet power industries. Referring warmly to the friendliness which he had encountered everywhere, he said that the outstanding impression of his British visit had been " the sincere concern of all we met—ordinary people, business representatives, political and municipal leaders—to strengthen still further the friendship between our countries " M. Malenkov emphasized that the Soviet people were resolutely opposed to war, which they did not regard as a " fatal inevitability "; stressed the necessity for co-existence between nations, irrespective of their political and social systems; and repudiated any suggestion that Russia wished to improve her relations with Britain at the expense of worsening Anglo-American relations, declaring in this connexion · " Our aim is to bring about an improvement of relations between the Soviet and British peoples and at the same time between the Soviet, American, and British peoples."

On returning to Moscow on April 7, M. Malenkov described the British people as " wonderful," and said that the warmth of his reception had been the " dearest impression " of his visit. He said that he had been most impressed by the " concentration of labour and resources " in Britain, adding in this connexion: " There you have a small island with 50,000,000 people in it, and a tremendous amount of work has obviously been put into every square metre. The results of this are evident both culturally and materially."

At the invitation of the Soviet Government, conveyed by M. Malenkov during his visit to Britain, Lord Citrine and a delegation of British electrical engineers arrived in the U.S.S.R. in mid-April for a similar study tour of the Soviet electrical industry and installations.—(Times - Daily Telegraph - Manchester Guardian - Observer - Soviet Weekly)

B. MONACO. — Marriage of Prince Rainier III.

Prince Rainier III (32), the ruler of the Principality of Monaco, was married on April 19 to Miss Grace Kelly (26), the well-known American film actress.

The marriage was solemnized in the Cathedral of Notre Dame Monaco, by the Bishop of Monaco (Mgr. Barthé), in the presence of the Papal Legate to France and representatives of 24 countries. The French Republic was represented by M. Mitterrand, Minister of Justice, and Great Britain by General Sir Guy Salisbury-Jones, Marshal of the Diplomatic Corps Guards of honour were provided by the Monegasque Army (about 160 men) and by detachments from the British, French, Italian, and U S Navies. The religious marriage ceremony, the civil marriage on the previous day, and the colourful celebrations in Monaco—which attracted tens of thousands of visitors —were televised in eight countries, including Britain, through the Eurovision network.

Princess Grace is the daughter of Mr and Mrs J. B Kelly, of Philadelphia, U S A. Mr Kelly, the son of a farm worker from County Mayo (Ireland), started life as a bricklayer, and subsequently built up one of the largest brickwork construction companies in the United States. Both Prince Rainier and Princess Grace are Roman Catholics.

Prince Rainier is the 26th ruling prince of the House of Grimaldi, which has ruled the independent Principality of Monaco since 1297.—(Le Monde, Paris - Le Figaro, Paris)

(Prev. rep. Prince Rainier, 10676 C.)

Note. Monaco, the smallest country in the world, is about two miles long and half-a-mile wide, the total area being about 360 acres —approximately the size of Hyde Park, London Except for the Mediterranean seaboard, it is entirely surrounded by French territory, the Italian frontier (at Ventimiglia) being a few miles distant. The principality is entirely built over and consists of three towns—Monaco (the seat of the Royal Palace and the Council of Government), Monte Carlo (whose casino provides most of the principality's revenues), and La Condamine The Monegasque population, about 25,000, enjoys exemption from taxation and from military service. Prince Rainier's marriage was warmly welcomed in the principality, particularly as—under historic conventions with France—Monaco would pass under French rule if the House of Grimaldi were to die out without male issue —(Ed. K.C A)

C. NEW ZEALAND. — Establishment of New Zealand Office in Bangkok. - Diplomatic Relations with Siam.

The N.Z. Prime Minister (Mr. Holland) announced on March 26 that it had been decided to establish a New Zealand Office in Bangkok, the headquarters of the South-East Asia Treaty Organization.

Mr Holland explained that when the office of N.Z. Commissioner in South-East Asia had been opened in Singapore in July last (see 14255 B) the Commissioner (Mr. Foss Shanahan) had been concurrently appointed N Z. member of the SEATO Council of Representatives. At the recent Karachi meeting of the SEATO Council, however, it had been decided to provide a stronger central SEATO organization in Bangkok, and the establishment of a New Zealand Office in the Siamese capital would ensure that New Zealand played an effective part in the organization.

Mr. Holland added that Mr. Foss Shanahan would be accredited to the Siamese Government, concurrently with his appointment as member of the SEATO Council, and that Siam intended to establish diplomatic relations with New Zealand on a reciprocal basis and to open a diplomatic mission in Wellington.—(Department of External Affairs, Wellington)

(Prev rep. 14255 B.)

D. LEBANON. — Earthquake Disaster.

Over 130 people were killed, some 500 injured, and about 10,000 rendered homeless by a severe earthquake in the southern Lebanon on March 16. Beirut and other leading towns were not affected, the casualties occurring in a number of villages and small townships in the area around Mount Lebanon. Relief supplies were sent by the Lebanese Government and by Britain, the U.S.A., Egypt, and other countries.

(Times - Le Monde, Paris)

A UNITED KINGDOM. — Agricultural Policy. - Farm Prices for 1956-57. - Opposition by National Farmers' Unions. - Special Additions to 1955-56 Prices.

A White Paper published on March 15 announced the new farm prices and production grants for 1956-57 fixed as a result of the annual February review, and providing for an increase in the value of agricultural guarantees of about £25,000,000 in a full year. The new prices (effective from April 1, 1956, except those for cereals and root crops) are given below, the prices fixed at the previous price review for 1955-56 being shown in parentheses :

Livestock and Livestock Products. *Milk* : An average of 3s. 2.45d. a gallon (3s. 1 95d.). *Fat Cattle* : Steers, heifers, and special young cows, 151s. a live cwt (138s. 8d)*. *Fat Sheep and Lambs* : 3s. 2d. an estimated lb. dressed carcase weight (3s. 0d) *Fat Pigs* : 49s 7d a score deadweight (51s. 4d.)†. *Wool* . An average of 4s. 8¼d. a lb. (4s. 10¼d.).

* The large price increase reflected the Government's desire to encourage beef production, a high level of guarantee being regarded as " a necessary part of long-term policy."

† The 1956-57 and 1955-56 prices were based respectively on feed prices of 31s. 2d. and 32s 5d a cwt , the new price therefore representing a net reduction of 6d a cwt It was explained that the subsidy rate of pigmeat had been reduced because it was not thought desirable to encourage further expansion until both production costs and the unit rate of subsidy could be reduced.

Eggs. Averages of 4s. 1½d for hen eggs (unchanged) and 2s. 4½d. a doz. for duck eggs (2s. 9½d.).

Cereal and Other Crops. (1957 harvest) *Wheat* . An average of 28s. 3d. a cwt. (29s. 9d.) *Barley* : 26s. 6d. a cwt (26s. 0d). *Oats* : 26s 3d a cwt. (24s. 9d.). *Rye* . 21s. 6d. a cwt (23s. 0d). *Potatoes* : 225s. 0d. a ton (217s. 0d). *Sugar Beet* : 130s. 6d. a ton (128s. 1d.)

The White Paper explained that the Government felt that, in order to encourage a greater supply of home-grown feeding-stuffs, it was important to bring the price guarantees for cereal crops more into line with each other. Moreover, at a time when there were large wheat surpluses—especially in other Commonwealth countries—there was no longer any justification for the disproportionate share of the cereals subsidy given to wheat in price reviews in previous years.

Production Grants. After reviewing existing grants (totalling about £60,000,000 annually) the Government had decided to increase subsidy rates for nitrogenic and phosphatic fertilizers from July 1, 1956, involving payments totalling £3,000,000 at present rates of consumption. The maximum rate of grants under marginal production schemes would also be increased, so far as work on marginal farms was concerned, at an estimated additional cost of £1,000,000 in a full year.

Other Subsidies. In order to encourage beef production, the calf subsidy rate would be increased to £8. 10s. for steer calves born on or after April 1, 1956. Grants of up to £200,000 would also be made towards the construction of silos, and legislative powers would be sought to enable the scheme to come into operation in the autumn of 1956.

The White Paper gave the following details of the Government's agricultural policy, the farm industry's production achievements and income, and several other matters relating to price guarantees to farmers.

The Government's Agricultural Policy. It was stressed that the industry must strive to improve its competitive position by concentrating on reducing unit costs of production, meeting consumer choice, and raising quality. Partly owing to the success already achieved in these directions, the cost of Exchequer support to agriculture had been less in 1955-56 than in 1954-55, but it was still high and the industry must do everything possible to reduce it After considering whether agricultural production policy required a revision in the light of the balance-of-payments position, the Government had concluded that national requirements could best be met by intensifying the policy developed since 1952—the objective remaining the maximum production that could be achieved efficiently and economically in accordance with market requirements, steadily increasing technical efficiency, and diminishing unit cost. Even greater emphasis must be put, however, on the substitution of home-grown products for imports, and on economies in the use of such materials as had to be imported. This entailed (1) the continued maintenance of a large arable area, with emphasis on feed crops and temporary grass ; (2) improved standards of temporary and permanent grass, with increased production of beef, mutton, and milk ; (3) the use of feeding-stuffs to the best advantage.

The leading features of current production were (*a*) a continuing long-term expansion of beef, mutton, and milk production ; (*b*) a lower pigmeat output than in the peak year 1954-55 ; (*c*) a relatively small increase in the output of milk and eggs. Although the tillage area had fallen, crop production (particularly of grain crops) had remained fairly stable owing to increased crop yields, but the increase in the area under grass had outstripped the increase in the number of grass-eating animals.

The actual cost to the Exchequer of the changes made in the review (the White Paper explained) would necessarily depend on the trend of market prices and the volume of output. The Government recognized that the Annual Reviews gave assurances for only a short time ahead, and would consider whether any practicable means for providing long-term guarantees could be devised, in order to help the industry with its forward planning

Farm Output and Income. Agricultural output was estimated to have risen from 51 per cent above pre-war in 1954-55 to 55 per cent in 1955-56, the volume of net output being back to the record level of 1953-54. The White Paper added that " substantial falls " in tillage area and pig production had been more than offset by record yields of cereal crops, a better hay harvest, and a continued rise in the output of milk and eggs, whilst breeding for production of beef, mutton, and lamb had continued to expand.

Production costs for commodities covered by the review had increased by about £36,000,000 yearly , of this, about £12,000,000 would already have affected net income in the year 1955-56, leaving about £24,000,000 to take effect on future income The agricultural industry's net income for 1955-56 was put at £299,500,000 (against £285,500,000 in 1954-55), or, adjusted for normal weather conditions, at £292,500,000 The White Paper explained that although agricultural output had recovered from the setback caused by the bad weather of 1954-55, the industry was having to bear a substantial burden of increased costs , there were, however, " reasonable grounds on which to credit agriculture with an increase in efficiency of about £30,000,000 a year for the industry as a whole, equivalent to about 2 per cent of gross output."

Fatstock Marketing Guarantees. It was announced that the Government had decided to discontinue the individual guarantees for various classes of fatstock introduced in 1954 after the ending of control. It was pointed out that the guarantees had been intended to safeguard individual producers against any serious imperfections in the auction markets when private trading had been restored. The auction markets were now working reasonably well, and the risks which the arrangements had been intended to meet no longer justified the elaborate machinery involved ; moreover, the individual guarantees had tended to distort the normal market influences New guarantee arrangements for cattle, sheep, and pigs would be introduced from March 26, with a single deficiency payment for each group ; this would be adjusted whenever necessary to ensure that the average weekly return to producers remained within the following ranges on either side of the respective standard prices—cattle, 23s. a live cwt. , sheep, 4d a lb dressed carcass weight , pigs, 5s. a score lb

Results of Special Review. This Special Review had been carried out at the same time because of increased wage costs, and related only to crops of the 1956 harvest and livestock and livestock products for 1955-56.

For the 1956 crops higher wage-rates were considered on a full year basis, resulting in cost increases of about £3,000,000, whilst for livestock and livestock products the period over which they applied was reckoned as 61¼ days, with an extra cost of £1,750,000. The Special Review proposed additions to the guaranteed prices for 1956 crops of 3d a cwt for wheat, rye, and oats , 2d. a cwt. for barley ; 4s. 3d. a ton for sound potatoes ; and 2s. 5d. a ton for sugar beet. In addition, a total of £746,000 would be made available to Milk Marketing Boards ; small additions would be made to support prices of hen and duck eggs ; and £53,000 would be paid to the Wool Marketing Board. Since market prices of fat cattle had been substantially above the standard price, no additional Exchequer liability would be involved, but small additional payments would be made for sheep and pigs.

The National Farmers' Unions of England and Wales, Scotland, and Northern Ireland issued a joint statement on March 15 explaining that they had been unable to reach agreement with the Government, which had therefore prescribed both the total change in the value of guarantees to the industry and the schedule of commodity prices and production grants for the year 1956-57.

The statement pointed out that the raising of the level of the guarantees by £25,250,000 (compared with increased costs on review commodities of £36,750,000) did not necessarily mean rises either in the subsidy bill or in farm incomes, and that agricultural subsidies actually totalled £27,000,000 less than a year before. The unions contended that to enable the industry to equip itself for an even greater contribution towards closing the trade gap, the total award should have been higher in view of the steady decline in farm incomes over the past three years, in contrast to the rise in other industries. " It is the Government's allocation of the award among the various commodities, however, which causes the greatest concern," the statement continued " The unions consider it unsound in that it fails to make adequate allowance for the effect of rapidly rising costs on producers of milk, pigs, and eggs—the basic products of many small farms. The worst impact will thus be borne by that section of the industry which is least able to withstand it. The unions also condemn in the strongest possible terms the abolition of the guaranteed individual price system for fatstock "

This was the first time in the history of the Annual Price Reviews that the farmers unions' had not concurred in the settlement.—(Cmd. 9721 - Times - Daily Telegraph)

(Prev. rep. 14186 A ; Wage Increases, 14647 A ; 13985 A.)

Note. A renewed demand by the National Union of Agricultural Workers for a " substantial " wage increase, additional to that granted in December last (see 14647 A), was rejected on March 6 by the Agricultural Wages Board On March 8 the N.U.A.W decided to approach the T.U.C. and the Ministers of Labour and Agriculture for discussions on farm workers' wages.—(Ed. K.C.A.)

A. IRISH REPUBLIC.—Balance-of-Payments Deficit. - Imposition of Special Import Levy and Hire-Purchase Restrictions. - Encouragement of National Savings. - Call for Increased Agricultural Production.

Mr. Sweetman, the Minister of Finance, announced in the Dail on March 13 the introduction of a new special import levy ranging from 5 to 37½ per cent on a wide range of household and electrical goods, and the imposition of hire-purchase restrictions, in order to redress the country's balance-of-payments deficit. He also announced a number of measures designed to encourage savings, including a new issue of savings certificates giving a tax-free yield of over 4 per cent and maturing in six years.

Mr. Sweetman said that the balance-of-payments deficit in 1955 was estimated at £35,000,000, and had arisen not because of higher imports of capital goods, but because of increased imports of consumer goods. It had, moreover, been built up at an accelerating rate, having amounted to £3,800,000 in the first quarter, £5,400,000 in the second, £9,700,000 in the third, and £10,300,000 in the fourth, and the "most unsatisfactory" trade figures for January 1956 disclosed no improvement in the situation.

Emphasizing that the special levy was being introduced purely to redress the adverse balance of payments, and was not designed to increase still further the protection already enjoyed by Irish industries, Mr. Sweetman said that it would be retained only as long as the balance-of-payments situation required. As it was not designed to produce revenue for the Exchequer, the revenue from it would be used solely—through the Government's capital expenditure programme—for preserving employment on useful works and easing the pressure on the balance of payments. He estimated that the special levy would reduce imports by £7,000,000 to £8,000,000, but stressed that, however deterrent its effect might be, it could not of itself be expected to right the adverse balance-of-payments situation, though the number of articles affected by the new levy was considerable, they represented only a fraction of total imports

Some of the principal items affected by the special import levy, and details of the hire-purchase restrictions, are given below:

Special Import Levy. (i) Goods and component parts chargeable at 37½ per cent *ad valorem* (U.K. and Canada at 25 per cent): cutlery, razors and blades; photographic apparatus, films, etc.; lawn mowers; vacuum cleaners, hair dryers, domestic washing machines and refrigerators; radio and television sets, gramophones and records, musical instruments; clocks and watches, new articles of clothing (except boots and shoes, linen handkerchiefs, shirts and collars, and various knitted woollen items—socks, underwear, gloves, cardigans, etc.); pipes for smoking; furniture and fittings for interior lighting; toys; precious and semi-precious stones, pearls, and imitation jewellery; fancy goods; umbrellas and sticks; trunks, suitcases and other leather goods; fountain pens; furs; paints and enamels; perfumery; glassware; domestic hollow-ware made wholly or mainly of non-ferrous metals; meat and meat preparations; chocolate; non-alcoholic beverages; edible nuts, spices, pickles.

(ii) Goods chargeable at 15 per cent *ad valorem*: assembled and unassembled motor vehicles, bicycles and chassis.

(iii) Goods chargeable at 1d. a copy (Commonwealth countries ½d. a copy): newspapers and periodicals imported in bulk, excluding daily newspapers, foreign Government publications, and newspapers and periodicals recognized by the Revenue Commissioners as trade, craft, trade union, scientific, religious, or educational publications.

(iv) Goods chargeable at ½d. a copy: daily newspapers, excluding those imported singly through the post and those whose average daily circulation in Ireland did not exceed 1,000 copies.

(v) Goods chargeable at 5 per cent *ad valorem*: newsprint and other printing paper.

Hire-Purchase Restrictions. The following minimum deposits and maximum payment periods would apply: domestic furniture, floor coverings, carpets and mattresses—10 per cent, 2 years, pedal cycles—10 per cent, 1 year; motor vehicles, cycles, scooters, etc.—25 per cent, 2 years; personal clothing—50 per cent, 6 months; radio sets—20 per cent, 1½ years; television sets, musical instruments, cameras, refrigerators, and washing, drying, cleaning and polishing machines—33⅓ per cent, 1½ years, other goods—20 per cent, 2 years.

The Minister of Agriculture, Mr. James Dillon, speaking at Clones (Co. Monaghan) on Feb. 5, called on Irish farmers to launch a five-year plan to expand agricultural output to a level which would enable them to export enough to overcome the country's balance-of-payments difficulties. Their first objective, he said, must be to raise the number of cows and heifers to 2,000,000.—(Irish Times, Dublin) **(Prev. rep. 12137 A.)**

Note. The Irish Republic had a trade deficit in 1955 of £94,100,000, compared with one of £64,300,000 in 1954. Exports in 1955 totalled £110,000,000 (£116,000,000 in 1954), and imports amounted to £204,300,000 (£180,000,000). There was a deficit of £22,600,000 in trade with the United States (imports £26,000,000, exports £3,400,000), and one of £24,400,000 with the United Kingdom (imports £104,600,000, exports £80,200,000).—(Irish Times)

B. RHODESIA AND NYASALAND FEDERATION.—New Political Parties. - The Sebakwe By-Election.

Two new political parties were formed in the Rhodesia and Nyasaland Federation in the early part of 1956, their objectives and the events leading up to their formation being summarized below:

The Commonwealth Party. This party was constituted on Jan. 9 by supporters of Mr. Van Eeden, the Independent member for Kafue (see 14492 B), who assumed the new party's leadership. Earlier negotiations for co-operation between Mr. Van Eeden and the Confederate Party had been abandoned on Jan. 6.

The Commonwealth Party's policy was outlined in a statement published on Feb. 6 as follows: (1) the partitioning of the Federation into a White self-governing Dominion and separate African protectorates under the joint trusteeship of the Dominion Government and the British Government; (2) the acceptance of the Federal boundaries as at present constituted, without precluding the possibility of the African protectorates eventually seceding should their peoples so desire after they had attained self-government, (3) loyalty to the British Commonwealth and use of English as the sole official language.

[It was pointed out in the Press that the party's policy represented a compromise between Mr. Van Eeden's original proposal that territory on the eastern and western borders of the Federation should be handed back to the Colonial Office to be administered as native territories, and the Confederate Party's view that the Federation's boundaries must remain unchanged.]

The Dominion Party. This party, which was formed at Lusaka on Feb. 18 at a meeting attended by delegates from both Northern and Southern Rhodesia, combined all Opposition parties in the Federation except the Van Eeden-Commonwealth group It included, among others, the Confederate Party, the Rhodesia Party under Mr. R. O. Stockil (a member of the Southern Rhodesia Legislature, to which he was elected in 1953 for the Independent Rhodesia Party), and Mr. Jack Keller (an Independent Labour member of the Southern Rhodesia Legislature)

A manifesto published on the same day repudiated "the principles of racial partnership propounded by the Federal Party"; stressed "the necessity for European control and political leadership for the foreseeable future"; but recognized that this leadership depended primarily on "the general acceptance and implementation of a just and practical Native policy, based on principles of equality and common justice." It explained that the party would support the system of separate voters' rolls for Europeans and Natives, in order to give each community the opportunity to develop its own political capabilities, and pledged itself to work for early self-government for Northern Rhodesia, as well as for self-determination for the Federal State and its constituent territories.

On March 16 Mr. Winston Field, a Northern Rhodesian farmer, was elected interim leader of the party, and Mr. John Gaunt, a member of the Northern Rhodesian Legislative Council, its interim deputy-leader. Mr Gaunt, however, resigned from the party on March 19, explaining that he had decided that he could best serve the interests of Northern Rhodesia by abstaining from party politics, whilst Mr. Keller resigned on March 22 owing to dissatisfaction with the party's policy.

A by-election took place on April 5 for the Sebakwe seat in the Federal Parliament, left vacant by the resignation of Mr. J. R. Dendy Young, Q.C., following his appointment to the Southern Rhodesia Bench. It resulted in the return of Mr. R. Williamson (Dominion Party), who received 805 votes against 786 votes for Dr. M. Hirsch (Federal Party) and 603 for Mr. J. Decock (Commonwealth Party).
(Federal Information Dept., Salisbury) **(Prev. rep. 14492 B.)**

C. BRAZIL. — Suppression of Attempted Revolt. - Senhor Adhemar de Barros convicted of Embezzlement.

A small-scale revolt broke out in Brazil on Feb. 11 when Major Haroldo Coimbra Veloso and Captain José Chaves Lameirao stole a plane and flew from Rio de Janeiro to Jacare-Acanga, a landing strip in the Amazon jungle, where they set up a rebel headquarters as an expression of their opposition to President Kubitschek's regime. The revolt received little popular support, however, and although the rebels subsequently claimed to have "captured" the town of Santarém, the movement collapsed on Feb. 27 after the first clash with Government forces. On Feb. 29 Major Coimbra Veloso was captured and Captain Chaves Lameirao and another leader fled to Bolivia, where they were interned. An amnesty for all those accused of "revolutionary activities" since the previous November was proposed by President Kubitschek on March 1.

Senhor Adhemar de Barros, former Governor of the State of São Paulo and an unsuccessful candidate in the recent presidential elections (see 14479 A), was found guilty on March 6 of embezzling funds of the State of São Paulo during his tenure of office; he was sentenced to two years' imprisonment and loss of civic rights for five years. Senhor Adhemar de Barros subsequently fled to Bolivia, where he was granted political asylum. His supporters maintained that the charges against him were political and insisted that he was innocent.
(New York Times - New York Herald Tribune) **(14704 B.)**

APRIL 28—MAY 5, 1956

A. SOVIET UNION - UNITED KINGDOM. — Visit to Britain by Marshal Bulganin and M. Khrushchev. - Anglo-Soviet Discussions on Disarmament, the Middle East, and Trade and Cultural Relations.

Marshal Nikolai Bulganin, Prime Minister of the U.S.S.R., and M. Nikita Khrushchev, first secretary of the Soviet Communist Party, paid an official visit to Britain from April 18-27, the invitation having been extended by Sir Anthony Eden during the "summit" conference at Geneva in 1955 (see 14369 A). In addition to attending numerous official functions and visiting Oxford, Birmingham, and Edinburgh, the Soviet leaders had important political and economic discussions with Sir Anthony Eden and other British Ministers at 10, Downing Street, and at Chequers, as announced in a communique issued at the conclusion of the visit.

The Soviet party of 44, in addition to Marshal Bulganin and M. Khrushchev, included M. Mikhailov (Minister of Culture), M. Gromyko (First Deputy Minister of Foreign Affairs), M. Redkin (First Deputy Minister for the Shipbuilding Industry), M Kumykin (Deputy Minister for Internal Trade), M. Kurchatov (one of the leading Russian atomic physicists), M. Tupolev (the leading Russian aircraft designer), and a personal bodyguard of 15 men headed by Major-General Zakharov, who was one of those responsible for the security arrangements at the Geneva "summit" conference. A number of Russian journalists also travelled with the party, whilst M. Khrushchev was accompanied by his son, a 22-year-old electrotechnical student

Prior to the arrival of the Soviet leaders, the security arrangements for their forthcoming visit had been discussed and agreed upon by Commander Burt (head of the Special Branch at Scotland Yard) and Colonel-General Serov (head of the Soviet State Security organization), who had arrived in London for this purpose on March 22 General Serov left a few days later after expressing full satisfaction with the arrangements made by Scotland Yard; he did not return with the party accompanying Marshal Bulganin and M. Khrushchev.

Before Marshal Bulganin and M. Khrushchev left Moscow, the Tass Agency issued a statement on April 8 declaring that the Soviet leaders "attach great significance to their forthcoming talks with the British Government," but at the same time expressing regret that the programme would make it impossible for them to "meet ordinary people working in factories and other enterprises."

The statement expressed disappointment that the programme had not included visits to "factories and institutions in Scotland and Wales," such as had originally been agreed with the British authorities, and also that the Soviet leaders would be unable to accept invitations extended to them by "hospitable British citizens" because they would not have sufficient time to do so. It added: "The final programme handed over by the Foreign Office had included a visit to a Birmingham factory, but for some reason or other this has been omitted. . . . Apparently there are still some forces in Britain who do not wish to permit contact between the Soviet leaders and the British people."

[The Tass statement was issued on the day after M Malenkov's return from his visit to Britain (see 14830 A) M. Malenkov, both in his press conference in London and after his return to Moscow, had spoken enthusiastically of the personal contacts he had had with ordinary people in Britain.]

The British Foreign Office issued a statement on the following day denying the allegation that "some forces in Britain" did not wish the Soviet leaders to make contact with the British people. After recalling that the original invitation to Marshal Bulganin and M. Khrushchev had been issued at the time of the Geneva "summit" conference, it went on:

"In September [1955] a first draft programme was submitted to and agreed by the Soviet authorities. Then came the second Geneva conference [i.e the Conference of Foreign Ministers], which revealed substantial differences and left many questions unresolved. Therefore a suggestion was made on Feb. 18—to which the Soviet authorities agreed on Feb. 20—that much more time should be given in the programme to serious governmental discussions. The need for more time for discussion was warmly welcomed in principle by the Russians.

"A new programme was drawn up with this in mind. It was designed to provide the maximum physically possible in the way of visits and in the way of meeting as wide a cross-section of the public as could be combined with the need for serious discussions Visits have been arranged to the British Industries Fair [Birmingham], to Calder Hall [the new atomic energy station in Cumberland], and to Harwell, which should provide plenty of opportunities for seeing industry and its products. Only one item in the programme as suggested by us has been the subject of a Russian reservation, and that is whether they should or should not hold a press conference.

"It is quite untrue that the British Government want to prevent wider contact between our visitors and the British people. In the course of their travels through the country they will have plenty of opportunity, of which they will doubtless avail themselves, of seeing the British people and their way of life."

[It was officially stated during the Soviet leaders' visit that the length of the political discussions, and the strain upon Marshal Bulganin and M. Khrushchev as a result of their many engagements, had not permitted them to visit Calder Hall as originally planned. For similar reasons they were unable to visit the Austin Motor Works at Birmingham—the factory referred to in the Tass statement—as they were only a few hours in the city and had to fulfil many engagements Marshal Bulganin and M. Khrushchev did, however, agree to hold a press conference in London at the end of their visit—see below]

The Soviet Leaders' Visit.

Marshal Bulganin and M. Khrushchev travelled to Britain in the 12,800-ton Soviet cruiser *Ordjonikidze*, which left Baltisk, near Kaliningrad (formerly Konigsberg), on April 15 and arrived at Portsmouth on April 18. After being welcomed by Lord Cilcennin (First Lord of the Admiralty), Lord Reading (Minister of State, Foreign Office), and Admiral Sir George Creasy (C.-in-C., Portsmouth) they travelled by train to London, where they were greeted at Victoria Station by Sir Anthony Eden and Mr. Selwyn Lloyd, the Foreign Secretary. During their first day in London—where they stayed at Claridge's Hotel throughout their 10-day visit—the Soviet leaders made a rapid sight-seeing tour, visiting Westminster Abbey, St. Paul's Cathedral, the Tower of London, and the Royal Festival Hall.

Discussions between the British and Soviet leaders began at 10, Downing Street, during the afternoon of April 19. It was announced that it had been "agreed that both the substance and the progress of the talks, which are in the nature of continuing informal discussions rather than of a conference with a pre-arranged agenda, should be secret," and that "nothing would be divulged except by means of agreed communiqués." As a result, only brief statements were issued from time to time mentioning the principal subjects discussed —e.g. disarmament, the Middle East, and Anglo-Soviet economic and cultural relations—until the publication of the final communiqué (see below) on April 26.

During the morning of April 19 Marshal Bulganin and M Khrushchev laid a wreath on the Cenotaph bearing the inscription: "From the Government and peoples of the Soviet Union, to the eternal memory of the gallant warriors of Great Britain who, together with the gallant warriors of our country, gave their lives during the First and Second World Wars in the common struggle for peace and the security of nations."

Sir Anthony Eden and other British Ministers, as well as Mr. Gaitskell (Leader of the Opposition), were present at a lunch at the Soviet Embassy at which informal speeches were made by Sir Anthony, Marshal Bulganin, and M Khrushchev. The ministerial discussions during the afternoon were attended, on the British side, by Mr. Selwyn Lloyd, Mr. Macmillan, and Sir William Hayter (H.M. Ambassador in Moscow) in addition to the Prime Minister, and on the Russian side by M. Gromyko, M. Mikhailov, M. Kumykin, and M. Malik (Ambassador in London), in addition to Marshal Bulganin and M. Khrushchev. During the evening a dinner was given for the Soviet leaders at 10, Downing Street, which was attended by Sir Winston Churchill, Mr. Gaitskell, Lord Attlee, Mr Herbert Morrison, Service chiefs, the president of the Federation of British Industries and the chairman of the Trades Union Congress.

After further discussions at Downing Street during the morning of April 20, Marshal Bulganin and M. Khrushchev attended a luncheon at the Mansion House given in their honour by the Lord Mayor of London. The ministerial meetings were resumed in the afternoon, after which the Soviet leaders went by boat from Westminster to Greenwich, where a dinner was given for them by the Admiralty in the Painted Hall of the Royal Naval College.

After visiting the Atomic Energy Establishment at Harwell during the morning of April 21, the Soviet leaders paid a short visit to Oxford, where they were greeted by the Mayor of the city and the Vice-Chancellor of the University, saw Magdalen College and New College, and were given a boisterous reception by several thousand undergraduates. In the afternoon they motored to Chequers for further discussions with Sir Anthony Eden, in which Mr. R. A. Butler and Mr. Selwyn Lloyd took part on the British side and M. Gromyko and M. Malik on the Russian side.

After further discussions at Chequers (where they had stayed overnight) on April 22, Marshal Bulganin and M. Khrushchev motored in the afternoon to Windsor, where they were received in audience by H.M. the Queen. The Soviet leaders, who were at Windsor for over an hour, presented an address to the Queen from President Voroshilov, and also presented gifts to all the Royal family—a sable fur wrap for the Queen, a horse for the Duke of Edinburgh, a pony for Prince Charles, and a small bear cub ("Nikki," subsequently cared for at the London Zoo) to Princess Anne. In the evening the Soviet leaders attended a reception given in their honour by the London County Council at County Hall.

On April 23 Marshal Bulganin and M. Khrushchev flew from London to Birmingham, where they attended a civic reception given by the Lord Mayor and paid a short visit to the British Industries Fair at Castle Bromwich. M. Khrushchev spoke at a lunch given by the Birmingham Chamber of Commerce, some extracts from his speech—which attracted considerable attention—being given below.

"... We have come to your country with the very best intentions. And we are very pleased at the hospitality being shown us by the British Government and people. No-one able to read the expressions of the people, the look on their faces, could fail to note that the ordinary people of Britain are pleased that we have come. I don't want to exaggerate the importance of Bulganin and myself. But we represent a great and most interesting country. You may like us or you may not like us, but that won't stop the Soviet Union from existing.

"Representatives of the Press may say in this connexion: 'Do you mean to assert that the British people are pleased at your visit—have you not heard some shouts of disapproval in the crowds?' Yes, I have heard them. I myself saw two posters on which were inscribed in Russian unfriendly words towards the Soviet Union. I even saw someone in the crowd shake his fist at us.... What can we say about this? There is a Russian saying: 'It is a small flock that has no black sheep.' Not all the children of any father are necessarily clever. And it is quite possible that these black sheep are not even of your own family. [An apparent reference to the hostility displayed to the visit of the Soviet leaders by Polish and other Eastern European exiles in Britain—see below.]

"I would like to remind those who shake their fists at us that this method has already been tried. This is not a reproach, but I wish to be perfectly frank. After the October Revolution there were many who came at us brandishing their fists—in the north the British, in the east the Americans and the Japanese, in Odessa the French, and in the Ukraine the Germans. But the Russian people, defending their country, threw the interventionists out. Hitler also tried to use his fists against us, but you know the outcome of that. So, you see, the fist method won't do.

"Isn't it time we became more sensible and stopped shaking fists? It requires less intelligence for a fist-fight than for establishing good relations between peoples. We have not come to sow discord and suspicion, but with good intentions. We have come on a friendly visit at the invitation of Sir Anthony Eden. We are conducting talks with British Government leaders. The tone of the talks is one of frankness, friendliness, and mutual understanding, though we may be blunt now and then. We are profoundly convinced that our talks will produce good results. Perhaps we may not reach complete agreement at once. But I think we will get rid of many obstacles and lay good foundations for relations which will grow into friendship between our peoples....

"A major factor in the development of good relations is commerce. We want to develop trade relations between the Soviet Union and Britain, and also with other countries. We are told that we are already trading now. But allow me to ask—on what basis is this trade being conducted? Let us take one example. If you only buy crab from us, and only sell us herring—that would hardly be real trade. True, our crab is good, and your herring is not so bad either. But judge for yourselves—is that real trade? Many more such instances could be cited. That is the sort of trade offered us under the policy of discrimination. But discrimination against the U.S.S.R. cannot fail to wound the pride and dignity of our country, and we react accordingly. Naturally, such trade cannot be of any help in establishing good relations between countries. It is hard to speak seriously of disarmament without the removal of trade discriminations.... Without this, it will be impossible to achieve success in solving the problem of disarmament.

"Some politicians say—'What if war should break out, isn't it dangerous to trade in strategic goods?' But what are strategic goods? The answer depends on your point of view. Butter can be regarded as strategic goods. In our opinion it is time such an approach was renounced, and real trade developed. It is necessary to sell whatever there is a demand for. All right, if you wish, don't sell us guns, aircraft, ships, particularly as at the present rate of technological development they rapidly become obsolete. What was fine yesterday becomes out of date tomorrow. We all know that.

"Take aircraft development. You are mistaken if you think the Soviet Union lags behind you in aircraft construction. Today we were shown the latest four-engined passenger plane. It was a fine plane. We were told it could carry 90 persons. Our well-known aircraft designer, Academician Tupolev, is working on a plane that will seat 170 persons. This will also be a four-engined plane. We came to Birmingham from London in a four-engined plane seating 47 persons. This also was a fine plane with a speed of 500 kilometres [an hour]. The Soviet TU-104 jet-engined passenger plane is twin-engined, seats 50, and has a speed of 800 kilometres [an hour].

"Nor is there any ground for believing that we lag behind in the development of other forms of technology. It is a fact that the Soviet Union was the first to explode a hydrogen bomb from an aeroplane, whereas in the United States, according to available information, only a hydrogen bomb installation was exploded, and now they are preparing for fresh tests of thermo-nuclear weapons. Nor do I think we are behindhand in the development of guided missiles.

"Why do I mention this? Not in order to intimidate anyone. We have called and continue to call for the reduction of armaments and the prohibition of atomic and hydrogen weapons. We have made constructive proposals on this problem. If I speak of this, it is only to point out that no restrictions on trade have been able to hold back technological development in the Soviet Union. . .

"We know of the efficiency of British industry. Your machine-tool industry, for instance, is well developed. Our country could buy machine-tools from you. That would be beneficial both to you and to us. Instead of spending our efforts on producing some of the machine-tools we need, we could buy them from you and place good orders with you. But since you won't sell them to us, we have to organize their production ourselves. Of course, this entails additional expenditure, but in the long run we build the machine-tools we need and you lose valuable orders . .

"Our peoples have more than once fought on the same side against a common enemy—against Napoleon, in the First World War, and in the Second World War. But in the past it has repeatedly come about that, after the end of these wars, relations began to deteriorate. Our opponents took advantage of this, rearmed, and once again unleashed war. We must display great wisdom and prevent the unleashing of a new war. We are firm in our desire to strengthen friendly relations between the Soviet Union and Britain."

Marshal Bulganin and M. Khrushchev, accompanied by M. Tupolev, flew from Birmingham to the R.A.F. station at Marham (Norfolk), where they witnessed an aerial display by the latest types of British military aircraft, including *Canberra* and *Valiant* bombers and Hawker *Hunter* fighters. After the display they invited the Secretary of State for Air (Mr. Nigel Birch) and the Vice-Chief of Air Staff (Air Chief Marshal Sir Ronald Ivelaw-Chapman) to visit the U.S.S.R.

In the evening the Soviet leaders returned to London, where they were the guests of the Labour Party Executive at a dinner given at the House of Commons. At this dinner, which was attended by some 40 Labour M.P.s, some unpleasantness arose after a speech by M. Khrushchev (the text of which was not published) and after he had rejected a request by Mr. Gaitskell that the Soviet leaders should use their influence to secure the release of Social Democrats imprisoned in the U.S.S.R. and other East European countries. It was stated in the Press that sharp altercations had occurred between M. Khrushchev and Mr. George Brown (M.P. for Belper), who, it was stated, had made a number of interjections during M. Khrushchev's speech. It was also reported that M. Khrushchev had declined to accept a list of imprisoned Social Democrats, presented by Mr. Gaitskell, on the ground that no such persons were imprisoned in the U.S.S.R., and that the position in the "people's democracies" concerned those countries only.

After renewed ministerial discussions at 10, Downing Street, during the morning of April 24, the Soviet leaders spent the afternoon at the Houses of Parliament, where they lunched with the Speaker of the House of Commons and subsequently listened to question time in the House of Commons and to a debate in the House of Lords. In the evening they were present at a reception given by M. Malik, the Soviet Ambassador, at Claridge's, the 1,000 guests including Sir Anthony and Lady Eden and Mr. Harold Stassen (special adviser to President Eisenhower on disarmament questions) who was then in London. Mr. Stassen and M. Khrushchev had a personal discussion during the evening.

During their visit to the House of Commons, where they sat in the Distinguished Strangers' Gallery, the proceedings were interpreted for the Soviet leaders by Captain H. B. Kerby (Conservative M.P. for Arundel and Shoreham), who speaks Russian fluently. Marshal Bulganin and M. Khrushchev heard Labour members ask the Prime Minister to make a statement on his discussions with them, to which Sir Anthony replied that full details would be issued in the communiqué to be published after the talks had ended. Later the Soviet leaders had tea with the Lord Chancellor (Viscount Kilmuir), attended a reception given in their honour in the Royal Gallery of the House of Lords, and listened to a part of the debate in the House of Lords on the Clean Air Bill.

The Anglo-Soviet discussions ended on April 25 after two long meetings at 10, Downing Street, during the morning and afternoon. It was announced that the official communiqué would be issued after the Soviet leaders' return from their visit to Edinburgh on the following day (see below). In the evening of April 25 Marshal Bulganin, M. Khrushchev, and Sir Anthony Eden visited the Royal Opera House, Covent Garden, to see the Sadlers Wells Ballet.

The Soviet leaders began the last full day of their visit (April 26) by laying a wreath on the grave of Karl Marx at Highgate Cemetery. On returning to their hotel they had a farewell meeting with Mr. Gaitskell, who was accompanied by Mr. James Griffiths (deputy leader of the Labour Party), Mr. E. G. Gooch (chairman of the party), and Mr. Morgan Phillips (the party secretary). A statement issued from Transport House (the Labour Party's headquarters) said that the meeting had lasted over an hour, that it had "helped to remove some of the misunderstandings," and that it had "ended in a

very friendly manner." Mr. Gaitskell said that his farewell meeting with the Soviet leaders had been "cordial and friendly," though no progress had been made on the question of Social Democrats imprisoned in "Iron Curtain" countries.

Later in the day Marshal Bulganin and M. Khrushchev flew to Edinburgh, where they were welcomed by the Secretary of State for Scotland, Mr. James Stuart, and the Lord Provost, Sir John Banks. In the course of a five-hour sight-seeing tour they visited Holyroodhouse, Edinburgh Castle (where they attended a banquet given in their honour), the Scottish National War Memorial, the City Chambers, and the Forth Bridge, returning the same evening to London by air.

Communiqué on Anglo-Soviet Discussions.

The final communiqué on the discussions between the British and Soviet leaders, signed by Sir Anthony Eden and Marshal Bulganin, was issued in the evening of April 26. It was worded as follows (cross-headings inserted):

"From April 18 to 27 Mr. Bulganin and Mr. Khrushchev visited the United Kingdom at the invitation of H.M. Government. During their stay they held a series of conversations with the Prime Minister, Sir Anthony Eden, the Lord Privy Seal, Mr. R. A. Butler, the Foreign Secretary, Mr. Selwyn Lloyd, and other members of H.M. Government on Anglo-Soviet relations, as well as on the international situation as a whole. These talks have been conducted on both sides in a spirit of candour and realism. They have ranged over most international questions of current concern, and there has been a full and useful exchange of views.

Relaxation of International Tension. "The representatives of the Soviet Union and the United Kingdom recognized that the strengthening of Anglo-Soviet relations in political, trade, scientific, cultural, and other fields would be in the interests of the peoples of both countries. They were also convinced that this would help to consolidate general peace and security.

"They expressed the determination of their Governments to work for a further relaxation of international tension. Having in view the present situation, where there is not the necessary confidence between countries, they expressed their determination to take all possible measures to facilitate the strengthening of mutual confidence and the improvement of relations between States. They recognize that one of the important factors in strengthening international confidence consists in personal contacts between leading statesmen, which have produced positive results.

"The two countries, in their relations with each other and also in their relations with other countries, will be guided by the principles of the United Nations. They are convinced that the basis of friendly co-operation and peaceful co-existence of all countries, irrespective of their social systems, is respect for national independence and sovereignty, territorial integrity, and non-interference in the internal affairs of others. They will do their utmost to put an end to the armaments race in all parts of the world, and thus to free the peoples of the world from the threat of a new war.

"The representatives of both countries attached particular importance to maintaining security in Europe, being convinced that peace and security in Europe are of determining importance in preserving the peace of the world. But an understanding on the means to achieve that end was not reached.

"As regards other unsettled international problems, including those of Europe and Asia, on which an exchange of views has taken place, both parties will strive to promote a solution in the interests of consolidating general peace.

"The representatives of the Soviet Union and the United Kingdom have come to the following conclusions with regard to certain individual problems which have been under consideration:

The Middle East. "The United Kingdom and the Soviet Union have the firm intention to do everything in their power to facilitate the maintenance of peace and security in the Near and Middle East. For this purpose they will give the necessary support to the United Nations in its endeavour to strengthen peace in the region of Palestine and to carry out the appropriate decisions of the Security Council.

"The Governments of the two countries consider that effective measures should be undertaken in the immediate future to this end in accordance with the national aspirations of the peoples concerned, with the necessity of ensuring their independence and in full conformity with the principles of the U.N. Charter.

"The Governments of the two countries call on the States concerned to take measures to prevent the increase of tension in the area of the demarcation line established in accordance with the relevant armistice agreement between Israel and the Arab States.

"They will also support the United Nations in an initiative to secure a peaceful settlement on a mutually acceptable basis of the dispute between the Arab States and Israel.

"They recognize the importance of the problem of the refugees, and accordingly will support U.N. action directed towards the alleviation of their hardships.

"The Governments of the two countries express the strong hope that other States will also do everything possible to help the U.N. in bringing about a peaceful solution of the dispute between the Arab States and Israel, and thus to strengthen peace and security in the Near and Middle East.

Disarmament. "In the course of the exchange of views the disarmament problem was discussed. The representatives of the two countries reviewed the position reached in the discussions in the U.N. and the proposals made by the Powers concerned. It was agreed that a solution of this problem would be of the utmost significance for the maintenance of universal peace.

"The Governments of the Soviet Union and the United Kingdom attach great importance to concluding an appropriate international agreement on this problem. Such an agreement would help to reduce international tension, to increase confidence between States, and to relieve the burden of military expenditures.

"The two Governments agreed on the paramount importance of saving humanity from the threat of nuclear warfare. Their common objective remains the ultimate prohibition of nuclear weapons and the devotion of nuclear energy exclusively to peaceful uses, and they will continue their efforts to achieve this aim.

"The Governments of the Soviet Union and the United Kingdom recognize the necessity of reaching an agreement to start without delay upon practical measures for a substantial reduction under appropriate international control of the armed forces of States (with corresponding reduction in their armaments), beginning with reductions by the five great Powers.

"The Governments of the two countries will continue their efforts to promote the necessary understanding on this question between the States concerned in the U.N. and the Disarmament Sub-Committee.

Anglo-Soviet Trade. "Questions were also considered relating to a further development of trade between the U.S.S.R. and the United Kingdom. The representatives of the two countries agreed that the development of trade between the U.S.S.R. and the U.K. could make an important contribution to closer relations between the two countries. This would serve to promote a more rational use of production possibilities in each of them, and would stimulate trade between East and West.

"In the course of the discussions the Soviet representatives stated that the Soviet Government were willing to extend trade with the U.K. considerably. The British representatives also stated their desire to see an extension of this trade. The Soviet representatives stated that the Soviet Union could in the coming five years (between 1956-60), if there were no trade restrictions or discrimination, increase purchases in the U.K. to as much as nine to 11 billion roubles, i.e. £800,000,000 to £1,000,000,000, including the placing of orders for various equipment and ships for some four to five billion roubles, and the purchase of a wide range of industrial goods and raw materials for five to six billion roubles. A comprehensive list of machinery, equipment, and ships which could be ordered by the Soviet organizations from the United Kingdom was handed to the U.K. representatives.

"The U.K. representatives pointed out that part of this list was covered by existing strategic controls. Nevertheless, a substantial part of the goods and raw materials on the list was free of restriction, and accordingly there was scope for an increase of trade. The Soviet representatives pointed out that the increase envisaged in Soviet orders in the U.K. for machinery, equipment, and ships, as well as the increase in purchases of raw materials and industrial goods, would make it necessary for them to increase their earnings of sterling by a corresponding development in their exports, and the U.K. representatives pointed out that the U.K. market was open to a wide range of Soviet exports.

"The representatives of the two Governments agreed, in the light of the foregoing considerations, that the above-mentioned list should be studied further on the British side with the help of Soviet technical experts. They also agreed to study further the matter of exchanging consumer goods and facilitating contact between buyers and sellers."

Joint Declaration on Cultural Contacts.

Appended to the communiqué was a "Joint Declaration on the Further Development of Contacts between the United Kingdom and the U.S.S.R.", worded as follows.

"The Heads of Government of the United Kingdom and the U.S.S.R. . . . have agreed upon the following:

(1) They have noted with satisfaction that certain results have been achieved in the relations between the two countries in respect of cultural, scientific, and technical contacts. There have been governmental, municipal, scientific, and cultural visits from each side, as well as visits by theatre companies, musicians, and sports teams.

(2) They consider it desirable that the Governments of the two countries should accord to the citizens of each country every assistance in acquainting themselves with the experience and achievements of the other in the fields of literature, painting and sculpture, the theatre, music, the cinema, broadcasting and television, as well as of science, technology, education, and public health.

(3) They favour the increase of all types of exchanges between artistic, technical, scientific, and sporting organizations on a reciprocal basis, drawing on the best which each country has to offer, and the exchange of suitably qualified students to study at the universities in each country.

(4) They wish to encourage the exchange of information between academic, professional, and scientific bodies in the U.K. and the Soviet Union, and to increase the exchange between the two countries of publications in the fields of science, technology, and culture.

(5) They look forward to an increase in individual and group visits of Soviet citizens to the U.K. and of U.K. citizens to the Soviet Union.

Both Governments will afford all possible assistance in giving effect to these measures, in particular by creating more favourable economic conditions [implying a more favourable sterling-rouble exchange rate, as had been proposed by the U.K. delegation at the Geneva conferences].

(6) With a view to improving the mutual understanding which it is the object of these exchanges to promote, they agree to provide every opportunity to the peoples of the United Kingdom and the Soviet Union to learn about each other's opinions and ways of life. To that end they will take practical steps directed towards ensuring a freer exchange of information by the spoken and the written word."

Soviet Leaders' Press Conference in London.

Before leaving London on the morning of April 27, Marshal Bulganin and M. Khrushchev held a press conference at the Central Hall, Westminster, which was attended by some 450 British and foreign journalists. After reading a lengthy statement—mainly a paraphrase of the communiqué, and dealing principally with disarmament, the Middle East, and Anglo-Russian trade—Marshal Bulganin announced that Sir Anthony Eden had accepted an invitation to visit the Soviet Union, the date of which, however, had not yet been fixed owing to the Prime Minister's other engagements.

After thanking Sir Anthony Eden and the British Government and people, Marshal Bulganin said that he and M. Khrushchev were "leaving this remarkable country filled with friendly feelings towards the British people and their Government, who have shown great hospitality to us." Continuing, he said that it was "no secret" that there had been "sharp moments" during the Anglo-Soviet discussions, which had encountered at times "certain under-water rocks." This, he added, was not surprising—if only because Britain was a member of the Atlantic Pact, "for which the Soviet Union cherishes no love," whilst the U.S.S.R. was a signatory to the Warsaw Treaty.

Turning to "the most important problem of today," Marshal Bulganin said that it had to be recognized that the subject of disarmament was "in a bad way." Referring to the continuing deadlock in the U.N. Disarmament Sub-committee, he declared *inter alia*: "On a number of questions we have accepted the proposals previously made by the Western Powers—for instance, on the level of armed forces of the five Powers. But now we have to defend these proposals against the representatives of those very same Powers. As soon as we expressed agreement with their proposals, they hastened to renounce them. Perhaps you know what is the matter here. It is a mystery to us. . . ." Nevertheless, in spite of existing differences, the Soviet Government hoped that the great Powers would "find it possible to take some practical steps forward in the matter of ending the arms drive," and also to abolish atomic weapons and save mankind from the threat of nuclear warfare—an objective on which both sides were in agreement.

As regards the Middle East situation, Marshal Bulganin said: "In the Soviet Government's view, the main source of friction in the Middle East, the reason for the deterioration of relations between the Arab States and Israel—as well as between other countries—is the creation of military groupings such as the Baghdad Pact. The British side does not share our views on this question. We in turn could not recognize as correct the British view on this question. As you see, here we take different stands. At the same time both sides have expressed the firm intention to do everything in their power to facilitate the maintenance of peace and security in the Middle East, and to give the necessary support to the U.N. in its endeavour to strengthen peace in the region of Palestine. We have also reached agreement that effective measures should be taken in the immediate future to this end. . . . In particular, both sides will support the U.N. in an initiative to secure a peaceful settlement, on a mutually acceptable basis, of the dispute between the Arab States and Israel." The agreement reached on this question, he added, "opens up no small possibilities for the two countries to give an example of joint work for the cause of peace in such an important area."

With regard to Anglo-Russian trade, Marshal Bulganin said that the U.S.S.R. desired greater trade exchanges with Britain, "not because we cannot get along without British goods, but because it would be more advantageous for us to buy certain goods in Britain than to make them in our own country." After stressing the value of greater trade exchanges to both countries, and emphasizing the U.S.S.R.'s opposition to "any discriminatory restrictions in international trade—a product of the cold war," he said that he understood "the delicacy of Britain's position in this respect," but expressed his conviction that the British, "a practical and business-like people," would sooner or later find a way to "a more sober trade policy." In conclusion, Marshal Bulganin stressed the desirability of closer cultural contacts between the two countries, and of increased tourist traffic.

After Marshal Bulganin had read his statement, both he and M. Khrushchev replied to a number of questions by journalists.

M. Khrushchev was asked how he reconciled his desire for increased Russian trade with Britain, expressed in his Birmingham speech, with statements that the U.S.S.R. did not intend to drive a wedge between Britain and her allies. He replied: "So far from driving in wedges, we should like to pull them out. But on this matter of trade I think that a wedge between the U.K. and the U.S.A. already exists. That wedge has not been driven in by us but by the U.S.A., because Britain, for her part, is interested in free trade to develop her commercial ties."

Marshal Bulganin, in reply to a question, suggested that Britain might help the U.S.S.R. to establish good relations with the United States. He declared in this connexion: "We are trying to achieve friendly relations with Britain, but not at the cost of worsening her relations with other States friendly to her. Our relations with the United States are far from sufficiently normal, which we regret, and for our part we will do everything to improve them."

Asked whether the Soviet leaders would influence other Governments to reduce arms shipments to the Middle East, M. Khrushchev replied: "That is a very delicate question, but we do not wish to by-pass it. Our country does not ship arms to anybody, and we would like it if there were no shipments at all, but such shipments are taking place. I think we would answer wrongly if we said we would not sell arms to States that urged us to do so. The reason for that is that shipments are being made by other countries. If it were possible to agree, through the U.N. or otherwise, that this should not take place, we would welcome it and be prepared to take part in such an undertaking, which would help to bring about peaceful conditions in troubled areas of the world."

Asked, finally, whether he and Marshal Bulganin considered their visit to Britain to have been worth while, M. Khrushchev said: "We believe we have achieved a great deal and that our visit was very worthwhile. The main thing we have achieved is greater confidence between the Soviet Union and Britain. . . . Neither the British people nor the British Government want a war."

After their press conference, Marshal Bulganin and M. Khrushchev travelled by train to Portsmouth, where they embarked on the *Ordjonikidze* for their return voyage. They were seen off at Victoria by Sir Anthony Eden, with whom the Soviet leaders exchanged gifts, and at Portsmouth by Mr. Selwyn Lloyd.

Sir Anthony Eden's Broadcast on the Bulganin - Khrushchev Visit.

The following radio and television broadcast on the visit of the Soviet leaders to Britain, and on the Anglo-Soviet discussions, was made the same evening (April 27) by Sir Anthony Eden:

"I have been anxious to give you some account at the earliest opportunity of our discussions with our Russian guests. Inevitably we have had to keep a cloak of secrecy over the talks while they were actually going on. Now I can tell you about them. They were certainly worthwhile. Some people had doubts about the wisdom of inviting the Soviet leaders to this country for discussions. This is not surprising in view of the history of Anglo-Soviet relations since the war. It is true that, last summer, we had the 'meeting at the summit,' at Geneva, which showed some improvement, but since then the great Powers have been deadlocked once again. All the same, I felt sure it was right to have this meeting. To give up the hope of ever meeting those with whom we have disagreement would, indeed, be a counsel of despair, and on the whole I thought it was very suitable that our discussions should take place in London this time.

"Now our talks are over and our guests are on their way home. They have lasted more than a week and have been strenuous. . . . There was some plain speaking. That was inevitable, and I think it was helpful because both of us were pursuing serious purposes in our talks. We did not expect, neither did you, that in a few days we could solve the great differences that divide the world. On some of them we made no progress. We did not agree about the German problem, for instance, because we in Britain think there should be free elections in Germany and that she should decide her own future that way. We have neither of us changed our point of view about that or about some other important things. On the other hand, there are a number of issues on which we have found an encouraging measure of agreement—greater, I admit, than I expected when we began.

"We both want to try, for instance, to bring about a settlement of the conflict between Israel and her Arab neighbours . . . on terms acceptable to both sides. . . . We declared ourselves ready to back any U.N. initiative to bring about a permanent peace. Meanwhile, we join in asking both sides to respect the existing armistice.

"Then there is this tangled question of disarmament. The more apprehensive nations are, the less willing they are to disarm, and yet, if you can get a measure of agreement, you may thereby create more confidence between the nations. . . . We tried to find some means, by controls or one means or another, to . . reduce this heavy burden of armaments. Probably this is the most difficult international question of all. I hope the exchanges we had will help the U.N. Sub-committee which is sitting in London, and on which is represented not only Britain and Russia but other countries. I hope that what we argued out together may be of some help to them to make progress.

"Then there is the question of trade, important not only for itself but because a freer flow of trade can help towards understanding between countries. The more they know each other, the better it will be. And the more interlocked their commerce, the stronger the influence for peace. As many of you will remember, as long ago as 1949 there have been restrictions on the supply of certain strategic materials to Russia. They have been reduced in recent years, but they still exist. The free nations of the West were parties to the agreement which enforced them and they still are, so there can be no question of altering them by ourselves alone. We explained this to the Russians.

"We also explained that in our view there was scope for considerable improvement in trade between us outside these controls altogether, and I am confident that this is so. And now the Russians have brought us not only a figure of £200,000,000 a year to which they want to build up their purchases from us, but an actual shopping list. We are going through this carefully and we think that about two-thirds is not affected by restrictions at all It may be that the percentage will turn out to be even higher So there really is a big scope for increased trade between Soviet Russia and ourselves. Last year we exported to her about £23 millions' worth of goods—very much higher than in previous years.

"We are going through this list carefully in consultation with the Russians, and the result should be a real improvement in the export market for us. If so, we have to face it that an important part of the call to meet this demand will fall on the engineering industry, and we must make up our minds as a nation that if this opportunity of increased trade does open up we have simply got to rise to it. We have got to step up our production to supply the goods, and avoid industrial disputes which weaken us. I have no doubt that the Russians want these goods, and if they cannot get them from us will either make them themselves or get them from someone else. We must show what we can do, and at the same time build a secure future for ourselves. It is not just a question of trade. It is more than that This kind of commerce can help to build the peace. We also agreed on a number of suggestions which will enable our people to exchange contacts of all kinds—science, art, sport, and so on—on a wider scale than we have been able to do before. All this will help.

"This does not add up to a revolutionary agreement. How could it? Great nations do not change their policies lightly But the London discussions could be something very important all the same. They could be the beginning of a beginning.

"Mr. Bulganin said something at his press conference this morning which I want to quote because I agree with it so completely · 'The programme, as you see, is a solid one and there is a good deal to work upon. We, the Soviet people, take the programme seriously and will strive to turn it into reality.' Well, so will we. Even if only partly successful, we can contribute thereby to the peace of the world.

"There are those who say that agreements of this kind have often disappointed us in the past, and that there is no use in making them. I utterly disagree, and I want you to understand seriously where I stand in this. As long as I have any responsibility, we shall continue to work for solutions of these questions. For my part, I will not accept a situation where the Great Powers of the world stand lowering at each other and consume a large part of their wealth on armament expenditure.

"We have got to do better than that It may be—I think it is—true that the immediate danger of war has receded, and that is good. But even if it is true, it is not enough. Here is our policy · We will not be parted from our friends, nor will we abandon our vital interests, but we will seek agreements with all In the long history of diplomacy, suspicion has done more harm than confidence Believe me, that is true. We will follow the policies I have described to you, seeking agreements, promoting friendships. I am sure that this Soviet visit was in tune with this, and that, as a result, the world can rest more secure."

Soviet Leaders' Return to Moscow. - M. Khrushchev's Criticisms of British Labour Party.

On their arrival back in Moscow (April 30) both Marshal Bulganin and M. Khrushchev addressed the 10,000 people assembled to greet them at the airport. Both declared that their visit to Britain had been a success, and of "great political and practical significance," despite the fact that agreement had not been reached on all the subjects discussed, and both said that "good and personal contacts" had been established with Sir Anthony Eden and his colleagues. They regretted, however, that the discussions and official functions had given them little opportunity to meet "the ordinary people of Britain," whom (said Marshal Bulganin) "we saw only from the windows of our car."

After expressing their "sincere gratitude" to Sir Anthony Eden and to the British Government and people for "the most friendly welcome and hospitality" extended to them, both Marshal Bulganin and M. Khrushchev criticized the British Labour Party, declaring that it was the only organization which had tried to "spoil the atmosphere" of their visit. M. Khrushchev, who said that the British Labour leaders had been given "a decisive rebuff for their slanderous attacks," spoke as follows:

"Our visit to Britain was very useful. We had a frank exchange of opinions both on questions of Anglo-Soviet relations and on important international problems. . . . We believe that good results have been achieved, particularly if we take into account the fact that the talks took place after a considerable period of mutual distrust. The important thing is that a foundation has been laid for the development of friendly relations between the U.S S.R. and Britain. . . . The results of the talks are fresh proof that, given goodwill, it is possible to achieve co-operation and maintain peaceful co-existence between States, irrespective of their social systems. . . .

"During our stay in Britain we readily accepted the Labour Party leaders' suggestion to meet them and exchange opinions on questions of interest to both our parties. Such a meeting took place. We must tell you frankly that as a result of this meeting we formed the opinion that among the leaders of the Labour Party are some who take a reactionary anti-Soviet attitude. . . . Questions about some Social Democrats who are allegedly imprisoned in our country and in the countries of the peoples' democracies were specially prepared and thrown at us. We firmly rejected these questions as provocative. These Labour leaders know very well that we are doing everything possible to correct the errors committed in the past. In a number of cases people who were wrongly condemned have been rehabilitated, not only in the U.S S R. but also in the the countries of the people's democracy. Those court cases about the correctness of which there is some doubt are being re-examined. The whole world knows this, and it is well known also to the leaders of the Labour Party. Why, then, did they drag out this question? To curry favour with reactionary circles? . . Notwithstanding the fact that we were the guests of the Labourites, we gave a decisive rebuff to their slanderous attempts to interfere in the internal affairs of Socialist countries. . . .

"In a number of countries representatives of reaction slander the Soviet Communist Party, alleging that we have artful designs in asking for contacts with Socialist parties and in stressing the need for unity of action between Communists and Socialists. This is a lie which is spread by the enemies of working-class unity, and this slander is taken up by some would-be Socialists We are convinced that the sallies made by certain leading members of the Labour Party are not supported by the rank and file of the party, and that the stand taken by individual Labour leaders will not find support among the masses We are sure that the Labour Party, too, will understand us correctly and will make the necessary moves in this direction We are prepared to rise above personal offence and the provocative attacks which certain Labour leaders allowed themselves to make on the Soviet Communist party. We can establish contacts with the Labour Party if they, for their part, will show the necessary understanding and willingness. . . ."

Statements by British Labour Party.

Commenting on the statements by Marshal Bulganin and M. Khrushchev, Mr. Gaitskell said that it was "certainly not our desire to spoil the visit in any way." He added: "We had hoped that the outcome of our discussions with them would have been different. Mr. Khrushchev has stated their position. I think everybody knows ours. We are bound to differ on the issue of imprisoned Social Democrats, which we regard as an issue of principle. But let us hope that frank speaking on both sides cleared the air and paved the way for better understanding in future."

Mr George Brown, M P., in a B.B C. television interview on the same date (April 30), denied that the Labour Party had "spoiled or tried to spoil" the visit of the Soviet leaders Stressing that the question of imprisoned Social Democrats in Eastern Europe had not been "sprung" on Marshal Bulganin and M Khrushchev, he said that "the Russian Ambassador was told that we wanted to raise this question, and it would have been outrageous if we had not raised it." Mr. Brown added that "we all felt strongly about some of the outrageous things M. Khrushchev said."

Mr. Morgan Phillips said on May 2 that it was not intended to publish the list of imprisoned Social Democrats in Eastern Europe "until we have exhausted every avenue for their release." [It was understood that the list contained about 150 names of Russian and other East European Socialists who were either in prison or had died in prison.] Mr. Phillips also stated that it was not intended at the moment to publish a transcript of the speeches made at the dinner given by the Labour Party to Marshal Bulganin and M. Khrushchev.

The Labour Party's monthly, *Fact*, carried an editorial in its May number declaring that the "blank refusal" of the Soviet leaders to help in the release of imprisoned Socialists in Eastern Europe had made it "crystal clear" that there could be no political co-operation between Social Democratic and Communist parties. *Fact* also carried the following May Day message from Mr. Gaitskell:

"Let us not forget, on this May Day, those Social Democrat comrades of ours who because of their faith and courage in resisting tyranny under Communism and Fascism were brutally murdered. Let us remember the thousands still languishing in prison and press for their speedy release."

Attitude of Roman Catholic Church to Bulganin-Khrushchev Visit. - Protests against Soviet Leaders' Visit by East European Exiles.

Prior to the arrival of Marshal Bulganin and M. Khrushchev in Britain, Roman Catholic leaders had called upon H.M. Government to make representations to the Soviet leaders, "in clear and unmistakable terms," that the desired mutual understanding between Britain and the U.S.S.R. "cannot be assured until evidence is forthcoming that the Government of the U.S.S.R. has truly ceased to combat religion in its own territories and to support or approve measures taken to

the same end by the Governments of countries under under Communist rule." Strong opposition to the visit of the Soviet leaders was also expressed by organizations representing East European exiles in Britain.

Attitude of Roman Catholic Church. The text of correspondence between the Duke of Norfolk (Earl Marshal of England, and the leading Roman Catholic peer) and the Prime Minister was released on April 9. The Duke's letter was worded as follows :

" The Catholic Union of Great Britain, a representative body of the Catholic Laity, has requested me, its President, to address you in connexion with the forthcoming visit of Marshal Bulganin and Mr. Khrushchev as guests of H.M. Government.

" I am first to assure you that . . . all Catholics in this country—and, indeed, throughout the world—must welcome any steps taken in the reasonable and sincere belief that they will further the cause of international peace, though with one proviso : that the terms of that peace must accord with the demands of justice. Failing this, no peace is real; no peace can endure.

" Such purely economic or political matters as may be discussed between H.M. Government and the Government of the U.S.S.R. are no immediate concern of the Catholic Union. On the other hand, since our object is the advancement of religion and the defence of the Christian standpoint generally, the Catholic Union is bound to be deeply moved whenever and wherever persons are subject to injustice or persecution on account of their religious beliefs.

" For this reason, I am to request you to ensure that during their forthcoming visit the representatives of the Government of the U.S.S.R. are informed by H.M. Government in clear and unmistakable terms that the desired mutual understanding between Great Britain and the U.S.S.R. cannot be assured until evidence is forthcoming that the Government of the U.S.S.R. has truly ceased to combat religion in its own territories, and to support or approve measures taken to the same end by the Governments of other countries under Communist rule. . . ."

The Prime Minister replied as follows to this communication : " The invitation to the Soviet leaders does not indicate any change in the policies of H.M. Government. We have no intention of sacrificing the principles for which this country has always stood in human and international relations. At the same time we are convinced that we have a duty to try to reduce the tension and risks of war in the world. This duty we are determined to fulfil, and it is the object of our invitation to the Soviet leaders. . . . The traditions of this country show, first, that we are in favour of religious toleration, and, secondly, that we are most strongly opposed to any form of religious persecution."

Prayers for the victims of Communist persecution were offered in all Roman Catholic Churches throughout Britain on Sunday, April 8. Cardinal Griffin (Roman Catholic Archbishop of Westminster), speaking in the name of " the 28,000,000 Catholics of the British Commonwealth," called upon the Government to make representations to the Soviet leaders about the persecution of Christians in Iron Curtain countries. He said in the course of his sermon :

" For all the apparent overtures of good will at present issuing forth from Moscow, we cannot close our eyes to the fate of those in Communist-controlled countries. For many years we have heard reports of the arrest and imprisonment of bishops, priests, and laity. Whole communities have been deported, Catholic schools closed, property expropriated, and the religious press silenced. Of late there have been new developments. Stalin has been denounced and those who have replaced him have recognized, though in secret, that this policy of physical persecution has failed. A subtle change in policy has been effected. During the last few months there has been increasing evidence of . . . an attempt to persuade people that Communism and Christianity are not incompatible. I believe that this evil propaganda will fail in Communist countries where the enormities of the regime are well known. Let us be on our guard lest those in the West, who lack this bitter experience, be misled into imagining that Communism does not desire to stamp out religious belief. A return to the teachings of Lenin and Marx can provide no other objective."

Protests by East European Exiles. Some 15,000 East European exiles in Britain—mainly Poles, but also including Balts, Ukrainians, Czechs, and others—marched in silent procession on Sunday, April 22, from Brompton Oratory to the Cenotaph, where a wreath was laid " in memory of the Poles who perished in Russia and the thousands still in concentration camps." The procession was headed by General Anders (the wartime commander of the Polish forces in Britain) and members of the Polish-Government-in-Exile, and included many Poles who served in the British armed forces during the war, including Battle of Britain pilots. Before the march to the Cenotaph some 5,000 refugees attended a special mass at Brompton Oratory, conducted by Archbishop Gawlina (Apostolic Visitor to the exiled Poles in Western Europe), for the victims of persecution in East European countries.

A petition bearing 60,000 signatures was presented the same evening at 10, Downing Street, asking H.M. Government to raise with the Soviet leaders the question of free elections in Poland and the release of Poles still interned in the U.S.S.R. The Polish delegation presenting the petition was accompanied by Lord Birdwood and by Mr. Malcolm Muggeridge, the editor of *Punch*, who had conducted a campaign against the Bulganin - Khrushchev visit to Britain.

The 12,000 Latvian exiles in Britain observed the 10-day period of the Soviet leaders' visit as one of mourning.

The Australian Minister for Immigration (Mr. Holt) announced on April 30 that the Australian Government had made a direct appeal to Marshal Bulganin and M. Khrushchev, during their London visit, for help in reuniting the families of European migrants who had settled in Australia. Mr. Holt said that this message contained the names of 51 wives, children, and other close relatives who were still in the Soviet Union and other East European countries, and who had not been allowed to join their next-of-kin in Australia.

An appeal on behalf of the Jewish community in the U.S.S.R. was also made to Marshal Bulganin and M. Khrushchev during their visit to London by the World Jewish Congress. After referring to the " drastic deterioration " in the position of the Soviet Jewish community, including the virtual extinction of all forms of Jewish cultural life, the memorandum asked *inter alia* that Soviet Jews should be allowed in future to pursue their religious and cultural life free from restrictions, to resume contacts with Jewish organizations in other countries, and to be given facilities for joining their relatives in Israel and other countries if they wished. The memorandum also drew attention to the disappearance and execution of a large number of Jewish writers in the Soviet Union who, as admitted by the Communist press, had been innocent of any crime, and asked that their memory should be officially vindicated and their innocence proclaimed.—(Times - Daily Telegraph - Manchester Guardian - Observer - Sunday Times - Soviet Weekly - Australian News and Information Bureau - World Jewish Affairs) **(Prev. rep. Bulganin - Khrushchev Visit, Invitation, 14369 A ; M. Malenkov, U.K. Visit, 14830 A.)**

A. BRAZIL. — Multilateral Trade and Payments System. - Results of First Six Months' Operation. - Belgian Adherence to Multilateral System.

During the first six months' operation (i.e. August 1955 - January 1956) of the multilateral trade and payments system introduced in August last between Brazil and a number of Western European countries, licences were granted by the Bank of Brazil for exports worth $54,047,000 and imports worth $59,094,000, over half of the trade in each case being with the United Kingdom.

The allocation of licences between the participating European countries was as follows : U.K.—exports, $27,366,000, imports, $34,321,000 ; Western Germany—exports, $13,847,000, imports, $19,749,000 ; Netherlands—exports, $11,285,000, imports, $1,694,000; Belgium—exports, $1,549,000, imports, $3,330,000.

Some of the principal imports licensed were : U.K.—electric trains (£8,334,000), telephone equipment (£1,502,000), banknotes, and tractors. Western Germany—printing materials (DM 11,464,000, or nearly £1,000,000), ships (DM. 8,843,000), machinery for foundries and ironworks, rolling mills, aniline dyes, and marine diesel engines. Netherlands—seed potatoes, printing materials, nitrogen fertilizers, and aniline dyes Belgium-Luxemburg—steel girders (46,068,000 Belg. francs, or about £330,000), arms and munitions (40,500,000 fr.), zinc, copper sulphate, copper, rails, and electric transformers.

An agreement providing for Belgium's adherence to the multilateral system (otherwise known as the " Hague club ") had been signed in Rio de Janeiro on Nov. 17, 1955.
(Bank of London and South America, Fortnightly Review)
(Prev. rep. 14421 C.)

B. UNITED KINGDOM. — Gold and Dollar Reserves in April. - Increase of $51,000,000.

The sterling area had a gold and dollar surplus in April of $51,000,000 after taking account of (*a*) $4,000,000 received in U.S. defence aid, (*b*) $2,000,000 paid to creditors of the E.P.U. in bilateral settlements. As a result, the sterling area's gold and dollar reserves rose to $2,328,000,000 on April 30.

Provisional figures for the E.P.U. April settlement showed that the U.K. had a surplus of $39,200,000 (£14,000,000) which would be settled in May three-quarters in gold or dollars and one-quarter by a reducton in the U.K. debt to the Union. This was the first British surplus with the E.P.U. since May 1955.—(Treasury Press Office) **(Prev. rep. 14791 D.)**

C. ANTARCTICA. — Discovery of New Mountain Range in Australian Antarctic Territory.

It was reported from Canberra on May 3 that a new range of mountains, stretching for 200 miles and about 30 miles wide, had been discovered in the Australian Antarctic Territory during a recent survey flight by members of the Australian Antarctic Expedition. The range—a chain of rocky peaks—starts 150 miles west of the Australian base at Mawson, and stretches in a south-westerly direction. Its average height is 11,000 feet, two of the peaks being over 13,000 feet.
(Australian News and Information Bureau) **(14349 A.)**

A. UNITED KINGDOM.—Airline Corporations. - Sir Miles Thomas resigns Chairmanship of B.O.A.C. - Appointments to B.O.A.C. Board. - New Chief Executives for B.O.A.C. and B.E.A.

It was announced on March 21 that Sir Miles Thomas, chairman and chief executive of the British Overseas Airways Corporation, had asked the Minister of Transport and Civil Aviation to release him from his obligations to the Corporation at the end of the current financial year on March 31. Sir Miles had intimated, however, that if desired he would be willing to serve until June 30.

In his letter of resignation Sir Miles explained that he felt that, now that B.O.A.C. was making regular profits and had recovered from "the tragic loss of the *Comet I*," he had completed the task for which he had been appointed in 1948 and could "make a more useful contribution to trade and industry in other directions." He added: "Although the chance of bettering the affairs of B.O.A.C. when it was costing the taxpayer £8,000,000 annually was good exercise, working in a nationalized industry is not my natural bent."

Sir Miles's resignation followed those of Mr. Whitney Straight (deputy-chairman of B.O.A.C.) in October, 1955, and of Mr. Peter Masefield (chief executive of B.E.A.) in September last [see 14588 A, 14631 A]

On March 28 it was announced that Sir Miles Thomas had joined the board of Monsanto Chemicals Ltd. and would become full-time chairman not later than July 1. Sir Miles stated that he had relinquished the directorship which he had recently accepted on the board of Harry Ferguson Research Ltd.

It was announced on April 20 that the Minister of Transport and Civil Aviation (Mr. Watkinson) had appointed Mr. Gerard d'Erlanger, a former chairman of British European Airways, as chairman of B.O.A.C.; the appointment would be for an initial period of five years and would be a part-time one, and at his own request Mr. d'Erlanger would not be paid a salary. It was also announced that the Minister had appointed Sir George Cribbett, a deputy secretary in the Ministry of Transport and Civil Aviation, as full-time deputy chairman of the Corporation at a salary of £5,000 a year. The new chairman and vice-chairman took up their duties on May 1.

Mr. Gerard d'Erlanger (49), a member of the well-known banking family, was chairman of B.E.A. from 1947 to 1949, when he resigned and was succeeded by Lord Douglas of Kirtleside (see 9868 A). He was appointed to the Air Transport Advisory Council in 1952, and became deputy chairman in 1954.

The Board changes were strongly criticized in the House of Commons by Mr. George Russell Strauss (Labour).

Mr. Strauss asked the Minister whether, before appointing Mr d'Erlanger, he had studied "the facts leading to the refusal of a previous Minister of Civil Aviation to reappoint him after a short tenure of office as chairman of B.E.A." He also alleged that by "reducing the post of chairman to a part-time unpaid job" the Minister was "lowering the status of this important publicly-owned industry," and asked whether Mr. Watkinson had consulted the Prime Minister and the Chancellor of the Exchequer before doing so.

Mr. Watkinson, in reply, said that he was satisfied that the history of Mr. d'Erlanger's relations with the airways corporations were "greatly to Mr. d'Erlanger's credit." He was also satisfied—and the Prime Minister concurred—that it was essential to the commercial future of B.O.A.C. that the chairman should no longer combine the offices of chairman and chief executive. Following from this, the Government took the view that it was much to the Corporation's advantage that the chairman should have wide outside interests, which would greatly help its commercial future. He was quite satisfied that in the new chairman and deputy-chairman he had secured "the two best men in the country for the job."

In reply to **Mr. Beswick** (Lab.), who asked what additional work the new deputy-chairman was going to do if there was insufficient work to merit a full-time chairman, **Mr. Watkinson** explained that he had decided to appoint a full-time deputy chairman so as to make it possible for the chairman and chief executive (or managing director) to go abroad on the Corporation's business and leave a full-time responsible member of the Board at home carrying out its day-to-day affairs. He added: "The responsible position is, of course, that of chairman, who is in charge. In his absence, the deputy-chairman is obviously in charge. The important point is that there must be a part-time chairman, a full-time deputy chairman, and an able full-time managing director."

In reply to **Mr. Gaitskell** (Leader of the Opposition), **Mr. Watkinson** emphasized that Mr. d'Erlanger had assured him that he would "give all the time to the Corporation's affairs that is necessary," adding: "At the moment this will amount to practically 100 per cent."

The changes also aroused strong opposition amongst some of the B.O.A.C. staff. A protest meeting at London Airport, at which it was claimed that 6,000 B.O.A.C. employees were represented, passed a resolution on May 1 expressing "extreme disquiet" at Mr. d'Erlanger's appointment in view of his "attitude to public ownership" and his alleged "failure in a similar position with the B.E.A."

Further changes in the Board of B.O.A.C. were announced during April and May as follows:

(*a*) Lord Rennell of Rodd, who had been deputy-chairman on a part-time basis since the resignation of Mr. Whitney Straight (see 14558 A), resigned that appointment on April 20, but on May 1 it was announced that he had agreed to become a part-time member of the Board for the remainder of his original term of office. In a press statement on April 20 Lord Rennell had explained that he had resigned his deputy-chairmanship because he did not feel that it was a workable arrangement "to have a part-time chairman and a full-time deputy chairman."

(*b*) It was announced on May 1 that the Board had appointed Mr. Basil Smallpeice (47), deputy chief executive since June 1954, as B.O.A.C.'s managing director. Mr Smallpeice remained a member of the Board.

(*c*) Mr Watkinson notified Lord Burghley on April 23 that his appointment as a part-time director of B.O.A.C.—held since 1946, and expired on March 31—had not been renewed.

The British European Airways Corporation announced on May 2 that Mr. Watkinson had appointed Mr. A. H. Milward (51), the Corporation's deputy chief executive, as Chief Executive. Since the resignation of Mr. Peter Masefield in November 1955, the Corporation's chairman (Lord Douglas of Kirtleside) had temporarily combined the post of Chief Executive with the chairmanship.

Lord Douglas of Kirtleside stated on April 30 that in the financial year ended March 31, 1956, B.E.A. had earned a gross profit of about £1,100,000, and (after deducting interest of capital and other financial charges) a net profit of about £500,000. During the year B.E.A. had carried 2,225,000 passengers—more than any airline in the world outside the U.S.A.—and had earned a total revenue of £21,450,000.

Sir Miles Thomas had announced on April 1 that in the year ended March 31, 1956, B.O.A.C. had made a gross profit of about £1,750,000 and a net profit of about £500,000, compared with a net profit of £261,687 in the year ended March 31, 1955. (Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Sir Miles Thomas, 14564 B; B.O.A.C., 14558 A; Mr. d'Erlanger, 9868 A; Mr. Masefield, 14631 A.)**

B. YUGOSLAVIA - WESTERN GERMANY. — Financial and Monetary Agreements. - Settlement of Yugoslav War and Pre-war Claims.

After negotiations which had begun nearly two years earlier, a number of financial and economic agreements between Western Germany and Yugoslavia relating to their mutual claims were signed in Bonn on March 10.

They provided that in settlement of Yugoslav pre-war claims and of war claims arising out of the German occupation, originally amounting to over $100,000,000, the German Federal Republic would pay Yugoslavia 300,000,000 DM. (nearly $74,500,000), of which 60,000,000 DM. would be in cash and 240,000,000 DM. in the form of a 99-year, interest-free credit. Of the cash payments, 25,000,000 DM. would be as restitution of social insurance funds owing to Yugoslavia, 17,000,000 DM. for Yugoslav copper used in Germany during the war, 15,000,000 DM. for Yugoslav wartime accounts affected by the devaluation of the Reichsmark in 1949, and 3,000,000 DM. for Yugoslav postal and railway claims against Germany. The credit would be used by Yugoslavia as to 80 per cent for the purchase of German goods required for Yugoslav economic development, and as to 20 per cent for Yugoslav imports of consumer goods from Germany.

As far as Yugoslavia's post-war commercial debts to Western Germany were concerned (involving a sum of about 200,000,000 DM.), it was agreed that the date of repayment would be extended from 1960 to 1968, and that the interest-rate would be reduced from about 7 per cent to an average of 3 per cent.

One of the agreements provided for German-Yugoslav economic co-operation, including the exchange of technical experts and technical publications.

The communiqué announcing the conclusion of the agreements stated that the negotiations had "cleared up a number of difficulties that had arisen in the relations between the two countries, thus creating an opportunity for widening their future co-operation in various spheres." Owing to the difficulties encountered during the earlier talks, the negotiations had been broken off by Yugoslavia in December, 1954, and were resumed only in January 1956.—(Borba, Belgrade - Frankfurter Allgemeine Zeitung) **(Prev. rep. President Tito on Yugoslav Claims against Germany, 14358 A; Yugoslav Debts to Britain and U.S.A., 14803 B.)**

C. NORWAY. — Increase in Home Guard.

The Inspector-General of the Norwegian Home Guard, Major-General Haukeland, announced during April that its strength was being increased from about 80,000 men to 120,000. (Royal Norwegian Embassy, London) **(10475 A; 13496 B.)**

A. SOUTH-EAST ASIA. — SEATO Council Meeting in Karachi. - First Annual Report of SEATO. - Mr. Dulles's Tour of South-East Asia and Far East. - Statement on U.S. Policy towards Asian Countries.

The Council of the South-East Asia Treaty Organization (SEATO), consisting of the Foreign Ministers of the eight member-countries, held its second annual meeting in Karachi on March 6-8 under the chairmanship of Mr. Hamidul Huq Choudhury, the Foreign Minister of Pakistan. The other seven Foreign Ministers taking part were Mr. Casey (Australia), M. Pineau (France), Mr. MacDonald (New Zealand), Señor Carlos Garcia (Philippines), Prince Wan Waithayakon (Siam), Mr. Selwyn Lloyd (United Kingdom), and Mr. John Foster Dulles (United States).

The Council meeting was held in closed session, the following communiqué (cross-headings inserted) being issued at its conclusion:

Objectives of SEATO. "... The Council members reaffirmed their Government's support for the United Nations and their continued intention to conduct their policies in accordance with the purposes and principles of the U N. Charter. The Council also reaffirmed the dedication of member-Governments to the objectives of the [SEATO] treaty and the Pacific Charter—to strengthen the fabric of peace and freedom; to co-ordinate efforts for collective defence for the preservation of peace and security, to uphold the principle of equal rights and self-determination of peoples in accordance with the U.N. Charter; to promote self-government and to secure the independence of all countries whose peoples desire it and are able to undertake its responsibilities; to promote higher living standards, economic progress, and social well-being; and to prevent and counter attempts to subvert freedom or to destroy sovereignty or territorial integrity.

The Council reviewed the progress made towards these objectives in the 18 months since the treaty was signed in Manila, and especially in the year since the Council held its first meeting in Bangkok It agreed that the treaty, and the progress of the treaty organization, have made a noteworthy contribution to the maintenance of peace in South-East Asia and the South-West Pacific, and have helped to deter armed aggression in the treaty area.

The Council hoped that the use of force would continue to be avoided in the settlement of international disputes, and that particular disputes would be resolved amicably. It recognized the necessity, however, of creating and maintaining powerful deterrents against aggression lest potential aggressors come to believe that aggression would not be effectively and immediately resisted. The Council members severally affirmed that their countries will never commit aggression, and that their co-operation under this treaty is directed towards mutual defence and the maintenance of peace."

Political and Economic Developments in SEATO Area. "Members of the Council noted with satisfaction healthy political developments of the past year within the treaty area. They noted that talks with delegations from Singapore were to take place in London in April, and expressed their deep interest in the outcome of discussions of such importance to the SEATO area. They welcomed the steps taken towards establishing full self-government and independence for Malaya within the British Commonwealth. They noted further progress in the development of free political institutions in the region and, particularly, the further development of representative government in the countries referred to in the protocol to the treaty—Cambodia, Laos, and the Republic of [South] Vietnam.

The Council agreed that steady economic progress had been registered among members and in Cambodia, Laos, and the Republic of Vietnam. It was noted that assistance from members had contributed markedly to this desirable development"

Resistance to Communist Infiltration. "The Council agreed that there had been useful progress in co-operation among member-Governments in assisting each other to combat subversive activities They observed that Communist tactics were placing increasing reliance on methods of political and economic infiltration. They noted, however, that this shift in tactics was unaccompanied by any convincing evidence of intent to abandon efforts to subvert, weaken, and overthrow the political, economic, and social systems which have been freely chosen by the peoples of the area.

The Council attributed in large measure this seeming shift in tactics away from violence in some parts of the world to the collective security arrangements of the free nations. They particularly deplored the statements and interventions by Soviet leaders in recent months designed to increase tension and promote division in Asian communities and among other nations of the free world. [A reference to the various statements made by Marshal Bulganin and M. Khrushchev during their visits to India and Burma.]"

Support for Pakistan in "Pushtunistan" Dispute. "In so far as those statements referred to 'Pushtunistan' [i.e. the Pushtu-speaking areas of the North-West Frontier Province whose separation from Pakistan is demanded by Afghanistan], the members of the Council severally declared that their Governments recognized that the sovereignty of Pakistan extends up to the Durand Line, the international boundary between Pakistan and Afghanistan."

The Kashmir Question. "In so far as these statements concerned Kashmir, members of the Council, noting that U.N. resolutions remain in force, affirmed the need for an early settlement of the Kashmir question through the United Nations or by direct negotiations."

Collective Defence of SEATO Area. "The Council reviewed steps taken by member Governments under Article 2 [of the SEATO treaty] to maintain and develop their individual and collective capacity to resist armed attack and to prevent and counter subversive activities directed from without. They found that the defence forces of the member-nations in Asia have been appreciably improved since the signing of the treaty and are better equipped and deployed to act in an emergency Member-Governments have assisted one another on an increasing scale in the training and equipping of these forces.

Through its military advisers, SEATO has made a good beginning in planning for the co-ordinated use of forces in collective self-defence. During the year a number of joint military exercises by some of the SEATO Powers were held, including combined land, sea and air exercises in and around Bangkok on Feb 15-18. These exercises pointed the way to further co-operative efforts for the common defence

The Council welcomed the progress recorded in the past year in reducing dangers posed to the territorial integrity and political stability of the area by subversive activities directed from without. In considering the continuing threat, the Council noted that the members concerned have significantly improved the quality of their security forces and have moved ahead with other measures to reduce threats to domestic government and social progress. The SEATO Governments have initiated a number of mutual assistance programmes in this field, and the Organization's Committee of Security Experts has provided an increasingly useful forum for co-operation in defence against such subversive activities."

Economic and Social Progress. "The Council reviewed steps taken under Article 3 to co-operate 'in the further development of measures to promote economic progress and social well-being.' They considered this a most important objective of the treaty, recognizing that economic and social welfare is essential to healthy political life. They were gratified to note the steady progress already made in promoting the economic development of the treaty area, and emphasized the urgency of this problem

They noted measures of economic assistance to countries of the area undertaken by member-Governments, in addition to very considerable expenditures under aid programmes for increasing the defensive capacity of the region They particularly welcomed the fact that U.S. allocations for economic aid to Asian SEATO members have increased almost four-fold in the two fiscal years since the treaty was signed.

The Council members, while convinced of the necessity of adequate defence programmes ... are equally determined to press forward with national and international programmes to raise standards of living in the treaty area, which they consider basic to national security."

Future Tasks. "The Council approved measures to strengthen the Organization and facilitate the Council representatives' plan of work for the coming year. They approved plans of the Committee of Economic Experts ... to continue their studies of the economic problems involved in treaty commitments, and to undertake new studies. They invited the Council representatives to pursue the study of the concrete problems resulting from the defence effort of member-States, as well as those existing in areas particularly susceptible to subversive activities. They noted and approved the intention of the Council representatives ... to give a high priority in the coming year to regional co-operation, and, where appropriate, joint action by member-Governments in countering subversive activities.

The Council considered the ... conclusions of the military advisers as to the defensive forces that would be required to meet aggression, and agreed on the desirability of maintaining certain of their military forces at levels of mobility and combat effectiveness which would be an effective deterrent to aggression."

Organizational Changes. "The following organizational decisions were taken:

(1) To assist the Council representatives and to provide a stronger central SEATO organization in Bangkok, the Council authorized the establishment of a permanent Working Group composed of an officer from the staff of each Council representative, and the establishment of a full-time executive Secretariat to replace the provisional Secretariat generously provided hitherto by the Government of Thailand

(2) A Research Service Centre will be established in Bangkok to produce, for the benefit of member-Governments and of bodies set up within the SEATO framework, reports on current development in Communist activities.

(3) The Public Relations Office in Bangkok will be expanded, and a Cultural Relations Office established to carry out new programmes in these fields.

(4) An Economic Officer will be appointed to facilitate important work in the economic field. He will work closely with, and under the direction of, the Council representatives.

(5) Organizational costs will be met from a common budget."

Conclusion. "The Council was convinced that the work accomplished at this meeting would give new and strong impetus to the promotion of security and welfare in the treaty area All the Foreign Ministers expressed the firm determination of their Governments to press forward with their individual and collective efforts to safeguard the peace and well-being of the region as a whole."

Speeches were made by all the Foreign Ministers in which emphasis was laid on the purely defensive nature of the Organization, on the necessity for collective action in resisting Communist infiltration into the region, and on the need for raising the economic and social levels of the South-East Asian

countries. Mr. Dulles promised additional U.S. economic aid for the SEATO area, whilst Mr. Casey announced that Australia would contribute £A2,000,000 for defence support aid.

Mr. Choudhury, the Pakistani Foreign Minister, raised the questions of Kashmir and "Pushtunistan" during the discussions. As regards the former, he asked the SEATO Council to support Pakistan's demand for a plebiscite in Kashmir, and said that the Soviet leaders' statements supporting India on the Kashmir question constituted "a deliberate attempt to cause tension in the area." On the "Pushtunistan" issue, he asked the Council to support Pakistan in rejecting the Afghan demands for a separate Pushtu-speaking state. As stated in the communiqué, the SEATO Council unanimously recognized the sovereignty of Pakistan as "extending up to the Durand line" (i.e. the present international frontier between Afghanistan and Pakistan). On the Kashmir question, however, the Council confined itself to affirming "the need for an early settlement . . . through the U.N. or by direct negotiations." Mr. Selwyn Lloyd expressed the opinion that the SEATO Council was not the proper forum to discuss details of a dispute which was still before the U.N. and therefore *sub judice*.

First Annual Report of SEATO.

Prior to the Council meeting in Karachi, the Organization's committees of military advisers and of economic experts had met during January, in Melbourne and Bangkok respectively, to draft reports and recommendations which were considered at the Karachi meeting and referred to in the communiqué. In addition, the SEATO Council also discussed the first annual report of the Organization, which had been issued on March 2 and is summarized below.

The report stated that substantial progress had been made during the past year towards providing security and guarding against subversion in the SEATO area. It added that the determination of SEATO members to prevent and deter "aggressive expansion into South-East Asia" had made an important contribution towards preserving peace; that over $700,000,000 had been made available for economic development in the South-East Asian countries in the past two years, apart from financial aid for military purposes, and that there had been "definite progress" in the combat effectiveness of the forces of member-countries in the SEATO area, in which connexion "extensive military aid programmes under the treaty's mutual aid provisions have played an important role."

Although progress had been made in countering subversion, and member-Governments were keeping an increasingly effective watch over Communist activities, the report nevertheless stressed that subversion "remains a major threat to the area." It stated, *inter alia*: "Measures are being taken to increase the ability of police and security forces to deal with subversive Communist activities; governments and national information services have increasingly directed their efforts at exposing and countering Communist propaganda"

On the military side, the principal emphasis had been placed on "modernization, re-equipment, more efficient disposition, and more intensive training of forces." It was pointed out that there had been a considerable increase in U.S. military assistance to Pakistan, the Philippines, and Siam under bilateral agreements; that almost 11,000 officers and n.c.o.s from the SEATO area had completed courses in, or were attending, American-operated service schools in the first nine months of 1955; that Siamese and Pakistani officer cadets were also attending military schools in France; and that Australian, New Zealand, Pakistani, and Siamese naval, army, and air force personnel had received training in Britain.

In conclusion, the report said that "SEATO enters its second year with a high sense of optimism based on the knowledge of what has already been achieved," and that the Organization had "provided an element of security indispensable to economic, social, and cultural progress, and has been an effective stabilizing influence."

Mr. Dulles's Tour of S.E. Asia and Far East. - Meetings with Asian Statesmen.

After attending the SEATO Council meeting in Karachi, the U.S. Secretary of State made an extensive tour during which he visited nine Asian capitals in ten days—Delhi (March 9-10), Colombo (March 11), Jakarta (March 12), Bangkok (March 13), Saigon (March 14), Manila (March 15), Taipeh (March 16), Seoul (March 17), and Tokio (March 18-19). During this period he had discussions with the political leaders of all the countries visited, including Mr. Nehru, the Indian Prime Minister, Sir John Kotelawala (then Prime Minister of Ceylon), President Sukarno of Indonesia, Marshal Pibul Songgram (Prime Minister of Siam), President Diem of the Republic of [South] Vietnam, President Magsaysay of the Philippines, Generalissimo Chiang Kai-shek, President Syngman Rhee of South Korea, and Mr. Hatoyama, the Japanese Prime Minister. Particular interest centred on Mr. Dulles's visits to India, where he had two days' discussions with Mr. Nehru, and to Indonesia, where he held a press conference which led to strong Netherlands representations to Washington (see 14845 A).

Visit to India. Before leaving Delhi, Mr. Dulles held a press conference on March 10 which was attended by some 200 Indian and foreign journalists, and at which he replied to a number of questions. Speaking of his two-day talks with Mr. Nehru, the Secretary of State said that there had been a comprehensive review of the world situation, with special reference to questions in which both India and the U.S.A. were interested. Both countries, he emphasized, were dedicated to the same ideals—the achievement of peace, justice, and human liberty.

Asked whether the U.S. attitude to the Goa and Kashmir questions was aimed at "teaching India a lesson" for her refusal to join military alliances, Mr. Dulles replied: "I can answer absolutely categorically and emphatically that the idea of 'teaching India a lesson' never for one moment entered my mind in connexion with these two matters. I absolutely reject any such interpretations. We do have views on collective security which are not wholly shared by the Indian Government. That is the kind of difference which always exists in free society and among free nations. While we may not agree, we fully respect the right of India as a sovereign State to have its own policy in this matter."

Mr. Dulles emphasized that the U.S. Government had never taken any definite position on the Goa and Kashmir questions, except that it hoped for a peaceful solution of both problems. Asked how he explained his recent statement that Goa was "a part of Portugal" [see page 14613, second column], Mr. Dulles said that he had referred to the fact that Goa and certain other areas were described as provinces under Portuguese legislation. "That is a fact which few people would deny," he added, "but it does not carry any necessary implications."

Asked about the "implications" of the reference to Kashmir in the SEATO communiqué, Mr. Dulles said: "There are no implications in it that do not appear on the surface" He reiterated that the U.S. Government hoped for a peaceful settlement of the Kashmir dispute —a hope that had been expressed by all the SEATO Governments, and which constituted "no novelty."

In reply to another question, Mr Dulles said that he saw no reason why the supply of U.S. arms to Pakistan should lead to an arms race in that part of the world. He added: "There can be every confidence on the part of India that there will be no use of these armaments in any aggressive way against India Pakistan knows that if that should happen, there will be a quick ending of its good relations with the United States, and that, under the U.N. Charter, the U.S.A. would support India if she became a victim of any armed aggression."

As regards Indo-American relations generally, Mr. Dulles said: "We have no differences between us that I know of—certainly no question has been raised with me and no complaints made to me about relations between the U.S.A. and India. They are cordial, and there are no matters of dispute or controversy. The U.S.A. has been able to contribute substantially to the carrying-out of India's Five-Year Plan, and our present relations are on a happy basis. I see no reason to change them."

In a broadcast to the Indian people before leaving Delhi, Mr Dulles emphasized that although India and the U.S.A. were very different "on the surface" in history, culture, and character, they had common aims on "basic issues." "Our two countries," he declared, "both believe in democratic principles of government We both believe in the dignity of man and in his individual worth. We both recognize that one of our great tasks today is to give each and every human being a better opportunity to grow in body, mind and spirit. We both recognize that war is a scourge, and we are both dedicated to achieving peace in the world. Sometimes these abiding common purposes are obscured by focusing on the differences between us. Free peoples are not expected to think and act alike on everything. Diversity is characteristic of freedom. But our basic purposes are the same."

Visit to Indonesia. At a press conference in Jakarta on March 13, Mr. Dulles stressed that there was "no connexion whatsoever" between the giving of U.S. economic aid under Mutual Security legislation and the entry of any country into a mutual security pact with the United States As examples, he cited the fact that the three countries he had already visited in his Asian tour—India, Pakistan, and Ceylon—were all receiving U.S. economic aid, though only one of them—Pakistan—had mutual security arrangements with the U.S.A.

Defending the preponderant military power possessed by the U.S.A. in the SEATO alliance, Mr Dulles said: "That preponderant power is in defence of liberty and freedom. Many people in this part of the world were grateful ten years ago when we fought for the liberation of some countries from the imperialism and militarism that was then dominant in the area." After saying that he fully understood Indonesia's opposition to joining any military alliance, he added: "When the U.S.A. was a young country, itself just emerged from colonialism, we were very eager to devote our efforts and attention primarily to our own affairs. . . . It is quite understandable, therefore, that that should be the point of view of the Indonesian Government. We fully respect the right of each country to make its own decision. . . ."

Asked why the U.S.A. was "meddling" in the South-East Asian area, Mr. Dulles said that there was a time when America felt that it should remain completely aloof from troubles in other parts of the world. "But we found," he added, "that in order to save precious values we had to get into the First World War to defend Western civilization against the threat of German militarism. And we found that we had to get into the Second World War to save vital portions

of Europe and Asia against the threat of the Axis Powers. As the world has grown smaller, it is no longer possible to operate on the theory that nations must defend their security alone and cannot get help from other parts of the world."

After stressing that the preservation of Indonesian independence was a major objective of American policy, Mr. Dulles declared that the U.S A was "happy to be identified with the rapid evolution that has taken place from colonialism to independence," and "supported that movement at every point." Questioned about the sovereignty of West Irian (Dutch New Guinea), Mr. Dulles said that the U.S A. had been strongly urged by the Netherlands, a partner in NATO, to support the Dutch position. Since, however, the New Guinea question was a dispute between two countries which the U.S.A. considered as its friends, "it serves the general cause of friendship for the U S.A. to take an impartial and neutral position."

Mr. Dulles on U.S. Policy towards Asian Countries.

On returning to Washington, Mr. Dulles made a radio "report to the nation" on March 23 in which he spoke of his Asian tour and of American policy towards the Asian countries. Extracts are given below.

"... These ten countries I visited have a total population of over 700,000,000 people, or almost one-third of the population of the earth. More than 600,000,000 of these people were colonial people until the close of World War II. Now they are independent nations. Several of them are only now completing their new political institutions. For example, while we were in Pakistan that country adopted its first Constitution. In Indonesia the first government based on national elections was in process of formation.... This building and testing of new political processes is the outstanding characteristic of the area I visited. Another characteristic is the determination to develop the economic potentials of the area. So far, productivity is low. The average income amounts to about $100 a year. The people expect their new Governments to improve their living conditions

"There are some who doubt the determination or ability of these free Asian nations to preserve and develop their political independence, and also to make that independence serve to improve social and economic conditions. I do not share that doubt. But I do come back with the strengthened conviction that the U.S A can help the Asian countries to achieve both these goals Also, I feel sure that it is in our own interest to provide that help.

"Let me speak first of the problem of political independence in Asia. We need to be aware of how proud the peoples of Asia are to be free of foreign domination, and how sensitive they are to any hint of encroachments from without Also, let us remember that while we think first of the danger that stems from international Communism, many of them think first of possible encroachments from the West, for that is the rule they have actually known at first hand

"But I found that the leaders are quite aware of the danger of penetration by Communism, and of the fact that Soviet and Chinese Communist economic lures generally go with a hook and line that leads to Moscow or Peking. Some take more effective precautions than others to avoid being caught But none of the leaders is blind to this danger. They all desire help which will preserve their independence and develop their free institutions. But they want to be very sure that that help does not subtract from their sovereignty, or retard their development by involving them in controversies that do not directly concern them.

"The United States is able sympathetically to understand that attitude. We ourselves were once a colony. Our struggle for independence is the first chapter of history that is learned by every American boy and girl. In our early days we, too, saw our first task as that of internal development, and only changed conditions have made it apparent that international security is best assured by collective efforts. The story of America is known in Asia; George Washington, Thomas Jefferson, and Abraham Lincoln are honoured names. ... All this creates a bond of sympathy and helps to make possible a good understanding between us and them. Our historical experience is an asset of priceless value in Asia.

"Many of the countries of Asia feel that their independence is better assured if they participate with us in arrangements for mutual security. There are such arrangements—bilateral or multilateral—with seven of the ten countries I visited—Pakistan, Siam, Vietnam, the Philippines, Free China, Japan, and Korea. Three of the countries I visited—India, Ceylon, and Indonesia—have preferred not to join regional security arrangements That choice we respect The U.S A. does not seek ties of mutual defence with any country whatsoever unless that country believes that the application of the principle of collective security will better assure its independence.

"Let me turn now from the problem of political independence to that of economic and social development. Here, too, the conduct and example of the U.S.A. provide an inspiration and a responsibility. The United States has itself realized an economic miracle. Our population of about 165,000,000 produces nearly half of all the goods produced in the world.... There is, of course, no magic formula for reproducing elsewhere economic productivity like ours. It is not to be had merely for the wanting, or merely by the installation of machines. It is a product of widespread education; of an ingrained spirit of enterprise; and of savings which provide more efficient tools for labour.

"I did not find that the Asian leaders expect that either they, or we, or all of us in combination, will be able to change their economies overnight. But I did find in Asia a natural and powerful urge to get on a path which surely, even though slowly, leads to better economic and social conditions. If we wish to see the free world preserved and enlarged, we must help, or the forces of despotism will take control. The day is past when the peoples of Asia will tolerate leadership which keeps them on a dead centre economically and socially, and when each generation merely ekes out a bare subsistence, with a brief life expectancy, and passes on to the next generation only the same bleak prospect.

"The U.S.A has come to see that its own self-interest is served by helping others to improve their economic condition. Our nation provides this help in many ways, public and private, throughout the free world. For ten years now we have had Mutual Security programmes; and for the last three years, and following the completion of the Marshall Plan for Europe, much attention has been given to Asia.

"One component of our Mutual Security programme is technical assistance ... In addition, we have economic programmes of other sorts. We have programmes which help our allies to bear the cost of their defence establishments, which vitally supplement our own. We have surplus commodity programmes which, under proper conditions, do much good. It is necessary to avoid unfair competition with countries which historically depend upon the sales abroad of their own agricultural surpluses. But I was impressed with the fact that, subject to this qualification, our surpluses can do much to bring a better life to Asian people. For example, we have just concluded an agreement with Indonesia for the delivery of surplus commodities of a value of some $95,000,000, and we are just beginning a milk programme for the children of Ceylon.

"These programmes, involving military support, technical assistance, and surplus commodities, are of great importance and contribute to preserving and developing the Asian economies. But by themselves they are not sufficient to enable the free Asian countries to make their economies more diversified, or lessen their dependence on others for manufactured goods. The present lack of diversification and industrialization is the weakness which Asian leaders above all want to cure That aspect of the matter requires more emphasis. Japan should be able to help in this respect as the only Asian nation which has found the way to industrialization. . .

"To share with others our own blessings accords with the most deeply rooted of American traditions George Washington, in his farewell address, said: 'It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and novel example of a people always guided by an exalted justice and benevolence.... Who can doubt that in the course of time the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it?' Our Mutual Security plan conforms to Washington's prescription. Even though, to use Washington's phrase, it loses us some temporary advantages, the fruits of that plan will in the course of time richly repay us That plan provides the difference between a world environment which is friendly and healthy, and one which is corroded by massive discontents dangerous both to us and the discontented

"Throughout most of the countries I visited there is a profound desire for peace. In the case of the Republic of Korea and the Republic of China the leaders and people would be willing to make almost any sacrifice to restore freedom to their countries as a whole. However, even there the will to sacrifice is tempered by the knowledge that modern war creates such widespread devastation and so many evils that it provides no clear solution to any problem. Communist propaganda has sought diligently to create the impression that the U S.A. seeks war, and that its collective security arrangements are aggressive in purpose. I had no opportunity to judge the impact of that propaganda upon the people generally. But so far as concerns the leaders with whom I talked, I found no evidence whatsoever that they believe that the U S A wants war.

"The spot in the Far East where, at the moment, conflict most threatens is the Taiwan [Formosa] area. I reported to our Asian friends how, at our Geneva talks with the Chinese Communists, we were patiently but persistently striving for a reciprocal renunciation of force, with particular reference to this area.

"I found in India some fear lest our arms supplies to Pakistan, which feels endangered from the north, might be turned against India I received the most categorical assurance from the highest authorities of Pakistan that they have no belligerent intentions whatsoever against India. In India I publicly called attention to the fact that the SEATO pact expressly prohibits any use of force, except in defence against aggression. Also, the agreements under which we are supplying arms to Pakistan explicitly provide that these arms shall not be used for any aggressive purpose I expressed my conviction that Pakistan would scrupulously observe these solemn engagements.

"I found uniformly that the Asian leaders with whom I talked desire the U.S.A to be strong, and that that strength should continue to be a sort of protective umbrella over other free nations. That was the clearest single impression I received Repeatedly I was asked whether it was our purpose to maintain that protective cover, affording new freedoms the opportunity to sink their roots deep and grow strong. Each time my reply was emphatically affirmative. And this reply was received with profound satisfaction.

"There is of course a great desire for disarmament, particularly since it is felt that arms limitation would release funds which, in part, would accrue to the benefit of the less economically developed countries ... I found no-one who wanted unilateral disarmament by the U.S.A., or disarmament which might in fact turn out to be unilateral because of evasions by others I believe that there is a general realization of our ardent dedication to peace, as well as respect for our determination to have the strength to ensure that no-one need feel that peace has to be bought by surrendering freedom to despotism.

"There is throughout the Asian peoples a desire for Western recognition of their dignity. We need to remember that although we have developed more rapidly than the Asians in some directions, notably in industrialization, they have preceded us in finding many of the ways to make life richer. Their culture and art long antedate our own, and in many respects have not yet been equalled by our own. Their handicraft is outstanding They have an exceptional love and appreciation of beauty. They possess in full measure those human qualities which all admire—devotion to family and country, courage, and willingness to sacrifice. They possess unusual qualities of patience, reflection, and repose. Therefore, let us not forget that while we have material and technical things to give, they also have things to give. And if we are wise enough to perceive and take what Asia has to offer, the balance struck between us will not be onesided by any true measure of values.

"I come back from this trip encouraged. Of course, Soviet and Chinese economic tactics are a danger Of even greater danger are their tactics of stirring up hatred between free nations. But I feel that the conditions which we wish for will prevail in the area I visited, if only we play our part worthily

"What is it that we seek? It is not conquest or domination. If that were our goal, it would be doomed to failure. Our desire is a world in which peoples who want political independence shall possess it whenever they are capable of sustaining it and discharging its responsibilities in accordance with the accepted standards of civilized nations. That condition is developing throughout non-Communist Asia, and I believe that it will continue to develop against assault from any quarter.

"But we also realize that political independence is not enough. It is a means to certain ends. One of these ends is the infusing of men with reasonable hope that they can build a better world for their children and their children's children That hope we can help to provide without any encroachment whatsoever on the political independence of others. Under those conditions help will be welcome. Under reverse conditions, it would, I am glad to say, be rejected

"Also, there is need for a new attitude towards the diversity that the Asians provide. Differences of race and culture are not measures of superiority or inferiority. Indeed, uniformity and conformity are conditions to be abhorred. The great richness of our universe is due above all to its diversity. We may take honourable pride in our own distinctive accomplishments But we should equally be aware that the accomplishments of others are a proper subject for their pride and our appreciation.

"The future belongs to independence, not domination; to freedom, not servitude; to diversity, not conformity. Acceptance of that fact will create between the Asians and ourselves a solid basis for fellowship It will enable us, as mutual friends and helpers, to pursue hopefully the destiny that we share in common"

Mr. Selwyn Lloyd's and M. Pineau's Visits.

After the Karachi meeting, Mr. Selwyn Lloyd visited Delhi for conversations with Mr. Nehru (see **14846** A), and subsequently visited a number of Middle Eastern capitals (see page 14794, second column) during his return journey to London. M. Pineau paid visits to Delhi and Cairo, during which he had discussions with Mr. Nehru and Colonel Nasser, before returning to Paris. The British Foreign Secretary made a short statement on the SEATO meeting to the House of Commons on March 19, after returning from his Middle Eastern tour.

Mr. Lloyd said that the SEATO Council's discussions had taken place "against the background of recent Soviet actions in Asia," which had "undoubtedly been the most significant developments affecting the treaty area since the Council last met." He added that it was "very clear" at the Karachi meeting "that Pakistan, Siam, and the Philippines attach great importance to their membership of SEATO and the habit of co-operation that is being developed"

In reply to Mr. Fenner Brockway (Lab), who asked if it was not "unwise" for the SEATO Council to have discussed Kashmir, Mr. Lloyd pointed out that the Kashmir question was not on the agenda of the Karachi meeting, and that he had never concealed his opinion that it was not appropriate to discuss the merits of the dispute there. All that had happened was that the members had noted that the U.N. resolutions remained in force and had expressed their hope of an early settlement of the problem, either through the U.N. or by direct negotiations between the parties.

M. Pineau, at a press conference in Delhi (March 13), similarly stressed that only one member of SEATO—Pakistan—had insisted on raising the Kashmir question. Like Mr. Selwyn Lloyd, he took the view that SEATO was not the competent body to discuss the matter, which properly fell within the competence of the United Nations.

It was announced in Bangkok on April 12 that Mr. N. V. Issarabhakdi, of the Siamese Foreign Service, had been appointed Executive Secretary of the South-East Asia Treaty Organization.—(Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times - New York Herald Tribune - Australian News and Information Bureau - Department of External Affairs, Wellington - Pakistan High Commissioner's Office, London - The Statesman, Calcutta - Indian High Commissioner's Office, London - Indonesian Embassy Press Department, London)

(Prev. rep. SEATO, 14400 D; 14081 A.)

A. SOCIALIST INTERNATIONAL. — Zürich Meeting. - Rejection of Political Co-operation between Social Democratic and Communist Parties.

The General Council of the Socialist International held a three-day meeting at Zurich on March 2-4, attended by representatives of the Labour and Social Democratic parties of Great Britain, Canada, France, Italy, the German Federal Republic, Belgium, Luxemburg, the Netherlands, Denmark, Norway, Sweden. Switzerland, and Israel. It adopted a resolution rejecting any form of political co-operation between Social Democratic and Communist parties, and also resolutions on disarmament and the Middle East situation.

Rejection of "United Front" with Communism. Discussion of this subject arose out of the appeal made by M. Khrushchev, at the 20th congress of the Soviet Communist Party, for political co-operation and "businesslike contacts" between Communist and Social Democratic parties After considering a report on this matter drafted by Hr Haakon Lie (secretary-general of the Norwegian Labour Party), in which any such co-operation was strongly rejected, the Socialist International unanimously adopted the following resolution:

"The changes of Communist tactics which emerged at the recent party congress of the Soviet Communist Party are not adequate proof of a genuine change in the principles and policies of Communist dictatorship and therefore provide no grounds for departing from the position taken up by Democratic Socialism, which firmly rejects any united front or any other form of political co-operation with the parties of dictatorship. The Socialist International considers the minimum precondition, even for the possibility of talks on an international basis, to be the re-establishment of genuinely free democratic labour movements in all those countries where they existed before and have been suppressed or eliminated by the Communist dictatorship."

Disarmament. The resolution on this subject appealed to Socialist parties in all countries to press for progressive and controlled disarmament. It pointed out that the transition from atomic weapons to the hydrogen bomb had made this the most urgent problem facing the world today, and added that "the prospect of aggression by inter-continental, radio-guided missiles . . . holds out the threat of the end of all civilization, or perhaps even of life on earth."

The Middle East. The General Council called on Socialist parties to "urge insistently that Israel be provided with the necessary arms for self-defence," and criticized the Western Powers for attempting to "appease" the Arab countries. It also called upon the British, French, and U.S. Governments to reaffirm the Tripartite Declaration of 1950 by making it "absolutely clear that they will, immediately and with all necessary force, come to the aid of any State which is the victim of aggression."

Labour and Socialist leaders attending the Zurich meeting included Mr. Morgan Phillips (secretary of the British Labour Party and president of the Socialist International), Herr Erich Ollenhauer (leader of the German Social Democratic Party), and M. Jules Moch (France). A further meeting of the executive bureau of the Socialist International was held in London on April 7 at which the following statement was issued, in amplification of the Zürich resolution rejecting collaboration between Social Democratic and Communist parties:

"Socialism and Communism have nothing in common. The Communists have perverted the very idea of Socialism. Where they are in power they have destroyed every freedom, every right of the workers, every political gain, and every human value which Socialists have won in a struggle lasting several generations.

"We believe in democracy; they do not. We believe in the rights of men, they mock them. This is not changed by the refutation of Stalinism. Repudiation by those who—whether in fear of their lives or in genuine complicity—previously helped in Stalin's crimes and praised his sins has not fundamentally altered the character of the Communist regime Even with collective leadership, it yet remains a dictatorship; and what they now call 'Leninism' is nothing but an earlier edition of the misconceptions and misdeeds of Stalinism

"We note the professed desire of the Communist Party of the Soviet Union for some form of co-operation with Socialist parties. But where Socialist parties in the Russian-dominated part of the world have co-operated with them they were crushed out of existence, compulsorily merged, or otherwise eliminated by the ruthless methods of a dictatorship which ironically calls itself 'people's democracy.' Nor can we forget that Socialists are denied all political rights in the countries of the Soviet bloc. Many are still in prison whose only crime was to believe that there are more roads to Socialism than one. . . .

At the Zurich meeting Dr. Bjarne Braatoy was elected secretary of the Socialist International in succession to Mr. Julius Braunthal, retiring. Dr. Braatoy (56) was born in the U.S.A. of Norwegian parents, and has been active in trade union and international socialist affairs since 1928. For the past four years he has been technical adviser to the German Social Democratic party.—(Daily Herald - Le Populaire, Paris - Times - Manchester Guardian - Neue Zurcher Zeitung)

(Prev. rep. Socialist International, 13472 B; 13164 A.)

A. NORTHERN RHODESIA. — The Copperbelt Dispute. - Agreement between Mining Companies and European Mineworkers' Union on African Advancement in Copperbelt Mines.

After prolonged negotiations, covering in all a period of over nine years, an agreement on the employment of Africans in more responsible posts in the mines of the Copperbelt was signed on Sept. 27, 1955, between the Northern Rhodesia Chamber of Mines and the Northern Rhodesia Mineworkers' Union (N.R.M.W.U.), representing the European mineworkers. The issues involved and the progress of the negotiations are summarized below.

During the early stages of the development of the Copperbelt, from 1931 onwards, European workers were attracted to Northern Rhodesia by the offer of wages and salaries far higher than those paid for similar work in Southern Rhodesia and South Africa, and of exceptionally good working and housing conditions. As a result, European mineworkers earned in 1954 at least £2,000 a year on an average, whereas the highest wages paid to Africans were £237 a year for surface workers and £258 for underground workers To protect the European workers from competition from cheap African labour, the N.R.M.W.U. had concluded an agreement with the mining companies in 1936 whereby work of a class or grade being performed by a European could not be given to an African.

In 1946, following negotiations between the Chamber of Mines and the N.R.M W U. on the question of African advancement, the Northern Rhodesian Government appointed a commission headed by Mr. Andrew Dalgleish to investigate the problem. The commission recommended in 1947 that a number of posts filled by Europeans should be filled by Africans, and that, if a number of Africans were required to undertake the work of a European, the pay of the European should be divided between them. The N.R.M W.U., however, rejected the report, and no action was taken. When the African Mineworkers' Union was formed in 1949, the two unions reached an agreement that Africans might be employed in work hitherto done by Europeans, on condition that the principle of "equal pay for equal work" was observed.

The cessation of bulk buying of copper by the British Government in 1953 was followed by a rise in copper prices, and as this involved a rise in bonus payments—under an agreement between the companies and the N.R.M.W.U.—the differential between European and African wages increased. In view of this situation, negotiations were reopened at the companies' request in May 1953, and were extended in February 1954 to include representatives of the African Mineworkers' Union and the European Salaried Staff Association.

During the talks the N.R.M.W.U. insisted that advancement of an African must be to a complete job held by a European, and that no sub-division of jobs should be permitted. The employers, on the other hand, contended that some simplification and sub-division of jobs was essential to the effective advancement of Africans, so as to provide training opportunities and, where necessary, to bring work and responsibility within their present capacity. The African Mineworkers' Union accepted this argument, and made it clear that they regarded the N.R M.W U 's attitude as effectively maintaining a bar to their future progress. The companies gave an assurance that no European would lose employment as a result of African advancement, and offered (*a*) to discuss safeguards for the future status and livelihood of Europeans; (*b*) to agree that a stated maximum number of Africans should be advanced at special rates into jobs infringing on the European field during the next five years, after which new negotiations would be begun; and (*c*) to employ a substantial number of Africans in intermediate posts outside the European field of employment, so as to enable them to train for greater responsibilities. The N.R M.W.U., however, rejected these proposals and insisted on the acceptance of the principle of equal pay for equal work As no compromise could be reached, the N R.M.W.U. withdrew from the talks on July 24, 1954.

The Northern Rhodesian Government announced on the latter date that it would set up a Board of Inquiry to ascertain whether there was anything to prevent Africans from advancing in the copper-mining industry to the full extent of their capacities; to investigate the reasons for such lack of advancement, if they existed; and to make recommendations. The Board, which was headed by Sir John Forster (president of the British Industrial Court, and chairman of the National Arbitration Tribunal and the Railway Staff National Tribunal in the U.K.), published its findings on Oct. 18, 1954.

The Board accepted the view, expressed by all the parties, that the African in the industry was capable of advancement and had not been permitted to advance to the full extent of his capabilities. On the other hand it rejected the claim of the African Mineworkers' Union that, with the exception of a few technical jobs, there were no jobs in the industry which an African was incapable of doing, and accepted the mining companies' view that industrial advancement would be slow for the African. Advancement of Africans, it stated, had been prevented by the fundamental difference of opinion between the companies, which claimed that remuneration for a promoted African must be related to the African wage structure, with due regard to the extra responsibilities or skill involved, and the N.R.M.W.U., which maintained that the remuneration must be that of the European grade in which the work had been classified. The Board reached the conclusion, however, that "the establishment of the principle of awarding to any promoted African the European rate of remuneration would disrupt the African wage structure throughout the Federation and seriously threaten the national economy," and would constitute "an effective bar to their advancement."

The report added: "While at European rates of remuneration there would be no advancement at all, we cannot hold that advancement based on differential rates is unfair, especially having regard to the companies' readiness to guarantee the unreduced employment of all their European employees. Nor can we hold that there is adequate justification for the fear that the competition may become unfair in the future. We hold the view that European workers will have ample time to adjust themselves and their families to the degree of advancement that is to be expected. It is a corollary to these conclusions that the proposed method of remuneration does not constitute a cheap labour policy, and in the light of these conclusions we cannot regard as justified the contention of the European union that the African should receive the European rates of pay and conditions. We are satisfied that a reasonable degree of African advancement will be achieved only by making available at rates of remuneration duly related to the African wage-structure work which, having been simplified by the fragmentation of some of the European jobs, will provide some missing rungs in the African industrial ladder. We come therefore to the conclusion that reasonable fragmentation is necessary. . . ."

The mining companies announced their acceptance of the report on Oct. 22, 1954, and invited the N.R.M.W.U. to resume negotiations; the latter, however, refused to do so on the basis of the report. Somewhat different proposals for African advancement were put forward during the next few weeks by the two main companies.

The Rhodesian Anglo-American ("Rhoanglo") group proposed on Nov. 3, 1954, that a fixed proportion of jobs should cease to be exclusively "white" each year for a period of five years, at the end of which time the total number of Africans advanced to these posts should not exceed five per cent of the total number of Europeans employed on Jan. 1, 1955.

The Rhodesian Selection Trust (R.S.T.), on the other hand, proposed on Feb. 3, 1955 (*a*) that, in addition to certain "least skilled" jobs, which should be transferred from Europeans to Africans, an "intermediate schedule" of jobs should be created to bridge the gap between jobs at present held by Europeans and Africans, and (*b*) that rates of pay for jobs on this schedule, which could be held by both Europeans and Africans, should be related to European wage-scales. If an African proved capable of handling a job on his own he would receive the full European rate of pay, whilst if a job formerly done by one European had to be done by two or more Africans, the former European wage would be divided between them.

A compulsory ballot of the 4,000 members of the N.R.M.W.U., held on Jan. 29, 1955, showed a 60 per cent majority in favour of admitting Africans to several "white" jobs, and a second ballot held from March 16-19 confirmed this result. The union accordingly offered on May 19 to surrender 13 categories of jobs to Africans and to discuss the surrender of further categories, provided that the mining companies agreed to certain safeguards, including declared adherence to the "rate for the job" and a guarantee that no European should lose employment as a result of the change. Negotiations were resumed on this basis but again broke down on July 7, 1955, as the R.S.T. group, though promising fullest consultation with the union, refused to accept a demand that the union should have the right to veto any suggestions for African advancement that might be put forward at any time

An agreement between the Rhoanglo group and the N.R.M.W.U. was signed on July 31, 1955, the main conditions of which were as follows: (1) 24 categories of jobs hitherto held by Europeans would be transferred to Africans; (2) union members whose jobs were taken over by Africans would be given alternative employment on terms not less favourable than before; (3) no further negotiations on African advancement would take place for three years; (4) no jobs would be transferred from Europeans to Africans without the union's consent. It was announced on Aug. 5 that under this agreement about 240 Africans would take over jobs held by Europeans, whilst 366 would be promoted to jobs not impinging on European fields of work.

The R.S.T. group, in a statement issued on Aug. 15, 1955, reaffirmed its refusal to accept the right of veto demanded by the N.R.M.W.U. and conceded by the Rhoanglo group. It maintained that if this claim were conceded, a similar right would eventually be demanded in other industries, thereby reproducing the pattern of South African industry and destroying the principle of racial partnership. In view of the R.S.T.'s firm attitude, the union agreed to abandon the demand, and on Sept. 10, 1955, concluded an agreement with the R.S.T. which, although generally similar to that concluded with the Rhoanglo group, omitted the veto clause, and also the clause postponing further negotiations for three years. The agreement met with considerable opposition from a section of the union executive, as a result of which the union's president (Mr. A. Clarke), whose conciliatory attitude had been strongly criticized, resigned on Sept. 11.

A general agreement, similar in its terms to that concluded with the R.S.T., was signed by the Chamber of Mines and the N.R.M.W.U. on Sept. 27, 1955. Under this agreement about 1,200 Africans, out of a total African labour force of 37,000, were expected to receive promotion during the next three years, and the more skilled of these would receive £40 a month. The maximum wage hitherto paid to Africans had been £28 a month, but very few had qualified for this amount.

The African Mineworkers' Union and the Mines' African Staff Association announced their rejection of the agreement on Jan. 6, 1956, on the grounds that the proposed pay was too low and the required educational qualifications too high. Mr. Katilungu, the president of the Mineworkers' Union, pointed out that the highest wages offered to Africans for one group of jobs was £36 a month, as compared with an average of £130 a month paid to Europeans doing the same work, whilst the Staff Association objected to the fact that Africans with the necessary experience and practical qualifications might be excluded from advanced work because they had not reached the required educational standard.

A strike called by the African Mineworkers' Union on Jan. 3, 1955, to enforce a demand for a wage increase of 10s. 8d. a shift was supported by about 32,000 Africans, and temporarily stopped production entirely at three of the four producing mines in the Copperbelt. As a result of an ultimatum by the mining companies that strikers who did not return to work would be dismissed and evicted from their houses, a slow drift back to work began during February, and at the end of the month the union offered to call off the strike on condition that there was no victimization. These terms were accepted, and the strike (the longest in the history of the Copperbelt) ended on March 2. The Chamber of Mines decided on March 22 to give recognition to the African Staff Association, which had not supported the strike, and on May 12 gave six months' notice of its intention to end the existing agreement with the African Mineworkers' Union as the sole representative of African employees The African Staff Association, founded in 1954, has about 3,000 members, and represents Africans holding senior and administrative posts in the mines.

A new wage award, under which African mineworkers would benefit by between 26s. 6d. and 57s. 6d. a month, was announced on July 8, 1955.—(Federal Information Dept., Salisbury - Times - Manchester Guardian - Financial Times - Economist)

Note. The two established copper mines belonging to the Rhodesian Anglo-American group are Nkana (Rhokana) and Nchanga, whilst a third mine—Bancroft—is in the stage of development. The two established mines belonging to the Rhodesian Selection Trust group are Roan Antelope and Mufulira, whilst Chibuluma is in the development stage. (Economist)

A. NETHERLANDS. — Resentment at Mr. Dulles's Press Interview in Indonesia. - Note to Washington.

Dr. Luns, the co-Foreign Minister of the Netherlands, said in the States-General on March 22 that the Netherlands Government was "shocked and disappointed" at some of the remarks made by Mr. Dulles during his recent visit to Indonesia (see page 14841, second column). He added that several of Mr. Dulles's statements were not in accordance with relations between allies such as existed between the Netherlands and the United States, and expressed the opinion that "instead of contributing to *rapprochement* between the Netherlands and Indonesia, it is to be feared that the Secretary of State has made it more difficult." In particular, Dr. Luns said that Mr. Dulles had created the impression that the U.S.A. approved Indonesia's action in unilaterally abrogating the Netherlands-Indonesian Union. The views of the Netherlands Government were conveyed on the same day to the U.S. Ambassador in The Hague (Mr. Freeman Matthews), whilst on March 29 the Netherlands Ambassador in Washington (Dr. van Royen) presented a Note to the State Department—the contents of which were not disclosed—drawing attention to the feeling aroused in Holland by Mr. Dulles's press statement in Jakarta. (Algemeen Handelsblad, Amsterdam - New York Times)

(Prev. rep. 14840 A; 14715 A.)

B. UNITED KINGDOM. — Repayment of U.S. Lend-Lease Silver.

The Treasury announced on April 13 that a start had been made on the shipment of silver to the U.S.A. in fulfilment of the U.K.'s obligation to return the 88,000,000 oz. borrowed from the United States during the war under Lend-Lease arrangements. [The silver was due to be repaid within five years of the official ending of the state of emergency in the U.S.A.—that is, by April 1957.] The Treasury stated that most of the 88,000,000 oz.—which, at current prices, was worth about £29,000,000—had been extracted by the Royal Mint from silver coinage which had been withdrawn from circulation and was being replaced by cupro-nickel coinage. The Lend-Lease silver received during the war was used mainly for industrial and, to a lesser extent, for coinage purposes. (Treasury Press Office)

C. SOUTH AFRICA. — Immigration Policy.

The Minister of the Interior, Dr. Donges, made a statement on the Union Government's immigration policy during the course of a debate in the House of Assembly on March 9. The Minister was replying to an Opposition motion calling for the introduction of a State-aided immigration scheme, the debate being finally adjourned without a vote being taken.

Mr. H. G. Lawrence (United Party), moving the Opposition motion, asked the Government, as a matter of urgency, to consider introducing a State-aided selective immigration scheme to combat the increasing scarcity of skilled labour, and to protect and foster the influence of European civilization in Africa. He pointed out that the last official figures (given in Parliament in April 1955) showed that there was a total shortage of something like 29,000 Europeans in the Public Service, the Railways, and the Police.

Referring to the success of the State-sponsored immigration scheme introduced by General Smuts, Mr. Lawrence said that the accelerated flow of immigration which had taken place because of the United Party's policy, and which had reached a peak of 35,631 immigrants in 1948, had been abruptly halted as a result of the Nationalist Government's abandonment of the scheme (see 9817 A). In 1949 the number of immigrants had dropped to 14,000, whilst in the years 1950-51 those who had emigrated from South Africa had actually exceeded the number who had entered the country In the 10 years since the war South Africa had received 165,795 immigrants and had lost 92,000, a net gain of only 74,000, whereas Canada had received 1,200,000 immigrants and Australia 1,000,000. Mr. Lawrence commented that it was "a curious anomaly" that a Government which stated that its policy was White leadership and White domination did not help to bring additional White manpower to the Union.

Dr. Donges, in reply, pointed out that the Government's policy was one of selective immigration—i.e., it was prepared to welcome those who conformed to the needs of health and of public security considerations, and to admit immigrants in relation to the Union's capacity to absorb them. As regards the shortfall of immigration, he accused the Opposition of ignoring the "passive attitude" of employers as well as the "misrepresentation" of the Government's policies in the [foreign] Press On the question of labour scarcity in the Union, Dr. Donges said that an official survey had been concluded and was being studied by the Minister of Labour, who hoped to make an announcement soon With respect to the Public Service, a recruiting mission which had been sent to Europe to obtain some 500 recruits had actually obtained 359, recruiting having been poorest in Britain.

With regard to the general question of immigration, Dr. Donges said that during his European visit in 1955 he had had discussions with heads of Government departments in the countries concerned. Everywhere he had found prosperity, full employment, and a scarcity of skilled workers, and many of these countries had introduced social security schemes, with the result that there was no economic pressure on the people to emigrate. Dr Donges stated that South Africa now had Immigration Attachés in Britain, Holland, Western Germany, Belgium, and Sweden, and that, while in Switzerland, he had had talks with officials of the Inter-Governmental Committee on European Migration (I.C.E.M.); one of the committee's officials had now come to South Africa to study local conditions, and discussions were in progress on South Africa's possible membership of the I.C E.M.

Among other speakers, **Dr. du Plessis** (Nat.) said that the Nationalist Party had never been opposed to immigration as such, but was opposed to unrestricted immigration and to the Afrikaner people being "ploughed under" by immigrants. **Mr. Waterson** (U.P.) referred to the difficulty of obtaining Union citizenship, asserting that an immigrant had at present to undergo "little short of an inquisition" to become a South African citizen.

Figures published by the Bureau of Census and Statistics on April 5 showed that 16,013 immigrants had entered the Union in 1955 and 12,516 South Africans had left the country—a net gain of 3,497. These figures compared with 16,416 immigrants, 11,336 emigrants, and a net gain of 5,080 (all revised figures) in 1954.

It had been announced on Nov. 22, 1955, that the Government had decided to appoint a Director of Immigration and that Mr. A. B. Kriegler, former chairman of the Immigration Selection Board, had been appointed to that post.
(Cape Times - State Information Department, Pretoria)

(Prev. rep. 14134 D.)

D. NORWAY. — Release of Wartime Collaborators.

It was announced in Oslo at the beginning of April that four leading Norwegian Nazis, sentenced after the war to life imprisonment, had been released on probation. Three of them —R. J. Fuglesang, J. A. Lippestad, and A. H. Stang—had been members of the Quisling government, whilst the fourth was a prison guard. Another seven Norwegian Nazis are still serving terms of life imprisonment.—(Aftenposten, Oslo)

(Prev. rep. 7855 A.)

E. FRANCE. — New Paris Evening Paper.

A new evening paper, *Le Temps de Paris*, began publication in Paris on April 17. Its managing editor is M. Philippe Boegner, who formerly worked for *Paris Soir* and the illustrated weekly *Paris Match*.—(Le Monde, Paris) **(Prev. rep. 14777 A.)**

A. INDIA. — Mr. Nehru's Review of International Situation. - Criticisms of SEATO and Baghdad Pacts.

Following his discussions with Mr. Dulles, Mr. Selwyn Lloyd, and M. Pineau, all of whom had visited Delhi after the SEATO Council meeting in Karachi (see 14840 A), Mr Nehru reported to the *Lok Sabha* (House of the People) on March 20 on his conversations with the U.S, British and French Foreign Ministers. In a comprehensive review of the international situation, Mr. Nehru strongly criticized both the SEATO and Baghdad Pacts; expressed India's concern at the reference to Kashmir in the SEATO Council's communiqué, and also at the U.S. arms supplies to Pakistan; and spoke *inter alia* of the Goa question, the situation in the Middle East, Indo-China, and the Far East, and the changes in Soviet policy announced at the 20th congress of the Soviet Communist Party. A summary of Mr. Nehru's speech (cross-headings inserted) is given below:

"During the past few months we have had the pleasure of welcoming to India many eminent visitors from abroad. . . . Of these visitors, three recent ones have been Mr. Selwyn Lloyd, Foreign Minister of the United Kingdom, Mr John Foster Dulles, the U S Secretary of State, and M Pineau, Foreign Minister of France. With each of them I discussed the international situation, and also how best tension could be relaxed and peace promoted.

The SEATO Council Meeting and Kashmir. "The occasion which brought these statesmen to this region of the world was the meeting of the SEATO Council in Karachi. To our great surprise the Council thought fit, at the insistence of one of its members [i e Pakistan], to discuss the question of Kashmir, and to include a declaration on this question in its final communiqué In doing so, the Council confirmed our worst apprehensions about the Organization it represents. The declared purpose of the South-East Asia Treaty is to increase the defensive strength of the parties to the treaty against external aggression and internal subversion. How the question of Kashmir could come within the scope of the SEATO Council is not clear to us. Its reference to Kashmir could only mean that that military alliance is backing Pakistan in its disputes with India. . . . We have noted with regret that three other Commonwealth countries [i e. Great Britain, Australia, and New Zealand] have associated themselves with the offending declaration. We have communicated our protest to all the countries concerned at the unusual procedure adopted by the Council"

U.S. Military Aid to Pakistan. "I had talks with Mr. Dulles about U S. military aid to Pakistan I told him how this has been causing us serious concern. The atmosphere in Pakistan seems to be one of threats and menaces towards India India continues to be the subject of bitter attack in sections of the Pakistani Press, and bellicose statements appear from time to time even from responsible leaders. More recently there has been a recrudescence of border incidents which, by their frequency and dispersion over a wide area, have assumed special significance Substance is thus lent to the growing belief in this country that, whatever the object of the U.S A in giving military aid to Pakistan, in Pakistan itself the resulting acquisition of military strength has been generally welcomed not because it will increase Pakistan's defensive capacity against a potential aggressor, but because they hope thereby to be able to settle disputes with India from what is called a 'position of strength.'

"We in India wish Pakistan well. She has just declared herself a republic and we offer her our best wishes at the threshold of a new chapter in her history. . . It is not our intention to enter upon any arms race with Pakistan or any other country, even if we could afford such competition. Our energies and resources will continue to be absorbed for many years to come in our Five-Year Plans, and none of us would wish to divert any part of our limited resources to further expenditure on arms Nevertheless, those responsible for the destiny of India have to take note of certain facts I can only express our regret and disappointment that, at a time when we in Asia should be bending our energies to the task of development, a new factor making for tension and instability should have been introduced by this arms aid I have explained our views clearly to Mr. Dulles, and I hope he now has a better appreciation of our feelings"

The SEATO and Baghdad Pacts. "Recent developments serve once again to focus attention on military pacts. These pacts . . . seem to be on the increase, and are being strengthened and enlarged irrespective of previous commitments and declarations. This is the history of all pacts, more especially of the South-East Asia Defence Treaty and the Baghdad Pact. The former came into existence at a time when, after many years of warfare, there was peace in South-East Asia. Tensions were relaxed and people looked forward to a return to normality There was no possibility of aggression in the foreseeable future. Yet at this moment of relief and the beginnings of hope this pact came into existence, and resulted immediately in increasing tension.

"The more recent Baghdad Pact has already brought disruption, insecurity, and discontent in Western Asia. Thus the very objective for which these pacts were made is being defeated. It is our firm conviction that these two treaties and similar military pacts do not add to the intrinsic strength of regions in the interest of which they are supposed to have been devised.

"Talks on disarmament in the face of military pacts by either bloc are inconsistent, and a mockery of avowed purposes. . . . It is not by military alliances and matching of strength with strength that tensions can be lowered and peace and stability re-established where conflict now prevails. We hold—and with each new experience are further confirmed in our conviction—that in adherence to and practice of the 'Five Principles', now widely known as *Panch Sila*, there alone lies promise of a new era of international peace and stability.

"The coming of atomic energy and the dread weapons it has let loose on the world has made all previous thinking, not only in regard to military matters but also other matters, out of date. Leaders of nations have as a consequence ruled out war In this new situation there is no logic in clinging to the idea of 'cold war.' We have stated repeatedly that nuclear weapons must be banned and that atomic energy must be used for the benefit of humanity, and not be controlled by the Great Powers If war is to be ruled out, then 'cold war' becomes illogical and harmful. It can only keep up the atmosphere of hatred and fear and the ever-present danger of its being converted into nuclear war"

The Goa Dispute. "I also had discussions on Goa with Secretary Dulles. As the House is aware, the joint statement issued by him and Dr. Cunha, the Foreign Minister of Portugal [see 14613 A], caused deep resentment throughout India We took this matter up immediately with the U.S Government and explained to them how, in the context of the present situation in Goa, the association of the U S Secretary of State with a statement of that kind could only have one effect—to give encouragement to Portugal in pursuing a policy which represents a continuance of colonialism Mr. Dulles assured me that in subscribing to the joint statement the United States was not supporting Portugal against India We do not, of course, doubt this statement, but the position nevertheless is that the joint communiqué is being interpreted, especially by the Portuguese authorities, as if it supported their claims. We have made our position clear to the U S Government, and I repeat that in no circumstances will we tolerate the continuance of the last remnants of Portuguese colonialism on India's soil. We have been patient and shall continue to be so, but there will be no compromise on this issue. I hope that friendly countries will impress on Portugal the unwisdom of following a policy of 16th-century colonialism in the second half of the 20th century"

The Middle East. "With all three Ministers we have had detailed discussions about the situation in West Asia [i e. the Middle East]. All are agreed that this situation is an explosive one I do not presume to give advice about any quick solution of this difficult problem. At the same time, I have no doubt in my mind that a solution can only emerge from a gradual relaxation of tension Here again the Baghdad Pact is partly responsible for a good deal of the present trouble which now plagues West Asia. It has rent asunder Arab unity and has thereby made the solution of a difficult problem still more difficult and complicated"

Indo-China. "I discussed the situation in Indo-China with the three Foreign Ministers, particularly with Mr Selwyn Lloyd, who is co-chairman of the Geneva Conference [on Indo-China] When, in response to the invitation of the Geneva Powers, India accepted the chairmanship of the three International Commissions in Indo-China, we did so in the hope that at long last peace would return permanently to this troubled region in South-East Asia which is so close to us and with which we have so many historic ties. It appears now that the time-schedule for elections as a preliminary to the unification of the two parts of Vietnam, which was envisaged in the final declaration at Geneva, is unlikely to be fulfilled We are compelled, therefore, to review the situation in so far as it concerns us. We have no intention of trying to escape from a position of responsibility, or of taking a step which would hamper a peaceful settlement We have, therefore, suggested to the two co-chairmen that they should review the position and decide on steps that should be taken to secure compliance with the Geneva Agreement."

The Far East. "Discussions with the three Foreign Ministers also covered the present situation in East Asia, particularly in relation to the coastal islands of Quemoy and Matsu, as well as Taiwan [Formosa]. I explained to them how, in our view, the basic cause of trouble in East Asia is non-recognition of a patent fact. That fact is the emergence of the new China, unified as never before in its history—strong, powerful, and conscious of its rights and dignity. I do not think that the situation in East Asia will return to normal so long as the Chinese People's Republic is not admitted to the United Nations. In particular, I expressed the view that China will never feel secure so long as Quemoy and Matsu remain in occupation of hostile forces. An essential first step would be the withdrawal of those forces from these islands so that they can become part of the mainland. The Taiwan issue will still remain, but I believe that if the coastal islands were to return to China, the problem of Taiwan could be handled a little more easily.

"In this context we have been watching with interest the course of the talks at Geneva between the U.S. and Chinese Ambassadors [see 14702 A] Both sides are broadly agreed that they should settle disputes between them through peaceful negotiations. The main difficulty is that of applying this principle to the particular case of Taiwan. We hope that a satisfactory formula will be found. . . ."

North Africa. "I should like to refer in particular to the talk I had with M. Pineau about North Africa. We in India appreciate and welcome the steps taken by the French to restore sovereignty to Morocco and Tunisia. The difficult problem of Algeria still remains. I am glad to find that M. Pineau takes a realistic view of the situation. The problem there is complicated by the presence of about one and a quarter million persons of European descent who have been settled there for some generations The House will not expect me to go into further details of these discussions. I hope that the problem of Algeria will be solved to the mutual satisfaction of the French and Algerian peoples. . . ."

Disarmament. "If peace is to be aimed at, disarmament is essential. As with every other difficult question, it is easier to proceed step by step. The Sub-Committee of the U N Disarmament Commission has been meeting in London, and there is already a large measure of agreement on this subject. Unfortunately, growing tensions in the world do not create an atmosphere in favour of disarmament; yet the urgency of disarmament grows in proportion to invention and the accumulation of weapons of ever-increasing destructive potential. We believe in unconditional prohibition of the production, use, and experimentation of nuclear and thermo-nuclear weapons, and, as a step to that end, the suspension of experimental explosions and an armaments truce."

The Soviet Communist Congress. "I should like to draw the attention of the House to a very important event in recent weeks. I refer to the 20th Congress of the Communist Party of the Soviet Union which met recently in Moscow. There can be no doubt that this congress has adopted a new line and a new policy. This new line, both in political thinking and in practical policy, appears to be based upon a more realistic appreciation of the present world situation, and represents a significant process of adaptation and adjustment. According to our principles, we do not interfere in the internal affairs by other countries, just as we do not welcome any interference by others in our country. But any important development in any country which appears to be a step towards the creation of conditions favourable to peaceful co-existence is important for us, as well as to others. For this reason we feel that the decisions of the 20th Congress of the Soviet Union are likely to have far-reaching effects I hope that this development will lead to the further relaxation of tension in the world. . ."

Strong exception to the SEATO Council's reference to Kashmir was also expressed by the Kashmiri Premier (Bakshi Ghulam Mohammed) in a speech on March 9 to the State Assembly.

Asserting that Pakistan had committed "unprovoked aggression" against Jammu and Kashmir, he declared that the SEATO Powers were "sadly mistaken" if they thought they could change the decision whereby Kashmir had acceded to India. He accused the SEATO Powers of having ignored the changed international conditions of the past seven years, and declared *inter alia*: "It is unfortunate that the SEATO Powers, under American leadership, should try to create conditions of uncertainty and chaos in this strategic area, where peace and democracy have been established after terrible sufferings."

The Premier of Kashmir also expressed his "amazement" that the SEATO Council had been "agitated" at the statements of Marshal Bulganin and M. Khrushchev recognizing Kashmir as a part of India, declaring in this connexion that the Soviet leaders had "only recognized something that was a patent fact."—(The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London)

(Prev. rep. SEATO Council Meeting, 14840 A.)

A. LITERATURE. — Book Selections for April.

Selected books published in Great Britain, the United States, France, and Italy are given below:

Great Britain. Anstruther, Ian—"I Presume Stanley's Triumph and Disaster." (Geoffrey Bles, 18s.)

"Beatrice Webb's Diaries, 1924-1932" Edited by Margaret Cole. (Longmans, 25s.)

Brinnin, John Malcolm—"Dylan Thomas in America." (Dent, 18s.)

Churchill, Sir Winston—"A History of the English-Speaking Peoples: Volume I—The Birth of Britain." (Cassell, 30s)

Constance, Arthur—"The Glazier." The Biography of a Father written by a Son (Werner Laurie, 18s.)

Durrell, Gerald—"The Drunken Forest." (Rupert Hart-Davis, 18s.)

Moorehead, Alan—"Gallipoli." (Hamish Hamilton, 21s.)

Pevsner, Nikolaus—"The Englishness of English Art." The B.B C. Reith Lectures for 1955, expanded. (Architectural Press, 16s.)

Priestley, J. B.—"All About Ourselves, and Other Essays." (Hememann, 21s.)

Rawicz, Slavomir—"The Long Walk." (Constable, 15s.)

Roberts, B. C.—"Trade Union Government and Administration in Great Britain." (London School of Economics and George Bell & Sons, 31s. 6d.)

Ruber, Johannes—"Bach and the Heavenly Choir." Translated from the German (*Die Heilgsprechung des Johann Sebastian Bach*). (Rupert Hart-Davis, 11s. 6d.)

Tibble, John and Anne—"John Clare: His Life and Poetry." (Heinemann, 25s.)

Truman, Harry S.—"Memoirs, Volume II—Years of Trial and Hope, 1946-1953." (Hodder & Stoughton, 30s.)

White, Patrick—"The Tree of Man." A Contemporary Novel of Australia. (Eyre & Spottiswoode, 18s.)

United States. Rovere, Richard H.—"Affairs of State: The Eisenhower Years." (Farrar, Straus, & Cudahy, New York, $4.50.)

Wilson, Edmund—"Red, Black, Blond and Olive: Studies in Four Civilizations—Zuñi, Haiti, Soviet Russia, Israel." (Oxford University Press, New York, $6.75)

France. Bourbon-Busset, Jacques de—"Antoine, mon frère." (N.R F., Paris.)

Italy. Praz, Mario—"Viaggi in Occidente." (Sansoni, Florence, 2,000 lire.)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 14803 C.)**

B. UNITED KINGDOM. — Civil Service. - Improved Pay and Conditions. - Implementation of Royal Commission's Recommendations.

The Treasury announced on March 31 that Civil Servants and Post Office employees earning up to £1,600 a year would receive immediate pay increases equivalent to 5½ per cent of their current rates. The improvements, based on the recommendations of the Royal Commission on the Civil Service which reported in November (see 14587 A), will affect over 600,000 men and women and cost about £30,000,000 a year, of which the share of the Post Office will be £18,000,000 and that of the remainder of the Civil Service £12,000,000. Details of the increases are given below.

Salaried Staff. Annual basic pay below £350, £21. 10s.; £350-£500, £25 10s, £500-£700, £36; £700-£900, £48; £900-£1,250, £65; £1,250-£1,600, £85 Juveniles under 18, £15. 10s., 18-21, £21. 10s.

Weekly Paid Staff. Basic pay under £6. 14s. weekly, 8s 6d.; £6 14s.-£9 11s, 10s., £9 11s.-£13. 8s., 14s; £13. 8s.-£17. 5s. 18s. 6d Juveniles under 18, 6s.; 18-21, 8s. 6d.

It was stated that the publication of the Royal Commission's report had been followed by negotiations in the National Whitley Council on the basis of Government acceptance of the Royal Commission's recommendations. Discussions on most major questions had now been concluded, and in May and June the staff associations would present to their conferences comprehensive proposals for giving the recommendations effect, with certain modifications. The pay increases now proposed were interim increases in pay supplements pending ratification of these proposals, and took account of the general movement of pay in other occupations since the report had been made. They did not apply to the higher grades of Civil Servants because the Government proposed to follow the procedure suggested by the Commission and to appoint a standing advisory committee to "exercise a general oversight of the pay of the higher Civil Service."

The staff side of the Civil Service National Whitley Council announced on April 11 that, after lengthy negotiations on the Royal Commission's recommendations, proposals had been agreed between the two sides of the Council providing for (1) the spreading of hours of work (42 in London, 44 in the provinces) wherever practicable over 5 days, instead of 5½ days as at present; (2) the maintenance of essential services to the public on Saturdays, (3) the reduction of leave as proposed by the Royal Commission, subject to some minor modifications and to existing Civil Servants having reserved rights to their present leave. The proposals—which would apply to about 380,000 office staff, but not to the main Post Office grades—would be submitted to the unions represented on the staff side of the Council. If approved by them and ratified by the staff side, they would come into effect from July 1, 1956.—(Times - Daily Telegraph) **(Prev. rep. 14587 A.)**

C. AUSTRALIA. — Diplomatic, Commonwealth and U.N. Appointments. - Embassy Status with Burma.

The following appointments were announced in Canberra during the past 12 months:

Mr. H. A. McClure-Smith (a former editor of the *Sydney Morning Herald*), Minister in Cairo since 1953, as Ambassador to the Netherlands in succession to Sir Alfred Stirling, who was appointed Ambassador to France (May 1955).

Mr. Arthur Cutler, V.C., High Commissioner in Colombo, as Ambassador to Egypt *vice* Mr. McClure-Smith (June 1955).

Mr. T. H. Critchley, head of the Pacific Section of the External Affairs Department, as Australian High Commissioner in Malaya, a new post (November 1955). The Minister for External Affairs (Mr. Casey) explained that the appointment of an Australian High Commissioner in Kuala Lumpur was desirable in view of the important constitutional developments in Malaya.

Dr. Ronald Walker, Ambassador in Tokio, as Australian permanent representative at the United Nations *vice* Mr. William Forsyth who was appointed to a senior post in the External Affairs Department (December 1955)

Sir Alan Watt, Australian Commissioner for South-West Asia and Commissioner in Singapore, as Ambassador to Japan *vice* Dr Walker (February 1956).

Mr. Allan Eastman, Deputy High Commissioner in Singapore, as High Commissioner to Ceylon *vice* Mr Cutler (February 1956).

Vice-Admiral Sir John Collins, formerly Chief of Australian Naval Staff, as High Commissioner to New Zealand (February 1956).

Mr. Patrick Shaw, formerly head of the Australian Mission in Tokio, as Ambassador to the German Federal Republic *vice* Mr. J. D. L. Hood (April 1956).

Mr. Casey, announced on April 18 that the Australian and Burmese Governments had agreed to raise their respective Legations in Rangoon and Canberra to the status of Embassies. (Australian News and Information Bureau) **(14023 B.)**

A. CANADA - MEXICO - UNITED STATES. — Tripartite Meeting of U.S. and Mexican Presidents and Canadian Prime Minister.

President Eisenhower, the Mexican President (Señor Ruiz Cortines), and the Canadian Prime Minister (Mr. St. Laurent) met at White Sulphur Springs (West Virginia) on President Eisenhower's invitation from March 26-28. The meeting—the first of its kind to be held between the Heads of Government of the U.S.A., Mexico, and Canada—was also attended by the three Foreign Ministers (respectively Mr. Dulles, Señor Padilla Nervo, and Mr. Lester Pearson). It was completely informal and without a fixed agenda, a statement issued before the meeting saying merely that the discussions would deal with "matters of mutual interest."

The talks were partly on a tripartite basis and partly bilateral—between President Eisenhower and President Ruiz Cortines, and between President Eisenhower and Mr. St. Laurent. The U.S.-Mexican talks, dealing with issues of specific interest to the two countries, were also attended by Mr. Dulles, Señor Padilla Nervo, and Dr. Milton S. Eisenhower (the President's brother and formerly special U.S. envoy to the Latin American countries). The U.S.-Canadian discussions, on problems on specific interest to the U.S.A. and Canada, were attended by Mr. Dulles and Mr. Lester Pearson.

No communiqué was published on the talks, but Mr. St. Laurent made a statement in the Canadian House of Commons on April 9.

After saying that the general discussion had "centred largely upon the comprehensive report which Mr. Dulles made on his recent visit to Asia" (see page 14842), Mr. St. Laurent said that there was no foundation for Press reports to the effect that there had been "an emphatic expression of policy difference between the U.S.A. and Canada in respect of Communist China" It was quite true, he added, that President Eisenhower and Mr. Dulles had explained "very frankly" the reasons why U.S. recognition of the Communist Government in Peking could not be contemplated under present circumstances, and why they felt their support should be continued to the Chiang Kai-shek Government. On the Canadian side nothing had been said which would suggest any change from the policy statement made by Mr. Lester Pearson on Jan 31 (see 14707 B) It had, however, been recognized by both sides that the recognition of the Peking regime by many other countries had created a problem as to which regime should represent China at the U.N , and that this problem might be expected to grow more acute as time went on.

There had also been "considerable discussion" over the position in the Middle East, "the seriousness of which everyone recognized." It had been agreed that, while all possible steps to reduce immediate tension should be taken, peace could only be secured by an agreed political settlement between Israel and her neighbours. Furthermore, there had been a general discussion of the possible consequences of recent Communist Party developments in Russia, and consideration had also been given to the problems arising from the emergence of new States in Asia and Africa. In connexion with the question of continuing international economic assistance to under-developed countries, the view had been expressed on the Canadian side that it might help to remove any suspicion of ulterior motives if the U.N. were brought more into the picture than had been the case hitherto, "at least from the point of view of using the Organization as a clearing-house for plans, policies, and information in regard to international assistance schemes," similar to the practice developed under the Colombo Plan.

On the U.S.-Canadian bilateral talks, Mr. St. Laurent stated that he had emphasized the importance of better-balanced trade between the two countries. He had referred to the existing unfavourable balance for Canada in their visible trade, and had mentioned that the correction of this unbalance by U.S. capital movements to Canada was occasionally the cause of some concern lest the control of Canadian economic development, which should remain in Canadian hands, might be prejudiced. Finally, he had suggested to President Eisenhower that problems regarding the use of water-power on rivers crossing the international boundary might be studied at an inter-governmental conference.

Although the tripartite meeting ended without any concrete agreements, President Eisenhower expressed the view that it had been "a great success" in giving the statesmen concerned an "informal and relaxed opportunity" to get to know each other better and to discuss current questions.
(New York Times - New York Herald Tribune - Canadian Department of External Affairs, Ottawa - Montreal Star)

B. RUMANIA. — Release of Jewish Leaders.

The publication *World Jewish Affairs*, organ of the World Jewish Congress, reported on April 26 that the Rumanian Government had released the leaders of the Jewish community who had been sentenced to long terms of imprisonment in 1953 and 1954 for Zionist and other "anti-state" activities. The releases were apparently in conformity with the internal policy changes recently carried out in the Communist countries of Eastern Europe.—(World Jewish Affairs)
(Prev. rep. 14817 A ; 13820 A.)

C. BRITISH COLONIAL EMPIRE. — Colonial Development Corporation. - Report for 1955. - Surplus of £409,000.

The report of the Colonial Development Corporation for 1955, published on April 25, showed a revenue surplus of £409,000, after payment of £307,000 interest to the Colonial Office. The surplus, the first earned by the Corporation on revenue account in its eight years of existence, compared with a consolidated loss of £511,000 incurred in 1954. It included a net operating profit on direct projects and subsidiary undertakings of £113,615 (against a net loss on these projects of £222,353 in 1954), this profit having been earned in spite of the sale of the Corporation's controlling interest in Chilanga Cement Ltd. and the loss of its share of that company's profits, amounting in 1954 to nearly £217,000. The Corporation's activities in 1955 are summarized below :

Projects in Operation. During the year 10 new projects were started (compared with seven in 1954), and at Dec. 31, 1955 there were 63 continuing projects and investigations in progress, against 56 on Dec 31, 1954. The total capital approved for these projects had increased from £47,822,000 at Dec. 31, 1954 to £54,853,000 at Dec. 31, 1955.

Location of Projects. The projects were located as follows (capital approved for each area shown in parentheses) . *Caribbean Region*, 18 (£7,500,000); *Far East*, seven (£15,400,000); *East Africa*, 13 (£13,000,000); *Central Africa*, six (£6,000,000); *High Commission Territories*, 10 (£9,700,000); *West Africa*, eight (£3,000,000); *Mediterranean area*, one.

Operating Results. Most projects improved their operating results during the year, the outstanding examples being British Guiana Timbers Ltd., which reduced its net loss from £114,676 in 1954 to £37,730, and Borneo Abaca Ltd., which cut its loss from £161,547 to £46,391.

Abandoned Projects. Three projects were abandoned during the year—the Falkland Islands Freezer (which the report described as "too grandiose"), and the Murango Mines (Tanganyika) and Barton Ramie (British Honduras) investigations

Capital Losses. The amount written off capital account increased during 1955 from £6,269,468 to £8,000,000, the new figure including £300,000 written off on account of the Falkland Islands Freezer scheme, £245,000 and £184,000 respectively for the Murango and Barton Ramie investigations, and £424,457 for capital losses in connexion with the Bechuanaland cattle ranch.

The report maintained that most of the capital losses "would not have occurred if an efficient and experienced organization had been built up before the Corporation spread itself into world-wide operations." It was therefore proposed to transfer the whole of the £8,000,000 to a "special loss account," which the Corporation would disregard when adjusting its policies to comply with the statutory requirements that it should pay its way, taking one year with another. The Corporation contended that the Government should waive interest on the whole amount, instead of on part only as at present, and that the £8,000,000 should be converted into an equity capital of the International Bank for Reconstruction and Development and the International Finance Corporation. In this connexion the report pointed out that long-term borrowings by the Corporation from the Colonial Office had been subject to an initial seven-year interest moratorium , from 1956 onwards, however, the service of existing borrowings from the Colonial Office would build up steadily to over £1,000,000 in 1960 and to nearly £2,000,000 in 1964.

Competition from Synthetic Substitutes. Discussing the "pressure from synthetic substitutes against raw materials traditionally grown in the tropics," the report stressed the need for the Corporation to assess which of its products—such as rubber, hemp, tung oil, and tanning materials—were likely to be saleable in 10 or 20 years' time. It pointed out, however, that "increasing association with local people in C D.C projects through smallholder and co-operative schemes will not make decisions involving their livelihood any easier."

Legality of Housing Schemes. With reference to the various housing and road schemes in which the Corporation was interested, and on which nearly £7,500,000 was still owing to the contractors, with more "morally committed," the report referred to the position in terms similar to a recent announcement by the Colonial Secretary (see below).

Mr. Lennox-Boyd had announced in the House of Commons on April 18 that he had been advised that the Corporation's housing loans to the Government of Kenya and Southern Rhodesia, as well as the loans to the Federal and Colonial Building Society in Malaya and certain West African works contracts, were not within the Corporation's powers as defined by the Overseas Resources Development Act. Although the Corporation took the view that the Act permitted them to undertake these and similar projects, the Government had decided to introduce legislation in the current session to put the matter beyond all doubt, and were considering a suitable amendment to re-define the Corporation's powers. Meanwhile no further advances could be made under the Act from public funds for these projects, and the Corporation had been asked to suspend negotiations on any new similar projects.
(Times - Daily Telegraph) **(Prev. rep. 14236 A.)**

MAY 5—12, 1956

A. CEYLON. — General Elections. - Victory of People's United Front. - Resignation of Sir John Kotelawala. - New Cabinet formed by Mr. Bandaranaike. - Statement on New Government's Policy.

General elections held in Ceylon between April 5-10 resulted in a severe defeat for the ruling United National Party (U.N.P.), which lost 46 of the 54 seats which it had held in the previous Parliament. An absolute majority was won by the People's United Front (*Mahajana Eksath Peramuna*, or M.E.P.), led by Mr. Solomon Bandaranaike, the former leader of the Opposition.

The People's United Front, which contested 58 of the 95 elected seats, consisted of Mr. Bandaranaike's *Sri Lanka* Freedom Party, the leading Opposition party in the former House of Representatives; the *Viplavakari Lanka Sama Samaja* (Ceylon Revolutionary Socialist) party, a left-wing group led by Mr. D. P. R. Gunawardena which broke away from the *Nava Lanka Sama Samaja* party in 1951; the *Samasta Lanka Bhasa Peramuna* (Language Front), a Sinhalese communal organization; and a number of Independents. The conservative United National Party, led by Sir John Kotelawala (the Prime Minister), contested 76 seats. The *Nava Lanka Sama Samaja* (Ceylon Socialist) party, led by Dr. N. M. Perera, put forward 20 candidates; although nominally a "Trotskyist" organization, it resembles the left-wing of the British Labour Party in outlook. The Communist Party, led by Dr. S. A. Wickremasinghe, contested 10 seats. In the Tamil-speaking areas of northern and eastern Ceylon, where neither the U.N.P. nor the M.E.P. put forward any candidates, 14 of the 16 seats were contested by the Federal Party, led by Mr. S. J. V. Chelvanayagam, which advocates complete autonomy for these areas within a Ceylonese federation In addition, there were 61 Independent candidates and eight put forward by minor parties.

Polling, which took place in an atmosphere of complete order, was held in 37 constituencies (returning 42 members) on April 5, in 22 (returning 23 members) on April 7, and in 30 (returning 30 members) on April 10. The final results were announced on April 11 as follows:

	Seats		Votes
	1956	1952	1956
People's United Front (M.E.P.)	51	10*	1,045,725
United National Party	8	54	737,447
Nava Lanka Sama Samaja Party	14	9	274,447
Federal Party	10	2	142,758
Communist Party	3	3	119,773
Tamil Congress	1	4	8,914
Tamil Resistance Front	1	—	7,931
Other Parties	—	2	18,891
Independents	7	11	287,943

* In 1952 the *Sri Lanka* Freedom Party and the *Viplavakari Sama Samaja* Party, contesting the elections separately, won nine and one seats respectively.

The Governor-General subsequently nominated three Europeans, two Burghers (Ceylonese of Dutch descent), and one Malay to represent minority interests.

Eight members of Sir John Kotelawala's Cabinet lost their seats—Mr. Jayawardene (Finance), Mr Corea (Commerce), Mr. Dissawe (Lands), Mr. Keethiratne (Posts), Mr. Ratnayake (Home Affairs), Dr. Kaleel (Labour), Mr. Nugawela (Health), and Major Jayawickrema (Transport and Works) The Speaker (Sir Albert Peries) and five Parliamentary Secretaries were also defeated Sir John Kotelawala retained his seat, though his majority fell from 15,468 in the 1952 elections to 8,274 Mr. Bandaranaike was returned by a majority of 41,997 votes (the largest ever recorded in a Ceylon election) over a U.N P. opponent Mr R. G. Senanayake (formerly Minister of Commerce in Sir John Kotelawala's Cabinet), who contested two constituencies as an Independent with M.E.P. support, was returned in both with large majorities The *Nava Lanka Sama Samaja* party increased its strength by five seats, becoming the second largest parliamentary group, whilst the Federal Party, which took the third place, gained eight additional seats. Of the Communist candidates, Dr. Wickremasinghe, the Communist leader, won the seat formerly held by his wife.

The defeat of the U.N.P., which occasioned general surprise both in Ceylon and abroad, was attributed by British press correspondents to the following causes:

(1) The electorate's desire for a change in view of the fact that the U.N.P. had been in office—both before and since the attainment of Ceylonese independence—for nearly 25 years.

(2) Economic discontent, due chiefly to the high price of rice (the staple food of the people) following the reduction of the rice subsidy in 1952, and to dissatisfaction with the housing and unemployment position.

(3) The vigorous campaign waged in favour of the M E.P. by the younger Buddhist monks, who had alleged that Sir John Kotelawala's Government was dominated by Christians. Among the demands put forward by the monks, and accepted by the M.E P., were the transfer of all education (at present largely under Christian control) to the State, the withdrawal of the privileges enjoyed by Christian missionaries, prohibition of the sale and consumption of alcoholic drinks a ban on horse-racing, the replacement of Western by national dress, the raising of capital for economic development by a savings campaign and restrictions on luxury imports, and a *bhoodan* movement similar to that in India (see 14336 B) for redistribution of the land.

(4) Whereas the dispersal of the Opposition vote among a number of parties had enabled the U N.P. to win the 1947 and 1952 elections on a minority vote, in the present elections the M E.P., the *Nava Lanka Sama Samaja*, and the Communist party abstained from putting up candidates against one another in most constituencies. Co-operation between them was assisted by the fact that, despite their differences on linguistic policy, they agreed in advocating the proclamation of a republic, the withdrawal of British forces from bases in Ceylon, a "neutralist" foreign policy, and the nationalization of foreign-owned plantations, banks, and insurance.

[The M.E P., like the U.N.P , advocated that Sinhalese should be the only official language, whilst the *Nava Lanka Sama Samaja* and the Communists supported equal status for Sinhalese and Tamil]

Sir John Kotelawala tendered his resignation to the Governor-General, Sir Oliver Goonetilleke, on April 11, and advised him to call on Mr. Bandaranaike to form a Government.

On relinquishing office Sir John Kotelawala issued a statement claiming that he was leaving to the new Government a cash balance of Rs 197,000,000 (about £15,000,000), as compared with Rs 36,000,000 when he became Premier in 1953. Moreover, while in office he had reduced the Government's short-term liabilities from Rs 184,000,000 to Rs 60,000,000, and had repaid loans and advances totalling Rs 129,000,000

The membership of Mr. Bandaranaike's Government, drawn entirely from the United People's Front, was announced on April 12 as follows:

Mr. Solomon Bandaranaike	Prime Minister, Defence, and External Affairs.
Mr. W. Dahanayake ..	Education.
Mr. C. P. de Silva ..	Land and Land Development.
Mr. M. W. H. de Silva ..	Justice.
Mr. P. H. W. de Silva ..	Industries and Fisheries.
Mr. S. de Zoysa	Finance.
Mr. D. P. R. Gunawardena	Agriculture and Food.
Mr. T. B. Illangaratne .	Labour, Housing, and Social Services.
Senator A. P. Jayasuriya	Home Affairs.
Mr. J. Kuruppu . .	Local Government and Cultural Affairs.
Mr. C. A. S. Marikkar ..	Postal Services, Broadcasting, and Information.
Mr. M. Senanayake .	Transport and Works.
Mrs. V. Wijewardene .	Health.

Mr. R. G. Senanayake subsequently entered the Government on April 18 as Minister of Commerce and Trade, announcing at the same time that he had joined the *Sri Lanka* Freedom Party.

Mr. Bandaranaike (47) studied at Christ Church, Oxford (where he was a contemporary of Sir Anthony Eden), and was secretary of the Oxford Union. After a successful legal career he entered politics as a U.N.P. supporter, becoming Minister of Health and Local Government and Leader of the House in Mr. D S. Senanayake's Government. He went into opposition in 1951 to form the *Sri Lanka* Freedom Party, and after the 1952 elections sponsored the formation of the People's United Front.

Mr. R. G. Senanayake, the only other member of the Cabinet who had previously held office, became Minister of Commerce and Trade after the 1952 elections, but resigned in 1954 owing to disagreement with the Government's policies. Among the new Ministers, **Mrs. Wijewardene** is the first women to hold Cabinet office in Ceylon; **Mr. P. H. W. de Silva,** like Mr. Gunawardena, belongs to the *Viplavakari Lanka Sama Samaja* party, whilst **Mr. M. W. H. de Silva** (who was appointed to fill a vacant seat in the Senate on April 12, the day of his Ministerial appointment) was leader of the former People's Republican Party.

In statements to British press correspondents on April 6, Mr. Bandaranaike had described the M.E.P. as "a democratic Socialist party, as opposed to the extreme conservative and capitalist character of our opponents." His party, he said, would establish a republic if they obtained the necessary two-thirds majority, and had originally favoured withdrawal from the British Commonwealth; the example of India and Pakistan, however, had shown that Commonwealth membership was not incompatible with full independence, and even if Ceylon did withdraw she would retain very close ties with the Commonwealth. After suggesting that Ceylon should play the role of an "Asian Switzerland" and serve as "a bridge between

East and West," Mr. Bandaranaike said that he favoured "a form of dynamic neutralism" in foreign politics, which did not, however, imply any kind of hostility towards the Western Powers. In particular, he wished to maintain the friendliest relations with Britain, which he regarded as "providing a sane balance between the extreme American and Russian views." The question of the British naval and air bases at Trincomalee and Katunayake, however, would have to be looked into at an early date, as any arrangement which tied Ceylon irrevocably to one "power bloc" would inevitably debar the country from the mediatory role which he wished to see it play. In home affairs he favoured the nationalization of banking, insurance, and transport, and of foreign-owned tea and other plantations; full compensation would be paid, however, and there would be no discrimination against foreign investments which had been made on satisfactory conditions.

The new Parliament was opened on April 20 by the Governor-General, Sir Oliver Goonetilleke, who gave details of the Government's policy in the Speech from the throne.

In its foreign policy, the Governor-General stated, the Government would not align itself with any Power blocs and would review the position of the British bases. Consideration would also be given to the exchange of diplomatic representatives with countries in which Ceylon was not at present represented In home affairs, attention would be paid to the question of establishing a republic, and, to ensure the more effective functioning of democratic principles, the electoral law would be changed and all "repressive legislation" amended or repealed

The Speech also promised improvements in health, education, housing, and other social services, a comprehensive plan for agricultural and industrial development, measures to deal with unemployment, the nationalization of certain essential services, such as transport; and reductions in the price of rice and sugar Legislation for the adoption of Sinhalese as the only official language would be introduced as early as possible. All undemocratic restrictions on trade union rights would be abolished, labour conditions brought into line with modern practice, and measures taken to stamp out corruption and nepotism in the Public Service In conclusion, all religious, racial, and other minorities were assured that they need have no fear of injustice or discrimination in the carrying-out of the Government's policies

The House of Representatives had unanimously elected Mr. H. S. Ismail (Independent) as its new Speaker on April 19. Dr. Perera, as the leader of the largest Opposition party, was elected Leader of the Opposition on April 22.

At its first meeting on April 14, the new Cabinet decided to request the Queen not to confer Imperial honours on Ceylonese citizens in future —(Ceylon Government Information Department, Colombo - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. General Elections, 12315 A; Dissolution of Parliament, 14756 A.)**

A. UNITED STATES. — Foreign Service.

Important appointments in the U.S. Foreign Service since September last are listed below, the date of announcement being shown in parentheses:

Mr. John D. Hickerson, a career diplomat, as Ambassador to Finland *vice* Mr. John K. McFall (Sept. 20, 1955)

Mr. John D Mucclo, a career diplomat, formerly Ambassador in Seoul, as Ambassador to Iceland (Oct. 19, 1956).

Mr. Max Waldo Bishop, a Foreign Service officer, as Ambassador to Siam *vice* Mr. John E. Peurifoy, who had been killed in a road accident—(see 14395 B) (Dec. 3, 1956).

Mr Douglas M. Moffat, partner in a well-known New York law firm, as Ambassador to Australia *vice* Mr. Amos J. Peaslee, who was appointed Deputy Special Assistant to the President on disarmament matters (Feb. 14, 1956). Mr. Moffat was principal U S. representative at the Anglo-U.S. Supply Centre in Egypt during the war.

Mr. Fletcher Warren, Ambassador in Caracas, as Ambassador to Turkey *vice* Mr. Avra M. Warren, retiring (Feb 27, 1956).

Mr. Dempster McIntosh, Ambassador in Montevideo, as Ambassador to Venezuela *vice* Mr. Fletcher Warren (March 9, 1956)

Mr. Jefferson Patterson, a retired Foreign Service officer, as Ambassador to Uruguay *vice* Mr McIntosh (March 9, 1956)

Mr. Sheldon T. Mills, Ambassador in Quito, as Ambassador to Afghanistan *vice* Mr Angus Ward, retiring (March 20, 1956)

Mr. Lowell C. Pinkerton, a Foreign Service officer, as the first U.S. Ambassador to the Sudan (March 29, 1956).

Mr. Livingston Merchant, Assistant Secretary for European Affairs at the State Department, as Ambassador to Canada *vice* Mr Douglas Stuart, retiring (April 11, 1956).

Mr. Albert S. Nufer, formerly Ambassador in Buenos Aires, as Ambassador to the Philippines *vice* Mr. Homer Ferguson (April 21, 1956).

Mr. Homer Ferguson, the Ambassador in Manila, and formerly Republican Senator for Michigan, was appointed by President Eisenhower on Jan. 30 to the Court of Military Appeals, the final appellate tribunal on court-martial convictions.—(New York Times - New York Herald Tribune) **(Prev. rep. Foreign Service, 14395 B.)**

B. INDONESIA - NETHERLANDS. — Unilateral Abrogation of Netherlands-Indonesian Union. - Dutch Protest to Indonesia.

A Bill providing for the abrogation of the Netherlands - Indonesian Union was adopted without a division by the provisional Indonesian House of Representatives on Feb. 28. The House had previously adopted (by 108 votes to 80) a motion giving the Bill priority over an Opposition motion of no-confidence in Mr. Harahap's Government. As a protest against this decision, which he considered contrary to the rules of the House, the Speaker (Mr. Sartono) announced his resignation, and all Opposition members withdrew before the Bill was discussed. President Sukarno announced on March 3 that he had not signed the Bill because he considered that, in view of its importance, it should be submitted to the new elected Parliament.

Following the resignation of Mr. Harahap on March 3, a new Bill incorporating a number of amendments was introduced by Dr. Sastroamidjojo's Government, and was passed without a division on April 21. The Bill revoked all agreements concluded at the Hague Round-Table Conference of 1949; declared that "the relationship between the Republic of Indonesia and the Kingdom of the Netherlands is henceforward an ordinary relationship as between fully sovereign nations, based on international law"; and abolished all special privileges enjoyed by Netherlands citizens in Indonesia, with the exception of concession rights, licences, and permits for the operation of enterprises which were not in conflict with "the interests of the development of the Republic of Indonesia." The Bill was made retroactive as from Feb. 15, 1956.

The Netherlands Government, in a Note on March 3, had informed the Indonesian Government that it could not consent to the unilateral measures taken by Indonesia, and had protested against them.

After declaring that Indonesia's unilateral abrogation of "solemn treaties concluded with the assistance of the U N. Commission for Indonesia" was "at variance with international law," the Note said that Indonesia's action was also unjustified because the Netherlands had "always done everything possible to meet, as far as could reasonably be expected, Indonesia's wishes in regard to changes in the relations between the two countries," and had already agreed to the abolition of the Union in the 1954 protocol [which was not ratified by Indonesia]

The Note added that the Netherlands Government was still willing to co-operate in establishing a basis for future relations satisfactory to both parties, and meanwhile agreed that diplomatic relations between them should continue A letter informing the United Nations of Indonesia's unilateral action, and of the views of the Dutch Government, had been handed by the Netherlands permanent representative at the U N. to Dr. Hammarskjold on Feb 24.

The Indonesian reply to the Dutch Note (published on March 20) stated that the Indonesian Government's decision had been prompted by the desire to place relations between the two countries on a basis which was normal between sovereign and independent States. As Indonesia's repeated attempts since 1951 to settle the problem by means of negotiations, culminating in the recent talks in Geneva, had all failed, the Indonesian Government had resolved to withdraw from the Union, to the abolition of which the Netherlands Government had already agreed in principle Pending the establishment of normal diplomatic relations, Indonesia would regard the Netherlands High Commission in Jakarta as the diplomatic mission of the Kingdom of the Netherlands, whilst the Indonesian High Commission in The Hague would henceforth have the status of a diplomatic mission.

The Netherlands Deputy High Commissioner in Jakarta (Mr. Hagenaar) informed the Indonesian Government on May 4 that the Netherlands Government had decided to change the status of its High Commissioner in Jakarta to that of an Embassy —(Indonesian Embassy Press Office, London - Netherlands News Agency) **(Prev. rep. 14715 A.)**

C. BURMA. — Social Security Scheme.

A social security scheme came into force in Burma on Jan. 1, 1956, providing for medical care at dispensaries, sickness benefit, maternity benefit, and funeral grants. It also covered temporary disability benefits, permanent disability pensions, and survivors' pensions in the case of fatal accidents.

The area covered by the scheme comprises Rangoon, Insein, and four other townships. The scheme applies to all persons employed in industrial establishments with at least ten employees, and to the Burmese railways, publicly-owned industrial and transport undertakings, ports, mines, oilfields, and stevedoring establishments. It does not apply to permanent public servants.

The scheme is administered by a Social Security Board under the chairmanship of the Minister of Labour (U Raschid). There is a standing committee to deal with questions such as interpretation of policy, and an appeal tribunal to hear disputes.

(Burmese Government Information Dept., Rangoon)

A. UNITED NATIONS. — The Disarmament Negotiations. - Deadlock in Meetings of U.N. Disarmament Sub-committee. - Western and Soviet Proposals for Disarmament. - Eisenhower-Bulganin Correspondence on Disarmament Problems.

A summary is given below of the discussions in the United Nations on the question of disarmament, and of the various proposals put forward by the Western Powers and the Soviet Union, during the past two years. During this period—from the spring of 1954 to May, 1956—the U.N. Disarmament Sub-committee held 86 meetings in London and New York without, however, reconciling the differences between the Western and Soviet viewpoints. The article is divided into three sections: (1) the general background to the disarmament discussions; (2) the meetings of the Disarmament Sub-committee, and the various proposals put forward by the Powers concerned; and (3) the exchanges of correspondence between President Eisenhower and Marshal Bulganin on the question of disarmament.

The General Background.

Following the deadlock in the U.N. Disarmament Commission during 1953, the eighth session of the U.N. General Assembly recommended in November of that year that a sub-committee of the Powers principally concerned should be set up to seek a solution to the disarmament question by private discussions (see 13993 A). This sub-committee, consisting of Great Britain, the United States, the Soviet Union, France, and Canada, was established by the Disarmament Commission on April 19, 1954, and met in London in May and June, 1954 (see 13681 C).

On June 11, 1954, France and Britain presented disarmament proposals to the Sub-committee (see below) which were debated at the ninth session of the General Assembly (see 14677 A). Although the Soviet representative declared that his country accepted these proposals as a basis for future negotiations, the debates in the Assembly revealed that further consideration of a number of matters would be required. On Nov. 4, 1954, therefore, the Assembly unanimously adopted a resolution (sponsored by all the five Powers concerned) proposing that the Disarmament Sub-committee should reconvene and make a further effort to reach agreement on comprehensive and co-ordinated proposals to be embodied in a draft international convention on disarmament. It was recommended that this convention should provide for (1) the limitation, regulation, and major reduction of all armed forces and conventional armaments; (2) the total prohibition of the use and manufacture of nuclear and other weapons of mass destruction, together with the conversion of existing stocks to peaceful purposes; (3) the establishment of effective international control through a control organ with the necessary rights, functions, and powers to ensure that the measures under (1) and (2) were carried out by the Powers concerned.

In accordance with the Assembly's resolution, the U.N. Disarmament Sub-committee held private meetings in London between Feb. 25 and May 18, 1955, and subsequently at U.N. Headquarters in New York between Aug 29 and Oct. 7, 1955 The London meetings were adjourned on May 18 to await the outcome of the Geneva "summit" conference between the Heads of Government of the U S.A., the U.S.S.R., Great Britain, and France, whilst the New York meetings were similarly adjourned until the conclusion of the Geneva meeting of Foreign Ministers, which was held between Oct 27 and Nov. 16 and at which no agreement was reached on the problem of disarmament.

At the "summit" meeting the four Heads of Government agreed to work together to develop an acceptable system of disarmament through the U N. Disarmament Sub-committee. Their representatives on that body were asked to continue their work, taking into account the various proposals put forward at the "summit" conference by President Eisenhower, Marshal Bulganin, Sir Anthony Eden, and M. Faure. On Oct. 7 the Sub-committee presented a lengthy report to the U.N. Disarmament Commission, for subsequent transmission to the U.N. General Assembly, recapitulating the various proposals which had so far been made by "the Powers principally concerned."

When the Disarmament Commission met on Oct 21, 1955, to consider this report, the Soviet representative urged that the General Assembly should be given an opportunity to debate the disarmament question at the earliest possible moment The Western representatives, however, took the view that a debate on disarmament would be inappropriate at that particular moment because the four Foreign Ministers were shortly to meet in Geneva to discuss disarmament and other questions. Although the Soviet representative maintained that a debate in the General Assembly would help the Foreign Ministers in tackling the disarmament question, the Western representatives felt that there had been insufficient time to study the voluminous report of the Disarmament Sub-committee, and also felt that any debate on disarmament prior to the Foreign Ministers' conference would not be useful. They therefore opposed the Soviet proposal for immediate discussion of the Sub-committee's report by the General Assembly, and the Commission adjourned on Oct. 26 without a vote having been taken.

The Disarmament Commission met again on Nov. 23-25, 1955, after the Foreign Minister's conference had ended, and decided to transmit to the General Assembly and the Security Council the report of the Sub-committee, together with the verbatim records of the Commission's meetings at which this report had been considered. At the 10th session of the General Assembly (see 14665 A) a resolution —sponsored by the U S.A., Britain, France, and Canada—was adopted asking the Disarmament Sub-committee to continue its efforts for "a comprehensive disarmament agreement" and, in this connexion, to consider the various proposals made by the four Heads of Government at the "summit" conference (see page 14668).

The Disarmament Sub-committee accordingly met again in London from March 19 to May 4, 1956. Although new proposals were put forward by the Western and Soviet sides, no progress was made towards resolving the deadlock and the discussions ended without any agreement.

Western and Soviet Disarmament Proposals.

The principal proposals made by the various Powers in the course of the discussions in London, New York, and Geneva during the past two years are summarized below:

Anglo-French Proposals of June 1954.

These proposals were presented to the U.N. Disarmament Sub-committee in London on June 11, 1954, and were accepted by the Soviet Union in October as a basis for a draft international disarmament treaty. They proposed that disarmament should take place in three stages, as follows:

(1) An international control organ should be set up, after which the strength of armed forces would be fixed at the level obtaining on Dec. 31, 1953, and defence budgets at the 1953 level

(2) The first half of an agreed reduction in conventional armaments should be put into effect, and when this had been completed the manufacture of nuclear weapons should cease

(3) The second half of the agreed reduction in conventional weapons should take place, and when this had been completed all nuclear weapons and weapons of mass destruction should be eliminated and prohibited.

Modification of Anglo-French Proposals.

The Soviet Union subsequently proposed that the complete prohibition of nuclear weapons should be carried out simultaneously with the second half of the agreed reduction in conventional armaments, instead of after this agreed reduction had been completed. In counter-proposals presented on April 19, 1955, Britain and France put forward a compromise plan under which the prohibition of nuclear weapons would be carried out simultaneously with the final quarter of the agreed reductions in conventional weapons · i e. after these weapons had been reduced to 75 per cent of the agreed level—instead of entirely to the agreed level as they had suggested originally. This proposal was put forward on the conditions (1) that the U S.S.R. accepted the reduction in forces proposed by the Western Powers on March 29, 1955 [i e a maximum of 1,000,000 - 1,500,000 men for the U.S A., the Soviet Union, and China, 650,000 men each for Britain and France, and proportionately lower levels for other Powers]; and (2) that the U.S.S.R. agreed to a fully effective international control system which would operate throughout the whole disarmament programme.

Soviet Proposals of May 1955.

Further proposals were put forward by the Soviet Government on May 10, 1955, in which they accepted the Anglo-French plan that the prohibition of nuclear weapons should take effect after conventional weapons had been reduced by 75 per cent of an agreed amount, and also accepted the proposed level of forces of the major Powers. It was suggested that these measures should be put into effect by stages during 1956 and 1957 (see below) The Soviet draft also included detailed proposals on the rights and powers of an international control organ which should supervise the planned reductions in armaments.

Suggested Measures to be taken during 1956.

(1) States which were parties to the proposed convention should undertake not to increase their armed forces and conventional armaments above the levels obtaining on Dec. 31, 1954, nor their appropriations for armed forces and armaments (including atomic weapons) above the level of expenses for the year ended Dec. 31, 1954. These measures should be carried out within two months after the coming into force of the convention. Within one month of the coming into force of the convention, the five Great Powers (the U.S.A , U.S S R , Great Britain, France, and China) should submit to the Disarmament Commission full official figures of their armed forces, conventional armaments, and military expenses.

(2) The five Powers should undertake to reduce their armed forces to the following maxima: the U.S A., the U.S.S.R., and China—1,000,000 to 1,500,000 men each; Great Britain and France—650,000 men each Within one year, they should reduce their armed forces and armaments by 50 per cent of the difference between the levels obtaining on Dec. 31, 1954, and the aforementioned reduced levels.

(3) Not later than the first half of 1956, a World Conference should be convened on the general reduction of armaments and the prohibition of atomic weapons This conference would set maximum levels for the forces of States other than the five Great Powers

(4) As one of the first measures towards disarmament, States possessing atomic and hydrogen weapons should undertake to discontinue tests of these weapons. An international supervisory committee should be set up to report to the General Assembly and the Security Council on the fulfilment of this undertaking.

(5) Simultaneously with the initiation of measures for the reduction of the armaments and armed forces of the five Powers by the first 50 per cent, and before the entry into force of the agreement on the complete prohibition of atomic weapons, all States should assume a solemn obligation not to use such weapons. Exceptions would be permitted for purposes of defence against aggression when a decision to that effect had been taken by the Security Council.

(6) States possessing military, naval, and air bases on the territory of other States should undertake to liquidate such bases.

Suggested Measures to be taken during 1957.

(1) The production of atomic and hydrogen weapons should be discontinued, and budgetary appropriations of States for military purposes reduced accordingly.

(2) The five Powers should reduce their armed forces and armaments by the remaining 50 per cent of the difference between Dec. 31, 1954, and the reduced levels. Appropriations for armed forces and conventional armaments should be correspondingly reduced. The reduction of the armaments and armed forces of other States to the levels established for them at the World Conference would be completed at the same time.

(3) After the reduction of armed forces and conventional armaments had been carried out to the extent of 75 per cent of the total reduction laid down, a complete prohibition on the use of nuclear weapons should enter into force. The elimination of these weapons from the armaments of States, and the reduction of armed forces and conventional armaments by the final 25 per cent of the agreed reduction, should begin simultaneously. Both these processes should be completed in 1957.

Thereafter, all atomic materials should be used solely for peaceful purposes, and States should undertake to promote extensive international co-operation in the peaceful uses of atomic energy in industry, agriculture, medicine, and other fields of economics and science. Special attention should be given to assistance to economically under-developed countries, and such assistance should not be made conditional upon any demands of a political or military nature States should endeavour to devote part of the savings resulting from world-wide disarmament and the elimination of nuclear weapons to the extensive use of atomic energy for peaceful purposes.

(4) Measures for the liquidation of all foreign military, naval, and air bases on the territories of other states should be completed.

(5) The question of the obligations of China under the proposed convention should be examined with the participation of the People's Republic of China.

International Control System.

The Soviet draft also proposed that the General Assembly should set up an international control organ with the following rights and powers :

(1) In order to prevent a surprise attack by one State upon another, the international control organ should establish on the territory of all the States concerned, on a basis of reciprocity, control posts at large ports, railway junctions, main highways, and airports, to ensure that there was no dangeous concentration of military, air or naval forces.

(2) The control organ should have the right to require from States any necessary information on the execution of measures for reducing armaments and armed forces.

(3) It should also have unimpeded access to records relating to the budgetary appropriations of States for military needs, including all decisions of their legislative and executive organs on the subject. States should periodically furnish the control organ with information on the execution of the measures provided for in the convention.

(4) The control organ (whose staff would be recruited internationally) should make recommendations to the Security Council " on measures of prevention and suppression with regard to violators of the convention."

At the Geneva " summit " conference, Marshal Bulganin put forward proposals similar to those described above, together with two new suggestions : (1) that the levels of armed forces of States other than the five Great Powers should not exceed maxima of 150,000 to 200,000 men ; (2) that the five Powers, pending the conclusion of the disarmament convention, should solemnly declare that they would not be the first to use atomic or hydrogen weapons against any country.

American Proposals.

During the " summit " conference President Eisenhower presented proposals calling for an exchange of blueprints of military information between the U S A. and the U S.S.R., to be verified by mutual aerial reconnaissance. This proposal was intended as a beginning towards a comprehensive and effective system of disarmament by providing against the possibility of surprise attack, thereby lessening danger and relaxing international tension.

On Aug. 30, 1955, the U.S A. submitted to the Disarmament Sub-committee an outline plan for implementing the proposals made by President Eisenhower at Geneva This plan—divided into " terms of reference," a " concept," and an " outline of procedure " —was, in effect, an attempt to combine the main features of President Eisenhower's and Marshal Bulganin's proposals—i.e. the President's " open skies " plan and the Soviet proposals for stationing international observers at key points.

(1) As regards " terms of reference," the U.S. plan defined " blueprints of military establishments " as covering the identification, strength, command structure, and disposition of personnel, units, and equipment of all major land, sea, and air forces, including reserve and para-military forces ; together with a complete list of military plants, factories, and installations. After pointing out that both the Western and Soviet sides had recognized the necessity for stationing observers at key points, so as to give prior warning of any evidence of impending attack or mobilization, it proposed that the U.S.A. and the U.S.S.R. should permit mutual and unrestricted aerial reconnaissance by visual, photographic, and electronic means.

(2) Under the heading of " concept " it was proposed that the U S.A. and the U.S.S R. should exchange data relating to military forces and installations which, coupled with the measures for verification and surveillance, were essential to safeguard against the possibility of surprise attack. This exchange would be accomplished by progressive steps as mutually agreed between the two Governments.

(3) " Initial procedure " would consist of the exchange and verification of " blueprints of military establishments, the facilities and services to be provided, and checks and controls."

At a meeting of the U N. Sub-committee on Oct. 7, 1955, Mr. Harold Stassen (Special Adviser to President Eisenhower on disarmament problems) recalled the President's statement at Geneva that " no sound and reliable agreement can be made until it is completely covered by an inspection and reporting system adequate to support every portion of the agreement." He pointed out in this connexion that stockpiles of nuclear materials had been accumulating in several countries during recent years, which could constitute a major threat if they were secretly converted into weapons ; that not all accumulated nuclear materials could be detected by existing scientific means ; and that, in the opinion of the U.S. Government, aerial inspection remained the key to arms limitation.

After announcing that President Eisenhower had directed " an intensive re-study of U.S. policy on the question of disarmament," Mr. Stassen added " On the basis of our preliminary inquiries, it soon became apparent to the President and the Government that the situation required a new, fundamental, and extensive expert study of the methods of international inspection and control by the most competent authorities in American life. Accordingly, we have selected outstanding men to head task forces in the appropriate fields of inquiry."

Mr Stassen then announced that eight leading personalities in American scientific, industrial, and military life had been appointed to make " a broad reappraisal of disarmament policy," each being charged with one particular aspect of the problem. They were :

Dr. Ernest Lawrence (the eminent nuclear physicist, and Director of the Radiation Laboratories of the University of California), who would head a " nuclear task force " which would endeavour to " seek a scientific break-through to a means thus far unknown of detecting concealed nuclear weapons " ;

General James H. Doolittle (now vice-president of the Shell Oil Company), who would study aerial inspection and reporting methods ;

Lieut -General Walter Bedell Smith (now vice-chairman of the American Machine and Foundry Company), who could study army and ground unit inspection and reporting ;

Vice-Admiral Oswald S. Colclough (retd.), Dean of Faculties at George Washington University, who would study naval problems, including guided missiles which could be launched from warships ;

Mr. Benjamin Fairless, president of the U.S. Steel Corporation, who would study matters relating to the steel industry ,

Mr Walter L. Cisler, president of the Detroit Edison Company, who would study power and industry in general ,

Dr. Harold G. Moulton, an economist, who would study national budgets and finances ;

Dr. James B. Fish, of the Bell Telephone laboratories, who would study questions relating to the communications necessary for an international inspection and reporting system.

British Proposals.

Sir Anthony Eden proposed at the " summit " conference that, as a means of increasing mutual confidence in Europe, consideration should be given to the establishment of a system of joint inspection of the forces now confronting each other in Europe In specified areas of agreed extent on either side of the line dividing Eastern and Western Europe, joint inspecting teams would operate by mutual consent. This project would not only provide opportunity for the practical test on a limited scale of international inspection of forces in being, but would also provide valuable experience and lessons for use over a wider field in the future.

The U.K. representative on the Disarmament Sub-committee (Mr. Anthony Nutting) submitted on Sept. 13, 1955, a memorandum on the methods, objects, and rights of inspection and supervision of a control organ. It proposed that all States adhering to a disarmament convention should submit to the control organ the information it required on the following subjects :

(1) Levels of armed forces ;

(2) Conventional land, sea, and air armaments, including certain categories of civilian aircraft and shipping ;

(3) Military installations, including barracks, ordnance depots, dockyards and airfields ;

(4) Factories manufacturing armaments (including aircraft), explosives, and propellants ;

(5) Nuclear installations and reactors ;

(6) Plants making chemical and biological weapons ;

(7) Budgetary documents used by States in preparing annual estimates of military expenditure.

The control organ would also have powers to establish regional offices to analyze information provided by States ; set up observation posts at specific points, e.g. railway junctions, ports, highways, and airfields ; and have the right to (*a*) send inspection teams to check on the information provided under (1) to (4) above, (*b*) travel freely to, from, and within all States adhering to the convention.

During the first stage of disarmament, the control organ would have the right to make use of : (1) aerial reconnaissance ; (2) ground inspection , and (3) budgetary control, based on analysis of documents disclosed in accordance with (7) above. It would also have the right to station inspection teams at points where armed forces were being demobilized and conventional armaments destroyed ; to establish inspection posts at certain installations and plants , to inspect all other installations or plants at all times it considered necessary ; and to investigate alleged or suspected breaches of the convention in any establishment or installation, and to use any technical equipment and devices required for this task.

During the second stage of disarmament, the control organ would, in addition, have the right to establish resident inspection posts at, or to inspect, nuclear installations and reactors and plants making chemical and biological weapons. It would likewise have the right to use any technical equipment and devices required for this task.

French Proposals.

At the opening meeting of the four heads of Government in Geneva on July 18, 1955, M. Edgar Faure (then Prime Minister of France) proposed that States should agree to a reduction in their military expenditure, and that the financial resources thus made available should be allocated in whole or part to international expenditure for development and mutual assistance.

The French representative on the U.N Sub-committee submitted on Aug. 29, 1955, a draft agreement on the financial supervision of disarmament and the allocation for peaceful purposes of the resulting funds, in conformity with M. Faure's suggestion. It proposed to institute a financial supervision of military expenditure, together with a system of penalties for the purpose of encouraging disarmament, and provided for the allocation of the resulting funds for the improvement of living standards and the development of under-developed areas. *Inter alia*, it suggested that States should agree to reduce their military expenditure by a percentage that would increase from year to year, and that the sums thereby released should be transferred to an International Fund for Development and Mutual Assistance.

On Sept. 2, 1955, the French representative (M. Jules Moch) submitted a working paper concerning the structure of an International Disarmament Organization. This body would include the financial control organ suggested in the draft agreement submitted on Aug. 29, and would consist of a "General Assembly" of all States ; a "Permanent Committee" consisting of 15 States—the five permanent members of the Security Council and 10 non-permanent members to be appointed by the General Assembly ; a "Council of Jurists", consisting of seven persons of different nationalities, to be elected by the General Assembly on the basis of their qualifications ; and a "Control Administration," under the orders of a Director-General, consisting of a governing body and of fixed and mobile inspection units.

On Oct. 6, 1955, another French working paper was submitted concerning the powers and objects of the proposed "Control Administration." It was suggested that, not later than six months after the entry into force of the Disarmament Convention, the Control Administration should establish in the territory of all States a network of control posts at ports, railway junctions, motor highways, airfields, and military camps. Full information on the level of armed forces and conventional armaments of all States adhering to the Convention would be supplied to the Control Administration, which would have free access to documents relating to appropriations for military requirements.

At a later stage, the Control Administration might at all times and in all places exercise control, carry out investigations, and obtain such documents, information, and reports as it considered necessary to ensure : (1) that the disarmament programme was actually being carried out in each State so far as concerned armed forces, conventional armaments, equipment, and installations used, or capable of being used, for the storage, maintenance or manufacture of armaments and equipment ; (2) that, so far as weapons of mass destruction were concerned, the relevant provisions of the Convention were applied to the same extent and simultaneously in all States ; and (3) that, as regards nuclear energy, the relevant installations, establishments, equipment, and materials were abolished or used in accordance with the terms of the convention. Moreover, the Control Administration would carry out on-the-spot investigations and aerial reconnaissance in order to verify the information obtained, and ensure continuous control over nuclear installations, establishments and stockpiles.

Proposed Synthesis of Western and Soviet Proposals.

At a meeting of the Disarmament Commission on Nov. 23, 1955, M. Moch suggested that the disarmament and control plans already put forward by France, Britain, and the U.S.A. on the one hand, and by the U.S S.R on the other, should be combined. He declared that every effort should be made to achieve a synthesis which, through reciprocal concessions, would bring together the partisans of both concepts, and expressed the opinion that such a synthesis was necessary if the United Nations were not to betray the hopes placed in it

The U.N., M. Moch declared, should be guided by the following three principles : (1) no control without disarmament ; (2) no disarmament without control ; but (3) progressively, all disarmament that could be currently controlled. Because of the impossibility of controlling atomic stockpiles already accumulated, M. Moch proposed that the countries concerned should agree to prohibit their use for any warlike purpose. While nuclear test explosions for military purposes should also be prohibited, tests designed to develop the peaceful uses of atomic energy should be permitted under dual international control, scientific and political.

Although M. Moch's appeal for a "synthesis" between the Western and Soviet viewpoints won general support from the other Western representatives, notably from Mr. Nutting (U.K.) and Mr Paul Martin (Canada), it was criticized by M. Sobolev (U.S S.R.), who alleged that the Western Powers were reluctant to disarm—an allegation strongly repudiated by Mr. Cabot Lodge (U.S.A). M. Sobolev called for a pledge by the great Powers not to be the first to use atomic or thermo-nuclear weapons, and said that such a move, coupled with a "moral condemnation" of nuclear warfare by the General Assembly, was regarded by the Soviet Government as of paramount importance.

New Anglo-French, American, and Soviet Proposals.

The U N. Disarmament Sub-committee held another series of meetings at Lancaster House, London, from March 19 to May 4, 1956. After 18 sessions, however, the discussions were suspended without any agreement being reached, and it was decided to report back to the U N. Disarmament Commission in New York. Three sets of proposals were submitted at this latest series of meetings—respectively by the British and French delegations, by the U.S.A., and by the Soviet Union—and are summarized below.

Anglo-French Proposals. The new Anglo-French plan, tabled by M. Moch with the support of Mr. Nutting, had been agreed upon in the discussions between Sir Anthony Eden and M. Mollet on March 11-12, during the French Prime Minister's visit to Britain (see 14752 A). It proposed that disarmament should be carried out in the following three stages :

(1) The first stage envisaged partial disarmament during the existing international situation, to be achieved by the following successive steps . (*a*) a declaration renouncing the use of nuclear weapons except for defence against aggression ; (*b*) the setting-up of a control organ ; (*c*) the putting into force of President Eisenhower's "open skies" plan and of Marshal Bulganin's plan for ground control at key points , (*d*) the "freezing" of conventional armaments at their present levels ; (*e*) initial reductions in the armaments and armed forces of the "Big Five" to levels to be negotiated ; (*f*) the fixing of maximum levels for the forces of other Powers, for which purpose an international conference would be called ; (*g*) the setting-up of a special branch of the control organ to supervise the limitation of nuclear test explosions, both in number and power.

(2) The second stage would be carried out at a later date, when, through a brighter international outlook, the present "grey" world situation had become "white." It would comprise three successive steps : (*a*) the limitation of nuclear test explosions ; (*b*) further reductions of conventional arms and forces to bring total reductions to 50 per cent of agreed figures , (*c*) expansion of the control organ preparatory to the prohibition of nuclear test explosions and the cessation of the manufacture of nuclear weapons.

(3) The third and final stage, aimed at the complete prohibition of nuclear weapons, would involve the following successive steps : (*a*) prohibition of test explosions ; (*b*) cessation of the manufacture of nuclear weapons ; (*c*) the second 50 per cent reduction in conventional forces and armaments ; (*d*) prohibition of the use of nuclear weapons when 75 per cent of reductions in conventional forces had been completed. At the end of Stage 3, an international scientific conference would be held to see whether there had been sufficient progress to make practicable the destruction of all stocks of nuclear weapons under international supervision. [There was no reference at any point in the plan to existing stocks of atomic and thermo-nuclear weapons, as it was considered impossible to devise any means of controlling whether these had or had not been destroyed.]

To carry out this plan, M. Moch proposed the establishment of an executive committee to be created by a new body—the International Disarmament Commission—which would come into being when a disarmament treaty had been signed. This commission would consist of the five Great Powers and nine other Powers who would be members of the U.N., chosen on a regional basis.

American Proposals. Mr. Stassen presented a working paper in which it was proposed (*a*) that the five Powers represented in the U.N Sub-committee should take a number of preliminary steps towards disarmament, and (*b*) that, on the completion of this first stage, an Armaments Regulation Organization should be set up to work for all-round disarmament, both of conventional and nuclear weapons The principal American proposals were as follows :

(1) The U.S.A., Great Britain, France, the Soviet Union, and Canada should exchange technical missions to study "problems of control and inspection of conventional armaments"

(2) They should also carry out "a small demonstration test of control and inspection in a limited non-sensitive area of the U.S.A. and the U.S S.R. of 20,000 to 30,000 square miles, including at least one port, one airfield, and one railway terminal."

(3) Meanwhile, they would set up without delay a Preparatory Armaments Regulation Commission, whose decisions would be taken by unanimous vote. This body would decide upon the reduced level of conventional forces and armaments to be carried out during the first stage of disarmament, a level of 2,500,000 men for the U.S.A and the U.S.S.R. and of 750,000 men for Britain and France being suggested. [Mr. Stassen pointed out that this would involve a reduction of 400,000 in the strength of the U.S armed forces, at present 2,900,000.]

(4) A control and inspection plan should be put into operation, combining President Eisenhower's "open skies" proposals and Marshal Bulganin's ground-control proposals.

(5) After agreement had been reached upon reduced levels of conventional armaments, and upon a system of control, three steps would be taken "interdependently and concurrently" : (*a*) each

State would furnish the Preparatory Commission with a blueprint of its military establishments; (b) each would take steps to stabilize its armed forces and military appropriations; (c) the inspection and control system would be "completed expeditiously."

(6) When the five countries concerned had carried out the above-mentioned steps, the U.N. Disarmament Commission would invite "other States having a significant military potential" to join an Armaments Regulation Organization. Each State would agree on a reduced level for its forces "considerably below the levels fixed for the four major Powers" and in any case not exceeding 500,000 men, except that "the armed forces of China shall not exceed 2,500,000." It was proposed that the Armaments Regulation Commission should have a Council including all signatories, an Executive Committee of permanent and non-permanent elected members, and a Director-General.

(7) The signatories would report to the Director-General on their possession and production of fissionable material, their possession of nuclear weapons, and the planning of tests for such weapons. The control system would be expanded to account for future production of fissionable materials and to monitor future tests of nuclear weapons. When the Director-General had reported that the control system was prepared to verify reductions and provide against surprise attack, when the Executive Committee had accepted this report, and when States regarded by the Executive Committee as essential to the working of a sound system had adhered to the treaty, the first-phase reductions would be carried out on a parallel time schedule. Military appropriations would be reduced accordingly, and the funds thus made available would be used to improve the well-being of the less developed countries.

(8) When the Director-General had reported that the control system was prepared to account for future production of fissionable materials, all signatory States would agree "that future production of fissionable material will not be used for the manufacture of explosive weapons." They would also "begin to make agreed reciprocal and equitable transfers from past production of fissionable materials" for exclusively peaceful purposes, "thereby progressively reducing the amount of fissionable materials available for nuclear weapons purposes." Testing of nuclear weapons would also be "limited and monitored in an agreed manner under the control of the Armaments Regulation Commission."

Soviet Proposals. The following proposals were submitted by M. Gromyko on behalf of the Soviet Government

(1) Limitation and reduction of armed forces and conventional armaments should be carried out by stages in the years 1956-58. Within one month of agreement on the plan, the Powers concerned would submit complete official figures of their armed forces and military appropriations, and would agree not to increase such forces and expenditure above the levels obtaining on Dec. 31, 1955.

(2) An International Control Agency, with wide powers, should be set up to supervise the limitation of conventional armaments, the size of armed forces, and the extent of military budgets.

(3) The Control Agency should have a permanent staff of inspectors selected on an international basis, who would have free access at any time to all objects of control. These objects of control would include military units, stores, etc., naval and air bases, and plants producing conventional armaments and munitions.

(4) The Agency should recommend to the Security Council measures for preventing violations of the agreement on arms reduction.

(5) When confidence had been achieved between States, consideration should be given to the "possibility of using aerial photography as one of the control methods"

(6) Control posts should be set up at major ports, rail junctions, motor-roads, and airfields in the States concerned.

(7) A "zone of inspection and limitation of armaments" should be established in Europe, including both parts of Germany and countries bordering upon Germany.

(8) There should be an agreed maximum level for the number of U.S., British, French, and Soviet troops stationed in this zone.

(9) No atomic military formations, nor any types of atomic or thermo-nuclear weapons, should be permitted in the zone

(10) Independently of the disarmament agreement, the States concerned should undertake to discontinue nuclear and thermo-nuclear tests immediately.

(11) The States should also agree, independently of the agreement, to reduce their national military budgets by 15 per cent.

(12) The U.S.A., the U.S.S.R., and China should reduce their armed forces to between 1,000,000 and 1,500,000 men, and Britain and France to 650,000 men The forces of other States should not exceed 150,000 to 200,000 men, as determined at an international conference.

(13) The system of supervision should be applied not only to "domestic" armies but also to armed forces and installations maintained by States outside their own territories

(14) Savings accruing from the reductions in military expenditure should be devoted to a special U.N. Fund for aiding under-developed countries.

[The Soviet plan laid primary emphasis on conventional weapons, and made no detailed suggestions for the control and prohibition of nuclear weapons. A Moscow broadcast declared that the U.S.S.R. still aimed at the complete prohibition of such weapons, but was prepared to drop this point for the time being "in order to meet Western objections." On the question of control, the Soviet proposals gave first place to Marshal Bulganin's ground-control plan, but said that the U.S. "open skies" plan could be considered at a later stage Certain features of earlier British and French proposals were also incorporated in the Soviet plan—notably the suggestions for a "zone of inspection and limitation" in Germany and adjacent countries, and for the creation of a U.N. Fund for aid to under-developed countries through savings in military expenditure, as put forward by Sir Anthony Eden and M. Faure respectively at the "summit" conference.]

After the latest series of meetings had ended without any agreement having been reached on the various proposals, statements were issued on May 4 by the delegates of the four Western Powers represented on the U.N. Sub-committee, and by the Soviet representative (M. Gromyko), setting forth their respective attitudes to the disarmament question.

Statement by Western Powers. The four-Power statement was worded as follows:

"In order to promote peace, security, and prosperity through disarmament, the delegations of Canada, France, the U.K., and the U.S.A. reaffirm their determination to seek agreement on a developing programme of disarmament in accordance with their mandate from the United Nations This programme should begin without delay, and should include measures under effective international control to end the present competition in armed forces and armaments of all kinds.

"(1) The programme should proceed by stages Progress from one stage to another must depend upon the satisfactory execution of the preceding stage and upon the development of confidence through the settlement of major political problems.

"(2) The programme should begin, under effective international control, with significant reductions in armed forces to such levels as are feasible in present unsettled world conditions. There should be corresponding reductions in conventional armaments and in military expenditures. Further reductions would be carried out as world conditions improved.

"(3) The programme should provide that, at an appropriate stage and under proper safeguards, the build-up of stockpiles of nuclear weapons would be stopped, and all future production of nuclear material devoted to peaceful uses.

"(4) The programme should provide for a strong control organization with inspection rights, including aerial reconnaissance, operating from the outset and developing in parallel with the disarmament measures The control measures should also provide against major surprise attack. This is particularly important so long as it is impossible to account for past production of nuclear material.

"(5) Preliminary demonstrations of inspection methods on a limited scale would help to develop an effective control system and could bring nearer agreement on a disarmament programme.

"(6) Provision should be made for the suspension of the programme in whole or part if a major State failed to carry out its obligations, or if a threat to peace should occur.

"The proposals introduced in the Disarmament Sub-committee by the delegations of France, the U.K., and the U.S.A. are inspired by these principles The Soviet delegation did not accept these proposals. . . .

"The four delegations . . . express their conviction that a reconciliation of the opposing points of view is possible and necessary They reaffirm their determination to continue their efforts within the U.N., and particularly in the Disarmament Commission and its Sub-committee, to seek agreement on disarmament in accordance with the desire of the peoples of all nations."

Soviet Statement. M. Gromyko claimed that much of the new Soviet plan was based on previous Western proposals, and expressed surprise that the Western Powers had now declared those proposals to be unacceptable. "It is suggested," he added, "that we should continue to go round the same vicious circle in which we have been running for ten years Actually, the position now is that there will either be an agreement on part of the problem, with a view to facilitating later agreement on the disarmament problem as a whole, or there will be no agreement and the U.N. and its Disarmament Sub-committee will be marking time."

After reproaching the Western Powers for having rejected the levels of armed forces previously put forward by themselves, and accepted by the Soviet Union, M. Gromyko said that one of the main obstacles to agreement was that the Western Powers had put forward "new conditions," including aerial inspection, "which have nothing to do with the real control of disarmament, but have other aims." He alleged that after the Soviet Union had put forward a proposal for wide powers for the international control organ, the Western Powers had "started going backwards, making practically new kinds of conditions not even mentioned previously."

M. Gromyko insisted that the U.S.S.R. "stands for the unconditional abolition of the atomic weapon," and said that the latest Western proposal had made agreement on this question "more complicated." He added: "The Western Powers do not even talk now about the abolition of atomic weapons, and limit themselves only to expressions or vague suggestions that some time in the future this question should be discussed by scientific experts Their proposals on atomic weapons, as well as their proposals on conventional weapons, are so hedged around by various kinds of preliminary conditions that any possibility of making progress in this respect is excluded."

In conclusion, M. Gromyko said that the attitude of the Western Powers had made it necessary to seek a new approach to a solution of the disarmament problem. This new approach should be aimed, in the first instance, at reaching agreement on the question of conventional weapons, "which will make it easier to reach agreement on the question of abolishing atomic weapons." The Soviet Government was ready to discuss conventional and atomic weapons simultaneously, "so long as an agreement on conventional weapons is not made dependent on an agreement on the abolition of atomic weapons."

Despite the lack of agreement, Mr. Stassen said on May 5 that the latest discussions had narrowed the gap between the Western and Soviet viewpoints "from nine miles to five." He believed that this gap would be closed eventually, and thought that the next important move might be a reply by Marshal Bulganin to President Eisenhower's letter of March 1, 1956 (see below).

Correspondence between President Eisenhower and Marshal Bulganin.

Apart from the discussions in the U.N. Disarmament Commission and its sub-committee, several letters were exchanged between President Eisenhower and Marshal Bulganin on the question of disarmament, the text of this correspondence being reproduced below:

Marshal Bulganin to President Eisenhower.

The Soviet Prime Minister sent a long letter to the U S President on Sept. 19, 1955, worded as follows:

"In the course of our memorable meetings in Geneva we agreed to work jointly for an acceptable system of disarmament.... However, the work of the [U.N.] sub-committee has so far not produced those results for which you and I were fully entitled to hope.... As is known, the U.S representative has completely put aside the questions of reducing armed forces and armaments and prohibiting atomic weapons, and appears to have given emphasis to your proposals for the exchange of military information between the U S.S R. and the U.S A., and for mutual aerial photography. . .

"In this connexion, allow me to touch upon the proposals put forward by you at Geneva We regard them as a testimony of your sincere desire to find a way to settle the important problem of international control and inspection, and to contribute personally to efforts for the normalization of international relations Upon our return from Geneva we gave careful study to your proposals, which were introduced by Mr Stassen into the Disarmament Sub-committee on Aug. 31. In the course of this study several questions have arisen about which I would like to express my thoughts

"First of all, about the mutual exchange by the U S A. and the Soviet Union of information concerning their armed forces and armaments In principle, we have no objections to the proposal. I think that at a definite stage the exchange of such information is necessary. It would be better, however, if information concerning armaments were submitted by all States, and not only by the U S.A. and the U.S S.R., to the international organ of control and inspection, on the creation of which we should reach an agreement....

"It is self-evident that the submission of the above-mentioned information to an international control organ would become significant only if agreement is achieved on the reduction of armaments, and on measures for the prohibition of atomic weapons It seems to me that the problem of creating an international control organ which would satisfy the requirements of the problems of disarmament should be considered in indissoluble unity with decisions for putting into effect a plan for gradual disarmament. At the same time it is necessary to keep sight of the fact that the achievement of a really valuable exchange of military information will become effective to the degree that mutual trust among States is strengthened.

"Now I would also like to express my opinion about the problem of aerial photography. I do not doubt that when you introduced your proposal for photographing from the air the territories of our two countries, you were guided by a legitimate desire to create confidence that neither of our two countries would be subjected to attack by the other.

"However, let us be frank. Under present international conditions neither of our countries is acting singly. The United States heads military groupings which exist in the West and in the East What is more, their armed forces are stationed not only on American territory; they are also stationed in Britain, Western Germany, Italy, France, Spain, North Africa, Greece, Turkey, in several countries of the Near and Middle East, in Japan, Taiwan [Formosa], and the Philippines. To this should be added the fact that the armed forces of several States are organically connected with the military forces of the U.S A. under a single command [i e. the NATO]. In these conditions, the Soviet Union, on its side, has united militarily with several allied States [i.e. the Warsaw Treaty].

"It is impossible not to see that the proposal introduced by you completely omits from consideration armed forces and military installations which are outside the U S A. and the Soviet Union. Yet it is perfectly self-evident that aerial photography should also be extended to all armed forces and military installations located on the territories of those other States. This presents an entirely new problem: Would the Governments of such States permit their territory to be photographed by foreign aircraft?

"All this shows that the problem of aerial photography is not a question which, under present conditions, would lead to effective progress towards ensuring the security of States and the successful accomplishment of disarmament. This conclusion is suggested by the fact that your proposal, unfortunately, does not mention the necessity for reducing armaments and prohibiting atomic weapons

"It is therefore natural that people should ask more and more often what the proposal for aerial photography and the collecting of such information will really do to end the arms race. If such a proposal does not promote the ending of the arms race, then it means that it does not remove the threat of a new war. It does not lighten the burden which the peoples are bearing in connexion with the arms race....

"My remarks do not mean that we cannot achieve agreement on important aspects of the disarmament problem I would like to call your attention to the fact that on very substantial aspects of this problem our positions have become so close that we should be able to reach a definite agreement.

"Let us take such a question as the establishment of levels of armed forces for the great Powers It is generally recognized that this is a question of great importance. Originally, the idea of establishing levels to which the armed forces of the 'Big Five' should be reduced was put forward by your Government, together with the Governments of Great Britain and France, in 1952. In the interest of achieving general agreement on this matter, we decided to adopt this joint proposal of the U.S.A., Britain, and France as a basis for discussion. Consequently we have a common point of view on this question. . .

"On the question of atomic weapons, we must remember that at the present time, when the greatest armies of the world have at their disposal such means of mass destruction as atomic and hydrogen weapons, it is impossible to talk about disarmament without touching on this important subject Therefore, we have always attached paramount importance to the prohibition of atomic weapons

"In the discussion of this problem, one of the substantial subjects of disagreement was the question of when the prohibition against the use of atomic weapons would come into force In our desire to bring the positions closer, and thereby to expedite agreement on this subject, we agreed to accept the dates for putting into force the prohibition on the use of atomic weapons which were proposed by the representatives of Britain and France in the U.N Sub-committee in London in April, 1955. I think you will agree that this Anglo-French proposal, accepted by the Soviet Union, satisfies our common interests. It would be desirable—and I think completely feasible—to reach an agreement on this question

"It also seems expedient for us to reach agreement on putting into effect several measures designed to prevent sudden attack by one State against another. We feel that this measure would be in accordance with the interests of maintaining peace and security, and in this respect it should also be possible to reach agreement on the form of control suitable to the above-mentioned problem.

"You, Mr. President, as a military man, know from your own experience that modern war requires armies of many millions and an enormous quantity of technical combat equipment.... The system of control proposed by us—namely, the creation of control posts at large airports, railway junctions, highways, and airfields—is designed to prevent large-scale concentrations of troops and combat equipment, and thereby to remove the possibility of sudden attack by one country against another.... In my opinion our proposal has the advantage that it provides a definite guarantee against a sudden attack by one State against another

"I think you will agree that our proposals concerning levels of armed forces, the dates for the entry into force of the prohibition on nuclear weapons, and the establishment of control posts, can promote the reduction of tension in international relations and contribute to the strengthening of peace. I do not see, therefore, any reason why we should not reach agreement on these questions. Such joint decisions by the four Powers would have tremendous importance because they would give millions of people the assurance that disarmament is fully realizable and that real steps are being taken in this direction. An agreement on these questions would open the way toward the solution of other questions concerning the problem of disarmament. It would encourage the strengthening of that atmosphere of co-operation and mutual understanding which we initiated at Geneva....

"In presenting these ideas to you, Mr. President, I am inspired by the sincere desire to achieve, through a frank exchange of opinions on the problem of disarmament, better mutual understanding which may facilitate agreed decisions on this most important problem.

"As the solution of these questions depends mainly on the four great Powers that participated in the Geneva Conference, I have taken the liberty of sending copies of this letter to Sir Anthony Eden and M. Faure, and hope that you will not misunderstand this action. I hope soon to receive your ideas on the questions touched upon in this letter"

President Eisenhower to Marshal Bulganin.

As President Eisenhower's sudden illness (see 14512 D) made it impossible for him to reply at length to Marshal Bulganin, the following interim reply was sent on Oct. 11, while the President was convalescing at Denver:

"I thank you for your letter of Sept 19 about my Geneva proposal that we should exchange information about military establishments and permit reciprocal aerial inspection over our two countries. You raise a good many questions, and I shall not be able to reply to them until the doctors let me do more than at present. In any event, a full reply calls for preliminary work by my advisers, and this is actively under way.

"Let me say, however, that I am encouraged that you are giving such full consideration to my Geneva proposal. I hope that we can agree on it, not as a cure-all, but, as I said at Geneva, to show a spirit of non-aggressiveness on both sides and so create a fresh atmosphere which would dispel much of the present fear and suspicion. This, of itself, would be worthwhile. It would, I believe, make it more possible to make progress in terms of comprehensible plans for inspection, control, and reduction and armaments....

"I have not forgotten your proposal for stationing inspection teams at key points in our countries, and if you feel this would help to create the better spirit I refer to, we could accept that too."

Marshal Bulganin to President Eisenhower.

The Soviet Prime Minister sent the following reply on Oct. 20 :

" . . . I shall wait for the moment when you will be able to state your ideas on this subject. It gladdens me that you attach such great significance to these questions. There can be no doubt that all that the Governments of our countries can do to stop the armaments race and establish the necessary controls will answer the interests and expectations of nations.

" With satisfaction I note your favourable reception of our proposal concerning control posts aimed at forestalling surprise attacks by one country against another. I consider that agreement on this question would have great significance for furthering the solution of the problem of disarmament.

" We in Moscow await your speedy recovery to health."

President Eisenhower to Marshal Bulganin.

Following his recovery from his illness, and the resumption of his official duties, President Eisenhower sent the following letter to Marshal Bulganin on March 1, 1956, in reply to the Soviet Prime Minister's communication of Sept. 19, 1955 :

" In accordance with my message of Oct. 11, I have now thoroughly reviewed your letter of Sept. 19 regarding the objective of an acceptable system of disarmament which we discussed at Geneva. I have noted with satisfaction that you have expressed agreement with the importance of providing mutual safeguards against surprise attack, and with the desirability of reciprocal reductions in armaments. You have credited me with a sincere desire to find a way to settle the important problem of international control and inspection.

" It would appear, however, that you raise the following questions with regard to my Geneva proposal. You ask whether the adoption of my offer would lead to the reduction of armaments, and express doubt. You suggest the need of extending inspection to other countries. You raise other points regarding nuclear weapons.

" I am confident that the adoption of my Geneva proposal, combined with ground inspection teams which you proposed, will in fact lead to a reduction of armaments, the lessening of tension, and the brightening of the prospects of a durable peace Certainly the U.S.A. is fully resolved to achieve those ends. My representative on the U N. Disarmament Sub-committee will be prepared to help develop a programme to carry out that resolve, through appropriate action by our Governments.

" In my judgment our efforts must be directed especially to bringing under control the nuclear threat As an important step for this purpose, and assuming the satisfactory operation of our air-and-ground inspection system, the U.S A. would be prepared to work out, with other nations, suitable and safeguarded arrangements so that future production of fissionable materials anywhere in the world would no longer be used to increase the stockpile of explosive weapons.

" With this could be combined my proposal of Dec. 8, 1953, ' to begin now and continue to make joint contributions ' from existing stockpiles of normal uranium and fissionable materials to an International Atomic Agency [i e. the President's " atoms-for-peace " proposal made to, and subsequently approved by, the U.N. General Assembly]. These measures, if carried out adequately, would reverse the present trend towards a constant increase in nuclear weapons overhanging the world. My ultimate hope is that all production of fissionable materials anywhere in the world will be devoted exclusively to peaceful purposes.

" I am mindful of the difficulties in this regard, pointed out in your Government's proposals of May 10, 1955, arising from the possibilities for evading international control and organizing the clandestine manufacture of atomic and hydrogen weapons. The risks inherent in failing to achieve control, however, make it imperative to overcome the difficulties involved and to devise and implement an effective system of safeguards. With genuine efforts on both sides, I feel confident we can succeed in this endeavour.

" In general, my feeling is that disarmament should be sought primarily, though not exclusively, in terms of limitations on armaments rather than on men. The former are more subject to supervision, regulation, and control than the latter. In the present state of international affairs, and especially in the absence of real peace in the Far East, I foresee that it may be difficult to agree on reductions in the general level of armed forces at this time. It should, however, be possible to agree on measures . . . dealing with the control and limitation, under proper safeguards, of major types of armaments. . . .

" If the U.S.A., the U.S.S.R., and our associates on the Sub-committee—the United Kingdom, France, and Canada—can reach a basic agreement, I am confident that other nations would want to join in what they would regard as a favourable development for world peace. With the agreement of other nations concerned, the U.S.A. would expect the agreed system of supervision to apply . . . to forces and facilities which we both have outside our borders.

" During the early phases of such a programme both the U S.S.R. and the U.S.A. would have very extensive military strength, including stocks of nuclear weapons. I wish to make it clear that, so far as the U.S.A. is concerned, we would continue to hold such strength, not for aggression, nor for narrow national purposes, but as a contribution toward world stability in this transitional period. . . . May I assure you and the people of your country that the objective of the United States continues to be the attainment of a just and durable peace. I hope that the coming meeting of the Disarmament Sub-committee will succeed in making real progress toward that goal."

In conclusion, President Eisenhower acknowledged the receipt of Marshal Bulganin's letter of Feb. 1 (see 14800 A), which was sent in reply to the President's letter of Jan. 28 (see 14665 A). After stating that his views remained " generally as expressed in that letter" [i.e. the letter of Jan. 28] President Eisenhower said that he would " continue to study the problem with a view to seeing whether . . . any useful new steps can be taken between us." He added that he might communicate again with Marshal Bulganin on this matter.—(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - Soviet Weekly - United Nations Review, New York) **(Prev. rep. U.N. Disarmament Sub-committee, 13681 C; General Assembly Resolutions, 14667 A; 13993 A; Eisenhower-Bulganin Correspondence, 14800 A; 14665 A.)**

A. NORTHERN IRELAND. — Validation of Elections. - Sir Norman Stronge re-elected Speaker of N.I. House of Commons.

A Bill indemnifying five members of the Northern Ireland Parliament, all of whom had been found to be disqualified from membership because they had technically held offices of profit under the Crown, was enacted by the Imperial Parliament on March 22 after an unopposed passage through both Houses.

The five members whose elections were validated comprised one member of the N.I. Senate (Lieut -Colonel H. S. C. Richardson) and four members of the N.I. House of Commons—Sir Norman Stronge, Sir William McCleery, Dr. Eileen Hickey, and Dr. R. S. Nixon. A Select Committee of the N.I. Parliament had reported on Feb. 28 that Dr. Nixon (Unionist M.P. for North Down), as well as the other four members (see 14698 C, 14661 B), was disqualified because at the time of his election he was a factory doctor appointed by the Minister of Labour. It was pointed out, however, that he had not received any fees in this capacity, and that he had resigned the position five days after his election.

In addition, the Select Committee reported that a second member of the Senate, Mr. Henry Fleming, was also disqualified because he was a member of a rent tribunal at the time of his election , it added that Senator Fleming had acted in good faith and without knowledge of the legal complexities involved. Senator Fleming (who was 84, and had been in ill-health for some time) died on Feb. 29, the day after the Select Committee issued its report.

The legislation validating the elections of Senator Richardson, Sir William McCleery, Sir Norman Stronge, Dr. Hickey, and Dr. Nixon —the Validation of Elections (Northern Ireland) Bill—was introduced in the Imperial Parliament at the request of the N I. Parliament. In addition to indemnifying the above-mentioned members, it also indemnified the estate of the late Senator Fleming from any penal consequences which he might have incurred by sitting and voting in the N.I. Senate while technically holding an office of profit under the Crown.

Following the validation of his election, Sir Norman Stronge was re-elected Speaker of the N.I. Commons on April 26 in succession to Mr. McCoy, who had held that office for three months.—(Times - Belfast Telegraph - Northern Whig, Belfast) **(Prev. rep. 14698 C; 14661 B.)**

B. INDIA - NORWAY. — Extension of Norwegian Aid for Indian Fisheries Development.

An agreement was signed on April 21 between the Governments of India and Norway, and also by the United Nations, providing for additional Norwegian aid under the Fisheries Community Development Project in Travancore-Cochin covered by the earlier agreement of Oct. 17, 1952. Under the new agreement the Norwegian Foundation will contribute up to Rs. 10,000,000 (15,000,000 kroners, or £750,000) for the extension of a hospital at Quilon, and for developing a new fishing centre in Cochin and improving the water-supply in areas adjoining the project.—(Indian High Commissioner's Office, London) **(Prev. rep. 12832 C; 12558 B.)**

C. HUNGARY. — Border Obstacles removed from Austrian Frontier.

It was announced in Vienna on May 10, and confirmed in a Budapest broadcast, that the Hungarian Government had notified Austria of its intention to remove all the minefields and barbed-wire obstacles which at present extended along the whole length of the Austro-Hungarian frontier. The Vienna announcement said that this decision had been conveyed to the Austrian Minister in Budapest by M. Hegedüs, the Hungarian Prime Minister, and recalled that the removal of these obstacles had been suggested by Austria on a number of occasions. *Szabad Nep* and other Hungarian newspapers said that the removal of frontier obstacles would be a step towards ending the " cold war," and stressed the need for improving relations between the two countries. (Wiener Zeitung)

A. UNITED KINGDOM. — Mid-Ulster By-election.

Polling took place in Mid-Ulster on May 8, for the third time within 12 months, in a by-election caused by the disqualification of Mr. Charles Beattie (Ulster Unionist) on the ground that he was ineligible for membership of the House of Commons because he had technically held "offices of profit" under the Crown.

The complicated situation in the Mid-Ulster constituency had developed as follows: (1) Mr. Thomas J. Mitchell, who is serving a ten-year sentence for taking part in the I.R.A. raid on Omagh barracks in 1954, was returned at the general election as a Sinn Fein candidate with a majority of 260 over Mr. Beattie; (2) as Mr. Mitchell was ineligible for election to the House of Commons because he was serving a sentence for treason-felony, a writ was issued for a by-election in Mid-Ulster (held on Aug. 11, 1955), at which Mr. Mitchell was re-elected with a majority of 806 over Mr. Beattie; (3) on a petition from Mr Beattie, the High Court of Northern Ireland ruled on Sept. 2, 1955, that Mr. Mitchell's election was invalid and that the constituency should be represented by Mr. Beattie. This ruling was upheld by the House of Commons and Mr. Beattie accordingly took his seat at Westminster.

On Dec. 19, 1955, however, a Select Committee of the House of Commons reported that Mr. Beattie's membership of the House was invalid because he had been holding three appointments under the National Insurance and National Assistance Acts at the time he entered Parliament. Though Mr. Beattie had in fact drawn no remuneration from these appointments, they nevertheless technically constituted "offices of profit" under the Crown and therefore disqualified him from membership. The committee recommended that legislation should be brought in to indemnify Mr. Beattie against any consequences that might arise from his technical disqualification, but at the same time it recommended that no legislation should be introduced to validate his election.

The report said in this connexion: "While the committee are convinced that Mr. Beattie accepted his offices in complete good faith, they consider, nevertheless, that Mr. Beattie and his advisers should have more carefully examined Mr. Beattie's own appointments. The committee accordingly find that, although Mr. Beattie should be indemnified from the consequences of his services as a Member, the circumstances clearly distinguish Mr. Beattie's case from the cases they have previously considered [see 14381 A]. They therefore recommend that legislation to validate Mr. Beattie's election should not be brought in."

The report was accepted by the Government, the Attorney-General declaring on Feb. 6 that it was out of the question to leave Mr Beattie, who had acted in complete good faith, "at the mercy of the common informer and liable to heavy penalties." A one-clause Bill indemnifying Mr. Beattie against any penal consequences which he might have incurred was accordingly introduced on Feb. 8, and passed through all its stages on Feb. 13. Mr. Chuter Ede (Lab.) pointed out in the debate on Feb. 6 that Mr. Beattie had voted in 19 divisions and was possibly liable to penalities amounting to £9,500.

As a result of the disqualification of Mr. Beattie, a writ for a new by-election in Mid-Ulster was issued on April 19. Three candidates were nominated—Mr. George Forrest, standing as an unofficial Unionist; Mr. Thomas Mitchell, who was re-nominated by Sinn Fein; and Mr. Michael O'Neill, who stood as an Anti-Partitionist, and who had represented the constituency as an Irish Republican from 1951 to 1955.

The Ulster Unionist party in Mid-Ulster had previously decided not to nominate a candidate, as the strength of loyalist opinion in the constituency had been sufficiently demonstrated at the general election and also at the by-election held in August 1955.

The decision to put forward an Anti-Partitionist candidate had been taken at a meeting at Omagh on Jan. 14, when the following statement was issued: "As a united anti-partition vote in the previous two elections in Mid-Ulster has been represented as support for the Sinn Fein's policy of defiance of the Irish Government. . . . it has been decided to put forward an Anti-Partition candidate on the simple issue of recognition by the people of the authority of the Irish Government to rule the country."

[The Anti-Partitionist statement constituted an obvious reference to the denunciation of the I.R.A. and other extremist organizations by Mr. Costello, Prime Minister of the Irish Republic—see 14598 A. It was commented in the Press that, apart from Mr. O'Neill's intervention in the by-election, the chances of Sinn Fein might also be affected by the Irish Hierarchy's condemnation of membership of armed organizations—see 14645 A.]

The by-election resulted as follows:

Forrest, George (Unofficial Unionist)	28,605
Mitchell, Thomas (Sinn Fein) ..	24,124
*O'Neill, Michael (Anti-Partitionist) .	6,421
Unofficial Unionist majority . ..	4,481

* Forfeited deposit

Figures at the general election were: T. J. Mitchell (S F.) 29,737, C. Beattie (U.U.) 29,477—Sinn Fein majority, 260. At the by-election in August last the figures were. T. J. Mitchell (S F.) 30,392, C. Beattie (U.U.) 29,586—Sinn Fein majority, 806. Out of the total electorate of about 66,000, 88.4 per cent voted in the second by-election.

Mr. Forrest (33), of Stewartstown, Co Tyrone, is an auctioneer by profession. Though standing as an unofficial Unionist, he was officially supported by the Newtown Stewart branch of the Tyrone Unionist Association. His candidature was also supported by the Orange Order.

Party representation in the House of Commons (excluding the Speaker) is as follows after the Mid-Ulster by-election—Conservatives and supporters (including 11 Ulster Unionists and one unofficial Unionist), 344; Labour, 278; Liberals, 6. There is one vacancy, caused by the resignation through ill-health of Mr. Gerald Williams (Conservative, Tonbridge). (Times - Daily Telegraph - Belfast Telegraph) **(Prev. rep. Mid-Ulster, 14520 B; 14357 C; By-elections, 14730 B.)**

B. SPAIN - MOROCCO. — Spanish Recognition of Moroccan Independence. - Agreement on Integration of Spanish Zone. - Nationalist Demand for Integration of Tangier International Zone.

During a State visit to Spain paid by the Sultan of Morocco from April 4-9 at the invitation of the Spanish Government, a joint declaration recognizing the independence, sovereignty, and territorial unity of Morocco was signed in Madrid on April 7 by Señor Artajo, the Spanish Foreign Minister, and Si Bekkai, the Moroccan Premier. The declaration referred to the "age-old friendship" between the two countries, its wording being largely identical with that of the Franco-Moroccan agreement of March 2 (see 14781 A). It stated (*a*) that relations between Spain and Morocco could no longer be governed by the Convention of Madrid of Nov. 27, 1912; (*b*) that new agreements would be drawn up defining "the free co-operation of the two nations in those spheres in which they have common interests"; and (*c*) that these agreements would also guarantee "the liberties and rights of Spaniards established in Morocco, and of Moroccans established in Spain, in the personal, economic, cultural, and social spheres, on a basis of reciprocity and of respect for their respective sovereignties." The Spanish Government undertook to lend the Sultan "the aid and assistance which by common agreement are considered necessary, especially with regard to foreign affairs and defence." A letter from the Sultan to General Franco, published with the agreement, proposed that discussions on the transfer of powers in the former Spanish zone should begin on May 7.

A protocol dealing with the position during the transitional period contained similar provisions to the Franco-Moroccan protocol of March 2, e.g. the Spanish representative at Rabat would be informed of draft decrees affecting Spanish interests; the guarantees enjoyed by Spanish officials would remain in force; the Spanish Government would assist in the formation of the Moroccan Army; the status of the Spanish Army in Morocco would remain unchanged during the transitional period; and the Spanish Government would protect the interests of Moroccans born in the Spanish zone and living abroad until the Sultan took over this responsibility. Other clauses provided that the position of the peseta would remain unchanged until a new agreement on the subject had been concluded, and that visas and all administrative formalities hitherto required for travellers between the two zones of Morocco would be abolished.

The agreement made no reference to the ports of Ceuta and Melilla, which have been integral parts of Spain since 1581 and 1496 respectively.

The Sultan flew on April 9 to Tetuan, the former capital of the Spanish zone, where he was acclaimed by some 200,000 people. He returned to Rabat on the following day, after cutting a green and red ribbon (the Moroccan national colours) at the frontier post of Quedadra as a symbol of the reunification of Morocco.

In the Legislative Assembly of the International Zone of Tangier, the Moroccan members submitted on April 28 a resolution demanding the immediate opening of negotiations between the Moroccan Government and the other Governments concerned, with a view to defining Tangier's new status as "part of an independent, united, and sovereign Morocco." The Assembly rejected the resolution, whereupon the Moroccan, Jewish, and Spanish members withdrew as a protest. The *Mendoub* (the Sultan's representative, who presides over the Assembly) announced that he would refer the question to the Sultan.—(A.B.C., Madrid - Le Monde, Paris - Le Figaro, Paris) **(Prev. rep. Morocco, 14781 A.)**

C. INDONESIA - IRAQ. — Treaty of Friendship.

A treaty of friendship between Indonesia and Iraq was signed in Jakarta on April 30 by the Indonesian Minister for Foreign Affairs, Mr. Abdulgani, and the Iraqi Ambassador. (Indonesian Embassy Press Office, London)

A. FRANCE. — Unseating of Poujadist Deputies. - Poujadist Boycott of National Assembly. - U.D.C.A. Congress. - M. Poujade's Demand for Convening of States-General.

The National Assembly's commission charged with validating the election of members recommended on Jan. 19 that 12 Poujadist (U.D.C.A.) deputies should be unseated because of infringements of the electoral law in the constituencies for which they had been returned.

Specifically, it was found that in each of these constituencies the U.D C.A. had presented two, and in some cases three, lists—representing respectively shopkeepers, peasants, or consumers—all bearing the words "presented by Pierre Poujade." This, it was pointed out, contravened Article 6 of the electoral law of 1951, which laid down that "different lists presented in the same constituency cannot carry the same title, nor can they be attached to the same party or to the same organization" [i e. although the law permitted electoral alliances between different parties, it forbade the "alliance" of lists presented by the same organization.] Thus, though the lists themselves were valid, the "alliance" of these lists was not, and the adding-up of the votes cast for them to arrive at the total Poujadist vote was therefore illegal. In consequence, the Poujadist deputies elected on these lists were disqualified from membership of the Assembly.

The 12 Poujadists whose invalidation was recommended—constituencies in parentheses—were M Guichard (Ardèche), Dr Courrier (Aube), M. Baryelon (Bouches-du-Rhône), M. Lainé (Cher), M. Calmel (Haute-Garonne), M. Cottet (Indre-et-Loire), M. Cochet (Loiret), M. Baylac (Lot-et-Garonne), M. Vaugelade (Puy-de-Dôme), M. Vignal (Rhin), M. Duchoud (Haute-Savoie), and M. Lamalle (Yonne). The National Assembly's commission recommended that these 12 seats should be filled by the respective runners-up in the elections for the constituencies concerned—viz., M. Palmero (Socialist), M. Terré (Independent), M. Juvénal (Socialist), M. Genton (Radical), M. Alfred Coste-Floret (M.R P.), M. Souquès (Radical), M. Perroy (Independent), M. Tremoulhe (Radical), M Sauzedde (Socialist), M. Degoutte (Radical), M. Briffod (Socialist), and M Chamant (Independent) That is, the 12 Poujadists would be replaced by four Socialists, four Radicals, three Independents (*modérés*), and one M.R.P. member, thereby reducing the U.D.C.A.'s representation in the National Assembly from 52 to 40.

Between Feb. 7 and April 25 seven of the above-mentioned Poujadist deputies were unseated by the National Assembly and their seats given to members of other parties. The U.D.C.A. parliamentary group, before withdrawing from the Assembly on April 20 (see below), strongly opposed the unseating of these deputies and resorted to filibuster tactics in an effort to hold up the Assembly's debates and delay the voting. Violent scenes occurred in the Assembly on Feb. 14-15, when Poujadist and Communist deputies came to blows, and the sittings had to be suspended on several occasions.

On Feb. 14, during the debate on the unseating of one of the Poujadist members (M Calmel), another Poujadist—M Damasio—refused to leave the rostrum when asked to do so, thereby forcing the President of the Assembly (M. Le Troquer) to suspend the sitting On the following day a pitched battle broke out on the floor of the Assembly after M. Damasio had tried to push a Communist speaker off the rostrum. Blows were exchanged, chairs and stools brandished as missiles, and attempts made to throw the heavy voting-urn into the mêlée At the height of the disturbances a man in the public gallery fired four blank shots from a starting-pistol and was handcuffed after violent resistance. Order was eventually restored by ushers—who had to prevent the enraged deputies from smashing chairs on each other's heads—after M. Le Troquer had suspended the sitting.

After further "filibusters" on Feb 22, the Assembly rejected (by 188 votes to 181) a proposal to shelve the whole question of invalidation until a committee of inquiry had reported into the circumstances of the election of the 12 Poujadist deputies. The proposal was put forward by M. Tixier-Vignancour (an extreme Right-wing deputy and a former prominent "Vichyite"), who, though not himself a member of the U.D.C.A., had given strong support to the Poujadists throughout the debates On April 19 further violent scenes occurred when one of the unseated Poujadists refused to leave the Chamber, he had eventually to be escorted out by two officers of the *Garde Républicaine*.

On April 20, after a meeting attended by M. Poujade, the U.D.C.A. parliamentary group decided to boycott the proceedings of the National Assembly until further notice. A statement was issued accusing the "parties of the majority" of "systematic sabotage of the parliamentary regime" and "contempt of the democratic rights of the Opposition." M. Poujade was asked to take "any necessary decisions" until the forthcoming U.D.C.A. congress at Saint-Céré (see below), and was also asked to submit to that congress "resolutions resulting from the situation created by the Government and the parties of the majority."

The congress of the U.D.C.A. was held at Saint-Céré (M. Poujade's home town in the Lot department) from April 30 to May 4. The proceedings were held *in camera* except for the opening speech by M. Poujade, and no official statement was issued as to any decisions taken.

In the course of his speech M. Poujade reiterated his demand for the convening of a "States-General," declaring that "as the Government refuses to call the States-General, we will call it ourselves." [A Poujadist resolution for the convening of such a body had previously been introduced in the National Assembly, but had been pronounced unconstitutional.] He asserted that the States-General, and not the "Palais Bourbon" (i.e. the National Assembly), would represent "true legality," and said that it would involve the co-ordination of all the "parallel unions" which had been, or were being, set up within the movement—i e unions representing workers, peasants, the liberal professions, youth, etc, a number of which had come into existence since the emergence of Poujadism as a political force

M. Poujade emphasized that there was no question of the U D.C.A. trying to seize power "for Poujade or for any social category," and declared that the movement "wished to re-establish the line of democracy, the true expression of the popular will." Criticizing certain persons who had been expelled from the U D.C.A. for adopting "excessive positions," M. Poujade declared · "We are a social and economic movement and not a league, and I would oppose our transformation into one. There can be no question of returning to what was said and done 20 years ago. [A reference to the extremist Right-wing associations formed in France before the war] We want to rally all social classes round us. You will not do this by saying · 'Form column of fours behind me' . . "

As regards the "odious" invalidation of Poujadist deputies, M Poujade said that it was for the congress to decide whether the U D.C A. should continue to boycott the Assembly or take part in its proceedings.

It was understood that one of the principal subjects discussed at the Saint-Céré congress was the relationship between the U.D.C.A. and the "parallel unions" to which M. Poujade had referred. M. Poujade admitted in his speech that the leadership, organization, and development of these unions had proved unsatisfactory in many cases, and stressed the need to rebuild them on a local basis.—(Le Monde, Paris - Le Figaro, Paris)

(Prev. rep. U.D.C.A., 14681 A; M. Poujade, 14708 B.)

B. NETHERLANDS. — Constitutional Reform. - Increase in Membership of States-General.

A Bill amending the Netherlands Constitution by increasing the membership of the Lower Chamber of the States-General from 100 to 150, and that of the Upper Chamber from 50 to 75, was introduced by the Government on July 15, 1955. The Bill was approved by the Lower Chamber on Nov. 30, 1955, and by the Upper Chamber on April 25, 1956. Similar legislation had been introduced in 1951, but certain amendments then made by the Lower Chamber had led to the rejection of the Bill by the Upper Chamber, where it failed to get the necessary two-thirds majority (see 12430 A). The Bill in the new form omitted the amendments to which the Upper Chamber had previously objected.

The new Bill will, however, only come into force after it has been given a second reading by a new Parliament. For this purpose it was officially announced in The Hague on May 5 that general elections for the Lower Chamber of the States-General would be held on June 13, and elections for the Upper Chamber on June 14, the elections for the latter being indirect through the Provincial States (assemblies). It was also announced that the present States-General would be dissolved on July 2 and that the new Parliament would meet on July 3, its first task being to give the constitutional amendment Bill a second reading. During those proceedings the Lower Chamber would still have only 100 members, and only after the new Parliament had approved the increase in membership would the additional 50 members take their seats on the basis of the results of the elections.—(Netherlands News Agency)

(Prev. rep. States-General, 12430 A.)

C. UNITED KINGDOM. — Recognition of Sovereignty of Morocco and Tunisia.

Formal British recognition of the independence and sovereignty of Morocco and Tunisia was announced by the Foreign Office on May 10, as a result of the Franco-Moroccan agreements of March 2, the Spanish-Moroccan agreements of April 7, and the Franco-Tunisian agreements of March 20. The Foreign Office stated that British embassies would be opened in Rabat and Tunis in due course; that H.M. Government was willing to reconsider existing treaties with Morocco in the light of modern conditions; and that it was also prepared to discuss the future of the Tangier international zone with the other interested parties.—(Times) **(Prev. rep. Morocco, 14857 B; 14781 A; Tunisia, 14812 A.)**

D. UNITED STATES. — Increase in Bank Rate.

The Chicago Federal Reserve Bank raised its discount rate on April 19 from 2½ to 2¾ per cent, following the similar action taken by the other Reserve Banks earlier in the month.

(New York Herald Tribune) **(Prev. rep. 14799 B.)**

A. KENYA. — Continued Decline in Mau Mau Activities. - Further Withdrawal of Troops. - U.K. Financial Aid, 1956-57. - Limited Franchise for Africans.

Mau Mau activities in Kenya continued to decline during the first four months of 1956, terrorist acts of violence being limited to about five a month. The number of terrorists killed and captured by, or surrendering to, the security forces fell to some 200 a month, reflecting the greater difficulty in making contact with the diminished number of terrorists. A major operation by the security forces took place during the first three weeks of the year, when a gang of some 70 terrorists was surrounded in a swamp on the shores of Lake Naivasha, in the Rift Valley; 22 terrorists were killed, captured, or gave themselves up during the operation, including "Field Marshal" Mbaria Kaniu, one of the more important Mau Mau leaders, who surrendered on Jan. 7. Among other self-styled "generals" captured during the first four months of the year was "General Tanganyika," the most senior Mau Mau leader after Dedan Kimathi and Stanley Mathenge.

"General Tanganyika" had surrendered to the security forces in March 1954 (see page 13507, second column), and a month later had returned to the forests to negotiate with the terrorists in connexion with the Government's mass surrender offer (see 13565 A). It was reported at that time that he and other terrorists who had taken part in the surrender negotiations had been arrested by their own people on suspicion of having led them into a trap On May 8 "General Tanganyika" (whose real name is Harioki Kamotho) appeared before a magistrate's court in Nairobi charged with the murder of Mr. A. G. Leakey, who had been abducted from his home in October, 1954, and whose body was found a month later (see 13901 A).

Other recent developments in Kenya relating to the emergency are described below.

Withdrawal of British Troops. The War Office announced on March 30 that two British battalions, together with ancillary units —a total of about 2,200 fighting troops—would be withdrawn from Kenya between April and June, leaving only one British battalion in the forces engaged against the Mau Mau Lieut.-General Lathbury (C.-in-C, East Africa) stated on the same day that the battalions leaving Kenya would be the 1st Battn. Gloucestershire Regiment, which would be going to the Middle East (Aden was subsequently announced as their destination), and the 1st Battn. Rifle Brigade, which would leave for Malaya

It was announced from G.H Q., East Africa, on March 9 that Major-General Hinde would relinquish his appointment as Deputy Director of Operations (East Africa) at the end of March prior to his retirement.

The Governor of Kenya (Sir Evelyn Baring), on his arrival in London on May 7 for his annual talks with the Colonial Secretary, stated that "the worst of the Mau Mau is over" and that the remaining operations would be of a "mopping-up" character.

Clearance of Meru Area. In a message to the District Commissioner of Meru on Feb. 19, at the end of 26 days' special operations in the forests south-west of Mount Kenya, Lieut.-General Lathbury said that as a result of these and other operations the terrorists' strength in Meru had been reduced to an extent where it no longer presented a military problem The King's African Rifles were therefore being withdrawn, and he was confident that the administration and police, with the co-operation of the people, would be able to eliminate the few remaining terrorists in the area

Revised Procedure for Issue of Detention Orders. It was announced on Feb. 1 that the Kenya War Council, in view of the improvement in the emergency situation, had reviewed the need for the continued delegation to provincial commissioners of the Governor's powers to issue detention orders, which had been in force since March 1954. The War Council decided (*a*) that detention orders in respect of persons "picked up" by the security forces would in future be made by the Governor or Deputy Governor in consultation with a committee consisting of the Attorney-General, the Minister for Internal Security and Defence, and the Director of Intelligence and Security, (*b*) that in exceptional cases, where it proved impossible to record and complete a full dossier for consideration by the Governor and his committee within 28 days, provincial commissioners would be allowed to issue delegated detention orders, valid for a further period of one month only, if the need to do so was justified.

Inquiry into Origins of Mau Mau. The Chief Secretary, Mr. R. G. Turnbull, agreed on March 1 to institute an inquiry into the origins, methods, and growth of Mau Mau Accepting a motion to this effect introduced by Group-Captain L. R. Briggs, Mr. Turnbull said that there would be an examination by "a suitably qualified person" appointed by the Governor.

Further U.K. Financial Grant. The Colonial Secretary, Mr. Lennox-Boyd, announced in the House of Commons on Feb. 14 that the British Government proposed to provide a further grant of £4,000,000 and an interest-free loan of £2,000,000 to Kenya in 1956-57 Although the scale of military operations had been substantially reduced, there would still be need for some expenditure particularly designed to hasten the end of the emergency, whilst the proportion devoted to rehabilitation and reconstruction would be greater than in past years. Mr. Lennox-Boyd added that expenditure arising out of the emergency in 1956-57 was likely to be about £10,500,000, towards which Kenya would provide some £4,500,000 from her own resources

On Feb. 24 the Kenya Legislative Council gave a second reading to a Bill providing for the election of African unofficial members. Its principal provisions were that there should be direct voting by secret ballot; that a qualitative franchise should be introduced, based on education, experience, public service, achievement, and standing in the community; and that electors exceptionally qualified by education, character, or service should have additional votes. The Bill was based on a report by Mr. W. F. Coutts (now Minister of Education, Labour, and Lands), which had been published on Jan. 10 together with a White Paper giving the Government's views on the proposals. The White Paper had pointed out that the Electoral Rolls might not be prepared in time for the general election in September 1956; that the Government intended however, that the election of African members should take place before March 1957; and that meanwhile the present African members would continue to sit in the Legislative Council.

The principal provisions of the Bill—which was given a final reading on Feb. 29—are summarized below.

Qualifications for Franchise. To qualify for the vote a person must be at least 21 years of age and must also qualify in at least one of seven specified categories; qualification in additional categories would earn *pro rata* additional votes up to a maximum of three. The seven categories were: (i) the completion of an intermediate school course or a prescribed equivalent, (ii) proved income from all sources of £120, or property worth £500; (iii) long service in the police or prison service, or in any form of Government or local government employment, or in the employment of the East African High Commission, or in commercial, industrial or agricultural employment; (iv) the grade of Elder or the age of 45 years; (v) a degree or diploma of an approved institution of university or university college standing, or an approved professional qualification; (vi) past or present membership of the Kenya Legislative Council or the Central Legislative Assembly of the East Africa High Commission, or three years continuous membership of a Local Government Authority or an African Advisory Council or an African Court, (vii) the award of a civil or military decoration A separate schedule of qualifications would apply to women voters

Qualifications for Candidates. Candidates should be at least 25 years old; be registered voters, with the same educational qualifications as voters, have an income of £240 from all sources in the year preceding nomination, or half that amount if there was another acceptable qualification, or possess property valued at £700, and be able to write and speak English fluently. A candidate would be disqualified if he failed at the time of his nomination to take an oath of allegiance to the Queen (The Coutts report had proposed that the oath of allegiance should also be compulsory for electors, but the Government had rejected this suggestion on the ground that the oath could not be administered with suitable solemnity to the large number of Africans qualifying for registration as voters)

Special Conditions for Kikuyu, Embu, and Meru Tribes. As far as these three tribes were concerned, the Government considered that the Coutts proposals required "substantial modification." The report had proposed that no person who had ever taken the Mau Mau oath should be given the vote; that qualified voters should have only one vote and be allowed to vote only for candidates in the Central Province; and that only women who had shown "exceptional powers in active fighting against Mau Mau," and who were recommended for inclusion in the register, should be given the vote.

In the Bill as finally adopted it was provided that any Kikuyu, Embu, or Meru who had passed an approved loyalty test should be allowed to qualify on the same basis as Africans of other tribes; the loyalty test would include proof of having given active support to the Crown during the emergency. To eliminate the possibility of corruption or personal feuds, the loyalty test would be applied by a District Commissioner, aided by assessors, instead of by the Native authorities, and there would be no appeal. No Kikuyu, Embu, or Meru could vote for any candidate other than candidates for the Central Province or Nairobi.

No Kikuyu, Embu, or Meru would be allowed to stand as a candidate unless he had passed the loyalty test, and none would be permitted to stand for election in any constituency outside the Central Province or Nairobi

The Kikuyu, Embu, and Meru registers would be provisional only and subject to amendment at any time, and the whole question of these tribes would be reviewed in relation to the 1960 and subsequent elections.

The Attorney-General (Mr. Griffith-Jones) announced on Feb. 24 that the Kenya Federation of Labour, a central organization embracing practically all the African trade unions in the colony, had been called upon by the Government to show cause why its registration as a society should not be cancelled. He said that the registrar of societies had issued the notice on the ground "that the federation is pursuing objects other than those constitutional objects as set out in its rules and as declared in its application to register." It was officially announced on April 4, however, that, in view of assurances received from the federation, it was not intended to cancel its registration as long as these assurances were maintained.—(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Kenya, 14621 A.)

A. UNITED KINGDOM.—Electricity Supply Industry. - Report of Herbert Committee.

The report was published on Jan. 31, 1956, of a committee set up by the Minister of Fuel and Power in 1954, with Sir Edwin Herbert as chairman, to inquire into the structure and organization of the electricity supply industry. This was the first independent review of an entire nationalized industry to be carried out by a Government-appointed committee. The report is summarized below under cross-headings.

General. The committee considered that whilst it would be "quite wrong" to describe the industry as "inefficient" or badly organized, its present formal structure was "not conducive to the highest degree of efficiency" and should be improved In particular, it found that the industry had not "solved the problem of the right degree of delegation," had "a long way to go in introducing modern aids to good management," and had not "done as much hard thinking as it should about the economics of electricity supply" The committee also felt that the existing mixture of supervisory and executive functions within the Central Electricity Authority made it difficult for the Authority to exercise "effective and impartial supervision over the industry as a whole"

Relations between the C.E.A. and Area Boards. Most Area Boards felt that the C.E.A interfered too much in their affairs, although under the Electricity Act they were quasi-autonomous statutory bodies. Similarly, some divisional controllers felt that they were not given enough power and responsibility in the design and operation of power stations, and that there was unnecessary duplication of work at headquarters and in the divisions.

The committee pointed out in this connexion that the Central Authority, besides generating the electricity supplied by the Area Boards to their customers and fixing its price to the Area Boards, also approved the Area Boards' tariffs and capital budgets In the last resort, therefore, the Authority—which, in practice, generally meant the chairman and the two deputy chairmen—'controls the cost and price of electricity at every level of the industry, including delivery to the actual consumer" Apart from the time spent by the chairmen and staffs of Area Boards in attending headquarters' conferences, this meant that immense work and responsibility rested on the chairman and deputy chairmen of the Authority, and that its full-time members and staff were so heavily burdened with day-to-day tasks that they had insufficient time to consider wider questions of policy and development

Proposed "Generation Board." The committee did not think that any economies could be secured by combining responsibility for generation and distribution under a single authority. It considered that the basic pattern of the industry should remain as at present—i e. a series of area distribution boards buying their power from a central generating board. It held, however, that the Authority itself should be relieved both of executive responsibility for generation and of its present "vague general responsibility for the industry as a whole," and therefore recommended the creation of a new statutory corporation to be known as the "Generation Board" This Board would be responsible for generation and transmission, and would consist of a full-time chairman, completely free of special duties, and four to six other members, who should mostly be full-time

The Generation Board would be responsible for (*a*) system load control, general planning of power supply development, siting of generating stations, and the design (and possibly the construction) of advanced-design stations, including nuclear power stations, (*b*) the planning of the super-grid and main transmissions; (*c*) fuel supply; (*d*) financial policy; (*e*) research and development; (*f*) staff policy. The committee stressed that it "attached the utmost importance" to the delegation of as much power and responsibility as possible to the divisional controllers, and did not expect the Generation Board to retain at headquarters "anything like the number of staff at present employed on generation at C.E.A. headquarters."

The salaries of the chairman, full-time members, and part-time members of the Generation Board should be at least £8,500, £7,000, and £2,500 respectively

Suggested Reorganization of the C.E.A. The Central Authority should be reorganized to consist of a chairman, two other full-time members, and four part-time members Its functions should be (*a*) to approve general plans of both the Generation Board and the Area Boards, including capital and revenue budgets, depreciation and reserve fund policies, tariffs, and research programmes; (*b*) to authorize Stock issues by the Boards, (*c*) to consider consumers' complaints; (*d*) to supervise labour relations machinery The report stressed that the Central Authority, when relieved of executive responsibilities, could exercise "a much firmer and closer supervision of capital expenditure than at present"

The salaries of the chairman, full-time members, and part-time members of the Central Authority should be £10,000, £8,500, and £2,500 respectively.

The Area Boards. Full-time chairmen of Area Boards should receive £6,000 per annum (instead of £4,000 as at present), part-time chairmen £3,000, and board members (all part-time) £1,000 (£500 at present). Chief executives should be paid not less than full-time chairmen, and the functions of chairmen and chief executives should in all cases be separate (the report pointed out that at present many Area Board chairmen acted also as general managers) The committee suggested that the Minister of Fuel and Power should consider appointing all Area Board chairmen on a part-time basis only.

Other Recommendations. These included

(1) Greater attention to research and development, and a thorough investigation of the possibility of improving the load factor

(2) Better organization of the nuclear power branch, including the creation of a new post of deputy chief engineer, solely for nuclear station development.

(3) A more vigorous approach to problems of costs, scale of capital expenditure, utilization of capital and manpower, etc. The committee pointed out that at present the industry was "barely meeting proper charges on income" and had "contributed nothing to the contingency reserve which common prudence would require to be built up" No raising of prices to increase income should be considered, however, until the possibility of reducing costs had been thoroughly examined On the other hand, the committee stressed that as a result of the "substantial technical advances" made by the industry in recent years, the present price of electricity averaged only 30 per cent above 1939, although coal costs had risen by 270 per cent and the cost of living by 137 per cent

(4) A "more realistic policy" with regard to redundancy The committee considered that the Authority's "passive attitude" to problems of under-employment had made managements at all levels disinclined to seek out redundancy, and that "the most generous treatment of redundant staffs would be preferable to under-employment or old-fashioned methods"

(5) A review with the trade unions of the working of the industry's negotiating and advisory machinery.

(6) A new system of financing, under which Area Boards would be responsible for making their own Stock issues

The other members of the committee, apart from Sir Edwin Herbert, were Mr. F. C. Bagnall, managing director of British Nylon Spinners Ltd.; Mr. J. W. G. Church, former chairman of Associated Electrical Industries (India) Ltd.; Professor Ronald Edwards, Professor of Economics, University of London; Mr. A. Healey, a former director of the Dunlop Rubber Company; Mr. Lawrence Robson, a chartered accountant; and Mr. Jack Tanner, former president of the Amalgamated Engineering Union. (Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Electricity Act, 8457 A.)**

B. EGYPT. — Withdrawal of British Forces from Canal Zone. - Formation of New British Companies for Maintenance of Suez Base.

The last British combatant troops in the Suez Canal Zone—a battalion of the Grenadier Guards and a squadron of the Life Guards—sailed for the United Kingdom on March 31, 1956, thereby bringing to an end the 74-year period during which British troops had been stationed in Egypt. The last R.A.F. base in the Canal Zone, Abu Sueir, was evacuated on April 14. Under the Anglo-Egyptian agreement of October, 1954 (see 13833 A) the withdrawal of all British troops from the Canal Zone is to be completed by June 18, 1956, after which date some 800 British technicians will remain to service the base workshops, supply depots, etc.

It had been announced in February 1955 that five new British companies had been formed to handle activities at the Suez base after the final evacuation of the British forces. They were .

Suez Contractors (Engineers), formed by Vickers-Armstrong to look after the base workshops, which handle tanks and armaments.

Suez Contractors (Vehicles), formed by Associated Commercial Vehicles (Sales) Ltd., the Austin Motor Company, and Rootes Motors Ltd to handle the ordnance depot and workshops for vehicles.

Suez Contractors (Ammunition), formed by Imperial Chemical Industries Ltd. to manage the ammunition depot.

Suez Contractors (Electricity), formed by Balfour, Beatty & Co. to handle water and power supplies at the base.

Suez Contractors (Maintenance), formed by George Wimpey and Co., John Laing and Co., and Holloway Bros. to handle general repairs and maintenance of base installations.

These companies will be responsible to a Government committee in London known as Suez Contractors Management Ltd. They will be separated from their parent companies, will be run on a "non-commercial" (i.e. non-profit-making) basis, and will be paid an annual fee for their services in maintaining Government property in Egypt. Under the Anglo-Egyptian agreement they will be exempt from Egyptian labour legislation

The former G.H.Q. of British Middle East Command at Fayid was formally handed over to the Egyptian authorities on Nov. 20, 1955, when G.H.Q. moved to its new headquarters in Cyprus.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 14030 D; 13833 A.)**

C. FINLAND. — Cabinet Appointment.

The new Government headed by M. Fagerholm was completed on May 2 by the appointment of M. Arvo Heimo Helminen as Minister of Justice—a portfolio left vacant when the Fagerholm Government was formed in March. M. Helminen, formerly a district judge, is not a member of any political party.—(Times) **(Prev. rep. 14742 B.)**

MAY 12—19, 1956

A. NORTH ATLANTIC TREATY ORGANIZATION. — North Atlantic Council Meeting. - Extension of NATO Co-operation to Non-Military Fields. - Appointment of Three-man Ministerial Committee. - NATO Developments. - Military and Civilian Appointments.

The North Atlantic Council met at the Palais de Chaillot in Paris on May 4-5 under the chairmanship of Dr. Gudmundsson, the Foreign Minister of Iceland. It was decided, *inter alia*, to set up a Committee of three Ministers to examine "ways and means to improve and extend NATO co-operation in non-military fields and develop greater unity within the Atlantic community." At the end of the meeting it was announced that the members of this committee—known as the "three wise men"—would be the Foreign Ministers of Canada, Italy, and Norway, respectively Mr. Lester Pearson, Dr. Gaetano Martino and Hr. Halvard Lange.

Prior to the meeting of the North Atlantic Council, both Mr. Dulles (the U S. Secretary of State) and Mr. Lester Pearson had issued statements emphasizing the desirability of greater political and economic co-ordination between the members of the North Atlantic alliance, in addition to the existing co-operation for defensive purposes (see below) The desirability of expanding the work of NATO in the economic, social, and cultural spheres had also been particularly stressed by French and Italian statesmen in recent months—e.g. by President Coty and President Gronchi during the latter's visit to Paris in April (see 14828 B); in the ministerial discussions between MM. Mollet and Pineau and Dr Martino, held at the same time; in President Gronchi's speech to the U S. Congress (see 14763 A); and by M Mollet in his recent interview to an American magazine (see 14815 A). A resolution to the same effect had also been adopted in March by the Foreign Affairs Committee of the Norwegian *Storting*.

The proposal to appoint the above-mentioned ministerial committee was made at the North Atlantic Council meeting by Mr. Dulles. It was understood that the "three wise men" had been proposed by Mr Selwyn Lloyd, the British Foreign Secretary.

The communiqué issued by the North Atlantic Council was worded as follows:

"(1) The Atlantic Powers, seven years ago, entered into the North Atlantic Treaty in face of the Communist threat to their common ideals and civilization. They had seen imperilled all the human rights which their peoples regard as essential for their life and freedom, particularly representative government, freedom of the individual, the rule of law, and liberty of the press

With the disappearance of the last free regime in Eastern Europe, that of Czechoslovakia, the Berlin blockade in 1948, and, two years later, the invasion of Korea, the concern of the free world reached its climax The need for collective military defence was all the more obvious because at the end of the Second World War the free world had disarmed. These were the circumstances which led to the creation of NATO and its military strength, and this is why the sacrifices necessary for the defence of the Atlantic Community have since then been borne in common.

(2) The collective defence efforts of the Atlantic Powers have not been in vain. They have successfully deterred Soviet aggression in Europe and have contributed to the adoption by the Soviet Government of the so-called policy of co-existence To the extent that this policy involves a certain easing of tension and the admission by the Government of the U.S S R. that war is not inevitable, it is welcomed by the Atlantic Powers, who have always supported this idea. It is now possible to hope that those principles of the U.N Charter which have regulated the relations between the peoples of the Atlantic Community may eventually also regulate the relations between the Soviet Union and the Western Powers.

(3) The reasons which gave rise to the Atlantic Alliance have not, however, disappeared. No progress has been made towards solving certain vital European problems, including the reunification of Germany in freedom, which have to be solved on a basis which would satisfy the legitimate security needs of all. The Western Powers cannot relax their vigilance until these problems have been solved, and until a disarmament plan providing the necessary guarantees to all and an effective control system has been put into effect. Soviet military power continues to increase Security remains therefore a basic problem, and the Atlantic Powers must continue to give priority to the maintenance of their unity and strength.

However, present prospects seem to leave scope for further peaceful initiatives on the part of the Atlantic Powers. They are determined to pursue these initiatives with the same energy that they displayed in building up their defence organization and with which this will be maintained. They solemnly affirm that this policy will be pursued in common, based on the unity, solidarity and co-operation of peoples sharing common ideals and standing together in the cause of freedom.

(4) The Atlantic Council consider it timely and useful for the members of the Atlantic Community to examine actively further measures which might be taken to advance more effectively their common interests. The Atlantic Powers already possess in the North Atlantic Council an instrument of unity and a forum for consultation regarding policies of general interest. In order to enable the Council better to perform these tasks, the Ministers agreed to appoint a Committee of three Ministers to advise the Council on ways and means to improve and extend NATO co-operation in non-military fields and to develop greater unity within the Atlantic community. The Committee of Three was requested to submit its report as soon as possible

(5) In the meantime, the Council agreed:

(*a*) to undertake periodical examinations of the political aspects of economic problems;

(*b*) to strengthen economic co-operation between member-countries, to seek to eliminate conflict in their international economic policies, and to promote conditions of stability and well-being;

(*c*) to instruct the Permanent Representatives of the Council to examine economic problems in the light of the ideas set out above and of the plan put forward by M. Pineau (see below), calling upon the services of a committee of technical advisers working under their authority

(6) The members of NATO are dedicated to 'safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty, and the rule of law.' Their first seven years of working together have resulted in marked success, and have strengthened the bonds between them. The members of NATO are determined to remain united and steadfast in their ideals. They face the future with confidence."

The discussions in the North Atlantic Council were held *in camera*, but it was understood that Mr. Selwyn Lloyd had given an account of the recent visit to Britain by Marshal Bulganin and M. Khrushchev; that Mr. Dulles had discussed the recent changes in Soviet policy; and that M. Pineau and Dr. Martino had dwelt on the need for enlarging the scope of NATO and, in particular, of giving effect to Article 2 of the North Atlantic Treaty. [This Article pledges the signatories to "eliminate conflict in their international economic policies" and to "encourage economic collaboration" between themselves —see 9869 A.]

The Ministers also discussed a proposal by M. Pineau—to which reference was made in the communiqué—for the establishment of a World Economic Development Agency to give assistance to under-developed countries. M. Pineau suggested that such a body should be set up by the United Nations at the request of the North Atlantic Council, and that it should consist of the following organs:

(1) A Steering Board, responsible to the U.N., comprising representatives of States granting and of States receiving aid.

(2) A Statistical Office to centralize all contributions made to under-developed countries through existing organizations or bilateral agreements.

(3) A Bank or Fund responsible for credits furnished under all existing assistance programmes. It would also receive the contributions of member-States and keep account of the efforts of every country in the field of economic aid. It would grant aid in the form considered most appropriate by the Steering Board—loans with or without interest, lowered interest rates on existing loans provided by other organizations, or subsidies for urgent cases.

(4) A Commercial Agency which would buy and resell surpluses of beneficiary countries

(5) A Technical Institute concerned with technical assistance and research.

U.S. and Canadian Statements on Need for expanding Scope of NATO.

As stated above, both Mr. Dulles and Mr. Lester Pearson had previously spoken of the need to expand the scope of NATO beyond that of a purely defensive and military organization. Mr. Dulles, in the course of a speech on April 24 to the Associated Press in New York, said that NATO "can and should be" more than a military alliance, and that the time had come "to advance NATO from its initial phase into the totality of its meaning." Mr. Pearson, in a speech on April 12 to the Canadian Parliament's Standing Committee on External Affairs similarly declared that NATO should be "far more than a mere agency of defence policy." Extracts from their speeches are given below.

Statement by Mr. Dulles.

". . . Because Soviet military capabilities remain so vast, and because their intentions are subject to rapid change, we must maintain our vigilance and our strength. But also we must increase the unity and dynamism of the free world by greater emphasis upon co-operation for something, rather than merely against something. . . .

"We had all hoped that the U.N. would establish world order on a universal basis. It has indeed done much in this respect, and we should do nothing that would detract from the United Nations. It remains the corner-stone of U.S. foreign policy. But the U.N. was never expected to be an exclusive means for developing world order. The Charter itself looks to regional and collective defence organizations to play a major role in this respect.

"The Organization of American States illustrates the possibilities of a regional organization It takes account of external perils, but it concentrates primarily upon its own positive accomplishments. It traces its origins back 66 years to when the Pan-American Union was founded It is held together by considerations which long preceded, and which will long succeed, the fear of Soviet armed attack.

"NATO is another organization which contains the possibilities of great development. It was, to be sure, conceived primarily as a military alliance, and that aspect of the Organization remains vitally important. But the Organization can and should be more. The Canadian Government has notably espoused this point of view, and at last December's meeting of the [North Atlantic] Council both the French and Italian delegations introduced resolutions along this line. . .

"All our peoples embrace a religious faith which makes atheistic materialism seem abhorrent to them We have a common sense of moral values. Our political institutions reflect democratic conceptions which had their origin in Greece, and legal institutions which had their origins in Rome. Our economies are similar. We believe in and encourage the private ownership of property, and there is a large and flourishing trade between our countries Our educational systems are much the same . . .

"None of our Governments is predatory. We want military power to be used as a community force to prevent aggression, and not as a national force for aggrandisement. Indeed, the amended Brussels Treaty for Western European Union already sets an historic example in armaments limitation—an example that we can well ask the whole world to follow.

"No NATO member, I suppose, wants to drift into some new and ill-defined relationship which could be provocative of future misunderstandings. But the unanimity of our thinking upon the great basic issues makes it apparent that the time has come to advance NATO from its initial phase into the totality of its meaning.

"Western civilization has made an immense contribution to the welfare of the whole world. It has been a dynamic force which, like everything human, has made its mistakes But on the whole it has reflected an enlightened view of the nature of man and of his God-given right to enjoy life, liberty, and the pursuit of happiness. . . .

"But the mission of the West is not completed More independence needs to be perfected. More economic development needs to be planned and supported throughout the world More sense of equality and human brotherhood needs to be developed And the West needs to appreciate better how rich are the gifts that other civilizations have to offer.

"We believe in the closer integration of some Western European countries, such as is represented by the Coal and Steel Community, by the Western European Union, and by the prospective development of what is called 'Euratom,' the proposed organization whereby the same countries that are members of the Coal and Steel Community would apply community principles to the development of atomic energy for peaceful purposes Such European integration, and the development of NATO, are complementary and not mutually exclusive processes .

"The historic weakness of the West has been its disunity Out of this disunity came wars which have taken the life-blood of its finest youth and weakened its economies. A major task of post-war statesmanship was to find the ways whereby the West can maintain its solidarity Very much has been done in this respect, but more can still be done to make sure that the good in Western civilization is not again negated by differences The peoples who make up the Atlantic Community ought, in increased unity, to resume their greatness; and true greatness is not to be measured by ability to impose on others what they do not want, but ability to find new ways whereby all men can better realize their aspirations

"The North Atlantic Treaty already serves as an indispensable, vital instrument of the Atlantic Community But the time has come, I believe, to consider whether its organization does not need to be further developed if it is adequately to serve the needs of this and coming generations. If that be the common desire of the NATO member-nations, the United States will join eagerly in exploring those possibilities which now beckon us forward."

Statement by Mr. Lester Pearson.

". . NATO is, or should be, far more than a mere agency of defence policy I think the feeling is growing that if this is not recognized and acted upon, NATO may not survive at all. . . . NATO is, of course, of vital importance as an organization for collective defence. I will even agree that that is its primary task . . . But it is also very important as an agency for organizing common policy in other fields, and I think its importance in that regard is growing It is important as a means of organizing a common political and economic approach to world problems, and for co-ordinating our views and policies as to how we should meet threats other than military

"There is a gap in policy which is hurting the West; that is, the separation between economic and technical aid to materially under-developed countries and political objectives. Maybe I should put it this way · We are suffering from efforts to close that gap in the wrong way by associating aid with the acceptance on the part of the receiving countries of 'cold war' political and strategic objectives. . . . The purpose of foreign aid is as important as the aid itself. Economic assistance of any kind on an international scale is bound to be a political act of some kind. The question is what kind? . . . The Russians, of course, are moving into this field, if not in a big way . . . then certainly in a 'headline' way.

"There is no doubt that in moving into this field of international economic assistance in Asia and Africa, the Soviet Union is guided primarily by political considerations. They also associate their economic efforts with denunciations of colonialism. That is, of course, an easy way of becoming popular in that part of the world, where they have been all too successful in obscuring their own record as the greatest colonial exploiters of modern times and the greatest suppressors of freedom in modern times.

". . What should we in the West do to counteract all this, and what should be the principles upon which our international aid policy should be based? . . I think we should pay more attention to the 'why' and 'how'. *Why* do we help these people, and *how* do we help them? . It is essential to divorce our aid from political considerations. If we go out of our way to respect the national and cultural sensitiveness of the people with whom we are co-operating in this field; if we make sure that our aid is practical and well administered; if, before we engage in any project, we work out an agreement between the countries concerned, the giver and the receiver, as we do under the Colombo Plan—then we shall be working in the best and most practical way

"Finally, I think we should bring the United Nations into these matters as much as possible—more than we have in the past. There is no better way of removing any suspicion that there is some ulterior purpose in granting aid than in having it administered by an international organization."

Senator George's Liaison Post with NATO.

It was announced in Washington on May 9 that Senator Walter F. George (Democrat, Georgia), chairman of the Senate Foreign Relations Committee, had accepted an invitation from President Eisenhower to serve as the "focal point of contact" between the U.S. Government and the three-man ministerial committee (the "three wise men") set up by NATO to study possibilities of expanding the non-military aspects of the North Atlantic alliance. A White House spokesman said that Senator George's assignment was "a further indication of the importance the United States attaches to expanding NATO beyond its military role." Senator George stated that he intended to resign from the Senate on taking up this appointment.

Resignation of General Gruenther. - General Norstad appointed Supreme Allied Commander, Europe.

The North Atlantic Council had announced on April 13 that General Gruenther was relinquishing the post of Supreme Allied Commander, Europe, at his own request, and that he would be succeeded by General Lauris Norstad, hitherto Air Deputy to the Supreme Commander. Field-Marshal Viscount Montgomery remained Deputy Supreme Allied Commander.

In a letter on April 10 to Lord Ismay (Secretary-General of NATO) President Eisenhower had asked the North Atlantic Council to give "favourable consideration" to the release of General Gruenther, who had expressed the wish to retire from active duty towards the end of the year for personal reasons The North Atlantic Council accordingly decided with regret to release General Gruenther, and expressed to him—on behalf of all member-countries—its "lasting gratitude for the distinguished service" he had rendered as Supreme Allied Commander, Europe

At the same time the North Atlantic Council requested President Eisenhower to nominate "an officer of the armed forces of the United States for appointment by the Council as Supreme Allied Commander, Europe" President Eisenhower nominated General Norstad to this post, describing him as "an officer of outstanding ability" with the special qualification of "long years of experience in Europe" General Norstad's appointment as SACEUR was unanimously approved by the North Atlantic Council on April 13

General Norstad (49), one of America's leading air officers, was commissioned in the U.S. Army in 1930 after passing through West Point. Joining the air arm, he saw service in various branches and came to Europe in 1942 with the U.S. 12th Air Force. In December 1943 he became Director of Operations of the Mediterranean Allied Air Forces, and in 1944 became Chief of Staff of the U.S. 20th Air Force, which carried out the Superfortress attacks against Japan. In the immediate post-war years he served successively as Assistant Chief of Air Staff for Plans and as Director of the Plans and Operations Division of the U.S. War Department, before his appointment in 1947 as Deputy Chief of Staff for Operations of the U.S. Air Force. In January, 1951, he assumed command of the U.S. Air Forces in Europe, subsequently becoming C.-in-C., Allied Air Forces, Central Europe. He had been Air Deputy to General Gruenther since July 1953.

General Gruenther (57) had been Supreme Allied Commander, Europe, since July 1953. In a press statement on April 13 he stressed that there were no "ulterior motives" behind his resignation, that his dedication to NATO ideals was undiminished, and that his relations with NATO remained "of the very best."

Military and Civilian Appointments.

Apart from the appointment of General Norstad as Supreme Allied Commander, Europe, several other important NATO appointments, both military and civilian, were made in recent months, as set out below (date of announcement in parentheses):

Military Appointments.

Lieut.-General Sir Cecil Sugden, Commander of the British Forces in Hong Kong, as C.-in-C., Allied Forces, Northern Europe (CINCNORTH) in succession to General Sir Robert Mansergh, consequent upon the latter's appointment as C.-in-C., U.K. Land Forces—see page 14777. (Nov. 3, 1955.)

Vice-Admiral Robert P. Briscoe, Deputy Chief of Naval Operations, U.S. Navy, as C.-in-C., Allied Forces, Southern Europe (CINCSOUTH) in succession to Admiral Fechteler, retiring (April 17, 1956.)

Civilian Appointments.

Baron Adolph Bentinck, Netherlands Ambassador in Berne, as Deputy Secretary-General of NATO *vice* Jonkheer van Vredenburgh, following the latter's appointment by the High Authority of the European Coal and Steel Community as head of its permanent delegation to the British Government (Feb 24, 1956) Baron Bentinck was recently a member of the European Commission for the Saar referendum.

Signor Aubrey Casardi as Assistant Secretary-General for Political Affairs *vice* Signor Giuseppe Cosmelli, who had been appointed head of the Italian delegation to the Organization for European Economic Co-operation (O E.E C). Signor Casardi has been a member of the Italian Diplomatic Service since 1927. (May 11, 1956)

Mr. J Murray Mitchell (U.S A.) as Assistant Secretary-General for Production and Logistics *vice* Mr Lowell P. Weicker, who had resigned in order to resume his business activities. (Feb 2, 1956.) Mr. Mitchell, formerly vice-president of the New York Trust Company, served during World War II as Assistant Chief of Staff for Civil Affairs and Military Government at Allied Forces H.Q. in the Mediterranean In 1951-52 he was assistant to Mr. Charles E Wilson, then U.S Director of Defence Mobilization.

Miscellaneous NATO Developments.

Other developments within the NATO during recent months are summarized below under cross-headings.

Atomic Information. The NATO Agreement for Co-operation regarding Atomic Information (see page 14367, second column) came into force on March 29, 1956, by which date all NATO member-countries had given official notification that they were bound by its terms The agreement, which was signed in Paris in June 1955, provides that the U.S A. and other NATO countries may make various categories of atomic information available to the Organization.

Guided Missiles. In his semi-annual report to Congress on the Mutual Security Programme (May 7), President Eisenhower said that the U.S A. had been "building up its armed strength in Europe with such weapons as the *Nike*, *Corporal*, *Honest John*, and *Matador* missiles and 288-mm.'gun battalions, all with atomic capability." He added that "the United States plans to provide its NATO partners with certain types of modern defence weapons and equipment which we are now furnishing in increasing numbers to our own NATO forces in Europe."

Civil Defence. - Lord Montgomery's Criticisms. In a statement at SHAPE on April 27, Lord Montgomery said that the Western Powers' preparations for maintaining civilian morale in nuclear war were "totally inadequate" He added . "The secret of civilian morale under attack, as of military morale, is that the people should be told the truth about what is happening, and should believe the situation is under control. It is vital to understand that, in a situation of nuclear equality between two sides, the side will survive which has the best organized home front. Home morale is the business of Civil Defence. Civil Defence is vital to the modern fighting chief, because without it his base is not secure. Most Western nations are doing nothing about this. Those that are, are not doing enough. . . .

"We are almost at the stage where it is possible to despatch destructive forces from distances ranging from a mile to 5,000 miles, in the latter case a missile taking 15 minutes to reach its objective. . . . It may be possible to detect an enemy missile somewhere along its path, to compute that path, to fire an anti-missile missile, and to destroy or neutralize it somewhere in space. But all these operations will have to be done in minutes or the first enemy strike may be decisive. Our early warning and air defence systems must operate extremely quickly, and must function as one system. A single authority, with the power of instant decision is essential if this is to happen. . . . If we are to survive a surprise attack we must have a more effective defence than we have today. . . . Theoretically, the ideal solution would be to combine all military functions into a single service. But today this would not be possible. . . . Inter-Service rivalries and mistrust still distort judgment and make sound decisions impossible"

Transfer of French Forces to Algeria. The following communiqué was issued by the North Atlantic Council on March 27 in connexion with the increasing withdrawal of French forces from Europe to Algeria, as a result of the disturbed situation in that territory:

"The North Atlantic Council has been kept informed of the withdrawals by France of forces assigned by her to NATO, and has examined the situation in Europe arising from these movements. It has noted that France has found it necessary, in the interests of her own security, to reinforce the French forces in Algeria, which is part of the North Atlantic Treaty area. The Council recognizes the importance to NATO of security in this area. Expressing the hope of an early and lasting settlement, the Council noted the determination of the French Government to restore, as soon as possible, its full contribution towards the common defence in Europe"

The communiqué was issued after the French Government had decided to transfer two more divisions from Germany to Algeria, including the 7th Mechanized Division, one of the most modern in the French Army. Whereas a year earlier France had five divisions in Europe at combat readiness, with another nine in reserve, three of the combat divisions had been or were being sent to North Africa, thereby more than halving French combat strength in Europe. Despite the transfer of North African and West African troops to Europe as replacements, it was believed that total French combat strength in Europe—i.e. excluding troops on communications duties and at depots, etc.—was still little more than three divisions. None of the reserve divisions have been transferred to North Africa.

Greek Participation in NATO Exercises. After an interval of six months, Greek forces resumed participation in NATO exercises during March, when two Greek submarines took part in naval and air manoeuvres in the Tyrrhenian Sea with British, U S , Italian, and Turkish units. Owing to the tension with Britain over Cyprus, and because the Greek Government considered that Turkey had not yet made satisfactory amends for the anti-Greek riots of September last, the Greek crews were instructed not to fraternize with British and Turkish personnel and to boycott the "social" side of the exercises.

German Representative at SHAPE. It was announced in Bonn on Dec. 24, 1955, that Colonel Count Johann von Kielmannsegg had been appointed German military representative at SHAPE in succession to General Speidel, consequent upon the latter's appointment to a senior post in the Federal Defence Ministry. Count von Kielmannsegg (who was promoted to the rank of general) was arrested in 1944 after the attempt on Hitler's life, and dismissed from the German General Staff. He later assisted Herr Blank (the Federal Defence Minister) with the rebuilding of Germany's armed forces. General von Kielmannsegg is descended from an ancient Saxon family, one of his ancestors having fought against Napoleon at Waterloo.

The Soviet Tass Agency issued a statement on May 13, broadcast by Moscow radio, declaring that the extension of NATO's activities to non-military spheres, as announced in the Paris communiqué, did not alter the "aggressive character" of the North Atlantic Treaty.—(NATO Information Division, Paris - Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris) **(Prev. rep. NATO, 14617 A.)**

A. UNITED KINGDOM. — Trade Unions. - Mr. Cousins elected General Secretary of the T.G.W.U.

Mr. Frank Cousins (51) was elected general secretary of the Transport and General Workers Union—the largest trade union in Britain—on May 10 in succession to the late Mr. A. E. Tiffin, who died in December last. [Mr. Tiffin had held the post for only six months, having been elected general secretary in June, 1955, after the death of Mr. Arthur Deakin.] Mr. Cousins, who had been acting general secretary since Mr. Tiffin's death, received 503,560 votes against 77,916 for Mr. T. J. Healy, his only opponent. About 46 per cent of the union's membership cast their votes. Mr. Cousins was a candidate at the time of Mr. Tiffin's election, coming third with 74,217 votes.—(Times - Daily Herald) **(14336 C.)**

B. CZECHOSLOVAKIA. — Release of Mr. Oren.

Mr. Mordecai Oren, the Israeli national who had been sentenced to 15 years' imprisonment in 1953 on charges of "espionage and anti-state activities against the Czechoslovak people," arrived in Zurich on May 13 after having been released by the Czechoslovak authorities and allowed to leave the country. Mr. Oren, a leading member of the *Mapam* (Left-wing Socialist) party in Israel, said that he had merely been informed of his release and had been given no reasons. He declined to discuss his four years' imprisonment. The other Israeli national sentenced with Mr. Oren, Mr. Simon Orenstein, had been released in 1954.—(Manchester Guardian - Le Monde, Paris) **(Prev. rep. 13877 D ; 13234 B.)**

C. ITALY. — Pinocchio Memorial.

A bronze monument of Pinocchio, the famous puppet familiar to children throughout the world in the story by Carlo Collodi, was unveiled at the town of Collodi (Tuscany) on May 14 in the presence of President Gronchi. The work of the sculptor Emilio Greco, it is situated in the middle of a square and surrounded by a wall with mosaics recalling episodes from the Pinocchio story. The monument was built with money raised in thousands of small sums by the children of Italy. The real name of the author of *Pinocchio* was Carlo Lorenzini, who took the pen-name of Collodi from his native town.—(Giornale d'Italia, Rome - Corriere della Sera, Milan)

D. UNITED STATES. — New C.-in-C. in Europe.

It was announced at the White House on March 8 that President Eisenhower had appointed Lieut.-General Henry I. Hodes, commander of the U.S. Seventh Army in Europe, as C.-in-C. of the U.S. Army in Europe in succession to General Anthony C. McAuliffe, retiring.—(New York Times) **(14091 A.)**

E. INDIA. — Retention of Death Penalty.

Mr. Datar, Minister in the Home Affairs Ministry, stated in the House of the People on April 21, in reply to a question, that the Government of India could not consider abolishing the death penalty in view of the fact that 9,000 murders were committed every year in India. (The Statesman, Calcutta)

A. WESTERN GERMANY - SOVIET UNION. — Ratification of Agreement on Resumption of Diplomatic Relations. - Exchange of Ambassadors. - Soviet Releases of German Prisoners.

The Moscow agreement for the establishment of diplomatic relations between the German Federal Republic and the Soviet Union was unanimously approved by the German Federal Government on Sept. 19 and by the *Bundestag* on Sept. 23, 1955, and ratified by the Presidium of the Supreme Soviet two days later.

Dr. Adenauer, opening the debate in the *Bundestag* on Sept. 22, reiterated that the Federal Republic's loyalty to the West was undiminished "Germany's partnership with the West," he declared, "goes beyond politics It is rooted in her indissoluble membership in the circle of Christian Western culture. Speaking for myself, and for the populations of Western and Eastern Germany, I solemnly declare . Germany is part of the West, of its spiritual and social structure and its historical traditions. The Government will not relax its efforts towards European integration and the defence of freedom. Rather will it intensify these efforts ."

After reviewing the background of the Moscow negotiations, the Chancellor declared that his decision to exchange Ambassadors with the Soviet Union was "not to be put on a level with a friendly treaty relationship." The Soviet leaders, he said, had pointed out to him that they maintained diplomatic relations with States with which they had substantial political and ideological differences, and the absence of relations between Bonn and Moscow was an "anomaly" which made it impossible to represent German interests *vis-à-vis* the Soviet Union The German delegation, he emphasized, had told the Soviet leaders that a normalization of relations between the two countries could "on no account mean the legalization of the anomalous state of Germany's present partition." The Federal Chancellor added . "There is no inconsistency between our decision to establish diplomatic relations and the line of our foreign policy, which we are determined to pursue under all circumstances."

Moreover (Dr Adenauer continued), the exchange of Ambassadors with the Soviet Union did not mean any change in the Federal Government's attitude to the East German regime, which was not formed on the basis of truly free elections, had no real popular mandate, and was rejected by the overwhelming majority of its own people. "The Federal Government alone is authorized to speak for all Germany," he declared "The member-States of NATO have adopted this position in a joint declaration, and all other States of the free world have adopted it expressly or by implication . . . The treaty of Sept 20 between the Soviet-zone Government and the Soviet Union changes nothing in the existing position. The Soviet-zone Government has no sovereignty, and there is no question of recognizing it. I must make it clear that in the event of recognition of the so-called German Democratic Republic by third parties with whom the Federal Government has official relations, we should consider this as an unfriendly act calculated to intensify the division of Germany"

The Chancellor went on to refer to the exchange of letters between the East German and Soviet Foreign Ministers which accompanied the East German - Soviet Treaty of Sept. 20, 1955, under which responsibility for surface communications between Berlin and Western Germany, except for the traffic of Western forces, was assigned to the German Democratic Republic. Dr. Adenauer said that this was contrary to the four-Power agreement of June 20, 1949, ending the Berlin blockade, under which the Soviet Government had undertaken specific responsibilities for inter-zonal traffic and Berlin traffic. The new Russian move was intended to force the Federal Government to negotiate with, and eventually to recognize, the East German régime, but this it was not prepared to do. Dr. Adenauer said that the Federal Government had drawn the attention of the three Western Powers to this matter, and had asked them "to take the necessary steps."

In conclusion, Dr. Adenauer claimed that "in extraordinarily difficult negotiations" they had "made what was humanly and politically possible out of a given situation," adding: "I am not unmindful of the complex problems raised by the Moscow decisions It is not by avoiding risks, however, that the difficult political problems of our country can be solved or the reunification of Germany achieved"

[It was disclosed after the Chancellor's speech that the Federal Government had sent two Notes to the U S., British, and French Governments—one requesting them to reaffirm their declaration of April 7, 1954, that the Soviet Zone would not be recognized as a sovereign State, and the other calling their attention to the provisions of the Soviet - East German treaty with regard to Berlin traffic.]

Herr Ollenhauer (the Social Democratic leader) welcomed Dr. Adenauer's efforts to secure the release of German prisoners in the Soviet Union, and announced that his party had decided to approve the Moscow Agreement because they wished "to exploit the possibilities of an active reunification policy offered by the normalization of relations between Bonn and Moscow." In giving their consent to this "concrete step," however, they were at the same time fully maintaining their opposition to the foreign policy hitherto pursued by the Federal Government; nor was their agreement "a blank cheque" or "a demonstration of confidence in the Government's future foreign policy."

Herr Ollenhauer maintained that the Moscow talks had shown that the Paris Agreements were not the key to German reunification, and that the Russians would refuse to allow Germany to become united as long as the Federal Republic adhered to NATO. "This is exactly the situation," he added, "which we Social Democrats warned you would arise even before the Paris Agreements were ratified." The Federal Government's argument that membership in the Atlantic alliance would force the Soviet Union to abandon Eastern Germany had been "utterly disproved," and, far from facilitating the reunification of Germany through alliance with the West, Dr. Adenauer's policy had resulted in a Soviet victory and the worsening of the prospects for German reunification.

The Social Democrats, Herr Ollenhauer continued, were disturbed over the future relationship between the two German Governments in the new situation. They disputed the "democratic legitimacy" of the East German régime, and agreed that no diplomatic contacts should be established with it. "All-German talks," as proposed by the Soviet Union, would involve the risk of Germany being treated in the same way as Poland and Czechoslovakia, and perhaps of sharing their fate Herr Ollenhauer expressed regret, however, at the Chancellor's statement with regard to the Federal Government's attitude towards third countries recognizing the East German regime. "The Chancellor himself has said often enough," he declared, "how long and hard is the way to the recovery of the world's confidence in the German nation. When he now says, almost in the manner of an ultimatum, that the Federal Government will regard the establishment of diplomatic relations by third Governments with the German Democratic Republic as an unfriendly act, I ask myself who is served by such strong language. Certainly not the German nation. Such words are liable to open old wounds and endanger new friendships. . . ."

In conclusion, Herr Ollenhauer called for a more determined Western initiative to restore German unity; suggested that the Federal Republic should withdraw from NATO, and that the Great Powers should agree on a European security system satisfactory to all member-countries; and declared "The Chancellor has taken in Moscow a step towards greater freedom of action in German foreign policy. The Paris Agreements gave him the right to do so, and we approve this step Our attitude towards the Government's foreign policy in the new period now opening will be determined by the use he is going to make of this freedom."

In unanimously approving the Moscow Agreement, the *Bundestag* also adopted two all-party resolutions.

The first resolution took note of Marshal Bulganin's personal promise to release German prisoners-of-war still in the Soviet Union, and expressed the "certain expectation" that this promise would be kept.

The second resolution (*a*) endorsed the Chancellor's statement that the establishment of diplomatic relations with the Soviet Union did not imply West German recognition of the present frontiers of Germany pending their determination in a peace treaty, that the German Federal Republic was the only legitimate German regime in international affairs; and that there would be no recognition of the East German regime; (*b*) reiterated the demand for the reunification of Germany in accordance with the *Bundestag* resolution of Feb. 26, 1955 (see page 14171, second column).

The appointment of M. Valerian Zorin as the first Soviet Ambassador to the German Federal Republic was officially announced on Oct. 29, 1955. M. Zorin arrived in Bonn on Dec. 20 and presented his credentials to President Heuss on Jan. 8, 1956. On the latter date it was announced that the Soviet Government had agreed to the appointment of Dr. Wilhelm Haas as the first West German Ambassador in Moscow. The departure of Dr. Haas for Moscow was, however, delayed because of difficulties in finding suitable accommodation for the new Embassy, and it was not until March 2 that he arrived in the Soviet capital to take up his post.

M. Zorin (53), Ambassador to Czechoslovakia from 1945-47, was in Prague at the time of the Communist *coup d'état* in February 1948. From 1949-52 he was a member of the Soviet delegation to the United Nations, eventually becoming chief delegate in succession to M. Malik He has been a Deputy Foreign Minister since 1947.

Dr. Haas (60), a career diplomat, was German Ambassador in Tokio from 1933 to 1937, when he was removed from office because of his wife's Jewish ancestry. He re-entered the diplomatic service after 1945, and had been Ambassador in Ankara since 1952.

Soviet Repatriation of German Military and Civilian Prisoners.

In accordance with Marshal Bulganin's promise to Dr. Adenaur, the repatriation of 9,626 Germans imprisoned in the U.S.S.R. on charges of war crimes began in October 1955, a total of 5,863 being returned between Oct. 6 and Oct. 20, comprising 3,890 former prisoners-of war and 1,973 civilians Of those repatriated, 1,256 were sent to Eastern Germany, but some of them succeeded in escaping later to Western Germany.

On Oct. 20, however, the repatriation of the P.O.W.s was suddenly stopped, and was not resumed until Dec. 11. Although no official announcement was made on the German side attributing any blame to the Soviet authorities, the

hold-up was attributed in the West German press partly to delays in the Soviet-German discussions on the detailed arrangements connected with the establishment of embassies in Bonn and Moscow, and partly to Soviet demands for the repatriation of 100,000 Soviet nationals allegedly held in Western Germany (see below). This assumption was confirmed by the fact that, following German agreement to the proposed appointment of M. Zorin as Soviet Ambassador, and a German statement on the repatriation of Soviet nationals (see below), it was announced by the Soviet authorities on Dec. 8 that further transports of prisoners were on the way.

Accordingly, between Dec. 11, 1955, and Jan. 16, 1956, most of the remaining prisoners, both military and civilian, arrived back in Eastern and Western Germany. M. Semeonov, a Soviet Deputy Foreign Minister and former High Commissioner in Eastern Germany, stated on Jan. 26 that all the 9,626 prisoners had been sent home except for a few who were ill and who would be repatriated after discharge from hospital. This figure was confirmed on Feb. 3 by Professor Oberlander (Federal Minister for Refugee Questions), who added, however, that it was believed that 100,000 of the 600,000 - 750,000 Germans deported by the Red Army from the former German eastern territories were still alive in the Soviet Union.

The majority of those repatriated were released unconditionally, but 269, who arrived on Dec. 17 under escort, were handed over to the East German authorities as war criminals with unexpired terms of imprisonment, and were sent to Bautzen prison. Another 450 former members of the *Wehrmacht*, S.S., or police were returned to the West German authorities on Jan. 14, 1956, being described as "major war criminals"; in this connexion the Soviet authorities informed the Federal Government that documentary evidence of atrocities committed by this group would be delivered in due course, to provide the basis for further imprisonment in Western Germany. Of the remaining 30 prisoners, 22 had previously arrived in Western Germany, two had been detained in Eastern Germany, three were returned with other transports, and three others had died before repatriation. Of those detained in Bautzen prison, 68 were subsequently returned by the East German authorities to Western Germany on April 14, 1956

Those released unconditionally included a considerable number of former *Wehrmacht* generals, among them ex-General Walter von Seydlitz-Kurzbach, who had been second-in-command to Field-Marshal Paulus during the siege of Stalingrad, and who later joined the "Free German Committee" formed by the Soviet Government after the surrender of the German garrison of that city. Former Nazis repatriated included Heinz Linge (Hitler's valet), ex-Major-General Hans Baur (Hitler's personal pilot), ex-Major-General Rattenhuber (commander of Hitler's S S escort battalion), Karl-Heinz Pintsch (former personal aide of Rudolf Hess), Wilhelm Eckold (head of Goebbels' police bodyguard), Rudolf Jordan (ex-*Gauleiter* in the Brunswick area), and Professor Karl Clauberg, head of the "experimental medical centre" at the Auschwitz concentration camp, where he conducted experiments in sterilization on a large number of women prisoners.

Of the civilians released, a considerable number were women, some accompanied by children born in captivity. Others included Kurt Müller, a former Communist member of the *Bundestag* and one-time deputy chairman of the West German Communist Party, who had disappeared during a visit to Berlin in March 1950; Herr Leo Bauer, another German Communist leader and editor-in-chief of East Berlin Radio at the time of his arrest in 1950, who was sentenced to death in East Germany in 1953 for "treasonable activities"; Herr Bernhard von Mutius, who had been assistant to Herr Dertinger (the former East German Foreign Minister arrested in 1953, and sentenced to 15 years' hard labour in 1954); and Herr Dieter Friede, a West Berlin journalist who had been kidnapped and taken to the Eastern sector of Berlin in November 1947.

Soviet Demand for Return of Soviet Refugees in Western Germany.

Following Marshal Bulganin's allegation that more than 100,000 Soviet nationals were "detained" in Western Germany (see page 14426), the Soviet Committee for Return to the Homeland (which has its offices in East Berlin) requested the German Federal authorities on Oct. 31, 1955, to assist in repatriating these Soviet citizens. The East German News Agency announced that Major-General Michailov, chairman of the committee, had written to that effect to the Federal Minister of the Interior, Dr. Schroder.

In a statement on Dec. 2, Herr von Brentano told the *Bundestag* that the Federal Republic would not hold back any Soviet citizens who wanted to return to the U.S.S.R.

"It is beyond dispute," Herr von Brentano declared, "that no Soviet citizen will be hindered by us from returning to the Soviet Union if he wishes to go. If the Soviet Union doubts this, we shall gladly let them see for themselves that no Soviet citizen or any one is prevented from returning if he wishes to do so." The statement was made in reply to a question by Dr. Gille (Refugee Party), who quoted an article in *Izvestia* suggesting that the return of Soviet citizens from Germany was a condition for resuming the repatriation of German prisoners from the Soviet Union, which had stopped suddenly on Oct. 20 (see above).

In reply to a Soviet Note of March 9, 1956, which alleged that large numbers of Soviet citizens were being held against their will in camps and prisons in the Federal Republic, the German Federal Government completely denied this allegation but stated that it was prepared to release 31 Russians who were at present serving sentences in West German prisons, and to hand them over to the Soviet authorities for repatriation.

The German reply said that 51 Russians serving sentences in the Federal Republic had asked to be repatriated; that in 31 cases the judicial authorities of the *Länder* concerned had agreed to the release of the Russians before completion of their sentences; and that the other 20 applications were still under consideration.

With regard to displaced persons and refugees from the U.S.S.R. now living in Western Germany, the German Note pointed out that all such persons enjoyed the protection of the U.N. High Commissioner for Refugees; that they had been given rights equivalent to those of German nationals; that they possessed international travel permits enabling them to leave Germany at any time; and that the Federal Government would "respect" the request of any foreigner for repatriation and would help him to leave Germany. The Note also offered that if any of these displaced persons or refugees were undecided and wished to talk the matter over with a Soviet representative, a meeting could be arranged. It declined, however, a Soviet request for a complete list of all these refugees, and for the visit of Soviet representatives to refugee camps, without the individual refugees' consent.

According to the authorities in Bonn, there were about 30,000 refugees from the Soviet Union in Western Germany, as well as 50,000 refugees from the former Baltic States and those areas of Poland annexed by the U.S.S.R. after the Second World War.

Earlier Soviet Releases of German Prisoners.

Between Sept. 25, 1953, and Nov. 27, 1953, about 4,500 Germans who had been imprisoned on charges of war crimes were returned by the Soviet Union to Eastern and Western Germany, under an agreement between the U.S.S.R. and the East German Government. About 5,000 more were released between Dec. 28, 1953, and the beginning of January, 1954.

Those returned included both military and civilian prisoners, the latter including several hundred women, some accompanied by children born in captivity. The women had all been imprisoned since the end of the war on various charges of "war crimes" or being "members of the *bourgeoisie*." The military included a considerable number of officers, among them some 20 former generals released from a special camp for German generals at Ivanovo, near Moscow.

The most prominent German general released during 1953 was the former Field-Marshal von Paulus, commander of the German Sixth Army at Stalingrad, and leader of the Free German Movement formed in Moscow amongst German officers in captivity. His release was announced on Oct. 26, 1953.

On Jan. 19, 1955, the Soviet High Commission officially announced the release of Field-Marshal Ferdinand Schörner, who commanded the German forces in Czechoslovakia at the end of the war, and of Vice-Admiral Hans Voss, chief naval liaison officer at Hitler's wartime headquarters. Schorner had been sentenced by a Soviet military court in 1948 to 25 years' imprisonment on charges of war crimes committed in the Soviet Union, where he had commanded a German army group.

Upon his return to Western Germany on Jan. 28, 1955, Schörner was received with marked hostility, the German Press alleging that he had behaved with extreme cruelty to his own men and had abandoned them during the closing phases of the war. Specifically, he was accused of having set up summary courts-martial in the final stages of the war which had ordered the execution of numbers of German soldiers for alleged desertion or indiscipline. In reply to a request by Schorner for a court hearing on these charges, Dr. Adenauer informed him on Feb. 1, 1955, that legal proceedings would be initiated. While this investigation was still proceeding it was reported on Feb. 5, 1956, that a Bavarian court had upheld Schörner's claim for financial compensation as a released prisoner-of-war.

The mass release of German prisoners from Soviet prison camps was not resumed until September, 1955, in which month nearly 1,100 soldiers and civilians returned to Eastern or Western Germany. These releases immediately preceded those under Marshal Bulganin's promise to Dr. Adenauer.

It was officially announced in East Berlin on Dec. 22, 1955, that the East German Government had granted an amnesty to 2,616 war criminals whom the Soviet authorities had handed over a considerable time earlier to the custody of the authorities Eastern Germany.

(Frankfurter Allgemeine Zeitung - A.D.N. Agency, East Berlin - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times) **(Prev. rep. Moscow Agreement, 14425 A; War Criminals, 14459 B.)**

A. INDIA. — Reorganization of Indian States. - The States Reorganization Bill and Constitution (Ninth Amendment) Bill. - Agreement with Akali Sikhs on Union of Punjab and PEPSU. - Merger of Andhra and Telengana. - Abandonment of Proposed Merger or Limited Union of West Bengal and Bihar.

A draft of the Indian Government's States Reorganization Bill was placed before both Houses of Parliament on March 16, prior to its submission to the State Legislatures for consideration. The main features of the Bill, under which India would consist of 15 States and seven Centrally-administered Union Territories, are summarized below.

Reorganization of States. (1) The 15 States would be (1) Andhra-Telengana; (2) Assam, (3) Bihar; (4) Gujerat; (5) Kerala; (6) Madhya Pradesh, (7) Madras, (8) Maharashtra, (9) Mysore, (10) Orissa; (11) the Punjab; (12) Rajasthan, (13) Uttar Pradesh, (14) West Bengal; (15) Jammu and Kashmir.

(2) The existing States of Punjab and PEPSU would be merged in a bilingual Punjab State, with regional committees for the Hindi- and Punjabi-speaking areas (see below) A Constitution Amendment Bill would empower the President to define the functions and powers of these committees.

(3) Andhra and the Telengana area of Hyderabad would be united in a single State, with regional committees to safeguard the interests of each (see below). The functions and powers of these committees (which would consist of members of the two State Assemblies, excluding the Chief Minister) would be defined by the President.

(4) No provision was made for territorial adjustments between West Bengal and Bihar or for the proposed merger of the two States, as this question was still under consideration. A separate Bill would implement any decisions which might be taken

(5) Full details were given of the proposed boundaries of each State and Union Territory. The Reorganization Commission's proposal for the transfer of the Bellary district to Andhra, which had been strongly criticized in Mysore, was rejected.

(6) Boundary commissions would be appointed, if necessary, to examine territorial adjustments between States.

(7) The reorganized States would come into being on Oct. 1, 1956.

Union Territories. (1) The following would be administered as Union Territories. (1) Bombay City; (2) Delhi, (3) Himachal Pradesh; (4) Manipur; (5) Tripura, (6) the Andaman and Nicobar Islands; (7) the Laccadive, Minicoy, and Amindivi Islands

(2) The Union Territories would be administered by the President through a Chief Commissioner or other authority appointed by him.

(3) The status of Himachal Pradesh as a Union Territory would be only provisional, as it would ultimately be merged with the Punjab.

Zonal Councils. (1) The States and Union Territories would be grouped into five zones, viz, Northern (the Punjab, Rajasthan, Jammu and Kashmir, Delhi, and Himachal Pradesh); Central (Uttar Pradesh and Madhya Pradesh), Eastern (Bihar, West Bengal, Orissa, Assam, Manipur, and Tripura); Western (Maharashtra, Gujerat, and Bombay City), and Southern (Andhra-Telengana, Madras, Mysore, and Kerala).

(2) A permanent council would be set up for each zone This would consist of a Minister of the Central Government to be nominated by the President; the Chief Minister of the constituent States; two other Ministers from each State, to be nominated by the President; one member from each Union Territory, to be nominated by the President; and (in the Eastern zone) the Adviser for Tribal Affairs to the Governor of Assam. The Union Minister would be chairman of the council, and each Chief Minister would act as vice-chairman for one year in rotation.

(3) Each council would have a permanent secretariat and the following advisers: (*a*) one person nominated by the Planning Commission; (*b*) the Development Commissioners of the States included in the zone, (*c*) the Chief Secretaries of the States.

(4) The functions of the councils would be purely advisory. They would be competent to discuss any matter in which some or all of the member-States and/or the Union had a common interest, and to tender advice to the Governments concerned.

Parliamentary Representation. The representation of the States and Union Territories in the two Houses of Parliament, and the number of seats in the State Assemblies, would be as follows.

States	House of the People	Council of States	State Assembly
Andhra-Telengana	43	18	301
Assam	12	7	108
Bihar	55	23	330
Gujerat ..	22	11	154
Kerala	18	9	126
Madhya Pradesh	36	16	288
Madras . . .	41	17	205
Maharashtra .	40	17	240
Mysore . ..	26	12	182
Orissa ..	20	10	140
Punjab. .. .	22	11	154
Rajasthan . .	22	10	176
Uttar Pradesh .	86	34	430
West Bengal ..	34	15	238
Jammu and Kashmir	6	4	—
Union Territories			
Bombay City	5	3	—
Delhi	4	2	—
Himachal Pradesh .	3	1	—
Manipur	2	1	—
Tripura . ..	2	1	—

Delimitation of Constituencies. In order that general elections might be held early in 1957 and the new State Assemblies properly constituted, a Delimitation Commission would be set up as soon as the Bill was enacted.

State Legislatures. (1) Interim Legislative Assemblies would be set up in the new States, and would function until general elections were completed and the new Assemblies had been summoned.

(2) All sitting members of the existing Assemblies, including those of Coorg, Ajmer, Bhopal, and Vindhya Pradesh, would become members of the provisional Assemblies of the States to which the territory comprised in their present constituencies was transferred either wholly or in part.

(3) Special arrangements were made for Kerala, the Punjab, and Andhra-Telengana, in view of the fact that elections (which are for a five-year period) had been held in Travancore-Cochin and PEPSU in 1954 and in Andhra in 1955 Because in the provisional Kerala Assembly there would be considerable disparity between the representation of the Travancore-Cochin population and that of the Malabar population (to be transferred from Madras), whilst in the new Punjab Assembly the PEPSU region would be over-represented as compared with the present Punjab region, it was proposed to equate the duration of the provisional Kerala and Punjab Assemblies to those of the existing Madras and Punjab Assemblies (i.e to hold elections in 1957). The Andhra Assembly would continue to sit until 1960, but elections would be held in Telengana simultaneously with the next elections to the House of the People in that area.

(4) In Madhya Pradesh an Upper House or "Legislative Council" would be elected by the members of the new Legislative Assembly to be formed after the general elections.

(5) The existing Legislative Councils in the Punjab and Mysore would be enlarged by the inclusion of representatives of the territories to be added to those States

Financial Provisions. (1) In order that the administration of a new State might be carried on until the State Legislature had sanctioned expenditure from the consolidated fund of that State and passed the necessary Appropriation Act, the Governor or *Rajpramukh* would be empowered to authorize such expenditure for a period of three months.

(2) Such assets as land, buildings, stores and other goods, arrears of taxes, and assets of State undertakings would pass to the successor State in which the assets were located, or with which they were territorially connected. Where there was more than one successor State, such assets as treasury and bank balances, the right to recover external loans and advances, and credits in certain funds would be divided between them according to the ratio in which the population of an existing State (as ascertained at the 1951 census) was distributed among them. The Central Government would decide the population ratios in all relevant cases.

(3) The public debts of the States affected by reorganization would be divided according to the population ratio, as had previously been done on the formation of Andhra (see 13165 A) The public debts of Bombay and Hyderabad States, however, would stand transferred to the Central Government on Sept. 30, 1956, and the Central Government would be deemed to have made a loan to each of these States of an amount equal to the debt so transferred, in order that Andhra and Maharashtra, as the principal successor States of Hyderabad and Bombay respectively, might not be saddled with an exaggerated debt which might affect their future borrowings

High Courts. (1) The existing Bombay High Court would become the High Court for Gujerat, Maharashtra, and Bombay City.

(2) The High Courts of Hyderabad, Madhya Bharat, PEPSU, and Saurashtra, and the Judicial Commissioners' Courts in the Part "C" States, would be abolished.

(3) The remaining High Courts would become High Courts for the corresponding new States. The Kerala High Court would have jurisdiction over the Union Territory of the Laccadive, Minicoy, and Amindivi Islands.

(4) The locations of the High Courts and Circuit Courts in the new States would be prescribed by the Chief Justices concerned, with the approval of the Governors.

Administrative and Police Services. (1) The cadres of the Indian Administrative and Police Services for Bombay, Madhya Pradesh, the Punjab, Vindhya Pradesh, and all Part "B" States would be wound up, and the members would be allocated to the State cadres for the new States, or for other existing States, by order of the Central Government.

(2) All other members of the State services in Part "B" or "C" States completely merged in a new State would be deemed to be allotted to that State. Those serving in any other State affected by the reorganization would provisionally continue to serve in the principal successor State, unless required by the Central Government to serve provisionally in another successor State.

(3) The Central Government was empowered to set up one or more advisory committees to assist in the determination of the final allotment of Government servants, in the integration of the services, and in ensuring fair treatment to all persons affected by the reorganization.

(4) The Public Service Commissions for the existing States of Mysore, Punjab, Rajasthan, and Travancore-Cochin would become Public Service Commissions for the corresponding new States.

(5) The Public Service Commissions for Bombay, Hyderabad, Madhya Bharat, Madhya Pradesh, PEPSU, and Saurashtra would cease to exist. Each of their members would be transferred to such of the Public Service Commissions for Andhra-Telengana, Gujerat, Madhya Pradesh, Maharashtra, the Punjab, and Mysore as the President might specify by Order.

Safeguards for Minorities. The Constitution would be amended to ensure that each State and local authority should endeavour to provide "adequate facilities for instruction in the mother-tongue at the primary stage of education to children belonging to linguistic minority groups," and that the President might issue "such directions to any State as he considers necessary or proper for securing the provision of such facilities."

The Home Minister (Pandit Pant) formally introduced in the House of the People on April 18 (*a*) the States Reorganization Bill in the form earlier published, and (*b*) the Constitution (Ninth Amendment) Bill, providing for a number of amendments to the Constitution arising from the proposed reorganization of States.

These amendments included the abolition of the distinction between Part A, B, and C States, the re-allocation of seats in the Council of States and the House of the People between the various States; provision for the appointment of a common Governor for two or more States, an increase in the maximum membership of the Upper Houses of State Legislatures from one-fourth to one-third of the membership of the State Assembly; the introduction of an Upper House for Madhya Pradesh, changes in the provisions relating to the High Courts and High Court judges, including provision for the establishment of common High Courts for two or more States, and for the extension or exclusion of the jurisdiction of a High Court to a Union Territory; the administration of Union Territories, including provision for the possible constitution of a Council of Advisers to the respective Chief Commissioners; and authority for the Governor of a State to delegate to the Union Government or its officers State executive functions (a clause which would make possible the execution of certain development projects in the States by the Central Government).

After consideration of the Bill, the House of the People adopted on April 26 a motion by Pandit Pant to refer the Bill to a joint select committee of both Houses of Parliament, the committee being asked to report back by May 14. On April 27 the *Lok Sabha* also accepted a similar motion to refer the Constitution (Ninth Amendment) Bill to the same joint committee. The Council of States concurred with both decisions.

The debate in the *Lok Sabha* centred largely upon the future of Bombay City. In winding up the debate, Pandit Pant claimed that there had been no marked difference of opinion with regard to any provisions of the States Reorganization Bill except on the Bombay question.

Reactions in the State Assemblies to the States Reorganization Bill, and other recent developments relating to this question, are described below.

Agreement on the Punjab.

Following prolonged negotiations between Mr. Nehru and other Government and Congress leaders, on the one hand, and representatives of the Akali Dal (the Sikh communal organization led by Master Tara Singh), on the other, an agreement was reached early in March on the reorganization of the Punjab, PEPSU, and Himachal Pradesh, and approved on March 11 by the General Council of the Akali Dal. The main provisions of the agreement—which represented a compromise between the Hindu demand for the union of all three States in a "Greater Punjab," and the Akali Sikhs' demand for a separate Punjabi-speaking State—were as follows:

(1) The Punjab and PEPSU would be merged in a single bilingual State with a common Governor, Ministry, Legislature, Public Service Commission, and High Court. The predominantly Hindu State of Himachal Pradesh would provisionally become a Union Territory.

(2) For the transaction of Government business with regard to certain specified matters, the State would be divided into two regions, one Hindi-speaking and the other Punjabi-speaking.

(3) For each region there would be a Regional Committee of the Punjab State Assembly, consisting of members of the Assembly, including the Ministers, belonging to the region, but excluding the Chief Minister.

(4) Legislation regarding the specified matters would be referred to the Regional Committees, who could also make legislative proposals to the State Government. Advice tendered by the Regional Committees would normally be accepted by the Government and the State Legislature, but in the event of a difference of opinion the matter would be referred to the Governor, whose decision would be final and binding.

(5) The Regional Committees would deal *inter alia* with development and economic planning (within the framework of general development plans formulated by the State Legislature), local government; public health; primary and secondary education; agriculture; cottage and small-scale industries, livestock; fisheries; co-operative societies; and charitable and religious institutions.

(6) The demarcation of the Hindi and Punjabi regions would be carried out in consultation with the State Government and other interests concerned.

(7) Both Punjabi and Hindi would be recognized as official languages of the State. At district level and below, the official language of each region would be the regional language. The State Government would set up two separate departments for promoting the Punjabi and Hindi languages.

The proposals contained in the States Reorganization Bill were unanimously approved by the PEPSU Legislative Assembly on March 22.

The Bombay City Controversy.

The Bombay Legislative Council approved the States Reorganization Bill on April 4 by 30 votes to five, 16 Congress members from Marathi-speaking areas abstaining. An amendment for the inclusion of Bombay City in Maharashtra had previously been rejected by 30 votes to seven, with 12 abstentions.

The Hyderabad State Assembly, when discussing the Bill (which provides for the incorporation of five districts of Hyderabad in Maharashtra), adopted on April 12 an Opposition amendment proposing the inclusion of Bombay City in Maharashtra. The voting was 69 to 60, the Congress members from Telengana and Karnataka opposing and 37 Congress members from Marathi-speaking areas abstaining.

Merger of Andhra and Telengana.

Mr. Nehru announced on March 5 that the Central Government had decided to merge Andhra and Telengana without any further waiting period, as originally proposed. However, to remove the fears of the people of Telengana that they might be dominated by Andhra, two regional committees would be set up, with responsibility for regional development, education, and the Government services.

The Andhra Legislative Assembly adopted the States Reorganization Bill on April 6, and the Hyderabad Legislative Assembly on April 12. Both Assemblies passed, without a division, an amendment seeking to change the name of Andhra-Telengana to Andhra-Pradesh. They also voted in favour of Hyderabad City becoming the capital of the combined State.

Madras. - The "Dakshina Pradesh" Question.

The Madras Assembly, when discussing the States Reorganization Bill on March 29, rejected amendments that the State should be renamed "Tamil Nad," and that the largely Tamil-speaking areas of Devicolam and Permeedu should be transferred from Travancore-Cochin to Madras.

Widespread controversy was aroused during the early months of 1956 by a proposal that Madras, Mysore, and Kerala should be united in a single multilingual State, to be known as "Dakshina Pradesh." This plan was supported by an influential section of the Congress Party, including Mr. Rajagopalachari (the former Governor-General of India and Chief Minister of Madras), but was opposed by the left-wing parties, which called a general strike on Feb. 20 in protest against the proposal.

Uttar Pradesh.

Opening the debate in the U.P. Assembly on April 20, the Chief Minister (Dr. Sampurnanand) opposed the formation of a zonal council for Uttar Pradesh and Madhya Pradesh as unnecessary and expensive, on the ground that there was no problem affecting the two States which could not be settled by mutual consultation. He also advocated the merger of Vindhya Pradesh, or at least of the Baghelkhand area of that State, with Uttar Pradesh, emphasizing that the U.P., which was primarily agricultural, needed the mineral resources of that area. A motion in favour of this proposal was carried unanimously.

Abandonment of Proposals for Merger or Union of West Bengal and Bihar.

The Chief Minister of West Bengal, Dr. Roy, reaffirmed his support for the proposed merger of West Bengal and Bihar on Jan. 31, but laid down the following conditions for its implementation:

(1) The new State should be called "the United States of West Bengal and Bihar"; (2) assurances should be given that the culture and language of each State would be protected; (3) both Bengali and Hindi should be official languages, with pre-eminence for Bengali in West Bengal and Hindi in Bihar, (4) the two languages should be equally encouraged in border areas, (5) the development projects and Five-year Plans proposed by each State should continue to be implemented by that State, (6) the resources which would be developed by each area, as approved by the Planning Commission, should continue to be employed in that area; (7) recruitment to the higher posts of the Public Service should be open to residents of either State, (8) recruitment to the lower posts in each area should normally be made from among the residents in that area; (9) there should continue to be two High Courts; (10) in addition to a Chief Minister from one region, there should be a Deputy Chief Minister from the other region, (11) Chief Ministers should be chosen alternately from the two regions; (12) two regional councils should be set up, with power to make recommendations on education, public health, and other social services, (13) the existing land system, tenancy laws, modes of taxation, and provision for social services in each State should not be interfered with except by common consent; (14) Calcutta should be the principal capital, with Patna as a second capital.

These conditions were interpreted by the Indian Press as a reflection of fears in West Bengal that the larger population of Bihar would enable it to dominate the proposed new State. [The 1951 census gave the population of Bihar as 40,218,916, and that of West Bengal as 24,786,683.]

The West Bengal Congress Parliamentary Party decided on Feb. 18 to support the merger, provided that these conditions and a number of others were fulfilled: e g. that there should be parity of representation for the two regions in the Upper Chamber of the united State, and that either unit should have the unilateral right to secede. Finally, the West Bengal Pradesh Congress Committee approved the merger on March 18, on condition that the safeguards outlined by Dr. Roy were given constitutional and statutory sanction; that the unilateral right of secession was granted; and that, in the event of secession, the boundaries of the two States should be readjusted on the basis of the States Reorganization Commission's recommendations as modified by the Central Government.

The proposed merger was approved by the Bihar Assembly on Feb. 25 by 157 votes to 25, after an amendment approving the merger subject to " a clear verdict in favour of union by the people of both States through a plebiscite " had been rejected by 156 votes to 35. The Chief Minister of Bihar (Dr. Sinha) emphasized during the debate, however, that the adoption of the resolution would not mean that Bihar would accept all the conditions laid down by West Bengal, and that only those conditions which were agreed to by both States would be binding. He also expressed the hope that there would be no need to change the existing boundary of the two States after the union.

Outside the Congress Party the merger proposals met with widespread opposition in West Bengal The Senate of Calcutta University adopted on Jan. 31 a resolution requesting that the proposal be dropped, whilst in local elections in two Calcutta suburbs (Feb. 19) left-wing and independent candidates opposed to the merger won 20 out of the 26 seats. A *hartal* called by the Linguistic State Reorganization Committee (comprising representatives of the Communists, Praja Socialists, and other left-wing parties) and other bodies opposed to the merger brought Calcutta to a standstill on Feb. 24; all bazaars, shops, schools, and colleges, and almost all offices and factories, were closed, no public transport or private cars appeared on the streets, and train services were practically suspended throughout West Bengal. The *hartal* was followed by a widespread civil disobedience campaign organized by the Linguistic State Reorganization Committee, as a result of which 2,385 people had been arrested by April 1 for defying orders against public demonstrations.

In view of the disagreement between the two State Governments, and the public opposition to the project, Dr. Roy and Dr. Sinha had discussions in Delhi from April 14-16 with Pandit Pant and Dr. Azad (Minister of Education), as a result of which it was agreed to abandon the merger scheme. The two Chief Ministers were reported, however, to have reached general agreement on the fundamentals of a new scheme proposed by Dr. Roy for a union of West Bengal and Bihar, under which (*a*) the two States, while retaining their separate identities, would have a common Chief Minister and Cabinet; (*b*) the State Legislatures would meet in joint session to deal with matters of common interest; (*c*) Calcutta and Patna would remain State capitals; and (*d*) there would be a High Court for each State.

After further discussions in Delhi, however, Dr. Roy formally announced on May 3 that he had also decided to withdraw his proposal for the union of West Bengal and Bihar. Though he still believed that the problem of West Bengal could not be solved merely by the transfer of a small area from Bihar, he felt that he had to " bow to the opinion of the people." In this connexion he referred to the result of a recent parliamentary by-election in North-West Calcutta in which Mr. Mohit Moitra, secretary of the Linguistic States Reorganization Committee, had defeated the Congress candidate.

On April 26 Dr. Roy had issued a statement in which he reiterated the claims of West Bengal for the transfer of certain border areas from Bihar, as proposed by the States Reorganization Commission and adopted with modifications by the Central Government. Dr. Roy's demand met with strong opposition in Bihar, where the president of the Bihar Pradesh Congress Committee (Mr N. K. Singh) maintained that a union between the two States, as then proposed by Dr. Roy, would completely remove the grounds for such a transfer.

As a result of Dr. Roy's decision to abandon not only the merger but also the union scheme between the two States, the Linguistic States Reorganization Committee in Calcutta announced on May 4 that it had abandoned its *satyagraha* campaign against any such plans.—(The Hindu, Madras - The Statesman, Calcutta - Hindustan Times, Delhi - Indian High Commissioner's Office, London)

(Prev. rep. States Reorganization, 14688 A; 14616 A.)

A. INTERNATIONAL BANK. — Recent Loans.

The following loans were made by the International Bank in recent months:

Burma. Two loans totalling $19,350,000 on May 4: (*a*) $14,000,000 to the Commissioners for the Port of Rangoon to help finance the reconstruction of cargo berths and storage facilities and the purchase of floating equipment, such as dredgers and tugs. Terms: 3¾ per cent per annum interest, plus 1 per cent p a. commission, repayable in 20 years beginning April 15, 1960. The loan was guaranteed by the Burmese Government. (*b*) $5,350,000 to the Burmese Government for the purchase of freight cars, diesel railcars, and bridge construction materials for the rehabilitation and development programme of Burma Railways. Terms: 3¾ per cent p a. interest, plus 1 per cent p.a. commission; repayable in 15 years starting on Oct. 15, 1959.

Ecuador. $5,000,000 on March 29 to the *Empresa Electrica Quito* to help pay for equipment for hydro-electric and thermal power projects which will nearly triple power supplies to Quito, the capital. The Bank of America participated in the loan, without the International Bank's guarantee, to the extent of $197,000. Terms: 3¾ per cent p.a. interest, plus 1 per cent p.a. commission, repayable in 20 years beginning Aug. 1, 1959. The loan was guaranteed by the Government of Ecuador.

Haiti. $2,600,000 on May 7 to the Haitian Government to help finance a three-year highway improvement programme The Royal Bank of Canada participated in the loan, without the International Bank's guarantee, to the extent of $413,000. Terms. 3½ per cent p.a. interest, plus 1 per cent p.a. commission; repayable in 10 years, starting on July 1, 1959

Japan. The equivalent of $8,100,000 on Feb. 21 to the Japan Development Bank to help finance the modernization of four Japanese steel, shipbuilding, and motor-car concerns, to whom the Japan Development Bank would re-lend the proceeds—viz., the Nippon Steel Tube Co. Ltd ($2,600,000), the Mitsubishi Shipbuilding and Engineering Co. Ltd ($1,500,000), the Ishikawajima Heavy Industries Co Ltd ($1,650,000), and the Toyata Motor Company Ltd. ($2,350,000) The total cost of the projects involved will be equivalent to about $25,500,000, and the loan will be used to meet the foreign exchange required for importing more than 100 machines and machine-tools from the U S A., Britain, Western Germany, Switzerland, France and Italy. The Chase Manhattan Bank participated in the loan, without the International Bank's guarantee, to the extent of $1,076,000. Terms. 3¾ per cent p.a. interest, plus 1 per cent p a. commission, repayable within 15 years, beginning Feb. 15, 1958.

Norway. $25,000,000 on May 23 to the Norwegian Government to help finance the Tokke hydro-electric project (see 14674 A). The total estimated cost of the Tokke project will be 500,000,000 kroner ($70,000,000) and the balance not covered by the International Bank's loan will be met by the Norwegian Government out of taxation and from bond issues to local authorities benefiting from the scheme. Terms: 3¾ per cent p.a interest, plus 1 per cent p a. commission; repayable in 20 years, starting in August 1961.

These loans were the first to Burma and Haiti, the second to Ecuador, the third to Norway, and the fifth to Japan They brought the total of loans made by the International Bank since its creation to $2,530,000,000 in 43 countries.
(International Bank, Washington) **(Prev. rep. 14594 A.)**

B. BRITISH TOGOLAND. — Plebiscite on Future Status. - Majority for Integration with Gold Coast.

A plebiscite was held under U.N. supervision in British Togoland on May 9 on the future status of the territory, in accordance with the decision taken at the 10th session of the U.N. General Assembly (see page 14672). It resulted in a considerable majority in favour of the territory's integration with the Gold Coast after the latter had achieved independence. Out of a total of 159,304 votes cast, 92,775 were in favour of integration with the Gold Coast and 66,529 in favour of continued British trusteeship under the U.N. The total electorate numbered 194,613.

Integration with the Gold Coast, which was advocated by the Convention People's Party (the ruling party in the Gold Coast), had overwhelming support in the northern part of the territory, where the unionists polled 48,796 votes, against only 12,740 in favour of the continuation of British trusteeship In the south, however, the unionists polled only 43,979 votes, against 53,789 in favour of continued British trusteeship, which was advocated by the Togoland Congress Party. The southern part of British Togoland is inhabited by the Ewes, who also live in French Togoland and whose aim is the eventual unification of the two territories.

The final decision on the future of British Togoland will be taken at the 11th session of the U.N. General Assembly.
(United Nations Information Centre, London) **(14667 A.)**

C. ITALY. — Press. - New Milan Daily.

A new Italian daily newspaper, *Il Giorno*, published its first issue in Milan on April 21. Issued on popular lines, its lay-out differs in many respects from the traditional pattern of the older-established Italian papers. The editor is Signor G. Baldacci, formerly on the staff of the *Corriere della Sera.* (Times)

A. UNITED KINGDOM. — Royal Navy. - Estimates, 1956-57. - The First Lord's Review. - Naval Developments.

The Navy Estimates for 1956-57 were published as a White Paper (Cmd. 9697) on Feb. 23, and are summarized below.

The net total of £346,000,000 for the Navy shown in the White Paper on Defence included the following principal items (1955-56 figures in parentheses): Hulls and Machinery, £36,500,000 (£39,600,000); Armour, Gun Mountings, etc., £10,500,000 (£12,100,000); Aircraft and Repairs, £19,200,000 (£23,100,000); Ship Repairs, etc., £10,600,000 (£14,200,000); Fuel and Lubricants, £18,800,000 (£18,900,000); Stores, Equipment, etc., £37,500,000 (£38,400,000); Guns, Torpedoes, and Mines £3,700,000 (£6,900,000); Ammunition, £11,700,000 (£10,800,000).

The Estimates provided for a manpower strength of 128,000 at April 1, 1956, and for a reduction of about 6,000 during the year. It was stated that the decline in Regular recruiting had been less acute, with some improvement in the engineering mechanic branch, but that entry for several of the smaller branches had again fallen.

As regards re-engagements, about 40 per cent of Naval (and under 20 per cent of Royal Marine) other ranks completing 12-year engagements during 1955-56 had re-engaged to complete time for pension. The proportion of Naval ratings on seven-year engagements who had decided to stay on, however, was very low.

As it was no longer satisfactory to run side-by-side the existing initial engagements of 12 years' continuous service or of seven years' special service, followed in each case by five years in the Royal Fleet Reserve, these had been replaced by a single initial engagement of nine years from entry or from the age of 18 (whichever might be the later). Re-engagement would in the first place be for a further five years' service, and thereafter to a total of 22 years for pension. This would mean that men who at the end of their initial engagement decided not to remain in the Navy would still be young enough to begin again in new jobs.

Changes had also been made in the system of entry and training of officers, and permanent officers of the executive, engineering, supply and secretariat, and electrical branches would be combined into a General List from Jan. 1, 1957. Except for electrical specialists, there would be a common entry of cadets into Dartmouth, and specialization would be decided on midway through their training. In their subsequent careers the officers of the various specializations would all be eligible for certain appointments (the aim being eventually to pool all promotions to the rank of captain and above), but the command of ships and aircraft would necessarily be reserved to officers with suitable experience. This should enable the talents of officers to be used more effectively, and give greater equality in reaching the higher ranks. The minimum age of compulsory retirement for General List officers would be raised to 50.

An accompanying memorandum by the First Lord of the Admiralty (Viscount Cilcennin) stressed that in addition to the Navy's task of keeping the sea lanes free in global war, naval power also played a prominent role in peacetime in supporting Britain's policy throughout the world, and ensuring that her trade continued unmolested. For example, during 1955-56 ships of the Mediterranean Fleet had kept constant watch against the smuggling of arms to Cyprus, Royal Marine commandos had strengthened the Army's security forces, frigates of the East Indies Squadron had patrolled the Persian Gulf and the Arabian coast, and the Royal Navy (including a naval helicopter squadron) had continued to assist the forces fighting the Communist terrorists in Malaya.

A summary of the memorandum presented by the First Lord is given below:

Aircraft-Carriers. The memorandum stated that the construction of the aircraft-carrier *Hermes* and the modernization of the *Victorious* were proceeding satisfactorily. When completed, these ships would be capable of operating "the next generation of naval aircraft," some of which would be able to deliver atomic weapons. Meanwhile, the four front-line carriers now in the active fleet were the *Ark Royal*, *Eagle*, *Albion*, and *Centaur*; these ships and the training carrier *Bulwark* all had angled decks, whilst the *Ark Royal* also had steam catapults H.M.S. *Centaur* would be fitted with steam catapults and improved radar and communications during 1956-57, and would be replaced in the active fleet by H.M.S. *Bulwark*. The light carrier *Warrior* was also about to complete modernization, including the fitting of an angled deck, and other carriers would be brought up-to-date in their turn.

Other New Construction. Work was proceeding well on the three *Tiger* class cruisers (8,000 tons), which would mount fully-automatic six-inch gun turrets. The design of a new type of cruiser with anti-aircraft guided weapons was also going forward, whilst more powerful guided weapons were being designed and would be fitted in future ships During the year two fleet escorts had been ordered, the first of a new and bigger class derived from the successful *Daring* design; these ships would have guided weapons instead of anti-aircraft guns, as well as modern anti-aircraft equipment, radar, and communications. Two more vessels of this type would be ordered during 1956-57.

Fleet Auxiliaries. The force of fleet auxiliaries would also be built up and modernized during 1956-57, and plans prepared for the conversion of the carrier *Triumph* into a heavy repair ship. The conversion of the carrier *Perseus* into a submarine depot ship would also be begun.

Nuclear Power. Pointing out that nuclear power "might well become the main source of propulsion for both naval and merchant ships" in future, the memorandum explained that the Admiralty intended to employ it in the first instance in submarines, but that it had only recently become possible to start practical work on planning a marine nuclear power plant One of the largest submarine-building firms in Britain would co-operate in the project Meanwhile, the submarine had been shown to be capable of great development, both in fighting power and in underwater speed and endurance, and studies were in hand to ensure that the fleet was equipped with the most modern types

Reserve Fleet. The memorandum said that it would not be financially possible to maintain all ships in the high degree of preparedness for mobilization demanded by thermo-nuclear warfare conditions The Reserve Fleet would therefore have to be smaller, with money, manpower, and resources concentrated on the modernization, refitting, and maintenance of those ships which would be manned quickly for service at the outbreak of war A number of ships—mainly destroyers, escorts, and smaller vessels—had been fully refitted, equipped with stores, and manned by skeleton crews, which could be quickly augmented at short notice. Others, although refitted, were not being kept in such a high state of readiness, but could be ready for service in the early stages of a war. As it would be too expensive to bring the remainder up to modern standards, the best ships had been, or would be, made available to friendly navies, and the rest would be scrapped.

Naval Strength. The present strength of the Royal Navy was given as follows

Ships in the Operational Fleet, or preparing for service Total 187, including 2 fleet aircraft-carriers, 2 light fleet aircraft-carriers, 9 cruisers, 8 *Daring* class ships, 21 destroyers, 28 frigates, 2 fast minelayers, 1 netlayer, 44 submarines, 37 minesweepers, 26 coastal craft, 7 landing vessels.

Ships engaged in trials and training Total 67, including 3 light fleet aircraft-carriers, 1 guided weapons trial ship, 1 cruiser, 2 destroyers, 24 frigates, 28 minesweepers, 3 coastal craft, 1 tank landing ship

Fleet support and auxiliaries. 47 vessels.

Ships under construction: Total 108, including 1 light fleet aircraft-carrier, 3 cruisers, 23 frigates, 2 submarines, 69 minesweepers, 10 coastal craft

Ships in reserve or in dockyards for refit, modernization, or conversion. Total 554, including 3 fleet aircraft-carriers, 4 light fleet aircraft-carriers, 5 battleships, 12 cruisers, 44 destroyers, 110 frigates, 1 fast minelayer, 15 submarines, 190 minesweepers, 41 coastal craft, 54 tank landing vessels, 1 net layer, 1 destroyer depot ship, 1 aircraft repair ship, 2 repair ships, 1 aircraft maintenance carrier, 8 maintenance ships, 1 survey ship, 6 controlled minelayers, 52 boom defence vessels, 1 de-gaussing vessel, 1 radar training ship

Research and Development. The memorandum explained that most of the extra money required during 1956-57 would be used in developing guided missiles and nuclear propulsion plant for the Navy, and valves and electronic devices for all three Services. New facilities for hydro-ballistic research were expected to be completed during the year, and would facilitate the study of the behaviour of hulls moving at high speeds under water A new form of anti-submarine "attack teacher" was being developed and an action speed "tactical teacher" of advanced design would be installed at the R.N. Tactical School during 1956 The Admiralty would also take part in the activities planned for the International Geophysical Year.

The Navy Estimates were passed by the House of Commons on March 8 without a division.

Mr. George Ward (Parliamentary and Financial Secretary, Admiralty) said that all the major powers—including Russia, which in recent years had accelerated the building of an already very powerful fleet—recognized the fact that the advent of thermo-nuclear weapons had not diminished the need for navies. Fortunately, if war came the Royal Navy would not stand alone but would form part of the combined NATO fleet.

Even if unlimited money and men were available, Mr. Ward continued, it was very doubtful whether Britain would want anything like the large concentrations of warships of the past New weapons and guided missiles would give navies a far greater hitting power, and battle groups, though smaller, would be more formidable in attack and defence, easier to disperse, and quicker to re-concentrate. The principal striking power of the Navy today was provided by a balanced force of aircraft operating from floating bases, and a programme had been drawn up for fitting all carriers with steam catapults and more powerful arrester gear to enable them to operate the *N.113* and *DH 110* (see 14122 A) The *N.113* would for the present be fitted with four 30-mm Aden guns only, since it had been found that the original intention of fitting both guns and guided weapons would make it too heavy, it would, however, be able to carry an atomic bomb and have good range and speed, whilst the possibility of arming later versions with guided weapons instead of guns was being investigated. The development of the *DH.110*, which would carry guided weapons, was progressing well. Meanwhile, the re-equipment of the Fleet Air Arm with *Sea Hawk* day fighters, *Sea Venom* all-weather fighters, anti-submarine *Gannets*, and *Wyverns* for the strike role had been almost completed, and the only piston-engined aircraft still in the front line were the American *Skyraiders* for radar early warning; these would later be replaced by a special version of the *Gannet*.

After saying that helicopters were proving very efficient at operating asdic sets from the air, and that the Government were also investigating the possible use of helicopters for minesweeping, Mr Ward stated that the first of the new experimental high-speed submarines would be ready for acceptance in April, whilst the second would be completed later in 1956, these submarines would be extremely useful for developing anti-submarine techniques against targets with high submerged speeds. As regards research into nuclear-powered propulsion, Vickers Ltd were setting up a subsidiary company to be known as Vickers (Nuclear Engineering) Ltd., though great possibilities for nuclear propulsion of warships would open up when nuclear power became cheaper and more plentiful, the laying down of a nuclear submarine was "by no means imminent," the first step being to test a nuclear propulsion plant on land

Mr. Wingfield-Digby (Civil Lord of the Admiralty) announced in the ensuing debate that a high-level committee had been set up "to examine the organization at the Admiralty and out-stations (including the dockyards) for dealing with requirements in material, from research to production, and the repair of ships and weapons, and to make recommendations" The members of the committee would be Sir Barclay Nihill, Lieut.-Col. Eustace Smith, of Smith's Docks Co. Ltd ; Mr. W W Watt, managing director of the British Oxygen Co. Ltd.; Admiral Sir Michael Denny, former C.-in-C., Home Fleet, Rear-Admiral Dawnay, Deputy Controller; and Mr. J. F. Mountain, an under-secretary at the Admiralty.

Important developments in connexion with the Royal Navy during recent months are summarized below :

New Submarines and Equipment. H M S. *Porpoise*, the first fighting submarine of conventional type to be laid down in Britain since the war, and the first of six submarines of this class, was launched by Vickers-Armstrong Ltd at Barrow on April 25. Described as "an interim stage between the 'T' and 'A' classes built during the war and the more radical conceptions of the future," the *Porpoise* is 295 feet long and will be powered by diesel-electric engines of advanced design to give the maximum underwater speed possible with this type of propulsion

H M S. *Explorer*, the first of two experimental submarines to be fuelled by high-test peroxide (see 13493 A), and having an underwater speed of over 20 knots, was commissioned on May 8. It was explained that the *Explorer* and her sister ship, the *Excalibur*, would be unarmed and would be used as underwater targets for training surface forces to combat fast submarines. The principle involved in their propulsion was the break-up of concentrated hydrogen peroxide into water and oxygen, and the combination of the free oxygen with diesel fuel to produce steam and carbon dioxide to drive a turbine One advantage of this method was that no exhaust bubbles reached the surface, since the steam became water and the carbon dioxide was dissolved in the sea. As it was not intended that the submarines should run constantly on the very expensive high-test peroxide fuel, they would also be fitted with conventional diesel-electric engines, and would use their high-test peroxide turbines only for special bursts of speed when attacking and escaping

On June 15, 1955, the Admiralty had announced that the first sea trials of a one-man escape chamber—with which all future British submarines were likely to be equipped—had been successfully carried out in Loch Ewe from H M submarine *Solent* It was explained that the escape chamber was operated from within the submarine and that the escaper came to the surface using the "free ascent" method (without the aid of any breathing apparatus) on one deep breath taken before leaving the submarine. The trials had comprised six ascents, three from a depth of 80 feet and three from a depth of 128 feet. It was hoped that the new method would be effective to depths of 300 ft.

New Frigates. Details were published on March 27, 1956, of the frigate H.M S. *Hardy*, the first of the *Blackwood* class of 12 "second rate" frigates of about 1,000 tons displacement The *Hardy*, with an all-welded, lightweight hull designed for speed and fabricated in sections for rapid construction, is equipped with two three-barrelled anti-submarine mortars, firing projectiles which can be set to explode at a pre-determined depth She is also armed with three 40-mm. Bofors anti-aircraft guns and two twin torpedo-tubes.

H.M.S. *Torquay*, the first of the *Whitby* class of six "first rate" frigates of about 2,000 tons, also equipped with three-barrelled anti-submarine mortars, was commissioned on May 8

The Reserve Fleet and the Disposal List. The Admiralty announced on Sept. 12, 1955, that H.M.S. *Vanguard* (43,500 tons displacement), Britain's largest and only operational battleship, would be placed in reserve when she had completed her refit The manpower thus released would be used for "the commissioning of a guided weapons trial ship (H M.S. *Girdle Ness*) and for retaining in commission certain small ships of particular value to the Fleet at the present time." Meanwhile, the *Vanguard* would be kept at a high state of readiness to enable her to be quickly put into active service if necessary.

[The *Vanguard*, completed in 1946 at a cost of £9,000,000, carried the late King George VI and the Royal Family to South Africa in 1947—see 8413 A.]

On Sept. 26 the Admiralty further announced that 22 vessels had been placed on the disposal list, including the aircraft-carrier *Indomitable* (23,500 tons, launched in 1939), the light cruiser *Argonaut* (launched 1941), the submarine depot ship *Montclare* (19,600 tons), and 10 destroyers and frigates.

New Naval Uniform. The Admiralty announced on March 9 that an improved uniform for seamen of the Royal Navy would come into use in 1956. Whilst retaining the traditional "square rig" of collar, jumper, and bell-bottomed trousers, it would have a new coat-style jumper and smoother serge cloth. Uniform caps with detachable white plastic crowns would also eventually replace the existing white caps worn during the summer months.

New "Junior Rating." The Admiralty also announced on the same date that from April 1 the rating of "boy" (first used over three centuries ago) would be replaced by that of "junior rating," and that this method of entry into the Navy, previously confined to the seaman branch, would be extended to include the electrical and engineering branches and the Fleet Air Arm.

Naval Appointments. The following senior appointments were announced in recent months (dates of announcement in parentheses) ·

Admiral Sir Charles Lambe, lately C -in-C , Far East, as Second Sea Lord and Chief of Naval Personnel in succession to Admiral the Hon Guy Russell, with effect from October, 1955 (June 16, 1955).

Admiral the Hon. Sir Guy Russell to succeed Air Chief Marshal Sir Arthur Sanders as Commandant of the Imperial Defence College, with effect from Jan 1, 1956 (June 16, 1955)

Admiral Sir Mark Pizey, Chief of Naval Staff, Indian Navy, as C.-in-C , Plymouth, *vice* Admiral Sir Alexander Madden, with effect from Nov. 1955 (June 24, 1955).

Vice-Admiral W G A. Robson as C.-in-C., South Atlantic, *vice* Vice-Admiral Sir Ian Campbell, with effect from May 1, 1956 (Nov 30, 1955).

Rear-Admiral Royston Hollis Wright, Commodore of the R N. Barracks, Devonport, as Assistant Chief of Naval Staff in succession to the late Rear Admiral M G Goodenough, with effect from mid-January. Rear-Admiral Wright was also promoted to flag rank (Jan. 6, 1956).

Rear-Admiral H W Biggs as C.-in-C., East Indies, *vice* Vice-Admiral Sir Charles Norris, with effect from August 1956 (March 8)

Vice-Admiral J. P L. Reid as Third Sea Lord and Controller of the Navy *vice* Admiral Sir Ralph Edwards, with effect from October 1956 (March 22, 1956)

A statement on the naval position was also made by Viscount Cilcennin in the House of Lords on May 9.

Replying to criticisms of the delay in supplying modern naval aircraft, the First Lord said that after "disappointing delays" new types of aircraft were beginning to come along, the picture being "nothing like as slack as it was six months ago" In particular, the *N 113* and *DH 110* (see above) had successfully completed their deck-landing trials, and offered "every hope for the future" The suggestion that American aircraft should be used to re-equip the Navy was "not as practical as it seems," for U S. naval aircraft of the next generation would be too big for the lifts of British carriers, and Britain was not building carriers of the size of the 60,000-ton U S.S. *Forrestal*

Turning to capital and other large ships, the First Lord stressed that the *Vanguard* would still be a useful vessel and had been earmarked for assignment to NATO in an emergency. The four *King George V* class battleships (35,000 tons) had not been modernized, but it would be premature to scrap them until it was known that they had reached the end of their useful lives. Meanwhile they were being held in reserve at very little cost, the possibility of converting them into platforms for guided weapons having been examined and rejected The Admiralty could not afford to build more cruisers until it was known what future weapons would be. Meanwhile, the most significant step for many years was the conversion of the *Girdle Ness* (originally a merchant ship which had been converted into a depot ship) for guided missile operations. The *Girdle Ness* had been chosen because her hull was particularly suitable, whereas in the case of a cruiser much more conversion work would have been necessary.

The First Lord added that since the new pay rates came into operation, the rates of transfer to long engagements had shown a distinct improvement. Recruitment was also 40 per cent better than a year ago —(Cmd 9697 - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Royal Navy, 14122 A ; Naval Appointments, 14239 B.)**

A. JORDAN. — Financial Aid from Iraq and Egypt.

It was announced in Baghdad on March 14 that Iraq would make a £1,000,000 loan to Jordan as a contribution to a superphosphate project to be established in that country by the economic organization of the Arab League (see 14658 D). A grant of £625,000 had earlier been made by Iraq to Jordan for the some purpose, as well as a contribution of £100,000 towards the expenses of the Jordanian National Guard.

The Egyptian Government announced on March 18 that it had made a grant-in-aid of £E.100,000 towards the upkeep of the Jordanian National Guard. (Times - Daily Telegraph)

B. SOUTH AFRICA.—Dr. Jonker joins National Party.

Dr. A. H. Jonker, Conservative M.P. for the Cape constituency of Gardens, crossed the floor of the House on April 20 to sit with the National Party. Dr. Jonker was elected to the Gardens seat as a United Party candidate in 1948 and again in 1953, but after being expelled from the U.P. (see 13431 D) he helped to form the new National Conservative Party in November 1954.—(Cape Times) **(Prev. rep. 14003 B.)**

A. ARGENTINA. — Suppression of Anti-Government Plots. - Armed Forces placed under Wartime Regulations. - Confiscation of Former Peronistas' Property. - Ex-President Perón granted Asylum in Panama. - Abolition of Prostitution. - Divorce made Illegal. - National Wage Increase. - Cabinet Changes. - Abolition of Peronista Constitution. - Restoration of 1853 Constitution.

A decree was issued on April 6 placing the Argentine armed forces under wartime regulations, and thereby making them subject to summary jurisdiction for acts of rebellion. Explaining that it was the Government's duty to utilize all legal resources "to bring to an end most rapidly, energetically and efficiently those acts by which the morale, discipline and spirit of the armed forces could be disturbed," the decree stated: "Military personnel who commit any act of rebellion or conspiracy, or propose to do so, or to execute any subversive activity or instigate others into doing the same, will be judged by the respective military tribunal under verbal or summary processes established for time of war."

The promulgation of the decree followed a series of plots against the Government of President Aramburu since his assumption of office by *coup d'état* in November last. Although little information about the plots was published officially, the arrest and subsequent compulsory retirement of a number of Service officers indicated that the armed forces had been implicated in a number of cases.

On Dec 8, 1955, the chief of police in Mendoza Province (a retired general) and a number of other senior officers and civilians were arrested for allegedly plotting against the régime, the Governor of the province stating that the provincial police had retained "all the features typical of Perón's régime" On Dec. 19 the Director-General of the Army issued a communiqué announcing that 24 persons had been arrested in connexion with an alleged plot in the city of La Plata aimed at creating public unrest, whilst on Dec 21 the Government Press Office announced that five retired soldiers and 13 civilians had been arrested in the city of Mendoza.

On Dec. 30 the Argentine Press Secretariat announced the names of 125 persons who had been arrested as "agitators" in the Federal capital and in the provinces of Buenos Aires and Santa Fé, and placed on board a naval vessel in Buenos Aires harbour, they included three former secretaries-general of the General Confederation of Labour under the Perón régime—José Espejo, Eduardo Vuletich, and Hector Di Pietro. A further alleged plot against the Government was reported in mid-January, the Government announcing on Jan. 23 that several groups of "subversive" plotters had been arrested; no official statement was issued as to the number of those arrested, but unofficial estimates varied between 85 and 300 A further anti-Government plot was reported at the beginning of April in Mendoza, where some 100 people were said to have been arrested.

Other developments in Argentina since December last are summarized below:

Confiscation of Peronistas' Property. A decree was issued on Dec. 9, 1955, freezing the properties of individuals and companies accused of having made illicit fortunes under the Peronista regime, with a view to their confiscation. It was stated that the proceeds of the confiscated property would be used for housing poor people and for developing Argentina's petroleum industry. The decree also provided for the setting-up of a National Assets Recovery Board to hear objections by those affected, and to administer all the recovered property. The decree gave a long list of firms and individuals affected, including Señor Peron himself and most of his Cabinet Ministers, among the firms listed were the Argentine agencies of the German concerns of Daimler-Benz, Hanomag, Borgward, Bosch, Siemens, Fahr, and Klockner-Humboldt, all of which had established themselves in Argentina since the end of the war. The assets of a further 97 companies were frozen on Dec. 26 and of another 360 individuals on Dec 27 On March 9, 1956, it was announced that the assets of 17 individuals and concerns had been taken over and placed in the special fund, as the owners had failed to justify their ownership and acquisition of these assets

Other Measures against Peronistas. Under a decree promulgated on March 1 all former officials under the Peron régime were barred from holding elective office in future; the decree applied to all offices from Mayor to Cabinet Minister A second decree published on the same day forbade the use for political propaganda of symbols, photographs, or emblems relating to the Peronista party.

Eighteen of the leading collaborators of ex-President Perón left Buenos Aires in a naval aircraft on Jan 9 for banishment to Tierra del Fuego, in the far south of Argentina They included Señor Alejandro Leloir, former chairman of the Peronista Party; General Gamboa, former police chief; Señor Aloe, ex-Governor of Buenos Aires province, and a number of former Cabinet Ministers [As Argentina has been officially under a state of siege since November last, banishment under such circumstances is permitted under the Constitution].

A decree was approved on April 6 providing for the dissolution of the National Investigating Commission, which had been appointed to report on irregularities committed during the Peronista régime. Where investigations already undertaken suggested that crimes had been committed, the cases will be passed to the courts for further action, whilst incomplete inquiries will be continued by the Government department concerned

Political Asylum in Panama for Senor Perón. The former President of Argentina was granted political asylum in Panama on Feb. 29, 1956. He had been living in Panama since early November after fleeing from Argentina to Paraguay.

Dr. Bramuglia, formerly Foreign Minister under President Perón, arrived in Montevideo by canoe on Nov. 28 and requested political asylum in Uruguay

Church-State Relations. - Abolition of Prostitution. - Prohibition of Divorce. On Dec. 6 the Government ordered the closing of all brothels in Argentina, the legalization of which by the Perón régime had been one of the reasons for the break between the former regime and the Roman Catholic Church. The law allowing divorce in Argentina, also passed by the Perón régime against strong clerical opposition, was suspended on March 2, 1956.

A third subject of dispute between the Perón regime and the Church, that of Church control of religious education in schools, led to student riots in May and to an offer to resign by the Minister of Education, Dr. Dell'Oro Maini. Various schools and university buildings were occupied by liberal students in protest against the alleged extreme nationalism of Dr. Dell'Oro, his slowness in dismissing known Peronista teachers from their posts, and his alleged desire to reintroduce Church control of religious teaching, other schools were occupied by Catholic students supporting Dr. Dell'Oro, some clashes occurring between the two factions

It was reported from Rome on March 26 that the Vatican had revoked the excommunication edict against Señor Remorino, the former Argentine Foreign Minister, which had been issued after the deportation of two Roman Catholic prelates in June 1955 (see 14277 A) It was understood that the revocation of the excommunication order indicated that Señor Remorino had made a formal act of penance and submission to the Church

Ineligibility of Ministers for Elective Office. Under a decree issued by President Aramburu on Dec. 23, 1955, all members of his Government were made ineligible for elective office. The decree declared that the revolution had not been fought "to serve the personal ambitions of anyone or any party," and reassured the nation that it would be able to decide freely what type of government it wanted President Aramburu said that the basic tenet of the revolution which deposed President Perón was that the present Government was strictly provisional in character.

A similar decree, issued on Dec 21, had prohibited members of the armed forces from participating in elections

National Wage Increase. A nation-wide wage increase of 10 per cent was sanctioned by the Argentine Government on Feb. 18 to meet the rising cost of living. The decree also established a basic minimum wage of 1,120 pesos a month for men and women workers who had attained the age of 22. The wage increase was stated to be a temporary measure pending a revision of various collective labour agreements which had recently lapsed

Cabinet Changes. The Minister for Air, Brigadier Amada Abrahim, resigned on Jan 3, 1956, and was succeeded by Commodore Julio Cesar Krause, hitherto Under-Secretary at the Air Ministry.

The Minister of the Interior, Dr Eduardo Busso, resigned on April 27 following charges that he was implicated in a revolutionary conspiracy, at his request the President appointed a five-man court of honour to inquire into the allegations

Señor Carlos Adrogue was sworn-in on May 17 as Minister of Education in succession to Dr. Dell'Oro Maini (see above).

President Aramburu announced on May 1 the revocation of the Peronista Constitution of 1949 and the restoration of the liberal Argentine Constitution of 1853.—(New York Times - New York Herald Tribune - Bank of London and South America, Fortnightly Review - Times - Manchester Guardian - Le Monde, Paris) **(Prev. rep. 14600 C; 14553 A.)**

B. NETHERLANDS - UNITED STATES. — Treaty of Friendship, Trade, and Navigation.

A treaty of friendship, trade, and navigation between the Netherlands and the U.S.A. was signed at The Hague on March 27 by Dr. Luns, the Netherlands co-Foreign Minister, and Mr. H. Freeman Matthews, the U.S. Ambassador. The Netherlands Ministry of Foreign Affairs stated that the treaty would facilitate the economic activities of nationals of each country in the other; regulated the rights enjoyed by each country's nationals in the other, and the mutual treatment of exports and shipping; laid down rights and privileges for investments by nationals of each country in the other; and contained general provisions on trade policy in conformity with the rules of GATT and of the International Monetary Fund. (New York Times - Netherlands News Agency)

C. INDIA. — Decimal Coinage. - Introduction in 1957.

It was announced in New Delhi on May 1 that the Government of India had decided to bring the Indian Coinage (Amendment) Act of 1955 into effect on April 1, 1957, from which date the new decimal coinage system would be introduced. The lowest currency unit in the new system will be the *naya paisa*, 100 of which will be equal to one rupee.—(The Statesman, Calcutta - Indian High Commissioner's Office, London) **(Prev. rep. Decimal Coinage, 14430 F.)**

A. UNITED STATES. — President Eisenhower's Veto of Natural Gas Bill. - Criticism of Excessive Lobbying. - Appointment of Senate Bipartisan Committee.

A Bill to exempt natural gas producers from Federal price control was vetoed by President Eisenhower on Feb. 17, after it had been passed by the Senate on Feb. 6 by 53 votes to 38 and by the House of Representatives on July 28, 1955, by 209 votes to 203. The President's decision to veto the measure arose out of strong criticism expressed by many Senators during the debate that excessive pressure to vote for the Bill had been put upon them by interests favouring its passage. In particular, Senator Case (Rep.) stated on Feb. 3 that $2,500 in cash had been contributed for his re-election campaign in the apparent belief that he would vote in support of the Bill; he added that he had ordered the return of the money to its donor on learning that it had been sent by a lawyer "interested in passage" of the measure.

In his veto message the President said that evidence had accumulated since the passage of the Bill indicating that "private persons, apparently representing only a very small segment of a great and vital industry, have been seeking to further their own interests by highly questionable activities" These had included efforts "so arrogant and so much in defiance of acceptable standards of propriety as to risk creating doubt among the American people concerning the integrity of governmental processes." "I believe I would not be discharging my own duty," the President declared, "were I to approve this legislation before the activities in question have been fully investigated. . . ." President Eisenhower nevertheless expressed regret at having to veto the Bill, saying that he was in agreement with its basic objectives and that he believed some such legislation was needed.

On Feb. 22 the Senate decided by 79 votes to one (Senator Langer, Rep.) to set up a bipartisan committee to inquire into lobbying and corrupt political practices. The committee (whose term will expire on Jan. 31, 1957) was instructed "to investigate . . . attempts to influence improperly or illegally the Senate or any members thereof, or any candidate therefor, or any officer or employee of the Executive branch of Government, through campaign contributions, political activities, lobbying, or any and all other activities or practices."

The committee's membership was subsequently announced as follows. Democrats—Senators John L. McClellan (chairman), Albert Gore, Clinton P Anderson, and John F. Kennedy; Republicans —Senators Styles Bridges, Edward J. Thye, Barry Goldwater, and William A Purtell. As well as being divided equally between Democrats and Republicans, the committee was divided equally between supporters and opponents of the Natural Gas Bill.

A special Senate committee under Senator Walter F. George (Dem.), which had been set up earlier to inquire into Senator Case's allegations, published its findings on April 7.

Although the committee found that no bribe or attempted bribe had been involved in the incident, it criticized Mr. Howard B Keck, president of the Superior Oil Company of California, for "remarkable laxity" in supervising the activities of Mr. John M. Neff and Mr. Elmer Patnam, the two lawyers whom he had entrusted with making contributions to supporters of the Natural Gas Bill from his "personal funds." The two lawyers themselves were "severely censured for their failure to act as responsible citizens," their activities being described by the committee as "galloping irresponsibility." "In utter disregard of his legal knowledge and training," the report added, "Mr Neff acted with consumate indiscretion in making his promiscuous contacts."

The committee also called on the Department of Justice to look into "any other possible violations of Federal statutes," and advised Congress to consider tightening the laws governing lobbying and campaign contributions.

(New York Times - New York Herald Tribune)

B. INDIA. — New Ministers. - Natural Resources Ministry to control New Oil Refineries.

It was announced in New Delhi on April 30 that Mr. Manharlal Shah (a member of the Council of States) had been appointed Minister of Industrial Development and would be attached to the Ministry of Commerce and Industry, whilst Dr. Mono Mohandas (a member of the House of the People) had been appointed Deputy Minister and would be attached to the Ministry of Education.

On March 19 the Minister for Education, Natural Resources, and Scientific Research (Dr. Maulana Azad) had announced that the control of new oil refineries which might be set up in future would become the responsibility of the Ministry of Natural Resources. The Ministry of Production would, however, retain the supervision of the recently established oil refineries in Bombay. The arrangement concerning new refineries in the public sector would cover the establishment of a refinery at Calcutta, in accordance with the proposals of the Assam Oil Company.—(The Hindu, Madras - The Statesman, Calcutta)
(Prev. rep. Cabinet, 14698 E; Oil Refineries, 14103 A.)

C. SOVIET UNION. — The Yakutia Diamond Fields.

The Soviet Minister for Geology and Conservation of Natural Resources, M. Antropov, disclosed on March 6 that very large deposits of diamonds, claimed to equal or surpass those of South Africa, had been discovered in Yakutia (a large and remote area of northern Siberia) in 1954 by Soviet geologists. He also announced that extensive deposits of coal, iron-ore, gold, silver, rock-crystal, mica, and other valuable minerals had been found in Yakutia.

After pointing out that the U S.S R had hitherto possessed virtually no diamond deposits—as far as had been known—except in the Urals, and there only in insufficient quantities, M. Antropov described the discovery of the Yakutia deposits as "an event of colossal importance for our country," the significance of which it was "difficult to over-estimate." He said that the Yakutia diamonds were of both gem and industrial quality; that their discovery would break the South African "monopoly" of precious stones; and that "apart from the wide use to which diamonds can be put in industry, they can prove a first-rate source of income to increase our holdings of foreign currency."

The discovery of the Yakutia diamond deposits, as well as of extensive deposits of ferrous and non-ferrous metals, gold, mica, etc., was widely featured in the Soviet newspapers, which forecast that Yakutia would eventually become one of the principal industrial regions of the U.S.S.R. In outlining the objectives of the Sixth Five-year Plan at the recent Communist Party congress (see 14745 A), Marshal Bulganin had declared that "one of the most remarkable discoveries in recent years is the existence of rich diamond deposits in the Yakut autonomous area."

(Soviet Weekly - Times - Manchester Guardian)

D. RHODESIA AND NYASALAND FEDERATION. — Immigration Figures, 1954 and 1955.

Statistics recently published by the Central African Statistical Office showed that 20,013 immigrants entered the Federation of Rhodesia and Nyasaland during 1955, compared with 16,275 in 1954. Immigration thus continued to show a rising trend, figures for the years since 1950 having been: 1950—22,934; 1951—24,196; 1952—21,291; 1953—17,696.

Of the 1955 total, 17,179 immigrants were European British subjects, including 7,736 from the United Kingdom, 8,498 from South Africa, 631 from other parts of the Commonwealth, 182 from elsewhere, and 132 naturalized British subjects. European alien immigrants totalled 2,400, the largest contingents being 786 Portuguese, 520 Netherlanders, 376 Italians, and 244 Greeks. Of 434 Asian immigrants, all except one were from British Commonwealth countries.

In 1954 European immigrants had numbered 15,781 and Asian and Coloured immigrants 494, whilst the 1953 totals had been 16,616 and 1,080 respectively.

Of the 1955 total, 12,729 went to Southern Rhodesia; 6,408 to Northern Rhodesia; and 876 to Nyasaland The capital declared by immigrants was £2,827,000.

Lord Malvern, the Federal Prime Minister, stated on April 26 that the Federal Government had decided for the time being to keep future immigration to the 1955 total of 20,000, in order to avoid creating financial difficulties by bringing in more immigrants than the Federation could support.

(Central African Statistical Office) **(Prev. rep. 14029 A.)**

E. HUNGARY. — Pardon for Archbishop Grösz.

The Austrian Catholic Press Agency (*Kathpress*) reported on May 11 that Mgr. Jozsef Grosz, Roman Catholic Archbishop of Kalosza, had been pardoned by the Hungarian Government. Archbishop Grosz had been sentenced in 1951 to 15 years' imprisonment on charges of attempting to overthrow the regime, but his imprisonment had been suspended in October 1955, though he had remained confined to a monastery.

Budapest Radio announced on May 13 that the Archbishop had been received on the previous day by the Hungarian Prime Minister, M. Hegedus, and had promised him that he would in future act as "a faithful son of the Republic." M. Hegedüs had thereupon informed him that the Government had no objection to his resuming his episcopal duties.

(Le Monde - Manchester Guardian - Neue Zurcher Zeitung)
(Prev. rep. 14482 B.)

F. NORWAY. — Cabinet Appointment.

Hr. H. J. Lobak became Minister of Agriculture in the Gerhardsen Cabinet on May 14, in succession to Hr. Olav Meisdalshagen. Hr. Lobak, a farmer, has been a Labour member of the *Storting* since 1945.—(Aftenposten, Oslo)
(Prev. rep. 14562 A.)

MAY 19—26, 1956

A. BAGHDAD PACT. — Ministerial Meeting. - Economic Co-operation Projects. - Closer U.S. Association with Baghdad Pact Organization. - Full U.S. Membership of Economic and Counter-subversion Committees.

The second annual meeting of the Council of the Baghdad Pact was held in Teheran from April 16-19 under the chairmanship of M. Hussein Ala, the Prime Minister of Persia. Of the other member-countries, Turkey, Pakistan, and Iraq were represented by their Prime Ministers (respectively M. Menderes, Chaudhri Mohammad Ali, and General Nuri es-Said) and Foreign Ministers, and Great Britain by Sir Walter Monckton, the Minister of Defence. A strong delegation of U.S. observers, including senior officers of the three armed services, was headed by Mr. Loy Henderson, chief administrative officer at the State Department and formerly Ambassador in Teheran.

During the meeting Mr. Henderson announced that the United States would extend its co-operation with the Baghdad Pact countries through the following measures. (i) full membership of the Economic Committee and the Counter-subversion Committee of the Baghdad Pact; (ii) the establishment of a U.S. military liaison office in Baghdad, headed by a general or flag officer; (iii) a contribution to the cost of the permanent General Secretariat to be set up by the member-countries; (iv) continuation of bilateral economic and technical aid to member-countries, and (v) continuation of military aid programmes "on a basis that will take into consideration the aims of the pact." Mr. Henderson added that the U.S.A. would give "sympathetic consideration" to all projects for regional development, and would be "prepared to discuss them with the member-countries either on a bilateral or multilateral basis."

The closer American co-operation announced by Mr Henderson was warmly welcomed in all the member-countries of the Baghdad Pact. A spokesman of the British Foreign Office said that the Baghdad Pact would be "significantly strengthened by this American action, which is a conclusive reply to the suggestion that the U S A. is reluctant to support the pact"

A communiqué—summarized below under cross-headings—was issued at the end of the conference, announcing *inter alia* a number of measures to promote the economic development of the Baghdad Pact area.

General Principles. The communiqué emphasized that the member-countries adhered fully to the principles of the United Nations, on which the Baghdad Pact itself was based. After stressing that the pact was wholly defensive in character, the member-countries declared that "while determined to defend themselves against aggression, they desire at the same time to live in peace with all governments and peoples."

Resistance to Communism. After considering the reports of the various committees of the Baghdad Pact Organization, the Council expressed the opinion that "although there was a change of tactics, the basic objectives of international Communism remain unchanged." Accordingly, there could be "no relaxation of measures designed to strengthen the defensive capacity of the area."

Criticisms of Baghdad Pact. "In the view of the Council" (the communiqué continued) "the criticism and attacks from neutralist and other sources directed against the Baghdad Pact . . spring largely from lack of knowledge and misunderstanding of its true purposes It is the hope of the Council that as these purposes become better known, these criticisms will give way to sympathetic and active co-operation and that the Baghdad Pact will become, as it is intended to be, a unifying factor among the peoples in the region who wish to preserve a free and democratic way of life Meanwhile these criticisms and attacks can only help to keep the region divided and weak, and member-countries have decided to counter them actively and resolutely."

Problems of Baghdad Pact Area. The communiqué said that "specific problems causing tension in the area" had been "discussed thoroughly in a spirit of mutual comprehension" After emphasizing the need for "an early settlement of the Palestine and Kashmir disputes," it added · "In the midst of this troubled political situation, it was the Council's conviction that the Baghdad Pact offered the best means of safeguarding peace and stability and of promoting the welfare and unity of the area, while at the same time effectively serving the cause of world peace."

Economic Co-operation. The Council approved the following measures recommended by its Economic Committee (1) the establishment of a training centre in the use of agricultural machinery and for studies in soil and water conservation; (2) joint training centres for anti-malaria operations and health education, (3) joint surveys in locust control, control of pests, etc., (4) co-ordination of research in certain fields, and exchanges of scientific and technical information and personnel. It was urged that these recommendations should be implemented without delay.

After noting with satisfaction that an Atomic Energy Centre for the area was to be opened in Baghdad in January, 1957, the Council drew special attention to "the importance of joint projects of mutual interest to one or more member-countries." It decided to set up a technical committee in Ankara, consisting of members of interested Governments, "to make a preliminary study of the possibility of a joint development plan for the water resources of the Tigris-Euphrates basin (see 14884 A), and to make recommendations for any further detailed studies which may be required"

The Council also decided to set up a working party (meeting in Teheran in June 1956) "to consider means whereby regional projects of interest to two or more members could be studied and implemented through economic and technical assistance." In this connexion the Council recognized "the far-reaching need for regional co-operation and joint projects in the fields of industry and communications."

American Co-operation with Baghdad Pact. The Council welcomed "the active participation of the United States in the work of the pact organization", declared that "active and continuing U.S support for the pact and its objectives is an essential factor in the strengthening and development of member-countries, and in the realization of their peaceful aims", and noted that the U.S.A. had "reaffirmed its solid support of the pact and had stated that it would continue to lend support to the individual and collective efforts of member-nations to attain the political, economic, and social objectives of the pact"

The U S proposals for closer co-operation with the Baghdad Pact Organization, announced by Mr. Henderson, were 'welcomed and accepted" by the Council. It was pointed out—in connexion with full U S. membership of the Economic and Counter-subversion Committees—that the terms of reference of these two committees "provided for an extension of membership to non-signatory governments at the discretion of the Council."

Permanent Organization to counter Subversion. With the aim of combating subversion in the Baghdad Pact area, the threat of which still existed, the Council decided to set up "a permanent organization under the administrative control of the Secretary-General." The communiqué said in this connexion "The Council recognized that while the threat of subversion could be countered with measures designed to expose its real nature, and to give the widest publicity to the aims and activities of the pact, the essence of combating subversion lay in the eradication of the conditions in which it thrives —namely, economic under-development and defensive weakness. Both must be remedied as soon as possible."

The creation of a permanent organization to combat subversion had been recommended by the Counter-subversion Committee, which had met in Teheran early in April to consider methods of combating Communist and other subversive activities in the Baghdad Pact area.

Military Co-operation. In the light of reports submitted by its Military Committee, the Council decided "to expedite all necessary further measures for the defence of the Baghdad Pact countries." It noted that "considerable progress has already been achieved in the military sphere."

Next Ministerial Meeting. It was decided that the Council of Ministers should hold its next meeting at Karachi in January 1957.

Other recent developments in the Baghdad Pact area are summarized below under cross-headings:

Anglo-Turkish Discussions. During his Middle Eastern tour after returning from the SEATO conference, the British Foreign Secretary (Mr. Selwyn Lloyd) visited Ankara on March 11-12 for discussions with the Turkish Prime Minister, M Menderes, and the Foreign Minister, Professor Koprulu. A joint declaration reaffirmed the support of both Governments for the Baghdad Pact and the North Atlantic Treaty, and declared that they were "determined to do all in their power to ensure the effectiveness of these treaties." It added: "The unity of action between Turkey and Great Britain neither constitutes a threat to any other country nor endangers the legitimate aims or aspirations of any State NATO and the Baghdad Pact are purely defensive alliances in complete conformity with the provisions of the U.N Charter; and the military provisions of these organizations constitute the strongest assurance and guarantee of peace. They have also important economic and other aspects which both Governments intend to develop."

Turkish Ministerial Visit to Pakistan. M Menderes and Professor Koprulu paid an official visit to Pakistan from March 18-25 during which they had discussions in Karachi with the Pakistani Prime Minister, Chaudhri Mohammad Ali, and the Foreign Minister, Mr. Hamidul Huq Choudhry They attended the proclamation of the Islamic Republic of Pakistan (see 14769 A) on behalf of the Turkish Republic, were received by the President of Pakistan, General Iskander Mirza, and visited Lahore, Dacca, and other centres. President Mirza and Chaudhri Mohammad Ali accepted an invitation to visit Turkey.

A communiqué was issued at the end of the visit declaring that both countries "repose their full faith in the Baghdad Pact, which is a purely defensive organization and is not directed against the national interests of any country" After saying that the pact had proved itself to be "an organization with effective possibilities for the development and stability of the Middle East," the communiqué added "Strengthened and developed, the pact will become an important instrument for the settlement of the problems facing the region. The Prime Ministers of Turkey and Pakistan therefore pledge their unwavering support of the pact and undertake to do all in their power to make it an effective organization . . . "

Turkish Reply to Egyptian Attacks on Baghdad Pact. Recent Egyptian press attacks against the Baghdad Pact, and in particular against the Turkish Government and M. Menderes, were answered in a broadcast from Radio Ankara on April 29. After recapitulating the aims and objectives of the Baghdad Pact, and the reasons for its formation, the broadcast said:

"The success achieved by this constructive instrument for peace in the Middle East in the short space of a year is known all over the world. This is the real reason for the indignation of Egypt's rulers. Their unjustified campaign against the Pact has continued without interruption ever since its formation . . . Through its controlled press the Egyptian Government opened a disgusting campaign against our Prime Minister and Government following the Prime Minister's speech at the opening session of the Baghdad Pact Council. Neither in our Prime Minister's speech nor in the communiqué issued after the Teheran conference were the names of persons or countries mentioned . . . The Egyptian leaders are behaving like the last adherents of an imperialism which is going out of fashion, they want to be the leaders of a group in Africa and the Middle East. Since they find it against their aims, they have not been able to restrain themselves from attacking the Baghdad Pact—a constructive work based on equality—from the very beginning Turkey and the other members of the Pact have displayed patience in the face of this campaign, but there is a limit. . ."

Persian Rejection of Third Soviet Protest. A third Soviet protest against Persia's adherence to the Baghdad Pact, following the two earlier protests in October and November last, was presented in Teheran on Feb. 5, and was rejected by the Persian Government on April 6. The latest Soviet Note and the Persian reply were in similar terms to those of the earlier Note exchanges between the two countries (see 14565 A, 14485 A)

The Shah of Persia, accompanied by the Empress Soraya, arrived in Ankara on May 17 on a 12-day State visit to Turkey. They attended official functions given by President Bayar and the Turkish Government, and subsequently visited Istanbul, Izmir, and a number of other centres. (Times - Daily Telegraph - Manchester Guardian - Turkish Embassy Press Office, London - Pakistan High Commissioner's Office, London - New York Times) **(Prev. rep. Baghdad Pact 14680 D; 14565 A.)**

A. UNITED STATES. — Disposal of Agricultural Surpluses. - New Agreements. - Further Australian and New Zealand Representations to U.S. Government.

The following agreements were concluded by the United States in recent months for the disposal of agricultural surpluses:

Burma. Under an agreement signed in Rangoon on Feb. 8, the U.S.A undertook to sell to Burma surplus agricultural commodities to a total value of $20,800,000, comprising raw cotton ($17,500,000), dairy products ($2,000,000), tobacco ($1,100,000), and fruit ($200,000). The agreement also covered transportation costs ($900,000) and provided that all payments would be made in Burmese currency, thereby relieving Burma of the need for foreign exchange expenditure.

Chile. An agreement was signed in Santiago on March 13 whereby Chile agreed to buy $34,600,000 worth of U.S agricultural surpluses, the principal items being wheat, edible oil, frozen meat, and cotton; 80 per cent of the peso proceeds from the sales will take the form of a loan to the Chilean Government (redeemable over 30 years) for financing agricultural development, whilst the remaining 20 per cent will be earmarked for U.S. governmental expenditure in Chile

South Korea. It was announced in Seoul on March 13 that the U.S.A. would make a grant of $43,800,000 of surplus agricultural products—principally cotton, wheat, barley, canned pork, and edible fats and oils—during the year ending June 30, 1956 The major portion of the hwan proceeds would be used by the South Korean Government to obtain military equipment, supplies, and services for the South Korean armed forces

Spain. The gift of over $6,000,000 of foodstuffs—chiefly powdered milk, butter, cheese, and dried beans—to Spaniards who had suffered losses as a result of damage to crops from the recent severe winter weather was announced on March 25. It was stated that this emergency assistance was separate from all other American commodities which were being shipped to Spain under other agreements.

The Australian Ambassador in Washington, Sir Percy Spender, made representations to the State Department on April 27 about the recent U.S.-Indonesian agreement under which the U.S.A. would provide Indonesia with $5,000,000 worth of wheat flour (see page 14779, first column); it was contended that this flour would compete with normal Australian exports through which Indonesia received about 90 per cent of her flour requirements.

A further New Zealand protest to the United States about sales in Western Europe of U.S. surplus dairy produce, especially butter, was made on April 24; the N.Z. Minister of Agriculture, Mr. Holyoake, stated on the same day that the U.S. policy had aggravated the normal seasonal fall in butter prices in Britain.—(New York Times - New York Herald Tribune - Burmese Government Information Dept., Rangoon - Directorate of Information Services, Wellington - Australian News and Information Bureau) **(Prev. rep. 14778 A.)**

B. CANADA. — Governor-General's Term extended.

The Canadian Prime Minister, Mr. St. Laurent, announced on May 22 that the Queen had approved the continuance in office of Mr. Vincent Massey (69) as Governor-General of Canada for an additional period from February 1957 to the spring of 1958.—(Times) **(Prev. rep. 12054 B.)**

C. UNITED KINGDOM. — "Lane Bequest" Painting removed from Tate Gallery by Irish Students. - Subsequent Restoration to Tate Gallery.

The painting *Jour d'Eté*, by the French impressionist Berthe Morisot, was stolen from the Tate Gallery in London on April 12, the Irish National Students' Council admitting responsibility. It was, however, returned unharmed on April 16, on which date it was left by an unidentified caller at the Irish Embassy in Grosvenor Place, where it was called for by Sir John Rothenstein, the director of the Tate Gallery.

Jour d'Eté ("A Summer's Day), painted 90 years ago and valued at about £10,000, is one of 39 paintings forming part of the Lane Bequest, which for many years has been a subject of controversy between London and Dublin. Sir Hugh Lane, formerly Director of the National Gallery of Ireland, lost his life in the *Lusitania* disaster of 1915, when the liner was torpedoed by German U-boats off Cork. In 1913 he made a will leaving certain bequests to the City of Dublin, "other than a group of pictures lent by me to the London National Gallery, which I bequeath to found a collection of modern Continental art in London" In 1915, however, before his voyage on the *Lusitania*, he added a codicil to the effect that "the group of pictures now at the London National Gallery, which I had bequeathed to that institution, I now bequeath to the City of Dublin, providing that a suitable building is provided for them within five years of my death." As this codicil was unwitnessed, and therefore had no force in law, the 1913 will was admitted to probate on Sept. 29, 1915. Since then a controversy has been in progress as to the ownership of the collection, claims on moral grounds having frequently been put forward from Dublin

The theft was not discovered until a man telephoned the London office of the Irish News Agency on April 12 to say that the picture had been taken by members of the Irish National Students' Council. The N.S.C. subsequently issued a statement in Dublin saying that it was "intended to present the masterpiece to the Irish nation," and claiming that the *coup* had been "planned months ago." It said that the picture had been removed by a man who had been "armed with a permit allowing him to do reproduction work in the Tate . . . and to enter and leave the gallery carrying large canvasses."

Both the Irish Government and the Dublin Corporation issued statements on April 13 declaring that it was impossible to accept a picture obtained in such a manner, and that every effort would be made to return it to the Tate Gallery if it were delivered in Dublin. The N.S.C., after expressing "bitter disappointment" at the Irish Government's "supine attitude," said on April 16 that it had "no option" but to hand the painting to the Irish Embassy in London, since the Irish Government had "failed to assert the nation's rightful claim to possess the Lane paintings." It gave an assurance that *Jour d'Eté* was "under proper care and being protected as befits a great masterpiece."

On the same day (April 16) Sir John Rothenstein received a telephone call from the Irish Embassy informing him that an unknown woman had handed in a parcel which, when unwrapped, had proved to be the painting *Jour d'Eté*. Sir John immediately called at the Embassy and received the painting—which was completely unharmed—from the Ambassador, Mr. Boland. The painting was re-hung in the Tate Gallery on the following day. (Times - Daily Telegraph - Irish Times, Dublin)

D. NEW ZEALAND. — Referendum on Death Penalty.

The N.Z. House of Representatives decided on May 7, by 41 votes to 33, that the question of the abolition of the death penalty should be submitted to a referendum of the electorate at the time of the next general election, due to take place at the end of 1957. The vote was taken on an amendment by the Prime Minister, Mr. Holland, to a motion by a Labour backbencher, Mr. W. T. Anderton, calling for the abolition of the death penalty. An amendment by another Labour member, proposing that the referendum should be held not later than December 1956, was rejected.

The death penalty had been suspended in New Zealand in 1935, abolished in 1941, and reintroduced in 1950.
(Directorate of Information Services, Wellington) **(11291 A.)**

E. SOVIET UNION.—Atomic Energy Administration.

It was announced in Moscow on April 18 that a central administration for atomic energy had been set up in the Soviet Union "to ensure the large-scale use of atomic energy in all branches of the national economy, and to develop co-operation between the U.S.S.R. and other countries." Its establishment was linked with the atomic energy development programme under the new Five-year Plan for 1956-60.
(Le Monde, Paris - Daily Telegraph) **(14717 A; 14779 C.)**

A. WESTERN GERMANY. — Sir Winston Churchill's Aachen Speech. - Appeal for European Unity. - Suggested Entry of "New Russia" into NATO.

Sir Winston Churchill visited Aachen on May 10 to receive the Charlemagne Prize for 1955, which had been conferred upon him by the City of Aachen in recognition of his services for the cause of European unity (see last paragraph to 14129 A). The ceremony in the Town Hall of Aachen was attended by President Heuss, Dr. Adenauer, and other leaders of the German Federal Republic.

In receiving the Charlemagne Prize, Sir Winston made a fervent appeal for progress towards European unity, spoke of the changes in the Soviet Union resulting from the repudiation of Stalin's policies, and suggested that the "new Russia" might reinforce the security of Europe by entering the North Atlantic alliance. His speech was as follows:

"It is for me a high honour to receive the Charlemagne Prize in this famous German and European city of Aachen, which some call Aix-la-Chapelle. I am proud that my name should be added to the distinguished list of recipients of the prize, who have all contributed so notably to the inspiring theme of European unity and brotherhood. I find it particularly pleasing that my immediate predecessor should be the Federal Chancellor himself. No individual personality has done more than Dr. Adenauer to bring Germany back into the circle of free nations . . .

"The name of Charlemagne would occur naturally to you here, where Charles the Great was laid to rest. Before his sway, for hundreds of years after the Roman Empire had broken into fragments, a far-reaching part of Europe's population had refused to accept a world consisting of warring tribes whose quarrels dominated their lives. Just as there was a universal church, people were dimly aware that there should be some accepted authority to keep order within and to prevent incursions from without. Thus the resuscitation of the Roman Empire under Charles the Great on that Christmas Day at the turn of the eighth century was welcomed by almost all with a sigh of relief, in the hope that it held a return to the peace, prosperity, and larger unity which had once existed.

"Alas, the idea was too good to be true. Unity was preserved for less than 50 years. Wars razed Europe for more than 1,000 years, and it was exactly 1,100 years after Charles's death that in 1914 a war fiercer and more devastating than any which had gone before broke out between the States whose frontiers lie so close to this city.

"I do not need to trace the succeeding quarter of a century, and the fitful peace and flickering hopes which came to an end in 1939. Nor is it necessary today further to lament the six years which followed. You in this city know them well, but not in such a way as to prevent you from receiving me as you have done.

"I have not been in Germany since I came to attend the meeting at Potsdam 11 years ago. I had to leave before it was concluded because of the general election at home, and I did not return. Much has happened in these 11 years.

"In the first two years Russia pursued a policy which divided her from her allies. We have now been told on high Russian authority that it was the Stalin policy—and Stalin, who was then all-powerful, is now dead But meanwhile events moved. There followed speedily during the Stalin policy a reconciliation between the British Commonwealth and the United States on the one hand, and the great mass of Western Germany on the other. This was indeed an historic event. It led also to the formation of NATO, which now includes 15 countries from Canada and the U.S.A. to Turkey, and from Iceland to Italy and Portugal. This treaty, in which Germany is a partner, is a solemn affirmation of the unity of Europe and of the resolve of the United States to come back across the Atlantic and take what cannot be less than a leading part in maintaining it.

"In these considerations, France and the valiant French people must be much in our thoughts. I have always felt, and I said at Zürich in 1946, that one of the supreme duties and privileges of France after 1945 was to bury all bitterness and lead Germany back by the hand into the European family. . . . Now France is faced in North Africa with the greatest difficulties, and her allies should give her full support in the efforts to reach a just settlement.

"NATO is a striking product and expression of a Europe weary of war and determined to build its own organization in such strength and power that there will be peace. The principle of the treaty is simple and imaginative. We all join hands together in our wish to avoid the aggressor, whoever he may be.

"A new question has been raised by the recent Russian repudiation of Stalin. If it is sincere we have a new Russia to deal with, and I do not see why, if this is so, the new Russia should not join in support of this solemn agreement. We must realize how deep and sincere are Russia's anxieties about the safety of her homeland from foreign invasion. In a true unity of Europe, Russia must have her part.

"I was glad to see that Poland was not unaffected by the changes in Russian outlook that have recently come to pass. It may be that other changes will follow. Czechoslovakia may recover her freedom. Above all, Germany will be reunited.

"We should be rash and blameworthy were we to attempt to solve the problem of European unity, of which German reunification is a vital part, by any violent stroke, and we must avoid violence by every means in our power. The only unity that might come from violence might be a unity of ashes and death. . . .

"I have spoken much of NATO, but I do not wish to leave the impression that I regard it as the sole and exclusive effective expression of the moves towards United Europe. No-one could doubt the usefulness of Western European Union, the Economic Committee [O E E.C.], the Coal and Steel Community, and the Council of Europe With all these many of us here have been closely concerned.

"But I believe our main theme of salvation should be the Grand Alliance of the European Powers linked with Canada and the United States, with the British Commonwealth as a member—Australia, New Zealand, and South Africa, though these are not members of the NATO Treaty. I repeat that the spirit of this arrangement should not exclude Russia and the East European States. It may well be that the great issues which perplex us, of which one of the gravest is the reunification of Germany, can be settled more easily than they can be by rival blocs confronting each other with suspicion and hostility. That is for the future. Let us go forward to it by reinforcing patiently and surely the arrangements which we have so far achieved."

The State Department in Washington said that the U.S.A. "welcomes the spirit and substance" of Sir Winston's Aachen speech. It noted his remarks that there was no reason, if the Soviet repudiation of Stalin was sincere, why the "new Russia" should not join NATO, and said that this suggestion was "in accord" with proposals which the three Western Foreign Ministers had made to the Soviet Union at Geneva on Oct. 27, 1955.—(Frankfurter Allgemeine Zeitung - Times - Daily Telegraph - New York Times)

(Prev. rep. Sir Winston Churchill, 14804 D.)

The Charlemagne Prize. The Charlemagne Prize, consisting of 5,000 Deutschemarks and a medal, was instituted by the City of Aachen in 1949. It is awarded annually to individuals who have rendered distinguished service to the cause of European unity. Previous recipients of the prize were Dr. Konrad Adenauer, the Federal Chancellor; Signor Alcide de Gasperi, the former Italian Prime Minister; M. Jean Monnet (France), the former chairman of the High Authority of the European Coal and Steel Community; Count Coudenhove-Kalergi, the philosopher and writer; and Professor Brugmans (Netherlands), Rector of the *Collège d'Europe* at Bruges.

B. CHILE. — Introduction of Free Exchange System. - Abolition of Exchange Control.

A fundamental change in Chile's foreign exchange system, involving the introduction of a free fluctuating exchange rate, was announced in Santiago on April 16. A similar announcement was made in Washington by the International Monetary Fund, which had approved the new arrangements proposed by the Chilean Government.

Under the new system (which replaced a complex 25-year old structure of exchange control with multiple rates and import licensing regulations), a free exchange market was established in which the rate for commercial imports and exports, Government transactions, and some "invisible" transactions was made dependent on supply and demand, and in which the Chilean Government will, if necessary, intervene through the Central Bank to avoid excessive variations in the rate arising from temporary market irregularities. There will continue to be a second, although lesser, exchange market for other "invisible" transactions.

It was also announced that in order to assist the Chilean authorities, the International Monetary Fund had concluded a one-year stand-by arrangement under which Chile might purchase up to $35,000,000 in currencies held by the Fund. In addition, Chile had made arrangements for credits of up to $30,000,000 from private banks in the U.S.A., as well as an exchange agreement with the U.S. Treasury covering a total amount of $10,000,000.

The introduction of the new free exchange system was accompanied by a comprehensive programme of fiscal and monetary measures directed towards economic stability; of these, certain credit controls and wage policies had already been introduced, whilst other steps were confirmed in legislative proposals now before the Chilean Congress. The I.M.F. statement declared that the Fund had emphasized that the continuation of "vigorous efforts to resist inflationary forces and bring about greater economic stability in Chile" was essential to the success of the new exchange system, and that it (the Fund) expected to remain "in close touch" with the Chilean authorities regarding the implementation of the new system.

The Chilean Minister of Finance announced on April 17 that the new free exchange rate would operate from the following day.—(International Monetary Fund - Financial Times - New York Times) **(Prev. rep. Financial Policy, 14676 B; Devaluation, 13206 D.)**

C. CAMBODIA. — Recognition by Soviet Union.

It was announced on May 17 that the Soviet Union had recognized the sovereignty and independence of Cambodia and had agreed to an exchange of ambassadors between the two countries. (Le Monde, Paris - Daily Telegraph)

A. SOUTH AFRICA. — Introduction of Apartheid on Cape Town Buses and in Cape Town Municipal Offices.

It was announced in Cape Town on April 11 that *apartheid* would be enforced on many of the city's bus and tram routes as from April 16 by order of the National Transport Commission, which had directed that certain seats on public vehicles on a number of routes in the Cape Peninsula should be preserved exclusively for European passengers. Specifically, the Commission directed that European passengers should have the exclusive right to most of the seats on the lower deck, whilst the rear cross-benches on the lower deck and all seats on the upper deck would be available to "all classes."

The decision was taken against the advice of the Cape Town City Council The Mayor of Cape Town, Mr. P. G. Wolmarans, stated on April 11 that he had personally led a three-man deputation of the City Council to the local Road Transportation Board. The delegation had submitted a memorandum (adopted by the City Council on March 29) pointing out the inadvisability of introducing *apartheid* on Cape Town bus routes, on the ground that Cape Town buses had always been used by all races without serious friction, and that segregation would cause hardship to certain sections of the public—especially to elderly and infirm non-Europeans and to women with children, who might have difficulty in climbing to the upper deck of buses.

The South African Coloured People's Organization decided on April 15 to call for a boycott of the bus and tram lines affected, in protest against the introduction of *apartheid.* Similar boycott calls were issued on April 12 by the South African Congress of Democrats (a European left-wing organization) and the African National Congress in Cape Town. Although this boycott was generally observed by non-Europeans, as well as by a number of Europeans, the first day of "bus *apartheid*" (April 16) passed off without incident.

The National Transport Commission, which issued the segregation order, was formed under the Transport (Co-ordination) Act of 1948. Its members are appointed by the Governor-General and include the Secretary for Transport, the Commissioner for Road Transportation, and the Commissioner for Civil Aviation In ordering *apartheid* on certain bus routes, the Commission acted on the recommendations of a governmental inquiry committee which had been appointed by the Minister of Transport in 1952 to inquire into the segregation of European and non-European passengers on public vehicles in the Cape Peninsula.

The Motor Carrier Transportation Amendment Act of 1955 laid down that recommendations made by this inquiry committee might be enforced by the National Transport Commission. It empowered the Commission to order local road transport boards to introduce segregation in public vehicles either by setting aside special vehicles for the different "classes" (i.e. races) of passengers, or by allocating separate portions of the same vehicles to passengers of a particular "class."

On March 29 the Cape Town City Council had adopted without opposition a proposal to provide separate facilities for Europeans and non-Europeans in amenities and offices under municipal control. This action followed an inquiry from the Cape Provincial authorities about the steps which were being taken by the Council to implement the Reservation of Separate Amenities Ordinance, promulgated on Sept. 30, 1955. Under this Ordinance, the Administrator of Cape Province was empowered to order any local authority to provide segregated counters, benches, seats, or other amenities for the exclusive use of people belonging to a particular race or class, as well as separate bus-stops and taxi-stands for the different races.
(Cape Times) **(Prev. rep. Apartheid, 14805 A; 13350 A.)**

B. UNITED KINGDOM. — New High Commissioners in Australia and Canada.

The Commonwealth Relations Office announced on May 23 (*a*) that Lord Carrington, Parliamentary Secretary to the Ministry of Defence, had been appointed U.K. High Commissioner in Australia in succession to Sir Stephen Holmes, retiring at the end of the year; and (*b*) that Sir Saville Garner, Under-Secretary of State in the Commonwealth Relations Office, had been appointed U.K. High Commissioner in Canada *vice* Lieut-General Sir Archibald Nye, whose term of office was expiring at the end of the year.—(Times - Daily Telegraph)
(Prev. rep. 12309 B; 12022 B.)

C. HUNGARY. — Cabinet Changes.

It was announced in Budapest on April 14 (*a*) that M. Joszef Bognar, Minister for Internal Trade, had been appointed Minister for External Trade in succession to M. Laszlo Hay; (*b*) that M. Hay had been appointed president of the Hungarian National Bank; and (*c*) that M. Janos Tausz, First Deputy Minister for Internal Trade, had succeeded M. Bognar as Minister for that department. It was also announced that the National Bank would no longer be controlled by the Ministry of Finance but by the Government as a whole.
(Neue Zürcher Zeitung) **(Prev. rep. Cabinet, 14630 B.)**

D. JORDAN.—Resignation of Premier Samir el-Rifai. - New Government formed by Sayed el-Mufti. - New Commander of Arab Legion.

The Government headed by Samir el-Rifai resigned on May 20 after having held office for only four months. It was succeeded on May 22 by a Cabinet headed by Sayed el-Mufti, who had been Prime Minister in December last, when General Sir Gerald Templer (Chief of the British Imperial General Staff) was visiting Amman for discussions on the possibility of Jordan's adherence to the Baghdad Pact.

No statement was made as to the reasons for Samir el-Rifai's resignation, but it was understood that King Hussein had disagreed with a number of his policies. Samir el-Rifai tendered his resignation after returning from Damascus, where he had attended meetings of the Arab League's Political Committee and of the Foreign Ministers of Egypt, Syria, and the Lebanon He had been acting Foreign Minister of Jordan (concurrently with holding the Premiership) for a few weeks before his resignation, consequent upon the retirement through ill-health of Dr. Khalidi, the former Foreign Minister.

The composition of the new Cabinet was announced on May 22, as follows: Sayed el-Mufti, Prime Minister; Fawzi el-Mulki, Deputy Premier, Foreign Affairs, and Education; Mohamed Ajlouni, Defence; Ali Hasna, Justice and Social Affairs; Sayed Ala-addin, Economic Affairs; Bishara Ghaseeb, Finance; Samaan Daoud, Health and Reconstruction; Auni Abdelhadi, Minister of State; Ali Hindawi, Agriculture and Public Works; Salah el-Majali, Posts, Telegraphs, and Civil Aviation.

Sayed el-Mufti became Prime Minister for the third time, having first held that post during King Abdullah's reign Fawzi el-Mulki had also previously served as Prime Minister (the first of King Hussein's reign), and had also held the posts of Defence Minister (under King Abdullah) and of Ambassador in London, Paris, and Cairo Most of the other Ministers had previously held ministerial office. Samaan Daoud was one of the four Ministers who resigned at the time of General Templer's visit in protest against the possibility of Jordan's accession to the Baghdad Pact.

Two leading members of the National Socialist party declined invitations to join the new Cabinet because Sayed el-Mufti had refused certain conditions laid down by them for such participation. These included the dissolution of the present Parliament and the holding of elections, the removal of all "foreign influence" from Jordan; full co-operation with neighbouring Arab States, including military co-operation with those having borders with Israel, and the repeal of restrictions on the Press, publications, and political assemblies. The National Socialist party were among the most vehement opponents of General Sir John Glubb (the former head of the Arab Legion), and campaigned strongly against Jordan's proposed accession to the Baghdad Pact.

In a press statement on May 21, Sayed el-Mufti said that he desired "good relations and full understanding" with Britain, and intimated that Jordan would ask for a revision of the Anglo-Jordanian treaty—a point on which he did not elaborate, except to recall that he had attempted to amend the treaty when he was previously in power. Asked about Jordan's relations with the other Arab countries, he said that Jordan would "pursue a neutral policy" and adopt "a friendly and independent attitude within the Arab world."

It was announced in Amman on May 24 that King Hussein had accepted the resignation of Major-General Radi Innab (60) as commander of the Arab Legion, and had appointed Lieut.-Colonel Ali Abu Nawar (33) as his successor. General Innab had succeeded General Sir John Glubb as chief of the Arab Legion after Sir John's dismissal by King Hussein in March. Colonel Nawar (who was promoted major-general) received part of his military training at the Staff College, Camberley, and had been military attaché in Paris and A.D.C. to King Hussein. A leader of the "young officers" movement within the Arab Legion, he had recently accused Sir John Glubb of having "deliberately centralized all military and political power in Jordan in his own person" and of having been "the worst enemy to Anglo-Jordanian understanding." He added that Jordan desired to pursue a neutral policy, that the Arab Legion still needed British officers to train the Jordanian forces, but that these officers should serve in an advisory capacity only.
(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Cabinet, 14803 A; 14646 A; Arab Legion, 14737 A.)**

E. UNITED STATES. — Opening of Folsom Dam.

The Folsom Dam, built over seven years at a cost of $62,000,000, and the tenth largest in the world, was officially opened on May 5 at Folsom (California), together with a $35,000,000 hydro-electric plant built by the Federal Bureau of Reclamation. Situated 20 miles east of Sacramento, at the confluence of two tributaries of the American River, it will provide domestic water supplies for San Francisco, irrigation for the Upper San Joaquin valley, and hydro-electric power, in addition to help solving flood-control problems.
(New York Times) **(Prev. rep. 10913 A.)**

A. UNITED KINGDOM. — Municipal Elections.

Local elections were held on May 10 in the English and Welsh boroughs and the London metropolitan boroughs, on May 1 in the Scottish burghs, and between May 1 and May 10 in urban and rural districts in England and Wales.

English and Welsh Boroughs.

Of the 401 boroughs in England and Wales (excluding the London metropolitan boroughs—see below), no elections were held in 36 boroughs, where all seats were filled by unopposed returns. The elections in the remaining boroughs were for one-third of the councils' membership. Over England and Wales as a whole (excluding London) the Labour Party made a net gain of 186 seats, the Liberals gained five seats, whilst the Conservatives and Independents lost 191 seats. Party gains and losses were as follows:

	Gains	Losses	Net gains (+) or losses (—)
Conservatives	58	195	—137
Labour	244	58	+186
Liberals . ..	17	12	+ 5
Independents . .	41	95	— 54

No Communist candidates were returned in any of the 401 boroughs.

Labour gained control of seven boroughs—Nottingham, Peterborough, Darlington (for the first time), Ellesmere Port, Blyth, Morley, and Hemel Hempstead—but lost control at Widnes to the Conservatives and at Kidwelly to the Independents. In two Welsh towns—Carmarthen and Llandloes—Labour will control the council through the casting vote of the mayor.

London Metropolitan Boroughs.

The only change in the 28 London metropolitan boroughs was at Lewisham, where Labour gained control from the Conservatives. The elections in London were for the whole council in each case, the results in the 28 boroughs being as follows:

Battersea. Labour 46, Conservatives 18. No change. Labour retained control.

Bermondsey. Labour 52, other parties, nil. No change. Labour retained 100 per cent control

Bethnal Green. Labour 35, other parties nil. No change. Labour retained 100 per cent control

Camberwell. Labour 55, Conservatives 15. Two Labour gains from Conservatives. Labour retained control.

Chelsea. Conservatives 30, Labour 6. Two Labour gains from Conservatives. Conservatives retained control.

Deptford. Labour 33, Conservatives 3. Two Labour gains from Conservatives. Labour retained control.

Finsbury. Labour 37, Conservatives 2 Three Labour gains from Conservatives. Labour retained control.

Fulham. Labour 36, Conservatives 10 Three Labour gains from Conservatives. Labour retained control.

Greenwich. Labour 33, Conservatives 7. No change. Labour retained control.

Hackney. Labour 52, other parties nil. No change. Labour retained 100 per cent control.

Hammersmith. Labour 38, Conservatives 6, Independent 1. No change. Labour retained control.

Hampstead. Conservatives 42, Labour 7. No change. Conservatives retained control.

Holborn. Conservatives 46, Labour 3. One Conservative gain from Labour. Conservatives retained control.

Islington. Labour 70, other parties nil. No change Labour retained 100 per cent control.

Kensington. Conservatives 49, Labour 21. No change. Conservatives retained control.

Lambeth. Labour 45, Conservatives 15. Six Conservative gains from Labour. Labour retained control.

Lewisham. Labour 30, Conservatives 25 Eight Labour gains from Conservatives. Labour gained control from Conservatives.

Paddington. Conservatives 43, Labour 27. One Conservative gain from Labour Conservatives retained control.

Poplar. Labour 42, other parties nil. No change. Labour retained 100 per cent control.

St. Marylebone. Conservatives 59, Labour 11. No change. Conservatives retained control

St. Pancras. Labour 42, Conservatives 28. Five Conservative gains from Labour Labour retained control

Shoreditch. Labour 38, other parties nil. No change. Labour retained 100 per cent control.

Southwark. Labour 60, other parties nil. No change. Labour retained 100 per cent control.

Stepney. Labour 58, Independent Labour 7, Communists 4, Independent 1. Seven Independent Labour gains from Labour; 4 Communist gains from Labour. Labour retained control

The Communists had six councillors on the Stepney Borough Council before 1953, but lost all their former seats in that year. The Independent Labour councillors are members of a group who are dissatisfied with the reallocation of housing in Wapping and have expressed lack of confidence in the local Labour Party.

Stoke Newington. Labour 29, Conservatives 3. Four Labour gains from Conservatives. Labour retained control.

Wandsworth, Conservatives 32, Labour 28. Seven Labour gains from Conservatives. Conservatives retained control.

Westminster. Conservatives 60, other parties nil. No change. Conservatives retained 100 per cent control

Woolwich. Labour 54, Conservatives 9. Six Labour gains from Conservatives. Labour retained control.

Scottish Burgh Elections.

There was no change of control in any of the Scottish town councils resulting from the burgh elections. In the four leading cities, Labour retained control in Glasgow, Aberdeen, and Dundee, whilst the Moderates retained control in Edinburgh. Over Scotland as a whole Labour gained 21 seats and lost 27—a net loss of six.

Labour gained two seats each at Stirling, Peebles, Campbeltown, and Kilmarnock, and one seat each in Edinburgh, Aberdeen, Dundee, Falkirk, Bo'ness, Penicuik, Kinghorn, Leven, Kilwinning, Hawick, Airdrie, Alloa, and Ayr. Labour lost three seats each at Bathgate and Musselburgh, two seats each at Dundee, Kirkcaldy, Motherwell, and Wishaw, and one seat each at Perth, Dunfermline, Inverness, Wick, Arbroath, Fort William, Irvine, Rutherglen, Paisley, Tillicoultry, and some other burghs. There were no gains or losses in Glasgow, where Labour retained its majority of 25 over the Progressives. The Moderates have a majority of 13 in Edinburgh and of 12 in Perth. At Kirkcaldy and Paisley the Labour and anti-Labour parties are equal, the Provost in each case having a casting vote.

Urban and Rural District Council Elections.

The Labour Party claimed a net gain of 127 seats in the urban and rural district council elections in England and Wales (152 gains and 51 losses in urban districts, 31 gains and five losses in rural districts). The Conservative Central Office, analysing the results for 426 urban district councils, stated that Conservatives and Conservative-supported candidates had won 909 seats (a net loss of 71), Labour 914 seats (a net gain of 88), Independent candidates 552 seats (a net loss of 23), and the Liberals 36 seats (six gains). Seven U.D.C. results were still outstanding.

Labour gained control of nine urban district councils—including Billingham (Co Durham), Otley (Yorks.), Hornchurch (Essex), and Gainsborough (Lincs.)—and lost control at Cheshunt (Herts.) and Rishton (Lancs.). The Liberals gained control at Baildon (Yorks.)

Polling varied in different parts of the country, being low in many areas—particularly in Scotland—but considerable in others.—(Times - Daily Telegraph - Manchester Guardian - Daily Herald - The Scotsman, Edinburgh - Glasgow Herald) **(Prev. rep. 14215 C; 14208 A; 13609 B; 13076 A.)**

B. COLOMBO PLAN. — The "Canada-India Atomic Reactor." - Canadian Aid for Construction in India.

An agreement for the joint establishment of an atomic reactor in India under the Colombo Plan was signed on April 28 by Mr. Nehru, the Indian Prime Minister, and Mr. Escott Reid, the Canadian High Commissioner in New Delhi.

The "Canada-India Atomic Reactor" will be erected at the Indian Government's atomic energy establishment at Trombay, near Bombay. The costs of the project, which is a joint Indo-Canadian enterprise, will be shared between the two countries, but when it is completed full title and complete control will pass to the Government of India. The total cost of the reactor will be about 70,000,000 rupees, or a little over $14,000,000. The Canadian contribution will be about $7,500,000 and the Indian contribution the equivalent of over $6,500,000, Canada paying in general for the external costs and India for the internal costs.

Canada will provide the reactor itself, the steel for the surrounding shell (which will be about 135 feet high and 120 feet in diameter), and the necessary designs, whilst Indian contractors and labour will do the major part of the construction work at the site. Atomic Energy of Canada Ltd. (a Canadian Crown Company) will be responsible for supervising the erection and constructional work. In addition, training facilities will be made available in Canada to Indian scientists and technicians

The reactor will be of the high-powered type (similar to the NRX reactor at the Canadian atomic energy establishment at Chalk River) and will be used for atomic research and experimental purposes—specifically for fundamental research in physical, chemical, biological, and metallurgical problems relating to atomic energy. It will also produce radioactive isotopes for use in medicine, agriculture and industry.

The Canadian offer to provide the reactor, and the Indian Government's acceptance, had been announced during the meeting of the Colombo Plan Council at Colombo on Sept. 16, 1955. The facilities of the reactor will be made available by the Indian Government to approved scientists from other countries, including member-countries of the Colombo Plan. (Department of External Affairs, Ottawa - Montreal Star - The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London) **(Prev. rep. 14651 A.)**

A. SOVIET UNION. — Further Cuts in Armed Forces. - Demobilization of 1,200,000 Men by 1957. - American and British Reactions.

The Soviet Government announced on May 14 that it had taken the following decisions in connexion with the reduction of the armed forces of the U.S.S.R., all of which would be implemented by May 1, 1957:

(1) The demobilization of a further 1,200,000 men, additional to the earlier reduction of 640,000 carried out during 1955.

(2) In conformity with this reduction, the disbanding of 63 divisions and independent brigades, three air divisions, and other units, including 30,000 Soviet troops at present stationed in Eastern Germany.

(3) The putting into reserve of 375 warships of the Soviet Navy, which would be taken out of the active fleet.

(4) Corresponding reductions in the Soviet military budget resulting from the above-mentioned measures.

It was stated that the forces to be demobilized would be available for "peaceful and socially useful work" in industry and agriculture, and that the funds made available by reductions in the military budget would be utilized for purposes of "peaceful construction . . . and raising the well-being of the Soviet State."

In an accompanying statement, the Soviet Government said that the creation of "a wide zone of peace embracing the majority of the earth's population" had contributed to the lessening of international tension and to the growth of peaceful co-existence among nations. Declaring that "the main obstacle to the further relaxation of international tension is the continued arms race," it recapitulated the various disarmament proposals presented by the U.S S R. during the last two years (see 14851 A); accused the Western Powers of rejecting the Soviet proposals for banning atomic and thermo-nuclear weapons and limiting conventional armaments, and called for further efforts to achieve all-round disarmament.

The statement continued. "By undertaking this new and very considerable reduction in the strength of the Soviet armed forces, the Soviet Government is striving to contribute to the practical implementation of the disarmament programme which is under consideration in the United Nations . . . Other Governments, including those of the United States, Great Britain, and France, insofar as they are sincerely willing to contribute to the strengthening of peace, cannot but follow this example. The Soviet Government will be ready to discuss a further reduction in its armed forces if the Western Powers make corresponding reductions in their armed forces and armaments . . ."

Whilst the Soviet announcement was welcomed in the Western countries, it was commented in London and Washington that no indication had been given as to the size of the Soviet armed forces after the announced reductions had been carried out. It was pointed out in this connexion that whereas the present strength of the Soviet armed forces was estimated at about 4,000,000, the U.S. forces had been reduced from 3,200,000 to 2,900,000 during the past 12 months (see 14387 A), whilst the British forces were being reduced from 800,000 to 700,000 (see page 14774, first column).

Reactions in America.

Mr. Dulles, at his press conference on May 15, said that the U.S A. welcomed the Soviet announcement "if this proves to be evidence of an intent to forego the use of force in international relations." He suggested, however, that the Soviet move might be prompted not by "love of peace" but by "solid and compelling economic reasons," as the Soviet rulers might well have over-extended their resources by efforts to develop new weapons on a large scale and to expand the country's industrial base, whilst at the same time embarking on a programme of assistance to under-developed countries. At some point, therefore, the Soviet Government had had to "cut back," and the point "where it could cut with the greatest advantage to itself" was to take men out of uniform and put them into factories and farms. The demobilization measures might, he believed, actually reinforce the Soviet Union's military capacity, in which connexion Mr. Dulles said that he would rather see the 1,200,000 men discharged from the armed forces "standing guard duty than making atomic bombs."

After recalling that the U.S.A had cut its own armed forces from 12,300,000 at the end of World War II to fewer than 3,000,000 today, the Secretary of State noted that there would be no way of verifying the announced reduction of the Soviet forces. Moreover, the men demobilized could always be "speedily recalled and equipped" under the Soviet system, whilst the large armed forces maintained by Communist China would still remain intact. Mr Dulles pointed out that in the recent London disarmament talks the U.S A. had proposed that the armed forces of America and Russia should be reduced to 2,500,000 each, as part of an overall disarmament programme that would include restrictions on nuclear weapons. He stressed that manpower could no longer be regarded as a reliable yardstick for disarmament, and that armaments themselves, rather than the number of men under arms, should be the subject of control

Mr. Harold Stassen (President Eisenhower's special assistant on disarmament questions) stated in a press interview on May 18, however, that the Soviet decision was "an initiative we wanted them to take." Whilst refusing to discuss the views put forward by Mr. Dulles, he said that the Secretary of State's remarks "must be taken in their total context." Mr. Stassen listed the following factors as among those which might have influenced the Soviet Government to reduce its armed forces: an increased demand for manpower as a result of planned efforts to expand industry and agriculture in Siberia; the low Soviet birth-rate in the late 'thirties and early 'forties, which made for the smaller-than-normal intake of manpower at the present time; the "new look" in the Soviet military establishment as a result of advances in nuclear weapons, jet aviation, and guided missiles, which put a premium on technical skills and lessened the importance of sheer numbers of men under arms, the psychological impact of the Soviet demobilization measures in Western and neutral countries; rising demands among the Soviet people for more consumer goods; a conviction among the Soviet rulers that the U.S.A. had no intention of starting a war, coupled with their recognition that thermo-nuclear warfare would result in devastation for both sides; and the fact that the U.S S.R. had been reminded throughout the U.N. disarmament discussions that it maintained far larger forces than any other Power in the world

[The *New York Times* commented that Mr. Stassen "evidently wanted to balance the largely negative comments made by Secretary of State Dulles with some discussion of the positive side of the step"]

President Eisenhower said at his press conference on May 23 that the Soviet announcement would be welcomed as a sign of progress when proof was forthcoming that the Russians had reduced their armed manpower by 1,200,000 men. No-one, however, knew for certain what the Russians were doing, though it appeared that they were adjusting their armed forces to the new weapons situation as the U.S.A. had done three or four years ago. Moreover, there was no knowledge of what they were doing with the 1,200,000 men whom they said were to be demobilized, nor with the 115 divisions they still had left. To reduce the Soviet Air Force by 200 or 300 planes out of the 20,000 they possessed, or to reduce the Soviet Navy by a few vessels which were unknown to the rest of the world, did not necessarily mean much, the President added; if, however, the Russians had removed 375 new and modern submarines from their forces "it might mean something." Meanwhile, the U.S.A. would watch "hopefully and carefully" what the Russians had done, with no reaction in its own policy except to consider its own needs and those of America's allies. If the Soviet reduction was in truth as advertised, it was "a step in the right direction" and would be "warmly accepted."

Reactions in Britain.

Sir Walter Monckton, the Minister of Defence, was asked by Mr. Arthur Henderson (Lab) on May 17 whether H.M. Government proposed "to make any further overall reductions in the armed forces of the United Kingdom, including Colonial forces." Sir Walter replied.

"As has already been announced, H.M. Government are engaged in reducing the strength of the U.K. armed forces to 700,000. Their present strength is some 772,000, which is in itself a reduction of 50,000 from the figure at April 1 last year. The Government welcome the announced intention of the Soviet Government to reduce the strength of the Russian armed forces They will themselves continue to ensure that the strength of the forces is no greater than is essential to meet the commitments which they are required to carry out. The primary purpose of Colonial forces is the maintenance of internal security, and I do not think that reductions in the strength of the Soviet forces are a factor which needs to be taken into account in this context."

Asked by Mr. Grimond (Liberal) about the relative strength between the land forces of the Soviet bloc and those of NATO, the Minister said: "According to our latest estimates, the Soviet bloc land forces at present comprise nearly 300 divisions of all types in varying stages of readiness The NATO land forces comprise some 100 divisions, also in varying stages of readiness. According to the Russian statement, when the reductions recently announced have been completed, the number of divisions will fall by 63 The strength of the forces in Eastern Germany will, however, be only very slightly reduced."

The Soviet Government and the central committee of the Soviet Communist Party issued an appeal on May 18 for 500,000 volunteers for industrial and agricultural work in Central Asia and Siberia. The appeal was particularly directed to ex-servicemen.—(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune)

(Prev. rep. 14599 B; 14384 C.)

Note. The British Secretary of State for Air (Mr. Birch) had stated in a parliamentary reply on April 18 that, according to the latest British estimates, the Soviet Army (including para-military forces) had a strength of 3,200,000, the Soviet Air Force of 800,000, and the Soviet Navy of about 600,000 men. The figures for the "satellite" countries, including Eastern Germany, were estimated at 1,500,000 for armies, 100,000 for air forces, and 20,000 for navies The period of military service in the U.S.S R. varied between 36 and 48 months, whilst in the "satellite" countries it varied between 24 and 42 months in the different countries except in Eastern Germany, where there was as yet no conscription.

The Supreme Allied Commander, Atlantic (Admiral Jerauld Wright) said at a press conference in Britain on May 11 that the Soviet Union possessed about 400 submarines, and was building others at the rate of 80 to 85 a year. (Times - Daily Telegraph).

A. ITALY. — Electoral Reform Legislation for Parliamentary, Provincial, and Local Elections.

A Government-sponsored Electoral Reform Bill for the next parliamentary elections were approved by the Italian Chamber of Deputies on March 21 and by the Senate on May 8. The Bill restored the system of "straight" proportional representation, without the possibility of putting forward joint lists, which had been abolished in the electoral legislation of 1953 prior to the general elections of that year.

Under the 1953 legislation a party or coalition of parties presenting joint lists was entitled to receive two-thirds of the seats in the Chamber if it polled more than one-half of the total vote, whilst the distribution of seats according to proportional representation applied only if such a majority had not been obtained by any party or electoral alliance. In the 1953 elections the Christian Democrats and their allies—the Democratic Socialists, Liberals, and Republicans—failed by a small margin to obtain such a majority, and the seats were therefore allocated in accordance with the proportionate vote for each of the parties. This system, however, was strongly criticized both by the Left-wing parties (the Communists and Nenni Socialists) and the Right-wing groups (the Monarchists and the neo-fascist M.S.I.). Subsequently, the smaller parties of the Government coalition also demanded its abolition on the grounds (*a*) that their electoral alliance with the Christian Democrats had cost them many votes which had gone to the parties of the Left, and (*b*) that it would be essential for them to regain their complete independence to avoid any further movements towards the extreme Left-wing.

Although there was general agreement on a return to a "straight" system of proportional representation, the final vote in the Chamber was preceded by lengthy debates on details of the new legislation; on several occasions Signor Segni (the Prime Minister) made the voting on the Government's proposals a question of confidence. In its final version, which was approved by 421 votes to 46, the Bill also provided for the application of a quotient as the basis for allocation of seats, which was more favourable to the smaller parties than had previously been the case. Except for the Monarchists and neo-Fascists, all parties supported the Bill.

Under a second Bill, which was also passed by the Chamber of Deputies on March 21 after approval by the Senate, the possibility of pooling votes by joint party lists was similarly abolished for all municipal and provincial elections.

This Bill provided (*a*) that in all communes of less than 10,000 inhabitants four-fifths of the local council seats would go to the list which had obtained a simple majority, and one-fifth to the minority lists; (*b*) that in communes of between 10,000 and 25,000 inhabitants three-fifths of all seats would be allocated to the majority list, and two-fifths to the minority lists; and (*c*) that in all municipalities of more than 25,000 inhabitants the system of straight proportional representation would be applied. It was also laid down that local elections would in future be held throughout Italy at one and the same time, instead of the previous system under which part of the elections had been held in one year and part in another.

Following the promulgation of this Bill, it was announced that the next elections for municipal and provincial councils would take place on May 27, but that no elections would be held in Trieste City and in the former "Zone A."
(Corriere della Sera, Milan - Giornale d'Italia, Rome) **(Prev. rep. Electoral Legislation, 13017 A; Local Elections, 14142 C.)**

B. SOVIET UNION. — Reduction of Working Week.

A Government decree was issued in Moscow on March 8 reducing the normal working week in factories and offices from 48 hours to 46 hours, and providing that working-hours on Saturdays and on the eve of national holidays would in future be limited to six instead of eight. Directives issued by the Government at the same time laid down that workers paid at hourly rates should receive the same pay as they received previously for the 48-hour week; that facilities would be introduced for piece-rate workers to enable them to increase their productivity; and that workers in industries requiring uninterrupted work would get an extra day of rest for every four Saturdays or pre-holiday days worked by them. Heads of Ministries and works managers were made responsible for the "unconditional fulfilment of the set assignments for the volume of production." (Times - Le Monde, Paris)

C. UNITED KINGDOM. — Trade Figures.

Imports into the United Kingdom in March totalled £330,200,000, exports £271,300,000, and re-exports £13,300,000, the adverse visible balance thus amounting to £45,600,000. During the first quarter of 1956 imports amounted to £985,600,000 and exports (including re-exports) to £816,300,000, the adverse visible balance thus totalling £169,300,000. The value of U.K. exports in the first quarter of 1956 was 4½ per cent higher than in the corresponding period of 1955, and the value of imports 2 per cent lower.—(Board of Trade Journal) **(Prev. rep. 14777 E.)**

D. UNITED KINGDOM. — Post Office. - Increases in Postal and Telephone Charges.

Dr. Charles Hill, the Postmaster-General, announced in the House of Commons on April 11 increases in the charges for local and "cheap rate" trunk telephone calls; in fees for money orders and for postal registration; in postal rates on newspapers, printed matter, and samples; and in "cash on delivery" fees. Ordinary postal and telephone trunk rates, telephone rentals, and poundage on postal orders were not affected. On May 1 Dr. Hill announced increases (from June 1) in rates on inland parcels and parcels to the Irish Republic, to take account of the recent increases in railway rates (see 14807 A). The new rates are shown below, with existing rates given in parentheses:

Telephone Charges.

Subscribers' Calls (from July 1) *Local Calls*: Up to 5 miles, 2½d. (2d.); 5-7½ miles, 5d. (4d.); 7½-12½ miles, 7½d. (6d.), 12½-15 miles, 10d (8d.). "*Cheap Rate*" *Trunk Calls* (between 6 p.m. and 10.30 p.m.): up to 25 miles, 10d. (8d.), 25-35 miles, 1s. (9d.); 35-50 miles, 1s. 3d. (1s. 2d.), 50-75 miles, 1s. 6d. (1s. 6d.), 75-125 miles, 2s. (1s 6d.); over 125 miles, 2s. 6d. (1s 6d.).

The charge for alarm calls to subscribers would be reduced from 6d. to 5d. "Business" small users subscribers, who are at present charged 50 per cent above the normal tariff for their first 300 calls annually, would be surcharged on the first 240 calls only. Residential subscribers would continue to be allowed 100 free local calls annually.

Calls from Call Boxes (also from July 1, except the charge for local calls up to 5 miles, which would apply from Jan. 1, 1957): *Local Calls*: Up to 5 miles, 4d. (3d.); 5-7½ miles, 6d (4d.); 7½-12½ miles, 9d (6d.), 12½-15 miles, 1s (8d.). "*Cheap Rate*" *Trunk Calls*: same rates as subscribers' calls plus 3d.

Postal Tariff.

Inland Printed Papers and Samples: 2d for each 4 oz., then 1d. for each further 2 oz. (1½d. for 2 oz., then 1d. for each further 2 oz.).

Inland Newspapers (per copy), 2d for 6 oz., then 1d. for each additional 6 oz. (1½d for 4 oz., then ½d. for each further 6 oz.).

Inland Registration: 1s. minimum, covering compensation up to £10, with an additional 1d. for each further £20 compensation (6d. covering maximum £5 compensation, with 1d. for each additional £20).

Inland Money Orders: Up to £10, 1s. (8d.), with 2d. extra for each additional £10 up to £50.

The above charges would apply to services to the Irish Republic.

Inland Cash-on-Delivery Fees. Fee for trade charge up to £1, 1s. 2d. (10d.); £1-£2, 1s. 4d. (1s. 2d.), £2-£5, 1s. 6d. (1s. 2d.); each subsequent £5 up to £40, 2d. (2d.).

Parcel Rates.

Inland. Up to 2 lb., 1s. 4d. (1s. 3d.), 2 lb.-3 lb., 1s 6d. (1s. 5d.); 3 lb.-4 lb., 1s. 9d. (1s. 8d.); 4 lb.-5 lb., 2s. (1s. 11d.); 5 lb.-6 lb., 2s. 3d. (2s. 1d.), 6 lb.-7 lb., 2s. 6d. (2s. 3d.); 7 lb -8 lb., 2s. 9d. (2s. 6d.); 8 lb -11 lb, 3s. (2s. 8d.); 11 lb.-15 lb., 3s. (2s. 9d.).

To the Irish Republic. Up to 2 lb., 1s 4d. (1s. 3d.); 2 lb.-5 lb., 1s. 10d. (1s. 9d.), 5 lb.-8 lb., 2s. 7d. (2s. 4d.); 8 lb.-11 lb., 3s. (2s. 8d.); 11 lb.-15 lb. 3s 3d. (2s 11d.).

Dr. Hill explained on April 11 that the increase in the salaries and wages of Civil Servants announced on March 31 (see 14847 B), together with other increases in wages and costs since last autumn, had added about £20,000,000 a year to the expenses of running the Post Office. Although he was attempting to absorb as much of the increase as possible by greater efficiency and economy, it was estimated that it would be necessary to raise an additional £15,000,000 in the current year to meet the bill.—(Times - Daily Telegraph) **(14500 A.)**

E. UNITED STATES. — High-Altitude Research Studies by New Stratospheric Plane.

The starting of a new research programme involving repeated and sustained aeroplane flights ten miles above the earth was announced on May 6 by the National Advisory Committee for Aeronautics. It was stated that the research would be carried out by a new Lockheed jet plane, the U-2, which would make it possible for the first time to gather information "in an economical and expeditious manner" on such subjects as meteorological conditions at high altitudes, cosmic rays, and elements in the upper atmosphere. The plane, powered by a Pratt and Whitney jet engine, carries a heavy load of instruments and was described by the *New York Times* as "not a fighter or bomber but a type so new that the Air Force had to invent a designation for it—U for utility." It is designed to gather information that no altitude pressure-chamber laboratory can produce satisfactorily. (New York Times)

F. NETHERLANDS. — Equal Property Rights for Women. - Parliamentary Legislation.

The Lower Chamber of the States-General adopted on April 11, by 56 votes to 16, a proposal by the Minister of Justice (Professor van Oven) giving husbands and wives equal rights with regard to all joint property. The measure was passed by the Upper House a few days later.—(Netherlands News Agency)

A. SOVIET UNION - EASTERN EUROPE.—Restriction of Powers of Security Police in U.S.S.R. and Poland. - Soviet Workers given Freedom to change Employment. - Release of Political Prisoners in Poland and Eastern Germany. - M. Cyrankiewicz on New Role of Polish Parliament. - Polish Cabinet Changes.

The Soviet Government issued two decrees at the beginning of May abolishing the emergency powers exercised by the security police since 1934, and permitting workers to change their employment without previously obtaining permission. Details of these and other developments arising from the repudiation of Stalinist policies are given below.

A decree published on May 3 abolished the emergency powers for the investigation of acts of terrorism and sabotage which had been granted to the security police in 1934 and 1937. It laid down that in future these offences would be dealt with according to "the juridical standards established by law," and established a special commission to supervise the activities of the security police. One of the decrees revoked (that of Dec. 1, 1934, which was issued immediately after the assassination of the Leningrad Communist leader, Sergei Kirov) had provided that investigations of cases of terrorism must be completed within 10 days; that the accused should be informed of the charges against him only 24 hours before his trial, that counsel should not be heard; that the court should give its verdict in the prisoner's absence, and that the death sentence should be carried out immediately, no appeal being allowed. Another revoked decree, (of Sept. 14, 1937) had established special commissions with judiciary powers composed of officials of the security police.

The legal journal *Soviet State and Law* strongly attacked on April 22 the theories of the late M. Vyshinsky (the former Foreign Minister, who acted as Public Prosecutor at the series of political trials during 1936-38), which, the article stated, denied "the need for a court to establish the absolute truth in each case" In particular it denounced the practice of convicting prisoners on the basis of their own confessions, and demanded "the strictest observance of legality by investigating courts and prosecuting organs."

M. Volin, president of the Soviet Supreme Court, told a delegation from the French Socialist Party which was visiting Moscow on May 4 that "since 1953 no extra-judiciary body empowered to arrest or imprison anyone has existed in the Soviet Union," and that such bodies, to which the Government and the Communist Party were strongly opposed, would never be re-established Under a decree issued on Sept. 1, 1953, he explained, the special M.V.D. courts had been suppressed; the ordinary courts were required to consider all petitions for the revision of sentences passed by such courts, whether submitted by the prisoner himself, his relatives, or his friends, and the Public Prosecutor was empowered to demand the dossiers of such cases from the Ministry of the Interior. The new penal code, he added, would permit prisoners to be assisted by counsel during their interrogation, and would abolish the offence of "economic espionage."

A law introduced in 1940, under which change of employment without permission became punishable by four months' imprisonment, and persistent absenteeism or lateness by six months' corrective labour and the loss of 25 per cent of earnings, was abolished on May 11, together with wartime regulations under which workers could be compulsorily transferred from one place of employment to another. The new decree ordered the release of all persons convicted under these laws, and restricted the penalties for persistent absenteeism to dismissal or deprivation of long-service bonuses for up to three months.

In its issue of May 18, the newspaper *Komsomolskaya Pravda* (organ of the Communist youth organization in the U.S S.R.) quoted for the first time the criticisms of Stalin which had been made by Lenin shortly before the latter's death in 1924. The paper wrote: "In the last year of his life Lenin pointed out such negative features in Stalin's character as rudeness, lack of consideration for his colleagues, capriciousness, and a tendency towards abuse of power which could lead to violation of the principles of collective leadership. Unfortunately, this is exactly what happened." *Komsomolskaya Pravda* explained that it had published this article in response to numerous requests from schoolchildren and young people for guidance on the question of the "cult of personality."

The reply given by *Komsomolskaya Pravda* to these inquiries constituted an oblique reference to the "secret testament" of Lenin, issued shortly before his death in 1924. This document has never been published in the Soviet Union, although several different versions have appeared from time to time in the Western countries, notably that issued by Trotsky in 1928. As quoted by Trotsky, the relevant passages of Lenin's testament were: "Stalin is too rude, and this fault becomes insupportable in the office of general secretary [of the Communist Party]. I therefore propose to the comrades to find a way to remove Stalin from that position and to appoint another man . . . more patient, more loyal, more polite, more attentive to the views of comrades, less capricious, etc. . . . "

During April and May a controversy developed in the Soviet military press over Stalin's alleged failure to prepare for the German invasion. The April issue of *Military Herald* (a monthly published by the Soviet Army's Administration for Military Training) stated that the Army had been compelled to retreat in 1941, suffering heavy losses, because industry had not been mobilized in time and the Army was insufficiently equipped with artillery, tanks, and aircraft. These views were strongly criticized on May 9 in *Red Star* (the daily paper published by the Army's Political Administration), which maintained that the Government and the Communist Party had made full preparations for a German attack.

Two possible explanations of this controversy were put forward in the Western Press. On the one hand, it was suggested that fears had been aroused that such criticisms of Stalin would reflect on the present Communist Party leadership, on the other, it was believed that a long-standing rivalry existed between the professional officer class and the Political Administration, which was formerly headed by Marshal Bulganin. The latter theory was supported by the fact that both Marshal Zhukov and Marshal Timoshenko had made statements during April calling for a strengthening of discipline in the armed forces, and criticizing the failure of the Political Administration to support the authority of commanding officers.

Recent developments in other Communist countries arising from the changes in Communist policy are described below.

Developments in Poland. - Cabinet Changes. - Restriction of Powers of Security Police. - Release of Political Prisoners.

The Seym, which met from April 23-28, approved a number of important Cabinet changes on April 27, the new appointments being as follows:

M. Adam Rapacki	..	Foreign Affairs.
M. Kazimierz Mijal	..	Public Services.
M. Franciszek Waniolka	..	Coalmining Industry.
M. Stanislas Zawadzki	..	Labour and Social Welfare.
M. Karol Kuryluk	..	Art and Culture.
M. Antoni Kuligowski	..	Agriculture.
M. Mieczyslaw Moczar	..	State Farms.
M. Stefan Zolkiewski	..	Higher Education.
Mme. Zofia Wasilkowska	..	Justice.
M. Marian Rybicki	..	Prosecutor-General.
M. Edmund Pszczolkowski	..	Chairman of the Committee of Public Security.

It was also announced that M. Jan Domanski, for many years a leader of the peasant movement, had been appointed to the Council of State.

M. Rapacki (previously Minister of Higher Education, and a former member of the central committee of the Polish Socialist Party) succeeded Dr. Stanislaw Skrzeszewski, who was appointed Secretary of the Council of State. Of the other Ministers concerned in the reshuffle, M Zolkiewski is a member of the Presidium of the Academy of Sciences, Mme. Wasilkowska was previously secretary of the Central Council of Trade Unions; and M. Rybicki was previously Secretary of the Council of State.

M. Jakob Berman (a Deputy Premier and a member of the Politburo of the United Workers' Party), who was formerly believed to occupy a position in the party leadership second only to that of the late M. Bierut, resigned his posts on May 6 after the Politburo had examined "mistakes and distortions in party and state work during recent years" and had criticized his activities. He was succeeded as a Deputy Premier by M. Eugeniusz Stawinski, who retained his existing post as Minister for Light Industry.

M. Henryk Cieslak, Deputy Minister of Justice, was dismissed on April 28, whilst M. Roman Romkowski (formerly Deputy Minister of Security) and Colonel Fejgin (a former high official of the Ministry of Security) were arrested on April 24 on charges of "violation of Socialist legality."

During its session the Seym approved the Government's amnesty Bill and a number of other measures, after a debate in which the Prime Minister, M. Cyrankiewicz, stressed the need for a "new democratization of our political and economic life."

In opening the parliamentary session, **M. Cyrankiewicz** said that the preliminary discussions in the Seym committees had shown that "the new debating spirit, the spirit of discussion, criticism, and creative searching, has entered the Polish parliamentary system as it has entered the entire Polish community," and declared that "we are undoubtedly at the threshold of a new historical process of democratization of our political and economic life." He admitted "serious shortcomings" in the country's political organization in the past; said that the Seym had hitherto not been able adequately to fulfil its constitutional role; and declared that the idea that "the establishment of a new class alignment meant that a parliamentary people's democracy in its final form could arise overnight" had been proved erroneous M. Cyrankiewicz continued. "We want the Seym to become in reality what it should be constitutionally—that is, the supreme legislative body, controlling the activity of all inferior State organs. But in order that the Seym may function in a proper manner, it is necessary that the other State organs assume a proper attitude towards it. What matters above all is the attitude of the Government . . . It was undoubtedly not the fault of the Seym if too great a part of legislative activities took the form of issuing decrees. The Seym was called into sessions which were too short and too infrequent, and in these conditions had to confine itself to approving decrees

without the possibility of thoroughly discussing them . . . We will have to break with the practice by which the overwhelming majority of legal acts come into life in the shape of decrees, without previous discussion by Seym committees . . .

" The exercise of parliamentary control over the organs of executive power and the activities of the Government is, of course, a no less essential factor in consolidating the rule of law. But in order to enable the Seym to fulfil this important function, the deputies must have access to sources of information. In this respect the situation was bad in the past On the whole we were not co-operative, we did not assist in making necessary materials available to the Seym, or did not do it sufficiently. There were even cases of hampering access to information. The Government intends to put an end to these incorrect practices . . . The same applies to interventions by deputies. They were often treated as an irritating nuisance . . The Government will see to it that deputies' interventions are treated in an adequate manner by the State organs . . . "

M. Cyrankiewicz went on to promise that all persons guilty of " applying illegal investigation methods and concocting trials " would be punished; that a special commission would be set up to care for the welfare of those released under the amnesty; and that the process of rehabilitation of those wrongly condemned in the past would be continued. More information on the work of Government departments would be made available to the Press, in order that public criticism of abuses might be made more effective. Steps would be taken to introduce greater administrative decentralization, and the powers of district councils would be increased In the final section of his speech, which dealt with international affairs, M. Cyrankiewicz expressed the hope that relations with the Western Powers would improve. Recalling the long-standing friendship between Poland and these countries, he referred in particular to the part played by Polish airmen in the Battle of Britain

In the ensuing debate a Roman Catholic deputy, **M. Horodynski,** appealed for greater mutual tolerance between Marxists and Catholics, whilst another Catholic, **M. Lubienski,** proposed that young Catholics should be allowed to set up their own organization, or that the Polish Youth Union should be transformed into an organization embracing young people of various outlooks He also described the Government departments for religious denominations as " redundant," and suggested that the decree on appointments to Church posts should be re-examined.

The Seym unanimously approved on April 28 the Government's amnesty Bill (see 14817 A), as well as a Bill curtailing the powers of the security police. Under the latter the police were forbidden to detain people without trial for more than a few weeks, and the prosecutor appointed by the court was required to supervise the methods of inquiry used. Other Bills adopted included one reducing the penalties imposed on peasants who failed to deliver their compulsory quotas to the State.

The release of prisoners under the amnesty law began on April 30, over 23,500 people being released during the first week of the amnesty. They were provided with free rail travel to their homes, and promised assistance in finding employment. It was officially estimated that about 80,000 people in all would benefit from the amnesty, including over 9,000 political prisoners, and that 30,000 of these would be released, 4,500 of whom were held on political charges.

The Supreme Military Court annulled on April 24 the sentences passed in 1951 on General Tatar (formerly Chief of Operations of the Polish Home Army) and eight other officers (see 11687 A), on the ground that the evidence on the basis of which they had been convicted of espionage had been obtained by " impermissible methods of investigation."

Developments in Eastern Germany.

The East German Government announced on April 26-27 that President Pieck had pardoned 88 political prisoners, all but one of whom were former Social Democrats; that an amnesty had been granted to 689 war criminals condemned by the Soviet military or East German civil authorities and held in East German prisons; and that 52 other war criminals were being detained pending a further review. Among the political prisoners released were Herr Max Fechner (a Communist), formerly Minister of Justice, who had been under arrest since 1953, and whose election and conviction had never been officially announced; Herr Paul Bender, formerly State Secretary in the Ministry of Supply, who was sentenced to six years' imprisonment for sabotage in 1954; and Herr Paul Szillat, a former member of the executive of the Socialist Unity Party, who was imprisoned in 1951 on a charge of fraud.

Dr. Melsheimer, the Chief Public Prosecutor, announced on May 13 that changes in the penal code would be introduced, under which penalties for minor political offences would be reduced, and major penalties restricted to cases of high treason, espionage, sabotage, and " warmongering." He stated that two new methods of punishment, conditional sentence and public censure, would be introduced; that prisoners would be assumed innocent until proved guilty; and that extenuating circumstances would be taken into consideration by the courts.

Herr Grotewohl, the East German Premier, declared on April 27 that there was no question of dismissing any members of the Government as had been done in Poland, Czechoslovakia, and Bulgaria. He claimed that the mistakes being corrected in those countries had largely been dealt with in Eastern Germany since 1953; in particular, he defended Herr Ulbricht (the Deputy-Premier, and first secretary of the Socialist Unity Party) against allegations that he had become the object of a " cult of the individual."

It was disclosed in East Berlin on May 3 that a pardon would be extended to all members of the Social Democratic Party in Eastern Germany who were serving prison sentences for " violating the law " or for " espionage " activities. A letter to this effect was sent by Herr Grotewohl and Herr Ulbricht to the executive committee of the Social Democratic Party.

Developments in Czechoslovakia.

M. Artur London, the former Deputy Foreign Minister who was condemned to life imprisonment at the Slansky trial in 1952 (see 12685 A), gave details on May 10 of the methods by which he had been induced to plead guilty at the time of his trial.

M. London, who stated that he had been completely rehabilitated by the Supreme Court, attributed his arrest in 1951 to the " disciples of Beria in Czechoslovakia," and explained that for several months he had refused to confess. As a result, however, of the " methods of violence " used against him and of his " mental anguish " at being accused by his comrades, he had finally decided that it was better to plead " guilty " than to accuse the Communist Party of having made a mistake. Asked whether the " methods of violence " to which he had been subjected meant torture, he replied: " It is the same thing " M London added that he had resumed his membership of the Communist Party and hoped to re-enter political life. His wife stated that she had regained her belief in his innocence shortly after the trial, and that this had been strengthened by the overthrow of Beria and the rehabilitation of those accused in the " doctors' plot " in the Soviet Union

[Mme. Londonova had sent a message to the court during her husband's trial asking for " the severest punishment " to be imposed on him She later left Czechoslovakia and until recently had been living in France]

Criticism of political abuses, which had developed more slowly in Czechoslovakia than in Poland, became increasingly outspoken from the end of April onwards. *Prace,* the organ of the trade union movement, criticized the National Assembly for not carrying out its " principal task " of " eliminating errors and shortcomings in the country's political, economic, and cultural life," and denounced the practice whereby whole groups, such as " persons of Jewish origin " and soldiers who had fought in the Western armies during the war, had been condemned for the alleged sins of individuals.

In Hungary, the official newspaper *Szabad Nep* published criticisms of the working of the Hungarian Parliament similar to those made in Poland and Czechoslovakia, whilst in Rumania, Bulgaria, and Albania statements were made by Government leaders stressing the desire of those countries for greater friendship with the Western Powers and with Yugoslavia, Greece, and Turkey.—(Times - Daily Telegraph - Manchester Guardian - Daily Worker - New York Times - Le Monde, Paris - A.D.N. Agency, East Berlin - Polish Embassy Press Office, London)

(Prev. rep. 14817 A; Releases, 14848 B.)

A. CANADA. — Unification of Canadian Labour Movement. - Founding of Canadian Labour Congress.

The two largest Canadian trade union organizations, the Trades and Labour Congress of Canada (T.L.C.C.) and the Canadian Congress of Labour (C.C.L.), merged on April 23 under the name of the Canadian Labour Congress (C.L.C.), representing about 80 per cent of the organized workers of Canada. The merger took place at a founding convention in Toronto attended by 1,600 labour leaders from all parts of the country. The convention, which lasted a week, was addressed on April 24 by Mr. St. Laurent, the Prime Minister of Canada, who welcomed the formation of the C.L.C. as an " historic event " in the development of the Canadian labour movement.

The new Canadian Congress of Labour has a membership of 1,018,000, of whom 640,000 were formerly members of the T.L.C.C. and 378,000 were affiliated to the C.C.L. Negotiations for the merger had been carried out by the former heads of the T.L.C.C. and the C.C.L., respectively Mr. A. G. Mosher and Mr. Claude Jodoin, Mr. Mosher becoming president of the unified organization. The largest Canadian union still outside the C.L.C. is the Canadian and Catholic Confederation of Labour (C.C.C.L.), which has nearly 100,000 members.

(Montreal Star - Department of External Affairs, Ottawa)

(Prev. rep. 14226 B; U.S. Unions, 14595 A.)

A. UNITED KINGDOM. — Coal Industry. - N.C.B. Report for 1955. - Deficit of £19,600,000. - Further Fall in Manpower. - Production Figures. - Scottish Coalfield Extension. - Miners' Wage Increases. - Death of Sir Hubert Houldsworth. - Mr. Bowman appointed Chairman of National Coal Board. - Revised Development Plan.

The tenth annual report and accounts of the National Coal Board, covering the year ended Dec. 31, 1955, were published on May 3. They showed that after meeting taxation and interest, and because of a loss of £27,600,000 on imported coal, the Board had incurred a deficit of £19,600,000. This deficit—the largest since nationalization—compared with a loss of £3,800,000 in 1954, and increased the Board's accumulated deficit since 1947 to £36,000,000.

Saleable output of coal totalled 221,600,000 tons, the decrease on 1954 being entirely due to a decline in the production of deep-mined coal, whereas output from opencast sites was higher. The report attributed the decline in deep-mined output to (*a*) a further fall of 5,200 in manpower; (*b*) labour disputes, which "cost the industry more coal than in any year since nationalization."

Salient points from the report are summarized below:

Costs, Prices, and Profits. Costs of mined coal averaged £3. 7s. 2d a ton, or 5s. 4d. more than in 1954, the largest increase (2s 4d. a ton) having again been in wages. Pithead coal prices rose by an average of 4s. 6d a ton to 68s, resulting in a profit (before deducting interest charges) of only 9d. a ton, compared with 1s. 7d. in 1954.

Profits on opencast coal totalled £4,700,000, or 8s. 4d. a ton.

Divisional Results. Only two divisions increased production in 1955, viz., the East Midlands division (by 500,000 tons) and the Northern division (by 5,000 tons). In the remaining seven divisions output fell, the largest decreases being in the Scottish, North-Eastern, and South-Western divisions. The largest percentage decrease occurred in Kent. The largest profit (7s. 5d a ton) was earned by the East Midlands division, financial results for the other divisions ranging from a profit of 3s 11d. a ton in the North-Eastern division to a loss of 10s. 9d a ton in Kent

Productivity. Production at the coalface averaged 65.5 cwt. per manshift, the highest ever recorded, but men working at coalfaces where power-loading was in operation averaged 103 3 cwt. per manshift. Overall production (i.e. taking into account the whole number of men employed both under and above ground), at 24.5 cwt. per manshift, was 0.1 cwt less than the 1954 record.

Progress of Mechanization. In 1955, 11.1 per cent of the total output of mined coal was mined by machines which loaded it direct on to conveyor belts, an increase of nearly 3 per cent over 1954. During the year 475 power-loading machines were installed, and it was hoped to instal a further 1,175 in 1956.

Opencast Mining. The report stated that the full benefit of new excavating plant installed in 1955 would not be felt until 1956, when three large new sites (with reserves of 17,000,000 tons) would be producing. Preparatory work was now beginning on a fourth site, which would eventually yield 20,000,000 tons. It added that output per manshift from opencast operations was higher, and costs lower, than for deep-mined coal, and the Board's long-term policy was to maintain and if possible increase opencast production. Opencast mining would continue "at least until 1965."

Manpower. There was a net manpower decline of 5,200, and the N.C.B. estimated that at Dec 31, 1955 the industry needed 13,000 more miners, including about 9,000 in the North-Eastern, West Midlands, and South-Western divisions. The report stressed that although the manpower problem had been accentuated by severe competition from other industries, the number of men employed on pit reconstruction and development work "would have made it difficult to avoid a fall in output even if no other difficulties had arisen"

Inland Coal Consumption. This totalled 214,700,000 tons, or 1,400,000 tons more than in 1954. The biggest increases in demand were from power stations (3,300,000 tons more) and gasworks (500,000 tons more); household deliveries were 960,000 tons less (mainly owing to the mild weather), and deliveries to the railways 840,000 tons less. Colliery power-houses used 670,000 tons less, and industry as a whole 160,000 tons less, principally owing to the greater use made of alternative fuels by the steel industry

New Collieries and Colliery Reconstructions. By the end of 1955 about 30 new collieries and 137 major reconstruction schemes had been completed since Vesting Day or were in progress A further 160 schemes (including 14 new collieries and 12 new surface mines) would be begun shortly. The total spent on reconstruction in the coalfields since 1947 amounted to £323,000,000 (nearly half on major reconstruction schemes). Only about £11,000,000 of the amount spent on major schemes had as yet resulted in improved output, however, owing to the time needed to complete such large engineering works.

In this connexion the report gave a warning that of 280 collieries which in 1955 had produced 30,000,000 tons of coal, not one could reasonably be expected to be still working in 15 years' time

Exports and Imports. Exports amounted to 11,700,000 tons, against 13,600,000 tons in 1954. Imports totalled 11,600,000 tons, compared with over 3,000,000 tons in 1954.

Miners' Earnings. These increased during the year by an average of about 6 per cent.

Capital Expenditure and Borrowing. During 1955 the Board spent £93,000,000 on capital account (compared with £84,700,000 in 1954), including £73,700,000 on collieries and £2,300,000 on housing. About £89,500,000 had been borrowed by the Board from the Minister of Fuel and Power, including £70,000,000 funded as 50-year annuities.

Mr. James Bowman, the Board's new chairman (see below), announced on the same day that the N.C.B. intended to apply to the Minister of Fuel and Power for permission to increase coal prices. He explained that the Board "did not intend to go on carrying a deficit indefinitely," and that although a profit of £9,175,000 had been made in the fourth quarter of 1955 and a further profit in the first quarter of 1956, the rate was not large enough to wipe out the deficit, "especially as wage increases amounting to over £14,000,000 have already been granted (see below) and piece-workers will probably get a further increase later in the year." The amount of the proposed increase had not yet been decided, but a decision would be reached very shortly.

Speaking of "the ever-present problem of manpower," Mr. Bowman said that the Board expected—judging by the tendencies at the end of 1955—to have to budget for a further fall in manpower of 5,000 men during 1956 In an attempt to mitigate the results of the shortage it was adopting the following measures: (1) the stepping-up of power loading, which in 1955 had had an effect on output equivalent to the contribution of 4,000 workers, (2) a special inquiry at pit level (undertaken after consultation with the National Union of Mineworkers) into the reasons why miners were leaving the pits; (3) the establishment of training pits in areas of "labour surplus" (e.g. Scotland and Durham) to train men for transfer to deficiency divisions such as Yorkshire and the Midlands; (4) intensified "methods studies" to try to find means of economizing manpower.

With regard to management, Mr. Bowman said that the N C.B. had "by and large brought into being the structure of the Fleck report," but that a large number of staff vacancies still remained to be filled He added that the Board "would not be deterred by criticisms that it is carrying excessive staff"

The following table shows the average weekly rates of coal production and consumption, and of manpower, output, and absenteeism, in the first quarter of 1956:

	Saleable Mined Coal Produced Tons	Plus Opencast Tons	Total Production Tons	Inland Consumption Tons	Overseas Shipments & Bunkers† Tons
January ..	4,231,125	180,275	4,411,400	4,533,750	196,500
February ..	4,277,000	182,400	4,459,400	4,967,000	204,000
March* .	4,258,960	227,100	4,486,060	4,870,200	181,200
1st. Quarter	4,255,695	196,592	4,452,287	4,790,317	193,900

	Wage-earners on colliery books		No. of shifts worked per wage-earner	Output per manshift at coal-face	Output per manshift overall	Percentage of absenteeism
	Total	at coal-face		Tons	Tons	
January ..	702,025	287,075	4 78	3 367	1.259	13.68
February .	703,500	287,275	4.86	3.335	1.248	14.99
March* ..	704,900	287,720	4.89	3.539	1.240	13.49
1st. Quarter	703,475	287,357	4.84	3.413	1.249	14 05

* Average of five weeks. † Including fishing vessels but excluding coastwise bunkers.

Output in January at the coal face was the highest in the history of the industry.

Other developments in the coal mining industry during recent months are summarized below.

Coalfield Reorganization and Extension. Plans to increase the output of the Alloa coalfield (Scotland) from 1,500,000 tons to 2,200,000 tons by 1961, and to 3,000,000 tons by 1965, were announced by the National Coal Board on Feb. 12. The proposals included (1) the establishment of a new colliery, estimated to cost £7,000,000, at Airth (south of the Forth), to employ 2,000 men and yield a daily output of 4,000 tons from workable seams of 500,000 tons; (2) the sinking of four other new pits to supply the bulk of the 700,000 tons of coal to be allocated annually from the area to the new Kincardine generating station (to be the largest in Scotland); (3) the reconstruction and modernization of other pits, with the aim of replacing the existing 18 pits in the area by 10 larger pits. The developments, which were part of the general Scottish plan of replacing exhausted coalfields and providing fresh productive seams in the deeper and less accessible seams of Clackmannan, Fife, Ayrshire, and the Lothians, would increase the capital expenditure programme in the area to £20,000,000, would tap reserves of over 400,000,000 tons, and would necessitate the increase of the labour force in the area from 7,000 to 9,000.

Miners' Wage Increases. Provisional agreement was reached on Feb. 16 between the N.C B. and the National Union of Mineworkers for immediate increases of 2s. 4d. a shift (or 14s. weekly) for day-wage miners and of 2s. 8d a shift (or 16s. weekly) for winding enginemen and craftsmen, including electricians, blacksmiths, and fitters The increases, which affected nearly 400,000 workers and were expected to cost about £14,000,000 a year, were approved by an N.U.M. delegate conference on Feb. 23.

Coal and Coke Prices. Summer prices for house coal operated from April 23, the basic alterations being the same as in past years, but the reductions varying from place to place to take account of merchants' costs and rail freights. The N.C.B. stated that in the Northern Region summer prices would operate until Oct. 31, but that in London and the South the full reduction would be operated only until June 10, after which prices would rise by 2s. 6d. a ton until Aug. 31, and by a further 2s 6d. until Nov. 30, when winter prices would be reintroduced.

Household coke prices were raised from April 23 by an average of 3s. 6d. a ton in districts (such as Newcastle and North Wales) without summer price schemes, but were reduced by an average of 5s a ton in London, Southern England, the Midlands, and the North-West, where summer price reductions operated. Foundry coke prices were increased by 3d. a ton, plus the actual increase in railway rates.

Coal Distribution. The Minister of Fuel and Power (Mr. Aubrey Jones) announced on March 12 that he had decided to set up a departmental committee to inquire into distribution costs and profit margins in respect of home-consumed coal and coke. The committee's chairman would be Sir Thomas Robson (a past president of the Institute of Chartered Accountants), its other members being Mr. C. T. Brunner, a former president of the Institute of Transport and a director of Shell-Mex and B.P. Ltd; Professor A. D. Campbell, Professor of Applied Economics, St. Andrews University; Mrs. F. H. Cantwell, chairman of the Domestic Coal Consumers' Council; Sir Graham Larmor, a member of the Central Council of the Irish Linen Industry; and Mr. W. J. P. Webber, general secretary of the Transport Salaried Staffs Association.

The appointment was announced on Dec. 29 of the following part-time members of the National Coal Board: Mr. S. P. Chambers, a deputy chairman of Imperial Chemical Industries, Ltd.; Mr. J. Crawford, general president of the National Union of Boot and Shoe Operatives, and a member of the T.U.C. General Council; and Sir Henry Wilson Smith, deputy chairman of Powell Duffryn Ltd.

Sir Hubert Houldsworth, Q.C., the chairman of the National Coal Board, died on Feb. 1 and was succeeded by Mr. James Bowman, the chairman-elect. Sir Hubert (who was 66) succeeded Lord Hyndley as chairman of the N.C.B. in 1951, having previously been chairman of the East Midlands Board.

Revised Development Plan for Coal Industry.

Far-reaching revisions of the plan for the reorganization of the coalmining industry published in 1950 by the N.C.B. under the title *Plan for Coal* (see 11093 A) were announced by Mr. Bowman on April 23 He explained that the changes had been necessitated by the discovery that the estimates of costs, rises in production, and manpower needs made in 1950 were no longer valid. Whereas *Plan for Coal* had envisaged the expenditure of £650,000,000 (at 1949 prices) in order to increase the output of deep-mined coal to 240,000 tons annually, the revised plan would cost about twice as much.

The new plan, published under the title *Investing in Coal*, estimated that the objective of 240,000,000 tons could be reached only by including opencast coal and spending £1,350,000,000, at 1955 prices. Of this amount, about £350,000,000 had so far been spent, leaving £1,000,000 to be spent in the next 10 years. As the N.C.B.'s borrowing powers were at present limited to £300,000,000, it was seeking authority to borrow a further £350,000,000, making £650,000,000 in all. "Because reconstruction in the coal industry is not a once-and-for-all effort but a perennial investment," the revised plan continued, "the Board will also have to invest money in major schemes which will not come to fruition until after 1965. A total of £590,000,000 will be spent in the next five years, and £410,000,000 in 1961-65. The Board's provisional view is that investment in the five years after 1965 will not be much lower than the amount it is proposed to spend in 1961-65."

Investment in Coal attributed the increase in costs, as compared with the 1950 plan, to steeply rising prices, under-estimation of difficulties and costs in the original plan, and the inclusion of additional projects. Thus, whereas in 1950 it had been estimated that only 618,000 miners would be required in 1965—or 80,000 fewer than in 1950—the N.C.B. now estimated that in 1960 the industry would require 682,000 miners, with an output per man-year of 319 tons, whilst in 1965 it would still require 672,000, with an output per man-year of 342 tons. Two main reasons were given for this modification (1) the decline in the proportion of saleable coal in total colliery output was proceeding at a rate of about 1,000,000 tons a year, and must be expected to continue for some years; (2) the expected increase of 2½ per cent in the attendance rate had not so far been obtained.

Commenting on the revised proposals, Mr. Bowman maintained that the sum intended to be invested—"no more than 10d. of every £1 invested in the economy as a whole"—was "not excessive for an industry which is the main source of primary fuel for the whole country." Atomic energy, he said, was "unlikely to affect the situation much over the next 15 years," and the "fuel gap" was "likely to grow considerably." Without further investment, output would certainly drop—"perhaps to the extent of producing by 1965-70 some 40,000,000 tons less than in 1955, or 70,000,000 tons less than we hope to produce in 1970 with the investment proposed."—(Ministry of Fuel and Power - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Coal Production, 14661 A; "Plan for Coal," 11093 A; N.C.B. Borrowing Powers, 11656 A; N.C.B. Report, 1954, 14269 A; Fleck Report, 14115 A.)**

A. INDIA.—Report of Prohibition Inquiry Committee. - Recommendation for Nation-wide Prohibition in 1958. - Parliamentary Support. - Omission of Target Date.

The report of the Prohibition Inquiry Committee set up by the Indian Planning Commission was published in New Delhi on Oct. 25, 1955. It recommended that "the target for complete nation-wide prohibition should be April 1, 1958."

The committee pointed out that there was strong support for a nation-wide prohibition policy in every State it had visited, as well as a demand to put that policy into effect as early as possible. In view of the experience of prohibition in States such as Bombay and Madras, the report declared that "prohibition is not only a sound policy but also a practical proposition" In recommending the target date for nation-wide prohibition, the committee explained that it had taken into consideration both the urgency of the situation and the practical difficulties which had to be overcome by the State Governments concerned. It suggested that State Governments should declare their acceptance of this policy and of the target date by the end of 1955, in order to prepare the public to co-operate fully in implementing the prohibition programme, and that the Government of India should also issue a statement to the effect that prohibition had become its national policy. The intervening period should be used to bring into existence the necessary machinery, and to take other preparatory steps towards complete prohibition

States where prohibition was already in force (the report continued) should exercise greater vigilance and put into effect additional measures recommended by the committee to ensure better and more concrete results In States where partial prohibition existed, steps should be taken to widen its scope and to secure effective implementation so as to cover the entire State area Among practical steps to enforce prohibition gradually in States where it was not yet in effect, the committee proposed that all "visible drinking" should be stopped immediately by banning liquor in hotels, bars, restaurants, and clubs, and at social gatherings Tourists and foreign residents would still be able to get liquor in separate drinking-rooms at hotels, but foreign Embassies would be expected to co-operate by not serving alcoholic drinks at public receptions attended by Indians.

In addition, the committee recommended the following steps as from April 1, 1956 · all advertisements for drink should be banned; the number of liquor shops (public-houses) should be progressively reduced, and the shops closed for an increasing number of days; the strength of spirits should be lowered, and liquor shops should be moved to back streets. Abstinence should be made a rule of conduct for all Government servants, and all drinking of liquor (except by foreigners in private, and for certified medicinal purposes) should be banned completely by April 1, 1958.

The House of the People unanimously passed a resolution on March 31 recommending that prohibition should be regarded as an integral part of the second Five-Year Plan, and that the Planning Commission should "formulate the necessary programme to bring about nation-wide prohibition speedily and effectively." No target date was fixed in the resolution, which had been moved by Mr. K. P. Tripathi (Congress) and which replaced one previously moved by another Congress member (Mr. C. R. Narasimhan) calling for the fixing of a target-date for nation-wide prohibition.

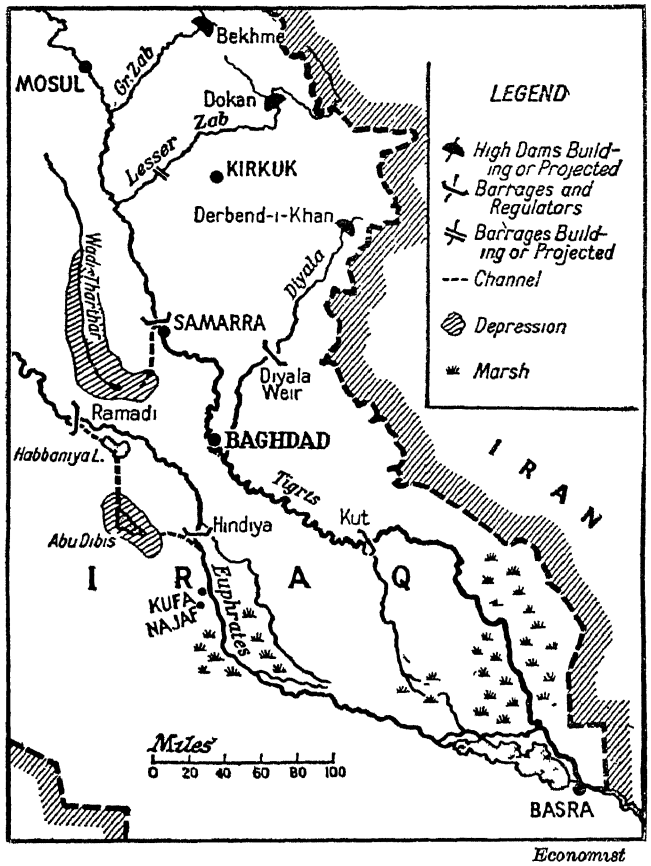
Mr. Tripathi's motion was supported by the Minister for Planning (Mr. G L. Nanda), who argued that a target date for the whole country might delay prohibition instead of speeding it up. Expressing the view that prohibition could succeed on a nation-wide basis, Mr. Nanda pointed out that it was already in force over one-third of the area and one-fourth of the population of India The only aspect of the matter that had to be considered was that there should be "a real, genuine prohibition and not a shadow of it." In this connexion Mr. Nanda gave an assurance that the Central Government had no intention of letting matters drift, and said that they had outlined the programme which they proposed to pursue in the draft Second Five-Year Plan.

Earlier in March it had been reported in the Indian Press that most State Governments had expressed the view that they would be unable to accept the target date recommended by the Inquiry Committee, whilst many State Governments had made increased financial assistance from the Centre a condition for enforcing prohibition. Among States suggesting a more distant target date were Assam, the Punjab, and Uttar Pradesh.

At present only four of the Indian States (Andhra, Bombay, Madras, and Saurashtra) have practically complete prohibition, whilst nine others have partial prohibition in the form of "dry" areas or "dry" days.—(The Hindu, Madras - The Statesman, Calcutta - Times of India, Bombay - Indian High Commissioner's Office, London) **(Prev. rep. Prohibition in Bombay, 10651 A; in Madras, 9562 B.)**

A. IRAQ. — The Tigris-Euphrates Scheme. - Opening of Samarra and Habbaniyah Barrages. - Five-Year Development Plan. - Opening of First Television Station in Middle East.

The Tigris barrage near Samarra (see 14661 A) was officially inaugurated on April 2 by King Faisal II, whilst on April 5 the King inaugurated another flood-control barrage across the Euphrates at Ramadi, near Habbaniyah. These two barrages, together with others to be built (see below) and those already in existence, will eventually be supplemented by an extensive system of irrigation canals, pumping stations, etc., designed to restore the "land of the two rivers" to its ancient fertility, and to re-create the conditions that nurtured the world's first highly-developed civilization in the Tigris-Euphrates valley. It is estimated that the whole project will take 20 to 50 years for its completion.



Economist

The first recorded civilization, that of Sumeria, arose in the "land of the two rivers" in the fourth millenium B C., and was based on an intricate system of irrigation canals. Subsequent civilizations also flourished in the Tigris-Euphrates valley for many centuries. The canal system began to fall into disrepair in the seventh century A D., and was completely destroyed in the Mongol invasions of the 13th century

A British firm—Messrs. Coode and Partners, of London—acted as consulting engineers for both projects, which are described below.

Samarra Barrage. This project, for which the first surveys were made in 1948, was carried out in two parts (1) The digging of a 40-mile canal linking the Tigris River with the Wadi Thartar depression (see map), in which 60,000 million cubic metres of water will be stored for irrigation purposes. The Wadi Thartar is 63 miles long and has an area of about 800 square miles. (2) The construction of a barrage across the Tigris, together with a canal to irrigate 1,300,000 acres A power station (to be completed by the end of 1956) will also be built near the barrage and will provide 100,000 kw. of hydro-electric power for agricultural development in the area The first part of the project cost £6,500,000, and the second part £9,000,000.

The project involved the shifting of the bed of the Tigris River for several miles and the removal of about 50,000,000 cubic yards of sand, soil, and rock—one of the biggest earth-moving contracts ever carried out, and about 60 per cent. of that involved in the construction of the Suez Canal. The earth-moving was carried out by the British firm of Balfour, Beatty & Co., the barrage itself—which carries a roadway—was built by a German firm, E. Zublin A G ; and the sluice-gates were constructed by the British firm of Ransomes and Rapier, Ipswich. As stated in 14661 A, the barrage will not only promote agricultural development but will relieve Baghdad from the frequent and disastrous floods which had occurred on many occasions in the past when the Tigris was in spate.

Habbaniyah Barrage. This barrage, which also carries a roadway, was built by a French firm (*S.A. Hersent Entreprises Metropolitaines et Coloniales*) at a cost of nearly £1,400,000. It is linked by a canal to the nearby Lake Habbaniyah (near the former R A F. base), which acts as a natural reservoir for the waters impounded by the barrage. Work on the barrage began on May 13, 1953, and was completed in less than two years The sluice-gates, like those of the Tigris barrage, were built by Ransomes & Rapier under sub-contract.

In addition to the above-mentioned barrages, a third important barrage—the Dokan dam—is under construction on the Lesser Zab river, a tributary of the Tigris. When completed in 1958 it will have a storage capacity of about 7,500 million cubic yards, sufficient to irrigate a large area of north-eastern Iraq. A fourth barrage, scheduled for completion in 1960, will be built at Derbend-i-Khan, near the headwaters of the Diyala River. Of the barrages built in earlier years, the most important is the Kut Barrage, on the Tigris, constructed by Balfour, Beatty & Co. between 1934 and 1939.

Two new bridges over the Euphrates, designed to facilitate communications and to open up the central part of the river valley, were inaugurated on April 8 by the Prime Minister of Iraq, General Nuri es-Said. One, at Hindiya—65 miles south of Baghdad and close to the site of Babylon—was built by the British firm of Dorman, Long & Co. (Middlesborough) and is 570 feet long and 46 feet wide, with a steel span. The other, built by the German firms of Philip Holzmann (Frankfurt) and C. H Jucho (Dortmund), is at Kufa, about 50 miles south of the Hindiya bridge.

A five-year development plan, covering the period 1955-59 and envisaging expenditure of £108,000,000 was approved on April 3 by King Faisal and the Iraqi Cabinet. It was drawn up by the Minister of Development, M. Abdul Majid Mahmoud, and will be financed largely from Iraq's oil revenues.

The plan provided for the following projects, *inter alia*, during the five-year period the completion of the Samarra and Habbaniyah barrages, mentioned above ; the building of the Dokan dam, the Derbend-i-Khan dam, and other flood-control works ; new canals, irrigation channels, roads, railways, and bridges in different parts of the country , new schools, hospitals, dispensaries, and laboratories, including scientific and technical institutes at Baghdad, Mosul, and Kirkuk ; electrification projects, including large generating stations at Baghdad and Basra ; housing projects , and the construction in Baghdad of an international airport and a sports stadium.

Major industrial enterprises to be built under the plan will include a cotton textile mill at Mosul, to produce 20,000,000 square yards of cotton textiles a year , cement factories at Mosul and Sarchinar, each of which will produce 350 tons of cement a day , a sugar refinery at Mosul, to produce 10,000 tons of sugar a year from Iraqi sugar-beet and 25,000 tons a year from imported raw cane sugar , and a bitumen refinery at Qaiyarah, to produce 60,000 tons of bitumen a year.

The first television station in the world devoted primarily to child and adult education, and also the first television station in the Middle East, was opened in Baghdad on May 2 by King Faisal. Built by the British firm of Pye Ltd. (Cambridge), and installed with British help, it will send out programmes to Iraqi schools during the day and give adult education and cultural programmes in the evenings.
(Iraq Development Plan - Iraqi Embassy, London - Times)
(Prev. rep. 14661 A.)

B. NEW ZEALAND. — Bipartisan Inquiry Committee into Compatibility of Ministers' Private Interests with Holding of Ministerial Office.

The New Zealand Parliament appointed a 12-member select committee on May 14 to inquire into and report on the principles that should be observed by Cabinet Ministers in the arrangement of their private interests while holding office under the Crown. Its members are : National Party—Mr. Holland (Prime Minister), Mr. Holyoake (Deputy Prime Minister and Minister of Agriculture), Mr. Sullivan (Minister of Labour), Mr. Watts (Minister of Finance), Mr. Marshall (Attorney General), Mr. C. G. Harker, and Mr. John Rae ; Labour Party—Mr. Walter Nash (Leader of the Opposition), Mr. C. F. Skinner, Mr. A. McLagan, Mr. H. G. R. Mason, and Mr. A. H. Nordmeyer. The appointment of the committee arose out of the dispute over Mr. Eyre (Minister of Industries, Commerce and Customs) in connexion with the holding of portfolios which allegedly conflicted with his private interests as an importer and manufacturer.—(Directorate of Information Services, Wellington) **(Prev. rep. 14780 D.)**

C. EGYPT. — Recognition of Communist China.

It was announced in Cairo on May 16 that Egypt had formally recognized the People's Republic of China and had withdrawn recognition from the Chinese Nationalist Government in Formosa. The Nationalist Government broke off diplomatic relations with Egypt on the following day and withdrew its Ambassador from Cairo. (Times - Le Monde)

MAY 26—JUNE 2, 1956

A. MIDDLE EAST. — Dr. Hammarskjöld's Peace Mission. - Report to Security Council. - Unconditional Cease-fire accepted by Israel and Arab States. - Strengthening of U.N. Observation Posts in Gaza Area. - Military Pact between Egypt, Saudi Arabia and Yemen. - Jordanian Military Agreements with Egypt and Lebanon.

The U.N. Secretary-General, Dr. Hammarskjold, returned to New York on May 6 after successfully carrying out the mission, entrusted to him by the Security Council (see 14793 A), of relieving the tension between Israel and her Arab neighbours. During his stay in the Middle East (April 10 to May 3), during which he made Beirut his headquarters, Dr. Hammarskjold had a number of meetings with the leaders of Egypt, Israel, Jordan, Syria, and the Lebanon in the capitals of the various countries.

Dr. Hammarskjöld's Report to Security Council.

The results of Dr. Hammarskjold's peace mission to the Middle East were embodied in a voluminous report presented by him to the Security Council on May 10. They were, in brief, as follows: (1) Egypt, Israel, Jordan, Syria, and the Lebanon had all signified their "unconditional acceptance" of the cease-fire provisions of the Palestine armistice agreements, whilst reserving the right of self-defence in the event of any aggression; (2) Egypt and Israel had accepted proposals by General Burns (chief of the U.N. Truce Supervision Organization) for observation posts to be set up along the demarcation lines of the "Gaza strip" and for U.N. mobile patrols to keep watch on the Egyptian-Israeli border; (3) Syria and Israel had agreed in principle to reduce tension and prevent incidents in the area of the Sea of Galilee (Lake Tiberias).

General Observations. After pointing out that he had kept strictly within the scope of the mandate imposed on him by the Security Council's resolution, Dr. Hammarskjold continued. "... I have devoted all my attention to the limited task of re-establishing first of all a cease-fire, and, based on the cease-fire, a state of full compliance with the armistice agreements. It may be said that this does not meet the needs of the situation. In my own view, confirmed by the frank and full discussions I have had with the leaders in the Middle East, I feel that the re-establishment of full compliance with the armistice agreements represents a stage which has to be passed in order to make progress possible on the main issues, which I have considered to be outside my mandate.

"It is still too early to say what has been achieved in substance, but the efforts made, in my view, were necessary as an initial step Their value and effect will depend first of all on the goodwill and the actions taken by the Governments directly concerned, and in the second place on the support given to those Governments by the world community, as represented by the United Nations

"What has been done may open the door to new fruitful developments. The initiative is now in the hands of the Governments who are parties to the armistice agreements It is my feeling that there is a general will to peace, and that this will should be fostered and encouraged, not by attempts to impose from outside solutions to problems of vital significance to everyone in the region, but by a co-operation which facilitates for the Governments concerned the taking unilaterally of steps to increase confidence and to demonstrate their wish for peaceful conditions

"I believe that the present situation offers unique possibilities. If we have previously experienced chain reactions leading to a continuous deterioration of the situation, we may now have the possibility of starting a chain of reactions in the opposite direction The final settlement is probably still far off, but even partial solutions to the harassing problems of the region would be a contribution to the welfare of the peoples concerned and to the peace of the world."

The Cease-Fire Agreements. Assurances of strict compliance with the cease-fire provisions of the Egyptian-Israeli armistice agreement were given to Dr Hammarskjold by Colonel Nasser and Mr. Ben-Gurion on April 12, shortly after the Secretary-General's arrival in the Middle East (see page 14797, first column) Similar unconditional assurances were given to Dr Hammarskjold on April 29 by Samir el-Rifai, then Prime Minister of Jordan, in respect of the Israeli-Jordanian armistice agreement; on May 1 by M Selim Lahoud, Foreign Minister of the Lebanon, in respect of the Israeli-Lebanese armistice agreement; and on May 2 by Sayed Ghazzi, the Prime Minister of Syria, in respect of the Israeli-Syrian armistice agreement On the Israeli side, Mr. Ben-Gurion sent a letter to Dr. Hammarskjöld on May 3 informing him of Israel's "full and unconditional" acceptance of the armistice agreements with Jordan, Syria, and the Lebanon.

As stated above, all the Governments concerned reserved to themselves the right of self-defence against any aggression which might be directed against them. Jordan and the Lebanon also stressed that any unilateral action by Israel in diverting the waters of the Jordan River would constitute a violation of the armistice agreements.

Arrangements on Egyptian-Israeli Border. Dr. Hammarskjöld informed the Security Council in his report that Egypt and Israel had accepted proposals by General Burns "for the establishment of an equal number of U.N. observer posts on each side of the [demarcation] line," the activities of these U.N. military observers being "additional to those provided for under the general armistice agreements." The Government of Israel had set a time-limit of six months (i e until Oct. 31, 1956) for the operation of this system, whilst the Egyptian Government had set no time-limit. It was, however, "understood that the Government of Israel will consider proposals from the Chief of Staff [General Burns] for the continuation of this arrangement after Oct. 31 if, in his view, the situation at the time calls for it." After stating that the new arrangements would be formally adopted by the Egyptian-Israeli Mixed Armistice Commission, Dr. Hammarskjold described them as follows

(1) The location and number of the observation posts on the Egyptian side of the demarcation line would be agreed with Egypt, and of those on the Israeli side with Israel. There would be an equal number of observation posts established on each side It was the intention of General Burns to arrange for six such posts on each side of the line.

(2) U.N observers would have free access to these positions at any time.

(3) If so desired by the party concerned, the observers would be accompanied on their way to and during their stay at the observation posts by an officer of the party on whose side of the demarcation line the post was situated.

(4) Before proceeding to any of the observation posts, the observer would notify the senior Egyptian or Israeli delegate on the Mixed Armistice Commission, as the case might be, to ensure that the Egyptian (Israeli) forces allowed unhindered passage to the posts.

(5) The reports of U.N observers stationed at observation posts would cover violations of the Egyptian-Israeli armistice agreement They would be presented to the Mixed Armistice Commission, and used in the examination of complaints

(6) The parties would designate a route which U N. observers would follow to the observation posts.

(7) The U.N. Truce Supervision Organization might send patrols along the demarcation line between the observation posts when required, arrangements being made beforehand with the Armistice Commission,

Dr. Hammarskjold added that neither Egypt nor Israel had raised objections to proposals for the free movement of U N. observers in the demilitarized zone of El Auja, in order to verify that both parties were complying with the relevant provisions of the armistice agreement.

Arrangements on the Israel-Syrian Border. Dr. Hammarskjold reported as follows on the situation on the Syrian-Israeli border:

"To facilitate compliance with the armistice agreement, and with the special arrangements made in regard to the eastern shore of Lake Tiberias, proposals were made to Syria and Israel for the placing of fixed observation posts manned by U N military observers on the eastern and north-eastern shore of the lake. Approximately two such posts would be on Syrian-controlled territory and one in territory controlled by Israel. Observers would have the right to move to these posts, and to any point where difficulties requiring their intervention might arise, in a special U N. boat.

"Syria accepted these proposals and, in regard to the movement of a U.N. boat on the lake, expressed the view that ... U.N. military observers should have complete freedom of movement thereon.

"Israel does not agree to a U.N. military observer boat on Lake Tiberias, nor to the establishment of a military observer post on Israeli territory, considering these measures as derogating from the rights which she claims over the whole extent of the lake and the territory to the north thereof, as far east as the old Palestine-Syrian boundary Israel would nevertheless be prepared, after the lapse of a month, to consider a proposal by the Chief of Staff for the establishment of a U.N. military observer post should he then consider it desirable.

I find it necessary to maintain the proposal both for a police boat and for a post on Israeli territory Short of these arrangements, I can scarcely find that the patrolling arrangements, mentioned below under (*d*), provide adequate safeguards.

"It will be recalled that in its resolution of Jan. 19, 1956, the Security Council endorsed five proposals in regard to Lake Tiberias which had been made by the Chief of Staff. The present status of these proposals is as follows.

(*a*) The request to refrain from firing in contravention of the Israeli-Syrian armistice agreement is covered by the cease-fire assurances referred to earlier in this report [See above].

"(*b*) The Syrian authorities have agreed to prevent inhabitants of Syria from fishing in the lake pending a solution of the problem of fishing permits The Israelis have agreed to grant fishing permits to inhabitants of villages in Syria and the demilitarized zone near the lake As the Israelis hold that they alone can issue permits to fish in the lake, application must be made through the Syrian representative on the Mixed Armistice Commission to the Israeli representative. The Syrian Government, on the other hand, considers that permits should be issued by the chairman of the Mixed Armistice Commission.

(*c*) The Israeli authorities have agreed not to interfere with inhabitants of Syria drawing water from Lake Tiberias, provided that the water is drawn for domestic purposes only The Syrian authorities have agreed not to interfere with Israeli fishing in Lake Tiberias

(*d*) Israel has agreed to adopt a policy of keeping her police boats back from the eastern shore of the lake, except when it is necessary to approach it 'for security purposes.' I understand this latter phrase to refer only to measures for the preservation of order and the protection of Israeli fishermen."

A section of Dr. Hammarskjöld's report dealing with "special questions" pointed out (1) that Israel had raised the question of "Egyptian interference with Israeli shipping through the Suez Canal," and had maintained that Egypt's continued blockade constituted "a case of non-compliance with Article 1 of the Egyptian-Israeli armistice agreement"; (2) that Jordan and the Lebanon had declared that any unilateral action by Israel in diverting the waters of the Jordan River would be regarded as a violation of the armistice agreements.

The Suez Canal Blockade. The U.N. Secretary-General commented as follows on this matter:

"My attitude has been that the Suez question, as adjudicated by the Security Council [i e. in its resolution of Sept. 1, 1951 (see 11699 A) to which the Israeli Government referred] is not a question of compliance with the armistice agreement in the sense of my mandate For that reason I have not, within the framework of my mandate, discussed the issue with the Egyptian Government For the same reason I have found that I should not in this report evaluate the legal reasons presented by Israel in support of the view that the blockade represents a case of non-compliance of the armistice agreement.

"My mandate is directly concerned with the state of tension along the armistice demarcation lines, and the state of compliance or non-compliance with the armistice agreement as a cause of such tension. In an approach looking beyond the immediate problems it is obvious that the question raised by the Government of Israel should come under consideration in the light of the Council's finding, in its resolution of Sept. 1, 1951, that the blockade is incompatible with the armistice regime, as this regime put an end to a state in which Egypt could avail itself of belligerent rights"

[The exchange of correspondence between Dr. Hammarskjold and Mr. Ben-Gurion on this matter had been released at U.N Headquarters on April 16, while the Secretary-General was still in the Middle East Mr Ben-Gurion, in a letter dated April 13, had asked Dr. Hammarskjold to ascertain, during his discussions in Cairo, whether the Egyptian Government's readiness to implement the armistice agreement meant "that they no longer consider Egypt to be at war with Israel, as they have claimed before the Security Council." He also asked to be informed whether "they [the Egyptians] realize that the observance of the armistice agreement obligates them to discontinue the closing of the Suez Canal to Israeli ships and to desist from other forms of interference with Israeli shipping." In his reply (of that same date) Dr. Hammarskjold pointed out that his mandate under the Security Council's resolution was concerned "primarily with the state of compliance with the armistice agreement relevant to the situation which has developed along the demarcation lines, in the demilitarized zones, and in the defensive areas."

Mr Sharett (Foreign Minister of Israel) sent another message to Dr. Hammarskjold on the following day reiterating his Government's view that Egyptian interference with legitimate Israeli shipping constituted "a hostile act incompatible with the armistice agreement." He added: "This view is endorsed by an express resolution of the Security Council of Sept. 1, 1951, which ruled that, in view of the existence and enforcement of the armistice agreement, Egypt is not entitled to claim and exercise belligerent rights Egypt's acceptance of Article 2 (ii) of the armistice agreement (which prohibits warlike and hostile acts by both parties) cannot be regarded as genuine and unconditional if interpreted as leaving it open for Egypt to engage in such hostile acts as she may deem fit"].

The Jordan Waters Dispute. Dr. Hammarskjold commented on this question as follows

"A judgment on legal grounds about the question raised by Jordan and Lebanon has to take into consideration the status of the demilitarized zone as established by Article 5 of the armistice agreement between Syria and Israel, the effect of the [Jordan River] diversion scheme in the light of the rules relevant to the demilitarized zone as interpreted by the Chief of Staff, and, finally, the situation created by the Security Council resolution of Oct. 27, 1953 [see 13283 A]

Under these circumstances my formal stand under the terms of my mandate must be to request the parties to abide by decisions concerning the matter taken by the Security Council or under the armistice agreements A departure on my side from the stand thus taken would have meant that I interfered with the jurisdiction of the Council or of the Chief of Staff."

Dr. Hammarskjold announced on May 24 that five countries (Australia, Canada, New Zealand, Norway, and Sweden) had responded to his request to assign officers for service as U.N. military observers with the U.N. Truce Supervision Organization in Palestine. The request was made in connexion with the agreement, negotiated by Dr. Hammarskjold with Egypt and Israel, for the setting-up of a number of fixed U.N. observation posts on each side of the demarcation line in the "Gaza strip." The new officers (21 in all) brought the number of U.N. observers in Palestine to 61, of whom ten are from Canada, nine from Sweden, eight each from France and the U.S.A., seven each from Belgium and New Zealand, and four each from Australia, Denmark, and Norway. In addition, four U.S. airmen are serving as U.N. observers.

The cease-fire agreement between Egypt and Israel had come officially into force on April 18, on which date the U.N. Truce Supervision Organization announced that the Egyptian and Israeli Governments had informed Dr. Hammarskjold that "orders are in force to the effect that . . . no military or paramilitary forces, including non-regular forces, may shoot across the demarcation line or pass over that line for any purpose whatsoever."

Despite the cease-fire agreement, two incidents occurred on April 29 in the Gaza area. In the first an Israeli soldier was killed and two others wounded when their truck was wrecked by a land-mine, while in the second incident an Israeli farmer was kidnapped and killed by Egyptian infiltrators while working in the fields at the frontier settlement of Nahal Oz. His mutilated body was subsequently returned to the Israeli authorities, in the presence of U.N observers. Strong Israeli protests were sent to the U.N. Truce Supervision Organization, which instituted an inquiry into the incidents

On April 23 four Israelis were shot dead by a band of raiders from Jordan while travelling in a motor-vehicle through the Wadi Araba, in the southern Negev. The raiding group—believed to be members of a *fedayeen* band—ambushed and set fire to the vehicle, killed the passengers, and subsequently fled across the frontier into Jordan The Israeli-Jordan Mixed Armistice Commission, after investigating the incident, censured Jordan for a grave violation of the armistice agreement, and called upon her to prevent any recurrence.

Military Agreements between Arab States.

The network of military alliances between the Arab states was expanded during April and May by (1) a tripartite pact between Egypt, Saudi Arabia, and the Yemen under which a joint command was set up for the armed forces of the three countries; (2) an agreement for the co-ordination of the Egyptian and Jordanian forces; and (3) a similar agreement on the co-ordination of the Jordanian and Lebanese forces.

Egyptian-Saudi Arabian-Yemeni Pact. This pact was signed in Jeddah on April 21 by Colonel Nasser, King Saud of Saudi Arabia, and the Imam Ahmed of Yemen. It provided (1) that armed aggression against any of the signatories would be regarded as aggression against all of them; (2) that the signatories would hold consultations in the event of international tension causing a threat to the integrity or independence of any of them, (3) that they would take any necessary "preventive and defensive measures" that such a situation might warrant; (4) that a Supreme Council, consisting of the Ministers of Foreign Affairs and Defence of the three countries, would be set up as a policy-making body, with powers to appoint and dismiss the Supreme Commander (see below), (5) that a Military Council, comprising the Chiefs of Staff of the three Powers, would also be set up, and (6) that there would be a permanent Joint Command, operating both in peace and war, consisting of a Supreme Commander and a Chiefs of Staff organization. Other articles provided for the joint organization, training, and equipment of the armed forces of the three Powers General Hakim Amer, C.-in-C of the Egyptian Army, was appointed head of the unified command set up under the Jeddah Pact. He is also head of the Egyptian-Syrian joint command (see 14518 E).

The communiqué said that Colonel Nasser, the King of Saudi Arabia, and the Imam of Yemen had discussed "questions of interest to the three States in particular and to the Arab world in general," and that the provisions of the Jeddah Pact "in no way or in any circumstances affect the rights and obligations of the contracting Powers under the U N Charter and the Security Council's obligations to maintain world peace" It added that the talks (held on April 20-21) had provided an opportunity for "an exchange of views on the formation of practical plans to ensure . . economic, cultural, and technical co-operation between the three countries"

Egyptian-Jordanian Agreement. Following a visit to Egypt by Major-General Radi Innab, who had succeeded Sir John Glubb as commander of the Arab Legion, it was announced in Cairo on May 6 that agreement had been reached on the co-ordination and unification of the Egyptian and Jordanian armed forces in a manner which would "guarantee the defence and interests of the Arab world." The communiqué—which was signed by General Innab and General Mohamed Ibrahim, Chief of Staff of the Egyptian Army—said that the Jordanian military mission visiting Cairo had met with "the response and full co-operation of the Egyptian Army", that there had been "a detailed study of military questions", and that there had been "complete understanding on all points." Unlike the Jordanian-Lebanese statement (see below), the customary references to the threat of Israeli "aggression" were omitted.

Jordanian-Lebanese Agreement. After discussions in Beirut between Major-General Innab and Lebanese military leaders, it was announced on May 22 that Jordan and the Lebanon had agreed to "co-ordinate their military efforts to face the common Israeli danger." No further details were made public.

Colonel Nasser and the British Ambassador in Cairo (Sir Humphrey Trevelyan) had a two-and-a-half hours' meeting on May 26—the first such interview for more than two months. Although no official statement was issued, it was understood that the discussions had been cordial and had covered a wide range of subjects affecting Anglo-Egyptian relations.
(U.N. Information Centre, London - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times)

(Prev. rep. Middle East, 14829 A; 14793 A.)

A. UNITED KINGDOM.—Defence Policy.- Increases in Service Pay and Pensions.

Comprehensive increases in pay and pensions for all three Services (including the Women's Services and Nursing Services) came into effect on April 1. A White Paper published on Feb. 20, which announced the increases, said that they would be greatest in the case of those engaging for longer periods, and were intended (*a*) to stimulate Regular recruitment, especially for long engagements, and (*b*) to encourage Regulars now serving to extend their present engagements and remain in the Services.

The White Paper explained that in framing the increases the Government had taken account both of the rise in civilian earnings in recent years, and of the fact that recruits who signed on for long periods "committed themselves in a way that has no parallel in civilian life" The underlying principle of the new scheme was the introduction of higher rates of pay for men who engaged for nine years or more—i.e. whereas under existing schemes men who signed on for long periods received the same rates as those who enlisted on short engagements, their pay would in future be scaled from the beginning according to the length of their engagements Thus, Army recruits signing on for nine years would from the start receive £4 11s. weekly (compared with the existing rate of £2. 9s.), whilst those joining for three or six years respectively would be paid £3 3s. and £3. 17s. As a further stimulus to recruiting, pay rates for boys had been nearly doubled and in some cases almost trebled, whilst the increases for National Servicemen (3s. 6d weekly under 21 and 7s weekly over 21) had been kept small in order to increase the incentive to take on Regular engagements

Regulars serving on existing engagements would automatically draw the rate of pay appropriate to the length of their engagements and would be able to sign on for longer periods, thereby qualifying immediately for the higher rates. Each of the three Services would now have a nine-year engagement; in addition the Navy would retain its 12-year engagement for artificer apprentices, whilst the R A F would continue its existing Regular engagements and the Army would work basically on engagements of three, six, and 12 years

The White Paper added that the increases in officers' pay reflected the general movement in salaries since 1950 and the fact that officers were "put to certain inescapable expenditure because of their employment." Allowances themselves had not been altered, but officers' salaries had been brought more into line with civilian salaries in order that they might cover certain items of expenditure for which existing allowances might be inadequate.

Representative new rates for officers, n.c.o.s, and men in the three Services are given below, with former rates for comparison:

Royal Navy and Royal Marines.

Officers' Basic Pay and Flying Pay.

Rank	Basic Pay yearly		Flying pay— yearly	
	New rate	Old rate	New rate	Old rate
	£	£	£	£
Sub-Lieutenant	438	319	365	146
Lieutenant, R.N.	547–803	392–657	401	164-219
Lieutenant, R.M.	438-803	319-657	-	-
Lieut.-Commander	1,022–1,277	803-1,004	401	219–146
Commander	1,441–1,660	1,122-1,305	401	91
Capt., R.N. (under 6 years in the rank)	1,825-2,007	1,460-1,570	292	91
Capt., R.N. (over 6 years in the rank)	2,098-2,190	1,624–1,679	237–219	-
Rear-Admiral	2,920	2,190		
Vice-Admiral and Lieut-Gen., R.M.	3,650	2,737		
Admiral and General, Royal Marines	4,380	3,194		
Admiral of Fleet	5,100	3,650		

Basic Pay of Naval Rating and Royal Marine Other Ranks.

Rating or rank	New weekly rates On engagements of 9 years or longer	On 7-year engagements	Old weekly rates
	£ s. d.	£ s. d.	£ s. d.
Ord. ratings, marines 2nd cl.	4 11 0 to 5 1 6	3 17 0 to 4 4 0	2 9 0 to 2 19 6
Able ratings, marines 1st cl.	5 19 6 to 6 9 6	4 18 0 to 5 8 6	3 6 6 to 3 17 0
Leading ratings, cpls., R.M.	7 14 0 to 8 4 6	6 13 0 to 7 3 6	5 5 0 to 5 12 0
P.O. ratings, sergts., R.M.	9 16 0 to 10 6 6	8 15 0 to 9 5 6	7 0 0 to 7 3 6
C.P.O. ratings, colour sgts., R.M.	11 0 6 to 11 11 0	9 19 6 to 10 10 0	8 1 0 to 8 8 0
Q.M.S. (R.M.)	12 8 6	11 7 6	9 2 0
R.S.M. (R.M.)	13 2 6	12 1 6	9 12 6

Army.

Officers' Daily Rates of Pay.

Rank	New Rate	Old Rate
	s. d.	s. d.
Second Lieutenant[1]	21 0	17 6
Lieutenant on appointment[2]	26 0	19 6
Captain do. do [3]	38 0	29 0
Major do. do.	58 0	47 0
Lieut.-Colonel (under 19 years' service)[4]	78 0	61 6
Colonel, on appointment[5]	100 0	80 0
Brigadier	120 0	92 0

(1) Rising by 3s each after 1, 2, and 3 years to 32s (against 29s. 6d.).
(2) Rising by 2s. after each of the first 4 years to 50s. (39s)
(3) Rising by 2s. after each of the first 4 years to 66s (53s) Rising again after 6 and 8 years to 68s. and 70s. (53s. and 55s).
(4) Rising by 3s after 19 years' service (or 2 years in the rank) and by further amounts of 3s each after 21, 23, and 25 years' service (or 4, 6, and 8 years in the rank) to 90s. (71s 6d).
(5) Rising by 5s each after 2, 4, and 6 years in the rank to 115s. (89s.).

Rates for Regular Warrant Officers, N.C.O.s, and Men.

New weekly rates for those committed to serve for:

Rank	Under 6 years	6 years but under 9 years	9 years or more	15 years (after 9 years' service)	21 years or more (after 15 years' service)	Old weekly rates
	s. d.	s. d.	s. d	s. d.	s. d.	s. d.
Private—						
Recruit	63 0	77 0	91 0	—	—	49 0
Rising to	119 0	129 6	150 6	150 6	150 6	94 6
Lance-Corporal	84 0	98 0	115 6	115 6	115 6	73 6
Rising to	133 0	143 6	164 6	164 6	164 6	112 0
Corporal	98 0	112 0	129 6	140 0	140 0	91 0
Rising to	147 0	157 6	178 6	189 0	189 0	126 0
Sergeant—						
Other than Class I tradesman	164 6	164 6	185 6	199 6	206 6	136 6
Group B, Class I		175 0	196 0	210 0	217 0	
Group A, Class I		185 6	206 6	220 6	227 6	
Group X, Class I		196 0	217 0	231 0	238 0	
Staff Sergeant—						
Other than Class I tradesman	185 6	185 6	206 6	220 6	227 6	154 0
Group B, Class I		196 0	217 0	231 0	238 0	
Group A, Class I		206 6	227 6	241 6	248 6	
Group X, Class I		217 0	238 0	252 0	259 0	
Warrant Officer, Class II—						
Other than Class I tradesman	217 0	217 0	217 0	238 0	248 6	171 6
Group B, Class I			227 6	248 6	259 0	
Group A, Class I			238 0	259 0	269 6	
Group X, Class I			248 6	269 6	280 0	
Warrant Officer, Class II (R.Q.M.S.)—						
Other than Class I tradesman	224 0	224 0	224 0	245 0	255 6	178 6
Group B, Class I			234 6	255 6	266 0	
Group A, Class I			245 0	266 0	276 6	
Group X, Class I			255 6	276 6	287 0	
Warrant Officer, Class I—						
Other than Class I tradesman	231 0	231 0	231 0	252 0	262 6	185 6
Group B, Class I			241 6	262 6	273 0	
Group A, Class I			252 0	273 0	283 6	
Group X, Class I			262 6	283 6	294 0	

Royal Air Force.

Rates for Officers.

Rank	Basic Pay* (Daily Rates) New	Basic Pay* (Daily Rates) Old	Flying Pay* (Daily Rates) New	Flying Pay* (Daily Rates) Old
	s. d.	s. d.	s. d.	s. d.
Acting Pilot Officer[1]	15 0	12 0	18 0	7 0
Pilot Officer	21 0	17 6	18 0	7 0
Flying Officer[2]	24 0	19 6	20 0	8 0
Flight Lieutenant[3]	36 0	29 0	22 0	9 0
Squadron Leader[4]	58 0	47 0	22 0	9 0
Wing Commander[5]	78 0	61 6	22 0	5 0
Group Captain[6]	100 0	80 0	16 0	5 0
Air Commodore	120 0	92 0	12 0	—

* Not applicable to Branch Officers and National Service Officers.
(1) Rising by 2s. after 6 months (aircrew officers) or 12 months (other officers) to 17s. daily (against 14s.).
(2) Rising by 2s. after each of the first four years in the rank (or after 2, 3, 4, and 5 years' service) to 32s. daily (23s. 6d.).
(3) Rising by 2s. after each of the first 7 years in the rank (or after 6-12 years' service) to 50s. daily (against 39s.).
(4) Rising by 2s. daily after each of the first 8 years in the rank.
(5) Rising by 2s. each after 2, 4, 6, and 8 years in the rank (or after 19, 21, 23, and 25 years' service) to 90s. (71s. 6d.).
(6) Rising by 5s. each after 2, 4, and 6 years' service.

Pay of Tradesmen.

Advanced Trades.

Rank	New Daily Rates Scale 1 under 5 yrs.	Scale 2 5–8 yrs	Scale 3 at least 9 yrs.	Old Daily Rates
	s. d.	s. d.	s. d.	s. d.
Senior Aircraftman	13 6	15 6	19 0	11 0
Junior Technician	16 0	18 0	21 0	14 0
Corporal (Qualified Junior Technician)	19 0	21 0	24 0	16 0
Corporal Technician	20 6	22 6	25 6	17 6
Sergeant and Senior Technician	24 0	26 6	29 6	21 0
Flight Sergeant/Chief Technician	—	29 6[1]	32 6[1]	24 6
Warrant Officer/Master Technician	—	—	36 0[2]	28 6

(1) Rising by 1s. every four years to a maximum of 32s. 6d. (scale 2) and 35s 6d. (scale 3) at 12 years (against 27s. 6d.).

(2) Rising by 1s. 6d. after every four years to 40s. 6d. after 12 years (against 33s.).

Skilled Trades.

Rank	New Daily Rates Scale 1 under 5 yrs.	Scale 2 5–8 yrs.	Scale 3 at least 9 yrs.	Old Daily Rates
	s. d.	s. d.	s. d.	s. d.
Aircraftman 2 (recruit)	9 0	11 0	13 0	7 0
Aircraftman 2	10 0	12 0	14 6	8 0
Aircraftman 1	11 0	13 0	16 0	9 0
Leading Aircraftman	12 0	14 0	17 0	10 0
Senior Aircraftman	13 6	15 6	19 0	11 0
Corporal (Qualified Senior Aircraftman)	17 0	19 0	22 0	15 0
Sergeant and Senior Technician	22 0	24 0	27 0	19 6
Flight Sergeant/Chief Technician	—	27 0[1]	30 0[1]	22 0
Warrant Officer/Master Technician	—	—	33 6[2]	26 6

(1) Rising by 1s. every four years to a maximum of 30s. (scale 2) and 33s. (scale 3) after 12 years (against 23s. 6d.)

(2) Rising by 1s. 6d. every four years to a maximum of 38s. after 12 years (against 31s).

Pay of Airmen (Aircrew).

Pilots and Navigators, Air Signallers (A), Air Engineers (A) Air Gunners (A), and Air Meteorological Observers.

Rank	New Daily Rates Scale 2 5–8 years	Scale 3 at least 9 years	Old Daily Rates
	s. d.	s. d.	s. d.
Cadet[1]	11 0	13 0	7 0
Sergeant	26 6	29 6	21 0
Flight Sergeant[2]	29 6	32 6	24 6
Master Aircrew[3]	—	36 0	28 6

(1) Rising to 12s. (scale 2) and 14s. 6d. (scale 3) after 6 months and to 18s. (scale 2) and 21s. (scale 3) after 12 months.

(2) Rising by 1s every four years to 32s. 6d (scale 2) and 35s. 6d. (scale 3) after 12 years (against 26s.).

(3) Rising by 1s. 6d. every four years to 40s. 6d. after 12 years (against 33s.).

Air Signallers, Air Engineers, and Air Gunners.

Rank	New Daily Rates Scale 2 5–8 years	Scale 3 at least 9 years	Old Daily Rates
	s. d.	s. d.	s. d.
Cadet[1]	11 0	13 0	7 0
Sergeant	24 0	27 0	19 6
Flight Sergeant[2]	27 0	30 0	22 0
Master Aircrew[3]	—	33 6	26 6

(1) Rising to 12s (scale 2) and 14s. 6d. (scale 3) after 6 months and to 16s. 6d. (scale 2) and 19s. 6d. (scale 3) after 12 months.

(2) Rising by 1s. every four years to 30s. (scale 2) and 33s. (scale 3) after 12 years (against 23s. 6d.).

(3) Rising by 1s. 6d. after every four years to 38s. after 12 years (against 31s.).

Medical Officers and Chaplains (All Services).

The basic annual rates for medical officers would be graduated from £584 for Acting Surgeon Lieutenants (Royal Navy) and equivalent ranks in the Army and R.A.F. (against £483) to £3,650 for Surgeon Vice-Admirals and equivalent ranks (compared with £2,737).

Chaplains' rates would range from £657 a year on entry (compared with £501) to £2,044 for Chaplain-Generals (compared with £1,542).

Officers in the Women's Services.

Daily pay of officers in the Women's Royal Naval Service would range from 16s.–20s. for third officers (against 13s. 3d.) to 58s.–68s. for chief officers (46s.–54s.), 75s.–86s. for superintendants (60s.–69s.), and 90s. for commandants (69s.). For the Women's Royal Army Corps and equivalent ranks in the Women's Royal Air Force pay would range from 17s. for second lieutenants (against 13s. 3d.) to 29s.–37s. for captains (21s. 9d.–29s. 3d.), 75s.–86s. for colonels (60s.–66s. 9d.), and 90s for brigadiers (69s) In the Nursing Services, pay would range from 22s –26s. 6d. for nursing sisters (12s. 9d.–15s.9d.) to 90s. for matrons-in-chief (57s. 9d)

National Service Officers.

In addition to the increase of 3s. 6d. daily (7s. after 21) in the pay of National Servicemen, the following increases were announced in the pay of National Service officers :

Navy : Midshipman, from 9s to 10s. 6d (after 12 months from 12s to 14s 6d); Acting Sub-Lieutenant, from 11s. to 13s (after 18 months from 17s. 6d to 20s. 6d); Sub-Lieutenant, from 13s to 16s. (after 18 months from 17s. 6d. to 20s 6d), Lieutenant, from 17s. to 21s (after 18 months from 21s 6d to 25s 6d) **Army and R.A.F.** Second Lieutenant and Pilot Officer, from 13s to 15s. (after 18 months from 17s 6d. to 19s 6d), Lieutenant or Flying Officer, from 15s. to 18s. (from 19s 6d. to 22s. 6d); Captain or Flight Lieutenant, from 23s. to 26s. 6d. (after 18 months from 29s to 31s), Major or Squadron Leader, from 25s to 40s 6d (after 18 months from 42s to 45s.)

Retired Pay and Terminal Grants.

Ranks for Retired Pay	Standard Service Periods	Standard Retired Pay Rate	Terminal Grant
Captain or below	20 yrs.	£500 (400)	1,500 (1,000)
Major	22 ,,	£625 (500)	1,875 (1,000)
Lieut.-Colonel	24 ,,	£800 (675)	2,400 (1,000)
Colonel	26 ,,	£1,000 (875)	3,000 (1,000)
Brigadier	28 ,,	£1,150 (1,000)	3,450 (1,000)
Major-General	30 ,,	£1,400 (1,300)	4,200 (1,000)
Lieut.-General	30 ,,	£1,600 (1,400)	4,800 (1,000)
General	30 ,,	£1,900 (1,700)	5,700 (1,000)
Field-Marshal (half pay)	—	£2,300 (2,000)	6,900 (1,000)

(Applicable to officers—except quartermasters—with the full standard years of service required for each rank. Old rates shown in parentheses).

Retired pay and terminal grants for officers of other Services are broadly comparable.

Representative weekly pensions and terminal grants for other ranks were as follows (old rates in parentheses) :

Royal Navy : Petty Officer, after 22 years, pension 52s. 7d., terminal grant £225 (41s. 10d., £200); Chief Petty Officer, after 27 years, pension 92s., terminal grant £395 (68s. 4d., £330). **Army :** Sergeant, after 25 years, pension 68s. 3d., terminal grant £285 (46s 10d , £245) ; Warrant Officer 1, after 30 years, pension 120s. 4d., terminal grant £586 (84s. 10d., £460). **R.A.F.** . Flight-Sergeant, after 25 years, pension 75s. 1d., terminal grant £347 (53s. 10d., £298); Warrant Officer, after 37 years, pension 165s. 3d., terminal grant £810 (125s. 1d., £600).

The total cost of the increases in pay, retirement pay, pensions, and terminal grants was put at about £67,000,000 in the first year, increasing in subsequent years according to the success of the scheme in attracting recruits.

The Minister of Defence (Sir Walter Monckton) announced on May 30 that the recruiting figures for April had shown a "definite improvement" on the corresponding figures for the previous year since the new rates of pay came into effect on April 1, though it would be "premature to draw any conclusions from them at this stage."—(Times - Daily Telegraph)

(Prev. rep. Service Pay, 10938 A.)

A. UNITED STATES.—Relaxation of Restrictions on Non-strategic Exports to U.S.S.R. and Satellite Countries.

The U.S. Commerce Department announced on April 26 that controls on exports to the Soviet Union and the Soviet-bloc countries in Europe of over 700 non-strategic items in 57 commodity groups were to be simplified, and that all these goods could in future be shipped by exporters under general licence, thus abolishing the need for individual licences. At the same time the Department published a list of the goods affected, covering a wide range of commodities.

Mr. Sinclair Weeks, the U.S. Secretary of Commerce, stated that all the goods included in the list were of a type that would be approved for export under existing licensing policy, and that the new procedure of putting them under a general licence in no way reflected a change in the U.S. Government's policy of banning strategic goods to Soviet-bloc countries. Nor, he added, did the new step indicate in any way a relaxation of the strict embargo against all shipments to Communist China, North Korea, the Communist-controlled areas of Vietnam and Laos, and the Far Eastern provinces of the U.S.S.R., to which shipments of any kind would continue to require individual export licences.

At the time of the Foreign Ministers' Conference in Geneva, Mr. Weeks had announced that his Department would issue by the end of 1955 a list of goods which could be sent freely to the Soviet Union and Soviet-bloc countries in Europe. It was stated in the American press that difficulties in compiling a satisfactory list had delayed the announcement.

(New York Times - New York Herald Tribune) **(14711 C.)**

A. AUSTRIA. — General Elections. - Victory for People's Party and Socialist Coalition. - Provincial Elections in Upper Austria, Carinthia, and Burgenland.

Elections to the Austrian National Council (*Nationalrat*) took place on May 13, the four contending parties being the People's Party (Catholic) and the Socialist Party (the two parties of the Government coalition), the Communists, and the newly-formed Freedom Party.

The Freedom Party—the new Right-wing party formed in 1955 by the union of three right-wing groups, of which the largest was the League of Independents—had held its first congress in Vienna on April 7. Herr Anton Reinthaller, a former National Socialist minister, was elected chairman of the party, whilst Herr Max Stendebach (the former chairman of the League of Independents) and Herr Wilfried Gredler (a member of the *Nationalrat*) were elected deputy chairmen.

A crisis within the new party developed, however, within a few days, and on April 13 two of its principal founders—Dr. Herbert Kraus (chairman of the parliamentary group of the former League of Independents) and Dr. Viktor Reimann (a member of that group)—announced their withdrawal, although they had both been nominated as Freedom Party candidates for the general election.

In a statement issued on the same date the two deputies said that the party congress had confirmed "the assumption of power in the party by a small group of Right-wing extremists and former Nazis," whilst the moderate representatives of the former League of Independents had been "deprived of practically all influence." They refused to support what amounted to a "successor organization to the National Socialist Party."

The results of the general elections (held by proportional representation) were announced on May 14 as follows, the corresponding figures for the 1953 elections being shown for comparison

	Seats		Votes	
	1956	1953	1956	1953
People's Party (*Volkspartei*) .	82	74	2,000,068	1,781,777
Socialist Party ..	74	73	1,873,250	1,819,817
Freedom Party ..	6	14†	283,713	472,866†
Communists and Left Socialists	3	4	192,432	228,159

† Then League of Independents (*Verband der Unabhängigen*)

The People's Party thus increased its strength by eight seats, being only one seat short of an absolute majority. It was commented in the press that a large number of former adherents of the League of Independents had obviously switched their support to the People's Party, and that the new Freedom Party had lost ground correspondingly, obtaining eight seats less than the former League of Independents —i.e. exactly the same number as had been gained by the People's Party. The Socialists gained one seat and the Communists lost one.

The People's Party polled 45.96 per cent of the votes (against 41.26 per cent in 1953); the Socialists 43.04 per cent (42.11 per cent); the Freedom Party 6.52 per cent (10.95 per cent by the former League of Independents); and the Communists and Left Socialists 4.48 per cent (5.28 per cent). The electorate totalled 4,614,464, the number of valid votes cast being 4,351,937.

In Vienna the Socialists polled 562,618 votes (590,290 in 1953); the People's Party 406,631 votes (362,119), the Communists and Left Socialists 95,503 votes (93,865); and the Freedom Party 63,432 votes (124,673 for the former League of Independents). The considerable drop in the Socialist vote was attributed partly to unpopular tariff increases by municipal transport and utility undertakings.

The Communists, whilst slightly improving their poll in Vienna, lost votes in all the provinces; the drop in Communist votes amounted to 18.5 per cent in Styria, 24.4 per cent in Upper Austria, 36.3 per cent in Lower Austria, and 41.9 per cent in Burgenland (the two latter provinces having been part of the former Soviet Zone).

Dr. Raab, the Austrian Chancellor, and Dr. Schärf, the Vice-Chancellor, submitted the Coalition Government's resignation on May 14 to President Körner, who called upon Dr. Raab to form a new Government.

Provincial elections took place on May 13 in Carinthia and Burgenland, similar elections having been held in Upper Austria on Oct. 23, 1955. The distribution of seats in the new provincial *Landtage* was as follows (former party strengths in parentheses):

Carinthia: Socialists 18 (18); People's Party 12 (11); Freedom Party 5 (6); Communists and Left Socialists 1 (1).

Burgenland: People's Party 16 (16); Socialists 15 (14); Freedom Party 1 (1); Communists and Left Socialists, nil (1).

Upper Austria: People's Party 25 (23); Socialists 19 (15); Electoral Union of Liberals 4 (10 for former League of Independents); Communists and Left Socialists, nil (nil).

(Wiener Zeitung - Neue Zürcher Zeitung) **(Prev. rep. 14762 C; 1953 General Elections, 12908 A; Provincial Elections, 13882 A; New Right-wing Party, 14518 C.)**

B. INTERNATIONAL WHEAT CONFERENCE. — New Three-year International Wheat Agreement. - Non-adherence of British Government.

An International Wheat Conference, sponsored by the United Nations and attended by delegates from over 40 countries, met in Geneva on Oct. 26, 1955, to draft a new International Wheat Agreement to replace the one expiring on July 31, 1956. The conference adjourned on Nov. 16, 1955, reassembled at Geneva from Feb. 20-March 27, 1956, and after a further adjournment met in London from April 16-25. On the latter date a new three-year International Wheat Agreement (the third of its kind, following those of 1949-53 and 1953-56) was approved, to operate from Aug. 1, 1956. It fixed at $1.50 a bushel (for No. 1 Northern Manitoba wheat) the minimum price at which the signatory countries would buy the agreed quantities, and at $2 a bushel the maximum price at which exporting countries undertook to sell the quantities agreed by them if called upon to do so. These prices were five cents lower in each case than those under the expiring agreement.

Argentina and Sweden joined the agreement for the first time as exporters. Total annual guaranteed sales were set at 8,241,000 metric tons (against 10,749,000 tons under the old agreement), divided as follows U S A, 3,595,134 tons, Canada, 2,800,395 tons, Australia, 823,471 tons, Argentina, 400,000 tons; France, 450,000 tons; and Sweden, 175,000 tons. The number of importing member-countries remained unchanged at 44.

The new agreement also provided that the International Wheat Council (at whose request the U.N. had sponsored the conference) might (*a*) study any aspect of the world wheat situation and sponsor exchanges of information and international consultation relating to it; (*b*) make such arrangements as it considered desirable with the U N. Food and Agriculture Organization and other inter-governmental organizations, and (*c*) consult with countries who were not parties to the Agreement but who had a substantial interest in wheat.

The new agreement was to be signed by the participating countries by May 18, and ratified by July 16 If, however, ratifications were not completed by the latter date, the agreement would provisionally go into effect if importing and exporting countries representing at least two-thirds of the total import and export quotas respectively had ratified it. The final date for ratifications would then be Dec. 1, 1956.

The British delegate, Mr. George Bishop, informed the conference on Feb. 20 that Britain, which had refused to sign the expiring agreement, could also not adhere to any new arrangement based on it, as the British Government did not consider that an agreement of the present type would make "a positive contribution" to a solution of the problem.

Mr. Bishop explained that, in the British view, an agreement of the present type was deficient in the following respects: (*a*) it contained no provisions linking the disposal of the existing wheat surpluses to the working of the agreement; (*b*) it did nothing to discourage the continuance of wheat production in excess of effective demand; (*c*) it did nothing to encourage increased wheat consumption; (*d*) it contained no effective provisions to ensure that prices were allowed to move freely within the present price range in accordance with current conditions of supply and demand.

A renewed participation in an agreement of the present type would, moreover, necessitate a reversion to Government control over the import of wheat into the United Kingdom, and perhaps even a return to State trading. The British Government would not find it possible to justify to public opinion this major reversal of domestic policy unless it could be shown that a new agreement made a positive and effective contribution to the solution of the problem now facing the world in regard to wheat.

Mr. Bishop emphasized, however, that it was the British Government's policy to support the orderly settlement of commodity problems on an international basis, and expressed the "fullest support" for any discussions which sought to establish, by a formal convention, a set of internationally agreed rules for the orderly disposal of accumulated wheat surpluses. After suggesting that the International Wheat Council would be an appropriate forum for such discussions, he said that if the Council's constitution were amended to enable it to undertake them, the U.K. would be "very willing," though not a participant in the agreement itself, to play its full part in the discussions on international wheat problems.

It was pointed out in the Press that the new agreement would cover only about one-third of the total world trade in wheat, as compared with nearly one-half under the previous agreement.

Transactions of wheat and flour in 1954-55 under the existing International Wheat Agreement (i.e. for 1953-56) amounted to 7,900,000 metric tons, or 73.8 per cent of the guaranteed quantities which the exporting countries had agreed to supply at the maximum price and the importing countries to buy at the minimum price. This compared with 6,128,000 tons (58 per cent) in 1953-54 (the first year of the existing agreement), and 15,574,607 tons (nearly 99 per cent) in 1952-53 (the last year of the first agreement signed in 1949).—(Times - Financial Times - U.N. Information Centre, London - Economist) **(Prev. rep. 13654 A; 12918 A.)**

A. GOLD COAST. — Proposals for Independence within the British Commonwealth. - Statement by Mr. Lennox-Boyd. - Political Developments. - Changes in Gold Coast Cabinet.

A White Paper outlining the Gold Coast Government's proposals for the independence of the Gold Coast as a full member of the British Commonwealth was published in Accra on April 19. It proposed that the name of the country, when it attained independence, should be changed from Gold Coast to Ghana, and that the new State should remain within the Commonwealth on the same terms as the other sovereign member-states. The principal proposals set out in the White Paper were as follows:

(1) After the attainment of independence, a Governor-General should be appointed by H.M. the Queen on the advice of the Gold Coast Government.

(2) Supreme legislative power should be vested in the Parliament of the Gold Coast, the lifetime of which should be five years.

(3) Appointments, promotions, and dismissals in the Public Service should be made by the Governor-General on the advice of a Public Service Commission.

(4) There should be a unified judiciary consisting of magistrates, puisne judges, and justices of appeal, headed by a Chief Justice appointed by the Governor-General on the advice of the Prime Minister. The West African Court of Appeal would cease to exercise jurisdiction in the Gold Coast, and arrangements would be made for judges to assist the courts in Sierra Leone and Gambia on request. The Judicial Committee of the Privy Council would continue to hear appeals from the Gold Coast.

(5) The Gold Coast Government would have full responsibility for all matters relating to defence and external affairs.

(6) Some measure of devolution was proposed from the Central Government to six regions into which, it was suggested, the Gold Coast should be divided—Eastern, Western, Ashanti, Brong (the northern part of Ashanti), Northern, and Transvolta-Togoland.

(7) No legislation affecting the traditional functions or privileges of chiefs should be introduced without consultation with the appropriate State Council.

(8) A new Constitution "should not, in part or whole, be amended except with a two-thirds majority of all members of the Gold Coast Government."

The British Colonial Secretary (Mr. Lennox-Boyd) informed the House of Commons on May 11 that a firm date for granting independence to the Gold Coast within the Commonwealth would be given by H.M. Government if a reasonable majority for such a step was obtained in the Gold Coast Legislature after a general election.

Mr. Lennox-Boyd said: "The present Gold Coast Constitution marks the last stage before the assumption by the Gold Coast of full responsibility for its own affairs. The grant of such responsibility is a matter for the U.K. Government and Parliament, and it has always been the wish of this Government that the Gold Coast should achieve independence within the Commonwealth.

"Since the present Constitution was introduced there has arisen a dispute within the Gold Coast about the form of Constitution which the country should have when it achieves independence within the Commonwealth. Efforts have been made to bring about a reconciliation between the major parties, but they have so far met with no success.

"I have been in close touch with the Prime Minister of the Gold Coast on these matters. It is the considered view of his Government that the time has now come for the Gold Coast to assume full responsibility within the Commonwealth for its own affairs. I have made my view clear to him that because of the failure to resolve the constitutional dispute, we can only achieve our common aim of the early independence of that country within the Commonwealth in one way—that is, to demonstrate to the world that the peoples of the Gold Coast have had a full and free opportunity to consider their Constitution and to express their views on it in a general election.

"I have told Dr. Nkrumah that if a general election is held, the U.K. Government will be ready to accept a motion calling for independence within the Commonwealth, passed by a reasonable majority in a newly elected legislature, and then to declare a firm date for this purpose. Full membership of the Commonwealth is, of course, a different question, and is a matter for consultation between all existing members of the Commonwealth."

Mr. Creech Jones (Lab.) welcomed the Colonial Secretary's statement on behalf of the Opposition, declaring that the emergence of an independent Gold Coast would be of great significance for Africa and perhaps for the world generally.

A conference to consider the recommendations of Sir Frederick Bourne's report (see 14636 A), convened by Dr. Nkrumah and the Convention People's Party, opened in Accra on Feb. 17 and ended on March 16 after an adjournment during which unsuccessful attempts were made to secure the support of the National Liberation Movement—the principal Opposition party, which had refused to participate in the discussions. The conference was also boycotted by the Asanteman Council, the supreme council of chiefs in Ashanti. The chairman of the conference (Mr. C. W. Tachie-Mason) stated on March 16 that "unanimous conclusions" had been reached on practically all the subjects discussed, and that proposals had been made for a convention "which, if acceptable to all concerned, will facilitate the smooth working of our future Constitution." He added that the conference had dealt with "a mass of practical administrative problems which must be clarified for the guidance of legal draftsmen who will prepare the Constitution."

Professor Busia, a leading member of the Gold Coast Opposition parties, stated in January that Sir Frederick Bourne's report, though "a step in the right direction," did not "go far enough" because of the limitation of Sir Frederick's terms of reference. He contended that the report had proved the Opposition right in their "revolt against centralization" and in their demand that the chiefs and traditional councils should find a place in the new Constitution. Whereas, however, the regional councils proposed in the Bourne Report would be merely deliberative and consultative bodies, the Opposition demanded proper constitutional safeguards against the "whims of the Government of the day."

The Asanteman Council published a statement on May 8 which, though criticizing the Convention People's Party, said that the Council was satisfied "that independence for the Gold Coast is no longer an issue for political strife or differences." It insisted, however, that "the issue of the Constitution must be settled before and not after the attainment of independence," and expressed the Council's "considered view" that there should "first be agreement on the Constitution, followed by a general election before independence."

The following changes in the Gold Coast Cabinet were announced during February and March (former portfolios in parentheses): Mr. Ako Adjei (Trade and Labour), Minister of the Interior; Mr. Aaron Ofori-Atta (Communications), Minister of Local Government; Mr. A. Casely-Hayford (Interior), Minister of Communications; Mr. E. O. Asafu-Adjaye (Local Government), Minister of Trade and Labour; Mr. A. E. Inkumsah (a ministerial secretary), Minister of Housing. Responsibility for housing was formerly borne by the Minister of State, Mr. Kodjo Botsio, who was placed in charge of development planning.

Sir Kobina Arku Korsah, a justice of appeal, was appointed Chief Justice of the Gold Coast Supreme Court on April 18. He was the first African to be appointed to that post.

(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Bourne Report, 14636 A; Gold Coast Cabinet, 13649 A; Togoland Plebiscite, 14868 B.)

B. SOVIET UNION - UNITED KINGDOM. — Exchange of Messages between Heads of State.

The text of messages exchanged between President Voroshilov and H.M. Queen Elizabeth II during the recent visit to Britain by Marshal Bulganin and M. Khrushchev was released by the official Soviet news agency (Tass) on May 21.

President Voroshilov's message conveyed to H.M. the Queen and to the British people "sincere greetings and good wishes in the name of the peoples of the Soviet Union, of the Presidium of the Supreme Soviet of the U.S.S.R., and from myself personally." After saying that the Soviet people and the leaders of the U.S.S.R. "always recall with great satisfaction the joint struggle waged by the British and Soviet peoples against the forces of aggression during the Second World War, and the great contribution made by the people of Great Britain in ensuring victory over the common foe," President Voroshilov said that the Presidium of the Supreme Soviet "firmly believes that the strengthening of friendship and co-operation between the Soviet Union and the United Kingdom would not only be in the interests of the peoples of our countries, but also in the interests of preserving peace throughout the world." In conclusion, President Voroshilov expressed the hope that the visit of Marshal Bulganin and M. Khrushchev to Britain would "contribute to better mutual understanding between the United Kingdom and the Soviet Union and the development of friendly co-operation between them." He signed his letter to the Queen, "With assurances of my profound esteem for you."

H.M. the Queen, in thanking President Voroshilov for the "valuable expressions of goodwill" contained in his letter, shared the President's hope that "the visit of the Soviet leaders to the United Kingdom as the guests of my Government may contribute to the improvement of friendship and understanding between the two countries and peoples, which it is my earnest desire to strengthen and preserve." After expressing her best wishes for President Voroshilov's health and welfare and for the well-being of the Soviet peoples, her Majesty signed her letter, "Your good friend, Elizabeth R."

President Voroshilov's letter was delivered personally to H.M. the Queen by Marshal Bulganin and M. Khrushchev during their visit to Windsor on April 22.

(Times - Soviet Weekly) **(Prev. rep. 14833 A.)**

C. TURKEY. — Cabinet Appointment.

M. Zeyyad Mandalinci was appointed on May 14 as Minister of Economy and Commerce in M. Menderes' Cabinet in succession to M. Fahrettin Ulas, who had resigned in April.

(Turkish Embassy, London) **(Prev. rep. 14624 A.)**

A. FRANCE - YUGOSLAVIA. — President Tito's State Visit to Paris. - Discussions with French Statesmen.

President Tito of Yugoslavia, accompanied by Mme. Broz-Tito and by the Yugoslav Foreign Minister (M. Koca Popovich), arrived in Paris on a State visit on May 7.

During his stay, which ended on May 12, President Tito attended a State banquet at the Elysée and a luncheon given by President Coty at Versailles, received the Diplomatic Corps (from which the Papal Nuncio was, however, absent because there are no diplomatic relations between the Vatican and Yugoslavia); and was received by the Paris Municipality at the *Hôtel de Ville*. He also visited the D'Assault aircraft works near Paris (where the *Mystère* jet fighters are built), inspected military establishments at Mailly, near Châlons-sur-Marne and paid a visit to the Donzère-Mondragon barrage in the Lower Rhône valley.

President Tito and M. Popovich had a number of discussions with M. Guy Mollet and M. Pineau (the French Prime Minister and Foreign Minister), in which the French and Yugoslav statesmen reviewed international problems in general and Franco-Yugoslav relations in particular. The talks were regarded as especially important in view of the forthcoming visits to Moscow by M. Mollet and M. Pineau on the one hand and by President Tito and M. Popovich on the other.

The following joint communiqué on the Franco-Yugoslav talks was issued on May 11:

"The discussions have made it possible to underline how much alive is the old tradition of alliance between the French people and the peoples of Yugoslavia, proved by the common struggle in the two World Wars and by their equal devotion to national independence and peace. They have provided the occasion for a detailed exchange of views on the actual problems of world policy and on relations between France and Yugoslavia. The two Heads of Government stressed the usefulness of such talks, which have shown a wide identity of views, and they have decided that similar talks should be continued in the future.

"The two Governments, gratified to note an improvement in the international situation during recent years, reiterate their common intention to continue their efforts towards ensuring lasting peace and promoting co-operation between all nations. They intend to adhere to the principles of the U.N. Charter, whose effective implementation should facilitate the solution of all disputes by peaceful means and ensure the independence and security of nations. Their actions will be directed towards strengthening the U.N. Organization so as to enable it fully to play the universal role given it by the Charter.

"They confirm their conviction that lasting peace can be consolidated only if relations between States, irrespective of their political or social systems, are based on mutual respect for their equality, sovereignty, and territorial integrity, and on non-interference in their internal affairs.

"Desirous of putting an end to the armaments race, the two Governments will continue their efforts to help in bringing about an agreement on the basic problem of limitation and control of armaments. They have noted their accord to seek a formula for disarmament by stages, and have underlined the essential importance of nuclear disarmament. Results in this sphere would lead to international relaxation and, among other advantages, would increase the possibilities of assistance to under-developed areas.

"In their opinion, international aid to the under-developed areas constitutes a basic task to which the various States should apply their efforts within the framework of the United Nations, in order to help those territories to achieve social progress, and thereby to make possible a wider international co-operation based on the interdependence of interests. In this respect, the Yugoslav Government has noted with sympathy the French plan for the setting-up of a United Nations Agency for world economic development (see 14861 A).

"During a frank exchange of views on North African problems, M. Mollet explained the special position of Algeria and the policy which the French Government is applying there. President Tito assured him that the Yugoslav Government would support all efforts aimed at ensuring a liberal solution of the Algerian problem.

"The two Governments, while respecting their own alliances and obligations resulting from the U.N. Charter, have decided to strengthen the ties which traditionally link the two countries, by giving a new impetus and a wider scope to their co-operation in the political, economic and cultural fields. They especially agreed to study ways and means of co-operation between Yugoslavia and France in the use of atomic energy for peaceful purposes."

President Tito arrived back in Belgrade on May 13. Addressing the crowds assembled to greet him, he said that French and Yugoslav views were identical on many questions, and that he had met in France with deep understanding of Yugoslavia's policy of improving relations with the Soviet Union and other East European countries as an important contribution to the consolidation of world peace.

During his visit to France President Tito was invested by President Coty with the *Médalle Militaire* in recognition of his leadership of the Yugoslav resistance movement during the German wartime occupation of Yugoslavia.

(Le Monde, Paris - Tanjug Agency, Belgrade).

B. AUSTRALIA. — Increase in Basic Wage.

After hearings which had lasted from Feb. 14 to April 16, the Australian Federal Arbitration Court decided on May 24 to increase the weekly basic wage for male workers (at present averaging £A11. 16s.) by 10s., and for female workers by 7s. 6d. The trade unions had applied for (*a*) a basic wage increase for male workers of £A1; (*b*) the restoration of quarterly cost-of-living adjustments, which had been suspended by the Arbitration Court in 1953; (*c*) an additional 15s. a week in the basic wage as the amount which would have been reached had such adjustments not been abolished. Apart from the 10s. increase, however, these claims were rejected by the Arbitration Court.

In presenting their claim, the unions pointed to the facts (i) that in some States wages for workers covered by State awards were still adjusted according to the fluctuating cost of living; (ii) that wages coming under such State awards had risen since 1953 by nearly £A1, (iii) that this had led to anomalies and injustices for workers coming under Federal awards, where no such adjustments had taken place since 1953; and (iv) that these workers were worse off than before, since the suspension of quarterly adjustments by the Federal Arbitration Court had failed to stop the wage-price spiral.

The employers contended that the unions' claims should not be granted because the general economic situation disclosed a lower capacity of the country to meet the cost-of-living increases since 1953. They argued that the general level of costs in Australia was still much higher than in many other countries, and that there was a risk of Australia's international reserves declining further.

The Arbitration Court, in giving its reasons for rejecting the major part of the unions' claims, said that it could only consider applications for increases in wages and salaries if the economic condition of the country allowed it to do so. Everyone should realize by now, however, that it was not money that was in short supply but that there was too much money in relation to the goods and services available to the rapidly increasing population.

The Court's decision directly affected some 2,500,000 workers—about 50 per cent of the Australian labour force. As a result of the basic wage increase, it was expected that there would be many applications from other working groups for corresponding adjustments.

Mr. Menzies, the Prime Minister, had emphasized on Feb. 6 that Australia's economic problems could not be solved until there was uniformity of wage-fixing. The present difference between the system of wage-fixing for workers coming under Federal awards and those coming under State awards had created a "chaotic" situation, and there was naturally "a sense of injustice" because the Federal Arbitration Court had abolished quarterly cost-of-living adjustments, whereas such adjustments were still being made under State awards. The Prime Minister therefore called on the States to co-operate with the Federal Government in working out a uniform wage system to ensure a healthy development of the Australian economy. (Australian News and Information Bureau) **(13140 D.)**

C. UNITED KINGDOM. — Final Report of Royal Commission on Awards to Inventors.

The Royal Commission on Awards to Inventors, set up in 1947 under the chairmanship of Lord Justice Cohen, ended its work on May 4, when it issued its fourth and final report. It stated that the Commission had made 150 awards totalling £730,825 during the nine years of its existence, and that hearings had been given to 440 claims.

The Royal Commission's final report covered the period since November 1952. Among the principal awards made during this period were the following: (*a*) A tax-free award of £20,000 to Pye Ltd. (Cambridge) for its work during the war in developing and producing the radio-operated fuse and the No. 19 communication set for tanks; (*b*) an *ex-gratia* payment of £6,000 jointly to the J. R. Geigy Company of Basle, Switzerland, and the Geigy Co. Ltd., of Manchester, in respect of the manufacture of D.D.T., which was used on a large scale in combating malaria, typhus, and other diseases in areas occupied by British forces during the war; (*c*) a joint *ex-gratia* award of £5,000 to three scientists concerned with the development of rocket weapons - Sir Alwyn Crow, an authority on guided missiles, Mr. W. R. J. Cook, deputy director of the Atomic Weapons Research Establishment, and Dr. H. J. Poole, deputy director of the Ministry of Supply's armament research and development establishment; (*d*) an award of £700 to Commander A. J. G. Langley, R.N. (retd.) for his invention of the "time pencil" detonator, which was used extensively by Allied commandos and underground movements against German and Italian military installations.

The biggest single award made by the Royal Commission to an individual was £50,000 (tax-free) to Sir Robert Watson-Watt in respect of the wartime development of radar (see 11993 B). The tax-free award of £100,000 earlier made to Sir Frank Whittle for his jet-propulsion inventions (see 9305 C) had been recommended by the Royal Commission and accepted by the Government, no formal claim having been presented by Sir Frank himself.—(Times - Daily Telegraph) **(Prev. rep. Royal Commission, 11993 B.)**

A. UNITED KINGDOM. — The Case of Commander Crabb. - Soviet Note to Britain. - Parliamentary Debate.

The Admiralty announced on April 29 that Commander Lionel Crabb, R.N.V.R., an experienced naval diver noted for many daring "frogman" exploits in the war, had not returned "from a test dive which took place in connexion with the trials of certain underwater apparatus in Stokes Bay, in the Portsmouth area, about a week ago."

Commander Crabb (who was 46) had been reported missing since the day after the arrival at Portsmouth of the Soviet cruiser *Ordjonikidze*, which brought Marshal Bulganin and M. Khrushchev to Britain for their official visit. On May 4 a member of the Soviet Embassy staff in London said that a watchman on board the *Ordjonikidze* had seen a frogman surface near the cruiser for a few seconds, and then disappear, while the ship was at Portsmouth. No further comment or observations, however, were issued by the British Admiralty after the announcement on April 29 that Commander Crabb was missing.

The circumstances of Commander Crabb's disappearance, and the official reticence about his activities, gave rise to much speculation in the Press. Inquiries by representatives of *The Times*, however, established the following facts:

(1) A man giving his name as Commander Crabb, and a London address, had booked at the Sallyport Hotel, Portsmouth, on either April 16 or 17.

(2) Some time later, another man known to Commander Crabb signed at the hotel in what a witness believed to have been the name of Smith. Both Commander Crabb and "Smith" had only light luggage.

(3) After two nights—i.e. either on April 17 or 18—the two men left. Later in the day Commander Crabb's friend returned to pay the hotel bill.

(4) On April 21 Detective-Supt. Lamport, of the Portsmouth police, was ordered by the Chief Constable of Portsmouth to remove from the Sallyport Hotel register those pages which covered the period during which Commander Crabb and his friend had stayed at the hotel. When he had done so, he had advised the hotel staff not to discuss the matter.

(5) On April 29, after Press inquiries, the Admiralty stated that Commander Crabb had been missing since April 19 in tests of new frogman equipment for which he had been specially employed. He was presumed to be dead. These tests, carried out in Stokes Bay (three miles from Portsmouth Harbour), were made without the knowledge of H.M.S. Vernon, the naval establishment at Portsmouth which has among its responsibilities the training of frogmen.

The Soviet Government announced on May 11 (*a*) that a Soviet Note had been delivered to Britain on May 4 stating that Russian sailors on board the *Ordjonikidze* had seen a frogman approach the vessel while she was in Portsmouth harbour; and (*b*) that a British Note had been received on May 9 expressing regret for the incident, and pointing out that the frogman's activities were carried out without the British Government's permission. The texts of the Soviet and British Notes were broadcast by Moscow radio, as follows:

Soviet Note. "At 7.30 a.m. on April 19, during the stay of Soviet warships in Portsmouth, seamen on board the Soviet ships observed a frogman floating between the Soviet destroyers. The frogman, who wore a black diving suit with flippers on his feet, was seen on the surface of the water for one to two minutes, and then dived again alongside the destroyer *Smotryashchi*.

"The commanding officer of the Soviet ships, Rear-Admiral Kotov, in a conversation with the Chief of Staff of the Portsmouth naval base, Rear-Admiral Burnett, drew his attention to the case. Rear-Admiral Burnett categorically rejected the possibility of the appearance of a frogman alongside the Soviet ships, and stated that at the time indicated there were no operations in the port involving the use of frogmen. In actual fact, however, as it transpired from reports published in the British press on April 30, the fact that the British naval authorities had carried out secret underwater tests in the area where the Soviet warships were anchored at Portsmouth was confirmed. Moreover, these tests resulted in the death of the British frogman.

"It is sufficient to recall that the newspaper *Daily Sketch*, in a brief article on the end of Frogman Crabb, reported the following: 'He dived for the last time in Stokes Bay, at the spot of secret diving operations near the anchorage of the Soviet ship *Ordjonikidze*.'

"Attaching great importance to such an unusual fact as the carrying out of secret frogman tests alongside Soviet ships on a friendly visit, the [Soviet] Embassy would be grateful to the British Foreign Office for an explanation on this matter."

British Note. "As has already been publicly reported, Commander Crabb carried out frogman tests, and, as is assumed, lost his life during these tests. The frogman, who, as reported in the Soviet Note, was discovered from the Soviet ships swimming between the Soviet destroyers, was to all appearances Commander Crabb. His presence in the vicinity of the destroyers occurred without any permission whatever, and H.M. Government express their regret for this incident."

The British Foreign Office stated that the version of the British Note broadcast by Moscow radio corresponded to the actual text except for a few minor differences in translation.

Whilst the Soviet Press accepted Sir Anthony Eden's explanation to the House of Commons (see below) that Commander Crabb's activities were carried out without the knowledge or authority of the British Government, it expressed indignation at what it described as attempts at "underwater espionage" against the Soviet warships while on a friendly visit to Britain.

In reply to a number of Opposition questions in the House of Commons, Sir Anthony Eden said on May 9 that it would not be in the public interest to disclose the circumstances in which Commander Crabb was presumed to have met his death.

Mr. John Dugdale (Lab.) raised the matter by asking the Parliamentary Secretary to the Admiralty (Mr. Ward) (*a*) whether he would state the evidence on which the Admiralty officially presumed the death of Commander Crabb; (*b*) what were the circumstances of Commander Crabb's disappearance; (*c*) whether efforts were still being made to locate his body; and (*d*) whether he (Mr. Ward) would make a statement. Mr. Ward replied that the questions would be dealt with directly by the Prime Minister.

Sir Anthony Eden said in reply to Mr. Dugdale: "It would not be in the public interest to disclose the circumstances in which Commander Crabb is presumed to have met his death. While it is the practice for Ministers to accept responsibility, I think it is necessary, in the special circumstances of this case, to make it clear that what was done was done without the authority or the knowledge of Her Majesty's Ministers. Appropriate disciplinary steps are being taken."

Mr. Dugdale: "This is one of the most extraordinary statements ever made by a Prime Minister in the House of Commons. Whatever you may say to the contrary, it is a complete evasion of Ministerial responsibility. Why was Commander Crabb diving in the close vicinity of the Soviet cruiser, here on a friendly visit? Why and on whose authority was a police officer sent to the hotel at which he was staying, and ordered that the leaves be torn from the register book showing the names both of Commander Crabb and the man with whom he stayed? What was the name of this other man? Why did the police officer threaten the hotel proprietor with action under the Official Secrets Act if he did not allow this to be done?"

Sir Anthony Eden. "I thought it right to make the statement which I have made, and I have nothing to add to it."

Mr. Hugh Gaitskell (Leader of the Opposition): "The Prime Minister will be aware that a great deal of information has already been published in the Press. Does he not think on reflection, and in view of the amount of speculation which undoubtedly will continue in the absence of any information from the Government, that it really would be wiser and in the general interest if a fuller explanation were given?"

Sir Anthony Eden replied that he had given the fullest consideration to this matter. "I can assure Mr. Gaitskell," he added, "that there are certain issues which are the responsibility of the Prime Minister himself; and having given all possible consideration to all the information at our disposal, on reflection I thought it my duty to give the answer I have. I am afraid I must tell the House that I cannot vary from the answer."

Mr. Gaitskell. "That answer is totally unsatisfactory. While we would all wish to protect public security, the suspicion must inevitably arise that your refusal to make a statement on this subject is not so much in the interests of public security but to hide a grave blunder which has occurred."

Sir Anthony Eden: "Of course the House and the country must draw its conclusions from what I have said, and also from what I have declined to say. Naturally, you will understand that I have weighed all these considerations, and they weigh heavily in the answer I have given. Mr. Gaitskell, with his experience, knows that there are some decisions which only the Prime Minister can take. I am convinced, after the most careful reflection, that the decision I have taken is the right and only one."

Mr. Gaitskell: "Are we to take it, in the absence of any further statement from the Prime Minister, and in the light of what he has just said about the public drawing their own conclusions, that in fact officers or an officer of H.M. Forces was engaged upon the business of espionage during the Russian visit?"

Sir Anthony Eden: "Mr. Gaitskell is perfectly entitled to put any wording he likes on what I said. My words stand as they are, without any gloss anyone can put on them."

Mr. Shinwell (Lab.): "Against whom are you taking disciplinary steps? Is it because some individual or individuals gave instructions to Commander Crabb? Against whom is the action being taken and for what reason? Is it because they defied authority or because they acted without consulting H.M. Ministers?"

Sir Anthony Eden said he had nothing to add to the answer he had already given.

Mr. Dugdale, after describing the Prime Minister's answer as "most unsatisfactory," moved the adjournment of the House "to call attention to a matter of urgent public importance, the failure of the Government to give a satisfactory explanation about the events connected with the disappearance of Commander Crabb."

The Speaker (Mr. W. S. Morrison) declined to adjourn the House for the following reason: "This application is governed by authority. When a Minister refuses to answer a question on the grounds of public interest, it has been ruled in the past—and I adhere to it myself—that it is a matter which cannot be raised. Therefore I must decline the application."

The disappearance of Commander Crabb was the subject of a debate in the House of Commons on May 14, at the request of the Opposition.

Mr. Gaitskell, who recalled that Commander Crabb had been awarded the George Medal in 1944 for distinguished war services, opened the debate with a tribute to "a very gallant officer," now presumed dead, who was "the central figure in this strange episode" The Opposition, Mr Gaitskell continued, recognized that in present conditions there was an "unfortunate necessity" for secret services, which Britain must possess equally with other great Powers. They appreciated, also, that details of the activities of the Secret Service could not be disclosed like those of other Government departments. That situation was accepted by Parliament, and members therefore refrained from pressing Ministers on these matters Ministers, on their part, had the undoubted right to refuse information on these matters, given the following assumptions "That the operations of these Services are ultimately effectively controlled by Ministers or a Minister; that the operations are secret, that what they do does not embarrass us in our international relations; and that what they do appears, so far as we can make out, to be reasonably successful."

Mr. Gaitskell continued: "The Prime Minister's statement makes it plain, or at any rate gives me the impression, that in this instance Ministers were not effectively in control. His statement, cryptic though it was, did reveal, through a disclaimer of direct responsibility and through a reference to disciplinary steps, that some wrong action had been taken by some Government servant without authority and, indeed, apparently contrary to the desires of Ministers . . None of us would ask that the Prime Minister should disclose what ought not to be disclosed, either because it might endanger our agents or people in the Secret Service, or because it would involve giving information to a foreign Power But, subject to this, it is the duty of any Opposition to probe any weakness, or what appears to be any blunder or mistake, in Government administration.

"I fully accept the Prime Minister's disclaimer of ministerial knowledge or approval, and I am sure that should be accepted as complete evidence of absolute good faith by the Soviet Government. Nor do I feel that this episode, serious as it is in certain aspects, is likely permanently to damage our relations with the Soviet Government. We all know that the Russians are realists in these matters. There is not very much doubt that they, too, have their agents.

"I am concerned with what appears to be the situation in the Secret Services and the forces which work with them, because it seems to me that what has been suggested by the Prime Minister's statement does reveal a grave lack of control at home and a most unsatisfactory state of affairs within these services . . . Presumably the Secret Service, or a secret service and the Admiralty, must have been mixed up in the plan from the start; but at what sort of level was the decision taken, if a decision was taken, to make this kind of investigation? Presumably it was the duty of the Admiralty to guard the Soviet vessels, and this is one of the extraordinary features of this whole business. If it was their responsibility to guard these vessels, how was it that Commander Crabb, if it was he, was able to approach them? Were the security guards very inadequate, or were they in the secret of Commander Crabb's exploit?"

After saying that it was difficult to understand how the exploit could have been attempted unless it had been known to some high-ranking officers, Mr Gaitskell asked who had authorized the Admiralty statement of April 29, "which is now seen to have been at variance with the statement of the Chief of Staff at Portsmouth to the Russian admiral." Referring to the removal of four pages from the Sallyport Hotel's register by police officers, he also asked: Can the Prime Minister tell us under what authority these officers acted? The Portsmouth police seized part of this register, although, under the Aliens Order, it was the property of the hotel keeper, who was under a statutory duty to preserve it. It is very hard to see what right police officers had to make the hotel keeper break the law in this way . . ."

Mr. Gaitskell reiterated that the Opposition realized the need for a Secret Service, and also that the Secret Service had to go about its work "in a queer way." It was, however, of enormous importance that it should not be above the law. What, then, he asked, was the law under which it operated? Could the Prime Minister say against whom disciplinary steps had been taken, and whether such steps had been taken, for instance, against Service personnel?

In conclusion, Mr. Gaitskell said that the whole affair had given the impression of "a deplorable lack of co-ordination and control" between the Admiralty, the Secret Service, and the Foreign Office, and of "unusual technical incompetence." If decisions had been taken at a high level they showed irresponsibility, and if they were taken at a lower level it seemed that the officers there had got "quite out of hand." He asked the Prime Minister whether he was satisfied with the staffing of the Security Services, and what sort of steps he was taking to prevent a recurrence of such happenings.

Sir Anthony Eden, replying to Mr. Gaitskell, repeated that any action taken had been entirely without the authorization and knowledge of H.M. Government, and declared that he had "not one word more" to add to his earlier statement to the House. The Prime Minister spoke as follows:

". . . We are dealing, I must say bluntly, with circumstances in which no Government here or in any other country would say more than I am prepared to say to the House tonight. Nor is there anything contrary to our practice in taking this attitude. It is often done in Defence. A classic example is the atomic bomb, where the whole expenditure of £100,000,000 was concealed in the Estimates for that particular year.

"Similarly, in international affairs it is often contrary to the public interest to disclose the details of correspondence with a foreign government, or to reveal the course of negotiations with a foreign government leading up to treaties or other agreements And it is an immemorial custom not to publish the receipt of a Note until the reply has been returned and received by the Power who sent the Note . .

"Mr. Gaitskell spoke very freely about Secret Services and speculated about their control, organization, and efficiency. I am not prepared to discuss this matter. It is easy for Mr. Gaitskell to suggest or imply that all is not well. I could not answer him generally or in detail without disclosing matters which, as he himself recognized, must remain secret That is why it is not and never has been the practice to discuss these matters openly in this House, and I am not prepared to break that precedent.

Also I think it must be clear that it must be left to the discretion of Ministers to decide these matters. Only the Minister can judge. His discretion in this respect is absolute, and it should be clear from this practice that the Minister cannot disclose the reasons for his decision. Obviously, if he were to disclose his reasons, he would be disclosing what he judged to be contrary itself to the public interest.

"I have not one word more to say than I announced on May 9 . . . I took the exceptional course of making it plain that what was done was without the authority of H.M. Ministers—and that, of course, includes all Ministers and all aspects of this affair. We all know that many actions are taken by servants of the Crown for which the authority of Ministers is not asked; that must always be so in any complex society such as ours to-day. Mr. Gaitskell is perfectly correct in saying that on these occasions Ministers and the Government collectively are responsible to Parliament for actions by officials.

"I pondered long before I departed from that axiom in this case, and I think the House is entitled to know more of this topic. In this instance there were special circumstances which, I judged, compelled me to state that what happened, or was thought to have happened, had been done without the authority of Ministers At that time my colleagues and I had been conducting important discussions with the Soviet leaders. We were completely unaware of any episode of this kind. Had I not made this clear publicly, doubts would inevitably have been thrown on the sincerity of our position during these discussions. That is a very serious, and a very exceptional, situation. But it explains to the House why on that account I thought it right to take the very unusual course of making that statement

"Having made it clear that what was done was without the authority of Ministers, I felt it also necessary to let it be known that disciplinary steps were being taken That in itself is in part an answer to what Mr. Gaitskell said. It shows that the Government are determined that the proper measures of control and authority should be exercised by Ministers in all matters of this kind.

"It has been suggested that by not informing the House on May 9 of our receipt of the Russian Note, and of our reply thereto, I was in some way holding back information of which the House ought to have been made aware. That was not so. The Soviet Note was delivered to the Foreign Office by messenger on May 4 The Foreign Secretary being away ill, I myself approved the answer to the Soviet Note on the morning of May 9. Of course I was aware when I spoke to the House that the Soviet Government could not by then have received our reply. It would have been discourteous, to say the least, to have disclosed diplomatic correspondence in such circumstances, and I did not do so . . .

"In this business I do not rest wholly on the national interest, important as that is. There is also the important international interest. All I care for is that the outcome of our discussions with the Soviet leaders should prove to be the beginning of a beginning. I intend to safeguard that possibility at all costs. I believe that is also in the minds of the Soviet leaders. For that reason I deplore this debate and will say no more."

Members taking part in the debate included Mr. Bellenger (Lab.), a former Secretary of State for War, Mr. Dugdale (Lab.), Sir Patrick Spens (C.), and Lieut-Colonel Cordeaux (C.).

Mr. Bellenger criticized the fact that the Press had been allowed to speculate freely on the incident, although Parliament itself was expected to exercise discretion in such matters, whilst **Mr. Dugdale** reiterated the Opposition's concern at the apparent lack of co-ordination between different Departments. **Sir Patrick Spens** described the Opposition's action in asking for a debate on such a matter as "irresponsible" and as contrary to all precedent. **Lieut.-Colonel Cordeaux** believed that the Russians would attach little importance to the episode, and that the "Crabb affair" was not likely to detract in any way from the value of the Prime Minister's negotiations with the Soviet leaders.

Mr. Gaitskell announced at the end of the debate that the Opposition would divide the House to mark its disapproval of "this ill-conceived and inept operation" and as a protest against the Prime Minister's "complete refusal to answer any of our questions, many of which in our opinion could have been answered without endangering public security." He accordingly moved a token reduction of £5 in the Treasury and Admiralty Vote. On a division, the motion was defeated by 316 votes to 229 a Government majority of 87. All the opposing votes were cast by Labour members, although six Labour M.P.s—among them Mr. Herbert Morrison and Mr. Shinwell—abstained from voting. (Times - Daily Telegraph - Manchester Guardian)

A. INDIA - PAKISTAN. — Kashmir Plebiscite Scheme abandoned by India. - Mr. Nehru's Proposal for Partition of Kashmir rejected by Pakistan. - Pakistan's Decision to refer Kashmir Question to Security Council. - Indian Claim to Chitral. - Mr. Mohammad Ali's Proposal for "No War" Agreement. - Frontier Incidents.

The Indian Prime Minister, Mr. Nehru, stated in the House of the People on March 29 that talk of a plebiscite in Kashmir was "entirely beside the point" and that the holding of such a plebiscite could not be considered until Pakistan had withdrawn all her armed forces from the State, in accordance with the Security Council's resolution of 1948. This statement, and a subsequent one in which Mr. Nehru intimated that he was no longer in favour of a plebiscite, gave rise to an embittered controversy between the two Governments, culminating in Pakistan's decision to refer the Kashmir question back to the U.N. Security Council.

In his speech on March 29, Mr. Nehru said that he had told the representatives of Pakistan that while he was always willing to discuss any aspect of the Kashmir problem, "we must take existing facts as they are and proceed on that basis" in seeking to find a solution. He was surprised at the "ignorance of eminent foreign observers" who clung to the idea of a plebiscite whilst forgetting "the entire sequence of essential developments which must precede its implementation," and who did not realize that Pakistan's armed forces still remained on Kashmir territory eight years after the Security Council had categorically demanded their withdrawal. India's responsibility to safeguard the security of Kashmir had been recognized by the U.N., and only the bulk, and not all, of her forces in the State were required to be withdrawn.

"In any consideration of the problem," Mr. Nehru continued, "it must be borne in mind that there has been an invasion of Kashmir through Pakistan and by Pakistan in the latter half of October 1947 . . . The second fact to be remembered is that Kashmir acceded to India legally and constitutionally. Therefore it became the duty of the Indian Union to defend Kashmir from aggression and to drive out the invaders. I would go further and say that even if Kashmir had not acceded to India, it would have been our duty to defend it. India being a continuing entity, whatever did not opt out remained with India . . The fact that Kashmir was not in Pakistan imposed a duty upon us to protect it against any attack. However, this point does not arise because in fact Kashmir did accede to India."

After recapitualting the history of the Kashmir dispute, Mr. Nehru said that the U.N. Commission's resolution of August 1948 had required Pakistan to withdraw all her forces from Kashmir as a prelude to a plebiscite, followed by a reduction of Indian forces to the level required for police and protection; after 7½ years, however, Pakistani forces were still in the State. Much had happened in Kashmir during those years, and it was obvious that the Government of India and the Government of Jammu and Kashmir could not in the meantime "remain in a state of suspended animation." A Kashmir Constituent Assembly had been convened which had drawn up a Constitution, introduced important land reforms, and undertaken great development works. The people had settled down, and the State had, he claimed, never been so prosperous.

Meanwhile a new development had taken place—namely, the promise of U.S. military aid to Pakistan and the subsequent implementation of that promise "This," Mr. Nehru said, "created not only a new military situation but a new political situation, and procedures thus far followed by us became out of date . . . That situation has become progressively worse because of the flow of military aid to Pakistan and the conclusion of SEATO and the Baghdad Pact." Reiterating his previous denunciations of these two pacts, Mr. Nehru declared:

"SEATO and the Baghdad Pact, apart from being basically in the wrong direction, affect us intimately and, in a sense, tend to encircle us. The Baghdad Pact has created in Western Asia far greater tension and conflict than ever before . . . Presumably the pact is meant for defence against aggression if it takes place from the Soviet Union. But surely nobody imagines that the Pakistan Government entered it because it expected imminent or eventual invasion from the Soviet Union. From Pakistani newspapers, and statements made by responsible people in Pakistan, it is perfectly clear that they entered the pact either because they were rather apprehensive of India or because they wanted to speak to India from a 'position of strength.' Whatever the reason, they joined the Baghdad Pact and SEATO ostensibly because of their hostility to India."

Referring to the proposal for a no-war declaration made by the present Prime Minister of Pakistan, Chaudri Mohammad Ali (see below), Mr. Nehru recalled his earlier exchanges with the late Liaquat Ali Khan on this subject; he said whilst he welcomed Chaudri Mohammad Ali's suggestion, it was clear that a no-war declaration should not be "tied up with other matters."

Chaudri Mohammad Ali, replying in the Pakistan National Assembly on March 31 to Mr. Nehru's speech, deprecated the latter's interpretation of the situation, and reaffirmed Pakistan's insistence on the holding of a plebiscite in Kashmir.

The Prime Minister of Pakistan strongly criticized Mr. Nehru's statement that it would have been India's duty to defend Kashmir even if Kashmir had not acceded to India, on the ground that what did not "opt out" remained Indian. Mr. Mohammad Ali described this claim as "novel" and "wholly fallacious," declaring that it was "contrary to the very basis of partition" since "so long as a State did not accede to India it could not have been presumed to have remained in India"

Referring to the Indian allegation that Pakistan had committed aggression in Kashmir, Mr Mohammad Ali maintained that the population of Kashmir, which was 77 per cent Moslem, had been in favour of accession to Pakistan, but the Hindu Maharaja, who had taken refuge in Jammu, had "surreptitiously" signed an instrument of accession to India Indian forces had then been flown into Kashmir "to prop up the tottering regime of the Maharaja and to fight and subjugate the Moslem population," and there had been "naked Indian aggression against a defenceless people" Severe fighting had followed between the Indian troops sent to Kashmir and the "tribesmen and others" from Pakistan who had gone to the assistance of the Moslem population Subsequently, however, the Indian Government had made it clear that as soon as law and order were restored the question of the State's accession would be settled by reference to the people, and this undertaking had been reinforced by the resolutions of the U.N. Commission of August 1948 and January 1949, whereby both India and Pakistan had agreed that the question should be settled through a plebiscite.

Continuing, Chaudri Mohammad Ali refuted Mr. Nehru's contention that a plebiscite could not be held until Pakistan had first withdrawn her forces. Under the U.N Commission's resolution of 1948, he said, the withdrawal of Pakistani forces from Kashmir was to take place simultaneously with the withdrawal of the bulk of the Indian forces from the State. He also rejected as "strange logic," and as "irrelevant" to the Kashmir question, Mr Nehru's references to Pakistan's decision to obtain military aid from the U.S.A., and to her participation in SEATO and the Baghdad Pact.

Recalling his suggestion of a "no war" agreement (see below), Mr. Mohammad Ali said that Mr. Nehru was prepared to sign such a declaration but not to accept any proposal that disputes should be settled by arbitration. He continued . "Considering that the Indian Constitution itself provides for the settlement of international disputes by peaceful means, I find it difficult to appreciate his hesitation in agreeing to my proposal. It has never been Pakistan's case that a settlement of the Kashmir question should be the subject of arbitration. . . . Both Pakistan and India are agreed that the question of accession shall be decided by the Kashmiris themselves in a free and impartial plebiscite . . . It has not been possible to hold a plebiscite because of India's refusal to withdraw the bulk of her forces from Kashmir, and she has been seeking to cover this refusal by misinterpreting the U.N. Commission's resolution. It is this question of interpretation that should be submitted to arbitration. There is nothing unusual in this proposal. The U.N. Charter provides for it; the Bandung Resolution endorses it; and the Indian Constitution itself recognises such procedure. An Indian refusal can lead to only one conclusion—that India is not prepared to allow the Kashmiris an opportunity to decide their fate by means of a free vote."

The Prime Minister concluded: "We consider the continued Indian occupation of Kashmir by force not only immoral but illegal. We consider that the Kashmiris have the right freely to decide for themselves whether the State shall accede to India or Pakistan. They must be permitted to exercise that right. We are pledged to see that they do so. India, too, is similarly pledged. We shall honour that pledge and continue to fight for its fulfilment, come what may . . . The Indian Premier's statemnt makes at least one thing quite clear that the continuation of direct negotiations with India holds out no prospect of a settlement of this dispute. The world must take note of this. It is a vital question for the maintenance of international peace."

At a press conference on April 2, Mr. Nehru replied to the points raised by Mr. Mohammad Ali, and reiterated that a new approach to the Kashmir question was necessary in view of the transformation of the situation by U.S. military aid to Pakistan.

Describing Mr. Mohammad Ali's statements as "utterly incorrect," Mr. Nehru said that India had "absolute 100 per cent proof" that the Pakistani Army had entered Kashmir in November 1947, and not in May 1948, as was officially claimed in Karachi. Legally and constitutionally the accession of Kashmir to India was a fact, and the developments of the last eight years on both sides of the cease-fire line could no longer be left out of account. Mr. Nehru reiterated that U.S. military aid to Pakistan had altered the whole situation, and said that it was now virtually immaterial whether Pakistan withdrew her troops, in view of the increased military potential poised on the borders of Kashmir. Moreover, "with large bases surrounding India, and not only surrounding India but, so far as my knowledge goes, in the Pakistan-occupied territory of Kashmir," the defence of India itself had to be considered. Asked whether he was no longer in favour of a plebiscite, Mr. Nehru said that this inference was "largely correct."

In view of Mr. Nehru's statements, Chaudri Mohammad Ali announced on April 6 that Pakistan would refer the Kashmir question once again to the Security Council.

Mr. Mohammad Ali maintained that any suggestion that the Kashmir Constituent Assembly was competent to express an opinion on the question of accession was contrary to India's own undertakings, and accused the Indian Government of planning "to go forward with this bogus Constituent Assembly, to allow it to frame a Constitution for Kashmir, to hold elections on the basis of that Constitution under the shadow of Indian bayonets, and then to claim that Kashmir had finally become part of India." After denying that

there were bases of any kind in "Azad Kashmir" or in any part of Pakistan, he alleged that India herself was massing armed forces against the frontiers of West and East Pakistan, and was planning to reduce the Moslem population of Kashmir to an "ineffective minority" by settling non-Moslems in the State. Mr Nehru's statements, he concluded, had confirmed his view that continuation of direct negotiations no longer held any prospect of a settlement, and the dispute would therefore revert to the Security Council.

Mr. Nehru announced on April 13 that as U.S. military aid to Pakistan, and Pakistan's membership of SEATO and the Baghdad Pact, had "destroyed the entire basis for a plebiscite in Kashmir," he had suggested to the Pakistani Government the holding of discussions to settle the question by a demarcation of the border on the basis of the present cease-fire line. Mr. Mohammad Ali, however, declared on April 14 that this proposal was "preposterous," and said that there was no question of Pakistan ever considering it; Mr. Nehru, he added, had made a similar proposal in October 1948 and again in May 1955, but on both occasions the then Prime Minister of Pakistan had rejected it outright.

The Pakistani Foreign Ministry announced on April 17 that Pakistan's permanent delegate to the U.N. had informed the Security Council that direct negotiations with India on the Kashmir question had failed, and that the Council would therefore be asked to resume consideration of the dispute.

In a statement to the House of the People on May 27, Mr. Nehru laid claim to Indian suzerainty over Chitral, which had been under Pakistani administration since the partition of undivided India in 1947.

Mr. Nehru recalled that Chitral had been under the suzerainty of the Maharaja of Kashmir since 1876, and that the Ruler of Chitral had sent annual tribute to the Government of Kashmir. In 1947 the State of Jammu and Kashmir had acceded to India, and this accession had included "the entire territories within the suzerainty of the Maharaja." The Government of India was not aware of any formal accession of Chitral to Pakistan, although it had been incorporated into that country. Referring to the incorporation of Chitral in the new Province of West Pakistan, Mr. Nehru added: "There is no question of the Government of India having recognized this change in the status of Chitral." Mr. Nehru also put forward India's claim to the northern principalities of Hunza, Nagar, and Punial, which are at present in the Pakistani-held area of "Azad Kashmir."

Chitral, the north-westernmost of the former Indian States, was incorporated in the North-West Frontier Province on its creation in 1901, together with the neighbouring States of Dir and Swat. In 1947, after the Frontier Province had decided by a referendum to join Pakistan, the Rulers of the three States signed instruments of accession to that country. Under the "one-unit" scheme all three States were merged in 1955 in the Province of West Pakistan, together with the other areas of the former North-West Frontier Province.

Mr. Nehru's statement caused great indignation in Pakistan. The West Pakistan Assembly unanimously passed a resolution on May 28 strongly condemning the statement; affirming that Chitral was an integral part of Pakistan and that the other three States formed part of Azad Kashmir; and rejecting "any encroachment on Pakistani territory by India or any other country."

In a statement on May 30, Mr. Hamidul Huq Chowdhry (Foreign Minister of Pakistan) denounced Mr. Nehru's "territorial ambitions" and accused him of "forgetting his own emphatic assertions whenever it suits him." Mr. Chowdhry declared that when Junagadh had acceded to Pakistan, Mr. Nehru had said that he was not prepared to recognize that accession as valid because the Ruler was a Moslem and the population predominatly Hindu. In that case he had claimed that paramountcy had reverted to the people after the departure of the British, and that it was therefore for the people to decide by referendum to which country they should accede. On this plea Indian forces had subsequently marched into Junagadh, which had been forcibly annexed by India. In the case of Kashmir, however, Mr. Nehru had reversed his argument and India had marched her armies into that State on the plea that the Maharaja had acceded to India. "This latest statement" Mr. Chowdhry concluded, "is yet another smoke-screen behind which Mr. Nehru seeks to justify his illegal and forcible seizure of Kashmir."

On May 19, in a speech at Srinagar, Mr. Krishna Menon (Indian Minister without portfolio, and Mr. Nehru's principal adviser on foreign affairs) had indicated that if the Kashmir question was brought before the Security Council, India would press the Council to settle "in unambiguous terms" the question of India's original complaint about Pakistan's "unprovoked aggression" against Kashmir. Mr. Menon declared that "Pakistan comes into the picture only as the accused, and there can therefore be no question of her having equal status with India."

Prior to these developments a series of frontier incidents had occurred along the Indo-Pakistani borders, for which each side accused the other of responsibility. Details of these incidents are given below in chronological order.

The Assam Border Incidents. Indian and Pakistani troops exchanged fire across the River Surma, on the border of East Pakistan and Assam, on Feb. 24-25 and on March 1, one Indian civilian being killed in the first incident and two (including a policeman) seriously wounded. A cease-fire was agreed between the Assam and East Pakistan Governments on March 2. Maps issued by the Indian Government before partition differ on the position of the river, some showing it as wholly in territory now in Pakistan, others as in present-day India, and yet others giving the mid-stream as the boundary.

The Chhad Bet Incident. Shots were exchanged on Feb 19 between armed Pakistani police and Indian troops at the island of Chhad Bet, in the Rann of Kutch, on the border of Kutch and West Pakistan, three Indian soldiers were wounded, two of them seriously. On the approach of an Indian force on Feb. 25 the Pakistani police withdrew from the area.

A Pakistani Government statement issued on Feb. 26 claimed that Chhad Bet was situated in the former Sind Province and now formed part of West Pakistan, that India had never been in possession of it, and that Indian forces had violated Pakistani territory there on Feb. 17, 19 and 24. Mr Nehru, on the other hand, maintained in a statement in the *Lok Sabha* on March 3 that Chhad Bet was situated some miles south of the boundary between Kutch and Sind, which had been finally settled in 1923-24, and that by occupying the area Pakistani police had thereby violated Indian territory. He added that attempts by the Government of Pakistan to claim the area had been rejected by India on May 9, 1955, and that no reply had been received either to this Note or to another of Jan. 12, 1956, complaining of previous Pakistani incursions into Chhad Bet. Chhad Bet, he explained, was an uninhabited islet which was under water for four months of the year and was otherwise used as a grazing ground.

The Punjab Border Incidents. In order to repair flood damage to the Ferozepur headworks of the Dipalpur canal (which supplies water to Pakistan) Indian labourers began early in March to remove earth from a mound on the right bank of the Sutlej River, the ownership of which is disputed between India and Pakistan. Although this operation had been agreed upon between the two Governments, a number of incidents occurred between March 8 and 19 between Indian troops, who had been sent to protect the workmen, and Pakistani troops, who disputed the right of the Indian troops to enter the area, and shots were exchanged along the frontier between Muthianwala, near Khemkaran (25 miles S.W. of Amritsar) and Husseiniwala. In the most serious clash, in the Husseiniwala area on March 18-19, ten Pakistani and four Indian soldiers were killed and 12 Indian and five Pakistani soldiers wounded, firing, in which mortars and automatic weapons were used, lasted nearly 12 hours until a cease-fire came into effect, each side accusing the other of having fired first. Further shooting occurred during the night of March 20-21 at Nushera Dall, in the Wagah district about 20 miles west of Amritsar.

Measures for the avoidance of further incidents, the undisturbed repair of the headworks at Ferozepur, and the withdrawal of all additional troops brought into the area as a result of the incidents, were agreed by the Commanding Generals of both sides on March 22 and 26. Indian and Pakistani police officials who met at Wagah on March 26 agreed that trenches and other defence works near the border in that area should be demolished, and that a joint inquiry should be held into any future incidents.

Mr. Mohammad Ali announced in the Pakistani National Assembly on March 19 that he had proposed to the Indian Government the setting-up of a joint boundary commission and the signing of a declaration repudiating war as a means of settling disputes between the two countries.

He alleged that India had created a "war psychosis," started a "vicious and immoral" propaganda campaign to deter the U.S.A. from giving military assistance to Pakistan, and "staged border incidents to create insecurity." In all the incidents which had occurred, he declared, "it has been aggression from the Indian side." These incidents had arisen because the Indo-Pakistani border on the West Pakistan side was not properly demarcated, and he had therefore sent a personal message to Mr. Nehru on March 17 proposing that a boundary delimitation commission should be set up and that a meeting at ministerial level should take place. In the interests of peace and good neighbourly relations, he added, India and Pakistan should sign an agreement pledging themselves not to go to war against each other and to settle all disputes by negotiation and mediation, or, failing this, by arbitration.

Mr. Nehru replied to Mr. Mohammad Ali's speech in the House of the People on March 20, when he welcomed his proposal for a "no war" declaration.

Stating that he had read the speech with "sorrow and surprise," he denied that India was conducting a propaganda campaign against Pakistan or had been responsible for the recent incidents. He referred in this connexion to the frequent appeals for *jehad* (holy war) against India made in Pakistan, to the mass migration from East Pakistan to India, and to Pakistan's failure to take action against those responsible for the Nekowal incident (see 14656 A). He welcomed, however, Mr. Mohammad Ali's proposal for the demarcation of the frontier and a "no war" declaration, and pointed out that proposals by India for such a declaration had been rejected in the past by Pakistan (see 13925 A).

In a Note of April 9, the Pakistani Government alleged that Indian troops were being concentrated along the West Pakistan border, and demanded their immediate withdrawal to their peacetime stations. Mr. A. K. Chanda, the Indian Deputy Foreign Minister, completely denied this allegation on April 10. The Indian Government subsequently accused Pakistan on April 16 of concentrating troops near the Husseiniwala headworks, and in a second Note on April 17 alleged that Pakistani aircraft had repeatedly flown over the Punjab during the past three weeks. These allegations were in turn denied by the Pakistani Foreign Ministry on April 23.

It was announced on April 12, following a meeting in Delhi between the Surveyors-General of India and Pakistan, that preliminary work on the demarcation of the borders would begin immediately, starting with the boundary between the Punjab and West Pakistan. Mr. Chanda stated on April 10 that the borders of India and West Pakistan (excluding Kashmir) were 1,503 miles long, of which 779 miles had not so far been demarcated by boundary posts, and those of India and East Pakistan 2,463 miles long, of which about 1,500 miles had not been demarcated.—(Indian and Pakistani High Commissioners' Offices, London - The Statesman, Calcutta - The Hindu, Madras)

(Prev. rep. Kashmir, 14656 A.)

A. PERSIA.—U.S. Aid for Development of Khuzistan.

A five-year contract for the drawing-up of a development and industrialization plan for the province of Khuzistan, in south-western Persia, was signed in Teheran on March 15 between the Persian Government and two American specialists in regional development—Mr. David E. Lilienthal and Mr. Gordon Clapp, both former chairmen of the Tennessee Valley Authority.

Following a visit to the area at the request of the Persian Government, Mr. Lilienthal and Mr. Clapp agreed to organize an extensive survey of the resources of Khuzistan—agricultural, industrial, and mineral—as a basis for the unified development of the region over the next 10 or 15 years. Though today a barren and virtually desert province, it was one of the most fertile areas of the ancient world, producing sufficient grain—according to the Greek historian Herodotus—to feed 10,000,000 people. The present-day province of Khuzistan corresponds largely to the ancient kingdom of Susiana (the land described in the Bible as Elam), whose principal city, Susa, was the capital of the Persian Empire under Darius nearly 2,500 years ago. It reverted to desert since the destruction of the ancient irrigation works and canals, its principal source of income at the present day being the oilfields at Abadan.

At a press conference in Teheran, Mr. Lilienthal and Mr. Clapp said that Khuzistan, with its vast natural resources of oil, natural gas, and minerals, could become "the key to the industrialization of Iran" and the "T.V.A. of the Middle East."

The Khuzistan survey will be undertaken by the Development and Resources Corporation, of which Mr. Lilienthal is chairman and Mr. Clapp president. It will be carried out in the framework of the Persian seven-year economic development plan, and will be financed by the Persian Government's oil revenues. (Times - New York Times - New York Herald Tribune)

(Prev. rep. Persian Economic Development, 14405 C; 14206 A; Seven-Year Plan, 10018 A.)

B. UNITED STATES. — New Secretary of Interior.

Mr. Frederick Andrew Seaton (46), of Nebraska, was nominated by President Eisenhower on May 28 as Secretary of the Interior in succession to Mr. Douglas Mackay, who had resigned in order to contest the Senate seat held by Senator Wayne Morse (Democrat, Oregon). Mr. Seaton had served for the past 15 months as a Presidential assistant at the White House, and had previously been Assistant Secretary of Defence. He sat for one year in the Senate in 1952 for the unexpired term of the late Senator Wherry (Nebraska). Mr. Seaton, who owns several newspapers in the Middle Western States, was one of the strongest supporters of General Eisenhower's nomination for the presidency in 1952.—(New York Herald Tribune)

(Prev. rep. Administration, 14732 B; Mr. Seaton, 11918 D.)

C. CHILE. — Airport for Easter Island.

It was announced in Santiago on May 28 that Chilean and U.S. specialists had completed plans for the building of a major airport on Easter Island, in the Pacific, as a link for direct flights between America and Australia and southern Asia. The airport will have a 10,000 ft. runway capable of taking jet airliners, and is expected to be completed in 18 months at a cost of about $8,500,000. Easter Island, which is under Chilean sovereignty, is over 2,000 miles west of the South American mainland. One of the remotest islands in the Pacific, it is famous for its hundreds of great stone statues, the origin of which has never been determined.—(New York Times)

D. RELIGIOUS LIFE. — Spiritual Healing. - British Medical Association Report to Archbishops' Commission.

A special committee of the British Medical Association published a report on May 11 on the question of spiritual healing. The committee had been appointed by the B.M.A. to prepare a memorandum of evidence for submission to the Commission on Divine Healing which had been set up in 1953 by the Archbishops of Canterbury and York (see 13226 C).

The committee threw doubt upon the claims made for divine healing and miraculous cures, declaring that it could find "no evidence that there is any type of illness cured by spiritual healing alone which could not have been cured by medical treatment." It agreed, however, that there was considerable evidence of the value of religious ministration in the treatment of various disorders. A person's emotional life, it was pointed out, had a direct bearing upon his physical well-being, and religious ministration—on whatever basis it rested—might have an important bearing on the emotional and spiritual life of the patient, and thus contribute to his recovery.

The report pointed out that many individuals said to be cured by non-medical methods would appear to have been suffering from disturbances in which physical symptoms resulted from emotional disturbances—e.g. nervous headache due to worry, or nervous indigestion due to anxiety or unrecognized resentment. In some cases there were apparent cures of an organic disorder, for example the "miracles" of Lourdes and alleged cures by spiritual healing of patients who had been pronounced by their doctors as incurable. The report commented, however: "Most of these cures come under one or another of the following categories: (*a*) mistake in diagnosis; (*b*) mistake in prognosis; (*c*) alleviation; (*d*) remission, (*e*) spontaneous cures, and (*f*) combined treatment."

As regards (*d*), the report pointed out that some diseases were subject to "remissions"—i.e. symptoms disappeared and the patient appeared to have recovered, but as the disease condition remained the illness tended to return and the patient to relapse. It added in this connexion. "The 'miracle' may be reported in the Press. Later the patient relapses and the relapse receives no publicity, but remains the secret of the patient, his friends, and his doctor." With regard to (*f*) the report stated that it was often found, in investigating "cures" attributed to spiritual healing, that the patient was at the same time continuing treatment prescribed by a doctor, although this fact was not stated by those claiming the "cures."

In a sense (the report continued) all healing might be considered divine; "many aspects of healing are still outside our present knowledge, and this we should humbly admit." Nevertheless, when all possibilities were exhausted "it leaves little room for miraculous cures of organic disease by spiritual healing . . . The cases claimed as cures of a miraculous nature present no features of a unique and unexpected character outside the knowledge of any experienced physician or psychiatrist."

On the religious aspects of healing, the committee said: "A religious conversion, in which there is a complete upheaval of the emotional life of the patient, is capable not only of reorientating his mode of living, but of curing various forms of neurosis, alcoholism, and other functional disorders. While we regard many of the cures effected by unorthodox means, including spiritual healing, as mainly due to suggestion, we are of opinion that such suggestion is likely to be more effective when it has a religious background and when backed by the belief in Divine help."

In a section on the "miracles" of Lourdes, the report said that in spite of the "immense pressure of popular enthusiasm" the number of miracles actually attested and registered over the years had been exceedingly small. "In any event, spontaneous or unexpected cures in this country—like those of Lourdes, which cannot be explained—are very few, and in the committee's opinion it is probably better to acknowledge that they are at present inexplicable on scientific grounds."

The committee considered that some information should be sought on alleged cures associated with magic or witchcraft. Little information on this subject was forthcoming, although one doctor had told the committee: "The practice of magic, both white and black, was widely spread in my Devon practice. I had one definite death from witchcraft—or I suppose I should say suggestion—while I was there. The practice of charming away warts is extremely effective."

[Commenting on this section of the report, the Press quoted statements by persons living in the West Country to the effect that belief in magic and witchcraft was still widespread in parts of Devon and Cornwall.]

In conclusion, the report expressed the opinion that doctors and clergy could meet and co-operate in their work. The best co-operation would be where the doctor and clergyman discussed how they could best help the individual patient. Informal gatherings between small groups of doctors and clergy in a particular locality would also be of value, and often bring to light cases of people in need. Regret was expressed that three Roman Catholic doctors, all prominent members of the medical profession, had declined invitations to serve on the special committee appointed by the British Medical Association. (Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Archbishops' Commission, 13226 C.)

JUNE 2—9, 1956

A. UNITED KINGDOM. — Government Plans for Expansion of Technological Education. - Five-year Development Scheme for Technical Colleges. - Increase in Technical Scholarships. - Industrial Fund for Scientific Education in Schools. - Expansion of Imperial College of Science. - Creation of National Council for Technological Awards. - New Diploma in Technology.

Plans involving the expenditure of about £97,000,000 on buildings and equipment in an effort to increase the number of technologists, technicians, and craftsmen were announced in a White Paper published on Feb. 29. A summary is given below under cross-headings.

Need for Expansion in Scientific and Technical Education. Although the number of students in science and technology at British universities had doubled between 1948 and 1955, and more schools and technical colleges had been built since the Education Acts of 1944 and 1945, the need and demand for technical education was quickening with the pace of economic change, and other countries were making an immense effort to train more scientific and technical manpower. In the light of this, the scale of expansion in Britain had been "much too small," and the U.K. was in danger of being left behind After reviewing the system of technical education throughout the country, the Government had therefore made plans for "a new major advance"

Existing Technical Training Facilities. There were at present about 500 technical or commercial educational establishments in England and Wales, varying from large colleges of technology (mostly in London or the county boroughs) to small technical institutes, nearly all maintained by local education authorities There was no uniform pattern of technical education, and the courses organized in technical colleges ranged from preliminary courses for boys and girls of 15 to post-graduate work. Some courses were held during the day, but most were evening classes, and although some staff were full-time, many were part-time only. In this connexion the White Paper stressed the flexibility of the British system of technical education, and pointed out that part-time students could work towards Higher National Certificates or University of London degrees, whereas in most other countries it was very unusual for anyone leaving school before the age of 18 to embark on a career leading to high technological qualifications.

Expansion of Technological Training at Universities. The White Paper pointed out that the training of technologists was shared between the universities and technological colleges, and explained that the Government aimed at expanding facilities at both. Stressing the great expansion in the number of university students in science and technology since the war, it stated that in the current session such students numbered 29,013, or 124 per cent above the 1938-39 figure, and represented 34½ per cent of the university student population, compared with only 26 per cent in 1938-39. In allocating grants for capital expenditure since the war, high priority had been given to buildings for teaching and research in science and technology. In addition, the Government had undertaken in 1953 a large expansion (expected ultimately to cost about £15,000,000) at the Imperial College of Science and Technology (University of London), and, later, a programme of developments at other universities (see below). The universities were now working out plans for the quinquennium 1957-62, and the University Grants Committee would report on them during the coming year.

Five-Year Development Programme for Technical Colleges. The five-year programme, which the Government proposed to put in hand immediately, aimed at (*a*) increasing by about one-half the output of students from advanced courses, and (*b*) doubling the numbers of employed boys and girls released by their employers for part-time courses during the day, as part of a proportionate increase at the lower level. To carry out the programme it would be necessary during 1956-61 to start a building programme to cost about £70,000,000 in England and Wales and £10,000,000 in Scotland, and to spend an additional £10,000,000 and £2,000,000 respectively on equipment.

The present number of students completing advanced courses at technical colleges in England and Wales was about 9,500, and it was planned to raise the number as soon as possible to 15,000. The Government believed that for the higher technological qualifications "sandwich" courses would become increasingly suitable; these courses, lasting four or five years, would consist of alternate periods (usually of three to six months' duration) of theoretical education in a technical college and of specially designed practical training in industry. Students taking "sandwich" courses at the highest level would be eligible for the new award to be given by the recently constituted National Council for Technological Awards (see below), and also for the Technical State Scholarships now available to help students of outstanding ability employed in industry to take honours degree courses at universities, or equivalent courses elsewhere.

Most full-time or "sandwich" courses, it was considered, should be carried out in colleges concentrating on advanced work. At present there were 24 regional technical colleges which received the 75 per cent grant introduced in 1952; the Government wished to see the proportion of advanced work at these colleges rapidly increase, so that as many of them as possible might develop into colleges of advanced technology.

Increased Number of Technical Scholarships. The number of Technical State Scholarships would be increased as the technological courses developed. To encourage entry on the courses straight from school, it was proposed to allow ordinary State scholarships to be held in future courses leading to a Technological Award, as well as for university honours courses. Local education authorities would be asked to make their own major awards available for these courses, at rates equivalent to those paid for university students

The Need for More Technicians. Stressing that the need for more technologists was accompanied by an urgent need for technicians, the White Paper stated that the Minister of Labour and National Service had asked the National Joint Advisory Council to consider how future needs for craftsmen and technicians should be met. It pointed out that the traditional method of training in Britain was apprenticeship, and stated that employers in most industries with apprenticeship schemes had agreed to release their apprentices for one day a week for attendance at technical classes where facilities existed However, although there had been a great increase since the war in the use of these "day release" facilities, the number of apprentices under 18 released by their employers in 1953-54 to attend day classes in England and Wales was still only 210,384, or 27 per cent of male apprentices and seven per cent of girls, with wide variations from one industry to another. Serious wastage occurred in courses for craftsmen and technicians, and in many courses only about 25 per cent of those who started reached and passed the final examination; wastage from part-time classes, however, was much less than from evening classes. The Government would therefore urge industrialists and local education authorities to enable more boys and girls to study during the day instead of in the evening.

Other Matters. The White Paper also stressed the need to find a place in technical studies for liberal education, and in particular for the teaching of English In addition, it discussed the scope for recruiting more girls and women for courses in technical colleges, and examined the prospects of increasing the supply of teachers, including the possibility of industry releasing more employees for part-time teaching.

The Minister of Education (Sir David Eccles) stated in the House of Commons on the same day that the Government felt that the programme outlined in the White Paper was "fundamental to Britain's economic prosperity." It would therefore be "exempt from cuts, delays, and postponements of any kind," and would have the same priority as was being accorded to the development of atomic power.

The publication of the White Paper followed a number of Government statements since 1954 on technological education, as summarized below:

Mr. R. A. Butler (then Chancellor of the Exchequer) announced in the House of Commons on July 13, 1954, that he had approved plans submitted by the University Grants Committee for developments in technological education outside London. The main centres would be Glasgow, Manchester, Leeds, and Birmingham, but provision would be made for developments elsewhere. Developments would take place at institutions already receiving recurrent grants on the Committee's recommendation, since it was considered that to increase the number of institutions concerned with higher technological education would involve an unjustified dispersal of effort.

Lord Salisbury (Lord President of the Council) stated in the House of Lords on Dec. 7, 1954, that the Government's plans provided for a "massive" expansion of the Imperial College of Science and Technology in London; major developments at Glasgow, Manchester, Leeds, and Birmingham; "fairly large-scale" developments at Cambridge and Sheffield; and specialized developments at other large centres, including Edinburgh, Newcastle, Southampton, and Swansea. The Government believed that higher technological education must be closely linked with other university studies, and that the best progress could be made by linking technological development as closely as possible with existing university institutions, rather than by starting entirely technological institutions. [This remark referred to proposals by the Parliamentary and Scientific Committee, which in a memorandum published on July 26, 1954, had recommended the establishment of Royal Chartered Colleges of Technology, with power to award degrees. The committee suggested that up to 20 existing technological colleges might be eligible for charters, and should offer full-time "sandwich" courses, part-time day and evening courses, and facilities for full- and part-time research.]

Lord Salisbury added that about one-eighth of the total recurrent grants to universities (i.e. about £3,000,000 annually) was used for technology, and that the Government was now making additional recurrent grants for technology of £196,000 for the current year (i.e. 1954-55), £404,000 for 1955-56, and £704,000 for 1956-57. In the next two years there would also be an increase in recurrent expenditure of about 25 per cent in special extra grants. For building and equipment, the capital expenditure and liabilities against public funds incurred in recent years amounted to about £10,000,000, including work in progress at the Imperial College, the Royal Technical College, Glasgow, and the Manchester College of Technology. The Chancellor of the Exchequer had authorized further buildings costing £1,000,000, in addition to the normal university building programme for 1955-56. Other technological projects were contained in the University Grants Committee's plans for development, the total cost of which might amount to £10,000,000 over the next 10 years.

Other recent developments in connexion with scientific and technological education are summarized below:

Industrial Fund for Scientific Education in Schools.

It was announced on Oct. 31, 1955, that a group of companies in the chemical, electrical, and mechanical engineering industries had established an industrial trust fund for the advancement of scientific education.

It was explained that the sponsoring companies "viewed with growing disquiet the shortage of scientists, mathematicians, and technologists," and had therefore decided to take steps to assist the teaching of pure and applied mathematics and science in independent and grant-aided technical schools, which lacked help from public funds and often had no adequate capital resources. The fund—to be known as the Industrial Fund for the Advancement of Scientific Education in Schools—would assist these schools by providing capital grants towards the building, expansion, and equipping of school buildings. Over £1,500,000 had already been guaranteed, and it was expected that many other companies which depended on adequate supplies of scientists and mathematicians would add their support.

The companies so far connected with the fund (i.e. at Oct. 31, 1955) were: Associated Electrical Industries Ltd., British Insulated Callenders Cables Co. Ltd., British Petroleum Co. Ltd., British Portland Cement Manufacturers Ltd., Courtaulds Ltd.; The Distillers Co. Ltd., English Electric Co. Ltd., Esso Petroleum Co. Ltd.; General Electric Co. Ltd., Arthur Guinness, Son and Co. Ltd.; Imperial Chemical Industries Ltd.; Imperial Tobacco (Great Britain and Ireland) Co. Ltd., Rolls-Royce Ltd., Shell Petroleum Co. Ltd.; Tube Investments Ltd., Vickers Ltd., and the Wellcome Foundation Ltd. The statement added that an executive committee had been formed, with Sir Hugh Beaver as chairman, to adjudge and assess applications from schools for aid.

The executive committee announced on April 3, 1956, that a total of 90 companies had joined the fund and had subscribed an aggregate amount of £2,900,000. As of that date, 429 schools (including 294 independent schools) had applied for grants totalling about £10,000,000, but the committee had reduced the figure to £3,500,000. Four assessors had been appointed as technical advisers to the committee in administering the fund, and principles had been laid down for determining the qualifications, amounts, and priorities for grants. In general, grants would be restricted to the teaching of the fundamental sciences of physics, chemistry, and mathematics, and would not exceed two-thirds of the cost of each project. Priority would usually be given to schools having at least 250 pupils over the age of 13, and having at least 10 per cent of these pupils in the mathematics and science sixth forms.

Expansion of Imperial College of Science and Technology.

Lord Home, Secretary of State for Commonwealth Relations, announced in the House of Lords on Jan 26, 1956, that the Government had decided to proceed with full-scale plans, expected to cost about £15,000,000, for the expansion of the Imperial College of Science and Technology at South Kensington, London. The decision had been made, "notwithstanding the difficulties involved," in view of "the urgent need to increase the country's output of scientists and technologists."

The plans referred to by Lord Home had originally been announced in January 1953, and aimed at making the Imperial College "the equal of any of pure and applied scientific education in the world." They envisaged the doubling of the College's teaching capacity by providing for 3,000 students, an increase in floor-space to about 1,500,000 square feet, and the replacement of over-crowded and obsolescent buildings by "very large" new ones for civil, mechanical, and electrical engineering. As originally conceived, the plans called for the demolition of the Imperial Institute, which faces the Imperial College and was built as a memorial to Queen Victoria's Golden Jubilee (1887). This proposal was strongly criticized on the ground that the Imperial Institute was one of the finest examples of Victorian architecture, and pleas for the retention of the building were made by the Royal Fine Art Commission and other bodies. In particular, there was considerable opposition to the proposed demolition of the Institute's bell-tower—the Collcutt Tower, named after the architect who built the Imperial Institute, and a landmark of present-day South Kensington. When, however, the first detailed plans were made public on March 15, 1956, the hope was expressed that it might be possible to preserve the Imperial Institute buildings.

National Awards in Technology.

Sir David Eccles announced in the House of Commons on Dec. 1, 1955, the setting-up of a National Council for Awards in Technology, with the duty of "creating and administering awards in technology" available to students in technical colleges who had passed courses approved by the Council.

The Minister stated that the Council had been set up on the advice of the National Advisory Council for Industry and Commerce, and that its chairman would be Lord Hives, chairman of Rolls-Royce Ltd. The following five members had been appointed by the Ministry of Education: Sir Harold Roxbee Cox (director of the Brush Group), Sir Arnold Hall (technical director of the Hawker Siddeley Group), Dr. Willis Jackson, F.R.S. (director of research and education of Metropolitan Vickers Electrical Co. Ltd.), Mr. Idris Jones (director-general of the scientific department of the National Coal Board), and Mr. E. L. Russell (Chief Education Officer of Birmingham). There would be six more members, three nominated by a board of studies in engineering and three by a board of studies in technology.

The Council announced on May 14, 1956, that it proposed to grant Diplomas in Technology, the courses for which would be equivalent in standard to honours degree courses of a British university. The awards would be denoted by "Dip. Tech. (Eng.)" for engineering, and by "Dip. Tech." for other technologies. There would be two honours classes, the intention being that students should normally reach second-class honours level; those failing to do so might be considered for "pass" diplomas. Courses would be "full time" (three years) or "sandwich" (four years), but students attending "full time" courses would be expected to have at least one year's previous training in industry. The minimum age of admission to courses would normally be 18 years.—(Times - Daily Telegraph - Manchester Guardian - Ministry of Labour Gazette)

(Prev. rep. 12376 D; Prime Minister's Statement on Technological Education, 14639 A.)

A. UNITED KINGDOM. — Tonbridge By-election.

Voting took place on June 7 in the Tonbridge division of Kent, the by-election being caused by the resignation through ill-health of Mr. Gerald Williams (Conservative). Result:

Hornby, Richard (Conservative)	20,515
Fagg, Robert (Labour)	18,913
No change. Conservative majority	1,602

Figures at the general election were: G. W. Williams (C.) 29,521, R. L. Fagg (Labour) 19,325—Conservative majority, 10,196.

The Conservative candidate received 52.03 per cent of the votes in the by-election and the Labour candidate 47.97 per cent, compared with general election percentages of 60.44 and 39.56 respectively. The Conservative proportion of the total vote thus fell by 8.41 per cent and the Labour proportion rose correspondingly.

The electorate numbered 67,701 (an increase of 2,992 since the general election), of whom 58.24 per cent went to the poll, compared with 75.48 per cent at the general election.

Mr. Hornby (33) is an advertising executive, and was formerly a master at Eton. He contested the recent West Walthamstow by-election (see 14730 A).

Mr. Gerald Williams had been Member for Tonbridge since 1945. In 1952 he introduced a private member's Bill (subsequently enacted) which allowed people to bequeath the corneas of their eyes to help in restoring the sight of blind persons. (Daily Telegraph) **(Prev. rep. By-elections, 14857 A.)**

B. NEPAL. — Coronation of King Mahendra.

The King of Nepal, H.M. Mahendra Bir Bikram Shah Deva, was crowned in Khatmandu on May 2 with the traditional Vedic ceremonies. The Coronation of King Mahendra and of Queen Ratna Rajya Laxmi took place at the Hanuman Dhoka palace (the Temple of the Monkey God), where the Nepalese sovereigns have been crowned for many centuries, and was attended by representatives of 15 foreign countries, including Great Britain, India, Pakistan, and the People's Republic of China. The British delegation included the Earl of Scarbrough (Lord Chamberlain) and Viscount De L'Isle, V.C., whilst the Indian and Pakistani delegations were led respectively by Vice-President Radhakrishnan and Mr. Hamidul Huq Chowdhry, the Foreign Minister. The hour of the Coronation was chosen by the Royal Astrologer in accordance with ancient custom.

King Mahendra (who is 36) is the ninth sovereign of the Shah dynasty, founded in 1742. He ascended the throne of Nepal in March, 1955, following the death of his father, the late King Tribhuvana. In a proclamation issued after his Coronation he announced his aim of establishing a Welfare State in Nepal. (The Hindu, Madras - The Statesman, Calcutta - Times)

(Prev. rep. King Mahendra, 14716 A; 14116 A.)

C. BRITISH TOGOLAND. — Plebiscite on Future Status. - Final Voting Figures.

The final results of the British Togoland plebiscite on the future status of the territory, held under U.N. supervision on May 9, were: 93,365 votes in favour of the territory's integration with the Gold Coast; 67,422 votes in favour of continued British trusteeship under the U.N. pending final determination of the territory's status.

In the two Northern districts - Dagomba and Mamprusi - the vote was 45,953 in favour of union with the Gold Coast and 9,978 in favour of continued U.N. trusteeship. In the two Southern districts—Ho and Kpandu—35,940 voted for separation from the Gold Coast and only 16,068 for union. In the two remaining districts—Buem-Krachi and Gonja - the majority vote was for union.

The votes cast numbered 161,882, of which 1,095 were void. (U.N. Information Centre, London) **(Prev. rep. 14868 B.)**

A. LONDON. — Abandonment of Plan for rebuilding of Queen's Hall. - Proposed Music Centre in Regent's Park. - Mermaid Theatre for City of London.

The Financial Secretary to the Treasury (Mr. Henry Brooke) stated in a parliamentary written answer on Dec. 21, 1955, that the Government had decided to abandon the project for rebuilding the Queen's Hall in view of the "closely reasoned" arguments of the committee which had been appointed to consider this matter (see below). At the same time Mr. Brooke stated that the Government had accepted the committee's recommendation for a "comprehensive survey of the needs for cultural buildings in London and the rest of the country," a task which the Arts Council had agreed to undertake. He added that the survey would include in its scope a plan for a music centre in Regent's Park.

The committee to inquire into the practicability of building a new and larger Queen's Hall had been appointed by the Chancellor of the Exchequer (then Mr. Butler) in October 1954 (see 13883 C), and issued its report as a White Paper on May 27, 1955. It recommended that the scheme announced in June 1951 (see 11567 B) by Mr. Gaitskell, then Chancellor of the Exchequer in the Labour Government, should be dropped, and that, in its place, a plan for a music centre in Regent's Park, put forward by the London Society, should be put in hand as soon as possible This plan provided for the building in Regent's Park of concert halls to seat 1,100 and 540 people respectively, together with a school for opera and other musical facilities

After thoroughly investigating the need for, and prospects of, a new hall on the Queen's Hall site, the committee found that on musical and cultural grounds it was certainly desirable that London should eventually have another concert hall with good acoustic qualities. It was doubtful, however, whether there was at present enough demand for such a hall to enable it to be run at reasonable capacity without seriously subtracting from the audiences at existing halls—e.g. the Albert Hall and the Royal Festival Hall.

The direct annual subsidy necessary for a larger hall on the Queen's Hall site, as contemplated in Mr Gaitskell's statement in 1951, would be between £55,000 and £75,000, assuming a probable annual cost (including capital charges) of £147,000–£167,000 and receipts—taking "the rosiest view of the number of lettings at the highest conceivable rents"—of £91,500. In addition to the "possibly heavy" loss which the presence of the new hall might cause to other subsidized institutions, it was doubtful whether a hall as large as that proposed could be fitted even into the Queen's Hall and St. George's Hall sites and still be acoustically satisfactory. There was also the question of parking space. Since there was good ground for thinking that it would be much less expensive to build a hall where there was room for parking cars at ground level, and where it would not be so expensive to exclude noise, the committee "could not think it a disaster if, when the time arrived, the site in Langham Place were to be used for something else"

The committe also investigated the possibility of moving the Promenade Concerts (at which the average attendance during the last season had been 4,340) from the Albert Hall to a new and acoustically improved hall. They found, however, that the B.B.C. regarded the acoustics of the Albert Hall as "satisfactory for broadcasting", even if less satisfactory for the audience in the hall, and would therefore not move the Promenade Concerts to a better hall of less capacity.

Proposals for the lease of a blitzed site in Upper Thames Street to the trustees of the Mermaid Theatre were approved on Feb. 16, 1956, by the Common Council of the City of London. The Mermaid Theatre—named after the famous playhouse in the London of Elizabeth I—was founded after the Second World War by Mr. Bernard Miles, the actor, and is at present housed in St. John's Wood. When transferred to its new site it will be the first theatre in the City of London for nearly 300 years.—(Times - Daily Telegraph) **(13883 C; 11567 B.)**

B. DENMARK - SOVIET UNION.—Trade Agreement.

A two-year trade agreement between Denmark and the Soviet Union was signed in Copenhagen on May 15, following negotiations which had resulted from the arrangements made at the time of the Danish Prime Minister's visit to Moscow in March last.

The agreement provided for mutual exchanges totalling 270,000,000 Danish kroner (£13,500,000) annually in each direction. Danish deliveries will principally comprise two fast freighters of 10,000 tons each, nine small refrigerator ships, modern diesel engines for 14 ships, machinery for the cement, food, and textile industries, chemical plant, refrigeration plant, and radio equipment. Danish agricultural supplies will consist of butter (10,000 tons), meat, salted herrings, and cheese. The Soviet Union will send to Denmark food grains, fertilizers, building timber, petroleum products, coal and coke, iron ore, ferrous alloys, chemicals, machine-tools, tractors and other agricultural machinery, loading and transport machinery, motor-cars, and lorries.

It was arranged that the annual turnover between the two countries during the currency of the agreement should on the average be double that of 1955. (Politiken, Copenhagen) **(Prev. rep. 14768 A.)**

C. UNITED STATES. — Pulitzer Prize Awards.

The annual Pulitzer Prize awards (for 1955) were announced on May 7 by the trustees of Columbia University, N.Y., the recipients of the principal awards being as follows:

Literature Prize. Awarded to MacKinlay Kantor for his novel *Andersonville*, a story of the American Civil War published in October last Mr Kantor has written some 30 books, including novels, verse, and short stories He was the author of the original story for the motion picture *The Best Years of Our Lives*.

Drama Prize. Awarded to Frances Goodrich and Albert Hackett for their stage version of *The Diary of Anne Frank* Miss Goodrich and Mr. Hackett are married, and have collaborated in writing a number of plays.

[Anne Frank was a 16-year-old German-Jewish girl who lived underground in Amsterdam during the German occupation of Holland. Her hiding-place in an empty house was betrayed to the Gestapo, and she perished in the Belsen concentration camp. She left behind her a diary which was discovered at the end of the war, and which has been published in many countries]

History Prize. Awarded to Richard Hofstadter for his book *The Age of Reform*, an examination of the half-century between 1890 and 1940. Mr. Hofstadter is Professor of History at Columbia University.

Biography Prize. Awarded to Talbot F Hamlin for his biography of Benjamin Henry Latrobe, America's first professional architect. Mr Hamlin taught architecture at Columbia University for 38 years, and has been Professor Emeritus since 1954.

Music Prize. Awarded to Dr Ernst Toch for his *Symphony No. 3*, first performed by the Pittsburgh Symphony Orchestra in December last. A Viennese by birth, Dr. Toch came to the U.S.A. in 1934 and subsequently joined the staff of the University of California.

Poetry Prize. Awarded to Elizabeth Bishop for her collected poems, published under the title *North and South—A Cold Spring* Miss Bishop was formerly poetry consultant at the Library of Congress. She has lived in Brazil since 1951.

National Reporting. The prize for distinguished national reporting was awarded to Charles L Bartlett, of the *Chattanooga Times* (Tennessee), "for the original disclosures that led to the resignation of Harold E. Talbott as Secretary of the Air Force."

[Mr. Talbott resigned on Aug 1, 1955, following an inquiry into allegations that he had misused his office to obtain business for an engineering firm of which he was a partner—see 14375 A The matter had first been raised in a series of articles by Mr Bartlett.]

International Reporting. The prize for distinguished international reporting was awarded jointly to William Randolph Hearst jr. (of Hearst Newspapers), Kingsbury Smith (of the International News Service), and Frank Conniff (editorial assistant to Mr Hearst) for a series of exclusive interviews with Soviet leaders, described as a "distinguished example of reporting on international affairs" Mr. Hearst, Mr. Kingsbury Smith, and Mr. Conniff were in Moscow at the time of M. Malenkov's resignation from the Soviet Premiership, and succeeded in obtaining exclusive interviews with Marshal Bulganin, M. Khrushchev, M. Molotov, and Marshal Zhukov.

A small Californian newspaper with a circulation of only 7,800, the *Watsonville Register-Pajaronian*, was awarded the annual prize (a gold medal) for meritorious public service by a newspaper. It was made for the paper's "courageous exposure of corruption in public office, which led to the resignation of a district attorney and the conviction of one of his associates." (New York Times - New York Herald Tribune) **(14231 B.)**

Note. The Pulitzer Prizes are awarded from a fund established under the will of Joseph Pulitzer (1847-1911), a Hungarian immigrant who became one of America's leading journalists. Awarded annually since 1917, they are regarded as the leading American prizes in the fields of literature, drama, history, biography, music, poetry, and journalism. The awards, made by the trustees of Columbia University, are of a value of $500 each except those for journalism, which are $1,000. Awards to newspapers take the form of a gold medal.

(Ed. K.C.A.).

D. AUSTRALIA. — All-Party Constitutional Reform Committee. - Examination of Australian Constitution.

A proposal by the Australian Prime Minister, Mr. Menzies, to establish an all-party parliamentary committee to review the Australian Constitution and consider its revision was unanimously accepted on May 16 by the Federal Parliamentary Labour Party, and was adopted by the Australian House of Representatives on May 24.

The committee will consist of six Government and six Opposition members of both Houses of Paliament, under the chairmanship of the Attorney-General, Senator Spicer, who will have a casting vote on matters of procedure. Mr. Menzies and the Leader of the Opposition (Dr. Evatt) will be *ex-officio* members of the committee, with liberty to attend its discussions as they desire.

The formation of such a committee had first been suggested by Mr. Menzies in his policy statement before the 1954 general elections. (Australian News and Information Bureau)

A. EASTERN EUROPE. — Berlin Meeting of Council of Mutual Economic Assistance. - Specialization of Economic Production among Member-Countries.

A meeting of the East European Council of Mutual Economic Assistance was held in East Berlin from May 18-25, being attended by representatives of the eight member-countries—the Soviet Union, Poland, Eastern Germany, Czechoslovakia, Hungary, Bulgaria, Rumania, and Albania.

The meeting discussed the co-ordination of the development during the five-year period 1956-60 of the most important branches of the national economies of the member-countries, viz., the engineering, optical and precision instrument, iron and non-ferrous metals, coal-mining, oil and gas, and chemical industries, as well as of agriculture. Among the decisions announced in the official communiqué were :

(1) Recommendations concerning the level of production in and mutual deliveries between member-countries of basic types of machines, equipment, raw materials, fuel, and foodstuffs

(2) Further specialization of production among the countries concerned in the engineering, precision-instrument, and optical industries

(3) Economic co-operation between member-countries in developing the output of iron-ore, coking coal and coke, and non-ferrous metals, including Polish coal supplies and Soviet iron-ore deliveries to other member-countries.

(4) Approval of a programme for increased mutual deliveries of electric power, and a large-scale plan for the exploitation of the power resources of the Danube.

(5) In connexion with the long-range plans for agricultural development, the meeting stressed the need for a considerable increase in agricultural production, particularly of grain, and in the area under maize. It also recommended a large expansion of the artificial fertilizer industry and the further development of the production of agricultural machinery.

(6) Improvements in the organization of economic, scientific, and technical co-operation between member-countries.

Representatives of the Chinese People's Republic and of Yugoslavia attended the meeting as observers.

The East German newspaper *Neues Deutschland* announced on May 5 that the eight member-countries of the Warsaw Treaty Organization had launched a co-ordinated system of "division of work" for their basic industries. It was stated that Eastern Germany, for example, would concentrate on the production of brown coal (lignite), chemicals, high-quality steels, potash, and fertilizers; Poland and Czechoslovakia on the expansion of their hard coal output; Hungary on aluminium production; and Rumania on the production of oil and natural gas. At its Prague meeting in December last (see 14704 A) the Council of Mutual Economic Assistance had agreed that the various countries should specialize in certain lines of production for which they were best fitted for the benefit of the "Warsaw Treaty" area as a whole.
(Polish Embassy Press Office, London) **(Prev. rep. 14704 A.)**

B. SOVIET UNION. — Resignation of M. Molotov. - M. Shepilov appointed Foreign Minister.

It was announced in Moscow on June 1 that M. Molotov had asked to be relieved of his duties as Foreign Minister of the U.S.S.R.; that the Presidium of the Supreme Soviet had accepted this request; and that he had been succeeded as Foreign Minister by M. Dimitri Shepilov, editor-in-chief of *Pravda* and secretary of the central committee of the Soviet Communist Party. M. Molotov remained a First Deputy-Premier in the Soviet Government.

M Shepilov (50), a close collaborator of M. Khrushchev, was appointed Editor-in-Chief of *Pravda* (organ of the Soviet Communist Party) in 1952, and for the past two years had been chairman of the Foreign Affairs Commission of the Supreme Soviet, in which capacity he had played an increasingly important part in shaping foreign policy. In July, 1955, he was appointed secretary of the central committee of the Communist Party, and at the party congress in February last he became one of the six candidate members of the party presidium (see page 14748, second column). He accompanied Marshal Bulganin and M. Khruschev on their visit to Yugoslavia.

M. Vyacheslav Molotov (66) had been Foreign Minister of the U.S.S.R. for 13 years—from 1939 to 1949, and from 1953 until his resignation One of the few remaining leaders of the October Revolution, he worked closely with Lenin and Stalin and was Prime Minister of the U.S.S.R. in 1930.

M. Molotov's resignation was announced on the eve of a visit to Moscow by President Tito of Yugoslavia, and was regarded in the Western countries as being linked with the new anti-Stalinist policy. Together with the late Marshal Stalin, M. Molotov signed the letter to the Yugoslav Communist Party in 1948 which denounced the course that the party was taking, and which was followed by Yugoslavia's expulsion from the Cominform.—(Times - Le Monde, Paris - Manchester Guardian)
(Prev. rep. M. Molotov, 12797 A.)

C. AUSTRALIA. — Increased Salaries and Allowances for M.P.s and Senators.

The Australian House of Representatives passed a Bill on May 29, with only one dissentient vote, providing for increased salaries and expense allowances for Members of Parliament and Senators. The Bill implemented in their entirety the recommendations of a committee of three businessmen which had been appointed in 1955 to review parliamentary salaries and allowances. The report of the committee, which was presided over by Sir Frank Richardson (a Melbourne businessman), had been placed before Parliament by the Prime Minister on April 18.

The principal provisions of the Bill were as follows :

(1) The salaries of Members of Parliament and Senators would be increased from £A1,750 to £A2,350 a year, and expenses allowances to £A600 for city members, £A800 for country members, and £A700 for Senators [These allowances had hitherto been on a sliding scale of £A400 to £A500 for M.P.s, and at a flat rate of £A550 for Senators.] Allowances, however, which were formerly tax-free, would become subject to income-tax. The attendance allowance of M.P.s and Senators while in Canberra for parliamentary sittings remained unchanged at £A2. 10s. a day.

(2) The right of free travel on parliamentary passes would be replaced by the issue of travel warrants when Members or Senators were on parliamentary and constituency business.

(3) The Prime Minister's travelling allowance would be raised from five to ten guineas a day (in addition to the cost of transport), and the travelling allowances of Ministers and of the Leader of the Opposition would be raised from five to seven guineas

(4) The Speaker of the House of Representatives and the President of the Senate would receive the same travelling allowance (seven guineas a day).

(5) A salary of £A375 and an expense allowance of £A250 would be paid to the Deputy Leader of the Opposition in the Senate, for whom no special provision had previously been made.

(6) The increases would become effective from July 1, 1956.

In accordance with the committee's recommendations, no changes were made in the amounts of ministerial salaries and expense allowances, apart from Ministers' parliamentary salaries. Ministerial salaries and allowances are: Prime Minister—£A4,000, plus £A3,000 allowance; Treasurer, £A2,500, plus £A1,000 allowance; senior Ministers, £A2,178, plus £A1,000; other Ministers, £A1,750, plus £A1,000.

The salaries of M.P.s and Senators had last been increased in 1952 (from £A1,500 to £A1,750). Since that year there had been sharp increases in prices and substantial increases in most salaries and wages. —(Australian News and Information Bureau)

D. SOUTHERN RHODESIA. — Five-Year Plan for African Education.

A five-year plan for African education, which would cost an additional £3,800,000 and increase total expenditure over the period to £12,500,000, was announced on March 15 by Mr. R. S. Garfield Todd, the Prime Minister of Southern Rhodesia. The plan aims at providing a five-year course for all children and at ending illiteracy among the African population, its main points being as follows :

Primary Education. Although large numbers of Africans started school at the age of seven, 70 per cent never progressed beyond the primary stage. The real weakness had been the number of untrained teachers, e.g. in 1954, out of a total staff of 8,000 teachers, 4,665 had been untrained, all of them employed in the lower classes. A drive had therefore been started, with the co-operation of 24 mission training schools, for the training of 4,000 men and women teachers by the end of 1960. A second teachers' training school would be opened in January 1958, and by that year at least 750 men and women capable of teaching in primary schools would graduate annually. The total enrolment in the first five classes would not increase greatly during the five-year period, but the numerical structure of the classes would become more evenly balanced than in 1954, when 286,000 pupils were enrolled in the three lower standards and only 23,000 in the three higher standards.

Secondary Education. By December 1960 the Government planned to have 1,000 entrants for the Rhodesian Junior Certificate Examination (a two-year secondary course) and 250 for the Cambridge Certificate, through the establishment of three new high schools and an increase in the number of secondary classes at existing centres. Higher teacher-training courses would be established to take full advantage of all the available entrants.

Commercial and Technical Education. It was planned to open courses in commercial and technical education.

Finance. The increased expenditure, added to the steadily increasing vote for other specifically African services, had made the total vote so substantial that the Government had decided to increase African taxation from £1 to £2 per head per annum, which would provide about £50,000 annually from the African people themselves.

Under the Constitution establishing the Federation of Rhodesia and Nyasaland, African education remained a territorial responsibility.—(Federal Information Dept., Salisbury)

A. **CYPRUS. — Intensification of Terrorist Outrages. - Communal Tension between Greek and Turkish Cypriots. - Compulsory Identity Cards for Cypriots. - Military Operation against Eoka Hide-outs. - Capture of Terrorist Leaders. - Execution of Eoka Terrorists. - House of Commons Debate on Cyprus. - Archbishop of Canterbury's Criticism of Government Policy.**

Intensified terrorist activities during the past ten weeks resulted in the murder of a number of British servicemen, Turkish Cypriot policemen, and Greek Cypriot civilians in Nicosia, Limassol, Famagusta, and other centres. The increasing number of terrorist attacks against Turkish policemen led to retaliatory Turkish attacks against Greek Cypriot shops and premises, as a result of which the British authorities decided to separate the Greek and Turkish areas of Nicosia by a barbed-wire barrier.

Apart from the terrorist attacks and the increase in communal tension, the principal events in Cyprus during the period covered were the execution of the terrorists Karaoulis and Demetriou, after their appeals had been rejected by the Judicial Committee of the Privy Council; the Governor's decision to issue identity cards to the entire Cypriot population for purposes of registration; and an important success by the British security forces during the first week of June, when two Eoka gangs were smashed and a number of terrorists captured in large-scale operations in north-western Cyprus. The principal happenings in the island in this period (from the last week of March to the first week of June) are described below chronologically, in continuation of 14757 A:

March 27 Two soldiers of the Royal Leicestershire Regiment were killed when an Army car was ambushed by terrorists near the village of Phrenaros, six miles from Famagusta. At Limassol, a Greek Cypriot customs official was shot dead by an unknown man who escaped.

March 28 A collective fine of £1,500 was imposed on Phrenaros (population under 400) after house-to-house searches by British troops had led to the discovery of a number of home-made bombs and grenades and several stolen shot-guns.

April 1. A British civil engineer, Mr J. C Cooke, was shot dead by terrorists in the main street of Limassol, whilst a Greek Cypriot woman nearby was dangerously wounded by a stray bullet. Eight British soldiers were injured, none seriously, in bomb-throwing incidents in Limassol and Famagusta. Mr. Cooke—who was shot in the back, his murderers escaping—was the first British civilian to be killed by Eoka terrorists.

April 2 A bomb was thrown at two British civilians (Mr. and Mrs. R. Parker, an elderly couple) in the same street in which Mr Cooke was killed; both were taken to hospital with slight injuries. At Paphos, the security forces were called out to deal with students demonstrating in favour of *enosis* and carrying Greek flags.

April 3. A bomb thrown by a terrorist at a British officer's car in Nicosia missed the vehicle but killed a 12-year-old Greek Cypriot girl.

April 4. British troops using mine detectors discovered a large store of dynamite - over 50 sticks—in a walled-up safe in the Kykko monastery, near Nicosia

April 8. Two Greek Cypriots a police inspector in Nicosia and a mineworker at a copper mine near Mistero were shot dead by terrorists, the assailants escaped. A large haul of explosives was discovered by British troops during a search at a Limassol foundry.

April 9. It was officially announced that the time-bomb which wrecked an airliner at Nicosia Airport on March 4 had been placed there by Eoka terrorists. The statement said that a letter from "Dhigenis" (the terrorist leader), addressed to a certain "Kimon" and dated March 30, had come into the hands of the authorities showing that the placing of a time-bomb in the airliner had been directly authorized by "Dhigenis." As a result, the R.A.F. took over full control of the airport, which is an important staging point for services to and from Cairo, Lydda, Beirut, Athens, and other centres.

April 10. A sergeant of the Royal Leicestershire Regiment was killed when three Army vehicles were ambushed near Kalopsida, a village eight miles from Famagusta. A collective fine of £1,000 was subsequently imposed on the village.

April 13. Another British soldier was killed when two military vehicles were ambushed in the foothills of the Troodos mountains.

April 15. A Greek Cypriot police officer, Supt. Aristoteles Kyriakos, was shot dead in Nicosia by masked terrorists as he was leaving a maternity clinic after visiting his wife and four-days'-old child; the murderers escaped. In Larnaca, a Greek Cypriot policeman was shot dead by two terrorists in a cinema.

April 18. By order of the Governor, a new type of collective punishment the first of its kind—was imposed on Nicosia as a penalty for the murder of Supt. Kyriakos. Every shop, restaurant, hotel, bar, club, café, cabaret, cinema, and other place of entertainment owned by a Greek Cypriot was ordered to close for one week; the city was placed under curfew for the same period; and all motor-traffic, except by the armed forces and persons engaged in essential services, was banned for a week. *The Times* correspondent in Nicosia said that 90 per cent of the city's establishments would be affected by the compulsory closure, and that the financial loss to the owners "must be reckoned in many thousands of pounds."

April 19. A Greek Cypriot (Vassos Stephanou) employed as a waiter in an R.A.F. sergeants' mess was shot dead in Limassol by masked terrorists who broke into his home and subsequently escaped. In Famagusta, a bomb thrown by a terrorist at a British patrol car missed the vehicle but killed two Greek Cypriot civilians nearby, one of them a child

April 20 Restrictions identical with those imposed on Nicosia were imposed on Limassol, also for the duration of one week, as a collective penalty for the murder of Stephanou.

April 20. Theodore Bogdanovich, G.C., a Yugoslav who had served many years with the British Army, was shot dead by terrorists outside his home at Xeros, on the northern coast He was chief security officer of the American-owned Cyprus Mining Corporation.

Ezekias Papaionannou, general secretary of the proscribed Akel (Communist) organization, escaped from the Government Hospital in Nicosia in his pyjamas. He had been detained since December last and had been transferred to the hospital from prison.

April 23. Fighting broke out in Nicosia between Turkish and Greek Cypriots after terrorists had shot dead a Turkish policeman and a Turkish worker in a cigarette factory. The assailants were seized by Turkish civilians before they could escape, and handed over to the police British troops were called out to restore order after communal riots in which a number of Greek shops were smashed.

April 24 Further communal rioting in Nicosia between Greeks and Turks led to the imposition of a curfew after British troops had restored order. A number of Greek-owned shops and cafés were wrecked

April 25 Communal rioting broke out in Nicosia for the third successive day, while several bomb-throwing incidents occurred in which two Greek Cypriot civilians were wounded Two suspects were detained.

April 26 Two Cypriots, aged 20 and 22, were sentenced to life imprisonment for being in possession of six bombs, having pleaded "guilty." They had been caught by a patrol of the Royal Horse Guards led by Lieut James Butler, son of Mr. R. A. Butler, the Lord Privy Seal.

April 27. In Famagusta, two bombs were thrown at jeeps containing a British Army concert party led by Jimmy Edwards, the stage and radio comedian, no member of the troupe was hurt. In Nicosia, a Dakota of Cyprus Airways was blown up by an explosion in a hangar, no casualties being caused; it was subsequently announced that evidence of sabotage had been found.

Damage estimated at £220,000 was caused at the Ardath Tobacco Company's warehouse in Nicosia, which was burned out during the night. Evidence of arson was found and it was suspected that Turkish Cypriots were responsible. Earlier attempts had been made to burn down the warehouse, where a Turkish employee had been shot four days earlier (see above).

April 29. A Greek Cypriot journalist, Odysseus Wideson, was shot dead by terrorists in Larnaca, whilst another Greek Cypriot—a street hawker - was killed at Famagusta. Two earlier attempts had been made against Mr Wideson, who was known to be opposed to the terrorist campaign.

May 3. The Cyprus Government offered a reward of £10,000 for information leading to the arrest of George Grivas, the leader of Eoka, who was described as about 58 years old, with "a small Hitler-like moustache" and "large ears set low on the head." It was stated that anyone giving information leading to his capture would be taken into protective custody if he so desired, and given a free passage under British protection to any place outside Cyprus.

Grivas, formerly a colonel in the Greek Army, was trained by British officers for guerrilla warfare in German-occupied Greece. During the German occupation he became leader of resistance units in the Athens area, and subsequently commanded a right-wing anti-Communist guerrilla unit during the Communist revolt of 1945. After the war he entered political life as a Royalist, unsuccessfully contesting a parliamentary seat in 1946. He was born in the Dodecanese, brought up in Cyprus, and was believed to have entered the island secretly about 18 months ago. It was not known whether or not Grivas was identical with "Dhigenis" a pseudonym which, it was thought, might refer not to an individual but to the leaders of Eoka collectively.

May 9. A British Royal Marine Commando officer (Lieut. L. F. M. Dick, son of Rear-Admiral Dick) was killed in Paphos when terrorists threw a bomb at a patrol car. Six youths were detained for questioning.

May 10. Two Greek Cypriot terrorists, Savva Michael Karaoulis (23) and Andreas Demetriou (22), were hanged in Nicosia prison, both men having been allowed the last rites of the Greek Orthodox Church. Practically all Greek Cypriot shops, factories and restaurants in the island closed for the day after the official announcement of the executions.

Karaoulis was executed for the murder of a Greek Cypriot policeman in Nicosia in August last, and Demetriou for shooting and wounding a British businessman in Famagusta. The death sentences had been confirmed on May 8 by the Executive Council of Cyprus, after the Judicial Committee of the Privy Council had rejected an appeal by Karaoulis on April 13.

May 11. Leaflets signed "Dhigenis" were distributed in Nicosia claiming that Eoka had hanged two British soldiers as a "reprisal for the judicial murder of Karaoulis and Demetriou." The leaflets claimed that the two men - stated to be "Corporal" Gordon Hill and "Corporal" Ronald Shilton, both of the Royal Leicestershire Regt. - had been prisoners of Eoka since November last, and that their bodies had been buried secretly.

An official statement was issued by Sir John Harding casting doubt upon the terrorists' claim to have executed two British soldiers. It was worded as follows :

" Leaflets in English and Greek purporting to come from Eoka were distributed in Nicosia to-day claiming that ' Corporal ' Gordon Hill and ' Corporal ' Ronnie Shilton had been hanged by Eoka on May 10 as a reprisal for the execution of Karoulis and Demetriou, and that their bodies had been buried secretly. Lance-Corporal Hill, of the 1st Battn., Leicestershire Regiment, disappeared from his unit on Dec. 19 In February this year, rumours circulated that he was held as a hostage by Eoka, but no evidence of any sort was found to substantiate even the allegation that Eoka claimed to hold him.

" Private Shilton, of the same battalion, who has on more than one occasion been absent without leave, went absent on April 17, 1956, after being charged and reprimanded for sending home false reports that he had been seriously wounded. He has not been seen since. Security authorities have never at any time come across the slightest evidence that these soldiers were held by Eoka. Eoka has never previously claimed to hold them.

" No effort was made by Eoka pending the decision on the execution of Karaoulis and Demetriou to put forward a claim that they held the hostages as a bargaining factor to obtain a reprieve for the condemned murders Nor have Eoka produced any evidence to prove that they ever held these men or executed them on May 10.

" The leaflet, which is incorrect on the ranks of both soldiers, claims that Eoka has held Gordon Hill since November, 1955, while in fact he went absent on Dec. 19. Failing the reappearance of the two soldiers, both of whom are missing, it is impossible to say what has happened to them or where they are. The leaflets in question are, however, patently an attempt to make propaganda capital from the fact that the two men are known to be missing."

A Greek Cypriot distributing the above-mentioned leaflets in Nicosia was fired on by security forces after he had three times disobeyed orders to halt, he died while being taken to hospital.

May 13. Three British soldiers were injured, one seriously, in a bombing attack at Famagusta. A collective fine of £5,500 was imposed on two districts of Paphos which had been the scene of a number of terrorist attacks, culminating in the murder of Lieutenant Dick on May 9.

May 14. Colonel Guy Thompson (56) a retired officer of the Indian Army, was found shot dead on a road near the village of Monarga (Famagusta area), where he had been living for many years

At Polis, a village on the north coast, a Greek Cypriot was shot dead by the security forces after he had broken through a cordon, stoned a sentry, and refused to halt when called upon to do so.

May 15. Mr. Julian Wathen, the British manager of Barclay's Bank at Limassol, was wounded (not seriously) by a masked youth who broke into his office, fired at him, and escaped.

May 16. An R.A.F. corporal was killed when terrorists fired into a hut near Nicosia Airport. Two R.A.F. helicopters took off in pursuit of the gunmen within a few seconds of the murder, with the result that three Greek Cypriot youths (one of whom was hiding in a tree) were captured within 20 minutes.

May 17. A British sergeant-major was killed when terrorists ambushed two military vehicles near Famagusta. The attackers opened fire from orange-groves by the roadside, a youth being detained after the area had been cordoned off and searched.

May 20. The Paphos Bishopric was closed under the emergency regulations after five revolvers had been found on the premises during a search by security forces. The Bishop of Paphos was visiting Greece at the time.

A lance-corporal of the British Military Police died in hospital from injuries received when a bomb was thrown into his billet at Famagusta a few days earlier.

May 21. Another British serviceman—the 30th to be killed by the terrorists since the emergency—lost his life in Nicosia when grenades were thrown from roof-tops at British troops who were clearing rioting schoolchildren from Ledra Street, in the city centre. Three other servicemen and seven civilians were injured.

May 22. A British civilian, Mr. Henry Moseley, was shot dead by masked gunmen who fired into a British-owned bar in Limassol.

May 23. An Order was issued by Sir John Harding requiring the entire population of Cyprus (about 450,000) to possess identity cards bearing the holder's fingerprints and photograph. It was stated that the immediate purpose was to facilitate the movement of persons going about their lawful business and to prevent inconvenience caused by road-blocks and identity checks, whilst the long-term purpose was to obtain statistical and administrative information. Persons failing to register, giving false information, or forging or altering identity cards were made liable to imprisonment for up to ten years. It was announced that registration would begin in Nicosia, Limassol, and villages in the Troodos mountains, notorious as a terrorist-infested area. Regulations were also issued banning all wall-slogans, etc.

May 24. Terrorist attacks on British military vehicles in the Paphos and Famagusta areas caused the death of one soldier and injuries to two others. At the village of Polis, a Turkish policeman (P.C. Lisani Ahmed) was shot dead by terrorists while sitting in a coffee-shop.

May 25. In revenge for the murder of P.C. Ahmed the previous evening, crowds of Turkish Cypriots attacked and smashed Greek shops and premises in Nicosia, Limassol, Larnaca, and Paphos. Both Nicosia and Limassol were placed under curfew after British troops had dispersed the rioters with tear-gas. Dr. Kutchuk, leader of the Turkish Cypriots, sent telegrams to the Prime Minister of Turkey, the U.N. Secretary-General, the British Colonial Secretary, and the U.S. Secretary of State denouncing the terrorists and declaring that the Turkish Cypriots were determined " never to live under Greek rule."

The severest communal punishment yet inflicted since the start of the emergency began in Nicosia, where 34 shops and 17 dwelling-houses were shut down for three months in the area where a British serviceman was killed on May 21 (see above). The area included a number of Nicosia's largest stores in Ledra Street, as well as the precincts of the Phaneromeni church, though the church itself remained open for religious purposes (The precincts had been used on numerous occasions for unlawful assemblies) The Pan-Cyprian Academy for girls was also closed down for an indefinite period. Pupils from this school had started the rioting on May 21 when they marched in procession down Ledra Street chanting *enosis* slogans, carrying Greek flags, and forcibly resisting British troops who were trying to seize the flags.

Shopkeepers and householders in the affected area were called together by Mr. Martin Clemens (the District Commissioner), who informed them of the punishment and ordered them to vacate their premises within three days

May 26. The 5,500-ton Greek liner *Agamemnon* was boarded in Cyprus territorial waters by a naval party from the minesweeper H.M.S. *Ursa*. She was escorted to Limassol and searched for two hours, after which she was allowed to proceed. There were no reports of any seizure of illegal cargo.

The *Agamemnon* was on her scheduled route from the Piraeus (her home port) to Alexandria, which includes a stop at Limassol. Royal Naval patrols off the Cyprus coast to check arms smuggling were instituted in the autumn of 1955, when ten minesweepers were sent out from Britain especially for these duties.

May 27. Another Turkish policeman was killed by a bomb at Paphos, leading to further communal riots in Nicosia in which several Greek-owned premises were set on fire. A pitched battle was fought between the Greek and Turkish communities of the village of Aphania (12 miles from Nicosia), where a Turkish auxiliary policeman was pulled off his motor-cycle and beaten to death, a Greek Cypriot was shot dead by British troops rushed to the village to restore order. Five Greek Cypriots injured in the rioting were taken to hospital.

May 28. Owing to the growing communal tension in Nicosia, the District Commissioner (Mr. Clemens) decided to separate the Greek and Turkish areas of the walled city by a permanent barbed-wire barricade almost a mile long. The barricade was erected by British troops during the next few days.

A British soldier was killed in a bomb outrage near Polis, whilst a Turkish auxiliary policeman was shot dead by terrorists near Kinousa, in the Paphos area.

A collective fine of £6,000 was imposed on the adjoining villages of Pano and Zodhia (total population 3,000, all Greek Cypriots). The villages had been the scene of many acts of sabotage and attacks on the security forces, the inhabitants having persistently refused to give any information or assistance to the authorities.

May 29. A Greek Cypriot was killed and 18 others wounded in a communal clash between Greeks and Turks in Nicosia, following the funeral of a Turkish policeman who had been killed by terrorists. Another Greek Cypriot was killed presumably by Turks when a lorry was ambushed near Aphania, scene of the disorders of May 27.

May 30. Two British soldiers were killed and 19 injured, several seriously, when a bomb was flung into a lorry-load of troops at Famagusta. At Paphos, a Greek Cypriot trying to break through a cordon while a search was in progress was shot dead by the security forces.

May 31. A bomb explosion at the Episkopi military base (the new headquarters of British Middle East Land Forces, near Limassol) led to the discovery of 12 sticks of dynamite. One Cypriot workman was slightly injured.

June 1. A collective fine of £40,000—the heaviest to date was levied on the Greek Cypriot population of Famagusta as a penalty for numerous acts of terrorism in the town during the past seven months in which 11 people had been killed and 77 wounded, culminating in the killing of two soldiers and the wounding of 19 others on May 30 (see above).

June 3. It was officially announced that British troops had carried out a successful large-scale operation during the past three weeks in the thickly wooded and mountainous country along the north-west coast from Polis to Xeros, and extending 20 miles inland. As a result of these operations, two " hard core " terrorist gangs had been smashed, another had been virtually eliminated, and a fourth had lost its leader. Seven " hard core " terrorists, including two notorious gang leaders with prices of £5,000 on their heads, had been captured, together with a large haul of weapons and ammunition, including 41 shotguns, some light machine-guns, 31 bombs, nearly 3,000 rounds of ammunition, and large quantities of dynamite, gelignite, and gunpowder. Many secret documents were also seized, as well as large quantities of food, blankets, and clothing, whilst a number of caves used by the terrorists were discovered and rendered unusable.

The operation was carried out by men of the Royal Horse Guards, Royal Marine Commandos, King's Own Yorkshire Light Infantry, Gordon Highlanders, and the Parachute Regt., aided by R.A.F. helicopters, police forces, and tracker dogs. Though contact was made with heavily-armed gangs, no resistance was offered and the terrorists fled after abandoning their weapons; they were captured after exhausting chases across the mountains, resulting in the capture on May 20 of the two " hard core " terrorist leaders. It was announced that law-abiding villagers in the area had helped the security forces during the operation. Extracts were published from some of the captured documents, including two signed by " Dhigenis "—one admitting that the Eoka organization was in a " critical " situation, and another in which " Dhigenis " gave a warning that anyone disobeying his orders would be shot.

A terrorist with a £5,000 price on his head was captured in Nicosia when the police raided the home of Onisiferous Antoniou, manager of the Nicosia Labour Exchange. Antoniou was also arrested, as well as a Greek Cypriot police-sergeant who was found in the house. The terrorist, Polycarpos Geroghadjis, had escaped from a detention camp in January.

A Turkish constable was killed and another wounded in an ambush in the Paphos area In Famagusta, the security forces rounded up 500 youths between the ages of 15 and 22 and took them to a camp where they were finger-printed and photographed; the great majority were later released. It was explained that the round-up was in connexion with recent bombing incidents in Famagusta.

June 4. In an ambush near a military cantonment in the Limassol area, terrorists killed a British soldier and seized an 18-year-old British youth (Roy Garrett, son of an Army warrant officer) with whom he was walking. After binding Garrett hand and foot, the terrorists shot him in the back and fled, leaving him for dead Garrett, though severely wounded, succeeded in crawling to a nearby church, where he summoned aid by lighting candles which attracted the notice of security forces. He was taken to hospital seriously ill. It was disclosed that four Greek Cypriot passers-by had refused to help Garrett as he was trying to reach the church.

Serious communal rioting broke out in Famagusta after a Turkish member of the security forces had been murdered by terrorists Several hundred Turkish youths attacked Greek shops and cars, wrecked and looted a number of premises, and wounded seven Greek Cypriots, several seriously A curfew was imposed.

It was officially announced that a terrorist leader with a price of £5,000 on his head had been captured in the Paphos area during a round-up by security forces.

June 5. Six British soldiers were wounded in an ambush on a mountain road near Aghios Nikolaos, a village 25 miles north-west of Famagusta Two other members of the security forces were wounded, one seriously, in a bomb-throwing incident near Paphos.

June 6. Mr. Thomas Mylrea (28), a British schoolteacher, was shot dead by a gunman in Limassol as he was alighting from a taxi outside a school He was the fifth British civilian to be murdered by terrorists.

House of Commons Debate on Cyprus.

The Cyprus situation was debated by the House of Commons on May 14, when the Colonial Secretary (Mr. Lennox-Boyd) replied to a number of criticisms by Mr. James Griffiths (Lab.), the principal Opposition spokesman.

Mr. Griffiths expressed the Opposition's "grievous disappointment" with the Government's handling of the Cyprus problem. He declared that the situation in Cyprus had become more bitter and tense since the breakdown of negotiations, and thought that there was a danger of "drifting to a stage where a settlement would become impossible because of the depth of bitterness that would have grown up between us and the people of Cyprus."

With regard to the execution of Karaoulis and Demetriou, Mr. Griffiths disclosed that certain members of the Labour Party had "made representations privately to the Government, and through the Government to the Governor [Sir John Harding]." He added. "We hold the view that, in the present situation, an act of clemency might have transformed the situation and might have created a new opportunity for reconciliation and settlement. It is not because we condone the acts of criminal violence of which they were found guilty that we made these representations, but because we firmly believe that a real attempt should be made to break through this tragic deadlock and create circumstances in which another approach might be made, and which might lead to success."

After accusing the Government of creating hostility between the Greek and Turkish Cypriots, and pointing out that the serious impairment of Anglo-Greek relations had weakened the position of NATO in a vital area of the world, Mr Griffiths suggested that the Cyprus problem could be solved in the following manner: (1) a firm declaration by the Government accepting the principle of self-determination for Cyprus; (2) safeguards for the Turkish minority in the new Constitution; and (3) negotiations on the date and method of self-determination with a Cypriot Government containing an elected Greek Cypriot majority. Responsibility for internal security might remain with the Governor for a period of one year from the date on which a new Constitution came into force, whilst amnesty terms should be settled after agreement had been reached on all constitutional issues. Mr. Griffiths urged the Government to release Archbishop Makarios at once, and suggested that the Ethnarchy Council should be invited to send representatives to London for discussions in which the Archbishop should participate.

Mr. Lennox-Boyd said that the Government's policy remained as stated in the White Paper, in which the principle of self-determination had been conceded; "where we part company," he declared, "is in the application of that principle in the present difficult situation in the world." After rejecting as "wild and inaccurate" the allegation by Mr. Griffiths that the Government's policy had created hostility between Greek and Turkish Cypriots, Mr. Lennox-Boyd said that people often tended to forget the "acts of beastliness" committed by the terrorists in Cyprus -often against their own people -in the name of democracy. So far from fighting for freedom, or being a resistance movement enjoying the support of all Cypriots, the Eoka terrorists were a small and well-organized minority, the very callousness of whose crimes tended to alienate people from the organization. After recalling such crimes as the killing of 30 British servicemen, many of whom had been shot in the back, the attempted murder of 68 men, women, and children by placing a time-bomb in an airliner, and the killing of 50 Greek Cypriot civilians, Mr. Lennox-Boyd declared. "If anyone suggests that the Government could surrender to this murderous blackmail, they don't understand the feelings of the British people."

Continuing, Mr. Lennox-Boyd referred to the existence of documents which, he said, showed that in 1951 the then British Labour Government had rejected proposals for self-determination in Cyprus made by the Greek Government. Though he did not have access to the Cabinet records of that time, he did have access to executive instruments of Government such as telegrams. Asked by Mr. Aneurin Bevan (Lab.) whether he would table these telegrams, the Colonial Secretary said that he was prepared to discuss with the Prime Minister "whether ex-Ministers should be shown the telegrams so that they could refresh their memory, and then discuss with them whether they would really like them published"

Mr. Bevan retorted that Mr. Lennox-Boyd was "purporting to make references to documents which are not in the possession of the House," and added that "we do not know whether he is telling the truth or not" **Mr. Lennox-Boyd** replied. "These documents are known to many people in Greece, and I think it is about time that people in the United Kingdom knew about them too As to whether I am telling the truth or not, I have been at pains, as Dr Jowitt said, 'to verify my quotations,' and I would be ready with the Prime Minister to show them to any ex-Ministers concerned Then the matter could certainly be ventilated. I know very well what those proposals were. They are being published now." **Mr. Bevan** interpellated. "The Minister has just said that he is not reading from a document. He now says the telegrams are being published now Which position is he taking up? Is he reading from documents or making references to documents? Is he publishing or not publishing?"

Mr. Lennox-Boyd, in reply, said that in 1951 the Greek Government had proposed to the British Labour Government (1) that if Cyprus were ceded to Greece, the Greek Government would place at the disposal of Britain such bases in Cyprus and in other parts of Greek territory as the British Government might desire, or (2) that, if the British Government could not agree to the cession of Cyprus because of the international situation, it should announce its willingness to ascertain the wishes of the inhabitants of Cyprus within a reasonable period. To these proposals the then British Government had replied that the strategic position of Cyprus was of the greatest importance to the U.K., and for that reason alone it could not contemplate any change of sovereignty.

Mr. Griffiths (Lab.) asserted that the Colonial Secretary was now "quoting from a document," and asked whether it should not be laid before the House. **Sir Rhys Hopkin Morris** (Liberal), Deputy Chairman of Ways and Means, ruled that a Minister could summarize the contents of a document, though it was a different matter if he was actually quoting from it. After further discussion, **Mr. Lennox-Boyd** said that he had "summarized the purpose of the documents" - which he was prepared to lay before the House if, on reflection, it was desired- -because he "did not want the absurd legend to get about that the Socialist Government, when confronted with the problems of Cyprus, would have acted in the irresponsible way that their attitude in Opposition might have led the House to believe."

Continuing, the Colonial Secretary said, with reference to the execution of Karaoulis and Demetriou, that he did not see how the Governor could have come to any other conclusions The suggestion that the death sentences should not have been carried out because a Bill to abolish capital punishment was under discussion in the U.K. Parliament was not relevant, since the legislation was not applicable to Cyprus. Even if it were relevant, it would, in his view, not be a conclusive consideration, since circumstances in Cyprus were very different from those in Britain.

In conclusion, Mr Lennox-Boyd emphasized that the Government were "slamming no doors" with regard to the constitutional question, and said that full discussions on this and other matters affecting Cyprus would be held with Sir John Harding on his forthcoming visit to London (see below). Dismissing the suggestion (made during the debate by Sir Robert Boothby, Conservative) that the problem should be handed over to NATO or the Council of Europe, he asserted that if H.M. Government abrogated its responsibilities and left the matter to an international body, one of the two other countries involved—either Greece or Turkey would walk out of those bodies, with grave consequences for the future of the world.

Mr. Paget (Lab.) suggested during the debate that when a crime had been committed in a Cyprus village and the inhabitants refused to co-operate with the authorities, a compulsory purchase order should be served on all owners of private property, and the inhabitants themselves deported to Greece.

Mr. Clement Davies, the Liberal leader, described Mr. Paget's suggestion as "the kind of doctrine we heard from Berlin in the old days, and more recently from Moscow." After emphasizing that law and order could not be maintained by force alone, and that it was necessary that the people should realize that justice and fair government existed, Mr. Davies suggested that an all-party delegation of M.P.s should "visit Cyprus, hear all points of view, and report to the House of Commons."

An Opposition motion to reduce the Colonial Office Vote by £100 was defeated by 314 votes (all Conservatives) to 286 (284 Labour and two Liberals, Mr. Clement Davies and Mr. Holt)--a Government majority of 78.

Archbishop Makarios sent a cable to Mr Clement Davies on May 16 saying that he was "delighted from my place of exile to hear your voice in the House of Commons advocating an honest and just solution of the Cyprus question." After thanking the Liberal Party and Mr. Davies personally, the Archbishop added:

"The Cyprus problem is not a military one to be solved by the measures now in practice, but a political one that should be settled by showing goodwill and understanding. Please continue urging the Government in this direction."

Other Developments.

Other recent developments in connexion with the Cyprus situation are summarized below under cross-headings:

Archbishop of Canterbury's Criticisms of Government. The Archbishop of Canterbury (Dr Fisher), in his presidential address to the British Council of Churches in London on April 24, criticized the "complete inaction of the Government" over Cyprus, and urged that a Constitution should be drafted as a basis for renewed negotiations. After referring to his proposals in the House of Lords (see page 14785), which he described as "a step away from pure negation back to something constructive," Dr. Fisher continued:

"Nearly six weeks have passed, and all the Prime Minister can say in the House of Commons on April 17 [see below] is: 'There can be no question of negotiation in Cyprus until law and order are restored.' That is to surrender to the terrorists and to put the whole future of Cyprus into their hands. If there is not yet room for negotiation, there is, as I suggested, room to set someone to work to draft a Constitution along the lines of the correspondence between the Governor and the Archbishop. That would have had a healing effect, if taken quickly: it may not yet be too late. I have direct evidence that moderates in Cyprus welcomed my suggestions. I have direct evidence that every delay decreases the number of moderates and decreases the likelihood that the Government will find any Cypriot to take the place of Archbishop Makarios as spokesman for his fellow-countrymen."

Dr. Fisher expressed the hope that Mr. Lennox-Boyd, "an able, irenic, and liberal-minded person," would take "some constructive and healing step before inaction injures his friends and incites his enemies more."

[Sir Anthony Eden's statement of April 17, referred to by the Archbishop of Canterbury, was made in reply to a House of Commons question by Mr. Aneurin Bevan.]

Formation of Cyprus Conciliation Committee. The formation of a Cyprus Conciliation Committee, comprising representatives of both Houses of Parliament and several prominent people outside Parliament, was announced in London on April 16. It consisted of Lords Attlee, Amulree, Faringdon, Listowel, Lucan, and Strabolgi, nine Labour M.P.s (Mr. Aneurin Bevan, Mr. Creech Jones, Mr. Crossman, Mr. Dugdale, Mr. John Parker, Mr. Kenneth Robinson, Mr. Anthony Wedgwood Benn, Mrs. Lena Jeger, and Sir Lynn Ungoed-Thomas), two Liberal M.P.s (Mr. Clement Davies and Mr. Holt), one Conservative M.P. (Mr. William Yates), Sir Compton Mackenzie (the novelist), Sir Harold Nicolson (the writer and critic) and Mr. Tom Driberg, the former Labour M.P.

The committee issued a statement saying that it was "completely unrealistic" to think that moderate leaders "will emerge from somewhere [in Cyprus] to co-operate with the British Government at the present time," and declaring that "a fresh start must be made to reopen negotiations." After expressing its belief that "conciliation in Cyprus is possible and essential," it urged (1) that a parliamentary commission should visit the island "to seek ways and means of reopening negotiations"; (2) that it should be invited to make recommendations on the progressive repeal of the emergency laws and the terms and timing of an amnesty, following the restoration of order; (3) that negotiations should be resumed "on the basis of immediate self-government and an unequivocal guarantee of the right of the Cypriot people to self-determination", (4) that Archbishop Makarios should be informed that his exile was temporary, and that it would end as soon as public order was restored in Cyprus; and (5) that the following assurances relating to the new Constitution should be accepted by all sides: (*a*) foreign affairs and defence would be reserved to the Governor, as had been agreed before the breakdown of negotiations; (*b*) internal security would be reserved to the Governor for a limited period to be agreed; (*c*) there should be an elected Greek Cypriot majority, with safeguards for the rights of the Turkish Cypriots and other minorities.

Archbishop Makarios's Complaints to East African Newspaper. A letter signed "P.S. Ioannides," secretary to Archbishop Makarios, was delivered on May 21 by ordinary mail to the editor of the *East African Standard* (Nairobi) containing a copy of a protest which, it was stated, had been sent by the Archbishop and his three companions in detention to the Governor of the Seychelles, Sir William Addis. The letter (which was apparently posted in the ordinary way, and bore no evidence of official examination) listed a number of grievances, asked that they should be brought to the attention of the Colonial Secretary, and stated that the detainees intended to go on a hunger-strike from "the day of our Easter" (i.e. May 6, the date of Easter in the Greek Orthodox Church).

Specific grievances listed were (*a*) that books, papers, and letters addressed to the detainees had not been delivered; (*b*) that the detainees had been "hurt and insulted" by the Seychelles Government's action in putting a second barbed-wire round "Sans Souci," the Governor's country house where they were interned; (*c*) that the Roman Catholic Archbishop of the Seychelles had been refused permission to visit them, (*d*) that the Seychelles Government had represented the detainees as "malefactors" in an official bulletin, (*e*) that Archbishop Makarios and his companions had had no opportunity "of defending ourselves against the epithet hurled against us."

A Colonial Office spokesman in London said that Archbishop Makarios and his companions had gone on hunger-strike "for a day or so," but had ended it after the dispute had been cleared up with Sir William Addis, the Governor.

Demands for the return of Archbishop Makarios were made in Cyprus on April 29-30 by the Ethnarchy Council headed by Bishop Anthimos of Kition, the senior Greek bishop in Cyprus since the Archbishop's deportation, by the Cyprus Federation of Trade and Industry, and by 54 leading Greek Cypriot lawyers, including three Queen's Counsel—among them a former Attorney-General of Cyprus, Mr. Pavlides, Q.C., and a former non-official member of the Executive Council, Mr. John Clerides, Q.C.

Annual Report of Cyprus Government. In its annual report for 1955, published on June 5, the Cyprus Government said that the most disturbing feature of the year was the "active defiance of all authority" by Greek Cypriot youth, which had resulted in "the widespread disruption of education" by the year's end. After describing 1955 as "an unhappy year for Cyprus, with peace and material progress giving place to violence and intimidation," the report stated that a total of 30 people had been killed and 291 wounded between April 1, 1955 (the launching of the Eoka terrorist campaign) and Dec. 31. It went on:

"Leaders of opinion among Greek Cypriots refrained from condemning the use of violence, and as the year wore on the public became more inured to the ruthless brutality of the terrorists and ever less inclined to question methods so alien to the true character of the island's inhabitants and so detrimental to their true interests . . . Nevertheless, the security forces were progressively getting control of the situation, and it was encouraging that, towards the close of the year, people were beginning to come forward and give information about terrorists."

Despite this "sombre background," considerable progress had been achieved by many Government departments, including the completion of new water-supply schemes for Nicosia, Limassol, and Famagusta; new housing for the victims of the 1953 earthquake at Paphos; and surveys for impending harbour developments at Famagusta, Paphos, and Limassol. Trade had been buoyant throughout the year, especially the export of minerals. Over £12,300,000 had been spent by the Services on major installations between March 1952 and March 1955, and "the annual revenue accruing to Cyprus as a result of the presence of British armed forces is at present not less than £12,000,000."

Armed Guards for British Ministers. It was announced in London on May 21 that police officers guarding Ministers and Government departments had been issued with arms as a precaution against possible acts of terrorism by Cypriot extremists in Britain. It was stated in *The Times* that "precautionary and preventive measures have been taken because there are grounds for believing that a small subversive group of Cypriots in London might attempt some outrage." Special Branch officers instituted inquiries in Soho and other areas where Cypriots were living, whilst special precautions were taken at Downing Street, Whitehall, the Turkish Embassy, and the homes of Ministers.

Typewritten leaflets threatening to assassinate Sir John Harding were found in a Manchester street on June 4 and handed over to the police. They were signed by an organization calling itself "Cyprus Liberation Sub-Committee, Great Britain, Eoka," and accused Sir John Harding of responsibility for "violence, assaults, depression, and deportation."

Police Chief for Cyprus. The Colonial Office announced on June 5 that Lieut.-Colonel G. C. White, Chief Constable of Warwickshire, had been appointed Commissioner of Police in Cyprus for a period not exceeding two years, with effect from July next. It was also announced that 50 more police officers from Britain had joined the security forces in Cyprus, bringing the total seconded for duty in the Colony to 184 inspectors and sergeants.

Colonel White commanded the military police in Naples during the war, and was subsequently in charge of all Allied police forces in Rome. He was later responsible for organizing an effective police force in Trieste and Venezia Giulia, where he was associated with Sir John Harding, then commanding British troops in the area. He had been Chief Constable of Warwickshire since 1948. The Warwickshire County Council agreed to his secondment to Cyprus at the request of the Government.

Sir John Harding arrived in London on June 3 for discussions with the Government on the Cyprus situation. It was stated that he would remain for about a week before returning to Nicosia. On June 4 he had discussions at 10, Downing Street, with Sir Anthony Eden, Mr. Lennox-Boyd, Sir Walter Monckton (Minister of Defence), Mr. Selwyn Lloyd (Foreign Secretary), and Service chiefs, and on June 6 addressed an all-party meeting of M.P.s and peers on the Cyprus situation. (Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Cyprus, 14757 A; Parliamentary Debate, 14783 A.)**

A. UNITED KINGDOM. — The Birthday Honours.

The Birthday Honours List was published on May 31, the principal awards being set out below:

Viscount. Lord Cherwell, lately Professor of Experimental Philosophy at Oxford, Paymaster-General in 1942-45 and 1951-53 For public services.

[Lord Cherwell (formerly Professor F A Lindemann) recently announced his intention of retiring from the Chair of Experimental Philosophy at Oxford, which he has held since 1919. He was personal scientific adviser to Sir Winston Churchill throughout the last war, and twice held office under him as Paymaster-General In his second tenure of that office he had responsibility for atomic energy matters It was announced on June 6 that Lord Cherwell had been succeeded as Professor of Experimental Philosophy at Oxford by Sir Francis Simon, Professor of Thermodynamics since 1949]

Barons. Sir Henry Cohen, Professor of Medicine in the University of Liverpool, and chairman of the Standing Advisory Committee, Ministry of Health; Lieut-General Sir Ronald Weeks, chairman of Vickers Ltd., chairman of the National Advisory Council for Education in Industry and Commerce, and president of the British Scientific Instrument Research Association.

[Sir Henry Cohen, the eminent scientist, has served on many Government committees concerned with medical and scientific questions The barony was conferred on him for services to medicine. Sir Ronald Weeks retired from the Army in 1945 after a distinguished military career, his last post being that of Deputy Military Governor of the British zone of Germany. It was announced on May 31 that he was retiring from the chairmanship of Vickers Ltd]

Privy Councillor. Mr Hugh Molson, M.P., Joint Parliamentary Secretary, Ministry of Transport and Civil Aviation

Order of Merit. Lord Hailey (84), the authority on Colonial administration.

[Lord Hailey has held the posts of Governor of the Punjab (1924-28), Governor of the United Provinces (1928-30 and 1931-34), Director of the African Research Survey (1935-38), head of the Economic Mission to the Belgian Congo (1941), and chairman of the Colonial Research Committee (1943-48). He has written several books on Colonial problems]

Companions of Honour. Mr. Edward Gordon Craig (84), for services to the theatre; Professor Arnold Toynbee, the historian, lately Director of Studies, Royal Institute of International Affairs.

[Mr. Gordon Craig, the pioneer producer and son of the famous actress Ellen Terry, has been prominently associated with the theatre for over 50 years. He is the author of many books on theatrical life, his *Art of the Theatre* having first appeared in 1905. Professor Toynbee retired from the Royal Institute of International Affairs in 1955, shortly after completing his 10-volume *Study of History*]

Baronets. Alderman Cuthbert Ackroyd, Lord Mayor of London; Major W. J. Anstruther-Gray, M.P. (Conservative, Berwickshire and East Lothian), for political and public services; Sir Thomas Moore, M.P. (Conservative, Ayr), for political and public services; Mr. H. G. Studholme, M.P. (Conservative, Tavistock), lately Vice-Chamberlain of H.M. Household and a Government Whip.

Knights Bachelor. Mr. Austin Anderson, for services to the British shipping industry; Mr. W. F. Beale, chairman, Board of Management Navy, Army, and Air Force Institutes; Brigadier E. H. L. Beddington, chairman, Hertfordshire County Council; Professor S. P. Bedson, Professor Emeritus of Bacteriology, University of London; Mr. Basil Blackwell, the Oxford bookseller and publisher; Mr. John Burgoyne, for political and public services in Luton; Professor H. G Champion, Professor of Forestry, University of Oxford; Mr. Douglas Clarke, for political and public services in Stockport; Mr. H W. Clarke, chairman, Aluminium Industry Council; Professor William Coldstream, the painter, Slade Professor of Fine Art, University of London; Mr. C. B Crabbe, Chief Registrar of Friendly Societies and Industrial Assurance Commissioner; Mr. G. H Dowty, chairman, Cheltenham and North Gloucestershire Disablement Advisory Committee; Mr. G. U. Farrant, for political and public services in Somerset; Mr. H. S. Gibson, managing director, Iraq Petroleum Company Ltd.; Mr. F. C. Hooper, for services to Government departments; Mr. Leonard Hutton, for services to cricket; Mr. James McKinnon, Chief Inspector, Board of Customs and Excise; Mr. Arthur Massey, Chief Medical Officer, Ministry of Pensions and National Insurance; Mr. W. C. Norton, President of the Law Society; Mr. F. J. Osborn, chairman, executive committee, Town and Country Planning Association; Mr. Thomas Peacock, chairman, Milk Marketing Board; Professor W. J. Pugh, Director of the Geological Survey of Great Britain; Mr. A. S. Quartermaine, President of the Institution of Civil Engineers, 1951-1952, for services to civil engineering; Mr. J. J. Robertson, Rector of Aberdeen Grammar School; Alderman S. G. Rowlandson, for political and public services in Middlesex; Brigadier A. D. Buchanan-Smith, for political and public services in Scotland; Mr. A. M. Spearman, M.P. (Conservative, Scarborough and Whitby), for political and public services; Mr. G. Spencer Summers, M.P. (Conservative, Aylesbury), for political and public services; Mr. J. W. Tudor Thomas, ophthalmic surgeon, United Cardiff Hospitals; Mr. Thomas Williamson, secretary, National Union of General and Municipal Workers; Mr. M. G. Willmott, Chief Chancery Master, High Court of Justice; Mr. J. F. Wolfenden, Vice-Chancellor, University of Reading.

[Mr. Len Hutton (39), the former Yorkshire and England captain, announced his retirement from first-class cricket in January last after consultation with an orthopaedic specialist. The first professional cricketer to captain England, he scored 39,950 runs and hit 129 centuries in the course of his career, and captained England in 23 Test matches with Australia and other Commonwealth countries. He was the fifth cricketer to receive a knighthood, the others being Sir Pelham Warner, Sir Donald Bradman, Sir Henry Leveson-Gower, and Sir John Hobbs]

Other recipients of knighthoods (in addition to those enumerated above) and other awards included the following:

Foreign Office List. Mr. J K Dunlop, H M Consul-General at Hamburg, Mr. Charles Duke, H.M. Ambassador in Amman; Captain Vyvyan Holt, lately H M Minister in San Salvador; Mr Hugh Stephenson, H.M. Ambassador in Saigon, Mr. J G. Ward, Deputy Under-Secretary of State, Foreign Office.

[Captain Holt, formerly Ambassador in Seoul, was a prisoner in Communist hands for three years during the Korean War].

Commonwealth of Australia List. Mr H G Alderson, chairman of the Australian Olympic Federation, for services to amateur sport, Lieut-General William Bridgeford, Chief Executive Officer for the 1956 Melbourne Olympiad, Mr. Ivan Holyman, managing director of Australian National Airways; Mr. Edward Knox, chairman of the Colonial Sugar Refining Company, Mr E D Lindsay, formerly Director of the National Gallery of Victoria, the Hon. K. W. Street, Chief Justice of the Supreme Court of New South Wales, Mr. F. S. Tait, of Toorak (Victoria) for services to the theatre

New Zealand List. Mr B C. Ashwin, formerly Secretary to the Treasury; Mr. R L Macalister, Mayor of Wellington

Commonwealth Relations Office List. Mr G A Davenport, formerly Minister of Lands, Mines, and Surveys, Southern Rhodesia; Mr. Norman Myer, for public and philanthropic services in Victoria, Australia; Mr G A Sim, president of the Bengal Chamber of Commerce and Industry and the Associated Chambers of Commerce of India, 1955-56; Mr A G. Warner, Minister of Transport in the Victorian Government, Australia; Major-General Harold Williams (retd.), formerly Engineer-in-Chief, Indian Army

Colonial Office List. Mr. T A Brown, Chief Justice, Northern Region, Nigeria, Mr Chan Tsun-nin, for public services in Hong Kong, Colonel R B Emerson, chairman, Nigerian Railway Corporation; Dr. J. W. P. Harkness, Medical Advisor to the Comptroller for Development and Welfare, British West Indies; Mr G W. Henderson, Q.C., Chief Justice of the Bahamas; Mr A. M. B. Hutt, Administrator, East Africa High Commission; Commander R. G. A. Jackson, chairman, Preparatory Commission for the Volta River Project, Gold Coast; Major-General W. R. Norris, lately Deputy Director of Operations in Kenya; Mr. T S. Page, for public services in Northern Rhodesia; Mr. H. S. Potter, British Resident at Zanzibar; Mr. R. L. Prain, for public services in Northern Rhodesia; Mr. R. O. Sinclair, vice-president, East African Court of Appeal.

The K.C.M.G. (honorary) was conferred on the Raja of Perlis, Federation of Malaya.

Royal Navy List, Army List, and Royal Air Force List. Recipients of knighthoods in the armed forces included Vice-Admirals E. G. Clifford, J. W. M. Eaton, Caspar John, and W. G. A. Robson, Lieut.-General G. W. Lathbury, Lieut.-General W. P. Oliver, Major-General A. D. Campbell, Air Marshals R. L. Atcherley (A.O.C.-in-C., Flying Training Command), R B Jordan (A.O.C.-in-C., Maintenance Command), T. N. McEvoy (Chief of Staff, Allied Air Forces, Central Europe), and G. E. Nicholetts (A.O.C., Malta), and Air Vice-Marshal J. R. Whitley.

D.B.E. Awards. The D.B.E. was conferred on Miss Peggy Ashcroft (Mrs. Edith Margaret Hutchinson), the actress, and on Brigadier Mary Rallton, Women's Royal Army Corps.

Other Awards. Among other awards, the **K.C.V.O.** was conferred on Professor Anthony Blunt, Professor of the History of Art, University of London, and Keeper of the Queen's Pictures. Recipients of the **C.B.E.** included Mr. John Clements, the actor, manager, and producer; Mr. Tahu Hole, News Editor at the B.B.C; Mr. Christopher Hussey, for services to architecture; Mr. Anthony Powell the novelist; Mr. Ernest Read, professor at the Royal Academy of Music; and Mr. Norman Tucker, director and opera producer at Sadler's Wells Theatre.

Among many recipients of the **O.B.E.** were Mr. J. D. Forman, lately Director of the British Film Institute; Mr. Gilbert Ledward, R.A., president of the Royal Society of British Sculptors, and designer of the Great Seal of the Realm; Mr. E. I. Musgrave, Director of the Leeds City Gallery; Miss Pat Smythe (27), the champion rider and show jumper; and Mr. Cyril Wood, former regional director of the Arts Council for South-West England.

The appointment by H.M. the Queen of two new Knights of the Thistle Lord Mathers and Mr. John Stirling, in place of the late Duke of Montrose and the late Earl of Mar and Kellie - had been announced on May 11.

Lord Mathers, who began life as a railway clerk, was Labour M.P. for East Edinburgh for many years before his elevation to the peerage, and was prominently identified with trade union activities. He represented the Sovereign as Lord High Commissioner to the General Assembly of the Church of Scotland from 1946-48, and again in 1951. Mr. Stirling, Convenor of Ross and Cromarty County Council since 1935, is widely known throughout the Highlands for his work on the Forestry Commission.

The Order of the Thistle, the senior Scottish Order of Knighthood, is limited to 16 members. There is one vacancy, caused by the death of Lord Elphinstone. - (Times - Daily Telegraph - Manchester Guardian - The Scotsman, Edinburgh)

(Prev. rep. New Year Honours, 14623 A.)

A. UNITED STATES. — Agricultural Policy. - President Eisenhower vetoes Farm Bill. - New Farm Bill passed by Congress. - Presidential Approval. - Creation of "Soil Bank." - New Price Supports for Maize, Wheat, and Rice. - Continued Decline in Farm Incomes.

A Bill implementing the President's "soil bank" proposals, but providing for rigid price supports for basic crops at 90 per cent of "parity" in place of the existing flexible system, was vetoed by President Eisenhower on April 16. The Bill was a compromise version of measures previously adopted by the House of Representatives and the Senate. That passed by the House had—against the President's advice—restored rigid price supports at 90 per cent of "parity" on five basic crops (wheat, maize, cotton, rice, and peanuts) and had also set the minimum price support level on dairy products at 80 per cent of "parity"; it had been approved by the House on May 5, 1955, during the first session of the present Congress, by 206 votes (185 Democrats, 21 Republicans) to 201 (172 Republicans, 29 Democrats).

No action was taken on the matter by the Senate, however, before Congress adjourned in August, 1955. Subsequently, on Jan. 9, 1956, President Eisenhower submitted his proposals for a "soil bank" and other measures to deal with the mounting agricultural surpluses (see 14778 A). These were considered by the Senate Agriculture Committee, which on Feb. 10 (by eight votes to seven) approved a Bill providing not only for the "soil bank" but also for the reintroduction of rigid price supports as voted by the House. The full Senate, however, after lengthy debate and after adopting a number of further amendments, passed a Bill on March 19 (by 93 votes to two) from which the rigid price-support provisions were excluded.

A conference committee of the two Houses agreed on April 6 to a compromise version which included the rigid price-support system proposed in the House Bill. Despite last-minute Administration proposals designed to modify this provision by introducing some measure of flexibility, the Bill in its final form was approved by Congress on April 11, the voting being 50 (35 Dem., 15 Rep.) to 35 (31 Rep., 4 Dem.) in the Senate and 237 (189 Dem., 48 Rep.) to 181 (146 Rep., 35 Dem.) in the House of Representatives.

The Bill in its final form included the following principal provisions: (1) Rigid price supports at 90 per cent of parity should be restored for wheat, maize, cotton, rice, and peanuts.

(2) $1,200,000,000 should be provided to operate the President's "soil bank" proposals.

(3) There should be a two-price, or "domestic parity," plan for wheat and rice, under which that part of the crop sold for domestic consumption would be supported at 100 per cent of "parity" for wheat and 90 per cent of "parity" for rice, and the remainder at a lower support price fixed by the Government.

(4) "Dual parity," under which the old or the new formula (whichever was higher) could be used for computing the "parity" prices of the basic crops, should be restored.

(5) Price supports for small grain feeding stuffs (oats, rye, barley, and grain sorghum) should be mandatory rather than discretionary.

In his veto message to Congress, and also in a broadcast the same evening, President Eisenhower gave his reasons for vetoing the Bill. He also announced a number of measures which would be taken immediately by the Administration to raise farmers' incomes, and asked Congress to pass "a straight soil bank Bill" as promptly as possible so that it might be in operation before the next autumn sowing of 1957 crops. In this connexion he asked for authority to make, as from July 1, advance payments to farmers (estimated at $500,000,000) who agreed to withdraw land from surplus production next year.

The President explained in his message to Congress that the problem facing U.S. farmers was one of "price-depressing surpluses," and said that any sound programme must be designed to reduce these surpluses. The Bill passed by Congress, however, was "self-defeating," for whilst the soil bank proposal was "constructive" it had been "encumbered by contradictory provisions."

He listed four principal reasons which made the Bill unacceptable: (1) The return to rigid support prices at 90 per cent of "parity" for the basic crops would only increase the existing surpluses. (2) The provision for "dual parity" would result in a permanent double standard of parity for determining price supports; moreover, there was no justification for applying such preferential treatment to only a few of the 160 products for which "parity" prices were calculated. (3) Mandatory price supports for small grain feeding-stuffs would only create more problems for farmers, as the market for such feeding-stuffs would shrink as livestock production came to depend more on forage and less on grains. (4) The two-price plan for wheat and rice would have adverse effects on producers of other crops, on America's relations with friendly foreign countries, and on American consumers.

"After the most careful analysis," the President declared, "I conclude that the Bill is contradictory and self-defeating even as an emergency relief measure, and would lead to such serious consequences in additional surpluses and production controls as to further threaten the income and the welfare of our farm people." The President then announced the following measures to be taken by the Administration:

(1) The 1956 support price for wheat, maize, cotton, rice, and peanuts would be raised (see below)

(2) The support price for manufactured milk in 1956 would be increased to $3.25 per 100 lb. and for butter fat to 58.6 cents per lb.

(3) Department of Agriculture funds would be used to strengthen the prices of perishable crops, well over $400,000,000 becoming available for this purpose in the year beginning July 1, 1956.

After the President's veto the Bill was reconsidered by the House of Representatives on April 18, but was rejected by 211 votes (173 Rep., 38 Dem.) to 202 (182 Dem., 20 Rep.); it therefore not only failed to get the two-thirds majority required to override the President's veto, but even to obtain a simple majority.

New price supports for maize, wheat, and rice, in accordance with President Eisenhower's statement, were announced on April 23 as follows:

Maize. An average of $1.50 a bushel (86.2 per cent of "parity") compared with $1.40 (81 per cent) as fixed in February. In addition, a new guaranteed price of $1.25 a bushel was fixed for farmers who failed to comply with Federal acreage allotments; those had previously been denied a guaranteed price.

Wheat. An average of $2 a bushel (83.7 per cent of "parity") compared with the $1.81 (76 per cent of "parity") fixed in June, 1955.

Rice. $4.50 per 100 lb. (82.7 per cent of "parity") compared with $4.04 (75 per cent of "parity") announced on Dec. 30, 1955.

Further difficulties arose in Congress over a new Farm Bill which was introduced by the Democrats on April 27. It was approved by the Agriculture Committee of the House of Representatives on April 30 and was passed by the full House on May 3 by 314 votes to 78; the majority comprised 191 Democrats and 123 Republicans, whilst 62 Republicans and 16 Democrats opposed the Bill.

The new Bill provided a $1,200,000,000 fund for a "Soil Bank," but denied the President's authority to make immediate advance payments to farmers willing to take land out of production next year. The President had requested such authority, which it was estimated would have enabled farmers to receive at least $500,000,000 as from July 1, but a Republican amendment to that effect was defeated by 211 votes (207 Dem., 4 Rep.) to 184 (183 Rep., 1 Dem.), the Democrats alleging that such prepayments were only aimed at buying farmers' votes for the Presidential elections in November.

Among other provisions, the Bill adopted by the House also (*a*) reintroduced fixed parity price supports for small grain feeding-stuffs (rye, oats, barley, and grain sorghum), which the President had denounced in his veto of the previous Bill; (*b*) included grazing land in the farm activities covered by the "Soil Bank"; and (*c*) authorized price support to maize-growing farmers even if they disregarded acreage controls.

The Senate Agriculture Committee approved the Bill on May 13 by 13 votes to one, the full Senate passing it on May 18 (by a voice vote) in a somewhat revised form.

The Senate eliminated mandatory price supports for small grain feeding-stuffs, though it increased discretionary price supports for them. On the other hand it refused to accept requests by President Eisenhower and Mr. Dulles for (*a*) the elimination of a directive ordering sales of surplus cotton stocks on world markets at "competitive prices" (i.e. at subsidized rates below world market prices), and (*b*) the deletion of a clause introducing a "two-price" support system for wheat sales at home and abroad. Although the President and Mr. Dulles pointed out that these provisions might endanger U.S. relations with friendly countries which objected to the sale of U.S. surplus wheat and cotton abroad below market prices, the Senate rejected the Administration's proposals by 71 votes to 13.

The Bill also maintained, against the President's wishes, a one-year continuation of the existing parity prices for wheat, maize, and peanuts; a "two-price" system for rice sales at home and abroad; and a provision restricting U.S. imports of long-staple and extra fine cotton.

A compromise version of the Bill, agreed upon by a joint conference committee of the two Houses on May 22, was adopted by the Senate without a dissenting vote later on the same day, and was passed by the House of Representatives on May 23 by 304 votes to 59. The principal provisions of the Bill in its final version were as follows:

"Soil Bank." A $1,200,000,000 fund was provided for the setting up of a "Soil Bank," of which $750,000,000 would be available to farmers agreeing to withdraw land from production of wheat, cotton, maize, peanuts, rice, and tobacco, and another $450,000,000 for the conversion of other land to soil-preserving uses on a longer-term basis. Congress nevertheless maintained its refusal to grant the President

authority to draw on the fund for advance payments to farmers who would withdraw land from production next year, although it agreed that payment should be available for farmers who would withdraw such land in the present year. [It was, however, agreed that the volume of such payments would be very much limited, since most of the 1956 crops had already been planted]

Small Grain Feeding-stuffs. There would be "quasi-mandatory" price supports, but these would only be raised from 70 to 76 per cent of parity. There would be no acreage controls for these grains, which the President had strongly opposed.

Wheat, Maize, Cotton, Rice, and Peanuts. The provision for rigid mandatory price supports at 90 per cent of parity was eliminated, but the existing flexible parities for wheat, maize, and peanuts were maintained for 1957. The earlier proposals for the restoration of the "dual parity" system for basic crops were modified.

A mandatory two-price system was retained for the disposal of rice in world markets at prices below the domestic support level, but the two-price system for wheat (with the foreign price lower than the domestic) was dropped. A discretionary two-price system was introduced for maize disposals abroad.

Acreage Allotments. The Bill froze acreage allotments for cotton and rice at the 1956 level for two further years, although cotton allotments for any State might be reduced by not more than one per cent in each of these years. A nine per cent reduction in cotton acreages, which would have come into effect in 1957 under the existing law, was thereby suspended.

Disposal of Cotton Surpluses. The Bill directed the Secretary of Agriculture to determine the U.S. share of the world market in cotton, and then to sell from the Government's surplus stocks the amount of cotton so determined "at or below prevailing world prices". An explanatory statement explained that the sale of 5,000,000 bales of cotton a year "at or below" prices of a recent 1,000,000-bale disposal programme would be "satisfactory" and was not expected to lower the world market price.

Cotton Imports. Existing restrictions on imports of long-staple cotton (which come principally from Egypt) were tightened up.

Farm Commodity Imports. The President was authorised to negotiate agreements limiting imports of farm products into the United States.

Although the Bill thus retained several provisions which the Administration had described as "highly objectionable," the President signed it on May 28, declaring that its advantages outweighed its shortcomings and expressing the hope that Congress would "review and repair" farm legislation next year.

In his accompanying message the President expressed disappointment that Congress had not agreed to advance payments under the "Soil Bank" scheme. He also objected to the provisions requiring the Government to follow an inflexible programme of cotton disposals abroad, "with little regard for costs and without adequate regard to the far-reaching economic consequences at home and abroad." This part of the Bill, he stated, would have to be administered with "extreme caution" if "seriously disruptive effects" were to be avoided. The President was also highly critical of the further import restrictions on long-staple cotton. In addition, he expressed the view that in freezing acreage allotments for rice and cotton for the next two years at the 1956 level, the Bill "runs counter to the adjustment principle which underlies our basic agricultural legislation."

The Department of Agriculture published figures on March 6 showing that farmers' net incomes from operations in 1955 had fallen to $10,770,000,000—a drop of $1,044,000,000, or 9 per cent, compared with 1954. This was the fourth consecutive year in which farmers' income had fallen. It was also stated that *per capita* farm income had declined by 6 per cent in 1955 to $860, which was less than half the individual average of $1,922 for the non-agricultural population.—(New York Times - New York Herald Tribune) **(Prev. rep. 14778 A.)**

A. IRAQ. — Development Programme approved by Chamber of Deputies.

The Iraqi Chamber of Deputies approved the Government's development programme for the six-year period 1955-60 on May 23, at the same time increasing the total estimated expenditure from 448,000,000 Iraqi dinars to 500,000,000 dinars. [One Iraqi dinar = £1 sterling.]

Dr. Pachachi, the Minister of Economics, stated during the debate that Iraq's oil revenues in the next five years would reach 464,000,000 dinars, based on present oil prices and the present cost of production. Output from the three main fields at Kirkuk, Zubair, and Ain Zalah was estimated to reach 34,000,000 tons at the end of the current year, not including a possible increase in output after the projected diversion of the Kirkuk-Haifa pipeline to an Arab seaport on the Mediterranean. He also said that Iraq's oil royalties this year were expected to total 80,000,000 dinars—the highest amount since the signing of the present contract with the Iraq Petroleum Company in 1954.

Of the grand total of 500,000,000 dinars provided for under the programme, 46,000,000 dinars had already been spent during the fiscal year, whilst the remaining 454,000,000 dinars will be spent at an approximate rate of 91,000,000 dinars annually during the coming five years.—(Financial Times) **(Prev. rep. 14884 A.)**

B. ARGENTINA. — Economic Policy. - Multilateral Trade, Payments and Debt Settlement Scheme with West European Countries.

The British Treasury announced on May 30 that agreement had been reached between Argentina on the one hand, and Austria, Belgium, France, Italy, the Netherlands, Norway, Sweden, Switzerland, and the U.K. on the other, on Argentine proposals for the introduction of a multilateral trade and payments system, and for the settlement of Argentina's debts.

The statement said that trade and payments would be conducted in transferable currencies with effect from a date as early as possible in June; that Argentina's debts to her main creditors would be settled on an equal footing by progressively increasing annuities over a period of ten years; and that interest would be paid at an average rate of 3½ per cent per annum.

Within the general framework agreed upon, Argentina and each participating country would hold any necessary bilateral discussions about the procedure for introducing the multilateral system, and for the conclusion of new definitive agreements for the settlement of Argentine debts. West German representatives had expressed the readiness of the Federal Republic to join the multilateral system as soon as possible.

The Treasury also issued an explanatory statement pointing out that the new Argentine system was not a "club" like the Brazilian "Hague club", where special arrangements were required to fit the scheme to the Brazilian exchange auction system.

The following further details of the scheme were also given:

Payments. No great change was involved as far as sterling was concerned, since Argentina was in the transferable account area. She could therefore already use sterling throughout the non-dollar world, and would still be able to do so. All payments between Argentina and the participating countries would then be made in sterling or in any other transferable currency.

All transactions on the official market would be made at the official cross-rates, and all differentials against transferable currencies would be discontinued.

Trade. The new system would not alter existing trade arrangements between the U.K. and Argentina, and did not imply any relaxation in Argentina's import policy. However, Argentina would neither discriminate among participating countries nor undertake commitments to non-participating countries which might result in discrimination against participating countries.

Debts. Argentina's total debts to Western Europe amounted to about $150,000,000. They fell into three categories: (*a*) Governmental debt, (*b*) debts due to Central Banks under "swings", and (*c*) liabilities to private concerns under long-term orders already placed.

The main creditor countries were Italy, Western Germany, France, and the United Kingdom. Argentina's debt to the U.K. was mainly under category (*a*) £19,000,000, drawn under the credit facilities of the 1955 agreement (see 14180 A). The remainder were commercial liabilities of the order of £5,000,000 or £6,000,000 due to private concerns over the next few years; these would not be affected in any way by the new arrangements.

Interest. This related to categories (*a*) and (*b*), whilst interest on category (*c*) would have been fixed in the terms of existing contracts.

Position of Germany. The difficulty for Western Germany was that she had not so far been able to establish the size of Argentina's commercial liabilities to her traders, thought to be about $100,000,000. With commercial liabilities of this size, some re-financing would almost certainly be necessary. In addition there was a certain amount of Governmental debt. If Western Germany could see her way to accept terms for the settlement of her debts over 10 years on the same basis as the other major creditors, she would also participate in the multilateral payments arrangements; otherwise payments between Western Germany and Argentina would continue to be made through the bilateral clearing.

New Members. Denmark was at present considering participation in the new arrangements.

Operational Date. The new system would be brought into force as soon as the necessary technical arrangements could be made by the Central Banks concerned. It was expected to be in operation before the end of June, 1956.

The return of Argentina to a system of multilateral trading ended the bilateral system which had characterized the Perón regime.—(Treasury Press Office, London - Financial Times - Le Monde, Paris - Neue Zürcher Zeitung) **(Prev. rep. U.K.-Argentine Agreement, 14180A.)**

C. ITALY. — Recognition of Sovereignty of Morocco and Tunisia.

It was officially announced in Rome on May 11 that the Italian Government had formally recognized the independence and sovereignty of Morocco and Tunisia, and that direct diplomatic relations would be established with these two countries after the agreements on diplomatic representation now being negotiated between the French and the Moroccan and Tunisian Governments had been concluded.—(Giornale d'Italia) **(Prev. rep. British Recognition, 14858 C.)**

A. BURMA. — Trade Agreements with U.S.S.R. and other East European Countries. - M. Mikoyan's Visit to Rangoon. - Soviet Technical Aid to Burma.

M. Anastas Mikoyan, the Soviet First Deputy Premier, visited Rangoon from March 30-April 2 during a tour of Asian countries. During his visit the following agreements between Burma and the Soviet Union were signed on April 1, in implementation of the understandings reached during Marshal Bulganin's and M. Khrushchev's visit to Burma :

(*a*) A supplementary trade agreement extending the period of the Burmese-Soviet trade agreement of July 1, 1955 (see 14408 A) from three years to five years.

(*b*) A protocol for the delivery by Burma of 400,000 tons of rice annually, during the remaining four years of the trade agreement, against Soviet supplies of machinery, equipment, and other goods, as well as technical services

(*c*) Arrangements for the settlement of mutual accounts on a sterling basis.

A joint statement was issued by U Nu (the Burmese Prime Minister) and M. Mikoyan announcing (*a*) that the Soviet Government had offered to construct and equip in Rangoon a hospital, a theatre, a cultural and sports centre, and premises for industrial and agricultural exhibitions, as a gift from the Soviet people ; and (*b*) that the Government of Burma had reciprocally offered to the Soviet people the gift of an appropriate quantity of rice.

A Burmese industrial mission left Rangoon for Moscow on April 24 to discuss details of Soviet technical aid to Burma.

In a statement in Calcutta on April 24, the leader of the mission (U Ba Thay) said that the U.S.S.R. had offered to build a modern steel plant in Burma of the same type as that being erected by Soviet technicians at Bhilai, in India, but with a smaller capacity. Soviet experts would also be invited to advise on the development of rich iron-ore deposits recently discovered in the Shan States, whilst a plan was being prepared by them to expand the production of Burma's only steel plant, which at present produced 40,000 tons of ingot-steel annually. U Ba Thay said that the Soviet team would include experts in other branches of industry, in agriculture, and in housing, and that the main emphasis would be placed on schemes for developing Burma's metallurgical and machine-tool industries and mechanizing her agriculture.

Several other trade agreements, summarized below, were also recently concluded between Burma and several East European countries.

Agreement with Poland. A three-year trade agreement (1956-58) between Burma and Poland was signed in Rangoon on Nov. 1, 1955. Under the agreement Burma will deliver rice and other agricultural products, minerals, ores, timber, and rubber, in return for Polish supplies of consumer goods, machinery, ships, and other capital equipment. A separate one-year protocol provided for Polish purchases from Burma in 1956 of 50,000-60,000 long tons of rice, against Burmese imports to an equivalent value of consumer goods, machinery, ships, river craft, motor-vehicles, etc. Settlement will be on a sterling basis, a Polish trade mission being established in Rangoon.

Agreement with Rumania. A three-year trade agreement, signed in Rangoon on Feb. 17, 1956, provided that Burma would export to Rumania rice and other agricultural products, mineral products, timber, rubber, etc., in exchange for Rumanian deliveries of oil-drilling machinery, mining and electrical equipment, machine-tools, other capital equipment, oil products, and certain consumer goods.

Agreement with Czechoslovakia. Under an agreement signed in Rangoon on Nov. 17, 1955, Czechoslovakia undertook to buy 50,000 long tons of Burmese rice on a barter basis.

A protocol relating to the exchange of 150,000 long tons of Burmese rice against an equivalent volume of Chinese commodity supplies in the year 1955-56 was signed in Rangoon on Dec. 29, 1955. The agreement implemented the Sino-Burmese trade agreement of 1954.—(Burmese Government Information Department, Rangoon) **(Prev. rep. Bulganin-Khrushchev Visit, 14603 A ; Sino-Burmese Trade Agreement, 13613 D.)**

B. SAUDI ARABIA. — Expulsion of British Locust Control Organization.

The U.N. Food and Agriculture Organization announced on April 29 that the Saudi Arabian Government had ordered the British Desert Locust Control mission to close its headquarters in Jedda and to leave the country by May 1.

The British Desert Control Locust organization, which had been working in Saudi Arabia for 14 years, had operated for some time under F.A.O. and not as a British Government unit. It was pointed out in the Press that it had been the only official body able to fight the locust menace in this vital region, where the chief locust-breeding grounds were to be found, and that its work had been essential for the food production of the entire area of the Middle East and of large parts of Africa.

It was announced on April 30 that Saudi Arabia had asked the F.A.O. to recruit in future non-British teams of locust control experts to replace the former British mission.

(Times - Manchester Guardian)

C. UNITED STATES. — Supreme Court Decisions on Constitutionality of Immunity Act and Right of invoking Fifth Amendment to U.S. Constitution.

The U.S. Supreme Court, in a ruling on March 26, upheld the constitutionality of the Immunity Act of 1954. This Act gives the Government the right to compel a witness to testify in national security cases in exchange for immunity from prosecution, and in that respect supersedes the privilege (granted by the Fifth Amendment to the U.S. Constitution) whereby a witness may refuse to give testimony that might incriminate him.

The case arose out of the conviction for contempt of William Ludwig Ullmann, a former Treasury Department official, who had been sentenced to six months' imprisonment after refusing to answer questions before a grand jury investigating espionage, in spite of a court order to do so. Ullmann had been named by Miss Elizabeth Bentley, a self-confessed Communist agent, as a member of an espionage ring during the war Ullmann, in refusing to testify, claimed the protection of the Fifth Amendment, saying that although he had been promised immunity from prosecution by the Federal authorities, there was still a real possibility that he might be prosecuted in State courts, as Congress had no power to pass a law giving witnesses immunity from State prosecutions.

Justice Felix Frankfurter, announcing the Supreme Court's majority decision, rejected Ullmann's contention on the ground that Congress had " paramount authority " to safeguard national security, and therefore had the constitutional power to pass a law exempting a witness from State prosecution and thereby restricting State power " for the more effective exercise of conceded Federal power." The two dissenting votes were cast by Justices Douglas and Black.

In another decision given on April 9, the Supreme Court denied, however, the right of college authorities to dismiss a college employee for invoking the protection of the Fifth Amendment.

This decision referred to the case of a Dr. Harry Slochower, who, after being employed as a teacher at Brooklyn College for 27 years, had been summarily dismissed by New York City in 1952 following his invocation of the Fifth Amendment when asked by a Senate Judiciary sub-committee whether he had been a member of the Communist Party in 1940-41.

The Supreme Court's ruling (given by five votes to four) condemned the " practice of imputing a sinister meaning to the exercise of a person's constitutional right under the Fifth Amendment," and said that " the privilege against self-incrimination would be reduced to a hollow mockery if its exercise could be taken as equivalent either to a confession of guilt or a conclusive presumption of perjury." The majority of the Supreme Court therefore agreed with Dr. Slochower's contention that his summary dismissal had deprived him of " due process of law." The majority decison was supported by Chief Justice Warren and Justices Black, Frankfurter, Douglas, and Clark, whilst dissenting opinions were given by Justices Reed, Burton, Minton, and Harlan.

The president of Brooklyn College (Dr. Harry D. Gideonse) announced on April 19 that Dr. Slochower would be reinstated with retrospective effect, but would then be suspended on new charges of " untruthfulness and perjury."

(New York Times) **(Prev. rep. Immunity Act, 13842 A.)**

D. SOVIET UNION - UNITED KINGDOM. — New Anglo-Soviet Fisheries Agreement.

A new fisheries agreement was signed in Moscow on May 25 between the U.K. and Soviet Governments under which British trawlers will be able to fish up to three miles off the Russian coast in two areas of the Barents Sea. An exchange of letters said that the agreement did not prejudice the claims or views of either Government with respect to the limits of territorial waters—i.e., the U.S.S.R. continued to adhere to a 12-mile limit, which it has maintained since 1927, and Britain to a three-mile limit.

The agreement defined three areas in which British vessels would be allowed to fish in the waters off Northern Russia : (1) the coast of the Kola Peninsula between the meridians of 36 deg. and 37 deg. 50 min. E. longitude ; (2) an area to the east of Cape Kanin between 43 deg. 17 min. and 51 deg. E. longitude ; and (3) the coast of Kolguyev Island, north-east of Cape Kanin.

The new agreement replaced a previous one which had been signed in 1930 and which expired in July 1955. As under the 1930 agreement, British trawlers will continue to be excluded from a 100-mile stretch of coastline (including the port of Murmansk) in the western part of the Kola Peninsula, and also from part of the entrance to the White Sea. On the other hand, they will be allowed to fish along a 100-mile coastline east of the entrance to the White Sea, an area which had been closed to them under the former agreement.

The agreement will run for five years from the date of ratification, and will be automatically renewable for further five-year periods unless denounced by either party, in which case one year's notice of termination must be given.

(Times - Daily Telegraph - Soviet Weekly)

JUNE 9—16, 1956

A. SINGAPORE. — Breakdown of London Conference on Constitutional Future of Singapore. - Resignation of Mr. Marshall. - Mr. Lim Yew Hock becomes Chief Minister of Singapore.

In conformity with the decision taken in August last (see 14576 A), a conference on the constitutional future of Singapore opened in London on April 23. After three weeks of negotiations, however, it broke down on May 15, mainly over the question of responsibility for internal security after Singapore had attained full self-government within the British Commonwealth. Mr. David Marshall, the Chief Minister of Singapore, resigned after returning from the London talks, at which he had led the Singapore delegation, and was succeeded by Mr. Lim Yew Hock, Minister for Labour and Social Welfare in Mr. Marshall's Government. These developments are described below under cross-headings.

Preparations for London Conference.

Mr. Marshall visited London from Dec. 9-17, 1955, for discussions with the Colonial Secretary (Mr. Lennox-Boyd) in connexion with the forthcoming constitutional conference. At the end of these discussions, which were officially described as " cordial and constructive," it was agreed that the conference should open on April 23, 1956, with the following agenda: (1) a definition of internal self-government, (2) a date for the introduction of internal self-government, (3) the structure of the Singapore Legislative Assembly; (4) the future of the public service; (5) external relations and external defence; and (6) any other matters that might arise.

The members of the Singapore delegation to the London conference were announced in Singapore on March 16, comprising seven members of the Labour Front Government headed by Mr. Marshall, and six members of the Opposition. It was stated that the Governor of Singapore (Sir Robert Black) and the Attorney-General (Mr. C. H. Butterfield) would also attend the talks.

The Government members of the Singapore delegation were Mr Marshall (Chief Minister), Mr Lim Yew Hock (Minister of Labour and Social Welfare), Mr. Abdul Hamid Bin Haji Jumat (Minister of Local Government, Lands, and Housing), Mr. A. J. Braga (Minister of Health), Mr. J. H. Junabhoy (Minister of Industry and Commerce), and two members of the Legislative Assembly, Mr Soah Peng Chuan and Mr. Wong Foo Nam. The Opposition delegates comprised four members of the right-wing Liberal Socialist Party (Mr. Lim Choon Mong, Mr. William Tan, Mr. Lim Koon Teck, and Mr. Lim Cher Keng) and two members of the left-wing People's Action Party (Mr. Lee Kuan Yew and Mr. Lim Chin Siong).

[The Liberal Socialist Party had been formed in January by a merger of the Progressive and Democratic parties, which were dissolved. It commands six seats in the Legislative Assembly, and is thus the second largest group. Its programme calls, *inter alia*, for a " united, democratic and independent " confederation of Singapore, Malaya, North Borneo, Sarawak, and Brunei, and in the economic field for free trade, relaxation of controls, increased food production, and the establishment of secondary industries.]

Singapore Legislative Assembly's Resolution on Independence within British Commonwealth.

Before the Singapore delegation left for London, the Legislative Assembly adopted on April 5 a resolution instructing the delegation " to seek forthwith for Singapore the status of an independent territory within the Commonwealth," while reserving to Britain control over external defence and external relations. The resolution, presented by Mr. Marshall, was adopted without a dissentient vote, with four members abstaining —Mr. Sutherland, the European nominated member, and the three British *ex-officio* members of the Council of Ministers.

Mr. Marshall began his speech by referring to the " basic right of peoples to governments of their own choice," as laid down in the Washington Declaration signed by Sir Anthony Eden and President Eisenhower in February last. After declaring that the mission to London would seek from the British Government " full legislative autonomy and equality in status with other independent members of the Commonwealth," he said that the type of Constitution envisaged was one in which there would be " an end to official members of the Executive Council, an end to nominated and official members in the Assembly, and an end to the Governor's veto powers. In fact, in the type of Constitution we envisage there will be no Governor, and her Majesty's representative would only have the decorative and necessary functions associated with a monarchy under parliamentary rule."

As regards defence (Mr. Marshall continued) the primary factor was not the defence of Singapore itself, but of the other member-States of the Commonwealth and allied nations. Singapore was vital to the defensive policy of the free world, and it would be unreasonable and impractical if it was not used " as a fort for the defence of all." All parties were agreed that Britain should continue to maintain the base at Singapore, and to exercise responsibility for Singapore's external defence. With regard to external relations, Singapore would seek the right to appoint Ambassadors and High Commissioners, but would accept the " advice " of the British Government on all matters appertaining to foreign relations.

While agreeing that defence and external affairs should continue to remain British responsibilities, Mr. Marshall rejected any suggestion that control of internal security should remain in British hands. " To cede control over internal security," he declared, " is to make a mockery of independence. If H.M. Government insists on control over our internal security forces, the Labour Front will be no party to any agreement that may be arrived at "

Mr. Lee Kuan Yew, leader of the People's Action Party, agreed that Singapore should remain in the British Commonwealth, declaring that there was no reason why 5,000,000 Malayans should remain outside the Commonwealth if 300,000,000 Indians had decided to remain inside it. He agreed also that Britain should continue to have responsibility for the external defence of Singapore, but stressed that any consequential British demand for control over the internal security forces would be unacceptable.

Opening of London Conference.

The London conference opened at Lancaster House on April 23, when speeches were made by Mr. Lennox-Boyd and Mr. Marshall.

Mr. Lennox-Boyd said that the task of the conference was "to work out how Singapore is to achieve its true destiny in our remarkable family of nations." He continued: "You [the Singapore delegation] come here with certain quite natural aspirations. I understand and sympathize with these aspirations. It has long been our aim to guide Colonial territories to responsible self-government in the Commonwealth, on conditions that ensure to the people concerned both a fair standard of living and an expanding one, and freedom from oppression from any quarter."

Singapore, Mr Lennox-Boyd pointed out, was in a unique position in the world: a very great port, the commercial hub of South-East Asia, a bastion in the defence system of the free world, and an illustration of a " wonderful co-operative effort " between Eastern and Western peoples. Because of this, she had become a " particular target for resentment, envy, and the ambitions of the Communist world." Attacks did not always come from without but also from within —and in Singapore had already started. For this reason external defence and internal security were inevitably intertwined in Singapore.

" Over all our talks," Mr. Lennox-Boyd concluded, " must hang the threat of Communist subversion, and the substitution of ruthless despotism for the British liberal tradition. I can assure the people of Singapore and the people of Britain . . that the British Government will not allow Singapore to fall under the domination of Communist rule. We do not intend that Singapore should become an outpost of Communist China, a colony of Peking."

Mr. Marshall spoke as follows: " We come in no spirit of antagonism or bitterness, nor do we seek to deprive the United Kingdom of her interests. We come seeking to be friends. We are heartened by the new agreement of the U.K. Government to grant self-government to our brothers of the Federation of Malaya [see 14710 A]. We are particularly heartened when we remember this was agreed to although the internal security position of the Federation requires unceasing military operations against a group of Communists that have for seven years now used murder, arson, and physical brutality as its weapons of ideological persuasion.

" Singapore could become a stabilizing point in South Asia, a dynamic force of democracy in an area over which looms the threatening shadow of totalitarian colonialism. It is in this spirit that we come to seek our right to manhood, our right to live as free human beings. In Singapore the need for an immediate decision for self-government is all the more vital if the true nationalists are to have any opportunity to repel the threatened flood of an ideology that seeks to destroy the democratic process."

Breakdown of London Conference.

No information as to the progress of the conference was made public until May 15, when it was announced that the discussions had broken down. The Colonial Office issued on that date (1) a statement setting out the chief features of the British Government's offer of self-government for Singapore, and (2) a summary of the proceedings of the conference. The texts are given below:

British Offer of Self-government for Singapore.

" A Constitution offered by H.M. Government was refused by the Singapore delegation, although it would have given the people of Singapore full internal self-government, a citizenship status within the Commonwealth equivalent to that enjoyed by the fully self-governing members of the Commonwealth, and an important share in the conduct of external affairs, subject only to a limited right on the part of H.M. Government to take action in Singapore in exceptional circumstances.

" The Singapore delegation at first put forward proposals for complete independence. Later, they suggested a Constitution which conceded to H.M. Government control of external defence and external affairs (except trade and commerce), but contained no powers whereby H.M. Government could ensure the discharge of those responsibilities short of suspending the Constitution.

"After long discussion, the delegation said they would acquiesce in the retention of limited powers by H.M. Government only if U.K. representatives were not in a majority on the body on whose recommendations these powers would be exercised.

"In the light of Singapore's great strategic importance in the defences of the free world, and bearing also in mind the growing menace of Communist subversion in the island, H.M. Government considered that it was unreasonable to expect them to accept this position, which involved responsibilities without adequate powers.

"The chief features of H.M. Government's offer were :

(1) In recognition of the advanced status of Singapore, the territory should no longer be referred to as a Colony but should be called the 'State of Singapore'

(2) For the same reason the Queen's representative, instead of being a Governor, should become High Commissioner

(3) The official and nominated members of the Legislative Assembly and the official Ministers on the Council of Ministers should be withdrawn, and the size of the Assembly doubled. This would give Singapore a completely elected Assembly of 50 seats and a fully elected Council of Ministers which would be in control of all the internal affairs of the territory. The Chief Minister would preside over the Council of Ministers.

(4) There would be provision for a separate Singapore citizenship within the Commonwealth on the same basis as that enjoyed by the fully self-governing members of the Commonwealth

(5) There would be full internal self-government, including responsibility for internal security [subject only to the reservations in (8) below], and the Commissioner of Police would be responsible to an elected Minister

(6) External defence and external affairs would remain the responsibility of the U.K. Government, who would, however, devolve upon Singapore Ministers the conduct of their own commercial and trade relations, subject to such safeguards as might be necessary to avoid conflict with H.M. Government's international obligations. In all matters save external affairs and external defence, the High Commissioner would act in accordance with the advice of the Council of Ministers He would not attend meetings of the Council, which would be presided over by the Chief Minister.

(7) In recognition of the fact that external defence and external affairs would be matters of mutual interest, and to take account of the link between internal security and external defence and of H.M. Government's continuing responsibility to help Singapore to maintain law and order in the absence of adequate local forces, there should be set up a Defence and Security Council. On this Council would sit representatives of the Singapore Government and the U.K. Government, with the High Commissioner as chairman. The functions of the Council would be to discuss those aspects of external affairs and external defence which were of common concern ; to receive regular reports on the internal security situation ; to consider what action, if any, was called for in consequence of these reports ; and to make recommendations to the U.K. and/or Singapore Governments as appropriate.

(8) As long as H.M. Government retained responsibility for external defence and external affairs, an ultimate measure of authority would be necessary, but this would be limited to external defence and external affairs, and internal security so far as it affected these subjects. The power to make Orders-in-Council for Singapore would therefore be restricted to those circumstances where it was clear, in the light of advice from the Defence and Security Council, that H.M. Government would be unable otherwise to carry out its responsibilities for external defence and external affairs. H.M. Government would undertake that the power to act in these circumstances would not be used unreasonably.

"H.M. Government consider that these imaginative proposals indicate how greatly they desire to promote the constitutional advance of Singapore, while at the same time taking properly into account the position of Singapore as a mercantile centre depending on stable government for its prosperity and as a major strategic base in the defence system of the free world. They would certainly be willing to negotiate on the basis of its proposals with any Government in Singapore willing to recognize that the dangers and difficulties surrounding and within the fortress-island make an immediate leap forward to complete independence dangerous and precipitate."

Summary of Conference Proceedings.

"In their first proposals the Singapore delegation demanded sovereign independence within the Commonwealth by April 1957. They proposed that in the Independence Act conferring this upon the territory there should be provision to allow H.M. Government to maintain bases on the island and to have a concurrent interest in external affairs, though the effect of the provisions they proposed was that the Singapore Government would at all times have a veto on the proposed arrangements.

"The Secretary of State [Mr. Lennox-Boyd], in reply, explained why H.M. Government could not accept these proposals at the present time. There had been no appreciable period of stable democratic government in Singapore. No political party at present held a commanding majority. The subversive forces of Communism were strongly at work in Singapore, as the Chief Minister [Mr. Marshall] himself had recognized, and it was impossible to foresee what the future might hold in internal political development. H.M. Government did not therefore think they would be honourably discharging their responsibilities if they now took the irrevocable step of abrogating all rights and powers of any sort in connexion with Singapore for all time.

"The [Singapore] delegation therefore modified their demands and proposed an Independence Bill for Singapore which, while containing the main provisions of the Statute of Westminster normally brought into force when a territory achieves complete independence, also contained the reservation that the U.K. Government, through its High Commissioner, should have power to act in relation to external affairs, so far as responsibility for such affairs shall not have been vested in the Government of Singapore , and power to provide for the external defence of Singapore.'

"The delegation also proposed that for a transitional period of six years only there should be a Defence and Security Council on the lines and for the purposes already mentioned, and that the U.K. Government should have the right during this period to suspend the Constitution and assume full responsibility for governing Singapore if the internal security situation so far deteriorated as to threaten the efficacy of the external defence installations, or if the Government of Singapore acted in contravention of the Independence Act or of the Constitution of Singapore.

"The U K delegation welcomed the understanding of the difficulties of the situation of which these new proposals gave evidence. The Secretary of State, however, questioned the propriety of introducing a Singapore Independence Bill into the House of Commons when the Bill would not confer independence as the word is usually understood.

"He also suggested to the delegation that if H.M. Government were to be in a position to discharge their responsibilities in the field of external affairs and defence, and, in the last resort, to take action in Singapore in an internal crisis, it was both right and logical that the U.K. Government should have powers, which they could use in an emergency, less drastic than the right to take the distasteful step of suspending the Constitution.

"It was not in any way the U.K. Government's desire to use these powers to interfere with the ordinary government of the Colony ; but if emergency circumstances arose in which H.M Government had to act, it would surely be better for them to have some means of acting without going to the extreme lengths of taking away from the people of Singapore the advanced Constitution the U.K. Government were now offering them.

"Throughout the conference the Chief Minister refused to concede that H.M. Government should have any powers in Singapore other than the right to suspend the Constitution. At the last moment, however, he said that the majority of the delegation would reluctantly acquiesce in the retention of the limited powers required by the U.K. Government, but only on the two conditions that the use of these powers would be dependent on the recommendation of the Defence and Security Council ; and that U.K. representatives should not be in a majority on the Council

"These conditions would effectively remove from H.M. Government their power to carry out their responsibilities in the light of their own judgment. H.M. Government considered that to accept this position, in which they had clear responsibilities not only affecting Singapore but important to her neighbour Malaya and to the whole free world, without any certain power to take action other than to suspend the Constitution and to take over the entire government of the territory, would put them in a quite unacceptable position

"It proved impossible to reach agreement on this matter, and the conference concluded."

Abortive Efforts to resume Negotiations.

In a press statement after the breakdown of the conference, Mr. Marshall said that he had suffered "the bitterest disappointment of my life" and that "a great opportunity has been lost." He added that the breakdown of negotiations represented "a triumph for the Communists," and likened the British Government's offer to "a Christmas pudding with arsenic sauce."

Mr. Lennox-Boyd, on the other hand, said that the British offer would have gone "very far to satisfying the aspirations of the people of Singapore without ignoring strategic realities and the menace of Communism in the island." Like Mr. Marshall, he expressed great disappointment that the talks had broken down, but said that "we shall always be ready to try again."

A statement on the breakdown of the conference was made by the Colonial Secretary to the House of Commons on May 16.

Mr. Lennox-Boyd said : "We have been trying to find a Constitution for Singapore which would satisfy the aspirations of its people, and which would at the same time take proper account both of Singapore's importance in the defence system of the free world, and of the vulnerability of her mercantile and political life.

"H.M. Government offered such a Constitution to the delegation. It gave them the widest possible measure of internal self-government, the conduct of their own external affairs in trade and commerce, and an agreed solution to their citizenship problem which would have created a citizenship for Singapore equivalent to that enjoyed by the fully self-governing members of the Commonwealth. H.M. Government considered it necessary to retain, as a safeguard, the power to make Orders-in-Council for Singapore, but were willing to limit this power to matters affecting U.K. responsibilities for external defence and external affairs. This Constitution was refused by the majority of the delegation.

"Both sides agreed that the control of external affairs (other than trade and commerce) and of external defence should remain with the U.K. Government. But the majority of the delegation would not agree that any powers to act in Singapore (except within already defined defence establishments) should remain in the discretion of the U.K. Government, other than the right in the last resort to take the repugnant step of suspending the Constitution and assuming direct responsibility for the whole machinery of government in the island. This was not a position H.M. Government could accept.

"I could not in the space of this statement do justice to the details and complexities of the constitutional arrangements discussed. I will therefore set out the constitutional proposals and counter-proposals which were considered by the conference in a White Paper.

"I am certain many people in Singapore will regret that the majority of the delegation would not accept the imaginative and constructive proposals made to them. But no doors are closed, and I hope that moderation and good sense will recognize in these proposals a basis on which fruitful negotiations can yet take place.

Mr. Aneurin Bevan (Lab.) said that Mr. Lennox-Boyd had made "an exceedingly serious statement" which might have "very serious consequences." As he (Mr. Bevan) understood it, the conference had broken down on one point only—"the interpretation of where the frontiers lie between H.M. Government's rights in the island and the rights of the local government for internal security." In view of the fact that a wide area of agreement had been reached in the London talks, he asked whether Mr. Lennox-Boyd was prepared to have further discussions with Mr. Marshall before the Chief Minister returned to Singapore.

Mr. Lennox-Boyd said that Mr. Bevan's interpretation of the cause of the breakdown was "not by any means correct." The conference had not broken down "on the limited field of internal security" but fundamentally on two points. "First, on the refusal to recognize that we must have some power in the field of external defence reserved to us, other than the power totally to suspend the Constitution. Secondly, on the fact that we could not accept a constitution for the Defence and Security Council which would put the Government in a permanent minority on a body without whose authority we could take no action other than that of suspending the Constitution." Mr. Lennox-Boyd added that he would be having a personal meeting with Mr. Marshall the same evening, and that H.M. Government were "always prepared to renew discussions on the basis of our present proposals with this or any other Government of Singapore."

After a meeting on May 16 with three leading members of the Labour Party—Mr. James Griffiths, Mr. Aneurin Bevan, and Mr. Creech Jones—Mr. Marshall said that he had "an idea for a new approach which I believe would be acceptable to the British people and may be acceptable to our own people." The same evening he had a personal discussion with Mr. Lennox-Boyd at the latter's home, at which, however, he was accompanied by only two other members of the Singapore delegation. Mr. Lee Kuan Yew, the leader of the People's Action Party, described Mr. Marshall's attempt to reopen the negotiations as "madness," and said that the P.A.P. would not participate in the private talks with Mr. Lennox-Boyd. No agreement was reached in these private discussions, and Mr. Marshall, after taking leave of Mr. Lennox-Boyd, said there would be "no resumption of the conference."

Correspondence between Mr. Marshall and Mr. Lennox-Boyd was released on the same day (May 16), containing (*a*) Mr. Marshall's new proposals for overcoming the deadlock, which, as he pointed out in his letter, were made "entirely on my initiative and responsibility"; and (*b*) Mr. Lennox-Boyd's reply, in which the Colonial Secretary noted that Mr. Marshall's letter represented "an entirely personal approach" on the Chief Minister's part, and in which he said that because the majority of the Singapore delegation failed to support the new proposals, these "did not represent a basis on which the conference could resume its work."

Mr. Marshall to Mr. Lennox-Boyd. "Since the breakdown of the conference an idea for a new approach to our differences has occurred to me. I am putting forward the suggestion contained in this letter entirely on my own initiative and responsibility. You are aware how repugnant the whole principle of overriding powers of legislation is to me personally, and how dangerous I consider the existence of such powers is to the principle I seek to establish of stable and friendly relations with the United Kingdom.

"These imperial powers of legislation (as defined by you) are far outside the scope of what is normally understood by the phrase 'external defence.' This question of overriding powers is also very repugnant to the majority of my colleagues, and in the circumstances I do not wish to raise the matter with them again until I have got some assurance that there is a prospect that my suggestion would be acceptable to the Colonial Office as a basis for negotiation. The suggestion is this:

(1) That the overriding powers of legislation by Orders-in-Council and emergency regulations sought by you, in the context of your proposal for the composition of the Defence and Security Council, should be subject to affirmative resolution of the House of Commons.

(2) In order to meet the very real need of the people of Singapore for an end of colonial rule, the relationship of the State of Singapore with the U.K. should be outside the scope of the Colonial Office.

(3) That there should be a representative of her Majesty in Singapore, as the head of the State in Singapore, through whom the loyalty of the people of this nascent State would find a means of coalescing. Her Majesty's representative should be a Malayan and completely distinct from the political representatives of H.M. Government in Singapore.

"If you consider this a basis for reopening negotiations, I should be glad to hear from you and will seek to persuade my colleagues to agree. If this suggestion proves unacceptable to you, and this becomes my last official communication with you, permit me to express my appreciation of the personal friendliness you have shown towards me, and my admiration for your very real abilities."

Mr. Lennox-Boyd to Mr. Marshall. ". . . I note that the letter represents an entirely personal approach on your part. You repeat the suggestion you had made to me in conversation that the limited powers to make Orders-in-Council for Singapore, which I had proposed should, as a safeguard, be retained, should only be exercised subject to approval by affirmative resolution of the House of Commons.

"I told you that if the delegation supported your suggestion, and were willing to reach agreement on the basis of the proposals I had put to the conference, modified accordingly, I thought it offered a possible solution to the central problem on which the conference broke down. And, as I said to you later, if the Singapore Government wished to enter into fresh Government-to-Government negotiations on this basis, I would be very willing to meet them.

"But it seemed clear to me that we should only reconvene the conference if there were a reasonable prospect of reaching agreement. Nothing could do greater harm at the present time than to have a second breakdown in the talks. I felt, therefore, that I must ask you to let me know whether the proposal made in your letter had the support of the delegation as a whole before I could properly undertake to reopen the conference, and I invited you and all the members of the delegation still in London to meet me privately.

"Unfortunately only two members of the delegation, besides yourself, came to the meeting, and it became clear that the proposals did not represent a basis on which the conference could resume its work.

"I greatly appreciate the generous remarks with which you ended your letter to me. I would like, in my turn, to say how sorry I am that we were not able to reach agreement in our conference, and to thank you for your courtesy and your many personal kindnesses."

In a further statement to the House of Commons on May 18, Mr. Lennox-Boyd reiterated that Mr. Marshall's latest proposals were "purely his own personal suggestions" and not those of the Singapore delegation as a whole, which had "clearly disintegrated." Although he (Mr. Lennox-Boyd) had invited all the members of the delegation to meet him for informal talks, "all who came in the end were the Chief Minister and two of his colleagues." "It cannot possibly be said," he added, "that the delegation was behind these proposals . . . Had Mr. Marshall come forward on behalf of the delegation, or even with a majority of the delegation in favour of these proposals, I would have discussed the matter . . ." Mr. Lennox-Boyd declared that it was "now for the political pattern of Singapore to sort itself out before we can usefully resume negotiations," and emphasized that H.M. Government were "always prepared to resume discussions on the basis of our present proposals with this or any other Government of Singapore."

Mr. Marshall's Return to Singapore.

Mr. Marshall arrived back in Singapore on May 25, having broken his return journey in New Delhi for private discussions with Mr. Nehru on May 23.

In a broadcast to the people of Singapore on May 28, Mr. Marshall recalled that he had promised to resign if he failed in his London mission, and said that he intended to keep that promise. "The high hopes with which you sent your *merdeka* (independence) mission to London," he declared, "are like a dead bird at your feet." The Singapore delegation, he continued, had agreed that Britain should retain her military, naval, and air bases in Singapore, and had also agreed to include in the Constitution an undertaking to co-operate in providing civilian facilities for the bases, such as water supplies and the use of roads. Britain, however, wanted the right to make Orders-in-Council which, "though nominally concerned with external defence and foreign affairs, would touch every aspect of public life." Moreover, she was also unwilling to appoint a Malayan as High Commissioner, and desired to keep Singapore under the jurisdiction of the Colonial Office.

"Any arrangement that leaves you under the Colonial Office," Mr. Marshall declared, "is an arrangement which leaves you a subject people. No matter what written assurances you get, the centuries-old tradition of the Colonial Office is something distinct and separate from the democratic principles of the British people. The Colonial Office is a thing apart. The very essence of its philosophy is one of fascism in the international sphere, and no amount of written assurances and promises can make the leopard change its spots."

Mr. Marshall added, however, that "If Mr. Lennox-Boyd meant what he said to the House of Commons on May 18, there is a basis for reopening negotiations—not for full *merdeka*, but for something that is temporarily adequate." [This referred to Mr. Lennox-Boyd's statement that H.M. Government were always prepared to resume discussions "with this or any other Government of Singapore."]

An assurance that Britain was still "committed unequivocally to leading the people of Singapore to full self-government within the Commonwealth" was conveyed in a message from Mr. Lennox-Boyd to Mr. Marshall, the text of which was published in Singapore on May 31. It was indicated, however, that the Secretary of State could not accept the appointment of a Malayan as the Queen's representative in Singapore, or the detachment of Singapore from the Colonial Office to another Ministry, as such steps would be "premature and unwise." Commenting on this message, Mr. Marshall said that it was "now plain that the Colonial Office talk about asking only for powers to discharge external defence responsibilities is pure eyewash to fool public opinion; the truth is that the Colonial Office wants to retain complete control over Singapore as a colony at all times."

Resignation of Mr. Marshall.

The Singapore Labour Front, meeting on June 3, "sorrowfully endorsed" Mr. Marshall's decision to resign as Chief Minister following the failure of his "*merdeka* mission" to London. It designated Mr. Lim Yew Hock as Chief Minister on Mr. Marshall's resignation; appointed Mr. Marshall president of the Labour Front (a position formerly held by Mr. Lim); and paid tribute to his "unrelenting efforts to free the people of Singapore from colonial rule." Mr. Marshall formally tendered his resignation to the Governor (Sir Robert Black) on June 7, after making a "farewell speech" in the Legislative Assembly on the previous day.

In the course of this speech Mr. Marshall bitterly attacked the Colonial Office, alleging that it wished to keep Singapore in a state of "colonial slavery", accused the British Government of making Singapore "a live offering to their god of brass -SEATO"; and also attacked the Australian Government for "hurrying to the support of the U.K stand," although it had "at no time sought to ascertain the views of the Singapore Government on the British proposals, nor made any effort to obtain information as to our understanding of the facts." Mr. Marshall emphasized, nevertheless, that Singapore's long-term welfare required close and friendly collaboration with Britain within the framework of the Commonwealth, and declared that "the door must be kept open against the time when reason, justice, and good will can prevail."

Mr. Sutherland (the European nominated Independent member) repudiated Mr Marshall's allegations against the Colonial Office, declaring that it was not "all-powerful," as Mr Marshall seemed to imagine, and that it could in no sense whatsoever be described as "fascist" or as an "exploiter of humanity" [phrases used by Mr. Marshall].

Mr. Lim Yew Hock appointed Chief Minister.

Mr. Lim Yew Hock was asked by Sir Robert Black to form a new Government after the resignation of Mr. Marshall. Mr. Lim's administration was sworn-in on June 8, with the following membership:

Mr. Lim Yew Hock	Chief Minister and Minister of Labour and Social Welfare.
Mr. Abdul Hamid ..	Deputy Chief Minister, Local Government, Lands, and Housing.
Mr. W. A. C. Goode	Chief Secretary.
Mr. T. M. Hart ..	Financial Secretary.
Mr. C. H. Butterfield	Attorney-General.
Mr. Chew Swee Kee	Education.
Mr. A. J. Braga ..	Health.
Mr. J. M. Jumabhoy	Commerce and Industry.
Mr. Francis Thomas	Communications and Works.

Mr. Lim Yew Hock (41), regarded as a moderate, has played a leading part in the Singapore trade union movement, and was president of the Labour Front before becoming Chief Minister. Born in Singapore, he entered public life in 1948, when he was nominated by the Governor as a member of the Legislative Council. In 1951 he became an elected member of the Council, polling the highest number of votes of any candidate.

The Chief Secretary, Financial Secretary, and Attorney-General are European officials who, under the present Constitution, are Ministers *ex-officio*. Mr. Thomas is the only European non-official Minister, but is not elected. Mr. Abdul Hamid, the Deputy Premier, is the only Malay Minister and the only representative of the Malay-Chinese Alliance, which is part of the Labour Front coalition.

In a policy statement on June 8, Mr. Lim Yew Hock said that his Government would be prepared to hold fresh talks with Britain on Singapore's constitutional future; "the next move lies with the Colonial Office, but talks there must be and talks there will be." He added that he would approach the problem with a fresh mind, and that his Government were determined that Singapore should attain "full stature within the Commonwealth" at the earliest moment. In a subsequent statement Mr. Lim declared that he wished to build up "a national anti-Communist front."

Australian and New Zealand Support for British Attitude in Singapore Discussions.

The Prime Ministers of Australia (Mr. Menzies) and New Zealand (Mr. Holland) issued statements endorsing the attitude of the British Government in the discussions with Mr. Marshall and the Singapore delegation.

Mr. Menzies, in a statement on June 4 in Colombo (which he was visiting *en route* for the forthcoming London Conference of Commonwealth Prime Ministers), said that the Australian Government approved of the attitude taken by Britain in the discussions on Singapore. The negotiations had broken down on the question of internal security, and he personally shared the U.K. Government's view that it was "difficult to draw a line between the defence of a nation and its internal security." Denying that Britain was reluctant to grant independence to Singapore, Mr Menzies pointed out that no country had a greater record than Britain in granting self-government to its colonies by stages—as in the case of Ceylon.

Mr. Holland issued the following statement in Wellington on May 16: "New Zealand strongly supports the aspirations of the people of Singapore for self-government and independence. At the same time it shares the concern of the U.K. for the internal security of Singapore, the preservation of which is essential for the defence of the peoples of South-East Asia . . . The U.K. made very substantial proposals to the Singapore delegation, and these would mark a real advance in the constitutional progress of the Island. Singapore would have virtually complete responsibility for internal self-government, only questions of external affairs, defence, and certain reserved powers in internal security remaining with the United Kindom . . . The New Zealand Government is satisfied that the U.K. has done, and is doing, everything to advance the territory towards self-government. In the interest of Singapore itself, and of the protection and well-being of its inhabitants, the U.K. has had no alternative but to act as it has. The New Zealand Government therefore feels bound to express its endorsement of the U.K.'s stand . . ."

Ceylonese Premier's Statement on Singapore.

At a press conference on May 16, the new Prime Minister of Ceylon (Mr. Bandaranaike) made the following comment on the Singapore situation: "There is no question that Singapore is a key spot in the defence of the Commonwealth, and it is not to be wondered at that the British Government wishes to retain control of external and internal defence. I imagine that my own attitude on the bases in Ceylon perhaps had something to do with the stiffening of the British attitude to Singapore. I sympathize with the desire of the people of Singapore for absolute freedom, but I also understand the British point of view in this matter." - (Times - Daily Telegraph - Manchester Guardian - Australian News and Information Bureau - Directorate of Information Services, Wellington - Ceylon Government Information Department, Colombo)

(Prev. rep. Singapore, 14576 A.)

A. UNITED KINGDOM. — Disclosure of Espionage Trial in 1939. - Statement by Foreign Office.

The Foreign Office disclosed on June 7, for the first time, that a retired Army officer, Captain John Herbert King, had been sentenced to ten years' penal servitude in 1939 for passing information to the Soviet Government. A Foreign Office spokesman stated that King had worked in the Communications Department of the Foreign Office, which handles messages in code; that he had been tried and sentenced on Oct. 18, 1939 (i.e. six weeks after the outbreak of war), being then 55 years of age; and that the trial had been held in secret under the Emergency Powers Regulations then in force. The spokesman added that King had been released without serving the full term, having been given the usual remissions for good conduct; that he was believed to be still alive and living in the U.K.; and that he had been convicted on evidence supplied by the United States.

The disclosure followed a statement made in Washington on the previous day by an American author, Mr. Isaac Don Levine, in the course of testimony given to a Senate security sub-committee. Mr. Levine, described as an expert on Russian questions, was reported to have said that King had been "quietly shot" in the Tower of London, and to have described him as one of two Britons working for the Soviet Government the other being, he believed, Donald Maclean, the British diplomat who disappeared in 1951 and was now known to be working in Moscow. The Foreign Office spokesman said that the information from the U.S.A. about this second person was "too imprecise to identify the individual," but that, as Maclean had later disappeared, it was naturally suggested that he might have been this second man.

In a written reply to Mr. Arthur Henderson (Lab.), the Under-Secretary for War (Mr. Fitzroy Maclean) stated on June 11 that no British subject had been executed in the Tower of London from 1939 to the present.—(Times - Daily Telegraph)

A. ALGERIA. — Political Developments, September 1955 - June 1956. - "Soustelle Plan" rejected by Algerian Assembly. - Emergency Powers Bill passed by French National Assembly - Emergency Powers granted to Governor-General. - Policy Declarations by M. Mollet. - Administrative, Economic, and Social Reforms. - M. Fehrat Abbas joins National Liberation Front.

The French National Assembly approved on March 12 a Bill granting M. Mollet's Government emergency powers to deal with the situation in Algeria, both by means of exceptional measures needed to restore order and by the introduction of administrative, social, and economic reforms. The Government subsequently issued a series of decrees during March and April under which (1) the Governor-General, M. Lacoste, received far-reaching emergency powers; (2) military courts were authorized to deal summarily with crimes against persons or property; (3) the Algerian Assembly was dissolved, (4) provision was made for the admission of an increased number of Moslems to the public service; and (5) agrarian reforms intended to benefit tenants, landless peasants, and agricultural labourers were introduced. An earlier programme of administrative and agrarian reforms put forward by M. Soustelle, M. Lacoste's predecessor, had been rejected in September 1955 by the Moslem members of the Algerian Assembly, on the ground that it was inadequate to meet Algerian needs.

Details of these and other recent political developments relating to Algeria are given below under cross-headings.

"Soustelle Plan" rejected by Algerian Assembly.

A special session of the Algerian Assembly was summoned for Sept. 27, 1955, to vote on a programme of administrative, educational, and agrarian reforms put forward by M. Soustelle The main provisions of this programme were as follows:

(1) The system whereby rural areas were under the control of an administrator, assisted by a native caïd and a council of village representatives, was abolished Instead, "rural centres" (roughly corresponding to villages) would be administered by elected councils; the presidents and vice-presidents of these councils in each area would form the council of the "rural commune"; and the administrator would play a purely advisory role.

(2) The Moslem religion would be freed from State control i.e. the Governor-General's approval would no longer be required for religious appointments, and religious associations would be free to make their own appointments and to administer their own property. A Commissioner for Religious Affairs would be appointed by the Governor-General, and a consultative commission set up for each religious denomination.

(3) Teaching of Arabic would be compulsory in all State schools and at all stages of education. [These three reforms were all provided for by the Statute of Algeria in 1947, but had never been put into force.]

(4) The laws relating to land tenure would be simplified, in order to facilitate the exchange and redistribution of small holdings, the establishment of clear titles of ownership, and the construction of roads and drainage trenches.

(5) A fund for the expansion and modernization of rural property would be set up, under a chairman nominated by the Governor-General. The authority responsible for this fund would be empowered to acquire land, either by agreement or compulsorily, and to grant long-term loans, with a view to increasing the number of smallholders.

(6) A land tax would be introduced in irrigated areas as an incentive to landowners to increase the productivity of their land, and special loans would be granted to them for this purpose. If landowners in these areas had not taken advantage of the facilities available by a fixed date, their land might be confiscated and redistributed to smallholders.

(7) The *khamessa* system [whereby a landowner supplies seed and equipment to a tenant in return for four-fifths of his crop] would be abolished. Under such contracts, including those already in force, the crop would in future be equally divided between the landlord and the tenant.

The members elected by the first college announced their willingness to consider M. Soustelle's proposals. [The Algerian electorate is divided into two colleges, the first consisting of Frenchmen, Algerians possessing certain property or other qualifications, and their wives, and the second of all other male Algerians.] A meeting of Moslem representatives, however, which was also attended by Moslem members of the French Parliament, decided on the same day to reject the French Government's policy of integration, and to work for the recognition of Algerian nationality. This motion was adopted by 25 votes to 18, with seven abstentions and nine of the delegates absent; it was subsequently signed by four of the seven Moslem members of the Assembly of the French Union, five of the seven Moslem senators, 10 of the 15 Moslem members of the National Assembly, and 42 of the 59 Moslem members of the Algerian Assembly. The members of the French Parliament who signed it (many of whom had supported a policy of integration in the past) included senators and deputies of the Socialist, U.D.S.R., R.G.R., M.R.P., Independent Republican, *Paysan*, Social Republican (Gaullist), and Dissident Gaullist (A.R.S.) parties.

The motion formally condemned "the blind repression which strikes at a considerable number of innocent people, applying the principle of collective responsibility to defenceless populations," and demanded "the immediate cessation of this repression and a return to a more healthy and normal conception of the rules of justice." "After analysing the deeper reasons for the present disturbances," the motion continued, "they [the signatories] solemnly affirm that these reasons are essentially political They are thus led to state that the so-called policy of integration, which has never been honestly applied despite the repeated demands of the representatives of the second college, is now out of date. The immense majority of the population has at the present time been won over to the idea of an Algerian nationality. As faithful interpreters of these desires, the undersigned representatives consider it their duty to direct their activities towards the realization of this aspiration." The signatories (who from their number were usually referred to as "the 61") announced, in conclusion, their decision to form a permanent committee to co-ordinate their political activities.

A second motion was adopted thanking the Roman Catholic bishops of Algeria and the Chief Rabbi of Algiers for their public statements, in which they had "recognized the necessity of respecting the dignity of the people of Algeria without distinction of origin." The Archbishop of Algiers and the three other Algerian bishops had previously issued a statement appealing for measures to alleviate the acute poverty existing in Algeria, for equal rights for all sections of the population, and for mutual understanding and friendly co-operation between the different communities.

In view of this development M. Soustelle cancelled the proposed session of the Algerian Assembly (for Sept. 27, 1955) on the ground that, as many members of the Assembly had been subjected to threats, his proposals could not be discussed in the necessary peaceful atmosphere. The allegation that they had been influenced by pressure or threats was, however, formally denied by "the 61" on Sept. 29. The representatives of the first college, on the other hand, adopted a motion on Sept. 27 criticizing the postponement of the session, denouncing "any idea of separatism," and affirming their "unshakeable determination to maintain French sovereignty in Algeria."

In opposition to the motion of "the 61," 21 other representatives of the second college—including two members of the Assembly of the French Union, two senators, five members of the National Assembly, and 12 members of the Algerian Assembly -issued a statement on Sept. 28 announcing their support for the policy of integration, and emphasizing the grave consequences which might arise from a refusal to discuss M. Soustelle's proposals.

When the Algerian Assembly met on Nov. 29, 1955, for its normal budget session, M. Soustelle's proposals were submitted to its legislative committee. The vice-chairman of this committee (M. Gator), however, announced on Dec. 1 that the members of the "61" group refused to discuss them, as the situation called for more radical measures than the "mere palliatives" suggested by the Government. M. Gator thereupon withdrew with other members of the group, and, in consequence, the proposals were not placed before the Assembly.

The Algerian Assembly adopted on Dec. 8, by 67 votes to 10 with four abstentions, a resolution demanding the postponement of the elections to the National Assembly, which had been fixed for Jan. 2, 1956. M. Mesbah, a member of the Algerian Assembly, stated on Dec. 9 that the "61" were opposed to the holding of elections because the internment of many nationalists, the suppression of the nationalist parties, limitations on freedom of speech, the press, and assembly, and the military operations then in progress, made it impossible to hold a free vote. The French Government decided on Dec. 11 to postpone the elections indefinitely (see 14577 A).

Resignations of Algerian Representatives.

Moslem members of the Algerian municipal councils resigned in increasing numbers from November, 1955, onwards, on the ground that the repressive measures in force had made normal political life impossible. On Dec. 22 the co-ordinating committee of "the 61" called on members of the group to remain at their posts to "defend the idea of Algerian nationality and the liberties of the Moslem population" and decided to send a delegation to Paris as soon as a new Government was formed to win support for a policy of "autonomy within interdependence." The moderate nationalist *Union Démocratique du Manifeste Algérien* (U.D.M.A.), however, appealed on the same day to all its supporters who were members of public bodies to resign their seats, and a large number of new resignations were announced during the following fortnight.

Among those who resigned were two members of the Assembly of the French Union (M. Lechani and M. Bentchichou) and three members of the Algerian Assembly (Dr Bensalem, M. Bayoud, and M. Abdelmajid). Dr. Bensalem also resigned his position as president of the Constantine general council, together with 19 other members of the council M. Justrabo, a Frenchman and the only Communist member of the Algerian Assembly, resigned on Jan. 7, 1956

M. Sayah Abdelkader, president of the Algerian Assembly, resigned both the presidency and his membership on March 18, 1956. In a letter to M. Lacoste, he stated that the policy of unity with France which he had pursued in the past had failed, and expressed his belief that "new men will soon arise to represent the population of Algeria." The "61" group, in a statement issued on March 20, declared that the Algerian Assembly and local councils could no longer serve the country's interests, and demanded their abolition, the recognition of Algerian nationality, and a political amnesty.

Algerian Policy of M. Faure's Government.

Political Policy. M. Soustelle submitted proposals for the complete integration of Algeria with France to M. Faure's Government on Jan. 11, 1956.

M Soustelle suggested (*a*) that the French National Assembly should issue a solemn declaration proclaiming the "equality of rights and duties" between Moslems and other French citizens, and (*b*) that the Government should undertake to put this principle into effect within a given period. This policy would involve the unification of the French and Algerian public services, and the raising of wages and social security benefits in Algeria to the same level as in France. The Governor-General would be replaced by a Minister for Algeria, and the Algerian Assembly would be abolished. Three groups of *départements* would be set up in Algeria, each being placed under an inspector-general or "super-prefect" as in France Parity of representation for the Moslem and European communities would be guaranteed in communes where the latter formed a certain percentage of the population The division of the electorate into two colleges would be abolished, and the number of Moslem representatives in the National Assembly would be greatly increased.

Military Policy. The French Government's co-ordinating committee for North Africa approved on Sept. 22, 1955, proposals by M. Soustelle for the formation of "pacification zones" similar to that already established in the Aurès region under the direction of General Parlange.

Under this plan, 300 officers with special knowledge of native language and customs would be sent to strategic areas where fortified administrative headquarters would be set up, and would be responsible for the pacification of their areas and for the improvement of social and economic conditions. Each would be accompanied by a military unit or a mobile police group; in addition, native self-defence units would be formed, equipped with cars and radio. A "pacification zone" was established throughout the Kabylie in January, 1956, after a mission headed by General Jacquot had reported on the military situation in Algeria and recommended a more flexible deployment of the security forces,

Social and Economic Policy. M. Faure's Cabinet approved on Oct. 19, 1955, four Bills dealing with agrarian reforms in Algeria, similar to those already submitted to the Algerian Assembly by M. Soustelle. Action on these measures was prevented, however, by the subsequent dissolution of the French National Assembly.

M. Abel Thomas, of the Ministry of Interior, was appointed Commissioner-General for the Industrialization of Algeria on Jan. 21, 1956. The formation of an industrialization commission had previously been proposed by M. Soustelle and approved by the Algerian Assembly.

Termination of State of Emergency.

The state of emergency in Algeria having been automatically terminated by the dissolution of the National Assembly on Dec. 2, 1955, the following decree was issued on Dec. 5: "The Governor-General and Prefects of Algeria will report to the Government within 20 days on the measures which the exceptional circumstances oblige them to take to assure the maintenance of public order, the safety of persons and property, and the maintenance of the integrity of the territory. The Minister of Justice, the Minister of the Interior, and the Minister of National Defence and the Armed Forces are entrusted, within their own spheres, with the execution of the decree."

M. Faure (then Prime Minister) explained (*a*) that a number of laws and decrees existed which allowed special police measures to be taken for the protection of persons and property and the repression of certain criminal acts; (*b*) that the Government had recognized the right of the Governor-General and Prefects to take such measures in the light of circumstances, the exceptional character of which had to be judged on the spot; and (*c*) that the responsible authorities were required to report to the Government in order to avoid abuse of their emergency powers. A decree issued on Dec. 6 stated that all persons interned under the state of emergency were "mobilized until further notice for public works."

Policy Statements by M. Mollet.

General Catroux was appointed Resident Minister for Algeria on Jan. 31, 1956, when M. Mollet's Government took office, but resigned on Feb 6 following the violently hostile demonstrations by the French population which greeted M. Mollet's arrival in Algiers on the same day. M. Robert Lacoste was accordingly appointed Minister Governor-General on Feb. 9. [For details of these developments see 14681 A.]

The ex-servicemen's committee which, together with Poujadist and student organizations, had been responsible for the Algiers riots, formed on Feb. 7 a "Committee of Public Safety" (*Comité du salut public*) to agitate for the following objectives: (1) stronger military measures against the insurgents, (2) the use of "all methods, including military methods," to end foreign [i.e. Egyptian] intervention in North Africa, (3) an unequivocal affirmation of French sovereignty in Algeria; (4) the abandonment of the Government's proposals for a single electoral register in Algeria. A demonstration organized by this body led to further rioting in Algiers on Feb. 10, as a result of which the Ex-Servicemen's Federation dissociated itself from its activities.

After visiting the disturbed areas in the Constantine *département*, M. Mollet returned to Paris on Feb. 11. In a report on the Algerian situation, presented to the National Assembly on Feb. 16, he gave details of the programme of political, social, and economic reforms which his Government proposed to introduce in Algeria.

Referring to the Algiers riots, M. Mollet expressed the opinion that many of the demonstrators had acted in good faith, but had been misled by extremists. His visit, however, had succeeded in dispelling much of the tension in Algeria The rebels' activities, he continued, were conducted primarily on a political and psychological level, and France's reply would remain inadequate so long as it was confined to military measures. "The military leaders themselves have told me that the Army can keep terrorism within bounds, but not eliminate it so long as it is supported by a considerable section of the population The Government will therefore take the measures necessary to ensure respect for law and order, but at the same time it will give the Moslems ground for hope, and will itself make use of political and propaganda weapons. To ensure the security and protect the lives of the Europeans and Moslems of Algeria is France's first duty, but it is not the solution of the Algerian problem. That lies on the economic, social, and political plane."

The average yearly income of the Moslems, M. Mollet pointed out, was 33,000 francs a head, compared with 208,000 francs a head for the European population Half the Moslem population was under 18, and it was increasing at the rate of 200,000 a year The Government's first task would therefore be to provide the necessities of life for the 1,000,000 unemployed, to open a system of credits to provide work for them, and to limit immigration. France would make "an immense financial effort" to provide equipment, to exploit Algeria's natural resources, and to promote industrialization. This programme would begin with investments in small-scale agricultural development, such as soil improvement and the provision of irrigation facilities, and would also include "a vast plan of agrarian reform." The minimum wage of agricultural workers, which varied in different districts between 340 and 427 francs a day, would be substantially increased, and the system of family allowances would be extended to cover farm workers.

Turning to the political situation, M. Mollet refuted the suggestion that the European population were all "colonialists," although, he said, they included a small selfish minority wielding great financial power which stood behind the [European] extremist organizations and "shock groups." The great majority of Europeans in Algeria, however, were not prepared to follow the extremists, and France must restore their confidence by guaranteeing them security. At the same time it was necessary to satisfy the political aspirations of the Moslem population "To both Europeans and Moslems," M. Mollet went on, "I solemnly declare once more that the union between metropolitan France and Algeria is indissoluble. The Government will fight so that France can stay in Algeria . . . To both Europeans and Moslems I solemnly declare that France recognizes and respects the personality of Algeria. To both Europeans and Moslems the Government solemnly announces that the form which this personality will take will not be decided unilaterally. It will result from free discussions with the genuine representatives of the population, chosen by free and controlled elections. We shall not choose those with whom we shall negotiate; they will be chosen by universal suffrage. One of the Government's first preoccupations will be to hold free elections as soon as possible. The Government will give priority to the election of deputies from Algeria to the National Assembly. It will then proceed to the renewal of the Algerian Assembly . . ."

M. Lacoste made his first report to the Government on Feb. 27, recommending that reinforcements should be sent to Algeria in view of the deterioration of the military situation and the doubtful loyalty of Moslem units. After a meeting of the French National Defence Committee on Feb. 28, at which differences on the conduct of the Algerian campaign were reported to have arisen between members of the Government and certain Army leaders, General Guillaume resigned his post as

Chief of the General Staff of the Armed Forces. General Zeller, Chief of Staff and Inspector-General of the French Army, had already tendered his resignation a week earlier. The appointment of General Ely, the former C.-in-C. in Indo-China, as Chief of the General Staff of the Armed Forces, of General Piatte as Chief of Staff of the Army, and of General Blanc as Inspector-General of the Army, was announced on Feb. 29 (see 14768 B).

In a broadcast on Feb. 28, M. Mollet appealed to the population of Algeria to end the fighting, and promised that free elections would be held within three months of the restoration of peace.

After reiterating that "France recognizes and respects the personality of Algeria," but that "Algeria is and will remain indissolubly linked with metropolitan France," the Prime Minister continued "The definitive future status of Algeria will be fixed by free discussion with the elected representatives of the Algerian population. It will assure to the Moslem community recognition and respect for their distinctive characteristics and their rights, and to the European community their legitimate share To both it will guarantee respect for their dignity as free men and equality of rights, and to all equal justice, whether it is a question of ensuring respect for law, political democracy, or social democracy . . . All the Government's actions are intended to make free elections possible, but they cannot be held until peace is restored . . To Algerians of European origin the Government declares: Your lives and those of your families, your property, and your rights will be respected . . . But the Government also expects you to accept its policy of progress and to co-operate in carrying it out, so that an equal division of resources, labour, and responsibilities with your Moslem brothers may be attained To all the Moslems of Algeria I repeat, in the Government's name, this solemn undertaking: the guns must be silent, and then free and fair elections will be organized within three months after the fighting and acts of violence have ended . . . France sincerely and generously offers you justice and equality. If, however, you were to reject them, if you were to allow the gap to be widened, if you were not to agree with us in preventing further crimes such as all religions and laws condemn—crimes against women, children, and the aged—France would be forced to mobilize all her resources to ensure the security of the population . . "

Debate on Emergency Powers Bill. - Vote of Confidence for M. Mollet.

An Emergency Powers Bill was introduced in the French Assembly on March 1, under which the Government was empowered (1) to legislate by decree on the development of Algeria's economy, agrarian reforms, the improvement of the Moslems' living standards and working conditions, and the reorganization of local administration; (2) to extend to Algeria the application of laws and decrees already in force in France; and (3) to "take any exceptional measures demanded by circumstances with a view to restoring order, protecting life and property, and safeguarding the territory." These powers would automatically cease when the existing Government ceased to be in power. The debate on the Bill, which the Government made a question of confidence, opened in the National Assembly on March 8.

M. Lacoste stated that since November 1954 the rebellion had spread until it now covered one-third of northern Algeria. Unity of action had been established among the rebel bands, which had increased in size from 20 to 200 men The number of casualties had risen from 30 in November 1954 to 285 in January 1956; these included 95 soldiers and police and eight European civilians, the remainder being Moslem civilians. The average number of attacks on motor-vehicles had risen from 20 a month in the summer of 1955 to 50 a month in the autumn and 86 in January, and the number of cases of sabotage from 1,000 in December 1954 to 1,500 in January 1956. Out of 1,500 farms owned by Europeans in the Constantine area, 300 had been destroyed. In an increasing number of villages the rebels had set up their own administration.

The restoration of order, M. Lacoste continued, could not be subordinated to any conditions, but, on the other hand, the organization of free elections and the introduction of reforms could not await the complete restoration of order To postpone these reforms would give Moslems the impression that France intended to enslave them by force to "the great colonialist interests for which their hatred is unlimited." The Government needed special powers to enable it to co-ordinate the political, administrative, military, and judicial measures necessary both for the restoration of order and the introduction of reforms Since the dissolution of the previous Assembly and the consequent termination of the state of emergency, acts of terrorism had increased from 1,200 in December to 1,803 in January. As the authorities no longer had the right to search houses by day or night, they could no longer control the movement of weapons A stronger press and radio censorship was necessary, and normal juridical processes were inadequate to ensure security.

The Algerian peasantry, M Lacoste said, were conscious of their poverty, and many of them were "prepared to die fighting because they could no longer live by working." The law reserving certain municipal posts for Moslem ex-servicemen was not being enforced, and it was untrue to say that Moslems and Europeans had equal access to public employment. The Bill, however, would enable more Moslems to be employed in public administration It was also necessary to raise the wages of agricultural workers and to improve the social services, but the major problem of raising the living standards of a population which was increasing by 200,000 a year could be solved only by a comprehensive economic plan. The Government intended to end the exploitation of tenant-farmers, and to facilitate the establishment of peasants on the land by the expropriation of large estates. Irrigable land which was left uncultivated would be handed over to unemployed *fellahs* if it was not brought under cultivation. Plans for the establishment of oil refineries and an automobile industry were being studied, and prospecting for minerals was in progress. Local government would have to be transferred to the elected representatives of the people, although the application of the French system to all Algerian communes, many of which were impoverished villages, would be very difficult; some towns could immediately receive the same status as French communes, whilst in other areas "rural centres" would be set up. "Some maintain that the time for reforms is past," M Lacoste concluded. "That is the excuse of those who wish to do nothing. What is past is the time for promises. What has arrived is the time for firm and rapid action."

M. Mamadou Dia (Overseas Independent), a Moslem deputy for Senegal, said that the policy of administrative reforms was out of date, as the great political issue was now Algerian nationalism. The Government, he suggested, should grant Algeria a large measure of autonomy, an Algerian Assembly elected by universal suffrage on the basis of a single electoral register, and an Algerian executive, and should negotiate a new status for Algeria whereby it would become "a State integrated into the French Republic."

M. Soustelle declared that the loss of Algeria would be "a national disaster comparable to Sedan or June 1940." It would mean that France would cease to be a great Power, and would no longer be able to remain in Dakar and Brazzaville Accusing Egypt of being the centre of an "anti-French conspiracy," he stated that instructions and money regularly reached the insurgents from Cairo, where a three-man committee (Ben Bella, Bou Diaf, and Messas) directed the Algerian uprising with the assistance of Egyptian officers The rebels' arms were largely of local origin or came from the black market, but U.S. and British material was also reaching them from Egypt. He himself had seen a receipt, signed by an insurgent leader, thanking Colonel Nasser (the Egyptian Premier) for a consignment of American machine-guns and British rifles, and also a message from Ben Bella bearing the words "done on the instructions of Big Brother"—whom the insurgents understood to be Colonel Nasser. Arms were sent through Libya, and meetings of insurgent leaders were held in that country with the Libyan Government's approval; in November 1955 seven tons of arms sent through the Fezzan had been intercepted. Ben Bella and Bou Diaf also made frequent visits to Spanish Morocco, where recruiting was carried on. This conspiracy—which, M. Soustelle said, aimed at replacing the "Paris-Algiers-Brazzaville axis" by a "Cairo-Morocco axis"—endangered the policies of both France and her allies.

M. Lejeune (State Secretary for the Armed Forces) gave an assurance that the troops in Algeria, which numbered 200,000, were being steadily reinforced. It was necessary, however, for the Army, which had been supplied with heavy equipment in preparation for a possible conflict in Europe, to recover its mobility in order that it might penetrate rural areas, some of which had not been visited by a Frenchman for 10 years. Aircraft would also play a greater part in reconnaissance and the protection of convoys, and for this purpose helicopters would be supplied by France's allies.

M. Maurice Schumann (M.R.P.) expressed the opinion that the insurgents would ignore M Mollet's appeal, because those who inspired them from Cairo were determined to fight to the end and aimed at the formation of "an immense Arab empire" Deprecating demands which had been put forward for the breaking-off of diplomatic relations with Egypt, he observed that "Egypt has become too accustomed to being wooed by the United States—especially since the Soviet Union made eyes at her—for representations from France alone to make any impression." M Schumann urged that Britain, the U.S.A., and France should make it clear to Egypt that intervention in North African affairs was irreconcilable with neutrality, and should "extend the Atlantic community by a Mediterranean community."

M. Guyot (Communist) appealed for the opening of negotiations with the Algerian insurgents. He maintained that it was possible, "if we recognize Algeria's national claims, to make that country an ally and a friend of France inside a French Union founded on equality of rights between the peoples composing it."

M. Mollet emphasized that the Algerian problem was unlike any other, and that the solution must therefore be different from those in Indo-China, Tunisia, or Morocco. Two distinct communities lived in Algeria, both numerically important and economically interdependent. The great majority of the 1,000,000 Europeans were workers born in Algeria, who meant to stay there because they would feel like exiles anywhere else The 8,000,000 Moslems had never formed a nation but were closely united by their religion, every day they were becoming more united, some under the influence of propaganda, others because they felt that France had denied them equality of rights. M. Mollet declared: "I must plainly tell those who make the restoration of order the only objective, a sort of precondition for all reforms, that if you offer only a military reply, combined with promises for the distant future, to the great majority of Moslems who today are still seeking anxiously for reasons for hope, you will make them think that the handful of extremists are right . . . We shall not democratize Algeria unless we are strong and resolute, but we shall not keep Algeria unless we abandon our conservatism."

Continuing, M Mollet said that everyone agreed that the links between Algeria and France must be preserved, but not all agreed how this should be done "Some say it is simple, Algeria is a French province Others, on the contrary, believe that it is necessary to recognize the fact of Algerian nationality by granting independence, and then to discuss the links of interdependence As a democrat and a Socialist, I can imagine no finer task for France than to transform all the inhabitants of Algeria into free and equal French citizens of a just and fraternal republic France, perhaps because of certain Frenchmen in Algeria, has been unwilling or unable to do so. Today the truth can no longer be concealed Because it contains 8,000,000 unassimilated Moslems, Algeria is not a French province like Artois or Normandy At the same time, because it contains 1,000,000 Frenchmen of metropolitan origin, it cannot be a Moslem national State We completely reject the idea of an Algerian State, which does not correspond to any reality"

M. Mollet said that one-fifth of the French Army was already in Algeria, and that an increasing number of conscripts would be sent there every day. The security of the European population would be assured, but the tiny majority of large property-owners would have to renounce their privileges, if they refused, the Government would use its emergency powers to force them to do so. Fundamental reforms would be introduced immediately wherever possible, but at the same time "our enemies will be made aware of the presence of the French Army."

M. Bidault (M R P.) declared that his party would vote for the Bill, although the Government's concessions in Morocco and Tunisia did not inspire confidence in its Algerian policy He demanded that, as its appeal to the insurgents had produced "no response except more murders," the Government should put an end to its "indulgent attitude towards crime"

M. Paul Reynaud (Independent) gave warning that if the next few weeks were wasted almost all the Algerian people would turn against France, and demanded an "immediate and massive military action" He criticized the proposal for a single electoral register, and called for "equal rights for each of the two communities" in Algeria

M. Daladier (Radical) deprecated all talk of negotiations, but appealed to the Government to pursue its policy of reforms concurrently and with the same energy as the task of pacification

M. Duclos (Communist) said that his party favoured the "existence and permanence of political, economic, and cultural links between France and Algeria," but that it was necessary to "recognize Algerian nationality as a fact," to negotiate a cease-fire, and to end repressive measures

The Bill was adopted on March 12 by 455 votes to 76, being supported by the Socialists, Communists, U.D.S.R., R.G R (the dissident Radicals under M. Edgar Faure), and Overseas Independents, and by the majority of the Radicals, M.R.P., Social Republicans, Independents, and *Paysans*. The opposition comprised 48 Poujadists, 21 Independents, one Radical, one M.R.P. deputy, one Social Republican, two *Paysans*, and two *non-inscrits*. The Council of the Republic approved the Bill on March 16 by 288 votes to six—three Independents, two *Paysans*, and one R.G.R. member.

Issue of Emergency Decrees.

On the basis of the Emergency Powers Act, the French Cabinet approved on March 17 a series of decrees, details of which are given below.

Emergency Powers of Governor-General. M Lacoste, in his capacity as Governor-General, was empowered to forbid all traffic in any given area, to regulate or forbid the import, export, sale, or transport of any commodity; to regulate or forbid residence in certain zones; to order anyone sheltering a person not a member of his family to report the fact, to control the movement into or out of Algeria of any person, French or foreign; to assign an obligatory residence to any person, to forbid public or private meetings likely to cause disorder, to close any hall, café, shop, or other public meeting-place, to order the registration or removal of arms and explosives, to authorize house searches by day or night, to censor the Press, publications, broadcasts, films, plays, and telegraph and telephone messages, to suspend any official; to dissolve any organization, to carry out requisitions, to order any persons who had damaged public or private property to repair it; to order ships in Algerian harbours to be searched, to postpone by-elections, to suspend members of public bodies; to transfer to a commission the powers of public bodies more than half the members of which had resigned; to transfer the powers of mayors to his own nominees; to delegate to the Prefects the powers granted to himself; to transfer police powers in a given area from the civil to the military authorities, and to punish breaches of orders issued under the decree by imprisonment from one week to two years and/or fines of 5,000 to 2,000,000 francs.

Powers of Military Courts. Military courts were empowered to deal with the following offences, if committed after Oct 30, 1954 · crimes against the security of the State, armed rebellion, illegal possession of arms, murder, assault, kidnapping, rape, arson, and robbery. The military authorities might order the immediate trial by a military court of persons arrested in the act of committing crimes against persons or property and found to be in possession of arms or explosives. Any member of the armed forces deserting to the insurgents with his arms would be liable to the death penalty.

Command of the Armed Forces. The Supreme Military Commander in Algeria would be General Lorillot, under whom would be the Commanders of the Algiers, Oran, and Constantine military areas, the General Commanding the Southern territories, and the Commanders of the 7th Mechanized Division and the 5th Armoured Division, whose transfer from Western Germany to Algeria had been decided upon by the Government

Recruitment of Moslems for the Public Service. For a period of 10 years, the age-limit for admission to the public services would be raised by five years for Moslems Until Dec 31, 1960, Moslems who did not possess the normal qualifications might be admitted into the public service on trial, and a certain proportion of vacancies (to be fixed each year by the Governor-General) would be reserved for Moslems. This proportion was subsequently fixed at 50 per cent

Agricultural Wages. The wages of agricultural workers would be raised as from March 26

M. Lacoste issued an order on March 20 under which no Frenchman or foreigner might enter Algeria without an official pass. Large numbers of Algerian workers had left France during the preceding weeks to join the insurgents, especially since the Algiers riots of Feb. 6; according to statistics published by the Ministry of the Interior, 8,576 had left by sea during February (as compared with 4,217 in February 1955) and 2,177 during the week March 1-6. A similar increase was recorded in the number leaving by air.

During M. Lacoste's absence in France strong feeling was aroused in Algeria over the question of those insurgents (numbering over 60) who had been sentenced to death, but none of whom had yet been executed. The "Co-ordinating Committee for the Defence of French Algeria" (an unofficial body including many mayors) had threatened on March 14 to call an administrative strike if none of the sentences had been carried out by March 21, to which the insurgents replied on the following day by threatening to kill two French officers for every nationalist executed After a meeting on March 19 between M. Lacoste and the "Co-ordinating Committee," at which he gave an assurance that vigorous measures would be taken against terrorism and that sentences passed by military courts would be carried out immediately, the Committee agreed to call off the proposed strike.

Administrative, Economic, and Social Reforms.

Seven decrees providing for economic and social reforms in Algeria were published on March 27. These laid down (1) that at least half the new employees recruited by public undertakings —such as the gas and electricity services and the railways— should be Moslems; (2) that a consultative committee should be set up to study, encourage, and co-ordinate measures for the redistribution of landed property; (3) that an agricultural bank (*caisse*) should be set up to grant loans and credits to small farmers receiving land under the reform, these credits to be repaid over a maximum period of 25 years; (4) that rents payable by farmer-tenants in kind should not exceed half the total crop; (5) that uncultivated land might be expropriated in whole or part; (6) that the existing agricultural credit institutions should be unified. These decrees were followed on April 26 by another providing that no-one should own more than 50 hectares (about 125 acres) of irrigable land, and that any land held in excess of that limit could be expropriated by a simple administrative decision and placed at the disposal of Moslem peasants, who would be eligible for long-term loans.

The Algerian Assembly was dissolved, and its powers provisionally transferred to M. Lacoste, under a decree published on April 13. M. Chaussade (Prefect of the Marne *département*) was appointed Secretary-General to the Governor-General's office on April 24, whilst M. Papon (formerly Secretary-General for Morocco) was appointed Prefect of Constantine (a post he had previously held from 1949-51) and Inspector-General for the Bône and Constantine *départements*. M. Cutloli and M. Dupuch, the retiring Secretary-General and Prefect of Constantine respectively, were both closely associated with M. René Mayer, the former Radical Premier, who had frequently acted as spokesman in the National Assembly for the right-wing Algerian settlers.

M. Mollet discussed the significance of these measures in relationship to the Government's general policy in a speech to press representatives on April 13.

Military measures, said M. Mollet, formed only part of "a vast political, economic, and social programme for the peaceful solution of the Algerian problem" His appeal to the rebels to surrender still held good; where necessary the Government would authorize local contacts with them, and those who agreed to a cease-fire would be protected by guarantees, provided they were not guilty of crimes. The military effort would in any case not lead to a return to the situation existing before the rebellion, as the Government had proved by its administrative and social measures The Algerian Assembly had been dissolved because, with the resignation of many of its members, it had ceased to be representative. The Government's agrarian reform decree would affect 400 large landowners and would make tens of thousands of hectares available for redistribution. The

Government were also studying proposals for an old-age pension scheme for the Moslem population. As a result of this policy, M Mollet claimed, the extremist minority had lost its influence among the Algerians of European origin, and hope was being reborn among the Moslems.

The dissolution of the Algerian Assembly led to strong protests from the members of the first college and from the Federation of Algerian Mayors. A section of the European students of Algiers University went on strike on May 4 as a protest against the proposal to increase the number of Moslem civil servants, the Moslem students retaliating on May 19 with a counter-strike. On May 22 the Moslem Students' Association issued an appeal to all its members to abandon their studies and join the insurgents.

M. Fehrat Abbas joins National Liberation Front.

A major political sensation was caused by the arrival in Cairo on April 21 of M. Fehrat Abbas, president of the *Union Démocratique du Manifeste Algérien* (U.D.M.A.), which was described in the French Press as "a turning-point in the history of the rebellion."

M. Fehrat Abbas, the most prominent Moslem member of the Algerian Assembly, had at one time supported a policy of complete assimilation of Algeria to France, since 1943, however, he had advocated the establishment of an autonomous Algerian republic federated to France, and in recent interviews with M Lacoste had emphasized the necessity of recognizing Algerian nationality. He was accompanied on his arrival in Cairo by Dr Ahmed Francis, a member of the U D M A executive, Sheikh Ahmed Tawfik El Madani, general secretary of the association of *ulema* (Moslem religious teachers), and Sheikh Abbas, a member of the council of the association All four were received on their arrival by M Khidder, the political leader of the "National Liberation Front," and M Ben Bella, C.-in-C. of the "National Liberation Army"

At a press conference in Cairo on April 25, M. Fehrat Abbas announced his own and his party's adhesion to the National Liberation Front. He added:

"The French leaders ask with whom they can negotiate We reply—undoubtedly with the men of the National Liberation Front, who are fighting for the freedom of their people . . All the forces struggling for the liberation of North Africa are united under a single command Henceforward there are no more political divisions or parties in Algeria . . . There will be neither peace, nor truce, nor armistice, but only an intensification of the struggle which the French have forced on us, until the colonialist forces and the mercenaries of the French are destroyed or evacuated . . We are ready to negotiate with France in the name of the Algerian National Front. We lay down one condition only for negotiations—France must recognize the existence of an Algerian nation"

M. Kiouane, leader of the right-wing group which broke away from the Movement for the Triumph of Democratic Liberties (M.T.L.D.) in 1954, also arrived in Cairo on April 26. The adherence of these political leaders meant that only the left-wing of the M.T.L.D. (less M. Messali Hadj)—now calling itself the Algerian National Movement—and the Communists remained outside the National Liberation Front.

Police Measures.

A number of French journalists and other individuals were arrested during the period under review on charges of attempted demoralization of the armed forces or establishing unauthorized contacts with the insurgents, whilst several persons, both of right-wing and left-wing views were expelled from Algeria.

M Robert Barrat, formerly general secretary of the Catholic Centre of French Intellectuals, who had met and interviewed the insurgent leader Bou Amrane and had published a report of their meeting in the left-wing weekly *France-Observateur*, was arrested on Sept. 26, 1955, and charged with "non-denunciation of crimes compromising the internal and external security of the State", he was, however, released on the following day M Claude Bourdet, editor of *France-Observateur*, was arrested on March 31, 1956, and charged with attempted demoralization of the Army, but was granted bail in view of his distinguished record in the Resistance movement M. de Maisonseul, head of the town planning department in Algiers, was arrested on May 27 on a charge of establishing contacts with the insurgents with a view to opening negotiations. Similar proceedings had been initiated against Professor Mandouze, of Algiers University, who had settled in France after right-wing students had sacked his house as a protest against his views

Mlle. Claude Gérard, who played a distinguished role in the French Resistance movement as commandant of the *maquis* in the Dordogne, was arrested on May 29 on a charge of endangering the external security of the State Mlle Gérard, who had spent 10 days with units of the Algerian National (i e. the Messalist) movement, had reported her experiences in an article in *Demain* (a weekly) in which she drew a close parallel between the Algerian resistance to the French and the French resistance to the Germans; although it was originally proposed to try her in Algiers, it was announced on June 2 that the trial would take place in Paris

Father Augros, a priest of Soul-Ahras, and his two curates were expelled from the *départements* of Bone and Constantine on April 24. The three priests had co-operated closely with members of the Moslem community, including prominent nationalists, in their charitable activities, and had issued a statement which, while condemning all forms of terrorism, had appealed to Christians to work for the removal of the political and social injustices responsible for the uprising Another priest, the Abbé Berenguer, was expelled from the Oran *département* on May 5 for "activities liable to disturb public order."

The expulsion from Algeria of two alleged right-wing agitators—M. Boyer-Banse, president of the French North African Union, and Professor Bousquet, of Algiers University—was ordered by M Lacoste on May 9

A force of 7,500 soldiers and police carried out a house-to-house search of the Kasbah (the densely-populated Moslem quarter of Algiers) on May 27, during which 4,731 suspects were arrested. The police subsequently claimed to have seized large quantities of arms, ammunition, explosives, uniforms, and documents.

Nationalist Trade Union Federations.

The formation of two new Algerian trade union federations under nationalist leadership was announced on Feb. 20 and March 2 respectively—the *Union des syndicats des travailleurs algériens* (U.S.T A) and the *Union générale des travailleurs algériens* (U.G.T.A.), both of which applied for membership of the International Confederation of Free Trade Unions. The former of these was supported by the "Messalist" Algerian National Movement, and the latter by the National Liberation Front. The U.G.T.A. claimed in May that it had been joined by 50,000 Moslem members of the Communist-led General Union of Algerian Trade Unions (U.G.S.A.).

M. Lacoste ordered on May 9 the expulsion from Algeria of M. Goumis, an Algerian union leader who was accused of "entering into relations with U.S. special services in order to create an anti-French trade union," and of Mr. Irving Brown, a U S. trade union official who had assisted in the formation of both the new unions.—(Le Monde, Paris - Le Figaro, Paris)

(Prev. rep. Political Developments, 14681 A; State of Emergency in Algeria, 14577 A.)

A. UNITED KINGDOM. — Defence Policy. - Appointment of Director-General of Atomic Weapons.

It was announced by the Ministry of Supply on March 27 that Mr. E. S. Jackson had been appointed Director-General of Atomic Weapons as from April 1—a new post to be established when Lieut.-General Sir Frederick Morgan ended his term of office as Controller of Atomic Weapons.

The statement recalled that when the Atomic Energy Authority had been set up in January 1954, the responsibilities of the Ministry of Supply in this field had become limited to trials and the supply of nuclear weapons for the Services General Morgan had then been asked to continue to direct this work as Controller of Atomic Weapons, but "in the light of the progress made and experience gained in the past two years" it had now been decided to integrate these responsibilities more closely with the work of the Controllers of Aircraft, Munitions, and Guided Weapons

Mr. Jackson (46) was Director-General of the aircraft branch of the Allied Control Commission in Berlin in 1945.
(Times - Daily Telegraph) **(Prev. rep. 13320 B.)**

B. NEW ZEALAND. — Salary Increases for State Employees. - New Salary Scales.

A new scale of increased salaries for State employees was announced by the New Zealand Prime Minister, Mr. Holland, on May 5 The increases were: (*a*) from £15 to £80 on salaries up to £1,220 a year, (*b*) from £80 to £240 on salaries up to £1,960, and (*c*) from £275 to £410 on salaries above £1,960 (subject to parliamentary appropriations).

Mr Holland explained that the increases were aimed at bringing State service salaries into line with salaries outside; at providing adequate margins for responsible positions; and at providing scope for the recognition of professional training and specialized knowledge.

The increases, affecting 125,000 employees and costing some £NZ.4,000,000 a year, came into retrospective effect from April 1, 1956. (Directorate of Information Services, Wellington)

C. UNESCO. — New Members.

The U.N. Educational, Scientific, and Cultural Organization (Unesco) announced on May 23 that Bulgaria had become the 75th member of the Organization, having deposited her formal adherence on May 17. Paraguay (the 73rd member) had formally assumed membership on June 28, 1955, and Ethiopia on July 4, 1955.

Monsignor Pirozzi, of the Vatican State Secretariat, was nominated by Pope Pius XII on June 27, 1955, as the Holy See's permanent observer to the Organization. (Le Monde, Paris)
(Prev. rep. 14084 A.)

A. FRANCE - INDIA. — De Jure Transfer of Former French Settlements to Indian Sovereignty.

A treaty formally ceding to India the former French settlements of Pondicherry, Karikal, Mahé, and Yanaon (Yanam) was signed in New Delhi on May 28 by Mr. Nehru, in his capacity as Minister of External Affairs, and by Count Ostrorog, the French Ambassador.

The treaty, which superseded the agreement of Oct. 21, 1954, under which the settlements had been transferred *de facto*, consisted of 31 Articles and an annexe, its principal provisions being as follows:

(1) "France cedes to India in full sovereignty the territory of the Settlements of Pondicherry, Karikal, Mahé, and Yanaon (Yanam)."

(2) The Settlements would retain the benefit of the special administrative status which was in force prior to the *de facto* transfer in November 1954, and any future constitutional changes would be made only after ascertaining the wishes of the inhabitants.

(3) French nationals born in the Settlements and domiciled there at the date of the treaty becoming operative would become nationals and citizens of the Indian Union, unless they chose to retain French nationality by means of a written declaration made within six months of the treaty coming into force. Provision was made for children under 18 to change, within six months of reaching their 18th birthday, the nationality chosen by their parents.

(4) The Government of India would take over, with safeguards for conditions of service, remuneration, pensions, etc., all civil servants employed in the Settlements, except those belonging to the French Metropolitan Civil Service.

(5) The Government of India would take over from the French Government all the Administration's credits, debts, and deficits, and would repay to the French Government the full amount of French Treasury loans and advances made to the Settlements.

(6) Persons retaining French nationality would enjoy freedom of residence, movement, trade, profession, etc.

(7) French nationals and businesses could freely repatriate capital and property to France within ten years from Nov 1, 1954.

(8) All provisions guaranteeing the freedom of religion and religious bodies which were in force before the transfer would be respected by the Indian Government. Religious institutions would continue to function as hitherto, and would have the right to own their properties.

(9) The *Collège Française de Pondichéry* would continue in its present premises as a French educational establishment. The French Government would remain in charge of its administration and teaching, and would continue to own the premises.

Private French educational institutions in existence on Nov. 1, 1954, would be maintained They would continue to impart French education, receive the subsidies and other facilities hitherto enjoyed from the local authorities, and be permitted to receive aid from France.

(10) Existing French scientific and cultural institutions would likewise continue to function, and facilities would be granted by agreement between the two Governments for the opening of similar institutions in future

The French Institute of Higher Studies at Pondicherry (inaugurated in March 1955—see 14126 A) would continue to be owned and maintained by the French Government as a research and advanced educational establishment. The Government of India would provide facilities to further its activities.

(11) The equivalence of French diplomas and degrees would be recognized by the Indian Government for admission to higher studies and administrative careers in India.

(12) French would continue to be the official language of the Settlements until such time as the elected representatives of the population decided otherwise.

(13) The French Government retained the custody of all records of historical interest, while transferring to the Indian authorities such records as were required for purposes of administration.

(14) The treaty would become effective on ratification by both countries.

Immediately after its signing, Mr. Nehru presented the treaty to Parliament. In a brief speech he expressed "high appreciation" of the French attitude throughout the negotiations which followed the *de facto* transfer of the Settlements to Indian administration 19 months ago, and added: "Thus far, results have not been achieved in regard to the Portuguese settlements. Nevertheless, the process of completing the political unity of India proceeds apace; and I have no doubt the time will come when it will be my privilege to report to this House that the Portuguese establishments have also been transferred to the Indian Union."

Chandernagore, the fifth former French Settlement in India, had already been transferred *de jure* to the Indian Government in 1952.—(Le Monde, Paris - The Hindu, Madras)

(Prev. rep. 13998 A; 13857 A; 12423 C.)

B. DENMARK. — New Defence Minister.

Hr. Rasmus Hansen, the Danish Defence Minister, resigned on May 23 for reasons of health and was succeeded by Hr. Poul Hansen, chairman of the Social Democratic Party.

(Berlingske Tidende, Copenhagen) **(Prev. rep. 14439 B.)**

C. NORTHERN RHODESIA. — New Copper Mine.

The Chibuluma copper mine, near Kitwe, was opened by the Governor-General of the Federation of Rhodesia and Nyasaland (Lord Llewellin) on May 5.

The mine, which is owned by the Rhodesian Selection Trust group, is the first to go into production in the Northern Rhodesian copperbelt since just before the outbreak of the Second World War. It will produce 16,000 tons of copper and 500,000 lb. of cobalt annually when fully working The copper concentrate will be smelted at Mufulira, another mine of the group, and the cobalt concentrate will be treated at a plant now being built by Chibuluma Mines Ltd. at Ndola. The cost of building and equipping the new mine was about £6,000,000, of which £5,000,000 was obtained through a loan from the U S. Government under the European Recovery Programme

Mr. R. L. Prain, chairman of the Rhodesian Selection Trust, announced on May 22 that his group planned to open a new copper mine at Chambishi and to increase production at the Mufulira mine by up to 50 per cent, making it the largest copper mine in the Federation and one of the largest in the world. The implementation of these schemes, he said, would be dependent upon the completion of the Kariba scheme and the assurance of adequate rail facilities.

The Chambishi mine was one of the earliest copper deposits discovered in the Copperbelt in 1902, but preparatory work was abandoned in the 'thirties. The copper production of the Mufulira mine totalled 83,193 long tons in 1954-55.

(Federal Information Dept., Salisbury - Financial Times) **(Prev. rep. Copper Mines Survey, 14844 A, footnote; Rhodesian Selection Trust, 14751 A; U.S. Loan, 11688 D.)**

D. WESTERN GERMANY. — Growth of German Branches and Investments Abroad.

The Federal Ministry of Economics announced on May 18 that permits for the setting-up of branches and for the acquisition of capital investments abroad by West German industrial and commercial firms totalled 937,432,800 Deutschemarks during the period Feb. 1, 1952 to March 31, 1956. The total, showing the growing tendency of West German undertakings to extend their activities abroad, was divided as follows: 1952, 27,066,700 DM.; 1953, 130,888,500 DM.; 1954, 200,561,700 DM.; 1955, 436,088,500 DM.; 1956 (first quarter), 142,827,400 DM.

The largest German investments were made in Brazil (175,541,000 DM.), Canada (110,054,900 DM.), the franc area (101,742,900 DM.), the U.S.A. (96,148,300 DM.), Argentina (61,192,300 DM.), Switzerland (49,303,900 DM.), Spain (33,363,800 DM.), South Africa (25,338,600 DM.), Egypt (19,525,600 DM.), Italy (18,077,900 DM.), India (15,177,600 DM.), and Turkey (15,160,800 DM.).

(Federal Government Bulletin, Bonn)

E. SOUTH AFRICA. — New High Commissioners to Britain and Rhodesia-Nyasaland Federation.

The Union Minister for External Affairs (Mr. Louw) announced on May 29 that Dr. J. E. Holloway, South African Ambassador in Washington, had been appointed High Commissioner in London in succession to Mr. G. P. Jooste, who would become secretary of the Department of External Affairs.

Mr. Robert Kirsten, head of the international and economic trade division of the Department of External Affairs, had been appointed High Commissioner to the Federation of Rhodesia and Nyasaland on Jan. 25 *vice* Mr. T. H. Eustace, who became South African Ambassador in Rio de Janeiro.—(Cape Times)

(Prev. rep. 13552 B.)

F. RUMANIA. — Population Census.

The results of a census held on Feb. 21, 1956, published on May 7, showed the population of Rumania as 17,489,794, an increase of 1,617,714 since the last census in 1948. Bucharest, the capital, had a population of 1,236,906, the other leading cities being Cluj (154,752), Timisoara (142,251), Stalin (formerly Brasov) (123,882), Ploesti (114,560), Jassy (112,989), Arad (106,457), and Braila (102,491). The urban population comprised 31.3 per cent of the total, compared with 28.4 per cent in 1948.—(Agerpres, Bucharest)

(Prev. rep. 1948 Census, 9323 G.)

G. SUDAN. — Security Council approves Sudanese Application for U.N. Membership.

An application by the Sudan for membership of the United Nations was unanimously approved by the Security Council on Jan. 31, 1956. The General Assembly will vote on the application at its forthcoming eleventh session.

(United Nations Information Centre, London)

A. IRISH REPUBLIC. — Population Census. - Decline in Population as Result of Emigration. - Report of Commission on Emigration and Population Problems. - Recommendations for National Population Policy.

Provisional figures of a census taken on April 8-9, published in Dublin on June 1, showed that the population of the Irish Republic was 2,894,822—a decline of 65,771 since the last (1951) census, and the lowest figure ever recorded.

The returns showed that the natural population increase (i.e. the excess of births over deaths) during the inter-censal period (1951-56) was 134,623, the highest since 1881. Nevertheless, this was more than counter-balanced by a record increase in emigration during the same period, amounting to 200,394 and resulting in a net population decline of 65,771. Of the 200,394 persons who emigrated—an average of 40,079 a year—109,221 were males and 91,173 were females, whereas in the previous five-year period the figures were 50,552 males and 69,016 females—a total of 119,568. The net emigration of males was therefore more than doubled, while the net emigration of females increased by about one-third. The annual rate of emigration had risen from 8.2 per 1,000 in 1946-51 to 13 7 per 1,000 in 1951-56.

Statistics from the report are given below, referring to the five-year period 1951-56 .

	Males.	Females.	Total.
Births . .	160,333	152,137	312,470
Deaths .	95,612	82,235	177,847
Natural increase (excess of births over deaths)	64,721	69,902	134,623
Decrease in population	44,500	21,271	65,771
Net emigration (emigrants less immigrants)	109,221	91,173	200,394

The report pointed out that the natural increase of population had shown a substantial rise during the past 30 years, being 9.2 per 1,000 annually in the period 1951-56 compared with 5 5 per 1,000 in the ten years 1926-36. Up to 1951, net emigration was at such a level as to be almost exactly equal to the natural increase, and there was accordingly little change in the total population. " Between 1951 and 1956, however (the report continued), despite the fact that the natural increase was about one-and-three-quarters the level in 1926-36—and, in fact, was the highest recorded since 1871—the rate of net emigration was so great that the decline in population amounted to 4.5 per 1,000, a rate not exceeded during this century "

Population declines were registered in all four provinces, though the population of Leinster remained practically stationary at 1,336,397—a decline of only 84 Of the other three provinces, Munster had a population of 876,620, a decline of 22,345 (2 5 per cent); Connacht (Connaught) of 446,008, a decline of 25,887 (5 5 per cent); and Ulster (i e those counties of Ulster in the Republic) of 235,797, a decline of 17,455 (6 9 per cent) The population of the City of Dublin was 537,878 (a decline of 13,274) and of Dun Laoghaire 47,355 (a decline of 565) Dublin County, on the other hand, increased its population by 13,274 to 118,257, the rise being attributable partly to boundary changes

With the exception of Dublin County, Counties Louth and Meath, and the county boroughs of Limerick and Waterford, all other areas showed decreases in population. The greatest declines were in Counties Leitrim. Donegal, Cavan, Roscommon, Mayo, Sligo, Monaghan, and Clare

The unfavourable demographic situation facing the Irish Republic as a result of increasing emigration, brought out in the census returns, had been stressed in a report published two years earlier (July 12, 1954) by a " Commission of Emigration and other Population Problems " appointed by the Eire Government. The report is summarized below under cross-headings :

Terms of Reference. These were · " To investigate the causes and consequences of the present level and trend in population; to examine in particular the social and economic effects of birth, death, migration, and marriage-rates at present and their probable course in the near future; to consider what measures, if any, should be taken in the national interest to influence the future trend in population; and generally to consider the desirability of formulating a national population policy "

The Demographic Background. The report said that while in other countries population had increased considerably, in Ireland it had remained stationary for 25 years as a result of large-scale emigration. Moreover, the sex-distribution of the population was unbalanced, with a marked excess of females in urban areas and of males in rural areas; the proportion of elderly people in the population was high by international comparison; the marriage-rate in the Republic was one of the lowest in the world; an exceptionally high proportion of the population never married; and family size and fertility were declining, though the fall had not approached the point where the population was not reproducing itself. Finally, the Republic lost every year through emigration a number of people roughly equivalent to one-third of the annual number of births.

This demographic background (the report continued) tended to retard progress and to induce in the minds of many an attitude of " helplessness and hopelessness." The report commented in this connexion : " Industrially, commercially, and in the domain of public utilities, social services, and amenities, our achievements and potentialities are those of a small and—except in Dublin and other urban areas—a thinly-distributed and declining population." Nevertheless, the Commission expressed the opinion that " our geographical position, our soil, and our natural and human resources are not such as to condemn us to a demographic position so unlike that of other countries."

Population Policy. In a chapter dealing with population policy, the report pointed out that population trends, especially those affecting marriage and births, were not " the inevitably determined result of forces beyond human control" but " depended primarily on the deliberate free decision of individual citizens." It added . " Our present population problems are so acute, and the under-development of resources so marked, that policy should be concentrated on creating the conditions for the maximum possible increase in population within the foreseeable future. We think there is no reason to fear that this short-term policy need, within this century at any rate, produce a predominantly urban population similar to that of some highly industrialized, overcrowded European countries . . . "

Giving estimates and assumptions about future population, the report said that, given no emigration, the population in 1986 would be 4,663,100. With the present rate of emigration and present fertility, the population in 1986 would be 2,889,500; with a decreasing emigration rate, 3,694,600 ; and with an increasing rate of emigration, 2,780,700. With increasing fertility and no emigration, there would be an estimated 5,639,500

The Marriage-Rate. In a special section, the report said that Ireland's low marriage-rate over such a long period " has had an unfavourable effect on the outlook of young people, and has contributed to discontent, unsettlement, and emigration. Unmarried people, having fewer ties or responsibilities than married people, can more easily leave their surroundings, and respond more readily to the attractions (including the more favourable marriage prospects) of other countries . . In rural areas, and especially in the West, girls find few opportunities for remunerative employment The men have little prospect of employment either ; but in each farming family, responsibility for his parents prevents one son at least from emigrating, even though he may consider the holding insufficient to support a home. In such a setting girls are attracted towards emigration They may not realize that the poor marriage prospects enter deeply into their decision to emigrate, but it is the opinion of the Commission that, until men can find employment which can support homes, even those girls who could find employment locally will continue to emigrate. On the other hand, both men and women, even from an early age, often have the intention to emigrate, and this militates against early marriage In short, a low marriage-rate contributes to emigration, and the intention to emigrate tends to keep the marriage-rate low."

Causes of Emigration. In the section on emigration, the report said that while the fundamental cause of emigration was economic, in most cases the decision to emigrate could not be ascribed to any single motive but to the interplay of a number of motives—principally economic, but also social, political, cultural, and psychological. It was not possible, therefore, to attribute emigration to a single cause.

The report pointed out that high standards of organized entertainment had developed in modern urban life, with a wide range of recreational facilitites By contrast, and particularly to the young mind, rural areas appeared " dull, drab, monotonous, backward and lonely." It was not actual want, but a desire to secure improved economic and social status, which urged people in remote rural areas to seek the apparent attractions of a changed environment. The report added : " Recent emigration to Great Britain is building up centres of attraction in that country, and, because of the facility of movement between the two countries, there is a danger that these may become magnets as powerful as the Irish centres in the United States in the 19th and early 20th centuries."

Recommendations. The Commission made some 60 specific recommendations for remedying the adverse demographic situation in the Irish Republic. They included large-scale industrial development so as to provide greater opportunities of employment ; the decentralization of industry and of Government departments ; the creation of an Investment Advisory Council to direct expanded investment ; the establishment of a Ministry for Land Utilization ; and, in particular, a great increase in agricultural production. The Commission expressed its conviction that " agricultural productivity has such a vital bearing on population problems that, even on this account alone, it ought to be a primary aim of national policy to increase it "

The Commission consisted of 20 members, including prominent Irish ecclesiastics, under the chairmanship of Dr. J. P. Beddy. It held 115 meetings during its six years of existence, while another 250 meetings were held by a co-ordinating committee. Much evidence was taken from intending emigrants and other persons.

A minority report was submitted by the Bishop of Cork (the Most Rev. Dr. C. Lucey) which, while accepting the factual analyses of the report itself, dissented from some of its conclusions. In particular, Dr. Lucey urged a stronger attitude towards decentralization, declaring in this connexion that Dublin was overgrown as a result of State action.

(Irish Times, Dublin) **(Prev. rep. 1951 Census, 12647 C.)**

B. ADEN PROTECTORATE. — New Governor.

It was announced in London on June 7 that the Queen had approved the appointment of Sir William Luce, formerly adviser on constitutional and external affairs to the Governor-General of the Sudan, as Governor of Aden in succession to Sir Tom Hickinbotham, retiring.—(Times) **(Prev. rep. 12296 A.)**

A. GREECE. — Resignation of M. Theotokis. - M. Averoff appointed Foreign Minister. - Greek Campaign for Union with Cyprus. - Declarations by King Paul and M. Karamanlis. - Anti-British Riots in Athens.

The Greek Foreign Minister, M. Theotokis, resigned on May 27 following an intensive campaign by the Opposition parties in which the Government had been urged to take a stronger line on the Cyprus question with the aim of securing self-determination for the island at the earliest possible opportunity. M. Theotokis had been attacked by the Opposition, and also by the Ethnarchy Council in Cyprus, for alleged "incompetence" in handling the Cyprus question. He was succeeded as Foreign Minister by M. Giorgios Averoff, the Minister of Agriculture, whose former portfolio was taken by M. Apostolides, the Vice-Premier.

The Prime Minister, **M. Karamanlis,** speaking in the Greek Parliament on April 4-5, accused Britain of responsibility for the breakdown of the negotiations on Cyprus, denounced the deportation of Archbishop Makarios as an "unprecedented and despicable act," and declared that Greece would continue to give "unconditional support" to the Archbishop He announced that the Greek Government had told the British and U S. Governments that a final settlement of the Cyprus issue could be achieved only by immediate British recognition of the principle of Cypriot self-determination, by the application of "full and genuine" self-government for the Cypriots, and by the granting of self-determination within a fixed period.

In the subsequent debate, **M. Venizelos** (leader of the Liberal Democratic Union) complained that the Greek Government was leaving Cypriot affairs to the "patriotism and self-struggle of the Cypriot fighters," whilst **M. Papandreou** (leader of the Liberal Party) urged the Government to launch a "world crusade" to arouse all possible moral and material support for "the just aspirations of the Cypriots" The Opposition leaders later moved a vote of censure on the Government, accusing it of "mishandling" the Cyprus question and of "incapacity in domestic affairs" After a five-day debate, the Government was given a vote of confidence on May 25 by 162 votes to 125, a majority of 37.

M. Theotokis, who had been strongly attacked by the Opposition during the debate, said in a statement on May 28 that his resignation was a form of protest against both "British intransigence" on the Cyprus question and against the "lack of understanding" he had encountered in Greece itself It was understood that M. Theotokis had declined an offer by M. Karamanlis to take another portfolio—understood to be that of Defence.

M. Averoff, on taking office as Foreign Minister, declared (1) that the Government's foreign policy would be continued "as endorsed by the majority of Greek political parties"; (2) that the Government would continue to give the fullest support to the "vindication of the Cypriots' struggle"; and (3) that every effort would be made to secure the liberation of Archbishop Makarios, whom he described as a "worthy upholder of the lofty traditions of the Greek Orthodox Church."

M. Karamanlis made a statement on June 2 in reply to the speech by Sir Anthony Eden at Norwich on the previous day (see 14924 A), in which the British Prime Minister had spoken of the Cyprus situation.

Declaring that Sir Anthony's speech had revealed "the true nature of the British Government's motives in refusing self-determination to the Cypriots," M Karamanlis said that the British argument had hitherto been that strategic considerations necessitated continued British sovereignty over Cyprus. This argument, he said, had become obsolete since Greece had expressed her willingness to give Britain bases in the island, together with any additional guarantees to safeguard the strategic interests of Britain and of the free world as a whole. "But it is now revealed," M. Karamanlis declared, "that all the arguments the British Government have been invoking were mere pretexts to impress and mislead democratic peoples."

The real reason for Britain's attitude, M. Karamanlis asserted, had now been divulged by Sir Anthony Eden, namely, Britain's interest in Middle East oil—"a crude protection of purely material interests." Thanks to the British Prime Minister's "confession," the free peoples of the world would be better able to appreciate the "base reasons" for which the British Government had "stubbornly refused the Cypriot people the right of self-determination." M Karamanlis added that "the Greek Government, morally strengthened by Sir Anthony Eden's revealing statement, will continue to strive for Cypriot self-determination, with the unshakeable faith that the United Nations and the whole civilized world will refuse to accept that oil interests—which are in no way threatened by Greece—can prevail over moral principles, liberty, and justice."

Several statements upholding the Greek demand for *enosis* had also been made by King Paul of the Hellenes.

At the first session of the new Greek Parliament (April 2), King Paul had declared in the Speech from the Throne that the entire Greek people and the Orthodox Church were "united as a single soul" in their support of the Cypriot demand for self-determination, and would "pursue with unswerving will their efforts for the satisfaction of the [Cypriot] national struggle." The King described Archbishop Makarios as a "brilliant exponent of the Greek tradition of freedom and democracy." At the same time he deplored the deterioration in Anglo-Greek relations, declaring that "Greece is deeply grieved by events which have disturbed her friendly feelings towards a people with whom she has been linked by bonds of traditional friendship"

At a State banquet given on May 5 to the President of the German Federal Republic (Professor Heuss), who was then on an official visit to Greece, King Paul compared the demand for *enosis* (the union of Greece and Cyprus) with the demand for unification of Germany "All Greeks," he declared, "are today waging a determined struggle to enable the Greeks in Cyprus to exercise their sacred right to self-determination This allows us to appreciate how every German heart feels about the unjust partition of Germany . . ."

Intense feeling was aroused in Greece by the execution of the Eoka terrorists Karaoulis and Demetriou in Cyprus on May 10 (see page 14901, second column). Prior to their execution, M. Theotokis had announced on May 8 that the "strongest" *démarche* had been made to the British Ambassador in Athens (Sir Charles Peake) pointing out the possible repercussions in Greece of the execution of the two "Cypriot fighters." M. Karamanlis also made a last-minute appeal for clemency for Karaoulis and Demetriou, while the Primate of the Greek Orthodox Church (Archbishop Dorotheos) sent a message to the Archbishop of Canterbury asking him to use his influence to prevent the executions. On May 11—the day after Karaoulis and Demetriou had been executed—the Athens municipal council changed the name of the street in which the British Embassy is situated from Loukianou Street to Karaoulis-Demetriou Street.

Serious rioting broke out in Athens on May 9 after Archbishop Dorotheos (who had succeeded the late Archbishop Spyridon as chairman of the Pan-Hellenic Committee for *Enosis*) had addressed a crowd of 10,000 anti-British demonstrators in Omonia Square. In the course of his speech the Archbishop described Karaoulis and Demetriou as "gallant fighters for freedom" and declared that their execution would create an "unbridgeable gap" between Greece and Britain After a resolution had been passed calling for clemency for Karaoulis and Demetriou, the crowds—disregarding the Archbishop's appeal to disperse peacefully—attempted to march on the British Embassy but were prevented from doing so by strong police forces. The mob then attacked the police with stones and clubs and set fire to a police car, whereupon the police opened fire Three people were killed and 124 wounded (59 of whom were policemen) before order was restored. The rioters smashed the windows of the U.S Information Service's library, but were prevented by strong troop reinforcements from reaching the British Embassy. The U.S. and Turkish Embassies were also heavily guarded by troops and police.

A further example of anti-British feeling occurred on May 13, when the mayor of Athens ceremonially smashed a marble plaque commemorating the dedication of the Chapel of St Philip and St. Elizabeth on the occasion of the wedding of Queen Elizabeth II and the Duke of Edinburgh (The plaque had been unveiled when the Queen, then Princess Elizabeth, and the Duke of Edinburgh were visiting Athens in 1950) The chapel—situated in a suburb of Athens—was renamed the Chapel of St. Irene.

The graves of 11 Australian servicemen who fell in Greece during the war were desecrated on March 31 by unknown persons who broke into the Phaleron cemetery (near Athens) and painted anti-British slogans on the tombstones. Representations were made by the Australian Consul-General to M. Theotokis, who expressed the Greek Government's deepest regret for the outrage, which he attributed to hooligan or "anti-national" elements.

It was announced in Strasbourg on June 3 that the Greek Government had lodged an "urgent petition" with the Human Rights Commission of the Council of Europe alleging that Britain had violated human rights in Cyprus. It was stated that the petition had been ruled "admissible" and that it would be considered by a special sub-committee before the next meeting of the Human Rights Commission in September. (Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Cyprus, 14901 A; Greek Reactions, 14757 A; Karamanlis Cabinet, 14732 A.)

B. INDIA. — Introduction of Metric System for Weights and Measures in 1958.

It was announced in New Delhi on May 21 that the Standing Metric Committee of the Government of India had proposed that Jan. 1, 1958, should be tentatively fixed as the date for the introduction of the metric system of weights and measures "in certain sectors." The committee, which had sat under the chairmanship of Mr. Kanungo, Union Minister of Industries, also approved the draft of a Standards of Weights and Measures Bill covering not only standards of weight, length, area, volume, and capacity, but also mass, time, temperature, electric current, and luminous intensity. It proposed a maximum period of 10 years for bringing the Act into effect throughout the country.—(The Statesman, Calcutta - Indian High Commissioner's Office, London) **(Prev. rep. 14318 B.)**

A. UNITED NATIONS. — Draft Statute for International Atomic Energy Agency. - Vienna proposed as Headquarters of Agency.

A 12-power conference held in Washington on the proposed International Atomic Energy Agency reached unanimous agreement on a draft Statute on April 18. The conference, which had opened on Feb. 27, had been called in implementation of the resolution adopted by the tenth session of the U.N. General Assembly on Dec. 3, 1955, and based on President Eisenhower's "atoms for peace" proposal. The countries represented were Australia, Belgium, Brazil, Canada, Czechoslovakia, France, India, Portugal, South Africa, the U.S.S.R., the U.K., and the U.S.A., comprising the countries most advanced in atomic technology, together with the principal producers of fissionable material. The draft Statute, the text of which (comprising 23 Articles) was published at U.N. headquarters in New York on April 25, will be submitted for final approval to a general conference of member-countries of the U.N. and its specialized agencies, tentatively scheduled to open in New York on Sept. 24, 1956. Its main provisions are summarized below:

Aims and Organization. The draft Statute described the object of the Agency as the encouragement of the development and application of atomic energy for peaceful purposes, especially in under-developed countries, in accordance with the U.N.'s policy of achieving general disarmament.

The principal organs of the Agency mentioned in the draft Statute were a General Assembly and a Board of Governors.

The Assembly would be composed of all member-countries, each represented by one delegate Its sessions would ordinarily take place annually, but provision was made for the convening of extraordinary sessions. The Assembly's functions would comprise chiefly (i) the admission of new members, (ii) the election of certain members of the Board of Governors, and (iii) approving the Agency's budget and such reports as it might make to the United Nations

The Board of Governors would be composed of representatives of 23 member-countries, each with one vote, and distributed in five categories as follows:

(1) The five member-countries "most advanced in the technology of atomic energy, including the production of source materials" (initially presumed to be Canada, France, the Soviet Union, the United Kingdom, and the United States);

(2) five member-countries (to be nominated by the Board of Governors) representing the most advanced nations in atomic technology and production other than the above, and drawn from the following geographical regions—North America, Latin America, Western Europe, Eastern Europe, Africa and the Middle East, South Asia, South-East Asia and the Pacific, the Far East,

(3) two members nominated by the Board from four specifically-named producers of source materials—Belgium, Czechoslovakia, Poland, Portugal,

(4) one member nominated by the Board as "a supplier of technical assistance";

(5) ten members elected by the Assembly, with the aim of ensuring equitable regional representation on the Board [The ten countries concerned were expected to be largely recipient ones]

The ten elected members would serve for a two-year period and the remainder, designated by the outgoing Board of Governors, would serve for one year. The initial group of designated members would be named by an 18-nation Preparatory Commission, which would commence work as soon as the Statute was opened for signature. Membership of the Preparatory Commission would consist of the 12 countries participating in the Washington conference, together with six others to be elected by the New York conference of member-countries of the U N. and its specialized agencies referred to above.

The Agency would be headed by a Director-General, to be appointed for a four-year term of office.

Membership of the Agency. At the outset this would be limited to any member of the United Nations or its specialized agencies which might subscribe to the Statute within 90 days after it was opened for signature. Thereafter any country would be eligible to apply for membership. Admission would be a matter for decision by the General Assembly on a recommendation of the Board of Governors. In making this recommendation, the Board "shall determine that the State is able and willing to carry out the obligations of membership in the Agency, giving due consideration to its ability and willingness to act in accordance with the aims and principles of the United Nations."

Functions of the Agency. The Agency would function both as a storehouse for atomic materials and, if requested, would act as "an intermediary" for the supply of services or materials between its members, thus acting both as a "banker" and "broker."

(*a*) Member-countries would be obliged to submit to the Agency all scientific information acquired as a result of assistance received from it. [This would therefore be mandatory] They would be requested to submit, in addition, any independently acquired information which might prove of use to the Agency as a whole. [Mr. Wadsworth, the U.S. delegate, pointed out that this would be non-mandatory, explaining that the members of the conference wished to preserve the spirit of the Geneva atomic conference of 1955, when a large amount of information was voluntarily supplied.] The Agency would then make available the information it had received for the benefit of all its members.

(*b*) Members would make available to the Agency such quantities of fissionable material "as they deem advisable, and on such terms as shall be agreed with the Agency" The Agency would agree to buy all fissionable materials made available to it, as well as certain quantities of raw materials At the discretion of the supplying member, the materials would be stored either by the member itself, or (by agreement with the Agency) "in the Agency's depots." The Agency would ensure the geographical distribution of materials entrusted to it "in such a way as not to allow concentration of large amounts in any one country or region of the world," and would be free to distribute materials as it should think fit. As regards materials in its possession, the Agency would be responsible for safeguarding them against weather hazards, unauthorized removal or diversion, damage or destruction, including sabotage, and forcible seizure

(*c*) Countries applying for aid in the form of materials or equipment would be supplied either directly by the Agency or indirectly by another member.

The Agency would have wide powers of control over the utilization of materials and equipment supplied by it, and would be authorized to establish a staff of suitably qualified inspectors who could be sent into the territory of countries to whom aid had been granted These inspectors would "have access at all times to all places, persons and data necessary to account for source and special fissionable materials supplied, and fissionable products, and to determine whether there is compliance with the undertaking against use in furtherance of any military purpose," and with health and safety measures Member-nations would be consulted on the appointment of inspectors concerned with their territory, and would be entitled to inform the Agency that they would prefer not to accept any particular person or group of persons

(*d*) Certain punitive powers would be conferred upon the Agency, such as the right to suspend members or to curtail or suspend assistance to offending States

Financial Provisions. Under the Statute, the Agency's administrative expenses would be covered by contributions from member-countries, while its other expenses would be defrayed out of its revenue for services rendered by it In this connexion, the Board of Governors would be required to "establish periodically a scale of charges, including reasonable uniform storing and handling charges, for materials, services, equipment and facilities furnished." No direct provision for the financing of development projects by the Agency was made in the Statute; the proceeds from the above-mentioned charges would be used to pay contributing member-countries for materials or services supplied by them, and to meet certain technical expenses incurred by the Agency

The Statute did not determine the exact ratio of members' contributions to the administrative budget of the Agency, but a quota system similar to that applied by the U N was suggested at the conference.

Financial measures taken by the Agency would require a two-thirds majority both in the Assembly and of the Board of Governors

Entry into Force. The Statute would come into force automatically after ratification by 18 member-countries, provided that these included at least three of the five major atomic Powers.

Relationship with United Nations. Published simultaneously with the draft Statute was a study of the relationship of the proposed Agency with the U N Organization, drawn up by Dr. Hammarskjold (the U N. Secretary-General) and his inter-departmental advisory committee (see page 13994). Both the study and the draft Statute provided that the Agency should submit reports to the U N General Assembly, to the U.N. Economic and Social Council, to other U N. organs on matters within their competence, and to the U.N. Security Council "when appropriate" In this way the proposed Agency would differ from the existing "specialized agencies," which report only to the U N. Economic and Social Council.

By not being placed under the Security Council's jurisdiction, the Agency will (except for security matters referred to below) not be subject to any veto—an apparent compromise between the positions of the U.S.A., which had proposed complete autonomy for the Agency, and of the Soviet Union, which had urged that the Agency should be directly responsible to the Security Council. India had submitted a proposal similar to that finally adopted With regard to questions of security falling within the competence of the Security Council, the Agency would be empowered in case of need to notify the Council "as the organ bearing the main responsibility for the maintenance of international peace and security"

Dr Hammarskjold's study also suggested that the Secretary-General should report to the U N on the common activities of the U.N. and the Agency, and should be entitled to participate without a vote in the Agency's meetings Moreover, representatives of the Agency should have the right to be invited to attend meetings of the Security Council, in order to give assistance on matters within their competence.

The Austrian Government decided on April 25 to invite the International Atomic Energy Agency to make its permanent headquarters in Vienna. This proposal was subsequently approved by the U.S. and Soviet Governments.

(U.N. Information Centre, London - New York Times - Le Monde, Paris - Times - Daily Telegraph) **(Prev. rep. International Atomic Energy Agency, 14667 A.)**

A. WESTERN EUROPE - UNITED STATES. — Reactions of Western Communist Parties to Anti-Stalinist Policy in U.S.S.R. - Signor Togliatti's Visit to Belgrade.

Intense controversy was aroused in the Communist parties of Western Europe and the U.S.A. by M. Khrushchev's attack on Stalin's policies, and by the new anti-Stalinist line announced at the 20th congress of the Soviet Communist Party. Reactions in the Italian, French, British, and U S. Communist parties are described below :

Italy. Signor Togliatti, general secretary of the Italian Communist Party, presented a report on the Soviet congress to the party's Central Committee on March 14, in which he severely criticized Stalin's theory of the continuance of the class struggle after the establishment of Socialism, his substitution of personal for collective leadership, his mistakes in agricultural policy and the conduct of the war, and the distortion of historical facts resulting from the " Stalin cult." " Great new victories have been won," Signor Togliatti declared, " but they have been achieved at perhaps too high a price . . and have been accompanied by an accumulation of negative elements which could not but weigh heavily upon the party, the State, and the Socialist society." Signor Togliatti's report, which was published in full in *L'Unita* (the Italian Communist organ), was among the earliest detailed attacks on Stalin published after the Soviet congress, preceding by a fortnight that published in *Pravda* (see 14817 A).

The disclosure of these facts was reported to have caused surprise and confusion among many members of the Italian Communist Party. At a meeting of Communist deputies, held in Rome on March 22-23, it was reported that Signor Togliatti had had to defend himself against criticisms of his failure to reveal these aspects of the Stalinist dictatorship, particularly as he had admitted that some of the accusations against Stalin had been known to him for some time beforehand. At a meeting of the party's National Council on April 3-4, however, it was decided to shelve the matter.

At the invitation of the Yugoslav League of Communists, Signor Togliatti visited Belgrade on May 29-30 for discussions with President Tito and other leaders of the Yugoslav League of Communists, including M. Kardelj, M. Rankovich, M. Pijade, and M. Vukmanovich. In a statement on May 31, Signor Togliatti said that President Tito had emphasized his desire for the re-establishment of normal relations between the Yugoslav Communist League and the Italian Socialist movement, and had proposed that a delegation from the Italian Communist Party should visit Belgrade.

France. The Central Committee of the French Communist Party, after hearing a report by M. Jacques Duclos, adopted on March 22 a long resolution dealing with the political issues raised by the Moscow congress It reaffirmed the party's support for the view that Socialism could be achieved by parliamentary means , called for unity with the French Socialist Party as the nucleus of a new " Popular Front " ; and recalled that the French Communist party, despite its opposition to " military and repressive measures," had voted for the Bill giving the Government emergency powers in Algeria in the interests of such unity. The resolution went on to condemn Stalin's theoretical errors and his " violation of the Leninist principle of collective leadership," adding, however, that " the frank criticism of the [Soviet] 20th congress on this subject does not suppress Stalin's role and merits as a theoretician and leader, but puts them in their proper perspective "

M. Maurice Thorez (the party's leader and general secretary), who was not present at this meeting, made his first public comment on the Stalin controversy in an article published on March 27 Like the Central Committee's resolution, it was couched in much milder terms than the criticisms of Stalin published by Communist leaders in other countries, maintaining that " the necessary criticism of certain errors could in no way detract from Stalin's historic merits."

Great Britain. At the 24th congress of the British Communist Party, held in London from March 30 - April 2, a statement by Mr. Harry Pollitt (the party's general secretary) on the Moscow congress was discussed at a secret session. In his general report to the congress, Mr. Pollitt stated that the membership of the British Communist Party was 33,959 , that it had fluctuated between 33,000 and 35,000 for the past five years , and that the circulation of the *Daily Worker* was 83,000.

In the voting for the new executive committee of the British Communist Party (consisting of 42 members), Mr. Abe Moffat, the Scottish miners' leader, headed the list with 473 votes He was followed by Mr. Frank Haxell (470), general secretary of the Electrical Trades Union, Mr R Palme Dutt (469), and Mr. Harry Pollitt and Mr. John Gollan (467 votes each). Six new members of the executive were elected, among them Mrs. Annie Powell, who unsuccessfully contested East Rhondda at the general election

When the new executive met on May 13, Mr. Pollitt (who is 65, and had been general secretary for 27 years) tendered his resignation, stating that he had been ordered complete rest by his doctors. The executive accepted his resignation and elected Mr. John Gollan (45), the party's national organizer, to succeed him as secretary of the party Mr. Pollitt himself was elected chairman of the party, whilst Mr. William Gallacher (hitherto the party chairman, and formerly M P. for East Fife), was appointed to the newly-created post of president of the party.

The executive adopted a resolution which, while referring to Stalin as " an outstanding Marxist leader," condemned as " alien to Socialism " the " abuses and injustices " associated with Stalin's rule, and in particular the execution of " devoted patriots and Communists " on the basis of " deliberate provocations and fabricated evidence " Admitting that the party's thinking suffered from " a certain dogmatism, rigidity, and sectarianism," the resolution called for fuller discussion on questions of principle, and, in particular, on how " democratic liberties " could be maintained and extended and " Socialist legality " guaranteed during the transition to Socialism The resolution stated that a special commission had been set up to examine the working of the party congress, the method of election of the executive (which had been criticized at the congress), and " the improvement of inner-party democracy."

In an article in the *Daily Worker* (March 24), Mr. Harry Pollitt wrote *inter alia* that Stalin had " made serious mistakes in connexion with agricultural policy, ignored warnings about Hitler's invasion plans, and adopted wrong policies in relation to Yugoslavia "

United States. The U S Communist Party announced on May 3 that its leaders had held a four-day meeting, described as " the most self-critical in the party's history," at which they had unanimously adopted a report by Mr. Dennis, the general secretary, dealing with the party's activities in the past 10 years. The announcement added that Mr. Dennis had criticized " left-sectarian " errors in the party's work, and emphasized that the party sought " constitutional and democratic solutions to current and fundamental problems "

Similar criticisms of Stalin's mistakes, and of the Stalinist policy generally, were also made by the Communist parties of Belgium, Denmark, Austria, and other West European countries.—(Times - Manchester Guardian - Daily Worker - Le Monde, Paris - Humanité, Paris - Giornale d'Italia, Rome - Corriere della Sera, Milan - Tanjug Agency, Belgrade)

(Prev. rep. 14880 A ; 14817 A.)

B. LITERATURE. — Book Selections for May.

Selected books published in Great Britain, the United States, and France are given below :

Great Britain. Bowle, John—" Minos or Minotaur ? : The Dilemma of Political Power." (Jonathan Cape, 15s.)

Browne, Douglas G.—" The Rise of Scotland Yard · A History of the Metropolitan Police." (Harrap, 25s.)

Dunnill, Frank—" The Civil Service . Some Human Aspects " (Allen and Unwin, 18s).

Jaeger, Muriel—" Before Victoria : Changing Standards and Behaviour, 1787-1837 " (Chatto and Windus, 18s.)

Piccard, Auguste—" In Balloon and Bathyscaphe." Translated from the French. (Cassell, 25s.).

Ruppelt, E. J.—" Report on Unidentified Flying Objects " (Victor Gollancz, 18s).

Ryan, A. P.—" Mutiny at the Curragh." (Macmillan, 18s).

Slessor, Sir John (Marshal of the R.A.F.)—" The Central Blue · Recollections and Reflections " (Cassell, 30s.).

" The Mouchotte Diaries, 1940-1943." Translated from the French. (Staples Press, 15s)

Werth, Alexander—" France 1940-1955." (Robert Hale, 35s).

Willis, William—" The Epic Voyage of the Seven Little Sisters." (Hutchinson, 16s.).

Wilson, Angus—" Anglo-Saxon Attitudes." (Secker and Warburg, 15s)

United States. Chute, B. J.—" Greenwillow." A Novel of Rural Life. (E. P. Dutton, New York, $3.50)

Frankfurter, Felix—" Of Law and Men " (Harcourt, Brace & Co , New York, $6.75)

Hofstadter, Richard—" The Age of Reform From Bryan to F.D.R." (Alfred A. Knopf, New York, $4 50). Pulitzer Prize for History.

Miller, Perry—" The Raven and the Whale : The War of Words and Wits in the Era of Poe and Melville." (Harcourt, Brace & Co , New York, $6.75)

" Minority Report H. L. Mencken's Notebooks." Published posthumously (Alfred A. Knopf, New York, $3.95)

France. André-Maurois, Simone—" Miss Howard, la femme qui fit un empereur." (N R F., Paris)

Grandval, Gilbert—" Ma mission au Maroc." (Plon, Paris).

(Ed. K.C.A.) **(Prev. rep. Book Selections, 14847 A.)**

C. UNITED KINGDOM. — Gold and Dollar Reserves in May. - Increase of $41,000,000.

The sterling area had a gold and dollar surplus in May of $41,000,000 after taking account of (*a*) $3,000,000 received in U.S. defence aid ; (*b*) $29,000,000 received in gold or dollars from the E.P.U. in respect of the April settlement ; (*c*) $2,000,000 paid to creditors of the E.P.U. in bilateral settlements. As a result, the sterling area's gold and dollar reserves rose to $2,369,000,000 on May 31.

Provisional figures for the E.P.U. May settlement showed that the U.K. had a surplus of £8,000,000, which would be settled in June, three-quarters in gold or dollars and one-quarter by a reduction in the U.K. debt to the Union. (Treasury Press Office) **(Prev. rep. 14838 B.)**

D. TURKEY. — Martial Law lifted in Istanbul.

The state of martial law was ended on June 6 in Istanbul, where it had been in force since the anti-Greek riots of September last. Martial law had also been imposed at the time in Ankara and Izmir, but was lifted from those cities in November. (Times) **(Prev. rep. Istanbul Riots, 14424 A.)**

A. UNITED KINGDOM.—New Cost-of-Living Index. - Wholesale and Retail Prices, October 1955 - April 1956.

A report by the Cost-of-Living Advisory Committee on proposals for a new index of retail prices was published as a White Paper (Cmd. 9710) on March 13. On the same day the Minister of Labour, Mr. Macleod, informed the House of Commons that the Government had accepted the recommendations and that the new index would be introduced immediately, showing the level of prices on Feb. 14.

The new index, which replaced the interim index of retail prices introduced in 1947 (see 8678 B) and modified in 1952 (see 12124 C), was based on an inquiry into consumer expenditure carried out in 1953, and is designed to reflect more accurately the changes in the cost of living by taking account of the new pattern of consumer expenditure revealed by the inquiry. The committee's report and principal recommendations are summarized below.

Inquiry into Household Expenditure. This inquiry had been carried out over a period of 12 months starting at the end of January 1953, and 12,911 households of all kinds had provided information. In 460 of these households, however, the recorded gross income of the head of the household exceeded £20 a week, and the committee recommended that as these particular households, as a group, displayed a pattern of spending which differed considerably from that of the bulk of households in the sample, their budgets should be excluded in the compilation of the new index. Similarly, at the other end of the scale, the committee recommended that the 813 households in the inquiry, in which at least three-quarters of the total household income of 1953 was derived from National Insurance retirement or similar pensions and/or National Assistance paid in supplementation or lieu of such pensions, should also be excluded. The index should thus be based on the budgets of the remaining 11,638 households, which the committee believed reflected the expenditure pattern of nearly nine-tenths of all households in Britain. The committee stated that a few adjustments to these budgets had been made for the householders' underestimates of expenditure on tobacco, alcoholic drink, and meals eaten away from home.

Calculation of New Index. The committee recommended that the new index should be divided into 10 main groups, corresponding with the main groups of the existing index except that the importance of transport, including the considerable expenditure on private motoring, now justified a separate main group. The main groups of the new index should be divided into 91 separately weighted sections, compared with 50 sections in the interim index. Some 120,000 price quotations would be collected monthly in order to calculate the index figure, of which 90,000 would be food prices. It was emphasized, however, that the new index would not reflect only the prices of the items about which inquiries were made, because these items were carefully selected as being representative and the changes in their average prices could be safely applied to all commodities in the appropriate section.

The committee recommended that several items used in the calculation of the old index should be dropped, and several others included for the first time. Among those dropped were the prices of rabbits, lump sugar, turnips, wax candles, distemper, and women's rubberized mackintoshes, whilst those taken into account for the first time included brown bread, processed cheese, coffee, beetroot, eating apples, pears, dog-biscuits, soda-water, paint, television sets, washing machines, men's made-to-measure suits, men's pyjamas, women's plastic mackintoshes, nylon stockings, second-hand cars, National Health Service prescription charges, football boots, camera films, private telephone rental charges, the price of admission to dance halls, and many other items in the food, clothing and household equipment groups The report emphasized that the inclusion of such expensive items as television sets and cars would not make the index higher than it would otherwise be, as the index measured not prices but changes in prices, and the original level was therefore immaterial.

It was also pointed out that the index did not refer to the cost of living generally, and therefore, for example, took no account of income tax, National Insurance contributions, savings, insurance premiums, subscriptions to trade unions, friendly societies or hospital funds, betting payments, fees to doctors and dentists, or mortgage payments, apart from the allowance for a rental equivalent in owner-occupiers' houses.

The report contained few recommendations for alterations in the methods of collecting prices and in the procedure for computing the index, though for the housing group it was recommended that information about changes in rents and rates should be collected regularly from an extended sample of tenants throughout the country It was also recommended that provision should be made for calculating changes in the prices charged for repairs and decorations, and in the prices of materials bought by occupiers doing their own repairs and decorations.

Weighting. The report stated that the interim index was found to have given too much weight to food prices, and had therefore over-estimated the rise in the cost of living; a rise of 9 per cent reported in prices generally between 1953 and 1955 should have been correctly recorded as 8 per cent. In calculating the index figure on the new basis, considerably less weighting would be given to food prices and rather less to fuel and light costs, but greater weight would be given to the other groups.

The new weights (1953-54 consumption, at January 1956 prices) would be as follows, the existing weights (1950 consumption, at January 1956 prices) being shown in parentheses : food, 350 (432); alcoholic drink, 71 (69); tobacco, 80 (80); housing, 87 (73); fuel and light, 55 (73); durable household goods, 66 (55); clothing and footwear, 106 (84); transport and vehicles, 68 (formerly included with "services"); services, 58 (94—i.e. the combined weight of these two groups had been raised from 94 to 126); miscellaneous goods, 59 (40).

Link with Interim Index. The index figure for Jan. 17, 1956, should be used as the base and taken as 100. For the time being, however, the interim index (June 1947 = 100), which stood at 153 in January, should be linked to the new index by a supplementary calculation so as to continue to show the change in the average level of retail prices since June 1947. This would be for the convenience of industries where wages were related to the index under sliding-scale arrangements, and would be discontinued when they had had time to amend their agreements.

The index of retail prices on Feb. 14, the first date for which the new index was used, showed no change as compared with Jan. 17, a slight rise in the prices of some items being counterbalanced by slight falls in the prices of others. The "all items" index (Jan. 17, 1956 = 100) therefore remained at 100.0, and the index on the basis of June 1947 = 100 at 153.4. In March (March 13) the retail prices index (January 1956=100) rose to 101.3, largely as a result of higher food prices, whilst the "all items" index on the basis of June 1947=100 rose to 155.4. The index figure for April (April 17) rose by nearly two points to 103—attributable to further increases in food prices and in rent and rates. On the basis of the former (1947) index the April figure was 158.

The movement of retail prices in the fourth quarter of 1955 and in January 1956 on the basis of the old interim index are shown below :

	October*	November*	December*	January*
	(Jan. 15, 1952 = 100)			
Food	125 9	128.0	127.1	125.4
Rent and rates	116.4	116.6	116.7	117.9
Clothing	96.5	97.4	98 3	98.7
Fuel and light	121 6	125.7	127.5	127.6
Household durable goods	97.6	100.9	101.6	102.5
Miscellaneous goods	103.7	106.2	106.5	106.6
Services	116 8	117.1	117.6	119.1
Alcoholic drink	103 1	103 1	103.1	103.1
Tobacco	100.7	102.9	102.9	102.9
All items (Jan. 1952 =100)	114.4	116.2	116.2	115.8
All items (June 1947 =100)	151 6	154.0	154.0	153.4

* On Oct. 18, Nov. 15, Dec. 13, and Jan. 17 respectively.

The Board of Trade Basic Materials index in the fourth quarter of 1955 (June 30, 1949 = 100) was 153.1 in October and November and 155.3 in December. In January 1956 the index fell to 154.7, and in February and March rose again to 154.9 and 155.8 respectively.

The Economic Secretary to the Treasury, Sir Edward Boyle, stated in a written parliamentary reply on Jan. 27 that two-thirds of the rise of 25 points in the cost-of-living index since October 1951 was due to rises in food prices, and one-third to price increases for other items.—(Cmd. 9710 - Ministry of Labour Gazette) **(Prev. rep. 14586 A ; 12124 C ; 8678 B.)**

B. EUROPEAN TRANSPORT. — Abolition of "Third Class" on British and West European Railways.

As from June 3, "third class" travel was abolished on British Railways and on all Western European railways except those in Spain and Portugal—the only European countries (in addition to Greece) to retain three classes of rail travel, first, second and third. Both in Britain and the other countries concerned, accommodation previously known as "first" or "second" class was amalgamated and termed "first" class, whilst coaches formerly marked "third class" became "second class." Second-class travel remained at the old third-class rates.

The change-over in Britain was introduced to conform to Continental practice. Though "first," "second" and "third" class coaches on the railways of Britain were introduced in the early days of the railway age, the "second" class had in fact ceased to exist (except on Continental boat trains) for many years, and there were only two classes—"first" and "third." (Times - Le Monde, Paris - Giornale d'Italia, Rome) **(14531 C.)**

C. NEPAL. — Lifting of Ban on Communist Party.

The ban imposed on the Nepal Communist Party in 1952 was lifted on April 15 following a written assurance by the party that it would conduct its activities peacefully and constitutionally, and that it acknowledged King Mahendra as the constitutional head of the State.—(The Hindu, Madras)

(Prev. rep. 12020 A.)

A. UNITED KINGDOM. — Sir Anthony Eden on the Cyprus Situation. - Denunciation of Greek Support for Terrorists. - Defence of Middle East Oil Supplies.

In the course of a speech at Norwich on June 1, the Prime Minister emphasized that the Cyprus question was neither a "colonial" one nor a question affecting Britain and Greece only, but was essentially of an international character. Extracts from his speech—which was replied to on the following day by the Greek Prime Minister, M. Karamanlis (see 14920 A)—are given below:

". . It is contrary to the whole spirit of NATO that one of its members [i e. Greece] should seek by radio propaganda of the foulest character, directed from Athens month after month, to stir up terrorist activity in the territory of another There can be no confidence, still less friendship, while that continues. The Governor of Cyprus, Field-Marshal Sir John Harding, has been subjected to the most scurrilous attacks by the Greek Press and radio So have our troops. The Governor and our forces on the island have shown courage and restraint in conditions of the utmost provocation.

"A relatively small minority of terrorists is directing its savage attacks against Cypriots and British alike. A few days ago some pistols were found in the buildings of the Bishopric of Paphos. Ballistic tests have proved that one of these pistols was used to shoot a Greek civilian and a Turkish policeman. How can anyone defend an attitude in which leading priests not only refuse to condemn violence but aid and abet it?

"The Greek wireless talks of British troops desecrating Greek churches. The only desecration of a church was that on Palm Sunday, when Eoka terrorists entered a church during a service and shot dead a Greek Cypriot in the choir, despite the protests of the priest and the cries of the congregation. But no bishop in Cyprus has had one word to say against this dastardly deed

"It is sometimes suggested that a NATO base on Greek soil should suffice for our needs This is not so, and any such suggestion ignores a major part of the problem. Cyprus is a NATO interest, but it is not only that. The United Kingdom's vital interest in Cyprus is not confined to its NATO aspect Our country's industrial life and that of Western Europe depends to-day, and must depend for many years to come, on oil supplies from the Middle East If ever our oil resources were in peril, we should be compelled to defend them The facilities we need in Cyprus are part of that defence. We cannot, therefore, accept any doubt about their availability . .

"All this does not mean that we are going back on our proposal for constitutional progress in Cyprus on the lines we put forward during the talks with Archbishop Makarios. These allowed for a more generous measure of self-government than has ever been contemplated before. I am sorry that they were not accepted. Nonetheless, we shall persevere in our efforts to find a solution . ."

Emphasizing that the facilities in Cyprus were part of the defence of Middle East oil supplies, the Prime Minister declared "I want everyone, including our friends, to heed that there can be no question of this country yielding over any essential element in the defence of its legitimate and vital interests Examples of this are the Persian Gulf, Cyprus, and Aden. No Cyprus—no certain facilities to protect our supply of oil. No oil—unemployment and hunger in Britain. It is as simple as that."—(Daily Telegraph) **(Prev. rep. Cyprus, 14901 A.)**

B. NETHERLANDS. — The Groesbeek Memorial.

A memorial commemorating 1,103 officers and men of the British Commonwealth forces (993 British, 108 Canadian, and two South African) who fell in the advance through the Low Countries to the German frontier, and who have no known grave, was unveiled by the Duke of Gloucester on June 3 at the village of Groesbeek (near Nijmegen) in the presence of Prince Bernhard of the Netherlands, the Ambassadors of the British Commonwealth countries in The Hague, and the Netherlands Minister of Defence. The memorial consists of two cloisters in red rock and Portland stone, and stands on ground overlooking the scene of some of the fiercest fighting by British and Canadian troops on the Dutch-German frontier.
(Algemeen Handelsblad, Amsterdam) **(Prev. rep. 14254 A.)**

C. CANADA. — Diplomatic Appointments.

The following appointments in the Canadian diplomatic service were announced on April 3 in Ottawa—Mr. D. M. Johnson, Canadian commissioner on the International Supervisory Commission for Vietnam, as Ambassador to the Soviet Union in succession to Mr. J. B. Watkins, who had been appointed Assistant Under-Secretary of State for External Affairs; Mr. E. H. Norman, Canadian High Commissioner in New Zealand, as Ambassador to Egypt and concurrently Minister to the Lebanon *vice* Mr. K. P. Kirkwood; Mr. Kirkwood as High Commissioner to New Zealand *vice* Mr. Norman.
(Department of External Affairs, Ottawa)
(Prev. rep. 14777 C.)

D. MALAYA - SINGAPORE. — Authorization of Limited Rubber Exports to Communist China.

The Governments of the Malayan Federation and Singapore announced on June 4 that the British Colonial Office had authorized the resumption of rubber exports in "reasonable quantities" to Communist China. The Foreign Office stated on June 6 that the relaxation permitting the export of rubber to Communist China came under the "exceptions procedure," that the policy would only apply to exports which had no strategic value, and that no infringement of the resolution was involved. The "reasonable quantities" mentioned in the announcement were stated in the Press to be about 2,000 tons a month.

Mr. Nutting, Minister of State for Foreign Affairs, had stated on May 14 that more use would be made of this "exceptions procedure" whereby it would be possible to export goods to Communist China on the embargo list for that country but not controlled for the Soviet bloc Colonial Governments would have authority to consider applications for export licences within the framework of this policy.

The ban on strategic goods to China had been in force since October 1951 (i e. following the outbreak of the Korean War), and control of strategic goods to the Soviet bloc since October 1954. About 450 items were on the list banned for export to China, about 200 of which (including rubber) did not appear on the Russian list.—(Financial Times - Manchester Guardian)
(Prev. rep. British Embargo on Strategic Exports, 11478 A; U.N. Embargo, 11490 A.)

E. UNITED KINGDOM. — Royal Navy. - Abandonment of Scapa Flow Naval Base.

The Civil Lord of the Admiralty (Mr. Wingfield-Digby) announced in the House of Commons on June 6 that the Government had decided to abandon Scapa Flow as a naval base and to close all naval establishments in the area (including the boom-defence depot and wireless telegraph station), with the exception of the oil fuel depot and the services necessary to maintain it. He explained that this step had been decided on because the Admiralty could no longer foresee sufficient work for the installations, either in peace or in war, to justify the expense of their retention. (Times - Daily Telegraph)

Note. Scapa Flow, a natural deep-water harbour about 15 miles long and eight miles across, is formed by the Orkney islands of Pomona, Hoy, and South Ronaldshay It was chosen by the late Admiral of the Fleet Lord Jellicoe in 1914 as the main base for the Grand Fleet, and was the scene of the scuttling of the German High Seas Fleet after its surrender in 1919. Falling into virtual disuse between the wars, it was again brought into use in 1939, but after the torpedoing of the battleship *Royal Oak* in October of that year (with the loss of 833 officers and ratings) it was temporarily abandoned until its underwater defences had been strengthened. For several years the harbour has been virtually on a care and maintenance basis, with only occasional visits by H.M ships. (Times)

F. AUSTRALIA.—Sir Eric Harrison appointed High Commissioner in London.

It was announced by Mr. Menzies on May 23 that Sir Eric Harrison, Minister for Defence Production and Vice-President of the Executive Council, would become High Commissioner in London in succession to Sir Thomas White, who had completed five years' service in the United Kingdom and was returning to Australia. Mr. Menzies explained that Sir Eric would remain in his present ministerial posts until he (Mr. Menzies) had returned to Australia from an overseas tour, which was expected to be at the end of August. In the meantime Sir Edward McCarthy would act as High Commissioner in London.

Sir Eric Harrison (63) had been Resident Minister in London in 1950-51. Mr. Menzies said that the appointment of a successor to Sir Eric as deputy leader of the Liberal Party and Leader of the House of Representatives, and any consequential Cabinet changes, would be dealt with after his return from his overseas tour.—(Australian News and Information Bureau)
(Prev. rep. 11461 C.)

G. BELGIUM. — Expansion Plan for Port of Antwerp.

Plans for the expansion and modernization of the port of Antwerp at a cost of 4,200 million Belgian francs (about £30,000,000) were announced on June 11 by the Prime Minister, M. Van Acker. He said that the work was expected to be finished by 1963; that the State would contribute 3,500 million francs (about £25,000,000) of the total expenditure; and that additional credits would be provided for the construction of 20 to 30 ships, totalling 250,000 to 300,000 tons, with the aim of expanding Belgium's merchant marine to 800,000 tons.
(La Nation Belge, Brussels)

JUNE 16—23, 1956

A. FRANCE - GERMANY. — Agreement on Future of the Saar. - Saarland to unite with Germany on Jan. 1, 1957. - Canalization of Moselle River. - French Coal Supplies from Warndt Mines.

Full agreement between France and the German Federal Republic on the future of the Saar, and on related issues, was reached on June 4 in discussions at Luxemburg between M. Mollet, the French Prime Minister, and Dr. Adenauer, the German Federal Chancellor. The respective Foreign Ministers, M. Pineau and Herr von Brentano, also took part in the discussions.

The Franco-German negotiations on the Saar (see page 14722) had been continued in Paris during April and May by M Maurice Faure and Dr Hallstein, the respective Secretaries of State in the French and German Foreign Ministries, following earlier discussions between M. Pineau and Herr von Brentano in Bonn on Feb. 21-22. Difficulties on several questions had prevented final agreement during the Paris negotiations, but these were successfully resolved at the Luxemburg meeting between the German Federal Chancellor and the French Prime Minister.

The principal provisions of the agreement were as follows:

(1) The Saar would be reunited politically with the German Federal Republic on Jan. 1, 1957, and would become a *Land* with representation in the *Bundesrat*.

(2) The Saar would be economically integrated in the Federal Republic by stages over a three-year period to be completed by Jan. 1, 1960.

During the three-year period the Franco-Saar Customs Union would be maintained, and French or Saar legislation relating to currency and Customs matters would remain in force Saar exports to the Federal Republic during the transitional period would be unrestricted by quantitative limitations or Customs duties As regards German exports of investment goods to the Saar, the Saar Government would work out a plan providing for a progressively liberal importation régime.

After the end of the three-year period, the Saar would be accorded a special economic status within the Federal Republic in order to maintain Franco-Saar commercial exchanges on a continued high level. For an indefinite period it would be able to import, duty free, French goods worth 160,000,000,000 francs (£160,000,000), and to export to France, duty free, goods worth 110,000,000,000 francs (£110,000,000) annually—these figures being based on the 1955 level of exchanges between the two countries. With a view to maintaining the overall volume of trade, provision was made for adjusting the quotas of goods if the relation between Saar exports to France and French exports to the Saar fell materially below the 1955 level

It was also agreed that measures would be taken to prevent any abuses of the special economic régime for the Saar within the German economy, that a joint Franco-German commission would be set up to supervise commercial exchanges; and that special facilities would be granted for capital remittances and the transfer of wages and salaries, covering, in particular, transactions affecting the border population and remittances by French undertakings carrying on industrial or commercial activities in the Saar, and Saar undertakings working in France.

During the transitional period experts would work out the necessary financial arrangements for the replacement of the French franc by the Deutschemark in the Saarland

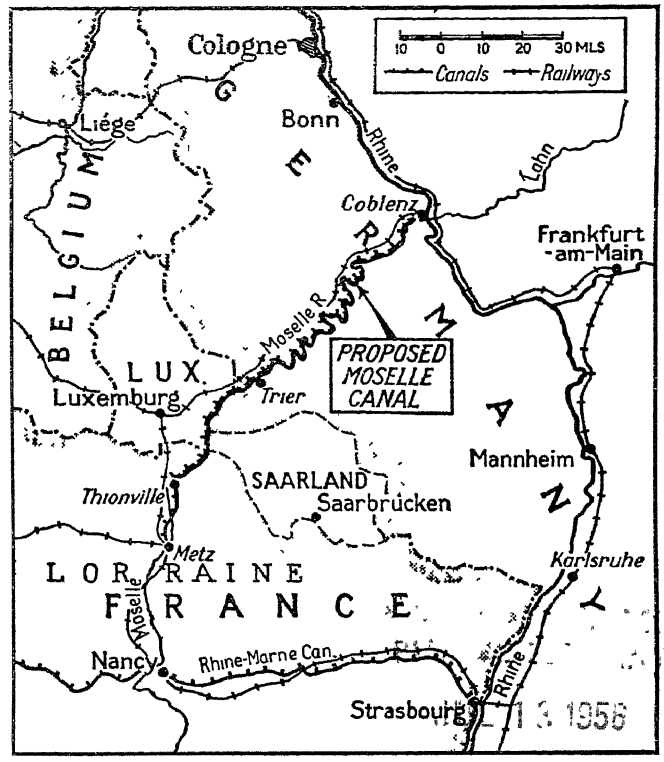
Agreement was also reached (*a*) that the German Federal Republic and France would continue to enjoy equal status within the European Coal and Steel Community; (*b*) that further discussions would be held on questions connected with the maintenance of coal supplies to France from those Saar mines formerly owned by the German Reich.

(3) Between the present time and 1980, France would obtain 90,000,000 tons of coal from the Warndt mines.

The future of the coal deposits of the Warndt Forest was one of the most difficult problems in the negotiations, as the French were particularly anxious to ensure that these coal supplies remained available for the Lorraine iron-ore industry. The Warndt mines (which extend across the frontier between France and the Saar) are at present only worked from the French side, and contain the largest and best coal deposits of the Saar territory. Considerable French investments have been made in these mines

Ultimately, it was agreed that France should have the right to take 90,000,000 tons of coal from the Warndt by 1980, in the following manner (*a*) During the first five years (1956-1960) France would be entitled to mine just over 20,000,000 tons of coal from the Warndt deposits—i.e., to maintain the present level of exploitation. (*b*) By the end of 1960 France would relinquish the north-eastern part of the Warndt coalfield, which would then be exploited from the Saar; during the five-year period a new shaft would be sunk on the Saar side. (*c*) From 1961 to 1980 France would have the right to work three specific coal seams constituting the south-western part of the Warndt coalfield, from which she would obtain about 46,000,000 tons—making a total of 66,000,000 tons over the 25-year period. (*d*) In addition, France would be allowed to buy another 24,000,000 tons of Warndt coal from the Saar at cost price over the whole period (i.e., until the expiration of the agreement in 1980). The German Federal Government would compensate the Saar mines for the difference between the cost price and the nominal sales price.

(4) The Moselle River would be canalized between Coblenz and Thionville (see accompanying map), a distance of 168 miles. The costs of the project would be shared between the French and Federal German Governments, the German share being about 300,000,000 DM. (approx. £25,000,000) and the French share about 250,000,000 DM. (approx. £21,000,000). Of the German share, 160,000,000 DM.—representing the cost of building electricity stations at dams on the Moselle—would be



(*Economist*)

borne by the *Rheinisch-Westfalische Electrizitatswerke*. Tolls for the use of the canalized river would be fixed on the basis of the average tolls charged for shipping on the Main and Neckar rivers, and there would thus be no discrimination in favour of German interests. It was agreed that Luxemburg interests in the project should be discussed in tripartite talks, and that the Belgian Government should also be consulted.

Throughout the Saar negotiations the canalization of the Moselle had been consistently sought by the French Government, which, in effect, had made agreement on this project a pre-condition for agreement on the future of the Saar. It thus represented an important German concession to France, in return for French acceptance of the Saar's political and economic union with Germany. When the Moselle Canal is completed, barges with a carrying capacity of 1,500 tons will be able to ply between the Lorraine and Ruhr industrial areas, carrying Ruhr coal to Lorraine and Lorraine iron-ore and steel to Germany. French experts estimated that shipping on the Moselle River would amount to about 10,000,000 tons a year when the Canal had been completed

(5) The French Government, in deference to German objections, agreed to abandon its plans for a northward extension of the existing Upper Rhine canal between the Swiss frontier and Markolsheim.

This canal—known as the Alsace Canal, and running parallel to the Upper Rhine— had been completed before the Second World War. The French Government had proposed (*a*) to extend it northwards from Markolsheim to the Strasbourg area, and (*b*) to build several hydro-electric dams along the projected extension. Strong objections had been raised from the German side, particularly by the *Land* Government of Württemberg-Baden, on the ground that the projected dams would affect the level of the Rhine and draw water away from the plain on the German bank of the river

In view of these objections, the French Government agreed (*a*) to abandon its plan for extending the Alsace Canal and for building new hydro-electric dams; (*b*) to discontinue work on the 20-mile extension which had already been built northwards from Markolsheim; (*c*) to "build back" this extension into the Rhine, involving an alteration in the course of the river, and (*d*) to pay compensation to the *Land* Government of Württemberg-Baden for damage to crops caused by the diversion of the Rhine. The extent of this compensation will be determined by an arbitration tribunal.

In addition, to the agreements on the Saar, the communiqué signed by Dr. Adenauer and M. Mollet also said that there had been an exchange of views on international and European problems, on which the two Governments were in complete agreement.

The communiqué stated (*a*) that there was "complete identity of views" between France and the German Federal Republic on international problems generally; (*b*) that both countries had reaffirmed their loyalty to the North Atlantic Treaty, (*c*) that they were agreed that NATO should extend its activities to the economic and political fields; (*d*) that they recognized that disarmament was dependent on a solution of problems threatening world peace, in which connexion "the solution of the problem of German reunification occupies first place"; (*e*) that both countries would make continued efforts to bring about East-West understanding; (*f*) that they had noted with satisfaction the steps being taken to set up the "Euratom" project and to establish a common market between the member-countries of the European Coal and Steel Community

As regards the Saar, the Moselle Canal project, and the Alsace Canal, the communiqué emphasized that the statesmen on both sides had been at pains to reconcile the "essential national interests" of the two countries in view of the extreme importance of these questions to Franco-German understanding, West European co-operation, and the "solidarity of the West." Dr Adenauer and M. Mollet expressed the hope that Franco-German understanding would develop in future "in an atmosphere of close co-operation and confidence which would create the best conditions for realising their joint aim—the building of Europe."

The communiqué added that practical details of implementing the Saar agreement would be worked out by French and German experts.

During the Luxemburg discussions M Mollet and M. Pineau gave an account of their recent visit to U.S S R and their discussions with Soviet leaders (see 14934 A) It was stated in the Press that the French Prime Minister had repeated to Dr Adenauer a reported remark by M Khrushchev in which the latter was alleged to have said that Russia "preferred having 17,000,000 Germans inside the Soviet bloc to the possibility of 70,000,000 in a neutral reunited Germany." In a press statement on June 5 after his return to Bonn, Dr. Adenauer described M Khrushchev's reported remark as "brutal and outrageous," and said that it demonstrated that nothing had changed in the U S S R since the death of Stalin. The Chancellor stressed that the Federal Government would continue to work for the reunification of Germany, and added that he would review the situation with the British, U S, and French Governments

Satisfaction at the settlement of the Saar question was expressed both in France and in Western Germany. In Paris, a spokesman of the *Quai d'Orsay* said that "we can now really consider that the Saar problem is settled between France and Germany; despite immense difficulties, agreement was reached thanks to the European spirit and determination of M. Mollet and Dr. Adenauer." The Saar Government unanimously approved the Luxemburg agreement on June 5, and the German Federal Government on June 6.

Recent developments in the Saar are summarized below under cross-headings

Dissolution of Saar Socialist Party. The Saar Socialist Party decided on March 18 (by 228 votes to 21, with 10 abstentions) to dissolve itself and allow its members to join the Social Democratic Party.

Revised Landtag Election Results. It was announced on April 25 that the Saar Electoral Commission had decided to allocate one additional seat to the Saar Democrats at the expense of the Christian People's Party. This decision, together with the merger of the Saar Socialist Party with the Social Democratic Party, changed the strength of the parties in the Saar *Landtag* as follows Christian Democratic Union, 14; Saar Democrats, 13, Christian People's Party, 12, Social Democratic Party, 9, Communist Party, 2

Local Elections. Local elections in the Saar on May 13 resulted in the three pro-German parties (the Christian Democrats, Saar Democrats, and Social Democrats) obtaining 110 out of 150 seats in the seven district councils (*Kreisräte*), 34 of the remaining seats went to the Christian People's Party, and six to the Communists. The pro-German parties also gained majorities in all but one of the 344 urban and village councils.

Of the three pro-German parties, the Christian Democrats polled 152,936 votes (28 8 per cent), the Saar Democrats 134,186 votes (22 3 per cent), and the Social Democrats 103,361 votes (19 4 per cent) The Christian People's Party polled 123,456 votes (23 1 per cent), while the Communists polled 29,893 votes (5.9 per cent) Various "splinter" parties and local groups polled 0.5 per cent between them

The Rochling Steelworks. The Röchling family notified the French and Federal German Governments on April 26 that it no longer considered as valid the option given to the two Governments for the purchase of the steel plant at Volklingen [This option had been agreed upon in April, 1955, by Dr Adenauer and the then French Foreign Minister, M. Pinay] Although the text of the letters was not published, it was understood that the Rochling family had taken the view that the rejection of the proposed Saar Statute at the plebiscite in October last had eliminated the pre-conditions for this option. The Saar Parliament had adopted a resolution in January last (see 14721 A) calling for the return of the Völklingen steelworks—at present under French sequestration—to the Röchling family.

East German Representations on Saar.

It was announced in East Berlin on May 6 that Herr Grotewohl (the Prime Minister of Eastern Germany) had sent letters to Dr. Adenauer and Dr. Ney (the Premier of the Saar) suggesting talks between Eastern and Western Germany, with the participation of the Saar, as a demonstration of all-German solidarity on the question of the Saar's reunion with Germany. It was suggested that joint action in this matter by the two German States could serve as a starting-point for wider understanding between them. The letter to Dr. Ney also proposed that Eastern Germany and the Saar should exchange diplomatic representatives.

At the same time the East German Foreign Minister (Dr. Bolz) sent a letter to M Pineau stating that any settlement of the Saar question without the participation of the East German Government would be regarded as "inadmissible and ineffective," and as "incompatible with the existence of two German States" Whilst declaring that the Saar was indisputably German territory, Dr Bolz said that a solution of the Saar question must serve "the strengthening of peace in Europe and the peaceful—particularly the economic—interests of the French and German peoples" He alleged that the current negotiations between France and the Federal German Republic were aimed at making the Saar's industrial potential serve the remilitarization of Western Germany "by way of an *Anschluss*"

Dr. Ney declared on May 7 that it was "out of the question" that Eastern Germany should take part in the Saar discussions. Dr. Schneider, president of the Saar *Landtag* and leader of the Saar Democratic Party, said that the Saarland would agree in principle to discuss its future with Eastern Germany if the East German Government would press for the return of the former German territories beyond the Oder-Neisse line. (Le Monde, Paris - Le Figaro, Paris - Federal Government Bulletin, Bonn - Frankfurter Allgemeine Zeitung - Die Welt, Hamburg - Neue Zurcher Zeitung) **(Prev. rep. Saar, 14721 A.)**

A. AUSTRIA. — New Coalition Cabinet.

A new Government—based, as hitherto, on the coalition between the People's Party (Catholics) and the Socialists—was formed on June 22 by Dr. Raab, the outgoing Chancellor, with the following membership:

Dr. Julius Raab (People's Party) ..	Chancellor.
Dr. Adolf Scharf (Socialist) .	Vice-Chancellor.
Dr. Leopold Figl (People's Party)	Foreign Affairs.
Herr Oskar Helmer (Socialist) .. .	Interior.
Dr. Reinhard Kamitz (non-party) ..	Finance.
Dr. Otto Tschadek (Socialist) .	Justice.
Herr Franz Thoma (People's Party) .	Agriculture and Forestry.
Dr Udo Illig (People's Party) ..	Trade and Reconstruction.
Herr Ferdinand Graf (People's Party)	Defence.
Herr Karl Proksch (Socialist) ..	Social Welfare.
Herr Karl Waldbrunner (Socialist)	Transport and Electricity Industry.
Dr Heinrich Drimmel (People's Party)	Education.

The following State Secretaries were appointed. Dr. Bruno Kreisky (Socialist) and Dr. Franz Gschnitzer (People's Party)—Foreign Ministetry, Herr Franz Grubhofer (P P.) Ministry of the Interior; Dr Karl Stefani (Socialist)—Ministry of Defence, and Herr Eduard Weikhart—Ministry of Trade and Reconstruction.

The principal change was the appointment of a Minister of Defence—a new portfolio, resulting from the creation of Austrian armed forces following the entry into force of the Austrian State Treaty. With the exception of the new Defence Minister (Herr Graf), all the Ministers held office in the former Cabinet except Dr. Tschadek, who succeeded Herr Kapfer (non-party) as Minister of Justice—a portfolio which Dr. Tschadek had held in former administrations.

The former extensive powers of the Ministry of Transport over the nationalized industries were curtailed, the industries concerned being placed under the direct control of the Cabinet as a whole. -(Wiener Zeitung - Neue Zürcher Zeitung) **(Prev. rep. Elections, 14889 A; Cabinet, 14730 D; 14016 E; 13909 D; 13274 B; 12908 A.)**

B. TURKEY. — Resignation of Foreign Minister.

Professor Köprulü, Foreign Minister of Turkey since 1950 (except for the period April to December 1955), resigned from the Cabinet on June 20, no official statement being issued as to the reasons for his resignation. The portfolio of Foreign Affairs was taken over *ad interim* by M. Ethem Menderes, the Minister of the Interior. The latter is not related to the Turkish Prime Minister, M. Adnan Menderes.—(Times - Le Monde, Paris) **(Prev. rep. 14890 C; 14624 A.)**

A. EGYPT.—New Constitution. - Forthcoming Constitutional Plebiscite and Presidential Elections. - Creation of Supreme Court. - Abolition of Religious Tribunals.

Colonel Nasser, the Egyptian Prime Minister, proclaimed a new Constitution on Jan. 16, 1956, thus ending the three-year transitional period since the dissolution of all political parties in February 1953.

It was officially stated that the new Constitution was of a "socialistic nature," and would abolish social distinctions and prohibit the creation of civil titles. Sovereignty would be vested in the people, and the regime of the State would be "republican and democratic." The religion of the State would be Islam, and Arabic would be the official language. The Constitution would be based on the presidential system, with legislative powers vested in a single National Assembly and executive authority vested in a President. A plebiscite on the Constitution, and elections for a President of the Egyptian Republic, would take place on June 23, and the Assembly was expected to meet in October. Until the new Constitution came into force, the present Government would remain in office.

The principal provisions of the Constitution were as set out below:

Elections. Political parties would remain suspended until the Government introduced a law regulating them. Pending such a measure, "a National Union would be established by the people to work for the realization of the aims of the revolution." The National Union would nominate candidates for the National Assembly, and the manner in which the Union should be formed would be defined by the President. The rules regulating the methods of electing the Assembly were "left to be defined by a special law to be issued at a later date to ensure a measure of elasticity and adaptability." All citizens over the age of 18, including women, would be entitled to vote in these elections, and voting would be compulsory.

National Assembly. The National Assembly, whose term would be five years, would have the usual powers of legislation and supervision over the executive authority. It would nominate the President, whose name would then be submitted for public approval by means of a referendum. The Constitution would "thus be on this point a combination of the parliamentary and presidential systems, avoiding the defects of both"

President. The President, whose term of office would be six years, would be the Head of State and the chief executive. He would formulate the general policy of the Government in collaboration with his Ministers, and would have power to veto or propose laws, although the Assembly could over-ride his veto by a two-thirds majority vote He would also be Commander-in-Chief of the armed forces, and would have authority to declare war, with the approval of the National Assembly. Furthermore, the President would have power to nominate and dismiss officials, and would be able, after consulting the National Assembly, to refer matters to popular plebiscite. Eligibility to the office of President would be confined to persons over 35 years of age and unrelated to the former Royal family.

Judiciary. The Constitution emphasized the independence of the judiciary, and laid down that judges would not be liable to dismissal and would be subject to no other authority but the law

Local Government. Egypt would be divided into administrative units, and Provincial Councils would be elected whose members would be responsible for all public services.

Civil Rights. The Constitution guaranteed freedom of person, life, residence, abode, and religious faith Freedom of the Press, publication, and copyright would be safeguarded "in the interest of public welfare and within the limits prescribed by law" The present censorship would therefore continue until a new law was passed

Economic Policy. The national economy would be organized "according to principles of social justice" and would aim at promoting national productivity and raising the standard of living The Constitution provided for the sanctity of private property, although there would be a maximum limit to land ownership. Private economic activity would be free from State interference provided it did not run counter to the public interest or infringe upon individual freedom.

Social Policy. All Egyptians would be entitled to State aid in respect of old age, sickness, and inability to work, and social insurance and public health services would be created Elementary education would be compulsory, and freely provided in State schools

In a speech at Cairo University on June 1, Colonel Nasser promised an end to military rule in Egypt and the development of a "co-operative society." He announced that the Revolutionary Command Council would be dissolved after the plebiscite on June 23, and would then "hand over rule to the people in a way that will preserve the people's rights." All Egyptians would be eligible to stand for election to the proposed National Assembly, except "those who in the past have supported imperialists and colonialists." There would, however, be no political parties, "because it has been Egypt's experience that political parties supported selfish interests and imperialism." All Egyptians of good reputation would be eligible for membership of the National Union, which he described as "a kind of Popular Front organization with no political orientation." Colonel Nasser also announced that 571 political prisoners would be released, and that press censorship would be abolished before the plebiscite.

Among leading political prisoners whose release had been earlier announced was Ibrahim Farrag, the former Wafdist Foreign Minister, who had been sentenced to life imprisonment in October 1953 on charges of high treason. [The sentence was originally one of death, but had been later commuted to life imprisonment.] M. Farrag was released on Nov 14, 1955, and placed in house custody for health reasons.

Colonel Nasser was nominated by the Council of the Revolution on June 8 as sole candidate for the Presidency.

Creation of Supreme Court.

A Government decree was issued on June 13 creating a Supreme Court. It laid down (*a*) that the Court would have 12 members—six elected by the National Assembly and six elder members of the Judiciary; (*b*) that it would have unlimited powers of judicial review; (*c*) that the President's actions would not be outside the Court's competence; and (*d*) that any future President or Minister found guilty of high treason or disloyalty would be liable to the death penalty, or to imprisonment for life or for a limited term.

Abolition of Religious Tribunals.

All religious tribunals in Egypt, including the ancient Moslem *Sharia* courts, were abolished on Jan. 1, 1956, from which date all cases of personal status hitherto brought before such courts were heard in the ordinary civil courts. Islamic laws, or the laws of the non-Moslem (i.e. Christian and Jewish) communities, continued to be applied in such cases, and *Sharia* judges (or the appropriate non-Moslem jurists) continued to sit with the civil judges for this purpose.

The abolition of the religious tribunals constituted a further step in the unification of the Egyptian legal system—which had been largely rationalized in 1949 by the abolition of the former consular and mixed courts—and the entrenchment of State courts as the sole judicial authorities Egypt became the first Moslem country to abolish the *Sharia* courts (once the supreme legal bodies of all Moslem states, interpreting the *Sharia* or Canon Law of Islam), whose competence in Egypt had lately been confined to cases of personal status—marriage, divorce, care of children, inheritance, etc The Government's decision involved the abolition of the Supreme *Sharia* Court in Cairo, of over 100 lower *Sharia* courts in different parts of Egypt, and of 14 non-Moslem courts.

The Greek Catholic Bishop of Egypt and a number of his clergy were detained by the Egyptian Government on Dec.18, 1955, following the publication of a proclamation setting forth Greek Catholic objections to certain provisions concerning divorce in the new law on personal status. As a protest against these provisions, the Greek Catholic churches in Egypt were closed on Christmas Eve and the traditional Christmas ceremonies were not held. On Jan. 9, 1956, however, a compromise was arrived at between the Egyptian Government and the Christian communities which provided (*a*) that a husband's conversion from the Christian religion to another would constitute a valid ground for granting divorce to the wife, (*b*) that a Christian clergyman would sit on the bench during the hearings of all divorce cases concerning Christians; and (*c*) that religious marriage ceremonies would always precede the civil marriage ceremony.—(Le Monde, Paris - Times - Daily Telegraph - Manchester Guardian - New York Times) **(Prev. rep. Political Parties, Dissolution, 12748 A; Colonel Nasser, Assumption of Premiership, 13554 A; 13449 A.)**

B. WESTERN GERMANY. — Civil Aviation Agreements with Australia and Irish Republic. - Deutsche Lufthansa Service to South America.

Civil aviation agreements between Western Germany on the one hand and Australia and the Irish Republic on the other were signed in Bonn in May and June respectively.

The agreement with Australia allowed scheduled German airlines to operate a service to Darwin and Sydney *via* Egypt, Pakistan, India, Burma, Siam, Singapore, and Indonesia, and for Australian scheduled airlines to operate a service to Frankfurt.

Under the agreement with the Irish Republic (June 12) a scheduled German airline was allowed to operate a service to Dublin *via* the Netherlands or Belgium and Manchester, as well as to operate transatlantic flights *via* Shannon Airport. *Aer Lingus* received corresponding rights to operate services to the German Federal Republic, and also a line to Switzerland and Italy *via* Stuttgart.

It was also announced in May that *Deutsche Lufthansa* would operate a commercial air service between Western Germany and Argentina, with intermediate stops at Paris, Dakar, Recife, Rio de Janeiro, São Paulo, and Montevideo. (Frankfurter Allgemeine Zeitung - Australian News and Information Bureau - Irish Times, Dublin)

(Prev. rep. 14456 D; 14348 B; 14167 D.)

A. UNITED KINGDOM. — Atomic Energy. - Opening of Calder Hall Reactor. - "Atomic Electricity" fed into National Grid. - First Report of Atomic Energy Authority. - New Reactors at Harwell.

The first of two atomic piles at the Calder Hall (Cumberland) nuclear power station—which will be the first in the world to supply electricity on a large scale from nuclear sources—went into operation on May 22. The U.K. Atomic Energy Authority said that "the first important step in the start-up of the Calder Hall station took place . . . when sufficient uranium had been loaded for the chain reaction to take place and for the first pile to become self-sustaining." The statement added that by Oct. 17, 1956, when the Calder Hall station would be officially opened by the Queen, "for the first time in the history of the world electricity will be supplied from a nuclear power station to a national electricity network."

A spokesman for the Authority said that Whitehaven would be the first town in Britain to receive "atomic electricity" to add to its "coal electricity"; this would take place within a few weeks, the atomic electricity from Calder Hall entering the "grid" system at Whitehaven and being dispersed over an area of North-West England which would include Barrow-in-Furness and Lancaster.

Calder Hall is part of the Atomic Energy Authority's programme for nuclear power stations, but is not included in the national plan which envisages the construction of 12 such stations during the next ten years at an estimated cost of £300,000,000.

Other recent important developments in the field of atomic energy are described below under cross-headings:

Sites for Electricity Authority's Nuclear Power Stations. The Central Electricity Authority announced on Oct 14, 1955 that it proposed to build its first two nuclear power stations at Bradwell at the mouth of the Blackwater River in Essex, and at Berkeley, on the Severn estuary in Gloucestershire. If the sites were approved by the local planning authorities and the Minister of Fuel and Power, it was planned to begin construction of the stations in 1957, and they should be contributing to public electricity supplies by 1960 or 1961. Each station would provide two to three times the amount of power to be generated at the Calder Hall station, where electricity was a by-product. The announcement added that comprehensive precautions would be taken in the design of the reactors and ancillary plant to ensure the effective containment of all radio-active materials in every foreseeable contingency. There would be no chimney emissions as from the combustion of coal, and the stations would therefore contribute to the "clean air" policy.

On Oct. 26 the Central Electricity Authority announced that six more sites had been selected as being suitable for the erection of atomic power stations. Their location was not disclosed because negotiations with local authorities and other bodies concerned had not been completed.

First Report of Atomic Energy Authority. The first report of the U.K. Atomic Energy Authority, covering the period from July 1954 (when the Authority came into being) to March 1955, was published on Nov. 3. Stressing the difficulty of obtaining sufficient numbers of trained scientific personnel, it stated that although material shortages had never been insuperable, the difficulty of recruiting and retaining sufficient skilled scientists, engineers, and craftsmen had been acute throughout the 10 years since the atomic energy project began in 1945, and showed no signs of becoming easier.

The report pointed out that the Authority was competing for staff with industry, notably with sections of industry which were themselves building up staff to enter the field of nuclear energy; as a body dependent on public funds, the Authority had not the same freedom of manoeuvre as industry in the matter of salaries. Whilst the Authority was aware that the shortage of technological skill was nation-wide and that efforts were being made to meet it, the development of atomic energy was unique in the variety of special skills demanded, and the demand was not being met at present. The staff which the Authority had taken over on Aug. 1, 1954, had been inadequate to fulfil the programmes then in hand, and since then both the military and civil programmes had been enlarged. Most of the Authority's establishments were in isolated areas, and the labour resources of the surrounding localities had since been exhausted.

The Authority (the report continued) was doing its utmost to train future managers and executives from among its own staff, but had been forced to look outside for a large number of senior staff. Difficulties in this respect had been anticipated, but the difficulty in recruiting younger engineers and technicians was more disquieting. "In the industrial group in particular," the report stated, "recruitment of professional and scientific staff has done no more, over the past 18 months, than keep pace with wastage: there has been no increase in manpower to match the increased programmes, civil and military. Inadequacy of staff is a constant threat to the achievement of the Authority's programmes, and there is always the fear that, even if the dates are achieved, as so far they have been, details will have been skimped that will be the cause of operating troubles for the future."

As regards supplies of uranium, the report said that it was realized that while minerals bearing small quantities of uranium were fairly plentiful, the low metallic content and the difficulty of treatment ruled out most of them as economic sources. Nevertheless, the procurement programmes of the past few years were now bearing fruit and an easier supply position seemed probable over the next decade. Prospecting in Britain had not so far resulted in the discovery of any deposits which could be exploited economically.

The report went on to say that while atomic power was now the principal civil objective, exploitation of radio-active isotopes continued at a rapid pace. The combined output during the year (from the Isotope Division at Harwell and the Radio-chemical Centre at Amersham) was 18,835 consignments, an increase of 16 per cent on the calendar year 1953 Of this total, 35.6 per cent had been exported and 40 countries were using British isotopes in 1954. The value of radio-active products sold during that year was about £450,000.

The report contained the following paragraphs on the subject of atomic patents policy:

"The many inventions that have arisen [in the field of atomic energy] have created for the Authority a substantial holding of patents and patent applications. Until recently the utilization of atomic energy inventions has been largely confined to the Authority themselves, but the programme for nuclear power will extend their use to industry and to the electricity authorities. Some of the inventions also have general applications in the chemical, engineering, metallurgical and instrument fields. Where inventions are not secret, the Authority follow a policy of granting non-exclusive licences to suitable U.K. recipients unless the invention can be more appropriately exploited by the National Research Development Corporation

"To implement this policy the Authority have a staff of Patent Officers who work closely with the scientists and engineers in assessing the value of inventions and taking appropriate action to patent them . . . Some inventions are, of course, devised specifically for use in atomic energy—for example, in processing of plutonium—but many others can be applied to a wide range of industry One example of this was the Sprayrack method of distillation evolved at Harwell. Although it was designed to assist in the production of heavy water, it is applicable to other industries using distillation, and licences have been granted for its use in America, France, and Germany, as well as in this country. In studying applications, the Authority's Patents Branch do not ignore the possibility that it is advisable in some cases to take out patents in foreign countries

"In order to make information known about inventions which have been patented, the Authority is appointing an officer whose task will be to ensure that details reach such branches of industry as may be interested, and who will also be prepared to deal with inquiries from firms who may consider that processes or methods used in atomic energy might be of use to them."

Research on Atomic Power for Aircraft. The Hawker Siddeley Group announced on Nov. 18 that it was negotiating for a site on which to build a research establishment to investigate the possibilities of using atomic power in aircraft propulsion. It was stated that this site "may possibly be in the Gerrard's Cross area" (Buckinghamshire). Sir Frank Spriggs, managing director of the Hawker Siddeley Group, confirmed on Jan. 4, 1956, that his group had drawn up plans for entry into the atomic energy field, and announced that the Hawker Siddeley Nuclear Power Company had been formed to carry out research and development work.

New Research Reactors. The Atomic Energy Authority announced on Jan. 17, 1956, that two new research reactors, or atomic piles, were operating at Harwell—"Zeus" (zero energy uranium system) and "Zetr" (zero energy thermal reactor) "Zeus" had been built to check the nuclear calculations on which the design of the fast reactor being built at Dounreay (Caithness) depended, and was in many ways a full-scale model of the Dounreay reactor. "Zetr," however, was a new type of research reactor, the existence of which was made known for the first time. Its purpose was to obtain information of value in the design of "homogeneous" reactors in which the nuclear fuel was circulated in solution, and in which chemical processing would probably in the long run be made continuous.

The Atomic Energy Authority announced on Oct. 17 the appointment of Mr. W. Strath (a Third Secretary at the Treasury) as a full-time member of the Authority, and of Sir Rowland Smith (chairman of the Ford Motor Company) and Mr. C. F. Kearton (a director of Courtaulds) as part-time members. It was stated that Mr. Strath would be largely concerned with the Authority's relations with industry, with overseas atomic energy organizations, and with raw material procurement. The appointments brought the membership of the Authority up to the limit of 10 (excluding the chairman) laid down in the Atomic Energy Authority Act.—(Times - Daily Telegraph - Manchester Guardian - Financial Times)

(Prev. rep. Atomic Energy, 14416 A; 14360 A.)

B. POLAND. — Releases under Amnesty Law. - Ex-Premier of Government-in-Exile returns to Poland.

The Polish Prosecutor-General's Office announced early in June that nearly 86,000 people had benefited from the amnesty granted by the law of April 27.

It was stated that nearly 28,000 of this total (including 3,500 women) had been released from imprisonment, while the remainder had had their sentences reduced. In addition, 10,700 applications for amnesties had been referred to the courts for further decision. Those released included 1,300 who had been sentenced for anti-State activities.

It was reported on June 9 that M. Stanislaw Mackiewicz, at one time Premier of the Polish Government-in-exile in Britain, had decided to return to Poland. (Polish Embassy, London)

(Prev. rep. 14880 A; Emigrés, 14817 A; 14510 A.)

A. EUROPE. — Coal and Steel Production in 1955. - O.E.E.C. Report on Europe's Energy Needs.

Coal production in the principal European coal-producing countries during 1955 is shown in the following table:

	Production (metric tons)	Output per manshift*	Workers on books at Dec. 31, 1955
Belgium	29,975,000	1.148	151,000
Czechoslovakia	23,200,000	n.a.	n.a
France	55,336,000	1.583	206,000
Saar	17,330,000	1 810	56,500
Western Germany	130,727,000†	1.544	428,000‡
Italy	1,134,000	n.a	6,600
Netherlands	11,893,000	1.486	47,200
Poland	94,500,000	n.a.	n a.
Spain	12,432,000	n.a.	n a.
United Kingdom	225,152,000	1 602	700,000

*Underground production only. †Not including 90,531,000 metric tons of lignite ‡Not including 30,600 workers employed in the production of lignite. n.a. not available.

The major coal-importing countries during the year were Western Germany (17,341,000 metric tons), United Kingdom (11,548,000), France (11,223,000), Italy (10,415,000), the Netherlands (8,096,000), Denmark (5,113,000), Austria (4,129,000) and Sweden (3,210,000). The principal exporting countries were Western Germany (13,136,000 metric tons), United Kingdom (11,615,000), and the Saar (9,771,000). Figures for Poland were not available.

The United States exported 26,535,000 metric tons of coal to Western European countries in 1955, compared with 9,810,000 metric tons in 1954. Of the 1955 exports, 6,068,000 metric tons went to Western Germany, 5,974,000 to Italy, 4,467,000 to the Netherlands, and 4,408,000 to the United Kingdom.

It was announced in Washington on June 13, 1956, that the U.S. coal industry, the coal-carrying railways, and the United Mineworkers' Union had combined to set up a new company, to be called the American Coal Shipping Inc., to buy modern vessels and "promote the export coal trade on the broadest possible basis."

Crude steel production in the principal European producing countries in 1955 was as follows (in metric tons): Western Germany 21,336,000, United Kingdom 20,108,000; France 12,592,000; Belgium 5,892,000; Italy 5,395,000; Czechoslovakia 4,530,000; Poland 4,420,000; Luxemburg 3,225,000; Saar 3,165,000; Eastern Germany 2,500,000; Sweden 2,149,000; Austria 1,826,000; Hungary 1,630,000; Spain 1,202,000; the Netherlands 973,000; Yugoslavia 806,000; and Rumania 765,000.

A report by the O.E.E.C.'s Commission for Energy was published on June 5 under the title *Europe's Growing Needs of Energy*.

The report anticipated a continuing rise in the energy requirements of Western European countries, and stressed that such an increase would be necessary to preserve Western Europe's competitive position in world trade. In 1953 the annual industrial consumption of energy per worker in the O.E.E.C. countries was equivalent to only 8 tons of coal, while the U.S. equivalent was 25 tons. The Commission estimated that the consumption of all forms of energy in Europe, which was equivalent to 730,000,000 tons of coal in 1955, would in favourable conditions rise to the equivalent of 1,200,000,000 tons or more in 1975. Western Europe had been a net importer of energy since 1927, and it would be necessary to develop all indigenous resources of energy if increased expenditure on imports was to be minimized.

The Commission estimated that nuclear energy would be unlikely to provide more than 8 per cent of the total energy required in Western Europe in 1975, and it emphasized that coal would be the mainstay of the "energy economy" in Western Europe for many years. It therefore urged the need for a "new outlook" on the coal industry which would encourage long-term investment and technical development.

The O.E.E.C. Coal Committee, in their report on the European coal industry in 1955 (published in April 1956), also stressed that without long-term investment there was the prospect of a future fuel crisis of unprecedented severity. (Economic Commission for Europe, Geneva - O.E.E.C. Information Division, Paris) **(Prev. rep. Commission for Energy, 14383 A; Coal and Steel Production, 14281 C.)**

B. SOVIET UNION. — Resignation of M. Kaganovich.

It was announced in Moscow on June 10 that M. Lazar Kaganovich had resigned at his own request from the chairmanship of the State Committee on Labour and Wages, and had been succeeded in that post by M. Alexander Volkov. M. Kaganovich remained a First Deputy-Premier in the Soviet Government.—(Le Monde, Paris - New York Times)

(Prev. rep. 14315 C; M. Molotov, 14900 B.)

C. ISRAEL. — Resignation of Mr. Sharett. - Mrs. Myerson appointed Foreign Minister.

The Prime Minister of Israel (Mr. Ben-Gurion) informed the *Knesset* on June 18 that Mr. Moshe Sharett had resigned as Foreign Minister; that he would be succeeded by Mrs. Golda Myerson, the Minister of Labour; and that Mrs. Myerson's former portfolio would be taken by Mr. Mordecai Namil, secretary-general of the General Confederation of Labour (*Histadruth*).

Although it was known for some time that differences of opinion had existed between Mr. Ben-Gurion and Mr. Sharett no definite announcement was made as to the causes of Mr. Sharett's resignation from the post of Foreign Minister, which he had held uninterruptedly since the foundation of the State of Israel in 1948. In his statement to the *Knesset*, Mr. Ben-Gurion said that he had always worked with Mr. Sharett "in confidence and mutual respect" despite differences of opinion, and expressed confidence that much activity lay ahead for "the man who stood at the helm of our foreign policy for almost a quarter of a century." [A reference to Mr. Sharett's services as head of the Jewish Agency for many years before the establishment of the State of Israel.] The Prime Minister added that there would be no change in Israel's foreign policy as a result of Mr. Sharett's resignation from the Foreign Ministry.

Mr Sharett made a statement which, without giving any reasons for his resignation, disclosed that he had first made an unsuccessful attempt to leave the Foreign Ministry when Mr. Ben-Gurion was forming his Cabinet after the general elections of 1955. Since then, co-operation between the Prime Minister and himself had been subjected to "several difficult tests," and in recent weeks it had become clear to him that his resignation was unavoidable—a fact, however, which had "nothing to do with any specific policy matter, event, or incident." Mr Sharett added that his final decision to resign had been taken after a conversation with the Prime Minister on June 3, when he had realized that it was "impossible to remain in a Government headed by Mr Ben-Gurion."

Mr. Sharett's resignation from the Foreign Ministry had been accepted the previous evening (June 17) by the central committee of the Israel Labour Party (*Mapai*). The voting was 35 for acceptance of the resignation and seven against, with 47 abstentions. In addition to having been Foreign Minister since the foundation of the State of Israel, Mr. Sharett had been Prime Minister in 1954-55.

Mrs. Golda Myerson had been Minister of Labour in every Israeli Cabinet since 1949. She was previously Israeli Ambassador in Moscow.—(Times - Manchester Guardian)

(Prev. rep. Cabinet, 14520 A.)

D. SWEDEN - UNITED KINGDOM. — Reciprocal Social Security Benefits for U.K. and Swedish Nationals.

An agreement on reciprocal social services between Sweden and the United Kingdom was signed in Stockholm on June 9.

Mr. Boyd-Carpenter, Minister of Pensions and National Insurance, gave details of the agreement in the House of Commons on June 11. He said that it covered (*a*) benefits available to Swedish nationals in Britain under the National Insurance scheme, the Industrial Injuries scheme, and National Assistance, and the equivalent benefits in Sweden available to British nationals in that country; (*b*) family allowances for British families resident in Sweden and for Swedish families resident in the U.K.—in the latter case after a clause to that effect had been added to the Family Allowances Bill now before Parliament.

An innovation, which Mr. Boyd-Carpenter described as "an important feature" of the agreement, was that Swedish health service benefits became available not only to U.K. nationals resident in Sweden, but also to British tourists. Under British agreements with other European countries, British nationals could make use of foreign health services only if they were working in the country concerned. As foreign nationals from any country may receive the benefits of the National Health Service in the U.K., Sweden thus became the first country outside the British Commonwealth to offer full reciprocal rights.

The agreement was signed on behalf of Britain by Mr. Selwyn Lloyd, who was in Stockholm as Minister-in-Attendance on H.M. the Queen during her State visit (see 14933 C). It is subject to ratification by the U.K. and Swedish Parliaments.

(Manchester Guardian - Svenska Dagbladet, Stockholm)

E. JAPAN. — Legislation against Prostitution.

A Bill outlawing prostitution, the first of its kind adopted in Japan, was enacted on May 21 after approval by both Houses of the Imperial Diet. It provided for the closure of all brothels by April 1, 1957, and imposed (as from April 1, 1958) maximum penalties of two years' imprisonment or fines on persons who continued to run such establishments. An appropriation of 40,000,000 yen (about $111,000) was made for the rehabilitation of prostitutes. It was estimated by the Japanese News Agency that some 40,000 brothel-keepers and about 180,000 prostitutes were affected by the legislation.

(Times - New York Times)

A. SOUTH KOREA. — Re-election of President Rhee. - Dr. John Chang elected Vice-President.

Presidential and vice-presidential elections were held in South Korea on May 15. Although Dr. Syngman Rhee (81), leader of the Liberal Party, was re-elected for a third presidential term, his "running mate" (Mr. Lee Ki Poong) was defeated in the vice-presidential election by Dr. John Chang, the candidate of the Democratic Party—an opposition group which had been formed in September 1955. An anomalous situation was thereby created, since President Rhee and Vice-President Chang belong to different parties.

The Democratic Party was formed as a result of mounting dissatisfaction with a number of constitutional amendments adopted by the Liberal majority in the National Assembly—in particular, a provision making it possible for President Rhee to seek as many terms of office as he wished, which his opponents declared to be unconstitutional. The new party absorbed the Democratic Nationalists (the only Opposition party then existing) and was joined by some 35 members of the Assembly, its leaders including Dr John Chang and Mr P H Shinicky, a former Speaker of the Assembly.

President Rhee had originally announced that he would not stand for re-election, in view of his age and in order "to make way for a younger and stronger leader." His supporters, however, formed a "Pro-Rhee National Society" which announced that it would hold mass demonstrations every day until President Rhee changed his mind and consented to stand for a third term. After three weeks of such demonstrations, Dr. Rhee accepted the Liberal Party's nomination for the presidency on March 23, saying that he had "bowed to the popular will" and that he had been "besieged" by letters and telegrams urging him to stand for re-election.

The principal candidates for the presidential election were Dr. Syngman Rhee, nominee of the Liberal Party; Mr. P. H. Shinicky, chairman of the Democratic Party; and Mr. Cho Bong Am, candidate of the Progressive Party (a left-centre group) and a former Communist. The principal vice-presidential candidates were Mr. Lee Ki Poong (Liberal), Speaker of the National Assembly, and Dr. John Chang (Democrat), other candidates included Mr. Pak Ki Choo (Progressive) and General Lee Bum Suk, the former Defence Minister. Mr. Shinicky, however, died suddenly of a heart attack during the election campaign, whilst Mr. Cho Bong Am went into hiding a week before the election. As a result, Dr. Rhee had no effective opposition to contend with in the presidential election.

Out of 9,068,247 votes cast in the presidential election (about 94 per cent of the electorate), Dr. Rhee received 5,046,437 votes, while nearly 2,000,000 were cast for Mr. Bong Am. Over 1,600,000 "memorial" votes were cast for the late Mr. Shinicky, who posthumously polled more votes in Seoul than President Rhee. In the vice-presidential election, Dr. Chang received 4,102,654 votes and Mr. Lee Ki Poong 3,805,502, the remaining votes being distributed among six other candidates. The elections were held in an orderly manner and without incident, but many allegations of irregularities were made by the Opposition parties.

Vice-President Chang (57), a Roman Catholic, was educated in the U.S A (where his eldest son is a professor at Brown University), and was Ambassador in Washington from 1948-51. He served as Prime Minister of the Republic of Korea for one year, before the office was abolished by President Rhee.

In a press statement after his election as Vice-President, Dr Chang said that he expected to "get along fairly well" with President Rhee, as both were anti-Communists and supporters of close co-operation with the United States The "only major difference" between himself and President Rhee was that the latter wished to maintain the American presidential system (i.e to combine the offices of President and Prime Minister in one individual, as Dr Rhee had done by abolishing the post of Prime Minister), whilst he (Dr. Chang) favoured a Cabinet system on the French model, with reduced powers for the President.

Dr. Syngman Rhee issued a post-election statement saying that there was "no precedent for having a President of one party and a Vice-President of another," and expressing his disappointment at the situation that had arisen.
(New York Times - New York Herald Tribune) **(12397 A.)**

B. CZECHOSLOVAKIA. — Abolition of Capital Punishment and Life Imprisonment.

The newspaper *Rude Pravo*, organ of the Czechoslovak Communist Party, announced on June 18 that capital punishment and life imprisonment would be abolished from the beginning of 1957. Under a new penal code to come into force in that year, the maximum punishment for criminals would be twenty-five years' hard labour. (Le Monde, Paris)

C. UNITED KINGDOM. — Further Increases in Coal and Coke Prices. - Stabilization of Electricity Charges. - Twelve-month Stabilization of New Coal Prices.

The National Coal Board announced on May 23 that prices of all grades of coal would be raised from June 1 by eight per cent, or an average of 6s. a ton, the increase for house coal ranging from 4s. 3d a ton to 10s. 1d. according to grade. The increases—foreshadowed by Mr. J Bowman, chairman of the N.C.B., on May 3—were expected to yield about £35,000,000 in 1956 and £61,000,000 in 1957, enabling the Board to reduce its accumulated deficit of nearly £37,000,000 as at Dec. 31, 1955.

It was explained that the increases would be added to the delivered price of house coal, which at present carried a reduction under the summer price scheme (see 14882 A). Specimen prices of Grade 4 coal (the most popular grade) delivered at various centres would be (per ton): London, £7 12s. 9d., Glasgow, £6 8s , Newcastle, £5 17s 7s , Leeds, £6 2s 10d., Liverpool, £6 9s. 2d., Nottingham, £5 16s 7d , Birmingham, £6 8s. 2d , Cardiff, £6 9s. 8d., Brighton, £8 3s 5d

The Gas Council announced on the same date that the price of domestic coke would be raised by 9s. a ton from June 1 except in the West Midlands Region, where the increase would be 8s. 9d. a ton. The British Coking Industry Association announced increases of 8s. 8d. and 8s. 8d. - 9s. 6d. a ton respectively in the prices of blast-furnace and foundry coke.

The annual cost of the increases to the nationalized electricity and gas industries and to the railways was estimated by the Central Electricity Authority, the Gas Council, and the British Transport Commission as £11,000,000, £8,500,000, and £4,500,000 respectively. On May 29 the National Union of Manufacturers protested against the increases as "cutting completely across the Government's declared intention that inflation should be halted," and as "making nonsense" of the Government's "repeated requests to manufacturers to hold their prices steady."

The Central Electricity Authority announced on June 18, however, that it had requested Area Boards not to increase their tariffs in spite of the increase in coal prices.

The announcement explained that the decision that the industry itself should "carry the added burden" of the increases in coal prices had been reached in view of "the present critical stage of the national economy" and "recent Government statements about steadiness in prices." After pointing out that the Authority consumed 40,000,000 tons of coal annually, and that coal accounted for two-thirds of generating costs, the statement continued: "The latest increase in coal prices would thus, in the normal course, have necessitated an advance in tariffs in order to preserve . . . the surplus hitherto achieved by the industry. Nevertheless, having regard to the national situation, the Authority consider that the Area Boards should, for the present, avoid increases in their tariffs, despite the severe strain this course will impose on them Apart from the automatic increases which apply to those consumers whose charges are subject to a coal price variation clause, tariffs in general will thus be maintained at their present level. Before the announcement of the last increase, proposals to raise tariffs had been made by the South Wales, Yorkshire, and North-Western Boards . . . The Authority has, as an additional measure, requested those Boards to suspend action on their proposals The whole financial position of the industry, and the policy to be pursued, will be specially reviewed before the end of the current financial year—March 31, 1957 It is the policy of the C.E.A. to maintain this measure of price stabilization at least until that date."

This statement was followed on June 20 by an announcement by the National Coal Board that, "unless something quite unexpected or exceptional happens," pithead coal prices would not be increased during the next 12 months.

The National Coal Board recalled that in its announcement of the latest increases on May 28 it had made it clear that these were "intended to cover coal costs in 1956 and 1957 and also to recover part of the accumulated deficit"

The N.C.B.'s announcement was welcomed by the Federation of British Industries as "a valuable contribution to the holding of prices generally," and by the National Union of Manufacturers as "a most realistic step towards the fulfilment of the Government's intention to check the price-wage spiral." (Times - Daily Telegraph - Manchester Guardian) **(14882 A.)**

D. FRANCE. — New Atlantic Liner.

The Under-Secretary of State for the Merchant Marine (M. Duveau) informed the National Assembly on June 21 that the Government had agreed on the construction of a new 55,000-ton French liner for the North Atlantic service. M. Duveau said that the vessel would be built for the *Compagnie Générale Transatlantique* at the Penhoët shipyards at a total cost of 27,360 million francs (over £27,000,000), of which 19,700 million francs would be provided by the C.G.T. and 7,600 million francs by the Government. (Le Monde, Paris)
(Prev. rep. 13942 C.)

A. UNITED KINGDOM. — The Army. - Estimates for 1956-57. - Formation of Emergency Army Task Force for Overseas. - Inquiry Committee into Employment of National Servicemen. - Reorganization of Active and Reserve Armies.

The Army Estimates for 1956-57 were published as a White Paper (Cmd. 9688) on Feb. 21, together with an accompanying memorandum by the Secretary of State for War (Mr. Anthony Head) reviewing the Army's tasks and activities in 1956-57.

The net total of £472,000,000 shown for the Army in the Defence Estimates included the following items (1956-55 figures in parentheses): Pay and Allowances £100,000,000 (£64,000,000), Mechanical Transport £45,200,000 (£58,700,000); Ammunition £22,400,000 (£25,700,000), Guns and Small Arms £5,200,000 (£6,800,000), Signals and Wireless £6,200,000 (£7,600,000), Food and Rations £41,800,000 (£46,000,000); Liquid Fuel, etc £10,200,000 (£10,500,000), Clothing £9,600,000 (£18,100,000); General Stores £22,100,000 (£25,500,000); Works and Maintenance £35,000,000 (£33,000,000).

The memorandum presented by Mr. Head announced (1) that a specially selected and trained infantry brigade would be kept in immediate readiness to take part in emergency operations in support of civil administrations overseas, (2) that the reorganized infantry division tried out in Germany last autumn, with integrated armour and medium artillery and fewer wheeled vehicles, would be adopted as the pattern for Regular Army divisions. The memorandum is summarized below:

The Army's Achievements in 1955-56.

Although the Army's commitments had continued to decrease during 1955-56, they still constituted "a very heavy burden" which "stretched the available resources to the limit." The main activities of the military forces in the various theatres were as follows:

Aden. The internal situation in the Aden Protectorate had deteriorated during the first half of 1955 owing to the supply by the Yemen of arms, ammunition, and money to certain disruptive elements, notably the Rabizi tribesmen. It was therefore decided in July, 1955, to reinforce the troops already in the Protectorate by a battalion of the Seaforth Highlanders and a troop of armoured scout-cars from the Life Guards. These reinforcements, brought in by air lift, quickly restored confidence and took part in several small operations. It had been decided to maintain a British battalion in the area for the present.

Cyprus. The progressive deterioration of internal security conditions had made it necessary to increase the Cyprus garrison from four major units to 14, and to employ troops widely for policing the island. The memorandum pointed out that the sudden influx of troops just before the onset of winter had necessitated the hasty erection of weather-proof camps throughout the island, placing a heavy strain on the Royal Engineers.

Kenya. Despite the immense difficulties of the terrain, the Army's success in hunting down terrorists in their hide-outs on the slopes of Mount Kenya and the Aberdare range had resulted in the killing or capture of over 1,000 terrorists in 1955. Although at the end of the year between 50 and 100 terrorists were still being accounted for monthly, it had been possible to reduce the security forces substantially (see 14859 A).

Korea. Although British troops still held a sector of the U.N. defensive line, the need to retain them had recently been examined, and further reductions would be made in 1956-57.

Libya. In reply to an urgent appeal by the Libyan authorities, British troops stationed in Tripolitania had played an important part in destroying unprecedented swarms of locusts which had threatened a major disaster to the country. Assistance had also been given in the building-up of the Libyan Army, both by lending British officers and N.C.O.s and by combined exercises with the Libyan forces.

Malaya. U.K., Commonwealth, and Nepalese [Gurkha] troops had continued to serve with the police and security forces, some having been engaged almost continuously against the terrorists since 1948. The outstanding military success of 1955 had been the victory in Pahang, but complete success had also been achieved in the southern part of Selangor, as a result, a wedge had been driven into the Communist Party organization and its north-south communications had been severed. Steady progress had been achieved elsewhere, and a further 14,000 square miles had been declared "white" (i.e. free from emergency restrictions), bringing the number of people living in "white" areas to 2,675,000, or nearly half the population.

West Africa. Arrangements had been made to hand over administrative control of the Gold Coast forces to the Gold Coast Government on July 1, 1956. This would necessitate a reorganization of the existing command organization in West Africa, since the remaining forces in the area would for the time being continue to be administered by the War Office.

Other Areas. The memorandum also dealt with the arrangements for the evacuation of British forces from the Suez Canal zone (see 14030 D, 14860 B), with the recent operations in Muscat (see 14782 A), and with the altered status of the British Army of the Rhine following the attainment of sovereignty by the German Federal Republic.

Army Organization.

Announcing the selection and training of an infantry brigade for emergency operations overseas, the memorandum explained that the support of civil administrations in overseas territories for which Britain was responsible had been one of the Army's main operational tasks for the past 10 years. The Communist aims in the "cold war" made it essential to keep some units in constant readiness for this duty, but a serious disadvantage was the time taken to train units on arrival in an overseas theatre before they were ready to take part in emergency operations. To overcome this handicap, an independent infantry brigade had been earmarked for such tasks, and the Air Ministry had agreed to provide a flight of light aircraft to support it. The main feature would be the immediate readiness of the brigade to move to any part of the world in support of the civil administration, and its ability to operate on arrival with the minimum of delay. Its equipment would be varied to suit the particular terrain in which it would be operating.

The Government had also decided that there was no justification under modern conditions for retaining the existing Coast Artillery organization, since the threat to ports could best be countered by the Royal Navy and the R.A.F., moreover, in an emergency other types of artillery could be deployed to meet an enemy attack from the sea. Regular Coastal Artillery batteries would therefore "go into suspended animation," and Territorial batteries would be amalgamated with other units.

Weapons and Development.

The memorandum explained that the smaller Production Vote reflected the reduced maintenance requirements following the run-down of the Army, and also the reduced provision of war reserves. It was, however, planned to spend more in 1956-57 than in 1955-56 on arms and equipment, with the aim of increasing mobility and flexibility.

Meanwhile, *Conqueror* heavy tanks were continuing to be issued to the B.A.O.R., and deliveries were expected to be completed by the end of 1958. In 1956-57 trials would take place of the *Saladin* armoured car (probably the best armoured car in existence), training would proceed in the handling and deployment of the *Corporal* surface-to-surface guided missile; and large-scale troop trials of new signal equipment would be held in the Middle East prior to its general introduction for regimental communications. The new sub-machine carbine—a great improvement on the Sten gun—was now in production, and production plans had been made for the F.N. rifle, which had successfully passed its trials.

Other developments included (1) the setting-up of an Army-R.A.F. Joint Experimental Helicopter Unit to test the probable usefulness of helicopters in solving the Army's problems of mobility in a future war, (2) the development of instruments to measure radiation from nuclear explosions and radio-active fall-out, (3) a new range of mobile map reproduction equipment to provide a means of reproducing maps in the field to a NATO standardized size, (4) troop trials of a new range of combat clothing and personal equipment.

Movement of Troops.

During 1955-56 air trooping had again been the main means of moving army personnel to and from the Middle East, the Mediterranean area, East and West Africa, and the Caribbean, whilst over 1,000 Service passengers a month had been carried to and from the Far East.

Two new troopships would come into service during 1956, and four older ships had been given up.

Manpower.

Regular Recruitment and Prolongation of Service. During 1955, 23 per cent of men due for call-up had enlisted on Regular engagements, against 24·8 per cent in 1954; 55 per cent of Regular enlistments during the year were for 22 years, compared with 61 per cent in 1954.

Only about five per cent of men completing three-year Regular engagements during 1955 had remained in the Army, but about 16 per cent of those on 22-year engagements had chosen to stay on after their first option period of three years, of these, about 40 per cent had extended to 12 years.

National Servicemen. Although the Army's share of men called-up in 1955 had been about 123,000, as in 1954, the changes announced in October (see 14076 A) would result in a reduction to about 115,000 in 1956.

Women's Corps. Recruitment for the Women's Royal Army Corps had been disappointing, and its strength was insufficient to meet requirements. Recruitment for the Queen Alexandra's Royal Army Nursing Corps had also been disappointing, but should be stimulated by the opening of a new Nurse Training School at Aldershot.

Pay and Pensions.

In view of the manpower position, and in order to attract more long-service recruits, the Government had decided to increase substantially the pay, retired pay, and pensions of Regular officers and men. The highest rates would go to men who engaged to serve for nine years, or who, after nine years' service, engaged to serve for a further six years. The memorandum gave details of the new rates as set forth in the White Paper of Feb. 20 (see 14887 A).

Works and Buildings.

During 1956-57 a further £2,000,000 would be spent on the construction and maintenance of buildings at home and abroad. At home, modernization or rebuilding was already proceeding on about 30 barracks, and it was planned to start seven more during the year;

since 1945 nearly 10,000 new married quarters had been built, and 1,800 old ones modernized. Abroad, the chief works undertaken had been the construction of new cantonments in Cyprus (see above) and of temporary camps in Malaya to serve as bases after the emergency had ended and until permanent camps could be built.

Reorganization of the Active Army.

Tactical operations carried out in Western Germany had shown that though the general structure of the infantry division was suited to operations in a nuclear war, it was necessary to make it capable of being split into hard-hitting, self-contained groups, so that, when necessary, decentralization could take place while retaining the command structure to concentrate the power of the division at the right moment. To give flexibility, simplify administration, and guard against congestion, the multiplicity of weapons within the division would be reduced, and attempts would no longer be made to equip any one arm with every type of weapon. Armour would in future be integrated in the infantry brigade, and medium artillery would be added to the division to provide increased range and shell-power. The organization of this type of infantry division could easily be varied to suit all conditions, short of nuclear war, by leaving out as much as desired of its armour or medium artillery. Territorial divisions required for early reinforcement of the Regular Army would be organized on similar lines.

The present armoured division (the memorandum explained) had shown itself too cumbersome to be able to exploit quickly the opportunities which could be created by the use of nuclear weapons; moreover, it had not sufficient infantry for sustained fighting. It was essential to have a formation which could move quickly and which depended principally on the fighting capacity of skilfully-used armoured regiments. Such a formation would have to be small; it could not be "cluttered up" with all the units needed to give it sustained fighting capacity, and would have to be a specialized formation comprising only armour and the minimum supporting units For occasions when it would have to perform tasks outside those for which it was designed, it would be necessary to group under it additional infantry, armoured, or engineer units, depending on the task. Further trials, however, would be carried out in Germany before a final decision was reached.

The Army Estimates were passed by the House of Commons on March 1 without a division. In presenting them, Mr. Head announced the setting-up of an independent civilian committee to inquire into the alleged employment of National Servicemen on "menial and time-wasting" tasks.

Mr. Head explained that the saving of about £100,000,000 in expenditure on the Army since 1958 had been achieved by drastic pruning of non-essentials, and that the reduction in numbers by about 31,000 in 1956-57 and by a further 60,000 in 1957-58 would be obtained by cutting the number of non-effectives, including those at the War Office. The extent to which the reduction in strength would decrease the dependence on National Servicemen would naturally be related to the success of Regular recruiting, but he believed that, with the new pay increases and "given reasonable good fortune," it should be possible to recruit a Regular Army of 200,000 with adequate long-service content. During the next two years the National Service intake would be controlled by age, if Regular recruitment proved better than expected, the National Service intake could be run down by raising the call-up age, while if it were less successful than anticipated, the call-up age would not rise so steeply. At present it looked as if the age would be 19 by 1958.

Turning to the "persistent disquiet" felt about the alleged employment of National Servicemen on "menial, humdrum, or time-wasting" tasks, Mr. Head announced the setting-up of the inquiry committee referred to above. He said that its chairman would be Mr. [now Sir] J. F. Wolfenden, Vice-Chancellor of Reading University, and its other members Mr. Walter Goss (national secretary of the Government and Municipal Workers' Branch of the Transport and General Workers' Union) and Mr. F. C. Hooper (managing director of Schweppes Ltd). Its terms of reference would be "to examine the employment of National Servicemen in this country, with special reference to static organizations and establishments," and it was expected to complete its inquiry by the summer. Action was also being taken to prevent waste of time throughout the Army, and modern labour-saving devices were being introduced in barracks and other Army establishments.

The Minister pointed out that over 1,000,000 young men had been through the Army since National Service began, of whom over one-third had been given positions of responsibility—25,000 having been granted commissions and 324,000 having become n.c o.s. All thinking members of the Regular Army, however, considered that National Service was inefficient and wasteful, and that the constant "in and out" of National Servicemen had an unsettling effect, and was probably the biggest single deterrent to Regular recruiting If, however, the Government were to work for the abolition of National Service, a strategic reserve must be created to give the Army stability.

It had been argued, Mr. Head went on, that in the present "thermo-nuclear age" concentration should be on streamlined atomic weapons, but the introduction of such weapons was "still a long-term prospect." Although the *Corporal* missile, which had a range of 75 miles and was really the equivalent of long-range heavy artillery, would be able to break up concentrations, it was "fatuous" to suppose that it could stop the gradual infiltration and penetration of troops. Men could only be stopped by preventing them from getting too close, and there was as yet no substitute for bullets, tanks, artillery, and machine-gun fire. After trials and manoeuvres in Germany over the past two years it had been decided to reorganize infantry divisions into "brigade groups," of which the basic organization would be three infantry battalions, one armoured regiment, and artillery These self-contained groups would be able to operate over wide areas up to 15 miles, and would be capable of fighting independently or of being controlled by central organization, as the situation required.

Meanwhile, the 24th Infantry Brigade was being specially trained for emergency service overseas, and the R A.F. were providing three *Pioneer* squadrons for its support—one in the Far East, one in the Middle East, and one at home In addition, two squadrons of *Beverleys* would go into service during 1956 This would enable R A.F. Transport Command to take considerably over two-thirds of the Brigade in one lift.

In conclusion, Mr Head dealt with the reorganization of the Reserve Army (see 14676 A), stressing that as nobody knew what form a future war might take, it would be "folly" to have no reserves in Britain Although the Government had agreed to a reduction in the number of training periods for the Territorial Army from three to one, it was essential to have that one period It was proposed to earmark two Territorial divisions for NATO—the 43rd (Wessex) and 57th (Welsh)—and to organize the remainder on the same lines without, however, as much armour and medium artillery. The existing 34 Territorial regiments would be reduced by amalgamations and conversions to nine armoured infantry regiments and 11 divisional Royal Armoured Corps regiments, while the 57 artillery regiments would be reduced by amalgamation to 48. Eighteen regiments of coast artillery would be converted to artillery, engineer, or infantry units

Other recent developments in connexion with the Army are summarized below:

Committee on Future Structure of Army. It was announced on April 16 that the Army Council had set up a War Office committee to examine "the future structure of the Army in the light of probable commitments," and, in particular, to inquire into ways "in which demands for military manpower for the maintenance of the Army can be reduced and the extent to which use can be made of civilians and outside organizations." The chairman of the committee will be Lieut.-General Sir Richard Hull, who will take up his new appointment as Deputy Chief of the Imperial General Staff [see below] in the autumn.

Lightweight Rations. Details were published on March 16 of a new 24-hour "combat" ration to be issued to the Army in the field, weighing only 27 oz. as compared with nearly 4 lb for the emergency rations issued in World War II. The rations, representing an energy value of 3,000 calories, comprise dehydrated meat, soup powder, pre-cooked compressed oatmeal, cheese, biscuits, chocolate, and sufficient dehydrated tea to make two pints.

End of Call-Up of Grade 3 National Servicemen. The Parliamentary Under-Secretary for War (Mr. Fitzroy Maclean) announced on May 18 that no more men in medical Grade 3 would be called up for National Service Men of this grade already serving (about 10,000 in the Army and 3,000 in the R.A.F.) would, however, be required to finish their engagements, as their immediate release would cause dislocation

The Ministry of Labour stated on the same day that 4,000-5,000 Grade 3 men would have been called up in 1956, compared with 7,000 in 1955. Grade 3 men had first been called-up under the National Service Acts in February, 1951, at a time when manpower shortage caused by the Korean War was considered serious enough to outweigh the disadvantages of using men whose health placed limitations on their military employment]

Select Committee Report on Army Barracks, etc. A report by the House of Commons Select Committee on Estimates, dealing with Army works and buildings, was published on June 8. It said that some of the accommodation in Army barracks and hutted camps "came as a severe shock" to the Committee's members, and stressed the waste of public money caused by high expenditure on the maintenance of "sub-standard accommodation," as well as the effect of such accommodation in "driving people out of the Army rather than encouraging them to join or remain in it" After pointing out that £10,000,000 had been allotted in 1955-56 for maintenance work in the Home Commands, it stated that in one Command a high proportion of troops was living in sub-standard accommodation, including obsolete barracks such as those at Woolwich, Knightsbridge, Dover, Folkestone, Colchester, Windsor, and Shorncliffe. In another Command many troops still occupied huts built by prisoners-of-war in the first World War, and others lived in 18th-century stables over 50 yards from a lavatory.

Besides recommending that the War Office should pay special attention to the uneconomic aspect of maintaining sub-standard accommodation, the Select Committee considered that it should re-examine the economic possibility of hastening the de-requisitioning of land acquired during the war by reducing the number of artillery ranges and concentrating them into the smallest area compatible with safety, and by accelerating the restoration of abandoned camp sites to agricultural use.

British Division in Libya. It was announced on June 7 that engineer and signal units of the 10th Armoured Division would take part in a joint British-Libyan Army exercise which had begun outside Tripoli on that date. This was the first official mention of the existence of the division, which has been built up since 1954 and has its headquarters in Libya.

Army Appointments.

The following senior appointments in the Army had been announced in recent months (date of announcement in parentheses):

Lieut.-General Sir Richard Hull, G.O.C. British Troops, Egypt, as Deputy Chief of the Imperial General Staff (Jan 19, 1956).

Lieut-General Sir Geoffrey Bourne, Director of Operations in Malaya, as C.-in-C. Middle East Land Forces *vice* General Sir Charles Keightley (April 20, 1956).

Lieut-General Sir Francis Festing, G.O.C.-in-C., Eastern Command, as C.-in-C. Far East Land Forces *vice* General Sir Charles Loewen (Feb 13, 1956).

Sir Charles Loewen (a Canadian by birth) as Adjutant-General to the Forces *vice* General Sir Cameron Nicholson (Feb. 13, 1956).

Major-General C. F. C. Coleman, Chief of Staff, British Army of the Rhine, as G.O.C.-in-C., Eastern Command, *vice* Sir Francis Festing (Feb 13, 1956). with temporary rank of lieutenant-general.

Major-General R. H. Bower, lately Chief of Staff, Allied Forces, Northern Europe, as G.O C. Malaya (April 9, 1956), with temporary rank of lieutenant-general.

General Sir George Erskine, C.-in-C. East Africa, as G O.C -in-C., Southern Command (effective from Nov. 1, 1955).

The promotion of H.R.H. the Duke of Gloucester to the rank of field-marshal had been announced on March 30, 1955. (Cmd. 9688 - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 14267 A; Reorganization of Reserve Army, 14676 A; Defence Estimates, Recruitment, 14773 A; Service Pay, 14887 A.)**

A. FRANCE. — Resignation of M. Mendès-France.

M. Pierre Mendès-France, the leader of the Radical Party, resigned on May 23 from M. Mollet's Cabinet, in which he had been Minister of State without portfolio since the formation of the Government in January last.

M. Mendès-France tendered his resignation as a result of disagreement with the Government's Algerian policy, of which he had been critical for some time. His reasons for resigning were set forth in a letter to M. Mollet which was published on the same day.

In this letter M. Mendès-France recalled that he had sent an earlier communication to M Mollet at the end of April enumerating seven "significant measures" which, in his (M Mendès-France's) opinion, were essential for a "moral and political" settlement of the Algerian problem They were:

(1) An amnesty for all political *détenus* who had not committed crimes of violence.

(2) Freedom of the press for newspapers "expressing the point of view of the indigenous population," with the reservation that papers "appealing to hatred" and "inciting to crime and violence" should continue to be banned. Similar restrictions should be imposed on the "colonialist and racist" Press.

(3) Dismissal of officials who "had orientated, and were still orientating, the Algerian administration to the detriment of the indigenous population, of law, and of justice."

(4) Promulgation of a new municipal law, and the dissolution of municipal authorities who had acted against the interests of the Moslem population.

(5) "Effective expropriation" of large estates, and their transfer to small peasant proprietors.

(6) "Fundamental reform" of agricultural credit, "which must be taken out of the egoistic hands which have always used it for the benefit of big landowners and to the detriment of small producers."

(7) An "appreciable increase" in wages; control of social legislation "by officials animated by a new spirit and loyally respecting the interests of the workers", and "active support" for Moslem trade union organizations

M. Mendès-France made it clear that he was not opposed to the despatch of reinforcements to Algeria, or to the recall of reservists for service there. He felt equally strongly, however, that "the use of arms alone will not suffice," and that "any policy which ignores the miseries of the indigenous population will lead to the loss of the Algerian people, of Algeria, and then, inevitably, of all North Africa." After complaining that none of the measures he had outlined in April had been adopted, and declaring that the situation had deteriorated since then, M Mendès-France wrote: "Unfortunately, the moderate Moslem elements whom we should have supported continue to be bullied by a municipal administration and a Press animated by a spirit which does us great harm" He also criticized the Government for having, he alleged, been unduly influenced by extremist right-wing elements among the European settlers, and for failing to make clear the type of bi-racial community it envisaged in Algeria.

It was announced after M. Mendès-France's resignation that the other Radical Ministers in M. Mollet's Government would continue in office. The executive committee of the Radical Party adopted a motion of confidence in M. Mendès-France on June 8, with only two dissentient votes. (Le Monde, Paris) **(Prev. rep. Mollet Cabinet, 14719 A; 14681 A; Algerian Policy, 14913 A.)**

B. RHODESIA AND NYASALAND FEDERATION. — Creation of Merchant Bank of Central Africa. - Establishment of Bank of Rhodesia and Nyasaland.

The forthcoming formation of the Federation's first merchant bank, under the name of the Merchant Bank of Central Africa, was announced in Salisbury on May 28. The bank, which is to open business early in 1957, will be sponsored by N. M. Rothschild and Sons and Philip Hill, Higginson and Co. Ltd., both of London, in conjunction with Rhodesian Selection Trust Ltd.; Dillon Read and Co., New York; de Rothschild Frères, Paris; the Banque Lambert, Brussels; Messina (Transvaal) Development Co. Ltd.; and Leben Investment (Rhodesia) (Pvt.) Ltd., Bulawayo. Its chairman will be Mr. (now Sir) R. L. Prain, chairman of the Rhodesian Selection Trust Group.

It was pointed out that the new bank would not compete with existing commercial ones, and that it was intended to specialize in the financing of the movement of goods and raw materials, assistance in the underwriting of internal Government loan issues, the raising of finance for established and/or new industrial and commercial undertakings, the underwriting of public issues, investment advisory services to overseas investors on Rhodesian investments, and an advisory service to Rhodesian investors in respect of overseas investments.

A proclamation issued on March 15 brought into formal existence the Federation's new central bank—the Bank of Rhodesia and Nyasaland. Mr. A. P. Grafftey-Smith (the bank's first Governor), hitherto chairman of the Central African Currency Board, stated that the latter body would cease to exist on March 31, and that the central bank would take over all its assets and liabilities, as well as those of the Central African Currency Fund.—(Federal Information Department) **(Prev. rep. 14762 A.)**

C. SWEDEN. — British Royal Visit.

Her Majesty Queen Elizabeth II and the Duke of Edinburgh paid a three-day State visit to Stockholm on June 8-10 at the invitation of King Gustav VI and Queen Louise, who had paid a similar visit to London in 1954 (see 13801 A). The Queen and the Duke were accompanied by Mr. Selwyn Lloyd, the Foreign Secretary, and Admiral of the Fleet Earl Mountbatten, who acted as personal *aide-de-camp* to the Queen.

Her Majesty and the Duke sailed for Stockholm in the Royal yacht *Britannia*, which left Teesport (near Middlesbrough) on June 4 During their State visit to the Swedish capital, where they were enthusiastically welcomed by great crowds, the Queen and the Duke attended a State banquet given by the King and Queen of Sweden at the Royal Palace; received the heads of Commonwealth missions and foreign diplomatists; visited the Stockholm Opera House with King Gustav and Queen Louise; gave a dinner for the King and Queen of Sweden on board the *Britannia*; and attended a luncheon given in their honour by the City of Stockholm The Duke of Edinburgh also attended a reception given by the Swedish Chamber of Commerce. On the last day of their official visit (Sunday, June 10) her Majesty and the Duke attended Divine service at the English church in Stockholm—the Church of SS. Peter and Sigfrid.

At the end of their State visit the Queen and the Duke of Edinburgh remained in Stockholm for a further week to attend the Equestrian Olympic Games, which began in the Swedish capital on June 10. They returned to London on June 18. (Times - Svenska Dagbladet, Stockholm) **(Prev. rep. 13801 A.)**

D. BENELUX. — Single Labour Market.

A Benelux labour treaty making Belgium, the Netherlands, and Luxembourg into a single labour market, with free movement of workers, was signed at The Hague on June 7. It provided that workers from each of the "partner" countries would have the same rights as nationals of the countries in which they worked, thus enabling labour permits to be abolished within the Benelux community. The treaty is subject to parliamentary approval and will become operative, at latest, on the day on which the proposed Benelux economic union treaty (at present being negotiated) enters into force. (Netherlands News Agency) **(Prev. rep. 11204 B; 11146 C.)**

E. UNITED STATES. — Embassy in Morocco.

The U.S. diplomatic mission in Morocco was elevated to the status of an embassy on June 11. Mr. William J. Porter, Consul-General in Rabat, was appointed Chargé d'Affaires pending the nomination of an ambassador. (New York Times) **(Prev. rep. 14907 C; 14858 C.)**

F. UNITED KINGDOM. — Civil Service Pay.

The Government's proposals for revised pay and conditions for Civil Servants were approved on June 18 by the staff side of the Civil Service National Whitley Council, which agreed with the Treasury that they should be put into immediate effect.—(Times) **(Prev. rep. Civil Service, 14847 B.)**

A. FRANCE - SOVIET UNION. — Moscow Visit by M. Mollet and M. Pineau. - Discussions with Soviet Leaders. - Joint Franco-Soviet Statement. - Extension of Cultural Co-operation.

M. Guy Mollet and M. Christian Pineau, the French Prime Minister and Foreign Minister, arrived in Moscow on March 15 on an official visit to the Soviet Union. In a brief statement on arrival at Moscow Airport, M. Mollet declared: "France belongs to alliances—I would even say to a community—to which she will remain faithful. This goes hand-in-hand with a continuous, incessant concern to seek a peaceful settlement of all disagreements which exist in the world . . . Our presence here is witness of this."

During their stay in Moscow the French Ministers had a number of lengthy discussions with Marshal Bulganin, M. Khrushchev, M. Molotov, M. Mikoyan, and other Soviet statesmen. They also called upon President Voroshilov, attended a reception given by Marshal Bulganin, and unveiled a plaque commemorating those members of the Free French Normandie-Niemen air squadron who fell during the Second World War, when the squadron fought on the Eastern front in support of the Soviet Army.

The following joint statement was issued on May 19 at the end of the Franco-Soviet discussions:

Introduction. "During the talks, which were held in an atmosphere of friendliness and cordial sincerity and in a spirit of mutual understanding, a useful exchange of views took place on the subject of Franco-Soviet relations, on ways of improving them, and on the whole complex of international problems. On a number of questions there was identity of views As regards problems on which differences of opinion could not be reduced, the talks have at least led to a better understanding of the positions of both sides

The representatives of the two Governments noted unanimously that the good relations between the Soviet Union and the French Republic, united by long-standing traditions of friendship, are developing on a basis of mutual understanding and respect."

Relaxation of International Tension. "Inspired by a joint desire to work for an easing of international tension, the two Governments recognized that the development and improvement of Franco-Soviet relations in all spheres corresponds with the interests of the two peoples and represents a substantial contribution to the strengthening of universal peace and security.

They noted with satisfaction the improvement which has already been achieved in the international situation. As they considered, however, that there is not yet that confidence between States which is indispensable, the French and Soviet representatives emphasized their firm resolve to take measures to contribute to the strengthening of mutual confidence and for improving relations between States, irrespective of differences in their political, economic, and social systems. Recognizing in this connexion the importance of personal contacts by leaders, the representatives of the Soviet Union and of France expressed the hope that such contacts would develop in the future between statesmen of various countries

The Soviet and French representatives stress their adherence to the principles of the U N Charter, the effective application of which must contribute to the gradual settlement of outstanding problems They reaffirm the desire of their Governments to adhere to the provisions of the Charter, which lay down that any dispute should be settled by peaceful means, and which forbids the threat or use of force except in cases of self-defence They express their conviction that the fundamental basis for peaceful co-existence and friendly co-operation between States is mutual respect for territorial integrity and sovereignty, non-aggression, and non-interference in each other's internal affairs"

European Security. "The exchange of opinions on the subject of European security showed that both Governments were agreed that peace and security in Europe are of decisive importance in maintaining universal peace They failed, however, to reach agreement on the means of settling European problems In the interest of strengthening universal peace, both Governments will continue to co-operate in finding a solution to the questions still outstanding They are convinced that, thanks to their efforts and the efforts of other Governments inspired by the same will for peace, international confidence will be established, the 'cold war' finally liquidated, the armaments race stopped, and the peoples freed from the threat of a new war"

Disarmament. "In the course of their talks the Soviet and French representatives broadly examined the disarmament problem They agreed that in present conditions this problem is an urgent international task They are convinced that its solution will play an exceptionally important part in easing international tension, strengthening confidence, and alleviating the burden of defence expenditure The Soviet and French Governments will continue their efforts to achieve an agreement on disarmament within the framework of the United Nations. They emphasize the essential importance of nuclear disarmament, and the need for using atomic energy exclusively for peaceful purposes. This remains their common aim, and they will continue their efforts to achieve it.

Both Governments will strive to reach agreement on measures to bring about a substantial reduction of all armed forces, with proper international control, and accompanied by a corresponding reduction in armaments—especially in the armed forces and armaments of the five great Powers. The French Government recognized the importance of the unilateral decision taken by the Soviet Government to reduce its armed forces [see 14878 A], and regards this decision as one which will facilitate the talks on disarmament."

Aid to Under-developed Countries. "Problems of economic and technical aid to under-developed countries were also examined The French and Soviet Governments are in complete agreement on the need for common efforts to provide such aid to under-developed countries as would make possible closer international co-operation and contribute to the relaxation of international tension The main purpose of such aid would be to enable the beneficiary countries to advance more quickly along the path of economic and social progress by means freely chosen by them. The Government of France and the U S S R consider that the United Nations can play an important role in this sphere. The Soviet leaders were informed about the French Government's plans in this respect They received with sympathy the basic ideas of these projects, though reserving their views about the manner of implementing the plan which had been submitted to them, and which deserves profound study The French leaders will examine, in the same spirit of understanding, the Soviet proposals for a European agreement on economic co-operation"

The Middle East. "In the course of their exchange of views, the Soviet and French representatives examined the situation in the Middle and Near East It was recognized that this situation deserves the serious attention of all Governments interested in an international *détente* and the consolidation of world peace

The French representatives noted with interest the Soviet statement of April 17 on the Middle East situation [see 14829 A].

Both Governments are agreed upon giving all the necessary support to the U.N in its efforts to strengthen peace in the Palestine area and to ensure the implementation of Security Council decisions They will support the initiatives taken by the U.N. aimed at ensuring a peaceful settlement of the questions in dispute between the Arab States and Israel, on a basis acceptable to the interested parties. They will also support the U N. in its efforts to improve the position of the refugees"

Indo-China. "The representatives of the two Governments have studied the results of the talks held in London by the co-chairmen of the Geneva Conference They welcome the contribution which has thus been made to the implementation of the 1954 agreements and the strengthening of peace in South-East Asia."

Trade Relations. "An exchange of views also took place on the development of trade between the two countries. The representatives of the two countries agreed to encourage by every means the development of Franco-Soviet commercial exchanges, recognizing that this corresponds with their mutual economic interests and will represent an important factor in creating *rapprochement* and mutual understanding between the peoples.

With the object of contributing to the growth and stability of these exchanges, the representatives of the two countries agreed to conclude a long-term agreement . . which would provide for a considerable increase from year to year in French deliveries to the Soviet Union of machinery and equipment for various branches of industry, of raw materials, and of industrial goods, and in corresponding Soviet supplies of goods of interest to France. In addition, it is intended that the agreement should not only provide for deliveries of goods and materials traditional for the trade between the two countries, but also of other goods and materials to be mutually agreed by the parties The representatives of the two Governments also agreed to examine the question of exchanges of consumer goods, and methods of facilitating contacts between buyers and sellers.

It was decided that negotiations for the conclusion of this agreement, which would be valid for three years, should open in Paris in September, 1956, so that the agreement could come into force on Jan 1, 1957 The Soviet representatives declared that, in the absence of trade restrictions and discrimination, the Soviet Union could, within the above-mentioned period, considerably increase its purchases of French products and, correspondingly, the sale of Soviet products in France, so that by the end of the three-year period the volume of Franco-Soviet exchanges would be approximately three to four times higher than in 1955.

The representatives of the two Governments noted with satisfaction that agreement had been reached on establishing a shipping line between French ports and Soviet ports in the Baltic."

Cultural Relations. "The representatives of both countries devoted particular attention to the question of cultural, scientific, and technical exchanges between France and the U.S.S.R., and found themselves in full agreement on the need to encourage every possible development of these exchanges.

The French Government informed the Soviet Government of its desire to increase contacts in the spheres of science and the arts. It expressed its willingness to invite a group of Soviet scientists and engineers to visit installations of the French High Commissariat for Atomic Energy, and to organize in Paris performances of the ballet company from the Moscow Bolshoi Theatre. The Soviet Government, in turn, expressed its intention of expanding cultural relations with France in the fields of science and the arts, particularly with regard to the exchange of books and periodicals.

Both Governments approved the text of a joint statement, annexed to this communiqué [see below], which defines the principles and forms of Franco-Soviet cultural co-operation."

European Atomic Co-operation. "The French and Soviet representatives explained their respective views concerning the creation of European organizations, notably in the field of using atomic power for peaceful purposes. Both Governments agreed to co-operate in this sphere, especially within the framework of the United Nations."

Algeria. "The French representatives informed their Soviet colleagues about the problems facing them in Algeria, and the policy pursued there by the French Government. The Soviet representatives expressed the hope that the French Government, acting in the liberal spirit which animates it, will be able to find for this important problem an appropriate solution reflecting the spirit of our times and the interests of the peoples."

Conclusion. "The representatives of the two Governments expressed their mutual satisfaction with the results of these discussions, and agreed upon the usefulness of the renewal of similar contacts"

The Annex to the joint communiqué announced the following results of the discussions on Franco-Soviet cultural relations:

(1) Both Governments had agreed to ensure maximum co-operation, on a reciprocal basis, in the spheres of literature and art, science and technology, health services, education, etc., by means of exchanges of delegations and individuals; and to promote the exchange of students to an increasing extent

(2) They would also promote on a reciprocal basis the "exchange of achievements" in the above-mentioned spheres through the mutual supply of relevant information, the holding of exhibitions, the exchange of text-books, scientific and technical literature, and periodicals; and the organization of guest performances by theatre companies and concert artists In response to an invitation by the French Government, the ballet of the Bolshoi Theatre [Moscow] would visit France to give guest performances.

(3) The two Governments had expressed the wish for closer co-operation in radio and television, notably through relays of concerts and exchanges of radio and television programmes on a reciprocal basis

(4) In the matter of film exchanges they had agreed to conclude a draft agreement, to be signed in the very near future. They had expressed the wish that each country should have the opportunity of showing documentary and scientific films of the other on a non-commercial basis

(5) They would promote the development of sporting contacts and exchange experience in the sphere of physical culture.

(6) They would encourage the development of tourism by individuals and groups.

(7) They would "endeavour to promote the . . development of contacts between the most representative and competent organizations of the two countries concerned with cultural relations"

(8) They had agreed (*a*) to co-operate in a broad and freer exchange of information between the two countries, with the aim of extending the two peoples' knowledge of each other's culture, way of life, and social structure, (*b*) to the publication in the U S S R, on a reciprocal basis, of a French periodical in the Russian language by competent French bodies. They would also examine the possibility of opening, on a reciprocal basis, a French reading-room in the U S S R containing French *belles-lettres*, scientific and technical literature and periodicals, as well as music recordings, and of a Soviet reading-room in France containing Soviet *belles-lettres* and scientific and technical literature and periodicals, as well as recordings of Russian music

(9) The two Governments agreed to search for and examine other measures which would contribute to the improvement of cultural relations between France and the Soviet Union

(10) They also agreed on the desirability of drafting and signing at a later date a cultural co-operation convention, to be drawn up by the competent departments.

At a press conference on May 19 M. Mollet said that he and M. Pineau had explained to the Soviet leaders, before signing the joint declaration, that the decisions reached "were quite compatible with the obligations which we have undertaken at an earlier time."

M. Mollet also said, in reply to a question, that the Soviet leaders were not hostile to the principle of German reunification, but that there was disagreement on the methods of carrying it out. Asked about Algeria, M. Mollet replied that this was "essentially a French problem" and that the French Government had not intended to make it the subject of discussion "The same spirit," he added, "animated the Soviet representatives, so much so that at no time during the official discussions was this question raised." Only during the final reception had views been exchanged with the Soviet leaders on the Algerian question, and it had then been decided by both sides, because of its importance, to include a reference to it in the final communiqué.

M. Mollet left Moscow on May 20, returning to Paris by air the same evening. Before his departure he invited Marshal Bulganin and M. Khrushchev to visit France. M. Pineau visited Leningrad, Kiev, and Erivan before returning to Paris on May 25, stopping *en route* in Prague for talks with the Czechoslovak Foreign Minister.

It had become known that at the reception given by Marshal Bulganin to the French Ministers on May 19, M. Krushchev had drunk a toast to "all the Arab peoples" in the presence of the Egyptian, Lebanese, and Syrian Ambassadors. M. Khrushchev was reported to have said "We are for all oppressed peoples, and for all those who fight for their national and social liberation. It is impossible to turn back the wheel of history, and those who fail to understand this will be swept away by the current . . ."

The first issue of *Nouvelles de Moscou*, a new Soviet publication in the French language, appeared in the Soviet capital on May 16. It is published twice a week and deals with foreign and internal political affairs.—(Le Monde, Paris - Soviet Weekly) **(Prev. rep. 14815 A.)**

A. SOVIET UNION. — Execution of Ex-Premier of Azerbaijan and Police Officials.

The newspaper *Baku Rabotchnik* (Baku Worker) announced on May 28 that Mir Jafar Bagirov, Premier of Azerbaijan until the downfall of Beria in 1953, had been executed after having been found guilty of treason, counter-revolutionary activities, acts of terrorism, and responsibility for the liquidation of innocent persons. It was stated that three senior police officials had also been executed for similar crimes, and that two others had been given sentences of 25 years' imprisonment.

Bagirov was accused of having collaborated with Beria in numerous "terroristic and anti-revolutionary" activities dating back to the early days of the Revolution, of having liquidated persons opposed to Beria including three former secretaries of the Azerbaijan Communist Party, and of having intrigued with Beria against Sergei Ordjonikidze [the Georgian Communist leader who played a prominent role in the October Revolution and who died in mysterious circumstances in 1937] All the accused were found guilty of extracting forced confessions from innocent people by illegal means, compelling persons to bear false witness against innocent prisoners, and participating in terrorist and counter-revolutionary acts.

The police officials executed with Bagirov were R A Makarian (a former vice-commissar for security in Azerbaijan), K I. Grigorian, and T M Bortschev Those sentenced to 25 years' imprisonment were S F Emelyanov and A S Atakishev.

The paper stated that the trials had been held before a military court in Baku from April 12-26, and that appeals by the condemned men for clemency had been rejected by the Supreme Court of the U S.S.R. No mention of the trials or of the execution of Bagirov was made in the Moscow press or radio. (Times - Le Monde, Paris) **(Prev. rep. Bagirov, 13029 A.)**

B. PERSIA. — Claim to Sovereignty over Bahrein.

The Persian Foreign Minister, M. Ardalan, made a statement on April 8 reiterating Persian claims of sovereignty over Bahrein, in reply to a British Foreign Office statement of April 5 to the effect that Bahrein was an independent sheikhdom.

M Ardalan affirmed that Bahrein was "an inseparable part of Persia," that the Persian Government could not recognize it as an independent British-protected sheikhdom, and that Persia intended firmly to defend her "juridical and political" claim He maintained that Persian sovereignty over the island had been recognized several times in the 19th century by Britain, and that the ruling dynasty of Bahrein had on several [unspecified] occasions sworn fealty and paid taxes to Persia The Persian Government, however, did not intend to place this dispute before the Baghdad Pact Council, and discussions with Britain would be maintained in a "direct and friendly manner."

Bahrein, originally under Persian suzerainty, was captured in 1783 by a Kuwaiti sheikh whose family has since ruled it as an independent sheikhdom. In 1861 the then ruling sheikh sought and was granted British protection. The status of Bahrein has been a subject of controversy between Britain and Persia for many years.—(Times - Sunday Times - Observer) **(Prev. rep. 12327 B.)**

C. UNITED KINGDOM. — Labour and Manpower. - Revocation of Notification of Vacancies Orders.

The Notification of Vacancies Orders, 1952, which had required employers to engage workers through employment exchanges, were revoked on May 7. They had applied—with some exceptions—to men between the ages of 18 and 65 and women between 18 and 60, and had been designed to steer people into jobs of national importance.

The Minister of Labour (Mr. Iain Macleod) had explained on May 1 that the usefulness of the Orders was no longer sufficient to justify the restrictions they had placed on the engagement of workers by employers, and he had accordingly decided to revoke them. This decision had been taken in agreement with the National Joint Advisory Council (the body consisting of representatives of employers, workers, and the nationalized industries which advises the Government on labour questions), and it was hoped that the step would save employers, workers, and the Ministry of Labour a good deal of work. Mr. Macleod pointed out that the labour exchanges would still remain available for use by employers and workers.

The revocation of these Orders meant that the prefaratory notices in "situations vacant" advertisements in newspapers were no longer required.—(Daily Telegraph) **(11973 A.)**

A. UNITED KINGDOM. — Central Pool of Overseas Civil Servants.

Mr. Lennox-Boyd (the Colonial Secretary) announced in the House of Commons on May 18 that the Government had decided in principle to establish in Britain a central pool of officers of the Overseas Civil Service with exceptional administrative or professional qualifications, who would be employed by the U.K. Government but would be made available as required on secondment to overseas Governments. It had also been decided to introduce a scheme whereby pensionable overseas Civil Servants serving in a territory which had attained self-government might transfer, on certain conditions, to a Special List, and would thenceforth be in the service of the U.K. Government and seconded to overseas Governments.

Explaining that an urgent staffing position had arisen in the territories comprising the Federation of Nigeria, Mr. Lennox-Boyd said that H.M. Government realized "the anxieties and uncertainties which affected the service there" and wished to help the Nigerian Governments to keep experienced staff who might otherwise retire under compensation schemes. It was therefore prepared to accept certain important obligations towards existing staff, and proposed—subject to the agreement of the Nigerian Governments—to introduce the scheme for transfer to a Special List. This scheme would be in a form which would enable it to be applied to other territories as and when H.M. Government were satisfied that circumstances made this desirable.

A White Paper (Cmd. 9768) published on the same day pointed out that as Colonial territories approached and attained self-government, they would from time to time need the assistance of officers with exceptional qualifications, many overseas Governments had already said that they would like to be able to look to Britain for help in finding such officers. In order to meet these prospective needs, the Government intended to recruit people with the necessary qualifications for secondment to overseas Governments as required. Lists of persons ready to accept service of this kind would be prepared. If the demand rose to substantial proportions, and regular employment for a number of years could be foreseen, these persons would come into the regular employment of the U.K. Government, after consultation with the employing Government, and their pensions and any compensation payments for which they might qualify on retirement would be paid to them by the U.K. Government and recovered from the employing Government. The employing Government would be asked to agree not to terminate the secondment of any officer (except on ground of ill-health, misconduct, or inefficiency) without giving one year's notice, and to consult the U.K. Government before introducing any reorganization scheme which might involve terminating the secondment of a considerable number of officers.

Officers transferred to the Special List (the White Paper continued) would accept an obligation to serve the U.K. Government up to the age of 50 in any post to which they might be assigned, except that they would not be required to accept assignments to posts which, in the British Government's opinion, were of less value than those in which they were currently serving. The Government hoped to find continuous employment for all officers on the Special List up to the age of 50, but any officer who became unemployed through no fault of his own would be kept on full pay for as long as necessary up to a maximum of five years, or until he reached 50, while efforts were being made to place him. If in the last resort he could not be found suitable employment, he would get his pension, plus any additional compensation for which he would have been eligible if he had remained in his former service instead of transferring to the Special List.

The White Paper stated that there were at present about 15,000 overseas Civil Servants, including about 6,000 serving in territories where the introduction of full self-government might affect their position. (Cmd. 9768 - Daily Telegraph)

B. BELGIUM. — National Institute of Sport to be financed from Tax on Football Pools.

Legislation for the creation of a National Institute of Sport, to be financed from a tax on football pools, was passed by the Belgian Chamber of Deputies on March 9 after earlier approval by the Senate. The National Institute of Sport is designed to "propagate physical education and sport among the whole population," its funds being provided by a 20 per cent tax on football pool receipts. (La Nation Belge, Brussels)

C. TURKEY. — Increase in Bank Rate.

The Turkish Central Bank increased its Bank Rate from 4½ per cent to 6 per cent on June 6, stating that the increase had been made to check inflationary tendencies. The previous increase from 3 to 4½ per cent had been made in June 1955. (Financial Times) **(Prev. rep. 14311 B.)**

D. SPAIN. — Recognition of Tunisian Independence.

Spanish recognition of Tunisia as a sovereign and independent State was announced in Madrid on May 15. It was stated that diplomatic relations would shortly be established between the two countries.—(A.B.C., Madrid) **(14907 C; 14858 C.)**

E. NETHERLANDS. — General Election.

General elections were held in the Netherlands on June 13 for a new Lower House of the States-General (100 members). The distribution of seats in the new House and the votes cast for the various parties are shown below, with comparative figures for the last (1952) elections:

	Seats		Votes		Gain (+) or
	New House	Old House	1956	1952†	Loss (−)
Labour Party	34	30	1,871,990	1,545,304	+ 4
Catholic People's Party	33	30	1,815,242	1,529,289	+ 3
Anti-Revolutionary Party*	10	12	567,517	603,111	− 2
Party of Freedom and Democracy (Liberals)	9	9	502,325	470,820	unchanged
Christian Historical Union*	8	9	482,848	476,097	− 1
Communists	4	6	272,167	328,641	− 2
Political Reform Party*	2	2	129,572	129,057	unchanged
Catholic National Party	—	2	—	144,517	

*Protestant parties. † Revised figures

The Labour Party, led by Dr. Drees (the Prime Minister), emerged as the strongest political group in the new Lower House, gaining four seats and increasing its poll by over 300,000 votes. The Catholic People's Party also polled nearly 300,000 votes more than in 1952, gaining three seats. The three Protestant parties polled almost the same number of votes as in 1952 but lost three seats, while the Liberals increased their poll by about 30,000, their representation remaining unchanged. The biggest setback was suffered by the Communists, whose vote fell by over 56,000 and who lost two seats. The Catholic National Party, which had two seats in the last Parliament, is now absorbed in the Catholic People's Party.

Three other parties also submitted lists but failed to obtain the necessary minimum of one per cent of the total number of votes cast, and are therefore unrepresented in the new House. They were the Reformed Political Union; the National Union, a Christian right-wing group led by former members of the Catholic National Party; and the Netherlands Opposition Union, which has analogies with the Poujadist movement in France. The Netherlands Government had refused to allow M. Poujade to enter Holland to address a meeting of the last-named party during the electoral campaign.

Of the three Protestant parties, the Political Reform Party (the smallest of the three) is "rightist"; the Anti-Revolutionary Party is moderate or "centrist"; and the Christian Historical Union is, broadly speaking, "liberal."

Unlike Britain, the Netherlands is not divided into constituencies but the whole country is considered as a single electoral territory, the electors voting for parties and not for individual candidates. The 100 seats in the Lower House are distributed in proportion to the total number of votes polled by the various parties, a minimum of one per cent of the total being required for parliamentary representation. Voting is compulsory for all citizens, male and female, over 23 years of age; however, though attendance at polling stations is compulsory, the individual voter may, if he wishes, leave his ballot-paper blank. The total number of votes cast at the general election was 5,727,355, representing 93 per cent of the electorate.

The Upper House of the States-General (50 members) was elected by the Provincial Councils after the general elections, the membership of the new House being as follows: Catholic People's Party, 17; Labour Party, 15; Anti-Revolutionary Party, 7; Christian Historical Union, 6; Party of Freedom and Democracy, 4; Communists, 1. The only change was a Labour gain of one seat from the Communists.

Dr. Drees, the outgoing Prime Minister, was asked by Queen Juliana on June 17 to form a new coalition government. He subsequently invited the leaders of the five major parties—the Labour Party, the Catholic People's Party, the Anti-Revolutionary Party, the Christian Historical Union, and the Party of Freedom of Democracy—to take part in consultations for this purpose.—(Netherlands News Agency - Algemeen Handelsblad, Amsterdam - Nieuwe Rotterdamse Courant)
(Prev. rep. 12382 A; Constitutional Reform, 14858 B.)

F. NEPAL. — Creation of State Bank.

King Mahendra inaugurated Nepal's first State Bank—officially described as a "royal gift to the nation" in connexion with the King's coronation—on April 26. The State Bank, besides issuing bank notes, will regulate the Nepalese currency, fix foreign exchange rates, and help in the preparation of a national budget. (The Statesman, Calcutta)

JUNE 23—30, 1956

A. YUGOSLAVIA. — President Tito's Visits to the U.S.S.R. and Rumania. - Soviet-Yugoslav Statement on International Problems. - Re-establishment of Contacts between Soviet and Yugoslav Communist Parties.

In response to an invitation extended by Marshal Bulganin and M. Khrushchev during their visit to Yugoslavia in 1955, President Tito paid a three-weeks' visit to the Soviet Union from June 2-23, accompanied by Mme. Broz-Tito, M. Kardelj, vice-president of the Yugoslav Federal Council, and M. Koca Popovich, the Yugoslav Foreign Minister.

President Tito travelled by train to Moscow *via* Rumania, arriving in the Soviet capital on June 2. He was welcomed at the station by President Voroshilov and all leading members of the Soviet Government—including Marshal Bulganin, M. Khrushchev, M. Mikoyan, M. Kaganovich, M. Shepilov, the new Foreign Minister, and M. Molotov, his predecessor—and replied as follows to an address of welcome by President Voroshilov :

" The joint struggle of our peoples against the common enemy from 1941 to the end of the war testifies to the great truth that our fates are inseparable, and that the two peoples esteem and respect each other. However, something tragic and unheard-of took place [i e Yugoslavia's post-war expulsion from the Cominform and the resultant break in Soviet-Yugoslav relations], which was the fault neither of the peoples of Yugoslavia nor of the peoples of the Soviet Union Nevertheless we believed that the time would come when everything that kept us apart would be transformed, and that our friendship would acquire new and firm foundations That time has now come, thanks to the Leninist policy of the Government and Communist Party of the Soviet Union The recent visit of Bulganin, Khrushchev, Mikoyan, and others to Yugoslavia, the talks with them, the declaration that was drawn up, the courageous and far-sighted policy of the collective leadership of the Soviet Union—all constitute a guarantee that nothing of the kind will ever happen again between countries which follow the principles of Marx, Engels, and Lenin " Marshal Tito expressed his conviction that his talks with the Soviet leaders would " establish mutual understanding between us "

During his first week in the U.S.S.R. President Tito had a number of discussions with Soviet leaders on international affairs and questions affecting Soviet-Yugoslav relations. In addition he attended a State reception given at the Kremlin in his honour, and paid visits to the University of Moscow, the Soviet atomic energy establishment at Obninskoye (about 90 miles from Moscow), an agricultural exhibition, and the Bolshoi Theatre. On June 4 Marshal Tito went to the Lenin-Stalin Mausoleum in Red Square to lay a wreath on Lenin's tomb ; he ignored the tomb of Stalin, which is next to that of Lenin. On all his public appearances in Moscow the Yugoslav President was enthusiastically acclaimed by hundreds of thousands of people, his reception being the most enthusiastic ever accorded to any foreign statesman visiting the Soviet capital.

After a two-day visit to Leningrad (June 7-8) President Tito returned to Moscow for further political discussions with Soviet leaders, after which he visited Stalingrad (June 11), Krasnodar, Novorossisk, and the Black Sea resort of Sochi. During his visit to Stalingrad, on which he was accompanied by M. Khrushchev, his reception was so overwhelming that the great crowds swept aside the security police and almost " mobbed " the two statesmen.

On returning to Moscow (June 19) both Marshal Tito and M. Khrushchev addressed a crowd of 80,000 people in the Dynamo Stadium. They both emphasized that cordial and sincere relations had been re-established between Yugoslavia and the U.S.S.R., and that both Yugoslavia and the Soviet Union recognized the need to ease international tension and to establish friendly relations between all peoples, irrespective of their political and social systems

On June 20 two declarations were signed at the Kremlin at the conclusion of Marshal Tito's discussions with the Soviet leaders . (1) a joint declaration on the international situation, signed by President Tito and Marshal Bulganin ; and (2) a joint declaration on the restoration of relations between the League of Communists of Yugoslavia [the name under which the Communist party is known in Yugoslavia] and the Communist Party of the Soviet Union, signed by President Tito and M. Khrushchev.

Declaration on International Affairs.

After stating that the talks had been held in a " cordial and friendly " atmosphere, the joint statement enumerated the various subjects discussed (cross-headings inserted) .

Relaxation of International Tension. Both Governments noted with satisfaction that " general international tension has continued to diminish during the past year," and both welcomed " the ever-increasing tendency towards solving international disputes by negotiation." After noting that " a significant role in this respect was played by the Conference of the Heads of Government of the four great Powers in Geneva in 1955," the statement added : " Although the development of events during the past year has shown that it is not possible to expect a speedy solution of problems which have accumulated in the course of the ' cold war ' . . . it is of decisive significance that the efforts to expand international co-operation have grown, which contributes to the strengthening of confidence between nations."

The Role of the United Nations. " This new atmosphere," the statement continued, " has strengthened the power and ability of the United Nations to examine and successfully solve problems by the organized and equal participation of all countries The success of the Conference on the Peaceful Uses of Atomic Energy, organized by the U.N at Geneva in 1955, and the promising beginning of work on the creation of an International Atomic Energy Agency, are closely connected with this atmosphere. The strengthened role of the U N. has also found expression in the progress made towards universality by the admission of new members . . . "

China and the Formosan Question. The Soviet and Yugoslav Governments " noted with regret " that the People's Republic of China had not yet been admitted to the U N and said that they would " persistently strive that the right of this great country [to U.N. representation] be recognized." They also expressed their conviction that Taiwan (Formosa) and the Chinese offshore islands should revert to the sovereignty of the People's Republic of China, " of whose territory they legally formed part."

Disarmament and the " Cold War." This section of the joint statement was worded as follows : " Such opposing views were formed and so much distrust accumulated during the ' cold war ' that it would be neither logical nor just to expect every obstacle preventing the solution of international disputes to be easily removed, and for rapid agreement to be accomplished on every problem. In view of this, the two Governments are convinced that it is necessary to achieve agreements on questions which can be solved to-day. They are agreed that insistence on a definite priority regarding the order of examing disputes, and a definite pace in solving them, cannot yield beneficial results. In this light they have examined the questions of disarmament and collective security, as well as other questions which divide the world, especially Europe

" Bearing in mind the importance of disarmament for the future of mankind, the two Governments are agreed that the conditions are ripe for its urgent solution. At the same time they have underlined the significance even of a partial agreement on disarmament, and express the unanimous hope that such an agreement can be accelerated and facilitated by unilateral reductions of armed forces In this respect the Yugoslav Government welcomes the decision of the Soviet Government to reduce its armaments and armed forces, and regards it as a very great contribution to facilitating the solution of the question of general disarmament.

" Believing that the application of atomic power for peaceful purposes is of epoch-making significance for the economic and social development of mankind, the two Governments have agreed on the necessity to encourage every form of equal and democratic co-operation between the peoples in this field. Consequently, they have also agreed that the common goal should be the prohibition of atomic weapons generally, so that atomic power may serve only the peaceful purposes of mankind

" They consider that the present international situation enables decisive steps to be made towards removing the negative elements which hampered co-operation between the European nations during the period of the ' cold war,' and that broader agreements on general European collective security, on economic co-operation, and on the strengthening of cultural ties would contribute to liquidating the division of Europe into military blocs, and facilitate the solution of the principal disputes standing in the way of comprehensive co-operation between the European nations."

The German Question. " The two Governments consider that as two German States have taken shape on post-war German territory, negotiations are indispensable between the German Federal Republic and the German Democratic Republic for achieving their unification. They consider also that other States, primarily the great Powers, are under an obligation to work in the same direction, both in the interest of the German people and in the general interest."

Removal of Threats to Peace. " In the perspectives already opened up by the relaxation of international tension, the two Governments devoted special attention to the danger which may arise from local conflicts and disputes between States. They expressed their firm intention to co-operate in removing such threats, both in the United Nations and in their direct relations with States "

International Economic Co-operation. The two Governments expressed " their firm conviction that one of the fundamental reasons for the improvement of the international situation is the growing economic integration of the world, the ever more intensive participation of all nations in the exchange of goods, and the ever-increasing support of the peoples for international co-operation and *rapprochement* to achieve general prosperity, peace, and progress in the world." To this end (the statement continued) " it is necessary to exert maximum efforts to develop international trade and economic co-operation to the greatest possible extent, and to abolish all forms of discrimination in international economic relations . . The two Governments consider that the strengthening of contacts and co-operation in the fields of culture and scientific exchanges are important factors which can serve the same aim. In this spirit they will continue to support the dependent territories in their progress of gaining independence, in which a leading role should belong to the United Nations."

Aid to Under-developed Countries. "The two Governments are agreed that the great gap between the advanced and the under-developed countries is one of the most difficult problems of the present-day world, and that assistance to the under-developed countries—primarily by collective international action—is necessary to solve this question. They will continue their endeavours to ensure that broader and more effective measures for rendering economic and technical assistance to under-developed areas are taken within the United Nations Such assistance . should be free from any military or political conditions."

Peaceful Co-existence. The Soviet and Yugoslav Governments "reaffirmed their devotion to the policy of peaceful and active co-existence, based on the principles of sovereignty, independence, territorial integrity, non-aggression, equality, mutual respect, and non-interference in internal affairs." Such a policy would provide "the most successful means for the consolidation and strengthening of comprehensive co-existence between countries, irrespective of differences in their social, economic and political systems"

Soviet-Yugoslav Relations. After saying that special attention had been devoted "to examining the relations between the two countries," the statement declared that it had been "established with great satisfaction that the principles expressed in the Declaration of the Governments of Yugoslavia and the U.S.S.R. of June 2, 1955 [see page 14266], on which their relations are based, have created foundations for friendly all-round co-operation and have served the interests of peace and international co-operation"

The statement recalled "with satisfaction" that the two Governments had successfully settled the question of mutual claims; that they had developed economic co-operation "upon mutually beneficial foundations", that trade exchanges had been regulated, and that agreements had been signed on scientific-technical co-operation, the utilization of atomic energy for peaceful purposes, and cultural co-operation. Moreover, the two Governments had decided "to increase scientific co-operation and the exchange of scientists, specialists, students, and scientific literature"

In conclusion, the joint statement said that President Tito's visit to the Soviet Union "will constitute a new important stage in the development of co-operation and friendship between the peoples of Yugoslavia and the U.S.S.R."

Restoration of Relations between Soviet and Yugoslav Communist Parties. - Agreement on Mutual Co-operation.

After saying that "representatives of the League of Communists of Yugoslavia (L.C.Y.) and of the Communist Party of the Soviet Union (C.P.S.U.) have exchanged views on relations and co-operation between the two parties in a spirit of comradely sincerity and frankness," the joint statement announced that agreement had been reached on the following:

"(1) The Belgrade Declaration of June 2, 1955, placed the relations between the two Socialist countries upon sound foundations, and the principles contained therein are finding even broader application in their mutual co-operation

"(2) Co-operation and the general development of relations between the two countries since the Belgrade Declaration . . have created favourable political conditions for co-operation between the L.C.Y. and the C.P.S.U. Proceeding from this, and taking into consideration the concrete conditions under which present-day Socialist movements are developing, and the spirit of the internationalistic principles of Marxism-Leninism, the L.C.Y. and the C.P.S.U. have agreed that it is useful and indispensable that the existing contacts between the two parties should develop . with a view to co-operation in the international workers' movement, in numerous matters relating the present-day development of Socialism, in developing peaceful co-existence and co-operation between peoples of the whole world, irrespective of differences in their social and political systems, and in the interest of the consolidation of peace, freedom, and independence of nations . .

"Co-operation between the L.C.Y. and the C.P.S.U. . . . will undoubtedly contribute to the development of further co-operation between Yugoslavia and the U.S.S.R., and to the consolidation of lasting friendship between the peoples of Yugoslavia and the Soviet Union.

"(3) Holding the view that the roads to and the conditions of Socialist development are different in different countries and that any tendency to impose one's own views in determining the roads and forms of Socialist development are alien to both sides, the two parties have agreed that their co-operation should be based on complete freedom of will and equality, on friendly criticism, and on the comradely character of the exchange of views on disputes between our parties.

"(4) On the above-mentioned foundations co-operation between the L.C.Y. and the C.P.S.U. will evolve primarily through (*a*) a comprehensive mutual study of the forms and methods of Socialist developments in the two countries, (*b*) the free and comradely exchange of experiences and views on questions of general interest for the development of Socialist practice and the promotion of Socialist thought, and also on questions relating to peace, *rapprochement*, and co-operation between nations, and the progress of mankind in general

"(5) The modern material and spiritual transformation of the world . . confronts the international workers' movement with many tasks of the first magnitude. It also makes indispensable a scientific analysis of the . fundamental material and social factors and tendencies in the present-day world For these reasons the delegations have agreed, guided by the principles of Marxism-Leninism, to exchange views in the field of Socialistic scientific thought both in their mutual relations and in the international workers' movement generally.

"(6) As regards concrete forms of co-operation between the L.C.Y. and the C.P.S.U., the delegations agreed that it should be implemented by personal contacts, written and oral declarations, exchanges of views, exchange of delegations and literature, mutual meetings of party workers with a view to examining current questions of general interest, and generally by way of all forms of constructive comradely discussion

"(7) The workers' movement of the two countries consider such mutual co-operation as a component part of all contacts with other Communist and workers' parties, as well as with Socialist and other progressive movements in the world

"(8) The L.C.Y. and the C.P.S.U. consider that it is in the interests of the struggle for lasting peace and security, as well as of social progress, to ensure the wide co-operation of all progressive and peaceful forces, which is increasingly being manifested in the most varied forms and on a world-wide scale This co-operation is one of the most pressing needs of modern social development

"These ties should be equal, frank, democratic, and accessible to world public opinion They should aid mutual acquaintance and consultation on different problems of general interest, and contribute to mutual understanding on the basis of a patient explanation of the attitudes and views of the different sides This means the freedom of action of each individual participant in that co-operation, according to the conditions of his development and in keeping with the general progressive aims to which they aspire

"The L.C.Y. and the C.P.S.U. are convinced that co-operation between the workers' movements of Yugoslavia and the Soviet Union, on the basis of the above-mentioned principles, will serve the interests of their peoples and the interests of Socialist construction in their countries They are convinced that this co-operation will contribute to a general *rapprochement* between Socialist and other progressive movements in the world, and will serve the interests of world peace and the general progress of mankind"

President Tito's Visit to Rumania. - Return to Belgrade.

After a visit to Kiev (June 20) President Tito arrived in Bucharest on June 24 for discussions with leaders of the Rumanian Government, including M. Chivu Stoica, the Prime Minister, and M. Gheorghiu-Dej, first secretary of the Rumanian Workers' (Communist) Party. As in the U.S.S.R., he was given an enthusiastic reception by great crowds, and was greeted by M. Stoica as "our honoured and beloved comrade." During his three days' stay in Rumania Marshal Tito also visited the oil city of Ploesti.

Communiqués issued at the end of President Tito's visit said that there had been a general exchange of views on international problems and Rumanian-Yugoslav relations; that both Governments would support international co-operation through U.N. action; and that the Rumanian and Yugoslav Communist parties would establish "friendly co-operation" through exchanges of information, literature, and delegations. It was also announced that Rumania and Yugoslavia would co-operate in building a large power-station to harness the waters of the Danube at the Iron Gates (on the Rumanian-Yugoslav frontier), and that agreements would be drawn up for economic co-operation between the two countries. Speaking at a mass demonstration in Bucharest, Marshal Tito declared that Yugoslavia and Rumania had "agreed to forget the past and start on a new road of friendship."

On returning to Belgrade (June 27) President Tito expressed his conviction that the leaders of the U.S.S.R. did not want war and strongly desired peace in order to build Socialism. After welcoming the re-establishment of friendly relations between the two countries, he emphasized that Yugoslavia also wanted to develop her relations with the West, and that it was absurd to suggest that the restoration of good relations between the Communist countries implied any sort of "line-up" against the non-Communist nations. Deploring the fact that a section of American opinion wished to stop U.S. economic aid to Yugoslavia, apparently because Yugoslavia had restored friendly relations with the U.S.S.R., Marshal Tito said that Yugoslavia had always expressed her thanks for U.S. aid, but had "never agreed to receive it under degrading conditions or in a way which would tie our hands in our foreign policy. That has been so hitherto, and it holds good for the future." He expressed satisfaction, however, that the most responsible leaders in the U.S.A. had understood the aims of his visit to Moscow, and said that the Soviet leaders agreed with Yugoslavia that relations with the West should be broadened. During his stay in Moscow he had also discussed the Balkan Pact and explained that its role was "not to make an assault on open doors" but to develop useful friendship between the Balkan countries. In conclusion, he mentioned that the Rumanian Government had promised to return to their homes all the members of the Serbian minority whom they had deported from the border area with Yugoslavia during the time of Yugoslavia's dispute with the Cominform countries.

Soviet-Yugoslav Economic and Cultural Agreements.

Prior to Marshal Tito's visit to the Soviet Union, a number of agreements had been concluded between Yugoslavia and the U.S.S.R. in the fields of economic and cultural co-operation, as summarized below:

(1) An agreement on scientific and technical co-operation, signed in Belgrade on Dec. 19, 1955, provided for the exchange of experience in industry and agriculture, the mutual exchange of patents, licences, and technical treatises, and the establishment of a joint commission to promote the objectives of the agreement

(2) A protocol on trade exchanges during 1956 of a minimum value of $35,000,000 in each direction, signed in Belgrade on Jan 6, 1956. It provided for Yugoslav exports to the U.S S.R. of cement (50,000 tons), tobacco, hemp, meat, dried prunes, lead, bauxite, woollen textiles, leather, chemicals, and timber products, against Soviet exports to Yugoslavia of coal (200,000 tons), cotton, naphtha, artificial fertilizers, oats, manganese ore, non-ferrous metals, and machinery.

(3) An agreement embodying the principles of the "September protocol" (see 14412 A) on industrial co-operation between the two countries, also signed in Belgrade in January 1956. It provided for Soviet assistance in the construction of (*a*) a factory for nitrogen fertilizers to produce 100,000 tons annually, (*b*) a factory for the production of super-phosphates with a potential annual production of 250,000 tons of super-phosphates and 20,000 tons of sulphuric acid; (*c*) a power plant of 100,000 kw. capacity; and (*d*) the expansion and reconstruction of three Yugoslav mines It was stated that work on these projects would be spread over the next three years; that Soviet organizations would draw up the building plans, and supply equipment and part of the material needed for the factories, that the Soviet Government would send industrial experts to Yugoslavia, and accept Yugoslav technicians for training in Soviet factories; and that it would grant a credit to Yugoslavia, repayable within ten years at two per cent interest, to cover the costs of the planning work, equipment, and materials

(4) An agreement on Soviet assistance in the construction of a nuclear reactor in Yugoslavia, signed in Belgrade on Jan 28, 1956 It provided for exchange of information on nuclear development, and for Soviet scientific and technical assistance in drawing up the necessary plans for the reactor.

(5) A cultural convention, signed in Belgrade on March 30, 1956, providing for intensified cultural relations in the fields of art, science and education, and for exchanges of students and scientists.

M. Veljko Micunovich, Under-Secretary of State for Foreign Affairs, was appointed Yugoslav Ambassador in Moscow on March 5. He succeeded M. Vidich, who had held the post since 1953, when Yugoslavia and the U.S.S.R. exchanged ambassadors for the first time since the Cominform split in 1948. (Tanjug Agency, Belgrade) **(Prev. rep. Bulganin-Khrushchev Visit to Yugoslavia, 14265 A; Tito Visit to France, 14891 A; Soviet-Yugoslav Economic Co-operation, 14412 A; Atomic Co-operation, 14631 B.)**

A. URUGUAY. — Cabinet Reorganization.

A Cabinet crisis within the Batllista party, principally over budgetary proposals, caused the resignation of several Ministers of the Uruguayan Government on May 11. A Cabinet reorganization was announced on May 15, the membership of the reformed Cabinet being as follows:

Dr. Francisco Gamarra ..	Foreign Affairs.
Dr. Alberto Abdala .. .	Interior.
Dr. Armando R. Malet ..	Finance.
Señor Florentino Guimaraens ..	National Defence.
Señor Washington Fernandez	Public Works.
Dr. Vicente Basaguti ..	Health.
Dr. Amilcar Vasconcellos	Livestock and Agriculture.
Señor Fermin Sorhueta .	Industry.
Professor Clemente I. Ruggia ..	Education.

Only Dr. Malet and Sr. Fernandez retained their portfolios, while Dr. Gamarra, the new Foreign Minister, had previously held the portfolio of the Interior. Dr. Malet, however, resigned on June 12 and was succeeded as Finance Minister by Señor Ledo Arroyo Torres (the President of the Senate), who had held the portfolio of Finance from 1947 to 1949.

The differences within the Batllista party (the principal party represented in the Government) were caused by an economic and financial crisis due to an inflationary situation characterized by sharp increases in wages and prices, and resulting in the fall of the Uruguayan peso to its lowest-known level—the free market quotation of 417 pesos = $100 on May 11 comparing with 285 pesos to $100 a month earlier, and 85 pesos in 1945. Dr. Malet's Budget proposals included a modest income-tax—an innovation, as no such tax had hitherto been imposed in Uruguay. This, however, was opposed by one wing of the Batllista Party (commonly known as "List 14") headed by Señor Cesar Batlle (son of the late President Batlle y Ordoñez), while Dr. Malet's proposals had the support of the party faction known as "List 15," led by Señor Luis Batlle Berres (a cousin of the late President), himself a former President of Uruguay, and President of the Council of Government in 1955-56.—(New York Times - Bank of London and South America, Fortnightly Review) **(14762 F; 14052 C.)**

B. UNITED KINGDOM. — New Towns Development. - Government Advances, Capital Expenditure, and Building Progress. - New Town Project for Kent.

The annual accounts for the New Towns, published on June 18 by the Ministry of Housing and Local Government and the Department of Health for Scotland, showed that total Government advances to the development corporations of the New Towns at March 31, 1955, amounted to £108,257,465, of which £97,170,335 had been advanced to English and £11,087,130 to Scottish corporations.

Total capital expenditure on capital account for which ministerial approval had been given by March 31, 1955, was approximately £145,500,000. Total Exchequer commitments in the period to March 31, 1955, were estimated at £300,000,000-£325,000,000, but repayments of advances to corporations were thought to have amounted to £20,000,000

The report stated that 33,334 dwellings had been completed in the 14 New Towns as at March 31, 1955, and that 11,034 were under construction. Expenditure on land, buildings, and main services totalled £30,240,000 in 1954-55, compared with £30,119,016 in 1953-54 and £24,579,412 in 1952-53.

The 14 New Towns (intended populations in brackets) designated under the New Towns Act, 1946, were: Harlow (80,000) and Basildon (80,000), in Essex; Stevenage (60,000), Hemel Hempstead (60,000), Welwyn (50,000) and Hatfield (25,000), in Hertfordshire, Crawley (50,000), in Sussex; Bracknell (25,000), in Berkshire; Corby (40,000), in Northamptonshire; Cwmbran (35,000), in Monmouthshire; Peterlee (35,000) and Aycliffe (10,000), in Durham; Glenrothes (32,000), in Fifeshire; and East Kilbride (45,000), near Glasgow.

The eight New Towns in the Home Counties—Harlow, Basildon, Stevenage, Hemel Hempstead, Welwyn, Hatfield, Crawley, and Bracknell—are designed to relieve congestion in the London and Greater London areas. and to decentralize industries from the metropolis Corby is built around the Stewart and Lloyds' steelworks, Cwmbran and Aycliffe are based upon existing industrial estates, Peterlee is designed as a new industrial community to absorb surplus labour in a declining coalfield, Glenrothes is designed as a residential centre for an expanding coalfield; and East Kilbride is built to relieve housing congestion in Glasgow.

A fifteenth New Town—Cumbernauld (Lanarkshire)—was designated by the Secretary of State for Scotland in July 1955 (see 14714 B) Like East Kilbride, it is designed to relieve "overspill" from Glasgow, and is intended to house 50,000 people.

A £20,000,000 scheme for the building of a new town by private enterprise at Allhallows-on-Sea (Kent), on the Thames estuary opposite Southend, was announced on June 1, 1956.

The new town, designed to house 25,000 people and light industries, is planned by the Dolphin Development and Management Co Ltd, a subsidiary of Richard Costain Ltd. If the plan is approved by the Kent County Council, the town will be built on an 800-acre site at present used partly for agriculture and partly as a caravan and pleasure resort The development of the British Petroleum Co's oil refinery (which is adjacent to the site), and a proposed new plant for the South-Eastern Gas Board, mean that hundreds of workers have at present to travel many miles to and from their homes, and the new town scheme is mainly aimed at selling houses to these people, as well as attracting light industry. The designer, Mr. Frederick Gibberd (formerly architect-planner for the Harlow New Town), envisages three neighbourhoods with shopping facilities, a town centre with 60 shops, a central park, and seafront development.

Members of the development company include Sir Richard Costain and Sir Howard Roberts, lately Clerk to the London County Council until his retirement. (Times - Daily Telegraph) **(Prev. rep. 13783 A; 11461 A; New Towns Act, 8070 A.)**

C. FRANCE. — Restoration of Rouen Cathedral.

Rouen Cathedral, which was severely damaged during the war in Allied air attacks, was officially reopened on June 24 after the post-war work of restoration had been completed.

The service commemorating the restoration of the Cathedral was attended by President Coty, many members of the French Government, the Papal Nuncio (Mgr. Marella), the British Ambassador (Sir Gladwyn Jebb), most of the leading Roman Catholic clergy of France (including Cardinals Feltin, Gerlier, and Liénart), and Cardinal Griffin, Roman Catholic Archbishop of Westminster. Civic representatives from abroad included the Burgomaster of Amsterdam and the Lord Mayor of Bristol

The work of restoration was carried out by craftsmen working under the direction of two local architects, M Chauvel and M. Lenfry Though all the more modern glass was shattered by wartime bombing and had to be replaced, the medieval stained glass windows had been removed for safety at the beginning of the war and were reinstalled without loss. One new window has been offered by a British Roman Catholic association as "reparation" for the burning of Joan of Arc in 1431 The Cathedral has a new High Altar of green marble.

The restoration of Rouen Cathedral coincided with local celebrations of the 500th anniversary of the rehabilitation of Joan of Arc. (Le Monde, Paris - Times)

A. UNITED KINGDOM - AUSTRALIA. — Nuclear Weapon Tests in Monte Bello Islands. - Projected Tests in Pacific Ocean in 1957.

The British Ministry of Supply announced on Sept. 12, 1955, that two series of nuclear weapons tests would be held in Australia during 1956—the first in the Monte Bello Islands, off the north-western coast (the site of the first British atomic weapon tests in 1952), and the second at the new proving ground at Maralinga, South Australia (see 14141 B).

The statement also said that Mr. C. A. Adams would be scientific director of the Monte Bello tests, while a further announcement by the Ministry (April 3, 1956) stated that Commodore Hugh Martell, R.N., would be operational commander for the tests.

Mr. Adams (48), Chief of Research at the Aldermaston Atomic Weapons Research Establishment, was deputy scientific superintendent at the 1952 tests, and was scientific superintendent for the second series under Sir William Penney at Woomera in 1953.

The Monte Bello Tests.

The first detonation took place on May 16. According to official announcements, the "device" had been placed on a high steel tower at the northern end of one of the smaller islands in the group, and the explosion was "small" and "unspectacular." Press reports suggested that the device was probably a "trigger mechanism" for a hydrogen bomb, although there was no official comment upon the nature of the device tested.

A much larger explosion took place in the Monte Bellos on June 19, when a mushroom-shaped vapour cloud was visible at Port Hedland, 265 miles to the east. Blast effects were felt at Marble Bar, 280 miles from the scene of the explosion.

Special precautions had been announced before the tests, during which, it was stated, radioactive fall-out would be less than that following the 1952 explosions. As from May 1, a "danger zone" was proclaimed within a 150-mile radius of Flag Island in the Monte Bellos, while aircraft were advised to keep outside a radius of 600 miles over the sea and to fly at a height of less than 5,000 feet when over land within that distance.

In view of the fact that some public concern had been expressed about the fall-out after the explosion, the Australian Minister of Supply (Mr Beale) denied on June 20 that there was any cause for anxiety. At 5,000-10,000 feet, he said, all significant radioactive particles had gone into the sea; at 15,000-20,000 feet some cloud containing minute radioactive particles had drifted inland, but this was now tending to drift back towards the coast. [By June 21 this cloud had moved 100 miles out to sea.]

Sir Arthur Fadden, the Acting Prime Minister, commented on June 25 upon reports of radioactivity recorded at Marble Bar and of the falling of radioactive rain in Queensland. Pointing out that there was a simple explanation of these occurrences, he said that particles possessing insignificant radioactivity might remain airborne and travel round the world several times before being washed down by rain, but no danger to health could arise from them. The Australian Weapons Test Safety Committee had confirmed that the particles had been over the sea until all harmful concentrations had fallen out.

Forthcoming Tests at Maralinga.

Mr. Beale announced on June 19 that the second 1956 series of explosions would take place at Maralinga "not before the end of August." Various types of explosion would occur, mostly from towers, but it was possible that there would also be aerial tests. Some 200 Servicemen, largely from the U.K. but also a few from Canada and Australia, would be present as observers at the tests; they would be "indoctrinated into what can be expected" after an atomic explosion, but would not be exposed to any danger.

British Hydrogen Bomb Tests in 1957.

Sir Anthony Eden informed the House of Commons on June 7 that the U.K. Government proposed to carry out "a limited number of nuclear explosions in the megaton range" during 1957 "in a remote part of the Pacific Ocean." The Prime Minister spoke as follows:

"In the Statement on Defence, 1955 [see 14089 A] H.M. Government announced their intention to manufacture thermo-nuclear weapons. As I have previously stated, the holding of tests is an essential part of the process of providing ourselves with such weapons. The U.S.A. and the U.S.S.R. have already held such tests, and H.M Government have decided to carry out a limited number of nuclear test explosions in the megaton range.

"These will take place during the first half of 1957 in a remote part of the Pacific Ocean. The explosions will take place far from any inhabited islands, and the tests will be so arranged to avoid danger to persons or property. The tests will be high air-bursts which will not involve heavy fall-out. All safety precautions will be taken in the light of our knowledge and of experience gained from the tests of other countries.

"The main base of the R.A.F. aircraft taking part will be Christmas Island in the Pacific Ocean, and meteorological facilities will be installed there. H.M. Governments in Australia and New Zealand have agreed to make available to the task force various forms of aid and ancillary support from Australian and New Zealand territory.

"In reaching this decision H.M. Government in the United Kingdom have given full weight to the anxiety which exists about the indefinite continuance of tests of nuclear weapons without control and limitation. I emphasized on Dec. 6 [see 14566 A] that H.M Government were prepared to discuss methods of regulating and limiting test explosions which take account of their position and that of other Powers. This remains the policy of H M Government, and we shall seek every opportunity to put it into effect"

Mr. K. J. Holyoake, the acting Prime Minister of New Zealand, confirmed on June 8 that the N Z. Government had been consulted before the decision to use Christmas Island was taken.—(Times - Daily Telegraph - Manchester Guardian - Australian News and Information Bureau - Directorate of Information Services, Wellington) **(Prev. rep. Hydrogen Bomb, 14093 A; 14089A; Nuclear Weapon Tests, 13222 A.)**

Note. Christmas Island, just north of the Equator, is in a remote area of the Western Pacific about midway between Samoa and Hawaii. The largest atoll in the Pacific Ocean, it is one of the Line Islands, a group under British sovereignty which comprises Christmas, Fanning, and Washington Islands.

B. SYRIA. — New Government.

The Government headed by Sayed Ghazzi resigned on June 3. The immediate cause of the crisis was understood to be a dispute within the Cabinet over the proposed ban on Syrian wheat shipments to France and to French troops in Algeria, as a token of the Syrian Government's opposition to France's policy in North Africa. The ban on wheat exports had been imposed on May 30, lifted on June 1, but reimposed on June 2 after stevedores at Latakia had refused to load a wheat cargo for France, and after students had demonstrated at the Ministry of National Economy in Damascus.

After inter-party negotiations, a "Government of national union" was formed on June 15 by M. Sabry Assali, a former Prime Minister and leader of the National Party. It included representatives of all the Syrian parties except the Communists, its membership being as follows:

M. Sabry Assali (National Party), Prime Minister and Finance; M. Ahmed Kambar (People's Party), Interior; M. Salah-eddine Bittar (Socialist), Foreign Affairs, M. Khalil Kallass (Socialist), National Economy, M. Abdel Hassib Reslan (Constitutional Group), Defence; M. Majeddine Jabry (National Party), Public Works; M Rashad Jabry (National Party), Agriculture; M. Abdel Haoumad (People's Party), Education; M. Mustafa Zarka (Constitutional Group), Justice; M Abdel Hakki Nizzameddine (Liberal Democrat), Health, M. Mohamed Eliaesh (Liberal Democrat), Minister of State.

The Socialist Party—also known as the Arab Socialist (*Baath*) party—is strongly nationalist in outlook (see 14315 B). According to *Le Monde* (Paris) it is "tacitly linked to the Syrian Communist Party by a pact of common action"

In a statement to the Syrian Parliament on June 27, M. Assali said that the new Government would follow a neutralist foreign policy, would resist "Israeli imperialism" and all foreign pacts, and would support the Moslems of Algeria. (Le Monde, Paris) **(Prev. rep. 14454 A.)**

C. UNITED STATES. — Operation on President Eisenhower for Intestinal Complaint.

After he had been taken ill during the night of June 8-9, it was announced by President Eisenhower's doctors that the President was suffering from ileitis—inflammation of the lower part of the small intestine, which X-ray examination had shown to be partially obstructed. A successful operation was performed on the President on June 9 at the Walter Reed Military Hospital (Washington), the first bulletin stating that the President's condition was "very satisfactory" and that the heart action had remained "normal throughout." Subsequent bulletins stated that the President's pulse, blood-pressure, temperature and respiration were "essentially normal," and that, if all went well, the President should be able to resume the normal duties of his office within four to six weeks.

Dr. Paul Dudley White, the specialist who treated President Eisenhower after his heart attack last September, was flown to Washington in case any heart complications should develop. It was emphasized, however, that the attack of ileitis - a non-malignant disease—was not connected in any way with the President's former heart trouble, and that there were no adverse heart complications.

The President left the Walter Reed Hospital on June 30 to convalesce at his farm at Gettysburg (Pennsylvania). It was announced that the President would spend at least two weeks at Gettysburg, and that no further medical bulletins would be issued. (New York Times - New York Herald Tribune) **(Prev. rep. President Eisenhower, 14743 A.)**

A. NEW ZEALAND. — Report of Royal Commission on Monetary Affairs. - Increase in Interest Rates and Reserve Ratios. - Relaxation of Hire-Purchase Restrictions. - Overseas Exchange Position.

The Report of the Royal Commission on Monetary Affairs set up on March 16, 1955, to examine New Zealand's monetary, banking, and credit systems was laid before the N.Z. Parliament on April 19, 1956. The Commission expressed the view that no radical reforms were required in the present systems, but suggested that their administration might be improved.

The report reviewed the economic conditions prevailing between 1934 and 1955 and pointed out that New Zealand's recent economic problems had been mainly inflationary. The balance-of-payments deficits in 1951-52 and 1954-55 had resulted from an attempt by the country to live beyond its means The root cause of these problems lay in the failure to achieve a balance between private and public savings on the one hand and capital investment on the other. The internal value of the New Zealand £ had fallen from 20s. in the years 1926-30 to 10s. 7d in the last quarter of 1955 ; this compared with a fall in the purchasing power of the £ to 10s. 9d. in the U K. and to 8s. 3d. in Australia.

The Commission received evidence in favour of various schemes for reform of the monetary, banking and credit systems, but decided that none of them provided an acceptable solution to the problem of price instability. The proposals submitted to them, and rejected, included schemes for social credit, a state monopoly of credit creation, loanable bank deposit funds, and the issue of commodity currency.

The Commission pointed out that New Zealand could not be protected from every fluctuation in overseas markets, but they thought that the authorities had from time to time failed to prevent domestic spending from expanding unduly and creating an excessive demand for labour and other resources. The report attributed this failure to slowness in applying reserve ratio controls, to exaggerated reliance on voluntary co-operation from the trading banks, and to lack of co-ordination between various official fiscal policies, rather then to any inherent weakness in the reserve ratio system.

Suggested improvements were that Reserve Bank objectives should be made clearer to the trading banks ; that restriction of bank advances should be supported by other means more closely then they had been in the past two years ; and that greater attention should be given to stimulating voluntary saving through interest-rates and budgetary and housing policy.

Other recommendations by the Commission were :

(1) The monetary authorities, in co-operation with the trading banks, should assess appropriate levels of bank credit for several months ahead and provide direct financial incentives for co-operation with their policy.

(2) The cash held by the trading banks should be included with the balances in the Reserve Bank for the purpose of meeting the reserve requirements , fluctuation in bankers' cash should be reduced by the introduction of pay-as-you-earn taxation and the " staggering " of other taxes ; and more use should be made of overdraft charges and limits as an aid to credit policy.

(3) Although the profits made by the trading banks in 1943-54 were reasonable, the Government should have powers to enable it to investigate the banks' profits at any time in the future.

(4) Interest-rates should be gradually freed from control, and the rates themselves should be allowed to increase immediately.

(5) More businessmen should be included on the Capital Issues Committee; the limit of £10,000 on capital issues not requiring the Committee's consent should be raised appreciably; and the issue of preference shares (unless redeemable or subject to non-cumulative dividends) should be freed from control

(6) More facilities should be made available to the small investor.

(7) A short-term money market should be established in New Zealand.

(8) An Industrial Finance Corporation need not be established at present, although it might be desirable in the future.

(9) Overseas exchange reserves should be built up while export prices remained high.

(10) A " support price " scheme would be more desirable for farm products than a guaranteed price based on average cost of production.

(11) Borrowing from overseas should not be relied on to achieve stability when export prices were high, although New Zealand could properly borrow from the dollar area in line with general sterling area policy. [It had been announced on July 29, 1955, that the ban on remitting invested dollar capital and capital gains would be relaxed to encourage investment of U.S. capital.]

(12) Part of the increased proceeds resulting from sudden, sharp price rises of farm products, etc , expected to be temporary should be initially " frozen " and released over a period of years.

(13) New Zealand should join the International Monetary Fund and the International Bank for Reconstruction and Development.

(14) Better statistics should be obtained as a basis for policy, and an independent Economic Research Institute created.

(15) The relationship between the Government and the Reserve Bank should be defined by legislation.

(16) The accounts of statutory marketing agencies should be transferred from the Reserve Bank to the trading banks, with the exception of the Dairy Products Marketing Commission, whose account was exceptionally large.

(17) An Economic Advisory Council of five independent members should be set up to advise the Government on economic policies and to report on the state of the national economy.

(18) A longer parliamentary term would help the Government of the day to initiate unpopular but ultimately beneficial measures.

The Minister of Finance, Mr. J. T. Watts, stated on June 7 that the Government would await the final opinions of the Treasury and Reserve Bank and the parliamentary debate on the report before it decided what legislation to introduce to implement some of its recommendations.

Monetary measures announced either before the publication of the Royal Commission's report, or in implementation of it, included the following :

Reserve Ratios. These were increased as from June 1, 1956, to 32 per cent of demand liabilities and 10 per cent of time liabilities, calculated on a new basis which included the banks' holdings of bank-notes in their minimum cash reserves. [Previous rates, on the old basis excluding holdings of notes, were—in supersession of those announced in May 1953—24 per cent of demand liabilities and 3 per cent of time liabilities]. The purpose of the change was to relate the trading banks' borrowings from the Reserve Bank to the amount by which their actual advances and discounts exceeded what was regarded by the Reserve Bank as an appropriate level. The increase meant that the banks had to borrow up to £15,000,000 from the Reserve Bank at the Bank rate of 7 per cent operative from Oct. 19, 1955.

Overdraft Rate. The existing average overdraft rate of 4¾ per cent agreed between the trading banks and the Government was increased to 5 per cent on Feb 9, 1956, and the control of minimum and maximum rates (4 per cent and 5 per cent respectively) was abolished. The Minister of Finance said in a broadcast on June 12, 1956, that overdrafts had risen by £16,000,000 in the first five months of 1955, but had since fallen by £24,000,000

Other Interest Rates. It was announced on April 26, 1956, that the maximum rates of interest payable on private loans by building and investment societies and trading companies would be increased by ¼ or ½ per cent, up to 3¾ per cent for loans for four years or more Interest on deposits in the P.O. Savings Bank and Trustee Savings Banks was raised by ½ to 1 per cent according to the amount in the account ; up to £1,000, the new rate was 3 per cent The maximum rate for new issues of preference shares and debentures by companies was raised from 5 per cent to 5¼ per cent

Hire Purchase. The statutory minimum deposit on the hire purchase of a number of household goods was reduced on April 11, 1956, from 15 per cent to 7½ per cent. The Minister of Industries and Commerce, Mr Halstead, said that the effectiveness of the regulations had been proved and would not be in any way diminished.

New Zealand's deficit on her overseas exchange transactions rose from £16,000,000 in 1954 to £26,500,000 in 1955. In 1953 there had been a surplus of £26,200,000. Compared with 1954, receipts rose by £22,800,000 in 1955 to £294,100,000, but payments increased by £32,800,000 to £320,600,000. Import controls were reimposed on woollen goods and jams on Oct. 28, 1955.

Mr. Watts stated in a broadcast on June 12 that New Zealand's overseas assets had increased by £38,000,000 in the first five months of 1956, and that imports had been £5,000,000 less than in the same period in 1955. (Directorate of Information Services, Wellington - N.Z. Government Office, London - Reserve Bank of New Zealand Bulletin and News Review)

(Prev. rep. Bank Rate, 14478 D ; Reduction in Imports, 14460 C ; Royal Commission, Creation, 14113 A ; 1953 Balance of Payments, 13613 C ; Reserve Ratios, 12966 B.)

B. BRITISH WEST AFRICA. — Reorganization of West Africa Military Command.

The War Office in London announced on June 29 that the following changes would come into effect on July 1 as a prelude to the attainment of self-government by the Gold Coast : (1) The Governor of the Gold Coast (Sir Charles Arden-Clarke) would assume responsibility for the control and administration of the Gold Coast military forces ; (2) the War Office would relinquish control of those forces, and the headquarters of West Africa Command would be abolished ; (3) Nigeria and Sierra Leone-Gambia would become separate military organizations, each with its own Commander and staff and working directly under the control of the War Office ; (4) the existing West African Advisory Council would be retained so that some form of defence co-ordination between the four West African governments should continue.—(Times)

(Prev. rep. 14890 A ; Gold Coast Forces, 14931 A.)

A. CHINA. — Twelve-Year Agricultural Development Plan. - Collectivization of Agriculture by 1960. - New Industrial Ministries. - Regional Autonomy for Sinkiang. - Preparations for Tibetan Regional Autonomy. - Abolition of Jehol and Sikang Provinces.

A 12-year agricultural development plan, based upon the complete collectivization of Chinese agriculture, was published in Peking on Jan. 26, 1956, when it was submitted to a State Conference of some 300 Communist and non-party officials presided over by Mao Tse-tung, chairman of the Council of Government. The plan also envisaged the complete abolition of illiteracy within the 12-year period, in which connexion schools for adults would be established in all localities; the introduction of compulsory education throughout China within a period of five to seven years, and the training of five to six million "technicians" (i.e. agricultural specialists) to help and direct the collective farms.

A fortnight earlier (Jan. 12) Mao Tse-tung had declared that the rapid progress in the collectivization of agriculture during 1955 had made it possible to envisage (*a*) the "complete semi-socialization" of agriculture during the year 1956, and (*b*) the "total socialization" (i.e. complete collectivization) of agriculture by 1959 or 1960. Mao Tse-tung also called for a concurrent and rapid increase in the "scale and tempo" of China's industrialization so that the "Socialist revolution" could be "basically completed on a national scale" within three years. The new policy constituted a radical departure from the earlier official declarations (see 14403 A) that the "Socialist transformation" of China would take about 15 years to accomplish, and that the collectivization of agriculture could only be carried through by gradual stages.

In the preface to a book on the socialization of agriculture, published in December 1955, Mao Tse-tung had stated that more than 70,000,000 families, constituting over 60 per cent of the total number of peasant households, had joined collective farms by the end of the year—a figure far in excess of the original target. This "event of historic importance" showed that "semi-socialist agricultural co-operation can be virtually completed in 1956 alone" and that "in three to four years—that is, by 1959 or 1960—the change-over from a semi-socialist to a completely socialist system can be essentially completed."

The Twelve-Year Agricultural Plan.

It was stated that the plan would be submitted for discussion to "local party organizations and the departments concerned" before being finally approved, and that the views of "workers, peasants, scientists, and patriots" would also be sought before it was officially promulgated. The principal provisions of the 12-year plan (covering the years 1956-1967) were as set out below:

(1) An overall expansion in grain output by raising the yield per hectare (one hectare = 2.47 acres) in the following proportions: (*a*) in North China, by 167 per cent, (*b*) in Central China, by 140 per cent, (*c*) in South China, by 100 per cent. The increases (per acre) in these areas were envisaged as follows: in North China, from 1,000 lb to 2,700 lb.; in Central China, from 1,400 lb to 3,250 lb.; in South China, from 2,700 lb. to 5,400 lb.

(2) Similar increases in the area devoted to multiple and industrial crops, with a maximum increase (in the South) of 260 per cent.

(3) Increases of 71 to 185 per cent (depending on local conditions) in the average annual yield of ginned cotton—at present about 557 lb. per hectare.

(4) In conformity with the new policy announced by Mao Tse-tung, the "semi-socialization" of agriculture would be virtually completed during 1956, and the complete socialization of agriculture by 1959 or 1960, when the individual peasant economy would have disappeared. The present "producer co-operatives" (in which farmers are allowed to keep a percentage of their production after State quotas have been met) would be progressively transformed into full collectives on the Soviet *kolkhoz* model.

As regards the position of the "richer peasants," it was stated that those who had "conducted themselves well" would be allowed to join the co-operative farms; that those who had only conducted themselves "fairly well" could join as "candidate members" until they had proved themselves deserving of full membership; that those with "bad records" would work on the farms under supervision; and that those who had committed "sabotage" would be dealt with according to law. The "middle peasants"—described as the "allies of the poorer peasants and the working class"—would not be subjected to any form of discrimination and would enter the collective farms on equal terms with all other workers.

Other recent political and economic developments in China are summarized below under cross-headings:

Creation of Industrial Ministries. A National Economic Commission, a National Technological Commission, and ten new Ministries were created on May 12 with the aim of promoting the industrialization of China and "adjusting the administrative machinery." The new Ministries were for the Metallurgical Industry, Power Equipment Industry, Food Industry, Chemical Industry, Building Materials Industry, Timber Industry, Marine Products, Land Reclamation, City Construction, and City Services. At the same time the Government abolished the Ministry of Heavy Industries, the Ministry of Local Building and Municipal Construction, and the Third Ministry of Machine-building (There had originally been First, Second, and Third Ministries of Machine-building, the first two continuing to exist).

Mr Po Yi-po, formerly head of the existing National Construction Commission, was appointed chairman of the new National Economic Commission, Mr. Wang Ho-shou became chairman of the National Construction Commission, and concurrently Minister for the Metallurgical Industry; and Mr Huang Ching became chairman of the National Technological Commission, remaining in charge of the First Ministry for the Machine-building Industry.

Soviet Economic Aid Agreements. M. Mikoyan (First Deputy Premier in the Soviet Governmnet) visited Peking during the first week of April for discussions with Mao Tse-tung, Chou En-lai, and other Chinese leaders, following his earlier visits to India and Burma (see 14908 A). Before leaving the Chinese capital he signed two agreements on April 7 on increased Soviet economic aid to China.

The first agreement provided that 55 new factories and plants would be built in China with Soviet assistance, in addition to the 156 industrial enterprises stipulated under earlier Sino-Soviet agreements (see 13855 A, 13252 A). The new installations to be built would include metallurgical, engineering, and chemical plants, factories to produce plastics and artificial fibres, electro-technical and radio plants, power stations, an artificial liquid fuel plant, and aviation industry research institutes. The total cost of these installations would amount to about 2,500 million roubles (approx. £227,000,000 at nominal rates), which the Chinese Government would defray by supplying goods of various kinds to the Soviet Union.

The second agreement provided that the railway from Lanchow (North-West China) to Aktogai (near Alma-Ata, in the Soviet Republic of Kazakhstan) would be completed by 1960, thereby linking the Chinese rail system with the "Turksib" line in Soviet Central Asia.

[The Lanchow-Alma Ata line—see map, page 13855—will be one of two new rail links between China and the U.S.S.R. The other is the trans-Mongolian line, which was opened to through traffic in January last—see 14647 C.]

Preparations for Tibetan Regional Autonomy. The preparatory committee to prepare Tibet for regional autonomy within the Chinese People's Republic was inaugurated in Lhasa on April 22, 1956, when Marshal Chen Yi, a Deputy Prime Minister in the Chinese Government, formally invested the Dalai Lama as chairman of the committee. [The members of the committee, and the subsidiary bodies through which the committee will work, are described in 14128 F.] In a speech at the inaugural ceremony, Marshal Chen Yi said that "the transition of the nationalities of our country to Socialism will be achieved separately and in different ways," and that the Chinese Government and Communist Party held the view that "reforms in Tibet can only be carried out when the Tibetan leaders and people unanimously demand them." He added that Tibetan affairs would continue to be decided "by the leaders and people of all strata of society."

Reported Uprising in Tibet. It was reported in the Indian Press during the first week of May, and also in press despatches from Khatmandu, that a serious rising had occurred two months earlier among the Golok tribesmen of eastern Tibet. According to these reports—of which there was no official confirmation—the tribesmen were said to have risen under a leader named Ma Bofano and to have massacred an entire Chinese garrison of 800-900 men, leading to retaliatory Chinese military action in which a number of Golok villages were said to have been bombed, with heavy civilian casualties. The reasons for the alleged rising were said to have included high taxation imposed by the Chinese authorities, resentment at inroads made on the Dalai Lama's authority, the compulsory indoctrination of youth, and requisitioning of grain for the Chinese Army. Official Chinese and Tibetan representatives, who were in Khatmandu at the time for the Coronation of King Mahendra of Nepal (see 14898 B), denied that any disturbances had occurred and said that the reports were completely untrue.

Creation of Sinkiang Autonomous Region. The New China News Agency announced on Sept. 13, 1955, that Sinkiang (Chinese Turkestan)—the largest province of China, comprising one-sixth of the total area—had been converted into a "Sinkiang-Uigur Autonomous Region," and that autonomous local governments had been set up by the various nationalities inhabiting the area—Uigurs, Kazakhs, Tadjiks, etc.

Out of the approximately 5,000,000 inhabitants of Sinkiang, some 4,000,000 are Uigurs—a Turki-speaking people of Moslem religion, racially related to the Turks and to the peoples of the Soviet Central Asian Republics.

Abolition of Jehol and Sikang Provinces. An earlier official statement (July 19, 1955) had announced the abolition of the provinces of Jehol and Sikang "in view of the needs of the planned construction of the State and to facilitate administrative measures." The north-eastern province of Jehol (which extended from the Peking area to Manchuria) was divided between the provinces of Hopei and Liaoning and the Inner Mongolian Autonomous Region, while the large and sparsely populated south-western province of Sikang (between Szechwan and Tibet) was absorbed in Szechwan province.

[The effect of the provincial reorganizations carried out during the past five years—including, *inter alia*, the abolition of Suiyuan, Ninghsia, Jehol, and Sikang provinces and the creation of several new provinces—has been to concentrate the non-Chinese populations of the Republic almost entirely in the two existing autonomous regions (Inner Mongolia and Sinkiang) and the projected autonomous region of Tibet.]

Afforestation Programme. A nation-wide, 12-year afforestation programme was launched in February 1956, when the Government approved plans drawn up by the Ministry of Forestry. It envisages the planting of trees on all roads, river banks, and streets in the major cities, and, in particular, the afforestation of vast areas of barren hill and loess country, the denudation of which—especially in North-West China—has been for centuries a contributory cause of disastrous floods. The tree-planting programme along the banks of the Yellow River, and other large Chinese rivers, is designed to prevent erosion and heavy silting and to control the floodwaters Youth organizations and other bodies were called upon to volunteer for work on the national afforestation project

Elimination of the "Four Evils." As part of the 12-year agricultural plan, mentioned above, the Chinese Government announced an intensified campaign to eradicate what it described as the "four evils" of China—rats, flies, mosquitos, and sparrows. This campaign—described as the "get-rid-of-the-harmful-four" movement—set a target date of 1962 for the complete eradication of all "four evils" throughout China. Sparrows were included in the "harmful four" because of the damage they did to crops, the New China News Agency describing the sparrow as "a glutton whose daily grain intake amounts to about 30 per cent of its weight."

In a report on June 22, 1956, to the National People's Congress in Peking, both the Minister of Public Security (Mr. Lo Jui-chang) and the Procurator-General of the Republic (Mr. Chang Ting-cheng) admitted that "mistakes" had been made in "the struggle against counter-revolutionaries." Mr. Chang admitted that in some individual cases persons had been wrongly arrested and sentenced, while Mr. Lo emphasized that the Government had strictly forbidden the practice of forced confessions, that security officials should not "too easily believe oral testimony," and that they should rely only on material evidence. Mr. Lo also said that during the past year 27 "pretenders to the throne" had been arrested, some of these men having wanted to set up new Imperial dynasties and claiming to be emperors.—(Times - Manchester Guardian Economist - New York Times - New York Herald Tribune - Le Monde, Paris - Soviet Weekly - The Statesman, Calcutta) **(Prev. rep. Five-Year Plan, 12784 A; Economic Development, 14403 A; New Constitution, 14051 A; Provincial Reorganization, 13819 C; Ministries, 14051 A; 12784 A; Sino-Soviet Relations, 14220 B; Tibet, 14664 F.)**

A. UNITED KINGDOM. — Parliamentary Salaries. - Labour-Liberal Request for Independent Committee of Inquiry. - Refusal by Prime Minister.

An Opposition request for the appointment of an independent committee of inquiry to advise on the remuneration and allowances of M.P.s was refused by the Prime Minister in a letter to Mr. Gaitskell (leader of the Labour Party) and Mr. Clement Davies (leader of the Liberal Party) published on June 15.

The proposal was submitted to the Prime Minister in a letter signed jointly by Mr Gaitskell and Mr. Clement Davies on June 7 which explained that many M.P.s were suffering "real hardship" and that "financial difficulties have been undoubtedly affecting their attendance in the House." They suggested that "an independent committee of persons who were not members of Parliament" should consider and make recommendations on the level of remuneration and allowances to be paid to M P.s, and on pension arrangements to be provided. The letter added that there was no objection to the inclusion of the level of ministerial salaries in the terms of reference

The Prime Minister, in reply, said that the Government had reconsidered the whole situation "in the light of present economic circumstances" and had decided that, at a time when the Government was calling for restraint in wage and salary demands, it would be wrong for Ministers or M.P 's, "who were rightly expected to set an example," to increase their own remuneration Sir Anthony added that as soon as the opportunity occurred, the Government would be prepared to discuss the problem with the leaders of the other parties, "bearing in mind the desirability of Parliament itself retaining control of these matters"

The present salary of M.P.s is £1,000 a year. Although a recommendation by the Select Committee on Members' Expenses for an increase of £500 a year was rejected by the Government in 1954, M.P.s have since received an additional sum of about £280 a year in sessional allowances. The Select Committee also recommended an improvement in the financial position of Junior Ministers, who receive a salary of £1,500 but draw only £500 of their payment as M.P.s and do not receive sessional allowances. (Times - Daily Telegraph) **(Prev. rep. M.P.'s Salaries, 13719 A.)**

B. JAPAN - PHILIPPINES.—Reparations Agreement.

A reparations agreement, and an agreement on economic development loans, were signed by Japan and the Philippines in Manila on May 9. The reparations agreement and its annexes contained the following provisions:

(1) Japan would supply the Philippines with services and capital goods to a total value of $550,000,000 (equivalent at the present rate of exchange to 198,000,000,000 yen) as reparations for damage and losses resulting from the Japanese occupation of the Philippines during the Second World War.

(2) During the first 10 years supplies would, on the average, be equivalent to $25,000,000 annually, and during the next 10-year period to $30,000,000 annually.

(3) The services or capital goods would be selected from projects enumerated in an Annex to the agreement, covering the development of agriculture and fisheries, electric power supplies, mineral resources, transportation, and communications, as well as industrial development, public works, and various other projects—including the removal of shipping wreckage in Philippine waters left from the war. An annual schedule specifying the services and products to be supplied would be fixed by consultation between the two Governments.

(4) Reparations would be supplied by the "direct method," i.e, a Philippine Government Mission to be established in Tokio would conclude directly with Japanese business firms contracts for the goods and services desired The Japanese Government would then pay the firms concerned in yen for the implementation of the contracts.

(5) The Philippine Mission would enjoy diplomatic immunity. In the event, however, of any dispute arising in connexion with reparations contracts, which had not been settled by arbitration or the fulfilment of an arbitral award, the matter might be brought before the Japanese courts and the Mission itself might sue or be sued.

A separate exchange of Notes provided that loans totalling $250,000,000 (equivalent to 90,000,000,000 yen at the present rate of exchange) would be extended by Japanese commercial firms or nationals to Philippine firms or nationals for economic development.

It was stipulated that the loans would be in yen and would be extended on a commercial basis, in accordance with the laws and regulations of the two countries, that terms and conditions would be agreed upon between the parties concerned, that the loans would be repayable in instalments, either in kind or cash; that the period of repayment would be arranged as long, and the interest rate as low, as would be warranted on a commercial basis; and that disputes arising out of or in connexion with any loan would be settled either through arbitration, if the parties concerned agreed on this procedure, or in accordance with the ordinary judicial processes of the country having jurisdiction over such disputes. Both Governments would facilitate the granting of such loans and would jointly review the progress of the agreement from time to time

The duration of the agreement would be 20 years from the date of the Philippine ratification of the Japanese Peace Treaty. After 19 years both countries might discuss an extension at the request of either of them.

The reparations and loan agreements, which were expected to lead to close economic co-operation between Japan and the Philippines, were ratified by the Lower House of the Japanese Diet on May 29.—(Japanese Embassy, London - New York Times - New York Herald Tribune) **(Prev. rep. 14400 B.)**

C. SOVIET UNION. — Nuclear Weapon Tests.

The U.S. Atomic Energy Commission and the British Defence Ministry announced on March 21 that the Soviet Union had "exploded another nuclear device within the past few days." On April 2 the A.E.C. stated that a further Soviet test had been completed, this being the sixth announcement of an explosion in the Soviet Union within eight months. A report from scientists at the University of Niigata (Japan) indicated that an atomic bomb had been detonated in Siberia about June 19 or 20.

It had been officially announced in Tokio on Dec. 6, 1955, that according to calculations based on reports collected from weather stations throughout Japan by the Central Meteorological Office, the Soviet Union's hydrogen bomb explosion on Nov. 22, 1955, had taken place in the Lake Baikal area, some 1,700 miles north-west of Japan.

No announcement as to the holding of nuclear weapon tests was made in the Soviet Union.—(Times - Daily Telegraph - New York Times - New York Herald Tribune) **(Prev. rep. 14566 A.)**

D. INDIA. — Nationalization of Life Insurance. - Enactment of Legislation.

The Life Insurance Corporation Bill, confirming the presidential Orders nationalizing life insurance in India and establishing a State Corporation to handle it, was passed by the House of the People on May 23 and by the Council of States on May 30. During the debate in the *Lok Sabha* (House of the People) the Finance Minister, Sir Chintaman Deshmukh, estimated the total compensation payable to the nationalized companies under the Bill's provisions at 45,000,000 rupees (£3,375,000)—an amount which he described as "reasonable and fair." (Indian High Commissioner's Office, London) **(14714 A.)**

A. UNITED KINGDOM. — R.A.F. Estimates, 1956-57. - Air Secretary's Review. - Reorganization of Middle East Air Command. - R.A.F. Appointments.

The Royal Air Force Estimates for 1956-57, with an accompanying memorandum by the Secretary for Air (Mr. Nigel Birch), were published as a White Paper (Cmd. 9696) on Feb. 23.

The net total of £479,500,000 shown in the Defence Estimates included the following principal items (1955-56 figures in parentheses): Airframes, £65,500,000 (£80,000,000); Aero-engines, £74,500,000 (£80,000,000); Spares, Components, etc., £25,500,000 (£26,000,000); Fuel, £51,000,000 (£63,200,000); Armament, Ammunition, and Explosives, £30,500,000 (£37,400,000); Instruments, £8,500,000 (£9,000,000). The Estimates included increases of about £23,500,000 for improvements in Service pay and allowances, and of about £2,150,000 in civilian pay.

The memorandum explained that the reduced provision for aircraft and equipment, as compared with 1955-56, took account of the "serious underspending" in that year as a result of the cancellation of certain marks of the *Swift* and the readjustment of orders for *Javelins* to give a better balance between early and later marks. Similarly, the decrease in the provision for fuel and oil reflected (*a*) anticipated delays in modifying certain aircraft to the change-over from kerosene fuel, which was not liable for duty, to gasoline, which was; (*b*) a revised assessment of requirements based on experience in 1955-56.

Other points from the memorandum are summarized below:

The "V" Bomber Force. Stressing that the R.A.F.'s contribution to the "nuclear deterrent" would consist mainly of the "V" bomber force, the memorandum stated that the *Valiant* had passed its proving trials and that the first *Valiant* squadrons been formed, a small number of these aircraft would be used in the forthcoming trials of atomic weapons in Australia. Present plans, however, provided for a high proportion of *Vulcans* and *Victors* in the atomic bomber force, and the former was expected to be in service during 1956-57, while it was intended to develop both types further. Meanwhile, orders for a number of *Valiants* had been cancelled, although this bomber would provide an effective contribution to the deterrent for many years. The memorandum added that the growth of the "V" bomber force would be matched by a corresponding decrease in the *Canberra* force, though "substantial" numbers of *Canberras* would still be employed in tactical roles.

Home Defence. The larger part of the day-fighter squadrons of Fighter Command had now been re-equipped with *Hunters*, and modifications to meet the development troubles experienced with this type of fighter were being incorporated in existing aircraft. Meanwhile, *Javelins* had come into service and a steady build-up of *Javelin* squadrons could be looked for, whilst the English Electric *P* 1 had shown "great promise". After reviewing fighter requirements as a whole, the Air Ministry had therefore decided to cancel orders for some *Hunters* so as to make funds available for the purchase of other types of aircraft.

Good progress had been made in installing new equipment in the Control and Reporting system and in linking it with the continental network, and the performance of the latest radar had proved very satisfactory. The first of the air-to-air guided missiles would be developed during 1956-57 and would be used to develop operational and handling techniques. Plans for surface-to-air guided weapons envisaged the build-up of a system capable of dealing with enemy bombers well out to sea, and a production order had been placed for the first of these weapons for full-scale Service trials.

Coastal and Transport Commands. The Mark III *Shackleton*, with tricycle undercarriage and more powerful engines, would be introduced into Coastal Command during 1956-57; but some orders for these aircraft, and also for *Seamews*, had been cancelled to allow other commitments to take precedence. For Transport Command, orders had been given for *Britannias*, and the *Comet III's* would also be a valued addition. Deliveries of *Beverley* heavy freighters, however, had been delayed by difficulties which were now being overcome.

[The Air Ministry announced on May 29 that it had ordered a further four *Britannias* for Transport Command, in addition to six ordered in November 1955.]

Second Tactical Air Force. The fighter reconnaissance version of the *Swift* was now in service, the *Canberra* night interdictor was expected to reach the squadrons during the coming year, and, thanks to the generosity of the U.S. Government, the fighter squadrons had been largely re-equipped with *Hunters* (see below).

U.S. and Canadian Aid. This included the replacement of the *Sabres* now in service with the R.A.F. by *Hunters* delivered under an off-shore procurement contract placed in Britain by the U.S. Government. The memorandum explained that between 300 and 400 *Sabres* had been supplied to the R.A.F. by Canada in 1952-53 under a joint U.S.-Canadian mutual aid agreement (see 12539 C), whilst further aircraft of this type had been provided by the U.S.A. early in 1953. "This very generous assistance from the U.S.A. and Canada," it pointed out, "enabled the United Kingdom to equip part of the R.A.F. fighter force with modern swept-wing jet aircraft at an earlier date than would otherwise have been possible, and at a critical time in our re-equipment programme." The memorandum added that the U.S.A. was providing a further batch of over 100 *Hunters* under a separate arrangement, over and above the financial assistance set out in the White Paper on Defence.

Reorganization of Middle East Air Command. In consequence of the evacuation of British forces from the Canal Zone, and the handing-over of R.A.F. bases in Iraq to the Iraqi Government (see 14807 D), the organization of the Middle East Air Force had been revised. The C.-in-C. now controlled two groups from his new Cyprus headquarters. (1) Air Headquarters, Levant, responsible for R.A.F. units in Cyprus, Jordan, Iraq, and Libya, and for overseeing the staging facilities in the Canal Zone, (2) British Forces H.Q. at Aden, responsible for the southern and eastern areas, including units in Aden, East Africa, Pakistan, and along the Persian Gulf and South Arabian coast.

[The reorganization of the Middle East Air Command—which is the largest R.A.F. overseas command, covering an operational area of 2,500,000 square miles—had been announced on Jan. 15, 1956. The new headquarters of the Command are at Episkopi (Cyprus), ten miles from Limassol.]

Manpower and Recruiting. The memorandum explained that the Government's decision to reduce the strength of the Armed Forces by 100,000 by April, 1958, meant a reduction of the R.A.F. by that date to about 235,000 men. As a result of economies made in 1955-56, the strength of the R.A.F. at April 1, 1956, was expected to be 245,000, compared with the forecast of 254,000 made in 1955. Meanwhile the system of command and administration in the U.K. had been overhauled, following a review carried out by a committee under Air Chief Marshal Sir Leslie Hollinghurst, and the officer establishment of higher formations in the U.K. had been reduced by about 15 per cent. Headquarters staffs in overseas Commands had also been reduced, while manpower-saving experiments in Transport Command had led to substantial savings. A second committee, also under Sir Leslie Hollinghurst, had examined R.A.F. arrangements for servicing and repairing aircraft, with a view to securing economies in skilled technical manpower.

Regular recruiting for the R.A.F. had declined in 1955-56, with the result that the Regular strength had fallen from 157,400 at April 1, 1955, to 142,800 in December, and was expected to fall still further to about 139,500 at March 31, 1956. As a result, the proportion of National Servicemen to Regulars in the R.A.F. had increased. The memorandum stated that although the manning position in skilled engineering trade groups had improved, it was still "far from satisfactory," with far too high a proportion of short-term Regulars and National Servicemen. The improvement in the numbers extending their engagements or re-engaging for pension had, however, been maintained, and the numbers serving on engagements of 12 years or more had risen from 40,800 in April, 1955, to 43,400 by the beginning of 1956. The numbers of apprentices and boy entrants had also been "fairly satisfactory," and a new school for boy entrants had been opened at St. Albans during the year.

As regards officer cadets, the length of the Cranwell training course had been extended to three years to allow for additional flying training. A new officer category—to be known as Air Electronics Officer—had been introduced, primarily for service in "V" bombers.

Reserves and Mobilization. Plans had been made to form additional fighter squadrons in an emergency from reserve units under the control of Fighter Command, and changes were being made in reinforcement and mobilization planning to take account of the nuclear threat and the re-equipment of front-line squadrons. It had also been arranged that the Royal Observer Corps, in addition to its role in the Air Defence System, should undertake the task of measuring nuclear "fall-out" if an atomic attack were made on Britain.

The Air Estimates were passed by the House of Commons on March 5 without a division.

Mr. Birch, moving their adoption, stressed that whatever progress was made with guided weapons, aircraft would always be required for local action in "cold" and limited wars, although the greater power and effectiveness of modern weapons and their much greater cost would mean that Britain could not afford an Air Force of very great size. Reviewing the present shape of the R.A.F., he said that the *Valiant* was proving an excellent aircraft—fully equal, in relation to the task it had to perform, to anything in Russia or the U.S.A.; both the *Victor* and the *Vulcan*, however, would have superior performances. Similarly, the *Canberra*, with which the Tactical Air Force was equipped, remained superior to its counterparts behind the Iron Curtain, and the limits of its developments had not yet been reached. Although the position with regard to fighters was "less encouraging," it was "not altogether black." The *Hunter* had had many troubles and was still not altogether free from them, but the troubles which had beset the *Javelin* designed to carry the "second generation" of air-to-air guided weapons - were being overcome. The delay in bringing this aircraft into service had meant that squadrons would be equipped with a higher proportion of the later marks, with more developed engines.

After speaking of the "considerable advance" made in 1955-56 in the efficiency of Britain's air defence system, Mr. Birch explained that the continual improvement in the speed of bomber aircraft made it essential to increase still further the warning-time available. Britain was therefore installing in Western Germany, for operation by the Second Tactical Air Force, the same long-range radars as had been made available at home. Information from these stations would be fed into the home air defence organization and would greatly increase the early warning ranges of British fighters, and also the warning time for bombers and for the civilian population. Some of the ancillary equipment for this programme had been provided by the U.S. Government.

Although hundreds of rounds of surface-to-air guided weapons had already been fired, it was not intended to bring these weapons into operational use until full tests of the missiles themselves, and of

an operational system, had been carried out. Britain could not afford to deploy this "complex and extensive weapons system" on a large scale until she was sure that it was adapted to long-term requirements and would meet the probable course of future development in the performance of enemy aircraft Stressing that "the old concept of area defence is completely out-of-date," Mr. Birch explained that "the aim must be to destroy bombers over the sea well away from these shores."

As regards manpower, Mr. Birch said that although it was still too early to judge the effect on recruiting of the new pay codes (see 14887 A), the first indications were encouraging, and steps were being taken to reduce to a minimum the frequent re-postings of personnel, which had been disliked and had doubtless acted as a deterrent. Meanwhile, apart from the two committees presided over by Sir Leslie Hollinghurst (see above), a committee presided over by Mr. W. J. Taylor, M P., had reported on the administration of the Air Training Corps, while investigations carried out at Lyneham R.A.F. station had shown that the number of servicing personnel might be reduced by a slight increase in supervision. Another investigation had been carried out at the Benson R.A F. station to find out why airmen did or did not engage for further service, and a special Manpower Utilization Committee had been set up to investigate the possibility of splitting-up R.A F. stations on a squadron basis—i.e. with engineering, signals, and administrative squadrons, as well as flying squadrons—so as to give a more direct relationship between officers and men. At the same time the higher direction in the Air Ministry had been strengthened, and a new section, headed by Air Vice-Marshal W. L. Freebody (lately senior technical staff officer of Coastal Command), would be set up to adjust the organization and administration of R.A.F. operational airfields so as to save manpower and increase efficiency

Other developments in connexion with the R.A.F. during recent months are summarized below:

Helicopter Rescue Chain. The Air Ministry announced on Aug. 30, 1955, that two further helicopter rescue units, in addition to those at Thorney Island (Portsmouth), Martlesham Heath (Suffolk), Thornaby (Yorks), Leuchars (Scotland), and North Coates (Lincs.), would be established at Valley (Anglesey) and at Horsham St. Faith (Norfolk).

Air Appointments. The following senior R.A F. appointments were announced during the past twelve months (dates of announcement in parentheses):

Air Vice-Marshal G. R Beamish, A O C.-in-C Transport Command, as A.O C -in-C Technical Training Command (with acting rank of air marshal) in succession to Air Marshal Sir Victor Groom, retiring. (May 4, 1955).

Air Vice-Marshal A McKee (a New Zealander), Senior Air Staff Officer, Bomber Command, as A O C -in-C. Transport Command *vice* Air Vice-Marshal Beamish. (May 4, 1955)

Air Marshal Sir George Mills, A O C -in-C Bomber Command, as Commander of Allied Air Forces, Central Europe (a NATO appointment) *vice* Air Chief Marshal Sir Basil Embry, retiring (Sept 28, 1955) Sir George Mills was given the acting rank of Air Chief Marshal

Air Marshal Sir Harry Broadhurst, A O C.-in-C. Second Tactical Air Force in Germany, as A.O C.-in-C. Bomber Command *vice* Sir George Mills (Sept. 28, 1955).

Air Vice-Marshal Lord Bandon, Assistant Chief of Air Staff (Training), as A.O C.-in-C Second Tactical Air Force (with acting rank of Air Marshal) *vice* Sir Harry Broadhurst (Sept 28, 1955). The appointment carried with it the NATO post of Commander, Second Allied Tactical Air Force

Air Vice-Marshal R. B. Jordan. Director-General of Organization at the Air Ministry, as A O C.-in-C. Maintenance Command (with acting rank of air marshal) *vice* Air Marshal Sir Gordon Harvey, retiring (Sept. 28, 1955)

Air Marshal R. L Atcherley (a former winner of the King's Cup Air Race), head of the Air Force Staff, British Joint Services Mission in Washington, as A.O.C.-in-C Flying Training Command (with acting rank of air marshal) *vice* Air Marshal Sir Lawrence Pendred, retiring (Sept 28, 1955).

Air Vice-Marshal G E. Nicholetts, A.O.C -in-C No 21 (Flying Training) Group, as A.O C. Malta (with acting rank of air marshal) *vice* Air Marshal Sir Bryan Reynolds. (Sept. 28, 1955). The appointment carried with it the NATO post of Air Deputy to the C -in-C. Allied Forces, Mediterranean

Air Marshal Sir Dermot Boyle, A O.C.-in-C Fighter Command, as Chief of the Air Staff *vice* Marshal of the R A.F. Sir William Dickson. (Nov 10, 1955). The appointment of Sir William Dickson to the new post of Chairman of the Chiefs of Staff Committee had been announced by the Prime Minister on Oct. 25—see page 14776, second column.

Air Marshal Sir Thomas Pike, Deputy Chief of Air Staff, as A.O.C -in-C. Fighter Command *vice* Sir Dermot Boyle (Nov. 10, 1955)

Air Marshal Sir Bryan Reynolds, A.O.C. Malta, as A.O C.-in-C. Coastal Command *vice* Air Chief Marshal Sir John Bootham, retiring, (Nov. 10, 1955). The post carried with it the NATO appointments of Air C.-in-C., Channel Command, and Air C.-in-C , Eastern Atlantic Area.

Air Vice-Marshal D Macfadyen, Commandant of the R A.F Staff College, Bracknell, as A O C.-in-C. Home Command (with acting rank of air marshal) *vice* Air Marshal Sir Henry Lydford, retiring (Nov 10, 1955).

Air Vice-Marshal F. J. St. G. Braithwaite, A.O.C. No. 61 Group, Home Command, as Chief of Staff, Far East Air Force. (March 4, 1956) [This was a new post, made because the Royal Australian and Royal New Zealand Air Forces now operate under the C.-in-C., Far East Air Force The holder of this post will act as deputy to the C -in-C , Far East Air Force]

Air Marshal Sir Walter Dawson, Deputy Chief of Staff (Plans and Operations) at SHAPE, as Inspector-General of the R.A.F. (May 15, 1956).

Air Marshal H. L. Patch, A O.C -in-C. Fighter Command, as C.-in-C. Middle East Air Force (June 10, 1956).

Group Officer Mary Henrietta Barnett, the only woman station commander in the R A.F., as Director of the Women's Royal Air Force (with acting rank of air commandant) *vice* Dame Nancy Salmon, retiring. (March 12, 1956). Group Officer Barnett had commanded the R.A F. station at Hawkinge, Kent—where the officer cadet training unit of the W R A F is based—since November, 1952.

It was announced on March 26 that the Ministry of Supply had placed a prototype order on behalf of the R.A.F. with A. V. Roe and Co., Manchester (builders of the *Vulcan* delta-wing bomber) for a bomber capable of supersonic speed. No details were given, the aircraft remaining on the Secret List. (Cmd. 9696 - Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Defence Estimates, 14773 A; 14310 A.)

A. INDIA. — Protection of Press Reports on Parliamentary Proceedings. - Expiry of Press (Objectionable Matters) Act.

A private member's Bill introduced by Mr. Feroze Gandhi (a son-in-law of Mr. Nehru), providing that no newspaper, news agency, or broadcasting station should be liable for civil or criminal proceedings for libel or defamation in any court of law for publishing a substantially true and fair report of parliamentary proceedings, was passed by the House of the People on May 4 and by the Council of States on May 11. The only other proviso laid down in the Bill was that publication should be for the public good and without malice.

A number of members in both Houses pleaded for the extension of the Bill to the proceedings of State Legislatures, but the Minister for Legal Affairs (Mr Pataskar) explained that this could not be done because it was doubtful whether the Union Parliament was competent to make laws in this respect

On April 12 the Indian Government had announced that it was abandoning the Press (Objectionable Matters) Act, which had been frequently attacked by newspaper editors as a threat to the freedom of the Press Pandit Pant, the Home Minister, told the House of the People that the Government recognized the widespread criticism against the five-year-old Act—which had been renewed several times, but had lapsed at the end of January—and had no intention of renewing it again.

The Act had empowered the Government to demand that newspapers should deposit a cash security as a guarantee against the publication of "objectionable matter"; if they published anything that officials considered to be "objectionable," the security was to be forfeited and the papers seized and destroyed.—(The Hindu, Madras - The Statesman, Calcutta)

(Prev. rep. Press Commission Report, 13949 A; Press (Objectionable Matters) Act, 11862 A.)

B. RHODESIA AND NYASALAND FEDERATION. — First Population Census.

Preliminary results of the first census held in the Federation of Rhodesia and Nyasaland on May 8 were announced on June 7. The census covered the non-African population, as well as the African population in employment. Figures for the Federation and its constituent territories were as follows:

Federation: Europeans, 247,300; Asians, 18,950, Coloureds, 10,750, Africans in employment, 1,021,600—making a total of 1,298,600

Southern Rhodesia: Europeans, 175,800; Asians, 5,030; Coloureds, 8,000; Africans in employment, 601,000. The corresponding figures at the last (1951) census were . 135,596 Europeans, 4,292 Asians, 5,911 Coloureds, and 530,203 Africans in employment.

Northern Rhodesia · Europeans, 64,800; Asians, 5,410; Coloureds, 1,550; Africans in employment, 258,300. Corresponding 1951 figures · 37,079 Europeans, 2,524 Asians, 1,112 Coloureds, 228,676 Africans in employment.

Nyasaland . Europeans, 6,700; Asians, 8,510; Coloureds, 1,200; Africans in employment, 162,300, compared with 1,948 Europeans, 2,804 Asians, and 455 Coloureds in 1945, when the last census was taken in Nyasaland Figures for Africans in employment were not available in 1945

The census did not include those Africans not in employment. The total African population of the Federation was estimated in 1955 at 6,800,000.—(Federal Information Department)

(Prev. rep. 14435 D.)

A. MOROCCO. — Franco-Moroccan Diplomatic Agreement. - Appointment of Moroccan Ambassadors to France and Spain and of French and Spanish Ambassadors to Morocco. - Formation of Moroccan Army. - Agreement on Transfer of Former Spanish Zone. - Negotiations on Status of Tangier. - M. Balafrej appointed Foreign Minister. - Activities of "Liberation Army." - Restrictions on Jewish Emigration.

A diplomatic agreement between France and Morocco, recognizing Morocco's sovereign status in the field of foreign affairs and providing for continued co-operation between the two countries in this field, was initialled in Rabat on May 19 by M. Alain Savary (State Secretary for Moroccan and Tunisian Affairs) and M. Ahmed Balafrej (the new Moroccan Foreign Minister), and was signed in Paris on May 28 by M. Pineau and M. Balafrej. The text of the agreement—officially known as the Rabat Agreement—was as follows :

" (1) The two contracting parties, resolved to maintain relations of permanent friendship and mutual aid and assistance, will keep each other informed on all questions affecting their common interests, and will regularly exchange views on problems of general concern

(2) If the common interests of the parties are threatened in any way, they will immediately consult each other on measures to meet the danger, if the situation demands it.

(3) In order to ensure concerted action in the field of foreign policy, the Foreign Ministers of the two Governments will meet periodically or at the request of either party.

(4) The contracting parties both undertake not to adhere to a policy which they shall recognize, after joint examination, to be incompatible with the interests of either of them.

(5) Each of the parties undertakes not to conclude international agreements which render void the rights which it has granted by agreement to the other party.

(6) None of the present arrangements shall be interpreted as affecting obligations arising from the U N Charter, or from engagements, treaties, or conventions in force between one of the contracting parties and third Powers, or as limiting in any way the power of either of the contracting parties to negotiate and conclude international treaties, conventions, or other agreements

(7) The contracting parties agree that any disagreement on the application or interpretation of the present treaty which they are unable to settle by direct negotiations may be referred, on the initiative of either party, to the International Court of Justice.

(8) France will support Morocco's candidature for membership of international organizations in which she is not represented. The two Governments' delegations to international organizations will keep each other informed of their activities, will consult each other, and will discuss their activities in the spirit of the present agreement.

(9) In countries to which Morocco shall decide not to send a permanent diplomatic mission, the French Republic is prepared, if the Moroccan Government so requests, to undertake the representation and protection of Moroccan citizens and interests In such cases, French diplomatic and consular agents will act in accordance with the directions of the Moroccan Government.

(10) The diplomatic representatives to be accredited by the contracting parties to each other will have the title of Ambassador Extraordinary . . .

(11) Morocco assumes the obligations arising from international treaties concluded by France in Morocco's name, as well as those arising from international agreements relating to Morocco which shall not have given rise to any observations on her part."

The published text of the treaty was accompanied by an exchange of letters in which (*a*) M. Balafrej informed M. Pineau that "the Moroccan Government reserves entirely its position concerning the Franco-American agreement of Dec. 22, 1950," and (*b*) the two Governments agreed that the French Ambassador to Morocco should take precedence over all other members of the Diplomatic Corps in Rabat, and that the Moroccan Ambassador to France should be accorded "a privileged position." It was officially stated in Paris that the terms of the Franco-American agreement, under which U.S. air bases were set up in Morocco, remained secret, and that it was therefore normal for the Moroccan Government to reserve its position on an agreement the contents of which had not been communicated to it.

The appointment of M. Abderrahim Bouabid (Minister of State in the Moroccan Government) as Ambassador to France, and of M. Abdelkhalek Torres (formerly leader of the Reformist Party in the Spanish zone) as Ambassador to Spain, was announced on June 4. M. André Dubois, hitherto French High Commissioner in Rabat, presented letters of credence as Ambassador on June 15, following the ratification of the Franco-Moroccan agreements by the National Assembly Señor Alcover y Sureda, the Spanish Consul-General in Rabat, had previously been appointed Ambassador to Morocco on May 15, and presented letters of credence to the Sultan on June 6.

The Spanish Government decided on June 8 to protest to the French and Moroccan Governments against the special privileges granted to their respective Ambassadors under the agreement reached between M Pineau and M Balafrej

Other recent developments affecting Franco-Moroccan and Spanish-Moroccan relations, together with internal Moroccan developments, are described below under cross-headings :

Formation of Moroccan Army.

The French Government announced on April 26 that agreement had been reached on the formation of a Moroccan Army of about 15,000 men, consisting of 10 infantry battalions, three cavalry squadrons, two armoured squadrons, a battalion of engineers, and various technical units. The Sultan reviewed the new Army in Rabat on May 14, and formally appointed his eldest son, Prince Moulay Hassan, as Chief of the General Staff. In addition to units which had formerly been part of the French Army, and had been transferred together with their equipment and most of their French officers, two infantry battalions which had previously formed part of the Spanish Army in the northern zone took part in the parade. The military school at Dar-El-Beida (near Meknès), hitherto used for training Moroccan officers for the French Army, was handed over to the Moroccan Army on May 30.

Transfer of Control of Police.

The French High Commissioner's Office announced on April 26 that the control of the police would be transferred immediately to the Moroccan Ministry of the Interior. At the Moroccan Government's request, however, the French *gendarmerie* stationed in Morocco would continue to function as hitherto until a protocol on their future status had been signed.

Moroccan Relations with Spain.

A Moroccan delegation headed by Prince Moulay Hassan and M. Balafrej visited Madrid from June 10-14 for negotiations with the Spanish Government on the handing-over of the northern zone (i.e. the former Spanish zone). The Spanish Foreign Ministry announced on June 14 that it had been agreed to transfer this zone to the Moroccan authorities within 15 days ; that certain problems relating to the army, the economy of the zone, finance, currency, and the future of officials would be referred to committees for further study, and that further negotiations would be held in Madrid on final agreements concerning economic, financial, and cultural co-operation between the two countries, technical and administrative assistance by Spain, the rights of their respective subjects, and Spanish assistance to Morocco in external relations and defence.

Immediately after the Sultan's recent visit to Madrid (see 14857 B) demonstrations demanding reunion with Morocco took place on April 10 in the Spanish *enclave* of Ifni, two of the demonstrators being killed and four policemen and two demonstrators injured. A deputation of about 1,000 tribesmen from Ifni was received on June 6 by the Sultan, who assured them that "all territory which historically has been Moroccan must return to Morocco."

[Ifni, which lies on the Atlantic coast of Morocco south of Agadir, has an area of 741 square miles and a population of about 50,000 ; it was ceded to Spain under a treaty of 1860, but had been under effective Spanish occupation only since 1935. Whereas the Spanish Government claims that Ifni belongs to Spain in full sovereignty, like Ceuta and Melilla, France and Morocco maintain that it was granted to Spain merely as a concession.]

Negotiations on Status of Tangier.

The International Control Committee of Tangier informed the Moroccan Foreign Ministry on May 18 that the Powers concerned were not opposed to the integration of the International Zone with the rest of Morocco, and suggested that negotiations should be opened for the modification of the existing Statute. M. Balafrej subsequently met the members of the Committee on June 1, and submitted to them proposals for a transitional system of government pending the final integration of the zone. Under this plan (*a*) the Moroccan Government would exercise legislative authority over Tangier ; (*b*) a Moroccan Governor (responsible to the Minister of the Interior) would direct the administration, certain posts in which would gradually be transferred to Moroccans ; (*c*) control of the police would be transferred to the Ministry of the Interior ; and (*d*) the Moroccan Legislative Assembly and the Tangier International Control Committee would lose their legislative powers and confine themselves to local affairs.

Under the Statute of 1923, as modified in 1928 and 1953, Tangier was permanently neutralized and placed under international control. The Control Committee, consisting of the Administrator-General and the Consuls of France, Great Britain, Spain, Italy, the U.S.A., Belgium, the Netherlands, Sweden, and Portugal, ensures that the terms of the Statute are enforced. The Administrator-General, who must be a Belgian, Dutch, Portuguese, or Swedish citizen, is nomin-

ated by the Sultan, directs the administration (which is drawn from among the Control Powers in fixed proportions), and is responsible for the maintenance of order. The Legislative Assembly, representing the native and foreign communities, contains a majority of European members, the six Moslem and three Jewish members are appointed by the *Mendoub* (the Sultan's representative), who presides over the Assembly and exercises control over native affairs

Cabinet Changes. - M. Balafrej appointed Foreign Minister.

M. Balafrej (48) was appointed Morocco's first Foreign Minister on April 26. Educated at the Sorbonne and Cairo, he joined the nationalist movement at the age of 18. Since 1944 he has been one of the leading members of the Istiqlal party, of which he became general secretary in 1951.

Following the Marrakesh riots (see below), Si Lahcen Lyoussi, the Independent Minister of the Interior, resigned on May 4. The Sultan appointed Maître Driss M'Hamedi, a Minister of State and a member of the Istiqlal executive, as acting Minister of the Interior, while Si Lahcen Lyoussi was appointed a Minister of State.

Activities of the "Liberation Army."

The ambiguous status of the "Army of Liberation" (the body responsible for the recent revolt in the Rif area), which was not officially recognized by the Moroccan authorities but was allowed to remain in being side by side with the new Moroccan Army and the French forces retained in Morocco, led to a strained situation between the Moroccan and French authorities and to a number of serious incidents.

Between March 1 and mid-May the "Liberation Army" was reported to have increased its number from some 2,500 men to about 6,000 by recruiting tribesmen, deserters from the French Army, and other elements, and to have regrouped its forces in a number of areas scattered over Morocco, in some of which it virtually took control of the administration. By the middle of May its strongest concentrations were in the Rif (about 2,500 men properly organized) and around Oujda, near the Algerian frontier, but smaller groups were installed around Rabat and Moulay-Idriss, in the area north of Fez, and in the Middle Atlas. In some areas, notably in the Taza district, its officers tried to maintain strict discipline, but in others the "army" consisted of loosely-connected bands living on the country by pillage and forced contributions.

A leaflet issued on March 29 by the "high command of the Moroccan Resistance Movement and the Liberation Army" announced that it had been decided "provisionally to end military operations," but that the "Liberation Army" would maintain its positions until Moroccan territory had been "entirely and unconditionally liberated." On the following day 30 leaders of the "Liberation Army" presented themselves in Rabat to pay homage to the Sultan. Abd-el-Krim Khahib, who claimed to be the Chief of Staff of the "Army of Liberation," declared on May 14 that "the task of the Army of Liberation is not completed" and that "its fight will only be over when all North Africa, including Algeria, is free"

In a communiqué issued on May 29, and published by the Government's Information Department, the leaders of the "Liberation Army" announced (*a*) that they had decided to cease the activities which "circumstances had obliged us to undertake to ensure the maintenance of public security," and (*b*) that they had ordered their followers not to carry arms "outside their own zones" The statement strongly denounced the French Army in Morocco, alleging that it was taking "absolute control of various regions" and committing "provocations"—an allegation which was categorically denied by the French authorities M Dubois (the French High Commissioner) emphasized in a press statement that in all the incidents which had occurred since the beginning of March it had been members of the French forces who had been attacked, and that the French authorities had repeatedly made representations to the Moroccan Government asking it to end this state of affairs

The most serious incidents were the following: (i) A French colonel was kidnapped by the "Liberation Army" at Oujda on April 26, following the arrest by the French of three men suspected of smuggling arms, who were later claimed to have been "officers" of the "Liberation Army", he was only released when the men concerned were freed by the Moroccan authorities (ii) On May 7 a patrol of Senegalese soldiers was attacked near Fez, 10 men being killed and six captured, attempts by the French Army to rescue these men were prevented through the personal intervention of the Sultan, who said that only the Moroccan authorities had the right to deal with the situation, but eventually the six men were handed over to the Moroccan authorities on May 15, representatives of the Liberation Army asserting that the patrol had been engaged in a "provocation" (iii) A French major was kidnapped in Fez on May 8 and was only freed on May 16 after strong representations to the Moroccan authorities. (iv) On May 22 a French lieutenant and six men on patrol were kidnapped in the Oujda area, while on the following day an attempt was made to kidnap a high French officer in an ambush This latter attempt, however, was frustrated by the officer's *gendarmerie* escort.

In order to clarify the situation and end these incidents, General Ely (Chief of General Staff of the French Armed Forces) flew to Rabat, where he had conferences on June 1-2 with Prince Moulay Hassan (the Sultan's eldest son, and Chief of Staff of the new Moroccan Army), Si Bekkai (the Moroccan Prime Minister), and M. Guedira (the Moroccan Defence Minister). The meetings were also attended by General Bourgund (French C.-in-C. in Morocco) and M. Dubois (the High Commissioner).

Internal Disorders.

Serious riots occurred at Marrakesh on May 2-3, when a large crowd hunted down and murdered former supporters of the late pasha, El Glaoui; the number of victims was officially given as 19. Order was restored only after the personal intervention of Si Mohammed Zeghari (the Vice-Premier) and Si Lahcen Lyoussi. Seventeen of the rioters were sentenced to terms of imprisonment ranging from one to six months.

At Larache, in the former Spanish zone, the Pasha's palace was stormed on April 18 after his guards had fired on nationalist demonstrators. The Pasha himself succeeded in escaping, but three of his guards and a local caïd were murdered.

Acts of individual terrorism continued during the period under review, notably in Casablanca, where several leading members and officials of the Istiqlal and the Communist Party were murdered during March and April. Growing insecurity was also reported from other areas—notably in the Oujda area, where at least 15 people (including 10 Moroccan Jews) were kidnapped and held for ransom.

Restrictions on Jewish Emigration.

The Moroccan Government on June 11 ordered the Cadima Society, which had organized the emigration of Moroccan Jews to Israel, to suspend its activities and to place all its property at the disposable of charitable institutions. On June 15 23 Israeli citizens, many of them members of the society, were ordered to leave the country. An official spokesman explained that the Moroccan Jews were regarded as full and equal citizens, that the Government wished them to remain in the country, but that individual Jews would be permitted to emigrate.—(Le Monde, Paris - Le Figaro, Paris - A.B.C., Madrid)

(Prev. rep. Morocco, 14857 B; 14781 A.)

A. SOVIET UNION. — Abolition of All-Union Ministry of Justice. - Transfer of Powers to Union Republics. - Decentralization of Economic Ministries.

The Soviet Government and the Central Committee of the Soviet Communist Party announced on June 3 that the All-Union Ministry of Justice had been abolished and its functions and responsibilities transferred to the appropriate Ministries of the 16 Union Republics. It was explained that this decision had been taken "with the aim of eliminating superfluous centralization in the work of the juridical institutions and organs of justice, and to strengthen the role of the Union Republics in this matter."

It was also announced that the functions of a number of other All-Union Ministries were being transferred to the appropriate bodies in the Republics in the interests of greater efficiency through decentralization. The Ministries affected were those responsible for foodstuffs, meat and dairy products, the fishing industry, procurement, light industry, textile industry, building materials, paper and woodworking, motor transport and highways, health, retail trade and catering. The announcement added that the Ministries of Light Industry and the Textile Industry had been amalgamated as an All-Union Ministry of Light Industry headed by M. Nikita Ryzhov, formerly Minister in charge of the textile industry.

After recalling that the 20th congress of the Soviet Communist Party had called for greater delegation of economic powers to the Union Republics (see page 14747, second column), the statement said that "the level of economic development of the Republics, and the existence of experienced cadres of managerial, engineering, and technical staff, make it possible to hand over [to the Republics] the enterprises of a number of branches of the national economy of the U.S.S.R., thus contributing to the more effective management of the enterprises, the better use of available reserves for increasing output, and the fuller satisfaction of national economic requirements."

The functions of the All-Union Ministry for the Coal Industry had been transferred to the Union Republics in April last.

(Times - Manchester Guardian - Le Monde, Paris)

B. FRANCE. — Abolition of By-elections.

A Bill for the abolition of parliamentary by-elections (*elections partielles*), presented by M. Daniel Mayer (Socialist), was adopted by the French National Assembly on June 28 by 320 votes to 250. It provided that if a deputy died or resigned, he would be succeeded by the next candidate on the relevant party list at the original election. (Le Monde, Paris)

A. MOUNTAINEERING. — Swiss Expedition climbs Everest and Lhotse. - Japanese Ascent of Manaslu. - Unsuccessful Argentine Attempt on Dhaulagiri.

An 11-man Swiss Himalayan Expedition, led by Herr Albert Eggler (a Berne lawyer), successfully climbed Mount Lhotse (27,890 ft.), the highest unclimbed peak in the world, on May 18. Members of the Swiss Expedition also reached the summit of Everest (29,002 ft.) on May 23 and May 24. Everest had been climbed only once before—by the British Expedition of 1953, when the summit was reached by Sir Edmund Hillary and Sherpa Tensing. Lhotse, the twin peak of Everest and the fourth highest mountain in the world, was the first Himalayan peak conquered by a Swiss expedition. The triple Swiss victory in climbing Lhotse and in twice reaching the summit of Everest was a record for Himalayan climbing.

The ascent of Lhotse—which is considered by some mountaineers as an even stiffer test than Everest—was dogged by illness to three members of the Swiss expedition, which forced Herr Eggler to abandon his planned acclimatization period. Fritz Luchsinger developed acute appendicitis at the Himalayan hill village of Namche Bazar, which is 13,000 ft. high; Wolfgang Diehl, another member of the expedition, was taken ill and had to be sent down to the base camp on the Khumbu glacier; whilst Sherpa Pasang Dawa Lama (an experienced mountaineer who was with the successful Austrian expedition to Cho Oyu in 1954) was also taken ill on the mountain and had to retire from the expedition. Although Herr Luchsinger was so ill that it was planned to fly him to Khatmandu for an operation, he nevertheless recovered from his appendicitis attack and was one of the two men who reached the peak of Lhotse on May 18, the other being Ernst Reiss. The peak of Everest was reached on May 23 by Ernst Schmeid and Jurg Marmet, and on May 24 by Adolf Reist and Hansrudolf von Gunten.

Luchsinger and Reiss climbed to the summit of Lhotse from the South Col of Everest (a climb of 1,890 ft.), using oxygen apparatus of the open-circuit type. The two assaults on the summit of Everest were also made from the South Col, involving a climb of 3,028 ft. As stated above, Lhotse is the twin peak of Everest and is part of the same massif as Everest itself; its ascent lies up the Khumbu glacier, which pours through a narrow gap from the Western Cwm—the same route as taken by the British Expedition. The Swiss had made two unsuccessful attempts on Everest in 1952, when Raymond Lambert and Sherpa Tensing reached 28,215 feet. (See 12330 A)

Congratulations were sent from all the parts of the world to the Swiss Government and the Swiss Foundation for Alpine Research, which organized the expedition. Sir John Hunt, leader of the British Expedition of 1953, described the triple Swiss victory as "a very fine show indeed," and said that the Swiss "have well deserved their success after their two great attempts on Everest in 1952."

The summit of Manaslu (26,658 ft.), the third highest unclimbed peak in the world, was reached for the first time on May 9, and again on May 11, by members of a 12-man Japanese expedition led by Mr. Yuko Maki, president of the Alpine Club of Japan. Japanese expeditions had made two previous attempts on Manaslu, which is situated in west-central Nepal and is notorious for its treacherous icefall.

With the ascent of Lhotse and Manaslu, all the ten highest peaks in the Himalayas had been climbed in the last six years with the exception of Dhaulagiri (26,795 ft.), an exceptionally difficult mountain which has defied French, Argentine, Swiss, and Swiss-German expeditions since 1950. The ascents are listed below:

Mountain	Height (feet)	Climbed in	Expedition	Reference in K.C.A.
Everest	29,002	May 1953	British	13052 A; 12949 A
K-2	28,250	July 1954	Italian	13955 C
Kanchenjunga	28,146	May 1955	British	14299 B
Lhotse	27,890	May 1956	Swiss	
Makalu	27,824	May 1955	French	14299 B
Cho Oyu	26,967	Oct. 1954	Austrian	13955 C
Annapurna	26,926	June 1950	French	11128 F
Dhaulagiri	26,795	*unclimbed*		
Manaslu	26,658	May 1955	Japanese	
Nanga Parbat	26,629	July 1953	Austro-German	13124 A

An eight-man Argentine expedition led by Lieut.-Colonel Emiliano Huerta was attempting the ascent of Dhaulagiri at the time of the Swiss ascent of Lhotse and Everest. On June 25, however, it was announced in Khatmandu that the expedition had abandoned the attempt 1,600 feet from the summit after it had been driven back by avalanches, violent snowstorms, and the onset of monsoon conditions.—(Neue Zürcher Zeitung - Times - Daily Telegraph - The Statesman, Calcutta) **(14299 B.)**

B. UNITED STATES. — The Chief Joseph Dam.

The Chief Joseph Dam, built on the Columbia River (Washington State), was officially opened on June 12. One of the world's largest hydro-electric plants, it is 51 miles downstream from the Grand Coulee Dam and has a planned capacity of 1,748,000 kilowatts, compared with the Grand Coulee's 1,974,000 kilowatts.—(New York Times) **(Prev. rep. 14876 E.)**

C. LONDON. — The St. Paul's Plan.

A new development plan for the area around St. Paul's Cathedral, drawn up by Sir William Holford (Professor of Town Planning in the University of London), was approved in principle by the Common Council of the City of London on June 14, and received the "whole-hearted support" of the London County Council on June 19.

Objections to the redevelopment plan for the St. Paul's area contained in the post-war London Development Plan had been raised in March, 1955, by the Minister of Housing and Local Government (Mr. Duncan Sandys), who declared that "a unique opportunity was being missed to provide a truly worthy setting for Wren's world-famous cathedral." In April, 1955, the Common Council of the City of London accordingly commissioned Sir William Holford to draw up a new plan for the area. Sir William was assisted in this task by a committee, under the chairmanship of Mr. Sandys, which included the chairmen of the planning committees of the City of London and the L.C.C.

The "Holford plan" embodied the principle of open planning with blocks of different heights and a varied skyline. This, it was pointed out in Sir William's report, would permit a less congested lay-out and would offer views between the taller buildings to "the silhouettes of trees, towers, spires, and domes in which the area is rich." Specifically, the plan provided for (*a*) a skyscraper office-block of 22 storeys; (*b*) three office-blocks of ten storeys; (*c*) a new shopping centre; (*d*) a green lawn, 1½ acres in extent, stretching up to the Cathedral on the south-eastern side; (*e*) a large paved forecourt in front of the Cathedral, of which the historic Temple Bar (now at Theobalds Park, in North London) would form one of the gateways. The plan involved considerable road alterations round St. Paul's, including a new road on the site of Carter Lane.

In a press statement on March 16, Sir William Holford emphasized that his design would preserve the famous views of St. Paul's from Fleet Street, the South Bank, and Hampstead, and that the sky-scraper office-block would have a total height of about 250 ft., as compared with the Cathedral's height of 365 ft. It would be a "slender block" on a site about 600 feet from the Cathedral, and there would not be "a tall block in competition with the dome." The height of the 10-storey blocks would be about 110 ft. (similar to that of the roof parapet of the Cathedral), while the other commercial buildings would range from seven storeys (84 ft.) to four storeys.

The precincts, designed to "give more space and more tranquillity in front of the Cathedral," would consist of a series of open spaces of different character, and would include a paved forecourt at the west entrance about 100 yards across. On the site of Paternoster Square there would be a terrace which would serve as a floor for temporary exhibition buildings and for ceremonial occasions. Below it would be two levels of covered car parks. (The plan also envisaged underground car parks at Cannon Street and Carter Lane, and combined car parks for the office-blocks). The new shopping centre, with buildings only three storeys in height, would be built between Newgate Street and the existing steps on the north side of St. Paul's Churchyard, while a new choir school was planned at the east end of the Cathedral. It was proposed to re-erect Temple Bar as the north-east gateway to the forecourt from the direction of Cheapside, and it would thus be seen to advantage from both sides.

Though the Holford plan was accepted "subject to further consideration of the financial implications," it was pointed out that the Corporation of the City of London were not "irrevocably committed" to some of the detailed proposals; e.g. to the proposed re-erection of Temple Bar in the Cathedral's precincts, or the erection of the proposed 22-storey office block. The probable cost of the plan was estimated as "of the order of £10,000,000 to £12,000,000."—(Times - Daily Telegraph) **(Prev. rep. 8691 A.)**

D. FRANCE.—Shipping Line to Russian Baltic Ports.

It was announced in Paris on May 24 that the *Compagnie Générale Transatlantique* would inaugurate (as from July) a regular commercial service between Le Havre and four Soviet Baltic ports—Klaipeda (Memel), Ventspils (Windau), Riga, and Leningrad—and that vessels on this route would call at Antwerp, Rotterdam, Bremen, and Hamburg. The establishment of a shipping line between French ports and Soviet Baltic ports had been mentioned in the joint communiqué issued at the end of the recent Franco-Soviet discussions in Moscow. (Le Monde, Paris) **(Prev. rep. 14934 A.)**

E. INDIA. — New Ministerial Designations.

It was announced in New Delhi on June 13 that Mr. D. P. Karmarkar, Minister of Commerce, would be designated Minister of Trade; that Mr. Nityanand Kanungo, Minister of Industries, would be designated Minister of Consumer Industries; and that Mr. M. M. Shah, Minister of Industrial Development, would be designated Minister of Heavy Industries.—(Indian High Commissioner's Office, London) **(Prev. rep. 14872 B.)**

JUNE 30—JULY 7, 1956

A. SOUTH VIETNAM. — Political Developments, July 1954-June 1956. - Suppression of Opposition Sects by M. Ngo Dinh-Diem's Government. - Deposition of Bao Dai. - M. Ngo Dinh-Diem proclaimed President of Vietnamese Republic. - General Elections to Constituent Assembly. - Three-Power Talks on Vietnam. - Evacuation of French Expeditionary Corps.

The Emperor Bao Dai was deposed from the position of Chief of State of South Vietnam on Oct. 26, 1955, and a republic was proclaimed with M. Ngo Dinh-Diem as President and Prime Minister. General elections for a Constituent Assembly were subsequently held on March 4, 1956, and resulted in an overwhelming victory for M. Ngo Dinh-Diem's Government. These developments marked the culmination of a long internal struggle, beginning in September 1954, in the course of which M. Ngo Dinh-Diem had succeeded in suppressing or winning over almost all organized opposition to his rule. The main stages of this struggle, and their repercussions on relations between South Vietnam and France, are described below under cross-headings.

The Situation after the Cease-fire.

During the period immediately following the cease-fire of August 1954, the Government's authority was confined to Saigon and a few other large towns, the greater part of the country being controlled by the Caodaist, Hoa-Hao, and Binh-Xuyen sects through their private armies, or by the Vietminh through its political organizations. Although Bao Dai was supported by a section of the Army High Command and by the Binh-Xuyen, his prestige and authority had been greatly weakened by his frequent and prolonged visits to France, where he had been living since April, 1954. M. Ngo Dinh-Diem was not supported by any organized political movement, and had aroused strong opposition by his autocratic methods, and in particular by his strict control of the Press. The most important of the numerous political parties, the Socialist Party and the Dai-Viet (a nationalist organization with strong support in Annam), maintained a hostile attitude towards both Bao Dai and M. Ngo Dinh-Diem.

The **Cao Dai** (" High Church ") sect originated in 1919 as a synthesis of Christianity, Buddhism, and other religions, and claims 2,000,000 adherents After collaborating with the Japanese and later with the Vietminh, they allied with the French in 1946, although part of the sect continued to support the Vietminh The Caodaist army, like those of the other sects, was originally armed by the Japanese, and later received financial support from the French. Numbering about 30,000 men, it controlled a large area around Tayninh (about 50 miles N.W. of Saigon), and was commanded by General Nguyen Thanh-Phuong The political and religious leader of the sect was M. Pham Cong-Tac, the Caodaist " Pope." A dissident Caodaist army of about 5,000 men led by General Trinh Minh-Thé had mutinied in 1951, waged war against both the French and the Vietminh, and carried out numerous political assassinations, some of which, such as the murder of General Chanson (see 12959 A), were erroneously attributed at the time to the Vietminh.

The **Hoa-Hao** sect, which preaches a simplified form of Buddhism, was founded in 1939 by a peasant named Huynh Phu-So, born in the Cochin-Chinese village of Hoa-Hao. It collaborated in turn with the Japanese and the Vietminh, but joined the French in 1947, with the exception of a minority which remained with the Vietminh Huynh Phu-So was captured by the Vietminh and shot, and the leadership of the movement passed to General Tran Van-Soai, who commanded an army about 30,000 strong The sect controlled an area west of Saigon and extending to the Cambodian border, with a population of about 1,000,000. A dissident force of 5,000 men led by General Bacut was engaged from September 1954 onwards in a private war with General Trinh Minh-Thé for control of the Plaine des Joncs, which had then been evacuated by the Vietminh army under the armistice

The **Binh-Xuyen,** although usually classed among the sects, was not a religious body. Originating as a gang of bandits and river pirates operating from the village of Binh-Xuyen (near Saigon), it supported the Vietminh for a time, and in 1948 was granted control by the French of a zone between Saigon and the sea By an arrangement with Bao Dai, it also secured control in 1954 of both the Saigon police and the national security police, as well as a monopoly of the gaming houses, opium dens, and brothels in Saigon Its forces numbered about 15,000 men, commanded by General Le Van-Vien

The Dismissal of General Nguyen Van-Hinh.

Following the arrest of two staff officers accused of conspiring against the Government, M. Ngo Dinh-Diem suspended the Chief of Staff, General Nguyen Van-Hinh, from his command on Sept. 11, 1954, and ordered him to leave for France. The general refused to obey or to lay down his command, and was supported by the sects, which issued a manifesto demanding the Government's resignation. On Sept. 22, however, the Caodaist and Hoa-Hao leaders announced that they would support the Prime Minister if he formed a strong government in which they held a dominant position. M. Ngo Dinh-Diem accordingly formed a coalition government on Sept. 24 consisting of six Independents, three Caodaists, three Hoa-Hao representatives, and five members of the Thin-Thai (a cultural organization). He himself combined the Premiership with the portfolios of the Interior and Defence; Generals Nguyen Thanh-Phuong and Tran Van-Soai (the respective Caodaist and Hoa-Hao commanders) became Ministers of State; and Dr. Tran Van-Do (Thin Thai) retained the post of Foreign Minister.

The strained relations between the Government and the Army leaders gave rise during October and November 1954 to grave fears of a military *coup* and civil war. In view of this danger, General Collins (President Eisenhower's special representative in South Vietnam) gave warning on Nov. 17 that the Army would receive U.S. military aid only if it supported M. Ngo Dinh-Diem (see 14161 A). General Nguyen Van-Hinh left for Paris two days later to seek the support of Bao Dai; the latter, however, dismissed him from his post on Nov. 29, and the Prime Minister ordered that he should not be permitted to re-enter Vietnam. General Van-Ty was appointed to succeed him on Dec. 8, 1954.

Political and Agrarian Reforms

General Trinh Minh-Thé, the dissident Caodaist leader, rallied to the Government on Jan. 31, 1955, and the only serious military opposition encountered by the Government during January and February was from General Bacut's dissident Hoa-Hao forces. The more peaceful conditions prevailing enabled the Government to introduce a number of measures for agrarian and political reform and for the suppression of corruption, the most important of which were the following.

(1) A decree was issued on Feb. 16, 1955, providing for the establishment, at an unspecified date, of a provisional and consultative National Assembly which would include members elected by provincial, municipal, and communal councils, nominated representatives of political, religious, and professional groups, refugees from North Vietnam, and national minorities

(2) A decree issued on Jan. 8, 1955, fixed the maximum rent for farm land at 15-25 per cent of the value of the crop, according to the fertility of the soil, and provided that individual rents should be fixed by local committees of landowners and tenants. Leases would run for a minimum of five years, and would be renewable for another five, if the tenant maintained his payments for 10 years he would become the owner of the land. A previous land reform decree issued in 1953 (see 12983 A) had remained ineffective in practice, as the maximum rent laid down (15 per cent of the crop) had been considered too low by the landowners

(3) A decree issued on Feb 11, 1955, ordered that the use of uncultivated land should be granted for three years to tenants chosen by the Government

(4) The Government announced on Jan. 21, 1955, that M. Pham Van-Giao, formerly Vice-Premier in M Nguyen Van-Tam's Cabinet, had been ordered to appear before the courts to answer charges of misappropriating 5,650,000 piastres of State funds. M. Pham Van-Giao, however, escaped arrest by fleeing to France.

(5) In order to weaken the financial position of the Binh-Xuyen, gambling was declared illegal from Jan 15, 1955, when the Binh-Xuyen's monopoly expired.

An agreement transferring the command of all military forces in South Vietnam—except the French Expeditionary Corps—to the South Vietnamese Government, and terminating the financial assistance previously granted by the French Government to the armies of the sects, was signed on Feb. 10, 1955.

The Struggle with the United Front.

The situation seriously deteriorated during March 1955, following the formation by the Caodaists, the Hoa-Hao, the Binh-Xuyen, and the Socialist Party on March 4 of a " United Front of Nationalist Forces." Its manifesto, which was signed by the leaders of the various groups and also by Generals Trinh Minh-Thé and Bacut, demanded the formation of a strong " Government of national unity," and stated that when such a Government had been formed they would merge their private forces in a single national army.

The revival of unrest among the sects was attributed to the cessation of French financial assistance under the agreement of Feb. 10, and to M. Ngo Dinh-Diem's refusal to incorporate their forces into the Army on their own terms. The new political crisis coincided with a revival of military activity by General Bacut's forces in the Camau peninsula (in the extreme south of Cochin China), and with a mutiny of about 1,000 auxiliary troops under Dai-Viet leadership in the Balang area, a few miles south of the border with North Vietnam.

The United Front delivered an ultimatum to M. Ngo Dinh-Diem on March 21, 1955, demanding the formation of a government approved by themselves, and on the same day issued a press statement accusing him of totalitarianism, nepotism, and suppression of freedom of the Press. Although the Prime

Minister refused to compromise on the unification of all armed forces under a single command, and the abolition of the sects' privilege of levying taxes in the areas under their control, he offered on March 27 to replace those Ministers who were regarded as his personal followers. This proposal was followed by a split in the United Front, the Hoa-Hao Ministers resigning from the Government on March 29, and several Independent and Thin-Thai Ministers following their example during the next three weeks. General Trinh Minh-Thé, on the other hand, announced his support for N Mgo Dinh-Diem on March 27, as did the other Caodaist leaders on March 31, in return for a concession whereby the whole of the Caodaist forces (instead of only part of them, as had previously been envisaged) were incorporated in the Army.

M. Ngo Dinh-Diem had meanwhile opened an attack on the Binh-Xuyen on March 28 by transferring the command of the Saigon police to the Prefect of the city, and by sending troops to take over the city's police headquarters from the Binh-Xuyen, who withdrew without resistance. During the night of March 29-30, however, fighting broke out between these troops and Binh-Xuyen forces encamped nearby, 26 people being killed. As a counter-move to M. Ngo Dinh-Diem's strategy, Saigon was blockaded from March 29 onwards by the Hoa-Hao forces of Generals Tran Van-Soai and Bacut, which controlled all but one of the roads to the west of the city, and also by the Binh-Xuyen forces, which cut off Saigon from its suburb of Cholon.

On April 26, 1955, M. Ngo Dinh-Diem again attacked the Binh-Xuyen's control of the police by dismissing M. Lai Van-Sang, director-general of the national security police. The Binh-Xuyen refused to hand over the security headquarters building, and as a result a pitched battle between Government and Binh-Xuyen troops raged over a large area of Saigon on April 28-29. During the fighting a petroleum depot caught fire and the flames spread to a thickly-populated area, destroying 8,000 houses and leaving 35,000 people homeless. After a desperate resistance the Binh-Xuyen were expelled from most of their strongpoints in Saigon and Cholon, and withdrew to the marshy ground south and west of the city.

The Intervention of Bao Dai.

On April 28, 1955, Bao Dai announced that he had transferred control of the armed forces from M. Ngo Dinh-Diem to General Nguyen Van-Vy (Inspector-General of the Army), who had fled to Dalat two days before and placed himself under the protection of the Imperial Guard. At the same time Bao Dai sent a message to M. Ngo Dinh-Diem summoning him to Cannes for a conference of political and religious leaders, which he proposed should take place on May 5. To this message M. Ngo Dinh-Diem replied on April 29 that the Cabinet regarded his presence in Saigon as indispensable, and also considered that General Nguyen Van-Vy should retain his present post. On April 30, in a telegram to the Prime Minister, Bao Dai accused him of being responsible for the bloodshed in Saigon, and repeated his order that he should go to Cannes. Bao Dai had previously announced on April 29 that he had ordered the former Chief of Staff, General Nguyen Van-Hinh, to leave for Vietnam in order to discuss the problem of unification of the armed forces with the leaders of the United Front; General Nguyen Van-Hinh accordingly arrived by air at Pnom-Penh, the capital of Cambodia, on May 2.

On April 29 General Nguyen Van-Vy arrived back in Saigon, and was promised support against M. Ngo Dinh-Diem by General Le Van-Ty (the Chief of Staff) and many other Army leaders. On April 20, however, a "Revolutionary Committee" led by the Caodaist generals Trinh Minh-Thé and Nguyen Thanh-Phuong, but whose other supporters remained obscure, installed itself in the Prime Minister's palace, and on the same afternoon organized a "General Assembly of the Revolutionary Forces of the Nation" which met in the City Hall. This body declared Bao Dai deposed, and called on M. Ngo Dinh-Diem to form a new provisional Government which would organize elections for a National Assembly and secure the withdrawal of the French Expeditionary Corps. During the evening Generals Nguyen Van-Vy and Le Van-Ty went to the Prime Minister's palace, where they were arrested by the "Revolutionary Committee," forced to sign a document approving Bao Dai's deposition, and held prisoners until the Army compelled their release by threatening to storm the building.

On May 1 General Nguyen Van-Vy repudiated the statement which he had signed, and declared that M. Ngo Dinh-Diem was "no longer a free agent." Shortly afterwards, however, General Le Van-Ty again visited the Prime Minister's palace, where he met M. Ngo Dinh-Diem and the Revolutionary Committee. As a result of their discussions, the Committee issued a statement declaring that it fully supported General Le Van-Ty, and refusing to recognize any delegation of powers to Generals Nguyen Van-Vy and Nguyen Van-Hinh which might be ordered by Bao Dai. The officer corps rallied to the Prime Minister, and during the afternoon General Nguyen Van-Vy again fled to Dalat; he subsequently escaped to France, and on Jan. 13, 1956, was condemned to death *in absentia*.

General Le Van-Ty's *volte-face* was variously attributed to the diplomacy of M Ngo Dinh-Diem, who played upon the professional rivalry between him and General Nguyen Van-Vy and promoted him to the rank of *général de division*, at the same time promoting a number of other officers, and to a message said to have been received during the morning of May 1, in which the U S Government was reported to have assured the Prime Minister of its continued support.

M. Ngo Dinh-Nhu (the Prime Minister's brother) announced on May 2 that a "States-General" composed of members of the provincial and municipal councils would meet on May 4 to depose Bao Dai and select a provisional Government Later in the day, however, M Ngo Dinh-Diem met General Collins, who had just returned from a visit to Washington and was reported to have refused to give an assurance of continued U.S. support in the event of Bao Dai's deposition. Although this item was accordingly dropped from the agenda of the "States-General," the Prime Minister announced on May 3 his approval of a proposal by the Revolutionary Committee to summon, independently of the "States-General," an unofficial congress of "provincial revolutionary committees" to approve its resolution of April 30.

The "States-General," which met on May 4-5, consisted of a majority of officials and a minority of provincial and municipal councillors selected by the Government After heated debates between Government supporters from Tongking and Annam and the delegates from Cochin China, most of whom were opposed to both Bao Dai and M Ngo Dinh-Diem, a committee was elected to draft a resolution The Cochin-Chinese members, however, withdrew as a protest against a proposal to grant the Prime Minister supreme power, and the two factions adopted opposing resolutions

The Tongkingese and Annamese delegates approved a Government-sponsored resolution calling on Bao Dai to hand over his powers to an elected National Assembly when it met, to restore his military powers to M Ngo Dinh-Diem, and to undertake not to dismiss him, to withdraw his full powers, or to interfere in the country's affairs The Cochin-Chinese delegates' resolution called for the immediate formation of an "Assembly of the People," composed of provincial and municipal councillors, which would choose a provisional Government, control the elections to a National Assembly, and draw up a provisional Constitutional Charter defining the people's rights and liberties

The "National Congress of Revolutionary Forces" (the congress of its supporters in the provinces summoned by the Revolutionary Committee) met on May 5 and adopted a resolution demanding the deposition of Bao Dai, the formation of a new provisional Government by M. Ngo Dinh-Diem, the election of a National Assembly, and the withdrawal of the French Expeditionary Corps

New Cabinet formed by M. Ngo Dinh-Diem.

M. Ngo Dinh-Diem formed a new Cabinet on May 10, 1955, most of the members of which were his personal supporters and had no political following. The composition of the new Government was as follows: M. Ngo Dinh-Diem, Prime Minister and Defence; M. Bui Van-Thinh, Interior; M. Vu Van-Mau, Foreign Affairs; M. Nguyen Van-Sy, Justice; M. Tran Trun-Dung, Deputy Defence Minister; M. Tran Chanh-Thanh, Information, M. Tran Huu-Phuong, Economic Affairs and Finance; M. Tran Van-Meo, Public Works; M. Nguyen Van-Thoi, Agrarian Affairs, M. Nguyen Duong-Don, Education; M. Vu Quoc-Thong, Social Action and Health; M. Huynh Huu-Nghia, Labour; M. Nguyen Cong-Vien, Agriculture; M. Nguyen Huu-Chau, Minister of State.

M. Bui Van-Thinh, M Tran Huu-Phuong, and M. Nguyen Duong-Don had held the portfolios of Justice, Finance, and Education respectively in M Ngo Dinh-Diem's previous Government Of the new Ministers, the best-known, M. Vu Van-Mau, was a former Professor of Law at Hanoi University; M. Nguyen Van-Sy was a former president of the Saigon Appeal Court; M. Tran Chanh-Thanh was State Secretary to the Prime Minister in M. Ngo Dinh-Diem's first Cabinet; M. Huynh Huu-Nghia and M. Nguyen Cong-Vien were Caodaists; and M Nguyen Huu-Chau, a lawyer, was related to the Prime Minister.

During May and June 1955 the Government adopted a number of measures intended to weaken the status and prestige of Bao Dai.

On May 15 the Imperial Guard, which had supported General Nguyen Van-Vy's attempted *coup*, was abolished as such and incorporated into the Army; on June 12 the Imperial domains (a large mountainous area in southern Annam and northern Cochin China) were officially transferred to the State; and on June 16 the Council of the Imperial Family proclaimed Bao Dai deprived of his functions

as Chief of State, and requested M. Ngo Dinh-Diem to become "President of the Vietnamese Republic." A communiqué issued by Bao Dai's office in Paris on June 17 pointed out, however, that the Council had been abolished in 1945, and therefore had no legal existence.

The Suppression of the Sects.

The Government's troops (including Caodaist forces commanded by General Trinh Minh-Thé, who was killed in the fighting) renewed on May 2, 1955, their offensive against the Binh-Xuyen, who abandoned their last post in Saigon during the night of May 9-10. Total casualties in the fighting since April 28 were given on May 22 as 215 killed and 1,500 wounded, including 60 civilians killed and 600 wounded. Although the main body of the Binh-Xuyen linked up with Hoa-Hao forces of Generals Bacut and Tran Van-Soai, about 1,500 Binh-Xuyen troops continued to operate to the south of Saigon, while during the summer Binh-Xuyen agents conducted a terrorist campaign inside Saigon. On Sept. 21, 1955, Government troops launched an offensive against the Binh-Xuyen headquarters in the Rungsat marshes (35 miles south of Saigon), as a result of which it was claimed that the rebels had been finally exterminated. The Binh-Xuyen commander, General Le Van-Vien, escaped and fled to France, and on Jan. 13, 1956, was sentenced by a military tribunal to death *in absentia*.

On the Hoa-Hao side, General Bacut renewed his operations against the Government in the Sadec area (75 miles S.W. of Saigon) during the first week of May, 1955, whilst General Tran Van-Soai, who had established his headquarters near Cantho (80 miles S W. of Saigon), announced on May 13 his support for Bao Dai and his opposition to the Government. On May 27 the United Front's radio announced that General Nguyen Van-Hinh, whose whereabouts had remained obscure since his arrival in Pnom-Penh (see above), had taken command of the Hoa-Hao and Binh Xuyen forces. Following a successful offensive by Government troops in the Cantho area during the fortnight June 5-18, however, General Nguyen Van-Hinh fled to Cambodia, whence he returned to Paris.

General Bacut had meanwhile withdrawn to the Cambodian frontier area, where he conducted a guerilla campaign which tied down 50 to 80 battalions of the Government forces for the next nine months. The rebel forces were greatly weakened, however, by the surrender of General Tran Van-Soai on Feb. 19, 1956, with 4,700 of his men. On April 13, 1956, armed resistance to the Government was virtually brought to an end by the capture of General Bacut, who was sentenced to death by a civil court on June 11, 1956 for murder, pillage, and arson. He appealed against the sentence to a court martial, but was again condemned to death on July 4 after being found guilty of treason.

Relations between the Government and the Caodaists again deteriorated during the first two months of 1956. About 2,000 of the troops formerly commanded by General Trinh Minh-Thé revolted at the beginning of January, and on Feb. 19 Government troops occupied Tayninh, the Caodaist "capital." The leader of the sect, M. Pham Cong-Tac, subsequently fled to Cambodia.

Proclamation of the Vietnamese Republic.

The Ministry of the Interior announced on Oct. 6, 1955, that a referendum would be held on Oct. 23 to decide whether Bao Dai should be deposed. This decision was denounced by Bao Dai, who, in a Note on Oct. 13 to the French Government and the British, U.S., Soviet, and Indian Embassies in Paris, dissociated himself from M. Ngo Dinh-Diem's policy.

Bao Dai said in this Note that in the present situation it was the duty of every Vietnamese politician to work for the consolidation of peace, which could be done in two ways. "In the first place, it is necessary to organize or develop democratic and representative institutions . . . In the second place, the Governments of both South and North Vietnam, without renouncing their convictions, should try to reduce their antagonism, and even to co-operate sincerely in certain fields . . . M. Ngo Dinh-Diem's Government has refused to be guided by these principles . . . In order to free himself from all control, M. Ngo Dinh-Diem has sought to deny the authority of the man who appointed him, and to announce his deposition, which will be brought about by a so-called referendum engineered by his staff I do not attach great importance to this manoeuvre . . What is much more important is M Ngo Dinh-Diem's general attitude, both in its anti-democratic aspects and in its tendency systematically to aggravate relations between South and North Vietnam If this policy is continued, there is reason to fear . . . that it will compromise world peace. That is why I must not only dissociate myself unequivocally from it, but must also ask other Governments, and particularly the great Powers wielding most influence in that part of the world, not to encourage or support in any way a policy which responds neither to the deepest feelings of the Vietnamese people nor to the common cause of peace."

A communiqué issued by Bao Dai's office in Paris on Oct. 18 announced that he had dismissed M. Ngo Dinh-Diem from the Premiership and had annulled the full powers delegated to him. In a message to the Vietnamese people, published on the following day, Bao Dai explained that he had taken this action because "police methods and personal dictatorship must be brought to an end, and I can no longer continue to lend my name and my authority to a man who will drag you into ruin, famine, and war."

The referendum held on Oct. 23 resulted in a 98 per cent majority against Bao Dai, the official results being as follows: for Bao Dai's deposition, 5,721,735; against, 63,017; spoiled votes, 44,105.

The voting, during which polling stations were guarded by troops and police, generally passed off peacefully except in Sadec province, where several polling stations were bombarded by Hoa-Hao troops. The number of votes cast exceeded the number of names on the electoral registers in certain areas, notably in Saigon, where 605,000 votes were recorded although the electorate totalled only 454,000. This discrepancy was attributed by the Government to the fact that electors were not obliged to vote in their own constituencies

South Vietnam was officially proclaimed a republic, with M. Ngo Dinh-Diem as its President, on Oct. 26, 1955. President Ngo Dinh-Diem, who retained the posts of Prime Minister and Defence Minister, and assumed that of Supreme Commander of the Armed Forces, reappointed his previous Cabinet on Oct. 29, the only change being that the portfolio of Economic Affairs was transferred from M. Tran Huu-Phuong (Finance Minister) to M. Tran Van-Meo (Minister of Public Works). The new régime was recognized on Oct. 26-27 by France, the U.S.A., Great Britain, Australia, New Zealand, Italy, Japan, Siam, and South Korea, and on Dec. 12 by the Holy See.

Election of Constituent Assembly.

The Government announced on Jan. 23, 1956, that general elections for a Constituent Assembly would be held on March 4. Under the electoral law, the Assembly was required to ratify a Constitution to be drafted by the President; if it failed to do so within 45 days it would be dissolved, and the Constitution would be submitted to a referendum. The Assembly would be elected by all South Vietnamese citizens over 18 years of age, and would consist of 123 members, of whom 63 would represent Cochin China, 39 Annam, 12 the refugees from North Vietnam, and 9 the ethnic minorities of Annam. Candidates were required to be over 25, to have lived in South Vietnam for the six months preceding the elections, and to produce a "judicial certificate" establishing that they were not Communist or rebel sympathizers.

Before the elections a number of measures were taken against suspected opponents of the régime. It was announced on Jan 11 that the "Revolutionary Committee" had been dissolved, and when this was denied by its president, M. Nguyen Bao-Toan, its headquarters were occupied by troops. Dr. Pham Quang-Dan, leader of the Republican Party (a Caodaist organization), was arrested on Feb 19 for distributing leaflets protesting against the electoral law; many alleged Communists (reported as about 8,000) were also arrested, and numerous Independent candidatures were suppressed. The Press censorship was temporarily lifted during the election campaign, but the publication of news or comment favouring "Communist or anti-national" activities remained punishable by six months' to five years' imprisonment. Most of the Opposition parties boycotted the elections in consequence, on the ground that no genuine freedom of speech or of the Press existed, although a number of Opposition candidates stood as Independents.

The voting, in which about 85 per cent of the electorate took part, passed off peacefully in most areas; in some country districts, however, polling stations were burned down, or grenades were thrown into them while voting was in progress. The results, issued on March 9, showed that at least 101 of the 123 members of the Assembly were expected to support the Government, the distribution of seats being as follows:

National Revolution Movement	66*
Citizens' Rally	18
Workers' Party	10†
Conquest of Liberty Party ..	7
Social Democrats	2
Dai-Viet	1
Independents	19

*Including eight affiliated Independents. †Including six affiliated Independents.

Four pro-Government parties were represented in the Assembly: the National Revolution Movement, led by M. Tran Chanh-Thanh (Minister of Information); the Citizens' Rally, a Roman Catholic organization led by M. Tran Van-Lam; the Conquest of Liberty Party, led by M. Bui Van-Thinh (Minister of the Interior); and the Workers' Party. The Social Democrats and the Dai-Viet were the only Opposition parties represented.

The Assembly held its first session in Saigon on March 15. In a message to the Assembly, President Ngo Dinh-Diem proposed on March 19 that it should itself draft the Constitution, which, he suggested, should be modelled on that of the United States. The period of 45 days granted to the Assembly in which to draw up a Constitution expired on April 29, but was subsequently extended on June 2 by another 30 days.

Three-Power Talks on Vietnam.

The political crisis of March-May 1955 brought to a head differences of opinion which had arisen between the French and U.S. Governments over their policies in South Vietnam. Whereas M. Faure, the then French Prime Minister, stated on April 29, 1955, that it had been evident for some time that M. Ngo Dinh-Diem's Government was "not adapted to its mission," a U.S. State Department spokesman reaffirmed on the same day the U.S. Government's full support for M. Ngo Dinh-Diem.

The differences between France and the U S A. were further aggravated following the appearance of the "Revolutionary Committee," which, French sources alleged, had been set up on U S advice to give the South Vietnamese Government a semblance of popular support. Deep offence was caused in France by the violent anti-French propaganda carried on by the South Vietnamese Government and the "Revolutionary Committee," and in particular by allegations—made by both South Vietnamese and U S official sources—that the French military authorities had assisted the Binh-Xuyen. These charges were categorically denied on May 4 by both M Faure and General Ely, the French Commissioner-General and C.-in-C in South Vietnam.

In view of these differences, three-Power talks on the South Vietnamese question were held in Paris from May 7-12, 1955, between M. Faure, M. Pinay (then French Foreign Minister), Mr. Dulles (U.S. Secretary of State), and Mr. Macmillan (then British Foreign Secretary). M. Faure stated on May 13 that a complete understanding had been reached; that neither France nor the U.S.A. intended to interfere in South Vietnam's internal affairs; and that both countries supported M. Ngo Dinh-Diem's Government, though they wished to see it become more representative. M. Faure added that no official request had been received from South Vietnam for the withdrawal of the French Expeditionary Corps, but that a programme had been laid down for its repatriation.

Commenting on the Paris talks, M. Ngo Dinh-Diem declared on May 14 that as a sovereign country South Vietnam could not be bound by decisions taken at conferences in which she was not a participant.

Relations between France and South Vietnam. - M. Hoppenot succeeds General Ely as High Commissioner.

Relations between the French and South Vietnamese Governments remained strained after the Paris talks, despite M. Faure's pledge of support for M Ngo Dinh-Diem. General Ely, whose repeated attempts at conciliation during the struggle between the Government and the sects had been strongly criticized by M. Ngo Dinh-Diem, tendered his resignation on May 20, 1955, and left Saigon on June 2. The appointment of M. Henri Hoppenot, the permanent French representative on the U.N. Security Council, as his successor was announced on June 4, 1955. In view of South Vietnamese objections to the title of "Commissioner-General," however, he was appointed Ambassador-Extraordinary in South East Asia, charged with the functions of High Commissioner in Vietnam. General Ely was succeeded as C.-in-C. by General Jacquot.

Negotiations for the conclusion of military and cultural agreements, which opened in Paris on Aug. 14, 1955, remained deadlocked, as France was unable to accept certain South Vietnamese demands—notably that the Expeditionary Corps should be placed under Vietnamese command. The negotiations were accordingly broken off by South Vietnam on Oct. 13.

On Oct. 29, 1955, the South Vietnamese Government gave notice of termination of the general monetary and trade agreement with France concluded on Dec. 30, 1954 (see 14116 B), which provided for free monetary transfers between the two countries and granted preferential tariff treatment to French imports. The supplementary agreement of Dec. 30, 1954, which laid down the parity between the piastre and the franc, continued to remain in force.

Official South Vietnamese sources explained that this action (which followed shortly after the conclusion of trade and payments agreements between France and North Vietnam on Oct. 14—see 14486 A) had been taken because South Vietnam's shortage of francs had rendered free monetary transfers impossible.

In a Note of Nov. 30, 1955, President Ngo Dinh-Diem proposed that economic, financial, military, and cultural negotiations should be reopened, provided that France accepted certain political demands. These were that France should recognize the independence of Vietnam, undertake not to interfere in internal Vietnamese affairs, break off negotiations with North Vietnam, and support South Vietnam's demand for the postponement of the all-Vietnamese elections scheduled to take place in 1956 under the Geneva Agreements. The French Government rejected these conditions on Dec. 1.

The South Vietnamese Government announced on Dec. 20 that the monetary and trade agreement would be extended for two months until Feb. 29, 1956, whilst on the latter date it informed the French Government that it would apply to French imports (as from March 1) the minimum Customs tariff, from which 14 other States already benefited. M. Pineau, the French Foreign Minister, told the Council of the Republic on Feb. 23 that the opening of negotiations for a new trade agreement had been prevented by the political conditions laid down by President Ngo Dinh-Diem.

Radio-France-Asie, the radio station in Saigon controlled by the French Government under the Franco-Vietnamese conventions of 1949, ceased to broadcast at the end of February, 1956, following an Order signed by President Ngo Dinh-Diem which established a State monopoly of broadcasting and cancelled all previous agreements Two of the leading French correspondents in South Vietnam, M Max Clos of *Le Monde* and M Lucien Bodard of *France-Soir*, had been expelled from the country on Nov 18, 1955, on the ground that they had previously visited Hanoi, the capital of North Vietnam

Evacuation of French Expeditionary Corps.

The South Vietnamese Government informed the French Government at the end of January 1956 that it wished the French Expeditionary Corps to be withdrawn, in accordance with France's commitment under the Geneva Agreements to evacuate her troops from Indo-China when requested by the Governments concerned. The main body of the Expeditionary Corps was accordingly withdrawn by April 25, with the exception of 3,000 men entrusted with the liquidation of the French bases in South Vietnam—which, under an agreement concluded on March 22, was to be completed by June 30. The French High Command in South Vietnam was formally dissolved on April 28, when General Jacquot left Saigon for France.—(Le Monde, Paris - Le Figaro, Paris - Times - New York Times) **(Prev. rep. 13657 A; 13689 A.)**

A. AUSTRALIA. — Further Import Restrictions. - Fifty per cent Cut in Imports of Cars.

The Acting Australian Prime Minister, Sir Arthur Fadden, announced on June 28 that the Government would introduce new licensing arrangements designed to reduce imports by about £A.40,000,000 in a full year.

Sir Arthur said that although Australian exports would be higher in the current year than had been expected earlier, there was need for further restraint in the flow of imports—which, at the existing rate, could exceed £A700,000,000 a year The effect of the restrictions imposed in October 1955 had been moderated by "flexibilities in administration," and there were licenses outstanding from earlier periods which had been fully taken up. Moreover, unrestricted imports of petroleum products had exceeded anticipated quantities.

The Acting Minister for Trade, Mr. McMahon, gave details of the changes on the same date.

Mr. McMahon said that there would be no changes of policy in regard to those items which were not at present subject to control on a quota basis However, in the administration of licensing within this group there would be some tightening and readjustment of allocations to permit foreign exchange requirements of the essential development programme to be met

Among the other goods imported, those in category 'A' (including essential raw materials and producer goods) were to be licensed at varying percentages of the quotas available to importers as at June 25, 1956, and would be subject to periodical review Imports of goods in category 'B' (including some metal goods, textiles, clothing, paper, foodstuffs, and fancy goods) were to be subject to quotas based on 1954-55 imports and reduced by 25 to 33⅓ per cent below the current level of imports Some goods formerly in category 'B' were transferred to category 'A,' as were other goods in the special administrative category of essential imports In addition, the previous freedom of interchangeability of licenses for 'B' category goods was restricted by the establishment of separate quotas for seven sub-categories.

It was announced that under the new restrictions, imports of fully assembled cars (in category 'B') would be reduced by 50 per cent and those of unassembled chassis and engines (in category 'A') by 30 per cent. Whisky imports were cut by 25 per cent, cigarettes by 50 per cent, and a variety of prepared foodstuffs by 25 per cent. Imports of refrigerators and washing-machines were cut to 10 per cent of the 1954-55 figure.

It was estimated in London that half the Australian cuts might fall on British exporters. In 1955 Australia took 49,587 complete cars and 49,626 chassis from the U.K. at a total value of over £26,000,000.—(Australian News and Information Bureau - Times - Financial Times) **(Prev. rep. 14470 A.)**

A. EGYPT. — Completion of British Evacuation of Canal Zone. - National Celebrations. - Colonel Nasser elected President of Egypt. - Adoption of New Constitution. - Abolition of Martial Law and Press Censorship. - Dissolution of Revolution Command Council. - Appointment of Civilian Ministers.

The final evacuation of the Suez Canal Zone by British forces was commemorated by a week's nation-wide celebrations throughout Egypt. The celebrations began on June 18 (Egypt's National Day) and ended on June 23, on which date Colonel Nasser was elected President of the Egyptian Republic in an election at which he was the only candidate. The new Egyptian Constitution was also approved in a plebiscite held on the same day.

Evacuation of Suez Canal Zone.

The last British troops in the Canal Zone, consisting of a rearguard party of 11 officers and 68 other ranks under the command of Brigadier J. A. Lucey, sailed from Port Said for Cyprus on June 13—five days before the expiration of the 20-month period laid down in the Anglo-Egyptian agreement of 1954.

A statement issued simultaneously in Cairo, Port Said, and Nicosia said that "final arrangements for taking over the Suez Canal base by civilian contractors have been completed according to plan," and that "from now on the base will be run by Suez Contractors, who, in accordance with the Anglo-Egyptian agreement, will carry out on a civilian basis the task required for serving the British Middle East Command."

Colonel Nasser formally hoisted the Egyptian flag over Navy House in Port Said on June 18 to mark the end of the British occupation of the Canal Zone. In a broadcast to the nation he declared that the occasion marked "the culmination of a lifetime's struggle" against "a foreign occupier who for over 70 years had the final say in our homeland."

Ending of Martial Law.

Speaking on June 19 at a mass rally in Republic Square, Cairo, Colonel Nasser announced the ending of martial law, the abolition of press censorship, and the release of all political prisoners who had been held for "plotting against the revolution."

In a speech broadcast to all the Arab countries, Colonel Nasser said that Britain had "fulfilled her obligations" by withdrawing from the Canal Zone, and that Egypt had "no aggressive intentions towards her." He added that Egypt was prepared to "hold out the hand of friendship" to Britain, the U.S.A., the Soviet Union, and all other Powers, "but not at the expense of our independence and dignity." After announcing the end of martial law, Colonel Nasser declared: "Today Egypt is entirely free. Not a single foreign flag flies over Egyptian soil. For the first time in centuries we are completely free to fight for our own destiny . . . The new Constitution aims at building a society based on freedom, justice, and equality for all . . We shall rule in the name of the Constitution and law."

At the end of his speech Colonel Nasser called for the strengthening of Egypt's forces "to liberate all Arabs so that the lands of the Arabs may belong to them, and so that the Palestine tragedy may not be repeated and we may be able to restore to the people of Palestine their right to freedom and existence."

Martial law was officially abolished on June 26 except in the Sinai and Red Sea provinces (i.e. the areas adjacent to the Israeli border), where it was maintained for a further year. Egypt had been under martial law continuously for the past 16 years, except for a few months.

National Day Celebrations.

The National Day celebrations in Cairo were attended by representatives of all the Arab countries except Iraq, by the Soviet Foreign Minister (M. Shepilov), and by General Sir Brian Robertson (formerly C.-in-C., British Middle East Land Forces), who had accepted an invitation extended by the Egyptian Government. General Robertson—now chairman of the British Transport Commission—was the chief British negotiator in the Anglo-Egyptian discussions which led to the agreement of 1953 on the evacuation of the Suez base.

The celebrations culminated on June 20 with a military parade in Cairo in which the participants included Syrian, Lebanese, Jordanian, Saudi Arabian, Yemeni, and Sudanese troops in addition to the Egyptian armed forces. A contingent of the "Palestine Arab" army also took part in the parade, which lasted nearly four hours. A considerable amount of the new military equipment from Communist sources was on view, including about 100 troop-carrying vehicles of Czechoslovak manufacture, about 30 heavy *Stalin* tanks, over 100 medium (T-34) tanks, 20 Soviet-type MIG fighters, and 10 jet bombers of Czechoslovak type. Most of the aircraft, however, appeared to be British *Meteors* and *Vampires*, while there were also a number of British *Valentine* and *Centurion* tanks and French light tanks.

British Foreign Secretary's Message to Egypt.

A message from the British Foreign Secretary (Mr. Selwyn Lloyd) expressing H.M. Government's desire for friendly relations with Egypt was published in the Cairo newspaper *El Akhbar* on the occasion of the Egyptian National Day. It was worded as follows:

"It was always our hope and belief that the signature of the Suez Base agreement would lead to a new era of friendship and understanding between the two countries. It is a disappointment that this has not been so. There are no actual disputes or conflicts between Great Britain and Egypt which justify the present lack of confidence between the two countries. We have shown that we want good relations with Egypt, not only by the Canal Base Agreement but also by the Sudan Agreement, the Sterling Balances Agreement, the Cotton Futures Market Agreement, and the exchange of trade missions.

We are told sometimes that in our policy in the Middle East we are trying to isolate Egypt and deprive her of her legitimate position in the Arab world. This is not true at all . We consider that all Arab countries, great and small, have equal rights, and we intend to prove loyal and reliable friends to those who will co-operate with us and to those who rely on our support. I hope the Egyptian people will not lend too ready an ear to any who attempt to foment bad relations between Arab peoples and the West. I am sure that if we respect one another's legitimate interests and treat one another with fairness and mutual respect, the British and Egyptian peoples can build up a new friendship for the future. That is certainly the desire of H.M. Government."

In a press statement before leaving Cairo, General Sir Brian Robertson said that he had had personal discussions with Colonel Nasser, General Hakim Amer (the Egyptian War Minister and C.-in-C.), and other Egyptian leaders, and had been treated throughout "with great courtesy." Saying that he had been much encouraged by Colonel Nasser's declaration on June 19 that Egypt was ready to "hold out the hand of friendship to Britain," Sir Brian pointed out that "our Foreign Secretary [Mr. Selwyn Lloyd], in his statement to the Egyptian Press, has made it clear that the hand has been offered." Before leaving Egypt, Sir Brian received from Colonel Nasser the Order of the Egyptian Republic—an honour also conferred on M. Shepilov.

On returning to London (June 21) Sir Brian Robertson said that he had gone to Cairo "because it was thought appropriate that I should accept the courteous invitation from Colonel Nasser, and also because it was felt that my presence there at this critical moment in the history of Anglo-Egyptian relations might perhaps do some good." He added that he had been treated throughout as "an honoured guest."

Presidential Election and Constitutional Plebiscite.

Over 5,500,000 electors—including women voters, for the first time in Egyptian history—went to the polls on June 23 for the presidential election and the constitutional plebiscite, attendance at polling-stations being compulsory for male voters and optional for female voters. The electors were required to answer "yes" or "no" to the questions (*a*) whether they approved the nomination of Colonel Nasser as President of Egypt, and (*b*) whether they approved the new Constitution published in January last (see 14927 A).

It was officially announced on June 26 (*a*) that 5,496,965 votes had been cast for Colonel Nasser as President of the Republic (99·9 per cent of the total) and 2,857 against; (*b*) that the new Constitution had been approved by 5,488,225 votes (99.8 per cent) against 10,046.

Dissolution of Revolution Command Council.

The Revolution Command Council—the nine-man military *junta* which had ruled Egypt since the deposition of King Farouk—was dissolved on June 24. As its last act it approved a decree giving the Minister of the Interior powers, valid for a ten-year period, to arrest or imprison persons who had previously been condemned by the various revolutionary tribunals.

This decree implied that former political prisoners—all of whom, as announced by Colonel Nasser, had been released (see above)—could be re-arrested and imprisoned if the authorities considered it necessary.

Appointment of Civilian Ministers.

A Cabinet reorganization was carried out by President Nasser on June 30 involving the following new appointments:

(i) Dr. Aziz Sidky as Minister for Industry in place of Wing-Commander Hassan Ibrahim, formerly Minister of National Production. The Ministry for Industry—a new portfolio—was created by dividing the former Minister of Commerce and Industry into two. Dr. Sidky holds a doctorate in engineering of Harvard University.

(ii) Dr. Said Marei as Minister of State for Agrarian Reform *vice* Colonel Anwar Sadat.

(iii) Dr. Mustafa Khalil as Minister of Communications *vice* Wing-Commander Gamal Salem.

The effect of the changes was that three leading members of the Revolution Command Council were succeeded by civilian Ministers, all of whom were doctors of engineering with high technical qualifications and Western training and experience Wing-Commander Ibrahim, Colonel Anwar Sadat (editor of *Al Goumhouria*, and known for his violently anti-British attitude), and Wing-Commander Gamal Salem (a brother of Major Salah Salem, who was placed on "indefinite leave of absence" in August last—see 14391 D) had all held positions of great influence since the overthrow of the monarchy, and their disappearance from the Government gave civilian Ministers a two-to-one preponderance in the administration. This development was seen by foreign correspondents as marking a decline in the influence of the more radical and anti-western elements in the Egyptian Government, and as indicating a new emphasis by President Nasser on problems of economic development and industrial and agricultural organization

Another innovation was that all military titles were dropped in the official Cabinet list except in the case of Major-General Hakim Amer, Minister of War and C.-in-C. of the Egyptian Army.

The new Cabinet was sworn in by President Nasser on June 30, taking an oath "to safeguard the republican regime, respect the Constitution and the law, and watch over the people's interests."—(Le Monde, Paris - Times - Manchester Guardian) **(Prev. rep. New Constitution, 14927 A; Suez Base, 14860 B; Cabinet, 13772 C.)**

A. INDIA. — The Hindu Succession Act.

The Hindu Succession Bill, codifying and revising the traditional Hindu laws relating to intestate succession and women's property rights, was passed by the House of the People on May 8 by acclamation. Its most important provisions were as follows:

(1) Women were granted the right to inherit and hold property on the same terms as men. In the past women had possessed only a limited right over inherited property—e.g. they could not sell it, except in certain circumstances, or bequeath it by will.

(2) If a man died intestate, his property would be inherited by his widow, or, if his wife had pre-deceased him, it would be equally divided between his sons and daughters In the past a daughter had no claim to a share in her father's property.

(3) If a woman died intestate, her children would become her first heirs, followed by her husband and her parents In the absence of issue, property inherited from her father would revert to his family, and property inherited from her husband or father-in-law would revert to her husband's heirs

(4) An unmarried woman, a widow, or a woman deserted by or separated from her husband, was granted the right of residence in her father's home.

The Bill had been passed by the Council of States on Nov. 30, 1955, in a somewhat different form from that subsequently adopted by the *Lok Sabha* (House of the People). It was, however, given the Presidential assent on June 18, 1956, after the Council of States had concurred with amendments made by the Lower House. The Bill is one of a series covering the whole field of Hindu law, the first such Bill—the Hindu Marriage Act—having been passed by the Indian Parliament in May 1955. (The Hindu, Madras - The Statesman, Calcutta) **14231 A.)**

B. ALGERIA. — Reorganization of Departments.

Administrative changes were approved by the French Cabinet on June 20 whereby the four existing Algerian *départements* (Algiers, Constantine, Bône, and Oran) were divided into 12 departments, as follows: (i) the Algiers department was divided into the departments of Algiers, Tizi-Ouzou, Médéa, and Orléansville; (ii) the Oran department was divided into the departments of Oran, Tlemçen, Tiaret, and Mostaganem; (iii) the Constantine department was divided into the departments of Constantine, Sétif, and Batna; (iv) the Bône department (created in 1955, and the smallest in Algeria) remained unchanged. No alteration was made in the status of the Southern territory—the Saharan hinterland. The names of the new departments were taken from their administrative centres.

The new departments were officially created by a decree of July 3, and at the same time were grouped for administrative purposes into three *Inspections générales de l'administration*—abbreviated in French *igamies*, a neologism—headed respectively by the Prefects of the former departments of Algiers, Oran, and Constantine. (Le Monde, Paris) **(Prev. rep. 14431 A.)**

C. NORWAY. — The North Cape Road.

The North Cape Road, running from Honningsvåg to the North Cape—the northernmost point of Europe—was officially opened on June 30 by the Norwegian Minister of Transport, Hr. Kolbjorn Varmann. The road will make North Cape accessible for tourists by coach or car, whereas in the past it could only be reached by sea. (Aftenposten, Oslo)

D. RUMANIA - YUGOSLAVIA.—Joint Declarations on International Affairs, Rumanian-Yugoslav Relations, and Collaboration between Rumanian and Yugoslav Communist Parties.

Joint statements on the talks between President Tito and the Rumanian Government during the Yugoslav President's visit to Bucharest (see page 14938) were published on June 26 in Bucharest and Belgrade. Like the documents signed at the end of President Tito's visit to Moscow, they consisted of (*a*) a joint declaration on international affairs and Rumanian-Yugoslav relations, and (*b*) a statement on the restoration of relations and mutual co-operation between the Communist parties of Rumania and Yugoslavia. These documents (the text of which was received too late for publication in 14937 A) are summarized below:

International Affairs and Rumanian-Yugoslav Relations.

That part of the communiqué dealing with international relations was practically identical with the similar Soviet-Yugoslav declaration It declared, *inter alia*, that Rumania and Yugoslavia were fully agreed that "direct contacts between statesmen constitute one of the most important means for settling controversial issues between States . . . and for strengthening mutual trust and co-operation", that "disarmament and the banning of weapons of mass destruction represents a primary problem for all peoples and States"; that both Governments were convinced of "the need for unimpeded international trade and the abolition of artificial barriers"; and that "the policy of active peaceful co-existence between all States, irrespective of their social and political systems, is the only way to strengthen and develop international co-operation" Both countries pledged their full support for the United Nations, and their co-operation in all efforts to achieve world peace and disarmament.

After expressing their satisfaction at the recent improvement in relations between the two countries, in particular since the signing of the "Belgrade Declaration" [i.e. the joint declaration signed by Yugoslavia and the U.S.S.R. during the Bulganin-Khrushchev visit to Yugoslavia in 1955], the communiqué said that "significant results have been accomplished in this direction" through the normalization of conditions on the Rumanian-Yugoslav frontier, the regulation of rail, river and air communications between the two countries, mutual visits of scientific and cultural workers, and the "satisfactory solution of the question of habilities" between the two countries. Both Governments expressed their intention of developing and strengthening Rumanian-Yugoslav relations "in the spirit of friendship and on the basis of the principles of sovereignty, territorial integrity, equality, mutual respect, and non-interference in internal affairs."

Specifically, the two Governments announced their intention of (*a*) concluding a long-term trade agreement, (*g*) setting up a mixed commission to examine the joint construction of a power-station in the Iron Gates area, on the Danube (see page 14938, second column), (*c*) concluding a convention on scientific and technical co-operation; (*d*) drawing up a cultural agreement, and expanding Rumanian-Yugoslav cultural and scientific exchanges; and (*e*) facilitating "direct contacts between political, trade union, and other social organizations of the two countries."

Relations between Rumanian and Yugoslav Communist Parties.

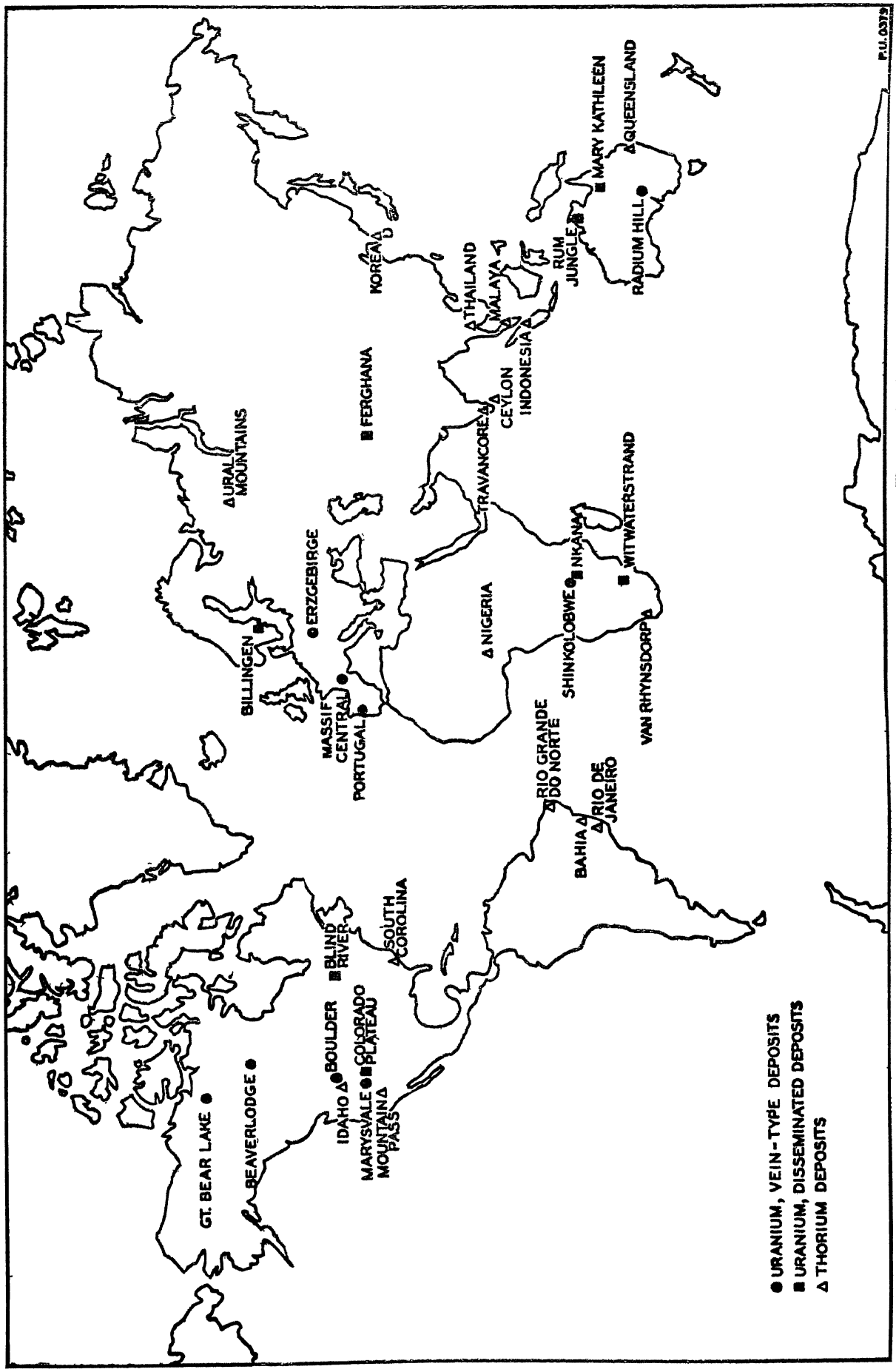
After referring to the "open and comradely exchange of views" on this matter, the communiqué announced (*a*) that both sides were agreed on "the need for the establishment and development of contacts and comradely co-operation" between the Rumanian Workers' Party and the League of Communists of Yugoslavia; (*b*) that the two parties would establish personal contacts and exchange delegations and literature, and (*c*) that a delegation from the Rumanian Workers' Party would visit Belgrade at the invitation of the League of Communists of Yugoslavia.

The joint statement on international affairs and Rumanian-Yugoslav relations was signed by President Tito and M. Chivu Stoica, the Rumanian Prime Minister, while the declaration on relations between the two Communist parties was signed by President Tito and M. Gheorghiu-Dej, first secretary of the Rumanian Workers' Party.—(Tanjug Agency, Belgrade) **(Prev. rep. 14937 A.)**

E. UNITED KINGDOM. — Trade Unions. - New President of Amalgamated Engineering Union.

Mr. W. J. Carron (53), a member of the General Council of the T.U.C., was elected president of the Amalgamated Engineering Union on June 27, obtaining 83,847 votes against 35,400 for Mr. R. Birch (a leading Communist trade unionist) on the second ballot. Mr. Birch headed the first ballot but failed to secure election because he did not get the necessary clear majority over the three other candidates. The A.E.U. is the second largest union in Britain, with some 950,000 members. Only about 12 per cent of the union's membership voted in the final election for the new president.

Mr. Carron, a full-time officer of the A.E.U. since 1953, will succeed Mr. R. Openshaw on his retirement from the presidency in September. He has taken a special interest in automation and has visited automatic plants in a number of countries. (Times - Manchester Guardian) **(Prev. rep. 14863 A.)**



The map, showing the world distribution of uranium and thorium deposits, was published by the *Financial Times* (London) on April 9, 1956, in a Special Supplement on Atomic Energy.

A. UNITED KINGDOM. — Anglo-Soviet Trade. - Trade and Payments Agreements with Foreign Countries. - Reduced Export Guarantee Premiums.

The Board of Trade announced on April 30 that 42 of the 87 categories of goods in the list of Soviet trade requirements handed to U.K. representatives at the time of the visit of Marshal Bulganin and M. Khrushchev (see 14833 A) were not affected by strategic export controls; 18 categories were subject to embargo, 10 were subject to embargo for certain types only, and four were subject to quantitive restriction. Further information was required about the remainder.

U.K imports from the Soviet Union in 1955 amounted to £62,777,000, and British exports to the U S.S R. totalled £22,904,000

The principal trade and payments agreements concluded by Britain with other countries during the past twelve months are given below. Agreements on bilateral quotas were reached with several other countries.

Bulgaria. An Anglo-Bulgarian financial agreement and trade arrangement were signed on Sept 22, 1955, as a result of the first negotiations to be held between the two countries on trade and debts since the war.

The financial agreement provided for the payment by Bulgaria to the U K. of £400,000 in settlement of outstanding claims (other than holdings in Bulgarian Government bonds), payment to be effected by annual instalments of 5 per cent of the sterling proceeds of goods imported into the U K. from Bulgaria Settlement of the question of the Bulgarian bonded debt was deferred, as a Bulgarian offer of £186,000 (equivalent to 6 7 per cent of the nominal capital value of the bonds held by U K residents) had been unacceptable to the British negotiators.

The trade arrangement provided (*a*) for the issue, by September 1956, of import licences for £1,500,000 worth of Bulgarian goods (mainly fruit and vegetables) not already covered by an open general licence, and (*b*) for the purchase by Bulgaria in the same period of £2,500,000 worth of British goods, including machinery and textiles Details of trade between September 1956 and the end of 1957 were left to later negotiations.

Burma. Under an agreement signed on June 18, 1956, Britain undertook to supply Burma with cotton textiles valued at about £940,000, payment will be made in raw cotton supplied by the U S.A. to Burma as part of the U.S. aid programme (see 14874 A)

Hungary. Financial and trade agreements between the United Kingdom and Hungary were signed on June 28, 1956.

The financial agreement provided that the Hungarian Government would pay the U K £4,050,000 in full settlement of U K claims arising from the Peace Treaty and certain pre-war debts and other claims. It would also pay £450,000 to representatives of short-term creditors and Treasury Bill holders. Payment would be made by annual instalments of 6½ per cent of the sterling proceeds of Hungarian imports into Britain. Settlement of the question of the Hungarian bonded debt was excluded from the agreement, the Hungarian offer being unacceptable to the British representatives.

The trade agreement provided for the issue by Britain in the next 12 months of import licences for £3,000,000 worth of Hungarian goods not subject to open general licence Hungary agreed to purchase £4,500,000 worth of U K goods, including textiles, chemicals and machinery, in the same period.

Total Anglo-Hungarian trade increased from £2,450,000 in 1954 to £5,350,000 in 1955

Iraq. The Iraqi Finance Minister, Dr. Jafar, announced on October 27, 1955 that Britain and Iraq had reached an agreement under which (*a*) Iraq would buy £5,000,000 worth of gold from the U.K for payment in sterling; (*b*) Britain would provide up to $2,000,000 to cover Iraq's obligations to the International Monetary Fund (see 14565 A)

Dr Jafar also said that Britain had agreed that Iraqi dates could be imported free of duty, while Iraq would lift duties on certain British goods.

Japan. After prolonged negotiations, a new Anglo-Japanese trade and payments agreement was signed in Tokio on Oct. 17, 1955

The existing payments agreement between the two countries, which regulates payments between Japan and the sterling area, was extended to Sept 30, 1956, whilst assurances were given by the Japanese that they would take measures to correct the imbalance of payments between Japan and the sterling area (estimated at that time at £70,000,000 in Japan's favour) In this connexion the Japanese authorities undertook to eliminate all regulations tending to encourage imports from non-sterling sources in preference to sterling area sources, except for certain provisions covering some commodities imported from Indonesia

Japan undertook to set aside £127,500,000 for expenditure in the sterling area between October 1955 and March 1956, compared with £209,500,000 for a 12-month period under the previous agreement

As regards U.K -Japanese trade, it was estimated that in the year ending Sept. 30, 1956, Japanese imports from Britain would reach £18,000,000, and exports to the U K. £22,000,000 The quota allowed for imports of British woollen textiles was increased from £2,000,000 to £2,800,000, a quota of £200,000 was fixed for cotton piece-goods; and improved facilities were offered for other imports. The U.K. agreed to increase its quota of canned salmon imports from Japan from £2,200,000 to £4,700,000

As regards British dependent territories, the agreement laid down (*a*) that they would be allowed to export to Japan all that they had asked to be allowed to export, provided such exports were commercially competitive, (*b*) that they would continue to license imports from Japan up to the amount required

Further Anglo-Japanese trade talks in London were concluded in April 1956. It was agreed to arrange new quotas permitting additional trade between the U.K. and Japan of a value of about £150,000 each way. Japan also undertook to earmark a further £127,500,000 for imports from the sterling area in the six months ending Sept 30, 1956

Paraguay. A five-year trade and payments agreement between the U K and Paraguay was signed on Nov 21, 1955 It maintained reciprocal most-favoured nation treatment between the two countries.

Poland. Agreement was reached on Feb 6, 1956, on details of Anglo-Polish trade in 1956—the last year covered by the trade agreement of 1954

In 1955 British imports from Poland had totalled £29,400,000, but exports to Poland amounted to only £6,400,000. Commenting on these figures, the Minister of State, Board of Trade (Mr Austin Low) said in the House of Commons on Feb 7 that there was "room for considerably increased purchases by Poland."

Spain. Anglo-Spanish trade talks were held from Nov 30-Dec 23, 1955, to discuss the working of the 1955 arrangements and to make new arrangements for 1956

The President of the Board of Trade (Mr. Thorneycroft) stated on April 12, 1956, that the Exports Credit Guarantee Department had decided to make reductions in its premiums for short-term business with some 110 out of the 170 markets for which it issued guarantees. The markets affected accounted for over 80 per cent of U.K. export trade in 1955.—(Treasury Press Office - Board of Trade Journal - Financial Times)

(Prev. rep. Trade and Payments Agreements, 14180 A; Export Credit Guarantees, 12558 A.)

B. WESTERN GERMANY. — German Social Union formed by Dr. Otto Strasser.

A new political party under the name of the German Social Union was founded at Miltenberg (Bavaria) on June 15 by Dr. Otto Strasser, formerly a close associate of Hitler in the early days of the Nazi movement. Dr. Strasser, who had returned to Germany in 1955 after 21 years' exile in Canada, broke with Hitler in the early 'thirties and set up a rival "Black Front" organization. He was deprived of his German citizenship by the Nazi Government in 1935 after he had fled the country, and had been living in Nova Scotia since that year as a stateless person. His brother, Gregor Strasser, was executed by the Gestapo in 1934.

An application by Dr Strasser for the restoration of his German citizenship and for permission to return to Germany was granted on April 29, 1953, by the administrative court of North Rhine-Westphalia at Cologne The Federal Ministry of the Interior appealed against this decision to the Supreme Administrative Court, which, however, ruled on Nov. 19, 1954, that Dr Strasser could not be denied citizenship of the Federal Republic.

Dr. Strasser (who is 59) said at the Miltenberg meeting that the new party aimed at a strong, reunited, and neutralist Germany linked neither to the East nor to the West. He proposed that direct talks should be undertaken with the Soviet and East German Governments, and that a plan for reunification should be drawn up by West German, East German, and Saar representatives. Other features of the new party's policy included economic and financial reforms to benefit the middle classes and farmers; reorganization of commerce and industry to give workers a share in the ownership, direction, and profits of industrial enterprises; the establishment of an economic parliament parallel with the existing Legislature; the creation of a *Rechtstaat* (State based on law) with equal rights for all citizens; a strong foreign policy; and the return of their homes to Germans who had been deported from Germany's former eastern provinces. Dr. Strasser described his programme as substantially that of National Socialism before it was "perverted" by Hitler. The Miltenberg meeting was interrupted by anti-nazi demonstrators, the police being called in to restore order. (Times - Frankfurter Allgemeine Zeitung)

C. UNITED STATES. — Senatorial Appointment.

Mr. Robert Humphreys (61), chairman of the Democratic Party organization in Kentucky, was nominated by Governor Chandler on June 21 as a Senator for Kentucky in place of the late Senator Alben W. Barkley (Democrat), who died on April 30, 1956. Mr. Humphreys, a pharmacist by profession, was State Highway Commissioner for Kentucky prior to his appointment. He will sit in the Senate until the senatorial elections in November, 1956.—(New York Times)

(Prev. rep. Senate, 14782 C.)

A. GOLD - SILVER. — World Production and Consumption Figures in 1955.

The following estimates of gold production in the leading producing countries in 1955 (in thousands of fine oz.) were published in the Annual Bullion Review issued by Samuel Montagu & Co. Ltd., from figures compiled by the Union Corporation Ltd. (revised 1954 estimates in parentheses):

South Africa	14,591	(13,237)	Fiji	70*	(72)
Canada	4,545	(4,366)	Tanganyika	70*	(74)
U.S.A.	1,891	(1,859)	Sweden	70*	(70)*
Australia	1,055	(1,118)	New Zealand	40*	(42)
Gold Coast	687	(787)	Elsewhere	1,064*	(1,083)*
Southern Rhodesia	525	(536)	World Total excluding U S S.R †	27,150*	(25,850)*
Philippines	415*	(416)			
Mexico	380*	(396)	British Commonwealth	21,930*	(20,623)
Colombia	381	(377)			
Congo	375	(365)	British Commonwealth percentage	80.8	(79 8)
Japan	289	(300)			
India	212	(241)	South African percentage	53 7	(51.2)
Brazil	145	(153)			
Chile	125*	(125)			
Peru	145*	(147)			
New Guinea	75*	(86)			

* Estimated or provisional figure.

† Production in the U.S.S R. is thought to have amounted to more than 10,000,000 oz. The low notional figure of 2,000,000 oz per annum, published in previous reviews, almost certainly underestimated actual production.

The first full year of operation of the London Gold Market since 1938 confirmed the 1954 experience that this market had more than regained its pre-war eminence, and it was estimated to have handled not less than 85 per cent of the fresh gold supplies coming on the international free market. Largely through selling South African gold under the agreement with the Union, the Bank of England was the biggest single operator in international gold trading in 1955.

The official gold price in London averaged 251s. 7 12d per fine oz. in January, 1955, and after reaching its highest point at 251s 11d in February fell to 250s. 4½d during April Prices again rose to 251s. 9¾d in July but fell during the second half of the year The lowest point reached in December was 249s 4¾d.

International gold prices from the beginning of 1955 until early August ranged from $35 03 to $35 06½ After wavering slightly below this level during the rest of August, prices sagged and were quoted in London at $34 98 to $34 99 on Sept 13. During the rest of the year they varied between $34 95½ and $34 99½

Details regarding the world silver market in 1955 were given as follows:

Silver Production. Estimates, with revised 1954 figures in parentheses, were as follows (in fine oz): Mexico, 45,000,000 (39,900,000), U.S.A., 36,000,000 (37,100,000), Central and South America, 31,000,000 (32,400,000), Canada, 27,700,000 (30,700,000); Australia, 11,000,000 (11,500,000), U S S.R, 24,000,000 (24,000,000); Japan, 6,800,000 (6,900,000), Rest of World, 23,220,000 (25,200,000) Total world output was thus estimated at 204,700,000 oz, against 207,700,000 oz in 1954

Silver Consumption. Industrial consumption in 1955 was estimated at about 179,000,000 oz, of which no less than 100,000,000 oz were used in the U S A. In Europe the largest consumer was again Western Germany, with 31,500,000 oz The U K consumed about 14,000,000 oz. in essential industries and for export in fully or partly manufactured form

Saudi Arabia acquired 17,000,000 oz. of the estimated total of 38,000,000 oz absorbed in 1955 for coinage U S. use of silver for coinage declined to 8,000,000 oz from 53,000,000 oz in 1954

On these estimates the offtake for industry and coinage amounted to some 217,000,000 oz —nearly 13,000,000 oz more than the estimated world production

U.K. Silver Bullion Imports and Exports. U K. imports of silver bullion were estimated at 29,438,200 troy oz, compared with 23,119,900 oz in 1954. Exports were estimated at 11,392,500 troy oz., compared with 12,049,200 oz in 1954 The largest imports came from the U S S R. (9,160,700 oz), the U S A (7,088,600 oz), Australia (6,534,000 oz), Lebanon (1,386,300 oz), and Mexico (1,300,000 oz) The largest exports went to France (3,816,900 oz), Italy (2,052,900 oz), and Portugal (1,806,400 oz)

Silver Prices. Silver prices during the year were influenced by the Bank of Mexico's abandonment of its long-standing policy of stabilizing the New York market London prices, which varied between 73¾d. and 74¼d per oz in Jan and Feb, rose to 77¼d. in March following an increase in the New York price (for the first time since Jan 16, 1953) from 85¼ cents to 89¾ cents After a lull both New York and London prices rose further—the London price to 78½d in May, 79d. in June, and 80½d. in Oct., the highest price recorded since 1920. The price fell to 77¾d at the end of November and rose again to 78½d at the end of the year.

At the end of 1955, 381,315,670 oz. of silver were still owed by various countries to the U.S.A. in respect of Lend-Lease borrowings. The largest debtors were India and Pakistan (225,999,904 oz.) and the U.K. (88,073,878 oz.). Repayment of the U.K.'s debt has since begun (see 14845 B).

(Samuel Montagu & Co.'s Annual Bullion Review) **(14132 B.)**

B. AUSTRALIA. — Queensland Elections. - Labour Party returned to Power. - The Foley Case.

Elections to the State Legislature took place in Queensland on May 19, the final results being as follows (party strengths in the old Assembly shown in parentheses). Labour 49 (49); Country Party 16 (15); Liberal Party 8 (8); Independents 2 (3). Six members, including five from the Opposition parties, were returned unopposed. Mr. Gair, the Queensland Premier, Mr. Duggan (the Deputy Premier), and all other members of the State Ministry, were re-elected, as well as Mr. Nicklin (Country Party), the Leader of the Opposition.

At a meeting of the State Parliamentary Labour Party on May 25, Mr. Gair was re-elected State Premier—a position he has held since 1952. On June 7 it was announced that the composition of the State Cabinet would remain unchanged, but that the following alterations in the allocation of portfolios had been made: Mr. P. J. R. Hilton (Minister for Works and Housing) as Minister for Lands and Irrigation; Mr. T. A. Foley (Lands and Irrigation) as Minister for Mines; and Mr. C. G. McCathie (Mines and Immigration) as Minister for Works, Housing, and Immigration.

On June 14, however, it was announced that Mr. Foley had resigned from the Cabinet following the publication of the report of the Royal Commission on Land Leases, which had enquired into matters associated with the Lands Department and which had found him guilty of corrupt practices.

The Commission found that Mr Foley had pleaded "guilty" on two counts of corrupt practices involving his dealings with a Queensland grazier. It also found that he had been guilty of soliciting a donation of £A1,000 for Labour Party funds from another Queensland grazier, promising in return that he would consider granting the grazier a new lease of certain land (to this charge Mr. Foley had pleaded "not guilty") The Commission did not suggest, however, that Mr. Foley had personally benefited in any way from his actions.

Mr Foley, who stated that he would retain his parliamentary seat, had been relieved of his duties as Minister for Lands at his own request in April last, after the allegations of having solicited a gift of £A1,000 for Labour Party funds had been mentioned before the Royal Commission Subsequently, however, a Brisbane magistrate dismissed a criminal charge in this connexion against Mr Foley, who then resumed his ministerial duties

The Labour Party has held office in Queensland uninterruptedly since 1932 —(Australian News and Information Bureau - Office of the Agent-General for Queensland, London)

(Prev. rep. Queensland Elections, 13160 A.)

C. UNITED KINGDOM. — Relaxation of Crown Privileges in Lawsuits. - Changes in Court Procedure.

Important relaxations of the rules under which Crown privilege had prevented the production of documents in the courts were announced by Viscount Kilmuir, the Lord Chancellor, on June 6. Lord Kilmuir said that in future privilege would not be claimed for (1) reports concerning road and other accidents involving Government employees and premises; (2) medical records and reports kept by Government departments concerning their employees; (3) reports by Government doctors in cases where the Crown was being sued for negligence; and (4) medical reports relevant to the defence in criminal cases.

Lord Kilmuir pointed out that the law in England had enabled Crown privilege to be claimed for documents and oral evidence on two alternative grounds. (1) that disclosure of the contents of a document would injure the public interest, e g by endangering security or diplomatic relations, or (2) that it should be withheld in the interest of the proper functioning of the public service The claiming of privilege for the second category, however, had been widely criticized on the ground that the administration of justice was itself a matter of public interest A large part of Crown litigation consisted of actions arising out of road or other accidents involving Government employees or Government premises, and in these cases the most relevant documents were reports by employees and eye-witnesses, and reports by foremen and other officials about the machinery, premises, or vehicles involved "In our opinion," Lord Kilmuir added, "Crown privilege ought not to be claimed for these documents, and we do not propose to do so in future. We believe that our proposals will eliminate many of the grounds of complaint that have arisen in the past."

With regard, however, to departmental minutes and memoranda—"the documents by which the administrative machine thinks and works"—Lord Kilmuir said that the Government considered that Crown privilege must still be maintained

Lord Kilmuir pointed out that the changes would affect the majority of suits against the Crown coming before the civil courts. He explained that they would not require parliamentary legislation and would come into immediate effect.

(Times - Daily Telegraph)

A. UNITED KINGDOM. — Deportation of Greek Orthodox Priest. - Statement by Home Secretary.

A Greek Orthodox priest in London—Fr. Kallinikos Macheriotis, Archimandrite of All Saints' Greek Orthodox Church, Camden Town—was deported from Britain on June 12. In a statement to the House of Commons on the following day, the Home Secretary (Major Lloyd-George) stated that Fr. Macheriotis—a Cypriot by birth and a Greek citizen by naturalization—had been deported because his church had been used as a centre for anti-British propaganda. Major Lloyd-George's statement was as follows:

"Mr. Macheriotis was born in Cyprus in 1908 and was therefore at one time a British subject. He lived in Greece between 1936 and 1951 and acquired Greek nationality in 1948. He returned to Cyprus in 1950, where he held the appointment of Archimandrite of Limassol, and in 1952 was allowed to come to the U.K. to take up an appointment as priest in charge of the Greek Orthodox Church at Camden Town.

"Acting under a power of attorney given by Archbishop Makarios on Jan. 5 [1956] authorizing the establishment of a committee for the collection of funds in England 'for the Cyprus national struggle', Mr. Macheriotis, as chairman of the committee, has taken a leading part in the issue of an appeal for subscriptions directed to the 'patriotism and religious feelings' of the recipients of the appeal.

"Collections for this purpose have been raised from the community attending the church, which has been used under the auspices of Mr. Macheriotis as a centre for the dissemination of anti-British propaganda. Concern has been expressed by loyal Cypriots and Greek nationals living in London at the pressure brought to bear upon them.

"H.M. Government decided that in the circumstances Mr. Macheriotis should be required to leave this country forthwith. The deportation order was executed by police officers who called at Mr. Macheriotis's flat at 8 p.m. on June 11. He was given every facility to pack and to communicate with his friends before being taken to London Airport, where he embarked for Athens shortly after 1.45 a.m. [June 12]."

The deportation of Fr. Macheriotis was criticized by several Labour members, notably by Mr. Kenneth Robinson and Mr. Francis Noel-Baker.

Mr. Robinson asserted that the Home Secretary had failed to justify the deportation, which had "not only further embittered Anglo-Greek relations but deeply affronted a religious minority in Britain, some thousands of whom are my constituents." He asked whether Fr. Macheriotis had been given any warning that his activities were giving offence to the Home Office, whether any formal notice of the deportation had been received by the Greek Embassy, and whether any communication had been made to Archbishop Thyateira, the head of the Greek Orthodox Church in Western Europe.

Major Lloyd-George replied that "rightly or wrongly" he thought it "in the best interests that Mr. Macheriotis should not be allowed to stay longer than necessary to carry on the activities which led to his being asked to leave." He added: "H.M. Government are absolutely determined . . . to see that people in this country, British subjects or otherwise, are allowed to go about their ordinary day-to-day work free from the kind of thing for which Mr. Macheriotis was responsible. Mr. Macheriotis was given permission to come here as a priest, and if he had conducted himself as a priest he would have been here today. It was because he indulged in activities entirely outside his functions that he had to go, and I think that is perfectly fair. After all, if you come here as a foreigner you are welcome as long as you behave yourself. The fact is that the church was the centre of anti-British propaganda. I think it is intolerable, with what is happening in Cyprus, that people should be using a church to gather money for this purpose."

Captain Waterhouse (C.) declared that the whole country would applaud the Home Secretary's firm action. He asked Major Lloyd-George whether he would consider "the advisability of making it a criminal offence to acquire funds in this country, either by an individual or by an organization, British or foreign, which are being transmitted for the benefit of an organization murdering British soldiers."

Mr. Patrick Wall (C.) said that the Cypriot community in Britain had been subjected to increasing pressure "by highly-paid agents of the Ethnarchy and others." The great majority of this community were loyal citizens who did not want *enosis*, which would deprive them of their British nationality.

Mr. Francis Noel-Baker said that the Home Secretary had made "a number of charges which will shock a lot of people in this House and elsewhere." He asked Major Lloyd-George whether he could produce evidence to show that any of the money collected by Macheriotis had ever left Britain.

Major Lloyd-George, in reply, said that it had been made perfectly clear that the money had been collected for the "Cyprus national struggle"; whether or not it had been sent abroad he was not prepared to say, but it was clear what was going on in Cyprus.

Angry exchanges occurred in the House of Lords on June 20, when the deportation of Fr. Macheriotis was strongly criticized by the Bishop of Chichester (Dr. Bell) and by Viscount Stansgate, a Labour peer.

Dr. Bell asked whether H.M. Government had complained to Fr. Macheriotis' ecclesiastical superiors, whether it had any evidence that the funds collected had been used for any purpose other than the support of families of detainees in Cyprus, and whether the collection of funds for such a purpose was improper.

Lord Mancroft (Under-Secretary, Home Office) replied that no communication had been sent to Macheriotis' superiors, nor would it have been appropriate for such representations to be made. "In this country," he declared, "a foreigner who does not possess diplomatic immunity or status must be held personally responsible for his conduct. A foreigner cannot expect to be allowed to indulge in activities hostile to this country and to abuse the hospitality extended to him."

Dr. Bell maintained that the question was not one of Holy Orders, but of the particular clergyman's responsibility to the authorities of the Greek Orthodox Church. He regretted that some mode of representation had not been made by H.M. Government.

Earl Howe interjected. "Is this not a fund for the dependants of those who shot our soldiers in the back?. Only the intercession of the Almighty prevented them [the terrorists] from 'doing in' an aeroplane with 68 Servicemen, women, and children on board. I am surprised that the right reverend prelate can ask such a question, which must be of great comfort to our enemies."

Viscount Stansgate asked whether it was not a fact that funds of this kind could be legally raised in Cyprus. **Lord Mancroft** replied that collections for the terrorists would be illegal under the emergency laws, though collections for the dependants of detainees would probably not be illegal—a matter, however, which was not beyond legal argument. **Viscount Stansgate** maintained that the funds had been raised solely for people subjected to fines and curfews, and that there was no proof that they were intended for the terrorists killing British soldiers. In reply, **Lord Mancroft** quoted the authority given to Fr. Macheriotis by Archbishop Makarios · 'to form a committee in order to carry out collections in England for the Cyprus national struggle.' "I should have thought that was final," Lord Mancroft added. **Viscount Stansgate's** comment that he could "see no harm in those words," and a further remark in which he described the Home Office as "an office not notable in the past for obeying the law," gave rise to heated exchanges in which **Lord Munster** (Minister without portfolio) described Lord Stansgate's comments as "disgraceful."

Lord Home (Secretary of State for Commonwealth Relations), replying to the debate, said that Macheriotis had been exercising pressure over his parishioners—some of whom had complained against his activities—"under the cover of the most respected profession in our country and as a foreigner enjoying our hospitality." He did not think that the deportation of Fr. Macheriotis to his own country was an unjust punishment.

Photostatic copies and translations of the documents concerning the activities of Macheriotis were placed in the libraries of the House of Lords and the House of Commons. They consisted of the authorization sent by Archbishop Makarios to Macheriotis to collect funds in Britain for the "Cyprus national struggle," and of circulars by Macheriotis and his "committee" soliciting donations from Cypriots in London for this purpose.

(Times - Daily Telegraph - Manchester Guardian)

B. LITERATURE. — Book Selections for June.

Selected books published in Great Britain, the United States, France, and Italy are given below:

Great Britain. Beaty, David—"The Proving Flight." (Secker and Warburg, 14s.).

Burn, Michael—"Mr. Lyward's Answer." The Problems of Maladjusted Children and Adolescents. (Hamish Hamilton, 21s.).

Charques, Richard—"A Short History of Russia." (Phoenix House, 18s.).

Crawley, Aidan—"Escape from Germany: A History of R.A.F. Escapes during the War." (Collins, 16s.).

Lord, Walter—"A Night to Remember." The Loss of the *Titanic*. (Longmans, 16s.).

Mendès-France, Pierre—"The Pursuit of Freedom." Translated from the French. (Longmans, 18s.).

O'Connor, Edwin—"The Last Hurrah." (Max Reinhardt, 18s.). Atlantic Prize Novel.

Smith, J. L. B.—"Old Fourlegs: The Story of the Coelacanth." (Longmans, 21s.).

Wilson, Colin—"The Outsider: An Enquiry into . . . the Sickness of Mankind in Mid-twentieth Century." (Victor Gollancz, 21s.).

Wingfield-Stratford, Esmé—"The Squire and his Relations." (Cassell, 42s.).

United States. Havighurst, Walter—"Wilderness for Sale: The Story of the First Western Land Rush." (Hastings House, New York, $4.50).

Hersey, John—"A Single Pebble." The Story of an American Engineer's Voyage by Junk into the Interior of China. (Alfred A. Knopf, New York, $3.00).

Smith, Walter Bedell—"Eisenhower's Six Great Decisions: Europe 1944-45." (Longmans, Green & Co., New York, $3.95).

France. Picard, Raymond—"La carrière de Jean Racine." (Gallimard, Paris).

Italy. Renzulli, Michele—"John Keats: L'uomo e il poeta." (Francesco Giordano, Rome, 2,200 lire).

(Ed. K.C.A.) **(Prev. rep. Book Selections, 14922 B.)**

A. SOVIET UNION - ARAB STATES.—M. Shepilov's Visits to Egypt, Syria, and Lebanon. - Crown Prince of Yemen's Visit to Soviet Union.

M. Shepilov, the new Soviet Foreign Minister, had discussions with Colonel Nasser and other leaders of the Egyptian Government during his visit to Cairo in connexion with the national celebrations in Egypt (see 14953 A). Before returning to the U.S.S.R. he also visited Damascus and Beirut for talks with the Syrian and Lebanese Governments.

Cairo Discussions. At the end of his five-day visit to Cairo (June 17-22) a communique was issued stating that M. Shepilov and Colonel Nasser had "exchanged opinions on questions involving Egyptian-Soviet relations and a number of important international problems of interest to both countries." After saying that there had been "complete unity of views," the communiqué declared (i) that "the development of Soviet-Egyptian relations in all fields of political, economic, and cultural co-operation corresponds to the interests of both countries and is a considerable contribution to the strengthening of peace and security", (ii) that relations between Egypt and the U.S.S.R. were "based on the principles of the U.N. Charter and the principles approved at the Bandung Conference", and (iii) that both countries would continue to co-operate "in the interests of strengthening universal peace." M. Shepilov announced before leaving Cairo that Colonel Nasser would visit Moscow in August.

In a speech at a village near Cairo, delivered on June 18, M. Shepilov declared that the U.S.S.R. did not intend "to promote agitation by the peoples of Arab countries towards any of the Western Powers", that the Soviet Government would, on the contrary, do its best "to achieve a relaxation of tension in this part of the world", and that the Arab countries could rely on the U.S.S.R. "as their unselfish, faithful, and reliable friend." He added that the Soviet Union was "opposed to colonialism in any of its forms and manifestations, whether it be the aggressive Baghdad Pact or such forms of colonialism which still exist in Western Irian [Dutch New Guinea] or Goa."

It was stated by foreign press correspondents in Cairo, though without official substantiation, that M. Shepilov had conveyed to Colonel Nasser the Soviet Government's willingness to give extended technical and economic aid to Egypt, and, in particular, to supplement its earlier offer of a £400,000,000 loan for building the High Dam at Aswan. Egypt is still engaged in detailed negotiations with the U.S. and British Governments, and also with the International Bank, over Western offers of aid in building the Aswan Dam.

Damascus Discussions. During his visit to Damascus (June 23-24) M. Shepilov exchanged views with President Kuwatly and the Syrian Prime Minister, M. Assali. A joint communiqué said that the two countries had decided to expand their economic co-operation and to conclude trade and cultural agreements. Before leaving Damascus for Beirut, M. Shepilov announced that President Kuwatly had accepted an invitation to visit the Soviet Union.

Beirut Discussions. At the end of M. Shepilov's visit to the Lebanon (June 25-27), where he had discussions with President Chamoun and Government leaders, it was announced that the two countries had agreed to develop economic and cultural co-operation, and to raise the status of their envoys in each other's capitals. It was also stated that President Chamoun would visit Moscow at a date to be arranged.

None of the communiqués issued in Cairo, Damascus, and Beirut made any mention of the Algerian situation or of the tension between Israel and the Arab States.

The Crown Prince of the Yemen (Emir Seif el-Islam Mohamed el-Badr), who is also the Yemeni Foreign Minister, paid an official visit to the Soviet Union from June 11-25. A communiqué issued on the latter date said (i) that agreement had been reached on the sale of Yemeni coffee to the U.S.S.R. and on "the sale of a number of commodities" by the U.S.S.R. to Yemen; (ii) that the Soviet Ambassador in Cairo would be concurrently accredited to the Yemen with the rank of Minister; and (iii) that the Yemeni Minister in Cairo would similarly be accredited to the U.S.S.R. on a concurrent basis. The communiqué (which was signed by Marshal Bulganin and the Crown Prince) added that views had been exchanged "on questions concerning Soviet-Yemeni relations and on international questions of interest to both sides, especially issues concerning the Arab countries and recent events in the Near and Middle East." (Times - Le Monde - New York Times)
(Prev. rep. Soviet-Yemeni Relations, 14779 E; 14522 C.)

B. SYRIA. — Recognition of Communist China.

The Syrian Government's decision to recognize the People's Republic of China was announced in Damascus on July 8 by the Prime Minister, M. Sabry Assali.—(Le Monde, Paris)
(Prev. rep. 14884 C.)

C. LAOS. — Recognition by Soviet Union.

It was announced on July 2 that the Soviet Government had decided to recognize the Laotian Government and to exchange diplomatic representatives.—(Le Monde, Paris)
(Prev. rep. 14875 C.)

D. GUATEMALA. — Proclamation of State of Emergency. - Suspension of Constitutional Guarantees.

The Guatemalan Government proclaimed a state of emergency on June 24, and suspended a number of constitutional guarantees, after announcing the discovery of Communist plans "to spread panic and disorder in the country and thus prepare a propitious atmosphere for the development of subversive intentions." It was alleged, *inter alia*, that the Communists had plotted to murder their political enemies in such a manner that blame would fall on the Government, that they had planned to cause panic in public places by false alarms of fire, and that they had infiltrated into student organizations. Among the constitutional guarantees suspended were those of *habeas corpus*, freedom of speech, the Press, and public assembly, freedom to enter and leave the country, freedom to form political parties, the inviolability of personal correspondence, and the right of arrested persons to be released if no charges had been preferred against them within 48 hours of their arrest.

Fighting broke out in Guatemala City a few hours after the suspension of constitutional guarantees. Although press censorship had been imposed, reports from foreign correspondents stated that demonstrations by some 400 workers and university students had been broken up by police and troops and that a number of persons had been arrested. It was reported that those arrested included the president of the Law Students' Association (an organization which, the Government alleged, had been subjected to Communist infiltration) and the editor of the Opposition daily paper, *Hoy*.

The new Constitution (see 14660 A) had officially come into force on March 1, on which date the new Guatemalan Congress met for the first time. In a speech to the Congress, President Castillo Armas declared that the Government's principal objective was "to prevent the resurgence in our country of despotism, under whatever name it presents itself." He referred to "economic obstacles attributable to the financial chaos in which the country lived during the communistic oligarchy," and declared that the Government would continue to press for the "return" of British Honduras to Guatemala.

A number of Government changes had been announced in January last, involving the appointment of new Ministers of Foreign Affairs (Sr. Ricardo Quiñonez Lemus, formerly Secretary-General to the Presidency) and Defence (Colonel Juan Francisco Oliva).

An electoral law was issued on April 21 making voting secret, compulsory for men and women over 18 who could read or write, and optional for illiterates. It laid down that only legally registered parties could nominate candidates for presidential and congressional elections, and that a party must have at least 5,000 members before it could be registered and recognized.—(New York Times - New York Herald Tribune - Bank of London and South America, Fortnightly Review)
(Prev. rep. Guatemala, 14660 A.)

E. UNITED KINGDOM. — Agricultural Production.

The following statistics of British agricultural production are reproduced from a Special Supplement on Agriculture published by *The Times* on July 3:

Net Output (Agricultural Holdings)		Pre-war average	1946/47	1952/53	1955/56 (Forecast)
		100	119	151	154
Acreage ('000 acres as at June)					
Bread grains		1,872	2,117	2,086	1,967
Coarse grains		3,429	6,236	6,001	5,340
Potatoes		723	1,423	990	874
Sugar Beet		335	436	408	424
All tillage		8,907	13,300	12,261	11,301
Temporary grass		4,150	5,679	5,737	6,138
Arable		13,088	18,980	18,104	17,542
Permanent grass		18,750	12,030	13,059	13,532
Rough grazings		16,476	17,263	17,046	16,878
Crop Production ('000 tons)					
Bread grains		1,661	2,006	2,357	2,618
Coarse grains		2,781	5,216	5,936	6,155
Total cereals		4,442	7,222	8,293	8,773
Potatoes		4,873	10,166	7,848	6,278
Sugar beet		2,741	4,522	4,236	4,556
Livestock Products					
Milk	'000,000 gals.	1,563	1,665	2,053	2,218
Eggs (†)	'000 tons	385	322	494	613
Beef and Veal	,,	578	537	583	677
Mutton and lamb	,,	195	141	172	194
Pig meat (†)	,,	435	211	589	657
Wool	,,	34	27	31	30

(†) Includes estimated production from gardens, pig clubs, and other small producers.

(Times Agricultural Supplement) **(Prev. rep. 14831 A.)**

A. ICELAND. — General Elections.

The general elections held in Iceland on June 24 resulted as follows, comparison being shown with the last (1953) elections :

	Seats		Votes	
	New House	Old House	1956	1953*
Independence Party	19	21	35,028	28,738
Progressive Party	17	16	12,925	16,959
Social Democrats	8	6	15,143	12,093
People's Front (Communists)	8	7	15,860	12,422
National Defence Party	—	2	3,693	4,667

* Revised figures.

The central issue of the elections was the question whether or not the U.S.A. should be allowed to maintain a base or bases on Icelandic territory—a question which had led to the breakdown of the coalition between the Independence (conservative) and Progressive (liberal) parties, the resignation of the Prime Minister, Hr. Olafur Thors, and the adoption by the *Althing* of a Progressive and Social Democratic resolution calling for a revision of the U.S.-Icelandic agreement of 1951. [These developments are described in 14804 A.] On June 11 the Icelandic Foreign Minister (Dr. Gudmundsson) had formally notified the U.S. Ambassador in Reykjavik (Mr. John Muccio) of the *Althing's* resolution and of the Government's intention to seek a revision of the 1951 agreement. The U.S. State Department had previously (May 17) announced that negotiations on the Keflavik air base, near Reykjavik, had been suspended because of uncertainty about the future use of the base.

Of the five political parties, only the Independence Party opposed the demand for a revision of the 1951 agreement, maintaining that the existence of a NATO base on Icelandic territory was essential to the country's defence. The Progressives and Social Democrats wished to terminate the agreement because they regarded the present international situation as more favourable than in 1951, they proposed, however, that the Keflavik base should be maintained in a state of readiness under NATO supervision, with Icelandic personnel replacing American personnel. The Communists and the small right-wing National Defence Party demanded the abolition of military bases, on the ground that they were more likely to place Iceland in danger than to avert it.

The election results therefore constituted a setback for the "pro-base" Independence Party, which lost two seats although increasing its vote by over 6,000 and remaining the largest single party. The Progressive and Social Democratic alliance emerged as the strongest political group in the new *Althing*, though without an overall majority. As shown above, the Progressives gained one seat and the Social Democrats two seats, the Social Democratic vote rising by over 3,000 but the Progressive vote falling by nearly 4,000. The Communists gained one seat and polled over 3,500 more votes than in 1953. The National Defence Party lost their two former seats and are thus unrepresented in the new *Althing*.

Out of the total electorate of about 98,000, the Independence Party polled 42.4 per cent of the votes, followed by the Communists (who contested the elections as a "People's Front" in alliance with the left-wing United Workers' Party), with 19.2 per cent; the Social Democrats, 18.3 per cent; the Progressives, 15.6 per cent; and the National Defence Party, 4.5 per cent. The discrepancy between the percentages obtained by the various parties and the number of candidates actually elected was attributable to the complexity of the Icelandic electoral system—a combination of two forms of proportional representation. In Reykjavik, the capital, the Independence Party polled 16,928 votes, the Communists 8,250 votes, and the Progressives and Social Democrats 6,406 votes between them.

The U.S. Secretary of State (Mr. Dulles), commenting on the Icelandic elections, said that the results could be interpreted neither as a victory for Communism nor for neutralism. He repudiated the idea that the U.S. Government possessed "bases" in Iceland, pointing out that it was merely the "agent of NATO." If Iceland wished to discuss the question of bases, therefore, the issue should be raised with the North Atlantic Council rather than with the U.S. State Department.

Mr. Dulles recalled that Iceland, when becoming a member of NATO, had originally stipulated that no foreign troops should be stationed on her soil, but had revised her attitude as a result of the Korean War and the fear that it might expand into a general conflict. The decision to transform NATO into a "joint military establishment" had also been taken at the same time and for the same reasons. To-day, however, the "degree of fear" had lessened, and he believed there was a tendency in Iceland to revert to the early concept of the North Atlantic Treaty Organization.

Assurances of Iceland's continued membership of NATO were given after the elections by Hr. Olafur Thors, the leader of the Independence Party, and Dr. Gudmundsson, the leader of the Progressive Party. (Berlingske Tidende, Copenhagen) **(Prev. rep. Iceland, 14804 A; 1953 Elections, 13101 B.)**

B. ATOMIC PHYSICS.—Discovery of New Atomic Particle (the Neutrino).

The U.S. Atomic Energy Commission announced on June 21 that the existence of a new atomic particle—the neutrino—had been verified by scientists working at the Los Alamos (New Mexico) laboratories. The discovery was made by Dr. Frederick Reines and Dr. Clyde Cowan, jr.

Dr. Willard Libby, acting chairman of the A.E.C., said that the discovery of the neutrino should help scientists to gain an understanding of the nature of the "glue" or force holding atomic nuclei together—a force which was one of the fundamental properties of matter, and "one of the greatest mysteries facing science today." Although no immediate practical application of the discovery was known, it was nevertheless "of very great importance, since progress in utilizing nuclear energy for human welfare is dependent upon advances in basic knowledge of nuclear forces."

Neutrinos—particles without an electric charge—were described by Dr. Libby as "so penetrating that they will pass through billions of tons of solid matter," a characteristic which posed an extremely difficult scientific problem of detection. He added "Apparently part of the energy from the stars goes into the neutrino state, where it interacts only very slightly with matter. It would be of great importance to learn how much energy in the universe has been 'lost' into the neutrino state, and it is hoped that this can be estimated in experiments following up the work which led to the detection of the neutrino."

The A.E.C.—which described the neutrino as a particle with a "vanishingly small mass"—explained that Dr. Reines and Dr. Cowan had set up equipment at the Savannah River (South Carolina) atomic plant which was designed to catch emissions from one of the large atomic reactors. This equipment, placed deep underground, included a detector "of extraordinary design," similar in principle to the scintillation detector used by uranium prospectors. The scientists had dissolved cadmium salts in a tank containing 100 gallons of water to serve as a "target" for the neutrinos coming from the reactor, and this "target" was watched by the scintillation system—containing more than 1,000 gallons of a sensitive liquid and 330 large "photo-electric eyes" (photo-multiplied tubes). Despite the system's great size, and the billions of neutrinos passing through it each second, only a few neutrino "captures" were observed every hour.

The discovery of the neutrino followed the recent discovery of the anti-proton (negative proton), which had been announced in October last. Its existence, like that of the anti-proton, had been theoretically postulated for many years—e.g. by the Austrian-born scientist, Dr. W. Pauli, as far back as 1921—but it had never hitherto been actually detected. (New York Times) **(Prev. rep. Anti-Proton, 14749 D.)**

C. HISTORICAL RESEARCH. — Discovery of the Lafayette Papers.

It was announced on June 18 that the correspondence, private papers, and library of the Marquis de Lafayette (1757-1834), the French soldier and statesman, had been discovered at the Château de La Grange, his home near Paris.

The papers, which number several thousand, cover the War of American Independence, in which Lafayette fought as a volunteer in Washington's army; the earlier stages of the French Revolution, during which he commanded the National Guard, his imprisonment at Olmütz, in Austria (now Olomouc, in Czechoslovakia) in 1792-97 and his subsequent exile at Hamburg (1797-1800), the Napoleonic period, the restored Bourbon monarchy, his visit to the U.S.A. in 1824; and the Revolution of 1830, in which he played a prominent part.

The documents were discovered by the Comte de Chambrun, a great-great-grandson of Lafayette, who acquired La Grange in October 1955, and who stated on June 18 that it was hoped to open the chateau to the public in 1957—the bicentenary of Lafayette's birth. The classification of the papers, which has been entrusted to a professional archivist chosen by the *Ecole des Chartes*, is expected to take several years. The Comte de Chambrun holds both French and U.S. citizenship under a law passed by the General Assembly of Maryland in 1784, which naturalized Lafayette and his male descendants in perpetuity. (New York Times - Le Monde, Paris)

D. SIAM. — Lifting of Ban on Export of Non-strategic Goods to China and North Korea.

The Siamese Government decided on June 20 to lift the ban on the export of non-strategic goods to the People's Republic of China and to North Korea. The announcement explained (*a*) that as a result of the U.N. resolutions of May 18, 1951, Siam had imposed an embargo on the export of non-strategic goods to China and Korea; (*b*) that, as Siam had sent troops to fight in the Korean War under the U.N. Command, she had also decided to impose an export ban on goods not mentioned in the U.N. list, including rice, timber, industrial tools, agricultural implements, chemicals and pharmaceutical products, cement, fuel oil, rubber, lead, zinc, and other ores; and (*c*) that, in view of the ending of the Korean War, there was no longer any need to continue the ban on goods not mentioned in the U.N. list.—(New York Times) **(14924 D; 11490 A.)**

JULY 7—14, 1956

A. BRITISH COMMONWEALTH. — London Conference of Commonwealth Prime Ministers. - Ceylon to remain in Commonwealth with Republican Status. - Agreement on Transfer of British Bases in Ceylon.

The seventh post-war conference of Commonwealth Prime Ministers was held in London from June 28 to July 6 under the chairmanship of Sir Anthony Eden, the British Prime Minister. It was attended by the Prime Ministers of Canada (Mr. St. Laurent), Australia (Mr. Menzies), New Zealand (Mr. Holland), South Africa (Mr. Strydom), India (Mr. Nehru), Pakistan (Mr. Mohammad Ali), Ceylon (Mr. Bandaranaike), and the Federation of Rhodesia and Nyasaland (Lord Malvern).

The plenary sessions were held at 10, Downing Street, but there were also a number of informal meetings and exchanges of views at Downing Street, Chequers, and Dorneywood. Among Ministers taking part on the British side (in addition to the Prime Minister) were Mr. Selwyn Lloyd (Foreign Secretary), Lord Home (Commonwealth Relations Secretary) and Mr Lennox-Boyd (Colonial Secretary) Commonwealth Ministers taking part in the discussions included Mr Lester Pearson (Canadian Secretary of State for External Affairs), Mr. Eric Louw (South African Minister for External Affairs), and Mr. Krishna Menon (Minister without portfolio in the Government of India).

The Communiqué.

The subjects discussed at the conference were set forth in the final communiqué published on July 6. The text was as follows (cross-headings inserted):

"During the past ten days the Commonwealth Prime Ministers have together reviewed the current state of international affairs Their discussions have again revealed a sense of common purpose in their approach to the major problems of the day. The peoples of the Commonwealth all share the common heritage of parliamentary democracy. They respect aspirations for freedom and self-government, and take pride in what they themselves have done in helping to fulfil those aspirations.

This meeting has been held at a significant stage in the development of international relations. A new element has been introduced by the growing recognition of the devastating power of thermo-nuclear weapons. Other developments of importance have taken place in the world, including changes in the Soviet Union. The common understanding which the Prime Ministers have reached in their review will form a valuable background which will assist each Government in the formulation and pursuit of its national policies.

Disarmament. Despite the high hopes with which the world emerged from the last war, new international tensions developed. These have given rise to increasing fears and suspicion. They have resulted in vast expenditures on armaments and economic distortions which have delayed the full development of the world's natural resources for the common good

The Governments and peoples of the Commonwealth are united in their desire for peace. They seek friendly relations with all the peoples of the world and have no aggressive intent or design. War would bring disaster for many; world war could mean destruction for all. The policies of all Commonwealth countries will at all times be devoted to preserving and consolidating world peace. The Prime Ministers emphasized the importance they attach to the search for a comprehensive disarmament agreement.

Raising of Living Standards. The Commonwealth Governments will strive for a progressive improvement in the standards of life of their own peoples, and will assist in similar efforts in other parts of the world. Since the end of the war, in addition to furthering their own economic development, they have done much to assist the development of other countries through the United Nations and such organizations as the Colombo Plan, the Commission for Technical Co-operation in Africa South of the Sahara, and by other means They will continue in their efforts to secure prosperity as well as peace for all the peoples of the world

Developments in the Soviet Union. The Prime Ministers reviewed the significant developments in the Soviet Union in the context of international relations and world affairs. In this assessment they were helped by the reports made by those Ministers who have recently visited the Soviet Union or have held personal discussions with the new Soviet leaders. The Prime Ministers considered the recent decisions of the Soviet Government to reduce the numbers of their armed forces, their willingness to facilitate increased contacts between the Soviet Union and other countries, and their expressed desire for improved relations with other Governments. They welcomed these developments

Removal of International Tension. A progressive improvement in the relations between the Soviet Union and the other great Powers would help to remove the fear of war and serve the interests of world peace. They [the Prime Ministers] believe, however, that the removal of causes of tension and the creation of mutual confidence and good will are essential if peace is to rest on secure foundations The Governments of the Commonwealth countries will persevere in the search for just and lasting settlements of outstanding international problems Unless such settlements can be reached, resources which might otherwise be used to improve the lot of man will continue to be devoted to armaments; and the fears which impel the peoples of the world to accept the burdens of defence will continue to distract and weaken mankind.

Germany and NATO. The Prime Ministers noted with regret that since their last meeting no progress had been made towards German unity. They were informed of current proposals regarding the political and economic activities of the North Atlantic Alliance and the development of closer economic co-operation in Europe.

The Middle East. The Prime Ministers considered the situation in the Middle East. They reaffirmed their interest in the peace and stability of this area; welcomed the efforts of the U.N Secretary-General to ensure observance of the terms of the armistice agreements between Israel and the neighbouring Arab States, and agreed that all practicable steps should be urgently taken to consolidate the progress thus made and to seek a lasting settlement of this dispute.

Cyprus. The Prime Ministers were informed of the situation in Cyprus, and welcomed the unceasing efforts of the U.K. Government to find a solution acceptable to all concerned.

The Far East and South-East Asia. The Prime Ministers reviewed the situation in the Far East and South-East Asia. They noted the part which was being played by certain Commonwealth Governments in seeking to maintain peace in Indo-China They looked forward to a continuing relaxation of tension in the Formosa area, and expressed the hope that unremitting efforts would be made to this end. Peaceful settlements of the problems in this area are imperative for stability in the Far East and for removing the dangers of conflict which would frustrate the hopes of peace The Prime Ministers heard with interest a report from the Prime Minister of New Zealand on his recent visit to Japan They were informed of the progress of constitutional advance in Malaya, and of the negotiations on constitutional development in Singapore

The United Nations. The Prime Ministers noted with satisfaction that Ceylon and certain other countries had recently been admitted to the United Nations They recognized the important part which members of the Commonwealth had played in securing this extension of the Organization They expressed the hope that its membership could be broadened still further so that it might command a wider allegiance throughout the world

Commonwealth Economic Co-operation. The Prime Ministers agreed that it was of the first importance for their countries to maintain and increase their economic strength. Each country, through sound internal economic policies and steady development of its resources and earning power, could help to strengthen the Commonwealth and the sterling area, and move steadily towards the agreed objective of the widest practicable system of trade and payments.

The Prime Ministers noted with satisfaction the United Kingdom's determination to maintain and improve its capacity to serve as a source of capital for development in Commonwealth countries. They received reports on the development programmes of certain members of the Commonwealth

Peaceful Uses of Atomic Energy. The Prime Ministers exchanged views on the development of nuclear energy for peaceful purposes They agreed that the civil use of nuclear energy constituted a valuable new sphere of co-operation within the Commonwealth, as well as with other countries, and noted with satisfaction the progress already made in this field The Commonwealth countries are already a major source of world supplies of uranium and thorium, and their resources in these materials are increasing. In most of these countries research organizations have been established to develop the use of nuclear energy as a source of power

Republican Constitution for Ceylon. - Continued Ceylonese Membership of Commonwealth. During the course of the meeting the Prime Minister of Ceylon stated that, in accordance with their declared policy, the Ceylon Government proposed to introduce in due course a Republican Constitution for Ceylon. He also stated that it was their intention that Ceylon should continue to be a member of the Commonwealth The other Prime Ministers took note of this statement, and expressed their agreement to Ceylon's remaining as a member of the Commonwealth

Position of Rhodesia-Nyasaland Federation. The Prime Ministers considered the particular position of the Federation of Rhodesia and Nyasaland in relation to meetings of Commonwealth Prime Ministers. Taking into account the 20 years' attendance, first by the Prime Minister of Southern Rhodesia, and now by the Prime Minister of the Federation of Rhodesia and Nyasaland, they agreed that they would welcome the continued participation of the Prime Minister of the Federation of Rhodesia and Nyasaland in meetings of Commonwealth Prime Ministers

Informal Discussions. Apart from the consideration of matters which are of common interest to all Commonwealth countries, these meetings also afford opportunities for discussions outside the formal sessions. Advantage has been taken of these opportunities on this occasion. The continuing exchange of views on matters of common concern is an important element in the relationship between the member countries of the Commonwealth. It is of the utmost value that this should be supplemented at intervals by personal contacts between the political leaders of the Commonwealth countries, and in a rapidly changing world the need for these direct consultations has assumed a new importance."

Ceylon to take over Trincomalee and Katunayake Bases. - Continued Facilities for Britain. - U.K. Aid in training Ceylonese Forces.

Simultaneously with the publication of the general communiqué, the following statement was issued on the future of the British naval and air bases in Ceylon:

" The Government of Ceylon expressed their desire to take over the naval base at Trincomalee and the R A.F. station at Katunayake. The U.K. Government, recognizing the right of the Government of Ceylon to do so under the defence agreement of 1947, have expressed willingness to agree to suitable arrangements for this purpose.

" The Prime Minister of Ceylon and the U.K. Government have had discussions in London about these arrangements. The discussions have been concerned with (*a*) the declared intention of the Ceylon Government to make available to the U K Government at their request certain facilities enjoyed at present in Ceylon for communications, movements, and storage , (*b*) the declared intention of the U K. Government to provide assistance to the Ceylon Government at their request for the expansion, development, and training of the Ceylon armed forces.

" Representatives of the two Governments will meet at an early date in London and later in Colombo to make the necessary arrangements in regard to these matters "

The intention of the new Ceylonese Government to take over the British bases had been expressed by Mr. Bandaranaike after the recent general elections in Ceylon (see 14849 A). In a speech in London on July 5 to the Commonwealth Correspondents' Association, Mr. Bandaranaike defended his Government's decision to take over the bases, and at the same time stressed Ceylon's intention of remaining in the Commonwealth after the adoption of a Republican Constitution.

On the question of the bases, Mr. Bandaranaike said that it was entirely a question for Ceylon to decide whether or not foreign bases should be maintained in her territory. " We have expressed not merely the wish but the intention and determination that the bases shall cease," he declared, " but we wish to do it in a friendly way." Ceylon would discuss with Britain the method of British withdrawal from the bases " without causing dislocation, inconvenience, or embarrassment," and at the same time would hold discussions on " certain facilities which the British Government might have in our country." In reply to a question, he said that Ceylon desired the assistance of the Royal Navy in building up her defences

Mr. Bandaranaike emphasized that Ceylon's intention to adopt a Republican Constitution was in no sense the result of dislike of or hostility towards Britain or the Queen. It was simply that a republican form of government was considered more suitable for Ceylon and Ceylonese conditions. Having regained her freedom, Ceylon was " feeling her way forward . . in order that she may discover for herself that form of society best suited to her needs."

With regard to Ceylon's policy of neutralism, Mr. Bandaranaike said that it was neither a sign of cowardice nor of a desire to make " the best of both worlds," but " something positive in itself." Ceylon desired peace and friendship with all countries, and, if possible, would try to provde a " bridge " between two radically opposed points of view There were countries—of whom Ceylon was one—that did not wish to align themselves with power blocs which, in the name of defence, found themselves " compelled to create a Frankenstein " which they might eventually be incapable of controlling " I do not say we should not protect ourselves," he added. " We must be alert, we must keep our eyes open, but we must not talk in terms of hatred of some particular country or ideology, or of those who may belong to some other race "

In conclusion, Mr Bandaranaike said that the essential value of the Commonwealth lay in the members' common way of life—democratic parliamentary government, an independent judiciary, the rule of law. and efficient and impartial administration The role of the Commonwealth today should be that of a " third force " in international affairs, and he believed that Britain, with her long tradition of service to the world, was particularly qualified to take the lead in such a development

In a subsequent press statement on July 7, Mr. Bandaranaike said that the Ceylonese Government would allow the Royal Navy and the R.A.F. to use stocks of petrol and ammunition now stored at the Trincomalee and Katunayake bases. Moreover, Britain would be allowed to maintain radio communications throughout Ceylon.

Trincomalee is the headquarters of the Royal Navy's East Indies Squadron, at present consisting of the 9,000-ton cruiser H M S *Superb* and three frigates. It is chiefly a refuelling base and not a dockyard, though minor repairs to warships can be carried out there. It also has a radio station and naval stores, together with recreational facilities for men serving on the East Indies Station. The labour force—about 6,000—is recruited entirely from the Ceylonese population.

Meeting between Mr. Nehru and Mr. Mohammad Ali. - Statements on Indian and Pakistani Policy.

Mr. Nehru and Mr. Mohammad Ali had a private meeting on July 5 during the Commonwealth conference. It was stated that there had been a " cordial and frank " exchange of views on matters of Indo-Pakistani interest—including, it was understood, the Kashmir question, problems connected with the property of evacuees from both sides, and the canal waters dispute (i.e. the sharing of irrigation rights in the Indus River basin).

Mr. Mohammad Ali, in an address on June 25 to the Foreign Press Association at the Dorchester Hotel, gave a lengthy review of Pakistan's policy from which the following extracts are taken :

" . . Although Pakistan has become a Republic, it has decided to remain a members of the Commonwealth—a free and voluntary association of independent nations, who, despite their differing political systems and economic interests, continue to work in free, frank and friendly co-operation with each other in a manner that may well serve as a model to a world torn by tension and mistrust In this great mansion of peace there is equal room for everyone—for a Monarchy, for Dominions as well as Republics, for peoples of diverse races, colours and creeds. No-one would claim that it is a perfect organization. But equally, no-one would lightly abandon it, and it would be a mistake to underrate it as a factor in promoting international co-operation in the interest of world peace and human welfare."

After declaring that Pakistan was " passionately dedicated to the cause of peace," Mr. Mohammad Ali continued . " We believe that peace can be maintained only through a dynamic, positive, and constructive approach It cannot be defended through a negative, passive, or neutralist attitude It can be preserved only by strengthening the forces of collective security. For the smaller countries particularly, whether in Asia or elsewhere, there is no other way to ensure independent survival. And since peace can be broken at any point . . it follows that world peace can be assured only if the smaller nations are protected against armed attack or internal subversion by an effective system of regional security.

" It is because of this conviction . . . that we have joined a number of defensive alliances. We have signed a mutual defence assistance agreement with the U S.A. ; we have entered into a friendly co-operation agreement with Turkey , we are a party to SEATO , we have joined the Baghdad Pact. Those who think we have joined SEATO and the Baghdad Pact with an aggressive design do us a grievous injury Geographically situated as West and East Pakistan are, we could not remain unconcerned with developments in the Middle East or South-East Asia. With the stability and welfare of these regions are inevitably bound up our own stability and welfare The sole object of the Baghdad and SEATO alliances is to defend the peace and promote the well-being of these regions. There is no other object. Certainly there is no question of any of the signatories of these pacts being a party to aggression against any country whatsoever . .

" There is an area at our very doorstep, however, which is a source of international conflict and tension I refer to Kashmir . . In 1949 it was agreed between India, Pakistan, and the United Nations that the question of the accession of Kashmir to India or Pakistan would be decided in accordance with the wishes of the people of the State as voluntarily expressed in a free and impartial plebiscite Numerous efforts have been made to obtain Indian agreement to hold such a plebiscite, but so far without avail . . The destinies of Kashmir and Pakistan are inextricably linked. Nevertheless we do not claim that Kashmir must come to Pakistan. All we say is this · Let the people of Kashmir be given an opportunity to decide their own fate by means of a free vote. India is bound under an international agreement to allow this. Let that solemn undertaking be carried out . .

" It has been said that American military aid to Pakistan constitutes a threat to India Such a suggestion is palpably absurd. The disparity between Indian and Pakistani human and material resources is so great that, even after military assistance from the U S A , there can be no question of any threat of aggression from Pakistan to India . "

In a brief press statement on July 6, Mr. Nehru said that India's policy of neutralism meant solely that India followed an independent policy and judged every question on its merits. He did not believe that the world could be divided into good and evil, since no country was totally good and no country totally evil ; alignment meant regimentation, and he objected equally to both Communist and non-Communist regimentation of peoples and countries.

Mr. Strydom's Defence of Apartheid Policy.

A defence of the South African Government's racial policy, and an assurance that South Africa would continue to co-operate with the Commonwealth whatever her future form of government might be, were made by Mr. Strydom on June 25 at a dinner of the South Africa Club, held at the Savoy Hotel.

Mr. Strydom said that at least 90 per cent of the White population of South Africa, and, he believed, of the Rhodesias, were determined at all costs to ensure the continuance of the White race in Southern Africa If the Whites in South Africa, already far outnumbered by the non-Whites, allowed control to pass out of their hands, they would be doomed either to leave the country or to be absorbed in the non-White majority. " We in South Africa," he declared, " have been settled there for more than 300 years. We are no longer Hollanders or Britons we are South Africans. We cannot return to Holland or Britain We and our descendants must remain in South Africa—either to live and survive, or lose our identity. We are determined, come what may, to remain and survive. In this unflinching determination the Afrikaans-speaking and English-speaking citizens of South Africa stand shoulder to shoulder. . ."

After declaring that people in the U.K. and elsewhere had been given "a false and distorted picture of South Africa and of our colour policy," Mr. Strydom continued: "For 300 years we have not only protected the black man and brought him security, in contrast with the policy of extermination practised in certain other parts of the world, but in addition we have developed South Africa, relatively speaking, into one of the richest countries in the world, in which the Native also shares . . . For priests and scribes, in face of these hard facts—under the cloak of religion—to accuse us of harsh and un-Christian treatment of the black man, is such a travesty of the truth that it borders on the blasphemous . . ."

Mr Strydom went on to speak of "another prevailing misconception"—namely, that South Africa was drifting into a policy of isolation towards the rest of the world and towards the Commonwealth in particular. After describing this allegation as "a complete travesty of the truth," he continued

"This charge is probably based on the fact that it is the policy of the present Government ultimately to establish a republican form of government in South Africa when a sufficiently large majority of the European voters shall have expressed themselves in favour of such a step. Let me give you the emphatic assurance that this change in the form of our government will in no way whatsoever affect our policy of co-operation with the United Kingdom, other Commonwealth countries, and all countries and peoples who, like us, subscribe to the Western and democratic way of life

"On the contrary, under a republican form of government the majority of our people—viz, the Afrikaans-speaking section—would be infinitely more willing to co-operate with Britain and other Commonwealth countries in all matters of common concern, especially in respect of a common defence policy for Africa, than they would be under present circumstances Looked at from this angle alone, a republic in South Africa would be in the interest of all concerned, and would strengthen the ties of friendship between our respective countries. We are, moreover, convinced that under such a form of government we shall much sooner succeed in welding the two European sections in our country into one united people, with the retention by each section of its own language and culture, fully guaranteed by the State.

"The absurdity of a charge of isolation should be self-evident . . Quite apart from our common defence interests, our economic and financial interests are so interwoven, and have made us so interdependent upon each other, that instead of drifting into isolation it is of the utmost importance that our trade and other economic relations should, in our common interest, expand and be strengthened wherever possible"

U.K.-South African Discussions on Protectorates.

The following statement was issued on July 4 by the Commonwealth Relations Office and South Africa House: "During their visit to London, Mr. Strydom and Mr. Louw reiterated South Africa's desire for the transfer of the Protectorates [i.e. the High Commission Territories of Basutoland, Bechuanaland, and Swaziland.] The U.K. Ministers restated the position of the British Government, and agreement was not reached."

The British position on this matter was last stated by Sir Winston Churchill in the House of Commons in April 1954. Sir Winston (then Prime Minister) said that the British Government was pledged not to transfer the Protectorates to South African sovereignty until the inhabitants of the territories had been consulted and until the U K Parliament had expressed its views [see 13603 A]

Australian Desire for Revision of Ottawa Agreement.

During the Commonwealth conference, Sir Anthony Eden and Mr. Thorneycroft (President of the Board of Trade) met Mr. Menzies and Mr. McEwen (Australian Minister for Trade) for a preliminary exchange of views on the Australian desire for a new trade arrangement with the United Kingdom to replace the Ottawa Agreement of 1932. The Australian Government's wish for such new arrangements had been announced beforehand by Mr. Menzies, who issued the following statement in Canberra on May 24 before his departure for London:

"The Australian Government has informed the U.K. Government of its wish that trade discussions should take place during my forthcoming visit to London We desire that the talks should cover the whole field of our trade relationship and should not be confined to matters relating to the Ottawa Agreement.

"The object of the the talks will be to reach agreement with the U.K on a set of principles These principles would provide a framework for a new trade agreement, but it would be the task of officials, in subsequent negotiations, to translate them into a new and comprehensive agreement to replace Ottawa The negotiations between officials may need to extend over several months .

"The [Australian] Government has been influenced by a number of important factors. World trading conditions have changed greatly since the Ottawa Agreement was negotiated in 1932 New problems have arisen for which Ottawa does not provide a solution. We are confronted with particular balance-of-payments problems and, consequently, with import licensing controls . . . It is necessary to reach a wider understanding with the U K which will take account of present-day problems We want to ensure that each party has reasonable access to the market of the other party, and fair opportunities to compete in the market on commercial terms Each country is the chief export market for the other's products, and has much to gain from mutually advantageous preference

"I cannot emphasize too strongly that the Government's wish is to preserve the principle of preference as between the U.K. and Australia. At the same time we must pay attention to the effect of preferential arrangements on Australia's cost structure and trade development These will, we hope, be the most important trade talks which have taken place between the two countries since the negotiation of the Ottawa Agreement itself. The [Australian] Government hopes that they will place trading relationships between the U K. and Australia on a basis which will be of lasting benefit to both countries; and that they will open the way for a growing volume of trade, not only between the U K and Australia, but between both our countries and the rest of the trading world."

New Zealand Attitude to Ottawa Agreement.

The New Zealand Government's attitude towards the Ottawa Agreement had been defined in the following statement issued by Mr. Holland on May 25:

"It is not the present intention of the New Zealand Government to raise the question of a general review of the Ottawa Agreement we have with the United Kingdom, although I have some matters concerning trade which I wish to discuss while I am in London It is true that the pattern of our overseas trade has changed in important aspects since the Ottawa Agreement 24 years ago Our total trade has increased substantially, and we are both buyers and sellers in far wider markets than existed when we entered into the agreement However, the principles of the agreement . . are of such significance that the Government would not contemplate discussions of major changes without prior consultation with all interested parties, such as farmers, manufacturers, and the commercial community

"It should be emphasized that the Ottawa Agreements are bilateral agreements. They were concluded individually between the U.K and Canada, Australia, New Zealand, and South Africa respectively At the time the Agreements were entered into, farm products were in over-supply to the U K., and Commonwealth farmers therefore regarded these agreements as a protective umbrella. The agreements also, from another point of view, preserved the principle of imperial preference, a most important factor in the development of the Commonwealth I shall, while in London, keep closely in touch with developments which may affect our own position, having regard to the facts that the U.K is the main market for our exports and also the main source of our imports"

Mr. Holyoake (acting Prime Minister of New Zealand during Mr. Holland's absence in London) said on June 21 that the unrestricted imports of Argentine meat into Britain would be among the subjects to be discussed by Mr. Holland while he was in Britain. He pointed out in this connexion that "the United Kingdom must continue to be our main market for meat and dairy produce for many years to come."

Mr. Menzies on the Future of the Commonwealth.

The Prime Minister of Australia spoke as follows in an address on June 25 to the Royal Empire Society in London:

"More thinking must be done about the future of our association Nothing could be more foolish than to imagine that our British association has something in it which is inevitably immortal and that we need do nothing about it. There is now a mixed Commonwealth partly Crown, partly Republic We have to ask how we are to continue to tie ourselves together for the important things in the world with this new structure. We do not want to be just a scattered family or group of nations, unattached but friendly If we could only devise ways and means of constant consultation and constant hammering out of ideas, this ancient community of nations might expect in the second half of this century to have a joint moral force which the world sorely needs."

After saying that "an ugly word—colonialism" had often been heard, Mr Menzies declared: "While we must not fall into the error of thinking that all is as it was, we must not fall into the error of thinking that we must apologize for our past, though some people seem to think that we should. I am a Colonial, born in the Colony of Victoria, and I am very proud of the fact The whole movement from colonialism to self-government is not something we should have to explain away, but is the greatest achievement of our race in the last 100 years. Never let us forget that the great new nations of the Commonwealth, whether they remain under the shadow and the glory of the Crown or whether they become Republics. are all established partly on the foundation of their own ancient cultures, but very largely on the foundation of the sovereignty of Parliament, the rule of law, and the administrative quality and care which the British people, above all peoples, have given to the world"

Mr Menzies also resisted the idea that "we should apologize for the word 'empire,'" saying in this connexion: "It is rather clever on the part of some of our opponents in the world that they have made us rather apologetic about the word 'empire' while they have been hard at work building one"

Freedom of London conferred on Mr. Holland and Mr. Nehru.

The Freedom of the City of London was conferred upon the Prime Ministers of India and New Zealand at Guildhall on July 3 by the Lord Mayor of London, Sir Cuthbert Ackroyd. (Times - Daily Telegraph - Manchester Guardian - Australian News and Information Bureau - Directorate of Information Services, Wellington - London Offices of the High Commissioners for India, Pakistan, and Ceylon) **(Prev. rep. 14038 A.)**

A. ARGENTINA. — Abortive Peronista Revolt. - Execution of Rebel Leaders. - Changes in Argentine Cabinet and Army Command.

A widespread Peronista uprising broke out in Argentina on June 10, but was suppressed by the armed forces within a few hours. The principal centres of the rebellion were La Plata (capital of Buenos Aires province), Santa Rosa (capital of La Pampa province), Avellaneda (a manufacturing town a few miles south-east of Buenos Aires), and the Campo de Mayo military base, near Buenos Aires.

The revolt was led by General Juan José Valle and General Raúl Tanco, both of whom held high military positions under President Perón. In a proclamation from the Santa Rosa radio station, which was seized by the insurgents, they announced their intention of establishing a "government of national recovery" based on Peronista principles, and called for the restoration of the Peronista Constitution of 1949, the restoration to the trade unions of the powers they exercised under the Peronista regime, a political amnesty, and the holding of general elections within 180 days. Generals Valle and Tanco (both of whom had escaped from detention several weeks before the uprising) were called upon by the Government to surrender and face charges of "malfeasance and rebellion."

The uprising occurred at a time when President Aramburu was on a tour of the provinces, and operational command of the armed forces was assumed by the Vice-President, Rear-Admiral Isaac Rojas. Immediately after the outbreak of the revolt Vice-President Rojas issued a decree placing Argentina under martial law, and providing that anyone carrying arms, disobeying the police, or acting in a suspicious manner would be liable to summary trial and execution by courts-martial. At the same time Vice-President Rojas ordered the Army, Navy, and Air Force to suppress the rebellion.

The heaviest fighting occurred at La Plata (35 miles south-east of Buenos Aires), where dissident units of the 7th Infantry Regiment and a number of armed civilians seized strategic points and attacked Government House (centre of the provincial administration), the headquarters of the Second Army Division, and the police station with machine-guns and mortars. The barracks of the 7th Infantry Regiment were bombed and strafed by Government planes, including *Meteor* jets and *Lincoln* bombers, after the population had been warned by radio to evacuate an area within one kilometre's radius of the barracks. After severe street fighting, order was eventually restored by loyal troops and marines rushed to the city. Part of the 7th Infantry Regiment continued to hold out in the barracks until the ammunition magazine was blown up by aerial bombing. Many of the insurgents were captured, including Colonel Oscar Cogorno, who led the uprising in La Plata.

At Santa Rosa (375 miles south-west of Buenos Aires) the radio station was seized by a group of insurgents led by Major Phillipeaux, but the city was surrounded by a loyal cavalry regiment and the insurgents surrendered after the radio station had been bombed by Government aircraft. At Avellaneda, where the uprising was led by Lieut.-Colonel Valentin Irigoyen and Captain Jorge Nogales, order was restored by Government forces after street fighting. An attempted uprising by dissident infantry units at the Campo de Mayo base was suppressed by loyal cavalry troops after several hours' fighting. Buenos Aires itself remained quiet, apart from an attempt by 1,800 armed civilians—quickly suppressed by the armed forces—to seize the arsenal.

Some 40 leaders of the rebellion, including a number of insurgent officers, were executed within 48 hours of the uprising after summary trial and sentence by court-martial. Among those executed were General Valle, Colonel Cogorno, Colonel Irigoyen, Major Phillipeaux, and Captain Nogales. Some 300 rebels were arrested for subsequent trial by court-martial, while about 2,500 Peronistas were rounded up in different parts of the country. Total casualties in the rebellion were given as over 200 killed and wounded.

General Tanco and six other rebel officers took refuge in the home of the Haitian Ambassador (M. Jean Brierre), which is situated in a suburb of Buenos Aires. They were abducted on June 14 by a group of armed men, but were subsequently returned to the custody of the Haitian Embassy—on the personal instructions of President Aramburu—after a strong protest had been lodged by M. Brierre at the violation of the diplomatic immunity of his residence.

The Argentine Government ended the state of martial law on June 13, and at the same time announced that no further executions would take place and that those rebels on whom the death penalty had been imposed but not yet carried out would be reprieved.

President Aramburu, who had returned to Buenos Aires after the uprising, said at a press conference on June 11 that the rebellion had "a Communist head and a nationalist and Peronista body." He stated that the civil head of the rebel movement was Señor Raúl Lagomarsino, formerly Minister of Trade under General Perón; that the military leaders were Generals Valle and Tanco, and that General Bengoa, whom he described as a "traitor," was also implicated. [General Bengoa was Minister of War in the Provisional Government of President Lonardi, and had been subsequently banished to Patagonia—see 14553 A]. President Aramburu added that the Peronista rebels had planned to seize members of the Government and hold them as hostages, to carry out terrorist attacks, to arrest priests, and to seize Government offices, radio stations, and newspapers.

Changes in Argentine Cabinet.

Several changes in the Argentine Government were announced on June 8, the membership of the reconstructed Cabinet being as follows:

Dr. Laureano Landaburu	Interior.
*Dr. Luís Podestá Costa	Foreign Affairs.
Dr. Carlos Adrogue	Education and Justice.
*Dr. Eugenio Blanco	Finance and Treasury.
*Dr. Raúl Migone	Labour and Welfare.
*Dr. Francisco Martinez	Public Health.
*Dr. Alberto Mercier	Agriculture and Livestock.
Señor Rodolfo Martinez	Commerce and Industry.
*Señor Pedro Mendiondo	Public Works.
*General Arturo Ossorio Arana	War.
*Rear-Admiral Teodoro Hartnung	Navy.
*Commodore Julio Cesar Krause	Aviation.
*Captain Sadí Bonnet	Transport and Communications.

*Unchanged.

The Ministers were reduced in number from 17 to 13 by combining several portfolios—those of Education and Justice, Finance and the Treasury, Transport and Communications, and Commerce and Industry. Dr Landaburu, previously Minister of Justice and acting Minister of the Interior, took over the portfolio of the Interior, Dr Adrogue, previously Minister of Education, took over the portfolio of Justice concurrently with that of Education, and Dr Blanco, the Minister of the Treasury, concurrently took over the Finance portfolio from Dr Alizón García, who resigned. The former Ministers of Commerce and Industry (respectively Señor Juan Llamazares and Captain Alvaro Alzogaray) left the Government, the two portfolios being combined in a single Ministry under Señor Rodolfo Martinez (a former Director of the *Banco Central*), who entered the Cabinet for the first time.

Changes in Army High Command.

General Francisco Zerda, commander of the Third Army Division, was appointed C.-in-C. of the Argentine Army on June 5 in succession to General Julio Lagos, while General Guillermo Alonso, commander of the Fourth Division at Córdoba, succeeded General Roberto Dalton as Chief of Army Staff. The Minister of War (General Ossorio Arana) stated that General Lagos had expressed the wish to retire, and that General Dalton would be appointed Ambassador to Peru. (Le Monde, Paris - New York Times - New York Herald Tribune - Times) **(Prev. rep. Argentina, 14871 A.)**

B. UNITED KINGDOM - UNITED STATES.—Missile Range in Caribbean extended to Ascension Island.

An agreement was signed in Washington on June 25 between the British and U.S. Governments under which the Anglo-American guided missile range in the Caribbean was extended to St. Lucia in the Windward Islands and to Ascension Island in the South Atlantic. As a result, the range was increased from 1,000 miles to nearly 5,000 miles—about the distance from New York to Moscow.

Under the Anglo-American agreements signed in 1950 and 1952, the missile range extended in a south-easterly direction from Cape Carnaveral, Florida (the firing point at the Patrick Air Force Base) through the Bahaman archipelago to Grand Turk, in the Turks and Caicos Islands, with tracking points on the islands of Grand Bahama, Eleuthera, San Salvador, Mayaguana, Grand Turk, Puerto Rico, and the Dominican Republic. Its extension to Ascension Island brought the range to a point about midway between the South American and African continents.

The announcement said that the British and U.S. Governments had agreed on the extension after consultation with the territories concerned, and that the project "should add considerably to the usefulness of the range and play a valuable part in the development of guided missiles." Steps would be taken to safeguard fully the interests and safety of the inhabitants, and of shipping and air traffic.

It was stated in the British and U.S. Press that elaborate safety precautions were taken in operating the missile range; e.g. missiles deviating from carefully selected safety areas were automatically destroyed in mid-air by an electronic device so as not to endanger shipping, aircraft, or the inhabitants of the territories concerned. It was also stated in the Press that the space that would be occupied by a warhead was taken up by recording and tracking instruments.—(Times - Daily Telegraph - New York Times) **(Prev. rep. 14735 B.)**

A. ALGERIA. — Security Council rejects Arab-Asian Request for Debate on Algerian Situation. - Mr. Nehru's Five-Point Plan for Peace Settlement in Algeria.

The U.N. Security Council, meeting on June 26, rejected a request by 13 Arab and Asian countries that it should debate the Algerian situation.

The request had been put forward by the eight Arab member-nations of the U.N. (Egypt, Iraq, Jordan, Lebanon, Libya, Saudi Arabia, Syria, and Yemen) and Afghanistan, Indonesia, Pakistan, Persia, and Siam. It was presented on the ground that the situation in Algeria had gravely deteriorated in recent months and had assumed the character of a "full-fledged colonial war," with a consequent threat to peace in North Africa

After hearing statements by Dr. Jalal Abdoh (Persia), the spokesman of the 13 applicant countries, and M. Hervé Alphand (France), the Security Council rejected the request for a debate by seven votes (Australia, Belgium, Cuba, France, Peru, the United Kingdom, and the United States), against two (Persia and the Soviet Union), with Yugoslavia and Nationalist China abstaining.

Dr. Abdoh contended that the Algerian question lay within the competence of the Security Council, and also that it represented a threat to international peace and security Algeria, he said, had been an independent country before the French landed there in 1830, and "when France conquered Algeria the sovereignty which was vested in the Algerian people did not disappear; it merely remained dormant and was able to be reawakened by a national movement like that now taking place." When the Asian and African nations had agreed at the last session of the General Assembly to postpone consideration of the Algerian question, they had 'cherished the hope" that France would take measures in Algeria similar to those in Morocco and Tunisia These hopes, however, had "proved vain," and the situation, far from improving, had deteriorated to a point at which it threatened the maintenance of peace throughout the whole of North Africa

M. Alphand denied that the Algerian question lay within the competence of the U N or constituted a threat to peace, and said that there had been "no change in the position which France has on several occasions taken regarding the competence of the United Nations in respect of the domestic affairs of member States." To violate the principle of non-intervention in affairs of domestic jurisdiction, he declared, "would mean the end of peace and the end of the United Nations also." French sovereignty over Algeria had been exercised for 120 years and had been "implicitly or explicitly recognized by all members of the international community."

In a statement to the Indian House of the People on May 22, Mr. Nehru had expressed "deep concern and regret" at the situation in Algeria and had put forward five suggestions as a possible basis for a negotiated settlement.

Developments in Algeria, Mr Nehru said, had now "reached the dimensions of a large-scale conflict with mounting violence . and with no end of the conflict in sight." This conflict was "part of the great wave of national upsurges that have swept Asia and Africa in the last two generations," and whatever the practical difficulties and complexities involved in the Algerian situation, this basic issue had to be recognized The Indian Government's attitude towards all such movements, as defined in its previous statements and in the Bandung Conference's resolution on French North Africa (see 14181 A), had two essential aspects. "our support for freedom movements, and our adherence to a peaceful approach" In this connexion Mr. Nehru paid tribute to the "wisdom and statesmanship" shown by the French Government in reaching a solution of the problem of Morocco and Tunisia

The special factors and complexities in the Algerian situation, he continued, should not be permitted to bar a settlement, but called for negotiation and accommodation. Although there was increasing recognition in France that the claims of Algerian nationalism had to be met, violent conflict was still raging, and India would therefore "endeavour to assist the forces of constructive settlement by urging fuller recognition of national aspirations and, at the same time, by not encouraging hatred and violence by either side." The Indian Government considered that the first and essential step towards a settlement was the ending of violence, a desire for which had recently been expressed by both sides, and they therefore appealed to all concerned to initiate and respond to any moves to this end. India hoped that the French Government would "pursue in Algeria the path which yielded helpful results in Morocco and Tunisia," and that the Algerian people would respond to such an approach.

"In their earnest desire to help resolve the conflict and promote a negotiated settlement which will bind the parties in friendship and co-operation," Mr. Nehru went on, "the Government of India venture to make the following suggestions:

(1) An atmosphere of peaceful approach should be promoted by formal declarations by both sides . . . in favour of ending violence

(2) The national entity and personality of Algeria should be recognized by the French Government on the basis of freedom.

(3) The equality of the peoples in Algeria, irrespective of race, should be recognized by all concerned.

(4) Recognition that Algeria is the homeland of all the people in Algeria, irrespective of race, and that they shall all be entitled to the benefits and share the burdens arising from the recognition of the national entity, personality, and freedom of Algeria.

(5) Direct negotiations based on the above basic ideas, and in accordance with the principles of the U N. Charter, should be inaugurated"

Mr. Nehru concluded: "The House will recall that in Indo-China the first step towards termination of a long conflict began with the cessation of hostilities, and that a similar appeal to the present one evoked the unanimous approval of the House and helpful responses elsewhere. It is our hope that in a situation no less fraught with danger to the parties and to international peace than the war in Indo-China, now happily ended, this fervent appeal will reach the friendly ears of the parties to the present conflict, both of whom we regard as our friend.. "

The Algerian question was discussed in Paris on June 5 by M. Pineau, the French Foreign Minister, and Mr. Krishna Menon, Minister without portfolio in the Indian Government. In a subsequent statement, M. Pineau said that he and Mr. Menon had discussed the points raised by Mr. Nehru in his speech to the Indian House of the People; that he (M. Pineau) had explained to Mr. Menon the difficulties confronting the French Government in Algeria; and that Mr. Menon had stressed the need for a pacific settlement of the Algerian problem in a manner which would take French interests in Algeria into account. No "practical conclusions" had been arrived at, but the discussions had enabled the two countries to understand each other's point of view.—(U.N. Information Centre, London - The Hindu, Madras - Le Monde, Paris)

(Prev. rep. Algeria, 14913 A.)

B. JORDAN.—Arab Legion Discussions with Britain.

The British War Office and H.M. Embassy in Amman announced on April 17 that Anglo-Jordanian negotiations "on future arrangements for the loan of British officers to the Arab Legion" had resulted in agreement on the following future arrangements:

(1) In accordance with their treaty obligations to provide British personnel whose services were required by the Jordanian Government, H M Government had undertaken "to continue to loan certain officers to the Arab Legion in specified appointments connected with training and technical duties." It was stated that "these officers are required by the Jordanian Government until Arab officers are available to replace them."

(2) The British officers lent to Jordan would function "in a way somewhat similar to officers already loaned to certain Commonwealth and foreign countries." They would continue, as in the past, to wear the uniform of the Arab Legion.

(3) The officers concerned would "retain their full rights and responsibilities with regard to their service in the British Army under the Army Act." Their allowances and conditions of service would be mutually agreed between the British and Jordanian Governments.

The Jordanian Government issued a communiqué on May 6 stating that Britain and Jordan were in general agreement on the status of British officers remaining in the service of the Arab Legion. A similar statement was issued by Sir Charles Duke, H.M. Ambassador in Amman. It was understood that several points were still under discussion, but that they were relatively unimportant and related to routine matters.

An Amman announcement of June 28 stated that the Jordanian Government had decided to terminate the services of Mr. G. Lankester Harding, who had held the post of Director of the Department of Antiquities in Jordan since 1936. Mr. Harding stated that he had been given no prior notification of the termination of his appointment, nor any reason for his dismissal.—(Times - Daily Telegraph) **(14876 D; 14737 A.)**

C. EASTERN GERMANY. — Reduction in Army Strength. - Voluntary Recruitment of Armed Forces.

It was officially announced in East Berlin on July 1 that the East German Government had decided (1) that the strength of the East German Army would be reduced from 120,000 to 90,000 men; (2) that the funds made available through the reduction in the Army's strength would be used to develop the country's economy; and (3) that the Army would be raised entirely by the recruitment of volunteers.

The announcement said that the cut in the armed forces followed similar reductions in the armies of the Soviet Union and the People's Democracies "The German people," it continued, "have a particularly great responsibility for the maintenance of peace in Europe. The re-establishment of German militarism in Western Germany cannot be reconciled with a relaxation of international tension There must be a German contribution to the relaxation of tension through an agreement between the two German States on a limitation of army strength, a ban on atomic weapons on German soil, and the non-introduction of conscription. Such an act of peace would also help the reunification of Germany on a peaceful basis"

The central committee of the Socialist Unity Party adopted on the same date a resolution appealing to the Social Democratic Party in Western Germany for joint action to prevent the introduction of conscription in any part of Germany.
(Neues Deutschland, East Berlin) **(Prev. rep. 14701 A.)**

A. UNITED KINGDOM. — Technological Education. - Designation of Eight Colleges of Advanced Technology.

Sir David Eccles, the Minister of Education, announced in the House of Commons on June 21 that he proposed to designate eight existing technical colleges as "colleges of advanced technology," and that the designation of two further colleges was under consideration. The Minister's announcement was made in the course of a debate on an Opposition motion welcoming the White Paper on Technical Education [see 14879 A] but criticizing the Government's plans as "not adequate for the country's needs."

Mr. Michael Stewart (Lab.), introducing the motion, urged that the new technological colleges should have the status of university colleges, and should not be under local or regional control but be linked with the Government through the medium of the University Grants Committee. Similarly, the new Diploma of Technology should not only be the equivalent of a University degree, but should be actually called a degree. He argued that the attitude of parents and teachers towards the diploma would be affected by the name given to it, and that there was "no reason except intellectual snobbery" for refusing to call it a degree. In the same way, unless the new technological colleges had the standing of university colleges granting degrees, they would not be able to offer either the salary or the status to get the staff they required. The Opposition considered that at the highest academic level the Government's plans were "too narrowly conceived," while at the intermediate level there had been "grave under-estimation" of the administrative problems involved.

Sir David Eccles, who moved an amendment welcoming the Government's decision to expand facilities for technical education "as rapidly as resources allow," said that the intention was that there should be in England and Wales about 300 local colleges, about 150 area colleges, and (within the next few years) up to 30 regional colleges. It was now proposed to designate eight colleges of advanced technology which would concentrate entirely on work above the level of the ordinary national certificate, including post-graduate and research work. These colleges would receive a 75 per cent grant for all their advanced technological work, but to qualify they must fulfil a number of "stiff conditions" relating to such matters as the composition of the governing body, financial control, staff arrangements, and standards of accommodation.

The Government would look to these colleges for a growing number of top-grade technologists, and the quality and breadth of training was therefore all-important. Although the colleges would be of far more than local importance, the Government had decided to leave their administration in the hands of local authorities. Over the past few years the larger authorities had been willing to do far more for their principal colleges than successive Ministers of Education had been able to allow, and now that there was this opportunity it was only right to let them build their local colleges up to university status.

"Setting the standards high," Sir David continued, he now proposed to designate the following colleges as Colleges of Advanced Technology: the Birmingham College of Technology, the Bradford Technical College, the Cardiff College of Technology and Commerce, the Loughborough College of Technology, the Royal Technical College, Salford, and, in London, the Battersea, Chelsea, and Northampton Polytechnics. These designations, however, would be provisional only, because he still had to satisfy himself that the eight colleges already fulfilled the necessary conditions or would be able to do so in the near future.

Selection of these colleges, Sir David explained, had been governed by two factors: (1) the standard of work which a particular college was doing; (2) the distribution of industry. There were important areas in which there was at present no college suitable for designation, but there were two exceptions. In the Tyne-Tees area one of the existing regional colleges should be designated as a college of advanced technology, but as resources would not allow of more than one he was asking the local education authorities to consult with industry through the Northern Regional Advisory Council, and then to decide which college should be promoted. In the South-West no college was yet far enough ahead to be designated, but he had added the Bristol College of Technology to the list of regional colleges and had agreed with the Bristol Education Authority that it should plan its building projects so that, if enough support was forthcoming from industry, the college could be up-graded to a college of advanced technology.

After explaining that he did not like the "cacophonous abbreviation Dip. Tech." and had considered offering a prize for a better name, Sir David ended by stating that at March 31 there were 10,000 full-time and 43,700 part-time teachers in technical colleges, 11,000 of the part-time teachers being also regular teachers in day schools. To facilitate transfers from industrial jobs to teaching, he had asked the chairmen of the National Advisory Council on the Training and Supply of Teachers and of the National Advisory Council on Education for Industry and Commerce to nominate a small joint committee to advise him on the recruitment and training of teachers in technical colleges.

During the subsequent debate **Mr. Callaghan** (Lab.) asserted that the Government's proposals were falling far short of requirements. He stated in this connexion that in 1954 the U.S.S.R. had produced 280 engineering graduates per 1,000,000 population, compared with 136 per 1,000,000 in the United States, 67 in Western Europe (including Italy), and only 57 in Britain.

Mr. Butler (Lord Privy Seal), replying to the debate, said that the average figure for Western Europe quoted by Mr. Callaghan included 70 engineering graduates per 1,000,000 population in France, 82 in Switzerland, and 89 in Italy, so that the British figures were "not too bad." In terms of pure-science graduates the British position was much better, the figure per 1,000,000 population being 105, compared with only 56 for the U.S.S.R. and 48 for Western Europe; in the U.S.A., although the figure was 144 per 1,000,000, the standard was probably not so high. Mr. Butler added that the Universities had been asked to increase the number of their students by about 60 per cent in five years and to put forward technological building projects which they considered necessary. Meanwhile the Government had authorized further building to be started in 1957 at a cost to the Exchequer of £4,500,000, apart from the amount which the Universities might be able to find themselves. It was also proposed to spend £1,500,000 at Birmingham, £750,000 at Salford, and smaller amounts at Bradford, Loughborough, Chelsea Polytechnic, Northampton Polytechnic, and the Cardiff College of Technology.

The Financial Secretary to the Treasury (Mr. Henry Brooke) stated in a written reply on June 21 that a revised plan for the expansion of the Imperial College of Science and Technology had been prepared which provided for the central tower of the existing Collcutt building to be preserved as a free-standing campanile. Before a definite decision could be taken, however, expert advice would have to be obtained on the stability of the tower as a separate unit. The Imperial College had considered with the L.C.C. and the Royal Fine Art Commission whether it would be possible to preserve the Collcutt buildings complete, but had decided that this would not be possible without limiting the College's expansion. Mr. Brooke added that the L.C.C. had already given outline approval to the plans for the east and west blocks of the proposed new buildings, on which, subject to the concurrence of the Royal Fine Art Commission, work could now start.—(Times - Daily Telegraph) **(14897 A.)**

B. PORTUGAL. — Air Bases for NATO Forces.

The Portuguese Minister of Defence (Colonel Santos Costa) announced on June 29 that the Portuguese Government had decided to enlarge the air bases at Espinho and Montijo—in northern and southern Portugal respectively—at the suggestion of the United States and other NATO members. He added that the Western allies, especially the U.S.A. and Great Britain, would be permitted to use the bases to carry out their NATO obligations, and that the U.S.A. had suggested that existing facilities in the Azores should also be expanded.

Colonel Santos Costa pointed out that the Espinho and Montijo bases were of great importance to the NATO Atlantic Command, and said that the Portuguese Government had agreed to their expansion in view of "certain recent international developments which . . . might have an adverse effect on the system of Western defence." The Minister did not elaborate on this statement, but the *New York Times* said that it was "clear that he was alluding to the possibility that the U.S. bases in Iceland and North Africa might not be available in the future for the defence of Western Europe."

(New York Times)

Note. The future of the U.S. air base at Keflavik (near Reykjavik) is uncertain owing to the recent political developments in Iceland (see 14960 A, 14804 A). The future of the four U.S. air bases in Morocco—at Ben Guérir, Boulhart, Nouasseur, and Sidi-Slimane—is similarly uncertain owing to the fact that Morocco, now an independent State, was not a party to the Franco-U.S. agreement under which they were established. The Moroccan Foreign Minister, M. Balafrej, had recently stated that the Moroccan Government was reserving its position on that agreement (see 14946 A). The headquarters of the U.S. 17th Air Force, formerly at Rabat, were transferred in June to the Wheelus Air Base, near Tripoli.

C. YUGOSLAVIA. — Scientific and Technical Co-operation Agreement with Czechoslovakia.

An agreement on scientific and technical co-operation between Yugoslavia and Czechoslovakia was signed in Belgrade on July 3. It provided for the setting-up of a joint committee to work out measures of co-operation. - (Tanjug Agency, Belgrade)

(Prev. rep. 14954 D; 14937 A.)

D. SOUTH VIETNAM. — Execution of General Bacut.

General Bacut (32), the former leader of the dissident Hoa-Hao sect, was executed at Cantho (South Vietnam) on July 13 after he had been twice sentenced to death on charges of treason, murder, pillage and arson - first by a civil court and subsequently by a military court. (Le Monde, Paris)

(Prev. rep. 14949 A.)

E. FRANCE. — "Temps de Paris" ceases Publication.

The new Paris evening newspaper, *Le Temps de Paris*, ceased publication on July 8 as a result of difficulties caused by newsprint restrictions. It had been in existence for only 11 weeks. (Le Figaro, Paris) **(Prev. rep. 14845 E.)**

A. POLAND. — The Poznan Riots.

Widespread dissatisfaction with low wages, poor living conditions, and the extremely high cost of living led to serious rioting in Poznan on June 28, when many thousands of factory workers attacked the headquarters of the security police, the headquarters of the local Communist Party, a radio station, and other buildings. The disorders broke out a few hours after the return to Poznan from Warsaw of a delegation of workers from the Zispo engineering works, which had—it was believed unsuccessfully—presented the workers' grievances to Government representatives. The demonstrations began at 8 a.m., when columns of workers—many of whom were from the Zispo engineering works—spontaneously left their factories and converged on the main square in front of the Municipal People's Council building (Town Hall), chanting slogans such as "We want bread" and carrying banners and Polish flags. Later in the morning the crowds attacked and smashed the windows of the Communist Party headquarters, set fire to the prison and freed a number of prisoners, and attacked the headquarters of the security police with rifle fire. According to foreign eye-witnesses in Poznan at the time (see below), many of the workers were armed with rifles made at the Zispo works, or given to them by soldiers who were sympathetic to the demonstrators.

Order was restored later in the day after Polish Army tanks and reinforcements had been rushed to the city, where all public transport had been brought to a standstill and all communications with other parts of Poland cut off. By 7 p.m. Polish armoured troops had reduced the last stronghold held by the rioters—a radio station used for jamming foreign broadcasts. It was officially announced that 48 people had been killed and 270 injured in the disturbances.

Statements by Eye-witnesses.

The disturbances broke out while the Poznan International Fair was in progress, a number of British, Scandinavian, German and other foreign businessmen and visitors being in the city at the time. The following extracts are given from many eye-witness accounts of the riots.

The attack on the security police headquarters was witnessed by Mr. Michael Davies (a member of Cambridge City Council), one of a delegation of British economists—including prominent Cambridge professors—which was visiting Poznan at the time. In an interview with a correspondent of *The Times*, Mr. Davies and other members of the delegation said that the disturbances began with a strike of engineering workers, who marched out of the factory gates and were joined by many other factory and office workers. The demonstrators were shouting slogans such as "Down with Communism," "Down with dictatorship," "Down with the Soviet occupation," "We want bread," "We want freedom," and "We want lower prices and higher wages." At about 10.30 a.m. the demonstrators arrived outside the Communist Party headquarters, where a Communist Party member attempted to address them but was seized and beaten. After being joined by groups of workers armed with rifles, the demonstrators attacked the prison and liberated the inmates. The disturbances then extended to the radio station, into which entry was forced, and the headquarters of the security police, where the windows were smashed and the building attacked by rifle-fire. Mr. Davies, whose account was corroborated by three other members of the delegation, said that the first troops to arrive on the scene—tanks and a lorry-load of infantry—actually fraternized with the crowds and joined in the attack on the security police headquarters. Discipline was later restored, however, and lorried infantry and tanks dispersed and arrested the demonstrators.

Mr. Kenneth G. Treherne (of the Dominions Export Co., London), a British businessman who was in Poznan at the time, said on arrival in Warsaw that he had seen "crowds of workers, apparently steel workers, marching in an orderly manner through the streets. They were chanting something: I was told it was 'We want bread'... Later I heard a bit of individual shooting... I also heard what was obviously a light machine-gun. By mid-day there were tanks in front of the National Bank of Poland... When we left for the airport to catch our plane for Warsaw we were taken round the outskirts of the city. We passed about 12 tanks coming into the town."

Mr. Malcolm Logan, a barrister and a director of a British engineering trade association, said in Berlin that on his way out of Poznan he had met troops moving into the city and had counted 70 tanks. "Wherever our car stopped," he added, "strikers, noticing the Union Jack we were flying, crowded round us to give a message to the West. They described their desperately low standard of living, and how it took two months to buy a pair of cheap shoes."

Statement by Polish Government.

The Polish Government issued a communiqué on June 28 admitting that "serious disturbances" had occurred in Poznan, and attributing responsibility to "imperialist agents" who had exploited "economic difficulties and grievances in certain factories." The communiqué was worded as follows:

"Serious disturbances occurred to-day in Poznan. For some time imperialist agents and the reactionary underground have been trying to utilize the economic difficulties and grievances in certain Poznan factories to provoke outbursts against the people's power. It is no accident that the enemy chose Poznan as the scene of provocation at a time when the International Fair was being held there. The idea was to cast a shadow on the good name of People's Poland and to hamper the promotion of our peaceful international co-operation.

"The enemy's agents succeeded in provoking street riots. Certain public buildings were attacked and this led to victims... Those responsible for the disturbances, which bore the imprint of a large-scale and carefully prepared provocative and diversionary action, will be punished with all the severity of the law.

"In view of the events in Poznan, the special vigilance of all working people and all the patriotic forces of the nation is needed in face of any attempt at anti-State outbursts inspired by the enemies of People's Poland. The provocation in Poznan was staged by enemies of our country at a time when the greatest concern of the Party and the Government is to eliminate the grievances of the working peoples and to democratize our country. The Government and the Central Committee of the Polish United Workers' Party are convinced that every attempt to provoke disturbances and outbursts against the people's power will meet with the proper rebuff... of all citizens who value the good of the country."

Broadcast by Prime Minister of Poland.

The Prime Minister of Poland, M. Cyrankiewicz, flew to Poznan on June 28, together with other members of the Government and leaders of the Polish United Workers' (Communist) Party. In a broadcast from Poznan on the following day, he admitted that there was discontent among the Poznan workers at the "difficult material conditions of the working people"; declared that the Government and the United Workers' Party were working out plans to raise the living standards of the workers; and accused "provocateurs" of causing the "criminal provocation and bloody disturbances" in Poznan. He disclosed that soldiers and members of the security police had been killed during the riots.

M. Cyrankiewicz said that there was "no need to hide the fact that criminal provocateurs took advantage of undoubtedly existing grievances and discontent in certain factories caused by economic difficulties and shortcomings." After saying that "a decision to put these errors right" had been taken a few days beforehand by the Government and the Party, and that workers' delegations had been promised that their legitimate demands would be "settled positively," M. Cyrankiewicz continued:

"This did not prevent the provocateurs from organizing a demonstration which had been prepared for a long time... The attention of imperialist centres has for long been centred on Poznan, the idea being to turn Poznan into a scene of disturbances while the International Fair was on... The enemy tried to take advantage of the discontent among a section of the workers in Poznan, caused by the difficult material conditions of the working people... The Government and the Central Committee of the Party have worked out a plan of action which will make it possible gradually to raise the living standards of the workers... But... the provocateurs and imperialist agents want to prevent the realization of these demands..."

After saying that "the workers as a mass, with the exception of individuals who were fooled," had given their support "to the people's power," the Prime Minister went on: "At some points in the city, on some roof-tops, the provocateurs placed machine-guns which took toll of human life... The authorities were forced to employ stringent methods to protect the life and property of citizens and to restore order. The majority of the rioters, part of them armed, have been apprehended, and court proceedings will be instituted against them. We are filled with sorrow and grief at the fact that soldiers, militiamen, and security employees were killed during the disturbances while defending the posts entrusted to them... We are filled with grief and sorrow at the deaths of innocent citizens who happened to be at the places where the clashes occurred...

"The bloody riots in Poznan will not, however, stop the Party's and Government's efforts to democratize our life and... to achieve the most rapid improvement of the living conditions of the workers... Every provocateur or madman who dares to raise his hand against the people's power may be sure that his hand will be chopped off..."

Polish Government's Account of Poznan Disturbances.

A communiqué giving the Polish Government's version of the Poznan riots was broadcast by Warsaw radio on June 30:

"A few days before the incidents," said the communiqué, "discontent prevailed among the workers of the Zispo works and several other factories, in connexion with wages and delays in the settlement of demands put forward by the personnel. On June 27 a delegation of the Zispo workers returned to Poznan from Warsaw bringing with them a decision on the favourable settlement of their basic demands... Despite these steps to settle the personnel's grievances, the Zispo workers, misled by provocateurs, downed tools on the morning of June 28 and came out into the streets... The workers maintained a calm bearing, but organized groups of provocateurs mingling with the crowds began to incite them to come out against the people's power. In the meantime gangs of provocateurs were calling at Poznan factories and offices, leading the workers into the streets and often using threats. The workers at such important public utilities as the power station, waterworks, gasworks, central post office, and other establishments refused to yield to the persuasions and pressure of the provocateurs...

" The first riots and attempts to enter public buildings by force began in the square in front of the Municipal People's Council The headquarters of the Municipal Council and the Voivodship Committee of the Polish United Workers' Party [i e the local Communist Party offices] were attacked At the same time groups of provocateurs, clearly working to a prearranged plan, attacked the military prosecutor's office, the prison, and the radio station, and tried to seize the railway station, the bank, and the post office Gangs forced their way into the prison and released criminals who joined in the riots. Armed gangs . . . attacked the Public Security Office The building was fired at by machine-guns and attacked with grenades During the clashes around the Public Security Office there were casualties in both killed and wounded Armed groups of provocateurs began at the same time to overturn tramcars and cars, attempting to erect barricades. This action, however, did not find support among the crowds, which rapidly dwindled

" To liquidate the riots and restore order in the city, military detachments were brought in. Tanks also intervened but, in accordance with orders, did not open fire Owing to the exceptional situation the authorities introduced a curfew from 9 p m to 4 a m This decision was obeyed by the inhabitants of the city, who dispersed to their homes In various parts of the city, however, armed groups still attempted to provoke shooting and to plunder shops These groups were rapidly eliminated . . In the morning of June 29 the majority of workers returned to work. Throughout the day individual diversionists were rounded up . "

Dismissal of Polish Ministers. - Repayment of Taxes to Poznan Workers. - Government Inquiry into Poznan Riots.

It was offically announced in Warsaw on July 8 that M. Fidelski, Minister of the Engineering Industry, and M Tokarski, Minister of the Motor Industry, had been relieved of their posts, and that the two Ministries had been merged into a Ministry of the Engineering Industry headed by M. Jaszczuk, hitherto Minister of Electric Power. On July 13 it was further announced that M. Stefan Jedrychowski (a Vice-Premier) had replaced M. Eugeniusz Szyr as head of the Economic Planning Commission, which had been criticized both in the Press and in the Seym for bureaucracy and over-centralization; that the Ministries of Industrial Building and of House Construction had been combined into a single Ministry of Building headed by M. Szyr; and that the heads of these Ministries (MM. Piotrowski and Babinski) had been relieved of their posts

It was stated that M Fidelski had been appointed an Under-Secretary in the new Ministry of the Engineering Industry No new appointment was announced for M. Tokarski, nor any reason given for his dismissal The Warsaw Correspondent of *The Times* stated, however, that M. Tokarski's removal " is connected here [in Warsaw] with the fact that he was in charge of the Ministry which was responsible for the Zispo works in Poznan, where the trouble began . . "

On July 10 it was announced that more than 6,500,000 zlotys' (nominally £500,000) worth of taxes " unjustly collected " from the workers at the Zispo factory in Poznan was to be refunded to them The announcement was made in the *Gazeta Poznanska*, which added that 1,400,000 zlotys had already been refunded to nearly 5,000 workers as a first instalment. No reason was given as to why these taxes had earlier been collected and why it had only now been found out that their collection was " unjust."

The setting-up of a special commission to conduct an " energetic and thorough " investigation into the Poznan riots was announced on July 4 by M. Cyrankiewicz. Warsaw radio said that the commission would be headed by M. Edward Gierek, a secretary of the central committee of the United Workers' Party, and that there would be " no appeal " against its findings. It was disclosed on July 13 that 481 persons had been arrested, of whom 196 had been released after questioning, and that 285 would be brought to trial.

Polish Rejection of U.S. Food Offer.

The Polish newspaper *Trybuna Ludu*, organ of the United Workers' Party, announced on July 5 that Poland had rejected an offer by the American Red Cross—made through the League of Red Cross Societies in Geneva—to send foodstuffs to the Poznan area. The paper said that exception had been taken to the terms in which the offer was couched—" to reduce hunger in the Polish nation "—and also to the U.S. stipulation that the foodstuffs, if accepted, should be specially marked when distributed to show their American origin. *Trybuna Ludu* described the American offer as " pure propaganda," and quoted the Polish Red Cross as saying that there was " no necessity for accepting this kind of philanthropic aid."

The U.S. State Department had announced on July 1 that foodstuffs—including wheat and flour from U.S. surplus stocks—would be offered to Poland, and particularly for the Poznan area, through the League of Red Cross Societies Mr. Hoover, the acting Secretary of State, said that the Poznan disturbances " seemed to be marked by demands by the population for bread."

American Statement on Poznan Riots.

The State Department issued a statement on June 29 saying that it was " profoundly shocked " at the civilian casualties in the Poznan disturbances, which were attributed to the fact that the Poles had been brought " to a breaking-point " by their grievances. The statement added:

Our sympathy goes out to the families of these people, who were merely expressing their profound grievances. They apparently feel that their Government primarily serves the interests of the Soviet Union. This episode dramatically underlines what President Eisenhower said to the Soviet rulers at Geneva—namely, that the peoples of Eastern Europe, many with a long and proud record of national existence, should have the right to choose the form of government under which they will live, and that sovereign rights and self-government should be restored to them "

A Polish protest at this statement, which was described as " interference in Polish internal affairs," was handed to the State Department on July 6.—(Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - Polish Embassy Press Office, London - New York Times)

A. INDIA. — Diplomatic Appointments.

Important appointments in the Indian Diplomatic Service during the past 18 months are listed below:

Mr. Balraj Krishna Kapur, Political Officer in Sikkim, as Minister to the Netherlands (February 1955). Mr Kapur assumed the rank of Ambassador in September.

Mr. Inder Sen Chopra, Joint Secretary and Chief of Protocol in the Ministry of External Affairs, as Minister to Sweden, and concurrently to Denmark and Finland (February 1955).

Dr. Mohan Sinha Mehta, High Commissioner to Pakistan, as Minister to Switzerland, and concurrently to Austria and the Holy See (February 1955).

Mr A C. Narayanan Nambiar, Minister in Stockholm, as Ambassador to the German Federal Republic (February 1955)

Mr. John A Thivy, Minister in Damascus, as Ambassador to Italy (March 1955). Mr Thivy was concurrently appointed Minister to Albania in March 1956, when diplomatic relations were established between that country and India In the same month he also presented credentials as Minister to Greece.

Mr. Rangiah Subra Mani, Joint Secretary in the Ministry of External Affairs, as Ambassador to Iraq, and concurrently Minister to Jordan (June 1955)

Mr R. K. Nehru, Foreign Secretary in the Ministry of External Affairs, as Ambassador to the People's Republic of China, and concurrently to Mongolia (July 1955). Mr. Nehru has represented India at the U.N. and at many international conferences, and headed the delegation which negotiated the transfer of the former French Settlements (Pondicherry, etc.) to Indian sovereignty.

Mr. N. Raghavan, Ambassador in Peking, as Ambassador to Argentina, and concurrently Minister to Chile (August 1955).

Major-General (retd.) Mahinder Singh Chopra as Minister to the Philippine Republic (March 1956). General Chopra held important staff appointments in World War II, and commanded the Indian Army's 20th Division from 1953 to February 1955.

Mr Lal Ram Sharan Singh, Indian Consul-General at New York, as Ambassador to Brazil (February 1956).

Nawab Ali Yavar Jung, Ambassador in Cairo, as India's first Ambassador to the Sudan (May 1956) The appointment was a concurrent one, the Nawab remaining Ambassador in Cairo.

Mr. S. K. Banerjee, lately Consul-General at San Francisco, presented letters of credence as Minister to Syria on June 9, 1956.

It was announced in New Delhi and Madrid on May 25 that the Governments of India and Spain had agreed to establish diplomatic relations at embassy level.—(The Statesman, Calcutta - The Hindu, Madras - Indian High Commissioner's Office, London) **(Prev. rep. 14609 D; 14028 C.)**

B. FRANCE. — Cabinet Appointment. - M. Billères appointed Minister of State.

Under a decree published in the *Journal Officiel* on June 22, M. René Billères, hitherto Minister of Education, Youth, and Sport, was appointed Minister of State in charge of Education, Youth, and Sport. The change in M Billères' designation was made following the resignation of M. Mendès-France as Minister of State, and in view of the fact that M. Mollet had declined to appoint again a fourth Minister belonging to the Radical Party.—(Le Monde, Paris - Le Figaro, Paris)

(Prev. rep. 14933 A; 14681 A.)

C. UNITED KINGDOM. — Capital Issues.

New capital issues during the first half of 1956 totalled £151,754,000, compared with £100,591,000 for the first six months of 1955 and £567,192,000 for the whole of that year. Of the six-monthly total, £131,167,000 were issues for the U.K. and £20,587 for British overseas countries.
(Midland Bank Ltd.) **(Prev. rep. 14621 B; 14293 E.)**

A. FRANCE. — National Assembly Debate on North Africa. - Vote of Confidence in Government's Policy. - Ban on Export of Light Arms to Arab Countries.

A three-day debate on the French Government's policy in North Africa was held in the National Assembly from May 31 to June 2.

Several right-wing deputies, including **M. Dronne** (Gaullist) and **M. Raingeard** (Independent), expressed approval of the Government's policy in Algeria but strongly criticized the agreements concluded with Tunisia and Morocco, alleging that the Algerian rebels were receiving support both from Tunisia and from the "Liberation Army" in Morocco. **M. Monteil** (M.R.P.) deplored the fact that the Government, without consulting Parliament, had granted Tunisia independence before the links of interdependence had been defined, and in particular had taken no precautions to ensure that Bizerta would remain a French base.

M. Cot (*Progressiste*), on the other hand, expressed approval of the Tunisian and Moroccan agreements, but maintained that the policy of M. Lacoste (the Minister-Resident in Algeria) had widened the gap between Moslems and Europeans and threatened to involve France in a war with the whole of North Africa which international opinion would almost unanimously condemn. He therefore called on the Government to recognize the "national entity" of Algeria and to respond to Mr Nehru's appeal [see 14965 A] for the opening of negotiations. This proposal was supported by **M. Duclos** (Communist), who contended that the recent general election and the demonstrations against the recall of reservists had shown that the French people were opposed to the war in Algeria.

M. Maurice Schumann (M.R.P.) insisted that the Government should firmly oppose any "interference by third parties" in the Algerian problem, and should adhere to two principles: not to let a situation be imposed upon France by violence, and not to impose one by force. **M. Reynaud** (Independent) rejected the suggestion of negotiations with the rebels, as the only conditions which they would accept were the recognition of Algeria's right to independence and sovereignty. Instead, he called on the Government to proclaim the principle that the two communities in Algeria should be equal in rights and duties, and that neither should be able to oppress the other politically or economically.

M. Savary (State Secretary for Tunisian and Moroccan Affairs) emphasized that, in view of the situation in Morocco and Tunisia when the present Government took power, an unequivocal recognition of their independence had been the only means of strengthening the authority of their own Governments, if this had been postponed while a definition of interdependence was negotiated, "independence would have been attained without us or against us." The diplomatic agreement with Morocco had been signed because it had proved impossible to conclude all the agreements as quickly as had been hoped, and also because Morocco was exposed to growing pressure from certain foreign countries which made it increasingly difficult for her to reject their offers to exchange diplomatic missions. The agreement, M. Savary pointed out, had in actual fact "the character of an alliance," and certain of its clauses, notably that granting seniority to the French diplomatic representative in Rabat, had even been denounced by those who were "hostile to the understanding between Morocco and France." Interdependence could be achieved only on a basis of equality, and not as "a camouflaged protectorate."

The Franco-Tunisian agreement of March 20, M. Savary continued, left intact the Conventions of June 20, 1955, under which the *status quo* was to be maintained in the fields of diplomacy and defence until new agreements had been concluded. The Government wished to open negotiations on these subjects as soon as possible, but it could not accept any unilateral denunciation of existing agreements.

Reverting to Morocco, M. Savary said that the outstanding problem was that of maintaining public order. The number of terrorist attacks on Frenchmen had steadily fallen, from 73 in July 1955 to 66 in October, 32 in February 1956, 17 in March, and eight in April. During the first four months of the year eight French civilians had been killed and 26 wounded, compared with 108 killed and 186 wounded in the second half of 1955. The French Government had protested strongly against these incidents and against the activities of the "Liberation Army," and as long as the Moroccan Government was unable to protect French lives and property their protection would remain one of the tasks of the French Army. M. Savary said that he had twice been assured by the French C.-in-C. in Morocco that it was untrue that men or equipment were reaching the Algerian rebels from Morocco. In Tunisia the "Youssefist" rebels had been effectively suppressed, and order reigned throughout the country.

In conclusion M. Savary said that the Government's policy was "the only one possible," as any other would have led to war throughout North Africa. He gave an assurance that the Government, in its future negotiations with Tunisia and Morocco, would insist on guarantees for the interests of the French settlers and on continued facilities for the French armed forces, including the base at Bizerta.

M. Lejeune (State Secretary for the Armed Forces) recalled that when M. Lacoste took charge in Algeria the situation had been alarming, and that it had been necessary to prevent the rebels in the Constantinois from linking up with those in the Oran area. Since then the French forces in Algeria had been raised to 300,000 men, and would soon exceed 400,000; the number of helicopters in use had been greatly increased; and equipment originally intended for use in Europe had been adapted to Algerian conditions.

M. Senghor (Overseas Independent) deplored the Government's failure to suggest any political solution in Algeria; he appealed for a cease-fire, to be followed by negotiations leading to internal autonomy for Algeria within the French Republic. **M. Pinay** (Independent) recalled that the statement issued on Nov. 6, 1955 (see 14528 A) by the Sultan of Morocco and himself, as Foreign Minister in M. Faure's Government, had laid down that France would remain responsible for Morocco's diplomatic relations and defence until the permanent links between the two countries had been defined, whereas the present Government had granted Morocco independence without defining the term "interdependence."

M. Pineau (the Foreign Minister) announced that the Government had forbidden the export to the Arab countries of arms which might be passed on to the Algerian rebels. In reply to M. Pinay, he observed that after the restoration of the Sultan of Morocco France had been "practically without a Government" for three months, and that Morocco had drifted towards anarchy during that period. In consequence it had become impossible to link independence with interdependence, or to treat Tunisia differently from Morocco. The only alternative would have been a policy of force, which would have needed 500,000 more troops to carry out.

M. Hugues (Radical) maintained that the diplomatic agreement with Morocco should not be ratified until the other agreements were known, and particularly that on defence. This view was supported by **M. Robert Schuman** (M.R.P.), who said that Morocco and Tunisia should be granted full sovereignty only after full guarantees for the French settlers and French interests had been obtained.

M. Lacoste declared that whereas "in February we were on the way to disintegration in Algeria," a "state of equilibrium" had since been reached. Although certain difficulties had still to be faced, including "infiltration on the Moroccan frontier, the arms traffic through Tunisia and Libya, and the intensification of terrorism," the Europeans' confidence in France had been restored, and the Moslems now knew that the Government's aim was to reduce the inequalities between the two communities. M. Lacoste denied that a "war of extermination" was being waged, and said that he had warned the troops against being provoked into "blind repression" by the rebels' atrocities. "I shall not promise you that the Algerian problem will be solved in the near future," he concluded. "But I wish to inform you of my reasoned and reasonable belief, and I assure you that in a few months we shall have achieved tangible results: that is, important sections of the population will have come over to us."

M. Panier (Radical) accused M. Lacoste of seeking to appease "those Frenchmen who are most hostile to a sincere reconciliation with the Moslems," and of failing to remove officials involved in the Algiers riots of Feb. 6 or to carry out political and agrarian reforms. Since Feb. 6, he asserted, the Government had "yielded to threats" and had abandoned the policy laid down in M. Mollet's investiture speech.

M. Mollet, the Prime Minister, stated (in reply to a question) that on taking office his Government had discovered that certain contracts for the delivery of arms to the Arab countries existed, some of which had been signed only a week beforehand. He had decided, however, that no light arms, even if they had already been contracted for, should be delivered to the Arab countries, and that no new contracts of this type should be entered into. [See page 14728, second column.]

Deploring the attitude of certain newspapers, parties, and politicians, **M. Mollet** said that one section of the Press exaggerated "isolated cases" of counter-terrorism committed by Frenchmen and compared the "Algerian patriots" to the French Resistance movement, whilst another section undermined morale by publishing sensational details of atrocities. Politicians, who had themselves been justly sentenced in the past for treason, accused the Government of defeatism in order to undermine confidence in Parliament. The Communists had called for a cease-fire only from France, and the Poujadists had simultaneously demanded sacrifices and organized tax-strikes. The Government, M. Mollet declared, would respect fundamental liberties and the rights of minorities, but would take measures against those who opposed "the execution of decisions taken by the majority of the nation."

M. Mollet went on to reaffirm the main points of the Government's policy: free discussions with the elected representatives of the Algerian people on Algeria's future status, willingness to accept a cease-fire and to authorize contacts with the rebels for this purpose; and the holding of elections on a single electoral register within three months of the restoration of order. After stressing that any settlement must be on the basis that Algeria should be "neither a Moslem State, an Arab State, nor a French province," he declared: "Algeria has a unique character, a personality of its own which must be recognized while assuring its union with France by indissoluble links. Total equality of rights for Moslems must be guaranteed, together with respect for the legitimate rights of Europeans. A community will be established in the division of political responsibilities, resources, and labour. By a large measure of decentralization, the local authorities must receive very wide powers, corresponding to a genuine autonomy in administration. These principles apply to Moslems as well as to Europeans. There can be no question either of a return to the previous state of things, or of a break with France, or of the eviction of Europeans for whom Algeria has become their true country."

Turning to the Government's policy in Tunisia and Morocco, M. Mollet said that it was inspired by the same desire as its policy in Algeria—the desire to "maintain Franco-Moslem friendship and to

re-establish security." The situation in the three territories was totally different, however, and called for totally different measures Tunisia and Morocco had "never lost their personality as States," and the Government wished them to become friendly instead of protected States, and to substitute free co-operation for tutelage As a result of this liberal policy, security was slowly but surely being re-established. France had recognized the legitimacy of the national aspirations of Morocco and Tunisia, and their Rulers had recognized their common interests with France.

"It is understandable," M. Mollet continued, "that the Rulers of Tunisia and Morocco should be concerned at the situation in Algeria Nevertheless the Government must reply to certain declarations, as it has already done, that the Algerian problem concerns France alone The Government believes that neither Tunisia nor Morocco wishes to interfere in our affairs, for by so doing they would run the risk of gravely endangering our friendship. We are determined in all circumstances to ensure the control of the frontiers in the interests of Algeria and of the internal security of the two neighbouring countries"

Diplomatic means, M Mollet stressed, had been used to assist in the settlement of the Algerian problem France's allies had made their position clear; the Soviet Government had recognized the liberal spirit of France's policy; India and Yugoslavia, despite certain differences of opinion, had shown a "friendly understanding"; and numerous expressions of sympathy had been received from the Latin American countries. In consequence the Arab countries had failed to mobilize world opinion against France

In conclusion, M Mollet emphasized that he wished the Government's policy to be judged as a whole. If the vote of confidence was taken clause by clause, it might be said that the Government was "relying on different majorities to remain in power," and he was therefore asking for "a single vote of confidence which will be a second investiture vote"

The motion of confidence was adopted in the early hours of June 6 by 271 votes to 59, with 200 abstentions. The Socialists, U.S.D.R., and R.G.R., together with the majority of the Radicals, M.R.P., and Gaullists, voted in favour; the Poujadists voted against; the Communists and Overseas Independents abstained; and the right-wing "moderates" (Independents and *Paysans*) were divided.

The distribution of votes was as follows: *For*—87 Socialists, 62 M.R P., 47 Radicals, 29 Independents (including M. Laniel, the former Premier), 15 Gaullists, 14 U D S R , 12 R G.R., 4 *Paysans*, and 1 *non-inscrit*. *Against*—39 Poujadists, 11 Independents (including M Reynaud), 4 *Paysans*, 2 Gaullists, 1 *Progressiste*, 1 M.R.P., and 1 *non-inscrit*. *Abstentions*—135 Communists and 5 *Progressistes*, 38 Independents (including M Pinay, the former Foreign Minister), 10 Radicals (including M. Mendès-France), 4 Overseas Independents, 3 *Paysans*, 2 M.R P (including M Bidault), 2 Gaullists, and 1 *non-inscrit*. Forty-six deputies did not take part in the vote—13 Socialists, 9 Communists, 6 Overseas Independents, 3 U.D.S.R., 3 Gaullists, 3 M.R.P , 3 Poujadists, 2 Radicals, 2 *non-inscrits*, 1 Independent, and 1 *Paysan*

Before the vote was taken, M. Mollet had announced that if the result was favourable the diplomatic agreement with Morocco would be put into effect, but that it would not be submitted to the President for signature until all the agreements with Morocco had been ratified by Parliament. He also stated that the Government could not accept Mr. Nehru's proposals for a cease-fire [see 14965 A], as this would "introduce the idea of meditation."—(Le Monde, Paris - Le Figaro, Paris)

(Prev. rep. Algeria, 14965 A; 14913 A; Morocco, 14781 A; Tunisia, 14812 A.)

A. GERMANY. — Berlin. - Radio Building handed over by Russians to West Berlin Authorities.

The radio building in the British sector of Berlin, which had been occupied by the Russians since the war and had been the headquarters of the East German radio network until 1952, was transferred by the Soviet authorities to the West Berlin City Government on July 5. The agreement for the handing-over of the building, which had formed an *enclave* in the British sector, was signed at Karlshorst (the Soviet headquarters in East Berlin) by Major-General Chamov, the Soviet Commandant, and Dr. Suhr, Chief Burgomaster of West Berlin. Press correspondents stated that the building had been left in a derelict condition by the Russian authorities.

(Der Tagesspiegel, West Berlin)

B. NORWAY. — Army. - New Commander-in-Chief.

It was announced in Oslo early in July that Major-General Björn Christophersen had been appointed Commander-in-Chief of the Norwegian Army in succession to General Hansteen, who had held the post since 1948. Major-General Christophersen (56) was Chief of Staff of the Norwegian Forces in Britain during the war, and commanded the Norwegian Brigade in Germany from 1952 until its withdrawal to Norway in 1955.

(Norwegian Embassy, London) **(Prev. rep. 9495 E.)**

C. SUDAN. — Fall of Azhari Cabinet. - New Government formed by Mr. Abdullah Khalil. - Formation of People's Democratic Party.

The Government of Mr. Ismail el-Azhari was defeated in the Sudanese House of Representatives on July 4 on a motion of no-confidence, the voting being 60 in favour of the motion and 31 against.

This Government's fall had been preceded by the formation on June 26 of a new party—the People's Democratic Party—under the patronage of Sayed Ali el-Mirghani, the leader of the Khatmia sect The new party claimed 18 members in the House of Representatives, all former National Unionists; they comprised 11 dissident National Unionists, led by the three Ministers whose threatened resignation brought about the formation of Mr. Azhari's National Government in February last, six followers of Mr. Mohamed Nur el-Din, and Mr. Mirghani Hamza (see 14703 B). At the same time two Southern supporters of the National Unionists also expressed their opposition to Mr. Azhari.

The no-confidence motion was moved by a back-bencher, Sayed Rahamtalla Mahmoud, who asserted that Mr Azhari had lost the confidence of the people, that "more blood had been shed in the country under his rule than under the former regime," and that this blood had been "shed through negligence."

Following Mr. Azhari's resignation, Mr. Abdullah Khalil was elected Prime Minister on July 5 by 60 votes against 30 for Mr. Azhari. The membership of the new Government was announced on July 7 as follows.

*Mr. Abdullah Khalil (Umma) .	Prime Minister and Defence.
*Mr. Mirghani Hamza (P.D.P.) .	Deputy Premier, Agriculture, and Irrigation.
*Mr. Ibrahim Ahmed (Umma) . .	Finance.
*Mr. Ali Abdel Rahman (P.D.P.) .	Interior.
Mr. Mohamed Ahmed Mahgoub (Ind.)	Foreign Affairs.
*Mr. Ziada Arbab (Umma)	Education and Justice.
*Mr. Benjamin Lwoki (Liberal)	Works.
*Mr. Hammad Tewfik (P.D.P.)	Commerce, Industry and Supply.
*Dr. Amin El Sayed (P.D.P.) .	Health.
Mr. Mohamed Ahmed Abusin (P.D.P.)	Social Affairs.
Mr. Mamoun Hussein Sherrif (Umma)	Communications.
*Mr. Mohamed Nur el-Din (P.D.P.)	Local Government.
Mr. Alfred Burjouk Uludo (Liberal) . .	Mineral Resources.
Mr. Gordon Ayom (Liberal)	Animal Resources.
Mr. Amin El Tom (Umma) . . .	Ministers without portfolio.
*Mr. Yousif el-Agab (Republican Soc.)	

*Member of previous Cabinet
Umma—Umma Party.
P.D.P. —People's Democratic Party.

The new Cabinet thus consisted of six Ministers from the Umma Party (including Mr Mahgoub, who, though nominally independent, was nominated by that party, with which he has strong connexions); six from the People's Democratic Party, three Liberals; and one Republican Socialist Ten members of the new Government were Ministers in Mr Azhari's Cabinet, of whom only three, however (Mr. Khalil, Mr. Ibrahim Ahmed, and Dr. El Sayed) retained their former portfolios. Of the six new Ministers, two—Mr. Mamoun Hussein Sherrif and Mr. Amin El Tom—are not members of Parliament. As the Minister of Finance, Mr. Ibrahim Ahmed, is also not an M.P, the total number of such Ministers was three—the maximum allowed under the Constitution.

Mr. Abdullah Khalil (65), the new Prime Minister, is Secretary-General of the Umma Party. From 1948 until the dissolution of the Legislative Assembly in 1953 he served as Minister of Agriculture, and in Mr. Azhari's National Government formed last February he became Minister of Defence and Public Works. He served in the Egyptian Army and the Sudan Defence Force from 1910 to 1945, when he retired with the rank of brigadier, being the first Sudanese to reach that rank.

(Sudan Diplomatic Mission, London - Times) **(14703 B.)**

D. TUNISIA. — First Ambassador in London.

The appointment of M. Taieb Slim as the first Tunisian Ambassador to the United Kingdom was announced on July 10. M. Taieb Slim (33) is a prominent member of the Néo-Destour party and a brother of M. Mongi Slim, Minister of State in the Tunisian Government.—(Times) **(Prev. rep. 14858 C.)**

E. MOUNTAINEERING. — Corrigendum.

Owing to a misprint in the table given in 14948 A, it was erroneously stated that the Himalayan peak of Manaslu had been climbed in May 1955. As described in the article, the summit of Manaslu was reached for the first time by a Japanese expedition in May 1956.

(Ed. K.C.A.).

A. AFRICA. — The Capricorn Africa Programme.

A conference attended by some 200 delegates and observers from all British Central and East African territories met at Salima (Nyasaland) on June 16-18 under the chairmanship of Colonel David Stirling, founder and president of the Capricorn Africa Society. This organization was founded in 1953 with the aim of promoting the concept of a common citizenship, free from all forms of racial discrimination, among the African, European, and Asian communities of the territories concerned, based on a common loyalty under the Crown.

The Salima congress was attended by African, European, and Asian representatives from Southern Rhodesia, Northern Rhodesia, Nyasaland, Kenya, and Tanganyika, with a few individual observers from Uganda and South Africa—the latter including Mr Alan Paton, the well-known South African novelist. The delegates from Kenya included Mr. Patel, the Indian Minister in the Kenya Legislative Council, and three members of the Kikuyu tribe Colonel Laurens van der Post, the South African explorer and writer, sent a message expressing his full support for the "Capricorn" ideal, and declaring that it offered an alternative to the "dangerously recessive and narrow kind of racial consciousness and assertion" into which the Afrikaner ideal in South Africa had degenerated.

The delegates unanimously adopted a "Capricorn Africa contract" laying down the bases for a common citizenship and patriotism among all the races in the territories concerned. After reaffirming its faith in "the greatness of our common destiny" and its resolve "to reject the barren doctrine of racial nationalism," the conference expressed its determination to work for "a society free from racial discrimination, with a system of law founded on our human unity under God and our unity in loyalty to one Crown." While recognizing that the final elimination of certain aspects of racial segregation would necessarily take time, and that reforms too hastily carried out might cause injustices, the delegates declared that "while bearing in mind these considerations" they would "proceed vigorously towards a true integration of all races."

The contract was in the form of six "precepts" and a number of detailed provisions relating to such matters as the exercise of the franchise, land tenure, and labour relations. The declaration on the "six precepts" was worded as follows:

"We declare our determination to secure as a condition for full self-government and Dominion status the adoption in each Central and East African territory of a written Constitution embodying the following precepts:

(1) All men, in spite of their varying individual talents and differences of race and colour, are born equal in dignity before God and have a common duty to Him and to one another.

(2) Man's fulfilment of his responsibilities to his fellow men is the essential foundation for a community, and for the assertion and enjoyment of his rights as an individual Between the interests of individuals it is an obligation of the State to secure justice.

(3) The State is under an obligation to protect and advance the moral, material, and cultural standards of its peoples, and at the same time to afford . . such facilities for education in all its forms as will give every individual the opportunity of attaining these standards.

(4) All who have been born in these territories or who live within their boundaries are entitled to equal standing before the law, and, subject to the law, to freedom of movement, speech, religion, and association, and to the same right to acquire and enjoy property. They are entitled to access to public services and institutions; to practise any trade, profession, or calling; to qualify themselves therefor by apprenticeship, public examination, or other test without distinction of race or colour; and to legal protection against the unjust denial of any of these rights .

(5) Membership of the State carries with it responsibilities and duties. The citizen is under an obligation to live by the rule of law, to defend the State if called upon to do so, and to uphold and abide by the principles and spirit of the Constitution

(6) The right to elect members of the Legislature is open to all who have attained statutory qualifications, and they will be registered on one common roll. The vote is not a natural right but a responsibility to be exercised for the common good"

Decisions taken with respect to the franchise, land tenure, and labour relations are summarized below:

The Franchise. The "Capricorn contract" called for a common electoral roll in each territory as "the only means of preserving harmony among the different races" At the same time, however, it rejected universal franchise and advocated the principle of multiple voting—i.e. that persons with special qualifications, such as education and income, should be eligible for more than one vote up to a maximum of six The statement said that "in the special circumstances of East and Central Africa, where there is no background of a long-established civic responsibility, universal suffrage would give rise to the danger of irresponsible politicians appealing to that section of the population which has yet to emerge from a communal tribal state, and being elected to the Legislature on grounds irrelevant to the common good"

Land Tenure. The "contract" declared that land should "not be reserved in perpetuity for members of one race to the exclusion of others." Subject to certain safeguards, all land now occupied by Europeans should gradually become available for purchase or lease to all races. Land occupied by Africans on a communal basis should be gradually sold or leased to individual Africans, and thereafter made open to transfer to persons of any race.

Labour Relations. Reforms in the field of labour relations should depend primarily on negotiations between workers and employers. If the State intervened, it should do so in such a way as to ensure that there was equality of opportunity in training and apprenticeship, that membership of trade unions was not denied to anyone on grounds of race, and that there was equal pay for equal work.

Language. It was unanimously agreed that English should be the only official language in all "Capricorn" territories

In a press statement after the ending of the Salima congress, Colonel Stirling announced that a campaign would be set on foot in all British Central and East African territories to obtain the support of public opinion and the political parties for the "Capricorn" programme. The Capricorn Africa Society had no intention of converting itself into a political party, but individual members were free to enter politics in their private capacities. An intensive campaign for acceptance of the "Capricorn" principles would be undertaken in Kenya as a first priority, in preparation for the European-Asian elections to be held in September next. Colonel Stirling thought there was a fair chance that the "Capricorn contract" might be adopted by the United Tanganyika Party, and believed that it would get increasing support in the Rhodesia-Nyasaland Federation.—(Times - Manchester Guardian - Economist - Federal Information Department, Salisbury)

B. UNITED KINGDOM. — Provisional Results of Census of Production for 1954. - Industrial Production Indices for 1954 and 1955.

Preliminary estimates of the results of the Census of Production for 1954, published on Dec. 31, 1955, showed that the value of the output of manufacturing industry in the United Kingdom was some 15 per cent greater than in 1951, of which rather less than 12 per cent was due to an increased volume of production and about 3 per cent to higher prices. These conclusions were based on census returns relating to about 70 per cent of all the larger establishments within the census field.

Indices of production (1948=100) prepared by the Central Statistical Office were as follows in the years 1954 and 1955:

1954

	Total All Industries	Mining and Quarrying	Manufacturing Industries	Building and Contracting	Gas, Electricity and Water
January ..	129	117	130	110	165
February	131	118	133	111	169
March .	133	117	136	112	156
April ..	125	107	128	109	139
May ..	134	117	139	112	134
June	128	107	133	112	127
July	118	89	121	111	121
August	114	93	116	111	122
September	134	110	139	116	136
October .	139	118	144	116*	144
November	140	118	144	116*	161
December	131	107	135	116*	164

*Average for fourth quarter.

1955

	Total All Industries	Mining and Quarrying	Manufacturing Industries	Building and Contracting	Gas, Electricity and Water
January	135	115	140	109*	177
February	140	117	145	109*	179
March .	143	119	148	109*	175
April	134	105	140	115*	145
May	140	109	146	115*	144
June .	137	106	144	115*	134
July	122	85	127	119*	121
August .	118	89	121	119*	123
September	140	110	146	119*	139
October	145	117	151	122*	155
November	146	119	152	122*	169
December	138	110	142	122*	174
Year 1955	137	108	142	116	153
Year 1954	130	110	133	115	145
Year 1953 (revised)	121	109	123	111	134

*Quarterly average.

Indices for the first four months of 1956 were:

January	February	March	April (provisional)
139	141	140	136

As shown by the above figures, the rate of industrial expansion declined in the second half of 1955 and the levelling-off continued in the first quarter of 1956. Production in 1955 rose by only 7 points, compared with 9 points in 1954. Production in March 1956 was 3 points lower than in March 1955, but March 1956 included the Easter holiday, which fell in April in 1955.—(Central Statistical Office - Board of Trade Journal)

(Prev. rep. 13856 C; 13555 A.)

A. UNITED KINGDOM - TRINIDAD. — Proposed Sale of Trinidad Oil Company to Texas Company. - Conditional Approval by British Government. - Parliamentary Debate. - Mr. Macmillan's Statements.

It was announced on June 6 that the Texas Company (an American oil company) had offered to purchase the whole of the issued ordinary share capital of the British-owned Trinidad Oil Company, consisting of 15,738,740 share units of 5s. nominal value each. The price offered by the Texas Company was 80s. 3d a share unit, compared with the Stock Exchange quotation of 40s. 3d. immediately before the offer was announced. Payment would be made in dollars, and the proposed transaction therefore involved the transfer of a dollar equivalent of about £63,000,000.

The Trinidad Oil Company Ltd. (registered in 1913 as Trinidad Leaseholds Ltd.) exploits extensive oil leases in Trinidad and operates a large refinery in the island. In addition, it has important interests (including an oil refinery) in Canada, and owns a 50 per cent interest in the Regent Oil Company Ltd., distributors of petroleum products with a chain of garages and filling stations throughout Britain, the other 50 per cent interest is owned by Caltex, a wholly-owned subsidiary of the California-Texas Corporation of the U S A In Trinidad itself, the company's refinery has for many years also processed a considerable tonnage of oil for the Texas Company

The proposed sale of the Trinidad Company's shares to U.S. interests caused widespread concern in Britain. On June 7 Mr. Harold Wilson (Lab) asked the Chancellor of the Exchequer whether, in view of the relationship between control over oil supplies and the maintenance of full employment, he would use his powers to prevent control of the Trinidad Company falling into foreign hands.

Mr. Macmillan, in reply, said that although the Government was naturally "concerned to ensure that the interests of Trinidad are fully safeguarded," it was at the same time "anxious not to put obstacles in the way of U.S. investment in appropriate cases" In answer to **Sir Beverley Baxter** (C.), who asserted that the proposed "sell-out to the American dollar" would have "a disastrous effect on the whole Caribbean," and to **Mr. James Griffiths** (Lab), who urged consultation with the Caribbean territories before consent was given to the deal, the Chancellor said that he was already in touch with the Colonial Secretary and the Governor of Trinidad. Replying to **Mr. Bellenger** (Lab), who asked whether the British Government's approval was necessary before contracts were exchanged, he pointed out that this would depend on the nature of the proposed deal Finally, in reply to **Mr. Gaitskell** (Leader of the Opposition), who urged the Chancellor to ask the House for the necessary powers to prevent the deal from going through, should he find that he did not already possess them, Mr. Macmillan said that the Government would decide on its action after it had learnt the attitude of the Trinidad Government and had considered the effect that the proposed sale would have on the economies of Trinidad and Britain.

Statement by Chairman of Trinidad Oil Company.

Discussions took place on June 8 between the Prime Minister and Mr. Macmillan; although no official statement was issued, it was understood that they centred on (*a*) the virtually unanimous demand by the Conservative 1922 Committee for Government intervention to stop the deal; (*b*) a statement on the position by Mr. S. J. Vos, chairman of the Trinidad Oil Company, who had conducted the negotiations on behalf of that company in New York. Mr. Vos issued the following statement on the same day (June 8):

"In view of the public interest which has been aroused by the offer of the Texas Company to purchase the ordinary stock of the Trinidad Oil Company, it is necessary to get the matter into proper perspective . . . The blunt truth of the position is that the Trinidad Oil Company has not the financial resources to maintain its position in an ever-expanding oil world.

"(1) Total world production of oil is 700,000,000 metric tons. Total production of Trinidad Oil is 3,484,000 metric tons, representing 0.5 per cent of world production. The total amount of the Trinidad Oil Company's oil production in Trinidad is 1,149,500 tons, representing 0 16 per cent of world production. Even if the potential of the area covered by the Trinidad Oil Company be included, the total amount of oil available over the next 20 years would not be significantly increased

"(2) The Trinidad Oil Company produces only 300-400 barrels of oil a day in Canada.

"(3) Consumption of petroleum products in the U.K. is 460,000 barrels a day. The Trinidad Oil Company's share of this total is only 24,500 barrels a day.

"(4) The Texas Company had already decided to build a refinery in Trinidad. If this had happened, the processing of 10,000 barrels a day, which has been part of the output of the Trinidad Oil Company's refinery for many years past, would in due course have ceased. This in itself would have seriously affected their refinery costs, and the company would not have been able to secure the essential products from that crude [oil] for its markets. It would therefore have been compelled to buy other crude [oil], in all probability for dollars, which would have been costly and would have involved losses on the sale of the products.

"(5) The Regent Oil Company's position involves the partners each putting in 50 per cent of the product. There are occasions, however, when the position must get out of balance, and here the Caltex Partners, through their vast resources and many refineries, are always in a position to give us the products we need and the quantity we must have.

"(6) The Trinidad Government need have no fears that the Texas Company will not continue to operate the refinery at full capacity, and with their larger markets in the South American continent and West Africa—where the Trinidad Oil Company have no business—full utilization, and indeed an expansion, of the refinery in Trinidad may be expected in the future

"(7) The Texas Company, with its huge financial resources, will be able to explore new fields in Trinidad, both on land and particularly in the marine areas, the latter operation alone would require an immense capital outlay

"(8) The Texas Company can be relied upon to carry out sound operating practice at all times, and must do so at the maximum economic rate if it is to make reasonable profits.

"(9) The Texas Company are well known for their industrial relations Here again the Trinidad Government can rest assured that this policy will be maintained, and that fair treatment for existing personnel will be accorded to every worker, with increased opportunities for all. Finally, the Texas Company may be relied upon to respect the rights of local labour and not to indulge in any form of racial discrimination

"The world-wide nationalism which insists upon domestic refineries makes it even more impossible for the Trinidad Oil Company to open up new markets A case in point is Eire, where the Government have insisted upon a refinery [see 14976 C] which will entail the loss of our distribution rights if we do not accede to their request The underlying fact is that cheap crude oil is not available to the Trinidad Oil Company, who have no Middle East crude [oil] and who are therefore dependent either on the Trinidad high-price crude or imported dollar crude As a comparison, the cost of Trinidad crude produced at the wellhead is approximately $1 50 per barrel, as against Middle East production costing on the same basis anything from 20 to 40 cents per barrel.

"Finally, it must not be forgotten that the American offer, if accepted, would mean an increase in our gold and dollar reserves by about $180,000,000, and is also in the best interests of Colonial development."

Statement by Chancellor of Exchequer.

The proposed transfer of the Trinidad Company's shares was the subject of further protests in the House of Commons on June 12, following Cabinet discussions earlier in the day.

Mr. Cooper (C) pointed out that the estimated annual loss to the sterling area if the transaction were allowed to go through would be "of the order of £2,000,000-£3,000,000," and asked the Chancellor to consider very carefully any scheme which "sought to nibble away our already slender reserves" **Mr. Harold Wilson** (Lab) asked Mr. Macmillan to bear in mind the alternative of making it possible for the Trinidad Company to pass into the control either of the Trinidad Government or of the British Petroleum Company **Mr. Stanley Evans** (Lab) described the Texas Oil Company as "the most volatile partner in Aramco" [the American-Arabian Oil Company], without whose money, he alleged, anti-British propaganda in the Middle East and the Persian Gulf could not have been financed He called for a full debate on the matter before the Government took a decision

Mr. Macmillan did not think a debate would serve any useful purpose until the Government had had time to consider the various issues involved. He promised to make a further statement as soon as the Government had reached a decision

On June 14 Mr. Macmillan announced that the Government had decided to permit the transfer of the Trinidad Oil Company's shares to the Texas Company, subject to certain specified conditions. The Chancellor's statement is given below (cross-headings inserted):

The Trinidad Company's Position. After stressing that the Government's assent would be required for the proposed transaction, Mr. Macmillan outlined the position of the Trinidad Oil Company as follows:

"The Trinidad Oil Company Ltd. has interests in a number of undertakings, of which the most important are the following. First, in Trinidad itself it has oil leases from which it produces just over 1,000,000 tons of oil a year, and a refinery which processes nearly 4,000,000 tons of crude oil a year, including some on behalf of the Texas Company. The products are distributed mainly in the Caribbean area and this country. The company has marketing subsidiaries in the Caribbean—in Jamaica, Puerto Rico, and the Dominican Republic. Elsewhere in the Caribbean the company markets on a 50-50 basis with Shell. It also holds one-third of the shares in Trinidad Northern Areas Ltd. This company engages in oil exploration, including marine drilling. The other shares are held equally by Shell and British Petroleum interests.

"In addition, the Trinidad Oil Company has a 50 per cent share in the Regent Oil Company Ltd., which at present distributes about 6 per cent of all petroleum products used in the United Kingdom. The other half is owned by Caltex (U.K.) Ltd., a wholly-owned subsidiary of the California-Texas Corporation, which in turn is owned as to 50 per cent by the Texas Company and as to 50 per cent by the Standard Oil Company of California.

" Finally, the Trinidad Oil Company owns 89 per cent of the shares in the Regent Refining (Canada) Company, which is concerned in refining and marketing petroleum products in Canada. This company's present production of crude oil from its concessions in Alberta is negligible.

" As the House will see, the crude oil production of the Trinidad Oil Company is very small—about one-sixth of one per cent of free world oil production. But it represents about one-third of the crude oil production of Trinidad, and with the refinery constitutes a considerable part of the oil industry there. The company have stated publicly that they have not the financial resources to maintain their position in an expanding oil world."

The Attitude of the Trinidad Government. After stressing that the British Government were concerned with the interests both of Trinidad and of the U.K., Mr. Macmillan said " We have been in close touch with the Government of Trinidad on the effect of the proposal on the interests of the island Prosperity in Trinidad is closely bound up with the oil industry. The Government of Trinidad have made it known that what they want to see is exploration intensified, existing oil resources exploited at the maximum economic rate, and the refinery operated at full economic capacity, and if possible expanded. At the same time they are concerned that the existing established practice in respect of industrial relations should be maintained, that existing personnel should be treated fairly, and that as many local men as possible should be trained for high positions. In view of the multi-racial character of the community, they are also concerned that there should be no racial discrimination in any of the company's plants or camps, and that the rights of local persons should be respected.

" Subject to safeguards on these matters, I am informed that general opinion in Trinidad is in favour of this transaction. In consequence, H M. Government are under an obligation not to let this deal go forward without ensuring that the conditions made by the Government of Trinidad are met. On the other hand, we must bear in mind that if we use our powers to prevent the transaction we run the risk of denying great material benefits to the island."

The Position of the United Kingdom. " I now come to the interests of the U.K ," the Chancellor continued. " First, I deal with the need to ensure our oil supplies and to safeguard our balance-of-payments position From what I have said about the production of the Trinidad Oil Company, it will be seen that the supplies which come to us from this source are very small indeed in relation to our total needs. Moreover, in time of war or national emergency the Governor of Trinidad has power . to pre-empt all oil works and products thereof, and, if necessary, to take entire charge of the works

" As regards the balance of payments, we should, if we permitted this transaction to take place, make it a condition that the marketing operations should be carried on under arrangements comparable with those which we already have with other American oil companies In this way any oil which comes to the sterling area would continue to be paid for in sterling ; at the same time dollars would have to be found for profits remitted to the parent company in the U S.A , while we should not receive any profits earned and remitted by the Canadian undertaking.

" For many years to come, however, all this would be more than counterbalanced by the continued investment which the parent company would have to make both in the U K. and in Trinidad, while at the same time, of course, we should benefit from the dollars received in the purchase price. We should, of course, lose some tax revenue, but this can hardly be a determining factor "

Arguments for Sanctioning the Proposed Transfer. " If, on the other hand, we were to refuse permission for the transfer," Mr. Macmillan explained, " we should be under a moral obligation to see that the necessary capital was forthcoming to expand the undertaking. The provision of this capital from private sources, even if it could be obtained, would represent a considerable burden on the resources of the U.K. ; and since much of the expenditure would be oversea, an additional strain on the balance of payments The same would apply if the capital came from public funds, and I do not think that this could be justified in the present circumstances

" It has been suggested by some that Shell or British Petroleum might be interested in making an alternative offer. As I have explained, the Trinidad Oil Company has a variety of interests, including producing, refining, and marketing Inasmuch as many of these duplicate undertakings owned by Shell and British Petroleum, it is obvious that the purchase of the Trinidad Oil Company's undertaking as a whole would have no attraction for them.

" Thus, if this transaction is considered by itself, the arguments are clearly in favour of our giving permission for it to go through, provided of course that the very important conditions mentioned, both those concerning Trinidad and those concerning the U.K., are met.

" There are, however, wider considerations. This country is dependent for almost all its raw materials, including oil, on oversea sources. It is also—the two things go hand in hand—a major oversea investor. By our investment abroad we have secured for ourselves access to many of the supplies on which our livelihood depends. This process brings great benefit both to ourselves and to the peoples of the countries where the resources lie waiting to be developed. It does, however, require the willing co-operation of those peoples, and it must be a two-way business. British enterprise has built up and is continuing to build up valuable assets oversea, not only in the sterling Commonwealth but also in North America. We have also benefited, not only in the U.K. but in many parts of the Commonwealth, from U.S. enterprise and capital. If we approach this deal from too narrow a point of view, we not only take upon ourselves the burdens I have mentioned but also expose ourselves to the risk of discrimination against us in other countries."

Conditions of Approval. " For these reasons," the Chancellor concluded, " H M Government have decided that they are in principle willing to give permission for this transaction to go through, subject of course to the ordinary law, both here and in Trinidad, being complied with, but more particularly subject to the following conditions and undertakings

" First, that the following specific conditions are complied with in any rearrangement of the present company structure :

(*a*) The marketing operations are carried on under arrangements satisfactory to H M Government, on a basis comparable with those already existing with other American oil companies ;

(*b*) The production and refining operations in Trinidad are carried on by a company registered in Trinidad

" Second, that H.M. Government and the Government of Trinidad receive satisfactory undertakings on the following matters :

(*a*) The Trinidad refinery is operated at full economic capacity and if possible expanded ,

(*b*) Exploration in Trinidad is intensified

(*c*) Existing oil resources in Trinidad are exploited on the basis of sound operating practice at the maximum economic rate ,

(*d*) Industrial relations are maintained on the basis of existing and established practice ,

(*e*) There is fair treatment of existing personnel, and training of as many local men as possible to take high positions in the company ;

(*f*) There is no racial discrimination in any of the company's plant or camps, and the rights of local persons are respected.

" In view of the complicated nature of the interests involved, which cannot be given in detail in a short statement, the Government will lay a White Paper [see below] setting out the factual basis on which their decision has been reached "

The Chancellor's statement, however, failed to satisfy those M.P.s of both parties who had previously expressed opposition to the deal.

Mr. Harold Wilson asserted that " the real bait in the transaction was the very big prospect of expansion in Canada," as well as the Texas Company's wish to increase its hold on the U.K. market He demanded an assurance that the Government would not implement its decision until Parliament had debated the White Paper

Mr. Macmillan, in reply, said he did not think any large development of the Trinidad Company's Canadian interests was possible, since only about one-twelfth of the $100,000,000 spent by British oil interests in Canada had been spent by the Trinidad Company, by far the greater part having been found by Shell and B.P. In any case, the Texas Company would have no difficulty in exploring for oil in Canada on its own account The chance of acquiring the remaining half-share in the Regent Oil Company might, however, have proved attractive to the Texas Company , in this connexion the Chancellor explained that the only British interests which might have bought it were the Shell and B.P. companies. As these companies already had a very highly-developed distributing organization in the U K., there would have been no point in their acquiring an interest in the Regent Company, which at present handled only six per cent of the trade

Other speakers included **Sir Beverley Baxter,** who quoted a friend in the Canadian Cabinet as expressing the fear that the " monopolistic " policy of the big U S oil groups might " create a stranglehold " on Commonwealth industrial development, and **Mr. Aneurin Bevan** (Lab), who welcomed the condition attached to the transfer that there should be no racial discrimination. **Mr. Harold Wilson** and **Mr. James Griffiths** (Lab) both asked the Chancellor to make it clear to the prospective buyers and sellers that the Government's decision was subject to the House's approval. After Mr Macmillan had replied that had had no contact on the matter with the Texas Company, but proposed to send a copy of his statement to the Trinidad Company, **Mr. Gaitskell** called for an early debate on the matter.

Publication of White Paper.

The White Paper (Cmd. 9790) referred to by Mr. Macmillan was published on June 18 and is summarized below ·

The Trinidad Oil Company's Undertaking.

Operations in Trinidad and the Caribbean. The Trinidad Oil Company (" Trinoil ") directly controlled about 135,000 acres in Trinidad, and also held a one-third interest in Trinidad Northern Areas Ltd , the other two-thirds being held by subsidiaries of the Royal Dutch-Shell and British Petroleum groups Trinidad Northern Areas Ltd. held licences and leases covering 35,000 acres in Trinidad itself and 231,000 acres offshore ; from these " marine " areas small quantities of oil had recently been obtained

The 4,000,000 tons of crude oil processed annually at the "Trinoil " refinery at Pointe-à-Pierre included about 500,000 tons processed for other companies, principally the Texas Company. About half of the 4,000,000 tons was produced in Trinidad (mainly from " Trinoil " wells), the remainder being obtained from South America (mainly Venezuela) under a contract with the Creole Petroleum Corporation, a subsidiary of the Standard Oil Company of New Jersey.

" Trinoil " distributed refined products through wholly-owned subsidiaries in Jamaica, Puerto Rico, and the Dominican Republic ; elsewhere in the Caribbean it distributed (in conjunction with Shell) through Shell-Regent companies.

"Trinoil" was responsible for about one-third of Trinidad's crude oil production and about two-thirds of the 5,500,000 tons treated in the island's refineries In 1955 it provided by way of royalties and income-tax about 19 per cent of the Trinidad Government's revenue, and about half the revenue provided by the oil industry as a whole. The company employed about 8,000 staff, or about half the total number employed in the island's oil industry and about 3 5 per cent of all persons employed in Trinidad.

For the year ended June 30, 1955, the "Trinoil" group made a profit of £2,312,682, after providing £1,849,448 for depreciation, £2,480,439 for taxation, and £42,459 for contingencies. The parent company's share of the group's net profit was £1,937,559, of which dividends absorbed £710,429 and £1,000,000 was placed to reserve. The parent company's current assets stood at £10,793,735, and interests in subsidiaries and investments at £8,841,437.

Operations in the United Kingdom. The Regent Oil Company, in which "Trinoil" held a half interest (see above), supplied about six per cent of the 23,250,000 tons of petroleum fuels consumed in the U K. in 1955, the company's proportion for light oils (motor fuel, etc) being, however, much higher than its share in the heavy oil market Regent was thus the third largest distributor after Shell-Mex and B.P , and the Esso Petroleum Co. (wholly-owned subsidiaries respectively of the Royal Dutch-Shell, British Petroleum and Eagle groups, and of Standard Oil of New Jersey)

Operations in Ireland. The Regent Company also owned a subsidiary, Caltex (Ireland) Ltd., which distributed petroleum fuels in the Irish Republic.

Operations in Canada. "Trinoil" owned 89 per cent of the shares of the Regent Refining (Canada) Company, which owned a refinery near Toronto which processed about 750,000 tons of crude oil annually and was being expanded to process 1,000,000 tons. Regent (Canada) also had a marketing organization in Ontario distributing to nearly 500 service stations, and supplied about 1½ per cent of current Canadian consumption of petroleum products. Furthermore, the company owned a number of oil leases in Alberta producing about 15,000 tons of oil annually, compared with the total Canadian production of crude oil estimated at about 17,000,000 tons a year.

Tankers. "Trinoil" owned, in addition, the Regent Petroleum Tankship Co. Ltd , owning two tankers totalling 26,000 deadweight tons, and on long-term charter six tankers totalling 85,600 deadweight tons. These tankers represented 1 5 per cent of the total U.K. tanker fleet of 7,479,000 deadweight tons, and 0.3 per cent of the free world tanker fleet of 41,300,000 deadweight tons.

Free World Production and Refining Capacity.

Free world production of crude oil in 1955 totalled 707,000,000 tons, comprising about 365,000,000 tons produced in the U.S A. and about 342,000,000 tons produced elsewhere

Refining capacity in the free world in 1955 totalled about 750,000,000 tons (425,000,000 tons in the U.S A. and 325,000,000 tons elsewhere, including about 29,000,000 tons in the U K.).

The Position regarding the Proposed Transfer.

The Texas Company had intimated that it desired, if it acquired control of the Trinidad Oil Company, to transfer that company's domicile from the United Kingdom The position would be affected by the following legal requirements

(1) The oil leases and licences held by the Trinidad Oil Company and its affiliated company, Trinidad Northern Areas Ltd., contained provisions (*a*) requiring the holder not to assign the rights without the consent of the Governor of Trinidad, and only to assign them to British subjects or to companies incorporated in the Colony or in some other British territory , (*b*) to inform the Governor and obtain his consent if the holders of the leases ceased to be British subjects or companies incorporated as above. Thus the assignment of leases or licences, or the issue of new ones, would require the consent of the Governor of Trinidad.

(2) Under the Exchange Control Act, Treasury permission was required for the transfer of any securities by U.K. residents to persons resident outside the sterling area, and for any action whereby a company controlled by U.K. residents passed out of such control.

(3) Applications for the acquisition of control of a U.K. company by persons resident outside the sterling area were considered on the same basis as applications for investment in the U.K by non-residents. Provided that the terms of payment were satisfactory, it was the practice not to refuse permission unless the transfer of ownership would be clearly disadvantageous to the U K. economy, or to the economy of some other country in the sterling area This meant that permission would be given where the proposed investment or acquisition was expected to make a significant contribution to the promotion of exports, the saving of imports, the introduction of new techniques, and, in the case of companies operating in a sterling area country outside the U K., the economic development of the country concerned.

The Colonies, whose exchange control arrangements were broadly modelled on those of the U.K., applied similar criteria in judging applications in their territories. Under this policy a considerable amount of foreign (mainly U.S) investment had taken place in the U.K. and the Colonies during recent years.

(4) Under the Income Tax Act it was also necessary for bodies corporate resident in the U.K to obtain Treasury consent before ceasing to be so resident, or transferring their trade or businesses to persons not so resident. In considering applications for transfer of residence it was the practice to weigh the prospective loss of revenue against other factors in the case.

After explaining the specific conditions and undertakings imposed by the Government [see above], the White Paper stated that the Government would seek an early opportunity to hold discussions with the Trinidad Government and the Texas Company regarding the precise form which the required undertakings should assume

Memorandum by Trinidad Oil Company.

A memorandum explaining the Trinidad Company's difficulties was sent by the company to the Treasury on June 5, and is summarized below. This was the first notification of the proposed transaction which the Government had received.

After setting out the Trinidad Oil Company's present activities and financial position, the memorandum stressed the following points .

(1) "Trinoil" had no cheap source of crude oil (such as oil from the Middle East) to support its business, although its main market (the U K.) was now almost wholly based on Middle East crude oil supplies.

(2) The company was therefore at a disadvantage, not only *vis-à-vis* its competitors but also in maintaining its position with its partner, Caltex

(3) "Trinoil's" crude oil production in Trinidad represented less than one-third of the capacity of its refinery (which had to be large enough to compete with other Caribbean refineries)

(4) While "Trinoil" had secured the best possible terms for buying the balance of its crude requirements, it was "still very vulnerable."

(5) The building of refineries in the U.K. was placing the Regent Oil Company at a serious disadvantage as compared with its competitors, and as a result Caltex had now decided to erect a large refinery in the U.K. as early as possible

(6) The size of the investment required precluded "Trinoil" from participating with Caltex in this project, and this would inevitably weaken "Trinoil's" standing in the partnership

(7) It was now necessary for the Regent Company to enter the fuel oil and aviation spirit markets, and this entailed capital investment "far beyond the ability of Trinoil to contemplate."

(8) Under present conditions, and in view of the "fundamental absence" of cheap oil resources, it would be impossible for "Trinoil" to procure further finance, since marketing profits did not promise proper returns on capital investment.

Having regard to these considerations, the Board of "Trinoil" had decided to try to come to a mutually satisfactory arrangement with the company's partners The Texas Company—which was already closely concerned with the "Trinoil" refinery in Trinidad, as well as being vitally interested through Caltex in the Regent Oil Co Ltd —had decided that it would be well advised to acquire the "Trinoil" group as a whole, and had submitted an offer to purchase the whole of the company's capital stock at a satisfactory price.

The memorandum added: "As far as the Colony of Trinidad is concerned, it will be appreciated that much advantage could accrue through the producing and refining activities at present being undertaken there by "Trinoil" being taken over by a company such as the Texas Company, who, having regard to their Western Hemisphere markets, are in a good position to develop these local resources Under present conditions the economy of Trinidad, which is primarily dependent on oil and on "Trinoil" in particular, is very vulnerable to the competitive pressure from Middle East crude [oil] in the markets."

Parliamentary Debate on White Paper.

The White Paper was debated by the House of Commons on June 20.

Mr. Macmillan said that although his first reactions to the Trinidad Company's proposals had been "regret and even dismay," it had become clear when he looked into the possible alternatives that the Government had no option but to consent in principle The conditions on which consent was granted, however, must guarantee two vital interests: (1) Britain's overriding interest in strengthening sterling; (2) the life and prosperity of the people of Trinidad and the general interest of the Caribbean peoples. If he had considered that the transaction ought to be prevented in the broadest national and imperial interests, he would not have hesitated to use the Treasury's powers under the Exchange Control Act.

Trinidad's oil supplies and reserves, the Chancellor continued, were not important in terms of oil production and had no strategic and only limited economic significance They had, however, great value to the Trinidad population, to whom it was supremely important that capital should be available for development. If the sale went through on the conditions set out, the Trinidad Government would welcome the transfer and have general opinion behind it, since the deal would ensure the backing and wealth of a powerful group in place of an organization without the finance to develop its resources fully. "Unless some direct and vital British interest were involved," Mr. Macmillan declared, "we should have no right to refuse a transaction which was clearly in the interests of Trinidad so long as it was subject to proper conditions and favoured by the Government of Trinidad. To do so would be in the spirit of the old colonialism, and be contrary to the practice of the Empire and Commonwealth today."

With regard to the high price to be paid by the Texas Company, which had caused some people to wonder whether there was not "some hidden asset or mysterious undisclosed El Dorado," Mr. Macmillan explained that the main hope for new production in Trinidad was in the unexplored areas, two-thirds of which were in the hands of Shell and B.P. It appeared, therefore, that one object of

the bid was the development of the Texas Company's business in the British market through "Trinoil's" moiety holding in the Regent Company, and there was no harm in this unless one opposed all competition in petroleum distribution. After rejecting as "dangerous" the suggestion that the British Government should put up the money and enter the business on a large scale, he disclosed that he had himself suggested to the chairmen of Shell and British Petroleum that they might entertain taking over "Trinoil's" business; however, they had not been interested.

Dealing with the protection of sterling, the Chancellor said that the Government must insist on market operations being carried out in the ways already agreed with other U.S companies. It was true that Britain would have to provide dollars for dividends, but this was nothing like so important as marketing conditions In this connexion he mentioned that in 1955 U.S. oil companies had spent £23,000,000 in Britain on equipment, apart from "invisible" payments on tanker freights. The second condition—that production and refining in Trinidad must be done by a company registered there—would mean some tax loss to Britain, but economic and social advantage to Trinidad. "With these provisos," he declared, "I feel that the economic and financial advantages are decisively in favour of acceptance. Any dollar loss in dividends or sterling loss in taxation would be more than recouped by the dollar proceeds of capital investment by the new owners in the sterling area."

In conclusion, Mr. Macmillan dealt with the political and economic aspects, stressing that Britain's policy must be to welcome foreign investment wherever it brought no disadvantage to the economy of the U.K or of a sterling area country In the past, foreign—and especially U S.—investment had provided oil refineries and equipment and benefited the motor, tractor, and chemical industries, while on the other hand Britain had made large capital investments in Canada and the United States. During the past four years British long-term lending in the sterling Commonwealth had been at the rate of about £100,000,000 a year, which was unrivalled in any country in the world. Investment on this scale, however, had caused a "considerable strain" on British resources and on the balance of payments, and it would be a "serious blow" to Britain's interests if she were to "set up a bar to anything like a two-way traffic in investment"

Mr. Harold Wilson, the chief Opposition speaker, described the deal as "a regrettable transaction which has caused dismay and despondency throughout the country," and asserted that it was clearly shown that "after 4½ years of Conservative administration Britain has not the capital for an essential project of Commonwealth development" Declaring that the Government had "had a pistol held at its head by slick oil financiers," he argued that the Trinidad Company should have approached the Chancellor at a much earlier point in the negotiations so that "a coherent line could have been worked out" The real reason for the deal, he said, was the fact that petrol sales in Britain had risen by 11 per cent in 1955, against only six per cent in the U S A. The entry into the British market of the Texas Company—which, Mr Wilson alleged, had been denounced by the U.S Government for restrictive practices and illegitimate pressure on garages—would only add to "the tangled web of restrictive practices in the oil industry" The Opposition believed that there had been no proper consideration of alternatives owing to the speed with which the transaction had been rushed through by interested parties. The Government should have provided the capital for the Trinidad Company to finance necessary developments, either by taking shares (as Mr Winston Churchill, when First Lord of the Admiralty before the First World War, had taken shares in the Anglo-Persian Oil Company to secure strategic oil supplies) or by some other method.

After further debate, an Opposition motion for the adjournment of the House as a mark of disapproval of the Government's policy was defeated by 315 votes to 247—a Government majority of 68.

Trinidad Government Delegation's Discussions with British Treasury, Texas Company and Trinidad Oil Company.

A Trinidad delegation of six members, headed by the Minister of Commerce (Mr. Albert Gomez), and including the Ministers of Agriculture and Health and the acting Attorney-General, arrived in London on June 28 for talks with representatives of the Treasury, the Texas Company, and the Trinidad Oil Company. It was announced by the Colonial Office on July 5 that the talks had been adjourned until July 26, at the request of the Texas Oil Company, to enable the latter to carry out further investigations in Trinidad in connexion with the conditions laid down in the White Paper. The Trinidad delegation returned to Port of Spain on the same day (July 5) while these investigations were being undertaken by the Texas Oil Company. (White Paper, Cmd. 9790 - Times - Daily Telegraph - Manchester Guardian - Economist - Financial Times)

A. SIERRA LEONE. — New Governor.

Mr. Maurice Dorman, Chief Secretary of Trinidad, was appointed Governor of Sierra Leone on July 11 in succession to Sir Robert Hall, who had resigned through ill-health.—(Times)

(Prev. rep. 13025 C.)

B. NETHERLANDS.—Denial of Foreign Press Allegations of Constitutional Crisis and Rift in Royal Family.

Reports in certain foreign newspapers that a crisis had arisen in the Dutch Royal Family owing to the influence allegedly exercised over Queen Juliana by a faith-healer were emphatically denied on July 15 by the Prime Minister of the Netherlands, Dr. Drees, and also by Government spokesmen. Categorical denials were also made of rumours, published in certain sections of the foreign Press, that Queen Juliana was seeking a divorce, contemplating abdication, or had caused a constitutional crisis through her alleged association with the faith-healer.

The allegations of a rift between Queen Juliana and Prince Bernhard had first been made by a West German weekly magazine, *Der Spiegel*, and were repeated by a number of foreign newspapers. These reports said that a Dutch faith-healer, Miss Greet Hofmans (61), had been consulted by Queen Juliana in connexion with the partial blindness of the nine-year-old Princess Maria Christina (Marijke), the fourth and youngest daughter of the Queen and Prince Bernhard, and that Miss Hofmans had gained an ascendancy over the Queen which had resulted in a rift between the Queen and Prince Bernhard and also between the Queen and the Government. According to these reports, Miss Hofmans had first been introduced to the Queen in 1948 by Prince Bernhard after a medical operation had failed to improve Princess Marijke's eyesight.

An official statement was issued to foreign correspondents in The Hague on June 14 emphatically denying "all rumours which have appeared in the foreign Press concerning the Queen and possible divorce proceedings planned or initiated." At a press conference on the following day, Dr. Drees reiterated that there was no foundation whatever for the rumours that the Queen was contemplating a divorce or that her association with Miss Hofmans had led to a constitutional crisis. He stressed that the Queen had at all times acted in a constitutional manner; that the Government would have resigned had the contrary been the case, and that there was "no question of abdication, nor any truth in reports of differences between the Queen and her Ministers."

Strong criticisms of the sensationalism of foreign press reports about the Dutch Royal Family, and the unsubstantiated allegations contained therein, were made by Dutch newspapers of all shades of opinion. It was universally pointed out that the Queen and the Royal Family had the right to privacy in their own affairs, that intrusions into the life of the Royal Family were unknown in the Netherlands Press; that the reports in *Der Spiegel* and other foreign newspapers, apart from being sensationalized and unverified, were in the worst possible taste, and that the Queen's action in enlisting the help of a faith-healer in an attempt to cure her daughter after medical science had failed was no more than any mother might have done in similar circumstances. Particular objection was taken to the article in *Der Spiegel* and to the way in which certain British popular newspapers had reported on the alleged rift in the Royal Family.

A committee of Dutch newspaper editors, meeting at Utrecht on June 21 under the chairmanship of the editor of the *Nieuwe Rotterdamse Courant* (Mr. M. J. Rooy), unanimously decided that the Netherlands Federation of Journalists should send a letter to foreign press organizations—such as the National Union of Journalists in Britain, the American Society of Newspaper Editors, and the International Press Institute in Zurich—protesting at the sensationalized and unverified character of the reports in question, and pointing out that such treatment was "contrary to the high concept of journalistic responsibility held in the Netherlands."

The following joint statement was issued by Queen Juliana and Prince Bernhard on June 29: "The way in which newspapers abroad have considered it permissible publicly to report on our family life, and relations in our immediate surroundings, has disappointed and saddened us both. We consider an investigation into the circumstances which have led to this desirable. We are happy to have found Professor L. J. M. Beel, Professor P. S. Gerbrandy, and Jonkheer A. W. L. Tjarda van Starkenborgh Stachouwer prepared to conduct this investigation and to counsel us."

It was stated in The Hague that the three members of the committee —all eminent "elder statesmen"—had relinquished their public functions in order to carry out this investigation Professor Beel, a leader of the Catholic People's Party, was Vice-Premier and Minister of Home Affairs before the recent general election, Professor Gerbrandy was Prime Minister of the Government-in-exile established in London during the war; and Jonkheer Tjarda van Starkenborgh Stachouwer had lately resigned as Netherlands representative on the North Atlantic Council.

An official statement was issued on July 12 refuting foreign press reports that Princess Marijke was blind. It stated that the Princess had been born with a clouding of the lenses of both eyes; that it had, however, been possible through medical means to restore as much as possible the sight of one of her eyes; and that she was attending school and pursuing her normal studies.—(Netherlands News Agency - Algemeen Handelsblad, Amsterdam - Nieuwe Rotterdamse Courant)

A. NEW ZEALAND. — Review of Immigration Policy. - Immigration Figures, 1952-1956.

The New Zealand Minister of Immigration, Mr. J R. Hanan, announced on June 8 that the Government had arranged for a review of immigration policy to be carried out by the Immigration Advisory Council, and that the Council had been asked to consider both the long-term beneficial effects of immigration and the short-term inflationary effects.

Mr. Hanan pointed out that the short-term inflationary effect of the increased demand for consumer goods had been offset by the fact that immigration had enabled New Zealand to undertake a number of essential works which would not otherwise have been possible because of the labour shortage The Government had also recognized the very beneficial long-term effects of immigration, but the correction of inflationary trends was one of the most important present tasks of the Government, and this had made some review of the various aspects of immigration an urgent task.

The Minister added that there would be no immediate change in the pattern of immigration, as New Zealand had accepted commitments under the free passage scheme from the United Kingdom for approximately 5,000 persons. No changes were likely in the policy regarding the acceptance of unmarried immigrants, the largest source of immigration. There had, however, been an increase in the number of married immigrants in recent years, most of whom had been nominated and guaranteed housing accommodation by New Zealand sponsors, and the consequent pressure on housing accommodation and finance was a matter of some concern

It was announced on June 25 that the N.Z. Government had adopted a recommendation by the Immigration Advisory Council to reduce the number of Government-assisted immigrants by restricting the categories of married immigrants to building tradesmen, farm workers, and seamen who were under 45 years of age and who had not more than two children. No changes were recommended in the number of single immigrants to be assisted. The tightened conditions for married people (which came into force on July 1) limited the number of assisted immigrants to 5,000 a year.

Immigration figures, and other recent developments in New Zealand's immigration policy, are summarized below under cross-headings.

Immigration Statistics. Nearly 120,000 immigrants entered New Zealand between 1947 and 1956, of whom approximately 100,000 were British, 14,000 Dutch, and 4,500 displaced persons from various European countries. Of the 41,000 assisted migrants, 31,000 came from the United Kingdom The net migration gain (i e immigration less emigration) over the 10 years since the end of the war was 111,000. In the year ended March 31, 1955, the total net migration gain was 11,442, compared with 10,441 in 1954-55, 17,848 in 1953-54, and 22,700 in the year 1952-53—the last figure being the highest since the beginning of the century.

German and Austrian Immigrants. Mr Hanan announced on Nov. 9, 1955, that New Zealand's target of 15,000 immigrants for the current year (i.e. April 1, 1955, to March 31, 1956) would not be reached, and that the total intake would probably be between 10,000 and 11,000. As a result of the high rate of employment in the U K there had been some difficulty in obtaining suitable immigrants from Britain, while prosperous conditions in the Netherlands had tended to slow down the flow of migrants from that country For these reasons the Government had arranged, with the co-operation of the International Committee for European Migration, for the selection of 1,500 single persons from Germany and Austria, it being hoped to obtain 500 women and 250 men from each country Mr Hanan emphasized, however, that "it was the policy of the N.Z Government to draw migrants from the United Kingdom," and that over the past five years the proportion of British to other new settlers had been four to one.

Netherlands Immigrants. Details of draft terms for a new immigration agreement between the Netherlands and New Zealand, aimed at bringing immigration requirements into line with present-day conditions, were disclosed by Dr B W. Haveman (the Dutch Commissioner for Immigration, then visiting New Zealand) at Auckland on April 29. The two groups of migrants provided for were (*a*) single men and women up to the age of 35, whose fares would be subsidized by the two Governments jointly; and (*b*) families, and married couples up to 45, who would be guaranteed work and accommodation and would be sponsored by New Zealand, but whose fares would be subsidized by the Netherlands Government alone

Danish and Swiss Immigrants. Arrangements were announced on May 11 for the selection of Danish and Swiss migrants under the Assisted Passage Scheme. Single persons aged 18 to 45 years would be recruited, the men to undertake employment in the building trade, engineering, railways, and hydro-electric development works, and the women in hospitals and other essential employment Applications would be dealt with in London, and Selection Officers would visit Denmark and Switzerland periodically to choose suitable applicants. Not more than 100 or 200 immigrants were expected each year from either country

The N.Z. Government announced on March 7, 1955, that it had decided to join the International Committee for European Migration. (Directorate of Information Services, Wellington)
(Prev. rep. Immigration, 14066 C.)

B. UNITED STATES. — Supreme Court Decision on Security Dismissals.

The U.S. Supreme Court ruled on June 11, by six votes to three, that a presidential Executive Order of 1953 giving heads of U.S. Government agencies the right summarily to suspend or dismiss public servants regarded as "security risks" (see 12902 B) went beyond the powers of the President to make such an Order, which had been granted to him by an Act of Congress in 1950.

The case (*Cole v. Young*) concerned a food and drug inspector (Mr. Cole) who had been summarily suspended in 1953, and later dismissed, by the Department of Health, Education and Welfare on the grounds that he had associated with persons "reliably reported to be Communists" and had been connected with the Nature Friends of America, an organization which had been designated as subversive by the Attorney General.

The Presidential Order of 1953 stated that national security required that all Government employees should be of "complete and unswerving loyalty," and gave heads of Government agencies powers summarily to dismiss or suspend employees if it was determined that their employment was "not clearly consistent with the interests of national security." The Order, applying to all Government agencies, had been made pursuant to the 1950 Act, which had expressly given such powers to heads of the Departments of State, Commerce, Justice, Defence, the Army, Navy and Air Force, the Coast Guard, the Atomic Energy Commission, the National Security Resources Board, and the National Advisory Committee for Aeronautics The Act had also authorized the extension of these powers "to such other departments and agencies of the Government as the President may from time to time deem necessary in the best interests of national security."

The majority judgment of the Supreme Court, delivered by Justice Harlan (with the concurrence of Chief Justice Warren and Justices Black, Frankfurter, Douglas, and Burton), pointed out that the 11 agencies enumerated in the 1950 Act were all "sensitive" agencies dealing with international relations, internal security, defence, and the stockpiling of strategic materials; from this it concluded that the intentions of Congress had been concerned only with "sensitive" Government positions through which the national security might be more or less directly imperilled. That being so, the Court found that the President's extension of the powers prescribed by the Act to cover all Government posts, including those not affecting national security, was clearly outside the spirit of the legislation, and the dismissal of a food inspector was therefore not authorized by the Act.

A dissenting minority judgment by Justices Clark, Reed, and Minton found that there had been no intention by the legislature to limit the application of the 1950 Act, and described the majority judgment as having "stricken down the most effective weapon against subversive activity available to the Government"

In consequence of the Supreme Court's judgment, the U.S. Attorney General (Mr. Brownell) ordered on June 15 the immediate reinstatement of 17 employees in "non-sensitive" posts who had been suspended under the provisions of the Executive Order. Mr. Brownell also ordered that, pending further study of the question, no removal proceedings were to be begun against any other Government servant in a "non-sensitive" position. (New York Times) **(Prev. rep. 12902 B.)**

C. IRISH REPUBLIC. — £12,000,000 Oil Refinery.

The Minister for Commerce and Industry (Mr. Norton) announced on July 5 that he had accepted a joint proposal by three oil companies—the California Texas Corporation, the Esso Petroleum Co. Ltd, and Shell-Mex and B.P. Ltd.—for the establishment of an oil refinery at Whitegate, County Cork, with a capital of £12,000,000—the biggest single private investment ever made in the Irish Republic.

Mr. Norton stated that the refinery would supply the Republic's entire needs for motor spirit, automotive and industrial diesel oils, gas oils, and fuel oils, and would have a capacity of 1,600,000 tons of crude oil a year or 1,500,000 tons of finished products. It was expected to be in operation by 1959, and to give permanent employment to 400 men.
(Irish Times, Dublin)

D. SOVIET UNION. — Recognition of Moroccan and Tunisian Sovereignty.

The Tass Agency announced on June 15 that the Soviet Government had recognized the independence of Morocco and Tunisia, and that Marshal Bulganin had sent letters to the Prime Ministers of the two countries (respectively Si Bekkai and M. Habib Bourguiba) informing them that the U.S.S.R. was willing to exchange diplomatic representatives.
(Times - Le Monde, Paris) **(14936 A; 14907 C; 14858 C.)**

JULY 14—21, 1956

A. UNITED KINGDOM. — Reductions in Government Expenditure. - Chancellor of Exchequer's Statements on Economic Situation. - Call for Price Stability. - Prime Minister's Discussions with T.U.C., F.B.I., British Employers' Confederation, and Nationalized Industries. - T.U.C. Memorandum on Economic Situation. - "Pegging" of Gas Prices, Rail Fares and Freights, and Postal Charges. - Appeal for Price Restraint by Leaders of Industry. - Sir Anthony Eden's Warning of Economic "Battle of Britain." - Maintenance of External Value of Sterling.

The Chancellor of the Exchequer, Mr. Harold Macmillan, informed the House of Commons on June 26 that decisions had been taken to effect interim savings of £76,000,000 in Government spending in the current year, towards the total of £100,000,000 forecast in his Budget speech. Of this total, £36,500,000 was on the defence programme, £14,000,000 on defence expenditure by Civil Departments, and £25,500,000 on other Civil Estimates.

Of the defence savings about £11,000,000 was on the Navy Estimates, nearly £17,000,000 on the Army Estimates, and about £8,750,000 on the Air Estimates. In each case the main savings arose from abandoning or deferring orders which would otherwise have been placed, from increasing the use of existing stocks, and from expediting the disposal of surplus stocks. These savings, effected within two months of the Budget, represented "good husbandry" by the Service Departments and did not reflect "any change in the size or shape of our fighting forces as a result of the review of our defence policy which . . . the Prime Minister set in hand last April." Any major decisions in this field, Mr. Macmillan added, would have to be taken after consultation with the Commonwealth countries and Britain's allies.

The main savings on the defence expenditure of Civil Departments arose from curtailing purchases of mobilization equipment (£2,500,000), food stocks (£8,000,000), and equipment for oil storage and distribution (£2,000,000). On the other Civil Estimates, the reductions in the bread and milk subsidies announced in February and in the Budget left a net saving of £12,500,000 after deducting the resulting extra cost of school and welfare meals (£642,000), the extra cost of the farm prices review (£20,900,000), and the increases in family allowances (£6,500,000). A number of other miscellaneous savings through administrative economies amounted to £13,000,000. Among these were an increase by 1d. in the charge for school meals from next September "so as to cover the cost of the food supplied, in accordance with the policy of successive Governments," and a slowing-down of capital expenditure on the school meals service, the total savings under this head being £2,250,000.

Revised Civil Estimates embodying the Government's decisions, the Chancellor added, would be presented in the first week of July, except where the savings were small in relation to the totals of the existing Estimates The savings, however, took no account of additional necessary expenditure not provided for in the published Estimates, for which Supplementary Estimates would be presented in the usual way. On the other hand, the present savings did not take into account under-spendings on the Estimates during the year, apart from those deliberately planned

Fuller details of the proposed economies were given in a statement circulated by Mr. Macmillan on the same date, some of the principal items being as follows :

Royal Navy. £3,100,000 from the run-down of stores and oil fuel stocks and the quicker disposal of surpluses ; £2,980,000 from a re-phasing of the aircraft programme and cuts in machinery production ; £2,080,000 from the run-down of armaments stores and cuts in ammunition production ; £1,150,000 from speedier sales of property , and £1,000,000 from manpower adjustments.

Army. £11,000,000 from increased use of reserves for maintenance, disposal of surplus stocks, and savings on the production programme , £3,500,000 from the reduction of stocks , £1,500,000 from a review of the building programme , and £700,000 from cuts in Army expenditure in Germany.

R.A.F. £4,620,000 from the accelerated disposal of aircraft and stores and the cancellation of projects ; £2,050,000 from adjustments of purchases due partly to the run-down of stocks ; £1,070,000 from a review of the works programme , and £1,000,000 from manpower adjustments.

Defence Expenditure by Civil Departments (in addition to the items mentioned in the Chancellor's announcement) · £1,249,000 from reduced purchases of Civil Defence equipment and materials, and other economies , £573,000 in National Health Service expenditure for Civil Defence , and £1,500,000 from reduced expenditure of the Ministry of Supply. In addition, turnover purchases by the Board of Trade for the strategic reserve of industrial materials would be reduced by £10,000,000, but for accounting reasons only £750,000 of this amount would appear in the reduced Estimates.

Commonwealth and Foreign Offices. The loan towards emergency expenditure in Kenya was reduced from £2,000,000 to £1,000,000; Colonial Development and Welfare loans by £810,000 , grants and loans to international organizations by £525,000 ; and Colombo Plan grants by £80,000. Administrative economies, together with an increase in passport fees (see below), would yield a total of £325,000.

Works. £1,197,000 from economies in capital and maintenance expenditure on public buildings.

The following charges were raised to provide increased revenue :

School Meals—raised by 1d. to yield (together with reduced capital expenditure on the school meals service) £2,250,000.

Passport Fees—increased from £1 to 30s. to yield £175,000.

County Court Fees—increased to yield £180,000.

Driving Test Fees—increased to yield (together with administrative economies) £125,000. [The Road Traffic Bill at present before Parliament provides for an increase of these fees from 10s. to £1].

Further Education Charges for Non-vocational Courses—increased to yield £170,000.

On April 28 local education authorities had been told by the Ministry of Education that current limits of cost per place in school building must be maintained, despite recent wage awards in the building industry which were calculated to increase the costs of educational building by 3 per cent. Cost limits were £154 for a primary and £264 for a secondary school place.

Mr. Macmillan's Statements on Economic Situation.

Prior to his announcement of the decision to effect reductions in Government expenditure, the Chancellor of the Exchequer had made a number of statements on the economic situation, the most important of which are summarized below.

Newcastle Speech. In a speech at Newcastle-upon-Tyne on May 25, Mr. Macmillan said that he did not expect a rise in the cost-of-living index of more than 2 or 3 points in the next twelve months as a result of the removal of food subsidies or of recent wage increases in the nationalized industries. He foresaw a "plateau of stability" for at least a year ahead and said the country could stay there if it chose, but that another round of wage increases such as had taken place in the past two years would be "disastrous." Mr. Macmillan described the national economy as "buoyant," but mentioned three particular problems . (1) excessive investment in industry and building, (2) increased internal consuming power which deflected goods from the export markets, and (3), most serious of all, rising prices at home which might price the country out of its export markets.

Statement to N.P.A.C. In a statement to the National Production Advisory Council on Industry (May 4) Mr. Macmillan said that his main concern had been to discourage current personal spending and to encourage saving. Without sufficient savings, essential schemes of industrial expansion could not be financed without inflation. Comparison of investment in Germany with that in the U K left no ground for complacency, and it was important to accelerate the pace of investment in the U.K. as soon as possible. In 1955 U.K exports grew only about half as fast as world trade in manufactures and, for the fifth year running, Britain's share of world trade in manufactures had declined The growth of Britain's gold reserves had to be made a major objective of policy, and to achieve that end exports would have to be further increased.

Speech to Commonwealth Correspondents' Association. Addressing the Commonwealth Correspondents' Association on June 6, Mr. Macmillan said that over the five-year period 1950-55 the U.K. had an average current surplus on its balance of payments of some £70,000,000 a year, compared with an average deficit of £25,000,000 for the rest of the sterling area By "average world standards" the U.K had not done too badly, but by its own higher standard of trying to reach a considerable current surplus to cover its capital commitments the country had not done well enough in recent years. Mr Macmillan said that the U.K. had lent well over £100,000,000 a year in long-term investments within the sterling Commonwealth in the last four years. The U K. came a close second to the U.S A. as a provider of long-term capital, and in proportion to national income was the largest long-term oversea investor in the world In the last six years colonial sterling balances had risen by about £700,000,000 but in the same period investments, grants and long-term loans from the U K. to the Colonies had amounted to £600,000,000. It followed that the U K. did not levy a tribute of sterling balances from the Colonies ; nor did it live off the rest of the sterling area.

Discussing the U K 's dollar exports, Mr Macmillan said that in the period 1948-1955 these had risen 136 per cent by value, and those of the rest of the sterling area by 57 per cent. The U.K. had thus provided a larger share than formerly of the sterling area's visible dollar exports, as well as substantial invisible dollar earnings. He also drew attention to the U K 's contribution to defence, which, in proportion to national income, was nearly double that of Continental Western Europe and in total exceeded that of the rest of the Commonwealth put together

Speech to Press Association. On June 13 Mr Macmillan, speaking at the annual luncheon of the Press Association, said there had been "modest but unmistakable" gains in the fight against inflation. He drew attention to the "excellent trade figures" for May, which showed the smallest apparent trade gap for 2½ years, but pointed out that they could not be regarded as reliable evidence of a long-term trend He added that the headway made would be lost if labour costs and prices continued to rise.

Sir Anthony Eden on the Wage-Price Spiral.

The Prime Minister, Sir Anthony Eden, addressing a rally of women Conservatives at the Albert Hall on June 13, said that he believed that the country had reached a point where it was possible to break the "vicious circle of rising prices and

wages chasing each other." He suggested that since nobody gained from such a race it would be "fair and sensible to call it a draw." He went on to say that the present year was the best opportunity the country had yet had to win stability while other factors affecting prices were fairly favourable. The Government would constantly seek economies in expenditure, but the "axe" would have to be laid sparingly on such matters as education, and effective defensive arrangements would have to be retained.

Prime Minister's Consultations with Industry.

The Prime Minister mentioned in his Albert Hall speech that the Government considered discussions with both sides of industry "a necessary process" in the working out of "truly national solutions" to the problems of economic stability. A series of discussions between the Prime Minister and representatives of both sides had begun on March 5, when he met the economic committee of the T.U.C. General Council. Other meetings were held with representatives of the British Employers' Confederation, the Federation of British Industries, and the chairmen of the boards of the nationalized industries to discuss the general economic situation.

Meetings with Trade Union Representatives. - T.U.C. Memorandum on Economic Position.

The first meeting held with the T.U.C. representatives was reported to have been uneventful. At a second meeting with the Prime Minister, held on May 10, the T.U.C. representatives indicated that they were preparing a report on the economic situation, on the completion of which they would welcome a further meeting with Sir Anthony and his Cabinet colleagues.

The T.U.C. had already made its general position clear in a memorandum on Budget proposals sent to the Chancellor of the Exchequer on Feb 22, and in its official statement on the Budget issued on April 25. The memorandum said that experiences in recent months did not inspire confidence in the Government's ability to act quickly if full employment and living standards were threatened, and continued:

"Too often the responsibility for avoiding an income-prices spiral is put on to trade unions and employers But it is necessary to inquire more deeply into the causes of wage claims. The policy pursued by the Conservative Government of deliberately dismantling the machinery of control and planning in order to return to a freer economy, coupled with measures which have resulted in the redistribution of income, has given rise to fears in the minds of many workpeople that their living standards are in danger.

"Moreover, the initial motivation of the great bulk of wage demands in recent years has been the justifiable need, as workers see it, to maintain a level of consumption (of which food and other essential commodities form a large proportion) threatened by price increases, some of which have resulted from deliberate Budget policy. The inequalities of family circumstances and the range of wage rates in industry make it difficult to assess the increase required in particular cases to meet this need fairly, but the prime motive for making demands in the first place is one which is difficult, and often impossible, to resist with equity

"One of the most unsatisfactory and indeed misguided features of the Government's policy is the extent to which it relies upon rising prices to restrain personal spending. Such a policy is not only unfair to the weakest members of the community but is self-defeating in that it directly provokes demands for higher personal incomes The Government have consistently underestimated the reaction of trade unionists to rising prices

"Both in the autumn Budget by purchase tax increases, and now again by cuts in the food subsidies, deliberate steps have been taken to raise the prices of essential goods The rise of food prices, when import prices were falling, was one of the most disturbing features of 1955. The Government have gone out of their way to aggravate this situation."

In their comment on the April Budget the T.U.C. drew attention to "the Government's reliance on monetary policy, the minor role to which other means of influencing the level of economic activity had been relegated, and the lack of conscious direction of the nation's economic affairs" The statement added:

"As for the equity of the proposals, apart from the very small increase in family allowances for the third and subsequent children, the concessions made by the Chancellor will once again confer more benefit on persons with higher incomes than upon people at the lower end of the income scale. The Budget provided the Government with an opportunity to dispel the widespread impression that the sacrifices necessary to overcome the country's economic difficulties are being borne mainly by workpeople. It should have been used to make a contribution towards lowering the prices of necessities. The Government have chosen to ignore the opportunity of using the Budget as a positive instrument of economic policy."

Meetings with Employers' Representatives.

The following statement was made by the chairman of the British Employers' Confederation (Sir Colin Anderson) at the first meeting on March 8 between the Prime Minister and the Confederation's representatives:

"It is the view of the British Employers' Confederation that employers should make every effort to avoid increasing prices and, wherever possible, should reduce them. The Confederation urges that the Government should continue to take such steps as are necessary to balance the nation's books Restraint by everyone, Government and citizens alike, in every form of income and expenditure is essential, and only if all play their part can the general level of prices be stabilized and, with more efficiency and output, be reduced.

"Wages and salaries constitute by far the biggest factor in the national economy, and the Confederation is firmly of the opinion that any further increase in them can only be justified by increased effort on the part of managements and employees which result in lower production costs.

"Wage increases recently conceded will inevitably involve rises in industrial costs unless they are offset forthwith by corresponding increases in efficiency and effort in every industry and service throughout the country."

The Prime Minister met representatives of the Federation of British Industries on March 19.

A statement issued after the meeting said that the Prime Minister had told the delegation that the Government's concern was with the long-term position and how to attack the problem of prices and wages The latter problem was partly psychological, which made it necessary to increase public understanding of the country's economic difficulties and to enlist the co-operation of all parties in industry. Long-term needs required an expansion of the economy, and the Government wanted to put a temporary check on expansion "only where it had outrun our capacity."

Profits must be adequate to enable industry to remain competitive and must give a fair return to the shareholder, but, with increasing productivity, the wise course would be to consider whether profits were not already high enough to enable some of the benefits of productivity to be passed on by way of lower prices. That was not an unreasonable suggestion for those industries which were better able to increase their productivity faster than others

Sir Graham Hayman (president of the F.B.I.), in a statement after the meeting, said that rising costs and prices were symptoms and not causes of inflation, and believed that they would stabilize when production and spending had been brought into balance. The curbing of industrial investment should be a last resort, as it was essential to rising productivity. Sir Graham added: "Without higher productivity, stability will be achieved at the expense of living standards. The more effective the results of Government policy are seen to be, the more industry will be helped to hold, and then to reduce, prices."

Sir Graham Hayman added that because the Government's counter-inflationary measures were slow to show their effect, it was hard to judge whether they were correct in scale. "All are alive to the risk that they might go too far, and we think it important that the Government should be supplied constantly with up-to-date information on industrial investment trends. We will readily co-operate in steps to obtain that information."

The Prime Minister had a joint meeting on June 11 with representatives of the F.B.I. and the B.E.C. An official statement said there was "full agreement that the struggle for the mastery of inflation, the saving of markets, and the preservation of high living standards had now reached a critical stage in which every effort should be made to keep down costs and prices of goods and services." It was agreed that a joint meeting of Ministers, representatives of private industry, and chairmen of the boards of nationalized industries should be held to discuss this problem, after the view had been put forward by the employers that the policy of the nationalized industries was decisive in the field of costs and prices.

Meetings with Chairmen of Nationalized Industries.

The Prime Minister had previously met the chairmen of the boards of the nationalized industries on March 22, the following statement being issued after that meeting:

"The chairmen of the nationalized boards recognized the importance of continuing their efforts to increase efficiency in their industries, and of having regard to the national interest in the provision of services and power.

"There was general agreement that the need to keep down prices applied to both the nationalized industries and the private sector. Because of the effect on the whole of industry, it was of the utmost importance for the national economic well-being that increases in their wages and other costs should, as far as possible, be absorbed by increased productivity and economy.

"As regards investment, the Government for their part accepted the need for modernization and re-equipment in the nationalized undertakings, and it was agreed that a proper balance must be maintained between the pace and scale of investment in the private and public sectors respectively

"The Prime Minister emphasized the great importance which the Government attached to making the facts about the country's economic position as widely known and understood as possible. The chairmen of the nationalized boards expressed their agreement and undertook to play their full part in creating an informed and educated public opinion in these matters."

A further meeting between the chairmen of the nationalized boards and the Prime Minister was held on June 26, when it was announced that the British Transport Commission, the gas industry, and the North of Scotland Hydro-Electric Board would make such contributions as they could towards the stabilization of prices, following the lead given by the National Coal Board and the Central Electricity Authority the previous week in deciding to hold prices of coal and electricity for the next 12 months (see 14930 C).

Pegging of Gas Prices, Railway Fares and Freights, and Postal Charges.

The Gas Council announced on June 26 that the 12 area gas boards, after they had made such revisions of price as were necessary to meet the increased costs of working as at June 1, 1956, would keep the price of gas unchanged until March 31, 1957, "unless something quite exceptional and unforeseen occurs to frustrate that intention"

On June 27 the chairman of the British Transport Commission, General Sir Brian Robertson, promised that there would be no general increase in passenger fares on British Railways or London Transport during 1956. Freight charges would not be increased provided that a course of action consistent with the Commission's statutory obligations and a proper development of the transport undertaking could be worked out and adopted.

The Postmaster-General (Dr. Hill) stated in a parliamentary written reply on June 27 that there would be no increase in the costs of Post Office services during the following six months, apart from the increases which had been announced in April last (see 14179 D).

Mr. Thomas Johnston, chairman of the North of Scotland Hydro-Electric Board, reaffirmed on June 27 the Board's decision (announced in February) not to raise its tariffs during the current financial year. Any losses would be carried forward to another year.

Mr. Macmillan's Meeting with National Union of Manufacturers.

In addition to the meetings between the Prime Minister and representatives of industry, the Chancellor of the Exchequer met representatives of the National Union of Manufacturers, led by their president, Lord Rochdale, on June 13.

The N.U.M representatives stressed that manufacturers were at one with the Government in their efforts to master inflation and to develop exports, but the prices charged for basic materials and services, including those supplied to the nationalized industries, were an uncontrollable element in manufacturing costs. Smaller and medium-sized manufacturing firms—producing between them something like half the country's total industrial output—were at the mercy of these basic charges and of the wage standards set by the big employers of labour.

In his reply, Mr. Macmillan said that the higher prices of basic commodities and services, like higher prices elsewhere, were the result principally of increased labour costs. In his view, the main point at all times was the importance of avoiding increased labour costs resulting from higher wages unaccompanied by corresponding rises in productivity.

Employers' Appeal for Price Restraint.—
Joint Statement by Employers' Organizations.

In a joint statement issued on July 12, four major organizations representing 90 per cent of British industry appealed to their members to try to restrain prices in the fight against inflation. The organizations concerned were the Federation of British Industries, the British Employers' Confederation, the Association of British Chambers of Commerce, and the National Union of Manufacturers.

"It appears to us," the statement said, "that a moment has come when private industry can and should play a special part in defeating inflation. While the urgent need remains for resolute action in reducing public spending, the Government's measures to stop inflationary pressure at its source, slow at first, appear now to be having some effect.

"The boards of the nationalized industries, without whose co-operation private industry can do little, have announced measures to steady the prices of their products for substantial periods We express the strong view that this is the time when private industry, in its own as well as the national interest, should do what is in its power to match these actions

"General guarantees of price freezing are not possible when costs of materials may rise. Quotations for many manufactured products, unlike those for coal, power, and transport (nationalized industries), are made for deliveries months or years ahead. Nevertheless, this is a moment when an exceptional risk must be accepted. We advocate and will support a policy of great restraint in a united effort to bring inflation to an end

"Price restraint will not succeed unless the breathing-space which it gives is used to bring down costs The months immediately ahead will therefore have to be devoted with renewed vigour by all in industry to the pursuit of higher productivity and administrative economies,"

Prime Minister's Warning of Economic "Battle of Britain."

Speaking on July 14 at a Conservative rally at Padiham (Lancashire), the Prime Minister described the "battle against inflation" as "a new Battle of Britain" which called for action by the whole community to halt rising prices and to increase production.

"We are in mortal peril, not of immediate unemployment, but of poverty by stages," Sir Anthony declared. "To-day we are at grips with the battle against inflation. It is the new Battle of Britain, but this time it cannot be won by the few. We are all in it, and upon its outcome our homes, our jobs, and our children's future depend. We have to halt rising prices. We have to produce more, of the quality and at the prices that the world demands We have to deliver the goods on time There is no lack of demand. World trade is expanding, but if we do not do these things our competitors will. They will forge ahead relentlessly without regard to any who slip back in the race. There is no international Welfare State

"In all this the Government's first care must be the balance of payments We have to build up the gold and dollar reserves to a point where we are not living from hand to mouth, at the mercy of every fluctuation of world trade. Each one of us will benefit far more if we are able to halt inflation and stabilize prices than from any further reductions in taxation given from the surplus That is the reality and it has to be faced, most of all by those with fixed incomes, for it is they who suffer most as the purchasing power of money falls. It is not that we fail to understand their difficulties. Indeed we do. But we are convinced that the action we have taken, stern as it has had to be, is the best way to help them now. Meanwhile the tax remissions for pensions schemes in this year's Budget will bring real benefit to the self-employed. This follows repeated income-tax remissions. . . .

"Our policy as a Government is showing some encouraging results. The gold and dollar reserves have been steadily rising every month this year We expect a balance-of-payments surplus for the first six months of at least £100,000,000 This compares with a small deficit in the same period last year That is better, but it is still not good enough.

"The trade figures, perhaps the most important of all, also show an improvement In particular, our exports have risen more and are about 6 per cent higher in quantity than last year after allowing for the dock strike at that time But our imports are still too large. And that means that as a nation we are still consuming at home more than we can afford. That is what we have got to put right by savings and by restraint. I ask you all to help in this. . . ."

Maintenance of Exchange Value of Sterling.

The Treasury announced on July 11 that the Chancellor of the Exchequer had rejected a proposal by Professor Erhard, the West German Minister for Economic Affairs, to discuss the exchange value of the pound in the context of European exchange parities during the O.E.E.C. meeting to be held in Paris on July 17-19.

Professor Erhard was reported to have asked Mr. Macmillan to discuss the possible introduction of flexible exchange rates with a margin of five per cent each way. The British view was that while the German proposal did not necessarily imply any readjustment of the value of the pound, it might have the effect of impeding the steps which the British authorities had been making to restore confidence in sterling just when these measures were bringing results. Professor Erhard's proposals were seen against the background of his earlier statements to the effect that many other European currencies had become over-valued in terms of the Deutschemark, as reflected in Western Germany's excessive payments surplus in the E P.U. Whilst his proposals for flexible exchange rates appeared to be the German solution to the problem, other European Governments were said to take the view that the creditors in the E.P U. were under as much an obligation as the debtors to right an existing imbalance, and that to do so Germany herself might take further steps to liberalize her trade, as well as to adjust her present "tight" money policy

The Treasury spokesman said that the Chancellor's reply to the German proposal was on its way, and added: "In the meantime we are making it known that H.M. Government do not see any useful purpose, and would not be prepared to take part, in any international discussion of the exchange value of sterling. While substantial progress has been made in strengthening sterling, the position remains as stated by the British Chancellor about a year ago at Istanbul."

At a meeting of the International Bank and the International Monetary Fund, held at Istanbul in September 1955, Mr. Butler (then Chancellor of the Exchequer) had made it clear that H.M. Government intended to maintain the exchange parity of $2.80 to the pound, "either in existing circumstances or when sterling is convertible." An identical statement had been made by Mr. Butler on July 26, 1955 (see 14343 A) in the House of Commons. (Treasury Press Office - Board of Trade Journal - Times - Manchester Guardian - Daily Telegraph - Financial Times) **(Prev. rep. Government Expenditure, 14921 A; Anti-inflationary Measures, 14705 A; Stabilization of Coal and Electricity Prices, 14930 C; Monetary Policy, 14343 A.)**

A. WESTERN GERMANY - UNITED STATES. — Dr. Adenauer's Visit to Washington. - Discussions on German Reunification and European Problems.

The German Federal Chancellor, Dr. Adenauer, visited the U.S.A. from June 9-15 for discussions with American statesmen, and also to receive honorary degrees from Yale and Marquette Universities. The Chancellor, who was accompanied by Dr. Hallstein (State Secretary in the West German Foreign Ministry), had originally intended to have conversations with President Eisenhower, but was unable to do so owing to the President's recent operation (see 14940 C). Discussions were nevertheless held at the State Department with Mr. Dulles, mainly on the subject of German reunification. A communiqué (summarized below under cross-headings) was issued on June 13 calling for the reunification of Germany by free elections, and declaring that it would be difficult to place credence in the Soviet Government's promises until it had taken action to end "the brutal and unnatural division which it had imposed on Germany."

German Reunification and Soviet Policy. The communiqué said that Dr Adenauer and Mr. Dulles had undertaken "a broad review of the world situation and of the problems confronting their governments in the international field," the principal matters discussed being "the question of German reunification, the recent events in the Soviet Union, and the strengthening of the Atlantic Community." It continued:

"Secretary of State Dulles and Chancellor Adenauer emphasized German reunification as a major objective of the West, and their conviction that the attitude of the West toward the Soviet Union should be determined by the endeavour to promote the reunification of Germany in freedom... They noted that the Soviet Government has professed a desire to find a basis for peaceful co-existence with the nations of the free world. They agreed that one test of the sincerity of this profession will be the willingness of the Soviet Government to respect its international obligations and to refrain from endeavouring to impose its system upon other peoples

"They recalled that at Geneva . . the Heads of Government of France, the United Kingdom, the Soviet Union, and the U S A. recognized their common responsibility for the settlement of the German question, and agreed that the reunification of Germany should take place by means of free elections and should be carried out in conformity with the national interest of the German people and the interest of European security The Chancellor and the Secretary of State consider that until the Soviet Government had taken action to discharge that responsibility, and to put an end to the brutal and unnatural division which it had imposed on Germany, it will be difficult to place credence in promises and pledges of the Soviet Government.

"The Chancellor and the Secretary of State reaffirmed the desire of their Governments to work out with the Soviet Union and with the nations of the North Atlantic area arrangements which would ensure European security in conjunction with the reunification of Germany in freedom"

NATO. Dr. Adenauer and Mr. Dulles agreed that NATO constituted "an essential contribution to the security of the free world." They agreed also on the need "for strengthening and developing further the relationships among the members of the North Atlantic Treaty, and for harmonizing their policies and actions with respect to major problems affecting the treaty objectives." Both statesmen pledged the support of their Governments for "the work being carried on in this regard under the decision taken at the recent meeting of the North Atlantic Council in Paris" [see 14861 A].

European Unity. The Chancellor informed Mr Dulles of the steps being taken to set up a "Euratom" project and a common market between the six member-countries of the European Coal and Steel Community. Mr Dulles had expressed the U S Government's interest in these projects, and had indicated that the establishment of the Euratom scheme "would make possible a particularly close relationship with the United States in this field" [i e in the joint utilization of atomic energy for peaceful purposes] He had also expressed his satisfaction at the recent Franco-German agreements on the Saar

German-American Relations. After stating that Dr. Adenauer and Mr. Dulles had "noted with satisfaction the continued development of close relations between Germany and the United States," the communiqué said that Dr. Adenauer had "raised the question of war-vested German assets in the U S.A." and that Mr Dulles had "expressed the hope that there would be early U S. legislative action on this subject." Mr. Dulles had also expressed the U.S Government's satisfaction at the action taken by the German Federal Government "to remove quota restrictions on imports from the dollar area, in accordance with the provisions of the General Agreement on Tariffs and Trade."

Dr. Adenauer paid a ten-minutes' visit to the Walter Reed Military Hospital on June 14 to see President Eisenhower, with whom he briefly discussed the question of German reunification. On June 16 President Eisenhower sent a message to the President of the German Federal Republic (Dr. Heuss) in which he said that "the ending of the division of Germany is essential to the development of friendly and co-operative relations between the Western nations and the Soviet Union. . . ."

(New York Times - Frankfurter Allgemeine Zeitung)

B. UNITED KINGDOM. — B.B.C. and I.T.A. Developments. - New B.B.C. Board of Governors.

Developments in recent months in connexion with the British Broadcasting Corporation and with commercial television are summarized below:

B.B.C. Services.

Board of Governors. The following appointments to the Board of Governors of the B B C. took effect from July 1: (*a*) Sir Philip Morris was reappointed a Governor and vice-chairman until June 30, 1958, (*b*) the Earl of Balfour was appointed National Governor for Scotland until June 30, 1961, (*c*) Mrs Thelma Cazalet-Keir was appointed a Governor until June 30, 1960, (*d*) Dame Florence May Hancock (chief woman officer of the Transport and General Workers' Union) was appointed a Governor until June 30, 1961.

Lord Balfour replaced Mr Thomas Johnston (72), who had resigned for reasons of age Mrs Cazalet-Keir (chairman of the Equal Pay Campaign Committee) succeeded Lady Rhys-Williams, and Dame Florence Hancock replaced Professor Barbara Wootton, both of whose terms of office expired on June 30.

The new Board of Governors consists of Sir Alexander Cadogan (chairman); Sir Philip Morris (vice-chairman); Lord Balfour (Scotland), Lord Macdonald of Gwaenysgor (Wales), Sir Harry Mulholland (Northern Ireland), Sir Edward Benthall, Lord Rochdale, Mrs. Cazalet-Keir, and Dame Florence Hancock.

Director of Admimistration. Mr Hugh Carleton Greene was appointed Director of Administration on June 26 in succession to Sir Norman Bottomley, retiring

Director of Television. It was announced on April 27 that Mr Gerald Beadle would succeed Sir George Barnes as Director of Television Broadcasting in July. Mr Beadle (57) had been Controller of the B.B C.'s Western Region since 1937 Mr. Cecil McGivern, Controller of Television Programmes since 1950, was appointed Deputy Director of Television—a new post The appointment of Mr S. J. de Lotbinière as Controller of Programme Services, Television, and of Mr. S. G Williams as Controller of Administration, Television, was announced on June 26

Closing-down of Alexandra Palace Station. The television transmitting station at Alexandra Palace closed for public transmissions on March 28, being replaced by the new and more powerful station at Crystal Palace Alexandra Palace will in future be used for experimental purposes only

Colour Television. A demonstration of colour television was held in London on April 3 under the auspices of the Radio Industry Council, in conjunction with the Post Office and the B B C, for the benefit of over 100 members of a study group of the Radio Consultative Committee of the International Telecommunications Union (C.C I.R.). "Live" colour programmes were transmitted by the B.B C for the first time from the experimental transmitter at Alexandra Palace.

Children's Television. It was announced on May 4 that Mr Owen Reed, drama producer in the Western Region, had been appointed Head of Children's Television Programmes in succession to Miss Freda Lingstrom, retiring.

Independent Television.

Opening of Midlands Service. Independent Television programmes began in the Midlands on Feb. 17, when the first provincial service of the I.T.A. was broadcast to Birmingham and the surrounding area from its new station near Lichfield.

Independent Television News Service. It was announced on March 7 that Mr. Geoffrey Cox, an assistant editor of the *News Chronicle*, had been appointed to succeed Mr. Aidan Crawley as Editor of Independent Television News Ltd

Afternoon Television Programmes. A general cut in summer programmes was announced on April 20, when it was stated that some of the afternoon programmes had not proved successful and that there had been delay in the establishment and completion of new series of programmes. From April 23 all week-day programmes began at 4.45 p.m instead of 4 p m., while from May 6 week-end programmes opened at 4 p.m. instead of 2 p m.

Increase in Capital of Associated Television Ltd. Associated Television Ltd (the London week-end and Birmingham week-day programme contractors) announced on April 20 that part of a capital increase would be subscribed by the *Daily Mirror* Group, which had accepted an invitation to be represented on the board.

Scottish Programme Contractors. The I.T.A. announced on May 30 (*a*) that it had accepted (subject to contract) an application from Scottish Television Ltd. to be programme contractor for Scotland's first commercial television station; (*b*) that the chairman of the company would be Mr. Roy Thomson, a Canadian, who was chairman of Scotsman Publications Ltd. (Edinburgh) and owned five commercial radio and two commercial television stations in Canada; and (*c*) that the Scottish station would be built at Black Hill, between Airdrie and Bathgate, and was expected to be ready for transmissions by August 1957, covering a population of 3,500,000.

The B.B.C. announced on Jan. 25 that independent television had a larger audience among viewers who could receive both services. In October, 1955, 57 per cent of adult viewers had watched B.B.C. programmes and 43 per cent I.T.A. programmes, but in December, 1955, independent television had taken the lead with 51 per cent.—(Times - Daily Telegraph) (14658 A.)

A. BURMA. — Government Victory in General Elections. - New Cabinet formed by U Ba Swe. - Temporary Resignation of U Nu.

General elections held in Burma on April 27 resulted in a victory for the Government party—the Anti-Fascist People's Freedom League (AFPFL), which has held power since Burma became independent in 1948.

The President of Burma (Dr Ba U) had issued proclamations in February last fixing April 27 as the date for elections to the Chamber of Deputies (the Lower House) and May 22 as the date for elections to the Chamber of Nationalities (Upper House). The Chamber of Deputies has 250 members elected by universal suffrage, while the Chamber of Nationalities has 125 members, partly elected by direct suffrage and partly nominated by the various States of the Union of Burma—the Shan, Karen, Kachin, and Kayah States, together with the Chin division.

The elections to the Lower House were contested by a large number of political parties, groups, and local organizations. The strongest opposition to the AFPFL came from the National United Front (N.U.F.), a left-wing group dominated by the Burma Workers' and Peasant's Party [see page 12064, first column]. Other political parties contesting the elections included the Burma Nationalist Bloc, a right-wing group formed by Dr. Ba Maw (the pre-war Prime Minister), and the Arakan National United Organization, which is opposed to the AFPFL and seeks recognition of Arakan as a state of the Union of Burma. The Communist Party is banned and thus presented no candidates as such, but the N.U.F. and other Opposition groups were reported to contain a number of Communist sympathizers.

The principal issue of the elections was whether or not negotiations should be opened with the Communist rebel bands, who, though much weaker than when the last elections were held in 1951-52, nevertheless remained active in different parts of the country—notably in the Mandalay and Monywa areas, and in the delta area round Rangoon The Prime Minister (U Nu), in a pre-election broadcast, had strongly opposed negotiations with the rebels, pointing out that they had consistently ignored offers of negotiation over the past eight years, had rejected two offers of an amnesty, and had ignored an invitation to seek political power through parliamentary elections. There were also differences between the parties on internal policy questions, but no significant opposition to the Government's foreign policy of neutrality, co-existence, and non-alignment with existing "power blocs"

The elections—in which about 8,000,000 people were entitled to vote—passed off quietly, though rebel activity interfered with the polling in some outlying areas Owing to the size of the country, and difficulties of communication, definitive results were not known for a considerable time. By May 10, however, when the results were known for 213 of the 250 constituencies, it had become apparent that the AFPFL had been returned to power with a considerable majority, though a number of gains were made by the National United Front. Figures published in Rangoon on that date showed that the AFPFL (and allied organizations in the Shan, Kachin, Karen, and Kayah states and the Chin special division) had obtained 147 seats, of which about 40 were unopposed returns; the N.U.F. 43 seats, as compared with 20 won by the Burma Workers' and Peasants' Party and other left-wing groups at the last general election in 1951-52; the Burma Nationalist Bloc one seat; and minor parties and independents 22 seats. [Full results will be published when the final figures are available. —*Ed. K.C.A.*].

With 37 results outstanding, the AFPFL had thus obtained 33 fewer seats than in 1951-52, whilst the N.U.F. had won more than twice the number of seats gained by the left-wing parties at the last election. In Rangoon, where about 63 per cent of the electorate of 340,000 went to the polls, all nine seats were won by the AFPFL, the successful candidates including U Nu (who had a majority of 15,000), U Ba Swe, the Minister of Defence, and U Kyaw Nyein, the Minister for Industry. The AFPFL also won all seats in Mandalay and Moulmein, while the N.U.F. won Maymyo with a majority of about 1,000 in a total poll of over 18,000. Most of the N.U.F. successes were obtained in rural areas—notably at Monywa and the surrounding areas west of the Chindwin and Irrawaddy rivers, where nearly all its candidates were elected.

It was announced in Rangoon on June 5 that U Nu had resigned the Premiership for a period of one year in order to devote himself to the reorganization of the AFPFL, and that he would be succeeded as Prime Minister by U Ba Swe, the Minister of Defence. U Nu—who had been Prime Minister since the assassination of General Aung San in 1948—said that he intended to purge the Anti-Fascist People's Freedom League of "pernicious elements," and would continue to remain president of the party.

U Ba Swe was born in a village near Tavoy (southern Burma) and graduated at the University of Rangoon. He helped to found the People's Revolutionary Party in 1939, and during the war was one of the leaders of the Anti-Japanese Resistance Movement, of which he was head in the Rangoon, Hanthawaddy and Insein districts. He was arrested for a short time by the Japanese, subsequently released, and at the end of the war became president and subsequently secretary-general of the Socialist Party, into which the People's Revolutionary Party had been transformed. He later became vice-president of the AFPFL, a position he still holds. In addition, he is president of the Burma Trades Union Congress and president of the Asian Socialist Bureau.

The new Cabinet headed by U Ba Swe, and recruited entirely from the AFPFL, was sworn-in on June 12 by President Ba U, its membership being as follows:

U Ba Swe	Prime Minister, Defence, and National Planning.
Sao Hkun Hkio .	Deputy Premier and Foreign Affairs.
U Kyaw Nyein .	Deputy Premier and National Economy.
Thakin Tin .	Deputy Premier and Social Services.
U Tin ..	Trade, Development, and Supply.
U Khin Maung Lat	Judicial Affairs.
Thakin Tha Khin .	Home Affairs.
U Raschid	Mines.
Bo Khin Maung Gale	Finance and Revenue.
U Win Maung	Ports, Marine, Civil Aviation, and Coastal Shipping.
Bo Min Gaung .	Railways, Inland Water Transport, Union of Burma Airways, Posts and Telegraphs.
U Ba Saw .. .	Religious Affairs, Social Welfare, and Mass Education.
U Shein Htang	Rehabilitation.
U Tun Win . .	Co-operatives and Commodities Distribution.
Thakin Chit Maung	Information.
U Aung Pa . .	Public Works and Housing.
Thakin Pan Myine	Democratization of Local Administration.
U Tin Nyunt	Labour.
Thakin Tin Maung	Agriculture and Forests.
Thakin San Myint	Land Nationalization.
Bo Khin Maung ..	Industry.
Sao Htun E ..	Relief and Resettlement.
U Tun Tin . ..	Education and Culture.
Dr. Sein Ban	Health.

Most of the Ministers had held office in U Nu's Cabinet, though a number of them changed their portfolios. The most important innovation was the creation of three Deputy Premierships, held respectively by the Ministers of Foreign Affairs (Sao Hkun Hkio), National Economy (U Kyaw Nyein), and Social Services (Thakin Tin). Sao Hkun Hkio and U Kyaw Nyein held the same portfolios under U Nu, whilst Thakin Tin exchanged the portfolio of Land Nationalization for that of Social Affairs. U Ba Swe retained the Defence portfolio concurrently with the Premiership New Ministers included Dr. Sien Ban, Deputy Speaker of the Chamber of Nationalities; Sao Htun E, Home Minister in the Shan State Government, and Thakin Pan Myine president of the Federation of Trades Organizations.

In a statement after taking office as Prime Minister, U Ba Swe said that his Government would continue the policies instituted during the "long and distinguished stewardship" of U Nu, and that there had merely been "a change of personalities." In the external field Burma would continue to pursue a policy of "active, dynamic and independent neutrality," based upon co-existence and non-alignment with power blocs. In domestic affairs the Government would give priority to the restoration of law and order, introduce compulsory military service for a two-year period, and encourage foreign investment. (Burmese Government Information Department, Rangoon - Burmese Embassy Press Office, London - Times) **(Prev. rep. Elections, 12062 A; Cabinet, 14340 D; 14007 B; 12118 C.)**

B. UNITED KINGDOM. — Gold and Dollar Reserves in June. - Increase of $16,000,000.

The sterling area had a gold and dollar surplus in June of $16,000,000 after taking account of (*a*) $2,000,000 received in U.S. defence aid, (*b*) $16,000,000 received in gold or dollars from the E.P.U. in respect of the May settlement; (*c*) the quarterly payment of $8,000,000 on the interest-free loan from Canada and $4,000,000 half-yearly interest on loans received from the U.S.A. as Marshall Aid As a result, the sterling area's gold and dollar reserves rose to $2,385,000,000 on June 30.

Provisional figures for the E.P.U June settlement showed that the U.K. had a deficit of £9,000,000, which would be settled in July, three-quarters in gold and dollars. An additional cash payment of $7,000,000 was to be made in July in connexion with the agreed funding of a further $60,000,000 of debt owed to the E.P.U.—(Financial Times) **(Prev. rep. 14922 C.)**

A. KOREA. — U.N. Command orders Withdrawal of N.N.S.C. Inspection Teams from South Korea. - Polish and Czech Representatives accused of Collusion with Communist Authorities. - Charges of Serious Communist Violations of Armistice Agreement. - Rejection of Chinese Proposal for Political Conference on Korea - Closing of British Commonwealth H.Q. in Japan. - Formation of Commonwealth Contingent in Korea.

The United Nations Command decided on May 31 to expel from South Korea the inspection teams of the Neutral Nations Supervisory Commission (N.N.S.C.) in view of the "systematic frustration" of the Commission's functions by the North Korean and Chinese authorities. Earlier (on Aug. 29, 1955) the number of Polish, Czechoslovak, Swiss, and Swedish representatives on the teams had been halved by agreement between the U.N. Command and the North Korean and Chinese members of the Military Armistice Commission.

In accordance with this decision, the inspection teams at two of the South Korean ports of entry mentioned in the armistice agreement—viz., Taegu and Kangnung—were flown to Panmunjom in the demilitarized zone on Sept. 6, together with some members who were being withdrawn from the Pusan, Inchon and Kunsan teams.

Explaining the reductions in the personnel of the teams, the senior U.N member of the Military Armistice Commission, Major-General Parks, stated on Aug. 29, 1955, that "unneutral obstructionism and wily tactics consistently displayed by Czech and Polish members have made the operation of the Commission unworkable and useless, despite the sincere, conscientious and patient efforts of the truly neutral Swiss and Swedish members to preserve some semblance of effectiveness." In future the inspection teams, whose task was to ensure that no military build-up took place in Korea beyond the limits specified in the armistice agreement, would number six—three in North Korea at Sinuiji, Sinanju and Manpojin, and three in South Korea at Pusan, Inchon and Kunsan—instead of the ten teams which had operated hitherto.

Chinese Proposal for Political Conference.

In a Note of April 9, 1956 (published in Washington on May 31) the Chinese Communist Government proposed to the 16 countries represented on the U.N. Command in Korea the holding of a conference on the withdrawal of all foreign forces from Korea and the unification of that country. The Chinese Note was worded as follows:

"The Governments of Sweden and Switzerland have on many occasions stated to the Chinese Government the practical difficulties which they have encountered in their work in the Neutral Nations Supervisory Commission in Korea, and have expressed the hope that a settlement could be reached. The Chinese Government sympathizes strongly with the position of the Swedish and Swiss Governments, and has endeavoured to try to mitigate their difficulties

"Recently the Swedish Government proposed that the whole of the six neutral observation teams at present stationed at designated ports in South and North Korea should be withdrawn for the time being, and that observation teams should be dispatched temporarily only when the need arose, while the Swiss Government proposed that the existing neutral observation teams in the six designated ports should be eliminated and that mobile observation teams only should be retained.

"The Chinese Government holds that a fundamental solution to the practical difficulties which the Governments of Sweden and Switzerland have repeatedly raised can only be reached when a solution has been reached on the question of the peaceful unification of Korea, and in the first place on the question of withdrawing all foreign forces from Korea.

"Since the Geneva Conference on Korea in 1954, the [North] Korean and Chinese sides have consistently advocated that a conference of the nations concerned should be called to discuss the withdrawal from Korea of all foreign forces, and the peaceful unification of Korea. The Chinese Government is convinced that if all parties concerned are genuinely desirous of seeking a settlement, a reasonable solution to those questions could be reached.

"In the light of the above considerations, the Chinese Government, both in their own name and by authorization of the Government of the Democratic People's Republic of Korea [North Korea], propose to the Government of the United Kingdom, and through it to all other Governments represented on the U N Command, to convene a conference of the nations concerned to discuss the withdrawal from Korea of all foreign forces, and the peaceful unification of Korea . "

U.N. Rejection of Chinese Proposal. - Charges of Communist Violations of Armistice Agreement.

The Chinese proposal was considered at a series of meetings in Washington between representatives of the 16 countries represented on the U.N. Command, a reply being delivered on their behalf by the British Chargé d'Affaires in Peking on May 28. The reply rejected the Chinese proposal and made charges of serious Communist violations of the armistice provisions.

After stressing that the reply was sent on behalf of all the Governments represented in the U.N. Command, the British Note stated:

"The Governments of the U N Command have long regarded the frustration of the hopes of the Korean people for unification of their country as the basic problem in Korea At Geneva they set forth in detail their position with regard to a just settlement of this problem, in conformity with the objectives of the United Nations This position was reiterated at the past two sessions of the General Assembly, where it was endorsed by an overwhelming majority of the members of the United Nations

"With regard to the proposal of the People's Republic of China and the North Korean regime for a conference on the withdrawal of foreign troops and the unification of Korea, the Governments of the U N Command are not aware of any change in the position of the People's Republic of China and the North Korean regime which would render such a conference fruitful The Governments of the U.N. Command remain ready to discuss unification on the basis of the U N. objectives. If the People's Republic of China and the North Korean regime have concrete proposals for a settlement of the Korean question in conformity with these objectives, they are prepared to give such proposals every consideration.

"In the absence of willingness of the People's Republic of China and the North Korean regime to negotiate on the basis of the U.N. objectives, the Neutral Nations Supervisory Commission problem can and should be separated from the problem of unification. Pending agreement on unification, the Armistice Agreement remains in force in Korea, and all parties concerned should endeavour to maintain the effectiveness of the armistice and to correct problems that arise regarding it. The Governments of the U N. Command reaffirm their support of the Armistice Agreement and their intention to contribute to peace in the area

"The Governments of the U N. Command cannot accept the statement in the Note of April 9, 1956, that the People's Republic of China and the North Korean regime have endeavoured unceasingly to try to mitigate the difficulties encountered by the Governments of Sweden and Switzerland in their work in the N N S.C, since these difficulties have in fact been created by the conduct of the Chinese-North Korean side itself The proposals of the Swiss and Swedish Governments referred to in the Note of April 9 (which the Governments of the U N Command regard as reasonable, and which have their full support) were made necessary by the policy of systematic frustration of the functions of the N N S C which the Chinese-North Korean side has followed ever since the Armistice Agreement was signed.

"The Chinese-North Korean side has persisted in introducing military personnel and supplies into Korea through other points of entry than those provided for in the Armistice Agreement, and has failed to report these introductions to the N N S C. Through the obstruction of the Czech and Polish members of the Commission, the U.N Command has been effectively prevented from having its charges of such introductions investigated In short, the Chinese-North Korean side has completely frustrated any effective supervision by the N.N S.C in the area north of the demilitarized zone. Under these circumstances, the activities of the Czech and Polish components of the Commission south of the demilitarized zone are an inequitable burden on the U N side. The U.N Command will announce its position on this matter fully in the Military Armistice Commission.

"In the light of the foregoing, and having regard to the attitude of the Chinese-North Korean side with respect to its obligations toward the N N S C., as shown by its conduct in practice, the Governments of the U.N. Command believe that no evidence has been shown of the good faith which alone could enable any new conference to serve a useful purpose Until the Chinese-North Korean side is prepared to negotiate sincerely on the basis of U.N. objectives, the Governments of the U N. Command believe that another conference would only bring about a repetition of the deadlock which resulted at Geneva in 1954."

Demand for Withdrawal of Inspection Teams.

At a meeting of the Military Armistice Commission on May 31, Major-General Gard (the senior U.N. representative on the Commission) announced the decision of the U.N. Command to withdraw facilities for the N.N.S.C.'s inspection teams in South Korea. He said that the primary objective of the Armistice Agreement—"to stop the hostilities in Korea and prevent them from being renewed"—continued to be met, and that the danger of general war in the Far East had been "greatly diminished as a result."

"At the same time," General Gard went on, "there has been a notable and persistent failure of certain arrangements set up by the Armistice Agreement which were intended to contribute to the stability of the cease-fire. Among these are the arrangements concerning the N.N.S.C. and the reporting and inspection of introduction of military personnel and equipment into Korea. These arrangements were intended to assure that both sides would comply with the agreed limitations . . . on such introductions. In short, the primary object in establishing the N.N.S.C. was to prevent violations of the Armistice Agreement by providing a supervisory mechanism which would be enabled to make full and adequate inspections and which would thus be able to ensure accurate reporting and compliance. . . ."

Addressing the Chinese and North Korean representatives, General Gard continued . " From the time the Armistice Agreement was concluded your side has continuously made illegal introductions without reporting them to the N.N S C. When the U.N. Command called for an inspection of these illegal introductions, the Czech and Polish members on the N N.S C. either vetoed such inspections or co-operated with your side in obstructing the efforts of the Swiss and Swedish members of the Commission so as to render effective inspections, and thus disclosure, of these illegal introductions impossible You have used the continued existence of the N N S C as a blind behind which to hide these illegal introductions . . The U N. Command, on the other hand, has faithfully observed the provisions of the Armistice Agreement and has fully co-operated in the inspections made by the N N S C teams in the territory under U N Command control.

" As a specific example, note the contrast between your performance in reporting to the N N S.C and that of the U.N Command The Armistice Agreement requires both sides to make detailed and prompt reports of all introductions of military personnel and equipment.

" During approximately the first six months following the beginning of the armistice, the period during which your side made most of its illegal introductions, your side made only 11 combat material reports of replacement ammunition, and no aircraft. During the same period the U N. Command submitted 598 reports, covering the introduction of approximately 13,000,000 rounds of replacement ammunition and 2,434 replacement aircraft In the entire period since the Armistice Agreement went into effect until June 1955, you submitted a somewhat larger number of combat material reports, totalling 162. However, these still notably omit all reference to aircraft and compare unfavourably with the 1,969 reports submitted by the U.N Command

" The failure of your side to report introductions of combat aircraft is particularly conspicuous since your side now maintains in North Korea between 400 and 500 such aircraft, more than half of which are jet fighters or bombers, whereas you had none in that area at the time the Armistice Agreement was signed

' At the same time Poland and Czechoslovakia, nominated by your side to participate in the N.N S C , have refused to agree to inspections in North Korea which your side opposed, or have delayed inspection until evidence of the violations could be removed By virtue of constituting one-half of the membership of the Commission, the Czech and Polish officers on the Commission have enjoyed an unqualified veto power over any proposal laid before it The members of the N.N S C. nominated by the U N Command, Sweden and Switzerland, have been truly neutrals in the accepted sense of the world Their officers on the N.N S C. have examined and decided each proposal or charge on its merits

" Besides this fundamental perversion of the N.N.S C through actions of the Czech and Polish officers, which allow significant inspections only in the territory under the control of the U N. Command, your side has employed additional tactics designed to frustrate the operations of the N N S C in the territory under your control

" Your side has made introductions through other than approved ports of entry ; in at least one place you constructed a railway by-pass around a port of entry and introduced material and personnel through it Your side has also restricted the activities of N N S C. teams stationed at the ports of entry under your control so as to prevent them from carrying out their duties—as when you scheduled inspections of trains at unreasonable hours in the middle of the night, and when you failed to give the teams sufficient notice to permit them to appear to inspect a train passing through a port of entry Mobile team inspections in the North have also been frustrated "

In this connexion Major-General Gard mentioned a report by the Swiss and Swedish members of one team in North Korea, in which they stated that they had not been able to conduct their investigation of airfields in a sufficiently thorough manner because the Chinese-North Korean authorities had refused to make their records of aircraft movements available, and because repeated requests to inspect even the nearest surroundings of airfields whose alleged boundaries were doubted had been denied

The U.N Command, in contrast, had co-operated fully with the inspection teams sent to investigate Communist allegations of armistice violations, and the teams in question had been shown records of aircraft movements pertinent to their investigation and had been allowed to inspect aircraft on the field. The Swiss and Swedish members of one of the teams had expressly acknowledged the U N. Command's co-operation, and had reported that ' not one single piece could be found of the many different items of combat material enumerated in the charge '

Similarly, the Swedish and Swiss representatives on the Commission had contrasted the attitude of the two sides on the question of movements of materials In a memorandum of May 7, 1954, they had reported : ' The U N. Command took from the beginning a broad view of its obligations and threw open to full inspection the ports of entry in the territory under its control. Partly on its own initiative and partly on request, it put at the disposal of the inspection teams all documents . . . relating to incoming and outgoing material . . The inspection teams were therefore in a position to inspect and to report on any material they felt to be interested in . . . The Korean People's Army and Chinese People's Volunteers' side, on the other hand . . . never submitted any other documents for inspection than prior notification reports. . . . The inspection teams were unable to check efficiently on other movements, and this because of the stand taken by their Czechoslovak and Polish members. . . . In the territory under the military control of the Korean People's Army and the Chinese People's Volunteers, the Czechoslovak and Polish members of the inspection teams, thanks to the ' veto ' power, have kept spot-check controls to a bare minimum. . They have merely become a face-saving device devoid of any real significance. The inspection teams in the North have therefore never gained the insight into movements of materials as have the inspection teams in the South.'

" The U.N Command [General Gard continued] has made frequent requests in the Military Armistice Commission during these almost three years, and most recently on Feb. 25, 1956, that your side amend its behaviour and comply with those provisions of the Armistice Agreement regulating the introduction of combat material and equipment. Your side has failed to meet these demands and has given no indication of any intention to do so It must therefore be concluded that your side intends to continue in default on its reporting obligations It must be further concluded that your side intends to continue its practice of exploiting the unneutral conduct of the Czech and Polish members of vetoing embarrasing inspections, and that the N N S.C will continue to be unable to detect and disclose the illegal introductions by your side.

" The Governments of Sweden and Switzerland have proposed repeatedly during recent months to the appropriate Czech, Polish, and Chinese Communist authorities the withdrawal of the inspection teams to the demilitarized zone, where both sides would continue to report to the Commission This reasonable proposal has been rejected repeatedly by your side Most recently in its Note of April 9, the Chinese Communist regime took the position that this problem could not be solved until the problems of the unification of Korea and the withdrawal of troops are solved. Consequently it has become necessary to invoke the remedies available to the U.N side to meet the situation created by the defaults to which I have referred.

" Your side, and also the Czech and Polish members of the N.N.S.C , have failed to carry out faithfully important provisions of the Armistice Agreement. Therefore the U.N. side, as a party to that agreement, is entitled to take the necessary steps to protect itself from the consequences of such unwarranted conduct Accordingly, you are no longer privileged to take advantage of those provisions of the Armistice Agreement which have been violated and frustrated by your conduct and that of the Czech and Polish members of the N N S C.

" The U N. side has exhibited the greatest caution and forbearance in this matter We have pursued every practicable alternative course to redress the situation The course we must now adopt is . . the least we must do to protect our legitimate interests under the Armistice Agreement by lawful, peaceful, and responsible steps

" Because of these obstructions and violations of your side, and the conduct of the Czech and Polish members of the N N S C. and the Neutral Nations Inspection Teams . . . the U N will provisionally suspend, during the time that your side continues in default the performance on its part of those provisions of the Armistice Agreement governing the operations in the area under its control of the N.N S C and N N I T.'s. This suspension will be put into effect in about one week, and the U N Command will expect withdrawal of the teams from the area to be effected at that time.

" The U N Command is taking only such steps as are indispensable to the protection of its rights under the Armistice Agreement. It continues to regard the Armistice Agreement as in force, and limits its action to the particular suspensions described above. Finally, since for the reasons above stated the N.N S C. teams in the North have not been able to accomplish their purpose, we see no purpose in their remaining there "

A Chinese protest against the U N. Command's decision was rejected at a further meeting of the Military Armistice Commission on June 4. The U.N. representatives also rejected a Chinese compromise proposal that the Neutral Nations Supervisory Commission should withdraw the teams temporarily but should retain the right to send them back to their posts " should the need arise."

During the Commission's meeting Major-General Chung Kook Rok (North Korea) described the U.N. Command's decision as " illegal, invalid, and a serious violation of the Armistice Agreement " He also charged that the U N Command had illegally introduced a large quantity of material to arm 15 South Korean divisions since the armistice. After declaring that North Korea would reduce her armed forces by the end of August by 80,000 men, together with military and combat material, he reiterated the Communist demand for the withdrawal of all foreign troops from both North and South Korea.

On June 9 the teams operating in South Korea left for Panmunjom, where they were joined on June 12 by the North Korean teams. The Prime Minister of North Korea, Kim Il Sung, who was then visiting East Berlin, issued a joint declaration with Herr Grotewohl (the Prime Minister of Eastern Germany) on June 12 in which he condemned the ejection of the N.N.S.C. inspection teams as a " flagrant breach of the armistice agreement."

Other recent developments relating to the armistice in Korea are summarized below.

South Korean Allegations of Illegal Communist Reinforcements. The South Korean Government's Information Office issued on Sept 5, 1955, a statement analysing the alleged build-up of military forces and supplies in North Korea, based upon interrogations of deserters, refugees, and captured agents from North Korea. The document claimed that since the armistice 468 aircraft, 3,400 vehicles, including 2,700 tanks, 1,320 artillery weapons, and 46 light naval vessels, had been acquired by the Communist forces in North Korea. It was also alleged that Chinese forces still remaining in Korea numbered some 1,220,000. The strength of the North Korean forces was estimated at 800,000 to 900,000 men, with some 540 aircraft.

Reductions in Chinese and North Korean Forces. Peking Radio announced on Sept. 29, 1955, that six Chinese divisions would be withdrawn from Korea during the following month, the number of men involved being about 90,000 Altogether the Chinese had announced the withdrawal of 19 divisions from Korea since the signing of the armistice A further Peking announcement on June 28, 1956, stated that North Korea had begun to demobilize 80,000 troops.

Reduction in British Commonwealth Forces. The British Secretary for War (Mr. Head) announced on Feb. 16, 1955, that about 3,000 men from the U.K. were to be released from service in Korea The withdrawal was to start on March 15, and the headquarters set up in Japan for British Commonwealth forces in Korea would be closed in due course. The title "First Commonwealth Division" would be discontinued and the Commonwealth forces remaining in Korea would be known as "Commonwealth Contingent, Korea," under the command of a brigadier with headquarters in Korea

On the same date H Q., British Commonwealth Forces, Korea, announced that there would be a virtual withdrawal of all Commonwealth forces in Japan, that the British base at Kure and the liaison headquarters at Ebisu, near Tokio, would ultimately be closed down, and that the future "Commonwealth Contingent, Korea" would consist of a U.K infantry battalion and supporting units, as well as some Canadian medical personnel and a number of Australians (mostly Signals) and New Zealanders (mostly Transport)

The Australian Defence Minister (Sir Philip McBride) also announced on Feb. 16 that the 1st Battalion, Royal Australian Regiment, would be withdrawn from Korea, and that Australian naval personnel and the R.A A F. Transport Flight would return from Japan. The New Zealand Minister of External Affairs and Defence (Mr Macdonald) stated on Feb. 17 that New Zealand's contribution to the Commonwealth forces in Korea would be reduced from 450 to 100 men.

Withdrawal of Greek Contingent. The last company of the former Greek battalion in Korea sailed from Inchon on Dec. 11, 1955

General R. Bierwirth, the Australian C.-in-C. of the Commonwealth forces in Korea, relinquished his command on July 1. On his return to Australia (July 9) General Bierwirth said that fewer than 2,000 Commonwealth troops would remain in Korea. (New York Times - New York Herald Tribune - Times - Daily Telegraph - Manchester Guardian - Neue Zurcher Zeitung - Australian News and Information Bureau - Department of External Affairs, Wellington) **(Prev. rep. 14385 A.)**

A. UNITED KINGDOM. — Newport By-election.

Polling took place at Newport (Monmouthshire) on July 6 in the by-election caused by the death of Mr. Peter Freeman (Labour). Result:

Soskice, Sir Frank (Labour) ..	29,205
Box, Donald (Conservative) .	20,720
*Roberts, Emrys (Welsh Nationalist)	1,978
No change. Labour majority ..	8,485

* Forfeited deposit

Figures at the general election were . P Freeman (Lab) 31,537, D. Box (C.) 27,177—Labour majority, 4,360

The Labour candidate polled 56.2 per cent of the votes, the Conservative candidate 39.9 per cent, and the Welsh Nationalist candidate 3.8 per cent. At the general election (when there was a straight fight) the Labour percentage was 53 7 and the Conservative percentage 46 3

The electorate numbered 71,943 (a decrease of 46 since the general election), of whom 72.1 per cent went to the polls, compared with 81.5 per cent at the general election.

Mr. Peter Freeman (67), who died on May 19, had represented Newport since 1945 and had sat for Brecon and Radnor in 1929-31 A vegetarian, anti-vivisectionist, and theosophist, he was well known for his work in matters connected with animal welfare. He had been a member of Glamorgan County Council (1927-31) and Cardiff City Council (1928-30), and was tennis champion of Wales from 1919-21.

Sir Frank Soskice (53) was Solicitor-General in the post-war Labour Governments from 1945 to 1951, and Attorney-General for a short period in the latter year. He was M.P. for Birkenhead East from 1945-50 and for the Neepsend division of Sheffield from 1950-55. The Neepsend constituency was abolished in the redistribution of seats which preceded the last general election.—(Times - Daily Herald) **(Prev. rep. 14898 A.)**

B. FRANCE - UNITED STATES. — M. Pineau's Visit to Washington. - Discussions with Mr. Dulles on International Situation. - Joint Communiqué.

M. Christian Pineau, the French Foreign Minister, visited Washington from June 16-18 at the invitation of the U.S. Government. During his visit he had discussions with Mr. Dulles at the State Department, a joint communiqué (summarized below under cross-headings) being issued on June 20:

Franco-American Relations. The discussions "on various aspects of the international situation and on specific matters of common interest" had "served to emphasize once more the profound and historic friendship between the American and French peoples and the cordial relations between the two Governments, and to recall the common sacrifices of France and the United States in the cause of liberty."

Eastern Europe. M. Pineau had reviewed with Mr Dulles his recent visit to Moscow with M Mollet, the French Prime Minister Mr Dulles had "noted with interest the *exposé* by the Foreign Minister [M. Pineau] on the significance of the developments which are taking place in Eastern Europe." M. Pineau had also mentioned "certain aspects of the problem of commercial relations between East and West"

Disarmament. M. Pineau and Mr Dulles had exchanged views on the letters addressed to their respective Governments by the Soviet Prime Minister, Marshal Bulganin, on the question of disarmament, and had welcomed the consultations on this subject now taking place in the North Atlantic Council "The Secretary of State and the Foreign Minister [the communiqué continued] stressed the necessity of reaching, within the framework of the U N., agreement on a plan of disarmament providing for the security of all participating States through an effective system of control While recognizing the possible value of a reduction in conventional forces and armaments, they agreed that, in the light of modern military technology, only a programme which dealt with the atomic threat by safeguarding the world against surprise attack would serve to give real security to the peoples of the world. They agreed, moreover, that the carrying-out of any extensive reduction in armed forces requires the concurrent solution of major problems such as the reunification of Germany."

NATO. Both M Pineau and Mr. Dulles had reaffirmed "the necessity of strengthening further the North Atlantic Treaty Organization, which remains the bulwark of Western security" They agreed upon "the importance of extending the process of political consultation so as to harmonize the policies of the member-countries with respect to the major objectives of the treaty, and of improving NATO co-operation in non-military fields." In this connexion they recalled that these matters were now "under active examination" by the NATO "three wise men" [see 14861 A], "who have the fullest support of the French and U S. Governments"

European Unity. M. Pineau had informed Mr. Dulles of the steps being taken by the six member-countries of the European Coal and Steel Community to co-ordinate the peaceful uses of atomic energy (the Euratom project); of the steps which those countries were taking to create a common market; and of the agreement between France and the German Federal Republic on the Saar question.

Algeria. M. Pineau had "outlined the current situation in Algeria and the desire of the French Government to reach a liberal and just solution which would enable the European and Moslem populations to live and work together in peace and harmony" Mr. Dulles had "expressed the hope of the U S Government for the achievement of such a solution."

Middle East. After an exchange of views on the Middle East, M. Pineau and Mr. Dulles had "reaffirmed their intention to continue to search within the framework of the U N. for a peaceful solution of existing problems in that area, and in particular to support the efforts of the U.N. Secretary-General in connexion with the Palestine question."

Aid to Under-developed Areas. M. Pineau and Mr. Dulles had "reaffirmed the strong interest of France and the U.S.A. in contributing to welfare and economic development in the newly-developing areas of the world." In this connexion M. Pineau had "elaborated on the proposals which he made to the North Atlantic Council on this subject" [see 14861 A].

While in Washington, M. Pineau visited the Walter Reed Military Hospital to see President Eisenhower, who was convalescing after his recent operation (see 14940 C). He also addressed the National Press Club on June 20, the greater part of his speech being devoted to explaining why he thought the Soviet Union was undergoing certain "irreversible" changes, and why he believed it was to the advantage of the West to accept Soviet offers of increased economic and cultural exchanges. In the course of his speech he urged the American people to try the "experiment" of friendlier relations with the U.S.S.R., declaring that the "very important" evolution in the Soviet Union and its satellites "poses the question whether the Eastern bloc is not disposed . . . towards a *rapprochement* with Western conceptions."

(Le Monde, Paris - New York Times)

A. MIDDLE EAST. — Security Council Resolution on Dr. Hammarskjöld's Middle East Mission. - Arms Deliveries to Arab States and Israel. - Israeli Memorandum on Disparity between Egyptian and Israeli Arms. - Jordanian Infiltrations into Israel. - Military, Economic and Diplomatic Agreements between Jordan and Syria. - Egyptian Journalist's Visit to Israel.

A British resolution commending the U.N. Secretary-General (Dr. Hammarskjold) for his efforts to bring about a settlement of the Arab-Israeli dispute, and requesting him to continue his good offices, was unanimously adopted by the Security Council on June 4 after a debate on the Secretary-General's recent mission to the Middle East.

The resolution—

(1) Commended the Secretary-General and the parties to the dispute (i.e. Israel, Egypt, Jordan, Syria, and Lebanon) "on the progress already achieved"

(2) Called upon Israel and her Arab neighbours to carry out "speedily" the measures agreed upon with the Secretary-General, and to co-operate with General Burns (Chief of Staff of the U.N. Truce Supervisory Organization) in implementing the Security Council's resolution of April 4, 1956 (see 14793 A) and in ensuring full compliance with the armistice agreements

(3) Declared that "full freedom of movement of U.N observers must be respected along the armistice demarcation lines, in the demilitarized zones, and in the defensive areas, as defined in the armistice agreements, to enable them to fulfil their functions."

(4) Endorsed Dr Hammarskjold's view that "full compliance with the armistice agreements represents a stage that has to be passed in order to make progress possible on the main issues between the parties"

(5) Requested General Burns (*a*) to ensure that the parties to the armistice agreements observed the cease-fire, and (*b*) to report any serious violation to the Security Council.

(6) Called upon Israel and her Arab neighbours to take "the steps necessary to carry out this resolution, thereby increasing confidence and demonstrating their wish for peaceful conditions."

(7) Requested Dr. Hammarskjold "to continue his good offices . . . and to report to the Security Council as appropriate"

As originally presented by Sir Pierson Dixon (the British representative), the resolution had contained a reference to the need to create conditions in which a peaceful settlement of the Arab-Israeli dispute could be achieved "on a mutually acceptable basis." After objections by Arab representatives, however, Sir Pierson agreed "in the interests of unanimity" to delete this provision.

The Arab representatives contended that the insertion of this provision might, in effect, be construed as meaning that the U.N should seek a settlement along lines different from those laid down in earlier U N resolutions—an interpretation that was denied by the British, U.S , French, Belgian, Cuban, and Peruvian representatives Although **Sir Pierson Dixon** eventually agreed to withdraw the reference to a solution "on a mutally acceptable basis," he stressed that its deletion should not be interpreted as meaning that the Security Council rejected the possibility of a mutually acceptable settlement in the Palestine dispute. **Mr. Wadsworth** (U S A.), **M. Alphand** (France), and **Dr. Belaunde** (Peru) all expressed regret that the provision should be deleted, and upheld the British attitude **M. Sobolev** (U.S S R), however, supported the Arab view that the resolution's wording should not give rise to interpretations that the Council was seeking to revoke its earlier decisions on Palestine. The Arab viewpoint was also upheld by the Persian and Chinese Nationalist representatives **Mr. Eban** (Israel) supported the British resolution in its original wording, but raised no objections to the resolution in its revised form

M. Shukairy (Syria), speaking before the above-mentioned provision had been deleted, declared that "the inherent rights of the Arabs of Palestine cannot be made a matter subject to the acceptance or refusal of Israel or others" To obtain a settlement of the Palestine problem it was necessary "to begin from the beginning and write off every resolution on Palestine since the partition resolution of Nov. 29, 1947" M. Shukairy added . "The establishment of Israel, its membership of the United Nations, and all other resolutions will have to be revoked ; then, and only then, can the U.N. look forward to a solution on a 'mutually acceptable' basis'" In the course of his speech M Shukairy asserted that Syria had a legitimate claim to sovereignty over Palestine, since the latter had been "from time immemorial" nothing more than "the southern part of Syria"; nevertheless, Syria was "prepared" to relinquish her sovereignty claim to "her ally Jordan."

Mr. Eban (Israel) said that M. Shukairy had given "frenzied expression" to the Arab States' desire to destroy Israel. As the Arab States had rejected the U.N. partition resolution in 1947, and had gone to war to prevent its implementation, they no longer had the right to invoke its provisions. With regard to Syria's claim to sovereignty over Palestine on historical grounds, Mr. Eban said that by the same analogy America should revert to British sovereignty, as it had once been a British colony Moreover, Syria itself had been part of "northern Palestine" in the days of King Solomon.

Developments in the Middle East during recent weeks are summarized below under cross-headings.

Arms Supplies to Arab States and Israel.

It was officially announced in Cairo on June 11 that "new naval units" had arrived at Alexandria "to reinforce the Egyptian Navy." No information was released about the number, type, or origin of these vessels, but on June 6 the official newspaper *Al Goumhouria* had announced that the Soviet Government had sold warships to Egypt, and that two of these vessels were on their way to Alexandria. It was understood that the two vessels were destroyers of the 2,200-ton *Skoryi* class, of which about 80 had been built in the Soviet Union since the war, with others under construction. The arrival at Alexandria of 19 Czechoslovak motor torpedo-boats for the Egyptian Navy had been announced on April 19 by Egyptian naval officers—this being the first time that torpedo-boats had been mentioned as part of the Czechoslovak arms supplies for Egypt.

According to the Naval Correspondent of the *Daily Telegraph*, the *Skoryi*-class vessels are destroyer-minelayers having a maximum speed of 38 knots and a main armament of four 5.1-in. guns, and carrying 80 mines. Two warships of this type passed through the Straits of Dover on June 3, and subsequently through the Bay of Biscay. The Soviet cruiser *Ordjonikidze*, which brought Marshal Bulganin and M Khruschchev to Britain for their recent visit, was accompanied by destroyers of this class.

The Israeli Navy was reinforced on June 20 by the two ex-British destroyers of the 1,700-ton *Zambesi* class which had been purchased from Britain in 1955 (see 14321 F). The two destroyers—formerly H M.S. *Zealous* and H.M.S. *Zodiac*, and now renamed the *Elath* and *Yafo*—arrived at Haifa on that date after refitting in Britain, and will constitute the largest units of the Israeli Navy. Two other destroyers of the same class, H.M S. *Myngs* and H.M.S *Zenith*, have been purchased from Britain by Egypt (see 14342 A).

The French Foreign Ministry announced on May 12 that it would supply Israel with 12 *Mystère IV* jet fighters for the Israeli Air Force, additional to 12 other machines of this type which had been flown to Israel in April. The announcement said that the U S. Government had "agreed to a delay in deliveries of these machines ordered under offshore contracts [i.e. for the NATO air forces] so that rapid delivery can be made of a last consignment of 12 *Mystère* planes ordered by Israel."

The Israeli Embassy in London published a statement on July 6 declaring that the balance of military strength in the Middle East was preponderantly on the side of the Arab countries, particularly since Communist arms supplies had begun to reach Egypt in December last. The statement was apparently issued in reply to Mr. Selwyn Lloyd (the British Foreign Secretary), who on July 2 had expressed the opinion that the balance was "rather in favour of Israel." Mr. Lloyd's statement—made in reply to a supplementary question by Mr. Robens (Labour)—was described by Mr. Ben-Gurion on July 4 as "a flagrant contradiction of the true facts." Foreign Office representatives subsequently explained that, in the British view, the high morale and technical efficiency of the Israeli armed forces more than compensated for any unbalance between Israeli's arms and the recently increased arms supplies of the neighbouring Arab countries.

The Israeli Embassy claimed that the balance of arms was already in favour of Egypt even before the Czechoslovak-Egyptian arms deal In December last, before shipments of Communist arms began to arrive, Egypt had some 150 *Sherman* tanks and about 200 *Valentine* tanks, and had also received 40 *Centurion* tanks from Britain—"the latest and heaviest type of tank produced in the West." Israel, on the other hand, had fewer *Sherman* tanks than Egypt and no *Centurions* whatever, these latter tanks having been "denied to Israel" In the air, Egypt had in December about 100 jet aircraft, mostly *Meteors and Vampires*, whilst Israel had a far smaller number of jet planes At sea, Egypt had two fast frigates of the British escort-destroyer type, five other frigates, and two corvettes, while Israel had three frigates and two corvettes, all of lesser gun capacity than the Egyptian vessels

Since December last, Egypt had received from Czechoslovakia 100 heavy *Stalin* tanks, 200 Czechoslovak T-34 tanks (comparable to *Shermans*), and over 100 artillery pieces of various types In the air, the Czechoslovak-Egyptian arms deal had provided for 200 jet fighters of the MIG-15 type and 60 *Ilyushin* heavy bombers (comparable to the British *Canberras*), of which 150 MIG's and about 45 *Ilyushins* had been delivered At sea, Egypt had purchased two British destroyers over and above the destroyer-frigates previously acquired, and also two Soviet destroyers of the *Skoryi* class (see above) There were also "persistent rumours" that Egypt had received or was due to receive submarines

During the same period, Israel had been able to obtain some lighter tanks from France, but no heavy tanks comparable with the British *Centurions* and the Soviet *Stalins*, the British Government had maintained its refusal to sell *Centurions* to Israel to counterbalance those sold to Egypt. In the air, Israel had been able to obtain 24

Mystère IV jet fighters from France, as well as a small number of additional *Meteors* and French *Ouragans*. With the exception of the *Mystères*, all Israel's fighter aircraft were inferior to the MIG-15s in speed and capacity. In bomber aircraft Israel had nothing to compare with the *Ilyushins*, and nothing more modern than *Mosquito* fighter-bombers, which had been discarded by the British R A F as obsolete Britain had refused Israel's request for a small number of *Canberra* bombers to counterbalance Egypt's *Ilyushins*, and had also ignored repeated Israeli requests for anti-aircraft gun equipment. At sea, Israel had obtained two destroyers from Britain similar to those sold to Egypt (see above), and also a number of light naval A A guns

In April last (the Israeli statement continued) Syria had negotiated an arms deal with Czechoslovakia under which, according to reliable information, she would receive 50 light tanks of a German model, 50 heavy *Stalin* tanks of Soviet type, 25 MIG-15 fighters, 50 pieces of heavy artillery, and 100 armoured vehicles Moreover, heavy shipments of arms had reached Iraq under the Baghdad Pact, while Saudi Arabia had received tanks from the West and also, it was believed, certain equipment from Eastern Europe through Egypt. [The sale of 18 American tanks to Saudi Arabia had been announced in February last—see page 14728, first column]

The document ended by stating that Israel had submitted to each of the Western Powers [i e the U S.A , Britain, and France] lists of arms representing Israel's minimum needs While Israel did not insist on absolute quantitative equality with the Arab States, she regarded qualitative equality as imperative. So far, however, most of the items requested had been refused, except for those mentioned in the statement. Britain, in particular, had refused to provide Israel with a single *Centurion* tank.

A French ban on the export of light arms to the Arab countries had been announced by M. Mollet and M. Pineau during the French National Assembly's recent debate on North Africa (see 14969 A). As explained by MM. Mollet and Pineau, this action was taken to prevent such arms being passed on to the Algerian rebels.

Unfounded " War Scare " on Jordanian Border.

Rumours of Israeli troop concentrations on the border with Jordan—subsequently found to be without foundation—led King Hussein to summon the U.S., British and French Ambassadors in Amman on July 3, and to express to them his concern at what was believed to be the possibility of an Israeli attack. King Hussein also saw the diplomatic representatives of the Arab countries on the same day in connexion with the " necessary measures to implement the Arab collective security pact " in the event of an attack by Israel.

The Israeli Foreign Ministry categorically denied that there were any troop concentrations on the frontier with Jordan, and informed the British, French, U.S., and Soviet Ambassadors that the Jordanian allegations were " pure fabrications." No confirmation of the alleged Israeli troop movements was forthcoming from London, Washington, or Paris, nor any confirmation of similarly unfounded rumours of Egyptian, Syrian, and Iraqi troop concentrations. Both the U.N. Truce Supervisory Organization and General Burns (who saw the Jordanian Chief of Staff, General Ali Abu Anwar) reported that there were no signs of exceptional Israeli troop movements.

The Special Correspondent of *The Times* in Amman, in a despatch on July 8, said that " the disconcerting war scare of the past few days seems to have been aroused partly by a misunderstanding, partly by the inexperience of the Jordanian leaders, and partly by a genuinely provocative flavour to recent Israel actions and utterances." After pointing out that general elections were to be held in Jordan within four months, the Correspondent said that " a colourless caretaker Government is in office, making remarkably little impact upon the progress of affairs, while the country is ruled by King Hussein in youthful partnership with Ali Abu Nuwar, and with the support, becoming progressively more difficult to assess, of the Army This economically unviable country prepares to choose its parliamentary representatives in this unhealthy situation, believing itself threatened by a formidable neighbour, obsessed with visions of ultimate revenge, split by innumerable schisms, plagued by the power rivalries of the Middle East and the world at large. There are those, however, who suspect that the elections will never take place, and those who go so far as to maintain that last week's alarms were at least partly fostered to divert attention from the confused political scene. . . . "

Jordanian Infiltrations into Israel.

Several incidents occurred during June and July in which Israeli nationals were killed by armed infiltrators from Jordan. The Mixed Armistice Commission, after investigations, called upon Jordan on July 15 to prevent such incursions into Israeli territory.

Two Israeli soldiers were killed and a settler wounded on June 24 in an exchange of fire near the frontier settlement of Nir Eliahu, in the Qalqiliya area; the Israeli and Jordanian authorities gave different versions of the incident, each accusing the other of responsibility. On July 9 two Israeli civilians were killed and a third injured when infiltrators from Jordan ambushed a car on the Sodom-Elath road, in the southern Negev; an Israeli soldier was wounded when a patrol car travelling in the Megiddo area (Galilee) hit a road-mine apparently planted by saboteurs, and machine-gun fire was opened from the Jordanian side of the frontier on the Israeli settlement of Ramat Rachel, near Jerusalem, no casualties being caused On July 15 a gang of four armed men, believed to be members of a para-military commando operating from Jordan, attacked a car near Lydda airport and shot its driver dead, a woman passenger in the car was not molested and was allowed to proceed to the nearest village Strong protests at these incidents were made by the Israeli authorities to the Mixed Armistice Commission, which, as stated above, called upon Jordan to prevent their recurrence

Military and Civilian Agreements between Jordan and Syria.

President Kuwatly of Syria, accompanied by the Syrian Prime Minister and Chief of Staff, visited Amman from May 28-31 for conversations with King Hussein and the Jordanian political and military leaders. The following agreements were signed at the end of President Kuwatly's visit. (1) a military agreement providing for the creation of a permanent joint body for military consultation and joint operations in the event of hostilities; (2) an agreement whereby passports were no longer required for nationals of the two countries visiting the other, but only identity cards (similar to the existing arrangements between Syria and the Lebanon); (3) an agreement whereby the Jordanian Legation in Damascus and the Syrian Legation in Amman were raised to the status of embassies; (4) an agreement granting freedom of transit for heavy road traffic from Syrian ports to Jordan *via* the Lebanon. It was also reported that Syria had agreed to contribute 62,500 Jordanian dinars (approx. $175,000) to the Arab League's project (see 14658 D) for producing potash from the Dead Sea.

It was understood that the military agreement was not in the nature of a formal treaty between Syria and Jordan, but represented a form of working co-operation between the armed forces of the two countries.

Egyptian Journalist's Visit to Israel.

Much interest was aroused in Egypt and Israel, and also in the Western capitals, by the disclosure that an Egyptian journalist, Mr. Ibrahim Izzat, had paid a 12-day visit to Israel as the guest of the Israeli Government. The disclosure was made in Cairo on May 19, when Mr. Izzat reported on his tour to Colonel Nasser, the Egyptian Prime Minister.

Mr. Izzat (whose visit to Israel had ended on May 16) said that he had obtained a visa from the Israeli Legation in London, that he had been accompanied on his tour by an Israeli escort and allowed to see everything he wished, and that he had travelled in Israel under the assumed name of George Ibrahim Habib, " a Brazilian journalist of Arab origin " He had been curious for a long time " to find out what it was like on the other side," and had thought that he could do his country a service by " reporting the facts about Israel." As " a simple reporter with no knowledge of military, political or economic secrets," he had therefore replied in the affirmative when asked by the Israeli Legation in London whether he would like to visit Israel

Mr. Izzat's article, written in an objective manner and containing many impressions favourable to Israel, was published in the magazine *Ros-el-Youssef*, a widely-read Egyptian periodical He paid high tribute to the industrial and agricultural progress being made in Israel, said that the Israeli people were working " 24 hours a day " to improve their economy and doing " more than their duty "; and described Tel-Aviv as " a beautiful place " He also wrote in appreciative terms of Israeli educational and technical achievements, and described the *Histadruth* (the Israeli General Confederation of Labour) as " the best-organized trade union movement in the world." Mr Izzat was critical, however, of the conditions in which the Arab minority in Israel were living, saying *inter alia* that he had seen " wonderful vocational schools run by the *Histadruth* for Israeli youth but only one small workshop for Arabs." He alleged, moreover, that the Arabs of Israel were restricted in their movements, that Arab villagers were living in some areas under " martial law " conditions, and that " while everything was done to promote modern progress among the Israelis, nothing was done to help the Arabs pull themselves out of the abject poverty and backwardness that has been their curse for centuries "

Mr Izzat said that he had had personal meetings with Mr. Sharett (then Minister of Foreign Affairs) and Mrs. Myerson (then Minister of Labour), both of whom had stressed their desire for peace with Egypt. After saying that Egypt was regarded as Israel's only potential enemy, and that peace with Egypt was " the aim and dream of everyone in Israel," Mr Izzat wrote: " The Israelis feel that if they can make peace with Egypt the rest of the Arab States will have to follow. They have no special fear of their other Arab neighbours "

While in Israel, Mr. Izzat was given a message from Mr. Ben-Gurion (the Prime Minister), through a secretary, for transmission to Colonel Nasser. Whilst no official Israeli version of the message was made public, Mr. Izzat quoted it as follows: " If you meet Nasser, tell him I am ready to meet him at any time, at any place he chooses, to discuss any problem he wishes—refugees, borders, political, economic, or military questions—without mediation and without publicly announcing anything about such a meeting or its results. Tell him that I am ready to meet him even in Cairo."

A spokesman for Mr. Ben-Gurion confirmed on June 21 that the Prime Minister of Israel was ready to meet Colonel Nasser " at any time and any place," and to go to Cairo " like a shot " if necessary. He added that no more Egyptian journalists would be invited to visit Israel unless Colonel Nasser reciprocated by allowing Israeli journalists to visit Egypt. Mr. Izzat's article was generally praised by the Israeli newspapers as balanced and objective, though exception was taken to his comments on the allegedly unfavourable position of the Arab minority, which were stated to be not in accord with the facts. Refuting Mr. Izzat's statement that nothing was done to raise the Arabs of Israel out of their " abject poverty and backwardness," Israeli officials stressed that Government grants were made to the Arabs for education, health, and social welfare, as well as for agricultural aid.—(Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times) **(Prev. rep. Middle East, 14485 A.)**

A. PHILIPPINES - UNITED STATES. — Mr. Nixon's Visit to Manila. - Joint Statement on U.S. Bases in Philippines. - Recognition of Philippine Sovereignty over Bases.

The U.S. Vice-President, Mr. Richard M. Nixon, visited Manila at the beginning of July in connexion with the ceremonies marking the tenth anniversary of Philippine independence (July 4).

A joint statement issued on July 3 by Vice-President Nixon and President Magsaysay said that they had discussed " the necessity of strengthening military bases in the Phillippines in order to bolster the common defence of the two countries as well as that of the free world in this area," and that President Magsaysay had " concurred in the need for such a step for the mutual benefit of both countries." It had accordingly been agreed that the two Governments would hold formal negotiations on military bases " in the near future ", and that they would be conducted on the following " general principles " :

(1) " Existence of a system of U S. bases in the Philippines has been and continues to be a matter of mutual interest and concern to the two countries for the purpose of ensuring their common defence pursuant to the principles of the United Nations."

(2) " In consonance with this mutual interest and concern, certain land areas in the Philippines have been and are being used by the U.S.A. as bases. The Philippine Government will contribute for use—in accordance with the terms of the military bases agreement—anything additional which is deemed necessary by both Governments for strengthening the base system. The U.S.A will turn over to the Philippine Government those areas listed in the military bases agreement which the parties hereafter agree are no longer required In addition, the U.S A. has contributed and will continue such personnel, equipment, and facilities as may be necessary for the effective maintenance of such bases for the defence of the Philippines and the United States in this area."

(3) " The United States has, since the independence of the Philippines, always acknowledged the sovereignty of the Philippines over such bases, and expressly reaffirms full recognition of Philippine sovereignty over the bases Further, the U.S.A will turn over to the Philippines all titles, papers, and title claims held by the U S A to all land areas used either in the past or presently as military bases, except those areas which may now or will be used by the U S A for its diplomatic and consular establishment. Such transfers . will not affect the use of the bases in accordance with the terms of the military bases agreement."

The status of the U.S. bases in the Philippines had been under dispute for some time, and U.S. recognition of Philippine sovereignty over the bases was regarded by the U.S. Press as one of the most important points in the new agreement.

In a speech on the same date Mr. Nixon said that the U.S.A. respected the right of each country to chart its own course, and appreciated the friendship of neutral countries adhering to democracy and freedom. She had no sympathy, however, " for that kind of neutralism which draws no moral distinction between the Communist world and the free world." (New York Times) **(Prev. rep. 14297 C.)**

B. NETHERLANDS. — Monetary Policy. - Wider Transfer Area for Guilders.

The Netherlands Ministry of Finance announced on July 8 that banks in all E.P.U. countries except Turkey, and also in Afghanistan, Brazil, Chile, Ethiopia, Finland, Persia, Yemen, Lebanon, Saudi Arabia, Siam, Sudan, Syria and Tangier, might freely transfer guilder balances to one another as from July 9. Previously transfers without permit had been confined to countries participating in the European currency arbitrage scheme.—(Netherlands News Agency) **(Prev. rep. Exchange Control Relaxations, 14014 A ; 13727 A.)**

C. FRANCE. — Diplomatic Appointments. - New Ambassadors in Washington and Bonn. - Retirement of M. René Massigli.

A number of important diplomatic changes were announced in the *Journal Officiel* on July 7-8, as follows :

M. Louis Joxe, Ambassador in Bonn, as Secretary-General of the French Foreign Ministry in succession to M. René Massigli, retiring.

M. Jean Daridan, Assistant Director of Political Affairs, as Director-General of Political and Economic Affairs *vice* M Roland de Margerie.

M. François de Panafieu as Director-General for Personnel and Administration *vice* M. Bousquet.

M. Maurice Couve de Murville, Ambassador in Washington, as Ambassador to the German Federal Republic *vice* M. Louis Joxe

M. Hervé Alphand, Permanent French Representative at the U N., as Ambassador in Washington *vice* M. Couve de Murville.

M. Raymond Bousquet as Ambassador to Belgium *vice* M. Jean Rivière.

M. Rivière as Ambassador to Portugal *vice* M. Jean de Hautecloque, who was appointed Diplomatic Counsellor to the Government

M. Roland de Margerie as Ambassador to the Holy See *vice* M. Wladimir d'Ormesson, retiring.

It had been announced on June 13 that the Government had decided to appoint M. Bernard Cornut-Gentille as French Permanent Representative at the United Nations in succession to M. Alphand. M. Cornut-Gentille (55) was High Commissioner in French Equatorial Africa from 1948-51 before becoming High Commissioner for French West Africa.

Other recent French diplomatic appointments, announced in May and June, included those of M. Roger de Bercegol de Lile (Minister in Port-au-Prince) as Minister to New Zealand; M. Jean-Louis Paul-Boncour as Minister to Hungary, M Lucien Félix as Minister to Haiti *vice* M. de Bercegol de Lile, and M Pierre Salade as Minister to Burma

The French Foreign Minister (M. Pineau) sent a special message to M. Massigli expressing the Government's gratitude for the " eminent services " which he had rendered to France before, during, and since the war. M. Massigli had been Ambassador in London from 1944 to 1954 before his appointment as Secretary-General in the Foreign Ministry, and had served during the war as Commissioner for Foreign Affairs in the French Committee of National Liberation. He was invested by Queen Elizabeth II with the Order of the Companions of Honour when retiring from the London Embassy.
(Le Monde, Paris - Le Figaro, Paris) **(Prev. rep. 14648 B ; M. Massigli, 13876 B.)**

D. ATOMIC ENERGY. — Joint Institute for Nuclear Physics created by Communist-bloc Countries.

Moscow Radio announced on July 12 that, in implementation of the preliminary agreement reached in March, the Governments of the Soviet Union, Albania, Bulgaria, the People's Republic of China, Czechoslovakia, Eastern Germany, Hungary, North Korea, Mongolia, Poland, and Rumania had now concluded a formal agreement for the setting-up of a joint institute for " theoretical and experimental research into nuclear physics."

The announcement said that the institute would be located in the Kalinin region of Western Russia, and would absorb the Nuclear Research Institute and the Electro-Physics Laboratory of the Soviet Academy of Sciences. Its equipment would include a synchrotron generating 10,000,000,000 electron volts, as well as a smaller synchrotron producing 680,000,000 electron volts, an experimental nuclear reactor, and a cyclotron for accelerating multicharged ions.

The agreement provided that 47.25 per cent of the expenditure would be borne by the Soviet Union, the shares of the other member-countries being China, 20 per cent ; Poland and Eastern Germany, each 6.75 per cent, Czechoslovakia and Rumania, each 5 75 per cent, Hungary, 4 per cent, Bulgaria, 3.6 per cent, Albania, North Korea, and Mongolia, each 0 05 per cent.

It was laid down that the joint institute might be liquidated " by agreement among the Governments of all the member-countries," and that in the event of liquidation " all the equipment and installations shall become the property of the U.S S.R." In such an eventuality the other member-countries would be compensated "in accordance with their share in the capital expenditures "

The announcement added that other States wishing to take part in the work of the institute might become members " by decision of a majority of the member-countries."
(New York Herald Tribune) **(Prev. rep. 14779 C.)**

E. NEW ZEALAND.—Acquisition of H.M.S. "Royalist."

The British cruiser *Royalist* (5,900 tons), which had been bought by the New Zealand Government, was formally transferred to the Royal New Zealand Navy—of which she will be flagship—at Devonport on July 9 in the presence of Mr. Holland, the Prime Minister of New Zealand.
(Daily Telegraph) **(Prev. rep. 12122 F.)**

A. LIBYA. — Increased U.S. and British Economic and Military Aid. - Rejection of Soviet Economic Aid.

The Prime Minister of Libya (Mustafa Ahmed Ben Halim) announced on April 7 that the U.S.A. had agreed to increase its military and economic assistance to Libya in 1956 and 1957.

M Halim said that the U.S. offer, which was made subject to Congressional approval, comprised: (*a*) $5,000,000 for development projects (in addition to $4,000,000 already agreed upon), to be paid by June 30, 1956; (*b*) 5,000 tons of wheat for famine relief, bringing total U.S. wheat supplies in 1955-56 to 25,000 tons; (*c*) $7,000,000 for development projects during the financial year 1956-57 (in addition to $4,000,000 already agreed), (*d*) 5,000 tons of wheat during the same period; (*e*) the necessary equipment to expand the Libyan Army by 1,000 men by July 1957.

It had been reported towards the end of March, that Libya had rejected a Soviet offer of economic aid, but M. Halim stated that there was no connexion between the increase in American aid and the Soviet offer, which had been rejected "on its merits."

M. Halim had discussions in London from June 18-26 with Sir Anthony Eden, Mr. Selwyn Lloyd (the Foreign Secretary), Mr. Head (the Minister for War) and other British Ministers. On his return to Tripoli (July 3) he announced that the British Government had agreed to increase its financial and military aid to Libya.

The Libyan Prime Minister said that Britain would create the nucleus of a Libyan Air Force and Navy, supply equipment for 10,000 troops free of charge, and provide facilities for the instruction of Libyan officers in U.K. training establishments. An Anglo-Libyan committee of experts would meet shortly to discuss details of British military aid. M. Halim also stated that a British school would be established in Tripoli, and that English-language evening classes would be started to enable Libyan secondary schoolboys to continue their education at British universities.

After leaving London M. Halim had visited Paris for unofficial talks with the French Government. (Times - Le Monde, Paris - New York Times) **(Prev. rep. 14531 E.)**

B. UNITED STATES. — Death Penalty for Supply of Heroin to Minors. - Congressional Legislation.

A Bill giving juries the power to impose the death penalty on persons selling or giving heroin to children under 18 was approved on July 9 by both Houses of Congress (by voice vote), and sent to President Eisenhower for signature. As an alternative to the death penalty, juries were empowered to impose long terms of imprisonment (from 10 years to life sentences) and fines of up to $20,000. The Bill also forbade the use of heroin except for research purposes, and prohibited the use of the telephone and postal services for purposes of illicit drug trafficking.

Other penalties under the Bill were: (i) for illegal possession of heroin, first offence—two to 10 years' imprisonment and $20,000 fine; (ii) illegal possession, second offence—five to 20 years' imprisonment and $20,000 fine, (iii) illegal possession, third offence—10 to 40 years' imprisonment and $20,000 fine; (iv) illegal sale of heroin, first offence—five to 10 years' imprisonment and $20,000 fine; (v) illegal sale, second offence—10 to 40 years' imprisonment and $20,000 fine. No suspension of sentence, probation, or parole would be allowed.

The Bill in its final form represented a compromise between two separate Bills presented in the Senate and the House of Representatives respectively. The legislation was introduced after protracted Congressional investigation into the drug traffic in the United States.

(New York Times - New York Herald Tribune)

C. PHILIPPINES.—Approval of Reparations Agreement with Japan. - Ratification of Japanese Peace Treaty.

The Philippine Senate unanimously approved on July 11 the recent reparations agreement between Japan and the Philippines, and also the peace treaty with Japan concluded at San Francisco in 1951. The Philippine instruments of ratification of the peace treaty were signed by President Magsaysay on July 18, thereby ending the technical state of war between Japan and the Philippine Republic.—(New York Times) **(Prev. rep. Reparations Agreement, 14943 B; Japanese Peace Treaty, 11721 A; 11681 A.)**

D. FRANCE. — President of Paris Municipal Council.

M. Pierre Ruais (Social Republican) was elected president of the Paris Municipal Council—a position equivalent to mayor of Paris—on June 18 in succession to M. Féron (Independent-A.R.S.). The voting on the third ballot was 49 for M. Ruais, 25 for M. Gourdeaux (Communist), and 11 for M. Giraud (Socialist).—(Le Monde, Paris - Le Figaro, Paris) **(Prev. rep. 14267 D.)**

E. INTERNATIONAL TIN COUNCIL.—International Tin Agreement in Force. - First Meeting of Council.

Following the deposit of the Indonesian ratification of the International Tin Agreement on May 16, the ratifying governments decided that the Agreement should come into force on June 30, 1956. The first meeting of the International Tin Council (which superseded the Council's interim committee) was accordingly held in London during the first week of July, the following countries being represented. (*a*) *Producers*: Belgian Congo and Ruanda-Urundi, Bolivia, Indonesia, Malaya and Nigeria; (*b*) *Consumers*: Australia, Belgium, Canada, Denmark, Ecuador, France, India, the Netherlands, Spain, and the United Kingdom.

The aims of the International Tin Agreement (see 13424 B) are to achieve a reasonably stable price and to ensure adequate supplies of tin at reasonable prices at all times. The Agreement provided for a buffer stock of tin to be established by contributions from producing countries (which may be made wholly or partly in cash) and, if necessary, for the regulation of exports from the producing countries.

It was announced on July 12 that the Siamese National Assembly had approved in principle a Government Bill to permit Siam—the only major producing country which had not ratified the agreement—to join the International Tin Council.

The Malayan Finance Minister announced on July 12 that Malaya's contribution to the buffer stock would total $M 50,200,000 in cash. The operation would be financed by an overdraft advanced by the Malayan Exchange Banks Association on current account, and the contribution would be recovered by a levy on tin exports. A first instalment of $M 30,100,000 (£3,500,000) was approved by the Federal Legislative Council on the same date.

The following countries, apart from Siam, have signed the agreement but have not yet ratified it: Italy, Japan, the Lebanon, and Turkey (all consumer countries). South Korea and Israel have applied for admission to the agreement. A number of consuming countries have so far remained outside the scheme, notably the United States and the German Federal Republic.—(Times - Financial Times) **(Prev. rep. 14725 C.)**

F. EASTERN GERMANY. — Visit of Crown Prince of Yemen. - East German-Yemeni Trade Agreement.

A trade agreement between the German Democratic Republic and the Yemen was signed in East Berlin on June 30 at the conclusion of a one-week visit by a Yemeni delegation headed by the Crown Prince of the Yemen, who had previously visited the Soviet Union (see 14959 A).

An official communiqué was issued by Herr Grotewohl (the East German Prime Minister) and the Crown Prince saying that discussions had been held on various international problems affecting the two countries, and that the negotiations had confirmed their mutual wish to maintain and extend "the friendship which has always existed between the German and Yemeni people and to establish normal relations between them at the opportune time." The communiqué also referred to discussions on the German question and on political problems in the Near East.

The Yemeni Legation in Cairo announced on July 4 that Eastern Germany had undertaken the construction, under the new trade agreement, of three factories in the Yemen to manufacture cement, glass, and plastic leather. The costs of construction would be met entirely by the supply of Yemeni agricultural products to Eastern Germany.

(Neues Deutschland, East Berlin - Le Monde, Paris) **(14959 A.)**

G. SYRIA.—Dismissal of Chief of Staff. - Negotiations for Federal Union with Egypt.

Brigadier Shawkat Shukeir was dismissed from the post of Chief of Staff of the Syrian Army on July 8. An official announcement on July 9 said that he had offered his resignation, that it had been accepted, and that Brigadier Tewfik Nizam ed-Din had been appointed as his successor. Brigadier Shukeir's enforced resignation was reported to be the culmination of a conflict, which had arisen since the formation of M. Assali's Cabinet, between the Minister of Defence (M. Arslan) and certain officers connected with Brigadier Shukeir, who had expressed disapproval of M. Arslan's appointment as Defence Minister.

The Syrian Government decided on July 5 to form a ministerial committee, headed by the Foreign Minister (M. Bitar), to conduct negotiations with Egypt aimed at establishing a federal union between the two countries. Announcing this decision in the Syrian Parliament, M. Assali declared that when the Syrian-Egyptian Federal Union had been formed it would be extended to other Arab countries at their request. The Government's decision was unanimously approved by the Syrian Parliament on July 6, representatives of all parties expressing the hope that the proposed federal union with Egypt would serve as a nucleus for a full Arab Federation.

(Times - Le Monde) **(Prev. rep. Assali Cabinet, 14940 B.)**

JULY 21—28, 1956

A. FRANCE - TUNISIA. — Franco-Tunisian Diplomatic Agreement. - Breakdown of Negotiations on Interdependence. - Transfer of Police Powers to Tunisian Government. - Tunisian Political and Social Reforms. - Diplomatic Appointments. - High Court for Trial of Political Offenders.

Relations between France and Tunisia deteriorated seriously from April onwards, as a result of French opposition to the Tunisian Government's claims to the right to form immediately its own army and diplomatic corps, and to its demands for the progressive withdrawal of French troops from Tunisia. Although the question of diplomatic representation was settled by an agreement signed on June 15, negotiations on defence questions —which had opened in Paris on June 26—were broken off by the Tunisian Government on July 13. These and other recent developments affecting Franco-Tunisian relations and the internal situation in Tunisia are described below under cross-headings:

The Diplomatic Agreement.

The Tunisian Prime Minister, M. Bourguiba, maintained in a number of public statements during April and May that France's recognition of Tunisian independence under the protocol of March 20 automatically conferred on Tunisia the right to exchange diplomatic representatives with other countries and to organize her own army. The French Government, on the other hand, held the view (*a*) that although the protocol recognized the principle of Tunisian independence, it laid down that the detailed application of this principle in the spheres of foreign relations and defence should form the subject of further negotiations, and (*b*) that in the interim period the conventions of June 3, 1955, under which France was responsible for Tunisia's diplomatic representation abroad (see 14289 A), remained in force. In view of this disagreement, the proposed negotiations—which it had been decided should open on April 16—were postponed at the Tunisian Government's request.

In implementation of its claims, the Tunisian Government approved on May 3 decrees creating Ministries of Foreign Affairs and Defence, which had existed before the establishment of the French protectorate in 1881. Franco-Tunisian misunderstandings on the diplomatic question were, however, largely removed as a result of discussions between M. Bourguiba and M. Mollet, which took place in Paris early in May. Following further talks between M. Bourguiba and M. Seydoux (the French High Commissioner), an agreement recognizing Tunisia's right to possess her own diplomatic representation was signed in Tunis on June 15, its terms being as follows:

"(1) France will be represented in Tunis and Tunisia in Paris by an Ambassador. The diplomatic representatives of the two countries will bear the titles respectively of 'Ambassador Extraordinary, special envoy of the French Republic to His Highness the Bey' and 'Ambassador Extraordinary, special envoy of His Highness the Bey to the French Republic.'

"(2) In countries to which Tunisia shall decide not to send a permanent diplomatic mission, the French Republic is prepared, if the Tunisian Government so requests, to undertake the representation and protection of Tunisian citizens and interests In such cases French diplomatic and consular agents will act in accordance with the Tunisian Government's directions

"(3) France will support Tunisia's candidature for membership of international organizations in which she is not represented.

"(4) Pending the conclusion of the treaty which will regulate the ways and means of their co-operation in the field of foreign affairs, the two Governments, acting in the spirit of friendship and solidarity which characterizes their relations, will inform and consult each other on all questions of common interest arising in this field."

The agreement was accompanied by an exchange of letters in which the two Governments agreed that the French Ambassador in Tunis should take precedence over the other members of the diplomatic corps, that the Tunisian Ambassador in Paris should be accorded "a privileged position"; and that negotiations for the conclusion of a treaty of friendship and alliance between France and Tunisia, defining "the ways and means of their close co-operation in the field of defence and foreign affairs," should open in Paris on June 26.

M. Roger Seydoux presented letters of credence to the Bey on June 21 as French Ambassador to Tunisia, while M. Hassan Belkhodja (who had been appointed Tunisian High Commissioner in Paris on April 23) became the first Tunisian Ambassador to the French Republic on July 5.

The Bey officially approved on June 25 the appointment of Dr. Mokkadem (formerly Minister of Health in M. Tahar Ben Ammar's Government) as Ambassador to Egypt, M. Taieb Sahbani as Ambassador to Morocco, M. Ameur Mokni as Ambassador to Libya, and M. Taieb Annabi as Minister to Saudi Arabia. M. Mongi Slim, Minister of State in M Bourguiba's Cabinet, was nominated Ambassador in Washington on July 12 His brother, M. Taieb Slim, had previously been appointed Ambassador in London (see 14970 D).

Breakdown of Negotiations on Terms of Interdependence.

The negotiations opened on June 26 but were held up by a dispute arising from an Arabic-language broadcast by Tunis Radio on July 1, intended to be the first of a series entitled "Echoes from Free Algeria."

In a Note of July 2 the French Government strongly protested against the violently anti-French tone of this broadcast, and demanded that the incident should be settled before negotiations continued. Agreement was reached on July 3 between M. Savary and M. Bourguiba after the latter himself had condemned the tone of the broadcast and given assurances against a repetition of similar attacks. It was subsequently announced that the future status of Tunis Radio would be discussed during the Paris negotiations. [Under a convention signed in November 1953, and confirmed on June 3, 1955, Tunis Radio was to remain under the control of the French Broadcasting Service for 30 years.]

The negotiations were accordingly resumed on July 4, when French and Tunisian Ministers began to discuss, *inter alia*, the question of responsibility for anti-subversive activities, the revision of the economic and financial convention of 1955, the future of Franco-Tunisian commercial relations, and the future status of Tunis Radio.

It was disclosed by M. Bourguiba in a broadcast on July 9 that the Tunisian Government had asked for a French loan of 20,000,000,000 francs (over £20,000,000) for agricultural development; that France had agreed to the suspension of interest payments on loans made to Tunisia during the last four to five years, and that, with French approval, discussions had taken place between M Bourguiba and the U S. Ambassador in Paris on the possibility of obtaining loans from other countries and from international organizations.

The principal question which caused the breakdown of the negotiations was the future of the French forces in Tunisia. M. Bourguiba, in an interview published in *Le Monde* on June 28, had declared that the Tunisian Government agreed that Tunisian forces could not at the moment assume the sole defence of Tunisia, and that the French troops in the country could therefore fulfil this role "during the period of transition" He added, however: "We shall never agree that the presence of French forces in our country, and notably at Bizerta, should be of a permanent character under the pretext of Western strategy or the defence of the free world. Any occupation of a country without its consent by foreign armed forces is an infringement of its sovereignty and constitutes a kind of subservience . . . The object of the Tunisian Government in the negotiations . . . is not to fix terms on which French forces should be implanted in Tunisia, but to work out the conditions under which they should leave in accordance with the growing ability of the Tunisian forces to take their place."

M Bourguiba repeated this view in his broadcast on July 9, stating that the Tunisian delegation had proposed the evacuation of French forces by stages He also said that he had impressed on the French Government that the only possible solution of the Algerian question was the recognition of Algerian sovereignty, and that "although Tunisia fought at France's side in the two World Wars, it is impossible for her to be on her side in the Algerian war"

The French Foreign Minister, M. Pineau, in a statement in the National Assembly on July 12, rejected as "unacceptable" the Tunisian demand for the progressive withdrawal of the French forces.

Referring to the "grave difficulties" which had been caused by "ill-timed" statements by M Bourguiba on the evacuation of Tunisia by "foreign troops," M. Pineau declared. "The French Government considers this position as unacceptable The status of our forces in Tunisia can only be modified when the common defence of our two countries has been organized by the proposed treaty" M. Pineau outlined the tasks of the French forces in Tunisia as follows

(1) "They must cover Algeria As long as no pacification [in Algeria] has been achieved, there can be no question of the freedom of manoeuvre of our troops in Tunisia and Morocco being restricted in any way"

(2) "They must ensure the security of the persons and property of French nationals residing in those two countries until North Africa has been completely pacified and the Governments concerned are in a position to ensure this security themselves."

(3) "They must take part in the common defence of the Mediterranean. If the first two tasks are temporary, this one is of a permanent character For this reason it will be impossible for us to envisage leaving a port such as Bizerta, which constitutes an essential element not only in maintaining the French *présence* but also in the common defence of the Mediterranean"

On the previous day (July 11) the Council of the Republic had adopted two amendments in connexion with the Vote on supplementary expenditure estimates relating to Tunisia and Morocco, and had rejected any provision for French financial aid to Tunisia.

The first amendment—moved by M. Debré (Social Republican), who denounced the Government for a "series of capitulations"—provided for a reduction by 50 per cent in the salaries of the principal French officials connected with Tunisian and Moroccan affairs. Although M Savary protested against these allegations and emphasized that the Government had expressly stated its determination to maintain the "French presence" in Morocco and Tunisia, M Debré's amendment was carried by 156 votes to 117.

The second amendment was moved by M Colonna (*Gauche Démocratique*) in connexion with the estimates of the Ministry of Finance covering financial aid to the Tunisian and Moroccan Governments. The amendment proposed that the entire amount provided for such aid should be applied to indemnifying the French communities in Tunisia and Morocco, and that the Tunisian Government should be expressly excluded from receiving any French aid. "It would be inadmissible," M Colonna declared, "to subsidize the Tunisian budget and to neglect our own compatriots We must not help those who do nothing but aggravate our difficulties" M. Colonna's amendment was adopted by 164 votes to 132 after a heated debate.

As a protest against these developments, the Tunisian Government broke off the Paris negotiations on July 13. A communiqué issued by the Tunisian Embassy in Paris stated that this decision had been taken because, "having regard to the hostile attitude taken by the Council of the Republic and the declarations made by M. Pineau before the National Assembly, the Tunisian delegation feels that it cannot continue the negotiations in the present atmosphere." In a broadcast on July 14 M. Bourguiba reiterated that his Government would "never allow Tunisia to serve as a base for French troops charged with the repression of the fight for dignity which our Algerian brothers are waging," and added. "If France gives us the impression that our independence remains incomplete, we will once more resume the fight to recover our sovereignty completely."

Transfer of Police Powers to Tunisian Government.

By agreement with the French Government, the Tunisian Government assumed complete responsibility for public order on April 18, when M. Ismail Zuiten was installed as Chief of Police

In a speech at the installation ceremony, M. Bourguiba appealed to all French officials to serve the Tunisian State with the same zeal which they had displayed in the past, and assured those who decided against continued service in Tunisia that their rights would be respected On May 19 it was announced that 30 French police officials, a number of them in higher posts, had been placed at the disposal of the French Government—most of them at their own request

French Government's Financial Aid for French Community.

M. Mollet announced on May 14 that the French Government, while continuing its financial assistance for the economic development of Tunisia, had approved a number of measures intended to assist the French community in that country to adapt themselves to the new political, economic, and social conditions.

M Mollet said that the French Parliament would be asked to make grants for the construction of a network of French schools and a large French hospital in Tunis, and for the compensation of those who had suffered losses due to political disorders In addition, French officials would be guaranteed the effective exercise of their rights under the Franco-Tunisian Conventions; measures would be worked out for the protection of French employees in public or semi-public undertakings, steps would be taken to enable those who could not continue their activities to readjust themselves to the new conditions, and temporary assistance would be granted to enterprises and members of the professions who found themselves confronted with exceptional difficulties

Political and Social Reforms.

A number of important decrees providing for political and social reforms was approved by the Tunisian Government between April and June, details being given below:

Reduction of Bey's Civil List. The Bey sealed on June 21 a decree granting him a Civil List of 181,500,000 francs for the year 1956-57, as compared with a Civil List of nearly 1,000,000,000 fr for the previous year

Abolition of Special Legal Status of Beylical Family. Under a decree approved by the Government on May 31, members of the Bey's family were declared to possess the same rights and obligations as other citizens [In the past the members of the Beylical family could not conclude agreements under the civil law without the Bey's consent; could be tried for criminal offences only by the Bey himself; and were exempt from certain taxes.]

Reform of Local Government. A decree approved on June 16 authorized sweeping changes in the system of local government, under which the country would be divided into 14 regions, each ruled by a Governor (*Ouali*) who would be assisted by a secretary-general. Within each region the existing caids would be replaced by *moutamads* or delegates responsible to the Governor A decree sealed by the Bey on June 22 provided for the dismissal of 104 of the 160 caids.

Nationalization of Religious Foundations. The Cabinet decided on May 2 in favour of the nationalization of religious foundations (*habous*) An official spokesman stated that property set aside for religious or charitable purposes had been so badly administered in the past that the revenue produced had been insufficient even to meet the expenses of its administration, with the result that the State had had to make good an annual deficit of 170,000,000 francs. Its administration would therefore be transferred to the Ministry of Finance, which would use the revenue to meet the expenses of public worship and for charitable purposes

Status of Agricultural Workers. A decree was sealed by the Bey on April 30 fixing the working hours of agricultural labourers at 2,700 hours a year, and guaranteeing them a weekly rest-day. Wages were raised by 20 per cent, women's wages were fixed at 80 per cent of men's; bonuses for skill, experience, etc, were provided for, and a system of family allowances was introduced. The demand for these reforms had been maintained since 1951 by the General Union of Tunisian Workers (U G T.T.)

Internal Disorders.

A number of engagements against the "Youssefist" rebels took place during April, May and June, notably in the Gafsa area, where 17 *fellaghas* were killed in an action on May 11 and 53 during May 17-19. In the Medenine area of southern Tunisia, 71 rebels were killed and 17 captured during operations on May 29. Many of the rebels surrendered during this period, however, including several leaders of *fellagha* bands, and on July 4 Tahar Lassoued, the self-styled "General Commandant of the National Army of Liberation," submitted to the Government.

The rebel leader, M. Salah Ben Youssef (now in Cairo), assumed on June 5 the title of "Generalissimo of the Tunisian Army of Liberation." On April 17 he had claimed that fighting had been resumed in Tunisia in order to "weaken the French military effort in Algeria."

A considerable increase in terrorist activities occurred during May. Five people were killed and several injured in four incidents in Tunis on May 12-13, M Mekki Ben Azouz, leader of the small Tunisian National Party, was killed on May 20 after he had fired on the guards outside M. Bourguiba's house, one of whom was also killed; and two French soldiers were murdered in the Cape Bon area on May 23, when a French post was attacked by terrorists who were subsequently arrested The Minister of the Interior (M. Mehiri) announced on May 21 that eight Frenchmen had been arrested as members of a counter-terrorist organization known as the "Red Hand," which was alleged to be responsible for one of the incidents on May 13, and that others, including a senior police official, were being sought Six more Frenchmen were arrested on the following day, and two others on July 5

Creation of High Court for Political Offences.

The Tunisian Government decided on April 19 to establish for a period of six months a High Court of Justice to try political offences, as well as "all acts detrimental to the higher interests of the State" and "certain offences in matters concerning the right of association and the Press." The first death sentence passed by the new court—imposed on a terrorist accused of the murder of a lawyer—was carried out on May 16.
(Le Monde, Paris - Le Figaro, Paris) **(Prev. rep. 14812 A.)**

A. RUMANIA. — Art Treasures returned to Rumania by Soviet Government.

The Rumanian News Agency (*Agerpres*) announced in June that the Soviet Government had decided to return to Rumania a large collection of historical and art treasures which had been handed over by the Rumanian Government for safe-keeping in Russia during the First World War, when Rumania and Russia were allies. It was stated that these treasures, together with Soviet treasures and archives, had been evacuated to the interior of the U.S.S.R. for safe-keeping during the Second World War [No explanation was given as to why the Rumanian art treasures had not been returned during the inter-war period.]

The announcement said that the treasures to be returned would include 1,350 paintings, drawings, and engravings by well-known Rumanian artists; 156 painted icons of the 16th and 17th centuries; church plate and ecclesiastical robes and vestments of the same period; and over 35,000 valuable coins and medals, including Greek coins of the sixth and seventh centuries B.C. and gold coins of the Macedonian kings, the Egyptian pharaohs, and the Roman and Byzantine emperors.
(Agerpres, Bucharest)

B. PORTUGAL. — Establishment of Corporations.

The Government's proposals for the creation of corporations for agriculture, industry, commerce, transport and tourism, credit and insurance, and the fishing and canning industry were approved by the Portuguese National Assembly on July 19.—(Times) **(Prev. rep. 14779 B.)**

A. EGYPT. — Withdrawal of U.S. and British Offers to aid in Financing of Aswan Dam Project.

The Egyptian Government was informed by the United States on July 19, and by Great Britain on July 20, that U.S. and British participation in financing the projected High Dam at Aswan was " not feasible in present circumstances." It was understood that this decision had been taken on economic grounds after consultation between the U.S. and British Governments. The following explanatory statement was issued by the U.S. State Department :

" At the request of the Government of Egypt, the U S.A joined in December, 1955, with the United Kingdom and with the World Bank in an offer to assist Egypt in the construction of a High Dam on the Nile at Aswan. This project . . would require an estimated 12 to 16 years to complete at a total cost estimated at some $1,300,000,000, of which over $900,000,000 represents local currency requirements It involves not merely the rights and interests of Egypt, but of other States whose waters are contributory, including the Sudan, Ethiopia, and Uganda

" The December offer [see 14620 A] contemplated an extension by the U S A. and the U K. of grant aid to help finance certain early phases of the work, the effects of which would be confined solely to Egypt, with the understanding that accomplishment of the project as a whole would require a satisfactory solution of the question of Nile water rights Another important consideration bearing upon the feasibility of the undertaking, and thus the practicability of American aid, was Egyptian willingness and ability to concentrate its economic resources upon this vast reconstruction programme.

" Developments within the succeeding seven months have not been favourable to the success of the project, and the U S. Government has concluded that it is not feasable in present circumstances to participate in the project. Agreement by the riparian States has not been achieved, and the ability of Egypt to devote adequate resources to assure the project's success has become more uncertain than at the time the offer was made

" This decision in no way reflects or involves any alteration in the friendly relations of the United States and Egypt The U.S.A remains deeply interested in the welfare of the Egyptian people and in the development of the Nile It is prepared to consider at an appropriate time and at the request of the riparian States what steps might be taken toward a more effective utilization of the water resources of the Nile for the benefit of the peoples of the region Furthermore, the U.S A remains ready to assist Egypt in its effort to improve the economic condition of its people, and is prepared . . . to discuss these matters within the context of funds appropriated by Congress "

The U.S. decision was conveyed by Mr. Dulles to the Egyptian Ambassador in Washington, Dr. Ahmed Hussein. On July 17, Dr. Hussein had announced—after returning from Cairo—that Egypt had definitely decided to accept the help of the U.S. and British Governments and the World Bank in carrying out the Aswan Dam scheme, and that he intended to see Mr. Dulles with a view to speeding-up negotiations for a financial agreement.

No statement was issued by the British Foreign Office other than the announcement that U.K. participation in the Aswan Dam project was " not feasible in present circumstances."

The Diplomatic Correspondent of *The Times* commented as follows. " Since the [U S and British] offers were made, and an agreement with the World Bank worked out in February for a further loan of $200,000,000 [see below], doubts have been growing on the capacity of the Egyptian economy to stand its share of the cost. The Egyptian Government has been evidently anxious to press on at the same time with an ambitious programme of industrialization, which must eat into its foreign exchange reserves and leave it with an unsatisfactory balance of payments Moreover, the recent deal by which Communist arms are exchanged for Egyptian cotton means that much of the cotton crop, which is the country's most important export, is no longer available as a source of foreign exchange."

The *New York Times* said that the phrase in the State Department's announcement, " the ability of Egypt to devote adequate resources to assure the project's success has become more uncertain than at the time the offer was made," was " an allusion to a series of deals by which Egypt has mortgaged her cotton crop for years ahead in barter agreements with Communist China and other Communist countries." Among the reasons believed to be behind the U.S. refusal to assist in financing the Aswan Dam project, the *New York Times* adduced the following . (*a*) the fact that the Egyptian regime " appeared to be working against Western interests at every possible point—against the British in Jordan, Saudi Arabia, and Cyprus, against the French in North Africa, and against the West generally in the interior of Africa " ; (*b*) the fact that Egyptian propaganda seemed " closely attuned to that of the Soviet Union " , and (*c*) Congressional opposition, in which connexion it was pointed out that the Senate Appropriations Committee had asked that appropriations for the Aswan Dam project should not be included in the Foreign Aid legislation now before Congress without the Committee's consent.

The President of the World Bank, Mr. Eugene Black, visited Cairo from Jan. 29 to Feb. 9, at the invitation of the Egyptian Government, to discuss the possibility of a loan from the Bank in financing the Aswan Dam project. It was announced on Feb. 9 that the talks had resulted in " a substantial agreement on the basis on which the Bank will, when requested, take part in the foreign financing of the High Dam scheme with an amount equal to $200,000,000 of the total foreign currency needed to cover the expenses of the scheme. " After the withdrawal of the U.S. and U.K. offers, however, the World Bank announced on July 24 that its proposed loan offer of $200,000,000 for the Aswan Dam had " automatically expired."

The Soviet Foreign Minister, M. Shepilov, said on July 22 that the U.S.S.R. did not regard the question of financing the Aswan Dam as an " urgent problem," since there were " many other problems not less vital for the Egyptian economy, particularly those connected with industrialization." He reiterated, however, that the Soviet Government would give " favourable and friendly consideration " to economic aid if Egypt should request it.

During his recent visit to Cairo (see 14959 A) it had been reported —though not officially substantiated—that M. Shepilov had offered to supplement the earlier Soviet offer of participation in the Aswan Dam project (see 14486 A). In his statement of July 22, however (made at a Belgian Embassy reception in Moscow), M Shepilov said that his visit to Egypt had given him the impression that industrialization was more important to that country than the Aswan Dam scheme, though he did not " minimize " the latter's importance.

A bitter attack on the United States was made by President Nasser on July 24, speaking at the opening of a new oil pipeline from Cairo to Suez.

Ridiculing the argument that the withdrawal of Western support for the High Dam project was based on doubts about Egypt's economic strength, President Nasser declared . " If rumour in Washington tries to make out that the Egyptian economy is not strong enough to warrant American aid, I reply ' Choke with rage, but you will never succeed in ordering us about or in exercising your tyranny over us, because we know our path—the path of freedom, honour, and dignity . Publish your communiques in Washington and then consider this If these communiques are sincere and due to misinformation on your part, that is unfortunate, but if they are lies designed to mislead opinion, then that is a much greater misfortune for the world power which has constituted itself the champion of liberty. We Egyptians will not allow any colonizer or despot to dominate us politically, economically, or military We shall yield neither to force nor to the dollar ' "

President Nasser made no reference to Britain in his speech. (Times - Manchester Guardian - New York Times)

(Prev. rep. Aswan Dam, 14620 A ; 14486 B)

B. BELGIUM. — Ten-Year Plan for Canal and River Improvements.

Details of a ten-year plan for the widening and deepening of Belgium's rivers and canals were given on July 16 by the Prime Minister, M. Van Acker, and the Minister of Public Works, M. Van Audenhoye. It was explained that the recent decision to extend the port of Antwerp (see 14924 G) had made it necessary to modernize the inland waterway approaches to that city—e.g., whereas the Albert Canal linking Antwerp with Liège was navigable by barges of 2,000 tons, other rivers and canals giving access to Antwerp could only take barges of 300 tons. It had accordingly been decided to widen or deepen the following rivers and canals so as to make them navigable for barges of 1,350 tons—the River Meuse from the Dutch to the French frontiers ; the River Sambre between Namur and Monceau ; the River Scheldt from Antwerp to Ghent ; and the Brussels-Charleroi Canal. Improvements would also be made to the ports of Zeebrugge and Ghent. The cost of the ten-year plan up to 1966 was estimated at 11,000,000,000 Belgian francs (over £78,500,000).—(La Nation Belge, Brussels)

(Prev. rep. 14924 G.)

C. VENEZUELA. — Naval Expansion.

The 2,600-ton destroyer *Aragua*, the last of three heavy destroyers built in Britain for the Venezuelan Navy, arrived on March 31 at the Venezuelan port of Turiamo. The two other vessels of this class, the *Nueva Esparta* and *Zulia*, had already joined the Venezuelan fleet. Built by Vickers-Armstrong, they are armed with six 105-mm. guns, eight anti-aircraft guns, and three 21-in. torpedo-tubes, and have a complement of 156 officers and men. They are among the largest destroyers in the world, and the most powerful of any Latin American navy. (Venezuelan Embassy, Washington)

D. VATICAN. — U.S. War Damage Payment.

A Bill granting $964,199 to the Holy See as compensation for accidental wartime damage to the Papal summer residence and domain at Castelgandolfo, near Rome, was signed by President Eisenhower early in July. The damage occurred in U.S. air attacks on German encampments near Castelgondolfo, the payment agreed upon representing about two-thirds of the original Vatican claim of about $1,500,000.

(New York Herald Tribune)

A. SOVIET UNION. — M. Khrushchev's Denunciation of Stalin. - Text of Khrushchev Speech published by U.S. State Department. - Lenin's Testament published in Moscow. - Soviet Communist Party Resolution on "Cult of the Individual."

The U.S. State Department published on June 4 the text of the speech made by M. Khrushchev in February last, at the 20th Congress of the Soviet Communist Party, in which he denounced the late Marshal Stalin and the "Stalin cult" which had existed in his lifetime. It was stated in Washington that the State Department placed every reliance on the "confidential source" (unnamed) from which the document had been obtained, that the speech had been made by M. Khrushchev on Feb. 24-25, and that an edited version was understood to have been circulated to Communist parties outside the Soviet Union.

M. Khrushchev's speech, running to some 26,000 words, was published in full in the *New York Times* and, in Britain, by *The Observer* (issue of June 10) and the *Manchester Guardian* (as a special booklet). In this speech M. Khrushchev disclosed, *inter alia*, that the mass repressions of the 1930's had resulted in the execution of thousands of innocent persons at the instigation of Stalin; that torture had been extensively used to extract "confessions"; that the post-war "Leningrad affair" (see 13978 D) and the so-called "doctors' plot" (see 12869 A, 12728 A) had been fabricated by Stalin and Beria; and that Stalin was responsible for the ruthless and unjustified deportation of minorities in the U.S.S.R. during the Second World War. In addition, M. Khrushchev bitterly attacked Stalin's "megalomania" and self-glorification, derided his military capacities and leadership during the war, and said that Stalin had ignored repeated warnings by Sir (then Mr.) Winston Churchill and others that a German attack on the U.S.S.R. was imminent.

The text given below (cross-headings inserted) is summarized from that published by *The Observer*:

"After Stalin's death the Central Committee of the party began to implement a policy of explaining . . . that it is impermissible and foreign to the spirit of Marxism-Leninism to elevate one person, to transform him into a superman possessing supernatural characteristics akin to those of a god. . . . Such a belief about a man, and specifically about Stalin, was cultivated among us for many years.

"The objective of the present report is not a thorough evaluation of Stalin's life and activity. . . . The role of Stalin in the Socialist Revolution, in the Civil War, and in the fight for the construction of Socialism in our country, is universally known. At the present we are concerned with a question which has immense importance for the party now and for the future . . . [we are concerned] with how the cult of Stalin . . . became . . . the source of a whole series of exceedingly grave perversions of party principles, of party democracy, and of revolutionary legality. . . .

Lenin's Criticisms of Stalin. - Lenin's Testament.

"During Lenin's life the Central Committee was a real expression of collective leadership of the party and the nation. . . . Lenin never imposed his views upon his co-workers by force He tried to convince some; he patiently explained his opinions to others. In addition to the great accomplishments of Vladimir Ilyich [Lenin] for the victory of the working class and the peasants. . . . his acute mind expressed itself also in this—that he detected in Stalin those negative characteristics which resulted later in grave consequences

"Fearing for the future fate of the party and the Soviet nation, Lenin made a completely correct characterization of Stalin, pointing out that it was necessary to consider the question of transferring him from the position of Secretary-General because of the fact that 'Stalin is excessively rude, that he does not have a proper attitude towards his comrades, that he is capricious and abuses his power.'

"In December, 1922, in a letter to the party congress, Vladimir Ilyich wrote: 'After taking over the position of Secretary-General, Comrade Stalin accumulated in his hands immeasurable power, and I am not certain whether he will be always able to use this power with the required care' This letter—a political document of tremendous importance, known as Lenin's 'testament'—has been distributed among the delegates to the 20th Party Congress. You have read it, and will undoubtedly read it more than once.

"You might reflect on Lenin's plain words, in which expression is given to his anxiety concerning the party, the people, the State, and the future direction of party policy. He said: 'Stalin is excessively rude, and this defect, . . . cannot be tolerated in one holding the position of Secretary-General. Because of this, I propose that the comrades consider the method by which Stalin would be removed from this position and another man selected for it—a man who would differ from Stalin in possessing greater tolerance, greater loyalty, greater kindness, a more considerate attitude towards the comrades, a less capricious temper, etc.'

"This document of Lenin's was made known to the delegates at the 13th Party Congress, who discussed the question of transfering Stalin from the position of Secretary-General The delegates declared themselves in favour of retaining Stalin in this post, hoping that he would heed the critical remarks of Vladimir Ilyich and would be able to overcome the defects which caused Lenin serious anxiety."

M. Khrushchev went on to give the texts of two other documents "which confirm Stalin's character as already outlined by Lenin in his testament". (1) a letter from Nadezhda Krupskaya (Lenin's wife) to Kamenev (then head of the Politburo), dated Dec. 23, 1922, in which she complained of Stalin's rudeness towards her, and in which she begged for protection against the "vile invectives and threats" to which she had been subjected by Stalin, and (2) a letter from Lenin to Stalin (March 1923) reprimanding the latter for his rudeness to Mme Lenin, and asking him whether he was prepared to retract his words and apologize or whether he preferred "the severance of relations between us."

"I will not comment on these documents," M. Khrushchev continued. "They speak eloquently for themselves. Since Stalin could behave in this manner towards Nadezhda Krupskaya, an active fighter for the cause of the party since its creation, we can easily imagine how he treated other people. . . . As later events have proven, Lenin's anxiety was justified . . ."

The Stalinist Purges of the Nineteen-thirties.

"We have to consider this matter seriously and analyse it correctly in order to preclude any possibility of a repetition in any form whatever of what took place during the life of Stalin, who did not tolerate collegiality in leadership and in work, and who practised brutal violence not only towards everything which opposed him, but also towards that which seemed, to his capricious and despotic character, contrary to his concepts.

"Stalin acted not through explanation and patient co-operation with people, but by imposing his concepts and demanding absolute submission to his opinion. Whoever opposed his concepts . . was doomed to removal and to subsequent moral and physical annihilation. This was especially true during the period following the 17th Party Congress, when many prominent party leaders and rank-and-file party workers, honest and dedicated to the cause of Communism, fell victims to Stalin's despotism. . . . It was precisely during this period (1935-1938) that the practice of mass repression through the Government apparatus was born, first against the enemies of Leninism—Trotskyites, Zinovievites, Bukharinites, long since politically defeated by the party—and subsequently against many honest Communists. . . .

"Stalin originated the concept 'enemy of the people.' This term automatically rendered it unnecessary that the ideological errors of a man or men engaged in a controversy be proven; it made possible the usage of the most cruel repression against anyone who in any way disagreed with Stalin . . In the main, and in actuality, the only proof of guilt used . was the 'confession' of the accused himself; and, as subsequent investigations have proved, 'confessions' were acquired through physical pressures against the accused This led to glaring violations of revolutionary legality, and to the fact that many entirely innocent persons who in the past had defended the party line became victims.

"With regard to those persons who in their time had opposed the party line, there were often no sufficiently serious reasons for their physical annihilation The formula 'enemy of the people' was specifically introduced for the purpose of physically annihilating such individuals. It is a fact that many persons who were annihilated as 'enemies of the people' had worked with Lenin during his life. Some of these persons had made errors during Lenin's lifetime, but, despite this, Lenin benefited by their work, corrected them, did everything possible to retain them in the ranks of the party, and induced them to follow him.

"An entirely different relationship with people characterized Stalin. Lenin's traits—patient working with people; painstaking education of them; the ability to induce people to follow him without using compulsion, but rather through the ideological influence on them of the whole collective [leadership]—were entirely foreign to Stalin He discarded the Leninist method of convincing and educating; he abandoned the method of ideological struggle for that of administrative violence, mass repression, and terror. . . Arbitrary behaviour by one person encouraged arbitrariness in others. Mass arrests and deportations of many thousands of people, execution without trial and without normal investigation, created conditions of insecurity, fear, and even desperation. . . .

"Let us recall some historical facts. In the days before the October Revolution, two members of the Central Committee of the Bolshevik Party—Kamenev and Zinoviev—declared themselves against Lenin's plan for an armed uprising In addition, they published in the Menshevik newspaper, *Novaya Zhizn*, a statement declaring that the Bolsheviks were making preparations for an uprising, and that they considered it adventuristic. Kamenev and Zinoviev thus disclosed to the enemy the decision of the Central Committee to stage the uprising. . . . However, after the great revolution Zinoviev and Kamenev were given leading positions by Lenin, who placed them in positions in which they carried out responsible party tasks . . . It is known that Zinoviev and Kamenev committed a number of other serious errors during Lenin's life. In his 'testament' Lenin warned that 'Zinoviev's and Kamenev's October episode was of course not an accident.' But Lenin did not pose the question of their arrest, and certainly not of their shooting.

"Or let us take the example of the Trotskyites. After a sufficiently long historical period, we can speak about the fight against the Trotskyites with complete calm and objectivity. . . . We can name many individuals who in their time joined the Trotskyites, but who took an active part in the workers' movement before the Revolution itself, and in the consolidation of the victory of the revolution. . . . Was it necessary to annihilate such people? We are deeply convinced that had Lenin lived such an extreme method would not have been used against many of them. . . .

" Lenin used severe methods only in the most necessary cases—when the exploiting classes were still in existence and were vigorously opposing the Revolution; when the struggle for survival was assuming the sharpest forms, including a Civil War. Stalin, on the other hand, used extreme methods and mass repression when the Revolution was already victorious, when the Soviet State was strengthened, when the exploiting classes were liquidated, when Socialist relations were rooted solidly in all phases of the national economy, when our party was politically consolidated and had strengthened itself both numerically and ideologically. Stalin showed in a whole series of cases his intolerance, brutality, and abuse of power. . . . and . . . often chose the path of repression and physical annihilation, not only against actual enemies, but also against individuals who had not committed any crimes against the party and the Soviet Government. Here we see a demonstration of the brutal force which had once so alarmed Lenin. . . .

" There was no matter so important that Lenin himself decided it without asking for the advice and approval of the Central Committee members, or of the members of the Committee's Political Bureau. In the most difficult period for our party and our country, Lenin considered it necessary regularly to convoke congresses, party conferences, and plenary sessions of the Central Committee at which all important questions were discussed and where resolutions, carefully worked out by the collective leadership, were approved. . . .

"Whereas during the first few years after Lenin's death party congresses and Central Committee plenums [i.e meetings] took place more or less regularly, later, when Stalin began increasingly to abuse his power, these principles were brutally violated. This was especially evident during the last 15 years of his life. Was it a normal situation when over 13 years elapsed between the 18th and 19th Party Congresses—years during which our party and our country had experienced so many important events? These events demanded categorically that the party should have passed resolutions pertaining to the country's defence during the Patriotic War [i.e. the Second World War] and to post-war construction. Even after the end of the war a congress was not convened for over seven years Central Committee plenums were hardly ever called. It should be sufficient to mention that during all the years of the Patriotic War not a single Central Committee plenum took place. . . .

Rehabilitation of Victims of Purges. - Denunciation of Forced "Confessions."

Reverting to the " purges " of the 1930's, M. Khrushchev said that a large quantity of material in the archives of the NKVD [the secret police, formerly known as the G P.U] had now become available, establishing " many facts pertaining to the fabrication of cases against Communists, to false accusations, and to glaring abuses of Socialist legality which resulted in the death of innocent people " He continued .

" It became apparent that many who were branded in 1937-1938 as ' enemies ' were actually never enemies, spies, wreckers, etc., but honest Communists. They were only so stigmatized and often, no longer able to bear barbaric tortures, they accused themselves—at the order of the investigative judges—of all kinds of grave and unlikely crimes. The investigating commission has presented to the Central Committee's Presidium lengthy and documented materials pertaining to mass repressions against the delegates to the 17th Party Congress and against members of the Central Committee elected at that congress. These materials have been studied by the Presidium of the Central Committee. It has been determined that of the 139 members and candidates of the party's Central Committee who were elected at the 17th Congress, 98 were arrested and shot, mostly in 1937-1938. . . The same fate was met not only by the Central Committee members, but also by the majority of delegates to the 17th Party Congress. Of 1,966 delegates with either voting or advisory rights, 1,108 were arrested on charges of anti-revolutionary crimes . . . The delegates to that congress were active participants in the building of our Socialist State; many of them suffered and fought for the party during the pre-revolutionary years and in the Civil War . . How can we believe that such people could prove to be ' two-faced ' and had joined the camp of the enemies of Socialism? . . .

" The mass repressions of that time were made under the slogan of a fight against the Trotskyites. Did the Trotskyites at that time actually constitute such a danger to our party and to the Soviet State? We should recall that in 1927, on the eve of the 15th Party Congress, only some 4,000 votes were cast for the Trotskyite-Zinovievite opposition, while there were 724,000 for the party line During the ten years which followed the 15th Party Congress, Trotskyism was completely disarmed and many former Trotskyites had changed their views. . . . It is clear that in this situation there was no basis for mass terror in the country.

" Stalin's report at the February-March Central Committee plenum in 1937, ' Deficiencies of party work and methods for the liquidation of Trotskyites and other two-facers,' contained an attempt at theoretical justification of the mass terror policy under the pretext that as we march forward toward Socialism, class war must allegedly sharpen. Stalin asserted that both history and Lenin taught him this. Actually Lenin taught that the application of revolutionary violence is necessitated by the resistance of the exploiting classes, and this referred to the era when the exploiting classes existed and were powerful. As soon as the nation's political situation had improved, when in January, 1920, the Red Army took Rostov and thus won a most important victory over Denikin, Lenin instructed Dzherzhinsky [first head of the Bolshevik secret police] to stop mass terror and to abolish the death penalty. . . .

" Stalin deviated from these clear and plain precepts of Lenin. He put the party and the NKVD to the use of mass terror when the exploiting classes had been liquidated in our country and when there were no serious reasons for the use of mass terror. This terror was actually directed not at the remnants of the defeated exploiting classes, but against honest workers of the party and of the Soviet State. Against them were made lying, slanderous and absurd accusations of ' two-facedness,' ' espionage,' ' sabotage,' etc. . . .

" When the cases of some of these so-called spies ' and ' saboteurs ' were examined, it was found that all were fabricated In many cases confessions of guilt were obtained with the help of cruel and inhuman tortures . . . The Central Committee considers it absolutely necessary to inform the Congress of many such fabricated ' cases ' against members of the party's Central Committee elected at the 17th Party Congress. . . . "

M. Khruschev went on to give many instances of " vile provocation, odious falsification, and criminal violation of revolutionary legality " during the 1930's which had resulted in the execution of many innocent and patriotic party leaders on trumped-up charges which had now been found completely baseless. Among them were M. Eikhe, formerly a leading member of the Government and the party, who was executed in 1940 after a " confession " had been extracted from him by torture; M. Rudzutak and M. Komarov, two " Old Bolsheviks " who had similarly lost their lives in the purges and had since been proved completely innocent; M. Kossior and M. Chubar, two former members of the Politburo who disappeared in 1938; M. Kosaryev, former secretary-general of the League of Communist Youth (Komsomols), who was liquidated in 1938; and M Postyshev, a Ukrainian party leader, who had disappeared in 1937. All these party members, and very many others, had been proved completely innocent of the charges of " sabotage," " espionage," etc., brought against them at the time, and had been executed without proper trial and without any opportunity to defend themselves. M. Khruschev particularly denounced Yezhov, the former chief of the secret police, for his share in these crimes, but at the same time emphasized that " these matters were decided by Stalin, and without his orders and sanction Yezhov could not have done this "

" In those years," M. Khrushchev continued, " repression on a mass scale was applied which was based on nothing tangible and which resulted in heavy losses to the party. The vicious practice was condoned of having the NKVD draw up lists of persons whose sentences were prepared in advance. Yezhov would send these lists to Stalin personally for his approval of the proposed punishment. In 1937-38, 383 such lists containing the names of many thousands of party, soviet, komsomol, army and economic workers were sent to Stalin. He approved these lists. A large part of these cases are now being reviewed, and a great part of them are being voided because they are baseless and falsified. Suffice it to say that from 1954 to the present time, the Military Collegium of the Supreme Court has rehabilitated 7,679 persons, many of whom were rehabilitated posthumously. . . .

" Stalin was a very distrustful man; we knew this from our work with him. He could look at a man and say ' ' Why are your eyes so shifty to-day? ' or ' Why are you avoiding looking me directly in the eyes? ' This sickly suspicion created in him a general distrust even towards eminent party workers whom he had known for years. Everywhere and in everything he saw ' enemies,' ' two-facers,' and ' spies.' . . .

" When Stalin said that one or another person should be arrested, it was necessary to accept on faith that he was an ' enemy of the people.' Meanwhile Beria's gang, which ran the organs of State Security, outdid itself in proving the ' guilt ' of the accused and the ' truth ' of materials which it falsified. And what proofs were offered? The ' confessions ' of the arrested, which were accepted by the investigative judges. How is it possible that a person confesses to crimes which he has not committed? Only in one way—through the application of physical methods of ' pressuring ' him, of torture, of bringing him to a state of unconsciousness, of depriving him of his judgment, of taking away his human dignity. In this manner were ' confessions ' acquired . . .

" Not long ago—only several days before the present congress—we called before the Central Committee's Presidium and interrogated the investigative judge Rodos, who in his time interrogated Kossior, Chubar, and Kosaryev. He is a vile person, with the brain of a bird, and morally completely degenerate. It was this man who decided the fate of prominent party workers. . . The question arises whether such a man alone could make the investigation in a manner to prove the guilt of people such as Kossior and others. No, he could not have done it without proper directives. At the Presidium's session he told us ' I was told that Kossior and Chubar were enemies of the people, and for this reason I, as an investigative judge, had to make them confess that they were enemies ' He could do this only through torture, which he did, receiving detailed instructions from Beria. At the session he [Rodos] cynically declared : ' I thought that I was executing the orders of the party ' . . .

Denunciation of Stalin's Military Strategy in World War II.

" The power accumulated in the hands of Stalin led to serious consequences during the Great Patriotic War. When we look at many of our novels, films and ' historical-scientific studies,' the role of Stalin in the war appears to be entirely improbable. Stalin had foreseen everything ! The Soviet Army, on the basis of a strategic plan prepared by Stalin long before, used the tactics of so-called ' active defence '—tactics which, as we know, allowed the Germans to reach Moscow and Stalingrad. Using such tactics, the Soviet Army,

supposedly thanks to Stalin's genius, turned to the offensive and subdued the enemy. The epic victory gained by our heroic people is ascribed in this type of novel, film and 'scientific study' as being entirely due to the strategic genius of Stalin . .

"During and after the war Stalin put forward the thesis that the tragedy which our nation experienced in the first part of the war was the result of the 'unexpected' attack of the Germans against the Soviet Union. But this is completely untrue. As soon as Hitler came to power in Germany he assigned to himself the task of liquidating Communism The Fascists said this openly, they did not hide their plans To attain this aggressive end all sorts of pacts and blocs were created, such as the famous Berlin-Rome-Tokio Axis. Many facts from the pre-war period clearly showed that Hitler was going all out to begin a war against the Soviet State, and that he had concentrated large armoured units near the Soviet borders

"Documents which have now been published show that by April 3, 1941, Churchill, through his Ambassador to the U S S R. [Sir Stafford Cripps], personally warned Stalin that the Germans had begun regrouping their units with the intention of attacking the Soviet Union . . Churchill stressed this repeatedly in dispatches of April 18 and in the following days. However, Stalin took no heed of these warnings What is more, Stalin ordered that no credence be given to information of this sort, in order not to provoke the initiation of military operations

"Information concerning the threat of a German invasion of Soviet territory was also coming in from our own military and diplomatic sources. . For instance, information sent from Berlin on May 6, 1941, by the Soviet Military Attaché, Captain Vorontsov, stated: 'Soviet Citizen Bozer . communicated to the Deputy Naval Attaché that according to a statement of a certain German officer from Hitler's headquarters, Germany is preparing to invade the U.S.S R on May 14 through Finland and the Baltic countries. At the same time Moscow and Leningrad will be heavily raided and para-troopers dropped in border cities . '

"In a report of May 22, 1941, the Deputy Military Attaché in Berlin, Khlopov, communicated that ' the attack of the German Army is reportedly scheduled for June 15, but it is possible that it may begin in the first days of June '

"A cable from our London Embassy dated June 18, 1941, stated: '. . Cripps is deeply convinced of the inevitability of armed conflict between Germany and the U.S S R., which will begin not later than the middle of June. According to Cripps, the Germans have concentrated 147 divisions along the Soviet borders. . .'

"Despite these grave warnings, the necessary steps were not taken to prepare the country properly for defence, and to prevent it from being caught unawares. . . .

"Shortly before the Hitlerite invasion, Korponos, who was Chief of the Kiev Military District, wrote to Stalin that the German armies were at the Bug River, were preparing for an attack, and in the very near future would probably start their offensive. Korponos proposed that a strong defence be organized, that 300,000 people be evacuated from the border areas, and that strongpoints be organized there: anti-tank ditches, trenches, etc Moscow answered this proposition with the assertion that it would be a provocation, that no preparatory defensive work should be undertaken at the borders, that the Germans were not to be given any pretext for the initiation of military action against us Thus our borders were insufficiently prepared to repel the enemy.

"When the Fascist armies had actually invaded Soviet territory and military operations began, Moscow issued the order that the German fire was not to be returned Why? It was because Stalin, despite evident facts, thought that the war had not yet started, that this was only a provocative action on the part of undisciplined sections of the German Army, and that our reaction might serve as a reason for the Germans to begin the war.

"The following fact is also known. On the eve of the invasion of the Soviet Union, a certain German citizen crossed our border and stated that the German armies had received orders to start the offensive against the Soviet Union on the night of June 22, at 3 a.m Stalin was informed about this immediately, but even this warning was ignored As you see, everything was ignored . warnings by army commanders, declarations by deserters from the enemy army, even the open hostility of the enemy. Is this an example of the alertness of the Chief of the Party and of the State at a particularly significant historical moment?

"What were the results of this carefree attitude, this disregard of clear facts? The result was that in the first hours and days of the invasion the enemy had destroyed in our border regions a large part of our air force, artillery, and other military equipment, annihilated large numbers of our military cadres, and disorganized our military leadership. Consequently we could not prevent the enemy from marching deep into the country.

"Very grievous consequences, especially in reference to the beginning of the war, followed Stalin's annihilation of many military commanders and political workers during 1937-1941 because of his suspiciousness and through slanderous accusations. During these years repressions were instituted against certain military cadres, beginning literally at company- and battalion-commander level and extending to the higher military centres During this time the cadre of leaders who had gained military experience in Spain and in the Far East was almost completely liquidated. The policy of large-scale repression of the military cadres led to undermined military discipline, because for several years officers of all ranks . . . were taught to 'unmask' their superiors as hidden enemies. It is natural that this caused a negative influence on the state of military discipline in the first period of the war. . . .

"After the first severe defeats at the front, Stalin thought that this was the end. In one of his speeches in those days he said 'All that Lenin created we have lost forever.' After this Stalin for a long time actually did not direct military operations, and ceased to do anything whatever. He returned to active leadership only when some members of the Political Bureau visited him and told him that it was necessary to take certain steps immediately to improve the situation at the front. Therefore, the threatening danger which hung over our fatherland in the first period of the war was largely due to the faulty methods of directing the nation and the party by Stalin himself. .

"Stalin was very far from understanding the real situation which was developing at the front. This was natural, because during the whole war he never visited any section of the front or any liberated city except for one short ride on the Mozhaisk highway during a stabilized situation at the front To this incident were dedicated many literary works full of fantasies of all sorts, and also many paintings. Simultaneously, Stalin was interfering with operations and issuing orders which did not take into consideration the real situation at the front, and which could not help but result in huge personnel losses.

"I will allow myself in this connexion to bring out one characteristic fact which illustrates how Stalin directed operations at the front. There is present at this congress Marshal Bagramyan, who was Chief of Operations on the South-Western front, and who can corroborate what I tell you When there developed an exceptionally serious situation in the Kharkov region, we had correctly decided to drop an operation whose objective was to encircle Kharkov, because the real situation at that time would have threatened our army with fatal consequences if this operation were continued. We communicated this to Stalin, stating that the situation demanded changes in operational plans so that the enemy would be prevented from liquidating a sizeable concentration of our army.

"Contrary to common sense, Stalin rejected our suggestion and issued the order to continue the operation for the encirclement of Kharkov, despite the fact that at this time many army concentrations were themselves actually threatened with encirclement and liquidation I telephoned to Marshal Vassilevsky, then Chief of Staff (who is present here), and begged him: 'Take a map and show Comrade Stalin the situation which has developed' We should note that Stalin planned operations on a globe, yes, he used to take the globe and trace the front line on it! I said to Comrade Vassilevsky: 'Show him the situation on a map, in the present situation we cannot continue the operation which was planned' Vassilevsky replied saying that Stalin had already studied this problem and that he, Vassilevsky, would not see Stalin further concerning this matter, because the latter did not want to hear any arguments on the subject of this operation.

"After my talk with Vassilevsky I telephoned to Stalin at his villa. But Stalin did not answer the telephone and Malenkov was at the receiver I told Comrade Malenkov that I was calling from the front and that I wanted to speak personally to Stalin Stalin informed me through Malenkov that I should speak with Malenkov. I stated for the second time that I wished to inform Stalin personally about the grave situation which had arisen at the front But Stalin did not consider it convenient to raise the phone and again stated that I should speak to him through Malenkov, although he was only a few steps from the telephone.

"After 'listening' in this manner to our plea Stalin said, 'Let everything remain as it is!' And what was the result? The worst that we had expected. The Germans surrounded our army concentrations, and consequently we lost hundreds of thousands of our soldiers This is Stalin's military 'genius'; this is what it cost us. . .

"Everyone can err, but Stalin considered that he never erred, that he was always right. He never acknowledged to anyone that he made any mistake, large or small. . . . After the party congress we shall probably have to re-evaluate many wartime military operations and present them in their true light.

"The tactics on which Stalin insisted, without knowing the essence of the conduct of battle operations, cost us much blood until we succeeded in halting the enemy and going over to the offensive. The military know that by the end of 1941, instead of great operational manoeuvres flanking the enemy and penetrating his rear, Stalin demanded incessant frontal attacks and the capture of one village after another. Because of this we paid with great losses until our generals, on whose shoulders rested the whole weight of conducting the war, succeeded in changing the situation and shifting to flexible manoeuvre operations, which immediately brought changes at the front favourable to us All the more shameful was the fact that after our great victory over the enemy, which cost us so much, Stalin began to down-grade many of the commanders who contributed so much to the victory over the enemy. . . .

"Stalin was very much interested in the assessment of Comrade Zhukov [now Minister of Defence] as a military leader. He asked me often for my opinion of Zhukov. I told him, 'I have known Zhukov for a long time; he is a good general and a good military leader.' After the war Stalin began to say all kinds of nonsense about Zhukov, among others the following: 'You praise Zhukov, but he does not deserve it. It is said that before each operation at the front Zhukov used to take a handful of earth, smell it, and say, 'We can begin

the attack,' or ' the planned operation cannot be carried out.' I stated at that time : ' Comrade Stalin, I do not know who invented this, but it is not true ' It is possible that Stalin himself invented these things for the purpose of minimizing the role and military talents of Marshal Zhukov.

Stalin's Military Self-Adulation.

" Stalin very energetically popularized himself as a great leader. In various ways he tried to inculcate in the people the version that all victories gained by the Soviet nation during the war were due to the courage, daring, and genius of Stalin, and of no-one else. . Let us take, for instance, our historical and military films and some literary creations They make us feel sick Their true objective is the propagation of the theme of praising Stalin as a military genius Let us recall the film *The Fall of Berlin* Here only Stalin acts. He issues orders in a hall in which are many empty chairs, and only one man approaches him and reports something to him—Poskrebyshev, his loyal shield-bearer.

[Mr Edward Crankshaw, the authority on Soviet affairs, explained in the *Observer's* account of M. Khrushchev's speech : ' *Poskrebyshev was Stalin's confidential aide, a grey and sinister eminence who stood behind Stalin's worst excesses and disappeared without trace the day his master died* ']

" Where is the Military Command ? Where is the Political Bureau ? Where is the Government ? What are they doing and with what are they engaged ? There is nothing about them in the film. Stalin acts for everybody ; he does not reckon with anyone , he asks no-one for advice Everything is shown to the nation in this false light. Why ? In order to surround Stalin with glory, contrary to the facts and contrary to historical truth. . .

" Not Stalin, but the party as a whole, the Soviet Government, our heroic army, its talented leaders and brave soldiers, the whole Soviet people—these are the ones who assured victory in the war . . .

Wartime Deportation of Minorities.

" Let us reach for some other facts The Soviet Union is justly considered as a model of a multi-national State, because we have in practice assured the equality and friendship of all nations which live in our fatherland All the more monstrous were the acts whose initiator was Stalin, and which were rude violations of the basic Leninist principles of the nationality policy of the Soviet State We refer to the mass deportations from their native places of whole nations—action which was not dictated by any military considerations.

" At the end of 1943, when there occurred a permanent breakthrough at the front in our favour, a decision was taken and executed concerning the deportation of all the Karachai from the lands on which they lived. In the same period, at the end of December 1943, the same lot befell the whole population of the Autonomous Kalmuck Republic In March 1944, all the Chechen and Ingush peoples were deported and the Chechen-Ingush Autonomous Republic was liquidated. In April 1944, all Balkars were deported to places far away from the territory of the Kabardyno-Balkar Autonomous Republic, and the republic itself was renamed the Autonomous Kabardynian Republic The Ukrainians avoided meeting this fate only because there were too many of them, and there was no place to which to deport them Otherwise he would have deported them also.

" Not only a Marxist-Leninist, but also no man of common sense, can grasp how it is possible to make whole nations responsible for inimical activity, including women, children, old people, Communists and Komsomols , to use mass repression against them , and to expose them to misery and suffering for the hostile acts of individual persons or groups of persons.

The " Leningrad Affair."

" After the conclusion of the Patriotic War. . the country experienced a period of political enthusiasm. The party came out of the war even more united. . . . Under such conditions nobody could have even thought of the possibility of some plot in the party

" It was precisely at this time that the so-called ' Leningrad affair ' was born As we have now proved, this case was fabricated. Those who innocently lost their lives included Comrades Voznessensky, Kuznetsov, Rodionov, Popkov, and others.

[*Voznessensky was the chief Soviet economic planner and a member of the Politburo. He disappeared in 1949 and is now known to have been shot as part of what came to be called the 'Leningrad case' Kuznetsov, Rodionov and Popkov were all high-ranking victims of this case, which was never publicly mentioned until after Stalin's death*]

" Voznessensky and Kuznetsov were talented and eminent leaders Once they stood very close to Stalin. It is sufficient to mention that Stalin made Voznessensky First Deputy to the Chairman of the Council of Ministers, and Kuznetsov was elected Secretary of the Central Committee The very fact that Stalin entrusted Kuznetsov with the supervision of the State security organs shows the trust which he enjoyed. How did it happen that these persons were branded as ' enemies of the people ' and liquidated ? . .

" After the war Stalin became even more capricious, irritable, and brutal. His suspicion grew. His persecution mania reached unbelievable dimensions. Many workers were becoming enemies before his very eyes. Stalin separated himself from the collective [leadership] even more. Everything was decided by him alone, without any consideration for anyone or anything.

" This unbelievable suspicion was cleverly taken advantage of by the abject provocateur and vile enemy, Beria, who had murdered thousands of Communists and loyal Soviet people The elevation of Voznessensky and Kuznetsov alarmed Beria. As we have now proved, it was precisely Beria who had ' suggested ' to Stalin the fabrication by him and by his confidants of material in the form of declarations and anonymous letters, and in the form of various rumours.

" The party's Central Committee has examined this so-called ' Leningrad affair ', persons who innocently suffered are now rehabilitated, and honour has been restored to the Leningrad party organizations Abakumov and others who had fabricated this affair were brought before a court ; their trial took place in Leningrad and they received what they deserved. [*Abakumov, head of the Soviet Ministry of State Security under Beria, was shot in December, 1954.*]

" The question arises : Why is it that we see the truth of this affair only now, and why did we not do something earlier, during Stalin's lifetime, in order to prevent the loss of innocent lives ? It was because Stalin personally supervised the ' Leningrad Affair,' and the majority of Political Bureau members did not, at that time, know all the circumstances and could not therefore intervene. When Stalin received certain material from Beria and Abakumov, without examining this slanderous material he ordered an investigation of the ' affair ' of Voznessensky and Kuznetsov With this, their fate was sealed

The Break with Yugoslavia.

" Stalin's wilfulness showed itself not only in decisions concerning the internal life of the country, but also in the international relations of the Soviet Union The Committee has studied in detail the reasons for the conflict with Yugoslavia. It was a shameful role which Stalin played in this. The ' Yugoslav affair ' contained no problems which could not have been solved through party discussions among comrades There was no significant basis for the development of this ' affair ' ; it was completely possible to have prevented the rupture of relations with that country This does not mean that the Yugoslav leaders did not make mistakes or did not have shortcomings. But these mistakes and shortcomings were magnified in a monstrous manner by Stalin, which resulted in a breakdown of relations with a friendly country.

' I recall the first days when the conflict between the Soviet Union and Yugoslavia began to be blown up artificially. Once, when I came from Kiev to Moscow, I was invited to visit Stalin, who, pointing to the copy of a letter lately sent to Tito, asked me, ' Have you read this ? ' Not waiting for my reply, he answered, ' I will shake my little finger—and there will be no more Tito. He will fall.' We have paid dearly for this ' shaking of the little finger ' This statement reflected Stalin's mania for greatness, but he acted just that way ' I will shake my little finger—and there will be no Kossior ' , ' I will shake my little finger once more—and Postyshev and Chubar will be no more ' , ' I will shake my little finger again—Voznessensky, Kutnetsov, and many others will disappear.'

" But this did not happen to Tito. No matter how much Stalin shook, not only his little finger, but everything else that he could shake, Tito did not fall. The reason was that . . . Tito had behind him a state and a people who had gone through a severe school of fighting for liberty and independence, a people which gave support to its leaders.

" You see to what Stalin's mania for greatness led He had completely lost consciousness of reality ; he demonstrated his suspicion and haughtiness not only in relation to individuals in the U.S S.R , but in relation to whole nations. We have carefully examined the case of Yugoslavia and have found a proper solution which is approved by the peoples of the Soviet Union and of Yugoslavia, as well as by all progressive humanity. . . .

The " Doctors' Plot."

" Let us also recall the ' affair of the doctor-plotters ' Actually there was no ' affair ' outside of the declaration of the woman doctor Timashuk, who was probably influenced or ordered by someone (after all, she was an unofficial collaborator of the organs of State security) to write Stalin a letter in which she declared that doctors were applying supposedly improper methods of medical treatment [*This refers to the alleged killing of the Soviet leaders Shcherbakov and Zhdanov by a group of senior Kremlin doctors, who were also said to have been plotting to poison a number of high-ranking Army commanders*]

" Such a letter was sufficient for Stalin to reach an immediate conclusion that there were doctor-plotters in the Soviet Union. He issued orders to arrest a group of eminent Soviet medical specialists He personally issued advice on the conduct of the investigation and the method of interrogation of the arrested persons. He said that Academician Vinogradov should be put in chains, that another one should be beaten Present at this Congress as a delegate is the former Minister of State Security, Comrade Ignatiev. Stalin told him curtly, ' If you do not obtain confessions from the doctors we will shorten you by a head '

" Stalin personally called the investigative judge, gave him instructions, advised him on which investigative methods should be used These methods were simple—beat, beat, and beat again. Shortly after the doctors were arrested we members of the Political Bureau received protocols with the doctors' ' confessions of guilt ' After distributing these protocols Stalin told us ' You are blind like young kittens , what will happen without me ? The country will perish because you do not know how to recognize enemies.'

" The case was so presented that no-one could verify the facts on which the investigation was based. There was no possibility of trying to verify facts by contacting those who had made the ' confessions of guilt ' We felt, however, that the case of the arrested doctors was questionable. We knew some of these people personally because they had treated us When we examined this ' case ' after Stalin's death, we found it to be fabricated from beginning to end.

"This ignominious 'case' was set up by Stalin, he did not, however, have the time in which to bring it to an end (as he conceived that end), for this reason the doctors are still alive. All have been rehabilitated; they are working in the same places as before; they treat top individuals, not excluding members of the Government; they have our full confidence; and they execute their duties honestly, as they did before.

Denunciation of Beria.

"In organizing the various dirty and shameful cases, a very base role was played by the rabid enemy of our party, an agent of a foreign intelligence service—Beria, who had stolen into Stalin's confidence. In what way could this provocateur gain such a position in the party and in the State, so as to become the first Deputy Chairman of the Council of Ministers and a member of the Central Committee's Political Bureau? It has now been established that this villain had climbed up the Government ladder over an untold number of corpses.

"Were there any signs that Beria was an enemy of the party? Yes, there were. Already in 1937 at a Central Committee plenum, former People's Commissar of Health Protection, Kaminsky, said that Beria worked for the Mussavat intelligence service. But the Central Committee plenum had barely concluded when Kaminsky was arrested and shot. Had Stalin examined Kaminsky's statement? No, because Stalin believed in Beria, and that was enough for him. And when Stalin believed in anyone or anything, then no-one could say anything which was contrary to his opinion. Anyone who dared to express opposition would have met the same fate as Kaminsky."

After citing the cases of a number of party leaders who had been murdered at Beria's investigation on false and trumped-up charges, M. Khrushchev continued. "Here is what the old Communist, Comrade Kedrov, wrote to the Central Committee through Comrade Andreyev [*Andreyev was then a Central Committee secretary; Kedrov, a friend of Lenin's, was liquidated in the purges of the 1930's*].

'I am calling to you for help from a gloomy cell in the Lefortorsky prison. . . . I suffer innocently. Please believe me. Time will testify to the truth. I am not an agent-provocateur. I am not a spy I am not a member of an anti-Soviet organization of which I am being accused on the basis of denunciations. I am not guilty of any other crimes against the party and the Government. I am an old Bolshevik, free of any stain; I have honestly fought for almost 40 years in the ranks of the party for the good and the prosperity of the nation. . . . To-day, I, a 62-year-old man, am being threatened by the investigative judges with severe, cruel and degrading methods of physical pressure. . . . My torture has reached the extreme. My health is broken, my strength and my energy are waning, the end is drawing near. To die in a Soviet prison, branded as a vile traitor to the fatherland—what can be more monstrous for an honest man? . . . Neither the party, nor the Soviet Government, nor the People's Commissar, L P Beria, will permit this cruel injustice. I am firmly certain that given a quiet, objective examination, without any foul rantings and without the fearful tortures, it would be easy to prove the baselessness of the charges. I believe deeply that truth and justice will triumph' After reading this letter, M. Khrushchev added: "The old Bolshevik, Comrade Kedrov, was found innocent by the Military Collegium. But despite this, he was shot at Beria's order."

"Beria also handled cruelly the family of Comrade Ordzhonikidze," M. Khrushchev continued. "Why? Because Ordzhonikidze had tried to prevent Beria from realizing his shameful plans. Beria had cleared from his way all persons who could possibly interfere with him. Ordzhonikidze was always an opponent of Beria, which he told to Stalin Instead of examining this affair and taking appropriate steps, Stalin allowed the liquidation of Ordzhonikidze's brother and brought Ordzhonikidze himself to such a state that he was forced to shoot himself. Such was Beria"

[Mr. Crankshaw wrote in this connexion: '*Ordzhonikidze was one of Stalin's closest colleagues and a man with a reputation for decency. Mystery has always surrounded his death and many have believed, as Khrushchev now confirms, that he was driven to suicide by Stalin.*']

"Beria was unmasked by the party's Central Committee shortly after Stalin's death. As a result of the particularly detailed legal proceedings, it was established that Beria had committed monstrous crimes, and Beria was shot. The question arises why Beria, who liquidated tens of thousands of party workers, was not unmasked during Stalin's life. He was not unmasked earlier because he had utilized very skilfully Stalin's weaknesses; feeding him with suspicions, he assisted Stalin in everything and acted with his support.

The "Cult of the Individual."

"The cult of the individual acquired such monstrous size chiefly because Stalin himself, using all conceivable methods, supported the glorification of his own person. . . One of the most characteristic examples of Stalin's self-glorification and of his lack of even elementary modesty is the edition of his *Short Biography*, which was published in 1948. This book is an expression of the most dissolute flattery, an example of making a man into a godhead, of transforming him into an infallible sage—'the greatest leader, sublime strategist of all times and nations.' . . . We need not give here examples of the loathsome adulation filling this book. All we need to add is that they were all approved and edited by Stalin personally, and some of them were added in his own handwriting to the draft text of the book. . . .

"In the draft text of his book appeared the following sentence: 'Stalin is the Lenin of to-day.' This sentence appeared to Stalin to be too weak, so in his own handwriting he changed it to read: 'Stalin is the worthy continuator of Lenin's work, or, as it is said in our party, Stalin is the Lenin of to-day.' You see how well it is said—not by the nation, but by Stalin himself! It is possible to give many such self-praising appraisals written into the draft text of that book in Stalin's hand. Especially generously does he endow himself with praises pertaining to his military genius, to his talent for strategy. He writes: 'Stalin's military mastership was displayed both in defence and offence. Comrade Stalin's genius enabled him to divine the enemy's plans and defeat them. The battles in which Comrade Stalin directed the Soviet armies are brilliant examples of operational military skill.' . . Such are the shameful facts. . . .

"Or let us take the matter of the Stalin Prizes Not even the Tsars created prizes which they named after themselves. Stalin recognized as the best a text of the national anthem of the Soviet Union which contains not one word about the Communist Party. It contains, however, the following unprecedented praise of Stalin 'Stalin brought us up in loyalty to the people, he inspired us to great toil and acts' . . . We should add for your information that the Presidium of the Central Committee has already passed a resolution concerning the composition of a new text of the anthem, which will reflect the role of the people and of the party.

"And was it without Stalin's knowledge that many of the largest enterprises and towns were named after him? Was it without his knowledge that Stalin monuments were erected in the whole country? It is a fact that Stalin himself signed on July 2, 1951, a resolution of the Council of Ministers concerning the erection on the Volga-Don canal of an impressive monument to Stalin; on Sept. 4 of the same year he issued an order making 33 tons of copper available for the construction of this impressive monument Anyone who has visited the Stalingrad area must have seen the huge statue which was put up there . . . Huge sums were spent to build it at a time when people in this area had lived since the war in huts.

"At the same time Stalin gave proofs of his lack of respect for Lenin's memory. It is not a coincidence that, despite the decision taken over 30 years ago to build a Palace of Soviets as a monument to Vladimir Ilyich, this palace was not built. Its construction was always postponed and the project allowed to lapse. We recall the Soviet Government resolution of Aug 14, 1925, concerning the founding of Lenin Prizes for educational work. This resolution was published, but to this day there are no Lenin Prizes. This, too, should be corrected. . . .

"Stalin loved to see the film *The Unforgettable Year of 1919*, in which he was shown on the steps of an armoured train and where he was practically vanquishing the foe with his own sabre Let Kliment Yefremovich [Marshal Voroshilov, now President of the U S S.R.], our dear friend, find the necessary courage and write the truth about Stalin; after all, he knows how Stalin fought. It will be difficult for Comrade Voroshilov to undertake this, but it would be good if he did it. . . .

"In speaking about the October Revolution and the Civil War, the impression was created that Stalin always played the main role, as if everywhere and always Stalin had suggested to Lenin what to do and how to do it. This is slander against Lenin. I will probably not sin against the truth when I say that 99 per cent of the persons here present heard and knew very little about Stalin before 1924, while Lenin was known to the whole nation, from the children to the greybeards . .

"If we sharply criticize to-day the cult of the individual which was so widespread during Stalin's lifetime, and if we speak about the many negative phenomena generated by this cult, various persons may ask: 'How could it be? Stalin headed the party and the country for 30 years and many victories were gained during his lifetime. . . . Where were the members of the Political Bureau of the Central Committee? Why did they not assert themselves against the cult of the individual in time? Why is this being done only now?'

"First of all we have to consider the fact that the members of the Political Bureau viewed these matters in a different way at different times Initially, many of them backed Stalin actively because Stalin was one of the strongest Marxists, and his logic, strength and will greatly influenced the cadres and party work. It is known that Stalin, after Lenin's death and especially during the first years, actively fought for Leninism against the enemies of Leninist theory and against those who deviated. The party . . . started on a great scale the work of Socialist industrialization, agricultural collectivization, and the cultural revolution. At that time Stalin gained great popularity, sympathy, and support. The party had to fight those who attempted to lead the country away from the correct Leninist path; it had to fight Trotskyites, Zinovievites, Rightists, and the bourgeois Nationalists. This fight was indispensable. Later, however, Stalin, abusing his power more and more, began to fight eminent party and Government leaders and to use terroristic methods against honest people. As we have already shown, Stalin handled in this manner such eminent party and Government leaders as Kossior, Rudzutak, Eikhe, Postyshev, and many others. . . .

"In the situation which then prevailed, I talked often with [Marshal] Nikolai Bulganin Once, when we two were travelling in a car, he said: 'It has happened sometimes that a man goes to Stalin on his invitation as a friend. And when he sits with Stalin, he does not know where he will be sent next, home or to gaol.'

"It is clear that such conditions put every member of the Political Bureau in a very difficult situation. And when we also consider the fact that in the last years [of Stalin's life] the Central Committee plenary sessions were not convened, and that the sessions of the Political Bureau occurred only from time to time, then we will understand how difficult it was for any member of the Political Bureau to take a stand against unjust or improper procedure. . . .

" As we have already shown, many decisions were taken either by one person or in a roundabout way, without collective discussions. The sad fate of Comrade Voznessensky is known to all. It is characteristic that the decision to remove him from the Political Bureau was never discussed but was reached in a devious fashion. In the same way came the decision concerning the removal of Kuznetsov and Rodionov from their posts. The importance of the Political Bureau was reduced and its work was disorganized by the creation within the Political Bureau of various commissions—the so-called ' Quintets,' ' Sextets,' ' Septets ' and ' Novenaries ' [These were *ad hoc* commissions, named and created by Stalin for special purposes—e g foreign affairs, internal affairs, etc]

" One of the oldest members of our party, Klimrent Voroshilov, found himself in an almost impossible situation For several years he was actually deprived of the right of participation in Political Bureau sessions. Stalin forbade him to attend the sessions and to receive documents. When the Political Bureau was in session and Comrade Voroshilov heard about it, he telephoned each time and asked whether he would be allowed to attend Sometimes Stalin permitted it, but always showed his dissatisfaction. Because of his extreme suspicion, Stalin toyed also with the absurd and ridiculous suspicion that Voroshilov was an English agent. It is true—an English agent ! A special tapping device was installed in his home to listen to what was said there. By unilateral decision Stalin also separated one other man from the work of the Political Bureau—Andrei Andreyev. .. It is not excluded that had Stalin remained at the helm for several more months, Comrades Molotov and Mikoyan would probably have not delivered any speeches at this Congress. Stalin evidently had plans to finish off the old members of the Political Bureau He often said that Political Bureau members should be replaced by new ones. His proposal, after the 19th Congress, concerning the selection of 25 persons to the Central Committee's Presidium was aimed at the removal of the old Political Bureau members and the bringing-in of less experienced persons who would extol him in all sorts of ways ..

Future Policy.

" We must abolish the cult of the individual decisively, once and for all. . . . It is necessary for this purpose :

(1) To condemn and eradicate the cult of the individual as alien to Marxism-Leninism . . and to fight inexorably all attempts at restoring this practice in one form or another. . . . In this connexion we will be forced to do much work . . . to correct the widespread erroneous views connected with the cult of the individual in the spheres of history, philosophy, economy, and of other sciences, as well as in literature and the fine arts. It is especially necessary that in the immediate future we compile a serious textbook of the history of our party, which will be edited in accordance with scientific Marxist objectivism ; a textbook of the history of Soviet society ; and a book pertaining to the events of the Civil War and the Great Patriotic War

(2) To continue systematically and consistently the work done by the Party's Central Committee during the last few years—a work characterized by minute observation in all party organizations, from the bottom to the top, of the Leninist principles of party leadership ; characterized, above all, by the main principle of collective leadership ; and finally, characterized by the wide practice of criticism and self-criticism.

(3) To restore completely the Leninist principles of Soviet socialist democracy, expressed in the Constitution of the Soviet Union, and to fight against the abuse of power by individuals. . . . "

The text of " Lenin's testament " was published in full in Moscow on June 30, for the first time for 33 years. Written by Lenin on Jan. 4, 1923, it was read to the eighth party congress held in that year, but had since been kept secret until M. Khrushchev quoted from it at the 20th party congress in February last. The documents contained Lenin's criticisms and warnings about Stalin, as read to the 20th party congress by M. Khrushchev.

A 6,000-word decree on the " elimination of the cult of the individual " was issued by the Central Committee of the Soviet Communist Party on June 30 and published in *Pravda* on July 2. It recapitulated the denunciation of the " personality cult " made by M. Khruschev at the 20th party congress, and noted with satisfaction the " determined stand against the cult of the individual and its consequences " which had been taken at the congress.—(Observer - Times - Manchester Guardian - New York Times - Soviet Weekly) **(Prev. rep. 14817 A ; 14745 A.)**

A. PANAMA. — Presidential Election.

Señor Ernesto de la Guardia, the nominee of the ruling National Patriotic Coalition, was elected to the Presidency of Panama in presidential elections held on May 13. His only opponent was Señor Victor Florencio Goytia, candidate of the National Liberal Party. Señor de la Guardia (51), manager of a brewery, was educated at Dartmouth College, U.S.A.

Elections for a new National Assembly were also held on May 13, the National Patriotic Coalition securing 42 of the 53 seats. The successful candidates included Señora Cecilia Remón, the widow of the late President Remón. (New York Times)
(Prev. rep. President, 14053 A ; Elections, 12400 B.)

B. SOUTH AFRICA. — Cape Supreme Court upholds Validity of Senate Act and South Africa Act Amendment Act. - Separate Representation of Voters Bill. - Parliamentary Passage.

An application by two Cape Coloureds (Mr. W. D. Collins and Mr. A. J. Brikkels) for an order declaring invalid the Senate Act and the South Africa Act Amendment Act was unanimously dismissed on May 18 by a full bench of the Cape Provincial Division of the South African Supreme Court. Notice of appeal was given against the Court's judgment.

The judgment said that counsel for the applicants (Mr. Graeme Duncan) had questioned whether the Senate as constituted under the Senate Act was a " House of Parliament " within the meaning of the proviso to Section 152 of the South Africa Act, which laid down that any Bill altering or repealing the " entrenched clauses " of the Act must be passed by a two-thirds majority of both Houses in joint session Counsel for the Government (Mr. De Villiers, Q.C.), on the other hand, had contended that Section 25 of the South Africa Act had expressly empowered Parliament to amend the constitution of the Senate after 10 years. In Mr. Duncan's view, a " packed " Senate could not constitute a House of Parliament for the purposes of Section 152, as without this qualification the guarantee contained in this section was not effective The Court's view, however, was that if the words of Sections 25 and 152 were given their plain meaning, Parliament would be empowered to alter the composition of the Senate and thereby to obtain a two-thirds majority for a measure which had previously failed to achieve that majority. It was true [the judgment went on] that this meant that the guarantee was not effective in all circumstances, but if the framers of the South Africa Act had contemplated the necessity of a limitation on Parliament's power to alter the constitution of the Senate, one would have expected such an intention to be expressed in the words of the Act. The Court had therefore reached the " firm conclusion " that " no such limitation can be implied upon the scope of powers expressly granted to Parliament from enacting the Senate Act," and that the factors relied upon by Mr. Duncan did not " justify implying a limitation on the plain meaning of the words ' Houses of Parliament ' in the proviso, so as to exclude the Senate constituted by the Senate Act from being recognized as one of those ' Houses of Parliament.' "

The Separate Representation of Coloured Voters Amendment Bill (for provisions see page 14806) was given a second reading in the House of Assembly on April 20 after a three-day debate. It was strongly opposed by the United, Labour, and Conservative parties, as well as by the Native Representatives.

Mr. H. G. Lawrence (U.P.) denounced the Bill as a breach of the agreement made by Mr. Havenga with Dr. Malan in 1950 that Coloured people should be represented by Coloured members in the Provincial Council, while **Mr. Hepple** (Labour Party) said that the Union Council of Coloured Affairs to be set up under the Bill would make " a mockery of democratic representation," as it would have a majority of Government-nominated members. **Major P. V. G. van der Byl** (U.P.) asserted that the Government was following a road which would eventually lead to the destruction of White civilization in South Africa under the pretence that it was trying to save the country. The Coloured people, he said, had always stood beside the White man because that was their only hope of survival, as they were more worried about being swamped by the Natives than were the Europeans. By the new legislation, however, the Government was alienating the Coloured from the White population.

Dr. Dönges (Minister of the Interior) denied that there was any disloyalty to Mr. Havenga, as the Nationalist Party had never renounced its point of view about its *apartheid* policy and Mr. Havenga had recognized this at the time of his agreement with Dr. Malan. In reply to the Opposition's objections to a majority of nominated members on the Coloured Advisory Council, the Minister pointed out that the Coloured People's Union had refused to sit on such a council unless it was a nominated one ; the Government had therefore decided to take " the middle way " and make the Advisory Council's membership partly nominated and partly elected.

Mr. P. B. Bekker (Cons.) moved an amendment proposing that " while accepting the principles of separate representation and the establishment of a Union Council of Coloured Affairs, Parliament should decline to pass the second reading because the Government has departed from its previous standpoint on the representation of Coloured voters in the Cape Provincial Council as enunciated in legislation of 1951 and 1954." The amendment was rejected, being supported by only four Conservative members ; the United Party members had left the Chamber before the vote, while Dr. Jonker (who later the same day crossed the floor and joined the National Party—see 14870 B) voted with the Government.

An amendment by **Mr. H. G. Lawrence** (U.P.) " that the Bill be read this day six months " was rejected by 71 votes to 47. Dr. Jonker again voted with the Government, the Conservatives having left the Chamber before the division.

The Bill was given a third reading in the House of Assembly on April 27 after another U.P. amendment for a six-month postponement had been rejected by 72 votes to 39. The Senate gave the Bill a second reading on May 3 (after the rejection of a similar U.P. amendment by 59 votes to 10), and later the same week gave final approval to the Bill. (Cape Times - Die Burger)
(Prev. rep. 14805 A ; 14353 A.)

A. UNITED KINGDOM. — British Transport Commission Report for 1955. - Deficit of £30,600,000. - Second Instalment of Railway Modernization Plan. - Adoption of Overhead Alternating Current System. - Fare Increases in London Area.

The report and accounts of the British Transport Commission for the year 1955 were published on June 29 They showed that the Commission had earned a working surplus of £29,500,000 (compared with a surplus of £45,500,000 in 1954), but that this was offset by central charges (mainly interest on Transport Stock) of £55,500,000, and by the provision of £4,600,000 for capital redemption and other special charges. The resulting deficit of £30,600,000 was the largest incurred by the Commission since 1949. It compared with a deficit of £11,900,000 in 1954, and increased the Commission's accumulated deficit since nationalization to £70,000,000.

The report attributed the size of the accumulated deficit mainly to the persistence of inflation, coupled with the fact that the Commission's charges were closely controlled. This necessarily involved delays in obtaining sanction for increased charges to cover higher wages and costs, and prevented the Commission from providing any margin in these increases to cover future rises in costs. "It is now apparent," the report stated, "that the direct costs of inflation in money terms as far as British Railways and London Transport are concerned have been over £100,000,000 up to the end of 1955. The Commission . . . record their conviction that the financial position cannot be corrected by short-term expedients or quick savings, but only by arresting inflation and pursuing the economies of the railway modernization plan"

Of the net deficit of £30,600,000 for 1955, the report attributed £12,000,000 to loss of traffic resulting from the 17-day strike of footplate staff in May-June (see 14316 A); £8,000,000 to delays in obtaining sanction for increased charges, and £5,000,000 to increased costs since these charges were authorized. Another factor had been the control imposed on capital investment, which had had a very important effect on the railway section of the Corporation's finances and would "continue to depress its competitive powers for many years to come."

The Commission's gross receipts from its principal carrying activities amounted to £652,324,705 (compared with £656,263,239 in 1954), and its working expenses to £637,041,467 (against £624,477,460), leaving net traffic receipts of £15,283,238, compared with £31,785,779 in 1954. Of the total receipts, passenger traffic accounted for £252,600,000 (3.7 per cent up on 1954), freight for £391,300,000 (3.3 per cent down), and miscellaneous activities for £8,400,000 (6.2 per cent up).

Details were as follows:

	Gross Receipts	Working Expenses	Surplus (+) or Deficit (−) 1955	1954
	(£ million)			
British Railways				
Passengers .. 118.1				
Freight, Parcels, and Mails 316 2	440.0	437.8	+ 2.2	+16 6
Miscellaneous 5.7				
Railway Collection and Delivery Service	12.3	14.3	− 2.0	− 1.8
British Road Services (Road Haulage) .	55.7	51.4	+ 4 3	+ 8.7
Road Passenger Services (Provincial and Scottish)	54.7	49 3	+ 5.4	+ 5.0
London Transport				
Road Services . .	53.2	50.8	+ 2.4	+ 1 3
Railways .	21.0	19.8	+ 1.2	+ 1.0
Ships· Passenger and Cargo Services .	14 3	12 3	+ 2 0	+ 1.1
Inland Waterways .	1 0	1 1	− 0.1	− 0.08

The percentage of working expenses to gross receipts was as follows. railway passenger and freight services, 99.9, railway collection and delivery services, 116; road haulage services, 92; road passenger services (Provincial and Scottish), 90; London Transport road services, 96, London Transport railways, 94, ships, 86, inland waterways, 110.

Gross receipts from other important activities, including docks and waterways and hotels and catering, amounted to £46,300,000, or 6 7 per cent more than in 1954, increases having been shown under all heads in this section.

Salient points from the Commission's report are summarized below:

Passenger Traffic. Total passenger traffic handled by the Commission declined in 1955 by 1.5 per cent as compared with 1954, but London Transport road services fell by four per cent. In spite of the strike of British Railway locomotivemen (see 14316 A) railway passenger mileage fell during the year by only two per cent

Freight Traffic. Despite the increase in industrial production and in the volume of imports and exports, the decline in freight tonnage continued during 1955, a rise (in ton-miles) in mineral traffic having been more than offset by falls for merchandize, livestock, and coal. A futher "considerable transfer" of coal traffic from rail to road took place during the year.

Railway Development. The report stressed that although railway development had expanded during the year, early decisions were required on fundamental matters of technique and design before orders and improvement schemes could be put in hand. It was stated in this connexion that special technical panels had been given a long-term target for average train speeds on main lines of 75 m p h. for passenger expresses and 45 m p h for goods trains—i.e considerably higher speeds than in present practice

The report also stated that 3,728 all-steel passenger coaches were in service on main lines at Dec 31, 1955, compared with only 2,640 at Dec 31, 1954, and that 58,733 new freight vehicles had been brought into use during the year, the highest intake for over 30 years Altogether, the Commission had spent about £72,000,000 in 1955 on new vehicles (against £66,000,000 in 1954), and about £9,000,000 on additions and improvements (£10,000,000 in 1954).

Staff and Wages. The Commission's staff decreased by about 30,000 during 1955 to 801,000 at Dec 31, nearly half of the reduction taking place on British Railways. The report pointed out that wages and salaries represented about 60 per cent of total working expenses, a far higher proportion than in manufacturing industry The annual cost of pay increases and concessions granted or awarded during 1955 amounted to almost £30,000,000, while further increases estimated to cost about £30,000,000 a year had been granted early in 1956.

Capital Expenditure. Capital expenditure authorized at Dec 31, 1955, totalled about £205,000,000, and many orders for rail development had been placed since

General Sir Brian Robertson (the Commission's chairman), commenting on the report, gave a warning that the continuance of inflation meant that there was "now no hope of avoiding another deficit at the end of 1956." He maintained, however, that the modernization plan would eventually put the railways on a sound footing, although the need to spend capital without any immediate return would make the position temporarily even more difficult. Indeed, during the early years of the plan there must necessarily be some doubt whether the Commission would be able to comply strictly with its statutory duty to balance its accounts, taking one year with another; the financial review now in hand would show whether such doubts were justified, and if so, what action should be taken.

Referring to complaints in the report that the Commission had to meet competition from privately-owned transport "on unequal terms," Sir Brian pointed out that the freedom to compete promised to the Commission by the 1953 Transport Act had "still not been granted" Moreover, the new scheme of freight charges based on the actual cost of carriage was "still hanging fire before the tribunal," and there was little hope of seeing it carried into effect for at least another year.

Other developments in connexion with rail and road transport during recent months are summarized below:

Railway Modernization Plans. A programme of improvements and re-equipment to be carried out in 1956, together with a forecast of schemes likely to be started in 1957, was announced by the B.T.C. on April 12 It included (1) a start on a number of electrification schemes before the end of 1956, (2) the installation of modern colour-light signalling and track widening to speed up traffic; (3) reconstruction work or improvements at passenger and goods stations and at marshalling yards; (4) the expenditure of about £23,000,000 on diesel multiple-unit trains, and of about £26,000,000 on other passenger stock; (5) the building of 70,000 new freight wagons and the spending of £500,000 in 1957, and of probably about £3,000,000 in 1958, on fitting continuous vacuum brakes to goods vehicles. Details were as follows·

Electrification. The Shenfield-Chelmsford extension (see 14316 A) should be completed in June 1956, and the extension to Southend by January, 1957; a start would also be made in 1956 on electrifying the Eastern Region surburban lines from Liverpool Street (London) to Enfield, Chingford, Hertford, and Bishop's Stortford, at an estimated cost of £6,500,000. The Manchester-Crewe electrification (a pilot scheme for electrification of the London-Birmingham-Manchester-Liverpool lines) would also be put in hand during 1956, while preliminary work would also begin on the extension of the Southern Railway electrification between Gillingham-Maidstone-Sevenoaks and Sheerness, Margate, Ramsgate, Folkestone and Dover, and between Ashford and Hastings.

Track and Signalling. Improvements included (*a*) three new tunnels (estimated to cost £2,750,000) between New Barnet and Potter's Bar, to enable additional tracks to be laid and bottlenecks removed on the East Coast route to Scotland; (*b*) new track layout and modern colour-light signalling at Manchester (Victoria), and colour-light signalling and signal-box concentration schemes at other points

Passenger Railway Stations. Reconstruction or major improvement schemes at Cannon Street (London), Banbury, Barrow, Glasgow Central, Chichester, Weymouth, Forest Hill (London), and Plymouth (North Road), as well as a start on the provision of escalators and subways at the Bank Station, London (Waterloo and City railway) and a new station to serve Harlow New Town.

Goods Stations and Marshalling Yards. Major schemes included new marshalling yards at Perth, Edinburgh, Barking, and Margam; new goods stations at Crawley New Town and Peterborough; modernization schemes at Lincoln, Liverpool, Manchester, Chelmsford, Birmingham, and Welwyn Garden City; and additional facilities for iron-ore traffic at Glasgow and Motherwell.

Rolling-Stock Delivery of 174 main-line diesel locomotives would start in 1957, and during 1956-57 over 400 more diesel shunting engines would replace steam locomotives. Diesel trains were expected to be introduced on main line services such as Edinburgh-Glasgow, Birmingham-Swansea, and London-Hastings.

About 2,600 passenger carriages would be built during 1956 and 1,750 multiple-unit diesel vehicles during the next two years. All passenger carriages would be of steel except some multiple-unit coaches, which would be of light alloys. The modernization programme envisaged the replacement of all timber-bodied coaches within seven years.

Change-over to Alternating Current System. - Further Railway Electrification Schemes. On March 6 the B T C announced that it had decided to change over from direct current to alternating current traction supply in future electrification projects except in the Southern Region, where extensions would continue to use the third-rail system at 660 volts D C., since the conversion of existing lines to A.C. would be too costly.

Sir Brian Robertson explained that the A C system (under which current would be taken at 25,000 volts direct from the national grid and be carried by overhead wire) would be simpler, cheaper, and quicker to instal. Its adoption would make possible a saving of 27,000 tons of copper and 16,000 tons of steel, and a survey of the Euston-Liverpool-Manchester route to compare costs had shown estimates of £117,000,000 for A C and £123,000,000 for D C. The Commission hoped to have the Manchester-Crewe "pilot section" in operation by about January 1959

A scheme (to cost over £13,000,000) for the electrification of 71 miles of railway in the Clyde valley, thus providing Glasgow with its first electric surburban services, was announced by the B T C. on April 27. The first phase, linking Helensburgh and Airdrie through Glasgow with other suburban and district stations north of the Clyde, would be begun in about nine months, work on the second stage, radiating from Glasgow to stations south of the Clyde, was not expected to begin until the first stage was almost complete.

On June 6 it was announced that the electrification of the Crewe-Liverpool main line would be begun before the Crewe-Manchester electrification had been completed

Automatic Train Control. The Minister of Transport and Civil Aviation (Mr Harold Watkinson) stated in a written reply on May 3 that he had given qualified approval for the British Railways' system of automatic train control for use with vacuum brakes (see 12626 A). He explained that reliability tests on a specially equipped section of the East Coast main line had proved satisfactory, that the design of the component parts had reached a stage where production could be arranged, and that railway inspection officers were satisfied with the working of the equipment, subject to further reliability tests and to final inspection.

Railway Efficiency. The B T.C announced on April 16 that, with a view to increasing railway efficiency and productivity, and by agreement with the railway unions, a specialist advisory service in work study had been set up with Mr. E. J. Larkin, assistant mechanical and electrical engineer, London Midland Region, as director.

Railway Liveries. The adoption by British Railways of a maroon livery for all locomotive-hauled passenger stock, except for Southern Railway trains (which would keep the existing green) and for a few selected trains on the Western Region (which would be painted in the former Great Western chocolate-and-cream), was announced on April 19 Electric and diesel multiple-unit stock would be painted green in all regions

Increased Fares. Minimum fares were increased from 2d. to 2½d. on London Transport road services from Dec. 18, 1955, and on London Underground and British Railways' London lines from Jan 8, 1956. From the same dates increases varying from 1d. to 3d. were made in certain ordinary, early morning, and day return rail and bus fares in the London area, while some Green Line coach fares were also raised

On May 25, 1956, the B T C announced that it had applied to the Transport Tribunal for authority for further increases in fares in the London area and in early morning and certain day return fares and season-ticket rates on British Railways The proposed increases (to come into effect in the autumn or later) were as follows. *Early Morning Fares*—increases of 1d -3d (according to distance) in rail return fares and in single fares by London Transport road services. *Season Ticket Rates*—no increase up to four miles, but increases of 1s. a month thereafter up to five miles, 2s. a month up to six miles, and 3s. a month for seven miles and over, with proportionate increases for longer periods and for first-class seasons. *Day Return Fares*—an increase of 2d. on journeys of nine miles or more on British Railways in the London area. *Other Increases*—an increase of 1d. on ordinary fares of 1s. 5d. or over on London Transport and the London-Tilbury Southend line of British Railways No increases were made in other ordinary fares on British Railways.

The yield from the proposed increases (similar to those applied for in February, 1956, when the application, however, was withdrawn—see 14807 A) was put at £1,500,000 in a full year. Of this, about £700,000 would accrue to London Transport, equal to about one per cent of its present fare revenue.

Retention of Road Haulage Vehicles. Mr Boyd-Carpenter (then Minister of Transport) announced on Aug 18, 1955, that, on the recommendation of Sir Malcolm Trustram Eve (chairman of the Road Haulage Disposals Board), the Government had decided to leave with the B.T C. a total of 7,750 general haulage vehicles for the trunk haulage network of British Road Services, instead of only 2,350—the number specified for retention in the Transport Act.

B.R.S. Parcels Services. Tenders were invited on Oct. 25, 1955, for the purchase in one lot of the whole of the shares of B.R.S (Parcels) Ltd., which had been formed in 1954 to take over the parcels section of the B T.C 's road haulage undertaking The Commission announced on Jan 25, 1956. however, that no tenders had been received by the closing date, and on March 8 the Parliamentary Secretary to the Ministry of Transport and Civil Aviation (Mr Molson) stated that the Government had no intention of breaking up the Parcels Service, which they believed to be "giving an extremely valuable service to the country as a whole."

The appointment of Mr. J. W. Watkins, general manager of the London Midland Region of British Railways, as a full-time member of the British Transport Commission was announced by the Minister of Transport and Civil Aviation on May 29. (Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 14316 A; Fare Increases, 14807 A.)

A. GREECE. — M. Shepilov's Visit to Athens. - Soviet Economic Aid offered to Greece.

Following his visits to Egypt, Syria, and the Lebanon (see 14959 A), the Soviet Foreign Minister, M. Shepilov, paid a three-day visit to Athens on June 28-30 for discussions with the Greek Prime Minister and Foreign Minister (respectively M. Karamanlis and M. Averoff) before returning to Moscow. Separeate statements on the discussions were issued by M. Averoff and M. Shepilov, but no joint communiqué.

M. Averoff said (i) that M. Shepilov had been informed that Greece desired to improve her relations with the U.S S.R., while remaining loyal to her existing alliances, (ii) that there was a mutual desire to extend trade exchanges between the two countries, this matter having been referred to technical committees for further study; (iii) that Greece had explained her views on the Cyprus question, as already put forward in the United Nations; and (iv) that the Greek leaders had complained to M. Shepilov of the difficulties created by "some of the Soviet Union's allies" in Greece's efforts to restore good neighbourly relations between them

M. Shepilov expressed the Soviet Government's desire to expand Greco-Soviet economic exchanges, and to provide technical and scientific assistance to Greece on terms which would not be prejudicial to her sovereign rights and national dignity He denied that the U.S.S.R wished to drive a wedge between Greece and the Western Powers; affirmed that there was no threat to Greece from the north; and described Greece's neighbours, Bulgaria and Albania, as peace-loving countries which desired good relations with Greece. He made no statement on Cyprus, but said that the Soviet Government had demonstrated its attitude towards this problem before the United Nations.

It was stated in Athens that M Karamanlis and M. Averoff had "politely but firmly" declined an invitation from M. Shepilov to visit the Soviet Union. M. Averoff said in his statement that such a visit could best be undertaken "when the pre-requisites have been established which would make it more constructive"

The Soviet newspaper *Pravda* said on July 9 that the U.S.S.R. was ready to give "sympathetic and disinterested consideration" to co-operating in the development of the Greek national economy, to the exchange of scientific and technical experience, and to the training of specialists, including student exchanges. (Times - Le Monde, Paris)

(Prev. rep. M. Shepilov, 14959 A.)

B. EASTERN GERMANY. — Relaxation of Restrictions on Travel to Western Germany.

The East German Minister of the Interior, Herr Karl Maron, announced on June 27 that travel restrictions between Eastern and Western Germany would be greatly relaxed; that the granting of permits to West Germans wishing to visit Eastern Germany and to East Germans who wanted to visit Western Germany would be facilitated; and that measures were being taken to speed up frontier controls on the inter-zonal border. On the same date the Deputy *Oberbürgermeister* of East Berlin, Herr Waldemar Schmidt, announced that most traffic controls between Eastern Germany and East Berlin would be ended on July 1, including Customs examinations and the need for special permits for motor travel. Herr Schmidt suggested at the same time that representatives of the city administrations in East and West Berlin should meet to discuss measures to relax tension between the Western and Eastern sectors of the city. (Neues Deutschland, East Berlin) **(Prev. rep. 13459 A.)**

C. UNITED NATIONS. — Security Council approves Moroccan and Tunisian Membership of U.N.

Applications by Morocco and Tunisia for membership of the United Nations were unanimously approved by the Security Council on July 20, in respect of Morocco, and on July 26 in respect of Tunisia. The U.N. General Assembly will vote on the applications at its 11th session in November next.

(U.N. Information Centre, London)

A. PERU. — Presidential Election. - Dr. Manuel Prado elected to Presidency. - Changes in Peruvian Cabinet. - The Iquitos Revolt.

Presidential elections were held in Peru on June 17, being contested by three candidates: Dr. Hernando de Lavalle (57), nominee of the *Partido Restaurador* (Restoration Party), an organization which pledged itself to continue the policies of the retiring President, General Manuel Odria, and which enjoyed the latter's support; Dr. Manuel Prado (67), candidate of the moderate conservative *Movimento Democratica Pradista*; and Dr. Fernando Belaunde (43), one of Peru's leading architects, who stood as a liberal and progressive candidate.

Of the three candidates, Dr. de Lavalle was a prominent lawyer, and adviser to many Peruvian banks and business corporations; Dr. Prado, also a lawyer by profession, had been President of Peru from 1939 to 1945, and was honorary president of the Inter-American Bar Association, and Dr. Belaunde was Dean of the School of Architecture at San Marcos University, Lima. Both Dr. de Lavalle and Dr. Prado were supported by important business, industrial, landowning, and newspaper interests, some of which supported the policies of President Odria while others were strongly opposed to them.

General Odria, after overthrowing President Bustamente in 1948 and seizing power by *coup d'état* (see 9623 C), had been elected President of Peru for a six-year term in 1950, at an election in which he was the only candidate (see 10922 C). Towards the end of 1955 President Odria had announced his intention of retiring from public life, and in the early months of 1956 had given repeated assurances that the presidential elections would be freely and fairly conducted and that no pressure would be brought against any of the political parties or candidates. Although President Odria expressed his support for the candidature of Dr. de Lavalle, no attempt was made by the Government to exercise pressure against the other candidates or to interfere with the electoral campaign. Accordingly, the presidential elections of 1956—the first free elections in Peru since 1945—were contested in a fair and democratic atmosphere, and passed off quietly. In addition to electing a new President, elections were also held for two Vice-Presidents and for a new Senate and House of Representatives, both of which had been enlarged (see 14628 E). Women voted for the first time in the presidential and congressional elections, having received the franchise under legislation passed by the Peruvian Congress in 1955 (see 14487 D).

An important role in the elections was played by the left-wing but anti-communist *Alianza Popular Revolucionaria Americana* (APRA), which, although officially proscribed for eight years, commands much support in Peru and claimed to have the support of a large section of the electorate. In view of the importance of the *Aprista* vote, both the *Partido Restaurador* and the "Pradistas" made strenous efforts to enlist the support of APRA, many of whose leaders were released from prison by President Odria and given a public amnesty. Following this amnesty, negotiations between President Odria and the *Apristas* were opened in April, as a result of which the APRA agreed to give conditional support to the President's nominee, Dr. de Lavalle, in the forthcoming presidential elections. Later, however, the *Apristas* withdrew their support from Dr. de Lavalle as a result of President Odria's refusal to legalize the APRA and to allow it to re-emerge as an independent political party. It appeared from the final figures (see below) that the bulk of the *Aprista* supporters had cast their votes either for Dr. Prado or for Dr. Belaunde.

Official results of the presidential elections, published in Lima on July 17, showed that they had been won by Dr. Manuel Prado, who polled 568,443 votes (46 per cent of the total) against 457,977 for Dr. Belaunde and 232,612 for Dr. de Lavalle. The total electorate numbered about 1,500,000, of whom some 500,000 were women. Dr. Prado formally assumed the presidential office on July 28, and will hold it for a six-year term.

A statement on his future policy was made by Dr. Prado on June 22, when preliminary returns indicated that he had won the presidential elections. With regard to the position of APRA, he announced that he intended to ask the new Congress, when it convened, to legalize the party, in which case there would be nothing to prevent Señor Raul Haya de le Torre, the *Aprista* leader, from returning to Peru from exile (see 13698 B). Dr. Prado emphasized, however, that he had made no "deals" with the *Alianza Popular Revolucionaria Americana*, and had promised no special benefits to that party except legalization.

As regards other aspects of his policy, Dr. Prado said that he would maintain the existing system of free currency exchange; stimulate private enterprise and pursue the country's industrialization, encourage foreign investment, including assistance from the World Bank and the U.S. Export-Import Bank; continue the campaign to abolish illiteracy among the Peruvian Indians; and make unused or government-owned land available to the Indian population so that they could become small landholders and peasant proprietors.

Cabinet Changes.

Mainly as a result of industrial unrest and a series of strikes, a number of changes in the Peruvian Cabinet were made in December last, and also after the presidential elections.

On Dec. 20, 1955, a general strike broke out at the port of Arequipa, where workers demonstrated for electoral reform, greater freedom of political activity, and an amnesty for political offenders. The demonstrations were particularly directed against the Minister of the Interior, Señor Esparza, whose resignation was demanded in view of the fact that he controlled public security and, thereby, political activity. Señor Esparza accordingly tendered his resignation on Dec. 24, on which date President Odria appointed a new Cabinet composed solely of members of the armed forces, whereas the former Cabinet had been recruited partly from the armed forces and partly from civilians.

Vice-Admiral Roque Saldias remained Prime Minister, and concurrently Minister of Finance and Commerce. The other portfolios were distributed as follows: Foreign Affairs, Rear-Admiral Luis Edgardo Llosa; Interior and Security, Colonel Agusto Villacorta; Justice, General Feliz Huaman; War, General Enrique Indacochea; Navy, Rear-Admiral Alfredo Souza Almandoz; Aviation, General Enrique Bernales; Public Works and Development, Lieut.-Colonel Roberto Dianderas; Education, General Juan Mendoza; Health, General Alberto Lopez; Labour and Indian Affairs, Colonel Augusto Romero Lovo; Agriculture, Colonel Carlos Siles Baroni.

Following disturbances at Lima and Callao on June 26-27, 1956, in which about 30 people were injured, President Odria imposed a state of siege (a form of martial law) for 30 days, and suspended certain constitutional guarantees during that period. The riots broke out after the Central Syndicate of Commercial Employees had called a general strike (on June 26) in support of about 400 employees of a U.S. petroleum company who had stopped work a week earlier because certain union officials had been dismissed. Port workers in Callao and building trade workers in Lima also went on strike for higher wages, while a student campaign against increased tram fares led to the burning of two buses and the stoning of public vehicles. A settlement of the labour disputes was reached on July 1, when conditions returned to normal.

Rear-Admiral Edgardo Llosa resigned from the Cabinet on June 27 on the ground that he had not been consulted or called to the Cabinet meeting at which it had been decided to impose the state of siege. The portfolio of Foreign Affairs was taken over *ad interim* by the Minister of Justice, General Hanuman, who retained his former portfolio.

On July 11 it was announced in Lima that Vice-Admiral Roque Saldias had tendered his resignation from the Premiership "for personal reasons," and that President Odria had appointed General Juan Mendoza as his successor *ad interim*. It was stated that General Mendoza would retain the portfolio of Education concurrently with the Premiership.

The Iquitos Revolt.

A revolt against the Government of President Odria broke out on Feb. 16 at the Amazonian river port of Iquitos, capital of Loreto province. It was headed by General Marcial Merina, commander of the Forest Division of the Peruvian Army, and a former Minister of Justice and Labour. [The Forest Division, which has its headquarters at Iquitos, is responsible for the defence of Peru's frontiers with Brazil, Ecuador, and Colombia, and is the principal military formation of the Peruvian Army east of the Andes]. Despite broadcast appeals by General Merina, the uprising was confined to Iquitos and all other parts of the country remained quiet. As a result, General Merina surrendered to the Government on Feb. 25 after having held Iquitos for ten days. No fighting occurred during the uprising, apart from a few rifle-shots at Government planes which flew over Iquitos.

General Merina, in a manifesto issued from Iquitos during the uprising, accused the Government of trying to transform the Army into an instrument which President Odria could use to "rig" the forthcoming elections. He called upon the Army to take over the administration for a short time and to provide the nation with an opportunity of going to the polls in "a democratic electoral process that would prevent *continuismo*"—i.e. the continuation of President Odria's policies through a hand-picked successor.

In a broadcast on March 3, President Odria alleged that the primary responsibility for the Iquitos uprising rested with Señor Pedro Beltran, publisher of the Lima paper *La Prensa*, whom he described as "the protagonist of the conflict" and "a politician trying to disguise himself as a journalist." The President said that right-wing elements, "spurred on" by Señor Beltran, had attempted to overthrow the Government, and that General Merina had been "deceived" by Señor Beltran and his supporters.

The Peruvian Government imposed a 30-day state of siege at the outbreak of the Iquitos revolt, and suspended *habeas corpus* and other constitutional guarantees. At the same time some 30 persons, including Señor Beltran, were arrested on charges of alleged complicity in the uprising. On March 14, however, all civil rights were restored and all the arrested persons released.—(New York Times - New York Herald Tribune - Le Monde, Paris - Bank of London and South America, Fortnightly Review) **(Prev. rep. President Odria, 9623 C; Presidential Election, 10922 C; Cabinet, 14484 B.)**

JULY 28—AUGUST 4, 1956.

A. EGYPT. — Suez Canal nationalized by Egyptian Government. - Expropriation of Suez Canal Company. - Strong British and French Protests to Egypt. - British, French, and U.S. Financial Measures against Egypt. - Tripartite Discussions in London. - Convening of 24-Power Conference on Proposed Internationalization of Suez Canal. - U.K. Ban on Export of War Material to Egypt. - British and French Naval and Military Precautions. - International Reactions to Suez Crisis.

In a speech at Alexandria on July 26, President Nasser announced (i) that the Egyptian Government had nationalized the Suez Canal Company and would use the income from the canal—about $100,000,000 (£36,000,000) a year—to build the Aswan Dam; (ii) that shareholders in the Suez Canal Company would be paid in accordance with the last closing prices on the Paris Bourse; and (iii) that all Suez Canal Company funds in Egypt had been "frozen." Describing the Suez Canal Company as an "exploiting" company and a "state within a state," President Nasser declared that it had been nationalized "in the name of the nation" and that all its assets and commitments would pass to the Egyptian State. "We shall build the High Dam," he declared, "on the skulls of 120,000 Egyptian workmen who died in building the Suez Canal. We shall industrialize Egypt and compete with the West. . . . With the revenue from the [Suez Canal] Company we shall not look to Britain and the U.S.A. for their $70,000,000 grant. . . . Egypt will build the Aswan Dam without pressure from any nation." In the course of a bitter attack on the Western Powers, Colonel Nasser said that there had been a "conspiracy" between the World Bank, Britain, and the U.S.A. to "trick" Egypt into building the dam and then to "impose conditions on Egypt affecting her independence and integrity."

The Nationalization Law.

A law nationalizing the Suez Canal Company, signed by Colonel Nasser in his capacity as President of Egypt, was issued in Cairo the same day, its text being as follows:

Art. 1. "The *Compagnie Universelle du Canal Maritime de Suez* shall be nationalized as an Egyptian company and transferred to the State with all its assets and commitments."

Art. 2. "The administration of navigational traffic on the Suez Canal shall be taken over by an independent body subject to the Minister of Trade, and the law on the composition of this body shall be issued by the President of the Republic That body shall have all necessary powers in administering navigation"

Art. 3. "The Company shall have an independent budget and begin its financial year on July 1. The first financial year begins on the date on which this law comes into operation and ends on June 30, 1957."

Art. 4. "The administering body shall keep all officials of the nationalized company, as well as its employees and workers. None of these may leave work or stop doing their duties for any reason whatsoever, except with the permission of the body referred to in Article 2."

Art. 5 dealt with the rights of company employees to pensions, etc

Art. 6. "This law shall be issued in the Official Gazette and shall have legal power from the date of issue.

At the same time President Nasser issued a decree on the formation of the administrative body for the Suez Canal, mentioned in Article 2 of the nationalization law. It laid down:

(1) The administrative body for the Suez Canal would consist of Mohammed Hilmi Bahgat Badawi, president; Mahmoud Younes, vice-president; and the following other members—Badawi Ibrahim Hammouda, Ibrahim Zaki; Magid Younes, Mohammed Tewfik Futkar; Burhan Said, Mohammed Ali el-Ghasib; Mohammed Ahmed Selim; Mahmoud Sami; Dr. Mustafa Hifnawi; and Dr Mohammed Abdel Baki Kosheri.

(2) The Minister of Trade would "implement the law and act upon it as from to-day."

Egyptian Allegations against Suez Canal Company.

The Egyptian Minister of Commerce and Industry (Dr. Abu Nosseir) issued a statement on July 27 accusing the Suez Canal Company of having "failed to comply with its obligations" to maintain the canal properly, and alleging *inter alia* that it had failed to provide Lake Timsah (at Ismailia) with a harbour suitable for the largest ships and that it had not equipped Port Said adequately to deal with transit trade. He declared that Egypt would not recognize the right of the U.N. Security Council or the International Court of Justice to intervene in the Suez Canal question, since the Company had been Egyptian since its inception and the matter was solely within the competence of the Egyptian courts. He also warned all members of the Company's staff in Egypt to remain at their posts, and said that those who left without permission would be liable to prison sentences of three to 15 years.

Statements by President Nasser.

President Nasser, on returning to Cairo from Alexandria on June 28, was enthusiastically acclaimed by hundreds of thousands of people as "leader" and "liberator," his return to the capital being the signal for mass demonstrations of strongly anti-Western character.

In a speech to the crowds Colonel Nasser said that Egypt would "meet force with force," that freedom of navigation would be maintained on the Suez Canal, and that Britain and France would be "held responsible for any damage or delay to freedom of shipping on the canal." After attacking Britain for "interfering" in Egyptian affairs, and saying that he would leave the Algerian rebels to "reply to France and give her a lesson," Colonel Nasser said that he could "not understand what all the fuss is about," since the canal would in any case have reverted to Egypt in 1968 He did not know on what basis Britain had lodged a protest (see below), as "the Suez Canal Company is an Egyptian company."

A statement by President Nasser, giving assurances that freedom of navigation on the Canal would be in no way affected by the nationalization of the Suez Canal Company, was circulated on July 31 to all diplomatic missions in Cairo. It was worded as follows:

"On July 26 the Suez Canal Company was nationalized. This exercise by the Egyptian Government of its rights has, however, given rise to some opposition from a few Governments, particularly those of France and Britain. Such opposition is devoid of all foundation. The Suez Canal Company has always been an Egyptian company, and, like all other Egyptian companies, liable to be nationalized. This nationalization does not in any way or to any extent affect Egypt's international commitments

"We are determined as ever to honour all our international obligations, and both the Convention of 1888 and the assurance concerning it given in the Anglo-Egyptian Agreement of 1954 will be fully maintained. Freedom of navigation on the Suez Canal is neither affected nor involved in any manner or to any degree. No-one could be more interested than Egypt in the freedom of passage through the canal.

"We are certain that traffic through the Canal will in the coming years justify all our hopes and those of the whole world. Egypt is confident of the righteousness of her stand. She will not be deflected from the course she has charted for herself, but will proceed in the service of her own interests and those of the world community of nations."

British Protest Note to Egypt.

A strong British protest was made to Egypt on July 27, in the following terms: "The Egyptian Government have promulgated a law purporting to nationalize the Suez Canal Company. . . . H.M. Government protest against this arbitrary action, which constitutes a serious threat to the freedom of navigation on a waterway of vital international importance. They reserve all their rights, and those of U.K. nationals, as sanctioned by the agreements in force. The responsibility for the consequences must rest entirely upon the Egyptian Government."

Cairo Radio announced the same evening that the Egyptian Government had refused to receive the British Note, on the ground that the nationalization of the Suez Canal Company "is an act coming within the prerogatives of Egypt's sovereignty because it is an Egyptian limited company subject to Egyptian laws." It was reiterated that the nationalization law "in no way affects, and is in no way intended to affect, the transit of shipping through the Suez Canal."

The British Note was sent after a day of intense political activity in London, during which Sir Anthony Eden made a statement to the House of Commons and held a Cabinet meeting which was attended by the Chiefs of Staff. In addition, the Prime Minister had discussions with Mr. Selwyn Lloyd, the Foreign Secretary, and Sir Walter Monckton, the Defence Minister; Mr. Selwyn Lloyd had meetings with the French Ambassador, M. Chauvel, and the U.S. Chargé d'Affaires, Mr. Foster; and a meeting was held between Sir Anthony Eden, Mr. Selwyn Lloyd, Lord Home (Commonwealth Relations Secretary), and all the Commonwealth High Commissioners in London.

Sir Anthony Eden's Statement to House of Commons.

In his statement to the House of Commons, Sir Anthony Eden announced that immediate consultations had been started with the U.S., French, and Commonwealth Governments, and promised that H.M. Government would act "with firmness and care" in the situation created by the Egyptian Government's unilateral and arbitrary action.

Sir Anthony Eden said: "This unilateral decision of the Egyptian Government to expropriate the Suez Canal Company without notice, and in breach of the concession agreements, affects the rights and interests of many nations. We are consulting other Governments immediately concerned with regard to the serious situation thus created. The consultations will cover both the effect of this arbitrary action on the operation of the Suez Canal and also the wider questions which arise"

Mr. Hugh Gaitskell (Leader of the Opposition) said that the Labour Party "deeply deplore this high-handed and totally unjustifiable step by the Egyptian Government." He asked the Prime Minister whether he would bear in mind the desirability of blocking the sterling balances of the Egyptian Government, in view of the seizure of the Suez Canal Company and the "vague statements" about future compensation. **Sir Anthony Eden** replied that this matter "has already been in our minds"

Mr. Clement Davies associated the Liberal Party with Mr Gaitskell's comment on "this deplorable action" He asked whether the Prime Minister had in mind "consultations with more than the other eight Governments which were parties to the 1888 Convention" [i e the Suez Canal Convention concluded in that year.]

Sir Anthony Eden replied "We have got in touch with the U S Government and the French Government, and are in touch with a number of Governments of the Commonwealth I would ask the House not to press me to say more than this at the moment. The situation must be handled with firmness and care I undertake to give the fullest information to the House at every stage."

Mr. Paget (Lab) compared Colonel Nasser's "technique" with that of Hitler, and asked the Prime Minister whether he was "aware of the consequences of not answering force with force until it is too late" **Mr. Alfred Robens** (Lab.), the Opposition's principal spokesman on foreign affairs, asked the Prime Minister to consider a ban on exports of British arms to Egypt. **Sir Anthony Eden** replied "That matter has also been in our minds"

British Financial Measures against Egypt.

In view of the action taken by the Egyptian Government, the British Treasury issued on July 28 two statutory instruments, both of which were signed by the Chancellor of the Exchequer (Mr. Macmillan).

(1) The first directive forbade the transfer of any cash, securities, or gold belonging to the Suez Canal Company in the United Kingdom without the Treasury's consent—an action which supported the Company's own appeal to banks not to transfer any of its funds to Egypt (see below).

About two-thirds of the tolls paid by shipping using the Suez Canal are paid to the Suez Canal Company through banks in London and Paris, and about one-third through banks in Egypt A large proportion of the canal dues are paid in sterling through British banks, in which connexion *The Times* pointed out that the total funds held in London at any particular time "must clearly run into several million pounds."

(2) The second, and more far-reaching, directive forbade transfers into or out of Egyptian sterling accounts in the United Kingdom without Treasury permission, this measure applying to private accounts as well as to Egyptian Government accounts held in London.

The Times commented as follows on the effects of the second directive . "Egypt, like many other countries, found it convenient to maintain funds in London in the form of sterling to finance a large proportion of her trade with third countries Since she was in what is known as the sterling transferable accounts area, she could use sterling for payment to almost any country outside the dollar area without restriction From now on this will not be possible . ."

Under Treasury instructions issued on July 31, authorized banks in the U.K. (i.e. banks authorized to deal in foreign exchange, merchant banks, and branches of foreign banks) were allowed to pay up to £100 in cash from Egyptian accounts to the holders of those accounts, without getting the permission of the Bank of England. This concession benefited Egyptian businessmen, tourists, diplomats, and students in the U.K., who—under the exchange control measures imposed on July 28—could only draw out small sums not exceeding £5. The effect of the new instructions was therefore to allow U.K. banks to deal with the large numbers of small transactions, mainly in the accounts of Egyptian subjects in Britain, while leaving larger transactions under the Bank of England's control.

Egypt's sterling fund consists of two main accounts : (1) the remains of the wartime sterling balances, now amounting to £110,000,000, which are subject to annual releases under the agreement of August 1955 (see 14420 B) ; and (2) sterling funds earned currently by Egypt, which could be drawn upon freely until July 28 but are now subject to Treasury control. The size of these current accounts is never disclosed by the Treasury

The sterling balances represent the amount credited in Britain to the Egyptian Government in payment for services rendered during the war, when British troops were in Egypt. They originally amounted to over £400,000,000, but releases under various post-war agreements have reduced them to £110,000,000. Under the agreement of August 1955, the U.K. agreed to release these balances in a number of annual instalments until all Egypt's blocked sterling was released by 1963. On Jan. 2, 1956, the U.K. released £20,000,000 (see 14614 A), no further releases being due until early in 1957.

British Ban on Export of War Material to Egypt.

In a further statement to the House of Commons on July 30, Sir Anthony Eden said : "No arrangement for the future of this great international waterway [the Suez Canal] could be acceptable to the British Government that would leave it in the unfettered control of a single Power which could, as recent events have shown, exploit it purely for purposes of national policy." After describing the financial measures taken against Egypt, he announced that all British exports of war material to Egypt had been stopped. Asked whether this included the two destroyers recently sold by Britain to Egypt (see 14342 A), the Prime Minister said that "we can leave it to the Royal Navy to take care of them wherever they are"

The two warships concerned—the *Al Quaher* (ex-H M S *Myngs*) and *Al Fatteh* (ex-H M S *Zenith*) were both reported to be in British ports at the time of the Suez Canal crisis The *Al Quaher* was stated to be at Portsmouth, almost ready to sail, whilst the *Al Fatteh* was said to be still undergoing trials from Messrs Thorneycroft's yards Both warships are of 1,700 tons displacement

The Prime Minister's statement had been preceded by a 2½-hour Cabinet meeting attended (in addition to Sir Anthony Eden) by Mr. Selwyn Lloyd, Mr. Butler, Mr. Macmillan, Lord Salisbury, Lord Home, Mr. Watkinson (Minister of Transport and Civil Aviation) and the Chiefs of Staff. Sir Walter Monckton was unable to attend owing to indisposition.

British and French Naval and Military Precautions.

The Admiralty announced on July 31 that certain naval movements had been ordered, but gave no details of what ships or areas were involved. On the same day instructions were given to British troopships returning from the Far East to avoid the Suez Canal and make the journey round the Cape. The troopship *Dunera*, outward bound for Hong Kong, was recalled to home waters from Malta on Aug. 1. The War Office announced on the same day that "precautionary military measures" had been taken, no details being issued.

Further precautionary measures were announced on Aug. 2, as follows . (i) three aircraft carriers at present at Portsmouth or Plymouth—H.M.S. *Bulwark* (22,000 tons), H.M.S. *Theseus* (13,190 tons), and H.M.S. *Ocean* (13,190 tons)—would sail for the Mediterranean within a few days ; (ii) a number of *Canberra* jet bomber squadrons would fly out to Malta from U.K. bases ; (iii) all R.A.F. Transport Command scheduled services had been cancelled so that the aircraft could be available for the flying out of ground personnel and spare parts and for other emergency use ; (iv) the Life Guards and the 1st Bn. Grenadier Guards, both stationed at Windsor, received orders to be ready to move (the destination was not disclosed) ; (v) the 1st Bn. Somerset Light Infantry (which had recently returned from Malaya) and No. 42 Commando, Royal Marines, both in the Plymouth area, were also reported to be under orders to move to an undisclosed destination.

In addition, the Queen approved a Royal Proclamation on Aug. 2 recalling a limited number of Army reservists. The Prime Minister, in a statement to the House of Commons, explained that only a very small number of specialists and technicians would be required in Class A and B of the Army Reserve and Category 1 and 2 of the Army Emergency Reserve.

It was understood that the greater number would be required from Section A of the Regular Reserve and from Category 1 of the Army Emergency Reserve. The total numbers of men who would be liable for recall in the event of a complete mobilization of these categories of the Army Reserve are · Section A, Regular Reserve, 24,000 , Section B, Regular Reserve, 100,000 , Category 1, Army Emergency Reserve, 3,000 , Category 2, Army Emergency Reserve, 150,000 The strength of the Army Reserve of officers is about 12,000.

It was announced in Paris on the same day (Aug. 2) that the French Mediterranean Fleet was assembling at Toulon and had received orders to prepare to sail.

The French Mediterranean Fleet comprises the 35,000-ton battleship *Jean Bart*, the aircraft carriers *Arromanches* (14,000 tons) and *Bois-Belleau* (11,000 tons), the 7,600-ton cruiser *Georges Leygues*, the light cruisers *Guichen* and *Chateaurenault* (each of 3,700 tons), four heavy destroyers of 2,700 tons, 15 light destroyers, seven frigates, six submarines, and a number of smaller craft. A third aircraft carrier, the *Dixmude*, was reported to be in dry-dock It was stated that close co-operation would be maintained with the British Royal Navy.

The British Embassy in Cairo advised all British nationals living in Egypt to consider leaving the country in their own interests unless there were "compelling reasons" for staying. Similar advice was given to British nationals due to return to Egypt from abroad. About 20,000 British subjects are registered as living in Egypt, of whom the great majority are Maltese and Cypriots and about 5,000 are from the United Kingdom.

The French Embassy gave similar advice to French nationals living in Egypt, particularly women and children. No statement was issued by the U.S. Embassy with regard to American nationals in Egypt.

French Denunciation of Egyptian Action. - Financial Measures against Egypt.

The Egyptian Government's seizure of the Suez Canal Company was strongly denounced by M. Mollet (the French Prime Minister) and M. Pineau (Foreign Minister), and by French newspapers of all shades of opinion with the exception of the Communist organs After a ministerial meeting on July 27, M. Pineau declared that France would " not accept the unilateral action of Colonel Nasser " in nationalizing the Suez Canal Company, and would act in full agreement with Great Britain and the United States. An official communiqué described the Egyptian nationalization law as a violation of the Suez Canal Company's concession, and declared that the French Government would take " all measures to ensure the protection of French subjects and interests " in Egypt.

M. Pineau's statement was issued after a stormy meeting with the Egyptian Ambassador, who refused to receive an *aide-memoire* setting out the French case against the Egyptian Government's action. M Pineau said after the meeting that he had informed the Ambassador verbally about France's attitude on the Suez Canal question; that he had taken the opportunity to let the Ambassador know that Colonel Nasser had broken his word on the Algerian question [Colonel Nasser had recently promised M. Pineau that Egypt would not interfere in Algerian matters and that Algerian rebels would not receive training in Egypt], and that he had also told the Ambassador that the " act of plunder " which Colonel Nasser had now committed was still more serious.

The Egyptian Ambassador (M Kamal Abdel Nabi) issued a statement saying that M. Pineau's protest was " inadmissible and unacceptable " He (the Ambassador) had " protested with vehemence " against M Pineau's attitude, and had expressed the opinion that the Egyptian Government would " reconsider its position with regard to the relations between the two Governments "

In a press statement on July 30, M. Mollet described Colonel Nasser as an " apprentice dictator " whose methods were similar to those used by Hitler—" the policy of blackmail alternating with flagrant violations of international agreements." Quoting from Colonel Nasser's pamphlet *The Philosophy of Revolution*—which, M. Mollet said, should have been entitled *Mein Kampf*—the French Prime Minister said that it was apparent that Nasser saw himself in the role of a " hero " and creator of an Arab empire stretching from the Persian Gulf to the Atlantic. M. Mollet declared that France had decided upon " an energetic and severe counter-stroke " to the Egyptian dictator, which would take the form of " concerted action by the Western allies who are pledged to uphold law and justice." He stressed that the Western Powers were not protesting against an ordinary act of nationalization but against the Egyptian Government's unilateral action in breaking an international agreement.

Financial measures against Egypt, identical to those imposed by Britain, were announced by the French Government on June 29.

American Reactions to Suez Crisis. - " Freezing " of Assets of Egyptian Government and Suez Canal Company.

The following statement on the Suez crisis was issued by the U.S. State Department on July 27: " The announcement by the Egyptian Government with respect to the seizure of the installations of the Suez Canal Company carries far-reaching implications. It affects the nations whose economies depend upon the products which move through this international waterway, as well as the owners of the company itself. The United States is consulting urgently with other Governments concerned."

The Suez Canal question was discussed by President Eisenhower and his Cabinet on the same day, whilst the President also had a meeting with Mr. Hoover, acting Secretary of State in the absence of Mr. Dulles, who was visiting Peru at the time. The State Department spokesman, Mr. Lincoln White, said that consultations were in progress with London and Paris, and would be broadened later to include other countries affected by the passage of goods through the canal.

At a press conference on Aug. 1, President Eisenhower said that " we are manifestly faced with a grave issue, important to every country that has a sea coast." He emphasized that freedom of navigation on the Suez Canal was not only important to the European countries but was also " vital " to America's own economy and her future welfare. Mr. Dulles said on his return to Washington (July 29) that the Egyptian Government's action had " struck a grievous blow at international confidence."

The U.S. Treasury issued an Order on July 31 temporarily " freezing " all assets of the Egyptian Government and the Suez Canal Company in the United States " pending determination of their ownership and the existing situation." The decision did not affect private Egyptian funds in the United States. The Order was issued under the Foreign Assets Control Statute, and was effected through the Federal Reserve Banks.

Three-Power Discussions in London. - Convening of International Conference in London. - Proposal for International Control of Suez Canal.

Three-Power discussions on the Suez crisis were opened in London on July 29 between Mr. Selwyn Lloyd, M. Pineau, and Mr. Robert Murphy, the U.S. Deputy Under-Secretary of State. Senior officials of the British and French Foreign Offices and the U.S. State Department were also present. The discussions were continued on July 30, when Sir Anthony Eden had separate meetings with M. Pineau and Mr. Murphy. On the personal instructions of President Eisenhower, Mr. Dulles flew to London on July 31 to take part in the tripartite discussions on the Suez Canal question.

The tripartite talks ended on Aug. 2, when it was announced that an international conference of 24 countries, to open in London on Aug. 16, would be convened by the British Government to consider the establishment of an international body or agency for the Suez Canal to ensure that freedom and security of transit were preserved to the shipping of all countries, with due regard to the interests of Egypt. The three-Power communiqué was worded as follows .

" The Governments of France, the United Kingdom, and the United States join in the following statement

(1) They have taken note of the recent action of the Government of Egypt whereby it attempts to nationalize and take over the assets and the responsibilities of the Universal Suez Canal Company. This company was organized in Egypt in 1856 under a franchise to build the Suez Canal and operate it until 1968. The Universal Suez Canal Company has always had an international character in terms of its shareholders, directors and operating personnel, and in terms of its responsibility to assure the efficient functioning as an international waterway of the Suez Canal.

In 1888 all the great Powers then principally concerned with the international character of the canal and its free, open, and secure use without discrimination joined in the Treaty and Convention of Constantinople This provided for the benefit of all the world that the international character of the canal would be perpetuated for all time, irrespective of the expiration of the concession of the Universal Suez Canal Company.

Egypt as recently as October, 1954, recognized that the Suez Canal is a waterway economically, commercially, and strategically of international importance, and renewed its determination to uphold the Convention of 1888.

(2) They do not question the right of Egypt to enjoy and exercise all the powers of a fully sovereign and independent nation, including the generally recognized right, under appropriate conditions, to nationalize assets, not impressed with an international interest, which are subject to its political authority.

But the present action involves far more than a simple act of nationalization. It involves the arbitrary and unilateral seizure by one nation of an international agency which has the responsibility to maintain and to operate the Suez Canal so that all the signatories to, and beneficiaries of, the Treaty of 1888 can effectively enjoy the use of an international waterway upon which the economy, commerce, and security of much of the world depends.

This situation is the more serious in its implications because it avowedly was made for the purpose of enabling the Government of Egypt to make the canal serve the purely national purposes of the Egyptian Government rather than the international purpose established by the Convention of 1888

Furthermore, they deplore the fact that, as an incident to its seizure, the Egyptian Government has had recourse to what amounts to a denial of fundamental human rights by compelling employees of the Suez Canal Company to continue to work under threat of imprisonment.

(3) They consider that the action taken by the Government of Egypt, having regard to all the attendant circumstances, threatens the freedom and security of the canal as guaranteed by the Convention of 1888 This makes it necessary that steps be taken to assure that the parties to that Convention and all other nations entitled to enjoy its benefits shall in fact be assured of such benefits.

(4) They consider that steps should be taken to establish operating arrangements under an international system designed to assure the continuity of operation of the canal, as guaranteed by the Convention of Oct. 29, 1888, consistently with legitimate Egyptian interests.

(5) To this end they propose that a conference should promptly be held of parties to the Convention and other nations largely concerned with the use of the canal. The invitations to such a conference, to be held in London on Aug. 16, 1956, will be extended by the Government of the United Kingdom to the Governments named in the annex to this statement. The Governments of France and the United States are ready to take part in the conference

Parties to the Convention of 1888.—Egypt, France, Italy, Netherlands, Spain, Turkey, the United Kingdom, the U.S.S.R. [The signatories of the 1888 Convention were Great Britain, France, Germany, Austria-Hungary, Spain, Italy, the Netherlands, Russia, and Turkey]

Other nations largely concerned in the use of the canal, either through ownership of tonnage or pattern of trade.—Australia, Ceylon, Denmark, Ethiopia, the German Federal Republic, Greece, India, Indonesia, Japan, New Zealand, Norway, Pakistan, Persia, Portugal, Sweden, the United States."

Reactions in Other Countries.

While the Egyptian Government's action was warmly supported in all the Arab countries, and also in the Soviet Union and Spain, deep concern was expressed by countries of the British Commonwealth, as well as by Italy.

Australia. The Minister of External Affairs (Mr Casey) said on July 30 that the Egyptian Government's "abrupt and high-handed" action raised "most serious apprehensions about its attitude to the economic, commercial, and strategic interests of other countries". By taking over the Suez Canal Company, Egypt had arbitrarily and unilaterally assumed the power to allow or deny the use of the Canal to other countries, and to impose whatever charges she thought fit upon a large proportion of the world's commerce. This step, which amounted to a punitive action against other nations possessing legitimate rights, was "of profound concern to all countries whose policies are based on respect for essential principles in international relations." A free and unfettered flow of cargoes and ships through the Canal was vital to the Australian economy, and the Australian Government was in urgent communication with other nations affected.

Canada. Mr Lester Pearson (Secretary for External Affairs) made a statement on July 28 condemning the Egyptian Government's action in violating an international convention governing the use of such an important waterway as the Suez Canal. This convention, he pointed out, safeguarded the use of the Canal in peace and war, and in that sense Egypt had already violated it by banning Israeli shipping from using the Canal. Canada, as an important trading nation, had a real interest in the efficient and non-discriminatory operation of the waterway, and was conferring with the U.S. and other Western Governments to determine what collective action, if any, should be taken.

New Zealand. Mr. Holyoake, the Acting Prime Minister, said on July 31 that the New Zealand Government viewed the implications of Egypt's action with "grave concern" and was keeping in close touch with London on the matter.

India. No official statement was issued in New Delhi, but Mr Nehru told the Indian Parliament on July 31 that his recent discussions with Colonel Nasser at Brioni and Cairo (see 15008 A) "did not relate to the Suez Canal or any aspect of Anglo-Egyptian relations." Mr. Nehru said that he had learned of the Egyptian decision to nationalize the Canal only through press reports after he had returned to Delhi.

Italy. The Italian Cabinet issued a statement on July 31 saying that it was "following with great attention" the situation created by the Egyptian Government's action. After pointing out that "the juridical aspects of the situation involve also the freedom—guaranteed by international agreement—of a transit route between the Mediterranean and the Red Sea, which is vital for Italy," the statement said that the Italian Government "cannot avoid expressing its preoccupation about the eventual damage which could be caused to the Italian economy, to Italian shipping companies, and to Italian private citizens should there be any alterations in the conditions under which traffic through the Canal has been maintained hitherto."

The importance to Italy of freedom of navigation on the Canal was stressed by many Italian newspapers, particularly as a major part of Italy's seaborne trade, including 90 per cent of her oil imports, passes through the Canal.

Soviet Union. In a speech in Moscow on July 31, M. Khrushchev said that he saw "no cause for alarm" in the Egyptian Government's action, which had been received with "too much excitement" in Britain and France. "The nationalization of the Suez Canal," he declared, "is an action which the Egyptian Government, as a sovereign government, is entitled to take. We consider that the policy of exerting pressure on Egypt is mistaken. Rashness and haste in this matter can bring only undesirable consequences to the cause of peace, and can only damage the interests of the Western Powers themselves in that area.

"The nationalization of the Suez Canal does not affect the interests of the peoples of Britain, France, the U.S.A., and other countries. It is only the former Suez Canal Company, which received high profits from the exploitation of the canal, that is now being deprived of the possibility of enriching itself at Egypt's expense.

"The Soviet Union, being directly interested in the maintenance of freedom of shipping through the Suez Canal, and taking note of the statement of the Egyptian Government to the effect that the Suez Canal will remain free for all, considers that there are no grounds for alarm and concern over this matter. We are confident that the situation in the Suez Canal area will not become aggravated if it is not artificially aggravated from outside."

"After declaring that the U.S.S.R. supported all countries who were "freeing themselves from colonial enslavement," M. Khrushchev condemned demands by "unreasonable voices" in the West for the use of force against Egypt, and expressed his confidence that the "commonsense, experience, and political sobriety" of British and French statesmen would help them to understand "this historic act."

The Egyptian Government's action in nationalizing the Suez Canal was praised by *Izvestia*, *Pravda*, and other Soviet newspapers. *Pravda* expressed "warm sympathy" for Egypt's "struggle for independence," and said that the U.S.S.R. was ready to give "favourable consideration to any practical request made by Egypt for aid in carrying out industrialization and in developing the country's agriculture." *Izvestia* attacked what it described as the "threats of war" made by certain Israeli leaders, "aided and abetted by external imperialist quarters," against Israel's "peace-loving neighbours".

[In connexion with Soviet offers of economic aid to Egypt, as stressed in the Soviet newspapers, it was commented in the West that no mention was made of the Aswan Dam scheme. It was also commented that the *Izvestia* attack on Israel was apparently designed to placate Arab opinion, which had been strongly critical of the recent sale of Soviet oil to Israel—see 15010 A.]

Spain. The newspaper *Arriba*, official organ of the Falangist Party, expressed strong support for Egypt in the Suez crisis, and at the same time attacked Britain. Other leading Spanish newspapers welcomed Egypt's action in nationalizing the Suez Canal.

Arab States. Enthusiastic support for Egypt and for President Nasser was expressed in all the Arab countries. The Prime Minister of the Sudan, Mr Khalil, described the nationalization of the Suez Canal Company as a "daring and important step of great benefit to Egypt", the Prime Minister of the Lebanon said that his country was "heart and soul with Egypt"; the Syrian Prime Minister said that the Syrian Army had taken "all preparatory measures" to stand by Egypt's side if any trouble should arise, and the Jordanian Foreign Minister declared that Egypt was fully entitled to nationalize commercial firms operating in her territory. The Egyptian action was also warmly welcomed in the Iraqi Press.

Israel. The Israeli newspapers (except the Communist organs) draw a parallel between Nasser and Hitler, and expressed the opinion that President Nasser would not have seized the Suez Canal had the Western Powers shown a stronger attitude in face of Egypt's actions in recent years, in particular, if they had allowed Israel to obtain arms to counterbalance the Egyptian arms supplies from the Communists, and if they had resisted Egypt's illegal blockade of Israeli ships and cargoes.

Egyptian Reactions to British Financial Measures.

The first Egyptian reaction to the British exchange control measures was an Order (July 29) banning Egyptian exports to the sterling area unless they were paid for in "acceptable foreign currency" of countries trading with Egypt. This measure, however, was cancelled within a few hours, and on July 30 the Minister of Finance (Dr. Kaissouni) said that Egyptian exports to Britain would continue unchanged and that Egypt did not intend to "take vengeance" for the financial restrictions imposed by the British Government. Dr. Kaissouni—whose statement was issued after a long discussion with President Nasser—described the British financial measures as a "violation of international law," but expressed confidence that the independent monetary policy followed by Egypt in recent years would enable her economy to withstand the "arbitrary measures" taken by the British Government. He said that Egypt wished to put no obstacles in the way of free navigation of the Suez Canal, and would accept "everything as before," including cheques in sterling and francs in payment of canal charges.

Colonel Mahmoud Younis, the managing director of the Egyptian Suez Canal Authority (the new body created under the nationalization law), stated on July 29 that shipping companies using the Canal had been informed that the canal dues could be paid in Cairo, London, or Paris, but that cheques should be made out in favour of the Suez Canal Authority. Any ships whose dues had been paid in advance in London or Paris in favour of the "former company" before nationalization would be allowed to proceed through the canal. Similarly, all ships who after the nationalization date could show that they had paid dues in London or Paris in favour of the Suez Canal Authority would be allowed to proceed, in spite of the British Government's action in blocking sterling.

Statements by Suez Canal Company.

The Suez Canal Company issued a statement on July 27 which, after speaking of the "high-handed action" of the Egyptian Government, reminded British and foreign banks that "its cash balances and other assets, in whatever form and wherever they are, are its sole property that is to say, the property of the shareholders." It therefore called upon British and foreign banks to "disregard instructions which might be given them by the Egyptian Government or by the body created under the decree of nationalization," and to "act only on instructions emanating from the Company." After a four-hour emergency meeting of the Company's board of directors in Paris, a further statement was issued on July 28 rejecting the validity of the Egyptian Government's action, and announcing that any shipping lines which paid their transit dues into banks in Egypt would not be regarded as having discharged their debts to the Company.

A third statement was issued by the Suez Canal Company on July 30 with regard to the position of its employees in Egypt, and repudiating the Egyptian allegation that the Company had neglected the maintenance of the Suez Canal.

(1) The statement said that the Company's employees in Egypt were working under conditions of martial law, were cut off from the Company's authority, and were subjected to compulsory work under penalties of imprisonment, a situation which constituted "a violation of the rights of the individual." It was pointed out that the Company's employees in this position included 350 French subjects, 135 British subjects, some 900 Europeans of other nationalities, and two American citizens.

(2) "It is not true," the statement declared, 'that the Company has ever neglected the maintenance and improvement of the Suez Canal It has just completed the first instalment of an eighth programme of major improvement works costing £18,000,000 [see 13889 D]. On the contrary, it is the arbitrary action perpetrated against the Company which places in jeopardy the continuation of this programme now in course of being carried out"

Statements by International Chamber of Shipping and General Council of British Shipping.

Shipowners' representatives from nine nations in membership of the International Council of Shipping met in London on Aug. 1 under the chairmanship fo Sir Colin Anderson, chairman of the Council and a director of Anderson, Green & Co. (managers of the Orient Line, a regular user of the Suez Canal). A resolution was adopted declaring that the Canal must be an independent waterway operating under a constitution which would prevent it becoming "the tool of national policies." It was stressed that the expropriation of a vital international waterway could not be regarded as the domestic affair of any one country, the Egyptian seizure of the Suez Canal being described as "a severe blow to world confidence in its international character and operations."

The meeting was attended by representatives of Australia, Belgium, Canada, France, Great Britain, the Netherlands, New Zealand, Norway, and the United States The other countries in membership of the International Council of Shipping are Denmark, Finland, the German Federal Republic, Greece, India, Italy, and Sweden, some of them had observers at the meeting, but they did not vote.

The General Council of British Shipping issued on July 31 the following advice for the guidance of its members whose vessels were likely to transit the Suez Canal.

'(1) Payment of transit dues should continue to be made by owners to the Suez Canal Company according to their established practice Owners who may experience difficulty in securing the passage of their vessels through the Canal because of non-payment of dues to the new Egyptian Authority are advised to communicate with the secretariat of the General Council in order that such further advice as is possible may be given to them.

(2) In view of the uncertainty of the position in the Suez Canal area, owners should ensure that their ships are adequately provided with bunkers, stores, fresh water, etc, to enable them to reach a convenient bunkering or storage port in the event of these facilities not being available in the Suez Canal area, or the ship not being able to transit the canal

(3) While available information shows that, up to date, vessels have been transiting the Canal in the normal way, it must be left to individual owners . to decide whether or not in the present uncertain circumstances to route their vessels *via* the Cape"

The Suez Canal Company and Suez Canal Traffic.

The Suez Canal Company has its head offices in Paris, but is registered in Egypt as an Egyptian joint-stock company. It was formed in 1869 and was granted a 99-year concession (expiring on Nov. 17, 1968), after which control would have reverted to the Egyptian Government. The Company has a majority of foreign shareholders—of which the largest is the British Government, with 353,504 shares out of 800,000 (43 per cent)—and an international board of directors, of whom 16 are French, nine British (including three representatives of the British Government), five Egyptian, one American, and one Dutch. Traffic revenues of the Company in 1955 amounted to £E32,176,600, compared with £E30,338,000 in the previous year.

Oil Shipments through the Canal. Well over half the crude oil and petroleum products consumed by Western Europe is imported *via* the Suez Canal, the United Kingdom proportion being as high as 75 per cent About 15 per cent of U.S. oil supplies also come through the Canal Of the total of 116,000,000 tons of shipping passing through the Canal in 1955 (an increase of 12 9 per cent over 1954), oil tankers accounted for nearly 76,000,000 tons, whilst the volume of crude oil and petroleum products passing through the Canal in that year accounted for about two-thirds of all merchandise carried Canal dues are payable on the size and type of vessel and its cargo—e g a medium-sized oil tanker might pay £5,000 to £8,000 for one trip.

British Oil Imports. The value (c.i.f) of Britain's imports of petroleum and petroleum products (crude and refined) in 1955 was nearly £336,000,000 Imports worth £149,000,000 (44 per cent of the total) came from Kuwait, Bahrain, Qatar, and the Trucial States of the Persian Gulf, some three-quarters of the total from the Gulf being carried through the Suez Canal Oil from Kuwait alone accounted for £125,000,000. About 2 per cent of total British imports of petroleum came from Sarawak, Indonesia, and India in 1955—most of it probably through the Canal. A further 10 per cent—worth nearly £34,000,000—of British imports of petroleum was supplied by Iraq and Saudi Arabia, but the major part of this was carried by pipeline to Mediterranean ports and shipped from there.

Comparative Sea Routes via Suez and the Cape. The sea route from the Persian Gulf to the United Kingdom *via* Suez is about 6,500 miles, against 11,300 miles round the Cape of Good Hope—i e, the distance from the Middle East oilfields to the U K. is greater by two-thirds *via* the Cape than *via* the Canal. The round trip for a laden tanker from the Persian Gulf and for the same tanker returning in ballast takes on the average six to seven weeks by the Canal route, against nine to ten weeks if using the Cape route

It was pointed out in the British press, however, that the greatly increased size of oil tankers in recent years had already raised doubts about the future use of the Suez Canal for oil shipments. *The Times* commented in this connexion:

"Some of the largest tankers now in use, of 45,000 tons deadweight, while able to use the Canal, cannot pass through it fully loaded. Tankers now under construction or projected, of 60,000 and even 80,000 tons, would be under the same disadvantage. In spite of the greater distance of the ocean route, the saving of canal dues and other benefits already make it cheaper to send some of the largest tankers from the Persian Gulf to the east coast of America *via* the Cape of Good Hope than by Suez"

The Suez Canal, built under the direction of the French engineer, Ferdinand de Lesseps, was opened on Nov. 17, 1869, its construction having taken ten years. It is 103 miles in length, running across the desert from Port Said to Suez. In 1873 the then British Prime Minister, Mr. Disraeli, bought 176,602 of the Canal shares for Britain from the Khedive Ismail, at a cost of £3,976,582. Under the Convention of 1888 all nations were guaranteed freedom of navigation on the Suez Canal without discrimination. This right was specifically recognized by the Egyptian Government in the Anglo-Egyptian agreement of 1954, under which Britain agreed to relinquish the Suez base. The only violation of the convention to date has been the Egyptian ban on vessels carrying cargoes to Israel—a measure in which Egypt has claimed belligerent rights in view of the fact that no formal peace treaty between Egypt and Israel has yet been concluded.—(Times - Daily Telegraph - Manchester Guardian - Financial Times - Treasury Press Office - Le Monde, Paris - Le Figaro, Paris - New York Times - Australian News and Information Bureau - Directorate of Information Services, Wellington) **(Prev. rep. Aswan Dam, 14991 A; Suez Canal Company, 13889 D.)**

A. UNITED KINGDOM - GERMANY. — Final Distribution of German Enemy Property. - Debt Settlement Offers by West Berlin City Government and Prussian Electric Company.

The President of the Board of Trade (Mr. Thorneycroft) announced on June 27 that the Administrator of German Enemy Property would begin immediate payment of a third and final dividend of 10½d. in the £, making a total dividend of 2s. 10½d. Altogether some £16,000,000 would have been distributed among 28,000 British claimants.

Mr. Thorneycroft pointed out that further assets accruing over the next few years would be insufficient to allow any further distribution to creditors. It was therefore proposed to allocate up to £250,000 of such accruals to an appropriate charity for the purpose of relieving suffering caused by Nazi persecution, whilst any surplus would go to the Exchequer

The West Berlin City Government announced on June 29 the terms of a debt settlement offer to holders of Berlin 6 per cent. Sterling Bonds, 1927.

The offer provided that future interest would be paid at 4½ per cent; that amortization would start in 1958 at 1 per cent and be increased to 2 per cent from 1963; and that the final maturity date would be July 1, 1977. Two-thirds of the arrears of interest in the period 1945-56, and one-third of the other arrears, would be cancelled and the remainder funded into 4½ per cent Sterling Bonds. The nominal amount of the loan outstanding was £2,257,300

Similar settlements were offered for the Berlin dollar loans of 1925 and 1928.

On July 16 the Prussian Electric Company, of Hanover, offered to pay holders of its 6 per cent 25-year Sterling Bonds of 1928 £179 12s. 2d. per £100 bond and £898 0s. 10d. per £500 bond. Interest would cease to accrue on July 31, 1956. (Board of Trade Journal - Financial Times)

(Prev. rep. German Debts Agreement, 12920 A.)

B. ITALY. — New C.-in-C. of Italian Navy.

It was announced in Rome on July 12 that Admiral Giuseppe Marini-Assuma had been appointed Commander-in-Chief of the Italian Navy in succession to Admiral de Pace.
(Giornale d'Italia, Rome) **(Prev. rep. 14350 D.)**

A. PAKISTAN. — Political Developments in West and East Pakistan. - Food Crisis in East Pakistan.

Serious political crises developed in both West and East Pakistan during the first half of 1956. In West Pakistan, following the election of the Interim Legislative Assembly in January, the Moslem League Assembly Party decided on April 3 to withdraw its support from Dr. Khan Sahib, the Chief Minister. Dr. Khan Sahib, however, succeeded in forming a new Cabinet to replace the Moslem League Ministers who had resigned, and formed his own party, the Republican Party, which received the support of a large number of former Moslem League members, thus ensuring it a majority in the Assembly.

In East Pakistan, where Mr. Sarkar's Government had been widely criticized for its handling of the food situation, a constitutional deadlock arose out of the Speaker's refusal to allow the presentation of the Budget estimates. President Mirza accordingly suspended the Constitution on May 26, and authorized Government expenditure for three months before revoking his proclamation on June 1.

Developments in West Pakistan.

In accordance with the Establishment of West Pakistan Act (see 14521 A), and the subsequent amending legislation (see 14584 D), the Interim West Pakistan Legislative Assembly was chosen on Jan. 19 by a system of indirect election. Under this system the former members of the Legislative Assemblies of the Punjab, Sind, the N.W. Frontier Province, and Bahawalpur and Khairpur States, the *jirgas* (councils of elders) in Baluchistan, the Baluchistan States Union, the Tribal Areas, and the Frontier States, and municipal bodies in Karachi and Quetta functioned as electoral colleges. On the proposal of Dr Khan Sahib, the elections were held on a non-party basis, the candidates being chosen on the basis of their personal qualifications. Dr. Khan Sahib was returned unopposed in Peshawar, and five members of his Cabinet were also elected—Sardar Abdul Hamid Dasti, Mr. M. A. Khuhro, Sardar Bahadur Khan, Mian Mumtaz Daultana, and Khan Qurban Ali Khan. The remaining member of the Cabinet, Syed Abid Hussain, was defeated.

The Moslem League Assembly Party (which claimed to include 245 of the Assembly's 306 members) decided on April 3 to withdraw its support from Dr. Khan Sahib, on the ground that the Chief Minister should be a member of the League, and elected Sardar Bahadur Khan as the party's leader. Two members of the Cabinet, Khan Qurban Ali Khan and Syed Abid Hussain, had already resigned on March 13, and following the Moslem League's decision Mian Mumtaz Daultana, Mr Khuhro, and Sardar Bahadur also resigned at Dr. Khan Sahib's request.

Formation of New Khan Sahib Ministry. Dr. Khan Sahib formed a new Cabinet on April 6, in which he held the posts of Chief Minister and Minister for the Public Services, General Administration, and Tribal Affairs. The other members were the Khan of Mamdot (Khan Iftikhar Ahmed) (Revenue), Kazi Fazlullah (Development, Industries, Commerce, and Labour), Sardar Abdul Hamid Dasti (Finance and Education), Arbab Nur Mohammed Khan (Health), Syed Hassan Mahmud (Social Welfare, Local Government, and Information), and Syed Jamil Hussain Rizvi (Refugee Rehabilitation and Law). Another Minister, the Khan of Kalabagh, was subsequently appointed. The Khan of Mamdot was a former Chief Minister of the Punjab, and Kazi Fazlullah was Chief Minister of Sind and a prominent opponent of the faction led by Mr. Khuhro inside the Sind Moslem League.

The Working Committee of the Moslem League expelled the seven League members of Dr. Khan Sahib's Cabinet on April 23 for breach of party discipline, but offered to readmit any of them who resigned from the Cabinet within a week. Only one member, however—Arbab Nur Mohammed Khan, who resigned on April 27—obeyed the Committee's instructions

Formation of Republican Party. Dr. Khan Sahib announced on April 23 that he had formed a new party, under the name of the Republican Party, which would operate as a separate group inside the National Assembly, though continuing to support Mr. Mohammad Ali's Government. During the next few days the new party was joined by all the members of Dr. Khan Sahib's Cabinet except Arbab Nur Mohammed Khan; by Malik Firoz Khan Noon (a former Chief Minister of Punjab) and Sardar Abdur Rashid (a former Chief Minister of the Frontier Province), and by a majority of the Moslem League members of the National Assembly and many members of the West Pakistan Assembly

A Republican Party spokesman stated on July 15 that membership would be open to all communities, and that its programme would include maintenance of the constitutional rights of minorities, restriction of the maximum area of land owned by one person to between 250 and 300 acres, self-determination for the people of Kashmir, and support for the Central Government's foreign policy. Dr. Khan Sahib had previously stated that, in view of the party's declared support for the Central Government, the formation of an alliance with the Awami League (the principal Opposition party) was out of the question.

Expansion of Khan Sahib Ministry. The following new appointments to Dr. Khan Sahib's Cabinet were announced during May and June: Sardar Abdur Rashid (May 5), Chaudri Abdul Ghani Ghuman and Mr. Mohammed Sadiq (May 12); Pirzada Abdus Sattar, the former Chief Minister of Sind, who was dismissed in 1954 for opposing the unification of West Pakistan (May 21); and Mr. Khizalbash, a former Chief Minister of Khairpur, and Mr. Khudadad Khan (June 8).

Developments in Legislative Assembly. When the Legislative Assembly elected its Speaker on May 20, the Republican candidate, Mr. Fazal Ilahi, and the Moslem League candidate, Mir Ghulam Ali Talpur, each received 148 votes, whereupon the temporary chairman (Mr M. H. Khizalbash) gave his casting vote in favour of Mr. Ilahi. This victory for the Republicans was followed by further defections from the Moslem League, and on May 31 the Budget submitted by Dr. Khan Sahib's Ministry was approved by a clear majority. The position of the Moslem League in the Legislative Assembly was further weakened by an electoral tribunal's decision on July 17 invalidating the election of Sardar Bahadur Khan, as well as five other members from the tribal constituencies, on the ground of procedural irregularities.

Arrest of Khan Abdul Ghaffar Khan. Khan Abdul Ghaffar Khan—leader of the Redshirt movement in the former Frontier Province, and a brother of Dr Khan Sahib—was arrested near Peshawar on June 16 by order of the Provincial Government. He was charged with advocating a curtailment of the sovereignty of Pakistan in respect of territories lying within its borders, with intending to influence the public in a manner prejudicial to Pakistan's safety and territorial integrity, and to bring the Government into hatred and contempt, and with inciting disaffection and feelings of enmity between various classes of people. The charges referred to the fact that Khan Abdul Ghaffar Khan, who had been released in 1954 after five years' imprisonment (see 13354 B), had opposed the unification of West Pakistan and advocated the formation of a Pathan province (see 14521 A).

The Redshirt movement was declared illegal on July 10 Another of its leaders, Shad Mohammad Khan, was arrested on July 16 and detained under the Public Safety Act

Developments in East Pakistan.

Temporary Suspension of Constitution. During the autumn of 1955 dissatisfaction with the policy of Mr Sarkar's United Front Government, and in particular with its handling of the food situation, gave rise to widespread unrest in East Pakistan, which spread to the public services. The Chief Secretary, Mr. N. M Khan, resigned on Oct. 26 as a protest against "political interference" by the Government, and a section of the Dacca police went on strike from Nov. 21-25 During the strike 119 people, in addition to members of the police, were arrested as a precautionary measure, among them Mr. Mahmud Ali, general secretary of the left-wing *Ganatantri Dal* (Democratic Party) and a member of the Constitutent Assembly, Sardar Fazlul Karim, an Independent member of the Constituent Assembly; and two members of the Provincial Legislature belonging to the United Progressive Party.

The first meeting of the Legislative Assembly since the formation of Mr. Sarkar's Ministry in June 1955 was convened for May 22, 1956, to approve the Budget by the statutory date of May 31.

Immediately before the meeting the Government announced on May 21 that all political prisoners, including five members of the Provincial Assembly and one of the National Assembly, would be released; that compensation would be paid to the families of those shot by the police during the linguistic riots of 1952; and that processions and demonstrations in the neighbourhood of the Assembly building would be forbidden. In preparation for the Assembly's meeting, discussions took place on May 20 between Mr. Suhrawardy (leader of the Awami League, the largest Opposition party) and leaders of the Congress Party and the *Ganatantri Dal*, with a view to forming a united Opposition. Two Congress members of Mr. Sarkar's Ministry, Mr B. K. Das and Mr S. C Nazumdar, had previously resigned on March 12 in protest against the Islamic provisions in the new Constitution of Pakistan.

When the Assembly met on May 22, the Speaker, Mr. Abdul Hakim, refused to allow Mr. Sarkar (who had taken over the Finance portfolio from Mr. Das) to present the Budget estimates, after a heated debate lasting seven hours. In support of his ruling, Mr. Hakim said that although the Government could have summoned the Assembly much earlier, it had allotted only five days for general discussion of the Budget and for voting on the demands for grants, which in his considered opinion amounted to an infringement of rules by the Government. He therefore adjourned the Assembly *sine die*

President Mirza issued a proclamation on May 26 announcing (*a*) that he had received a report from the Governor of East Pakistan (Mr. Fazlul Huq) stating that a situation had arisen in which the government of the Province could not be carried on in accordance with the provisions of the Constitution; (*b*) that he (the President) had accordingly suspended the Constitution in East Pakistan [under Article 193 of the new Pakistan Constitution—see page 14771] and had assumed all the functions and powers of the Provincial Government. After authorizing expenditure from the revenues of East Pakistan for a period of three months on May 29, however, he revoked his proclamation on June 1 and reinstated Mr. Sarkar's Government in office.

Co-operation of Opposition Parties. - United Front Defections. Following the adjournment of the Assembly, the Awami League, the Congress Party, the United Progressive Party, and the *Ganatantri Dal* agreed on May 25 to co-operate on the basis of a common programme; nine United Front members of the Assembly who had gone into opposition also promised their support. Two members of the Government, Mr. Abdus Salam Khan and Mr. Hashim-uddin Ahmed, resigned on July 13, while 29 members of the United Front (including four former Ministers, three Political Secretaries, three members of the National Assembly, and the Chief Whip) announced on the same day their decision to withdraw their support from the Government and to give up their offices.

In a statement giving the reasons for their decision, the dissident members criticized Mr. Sarkar for his failure to reduce the size of his Ministry, to take the party into his confidence on major decisions, to summon the Assembly regularly, and to hold by-elections; they also alleged that "bickerings" between Mr. Fazlul Huq, Mr. Sarkar, and some of his colleagues had gravely impaired the administration of the Province. In reply to the charge of not convening the Assembly, Mr Sarkar stated on July 14 that he had not done so because a number of its members were also members of the National Assembly, which was preoccupied with the framing of the Constitution, and therefore could not attend the Provincial Assembly

Further Changes in Sarkar Ministry. Mr Ahmed Hussain, a member of the Awami Moslem League, and two Hindus, Mr Lahiri and Mr Manoranjan Sikdar, were sworn-in as Ministers on July 10. Mr Lahiri is the leader of a group of seven members of the Assembly who broke away from the United Progressive Party on June 25.

The Food Situation As a result of severe floods in August 1955, which caused great damage to standing crops and hindered transport, a serious shortage of rice developed in November as stocks of the last crop ran out, the situation being aggravated by widespread hoarding by dealers The Provincial Government accordingly introduced a system of "modified family rationing" in Dacca on Nov. 17, and opened Government shops to sell rice at fair prices. On Feb 5, 1956, the Government decided to introduce full-scale rationing in Dacca and 15 other towns, and to import rice from West Pakistan, Burma, Ceylon, and Indonesia

Gifts of rice from the U S. Government were announced on March 31, and from the Soviet Government (16,500 tons) and U N I.C E F (3,567 tons for distribution to women and children) on June 15. In addition, the U S Government sent 105,000 tons of rice to Pakistan against payment in rupees, under an agreement which provided that the rupee proceeds would be lent back to the Government of Pakistan on a long-term basis for investment in flood control, housing, and hospital projects, or for any other purposes agreed between the two Governments. It was also announced on July 9 that the Indian Government would lend 5,000 tons of rice to Pakistan

In view of the growing seriousness of the situation, the Central Government decided on June 27 to appoint a special ministerial mission to investigate the position and take any steps which were within the competence of the Government of Pakistan President Mirza himself and the mission—which consisted of Syed Amjad Ali (Finance Minister), Mr. K. K. Dutta (Minister of Health), Mr Biswas (Food Minister), and Mr. Kayani (Communications Minister)—arrived in Dacca on June 28.

Mr. Fazlul Huq, in a broadcast on June 30, said that the food crisis had assumed "alarming proportions, unparalleled in the history of East Pakistan for many years," and announced that the Army would take over responsibility for the planning and control of food distribution from July 11. The G.O.C., East Pakistan Region (Major-General Gilani) was accordingly appointed Chief Food Administrator. An ordinance was promulgated on July 9 providing for the setting-up of special courts to try offences against the food regulations, with power to pass sentences of imprisonment up to two years, fines, or public flogging, and for the appointment of Army officers with magisterial powers to preside over such courts.—(Pakistan High Commissioner's Office, London - Dawn, Karachi - Times) **(Prev. rep. West Pakistan, 14521 A; East Pakistan, 14621 A; 14738 C.)**

A. BRAZIL. — Revised Export Bonuses. - Italian and Austrian Adherence to Multilateral System.

The Brazilian Government issued on May 17 a revised classification for the payment of export bonuses, resulting in a devaluation of the effective exchange rate of the cruzeiro by 10 to 33⅓ per cent for most products.

Coffee, cocoa, cotton, and hides were not affected by the changes, the bonuses remaining at Cr. 18.17 per U.S $ for coffee, and at Cr. 24 70 for raw cotton, cocoa beans, and hides. The new bonus rates were Cr. 36.64 for about 30 products, including timber, maize, tea, iron, and manganese ore, and Cr. 48.64 for all unspecified goods The effective exchange rates per U.S.$ were thus Cr. 37.06, Cr. 43.06, Cr. 55.00 and Cr. 67 00 for the four categories.

A trade pact signed between Brazil and Italy at Rio de Janeiro on May 1 brought Italy into the Brazilian multilateral payments system (the "Hague Club"—see 14421 C), with effect from June 1.

Austria became the seventh European country to join the multilateral payments system under an agreement concluded at Rio de Janeiro on July 4, which came into force immediately. It was stated that payments between Brazil and Austria would be effected in sterling.

Total sterling remittances authorized by the Bank of Brazil under the Anglo-Brazilian Payments Agreement of October 1953 (see 14421 C) in settlement of Brazil's accumulated trade debt amounted to about £26,500,000 up to June 30.
(Bank of London and South America, Fortnightly Review - New York Times - Financial Times - Board of Trade Journal) **(Prev. rep. Multilateral System, 14838 A.)**

B. UNITED KINGDOM. — Prominent Liberals join Labour Party. - Joint Statement.

It was announced on July 9 that three well-known Liberals—Mr. Dingle Foot, Q.C., Mr. Wilfrid Roberts, and Mr. Philip Hopkins—had decided to join the Labour Party. Mr. Dingle Foot (a brother of Mr. Michael Foot, the former Labour M.P., and of Sir Hugh Foot, Governor of Jamaica) was Liberal M.P. for Dundee from 1931-45, and Parliamentary Secretary to the Ministry of Economic Warfare from 1940-45; Mr. Roberts was Liberal M.P. for North Cumberland from 1935-49; and Mr. Hopkins unsuccessfullly contested Bath in 1945 and 1950.

The following joint letter was addressed to Mr. Hugh Gaitskell (Leader of the Opposition) by Mr. Foot, Mr. Roberts, and Mr. Hopkins explaining the reasons which had led them to join the Labour Party:

". . During the years immediately before the war the Liberal Party in Parliament played . . an essential part both in relation to national defence and in the championship of individual freedom against every form of bureaucratic encroachment In recent years, however, Liberal leaders and M.P.s have appeared incapable of pursuing any consistent theme save that they have shown a fairly constant preference for voting with the Conservative Party Indeed, since 1951 they have presented what seems to us the extraordinary spectacle of a Liberal Parliamentary Party giving general support to a Tory Government It is merely an indication of the general drift to the right which has led each of us to sever his connexion with official Liberalism.

"During recent years the Liberal Party has tended more and more to revert to a form of 19th-century individualism which, as we believe, is wholly irrelevant to the problems of the present day. Before the war, and indeed up to 1945, Liberals accepted the necessity for a considerable degree of economic planning This point of view has been completely abandoned by nearly all their official spokesmen

"The main reason why we have hesitated for a considerable time to take this step is because it has seemed that many members of the Labour Party were indifferent to the need to preserve and strengthen the safeguards of individual liberty We therefore greatly welcomed the statement on personal freedom which has recently been endorsed by your executive . . . [The statement referred to was published on June 18 under the title *Personal Freedom Labour's Policy for the Individual and Society*, and will be summarized in a subsequent issue It is one of the ten policy statements to be issued by the Labour Party during the years 1956-58—see 14680 A—as the basis for its electoral programme.—*Ed. K.C.A.*]

"There is another compelling reason why in our view the time has come for Radicals to throw in their lot with the Labour Party Undoubtedly some of the most important issues to be faced by British Governments in the next few years will relate to colonial and dependent territories. Our task is threefold—to build up self-governing institutions, to foster economic development, and to administer equal justice as between peoples of different race and colour. On such questions as these there has always, we believe, been substantial identity of outlook between left-wing Liberals and the Labour Party.

"We have arrived at our decision . . . because we feel that there is a great deal of common ground between Radicals and the Labour Party and that the differences between them now largely belong to the past. Thirty years ago Mr. Maynard Keynes (as he then was) wrote: 'The political problem of mankind is to combine three things: economic efficiency, social justice, and individual liberty.' The problem has become far more urgent than it was in 1926, but the objective remains the same. To-day it seems to us that the only effective instrument for achieving it is the Labour Party."

Mr. Gaitskell, in reply, "cordially welcomed" the decision taken by Mr. Foot, Mr. Roberts, and Mr. Hopkins, and expressed the belief that the Labour Party was "today the only effective political instrument by and through which the great traditions of British Radicalism can be maintained." (Times - Daily Herald - Manchester Guardian) **(14192 B.)**

C. WESTERN GERMANY. — Scholarship Awards for American Students.

Dr. Blücher, the Federal German Vice-Chancellor, informed the U.S. Ambassador in Bonn (Mr. Conant) on July 11 that Western Germany would grant scholarships to 225 American students in recognition of U.S. aid to Germany since the war. The 225 scholarships, worth 1,150,000 Deutschemarks ($274,000), would be tenable for the years 1956-59; 75 would be awarded in the 1956-57 academic year and 50 in each of the three following years. Each student granted a scholarship would receive 2,700 DM. (about $640) as subsistence allowance, plus 500 DM. (about $120) for learning German. He would pay no fees at the university or technical college of his choice, and the Federal Government would pay the costs of his journey to and from Bonn. (Frankfurter Allgemeine Zeitung)

D. UNITED KINGDOM. — Capital Issues. - Corrigendum.

Owing to a misprint in 14968 C, it was erroneously stated that new capital issues for British overseas countries for the first half of 1956 totalled £20,587. The figure should read £20,587,000.—(Ed. K.C.A.)

A. YUGOSLAVIA-EGYPT-INDIA.—Brioni Meetings between President Tito, President Nasser, and Mr. Nehru.

President Nasser of Egypt arrived at Belgrade on July 12 on an official visit, first for bilateral discussions with President Tito, and subsequently for a tripartite meeting with Marshal Tito and Mr. Nehru, Prime Minister of India. President Nasser was accompanied by Dr. Fawzi, the Egyptian Foreign Minister, M. Boghdadi, Minister for Communal Affairs, and Wing-Commander Sabry, Minister of State.

The discussions between President Tito and Nasser took place in Belgrade on July 13-14, after which President Nasser visited Serajevo, Zagreb, Ljubljana, and Bled before rejoining President Tito on the island of Brioni on July 17.

Mr. Nehru—who was on his return journey from the Commonwealth Prime Ministers' Conference in London, and who had made a brief stay in Paris—arrived at Brioni on July 18, accompanied by Mr. Krishna Menon, Minister without portfolio. The tripartite talks started later the same day and ended in the evening of July 19, when Mr. Nehru and President Nasser left together by air for Cairo. In addition to Mr. Menon and Dr. Fawzi, the discussions were also attended by MM. Kardelj and Rankovich, Vice-Presidents of the Yugoslav Federal Executive Council, and M. Koca Popovich, the Yugoslav Foreign Secretary.

Yugoslav - Egyptian Communiqué.

A communiqué dealing with the talks between Presidents Tito and Nasser was issued at Brioni on July 18.

The communiqué said that the talks had covered all questions affecting relations between the two countries and concerning the further promotion of their co-operation, as well as an exchange of views on major international issues. It referred to the "atmosphere of full mutual confidence and cordial friendship" which characterized the relations between the two countries, and said that Presidents Nasser and Tito had "noted a great similarity of views on the main problems of the contemporary world, which the two countries approach guided by the principles of peace-loving and active co-existence and of non-alignment with blocs . . "

Referring to the situation in the Middle and Near East, the communiqué said that the two Presidents had "again confirmed their support of the resolutions of the Bandung conference relating to these areas."

As regards Yugoslav-Egyptian relations, the two Presidents had noted "with satisfaction" that these were "developing successfully in accordance with the principles set out in the joint declaration of Jan 5, 1956" (see 14659 A), and that "the implementation of these principles, both in the relations between the two countries and in international politics, has already proved to be a palpable contribution to the cause of consolidating peace and of international co-operation in the world" Specifically, the two Presidents had decided

(1) To continue the "useful practice" of direct exchanges of views and personal contacts at the highest level, which had proved to be of "mutual benefit," and to hold regular consultations;

(2) To start detailed negotiations "between experts and appropriate institutions" on an extension of economic co-operation and exchanges between the two countries,

(3) To continue the "comprehensive informative talks" conducted during the present visit, particularly in the form of exchanges of experience and information in the spheres of economic policy, planning, etc.;

(4) To extend the existing cultural co-operation between Egypt and Yugoslavia and to conclude a cultural convention.

(5) To co-operate and exchange information in technical matters and in the application of atomic energy for peaceful purposes

Yugoslav - Indian - Egyptian Communiqué.

A joint statement was initialled by President Tito, President Nasser, and Mr. Nehru on July 19 stating that the tripartite talks had been conducted in "an atmosphere of cordiality and friendship" and had covered a "detailed exchange of views on matters of common interest." It went on:

"The three Heads of Government reviewed developments in the international sphere since they met each other separately 12 months ago. They noted with satisfaction that the policies pursued by their countries have contributed to some extent to the lessening of international tension and to the development of relations between nations based on equality.

"The latest developments and contacts between the leaders of various countries following different policies have contributed to a better understanding of each other's viewpoints and to a growing recognition of the principles of peaceful and active co-existence. The three Heads of Government consider that these contacts and exchanges of opinions should continue and be encouraged.

"The Bandung Conference . . . laid down certain principles which should govern international relations. The three Heads of Government reaffirm these ten principles, which they have always supported They realize that conflicts and tension in the world to-day have led to fears and apprehensions in the present and for the future. As long as these fears and apprehensions dominate the world, no firm base for peace can be established. At the same time it is difficult to remove such fears and apprehensions rapidly, and progressive steps will have to be taken towards their removal. . .

"The division of the world to-day into powerful blocs of nations tends to perpetuate these fears Peace has to be sought not through division but by aiming at collective security on a world basis, and by enlarging the sphere of freedom and ending the domination of one country over another.

"Progress towards disarmament is essential in order to lessen the fear of conflict This progress should be made primarily within the framework of the U.N and should include both nuclear and thermo-nuclear weapons and conventional armaments, as well as adequate supervision of the implementation of the agreements made Explosions of weapons of mass destruction, even for experimental purposes, should be suspended as they involve a possible danger to humanity by pollution of the atmosphere, affecting other countries regardless of frontiers, and as they are a violation of international morality. Fissionable material should be used only for peaceful purposes, and its use for warlike purposes should be prohibited The three Heads of Government are deeply interested in full and equal co-operation among nations in the field of the peaceful uses of atomic energy Such co-operation should be organized within the framework of the U.N, and the proposed International Agency should be representative of all countries

"The intensification of efforts to quicken the development of under-developed areas of the world constitutes one of the principal tasks in the creation of permanent and stable peace among nations In this connexion the three Heads of Government recognize the importance of international economic and financial co-operation, and believe that it is necessary and desirable that the proposed Special U N. Fund for Economic Development be constituted . .

"In the course of their talks the three Heads of Government emphasized the great importance of removing embargoes and obstacles to the normal flow and expansion of international trade.

"The three principal areas of tension and possible conflict are Central Europe, the Far East, and the Middle East region. The problems of the Far East cannot adequately be solved without the full co-operation of the People's Republic of China. The three Heads of Government express their belief that the People's Republic of China should be represented in the United Nations They also consider that those countries which have applied for membership in accordance with the Charter should be admitted to the U N

"The problems of Central Europe are intimately connected with that of Germany. This important question should be solved in conformity with the wishes of the German people by peaceful negotiated settlement

"In the Middle East the conflicting interests of the Great Powers have added to the difficulties of the situation These problems should be considered on their merits, safeguarding legitimate economic interests but basing the solution on the freedom of the peoples concerned. The freedom and goodwill of the peoples of those areas are essential not only for peace but also to safeguard legitimate economic interests. The situation in Palestine particularly is one of danger to world peace. The Heads of Government support the resolution of the Bandung Conference in this respect.

"The three Heads of Government considered the situation in Algeria, which, in their opinion, is not only of great importance but requires urgent attention, both from the point of view of the basic rights of the people of Algeria and of the consolidation of peace in that part of the world. Believing as they do that colonial domination is wholly undesirable, and injurious to both rulers and ruled, they must express their sympathy for the desire of the people of Algeria for freedom. They recognize that there are in Algeria considerable numbers of people of European descent whose interests should be protected, but this should not obstruct the recognition of the legitimate rights of the Algerians They warmly support all efforts directed towards a just and peaceful solution, and in particular for the cessation of violent conflict in that area and for negotiation A cease-fire and negotiations between the parties concerned should lead to a peaceful settlement of the problem.

"The three Heads of Government recognize that the problems of the world cannot be settled all at once. It is necessary to persevere with patience and goodwill in attempts to find solutions. It is essential, however, that every effort should be made to create a climate of peace and to act in accordance with the basic principles laid down in the U.N Charter."

A four-man delegation of the Algerian National Liberation Movement, led by M. Ferhat Abbas, arrived at Pula (near Brioni Island) on July 17 during the tripartite meeting. It was received by an official of the Yugoslav Foreign Ministry, to whom it submitted a memorandum on the Algerian question for transmission to President Tito, President Nasser, and Mr. Nehru.

On July 16 it had been announced in Jerusalem that the Israeli Government had conveyed a memorandum to President Tito recapitulating its views on the Palestine question. The memorandum emphasized Israel's desire to work out a peace settlement with Egypt and the other Arab countries, but, it was reported, made no reference to mediation.

After their arrival in Cairo, Mr. Nehru and President Nasser had several meetings on July 20, which were also attended by Dr. Fawzi and Mr. Krishna Menon. The Indian Ministers left the Egyptian capital on July 21, no communiqué being issued. (Tanjug Agency, Belgrade - Indian High Commissioner's Office, London - The Hindu, Madras - Times - Manchester Guardian - Le Monde, Paris) **(Prev. rep. 14659 A; 14372 A.)**

A. SCIENTIFIC RESEARCH. — British and U.S. Reports on Effects of Radioactivity on Man. - British Committee of Investigation into Medical Radiology.

The reports of committees of the British Medical Research Council and of the U.S. National Academy of Sciences, dealing with the effects of radioactivity on man, were published simultaneously on July 12 in London and Washington.

Report of British Medical Research Council.

The British report, entitled *The Hazards to Man of Nuclear and Allied Radiations*, and summarized below, was the work of a committee presided over by Sir Harold Himsworth, secretary of the Medical Research Council.

Findings. In an analysis of the sources of radiation to which man is normally exposed, the committee stated that the major part of this was composed of ordinary 'background radiation" (i.e. that deriving from cosmic rays, naturally occurring radioactive substances such as radium, etc.). Under average conditions, the background radiation to which the individual was exposed annually was of the order of 0.1 rontgens ("r"—an internationally accepted unit for the measurement of radiation intensity)

It was estimated, however, that diagnostic radiology exposed human beings in Britain to radiation amounting to an average of 22 per cent over and above the normal background radiation. Moreover, an average of another three per cent on the background total was received from occupational exposure in hospitals, laboratories, and atomic energy establishments, and from such sources as X-ray machines for shoe-fitting, luminous clock-faces, and television sets. In contrast to this, the fall-out from nuclear explosions produced an additional radiation amounting to less than one per cent on the background total.

Radiation, the committee stated, produced qualitatively the same danger to health from whatever source it came. This danger might be immediate and pathological, or remote and genetic, but the long-term genetic effects were held to be more serious.

[Radiation reaching the reproductive organs of the human body gives rise to gene mutations which are inevitably harmful to the offspring of contaminated parents, and the mutations will persist in their descendants until the line of inheritance dies out. In the case of a mutation giving rise to very serious handicaps the line may die out with the first generation, but where a weaker mutation takes place, it may persist through many generations before the line perishes.]

With reference to diagnostic X-rays, the report stressed that radiation danger existed only in examinations of relatively few parts of the body—principally the hip, lumbar spine, lower abdomen, and pelvis. X-rays of the chest, for example, were unlikely to affect the reproductive organs.

Dealing with the question of nuclear explosions, the committee declared that special account should be taken of the radioactive isotope strontium-90, which was one of the most important constituents of radioactive fall-out. Strontium-90 might contaminate water or crops, and thus pass into the human system either directly or indirectly through animal food products derived from cattle or sheep which had grazed on contaminated pasture. Deposits of the isotope accumulated in human bone, where they might give rise to bone tumours or, through irradiation of the surrounding tissue, to aplastic anaemia or leukaemia. With radioactive fall-out from nuclear explosions at its present level, no detectable increase in ill effects was to be expected; but if the rate or intensity of explosions were to increase, a stage might be reached within the lifetime of some people now living at which "ill effects might be produced in a small proportion of the population."

[In reply to a parliamentary question on July 18, Major Lloyd-George, the Home Secretary, stated that before the first major thermo-nuclear tests the deposit of strontium-90 was two millicuries a square mile, the deposit at the present time was 14 millicuries a square mile, and the nuclear tests carried out up to June 1956 would increase the total deposit to 45 milli-curies a square mile by 1965.]

In connexion with other immediate pathological effects of radioactivity, the committee investigated the effects of varying amounts of radiotherapeutic treatment during the past 20 years on 13,000 sufferers from ankylosing spondylitis, a severe rheumatic condition. Observations suggested that there was an increase in the small chance of developing leukaemia after exposure to an exceptionally large dose of radiation.

Recommendations. The report made the following recommendations on the control and reduction of the radiation to which man is exposed:

(1) "Adequate justification should be required for the employment of any source of ionizing radiation on however small a scale"

(2) With reference to dosage, "in conditions involving persistent exposure to ionizing radiations, the present standard (recommended by the International Commission on Radiological Protection) that the dose received should not exceed 0.3 r weekly, averaged over any period of 13 consecutive weeks, should for the present continue to be accepted."

"During his whole lifetime, an individual should not be allowed to accumulate more than 200 r of 'whole-body' radiation, in addition to that received from the natural background, and this allowance should be spread over tens of years; but every effort should be made to keep the level of exposure as low as possible. An individual should not be allowed to accumulate more than 50 r to the gonads, in addition to that received from the natural background, from conception to the age of 30 years, and this allowance should not apply to more than one-fiftieth of the total population of the country."

The International Commission on Radiological Protection was considering the upper limit which should be set upon the non-background radiation which the population in general should be allowed to receive. The limit was not likely to be in excess of twice the amount of ordinary background radiation, and might be much less. It was important that this should be communicated to everyone concerned with the development of sources of radiation.

(3) All sources of radiation should be kept under close inspection. Present practice in diagnostic radiology should be reviewed, and a critical examination made of the use of radiotherapy in non-malignant conditions. Irradiation from miscellaneous sources such as X-ray machines for shoe-fitting (pedascopes), luminous clocks and watches, and television sets should be reduced as far as possible.

(4) "As an essential basis for further studies . . there is urgent need for the collection of more detailed information when births, marriages and deaths are registered."

Creation of Radiological Protection Service.

The Minister of Health, Mr. Turton, made a statement on the Medical Research Council's report in the House of Commons on July 16.

Mr. Turton described the report as "reassuring" in that it did not reveal any present danger from radiation. Reviewing the occupational dangers in certain branches of industry using radioactive substances, he said that new protective regulations were under discussion and would be published early in 1957. As regards occupational hazards to hospital workers engaged on X-ray work and the use of radioactive substances, a committee under the chairmanship of Sir Charles Darwin had prepared a comprehensive code of practice for Health Service hospitals which would be issued shortly, meanwhile the code had been referred to the Radioactive Substances Advisory Committee for consideration whether it should be modified or supplemented in the light of the Medical Research Council's report. To assist in carrying out the code and in applying protective measures in hospitals and industry, a Radiological Protection Service had been set up by the Ministry of Health and the Medical Research Council.

In view of the report's recommendations with regard to radiological diagnosis and treatment, the Government had decided to set up a scientific committee, under the chairmanship of Lord Adrian (Master of Trinity College, Cambridge), to examine the question. Mr. Turton added that pedascopes were already under review by the Radioactive Substances Advisory Committee, and that he would ask the committee to advise him about luminous clocks and watches and television apparatus as soon as possible.

A resolution "noting" the report was moved by Mr. Turton and agreed to after debate.

B.M.A. Session on Radiation.

The British Medical Association discussed radiation at a scientific session at Brighton on July 13.

Mr. E. E. Smith, deputy director of the Radiological Protection Service, suggested that it might be necessary to make a complete medical register of all persons exposed to radiation, in order to provide information for future research workers. The Radiological Protection Service was exploring the possibilities of constructing an underground laboratory at Sutton (Surrey) for the purpose of studying the radiation ingested by the human body.

Sir Ernest Rock Carling, a consultant adviser to the Home Office, and the Ministries of Health and Supply, called for the education of everyone in whom the radiation hazard had existed. "The thought that one's prospective child may be born dead or deformed or lacking in intelligence," he said, "must make every person take care and approach the subject with an informed mind. The radiation sins of the fathers are visited on the children for many generations to come."

Report of U.S. National Academy of Sciences.

The U.S. report, entitled *The Biological Effects of Atomic Radiation*, was the work of six committees, each dealing with a different aspect of radiation.

The Committee on Genetic Effects found that "any radiation is genetically undesirable, since any radiation induces harmful mutations. Further, all presently available scientific information leads to the conclusion that the genetic harm is proportional to the total dose (that is, the total accumulated dose to the reproductive organs from the conception of the parents to the conception of the child)."

The committee quoted the following figures to show the amount of radiation received from various sources over a 30-year period by the reproductive organs of persons in the U.S.A.: background radiation —4.3 r (the dose rising to as much as 5.5 r in high-altitude areas because of the increase of cosmic rays); medical X-rays—an average of 3 r (in some cases the figure might be very much bigger, and in others none at all); fall-out from nuclear explosions—between 0.05 r and 1.25 r at the present rates of explosions. No figures were given for occupational contamination or for contamination from minor sources.

The recommendations of the Genetics Committee corresponded in substance with those given in the British report. The specific recommendations regarding dosage were as follows:

"The average exposure of the population's reproductive cells to radiation above the natural background should be limited to 10 r from conception to the age of 30. The 10-r limit should be reconsidered periodically with a view to keeping the reproductive cell exposure at the lowest practicable level. Individual persons should not receive a total accumulated dose to the reproductive cells of more than 50 r up to 30 years, and not more than 50 r in addition up to 40 years of age."

The Committee on Pathological Effects drew attention to the fact that there was some evidence to show that radiation, however small the dose, tended to reduce the expectation of life. The following statistics were given, showing the average age at death of various groups of the U.S. population: (*a*) all persons over the age of 25—65.6 years; (*g*) physicians having no known contact with radiation—65.7 years; (*c*) specialists having some exposure to radiation—63 3 years; (*d*) radiologists—60.5 years. It was pointed out that radiologists might receive dosages during the course of their occupation "ranging from very slight to about 1,000 r."

The Committee on Meteorological Aspects of Radiation stated that evidence collected over a decade indicated that nuclear explosions had no effect upon the weather, although the evidence could not be regarded as conclusive. Further research was recommended in the technique of monitoring radioactive fall-out, and in measuring the storage of radiation in the stratosphere.

The Committee on Oceanography and Fisheries found that nuclear tests might be carried out in and over the sea without serious damage to fisheries. The committee drew attention to the insufficiency of the information available for predicting the effect of the disposal of radioactive waste in the sea, and recommended that this problem should be studied by international agencies

The Committee on Agriculture and Food Supplies concluded that radiation was unlikely to be useful in developing animal breeds, but might prove helpful for improving the quality of crops by artificially increasing mutation rates. On the other hand there was an increase in the radioactive content of foods (largely through the presence of strontium-90) as a result of fall-out from explosions It was not known at what stage food became unwholesome on account of radioactivity, and the committee recommended long-term investigation of this question

The Committee on the Disposal and Dispersal of Radioactive Waste indicated that more research was needed before controlled disposal systems could be put into economic operation. The committee also stressed the need to anticipate the kind of accidents likely to occur in nuclear installations, and to set up in advance safety standards which would minimize their effect It would be necessary to house reactors in sealed buildings until technological advances had reduced risks of the accidental contamination of populated areas.

The chairmen of the six committees concerned in the National Academy of Sciences report were: Genetic Effects—Dr. Warren Weaver, Director for Natural Sciences to the Rockefeller Foundation; Pathological Effects—Dr. Shields Warren, Professor of Pathology at Harvard Medical School; Meteorological Aspects—Dr. Harry Wexler, Director of Meteorological Research to the U.S. Weather Bureau; Oceanography and Fisheries—Dr. Roger Revelle, Director of the Scripps Institution of Oceanography, La Jolla (California); Agriculture and Food Supplies—Dr. A. Geoffrey Norman, Professor of Botany and Director of the Botanic Garden, University of Michigan; Disposal and Dispersal of Radioactive Waste—Dr. Abel Wolman, Professor of Sanitary Engineering, Johns Hopkins University, Baltimore.—(Times - Daily Telegraph - New York Times)

(Prev. rep. Atomic Radiation, U.N. Study, 14667 A.)

A. ISRAEL - SOVIET UNION.—Soviet Oil Shipments to Israel. - Israeli Citrus Exports to U.S.S.R.

It was announced in Moscow and Jerusalem on July 17 that the Soviet petroleum export trust (*Soyuznefteexport*) had signed a two-year contract with the Israel Fuel Corporation (*Delek*) and the Palestine Electric Corporation for the supply of $18,000,000 to $20,000,000 worth of Russian crude oil to Israel during the next two years. It was stated that the contract would operate on a clearing basis, with Israel selling mainly citrus fruit to the U.S.S.R. Negotiations were also reported to be in progress on the purchase of Soviet oil-drilling equipment by Israel, and on the despatch of Soviet technicians to train Israelis in its use.—(Times - New York Times)

B. PAKISTAN.—Trade Agreement with Soviet Union.

The first bilateral trade agreement between Pakistan and the Soviet Union was signed in Karachi on June 27.

Each country agreed to extend most-favoured nation treatment to the other, whilst under a special arrangement all payments for goods and other commercial payments were to be made in Pakistan rupees

Among the goods likely to be exchanged were jute and jute products, cotton, wool, hides and leather from Pakistan, and various kinds of industrial equipment, chemicals, petroleum and petroleum products from the U.S S R.

It was also announced that the U.S.S.R. would establish a trade representation in Karachi to facilitate trade between the two countries. (Pakistan High Commissioner's Office, London)

C. INDONESIA. — Constituent Assembly Elections. - Final Results.

The results of the elections for the Indonesian Constituent Assembly, which started on Dec. 15, 1955, were officially announced in Jakarta on July 16 as follows, the distribution of seats in the new House of Representatives being also shown for comparison:

	Constituent Assembly	House of Representatives
National Party (PNI)	119	57
Council of Indonesian Moslem Organizations (Masjumi)	112	57
Religious Teachers' Party (Nahdlatul 'Ulama)	91	45
Communist Party (PKI)	80	39
United Moslem Party (PSII)	16	8
Protestant Christian Party (Parkindo)	16	8
Catholic Party	10	6
Socialist Party (PSI)	10	5
Movement for Defence of Indonesian Independence (IPKI)	8	4
Islamic Party (Perti)	7	4
Labour Party (Partai Buruh)	5	2
Party of the Masses (Partai Murba)	4	2
National People's Party (Partai Rakjat Nasional)	3	2
Association of Police Personnel (PPPRI)	3	2
Dayak Association (Persatuan Dayak)	3	1
Movement for Defence of Pantja Sila (GPP)	2	2
Indonesian People's Party (PRI)	2	2
Party of the Independent Republic of Indonesia (PRIM)	2	1
Greater Indonesian Union (PIR)—Wongsonegoro group	2	1
PIR—Hazairin group	2	1
Association of Indonesian Proletarians (Permai)	2	1
Consultative Assembly of Indonesian Citizens (Baperki)	2	1
Gerinda	2	1
Others	11*	5

*Including one each for the Village People's Party (Persatuan Rakjat Desa); Aku (minor Islamic group); Communist Youth Movement (Acoma), PPTI (Islamic group); Indonesian Peasants' Party (PTI), G P Sunda, "Buffalo" Association (Gerakan Banteng); PIR-Western Lesser Sunda group, R Sudjono; Radja Keprabonan; and Idrus Effendi.

In addition to the 514 seats distributed among the various parties, the remaining six seats are reserved for members representing West Irian (Dutch New Guinea). The total number of valid votes was 37,410,249, out of an electorate numbering 43,104,464.

The Indonesian Constituent Assembly is entrusted with the task of drafting a new Constitution to replace that of 1950. It will sit at Bandung.—(Indonesian Embassy, London)

(Prev. rep. 14736 A.)

D. UNITED KINGDOM. — Financial and Monetary Policy. - Issue of Treasury Stock. - Conversion Offers.

The Treasury announced on April 20 the issue for cash of £250,000,000 of 3½ per cent Treasury Stock, 1979-1981, at a price of £81 per £100 nominal.

The Bank of England stated on April 25 that applications up to £1,000,000 would be allotted in full, and above £1,000,000 on a basis of 88 per cent.

On July 9 this stock, which was in effect issued in furtherance of the policy of financing the nationalized industries directly through the Exchequer (see 14821 A), was amalgamated with the £223,000,000 of similar stock already existing the so-called 'Iron and Steel' stock

A conversion offer was made on June 22 to holders of 2½ per cent Defence Bonds purchased between Oct. 1, 1946 and March 31, 1947, and maturing between Oct. 1, 1956, and March 31, 1957.

Holders of these bonds, of which some £31,000,000 were outstanding, were offered 4½ per cent Defence Bonds similar to the new issue of 4½ per cent Defence Bonds announced in the Chancellor's Budget speech (see 14821 A).

The largest conversion offer since the War Loan conversion of 1932 was announced by the Treasury on July 6. Holders of £824,000,000 worth of 2½ per cent National War Bonds, 1954-1956, due for repayment on Aug. 15, 1956, were offered 4½ per cent Conversion Stock, maturing in 1962, plus £1. 10s. cash for each £100 nominal of bonds tendered.

It was announced on July 20, when the offer closed, that holders of some £657,000,000 (approximately 80 per cent) of the Bonds had accepted conversion. (Treasury Press Office)

(Prev. rep. 14821 A.)

A. UNITED KINGDOM. — Appointment of Joint Permanent Secretaries to Treasury. - Sir Norman Brook to head Civil Service. - Sir H. Caccia appointed Ambassador in Washington. - Other Diplomatic Appointments.

The following changes in higher Civil Service appointments at the Treasury were announced by the Prime Minister on July 20 in a statement from 10, Downing Street.

(1) Sir Edward Bridges, Permanent Secretary to the Treasury and official Head of the Civil Service, and Sir Bernard Gilbert, Deputy to the Permanent Secretary, would retire from the public service in the autumn. The latter post would then lapse and, with the approval of the Queen, two Joint Permanent Secretaries to the Treasury would be appointed—Sir Norman Brook, now Secretary to the Cabinet, and Sir Roger Makins, now Ambassador in Washington.

(2) Sir Roger Makins would have charge of the financial and economic work of the Treasury and would be wholly responsible to the Chancellor of the Exchequer.

(3) Sir Norman Brook, in addition to his duties as Secretary to the Cabinet, would "take charge of all other Treasury work, including that which falls within the responsibility of the Prime Minister in his capacity as First Lord of the Treasury." He would become official Head of the Home Civil Service, and would be assisted in the work of the Cabinet Secretariat by Mr. B. F. St. J. Trend, who would be appointed Deputy Secretary to the Cabinet. (Mr. Trend was in the Office of the Lord Privy Seal at the time of his new appointment.)

The new arrangements ended the 35-year-old system under which the functions of Permanent Secretary to the Treasury and official Head of the Home Civil Service had been the responsibility of one official. Of the two new Permanent Secretaries of the Treasury, Sir Norman Brook had been Secretary to the Cabinet since 1947 (a post he retains, as stated above) while Sir Roger Makins, prior to his appointment to the Washington Embassy in 1952, had been head of the Foreign Office department dealing with the economic and financial aspects of foreign affairs—a post involving close co-operation with the Treasury. They will each have a salary of £6,500 a year.

The Political Correspondent of *The Times* commented as follows on the new arrangements:

"These new arrangements result from the growth, in recent years, of Treasury responsibility for co-ordinating economic as well as financial policy. The time has come, it is felt, when the Chancellor of the Exchequer should have to help him in the discharge of these functions an official of the highest rank who has no other preoccupations.

Sir Roger Makins will have charge of the Treasury divisions concerned with home and oversea finance and supply expenditure, of the home and oversea planning staff, and of the economic section under the Economic Adviser to the Government. He will also be chairman of the Economic Planning Board.

Sir Norman Brook, in his new post, will be able to advise the Prime Minister on the problems of the machinery of Government and Civil Service organization which fall within the functions of the Permanent Secretary to the Treasury. The Chancellor of the Exchequer will continue to be responsible for matters relating to the pay, conditions, pensions, and numbers of the Civil Service.

In addition to supervising the Cabinet Secretariat, Sir Norman Brook will have charge of the general organization and management of the Civil Service and of the Treasury divisions dealing with establishments, machinery of government, and appointments.

One interesting feature of the appointments is that Sir Norman Brook is to be 'official Head of the Home Civil Service,' whereas Sir Edward Bridges has been 'official Head of the Civil Service.' This does no more than give official recognition to a change which has existed in practice since the separate Foreign Service was established since 1943. It was then laid down that the Foreign Service did not come under the official Head of the Civil Service, and the same has applied to the Oversea Civil Service, formerly the Colonial Service. The Permanent Secretary to the Treasury, therefore, has come to be responsible—as its official Head—solely for the Home Civil Service."

It was announced on the same date (July 20) that Sir Harold Caccia (52), a Deputy Under-Secretary of State in the Foreign Office, had been appointed Ambassador to the United States in succession to Sir Roger Makins.

Sir Harold Caccia, a career diplomat, served before the war in the Peking and Athens Embassies. He returned to the Foreign Office in 1941, and in 1943 was seconded to the staff of the British Minister Resident in North Africa (Mr. Harold Macmillan, the present Chancellor of the Exchequer) and concurrently to General Eisenhower's staff at Allied Forces H.Q., North Africa. He later became joint head of the Anglo-U.S. Political Section of the Allied Control Commission for Italy, and at the end of 1944 was transferred to Greece as Political Adviser to the G.O.C., British Forces. After serving in Greece throughout the Communist uprising of December, 1944, and subsequently as Minister at the Athens Embassy, Sir Harold returned in 1946 to the Foreign Office, where he was engaged in the administrative reorganization caused by the amalgamation of the Diplomatic and Consular Services as the Foreign Service. He became Minister (later Ambassador) to Austria in 1949, and returned to the Foreign Office in 1954 as Deputy Under-Secretary of State.

A number of other appointments in the Foreign Service had been announced in recent months, as summarized below:

Mr. Leslie Fry, head of the Eastern Department of the Foreign Office, as Minister to Hungary *vice* Mr. (now Sir) George Labouchere (September 1955). Sir George Labouchere had previously been appointed Ambassador to Belgium—see 14386 A.

Sir Keith Jopson, Ambassador in Bogotá, as Ambassador to Uruguay *vice* Mr. E. R. Lingeman, retiring (September 1955).

Mr. E. J. Joint, Commercial Minister at H.M. Embassy in Rome, as Ambassador to Colombia *vice* Sir Keith Jopson (September 1955).

Mr. Roderick Parkes, Counsellor at H.M. Embassy in Jakarta, as Ambassador to Saudi Arabia *vice* Mr. Harold Beeley, who had held the post for only six months owing to ill-health (September 1955).

Mr. G. H. S. Jackson, First Secretary at H.M. Embassy in Berne, as Minister to Honduras (December 1955).

Sir Edwin Chapman-Andrews, Ambassador in Beirut, as the first British Ambassador to the Sudan (January 1956).

Mr. George Middleton, U.K. Deputy High Commissioner in New Delhi, as Ambassador to the Lebanon *vice* Sir Edwin Chapman-Andrews (February 1956).

Mr. F. C. Everson, Counsellor at H.M. Embassy in Bonn, as Minister to El Salvador *vice* Captain (now Sir) Vyvyan Holt, retiring (March 1956).

Mr. R. L. Speight, an Assistant Under-Secretary of State at the Foreign Office, as Minister to Bulgaria *vice* Mr. G. W. Furlonge (March 1956).

Mr. L. G. Holliday, lately Counsellor at H.M. Embassy in Stockholm, as Ambassador to Laos *vice* Lord Talbot de Malahide (May 1956).

Mr. G. W. Furlonge, Minister in Sofia, as Ambassador to Ethiopia *vice* Mr. D. L. Busk (May 1956).

Mr. D. F. MacDermot, Minister in Bucharest, as Ambassador to Indonesia *vice* Mr. Oscar Morland (May 1956).

Sir Geoffrey Harrison, an Under-Secretary of State at the Foreign Office, as Ambassador to Brazil *vice* Sir Geoffrey Thompson, retiring (June 1956).

Sir Eric Berthoud, Ambassador in Copenhagen, as Ambassador to Poland *vice* Sir Andrew Noble (June 1956).

Sir Andrew Noble as Ambassador to Mexico *vice* Sir William Sullivan, retiring (June 1956).

Sir Roderick Barclay, Deputy Under-Secretary for Administration at the Foreign Office, as Ambassador to Denmark *vice* Sir Eric Berthoud (June 1956).

Mr. A. C. E. Malcolm as the first British Ambassador to Tunisia (June 1956).

Mr. A. A. Dudley, lately U.K. Deputy Commissioner-General in South-East Asia, as Minister to Rumania *vice* Mr. D. F. MacDermot (July 1956).

Mr. A. G. Gilchrist, Counsellor in the Office of the U.K. Commissioner-General for South-East Asia (Singapore), as Minister to Iceland *vice* Mr. J. T. Henderson (July 1956).

It was announced in September last that the U.K. and Luxemburg Governments had agreed to raise their respective diplomatic missions in Luxemburg and London to the status of Embassies. The British Minister in Luxemburg, Sir Geoffrey Allchin, was consequently appointed Ambassador.
(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Civil Service, 12757 D; Foreign Service, 14386 A.)**

B. COLOMBIA. — Sale of British-owned Dorada Railway to Colombian Government.

It was reported on July 17 that the board of the British-owned Dorada Railway had agreed to sell the company's undertakings and its ropeway subsidiary to the Colombian Government for $1,000,000; in addition, the company would be relieved of various liabilities under Colombian social laws and other departmental claims. The company incurred an operating loss of £70,000 in 1955.

The Dorada Railway Company operates 70 miles of 3-ft. gauge line connecting La Dorada and Ambalena, and owns 98 per cent of the shares of Dorada Railway (Ropeway Extension) Ltd., which operates a 44½-mile aerial ropeway connected with the parent company's railway. (Financial Times)

C. SOVIET UNION - UNITED STATES. — Publication of Soviet Magazine in U.S.A.

The first issue of a Soviet illustrated monthly magazine for American readers, *U.S.S.R.*, appeared in the United States during the last week of July. Printed in English, and published and distributed in the U.S.A., it is non-political in character and aims at acquainting the American people with the life and culture of the Soviet people. Its publication synchronized with the appearance in the Soviet Union of the U.S. magazine *Amerika* (see 14622 D). The Soviet-American agreement for the publication of these magazines provided for the distribution of 50,000 copies of each.—(New York Times) **(14622 D.)**

A. CEYLON. — The Official Language Act. - Sinhalese proclaimed Official Language. - Communal Riots in Colombo and Eastern Province.

The Official Language Bill, which declared Sinhalese to be the sole official language of Ceylon, was introduced in the House of Representatives on June 5 by the Prime Minister, Mr. Bandaranaike. The Bill also laid down that where the immediate use of Sinhalese for official purposes was impracticable in the Government's view, other languages might continue to be used until a date not later than Dec. 31, 1960. The Minister for Home Affairs was empowered to make regulations (which would require the approval of both Houses of Parliament) to effect the change in the official language, and generally to implement the principles and provisions of the Act.

Mr. Ponnambalam (Tamil Congress) contended during the first reading debate (*a*) that the Bill violated the Constitution Order-in-Council of 1946, which prohibited the making of laws which caused disabilities to members of different religions and communities, and (*b*) that, as an amendment to the Constitution, the Bill required a two-thirds majority. These objections were overruled by the Speaker, **Mr. Ismail,** who held that the Bill did not require such a majority and that its validity was a question for the courts.

Mr. Bandaranaike, moving the second reading on June 6, said that the language issue was one of the main planks in the programme on which the Government had been returned, and that it was therefore their duty to introduce legislation on the subject. If the change could not be completed before Dec. 31, 1960, however, the Government would not hesitate to make the position known to Parliament and the country, and they would take every step to avoid hardship Consideration would be given to the position of public servants who lacked the necessary knowledge of Sinhalese, and fair measures would be taken with regard to Public Service examinations. There would also be no interference with the Standing Orders with regard to the " medium of business " in Parliament. An inquiry would be held into the " medium of education," but there was no intention to interfere with instruction in the mother tongue, provided that those who sought official employment acquired a sufficient knowledge of Sinhalese. Mr. Bandaranaike explained that detailed provisions were not incorporated in the Bill because it was felt that the wiser course would be to deal with problems as they arose.

Mr. Ponnambalam denounced the Bill as a " retrograde measure " which would " divide the country and reduce Tamils to a position of subservience " A similar warning was given by **Mr. Goonewardene** (*Lanka Sama Samaja*), who said that his party stood for making Sinhala [i.e. Sinhalese] a State language, but was opposed to injustice being done to the Tamil-speaking people. **Mr. Dahanayake** (Minister of Education) gave an assurance that the Government would not place any barriers on those seeking admission to the Public Services, and that he would officially advise the Prime Minister that children should be educated in their mother tongue.

Dr. Wickremasinghe (leader of the Communist Party) pointed out that parity of status was accorded to all languages in China, and also in the Soviet Union, where there were 16 official languages. He appealed to the Government to encourage the minorities by giving them the right to use their own language. In reply to this argument, **Mr. Gunawardena** (Minister of Agriculture and Food) observed that in Wisconsin 80 per cent of the inhabitants were of German origin and spoke German in their homes, while in New York there were more Jews than in Israel, yet there was no demand in the U S A. for official status for the German or Hebrew languages.

Mr. R. G. Senanayake (Minister of Commerce and Trade) recalled that the Independence Bill and the Citizenship Bill had been opposed by the Tamils at the time because they believed that their race would be " exterminated "; he asked the Tamils, however, whether this earlier legislation had in practice caused any injustice to them or affected their language and culture The implementation of the policy of language parity, he contended, would cause confusion in the administrative sphere and would be impracticable.

Dr. Perera (*Lanka Sama Samaja*), the leader of the Opposition, asked why, if the Bill was not to be implemented till 1960, the Government had not first worked out its implications before introducing it. He asserted that the Government proposed to " teach Sinhalese to the Tamils at the point of the bayonet."

Mr. Chelvanayakam (leader of the Federal Party) maintained that the only way to safeguard the interests of the Tamils was by the establishment of a Federal State, and said that it would be impossible to implement the Bill without causing injustice to the Tamil-speaking population.

Mr. Bandaranaike, replying to the debate, emphasized that there was no intention of reducing the Tamils to a position of inferiority. While retaining the main principle of the Bill, the Government were prepared to discuss around a table the practical difficulties that might arise over such questions as communications with the Government in certain areas, the public services, education, and local authorities. The vast majority of Sinhalese felt, rightly or wrongly, that parity of language would be detrimental to them, and to grant parity would not satisfy the Federalists but only strengthen their demand for federalism. The Government of Ceylon therefore held the view that the only statesmanlike solution of the problem was " to introduce this Bill, to introduce it quickly, and to introduce it in this way."

The Bill was adopted on June 15 by 66 votes (People's United Front, United National Party, and Independents) to 29 (*Lanka Sama Samaja*, Federalists, Communists, Tamil Congress, and Tamil Resistance Front). The Senate passed the Bill on July 6 by 19 votes to six, and it received the Governor-General's assent on the following day. An official announcement was issued by the Prime Minister on July 7 that " where any language or languages has or have been used for any official purpose, such language or languages may continue to be so used until the necessary change is affected."

While the Bill was being debated in the House of Representatives serious communal rioting took place in Colombo and the Eastern Province, where Sinhalese and Tamil communities live side by side On June 5 about 200 Tamils (led by 12 members of Parliament) staging a silent *satyagraha* demonstration of protest outside the Parliament buildings were stoned and assaulted by Sinhalese mobs, the rioting then spread through the city, Tamils being assaulted and Tamil and Indian shops attacked and looted. Order was eventually restored after the police had opened fire on crowds of hooligans, eight persons being injured. More serious disturbances occurred on June 8-10 at Batticaloa (on the east coast) where a hotel was burned down and two Tamils shot dead, and at Trincomalee, where houses were set on fire by rioting mobs. In the Gal Oya Valley (Eastern Province), where a large irrigation and colonization project is in progress, two people were killed on June 11 when the police fired on an unruly crowd. By June 15, however, conditions were reported to have returned to normal in all rural areas.

The Federal Party announced on June 15 that they regarded the Bill as unconstitutional and would test its validity in the courts.—(Ceylon Government Information Department) **(Prev. rep. 14756 A; 14849 A.)**

B. ICELAND. — New Coalition Cabinet.

The Icelandic Government headed by Hr. Olafur Thors formally resigned on July 24 following its defeat in the recent elections, and on the same day a new Government was installed under the Premiership of Hr. Hermann Jonasson (leader of the Progressive Party), whom President Asgeirsson had entrusted with the task of forming a Cabinet. The new Government was based on a coalition between the Progressives, the Social Democrats, and the People's Front (comprising the left-wing United Workers' Party and the Communists), its membership being as follows ·

Hr. Hermann Jonasson (Progressive)	Prime Minister and Minister of Justice.
Hr. Gudmundur Gudmundsson (Social Democrat)	Foreign Affairs.
Hr. Eysteinn Jonsson (Progressive)	Finance and Agriculture
Professor Gylfi Gislason (Social Democrat)	Education and Industries.
Hr. Ludvik Josefsson (People's Front)	Trade Fisheries
Hr. Hannibal Valdimarsson (People's Front)	Social Welfare and Health.

Hr. Jonasson had been Prime Minister from 1934 to 1942 but was not a member of Hr. Thors' Coalition Government, although the Progressive Party participated in that Government. **Hr. Gudmundsson,** a district judge, belongs to the right-wing of the Social Democratic Party, while **Professor Gislason** is Professor of Economics in the University of Iceland. Of the two " People's Front " Ministers, **Hr. Valdimarsson** (chairman of the Icelandic T U.C.) is a member of the United Workers Party, and **Hr. Josefsson** (a schoolteacher) is a Communist. **Hr. Jonsson,** the Finance Minister, hold the same portfolio in Hr Thors' Cabinet.

Hr. Gudmundur Gudmundsson took over the Foreign Affairs portfolio from Dr. Kristinn Gudmundsson. As stated above, the new Foreign Minister is a Social Democrat, while his predecessor was a member of the Progressive Party. (Berlingske Tidende, Copenhagen) **(14960 A; 14804 A.)**

C. LUXEMBURG. — Constitutional Reform.

The Luxemburg Chamber of Deputies adopted a Constitutional Amendment Bill on July 13 providing for (*a*) a reduction of the term of office of deputies from six to five years; (*b*) the holding of general elections for the whole Chamber every five years, instead of the previous system under which one-half of its membership had been renewed every three years. The Chamber also decided (*c*) to extend its lifetime (which was to expire in June 1957) by another two years, thus postponing the next general election from May 1957 to May 1959.

The provisions under (*a*) and (*b*) were adopted by 42 votes (Social Christians, Socialists, and Communists) to five (Liberals), while the decision under (*c*) was adopted by 41 votes (Christian Socials and Socialists) to seven (Liberals and Communists). (Le Monde, Paris)

AUGUST 4—11, 1956

A. THE SUEZ CRISIS. — Statements by Sir Anthony Eden, Mr. Dulles, M. Pineau, and Mr. Nehru. - British Parliamentary Debate. - Opposition Support for Government's Attitude. - Further British Naval and Military Precautions. - Partial Mobilization in Egypt. - International Reactions to Suez Crisis.

Developments in the Suez Canal crisis during the week Aug. 4-11 are described below under cross-headings.

British Parliamentary Debates. - Statements by Sir Anthony Eden and Mr. Gaitskell.

The Suez Canal crisis was debated by the House of Commons on Aug. 2, when the attitude of H.M. Government was defined by the Prime Minister, Sir Anthony Eden. The Leader of the Opposition, Mr. Hugh Gaitskell, expressed the Opposition's support for the Government's policy and the precautionary measures taken. The Prime Minister spoke as follows:

". The cause for the anger and alarm felt at the action of the Egyptian Government—not only here, but among the Governments and peoples of the democratic world—is due to the special character of the Canal As the world is to-day, and as it is likely to be for some time to come, the industrial life of Western Europe literally depends on the continuing free navigation of the Canal as one of the great international waterways of the world Last year, nearly 70,000,000 tons of oil passed through the canal, representing about one-half of the oil supplies of Western Europe Traffic through the Canal moved at the rate of 40 ships a day and amounted to 154,000,000 tons of shipping That traffic did not affect the West alone Australia, India, Ceylon, and a large part of South-East Asia transported a large proportion, perhaps the major proportion, of its trade through the Canal.

' It is with those facts in mind that I feel it necessary to repeat the carefully considered sentence I used to the House on July 30 : ' No arrangements for the future of this great international waterway could be acceptable to the British Government which would leave it in the unfettered control of a single Power which could, as recent events have shown, exploit it purely for the purpose of national policy '.

The Prime Minister continued " That is still our position and must remain so, but it is not all the argument The Egyptian Government has certain obligations in respect of the Canal. They are laid down in two principal instruments First, the concession, which consists of a series of agreements over the years between the Egyptian Government and the Suez Canal Company. It defines the rights and status of the Company and the obligations of the Egyptian Government towards it. These were endorsed by the Egyptian Government as recently as June 10, 1956, when a formal financial agreement was concluded between the Egyptian Government and the Company. This agreement was to continue in force until the end of the Company's concession

" That was in accord with a broadcast made on Nov 17, 1954, by Colonel Nasser. He then said ' There only remain 14 years until the end of the Canal Company's concession,' and added that good relations existed between the Egyptian Government and the Company. The Egyptian Government, he told us, had full confidence in the attitude of the Company and was sure the latter would do everything to help the Egyptian Government in its task. These undertakings are now torn up, and one can have no confidence in the word of a man who does that.

" The second instrument is the Suez Canal Convention of 1888, which lays down the vital principle that the Canal should always be open in time of war, as in time of peace, to every vessel without distinction of flag This was signed by nine Powers, including a signature on behalf of the Khedive of Egypt. There is a link between this Convention and the concession to the Canal Company which is specifically mentioned in two Articles of the Convention—Nos 2 and 14 Article 2 deals with the engagement of Egypt towards the Company as regards the Freshwater canal Article 3 goes on to state that the contracting parties undertake to respect the plant, establishments, buildings and works of the Canal, and the Freshwater canal. Moreover, our own Anglo-Egyptian treaty of 1954 states that the two Governments recognize that the Canal is a waterway economically, commercially, and strategically of international importance, and expresses the determination of both parties to uphold the Convention of 1888

" How can this be reconciled with the Egyptian Government's action against the Suez Canal Company ? The free navigation of the Canal is the solemn principle contained in the 1888 Convention That is not all, because free navigation does not depend only on the absence of discrimination or the absence of physical interference with traffic on the Canal. Its efficient functioning and liability to deal with existing and future traffic is also of decisive importance to us all The Canal is at present in need of large new capital expenditure to enable it to cope with the increasing demands made upon it. The traffic through the Canal at present is increasing at the rate of about seven per cent a year Last year more than 10,000,000 tons more oil went through than in 1954, and the size of ships using the Canal is constantly growing The Company has, over the years, been accumulating capital to enable it to carry out the work of increasing the capacity of the Canal In the Company's latest programme of improvements, which has already begun, two new by-passes are to be built and the depth of the Canal is to be increased to enable it to handle larger ships This action would cost something in the neighbourhood of £20,000,000 It would greatly increase the capacity of the Canal.

" In the next 10 or 15 years further huge expansion will be necessary because traffic is expected to increase several times. The reserves of the Company and revenue from shipping would have been earmarked to finance these needs, but Colonel Nasser has now announced his intention to divert these revenues from this vital international waterway to build a dam in Egypt He has declared the Company is to be nationalized and its revenues seized because the United States and ourselves would not lend him enough money with which to build this dam.

" I know it is true that he has expressed his intention to compensate the shareholders on the basis of the latest valuation of the shares, but the House may well ask, in view of Colonel Nasser's record about other promises, how this is to be done ? It would cost some £70,000,000 to carry through this compensation, but the net annual revenue of the Canal, after providing for taxation and reserves as is at present done, is only some £10,000,000 Clearly it would be impossible with this sum to compensate shareholders, build the dam, and develop the Canal Here is a situation which neither the Government, nor I believe other maritime Powers, can accept if they are to continue to live by means of the sources of supply which come through the Canal

"There are other considerations which we cannot ignore. Is it possible for us to believe the word of the present Egyptian Government to the extent of leaving it in its power alone to decide whether these supplies shall reach the Western world through the Canal ? I truly think we have done everything in our power over the years—by our actions, by our treaty—to show goodwill. Our reward has been broken faith and broken promises We have been subjected to a ceaseless barrage of propaganda accompanied by intrigue, and attempts at subversion in British territories Colonel Nasser's arbitrary action in breach of Egypt's solemn undertakings, many of them recently given, and without previous consultation or notice, reveals the nature of the régime with which we have to deal Their action in compelling Canal Company employees to remain at their posts under threat of imprisonment is, to say the least, a violation of human rights

" In these circumstances, and in view of the uncertain situation created by the actions of the Egyptian Government, H M. Government have thought it necessary to take certain precautionary measures of a military nature Their object is to strengthen our position in the Eastern Mediterranean and our policy to deal with any situation which may arise." After announcing the measures taken by the Government, including " the movement from this country of certain naval, army and air force units " and the recall of a limited number of reservists, the Prime Minister concluded

" Now let me state the solutions we seek for the future of the Canal Our policy . . towards the Canal has always been based on two fundamental principles First, freedom and security of transit through the Canal. Second, the efficiency and economy of its operation . The principle of free navigation in peace and war was laid down under solemn international instruments to which Egypt was a party How can we look to the Egyptian Government alone to maintain these principles scrupulously ? And if they are not maintained, the life and commerce of the whole free world are constantly at risk For all these reasons, I suggest that the freedom and security of transit through the Canal without discrimination, and the efficiency of its operation, can be effectively ensured only by an international authority. It is upon this we must insist. It is for this that we are working, in negotiation with other Powers deeply concerned, and nothing less can be acceptable to us "

Mr. Hugh Gaitskell (Leader of the Opposition) spoke as follows " While I have not hesitated to express my disagreement with the British Government on their policies in the past, nothing they have done or not done in any way excuses Colonel Nasser's action in seizing the Canal The Suez Canal Company was no ordinary company conducting ordinary activities. It controlled an international waterway of immense importance to the rest of the world. It is therefore bound to be a matter of international concern when it changes hands

" Hitherto it has been under the control and ownership largely of the States using it The ownership is to be transferred to a single Power—to the hands of one State controlling it and, therefore, in a position to decide how it shall be run. It may be said there is no need for anxiety because of the assurances about the 1888 Convention. There seems to be the strongest reason for having doubts in our mind as to whether we can accept these assurances, for what has been the behaviour of the Egyptian Government in stopping Israeli shipping going through, and, even more important, the clear defiance of the U N. resolution condemning this action, passed in September 1951 ?

" The second reason why we must take strong exception to this, is that any confidence we might have had in an action of this kind was shaken by the manner in which it was carried out—suddenly, without negotiations, without discussions, by force, and with the excuse that this was the way to finance the Aswan Dam. Colonel Nasser claimed that $100,000,000 a year would be made available for this project from the Canal, which meant that he was proposing to take the whole gross revenue Yet he has promised compensation. How can he, at one and the same time, keep the Canal going, expend the necessary money on the repairs, extensions, and reconstruction, pay compensation to the shareholders, and find money for the Aswan Dam ?

"Looking at the figures, the most Colonel Nasser could do, and even then at the expense of diverting reserves which ought to be used for the Canal, might be somewhere about £5,000,000 a year—certainly inadequate and absurd in relation to the cost of the Dam There is one way out for Colonel Nasser. He can put the charges up, increase the transit dues. The whole implication of his speech is precisely that he intends to make the users pay more than they were paying before.

"Firstly, then, one cannot deny that this action is to some extent a threat to the access to the Canal in the light of what the Egyptians have done about Israeli shipping; secondly, a warning that he may not maintain the Canal adequately, and thirdly, an implication that higher charges will be levied—and this is serious for every maritime nation in the world.

"We cannot forget that Colonel Nasser has repeatedly boasted of his intention to create an Arab empire from the Atlantic to the Persian Gulf. He has made a number of inflammatory speeches against us, has continually attempted subversion in Jordan and other Arab States, and has persistently been threatening Israel and made it plain that it is his purpose and intention to destroy Israel if he possibly can Here, if ever there was, is clear enough notice of aggression

"This upset must be recognized as part of the struggle for the mastery of the Middle East. That is something which I do not feel we can ignore . . . because of the prestige issues which are involved. If Colonel Nasser's prestige is put up sufficiently and ours put down sufficiently, the effect in that part of the world will be that our friends will desert us because they think we are lost, and go over to Egypt. I have no doubt that the reason why Colonel Nasser did this in the way he did—aggressively, brusquely, suddenly—was precisely because he wanted to raise his prestige in the rest of the Middle East. He wanted the rest of the Arab world to see what he can do He wanted to challenge the West, and to win. He wanted to show his strength, and to make a big impression.

"That is all terribly familiar It is exactly the same as we encountered with Mussolini and Hitler in the years before the war And we must not under-estimate the danger of the effects this may have on the other Arab States Indeed, this is probably the most important immediate effect it may have. I am thinking particularly of Iraq, which is an ally of this country . . . The danger . . is that Governments friendly to Britain, like Iraq, which could be relied upon to exercise restraint in the Middle East, might be replaced by Governments of a very different complexion . . .

"Summing up the position, this is where we stand. Colonel Nasser wanted to get a loan for the Aswan Dam Many of us had sympathy. I would go much further—all of us would wish to see economic development in Egypt and energetic steps taken to raise the appallingly low standard of living in that part of the world We are told that Colonel Nasser has pledged the cotton exports of his country to pay for arms, and that because he has done that, he is in great financial difficulties. I do not think I can have much sympathy with a man who spends far more than he can afford on arms which are admittedly for an aggressive war, and then, when he is told that because of the economic situation he cannot get a loan, says to the rest of the world, 'I am seizing the Canal and will make you pay for the loan that way.' . .

"What action should be taken? The first point I want to emphasize is that this is not our affair alone; it is essentially a matter for all the maritime Powers of the world, and we must act in concert with other nations. America, Europe, India, and South-East Asia are all involved. . . The first step is to call a conference of the nations principally concerned. The signatories of the 1888 Convention are one possible group of nations concerned. It would be foolish not to invite Russia to take part in the discussions I would be surprised if, after the Prime Minister's talks with the Russian leaders and his obvious attempts to improve relations with them, he were to be a party to a decision to exclude them from such an important conference

"I would like to see any control commission which may be set up as a result of this conference as a U.N agency. From the point of view of world peace and development, it is far better that it should be done under the U N. than in some independent way I would say, too, that it would obviously be common sense to invite Egypt to this conference as a signatory to the 1888 Convention.

"There remains the question of what other steps can be taken. In the circumstances, and until we have a settlement, the economic measures taken by the Government are fully justified The Prime Minister told us that all shipments of arms or war material from this country to Egypt have been suspended, but there is the possibility that arms may be going from this country to other States unfriendly to us in that part of the world. I am told that a ship is being loaded at Liverpool with arms for the Lebanon [see below] I would ask the Prime Minister to consider whether Syria and the Lebanon had better not be covered by the same arms embargo.

"An investigation of routes alternative to the Canal can be made and should certainly be seriously considered. There has been talk of building a canal from the Gulf of Akaba to Haifa. The objection has been that this would take a long time and involve heavy capital expenditure, but there is something else that could be done along that line It would be possible to lay a pipeline from Akaba to Haifa, which is about 250 miles; and it would take a matter of months, not years, to complete. The Government should consider seriously giving assistance to shipowners to encourage them to build larger tankers which can go round the Cape. The Government must once again give serious consideration to the question of arms for Israel.

"There has been much talk in the Press about the use of force in these circumstances I would say, firstly, that we need to be very careful what we say on this subject. It is unwise to discuss hypothetical situations in present conditions Obviously, there are circumstances in which we might be compelled to use force, in self-defence or as part of some collective defence measures. I do not object to the precautionary steps which the Prime Minister has announced Any Government would have to do that, as we had to do it during the Persian crisis.

"But we are, after all, members of the United Nations and signatories to its Charter For many years we have steadfastly avoided any international action which would be in breach of international law and world public opinion We must not, therefore, allow ourselves to get in a position where we might be denounced as aggressors in the Security Council, or where a majority of the Assembly would be against us. If Colonel Nasser has done things that are wrong in the legal sense, the right step is to take him to the International Court Force is justified in certain events, but if there is anything he has done which would justify force at the moment, it is the one thing on which we have never used force—the stopping of Israel's ships It would be difficult to find, in what he has so far done, any legal justification for the use of force What he may do in the future is another matter

"I think we were right to react sharply to this move If nothing were done it would have serious consequences for all of us, and especially for the Western Powers. It is important that what we do should be done with the fullest possible co-operation with the other nations affected. We should try to settle this matter peacefully on the lines of the international commission which has been hinted at. While force cannot be excluded, we must be sure that the circumstances justify it—that it is, if it is used, consistent with our pledges to the U N Charter and not in conflict with them"

The Government's attitude was supported by many Conservative and Labour M.P.s, and also by Mr. Clement Davies on behalf of the Parliamentary Liberal Party. An important speech was made by Mr. Herbert Morrison, the former Deputy Leader of the Labour Party, who supported the Government in their action against "this pocket dictator in Cairo."

Mr. Herbert Morrison (Lab) said that the Suez crisis was reminiscent of the Abadan crisis—an experience "which he did not look back upon with any great pleasure" [Mr Morrison was Foreign Secretary at the time of the Abadan crisis] In both cases one man had decided that an agreement freely entered into should be repudiated, and in neither case had there been any previous consultations He could not follow the arguments "advanced in some minority quarters and in fairly respectable newspapers" that there was some moral justification for what the Egyptians had done There was no analogy whatsoever with the internal nationalization measures carried out by the British Labour Government, which had been placed before the electorate and which that Government had had a mandate to carry out. "This pocket dictator in Cairo," he declared, "does not consult his Parliament I am not sure that he is permitting his Parliament to function in any effective way, if at all There is no discussion with us or the other countries who are parties to the Conventions One night he decides to go out and make a speech on the hustings, and towards the end whacks out his decree. It is not a civilized international way of conducting public business. Colonel Nasser is to be condemned because he has acted contrary to the law of nations and to international good faith. This action is morally wrong. It is utterly unjustifiable, and I refuse to say a single syllable in justification of what Colonel Nasser has done." Mr. Morrison said that he was in favour of taking the matter to the United Nations so long as the U N was going to be expeditious and effective. If, however, Britain, France, and America should come to the conclusion that, in the circumstances, the use of force would be justified, it might be the duty of Members, including himself, to say they would give them support. "Now and again," said Mr Morrison, "our American friends do rather try our patience About this Middle Eastern business the Americans have been pretty unsatisfactory, and it is time they took a clear line. I hope that the world may know that Britain, France, and the U.S A stand together If the U.S.A. will not stand with us, we may have to stand without them." . . .

The Suez crisis was debated by the House of Lords on the same day, when full support for the Government's attitude was expressed by peers of all parties.

Lord Reading (Minister of State, Foreign Office) spoke as follows: "The best-known and most used waterway in the world has been snatched into the hands of one Government, and that a Government headed by a man who has now proved himself beyond doubt hostile, rancorous, and irresponsible Colonel Nasser's ambitions, and the seething torrent of Egyptian nationalism which he and his associates have done so much to excite and exploit and so little to moderate and control, have swept aside all our endeavours and protestations.

"The Egyptian Government claim that they have taken this step by way of retaliation. Retaliation for what? Not for withholding from them something to which they were entitled as of right, but for the withdrawal in changing circumstances of an offer, which they themselves had not accepted and had complicated by a whole series of provisos, qualifications, and reservations, to furnish them with generous financial aid.

"It may well be that the refusal to produce funds for the building of the [Aswan] Dam was not the cause but the excuse for the purported nationalization of the Canal Company. Indeed, the speed with which the intricate legal instruments to carry out that purpose were sprung

on the world is some indication that they were already in cold storage, awaiting the appropriate moment. If this is so, it may well be that this is a further but more flagrant step in a deliberate policy to undermine and destroy by stages our whole position in the Middle East. In either event, the world cannot sit idly by while the Canal lies at the mercy of bountiful gusts of wrath or studied political plots.

"The Egyptian Government has made a feeble effort to say that the reason lay in the fact that the Company was neglecting the Canal. Everyone, not excluding the Egyptian Government, knows that that allegation is utterly untrue It was done at this moment as a vindictive challenge to the West. It is a challenge to far more countries than Britain, the United States, and France. It is a challenge that can neither be palliated nor ignored. We cannot accept the proposition that the Canal Company shall be recklessly milked of its resources for the construction of a dam for the benefit of Egypt alone. What a future for the Canal !

"Colonel Nasser's intentions were announced in a speech whose distortion and political venom reminded one of others we heard between the wars. If we were tamely to submit to the *coup d'état* with the Arab nations as audience, Colonel Nasser would not be satisfied but stimulated. No dictator can ever afford to be satisfied. What would follow ? At his will, a stranglehold on our essential oil supplies. At his caprice, a stoppage of troop movements, supplies and commerce. At his word, exorbitant increases in Canal dues.

"Such examples are infectious, and there are others in his neighbourhood who are not immune from a similar virus. It may be that it was for Colonel Nasser a question of increasing his prestige. We have prestige, too, and we are determined to maintain it. In the Government's solemn and considered view there is only one solution : the Canal must be placed under effective and trustworthy control. That is the basic decision on principle. It was not lightly taken. It will be steadfastly pursued."

Strong and immediate British action against President Nasser was demanded by **Lord de L'Isle,** V.C., who described the debate as the gravest since 1939 ; **Lord Killearn,** who described President Nasser as a "pirate" and called upon the Government not to let itself be held up by "nice legal points—technicalities and so forth" ; **Lord Jeffreys,** who urged military action against Colonel Nasser with or without the United States ; and **Lord Birdwood,** who called upon the Government to jam the anti-British "Voice of the Arabs" broadcasts from Cairo. **Lord Strabolgi** called upon the Government to supply arms to Israel, while **Earl de la Warr** stressed that if Colonel Nasser succeeded in his aim of establishing himself as Arab dictator from the Persian Gulf to the Atlantic, Britain would "mean nothing in the Middle East from then onwards."

Lord Coleraine said : "This is the Rhineland over again. Had we acted with firmness in January 1936 the Second World War would have been avoided, but we failed to take the chance. This may be the last chance of avoiding a third World War . . It is a question of checking international anarchy before it is too late. If we do not check it, we acquiesce in the destruction of Western civilization."

Lord Hore-Belisha pointed out that Egypt would have become the undisputed owner of the Canal in 1968, under the international convention He therefore urged the Government to give serious consideration to his proposals for an alternative canal across Israel [i.e. from the Gulf of Akaba to the Mediterranean] which he had put forward earlier.

Lord Stansgate said that he did not think the situation was necessarily bad, or that Colonel Nasser wanted to make trouble. He (Colonel Nasser) wanted "to justify his revolution" and to build the Aswan Dam, and, although he had been "politically most insulting," he had not committed any breach of law in a legal sense. When a breach of law had occurred—that is, when Egypt banned Israeli shipping from the Suez Canal—Britain had done nothing at all, either for reasons of caution or because she did not want to offend the Arabs. "That itself has blotted our copybook," Lord Stansgate declared. "The whole world knows we would not stop the Egyptian blockade of Israel. If you take action against Egypt, it is almost certain that the Arab League and all their friends will join in on the other side"

Lord Attlee spoke as follows : "I think we have to take a wide view of this problem. It is only part of a very much wider problem, and I entirely agree with the view expressed by the Government as to what our objective should be. It should be that this great waterway should be open and free for all nations, and should not be used, as it might be used, as a method of blackmail for levying money out of other nations.

"It is not just a matter of Britain, or even of Europe. If we are dependent on oil coming from the Arab States, those States are dependent on selling that oil, and blackmail might be levied on them just as much as on us If our objective is an international waterway, our means of attaining our end must also be international. If we allow a purely British move, or a Franco-Anglo-American move, we lay ourselves open to a charge of what is regarded as the old imperialist tradition. It is essential to carry the greater part of world opinion with us and to see that what actions we take are consonant with world opinion. The mere act of nationalization is not a breach of international law, and we should be very chary of putting ourselves in a position in which we can be charged with aggression I am sure nothing can be worse than for us to plunge into this business on our own. Much as we may object to Colonel Nasser—and he is a thoroughly objectionable type of dictator—we must act within the sphere of international law."

Calling for a greater supply of arms to Israel, Lord Attlee declared : "There is a strong case now for a complete change of policy . . . If we had taken a stand earlier on the question of the passage of ships through the Canal, and the firing on our ships in the Gulf of Akaba, we might have been spared this trouble. We support the Government in whatever action is necessary, provided that we act within the sphere of international law, because this issue is something that transcends British interests—it is in the interests of the whole of the civilized world."

Lord Salisbury (Lord President of the Council) replied to the debate as follows : ". . . Colonel Nasser has struck a savage blow at good faith in public engagements, which, if allowed to go unchallenged, will certainly be the precursor of others probably even more serious—either by himself or by others seeking to profit by his example . . . The Canal question is not merely a legal question ; it is a political question and might almost be called a moral question. It raises the whole issue of international good faith. Is it to be accepted as an ordinary principle of public life that Governments can tear up agreements into which they have solemnly entered whenever it suits them for reasons of national policy ? This is not the only occasion when that particular issue has been raised in the lifetime of some of us. In the case of the remilitarization of the Rhineland, a Government did what it had undertaken not to do. The present situation is in many ways similar to that. If the present action is allowed to pass unchallenged we should debase the whole currency of international relations. If Colonel Nasser's seizure of the Canal and his breach of agreements were acquiesced in, the whole stability of the Middle East would be immediately placed in mortal peril. We would see similar steps taken by one Government after another. When we did make a stand—and ultimately we would have to—we should bitterly regret that we had not stood firm now . . . . "

Sir Anthony Eden's Broadcast on Suez Crisis.

The following sound and television broadcast was made by the Prime Minister on Aug. 8 :

". . . For Britain, the Canal has always been the main artery to and from the Commonwealth, bringing us the supplies we and they need. To many other nations throughout the world it has become the bearer of a traffic of ever-growing volume. The world's commerce depends on it. It carries goods of all kinds for Europe and America, Australia and New Zealand, and for eastern countries like Pakistan, India, and Ceylon. It is in fact the greatest international waterway in the world.

"What Colonel Nasser has done is to seize it for his own ends. Nobody should be surprised that this is creating a very grave situation. The whole trend of the world to-day is against taking selfish action for purely national ends. Hitherto the Canal has been international It is guaranteed by an international agreement signed by many countries in 1888. All the time it has operated with great efficiency in the interests of world shipping. It has been at the service of all nations. True, it runs through Egypt, but it is not vital to Egypt, as it is to many other countries in all parts of the world. Through it travels to-day about half the oil without which the industry of this country, of Western Europe, of Scandinavia, and of many other countries could not be kept going.

"This is a matter of life and death to us all. Let me expain why A great part of our industry and that in other Western lands is to-day run on oil, without which machinery and much of our transport would grind to a halt. We have come to rely more and more upon oil for power. Our industry and exports depend upon it. Here, therefore, is something which concerns every home in this land, and not in this land alone.

"You may ask, is there no alternative to the Canal ? Yes, there is an alternative route round the Cape. But this would add enormously to the length of the voyage and the cost of transport. Nor have we the shipping resources to maintain supplies at the level we need if we have to go all that way. That is why the Canal was built 90 years ago

"It may be said, 'Why is it so terrible to nationalize a company as Egypt has done ? It was done here' That is perfectly true. But it was done, as Mr Morrison rightly pointed out in the House of Commons, to our own British industry. Colonel Nasser's action is entirely different. He has taken over an international company without consultation and without consent. The rights of the company were secured by repeated and solemn agreements entered into by the Egyptian Government. There are a whole series of them, enough to fill a book. The last was only concluded some two months ago

"Some people say · 'Colonel Nasser promised not to interfere with shipping passing through the Canal. Why therefore don't we trust him ? ' The answer is simple. Look at his record. Our quarrel is not with Egypt, still less with the Arab world. It is with Colonel Nasser. When he gained power in Egypt we felt no hostility towards him. On the contrary, we made agreements with him. We hoped he wanted to improve the conditions of life of his people and to be friends with this country. He told us he wanted a new spirit in Anglo-Egyptian relations. We welcomed that. But instead of meeting us with friendship, Colonel Nasser conducted a vicious propaganda campaign against our country. He has shown that he is not a man who can be trusted to keep an agreement. And now he has torn up all his country's promises towards the Suez Canal Company. He has even gone back on his own statement. Not so long ago he was speaking in praise of the Company. He told them how satisfied he was with them. Now, in a night, they have been taken over by force and their assets seized. By Egyptian law the Company's employees,

French and British, are ordered to stay at work under threat of imprisonment. The pattern is familiar to many of us. We all know it is how Fascist governments behave, and we remember only too well what the cost can be in giving in to Fascism.

"But that is not all. If the Canal is to do its job, its capacity to carry the traffic must be increased and much money spent upon it. The Company have been building up reserves for this purpose and they will all be needed. And what does Colonel Nasser say? He tells us he must take over the Company because he wants to use its money to build the Aswan Dam. This means simply that he is seizing the resources of an international company to further his own national scheme—this at a time when he is already spending all the resources he can get hold of to buy arms.

"See how the bills mount up. Just look. The compensation to the Company which he has promised to pay would cost £70,000,000, the Aswan Dam, which he has promised to build, would cost £400,000,000. His arms shipments, the only things that are being paid for at present, will cost scores of millions. The urgently needed extensions to the Canal would cost tens of millions of pounds alone, and the long-term development much more. The grand total is preposterous. In view of what has happened, can anyone feel that the United States was wrong to tell the Egyptian Government that they could not finance the Dam until Egypt was prepared to cut her coat to fit her cloth?

"But there is something much more important than all this at stake. If Colonel Nasser's action were to succeed, each one of us would be at the mercy of one man for the supplies upon which we live. We could never accept that. With dictators you always have to pay a higher price later on—their appetite grows with feeding. Just now Colonel Nasser is soft-pedalling. His threats are being modified. But how can we be sure that next time he has a quarrel with any country, he won't interfere with that nation's shipping; or that the next time he is short of money, he won't raise the dues on the ships that pass through the Canal If he is given a chance, of course he will.

"I have shown you how deeply the Canal concerns us. But other countries have a close interest too. That is why we immediately asked the French and American Governments to consult with us. These meetings produced the immediate result we hoped for—an international conference is to be held in London next week to which we have invited all the countries most closely interested in the use of the canal.

"Let me tell you what the purpose of the conference is. It is just this—that the canal must be run efficiently and kept open, as it always has been in the past, as a free and secure international waterway for the ships of all nations. It must be run in the interests not of one country but of all. In our view this can only be secured by an international body. That is our purpose.

"We have had a good response to our invitations for the meeting on Aug. 16. Already 19 countries have accepted, none has refused. I am confident that the conference can produce a workable scheme for the future of the canal within the limits I have explained.

"So the alternatives are now clear to see. If we all join together to create an international system for the Canal and spend its revenues as they should be spent to develop it rapidly, that can bring growing prosperity to East and West alike—countries that produce oil and countries which buy it. There will be wealth for all to share, including Egypt. There is no question of denying her a fair deal or a just return. But if anyone is going to snatch and grab and try to pocket what really belongs to the world, the result will be impoverishment for all, and refusal by some countries at least to lead their lives at such a hazard. Meanwhile, we have too much at risk not to take precautions. We have done so. That is the meaning of the movements by land, sea and air of which you have heard in the last few days.

"We do not seek a solution by force, but the broadest possible international agreement. That is why we have called the conference. We shall do all we can to help this work. But this I must make plain. We cannot agree that an act of plunder which threatens the livelihood of many nations should be allowed to succeed. And we must make sure that the lives of the great trading nations of the world cannot, in the future, be strangled at any moment by some interruption of the free passage of the Canal. These are our intentions. I am sure they will command your support."

Mr. Dulles's Broadcast on Suez Crisis.

The U.S. Secretary of State, after returning to Washington from the London tripartite talks, gave the following radio and television broadcast on Aug. 3:

"This trouble about the Suez Canal started when President Nasser announced that he was going to take over the operation of the Canal. He tried to seize the monies, property, and personnel of the Universal Suez Canal Company, which is the operating Company of that Canal. This act by President Nasser goes far beyond a mere attempt by a Government to nationalize companies and properties within its territory which are not international in character, because the Suez Canal and the operating Company are international in character.

"The Suez Canal is an international waterway which was built by the Universal Suez Canal Company with international funds about a century ago. In 1888 all the Great Powers principally concerned with the Canal made a treaty providing that the Suez Canal shall be open at all times, in war as well as in peace, to the shipping of all nations on free and equal terms. Egypt is a party to that treaty and has repeatedly recognized it. Indeed, only a couple of years ago President Nasser himself reaffirmed the allegiance of Egypt to that treaty. In all the world there is no international waterway as fully internationalized as is the Suez Canal.

"The Universal Suez Canal Company ... has been the means of assuring that the Canal would in fact be operated as a free and open international waterway as pledged by the 1888 treaty. That Company itself is of an international character. Registered in Egypt, it operates under a franchise given it by the Government of Egypt Shareholders are of many nationalities, the board of directors is international, and the canal work—the building of the Canal and the keeping of it in good repair—is supervised by an international body of engineers ...

"In 1955, 14,666 ships passed through the Canal. They had a tonnage of over 115,000,000, flew the flags of more than 40 nations, and carried the products of all the world. There are 187 pilots from 13 nations—56 French, 52 British, 32 Egyptian, 14 Dutch, 11 Norwegian, and so on Two of the pilots are Americans. It is by far the world's greatest highway. It has nearly three times the traffic that goes through the Panama Canal

"Now, why did President Nasser suddenly decide to take over the operation of the Suez Canal? He has told us about that in a long speech he made. In that speech he did not for a moment suggest that Egypt would be able to operate the Canal better than it was being operated . . The basic reason he gave was that if he took over this Canal, it would enhance the prestige of Egypt He said that Egypt was determined to score one triumph after another, in order to enhance what he called the 'grandeur of Egypt' And he coupled his action with statements about his ambition to extend his influence from the Atlantic to the Persian Gulf. He also said that by seizing the Suez Canal he would strike a blow at what he called 'Western imperialism.' And he thought also that he could exploit the Canal so as to produce bigger revenues for Egypt, and so retaliate for the failure of the U.S.A. and Britain to give Egypt the money to enable it to get started on the $1,000,000,000-plus Aswan High Dam

"President Nasser's speech made it absolutely clear that his seizure of the Canal Company was an angry act of retaliation against fancied grievances. No one reading that speech can doubt for a moment that the Canal, under Egyptian operation, would be used, not to carry out the 1888 treaty better, but to promote the political and economic ambitions of Egypt, and what President Nasser calls the 'grandeur of Egypt.'

"Of course, the Government of a free and independent country, which Egypt is—and we want it to be always that—should seek to promote by all proper means the welfare of its people. And President Nasser has done quite a lot of good in that respect. But it is inadmissible that a waterway internationalized by treaty, which is required for the livelihood of a score or more of nations, should be exploited by one country for purely selfish purposes, and that the operating agency which has done so well in handling the Suez Canal in accordance with the 1888 treaty should be struck down by a national act of vengefulness. To permit this to go unchallenged would be to encourage a breakdown of the international fabric upon which the security and the well-being of all peoples depend.

The question is not whether something should be done about this Egyptian act, but what should be done about it. There were some people who counselled immediate forcible action by the Governments which felt themselves most directly affected. This, however, would have been contrary to the principles of the U.N. Charter and would undoubtedly have led to widespread violence endangering the peace of the world At London we decided upon a different approach. We decided to call together in conference the nations most directly involved, with a view to seeing whether agreement could not be reached upon an adequate and dependable international administration of the Canal on terms which would respect, and generously respect, all the legitimate rights of Egypt. . . .

"We believe that out of this conference will come a plan for the international operation of the Canal which will give assurance that the objectives of the 1888 treaty will in fact be realized, and that the Canal will continue to be operated by those who feel that it is their duty to serve the international community, and not the special interests of any one nation. This plan should give both security to the nations principally concerned with the Canal, and also fully protect the legitimate interests of Egypt. Egypt, we believe, should be adequately represented on this operating authority, and be assured, also, of a fair and reasonable income for the use of the property, because the Canal, although it is internationalized, is on Egyptian territory.

"There is every desire that Egypt shall be treated with the utmost fairness. And also, the owners and the employees of the now dispossessed Universal Canal Company should also be fairly treated. If these principles are accepted by the conference, then we believe that they will also be accepted by Egypt. . . .

"I have been asked: 'What will we do if the conference fails?' My answer to that is that we are not thinking in terms of the conference's failing. But I can say this: We have given no commitments at any time as to what the United States would do in that unhappy contingency. We assume that the conference will not fail but will succeed. And I believe that by the conference we will invoke moral forces which are bound to prevail. . . . I am confident that out of this conference there will come a judgment of such moral force that we can be confident that the Suez Canal will go on as it has for the last 100 years, to serve in peace the interests of mankind."

French National Assembly Resolution. - Statements by M. Mollet and M. Pineau.

Before rising for the summer recess, the French National Assembly passed a resolution on Aug. 2 which (*a*) accused Colonel Nasser of breaking international agreements and violating international law by banning Israeli shipping from

the Suez Canal; (*b*) noted that he had proclaimed his determination to establish his hegemony over the Arab world; (*c*) described his conduct as "a permanent threat to peace"; and (*d*) called upon the French Government not to accept the *fait accompli* of Colonel Nasser's seizure of the Canal. The resolution was adopted by 422 votes to 150, only the Communists opposing. Statements were made to the Assembly by M. Mollet, the Prime Minister, and M. Pineau, the Foreign Minister.

M. Pineau emphasized that the London conference convened for Aug. 16 would take place whatever the number of Powers represented. The French Government hoped for and desired a peaceful solution of the problem, but, like the British Government, was obliged to take precautions to prepare for any eventuality French ships had been advised not to pay tariff dues to the new Egyptian Authority, and to change their route if the Egyptians tried to force them to pay canal dues on the spot

M. Pineau explained that, in the French view, international control of the Suez Canal should extend to its day-to-day operation, and not merely consist of a vague supervision. There was no question of the Canal remaining in the hands of a private company, and, under the Western plan, shareholders of the present Suez Canal Company would be indemnified and Egypt would receive fair compensation. The new international authority envisaged in the Western plan, moreover, would not pay any dividends, and the Canal would thus function for the sole benefit of its users This position would be defended by the French Government at the London conference. On the outcome of the conference, M. Pineau said. "Either Colonel Nasser will agree and rescind the measures he has taken, or he will refuse to submit. In that case all possible measures, in our opinion, must be taken to oblige him to submit."

When he saw Colonel Nasser in Cairo earlier in the year (M. Pineau continued) the Egyptian leader had declared that although Egypt necessarily sympathized with Arabic-speaking Moslems in revolt, she desired good relations with France. Colonel Nasser had also given his "word as a soldier" that no Algerian rebels were being trained in Egypt, and his "word of honour" that he had no aggressive intentions towards Israel, and had made "energetic declarations" about his dislike and distrust of Soviet policy. Although France had done all in her power to maintain friendly relations with Egypt, it was no longer possible to have any confidence in a man who had broken his pledged word of honour.

After referring to Colonel Nasser's "hysterical behaviour and irresponsible manner," M Pineau emphasized that it was impossible to base an international system such as the running of the Suez Canal on a man who was not in control of his own acts and his own nerves, and who was leading the Egyptian people along the path of fanaticism and xenophobia. "We will not accept the law of a dictator who cares less about the interests of his people than about his prestige and personal ambitions," he declared "In deflating the prestige of a false hero who is trying to lead the Moslem world into dire adventures, we will be doing all Moslems a service that one day they will appreciate."

It was impossible to trust Colonel Nasser's word, M. Pineau declared, because Egypt had already violated the international character of the Suez Canal by imposing a ban on Israel's shipping. Nor could France admit such gross violations of international morality as the threat to imprison non-Egyptian employees of the Suez Canal Company who did not accept the new Authority. "We do not trust a dictator who has proved his contempt for international commitments," he added "We do not accept that the economic relations of Europe and Asia should depend on his nationalist ambitions."

M. Pineau stressed that it was largely owing to the divergencies between the Western Powers that Colonel Nasser had enjoyed his recent successes In June, already, he (M. Pineau) had tried to draw the attention of the United States to the disquieting behaviour of Colonel Nasser; at the time the attitude of the U S Government had been "resistant," but it had "evolved since" The decision not to finance the Aswan Dam had been taken by the United States alone, without consultation with her allies, and France now found herself "a victim of spoliation and violent injury." In the London tripartite talks, however, "great strides" had been made in securing agreement on essentials, and he had emphasized to Mr. Dulles the consequences of lack of solidarity between the Western allies on a question of such grave importance.

M. Mollet said: "The London conference of Aug. 16 . . . will affirm the common determination of the great majority of nations concerned. The rules that will be confirmed on Aug. 16 will be applied. We will impose them on Nasser if, in a last act of defiance, he claims to ignore them. I can assure the Assembly that the necessary measures have already been taken in France, as they have been by our British friends . . . The Government is aware of the great responsibilities resting on the allies at this moment. It has not hesitated an instant in facing them. It will shoulder them to the end."

During the debate Communist deputies violently attacked the French shareholders of the Suez Canal Company, which led M. Mollet to retort: "It is only necessary for a cause to be anti-French for you [the Communists] to support it." He also asked whether "the pact between Nasser and Shepilov will have the same results as the pact between Hitler and Molotov."

Cairo Statement on London Communiqué. - Partial Mobilization in Egypt. - Recall of Reservists. - Formation of National Liberation Army.

Cairo Radio broadcast on Aug. 3 a reply to the three-Power statement issued in London after the talks between Mr. Selwyn Lloyd, Mr. Dulles, and M. Pineau. It was issued by the Director of President Nasser's Political Office (Wing-Commander Aly Sabry), and purported to be a point-by-point reply to the London communiqué.

After emphasizing that Egypt continued to respect the 1888 Convention, and that traffic through the Canal had been proceeding normally during the eight days since nationalization, the Egyptian statement complained that the London communiqué had been issued in an "atmosphere characterized by pressure on Egypt and the threat of military force" and by "economic pressure in Paris, London, and Washington with the object of compelling the Egyptian people to submit." The Western Powers' statement had given a "distorted picture of the situation" and had omitted all reference to the fact that the Canal would have passed under Egyptian sovereignty in 1968, under the terms of the 1888 Convention. The "commotion aroused in London" (the statement alleged) had proved that the Western Governments had no intention of letting Egypt own the Suez Canal, even after the expiration of the international Convention. Moreover, the tripartite statement had omitted to mention that the Suez Canal Company was a joint-stock company registered in Egypt, and had also made no reference to that paragraph of the Anglo-Egyptian agreement of 1954 which stated: "The two contracting Governments agree that the Suez Canal is an integral part of Egypt."

In nationalizing the Suez Canal Company (the statement continued) the Egyptian Government was exercising the powers of a sovereign State. The London description of the nationalization of the Company as an arbitrary action was "nothing but a fallacy," as the Canal Company was an Egyptian company operating under Egyptian law As regards the allegation that the seizure was a serious act because it appeared to have been taken to serve the national interests of Egypt, as opposed to international interests, the statement declared. "The two interests are inter-related, and reconciliation can be reached between Egypt's interests as provided for in the agreement concerning the construction of the Canal, and the importance of the Canal as an international waterway."

The Egyptian statement also asserted that any employee of the Suez Canal Company in Egypt was free to leave his employment after giving one month's notice. [Although the nationalization law had laid down that employees leaving their jobs without permission would be liable to imprisonment, it was subsequently announced in Cairo that they could resign if they gave one month's notice.]

The Egyptian Government announced on Aug. 5 that it had called up a limited number of reservists "for incorporation in the regular army," but it was officially denied that any general mobilization had started. A number of reserve officers had been recalled after the outbreak of the Suez crisis.

Colonel Nasser signed a decree on Aug. 9 for the formation of an "army of national liberation" under the command of Major Kamaleddine Hussein, the Minister of Education. It will comprise the National Guard (a territorial force), youth battalions, and volunteers between the ages of 18 and 50.

British Military and Naval Precautions. - Evacuation of British Families from Canal Zone. - Revocation of Arms Licences for Egypt.

Precautionary measures taken by the British Government during the week Aug. 4-11 are summarized below:

Retention of Regular Troops. The War Office announced on Aug. 4 that all regular soldiers due for discharge from the Army would be retained for the time being because of the Suez crisis. It was also announced that, owing to the extensive troop movements demanded by the precautionary measures being taken in the Eastern Mediterranean, the return home of National Servicemen overseas who were due for release was liable to be delayed. The arrangements for retaining officers were:

(1) Certain officers on extended-service and short-service commissions would be retained, and voluntary retirements for both would cease.

(2) Officers on short-service commissions due to complete their engagements on the reserve would be invited to continue on the active list.

(3) National Service officers completing their whole-time service could not be retained compulsorily but would be invited, if required, to continue on the active list voluntarily for as long as was necessary, with a minimum of three and a maximum of 12 months.

Troop Movements to Mediterranean. It was stated in the Press on Aug 8-9 that large troop movements from Britain to the Mediterranean, involving five infantry battalions, four anti-aircraft regiments, and an armoured-car regiment, were contemplated within the coming week, both by troopship from Southampton and by airlift from Hurn and Blackbushe airfields. The units involved were stated to include the 1st Bn. Suffolk Regiment (due for posting to the Mediterranean before the outbreak of the Suez crisis), the 1st Bn. Oxfordshire and Buckinghamshire Light Infantry, units of the Somerset Light Infantry the Royal Berkshire Regt., and the Duke of Wellington's Regt., the Life Guards, the 37th and 57th Heavy A.A. Regiments, and the 16th and 43rd Light A.A. Regiments.

The aircraft carriers *Theseus*, *Bulwark*, and *Ocean* left Portsmouth and Plymouth for the Mediterranean between Aug. 5-7. H.M.S. *Theseus* had on board men and equipment of the 16th Independent Parachute Brigade Group, while H.M.S. *Bulwark* carried two Royal Artillery regiments and supporting Signals and REME units. The troopship *Dilwara* sailed from Southampton on Aug. 9 with 1st Battalions of the Suffolk Regt., and the Oxford and Bucks Light Infantry.

Requisitioning of Merchant Shipping and Aircraft. A number of merchant ships were requisitioned by the Ministry of Transport to deal with the emergency troop, stores, and transport movements caused by the Suez crisis. They included the 20,000-ton liner *New Australia*, which was to have sailed for Australia on Aug 29 with 1,200 emigrants from Britain but which was ordered to stand by for taking troops to the Mediterranean.

It was announced on Aug. 7 that the Government had asked independent air operators to prepare to move troops to the Mediterranean. In a joint statement issued on that date by the chairmen of British Aviation Services and Airwork Ltd. (respectively Mr. Mekie and Mr. Wyatt), it was stated that "for the first time in the history of this country, independent airlines are required officially as having a real place in the defence of this country's interests." Mr. Mekie said that charter operators had a fleet of about 200 aircraft, of which about half were four-engined, which would be available to the Government in the event of an emergency.

[British Aviation Services and Airwork represent about half the aircraft strength of the big charter firms. They have between them about 90 planes, of which 16 are four-engined. Silver City Airways have 22 Bristol freighters engaged on cross-Channel motor ferrying.]

A spokesman of British Overseas Airways said on the same date that three of its fleet of six *Britannias* had been made available at the Government's request for the possible airlift of troops.

British Women and Children evacuated from Canal Zone. An airlift of some 900 British wives and children from the Canal Zone ("Operation Nursery") began on Aug. 9 and was scheduled for completion in 7-10 days. It was carried out by BOAC and independent air companies. Sir John Duncanson, chairman of Suez Contractors (Services) Ltd., explained that the measure was of a precautionary character, and that the wives and children evacuated were families of British technicians who were servicing the Suez base. There was no question of the contractors themselves "clearing out" from the base, nor had the 600 technicians there been ordered to leave, but in view of the general situation they had been advised to send their wives and families home.

Revocation of Arms Licences for Egypt. The President of the Board of Trade (Mr. Thorneycroft) announced on Aug. 2 that all licences for the export to Egypt of arms and munitions, including armoured vehicles and parts, aircraft, and aero-engines, had been revoked, and that "no further licences are being issued for the supply of these goods to Egypt."

The Foreign Office announced on Aug. 5 that export licences for the export of arms to the Lebanon in the Egyptian ship *Star of Luxor* —then at Liverpool—had been revoked, and that the arms consignment would be sent to the Lebanon as soon as possible in a non-Egyptian ship. No official explanation was issued, but it was understood that the British authorities feared that the *Star of Luxor* might be diverted to an Egyptian port, where the arms intended for Lebanese use could be requisitioned by the Egyptian authorities. On the previous day the Liverpool dockers had refused to load any of the war materials—which included 12 field guns, 12 Bofors guns, searchlights, radar equipment, and spare parts—on the *Star of Luxor*, since the armament might be used by the Egyptians to kill British troops. They were strongly supported in this attitude by Mrs. E. M. Braddock (Labour M.P. for the Exchange division of Liverpool), who went in person to the quayside and urged the dockers not to handle the war materials.

Anglo-French Staff Talks. British and French Staff officers of the three Services met in London on Aug. 8 to discuss joint plans for dealing with the Suez crisis. The C.-in-C. of the French Mediterranean Fleet, Admiral Barjot, attended the discussions.

Other Developments in the Suez Crisis.

Other developments caused by the Suez crisis in the week Aug. 4-11 are summarized below under cross-headings:

Suez Canal Company's Notification to Employees. The following instructions to its non-Egyptian employees were issued by the Suez Canal Company on Aug. 6:

"On the decision of the board of the Suez Canal Company, the non-Egyptian staff of the company has been invited to choose, before Aug. 15, 1956, between loyalty to the contract which binds them to the company, and acceptance of voluntary co-operation with the *de facto* authority which has seized the running of the canal.

"Those who choose in favour of the company must make it known to their diplomatic or consular representatives in Egypt, who alone will be able to ensure their later repatriation.

"In view of the action undertaken by the French, British and American Governments in calling a conference which is due to open in London on Aug. 16, the company agrees that its agents who will have made an act of loyalty towards it postpone their effective departure from Egypt and continue their work—at the same time abstaining from any act which would constitute freely agreed recognition of any bond whatever with the *de facto* authority—until a date which will be communicated to them later."

Suez Canal Traffic. The first incident on the canal since its nationalization occurred on Aug. 2, when the Norwegian freighter *Vito*, bound for London with a cargo of wool from Australia, was stopped and questioned by the Egyptian authorities about payment of canal dues. Although the Egyptian authorities had telephoned the agents and told them that the *Vito* could not be allowed to proceed because her canal dues had been paid on a blocked sterling account in London, the vessel was nevertheless allowed to pass into the Mediterranean after interrogation, without any further action being taken against her.

It was announced in Jerusalem on Aug. 7 that two freighters chartered by the Israel Navigation Company—one Greek and one Dutch—had been permitted to pass through the Suez Canal with cargoes of cement for East African ports. Their papers showed the port of loading and departure as Haifa, and the vessels were allowed to pass without hindrance after paying canal dues in cash.

Mr. Nehru's Statement on Suez Crisis. In a statement on Aug. 8 to the House of the People in Delhi, Mr. Nehru announced that the Government of India had decided to take part in the London Conference "with a sense of grave responsibility," after receiving assurances from the British Government that India's participation would not imply her commitment to the principles set out in the Anglo-French-American statement. The Indian Government were also satisfied that their participation would not "injure the interests of the sovereign rights and dignity of Egypt." Mr. Nehru added, however, that the conference could not reach any final decision, since that would require the agreement of Egypt He therefore recognized that Egypt "could not and would not take part in a conference on the Suez Canal to which she was merely an invitee and in respect of which there have been no consultations with her."

In the course of his statement Mr. Nehru defended Egypt's action in nationalizing the Suez Canal, and sharply criticized the Western Powers for the military and naval measures taken. The nationalization of the Suez Canal, he said, had been precipitated by the decision not to assist in the construction of the Aswan Dam, and there had arisen "a grave crisis which, if not resolved peacefully, can lead to a conflict the extent and effects of which it is not easy to assess." While the suddenness of Egypt's nationalization decision, and the manner in which it had been implemented, might have contributed to the "violent reactions" in Britain and France, Egypt was within her rights in nationalizing the Canal. Her decision "appeared to antedate" the taking-over of the Suez Canal Company's concession, which was due to expire in 1968, but there was no question of expropriation, as the shareholders would be compensated at market values

Mr. Nehru went on to say that British and French military and naval movements had aggravated the situation, caused deep resentment in the Arab countries and throughout Asia generally, and aroused "colonial memories." He had no desire to add to the passions aroused, but he would be failing in his duty if he did not say that the display of force was "the wrong way." India felt deep concern at the measures taken by Britain and France and the counter-measures reported from Egypt, and hoped that "the parties will enter into negotiations and seek a peaceful settlement." In taking part in the London conference, India would not be bound "by the approach and the principles set out in the joint communiqué of the U.K., French, and U.S. Governments," nor could she participate in any "war preparations, sanctions, or steps which challenged the sovereign rights of Egypt." He criticized the "regrettable omission" of Burma from the countries invited, and thought that Yugoslavia should also have been asked to attend the London conference.

Statement by Government of Pakistan. A Government spokesman in Karachi issued the following statement on Aug. 1: "Pakistan is interested in the maintenance of the Suez Canal as a highway open to the ships of all countries. Any delay, because of its diversion or otherwise, in the traffic to or from Pakistan which normally passes through the Suez Canal would have adverse effects on Pakistan's overseas trade and economy generally. We should therefore welcome the early settlementof this matter"

New Zealand Support for Britain. In a statement to the N.Z. House of Representatives on Aug. 7, Mr. Holland (the Prime Minister) said: "We have told Britain that she can count on New Zealand standing by her through thick and thin—this means exactly what it says" The Canal, as a vital international waterway, was of the utmost importance to both Britain and New Zealand, and the proposition that it should remain under the control of one country could not be accepted. The Leader of the Opposition, Mr. Nash, expressed full agreement, declaring that Colonel Nasser's action in breaking an international agreement was an immoral act which could not be accepted.

Iraqi Support for Egypt. The Iraqi Government issued a statement on Aug. 5 declaring that "nationalization has become the established right of sovereign countries," and expressing the hope that "wisdom may prevail to solve this dispute." The statement added: "While hoping that this will materialize, the Iraqi Government announces that it stands by Egypt in achieving its dignity, sovereignty, and independence." The Iraqi Government also said that it was essential that Arab opinion should not be "distracted from the Israel danger," and that Israel should be given no opportunity "to exploit the current critical situation . . . to achieve its ambitions and interests."

The statement was issued after the Prime Minister, General Nuri es-Said, had returned to Baghdad from a visit to London.

Panamanian Statement on London Conference. The Government of Panama issued the following statement on Aug. 5 in connexion with the London Conference . " The result of the conference to be held in London is especially important for the Republic of Panama. The Panama Canal, which is bounded by our territory, is of vital interest to our country and is similar in some respects to the Suez Canal. Panama is especially interested in this problem because of the big merchant fleet which flies the Panamanian flag. Despite this dual interest which the Republic of Panama has, she has not been invited to the conference. The Government of Panama will therefore not consider herself obliged to respect any of the decsions or recommendations adopted by the conference."

Relaxation of U.S. Financial Restrictions against Egypt. The U.S. Treasury announced on Aug. 5 that it had relaxed the restrictions imposed on Egyptian assets a week earlier, so that trade and business transactions with Egypt could be resumed. It was explained that this did not affect the freezing of the money and property of the Egyptian Government and the Suez Canal Company in the U.S.A. (estimated at $60,000,000 to $80,000,000) but only lifted the former restrictions so as to permit trading. The assets already frozen, however, could not be used for this purpose, and any new transactions must involve " new money " (i.e. " new " Egyptian money sent to the U.S.A. could be used without restriction, and shipments could be made to the Egyptian Government provided they did not involve the frozen assets).

It was also announced in Washington that authority had been given to U.S. ships using the Suez Canal to pay the canal dues to the new Egyptian Authority. Masters were required, however, to stipulate that the payment was made " under protest and without prejudice to all rights of recovery or otherwise."

Mr. Dulles discussed the Suez crisis on Aug. 7 with the heads of all Latin American diplomatic missions in Washington. No statement was issued.

Israeli Ambassador's Visit to British Foreign Office. The Israeli Ambassador in London, Mr. Elath, called at the Foreign Office on Aug. 3 to discuss the Suez situation. No statement was issued, but it was pointed out in the British Press that Mr. Elath had in all probability drawn Mr. Selwyn Lloyd's attention to the fact that Israel, though not invited to take part in the London Conference, was concerned in the use of the Canal, from which her shipping was banned by the Egyptian Government. It was also believed that Mr. Elath had reiterated Israel's plea for arms shipments to counterbalance Egypt's arms supplies from Communist sources.

The *Manchester Guardian* commented as follows " The immediate Israeli reaction to Colonel Nasser's nationalization of the Canal is that it increases the danger of an Egyptian attack on Israel , not, perhaps, in the immediate future but in the long run. Colonel Nasser, the argument goes, is a dictator, and dictators cannot stand still. First it was Suez ; then it was the Canal . . . If he wins this round with the Western Powers, only Israel will remain between him and the undisputed leadership of the Middle East. Sooner or later he will be bound to attack . . It is likely, therefore, that Mr. Elath will have reminded the Foreign Secretary of Israel's outstanding request for arms, and to have urged upon him the fact that, in view of the Israeli Government, the latest developments have made the need for arms even more urgent . . . "

Intense diplomatic activity prevailed in Cairo during the week, Colonel Nasser having a number of meetings with the Soviet and Indian Ambassadors, and also with the ambassadors of the Arab States. He also had several meetings with the U.S. Ambassador, Mr. Byroade. No official statement was issued on these discussions, but it was announced that President Nasser would issue a statement at a press conference on Aug. 12. (Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - Indian High Commissioner's Office, London - Pakistan High Commissioner's Office, London - Department of External Affairs, Wellington) **(Prev. rep. Suez Crisis, 15001 A.)**

A. UNITED KINGDOM. — Regional Stamp Issues.

The Postmaster-General (Dr. Charles Hill) announced on July 18 that the Queen had approved in principle the issue of distinctive stamps for Scotland, Wales, and Northern Ireland in the 2½d., 4d., and 1s. 3d. denominations, and for Jersey, Guernsey, and the Isle of Man in the 2½d. denomination.

Dr. Hill stated that he proposed to invite committees of cultural and artistic interests in the areas concerned to advise on detailed designs, which would be submitted to the Queen for approval; that the border of the new stamps would bear symbols or designs appropriate to the areas concerned ; but that the traditional features of British stamps—the dominance of the Sovereign's head, and the absence of the name of the country of origin—would continue to be observed.

The new stamps will be on sale only in the areas which they represent, but will be valid for postage and revenue purposes throughout the British Isles. They are expected to be in circulation early in 1957.—(Times - Daily Telegraph)
(Prev. rep. Post Office, 14879 D.)

B. INTERNATIONAL BANK. — Tenth Anniversary. - Loan Issues, 1946-56. - Recent Loans. - Revised Interest Rates. - New Vice-Presidents.

The International Bank for Reconstruction and Development completed its tenth year of existence on June 25. Since its inception it has made a total of 149 loans to a value of $2,645,000,000 for post-war reconstruction or economic development, without a default in the payment of capital or interest. Regionally the loans were divided as follows :

Europe	43 loans;	value $979,300,000
Western Hemisphere	60 loans;	value $673,900,000
Asia	27 loans;	value $386,200,000
Africa	15 loans;	value $347,200,000
Australia	4 loans;	value $258,500,000

Recent loans by the Bank are summarized below :

Colombia. $16,500,000 on June 6 to the Colombian Government to complete a highway rehabilitation programme. This loan, the third of its kind, brought the total lent to Colombia for highway improvements to $47,300,000 (118,500,000 pesos) towards an estimated total cost for the entire programme of 515,000,000 pesos Terms : 3¾ per cent p.a interest, plus 1 per cent p a. commission, repayable in 15 years starting on May 15, 1959.

Federation of Rhodesia and Nyasaland. $80,000,000 on June 22 to the Federal Power Board for the first stage of the Kariba hydro-electric power scheme (see 14751 A). Terms : 4 per cent p.a. interest, plus 1 per cent p a. commission, repayable in 25 years beginning on June 1, 1963. The loan was guaranteed by the Governments of the Federation and of the U.K.

Finland. $15,000,000 on May 22 to the Mortgage Bank of Finland (a new institution owned almost entirely by the Bank of Finland) for the expansion and distribution of electric power. The estimated total cost of the scheme was $103,000,000 and the Bank's loan was to be used to meet foreign exchange requirements for equipment and materials. The New York Trust Co. participated in the loan without the International Bank's guarantee to the extent of $280,000. Terms : 3¾ per cent p a. interest, plus 1 per cent p a. commission, repayable in 20 years beginning on June 1, 1959

India. $75,000,000 on June 26 to the Tata Iron and Steel Co. of Jamshedpur (the largest integrated steel plant in Asia) to assist in financing the purchase of equipment abroad for an expansion programme to raise the Company's annual output to 2,000,000 tons of ingot steel (see 14792 A). The First National City Bank of New York, the Irving Trust Co. and the Manufacturers Trust Co participated in the loan to the extent of $2,355,000. Terms : 3¾ per cent p.a interest plus 1 per cent p a commission, repayable in 15 years beginning on Dec 1, 1959. The loan, the largest made by the International Bank in Asia, was guaranteed by the Government of India.

Nicaragua. $3,200,000 on May 22 to the Corinto Port Authority, an autonomous agency established by the Nicaraguan Government to own and operate the principal seaport in the country, for port improvements costing an estimated $4,500,000. The Bank of America participated in the loan, without the International Bank's guarantee, to the extent of $121,000. Terms . 3¾ per cent p.a. interest plus 1 per cent p a. commission, repayable in 15 years starting on Oct 1, 1959.

These loans were the third to the Federation of Rhodesia and Nyasaland, the sixth to Finland, the eighth to India, the ninth to Nicaragua, and the eleventh to Colombia.

A revision of the International Bank's interest rates was announced on June 14. New rates (excluding the 1 per cent commission charged by the Bank) were 3¾ per cent on loans up to 15 years and 4 per cent on those of 16 years or longer. (Previous rates were 3½ per cent up to 5 years, 3¾ per cent for 6 to 10 years, and 3¾ per cent for 11 years or over).

Following the resignation of Mr. Robert L. Garner as Vice-President of the International Bank (consequent upon his appointment as President of the newly-formed International Finance Corporation), it was announced on July 27 that three new Vice-Presidents had been appointed : Mr. W. A. B. Iliff (hitherto Assistant to the President), Mr. J. Burke Knapp (hitherto Director of Operations with the Western Hemisphere), and Mr. Davidson Sommers (hitherto General Counsel, a post which he will continue to hold). Mr. Iliff is a British national and Mr. Knapp and Mr. Sommers are American citizens. (International Bank, Washington) **(Prev. rep. 14868 A.)**

C. JORDAN - SYRIA. — Customs Union.

An agreement was signed in Damascus on Aug. 6 for the formation of a Customs and economic union between Syria and Jordan. It provided that nationals of each country would have freedom of residence, movement, and employment in the other ; that there would be similar freedom of movement in respect of capital and personal possessions ; and that policies and regulations relating to agriculture, industry, commerce, and taxation would be co-ordinated and unified by special committees. (Times - Le Monde, Paris) **(Prev. rep. 14985 A.)**

A. ITALY. — Communist and Left-wing Socialist Reactions to M. Khrushchev's Denunciation of Stalin. - Criticisms of Soviet Communist System.

The problems raised by the publication in the U.S.A. of M. Khrushchev's secret report to the 20th Congress of the Soviet Communist Party and the full details of his denunciation of Stalinist policy (see 14992 A) were discussed in important statements published during June by Signor Togliatti and Signor Nenni, general secretaries of the Italian Communist and left-wing Socialist parties respectively. These statements are summarized below.

Statements by Signor Togliatti.

In an interview with the journal *Nuovi Argomenti*, published in the Communist Party paper *L'Unità* on June 17, Signor Togliatti strongly criticized M. Khrushchev's failure to analyse the causes of the growth of the " cult of the individual " in the Soviet Union, and emphasized that for Communist parties outside the Soviet Union " the Soviet model cannot and should not any longer be obligatory."

Dealing with the significance of the condemnation of the " cult of the individual," Signor Togliatti rejected the view that " the Soviet Communists have thrown overboard all their principles and practice and their entire past," or that the criticism of Stalin reflected a personal struggle among the Soviet leaders, or between different groups. " The criticisms of Stalin and the cult of the individual mean for the Soviet comrades exactly what they have said," he continued " Stalin's errors . . . were very serious and widespread, and I do not think that it will be at all easy to overcome them, nor possible to do it in a very short time. One can say that a large part of the leading cadres of Soviet society (party, State, economy, culture, etc), were paralysed by the cult of Stalin, losing their critical and creative capacity in thought and action. For this reason it was absolutely necessary to make the denunciation of Stalin's errors, and to do it in such a way as to shake up and reactivate the whole life of the organisms of which the system of Socialist society consists."

Signor Togliatti said that he did not believe that the " new process of democratic development in the Soviet Union " would involve the introduction of political institutions on the Western model or the development of a multi-party system. Modifications, however, would be introduced into the Soviet political system ; the most significant measures which had been taken hitherto were those in the direction of greater decentralization of economic organization.

Turning to the question of " the collective responsibility for these mistakes of the whole leadership, including the comrades who have taken the initiative either in the denunciation or correction of the evils which had come about earlier," Signor Togliatti referred to the explanation put forward by M. Khrushchev that " Stalin's removal from power when the gravity of his mistakes was realized was ' legally possible ' but impossible in practice, because if the question had been raised there would have been a conflict, and this might have jeopardized the fate of the revolution and the State." Whilst accepting this explanation as true, Signor Togliatti observed that " it adds a complication to the situation and in fact makes it worse. We are forced to admit that either the vast majority of the leading cadres in the country, and therefore the people as well, were unaware of the errors committed by Stalin, which does not seem likely, or that they did not regard them as errors. As you see, I rule out the explanation that change was impossible only because of the existence of a military and police system which controlled the situation by terrorist methods. . . . It seems far more accurate to recognize that, despite the errors he committed, Stalin had the support of the greater part of the country, and particularly of the leading cadres and of the mass of the people. Did this result from the fact that Stalin not only made mistakes, but also did many good things ? . . But this does not explain all, and in particular it fails to explain the seriousness of the mistakes which are being denounced today."

" Whilst the 20th Congress has made an enormous contribution to the exposure and solution of many serious and new problems of the democratic and Socialist movement," Signor Togliatti went on, " whilst it marks a turning-point in the development of Socialist society, we cannot consider as satisfactory the position adopted by the Congress, which is now being amply developed by the Soviet Press, with regard to Stalin's mistakes and the causes and conditions which made them possible. The cause of everything is said to lie in the ' cult of the individual '—in the cult of one person who had serious defects . . . The present leaders of the Soviet Union have known Stalin a great deal better than we have, and therefore we ought to believe them now, when they describe him in this way. We can only think that, seeing how things stood, they might at least have been more prudent in that public exaltation of the qualities of this man to which they have accustomed us. It is true that today they are criticizing him, and that is to their credit ; but as a result of this criticism there is no doubt that they have lost some of their prestige.

" But apart from this, so long as they limit themselves to denouncing Stalin's personal defects as the ultimate cause, the problem remains within the limits of the ' cult of the individual.' At one time all that was good was attributed to the superhuman positive qualities of one man ; now all that is bad is attributed to his equally exceptional and even staggering faults. In either case, we are outside the criterion of judgment which is proper to Marxism. The real problems are unanswered, which are how and why Soviet society could and did stray so far from the path of democracy . . . . "

Analysing the reasons for this development, Signor Togliatti suggested that it was during the controversies which followed Lenin's death, when " all the healthy elements in the party " accepted Stalin's leadership, that they " accepted such modifications in the functioning of the party and in its leading organs, such a system of direction from above, that they could either not oppose it when evils began to come to light, or they did not even understand well enough, at the beginning, that it was a question of things being bad." As a result of the success of the first Five-Year Plan and the collectivization of agriculture, he continued, there was a prevailing tendency to " exaggerate and to consider all problems solved." In consequence, as difficulties developed they tended to be attributed to " sabotage, the work of the class enemy, counter-revolutionary groups operating secretly, and so on," whilst Stalin's theory of " the aggravation of the class struggle with the progress of Socialist construction " led to " unprecedented violations of Socialist legality." Signor Togliatti attributed Stalin's popularity to the economic and military successes achieved under his leadership, observing that " no one can deny that the Soviet Union in 1953 was incomparably stronger, more developed in every way, more consolidated internally, and enjoyed more authority compared with other countries than, for instance, in the period of the first Five-Year Plan."

Saying that the Soviet leaders had so far only developed the criticism of the " cult of the individual," and " debunked myths and legends aimed at the exaltation of one man," Signor Togliatti added . " So far so good, but it is not all that one should expect of them What is more important is to give the right answer . . . to the question how the mistakes which are being denounced today came to invade the development of Socialist society."

As to the question why " the Communists of the whole world believed in the official Stalinist version of the trials and plots," Signor Togliatti maintained that during the 1936-38 period " there was nothing to cause the Communist leaders to doubt the sentences, particularly because they knew that, once discredited politically and in the eyes of the mass of the people, the leaders of the old opposition groups were not above continuing the struggle by terrorist methods. . . The fact that all the accused confessed doubtless caused some surprise, even among us, but no more than that. In any case, it is not yet clear whether the denunciations now made of the violation of legality and the application of unlawful and morally repugnant methods of procedure cover the whole period of the trials or only a particular, more recent period . In the case of the earlier trials, those about which we were able to form some opinion, because the later ones for the most part were not made public, my opinion today is that both factors were present—the attempts of opponents to plot against the régime and carry out acts of terrorism, and the use of illegal methods of procedure which are morally to be condemned The first factor does not, naturally, make the second less serious."

Dealing with the question of future relations between the Soviet and other Communist parties, Signor Togliatti said that the criticisms of Stalin made at the 20th Congress had caused " surprise, sorrow, and bewilderment " in other Communist parties, but would not diminish " the mutual trust and solidarity between the different parties of the Communist movement," and would give rise to " the desire for ever greater independence of judgment, which can only benefit our movement." " Today," he continued, " the front of Socialist construction in the countries where the Communists are the party in power is so vast, comprising a third of humanity, that even for this part the Soviet model cannot and should not any longer be obligatory. In the rest of the world there are countries where it is hoped to achieve Socialism without the Communists necessarily being the ruling party. In others the advance towards Socialism is an objective which draws together various movements which have not yet reached any mutual agreement or even understanding. The whole system is becoming polycentric, and even in the Communist movement itself we cannot speak of a single guide, but rather of progress which is achieved by following paths which are often different.

" One general problem, common to the whole movement," he concluded, " has arisen from the criticism of Stalin— the problem of the dangers of bureaucratic degeneration, of the stifling of democratic life . . . We welcome the fact that among the Communist parties which are in power there is a contest to find the best way of removing this danger once and for all. It is our task to work out our own method . . . "

Signor Togliatti enlarged on a number of points raised in his article in a statement submitted to the Communist Party's central committee on June 24, after being approved by the executive, in which he examined its significance for the Italian party and suggested that relations between Communist parties should become " bilateral."

He said that although the Soviet Union remained " the first great historical model of the conquest of power by the working class," its experience " cannot contain directives for the solution of all the problems that may face us and the Communists of other countries, be they in power or not. The solution that today probably corresponds most closely to this new situation is perhaps that of full autonomy for individual Communist movements and parties, and of bilateral relations between them . . . Such a system probably would also permit a better extension of relations between the Communist movements and Socialists, Social Democrats, and national liberation movements." As examples of " bilateral relations " he cited the recent renewal of relations between the Italian and Yugoslav Communist parties, and the agreement between the latter and the Soviet party (see 14937 A). Differences between the Italian and Soviet

parties, he recalled, had arisen in the past without disturbing their "reciprocal solidarity and understanding"; thus in 1951 he had himself rejected a proposal by Stalin that he should resign his post in order to assume that of general secretary of the Cominform.

Turning to M. Khrushchev's secret report, Signor Togliatti sharply criticized the manner in which it had been "brought to the knowledge of the Communist movement in capitalist countries," and said that it had not answered the questions which it had raised, and especially that of "guarantees against the repetition of similar errors." It was possible, he suggested, that "in the Soviet Union, while political direction remains in the hands of the working class and its allies, democracy may and should be developed in a new way, but keeping its original characteristics."

Referring to the theory of Marx, Engels, and Lenin that "the apparatus of the bourgeois State" must be "destroyed by the working class and replaced by the apparatus of the proletarian State," Signor Togliatti questioned whether this view was still valid. "When we in fact affirm that progress towards Socialism is possible not only by democratic means but also by using parliamentary forms, it is evident that we correct something in this position, taking into account the changes that have come about and that are in progress in the world. And here arises the question of the existence of different parties in a Socialist society . . What has been done in the Soviet Union is not the model of what may and can be done in other countries. We admit without difficulty that in a society where Socialism is being built there may be several parties, of which some collaborate in this construction"

Emphasizing that "we must continue to seek and pursue our own way, an Italian way, towards Socialism," Signor Togliatti suggested that the Communist Party should seek the support, not only of the peasantry, but also of "the working and productive middle class in the cities," and should try to persuade them that they "will in no way be the victims of the building of Socialist society, but that they will collaborate in its management" In conclusion he referred to the alliance with the Nenni Socialists, to which, he said, the Communist Party attached "the value of a principle."

A delegation of three members of the Central Committee, headed by Signor Pajetta, subsequently visited the Soviet Union for talks with the Soviet party leaders. After hearing their report the Committee issued a statement on July 18 that the talks had taken place in "a spirit of sincere friendship" and had confirmed the "fraternal solidarity" between the Italian and Soviet Communist parties.

Statement by Signor Nenni.

Signor Nenni, in an article published in the left-wing Socialist paper *Avanti* on June 23, not only criticized many features of the Khrushchev report, but also stressed the co-responsibility of the present Soviet leadership for the policy and excesses of the Stalin regime. He also questioned the effectiveness of the new collective direction of the Soviet Communist Party in preventing a return to another dictatorship.

After saying that it was "neither the last nor the least of the surprises of the 20th Congress" that Communist parties outside the Soviet Union had come to know "one of the most serious and dramatic documents in the Communist literature of the world" through the medium of the U S. Information Services, Signor Nenni recalled M. Khrushchev's statement that Stalin's dictatorial tendencies had first become fully evident after the 1934 Party Congress. At that Congress, however (Signor Nenni pointed out), the final resolution unreservedly approving the Central Committee's policy and Stalin's report had been moved by M. Khrushchev himself "When we remember that Stalin's power was not then what it became during the war," he continued, "it is clear that the massacres revealed by Khrushchev involve the responsibility not only of Stalin but of the entire party directorate Terrorism at a time when it was not justified by necessity was the price paid for the suppression of all democratic life within the party and the nation . . . There is no doubt that the facts cited by Khrushchev, and on which world opinion now awaits proper documentation, must have placed the members of the Politburo in a very difficult situation But they had been placed in posts of responsibility precisely for this purpose—precisely to face difficult situations."

"From the revelations of Khrushchev," Signor Nenni went on, "we learn that the master of the Kremlin appears to have been practically a maniac who, like the figure of the dictator in which Charlie Chaplin portrayed Hitler, 'drew plans on a map of the world' Khrushchev cannot contain his derision at and contempt for Stalin's military genius. Of the historical and military films of Stalin he says that 'they make me sick.' The snag is that upon those films, books, and poems there was organized the greatest propaganda hoax the world has ever known." Commenting on the omission in the Khrushchev report of any explanation as to how it was possible that Stalin could have become all-powerful, Signor Nenni added "There is a list of facts, of shameful facts, as Khrushchev calls them. But there is not even an attempt to answer the question, 'How and why did all this happen?' We do not even know how the Soviet ruling group has arrived at its conclusions, whether it is unanimous or divided; and, if the latter, on what and why."

Referring to the remedies proposed by M. Khrushchev in his report, Signor Nenni observed that they showed "a similar uncertainty" and were the same remedies as had been previously proposed "a hundred times" by Stalin himself and other Soviet leaders. He continued: "If in the collective direction by the Politburo or the Central Committee there is progress compared with personal direction, whether enlightened or tyrannical, there is nevertheless no guarantee of democratic life. Now the entire problem of Soviet society, and the entire problem of the people's democracies which have modelled themselves on Soviet institutions and methods, is reduced to the necessity for internal democratization, for the circulation of ideas—in a word, for political freedom, a need which has lain below the surface of Soviet society for many years It is substantially a question of eliminating in the State, in the laws, and above all in habits and customs, every surviving incrustation of wartime Communism; of creating new means and instruments for the formation of free political initiative by the citizen, freed from the danger of being accused of being an 'enemy of the people', a 'deviationist,' a 'saboteur,' every time he puts forward his opinion against that of the authorities In this sense the Soviet crisis covers not only the so-called errors of Stalin, but also the Soviet system as it has taken shape..."

"A century after its formulation by Marx and Engels," Signor Nenni continued, "the concept of the dictatorship of the proletariat must be thought out again and reconsidered in relation to a society where the influence and weight of the proletariat and of the workers in general have become a determining factor in public life, and where the State, in the more democratic and socially advanced nations, reflects the continuous evolution of class relationships . . . It would be absurd to close one's eyes to the fact that [in the Soviet Union] the dictatorship of the proletariat developed into the dictatorship of the Communist Party, and this, in turn, into the personal dictatorship of Stalin, thus putting itself beyond the bounds of the prophecies and concepts of the masters of Socialism"

Turning to matters of "immediate and practical interest to Socialists" in this "cataclysm of de-Stalinization," Signor Nenni expressed the view that the dissolution of the Cominform seemed to have resulted "from the tendency in Moscow to assume towards the other Communist parties in the world a position of detachment that would have been inconceivable at the time when the Third International was in fact one world party." Similarly, the Khrushchev-Tito agreement sanctioned "the principle of the multiplicity of the Socialist experiment," whilst Signor Togliatti's claim to "an ever greater independence of judgment" was "a new fact indicative of the necessity for Communists to seek means of a different development, a development of their own, a development that may be of great importance if not dictated by contingent tactical considerations..."

The directorate of the Italian Socialist Party, in a statement published on July 5, declared that "the new course of Soviet policy constitutes an increasingly useful contribution to the policy of peaceful co-existence between peoples and States" and "opens the way to a reconciliation between the various movements and parties which in various ways are directed towards Socialism." (L'Unità, Rome - Avanti, Rome)

(Prev. rep. Italian Communist Party, 14922 A; Khrushchev Denunciation of Stalin, 14992 A.)

A. ARGENTINA. — Multilateral Trade and Payments Agreement in Force. - Danish Adherence. - Extension of Anglo-Argentine Trade Agreement.

The Argentine Ministry of Finance announced at the end of June that the multilateral trade and payments arrangement negotiated with a number of Western European countries (see 14907 B) would come into operation from July 2.

It was explained that the currencies of the European participants (Austria, Belgium-Luxemburg, Denmark, France, the Netherlands, Norway, Sweden, Switzerland, and the U K.) would be freely interchangeable, except that Austria would continue to pay for purchases from Argentina in "agreement dollars," while Argentine imports from Austria would be paid for in sterling. Argentine exchange permits for purchases in Denmark, Norway and Switzerland would be granted initially only in the currencies indicated in the relevant bilateral agreements.

Western Germany and Italy were expected to adhere to the agreement when certain formalities had been completed

By an exchange of Notes dated June 25, Argentina and the U.K. agreed to prolong those parts of the 1955 Anglo-Argentine agreement (see 14180 A) not covered by the multilateral arrangements until such time as a new agreement could be drawn up. The 1955 agreement was due to have expired on June 30.

The Argentine Minister of the Treasury, Dr. Eugenio Blanco, said on June 22 that Argentina's dollar earnings were inadequate, and that gold reserves must therefore be used for ordinary purchases in the dollar area until exports could be increased. The *Banco Central* had consequently made two sales of its gold holdings in the U.S.A., on June 1 and June 18, each for the equivalent of 82,900,000 pesos. (Bank of London and South America, Fortnightly Review) **(Prev. rep. Multilateral Agreement, 14907 B; Economic Position, 14553 A.)**

A. LITERATURE. — Book Selections for July.

Selected books published in Great Britain, the United States, and France are given below:

Great Britain. Barkeley, Richard—"The Empress Frederick. Daughter of Queen Victoria." (Macmillan, 30s.)

Beatty, Charles—"Ferdinand de Lesseps." A Biography of the Builder of the Suez Canal. (Eyre & Spottiswoode, 30s.).

Brion, Marcel—"Schumann and the Romantic Age." Translated from the French. (Collins, 16s.).

Brockman, H. A.—"The Caliph of Fonthill." The Story of William Beckford. (Werner Laurie, 21s.).

Burrows, Millar—"The Dead Sea Scrolls." (Secker and Warburg, 30s.).

Ceram, C. W.—"Narrow Pass, Black Mountain The Discovery of the Hittite Empire." Translated from the German (Victor Gollancz and Sidgwick & Jackson, 25s.)

Cocteau, Jean—"Paris Album, 1900-1914" Translated from the French. (W. H. Allen, 16s.).

Cottrell, Leonard—"The Mountains of Pharaoh" The Story of the Pyramids. (Robert Hale, 16s.).

Cowles, Virginia—"Edward VII and his Circle." (Hamish Hamilton, 25s.).

Ervine, St John—"Bernard Shaw: His Life, Work and Friends." (Constable, 50s.)

Fitzgibbon, Russell H.—"Uruguay: Portrait of a Democracy." (Allen and Unwin, 25s.).

Hagen, Victor von—"Highway of the Sun" Explorations on the Inca Roads of Peru. (Victor Gollancz, 18s.).

Han Suyin—". . . And the Rain my Drink" A Novel of Malaya. (Cape, 16s.).

Hersey, John—"A Single Pebble." An American Engineer's Journey into the Interior of China. (Hamish Hamilton, 11s. 6d.)

Jones, L. E.—""An Edwardian Youth." (Macmillan, 18s.).

Khushwant Singh—"Train to Pakistan." The Story of an Indian Village at the Time of Partition. (Hogarth Press, 12s. 6d.)

Macmillan, R. H.—"Automation Friend or Foe?" (Cambridge University Press, 8s. 6d.)

McElwee, William—"England's Precedence." The Seventeenth Century in English History. (Hodder and Stoughton, 21s.).

Parry, J. H., and Sherlock, P. M.—"A Short History of the West Indies" (Macmillan, 18s.).

Stewart, Desmond, and Haylock, John—"New Babylon A Portrait of Iraq." (Collins, 16s.)

Winsten, Stephen—"Jesting Apostle." A Centenary Study of Bernard Shaw. (Hutchinson, 21s.).

Winston, Richard—"Charlemagne: From the Hammer to the Cross." (Eyre & Spottiswoode, 25s.).

United States. Bowles, Chester—"American Politics in a Revolutionary World" (Harvard University Press, $2.25).

Donovan, Robert J.—"Eisenhower: The Inside Story." (Harpers, New York, $4.95).

Moos, Malcolm—"The Republicans: A History of Their Party." (Random House, New York, $5.95).

Teller, Walter M.—"The Search for Captain Slocum: A Biography." (Scribners, New York, $3.95).

France. Benoist-Méchin, Jacques—"60 Jours qui ébranlèrent l'Occident: 10 Mai—10 Juillet 1940." Vol. I—La Bataille du Nord; Vol. II—La Bataille de France. (Albin Michel, Paris)

Chastenet, Jacques—"Winston Churchill et l'Angleterre du XXe siècle." (Arthème Fayard, Paris, 1,000 francs).

de Gaulle, General Charles—"Mémoires de guerre. Vol. II—L'Unité." (Librairie Plon, Paris)

Léautard, Paul—"Lettres à ma mère." (Mercure de France, Paris).

(Ed. K.C.A.) **(Prev. rep. Book Selections, 14958 B.)**

B. RELIGIOUS LIFE. — Church of England. - New Episcopal Appointments.

The following episcopal appointments were approved by H.M. the Queen during the past eight months: the Rt. Rev. C. K. N. Bardsley (48), Bishop Suffragan of Croydon, as Bishop of Coventry in place of the late Dr. Gorton (Feb. 8); Dr. Maurice Henry Harland (59), Bishop of Lincoln, as Bishop of Durham in place of Dr. Ramsey, consequent upon the latter's appointment as Archbishop of York in succession to the late Dr. Garbett (March 28); the Rt. Rev. Ivor Stanley Watkins (59), Bishop Suffragan of Malmesbury, as Bishop of Guildford in succession to Dr. Montgomery Campbell, consequent upon the latter's translation to the See of London in succession to Dr. Wand (May 15); Dr. Robert Stopford (55), Bishop Suffragan of Fulham, as Bishop of Peterborough in place of the late Dr. Spencer Leeson (June 11); Dr. Kenneth Riches (47), Bishop Suffragan of Dorchester, as Bishop of Lincoln in place of Dr. Harland, translated to the See of Durham (Aug. 8). (Church Times) **(Prev. rep. 14636 D.)**

C. PERSIA. — Release of Dr. Mossadeq.

Dr. Mossadeq, Prime Minister of Persia at the time of the Abadan crisis, was released from prison on Aug. 4 after having served the sentence of three years' imprisonment for treason and plotting to overthrow the Shah which had been imposed on him in 1953. (Times) **(Prev. rep. 14782 B; 13395 A.)**

D. ECUADOR. — Presidential Election.

Presidential, Vice-Presidential, and Congressional elections were held in Ecuador on June 3, the presidential elections being contested by four candidates: Señor Camilo Ponce Enriquez (45), a former Minister, representing the conservative and right-wing Popular Alliance; Señor Raúl Clemente Huerta (42), candidate of the National Democratic Front, comprising liberals, socialists, and independents; Señor Carlos Guevara Moreno (45), candidate of a left-wing group known as the "Concentration of Popular Forces"; and Dr. José Chiriboga Villagomez (45), a former Ambassador in Washington, who stood as an independent liberal and who unsuccessfully contested the 1952 presidential election.

The final results of the presidential election were not issued until July 27, when the Supreme Electoral Tribunal announced that Señor Ponce Enriquez had been elected to the presidency by 178,421 votes against 175,378 for Señor Huerta, the runner-up—a majority of only 3,043. Official but incomplete returns issued in Quito shortly after the election had given 183,000 votes for Señor Ponce Enriquez, 172,000 for Señor Huerta, 148,000 for Señor Guevara Moreno, and 114,000 for Dr. Chiriboga Villagomez.

The elections took place in an orderly atmosphere and with few incidents. Señor Huerta's supporters, however, subsequently claimed that their candidate had polled a majority of the votes and questioned the accuracy of the figures issued by the Government Press Office. It was reported from Quito on June 6 that the Deputy Minister of Defence (Lieut.-Colonel Almeida Urrutia), a former Defence Minister (Señor Menendez Gilbert), and a Liberal deputy had been arrested on charges of conspiracy to upset the results of the voting.

The Ecuadorean Government announced on Aug. 8 that it had quelled a small-scale military revolt in the province of Manabi, and that loyal troops had recaptured Porto Viejo (the provincial capital) after it had been seized by insurgent forces under a local military commander. No reason was given for the revolt, but it was believed to have been caused by the delay in announcing the results of the presidential election.

Señor Ponce Enriquez will be the first conservative President of Ecuador since 1895, all his predecessors since that year having been liberals. He will be installed for a four-year term on Sept. 1 in succession to the outgoing President, Dr. José Maria Velasco Ibarra, who was returned as an independent liberal in 1952.

Nearly 750,000 people registered on the electoral rolls out of a total population of 3,500,000, the number of votes cast being about 620,000. Women voted for the first time, though they had received the franchise in 1947. (New York Times) **(Prev. rep. Presidential Election, 12395 D.)**

E. NEPAL. — Failure of Anti-Government Plot. - Diplomatic Relations with Soviet Union and Japan.

It was announced in Khatmandu on July 5 that a plot to overthrow King Mahendra's Government had been foiled and that 11 persons implicated in the conspiracy, including a number of former Army officers, had been arrested. It was stated that seized documents showed that the plot had been aimed at the simultaneous capture of the Royal Palace, the Secretariat buildings, and Ministers' residences; that the Army was not affected; and that the arrested persons would be brought to trial. On the following day it was announced that an official tribunal was being set up to investigate the plot.

In accordance with the Nepalese Government's decision to extend contacts with other countries, the Ministry of External Affairs announced on July 20 that Nepal and the Soviet Union had decided to establish diplomatic relations at embassy level. It was subsequently announced on July 29 that diplomatic relations would be established with Japan.—(The Hindu, Madras - The Statesman, Calcutta) **(Prev. rep. 14716 A.)**

F. UNITED STATES. — National Debt. - Legislation for Temporary Debt "Ceiling" in 1956-57.

The U.S. Treasury's statement of July 9, covering the end of the fiscal year to June 30, 1956, showed that the U.S. National Debt at that date totalled $272,750,813,650—a reduction of $1,628,409,152 from the figure of $274,374,222,802 on July 1, 1955. The total as at June 30, 1956, was over $2,000,000,000 below the permanent debt "ceiling" limit of $275,000,000,000 set by law.

A temporary "ceiling" of $278,000,000,000 during the fiscal year July 1956-June 1957 was fixed in a Bill passed by the Senate on July 3 after previous approval by the House of Representatives. The new temporary ceiling was $3,000,000,000 less than that of $281,000,000,000 which had been in effect during the fiscal years 1954-55 and 1955-56. At one time during the 1955-56 fiscal year the actual debt nearly touched the temporary limit, reaching its highest point in U.S. history ($280,310,000,000) on January 4, 1956. (New York Times) **(Prev. rep. 14302 C.)**

A. UNITED KINGDOM. — Trade Figures.

Trade figures for the second quarter of 1956 were as follows:

	Imports	Exports	Re-Exports	Adverse Visible Balance
		(£ million)		
June	339 9	276.1	12.2	51 7
May	329 1	283.8	13.5	31.8
April	327.4	256.4	13.7	57 3

Overseas Trade in First Half of 1956.

Imports in the first six months of 1956 totalled £1,977,000,000, nearly 4 per cent more than in the first half of 1955. Exports in the first six months of 1956 amounted to £1,591,000,000—14 per cent higher than in the corresponding period of 1955 (when shipments were affected by strikes). Re-exports, totalling over £80,000,000, were more than 40 per cent above the figure for the first half of 1955. The total visible deficit for the half-year, £305,000,000, was £150,000,000 less than in the first half of 1955.

Exports of aircraft during the 6-months period totalled nearly £56,000,000, 82 per cent more than in the first half of 1955, and exports of radio, television and electronic equipment, totalling £19,170,000, were more than £3,500,000 higher than in the first six months of 1955.

Overseas Trade in 1955.

Further details of overseas trade in 1955 (see 14700 E) are given below, the figures for each quarter and for the whole year being as follows:

	Imports	Exports (inc. Re-Exports (£ million)	Adverse Balance
1st Quarter	1,005	774	231
2nd Quarter	900	675	225
3rd Quarter	981	756	222
4th Quarter	1,002	816	186
Year 1955*	3,886	3,024	862

* Figures for the year include corrections not made in individual quarters

Divided into the four main categories, value figures of imports and exports were as follows:

	Imports		Exports	
	1955	1954	1955	1954
	(£ million)			
Food, beverages and tobacco	1,444	1,329	172	158
Basic materials	1,124	1,023	111	101
Mineral fuels and lubricants	410	329	141	152
Manufactured goods	894	680	2,388	2,172
Total*	3,886	3,374	2,905	2,674

* Including postal packages and live animals of a kind not normally used for food

Volume of Trade.

Quarterly and annual volume figures are shown below (1954 = 100):

	Total Imports	Retained Imports	Total Exports (inc. Re-Exports)
1st Quarter	114 2	114.2	111.4
2nd Quarter	103.8	104 0	96.7
3rd Quarter	113.5	113 6	107.5
4th Quarter	114 3	113.9	114.6
Year 1955	111 5	111.4	107 6

Terms of Trade.

The terms of trade for 1955 as a whole were slightly more adverse than in 1954, averaging 101 for the year (1954 = 100).

The terms improved from 104 in January and February to 99 in July, but deteriorated again to 101 in November and December. The import price index moved between 105 (in February and again in December) and 102 (July and August). The export price index rose from 100 in January to 104 in December.

Developments in 1955.

Imports. The steep rise in imports in 1955 by £512,000,000 was attributable mainly to industrial materials and fuels. Four times as much coal was imported as in 1954, amounting to some 11,000,000 tons Imports of rubber, totalling £96,000,000, rose in value to almost double the 1954 figure, representing a 28 per cent increase in quantity and a 49 per cent increase in average price. Copper imports rose by 33 per cent in average price but only 3 per cent in quantity Other large increases were shown in imports of mineral fuels and lubricants by £81,000,000 (24½ per cent), cereals and feeding-stuffs by £58,000,000 (27 per cent), timber (24 per cent), newsprint (24 per cent), and iron-ore and iron and steel scrap (29 per cent). Imports of electrical machinery and apparatus, valued at £23,509,000, were 47 per cent above the 1954 level, and other machinery, valued at £92,150,000, 23 per cent higher. Sixteen per cent more grey cotton cloth was imported, but imports of raw cotton declined by 21½ per cent to less than £99,000,000. Raw cocoa imports fell by 15 per cent (£8,000,000), and tea imports by 1 per cent.

Exports. The value of metal manufactures exported rose by 17 per cent in 1955 to £396,000,000, but the increase partly reflected the higher price of copper. At £1,119,000,000, exports of engineering products were worth £105,000,000 more than in 1954. Big increases were shown by electrical machinery (13 per cent), electric wires and cables (43 per cent), commercial vehicles and chassis (26 per cent), aircraft (26 per cent) and chemicals (14 per cent). Exports of cotton fabrics declined by £11,000,000 (14 per cent), of synthetic fabrics by over 24 per cent, of coal by 6 per cent, and of petroleum and petroleum products by 8 per cent.

Area Pattern of Trade.

There was a marked growth of trade, both in imports and exports, with non-sterling countries during 1955. Imports from these countries rose by 23 per cent, compared with 5 per cent for sterling imports. Exports to non-sterling countries increased by 10 per cent, compared with 7½ per cent for sterling countries. Details are shown in the tables below:

	1955	1954
	(£ million)	
Imports (c.i.f.):		
Non-sterling:		
Dollar Area	843	619
O.E.E.C. Countries and Dependencies	953	817
Other	518	440
Total Non-Sterling Area	2,313	1,876
Sterling Area	1,573	1,497
Total	3,886	3,374
Total Exports (f.o.b.):		
Non-Sterling		
Dollar Area	418	375
O.E.E.C. Countries and Dependencies	817	776
Other	339	277
Total Non-Sterling Area	1,573	1,428
Sterling Area	1,451	1,347
Total	3 024	2,775
Excess of Imports over Total Exports		
Non-Sterling		
Dollar Area	425	244
O.E.E.C. Countries and Dependencies	136	42
Other	179	163
Total Non-Sterling Area	740	448
Sterling Area	122	151
Total	862	599

Balance-of-payments difficulties led a number of sterling area countries to adopt policies designed to reduce imports in 1955. In consequence, total U.K. exports to Australia were only 2½ per cent higher than in 1954. Exports to South Africa rose by 7 per cent, to New Zealand by 11 per cent, and to India by 13½ per cent, but shipments to Pakistan were 20 per cent below the 1954 level. Exports to the Colonies were more buoyant than to the independent members; there were increases of 17½ per cent to West Africa and 20 per cent to East Africa. Imports from the sterling area rose only moderately in 1955 (by 5 per cent).—(Board of Trade Journal) **(Prev. rep. First Quarter, 1956, 14879 C; Year 1955, 14700 E.)**

B. SOVIET UNION. — Expulsion of Military and Naval Attachés in Washington and Buenos Aires.

The U.S. State Department announced on July 3 that Colonel Ivan Bubchikov, an assistant military attaché at the Soviet Embassy in Washington, had been expelled from the United States for engaging in "activities incompatible with his continuing presence." The announcement gave no further details except that Colonel Bubchikov had been declared *persona non grata* on June 14 and had left the U.S.A. ten days later.

On July 1 it had been announced in Buenos Aires that Captain Morosov, assistant naval attaché at the Soviet Embassy, had been declared *persona non grata* by the Argentine Government and ordered to leave the country within 24 hours. No official reason was given for this action. (New York Times)

C. SOUTH AFRICA. — Cabinet Reorganization.

A reorganization of the Union Cabinet was carried out by Mr. Strydom on July 31 and Aug. 2 whereby (*a*) Mr. J. F. Naude, the Minister of Health, took over the portfolio of Finance from Mr. Eric Louw, who had held it concurrently with the Foreign Affairs portfolio; (*b*) Mr. J. H. Viljoen took over the Health portfolio relinquished by Mr. Naude, while remaining Minister for Education, Arts, and Science; and (*c*) Mr. F. E. Erasmus, the Defence Minister, concurrently took over the Forestry portfolio formerly held by Mr. Viljoen. (Cape Times)

(Prev. rep. Cabinet, 13973 E; 13941 A.)

A. AUSTRALIA. — Labour Party Split in New South Wales. - Removal of State Executive.

The Federal Executive of the Australian Labour Party decided on June 12 to dismiss the New South Wales State Executive of the party, on the ground that it had acted "contrary to the party's constitution, platform, and policy," and to appoint a caretaker committee. This decision was approved by a special Federal conference of the party, meeting in Melbourne on June 13. Immediately afterwards two N.S.W. members of the Federal Executive—Mr. Campbell, president of the N.S.W. branch, and Mr. Colbourne, the branch secretary—left Melbourne for Sydney to take over control of the affairs and assets of the N.S.W. branch. [These assets were estimated to be worth more than £A200,000, and included a broadcasting station at Newcastle.]

The removal of the New South Wales State Executive was a continuation of the purge of right-wing elements in the party which began in Victoria in 1955. The split was basically caused by disagreement over the continued activities of the so-called "industrial groups," which had been formed to combat Communism in trade union leadership and were strongly supported by the Roman Catholic Church. The demand of the party's Federal Executive for the dissolution of these groups had previously led to the dismissal of the Victoria State Executive and to the formation of the Anti-Communist Labour Party by dissident members.

The charges against the deposed N S W Executive were (*a*) that it was still under the influence of an "outside organization" which had been indicted by Dr. Evatt in October 1954; (*b*) that it had been improperly elected; and (*c*) that it had disobeyed decisions of the Federal Executive and interfered in trade union ballots in the interest of "industrial groups." The Victorian branch of the party alleged that there had been a close association between the N.S.W Executive and the Anti-Communist Labour Party Supporters of the N.S.W. Executive, in turn, accused the other side of disruptive activities and of collaboration with the Communists

Following their arrival in Sydney, Mr. Campbell and Mr. Colbourne installed themselves in the party offices in that city despite threats by the leaders of the deposed Executive to take legal action to recover control of the property of the N.S.W. branch. The deposed Executive met on June 15 to decide whether or not to accept the Federal Executive's decision, but the meeting broke down, half the members being willing to submit and the other half walking out.

One of the first actions of the new "caretaker" Executive was the dismissal of Mr. J. T Kane, assistant-secretary of the N.S W party and leader of the Industrial Group section in the State The decision to dismiss Mr. Kane was taken by 19 votes to 15, after the defeat of an amendment by Industrial Group supporters that he should continue in office until the next State conference of the party

Mr. Clive Evatt, a Labour member of the N.S.W. Legislative Assembly and a brother of Dr. Evatt (leader of the Federal Labour Party), was expelled from the party by the new State Executive on July 13. He subsequently announced that he would sit as an Independent.

The grounds for Mr. Evatt's expulsion were that he had voted against the party, notably on the State Government's decision to increase tram, bus, and train fares Mr. Evatt had also disagreed with the State Government on the issue of licences for a film theatre, and on the Government's proposal to license poker-machines in clubs.

The annual conference of the Victorian branch of the Labour Party had confirmed on June 2 the decision (taken by its Executive in 1955) to expel for life 95 former party members now supporting the Anti-Communist Labour Party.

A meeting of inter-State delegates of the Anti-Communist Labour Party, held in Melbourne on June 4, decided to recommend to the party's State Executives the formation of a Federal organization at an early date, and to appoint a committee to draw up a constitution for such an organization.
(Australian News and Information Bureau - Times)
(Prev. rep. 14273 A; 14178 A.)

B. UNITED KINGDOM. — Equal Pay in Gas Industry.

The *Ministry of Labour Gazette* for June 1956 stated that the National Joint Council for Gas Staffs had reached agreement on the principle of equal pay for equal work for men and women employed in clerical, administrative, professional, and technical posts in the nationalized gas industry. Under this agreement equal pay would be attained in six stages, the first transitional stage taking effect on April 1, 1956, and succeeding adjustments being made as from Jan. 1 each year until full equality was reached on Jan. 1, 1961. A parallel scheme for certain employees (secretaries, shorthand-typists, telephone operators, copy typists, etc.) came into operation on April 1, 1956.—(Ministry of Labour Gazette) **(14548 B.)**

C. BRITISH WEST INDIES.—The Caribbean Federation Act. - Dissolution of Leeward Islands Federation.

The British Caribbean Federation Bill, providing for the eventual establishment of the British Caribbean Federation by Order-in-Council, and for the establishment of a Federal Government, a Federal Legislature, and a Federal Supreme Court, was enacted on Aug. 2 after an unopposed passage through both Houses of the British Parliament. Its enactment was celebrated throughout the British Caribbean territories as a public holiday, although the Federation will only come into existence after the Federal Constitution has been adopted and a Governor-General appointed.

On June 29, when the Bill was given its second reading in the House of Commons, Mr John Hare (Minister of State, Colonial Office) explained that the projected West Indian Federation would be on the Australian pattern, with residual powers reserved to the Governors of the member-colonies. As the mere act of Federation would not provide an immediate answer to the financial problems of the Caribbean Colonies, the Bill provided that the British Government would make grants-in-aid for the next ten years to assist those Colonies, and also towards establishing the seat of the Federal Government The Commission which had been set up to examine the problem of the Federal capital was already at work and would submit a report to the Federation Committee, while the Commission on Trade and Tariffs would start work in the autumn and would issue its report within two years of the establishment of the Federal Government

During the Bill's second reading in the House of Lords (July 23) it was announced by Lord Lloyd, Under-Secretary for the Colonies, that proposals to raise troops in the West Indies had been agreed in principle by the West Indian Governments concerned, and were being considered by the British Government.

The Secretary of State for the Colonies (Mr. Lennox-Boyd) announced on June 2 that the members of the British Caribbean Federal Capital Commission would consist of Sir Francis Mudie (chairman), Professor H. Myles Wright, and Mr. Alexander Edward Cook; and that Sir William Dawson Croft had been appointed chairman of the British Caribbean Federation Trade and Tariffs Commission.

The Federal Capital Commission will visit those territories the Governments of which wish to be considered for the location of the Federal capital, and will submit its recommendations within four months on the three most suitable sites It will take into consideration such factors as political and social sentiment in the area, the convenience of the site in relation to the various federating territories, and the availability of land for future expansion of the capital.

The Trade and Tariffs Commission will examine the economic, fiscal, and other problems involved in the establishment of a Customs union for the federal area.

The Leewards Islands Federation was dissolved by proclamation on June 30, from which date the presidencies of Antigua, St. Kitts-Nevis, Anguilla, Montserrat, and the British Virgin Islands became colonies. This measure will allow all the islands concerned (except the Virgin Islands, which are not joining the Federation) to enter the Federation as independent units. Under the new administrative arrangements, the Leeward Islands will have a Governor, Chief Secretary, and Attorney-General (all resident in Antigua) and each colony will have an Administrator. (Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Caribbean Federation, 14733 A.)**

D. UNITED STATES. — New Ambassadors in Cairo and Athens. - First U.S. Ambassador to Morocco.

Several important appointments in the U.S. Foreign Service, mainly affecting American diplomatic representation in the Mediterranean area, were made by President Eisenhower on July 15, as follows: Mr. Raymond A. Hare, Director-General of the Foreign Service, as Ambassador to Egypt in succession to Mr. Henry A. Byroade, who was appointed Ambassador to South Africa; Mr. George V. Allen, Assistant Secretary for Near Eastern, South Asian, and African Affairs, as Ambassador to Greece *vice* Mr. Cavendish Cannon, who was appointed the first U.S. Ambassador to Morocco.

Mr. Hare, the new Ambassador in Cairo, served for many years in the Middle East holding the posts of Ambassador to Saudi Arabia (1950) and the Lebanon (1953)—before returning to the State Department. His predecessor at the Cairo Embassy, Mr. Byroade, had held the post for only 18 months. Mr. Allen, the new Ambassador in Athens, had also served as Ambassador in Cairo before returning to Washington. (New York Times - New York Herald Tribune) **(14850 A.)**

E. ISRAEL. — Foreign Minister changes Name.

It was announced in Jerusalem on July 25 that the Foreign Minister of Israel, Mrs. Golda Myerson, had changed her surname to Mayer. (Times) **(Prev. rep. 14929 C.)**

AUGUST 11—18, 1956

A. EUROPEAN COAL AND STEEL COMMUNITY.— Fourth General Report of the High Authority. - Development of the Common Market in Coal, Iron Ore, Scrap, and Steel. - External Relations. - M. René Mayer succeeds M. Monnet as President of High Authority. - Messina Conference on Further European Economic Integration.

The Fourth General Report of the High Authority of the European Coal and Steel Community, covering the year April 1, 1955-March 31, 1956, was published on April 8. It dealt mainly with the consolidation, operation, and development of the Common Market between the six member-countries (France, the German Federal Republic, Italy, Belgium, the Netherlands, and Luxemburg), which had been opened on Feb. 10, 1953, for coal, iron ore, and scrap, on May 1, 1953, for steel, and on Aug. 1, 1954, for special steels.

The Report recalled that, in accordance with the treaty setting up the Community (see 12481 A ; 11905 A), the introduction of the Common Market had involved (*a*) the abolition of all trade barriers such as Customs duties, quantitative restrictions, currency restrictions, administrative impediments, breaks in transport rates at frontiers, and restrictions on labour mobility ; (*b*) the gradual adoption of a policy of genuine price competition, and the development of a common economic order by means of (i) the publication of price-schedules and conditions of sale, (ii) the prohibition of discriminatory and other practices likely to distort competition, and (iii) the long-term and short-term planning of production ; and (*c*) the implementation of the economic and social objectives for a real improvement in the position of the workers in the industries concerned, through their protection against certain effects of competition or the introduction of new methods (" readaptation "), and the improvement of their living and working conditions.

The developments which had occurred since the opening of the Common Market, and the solutions applied to the problems involved, are summarized below under cross-headings :

The Coal Market.

The increase in iron and steel production in the six member-countries, and the growing demand from third countries following the general expansion of the world economy, resulted in a steady increase in the demand for solid fuels which led to a marked tightness in the Common Market for coal from the last quarter of 1955 onwards. Hard-coal extraction proved to be comparatively inelastic and the balance between supply and demand was mainly achieved by increasing hard-coal imports from third countries and drawing heavily on stocks. These imports rose from 1,200,000 metric tons per month in the fourth quarter of 1954 to 2,500,000 tons in the fourth quarter of 1955, whilst pithead stocks fell from 15,000,000 metric tons at the end of August 1954 to 12,400,000 tons at the beginning of 1955 and only 7,800,000 tons at the end of February 1956.

Production.

The Community produced 246,400,000 metric tons of coal in 1955, against 241,700,000 tons in 1954 (an increase of nearly 2 per cent) and 237,000,000 tons in 1953 The trend in hard-coal production in the Community compared as follows with that in the other major producing areas of the world ·

	1953	1954	1955*	Difference in 1955 against 1954 (per cent)	Difference in 1955 against prev. maximum (per cent)
	(000,000 metric tons)				
Community ..	237.0	241.7	246.4	+ 1.9	+ 1.7 (1938)
United Kingdom	227.8	227.9	225 2	− 1.2	−22 9 (1913)
United States .	443.0	380.2	448 5	+18.0	−27.8 (1947)
Soviet Union ..	240.0	259.0	295 0	+13.9	+13.9 (1954)
Eastern Europe	114.7	118.7	122.7	+ 3.4	+ 3.4 (1954)
Other countries	238.9	252.5	265.2	+ 3.8	+ 3.8 (1954)
World	1,501.4	1,480.0	1,600.0	+ 8.1	+ 6.6 (1953)

*Provisional figures.

In absolute values the increase in production was comparatively slight, but underground output per manshift showed a greater rise and was 4.1 per cent higher in 1955 than in 1954. This discrepancy between the increases in productivity and production was primarily due to the falling-off in the number of underground workers, particularly in the Ruhr ; if production had risen at the same rate as productivity, an additional 5,000,000 tons of coal would have been produced.

Trade.

Between 1952 and 1955, the volume of trade in coal and coke between the Community countries rose by 34.8 per cent. Trade between member-countries in 1955 totalled 23,200,000 metric tons of hard coal and 9,000,000 metric tons of coke, against 23,600,000 and 7,000,000 tons respectively in 1954, and 19,900,000 and 7,000,000 tons respectively in 1953. Between 1954 and 1955 trade in hard coal thus fell by about 1.5 per cent, but was still 42 4 per cent above the 1952 level (16,300,000 tons). Trade in coke, however, increased by 30.4 per cent and stood 11 per cent above the 1952 level of 8,100,000 tons. As regards coal, the breakdown by countries showed substantial increases in French and Saar deliveries to Belgium, the Netherlands, and Germany, and in Belgian deliveries to Germany ; and, on the other hand, a substantial fall in German deliveries to all other Community countries. As regards coke, German deliveries in 1955 (7,100,000 tons) represented 80 per cent of the total trade in coke within the Common Market, and were 32 per cent higher than in 1954 (5,400,000 tons).

Hard-coal imports by the Community from third countries in 1955 rose to 23,000,000 metric tons, against 13,900,000 tons in 1954 and 1953—an increase of nearly 65 per cent. Approximately 70 per cent came from the U S.A.—15,900,000 tons in 1955 against 6,200,000 tons in 1954, an increase of 159 per cent.

Coal exports from the Community to other European countries also increased · viz., to 10,097,000 tons in 1955 against 7,861,000 in 1954 and 5,872,000 in 1953. Exports to the United Kingdom alone increased by 87.7 per cent in 1955 (from 2,400,000 metric tons to 4,500,000 tons) and were nearly 800 per cent above the 1953 level (561,000 tons). French, Saar, and Belgian exports showed substantial increases, but German exports declined and the Ruhr coalfield met the increased demand by delivering U.S. coal to some of its own customers.

M. René Mayer, the President of the High Authority (see below), stated on Feb. 22 that in 1956 the Community would have to cover its coal deficit by importing 25,000,000 tons of U.S. coal ; he added that the coal shortage had been aggravated by the curtailment of British exports as from Jan 1, 1956 (see 14428 A). In his report to the Common Assembly on May 8, 1956, M. Mayer pointed out that coal deliveries for internal consumption had risen by 19,000,000 tons from 246,500,000 tons in 1954 to 265,500,000 in 1955, of which 79,800,000 and 91,300,000 tons respectively had been used by coking plants. Coal production during the same period, however, had only increased by 5,000,000 tons (from 241,600,000 to 246,400,000 tons), in addition to which another 5,000,000 tons had been drawn from stocks. In the circumstances, 16,000,000 tons had had to be imported by the High Authority from the United States.

Prices.

Prices remained comparatively stable throughout the year 1955-56, and there was a perceptible reduction of the difference between the prices of the Ruhr and those of the other Community coalfields. The High Authority had originally published (on March 13 and 15, 1953) details of the maximum pithead prices which would apply in each member-country. On March 20, 1954, however, it was announced that from April 1 of that year maximum prices would be fixed for only two coalfields—the Ruhr (where the maximum price would be slightly reduced) and the Nord–Pas-de-Calais (where the price would remain the same as before). In the Nord–Pas-de-Calais coalfield maximum prices were abolished on March 26, 1955, but it was decided to retain maximum prices in the Ruhr, in view of the existence of a monopolistic selling organization in that area (see below). However, following the replacement of the Ruhr coal-selling cartel by three independent selling agencies in April 1956, the High Authority decided to free also the prices of Ruhr coal as from April 1.

High speculative pricing previously apparent in boom conditions was discouraged by the requirement, imposed by the High Authority upon the opening of the Common Market, that producers in the Community should publish their prices and should not discriminate between their customers in the various member-countries. The prices of imported coal, on the other hand, showed substantial increases, especially since the rising demand for shipping space, caused by the simultaneous increase in the demand for U.S coal by the Community and by Britain, resulted in a sharp upward movement in transatlantic freight charges from the spring of 1955 onwards. Thus, between March 1955 and March 1956 the f.o.b. and c.i.f. prices of U.S coking coal rose respectively from $9 to $11 50 per ton, and from $15 to $22 per ton.

The Iron and Steel Market.

Between 1952 and 1955 the Community's iron and steel industries increased their production of iron ore by nearly 15 per cent, of pig-iron by about 18 per cent, of crude steel by about 26 per cent, and of finished rolled products by about 22 per cent. In view of iron-ore production and, in turn, pig-iron production falling behind the industry's capacity for crude steel and finished products, the resulting gap had to be made up by higher imports of iron ore and scrap from third countries and by drawing on stocks.

Production.

The trend in iron and steel production in the Community since 1952 was as follows :

	Pig-iron	Crude Steel	Finished rolled products
	(000 metric tons)		
1952	34,732	41,816	29,880
1953	31,482	39,676	26,965
1954	33,111	43,825	29,671
1955	41,015	52,648	36,195

Pig-iron production in 1955 was about 24 per cent above the 1954 level and 18 per cent above 1952, with considerable increases in all the Community countries, particularly Western Germany (31.7 per cent), Italy (29 per cent), and France (23.9 per cent). Crude steel production in 1955 showed an increase of more than 20 per cent over 1954 and about 26 per cent over 1952; expansion in 1955 was most marked in Italy (28.1 per cent) and Western Germany (22.4 per cent).

The trend in crude steel production in the Community compared as follows with that in the other major producing areas of the world.

	1952	1953	1954	1955	Increase 1954-5
	(000,000 metric tons)				(per cent)
Community ..	41.8	39.7	43.8	52.7	+20.1
United Kingdom	16.7	17.9	18.8	20.1	+ 6.9
United States .	84.5	101.3	80.1	105.7	+32.0
Soviet Union ..	34.4	37.9	41.0	45.0	+ 9.8
Eastern Europe ..	10.8	12.5	12.9	14.2	+10.1
Japan . ..	7.0	7.7	7.7	8.2	+ 6 5
Other countries .	16.8	17.6	18.7	21.3	+13.9
World ..	212.0	234.6	223.0	267.1	+19.7

The Community, which was the biggest producer of crude steel after the United States, slightly increased its share in world production from 19.6 per cent in 1954 to 19.7 per cent in 1955 (against 16.9 per cent in 1953). The Community's production of finished rolled products rose in 1955 by 22 per cent over 1954 and 1952.

Trade.

The volume of trade between Community countries in iron and steel products totalled 5,700,000 metric tons in 1955, against 4,200,000 in 1954 (an increase of 36.4 per cent) and 2,900,000 tons in 1953. Since the introduction of the Common Market, trade had increased by 170 per cent (2,100,000 tons in 1952). The outstanding point in this trend in trade as a whole was the increase in deliveries by the steel works in Belgium, Luxemburg, France, and the Saar to Western Germany.

In 1955, Germany delivered a total of 832,600 metric tons to the other Community countries, against 771,600 in 1954, while its purchases went up from 1,677,900 metric tons to 2,563,700 tons Deliveries by French and Saar producers to Germany, which totalled 863,400 metric tons in 1954, rose to 1,297,300 tons in 1955. Deliveries by Belgium and Luxemburg to Germany amounted to 1,041,100 metric tons (652,500 in 1954), and the Netherlands' sales to German customers went up from 160,200 metric tons in 1954 to 217,100 tons in 1955. Trade also increased between France and the Saar on the one hand and Belgium and Luxemburg on the other, deliveries by France and the Saar to the Belgo-Luxemburg Union rose from 138,000 metric tons to 311,700 tons, and purchases by them from Belgium and Luxemburg from 303,300 to 524,900 tons.

Imports by the Community from third countries in 1955 reached 1,500,000 metric tons, against less than 1,000,000 tons in 1954 and 1953 (an increase of 55 per cent). The rise was very marked in all the Community countries except France and the Saar. Austria, the main supplier, considerably increased her sales of pig-iron and of finished products, and the East European countries showed a sharp rise in their pig-iron sales. The United States remained the second biggest supplier of the Community, delivering almost exclusively finished products.

Exports of iron and steel products by the Community to third countries in 1955 totalled 7,800,000 metric tons, against 6,600,000 in 1954 and 1953 (an increase of nearly 19 per cent). The increase was particularly noticeable in French and Saar exports, but German exports remained unchanged. Sales to the Western hemisphere as a whole declined. The Scandinavian countries remained the principal European customers of the Community, whilst the biggest increase was in deliveries to the United Kingdom, which trebled its purchases of finished products and pig-iron from the Community.

Prices.

Following the introduction of the Common Market, the prices of iron and steel products were allowed to develop freely and the High Authority did not fix any maximum prices, although it ordered all firms to publish by May 20, 1953, price-schedules which would be binding as maxima and minima. This system, however, did not work effectively, as price fluctuations caused by changes in demand were not accurately reflected in the new schedules. In January 1955 a new system was therefore introduced which required producers to notify the High Authority and "all interested parties" only of any rise or fall in their published prices above a certain percentage, whereas slight price alterations would not necessitate the publication of new schedules.

Prices remained fairly stable throughout 1953 and 1954, despite the growing disparity between supply and demand. From the beginning of 1955 onwards, however, an upward movement in prices brought about certain changes in the price-schedules, and by the end of that year the Community's prices for merchant steels showed an average increase of five per cent since the spring of 1954; this compared with an increase of 5.6 per cent in British prices and 12 per cent in U.S. prices.

The trend in export prices in the Community, the United Kingdom, and the United States was as follows:

	Percentage Increase (March 31, 1955 - March 31, 1956)		
	Merchant bars	Heavy plate	Sheet
Community	+ 8.0	+15.4	± 0.0
United Kingdom ..	+15.1	+18.4	± 0.0
United States	+ 7.4	+ 6.0	+11.1

Iron Ore.

The Community countries produced 70,600,000 metric tons of iron ore in 1955, an increase of 16 5 per cent over the 1954 total of 60,600,000 tons and the highest since the opening of the Common Market (61,100,000 tons in 1953 and 61,800,000 in 1952). The rise in production was accounted for mainly by the French mines, whose saleable output went up from 43,800,000 to 50,300,000 tons. Pig-iron production, however, increased at a still higher rate than iron-ore production, and the resulting discrepancy had to be covered by withdrawals from stocks and increased imports from third countries.

The volume of trade in iron ore between member-countries reached 13,500,000 metric tons in 1955, an increase of 25 per cent over 1954 (10,800,000 tons), of 29 per cent over 1953 (10,500,000 tons) and 44 per cent over 1952 (9,400,000 tons). From January 1955 onwards iron-ore prices showed a tendency to rise but were nevertheless relatively stable having regard to the increase in demand and the stabilization of production at a high level.

Scrap Iron.

The scrap market showed a certain tightness during 1955 which resulted from: (*a*) a fall in the level of stocks, (*b*) a discrepancy between the rise in steel production and the rise in home scrap recovery; and (*c*) an increase in the price of U.S. scrap from $34 33 per ton in May 1955 to $53 at the end of December.

In view of the Community's inadequate scrap resources, the High Authority decided in May 1953 that the deficit should be covered by importing jointly from third countries, the additional expense to be divided proportionally among all consumers by a levy payable on all scrap, whether bought within the Community or imported from outside. In March 1955 the High Authority tightened its control over the work of the Compensation Office for Imported Scrap and the Joint Office of Scrap Consumers (the organization set up to carry out the aforementioned scheme) and established priorities for the allocation of imports. In a subsequent statement the High Authority explained that the scrap shortage was structural in character and could be solved only on a long-term basis, within the framework of a series of measures aimed at increasing the production capacity for those qualities of pig-iron which could profitably be substituted for scrap in the production of steel; in the meantime, however, the compensation arrangement was essential.

Transitional Provisions.

A number of measures and practices, though basically incompatible with the Common Market, were temporarily authorized by the High Authority in order to alleviate the transitional effects of sudden and harmful shifts in production in certain member-countries.

Italian Protective Duties.

The High Authority initially authorized the Italian Government to retain during a transitional period Customs duties on coke and iron and steel imports from other Community countries After the introduction of the Common Market these duties were progressively reduced, and in December 1955 duties on pig-iron imports from Community countries were suspended altogether for an indefinite period. The relatively high production costs and weak competitive position of Italian coking-plants and steelworks indicated, however, that tariff protection for their products would still be required to ensure their progressive integration into the Common Market, and the High Authority therefore permitted the retention of protective duties for Italian coke and steel imports from other member-countries of the Community.

"Zone-delivered" Coal Prices.

In order to avoid sudden and harmful shifts in production, and to prevent undesirably sharp and abrupt price increases, the High Authority initially permitted the charging of reduced "zone-delivered" prices in certain areas of the Community where it was necessary for collieries to align their quotations with those of their competitors for marketing purposes. These arrangements were reviewed annually and for the coal-year 1956-57 the High Authority discontinued the system of "zone-delivered" prices (*a*) for the Helmstedt coalfield in Germany in respect of sales to certain areas of the Common Market and (*b*) for sales by the Lorraine and Saar coalfields to France. Price-alignments were, however, allowed for a further year in respect of: (*a*) sales by Belgian coking-plants to Belgium, Luxemburg, and the French departments of Moselle and Meurthe-et-Moselle; (*b*) sales by the Aachen coalfield within the German Federal Republic; and (*c*) sales by the Lower Saxony coalfield to Northern Germany and the Netherlands. A series of "zone-delivered" prices for sales by the Centre-Midi collieries to certain parts of France up to March 31, 1957, was formally authorized in March 1956.

French Coal Subsidies.

The continuation of French Government subsidies to briquetting-works and on coking-coal imported from other Community countries was authorized by the High Authority for the year 1956-57. A subsidy on smelting coke imported from other Community countries for the iron and steel industry had been abolished during 1955, and a subsidy on sales of Saar and Lorraine coal to Southern Germany discontinued at the beginning of the year 1956-57. The total amount to be paid in French Government subsidies during 1956 was estimated at 5,000,000,000 francs, against 13,300,000,000 fr. in 1953, 10,000,000,000 fr. in 1954, and 7,300,000,000 fr. in 1955.

Integration of Belgian and Italian Coal into Common Market.

A system laid down in special provisions of the Community's Convention for the progressive integration of Belgian and Italian coal into the Common Market provided for: (*a*) the imposition of a compensation levy on the coal production of member-countries where production costs were below the weighted average of the Community, (*b*) the granting of compensation payments to the Belgian and Italian collieries, and (*c*) the contribution of financial aid by the Belgian and Italian Governments to an extent at least equal to the assistance received from the Community under the compensation scheme, and the use of such aid in connexion with reorganization programmes

A compensation levy was accordingly imposed, as from February 1953, on the gross revenue of coal producers in the Netherlands and Western Germany, for the benefit of Belgian and Italian producers. On Feb. 2, 1956, however, the High Authority informed the Belgian Government that it had decided to lower the compensation rate by one-third, viz., from 0 9 per cent to 0 6 per cent of the receipts per ton of saleable products of the German and Netherlands collieries, and that all compensation payments to the Belgian collieries would be correspondingly reduced by one-third from Feb. 10, 1956. A reorganization programme, drawn up by the Belgian Government in 1949 and revised in 1952, provided for the overhaul of those pits which were suitable for integration into the Common Market and the gradual closing down of those whose operating results could not be improved

Compensation payments were similarly made to the Italian Government to enable the Sulcis collieries in Sardinia (the only coal-producing area in Italy) to face competition within the Common Market, "pending completion of the investment operations under way" The broad outlines of a reorganization programme for these collieries were laid down by the High Authority at the same time.

Development of Competition within Common Market for Coal and Steel.

The Community's aim of developing full competition within the entire area under its control was gradually implemented by (*a*) the abolition of various internal discriminatory practices carried on in a number of member-countries; (*b*) the introduction of international railway "through-rates"; and (*c*) the suppression of a number of monopolistic coal sales organizations, notably in Western Germany, Belgium, and France.

Abolition of Discriminatory Practices.

Decisions taken in this sphere by the High Authority or at its request included the following

(*a*) From February 1953, coalmining enterprises, selling organizations, and agents were ordered by the High Authority to publish their price-schedules and conditions of sale

(*b*) The High Authority informed the Italian Government in November 1955 that the monthly fixing of maximum prices for coal for domestic consumption by an Inter-Ministerial Price Committee was incompatible with the provisions of the Treaty.

(*c*) Certain tax exemptions in Belgium on sales of Belgian coal and iron and steel products to public bodies were extended to imports of Community products early in 1956, but the Belgian Government continued restrictive formalities involved in coal shipments from the Ruhr to Belgium in spite of protests from the High Authority

(*d*) French rebates on home sales of iron and steel products were abolished in November 1955 at the High Authority's request.

(*e*) In November 1955, the Italian Government announced its intention to terminate a scheme for the encouragement of shipbuilding by the granting of preferential treatment to Italian iron and steel products against those from other areas of the Common Market.

(*f*) The High Authority cautioned or fined several enterprises which had been found guilty of infringements of the Treaty rules on publicity and non-discrimination, e.g. a Belgian steel firm was fined 600,000 Belgian francs and an Italian steel firm 400,000 lire in February 1955 for deviations of more than 2½ per cent from their published prices; at the same time three other firms received "recommendations" from the High Authority requiring them to amend their price publication methods. On March 2, 1956, it was announced that three Belgian firms had been fined a total of 280,000 Belgian francs for selling steel to German consumers at rates below their published prices.

Abolition of Discriminatory Railway Charges.

The abolition of discrimination in rail transport was completed in 1955, when an agreement was signed between the member Governments on March 21 providing for the introduction of international railway through-rates in three stages at one-year intervals. Accordingly on May 1, 1955, through-rates were introduced for coal and iron ore, and two-thirds of the terminal charges levied on these goods on either side of Community frontiers were abolished. On May 1, 1956, similar through-rates were introduced for steel and scrap, and the remaining terminal fees in respect of coal and iron-ore suppressed. On May 1, 1957, this final suppression of terminal fees will be applied to steel and scrap.

No solution was found for the disparity between the controlled rates for inland water transport within the boundaries of certain member-countries on the one hand, and the uncontrolled rates for inland water transport across the frontiers of member-countries on the other. In April 1955 the High Authority proposed a system for the mitigation of the effects of the disparity between internal and international freight charges, and permitted the retention of a French compensation fund within fixed limits as a provisional measure until the whole problem of inland water rates had been solved.

Suppression of Cartels and Restrictive Practices.

Soon after the inauguration of the Common Market, the High Authority decreed that all joint selling, joint buying, and similar organizations within the Community should apply for authorization by the High Authority, in order to avoid being declared illegal. In May 1954 the High Authority notified three of the principal European selling and importing agencies which had submitted applications—the *Comptoir Belge des Charbons* (Cobechar), the *Association Technique de l'Importation Charbonnière* (ATIC), which was under the controlling authority of the French Government, and the *Gemeinschaftsorganisation* (GEORG) in Western Germany—that certain of their activities were incompatible with the Treaty. They were informed that they could not be authorized in their present form, but instead of simply dissolving them, the High Authority sought to arrange for a radical change in their organization so that their activities might not appreciably impede competition in future. Accordingly, discussions between the three organizations and the High Authority continued in 1954-55 with the aim of bringing the activities of the cartels into line with the requirements of the Treaty.

Herr Franz Etzel, Vice-President of the High Authority, in a statement on Nov. 23, 1955, to the Common Assembly of the European Coal and Steel Community meeting in Strasbourg, gave details about the High Authority's rulings on the dissolution of a number of coal-marketing and importing cartels in Belgium, France, and Western Germany. His statement, and subsequent developments with regard to the organizations concerned, are summarized below:

Cobechar. Herr Etzel said that Cobechar, the Belgian coal-selling organization, had agreed to comply with the High Authority's anti-cartel directives; it would no longer be allowed to regulate production in Belgian mines and would have to abide by uniform rules in its sales in all parts of the Common Market area.

ATIC. The French Government, Herr Etzel stated, had agreed (*a*) to suspend a decree providing for the compulsory purchase through a cartel organization of all coal required by the French steel industry; (*b*) to remove from French wholesale traders the obligation to buy a given quota of French coal before they could import from other member-countries; and (*c*) to prevent importers' groups from forming an exclusive body. The French Government's refusal, however, to allow French wholesalers to buy coal freely from other Community wholesalers resulted in a demand by the High Authority on June 27, 1956, for the final liquidation of the ATIC.

It was subsequently reported in the French Press that the French Government would contest the validity of this demand in the Community's Court of Justice.

GEORG. This organization had been set up by the Allied High Commission and the Federal Government in 1952 as a co-ordinating body for only nominally independent sales agencies It controlled all sales of Ruhr coal, and all the agencies had identical price-lists, the same price policy, and the same selling agents, with central recruitment of staff. The High Authority had stated several times that it could not sanction the existence of a single monolithic central organization in the Ruhr, but that it would be prepared to authorize three, or alternatively six, selling agencies with a joint office to co-ordinate their activities by means of a central reserve stock, in order to ensure balanced employment and a balanced flow of supplies under all market conditions. Eventually, a scheme prepared by the German coalmining industry and sanctioned by the High Authority came into force on April 1, 1956, whereby GEORG was replaced by three independent selling agencies (Geitling, Mausegatt, and Präsident), each representing from 14 to 19 coalmining enterprises, with approximately equal total production capacity. Each agency had its own price-lists, agents, price policy, and separate staff, but there was a centralized sales bureau responsible for sales and production estimates and the handling of the central stock of the Ruhr mines.

Other decisions by the High Authority regarding cartels and monopolistic organizations were as follows:

O K.U. The High Authority refused in June 1955 to sanction the activities of the South German coal-selling agency, the O.K.U (*Oberrheinische Kohleunion*), on account of its exclusive buying rights in the Aachen, Ruhr, Saar, and Lorraine regions.

UCOSIDER. A number of Belgian iron and steel firms received authorization on March 7, 1956, to sell jointly a large proportion of their production through the UCOSIDER selling agency.

German Joint Scrap-buying Organization. The High Authority refused in July, 1955, to grant authorization to a German joint scrap-buying organization (*Westdeutsche Schrottenkaufs-Vereinigung*).

Measures to Increase Productivity.

Decisions under this heading referred chiefly to the rationalization of production through the concentration of smaller undertakings, the co-ordination of new investments, and the provision of certain finance for such investments.

Industrial Concentrations.

The High Authority's policy was to allow regroupings aimed at rationalizing production, provided there were no effects contrary to the provisions of the Treaty. Thus permission was granted for reorganization schemes involving specialization by the co-ordination of production programmes, and rationalization by the installation of joint finishing plants (e.g. in connexion with rolling-mills), enabling smaller enterprises to reduce production costs and to become more competitive with the bigger units of other Community countries. Altogether, since the beginning of the Common Market, the High Authority authorized 11 concentrations in various member-countries.

Investment Policy.

The High Authority confined its activities in this sphere chiefly to studies of the extent and conditions of existing investment programmes, the circulation of general information, the establishment of certain general objectives, the co-ordination of investments, and the granting of loans and guarantees In July 1955 it was made compulsory for firms to notify the High Authority in advance of those investment programmes for which total estimated expenditure would exceed $500,000 for entirely new plant, or $1,000,000 for replacements and conversions. Responsibility for decisions, however, remained entirely with the enterprises concerned, and the High Authority had no power to insist on the necessity for certain investments

Actual investment expenditure in 1955 totalled $1,232,000,000, against $978,000,000 in 1954 and $975,000,000 in 1953

Finance.

To stimulate investment the High Authority raised six long-term loans in 1954 and 1955 totalling the equivalent of $117,500,000; the proceeds were re-lent at reduced rates of interest to various Community enterprises.

The largest loan was one for $100,000,000 from the U.S Export-Import Bank under an agreement signed in Washington on April 23, 1954 The loan was for 25 years, bore interest at the rate of 3¼ per cent, and was granted "for the purpose of assisting in modernizing and developing the natural resources of the Community" The proceeds were accordingly advanced for the equipment of collieries, power stations, and coking plants, and for the production and treatment of iron ore in France, Belgium, Luxemburg, and Italy. The other loans, totalling $17,500,000, and to be used mostly for the construction of miners' houses, were raised from banks in Belgium, Western Germany, Luxemburg, and the Saar.

A 4¼ per cent loan of 50,000,000 Swiss francs, repayable within 18 years, was issued on the Swiss market from July 5-10, 1956, the proceeds being re-lent by the High Authority to three Italian, two German, and one Saar steelworks

In addition to the raising of loans, the activities of the Community were financed by a levy on coal and steel production in the member-countries.

From this levy, which at present amounts to 0 45 per cent on the monthly average production of each enterprise, a total amount equivalent to $140,300,000 had been received up to Dec 31, 1955, of which Germany contributed 47 per cent, France 28 per cent, Belgium 11 per cent, the Saar and Italy 6 per cent each, the Netherlands 4 per cent, and Luxemburg 3 per cent

Of the Community's total revenue equivalent to $156,700,000 up to April 30, 1956, the larger part—$100,000,000—had been set aside as a guarantee fund, whilst expenditure amounted to the equivalent of $28,300,000 up to that date.

Labour Policy.

The main developments in connexion with the Community's aim "to equalize the living standards in an expanding European economy" were re-adaptation schemes designed to protect workers from the risk of unemployment, steps towards the creation of a common labour market, the construction of workers' houses, the development of vocational training, and research in industrial health and medicine.

Employment.

The total labour force employed in the industries of the Community increased from 1,550,000 in 1953 to 1,600,000 in 1954 and 1,615,000 in 1955. The 1955 total was distributed as follows:

	Hard Coal	Iron and Steel	Iron Ore
Germany (West) ..	522,300	178,600	21,800
Belgium ..	157,600	56,200	—
France ..	243,800	147,300	28,700
Saar ..	63,500	30,700	—
Italy	7,300	60,300	4,300
Luxemburg	—	19,700	2,700
Netherlands	60,700	9,900	—
Total ..	1,055,200	502,700	57,500

The general high level of industrial employment in member-countries accentuated the drift of workers from heavy industry to other activities, and the coalmining and iron and steel industries were forced to resort increasingly to foreign labour (e g Italian labour in Belgium and Germany) and to workers from the overseas territories of the member-States (e.g. Algerians in France)

Redundancy and Re-adaptation.

The High Authority established re-adaptation and re-employment schemes (*a*) for the re-settlement of unemployed miners in the French Centre-Midi collieries; (*b*) for the re-adaptation of steel workers who had become redundant through the formation in 1953 of *Ateliers et Forges de la Loire*, a concentration of four enterprises in the St. Etienne area; (*c*) for 8,000 workers in the Italian iron and steel industry affected by reorganization schemes; (*d*) for assistance to 2,000 miners laid off at the Sulcis collieries in Sardinia in connexion with the reorganization of these mines (see above); and (*e*) in the Borinage collieries in Belgium, where a large-scale reorganization was in progress.

Freedom of Movement for Workers.

An agreement was concluded in December 1954 for the abolition of all restrictions on the movement between member-countries of workers with recognized qualifications in the coal-mining and iron and steel industries, thus providing for the creation of a common labour market. Administrative arrangements for the implementation of the agreement were approved by member-Governments in July 1955, and the agreement will come into force after ratification in the six countries

Wages and Working Conditions.

The results of a study initiated by the High Authority, and published in September 1955, showed that the differences in real income between one country and another were not as large as had previously been supposed, and did not exceed the disparities sometimes found within a single country between different sectors of industry or between different industrial regions It also appeared from certain data that discrepancies between the real incomes of miners and steelworkers in the different Community countries had decreased between 1953 and 1955 On the other hand, details regarding the population as a whole indicated that there were much greater differences from one country to another in private consumption per head of population

Housing.

The first 563 housing units built under the High Authority's experimental scheme for 1,022 houses, launched in 1954, were completed and handed over for occupation by the end of 1955; another 459 housing units were expected to be completed by the end of 1956 During 1955 the High Authority contracted loans from banking institutions in Belgium, Western Germany, and Luxemburg totalling $16,400,000 for the construction of workers' houses (see above) Negotiations were also opened with institutions in France, Italy, and the Saar with a view to raising similar loans totalling $1,800,000

Vocational Training.

The High Authority encouraged systematic exchanges of information and experience between Community countries in regard to the training of skilled workers, supervisory staff, and instructors

Association with the United Kingdom.

The United Kingdom became the first country to establish diplomatic relations with the Community when, in 1952, H.M. Government sent a delegation headed by Sir Cecil Weir to be accredited to the High Authority, and expressed its desire to establish "an intimate and enduring association with the Community" (see 12481 A). As a result of negotiations held in London in 1954 between Mr. Duncan Sandys (then Minister of Fuel and Power) and the President (M. Monnet) and other members of the High Authority, a formal Agreement of Association was signed on Dec. 21, 1954. The agreement came into force on Sept. 23, 1955, after ratification by the British Parliament and the Parliaments of the six member-countries of the Community. Its principal provisions were:

(1) A Standing Council of Association would be set up, composed of four High Authority and four U.K. Government representatives. It would have a joint secretariat, would meet alternately in Luxemburg and London; and would be empowered to appoint committees for its work.

(2) The Council would be required to examine possible ways of reducing or eliminating any obstacles to trade in coal and steel between the two areas, such obstacles would include "quantitative restrictions on imports and exports, tariffs and other charges on imports and exports, exchange control restrictions, dumping and anti-dumping measures, and export subsidies."

In addition, if the High Authority, or any of the Governments of the six member-States of the Community, or the British Government, should at any time contemplate additional trade restrictions in coal and steel between the Community and the U.K., they would be required to bring the matter before the Council of Association—whenever possible before introducing such restrictions. If, however, prior consultation should be impracticable, then the matter must be brought before the Council immediately afterwards for consideration of joint action to meet the situation

In its work the Council would take into account the interests of consumers, of third countries, and of Britain's special position within the Commonwealth

The Council would also provide "a means for continuous exchange of information and consultation on matters of common interest concerning coal and steel, and where appropriate, in regard to the co-ordination of action on these matters." "Matters of common interest" would include supplies of and trade in coal and steel, and raw materials for the coal and steel industries; price arrangements and market and price trends; general development objectives and investment policy; consumption, production, export, and import trends; effects of the development of other sources of energy, technical development and research; and the safety, health, and welfare of coal and steel workers.

(3) Whenever matters of common interest to the Community and the U.K. were to be discussed by the Community's Council of Ministers, special meetings would be held at which the U.K. would be represented by a member of the Government and other persons "discharging public responsibilities in regard to coal and steel in the United Kingdom."

(4) The Council of Association would present a joint annual report to the British Government and the High Authority.

In a statement on the occasion of the signing of the Agreement, M. Monnet explained that the Association would provide a means for continuous consultation at the highest level before decisions were taken on policies affecting common problems, while both parties would retain their complete independence and freedom of decision.

The House of Commons approved ratification of the Agreement of Association without a division on Feb. 21, 1955.

Mr. Sandys, moving the Bill approving the Agreement, stated that the Government did not regard the Agreement " as an end in itself " or as " a static contractual arrangement, but rather as a growing relationship which will develop progressively through the practical experience of meeting and working together."

Mr. Alfred Robens (Labour), the principal Opposition spokesman, said that the integration of Europe would go on and that it was better for it to continue in close association with the United Kingdom. The agreement, he thought, was " the model of association which we would be ready to accept in any organizations or communities that may be set up in Europe to deal with things other than coal and steel."

Mr. Clement Davies (Liberal) also welcomed the agreement, saying that though it was only a modest step, it was " a good thing to know that these great industries in this country will be in close consultation with the High Authority "

The Council of Association held its first meeting in Luxemburg on Nov. 17, 1955, when it was decided to establish three standing committees for trade relations, steel, and coal.

At a second meeting, held in London on March 23, 1956, the situation in the coal and steel markets of the U K and the Community was reviewed, the work of the three committees approved, and further programmes of work laid down. The third meeting of the Council, held in Luxemburg on July 10, 1956, discussed specifically the question of U.K. coal exports to the Community, which had been drastically curtailed on Jan. 1, 1956, to meet reductions in British imports of U S coal (see 14428 A). In view of the stringent coal situation which had developed within the Community, Britain agreed partly to suspend the cut for the benefit of the Community's member-countries and to increase her exports to the Community during the second half of 1956 from the 265,000 tons originally envisaged to nearly 1,000,000 tons, this compared with U K. exports to Community countries of 805,000 tons during the first quarter and 523,000 tons during the second quarter of the year.

On May 10, 1955, Sir William Mekleredd had been appointed head of the U.K. delegation to the High Authority, with the rank of Ambassador, in succession to Sir Cecil Weir. The High Authority announced on Dec. 16, 1955, that it had appointed Jonkheer Hendrik L. F. K. Vredenburch (Netherlands), Deputy Secretary-General of NATO, as head of its permanent delegation in Britain.

External Relations with Other Countries.

The principal developments since the beginning of 1955 were an official visit by the President of the High Authority to the U.S.A., two agreements with Switzerland, and the establishment of relations with Japan.

United States. M. René Mayer, the new President of the High Authority (see below), paid an official visit to Washington in February 1956 at the invitation of the State Department During his visit to the U S A, M. Mayer (who was accompanied by M Coppé and M Finet, Members of the High Authority) discussed the work of the Community with President Eisenhower, Administration leaders, and American industrialists and financial experts

Mr. Walton Butterworth (Minister at the U.S. Embassy in London) was appointed in November 1955 as head of the U S. diplomatic mission to the High Authority, with the rank of Ambassador, he presented his letters of credence on March 13, 1956.

Switzerland. A Consultation Agreement between the High Authority and the Swiss Government was signed on May 7, 1956.

Under the agreement, the High Authority undertook to consult Switzerland before introducing any allocation system for the Community's coal, steel, iron-ore, or scrap production in the event of a serious shortage of any of these products. Similar consultations would take place if the High Authority should order import restrictions or should fix minimum or maximum prices for the export of those kinds of coal or steel from Community countries of which Switzerland was a customary buyer. Conversely, Switzerland undertook to consult with the High Authority before taking any measures affecting trade between Switzerland and the Community

It was also provided that a permanent joint committee would be set up consisting of an equal number of representatives of Switzerland and the High Authority, and would meet regularly in Luxemburg and Berne alternately

The agreement, which would be valid in the first instance until Feb. 10, 1958 (i.e., the end of the five-year transitional period of the Community), would be automatically renewable for five-year periods unless either party had given notice of cancellation. It would also apply to Liechtenstein (which has a Customs Union with Switzerland), and would come into force on ratification by the Swiss Parliament.

As a result of negotiations which had started in 1955, an agreement on transport charges was signed in Luxemburg on July 28, 1956, between the Swiss Government, the member-countries of the Community, and the High Authority. This agreement provided for (*a*) the introduction of international railway through-rates for coal and steel traffic between Community countries across Swiss territory; (*b*) the abolition of Swiss terminal charges and other handling fees for such traffic, (*c*) the formation of a Joint Transport Committee. The agreement will lead to a reduction in transport costs for the Community's member-countries, whilst not involving Switzerland in any losses because she had already granted special cheap tariff rates for such through traffic

Japan. It was announced on Sept. 22, 1954, that the Japanese Government had decided to appoint a permanent delegation to the High Authority On Oct. 20, 1954, Mr Shoji Arakawa, Japanese Ambassador to Belgium, formally presented his credentials as head of the delegation

[Other countries which are so far represented by permanent delegations are the U K. and the U.S.A (see above), Austria (12926 D), Denmark (12896 B), Norway (12926 D). Sweden (12672 B), and Switzerland (12896 B.]

Relations with International Organizations.

The Community established and maintained relations with the following international organizations:

Council of Europe. Joint meetings between members of the Consultative Assembly of the Council of Europe and of the Common Assembly of the Coal and Steel Community were held in Strasbourg on June 22, 1953 (see 13404 A), May 20, 1954, and Oct 27, 1955, when the President of the High Authority reported on the Community's progress Apart from these meetings, there were exchanges of technical information between High Authority representatives and the Secretariat-General of the Council of Europe. It was also announced that, as part of the cultural programme of the Council of Europe, the High Authority would award in 1956 five research fellowships for work dealing with the Community.

O.E.E.C. The High Authority maintained regular contact with the O E E C. through a liaison body known as the Group of Eight, and its observers attended meetings of the Council, the Executive Committee, and several technical committees, it presented before the latter the Community's point of view on questions concerning coal and steel.

G.A T.T. In November 1952 the Contracting Parties to G A T.T. granted a waiver to the member-countries of the Community which enabled them to remove tariffs on coal and steel within the Community without doing the same on imports from non-member countries (see 13388 A). A number of complaints, however, was made during 1954 by non-member countries, notably the Scandinavian countries, about certain allegedly unfair practices of the Community towards third countries

The ninth session of GATT, which opened on Nov 8, 1954, adopted a report of a working party appointed to investigate these allegations. It stated that manufacturing industries outside the Community were being forced to pay higher prices for steel than their competitors inside the Community; that export controls were being applied to scrap iron which were inconsistent with the waiver and should be relaxed as soon as possible, that there was a marked slowness in integrating the Italian iron and steel industry within the Community's common tariff system, and that the formation in August 1954 of a common market for special steels was harmful to non-member countries. Subsequently, the Danish delegation asked for a further investigation of the operation of the alleged steel export cartel, on the ground that Danish users of steel were paying 20 per cent more for their supplies than their competitors in the Community During 1955, however, discussions between the High Authority and the Danish delegation in Luxemburg resulted in a settlement of a number of controversial points, and the Danish Government agreed that the question should no longer be handled within the framework of GATT.

In January 1956 the High Authority participated on behalf of the member-countries in a new series of tariff negotiations held in Geneva under the auspices of GATT.

I.L.O. The High Authority concluded an agreement with the International Labour Office on Aug 12, 1953, providing for collaboration with a view to attaining the objectives of the Treaty of the Community, i e, economic expansion, increased employment, and a higher standard of living

Institutions of the Community.

Developments affecting the organs of the Community were as follows:

President of the High Authority.

At an extraordinary meeting of the High Authority on Nov. 9, 1954, M. Monnet announced that he would not seek re-election as President of the High Authority at the expiry of his term of office on Feb. 10, 1955.

M Monnet later explained that he was leaving his post in order to gain " complete freedom of action and of speech " to press for the creation of a " United States of Europe," which was " not only the great hope but the urgent necessity of our time." He added that the institutions of the Community " had only the powers that had been delegated to them ", that it was not for these institutions to extend them; and that the decision to transfer new powers to European institutions had to come fron Parliaments and Governments, for which the impulse had to come from the outside,

In view of the delay in agreeing on a successor, M. Monnet announced on Feb. 8, 1955, that he would continue in office on a temporary basis until such agreement could be reached by the member-States, and in letters sent to the six Governments on May 24 he expressed willingness to continue as President if they would adopt a policy of bringing other economic activities under supra-national control. The French Cabinet, however, decided on May 26 that its candidate would be M René Mayer, and that M. Monnet should not be proposed for re-election.

During a conference of their Foreign Ministers held at Messina on June 2-4, 1955, the Governments of the six member-countries, by common agreement, appointed M. René Mayer, a former French Prime Minister, as Member and President of the High Authority in succession to M. Monnet. Herr Franz Etzel (Western Germany) and M. Albert Coppé (Belgium) were reappointed Vice-Presidents.

In appointing M. Mayer, the Foreign Ministers agreed on the following principles: (1) no member-country could claim any post in the Community's administration for one of its nationals; (2) a rigid system of posts rotating between one country and another was equally impracticable, (3) the best qualified person should always be appointed irrespective of nationality

[A biography of M. René Mayer is given in Volume IX, page 12675.]

Court of Justice.

The seven members of the Court of Justice of the Community were sworn-in at Luxemburg on Dec. 10, 1952. They were Signor Massimo Pilotti (Italy), who had been appointed President of the Court; M. Louis Delvaux (Belgium); M. Charles-Léon Hammes (Luxemburg); Herr Otto Riese (Western Germany); M. Jacques Rueff (France); and Hr. Servatius Serrarens and Hr. Adrianus van Kleffens (Netherlands). On the expiry of his first term of office, Signor Pilotti was unanimously re-elected President of the Court of the Community on Dec. 1, 1955.

Signor Pilotti, a former Procurator-General of the Italian Supreme Court, is a member of the Permanent Court of Arbitration at The Hague He was Secretary-General of the League of Nations from 1933 to 1937

In its first judgment, given on Dec. 21, 1954 in response to appeals by the French and Italian Governments, the Court ordered the suppression of certain High Authority pricing regulations issued in January of that year.

Common Assembly.

At an extraordinary session of the Assembly on Nov. 29, 1954, Signor Giuseppe Pella, the former Italian Prime Minister, was elected President of the Assembly in succession to the late Signor De Gasperi (Italy), who had himself succeeded the Assembly's first President, M. Spaak (Belgium), in May 1954. Signor Pella was re-elected at an extraordinary session of the Assembly held from Nov. 22-25, 1955.

The Messina and Noordwijk Conferences.

As stated above, the Foreign Ministers of the six member-countries of the Community met at Messina on June 2-4, 1955. They were M. Paul-Henri Spaak (Belgium), M. Antoine Pinay (France), Professor Hallstein (State Secretary in the German Federal Government), Signor Martino (Italy), M. Bech (Luxemburg), and Dr. J. W. Beyen (Netherlands). In addition to the nomination of M. René Mayer as the new President of the High Authority, the Foreign Ministers discussed proposals for further European economic integration which had been made by the three Benelux countries (Belgium, Netherlands, and Luxemburg) on May 20, 1955, to the Governments of the member-countries.

The Benelux proposals called for (*a*) the establishment of a "common organization" to study development plans for a European network of roads, canals, and railways, and for the co-ordination of civil aviation policies; (*b*) the study of methods of co-ordinating power policy in Europe; (*c*) the creation of a "common authority" for the development of atomic energy for peaceful purposes, with the pooling of investment funds, technical knowledge, and research facilities; and (*d*) the progressive integration of the national economies of the six member-countries and the harmonization of economic, financial, and social policies. To implement this programme the Benelux Governments proposed that a conference should be called to work out (*a*) a treaty on the pooling of transport, power, and atomic energy; (*b*) a treaty on general economic integration; and (*c*) a treaty defining the European institutions necessary to carry out the programme.

After discussing these proposals, as well as memoranda submitted by Signor Martino and Professor Hallstein, the Ministers finally agreed on a resolution which adopted the objectives of the Benelux programme but set out different procedures for, and a more gradual approach to, their implementation.

The "Messina Resolution" declared.

(1) "The Governments of the German Federal Republic, Belgium, France, Italy, Luxemburg, and the Netherlands consider that the moment has arrived to initiate a new phase on the path of constructing Europe. They believe that this has to be done principally in the economic sphere, and regard it as necessary to continue the creation of a United Europe through an expansion of joint institutions, the gradual fusion of national economies, the creation of a common market, and the gradual co-ordination of social policies. Such a policy seems to them indispensable to preserve for Europe its place in the world, to restore its influence, and to improve steadily the living standards of its population"

(2) The six Ministers had agreed on the following aims:

(i) The joint development of large-scale communications facilities, including the construction of a European network of canals, *auto-bahnen*, and electrified railway-lines, as well as the standardization of equipment and the improved co-ordination of aerial traffic,

(ii) the development of exchanges of gas and electric power, and a reduction of their cost, through co-ordination of the production and consumption of power and the formulation of a joint policy;

(iii) the creation of a joint organization having "the responsibility and the facilities" for ensuring the development of atomic energy for peaceful purposes, "taking into account any special agreements of individual Governments with third countries"

These facilities would be (*a*) the creation of a common fund, financed by member-countries, for the construction of atomic energy plants and atomic research, (*b*) free and sufficient access to raw materials, and free exchange of information, technicians, by-products, and special equipment; (*c*) the sharing of the results of such research without discrimination, and the provision of financial aid for their practical implementation, and (*d*) co-operation with non-member countries

(3) "The six Governments agreed that the aim of this course in the field of economic policy is the creation of a common European market free from all Customs barriers and quantitative restrictions They believe that this market has to be realized by stages." This would require an examination of the following questions

(*a*) The "procedure and rhythm" of the gradual abolition of trade barriers between the participating countries and of suitable measures for the gradual unification of their Customs system *vis-à-vis* third countries; (*b*) measures for the co-ordination of their general policy in the financial, economic, and social spheres; (*c*) measures for the co-ordination of their monetary policy with a view to the creation of a common market, (*d*) a system of protective clauses, (*e*) the creation and functioning of a "re-adaptation fund"; (*f*) the gradual realization of a common labour market; (*g*) the drafting of rules that would guarantee free competition within the common market in such a way as to exclude any national discrimination; (*h*) the "appropriate institutional means" for the realization and operation of a common market.

(4) The question of the creation of a European investment fund was under examination; the purpose of such a fund would be "the joint development of Europe's economic potential, and especially of the under-developed areas of member-countries."

(5) The six Governments also regarded it as "indispensable to examine the progressive harmonization of national social policies," especially those relating to working hours, payment for overtime, and paid holidays.

(6) Instead of calling an immediate treaty-drafting conference, as had been proposed by the Benelux countries, the Foreign Ministers decided to appoint in the first instance a committee of Government representatives and experts, working under the direction of an "eminent political personality," to study the problems raised, prepare drafts of treaties or agreements, and report back on Oct. 1, 1955, at the latest. Meanwhile the Foreign Ministers would meet again before that date to study any interim reports of the committee and issue further directives. The U.K. Government was invited to attend the committee's meetings because of Britain's membership in the West European Union and her associate membership of the Coal and Steel Community. The Foreign Ministers would decide at a later date whether other countries should also be invited to participate in the treaty-drafting conferences.

The inter-governmental committee met for the first time in July 1955 in Brussels under the chairmanship of M. Spaak. As provided for in the "Messina Resolution," the six Foreign Ministers met once again at Noordwijk (Holland) on Sept. 6, 1955, to hear an interim report from M. Spaak on the progress of the committee's work. The Foreign Ministers confirmed the full agreement of their Governments with the aims laid down in the "Messina Resolution," and asked the inter-governmental committee to announce its findings by Oct. 30 and publish its complete report "as soon as possible thereafter." The report of the committee (published in March 1956) and the later reactions of the six Governments will be summarized in a subsequent article.—(European Coal and Steel Community, Luxemburg - Council of Europe, Strasbourg - Times - Daily Telegraph - Manchester Guardian - Financial Times - Le Monde, Paris - Giornale d'Italia, Rome - Frankfurter Allgemeine Zeitung - Neue Zürcher Zeitung)

(Prev. rep. 12633 A; 12481 A.)

A. GULBENKIAN FOUNDATION. — Establishment in Lisbon. - Aims and Objectives.

A decree was issued by the Portuguese Government on July 18, 1956, approving statutes governing the setting-up in Lisbon of a foundation, created under the will of the late Calouste Sarkis Gulbenkian, for artistic, scientific, educational, and charitable purposes on an international basis.

Mr. Calouste Sarkis Gulbenkian (86), the oil magnate and art patron, and reputedly one of the richest men in the world, had died in London on July 20, 1955. Born in the Ottoman Empire, he had been a British subject since 1902 and had lived in Portugal since 1942. Under the terms of his will, the bulk of his fortune was to be devoted to establishing a Gulbenkian Foundation for the above-mentioned purposes, with the stipulations that it should have its headquarters in Lisbon, and branches in other parts of the world as necessary; that it should be administered under Portuguese law; and that it should be used for the benefit of people of all nationalities.

Calouste Sarkis Gulbenkian was born in Scutari (a suburb of Constantinople), the son of an Armenian oil merchant. After studying in Paris and at King's College, London, he settled in Britain in the 'nineties and established close contacts with Mr. (later Sir) Henri Deterding and other leading oil magnates, in collaboration with whom he amalgamated the Royal Dutch and Shell companies as the Royal Dutch-Shell group. In 1912 he became a director of the Turkish Petroleum Company (T.P.C.), in which he held 15 per cent of the shares, but in 1914 this was reduced to five per cent after an agreement whereby the shareholding was re-divided between the Anglo-Persian Oil Company, Royal Dutch-Shell, and German interests.

During the 1914-18 war Mr. Gulbenkian acted in an advisory capacity to the French High Commissariat for Liquid Fuels, and played an active part in the reorganization of the French oil-refining industry. He obtained the Allied Governments' approval for the arrangement whereby, under the Treaty of San Remo, the German holdings in the T.P.C. were transferred to French interests. He also advised the British Foreign Office in favour of a new arrangement whereby U.S. oil interests were admitted to a share in the company's holdings. In consequence, an agreement was reached in 1928 under which he retained his five per cent holding in the T.P.C. (later renamed the Iraq Petroleum Company) and the remaining 95 per cent was divided equally between the Anglo-Persian Oil Company, Royal Dutch-Shell, the *Compagnie Française des Pétroles*, and the Near Eastern Development Corporation, a consortium of six U.S. oil companies.

Mr. Gulbenkian owned one of the finest private collections of paintings in the world, many of his pictures having been exhibited at the National Gallery in London and the National Gallery of Art in Washington. He was also the owner of valuable collections of sculpture, ceramics, jewellery, illuminated manuscripts, early printed books, glass, furniture, carpets, and tapestry. A devout member of the Armenian Church, he contributed generously to its funds, and himself built and endowed the Church of St. Sarkis in South Kensington to serve the Armenian community in London.

Mr. Gulbenkian's fortune was estimated in the Press as in the region of £300,000,000, derived mainly from oil royalties.

Mr. Gulbenkian nominated three persons in his will—Lord Radcliffe (the eminent British judge, and a personal friend of his), Dr. Perdigão (Mr. Gulbenkian's lawyer in Portugal), and Mr. K. L. Essayan (his son-in-law)—to act as trustees for the Gulbenkian Foundation, and also to maintain all subsidies, pensions, etc., which Mr. Gulbenkian was paying at his death to individuals and to charitable, artistic, religious, and scientific institutions—e.g. the Gulbenkian Library in Jerusalem and the Yedi-Kule Hospital in Istanbul.

Owing, however, to differences of opinion with the Portuguese Government over the constitution of the board of management of the Gulbenkian Foundation, Lord Radcliffe (who had been appointed senior trustee under Mr. Gulbenkian's will) announced on June 15, 1956, that he was unable to act as a trustee for the foundation. Consequent upon Lord Radcliffe's decision, the other two trustees (Dr. Perdigão and Mr. Essayan) nominated three additional trustees of the Foundation on July 22—Mr. Charles Whishaw, a British lawyer who had looked after the late Mr. Gulbenkian's interests for many years, and a member of the Iron and Steel Holding and Realization Agency; the Duke of Palmella, a former Portuguese Ambassador in London; and Senhor Pedro Pereira, the present Portuguese Ambassador in London.

Lord Radcliffe's resignation arose out of the fact that the Portuguese Government considered it necessary that the board of management of the Gulbenkian Foundation should have a majority of persons of Portuguese nationality, as it was to be established in Lisbon and administered according to Portuguese law. The Portuguese Government therefore declined to approve statutes for the Foundation that did not provide for a board constituted on this basis. Lord Radcliffe, however, had taken the view that it was inappropriate for the board to have a national majority in view of the fact that the Foundation was to be devoted to world-wide purposes.

The Gulbenkian Foundation announced on Aug. 14 that it had made a gift of £10,000 to St. John's School, Leatherhead, through Field-Marshal Viscount Montgomery (chairman of the school's board of governors) in recognition of Lord Montgomery's "military qualities and work for peace." The Headmaster of St. John's (Mr. Wake) said that "as we educate a great many of the sons of the clergy at reduced fees, it may be that we shall use this income for that purpose." The school has 142 sons of the clergy among its 350 pupils.

(Times - Daily Telegraph - Le Monde, Paris)

B. BRITISH WEST INDIES. — Agreement between Trinidad Government and Texas Company on Safeguards under Proposed Oil Company Transfer.

The Colonial Office published on Aug. 2 the terms of an agreement reached in London between representatives of the Government of Trinidad and Tobago and the Texas Company. Under the agreement the Texas Company pledged itself to enter into a binding undertaking with the Trinidad Government whereby, subject to its acquiring control of the Trinidad Oil Company, it would carry out the following obligations of that company:

(1) To operate its refinery in Trinidad at full economic capacity—i.e., at not less than its present average rate of 70,000 barrels a day—subject to the company being able (*a*) to produce or purchase the necessary crude oil and transport it to the refinery at a reasonable cost; (*g*) to market its refined products at fair and reasonable prices; (*c*) to continue the present processing arrangements, or substitute similar ones. The company also agreed to expand the capacity of its refinery if it considered it practical to do so.

(2) To intensify oil drilling operations in Trinidad so that during the five years beginning on Oct. 1, 1956, the company would in one or more of the following respects operate at a higher average annual rate than in the previous five-year period. (*a*) total number of wells drilled, (*b*) total footage drilled, (*c*) number of barrels of oil produced, (*d*) expenditure on producing operations.

(3) To exploit its existing oil resources in Trinidad in conformity with good practices and sound engineering principles.

(4) To maintain industrial relations on the basis of established practice in Trinidad. In particular, the company would (*a*) honour the terms of the existing agreement between the unions concerned and the Trinidad Oil Company for its unexpired term, (*b*) continue the employment of the management of the company and its subsidiaries in Trinidad on the same basis as before.

(5) To minimize the employment of non-Trinidadians by (*a*) ensuring (so far as reasonably practicable, and without limiting the company's right to select its employees) that they were only engaged when no Trinidadians with the requisite qualifications were available, (*b*) pursuing plans for industrial and technical training and education with a view to Trinidadians replacing other employees and being afforded a reasonable opportunity of occupying the highest positions in the company.

(6) To refrain from committing any discriminatory act against an employee or other Trinidad resident on grounds of colour or race, and not to permit such acts to be committed.

(7) To ensure that at least one director of the company registered in Trinidad to carry on operations should be a Trinidadian.

It was explained that the talks (which ended on Aug. 1) had related mainly to points affecting Trinidad, and that discussion of aspects directly affecting the United Kingdom remained to be completed. (Times - Daily Telegraph) **(Prev. rep. 14972 A.)**

C. UNITED STATES. — Grand Canyon Air Disaster.

The worst civil air disaster in the history of aviation occurred on June 30, when two U.S. airliners collided during a thunderstorm over the Grand Canyon in Arizona, and crashed with the loss of 128 lives. There were no survivors from either machine.

The aircraft involved were a Super *Constellation* of Trans-World Airlines bound for Kansas City, and a United Air Lines *DC*-7 bound for Chicago and Newark (New Jersey). The two airliners had left Los Angeles within a few minutes of each other, and were following virtually the same route in an easterly direction. The Super *Constellation*, manned by a crew of six, was carrying 64 passengers, while the *DC*-7 carried 58 passengers and a crew of five.

At the time of the accident a thunderstorm was in progress along the Arizona-New Mexico border, with heavy cloud at 20,000 feet. Later investigations revealed that the pilot of the *DC*-7 had been given permission to increase his altitude to 1,000 feet above the cloud, without being advised of the presence of the Super *Constellation* at 21,000 feet.

A six-man committee of inquiry into the disaster was set up on July 27 by the Civil Aeronautics Board. It was headed by Mr. Robert Chrisp, chief of the C.A.A.'s Bureau of Safety Investigation.—(New York Times - New York Herald Tribune) **(Prev. rep. Comet Air Disasters, 14397 A.)**

A. SOVIET UNION. — Supreme Soviet Meeting. - Abolition of Finno-Karelian Republic. - Pensions Legislation. - Disarmament Resolutions. - M. Shepilov's Proposal for Ban on Nuclear Tests.

The Supreme Soviet of the U.S.S.R.—the Council of the Union and the Council of Nationalities meeting in joint session—convened in Moscow from July 11-16. The principal decisions taken were (*a*) the abolition of the Finno-Karelian Republic and its incorporation in the Russian Soviet Republic, thereby reducing the number of Union Republics from 16 to 15; (*b*) legislation to increase old-age pensions and other social benefits; (*c*) the adoption of resolutions on disarmament and the banning of nuclear weapons.

Abolition of Finno-Karelian Republic. The request for the abolition of the Finno-Karelian Republic and its incorporation in the Russian Soviet Republic was made by M. Otto Kuusinen, the President of the Finno-Karelian S.S R., on two principal grounds: (i) the increasingly close economic and cultural ties between the area and the Russian Soviet Republic, and (ii) the smallness of the population (about 600,000), which did not justify the continued existence of the Finno-Karelian Republic as a Union Republic of the U S S.R. It was agreed that the area would henceforth have the status of an autonomous republic within the Russian Soviet Republic, under the appellation of the Karelian Autonomous Republic. The Finnish part of the former name was dropped in view of the fact that Finns constituted a very small proportion of the population of Soviet Karelia.

[The Finno-Karelian Republic was constituted after the Russo-Finnish "winter war" of 1939-40. It consisted of the territories formerly comprised in Soviet Karelia (an autonomous region from 1923 to 1940) and those ceded to the U.S.S.R by Finland after the "winter war"—see 3996 B.]

Social Legislation. The Supreme Soviet adopted a law increasing old-age, widows', war veterans', disability, and dependants' pensions, at a total additional cost to the State of 13,100 million roubles (about £1,170 million at nominal values) a year. The minimum old-age pension was raised to 300 roubles a month for men aged 60 and women aged 55, with lower age-limits (50 for men and 45 for women) in the case of workers engaged in particularly difficult jobs such as underground coal-mining. A "ceiling" of 1,200 roubles was fixed as the maximum monthly pension Legislation was also adopted enabling workers to leave their jobs on giving a fortnight's notice, and abolishing the former requirement whereby workers were unable to leave their employment without permission. [Under the former labour regulations any worker who left his job without permission was liable to imprisonment].

Before presenting the pensions legislation to the Supreme Soviet, the Government had submitted it beforehand to party and local organizations for discussion and suggested improvements—the first time such action had been taken in connexion with Government-sponsored legislation. Many amendments were suggested as a result of this "popular consultation," several of which—e g additional privileges for mothers of large families, and improvements in disability pensions—were approved by the Supreme Soviet and incorporated in the Bill.

Banning of Nuclear Weapons. Unanimous approval was given to a resolution passed by the Japanese Parliament in February last, and subsequently circulated to all other Parliaments, calling for a ban on the production of atomic and hydrogen bombs, and the prohibition of tests of atomic weapons. The Supreme Soviet approved a statement expressing "full understanding of the concern of the Japanese people with regard to the continued arms race and the ever-growing tests of atomic and hydrogen weapons," and reiterating the Soviet Government's demand for "the complete banning of atomic and hydrogen weapons, the ending of their manufacture, the prohibition of their use, the destruction of stocks of these weapons, and their removal from the armaments of States." Reference was made to the various proposals presented by the Soviet Government in the U.N Disarmament Sub-committee.

M. Shepilov's Proposal for Ban on Nuclear Tests. In a speech to the Supreme Soviet on July 16—his first as Foreign Minister—M. Shepilov proposed that the Soviet Union, the United States, and Great Britain should agree to ban all tests of nuclear weapons, as a first step towards the outlawing of atomic weapons and the destruction of existing stocks. He suggested that nuclear tests could be banned in three ways. (1) by an agreement within the framework of the United Nations, (2) by a tripartite agreement between the U.S.S.R., the U.S.A., and Britain, to which other nations could adhere; or (3) by unilateral statements whereby each of the three Governments would undertake to abandon nuclear weapon tests immediately.

M. Shepilov said that it might be difficult at the present time to reach agreement on the prohibition of atomic weapons and the destruction of existing stocks. He believed, however, that a ban on nuclear weapon tests could be achieved without lengthy negotiations and without an elaborate system of controls, as there were now technical means of disclosing nuclear explosions in any part of the world. A resolution embodying M. Shepilov's proposal was adopted by the Supreme Soviet.

Disarmament Resolution. The Supreme Soviet adopted a resolution calling upon the Governments and Parliaments of all countries, as "a sacred duty," to adopt "effective measures to stop the arms drive without waiting for the time when the United Nations can find a solution acceptable to all the States concerned." Such action, it was suggested, had been "made easier by the recent relaxation in international tension and the further development of friendly contacts and good relations between countries on the basis of the principles of peaceful co-existence" The resolution also approved the Soviet Government's decision to reduce its armed forces and armaments as "an act of goodwill" and "an exceptionally important beginning to facilitate the practical solution of the disarmament problem."

It was agreed that copies of the resolution on disarmament should be sent to the Parliaments of all countries.
(Soviet Weekly) **(Prev. rep. Supreme Soviet, 14654 A.)**

B. IRAQ. — King Faisal's State Visit to Britain.

King Faisal of Iraq, accompanied by the Crown Prince Abdul Ilah and by the Iraqi Prime Minister, General Nuri es-Said, paid a State visit to Britain from July 16-19. At the end of his official visit King Faisal remained in Britain as a private visitor, leaving for Baghdad on Aug. 12.

It was announced during King Faisal's visit that the British Government would make a gift to the Iraqi Government of two acres of land in the centre of Baghdad for the construction of a National Library of Iraq. In addition, an adjoining 4½-acre site would be made available to the Anglo-Iraqi Friendship Society for the building of a cultural centre.

It was explained in a Treasury minute that the British Government had purchased a 23-acre site in the centre of Baghdad in 1920, on which it had been proposed to erect Embassy buildings. Part of this site would be devoted to the construction of the National Library of Iraq and the cultural centre, another five acres retained for Embassy purposes, and the remainder sold

The value of the land presented to the Iraqi Government and to the Anglo-Iraqi Friendship Society was estimated at about £120,000 in each case. (Times - Daily Telegraph)

C. UNITED STATES. — Employment and Unemployment Figures.

The U.S. Commerce and Labour Departments announced on July 9 that the number of employed persons in the U.S.A. in June 1956 (over 14 years of age, but excluding the armed forces) had reached the record total of 66,500,000—an increase of about 2,500,000 over the June 1955 figure, and 1,000,000 more than the previous peak of 65,500,000 reached in August 1955.

The number of unemployed was 2,900,000, or 4.2 per cent of the labour force. The increase of 300,000 over the previous month, however, was caused primarily by the large number of young people looking for summer holiday work and by university graduates entering the labour market.—(New York Times)
(Prev. rep. 14755 A.)

D. UNITED KINGDOM. — Farm Wages increased.

The Agricultural Wages Board on Aug. 2 reached provisional agreement on an increase of 6s. a week in the minimum wage of adult male farm workers (bringing it to £7 1s. for a 47-hour week), with proportionate increases for women and for juvenile and casual workers.

The agricultural unions had asked for a minimum increase of 10s. a week, but a motion to this effect was defeated by the votes of the employers' representatives and the independent members of the board. The latter then indicated that they would be prepared to support an increase of 6s. a week, and a motion by the workers' representatives proposing this was carried by their votes and those of the independent members, the employers' representatives again opposing.

The cost of the increases (applicable to about 613,000 workers) was estimated at about £10,000,000 in a full year.
(Times - Daily Telegraph) **(Prev. rep. 14647 A; 14831 A.)**

E. UGANDA. — New Governor.

The Colonial Office announced on Aug. 14 that Sir Frederick Crawford, Deputy Governor of Kenya since 1953, had been appointed Governor of Uganda in succession to Sir Andrew Cohen. It was simultaneously announced that Sir Andrew Cohen had been appointed permanent British representative on the U.N. Trusteeship Council in succession to Sir John Macpherson, consequent on the latter's appointment as Permanent Under-Secretary of State for the Colonies. Sir Frederick Crawford had been Governor of the Seychelles prior to his appointment as Deputy Governor of Kenya during the Mau Mau emergency.—(Times) **(Prev. rep. 12296 A.)**

A. POLAND. — Political Developments after Poznan Riots. - M. Ochab's Admissions of Political and Economic Shortcomings. - Government Decisions on Political and Economic Reforms. - Ministerial Changes.

Political developments in Poland since the Poznan riots are described below under cross-headings.

Admissions of Administrative and Economic Shortcomings.

An admission that the Poznan riots had been caused by serious governmental and economic shortcomings, and not entirely by "imperialist agents," was made by the First Secretary of the Polish United Workers' Party, M. Edward Ochab, in a speech on July 19 to the party's Central Committee.

M. Ochab said in connexion with the Poznan riots. "In assessing the reason for these incidents, it would be an error to concentrate attention on the machinations of provocateurs and agents of imperialism The social roots of these incidents should be sought for in the first place. The improvement achieved in living conditions during the Six-Year Plan was most inadequate. The conviction arose that the party and the Government were not doing all in their power to alleviate the situation From an analysis of the events in Poznan, it appears that a considerable part was played by bureaucracy and the soullessness of the authorities, both central and local . . ."

After describing the Poznan riots as "a grave warning to us," and declaring that the next five years must be marked by a "grim struggle" to raise the workers' living standards, M. Ochab refuted the claim—previously made by the official Bureau of Statistics—that real wages had increased by 27 6 per cent during the period of the Six-Year Plan. Investigations by the Central Committee of the United Workers' Party, he pointed out, had shown that the increase was only 13 per cent, and the figures issued by the Bureau of Statistics were therefore "not supported by the experience of the broad masses, whose material situation is difficult—sometimes very difficult" Moreover, the Six-Year Plan had failed to produce sufficient coal and foodstuffs, and had also fallen short by 50 per cent of its goal of raising real wages. M. Ochab attributed these shortcomings to the need to spend "many millions" on armaments, which had led to the diversion of large quantities of coal, steel, and non-ferrous metals, and also of skilled manpower, for the production of military equipment

During the next five years (M Ochab continued) the real wages of workers and peasants would have to be raised by 30 per cent, and 1,200,000 new "units of housing accommodation" would have to be provided. Even with these increases, he admitted, the wage-level would still be comparatively low and the housing position "difficult and painful" Moreover, these targets could not be reached unless coal output increased, since coal accounted for nearly half of Poland's exports.

M. Ochab said that the Poznan disturbances had shown that the links between the party and the workers had been "seriously disturbed." The party had encountered "attitudes of disbelief and disappointment among some of the workers," and it was therefore necessary to change its working methods. For this purpose the party should abandon its former role of "director and manager" in favour of a new role as "guide and educator"; in particular, it should put an end to the practice of issuing orders to, and undermining the independence of, the other two parties in the National Front—the United Peasants' Party and the Democratic Party.

The Poznan riots, M. Ochab emphasized, should not "serve as the justification for any attempt to turn aside the process of democratization," and resolutions would be presented to the Central Committee for further democratizing Polish life and "stabilizing the Socialist rule of law" Among the abuses which would have to be remedied were the overcentralization and direction of the economy, the neglect of agriculture, and the errors made in branding many of the "middle" peasants as "kulaks." These abuses had originated in Stalin's mistaken opinion that class warfare would increase *pari passu* with the growth of Socialism, and this mistake had "led us to look behind everything for alien and hostile opinion, subversion, and imperialist agencies."

Political and Economic Reforms.

After a six-day session of the Central Committee of the United Workers' Party, ending on July 31, it was announced that a number of measures had been decided upon to ameliorate the condition of the workers. It was also announced that the United Workers' Party would in future confine itself to the role of "political inspiration" rather than of "direct management and administration"; that the Seym (Parliament) would in future have more direct control over the Government; and that the non-Communist parties in the National Front would have "broad possibilities for independent activity."

Political Reforms. The resolution said that the Seym, as the supreme legislative body, must have more effective control over the Government "in conformity with the increasing democratization of Polish life." It would therefore convene more often, and deputies would receive more information than hitherto and would wield a greater measure of responsibility than in the past. It was admitted that the United Peasants' Party and the Democratic Party had considerable influence among the peasants and the *intelligentsia* respectively, and they would therefore have greater freedom than in the past. Supporters of these parties, "including progressive Roman Catholic groups," had made "great contributions to the building of Socialism in our country," and differences of outlook between the various parties constituted "no obstacle to the rallying of all patriotic forces within the National Front."

There would also be a further "democratization" of the United Workers' Party itself, but this did not mean that the party would depart from Marxist-Leninist principles in any way It was admitted that the party had "erred" in the past in taking over the nation's management, and —as stated above—its primary emphasis would in future be on 'political direction."

Economic Reforms. These included, *inter alia*, pay increases for 3,600,000 workers and peasants during the present year, totalling 7,000 million zlotys in all, the raising of family allowances for low-paid workers; the abolition of compulsory deliveries of milk to the State, formerly required from peasants, improvements in the working conditions of miners; improvements in industrial safety and hygiene the raising of real wages of manual and office workers by 30 per cent, and of the wages of lower-paid workers by a higher percentage; the raising of the average *per capita* income of the rural population by 30 per cent, and the construction of 1,200,000 "dwelling rooms" to improve the housing conditions of the urban population. These measures were described as the "basic guiding principles" of the new Five-Year Plan.

"Emergency measures" to improve the conditions of the Polish workers and peasants during the next two years were promised by the Prime Minister (M. Cyrankiewicz) in a speech to the Central Committee on July 26.

These measures—which would run concurrently with the first two years of the Five-Year Plan—would be based on the following principles: (*a*) increases in the wages of the lower-paid workers and of those whose earnings had dropped or remained stationary in the past six years, (*b*) the abolition of the practice of raising working "norms" [i.e. production quotas] concurrently with wage increases; (*c*) the re-payment to the workers of all wage-arrears and premiums and the refund of all unjustly-collected taxes, (*d*) stabilization of prices M Cyrankiewicz admitted that 'excessive taxes" had been "illegally collected for years" and that there had been numerous abuses in the price-fixing machinery, whereby unduly high prices had been charged for many commodities.

In the course of his speech M. Cyrankiewicz promised that the two-year period would be one of "strenuous concentrated action to remove the most painful grievances of the working masses and lessen the most glaring disproportions of our economic measures" During this period—lasting to the end of 1957—workers and peasants would receive a 30 per cent increase in real wages and incomes if industrial production was increased by 53-57 per cent and agricultural production by 25 per cent. In addition, the turnover of retail trade would be increased by about 50 per cent and there would be a considerable increase in consumer goods, involving "an appropriate increase in light industries and the foodstuffs industry." The two-year period would also end the era during which "workers, peasants, and intellectuals had been regarded with distrust and restricted by thousands of regulations, when criticism was suppressed, when they were exposed to lawlessness and abuse on the part of authority, and when their grievances, injuries, needs and troubles were disregarded." The Prime Minister added: "We have taken up the struggle for real democratization of our life, and we will continue this struggle"

The Poznan Riots.

The following information about the Poznan riots was given by the Polish Public Prosecutor (M. Marjan Rybicki) in a press interview on July 17: (*a*) 53 persons had been killed or had died of wounds in the riots, not 48 as originally announced; these included nine soldiers and public security officials; (*b*) over 300 people had been wounded, of whom 127 were still in hospital, including 31 soldiers and 13 security officials; (*c*) 323 persons had been arrested, among them 64 persons who had "made use of the incidents to commit acts of burglary and assault" and "33 criminals who escaped from prison and took part in the assaults and looting."

New Members of Politburo. - Ministerial Changes.

Three new members of the Politburo of the United Workers' Party were announced on July 28—M. Adam Rapacki, the Foreign Minister; M. Edward Gierek, chairman of the commission appointed to investigate the Poznan riots; and M. Roman Nowak, party secretary for the province of Opole. They filled the vacancies caused by the death of M. Bierut, the resignation of M. Berman as a Deputy Premier, and the arrest of General Radkiewicz, the former Minister of State Security.

Further ministerial changes were announced on July 16 as a result of the merger of four ministries into two:

(*a*) A Ministry of Food was created by the merger of the Ministry for the Agricultural and Food Industry and the Ministry of Meat and Dairy Products; (*b*) a Ministry of Forestry and Timber Industry was created by merging the Ministry of the Forestry Industry and the Ministry of the Timber and Paper Industry. M. Hoffman, formerly head of the Agricultural and Food Ministry, was appointed Minister of Food, and M. Jan Dab-Kocioł, formerly head of the Ministry of Forestry Industry, became Minister of Forestry and Timber Industry.

Rehabilitation of Polish Home Army.

The anti-Communist Polish Home Army (*Armja Krakowa*), which played the leading role in the Warsaw uprising against the Germans in 1944, was officially honoured by the Polish Government—for the first time since the war—on Aug. 2, the 12th anniversary of the rising. Survivors of the Home Army were given a place of honour in the commemorative ceremonies, and Government representatives were present at the unveiling of a plaque to commemorate the assassination by members of the Home Army of S.S. General Kutscher, the head of the Gestapo in Warsaw.

M. Gomulka readmitted to Party Membership.

Warsaw radio announced on Aug. 5 that the United Workers' Party had rehabilitated and readmitted to party membership M. Wladyslaw Gomulka, the former secretary-general of the party; General Spychalski, the former Minister of Defence; and M. Zenon Kliszko, a former State Secretary in the Ministry of Justice. All three had been expelled in 1949, and subsequently arrested, on charges of "intelligence with the enemy" and "Titoist deviationism." It was admitted that "unfounded and wrongful accusations" had been made against them at the time [see page 14819].

Marshal Bulganin's Visit to Poland.

The Soviet Prime Minister, Marshal Bulganin, and the Minister of Defence, Marshal Zhukov, visited Warsaw on July 22 for the celebration of Poland's National Day.

In the course of a speech in Warsaw, Marshal Bulganin declared that "forces of international reaction" were trying to exploit the situation created by the denunciation of the "cult of the individual" in the U.S.S.R., and to sow dissensions between the Socialist countries as a result of the admissions of the mistakes of the Stalinist era. In addition, "opportunist and subversive elements" in the Socialist countries had "come out of their corners" and were seeking to achieve the same ends. After saying that this had "found its reflection in some newspapers in the Socialist countries, including those of Poland," Marshal Bulganin declared: "The facts show that hostile elements have made use of the newspapers of Socialist countries to sow their venomous seeds, and that some editors of these papers have given way to hostile influences . . ."

[It was commented in the Western countries that Marshal Bulganin's implied strictures on the Polish Press were apparently the result of the greater outspokenness of Polish newspapers since the denunciation of the "Stalin cult."]

During a visit on July 26 to Stalinogrod (formerly Katowice), in Polish Silesia, Marshal Bulganin declared that the ex-German territories now administered by Poland would remain "Polish forever."—(Polish Embassy Press Office, London - Le Monde, Paris - Neue Zurcher Zeitung - Times - Manchester Guardian - New York Times) **(Prev. rep. Poznan Riots, 14967 A.)**

A. IRISH REPUBLIC. — Cork City By-election.

The Cork City by-election to the Dail, caused by the death of Mr. P. McGrath (Fianna Fail), was held on Aug. 2 with the following result:

Galvin, John (Fianna Fail) ..	18,704
Sheehan, Michael (Fine Gael) .	10,166
Desmond, Con (Labour) ..	3,919
Others (Independents)	2,779
No change. Fianna Fail majority	8,538

The total valid poll was 35,568, or just over 56 per cent of the electorate of 63,495.

The result constituted a severe setback for Fine Gael, whose poll of first preference votes dropped by 9,526 as compared with the 1954 general election, whereas the Fianna Fail first preference vote declined by only 1,664 in a much lower poll than at the general election (47,916). In 1954 the combined vote of the Fine Gael and Labour parties (the principal parties supporting the present coalition government) was 25,988, and Fianna Fail's 20,368, whilst in the by-election the previous Fianna Fail deficit was turned into a majority of 4,619 over Fine Gael and Labour combined—a turnover of more than 10,000 votes.

The by-election left the distribution of seats in the Dail unchanged, viz.: Government parties (Fine Gael, Labour, Clann na Talmhan, and supporting Independents), 77; Fianna Fail 66, with the additional support of three Independents. (Irish Times, Dublin) (Prev. rep. General Election, 13605 A.)

B. AUSTRIA. — Merger of Left-wing Parties.

The Socialist Workers' Party, commonly known as "Left Socialists," announced on July 15 that it had decided to merge with the Austrian Communist Party. Both parties had already co-operated closely during the last seven years and had jointly contested the general elections. The Left Socialists are not represented in the present Parliament.—(Wiener Zeitung) (Prev. rep. 14889 A.)

C. BOLIVIA. — Presidential Election.

Presidential and Congressional elections held in Bolivia on June 17 resulted in a victory for the National Revolutionary Movement (*Movimiento Nacionalista Revolucionario*, M.N.R.), which has ruled the country since it seized power by armed revolt in 1952 (see 12191 A). The presidential elections were contested by four parties—the M.N.R., whose candidate was Señor Hernán Siles, Vice-President since 1952; the right-wing Socialist Falange (*Falange Socialista Boliviana*), which had been outlawed since 1952 but had benefited from an amnesty; the Bolivian Communist Party; and the Revolutionary Workers' Party, a "Trotskyist" organization. The retiring President, Señor Victor Paz Estenssoro, did not stand for re-election because of ill-health.

The elections were carried out on the basis of a new electoral law under which, for the first time, the franchise was made universal and obligatory for all citizens of both sexes over the age of 21. The former literacy qualification was abolished, as was also the provision whereby citizens had to possess a certain amount of property before they could be registered as electors. In view of the large number of illiterates among the population, particularly among the Bolivian Indians, it was provided that voters who could not read or write could cast their votes by coloured slips—rose-coloured for the M.N.R., blue for the Falange, yellow for the Communists, and green for the Trotskyists. The enfranchisement of the entire adult population raised the number of voters to 1,634,054 (about half the population of the Republic), as compared with about 125,000 in 1951.

Assurances that the elections would be "the freest in Bolivia's history" had previously been given by President Paz Estenssoro, who had announced an amnesty for all the "traditional" political parties, including the outlawed Socialist Falange. The Falangist leader, Señor Oscar Unzaga de la Vega, accordingly returned from exile in Buenos Aires to stand as candidate for his party in the presidential election. On the eve of the poll, however, the Falange announced its withdrawal from the elections after the Bolivian Government had issued a statement alleging that Falangist leaders and certain Army officers had been planning a revolt with the support of the Argentine Government. [These allegations were strongly denied in Buenos Aires.] As, however, the Falange did not notify the Electoral Court of its decision, it remained legally in the election contest.

Official returns issued in La Paz on June 21, covering about 90 per cent of the electorate, stated that the candidate of the National Revolutionary Movement, Señor Hernán Siles, had won the presidential election with 613,993 votes against 122,623 for the Falangist candidate. Only some 12,000 votes were cast for the Communist candidate, and less then 3,000 for the Trotskyist nominee. The M.N.R. was also reported to have won all the seats in the Senate and a large majority in the Chamber of Deputies. Señor Hernán Siles (42) took office as President on Aug. 6.—(New York Times - Le Monde, Paris) (Prev. rep. 12620 A; 12191 A; 11655 A.)

D. UNITED KINGDOM - UNITED STATES. — U.K. Purchase of Surplus American Tobacco against Provision of Housing for U.S. Service Personnel in Britain.

Mr. Macmillan, the Chancellor of the Exchequer, announced in a written reply on June 8 that arrangements had again been made with the U.S. Government under which Britain would import U.S. tobacco for sterling and, in exchange would build houses for U.S. Servicemen and their families in the U.K. at an equivalent cost. These houses—which would be in addition to the 1,500 now being built under the similar agreement made in 1955—would be let to the U.S. authorities so long as they were required, but would remain the property of the British Government. The transaction involved $12,000,000 worth of tobacco, as compared with $15,000,000 under the 1955 agreement. The tobacco would go into the tobacco companies' stocks and the proceeds appropriated to the U.K. defence budget. The Chancellor added that the Government had not accepted any undertakings about the 50 per cent shipping requirement normally connected with surplus commodity disposals by the United States.

The agreement meant that British tobacco manufacturers could buy an additional $12,000,000 of tobacco without drawing on their dollar import quotas, and could thus acquire U.S. tobacco in excess of their normal allocations. The chairman of the Imperial Tobacco Co. (Sir Robert Sinclair) had pointed out in his annual statement in March that British manufacturers had taken advantage of the favourable buying conditions in the U.S.A. for last year's crop (the largest ever known) to purchase a quantity of tobacco in excess of a year's requirements: they regarded this as an insurance against a short or poor crop in the future and hoped that it could ultimately be paid for in sterling. The new arrangements will now enable such payment to be made.

It was pointed out in *The Times* that these arrangements would not affect the tobacco companies' purchases from Commonwealth sources, since the proportion of dollar tobacco consumed by British firms remained limited in relation to total imports. (Times - Manchester Guardian) (Prev. rep. 14207 B.)

A. INDIA. — Sir Chintaman Deshmukh resigns from Cabinet. - Disagreement over Future Status of Bombay City. - Mr. Nehru takes over Finance Portfolio.

It was officially announced in New Delhi on July 24 that President Prasad had accepted the resignation of Sir Chintaman Deshmukh, the Minister of Finance, and that Mr. Nehru would take over the Finance portfolio concurrently with the Premiership.

Sir Chintaman, whose resignation had been pending for several months, explained the reasons for his decision to leave the Government in a statement to the *Lok Sabha* on July 25, during the debate on the States Reorganization Bill.

"I have resigned," he said, "because I do not wish to share responsibility for the Government's decision to separate the City of Bombay from Maharashtra, as embodied in the States Reorganization Bill, and because I wish to protest against the manner in which this issue—so vitally important to the interests of my constituency of Kolaba in particular, and of Maharashtra as well as India in general—has been handled by the Prime Minister." Specifically, he said, his protest referred to "(1) the inability or unwillingness of the Government of India to persuade the Bombay Government to hold a judicial inquiry into the police firings of November 1955 and January 1956, in the course of which about 80 persons were killed and about 450 injured, and (2) the impropriety of the Prime Minister's announcement in June in regard to the future of Bombay while the States Reorganization Bill was before the *Lok Sabha* and had been referred to the Select Committee." [This announcement will be summarized in an article on the States Reorganization Bill to be published in a subsequent issue.—*Ed. K.C.A.*]

As regards (1), he (Sir Chintaman) had "pleaded in vain" for an inquiry, whilst as regards (2) any further discussion with Mr. Nehru had become "useless" after the latter's announcement on the future of Bombay City at the meeting of the All-India Congress Committee. Although he had then asked the Prime Minister to make his pending resignation effective, he had agreed that it should be deferred until Mr. Nehru's return from abroad.

After stressing that he had never been a member of the Congress Party and that at the time of taking office he had warned Mr. Nehru that he would have to resign if there were any major disagreement on matters of principle, Sir Chintaman said that in the matter of the Government's decision concerning the separation of Bombay City from Maharashtra his conscience would not permit him "to remain aloof or unconcerned," as he strongly believed that the decision, with its latest modification, was "grossly unjust and unfair to the people of Maharashtra." However, in view of his role as a non-party financial expert, he had not taken a strong personal stand on this matter until he had become convinced that the decision was unacceptable to the people of Kobala [his constituency] in particular and of Maharashtra in general, and that it involved a "grave risk of economic ruination to them." His efforts to secure acceptance of a larger bilingual Bombay State (including both Saurashtra and Vidarbha) had been rejected by all the Congress committees. The only alternative was therefore, in his view, the formation of a separate Gujerat State and a separate Maharashtra State including Bombay City.

Sir Chintaman said although the States Reorganization Bill as introduced had made no change for the better, he had been content to await the Select Committee's report. The Committee's discussions, however, had been "greatly prejudiced by the extraordinary action of the Prime Minister in making his announcement in Bombay early last June." After asserting that there had been no previous consideration of the new proposal in the Cabinet, and no individual consultation with Cabinet members known to be specially interested in the question, he declared: "This instance is typical of the cavalier and unconstitutional manner in which decisions have been taken and announced on behalf of the Cabinet by certain unauthorized Cabinet members, including the Prime Minister, in matters concerning the reorganization of States . . . It is true that a committee of the Cabinet was constituted to decide boundary matters, but it was never the intention that the committee should decide the fate of Maharashtra and Bombay City on behalf of the Cabinet. In any case, I have a grievance in that I was not consulted in regard to the specific decisions announced, although, as a Minister specially interested territorially and electorally, common courtesy demanded that I should have been. My complaint is that the Prime Minister and the committee of three have arrogated to themselves powers not delegated to them by the Cabinet as a whole."

Turning to the Bombay incidents, Sir Chintaman Deshmukh asserted that an inquiry into the police firings had been refused without valid reason. There was evidence, he alleged, to show that the police had been instructed by the Chief Minister to shoot at sight and to shoot to kill, and that the use of tear-gas before the firing had brought out women and children from their rooms choking for breath, only to be shot down by the indiscriminate firing of the police using tommy-guns, resulting in heavy casualties. The Congress Party's refusal to order an inquiry into the firings, he said, "to my mind shows an animus against Maharashtra with which I refuse to associate myself." Sir Chintaman added:

"These matters—the usurpation of the powers of the Cabinet by an inner circle, and the denial of civil liberties by giving *carte blanche* to the Bombay police—have a bearing on the public interest going far beyond the range of the dispute over Bombay City . . . The aggressive non-violence of many men responsible for the Bombay decision will do far more to disrupt the unity of the country than outbursts of violence, which no sane man will concede and which must be dealt with firmly but not brutally, especially where hundreds of palpably innocent citizens are involved."

Mr. Nehru, in reply, said that Sir Chintaman's account of various developments was "in my opinion not quite correct in all its particulars," nor was it complete.

The Prime Minister denied that the various decisions on the States Reorganization Bill, and particularly on the future of Bombay City, had been taken without consulting the Cabinet. The matter had been under Cabinet consideration "in various ways and for many months" and had been discussed in the Cabinet "on many occasions," and the Cabinet had been informed of the sub-committee's decisions. After expressing "deep regret" at Sir Chintaman's statement, and saying that he would not deal with the merits of the questions raised by him pending the further debate, Mr. Nehru declared: "The hon. member has criticized the various actions for which I am responsible. I accept that responsibility fully, as I must in my capacity as Prime Minister. But I am reluctant to enter into a controversy which to some extent is of a personal character. Since we are ending our close association as members of the Government, I should like this parting to be one of goodwill."

Referring specifically to the charge that his (Mr. Nehru's) announcement in June concerning the future of Bombay City lacked propriety, as the States Reorganization Bill had been referred to a Select Committee, the Prime Minister said that he was "wholly unable to appreciate this argument." What he had announced in June as the Government's policy had already been included in the draft Bill before Parliament, and the only additional statement he had made was that the future of Bombay City might be decided five years later by Bombay itself. There had been "considerable speculation and uncertainty" about this fact, which had called for clarification. "In such circumstances," Mr Nehru added, "it was necessary to state the position clearly. Apart from this, it is the business of Government to develop its policy and place it before Parliament. It is open to the Select Committee to accept it, vary it, or reject it I had, in fact, stated in Bombay that it would naturally be for the Select Committee of Parliament to decide what they thought proper."

As regards the Bombay incidents, Mr. Nehru said: "After the most careful consideration, and in consultation with many colleagues and others, we felt that our principal aim of developing normal and good relations in Bombay between various communities and groups would be jeopardized by such a prolonged inquiry at this stage We felt that our chief effort should be to re-establish good relations."

It was announced on July 25 that Sir Chintaman Deshmukh had asked to be relieved of his associate membership of the Congress Parliamentary Party, which he had joined following his election as an Independent with Congress support.
(The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London)

(Prev. rep. 14866 A; 14688 A.)

B. YUGOSLAVIA. — Soviet and East German Aid for Aluminium Production. - Soviet Aid for Agricultural and Lignite Producton.

A joint communiqué issued in Moscow on Aug. 3 by representatives of the Yugoslav, Soviet, and East German Governments announced that an agreement had been concluded between the three countries under which Yugoslavia would build an aluminium works with Soviet and East German aid, the construction starting during the present year. The Soviet Union and Eastern Germany would also co-operate in building a power-station for the works and in increasing the production of bauxite and soda to ensure the planned increase in Yugoslav output of aluminium. The first phase of the scheme, which would result in the production of 50,000 tons of aluminium a year, would be completed by 1961 at latest, while the new works would ultimately have an annual output of 100,000 tons.

To finance the project the Soviet Union and East Germany would grant Yugoslavia a long-term credit of 700,000,000 roubles (about £60,000,000), bearing interest at two per cent and repayable by Yugoslav deliveries of aluminium and aluminium products. As part of the credit, the Soviet Union would supply wheat to Yugoslavia, and the proceeds from its sale would be used to finance Yugoslav internal expenditure on the project.

In a separate protocol Yugoslavia and the Soviet Union agreed on the manner in which the hitherto unallocated $40,000,000 of the previous Soviet loan should be used. It was arranged (*a*) that machinery and equipment would be delivered by the Soviet Union to help in carrying out large land reclamation schemes in the grain-producing areas of Yugoslavia, and for stepping-up the modernization of agriculture generally; (*b*) that Yugoslavia would buy in the Soviet Union the complete equipment for a new lignite (brown coal) mine in the Kosovo-Metohija area, which would have an annual output of 2,500,000 tons.—(Tanjug Agency, Belgrade)

(Prev. rep. 14937 A.)

A. PAN-AMERICAN STATES. — Panama Congress of American Presidents. - The Declaration of Panama.

The Presidents of the 20 Latin American republics, together with President Eisenhower of the U.S.A., met at Panama City on July 21-22 to commemorate the 130th anniversary of the Congress of Panama which was convened in 1826 by Simon Bolivar, the liberator of Latin America. The meeting ended with the signing by all the Presidents of a five-point "Declaration of Panama" setting forth the political, economic, and philosophical principles subscribed to by the nations of the Western Hemisphere, and worded as follows:

"We, the Presidents of the American Republics, commemorating in the historic City of Panama the Assembly of the American States of 1826, convoked by the Liberator, Simon Bolivar, which constituted the first collective manifestation of Pan-Americanism, and recognizing the continuing validity of the ideals which inspired the precursors of continental solidarity, subscribe to the following declaration:

(1) The destiny of America is to create a civilization that will give tangible meaning to the concept of human liberty, to the principle that the State is the servant of man and not his master, to the faith that man will reach even greater heights in his spiritual and material development, and to the proposition that all nations can live together in peace and dignity.

(2) The full realization of the destiny of America is inseparable from the economic and social development of its peoples, and therefore makes necessary the intensification of national and inter-American co-operative efforts to seek the solution of economic problems and to raise the standards of living of the continent.

(3) The accomplishments of the Organization of American States ... demonstrate how much can be achieved in the various fields of international endeavour through loyal co-operation among sovereign nations, and move us to strengthen the inter-American organizations and their activities.

(4) In a world in which the dignity of the individual, his fundamental rights, and the spiritual values of mankind are seriously threatened by totalitarian forces, alien to the tradition of our peoples and their institutions, America holds steadfastly to its historic mission to be a bulwark of human liberty and national independence

(5) An America united, strong, and benevolent will not only promote the well-being of the Continent but contribute toward achieving for the whole world the benefits of a peace based on justice and freedom, in which all peoples, without distinction as to race or creed, can work with dignity and with confidence in the future."

In an address to the congress, President Eisenhower proposed that "each one of us should name a special representative to join in preparing concrete recommendations for making the Organization of American States a more effective instrument in those fields of co-operative effort that affect the welfare of our people." He urged that this commission should, in particular, "hasten the beneficial use of nuclear forces" throughout the Western Hemisphere, both in industry and for combating disease, and announced that he would ask his brother, Dr. Milton Eisenhower, to represent the United States on such a body as he had proposed. (New York Times)

B. FRANCE. — Further Unseating of Poujadist Deputies. - The Yonne By-election.

In addition to the seven Poujadist deputies already unseated between Feb. 7 and April 25, the National Assembly decided on May 23 to invalidate the election of M. Duchoud (Haute-Savoie), who was replaced by M. Briffod (Socialist). Two more Poujadists were invalidated on May 30, when M. Robert Martin (Seine-et-Marne) and M. Lamalle (Yonne) were replaced by M. Jean Chamant (Independent) and M. Arbeltier (Socialist) respectively.

On the other hand, the National Assembly validated the election of three Poujadists whose unseating had been recommended by the National Assembly's Commission dealing with this matter: M. Raymond Lainé (Cher), M. Vaugelade (Puy-de-Dôme), and Dr. Courrier (Aube)

The Poujadist deputies previously unseated were MM. Baryelon, Cottet, Calmel, Guichard, Vignal, Baylac, and Cochet.

The latest invalidations brought the total number of Poujadist deputies unseated to 10, thereby reducing the party's strength in the National Assembly from 52 to 42. Conversely, the Socialists gained four seats, the Radicals three, the Independents (*modérés*) two, and the M.R.P. one.

Immediately after being declared elected in the place of M. Lamalle, however, M. Chamant (who had also represented the Yonne department in previous parliaments) resigned his seat and presented himself for re-election at a by-election. He was re-elected on a second ballot on July 15 with a majority of 19,000 over the Communist candidate. M. Lamalle, the unseated Poujadist deputy, had withdrawn after the first ballot, which was inconclusive.—(Le Monde - Le Figaro) (Prev. rep. 14858 A.)

Note. The Yonne by-election was not affected by the recent Bill abolishing Parliamentary by-elections—see 14947 B.

C. INDONESIA.—Repudiation of Debt to the Netherlands. - Netherlands Protest to Indonesia.

It was announced in Jakarta on Aug 4 that the Indonesian Government had decided to repudiate the whole of Indonesia's debt to the Netherlands as laid down in The Hague Round-Table Conference agreements, which had been abrogated by Indonesia in February last. It was stated, however, that Indonesia's debts to other countries would continue to be recognized and their payment guaranteed.

The statement said that the total debt of Indonesia taken over from the Netherlands East Indies administration when Indonesia achieved her independence amounted to 4,081,000,000 guilders (£408,000,000), comprising debts to the Netherlands of 3,661,000,000 guilders (£366,000,000) and debts to other countries totalling 420,000,000 guilders (£42,000,000) Of the 3,661,000,000 guilders owing to the Netherlands, 661,000,000 guilders had been used for economic development in Indonesia, while the other 3,000,000,000 guilders had been used "in the war against the Republic of Indonesia." As Indonesia continued to be responsible for the debt of 420,000,000 guilders owing to other countries which had been contracted by the Netherlands on behalf of the former Netherlands East Indies, this amount was to be deducted from the 661,000,000 guilders owing to the Netherlands. The remaining 241,000,000 guilders could be offset "against the creation of 3,000,000,000 guilders of internal money created by the Netherlands East Indies between 1945 and 1949 in connexion with the waging of the war against Indonesia, the effect of which was imposed on Indonesia by the Round-Table Conference agreements." An official spokesman in Jakarta claimed that the result of this calculation was that Indonesia owed the Netherlands nothing, and added "In fact, the Netherlands is in debt to Indonesia"

The Indonesian Minister of Finance, Dr. Wibisono, said that the primary reason for the Government's decision to repudiate the debts was that they were "of a political nature" and had been "imposed on Indonesia as a kind of compensation to the Netherlands in return for its consenting to recognize the sovereignty of Indonesia."

The Netherlands Government protested against Indonesia's repudiation of her debt to the Netherlands in a Note presented in Jakarta on Aug. 10. The Note described the Indonesian decision as "a flagrant violation of the agreement which Indonesia has voluntarily concluded concerning the taking-over of part of the State debts," and called upon the Indonesian Government to revise its decision and to reimburse the Netherlands Government for the payments made. The Note also said that it was "contrary to accepted standards of international conduct" that the Netherlands Government had not been officially informed of the Indonesian decision. [The Netherlands Government had learned of the Indonesian debt repudiation only from Press reports.]

The Ministry of Foreign Affairs in The Hague issued a statement on Aug 7 which said that the question of the cost of military actions against the Indonesian Republic had been put before a commission of the Round-Table Conference, which, in addition to Dutch and Indonesian representatives, also included Mr. Merle Cochran (U.S.A.), representing the U.N. Commission for Indonesia After having given due consideration to the amount of extra military expenditures, and to the amount of other expenditures which the Commission had attributed to military action, it had come to the conclusion that the Netherlands should cancel 2,000,000,000 guilders and that the other debts should be assumed by the Indonesian Republic. This opinion of the Commission had been accepted by Indonesia and the Netherlands, and 2,000,000,000 guilders of debt had accordingly been deducted from the total assumed by Indonesia. This total, after the aforementioned deduction, had been 871,000,000 guilders at the time of the transfer of sovereignty. At the end of July 1956 the amount outstanding was 649,000,000 guilders, of which 98,000,000 guilders was a non-public debt mainly from State to State, and 552,000,000 guilders was a public debt to individual bondholders guaranteed by the Netherlands Government.

The other creditor countries, the debts to whom will continue to be honoured by Indonesia, are the U.S.A., Canada, and Australia.—(Indonesian Embassy Press Office, London - Netherlands News Agency) (Prev. rep. 14850 B.)

D. UNITED KINGDOM. — Gold and Dollar Reserves in July. - Increase of $20,000,000.

The sterling area had a gold and dollar surplus in July of $20,000,000 after taking into account (*a*) $16,000,000 received in U.S. defence aid, (*b*) $19,000,000 paid to the E.P.U. in respect of the June settlement, and (*c*) $9,000,000 paid to the creditors of E.P.U. in bilateral settlements. As a result, the sterling area's gold and dollar reserves rose to £2,405,000,000 on July 31.

Provisional figures for the E.P.U. July settlement showed that the U.K. had a deficit of £24,000,000, which would be settled in August, three-quarters in gold and dollars. (Treasury Press Office) (Prev. rep, 14981.)

AUGUST 18—25, 1956

A. INDIA. — States Reorganization Bill. - Joint Select Committee's Report. - Bill passed by House of the People. - Creation of Larger Bilingual Bombay State. - Bill for West Bengal-Bihar Border Changes. - Special Guarantees for Telengana. - Presidential Rule in Travancore-Cochin. - Ministerial and Gubernatorial Changes.

The report of the Joint Select Committee of the Indian Parliament appointed to consider the States Reorganization and Constitution (Ninth Amendment) Bills was presented to the House of the People on July 16 by the Home Minister, Pandit G. B. Pant. The principal amendments proposed were as follows:

(1) The Committee accepted the proposal that Bombay City should be placed under Central administration, on the understanding that this decision would be "subject to review in five years in the light of the statement made by the Prime Minister in Bombay on June 3" (see below) Minutes of dissent advocating the inclusion of Bombay in Maharashtra were recorded by two Congress, one Hindu Mahasabha, and two Communist members.

(2) The new Karnataka State should be known as Mysore, and Andhra-Telengana as Andhra Pradesh

(3) Provision should be made for joint meetings of two or more Zonal Councils to discuss questions of common interest, and for the representation on the Zonal Councils of States in which the Council of Ministers might not be functioning at any time.

(4) The number of seats allocated to Bombay City, Delhi, and Himachal Pradesh in the House of the People should be increased from five, four, and three to seven, five, and four respectively, and in the Council of States from three, two, and one to five, three, and two respectively, in view of the changes in their constitutional structure and of the fact that the Central Parliament would legislate for these areas.

(5) A Legislative Council (Upper House) of 70 members should be established in Maharashtra. The decision on the establishment of Legislative Councils in Andhra Pradesh and Madhya Pradesh should be left to the discretion of those States, since there was at present no Legislative Council in any part of their territories

(6) The total number of members in the Legislative Councils of Mysore and Punjab should be reduced to one-quarter of the total membership of the Legislative Assemblies of those States

(7) The life of the present Andhra Legislative Assembly should be extended till five years after the re-election of the Telengana Assembly—i e to seven years, which would enable general elections to be held in Andhra at the same time as in other States.

(8) The Andhra High Court should be transferred to Hyderabad as the High Court of Andhra Pradesh.

(9) Provision should be made to overcome the difficulty that, on account of the reorganization of States and the transfer of certain constituencies from one State to another, some persons might not be entitled to stand as candidates in the next general election in the States in which they might wish to stand.

(10) The terms and conditions of service guaranteed to employees should not be affected by any nominal change in employers in respect of statutory State corporations, State commercial undertakings, or State co-operative societies, consequent upon the reorganization of States.

(11) The Committee stressed the need for providing adequate and effective safeguards for linguistic minorities, but rejected a suggestion for the establishment of a statutory board to enforce these safeguards Instead, it suggested that the Government of India should consider the appointment of a special officer for this purpose. Mr. Frank Anthony (Anglo-Indian member) and Dr Lanka Sundaram (Independent), in a minute of dissent, expressed regret at the absence of statutory safeguards for minorities.

(12) The Committee proposed an amendment to the Constitution (Ninth Amendment) Bill restricting the President's power to make regulations for the Union Territories to the Andaman and Nicobar Islands and the Laccadive, Minicoy, and Amindivi Islands, and providing that Parliament should be the law-making body for the other Territories Mr. N C. Chatterjee (president of the Hindu Mahasabha), in a minute of dissent, maintained that "some definite provision for a democratic set-up should be made for the Union Territories other than the Andaman and Nicobar Islands."

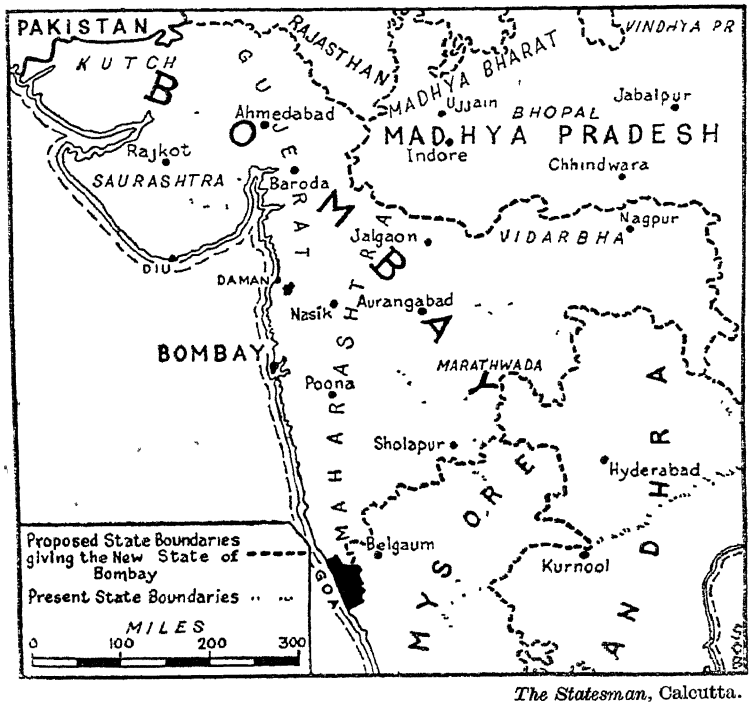
(13) Provision should be made enabling the appointment of the Governor of a neighbouring State to be in charge of the administration of a Union Territory as agent of the President.

(14) The designation "Chief Commissioner" for the head of a Union Territory should be changed to "Administrator"

The Bombay City Controversy. - Creation of Larger Bilingual Bombay State. - The Bombay and Ahmedabad Riots.

At a meeting of the All-India Congress Committee (A.I.C.C.) held in Bombay on June 3, Mr. Nehru (who on the previous day had strongly denounced the violence and lawlessness that had arisen in connexion with the States reorganization problem) stated that "the people of Bombay will be given at the proper time and in the proper circumstances the right to decide what the future of their city should be." The decision, he added, should not be taken immediately, as for the moment Bombay had "disqualified itself" from so deciding; he suggested therefore that an interval of five years should be allowed to elapse, during which "passions would have time to subside." Mr. Nehru also proposed that the Bombay High Court should continue to be the High Court for Maharashtra, Gujerat, and Bombay City, and that one Public Service Commission should serve all three areas.

Rioting broke out on June 2 in the area of Bombay where the Committee was meeting, the demonstrators stoning Congressmen and police and looting shops. Following Mr. Nehru's statement, the riots spread to other areas of the city on June 3, when members of the A.I.C.C. and other Congress supporters were assaulted and cars, buses, and trains stoned. The police were forced to open fire several times in self-defence, total casualties being given as two persons killed by police fire and 81 injured, including 24 members of the A.I.C.C and 30 policemen.



The Statesman, Calcutta.

The Maharashtra Pradesh Congress Committee adopted on June 17 a resolution, moved by Mr. B. S. Hiray (Revenue Minister of Bombay), expressing "deep discontent and dissatisfaction" at Mr. Nehru's proposal, and suggesting that "responsible Congress workers should, if necessary, give up their offices in the Government." The Congress president (Mr. Dhebar) refused, however, to permit Mr. Hiray and Mr. Kunte (Speaker of the Bombay Assembly) to resign their posts. The Vidarbha Pradesh Congress Committee, on the other hand, announced its acceptance of Mr. Nehru's decision, while expressing the hope that Bombay would form part of Maharashtra as early as possible.

The resignation of Sir Chintaman Deshmukh and his subsequent public controversy with Mr. Nehru (see 15035 A) led to further efforts inside and outside the Congress Party to find a solution which would satisfy the Maharashtrian claims and at the same time be acceptable to the Gujeratis. As a result, a new proposal that Maharashtra, Gujerat, and Bombay City, together with Saurashtra, Kutch, Vidarbha and Marathwada, should be united in a single bilingual State was put forward in a petition signed by over 200 M.P.s, and was endorsed on Aug. 6 by an overwhelming majority of the Congress Parliamentary Party at a meeting which was personally addressed by Mr. Nehru, who had obtained the support of the members from Gujerat for the new scheme. The Government of India's decision to accept the proposal for a larger bilingual Bombay State was announced in the *Lok Sabha* by Pandit Pant on Aug. 7.

Moving an official amendment to that effect, **Pandit Pant** paid tribute to a number of Independent members, headed by Mr Frank Anthony and Mr. Kilachand, who had previously submitted a similar amendment and had thereby "opened a door which was half-shut if not banged." In expressing the Government's support, Pandit Pant recalled that both the States Reorganization Commission and the Maharashtra Pradesh Congress Committee (see 14616 A) had originally suggested a bilingual State for Bombay; that Gujerat had also

been " conscious throughout of the fact that an abiding solution for the problem of Bombay and the neighbouring areas of Maharashtra and Gujerat could be found only in a big bilingual State ", that the Indian National Congress had passed a resolution at its Amritsar session in February last declaring itself in favour of large States of a composite character to counteract the present tendency to break up existing States into smaller purely linguistic units, and that he (Pandit Pant) had himself emphasized on that occasion that a lasting solution for Bombay could be found only in a bilingual State The solution now proposed differed from that suggested by the States Reorganization Commission only in that the Marathi-speaking areas of Madhya Pradesh (Vidarbha) would also be included The proposed new State—comprising Bombay City, Maharashtra, Saurashtra, Kutch, Gujerat, Vidarbha, and Marathwada—would have an area of about 200,000 square miles and a population of 50,000,000 (of whom two-thirds would be Marathi-speaking and one-third Gujerati-speaking), and would be the second largest in India after Uttar Pradesh

The official amendment for the creation of a larger bilingual State of Bombay, and defining the areas to be included therein, was adopted by the *Lok Sabha* on Aug. 9 by 241 votes to 40. All the Communist members and some Independents voted against the amendment, while the Praja Socialist Party was divided (Mr. Asoka Mehta, one of its leaders, voted for the amendment). Among Independents supporting the amendment were Mr. Frank Anthony and Mr. Jaipal Singh, while Sir Chintaman Deshmukh and Dr. Lanka Sundaram abstained Mr N. V. Gadgil, president of the Maharashtra Pradesh Congress Committee, opposed the amendment.

The announcement of the creation of a larger bilingual State of Bombay led to renewed riots, this time in Ahmedabad (a city of 800,000 inhabitants and one of India's chief textile centres), which was expected to have become the capital of a separate Gujerat State.

On Aug. 8 over 10,000 university students and most of the city's 40,000 secondary school students staged a *hartal* as a protest against the " Greater Bombay " proposal, while rioting crowds stoned the local Congress office and the offices of the local electricity company, and overturned police vehicles. Five people were killed and 60 injured when the police opened fire to break up the demonstrations. Although a 24-hour curfew was ordered for the entire city on Aug 9, the riots continued both on that date and on Aug. 10. During violent demonstrations in various parts of the city police posts were stormed, roads barricaded, the police stoned, and the private residences of a number of Congress leaders attacked. The police opened fire several times, made *lathi* charges, and used tear-gas to disperse the mob, casualties rising to 15 killed and over 200 injured. Several hundred arrests were made Disturbances also occurred at several towns in the Ahmedabad area—notably at Kalol and Nadiad—in which three people were killed and several injured.

Further outbreaks occurred in Ahmedabad on Aug 13 following a strike called by students and left-wing parties to observe " Martyrs' Day " in memory of the 18 people killed by police fire during the previous week's rioting All shops, schools, offices, and several textile mills were again closed, thousands of demonstrators defied a ban on parades and marched through the streets shouting slogans denouncing the bilingual State decision and demanding a judical inquiry; and mobs stoned mills, damaged municipal property, attacked the police, and stormed the residences of several Congress leaders in the city. The police opened fire twice but there were no casualties In spite of the curfew, the disorders continued on Aug. 14, when over 200 people were arrested, including a Praja Socialist member of the Bombay Legislature.

Passage of States Reorganization Bill by House of the People.

The debate in the *Lok Sabha* on the States Reorganization Bill, opened by Pandit Pant on July 26, was completely overshadowed by the Bombay question (see above). After the Government's new proposals for a bilingual Bombay State had been adopted, the other points raised were speedily disposed of and the Bill was given a second reading on Aug. 9.

In addition to the clauses setting up the new bilingual State of Bombay, the most important amendments adopted on Aug. 9 were the following :

(*a*) The new Bombay State would have 27 seats in the Council of States (as aginst 33 earlier proposed for Gujerat, Maharashtra, and Bombay City) and 66 in the House of the People (against 69 originally proposed for the three separate States).

(*b*) The membership of the new Legislative Assembly for the larger Bombay State was fixed at 396, and that of the new Legislative Council at 72, including 12 nominated members. (This compared with an Assembly of 154 members for Gujerat and one of 280 members for Maharashtra originally provided for under the Bill, which had also envisaged a 70-member Legislative Council for Maharashtra).

(*c*) Mysore was transferred from the Southern Zone and included with the new Bombay State in the Western Zone, the intention being to avoid constituting a zone embracing one State only.

(*d*) The membership of the Legislative Assembly of the new Mysore State was increased from 182 to 208 ; and that of the Mysore Legislative Council from 45 to 52.

(*e*) Provision was made for the creation of a Legislative Council of 72 members for the larger State of Madhya Pradesh.

(*f*) November 1, 1956, was set as the date for the new States to come into being, instead of October 1 as originally provided

A Communist amendment to change the name of Madras State to Tamil Nad was defeated, while another Communist amendment urging the formation of legislatures for Himachal Pradesh, Manipur, and Tripura was also negatived after Pandit Pant had told the House that the Government proposed to take suitable steps to ensure the association of the people in those States with the local administration. Several amendments by Congress and Opposition members proposing the setting-up of a Boundary Commission were also rejected.

The Bill was given a third reading without a division on Aug 10, amidst demonstrations of enthusiasm. The unanimous vote, however, followed bitter attacks on the Government by Communist and Hindu Mahasabha speakers, and a strong condemnation by Mr. Nehru of the anti-parliamentary methods employed by the Opposition.

Professor Hiren Mukerjee (Communist) asserted that the Bill " bristled with acts of injustice " and that the decision on Bombay was " an act of political criminality " motivated by " no other desire than that of appeasing the big-money interests of Bombay." **Mr. N. C. Chatterjee** (Hindu Mahasabha) accused the Government of having reorganized the States in a " haphazard way," and denounced its decisions as regards both Bombay and Punjab.

Mr. Nehru refuted Mr. Chatterjee's allegation that the Congress Party's decision in favour of a larger bilingual State of Bombay was " a sudden political somersault " Whilst it was true that the creation of linguistic States had been Congress policy 30 years ago, present-day Congress policy was completely opposed to it Mr. Nehru added. " There are far more important factors than linguistic States What does it matter whether the border of Bengal or Bihar is here or there ? It is not a political or an economic question, though it may be a question of sentiment But so far as this Government is concerned it makes no difference where the boundaries are " They should, of course, try to satisfy these sentiments and to solve any conflicts, but the unity, security, and homogeneity of India were far more important than anything else, and economic considerations had also to be taken into account. " All this talk of purely linguistic Provinces" was something which tended to lessen the idea of Indian unity, and the events of the past few months had made him more convinced than ever that the idea of creating small States was wrong Although he had been in favour of a large number of small States 20 years ago, he had now completely changed his mind.

Referring to the Ahmedabad riots, Mr Nehru deplored " violent methods of speech and demonstration," and declared that what was happening in the name of *satyagraha* was " something which is a million miles away from what the Mahatma [Gandhi] preached." While he did not claim that the solutions reached were ideal, he reminded the House that they had been arrived at after prolonged consultations. "' After long, interminable debates," Mr. Nehru declared, " you reach certain conclusions, Parliament puts its seal upon it, and it becomes the law of the land What happens then ? Do you go on fighting over it ? Is this the way decent politics are carried on—that immediately you lose in Parliament you take the issue to the streets . . . " ?

Mr. N. V. Gadgil said that he now accepted Parliament's verdict of a larger bilingual Bombay State, and would continue to accept it " until it is amended, altered, or abolished by constitutional and democratic methods." Although there was still some " injustice " in the new arrangement, he advised all parties concerned to restore goodwill and amity, and to extend all possible support to the experiment. " The success of the people of Maharashtra," he concluded " will be judged by the measure of confidence and trust they are able to secure in the people of Gujerat. I have no doubt they will succeed."

Sir Chintaman Deshmukh expressed the view that the new bilingual Bombay State would serve the interests of all sections of the people, and that Bombay City could now "freely throw open its doors to all as it has always done in the past." " Let us resolve," he added, " never to think in terms of a partition again."

West Bengal and Bihar.

On June 14 the Central Government submitted to the Legislatures of Bihar and West Bengal, for their consideration, a draft Bill providing for changes in the boundaries between the two States.

The Bill proposed that about 2,500 square miles of Bihar, with a population of about 1,300,000, should be transferred to West Bengal from Oct. 1, this represented a modification of the States Reorganization Commission's proposals, which had envisaged the transfer of about 3,400 square miles. West Bengal's representation in the House of the People would be increased from 34 to 36, and in the Council of States from 14 to 16, while Bihar's representation would be correspondingly reduced. The Bill also included provisions for the enlargement of the West Bengal Assembly from 241 to 252 members, and a reduction of the membership of the Bihar Assembly ; the division of Bihar's cash and credit balances with West Bengal according to the population ratio ; the division of Bihar's public debt ; and the continued employment by West Bengal of all public servants in the transferred areas.

In West Bengal the Bill was unanimously approved by the Legislative Council on July 4, and by the Legislative Assembly on July 6, subject to " certain suggestions " made in a resolution

moved by the Chief Minister, Dr. B. C. Roy, which sought the transfer of an additional 364 square miles to provide a link between the northern districts and the rest of the State. The Bihar Assembly, on the other hand, urged the Government on July 7 to abandon the Bill, and requested the President to withhold his assent to its introduction into Parliament, a resolution to this effect was adopted by 272 votes to six.

The Bihar and West Bengal (Transfer of Territories) Bill was introduced into the House of the People on July 25, and referred to a Joint Select Committee after a six-hour debate. Congress, Communist, and Hindu Mahasabha members from West Bengal supported the demand for more territory for that State in order to provide a corridor between its two sections and more room for the resettlement of refugees from East Pakistan, while Congress and *Jharkhand* party members from Bihar unanimously opposed the Bill. The Council of States subsequently concurred in referring the Bill to a Select Committee.

Andhra and Telengana.

Andhra and Telengana Congress leaders, including Mr. Gopala Reddi (Chief Minister of Andhra), Dr. Chenna Reddi, and Mr. Ranga Reddi (Ministers for Agriculture and Revenue respectively in the Hyderabad Government), met Pandit Pant in Delhi on July 19 for discussions at which formal agreement was reached on a number of points arising from the proposed merger of Andhra and Telengana in the new State of Andhra Pradesh. The terms of the agreement were officially published on Aug. 10 and were as follows:

The Andhra Pradesh State Assembly would be the sole law-making body for the entire State, and there would be one Governor who would be advised by a Council of Ministers responsible to the State Assembly for the entire field of administration "For the more convenient transaction of the business of government with regard to some specified matters," however, the Telengana area would be treated as a region The members of the State Assembly from Telengana (including Ministers, but excluding the Chief Minister) would constitute a Regional Standing Committee in the Assembly, to which legislation relating to specific matters would be referred. The Committee itself might also make proposals to the State Government for such legislation. [Unlike the scheme adopted for the Punjab, there will be no corresponding committee for the Andhra area of the new State]

The Committee would deal, *inter alia*, with the following subjects: development and economic planning within the framework of the general plans and policies formulated by the State Assembly; local government, public health and sanitation; primary and secondary education, prohibition; sale of agricultural land; cottage and small-scale industries, and agriculture, co-operative societies, and markets. While the Committee would have advisory functions, its advice would "normally be accepted by the Government and the State Legislature," and differences of opinion would be submitted to the Governor for final decision

It was also agreed that the entire revenue from Telengana should be spent on the development of that region, after meeting the proportionate common expenditure of the State, that, for a five-year period, Telengana should be regarded as a unit as far as recruitment to subordinate Government posts in the area was concerned, that, as far as possible, Government employees from the existing Hyderabad State should be automatically integrated into the Government services of Andhra Pradesh without screening, that if, however, any retrenchment should be found necessary later on, the entire personnel of the services of the enlarged State should be treated on an equal footing, and that Urdu should be retained as one of the official languages in the administration and law courts of Telegana for five years.

The Andhra and Telengana leaders differed on the name of the new State, the former preferring Andhra Pradesh and the latter Andhra Telengana This point was referred to the National Congress leadership for final decision, the name of Andhra Pradesh being eventually incorporated in the States Reorganization Bill.

Agitation in the Punjab.

An agitation against the proposed settlement in the Punjab was launched during June by the *Maha Punjab Samiti*, an organization advocating the integration of the Punjab, PEPSU, and Himachal Pradesh into a single State.

Following the rejection by Pandit Pant of this organization's demand for a round-table conference on the question, clashes between the police and demonstrators took place at Hoshiarpur (Punjab) during the night of June 13-14 and on June 17; during these disturbances 33 policemen and 29 Congressmen were injured by stone-throwing, 48 demonstrators wounded in *lathi* charges, and 69 arrests made.

Replying on July 6 to a letter from Captain Keshav Chandra, president of the *Maha Punjab Samiti*, Pandit Pant reaffirmed the Government's decision to implement the regional formula, but gave an assurance that the power of the Regional Committees to make proposals for legislation to the State Government would be confined to the subjects specified as coming within the scope of the Committee's powers.

Ministerial Changes in Indian States.

Recent governmental changes in a number of Indian States are summarized below:

Travancore-Cochin. The Government of Travancore-Cochin headed by Mr Govinda Menon resigned on March 11, after six members of the Legislative Assembly had resigned from the Congress Party as a protest against the proposed transfer of five Tamil-speaking districts to Madras. As a result of the six members' action the Government had been left in a minority in the Assembly, being supported by only 54 of the 118 members. President Prasad accordingly issued a proclamation on March 23 dissolving the State Assembly, and announcing that he had assumed all the powers of the State Government. A separate Order provided that the powers assumed by the President would be exercisable by the *Rajpramukh*, acting on the advice of an adviser appointed by the President.

Moving a resolution in the House of the People on March 29 approving the introduction of Presidential rule in Travancore-Cochin, Pandit Pant said that it would have been impossible for the Opposition parties to form a stable coalition Government, in view of the differences between them on the subject of States' reorganization The holding of immediate elections would also have been inadvisable, as it was hoped to form a new State on Oct 1, and new elections would therefore have to be held early in 1957 in any case. The resolution was carried by 100 votes to 25

The House of the People passed a Bill on May 28 empowering the President to make laws for Travancore-Cochin, and setting up a parliamentary committee which he might consult before enacting laws for the State.

Punjab. Following the resignation on Jan 15 of Mr Bhimsen Sachar, Chief Minister of the Punjab, Sardar Pratap Singh Kairon (Development Minister in Mr. Sachar's Cabinet) formed a Government on Jan. 23. The other members were Sardar Singh Bajwa, Pandit Mohanlal, and Professor Sher Singh, while two more Ministers—Sardar Gurbanta Singh and Mr. M C. Jain—were appointed on April 23. Mr. Sachar's resignation was the result of long-standing differences between his supporters inside the State Congress Party and those of Sardar Kairon, which had compelled the national Congress leadership to intervene

Sardar Kairon (a Sikh) put forward a nine-point programme on taking office which laid special emphasis on the promotion of communal harmony, the redress of the legitimate grievances of any section of the population, and the suppression of any attempts to sow dissension. He announced on Feb 28 that, in order to "remove all traces of bitterness and create a peaceful atmosphere in the State," all cases pending against Akali Sikhs in connexion with the Amritsar riots of July 4, 1955 (see 14412 C) would be withdrawn, as well as those against four Opposition members of the State Assembly (two Communists, an Akali, and an Independent) He also announced that Dr Kali Charan, leader of the Hindu "Greater Punjab Front," would be released from detention.

Madhya Bharat. Mr Takhatmal Jain was elected leader of the Madhya Bharat Assembly Congress Party on April 2, 1955, and succeeded Mr Gangwal as Chief Minister on April 16. Mr Jain, who first became Chief Minister in 1950, had lost his seat in the 1952 elections but was re-elected at a by-election in 1955

Madras. Following the resignation of Mr. Rajagopalachari as Chief Minister of Madras on April 8, 1954, Mr Kamaraj Nadar (who had been elected Leader of the Congress Party in the State Legislative Assembly on March 31) was appointed Chief Minister on April 13, 1954 The membership of his Ministry was as follows · Mr Kamaraj Nadar (Chief Minister, Public Affairs, Home and Police, Planning and Development); Mr A. B Shetty (Public Health, Co-operation, Housing, and Ex-Servicemen); Mr M. Bhaktavatsalam (Agriculture, Animal Husbandry, Women's Portfolio, Forests, Fisheries, Community Projects, Industries, and Labour); Mr. C Subramanian (Finance, Food, Education, Law Courts, and Prisons), Mr B. Parameswaran (Transport, *Harijan* Uplift, Hindu Religious Endowments, Registration, and Prohibition), the Raja of Ramnad (Public Works and Accommodation Control); Mr M A. Manickavalu (Land Revenue, Commercial Taxes, and Rural Development); and Mr S. S. Ramaswami Padayachi (Local Administration)

Gubernatorial Appointments.

Mr. Fazl Ali, a former Judge of the Supreme Court and chairman of the States Reorganization Commission, was appointed Governor of Assam on April 20, 1956, on the retirement of Mr. Jairamdas Daulatram. Mr. Bhimsen Sachar, the former Chief Minister of Punjab, was appointed Governor of Orissa at the beginning of August in succession to Mr. P. S. Kumaraswamy Raja, who had resigned because of ill-health.—(The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London) **(Prev. rep. States Reorganization, 14866 A; Bombay, 15035 A; Travancore-Cochin, 14142 A; Punjab, 12173 A; State Governors, Madras, Madhya Bharat, 12081 A; 13387 C; 12209 A.)**

A. CANADA. — Increase in Bank Rate.

The Canadian bank rate was raised on Aug. 9 from 3 to 3½ per cent, the increase being the fifth in twelve months. (Financial Times) **(Prev. rep. Bank Rate, 14792 D.)**

A. CZECHOSLOVAKIA. — Government Changes. - M. Siroky on Internal and External Policy. - Offer of Non-Aggression Treaty to Western Germany. - Increased Autonomy for Slovakia. - Further Reduction in Armed Forces.

An extensive reshuffle of the Czechoslovak Government was approved by the Central Committee of the Czechoslovak Communist Party on June 15. The changes, which included the dismissal of the Procurator-General and the merger of several Ministries, were as follows:

(*a*) M. Vratislav Krutina, the Minister of Agriculture, was relieved of his ministerial post and appointed secretary of the party's Central Committee.

(*b*) The hitherto separate Ministries of Agriculture and of Forestry were merged into a new Ministry of Agriculture and Forestry under M. Michal Bakula, hitherto Minister of State Control.

(*c*) A new Ministry of Education and Culture was created under M. Frantisek Kahuda, hitherto Minister of Education, to replace the separate Ministries of Education and of Culture

(*d*) The Ministries of Food and of State Purchasing of Agricultural Products were amalgamated under M. Jindrich Uher, hitherto Minister of Food.

(*e*) M. Josef Kroshar, hitherto Minister of Forestry, was appointed Minister of State Control, succeeding M Bakula.

(*f*) The Ministry for Light Industry was replaced by a new Ministry of Consumer Goods under Mme. Bozena Machacova-Dostalova, hitherto Minister for State Purchasing of Agricultural Products

(*g*) M Emanuel Slechta, hitherto Minister of the Building Industry, was appointed Minister-Chairman of the State Committee for Construction, succeeding M Oldrich Beran

(*h*) M. Oldrich Beran succeeded M. Slechta as Minister of the Building Industry.

(*i*) M. Jan Bartuska became Prosecutor-General in succession to M Vaclav Ales, for whom no new appointment was announced

(*j*) M. Vaclav Skoda was relieved of his Deputy-Premiership and appointed Minister of Justice in succession to M. Bartuska

(*k*) No new appointment was announced for the outgoing Minister of Light Industry, M Alois Malek, whilst the outgoing Minister of Culture, M. Ladislav Stoll, was assigned to scientific work.

(*l*) M Julius Maurer, hitherto Minister without portfolio, was appointed permanent Czechoslovak representative on the Council of Mutual Economic Aid in Moscow.

Prime Minister's Review of Internal and External Policy.

The Czechoslovak National Assembly met from July 30-Aug. 1, the session being opened with a speech by M. Siroky, the Prime Minister.

M. Siroky began by surveying recent developments in the international sphere, including the decisions of the 20th Congress of the Soviet Communist Party and the relaxation of international tension. Dealing with the German question, he denounced West German rearmament, but added that the Czechoslovak Government, "in view of the existence of two German States," had declared its willingness to establish diplomatic relations with the German Federal Republic and to develop economic, cultural, and other relations with Western Germany on the basis of good-neighbourly relations It would also regard as "useful" the conclusion of a non-aggression treaty with Western Germany Acceptance of these proposals would promote the strengthening of peace and security in Central Europe and benefit both countries, but unfortunately the German Federal Government had not so far accepted these offers.

As regards relations with Yugoslavia, M. Siroky said that the past year had seen "a basic change" in the relations with that country, which had not only been normalized but had considerably expanded in all fields Economic, cultural, scientific, and technical co-operation had been developed, and Czechoslovakia would make "all possible efforts to strengthen and further extend the sincere fraternal co-operation between the Czechoslovak and Yugoslav peoples, both along State lines and through social organizations"

After referring to the "marked expansion of our friendly relations with India" and to the invitation extended to President Nasser of Egypt, M. Siroky expressed the conviction that Czechoslovakia's relations with France, Italy, the Scandinavian and Western European countries, Great Britain, and the U.S.A. could be improved "on the basis of common interests in the commercial, economic, cultural, and scientific spheres and as regards certain political questions" Without mentioning the kind of questions involved, he said that the Czechoslovak Government had made "considerable efforts at reaching a settlement of these issues with certain Western countries," but that such a settlement "depended on whether the representatives of those countries displayed equal good will" Czechoslovakia fully accepted the "five principles" which envisaged the possibility of peaceful co-existence and competition between socialism and capitalism.

After denouncing certain statements by U.S. leaders, especially Mr. Dulles, as "gross interference in our domestic affairs," M Siroky declared that "the people of Czechoslovakia would not let themselves be turned back from their road to Socialism by anyone or anything," and rejected attempts by "bourgeois ideologists in the West who, by speaking about some form of liberalization of life in Czechoslovakia, intend to open the door to reactionary forces and ideologies." He added: "We shall continue the process of developing and advancing the principles of Socialist democracy in our public life, but we do not intend to clear the way for the enemies of Socialism . . ."

Turning to the country's internal economic development, M Siroky spoke of Czechoslovakia's Second Five-Year Plan, stressing that the first priority would be given to the development of heavy industry and the accelerated expansion of the fuel, power, and raw material bases. The Government were also devoting much attention to the further development of the engineering industry, and giving high priority to the development of agricultural production, which was "lagging behind." The basic condition for success in this sphere was the further development of co-operative farming [i e , collectivization] so that in the course of the Second Five-Year Plan the Socialist sector would gain "a decisive preponderance"

The Government were also pursuing a policy of gradually reducing working hours with the aim of introducing a 46-hour week as from Oct 1, 1956, without any reduction in wages. A revision of the present wages system, which was "not perfect," could, however, only be brought about "after the productivity of labour has been increased, production costs reduced, and the necessary pre-requisites in production created."

Finally, M Siroky spoke about the proposed decentralization of governmental functions in Slovakia to improve the work of the State and economic machinery (see below).

Extended Powers for Slovak National Council.

On Aug. 1 the Czechoslovak National Assembly passed a Constitutional Revision Bill enlarging the powers of the Slovak National Council.

The Bill empowered the Slovak National Council (*a*) to appoint or dismiss the Slovak Board of Commissioners (the governmental and executive organ in Slovakia) and any of its members—which had hitherto been a matter for the Czechoslovak Government, (*b*) to approve the economic plan and the Budget for Slovakia within the framework of the national plan and Budget All those Articles in the Constitution which made the Slovak Board of Commissioners responsible to the Czechoslovak Government were abolished The Bill also improved the status of the Hungarian and Ukrainian minorities in Slovakia as far as their economic and cultural development was concerned

Further Reduction in Armed Forces.

It was announced in Prague on July 25 that the Government had decided to reduce the strength of the Czechoslovak Army by another 10,000 men, following the earlier cut by 34,000 which had been announced on Aug. 24, 1955. It was stated that this decision had been taken because there had been a "noticeable relaxation of tension in international relations." (Czechoslovak Bulletin, Prague - Neue Zurcher Zeitung)

(Prev. rep. Cabinet, 14817 A; Armed Forces, 14384 D.)

B. UNITED KINGDOM. — Trade Unions. - Formation of Anti-Communist Movement in Electrical Trades Union. - Area Vigilance Committees.

A movement to counteract Communist influence in the Electrical Trades Union was launched on Aug. 11 by a "vigilance committee" led by Mr. Ernest Pinner, a shop steward, who announced that area vigilance committees would be formed and that it was hoped to have at least one supporter in every E.T.U. branch.

Mr Pinner said that the new committee would attempt to weaken the Communist "stranglehold" on the union; that it would inquire into the "dictatorial" attitude of shop stewards in determining strike action without consulting members, that it would inquire into the advisability of holding a ballot of all members before strike action was decided upon; that it would encourage all trade unionists to take a keen interest in trade union affairs, and in particular to attend branch meetings; and that it would ensure that union finances were used solely for the benefit of members and not in furtherance of foreign political objectives The last-mentioned statement referred to the recent action of the E.T.U. executive in donating £20 to help pay for legal aid for Cypriot trade union officials and mayors who had been detained under the emergency regulations.

The Labour Correspondent of *The Times* pointed out that the E.T.U. had been "almost wholly under Communist domination" since 1948, and added: "The three chief officers and a majority on the executive are Communist Party members, and in many areas they exercise detailed control down to branch level." (Times - Manchester Guardian)

C. SOUTHERN RHODESIA.—Three-year Extension of Subversive Activities Act.

The Subversive Activities Act, which provides *inter alia* for "the prohibition and suppression of subversive propaganda whether called by the name of Communism, Fascism, or otherwise," was extended by the Southern Rhodesian Parliament on Aug. 1 for a further three-year period. The Minister of Justice (Mr. Stumbles) thought that it would not be appropriate at the present time to relax the Act, which it was "as well to have on the statute book," though Parliament could repeal the legislation within the next couple of years if it wished. The Act would have expired automatically had it not been renewed. (Federal Information Department)

A. THE SUEZ CRISIS. — Opening of London Conference. - Invitations refused by Egypt and Greece. - Soviet and Egyptian Proposals for Larger Conference. - Statement by President Nasser. - Broadcasts by Mr. Selwyn Lloyd and Mr. Menzies.

The London Conference on the Suez Canal opened at Lancaster House on Aug. 16, only two of the invited countries having refused to accept the invitations—Egypt and Greece.

The Egyptian Government's reasons for declining to attend the conference were given by President Nasser in a press statement on Aug. 12 (see below). The Greek Government refused the invitation on the grounds (1) of "the conditions in which the London conference was called," and (2) of "the special circumstances in which Greece finds herself at present" It was explained in Athens that the first objection was based upon the fact that the conference had been summoned without prior consultation with Egypt, "the main interested Power," and that it had been convened in an atmosphere of "war tension and pressure"—an apparent reference to the Anglo-French naval and military precautions in the Mediterranean area The second objection was understood to refer to the Greek dispute with Britain on the Cyprus question. It was stated by Government spokesmen in Athens that the Greek Government had proposed that the conference should be postponed to a later date, that it should be held elsewhere than in London, and that its membership should be enlarged

Opening of London Conference.

The heads of the 22 delegations attending the London conference consisted mostly of the Foreign Ministers of the various countries, several of whom—e.g. the American, French and Soviet Foreign Ministers—were accompanied by strong delegations of officials and experts. The leaders of the national delegations were as set out below, in alphabetical order of countries ·

Australia—Mr. Menzies, the Prime Minister, accompanied by Mr. Casey, Secretary for External Affairs; **Ceylon**—Sir Claude Corea, High Commissioner in London, **Denmark**—Hr H C Hansen, Prime Minister and Foreign Minister; **Ethiopia**—Mr. Aklilou Habtewold, Foreign Minister; **France**—M Pineau, Foreign Minister; **German Federal Republic**—Herr von Brentano, Foreign Minister, **India**—Mr. Krishna Menon, Minister without portfolio; **Indonesia**—Mr. Abdulgani, Foreign Minister; **Italy**—Dr Martino, Foreign Minister; **Japan**—Mr Shigemitsu, Foreign Minister, **Netherlands**—Mr. Luns, co-Foreign Minister; **New Zealand**—Mr. Macdonald, Secretary for External Affairs, **Norway**—Hr Lange, Foreign Minister, **Pakistan**—Mr Hamidul Huq Chowdhry, Foreign Minister, **Persia**—Dr. Ardalan, Foreign Minister, **Portugal**—Dr Cunha, Foreign Minister; **Soviet Union**—Mr Shepilov, Foreign Minister; **Spain**—Señor Artajo, Foreign Minister, **Sweden**—Hr Undén, Foreign Minister, **Turkey**—Mr Birgi, Secretary-General of the Foreign Ministry; **United Kingdom**—Mr Selwyn Lloyd, Foreign Secretary; **United States**—Mr. Dulles, Secretary of State

The British Prime Minister, Sir Anthony Eden, welcomed the delegates in a brief speech in which he described the occasion for calling the conference as "among the gravest that any of us have had to face since the Second World War." After Sir Anthony had withdrawn, the delegates reached rapid agreement on procedural matters and agreed that Mr. Selwyn Lloyd should preside as chairman for the duration of the conference.

Developments in the Suez crisis up to the opening of the conference are described below under cross-headings, in continuation of 15013 A:

Soviet Acceptance of Invitation. - Support for Egyptian Nationalization of Suez Canal.

Though accepting the invitation to the London conference, the Soviet Government made a number of reservations with regard to its attitude, and at the same time put forward a number of counter-proposals. Notably, the Soviet statement made the following points · (1) the London conference could not be regarded as an international meeting authorized to take any decisions on the Suez Canal; (2) Soviet participation in the conference would not commit the U.S.S.R. to any of the "obligations" set out in the Western Powers' Note, or any which might infringe Egypt's right to nationalize the Canal; (3) invitations should have been extended to 22 more nations, including the East European States, the Arab States, and the People's Republic of China; (4) the conference should have been postponed until the end of August so that better arrangements could have been made.

The text of the Soviet Note was issued by the Tass Agency on Aug. 9 and is summarized below:

The Soviet Government declared that it could not agree "with the assessment made in the statement of the three Powers [i.e. Britain, France, and the U S.A.] on the Suez Canal," nor could it agree with the Western Powers' "attempt to place in doubt the legality of the act of nationalization of the Suez Canal Company taken by the Egyptian Government." After denying that the Suez Canal Company was "an international institution the status of which cannot be changed by the Egyptian Government," and asserting that the nationalization of the Company "has no bearing on the question of freedom of navigation on the Canal, which is regulated by the Convention of 1888," the Note continued: "The nationalization of the property of enterprises situated in the territory of any country is, according to accepted principles of international law, an internal business of the State concerned . . The U.N. General Assembly, in December 1952, passed a special resolution on the rights of peoples to dispose freely of their natural wealth and resources . . . In view of this, the Soviet Government considers the decision of the Egyptian Government to nationalize the Suez Canal Company as a fully legal act stemming from the sovereign rights enjoyed by Egypt."

The Soviet Note said that the nationalization of the Suez Canal would in no way affect freedom of navigation on the Canal, which was guaranteed under the 1888 Convention As Egypt had pledged herself to respect that convention and to guarantee freedom of shipping, there was "no reason to express any concern in that respect, the more so as Egypt . . . is able to ensure normal navigation on the Canal in a manner not inferior to any private company" After pointing out that the nationalization of the Suez Canal Company had had "no effect on the uninterrupted passage of ships of all countries through the Canal, which continues to function as it had functioned before nationalization," the Soviet Note added. "It can be seen from this that the Egyptian Government fully realizes the great importance of freedom of navigation on the Suez Canal, and that the anxiety on this matter expressed in the three-Power statement is unfounded."

After pointing out that the Egyptian Government had undertaken to pay compensation to the Company's shareholders, the Soviet Note continued "The fact that the Suez Canal has for decades remained in hands other than Egyptian—in the hands of a company in which British and French capital predominated, and which used the Canal for its enrichment and interference in the internal affairs of Egypt—cannot serve as a foundation for the preservation of such an abnormal situation in the future One must take account of the fact that relations created in the past through conquest and occupation . do not conform to the principles of co-operation between sovereign and equal States, that is, to the principles and aims of the United Nations. Since the Governments of Britain and France, as well as of the United States, recognize the high principles of the U N., and state that they welcome the changes which have taken place in their relations with countries which were formerly in a state of colonial dependence, the Governments of these Powers should not hinder the realization by these States of their sovereign rights"

Continuing, the Note said that the Soviet Government could "not remain indifferent to the fact that at the present time an even more acute situation is being created in the region of the Near and Middle East" It went on to accuse Britain and France of "crude and unjustified pressure against Egypt" by "inadmissible measures" such as economic reprisals and naval and military movements, thereby creating "a threat to the maintenance of peace and security" which was "incompatible with the principles of the United Nations." These "attempts to use force against a State exercising its sovereign rights" could cause "the most serious damage, primarily to the Western Powers themselves in the area of the Near and Middle East," and would "by no means help in decreasing international tension and consolidating trust among nations"

Reverting to the invitation to participate in the London conference, the Soviet Note continued. "Britain and France declare that the aim of the conference is to work out measures to assure the functioning of the Canal in conformity with the 1888 Convention. Such an arrangement does not appear clear, the more so as . . . the Convention remains intact and is fully respected. If, however, the conference aims at a revision of the nationalization of the Suez Canal Company, this would be an open case of interference in the internal affairs of Egypt, whose rights as a sovereign State to nationalize the Company cannot be disputed by any international conference whatsoever . . ." Moreover, the three Western Powers had convened the conference "without consultation with the Soviet Union and other signatories of the 1888 Convention."

The Soviet Note went on to complain (1) that "the choice of countries invited to the conference has been tendentiously made, with a view to securing a majority of its participants to support the proposals prepared by Britain and France", and (2) that the list of countries invited did not conform to the principles set out in the tripartite statement—i e. countries which were signatories to the 1888 Convention, and those "primarily interested in the use of the Canal." The Note continued.

"Among the signatories of the 1888 Convention were Austria-Hungary and Germany. Austria, Hungary, Czechoslovakia, and Yugoslavia are the legal heirs of Austria-Hungary, none of these countries has been invited to the conference From Germany only one part of the country has been invited—the German Federal Republic—but not the other part, the German Democratic Republic . There have not been invited to the conference the Arab States whose territories are directly adjacent to the Canal and which are vitally interested in the settlement of this question—namely, Syria, Lebanon, Saudi Arabia, Jordan, Sudan, Libya, Yemen, Iraq, Tunisia, and Morocco. The majority of the Arab States are the successors of the former Ottoman Empire, which was a party to the 1888 Convention. Nor have there been invited to the conference such maritime Powers making extensive use of the Canal as the Chinese People's Republic, Poland, Bulgaria, Rumania, Burma, and Finland.

"Thus the projected London conference is a conference of a group of countries which are shareholders of the Suez Canal Company, with another group arbitrarily chosen by these shareholders The conference has been called in a manner by-passing the United Nations . . . Without the agreement of the parties to the 1888 Convention, London has been chosen as the venue of the conference, although, if one adheres to the spirit of the 1888 Convention, the discussion of all issues linked with the operation of the Canal should take place in Cairo." For all these reasons, the Soviet Government considered that the London conference " cannot . . . be regarded as an international conference authorized to take any kind of decisions on the Suez Canal.

" The Soviet Government regards it as most appropriate to discuss the problems connected with freedom of navigation on canals and straits of international importance within the framework of the United Nations There are a number of canals and straits which are of international importance. As the tripartite statement raised the problem of internationalization of the Suez Canal, the question logically arises . Why is the Suez Canal singled out from a number of no less important straits and canals ? In this matter the Soviet Government proceeds from the principle that any solution of the problem of canals and straits possessing international importance must be based on the necessity of respecting the sovereign rights of the States through whose territory these sea-lanes pass "

The Soviet Government went on to propose that the following countries should be invited to the London conference, in addition to those to whom invitations had been sent · Austria, Albania, Bulgaria, Burma, Czechoslovakia, Finland, the German Democratic Republic (Eastern Germany), Hungary, Iraq, Jordan, Lebanon, Morocco, Poland, Rumania, Saudi Arabia, Sudan, Syria, Tunisia, and Yugoslavia It was also " essential that such a great Power as the Chinese People's Republic should take part in the conference "

Despite the above-mentioned objections, the Soviet Government expressed its willingness to attend the London conference, as it desired " a peaceful solution of questions " and as the conference might " provide an opportunity . for an approach to the settlement of questions connected with the freedom of navigation on the Suez Canal which . . may be acceptable to the Egyptian State as well as to other countries concerned " In accepting the British invitation, the Soviet Government emphasized that it considered itself in no way bound by the " principles or obligations " set forth in the tripartite statement, or which might " infringe the sovereign rights and dignity of Egypt." The Soviet Note also expressed the view that it might have been better to convene the conference at the end of August so as to give more time for preparatory work

In conclusion, the Soviet Note expressed its conviction that the issues in dispute " can and should be settled by peaceful means in accordance with the rights and legitimate interests of the peoples," and its hope that other Governments would show " wisdom and far-sightedness " and " refrain from such actions as could bring undesirable consequences."

Egyptian Rejection of Invitation. - Statement by President Nasser.

As stated above, the Egyptian Government rejected the invitation to attend the London conference, for reasons explained by President Nasser at a press conference on Aug. 12.

In his statement, which was broadcast by Cairo Radio, President Nasser said that the Egyptian Government could not agree with the assertion in the tripartite declaration that the Suez Canal Company had always had an international status Paragraph 16 of the Suez Canal Company agreement of 1866 laid down that the Company was an Egyptian *société anonyme* (limited company) with a 99-year concession, and that it was subject to the laws and customs of Egypt. This view had been recognized by the British Government and defended in 1939 before the Mixed Court of Cassation in Alexandria, when the British representatives had described the Suez Canal Company as a legal body recognized by, and definitely subject to, Egyptian law

" It is true," President Nasser continued, " that the Company was established under the name of the Universal Suez Maritime Company. But what is the legal effect of this title ? The fact remains that this name cannot deprive the Company of its Egyptian character, as it is Egyptian according to the principles of Egyptian law, the principles of international law, and the foundation charter of the Company . . . It cannot at the same time be Egyptian and non-Egyptian, or an Egyptian and an international company . . "

As regards the status of the Suez Canal, President Nasser declared : " The Egyptian Government regrets to say that the statement of the Foreign Ministers of the three [Western] Powers distorts the facts and gives a picture far removed from reality by alleging that the Canal has an international status. The preamble to the 1888 Convention . . says that the Canal shall be open and free, whether in peace or war, to every commercial ship or warship irrespective of its nationality In paragraph 16 of the 1888 Convention it is clearly stated that none of the obligations in the agreement in any way affects the sovereign rights of the Egyptian Government. Paragraph 14 shows clearly that there is no relation whatsoever between the 1888 agreement and the Suez Canal Company, as the obligations arising from the agreement are not bound by the period for which the concession to the Company was granted. This would have expired in 12 years and the Egyptian Government would have taken the place of the Company's administration."

President Nasser went on to give a point-by-point reply to the tripartite statement, which he accused of having " mentioned some facts and omitted others which prove our right." " Paragraph (1) of the statement," he declared, " said that Egypt, by her agreement with Britain in 1954, admitted that the Suez Canal is a waterway of international importance from the economic, commercial and strategic points of view. But the statement omitted the fact that the 1954 agreement says clearly that the Canal is an integral part of Egypt In paragraph (2) the three Governments recognize the right of Egypt, as an independent sovereign State, to nationalize its property, but deny her the right to nationalize the Suez Canal Company They allege that it was a unilateral confiscation by one State of an international agency responsible for the administration and maintenance of the Canal . . This ignores all the treaties and agreements which say that the Suez Canal Company is an Egyptian company governed by Egyptian law. It ignores also the fact that the Egyptian Government would have taken over the administration of the Canal when the Company's concession expired, and the fact that the Canal is an inseparable part of our territory. The agreement of 1888 will still be in existence whether the Company or the Egyptian Government administers the Canal . The nationalization of the Company is a decision taken in accordance with the Egyptian Government's sovereignty, and any attempt to give the Suez Canal Company international status is merely an excuse to interfere in Egypt's internal affairs "

With regard to paragraph (4) of the tripartite statement, which said that " steps should be taken to establish operating arrangements under an international system designed to assure the continuity of operation of the Canal," President Nasser commented as follows . " This statement is clearly aimed at depriving Egypt of her sovereignty over the Suez Canal, which is an inseparable part of Egypt . . The Egyptian Government regards the establishment of an international body as nothing but a polite form of what might be called international colonialism . . The statement shows that the object of the London conference is open interference in Egypt's internal affairs . . "

President Nasser continued " The three-Power statement was followed by a large-scale international conspiracy to starve and terrorize the Egyptian people. The three Powers immediately froze Egyptian assets and funds in their banks . . . Britain and France mobilized their reserves and officially announced that their troops and fleets were on the move The Egyptian Government strongly deplores these measures, and regards them as a threat to the Egyptian people to make them surrender part of their territory and sovereignty to an international body, which in fact is international colonialism By adopting these measures, the British and French Governments are threatening world peace and order contrary to the U.N Charter, which they are pledged to respect These measures . . . are deplored not by Egypt alone but by all free peoples and those who are struggling for independence and sovereignty after having rid themselves of colonial rule."

After reiterating that Egypt was determined to maintain full freedom of navigation on the Suez Canal, and pointing out that 766 ships had passed through the Canal in the fortnight since nationalization, President Nasser expressed surprise that the British Government had decided to convene a conference on the Suez Canal without prior consultation with the Egyptian Government. Moreover, it was proposed that the London conference should be confined to only 24 States, although the British Government was " fully aware that 45 countries used the Canal in 1955 " " Therefore," President Nasser declared, " the Egyptian Government is convinced that this conference and the circumstances in which it was convened cannot be regarded in any way as international, and that it is not entitled to take decisions. The conference has no right to discuss any issue concerning the sovereignty of Egypt or of any part of Egypt, and the invitation therefore cannot be accepted by Egypt."

In conclusion, President Nasser said that Egypt believed it was " essential to do everything in her power to ensure world peace and respect for her obligations in accordance with the U.N. Charter and the resolutions of the Bandung Conference, which recommended that all international problems should be solved by peaceful means." The Egyptian Government was therefore ready to attend a conference representing the signatories of the Treaty of Constantinople (the 1888 Convention) and other countries whose ships used the Canal, " to reconsider the Constantinople agreement and reach an agreement confirming and guaranteeing freedom of navigation through the Suez Canal " President Nasser suggested that such an agreement should be registered with the United Nations and should be open to the adherence of all countries if they wished.

Despite Egypt's refusal to attend the London conference, Wing-Commander Sabry (head of President Nasser's Political Office) arrived in London on Aug. 17, apparently to hold a " watching brief " for President Nasser and the Egyptian Government. He had several meetings on subsequent days with Mr. Shepilov and Mr. Krishna Menon. Major Salah Salem, the former Minister of National Guidance, also arrived in London on Aug. 18 to cover the conference for the Cairo newspaper *Al Shaab*, of which he is editor.

On arrival at London Airport, Major Salem declared that the Egyptian Government and people would not accept internationalization of the Suez Canal, and added that the Canal would be " blown up " if British troops landed in Egypt. On Aug. 15 Major Salem gave a recorded interview to the B.B.C. in which he said that the London conference had " lost its value as a means of solving the Suez situation because it has overlooked the U.N. as the recognized body to deal with international situations." He expressed his conviction that a conference under U.N. auspices, or one such as had been proposed by President Nasser, could produce a solution which would " simultaneously guarantee freedom of navigation to all maritime nations, as well as preserve the sovereign rights of Egypt over her territory."

Developments in Britain. - Mr. Selwyn Lloyd's Broadcast. - Mr. Gaitskell's Meeting with Prime Minister.

In a broadcast on Aug. 14, Mr. Selwyn Lloyd described the Suez situation as the third and most serious international crisis since the war, the other two being the Berlin blockade of 1948 and the Korean aggression of 1950. He denounced President Nasser's unilateral seizure of the Suez Canal as an "act of aggression," declared that "law must prevail," but emphasized that Britain was not bellicose and that force was "always the last resort." Any solution, however, "must include some form of international control for this essential waterway." The Foreign Secretary spoke as follows:

"... It is a very serious situation I do not want to sound alarmist, but a threat to the Suez Canal is a threat to the life and strength of Britain and of Western Europe on the one side, and to the countries of Asia on the other. It also deeply affects America. We in Britain know that Colonel Nasser's action is a breach of international law...

"The Suez Canal Company is not just an Egyptian company It is, it is true, technically registered in Egypt, but in a matter of this sort we have to look at the substance, not the technicalities. The substance of the matter is that the company is international. It was formed for an international purpose It is internationally owned. Its administration is centred outside Egypt. The Egyptian Government has always before accepted the position that Egyptian domestic law only applies by consent to the constitution and powers of the company. A company possessing such an international character cannot lawfully be nationalized in the way in which that has been done Further, a contract with such a company cannot be broken by one party to it.

"This company held a concession from the Egyptian Government. At the end of this, in 1968, the Canal itself and some, not all, of the company's assets would have reverted to Egypt. That concession was solemnly reaffirmed by Colonel Nasser as recently as June of this year [see below]. His action, therefore, in seizing the Canal is a breach of the terms of the concession and involves the breaking of his word.

"I am not denying the right of countries to nationalize domestic industries or services. Provided there is no illegality about it, countries can nationalize what they please, but this act of nationalization is unlawful for the reason I have stated. It strikes at the rule of law between nations.

"Faced with this situation, H M Government's policy has been clear from the beginning As the Prime Minister said in the House of Commons on July 30, the unfettered control by one Power of this international waterway cannot be accepted. From the first the Government have sought an international solution, arrived at by international discussion On July 29, when I first met the representatives of the French and U.S Governments, I put to them our view that there should be an international conference to deal with this matter. The other two Governments readily agreed.

"At the Conference proposals will be put forward that an international authority for the Canal should be set up. The purposes and functions of that authority should be·

(1) To take over the operation of the Canal.

(2) To ensure the efficient functioning of the Canal as a free, open and secure international waterway.

(3) To ensure to Egypt an equitable return

(4) To arrange for the payment of fair compensation to the Suez Canal Company.

"In our view the authority should consist of a Council of Administration drawn from those Powers chiefly interested in the Canal. It should have under it the necessary technical, working and administrative organs. In all this there would be an important role to be played by Egyptians and the Egyptian Government

"These proposals were discussed by me with Mr Dulles and M. Pineau There is no disagreement between the three of us about them They were sent to all the Governments invited to the Conference. I believe that this idea of an international authority to control an international waterway is in the true interests of all those concerned and commands the approval of an overwhelming majority of thinking people.

"It is interesting to remember that in 1946 the Soviet Union declared themselves in favour of the principle of international control of the Suez Canal The idea that, just because the Canal passes through Egyptian territory, such an international authority would infringe Egyptian sovereignty bears no relation to modern ideas of what sovereignty really is

"The primary task of the Conference will be to express its opinion upon our proposals. We regret very much that Colonel Nasser is not sending a representative who could have put forward his point of view. We made it clear that acceptance of the invitation did not presuppose acceptance of our main contention. I hope that even yet the Egyptian Government may see fit to enter into an agreement along the lines I have indicated.

"You may ask, how did we decide upon the countries to be invited to the London Conference? It was not easy to draw the line. Eventually we decided to ask the eight parties to the 1888 Convention, together with eight more countries owning the largest tonnage of shipping which goes through the Canal, and a further eight countries whose pattern of trade is most vitally affected by transit through the Canal. The list includes Egypt, the Soviet Union, and other countries whose views probably are not the same as our own

"We have acted and intend to act in the spirit of the Charter of the United Nations. The method by which we have chosen to proceed is directly in accordance with the Charter. It has always been in our thoughts that there should be some link between the International Authority which we propose and the United Nations. It has also been our intention to give Parliament an early chance to discuss the results of the Conference

"The allegation has been made that the Conference is being held under the threat by us to use force. As to that, I ask you to consider the methods by which Colonel Nasser chose to carry out his unlawful act. He announced it at the end of an angry speech directed against the Western Powers, and made in a fit of temper because he was not to get from the United States and ourselves the money which he wanted to build the Aswan Dam. He took action without previous consultation of any sort with the Company itself. He did not consult other parties to the Convention of 1888 He did not consult any of the Arab States He treated them like satellites. He promised to pay compensation to the shareholders, but he did not indicate whence it would come He said he would divert the revenues of the Canal to build the Aswan Dam Finally, he included in his decree of nationalization an article ordering the employees of the Company, many of them British, to stay at work under the threat of arrest and imprisonment if they did not. Troops were moved in to seize the property of the Canal Company. He had already mobilized about 75 per cent of his armed forces. He has gone further since. That is what he has done by way of force and threat of force.

"We have 13,000 British nationals in Egypt. We have a base operated by British civilians containing valuable equipment Many of our ships use the Canal. In these conditions we should be lacking in our duty if we did not take elementary military precautions to safeguard British interests effectively should the need arise That, of course, means having some forces available in the Mediterranean. These military precautions are not inconsistent with the U N. Charter.

"We have to remember that the present ruler of Egypt is a military dictator. He played a leading part in overthrowing the Egyptian monarchy by a military coup. He removed his own leader, General Neguib, by similar methods He now rules supreme. He can change his mind overnight. He can denounce an international agreement or imprison a British subject according to his mood of the moment. He maintains himself in power by methods well known to us from what happened in certain countries in the inter-war years.

"We have tried hard to promote better relations with him. He said that if only we could settle the Sudan problem, that would lead to better relations We made an arrangement by which Egypt abandoned her claim to the sovereignty of the Sudan and the way was open to Sudanese independence. But our relations with Egypt did not improve. Colonel Nasser then said if only we could settle the problem of the base, that would lead to better relations We did settle the problem of the base, but the better relations did not come

"Now he has committed this act—not only unlawful, but also an act of defiance, a deliberate challenge made without regard to the interests of his fellow Arab States or of the under-developed countries The great need of such countries at the present time is foreign capital. It is obvious that the blow to confidence administered by Colonel Nasser will make it more difficult for under-developed countries to obtain such capital. His action, whatever the outcome of our conference, will damage the material prospects of countless millions in poorer countries

"We have in our time done much to create and help Arab nationalism Our record in Iraq, Jordan, the Sudan, and Libya proves that fact. Colonel Nasser is misusing Arab nationalism to further his own ambitions I read the other day a little book which he wrote about his revolution Like other dictators before him, he reveals on paper the pattern of his thoughts and ambitions. The three stages are clear: (1) control of the Arab States and the oil; (2) control of the whole of Africa, (3) control of all Moslems throughout the world. Running through the book is the theme: 'Who is the hero who will achieve all this?' I think we can guess Colonel Nasser's answer... These thoughts, these actions, are all too similar to what we saw happen between the wars with other dictators.

"I believe there have been three critical times for us in the past 10 years. First there was the threat to Berlin in 1948, which was defeated by the Berlin air lift Secondly, there was the Communist aggression in Korea in 1950. That was repelled by force of arms. The third threat, and in my view the most serious for all of us in Britain, is this act of aggression against this great international waterway The strength and prosperity of much of the world depends upon it. But for us it is a question of our national livelihood, jobs, standard of living, and position in the world. It is a deliberate challenge. All our friends in the Middle East are watching to see how we meet it. Although having made his coup, Colonel Nasser's language is now milder and he makes all sorts of promises about how well he is going to behave in the future That again is according to the pattern I believe we have to take counsel from our past experience If he is not checked now, what will his next step be?

"We have to be resolute in this situation. We must not permit the right of free passage through the Canal to depend upon the transient impulses of a single military dictator Therefore I say to you: the rule of law must prevail. We are not bellicose, neither the British Government nor the British people With Britain force is always the last resort. We shall work with all our power for a peaceful solution, but that solution must include some form of international control for

this essential waterway We are not seeking British control ; we are seeking international control. We want a plan which will take full account of the legitimate requirements of Egypt. We want to preserve the rights of the users of the Canal To achieve such a solution is the task which faces the collective wisdom of the statesmen gathering in London."

The following statement was issued by the Parliamentary Committee of the Labour Party (the Labour "shadow Cabinet") after a 2½-hour meeting on Aug. 13 :

"The Committee endorsed the speech of the Leader of the party in the House of Commons debate on Aug 2 [see 15013 A] and, in particular, the following points :

(1) His condemnation of Colonel Nasser's action, not because the act of nationalization in itself was wrong but because of the arbitrary character of that action and the grave anxieties thereby created regarding the utilization of a vitally important international waterway and the political repercussions in the Middle East

(2) That armed force, nevertheless, could not be justified except in accordance with our obligations and pledges under the U N Charter

(3) That, apart from the continued stopping of Israeli ships in disregard of the Security Council resolution of 1951, Colonel Nasser had not done anything so far which justified the use of armed force against Egypt

"In view of public anxiety, the Committee call upon the Government to make plain that the military measures taken in the last 10 days are purely precautionary, solely intended for defence against possible aggression, and not preparations for armed intervention outside and inconsistent with our obligations under the U N Charter

"The Committee consider that the prime purpose of the international conference now assembling in London should be to prepare a plan which would guarantee :

(1) The efficient operation and development of the Canal,

(2) A fair and reasonable financial return to Egypt,

(3) No interference with the right of free passage,

(4) No arbitrary raising of dues,

(5) No discrimination amongst those using the Canal.

"To this end any such plan should, as suggested by Mr Gaitskell on Aug 2, be associated with the United Nations The Committee urge that the conclusions of the conference should be submitted to a special meeting of the U.N. General Assembly

"The Committee invited the Leader of the party to request the Government to arrange for the recall of Parliament immediately after the conclusion of the London Conference"

Mr. Gaitskell, accompanied by Mr. James Griffiths (Deputy Leader of the Opposition) and Mr Alfred Robens (the Labour Party's chief spokesman on foreign affairs in the House of Commons), saw Sir Anthony Eden at 10, Downing Street, on Aug. 14. An official statement said that the Prime Minister had given an assurance that he would "bear in mind" the views expressed by Mr. Gaitskell and his colleagues. Mr. Gaitskell said after the meeting that "the Prime Minister seemed to be broadly in agreement with our view and to appreciate the importance of the recall of Parliament after the London conference, although no definite answer was given to our request."

Broadcast by Prime Minister of Australia. - Support for Tripartite Statement.

The Prime Minister of Australia, Mr. Robert Menzies, broadcast on the Suez Canal crisis from London on Aug. 13. Mr. Menzies, who had recently been visiting the United States, spoke as follows :

"Colonel Nasser's action . . . has created a crisis more grave than any since the Second World War. The leading trading nations of the world are all vitally concerned. You in Great Britain are concerned, for a threat to the Suez Canal will, if not resisted, encourage other acts of lawlessness and so reduce the economic strength of your country that the whole standard of living may be drastically reduced. This comment excludes the effect upon Britain's prestige and authority in the world. It is apparently not fashionable to speak of prestige . . .

"I have been interested to observe, both in the U.S.A. and London, a disposition in some private quarters to find legal virtues in what Nasser has done, and to accuse national leaders either of trying to deny Egypt its so-called legal right to nationalize the Suez Canal, or of prematurely dealing with a risk of stoppage which may never arise . . . I would like to discuss, very briefly, the arguments of those who honestly find themselves beset by intellectual doubts . .

"The Canal was not built by Egypt. It was the product of the vision and engineering genius of a Frenchman, De Lesseps, and the financial resources of a company whose shareholding was and is (subject to Nasser's recent action) international. The then Government of Egypt granted to the Company a concession, on stipulated terms, not due to expire until 1968. The Suez Canal Convention of 1888, by which Egypt is bound, contained an express recital that it was desired to establish 'a definite system destined to guarantee at all times and for all Powers the full use of the Suez Maritime Canal' The validity of the Convention and of the concession granted to the Company has never been challenged by Egypt On the contrary, the Convention was expressly upheld by the Anglo-Egyptian Treaty of 1954, while as recently as June of this year the Egyptian Government, in its last financial agreement with the Company, acknowledged the duration and international character of the concession and of the system under which the Canal was run Yet on July 26, 1956, less than two months later, Nasser signed a law purporting to nationalize the Canal Company. But 'nationalization' is only a political term. What he did, expressed precisely, was to repudiate Egypt's contractual obligations under the Concession, without consultation and without agreement

"International law is not a precise body of jurisprudence It is always in the making But if there is one thing clear, it is that national contracts with the Governments or citizens of other nations must be carried out unless there is legal excuse for the non-performance. If this were not so, all talk of international law would become meaningless on the very threshold Nasser has therefore begun by violating the first principle of international law For people to conceal or excuse this violation by talking about the general power of Governments to expropriate property within their own boundaries is, therefore, both irrelevant and absurd If, at any time and for any reason of real or supposed self-interest, a nation could claim that its sovereign rights entitled it to set treaties aside or violate international contracts, all talk of, or reliance upon, international law would be a sham

"Let us take an important example. The Panama Canal was constructed by the U S A on land belonging to the Republic of Panama, a perpetual lease of land being granted to the U S A for that purpose If Nasser can validly terminate, 12 years ahead of time, a concession granted to the internationally-owned Suez Canal Company because, forsooth, he claims an unfettered right to 'nationalize' as part of Egyptian sovereignty, then Panama, equally sovereign, could validly terminate its perpetual lease to the U.S A., take over the Panama Canal, and collect the dues It is little wonder that the American Administration regards the Nasser action with such gravity . .

"Let me point out to what strange conclusions this uncritical acceptance of the so-called right to nationalize will lead First, it is common ground in France, the U.K , the U S.A., and other nations, including my own, that the forthcoming conference should aim at some new international arrangement ensuring the continued use of the Suez Canal as an international waterway. Let us suppose that such an arrangement is made and agreed to, and that, under conditions which fully recognize Egyptian sovereignty and protect Egypt's legitimate financial interests, a joint authority is set up, under long or perpetual lease, to conduct and stabilize the use of the Canal and its facilities And then suppose that at some future date the Egyptian Government says : 'We denounce this agreement We nationalize the operation of the Canal' Will we once more be told that Egypt is legally correct, and that no international agreement can stand in the way of her sovereign rights ? If such nonsense is the law, why have any international agreements at all ? Associating the agreement with the U.N. will make no difference. For if such agreements can validly be set aside by one nation for its own purposes, in the name of its sovereign rights within its own territory, the position will be the same whether the agreement is made in London or recorded in the archives of the United Nations in New York.

"Second, there are those who, having upheld the 'right to nationalize,' go on to say : 'In any case Egypt has not yet prevented our ships from using the Canal.' True, but what will these critics have us do if and when Egypt does ? Will we not once more be told that Egypt's sovereign rights include the right to deny the use of the Canal despite any agreement to the contrary, including both the new agreement and the Convention of 1888 ? These so-called intellectual arguments and hesitations come down to this : that whatever Egypt does or may do, we can and must do nothing . . .

"We are about to try to deal, by negotiation, with a matter which is vital to the trade and economies of a score of nations To leave our vital interests to the whim of one man would be suicidal. We in Australia applaud the statement made by France, the United Kingdom, and the United States. We cannot accept either the legality or the morality of what Nasser has done . . ."

Developments in the United States.

The Suez Canal crisis was discussed by President Eisenhower with Congressional leaders on Aug. 12. Among those present at the White House meeting were Vice-President Nixon, Mr. Dulles, Senator George (chairman of the Senate Foreign Relations Committee), Senator Johnson (Democratic leader in the Senate), Admiral Radford (chairman of the Joint Chiefs of Staff), and Mr. Arthur Flemming (Director of Defence Mobilization).

An official communiqué said that all those present "recognized the importance of dependable operation of the Canal as a major artery of world traffic," and that President Eisenhower and Mr. Dulles had pointed out that "in view of the acceptance by 22 of the 24 nations invited, the conference will offer the opportunity of reaching a peaceful and equitable solution in accordance with the concepts of the 1888 governing treaty."

On the eve of Mr. Dulles's departure for the London conference, the State Department issued a statement reiterating that there was "complete agreement" with Britain and France "that there should be international means to ensure the practical and efficient functioning of the Canal as a free, open and secure international waterway in accordance with the Convention of 1888." The statement added that "the United States has not altered its views in this respect and is not aware of any difference in this matter between the British and French Governments and itself."

Representatives of 13 international oil companies met in New York on Aug 8 to discuss the Suez Canal question. The meeting, convened by the Federal Government, was held in closed session and was presided over by Mr. Stewart, head of the Oil and Gas Division of the Department of the Interior The companies represented included such major U S. oil corporations as Standard Oil of New Jersey, the Arabian-American Company (Aramco), and the Gulf Oil Company.

On the following day Mr. Flemming announced the formation of a Middle East Emergency Committee to pool the resources of the American petroleum industry to meet the oil needs of the U S.A. and Western Europe if Middle Eastern supplies should be cut off as a result of the Suez crisis.

East European Support for Egypt.

A statement expressing support for Egypt in the Suez dispute was issued by President Tito of Yugoslavia on Aug. 12, similar statements being issued by the Polish, Bulgarian, and East German Governments.

President Tito, who described Yugoslavia as "the legitimate maritime inheritor of the former State of Austria-Hungary," maintained that Egypt had the full sovereign right to nationalize the Suez Canal, and criticized what he described as the "atmosphere of force" which had accompanied the convening of the London conference He maintained that only an international conference, in which Egypt should participate, could "discuss conditions for the application of the principle of free navigation, on an equal footing and without imposing conditions on Egypt."

The arguments set forth in the Polish and Bulgarian statements were identical with those in the Soviet statement issued by the Tass Agency (see above) Both countries complained that they had not been invited to the London Conference, asserting that they were "important users" of the Canal. The East German Government announced that it had decided to send a "delegation" to London headed by Herr Rau, the Minister of Trade and a Deputy Premier, and insisted that it should have been invited because Germany was a signatory to the 1888 Convention. The British Foreign Office, however, stated that no East German delegation would be admitted, pointing out that "H M Government have always taken the view that the East German authorities are quite unrepresentative of the population of the Soviet zone of Germany"

Developments in Arab Countries.

The Political Committee of the Arab League, meeting in Cairo on Aug. 13, issued a statement fully supporting President Nasser's declaration, and describing his proposals as giving "genuine assurance to all States of freedom of navigation through the Canal."

A nation-wide 24-hour strike was called by the Egyptian Government on Aug. 16 to synchronize with the opening of the London conference. At the same time Cairo Radio appealed for stoppages of work in all Arab countries in support of Egypt, and called upon all Arabs "from the Persian Gulf to the Atlantic" to observe a five-minute "silence of mourning" during the day.

The strike was universal throughout Egypt, all transport coming to a halt for 24 hours and all shops, banks, cafés, etc , remaining closed Public utilities, however, were unaffected, and there was no interruption of shipping in the Suez Canal. Protest strikes in support of Egypt also occurred on a large scale in Syria, Lebanon, Jordan, and Libya, and to a lesser extent in Iraq, the Sudan, Tunisia, and Morocco, stoppages of work in the two latter countries being on a minor scale Saudi Arabia remained unaffected.

In Amman (the Jordanian capital) rioters were prevented by the police from attacking the British and French Embassies, while in Tripoli the police used tear-gas to disperse mobs attempting to converge on the British Embassy In Syria, a strike of oil-workers stopped the flow of oil through the Iraq Petroleum Company's pipelines at Deir es-Zor for several hours The strikers resumed work after the Syrian Minister of National Economy had flown to the area and warned them that their trade union organization would be dissolved unless they returned to work immediately

The Under-Secretary of the Iraqi Foreign Ministry said on Aug. 16 that Egypt had asked Iraq to mediate with Britain on her behalf in the Suez Canal dispute. It was stated that this approach had been made by Dr. Fawzi (the Egyptian Foreign Minister) to Senator Tewfik es-Suwaidi, leader of the Iraqi delegation at the meeting of the Arab League's Political Committee. Reports of an Egyptian request for Iraqi mediation were, however, denied by the Egyptian Ambassador in Baghdad and were not confirmed in Cairo.

Statement by Director-General of Suez Canal Company. - Shortage of Canal Pilots. - Reduction in Canal Convoys.

The Director-General of the Suez Canal Company (M. Georges-Picot) said in Paris on Aug. 14 that nearly all its non-Egyptian employees had remained loyal to the Company, had refused to work for the new Egyptian Authority, and had asked to be repatriated. [The non-Egyptian employees include 148 of the 187 pilots on the Canal and some 270 Europeans in administrative positions of special responsibility.] If more than 700 ships had passed through the Canal in the fortnight since nationalization, as stated by President Nasser, this was solely because the Company had asked its non-Egyptian personnel to remain temporarily at their posts until the outcome of the London Conference, when further instructions would be issued. M. Georges-Picot also stated that between 50 and 60 per cent of the canal dues since nationalization had been paid in London and Paris by British, French, Scandinavian, and some other shipping companies.

Refuting Colonel Nasser's allegation that 120,000 Egyptian labourers had died during the building of the Canal, M Georges-Picot accused the Egyptian President of having "lifted" this figure from Herodotus, who had mentioned a precisely similar figure in reporting the death-roll during the building of another canal in Egypt in 630 B.C In actual fact, 1,394 Egyptians had died during the building of the Suez Canal—a figure representing one per cent of the labour force employed, and less than the Egyptian mortality-rate at the time.

The new Egyptian Authority for the Suez Canal announced on Aug. 14 that daily convoys through the Canal were being reduced from four to three—two southbound from Port Said to Suez, and one northbound from Suez to Port Said. No official reason was given, but the Egyptian Embassy in London stated on Aug. 16 that convoys had been reduced because "a number of foreign pilots on holiday in Europe have not returned to their posts at the end of their vacation," resulting in "unusual strain on the remaining staffs." The Embassy said that 11 such pilots had failed to return to their duties.

Colonel Yunis, the vice-president of the nationalized Egyptian Authority, stated on Aug. 20 that all Egyptian embassies and legations abroad had been instructed to recruit pilots for the Authority and to arrange for checking of credentials, medical examinations, etc. He admitted that 27 pilots—British, French, Norwegian, and Dutch—had failed to return from leave, and said that the Authority had recruited 27 new Egyptian trainees, together with a few Greeks. In a further statement on Aug. 22, Colonel Yunis said that British and French pilots were free to leave their jobs if they gave advance notice in writing; in that case, however, the Egyptian management would not be responsible for any delay affecting British and French ships, because "it will get Egyptian, Greek, and other pilots to guide ships of other nationalities through the canal on schedule first, and only then will it arrange for them to take French and British ships through." Colonel Yunis nevertheless gave an assurance on the following day that there would be "no discrimination against any ship, whatever the pilot situation."

It was commented in Western newspapers that the lack of qualified pilots might seriously effect the efficient functioning of the Suez Canal, particularly as Egypt—with only a small navy and merchant marine—had few men with the necessary training and experience in such highly skilled work.

Pre-Nationalization Agreement between Egyptian Government and Suez Canal Company.

Prior to the nationalization decree, an agreement was concluded on June 10 between the Egyptian Government and the Suez Canal Company on the question of the Company's earnings of foreign currencies. Under the terms of this agreement the Company undertook to transfer a total of over £20,000,000 to Egypt over the next eight years, as follows: £10,000,000 by the end of 1956, £3,000,000 by the end of 1957, £2,000,000 in 1958, and a little over £1,000,000 in each of the five years 1959-1963, the latter sum being equivalent to the Egyptian Government's share in the Company's profits. In return, the Company would receive Egyptian pounds which it would use for investment in Egyptian development projects until the expiry of the Company's concession in 1968.

This agreement was referred to by Sir Anthony Eden in his speech to the House of Commons on Aug. 2 (see 15013 A), and also by Mr. Selwyn Lloyd and Mr. Menzies in their speeches of Aug. 14 and Aug. 13 respectively (see above). (Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - Financial Times - Australian News and Information Bureau - Tanjug Agency, Belgrade) **(Prev. rep. Suez Crisis, 15013 A; 15001 A.)**

A. UNITED KINGDOM. — The Economic Situation. - Conclusion of Prime Minister's Talks with Industry. - Preparation of Improved Economic Statistics. - Chancellor's Meeting with Bankers. - Control of Borrowing extended. - Further Price "Pegging." - Increased Capital Expenditure. - Hire-Purchase Statistics.

The Prime Minister, Sir Anthony Eden, concluded his series of talks with representatives of industry (see 14977 A) on Aug. 1, when the representatives of the T.U.C., private industry, and the nationalized industries were invited at three separate meetings to comment on a statement prepared by the Government which was published the same evening.

The statement, after referring to the White Paper published in March on the economic implications of full employment (see 14802 A), said "The Government have played and will continue to play their part in combating inflation through fiscal, monetary, administrative and other methods In particular they will maintain their efforts to limit their own demands on the national product, one example of which is the reduction of £76,000,000 recently announced in the original estimates of Government expenditure for 1956-57 [see 14977 A.]

"In their discussions with leading representatives of industry the Government have made two points—first, that the mounting severity of foreign competition renders it more urgent than ever to break the cost-price spiral, and secondly, that our economic circumstances are now favourable to the maintenance of a period of steady prices if we avoid further increase in our domestic costs. Apart from the possible effects of a major disturbance in international relations, the future of the general price level now lies largely in our own hands.

"During the course of these discussions a number of practical contributions have been made towards securing the objective of steady prices over a substantial period The Government welcome them

"The progress made so far has been reflected throughout the economy. Retail prices have in the last two or three months been comparatively steady, exports in the first half of 1956 have shown a substantial increase; there has been a considerable improvement in our balance of payments and in our gold reserves.

"But this improvment is by no means sufficient and the threats to the future stability of costs and prices still remain The Government must therefore emphasize that the national interest can be served only by a continuing effort to keep prices steady and if possible to reduce them, even where this process would affect profits and dividends. All those responsible for wages questions should show a similar recognition of the national needs.

"The Government believe that these discussions have already made a notable contribution towards a national understanding of the joint action necessary for the maintenance of full employment and for increasing production. It is their intention to make further use of this method of consulting industry as occasion may require for the future."

Improved Economic Statistics.

On the same day (Aug. 1) the Chancellor of the Exchequer, Mr. Macmillan, gave details in the House of Commons of the proposed extension of the Government's collation of economic statistics foreshadowed in his Budget speech (see 14821 A).

Mr Macmillan said that the Government would:

(*a*) ask for monthly statistics of production and orders from some important industries not already supplying them;

(*b*) institute an annual sample inquiry into fixed investment and stocks in the distributive and service trades, for which the supply of information would be compulsory, and, in addition, ask more firms in these trades to volunteer quarterly information on fixed investment and stocks;

(*c*) consult the building and civil engineering industries, through the Ministry of Works, about the possibility of their providing analyzed information of their new contracts;

(*d*) invite a number of companies voluntarily to provide quarterly estimates of profits, in confidence, to the Inland Revenue Department, which would summarize the returns:

(*e*) study, in co-operation with the Bank of England, how best to improve statistics of the balance of payments,

(*f*) hold a continuing enquiry among a small sample of households in order to provide up-to-date information about changes in income and expenditure, thus keeping up-to-date the information obtained by the Ministry of Labour in 1953-54.

Mr Macmillan added that the Government were also considering what improvements and extensions could be made in the presentation and publication of statistics to keep Parliament, industry, and the public as fully informed as possible. One important objective was to combine the available information into quarterly estimates of the national expenditure and its components.

Chancellor's Meeting with Bankers.

On July 24 Mr. Macmillan met about 30 prominent bankers, led by the Governor of the Bank of England, at the Treasury to discuss the economic situation.

A statement issued after the meeting said that the Chancellor had emphasized that the control of inflation was an essential condition of success in dealing with all other economic problems, and that he had stressed the Government's determination to press on with the measures it had taken.

"The Government," the statement continued, "recognized the valuable part already played by the banking system in maintaining credit restrictions in the face of considerable difficulties. But the Chancellor asked that the contraction of credit should be resolutely pursued and that there should be no relaxation in the present critical attitude towards applications for bank finance The representatives of the banking organizations took note of the Chancellor's statement and undertook to meet the Chancellor's wishes and the national needs."

Aggregate figures extracted from the balance-sheets of the 'Big Five' banks up to June 30, 1956, showed a decline in advances of £171,000,000 during the previous twelve months to £1,698,000,000.

Control of Borrowing Extended.

An Order was made on Aug. 1 to extend the Control of Borrowing Order and the need for Treasury consent to company transactions in which property was transferred in consideration of securities, which might then be sold for cash.

Price-Pegging Measures.

Following the undertakings given by the nationalized industries to "freeze" prices for various periods (see 14977 A), similar undertakings were announced by a number of private industrial concerns.

These included the Imperial Tobacco Co. (until April 30, 1957), Thomas De La Rue & Co (until March 31, 1957), Gillette Industries (until Dec 31, 1956), Lister & Co (knitting wools—until Jan 1, 1957), The Distillers Co (whisky—until Dec 31, 1956), W. & A Gilbey (wines and spirits—until Dec 31, 1956), Bath and Portland Stone Firms (until Dec 31, 1956), Reckitt and Colman (chemical and food products—indefinitely), and Laporte Chemicals (hydrogen peroxide, detergents and other chemical products—until March 31, 1957)

Imperial Chemical Industries Ltd. announced on July 30 that it would make no further increase before June 30, 1957, in the home trade prices of the majority of its products, including chemicals, dye-stuffs, explosives, fertilizers, fibres, paints, pharmaceuticals and plastics, unless exceptional factors intervened. Some goods, however, mainly those involving non-ferrous metals, were excluded from the "freeze" because of widely fluctuating raw material prices

The Cement Makers' Federation, announcing an increase of 3 shillings a ton in the price of Portland cement from July 1, added that the new prices would not be increased in ordinary circumstances before June 30, 1957.

Capital Expenditure in First Quarter of 1956.

Capital expenditure in the first quarter of 1956 was 27 per cent higher for manufacturing industry as a whole than in the first quarter of 1955, but 12 per cent lower than in the fourth quarter of 1955.

Machine-tools.

The following table gives details of orders and deliveries of metal working machine-tools for 1955 and the first quarter of 1956:

	New Orders			Total deliveries
	Home	Export	Total	
	(£ million)			
1956—				
March	5.75	1.93	7.68	6.93
February	7 54	2.10	9.64	6 95
January	6.32	1.87	8.19	6 39
First quarter	19.61	5.90	25.51	20.94
1955—				
Fourth quarter	18.89	5.51	24.40	20 23
Third quarter	17.71	4 84	22.56	18 21
Second quarter	20 16	5 46	25.62	18.63
First quarter	18.50	5 50	24.00	18 00

Although there was some slackening of new business in March, the value of new orders still exceeded the total value of output.

New Factory Buildings.

Details of the rate of approvals of new factory buildings for 1955 and the first quarter of 1956 are given in the following table:

	Schemes approved	
	Number	Area (thousand square feet)
1st quarter, 1956	762	21,700
4th ,, 1955	715	17,172
3rd ,, 1955	812	20,771
2nd ,, 1955	859	29,715
1st ,, 1955	934	24,004

The figures for the first quarter of 1956 showed a decline of 9 per cent from the corresponding quarter of 1955, but an increase of more than 25 per cent over the last quarter of 1955.

Hire-Purchase Sales.

The following tables, from figures issued by the Board of Trade, show trends in hire-purchase sales between October 1955 and June 1956:

(i) *Index Numbers of Value of Goods Sold by Retailers on Hire-Purchase per Week* (all household goods shops—Dec. 1955 = 100):

1955		
October	November	December
119	105	100

1956					
January	February	March	April	May	June
69	67	66	65	67	68

(ii) *Hire-Purchase Sales as a Percentage of Total Retail Sales* (all household goods shops) :

		1955			
	October	November	December		
	35	35	33		
		1956			
January	February	March	April	May	June
29	30	28	28	28	28

(iii) *Index Numbers of Value of New Hire-Purchase Credit extended by Finance Houses direct to Hirers per Calendar Month* (all goods, Dec. 1955 =100) :

		1955			
	October	November	December		
	125	112	100		
		1956			
January	February	March	April	May	June
114	117	90	96	108	101

The combined hire-purchase debt owing to retailers and finance houses at the end of June was some 12 per cent below the level at the end of 1955, when it was estimated to be at least £450,000,000, or between £9 and £10 per head of the population, compared with roughly £58 per head in the United States

Figures issued by Hire-Purchase Information showed that hire-purchase contracts (covering motor vehicles, caravans, farm equipment and machinery) dealt with in July 1956 amounted to 65,720 compared with 70,846 in June 1956 and 87,842 in July 1955.

Restrictions on hire-purchase and credit sale agreements were further tightened by the Board of Trade on Aug. 21, 1956.

Orders issued on that date (*a*) prohibited rentals for fixed periods of less than nine months, (*b*) restricted the re-hiring of goods by two or more people living on the same premises ; (*c*) required that charges in connexion with hiring, other than in the supply of electricity or gas, should be ascertainable in advance, thereby preventing the hire of television sets on the slot-machine principle

On the other hand, the February restrictions were amended to allow industrial firms to make progress payments on capital goods before or during manufacture

Purchasing Power of Earnings.

In a parliamentary reply on Feb. 23, 1956, the Financial Secretary to the Treasury (Mr. Brooke) said that on the basis of available figures, and taking no account of changes in direct taxation or benefits received, the purchasing power of average industrial earnings had risen by 7½ per cent between April 1945 and April 1951 and by 16 per cent between April 1951 and April 1955.—(Treasury Press Office - Board of Trade Journal - Times - Manchester Guardian - Daily Telegraph - Financial Times)

(Prev. rep. Premier's Discussions with Industry, 14977 A ; Hire-Purchase, 14067 A ; Cement Prices, 14602 B.)

A. PERU. — Inauguration of President Prado. - New Cabinet. - Legalization of Aprista Party. - Revocation of Expulsion of Haya de la Torre.

The newly-elected President of Peru, Dr. Manuel Prado, was officially inaugurated for a six-year term of office on July 28. On the same day the new Peruvian Congress passed a series of Bills which legalized the Aprista party (*Alianza Popular Revolucionaria Americana*) after eight years of outlawry ; revoked the law under which the Aprista leader, Señor Raul Haya de la Torre, had been exiled ; restored all confiscated property of Aprista party members ; and ordered the immediate release of all political prisoners. The Bills were signed by President Prado as his first act on taking office, and all remaining political detainees were released the same evening. Most of them were Army officers who had been imprisoned for plotting against the regime of General Odria, the former President ; they included General Marcial Merina, who led the abortive revolt at Iquitos in February last.

A new Cabinet was formed by President Prado on July 29, with the following membership. Prime Minister and Foreign Affairs—Dr. Manuel Cisneros (a lawyer and newspaper publisher) ; Government and Police—Dr Augusto Thorndike, Finance and Commerce—Dr. Juan Pardo ; War—General Alejandro Cuadra, Navy—Rear-Admiral Emilio Barrón ; Aviation—General Manuel P Garcia ; Education—Dr. Jorge Basadre, Development and Public Works—Señor Carlos Alzamora ; Justice and Culture—Dr. Jorge Fernandez ; Public Health—Dr. Jorge Haaker, Agriculture—Señor Edgardo Masias, Labour—Dr Ricardo Elias

In his inaugural speech President Prado pledged his Government to assure all democratic freedoms, and said that special concern would be paid to legislation to improve the conditions of the workers. He also said that his Government would base itself on the principle of Western hemispheric solidarity, and that Peru would be "an advance outpost in defence of the hemisphere against all threat of totalitarian infiltration." (New York Times)

(Prev. rep. 15000 A.)

B. JAPAN. — Elections to Upper House.

Elections were held on July 8 for half the membership of the Japanese Upper House (the House of Councillors), in accordance with the constitutional requirement whereby half the members are elected at three-yearly intervals. [The 250 members of the House of Councillors hold their seats for six-year terms, half of them retiring every three years.] The actual number of seats filled was 127—i.e. half the House's membership (125) plus two vacancies outstanding.

The elections were the first to be held since the emergence of a two-party system in Japan (see 14531 A). Results were as follows, showing for each party the newly-elected members, those not up for election (incumbents), and total party strengths in the new and former Houses :

	Newly-elected members	Incumbents	New House (total)	Old House (total)
Liberal Democrats .	61	61	122	122
Socialists .. .	49	31	80	68
Green Breeze Society ..	5	26	31	43
Communists .. .	1	1	2	1
Minor parties and Independents ..	11	4	15	16

The most notable feature of the elections was the important gains made by the Socialists, who increased their representation by 12 seats and polled 11,156,057 votes (37.6 per cent), compared with 8,536,126 (29.9 per cent) at the last Upper House elections in 1953. The Liberal Democrats (the Government party) maintained their position unchanged, polling nearly 3,000,000 more votes than in 1953—14,354,005 (48.3 per cent) against 11,359,623 (39.7 per cent) The biggest setback was suffered by the conservative Green Breeze Society (*Ryokufukai*), which lost 12 seats to the Socialists and polled only 653,843 votes (2 2 per cent), compared with 2,883,568 (10.1 per cent) in 1953 The Communists, though having only two members, almost doubled their poll as compared with 1953—from 599,054 votes (2 1 per cent) to 1,149,009 votes (3 8 per cent). Among the minor parties, the Farmer-Labour group lost the two seats it held in the former House.

The elections were of particular significance because the Government needed a two-thirds majority in the Upper House (i.e. 167 of the 250 members) to carry out its proclaimed intention of revising the post-war Constitution—the so-called "MacArthur Constitution"—so as to permit the rearmament of Japan. As a result of the elections, the Liberal Democrats and the Green Breeze Society (which usually supports the Government) command together only 153 seats in the new Upper House—i.e. 14 fewer than the number necessary to pass constitutional amendments. The necessary two-thirds majority is also not forthcoming in the Lower House (see 14133 A). Rearmament is strongly opposed by the Socialist Party, which advocates a "neutralist" foreign policy, friendship with the Soviet Union and Communist China, and the abandonment of the U.S.-Japanese defence pact.—(Japanese Embassy Press Office, London - New York Times - New York Herald Tribune)

(Prev. rep. General Election, 14133 A ; Upper House Elections, 12956 A.)

C. UNITED NATIONS. — Convention for Protection of Cultural Property in Wartime. - Entry into Force.

The U.N. Convention on the protection of art treasures and cultural property in time of war came into force on Aug. 7, by which date it had been ratified by five of the signatories to the convention signed in The Hague in May 1954—Burma, Egypt, Mexico, San Marino, and Yugoslavia. A sixth ratification, that of Hungary, was completed on Aug. 17.

The Convention had been signed by 50 countries—including Britain, France, the Soviet Union, and the U.S.A.—at or after The Hague meeting, which was held under the auspices of the U.N. Educational, Scientific, and Cultural Organization (Unesco). It laid down that all public buildings, monuments, etc., of cultural and artistic value would be marked in time of war with a special emblem (a blue cross on a white background) which all belligerents would be obliged to respect ; that a register of such property would be kept at Unesco headquarters in Paris ; and that all signatories to the Convention would take the necessary steps to safeguard art and cultural treasures in time of war, including the building of bomb-proof shelters capable of housing works of art, manuscripts, pictures, books, sculptures, and scientific collections. Vandalism, pillage, or misappropriation are prohibited under the Convention, as well as the export of artistic and cultural objects from any territory under occupation.

The Convention provided that it would come into force when ratified by five signatories.—(Le Monde, Paris - United Nations Review, New York - U.N. Information Centre, London)

(Prev. rep. Unesco Convention, 14084 A.)

A. INTERNATIONAL FINANCE CORPORATION. — Coming into Force of Charter. - Mr. Garner appointed President of I.F.C. - Statement of Policy.

The Charter of the International Finance Corporation (see 14168 A) came into force on July 21 when France and Western Germany became members, bringing the total membership to 31 countries and capital subscriptions to $78,366,000. The 31 members, with their subscriptions, were :

Australia	$2,215,000	Guatemala	$22,000
Bolivia	$78,000	Haiti	$22,000
Canada	$3,600,000	Honduras	$11,000
Ceylon	$166,000	Iceland	$11,000
Colombia	$388,000	India	$4,431,000
Costa Rica	$22,000	Japan	$2,769,000
Denmark	$753,000	Jordan	$33,000
Dominican Republic	$22,000	Mexico	$720,000
Ecuador	$35,000	Nicaragua	$9,000
Egypt	$590,000	Norway	$554,000
El Salvador	$11,000	Pakistan	$1,108,000
Ethiopia	$33,000	Panama	$2,000
Finland	$421,000	Peru	$194,000
France	$5,815,000	Sweden	$1,108,000
Germany (Western)	$3,655,000	United Kingdom	$14,400,000
United States	$35,168,000		

On July 24 the Directors of the I.F.C. appointed Mr. Robert Garner, previously Vice-President of the International Bank, to be President of the Corporation. Mr. Garner nominated Mr. J. G. Beevor as Vice-President and General Manager of the I.F.C., Mr. Richard Demuth as Assistant to the President, and Mr. Davidson Sommers as General Counsel.

Mr. Garner (62) was born at Bolton (Mississippi) and graduated at Vanderbilt University. Before becoming a Vice-President of the International Bank in 1947 he had been a Vice-President of the Guaranty Trust Company and of the General Foods Corporation

Mr. Beevor (51) was born at Newark (Notts.) and graduated at New College, Oxford. Before joining the International Bank in March 1956 to assist in organizing the I.F C., he had been managing director of the Commonwealth Development Finance Company.

Mr Demuth (46) was born in New York City and graduated at Princeton. He became Special Assistant to the U.S Attorney General in 1939 and in 1947 joined the staff of the International Bank, where he retains the position of Director of Technical Assistance.

In a signed article in *The Times* on July 25, Mr. Garner stressed the experimental nature of the new corporation and outlined the principles on which it would be run.

" The corporation's aim," he wrote, " is to make investments in private productive enterprises in member-countries, particularly in the less developed areas. These investments are to be made in partnership with private investors from capital-exporting countries, or from the country where the enterprise is situated, or preferably in partnership with both. It is envisaged that the corporation's investment will never be more than half of the capital needed for a venture, and often considerably less than that . . . The rate of interest in each case would be a matter for negotiation, depending on the risks and on the other terms of the investment. In general, it would be reasonable to expect that loans would normally run between five and 15 years.

"An International Finance Corporation investment can range from a fixed interest first mortgage bond, enjoying absolute priority for capital and income, to an unsecured income debenture, which may carry rights approaching closely to the rights of share capital Moreover, since the corporation will wish to make profits appropriate to the risks it will incur and to revolve its funds by selling its successful investments to private purchasers, it is expected that its holdings will be of such a kind that purchasers will have some rights of conversion into share capital. For instance, an appropriate form of investment would be either a debenture carrying some rights of conversion into shares, or a debenture coupled with an option certificate or warrant for the subscription or purchase of stock or shares in the enterprise. Some rights of participation in profits before conversion may also be a feature . . .

"For several reasons, the corporation's investments are likely to be in industrial rather than other fields. For one thing, if the I F.C is to be able to begin to revolve its portfolio fairly soon, industrial investments offer the best opportunities. Such investments are likely to become productive and saleable in a shorter period than investment in agricultural enterprises or public utilities. Also, the risks of industrial investments are more easily assessable and the principles of successful industrial investment are more nearly identical throughout the world than are those of, say, agricultural investments."

At the first meeting of the I.F.C.'s Board of Directors on July 24, member-governments were asked to make full payment for their shares of the Corporation's capital stock within 30 days. (International Finance Corporation, Washington - Times) **(Prev. rep. 14499 A.)**

B. BENELUX. — Population Figures.

The General Secretariat of the Benelux Customs Union announced in July that the combined population of the three Benelux countries was 20,029,000 as at Dec. 31, 1955—the Netherlands, 10,822,000 ; Belgium, 8,896,000 ; Luxemburg, 311,000.—(Netherlands News Agency) **(Prev. rep. 14933 D.)**

C. SOVIET UNION - POLAND - UNITED STATES.— Allegations of Violation of Soviet and Polish Territory by American Aircraft. - U.S. Rejection of Allegations.

The Soviet Government, in Notes delivered in Washington on May 14 and July 10, alleged that U.S. military aircraft had violated Soviet airspace on a number of occasions in April and July.

(1) The flights mentioned in the earlier Soviet Note were alleged to have occurred over northern and eastern parts of the Soviet Union on April 5, 12, 15 and 18, but a U S Note in reply denied that any such flights had taken place. The text of these Notes was not published

(2) The Soviet Note of July 10 asserted that on July 4 and 5 twin-engined medium bombers had penetrated into Soviet territory as far as Kaliningrad (formerly Konigsberg), Kaunas and Vilna (Lithuania), and Baranovichi, Brest-Litovsk, Minsk, and Pinsk (Byelorussia) Further violations were alleged to have taken place on July 9, no details being given. The Note said that " these violations can only be assessed as deliberate and carried out for reconnaissance purposes " After drawing attention to the presence of General Twining [Chief of U S Air Staff] in Western Germany at the time of the alleged flights, it declared that " full responsibility for the possible consequences of such violations rests with the U S. Government " and demanded that the U.S. Government should " take measures to punish those guilty and to prevent such violations in the future."

The U S. reply, delivered on July 19, took exception to the Soviet suggestion that the alleged flights had been arranged by General Twining, and continued " A thorough inquiry has been conducted and it has been determined that no U.S. military planes based, or flying, in or adjacent to the European area at the time of the alleged overflights could possibly have strayed, as alleged, so far from their known flight plans, which carefully exclude such flights as the Soviet Note alleges "

The Chief of Staff of the Soviet Air Force, Marshal Rudenko, admitted to foreign press corespondents on July 23 that the Soviet pilots who had observed the aircraft referred to in the Note of July 10 had not identified them as bearing U S markings, but only as being of U S types. He added that Soviet pilots had orders not to shoot in cases of " casual violation " of airspace by foreign aircraft, but said that if violation was " continuous and deliberate " they would act accordingly.

The Polish Ambassador in Washington (M. Spasowski) delivered an oral protest to the U.S. State Department on July 16, alleging flights by U.S. aircraft over Polish territory in late June and early July. A statement issued by the Polish Embassy said that M. Spasowski had stressed that the number of incidents showed that it was an " organized action." (New York Times - New York Herald Tribune) **(14723 A.)**

D. PERSIA. — Shah of Persia's Visit to U.S.S.R. - Relinquishment of Soviet Oil Concession in Persia.

The Shah of Persia, accompanied by the Empress Soraya, paid a State visit to the Soviet Union from June 25 to July 12 in response to an invitation extended by the Soviet Government earlier in the year. During their three weeks in the U.S.S.R., the Shah and the Empress visited many industrial, agricultural, and educational establishments, attended the opening session of the Supreme Soviet on July 11 (see 15032 A), and visited many parts of the Soviet Union by air, including Stalingrad and other cities. The Shah also had meetings with President Voroshilov, Marshal Bulganin, and other Soviet leaders.

At a State banquet given in the Shah's honour on July 10, President Voroshilov gave assurances of the U.S.S R.'s friendship for Persia, emphasized that the Soviet Union had no territorial aspirations, and expressed the hope that Persian territory would " never be used to threaten our southern borders "—an apparent allusion to the Baghdad Pact, to which, however, neither President Voroshilov nor the Shah alluded directly. In reply, the Shah stressed that Persia " has never joined and never will join any aggressive blocs directed against the U.S.S.R.," and reiterated that Persia desired peace and friendship with the Soviet Union and all countries. In an implied reference to Persia's membership of the Baghdad Pact, the Shah declared : " If the Persian Government has undertaken measures for defence, they have been dictated by the needs of the State on the basis of past experience and of the general international situation."

Moscow Radio announced on July 28 that the Soviet Government had decided to relinquish all its rights in the Kevir-Khuryan Oil Company in northern Persia, and to transfer them to the Persian Government. It was stated that this decision had been taken " with the object of strengthening and developing good-neighbourly relations between the Soviet Union and Persia," and as a manifestation of Soviet foreign policy towards the " countries of the East that have taken the road of free and independent development."

The Kevir-Khuryan Company was set up in 1925 as a joint Soviet-Persian concern to exploit the oilfields of northern Persia and to refine and sell the oil products. The concession was for a 70-year period.—(Times - Le Monde - Soviet Weekly)

AUGUST 25—SEPTEMBER 1, 1956

A. THE SUEZ CRISIS. — London Conference. - U.S. Plan for International Control of Suez Canal. - Indian Plan for Egyptian Operation of Canal with International Advisory Body. - 18-Nation Support for U.S. Plan as amended by Pakistan, Persia, Turkey, and Ethiopia. - Soviet, Ceylonese, and Indonesian Support for Indian Plan. - Five-Nation Committee formed by Majority Powers. - President Nasser's Acceptance of Discussions with Five-Nation Committee.

The London Conference on the Suez Canal ended on Aug. 23 after having lasted for seven days. Two plans for the future of the Canal were put forward during the conference :

(1) A U.S. plan, presented by Mr. Dulles and later amended by Pakistan, Ethiopia, Persia, and Turkey, for international control of the Canal. It was supported by 18 countries—Australia, Denmark, Ethiopia, France, the German Federal Republic, Italy, Japan, the Netherlands, New Zealand, Norway, Pakistan, Persia, Portugal, Spain, Sweden, Turkey, the United Kingdom, and the United States.

(2) An Indian plan, presented by Mr. Krishna Menon, for the operation of the Canal by Egypt, assisted by an international advisory body representing users of the Canal. This plan was supported by the Soviet Union, Indonesia, Ceylon, and India herself.

The 18 countries supporting the majority plan decided at the end of the conference to appoint a five-nation committee, under the chairmanship of the Prime Minister of Australia (Mr. Menzies), to present and explain this plan to President Nasser and the Egyptian Government. The committee would represent all 18 countries supporting the plan, its four other members being the Foreign Ministers (or their representatives) of Ethiopia, Persia, Sweden, and the United States.

It was also agreed at the suggestion of Mr. Selwyn Lloyd (chairman of the conference) that a verbatim report of the proceedings should be sent to President Nasser, including both the majority and minority plans, together with separate proposals presented by the Spanish delegation.

The London Conference is described below under cross-headings and on a day-to-day basis :

August 16. - Mr. Dulles on Principles of Suez Canal Settlement.

The conference was opened with a speech by the U.S. Secretary of State, who set forth the principles under which, in the U.S. Government's view, the Suez Canal should operate in future.

Mr. Dulles said that President Nasser, in his speech of July 26 " purporting to nationalize the canal," had made it clear that Egypt's action was not merely retaliation for the British and American refusal to finance the Aswan Dam. He (Colonel Nasser) had declared that Egypt intended " to score one triumph after another " and to use the canal for the " grandeur of Egypt." After commenting that " the grandeur of a nation is not rightly measured by its ability to hurt or threaten others," and pointing out that inter-dependence as well as independence was a characteristic of the modern world, Mr. Dulles continued :

" In the Suez Canal, the interdependence of nations achieves perhaps its highest point. The economic life of many nations has been shaped by reliance on the Canal system, which has treaty sanction. To shake and perhaps shatter that system, or to seek gains from threatening to do so, is not a triumph, neither does it augment grandeur The Suez Canal, by reason of its internationalized character both in law and in fact, is the last place wherein to seek means of gaining national triumphs and promoting national ambitions.

" President Nasser . . . now says that Egypt will accord freedom of transit through the Canal, that operations will be efficient, and that tolls will continue to be reasonable. But we are bound to compare those words with other words which have perhaps a more authentic ring. We are also bound to note the difference between what the Treaty of 1888 called ' a definite system destined to guarantee at all times and for all Powers the free use of the Suez Canal ' and an Egyptian national operation which puts other nations in the role of petitioners

" One thing is certain. Whatever may be the present intentions of the Egyptian Government, the trading nations of the world know that President Nasser's action means that their use of the Canal is now at Egypt's sufferance. Egypt can in many subtle ways slow down, burden, and make unprofitable the passage through the Canal of the ships and cargoes of those against whom Egypt might desire, for national political reasons, to discriminate. Thus Egypt seizes hold of a sword with which it could cut into the economic vitals of many nations . .

" What is required is a permanent operation of the Canal under an international system which will, in fact, give confidence to those who wish to use it Confidence is what we seek, and for this it is indispensable that there should be an administration which is non-political. That, I think, is the key to the problem—an operation which is non-political in character. The Canal should not be allowed to become the instrument of the policy of any nation or group of nations, whether of Europe, Asia, or Africa.

" The United States does not believe that the Egyptian Government had the right to wipe out the Convention establishing the rights of the Suez Canal Company until 1968. That arrangement had the status of an international compact. Many nations relied on it. The operating rights and assets of the Company were impressed with an international interest . . . "

Mr. Dulles expressed his conviction, however, that " a fair and equitable plan can be devised which will recognize the legitimate interests of all." Such a plan, he emphasized, should be governed by the following four principles :

(1) The Canal should be operated efficiently as a free, secure international waterway in accordance with the principles of the Convention of 1888.

(2) Its operation should be divorced from the influence of national politics, from whatever source derived.

(3) There should be recognition and satisfaction of all legitimate rights and interests of Egypt in the Canal and in its operation, including an equitable and fair return.

(4) Provision should be made for the payment of fair compensation to the Suez Canal Company.

Mr. Dulles went on to say that a plan along the following lines would satisfy all the above-mentioned requirements

(1) The operation of the Suez Canal in accordance with the principles of the 1888 Convention would be made the responsibility of an international board to be established by treaty and associated with the United Nations Egypt would be represented on such a board, but no single nation would dominate it. Its composition would be such as to assure that its responsibilities would be discharged solely with a view to achieving the best possible operating results, without political motivation in favour of, or in prejudice against, any user of the Canal.

(2) Egypt would by appropriate arrangement have the right to an equitable return which would take into account all legitimate Egyptian rights and sovereignty.

(3) The arrangement would make provision for payment to the Suez Canal Company of fair compensation.

(4) Any differences on the last two points would be settled by an arbitral commission appointed by the International Court of Justice.

In conclusion, Mr Dulles emphasized that such a plan would not infringe on Egypt's sovereignty ; that the 1888 Convention had made the Canal an international and not an Egyptian waterway ; and that Egypt had always recognized the Convention as binding, and continued to recognize it as such He added " We recognize that at this stage any proposal should be flexible, within the limits of such basic principles as we have outlined Egypt's views should be ascertained. But we believe that the principles set forth, and a plan such as that outlined, contain the basic elements needed to restore confidence and to assure that the Suez Canal will be operated in accordance with the Treaty of 1888."

The Soviet Foreign Minister made a speech which largely recapitulated the arguments in the Soviet Note of Aug. 9 (see page 15041). Mr. Abdulgani, the Foreign Minister of Indonesia, supported Egypt's action in nationalizing the Suez Canal, while Dr. Cunha (Portugal), Hr. Undén (Sweden), and Dr. Martino (Italy) spoke in support of the U.S. proposals.

Mr. Shepilov commented that the conference had been convened " by two signatories to the 1888 Convention [Britain and France] together with the United States, which is not a signatory of the Convention." He protested at the fact that no invitations had been sent to the successor States of the Austro-Hungarian Empire or to the Arab States, the German Democratic Republic, the People's Republic of China, and other maritime States " making extensive use of the Canal "

Mr. Abdulgani pointed out that the Suez Canal was of fundamental importance not only to the Western but also to the Asian nations—" the Achilles heel of our national economy." He maintained that the Canal itself was an integral part of Egypt, supported the Egyptian Government's right to nationalize the Suez Canal Company, which was " an Egyptian legal entity and therefore subject to Egyptian law ", and said that the crux of the matter was unrestricted freedom of navigation on the Canal, which had been laid down in the 1888 Convention and reaffirmed by Egypt herself. After expressing the opinion that the Convention " could still be used as a basic guarantee for the future," Mr. Abdulgani declared that was " in the interest of Egypt herself that the Suez Canal should be operated efficiently and that free passage should be secured for every nation without discrimination."

August 17. - Soviet Proposal for Wider Conference. - French Proposal for Non-profit-making International Authority. - Speeches by Mr. Shepilov and M. Pineau.

Mr. Shepilov, in a further speech on this date, supported the Egyptian Government's proposal (see page 15042) for a wider international conference on the Suez Canal with the participation of " States signatories to the 1888 Convention and of all States which make use of the Canal."

The Soviet Foreign Minister said that there were two aspects of the Suez Canal question (1) nationalization of the Suez Canal Company, and (2) freedom of navigation on the Canal. The first aspect "fell exclusively within the competence of the Egyptian State" and "could not be discussed at this conference if we are desirous of observing the principles of non-interference in the internal affairs of States." The second aspect affected many nations.

After defending the nationalization of the Suez Canal Company as "a lawful and justified act," and referring to nationalization measures in France, Great Britain, and Mexico as a justification of Egypt's action, Mr. Shepilov accused the Suez Canal Company of having "recently started disorganizing activities aimed at paralysing normal navigation on the Canal and creating international complications." He asserted that the Company, founded on the basis of a century-old concession, had "a pronounced colonialist character" and that its continued existence was "incompatible with mid-20th century conditions." He went on to accuse the Company of having cared less for the proper upkeep of the Canal than for its revenues, declaring in this connexion: "It is characteristic that the Company's income in 1955 amounted to about 35,000 million francs, while its expenses did not exceed 18,000 million francs. From the profits of over 10,000 million francs Egypt received little more than 1,000 million francs. It is only natural that the Egyptian Government has drawn the proper conclusions and nationalized the Company."

The Western Powers (Mr Shepilov continued) proposed that the Canal should in future be run "not by Egypt but by other foreign Powers from behind the signboard of an international authority," a proposal which was "contradictory to the basic principles of the United Nations and the provisions of international law." The Soviet Union could not agree that "a part of the territory of Egypt over which the Suez Canal passes should be considered as territory over which Egypt has no sovereign rights," and the establishment of an international authority as proposed by the Western Powers "would actually mean the restoration of the former Suez Canal Company under a new signboard and with the participation of some new States." Referring to what he described as "military preparations" in Britain and France, M. Shepilov said that any attempt to impose the Western plan on Egypt by force would mean a "violation of peace in the Near and Middle East" which might "flame up into a large conflict covering the whole area and possibly going outside its limits."

M. Shepilov said that the Soviet Government fully understood the interest of Britain and France in the Suez Canal and in the sea communications with the Middle East, in which both countries had important interests. But it believed that "the solution of these questions should be arrived at by methods of economic co-operation on equal and mutually advantageous terms which are acceptable to all the countries concerned," and not by "the media of coercion" He continued ·

"We have to seek the solution of questions connected with secure safeguards for freedom of navigation on the Suez Canal and its effective functioning as a free, open, and safe navigable sea route. We must work out—with the indispensable participation of Egypt and with regard for her rights and interests as a sovereign State, as well as for the interests of all States which use the Canal—proper measures which would establish such safeguards. The Convention of 1888, which is still valid, provides for freedom of navigation on the Suez Canal. The Egyptian Government has confirmed its obligations under that convention. There arises the question of concluding .. a new international convention, or an agreement supplementary to the Convention of 1888. Egypt, under whose sovereignty and in whose possession the Canal is, would assume obligations to assure freedom of navigation; to protect the Canal and its installations against any violations; to maintain the Canal in a proper condition; and to carry out works to increase the capacity of the Canal . . . "

In conclusion, Mr. Shepilov said that "if the exchange of opinions at this conference results in some generally acceptable principles," it would be possible to convene a larger and "more representative" conference along the lines suggested by the Egyptian Government. He suggested that the composition, time, and place of such a conference could be worked out by a preparatory commission consisting of representatives of Great Britain, France, the United States, the Soviet Union, India, and Egypt.

The French Foreign Minister, M. Pineau, proposed that the Suez Canal should be run by a non-profit-making international authority consisting of "the main interested countries and users of the Canal, including Egypt."

After recapitulating the French Government's view that Egypt was not entitled to nationalize the Suez Canal Company, in view of the latter's international character and the fact that it was "a limited liability company set up under French law," M. Pineau suggested that an international body such as he had proposed could usefully be linked with the United Nations. It might also be laid down that any attack on the international authority would automatically be regarded as aggression under the U N. Charter. "The international authority," he continued, "would have the following powers· fixing of tariffs, management of the Canal, determination of necessary investments, indemnification of the Suez Canal Company, and payment of dues to Egypt It would draw no benefits itself Any excess of revenue over expenditure would be placed entirely at Egypt's disposal, after payment of compensation to the Suez Canal Company. No selfish interests would be served by this sytem, moreover, it would show the Egyptian people that no-one refused them the right to a fair return. During the next 12 years [i e. until the expiry of the Suez Canal Company's concession in 1968] we could, for example, adopt a system whereby part of the Canal's profits would be earmarked for compensating the Company, and part for Egypt, which would receive all the profits at the end of the 12-year period. Thus, from a financial point of view, Egypt would find herself in just as favourable a position as is provided for in the 1888 Convention . . . "

M. Pineau concluded "The following question has often been put to us If Colonel Nasser does not accept the solution proposed by this conference, what then? How is it to be imposed on him? In fact, the means would be numerous. But I do not consider we are here to study them; our task is to find a solution, and not the method to carry out that solution in practice. But in my view one thing is certain Colonel Nasser will be all the more ready to accept a solution if he does not see among the users of the Canal divisions which it would be easy for him to exploit. History shows that those who bear the responsibility for wars are often those who have preached peace but who lacked courage at the time when they should have shown firmness. Dictators have always gambled and won on the weaknesses and divisions of their victims . . "

The representatives of New Zealand, Norway, Denmark, Western Germany, Japan, Persia, and Turkey gave general support to Mr. Dulles's proposals, while the Spanish Foreign Minister put forward separate proposals on behalf of his delegation.

Mr. Macdonald (New Zealand) emphasized that the problem was essentially one of international trust and confidence, which had been "seriously shaken" by Colonel Nasser's action. After commenting that "we can hardly be content with vague assurances and a loose system if trust is non-existent," Mr Macdonald said: "I shall invoke one example from history which highlights this question of trust. On Sept. 1, 1951, the Security Council adopted a resolution . . . which is especially relevant to our discussions. It stated that the restrictions applied by Egypt against shipping to Israel were 'an abuse of the right of visit, search, and seizure' It stated also that 'these restrictions, together with sanctions applied by Egypt to certain ships which have visited Israeli ports, represent unjustified interference with the rights of nations to navigate the seas and to trade freely with one another . . .' Accordingly the Security Council called upon Egypt 'to terminate the restrictions on passage of international commercial shipping and goods through the Suez Canal wherever bound, and to cease all interference with such shipping beyond that essential to the safety of shipping in the Canal itself and to the observation of international conventions in force.' Egypt did not obey the Security Council's resolution, and has not obeyed it since It has continued to prevent free passage through the Suez Canal of shipping bound to or from Israel The significance of this fact is clear. Despite Colonel Nasser's declarations of willingness to abide by the 1888 Convention, there can be no assurance that he would not, in pursuit of some national interest or in prosecution of some private grievance, discriminate against the shipping of other countries as he discriminates today against that of Israel . . . This example from history provides a warning and a guide. Its significance becomes all the greater in the light of recent events . . . "

Hr. Lange (Norway) said that Mr Dulles' proposals were generally acceptable to his Government, though any suggestions which the conference might agree upon should be kept flexible "in view of the necessity for future negotiations with Egypt as the sovereign of the territory through which this great international waterway runs." He fully agreed with Mr. Dulles' opinion that the Canal "should not be allowed to become the instrument of the policy of any single country," and that the only real safeguard for the interests of user-nations was "the operation of the Canal by an international regime non-political in character," taking account of "the legitimate interests of Egypt as the territorial sovereign." Hr. Lange criticized Egypt's unilateral action, taken without prior notice or consultation, as having "dealt a severe blow to international confidence," and associated himself with the idea that some link should be established between the future international regime and the United Nations After saying that Norway, as the second largest user of the Suez Canal, was "frankly worried" about a possible breakdown of Canal traffic, the Norwegian Foreign Minister emphasized that a solution must satisfy two minimum requirements. (1) free passage without discrimination, and (2) an administration "able and willing" to assure efficient administration, maintenance, and development of the Canal

Hr. Hansen (Denmark) spoke along similar lines, strongly supporting the idea of an international board for the Canal associated with the United Nations **Herr von Brentano** (Western Germany) said that the principle of free navigation through the Canal should be internationally guaranteed and that any agreement should be based on the Convention of 1888, taking full account of the interests of Egypt. **Mr. Shigemitsu** (Japan) believed that the parties to the dispute had not exhausted all means of compromise, and stressed that any solution must be in accordance with the spirit of the U.N. Charter.

Mr. Birgi (Turkey) said that all parties, including Egypt, recognized that freedom of navigation through the Canal was indispensable, and that a solution had to be sought "of a nature to satisfy the legitimate interests of all the parties concerned, beginning with Egypt." "In the light of these points of departure," he continued, "the question of setting right the extremely dangerous state of affairs created by the Egyptian Government's decision to nationalize the Canal—unfortunately in an untimely manner, unilaterally, and without consulting not only those directly interested, but even its partners of the Arab League—would become easy if one could rid the problem of

a number of emotional elements, involving the principles of independence, national sovereignty, State prestige, and even, to speak frankly, of the sentimental antagonism between East and West The circumstances and the state of mind in which the Egyptian Government decided to effect the nationalization of the Suez Canal Company—reflected in certain declarations by President Nasser, of which Mr. Dulles cited characteristic passages—indicate that we are faced with a problem, the difficulty and gravity of which arise chiefly from political and emotional elements . . .

" Some in good faith, and others by ulterior design—the motives of which I should not like to analyse here—have seen fit to present this question of nationalization as involving a manifestation of the national sovereignty of an Arab and Islamic State, and to look upon the issue as one concerning the prestige not only of such a State but also of an entire family of States. The Turks are Islamic by faith Turkey desires the full sovereignty and independence of all the Arab countries, including of course Egypt. She also wishes to see them strong, prosperous, and protected against any aggression wherever it may come from, and against any pressure whatever may be its nature. We would not be here today if we had the slightest suspicion that there was any question of infringing the sovereignty, independence, or prestige of the Egyptian nation . . "

After declaring that " the right to effect nationalization . . . cannot be denied to any sovereign State, provided that it respects certain universally recognized rules of law and equity," the Turkish delegate continued · " The facts are that the Canal is an artificial waterway necessitating constant maintenance and improvement . . . Since there is unanimity in recognizing the international character of freedom of passage. why should there be any reluctance to admit that the case which we have to examine . . calls for an impartial and international guarantee ? What is there that would be incompatible with the sovereignty or prestige of Egypt ? Is there any question of infringement of sovereignty ? Is it not true that international arrangements, freely consented to among sovereign States, constitute the very basis of international life ? What country has not accepted, in full exercise of its sovereign rights, commitments which involve the freedom of its action ? . . . . For all these reasons the Turkish delegation supports as a basis for equitable discussion the suggestions made by Secretary of State Dulles . . "

Dr. Ardalan (Persia) spoke of the importance of the Suez Canal to his country, and said that he would support any international system compatible with Egypt's sovereignty which would ensure free and secure navigation through the Canal. He supported Mr. Dulles's proposals as " constructive."

Señor Artajo (Spain) said that Egypt's action in nationalizing the Canal was unobjectionable provided that the shareholders' rights to compensation were respected As several Articles of the 1888 Convention were outdated, he believed that a revision should not be delayed. He did not think it was necessary that an international administration should assume the direct management of the Canal, and proposed instead that countries using the Canal should be represented on the Board of Directors of the Egyptian Authority with sufficient power to safeguard free navigation on the Canal

At a subsequent press conference at the Spanish Embassy, Señor Artajo explained that the Spanish proposals envisaged " efficient " and " proportionate " representation of user-countries on the board of the Egyptian Authority. The countries represented would be chosen not by weight of their shipping tonnage passing through the Canal but by the bulk of the cargoes carried, and for reasons of " political sensibility " they should not be confined to the great Powers.

August 18. - Statements by British, Australian, Pakistani, Ceylonese, and Netherlands Delegates.

The principal speakers on this date were Mr. Selwyn Lloyd (U.K.), Mr. Robert Menzies (Australia), Mr. Hamidul Huq Chowdhury (Pakistan), Sir Claude Corea (Ceylon), and Mr. Luns (Netherlands).

The British Foreign Secretary emphasized that a solution of the Suez Canal problem should contain " three necessary ingredients " : (1) the shareholders of the Suez Canal Company should be justly treated ; (2) whatever new arrangements were made should command " the support and confidence of those with the technical skills which are necessary for the successful operation of the Canal " ; (3) the Canal " must be freed from politics."

Mr. Selwyn Lloyd spoke as follows · " We have 13,000 British subjects in Egypt. We have a base there operated by British civilian contractors. We have British ships passing through the Canal. I do not want to talk too much about the past, but the methods adopted by Colonel Nasser, the occupation of the Company's property by armed troops, the order to the employees to stay at work or else go to prison—all these things were indicative of an attitude of mind such that anything might happen at any time . . We have therefore taken certain military precautions I have not the slightest doubt we were right to do so. Nevertheless, it is our firm and sincere desire that we should reach a peaceful settlement. British Governments and British people do not like the use of force. It is for us always the last resort. As a nation we are very slow to anger, but when it is clear that vital interests are threatened by acts of deliberate hostility, we stand fast whatever the odds.

" There is one other matter to which I want to refer about the past, and that is the illegality of the action of Colonel Nasser . . . In my opinion, the Egyptian Government have been guilty of an illegal act. The breach of contract is not the less so because it is a Government which commits the breach . . . Everyone round this table really knows in his heart of hearts that the Canal Company was an international company Whatever an Egyptian Government could do with the assets of that company in Egypt because it was technically incorporated in Egypt, the fact is that the matter was handled in such a way as to disregard the rule of law between nations . . .

" It has been inferred outside this conference that any international participation in the control or operation of the Suez Canal would be an infringement of Egyptian sovereignty. I do not accept that proposition .. That view, I submit, is based on a complete misconception of the nature of sovereignty under international law. Sovereignty does not mean the right to do exactly what you please within your own territory. Sovereign government is the right in a general way to organize and govern the national territory and economy according to the wishes of the Government of that territory. But the doctrine of sovereignty gives it no right to use the national territory, or do things within the national territory, which are of an internationally harmful character The maxim ' So use your own that you do not hurt that which belongs to another ' is one which is accepted by every legal system in the world . . .

" I have found the approach of the Governments represented here most reassuring There seems to be agreement that a system must be evolved which will, having due regard to Egyptian sovereignty, be a safeguard for the world and its interests in this international waterway . . . Almost every one of you who has spoken has indicated his support for that thesis . . . "

After saying that Mr Dulles had " set out certain principles whereby a proper balance would be held between the sovereign rights of Egypt and the requirements of those nations who benefited from the Canal," Mr. Selwyn Lloyd pointed out that the economies of many Asian countries, as well as Western European countries, depended to a large extent upon the efficient working of the Canal. " To give but a single example," he added, " I believe that the successful completion of the Second Five-Year Plan in India depends to no small extent upon the way the Canal is operated."

Mr Selwyn Lloyd went on to enumerate the above-mentioned " three necessary ingredients " which were essential to a solution. On the third point, he said · " If one Government is going to control transit through the Canal according to political considerations, it is impossible to see where the line would be drawn. The risks of increased tension would be immeasurable. The only safe answer is that the operation of the Canal should somehow or other be under international control. It is in Egypt's interest to take this matter out of the arena of international politics. I think that we are really all agreed on this Some international system must be evolved

" How is it to be brought about ? The first step is for this conference, I hope unanimously, to declare itself in favour of certain principles. Such a declaration would not be an interference with the domestic affairs of Egypt . . . The kind of international body that has been suggested would only deal with matters which, by virtue of the Convention of 1888, reaffirmed in 1954, were with Egypt's consent taken out of the realm of its internal jurisdiction.

" The next matter for us to consider is how these principles are put to the Egyptian Government. Mr. Shepilov has suggested another conference of some 46 countries. With respect, I do not think that is a good idea We should not make rapid progress by that method. It would take a great deal of time and the urgency of this crisis does not really permit of that Consequently I wish to invite my colleagues to agree that we should do two things as soon as possible. First, formulate the principles to which I have referred ; and secondly, arrange how they should speedily be conveyed to the Egyptian Government."

The Australian Prime Minister, Mr. Menzies, expressed the view that there would be advantages to both sides—i.e. the canal-users and Egypt—on making an arrangement " along the lines indicated by the U.S. Secretary of State."

Mr. Menzies said that he had been " greatly impressed " by the speech of the Turkish delegate, which had disposed of the idea that nations east and west of Suez had interests which were antagonistic. The truth was that " we all have a common interest in a free, open, competently managed, and ever-improving Suez Canal." Mr. Shepilov, moreover, had agreed that there must be freedom of navigation on the Canal, and this seemed to give a " pretty good initial common ground from which we can proceed to consider the vital question of how this freedom is to be guaranteed."

After pointing out that the Canal was " literally a going concern which must be constantly kept in good shape and in good repair, and which, judging by the present saturation of traffic, will need to be extended," Mr. Menzies continued : " Everyone concedes the vital international significance of this Canal. The head of the Egyptian Government does not himself—at any rate at this time—deny it. What we have to determine is therefore not an academic question about sovereignty, but whether, by accepting the position created by Egypt's action, we are all, as users of the Canal, to enjoy the privilege of users merely on sufferance, and whether we should be willing to put the economic future of our own nations into the hands of one nation or of one man . ..

"With all those considerations in mind, I say that our task is to seek a solution which, first of all, recognizes Egypt's legitimate territorial rights. Secondly, to preserve the status of the Canal as an assured international waterway conducted in international interests, and not for national political or economic gain That represents the true and precise nature of our task .

"I do not propose to argue the legal question of whether Egypt had the right to terminate the concession granted to the Suez Canal Company and to take over its property and operations For myself, I believe that the long-standing contract with the Company and its intimate association with the 1888 Convention possessed an international quality which excluded it from nationalization. But that does not matter for the purposes of the present debate. The deed has been done, or at least partly done, because the shareholders have not yet been paid out , and the proposals of Mr. Dulles proceed on the assumption that in the making of a settlement the act of nationalization is not to be revoked. We start there. We do not engage in legal discussions which might turn out, and I think would turn out, to be completely fruitless. Our problem is of the future, and we ought to work out the settlement of that problem as sensible men, in the light of the practical circumstances and having regard to past facts and past actions.

" I have approached this matter from this point of view in order to get out of this conference a coherent body of world opinion behind proposals intrinsically fair and reasonable. I am therefore going to concentrate my attention on the advantages to be derived on both sides—by us, representing the users of the Canal, and by Egypt herself—by making an arrangement along the lines indicated by the U.S. Secretary of State I detect occasionally an undercurrent of feeling that in some way this is unfair to Egypt—that it consists of ' pushing something down Egypt's throat.' Well, we have all had a few feelings in the past week or two , but I am going to ask this conference to see that this proposal by Mr Dulles is, in fact, eminently fair to Egypt, and that Egypt will get from this matter advantages which deserve to be understood—and, in particular, deserve to be understood by Egypt

" First of all, these proposals recognize the termination of the existing Canal Company. So if there is to be an argument about nationalization, or some feeling in Egypt that the Canal Company cannot rise again—all right—the point is conceded—the Canal Company is taken over. In the second place, there may be some feeling in Egypt that it is wrong for private citizens to be drawing profits from an international waterway of this kind All right , under this plan there will be no private profits—there will be international control, international financing. The only substantial sum of money going to any nation will be the amount of money that is paid to Egypt herself, as the territorial owner of the Canal and its works. So private profit disappears from this matter In the third place, Egypt's sovereignty and physical ownership are recognized. Fourthly, there will be paid to Egypt an equitable return, perhaps by way of rental, some share of fees or dues, I do not know ; obviously that must be a very substantial sum of money I myself am rather attracted by the idea that the right set-up would be for Egypt as the owner, the landlord, to grant to the new authority a perpetual lease under which it would pay a rental adjusted from time to time as the business of the Canal grows. That can be considered perhaps hereafter, but it certainly will mean that Egypt will secure from this property a substantial, steady and assured return. The fifth point I make is this I have heard some arguments among the lawyers, but I have not heard any one of them say that Egypt could take over the Company without paying fair compensation to the shareholders Under this proposal the new authority conducting the Canal and its financial operations would make some arrangements for buying out the shareholders If that does not present some advantage to Egypt, I will be much surprised. Sixthly, the financial future of this Canal as a revenue-earner or an expanded revenue-earner would be assured by the setting-up of an international authority ; and Egypt would, in consequence, be relieved of future financial liabilities of an unknown but obviously very extensive kind . .

I do not believe that there is a man sitting at this table ..who does not believe that the future of this Canal is pretty dismal unless there is a complete feeling of confidence in its independent future, in the impartiality of its administration, and in the fact that a large number of nations each has an interest in maintaining it, keeping it out of politics, keeping it out of wars, keeping it out of disputes, and letting it serve the interests of the commerce of mankind . . "

The Ceylonese delegate, Sir Claude Corea, doubted whether it was possible for Egypt to accept the U.S. plan and at the same time " to conserve her sovereign position."

Sir Claude Corea said that it was essential to find a *via media*, " towards which the remarks of Mr. Menzies contributed so greatly," between the views of Egypt on the one hand and of the canal-users on the other. In seeking this " middle way " it was essential " to restore an atmosphere of goodwill and understanding," and it should be recognized that " international goodwill and the maintenance of peace transcend the special interests of either side " After defending Egypt's action in nationalizing the Suez Canal Company, and maintaining that she was fully within her sovereign rights in doing so, Sir Claude pointed out that the 1888 Convention " guarantees to the whole world for all time the free use of this waterway "—a position which had been accepted and reaffirmed by the Egyptian Government itself. It appeared to him, therefore, that no difficulty need arise, since the Canal would remain " free and open " and would be operated by " the legitimate body which has inherited the right."

" The practical question which comes up," he continued, " is whether Egypt enjoys the confidence of other countries, and whether she is in a position to undertake this enormous burden . . . For that reason I favour an approach which will lead to a kind of compromise ; which will recognize the factual position of Egyptian sovereignty and at the same time provide some machinery which will enable the Canal to be operated in a satisfactory way For this purpose we have before us the U.S. plan. The immediate point that arises is the question is it possible to ask Egypt to accept that plan and at the same time to conserve her sovereign position ? If . the idea is to establish a board and vest in that board the full control and operation of the Canal, which it must be admitted is the property of Egypt, is it possible for Egypt to renounce her sovereign position and accept that ? The position I want to put to this conference is that there should be such modification of this proposal that we should proceed, first, from the basis of the sovereignty of Egypt in regard to this matter , and then, with the approval of the sovereign power, seek out a measure which will ensure the satisfactory operation of the Canal. . "

The Foreign Minister of Pakistan urged that the nationalization of the Suez Canal Company should be regarded as a *fait accompli* and that, while protecting the legitimate interests of Egypt, machinery should be set up to ensure " efficient, unfettered, and continuous freedom of navigation to all nations without discrimination."

Mr. Chowdhury expressed his Government's view that, irrespective of the other issues involved, Egypt was fully within her sovereign rights in nationalizing the Suez Canal Company. He believed that there was no real conflict of interests involved, since all parties agreed that a peaceful solution must be found and that there should be no infringement of Egypt's sovereignty in any settlement reached Freedom of navigation without discrimination was of paramount importance to all users of the Canal, and if this freedom were ensured and the necessary improvements effected, the Suez Canal would be progressively profitable to Egypt

Mr. Chowdhury continued " The nations of the world which have been using this Canal for nearly a century, and have thereby given it the character of an international highway, can claim a prescriptive and legal right to its use The Egyptian Government has expressed its obligation to uphold the principles of freedom of navigation and non-discrimination set forth in the Convention of 1888 . The fact remains, however, that the nationalization of the Suez Canal Company at the time and under the circumstances has shaken the confidence of a large number of interested countries in the future security of their line of communication through the Canal The restoration of this confidence and security is, therefore, one of the principal objectives of this conference."

The Pakistani Foreign Minister went on to propose (1) that nationalization of the Suez Canal Company be accepted as a *fait accompli* , (2) that questions of compensation be considered separately between the parties concerned ; (3) that " effective machinery should be set up in active collaboration with Egypt to ensure efficient, unfettered, and continuous freedom of navigation to all nations without discrimination " , and (4) that a committee be set up to negotiate with Egypt and report back to the conference on the basis of these peoposals

The Netherlands delegate, Mr. Luns, urged a settlement along the lines suggested by Mr. Dulles.

Mr. Luns said that the Netherlands Government " viewed with great concern the growing tendency on the part of certain countries, of which we have seen some striking examples in recent months, to discard their international obligations and to further their national ends through unilateral action violating the rights of others." [An apparent reference to the Indonesian Government's action in unilaterally repudiating its debt to the Netherlands, taken shortly after the Egyptian nationalization of the Suez Canal and without prior consultation with the Dutch Government—see 15036 C.]

Pointing out that Holland was a signatory to the 1888 Convention, and one of the main users of the Suez Canal, Mr Luns expressed his Government's " apprehension in view of this new example of disregard for international obligations," and its concern over the question of freedom of navigation He fully agreed with the New Zealand delegate that Egypt's ban on Israeli shipping on the Canal, in defiance of the U N. Security Council, raised grave doubts as to the future willingness of the Egyptian Government to abide by the 1888 Convention. Moreover, Egypt's action in nationalizing the Suez Canal Company, coming only a short time after it had concluded an agreement with that Company, " does little to encourage confidence in the attitude of that Government towards the binding force of agreements "

After expressing his Government's support for " a solution along the lines indicated by our U S. colleague," Mr. Luns added : "The establishment of an international Board, charged with the operation of the Canal and brought into relationship with the United Nations, would seem essential in order to guarantee the efficient functioning of the Canal and to avoid domination by a single Power . . . "

August 20. - U.S. and Indian Proposals.

Mr. Dulles, on behalf of the U.S. delegation, presented detailed proposals suggesting that the operation and development of the Suez Canal should be the responsibility of an international Suez Canal Board, which would be granted by Egypt " all rights and facilities appropriate to its functioning." The text was as follows :

· The Governments approving this statement, concerned at the grave situation regarding the Suez Canal, seeking a peaceful solution in conformity with the purposes and principles of the U N , and recognizing that an adequate solution must on the one hand respect the sovereign rights of Egypt, including its right to just, fair compensation for the use of the Canal, and on the other hand safeguard the Suez Canal as an international waterway in accordance with the Convention of 1888, join in this expression of their views

(1) They affirm that, as stated in the preamble of the Convention of 1888, there should be established ' a definite system destined to guarantee at all times and for all the Powers the free use of the Suez Maritime Canal.'

(2) Such a system should assure :

(*a*) Efficient and dependable operation, maintenance, and development of the Canal as a free, open, and secure international waterway in accordance with the principles of the Convention of 1888

(*b*) Insulation of the operation of the Canal from the influence of politics of any nation

(*c*) Respect for the sovereignty of Egypt.

(*d*) A return to Egypt for the use of the Suez Canal which will be fair and equitable and increasing with enlargement of its capacity and greater use

(*e*) Payment to the Universal Suez Canal Company of such sums as may be found its due by way of fair compensation.

(*f*) Canal tolls as low as is consistent with the foregoing requirements, and, except for (*d*) above, no profit.

(3) To achieve these results on a permanent and reliable basis there should be established by convention

(*a*) Institutional arrangements for co-operation between Egypt and other interested nations in the operation, maintenance, and development of the Canal and for harmonizing and safeguarding their respective interests in the Canal To this end, operating, maintaining, and developing the Canal and enlarging it so as to increase the volume of traffic in the interests of world trade and of Egypt would be the responsibility of a Suez Canal Board Egypt would grant this Board all rights and facilities appropriate to its functioning.

The members of the Board, in addition to Egypt, would be other States chosen in a manner to be agreed upon from among the States parties to the Convention, with due regard to use, pattern of trade, and geographical distribution the composition of the Board to be such as to assure that its responsibilities would be discharged solely with a view to achieving the best possible operating results without political motivation in favour of, or in prejudice against, any user of the Canal. The Board would make periodic reports to the United Nations.

(*b*) An arbitral commission to settle any disputes as to the equitable return to Egypt or fair compensation to the Universal Suez Canal Company, or other matters arising in the operation of the Canal.

(*c*) Effective sanctions for any violation of the Convention by any party to it or any other nation, including provisions for treating any use or threat of force to interfere with the use or operation of the Canal as a threat to peace and a violation of the purposes and principles of the U.N Charter.

(*d*) Provisions for appropriate association with the United Nations and for review as may be necessary."

In presenting these proposals, Mr. Dulles emphasized that there was "no disregard of Egypt's sovereignty" and that "what we are proposing is courteously to inform Egypt of certain facts and ask her whether or not she is prepared to enter into a convention which will take account of those facts."

Mr. Dulles said in the course of his speech "The views expressed [at the conference] should be communicated to the Government of Egypt so that it can decide what it wishes to do in the light thereof. If Egypt finds these views generally acceptable as a basis for negotiating a treaty or convention, then there would be the task of drawing up a treaty between Egypt and the subscribers to these views If, on the other hand, Egypt is not willing to proceed on a basis which seems indispensable to the countries which largely use and depend upon the Canal, then . that will present a new situation to be considered by our Governments at that time. There might or might not in that event be further concerted decisions as between all or some of the participants in this conference That would be something to be determined by the Governments in the light of the circumstances It is from this standpoint that the U S delegation has prepared and circulated a paper which sets forth certain views as to how the future operation of the Suez Canal can be put upon a secure basis . . "

Mr. Krishna Menon, for India, submitted a different set of proposals suggesting that the Suez Canal should be operated by Egypt with the assistance of "a consultative body of user-interests formed on the basis of geographical representation and interests, and charged with advisory, consultative, and liaison functions." The Indian plan was worded as follows :

" Realizing that it is imperative that a peaceful and speedy solution to the Suez Canal situation must be found in accordance with the principles of the U.N. Charter, the Indian delegation proposes that negotiations be opened without delay on the basis of '

(1) The recognition of the sovereign rights of Egypt.

(2) The recognition of the Suez Canal as an integral part of Egypt and as a waterway of international importance.

(3) Free and uninterrupted navigation for all nations in accordance with the Constantinople Convention of 1888.

(4) The tolls and charges being just and equitable, and the facilities of the Canal being available to all nations without discrimination.

(5) The Canal being maintained at all times in proper condition and in accordance with modern technical requirements relating to navigation.

(6) Due recognition of the interests of users of the Canal.

"Recalling that the Convention of 1888 set out as its purpose the establishment of a ' definite regime destined to guarantee at all times and for all the Powers the free use of the Suez Maritime Canal ' ; taking note that Egypt has declared, as lately as July 31, 1956, that she is determined to honour all her international obligations , and recalling the 1888 Convention and the assurances concerning it given in the Anglo-Egyptian agreement of 1954, the Indian delegation makes the following proposals in the belief that they will provide the basis for negotiations for a peaceful settlement :

(1) That the Constantinople Convention of 1888 be reviewed to reaffirm its principles and to make such revisions as are necessary to-day, and, more particularly, incorporating provisions in regard to just and equitable tolls and charges and the maintenance of the Canal as set out in (4) and (5) above.

(2) That all steps for the purposes of (1) above be considered, not excluding a conference of the signatories of the 1888 Convention and all user-nations of the Canal.

(3) That consideration be given, without prejudice to Egyptian ownership and operation, to the association of international user interests with the Egyptian Corporation for the Suez Canal. [i.e. the new Egyptian Authority superseding the Suez Canal Company].

(4) That a consultative body of user interests be formed on the basis of geographical representation and interests, charged with advisory, consultative, and liaison functions.

(5) That the Government of Egypt transmit to the United Nations the annual report of the Egyptian Corporation for the Suez Canal

These proposals were presented after a lengthy speech by the Indian delegate in which he defended Egypt's right to nationalize the Suez Canal Company, upheld Egyptian sovereignty over the Canal, but at the same time emphasized that the Canal should be freely open to the shipping of all nations in accordance with the 1888 Convention.

Mr. Krishna Menon stressed that the Suez Canal was as much a "lifeline" for India as for the more advanced and industrialized nations of the West, as nearly 76 per cent of India's imports and about 70 per cent of her exports passed through the Canal. Recapitulating the arguments put forward by Mr. Nehru (see page 15018, second column), Mr Menon said India had "reservations with regard to the character and composition of this conference" and "deeply regretted the absence of Egypt from our midst." Although the Indian Government took the view that "no final solutions, or even approaches to final solutions, are possible without the participation of the country most concerned," it nevertheless considered that "our labours here may lead to the next step towards the fulfilment of our object"

Defending Egypt's right to nationalize the Suez Canal Company, Mr. Menon maintained that the latter was "a concessionaire from the Egyptian Government" and that its status, "legal, factual, and otherwise" was "derived from the concession granted by Egypt in the exercise of her sovereign rights." "It is necessary to bear in mind," he continued, "that the Suez Canal Company cannot be identified with the Suez Canal. The Company is only the agency that operates it . . . At the same time, while the former agreements, present agreements, and indeed the consensus of views at this conference, all recognize . that the Canal is an integral part of Egypt, it is necessary to state that this waterway, which connects two oceans and carries a very considerable volume of world traffic, has an international character . . "

After reiterating that nationalization "was an act within the competence of the Egyptian Government," Mr Menon went on : "I think, however, that the manner in which it was carried out aggravated the situation. We would have liked to have seen it carried out in the normal manner of international expropriation—with adequate notice. and in a less dramatic manner . . But that does not alter the fact that the Egyptian Government had the right to nationalize . . "

Mr Menon said that India "yielded to no-one in considering that freedom of navigation in terms of the 1888 Convention, and in conformity with international law and usage, must always be maintained" Freedom of navigation had been confirmed by the 1888 Convention, and its maintenance was an obligation, not of the Suez Canal Company, but of the signatories to the Convention on the one hand and of Egypt on the other In an indirect reference to the Egyptian ban on Israeli shipping, Mr. Menon added

" It has often been said that, in spite of the freedom of navigation clauses [in the 1888 Convention], there has been obstruction to navigation in one instance . . The Egyptian Government contends that denial of passage to a particular nationality is consistent with the provisions of the U N. Charter because it is bound up with the security of Egypt. My Government does not seek to pronounce on it, but if the controversy is on the interpretation of the Charter . . the right procedure is for the aggrieved party to go to the World Court. We would be the first to say that if the verdict of the World Court goes against the Egyptian Government, they ought to abide by it . . . "

Reverting to the position of the Suez Canal Company, Mr. Menon said that the whole world knew that the Company's concession would have ended in 1968. "Therefore, apart from the manner in which the nationalization was effected, and the crisis atmosphere it has created, it would appear that the act of nationalization has been antedated by 12 years." Not only the present Egyptian Government, but no former Egyptian Government, had been willing to extend the Company's concession, and as far back as 1910 the then Khedivial Government had refused to entertain such a proposal "I quote this," Mr. Menon said, "to demonstrate that the termination of the [concession] agreement would have had to come some time—in 1968 instead of now. What has happened is the antedating of this position . . . "

After presenting the Indian Government's proposals as set forth above, and stressing that they maintained Egypt's sovereignty on the one hand and provided for the efficient and unhindered use of the Canal on the other, Mr Menon said that the only alternative was the "imposition by the great Powers" of an international authority, against the will of the Egyptian Government and "with all the consequences of the use of force that would necessarily be involved" India herself, he pointed out, would be a victim "whether the Canal went out of service by the action of Egypt or by an act of hostility or war or conflict." But she was "even more concerned . . . at the dreadful consequences which would in effect reverse the currents that have been set in motion in regard to the relations between the Western and Eastern countries and peoples, including the peoples of Asia and Africa, during the last 30 or 40 years We would hate to see the reversal of those currents . . . "

In conclusion, Mr Menon pleaded for a "solution of conciliation and not of dictation."

At a subsequent press conference, Mr. Krishna Menon described India's proposals as "a carpet on which the Western side and Egypt could walk and meet" for a negotiated settlement of the dispute. He expressed the view that the U.S. plan as presented by Mr. Dulles could not be reconciled with Egyptian sovereignty.

August 21. - Four-Power Amendments to U.S. Plan. - Acceptance by Mr. Dulles. - Soviet, Indonesian, and Ceylonese Support for Indian Plan.

The Pakistani Foreign Ministry (Mr. Chowdhury), speaking also on behalf of Persia, Turkey, and Ethiopia, proposed certain amendments to the U.S. plan with a view to making it more conciliatory in character and thus more acceptable to Egypt. These amendments were accepted by Mr. Dulles and incorporated in the U.S. proposals, which were supported by all the countries represented except the Soviet Union, India, Indonesia, and Ceylon, which supported Mr. Krishna Menon's proposals.

Mr. Chowdhury spoke as follows. "We must start with the unqualified acceptance of negotiation with Egypt. There should be no question whatsoever of any imposition of the will of this conference on the Egyptian Government. I have made it clear that we [Pakistan] will only participate if a negotiated and peaceful solution is the aim In reaching a solution the rights of all the parties have to be ensured . . The utmost importance should be attached to the agreement of Egypt to any proposal this conference might adopt . . . "

After expressing the opinion that there was "considerable unanimity on essentials," Mr. Chowdhury said that "the main conflict seems to centre round the composition and authority of the body which shall be responsible for the working of the Canal" Mr. Krishna Menon had spoken of "the association of user-interests" with the Egyptian Authority, while Mr. Dulles had spoken of "institutional arrangements for co-operation between Egypt and other interested nations." "It is agreed by all," he continued, "that user-interests should somehow be associated in the body set up for the management of the Suez Canal. I submit . . that there is no substantial difference between the proposals of the U.S and Indian delegates . . . In view of the fact that acceptance by Egypt would be the corner-stone of any ultimate settlement, I would request the conference to consider the admirable proposals of Mr. Dulles as a basis for negotiations with Egypt . . . "

On behalf of Persia, Turkey and Ethiopia, as well as of his own Government, Mr. Chowdhury then proposed two textual insertions in the U.S. draft, both of which were accepted by Mr Dulles The first amendment, referring to the payment of compensation to the Suez Canal Company, was incorporated in the preamble. The second amendment, incorporated in point (2) of the U S. text, said that the future system of Canal management envisaged in the U S. plan "would be established with due regard to the sovereign rights of Egypt." As a result of these insertions (given below in italics) the amended sections were worded as follows :

"The Governments approving this statement, concerned by the grave situation regarding the Suez Canal, seeking a peaceful solution in conformity with the purposes and principles of the United Nations, and recognizing that an adequate solution must on the one hand respect the sovereign rights of Egypt, including its right to just, fair compensation for use of the Canal, and on the other hand safeguard the Suez Canal as an international waterway in accordance with the Suez Canal Convention of 1888, *assuming for the purposes of this statement that just and fair compensation will be paid to the Universal Company of the Suez Maritime Canal and that the necessary arrangements for such compensation, including a provision for arbitration in the event of disagreement, will be covered by the final settlement contemplated below,* join in this expression of their views

(1) They affirm that, as stated in the preamble of the Convention of 1888, there should be established a 'definite system destined to guarantee at all times and for all the Powers the free use of the Suez Maritime Canal.'

(2) Such a system, *which would be established with due regard to the sovereign rights of Egypt,* should assure

(*a*) Efficient and dependable operation, etc.

Mr. Shepilov (U.S.S.R.), Sir Claude Corea (Ceylon), and Mr. Abdulgani (Indonesia) spoke in favour of the Indian plan, while the Marquis of Santa Cruz (deputising for Señlor Artajo, who had returned to Madrid to consult his Government) asked that the Spanish proposals should be incorporated in the amended U.S. plan, or, alternatively, be presented separately to Egypt as a basis for negotiation.

M. Shepilov asserted that the U.S. plan was "contrary to the national rights of Egypt" and would mean the "reimposition of colonialism" After saying that nationalization of the Canal had not disrupted the free passage of shipping, which remained "normal," he alleged that the Suez Canal Company was trying to disrupt the operation of the Canal by bringing pressure upon the Canal pilots and technical staff He believed, nevertheless, that there had been an "improvement in the international atmosphere" since the conference began, and urged acceptance of the Indian plan, which, he said, was based on the maintenance of Egypt's sovereign rights.

Mr. Menzies (Australia) deprecated Mr. Shepilov's references to "colonialism," declaring that it was "impossible to believe that 16 or 17 nations represented at this table, including several who were once colonies and now enjoy full sovereignty, could be accused of entering into a conspiracy against the sovereign rights of Egypt."

August 22. - Mr. Shepilov's Denunciation of U.S. Plan. - Mr. Selwyn Lloyd's Defence of Majority Proposals.

Although the Conference was due to end on this date, it was agreed to adjourn it for 24 hours in order that Mr. Krishna Menon might have time to receive instructions from the Indian Government. The principal developments on this date were a bitter attack on the U.S. plan by Mr. Shepilov, a defence of the majority proposals by Mr. Selwyn Lloyd, and an announcement by Señor Artajo (who had returned from Madrid) that Spain would adhere to the amended U.S. plan.

Mr. Shepilov declared " . . The U S plan envisages that the Canal should be operated by an international body—the Suez Canal Board—rather then by Egypt. Egypt would afford to that body 'all rights and facilities' to operate the Canal Therefore Egypt would, in fact, relinquish her sovereign rights in favour of an international body which would be in the hands of a group of nations who would dispose of Egypt's national wealth . . . Egypt is to be a kind of poor relation under this international body. She is kindly allowed a place in her own home . . Clearly some Powers have not yet reconciled themselves to the fact that Egypt has become an independent State which cannot accept violations of its lawful rights and cannot allow any discrimination in regard to itself.

"The idea suggested by the Australian representative—to buy from Egypt her sovereign rights to the Suez Canal—is utterly incompatible with respect for the national dignity of the Egyptian people The national sovereignty of any State cannot be the object of a commercial transaction . . A proposal of this kind is an expression of colonialism in modernized form . . .

"The U.S. proposal . . . does not provide a compromise acceptable to the parties concerned. Its purpose is to remove the Canal from the sovereignty, ownership, and operation of Egypt. Instead of the Canal being dominated by one Power—and in the past that Power was in fact Britain—it is now suggested that the Canal be dominated by several foreign Powers. A proposal of that kind is unreal because it ignores the substantial changes that have taken place in the East during recent decades.

"The action of the Egyptian Government is based on the long process of the struggle of the Egyptian nation against colonialism and national oppression, which in Egypt was most vividly manifested in foreign domination over the Suez Canal. An attempt to impose on Egypt a solution against which the Egyptian nation has been fighting for years, and which is at variance with the sovereign rights of Egypt, would mean giving rise to an acute conflict and causing great anxiety throughout the whole area of the Near and Middle East, which cannot be in the interests of the users of the Canal."

The British Foreign Secretary replied to Mr. Shepilov and at the same time spoke of the results of the conference as a whole.

Mr. Selwyn Lloyd spoke as follows " . . . Mr Shepilov included in his statement of the positive work of the conference the fact that the Canal was still working and that nationalization has not disrupted traffic. Unfortunately he made an attack upon the Suez Canal Company, and by implication upon the French and British Governments, on the ground that they are attempting to disrupt the operation of the Canal.

"His contention appeared to be that the Egyptian Government not only has the right to nationalize the assets of the Company but also to nationalize its employees. These men are not chattels. They have, or ought to be allowed to have, the right of free choice. The

Company invited them to make a free choice as to whether they wished to abide by their contractural obligations towards their lawful employers or whether they would serve the new Egyptian Authority.

"At the same time, upon the advice of the British and French Governments, the Company indicated a wish that their employees, whatever their decision, should remain at their posts pending the outcome of this conference. That was a reasonable and conciliatory attitude For how long after the end of this conference the employees will be willing to stay at their posts is a different question. There is no threat to Egypt in this It is a plain statement of a plain fact Free men should be allowed a free choice.

"The only threats have come from Egypt. Within the last few days the Company's employees .. have been invited by the Egyptian authorities to declare that they owe allegiance solely to the new Egyptian management, to whom in fact they have no obligations If they assert any other allegiance, or fail to return to work at the end of their leave, they make themselves liable to the penalties laid down by the nationalization law, which includes imprisonment, or to dismissal That is hardly the way to create confidence among the employees. Mr. Shepilov said that the Canal was working satisfactorily. In fact the number of daily convoys has already been cut from four to three.

"I cannot agree with what Mr Shepilov said. Nevertheless, for different reasons, I believe that this conference has been useful and successful From the beginning, the U K Government wished to proceed by way of an international conference towards a peaceful solution I repeat my regrets that no representative of Egypt has been present I do not think he could have failed to be influenced by the atmosphere. I propose to send a copy of the record to the Egyptian Government That atmosphere . . has been one of scrupulous regard for the susceptibilities of Egypt. Most of the delegates have expressed regret at the manner in which Colonel Nasser chose to act Nevertheless, there has been clearly manifested a common will to reach a reasonable settlement.

"What has emerged from our series of meetings? First, there is agreement on the vital international importance of the Canal. The delegates have reaffirmed soberly but convincingly the importance to them of free transit through the Canal, and of its efficient working This is not a conflict between East and West I cannot emphasize that too strongly. I hope that world opinion will not be led astray by that parrot-cry. It is common ground between us that the standard of living of countless millions east and west of Suez depends to no small extent upon this international waterway.

"Secondly, there is complete agreement between us that there must be association of user-interests with Egypt in the management of the Canal. There is an overwhelming majority in favour of an international system The Convention of 1888 contains limitations upon Egyptian sovereignty. As recently as 1954 Egypt confirmed its agreement to such limitations Therefore, although I understand the emotional appeal aroused by the unconditional assertion of sovereignty, it is common ground that there must be some restraint

"The third point which has emerged clearly from the discussions is that there are two propositions for a solution of this problem. One method is a reaffirmation of the 1888 Convention, coupled with the establishment of an advisory body of users or consultative body of users. That to our mind would not provide the necessary security. An advisory body would be without effective power It could do nothing except proffer advice or make representations. The Canal would be under the effective control of one Government. The second method is to have an operating organization charged with the responsibility of managing and operating the Canal

"We believe that such an agency is an essential part of any settlement for three reasons:

(1) Because it is only such an agency which will command the continued confidence of the technicians employed on the Canal.

(2) Only by the creation of such an agency can the operation of the Canal be insulated from politics, domestic and international

(3) Only if there is such an agency will sufficient confidence be engendered among those who have to produce the capital required for the development and expansion of the Canal.

That is our position. We seek an agreement We seek a peaceful solution. In common with all the other delegates who have supported the U S. statement, I accept the amendments proposed by Pakistan .. The five-Power statement, as it has now become, seems to provide an admirable basis for a peaceful solution It has been overwhelmingly supported at this conference. That fact we warmly welcome.

"As Mr. Menzies pointed out, there are many advantages for Egypt in the arrangements proposed. Equally important, the future of the Canal can be assured . . As a result of this conference, an impressive body of international public opinion has expressed its views. Let us hope that due weight will be given in Cairo to the results of our discussions. Let us not forget that the Governments adhering to the U.S. statement control 80 or 90 per cent of the tonnage passing through the Canal, and include countries whose pattern of trade is vitally dependent upon it . ."

August 23. - Ending of the London Conference.

The conference ended on this date with a formal statement by Mr. Macdonald (New Zealand) on behalf of the 17 countries —excluding Spain—supporting the majority plan, referred to as the "five-power plan" [i.e. the U.S. plan as amended by Pakistan, Persia, Ethiopia, and Turkey]. This statement declared that the 17 countries had requested the Governments of Australia, Ethiopia, Persia, Sweden, and the United States, under the chairmanship of Mr. Menzies, to approach the Egyptian Government on their behalf, to explain to it the purposes and objectives of the five-Power plan, and to ascertain "if Egypt would agree to negotiate a convention on the basis thereof."

As regards the Spanish position, Mr. Macdonald explained (*a*) that Spain supported the five-Power plan, but (*b*) if that plan should be unacceptable to Egypt as a basis for discussion, the Spanish delegation wished its own proposals to be presented to the Egyptian Government as an alternative.

No general statement was issued at the end of the conference, the outcome of which was twofold: (1) on the one hand, Mr. Selwyn Lloyd (as chairman of the conference) forwarded to the Egyptian Government a verbatim report of the entire proceedings, including both the five-Power plan and the Indian plan; (2) on the other hand, the five-member Committee (which subsequently took the name of the Suez Canal Committee) approached the Egyptian Government separately to find out its views on the majority plan.

President Nasser's Acceptance of Invitation to meet Five-Power Committee.

Mr. Menzies called upon the Egyptian Ambassador in London on August 24 and requested him to transmit to President Nasser the following message on behalf of the Suez Canal Committee and of the 18 countries (including Spain) supporting the majority plan:

"I have been requested by the committee .. of which I am chairman, and acting on behalf of the [18] Governments . . . to transmit the request of the committee to meet with your Excellency to place before you and explain the views of the Governments regarding the Suez Canal The committee ask if your Excellency would, as a matter of urgency, advise me whether you would agree to a meeting with the committee for that purpose I would suggest that the time and place of any meeting would be a matter of arrangement after I have had your Excellency's reply to this message"

President Nasser's acceptance of a meeting with the five-Power committee was handed to Mr. Menzies by the Egyptian Ambassador on Aug. 28. The reply acknowledged the receipt of Mr. Menzies' message of Aug. 24 and "agreed to the proposed meeting as requested by the committee." On the following day (Aug. 29) it was announced that President Nasser had agreed to meet the Committee in Cairo on Sept. 3. The Foreign Ministers of Pakistan and Indonesia (Mr. Chowdhury and Mr. Abdulgani), as well as Mr. Krishna Menon, had discussions with President Nasser in Cairo *en route* for the London conference, while Mr Menon and Mr. Abdulgani also broke their return journey in Cairo to see President Nasser after the conference ended.—(Times - Daily Telegraph - Manchester Guardian - Observer - Sunday Times - New York Times - New York Herald Tribune - Le Monde, Paris - Australian News and Information Bureau - Indian High Commissioner's Office, London - Pakistan High Commissioner's Office, London - New Zealand Department of External Affairs - Netherlands News Agency - Norwegian Embassy, London - Turkish Embassy, London - Indonesian Embassy, London - Ceylon Government Information Department, Colombo) **(15041 A.)**

A. NETHERLANDS. — Royal Family. - Queen Juliana to break with Faith-Healer.

A statement was issued on Aug. 24 on behalf of Queen Juliana of the Netherlands and Prince Bernhard stating that the commission of three statesmen (Professor Beel, Professor Gerbrandy, and Jonkheer Tjarda van Starkenborgh Stachouwer) appointed on June 28—see 14975 B—had "reported their findings to us and given us their advice." After expressing their sincere thanks to the commission, Queen Juliana and Prince Bernhard added: "Their advice has been a very valuable contribution to the solution of difficulties that had arisen. We now look forward to the future with confidence."

The commission stated on the same day that its task had been completed and that there was no further ground for concern about the questions that had arisen in connexion with the Royal Family. It announced that Queen Juliana had "permanently broken off all relationship" with the faith-healer, Miss Greet Hofmans, and would no longer see her; that she would no longer attend religious conferences at Het Loo (residence of Princess Wilhelmina, the former Queen), at which Miss Hofmans had taken a leading part, and that the integrity of Miss Hofmans herself was not in question. It was further stated that there was no question of the Queen's abdication, "now or in the future," and that the plans for Princess Beatrix (the heir apparent) to study at the University of Leiden would continue unchanged.—(Algemeen Handelsblad, Amsterdam - Nieuwe Rotterdamse Courant) **(14975 B.)**

A. UNITED KINGDOM. — White Paper on Proposed Changes in Structure of Local Government.

A White Paper proposing a number of changes in the structure of local government, including the setting-up of two Local Government Commissions for England and Wales, was published on July 31 under the title *Local Government: Areas and Status of Local Authorities in England and Wales* (H.M. Stationery Office, 1s.).

The White Paper emphasized that a fundamental alteration of the structure of local government could only be justified if it had shown itself to be incapable of meeting present-day needs. There was no convincing case for radically re-shaping the existing forms of local government in England and Wales, but it was necessary to overhaul the existing system and to make such improvements as would bring it up to date.

To do this, it was suggested (1) that new machinery and procedure were required for reviewing local authority areas and status and for recommending changes, (2) that the principles governing promotion to county borough status needed to be revised; (3) that the pattern of local government in large built-up areas, or conurbations, needed to be improved with a view to creating larger units of administration and facilitating the handling of common problems; and (4) that the number of unduly small county district authorities should be reduced.

It was proposed that two Local Government Commissions, one for England and one for Wales, should be set up "to provide independent and informed guidance," because at present "there exists no satisfactory means of reviewing the organization of local government comprehensively over wide areas and of determining what changes should be made" These Commissions would make recommendations to the Minister of Housing and Local Government on the creation and extension of county boroughs, on any necessary alteration in county boundaries, and on the organization of local government in conurbations. At present the only machinery available for the creation of county boroughs was the promotion of a Private Bill—a practice described as "unsatisfactory, costly, and often abortive"—and the creation of such Local Government Commissions would therefore make the Private Bill procedure unnecessary. [It was pointed out that the last county borough created—Doncaster—was in 1926.] After Parliamentary confirmation of the recommendations, there would be a "standstill" on further changes for a substantial period—the local authority associations had suggested 15 years

One of the Commission's first tasks would be to consider applications by local authorities for promotion to county borough status. It was proposed that, unless the circumstances were exceptional, the qualifying figure should be raised from the present level of 75,000 to 100,000. Within a conurbation [e g Greater London, South-East Lancashire, the West Midlands, West Yorkshire, Merseyside, and Tyneside], where a multiplicity of autonomous local authorities would be undesirable, it was recommended that the figure should be at least 125,000. The raising of the population limits, however, would not necessarily imply "demotion" of existing county boroughs with lesser populations.

The Commissions would be entitled to recommend changes in county boundaries and, in exceptional cases, would not be precluded from recommending the amalgamation of one county with another, or the transfer of territory This, it was foreseen, could happen where the creation of county boroughs left the county no longer a viable unit of administration.

The White Paper expressed the view that the present pattern in the conurbations was not conducive to efficiency or economy, and that it needed to be simplified by reducing the number and variety of local authorities Authorities "of a uniform type" might be created throughout a conurbation

Greater London would come within the scope of the Commission's review, but it was recommended that no promotions to county borough status should be made in Middlesex, on the grounds (1) that the county contained 11 boroughs which might well qualify for promotion to county borough status, and in so doing leave "bits and pieces no longer constituting a viable unit," and (2) that it was desirable to maintain the existence of the county as a component of the Greater London conurbation

The White Paper further suggested that many county districts were too small and that, by amalgamation or otherwise, authorities of reasonable size should be created. County councils were advised to review parish areas to see that where practicable each parish was represented by a parish council.

The White Paper concluded with the assurance that, before framing the legislation that would be required to give effect to the proposed changes, the Government would "wish to have further discussions with the representatives of the local authorities and to consider the views which may be expressed in Parliament and elsewhere." (Times - Daily Telegraph)

B. UNITED STATES. — New Solicitor-General.

Mr. J. Lee Rankin, head of the Justice Department's Office of Legal Counsel, was nominated by President Eisenhower on Aug. 7 as Solicitor-General of the United States in succession to Mr. Simon E. Sobeloff, who had been appointed a judge of the U.S. Court of Appeals.—(New York Herald Tribune)

(Prev. rep. 13408 D.)

C. OBITUARY. — Cardinal Griffin.

Cardinal Griffin, Roman Catholic Archbishop of Westminster, and the only British member of the Sacred College, died on Aug. 20, aged 57.

Bernard William Griffin was born in Birmingham on Feb 21, 1899, the son of a bicycle manufacturer Educated at Cotton College (North Staffs), the oldest Roman Catholic college in England, and Oscott, the seminary of the Archdiocese of Birmingham, he served in the Royal Naval Air Service during the 1914-18 war and subsequently studied in Rome at the English College and the Gregorian University Ordained in 1924, he returned to England in 1927 to become secretary to the Roman Catholic Archbishop of Birmingham (then Dr. McIntyre), and later became Chancellor of the Archdiocese, Director of Studies for the Catholic Evidence Guild, and a member of the religious advisory committee of the B B C. In 1937 he was made Administrator of Father Hudson's Homes, the largest charitable institution in the country for the care of children, in which capacity he organized the rescue work of all Roman Catholic societies. In 1940 he was appointed by the Pope as Auxiliary Bishop of Birmingham with the title of Bishop of Abya.

Dr Griffin became Roman Catholic Archbishop of Westminster in 1943, and three years later was elevated to the College of Cardinals, being at the time its youngest member (he was then 44) In subsequent years he became well known as a forthright speaker for his Church on social problems such as divorce, the importance of family life, and the post-war decline in moral standards, and also as an outspoken opponent of Communism and other forms of totalitarianism He made a 7,000-mile tour of Canada in 1947, and also paid visits during the post-war years to a number of West European countries and the United States. In 1950 he was appointed Papal Legate to the congress which celebrated the centenary of the restoration of the Roman Catholic Hierarchy of England and Wales, and in the same year led the Holy Year pilgrimage of the English and Welsh Hierarchy to Rome Though in serious ill-health for some time before his death, he had continued his ecclesiastical duties without intermission.

After lying in State in Westminster Cathedral, the body of Cardinal Griffin was interred in the crypt of the Cathedral on Aug. 28. The Requiem Mass was attended by episcopal and diplomatic representatives of over 40 countries, including Cardinal Liénart (Archbishop of Lille), Cardinal McGuigan (Archbishop of Toronto), and Archbishop O'Hara, Apostolic Delegate to Great Britain. Tributes to the late cardinal were paid by Anglican, Free Church, and Jewish religious leaders, in addition to those paid by the Roman Catholic Church and laity.—(Times - Daily Telegraph - The Universe)

D. BELGIUM. — The Marcinelle Mine Disaster.

One of the worst mining disasters for many years occurred in Belgium on Aug. 8, when 263 miners—more than half of them Italians—lost their lives after being trapped at depths of 2,000 to 3,000 feet in the Bitter Heart mine at Marcinelle, near Charleroi. The disaster occurred when a wagon fell into a ventilating shaft, cutting an electric cable and causing a short circuit. Fire broke out in the underground galleries and destroyed the lifts, thereby isolating the miners who were working at four levels varying from 2,300 feet to over 3,000 feet.

About 275 miners were in the pit at the time of the disaster, of whom a small number near the mouth of the pit succeeded in escaping The great majority, however, were entombed deep down, and the rescue workers were unable to reach them in time because of the blocking of galleries by falls of roof, lethal concentrations of carbon monoxide, fire, thick smoke, and intense heat Despite intensive rescue operations by day and night, the rushing to the spot of all available fire-fighting equipment from a wide area, and assistance by French and German mining specialists, it proved impossible to reach the deeper levels of the mine in time to rescue any of the entombed men By Aug. 20 the bodies of about 80 miners had been recovered from the deeper levels, while on Aug 23 the bodies of another 166 victims were recovered at depths of 3,400 feet As stated above, over half the victims of the disaster were Italians, most of the others being Belgians, some German, Greek, Polish, Yugoslav, and Ukrainian miners also lost their lives, as well as a British mining engineer who was in the pit at the time.

A relief fund for the families of those who had lost their lives was opened by the Belgium Government, while 2,000,000 Belgian francs (about £14,000) was contributed by the High Authority of the European Coal and Steel Community. Relief funds were also sent by the Gulbenkian Foundation in Lisbon (see 15031 A), the Holy See, and miners' unions in Britain and other countries. Monday, August 13, was observed throughout Belgium as a day of national mourning for the Marcinelle disaster.

A commission of inquiry into the Marcinelle disaster was appointed by the Belgian Government on Aug. 26, its 24 members including representatives of the High Authority of the European Coal and Steel Community and of the I.L.O.

(La Nation Belge, Brussels - Le Monde, Paris)

A. HUNGARY. — Resignation of M. Rakosi. - General Farkas expelled from Communist Party. - Government Changes. - New Five-Year Plan Directives. - Official Admission of Illegal Executions and Forced Confessions.

It was announced by Budapest Radio on July 18 that M. Matyas Rakosi had resigned as First Secretary of the Hungarian Workers' (Communist) Party and had been succeeded by M. Erno Gero, a First Deputy Premier. The announcement said that M. Rakosi had tendered his resignation on the grounds of his age (64) and the fact that he had been in ill-health for two years. Moreover, in a letter to the Central Committee of the Workers' Party, M. Rakosi had admitted that his mistakes "in the sphere of the cult of personality and of Socialist legality" had been more serious than he had first thought, and had reached the conclusion that it would "hamper the development of Socialism" in Hungary if he were to remain First Secretary of the party.

M Rakosi, the leading personality in the Hungarian Communist movement for many years, had previously admitted that the "cult of the individual" had given rise to "serious political and theoretical mistakes" in Hungary (see page 14820, first column) In his letter of resignation he admitted that he himself had made "grave mistakes" in the past, and said that their effects had been "graver than he had thought" He had particularly recognized the "gravity" of his errors after M Khrushchev's speech to the 20th Congress of the Soviet Communist Party, and had recognized that if he did not resign "my mistakes would always give an opportunity for attacks by the enemy, and Socialist development would suffer severely" In tendering his resignation, M Rakosi took the blame for the slow rehabilitation of persons who had been unjustly arrested in the past, and for the fact that there had been insufficient "criticism and self-criticism" by the "leading organs of the party."

The Central Committee accepted M Rakosi's resignation from the post of First Secretary, and paid tribute to his past services to the Hungarian Communist movement. It was understood that M Rakosi would remain a member of the party's Central Committee and Politburo

Expulsion of General Farkas.

General Mihaly Farkas, the former Defence Minister, was expelled from the Hungarian Workers' Party on July 22 for "violations of Socialist legality, unjustified persecution of former leading cadres of the party, and establishing an atmosphere of mistrust." He was also deprived of his military rank. A statement by the Central Committee said that "during the last few years the activities of Farkas inside the party and in the administration were increasingly marked by methods of leadership incompatible with those of a Communist leader, by the abuse of duties with which he had been entrusted, by abuse of power, by conceit, and by an addiction to the excessive cult of his own personality."

General Farkas was previously the superior of Gabor Peter, the former head of the political police, who had been blamed for the trial of Laszlo Rajk, the ex-Foreign Minister who was executed in 1949 on charges of conspiracy to overthrow the Government with Yugoslav assistance. Gabor Peter was sentenced to life imprisonment in 1954 (see 13464 B), and Laszlo Rajk was posthumously rehabilitated by M. Rakosi in March last (see page 14820)

M. Rakosi on Democratization of Political Life.

In March, 1956, the Central Committee of the Hungarian Workers' Party unanimously adopted a resolution instructing the Politburo to "elaborate measures which would be in keeping with the resolutions of the 20th Congress of the Soviet Communist Party and which might be applied to conditions in Hungary." These measures were described by M. Rakosi in a report submitted on May 18 to the Budapest branch of the party.

After admitting his own personal responsibility "in the dissemination and support of the cult of the individual," as well as in "unlawful acts connected with the cult," M Rakosi stated that a number of measures had been taken during the past three years "to guarantee Socialist observance of the law," including the abolition of internment camps, the re-examination of political trials, the full rehabilitation of innocent persons who had been illegally sentenced, and the granting of an amnesty to persons who were guilty. He announced also that all former Social Democrats who had been arrested had been set at liberty, and that rehabilitation proceedings still pending would be completed "satisfactorily and decisively" within a few weeks.

In accordance with the March resolution, M. Rakosi continued, the People's Front would be transformed into "the broadest movement of Hungarian society, embracing all patriotic and democratic forces of the nation" and led by the party and the "worker-peasant alliance." Furthermore, the functioning of the National Assembly would be improved and legislation enacted "only after ramified discussion and parliamentary debate, preceded by thorough work by committees of experts." Measures would also be taken to eliminate over-centralization and bureaucracy. M Rakosi added that there was "no justification for the sharpening of the class struggle" and that the Government and party would "promote an atmosphere of confidence" and "place their trust in all persons who wish to work honestly and help the people's democracy."

Criticisms of Communist Regime. - Party Warning against "Demagogues."

Increasingly outspoken criticisms of the Government and the party, particularly since the Poznan riots in Poland, led the Central Committee to issue a warning on July 1 calling upon the Hungarian workers to be on their guard against "demagogues," and denouncing "demagogic statements directed against the party and the people's democracy." The statement said that "the provocation of Poznan shows that the Hungarian workers must resist all such attempts with determination."

The warning was apparently issued as a result of demonstrations on the nights of June 18 and June 27, when the Petofi Club—a discussion forum organized by the Communist youth movement—held two meetings at the Budapest Officers' Club. These meetings, attended by some 6,000 people—including many Communists of long standing, and a number of officials and intellectuals—developed into outspoken attacks on the present regime and against M Rakosi in particular. At the meeting on June 18, Mme. Rajk (widow of the Foreign Minister executed as a "Titoist" in 1949) was reported to have denounced M Rakosi by name as being directly responsible for her husband's death, and to have described the Government's treatment of political prisoners as much worse than in the days of Admiral Horthy On June 27 the editor of *Szabad Nep* (M. Horvath) was reported to have been loudly applauded when he declared that the application to Hungary of the principles set forth at the Soviet Party Congress "must be decided in Hungary and not in Moscow or Belgrade" At both meetings demonstrations occurred in favour of the restoration to power of M Imre Nagy, the former Prime Minister who had been dismissed and expelled from the party in the previous year on the initiative of M. Rakosi.

Ministerial Changes.

Following M. Gerö's appointment as First Secretary of the Hungarian Workers' Party in succession to M. Rakosi, the following governmental changes were announced in Budapest on July 30: M. Istvan Hidas—First Deputy Premier; M. Gyorgy Marosan—Deputy Premier; M. Imre Horváth—Foreign Minister; M. Sandor Czottner—Minister for Coal-mining and Power Industries; M Gergely Szabó—Minister for the Chemical Industry; M. Rezso Nyers—Minister for the Food Industry; M. Albert Kónya—Minister of Education. It was also announced that M. Gero and M. Sandor Ronai (president of the National Assembly) had been appointed members of the Presidential Council.

M. Gero had resigned as First Deputy Premier on becoming First Secretary of the Hungarian Workers' Party, his former post being taken over by M. Hidas, an industrial expert. M. Imre Horvath, who succeeded M Boldoczky as Foreign Minister, had served as Minister in Prague. London, and Washington, and also at the Moscow Embassy. M Marosan, a former Social Democrat, was arrested in 1950 and had only recently been rehabilitated, when he was elected to the Central Committee and Politburo of the Workers' Party. M Boldoczky, the former Foreign Minister, was appointed Ambassador in Moscow.

Relaxation of Restrictions. - New Five-Year Plan Directives.

The Prime Minister, M. Hegedus, in a speech to the National Assembly on the same date (July 30), said that the Government regarded it as its foremost task to give the Hungarian people better living conditions and more freedom. He also announced that the Politburo of the Hungarian Workers' Party had decided to make a number of important amendments to the directives for the Second Five-Year Plan (1956-60).

As regards measures to relax the existing restrictions, M. Hegedus announced

(1) The forthcoming abolition of the compulsory Government loan whereby the income of all citizens had been reduced by between five and ten per cent.

(2) The abolition of the law under which transfer of residence to the larger towns was subject to a permit. [M Hegedus explained that this step would particularly benefit those persons who had been deported from Budapest but had been refused a permit for their return to the capital, even after their deportation had been officially ended.]

(3) Closer supervision of the activities of the police, and the transfer of prison administration from the Ministry of the Interior to the Ministry of Justice.

(4) A revival of parliamentary activities, whilst at the same time restricting the functions of the Presidential Council.

M Hegedus also advocated a resumption of diplomatic relations with the German Federal Republic and an improvement of Hungarian relations with Austria.

As regards the new directives for the Second Five-Year Plan, M. Hegedüs stated that industrial production during the period of the Plan would be increased by only 47-50 per cent, instead of by 50-52 per cent as originally provided. Within the overall percentage the production of raw and basic materials would be increased by approximately 58 per cent, combined with a smaller increase in manufacturing industry, to overcome the present insufficient production of raw materials and semi-manufactured products, which had led to a considerable increase in imports. The manufacture of production goods would be raised by 58-60 per cent, and that of consumption goods by 38-40 per cent.

Specifically, Hungarian industry would increase the production of telecommunications equipment, precision machinery, certain machine-tools, and pharmaceutical products. Hungary would supply to other "friendly countries" [i.e. Soviet-bloc countries] bauxite, aluminium, and other goods, and, in conformity with the decisions of the East European Council of Mutual Economic Assistance (see 14900 A), would concentrate particularly on the manufacture of heavy buses, coaches, and diesel locomotives.

The revised plan provided for higher expenditure on power projects, the building of the first atomic power station being planned to begin in 1957 as a result of technical aid by the Soviet Union. The greatest increase would take place in the chemical and metallurgical industries, while light industry would raise its production by about 25 per cent, and the supply of consumer goods to the population would be increased by about 40 per cent through a reduction of exports

Agricultural production generally would be increased by 27 per cent, and the output of State farms by 40 per cent. The total planned investment in agriculture would increase by 50 per cent as compared with the First Five-Year Plan and the "socialist" [i.e. collectivized] sector would be increased to 55-60 per cent of the total agricultural acreage, although the principle of voluntary membership of farm co-operatives would be strictly maintained. It was planned that the real income of workers during the five-year period would rise by 25 per cent, and that a 46-hour week would be introduced by 1960

Improved Working of Parliament.

During the National Assembly's session a Bill was adopted changing the Assembly's Standing Orders with a view to ensuring longer and more regular parliamentary sessions and more adequate consideration of legislation by committees of the Assembly. At the same time members of the Assembly were given the right to question Ministers, which had been virtually in abeyance during recent years.

Admissions of Illegal Executions and Forced Confessions.

The Chief Prosecutor (M. Gyorgy Non) gave the National Assembly a report on the activities of his department.

M Non admitted that those former leading functionaries of the party and State who had been executed in the past had been sentenced on the basis of untrue accusations; they had since been posthumously rehabilitated and their families were being indemnified He also admitted that thousands of innocent people had been imprisoned or sentenced to death during the last few years, and that forced confessions had been extracted from them by illegal means. While promising that "Socialist legislation would never again be violated," M. Non emphasized that no-one would be allowed to criticize the Communist system In conclusion, he admitted that both the police and the law courts had committed "numerous errors," but stated that 23,000 people had benefited from amnesties since 1954 and that the number of those imprisoned had been reduced from 37,000 in 1955 to 27,800 at present.

Release of M. André Marton.

It was announced in Budapest on Aug. 16 that the Hungarian Presidential Council had pardoned M. André Marton, the Associated Press correspondent who had been sentenced to six years' imprisonment in January last on charges of "espionage." Madame Ilona Marton, a correspondent of the United Press, had been released in April.—(Hungarian Review, Budapest - Neue Zürcher Zeitung - Le Monde, Paris - Times - Manchester Guardian - New York Times) **(Prev. rep. 14817 A; Cabinet, 14876 C; 14630 B; General Farkas, 14208 B; Marton Case, 14806 B; 14653 A.)**

A. BULGARIA. — New Foreign Minister.

M. Karlo Lukanov, a Deputy Premier, was elected Foreign Minister by the Bulgarian National Assembly on Aug. 18 in succession to Dr. Mincho Neichev, who had died on Aug. 11, aged 69.

Dr. Neichev, the son of a merchant, studied law at the Universities of Geneva, Berne, and Brussels, set up in practice in Bulgaria, and served as a reserve officer in the Balkan Wars and World War I. A Socialist from his youth, he subsequently joined the Communist Party, was imprisoned several times for illegal political activities, and spent several years in prisons and concentration camps during the Second World War. One of the founders of the Fatherland Front, he served successively as Minister of Justice (1944), Minister of Education (1945), and president of the Presidium of the National Assembly (1947), being titular President of the Republic in the latter capacity. He had been Foreign Minister since 1950.

The new Foreign Minister was Bulgarian Ambassador in Moscow from March 1954 until April of the present year. (Le Monde, Paris - Times) **(Prev. rep. 10746 C.)**

B. AUSTRIA. — Compensation Deliveries to U.S.S.R.

The Austrian Commission for deliveries to the Soviet Union in accordance with the Austrian State Treaty announced on July 31 that during the first year, ended on July 27, goods worth $25,090,184 (652,344,786 Austrian schillings) had been delivered or despatched to the Soviet Union, thereby exceeding the year's target by $90,000. Deliveries included 300,000 tons of oil, tinplate, copper products, electric cables, rayon yarn and tissues, chemicals, wood-working and paper machinery, electrical instruments, etc. (Wiener Zeitung) **(14532 A.)**

C. IRISH REPUBLIC. — Further Import Levies. - Reduced Travel Allowance. - Trade Deficit in First Half of 1956. - Reduction in Public Expenditure.

The Irish Minister of Finance, Mr. Sweetman, announced on July 25 an extension in the levy on imports first imposed on March 14 (see 14832 A), and reductions in public expenditure and borrowing.

Import Levies.

Under the new regulations (*a*) all goods (other than worked or partly-worked precious metals) previously liable to 37½ per cent (full) and 25 per cent (preferential) levies were subjected to new rates of 60 per cent (full) and 40 per cent (preferential).

(*b*) A new range of about 100 items, including office equipment, sewing machines, haberdashery, floor coverings, tableware, glues, polishes, ice-cream powders, canned fish, fruit, and vegetables, were subjected to the levy for the first time at the lower rates of 37½ per cent and 25 per cent.

(*c*) The levies of 1d. or ½d. on newspapers, of 15 per cent on motor cars and motor cycles, and of 5 per cent on newsprint remained unchanged, but commercial vehicles other than buses, previously exempt, became liable to the 15 per cent levy Mr. Sweetman stated that he was in touch with the printing and publishing interests with a view to imposing physical controls to limit the import of newsprint to the 1953 figure (£1,200,000)

(*d*) He also announced a 25 per cent reduction in travel allowances—the maximum which could be enforced under the country's O E E C. commitments New allowances were £50 for children under 12 and £75 for all others

Giving the reasons for the imposition of further severe restrictions so soon after the measures announced in March, Mr Sweetman said that with the exception of imports of motor cars and components, which had declined by £450,000, the effect of the March levies in April and May had been slight, while imports in June had actually been £450,000 higher than in June 1955 The Irish Republic was still importing at an annual rate of £90,000,000 in excess of its exports In the first six months of 1956 as a whole imports had declined by £5,700,000, but exports had also fallen by £4,500,000, and the position was aggravated by the fact that the terms of trade had been moving against the country.

Reductions in Public Expenditure.

Mr. Sweetman went on to announce a general review of public expenditure, which would be reduced by at least £5,000,000, and said that he had decided that only one major public capital issue, a direct Government loan of £20,000,000, should be made in the current financial year No public issues would therefore be sanctioned for the Electricity Supply Board, the *Coras Iompair Eireann* (State Railways), or Dublin Corporation, although the Government would assist these bodies to supplement such funds as they could raise independently.

Loss of Sterling Assets.

Mr Sweetman disclosed that, as a direct consequence of the balance of payments deficit, the country's commercial banks had lost nearly £50,000,000, or two-fifths of their net external assets, since January 1955, and it was therefore essential that any further sales of sterling securities should be kept to a minimum Furthermore, in the present conditions, the creation of new credit could have nothing but harmful effects, and additional capital spending would have to be found from available resources.

Mr. Sweetman added that the measures he had outlined were intended to remedy a "serious situation," and that they would be retained only as long as the situation required. On the other hand he stressed that should further action be necessary, even while the Dail was in recess, the Government would not hesitate to take it, because the country's economic independence was at stake. The real need at the present time was for a substantial increase in the volume and efficiency of the country's national production, and he considered that a rise of 10 per cent in real output was a practicable immediate target. (Irish Times, Dublin) **(Prev. rep. 14832 A.)**

Note. Provisional figures for imports into the Irish Republic in the first six months of 1956 totalled £98,500,000, while exports amounted to £49,000,000 —(Irish Times, Dublin).

D. JAPAN. — Financial Policy. - Relaxation in Compensation Remittances Abroad.

New regulations issued by the Japanese authorities in July eased restrictions on the remittance abroad of compensation payments made by Japan under Article 15(a) of the Japanese Peace Treaty to claimants resident outside Japan. Such remittances had previously been limited to $1,000 a year.

The regulations provided that (*a*) where compensation monies (including restored property) in a non-resident exchange account did not exceed 3,600,000 yen ($10,000) the whole sum might be remitted abroad; (*b*) for any larger accounts, individual holders (but not firms or companies) might transfer abroad 3,600,000 yen in a single remittance.

Applications under the new regulations had to be received by Aug. 31, 1956.—(Treasury Press Office, London) **(Prev. rep. Japanese Peace Treaty, 11681 A.)**

A. UNITED KINGDOM. — Coal Industry. - Production and Developments in First Half of 1956. - The Coal Industry Act. - Compensation Stock Issue.

Provisional figures issued by the Ministry of Fuel and Power on July 3 showed that total saleable output of coal during the first half of 1956 totalled 114,691,600 tons (108,805,300 tons deep-mined, 5,886,300 tons opencast), compared with 113,259,000 tons (108,186,000 tons deep-mined, 5,073,000 tons opencast) in the first half of 1955. Coal imports during the first 26 weeks of 1956 totalled 3,328,700 tons, compared with 5,694,900 tons in the first 26 weeks of 1955, a reduction of 2,366,200 tons.

The following table shows the average weekly rates of coal production and consumption, and of manpower, output, and absenteeism in the second quarter of 1956 :

	Saleable Mined Coal Produced Tons	Plus Opencast Tons	Total Production Tons	Inland Consumption Tons	Overseas Shipments & Bunkers† Tons
April	4,082,700	234,775	4,317,475	4,248,000	188,250
May*	4,055,820	248,720	4,304,540	3,927,400	225,200
June	4,220,775	278,900	4,499,675	3,843,250	185,500
2nd Quarter	4,119,765	254,132	4,373,897	4,006,217	199,650

	Wage-earners on colliery books		No. of shifts worked per wage-earner	Output per manshift at		Percentage of absenteeism
	Total	at coal-face		coal-face Tons	overall Tons	
April	705,950	287,700	4 68	3.334	1.204	12.64
May*	705,300	287,200	4.67	3.327	1.225	12.39
June	703,225	286,200	4.83	3 354	1.239	11.72
2nd Quarter	704,825	287,033	4.76	3 338	1.223	12.25

*Average of five weeks. †Including fishing vessels but excluding coastwise bunkers.

Other recent developments in the coalmining industry are summarized below :

New Opencast Site. Details were given on June 8 of a new opencast project for Scotland, described as " the most ambitious of its kind ever undertaken in Britain," with an estimated total yield of " at least 20,000,000 tons." The scheme envisaged the opening-up of a 1,000-acre site near Kinglassie, on the Fife-Kinross border, where excavations to a maximum depth of 700 ft. would begin in 1958. Initial output was estimated at 600,000-650,000 tons a year.

Underground Coal Gasification. Mr. Aubrey Jones, the Minister of Fuel and Power, announced on June 8 that the National Coal Board and the Central Electricity Authority would jointly build a pilot plant for underground coal gasification, with a view to exploiting the process on a commercial scale. He added that he had stressed the importance of developing the process " with the utmost expedition," and that the N.C.B. intended to associate private enterprise with the project so that full advantage of any developments might be taken in oversea markets.

A Ministry spokesman stated that tests in underground gasification had been conducted in Yorkshire and Worcestershire continuously since 1950, during which time over 5,000 tons of coal had been turned into gas with a calorific value of 70-100 British Thermal units, compared with 500 B.T.U.s for ordinary town gas. As it would not be economical to pipe this gas any distance, it would be used on or near the site to generate electricity.

Reprieve for South Wales Pits. The N C B. announced on May 10 that two South Wales anthracite collieries, the East and Steer pits at Gwaun-cae-Gurwen, Glamorgan, would finally be closed on May 26 owing to miners' " continued restrictive practices, lack of co-operation and low productivity, resulting in serious financial losses." It was explained that there had been " a long history of trouble " at both collieries, both having been closed for a short time in 1948 owing to restrictive practices, whilst in 1949 the Steer pit had been shut down for 18 months. In both cases the pits had been re-opened after undertakings by the miners to co-operate, but in 1955 there had been 47 disputes or " go-slows " at the two pits, whilst in 1956 there had already been 11, culminating in unofficial strikes in support of men dismissed (after repeated warnings) for " go slow " practices. Coal lost at the pits since January 1955 had amounted to 36,000 tons, the output per manshift having been " consistently far below the average for the division."

The South Wales Divisional Coal Board rejected on May 18 an appeal by the National Union of Mineworkers for the withdrawal of the notices, but after further meetings with miners' leaders announced on May 25 that, while it could not withdraw the notices, it was prepared to open one face at each pit immediately. Once improved operational standards and better productivity had been achieved, other faces could be re-opened until all miners had been re-absorbed—a process estimated to take six weeks The men at first rejected these proposals, but on May 25 accepted modified proposals designed to reduce the period before full re-absorption took place from six weeks to four.

The Divisional Coal Board announced on June 15 that during the " probationary period " the Steer pit miners had nearly doubled their output and that, following the men's agreement to the maintenance of a 24-hour cycle of work at all coalfaces and to certain other conditions, it had been decided that both pits should remain open permanently.

N.C.B. Quarterly Accounts. The N.C.B.'s accounts for the first quarter of 1956, published on June 20, showed an estimated surplus (after allowing for £6,100,000 interest) of £6,089,000, against a surplus of £9,175,000 in the last quarter of 1955 and a deficit of £4,395,000 in the first quarter. Losses during the quarter on imported coal totalled £6,100,000. The earnings of adult miners averaged £14. 17s. weekly.

Subsidence Payments. Mr. Aubrey Jones announced on April 16 that the Government had decided that the N.C.B. should be obliged to make good physical damage to land, buildings, service lines, and pipes arising from subsidence due to mining operations, and that the cost (estimated at about £5,000,000 annually) should be included in coal prices Legislation to give effect to this decision would be introduced as soon as practicable

Appointment of Director-General of Reconstruction. The N.C.B. announced on July 3 that it had decided to set up a new reconstruction department at headquarters, and that Mr. H. E. Collins (director of production in the Durham Division, and from 1947-1950 chairman of the Combined Coal Control Group for Germany) had been appointed Director-General of Reconstruction. The new department would be responsible for " securing that the national plan is kept under review and adjusted as necessary, and that major projects are planned and progressed with maximum speed and efficiency."

Dissolution of South-Eastern Divisional Board. It was also announced on July 3 that the N.C.B. had decided that the South-Eastern Division (the Kent coalfield) could in future be better administered by a general manager than by a divisional board , the latter had therefore been dissolved, and Mr. J H. Plumtre (deputy director-general of production at headquarters) had been appointed general manager of the division. Mr. J Norval, the chairman of the former divisional board, had been appointed chairman of the executive then being set up by the N.C B. to develop the technique of underground gasification (see above).

The Coal Industry Bill.

The House of Commons on May 10 gave a second reading to this Bill, which (*a*) increased the total sum which the N.C.B. might borrow for capital purposes from £300,000,000 to £650,000,000, and the maximum to be borrowed in any one year from £40,000,000 to £75,000,000 ; (*b*) provided that if the Board required more than this in any year, the extra sum required must be specified by the Minister of Fuel and Power in an Order needing parliamentary approval.

Mr. Aubrey Jones pointed out on the second reading that the demand for energy was rising faster than at any time since the Victorian era, and that 85 per cent of the primary fuel needed to satisfy the demand was represented by coal. Although it was hoped that the use of nuclear power would save 5,000,000-6,000,000 tons of coal annually by 1965 and 40,000,000 tons annually by 1975, and that after 1970 all new power stations would be nuclear stations, coal would still remain the foundation of the British economy. Recalling that the N.C B.'s revised plans envisaged the investment of £1,000,000,000 over the next 10 years, including £825,000,000 on colliery development, Mr. Jones explained that the Board would find two-thirds of this from its own revenues, but had asked for £400,000,000 additional borrowing powers to see it through the next five years, after which it hoped to be entirely self-financing. This included about £50,000,000 to meet the deficit which it would have accumulated by the end of 1956, but he considered that the deficit should be progressively wiped out by raising coal prices, and not by borrowing or subsidy. The Bill therefore limited the increased borrowing powers to £350,000,000, with strict controls over the amount which could be spent in any one year.

The Bill was welcomed by **Mr. Callaghan** (Lab.) and several other Opposition speakers, but was opposed by a group of Conservative back-benchers headed by **Mr. Nabarro,** the former chairman of the Conservative Parliamentary Party's Fuel and Power Committee. Mr. Nabarro moved its rejection on the grounds that it would extend the N C.B 's power to borrow without proper Parliamentary control, and would permit " a large increase in public expenditure upon an undertaking which has already made continual heavy losses despite large capital investment." He explained that he objected to giving a nationalized industry borrowing powers for 10 years ahead without an annual scrutiny by the House of Commons of the investment programme for the coming year. The controls over expenditure contained in the Bill, he argued, amounted merely to " accountability in retrospect," whereas the Chancellor of the Exchequer should be required annually to lay before the House a statutory instrument setting out the total capital investment needed by the industry in the coming year.

Mr. Nabarro's amendment was defeated by 143 votes to 23 (the Opposition abstaining from voting) and the second reading was given without a further division

After passing through its remaining parliamentary stages, the Bill was enacted on Aug. 2.

Further Issue of Compensation Stock.

The Treasury announced on June 16 that a further issue (the tenth) of 3½ per cent Treasury Stock, 1977-80, had been made in satisfaction of compensation amounting to just under £2,000,000 due to certain undertakings under the Coal Industry Nationalization Act, and that £100 of stock would be deemed equal to £78 10s. compensation due.—(Times - Daily Telegraph - Manchester Guardian - Financial Times - Economist)

(Prev. rep. 14882 A ; [Underground Gasification, 10368 D.)

A. SOVIET UNION. — Demographic Statistics.

The first demographic statistics to be issued in the Soviet Union since the census of 1939 were contained in a statistical handbook issued in July by the Central Statistical Bureau of the Council of Ministers. The estimated population of the Soviet Union in April, 1956, was given as 200,200,000 (87,000,000 urban and 113,200,000 rural), as compared with an estimated population of 191,700,000 in 1940 (60,600,000 urban and 113,200,000 rural).

Population figures for the Union Republics were given as follows:

	1956 (April)	1940
Russian Soviet Republic	112,600,000	107,900,000
Ukraine	40,600,000	41,000,000
Byelorussia	8,000,000	9,200,000
Uzbekistan	7,300,000	6,300,000
Kazakhstan	8,500,000	6,200,000
Georgia	4,000,000	3,600,000
Azerbaijan	3,400,000	3,200,000
Lithuania	2,700,000	2,900,000
Moldavia	2,700,000	2,500,000
Latvia	2,000,000	1,900,000
Kirghizia	1,900,000	1,500,000
Tadjikistan	1,800,000	1,500,000
Armenia	1,600,000	1,300,000
Turkmenistan	1,400,000	1,200,000
Estonia	1,100,000	1,000,000
Finno-Karelia*	600,000	500,000

*Now amalgamated with the Russian Soviet Republic—see 15032 A

The population of the largest cities (over 500,000 inhabitants) at the beginning of 1956 was given as follows:

Moscow*	4,839,000	Stalino	625,000
Leningrad*	2,814,000	Chelyabinsk	612,000
Kiev	991,000	Odessa	607,000
Baku	901,000	Dnepropetrovsk	576,000
Kharkov	877,000	Kazan	565,000
Gorki	876,000	Riga	565,000
Tashkent	778,000	Rostov	552,000
Kuibyshev	760,000	Molotov	538,000
Novosibirsk	731,000	Stalingrad	525,000
Sverdlovsk	707,000	Saratov	518,000
Tiflis	635,000	Omsk	505,000

*Excluding suburbs

Birth- and death-rates in the U.S.S.R. between 1940 and 1955 were given as follows (per 1,000 population):

	Birth-rate	*Death-rate*
1940	31.7	18 3
1950	26 5	9.6
1953	24 9	9 0
1955	25.6	8.4

It was commented abroad that the official estimate of the Soviet population—just over 200,000,000 in April 1956—was considerably below the estimates hitherto prevalent in the Western countries. The decline in the population of the Ukrainian and Byelorussian republics was seen as a consequence of the heavy losses suffered by those areas during the Second World War. On the other hand, the considerable increase in the population of the Central Asian republics—notably Kazakhstan, whose population had increased by over one-third between 1940 and 1956—was regarded as an indication of the growing trend of eastward migration in the U.S.S.R. during recent years, resulting from the industrial and agricultural development of these areas. This conclusion was supported by the fact that several Siberian cities—notably Novosibirsk, Sverdlovsk, and Chelyabinsk—had become among the largest in the Soviet Union.

The sharp decline in the birth-rate since 1940 also aroused comment abroad, in which connexion it was pointed out that the 1956 figure of 25.6 per 1,000 compared with 47 per 1,000 in 1926. On the other hand, the death-rate had been more than halved between 1940 and 1955 and had fallen by nearly one-third since 1926, when it stood at 20.3 per 1,000.
(Soviet Weekly - New York Times)

(Prev. rep. 1939 Census, 3602 B.)

Note. The census taken in January 1939 gave the population of the Soviet Union as 170,467,186. The estimate of 191,700,000 in 1940 apparently included the territories incorporated in the U S S R. in 1939-40—the Baltic States, the former eastern provinces of Poland, Bessarabia, and territory ceded by Finland.

B. UNITED KINGDOM. — July Trade Figures.

Imports into the United Kingdom in July totalled £320,000,000, exports £266,300,000 and re-exports £9,800,000, the adverse visible balance thus amounting to £44,300,000.
(Board of Trade Journal) **(Prev. rep. 15023 A.)**

C. UNITED STATES. — Nuclear Weapon Tests.

The U.S. Secretary of Defence (Mr. Charles E. Wilson) and the chairman of the Atomic Energy Commission (Rear-Admiral Lewis Strauss) announced on July 23 that a series of U.S. nuclear weapon tests in the Pacific had been successfully concluded and had "contributed materially to the security of the United States and the free world." Only two weapon tests—on May 5 and May 21—had been officially announced, though on several occasions during June and July abnormal atmospheric vibrations attributed to nuclear explosions had been recorded by Japanese meteorological stations.

The Atomic Energy Commission and the Defence Department had announced in January last that a series of test explosions would be held during the spring at the Eniwetok proving grounds, in the Marshall Islands. It was stated that they would involve weapons "generally smaller in yield than those tested in 1954," that one of their most important purposes would be "the further development of methods of defence against nuclear attack," and that the operations would be carried out by a task force under the command of Rear-Admiral B Hall Hanlon.

The first explosion, a small one, took place on May 5 at Runit Island, in the Eniwetok atoll. The nature of the device detonated—known as "Lacrosse"—was not made public, but reports by eye-witnesses suggested that it might have been a "pocket-size" hydrogen bomb and not a fission bomb. It was pointed out in the U.S. Press that this would represent an important development, since a fusion weapon would be four times more effective and considerably less costly than a fission bomb of comparable size.

On May 21 the first hydrogen bomb to be dropped from the air was exploded over Namu Island, in the Bikini atoll. It was dropped from a B-52 jet bomber flying at an altitude of 40,000 to 55,000 feet, and exploded at a height of 10,000 feet so as to minimize radioactive fall-out. The "mushroom" cloud produced was estimated at about 100 miles wide and 25 miles high, and it was subsequently stated by Rear-Admiral Hanlon that the bomb had an energy force equivalent to "several million tons of T.N.T." On May 22 it was announced that the bomb was a "sanitary" weapon so far as radioactive fall-out was concerned; there had been no significant fall-out outside the Bikini atoll, and most of the radioactive particles had been carried up into the stratosphere, where they were widely diffused The U.S. Secretary for Air (Mr. Quarles) disclosed on June 16 that the bomb dropped at Bikini on May 21 had missed its target point "by somewhat less than four miles" as the result of a "human error", the statement added, however, that the error was "not great enough to have a serious effect on the success of the experiment."

Atmospheric changes indicating explosions of a nuclear character were recorded on June 26, July 3, and July 9 by the Japanese Central Meteorological Office and many other weather stations throughout Japan It was stated by Japanese scientists that the data recorded on microbarographs had indicated explosions at a point approximately 2,500 miles south-east of Japan—i e in the Bikini region The "shock waves" recorded on June 26 and July 9 were described as greater than those produced by the explosion of May 21

In a report to President Eisenhower on July 19, Rear-Admiral Strauss stated that the tests had shown that it was "possible to localize the fall-out effect of nuclear explosions to an extent not heretofore appreciated," and that "mass hazard from fall-out is not a necessary complement to the use of large nuclear weapons." The report also said that "real progress" had been made in developing "a variety of weapons calculated to meet a wide range of military usage, including defence against air attack."—(New York Times - New York Herald Tribune) **(Prev. rep. U.S. Atomic Weapons Tests, 14214 A; Bikini H-Bomb Tests, 13699 A.)**

D. CEYLON. — U.S. Economic Aid.

An agreement for the grant of $5,000,000 in U.S. economic aid to Ceylon for projects mutually agreed upon was signed in Colombo on April 28 by the Ceylonese Prime Minister, Mr. Bandaranaike, and the U.S. Ambassador, Mr. Crowe. Shortly after assuming the premiership, Mr. Bandaranaike had stated on April 25 that the aid would be granted under the Colombo Plan; that he was satisfied that no "strings" would be attached to the agreement, and that Ceylon was prepared to accept aid on such terms from the U.S.A. or any other country, including the Soviet Union and China.

A further agreement signed between the two countries on June 28 provided that American aid would be in the form of goods and services to be supplied by the U.S A. or other countries in respect of various projects supplementing Ceylon's Six-Year Plan. The total amount of $5,000,000 (Rs.23,810,000) would be divided as follows: Railways, $1,875,000, land and land development, $1,824,000; University of Ceylon, $581,000; freight for dry milk sent to Ceylon for school meals, $491,000; training of Ceylonese personnel abroad and other services, $102,300; agricultural expansion, research, and education, $85,000; industrial development, $35,000; sanitation $6,500.

The aid will come out of U.S. foreign aid appropriations for the year 1955-56. (Ceylon Government Information Dept.)

SEPTEMBER 1—8, 1956

A. CYPRUS. — Temporary Suspension of Terrorist Activities. - Cyprus Government's Surrender Offer to Eoka. - Publication of Eoka Leader's Diary. - The Terrorist Campaign. - Lord Radcliffe appointed Constitutional Commissioner for Cyprus. - British Parliamentary Debates. - Greek and Turkish Attitudes to Cyprus Question. - Turkish Cypriot Proposals.

Two major developments in the internal situation in Cyprus took place during August. The first of these was the announcement by Eoka (the terrorist organization), in leaflets distributed throughout the island on Aug. 16, that the campaign of violence would be suspended in order to facilitate a settlement of the dispute between the Greek Cypriot community and the British Government over the question of self-determination and *enosis*. The second development was the publication by the British Government of the text of a document purporting to be the personal diary kept by Colonel George Grivas (*alias* Dighenis), the Eoka leader, which, it was stated, contained "irrefutable proof" of the complicity of Archbishop Makarios in the organization and activities of the terrorists. These and other developments are described below under cross-headings.

Suspension of Terrorist Activities.

The text of the Eoka leaflet, which was signed "Eoka, Dighenis, the leader," was as follows:

"For 16 months we . . . have been fighting a bitter struggle for freedom. The opponent, who imposed upon us our national liberation movement by his unjustified intransigence, now makes use of the struggle, described by him as armed force, to justify his refusal of agreement with us

"I undertook this struggle not from personal ambition but because I envisaged a free Cyprus. For this purpose I will devote all my strength. I am ready to give proof of my humanitarian sentiments in order to prevent new bloodshed and to help achieve a settlement between the two opposing sides in fulfilment of the wishes of a Greek Cyprus.

"I wish to declare. 'If our adversaries are really sincere when they state that under the conditions created in Cyprus by our activities it is impossible to achieve a just solution which we are seeking, I am ready to suspend the operations of my men.' I await full corresponding action on the part of England to enable the fulfilment of Greek Cypriot claims as they have been expressed, supported, and outlined for future discussion by our Ethnarch, Archbishop Makarios

"To prove my unshakable desire to promote a favourable solution of the work undertaken by Makarios, and to give him once again a chance to solve the Cyprus national question, I order from today a suspension of operations of all forces under my authority.

"The national organization of Cypriot fighters (Eoka) states nevertheless that they will keep their arms ready and at the alert, ready for new sacrifices if these should be imposed on us by any further threat, in the certainty that they have at their disposal the moral and material resources to prevail."

The acting Ethnarch of Cyprus, Bishop Anthimos of Kitium, issued on Aug. 17 a statement on the new situation created by the suspension of violence.

"The British Government," the statement said, "have repeatedly declared that the non-restoration of law and order is a basic obstacle to the solution of the Cyprus question On the part of the Greek people of Cyprus this obstacle is removed by the conditions which are now created We believe that the British Government, respecting the unanimous will of the Greek people of Cyprus, will show a kindred spirit and, by freeing Archbishop Makarios, create the indispensable prerequisites for the attainment of a fair and honourable solution corresponding to the will of the people of Cyprus"

Official comment upon the Eoka leaflet was not made until Aug. 18, when a Government spokesman replied to the Bishop of Kitium's statement. The spokesman pointed out that, although the Bishop had assumed that law and order had been restored, the Eoka leader had in fact called only for the suspension and not the abandonment of the use of violence. "Nor have Greek Cypriot leaders, in particular leaders of the Church, as yet denounced the use of violence," the spokesman added. "Nevertheless it is sincerely a step forward towards the peaceful settlement which all desire. The Government will not be slow in responding. Of necessity there must now be a period during which the Government can see whether the call for suspension of violence is being obeyed."

Government Surrender Terms. - Rejection by Eoka.

The following terms of surrender were offered to Eoka by the Government of Cyprus on Aug. 22:

"In the new conditions created by the decision of the terrorists to call off their campaign of violence, the Government of Cyprus, with the full approval of H.M. Government, have decided that it would now be in the public interest to give the terrorists who are still at large in the island the opportunity of extricating themselves from the position into which their action in taking up arms against the established Government of the country has led them. These terrorists will now be given the opportunity of surrendering with their arms. The offer will remain open for three weeks.

"A terrorist who surrenders during this period . . . will have the choice of being dealt with in one of two ways. He may opt (*a*) to leave Cyprus for Greece as soon as the necessary arrangements can be made, and subject to certain conditions; or he may opt (*b*) to remain in Cyprus Once he has opted for one or other of these courses his decision will be final.

"If he decides to leave Cyprus for Greece the following terms will apply:

(*a*) He will be kept in detention pending his departure.

(*b*) He will not be prosecuted for any crime he may have committed before this announcement, even involving violence against the person.

(*c*) His option will be conditional upon proof that Greece is willing to admit him

(*d*) If a British subject, he will be required to give an undertaking that on arrival in Greece he will apply for Greek nationality and will renounce his British nationality as soon as possible, and that he will not in future claim protection and privileges as a British subject.

(*e*) On his departure he will be declared a prohibited immigrant and will not be allowed to re-enter Cyprus If he is not admitted into Greece, he will be treated as though he had opted to remain in Cyprus.

"If he decides to remain in Cyprus the following terms will apply:

(*a*) If there is evidence against him of the commission of a specific offence involving violence against the person, he will be brought to trial.

(*b*) He will not be brought to trial for any terrorist offence not involving violence against the person committed before this announcement.

(*c*) Unless brought to trial and sentenced, he will remain in detention until released either by the ending of the state of emergency or by virtue of an Order of the Governor, whichever is the earlier.

"At a later stage, when the Governor is satisfied that stable conditions of peace and order have been re-created, he will be prepared to declare an amnesty for certain offences committed by the terrorists and their supporters now in prison or under detention. This amnesty will include those who surrender under the terms of this announcement.

"It must be remembered that the carrying of arms and the possession of arms and explosives without lawful authority continue to be illegal and are offences punishable by death and life imprisonment respectively There will be no relaxation in the efforts of the security forces to enforce the law."

The Government's surrender offer was immediately rejected in an Eoka leaflet signed by "Dighenis" and distributed on Aug. 23.

"As military commander of the fighting Cypriot people," the message declared, "I reply to your demand for the surrender of arms: 'No, come and get them.' It is impossible to halt our campaign until a final agreement is reached. The Government's demand shows insincerity and shortsightedness. Nevertheless, to indicate once more my good will and my desire to prevent bloodshed, I declare that if by the 27th of this month the surrender order is not withdrawn, and negotiations on the basis of Archbishop Makarios's terms are not begun, then I am relieved of obligations in connexion with the truce which I declared of my own initiative, and shall resume my freedom of action."

The Government announced the same day that it would stand firm upon its previous offer, and on Aug. 24 the Governor (Sir John Harding) ordered British Army and Air Force units stationed in the island to remain on active service for a further three months.

In the meantime troops engaged on security operations had discovered a number of bombs in process of manufacture near Khandria An explosion on Aug 24 in the Larnaca area, killing one Greek Cypriot and wounding another, was officially "believed to have been caused by a bomb."

Several unexploded bombs were discovered by members of the security forces on the day preceding the expiry of Eoka's truce offer. Early in the morning of Aug. 28 security forces confined to his house Dr. Dervis, the Greek Cypriot mayor of Nicosia and a member of the Ethnarchy Council, and searched his surgery and the municipal offices The mayor was later released. In Larnaca a youth was detained on the same day after a bomb-throwing incident.

An official statement on Aug. 28 announced that six terrorists undergoing long sentences were being transferred from Cyprus to prisons in Britain, in view of the serious deterioration in discipline at the central prison in Nicosia. The statement said that loss of good-conduct remission was no longer effective as a disciplinary measure, since the terrorist prisoners were confident that they would be released long before the completion of their sentences. The six men arrived in Britain by air the on the same day.

Sir John Harding, broadcasting to the people of Cyprus on Aug. 29, urged them not to be misled into making any new demands until Lord Radcliffe's recommendations for a new Constitution (see below) had been published. Referring to the publication of the Cyprus Government's surrender offer to the terrorists, which had been criticized as coming too soon after Eoka's announcement of a truce, the Governor explained that the Government had had information that the terrorists had only been seeking "a breathing space to manufacture more bombs, refurbish weapons, and recruit more men."

The Grivas Diary.

The British Colonial Office announced on Aug. 26 that among Eoka documents recently captured was a diary kept by the terrorist leader, Colonel George Grivas. The diary contained numerous references to Archbishop Makarios, indicating that the Archbishop had personally taken part in the foundation and initial operational planning of Eoka, that his approval was sought for the date of the commencement of operations, and that he had provided funds which were used for procuring arms for the terrorists. The Colonial Office published substantial extracts from the diary, some of which are reproduced below.

Mr. Lennox-Boyd (the Colonial Secretary) said in a press statement that he was absolutely satisfied as to the authenticity of the documents.

"Much of the criticism to which I and my colleagues have been subjected about our treatment of Makarios, and in particular the deportation," he went on, "was based on the assumption that he was really a moderate and that we were losing the chance of moderate support. That has been blown sky-high by these papers. They show him to be the personal director of the whole tragic business and in no sense a moderate, and involved even in the choice of individual victims for murder He has been behind the original physical intimidation of Eoka, which has prevented freedom of expression. It is our purpose steadily to end this intimidation, and we do not consider the Archbishop to be in any way indispensable to a negotiated settlement."

With reference to a suggestion that the Archbishop might be prosecuted as an accessory in the murders committed by Eoka, Mr Lennox-Boyd said that H.M. Government and the Governor of Cyprus would have to give "very close and immediate consideration to the Archbishop's personal position in the matter."

Mr. Lennox-Boyd added that the translation of the incriminating papers was not yet complete, but that the Government had elected to release some extracts at the present stage; since the terrorists had said that they would resume operations if negotiations on the terms proposed by Archbishop Makarios were not begun by Aug. 27, it was important that the world should be fully aware of some of the issues involved.

Extracts from Grivas Diary. The translated portions of the diary published by the Colonial Office were taken from two separate sections. The first dealt with the period Jan. 10-22, 1955, shortly before the caique *Aghios Georghios* was intercepted while trying to smuggle explosives to the terrorists (see 14221 A) The second section referred to the period April 2-June 26, 1955, after the beginning of the Eoka terrorist campaign. In the earlier part of the diary Archbishop Makarios, the Bishop of Kition, and other prominent persons were mentioned by name, but in the later part Grivas resorted to the use of code-names and symbols. It was stated that among these the term "the General" undoubtedly referred to Archbishop Makarios, and that "X" was used to indicate a symbol representing a cross combined with a bishop's crook.

The extracts began with an entry referring to the Archbishop's arrival from Athens on Jan. 10, 1955. On the following day "Azinas came to my house . . . and told me that the Archbishop wants to see me. Azinas took me in his car and we drove to Larnaca to the Bishopric where we were to meet the Archbishop I saw the Bishop of Kition, with whom I talked until the arrival of the Archbishop. He congratulated me for my courage in coming to Cyprus. I told him about targets which I have earmarked for attack, etc. He appeared to be aware not only of all my movements but also of our present position and future plans, and he told me that he had discussed these with the Archbishop.

"When the Archbishop arrived he told me that on his voyage to America he had met Kyrou [head of the Greek delegation at the U.N. which raised the Cyprus issue in 1954—see 13993 A] in Paris, and that they had agreed fully on the action to take. Later, however, the position had changed—they were hoping to get America's support, which would have meant a majority at the U.N Kyrou had then sent a telegram to the consul here . . without the Archbishop's knowledge. After America turned against us immediate action was necessary, but it was too late by then since they did not have the means of communicating with us quickly.

"I told the Archbishop all about the work we had done and are doing; I also talked to him about the excellent morale of our men. The Archbishop told me that Papagos [i.e. the late Field-Marshal Papagos, at that time Prime Minister of Greece] wants action; the Archbishop added that he [the Archbishop] had decided on March 25 as the date on which operations were to begin. Azinas had objections as regards this date because he considered it to be too late. I, too, told the Archbishop that this date (March 25) ought not to be definitely decided upon since the postponing of action until that date would have the following disadvantages:

(1) The security risk of us not being able to keep our movements and activities secret until that date, the element of surprise representing 90 per cent of our chances of success. To date the British have taken no precautionary measures against action on our part, since all Government offices are completely unguarded and unprotected, and even military establishments are badly guarded and we are easily able to approach them during the night.

(2) We should take advantage of winter weather conditions (rain, snow, etc.), which work on our side—we should also take advantage of the fact that the nights are much longer and can cover all our movements and activities.

"I asked the Archbishop about Papagos and the Archbishop told me that Papagos is now in full agreement with our activities. Until recently Papagos had stood against us because he had heard that Greek officers were involved in our movement and he feared that these officers might well organize themselves against him . . .

"In connexion with material from Athens, Azinas told me that the Archbishop had paid 65,000,000 [drachmas] to Efstathopoulos and Gazouleas. Of this 65,000,000, 25,000,000 were paid to Gazouleas for the new material and the remaining 40,000,000 were paid to Efstathopoulos in respect of his instalment to the cargo ship. Another 40,000,000 to Valvis will be paid to the cargo ship as a final payment after the delivery of the material to us"

The extracts then referred to the preparations made for the reception of the *Aghios Georghios*, whose departure from Athens was marked by a telegram from Gazouleas received on Jan 14. On Jan. 18 reports of police activity in the area where the vessel was expected to land her cargo led Grivas to make the following decisions, noted in the diary:

"(1) There is nothing more to be done at Paphos in addition to the instructions which were issued yesterday—i.e. observation of police movements guarding the coast. Caique only to be signalled if the coast is clear. Speedy removal of material.

(2) A diversionary operation is to be organized at Xeros to give the impression that something is happening there This operation is to be executed by members of sabotage groups . . . who will be given the relevant instructions"

On Jan. 19 Grivas reported receiving "a recommendation by the Archbishop to the effect that we should limit our movements until Sunday. In his message the Archbishop also asks whether we shall be going to Larnaca to inspect our groups in that town. To this my answer was 'yes'"

The extracts from the first period ended with the following entry for Jan 22 "At 10.30 hours Azinas came to see me . . . still no caique. Azinas had seen the Archbishop and notified him that he would have to go to Athens about the caique, but the Archbishop had not agreed initially that it was necessary for Azinas to go. The Archbishop was worried in case the British got to hear of this and should jeopardize the whole business, but he agreed in the end that Azinas should go."

The second group of entries opened with the text of letters between Grivas and "the General" dated April 2 and 3, 1955, on the subject of the "Voice of the Fatherland" broadcasts from Greece. "The General" expressed agreement with a complaint by Grivas that broadcasts saying that "freedom is not gained by terrorism" had a bad effect on morale, and stated that one of his men would be sent to Athens with instructions for those in charge of the radio station.

The entries continued: "*April 7.*—I have prepared a report to the General on the situation and on the reorganization of groups for further activity

"*April 11.*—I have sent a letter to the General asking him to take an interest in the families of those arrested.

"*April 17.*—I have also asked the General to provide the sum of £500 for the purchase of pistols with which the sabotage groups will be supplied

"*April 25.*—Ermis reported that a person was sent by the Bishop of Kition wanting members of our organization to be recommended to him for training .

"*April 27*—I have sent a letter to the General requesting that the Athenian newspapers should be advised to censure the pressure exercised by the Government on its employees to enlist in the Special Constabulary . . .

"*April 29*—'X' has informed me that the General has written that no activity should take place now as 'very important national interests are risked' . . .

"*May 22*—I am preparing a report to the General for the continuation of our activities."

Several entries at the beginning of June 1955 dealt with the possibility of obtaining arms from Egypt, and on June 7 another meeting between Grivas and "the General" was reported. The last few extracts published by the Colonial Office referred to the planning of actual outrages, viz.:

"*June 8*—At 19 30 hours Heron, Thalis, and Dafnis came to the house and I gave them orders. I spoke to the first two on the attempt in Government House on June 9, and on June 10 in the house of Chief Justice Hallinan, where the Governor has been invited for dinner The first attempt with the clock-bomb will take place in any case (in spite of a desire of the General that the placing of the bomb should be made under certain reservations) As regards the second attempt, three ways were discussed (clock-bomb, hand-grenade, and automatic guns). I ordered them to make inquiries and report to me tomorrow which is the best way.

"*June 22*—I have written to the General to ask for clock-bombs from Athens.

"*June 23.*—I have sent a letter to the General advising him to take measures for the protection of his life, following information that the Turks are organizing his assassination

"*June 26*—I reported to the General that I have ordered suspension of activity and that I am preparing something more serious after the new recourse to the U N I asked for approval to execute by ambush the Commander-in-Chief, Middle East Forces. At 14 00 hours I went to Boghaz to find the proper place for ambushing the C.-in-C. I found two places. I received a report from Heron saying that an unsuccessful attempt against the life of Poullis was made last night at 23.00 hours." [Poullis was the policeman murdered by the terrorist Karaoulis in August 1955.]

Reactions in Cyprus and Greece to Publication of Grivas Diary.

An Eoka leaflet distributed on Aug 28 accused Britain of trying to distract attention from criticism of its Cyprus policy by publishing the Grivas diary. "We do not want to make any reply to the documents," it said, "as we consider them a collection of empty words and soap-bubbles. Discussion is vain. Our reply will now be with arms. Our reply is once again: 'Sit down and talk with Makarios on the basis of his terms.'"

Among the persons mentioned in the extracts from the diary, the Bishop of Kition denied that he had ever met Grivas, while M. Kyrou denied that he had met Archbishop Makarios in Paris. Greek newspapers described the British action in publishing the Grivas papers as an attempt to discredit Archbishop Makarios and to justify "fresh coercive measures in Cyprus." It was also alleged in Athens that the documents were "forgeries."

In view of the references in the Grivas diary to the Bishop of Kition (acting Ethnarch of Cyprus in the absence of Archbishop Makarios), a restriction order under the emergency regulations was served upon him on Aug 29 confining him to his residence, subjecting his correspondence to scrutiny, and preventing him from receiving visitors without police permission. The Cyprus Government announced that there would be no interference with his priestly functions or with his administration of ecclesiastical affairs, but that these arrangements might be reviewed later if further information regarding the Bishop's part in the Eoka conspiracy became available, or if further outbreaks of violence took place

The Terrorist Campaign.

The principal developments in connexion with the Eoka terrorist campaign from June 7 until the temporary suspension of the terrorists' activities on Aug. 16 are summarized chronologically below.

June 7 A Greek Cypriot official, Andreas Sergides, was shot dead while entering his office in Limassol

June 12. Three British servicemen travelling in a military vehicle were killed, and seven others, as well as two Greek Cypriots, injured, when an electrically detonated mine exploded near Berengaria, on the outskirts of Limassol

A Greek Cypriot, Stelios Mavromatis, was sentenced to death for shooting two airmen at Nicosia in March

June 16. Mr. William Boteler, U.S Vice-Consul in Nicosia, was killed when terrorists threw bombs into a Nicosia restaurant; three other Americans dining with him were injured The Greek Cypriot *mukhtar* (headman) of Patriki, a village near Famagusta, was shot dead by terrorists.

It was announced that on June 12 seven terrorists, including two men with a price of £5,000 on their heads, had been captured during large-scale security operations in the Troodos mountains initiated on June 11. Although no casualties had been sustained as a result of terrorist attacks during the operations, five soldiers had lost their lives as a result of accidents, including three who died when a lorry went over a precipice.

June 18. Twenty British soldiers lost their lives, and 16 others suffered serious injuries, in an extensive forest fire in the Troodos mountains, where operations were in progress against terrorist hide-outs The fire, which caused an estimated £1,000,000 worth of damage, had raged for several days over a wide area, and was believed to have been started by escaping terrorists.

Two Greek Cypriots—Kyriakos Korsouttas and Andreas Panayides (both 22)—were condemned to death, and a third—Paraskevas Hiropoulis (18)—was sentenced to life imprisonment, for the murder of an R A.F. corporal at Nicosia airport on May 16.

June 19. A Greek Cypriot was shot dead by gunmen at Zeros. A bomb attack was made on a vehicle carrying a chaplain to the funeral of soldiers who had lost their lives in the forest fire, injuring three Greek Cypriot bystanders but missing the vehicle

June 21. A British police sergeant was shot dead in Larnaca and a Turkish auxiliary policeman was injured in a bomb attack in Nicosia

June 22. It was announced that a fine of £35,000 had been imposed on Limassol, where six people had been killed, ten injured, and 70 bomb incidents had occurred since the beginning of the year.

June 24. Five soldiers were injured, two seriously, when bombs were thrown at an Army vehicle near Dhavlos.

A statement on the Troodos Mountain operations, which ended on June 23, said that documentary proof had been found showing that the Kykko monastery had been used as a supply and information centre for the terrorists Five monks had been detained.

June 25. In Nicosia an attempt was made on the life of Mr. Justice Bernard Shaw, senior puisne judge in Cyprus, who had presided over a number of trials of terrorists and had imposed death sentences on six of them; he received shot wounds in the head and neck. The Old City was cordoned following the attack, a woman being accidentally killed when troops fired at a man who failed to reply when challenged.

June 26. Gunmen killed a Greek Cypriot farmer at Akaki, near Nicosia

June 28. An Eoka leader for whose capture a £5,000 reward had been offered—Haralambos Terkorafis—was captured with 17 other suspects during a raid by security forces in the Kyrenia mountains.

July 2. A Greek Cypriot child was killed and two British soldiers were injured by a bomb thrown at a British army vehicle at Komatou Yialou. The terrorist who threw the bomb was shot dead while attempting to escape.

The Government announced that there was evidence that Greek Cypriot schoolboys spending their holidays in Greece were receiving terrorist training there, and that it might be necessary to declare such pupils prohibited immigrants in order to prevent their return.

July 3. A Greek Cypriot clerk, Jacovos Patatsos, was sentenced to death for the murder of a Turkish policeman on April 23.

July 6. Gunmen killed a Greek Cypriot at Curium, near Limassol

July 8. A British Customs official—Mr. G. P. Kaberry—and his wife were shot dead when their car was stopped by terrorists near Ayios Nicolaos A British army sergeant was killed at Morphou. Five terrorists were arrested in the act of mining a bridge near Larnaca.

July 11. A Greek Cypriot and an Armenian were found murdered in a car near Larnaca. Troops and police opened fire on a crowd of Cypriots who attacked the police station at Evrykhou with stones and other missiles

July 12 The Judicial Committee of the Privy Council dismissed appeals against the death sentences imposed on the terrorists Andreas Zakos and Charilaos Michael on Feb 28 for their part in the ambush of Major Combe on Dec. 15, 1955.

July 16 It was announced that 17 wanted terrorists and quantities of arms and ammunition had been captured during a recent large-scale security operation covering 800 square miles of central Cyprus.

A Greek Cypriot—Chrysostomos Panayi (18)—was sentenced to death for throwing a bomb into a military police barracks in Famagusta, killing one military policeman and wounding others

July 17. An R A F. sergeant was shot dead in a private house in a suburb of Nicosia.

July 24. A Turkish Cypriot was shot dead in Galousa.

July 25. A Maltese special constable—Edward Mompalda—was killed by gunmen while walking with his Greek Cypriot fiancée in Nicosia. Sergeant A. McQuillan of the R.A.F was found dying of gunshot wounds in Limassol.

July 30 A Greek Cypriot woman, the village headman of Letymbou, and a Greek Cypriot boy of 16 were killed by gunmen in different parts of the island

July 31. A Greek Cypriot clerk was shot dead by a terrorist who broke into an office in Nicosia.

Aug. 3 Eoka announced that they were holding Mr. J A. Cremer (78), a retired British civil servant living in Kyrenia, who had disappeared on the previous day, and that they would execute him if the death sentences on Zakos, Michael and Patatsos were carried out.

Security forces imposed restrictions of movement on an area of 100 square miles in the mountainous western region, and declared a district near Famagusta a "danger area" in which anyone found wandering would be shot on sight.

Nicos Xenophontos (23) was sentenced to death for shooting and wounding a Greek Cypriot in Nicosia on April 22

Aug 5. Mr. Cremer was set free by the terrorists after an appeal for his release had been addressed to Eoka by the condemned men; he was taken to hospital and later flown to Britain He had been kept bound hand and foot by the terrorists and was badly shaken by his ordeal, but had not been maltreated

Aug. 6 Miss Drossoula Demetriadou, the fiancée of Mr. Mompalda, who was murdered on July 25 [see above], publicly denounced Eoka in a broadcast on Cyprus Radio Miss Demetriadou, who had been flown to Britain with her family for safety, said: "We do not want you, Grivas . . You have brought only death and terrorism to our island. You have brought misery to our homes, and every day your cruel murders poison our lives . . Get out of our island; we do not want you . ."

Aug 7. In anticipation of disorders in connexion with the execution of Zakos, Michael and Patatsos, due to take place on Aug 9, a ban on the use of all vehicles was imposed in the Nicosia area

A British assistant police superintendent, Mr. A. J. Brooks, was fined £25 for causing bodily harm to three Greek Cypriots whom he had been interrogating.

Aug 8. Strikes protesting at the impending execution of the three terrorists took place throughout Cyprus Building workers failed to report for work at Government sites and military bases, dockers walked off ships at Famagusta, 2,000 workers struck in the Larnaca area, and 400 political detainees staged a 24-hour hunger strike An attempted mass break-out from a political detention camp at Pyla was foiled

A former Eoka member denounced the terrorist organization in an anonymous broadcast on Cyprus Radio, in which he said . " Eoka is filled with hate, with poison, like a mad dog which bites only because it is sick. Are Cypriots slaves ? You know they are not Are the English torturers ? You know they are not I shall continue to fight Eoka as a true patriot, and in that I serve Cyprus "

Aug. 9 The terrorists Zakos, Michael, and Patatsos were executed in Nicosia, despite widespread agitation for a reprieve or a stay of execution An attempt was made to blow up the garrison NAAFI club in Nicosia as a reprisal for the executions, causing no casualties and only slight damage A Cypriot was shot dead in Kythrea.

Aug. 10. The proprietor of a Psolomophou coffee shop was killed and a Turkish Cypriot customer injured by masked gunmen dressed as priests. One man was killed and another injured by gunmen in the western mountains.

It was announced that the residence permit of Mr George Spondes, the last Cyprus correspondent of a Greek newspaper in the island, would not be renewed.

Aug. 11. A Greek Cypriot accountant was shot dead in Famagusta

Aug. 12 A Cypriot was killed in the Famagusta area, and another shot dead when gunmen entered a coffee-shop in a village south of Nicosia. A Greek Cypriot taxi driver was fatally wounded in Kythrea

Aug. 13 A 53-ton British-owned yacht was sunk in Kyrenia harbour by means of a bomb affixed to her bow , there were no casualties

Georghios Efthymiou, a Greek Cypriot, was acquitted of the murder of Mr Thomas Mylrea in Limassol on June 6.

Aug. 16. The body of a Greek Cypriot, Christos Papillaros, who had been released from protective custody earlier the same day, was found shot in Nicosia. Two prisoners undergoing medical treatment at Nicosia General Hospital were abducted by armed terrorists

Aug. 16 A Greek Cypriot was found shot dead in an asbestos mine near Nicosia.

New Cyprus Constitution. - Sir Anthony Eden's Statement. - Lord Radcliffe's Visit to Cyprus.

Constitutional progress in Cyprus was discussed at meetings attended by Sir John Harding, British Ministers, and Service chiefs, which took place in London between June 3 and June 23. During and after these discussions the British Government consulted with the Turkish Government on matters relating to the Turkish Cypriot minority and the strategic interests of Turkey in the island. Referring to these consultations in a press statement on June 30 (see " Turkish Policy " below), M. Adnan Menderes, the Turkish Prime Minister, said that Turkey had insisted on the maintenance of the constitutional *status quo* at least while terrorism continued.

Sir Anthony Eden, in a statement to the House of Commons on July 12, announced that the Government had decided to ask Lord Radcliffe to undertake the duties of Constitutional Commissioner for Cyprus.

" It will be his task," said the Prime Minister, " to consider the framework of a new liberal Constitution, including safeguards for the interests of all communities, and to make recommendations " Lord Radcliffe would be leaving for a preliminary visit to Cyprus on July 13, and on his return the Government would draw up his detailed terms of reference The Prime Minister made it clear that the new Constitution would not be put into effect until terrorism in the island had come to an end.

In a brief survey of the situation in Cyprus, Sir Anthony reaffirmed that the principle of self-determination had been accepted by the Government The problem now was to devise a solution that would provide for the protection of the interests in Cyprus of Britain, Turkey, and other countries towards which Britain had treaty obligations This solution had not yet been found, but that did not preclude taking steps to promote the internal political development of the island.

In reply to questions by Mr. Gaitskell (Leader of the Opposition) the Prime Minister stated that it was not the Government's intention to take up the international aspects of the Cyprus problem with the NATO Council. He also said that Lord Radcliffe, when in Cyprus, would be available for consultation with the Governor and officials, and " with any others who may wish to speak with him."

[Lord Radcliffe (57), a Lord of Appeal in Ordinary, was Director-General of the Ministry of Information during the Second World War, and presided over the Punjab and Bengal Boundary Commissions after the partition of India in 1947.]

Sir John Harding appealed to Cypriots to co-operate with the Constitutional Commissioner in a broadcast on July 12. " With the drafting of a liberal Constitution and the chance of self-government," he said, " the people of Cyprus can look forward with purpose and hope. Let us have done with negative policies, with death and with destruction."

The Cyprus Ethnarchy Council called a special session in Nicosia to consider Sir Anthony Eden's announcement. A statement issued by the Council on July 13 declared that no-one but Archbishop Makarios could discuss the question of Cypriot self-government as a transitional stage in the progress towards self-determination. The Greek Cypriot people would continue to press for the right of self-determination, which Britain was " bound by international agreements to recognize."

Dr. Kutchuk, the leader of the Turkish Cypriot community, expressed satisfaction with Sir Anthony Eden's statement, but referred to Turkish Cypriot misgivings in view of the Greek ethnic majority in the population. " The only safeguard we can accept," he declared," is equal representation in an Upper House [see " Turkish Policy " below]. Our stand on the self-determination issue is that this should be the subject of a treaty between Britain and Turkey, in which Britain should undertake not to apply the self-determination principle to Cyprus without prior Turkish consent."

Lord Radcliffe arrived in Cyprus for his preliminary visit on July 14. In a broadcast over Cyprus Radio on July 17 defining the object of his visit, he declared . " I have not come here with the duty of negotiating with anyone . . . My duty . . . is something quite different. It is for me to study the situation and then draw up recommendations for a Constitution." Lord Radcliffe returned to London on Aug. 2 after discussions on local government with municipal leaders (including the Greek Cypriot mayors of Nicosia and Famagusta), and talks with Dr. Kutchuk, other leaders of the Turkish community, and Government officials.

House of Commons Debate.

The Government's policy was debated in the House of Commons on July 19, when the Opposition moved a resolution to reduce the Colonial Office Vote by a token amount.

Mr. James Griffiths (Lab) said that after Sir John Harding's visit to Britain in June it had been generally believed that the Government had decided on a new approach to the Cyprus problem. The Prime Minister had made it clear in his speech of July 12 that the approach would be based on the principle of self-determination, but it now appeared that this approach had been abandoned after the Turkish Government had raised objections. After saying that abandonment of the plan had given Turkey a " veto " over the Cyprus issue, Mr. Griffiths asked the Government to state whether they regarded the Cyprus question as an international or domestic matter If it was an international question involving NATO, then it should be taken up with the NATO Council, and the Government could no longer argue that the matter lay outside the jurisdiction of the U.N , as they had done when Greece had sought to place it on the agenda of the General Assembly in 1955 [see 14461 A]. If it was a domestic problem, the Government was responsible for finding a solution

Lord Radcliffe's task, Mr Griffiths continued, had been made impossible by the refusal of the Greek Cypriots to meet him without Archbishop Makarios. It would be months before the Constitutional Commissioner made his recommendations, and meanwhile violence would continue The Opposition had earlier proposed [see 14901 A] a conference in London with representatives of the two communities, including Archbishop Makarios Sooner or later, Mr Griffiths concluded, the Government would have to come back to some such proposal in order to save the Cyprus situation

Mr. Selwyn Lloyd, the Foreign Secretary, replied that the Cyprus question was juridically a domestic problem, but had important international aspects It was wrong to suppose that the Government could have reached a settlement with the Cypriot people without taking account of the strong feelings of Greece and Turkey The Government had accepted self-determination, but the application of the principle was another matter. The Government had not said that the principle could never be applicable, and they were willing to try to work out the conditions in which it could be applied without creating greater problems and dangers **Mr. Aneurin Bevan** (Lab), intervening, accused the Foreign Secretary of " hedging " the Government's commitment to self-determination with so many qualifications as to destroy its validity, but **Mr. Selwyn Lloyd** refused to make a more specific statement about the conditions under which self-determination might be applied

The Foreign Secretary went on to say that Cyprus did not only concern NATO ; Britain's other Middle Eastern alliances had to be taken into account, and a NATO base on Greek soil could not satisfy Britain's needs He suggested that Mr. Griffiths had failed to understand the position of the Turks, for whom Cyprus was an offshore island covering the approaches to their southern ports. Turkey's friendship, moreover, was of tremendous importance to the Commonwealth Commenting on the recent conduct of the Greek Government, the Foreign Secretary said " It does not make for friendship and confidence when people profess high moral principles and at the same time incite people to commit murder Greek subjects, Greek arms, and Greek munitions have gone to help the terrorists. This could not have happened without the connivance of Greek officials." As regards the Greek Cypriot community, Mr. Selwyn Lloyd declared : " The terrorists, aided and abetted by the Orthodox Church, have created a state of affairs in which it requires great courage for individual Greek Cypriots not to toe the *enosis* line One of the difficulties about

persuading the Ethnarchy to accept any Constitution is that they do not really want normal democratic processes by secret ballot as we know them in Britain, because that might very soon mean the end of the political power of the Church" After stressing that Lord Radcliffe's visit to Cyprus was a purely exploratory one, and that he had not gone out as a negotiator, the Foreign Secretary appealed to Members to give the Constitutional Commissioner a fair chance to accomplish his difficult task

Mr. Clement Davies (L) criticized the Government's sensitiveness to the attitude of Turkey, which had specifically renounced her rights in Cyprus under the Lausanne Treaty **Mr. Walter Elliot** (C) proposed that Lord Radcliffe should be empowered to consider partition of the island into a Greek region, a Turkish region, and a British enclave **Mr. Francis Noel-Baker** (Lab) considered that although partition would not commend itself as a solution, there might be a case for separation between municipalities during a transitional period; he appealed to the Government to recall Archbishop Makarios from exile **Mr. Julian Amery** (C) advocated a condominium shared by Britain, Greece, and Turkey

Mr. Lennox-Boyd, the Colonial Secretary, rejected the Opposition's suggestion that Turkey had been given a "veto" over any Cyprus settlement, and reiterated that the Government did not intend to abandon the search for a solution He assured the House that the terms of reference prescribed for Lord Radcliffe's recommendations would be made public after the Government had consulted with him on his return from Cyprus

The Opposition motion to reduce the Colonial Office Vote was defeated by 319 votes to 246.

[Note —Under Article 16 of the Lausanne Treaty of 1923, Turkey renounced 'all rights and title whatsoever over or respecting the territories situated outside the frontiers laid down in the present treaty." Under Article 20, Turkey recognized the annexation of Cyprus proclaimed by the British Government on Nov 5, 1914.]

House of Lords Debate.

The House of Lords debated the Cyprus situation on July 25.

Earl Attlee, opening the debate, drew attention to the Government's "over-emphasis" on strategic considerations and on the Turkish point of view He suggested that there had been some confusion on the question whether Cyprus was to be considered an international or a domestic problem, and called on the Government to adopt a new approach, either through NATO or through direct contact with the Cypriots by bringing back Archbishop Makarios

Lord Lloyd (Under-Secretary, Colonial Office) denied that Cyprus presented "merely another colonial problem" which could be settled at any time between the Government and the Cypriot people. Nor could it be said precisely whether the question was domestic or international, since it was both It would be advantageous if discussion of the whole question could be removed from the international arena, where all parties tended to adopt extreme positions For this reason he was doubtful about referring the question to an international body such as NATO The difficulty with regard to Archbishop Makarios was that he was not prepared to accept any solution which did not give him everything he wanted. There could be no discussion with him until he publicly denounced violence

The Archbishop of Canterbury (Dr Fisher), in a speech pleading for reconciliation in Cyprus, urged that the "explosive" question of self-determination should be dropped for the time being, suggesting that in this way the Cyprus problem would be reduced to a purely internal issue of manageable proportions Archbishop Makarios himself had agreed to do this when in February he had written to Sir John Harding: "Although we do not agree with the pre-conditions on which the application of self-determination is made to depend, we would nevertheless in the interests of the pacification of the country agree to co-operate in the framing and operation of a constitution of self-government as a transitional stage towards self-determination."

Dr Fisher regretted the Government's insistence that terrorism must end before negotiations could begin "Let us," he said "leave the work of terrorism and the harsh duty of its suppression to those whose business it is It should not be allowed to hinder the working out of a constitutional agreement If through avoiding the passions aroused by self-determination and terrorism we can concentrate on achieving an instrument of self-government, success is certainly possible" In conversations he had had with leading Cypriots they had agreed with two main points of emphasis—that a liberal constitution must provide for an elected majority reflecting the composition of the population, and that adequate safeguards must be given to minorities, notably the Turkish Cypriots.

The Primate emphasized that Archbishop Makarios must be "brought back into the picture", that the Ethnarch should have an opportunity of discussing Lord Radcliffe's proposals, when formulated, with other Greek Cypriot leaders; and that he should be one of the signatories to the final draft. A denunciation of violence by Archbishop Makarios, however, must be made a condition of the final settlement, and the sooner this could be made the easier would be the work of co-operation "Reconciliation," Dr Fisher concluded, "is in sight if all the parties can do the simple, humble, unexciting but sufficient thing."

The Marquess of Salisbury (Lord President of the Council) agreed with much of what the Archbishop of Canterbury had said He expressed the hope that Archbishop Makarios would denounce violence publicly, thereby creating a new situation In the meantime he appealed to the Labour Party to give its "full blessing" to the efforts of Lord Radcliffe. If Greek and Cypriot opinion were to know that British opinion was united on this subject, it might give the mission a far greater chance of success

Greek Government's Cyprus Policy. - Greek Memorandum to U.N. Members.

In amplification of the Greek request for a debate on Cyprus during the 11th session of the General Assembly (see 14757 A), the Greek representative at the United Nations (M. Palamas) submitted an explanatory memorandum to all member-countries on June 13.

Commenting on British official statements that Cyprus was essential to the security of British oil interests in the Middle East, the memorandum declared that Britain intended to "keep Cyprus under colonial rule because of strategic and political considerations, in order to be able to discharge her alleged responsibilities in the Middle East. In particular Cyprus is to be used for the defence of British oil interests" The memorandum further alleged that the British Government was pursuing "repressive measures" against the Cypriot population, compared British methods with those used by the Axis Powers during the Second World War, and observed that "wherever law and order do not emanate from the free will of the people, but are the expression of forcibly imposed domination, the case becomes one of oppression." The use of violence by both sides was deplored, but the memorandum asserted "On the British side violence is used against freedom. On the Cypriot side violence is used in favour of freedom."

The British permanent representative at the U.N. (Sir Pierson Dixon) issued a statement on the same day replying to the charges made in the Greek memorandum.

Accusing Greece of carrying on a world-wide campaign of defamatory propaganda against Britain, he added. "In this propaganda campaign, in which the official organs of the Greek Government have not hesitated to urge their supporters in Cyprus openly to violence, the Greek Government have been pursuing the aim of asserting their own sovereignty over Cyprus Such a policy must be doubly deplored when attempts are made to use the U.N as a vehicle for Greek propaganda" The statement also reiterated the British contention that the Cyprus question was a domestic issue over which the U N. had no jurisdiction.

The Greek Prime Minister (M. Karamanlis) made a statement about Greece's Cyprus policy in Athens on July 21, in which he commented upon Mr. Selwyn Lloyd's criticisms of Greece in the House of Commons on July 19.

Claiming that arrangements could be made which would dispel Turkish fears that self-determination for Cyprus would threaten Turkey's security, M. Karamanlis stated that there could be no question of revising the Lausanne Treaty's provisions with regard to Cyprus, since Turkey had explicitly renounced all sovereignty over the island in that document. He went on to insist that Greece had not supported the Cypriot cause by any other than political and diplomatic means As regards Mr. Selwyn Lloyd's praise for Turkey as Britain's ally, M. Karamanlis pointed out that Greece had fought at Britain's side during two World Wars, while Turkey had either fought against Britain or remained neutral. At the same time M Karamanlis reaffirmed that Greece would remain loyal to her international alliances, despite "unprecedented ill-treatment."

Turkish Policy. - Dr. Kutchuk's Proposals.

The attitude of Turkey to the Cyprus issue was defined in a motion adopted on July 12 by the parliamentary group of the Democratic Party (the Government party).

The motion asserted that Cyprus was a part of Turkey and vital to her security, belonging geographically and historically to Anatolia. The island had first been ceded to Britain in 1878 under certain conditions in connexion with the defence of Turkey against Russia, and the 1878 Convention had conditioned the Lausanne Treaty of 1923 Any decision taken by Britain which might lead to a change in the status of the island, being a violation of the conditions of the 1878 Convention, should therefore result in the return of Cyprus to Turkey. The encouragement by the Greek Press and Government of terrorism, involving outrages committed upon members of the Turkish Cypriot community, could not be regarded otherwise than as an unfriendly and even hostile act. The motion further suggested that any disturbance of the existing equilibrium in the eastern Mediterranean between Turkey and Greece, which might be caused by a Greek annexation of Cyprus, would lead to the reopening by Turkey of the question of Western Thrace and the Dodecanese (Greek territories with substantial Turkish populations) Turkey, the resolution concluded, could not approve any move by Britain to negotiate with the terrorists on any basis affecting the present or future status of the island.

M. Menderes (the Turkish Prime Minister), in a press statement on June 30, said that in recent consultations with the British Government on constitutional progress in Cyprus, Turkey had called for the maintenance of the constitutional *status quo* in the island.

Declaring that "Cypriots—Turks and Greeks alike—are well treated and have no cause for complaint," he said there was no point in disturbing the "delicate system" set up by the Lausanne Treaty.

Drawing attention to the intermingling of Greek and Turkish populations in the eastern Mediterranean, M. Menderes pointed out that there were 100,000 Greeks living in Istanbul, as well as many Turks in Thrace In addition to the 100,000 Turks in Cyprus, there were a further half a million Cypriot Turks on the Turkish mainland. Stressing that Greece had never exercised sovereignty over Cyprus, M. Menderes said that she had " worked up this whole tremendous agitation simply to be able to annex an island 40 miles from Turkey and 600 or 700 miles from her own mainland " He went on to suggest that Britain would have little difficulty in suppressing terrorism but for " humanitarian considerations and moral pressures exerted on her in some quarters," and declared that Turkey could not discuss constitutional modifications while terrorism continued. Turkey was not prepared to consider majority self-determination or Greek annexation of Cyprus In conclusion M. Menderes gave a warning that if Britain relinquished her present position in Cyprus and the Middle East, it would open the whole area to Soviet penetration.

Dr. Kutchuk, the Turkish Cypriot leader, gave details on June 27 of the kind of self-governing Constitution which would be acceptable to the Turkish Cypriot community and to the Government of Turkey. He had recently returned from Turkey, where he had had talks with Government leaders.

The three essential points made in Dr. Kutchuk's statement were

(1) There should be a Lower House with an elected member for every 10,000 inhabitants (giving the Greek Cypriots a majority of about four to one).

(2) There should be an Upper House with eight Turkish and eight Greek Cypriot members, which would enjoy a right of veto over measures proposed by the Lower House. One or two British representatives should be permitted in the Upper House to watch over British interests, but their voting rights would have to be discussed with the Turkish Government.

(3) The island should be a self-governing territory within the British Commonwealth, but the Legislature should not have authority to decide on self-determination.

In a further statement at Adana on Aug 15, during a tour of southern Anatolia undertaken with the object of making contact with Turks of Cypriot descent living on the Turkish mainland, Dr. Kutchuk insisted that terrorism must be crushed in Cyprus before the establishment of self-government was contemplated. He expressed regret that the British Government, although it had earlier accepted this contention, appeared to have deviated from its policy by sending Lord Radcliffe to the island as Constitutional Commissioner.

Report of Commission on Cyprus Police.

The Cyprus Government published on Aug 13 the report of a commission of investigation into the Cyprus police force, which had visited the island earlier in the year. The commission consisted of Mr. F. J. Armstrong (a British Government constabulary inspector), Sir Henry Studdy (Chief Constable of the West Riding of Yorkshire), and Lieut.-Colonel G. C. White (formerly Chief Constable of Warwickshire), whose appointment as Commissioner of Police in Cyprus had been announced in June.

The report expressed strong criticism of the conduct of the Cyprus police force before 1954. Pointing out that the Cyprus police had never enjoyed the same respect from the public as the British police, the report stated . " It seems not improbable that the policy adopted with regard to seditious writings and utterances may have contributed to a general feeling in the island that the law can be broken with impunity. In 1954 no fewer than 180 cases of sedition, and in 1955 46 cases, were reported. No proceedings were taken in either year. Comment would be superfluous "

The report went on to draw attention to the Government's unwillingness to sanction expenditure on the police, as a consequence of which morale had declined. Unsatisfactory recruitment, training and leadership before 1954 were also mentioned The police had been intimidated by Eoka, and their loyalty and devotion had been affected by their lack of certainty that the British would stay in Cyprus

The following recommendations were made by the commission

(1) The police should be the special responsibility of a senior Government official, to whom the Police Commissioner should have free and direct access

(2) Scales of pay should be revised

(3) Construction of houses for members of the police force should begin as soon as possible.

(4) A cadet recruitment scheme should be tried on a small scale as soon as conditions made it possible.

(5) British police officers seconded to Cyprus should ensure that Cypriots were trained to carry on their work when they left.

(6) Another 100 British police officers should be seconded for a two-year term.

In publishing the report, the Cyprus Government announced that it had accepted all its recommendations ; that the Deputy Governor would in future have special responsibility for the police ; that £80,000 had been earmarked for police housing in 1956 ; and that the recruitment of additional police officers in Britain was already in progress The first 50 newly recruited policemen arrived in Nicosia on Aug. 29.—(Times - Daily Telegraph - Manchester Guardian - U.N. Information Centre, London - Turkish Embassy, London) **(Prev. rep. 14901 A.)**

A. AUSTRALIA. — Shipping. - Legislation on Future Operation of Commonwealth Government Line. - Agreement with Private Lines on Regulation of Coastal Shipping. - Government Shipbuilding Programme.

The Australian House of Representatives gave a second reading on June 14 (by 44 votes to 22) to two Bills which respectively (*a*) sanctioned a 20-year agreement between the Commonwealth Government and coastal shipping lines regulating competition between these lines and the Commonwealth Government line, and limiting, on certain conditions, the size of the latter's fleet to 325,000 gross tons ; (*b*) provided for the reconstitution of the Australian Shipping Board and the setting-up of a five-member Australian Shipping Commission to operate the Government line. Both Bills had previously passed through the Senate.

Senator Paltridge (Minister for Shipping and Transport), introducing the Bills in the Senate on May 31, said that for some years the Commonwealth Government had been trying to dispose of the ships to private enterprise, but had found that it was not possible to sell them on satisfactory terms. It had therefore decided that Government ships should in future be operated by a Commission with a considerable degree of autonomy.

The object of the Bills was to enable private enterprise to play its part in providing economic and efficient coastal services, while retaining to the Government the ownership of the Commonwealth Government line. Denying that the Government was thereby conferring an undue advantage on the private companies, the Minister said that it was determined to ensure that the Australian coast was served by an Australian-owned fleet of modern ships of the kinds required It also wanted to avoid having its own ships expand unnecessarily into trades already served efficiently by private enterprise.

The agreement proposed in the first Bill (the Australian Coastal Shipping Bill) was intended to be signed in the first instance by 15 companies operating in the coastal trade, but in order to avoid any possibility of monopoly, provision was made for the inclusion of any other company engaged in shipping or stevedoring In return for the Government undertaking to limit the size of its line to 325,000 gross tons, which would be sufficient to cover all Government-owned ships now in service or under construction and to leave a reasonable margin for expansion, the private shipowners would undertake to provide adequate services, and provision was made for an increase in the Government's authorized tonnage if they failed to do so The Government line would make use of private companies for stevedoring and cargo-handling work, as well as for booking passengers and cargo.

Under the second Bill, the proposed new Commission would have wide powers to operate the Government line with a minimum of ministerial control, but the Minister of Shipping and Transport would have power to approve or disallow freight rates, though not to initiate changes in rates The Commission would not have to pay a fixed rate of interest but would be required to pay a reasonable return on capital in the form of annual dividend payments to the Government It should refrain from charging uneconomic freight rates, except that the Government might order it to provide uneconomic services to meet the needs of a particular area—in which case, however, the Government would defray any losses involved Consistent with these obligations, the Commission would charge the lowest rates practicable

During the second reading of the Bills in the House of Representatives, **Dr. Evatt** (Leader of the Opposition) strongly denounced the proposed agreement, and in particular the clause limiting the size of the Government fleet to 325,000 gross tons He declared that if the Labour Party were returned to office it would repudiate the agreement, remove the tonnage restrictions, and restore the Government line's full ability to compete with private companies

The Australian Shipping Board announced on July 13 that the Government's present merchant shipbuilding programme envisaged the construction by 1960 of seven ships of 10,000 tons each, two of 7,000 tons each, and two grain ships of 2,000 tons each, making a total of 88,000 tons. Three of the ships would be built at Whyalla, three at Brisbane, and two at Maryborough. (Australian News and Information Bureau) **(Prev. rep. 10623 A.)**

Note. Mr Menzies, the Prime Minister, had stated in Melbourne on Nov 15, 1955, that the Government was prepared to sell the Commonwealth line, but " only at a proper commercial price " He said that during the past five years the line had shown a profit of £A2,750,000, compared with " a total loss of £A6,000,000 when it was operated under a Labour Government." (Times).

B. PERSIA. — Major Oil Discovery.

A new oil-well, the biggest so far known in Persia, was discovered on Aug. 25 at Qum, 75 miles south of Teheran, during explorations by the National Iranian Oil Company. It was officially stated that it had a 200-foot spout when tapped ; that it was flowing at a rate of 80,000 barrels a day, compared with a daily output of 50,000 barrels at the Aghajari oil-well, hitherto the largest in Persia ; and that it was probable that a large oilfield existed in the Qum region.—(Times).

A. CANADA. — The Trans-Canada Pipeline Assistance Bill. - Federal Aid for Construction of Gas Pipeline. - Opposition Attacks on Government Scheme. - Conflict over Speaker of House of Commons.

The most bitter conflict to take place in the Canadian House of Commons for many years, involving—for the first time since 1932—the curtailment of debate by the imposition of the closure, marked the passage in May and June of the Government's Trans-Canada Pipeline Assistance Bill.

The Bill (1) empowered the Government to advance up to $80,000,000 on short-term loan to a private company, Trans-Canada Pipe Lines Ltd., to enable it to begin the immediate construction of the western section of a pipeline intended to connect the natural gas fields of Alberta with Toronto and Montreal; (2) authorized the formation of a Crown company to build a section of the pipeline in northern Ontario and lease it to the Trans-Canada company.

The pipeline, when completed, will be 2,320 miles in length, and will thus be the longest pipeline for natural gas in the world. It will follow the route Princess (Alberta)-Calgary-Regina-Brandon-Winnipeg-Toronto-Ottawa-Montreal, connecting with U.S. natural gas transmission lines at Emerson (Manitoba) and Niagara (Ontario). Its cost was put at about $375,000,000 (Canadian). The western or "prairie" section will connect Calgary with Winnipeg, a distance of nearly 600 miles, whilst the northern Ontario section will be about 675 miles long and will connect Winnipeg (Manitoba) with Kapuskasing (Ontario).

The pipeline project dates back to 1951, when Trans-Canada Pipe Lines Ltd was formed by a Canadian subsidiary of the Delhi Oil Corporation of Texas, U S A, to construct it Pending the Canadian Government's approval, however, the scheme remained in suspense until January 1954, when a merger on a 50-50 basis was arranged between Trans-Canada and Western Pipelines Ltd, a company largely controlled by Canadian interests. Approval was then given, but construction of the pipeline was still held up and had not begun when in August, 1955, the Tennessee Gas Transmission Company (another U S corporation) announced that, subject to the approval of the U S Federal Power Commission, it had contracted (*a*) to buy from Trans-Canada Pipe Lines 200,000,000 cubic feet of gas daily, to be piped across the Canadian-U S border at Emerson, Manitoba, (*b*) to sell to Trans-Canada about 86,000,000 cu ft of gas a day, with delivery to the Trans-Canada system at Niagara. Another contract with the Canadian Gulf Oil Co (a subsidiary of the U S Gulf Oil Corporation), covering the purchase from Trans-Canada of 170,000,000 cu ft of gas daily for 25 years, was announced in October.

In November 1955 it was announced (1) that the United States Steel Corporation had arranged to supply pipes for the section from Alberta to Winnipeg, and also that the Tennessee Gas Transmission Company had acquired a one-third interest in Trans-Canada, thus becoming an equal partner with the Canadian Delhi Oil and Western Pipe Lines companies, each of them holding one-third of the shares. As a result of a further readjustment of holding interests in the Trans-Canada company, in February 1956, the Canadian Gulf Oil Co and the Hudson Bay Oil and Gas Co (a subsidiary of the U.S Continental Oil Company) each acquired 17 per cent of Trans-Canada stock, whilst the Tennessee company also reduced its holding to 17 per cent, the remainder of Trans-Canada stock was held by the Canadian Delhi Co as to 26 per cent and by Western Pipe Lines Ltd as to 23 per cent, thus giving U S interests a 77 per cent majority

Meanwhile Mr. St. Laurent, the Canadian Prime Minister, had stated in September 1955 that he expected work on the pipeline to begin in the spring of 1956, and that the Government might set up a Crown company to build the difficult northern Ontario section. The reasons underlying the Government's support of the pipeline project, and in particular its willingness to build the northern Ontario section itself, were explained by Mr. C. D. Howe, the Minister of Trade and Commerce, in a speech in Toronto on Jan. 30, 1956.

After pointing out that in the U S A. energy derived from natural gas represented about 25 per cent of all energy produced from coal, water-power, and petroleum, Mr Howe stressed that although Canada possessed abundant sources of water-power, it had become clear that these sources were fast being loaded to capacity As a result, it was calculated that by 1962 Ontario would require other sources of energy, of which natural gas seemed to be the most promising. Limited quantities of natural gas were already being imported into the province from the U S A, and its cleanness and reliability had made it attractive to both householders and industry. The building-up of a market for natural gas, however, would necessarily take considerable time, and this fact would affect in a major degree the ability of the sponsors of the Trans-Canada Pipe Lines project to finance the entire scheme at its inception It appeared impossible to finance the pipeline—the longest and one of the largest-capacity gas pipelines ever to be built—without some form of Government assistance, the difficulty lying in the sparsely-settled area of northern Ontario, which had always been the main obstacle to economic all-Canadian transportation Of the various forms of assistance which the Government had considered, the least objectionable seemed to be the governmental construction and ownership of a section of the line across northern Ontario "When relieved of the capital cost of financing this section of the line," the Minister added, "the Trans-Canada Pipe Lines project would appear to be readily financeable Without help from the Government to the extent I have indicated, the line would seem to be incapable of being financed privately, at least for many years to come"

"The Government of Ontario has shared the concern of the Federal Government in the problem of bringing Alberta gas into this province," Mr. Howe went on. "The two governments have kept in close touch with developments over several years The Federal Government therefore proposed to the Government of Ontario that the two governments join in forming a Crown company to build the northern Ontario section of the line, on the basis of one-third of the cost to Ontario and two-thirds to the Federal Government. This proposal was accepted by the Government of Ontario, subject to legislative approval, with a limit of $35,000,000 on the Ontario participation"

After saying that the project could probably have been financed in some years' time without Government intervention, if it could have been delayed until an adequate demand had been built up, Mr. Howe stressed that the proposed Government participation was intended to enable matters to be speeded up and was not in any sense a subsidy. He added "It seems to me that time is of the first importance, and that under the circumstances Government participation is warranted. This view is shared by the Ontario Government. A subsidy for the line is not desirable, since gas in central Ontario and elsewhere will compete as a fuel with coal and oil I do not think it desirable for governments to subsidize one fuel against competing fuels and one set of producers against another."

Dealing with the widely-raised objection that Trans-Canada Pipe Lines had been sponsored by U S firms and not by Canadian interests, Mr. Howe said that, with few exceptions, all Canadian oil and natural gas producing companies were offshoots of U S firms, and that, on balance, Trans-Canada was "more Canadian than the average of Canada's petroleum industry as a whole." He added that the company had given an undertaking that if public financing took place, at least 51 per cent of the voting stock would be offered to Canadian nationals

It had also been said [the Minister continued] that a trans-Canadian pipeline was not the most economical method of supplying western gas to central Ontario. The alternative most frequently suggested was an exchange of gas with the U S A, under which Alberta gas would be delivered to the central States of the U S.A. on the understanding that gas from Texas should be delivered in equal quantities to central Ontario This proposal, however, ignored the delay with which the U.S Federal Power Commission met proposals to market Canadian gas in the U S A, and the Commission's reluctance to permit U S gas to be exported to Canada Study of the proposal had only confirmed the Canadian Government's opinion that such an exchange would be "entirely unworkable"

In conclusion, Mr. Howe estimated that, largely because of the shortage of steel, the pipeline would not be completed before the autumn of 1958—a year later than originally planned. He pointed out that the procuring and laying of the pipeline itself would be "only part of the project," which would also include (*a*) well-drilling and the erection of gas-purifying plant in Alberta at a total cost of about $250,000,000, (*b*) the building-up of distribution systems and the launching of sales campaigns to ensure a market for the gas; (*c*) the manufacture and sale of gas-using apparatus. All this might inflate the total cost of the scheme—which would be comparable in effects and magnitude with the St. Lawrence Seaway and power projects—to as much as $1,000,000,000

Even before the introduction of the Bill in May 1956, strong criticism of the Government's policy had been voiced in the Canadian House of Commons on March 16 by Colonel George Drew, leader of the Progressive Conservative party.

Describing Trans-Canada Pipe Lines as "fundamentally an American company," Colonel Drew charged the Government with "proposing to use the taxpayers' money to assist U.S. financial interests to establish control over one of Canada's major resources." Instead of the Government's present "sell-out" policy, he declared, one of four alternative courses should be adopted. (1) the whole pipeline question should be referred to a committee of the House of Commons, which would ascertain the facts and make recommendations, (2) Trans-Canada Pipe Lines should be reorganized as an all-Canadian company which could proceed immediately with the project under Canadian control, (3) if Trans-Canada could not carry out its undertakings, the whole matter should be reopened and new interests be permitted to make proposals for an all-Canadian pipeline, (4) if it could be shown that part of the pipeline would have to be built by a Crown company as the Government asserted, the entire line should be built by the State and leased for operation under Canadian control.

Following a decision by the Canadian Board of Transport Commissioners on March 28 to grant Trans-Canada Pipe Lines a further six months in which to show financial ability to construct the pipeline, lengthy Cabinet discussions took place on a proposal to grant the company a Government loan of $72,000,000 (later increased to $80,000,000) to enable it to make an immediate start on the western section. On May 8 it was announced that the Cabinet had approved the granting of the loan.

Mr Howe, announcing the Government's decision in the House of Commons on that date, explained that in recent weeks the Government had urged the Trans-Canada Company to get started during the present year, but that the company had replied that it was waiting for the necessary financing to be arranged All the required contracts had been placed and an option on sufficient 34-inch pipeline secured; but, owing to the U S Federal Power Commission's delay, the financing had not been completed This meant that the Government had to consider whether or not to abandon the Trans-Canada company. To do so would not only be unfair to the company itself, but would add to the delay in getting approval for the export of Canadian gas, which was essential to the success of the pipeline scheme, at any rate in the earlier stages Even more important, however, was the fact that to abandon Trans-Canada now would mean giving up all hope of getting the pipeline started in 1956.

"After careful and prolonged consideration," Mr Howe went on, "the Government therefore asked Trans-Canada whether it would be prepared to construct the western section in 1956 if the Government were to advance a substantial portion, not to exceed 90 per cent, of the cost of construction, at an interest rate of five per cent per annum for a short period . The approach came from the Government, not Trans-Canada Trans-Canada is not in default . "

Mr Howe added that as security the Government had asked Trans-Canada to mortgage all its assets, properties, and undertakings, and had also asked the shareholders to give it an option on their shares at a price representing the paid-up value, less certain deductions. In the event of foreclosure the Government would have the option of taking over Trans-Canada as a going concern, or returning the shares and assets not related to the western or northern Ontario sections and of proceeding independently of Trans-Canada The company and its shareholders had agreed to the proposals, and if they were ratified by Parliament the position would be as follows

(1) The western section of the all-Canadian pipeline would be built in 1956

(2) If Trans-Canada was successful in financing the whole line by March 31, 1957 (the date stipulated for the repayment of the loan from the Government), the advance would be repaid and the construction of the remainder of the line would proceed as originally planned

(3) If, on the other hand, the advance was not repaid by the due date or there was any other default, the Government could take over the line and take whatever steps were necessary and approved by Parliament to ensure its speedy completion.

Mr Howe concluded by stressing that 'in a country like Canada it is of the greatest importance that private enterprise should be given an adequate opportunity and every reasonable chance to do the job" The Government's proposals "did not commit Canada to public ownership," but recognized that if there were "too many handicaps in the way of private enterprise" the Government might have to "take over and construct the whole of the line as a national enterprise."

Mr. Howe's statements led to bitter attacks both from Colonel Drew and from Mr. M. J Coldwell, leader of the C.C.F. (the Canadian Labour party).

Colonel Drew strongly criticized the Government for having, as he alleged, delayed consulting Parliament on the pipeline question for five years, and for having meanwhile "warned off private investors who would have been prepared to go ahead and build a pipeline without the inducement of a 90 per cent loan" The Trans-Canada company, he asserted, was "owned 83 per cent by investors in the U.S A." and the Government's proposals were "nothing more than an invitation to these investors to come to Canada to be financed to the extent of 90 cents on every dollar and retain control over their investment" After demanding legislation to ensure that at all times the president and the majority of the directors of Trans-Canada should be Canadians, he concluded: "Let us by all means have investment from the United States, but let us have that investment under terms which assure effective supervision and control by Canadians in relation to one of the most important of our resources"

Mr. Coldwell charged the Government with "handing over a great national undertaking to a corporation under the control of powerful U.S oil and gas companies," and warned it that the next general election would show that the proposals were "the most unpopular ever put before the people of Canada"

The Trans-Canada Pipe Lines Assistance Bill, implementing the Government's decision, was introduced in the House of Commons on May 14 by Mr. Howe, who explained why he considered it essential that Parliament should approve the proposed loan to Trans-Canada Pipe Lines without delay, and why alternative proposals put forward by a group headed by Mr. McMahon (a Calgary oil executive) were unacceptable. [The McMahon group had proposed to build the entire pipeline by the autumn of 1958 without Government assistance.]

Mr. Howe said that the main reason for the Government's decision to assist the Trans-Canada company was the fact that it possessed an option on the only 34-inch pipeline material available for an immediate start. This material was in store in the U.S A., but unless the company took up its option before the end of the 1956 building season, it would lose it and no pipeline material would be available before 1958 at the earliest. The objection to the McMahon proposals was that they involved the export to the U S A of 400,000,000 cubic feet of Canadian gas a day, compared with only 200,000,000 cubic feet under the Trans-Canada scheme. This would leave only 100,000,000 cubic feet a day for eastern Canada, an insufficient amount to attract capital for building the line eastward from Winnipeg, and quite inadequate for central Canadian requirements

As regards the C C F 's contention that the pipeline should be built as a State venture, the Government did not consider this a practical economic proposition, moreover, it doubted the propriety of using the taxpayers' money to operate a natural gas business in competition with privately-owned coal and oil interests Though it might be necessary for the Government to enter the field, every prudent alternative should be used first. At present there was no suitable alternative to the Trans-Canada scheme, which, unless it were launched at once, would "languish for years to come" For this reason the Government intended to make use of the "guillotine" procedure at every stage of the debate to enable the Bill to become law by June 7—the latest possible date to enable the western section of the line to be completed by the end of 1956

Colonel Drew again denounced the Government's scheme as "a complete sell-out which has no relation to the original proposals," and described the proposed imposition of the closure as "a denial of ordinary Parliamentary rights" and "an act of dictatorship" He demanded that the Government should dissolve Parliament and seek the country's verdict on the scheme at a general election

Mr. Coldwell, who also demanded an immediate dissolution, declared that "instead of financing American corporations and building enormous profits for private American economic buccaneers," the Government should have carried the project to fruition as "a Canadian enterprise under Canadian ownership and guidance to serve the interests of the Canadian people."

After a heated debate lasting over 14 hours, the imposition of the "guillotine" was agreed to on May 15 by 122 votes to 73, the Social Credit and Independent members voting with the Government. The first reading was then given, and after a three-day debate, again marked by stormy scenes over the application of the "guillotine," the Bill was read a second time on May 22

During the Committee stage (May 25-June 1) Colonel Drew questioned the Prime Minister about proposals put forward by Mr Lloyd Champion, a Montreal investment broker, and publicized by him in the Canadian Press Mr. Champion's proposals involved (*a*) the building of the pipeline by an independent company which would pay its suppliers in long-term credits instead of in cash, (*b*) the ensuring of Canadian control by providing that the company's stock should be of two classes, voting and non-voting, with all voting shares held by Canadians Mr St Laurent replied that he had not put the Champion proposals before the Cabinet because Mr Harris, the Finance Minister, had advised him that they "could not be taken seriously"

The Committee stage was marked by repeated Opposition attempts to make use of procedural points to delay progress, countered by the action of the Government in moving "the postponement of further consideration" of each of the six clauses of the Bill before its substance had been considered at all. On May 31 the Speaker (Mr. René Beaudoin) accepted a C.C F. motion intended to prevent the Government from applying the closure, but when the House reassembled on June 1 he reversed his decision, declaring that he "made a serious mistake" in accepting the C.C.F. motion and suggesting that the House should begin its deliberations at the point where the motion had been introduced. The Progressive Conservative and C.C.F. members, however, refused to vote on a resolution to this effect, which was subsequently carried by 140 votes to nil. Meanwhile the Speaker's statement had occasioned violent scenes in which Opposition members swarmed into the central aisle of the House, shook their fists at Mr. Beaudoin over the mace, and described him as a "Government puppet" and "dictator." Colonel Drew also moved a vote of censure on Mr. Beaudoin but was declared out of order, whereupon he announced his intention of bringing up the censure motion later. The closure was then carried by 144 votes to 51, and the Committee stage concluded.

During the third reading debate (June 4) **Mr. Harris,** the Finance Minister, supported the case for building the pipeline quickly. He said that the Government had in mind the possibility that the U S economy might take a downward turn, as it had done in later 1953 and early 1954, as Canada tended to follow U S. economic trends, it was necessary to get the pipeline started in order to provide general employment should such a recession occur.

After further unsuccessful Opposition attempts to delay the Bill's progress, it was given a third reading in the early hours of June 6 by 50 votes to six. The Bill passed through all its stages in the Senate on June 6-7, and received the Royal Assent on the latter date.

The Opposition motion of censure on the Speaker had again been put forward by Colonel Drew during the third reading debate in the House of Commons on June 5. It accused Mr Beaudoin of subordinating the rights of the House to the Government's will, of repeatedly refusing to allow M.P.s to speak

when the rules permitted them to be heard, and of improperly reversing one of his decisions without notice. The motion—the first resolution censuring a Speaker ever put forward in the Canadian House of Commons—was subsequently defeated, the Social Credit members voting with the Government. On July 2 Mr Beaudoin announced that he intended to submit his resignation, but on July 9 Mr. St. Laurent stated that he had persuaded the Speaker to withdraw it.

Immediately following the enactment of the Bill, Mr. St. Laurent announced on June 7 the setting-up of the Northern Ontario Pipe Line Crown Corporation to build the section from the Manitoba border to Kapuskasing, Ontario. The chairman of the Crown Corporation would be Mr. David Golden, Deputy Minister of Defence Production, and there would be four other directors, two of whom would later be replaced by nominees of the Ontario Government.

It was announced on March 28 that negotiations had been concluded in New York for the supply by the South Durham Steel and Iron Co. Ltd. of 636 miles of 30-inch steel pipe for the construction of the central section of the pipeline from Winnipeg to North Bay, eastern Ontario. The value of the contract at present price levels exceeded $32,000,000, and deliveries were stipulated to be completed by July 1959.—(Montreal Star) **(Prev. rep. Industrial Development, 14574 A; 13053 A.)**

A. INTERNATIONAL SUGAR COUNCIL. — Special Session. - Revised Export Quotas.

A special session of the International Sugar Council, attended in London by representatives of 21 countries, announced on July 31 that 1956 export quotas under the international agreement would be raised by 444,000 metric tons to 4,440,000 tons. Restrictions on shipments of more than 80 per cent of initial export quotas before Aug 31 were also waived.

In addition, the U S S R, Czechoslovakia, Poland, Haiti, Hungary, Mexico, and the Netherlands renounced a total of 624,000 tons of sugar from their original or revised export quotas. Additional allowances were therefore made to Cuba, the Dominican Republic, Nationalist China, Belgium, France, and the Philippines, Cuba receiving the greater part of the reallocation (400,000 tons)

The Council's revised estimate of the free market requirements of sugar for 1956 was 5,050,000 metric tons—an increase of 530,000 tons over the original estimate adopted on Dec 1, 1955.—(Financial Times - Economist) **(Prev. rep. 14674 E.)**

B. INDONESIA. — Lifting of Embargo on Rubber Exports to Communist China.

The Indonesian Government announced on June 6 that it would no longer observe the ban on the shipment of rubber to the Chinese People's Republic. In a statement issued by the Foreign Ministry on June 19, it was pointed out (*a*) that the Indonesian decision had been taken because the U.N. General Assembly resolutions of Feb. 1 and May 18, 1951, had permitted U.N. member-countries to revise their attitude concerning the ban on the shipment of strategic materials to Communist China, (*b*) that since that time the position had changed because the war in Korea had come to an end; and (*c*) that Indonesia's rubber industry—like those in all rubber-producing countries—had encountered great difficulties in the past few years and had felt the effects of the embargo The statement referred to the British Government's decision of June 4 to allow Malaya and Singapore to resume limited shipments of rubber to Communist China.—(Indonesian Embassy, London) **(Prev. rep. 14960 D; 14924 D.)**

C. SAAR. — Christian People's Party merged with Federal Centre Party.

A party conference of the Christian People's Party, held at Saarbrucken on July 22, decided with only a few dissentient votes to merge with the Centre Party in the German Federal Republic, and to adopt the name of "Christian People's Party—Centre." Herr Johannes Hoffman, formerly Saar Premier and the chairman of the Christian People's Party, resigned from that post but was elected honorary chairman for life.—(Le Monde, Paris - Frankfurter Allgemeine Zeitung) **(Prev. rep. 14925 A.)**

D. SOUTHERN RHODESIA. — Gwelo By-election.

A by-election at Gwelo for the Southern Rhodesian Legislative Assembly, held on June 8, resulted in the return of the Dominion Party candidate, Mr. C. F. S. Clark, who polled 665 votes against 327 for Mr. R. G. Cumming, of the United Rhodesia Party. The by-election was caused by the election of Mr. R. Williamson (Dominion Party) to the Federal Parliament in the Sebakwe by-election.—(Federal Information Dept)) **(Prev. rep. Sebakwe By-election, 14832 B.)**

E. BUDDHISM. — The "Year of Buddha." - Completion of Sixth Great Buddhist Council.

The 2,500th anniversary of the passing of the Buddha after attaining *nirvana* was celebrated on May 24 in India (the land of the Buddha's birth, teaching, and death), in Burma, Ceylon, Siam, Cambodia, and other Buddhist countries, and by Buddhist communities throughout the world. The date corresponded with the Buddhist festival of *Wesak* (the full moon of May), the most important event in the Buddhist year as being the anniversary of the birth, enlightenment, and death of the Buddha.

The 2,500th anniversary celebrations—known as *Buddha Jayanti*—will last officially for 12 months in India and will be marked by an international exhibition of Buddhist art in New Delhi, special publications on the life and teachings of the Buddha, the screening of a film on Buddhism, and pilgrimages—in which Buddhists from all parts of the world will take part—to the holy places associated with the Buddha's life These will include Lumbini (now in Nepal), the birthplace of Prince Siddhartha Gautama, who was later to become the Buddha; the tree at Buddh Gaya (Bihar) beneath which the young prince, in the rags of a mendicant, attained enlightenment, the deer-park at Sarnath (near Benares), where he preached his first sermon after attaining Buddhahood, and the forest site at Kusinara (Uttar Pradesh) where the Buddha attained *nirvana* and ended his incarnation at the age of 80

The foundation-stone of a memorial to the Buddha was unveiled in New Delhi on May 23 by Mr Nehru in the presence of the Indian Cabinet and the Diplomatic Corps The Indian National Academy of Arts had previously invited architects and sculptors of all nationalities to submit designs for the memorial, and had offered a first prize of 15,000 rupees (£1,125) for the selected design, to be chosen by a committee of assessors, and second and third prizes of 5,000 rupees and 2,000 rupees respectively

The *Buddha Jayanti* celebrations in Burma were marked by the termination of the Sixth Great Buddhist Council, which had been in progress for two years at Yegu, near Rangoon. Only six such Councils have been held in the 2,500 years since the Buddha's death, their purpose being the preservation and codification of the Buddhist scriptures.

The first three Councils, at which the Buddha's teachings were recounted and codified for transmission by word of mouth, were held in India—the first in a cave at Rajagaha (the present Rajgir, in Bihar) *c* 483 B C, shortly after the Buddha's death, the second in 443 B C; and the third (convened by the great Indian ruler, King Asoka) in 247 B.C At the fourth Council, held in Ceylon *c* 27-13 B C, the Buddhist scriptures were committed to writing for the first time in the sacred Pali language. Nearly 1,900 years later, in 1871, the fifth Council was convened at Mandalay by King Mindon of Burma, its principal task being the inscription of the Buddhist scriptures (also in Pali) on some 730 slabs of marble The sixth Council, held at Yegu from 1954-56 (corresponding to the years 2498-2500 of the Buddhist era) had as its chief task the translation of the *Tripitakas*—the thesaurus of Buddhist teaching containing the philosophy of Buddhism, the discourses of the Buddha, and the rules of monastic discipline—into English, Burmese, and Hindi, a work entrusted to a group of Buddhist monks and Pali scholars. It was also proposed to publish an abridgement of the *Tripitakas*—at present comprising some 50 volumes, each of 400-500 pages—in two or three volumes.

The Sixth Buddhist Council was held in a large artificially-constructed cave on the model of that at Rajagaha, where the first Council was held Built in 14 months by the Burmese Government, under the supervision of engineering experts and with the advice of an acoustics engineer, it was able to accommodate 15,000 Buddhist monks and laymen from Burma, India, Siam, Cambodia, Laos, Nepal, Malaya, Vietnam, Pakistan, and other countries When completed, the Sacred Cave was 455 feet long and 370 feet wide, being supported by six great columns—symbolizing the six Buddhist Councils held since the Buddha's death. An International Buddhist Library was also built nearby to house the *Tripitaka* texts and books on Buddhism

The inaugural ceremony on May 17, 1954, (the full moon of May of the Buddhist year 2498) was attended by Dr. Ba U,, the President of Burma, U Nu (then Burmese Prime Minister), who delivered a Speech of Veneration, Mrs Vijayalakshmi Pandit (then President of the U N General Assembly), Mr Dudley Senanayake (formerly Prime Minister of Ceylon), Mr Malcolm Macdonald (then U K. Commissioner-General for South-East Asia), Dr. G P Malalasekera (president of the World Fellowship of Buddhists), and many representatives from Buddhist countries and communities throughout the world. The Sixth Council concluded its work on May 24, 1956, simultaneously with the opening of the *Buddha Jayanti* celebrations. Over 100,000 pilgrims visited Yegu during the last week, including Buddhist delegations from Ceylon, Cambodia, the People's Republic of China, Laos, Nepal, Japan, Siam, South Vietnam, and a number of other countries.

It is proposed in due course to open an International Buddhist University on the site where the Sixth Buddhist Council held its meeting.—(Burma Government Information Office, Rangoon - Ceylon Government Information Department, Colombo - The Statesman, Calcutta - Times of India, Bombay)

A. UNITED KINGDOM. — Mr. Macmillan's Appeal for Restraint in Wages, Prices, and Dividends. - Board of Trade Report on German Competition with British Exports. - Fall in Gold and Dollar Reserves.

Mr. Macmillan, the Chancellor of the Exchequer, issued a Press statement on Aug. 29 in which he renewed his appeal for restraint in wage, price, and dividend increases. At the same time he tried to remove misconceptions about the need for adequate profits in industry which, he said, were essential to ensure vital new investment. His statement was issued a few days before the opening of the Trades Union Congress at Brighton, and was worded as follows:

"... The Egyptian crisis is not the only threat to the future of Britain and her people. There is another danger—more familiar, less dramatic, harder to realize, but in the long run perhaps just as serious. It is the possibility that by our own lack of foresight and sectional divisions we may drive ourselves out of the front rank of industrial Powers and deprive ourselves of the means to prosperity and greatness. If we are inclined to forget this risk, the figures of the gold and dollar reserves for August will serve as a reminder. When they are published they will show quite a substantial fall... [and]... are yet one more reminder that we live and work very near the margin of safety.

"The Government has put the dangers plainly before the country. We have urged all sections in industry not to weaken our competitive power by driving up costs and prices by thoughtlessness or selfishness. These appeals have met with much encouraging response.

"Let me repeat some of the essential facts. Between 1953 and the first half of this year German earnings per hour in manufacturing industry have risen about 15 per cent, and so has output per man-hour; so that wage costs have been steady. American hourly earnings have gone up around 10 per cent, and so has output; wage costs have therefore been steady. British earnings have risen by 20 per cent, output by about 10 per cent, wage costs therefore have risen by about 10 per cent. Could any writing on the wall be plainer than that?

"The White Paper on Full Employment [see 14802 A] shows beyond doubt that the principal cause which has driven up our prices by over half since the war is very simple. As a community we have insisted on increasing our money incomes far more than we have been able to increase our output of goods. While there was little or no competition from Europe, we got away with it—at the cost of internal inflation and all that this means in injustice and hardship to many groups and individuals who cannot defend themselves. Now that we face fierce competition abroad, we can't get away with it. Another round of wage increases unaccompanied by corresponding increases in production is bound to cripple our prospects. This time, we shall all suffer.

"I have seen recent claims that you can put up labour costs without putting up prices by cutting profits. Three years ago at Blackpool Mr. Gaitskell said to the T.U.C.: 'You cannot avoid a fairly high level of profits generally if demand is buoyant and turnover high. These are precisely the conditions that are bound to be associated with full employment.' I agree with that. But I want to set out before you four hard, flat facts about profits—not politics, but plain arithmetic.

"First, profits are not dividends—and, in fact, only one-fifth of company income was distributed as dividends on ordinary and preference shares last year. There is no excuse at all for talking about profits and dividends as if they were the same thing. From the strict point of view of an economist adding up potential inflationary pressures, dividends—whatever their psychological importance—are not a vital factor. This is not a political judgment. It is an arithmetical one. Eight years ago Sir Stafford Cripps made exactly the same point when he spoke at the Trades Union Congress. 'We only have to look at the figures of distributed corporation profits,' he said, 'and compare them with the amount spent on wages and salaries, to know that there is no substantial relief to be obtained from that source. The figure of profits distributed by corporations is about one-tenth of the total of wages and about one-fifteenth of the total of wages and salaries combined. So that even if corporation profits were reduced by a quarter—a very drastic cut—it would mean an average addition to wages and salaries of no more than 4d. in the pound.' What Sir Stafford Cripps said is still true. In 1955, too, company dividends before personal income-tax came to one-fifteenth of wages and salaries. After deducting personal income-tax, the ratio was even smaller; making the best estimate one can, dividends came to something like one-twenty-fifth of wages and salaries. But if dividends, then, account for only one-fifth of company income, who gets the other 80 per cent?

"The second hard, flat fact about profits is this: a quarter of them are paid to the Exchequer in company taxes. This is quite apart from personal income-tax or surtax paid by shareholders on their dividends. In this present financial year, for every £1 of income tax and surtax I expect to get from individuals over the whole income-tax field, I shall get 12s. 6d. from companies. If I had no revenue from taxes on profits, and had to collect that extra money from personal income tax, the income-tax burden would go up 60 per cent; or else I would have to raise the money some other way, such as more than trebling all purchase tax.

"Thirdly, profits figures are always quoted 'gross'—gross company profits. You can, of course, enunciate this as if it was a rude, abusive word—gross profits made by gross profiteers. But it means, of course, that they are reckoned before anything is taken out of them to keep existing factories and plant repaired and up-to-date. Of course this has to be done, or the whole economy would fall to pieces. And it takes a sizeable slice out of company income—about 15 per cent last year. So taxes and capital consumption together make up 40 per cent of the total.

"The fourth flat fact is this. Undistributed profits are far and away the largest source of finance—or savings—to pay for new industrial investment. Everyone agrees that we must have more new investment, and that we must have more savings to finance it. But it does not make sense to agree that we need new investment, and to agree that we need more savings, and then to say that profits are an evil thing, which should all be distributed as wages and salaries. For in the past eight years, companies, after providing for their own capital consumption, have saved enough to finance half the net investment done in the whole country—enough to cover all the net investment in private industry, and, over and above that, make a substantial contribution to investment elsewhere in the economy. Half the real addition to our capital wealth since 1948 has been paid for by savings made by companies. Large investment and a rising standard of living demand large undistributed profits. This may surprise some people, but as Professor Arthur Lewis, who is an economist and a Socialist, remarked, after saying just what I have said to you: 'Since this is clearly the situation in which we find ourselves, we have to face it.'

"I will add a fifth fact. Between 1954 and 1955, wage and salary costs per unit of output rose 5 per cent, while profits per unit of output rose one per cent.

"I am not saying that restraint in dividends and profits does not matter. It does. Dividends, economically, are small, psychologically, they count. If restraint is needed, it must apply to everyone. If the production of goods and services has not increased, there is no more justification for higher profits than there is for higher wages. Those companies which have shown restraint in their dividend declarations have—and I say this emphatically—done the right thing by their country. Moreover, in present circumstances I would like to see profit-margins cut, and the many firms who have undertaken to hold their prices down must be aware that this probably does mean a cut in profit-margins. They, too, are doing the right thing. I would like many more firms to jump on to the plateau and undertake to keep their prices down. Further, our policies on restrictive trade practices are going to mean more competition, and competition is the great enemy of excessive profits.

"What I am trying to do is to show that there is no huge cache of profits which could have been used or can now be used to make a worthwhile addition to wages and salaries, without any ill effects on the economy. That idea dies hard, but it had better die soon—it is just one of the drugs that some people administer, and others swallow, to send themselves to sleep so that they needn't think about the real dangers that threaten them.

"That finishes what I wanted to say about profits, dividends and so forth. More recently another specious and evasive argument has been widely used... A few weeks ago I happened to read a leading article on this subject in an important national newspaper. Here it was contended that because the purchasing power of the pound had fallen to 16s. 5d. since 1951, wage claims must be expected. It is quite true that from 1951 to the first half of 1956 retail prices rose by about 24 per cent. But wage rates rose a good deal faster, by 34 per cent; and earnings by more still—I should think by about 40 per cent. No mention was made of these decisive figures. This kind of argument is dangerous as well as fallacious. For fallacies are always dangerous if they tell people what some of them want to hear. Pleasant untruths are much more seductive than unpleasant truths.

"In any case, the most important fact about prices is that at the present time they are not rising, nor do they appear likely to rise much in the next few months. My forecast of a 'price plateau' aroused a certain amount of scepticism when I made it some months ago, even though I was envisaging a possible rise of 2 to 3 points in view of various changes, including large wage increases, which had already taken place. Since I made that speech in Newcastle [see page 14977, second column] the index has gone down slightly. We have in fact a good prospect of reasonably steady prices. For the first time for some years we may find ourselves with a chance of staying on the plateau. Surely this is a precious opportunity, which it is plain commonsense to seize.

"If the international situation deteriorated and world prices rose, that might through no fault of ours push us off our plateau and create a new situation. But surely we need not push ourselves off it deliberately—of our own volition. I find it hard to believe that when it comes to the point we shall be so foolish. Of one thing I am quite certain... that if there are no better arguments than those we have heard for forcing up prices through wage increases without increased output, then public opinion, which is apt to prove a very powerful factor in these matters, will pronounce a grim judgment on those responsible.

"The Government's appeal for responsible price policies has already been answered by the nationalized industries and many private employers. I ask the trade unions to weigh very carefully the national consequences of any action they may now contemplate. They may have faults to find with the policies of management or of the Government. But they have the means to make their views known to both. Remembering their reputation for practical good sense, I am sure they will not do anything to undermine the economic strength on which their own future depends. Nor is this the time, with all our external dangers, to deal ourselves a self-inflicted wound.

"Of course there are other and important questions which arise. There is the problem of automation, on which the National Joint Advisory Council is already hard at work. There is the problem of industrial mobility. Redundancy in certain sectors of industry will arise even in conditions of full employment. For without movement and elasticity, there cannot be a healthy industrial organism . .

"There is of course some divergence of emphasis about the best methods of regulating our economy. As I have often said before, I think this is rather a battle of words. Certainly the regulatory controls which I am now operating are pretty severe, and are beginning to be effective. Anyway, I have no doctrinaire approach to this problem. To my mind it's just a question of practical commonsense.

"Finally, there are the suspicions which we have inherited from the past. How sad it is that so many people try to fan the embers of these dying fires! In our modern democratic society we ought to be able to forget these growing pains . An ability to learn from experience is one of the marks of maturity

"Broadly speaking, real standards can be increased only by greater capital investment, and greater skill all through industry, leading to higher production . "

German Competition with British Exports.

A report on the impact of West German competition on British exports, published in the *Board of Trade Journal* on July 28, showed that between 1953 and 1955 Western Germany's share of world trade in manufactures had increased from 13.3 to 15.6 per cent, while that of the U.K. had fallen from 21.3 to 19.8 per cent. (In 1950 Western Germany's share had been 7.3 per cent and that of the U.K. 25.5 per cent).

It was pointed out that the expansion of West German exports between 1953 and 1955 had been particularly marked in Austria, the Netherlands, Sweden, Australia, India, Soviet Russia, Venezuela, and Israel, the largest increases being in the following commodity groups · oils and fats (93 per cent, compared with 58 per cent for U.K. exports), food, drink and tobacco (50 per cent, against 15 per cent for the U K.), machinery and vehicles (47 per cent, against 15 per cent for the U.K.), and chemicals (43 per cent, against 31 per cent for the U K.) German textile exports had increased by 39 per cent, while those of the U K.—relatively much more important to the national economy—had declined by 5 per cent Moreover, while the value of Western Germany's motor-vehicle exports had doubled between 1953 and 1955, those of the U.K had risen by only about one-fifth.

Analysing the success of West German competition, the report drew attention to the following points · (*a*) Wages were probably lower in Western Germany than in the U K , (*b*) German workers were working about two hours a week longer than British workers in the autumn of 1955 ; (*c*) West German output had risen faster than wages over the past six years, the reverse having been true in the U.K., (*d*) gross fixed investment in industry in the period 1950-54 averaged 21 per cent of the gross national product of Western Germany and 14 per cent of that of the U.K.

The report concluded that to meet the challenge of German competition "British industry must pay special attention to improving its sales promotion abroad and must not neglect any opportunities of obtaining new export business. At the same time it must invest more in the modernization and expansion of industrial capacity."

Fall in Gold and Dollar Reserves.

The Treasury announced on Sept. 4 that the sterling area's gold and dollar reserves had fallen by $129,000,000 in August after taking into account (*a*) $4,000,000 received in U.S. defence aid, (*b*) $51,000,000 paid to the E.P.U. in respect of the July settlement, and (*c*) $3,000,000 paid to the creditors of E.P.U. in bilateral settlements. As a result of the fall in August—the first monthly decline during 1956—the sterling area's gold and dollar reserves stood at $2,276,000,000 on Aug. 31.

It was authoritatively stated in the Press that there were three main causes for the big loss of gold and dollars in August · (1) the above-mentioned payments to the E P.U , (2) the transfer of $14,400,000 to the new International Finance Corporation (see 15048 A) as Britain's share of its capital ; (3) official support given to sterling in the foreign exchange market during August, as a result of the Suez crisis.

Provisional figures for the E.P.U. August settlement showed that the U.K. had a deficit of £16,000,000, which would be settled in September as to three-quarters in gold and dollars and as to one-quarter by a credit from the Union.—(Treasury Press Office - Board of Trade Journal - Financial Times) **(Prev. rep. 15046 A ; 14977 A ; 15036 D.)**

A. NETHERLANDS. — Old Age Pensions Legislation.

The Old Age Pensions Bill, which had been introduced in the Netherlands Parliament on June 30, 1955, was approved by the Lower House of the States-General on March 23, 1956, and by the Upper House on March 30, 1956. Pensions will be paid from Jan. 1, 1957, and it is expected that about 712,000 men and women aged 65 and over will be eligible. Total annual expenditure on pensions will amount to 722,000,000 guilders £72,200,000).—(Netherlands News Agency) **(14419 B.)**

B. AUSTRALIA. — Balance of Payments, 1955-56. - Industrial Production Figures.

The Australian Federal Treasurer (Sir Arthur Fadden) stated in his Budget speech in the Federal House of Representatives on Aug. 30 that Australian exports in 1955-56 had amounted to £A.773,000,000 and imports to £A.819,000,000—an adverse trade balance of £A.46,000,000. After taking freight payments and other net invisible transactions into consideration, the current account deficiency was £A.221,000,000. Having gained a net amount of £A.148,000,000 from loans and capital transactions, as well as from various movements of funds on private account, the net result of all overseas transactions for the year was a fall in Australia's international reserves by £A.73,000,000 to £A.355,000,000 as at June 30, 1956. Although the latter figure was somewhat higher than seemed likely at one time, Sir Arthur declared that it still represented "an uncomfortably low level of reserves."

Figures of Australian industrial production in the 1955-56 financial year, released on Aug. 24, showed that iron and steel production had reached the record total of 6,257,000 tons, compared with 5,968,000 tons in the previous year, and that the motor industry had turned out the record number of 81,700 car-bodies (9,700 more than in 1954-55). The year also showed records in the production of motor tyres, gas and electricity, cement, superphosphate, paint, washing-machines, electric household machinery, cotton goods, and most woollen textiles.—(Australian News and Information Bureau)

(Prev. rep. Balance of Payments, 14470 A.)

C. AFGHANISTAN - PAKISTAN. — President Mirza's Visit to Kabul. - Discussions with Afghan Leaders.

The President of Pakistan, General Iskander Mirza, paid a State visit to Afghanistan from Aug. 7-12 at the invitation of King Zahir Shah. During his stay in Kabul he had discussions with the King, Prince Daud Khan (the Prime Minister), and other members of the Afghan Government.

A joint communiqué stated that advantage had been taken of President Mirza's visit to discuss "matters of common interest," and that the conversations had taken place in an atmosphere of "warmth and cordiality." It added : "H.M. the King of Afghanistan and the President of Pakistan recognize the need for close co-operation between the two countries, affirm their intention to promote better relations, and declare their united resolve to remove all differences between the two Moslem countries through friendly negotiations, and to establish a firm basis for permanent friendship" It was also announced that King Zahir Shah had accepted an invitation to visit Pakistan.

President Mirza's visit to Afghanistan was regarded in both countries as ending the period of strained relations caused by the "Pakhtoonistan" dispute during the past few years. (Pakistan High Commissioner's Office, London) **(Prev. rep. Afghan-Pak. Dispute, 14481 B ; 14291 A ; 14271 A.)**

D. BRITISH WEST INDIES. — Final Approval of Sale of Trinidad Oil Company to Texas Company.

The Treasury announced on Aug. 28 that "arrangements satisfactory to H.M. Government" had now been made on those aspects of the proposed purchase of the Trinidad Oil Company by the Texas Company which primarily concerned the United Kingdom, and that "all necessary consents by H.M. Government and by the Government of Trinidad and Tobago to the proposed purchase have been or will be given."

The Texas Company announced on Aug. 31 that acceptances of its offer of 80s. 3d. per 5s. stock unit had been received from holders of nearly 97 per cent of the Trinidad Company's Ordinary stock, and that it intended to exercise its powers under the Companies Act to acquire the remainder. The transaction was finally approved at an extraordinary general meeting of shareholders of the Trinidad Company held in London on Sept. 3. The sum of £50,000 was voted to Mr. Simon Vos, the company's chairman, as compensation for loss of office.—(Times - Financial Times) **(Prev. rep. 15031 B.)**

E. JAPAN. — Admission to U.N. Economic Commission for Latin America with Status of Observer.

The U.N. Economic and Social Council unanimously approved on July 20 a joint resolution sponsored by Argentina, Brazil, Ecuador, and the Dominican Republic—the four Latin American countries represented on the Council—admitting Japan to meetings of the U.N. Economic Commission for Latin America with the status of an observer. Japan had expressed the wish to take part in the activities of ECLA in view of her close connexions with Latin America in the spheres of trade and migration.—(Japanese Embassy, London) **(13538 C.)**

A. GOLD COAST. — General Election. - Victory for Convention People's Party. - Dr. Nkrumah's Independence Resolution. - Opposition Mission to London.

General elections were held in the Gold Coast on July 17, except in certain parts of the Northern Territories, where they took place on July 12. The chief parties contesting the elections were the ruling Convention People's Party (C.P.P.) led by Dr. Kwame Nkrumah, the Prime Minister; the National Liberation Movement (N.L.M.), the principal Opposition party led by Professor K. A. Busia; and the Northern People's Party (N.P.P.), which is allied to the N.L.M. Whereas the C.P.P. contested all the 104 seats on a country-wide basis, the Opposition parties conducted their campaigns largely on a regional basis—the N.L.M. candidates standing in Ashanti and the N.P.P. candidates in the Northern Territories.

The final results gave the C.P.P. an overall majority of 88 in the new Legislative Assembly, party strengths being as follows: C.P.P. 71 (including five unopposed returns), N.L.M. 12, N.P.P. 15, others six. Results by regions were as follows, with comparative figures for the last (1951) elections:

	C.P.P.		N.L.M.		N.P.P.		Others	
	1956	1951	1956	1951	1956	1951	1956	1951
Gold Coast Colony ..	44	41	—	—	—	—	—	3
Ashanti	8	19	12	1	—	—	1	1
Transvolta-Togoland	8	8	—	—	—	—	5	5
Northern Territories ..	11	11	—	—	15	14	—	1
Total	71	79	12	1	15	14	6	10

As shown above, the C.P.P. won every seat in Gold Coast Colony, gaining the three formerly held by Independents. In Ashanti, on the other hand, the C.P.P. lost 11 seats to the N.L.M., which emerged as the strongest party with 12 of the 21 Ashanti seats; the remaining seat went to the Moslem Association Party. Party strengths remained unchanged in Transvolta-Togoland, the five Opposition seats being divided between the Togoland Congress (two), Independents (two), and the Federation of Youth Organizations (one). The N.P.P. remained the strongest party in the Northern Territories, gaining one seat from the Moslem Association Party.

Voting was on the basis of universal suffrage, the registered electorate numbering about 1,400,000 out of a total population (including the trust territory of Togoland) of 4,500,000. Only some 50 per cent of the electors went to the polls, compared with 54 per cent in 1951. Voting was heaviest in Ashanti (58 per cent), followed by Togoland (51 per cent), the Northern Territories (49 per cent), and Gold Coast Colony (44 per cent). In aggregate, the C.P.P. polled about 398,000 votes and the Opposition parties 299,000.

The votes cast in the different regions (shown as percentages of the total electorate in each region) were divided as follows: Gold Coast Colony—C.P.P. 38 per cent, Opposition parties 6 per cent; Transvolta-Togoland—C.P.P. 28 per cent, Opposition 23 per cent, Ashanti—C.P.P. 25 per cent, Opposition 33 per cent; Northern Territories—C.P.P. 20.5 per cent, Opposition 28.5 per cent.

Dr. Nkrumah had a majority of 9,244 over his N.L.M. opponent (who lost his deposit), other Ministers re-elected including Mr. Botsio, Mr. Casely-Hayford, Mr. Ofori-Atta, and Mr. Gbedemah. The Minister of Agriculture, Mr. Jantuah, was defeated at Kumasi by an N.L.M. candidate, while the Minister of Trade and Labour (Mr. Asafu-Adjaye) did not seek re-election.

Dr. Busia was re-elected for the N.L.M., whose members in the new Assembly include Mr. Joseph Appiah, son-in-law of Lady Cripps and the late Sir Stafford Cripps. Dr. Danquah, one of the leading personalities in the N.L.M., failed to secure election, as was also the case in 1951.

The new Legislative Assembly convened on July 30, when Sir Emmanuel Quist was re-elected Speaker for the third time. A new Cabinet—recruited, like its predecessor, entirely from the C.C.P. and headed by Dr. Nkrumah—was sworn-in on July 23 by the Governor, Sir Charles Arden-Clarke, its membership being as follows:

Dr. Kwame Nkrumah, Prime Minister, Mr. K. Botsio, Trade and Labour, Mr. K. A. Gbedemah, Finance; Mr. A. Casely-Hayford, Communications; Mr. A. E. Inkumsah, Housing; Mr. A. E. Ofori-Atta, Local Government; Mr. J. H. Allassani, Health; Mr. Ako Adjei, Interior, Mr. J. B. Erzuah, Education; Mr. N. A. Welbeck, Works; Mr. B. Y. Afari, Agriculture; Mr. L. R. Abavana and Mr. K. Edusei, Ministers without portfolio.

A resolution calling for independence for the Gold Coast was moved by Dr. Nkrumah in the Legislative Assembly on Aug. 3, and adopted unanimously in the absence of the Opposition members. The latter had boycotted the debate on the ground that a Constitution should have been agreed upon before the Government introduced such a resolution.

Dr. Nkrumah called upon the British Colonial Secretary (Mr. Lennox-Boyd) to honour the pledge given in his recent statement on the Gold Coast (see 14890 A), and expressed the opinion that there was "nothing to prevent us now from fulfilling the final conditions set forth in the Colonial Secretary's statement, nor any reason why he should feel any reluctance to fulfil his pledge . I am determined to ensure that a firm date for independence is announced without delay. The Secretary of State cannot go back on his word, and I do not think he would wish to do so . . ."

An Opposition delegation representing Ashanti and the Northern Territories, headed by Professor Busia, left Accra for London on Aug. 12 for conversations with Mr. Lennox-Boyd on the question of a Federal Constitution for the Gold Coast. Before leaving Accra, Professor Busia issued a statement claiming that the election results in Ashanti and the Northern Territories had justified the case for a Federal Constitution, and stressing that the Opposition intended to press its case for such a Constitution before independence. The Asanteman Council also issued a statement on Aug. 16 upholding the case for a Federal Constitution, and declaring that the Ashanti people did not wish to lose their separate identity.
(Commonwealth Survey - Times - Manchester Guardian)
(Prev. rep. 14890 A; 1951 Elections, 11293 A.)

B. UNITED KINGDOM. — Viscount Hailsham appointed First Lord of Admiralty. - Resignation of Viscount Cilcennin.

It was announced on Sept. 2 from 10, Downing Street, that Viscount Hailsham (48) had been appointed First Lord of the Admiralty in succession to Viscount Cilcennin (52), who had tendered his resignation from the Government.

Letters exchanged between the Prime Minister and Viscount Cilcennin were published on the same day. In tendering his resignation from the Government, Lord Cilcennin wrote "You will remember that when the Government changes took place last December and you asked me to remain at the Admiralty, I told you that I should wish to be relieved of office this autumn. I have been First Lord for five years, with two previous years on the Board of Admiralty as Financial Secretary, and . . . I feel sure that this length of time is in itself sufficient reason for a change. I could have wished for a more settled time to hand over my post. I feel, however, that it is essential that my successor should be in office for a reasonable period before the autumn Parliament, and, as you know, I have been able in the past few weeks to satisfy myself about the Navy's plans and precautionary measures [i.e. in the Suez crisis]. I should be grateful, therefore, if you would submit my resignation to H.M. the Queen. I appreciate very much your offer of other Government work and I am grateful to you for understanding my reasons for refusing it . . ."

Sir Anthony Eden, in reply, accepted Lord Cilcennin's resignation with regret, and paid tribute to his "long and devoted service at the Admiralty," which had been "of great value during a difficult period of transition."

Viscount Cilcennin (formerly Mr. J. P. L. Thomas until December 1955, when a viscounty was conferred upon him—see 14601 A) had been Financial Secretary to the Admiralty in 1943-45 and First Lord since 1951, when Sir (then Mr.) Winston Churchill formed the Conservative Government after the general election of that year. He was Conservative M.P. for Hereford from 1931 until his elevation to the peerage, and vice-chairman of the Conservative Party from 1945 to 1951. As disclosed in his letter of resignation, he had declined the offer of another post in the Government.

Lord Hailsham, Q.C., was Conservative M.P. for Oxford City (as Mr. Quintin Hogg) from 1938 to 1950, when he succeeded to the peerage on the death of his father, the first Viscount Hailsham. Desirous of remaining in the House of Commons, where he was one of the most prominent and best-known Conservative back-benchers, he appealed to Mr. Attlee (then Prime Minister) to introduce legislation enabling him to remain a member of the Commons, but the request was refused (see 10974 D). Educated at Eton and Oxford, Lord Hailsham served with the Rifle Brigade in World War II, and was wounded in the Western Desert in 1941. He was Joint Parliamentary Under-Secretary for Air in the last weeks of the wartime Coalition Government, and held the same post in the short-lived "caretaker" Government before the general election of 1945.—(Times - Daily Telegraph) **(Prev. rep. 14601 A.)**

C. JAPAN - PHILIPPINES. — Philippine Ratification of Reparations Agreement and Peace Treaty. - Resumption of Diplomatic Relations.

Instruments of ratification of the reparations agreement between Japan and the Philippines, signed on May 9, were exchanged in Tokio on July 23, following approval of the agreement by the Upper House of the Japanese Diet and the Philippine House of Representatives. [The agreement had already been approved by the Japanese Lower House and the Philippine Senate.]

The Philippine House of Representatives also ratified on July 16 the San Francisco Peace Treaty with Japan, by 18 votes to three.

Under a Note exchange of July 23 both countries agreed to raise their respective diplomatic missions in Manila and Tokio to embassy status.—(Japanese Embassy, London) **(14988 C.)**

SEPTEMBER 8—15, 1956

A. UNITED STATES. — The Democratic Convention. - Mr. Adlai Stevenson nominated as Presidential Candidate. - Senator Kefauver nominated Vice-Presidential Candidate. - The Democratic Party's Programme.

The National Convention of the Democratic Party, meeting in Chicago from Aug. 13-17, adopted Mr. Adlai E. Stevenson, the former Governor of Illinois, as Democratic candidate for the Presidential election in November. Senator Estes Kefauver of Tennessee was adopted as Vice-Presidential candidate.

The Candidatures.

The Democratic National Convention was attended by 1,372 delegates from all the States and territories of the Union, the biggest delegations being those of New York (98), Pennsylvania (74), California (68), Illinois (64), Ohio (58), and Texas (56). As a result of the State primary elections, held in a number of States between March 13 and June 5, about 400 of the delegates were pledged to support Mr. Stevenson for the Presidential nomination, 200 were committed to support Senator Kefauver (who, however, had announced before the Convention opened that he did not wish to stand for the Presidential nomination—see below), 141 were committed to support Governor Harriman of New York, and about 300 delegates were pledged to support "favourite sons"—i.e. Governors, Senators, or Representatives whose candidature was sponsored by the delegations of the States in which they hold office, or which they represent in Congress. The remaining delegates (about 320) were uncommitted, notably the delegations from New Jersey (36), Virginia (32), Arkansas (26), Louisiana (24), and Mississippi (22), as well as 24 of the Pennsylvanian delegation.

Mr Stevenson's biggest successes in the State primaries were obtained in California (where he gained all 68 delegate votes), Illinois (63 of the 64 votes), Pennsylvania (50 of the 74 votes, the remaining 24 being uncommitted), Florida (22 of the 28 votes), West Virginia (18 of the 24 votes), and Oregon (all 16 votes)

Senator Kefauver obtained all 28 delegate votes in Wisconsin, 26 of the 30 delegate votes in Minnesota, and all delegate votes in Indiana (26), Maryland (18), and Montana (16) He was also assured of all the 32 votes of his home State, Tennessee.

Governor Harriman of New York obtained 91 of the 98 delegate votes for that State, and was also promised the support of the 28 Oklahoma votes In Kentucky, all 30 votes went to Governor Albert B. Chandler; in Massachusetts, all 40 votes to Representative John W. McCormack; in Michigan, all 44 votes to Governor G. Mennen Williams; in Missouri, all 38 votes to Senator Stuart Symington; in Ohio, 54 of the 58 delegate votes to Governor Frank J Lausche; in South Carolina, all 20 delegate votes to Governor George B Timmerman jr, in Texas, all 58 delegate votes to Senator Lyndon B Johnson, and in Washington State, 20 of the 26 delegate votes to Senator Warren G Magnuson

Senator Kefauver's Withdrawal from Presidential Nomination.

Senator Kefauver—who, as stated above, won important support in several of the State primaries, notably in Wisconsin and Minnesota—had announced on July 31 that he would not be a candidate for the Democratic presidential nomination and had urged his supporters to back Mr. Stevenson as the party's presidential nominee.

In taking this decision, Senator Kefauver expressed his belief that he could "make a great contribution toward unity and eventual victory for the party by withdrawing my name for consideration for the office of President at this time, and asking my supporters wholeheartedly to give their backing to Governor Adlai Stevenson" After pointing out that Mr Stevenson had secured almost 3,000,000 votes in the primaries, or over 600,000 more than he [Senator Kefauver] had obtained, Mr. Kefauver added. "Furthermore, since the primaries have concluded, reliable, nation-wide polls show that most Democratic and independent voters want him [Mr Stevenson] to be nominated He has the support of the majority of Democratic Party leaders . . . Governor Stevenson's delegate lead is such that he could be stopped only by throwing the Convention into a deadlock. I would not want to be a party to this . Victory in November is more important than the victor in August I am anxious that the resources of the party, of myself, and of Governor Stevenson should not be dissipated . . . I am anxious that we begin now to unite the party for a vigorous, resourceful, and imaginative campaign . . ."

Mr. Truman's Support for Governor Harriman.

In a press statement in Chicago on Aug. 11, on the eve of the Democratic Convention, Mr. Harry S. Truman (the ex-President) expressed his belief that Governor Harriman was "the man best qualified to be the next President of the United States."

After expressing his pleasure that "this Convention has many qualified men to choose from, each of whom would make a good President," Mr. Truman added: ". . . Against the mounting crises in the world this Convention must name a man who has the experience and ability to act as President immediately upon assuming that office, without risking a period of costly and dangerous trial and error. In the light of my knowledge of the office of President, I believe that the man best qualified to be the next President of the U.S.A. is Governor Harriman of New York. He will make a fighting and successful candidate because he is dedicated to the principles of our party—the New Deal and the Fair Deal. I know there are several other men who could wage successful campaigns with much credit to the party and the nation, and they are men for whom I have great admiration. But Governor Harriman has had long experience in top Government positions at home He has played a historic role in representing this country in Europe and Asia. He was a tower of strength all through the Roosevelt Administration and all the years of my own Administration. I know him and you can depend upon him. ."

Presidential Nomination for Mr. Stevenson.

Mr. Stevenson secured the Democratic presidential nomination on the first ballot (held on Aug. 16), receiving 905½ votes against 210 for Governor Harriman. [A numerical majority of the 1,372 delegates—i.e. a minimum of 686½ votes—was required to secure the nomination.] The votes were divided between the different candidates as follows:

Mr. Adlai E. Stevenson	905½
Governor Averell Harriman	210
Senator Lyndon B. Johnson	80
Senator Stuart Symington	45½
Governor Albert B. Chandler	36½
Representative James C. Davis	33
Governor John S. Battle	32½
Governor George B. Timmerman jr.	23½
Governor Frank J. Lausche	5½

The candidature of Mr. Stevenson was moved by Senator John F. Kennedy (Massachusetts), and seconded by Governor Hodges of North Carolina, Governor Leader of Pennsylvania, Senator Herbert H. Lehman (New York), Representative William L. Dawson (a Chicago Negro), and Representative Edith Green (Oregon). During the Convention, and prior to the balloting on Aug. 16, an important development in Mr. Stevenson's favour had been the decision of the New Jersey delegation to cast its 36 votes (previously uncommitted) on his behalf for the presidential nomination.

The 905½ votes cast for Mr. Stevenson included those of all the delegations from Arizona, Arkansas, California, Connecticut, Delaware, Idaho, Kansas, Louisana, Nebraska, New Jersey, North Dakota, Oregon, Rhode Island, South Dakota, Tennessee, Utah, West Virginia, and Wyoming, as well as those from the District of Columbia, Alaska, Hawaii, Puerto Rico, the Canal Zone, and the Virgin Islands. In addition, Mr. Stevenson was supported by the majority of the delegations from Colorado, Florida (25 out of 28), Illinois (53½ out of 64), Indiana, Iowa, Maine, Massachusetts (32 out of 40), Michigan (39 out of 44), Minnesota (19 out of 30), Montana, New Hampshire, New Mexico, North Carolina, Ohio (52 out of 58), Pennsylvania (67 out of 74), Vermont, and Washington State.

The candidature of Governor Harriman was moved by Governor Gary of Oklahoma and seconded by Mr. Harry S. Truman, the other seconders including Mr. David J. McDonald, president of the United Steelworkers of America. The 210 votes cast for Mr. Harriman included 92½ (out of 98) from New York, all 28 from Oklahoma, and 11 (out of 30) from Minnesota.

The remaining votes were divided between "favourite sons," viz: the 80 votes for Senator Lyndon Johnson included all those of his home State, Texas (56), and of Mississippi (22); the 45½ for Senator Symington included all 38 from his home State of Missouri, the 36½ for Governor Chandler of Kentucky included all 30 from that State; the 33 for Representative Davis of Georgia comprised all 32 from that State, and one from Alabama, the 32½ for Governor Battle of Virginia included all the Virginian delegation (22); the 23½ for Governor Timmerman of South Carolina included 18 of the 20 votes of that State, and the 5½ for Governor Lausche of Ohio came from that State's delegation—the great majority of whom voted for Mr. Stevenson, as stated above The candidatures of Senator Magnuson (Washington), Governor Mennen Williams (Michigan), and Representative John W. McCormack (Massachusetts) had been withdrawn before the ballot.

After the ballot, Mr. Sam Rayburn (Speaker of the House of Representatives and chairman of the Democratic Party) asked the Convention to choose Mr. Stevenson as presidential candidate "unanimously and by acclamation." A motion to this effect was moved by Governor Gary of Oklahoma (who had previously nominated Mr. Harriman as presidential candidate) and carried by acclamation as suggested by Mr. Rayburn. Assurances of full support for Mr. Stevenson in the Presidential election campaign were given by Mr. Harriman and by Democratic leaders who had supported Mr. Harriman's candidature, including Mr. Truman. [A biography of Mr. Adlai Stevenson is given on page 12373, second column.]

Mr. Stevenson, after thanking the Convention for nominating him as Presidential candidate, announced that he did not wish to indicate any preference in the choice of his Vice-Presidential "running mate." He would therefore depart from tradition and leave the Vice-Presidential nomination to the free and open choice of the Convention.

"Historically," said Mr. Stevenson, "the Presidential candidate has often designated the nominee for Vice-President. Sometimes the choice has been due to personal predilection or political expediency. But always there is the importance of mutual confidence if they are to work together with maximum effectiveness in the interest of the nation. I recognize these considerations, but I respect beyond measure a convention and a party which has conferred upon me its highest honour without asking of me a single commitment except faith in the programme and principles of our party. In these circumstances I have concluded to depart from the precedents of the past. I have decided that the selection of the Vice-Presidential nominee should be made through the free processes of this Convention—so that the party's candidate for this office may join me before the nation, not as one man's selection, but as one chosen by our party, even as I have been chosen . . . "

Vice-Presidential Nomination for Senator Kefauver.

After failing to secure the necessary minimum of votes (i.e. 686½) on the first ballot, Senator Kefauver succeeded in obtaining the Vice-Presidential nomination on the second ballot (held on Aug. 17), in which the figures were :

Senator Estes Kefauver	750
Senator John F. Kennedy	593
Senator Albert Gore	12
Mr. Robert F. Wagner	6
Senator Hubert H. Humphrey	5
Other candidates	6

On the first ballot Senator Kefauver received 483½ votes—203 fewer than the number required for nomination. Senator Kennedy of Massachusetts was runner-up with 304 votes, followed by Senator Gore of Tennessee (178), Mr. Wagner, the Mayor of New York City (162½), and Senator Humphrey of Minnesota (134½). The remaining votes were distributed among a number of other candidates.

Senator Kefauver's success on the second ballot was attributable to a number of "switches" by delegations after the inconclusive first ballot, and to the action of Senator Gore in withdrawing after the first ballot in his favour. [As shown above, Senator Gore received 12 votes from the floor on the second ballot, despite his withdrawal from the contest.] On the second ballot Senator Kefauver gained all 74 Pennsylvania votes (against 54 on the first ballot), all 32 Tennessee votes (cast for Senator Gore on the first ballot), and the 36 Missouri votes (which went to Senator Humphrey on the first ballot), in addition to gaining a number of votes from Ohio, Michigan, and other numerically important delegations.

Senator Kennedy obtained his principal support from New York (96½ votes on the second ballot, whereas on the first ballot all 98 N.Y. delegates had voted for Mayor Wagner), Texas (all 56 votes), Illinois (54½ votes), and his home State of Massachusetts (40 votes). He was strongly supported in all the Southern States except Florida, whose delegation nearly all voted for Senator Kefauver.

Senator Estes Kefauver (53) was born at Madisonville (Tennessee), graduated at the University of Tennessee (A.B.) and Yale University (LL.B.), and practised law at Chattanooga before his election to the House of Representatives in 1939. He entered the Senate in 1948, and two years later presided over the special Senate Sub-committee which investigated crime in the United States (see 11761 A). He was a candidate for the Democratic presidential nomination in 1952, losing to Mr. Adlai Stevenson on the third ballot after leading on the first two (see 12373 A).

The Party Programme.

After prolonged discussion and debate, the Democratic National Convention approved a programme on which the Presidential and Congressional elections would be fought and which the party, if returned to power, pledged itself to carry out in the next Congress. It is summarized below under cross-headings.

General Domestic Policy. After describing the Republican Administration as being in the "hands of political amateurs dominated by representatives of special privilege," and saying that "the party of Lincoln has been made captive to big-businessmen of small mind," the policy statement repudiated the Republican contention that the American people were "now more prosperous than ever before in peace-time." It declared in this connexion :

"For the American farmer, the small business man, the low-income worker, the old people living on a pittance, the young people seeking an American standard of education, and the minority groups seeking full employment opportunity at adequate wages, this Republican prosperity product has been an illusion. The evil is slowly but surely infiltrating the entire economic system. Its fever signs are evidenced by soaring monopoly profits while wages lag, farm income collapses, and small business failures multiply at an alarming rate . The disastrously reactionary farm programme, the hard-hearted resistance to adequate expansion of Social Security and other programmes for human well-being, and favouritism in the award of Government contracts, all have watered the economic tree at the top and neglected its roots . . . Federal budgetary outlays for education and health, old-age assistance and child-care, slum clearance and resources development, and all the other great needs of our people have been mercilessly slashed from an annual rate of more than $57 *per capita* under the Democrats to $33 *per capita* under the Republicans, a cut of 42 per cent . . . "

In carrying out the "Democratic principles for full prosperity for all," the party pledged itself :

(1) "To repudiate the Republican stunting of our economic growth and to reassert the principles of the Full Employment Act."

(2) "To achieve a truly balanced Federal budget in a just and fully prosperous American economy."

(3) "To equitable tax revisions and money policies designed to combine economic progress with economic justice We condemn the Republican use of our revenue and money systems to benefit the few at the expense of the people."

(4) "To work towards the reduction and elimination of poverty in America."

(5) "To full parity of income and living standards for agriculture; to strike off the shackles which the Taft-Hartley Law has unjustly imposed on labour, and to foster the more rapid growth of legitimate business enterprise by founding this growth upon the expanding consuming power of the people"

(6) "To expand world trade and enlarge international economic co-operation."

"By adhering to these principles [the statement continued] we shall strive to attain by 1960 the following full-prosperity objectives for all American families.

(1) A $500,000,000,000 national economy in real terms.

(2) An increase of 20 per cent or better in the average standard of living.

(3) An increase of annual income for American families, with special emphasis on those with incomes below $2,000.

(4) A determined drive toward parity of incomes and living standards for agriculture.

(5) The addition of all necessary classrooms for our primary and secondary schools, the construction of needed new homes, with a proper proportion devoted to the rehousing of low- and middle-income families in urban and rural areas; the increase of benefits under the Old Age Assistance and Old Age Survivors' Insurance programmes; a substantial expansion in hospital facilities and medical research; and a doubling of our programmes for resource development and conservation

(6) National defence outlays based upon our national needs, not permitting false economy to jeopardize our survival."

Social Security. The party pledged itself to "expand and improve the great social welfare programmes inaugurated under Democratic administration . . by broadening and strengthening these programmes by increased benefits to keep pace with improved standards of living; by raising the wage-base upon which benefits depend; and by increasing benefits for each year of covered employment"

Specific pledges were given for (1) "a stronger unemployment insurance system with broader coverage and increased benefits consistent with rising earnings"; (2) the extension to other workers of the insurance programme [enacted by the Democratic Congress in 1946] whereby railway workers were protected against temporary wage losses due to short-term illness; (3) "greater assistance for the aged, the blind, dependent children, the disabled, and other needy persons who are not adequately protected by our contributory insurance programmes."

Health and Medical Care. "... The shortage of trained medical and health personnel and facilities has impaired health standards and increased the cost of hospital care beyond the financial capacities of most American families. We pledge ourselves to initiate programmes of Federal financial aid, without Federal controls, for medical education We pledge continuing and increasing support for hospital construction programmes, as well as increased Federal aid to public health services, particularly in rural areas . ."

Housing. "... We reaffirm the goal, expressed by a Democratic Congress in 1949, that every American family is entitled to have 'a decent home and a suitable living environment.' The Republican Administration has sabotaged that goal by reducing the public housing programme to a fraction of the nation's need. We pledge that the housing-insurance and mortgage-guarantee programmes will be redirected in the interest of the home owner, and that the availability of low-interest housing credit will be kept consistent with the expanding housing needs of the nation. We favour providing aid to urban and suburban communities in better planning their future development and re-development"

Education. "Every American child, irrespective of race, national origin, economic status, or place of residence, has the full right under the law and the Constitution, without discrimination, to every educational opportunity to develop his potentialities. We are now faced with shortages of educational facilities that threaten national security, economic prosperity, and human well-being. The resources of our States and localities are strained to the limit Federal aid should be provided within the traditional framework of State and local control We pledge the Democratic Party to the following :

(1) Legislation to assist States and local communities to build schools, and to provide essential health and safety services for all schoolchildren.

(2) Better educational, health, and welfare opportunities for children of migratory workers.

(3) Assistance to programmes for training teachers of exceptional [i.e. physically or mentally handicapped] children.

(4) Programmes for the training of teachers to meet the critical shortage in technical and scientific fields.

(5) Expansion of student, teacher, and cultural exchanges with other nations."

Agriculture. After declaring that " the Eisenhower Administration has failed utterly to meet the desperate needs of farmers in the face of fantastic promises to do so, and has sabotaged the progressive programmes inherited from prior Democratic Administrations," the statement denounced " President Eisenhower's veto of the constructive legislation passed by the Democratic 84th Congress to reverse the alarming fall of farm prices and restore farmers to a position of first-class economic citizenship in the sharing of benefits from American productive ability " It continued :

" Farmers have had to struggle for 3½ years while their net farm income has fallen more than $1,000,000,000 a year Their parity ratio, which under Democratic Administrations had been 100 per cent or more during the 11 years prior to 1953, dropped to as low as 80 per cent during the Eisenhower Administration, and the farmers' share of the consumers' food dollar shrank from 47 cents in 1952 to as low as only 38 cents One stark fact stands clearly for all to see—disastrously low farm prices and record high consumer prices vie with each other for the attention of responsible Government. In reducing this incongruous spread lies the answer to some of the most vexing problems of agricultural economics. In their courageous fight to save their homes and land, American farmers have gone deeper and deeper into debt. Last year farmers' mortgage indebtedness increased more than in any year in history with the exception of 1923 . . . "

In order " to regain the ground lost during the Eisenhower Administration, and better to serve both consumers and producers," the Democratic Party pledged " continuous and vigorous support to the following policies " .

(1) A " positive and comprehensive programme to conserve our soil, water, and forest resources for future generations."

(2) Programmes to " protect and preserve the family-type farm as a bulwark of American life and encourage farm-home ownership, including additional assistance to family farmers and young farmers in the form of specially designed credit and price support programmes, technical aid, and enlarged soil conservation allowances."

(3) Maintenance of " adequate reserves of agricultural commodities, strategically located for national security purposes."

(4) Promotion of international exchange of commodities " by creating an International Food Reserve, fostering commodity agreements, and vigorously administering the International Trade and Development Act."

(5) " Repeal of the Eisenhower flexible, collapsible price-supports", restoration of supports on basic commodities at 90 per cent of parity, as provided in the Bill vetoed by President Eisenhower, and the regaining of " the full 100 per cent of parity which farmers received under Democratic Administrations " This would be achieved " by means of commodity loans, direct purchases, direct payments to producers, marketing agreements, production adjustments, or a combination of these and other appropriate measures "

(6) " Practical measures for extending price-supports to feed grains and other non-basic storables and to the producers of perishable commodities such as meat, poultry, dairy products, etc."

(7) " A food-stamp or other supplemental food programme administered by appropriate State or local agencies to ensure that no needy family shall be denied an adequate and wholesome diet because of low income "

(8) " A continuing expanded school lunch and special milk programme to meet the dietary needs of all schoolchildren "

(9) " Effective means to reduce the spread between producers' prices and consumers' costs, and improved market facilities and marketing practices."

(10) Expansion of the agricultural research programme to ensure " better distribution, preservation, and marketing of farm products to serve both producers and consumers, and promote increased industrial use of farm surpluses."

(11) " An increased reservoir of farm credit at lower rates, designed particularly to accommodate small family-type farmers and extend crop insurance to maximum coverage and protection."

(12) Return of the administration of the farm programme " to farmer-elected committeemen", and the elimination of " the deplorable political abuses in Federal employment in many agricultural counties as practised by the Eisenhower Administration."

(13) Encouragement of " *bona fide* farm co-operatives which help farmers to reduce the cost-price squeeze, and protection of such co-operatives against punitive taxation."

(14) Enactment of " a comprehensive farm programme which . . . will make the rural homes of America better and healthier places in which to live "

Labour Relations. " . . . We believe that, to the widest possible extent consistent with the public interest, management and labour should determine wage-rates and conditions of employment through free collective bargaining. The Taft-Hartley Act passed by the Republican-dominated 80th Congress seriously impaired this relationship as established in the National Labour Relations Act, enacted under the Roosevelt Administration . . . The vicious anti-union character of Taft-Hartley was expressly recognized by Candidate Eisenhower during the 1952 election campaign. At that time he made a solemn promise to eliminate its unjust provisions and re-enact a fair law. President Eisenhower and his Administration have failed utterly, however, to . . . keep this pledge to the American workers. He was further responsible for administratively amending Taft-Hartley into a more intensely anti-labour weapon by stacking the N.L.R.B. with biased pro-management personnel who transformed the Act into a management weapon by administrative decision. Among such decisions was the removal of millions of workers from the jurisdiction of the N L R.B., which in many cases left them without either State or Federal protective legislation.

" We unequivocally advocate the repeal of the Taft-Hartley Act. It must be repealed because . . . it has been proven to be inadequate, unworkable, and unfair. It interferes in an arbitrary manner with collective bargaining, causing imbalance in the relationship between management and labour.

" Upon return of our national Government to the Democratic Party, a new legislative approach toward the entire labour-management problem will be adopted, based on past experience and the principles of the National Labour Relations Act . . . "

The following specific pledges were given : (1) in view of increases in the cost of living, the minimum wage would be raised to " at least $1.25 an hour, more closely to approximate present needs " ; (2) " as a matter of priority," the protection of the Fair Labour Standards Act would be extended to " all workers engaged in, or affecting, inter-State commerce " In addition, the statement called for legislation to provide " equal pay for equal work, regardless of sex " , to improve the employment opportunities of physically handicapped workers ; to provide for " the protection and improvement of the general welfare of migratory workers " , and for " an effective programme to promote industry and create jobs in depressed industrial and rural areas."

Natural Resources. After accusing the Republican Administration of having " despoiled future generations of their heritage by utter failure to safeguard natural resources," and of " pillaging our dwindling natural resource wealth through political manipulation and administrative subversion," the Democratic Party pledged itself *inter alia* (1) to " preserve and improve our land for the present and future needs of our people," and to ensure that it was " not wastefully exploited to benefit special-interest groups " ; (2) to stimulate and intensify the Soil Conservation Programme " conceived and fostered by the Democratic Party " ; (3) to safeguard the nation's National Parks, scenic beauties, wild-life preserves, etc. ; (4) to set in hand " Federally-financed afforestation, erosion-control, and flood-control programmes . . to protect our watersheds and double the rate of forage and commercial timber growth " ; (5) to promote " rapid and orderly multiple-purpose river basin development throughout the nation " ; (6) to carry out " aggressive programmes to provide abundant supplies of low-cost energy, including the development of synthetic fuel from coal, shale, and agricultural products . to feed our insatiable industrial economy . . . "

Atomic Energy. The Republican Administration was accused of " plunging the previously independent and non-partisan Atomic Energy Commission into partisan policies," with the result that the U S.A was " lagging instead of leading in the world race for nuclear power, international prestige, and world markets." After declaring that " as the U.S A. was the first in the development of the atom as a weapon, so it must lead in bringing the blessings of the peaceful uses of nuclear energy to mankind," the Democratic Party pledged itself

" (1) To restore non-partisan administration of the atomic energy programme and to expand and accelerate nuclear development by vigorous action

(2) To accelerate the domestic civilian atomic power programme by the construction of a variety of demonstration prototype reactors.

(3) To give reality to the ' atoms for peace ' programme, substituting ' deeds for words.'

(4) To increase the production of fissionable material for use in a stockpile for peacetime commitments at home and abroad.

(5) To conduct a comprehensive survey of radiation hazards from bomb-tests and reactor operations to determine what additional measures are required to protect existing and future generations from these invisible dangers.

(6) To make the maximum contribution to the defence of our nation and the free world through the development of a balanced and flexible stockpile of nuclear weapons, containing a sufficient number and variety to support our armed services in any contingency."

Free Enterprise. - Assistance to Small Business. This section of the policy statement read :

" Equal rights for all and special privileges for none, the tested Jeffersonian principle, remains today the only philosophy by which human rights can be preserved by Government. It has been a sad fact in the history of the Republican Party that under its control our Government has always become an instrument of special privilege . . . We have had under Harding, Coolidge, and Hoover, and now under Eisenhower, government of the many by the few, and for the few.

" We recognize monopolies and monopolistic practices as the real barriers between the people and their economic and political freedom Monopolies stifle equality of opportunity and prevent the infusion of fresh blood into the life-stream of our economy. The Republican Administration has allowed giant corporate entities to dominate our economy We pledge ourselves to the restoration of truly competitive conditions in American industry. Affirmative action . . . will be taken to curb corporate mergers contributing to the growth of economic concentration."

The Democratic Party pledged itself to assist " small and independent business " in the following ways :

" (1) The strict and impartial enforcement of the laws originally fostered by the Democratic Party and designed to prevent monopolies and other concentrations of economic and financial powers ; and legislation to close loopholes in the laws prohibiting price discrimination.

(2) Tax relief for all small and independent businesses by fair and equitable adjustments in Federal taxation which will encourage business expansion . . .

(3) The adoption of all practical means to make long- and short-term credit available to small and independent business men at reasonable rates

(4) The award of a substantially higher proportion of Government contracts to independent small businesses , and the award of a far larger percentage of military procurement by value, after competitive bids, rather than by negotiation behind closed doors.

(5) The replacement of the weak and ineffective Republican conduct of the Small Business Administration, and its reconstitution as a vigorous, independent agency which will advocate the cause of small and independent businessmen and render genuine assistance in fulfilling their needs and solving their problems . . .

Taxation. " . . . The immediate need is to correct the inequities in the tax structure which reflect the Republican determination to favour the few at the expense of the many. We favour realistic tax adjustments, giving first consideration to small independent business and the small individual taxpayer. Lower-income families need tax relief , only a Democratic victory will assure this. We favour an increase in the present personal tax exemption of $600 to a minimum of at least $800.

The Republican debt management policy of higher interest-rate serves only to benefit a few to the detriment of the general taxpayer, the small borrower, and the small and middle class investor in Government bonds. We pledge ourselves to a vigilant review of our debt management policy in order to reduce interest-rates . .

Government Operations. After asserting that the Republican Administration had " failed either to understand or trust the Federal employee," and that " its record in personnel management constitutes a grave indictment of policies reflecting prejudices and excessive partisanship to the detriment of morale," the statement continued ·

" Intelligent and sympathetic programmes must be immediately undertaken to ensure the re-establishment of the high morale and efficiency which were characteristic of the Federal worker during 20 years of Democratic administration. To accomplish these objectives we propose .

(1) Protection and extension of the merit system through the enactment of laws to specify the rights and responsibilities of workers

(2) A more independent Civil Service Commission in order that it may provide the intelligent leadership essential in perfecting a proper Civil Service system.

(3) Promotion . . . under laws assuring advancement on merit and proven ability.

(4) Salary increases of a nature that will ensure a truly competitive scale at all levels of employment.

(5) Recognition by law of the right of employee organizations to represent their members and to participate in the formulation and improvement of personnel policies and practices.

(6) A fair and new political loyalty programme which will protect the nation against subversion and the employee against unjust and un-American treatment."

The statement continued . " During recent years there has developed a practice on the part of Federal agencies to delay and withhold information which is needed by Congress and the general public to make important decisions affecting their lives and destiny We believe that this trend toward secrecy in Government should be reversed, and that the Federal Government should return to its basic tradition of promoting the freest flow of information possible in those unclassified areas where secrets involving weapons development and *bona fide* national security are not involved We condemn the Eisenhower Administration for the excesses practiced in this vital area and pledge the Democratic Party to reverse this tendency, substituting a rule of law for that of broad claims of Executive privilege . . .

" The shocking disclosures in the last Congress of attempts by selfish interests to improperly influence members of Congress have resulted in a Congressional investigation now under way. The Democratic Party pledges itself to provide effective regulation and full disclosure of campaign expenditures and contributions in elections to Federal offices."

Foreign Policy and National Defence. This section (the longest in the policy statement) declared

" The Democratic Party affirms that world peace is a primary objective of human society. It is more than a suspension of shooting while fearful nations stockpile armaments of annihilation . The hopes and aspirations of the peoples of all nations for justice and peace depend largely upon the courageous and enlightened administration of the foreign and defence policies of the United States. We deplore the fact that the administration of both policies since 1953 has confused timidity with courage and blindness with enlightenment . . .

" Since 1953, responsibility for foreign affairs has been President Eisenhower's—his alone, and his in full. In the past three years the conduct of his policies has moved us into the realms where we risk grave danger . . . His handling of the day-by-day problems of international affairs has unnecessarily and dangerously subjected the American people to the risk of atomic world war. We need bold leadership, yet in the three years since Stalin's death, in the full year since President Eisenhower's meetings at the ' summit ' [i.e. the Geneva Conference of Heads of Governments], the Republican Administration has not offered a single concrete new idea to meet the new-style political and economic offensive of the Soviets, which represents potentially an even graver challenge than Stalin's use of force.

"President Eisenhower and his Secretary of State talk at cross-purposes—praising neutrality one day, condemning it the next. The Republicans seem unable to make up their minds or to give us leadership, while the unity of the free world rapidly disintegrates. We need to make our peaceful purpose clear beyond dispute in every corner of the world—yet Dulles brags of ' brinks of war.' We need a foreign policy which rises above jockeying for partisan position or advantage —yet not in memory has there been so little bipartisanship in the administration of our policies . . Four years ago the Republican Party boasted of a foreign policy that was to free the Communist satellites, unleash Chiang Kai-shek, repudiate the wartime agreements, and reverse the policy of containing Communist expansion Since 1953 they have done just the opposite—chaining Chiang, standing silent when peoples rise in East Germany and Poland, fraternizing with the Communists, and weakening the positive democratic policy of halting Communist expansion Our friends abroad now doubt our sincerity . . . "

" In Asia, anti-Americanism grows apace, in Burma, Ceylon, Indonesia, India—aggravated by the clumsy actions of our Government, fanned by the inept statements of our ' statesmen.'

"In the Middle East, the Eisenhower Administration has dawdled and drifted The results have been disastrous and still worse threatens Only the good offices of the U N in maintaining peace between Israel and her neighbours conceals the diplomatic incapacities of the Republican Administration. The current crisis over Suez is a consequence of inept and vacillating Republican policy Our Government's mistakes have placed us in a position in the Middle East which threatens the free world with a loss of power and prestige, potentially more dangerous than any we have suffered in the past decade . . . "

The foreign and defence policies of the Democratic Party were set out as follows .

(1) " The United Nations is indispensable for the maintenance of world peace and the settlement of controversies between nations large and small. We pledge our every effort to strengthen its usefulness and expand its role as guide and guardian of international peace and security . . . "

(2) " We pledge determined opposition to the admission of the Communist Chinese into the United Nations. They have proved their complete hostility to the purposes of this Organization We pledge continued support to Nationalist China We urge a continuing effort to effect the release of all Americans detained by Communist China "

(3) " In this atomic age, war threatens the very survival of civilization. To eliminate the danger of atomic war, a universal, effective, and enforced disarmament system must be the goal of responsible men and women everywhere So long as we lack enforceable international control of weapons, we must maintain armed strength to deter war. But technological advances in the field of nuclear weapons make disarmament an urgent problem. Time and distance can never again protect any nation of the world. The Eisenhower Administration, despite its highly publicized proposals for aerial inspection, has made no progress toward this great objective. We pledge the Democratic Party to pursue vigorously this great goal of enforced disarmament in full awareness that irreparable injury, even total destruction, now threatens the human race."

(4) " We stand for strong defence forces so clearly superior in modern weapons to those of any possible enemy that our armed strength will make an attack upon the free world unthinkable, and thus be a major force for world peace."

(5) " We inaugurated and strongly favour collective defence arrangements such as NATO and the Organization of American States, within the framework of the United Nations."

(6) " We believe that in the cause of peace, America must support the efforts of under-developed countries to organize their resources and increase their economic productivity so that they may enjoy the higher living standards which science and modern industry make possible We will give renewed strength to programmes of economic and technical assistance. We support a multilateral approach to these programmes, wherever possible, so that burdens are shared and resources pooled among all the economically developed countries with the capital and skills to help in this great task . . "

(7) " We condemn the Republican Administration for its heartless record of broken promises to the unfortunate victims of Communism. Eisenhower's 1952 pledges to ' liberate ' the captive peoples have been disavowed and dishonoured We declare our deepest concern for the plight of the freedom-loving peoples of Central and Eastern Europe and of Asia, now under the yoke of Soviet dictatorship. The United States, under Democratic leaders, has never recognized the forcible annexation of Lithuania, Latvia, and Estonia, or condoned the extension of the Kremlin's tyranny over Poland, Bulgaria, Rumania, Czechoslovakia, Hungary, Albania, and other countries.

We look forward to the day when the liberties of all captive nations will be restored to them and they can again take their rightful place in the community of nations. We shall press before the U N the principle that Soviet Russia withdraw its troops from the captive countries so as to permit fair, free, and unfettered elections in the subjugated areas, in compliance with the Atlantic Charter and other binding commitments "

(8) " Through the Marshall Plan, the European Economic Organization [OEEC], and NATO, the Democratic Party encouraged and supported efforts to achieve greater economic and political unity among the free nations of Europe, and to increase the solidarity of the nations of the North Atlantic Community We will continue those efforts, taking into account the viewpoints and aspirations of different sectors of the European community, particularly in regard to practical proposals for the unification of Germany "

(9) " The Democratic Party stands for the maintenance of peace in the Middle East . We will urge Israel and the Arab States to settle their differences by peaceful means, to maintain the sanctity of the Holy Places, and permit free access to them We will assist Israel to build a sound and viable economy for her people, so that she may fulfil her humanitarian mission of providing shelter and sanctuary for her homeless Jewish refugees while strengthening her national development We will assist the Arab States to develop their economic resources and raise the living standards of their people The plight of the Arab refugees commands our continuing sympathy and concern. We will assist in carrying out large-scale projects for their resettlement in countries where there is room and opportunity for them.

" We support the principle of free access to the Suez Canal under suitable international auspices . . We will faithfully carry out our country's pledge under the Tripartite Declaration of 1950 [on Palestine] to oppose the use of threat or force and to take such action as may be necessary in the interest of peace, both inside and outside the U N , to prevent any violation of the armistice lines The Democratic Party will act to redress the dangerous imbalance of arms in the area, created by the shipment of Communist arms to Egypt, by selling or supplying defensive weapons to Israel, and will take such steps, including security guarantees, as may be required to deter aggression and war in the area

" We oppose, as contrary to American principles, the practice of any Government which discriminates against American citizens on grounds of race or religion We will not countenance any arrangement or treaty with any Government which would sanction such practices " [This paragraph was an apparent reference to the fact that no American citizens of Jewish origin are permitted to enter Saudi Arabia as members of U.S. economic, technical, or other missions in that country.]

(10) " The peoples of Asia seek a new and freer life and are in a commendable hurry to get it They struggle against poverty, ill-health, and illiteracy In the aftermath of war, China became a victim of Communist tyranny. But many new free nations have arisen in South and S E. Asia South Korea remains free, and the new Japan has abandoned her former imperial and aggressive ways America's task and interest in Asia is to help the free governments demonstrate that their people can have improved living standards without yielding to Communist tyranny or domination by anyone That task will be carried out under Democratic leadership "

(11) " In the Western Hemisphere the Democratic Party will restore the 'good neighbour' policy which has been alternately neglected and abused by the Republican Administration. We pledge ourselves to fortify the defences of the Americas We will intensify our co-operation with our neighbouring Republics to help them strengthen their economies, improve educational opportunities, and combat disease . . . "

Civil Rights. This section of the policy statement was worded as follows · " The Democratic Party is committed to support and advance the individual rights and liberties of all Americans Our country is founded on the proposition that all men are created equal This means that all citizens are equal before the law and should enjoy all political rights They should have equal opportunities for education, economic advancement, and decent living conditions

" We will continue our efforts to eradicate discrimination based on race, religion, or national origin. We know this task requires action, not just in one section of the nation, but in all sections. It requires the co-operative efforts of individual citizens, and action by State and local governments It also requires Federal action. The Federal Government must live up to the ideals of the Declaration of Independence and must exercise the powers vested in it by the Constitution . . .

" The Democratic Party pledges itself to continue its efforts to eliminate illegal discrimination of all kinds in relation to (1) full rights to vote, (2) full rights to engage in gainful occupations, (3) full rights to enjoy security of the person, and (4) full rights to education in all publicly-supported institutions.

" Recent decisions of the Supreme Court relating to segregation in publicly-supported schools and elsewhere have brought consequences of vast importance to our nation as a whole, and especially to communities directly affected. We reject all proposals for the use of force to interfere with the orderly determination of these matters by the courts . . . "

The American Indians. A Federal programme was pledged "to assist Indian tribes in the full development of their human and natural resources, preserving their traditions without impairing their cultural heritage."

Overseas Territories. " The Democratic Party favours increased self-government for Guam and other outlying territories and the Trust Territory of the Pacific "

District of Columbia. The party also favoured " immediate home rule and ultimate national representation for the District of Columbia "

The most controversial issue at the Convention was that section of the policy statement dealing with Civil Rights, on which there were differences of opinion between supporters and opponents of the Supreme Court's ruling against racial segregation (see 14244 A ; 13593 A). Whereas the Northern delegates and a number of leading Democrats—including both Mr. Stevenson and Mr. Harriman—felt that the policy statement should explicitly approve the Supreme Court's ruling on desegregation, the Southern delegates urged the omission of any direct reference to it. Many of the Northern delegates, moreover, asked for a more outspoken condemnation of racial segregation than in the text under discussion. After protracted debate, agreement was reached on the text given above.

Mr. Stevenson's Speech.

The Convention ended on Aug. 17 with speeches by Mr. Adlai Stevenson, Senator Kefauver, and Mr. Truman. Mr. Stevenson's address is summarized below.

In accepting the Democratic presidential nomination, Mr. Stevenson saluted " the distinguished American who has been more than equal to the hard test of disagreement and who has now reaffirmed our common cause so graciously—Harry S Truman." He also welcomed the choice of Senator Kefauver—" a great Democrat and a great campaigner "—as his running-mate, saying in this connexion " If we are elected and it is God's will that I do not serve my full four years, the people will have a new President whom they can trust. He has dignity and convictions, and he will command the respect of the American people and the world."

Mr Stevenson continued : " . The [party] programme is more than a consensus of strongly-held convictions . It speaks of the issues of our time with passion for justice, with reverence for our history and character, with a long view of the American future, and with a fervent dedication to the goal of peace on earth.

" Nor has it evaded the current problems in the relations between the races who comprise America—problems which have so often tormented our national life. Of course there is disagreement in the Democratic Party on desegregation. It could not be otherwise in the only party that must speak responsibly and responsively in both the North and South If all of us are not wholly satisfied with what we have said on this explosive subject, it is because we have spoken the only way a truly national party can—by the understanding accommodation of conflicting views. But in so doing, in substituting realism and persuasion for the extremes of force or nullification, our party has preserved its effectiveness, has avoided a sectional crisis, and has contributed to our national unity . . .

" I do not propose to make political capital out of the President's illness His ability personally to fulfil the demands of his exacting office is a matter between him and the American people So far as I am concerned, that is where the matter rests. As we all do, I wish deeply for the President's health and well-being. But if the condition of President Eisenhower is not an issue as far as I am concerned, the condition and conduct of the President's Administration is very much an issue . .

" What is the truth ? The truth is that the Republican Party is a house divided. The truth is that President Eisenhower, cynically coveted as a candidate but ignored as a leader, is largely indebted to Democrats in Congress for what accomplishments he can claim The truth is that everyone is not prosperous. The truth is that the farmer has not had his share of the national income and the Republicans have done nothing to help him—until an election year. The truth is that 30,000,000 Americans live today in families trying to make ends meet on less than $2,000 a year. The truth is that the small farmer, the small business man, the teacher, the white-collar worker, the retired citizen trying to pay today's prices on yesterday's pension—all these are in serious trouble. The truth is that in this Government of big men—big financially—no one speaks for the little man. The truth, unhappily, is not—in the Republican President's words—that ' our prestige since the last World War has never been so high as it is to-day ' The truth is that it has probably never been lower The truth is that we are losing the military advantage, the economic initiative, and the moral leadership. The truth is not that we are winning the cold war The truth is that we are losing the cold war.

" Do not misunderstand me. I acknowledge the sincerity of the Republican President's desire for peace and happiness for all. But good intentions are not enough The country is stalled on dead-centre while the world goes whirling by. America, which has lifted man to his highest economic state, which has saved freedom in war and peace, which saved collective security, no longer sparks and flames and gives off new ideas and initiatives. Our lights are dimmed. We chat complacently of this and that while, in Carlyle's phrase, ' death and eternity sit glaring.' And I could add that opportunity, neglected opportunity, sits glaring too . . .

" We live at a time when automation is ushering in a second industrial revolution, and the powers of the atom are about to be harnessed for ever greater production. We live at a time when the ancient spectre of hunger is vanishing. This is the age of abundance.

Never in history has there been such an opportunity to show what we can do to improve the equality of living now that the terrible, grinding anxieties of daily bread, clothing, and shelter, are disappearing.

"With Democratic leadership, we can do justice to our children. We can repair the ravages of time and neglect in our schools. We can restore the vitality of the American family farm. We can preserve the position of small business without injury to the large We can strengthen labour unions and collective bargaining as vital institutions in a free economy. We can conserve our resources of land, forest, and water and develop them for the benefit of all We can rekindle the spirit of liberty emblazoned in the Bill of Rights . . .We can make this a land where opportunity is founded only on responsibility and freedom on faith, and where nothing can smother the lonely defiant spirit of the free intelligence

"All these things we can do, and we will. But in the international field the timing is only partially our own. Here the 'unrepentant minute,' once missed, may be missed forever. Other forces, growing yearly in potency, dispute with us the direction of our times Here more than anywhere guidance and illumination are needed in the terrifying century of the hydrogen bomb. Here more than anywhere we must move, and rapidly, to repair the ravages of the past four years to America's repute and influence abroad.

"We must move with speed and confidence to reverse the spread of Communism. We must strengthen the political and economic fabric of our alliances. We must launch new programmes to meet the challenge of the vast social revolution that is sweeping the world, and turn the violent forces of change to the side of freedom. We must protect the new nations in the exercise of their full independence. We must help other peoples out of Communist or colonial servitude along the road to freedom.

"And we must place our nation where it belongs in the eyes of the world—at the head of the struggle for peace. For in this nuclear age peace is no longer a visionary ideal. It has become an absolute, imperative, practical necessity. Humanity's long struggle against war has to be won—and won now. I say it can be won . . .

"There is a spiritual hunger in the world today, and it cannot be satisfied by material things alone Our forbears came here to worship God. We must not let our aspirations so diminish that our worship becomes rather of bigness—bigness of material achievement . . . Once we were not ashamed in this country to be idealists. Once we were proud to confess that an American is a man who wants peace and believes in a better future and loves his fellow-man. We must reclaim these great Christian and humane ideas. We must dare to say again that the American cause is the cause of all mankind . . ."

Mr. Truman expressed his "full support to Adlai Stevenson and Estes Kefauver," describing Mr. Stevenson as "a real fighter" and Senator Kefauver as "an able and efficient running-mate." He added: "I am very well satisfied with the results of this Convention. I accept them fully and completely. I say to all Democrats—no matter whom you supported before, get behind Stevenson and Kefauver. They won the nomination fairly and squarely . . . I am going to do all I can to help Stevenson and Kefauver to victory in November." (New York Times - New York Herald Tribune)

(Prev. rep. 1952 Democratic Convention, 12373 A.)

A. CANADA. — Provincial Elections in New Brunswick, Quebec, and Saskatchewan.

Elections to the Provincial Legislatures were held in New Brunswick on June 18 and in Quebec and Saskatchewan on June 20, except that in the northern Saskatchewan constituency of Athabasca the election had to be deferred until July 4. Results were as follows, party strengths in the former Legislative Assemblies being shown in parentheses:

New Brunswick. Progressive Conservatives 37 (36); Liberals 15 (16). The Progressive Conservative administration headed by Mr. H. J Fleming (the Provincial Premier) was thus returned to office with an increased majority, receiving about 51 per cent of the total vote.

Quebec. *Union Nationale* 72 (68); Liberals 20 (23); Independent 1 (1). The number of seats had been increased from 92 to 93. The election results constituted a personal triumph for Mr. M. L Duplessis, Premier of Quebec since 1936. The *Union Nationale* gains were mostly in urban areas, including Montreal

Saskatchewan. Co-operative Commonwealth Federation 36 (42); Liberals 14 (11), Social Credit Party 3 (nil). Although the C.C.F. Ministry under Mr. T. C Douglas (the Provincial Premier) was returned to power with an overall majority, its poll fell to 45 per cent—the lowest since it took office in the Province in 1944 Another feature of the elections was the advance made by the Social Credit Party, which captured about 21 per cent of the total votes. The Liberals, though dropping from 39 to 31 per cent of the poll, gained three seats at the expense of the C.C.F.

Of the ten Canadian provinces, the Liberals are in power in Manitoba (where they are known as Liberal-Progressives), Newfoundland, Nova Scotia, and Prince Edward Island; the Progressive Conservatives in New Brunswick and Ontario; the Social Credit Party in Alberta and British Columbia; the C.C.F. (Labour) in Saskatchewan; and the *Union Nationale* in Quebec.—(Montreal Star - Dept. of External Affairs, Ottawa)

(Prev. rep. 14335 C; 13489 A.)

B. UNITED KINGDOM. — Expenditure on Public Social Services.

Tables prepared by the Central Statistical Office in collaboration with Government Departments, giving details of expenditure on Social Services in Great Britain by the Central Government, the National Insurance Funds, and Local Authorities for the financial year 1955-56, together with revised figures for earlier years, were published in the May issue of the *Monthly Digest of Statistics*.

The table below shows consolidated current expenditure on Social Services, including administrative expenses, the figures relating to the financial years ended March 31, except in the case of expenditure by Scottish local authorities, whose financial year ends on May 15.

	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56*
				(£ million)			
National Insurance schemes	403 1	406 2	431 0	512.0	539 6	551.6	664 0
Non-contributory old age pensions	27 0	25.0	23.8	22.6	20 3	19 0	17 4
National assistance	63 0	75 6	88 7	115 9	121 3	129 2	120 2
War and other service disability, etc., pensions	79.0	76.3	74 8	82.2	81 6	85 4	87.8
Family allowances	62.7	63 7	65.0	89 2	105 7	107.2	108.7
Industrial rehabilitation, training and employment of the disabled	1 7	2 8	3.4	2 8	3 1	3.7	3 2
Nutrition services	62 7	60 8	68.0	78 2	75 9	78.3	88 9
Education	292 9	306 8	354 8	381 6	403 9	445.1	488 4
Child care	12 5	14 7	16.3	17 8	18 3	18 8	19 2
National Health Service	408 9	437 3	448 6	491 5	472 7	499 6	541 6
Other health services	11 8	12 0	13 1	13 6	14.1	14.5	15 3
Housing	69 2	71 9	75 5	86.4	95.9	105.0	99 4
Total expenditure	1,494 5	1,553.1	1,663.0	1,893 8	1,952 4	2,057 4	2,254 1

*Estimates.

Amounts recovered by contributions from the public towards particular services have in general been deducted, so that only the net expenditure is shown. Pensions paid under the National Insurance schemes, however, have been included in full, no deduction being made for the revenue received from employers' and employees' contributions National Insurance benefits, as well as war pensions and grants, paid to persons overseas, and National Assistance payments in respect of maintenance of Poles living in the U.K., are not included. For industrial rehabilitation, training and employment of the disabled, the figures cover only expenditure by the Central Government, expenditure by local authorities on these services being included with their expenditure on National Assistance, as separate figures are not available. Superannuation contributions paid by local authorities and by bodies operating the National Health Service are included as part of the current cost of the service, but pensions paid to retired employees, e.g. retired teachers and doctors, are excluded. All transfers from one public authority to another have been eliminated from the consolidated expenditure totals, and, in the case of Central Government grants to local authorities, only those for special social services are included.

Expenditure on National Insurance schemes comprises the National Insurance Fund and the National Insurance (Industrial Injuries) Fund; it includes retirement pensions (including pensions to widows over 60), other widows' benefits, and guardians' allowances, sickness benefits, maternity benefits, death grants, unemployment benefits, and industrial injuries benefits. (Monthly Digest of Statistics - Ministry of Labour Gazette)

C. TUNISIA. — Abolition of Polygamy.

The Prime Minister of Tunisia, M. Bourguiba, announced in a broadcast on Aug. 10 that the Government intended to issue decrees whereby (1) polygamy would be abolished; (2) the minimum age for the marriage of girls would be fixed at 15 years; and (3) every Tunisian woman reaching the age of 20 would have complete freedom of choice of husband, and would no longer have to obtain the consent of her parents or guardians before getting married. As a result of these changes, the Tunisian husband would "lose the arbitrary right to repudiate his wife when he wills it," and divorce could only be obtained through the courts.

Under Islamic marriage and divorce procedure, as set forth in the Koran, Moslems are allowed up to four wives, and may divorce any or all of their wives by a simple affirmation—"I divorce thee"—pronounced before a Koranic court in the presence of two witnesses. The Tunisian Government's action made Tunisia the second predominantly Moslem State, after Turkey, to abolish polygamy and to depart from the traditional marriage and divorce customs of Islam. The new decrees will not have retroactive effect—i.e. Moslems already married to more than one wife will not be affected by the legislation

The decrees announced by M. Bourguiba were sealed by the Bey of Tunis on Aug. 14, and enter into force on Jan. 1, 1957. (Le Monde, Paris - New York Times)

A. THE SUEZ CRISIS. — Breakdown of Discussions between "Menzies Committee" and President Nasser. - Egyptian Refusal to accept International Control of Suez Canal. - New Egyptian Proposals for "Negotiating Body." - Anglo-French Ministerial Discussions. - French Troops stationed in Cyprus. - Suez Canal Company authorizes Non-Egyptian Employees to leave Egypt. - Egyptian Allegations of "Spy Plot." - Arrest of British Nationals. - Expulsion of British Diplomats in Cairo and Egyptian Diplomats in London.

Following President Nasser's acceptance of discussions with the five-member Suez Canal Committee set up after the London conference (see page 15055), talks on the Suez Canal question were held in Cairo from Sept. 3-9 between the committee on the one hand and President Nasser and his advisers on the other. The members of the committee comprised Mr. Menzies, the Prime Minister of Australia (chairman), the Foreign Ministers of Ethiopia, Persia, and Sweden (respectively Mr. Habtewold, Dr. Ardalan, and Hr. Osten Undén), and Mr. Loy Henderson, of the U.S. State Department, representing Mr. Dulles. [Mr. Henderson was U.S. Ambassador in Teheran at the time of the Abadan crisis.] On the Egyptian side, participants in the discussion included Wing-Commander Sabry (President Nasser's political adviser), and Dr. Mahmoud Fawzi (the Foreign Minister), in addition to President Nasser himself. It was agreed at the start of the discussions that no statements or communiqués would be issued by either side until the talks had ended.

The "Menzies committee" had five meetings with President Nasser and his advisers between Sept. 3 and Sept. 9, when the talks ended in complete deadlock. A brief communiqué issued on the latter date said that the committee had "presented and explained the proposals of 18 of the nations which participated in the London conference on the Suez Canal, and in turn had received the views of the Egyptian Government with regard to them." It added that the discussions had been conducted "in a frank and informal manner" and that the five-nation committee "is departing from Cairo and will report to its principals the outcome of its discussions." Mr. Menzies, accompanied by Mr. Henderson and Hr. Undén, left Cairo for London by air on the same day, while Mr. Habtewold and Dr. Ardelan returned to Addis Ababa and Teheran respectively

Throughout the Cairo discussions, which took place in an atmosphere of courtesy, President Nasser made it plain that Egypt did not intend to depart from her previously announced position: (*a*) that she would not agree to any form of international control for the Suez Canal, as envisaged in the 18-Power resolution of the London conference; (*b*) that she would not relinquish sovereignty over the Canal; (*c*) that she was ready to guarantee complete freedom of navigation for all shipping, without any discrimination, provided the first two points were accepted.

After the Cairo discussions had ended and Mr. Menzies had returned to London, the text was published of the principal documents exchanged by the two sides during the Cairo meetings. They comprised (1) an *aide-mémoire* presented by the five-nation Committee to President Nasser on Sept. 3; (2) a letter sent by Mr. Menzies, in his capacity as chairman of the committee, to President Nasser on Sept. 7; and (3) President Nasser's reply, conveyed in a letter to Mr. Menzies on Sept. 9. These documents are summarized below.

Committee's Aid-Mémoire to President Nasser.

After explaining that the five-nation Committee had been "authorized by 18 nations, which are the major users of the Suez Canal, to approach the Egyptian Government on their behalf, to present to it certain proposals relating to the future operation of the Canal, and to explain to the Egyptian Government the nature and objectives of such proposals," the *aide-mémoire* continued:

"It will be readily understood that the nations for whom we speak regard their vital economic interests as being deeply affected by the future of the Canal. They have a clear belief that, if the Canal is to be maintained and developed as a waterway open to vessels of all nations, it should be detached from politics and the management of its operations should be placed on such a basis as to secure the maximum of international confidence and co-operation

"We wish to make it clear that those whom we represent have not approached this problem in any spirit of hostility There is a long history of friendly relations with Egypt In two great wars, several of the nations we represent have had a direct and mutually helpful association with Egypt. We have all welcomed Egypt's attainment of complete self-government, and we would desire that anything done or proposed now should be regarded as containing no derogation from Egypt's sovereignty and national dignity. These two points of view were clearly illustrated by the whole temper and tone of the discussions at the London conference.

"It is our deep conviction that the negotiation of a convention along the lines suggested in our proposals would be for the benefit of Egypt and all nations using the Canal, and would help to restore the kind of peaceful international atmosphere which the world so desperately needs.

"In case it should be thought that what we are proposing conflicts with the sovereign rights of Egypt with regard to the Canal, which flows through Egyptian territory, we should at the outset make it clear that we do not believe that the Convention of 1888, and a Convention of the kind we are suggesting supplementary to that of 1888, affect Egypt's sovereign rights at all It is, indeed, the existence of those sovereign rights and their continued recognition which afford the whole basis of our proposals It is our desire and need that there should be a definite system for the operation, maintenance and development of the Canal, which, while it recognizes Egyptian sovereignty, will serve dependably, for a long time to come, the manifest interests not only of Egypt but of all users of this most important waterway. We trust that our discussions will proceed amicably on this basis . . ."

The *aide-mémoire* then gave the final text of the 18-nation resolution adopted at the London conference—i.e the resolution presented by Mr. Dulles on behalf of the U.S delegation (see page 15053, first column), incorporating the amendments moved by Pakistan, Persia, Turkey, and Ethiopia (see page 15054).

Mr. Menzies' Letter to President Nasser.

Mr. Menzies' letter to the Egyptian President was worded as follows:

"Our discussions have been conducted in an atmosphere of courteous frankness and responsibility. But they have . . . disclosed deep differences of approach and principle In these circumstances we consider that it would be helpful that my Committee should set down, in summary and objective form, the underlying purposes of the 18-Power proposals and the nature of the reasons underlying them. This seems desirable because, as our talks have been conducted in private, without records and with great informality, neither you nor we would desire that there should be in future any misunderstanding on the part of our principals or of yourself as to what we were proposing to your Government

"From the outset, you will have observed that the 18 nations have not attempted to arrive at any joint opinion as to the validity or otherwise of Egypt's nationalization decree The London Conference felt that a debate on this point would be fruitless, since the conference possessed no authority to make any judicial determination It was therefore considered much more practical to work out constructive proposals which assumed that the act of nationalization had occurred; that the problem of the payment of compensation to the Suez Canal Company would be properly dealt with, with provision for arbitration in the event of difference; and that what was needed was the establishment of principles and methods for the future . . The proposals evolved in this atmosphere have been placed before you and have been much debated between us. We have, as you know, gone beyond the mere presentation of the proposals and have sought to explain and establish what we believe to be the large questions of principle involved.

"It would be tedious and unnecessary to recapitulate all the discussions that have occurred on all the points of interpretation that have arisen. The simple truth is that we quite early realized on both sides of the table that there were certain central matters, without agreement upon which subsidiary matters could not usefully be determined The two crucial proposals emerging from London were:

(1) That the operation of the Canal should be insulated from the influence of the politics of any nation, and

(2) That, to enable this to be done, there should be established, under an international convention to which Egypt would be a party, a body charged with the operation, maintenance, and development of the Canal. Such a body, we propose, should be constituted of people from various countries, including Egypt The members would not be subject to political direction, and should be given in the convention, with the free consent of Egypt, wide powers of management and finance so that it could inspire confidence, deal with the future financial requirements of the Canal, and ensure a non-discriminatory and non-political management of Canal traffic. The proposed body would naturally have due regard for the laws and institutions of Egypt.

"You have with complete frankness made it clear to us that the existence of such a body operating the Suez Canal would, in the view of Egypt, be a derogation from Egyptian sovereignty; that it would in substance represent a reversal of the policy announced by you on July 26.

"We cannot agree with this view. Nowhere in our proposals is there any denial of Egypt's territorial sovereignty. On the contrary, the London proposals expressly recognized these rights in paragraph (2) of the resolution. The whole essence of what we have put forward is—to use a homely illustration—that Egypt's position as the landlord of the Canal being completely accepted, she should proceed by international agreement to instal a tenant so constituted that the future of the Canal would be satisfactory both to its owners and to those many nations who use it.

"We believe . . . that it cannot seriously be maintained that when a landlord grants a lease of premises, that lease derogates from his ownership The fact is that the lease is an expression of and conditional upon his ownership. On this analogy our proposals would mean that the tenant of the Canal would pay to Egypt a substantial rental

which must unquestionably grow as the traffic through the Canal increases, and that in the meantime the tenant would, in the exercise of his managerial and financial powers, be constantly improving the value of Egypt's asset. Indeed, as the 'tenant' in this analogy would be a body which includes Egypt herself, the position of Egypt would be even stronger.

"In paragraph 3 (a) of our proposals there is a reference to 'institutional arrangements.' As we felt that this phrase might be regarded as admitting of a variety of applications, we undertook the task of illustrating what it meant. We pointed out that what we were saying was merely illustrative and was not designed to narrow the broad significance of the proposals themselves.

"But, as we have said, one form of 'institutional arrangement' which comes readily to mind is the case of the International Bank for Reconstruction and Development That Bank was created by agreement among a considerable number of nations. It was not incorporated under the law of any one country. It owes its existence to the agreement of many countries. Its powers are defined by an international document. Without being in the technical sense incorporated under some pre-existing law it has extensive powers, but also because in its capital structure and growth it has enjoyed the unquestioned confidence of a great variety of member-nations. Its existence has not, so far as we know, been regarded as derogating from the sovereignty of any nation, even though it enjoys a wide immunity from national laws

"We have become conscious of your firmly held view that there is no occasion for a Canal Authority possessing an international character, because of your Excellency's belief that Egypt is herself capable of conducting and ensuring the future of the Canal, and has never challenged the 1888 Convention or its declarations about the freedom of the Canal. To answer this point, we found it necessary to put before you quite frankly and objectively certain considerations which, from the point of view of the 18 nations we represent—nations who among them represent over 90 per cent of the traffic passing through the Canal—are of vital significance.

"The traffic through the Canal has almost reached what might be described as saturation point. Even to maintain it in its present shape requires the constant services of a highly skilled, experienced, and specialized engineering and transportation staff. This staff has been built up over a long period of years. There has been an increasing intake of Egyptian personnel, but the great majority of the key employees are still nationals of other countries From the point of view of Egypt herself it is desirable that there should be a continuity of skilled operation Such continuity, in our judgement, cannot be assured unless there is complete mutual confidence among those actually operating the Canal, the Government of Egypt, and the users of the Canal.

"But the matter does not end there. It is clear that as a result of increased traffic, Egypt can enjoy very substantial and increasing benefits from the Canal if the Canal can retain the confidence of its principal users. The number of tankers passing through the Canal could double or treble in a few years if such confidence exists To deal with such traffic, expansion of the Canal will be necessary. Whether expansion consists of widening, deepening, constructing by-passes, or even duplicating the Canal, the capital costs will be substantial If these costs are to met over a period of time from Canal revenues without serious current reductions in Egypt's income from the Canal, or without the imposition of burdensome increases of dues, they must be derived from funds accruing from an increase in traffic—an increase which would come only if the users maintain confidence in the Canal.

"It must be remembered that the increased dues would impose grievous burdens upon those many millions of people in the world who, in the long run, pay the coasts and charges incurred by the cargoes they ultimately buy or sell. If expansion would not be necessary, it would be because the users' confidence would be lacking and many of them would have found ways to avoid remaining dependent on the Canal. The benefit, therefore, which Egypt might have gained would be materially lessened

"We have therefore, in the interest of Egypt and the users, urged that the structure of the body actually conducting the Canal operations should be such as to inspire world-wide confidence and bring about a capacity to raise the necessary capital sums because of a prevailing feeling of security on the part of those who may be asked to provide them.

"In short, what we have proposed is that, Egypt's sovereignty being fully recognized, the actual operation, maintenance and expansion of the Canal should be reposed in a body (established under international convention) which would include people from various nations—including, of course, Egypt—with extensive financial powers and responsibilities.

"As we believe that an international waterway like the Suez Canal should not become an instrument of the political policy of any nation or nations, we proposed that the members of this body should not be mere delegates of any nation or be under any obligation to observe political instructions. On the contrary, we proposed that the parties to the convention should select them with regard to their personal qualities of ability, integrity, and experience.

"It is true in a sense that our proposed convention would be an arrangement made between Governments, and that original appointments to the proposed authority would be made by Governments But we firmly believe that, with good will and good faith, persons so appointed could serve in a non-political manner as readily, for instance, as do the judges of the International Court of Justice.

"As we have throughout emphasized, it is essential that if it is to be a truly international waterway as envisaged by the 1888 Convention, there should be no politics in the Suez Canal—whether those of Egypt or of any other nation. Your Excellency has told us with clarity and frankness that you do not believe that the Canal could be excluded from the politics of Egypt, since it is part of Egyptian territory and assets. To this, we have pointed out that if the Canal is to remain fully available for any of Egypt's political purposes, subject only to the 1888 Convention, then the many nations using the Canal will have to realize that their pattern of oversea trade will be at any time subject to the decision of Egypt alone

"We are, of course, conscious of your own view that these considerations are adequately met by the guarantee of freedom under the 1888 Convention. But, if that Convention is to contain the only limitation, it seems clear to us . that there could be, for political purposes, many discriminations in traffic and marshalling control which did not fall foul of the Convention , that, Canal dues being within Egypt's sole control, differences of opinion as to their level will almost inevitably be fixed by reference to Egyptian budgetary needs, with the strong possibility that they would be raised to the maximum that the traffic could bear , and that future development of the Canal might well be controlled by local budget considerations—a danger which independent finance by a special international body would entirely avert.

"We have stated and restated that the setting-up of such a body as we have proposed would create such a feeling of assurance in the minds of all user-nations that the necessary financial provision could be secured, the burden of such matters being no longer the sole responsibility of Egypt herself We have further emphasized that under our proposals there would no longer be private shareholders or dividends. The one nation which would obtain an assured annual net revenue from the Canal would be Egypt.

"Your Excellency has repeatedly and vigorously explained to us that the setting-up of a Suez Canal body of the kind envisaged in our proposals would, to the eyes of Egypt, represent either foreign domination or seizure We have pointed out that the truth is that no arrangement for the tenancy of the Canal can be either domination or seizure if it is freely agreed to by Egypt And it is, as you know, that willing and free agreement which all of our negotiations have been designed to secure

"It remains only to emphasize two other large matters which arise in the course of our proposals. The first was our proposal that the new body, having been constructed by international convention, should be brought into relationship with the United Nations This was done in the case of the International Bank by an agreement with the U N which had the effect of making the Bank a 'specialized agency' under the Charter, but which, of course, did not affect the freedom of the Bank in the conduct of its business

"Association between our proposed body and the U N in a similar fashion could, we believe, give great satisfaction all round the world and, if adopted, would considerably strengthen international confidence and security We also proposed an arbitral commission to settle disputes There might be disputes as to the equitable return which Egypt should have from the Canal There might, in the course of the years, be other disputes involving one or more of the constituent nations. Any such matters, if they could not be resolved by agreement, should be arbitrated upon by an independent commission enjoying international confidence

"Our proposal did not mean that such an arbitral commission would be the authority to deal with the normal problems which arise in the course of management, such as claims which might arise in relation to the employment of people, or contracts with subsidiary contractors .. It would only be in any dispute of a genuinely international character that the jurisdiction of the arbitral commission would be invoked

"At the London conference it was agreed by all the nations represented that any arrangement entered into must be completely fair to Egypt and must pay scrupulous regard to Egypt's territorial sovereignty. Our whole presentation of the matter to your Excellency has been made in that spirit and with that desire It is for this reason that I have repeatedly pointed out, while representing nations who are users of the Canal, that we are deeply and urgently concerned in obtaining the highest possible measure of confidence and an effective and practical guaranteed freedom and future for the Canal.

"There are in our proposals marked advantages for Egypt which we have discussed at length, but which we now summarize as follows.

(1) Egypt's ownership of the Canal being recognized, it is to her great advantage to have the Canal maintained, improved, and made more profitable as the years go on.

(2) The future financial burdens involved in such maintenance and improvement would be carried and handled by the new body and, therefore, Egypt would in fact be relieved of them.

(3) Egypt alone would draw profit from the Canal.

(4) A just and fair method of compensating the shareholders of the Suez Canal Company would have been agreed upon.

(5) The dangerous tension now existing internationally would be relaxed on terms satisfactory to the user-nations and entirely consistent with Egypt's proper dignity, independence, and ownership, and thus a world contribution would be made to the peaceful settlement of international problems.

"It is the understanding of the Committee that you have taken the position that you are unable to accept the basic proposals put before you I would be grateful if your Excellency would inform the Committee whether or not this understanding is correct, supplementing your statement with such views as you may care to express.

"If, unfortunately, the understanding of the Committee is correct, the task entrusted to the Committee by the 18 Powers of presenting and explaining these proposals, and ascertaining the attitude of the Egyptian Government with respect to them, would have been carried out In such an event, there would appear to be no alternative other than for the Committee to request your Excellency to receive it at your early convenience so that it may be prepared, after a final conversation with you, to take its leave"

Mr. Menzies also forwarded to President Nasser the Spanish proposal made at the London conference—namely, that if no agreement could be reached with Egypt on the basis of the 18-nation proposals for an international board, negotiations should proceed "along the lines of an international participation on the Egyptian body administering the Canal."

President Nasser's Letter to Mr. Menzies.

After acknowledging Mr. Menzies' letter, President Nasser continued.

"You have referred to the 18 countries as representing over 90 per cent of the users of the Canal. Besides this being distinctly a statistical exaggeration, our understanding of 'users of the Canal' includes those countries which, even though they have no ships passing through the Canal, use the Canal for the passage of the bulk of their foreign trade. An illustration of this would be such countries as Australia, Siam, Indonesia, India, Pakistan, Persia, Iraq, Saudi Arabia, Ethiopia, and the Sudan Furthermore, the principle of sovereignty, the right of ownership, and the dignity of nations are all deeply involved in this problem.

"At least in appearance, the starting-point of the present crisis was July 26, 1956, when, in the exercise of one of its prerogatives, the Government of Egypt nationalized the 'Universal Maritime Company of the Suez Canal' That the Government of Egypt was fully entitled to nationalize that Egyptian company cannot be seriously contested In nationalizing that company, the Government of Egypt stated unequivocally that it considers itself bound by the 1888 Convention guaranteeing freedom of passage through the Suez Canal, and its readiness to give full and equitable compensation to the shareholders. Furthermore, on Aug 12 the Government of Egypt announced its willingness to sponsor, with the other Governments' signatories to the Constantinople Convention of 1888, a conference—to which would be invited other Governments whose ships pass through the Suez Canal—for the purpose of reviewing the Constantinople Convention and concluding an agreement between all these Governments reaffirming and guaranteeing freedom of passage through the Suez Canal.

"Nowhere and at no date can there be found any instance where the Government of Egypt has violated any of its international obligations concerning the Suez Canal For nearly 50 days, and in spite of the difficulties created by France and the United Kingdom, and by segments of the former Suez Canal Company, the traffic through the Canal has been proceeding with regularity and efficency.

"The crisis and the so-called 'grave situation' are, therefore, artificially created by the above-mentioned quarters, as witness among other things

(*a*) Statements containing threats of force.

(*g*) Mobilization and movements of troops by France and the United Kingdom

(*c*) Incitement to employees and pilots working in the Suez Canal to abandon their work, made by France and the United Kingdom and by some officials of the former Suez Canal Company, and

(*d*) Hostile economic measures taken against Egypt.

"With all this going on we have repeatedly been made to listen to references to a 'peaceful solution' and to 'free negotiations' to achieve such a solution. Need one emphasize the contradiction between the reality and the professed aim? If there is anything which flagrantly violates and disdains the letter and spirit of the U N. Charter, it is such acts of attempted intimidation, economic pressure, and incitement to sabotage.

"In contrast to this, the Government of Egypt has announced its full readiness to negotiate a peaceful solution in conformity with the purposes and principles of the U N. Charter This remains the policy and intent of the Egyptian Government. We have studied most carefully all the proposals submitted in and outside the London conference with regard to this problem, including the proposals of the 18 countries which the committee represents. We find ourselves in agreement with the 18 countries when they state that the solution must ·

(*a*) Respect the sovereign rights of Egypt

(*b*) Safeguard freedom of passage through the Suez Canal in accordance with the Convention of 1888.

(*c*) Respect Egypt's right of ownership

(*d*) Ensure the efficient and dependable operation, maintenance, and development of the Canal.

"When, however, we come to consider the ways and means proposed by the committee to attain these objectives, we find that they are self-defeating and that they lead to opposite results from those aimed at. The 'definite system' as proposed by the Committee would, in fact, mean 'taking over the operation of the Canal.' as circulated by the sponsoring Government [i e. Britain] immediately before the [London] conference, and in substance maintained throughout, in spite of variance of expression

"The system proposed is bound to be considered by the people of Egypt as a hostile infringement of their rights and sovereignty, all of which precludes real co-operation. It can, moreover, be asked whether it was the Suez Canal Company which guaranteed freedom of passage through the Canal? Was it not indeed the Government of Egypt which safeguarded, and still safeguards, that freedom of passage? Would that freedom be, or could its actual practice be, safeguarded by the proposed Suez Canal Board? Is it not to be expected that this Board would be not a source of comfort and help, but of misunderstanding and trouble?

"In all this we keep constantly in our mind the vital importance of genuine international co-operation as distinct from domination by any country—be it single domination, as the one which Egypt has just got rid of, or collective domination, as the system proposed by the Committee would inevitably be considered Any attempt to impose such a system would indeed be the signal for incalculable strife and would plunge the Suez Canal into the turmoil of politics, instead of insulating it from politics as seems to be the professed desire of the Committee.

"Whatever the system of operation of the Canal, it will depend on the close, full, and willing co-operation of the people of Egypt, through whose country the Canal runs It is obvious that such indispensable co-operation cannot be obtained if the people consider the operating body as hostile and as derogating from their sovereignty, rights and dignity

"Strangely enough, those who pose as protagonists of 'insulating' the Suez Canal from politics have been the authors of many acts which diametrically contradict this announced purpose What is the 'internationalization' of the Suez Canal, the convening of the London conference, with for the most part tactically-selected invitees, the delegating of the Five-member Committee, the threats, the deployment of armed forces, the economic measures—what are all these, if not politics?

"You have mentioned that the delegates of any nation represented on the proposed Suez Canal board should not be under any obligation to observe political instructions. They will, nevertheless, be nationals of their respective countries and subjects of their respective Governments, and it will be extremely unlikely that they will be immune from the influence of such relationships The similes you have put forward of the International Bank and the International Court of Justice do not, in our opinion, either hold or convince. We believe that the real insulation of the Canal from politics would best be guaranteed by a solemn and internationally binding commitment in the form of a reaffirmation or a renewal of the 1888 Convention, either of which, as we have already declared, is acceptable to us

"It has been alleged that Egypt aims at discriminating against one of the countries you represent, namely, the United Kingdom, and that the Government of Egypt has among its objectives the disruption of British economy and the interruption of the United Kingdom's lines of trade and supply through the Suez Canal It is clear beyond cavil that nothing could be farther from the truth, and no-one could validly point out a single reason why, and for what useful purpose, the Government of Egypt should entertain such a policy.

"You mentioned international confidence. I have in this connexion called your attention to the fact that confidence is a two-way proposition, and that, while the confidence of other nations is important, that of the Egyptian people is at least of equal importance in this respect—and that it cannot be had if the Egyptian people, as a result of certain acts and policies, are impelled to doubt and lose faith in the existence of international justice and the rule of law in international relations.

"If the real objective is to secure freedom of passage through the Suez Canal, the answer is there—namely, that passage through the Canal has always been and continues to be free. The only danger to this freedom of passage stems from the threats, the redeployment of armed forces, the incitation of employees and workers to sabotage the operation of the Canal, and the economic measures against Egypt If on the other hand, as it seems, the objective is to amputate and sever from the body of Egypt one of its main limbs, if the aim is to deprive Egypt of an integral part of its territory, we should be told of it

"It should be abundantly clear by now that Egypt, by the very nature of things, is vitally interested in the maintenance of peace and security, not only around the Suez Canal but also throughout the area in which it exists and all over the world. It should be equally clear that, if only from sheer self-interest, Egypt is devoted to freedom of passage through the Canal and is equally devoted to the concept of an efficient, enlightened, and progressive operation of the Canal without any discrimination or exploitation whatsoever. In this last connexion I mentioned to the Committee that the Government of Egypt is ready to enter into a binding arrangement concerning the establishment of just and equitable tolls and charges.

"As for the future development of the Suez Canal, to which you referred, I wish to reiterate that the Government of Egypt is determined to do everything possible in this respect It has already announced its intention to carry out the development programme which was planned by the former Canal Company, and other programmes of much wider scope and longer range . . . We have also announced our intention to earmark an adequate percentage of the revenues of the Canal to its future development, and to divert none of the revenues needed for such development to other channels.

Both for the development and for the operation of the Canal the Government of Egypt does, and will always be ready to, benefit by the knowledge and experience of experts from all over the world The crux of the present situation is, in our opinion, that the proposed system . . . aims at securing for a group of users of the Canal control of it by taking over its operation , of taking the Suez Canal out of the hands of Egypt and putting it into other hands It is difficult to imagine anything more provocative to the people of Egypt than this. Such an act is both self-defeating and of a nature to generate friction, misunderstanding, and continuous strife. It would be, in other words, not the end but the beginning of trouble

" I would like, on the other hand, to reaffirm that the policy of my Government remains :

(1) Freedom of passage through the Suez Canal and its secure use without discrimination.

(2) The development of the Canal to meet the future requirements of navigation

(3) The establishment of just and equitable tolls and charges.

(4) Technical efficiency of the Suez Canal

" We trust that the Suez Canal will thus be insulated from politics and, instead of being a source of conflict, will again become a link of co-operation, mutual benefit, and better understanding between the nations of the earth "

New Egyptian Proposals for " Negotiating Body."

A few hours after the Menzies mission left Cairo, the Egyptian Government sent Notes to the U.N. Secretary-General and to all countries except Israel proposing immediate discussions between all States using the Suez Canal for the creation of a " negotiating body " to consider the questions of freedom of navigation, canal development, and toll charges on the Canal. It was also suggested that this body might review the Convention of 1888.

The Note expressed the Egyptian Government's opinion that a solution of the Suez Canal dispute was possible " without prejudice to Egypt's sovereignty or dignity." It stated that the Egyptian Government had reviewed not only the 18-nation proposals drawn up at the London Conference but also the proposals of India, Spain, and " other views which have been expressed from time to time outside the London conference." In addition, it recalled President Nasser's proposal of Aug 12 (see page 15042) for a conference of signatories of the 1888 Convention with the aim of reviewing and reaffirming the guarantees of freedom of navigation on the Canal An official spokesman in Cairo emphasized that the new proposals ruled out international control of the Canal

The latest Egyptian proposals had not been presented to the five-nation committee during the Cairo discussions.

A spokesman of the British Foreign Office commented as follows on these proposals : " The Egyptian statement does not appear to suggest any basis for negotiations. The last action of the Egyptian Government has been the unqualified refusal of the proposals put forward as a basis for negotiation by the Menzies mission on behalf of the 18 Powers."

Anglo-French Ministerial Discussions.

The French Prime Minister (M. Mollet) and the Foreign Minister (M. Pineau) visited London on Sept. 10-11 for discussions with Sir Anthony Eden and Mr. Selwyn Lloyd, following President Nasser's refusal to negotiate on the basis of the 18-Power proposals. The following communiqué was issued after the Anglo-French talks had concluded :

" The French Prime Minister and the Minister of Foreign Affairs conferred with the Prime Minister and the Foreign Secretary at 10, Downing Street, during the evening of Sept. 10 and again in the morning of Sept 11. The general purpose of this meeting was to consider the situation arising from the refusal of President Nasser to agree to negotiations on the basis of the proposals of the 18 Powers for the future regulation of the Suez Canal. They paid tribute to the skill, patience and unity of the Five-Power Committee, led by the Australian Prime Minister, in explaining these proposals to President Nasser.

" The Ministers recalled that from the outset their Governments acted in full conformity with the purposes and principles of the United Nations. Their immediate reaction to the unilateral act of President Nasser was to join with the U S Government in summoning a meeting of those mainly interested in the Canal, including Egypt, in order to discuss this evident threat to the well-being of a very large proportion of the inhabitants of the globe. Though Egypt unfortunately refused to attend, this conference succeeded in producing a plan, approved by States representing over 90 per cent of the user-interests in the Canal, which was eminently fair to all concerned and took full account of Egypt's sovereignty and interests.

" The Ministers agreed that the refusal of President Nasser to negotiate on this basis created a very grave situation They discussed the further measures to be taken and reached full agreement upon them.

" The Ministers were glad to note that present events had clearly demonstrated the identity of French and British will to uphold the rule of law in international affairs. They expressed their determination to develop their co-operation and to resist, by all appropriate means, any arbitrary interference with rights established under international agreements and any action incompatible with ' justice and respect for the obligations arising from treaties and other sources of international law ' " [From the Preamble to the U.N. Charter.]

Mr. Gaitskell, the Leader of the Opposition, accompanied by Mr. Morgan Phillips, secretary of the Labour Party, had a meeting with M. Mollet before the French Prime Minister returned to Paris.

Mr. Menzies' Return to London. - Statement on Cairo Talks.

Before leaving Cairo for London, Mr. Menzies had described the situation as " very grave " but otherwise made no reference to his talks with President Nasser. On arrival in London the same evening (Sept. 10) Mr. Menzies went to 10, Downing Street, to see Sir Anthony Eden and M. Mollet and to report on his talks with President Nasser. He took no part in the Anglo-French negotiations.

In a press statement at London Airport, Mr Menzies said that the position was " precisely the same as before the London conference began " After recapitulating the merits of the 18-nation proposals, and stressing that they were completely consistent with Egypt's sovereignty, he said · " The answer to our proposals, after long detailed arguments to and fro, is that Egypt will have nothing to do with any peaceful solution of the Canal issue which does not leave Egypt the absolute and undisputed master of the whole of the operations of the Canal, subject only to the 1888 Convention, which, in a broad way, guarantees freedom of traffic—a freedom, of course, which could be set on one side with the greatest of ease by political management, which we sought to avoid by having a guaranteed non-political management " Mr Menzies emphasized that there had been complete unanimity among the members of the Five-Nation Committee throughout the Cairo discussions

French Troops stationed in Cyprus.

The following statement was issued by the British Foreign Office on Aug. 29 : " The French Government have informed H.M. Government that, in view of developments in Egypt and the Canal Zone, they wish to be in a position to ensure, in case of need, the protection of French nationals and their interests in the Eastern Mediterranean. For this purpose the French Government have asked and H.M. Government have agreed that a contingent of French troops should be temporarily stationed in Cyprus "

Contingents of French troops and airmen—unofficially estimated at about 2,700 men, including a detachment of paratroopers—disembarked at Limassol on Sept. 7 from the 15,000-ton French troopship *Athos II*. During the previous week military stores had been landed at Limassol and Famagusta from French cargo-ships and freighters. No official information was given as to the strength of the French forces in Cyprus, but the figure of about 7,000 was mentioned in the French and British press Precautions were taken by the British forces in Cyprus against possible Eoka terrorist attacks during the disembarkation of French troops and *matériel*

The Visiting Forces Act of 1952 (see 12856 B) was extended to Cyprus by Order-in-Council on Aug 30 as a result of the temporary stationing of French troops in the island The effect of the Orders-in-Council will be that French courts-martial in Cyprus will have the same legal competence to try any offences committed by French personnel as, for example, U.S courts-martial possess in dealing with certain civil offences committed by U S troops in Britain.

Suez Canal Company's Authorization to Non-Egyptian Pilots to leave Employment. - Resignation of European Pilots.

The Suez Canal Company issued a statement in Paris on Sept. 11 authorizing its non-Egyptian employees in Egypt to cease work on Sept. 14 or 15 and to make immediate arrangements for repatriation.

After thanking its non-Egyptian employees in Egypt for " the effort they have made for nearly seven weeks [i e. since the nationalization of the Canal] in the service of the international waterway," the statement continued ·

" The Board is aware of the very great difficulties these employees have had to face, and the distressing moral atmosphere in which the Company has asked them to work in response to the wishes of the British and French Governments, who were anxious to facilitate, first, the work of the London conference, and then the mission of the Committee of Five presided over by Mr. Menzies.

" This mission now being completed, the further period of work called for by the Company a fortnight ago [see below] is now coming to an end Consequently, all non-Egyptian employees who, before Aug 15, asked to be repatriated, thereby intimating that they did not accept any contract with the *de facto* Egyptian Authority, are authorized to stop working on either Sept. 14 or 15, according to the particular requirements of the department in which they are employed. They should forthwith make arrangements for repatriation with the assistance, if required, of diplomatic and consular representatives "

Two earlier statements had been issued by the Company on Aug. 26 and Aug. 28, as summarized below :

(1) The first statement pointed out that although the Company's non-Egyptian personnel desired to be repatriated without delay, they had been asked at the request of the British and French Governments to remain at their posts until the London conference had ended.

"From information from the Canal," the statement continued, "it is evident, on the one hand, that working under duress is daily becoming more and more intolerable and unacceptable to the employees, and on the other hand, that the *de facto* Egyptian Authority is gradually destroying the international organization which was an indispensable factor in the efficiency of operation of the Canal One can quote as examples: the dismissal or replacement of chiefs responsible for the various sections of the service; interference from a new and inexperienced Egyptian administration at all levels, uncertainty as to the safety of individuals and property; police supervision over all foreigners and even over Egyptians in the employment of the Company, and pressure to obtain, by means of a declaration, the rupture of ties with the Company ..

"Under these conditions, the Company is convinced that the safety of its staff and the preservation of the integrity of its organization are now beyond its control It has therefore advised the Powers who are considering the future of the Canal that if the Company's non-Egyptian personnel were to be constrained to remain longer in the Canal Zone, the responsibility for such a decision would rest with these Powers . . ."

(2) The second statement (Aug 28) was issued after the end of the London Conference. After taking note of the 17-nation declaration, it stated (i) that practically all the Company's non-Egyptian personnel had registered with their diplomatic representatives [in Cairo] by Aug. 15 and had asked to be repatriated; (ii) that the Company therefore felt that it had no right to ask its non-Egyptian employees to remain at their posts "beyond a time-limit agreed to in consideration of the mission with which Mr Menzies was entrusted by the London conference"; and (iii) that the necessary instructions would be issued to these employees after the Menzies mission had completed its discussions with the Egyptian Government [These instructions were issued on Sept. 11, as stated above]

M. Paul Reymond (the former chief of the transit department of the Suez Canal Company), and spokesman of the remaining non-Egyptian employees) informed Colonel Yunis (chief administrator of the Egyptian Canal Authority) on Sept. 12 that the British, French, Italian, Dutch, and Norwegian pilots and other employees wished to leave their jobs at midnight on Sept. 14. In reply, Colonel Yunis gave assurances that no obstacles would be placed in the way of their repatriation, and said they would be given every facility to leave Egypt. On the following day the Egyptian representative at the U.N. notified the Secretary-General (Dr. Hammarskjold) and all member-states that his Government were determined to "assure the continuation of normal passage through the Canal," and that the responsibility for any hampering of navigation as a result of the withdrawal of foreign pilots would rest with those "who have endeavoured to create conditions aimed at obstructing the so far unaffected normal working of the Canal." The Egyptian letter described the withdrawal of non-Egyptian pilots as an "act of intimidation" by the Suez Canal Company, and accused the British and French Governments of having "endorsed this act of intimidation."

Press reports from Cairo stated that the resignations of non-Egyptian employees might account for as many as 500 administrative and technical staff and between two-thirds and three-quarters of the Canal pilots The only substantial group of non-Europeans remaining under the Egyptian Authority would be Greek pilots, nearly all the others being Egyptians

In pursuance of its aim of recruiting 300 pilots for service under the nationalized authority, offers of employment to qualified applicants had been made by Egyptian embassies and legations abroad in a number of countries—either by advertisements in the Press or by direct approach to pilots' and master mariners' organizations Among the countries in which such advertisements appeared were France, Italy, Holland, Western Germany, the Scandinavian countries, Greece, Yugoslavia, the Soviet Union, India, the U S A, and Switzerland. It was announced in Moscow on Sept 4 that a group of Soviet Baltic pilots (the number was not given) had volunteered for service with the Egyptian Authority, while it was also officially stated that 15 pilots had been recruited in Greece, 12 in India (from the Hooghly River pilot service), and 10 in Yugoslavia It was understood that only a small number of applications had come from the Western countries, and there was no official confirmation of Egyptian claims to have recruited a number of German pilots engaged on the Kiel Canal service.

Egyptian Allegations of "Spy Plot." - Arrest of British Nationals. - British Diplomats expelled from Cairo. - Retaliatory Expulsion of Egyptian Diplomats in London.

Colonel Hatem, the head of the Egyptian Government's Information Office, announced on Aug. 28 that two British nationals—Mr. James Swinburn and Mr. Charles Pittuck—and four Egyptians had been arrested in connexion with an alleged "spy ring" and would be brought to trial. The arrest of two other British nationals—Mr. James Zarb and Mr. John Thornton Stanley—on similar charges was announced on Aug. 29 and Sept. 3 respectively. It was stated in Cairo on the latter date that about 30 persons of "various nationalities," including a number of Egyptians, were under arrest in connexion with the alleged "spy ring."

Of the four arrested Britons, Mr. Swinburn (who has lived in Egypt for 25 years) had been secretary of the British-owned Arab News Agency since 1952; Mr. Pittuck was assistant manager of the Marconi Radio Telegraph Co of Egypt (which is not connected with the Marconi Company in London); Mr. Zarb was a Maltese businessman resident in Egypt; and Mr Thornton Stanley was manager of the Prudential Assurance Company in Cairo

The Egyptian authorities described Mr. Swinburn as head of the alleged "spy ring," and said that he had "confessed" that he had worked with Mr. J. B. Flux and Mr. J. B. Gove, First Secretaries at the British Embassy in Cairo. These allegations were strongly denied by the Embassy, which described them as "completely false and without foundation," and which pointed out that no official notification had been given of the arrest of Mr. Swinburn and the other British nationals After repeated representations, the British Consul-General in Cairo (Mr. Basil Judd) was allowed to see Mr. Swinburn and Mr. Pittuck on Aug 30, Mr. Zarb on Sept. 6, and Mr. Stanley on Sept. 9.

Mr. Flux and Mr. Gove were declared *personae non gratae* by the Egyptian Government on Aug. 28 and were asked to leave the country immediately. As a reprisal for their expulsion, against which a strong protest was made, the British Government declared two officials of the Egyptian Embassy in London—Mr. Salah Kafifi and Mr. Hamdi Mohammed Nassef, respectively Attaché and Commercial Attaché—*personae non gratae* and ordered them to leave Britain within 72 hours.

Expulsions of British Oil Officials and Western Press Correspondents.

Prior to these developments, the Egyptian Government had expelled two British oil officials and several Western newspaper correspondents, as described below.

The British Embassy in Cairo lodged a strong protest with the Egyptian Government on Aug 11 over the deportation of two British oil company officials—Mr A. E Hawke, assistant engineer of the Anglo-Egyptian Oilfields (Shell) Company, and Mr H. L Peleuve, assistant manager for administration of the same company Mr Hawke and Mr Peleuve had been arrested and deported two days earlier "for reasons of public security"

Three Western newspaper correspondents in Cairo—Mr William Stevenson of the *Toronto Star*, Miss Ann Sharpley of the London *Evening Standard*, and Mrs. Eileen Travis, a U S citizen working for the London *Daily Mail*—were expelled from Egypt on Aug 27 at 24 hours' notice, no reason being given. Mr. Sefton Delmer, of the London *Daily Express*, had been expelled from Cairo some weeks previously

Mr Stevenson said in Rome on Aug 27 that he believed that he and Miss Sharpley had been expelled because they had discovered that a former leading Nazi propagandist, Dr. Johann von Leers, was working in Colonel Hatem's department, despite Egyptian efforts to hide his identity and his presence in Egypt Mr Stevenson added that he had had a personal interview with von Leers, who had told him that he spent 18 months in prison at the end of the war after capture by U.S troops, that he had subsequently fled to South America and worked for the Peronista regime in Argentina, and that he had been engaged as a propaganda expert by the Egyptians after Perón's fall from power. [Von Leers, a former professor of history at Jena, served in Goebbels' Propaganda Ministry as a "racial expert," specializing in anti-semitic propaganda.]

The 1,700-ton Egyptian destroyer *Al Quaher* (ex-H.M.S. *Myngs*) sailed from Portsmouth for Egypt on Aug. 24, while the second destroyer of the same class, *Al Fateh* (ex-H.M.S. *Zenith*), left Southampton on Aug. 30. Neither vessel carried any ammunition or torpedoes. An Admiralty spokesman pointed out that both ships had been sold to Egypt a long time ago, that they had been manned and commissioned by the Egyptian Navy, and that no restraint had been placed upon their departure.—(Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - Australian News and Information Bureau - New York Times) **(Prev. rep. Suez Crisis, 15049 A.)**

A. FRANCE. — M. Poujade fined for Tax-Resistance.

A Paris criminal court sentenced M. Pierre Poujade and six other Poujadist leaders on July 4 to pay fines of 200,000 francs (£200) each on charges of inciting people to refuse to pay taxes or to delay payment of taxes. When the proceedings started on June 11 M. Poujade had told the court that he had deliberately sought trial on the grounds that the present fiscal system was unfair to small tradesmen and artisans. (Le Monde) **(Prev. rep. Poujadists, 15036 B.)**

B. SOVIET UNION. — Ministerial Appointment.

It was announced in Moscow on Sept. 4 that M Lazar Kaganovich had been appointed Minister of the Building Materials Industry in succession to M. Pavel Yudin, who had died in April. M. Kaganovich (62), a First Deputy Premier, had recently resigned from the chairmanship of the State Committee on Labour and Wages.—(Times) **(Prev. rep. 14929 B.)**

A. UNITED KINGDOM. — Motor Industry. - Decline in Exports and Home Sales. - Short-time Working and Dismissals on Account of Redundancy. - Strikes at B.M.C. and Ford Factories.

The normal seasonal recession in the automobile industry during the winter and spring months of 1955-56 was aggravated by a severe decline in car exports, as well as by a large reduction in sales in the home market following the purchase tax increases introduced by the Chancellor of the Exchequer in his autumn Budget, and the "credit squeeze" and other anti-inflationary measures announced by Mr. Macmillan on Feb. 17. The recession was at first marked by extensive short-time working and a small amount of redundancy in the Coventry and Birmingham areas, the situation being made more difficult by the Standard Motor Company's decision to lay off about 2,640 workers during the re-tooling of its Coventry tractor factory, and by a subsequent announcement that the men could not be reinstated. Later, as the recession developed, large-scale dismissals at short notice took place at the factories of the British Motor Corporation, and were followed by calls for strike action to which about half of the Corporation's remaining employees responded. "Protective" notices given to its employees by a subsidiary of the Ford Motor Company making bodies for some B.M.C. models led to 12,000 workers at Dagenham ceasing work until the notices were withdrawn. A summary of these developments is given below under cross-headings.

The Early Stages of the Recession.

The first effect of the recession was experienced at the Longbridge (Birmingham) works of the Austin Motor Company (one of the components of the British Motor Corporation), where a four-day week was introduced for about 18,000 workers on Jan. 13 The Austin Company's action was followed on Feb 23 by the decision of the Rootes group to work a four-day week at its two Coventry factories, and by that of the Ariel Motor Cycle Company (Birmingham) to dismiss a fifth of its 600 workers. On Feb. 29—by which date about 20,000 vehicle workers in the Midlands were working short time—the Daimler Motor Company of Coventry announced that it proposed to place "several hundred" workers on a three-day week, while on March 1 the Standard Motor Company (also of Coventry) decided to cut production of its smaller models—those most affected by hire-purchase restrictions—by two-fifths, and to place a percentage of its workers on part-time On March 2 four-day working was also introduced for 400 workers at the Excelsior Motor Cycle Co (Birmingham).

Meanwhile the cuts in chassis production had been reflected in the output of firms making car bodies and components. Amongst body-building firms, short-time working was introduced on March 1 at the Birmingham works of Fisher and Ludlow Ltd. and at the Cowley (Oxford) works of the Pressed Steel Company, whilst on March 2, Mulliners Ltd. of Birmingham announced that 250 of its 800 workers would be discharged as redundant and the remainder placed on a short week. Short-time working was also introduced at the Birmingham works of Serck Radiators Ltd., though only 10 per cent of the employees were affected.

Mr. Macleod, the Minister of Labour, stated in a parliamentary reply on March 6 that, notwithstanding the increase in short-time working in the moter-vehicle and allied trades, few dismissals for redundancy had taken place in the Midlands. Apart from a few employees of a Coventry firm making motor accessories, the only workers in these trades registered as unemployed were 388 motor-cycle and cycle workers in the Birmingham area, a further 60 dismissals were expected at Coventry.

The gap between production and sales nevertheless continued to grow, and on March 7 the Rover Company announced that, owing to the number of unsold cars on hand, production at its Solihull (Birmingham) works would be cut by 25 per cent and the 12,000 workers placed on a four-day week. Short time was also introduced from March 10 at the Doncaster works of Briggs Motor Bodies Ltd (a subsidiary of the Ford Motor Company), the assembly of Ford "Popular" cars being cut from 750 a week to 600 Among firms making components, short-time was introduced on March 7 at the Darlaston (Staffs.) works of Rubery, Owen and Company, Ltd (making wheels) and on March 10 at the Leamington works of the Lockheed Hydraulic Brake Co Ltd. and at the Fort Dunlop (Birmingham) works of the Dunlop Rubber Company Ltd. Ministry of Labour figures for the Midland region, published on March 20, showed that 23,603 workers were under-employed in the motor-vehicle industry and 3,317 in the motor-cycle and cycle industries

The normal springtime improvement in demand, especially for smaller cars, led to a subsequent reduction in under-employment in industries in the Midlands, and on April 6 it was stated that 7,000-8,000 fewer workers were on short-time than in mid-March. The improvement was most noticeable at Coventry, where Rootes Motors (which at one time had had 12,000 employees on a four-day week) were again in full production, whilst the Standard Company, which had anticipated that 1,250 of its 11,600 employees would be on short time, had actually only 300 affected No change was reported at the Austin and Rover factories at Birmingham, the Daimler works at Coventry, or the Briggs (Ford) works at Doncaster, and on April 16 production of car bodies at Doncaster was again cut and 200 men discharged. Nevertheless, on April 19 Mr. Macleod estimated the number affected by short-time working in the vehicle and allied trades in the week ended April 14 as 27,000 (including 12,000 in Birmingham), or 11,000 fewer than in the preceding week.

Attitude of the Trade Unions.

Following the Austin Company's announcement of its intention to introduce short-time working, a meeting at Birmingham on Jan. 14 of shop stewards from B.M.C. factories called for (1) a ban on overtime working at all the Corporation's factories until full-time working was resumed at Austin's; (2) the removal of the embargo on trade with China; (3) the lifting of Budget restrictions on hire purchase, and a reduction of car purchase tax; (4) a shorter working week for the same money, and full discussion of means of sharing out the work available.

The Government's "disastrous economic policy" was strongly criticized by the National Union of Vehicle Builders, which, at a meeting of the West Regional Council of the Labour Party at Birmingham on March 2, submitted a resolution calling for its reversal. The resolution was adopted unanimously after Mr Gaitskell (Leader of the Parliamentary Labour Party) had declared that redundancy and short-time working were "bound to happen if attempts are made to counter inflation, not by direct action, but by cutting down demand all over the place" On March 10 N.U.V.B. delegates meeting in Birmingham adopted a resolution calling on the Government to give 'maximum emphasis" to the building-up of an export drive, and to ease hire-purchase and credit restrictions in the meantime.

Redundancy at Standard Tractor Works.

Meanwhile, the managing director of the Standard Motor Co. (which, in addition to producing cars, makes tractors for the Massey-Harris-Ferguson organization) had announced that about 2,600 workers would be laid off in the summer months while the tractor factory was being re-tooled at a cost of £4,000,000 to enable it to produce heavier tractors. About 1,500 men would be laid off in May and the remainder in June, but it was hoped to be able to re-absorb them as soon as the new plant and equipment came into use.

An attempt on March 5 to bring about a strike of Standard workers in protest against the company's refusal to discuss the redundancy question was at first unsuccessful, but on April 26, after the management had declined to negotiate with the unions on the question of introducing short-time working as an alternative to redundancy, 11,000 Standard workers stopped work. The strike was called off on May 16 to allow negotiations to take place, and on May 24 the company announced that 1,000 of the displaced men would be transferred to the car factory and that they would consider proposals for retaining a further 1,000 men.

In a further announcement on May 30, the company stated, however, that owing to production problems it had proved impossible to transfer as many of the redundant tractor men to car manufacture as had been intended, and that the 2,600 workers earmarked for temporary lay-off would be dismissed permanently. It was explained that the original hope of increasing car production had proved illusory and that, in the event, production had actually fallen since February by 600 cars weekly. The company was prepared to meet the situation by working a four-day week on some car work, and, of the 3,840 men who would be affected by the change-over in the tractor factory, 1,200 would be transferred to car production. Of the remaining 2,640, half would receive notices immediately and the other half within three weeks. A tax-free payment of £15 would be made to every employee who continued to work until his notice had expired

This second announcement was followed on May 31 by a decision of shop stewards at the Standard works to recommend the members of their unions to ask their national officials to call a strike. The strike call, however, received little support from the rank-and-file, and on June 4 the shop stewards decided to await guidance from their official leaders On June 6 a meeting of the leaders of the nine unions principally concerned, held at York under the chairmanship of Mr. H G. Brotherton (president of the Amalgamated Engineering Union), decided to ask the Minister of Labour to convene immediately a meeting between Standard representatives and themselves, with a view to finding means of avoiding the prospective dismissals at the Standard factory

A meeting between Mr Macleod and the union leaders took place on June 3, the latter stressing their opinion that the Standard Company were being "unduly pessimistic" about the industry's prospects, and that the dismissals could be avoided by further short-time working Mr. Macleod, however, emphasized that the Government considered that it was for manufacturers themselves to decide whether the demand for their products justified the retention of all their employees, and refused to press the Standard Company to change its mind regarding the dismissals At a further meeting on June 15, Mr Macleod informed union leaders that the Standard Company had told him that it would be impossible to reduce working hours further without lowering organizational efficiency and the quality of the company's products. It had expressed the opinion that no useful purpose would be served by a meeting with the unions under Ministry auspices, but had agreed to meet union executives if the latter desired it.

Discussions accordingly took place on June 19 between the union executives and the Standard company, at which the former asked the company to consider the possibility of avoiding redundancy by introducing a 3-day week, giving a warning that if this request was refused there was "every likelihood of an official dispute at the Standard works." The company, however, absolutely declined to introduce further short-time working or to arrange to share out the available work in its Coventry factories, although it agreed (*a*) to investigate the possibility of absorbing about 250 of the redundant workers in other departments, (*b*) to give priority to the dismissed men when labour was engaged for the reorganized tractor works

After further discussions with union officials, the Standard management announced on June 26 that, "in order to give both sides an opportunity of examining the matter further," production of existing-type tractors would be continued for another 7-10 days, and dismissal of the second batch of redundant men (due to leave on June 28) delayed for a similar period On the following day, however, the company notified the Confederation of Shipbuilding and Engineering Unions (with whom it had meanwhile agreed to re-examine the possibility of working a 3-day week) that in view of the threat of strike action—which, it alleged, had been made by the unions—it had decided to break off negotiations The statement said "The board is forced to the conclusion that it is put under duress by threats of strike action. Negotiation under duress is quite impossible . The offer to re-examine the possibility of a further extension of short-time working is withdrawn This does not alter the decision to extend notices of dismissal"

On June 1 the New Zealand Minister of Railways (Mr McAlpine) had announced that his department would offer permanent employment to "certain categories of workers among the 2,640 being laid off by the Standard Motor Company" He added that only those who could pay their way to New Zealand would be "well advised to take up the offer immediately," although the question of assisted passages for single young men and women would be considered

The Strike at British Motor Corporation Factories.

The most serious strikes in the industry broke out in July at factories operated by the British Motor Corporation, following the dismissal on account of redundancy of about 6,000 workers, chiefly at the Austin works at Birmingham, the Morris works at Cowley, and components factories at Birmingham, Oxford, and Llanelly. The dismissal notices, which were accompanied by one week's wages in lieu of notice, had been preceded by short-time working at several B.M.C. factories, but came as a complete surprise to the workers concerned, as well as to shop stewards and local trade union officials.

In an explanatory statement issued on the same day, the Corporation recalled that the expansion programme planned in 1954 envisaged a production rate in 1956 of 12,500 units weekly, there being every indication at that time that world markets could be expected to absorb this production During the present trading year the number of vehicles sold abroad and their currency earnings had been higher than for the same period of the previous year, whilst B M C. sales at home had risen from 35 2 per cent to 40 7 per cent of the total home sales of the six largest British producers of cars. It had now become clear, however, that anti-inflationary policies abroad were beginning to take effect, whilst at home increased purchase tax, new hire-purchase restrictions, and heavier costs of coal, gas, power, and wages had raised the cost of vehicle manufacture and resulted in a fall in demand. Although many other car manufacturers had raised prices in October, 1955, B M C had postponed similar action and had resisted the inflationary pressure for several months, but it had eventually been forced by the increase in engineering wages in March, 1956, to raise the prices of its vehicles by 7½ per cent—the first increase since 1952 Meanwhile, other factors had affected expansion abroad, e g retail sales had fallen in Australia—for many years the Corporation's biggest export market—owing to increased sales tax and cuts in import licences, while New Zealand, another important market, had cut import licences by one-third in December last

The approximate number of workers employed and the number to be dismissed at B M.C factories were given as follows

Factory	Town	Labour force	No dismissed
Austin Motor Company	Birmingham	20,000	3,000
Morris Motors	Cowley	7,000	800
Morris Radiators ..	Oxford	1,500	180
Nuffield Metal Products	Birmingham	4,000	700
Fisher and Ludlow	Birmingham	4,000	600
S U. Carburettors	Birmingham	1,200	90
Nuffield Metal Products	Llanelly	1,000	100
Tractors and Transmissions	Birmingham	4,000	430
		42,700	5,900

Strong criticism of the "profoundly disturbing" course pursued by the B.M.C in announcing the dismissals at such short notice was expressed by Mr Macleod in the House of Commons on June 28. The Minister added that it would not be possible for all the dismissed men to find employment in their own localities, and that at his request the Ministers of Transport and of Fuel and Power had asked the British Transport Commission and the National Coal Board to accelerate their rate of labour intake so as to help men find jobs. The N C.B. had agreed to send a special recruiting team to the Birmingham area for this purpose.

The sudden announcement of the dismissals without prior consultation with the shop stewards caused strong resentment among many B M C workers, and on June 28 1,000 night-shift men ceased work at the Birmingham works of Nuffield Metal Products Ltd.—the B M C company where the percentage of dismissals to the total labour force was highest On the same day strike action was threatened at the Austin Longbridge works and the Oxford works of Morris Motors and Morris Radiators, but this was for the moment averted and on July 4 trade union leaders met B M.C. representatives to discuss the situation caused by the dismissals. This meeting, however, proved fruitless, the B M C stating that there was no possibility of re-employing the discharged men in the immediate future and rejecting, 'because of the national issues involved," the union's suggestion that they should be paid compensation Further attempts to call a strike at Longbridge failed, but after the Corporation had issued a statement on July 7 repeating its refusal to reinstate the men or to pay them compensation, a meeting of union leaders in London on July 9 unanimously resolved to recommend strike action at all B M C factories on July 23, unless the Corporation had meanwhile agreed to union demands. This recommendation was endorsed on July 10 by the executive of the Amalgamated Engineering Union, to which a large percentage of automobile workers belong On the same day, however, the B M C issued a statement condemning the threatened strike as an attempt by the unions to force it to negotiate under duress, and warning them that it was not prepared to do so under any circumstances.

A meeting of leaders of the 15 trade unions having members at B M C. factories decided on July 14 to ask the Minister of Labour to convene an immediate meeting of the parties to the dispute Separate talks accordingly took place at the Ministry of Labour on July 16 between Sir Wilfrid Neden, the Ministry's Chief Industrial Commissioner, and representatives of the B M C. and the Engineering Employers' Federation, and between Sir Wilfrid and trade union leaders, but were unsuccessful A subsequent Ministry statement explained that the union leaders had been unable to agree to the employers' demands (1) that the strike should be called off to enable the dismissals to be discussed at local levels, (2) that the question of compensation, as apart from the dismissals themselves, should be negotiated between the unions and the Engineering Employers' Federation, and not by the unions direct with the British Motor Corporation.

Pre-strike ballots held by the unions at B.M C. factories indicated very considerable opposition to the strike, and at some factories a majority of employees voted against it In the event, the immediate response to the strike call was very partial, B M.C. figures published on July 23 (the first day of the stoppage) showed that, of a total day labour force of 43,444 at the Corporation's 12 factories, 23,245 workers (53 5 per cent) had reported for work, the percentages at work in individual factories ranging from only 10 per cent at the Fisher and Ludlow Birmingham works, 12 per cent at Morris Car Bodies, Coventry, and 16 per cent at Nuffield Metal Products, Birmingham, to 78.9 per cent at the Austin Works at Longbridge, 85 per cent at Morris Motors at Cowley, 90 per cent at Morris Radiators at Oxford, and 100 per cent at the M G. works at Abingdon Figures for the subsequent night shift, however, were less favourable to the Corporation, less than one-third of the 3,600 night-shift workers reporting for duty

Meanwhile the Transport and General Workers' Union, in an effort to bring about a complete stoppage of work at B.M.C. factories, had instructed its lorry-driver and docker members not to handle the Corporation's products, its busmen members not to carry B M.C. employees to and from work, and its building-trade members not to work on B M C contracts This action was followed on July 24 by instructions by the Amalgamated Engineering Union to its members to declare "black" (i e untouchable) all car accessories made by outside firms for the B M C. At the same time more vigorous picketing at factory gates (accompanied by minor clashes with "loyal" workers) resulted in a slight decline in the numbers reporting for duty, but figures published by the Corporation at the close of the day showed that 53 per cent of its employees were still at work, the situation remaining much the same on July 25. On the latter date, however, Mr. Macleod appealed to both sides in the dispute to use the breathing-space afforded by the annual fortnight's holiday (due to begin at all B.M.C factories on July 26) to try to find a solution of their differences The Engineering Employers' Federation thereupon indicated its willingness to discuss with the unions all problems arising out of redundancy, including compensation.

At Mr. Macleod's invitation, informal discussions between the two sides began at the Ministry under Sir Wilfrid Neden's chairmanship on Aug 1, the issue being narrowed to the question of compensation for the dismissed workers. The resumed talks on Aug 9 resulted in agreement being reached on the following basis: (1) subject to local negotiations, compensation would be paid to dismissed men who had been employed by the Corporation for three years or more, (2) compensation would be at the rate of one week's pay for men with service of from 3-10 years and two weeks' pay for 10 years and upwards; (3) local joint inquiries would be held to see whether any of the dismissed men could be found work at B M C factories, (4) in any future cases of redundancy there would be appropriate consultations between the management and the unions. The strike was accordingly called off immediately, and work was resumed when the holidays ended on Aug 13 It was unofficially estimated that about 2,000 of the 6,000 redundant men would qualify for compensation, and that nearly all those dismissed from the B.M.C.'s factories had found other jobs.

The Stoppage at Briggs Motor Bodies Factory (Dagenham).

As a result of the strike at B.M.C. factories, "protective" notices of dismissal were issued on July 23 to over 2,000 employees at the Dagenham works of Briggs Motor Bodies Ltd., a Ford subsidiary (see above).

The company explained that because of "the strike action which has now involved one of our suppliers in the B M C. group," production of some Ford models was likely to be 'seriously affected," and that although every effort would be made to maintain production up to the annual holiday, it might be necessary to lay off many Briggs employees if a settlement of the B M C dispute was not speedily reached. The company's refusal to withdraw the notices was followed on July 25 (the eve of the firm's annual holiday) by an unofficial stoppage of about 12,000 workers. On July 29, however, the Briggs management announced that the notices would be withdrawn in view of Mr. Macleod's appeal of July 25 (see above), and in order to "help towards a better atmosphere" Talks thereupon took place between the management and union representatives, and although it was announced on July 30 that they had broken down, fresh negotiations resulted in a settlement of all the points at issue Full working was resumed at Dagenham when the holiday period ended on August 13

Redundancy Dismissals at Vauxhall Motors Ltd.

Vauxhall Motors Ltd. (Luton) announced on July 31 that 520 production workers who had been with the firm less than six months would be dismissed during August on redundancy grounds. The first batch of 200 would be given notice on Aug. 9 and leave on Aug. 16, but would be paid until Aug. 23, while a further 320 notices would be issued on Aug. 16. The firm's announcement said that the possibility of working short-time as an alternative to the dismissals had been discussed, but had been found impracticable as the proposed reduction in output did not affect all models equally. The agreed procedure, which had been drawn up in consultation with the trade unions, would be based, broadly speaking, on the principle of "last in, first out."

Three-day Week at Standard Motor Company.

The Standard Motor Company announced on Aug. 23 that a three-day working week would be introduced throughout its car-making division, and that, in addition, 1,000 employees would be dismissed from Aug. 31. The situation had been discussed with local union officials and senior shop stewards, who were "fully acquainted with the necessity of reducing manpower," as a result of the company's decision that production must be cut in view of the decline in sales. All employees affected would receive *ex-gratia* payments of one week's basic wage. It was stated in the Press that the proposed dismissals would reduce the Standard Company's labour force to about 8,000, the lowest figure since the war.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 14698 A.)**

A. SOVIET UNION. — Minimum Wage Law.

A minimum wage law, the first of its kind introduced in the U.S.S.R., was published on Sept. 9 after approval by the Council of Ministers and the Central Committee of the Soviet Communist Party. It provided for (*a*) a minimum wage of 300 to 350 roubles (nominally £27-31) a month for workers in industry, construction, transport, and communications; (*b*) a minimum wage for all other workers, including unskilled workers, of 300 roubles a month in towns and of 270 roubles a month in rural areas. The law also provided that no income-tax would be levied on workers or students whose wages or grants were less than 370 roubles a month. It was estimated that the legislation (which comes into force on Jan. 1, 1957) would raise the wages of the lowest-paid workers by one-third. (Soviet Weekly) **(Prev. rep. 15032 A.)**

B. NEW ZEALAND. — Adherence to International Wheat Agreement.

The N.Z. Minister for Industries and Commerce (Mr. Halstead) announced on Sept 11 that New Zealand had decided to join the new International Wheat Agreement which came into force on Aug. 1. Of the total guaranteed quantity of wheat covered by the agreement (8,244,000 metric tons), New Zealand's guaranteed purchases would be 160,000 metric tons. (New Zealand Government Office, London)

(Prev. rep. Wheat Agreement, 14889 B.)

C. BRAZIL. — France joins Multilateral System.

By an agreement signed in Rio de Janeiro on Aug. 23, and coming into force immediately, France joined the system of multilateral trade and payments (the so-called "Hague club") between Brazil on the one hand and the United Kingdom, Western Germany, Italy, Austria, the Netherlands, and the Belgo-Luxemburg Economic Union on the other. (Board of Trade Journal) **(Prev. rep. 15007 A.)**

D. WESTERN GERMANY. — Ban on Communist Party. - Ruling of Federal Constitutional Court.

The Federal Constitutional Court at Karlsruhe ruled on Aug. 17 that the West German Communist Party was unconstitutional, and ordered its dissolution. At the same time it ordered the confiscation of the party's assets and forbade the party to continue its activities in any form, either through existing organizations under Communist control—e.g. youth movements—or through new ones which might be formed for that purpose.

Applications for the banning of the Communist Party and the neo-nazi Socialist Reich Party had been made to the Constitutional Court by the Federal Government in November 1951, on the ground that both parties aimed at the overthrow of the democratic order and the imposition of a totalitarian régime. The applications were made under Article 21 of the Basic Law of the Federal Republic, which lays down (*a*) that "parties which, according to the aims and the behaviour of their members, seek to impair or abolish the free and democratic basic order, or to jeopardize the existence of the Federal Republic, shall be declared unconstitutional"; (*b*) that the question of constitutionality should be decided by the Federal Constitutional Court The Socialist Reich Party had been declared unconstitutional and banned in October 1952 (see 12697 A), whilst the case of the Communist Party had been before the Court for five years until the final ruling was given on August 17.

In giving the Court's judgment—which ran to 420 pages—the president of the Constitutional Court, Dr. Wintrich, said that the Communist Party's aim was "the setting-up of a Socialist-Communist social order by means of proletarian revolution and dictatorship of the proletariat"—an aim which was in clear contradiction to Article 21 of the Basic Law, and which, if carried out, would make it impossible to uphold the fundamental democratic principles of the Basic Law in a State based upon a proletarian dictatorship.

The Federal Minister of the Interior (Dr Schroder) said that there would be no "witch-hunt" as a result of the Court's judgment, and that any individual prosecutions would be confined to what was necessary to fight Communism in the Federal Republic. He pointed out that the West German Communist Party had only some 70,000 members and 13 daily newspapers with a total circulation of 48,000, together with four weeklies.

Communist Party offices were entered and closed down by the police in Dusseldorf, Munich, Nuremberg, Dortmund, Karlsruhe, and a number of other cities after the Constitutional Court's judgment had been made known. Few documents were found, however, as many of the offices had been vacated beforehand, apparently in anticipation of the party's outlawry. A number of individual Communists were arrested in different parts of the Federal Republic, but nearly all were released within a few hours The leader of the party (Herr Max Reimann), for whose arrest a warrant had been issued in August 1952, had been living for some time in Eastern Germany, together with other leading West German Communists.

At the last Federal elections (1953) the Communist Party polled only 611,000 votes and failed to return any members to the *Bundestag*, whereas in the previous (1949) elections it had polled 1,360,000 votes and returned 14 deputies At the time of its dissolution the party was represented in only two of the *Land* Parliaments—in Bremen (four members) and Lower Saxony (two members).

The outlawing of the West German Communist Party was bitterly attacked by the press and radio in Eastern Germany, and was also denounced in a resolution of the Soviet Communist Party. A Federal Government spokesman described Soviet protests as "gross interference in internal German affairs" and said that the Soviet Communist Party would have been better advised to study the consequences of the "Stalin cult," the achievements of which had included "the creation of a colonial system in the Soviet zone of Germany." (Frankfurter Allgemeine Zeitung - Times - Daily Telegraph)

(Prev. rep. 12697 A.)

E. INDIA. — First Atomic Reactor in Operation.

Dr. Bhabha, chairman of the Indian Atomic Energy Commission, announced on Aug. 4 that India's first atomic reactor at Trombay (near Bombay) had gone into operation on the same day. The reactor, which is of the "swimming pool" type, had been built entirely by Indian scientists and engineers within one year. Dr. Bhabha also announced that the facilities of the reactor—the first to go into operation in Asia—would be made available to scientists of countries "in this region and beyond." Mr. Nehru stated on Aug. 24 that the fuel elements used in the new reactor had been obtained on hire from the U.K. Atomic Energy Authority. (The Hindu, Madras)

(Prev. rep. 14360 A, page 14363; 14711 B.)

A. EASTERN GERMANY - SOVIET UNION. — East German Ministerial Visit to Moscow. - Agreement on Halving of East German Support Costs for Soviet Troops. - Further Soviet Economic Aid to Eastern Germany. - Aid for Construction of Atomic Power Station.

An East German delegation led by Herr Grotewohl, the Prime Minister, visited Moscow on July 16-17 for discussions with the Soviet Government. The delegation also included Herr Walter Ulbricht (First Secretary of the Central Committee of the Socialist Unity Party, and First Deputy Premier); Herr Selbmann (Deputy Premier and head of the Industry and Transport Commission); Herr Nuschke (Deputy Premier); Herr Loch (Deputy Premier); Herr Scholz (Deputy Premier and head of the Agriculture Commission); and Herr Lothar Bolz (Deputy Premier and Foreign Minister). Soviet leaders taking part in the negotiations included Marshal Bulganin, M. Khrushchev, M. Molotov, M. Pervukhin, M. Malenkov, Marshal Zhukov, and M. Shepilov.

A joint communiqué was issued on July 17 announcing that the Soviet Union had agreed to halve the East German contribution towards the cost of Soviet troops stationed in Eastern Germany; that further Soviet aid for the economic development of the German Democratic Republic would also be forthcoming; that the Soviet Union would assist Eastern Germany in setting up a large atomic power station under an agreement signed between the two countries; and that cultural, technical, and scientific co-operation would be intensified. The communiqué also denounced the introduction of military conscription in Western Germany and appealed to Britain, France, and the U.S.A. to reduce their forces in Germany on the lines of the recent reduction in the Soviet forces.

The principal sections of the communiqué were as follows (cross-headings inserted):

Soviet-East German Relations. "It was unanimously noted that all-round friendly relations were successfully developing on the basis of the Agreement on relations between the Soviet Union and the German Democratic Republic signed on Sept. 20, 1955, and on the principles of equality, mutual respect for sovereignty, and non-interference in internal affairs."

Reduction of German Support Costs. "Guided by the desire to collaborate towards the further development of the national economy of the German Democratic Republic, and to raise the material well-being of its population, the Governments of the Soviet Union and the German Democratic Republic have agreed as from Jan 1, 1957, to reduce the German financial contribution levied under the said agreement for the maintenance of Soviet troops in Germany from 1,600,000,000 [East German] marks to 800,000,000 marks annually. The halving of the German contribution toward the cost of maintaining Soviet troops is connected with the considerable reduction in Soviet military forces, which includes the reduction in the number of Soviet troops stationed in Germany . . ."

Soviet Economic Aid and Co-operation. Both Governments reaffirmed their "agreement on the considerable increase of mutual supplies during 1956, over and above those called for in the existing trade agreement, and including a Soviet grant of foreign currency to the German Democratic Republic for purchases of essential goods on the open world market." They also reaffirmed "the agreement on the grant of Soviet long-term credits to the German Democratic Republic on favourable terms."

The communiqué added: "Both sides agreed to take measures to ensure the fuller and more rational utilization of the industrial potential of the German Democratic Republic, and to increase mutual deliveries of machinery and equipment suited to modern technologies, and of other products and materials. As the outcome of the discussions on economic measures, the German Democratic Republic will receive during 1957-1960 large additional resources for the development of her national economy . . ."

Scientific, Technical and Cultural Co-operation. "The agreement signed in April, 1956, on cultural and scientific co-operation between the two countries has led to fuller mutual use of cultural and scientific achievements and modern technology. It was considered desirable . . . to extend contacts between Soviet and German scientific establishments and scientists and technologists, to exchange scientific-technical information and students, and to take other measures leading to the development of scientific and technological progress in both countries."

Soviet Aid for East German Atomic Power Station. "It was agreed to set up in the German Democratic Republic an atomic power station of 100,000 kilowatts capacity The Soviet Union will render aid by preparing the blueprints of the station and supplying the German Democratic Republic with the necessary equipment and material. An agreement concerning this was signed by both Governments simultaneously with the signing of the present statement."

Disarmament. "Both parties are unanimous in their view that the recent relaxation in international tension creates favourable conditions for reaching agreement . . . between the great Powers on disarmament and the adoption of effective measures for all-European security . . They consider that the attempts of certain Powers to make disarmament dependent on certain conditions can only prevent the solution of the disarmament problem and the settlement of other political problems."

West German Rearmament. "The initiative recently taken by the German Democratic Republic in reducing the size of its Army, and its proposal to limit the sizes of armed forces both in West and East Germany and to ban the stockpiling of atomic weapons on German territory . . . create real possibilities for mutual understanding between the German Democratic Republic and the German Federal Republic on issues vital to the German people.

"The Governments of the Soviet Union and the German Democratic Republic point out that the introduction of compulsory military service in Western Germany, contrary to the wishes of the German people, creates serious difficulties in the way of settling the national problems of the German people, and prevents the improvement of the political situation in Germany and in Europe as a whole. The responsibility for this state of affairs is borne by the present Government of the German Federal Republic."

Appeal for Reduction of Western Forces in Germany. "Taking into consideration that the Soviet Union, during recent months, has reduced the number of its troops in Eastern Germany by more than 50,000 men, the Soviet Union and the German Democratic Republic appeal to the United States, Great Britain, and France to reduce in their turn the number of their own troops stationed on the territory of the German Federal Republic, with a view to ultimately recalling all foreign troops from German territory. The Governments of the Soviet Union and the German Democratic Republic are convinced that now, 11 years after the end of the war, when the existence of two sovereign German States is widely recognized internationally, the presence of foreign troops on German territory cannot be considered as normal."

German Reunification. "The Government of the German Democratic Republic stated that . . . its activities were devoted to the re-establishment of the national unity of Germany as a free, peace-loving, and democratic State The Soviet Government extends full sympathy and understanding to this aim, which expresses the just national aspirations of the German people. Adhering to the Leninist principle of the right of nations to self-determination, the Soviet Government considers that the restoration of German unity is the affair of the German people themselves. Both sides expressed complete unanimity that under existing circumstances there is only one way to unite Germany, namely, by discussion and agreement between the Governments of both German States—the German Democratic Republic and the German Federal Republic."

Marshal Gretshko, C.-in-C. of the Soviet Forces in Eastern Germany, had announced on June 14 that, in addition to the 20,000 men withdrawn in 1955, another 33,500 men, including three air divisions, were also being withdrawn.

Herr Walter Ulbricht, addressing the Central Committee of the Socialist Unity Party during its meeting from July 27-29, gave further details of Soviet aid to Eastern Germany, and of plans for the economic development of the German Democratic Republic as a result of Soviet economic assistance.

Soviet Aid. Herr Ulbricht stated that the additional aid from the Soviet Union under the latest Moscow agreements, to help the development of the East German economy, would amount to 7,500,000,000 roubles in the next four years. It would be supplementary to the ordinary trade between the two countries and to long-term credits previously granted by the U S.S R, and would be provided in the following ways:

(1) The Soviet Union and other "People's Democracies" would supply Eastern Germany with foodstuffs to create the necessary reserves for the complete abolition of food rationing in 1957 [see below]

(2) Orders from the U S.S R. and the "People's Democracies" would ensure the use of East German factories to full capacity, machinery production would thus have to be brought up quickly to world standards, involving the introduction of modern technology. A small number of nationally-owned and private factories would have to convert to new lines of production as soon as possible to meet the new market requirements.

(3) Regular supplies of raw materials would be ensured by the agreements with the Soviet Union and by other arrangements with the "People's Democracies," although there would have to be still greater efforts on the part of the German Democratic Republic to utilize its own raw material resources and to practice the greatest economy in the use of materials.

(4) The scientific and technical co-operation with the Soviet Union would be an important help in reaching world levels in technology, and the Soviet-German agreement on the building of an atomic power station would lead to great technical progress.

(5) In the financial sphere (*a*) there would be the halving of the East German contribution to the costs of the Soviet forces in Eastern Germany; (*b*) higher prices had been agreed upon for Soviet purchases of uranium and other ores mined in Eastern Germany by the joint Soviet-German "Wismot" undertaking, and (*c*) the U S S.R. was extending to Eastern Germany a 10-year credit for the supply of goods at two per cent interest.

Food Rationing. Herr Ulbricht said that the Politburo believed that it should be possible to abolish food rationing completely in Eastern Germany during 1957. The basis for this would be provided by measures to increase agricultural production and by imports from the Soviet Union and some of the "People's Democracies." [Meat, fats, and sugar are still rationed in Eastern Germany.]

Pensions. A special commission would be appointed to overhaul the pension system, and it was hoped to put a new old-age pensions scheme into effect during 1957. It would be applicable to men of 65 and over and women of 60 and over, and based on average earnings in the last five years of employment, with a minimum of 50 per cent of such earnings payable as pensions.

Working Week. Herr Ulbricht also announced that it was planned to reduce the present 48-hour week to 45 hours in 1957, without affecting wages. The shorter working week would begin in the mining industry, to be followed by the iron and steel and metallurgical industries, chemical factories, power plants, etc It was further planned to reduce the working week to 42 hours generally, and to 40 hours in certain branches of industry, during 1958-60.

Release of Political Prisoners. Herr Ulbricht reiterated earlier announcements according to which 691 former or present Social Democrats who had been sentenced for "anti-State activities" had been released About 15,000 persons sentenced to imprisonment for crimes or offences had been amnestied and similarly released; 3,308 alleged war criminals had been liberated, and only 11 war criminals guilty of particularly serious crimes against humanity were still under detention A number of people sentenced by "other State organs" had also been rehabilitated.

Aim of Five-Year Plan. Herr Ulbricht stressed that the next Five-Year Plan had as its aim that by 1960 the German Democratic Republic should overtake the German Federal Republic in reaching world standards of science and technology, and in providing higher standards of living for the workers.

The Central Committee decided at this meeting, in accordance with the recommendations of a special commission, to rehabilitate a number of leading members of the Socialist Unity Party who had been "disciplined" in the past. They included the following persons:

(*a*) Franz Dahlem, a former East German Minister and a leading Communist, who had been removed from the Politburo and punished in 1953 for "political blindness",

(*b*) Anton Ackerman, Hans Jendretzky, and Elli Schmidt, who had all been removed from high party posts in 1953,

(*c*) Paul Merker, another former Communist leader, the accusations against whom were stated to be only of a political nature and not to have justified criminal proceedings

The Central Committee also passed a resolution regretting and cancelling all "false accusations" formerly made against the Yugoslav Communists, and expressing the wish for friendly relations with the Yugoslav Communist Party.

The report of another special commission appointed by the Central Committee to investigate judicial organs and procedures had been published on June 21. It contained severe strictures on Dr. Hilde Benjamin, the Minister of Justice, and Dr. Melsheimer, the Chief Public Prosecutor.

The report accused both Dr Benjamin and Dr. Melsheimer of failing to control their departments and of so reducing the rights of legal defence that many innocent persons had been punished along with the guilty. They were also accused of having misled judges and prosecutors, paralysed their "creative initiative," and betrayed the principle of "Socialist legality"

In addition, the report accused Herr Wollweber (the Minister for State Security) of making unsubstantiated charges against unsuccessful or inefficient scientists and technicians, of unjustified detention, especially of critics of the regimes and of infringement of the rights of accused persons Measures were proposed to protect accused persons in future and to improve the judicial system

The French, British, and U.S. Ambassadors in Germany protested on May 16 to M. Pushkin, the Soviet Ambassador, against a parade of East German troops in East Berlin during the May Day celebrations. The protest said that such demonstrations of German armed forces in Berlin constituted "a threat to the security of the city," and were "incompatible with its special status" and "contrary to the wish expressed by our Governments of bringing about a relaxation of tension." (Neues Deutschland, East Berlin - Times - Le Monde, Paris)

(Prev. rep. 14880 A.)

A. UNITED KINGDOM. — Winding-up of East Coast and Lynmouth Flood Disaster Funds.

The Chancellor of the Exchequer announced on July 3 that all claims on the Lord Mayor's National Flood and Tempest Disaster Fund (raised after the East Coast floods of 1953) had been met, and that the total sum disbursed by the Fund was £7,270,000, of which the Government had subscribed £2,105,000.

On Aug. 17 it was announced that the contributions to the North Devon and West Somerset Relief Fund (set up after the Lynmouth flood disaster of 1952) had totalled £1,336,425, all of which had been disbursed among 1,710 people who suffered from the floods. The Fund would accordingly close down, a trust fund of £34,000 being established for the families and dependants of the 34 people who lost their lives in the disaster.—(Times - Daily Telegraph) **(13697 B; 13637 A.)**

B. NORTHERN IRELAND. — Facilities for Capital Issues. - Extension of Capital Grants for Industry Scheme. - Power Development Plans. - Projected Atomic Station.

The U.K. Chancellor of the Exchequer, Mr. Macmillan, stated in a parliamentary reply on Aug. 1 that he had written to Lord Kennet, chairman of the Capital Issues Committee, promising Treasury consent for capital issues for investment in Northern Ireland.

The Chancellor's letter said "I have lately been considering the need for more capital investment in N. Ireland There, in contrast to the rest of the U K., are unused resources which might be developed for the benefit of our economy as a whole. I am therefore writing to let you know that the Treasury will be ready in principle to consent to proposals to raise money exclusively for investment in Northern Ireland, provided that the proposals are otherwise acceptable to the Capital Issues Committee and that the raising of such money does not allow the applicants' existing resources to be used for a purpose for which the Committee would not recommend consent"

The *Board of Trade Journal* started on July 7 that the N.I. Government would extend its Capital Grants to Industry Scheme (providing a 25 per cent grant towards investment in new industrial buildings, plant and machinery installed in Northern Ireland) beyond Dec. 31, 1956, when it was due to expire. New large-scale projects were to be assisted under the wider powers of the Industries Development Acts, which enabled the Government to assist an industrial enterprise by means of a grant or loan or by provision of a special basic service. [Between 1945 and June 1956, 114 firms had set up new industrial plants in Northern Ireland and 70 more had expanded their activities.]

The N.I. Government's plans to meet future demands for electric power, providing for an increase in output from 360,000 kw. in 1956 to about 1,000,000 kw. in 1969, were published in Belfast as a White Paper on July 7.

The White Paper stated that generating capacity at the existing station in Belfast would be expanded by 180,000 kw. by 1959, a new station of at least 60,000 kw. would be set up at Derry between 1959 and 1962; and the capacity of the existing station near Larne would be increased by 30,000 kw. during the same period.

A major atomic power station (on a site still to be chosen) would come into operation probably in 1963-64, with an initial output of 200,000 kw., which would increase by 100,000 kw. in each of the two following years The cost of this project was estimated at £66,000,000, and of the whole of the main electrical power development programme at £80,000,000, up to 1968-69.

The Northern Ireland Development Council announced on July 7 that Chemstrand Ltd. (a subsidiary of the American Viscose Corporation and the Monsanto Chemical Company) had reached an agreement with the N.I. Government to build a £3,500,000 plant at Coleraine to manufacture 'Acrilan' acrylic fibre, for use in clothing and other textiles. Production was expected to start in January 1959.—(Treasury Press Office - Board of Trade Journal - Times - Belfast Telegraph)

(Prev. rep. N. I. Development Council, 14622 A.)

C. INTERNATIONAL COURT OF JUSTICE. — Decision on Oral Hearings of Petitioners by U.N. Committee on South-West Africa.

The International Court of Justice gave its advisory opinion on June 1 in response to a request from the tenth session of the U.N. General Assembly, which had asked the Court whether it was admissible for the U.N. Committee on South-West Africa to grant oral hearings to petitioners on matters relating to the territory.

In an earlier advisory opinion, given in 1950 (see 10840 A), the Court had found that the Union of South Africa—which took over the administration of South-West Africa under a League of Nations mandate after World War I, and incorporated the territory as a province of the Union after World War II—continued to have international obligations under the former mandate, including the obligation to transmit petitions from the territory to the United Nations The question later arose whether the U N. Committee on South-West Africa was entitled to receive oral petitions, since the Mandates Commission of the League of Nations had never held such hearings.

The International Court's latest decision was taken by eight votes to five.—(U.N. Information Centre, London)

(Prev. rep. 14667 A, pp. 14670-71; 14323 F.)

D. JORDAN. — Akaba Port Project.

A contract for the building of a port at Akaba, at the head of the gulf of the same name (see map, page 14436), was awarded by the Jordanian Government on Sept. 6 to a West German firm, the Zuplin company of Frankfurt. The contract, worth £2,200,000 and the biggest ever awarded by Jordan, was secured by the German firm in the face of over twenty bids from firms of different nationalities, including British.—(Times)

SEPTEMBER 15—22, 1956

A. UNITED STATES. — The Republican Convention. - General Eisenhower and Mr. Nixon nominated as Presidential and Vice-Presidential Candidates. - The Republican Party's Programme.

The National Convention of the Republican Party, meeting in San Francisco from Aug. 20-23, unanimously adopted President Dwight D. Eisenhower as the party's presidential candidate, and Vice-President Richard M. Nixon as vice-presidential candidate, for the Presidential elections in November. President Eisenhower and Vice-President Nixon received the votes of all the 1,323 delegates attending the Convention, no other nominations being put forward.

The candidature of President Eisenhower was moved by Representative Charles E Halleck (Indiana), the eight seconders including Governor McKeldin of Maryland and Dr. Helen Edmonds, one of the leading Negro scholars in the U.S.A. and Professor of History at North Carolina College Vice-President Nixon's candidature was moved by Governor Herter of Massachusetts, the seconders including Mr. Harold Stassen (who, as described below, had unsuccessfully tried to secure Governor Herter's nomination as Vice-Presidential candidate) and Senator John W. Bricker, of Ohio. Among leading Republicans who spoke in support of President Eisenhower and Vice-President Nixon was Mr. Thomas E. Dewey, Governor of New York and Republican candidate for the Presidency in 1948.

Mr. Stassen's Campaign to secure Vice-Presidential Nomination for Governor Herter.

A month before the opening of the Convention, Mr. Harold Stassen (adviser to the President on disarmament, and former Governor of Minnesota) had issued a statement on July 23 announcing his intention to launch a campaign to secure the nomination of Governor Christian A. Herter as Vice-Presidential candidate instead of Mr. Nixon.

Mr. Stassen, who had informed both President Eisenhower and Vice-President Nixon of his intention, gave the following reasons for supporting Governor Herter in preference to Vice-President Nixon. (1) independent voters in the U.S.A. and "important portions of the Allied and neutral world" would have "greater confidence in an Eisenhower-Herter ticket"; (2) "an Eisenhower-Herter ticket would run at least six per cent stronger than an Eisenhower-Nixon ticket"; (3) this six per cent margin [calculated on the basis of public opinion polls organized by Mr. Stassen] would be "certain to reflect decisively in a number of Senatorial and House "seats" and 'might well be the margin of majority or minority in Congress." After asserting that the opposition to Mr. Nixon as Vice-President was reflected most strongly among "the best-informed and younger voters," Mr. Stassen declared that Governor Herter had "a lifetime record of effective action reflecting thoroughly the same broad and basic philosophy as that of President Eisenhower in both domestic and foreign affairs" In subsequent statements, Mr Stassen expressed his belief that "Mr Nixon is not the strongest Vice-Presidential candidate we could pick," and his conviction that Mr. Nixon's nomination would cost President Eisenhower "millions of votes" if they ran together in November.

On July 30 it was announced that President Eisenhower had granted Mr. Stassen four weeks' leave of absence from his official duties so that he could have "the time and opportunity to pursue certain political activities without involving his official position or the White House." At the beginning of August Mr. Stassen accordingly launched his campaign—described by him as an "Ike and Chris" campaign—to obtain support for Governor Herter as the Republican Party's vice-presidential nominee.

Mr. Stassen's campaign, however, received negligible support from the Republican Party as a whole. The party's campaign committees in the Senate and House of Representatives issued a joint statement describing Mr. Stassen's action as "irresponsible" and expressing full support for Mr. Nixon as an exceptional and "trial tested" candidate. Governor Herter himself, moreover, had declined from the outset to campaign against Vice-President Nixon, and had informed the chairman of the Republican Party (Mr. Leonard W. Hall) that he would "consider it a privilege to nominate Nixon at the Republican National Convention."

In a press statement on Aug. 1, President Eisenhower said that the Republican National Convention would be free to choose any Vice-Presidential candidate it wished, and that he would express no preference himself. He indicated, however, that he would regard Vice-President Nixon's nomination with "satisfaction," and said that Mr. Nixon was "perfectly acceptable to me, as he was in 1952." On Aug. 22, while the Convention was in progress, President Eisenhower called a press conference at which he announced (*a*) that he had had a conversation with Mr. Stassen; (*b*) that Mr. Stassen had told him that he had now "become convinced that the majority of the delegates want Nixon"; and (*c*) that, as Governor Herter had declined to run himself, Mr. Stassen proposed to second Mr. Nixon's nomination "in order to get his own position clear before the Convention and the American public." The President added that Mr. Stassen would resume his duties at the White House and would give his full support to the "Eisenhower-Nixon team" in the election campaign.

As stated above, the nomination of Mr. Nixon as Vice-Presidential candidate was moved by Governor Herter—who declared that Mr. Nixon had been "a great Vice-President because he possesses in outstanding degree the qualities of intelligence, loyalty, and dedication"—and was seconded by Mr. Stassen, who pledged full support for both President Eisenhower and Vice-President Nixon.

[Biographies of President Eisenhower and Vice-President Nixon are given respectively on page 12553, first column, and page 12333, first column.]

The Party Programme.

The programme of the Republican Party adopted at the National Convention is summarized below under cross-headings:

General Principles. - Defence of Administration's Record. The Republican programme began with an affirmation of principles: "While jealously guarding the free institutions and preserving the principles upon which our Republic was founded and has flourished, the purpose of the Republican party is to establish and maintain a peaceful world and build at home a dynamic prosperity in which every citizen fairly shares"

Defending the Administration's record, the statement declared: "... In four years we have achieved the highest economic level with the most widely-shared benefits that the world has ever seen. We of the Republican Party have fostered this prosperity and are dedicated to its expansion and to the preservation of the climate in which it has thrived .. We shall continue to encourage the good business and sound employee relationships which have made possible for the first time in our history a productive capacity of more than $400,000,000,000 a year. More than 66,000,000 people have full-time jobs, with real wages and personal income at record highs ... We are proud to have fulfilled our 1952 pledge to halt the skyrocketing cost of living that in the previous 13 years had cut the value of the dollar by half and robbed millions of the full value of their wages, savings, insurance, pensions, and Social Security ..."

Economic Policy. After reviewing the Republican Administration's achievements in reducing the size of Federal budgets, and in halting the rise in the cost of living which had been in progress when it took office in 1952, the programme went on to describe the principal future objectives of the party as follows:

"(1) Further reductions in Government spending without weakening the support of a superior defence programme or depreciating the quality of essential service of Government to our people.

(2) Continued balancing of the Budget to ensure the financial strength of our country ... and to maintain the purchasing power of a sound dollar and the value of savings, pensions and insurance.

(3) Gradual reduction of the national debt."

In addition, and in so far as these aims were consistent with a balanced budget, the party proposed to reduce taxes, especially on lower and middle incomes, to help the development of small businesses, and to study ways to remove inequitable effects of taxation, as well as to continue to leave the Federal Reserve System free "to combat inflation and deflation by wise fiscal policy."

The programme expressed the belief that sound currency with stable purchasing power was the essential basis for economic growth and a higher standard of living. In furtherance of a policy of economic expansion, emphasis would be laid on the development of transport services Attention was called to the Administration's initiation of soundly financed air, highway and maritime programmes, the development of nuclear power for shipping being especially mentioned.

After referring to the "atmosphere of confidence" created by the Eisenhower Administration's policy, including the elimination of "a host of needless controls," the programme stressed Republican belief in free enterprise and "good business for all business—small, medium and large." Dwelling upon the work of the Small Business Administration and of the Cabinet Committee on Small Businesses, the Republican Party pledged support full to small businesses by means of financial and technical aid where necessary, and in the following ways:

(1) Additional technical research in problems of development and distribution for the benefit of small businesses.

(2) Legislation to permit closer Federal scrutiny of mergers tending towards the creation of monopolies.

(3) Procedural changes facilitating enforcement of the anti-trust laws.

(4) Vigorous policies to protect investors and provide maximum opportunities for financing small businesses without costly "red tape"

The programme went on to review the Administration's labour policy, claiming that in addition to an increase in wages earned, the relative purchasing power of the wage-packet was greater in 1952 since it was not "eaten away by rising taxes and soaring prices." It added that during the Republican Administration "the Federal

minimum wage had been raised for more than 2,000,000 workers. Social security has been extended to an additional 10,000,000 workers and the benefits raised for 6,500,000. The protection of unemployment insurance has been brought to 4,000,000 additional workers."

For the future, the Republican Party expressed its intention to :

(1) Continue the Eisenhower Administration's programmes of assistance to workers with special employment problems, e.g older or handicapped workers, members of minority groups, and migratory workers.

(2) Improve the Federal-State employment service and make unemployment insurance more effective.

(3) Protect, by legislation, the assets of employee welfare and benefit plans in order to assure the workers of their rightful benefits.

(4) Assure equal pay for equal work.

(5) Clarify and strengthen the eight-hour laws to benefit workers subject to Federal wage standards.

(6) Extend the protection of the Federal minimum wage laws to as many workers as possible.

(7) Eliminate discrimination in employment on grounds of race, creed, colour, ancestry, or sex.

(8) Improve economic conditions in areas with persistent and substantial unemployment.

(9) Revise the Taft-Hartley Act to protect more effectively the rights of the unions, management, individual workers and the public

Health, Education and Welfare. The policy statement pointed out that " Republican action created the Department of Health, Education, and Welfare as the first new Federal department in 40 years, to raise the continuing consideration of these problems for the first time to the highest council of Government, the President's Cabinet." It went on to pledge the Republican Party, *inter alia*, to alleviate the shortage of school classrooms in the U.S.A., to ensure equality of educational opportunities for all children ; to support intensified medical research into cancer, mental disease, heart disease, etc., and to "seek the extension and perfection of a sound system of Social Security."

Agriculture. Republican agricultural policy was directed towards creating the widest possible markets returning full parity to farmers for the sale of their products, and to avoid making them dependent upon Government subsidies to maintain their incomes. The party pledged itself :

(1) To undertake research, in collaboration with the States, aimed at finding new uses for existing products, improving the quality of farm products, and developing more efficient marketing.

(2) To encourage farmers to solve their own problems, giving them as free a hand as possible, while following policies which were fair to them all.

(3) To provide assistance by means of price supports ; to continue existing commodity loan and marketing agreements, while making every effort to develop accurate measurement of farm parity ; and to ease temporary market surpluses, especially of perishable goods, by effective purchase and donation.

(4) To safeguard soil and water resources.

(5) To encourage voluntary self-supporting Federal crop insurance, and to provide prompt temporary relief in case of drought or other natural disasters.

(6) To support farmer-owned and farmer-operated co-operatives, and to assist private and co-operative sources of credit by supplying supplemental credit through the Farmers' Home Administration where needed.

(7) To promote the existing rural development programme.

(8) To collaborate with farmers and others in promoting the Great Plains programme to improve land usage in areas subject to wind erosion.

(9) To " assist the young people of American farms and ranches in their development as future farmers and homemakers."

(10) In general, " to keep agriculture strong, free, attuned to peace and not war, to stand ready with a reserve capacity at all times as a part of our defence, based on sound agricultural economy."

Defending the Administration's agricultural policy, the statement said *inter alia* : " Our Republican Administration fostered a constructive Soil Bank programme to reduce surpluses and to permit improvements of our soil, water and timber resources. The Democratic Party's tactics of obstruction and delay may have prevented our farm families from receiving the full benefits of this programme in 1956. However, by aggressive action we now have the Soil Bank in operation, and in three months half-a-million farmers have contracted to shift more than 10,000,000 acres from producing more surpluses to soil reserve for the future. For this they have already earned $225,000,000. This programme is a sound aid to removing the burdens of surpluses which the Democrat programmes placed on farmers . . . "

Federal Government Integrity and Efficiency. " The Republican Party is wholeheartedly committed to maintaining a Federal Government that is clean, honourable, and increasingly efficient It proudly affirms that it has achieved this kind of government and dedicated it to the service of the people. Our many economic and social advances of the past four years are the result of our faithful adherence to our 1952 pledge to reverse a 20-year Democratic philosophy calling for more and more power in Washington. We have left no stone unturned to remove from Government the irresponsible and those whose employment was not clearly consistent with national security.

" We believe that working for the Government is not a right but a privilege. Based on that principle we will continue a security programme to make certain that all people employed by our Government are of unquestioned loyalty and trustworthiness. The Republican Party will, realistically and in conformity with constitutional safeguards for the individual, continue to protect our national security by enforcing our laws fairly, vigorously, and with certainty . . .

"We promise unwavering vigilance against corruption and waste . . . We condemn illegal lobbying for any cause and improper use of money in political activities, including the use of funds collected by compulsion for political purposes contrary to the personal desires of the individual We pledge to continue our far-reaching programme for improving the efficiency and effectiveness of the Federal Government . . . We are unalterably opposed to the unwarranted growth of centralized Federal power . . . We will vigorously promote, as we have in the past, a non-political career service under the merit system which will attract and retain able servants of the people. Many gains in this field, notably pay increases and a host of new benefits, have been achieved in their behalf in less than four years."

Civil Rights. " The Republican Party points to an impressive record of accomplishment in the field of civil rights, and commits itself anew to advancing the rights of all our people regardless of race, creed, colour, or national origin. In the area of exclusive Federal jurisdiction, more progress has been made in this field under the present Republican Administration than in any similar period in the last 80 years. The many Negroes who have been appointed to high public positions have played a significant part in the progress of this Administration.

" Segregation has been ended in the District of Columbia government and in the District's public facilities, including public schools, restaurants, theatres, and playgrounds. The Eisenhower Administration has eliminated discrimination in all Federal employment. Great progress has been made in eliminating employment discrimination on the part of those who do business with the Federal Government and secure Federal contracts . . . The regulatory agencies under this Administration have moved vigorously to end discrimination in inter-State commerce. Segregation in the armed forces of the U.S.A. has been ended. For the first time in our history there is no segregation in veterans' hospitals and among civilians on naval bases This is an impressive record. We pledge ourselves to continued progress in this field . . .

" The Republican Party accepts the decision of the U.S. Supreme Court that racial discrimination in publicly-supported schools must be progressively eliminated. We concur in the conclusion of the Supreme Court that its decision directing school desegregation should be accomplished with ' all deliberate speed ' locally through Federal district courts. The implementation order of the Supreme Court recognizes the complex and acutely emotional problems created by its decision in certain sections of our country where racial patterns have been developed in accordance with prior and long-standing decisions of the same tribunal.

" We believe that true progress can be attained through intelligent study, understanding, education, and goodwill. Use of force or violence by any group or agency will tend only to worsen the many problems inherent in the situation This progress must be encouraged and the work of the courts supported in every legal manner by all branches of the Federal Government, to the end that the constitutional ideal of equality before the law, regardless of race, creed, or colour, will be steadily achieved."

Immigration. Support was expressed for an immigration policy " based on equality of treatment, freedom from implications of discrimination between racial, national, and religious groups, and flexible enough to conform to changing needs and conditions." Congressional consideration of the extension of the 1953 Refugee Relief Act was also recommended.

Foreign Policy. After a lengthy review of the development and improvement of the international situation since the Eisenhower Administration took office, the programme pledged the party's support for the U.N , the collective security system, and for co-operation with the other American countries, based on the " good neighbour " policy

" Where needed," it continued, " we shall help friendly countries maintain such local forces and economic strength as provide a first bulwark against Communist aggression or subversion. We shall reinforce that defence by a military capacity which, operating in accordance with the U.N. Charter, could so punish aggression that it ceases to be a profitable pursuit. We will continue efforts with our friends and allies to assist the under-developed areas of the free world in their efforts to attain greater freedom, independence, and self-determination, and to raise their standards of living.

" We recognize the existence of a major threat to international peace in the Near East. We support a policy of impartial friendship for the peoples of the Arab States and Israel to promote a peaceful settlement of the causes of tension in that area, including the human problem of the Palestine-Arab refugees . . We regard the preservation of Israel as an important tenet of American foreign policy. We are determined that the integrity of an independent Jewish State shall be maintained We shall support the independence of Israel against armed aggression "

After pledging the Republican Party to seeking the reunification of Germany and the " liberation of the satellite states . . . and other once-free countries now behind the Iron Curtain," the programme declared . " We continue to oppose the seating of Communist China in the U.N., thus upholding international morality. To seat a Communist China which, by word and deed, defies the principles of the U.N. Charter would be to betray the letter, violate the spirit, and

subvert the purposes of that Charter. It would betray our friend and ally, the Republic of China. We will continue our determined efforts to free the remaining Americans held prisoner by Communist China."

Great importance was attached to the maintenance of world trade and productivity, and the programme proposed the removal of impediments to international commerce " on a gradual, selective and reciprocal basis, with full recognition of the necessity to safeguard domestic enterprises, agriculture and labour against unfair import competition." The Republican Party was, however, opposed to any trade with the Communist world which might threaten the security of the U S A. or her allies

Recognizing that " poverty and unrest in less developed countries make them the target for international Communism," the party promised to continue technical and economic assistance with respect to such countries. " We will strive," the programme stated, " to bring about conditions that will end the injustices of nations divided against their will, of nations held subject to foreign domination, of peoples deprived of the right of self-government We reaffirm the principle of freedom for all peoples, and look forward to the eventual end of colonialism. We will overlook no opportunity that, with prudence, can be taken to bring about a progressive elimination of the barriers that interfere with the free flow of news, information and ideas, and the exchange of persons between the free peoples and the captive peoples of the world We favour the continuance and development of exchange-of-persons programmes between free nations We approve appropriate action to oppose the imposition by foreign governments of discrimination against U S. citizens, based on their religion or race "

After stressing that a bipartisan approach to foreign policy was important to give continuity and to inspire confidence both at home and abroad, this section of the policy statement ended with an assurance of the continuation of " the dynamic, courageous, sound and patriotic policies which have protected and promoted the interests of the U S A during the last four years "

Defence. Since the military strength of the U S.A was a key factor in maintaining world peace, it was important that its striking force—the strongest in the world—should continue to include (*a*) a jet-powered, long-range Strategic Air Force, and a Tactical Air Force of the fastest and latest types of planes ; (*b*) the most effective guided and ballistic missiles ; (*c*) a modern Navy with a powerful air arm , (*d*) an Army of unequalled mobility and fire-power , and (*e*) leases strategically dispersed at home and around the world. These could only be maintained with adequate man-power, and the programme promised continued incentives to make a military career attractive and rewarding.

An effective research and development programme would continue to supply the armed forces with the most modern weapons, and scientific education of young people would help to preserve the U.S A.'s technological leadership in the military field. Measures for the protection of the civilian population and a strong Civil Defence system would not be neglected.

Natural Resources. The Republican Administration's achievements in the development and conservation of America's forest, mineral, water and fisheries resources were approved in the party programme, together with the Government's financing and protection of the National Park and wild-life reserves. With reference to forest and natural vegetation resources, the party pledged itself to " continue to improve timber conservation practices, recreational facilities, grazing management, and watershed protection of our national forests and public domains."

As regards minerals, the Republican Party believed that " the Federal Government should foster a long-term policy for the development and prudent use of domestic mineral resources, and to assure access to necessary sources abroad, without dangerously weakening the market for domestic production of defence-essential materials " Moreover, the party favoured " reasonable repletion allowances . . . , freedom of mineral producers from unnecessary governmental regulation ; expansion of Government exploration and research ; and establishment of stockpile objectives which will reduce, and where possible eliminate, foreseeable wartime shortages "

The development of water resources and water-power was called for at all governmental levels—Federal, State and local. The party would seek a co-operative solution of all problems of water supply and distribution, reclamation, flood control, etc.

Atomic Energy. " President Eisenhower has inaugurated a strong programme for developing the peaceful atom . . Government and private enterprise are working together on a number of large-scale projects designed to develop substantial quantities of electric power from atomic sources . . . More and more private funds are being invested as the Government monopoly is relaxed . . . Radioactive isotopes are being brought more and more into use on farms, in hospitals, and in industry. The use of isotopes has already resulted in annual savings of hundreds of millions of dollars, and the nuclear age has only just begun.

" It is to the benefit of the U.S.A., as well as to all nations, that the uses of atomic energy be explored and shared. The Republican Party pledges that it will continue this imaginative world-embracing programme. We shall continue to chart our course so as to fortify the security of the free nations and to further the prosperity and progress of all people everywhere."

Alaska, Hawaii, and Puerto Rico. " We pledge immediate statehood for Alaska, recognizing that adequate provision for defence requirements must be made. We pledge immediate statehood for Hawaii. We shall continue to encourage the Commonwealth of Puerto Rico in its political growth and economic development in accordance with the wishes of its people and the fundamental principle of self-determination."

District of Columbia. " We favour self-government, national suffrage, and representation in Congress for the District of Columbia."

Indian Affairs. " We shall continue to pursue our enlightened policies which are now producing exceptional advances in the long struggle to help the American Indian gain the material and social advantages of his birthright and citizenship, while maintaining to the fullest extent the cultural integrity of the tribal groups . . We favour most sympathetic and constructive execution of the Federal trusteeship over Indian affairs . .

President Eisenhower's Acceptance Speech.

In accepting the Presidential nomination, General Eisenhower made a speech, summarized below, on the past and future policy of the Republican Party and Administration.

After thanking the Convention for having nominated him, and expressing his satisfaction that it had retained " the team of individuals selected in 1952," President Eisenhower added " I am not going to attempt a eulogy of Mr. Nixon. I merely want to say this · that whatever dedication to country, loyalty, patriotism, and great ability can do for America, he will do—and that I know."

President Eisenhower continued : " The great Norwegian, Henrik Ibsen, once wrote . 'I hold that man is in the right who is most clearly in league with the future.' Today I want to demonstrate the truth of a single proposition : The Republican Party is the party of the future . .

The first of the five reasons I shall give why the Republican Party is the party of the future is this Because it is the party of long-range principle, not short-term expediency . . . I shall give you several examples of rejecting expediency in favour of principle.

First, the farm issue. Expediency said ' Let's do something in a hurry—anything—even multiply our price-depressing surpluses at the risk of making the problem twice as bad next year—just so we can get through this year ' People who talk like that do not care about principle and do not know farmers. The farmer deals every day in basic principles of growth and life. His product must be planned, cultivated, and harvested over a long period He has to figure not just a year at a time, but over spans of years, as to his soil, his water, his equipment, the strains of his stock—and the strains on his income.

" And so, for this man of principle, we have designed our programme of principle. In it, we recognize that we have received from our forebears a rich legacy : our continent's basic resource of soil. We are determined that, through such measures as the Soil Bank and the Great Plains programme, this legacy shall be handed on to our children even richer than we received it We are equally determined that farm prices and income, which were needlessly pushed down under surpluses—surpluses induced first by war and then by unwise political action stubbornly and recklessly prolonged—shall in the coming months and years get back on a genuinely healthy basis This improvement must continue until a rightful share of our prosperity is permanently enjoyed by agriculture, on which our very life depends.

A second example : labour relations. Expediency said : ' When a major labour dispute looms, the Government must do something—anything—to settle the dispute even before the parties have finished negotiating. Get an injunction Seize the steel mills. Appoint a board. Knock their heads together.' Principle says : 'Free collective bargaining without Government interference is the cornerstone of the American philosophy of labour-management relations . . .

' This Administration has faith in the rightness of the collective bargaining principle. It believes in the maturity of both labour and business leaders to do what is best not only for their own side but for the country as a whole The results · for the first time in our history a complete steel contract was negotiated and signed without direct Government intervention, and the last 3½ years have witnessed one of the most remarkable periods of labour peace on record.

My second reason for saying that the Republican Party is the party of the future is this : it is the party which concentrates on the facts and issues of today and tomorrow, not the facts and issues of yesterday. More than 20 years ago our opponents found in the problems of the depression a battleground on which they scored many political victories. Economic cycles have not been eliminated Still, the world has moved on from the 1930's ; good times have supplanted depression ; new techniques for checking serious recession have been learned and tested . . . But their obsession with the depression still blinds many of our opponents to the insistent demands of today.

" The present and future are bringing new kinds of challenge to Federal and local governments : water supply, highways, health, housing, power development, peaceful uses of atomic energy. With two-thirds of us living in big cities, questions of urban organization must be given high priority. Highest of all, perhaps, will be the priority of first-class education to meet the demands of our swiftly growing school-age population. The Republican Party says · Let us quit fighting the battles of the past and turn our attention to these problems of the present and future, on which the long-term well-being of our people depends.

"Third the Republican Party is the party of the future because it is the party that draws people together, not drives them apart. Our party detests the technique of pitting group against group for cheap political advantage. Republicans view as a central principle of conduct that old motto of ours. *E Pluribus Unum*—'Out of Many, One.'

"As far back as 1856 our party began establishing a record of bringing together, as its largest element, the working people and small farmers, as well as the small business men It attracted minority groups, scholars and writers, not to mention reformers of all kinds—free-soilers, independent Democrats, conscience Whigs, teetotallers, vegetarians, and transcendentalists!

"Now, 100 years later, the Republican Party is again the rallying-point for Americans of all callings, ages, races, and incomes. They see in its broad, forward-moving, straight-down-the-road, fighting programme the best promise for their own steady progress toward a bright future Some opponents have tried to call this a 'one-interest party.' Indeed it is a one-interest party—and that one interest is the interest of every man, woman and child in America. And as long as the Republican Party continues to be this kind of one-universal-interest party, it will continue to be the party of the future.

"And now the fourth reason The Republican Party is the party of the future because it is the party through which the many things that still need doing will soonest be done ... Republicans have proved that it is possible for a government to have a warm, sensitive concern for the everyday needs of people, while steering clear of the paternalistic 'big-brother-is-watching-you' kind of interference. The individual—and especially the idealistic young person—has no faith in a tight Federal monopoly on problem-solving ...

"In our time of prosperity and progress, one thing we must always be on guard against is smugness. True, things are going well; but there are thousands of things still to be done. There are still enough needless sufferings to be cured, enough injustices to be erased, to provide careers for all the young crusaders we can produce or find. We want them all—Republicans, independents, discerning Democrats—come on in and help!

"The Republican Party was created in a devout belief in equal justice and equal opportunity in a nation of free men and women. Its record on social justice rests, not on words and promises, but on accomplishment. The record shows that a wide range of quietly effective actions, conceived in understanding and good will for all, has brought about more genuine—and often voluntary—progress toward equal justice and opportunity in the last three years than was accomplished in all the previous 20 put together. Elimination of various kinds of discrimination in the armed services, the District of Columbia, and among the employees of government contractors, provide specific examples of this progress In this work, incidentally, no-one has been more effective and energetic than our Vice-President, who is head of one of the great committees in this direction ...

"Finally, a party of the future must be completely dedicated to peace, as indeed must all Americans. For without peace there is no future ... No-one is more aware than I that it is the young who fight wars, and who give up years of their lives to military training. It is not enough that their elders promise 'peace in our time'. it must be peace in their time too, and in their children's time. Indeed, there is only one real peace—and that is peace for all time.

"There are three imperatives of peace—three requirements that the prudent man must face with unblinking realism. The first imperative is the elementary necessity of maintaining our own national strength—moral, economic and military. It is still my conviction, as I wrote in 1947: 'The compelling necessities of the moment leave us no alternative to the maintenance of real and respectable strength—not only in our moral rectitude and our economic power, but in terms of adequate military preparedness.

"During the past 3½ years our military strength has constantly been augmented, soberly and intelligently. Our country has never before in peacetime been so well prepared militarily So long as the world situation requires, our security must be vigorously sustained Our economic power is displaying a capacity for growth which is both rapid and sound, even while supporting record military budgets. We must keep it growing. But moral strength is also essential. Today we are competing for men's hearts, minds, and trust all over the world In such a competition, what we are at home and what we do at home is even more important than what we say abroad ...

"The second imperative of peace is collective security We live in a shrunken world; a world in which oceans are crossed in hours; a world in which a single-minded despotism menaces the scattered freedoms of scores of independent nations. To ensure the combined strength of friendly nations is for all of us an elementary matter of self-preservation ... The strength of the free world lies not in cementing it into a second monolithic mass to compete with that of the Communists. It lies rather in the unity that comes of the voluntary association of nations which, however diverse, are developing their own capacities and asserting their own national destinies in a world of freedom and mutual respect.

"There can be no enduring peace for any nation while other nations suffer privation, oppression, and a sense of injustice and despair. In our modern world it is madness to suppose that there could be an island of tranquillity and prosperity in a sea of wretchedness and frustration. For America's sake, as well as the world's, we must measure up to the challenge of the second imperative—the urgent need for mutual economic and military co-operation among the free nations, sufficient to deter or repel aggression wherever it may threaten.

"But even this is no longer enough. We are in the era of the thermo-nuclear bomb that can obliterate cities and can be delivered across continents. With such weapons, war has become, not just tragic, but preposterous With such weapons, there can be no victory for anyone. Plainly, the objective now must be to see that such a war does not occur

"And so the third imperative of peace is this without for a moment relaxing our internal and collective defences, we must actively try to bridge the great chasm that separates [the free world] from the peoples under Communist rule. In these regions are millions of human beings who have been our friends, and who sincerely want peace and freedom ... Of course, good will from our side can do little to reach these peoples unless there is some new spirit of conciliation on the part of the Governments controlling them. Now, at last, there appear to be signs that some small degree of friendly intercourse among peoples may be permitted We are beginning to be able .. to encourage some interchange of ideas, books, magazines, students, tourists, artists, radio programmes, technical experts, religious leaders, and governmental officials. The hope is that little by little, mistrust based on falsehoods will give way to international understanding based on truth ...

"Lincoln, speaking to a Republican Convention in 1858, began with the Biblical quotation 'A house divided against itself cannot stand.' Today the world is a house divided. But—as is sometimes forgotten—Lincoln followed this quotation with a note of hope for his troubled country · 'I do not expect the house to fall,' he said, 'but I do expect it will cease to be divided' A century later, we too must have the vision to sound a similar note of promise for our divided world ..."

Senator Knowland and other Republican Congressional leaders had visited President Eisenhower on July 10 at Gettysburg, where the President was convalescing after his recent operation for an intestinal complaint (see 14940 C). Mr. Knowland quoted the President as saying that he felt "in better shape" then when he made his announcement of Feb. 29 that he would stand for a second term (see 14743 A), and said that the Republican Party were "looking forward to a vigorous and active campaign under his leadership."
(New York Herald Tribune - New York Times)

(Prev. rep. 1952 Republican Convention, 12333 A.)

A. GREECE. — Restoration of Stoa of Attalos.

The 2,100-year-old Stoa of Attalos, fully restored to its original design was dedicated in Athens on Sept. 3 by King Paul of the Hellenes. The work of restoration had been carried out by the American School of Classical Studies over the past three years at a cost of $3,500,000, the greater part of which had been donated by Mr. John D. Rockefeller jr. and by the Rockefeller Foundation.

The colonnaded Stoa (arcade) of Attalos was in Classical times one of the most splendid of the Athenian buildings, being situated on the eastern side of the Agora—the civic centre and market square of ancient Athens Measuring 382 ft. in length, 64 ft. in width, and two storeys high, it was rebuilt with the identical materials used in the original Stoa and drawn from the same sources—grey limestone for the walls from an ancient quarry near the Piraeus, white Pentelic marble for the façade, and terracotta tiles for the roof from the outskirts of Athens An inscription cut into the façade records the donor of the original Stoa—Attalos II, King of Pergamon in Asia Minor (159-138 B C.), who studied at Athens as a youth and who, on ascending the throne, built the Stoa and presented it to the city as a symbol of gratitude.

The reconstructed Stoa, which preserves as much of the original structure as possible, houses a new museum containing over 65,000 objects found during U S. excavations in the Agora over the past 25 years. The exhibits include a marble inscription containing a law against dictatorship passed by the Athenian assembly in 336 B.C., a Library of Stone comprising some 6,700 "documents" or ancient marble inscriptions from Classical times; bronze voting-ballots and machines for selecting civic officials by lot, used by the Athenian assemblies which met in the Agora; and sculptures, vases, jewellery, weapons, household furnishings, etc, of the Classical period.

The Stoa of Attalos, like all other buildings in the Agora, was destroyed in A.D. 267 by a band of barbarian raiders from the north The Stoas of ancient Athens were favourite meeting-places of the Greek philosophers, who did much of their teaching there; they gave their name to the "stoic" school of philosophy which originated in Athens in the fourth century B.C.

The Freedom of the City of Athens was conferred on several U.S. citizens primarily responsible for the restoration of the Stoa of Attalos—Mr John D. Rockefeller jr (who was not personally present), Mr. John Caskey (Director of the American School of Classical Studies in Athens), Professor Homer A. Thompson (field director of the Agora excavations, and Professor of Classical Archaeology at Princeton University), and Mr. Ward M Canaday, a Toledo (Ohio) industrialist who is president of the trustees of the School of Classical Studies, and who acted as personal representative of President Eisenhower

The area round the Stoa of Attalos, situated below the Acropolis, is to be "landscaped" to restore it to the appearance it had in Classical times. (Times - New York Times)

A. UNITED KINGDOM. — Wage Increases and Trade Disputes in First Half of 1956.

Figures published in the July issue of the *Ministry of Labour Gazette* showed that in the first six months of 1956 the record number of 11,443,000 workers received pay increases aggregating £5,725,900 weekly, compared with 10,486,000 workers and a total of £4,113,000 weekly in the first half of 1956.

The index of wage rates (1947 =100) rose from 154 in December, 1955, to 156 in January 1956, 158 in February, 162 in March, 163 in April, and 164 in May and June. The retail price index (January, 1956 =100) rose to 103 by the end of April, but fell again to 102 5 by the end of May and to 102 4 by the end of June. The following table shows the approximate number of workers affected in each of the principal groups of industries, and the net amount of the weekly changes in wage rates

	Approximate Number of Workers affected	Estimated Net Weekly Increases £
Agriculture, Forestry, Fishing	792,500	297,000
Mining and Quarrying	430,000	284,600
Treatment of Non-metalliferous Mining Products other than Coal	214,500	77,500
Chemicals and Allied Trades	213,000	100,100
Metal Manufacture	220,000	119,600
Engineering, Shipbuilding and Electrical Goods, Vehicles, Metal Goods nor elsewhere specified	2,619,500	1,375,900
Textiles	539,000	144,400
Leather, Leather Goods and Fur	3,000	1,400
Clothing	243,500	127,700
Food, Drink and Tobacco	403,500	167,100
Manufactures of Wood and Cork	188,000	56,400
Paper and Printing	282,500	272,700
Other Manufacturing Industries	34,500	17,200
Building and Contracting	1,244,000	780,600
Gas, Electricity and Water	241,000	173,100
Transport and Communication	1,006,500	499,700
Distributive Trades	1,183,500	535,600
Public Administration	950,500	486,000
Miscellaneous Services	634,000	209,300
Total	11,443,000	5,725,900

Wage increases granted during the half-year in individual industries and services included the following (number of employees affected and estimated total amount involved, where known, shown in parentheses):

Building Workers An increase from April 16 of 2½d. an hour (equivalent to 9s 2d. a week), making, with an additional 1d. an hour already granted under the industry's cost-of-living agreement, a total of 12s 10d. a week (about 1,000,000 employees, £35,000,000) *Dock Workers* Increases from April 18 of 11s. a week for time-workers and of 7½ per cent for piece-workers (about 100,000, £2,500,000) *Engineers.* Weekly increases ranging from 8s for unskilled men to 11s. for skilled men (from March 12) and of 8s. 6d for women (from March 5) (about 3,400,000, £80,000,000). *Local Government Officers.* Advances of about 5 per cent from Jan. 1, with increased subsistence allowances and reorganization of clerical and higher clerical divisions (about 175,000). *Merchant Navy.* Increases of about 7½ per cent from May 14 in the pay of navigating and engineer officers and of ratings (about 75,000) *National Health Service Officers.* Increases for clerical and administrative officers of about 6 per cent from Feb. 1 (about 6,500). *Nursing and Hospital Staff.* Increases from April 1 ranging from £20 a year for student nurses to £95 a year for matrons of large hospitals (about 200,000, £5,500,000) *Police.* Increases from Jan. 1 ranging from £30 a year for junior constables to £130 for chief inspectors (nearly 70,000, £7,500,000). *Railway Workers.* A general increase of 7 per cent for all workers (including footplate men) from Jan. 23 (about 450,000, £25,000,000)

Industrial disputes involving stoppages of work in the first half of 1956 numbered 1,395, compared with 1,209 in the first six months of 1955. About 286,800 workers were directly involved, the total number of working days lost being 1,118,000. (Ministry of Labour Gazette) **(Prev. rep. 15032 D; 14692 A.)**

B. NORTHERN IRELAND. — Cabinet Appointment.

It was announced in Belfast on Sept. 21 that Lord Brookeborough (the N.I. Prime Minister) had appointed the Minister of Home Affairs, Mr. Terence O'Neill, as Minister of Finance in succession to Mr. G. B. Hanna, who had resigned from the Government after his appointment as County Court Judge and Chairman of Quarter Sessions for County Down. It was stated that Mr. O'Neill would continue to hold the portfolio of Home Affairs concurrently with the Finance portfolio. Mr. Hanna had been Minister for Home Affairs from 1953 to April 1956, when he succeeded Mr. Brian Maginess as Finance Minister. His resignation from the Government will cause a by-election in the Duncairn division, which he had represented since 1949. (Belfast Telegraph) **(Prev. rep. Cabinet, 13280 B.)**

C. UNITED STATES. — Highway Construction Act. - Plan for Extensive Inter-State Road Network.

A Bill designed to provide the U.S.A. with a 41,000-mile network of controlled-access inter-State highways was signed by President Eisenhower on June 29. It authorized the expenditure of $33,482,000,000 for this purpose, of which $28,057,000,000 would be found by the Federal Government and the remainder by the State Governments. The Federal contribution would be provided from increased taxation on petrol, tyres and vehicles.

The Highway Construction Act provided for:

(1) The building within the next 13 years of 41,000 miles of "superhighways" to form a network linking 90 per cent of all U.S. cities of over 50,000 inhabitants, including 42 State capitals. Access to the roads would be limited, and they would have at least four vehicle lanes, with as many as eight in crowded areas.

(2) An intensification over a three-year period of the existing Federal aid programme for the improvement of primary, secondary, and urban highway systems under the jurisdiction of the various States.

(3) A three-year construction programme for park, forest, and other public domain roads financed exclusively by the Federal Government.

(4) Expenditure on the inter-State highway system amounting to $25,000,000,000 by the Federal Government and $2,875,000,000 by the State Governments. The internal State highway systems would receive $2,550,000,000 from Federal sources, and this sum would be doubled by an equivalent contribution from the States. The Federal outlay on public domain roads would amount to $448,000,000.

(5) The financing of this programme by the following methods: (*a*) the present Federal tax of two cents per gallon on petrol and other motor fuels would be raised to three cents; (*b*) the price of tyres would include a tax of eight cents per lb. of weight, instead of five cents as at present, (*c*) taxation on the purchase of lorries, buses and trailers would be increased from eight to ten per cent of the manufacturer's price, (*d*) a special tax would be imposed on owners of heavy lorries and buses, at the annual rate of $1.50 per 1,000 pounds of weight

President Eisenhower had urged legislation to improve the U.S. road system—and thus to solve the problems arising from growing congestion and to reduce the very heavy accident rate —in a message to Congress on Feb. 22, 1955, and again in his State of the Union message of Jan. 5, 1956. A road improvement programme had been proposed by the Administration in 1955 but had been rejected by Congress on account of its financial provisions. Under the 1955 Bill a large part of the funds would have been provided by the issue of "highway bonds."

On April 27, 1956, the U.S. House of Representatives passed a Bill which envisaged, in addition to the other proposals finally adopted, the extension of increased Federal aid for State highway building over the full 13-year period during which the inter-State system would be under construction—a provision which would have raised total Federal expenditure to $51,800,000. The Senate's version (approved on May 30) provided that Federal aid for minor highways should continue for three years only. It also differed from the House version in the method recommended for distributing Federal funds to the States for building the inter-State highways, and authorized a total expenditure of $37,230,000,000.

The final compromise version of the Bill was agreed upon by a Joint Congressional Committee on June 20. The compromise accepted the limited three-year provision of Federal aid for State-built highways, and accordingly reduced the total expenditure to $33,482,000,000. As regards the distribution of Federal funds for the inter-State highways, the compromise version embodied the Senate's proposal that each State's share should be based upon its population and area, and on the mileage of its rural postal routes. This, however, would only apply to the first three years of the programme, the apportionment for the remaining ten years being made on the basis of estimates (to be prepared by the Secretary of Commerce) of the actual State-by-State costs of building the system

The final version was approved by both Houses on June 26. (New York Times - New York Herald Tribune) **(Prev. rep. 14633 A.)**

D. INDIA. — Benares renamed Varanasi.

It was announced in June that the Government of Uttar Pradesh, in consultation with the Government of India, had decided to change the name of the city of Benares to Varanasi, with retrospective effect from May 24—the 2,500th anniversary of the birth of the Buddha (see 15069 B).

It was explained that Benares (Banaras) was really a corruption of Varanasi, which was the name used in all ancient books and was probably derived from the names of the rivers between which the city was situated—the Varuna (or Barna) and the Assi. (Indian High Commissioner's Office, London)

A. NORTH ATLANTIC TREATY ORGANIZATION. — General Valluy appointed C.-in-C., Central Europe. - Resignation of Marshal Juin. - NATO Council Memorandum on U.S. Bases in Iceland. - Infrastructure Programme for 1956. - Estimates of Soviet Military Strength.

The appointment of General Jean-Etienne Valluy as Commander-in-Chief, Allied Forces, Central Europe, in succession to Marshal Alphonse Juin was announced on Aug. 2 by General Gruenther, the Supreme Allied Commander in Europe.

General Valluy (57), who served with distinction in both World Wars, was appointed by General de Gaulle in 1943 as Chief of Staff of the First French Army, which took part in the Allied landings in the South of France and subsequently advanced through Alsace into Southern Germany. He commanded the French forces which captured Karlsruhe. In 1946 he went to Indo-China to succeed General Leclerc as C.-in-C. of French forces in the Far East, and two years later was appointed Inspector-General of French Land Forces serving overseas. From 1950-52 he was military adviser to the Minister for the Associated States, and since August 1952 had been permanent French representative on the NATO Standing Group in Washington.

Marshal Juin, whose decision to resign had been confirmed by General Gruenther on June 30, had for some time been advocating a reappraisal of Western defence strategy. He had published an article in the *Revue des Deux Mondes* on June 1 in which he depreciated the strategic importance of the Central European area in view of the rapid development of nuclear weapons, and in which he recommended the formation of a special command in North Africa as a southern flank of the West European defence system.

Other recent developments in connexion with the North Atlantic Treaty Organization are described below under cross-headings.

U.S. Bases in Iceland.

Following the *Althing* resolution of March 28 (see 14804 A), the Icelandic Government formally requested the North Atlantic Council on June 22 to review the continued necessity for the presence of U.S. troops in Iceland. The request was made under Article VII of the 1951 U.S.-Icelandic Defence Agreement, which provided that either signatory might ask the North Atlantic Council to "review the continued necessity for the facilities and their utilization, and to make recommendations to the two Governments concerning their continuation" [see 11454 A].

The North Atlantic Council's recommendations concerning the U.S.-Icelandic Defence Agreement were transmitted to the two Governments on July 26 and published on Aug. 3. They were worded as follows:

"... The Council in the first place considered whether international conditions have so far improved as to warrant a basic change in the arrangements made under the defence agreement between Iceland and the U.S.A. This agreement was made in 1951, at a time when the international situation had seriously deteriorated and unprovoked attacks had been launched against the Republic of Korea ..

"In May of this year the Foreign Ministers of the 15 member-countries met in Paris and ... issued a communiqué in which they reaffirmed that the reasons which gave rise to the Atlantic alliance had not disappeared, and that Atlantic security remained a basic problem. It was the sense of the communiqué that the Western Powers could not relax their vigilance and that the framework of the common defence remained necessary [See 14861 A.]

"Since the ministerial meeting in May, the Permanent Council have continued to examine the international situation. They have noted recent internal developments in the Soviet Union [which] might represent the beginnings of an evolution which would help to bring about a better understanding between the Soviet Union and the free world. It must, however, be recognized that it is as yet too early to assess its true meaning or to conclude that a relaxation of the common defence is warranted.

"The Soviet announcement that they intend to reduce the number of men under arms has also been examined, but it is clear that this unilateral action could readily be reversed and that Soviet offensive capabilities are being maintained. Only an effective international agreement on disarmament with controls would make real security possible for all.

"In the Council's view, therefore, the conclusions reached at its May meeting hold equally good today. The defensive strength of the alliance has been a major factor in bringing about an improvement in the international situation, and a relaxation of the defence effort now could well reverse this trend. .

"Present dangers to peace and to Atlantic security arising from the world political situation are given a sharper edge as a result of developments in new weapons ... and in the speed and range of modern bombers and submarines. NATO has therefore within the last few years made a fundamental reassessment of the military assumptions on which Atlantic defence should be based. This reassessment has shown that, should an aggressor strike, the events of the first few hours might well prove decisive.

"The far-reaching changes made necessary in defence planning, especially to guard against surprise attack, have greatly increased the importance of facilities in strategic areas, and of their maintenance in a state of readiness. This applies not only to Iceland but also to other NATO countries which in recent years have provided necessary facilities, maintained and manned by the forces of their partners in the alliance. None of these Governments deems that the present situation justifies any change in these arrangements.

"These new circumstances have a particular bearing on the special situation of Iceland. Among the 15 members of the alliance, Iceland alone does not maintain armed forces. If the Icelandic Government were to deprive itself of the protection provided by defence forces in the country supplied by its NATO partners, it would be possible for an aggressor to seize control of Iceland with very small forces, either airborne or seaborne, before effective assistance could be rendered. Iceland would thus incur the risk of occupation and the extinction of its freedom.

"It should be borne in mind that an aggressor planning to attack the alliance would in such conditions be strongly tempted, as a preliminary for such an attack, to seize an unprotected Iceland because of its geographical position. Action necessary to evict the invader would in all probability involve great destruction and loss of life ..

"Iceland in enemy hands would represent a great threat to the security of the Atlantic area. The country lies across the natural line of sea and air communications between North America and the European members of NATO. It represents a key position for the defence of these countries against air attack, for the safe conveying of supplies by sea, and for the movement of defensive fighter aircraft between North America and Europe.

"The security of the member countries of NATO would be seriously threatened if these facilities were unavailable in the critical days and hours immediately preceding and following an attack. These considerations underline the importance in present conditions of the stationing in Iceland of armed forces to defend the country and to maintain facilities in a state of readiness and manned by trained personnel. .

"In the view of the Council, the present international situation has not improved to such an extent that defence forces are no longer required in Iceland. Under present circumstances the withdrawal of U.S. forces, now in Iceland on behalf of the alliance as a whole, would leave the country completely undefended. A major deterrent to aggression in the North Atlantic area would no longer exist and a gap would be opened in the chain of defence which maintains NATO security ..

"The North Atlantic Council, having carefully reviewed the political and military situation, find a continuing need for the stationing of forces in Iceland and for the maintenance of the facilities in a state of readiness. The Council earnestly recommends that the defence agreement between Iceland and the U.S.A. be continued in such form and with such practical arrangements as will maintain the strength of the common defence .."

Infrastructure Programme for 1956.

Lord Ismay, the Secretary-General of NATO, announced on June 12 that the North Atlantic Council had approved a £94,000,000 infrastructure programme for 1956.

The total expenditure of £94,000,000 would be divided as follows: (*a*) £38,000,000 for infrastructure in Western Germany, primarily for the development of airfields; (*b*) £46,000,000 for the "seventh slice" of the standard infrastructure programme and the third annual increment of the three-year programme agreed by the Council in April 1953 (see 13061 A); and (*c*) £10,000,000 for the re-allocation of funds which had been distributed in previous years but had not been spent because of modifications in defence planning.

Reviewing the infrastructure programme, Lord Ismay pointed out that about 140 airfields were already operational; that more than 2,000 kilometres (1,243 miles) of pipelines had been laid, and that over 90 per cent of the £147,000,000 telecommunications network had been completed. The member-countries had endorsed the "forward scatter" system for telecommunications and early warning developed in Canada and the U.S.A., and would adopt this technique for NATO telecommunications in Europe. The naval base programme, including some 30 separate projects was also well under way.

General Schuyler, Chief of Staff at SHAPE, announced on July 5 some details of changes in the layout and design of NATO airfields.

General Schuyler said that according to the original plans, 174 airfields should have been ready for operational use by the beginning of 1957. Each of these had been designed for a wing of 75 aircraft, and the average cost of each had been about £3,500,000. The new airfields, however, would be much smaller and capable of accommodating only a squadron of 25 aircraft. They would cost £1,500,000, and, unlike the larger fields (which were designed to include barracks, petrol, lubricant and ammunition stores, etc.), would consist only of a landing-strip and a minimum of installations, with the main support installations about four miles away. All these installations would be easily mobile so that "if an atomic bomb is dropped on an airfield, we hope the planes will be in the air and the supporting installations will be far enough away to be spared the blast, so that they can move to the nearest undestroyed airfield where the planes will land."

After saying that the new target was to have 250 airfields ready within two years, General Schuyler emphasized the difficulties of conversion—partly because work in many cases was too far advanced on the larger airfields, and partly because of the difficulty of finding the terrain in Europe to build three times the number of airfields originally planned. The smaller design, with its greater dispersion, would nevertheless be the plan for the future, and the fields to be built for the new German Air Force would follow this pattern.

German Representations against Possible U.S. and British Troop Reductions in Europe.

At a press conference on July 18, Mr. Dulles (the U.S. Secretary of State) commented on recent rumours about reductions in Western military manpower. These rumours originated in a report in the *New York Times* on July 13 in connexion with a proposal by Admiral Radford (Chairman of the U.S. Joint Chiefs of Staff) which recommended a reduction in U.S. military strength of approximately 800,000 men by 1960. Admiral Radford's plan envisaged the withdrawal of a large part of U.S. overseas forces and the replacement of the five U.S. divisions in NATO by " small token forces " equipped with atomic weapons.

Mr. Dulles said that he saw no political objection to a reduction in the free world's military manpower if such a step were to be recommended by the military leaders. No action, however, would be taken by the U.S.A. which would affect NATO or any other alliance without the agreement of its allies. As regards NATO, Mr. Dulles reiterated the pledge he had given at the London Nine-Power Conference in October 1954 (see 13809 A): that it was the policy of the U.S A. to maintain sufficient forces in Europe, including Germany, to constitute a fair share in the defence alliance

He acknowledged, however, that present developments in nuclear armaments might make manpower cuts in the future likely. Whilst saying that all NATO members should continue to make the contribution agreed upon by the alliance last year, he did not rule out the possibility that the next annual NATO review in September would decide upon troop rductions. He nevertheless stressed that the present NATO goal for Western Germany remained a 12-division army of 500,000 men.

In conclusion, Mr. Dulles said that any general reduction of NATO manpower, including a smaller German contribution to the common defence, would not destroy the Western alliance and would be offset by a greater emphasis on tactical nuclear striking power

Dr. Adenauer, the German Federal Chancellor, discussed the position at a Cabinet meeting on July 21 which was attended by Dr. von Brentano (the Foreign Minister), Herr Blank (Minister of Defence), Dr. Hallstein (State Secretary), and General Heusinger (Chief of the Federal Supreme Military Council), as well as by the German Ambassadors in London, Washington, Paris, and Rome. The Ambassadors had been recalled for consultations because of the concern felt by the Federal Government about Admiral Radford's reported proposals, as well as about the possibility of a reduction in the number of British troops in Germany.

A communiqué said that the meeting had been called because of " the public discussion of a basic change in the military and strategic planning of the U.S.A and Britain envisaging a reduction in the strength of the armed forces accompanied by greater emphasis on nuclear weapons " It continued " The Federal Chancellor would regard the implementation of such a scheme as extremely dangerous, not only for Germany and Europe but for the whole human race In accord with the [German] Cabinet he is of the opinion that a one-sided emphasis on the development of nuclear weapons, accompanied by a reduction in conventional weapons and manpower, would increase the danger of atomic war in the event of a conflict. The reports made by the Ambassadors have confirmed this view of the Federal Government."

It was also announced that the four Ambassadors had been instructed to make " serious representations " to the British, U S , French, and Italian Governments against any such change in military and strategic conceptions.

The Federal Government's Chief Press Officer, Herr von Eckardt, had stated on July 20 that the Federal Government, in addition to opposing any move to reduce conventional weapons and military manpower, would inform the North Atlantic Council at its meeting in September that it intended to carry through its plans to raise a German Army of 500,000 men. It was announced in Washington on July 25 that Mr. Dulles had informed the Federal German Ambassador (Herr Krekeler) that nothing would be done to prevent the Federal Government from raising 12 divisions as originally planned.

In London, Sir Anthony Eden had indicated in a debate in the House of Commons on July 24 that the British Government would make " no sudden, abrupt decision which would throw the whole military gear of our Western unity into confusion." He promised that Britain would consult with her allies before taking any such steps.

An announcement in Bonn on July 26 stated that, owing to the " unsatisfactory and equivocal nature " of the assurances by Mr. Dulles and Sir Anthony Eden, the Federal Government had decided to ask the Western European Union to review Allied strategy and military planning Notes to this effect were transmitted to the Governments of the other member-countries of the Union (Britain, France, Italy, Belgium, Netherlands, and Luxemburg) on July 25. They expressed the view that the proposed reductions should not be made before an agreement was reached with the Soviet Union on controlled disarmament, and that the proposal was a political matter which should be discussed at a W E U. ministerial meeting.

It was announced on Sept. 4 that the W.E.U. Council of Ministers would discuss the question of Allied strategy and military planning at a meeting in Paris in mid-September.

Estimates of Soviet Strength.

A report on the latest appreciation of Soviet military strength was published by SHAPE on July 5 and is summarized below.

Ground Forces. The numerical strength of Soviet ground forces between 1947 and 1956 had remained fairly constant (175 divisions). The mobility and fire-power of all the Soviet divisions, however, had been increased by improved weapons and equipment, and 65 divisions of the present establishment were mechanized and equipped with tanks. The U S.S R., Eastern Germany, and the other East European Communist States had together over 6,000,000 men under arms, of whom about 4,500,000 were in the ground forces. About 3,000,000 of this total were in the Soviet Army.

These figures did not take into account the latest cuts in armed strength announced by the Soviet Government (see 14878 A). The report said, however, that " as yet there has been no evidence that this cut has been actually carried out," and that, although the announced cuts would lead to a reduction in strength of about 1,800,000 men, the U.S S.R. alone " could still have nearly 3,000,000 men in their armed forces " Moreover, the reduction of Soviet forces in Eastern Germany by 30,000 men was only a small proportion of Soviet strength in that country. " Hence the Russian ground potential for a surprise attack on the West would still be great even if the entire cuts were made "

The number of " satellite " divisions was about 80 and had nearly doubled since 1947. The Soviet Union had 22 divisions in Eastern Germany—most of them armoured divisions with tanks and self-propelled guns. In addition, there were 60 more Soviet divisions in the East European " satellite " countries and in Western Russia.

Air Forces. The strength of the Soviet air forces had remained constant in recent years at about 20,000 aircraft, but the increase in potential had risen sharply following the introduction of jet planes. In 1951, about 20 per cent of Soviet fighters had been jet-powered, whereas in 1956 all Soviet first-line light bombers and fighters were jets. Heavy jet- and turbo-prop bombers had also been supplied to operational units since that year

Soviet air strength had also been increased by (*a*) the development of a comprehensive aviation training programme, and (*b*) a programme for airfield construction, special attention being paid to very long runways The number of major airfields in Eastern Europe which could accommodate jet fighters had almost trebled.

The " satellite " air forces had been improved and had a numerical strength of over 2,500 planes, about half of them jet fighters. The network of airfields in Eastern Europe, the control and warning system, and A.A. dispositions were " rapidly becoming capable of providing an effective air defence strip along the western perimeter of the U.S.S R."

Naval Forces. The Soviet Union had about 450 submarines in service, half of them large or medium ocean-going types. The present big naval construction programme laid emphasis on the continued production of large ocean-going submarines. Soviet underwater ordnance stockpiles, together with a considerable air and naval torpedo and mine-laying capacity, " constitute a growing threat, particularly against the lines of communication of Allied Command, Europe "

The report added that the Soviet bloc had developed " a strong capability in the special fields of atomic, chemical, and biological warfare, as well as in the field of guided missiles " The Soviet economy had been able to stockpile whilst at the same time providing equipment and supplies for the Soviet and " satellite " forces, with the result that the U S S.R had more than sufficient tanks, mortars, and anti-tank guns for over 300 divisions.

The Suez Dispute.

A meeting of the North Atlantic Council was held in Paris on Sept. 25, attended by the Foreign Ministers of Britain (Mr. Selwyn Lloyd), France (M. Pineau), Canada (Mr. Lester Pearson), and Belgium (M. Spaak), and by Dr. Hallstein (Western Germany) and the permanent representatives of the other member-countries. A communiqué said that Mr. Selwyn Lloyd, in accordance with NATO practice, had informed the Council of the results of the London conference on the Suez Canal, particularly for the benefit of those NATO members who had not been present at the conference—i.e. Canada, Belgium, Luxemburg, Greece, and Iceland.

Greek Opposition to British Naval C.-in-C., Mediterranean.

The Greek Government announced on Sept. 5, in reply to a request by NATO, that it was not prepared to approve the appointment of a British admiral (Admiral Sir Ralph Edwards) to succeed Admiral Sir Guy Grantham as C.-in-C., Allied Naval Forces, Mediterranean, " in view of the present special conditions prevailing in the eastern Mediterranean, including Cyprus."—(NATO Information Division, Paris - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - Frankfurter Allgemeine Zeitung - New York Times) **(Prev. rep. NATO, 14861 A.)**

A. SHIPPING. — International Waterways. - Review of Existing Control Systems.

In connexion with the Suez Canal crisis, the *Financial Times* (London) published an article on Aug. 3 describing the present position of international waterways other than the Suez Canal—viz., the Panama Canal, the Dardanelles, the Danube, the Rhine, and the Kattegat. The position was summarized in the following manner:

Right of passage	Controlling Agreement	Countries participating
	Panama Canal	
Free to all ships.	Panama Canal Company.	U.S.A. (annual payment to Panama)
	Dardanelles	
Free to merchant ships. Controlled passage of warships.	Montreux Convention.	(Turkey in time of war).
	Danube	
Free to merchant shipping from South Germany to the Black Sea.	International Commission for the Danube Danube River Authority.	U.K., France, Italy. U.S.S.R., Rumania, Bulgaria, Hungary, Yugoslavia, Czechoslovakia.
	Rhine	
Free to merchant shipping.	Central Rhine Commission	U.K., U.S.A., France Western Germany, Belgium, Netherlands, Switzerland
	Kattegat	
Free to all shipping.	Treaties of Copenhagen and Washington	—

The *Financial Times* article is reproduced below (cross-headings) inserted.

The Barcelona Convention. "The first attempt to draw up a comprehensive system of rules applicable to all international waterways was made at Barcelona in 1921, where Russia and the U.S.A. were notable absentees. The outcome was the 'Convention and Statute on the Regime of Navigable Waterways of International Concern,' known as the Barcelona Convention. It has been ratified by 40 countries, including the United Kingdom.

"One of the most important provisions of the Barcelona Convention requires that nations holding sovereignty on particular stretches of international waterway should allow unfettered rights of navigation to vessels flying the flag of any of the contracting States. There are exceptions with regard to warships and other special categories. No charges can be levied except equitable dues for services rendered in maintaining and improving the waterway. Each riparian State undertakes to remove any obstacles and dangers and refrain from measures likely to reduce facilities for navigation. The Convention does not, however, attempt to regulate rights and duties of belligerents and neutrals in time of war, although the Convention continues in force so far as circumstances permit.

The Panama Canal. "Of all international waterways, the Panama Canal is obviously second only in importance to the Suez Canal. Shortly after the establishment of the Panamanian Republic in 1903, the American Government signed a treaty with the Panamanian authorities granting the U.S.A. facilities to build and maintain a canal across the isthmus. By the 1903 Treaty, Panama granted the use, occupation and control of a zone five miles wide on either side of the Canal route in perpetual sovereignty to the U.S.A. The treaty guaranteed free navigation by mercantile and war fleets of all nations. The Americans undertook to pay $10,000,000 down and 250,000 gold dollars per year, this sum was increased by fresh treaties (which also incorporate other concessions to the Panamanians) in 1939 and 1955 [see 14066 B], and now stands at $1,900,000 a year. Since 1951 the Canal and the surrounding territory have been run by the Panama Canal Company, of which all the capital and all the personnel are American.

The Danube. "In Europe, the chief international waterway is the Danube, where navigation has been regulated since 1857. The International Commission of the Danube set up under the provisions of the Treaty of Paris, 1856, was modified by the Danube Convention of 1921, which laid down that the navigation of the Danube from Ulm (Germany) to the Black Sea should be free to ships of all nations without discrimination. Tariffs to provide for the cost of maintaining and improving the waterway were to be levied according to tonnage. The International Commission of the Danube, established in 1857, included all the States bordering the Danube, together with Great Britain, France, and Italy; it continues to meet in Rome. After the Second World War the Rumanian Peace Treaty included provision for the free navigation of the Danube.

"In 1948 the Soviet-bloc countries set up their own Danube River Administration and declared the International Commission to be in abeyance; but the Western Powers have never recognized this Authority, nor the legality of the abrogation of the 1857 and 1921 treaties by the East European States. The International Commission continues to meet in Rome, but it is now confined to attempts to recover pre-war debts.

"Western Germany and Austria do not belong to either the Commission or the Authority, they have made bilateral agreements with the other Danube States to preserve access to the river navigation. Since 1955 the Russians have tried to persuade the Austrian Government to join the Danube River Authority, but so far they have failed.

The Rhine. "Navigation on the other great European waterway, the Rhine, has been under international control since the Convention of Mannheim, 1868. Article I of this Convention stipulated that navigation of the Rhine should be free to the ships of all nations, subject only to service charges. The States bordering the Rhine formed a Central Rhine Commission, which now meets in Strasbourg. The Convention of Mannheim was modified by the Treaty of Versailles, which brought the United Kingdom, Belgium, and Italy into the Central Rhine Commission. This body was reconstituted in 1945, with the United States as a member, but without Italy.

The Kattegat. "The Danish Government levied tolls on ships passing through the Kattegat—which forms the entrance to the Baltic—until 1857, when an American vessel refused to pay. Subsequent negotiation led to the signing of the Treaties of Copenhagen and Washington, by which Denmark waived her right to levy tolls in perpetuity in return for substantial compensation. Since then, the passage of these narrows has been open to ships of all nations without charge. The Danish Government must be given warning of any intention to move warships through the Kattegat.

The Dardanelles. "On the other side of the European land mass, the Dardanelles—connecting the Mediterranean and the Black Sea—have in the past been the cause of many international disputes. The latest agreement affecting the Dardanelles was the Convention of Montreux, 1936, which granted complete freedom of navigation to merchant shipping of all nations in war and peace, subject only to service charges and sanitary measures. Turkey has, however, the right to refuse passage to merchant ships of States at war with her, and to fortify the Straits.

"The regulations applying to passage of warships are more complicated. The total annual tonnage of non-Black Sea powers that may pass through in a year is strictly limited. The Black Sea countries themselves [i.e. the U.S.S.R., Rumania and Bulgaria, in addition to Turkey herself] may send capital ships through the Straits provided they pass singly and are not accompanied by more than two destroyers. Small military craft of Black Sea countries may pass freely. In wartime, these regulations are unaffected so long as Turkey is neutral. If, however, Turkey goes to war or feels herself in immediate danger of war, control of the passage of warships becomes entirely a matter for the Turkish Government.

"The Montreux Convention was valid for 20 years, after which any of the signatories (who included all the main maritime powers of the world) could give two years' notice of denunciation. So far none of them has done so, though Russia has urged the need for revision."

As explained by Sir Anthony Eden on Aug. 2 (see 15013 A), navigation on the Suez Canal is governed by the Convention of Constantinople signed on Oct. 29, 1888, by Austria-Hungary, France, Germany, Great Britain, Italy, the Netherlands, Russia, Spain, and Turkey, and also by the Khedive of Egypt. Article 1 of the 1888 Convention says that the Suez Canal "shall always be free and open, in time of war as in time of peace, to every vessel of commerce or of war without distinction of flag." Article 14, to which Sir Anthony also referred, says that the contracting parties "agree that the engagements resulting from the [1888] treaty shall not be limited by the duration of the acts of concession of the Universal Suez Canal Company"—i.e. although the Company's 90-year concession would expire in 1968, the provisions of the Constantinople Convention would continue to remain in force.—(Financial Times)

B. UNITED KINGDOM. — Victoria Cross Centenary.

The centenary of the institution of the Victoria Cross was commemorated on June 26, when H.M. the Queen reviewed a parade of 300 holders of the V.C. in Hyde Park, London. In addition to British holders of the decoration, contingents of V.C. recipients were present from Canada, Australia, New Zealand, South Africa, India, Pakistan, Ceylon, and the Colonial Empire, together with the relatives of posthumous and deceased winners of the Cross.

The Victoria Cross, which takes precedence over all other Orders and decorations (including the Order of the Garter), can be won only by "a signal act of valour or devotion in the presence of the enemy." It was instituted on Jan. 29, 1856, by Queen Victoria, who conferred the first awards—64 in number—at a military parade in Hyde Park on June 26, 1856. In the century since its inception it has been awarded to 1,344 sailors, soldiers and airmen from all parts of the Commonwealth and Empire and from all walks of life, the recipients including men of many different races, creeds and colours. Three men have won the V.C. twice, one of whom—Captain Charles Upham, of the New Zealand Military Forces—was present at the centenary parade.

A Victoria Cross Centenary Exhibition was held at Marlborough House from June 26 to July 7.—(Times)

A. ORGANIZATION FOR EUROPEAN ECONOMIC CO-OPERATION. — Ministerial Council Meeting. - Agricultural Policy. - Steering Committee for Nuclear Energy. - Trade Liberalization and Tariffs. - Study of Economic Situation. - Reports on Industries.

A Ministerial Council Meeting of the O.E.E.C was held in Paris from July 17-19 under the chairmanship of Mr. Harold Macmillan. It gave special attention to the problems of agriculture, nuclear energy, trade liberalization, and tariffs, and also discussed the general economic situation in member-countries

Agriculture.

The Council approved the proposals of the Ministerial Committee for Agriculture and Food, which suggested how member-countries might reconsider their existing agricultural policies with a view to achieving closer European co-operation. It also expressed " full support " for the measures taken by the Ministerial Committee, which, it hoped, would be able to promote improvements in the structure of agricultural land-holding, increased productivity, co-ordination of agricultural policies, and an expanding intra-European trade in agricultural commodities.

Policy Recommendations of Ministerial Committee. The Ministerial Committee had recommended that each Minister responsible for agriculture should seek to apply to his country's agricultural policy the following guiding principles

(i) the creation of viable farm units sufficiently large to allow the most economical use of the factors of production,

(ii) the adaptation of existing systems of agricultural credit to meet the need for capital in modern farm management,

(iii) the gradual replacement of funds now used for price support by grants or loans for productive investments,

(iv) the expansion of advisory services for farmers,

(v) more flexibility in existing price and income support measures to avoid stimulation of high cost production,

(vi) increased efficiency in marketing systems,

(vii) more flexibility in trade in agricultural products to create conditions for closer co-operation between member-countries.

Decisions of Ministerial Committee. The Committee decided (*a*) that consultations should be arranged between members to discuss price support measures, foreign trade in agricultural products, and export aids, with a view to a gradual co-ordination of policies; (*b*) that members should seek gradually to reduce export aids on agricultural products and not introduce new aids " likely to distort the interplay of competition "; (*c*) to arrange discussions between importing and exporting countries before, during, and after each season on relaxing import regulations for apples, pears and tomatoes,

Report on Agricultural Policies. In its Report on Agricultural Policies, published on May 3, the Ministerial Committee of the O E.E.C. noted that the agricultural economy in most member-countries was strongly influenced by the predominance of small farm units, where the need to secure a minimum income for the farm family determined the pattern of production Although agricultural productivity had increased " remarkably " in the past 6 years, and would probably continue to increase, the Committee expressed the view that much could be done to lower production costs and to adapt production to the needs of the consumer. It also considered that difficulties in international trade might tend to increase because extra productivity was being used by importing countries to improve their self-sufficiency. and by exporting countries to increase their outlets.

The Committee concluded that in most member-countries the predominant objective of agricultural policy was to increase or maintain the standards of living of the agricultural population and to secure a degree of market stability for their products. This policy reflected the discrepancy between the average income of the farm population and that of other comparable industrial groups, which in turn indicated the relatively low value of net output per man in agriculture. " Demographic pressure " was held to constitute a major obstacle to any increase in individual income or improvement in agricultural productivity.

The Committee considered that national agricultural policies should be directed towards ensuring low-cost agricultural production and an increase in *per capita* income for agricultural workers It recommended that each country should pursue a " comprehensive and consistent agricultural policy, with due regard for the interests of other O E E.C members " The general adoption of new measures to relax import restrictions, it stressed, would be made easier " if member and associated countries agreed to abolish or modify schemes of direct or indirect aid to exports of agricutural and food products, whatever the nature of the organization responsible for their administration at national level might be "

Nuclear Energy.

Decisions of Council.

The Council approved the Report of the Special Committee for Nuclear Energy, published on July 17, as a basis for the future work of the O.E.E.C., and decided to set up a Steering Committee for Nuclear Energy, consisting of representatives of all interested member-countries, to carry out the functions laid down by the Council (see below). The Canadian and U.S. Governments were to be associated with the work of this Committee.

Joint Undertakings. The Council also decided (*a*) that if members or associated countries declared their intention to set up a joint undertaking with a view to producing or using nuclear energy for peaceful purposes they would be permitted to undertake the necessary work for this purpose as a group within the Organization, whatever the position adopted by other members, (*b*) that it would approve, as soon as possible, the statutes of study groups set up by members and associated countries for the technical, financial and legal preparations for proposed joint undertakings; (*c*) that these groups should keep the Council informed of their progress.

Belgium, France, Western Germany, Italy, Luxemburg, and the Netherlands (the members of the European Coal and Steel Community and of Euratom) stated during the meeting that they had formed a study group to consider the problems of setting up a plant for the separation of uranium isotopes (see below) Denmark, Sweden, Switzerland and Turkey announced their intention to participate in a study group on this question.

Austria, Denmark, Norway, Portugal, Sweden, Switzerland, Turkey and the U K. announced their intention to form a study group to examine the problems of setting up plant for the chemical separation of irradiated fuels (see below), and the Euratom countries stated that they had set up amongst themselves a group which would take part in this study group's activities

The Council further agreed to establish (*a*) a Working Group of experts on reactors to consider the technical, financial and legal problems raised by the construction and operation of prototype, testing, or research reactors in the form of joint undertakings, and to make suggestions to the Steering Committee as to types which might be adopted for joint ventures,

(*b*) a similarly empowered Working Group of experts on reactors and experts in electrical power supply to consider the problems raised by the construction and operation of nuclear power stations as joint undertakings;

(*c*) a Working Party for liasion with the Brussels Inter-Governmental Conference of the " Messina Powers " [i.e. the members of the European Coal and Steel Community who took part in the Messina conference in June 1955—see page 15030.]

(*d*) an international security control to ensure that the operation of joint undertakings and the implementation of bilateral or multilateral arrangements or use of materials submitted to the control should not further any military purpose.

Intra-European Trade in Atomic Materials and Equipment. The Council agreed that, in the first instance for one year, member-countries should refrain from introducing new, or aggravating, existing obstacles to intra-European trade in products of particular interest to the nuclear energy industry, including nuclear fuels and machinery and a wide range of goods used in producing nuclear energy as well as for other purposes, e g thorium, lithium, zirconium, bismuth and beryllium, radiation detection instruments, cyclotrons, protective containers for radioactive materials, turbines, electric generators, and centrifuges.

Member-governments were specifically debarred from applying new quantitative restrictions on imports and exports of these goods, from reducing existing quotas, transferring any of the products concerned to the State trading sector, or raising or introducing Customs duties on them.

The obligations resulting from this decision would not apply to Greece or Turkey, or, for certain items, to France. Members would be permitted to derogate from the provisions for reasons of national security, but not for balance-of-payments reasons, whilst members of Euratom were in addition allowed to derogate if the terms of their Treaty made it necessary to introduce State trading or to limit exports of certain materials.

Duties of Steering Committee. The Steering Committee was instructed to draw up a draft statute for the international security control, and to open discussions so that agreement might be reached on the arrangements to be made between O E.E.C. and the proposed International Atomic Energy Agency (see 14667 A) as to the exercize of control in the territories of countries participating in both bodies.

The Steering Committee was also instructed (i) to examine jointly with the Steering Board for Trade measures to achieve the greatest possible freedom of intra-European trade for products particularly connected with the production of nuclear energy for peaceful purposes,

(ii) to undertake a detailed study of the problems of protection against radiation in the mining, transport, and use of radioactive substances, and to prepare, in co-operation with the Insurance Sub-Committee, a report on atomic risk insurance,

(iii) to take steps to further the improvement of training in the field of nuclear energy in member-countries;

(iv) to continue, in conjunction with the Standardization Sub-Committee of the European Productivity Agency, the work begun in defining standards for nuclear materials and equipment;

(v) to draw up a draft Statute for the proposed European Nuclear Energy Agency and to make proposals relating to the position of the Steering Committee within this agency;

(vi) to study the arrangements to be concluded between the Organization and Euratom, with a view to co-ordinating or unifying control systems.

Reports to the Council.

The report of the Special Committee on Nuclear Energy dealt with the following main problems.

Uranium Requirements of O.E.E.C. Countries. The Special Committee estimated that the total capacity of nuclear reactors to be installed by O.E.E.C. members, other than the U.K., would amount to 12,500 megawatts in 1965 and 38,500 megawatts in 1970. Such an expansion would require increased supplies of fuel with a higher fissionable content than natural uranium, and the Committee concluded that the production of electrical power from fuel enriched in isotope 235 might provide a valuable interim solution until plutonium or uranium-233 were available in sufficient quantity, and until their use for industrial purposes had been perfected.

Gross requirements of O.E.E.C. countries, other than the U.K., for "additional" uranium-235 were estimated at between 9,600 and 21,000 kg. in the period 1960-65, and between 16,600 and 35,000 kg. in the period 1965-70.

Uranium Isotope Separation Plant. The Special Committee agreed that if a joint uranium isotope separation plant should be begun in the immediate future, the already highly-developed gaseous diffusion system would be the best to adopt, but if outside countries (in particular the U.S.A.) made supplies of enriched fuel available to cover members' total requirements for the next few years, other systems of separation should be considered. The Committee felt, however, that only when members had fuller information about the U.S. offer of Feb. 22, 1956 (see 14765 A) could they make definite arrangements.

The Committee envisaged construction of a plant to process about 500 tons of natural uranium p.a., costing an estimated $50,000,000, plus $20,000,000 for an electric power station and $5,000,000 for an ancillary plant to produce uranium hexafluoride from raw uranium. The complete plant would require about four years to come into production.

Processing of Irradiated Fuels. The Special Committee estimated that the gross quantity of irradiated fuels available for treatment for separating new fissionable materials (such as plutonium) would be of the order of 3,500 tons a year in the period 1960-1970. The cost of building a plant to process 500 tons p.a. of irradiated natural or slightly enriched uranium from nuclear reactors was estimated at about $35,000,000, and the cost of processing at $14,000 a ton. Up to four years would be required to design and construct the plant.

Heavy Water Requirements. At the beginning of 1956 five heavy water research reactors were in use in member-countries; others were being constructed or planned, and the Special Committee thought that expenditure on research might be reduced by co-ordination of effort.

Annual requirements of heavy water by O.E.E.C. countries were estimated at about 400-500 tons for the period 1960-70. Production in 1956 was confined to Norway, where about 12 tons p.a. of heavy water was produced by electrolysis of ordinary water. This output was expected to be increased gradually to 18 tons p.a., and additional plants in Western Germany, Switzerland and France, using the liquid hydrogen distillation process were expected to produce a further 10 tons p.a. in 1957. Proposals had also been made for substantial production in Austria, Portugal, the Belgian Congo, and French African Territories.

In Iceland the presence of geo-thermal steam was thought likely to permit economic production of some thousands of tons of heavy water p.a. by dual-temperature exchange with hydrogen sulphide, but several technical problems remained to be solved. [At the Ministerial Council meeting, Sir Edward Boyle, speaking for Britain, said that British co-operation with New Zealand led her to believe that it was not practicable or economic for European countries to start manufacturing heavy water—see 14658 B.]

The average investment required to produce 100 tons of heavy water p.a. was estimated by the Special Committee at $30,000,000, with a further $15,000,000 for electric generating plant; but if production of heavy water tied to industrial production of hydrogen proved technically possible and commercially efficient, it was thought that Western European requirements could be covered by ancillary works attached to industries using large amounts of hydrogen; in those circumstances production would be widely decentralized and largely in the hands of private industry. An economic price for heavy water for use in electricity production would be about $62 a kg.

Prototype and Testing Reactors. Two types of heterogeneous prototype reactors had actually been built: (i) graphite reactors in Britain, France and Belgium, and (ii) heavy water reactors in France, Sweden and at the Dutch-Norwegian Institute at Kjeller, Norway (see 11918 E). The study of homogeneous reactors was still relatively undeveloped in Western Europe.

France, Sweden and the U.K. would have testing reactors in operation in or before 1958, Belgium and the Netherlands expected to have one by 1959, and Western Germany, Austria and Switzerland hoped to have one by 1970.

Joint Nuclear Power Stations. The Electricity Committee, which dealt with this particular problem, reported that—depending on their access to ample conventional energy supplies at reasonable prices—members might not all feel it a matter of equal urgency to set up nuclear power plants. It suggested that joint action might be justified.

(*a*) in constructing one or more small nuclear power stations of novel design;

(*b*) in constructing a power station of already tested design of a capacity of about 100,000 kw or more, involving a capital outlay of some $55,000,000;

(*c*) in co-ordinating independent construction of several low-capacity nuclear power stations of different designs, with the aim of exchanging information and sharing risks.

The Electricity Committee suggested that the financing of a 100,000 kw power station should provide for complete amortization within 15 years, with an average rate of interest of 4½ per cent, which would make the annual fixed charges 9.3 per cent, or an estimated $3,250,000.

At an average running time of 6,000 hours p.a. the fixed charges would equal 0.55 cents per kwh. Energy prices would depend on technical developments, the cost of fissile materials, and the market for the by-product plutonium, but the Committee estimated that they would range between 0.9 cents and 1.2 cents per kwh, compared with an estimated cost of 0.75 cents per kwh for thermal production. It was pointed out, however, that the cost of producing electricity by conventional thermal methods was likely to rise with ever-increasing prices of fuel, while the costs of nuclear energy would fall as technical advances were made.

Liberalization of Trade.

The Council decided to extend until Dec. 31, 1957, the obligation on member-countries (other than Greece) to liberalize 90 per cent of their imports on private account from other members. The Steering Board for Trade was also instructed to report to the Council before April 1, 1957, on the possibility of including imports on Government account in the computation of liberalization percentages.

The liberalization position of the member-countries, as reported on June 1, 1956, was as follows [subsequently, the U.K. raised its total liberalization percentage to 94 on July 22 and Norway raised its total percentage to 77.5 on July 1]:

	Percentage for			
	Food and feedingstuffs	Raw materials	Manufactured goods	Total percentage
Austria	79.4	98.4	83.3	88.7
Benelux	69	98.6	91.8	91.1
Denmark	80.6	98.1	77.5	85.5
France	72.9	96.3	71.6	82.3‡
Germany, W.	81.3	98	96.2	91.5
Greece*	(100)	(100)	(89)	(95)
Iceland†	56.5	40.9	15	29
Ireland	84.6	97	88.9	90.2
Italy	97.5	100	99.2	99.1
Norway	77.5	88.4	70.1	75
Portugal	88.2	98.9	91.7	93.7
Sweden	79.6	100	90.6	92.6
Switzerland	66.7	100	97.2	92.5
Turkey†	0	0	0	0
U.K.	89.8	83.6	78	84.8
Member-countries combined	82.4	93.7	82.6	86.6

Reference Year 1948 except Germany (1949) and Austria (1952).

*Greece was not obliged to liberalize her imports, but in fact applied an almost total *de facto* liberalization, which has not been taken into account in the total percentage of liberalization for all member-countries given above.

†Turkey and Iceland were authorized temporarily not to comply with their obligations, because of their balance-of-payments position.

‡Increased on April 7, 1956.

On May 11 it was announced that a difference which had arisen between the U.K. and Italy over the position of British insurance companies operating in Italy, and which had been referred to the O.E.E.C. Council by the U.K. under Article 34 of the Code of Liberalization, had been settled on the basis of the Council's recommendations that the Italian Government should relax certain regulations affecting the deposits and reserves of foreign insurance companies.

Tariff Problems.

The Council decided that in view of the proposals made by the "Messina" powers (Belgium, Luxemburg, the Netherlands, France, Western Germany and Italy) to set up a European Common Market or Customs Union (see page 15030)—now under consideration by the Brussels Inter-Governmental Committee—a special Working Party composed of representatives of all member-Governments wishing to take part should be set up to study the possibility of a multilateral arrangement between the proposed Customs Union and other member-countries of O.E.E.C.

The Working Party was asked to examine, in particular, the possibility of setting up a free trade area to include the Customs Union and the other member-countries, and to report to the Council not later than Dec. 31, 1956. On the basis of the report the Council would then decide early in 1957 whether to instruct the Special Working Party to carry out its work as quickly as possible or, if the

report offered no prospect of substantial progress before the end of 1957, to instruct the Steering Board for Trade to complete the study of an automatic plan for the reduction of tariffs on 11 "European commodities" (i.e. commodities imported by each member-country mainly from other members), which would come into operation by Jan. 1, 1958.

The Council also agreed that the Organization should undertake without delay a study of price disparities between members and examine their causes, and that the Steering Board for Trade should report on the general situation as regards trade obligations and barriers to trade before Oct. 31, 1957.

Other Council Decisions.

Examination of Economic Situation. In view of the dangers inherent in continued inflationary pressure, the slowing-down of the expansion of production in member-countries, and the substantial widening of debtor and creditor positions in the E.P.U., the Council agreed to set up a Ministerial Working Party to examine the current economic situation in member-countries with special reference to a harmonization of policies.

Liaison with Brussels Inter-Governmental Committee. The Council agreed to pay special attention to the co-ordination of the Working Parties set up to co-operate with the Brussels Inter-Governmental Committee under the above decisions concerning joint action by members in the field of nuclear energy and on the proposed free trade area in Europe. It was agreed that a Special Group might be set up for the purpose, and also to consider general problems arising from the work of the Brussels Committee.

Working Party on Energy. The Council approved in principle the conclusions of the Commission for Energy in its Report issued on May 8 (see 14929 A), and set up a Working Party of senior officials concerned with the co-ordination of energy supplies to submit proposals relating to:

(*a*) the action which should be taken on the conclusions of the Commission for Energy;

(*g*) other aspects of the Report which might be suitably referred to the appropriate bodies of O.E.E.C.; and

(*c*) the form and terms of reference of a European Energy Commission to be established within O.E.E.C. to carry on the work of the Commission for Energy.

Other Developments in the O.E.E.C.

Fiscal Committee.

The Fiscal Committee, set up to study questions relating to double taxation and similar problems, held its first meeting in Paris on May 23-24 under the chairmanship of Dr. A. J. van der Tempel, Deputy Director-General of the Netherlands Ministry of Finance.

European Productivity Agency.

The Council decided to extend the life of the E.P.A. (which was due to expire in June 1956) until June 30, 1960. The work carried out by the E.P.A. in the past year included the sponsoring of an international conference on modern techniques of management at Deauville on June 4-8, 1956, and the preparation of a bibliography of productivity.

Reports on Industries.

Recent reports on "trends in economic sectors" covered coal (see 14929 A), iron and steel, engineering, marine transport, and textiles. Summaries are given below:

Iron and Steel. The Iron and Steel Committee concluded that increases in members' crude steel production from 66,700,000 tons in 1954 to 77,400,000 tons in 1955 corresponded to a "sound and non-speculative improvement in demand." The virtually full utilization of capacity had reduced the normal margin of flexibility between supply and demand, but the Committee did not think that a shortage of iron or steel would retard general economic development in O.E.E.C. countries in the near future. By 1960, however, the supply prospects of both coking coal and scrap gave cause for some anxiety, and these factors seemed the most likely to limit future expansion of steel output.

Engineering Industries. The Machinery Committee noted that during 1954 and 1955 the demand for engineering products had increased progressively, and considered that domestic demand for durable consumer goods was likely to continue to expand more rapidly than for the other elements of private consumption, such as food or textiles. In 1954 about 6 per cent of the active working population of O.E.E.C. countries was directly employed in engineering industries, the gross value of their production amounting to nearly $40,000,000,000.

General prospects for the engineering industry in O.E.E.C. countries were thought to be good, despite shortages of technicians and skilled workers. But competition from non-member countries was expected to increase, and, in particular, "the tendency of certain Eastern European countries to employ ever more persevering methods to expand their sales of engineering products on all markets" had developed markedly in the second half of 1955 and early 1956.

Shipping. The Maritime Transport Committee deplored the continued prevalence of uneconomic flag discrimination in "the most international of all industries," but noted that a wide measure of liberalization in shipping matters had been achieved by O.E.E.C. countries. Their report also drew attention to the problem of the growth since 1939 of fleets registered under "flags of convenience," the most important of which were:

	(thousands of gross registered tons)			
	Dec. 1939	Dec. 1953	Dec. 1954	Dec. 1955
Liberia	no register	1,619	3,206	4,504
Panama	717	3,942	3,980	3,933
Costa Rica	—	179	263	448
Honduras	84	413	431	395

More than half the ships registered under these four flags at Dec 31, 1955, were tankers, and at the same date the Liberian merchant fleet as a whole was the fourth largest in the world.

The report pointed out that the main reason for these registrations was undoubtedly the very favourable incidence of taxation in the registering countries. Registration under the Liberian flag cost $1 20 a ton net, whilst thereafter an annual tonnage tax of $0.10 a ton was levied with a guarantee that it would not be increased for 20 years. Panamanian registration cost $1 a ton and an annual tax of $0.10 was levied thereafter. Owners of ships flying "flags of convenience" were therefore more favourably situated than their competitors to continue trading in the event of a depression, and were able to build new tonnage out of untaxed profits more readily than owners running ships under their own national flags.

Textile Industries. The Textile Committee reported a "deep-seated malaise" in the textile industry in member-countries, which particularly affected the cotton industry. Uncertainty about the raw cotton policy of the U.S.A. had led to "hand-to-mouth" buying of raw cotton which tended to increase production costs, but the evolution of "cheap labour" cotton industries in Asia was taken as the main long-term problem of European producers, although the export of goods from Eastern countries at "political" prices, bearing no relation to production costs, was also noted.

The rapid development of a national cotton industry in Pakistan, benefiting from cheap labour and cheap indigenous material, and sheltered behind a high tariff, was thought likely not only to affect European producers directly but also to divert Japanese goods from traditional markets to other markets in competition with European goods. Indian cotton production also benefited from very cheap labour, and obtained its raw materials below world prices because of the Indian export tax on raw cotton.

Japan, with low wages, competed successfully with European goods in most export markets outside Europe and could probably expand her production capacity rapidly if she had an opportunity to sell more textile products in members' domestic markets. The Committee emphasized that the overhanging threat of Japanese goods to members' home markets might well be more acute for rayon fabrics than for cotton, because Japan bought her cotton at world prices but benefited from a lower wage level in the rayon producing industry, as well as in textile manufacture.

The Committee concluded that if Asian imports into Europe increased, as they seemed likely to do, many member-Governments might find themselves forced to consider emergency measures such as curtailing their lists of "liberalized" goods for intra-European trade. On the other hand the Committee believed that "vigorous action would lead to a substantial increase in the quantity of textile products consumed in Europe," especially if Governments took "specific fiscal measures permitting an increase in home consumption of textiles."

The Committee also drew attention to the "unsatisfactory repercussions" of artificial aid given by member-Governments to exports and of supplementary duties on imports. The effects of such measures, the Committee said, were often far greater than the imposing Government stated that it meant them to produce, and endangered the very existence of certain sectors of the textile industries of competing member-countries.

Following the publication of the Textile Committee's report in February, 1956, a special *ad hoc* study group was set up by the O.E.E.C. Council to examine the problems of Europe's textile industry. It held its first meeting in July under the chairmanship of Signor A. Pini (Italy).

O.E.E.C. Appointments.

The U.K. was re-elected on July 31 to the chairmanship of the Council for the year 1956-57. It was announced that Mr. Harold Macmillan, the Chancellor of the Exchequer, would be chairman of the Council at Ministerial level and Sir Hugh Ellis-Rees chairman at the official level. M. Gérard Bauer (Switzerland) was re-elected chairman of the Executive Committee for 1956-57.

Signor Gian Gaspare Cittadini-Cesi was appointed Second Deputy Secretary-General of O.E.E.C. on July 6 in succession to Signor Guido Colonna. The First Deputy Secretary-General, Mr. Henry Lintott, submitted his resignation on Aug. 17 in order to return to the British Civil Service.—(O.E.E.C. Information Division, Paris - Times - New York Times - Le Monde - Neue Zurcher Zeitung) **(Prev. rep. O.E.E.C. Council 14788 A; Agriculture, 14383 A; Commission for Energy, 14929 A.)**

A. INDIA. — New Chairman of State Bank.

It was announced in Delhi on Aug. 26 that Mr. H. V. R. Iyengar, Secretary of the Ministry of Commerce and Industry, had been appointed chairman of the board of directors of the State Bank of India in succession to Dr. John Matthai, whose resignation had been confirmed on June 22.—(The Statesman) **(Prev. rep. State Bank, 14279 F.)**

A. SOUTH VIETNAM. — Adoption of New Constitution. - Measures against Opposition Organizations. - French Embassy established in Saigon.

The new Constitution of South Vietnam, which had been unanimously approved by the Constituent Assembly, was officially promulgated on July 7—the second anniversary of President Ngo Dinh-Diem's accession to power.

The Constitution provided for a division of powers between the Executive, headed by the President, the Legislative Assembly, the members of which were excluded from public office, and the Judiciary, headed by a Constitutional Court. Both the President and the Assembly would be chosen by direct suffrage, the former for six years and the latter for four. M. Ngo Dinh-Diem was declared to be the first President of the Republic and eligible for re-election, and was empowered to choose the first Vice-President, whilst it was provided that the Constituent Assembly should serve as the first Legislative Assembly. Legislation might be sponsored by either the President or the Assembly, and in the event of a serious disagreement between them the issue would be referred to a national referendum. When the Assembly was not in session the President might legislate by decree, subject to review when the Assembly convened. The President might veto laws passed by the Assembly, but a three-fourths majority of the Assembly might override his veto. Freedom of speech, of the Press, and of assembly were guaranteed, but during the next four years the President might suspend these rights by proclaiming a state of emergency.

Security Measures.

Armed opposition to the Government continued during the summer, several thousand Caodaist troops being reported in revolt during July and Binh-Xuyen forces being active between Saigon and Dalat. Unrest was also reported in the trade union movement, in which connexion the Vietnamese Confederation of Christian Workers compelled the Government early in July to release a number of arrested trade unionists by threatening to call a general strike.

Strong measures were adopted by the Government during July and August against the various sections of the Opposition. M Le Van-Thien, general secretary of the Socialist Party and a member of the "Revolutionary Committee," was arrested in July on a charge of having visited the dissident Caodaist zone to establish contact between the rebels and the Committee, which had adopted an attitude of open opposition to the Government On Aug. 17 Lieutenant Nguyen Van-Phuoc, an officer with a distinguished war record, was sentenced to death for entering the Binh-Xuyen zone, and it was announced that 23 prominent political figures, including M. Nguyen Huu-Than (a former vice-president of the Assembly of the French Union) and M. Tran Van-An (formerly Minister of Information in General Van-Xuan's Cabinet) would be tried by court-martial on a charge of participating in anti-Government activities during the spring of 1955. Colonel Nguyen Thanh-Danh, a brother of the former Caodaist commander (General Nguyen Thanh-Phuong), and general secretary of the Caodaist party *Vietnam Phuc Quoc Hoi*, was arrested on Aug. 20.

A decree signed by President Ngo Dinh-Diem on Aug. 22 prescribed sentences of death or penal servitude for any Vietnamese or foreigner convicted of passing on to foreign Powers or Communist organizations information considered vital to national security.

Economic Measures.

A communiqué issued on July 1 by the Governor of the National Bank of Vietnam and the exchange control authorities announced the establishment of a limited free market in foreign exchange. The measure was aimed at attracting foreign capital, enabling Vietnamese nationals to repatriate foreign currency, and stamping out the black market.

Under the new system, the official rate of 35 Vietnamese piastres to the U.S. dollar will continue to be used for all import and export transactions and for certain transfers of funds from Vietnam; business profits and foreign residents' savings, however, will be transferable at the free rate, which was provisionally fixed at 72 piastres to the dollar. The consent of the National Exchange Office was required for all transfers, whether at the free or the official rate

Relations with France.

The French Government accepted on July 21 a South Vietnamese request that the French High Commissioner's Office in Saigon should be transformed into an embassy, at the same time the South Vietnamese Government approved the nomination of M. Jean Payart as the first French Ambassador to South Vietnam. M. Hoppenot, the last French High Commissioner, had left Saigon a few days earlier.

The South Vietnamese Government announced on July 24 that its officers would in future be sent to the U.S.A., and not to France as in the past, to complete their military training, as they might be exposed in France to "Communist propaganda." The French Press attributed this decision to the fact that South Vietnamese officers had established contact while in France with General Nguyen Van-Vy, the former Inspector-General of the Army, and other political refugees who had refused to return to Vietnam.—(Le Monde - Le Figaro)

(Prev. rep. South Vietnam, 14949 A.)

B. UNITED NATIONS. — Food and Agriculture Organization. - Mr. Sen elected Director-General.

Mr. B. R. Sen, the Indian Ambassador in Tokio, was elected Director-General of the U.N. Food and Agriculture Organization (FAO) on Sept. 20 in succession to Dr. Philip V. Cardon (U.S.A.), who had resigned in March through ill-health.

The election was made at a special FAO session held in Rome from Sept 10-20, three candidates being nominated for the vacant post of Director-General—Mr. Sen, Dr. John H. Davis (U.S.A.), and Mr S. L Mansholt, the Netherlands Minister of Agriculture. A simple majority (i.e. more than half the votes cast) was required for election After two inconclusive ballots on Sept. 18 (on the second of which Dr. Davis failed by only one vote to secure election), Mr. Sen was elected on the third ballot (held on Sept. 20), receiving 42 votes against 29 for Mr Mansholt. Dr. Davis withdrew from the third ballot, the U S. delegation having announced that it had the fullest confidence in both Mr. Sen and Mr. Mansholt and would accordingly abstain from voting.

Mr. Sen (58), formerly a senior member of the Indian Civil Service, served as Director-General of Food in New Delhi during the war, and later as Permanent Secretary to the Indian Ministry of Agriculture. Prior to his appointment to Tokio (see 14028 C) he had been Indian Ambassador in Washington and Rome, where he took a close interest in the work of FAO. He was educated at the Universities of Calcutta and Oxford. (U.N. Information Centre, London - Times) **(13492 A.)**

C. CANADA. — The French-speaking Population.

The Canadian Department of External Affairs published the following statistics in July (based on studies by Dr. Charles Bilodeau, of Laval University) relating to the population of French origin in Canada and its percentage of the total population:

	Total Population	Population of French origin	Percentage of population of French origin
Newfoundland	361,416	9,841	2.7
Prince Edward Island	98,429	15,477	15.7
Nova Scotia . .	642,584	73,760	11 4
New Brunswick .	515,697	197,631	38 0
Quebec .	4,055,681	3,327,128	81 9
Ontario	4,597,542	477,677	10 4
Manitoba	776,541	66,020	8.5
Saskatchewan	831,728	51,930	6 0
Alberta	939,501	56,185	6 0
British Columbia	1,165,210	41,919	3 5
Yukon and N W. Territories	25,100	1,599	15 6
Total .	14,009,429	4,139,167	30.2

The 1951 census, from which the above statistics are taken, gave the following data about languages spoken by the population—English only, 9,387,395 (67 per cent); French only, 2,741,812 (19.5 per cent); English and French, 1,727,447 (12.3 per cent); neither English nor French, 152,775 (1.2 per cent). (Canadian Department of External Affairs, Ottawa)

(Prev. rep. 1951 Census, 12175 C.)

D. SOVIET UNION. — Lenin Prizes.

It was announced in Moscow on Sept. 7 that the International Stalin Peace Prizes instituted in 1949 had been renamed International Lenin Peace Prizes, ten of which would be awarded annually. In addition, the national Lenin Prizes instituted in 1925 but discontinued in 1935 would be revived.

The International Lenin Prizes, like the former Stalin Prizes, will be awarded to "citizens of any country in the world . . . for outstanding services for the promotion of peace among nations" Each recipient will receive 100,000 roubles, a gold medal bearing Lenin's portrait, and a diploma.

The Lenin prizes, 50 in number, will be awarded annually to Soviet nationals for outstanding work in science, industry, and the fine arts. Thirty prizes will be awarded for new ideas in construction, machine-building, instrument-making, metallurgy, power engineering, and other branches of industry, including automation, 12 for scientific work in physics, mechanics, mathematics, engineering, chemistry, geology, geography, biology, agriculture, medicine, military science, and social science, and eight for outstanding work in literature, the fine arts, music, the theatre, and cinema production. Each prize will be of 75,000 roubles (£6,700).

The International Lenin Peace Prizes and the national Lenin Prizes will be awarded by two committees under the U.S.S.R. Council of Ministers.—(Soviet Weekly) **(10463 D.)**

E. GUATEMALA. — Ending of State of Siege.

The state of siege imposed on June 24 was ended on Aug. 25, all suspended constitutional rights being restored at the same time.—(New York Times) **(Prev. rep. 14959 D.)**

SEPTEMBER 22—29, 1956

A. THE SUEZ CRISIS. — Canal Users' Association formed by Britain, France, and U.S.A. - Recall of British Parliament. - Debates in House of Commons and House of Lords. - Sir Anthony Eden's Statement. - Rejection of Opposition Censure Motion. - Mr. Dulles on U.S. Suez Policy. - Anglo-French Note to Security Council. - Convening of Second London Conference on Suez. - Egypt rejects Proposed Canal Users' Association.

Both Houses of the British Parliament were recalled on Sept. 12-13 for a two-day debate on the Suez crisis. The Prime Minister (Sir Anthony Eden), who opened the debate in the House of Commons, announced that the British Government, in agreement with the U.S. and French Governments, had decided to set up a provisional Suez Canal Users' Association which other countries would be invited to join and which, it was hoped, would prepare the way for a permanent system to be established with the full agreement of all the interested parties.

The House of Commons Debate.

Sir Anthony Eden spoke as follows in opening the debate in the House of Commons:

"Nothing which the Government have done since the debate in August has in any way changed the policy which the Foreign Secretary and I described on that occasion On the contrary, the Government have done, and are doing, everything in their power to obtain a peaceful settlement which takes account of Egypt's legitimate interests, and which adequately safeguards the interests of those many nations vitally concerned in the Canal . . .

"Many alternatives have been canvassed in the weeks we have been away, but the fact is that none is immediately practicable. The alternative route round the Cape would be very expensive, and there are not the tankers to maintain the supplies we need. It is true larger tankers are being built, but it would take several years before they could be ready in sufficient numbers, and the capital cost would be enormous Meanwhile the longer sea-haul would increase freight charges, adding to the costs of production and the cost of living here. It is therefore beyond dispute that any prolonged interference with traffic through the Canal must be a grievous blow to the economy of Western Europe. In this country at least there would be serious industrial dislocation and unemployment.

"It has been said that what matters is the right of free passage through the Canal, which is granted by the 1888 Convention, and that so long as Colonel Nasser is prepared to uphold it, all will be well. I have two comments to make about this. First, the Convention is not in itself sufficient to safeguard the rights of the user-countries. The Convention and the various concessions granted to the [Suez Canal] Company are closely interlocked; and not only is the Suez Canal Company mentioned in more than one Article of the Convention, but the preamble states that its purpose is to complete the system under which the navigation of the Canal was placed by the concession granted to the Canal Company. In other words, the operation of the Canal by the Suez Canal Company was part of a comprehensive system designed by the Agreement of 1888 to ensure the free use of the Canal for all the Powers concerned. By purporting to nationalize the company, Colonel Nasser has destroyed the balance of this system and removed one of its essential guarantees . . .

"But there is more to it than this. The rights of the user-countries are not derived from the 1888 Convention alone. They have also become established by long and uninterrupted use of the Canal They are not limited to the free right of passage defined in the Convention. The users are also entitled to insist on efficient operation, administration, and maintenance of the Canal in the interests of all the users without any discrimination, and they have also the right to expect that the level of dues shall be reasonable It follows from this that its revenues cannot lawfully be exploited by one country for its own purposes.

"It may be argued that the Canal Company is an Egyptian company and that in nationalizing it Colonel Nasser is only exercising his sovereign rights; that he is only doing what we have done here. That is not so. The Company has always had an international character, and with the passage of time this character has been increasingly apparent . What Colonel Nasser has in fact done is to take away the international character from the Canal Company; and there is really no analogy whatever with the industries which have been nationalized here, and which were entirely our domestic concern.

"Nationalization, in the accepted sense of the term, means the transfer of an enterprise from private control to public control It does not mean the transfer of an enterprise from international control to national control. Nationalization is indeed a wholly inappropriate word to apply to Colonel Nasser's action I suggest that the word 'seizure' would be more accurate But if that should offend anybody we shall have to coin a new and very hideous word, the accuracy of which cannot be challenged. What Colonel Nasser has done is to 'de-internationalize' the Canal.

"No nation has the right unilaterally, and in defiance of existing agreements, to remove its international character from the most important waterway in the world. It was and is an illegal act. It is a breach of a contract. It is implicit in the preamble of the Convention that so long as the Canal Company's concession exists, the operation of the Canal should not be entrusted to any single Power but should be operated by the Company for the benefit of all nations. The sudden dissolution of the Company 12 years before the concession runs out must clearly be regarded as a breach of Egypt's international undertakings.

"In all these circumstances, including the way in which the Company was seized and its assets confiscated, it is hardly surprising that H.M. Government and the other nations principally concerned found themselves unable to accept the assurances which Colonel Nasser has so far been willing to give. They declined to leave the operation of the Canal, on which the livelihood of so many nations depends, in his hands alone"

Speaking of the London Conference, the Prime Minister continued: "There were many who had little hope that the conference could achieve results. However, in the event all these fears were falsified, and the conference showed a remarkable consensus of opinion. No fewer than 18 nations, with one reservation by Spain, supported the plan put forward by Mr. Dulles. That this result was achieved was due in large measure to skilful and patient steering by the chairman, the Foreign Secretary [Mr. Selwyn Lloyd]. I have heard that on all sides from the foreign Powers who were present. It was also due to Mr. Dulles' effective and vigorous advocacy of the plan, and it was a commendable feat to reach so much agreement on so complicated an issue in so short a time.

"The only Government which appeared consistently to be opposed to any form of internationalization of the Canal was the Soviet Government. The Soviet representative perpetually repeated attacks on the alleged colonialism of the maritime Powers He ignored the fact that, alone among the 18 nations, Soviet Russia has in the years since the war enormously extended its territorial boundaries and increased the number of its subject peoples . . .

"Mr. Menzies and his colleagues went to Cairo, explained the proposals of the 18 Powers with great care and patience, and did all they possibly could to persuade Colonel Nasser that the agreement which they sought was reasonable, fair, and could be profitable to Egypt. They made it abundantly clear that such an agreement would fully recognize Egyptian sovereignty and would provide a basis of confidence for the maintenance and future development of the Canal. But unfortunately, despite the eloquent pleading of Mr. Menzies, supported by his colleagues in unanimity, no progress was made in Cairo.

"Colonel Nasser rejected the proposals without weighing their merits or listening to reason. This was certainly no fault of those who travelled to see the President of Egypt. The Committee of Five worked with unity and wisdom. Mr. Menzies led it with a distinction which was recognized by his colleagues on the committee and by all the nations represented. Colonel Nasser was surely ill advised not to heed so powerful a combination of nations, representing more than 90 per cent of the traffic which passes through the Canal. I cannot help feeling that when the history of these times comes to be written, President Nasser's refusal of the plan brought to him by the Committee of Five will be quoted as a classic example of how a man threw away a great chance of permanently benefiting his people.

"Not everyone yet realizes the advantages the 18-nation plan offered to Egypt. The traffic, particularly in oil tankers, is steadily increasing. It is, indeed, expected to double under normal conditions within the next 10 years. The Canal needs constant maintenance; it is going to require major capital expenditure. The latest estimate is that £100,000,000 or more will have to be spent there if it is to continue to handle the expanding traffic. Mr. Menzies' mission's offer to Egypt was that this great financial responsibility should be taken over by an international authority, while Egypt should be internationally recognized as the landlord and should draw an income based on the traffic passing through the Canal. This plan has been rejected out of hand—the more is the pity.

"The 22-Power conference in London and the mission of Mr. Menzies' committee represented a very considerable effort to reach a solution by agreement. This effort has failed. In consequence, we have carefully considered, in consultation with our French and American allies, what our next step should be. We have decided, in agreement with them, that an organization shall be set up without delay to enable the users of the Canal to exercise their rights. This Users' Association will be provisional in character, and we hope it will help to prepare the way for a permanent system which can be established with the full agreement of all interested parties. Though discussions are still proceeding between the three Governments—the U.S.A., France, and ourselves—about the details of this plan, I can give the House the broad outline. It will be as follows:

"The members of the Users' Association will include the three Governments I have mentioned, and the other principal users of the Canal will be invited to join. We hope that the pattern of membership will be as representative as possible. The Association will employ pilots, undertake responsibility for co-ordination of traffic through the Canal, and in general act as a voluntary organization for the exercise of the rights of the Suez Canal users. The Egyptian authorities will be requested to co-operate in maintaining the maximum flow of traffic through the Canal. It is contemplated that Egypt should receive appropriate payment from the Association in respect of facilities provided by her, but the transit dues will be paid to the Users' Association and not to the Egyptian authorities.

"We recognize, of course, that a provisional system of this kind, designed to meet an emergency, cannot be in a position to provide for the major developments which are becoming urgently necessary if

the Canal is to continue adequately to serve the interests of its users, and we also recognize that the attitude of the Egyptian Government will have an important bearing on the capacity of the Association to fulfil its functions I must make it clear that if the Egyptian Government should seek to interfere with the operation of the Association, or refuses to extend to it the essential minimum of co-operation, then that Government will once more be in breach of the Convention of 1888."

Amidst Opposition cries of "resign" and "deliberate provocation," the Prime Minister continued: "I must remind the House that what I am saying is the result of exchanges of view between three Governments. In that event [i e. Egyptian refusal to co-operate with the proposed Canal Users' Association] H.M. Government and others concerned will be free to take such further steps as seem to be required, either through the United Nations or by other means, for the assertion of their rights.

"I shall no doubt be asked what are the intentions of H.M. Government about the reference of this dispute to the United Nations The Government certainly do not exclude that On the contrary, it may well be necessary. Meanwhile we have considered it our duty, jointly with the French Government, to address a letter to the President of the Security Council informing him of the situation which has arisen. This letter does not ask for any action at this stage, but it puts us in a position to ask for urgent action if that becomes necessary. At the same time there are certain facts in the reference of the matter to the Security Council which the House should face frankly."

Sir Anthony Eden went on to refer to the Abadan crisis, saying in this connexion "The Government took that issue to the Security Council. It tabled a resolution which was opposed by Russia and Yugoslavia. In an attempt to meet this, our resolution was whittled down Even so, the Soviet Government would not have it, and as a result the resolution was made dependent on the findings of the International Court. The International Court later said it had no jurisdiction, and therefore the resolution before the Security Council lapsed and we never went there again. I recall that the Labour Government of the day uttered a warning that the Security Council's failure to act effectively might create a most serious precedent for the future. I think they were right."

Turning to the position of the Suez Canal pilots, Sir Anthony said "The Suez Canal Company agreed, at the request of the French Government and ourselves, to urge the pilots to remain at their posts, first until the London conference had taken place, and then again until Mr. Menzies' mission was completed . . . After Nasser's sudden seizure of the Company, it was not unnatural for its non-Egyptian staff to consider their own futures. They were expected to work for a Government to which they owed no allegiance, and they were threatened with imprisonment by the Egyptian Government if they did not continue at their work. If these pilots decide to leave Egypt, it will clearly be the responsibility of the Egyptian Government . . . In view of certain statements widely made, I wish to make it clear that it was not this Government who have taken the pilots out. On the contrary, twice our efforts have been made to keep them in, in order to give negotiations a chance. But there really is a limit to which men can be pressed, and this limit has been reached."

The Prime Minister continued . "There has been much public discussion on the use of force in relation to events on the Canal. I must point out that in this instance it was Egypt which used force. The operation of the Canal has been taken over in complete disregard of Egyptian international obligations The assets of the Company and its offices were seized by armed agents of the Egyptian Government. The Company's employees were compelled to continue at their work under threat of imprisonment. To condone such actions is to invite their repetition and bring international law into contempt

"In recent weeks certain military preparations have been made in the Mediterranean They are limited in scope. On account of them we have been charged in some quarters with sabre-rattling How ludicrous that is! It might be regarded as provocative if I were to relate all the circumstances which could arise in Egypt. I will mention only one. Members will recall the appalling massacre of foreigners which took place in Cairo in 1952. Many people of several nationalities, not by any means only our own, were murdered in the most brutal conditions. I happened to be in charge of the Government at the time, as Sir Winston Churchill was returning from the United States. It is true the Egyptian Army intervened to stop further bloodshed, but Members must judge how much that action was due to the knowledge that we had a plan to intervene by force in the last resort

"If military preparations were justified a month ago, they are justified to-day. I must make it plain that the Government have no intention of relaxing them It is also, we think, right and proper that our French allies should be placed in a position to defend their numerous nationals and interests. We have therefore extended to them any facilities available to us which they require [i.e for the stationing of French troops in Cyprus].

"In these last weeks I have had constantly in mind the closeness of the parallel of these events to those of the years before the war. Once again we are faced with what is, in fact, an act of force which if not resisted will lead to others There is no doubt that, if Egypt continues to reject every effort to secure a peaceful solution, a situation of the utmost gravity will arise. Many other Eastern lands now begin to understand that the fate of their country is included in Colonel Nasser's scheme. The Leader of the Opposition has warned us of what would happen if Colonel Nasser had his way. He said: 'If Colonel Nasser's prestige is put up sufficiently and ours is put down sufficiently, the effect in that part of the world will be that our friends will desert us, because they think we are lost, and go over to Egypt.'

"That is true. The consequence of this would be that the standard of life in Western Europe and of many lands in Asia would be at Nasser's mercy There are those who say we are not justified in reacting vigorously unless Colonel Nasser commits some fresh act of aggression. That was the argument used in the 1930s to justify every concession that was made to the dictators. It has not been my experience that dictators are deflected from their purpose because others affect to ignore it. Reluctance to face reality led to the subjugation of all Europe and to a World War. We must not help to reproduce step by step the history of the 1930s. We have to prove ourselves wiser this time, and to check aggression; by the pressure of international opinion if possible, but if not, by other means, before it has grown to monstrous proportions As has been rightly said by the Foreign Secretary: 'For this country military action is always the last resort, and we shall go on working for a peaceful solution so long as there is any prospect of achieving one'

"The Government are not prepared to embark on a policy of abject appeasement, nor, I think, would the House—or most of it—ask them to, because the consequences of such a policy are known to us . We will continue to make every effort, in concert with our allies, to secure our rights by negotiation, but should those efforts fail the Government must be free to take whatever steps are open to them to restore the situation That is the policy of the Government which I ask this House to approve."

Mr. Hugh Gaitskell (Leader of the Opposition), in a speech strongly critical of the Government's handling of the situation, insisted that force should not be used except with the authority of the United Nations and in accordance with the U.N. Charter, and called upon the Government to take the Suez dispute to the Security Council.

Mr. Gaitskell said that some of the steps of which the Prime Minister had spoken had "the gravest implications" and could "not but divide the nation even more grievously." Because the Opposition criticized the Government, that did not mean that they condoned or excused Colonel Nasser's actions, but neither did it mean that the Opposition must support the Government without reservation in everything it did.

"The points at issue [Mr Gaitskell continued] are fundamental and quite specific They concern the attitude of the Government to the use of force as the means of solving this dispute, and the closely related question of the Government's attitude to the U.N and the Charter. The Prime Minister has spoken of the Government's attitude to force, but he has not told us the full story.

"At first, after the announcement of Colonel Nasser's action, the general impression that most of us had, and certainly the Press had, was that military measures were not being contemplated. Some five days later, however, views on the subject began to change. So much so that Mr. Griffiths and myself twice saw the Prime Minister before the debate on August 2.

"Among the things discussed was the question of force. I then gave the Prime Minister some warning that if he contemplated the use of force to impose a solution, he could not rely on the support of the Opposition. The debate followed, and the Prime Minister in his speech made virtually no reference to this subject at all. All he told us was that certain precautionary measures of a military nature were being taken When he said just now that the Government stick to the policy which they had adopted then, the plain fact is that no policy on force was then announced.

"The day after the debate there appeared in almost every newspaper the story that it was the Government's intention after the conference, and if Colonel Nasser refused to accept the conclusions of the conference, to impose that solution by force. *The Times* said: 'The position is that Britan and France are prepared to take action if a reasonable agreement cannot be reached.' We had not been told that in the debate on August 2 . . .

"These stories came, of course, from Government sources What the Government were not willing to tell the House they put out through Downing Street and the Foreign Office . . . When I read these reports I was so dismayed by them that I wrote immediately to the Prime Minister warning him again about what our attitude would be. On Aug. 13 we had a meeting of our Parliamentary Committee [the Labour "Shadow Cabinet"]. We went to see the Prime Minister and his colleagues the following day We argued with them on this point. We begged them to issue a statement. Unfortunately they did not do so, presumably because they were not in agreement with what we suggested they should say

"There was another development at this time which could not be ignored—the very considerable publicity being given to the troop movements, and to the scale on which they were taking place. There can be no doubt that the combination of these two things—the stories emanating from the Government that they intended to use force, and the scale of the military measures as they unfolded—gave the impression that the Government intended simply to impose a solution by force

"What was the effect of this? There is not much doubt that in the rest of the world and in the Middle East, far from diminishing Colonel Nasser's prestige, it led to a rallying of all the Arab States to him. It gave Colonel Nasser the best propaganda opportunity he could possibly have, because he was able to represent his action and all that followed as part of a struggle on the part of the Eastern against the Western nations, of the small countries against the large countries,

of the ex-colonies against imperialists. This was, and he was able to so represent it, a piece of 19th-century gunboat diplomacy. If Members are really content to go it alone with France, with the whole of the rest of the world against us—well, they are simply making for disaster.

"Nevertheless the London Conference achieved, I agree, some considerable improvement. It reduced the temperature. It pushed force into the background. It above all broke the line-up between East and West, and that was extremely important. The choice of the Five-Nation Committee was wise, and I have no criticism of the way in which it presented the case to President Nasser.

"But the fact remains that this sabre-rattling, because that is what it was, had a disastrous effect on world opinion and is still a very grave handicap in the way of a proper solution of this problem. Either the Government seriously intend to use force—and what the Prime Minister said this afternoon certainly seems to suggest that——or they could simply be bluffing. If they intend to use force in this way—that is, in the absence of any further deliberate provocative action by Colonel Nasser or aggression by him—simply to get a solution of this problem, I say that the consequences to this country, far from being good, will be disastrous.

"Conservative Members must understand this—in ignoring the Charter and taking the law into our own hands, we are reverting to international anarchy. We are asserting the view that each nation decides on its own what to do. We are saying that only power counts, and I ask Members to consider rather more seriously than they have done whether they think we would gain from this.

"If they feel indifferent to these moral considerations, I would ask them nevertheless to look at the probable consequences of military action taken in these conditions. There can be not the slightest doubt that the other Arab States will rally wholeheartedly to the side of Egypt. There can be no doubt at all that if there is anxiety about oil supplies now, those anxieties would be enormously aggravated. There can be no doubt of the reaction in India, which may well leave the Commonwealth in consequence . . . I ask them to consider something even more serious Have the Government really considered seriously what the Soviet Government is likely to do if we go to war to impose a solution by force on Egypt? They may not come in, but is it not extremely probable that within a very short time there would be Russian volunteers sent to the help of Egypt? Does it mean that the Government are prepared to risk what might even become a general war over this issue?

". . . The Government may believe that they can achieve a quick victory—a matter of a few parachute brigades, seizing the Canal, overthrowing Nasser, and then you have control. Exactly how do you then proceed? Exactly how are you going to get a settlement? Are you going to leave the troops there, or are you going to withdraw them again? If you do you will leave behind in the Middle East such a legacy of mistrust and bitterness towards the West that you will thrust the whole of the area almost forcibly under Communist control. That is the greatest danger of all If you simply destroy the area by conducting a savage war, there can be no doubt that it would be the greatest breeding-ground for Communism you could possibly have.

"I am not, of course, saying—nor have I said—that there are not circumstances in which force might be justified. If, on the other hand, all this talk is merely to threaten Egypt, is that not a tremendous risk to take? If Colonel Nasser calls the bluff, as so far he has done, then there is the gravest danger of a second and perhaps even more substantial prestige victory for him. Our indictment against the Government is that they have brought this country into a position where we are in this dilemma—that either we carry out the threats of force, or we face the greatest diplomatic climb-down in our history . . .

"The Prime Minister has told us a little of what it is intended to do. I think that, if it were the purpose of the Users' Organization to provide a bit of machinery for negotiation, I would not object to it; but what has alarmed me and my friends is what it is apparently proposed that this organization should do. The statement that they intend to employ their own pilots to pilot their own ships through the Canal, that they intend that the dues should be paid not to Egypt but to the organization, seems dangerously like a highly provocative step. We are told that if the Egyptian Government refuses co-operation, then the Government reserves the right to take further steps, either through the U N. or by other means. What do the Government mean by 'other means'? Why should there be any other means? If there is such a dispute, why should it not go to the United Nations? That is what the Charter enjoins, and that is what should happen.

"As I understand it, the U.S.A. has indicated its support for the Users' Organization. Are we to take it they also agree with the proposition that the ships are to have pilots of their own and are to go through the Canal whether the Egyptians like it or not? Are we to take it that the United States themselves will employ pilots in this way, and will be prepared to send their ships through the Canal? We must have an answer to that . . .

"I do not feel that the vague reference to informing the U.N. in the least meets the situation at the moment. On what grounds do the Government refuse to inform the U.N. of the dispute under Article 33? Why should it not go to the Security Council immediately? I do not say the Security Council will produce an automatic solution. We are well aware of the veto rule. The purpose of taking this dispute to the U.N. is not merely to go through the formalities so that we may then use force. It is so that there may be a further period of negotiation.

"I believe that it is not particularly difficult to find a compromise solution. The 18-Power plan was never regarded by the Powers themselves as the last word in this dispute What matters are the ultimate aims. Colonel Nasser is on record that he quite agrees with that. I have never said we should accept his word. I do not think we can. Supposing he will not negotiate. We have to ask ourselves again the question: is force justified? I must repeat what I said before—force is justified in certain circumstances clearly laid down in the Charter. It is not justified if no actual violent armed attack has taken place, or if the U.N. have not approved it. It is as clear as that. So far, although I would not deny that Nasser's action involves threats to us, they are threats only. I cannot believe that the world in general, or public opinion in this country, would really support going to war on the difference between having a supervisory board or an advisory council . . ."

Mr. Gaitskell said that if the matter went before the U.N , he hoped that the question of freedom of Israeli shipping through the Canal would be raised again. He did not accept the view that the U.N. had failed because no action had been taken to implement the 1951 resolution. "Everyone knows why the British Government have not lifted a finger to enforce that resolution," Mr. Gaitskell declared. "It is because the Arab States would not like it"

Continuing, Mr. Gaitskell emphasized that the use of force was not justified as a solution of the present problem, force was justified in self-defence, which was a different matter. "If Colonel Nasser refuses to negotiate," he declared, "we should cling to the line adopted by Mr. Menzies and his committee in presenting the case in Cairo. We should go for the alternative routes and say to Nasser: 'If you will not come to terms with the Canal users, you cannot blame them if they have no faith in the future of the Canal and decide to make alternative arrangements, go in for large tankers, and build additional pipelines through Turkey.' The Prime Minister spoke of the extra cost. Is it so very great? Does he know how much difference it would make to the price of petrol? I think about a penny a gallon."

Turning to the position of the Canal pilots, Mr. Gaitskell said that he could understand that many of them felt great dissatisfaction and uncertainty about staying at their posts. But the Government's policy should have been to do everything possible to avoid any outside pressure upon them to withdraw, and indeed, to exert the maximum influence upon them to stay. The Canal Company, however, had sent out a circular letter—which seemed totally unnecessary—telling their pilots that they must choose by Aug 15 whether to stay at their jobs or to resign. This was really "an open invitation to stop the canal." If the British Government had been party to this decision, he asked whether the Government themselves were not in breach of the 1888 Convention, which pledged the signatory Powers to do nothing to obstruct the Canal in any way.

Mr. Gaitskell concluded. "I want to say positively what I think we ought to do. We ought to take this matter at once to the Security Council, and we ought to take steps to influence world opinion in our favour. We can do that in two ways We can first of all renew the appeal, which was made up to a certain point by the British and French Governments, asking the pilots, in spite of their difficult conditions, to do everything they can to keep the Canal open . . . Secondly, the Government should make a declaration that they will not use force except in accordance with the U.N. Charter. Thirdly, they should make it plain that they would accept any decision of the U.N. on this dispute . . . Every motive—self-respect, self-interest, our responsibility for world leadership, our membership of the Commonwealth, our alliances—points to the same conclusion: that we should stand by our pledges to the United Nations, honestly and fairly, and by our restraint and our patience set an example to the world."

Members who spoke in the ensuing debate included Mr. Clement Davies, leader of the Liberal Party, Sir Victor Raikes, Major Patrick Wall, Major Tufton Beamish, and Sir Robert Boothby (Conservatives), and Mr. Mellish, Mr. Richard Crossman, Mr. Maurice Edelman, and Mr. Kenneth Younger (Labour).

Mr. Clement Davies (L.) urged that the 22 countries attending the London Conference should be recalled to decide upon the next step following the failure of the Menzies mission. In that way it might be possible to get a direct agreement. Failing this, the matter should be sent to the United Nations. The apparent decision of Britain and France to take some definite action of their own was "a most dangerous thing to do," and it seemed, listening to the Prime Minister, "as though the U.N. Charter had never been drawn up." Mr. Davies believed that an appeal to the U.N. would be all the stronger if supported by at least 18 of the countries represented at the London Conference.

Sir Victor Raikes (C.) declared that no-one but a fool or knave would seriously suggest that Britain wanted war for the sake of war, or that anyone wanted to use force for the sake of force. What they wanted to prevent was a triumphant Egypt, supplied with Russian weapons and backed by Russian prestige, sweeping Israel out of existence. Commending the Government's action, Sir Victor declared: "Unless you are prepared to use force in the last resort, you will get no sense out of Colonel Nasser."

Major Patrick Wall (C.) said that if Colonel Nasser got away with the Canal seizure, British prestige in the Middle East would be eliminated and Nasser would be in sight of his dream of creating an Arab empire "from the Atlantic to the Caspian." To "bring Nasser to reason" Britain should consider nationalizing the headwaters of the Nile.

Major Tufton Beamish (C.) said it would be a grave mistake to use the U.N. as an excuse for not defending British interests. He did not believe that any responsible Government could be bound by the U.N. to do nothing to protect its own security. If the same threats were being made to the Panama Canal as were being made to the Suez Canal, there would be no-one in the U.S.A. who would not be immediately ready to take the strongest action to ensure America's rights.

Mr. Mellish (Lab), who accused the Government of being "hell bent for war," declared that he "could not and would not support this Government in the use of force," and threatened "to take the fight down to the docks of this country" [Mr. Mellish is M.P. for Bermondsey, largely a dockside constituency.]

Mr. Crossman (Lab.) said that the proposed Canal Users' Association was not intended as a serious plan but was a "method of provoking Colonel Nasser." Its sole purpose, he alleged, was "to bring war a stage nearer, not in the desire to have an actual war but because the Government knew that in this game of psychological warfare each step must look more and more like war each time the bluff is called." Colonel Nasser, however, would not "climb down" and would not let pilots employed by the Canal Users' Association take ships through the Canal.

Mr. Edelman (Lab.), on the other hand, thought that the Prime Minister had been right to take precautionary measures to safeguard British interests in the Mediterranean. There was no use in ignoring the fact that Nasser was a dictator and that he had established a police state in Egypt. If he were allowed to get away with these actions, a damaging blow would be struck at the whole concept of international law.

Mr. Younger (Lab.), like Mr. Crossman, criticized the proposed Canal Users' Association as "ill-conceived and provocative." It seemed, on the face of it, as if the scheme was aimed at provoking a refusal of transit rights on the part of Egypt, thereby forcing that country to take some kind of physical action against traffic going through the Canal "as a preliminary to the use of force on our side." If that was the purpose, the scheme would be opposed by the Opposition, which stuck to the view that the matter should be referred to the United Nations.

Sir Robert Boothby (C.) thought that the Canal Users' Association should be tried out before the dispute was sent to the U.N. Britain's whole future as a great industrial Power was at stake, and if Nasser got away with his present actions he would use his enhanced power and prestige to blackmail the West and bully the Middle East. "On Nasser's own showing," he declared, "Israel is next on the list. Shameless appeasement does not pay . . . "

The Foreign Secretary (Mr. Selwyn Lloyd) opened the second day's debate by moving, on behalf of the Government, a motion of confidence which (1) condemned "the arbitrary action of the Egyptian Government in seizing control of the Suez Canal"; (2) endorsed "the proposals of the 18 Powers at the London conference which would ensure that an international waterway so essential to the economic life . . . of this and other countries would not remain in the unrestricted control of any single Government"; (3) welcomed "the sustained and continuing efforts of H.M. Government to achieve a peaceful settlement"; and (4) affirmed support for the statement of policy made by the Prime Minister.

Mr. Selwyn Lloyd said that Mr Gaitskell's speech to the House was in marked contrast to his earlier speech of Aug. 2 (see pp. 15013-14), in which the Leader of the Opposition had taken exception to Colonel Nasser's action on three grounds: (1) that the purported act of nationalization had been carried out in relation to a company which was not an ordinary company conducting ordinary activities; (2) that it had been carried out without negotiation and by force, (3) the political background and the repercussions on the entire world of this episode in the Middle East. In laying emphasis on these three points, the value of Mr. Gaitskell's speech was that he had been registering a degree of unity in the House. "I do not believe opinion in this country has altered on these three points," Mr. Selwyn Lloyd declared. "I only wish that equal emphasis had been given to them in the speeches that came from the Opposition yesterday. But this is the basis from which we begin. I still believe that an overwhelming majority of people in this country uphold those three points."

In any plan to deal with the Suez Canal, the Foreign Secretary continued, there had to be three ingredients. Firstly, the organization must give the employees, and particularly the foreign employees, sufficient confidence in the system. Secondly, such a system would be much better if it gave confidence to those who had to produce the capital if the Canal was to be maintained, increased and developed as it should be. Thirdly, it should have the confidence of the users.

It had been made clear at the London conference that the international agency should have a relationship with the U.N., and anyone who read the plan in its final form would notice that scrupulous regard had been paid to the susceptibilities and interests of Egypt. This fair plan had been put to the Egyptian Government with skill and patience by the Menzies mission, but had been flatly rejected.

"It has been said," the Foreign Secretary continued "that the Government should have immediately referred the matter to the United Nations. Let us consider what would have happened. At the London conference the Soviet representative made it clear that he would not support our plan for international control. He sought to assert a veto. He said the conference could come to no conclusion except on the basis of unanimity. That view was not accepted and the 18-Power plan was produced. But the Soviet representative did everything in his power to make it difficult for Egypt to accept the plan and to negotiate within the framework of it.

"What would have happened if we had gone to the Security Council? There would have been a Soviet veto, and no resolution would have been passed. What next? It might be said that we should have called a special Assembly. What would have happened? Whether or not in the end a two-thirds majority would have been obtained for any resolution, there would have been weeks of debate, innumerable amendments tending to whittle it down, and finally, at most, a recommendation Instead of that we have made effort after effort to procure by peaceful means a satisfactory method of operating the Canal. As far as the U N is concerned, the Prime Minister has stated the decision of the Government that it may be necessary to go to the Security Council We shall go, not as a formality, but as a genuine effort to improve the prospect of a peaceful settlement . . "

After referring to criticisms of the military precautions taken by the Government, the Foreign Secretary said that he agreed with what Mr. Edelman had said—that the Prime Minister would have been guilty of a grave dereliction of duty if he had failed to take those measures.

"I want to deal with the Users' Association," Mr. Selwyn Lloyd continued. "This was denounced by the Leader of the Opposition as 'provocation.' One would have thought that in a matter of this seriousness he would at least have taken a little time to consider the matter before doing his best to ruin the chances of this organization. Mr Gaitskell having said that, it is very much more difficult for Colonel Nasser to accept it or discuss it"

Explaining the legal position, the Foreign Secretary said that the 1888 Convention, together with the Suez Canal Company's concession, had constituted a balanced scheme The position of the users had been safeguarded partly by the Convention and partly by the fact that the Canal was operated by an international company whose operation of the Canal formed part of the basis of the Convention. The Egyptian Government had destroyed the balance of the scheme by taking the operation of the Canal from an international company, an action which had removed one of the guarantees afforded to the user-interests under the Convention. Egypt was not entitled to substitute herself for the Company as the operating authority, as this was contrary to the scheme assumed by the Convention. It was true that the user-countries might not be able to prevent the Egyptian Government from purporting to nationalize the Company under Egyptian law, or excluding it from carrying out operating activities, but the Egyptians could not require the users to recognize the validity of this state of affairs, or to recognize Egyptian operation of the Canal in lieu of that of the Company. The user-companies retained their passage-rights under the Convention and were not obliged to make use of or limit themselves to the facilities provided by Egypt. "That is the legal position," the Foreign Secretary declared, "and therefore I say we are absolutely right to seek to form some sort of organization of users . . Until 1968 the international company is an essential part of the operation of the Canal, whatever Egypt may be able to do in domestic law with regard to some company registered in Egypt. She is in breach of international law in taking that company out of international obligation."

Continuing, the Foreign Secretary said that the Opposition's amendment of censure on the Government [see below] was a "somewhat extraordinary document." It deplored the Government's refusal to invoke the authority of the U.N. in the dispute, but this was a wholly false charge. The Prime Minister had made it clear that H M Government had from the outset been acting in accordance with Article 33 of the U N. Charter, moreover, they had circulated to the Security Council a statement of the position, thus preparing the way for a reference to the Council if this should seem to be the right course at any given time. "How can this be termed a refusal to invoke the authority of the United Nations?", Mr. Selwyn Lloyd asked. "Article 33 enjoins members to seek every means of settling their disputes and finding a solution among themselves before bringing their case to the U.N That is precisely what we are still trying to do . . . I find it amazing, after the way in which this country and our allies and other associates have been so constantly provoked by Egypt, that Members opposite should utter warnings to refrain from provocative action. That warning might really have been addressed to Cairo and not to Downing Street . . . We are not prepared to allow unrestricted control of the operations on the Canal to pass into the hands of one Government or one man. And on that issue we are not prepared to compromise."

Mr. Selwyn Lloyd categorically denied that there had been any wrongful collusion between H.M. Government and the Suez Canal Company, or that the Government had sought to exert any pressure on the pilots to leave their jobs. On two occasions the Government had intervened to keep the pilots at work, "but there is a limit to what free men can be expected to undergo." After strongly denying that there was any truth in the allegation that the pilots had been called out to make possible the formation of a Canal Users' Association, Mr. Selwyn Lloyd said: "The likelihood that the pilots would not remain at work was one of the reasons for seeking to set up the users' organization."

On behalf of the Opposition, Mr. Alfred Robens moved an amendment which (1) condemned "the arbitrary methods employed by the Egyptian Government in respect of the Suez Canal Company"; (2) expressed support for "the legitimate rights of the users of the Canal"; (3) deplored "the refusal of H.M. Government to invoke the authority of the United Nations over the dispute"; and (4) called upon the Government "to refer the dispute immediately to the U.N., to declare that we will not use force except in conformity with our obligations under the U.N. Charter, and to refrain from any form of provocative action."

After saying that it was the function of the Opposition "to restrain a foolish and strong-headed Government from taking this country into war," **Mr. Robens** said that the Prime Minister, if he read the newspapers, should be aware that over half the nation was opposed to force. The T.U C., representing many millions of workers, had made their position plain that force should only be used on the authority of the United Nations. [A resolution to this effect had been approved at the annual Trades Union Congress held a week earlier.] The Prime Minister had said that if Egypt refused facilities to the proposed Canal Users' Association, Britain, France, and America might have to take further steps as required, either through the U.N. or "by other means"—a statement which most people interpreted as a threat of force. Should the Government resort to force, the entire Commonwealth would be weakened, all the Arab and Asian peoples would be united against Britain, and "we should stand condemned at the bar of world opinion."

Mr. Robens denied that there was any parallel between Colonel Nasser and Hitler, and accused the Prime Minister of trying to make Nasser appear "a more powerful man than he was." The use of force against a "poverty-ridden nation of 20,000,000 people, half of whom are illiterate," might succeed in overthrowing Nasser, but it would not destroy Arab nationalism. The right place for negotiations was the U.N., and the Government should not proceed with the idea that the great Powers could "bludgeon Egypt into a settlement."

Among the speakers in the ensuing debate, Sir Lionel Heald (C.), the former Attorney-General, urged that the Suez dispute should be taken to the Security Council before there was any resort to force.

Sir Lionel Heald stressed that there was a clear obligation under the U.N. Charter that the matter should be referred to the Security Council before resort was had to force. If agreement by negotiation was impossible, the right thing to do was to refer the question to the U.N., as had been made clear by Lord McNair, lately President of the International Court of Justice. [See House of Lords debate, below.] After expressing his conviction that no member of the Government had ever contemplated the use of force without reference to the U.N., Sir Lionel declared "If a reasonable and proper plan, supported by other nations, is put to the U.N. and approved there, I personally will be prepared to support the Government in any measures it thinks necessary to carry out."

Mr. Gaitskell asked the Foreign Secretary, in view of Sir Lionel Heald's "very remarkable speech," if he was "now prepared to make a declaration that the Government will only use force in accordance with our obligations under the U.N Charter?" **Mr. Selwyn Lloyd** replied: "At the moment we are seeking a peaceful settlement of this matter under Article 33. We intend to make every effort, and it is only when we are satisfied that these efforts have failed that this question arises."

Mr. Wedgwood Benn (Lab.) said that if the Prime Minister was not willing to give an assurance that the dispute would be taken to the U.N., he would be deliberately provoking war Such a war would be "a war without national unity at home or allies abroad, without purpose and without hope," and would bring "disgrace, dishonour, and possibly disaster" to Britain

Several Conservative Members, including **Mr. David Price** and **Mr. Cyril Osborne,** supported Sir Lionel Heald's view that force should only be used after reference to the U.N., and with its authority.

Mr. Hugh Gaitskell wound up the debate on behalf of the Opposition.

Mr. Gaitskell said that he found it hard to reconcile the Prime Minister's views of the proposed Canal Users' Association with those of Mr. Dulles, who had emphasized that the U.S.A. did not intend to "shoot its way through the canal" if Egypt tried to block the passage of U.S. ships navigating the canal under the auspices of the Association [see below]. Addressing the Prime Minister, Mr Gaitskell said: "Tell us tonight whether you will say on behalf of the Government that it, too, has no intention of shooting its way through the Suez Canal. The country and the world will be waiting for your answer."

Continuing, Mr. Gaitskell said that he stood by what he had said on Aug. 2 about the implications of Colonel Nasser's action. "I want to make it perfectly plain that we on this side fully realize that Nasser can be dangerous; we understand there are threats involved, but they are so far threats only." He agreed that Nasser's actions were reminiscent of those of Hitler, but that did not mean that the two situations were the same. In the case of Germany, Britain had been confronted with the most powerful military State in Europe and perhaps in the world, but the same could not be said of Egypt.

If there were fears that Nasser would "get away with it" and then proceed to attack Israel, the answer was to allow Israel to purchase arms. If there were fears that Nasser might achieve a prestige victory, the Government should be careful that they did not give him a greater prestige victory by their actions. If Nasser refused negotiation, they should adopt the line laid down by Mr. Dulles and by Mr. Menzies in his letter to Colonel Nasser—namely, that shipping should be re-routed round the Cape and additional pipelines developed. This would have a "salutary economic effect" on Colonel Nasser.

As regards the Foreign Secretary's complaint that U.N. procedure was slow and that it might be weeks before anything was done, Mr. Gaitskell declared: "What is wrong with weeks and weeks elapsing without war?" He did not believe that Britain would lose ground as the weeks went by; on the contrary, Colonel Nasser's prestige might suffer far more seriously as a result than from any threat to use force.

Mr. Gaitskell concluded: "We must behave in a way which wins the support of world opinion. It is precisely to this end that our amendment is directed. Refer the matter to the U.N. Let us get in first, and let us make sure that we get in as plaintiff and not as defendant Our case is a good one. I believe the Government think that. Do not let them prejudice it by unnecessary action. The Government must refrain from any form of provocative action. I beg the Prime Minister to say that he will ask the U.N. for action, and to give us an assurance that he too, like Mr. Dulles, has no intention that we should shoot our way through the Canal, and that the Government have no intention of using force except in accordance with the Charter."

The Prime Minister, replying to the debate, stressed that the Government desired a settlement of the Suez dispute by peaceful means, and that it had acted throughout in conformity with the U.N. Charter. At the end of his speech he gave an assurance that, except in an emergency, the Government would not resort to force without first bringing the matter before the Security Council.

Sir Anthony Eden said that the allegation that the Government did not desire a peaceful solution, made by some Opposition Members, was "a cruel and unjust charge [which] echoes the 1951 accusations of warmongering" The Government's record over the past five years—in Korea, Indo-China, Persia, and Trieste—showed that its constant aim had been to achieve a peaceful solution of disputes. Though peace was "the aim of all of us," his long experience of public life had taught him that "true and lasting peace cannot be bought at the price of the surrender of legitimate rights to outside pressures and forces." After recalling his opposition to the pre-war "appeasement" policy, Sir Anthony added (turning to Sir Winston Churchill, who was present in the House but took no part in the debate): "The majority of the country did not agree with me then, but Sir Winston agreed with me then and he tells me that he agrees with me now. We have all of us, in all parties, learned our lesson since then Do not let us unlearn that lesson now."

If Colonel Nasser was allowed to succeed in the action he had taken, Sir Anthony continued, there was no doubt whatever what his next step would be—an attack on Israel, which Colonel Nasser had described as "a stooge of imperialism" in his speech of July 26 announcing the nationalization of the Suez Canal. "My own forecast" said the Prime Minister, "is that if the getting-away-with-it takes place, there will be such a rush of Powers, such haste to get on the band-wagon of the Egyptian dictator, as has not been seen in our generation in any country"

As regards the present position, Sir Anthony declared: "The offer of the Menzies mission still stands and has not been withdrawn. It is still open to acceptance by Egypt. The Users' Association proposal is not an alternative but a provisional plan to meet the immediate situation. This country, the U.S.A., and France are in complete agreement ."

Pressed by Mr. Gaitskell to say that the Government would "not shoot their way through the Canal," Sir Anthony continued . "I said we were in complete agreement with the U.S.A. on what to do. The first thing is to have some co-operation from the Egyptian Government. We propose to ask for it. If they do not give it they are in default under the 1888 Convention. If they were in default, we should take them to the Security Council.

"Now I come to the question of when and how we should make use of the Security Council We have been acting in strict conformity with U N procedure. For the past seven weeks we have been following the course enjoined by Article 33 of the Charter—to seek first of all a solution by negotiation, inquiry, mediation, or conciliation And those efforts have not succeeded.

"Mr. Gaitskell asked us to submit this question to the Security Council now. But I would remind the House that we are not handling this problem entirely on our own. We are dealing with it in association with our allies and a number of other countries too, and I believe it is the wish of the House that we should act in concert with them. I must therefore ask the House to allow the Government to judge, in the light of their continuing consultations with other Governments, what is the best moment at which it may become advisable to have recourse to the Security Council. Our letter which we sent to the President of the Security Council yesterday [see below] is sufficient indication of our intention.

"I want now to deal with the question: would the Government give a pledge not to use force except after a reference to the Security Council? If such a pledge or guarantee is to be absolute, neither I nor any British Minister could give it. No-one can possibly tell what will be Nasser's action, either on the Canal or in Egypt. Nevertheless, I will give this reply, which is as far as, I think, any Government could go. It would certainly be our intention if circumstances allowed—

or in other words, except in an emergency—to refer a matter of that kind to the Security Council Beyond that I do not think any Government could possibly go. But I repeat, the Government must be the judge of circumstances. That is something no Government can share, no executive can share, with anybody else, either with Parliament or otherwise. I am confident Parliament itself, on reflection, will believe that to be sound doctrine."

After the Opposition's amendment had been defeated by 321 votes to 251, the Government's motion was carried by 319 votes to 248—a majority of 71. The Liberals voted for the Government's motion.

The House of Lords Debate.

The two-day debate in the House of Lords (Sept. 12-13) took place on a Government motion of confidence similar to that moved in the House of Commons. Earl Attlee, on behalf of the Labour peers, moved an amendment of censure similar to that moved in the Commons by Mr. Robens. The Opposition's amendment was defeated by 145 votes to 18 (a Government majority of 127), and the Government's motion was subsequently adopted without a division.

The Government motion was moved by the **Marquess of Salisbury** (Lord President of the Council), whose speech was on similar lines to those of the Prime Minister and the Foreign Secretary. Speeches in support of the Government's policy and its handling of the Suez crisis were made by **Lord Kilmuir** (the Lord Chancellor), **Lord Vansittart, Lord Hore-Belisha, Lord Hankey,** and a number of other Conservative and Liberal National peers. **Lord Rea,** leader of the Liberal peers, supported the Government's attitude and deplored Egypt's rejection of the 18-nation proposals drawn up at the London conference and presented in Cairo by the Menzies mission.

Earl Attlee, in moving the amendment of censure, stressed that there was no support in the Labour Party for the actions of Colonel Nasser, "an imperialistic dictator." It was, however, "impossible to uphold the sanctity of international law by committing breaches of it yourself," and it was therefore essential to refer the matter to the United Nations. Criticisms of the Government's attitude, and demands that the Suez dispute should be taken to the U.N., were also made by other Labour peers, among them **Earl Jowitt, Viscount Stansgate, Lord Silkin,** and the **Earl of Listowel.**

Lord McNair (lately President of the International Court of Justice) said that he found it difficult as a lawyer to reconcile some of the Government's actions, such as the massing of forces in the Eastern Mediterranean, with the existing rules governing the use of armed forces. After pointing out that force was no longer a discretionary instrument of policy, but that its use was regulated by law, he said that he was "unable to see the legal justification of the threat or use of armed force by Britain against Egypt to impose a solution of this dispute." He urged that H.M. Government should take the initiative in placing the matter before the Security Council, or calling a special session of the General Assembly, "so that we may go there as plaintiff instead of defendant."

The Archbishop of Canterbury (Dr Fisher) commended the Government for acting with great restraint in face of Colonel Nasser's aggression. After appealing for party unity, he asked the Government to take the dispute to the U.N., if necessary, thereby bringing "relief to a vast number of citizens who are perplexed, unhappy, uneasy, and frightened as to what might happen." If the U.N. failed to act as umpire, Britain would have every right to proceed on her own; if the U.N. decision was favourable to Britain, "we could take steps with other nations to see it was implemented", and "if the U.N. came to a conclusion unacceptable to us, it is our duty to accept it." After appealing to the Government to say that it would not resort to force against Egypt without first going to the U.N., Dr. Fisher added: "That seems to be near enough to the wishes of the Government, near enough to the desire of the Opposition, and near enough to the realities of the situation, to enable an agreed policy under which the whole nation can unite. . ."

Lord Beveridge, though agreeing that Colonel Nasser was "thoroughly untrustworthy," said that the idea of going to war with Egypt to internationalize the Canal was "the way of madness" Instead of the use of force, there was a choice of direct reference to the U.N. or the serious exploration of alternatives to the Suez Canal. Economic and not military force was the way to get the Canal back into general use, and the Government "should decline to accept anything less than the Dulles-Menzies plan."

Viscount Astor doubted whether the Canal Users' Association was practicable, since the Egyptians had only to withold co-operation to make the scheme impracticable People who urged the use of force were "many years out of date," and if Britain got into a "shooting war" with Egypt she would "risk losing much of the uncommitted world between Siam and North Africa." Colonel Nasser could be isolated by financial pressure and by diverting shipping round the Cape of Good Hope.

Lord Killearn (Ambassador in Cairo from 1937 to 1946) asked whether the Government had considered the possibility of withholding from Egypt the Nile waters on which she depended. [The Nile has two sources—the White Nile, rising in Uganda, and the Blue Nile, rising in Ethiopia.]

Mr. Dulles on U.S. Suez Policy.

At a press conference in Washington on Sept. 13, Mr. Dulles said that the United States was ready to participate in the proposed Canal Users' Association.

The 18-nation proposals drawn up at the London Conference, said Mr. Dulles, had furnished "a proper and reasonable basis for working out the question of the operation of the Canal in accordance with the 1888 Convention." As Egypt had refused to negotiate "on the basis which the overwhelming majority of the users suggested," it had to be considered "what further steps could be taken towards a just, peaceful settlement."

"Prime Minister Eden," Mr. Dulles continued, "yesterday set forth the concept of an association of users of the Suez Canal. Prior to his making that speech, the U.S.A. had informed him that if the U.K., alone or in association with others, should propose a Users' Association to be organized by the 18 sponsors of the London proposals, and perhaps others, the U.S.A. would participate in such an organization . . Certain things are clear (1) the user nations have rights under the 1888 treaty, (2) these rights cannot legally be nullified by unilateral Egyptian action, (3) it is normal for users to seek to work in association when rights which they possess jointly are in jeopardy.

"So we think it is wise that voluntary co-operation among the users of the Canal should continue. We do not believe that their rights can be adequately safeguarded if each nation, much less each ship, fends for itself. We believe that, under the present circumstances, practical co-operation with Egypt can be effectively achieved only if the users are organized so that they can deal jointly with Egypt and Egypt can deal jointly with them.

"We are prepared to participate in a users' organization on the basis which I have indicated. It is our thought that the Users' Association would, among other things, provide qualified pilots for the users' ships, initially receive the dues from ships of members of the Association passing through the Canal, which sums would be used to defray expenses of the organization and to pay appropriate compensation to Egypt for its contribution to the maintenance of the Canal and for the facilities of transit; and, so far as practical, arrange for the pattern of traffic of member-vessels through the Canal.

"It is our hope that on-the-spot arrangements for co-operation can be achieved without prejudice to the rights of anyone. This may provide a provisional *de facto* working arrangement until formal agreements can be reached. Of course, we recognize that what is suggested provides no permanent solution. We shall be unremitting in our efforts to seek by peaceful means a just solution giving due recognition to the rights of all concerned, including Egypt."

Asked what would happen if Egypt denied transit to ships of the Users' Association, Mr. Dulles said that in such an "unhappy contingency" the U.S.A. would not attempt to "shoot its way through the canal" but would re-route its vessels round the Cape. The U.S.A. would be prepared to help other nations take the same course by making available to them tankers now in "mothballs," and by loans from the Export-Import Bank to enable them to purchase American oil. Asked whether the Canal Users' Association was "an American idea," Mr. Dulles said that it was the "result of very intensive thought given to the subject by the State Department in consultation with the British and French Ambassadors."

President Eisenhower, at a press conference on Sept. 11, emphasized that the U.S.A. had from the outset been dedicated to a peaceful and reasonable solution of the Suez dispute. "We established the U.N. to abolish aggression," he declared, "and I am not going to be a party to aggression if it is humanly possible . . . to avoid it."

Egyptian Rejection of Canal Users' Association.

The Western Powers' proposal to create a Canal Users' Association was denounced by Colonel Hatem, head of the Egyptian Government Information Department, as "an act of provocation with the obvious aim of creating a situation resulting in armed aggression and leading to war." President Nasser, in a speech on Sept. 15 to Egyptian air cadets, similarly denounced the proposed Canal Users' Association.

President Nasser declared that the proposal to set up a Canal Users' Association was designed to "rob Egypt of the Canal" and "deprive her of her rightful Canal dues," thus constituting a "clear violation" of the 1888 Convention. It was impossible to have two bodies running the Canal [i.e. the Egyptian Authority and the proposed Users' Association], and equally impossible for two bodies to collect Canal dues, "unless it is suggested that we, too, can form an association for the users of the Port of London."

After accusing Britain and France of "sabre-rattling," "provocation," "threats, and international thuggery," President Nasser alleged that the non-Egyptian pilots of the former Suez Canal Company had been incited to give up their jobs by a "conspiracy" between Mr. Selwyn Lloyd and M. Georges-Picot [managing director of the Company] "with the aim of persuading the world that Egypt cannot preserve freedom of navigation on the Canal." Navigation had nevertheless continued uninterrupted, and on the previous day (Sept. 14) the record number of 50 vessels—the biggest number to pass through the Canal in a single day for many years—had been piloted safely through by "the 70 Egyptian and Greek pilots who refused to be bribed and preferred to continue in their jobs."

Criticizing the U S. Government's support for the projected Canal Users' Association, President Nasser declared : " I cannot tell what America's stand is. The President of the United States says he wants peace—and then the Secretary of State suggests plans that would eventually lead to war."

President Nasser said in conclusion . " What users of the Canal have the right to is free passage through the Canal—and this we guarantee . . . But we are determined never to surrender any of our rights. We shall resist any aggression . . . Those who attack Egypt will bring disaster upon themselves . . . We shall fight an organized war as well as a guerrilla war . . . We shall defend our freedom and independence to the last drop of our blood . . . "

Anglo-French Note to Security Council.

The British and French representatives on the Security Council presented a joint Note on Sept. 12 to the President of the Council (Dr. Nuñez-Portuondo, of Cuba, who held that position during September) declaring that Egypt's refusal to negotiate a settlement of the Suez dispute on the basis of the Menzies Committee's proposals was " an aggravation of the situation which, if allowed to continue, would constitute a manifest danger to peace and security." No formal request was made for a meeting of the Security Council, but the signatories requested that the Note be brought to the attention of all Council members.

Convening of Second London Conference on Suez.

The British Foreign Office announced on Sept. 14 that a second conference had been convened in London for the following week by the British, U.S., and French Governments to discuss the setting-up of the proposed Canal Users' Association. Invitations had been sent to the other 15 countries [i.e. in addition to the U.K., France, and the U.S.A.] which had supported the 18-nation resolution adopted at the earlier London conference.—(Times - Daily Telegraph - Manchester Guardian - Observer - Sunday Times - Le Monde, Paris - New York Times - New York Herald Tribune) **(15079 A.)**

Note. Further developments in the Suez dispute will be described in subsequent issues, including the second London conference and the discussions in the U.N. Security Council. (Ed. K.C.A.).

A. UNITED KINGDOM. — Chester-le-Street By-election.

Polling took place on Sept. 27 in the Chester-le-Street division of County Durham, the by-election being caused by the death of Mr. Patrick Bartley (Labour). Result :

Pentland, Norman (Labour)	27,912
Rees-Mogg, William (Conservative)	6,625
No change. Labour majority	21,287

Figures at the general election were . P. Bartley (Lab.) 32,323, D. A. Wright (C.) 10,047—Labour majority, 22,276.

The Labour candidate polled 80.82 per cent of the votes and the Conservative candidate 19.18 per cent, as compared with respective percentages of 76 29 and 23.71 at the general election. The Labour proportion of the poll thus rose by 4.53 per cent

The electorate numbered 53,191 (a decrease of 56 since the general election), of whom 64.9 per cent went to the polls, compared with 79.5 per cent at the general election.

Mr. Bartley (47), a former miner, had represented Chester-le-Street since 1950 He died on June 25.

The new Member, Mr. Norman Pentland (43), is a colliery checkweighman.—(Times - DailyHerald) **(Prev. rep. 14984 A.)**

B. MEXICO. — Campaign to eradicate Malaria.

A nation-wide campaign for the eradication of Malaria in Mexico, to be carried out within five years, began on Sept. 7. Under an agreement signed on Dec. 5, 1955, between the Mexican Government, the U.N. Children's Fund (Unicef), the World Health Organization, and the U.S. International Co-operation Administration, Mexico undertook to provide $12,000,000 toward the cost of the campaign, Unicef to supply $8,400,000 for equipment such as insecticides, spray-guns, etc., and the W.H.O. and I.C.A. to supply technicians. According to Mexican health officials and W.H.O. experts, Mexico has the worst malaria record in the Western Hemisphere, some 23,000 Mexicans dying annually of the disease and about 2,000,000 contracting it each year.

During the first three years of the campaign the interiors of 700,000 houses and buildings throughout the country will be sprayed at six-monthly intervals, Mexico having been divided into 50 areas for this purpose. Approximately 400 " spraying brigades," each equipped with a jeep and the necessary equipment, will be in constant action throughout this period. During the first phase of the campaign, treatment of persons suffering from malaria will be carried out simultaneously with the eradication of mosquitos. The second phase—i.e. the final two years—will be devoted to inspection and evaluation of the programme.—(New York Times)

C. SCIENTIFIC RESEARCH. — Synthetic Diamonds produced in the U.S.A. - Industrial Uses.

The first diamonds ever to be produced by a laboratory process were shown to scientists on Feb. 15, 1956, at the General Electric Company's research station at Schenectady, New York. The achievement was the result of four years' research work by a team of G.E.C. chemists and physicists—Drs. Francis P. Bundy, Herbert M. Strong, H. Tracy Hall, and Robert Wentort.

It was disclosed that synthetic diamonds had been produced by simulating pressures and temperatures existing at a depth of 240 miles below the surface of the earth. A special pressure vessel, contained within a 1,000-ton hydraulic press, had maintained for relatively long periods pressures greater than 100,000 atmospheres (i.e. 1,500,000 pounds to the square inch) and temperatures above 5,000 degrees Fahrenheit. In some cases man-made diamonds, exact duplicates of real diamonds, had been produced in a matter of minutes, while in others the process had yielded solid clusters of small diamonds. Many variations of colour, clarity, and crystallinity found in natural diamonds had been observed in the man-made crystals. The synthetic diamonds were produced from a carbonaceous substance, the nature of which remained secret but which was believed to include graphite. The basic constituent of the synthetic diamonds was carbon, as in the case of natural diamonds, the only difference between the two forms of carbon being the arrangement of the atoms in the structure of their respective crystals. As compared with natural diamonds, however, the man-made diamonds were very small, the largest yet produced being one-sixteenth of an inch in length and weighing one-tenth of a carat.

Although the synthetic diamonds passed all the tests for natural diamonds, including very great hardness, it was pointed out by Dr. Guy Suits (vice-president of the G.E.C. and Director of Research) that it would be " decidely premature " to conclude " that we are about to make diamonds of a size and quality suitable for gem use," since it was not yet known what conditions of pressure and temperature were required to produce diamonds of the desired colour and size. In a subsequent statement on May 3, Dr. Suits disclosed that man-made diamonds were being produced in limited quantities at a pilot factory in Detroit, and forecast that they would have an important impact on U.S. industry and defence. He explained that the commercial value of synthetic diamonds stemmed primarily from their " incredible hardness," which was of great importance for such industrial uses as cutting and grinding.

(New York Times - New York Herald Tribune)

D. TRINIDAD. — General Elections.

General elections for a new Legislative Council were held in Trinidad on Sept. 24, the former Legislative Council having been dissolved on May 26 after approving a five-year development programme costing about £18,000,000. The elections were the first to be held under the revised Trinidad Constitution, which has increased the number of elected seats in the Legislature from 18 to 24, provided for the appointment of a Chief Minister, and raised the number of Ministers from five to eight. [The revised Constitution is based on the recommendations submitted in February last—see 14698 B—and subsequently approved by the British Government.]

The People's National Movement (P.N.M.), a new party formed eight months earlier under the leadership of Dr. Eric Williams, a West Indian political economist educated at Oxford, won the elections by securing 13 of the 24 seats—an overall majority. Five seats were won by the People's Democratic Movement (predominantly Hindu), three by the Home Rule Party, two by the Trinidad Labour Party, and one by an Independent. About 80 per cent of the electorate went to the polls (against 70 per cent in 1950), the P.N.M. receiving 103,000 votes out of the 239,000 cast.

Three Ministers were defeated by P.N.M. candidates—Mr. Albert Gomes (Industry and Commerce), one of the best-known West Indian politicians; Mr. Norman Tang (Health); and Mr. Roy Joseph (Education). Mr. Learie Constantine, the West Indian Test cricketer and chairman of the P.N.M., was elected by a narrow majority of 145 votes, defeating the mayor of Port of Spain.

The P.N.M., which has affinities with the People's National Party (P.N.P.) in Jamaica, advocates self-government for Trinidad and Dominion status for a British Caribbean Federation within five years. Its electoral victory was warmly welcomed by the Chief Minister of Jamaica, Mr. Norman Manley.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Trinidad Constitution, 14698 B ; 1950 General Elections, 11187 A.)**

A. SOUTH AFRICA. — Racial Legislation, 1955-56.

The 1956 session of the South African Parliament, which ended on June 14, was largely devoted to legislation on racial questions. In addition to the South Africa Act Amendment Act (see 14805 A), important measures adopted included the Industrial Conciliation Bill, which forbade the formation of racially mixed trade unions and provided for the division of existing mixed unions into separate racial bodies; four Bills—the Native Administration Amendment Act, the Natives (Prohibition of Interdicts) Act, the Natives (Urban Areas) Amendment Act, and the Population Registration Amendment Act—which restricted the Natives' right of access to the courts; and Bills amending the Group Areas and Bantu Education Acts. Summaries of these Acts, and of other racial legislation enacted during the 1955 and 1956 sessions, are given below.

Labour Legislation.

Two Bills dealing with labour legislation were enacted by the Union Parliament, as described below.

The Industrial Conciliation Act was originally introduced in the House of Assembly on May 12, 1954. After passing its second reading on June 2, 1954, it was referred to a Select Committee which introduced a number of minor modifications. Its main provisions were as follows:

(1) No new mixed unions would be registered.
(2) A mixed union might be divided into separate racial unions if a majority of its White or Coloured members demanded it, its assets then being divided between the two new unions.
(3) Mixed unions must have separate branches and separate meetings for White and Coloured members, and their executive committees must consist entirely of Europeans.
(4) Trade unions and employers' organizations were forbidden to affiliate to political parties or to give financial support to candidates for Parliament or for Provincial or local councils.
(5) The Minister of Labour was empowered to reserve certain kinds of work for members of particular races.
(6) An Industrial Tribunal of five members was established to carry out arbitration, advise the Minister on reservation of work, and hear appeals against decisions of the Registrar of Trade Unions on registration and the division of union assets
(7) The Minister of Labour might declare any industry or occupation an essential service, and prohibit workers employed in it from striking
(8) Strikes were prohibited unless a majority of members of the union concerned had voted in favour of a strike by secret ballot.

In its revised form the Bill was reintroduced into the House of Assembly in January 1956, and, despite strong opposition from the United and Labour parties, was given a third reading without amendment on April 11 (by 67 votes to 41). The Bill passed its third reading in the Senate on May 1.

Outside Parliament the Bill was opposed by three of the four trade union federations—viz., the South African Trade Union Council (which has about 150,000 White and Coloured members), the South African Federation of Trade Unions (with 50,000 White members), and the South African Congress of Trade Unions (which includes White, Coloured, and Native workers)—as well as by the Federated Chamber of Industries (representing the major part of South African industry) and the National Federation of Building Trade Employees. It was supported by the Co-ordinated Council of Trade Unions (19,000 members) and by the Federal Consultative Council of Railway Employees, who were not affected by the Bill During the debate in the House of Assembly it was officially stated that 44 trade unions consisted entirely of White workers and 10 entirely of Coloured workers, and that 125 unions were mixed

The Native Building Workers Amendment Act (enacted on Jan. 9, 1956) made more stringent the provisions of the Native Building Workers Act of 1951, under which Natives were forbidden to do skilled building work in towns except in the Native areas. White householders and businessmen might, however, be granted permission to employ Native labour if White skilled labour was not available.

Legislation on Legal Rights of Natives.

Five Bills, summarized below, were enacted by the Union Parliament on this subject.

The Native Administration Amendment Bill (1955) extended the powers of Native chiefs and headmen to try minor offences committed in areas under their control, and to impose sentences of flogging or fines in money or stock. A convicted Native would have a right of appeal to a Native Commissioner. The Bill was given a third reading in the Senate on March 23, 1955, by 34 votes to five, the United Party voting with the Government.

The Native Administration Amendment Bill (1956) made the Governor-General Supreme Chief of the Natives in Cape Province, and empowered him, if necessary, (*a*) to remove a Native to another area without previous notice, and (*b*) to order the removal of a whole tribe without first obtaining parliamentary approval

The effect of the clause declaring the Governor-General Supreme Chief in the Cape (a position which he already held in the other three Provinces) was to extend the Natal code of Native law to the Natives living in the Cape. Under this code chiefs may be punished without trial for disobedience to the orders of the Minister of Native Affairs; collective fines may be imposed on tribes or communities; Natives considered "dangerous to the public peace" may be imprisoned by administrative order, and no appeal to the courts against any decision of the Minister is permitted.

The Bill passed its third reading in the House of Assembly on May 21, 1956, by 85 votes to 49.

The Natives (Urban Areas) Amendment Act (1956) empowered municipalities to banish without trial any Native whose presence was considered 'detrimental to the maintenance of peace and order," and provided for the individual's punishment if he failed to obey the ejection order. If within five years the individual received a second such order, a Chief Native Commissioner might confine his movements to rural areas or to one specific area, and if he failed to comply with the Commissioner's order he might be sent to a work colony.

The Bill was given a third reading in the House of Assembly on June 14, 1956, by 44 votes to 24, and in the Senate on the same day by 43 votes to 5

The Natives (Prohibition of Interdicts) Act provided that if a Native was ordered under any law to move from one place to another, he might not apply to the courts for an interdict against the removal order. He might, however, seek redress after he had complied with the order, and if the court held that it was invalid he might receive compensation and be restored to the position he was in before the order was issued. The Bill received a third reading in the House of Assembly on June 9, 1956, by 56 votes to 34.

The Population Registration Amendment Act laid down that "a person who in appearance obviously is a member of an aboriginal race or tribe of Africa shall, for the purposes of this Act, be presumed to be a Native unless it is proved that he is not in fact and is not generally accepted as such." The period during which a person might lodge an appeal against his racial classification—which, under the Population Registration Act of 1950 (see 12211 A), had been unlimited—was restricted to 30 days from the date when he was notified of his classification. The House of Assembly gave the Bill a third reading on June 14, 1956, by 47 votes to 50

This Act reversed a ruling of the Transvaal Supreme Court, which, when dealing with the appeal of a Coloured man who had been wrongly classified as a Native, laid down that in cases of disputed classification the onus of proof rested with the Director of Census.

Apartheid Legislation.

Five Bills dealing with various aspects of *apartheid* (racial segregation) are summarized below.

The Natives (Urban Areas) Amendment Act (1955), which passed its third reading in the House of Assembly on March 3, 1955, by 69 votes to 47, and in the Senate on March 31 by 17 votes to 9, contained the following provisions.

(1) The number of Native employees allowed to live in any one building in a European urban area was limited to five. (2) The Minister of Native Affairs was empowered to order the removal of any Native community for health or safety reasons, or if town or regional planning demanded it (3) Natives from the High Commission Territories were forbidden to enter urban areas without permits. (4) Work camps would be established to which "idle or undesirable" Native youths might be sent by a Native Commissioner or magistrate (5) When Natives were removed from one area to another, local authorities would not be legally required to provide houses for them, but only a site on which the Natives themselves could erect new homes (6) Natives would not be allowed to return to an urban area after an absence of more than 12 months, unless they returned to their previous employer and to the same class of work.

The Group Areas Amendment Act (1955) laid down that the Land Tenure Advisory Board responsible for the administration of the Group Areas Act (see 12211 A) should have power to refuse to hear persons not directly implicated in a particular inquiry The Bill was strongly criticized by the Opposition as an attempt to circumvent a ruling of the Transvaal Supreme Court that all persons affected by the Board's inquiries were entitled to a hearing It was given a third reading in the House of Assembly on Feb 7, 1955, by 84 votes to 51.

The Group Areas Further Amendment Act provided for the creation of "border strips" between group areas, in which only a public authority or a person authorized by the Minister of the Interior might own land or premises, and in which no-one might occupy such land or premises except for a purpose approved by the Minister. These strips could be proclaimed in the same way as a group area, with immediate effect or with effect from some future date. The Bill passed its third reading in the House of Assembly on June 17, 1955, and in the Senate on June 21

The Minister of Lands (Mr. Sauer) stated that the "border strips" were intended to keep the different racial groups apart, and might be used for the erection of factories employing both Native and European labour.

The Group Areas Development Act set up a Group Areas Development Board which, on the proclamation of a group area, would take control of all affected property in the area, and would receive an option to buy any of it.

The basic value of the property (i.e the value of the land and the cost of buildings erected on it, minus depreciation) would be decided by an independent appraiser If the owner of property wished to sell it he must notify the Board, which would either let him negotiate a sale or itself buy the property. If the price received by the owner was more than the basic value, he would pay the Board 50 per cent of

the difference between the selling price and the basic value; if it was less, the Board would pay him 75 per cent of this difference. If an owner sold his property for a price above the basic value without notifying the Board, the Board might demand 75 per cent of the difference, but if he sold it for less he would not be entitled to compensation. Disputes between an owner and the Board regarding compensation would be referred to arbitration

Dr. Donges (Minster of the Interior) said that the Bill's objects were to assist members of the group leaving a proclaimed area to free their capital, so that they could buy land and dwellings in the area to which they were moving; to permit the development of such areas, in order to make them suitable for the incoming group, and to ensure that land in areas proclaimed for non-Europeans should not be so high in price as to prevent them from buying homes there.

The Bill passed its third reading in both Houses on June 21, 1955.

The Group Areas Amendment Act (1956) laid down a uniform procedure in all Provinces for obtaining parliamentary approval for the proclamation of Coloured group areas, and enabled certain areas classified as approved Native residential areas, to be dealt with in terms of the Group Areas Act. [Hitherto the procedure in Transvaal and the Orange Free State had differed from that in the Cape and Natal.]

The Bill was strongly criticized by the Opposition on the ground that it would enable the Government to remove Natives from the few urban areas where they still had rights of ownership. Opposition amendments providing that Natives removed from such areas should receive adequate compensation for all existing property rights which might be taken away, and should be granted freehold title in the areas to which they were removed, were rejected.

The Bill received a third reading in the House of Assembly on April 18, 1956, by 87 votes to 47, and in the Senate on May 3 by 59 votes to 10.

Educational Legislation.

The Bantu Education Amendment Act (1) authorized the Minister of Native Affairs to refuse or cancel the registration of a private school, irrespective of the recommendations of the Native Affairs Commission; (2) laid down conditions for the registration of private schools, e.g. that fees should not be charged, and that the curriculum, the qualifications and behaviour of the staff, and the school buildings should conform to the Government's standards; and (3) permitted the Minister to delegate his powers to the Secretary of Native Affairs in cases where the Minister's personal approval was necessary for changes in subsidies to schools.

During the second reading debate, Mr. Maree (Nationalist), the Native Affairs Commissioner charged with supervision of educational policy, stated that when the Government subsidy was withdrawn from Roman Catholic mission schools in 1957, all the 800 schools would have to apply for re-registration Dr Verwoerd (Minister of Native Affairs) added that they would not be allowed to charge fees, as the Bantu had to be protected against the possibility of "exploitation."

The Bill was given a third reading in the House of Assembly on May 1, 1956, by 63 votes to 36, and in the Senate on May 9 by 49 votes to seven.

About 5,000 Protestant mission schools had been taken over by the Division of Bantu Education on April 1, 1955, whilst the Roman Catholic schools had continued to function independently. Following Dr. Verwoerd's statement, the Roman Catholic Archbishop of Cape Town (Dr. McCann) said that the Church had hoped to run its schools on an economic basis, but that, if it was not allowed to accept fees, it might be necessary to finance them from general Church funds.

Strong protests were aroused by a Government order of Feb. 7, 1956, which directed the Anglican private school of Christ the King in Sophiatown, Johannesburg (attended by 550 Native children) to close down at the end of the quarter. The Anglican Bishop of Johannesburg (Dr. Reeves) said that "the only fault we can imagine of which this school has been guilty—if fault it is—is that those who have been privileged to be scholars have been receiving a more adequate education than that provided in a great number of schools for African children." Dr. Verwoerd stated on March 6 that the school had been ordered to close because fees were being charged and there was an "undesirable spirit" in the school.—(Cape Times - Die Burger, Cape Town) **(Prev. rep. Racial Legislation, 13350 A; Bantu Education Act, 14077 A.)**

A. NETHERLANDS. — Constitutional Reform.

Following the recent general elections, the Bill increasing the membership of the Lower House of the States-General from 100 to 150, and of the Upper House from 50 to 75, was re-enacted by the new Lower House on July 11 (by 71 votes to six) and by the Upper House on Aug. 21 (with only one dissenting vote). It comes into force in the autumn of 1957. (Netherlands News Agency) **(Prev. rep. 14858 B.)**

B. SHIPPING. — The "Andrea Doria" Disaster.

The worst disaster in the history of transatlantic maritime navigation for many years occurred on July 26, when the liner *Andrea Doria* (29,083 gross tons), of the Italian Line (*Società Italia per Azioni di Navigazione*), foundered about 200 miles from New York after having been in collision with the motorship *Stockholm* (12,644 gross tons), of the Swedish-American Line (*Svenska Amerika Linien*). The great majority of the 1,709 passengers and crew on board the *Andrea Doria* were rescued by ships in the vicinity and landed at New York, but a small number were killed when the collision took place and others remained unaccounted for. The total number known or presumed to have lost their lives in the disaster was given on Aug. 9 as 52, including five of the crew of the *Stockholm*.

The collision occurred during dense fog shortly before midnight on July 25 in an area, about 45 miles south-east of Nantucket Island, known as "the crossroads of the Atlantic," where the "shipping lanes" used by vessels trading from U S Atlantic ports to Europe and Canada intersect The *Andrea Doria* was inward bound to New York from Genoa, while the *Stockholm*, with about 750 passengers and crew on board, was on passage from New York to Gothenburg. The Swedish ship's bows struck the *Andrea Doria* just below the navigating bridge amidships, causing immediate flooding of one of the 11 watertight compartments into which the Italian liner's hull was divided Although the ship had been designed with the intention that the flooding of any two of these compartments should not affect her stability, she at once took a heavy list which increased gradually as water entered cabins through portholes, thus preventing the launching of any of her lifeboats for some hours

The 44,000-ton French liner *Ile de France* (which had left New York on July 25 for Havre) and the U.S. freighter *Cape Ann* (bound for New York from Hamburg), which were in the vicinity at the time of the disaster, launched boats and rescued 760 and 129 persons respectively. Rescues were also effected by a U.S Army transport (which took off 156 passengers), by the U.S destroyer *Edward H. Allen* (76 persons taken off), and by Coast Guard and other craft, while 533 other survivors were taken on board the *Stockholm*, which returned to New York in a badly damaged condition. The *Andrea Doria* remained afloat until about 10.0 a.m. on July 26—i.e. for over 10 hours after the collision occurred

At the time of their construction the *Andrea Doria* and her sister-ship the *Cristoforo Colombo* were the largest and fastest vessels built in Italy since the war, and the eighth largest liners in the world. The maiden voyage of the *Andrea Doria* took place in 1953 (see 12764 A), her loss being received in Italy as a national disaster. On Aug 8 the Italian Line announced that it had contracted with the Ansaldo company of Sestri Ponente (where the *Andrea Doria* was built) for a new ship to replace her, but slightly larger and faster. Every effort would be made to have the new liner ready for her maiden voyage before the end of 1959.

The U.S. House of Representatives on July 27 authorized its Merchant Marine and Fisheries Committee to investigate the circumstances of the collision, which took place in spite of the fact that both liners were equipped with the latest aids to navigation, including efficient radar. On Aug. 9 the Swedish-American Line filed a petition in the New York Federal District Court asking that the line should not be "held liable for any loss, damage, injury, or destruction arising from the collision," which, the petition alleged, had been caused solely by "the fault and negligence of the *Andrea Doria*." On Aug. 10, however, the Italian Line brought a counter-suit in the Federal District Court against the Swedish-American Line, claiming $25,000,000 damages on the ground that the disaster had been allegedly caused by "the fault and negligence of the *Stockholm* and her crew." Preliminary hearings began on Sept. 20. (Lloyd's List and Shipping Gazette - New York Times - Corriere della Sera, Milan) **(Prev. rep. "Andrea Doria," 12764 A.)**

Note. The loss of the *Andrea Doria*—which, because of the elaborate subdivision of her hull, had been claimed to be unsinkable through ordinary maritime hazards—recalled that of the "unsinkable" *Titanic* on her maiden voyage from Southampton to New York in 1912, when over 1,500 lives were lost The *Titanic*, however, collided with an iceberg which ripped a hole diagonally over the full length of the ship's side, all the watertight compartments being thereby opened to the sea. The most serious collision in fog conditions to take place in peacetime in the present century occurred in the St Lawrence in the spring of 1914, when the Canadian Pacific liner *Empress of Ireland* sank with the loss of over 1,000 lives after being rammed by the Norwegian collier *Storstad*. (Ed K C.A.).

C. AVIATION. — Atlantic Flight by British V-Bomber.

The first non-stop flight across the Atlantic by a British V-bomber was made on Sept. 2, when a Vickers Valiant bomber arrived at Marham R.A.F. Station (Norfolk) 6¼ hours after leaving the Lowring Air Force Base, Maine, U.S.A. The machine was piloted by Wing-Commander L. H. Trent, V.C. (Times - Daily Telegraph) **(Prev. rep. 14406 B.)**

A. MOROCCO. — Clashes between "Liberation Army" and French Forces. - "Liberation Army" incorporated in Royal Army. - Moroccan Claim to Mauritania. - French Citizens expelled on Conspiracy Charges. - Rejection of Istiqlal Demand for One-Party Government. - Incorporation of Spanish Zone. - Interim Agreement on Status of Tangier.

Developments in Morocco during the past three months are described below under cross-headings, in continuation of 14946 A.

Clashes between "Liberation Army" and French Forces.

A number of clashes occurred during June between the French forces in Morocco and bands of the "National Liberation Army," particularly on the Algerian border and in the Agadir area in southern Morocco. The most serious incident occurred on June 20, when 11 French soldiers were killed in a clash with "Liberation Army" units at Aïn-Chaïr, near the Algerian border and about 45 miles north-west of Colomb-Béchar. Elsewhere in Morocco some 400 men of the "Liberation Army" made an unsuccessful attack on the frontier post of Oum-El-Achar, a French officer was kidnapped in the Agadir area, and a French police post at Bou-Izakarn (60 miles south of Agadir) was raided and stripped of arms. French troops arrived at Agadir on July 1, and three days later occupied the police post of Foum-El-Hassan (about 150 miles north-west of Tindou) in spite of strong protests by the Moroccan Government.

A Cabinet meeting at Rabat, presided over by the Sultan, decided on July 4 to send M. Balafrej (the Foreign Minister) and M. Guedira (Defence Minister) to Paris "to confront the French Government with its responsibilities." At the same time Prince Moulay Hassan (Chief of Staff) was ordered to reoccupy Foum-El-Hassan and other posts which had been occupied by the French. On July 5 Prince Moulay Hassan had a meeting with General Cogny, the new French C.-in-C. in Morocco, a provisional agreement being reached whereby Foum-El-Hassan was jointly occupied by French and Moroccan forces and the French military authorities undertook to keep the Moroccan Government informed of all future troop movements.

M. Balafrej and M. Guedira had discussions in Paris from June 8-14 with M. Pineau (Foreign Minister), M Bourgès-Maunoury (Defence Minister), and M Savary (State Secretary for Tunisian and Moroccan Affairs) Before returning to Rabat on July 15, M. Balafrej told a press conference that a "gentlemen's agreement" had been reached on the status of French troops in Morocco, but gave no details of its terms. In an interview with *Le Monde* he had expressed the opinion that the Moroccan Army should be responsible for control of the frontiers; that Morocco should not be used as a base for the French forces fighting the Algerian insurgents; and that it should be the task of the French forces in Algeria to prevent Moroccans from crossing the frontier to join the insurgents, as the Moroccan Army was not yet strong enough to undertake this responsibility.

The Moroccan Government issued a statement on July 28 protesting against recent movements of French troops in the Oujda area, which had been made without the authorization of the Moroccan authorities, and alleging that the French forces had "sown terror" in the neighbourhood. After discussions between M. Guedira, General Cogny, and M. Dubois (the French Ambassador) it was decided on Aug. 31 to send a joint commission to the eastern frontier to investigate recent incidents in this area. Clashes between French troops and Moroccan civilians had previously occurred at Marrakesh on June 29, when ten civilians lost their lives, and at Casablanca on Aug 7, when a Senegalese soldier was killed and 14 soldiers and 22 civilians wounded

"Liberation Army" incorporated in National Army.

The situation had meanwhile been eased, however, by the decision of the "National Liberation Army" to incorporate itself in the national Moroccan Army.

Opinion inside the "Liberation Army" had for some time been divided on the advisability of this step, and on June 26 Si Abbes Messadi, one of its leaders who favoured integration, was kidnapped and murdered by a rival leader, Si Hajjaj. Prince Moulay Hassan arrived in the Rif area on July 2 and was met by a delegation of 1,000 members of the "Liberation Army," who asked to be incorporated into the Royal Army on behalf of themselves and 5,000 of their comrades. Among those who rallied to the Sultan were the followers of Si Hajjaj, who was arrested. Some 250 leaders of the "Liberation Army" returned with Prince Moulay Hassan to Rabat, where they took the oath of allegiance in the Sultan's presence

Prince Moulay Hassan, accompanied by Dr. Khatib, the "general" of the "Liberation Army," had a meeting on July 22 with the leaders of the bands operating in the Marrakesh area and the Atlas Mountains, as a result of which they too agreed to accept integration By the end of August it was estimated that 10,000 members of the "Liberation Army" had come to Rabat, about half of whom would be incorporated into the Royal Army, whilst the remainder would be rehabilitated in civilian occupations; it was estimated that 2,000 to 3,000 irregulars still remained organized in independent bands, mainly to the south of Agadir and along the Algerian frontier. Two leaders of bands which had not yet submitted, Si Ben Aïssa and Si Mohamed El Oukdi, were arrested in the Fez area on Aug. 10 and Aug. 14 respectively.

Moroccan Claims to Mauritania.

In a speech at Tangier on June 19, the leader of the Istiqlal, Si Allal El Fassi, demanded the incorporation in Morocco of south-western Algeria, the Mauritanian area of French West Africa, and the Spanish Sahara (Rio de Oro). He declared that Morocco, though independent, was "not completely unified," and that "Moroccans will continue the struggle until Tangier, the Spanish and French Sahara, and Mauritania, are liberated and unified."

At a press conference in Cairo on July 3, Si Allal El Fassi said that Moroccan and Mauritanian nationalists had been forced to raise this question by the introduction into the French Parliament of a Bill for the integration of the Sahara into French national territory. A map of "Greater Morocco," published on July 5 in the Istiqlal daily *Al Alem*, included not only the territories mentioned by Si Allal El Fassi, but, in addition, the French Sudan and the Tanezrouft area of southern Algeria.

A Mauritanian section of the *Bureau du Maghreb* in Cairo was established on June 26 under M. Horma Ould Babana (a former deputy for Mauritania in the French National Assembly), who described himself as leader of the Mauritanian Nationalist Movement. M. Babana was present at Si Allal El Fassi's press conference on July 3, and was received on July 23 by the Sultan of Morocco.

M. Suleiman Sheikh Sidya, the Mauritanian representative in the Assembly of the French Union, declared on July 7 that the claims of certain Moroccan leaders in no way expressed the desire of the population of Mauritania, which had never been part of the Sherifian Empire.

Relations with France.

Other recent developments affecting Franco-Moroccan relations are summarized below under cross-headings.

Economic Negotiations. Negotiations for an economic, financial, and monetary agreement were opened in Paris on June 27, the respective delegations being led by the Moroccan Finance Minister (M Benjelloun) and M. Savary. M. Benjelloun, who said that large-scale investments from public or private sources were needed to raise the living standards of the Moroccan people, put forward proposals for economic aid totalling about 40,000,000,000 francs, of which about 35,000,000.000 francs would be supplied by the French Government's fund for the economic and social development of overseas territories, and the remainder by specialized financial agencies and private French investors At a press conference on Aug 14 M. Benjelloun stated that the French Government had agreed to a loan of 6,500,000,000 francs.

Dismissal of French Officials. The Moroccan Government decided on Aug. 11, as an economy measure, to place 275 of the 5,700 French officers serving in the police at the French Government's disposal, and ordered 247 of them to leave the country before Sept. 1. The officials concerned had all been employed under the French protectorate in the intelligence service, and included 16 commissioners who, at the time of their dismissal, were working under the direction of Nationalists against whom they had formerly taken action. The French Embassy in Rabat announced on Aug 16 that discussions on this matter were taking place between representatives of the two Governments.

Expulsion of French Citizens. Seven members of the extremist settlers' organization, the *Union pour la Présence Française*, were arrested on Sept. 7 on charges of circulating leaflets inciting the Berber tribes to revolt against "the Arab Sultan" and "the Arab Government." The organization was subsequently dissolved and 64 French settlers, nearly all of whom had been members of the *Présence Française*, were arrested on Sept. 11-12 and ordered to leave the country; they included M. Mattei, a former secretary-general of the organization, who had previously been expelled by the French authorities in July 1955 for counter-terrorist activities. A strong protest against the expulsions was lodged by M. Dubois, who contended that no proof had been supplied that all the persons expelled had been engaged in subversive activities.

Istiqlal Demand for One-Party Government.

The National Council of the Istiqlal Party adopted a 37-point programme on Aug. 20, and at the same time called for the withdrawal of Istiqlal Ministers from the present coalition government as soon as possible, and for the opening of discussions with the Sultan with a view to forming "a homogeneous government capable of carrying out the Council's emergency programme."

The Istiqlal programme included demands for the evacuation of French troops from Morocco; active support for the Algerian insurgents; direct negotiations with the U.S. Government on the American air bases in Morocco; the abrogation of the Treaty of

Algeciras [which provides for an "open door" policy in Morocco]; the strengthening of links with the other Arab countries, Government control of public resources; nationalization of certain enterprises, protection of industry against foreign competition; sequestration of property acquired by "traitors", agrarian reforms; distribution of State lands to workers; and fiscal and administrative reforms.

The National Council of the Democratic Independence Party, meeting on Aug. 21, ordered its representatives in the Government to "continue their task in the conduct of public affairs under the enlightened leadership of Si Bekkai."

The Democratic Independence Party called for an economic programme which would raise the living standards of the working classes, and for a foreign policy programme which would include the evacuation of foreign troops; the ending of the "war against the Algerian people"; recognition of Algerian independence, and the inclusion in Morocco of Mauritania, the Spanish *enclave* of Ifni, and the ports of Ceuta and Melilla. [The Istiqlal's programme had made no reference to Ceuta and Melilla, which are regarded as integral parts of Spain.]

In a broadcast on Aug. 31, Si Bekkai declared that "no government could have done better under the same conditions and in the same time," and asserted that there was "no governmental crisis but only growing-pains."

After declaring that "the mission of the Government of National Unity is not completed," Si Bekkai added: "The realization of the Government's programme calls for the mobilization of all the country's forces. It cannot be left to the representatives of one faction of the population to the exclusion of others. No political body can lay claim to hegemony in Morocco, where there has not been a genuine consultation of the people . . . We are advancing peacefully towards a constitutional monarchy and an electoral law."

It had previously been announced on August 2 that a Consultative Assembly would be set up, consisting of 73 members chosen by the Sultan from lists submitted by the political parties, trade unions, economic and social bodies, professional organizations, and youth movements, or appointed by the Sultan himself. The Assembly would meet twice a year, discuss the Budget, submit questions to Ministers, and enjoy parliamentary immunity.

Incorporation of Spanish Zone.

The transfer of the powers of the Spanish authorities in the Northern (Spanish) zone was officially completed on Aug. 1, the Moroccan Ambassador to Spain (M. Abdelkhalek Torres) being charged with the temporary co-ordination of governmental services in Tetuan with the departments in Rabat. The Sultan appointed five governors, four pashas, and a caid for the Northern zone on Aug. 6, whilst it was announced in Madrid that the Spanish High Commissioner, General Valino, had been withdrawn from Morocco as his functions were at an end.

Prince Moulay Hassan had announced on June 14, after his negotiations in Madrid, that the 9,000 Moroccans serving in the Spanish Army would be transferred to the Moroccan Army.

Interim Agreement on Status of Tangier.

An interim agreement on the status of Tangier was signed at Rabat on July 5. It provided (1) that the Administrator would be replaced by a Governor appointed by the Sultan, (2) that the four joint administrators for economic affairs, hygiene, public assistance and labour, finance, and judicial affairs would be known as Counsellors; (3) that the zonal police force would be brought under national control, and the Franco-Moroccan special police placed at the Moroccan Government's disposal; (4) that the Tangier Legislative Assembly would hold three plenary sessions during the transition period, its powers being limited to regional affairs; (5) that the Zone's budget and fiscal system would remain autonomous during the transition period; (6) that laws passed by the Sultan would be applied to Tangier when they were considered urgent, and that the Control Committee would not issue legislative ordinances.

Professor Abdallah Guenoun, a former Minister of Justice in the Spanish Zone, was appointed Governor of Tangier by the Sultan on July 8.

Moroccan-Jewish Emigration to Israel.

Some 5,500 Moroccan Jews, who had been living in a transit camp since the suppression of the Cadima society on June 11 (see 14946 A), were allowed to leave for Israel on Aug. 23. Since 1948 about one-third of the Moroccan-Jewish community, which then numbered about 250,000, had left the country, including 26,000 in 1955 and an average of 3,000 a month during the first six months of 1956.—(Le Monde, Paris - Le Figaro, Paris - A.B.C., Madrid) **(Prev. rep. 14946 A.)**

A. INDIA. — Final Passage of States Reorganization Bill and Bihar and West Bengal (Transfer of Territories) Bill. - New Ministry in Mysore.

Following its adoption by the House of the People (*Lok Sabha*), the States Reorganization Bill was finally passed by the Upper House (*Rajya Sabha*) on Sept. 11, thereby completing parliamentary action on the Bill in preparation for November 1, when the 26 existing States will be replaced by 14 States and six Union territories. The *Rajya Sabha* had given the Bill an unopposed third reading on Aug. 25, after some 130 amendments had been either withdrawn or rejected.

The Bihar and West Bengal (Transfer of Territories) Bill, with minor amendments proposed by the Joint Select Committee to which it had been referred, passed its third reading in the *Lok Sabha* on Aug. 17, only two members opposing. During the debate Pandit Pant stated that the transfer of territories involved was not exclusively based on the linguistic principle but was also designed to meet administrative needs and to ensure geographical continuity; moreover, it would be of national advantage, as the whole of the border with East Pakistan would come under one State [i.e. West Bengal]. In the *Rajya Sabha* the Bill was passed on Aug. 28 by 28 votes to two, with a number of members abstaining.

The Bombay Controversy.

The Gujerat Pradesh Congress Committee, meeting at Ahmedabad on Aug. 19, adopted by 100 votes to 10 a resolution accepting the decision to form a bilingual Bombay State. Opponents of this decision organized a voluntary "curfew" in the city from 9 a.m. to 9 p.m. on the same day, and in consequence a meeting which Mr. Morarji Desai (Chief Minister of Bombay) was to have addressed had to be cancelled for lack of an audience.

Mr. Desai informed the Committee that he would fast "so long as the citizens of Ahmedabad do not hear me peacefully." After discussions with prominent Ahmedabad citizens, however, Mr. Desai agreed on Aug. 25 to break his fast (which had lasted for five days) on the understanding that he would be allowed to address a meeting on the following day.

During this meeting, which was attended by about 50,000 people, a section of the crowd stoned the platform and afterwards stoned vehicles and pedestrians leaving the meeting. One man was killed when the police opened fire on rioters, and over 250 people were injured by police fire, lathi charges, and stone-throwing.

A conference of the *Samyukta Maharashtra Samiti*, meeting in Bombay on Aug. 20, decided to continue the agitation for a unilingual Maharashtrian State including Bombay City, and to call for a general strike on Nov. 1—the date fixed for the inauguration of the bilingual State.

New Cabinet in Mysore.

Mr. Hanumanthaiya, Chief Minister of Mysore, resigned on Aug. 18 on the ground that his support for the incorporation of Mysore in a single Karnataka State had lost him the confidence of the Assembly. A new Government was formed on Aug. 19 by Mr. Kadidal Manjappa, the Revenue Minister, who had opposed the States Reorganization Commission's recommendations (see 14488 A). The other members of his Government, all of whom had held office in Mr. Hanumanthaiya's Ministry, were Mr. A. G. Ramachandra Rao, Mr. H Siddaveerappa, Mr. R. Nagan Gowda, Mr. T. Channaiah, and Mr. H. M. Channabasappa.—(The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London) **(Prev. rep. 15037 A.)**

B. SPEED RECORDS. — New World Water Speed Record set up by Mr. Donald Campbell.

A new world water speed record of 225.6 miles an hour was set up on Coniston Water (Lake District) on Sept. 19 by Mr. Donald Campbell in his jet-powered speedboat *Bluebird*. Mr. Campbell thereby broke his own former world record of 216.2 m.p.h. which he had set up at Lake Mead, Nevada, in November, 1955. In setting up the new record, Mr. Campbell reached a speed of 286 m.p.h. on the first run over a measured kilometre, becoming the first man to travel at over 280 m.p.h. on water. Because of fumes which rendered him almost unconscious on the first run, when the *Bluebird* was rocking violently, Mr. Campbell's speed on the second run was reduced to 164 m.p h., giving an average for the two runs of 225.6 m.p.h. (Times - Daily Telegraph) **(Prev. rep. 14623 B.)**

C. GREECE - RUMANIA. — Diplomatic Relations.

Diplomatic relations between Greece and Rumania were resumed on Aug. 25 for the first time since the war. (Times) **(Prev. rep. 13757 A.)**

A. PAKISTAN. — Mr. Mohammad Ali's Resignation from Premiership and Moslem League. - Coalition Government formed by Mr. Suhrawardy.

The Prime Minister of Pakistan, Mr. Mohammad Ali, received a vote of confidence on Aug. 27 from a meeting of 40 Republican and United Front members of the National Assembly. The meeting was boycotted, however, by most of the Moslem League members of the Assembly, who maintained that the Republicans were not entitled to attend. Moreover, Mr. Chundrigar (Law Minister) and Pir Ali Mohammed Rashidi (Minister of Information) had tendered their resignation from the Government before the meeting, while two more Ministers—Mr. Kayani (Communications) and Sardar Amir Azam Khan (Refugees)—resigned on Sept. 6 from the Moslem League, which they described as a "cesspool of intrigue," and joined the Republican Party.

Mr. Mohammad Ali—who, as a result of these resignations, was left as the only Moslem League member of the Cabinet—announced on Sept. 8 that he had resigned both the Premiership and his membership of the Moslem League.

In his statement Mr. Mohammad Ali said that he had "come to this agonizing decision after deep thought and after a close study of the course of events in the country during the past few months." Describing his relations with the leaders of the Moslem League, he observed that "even so signal an achievement as the passing of the Constitution, for which the Moslem League may well have taken credit, drew largely adverse comments from its leadership." On the advice of prominent Moslem League members he had announced in March that Dr. Khan Sahib should continue as Chief Minister of West Pakistan, yet in April these same leaders had refused to accept Dr. Khan Sahib as Chief Minister of the Province.

After the meeting on Aug. 27, Mr. Mohammad Ali continued, it had become "increasingly clear to me that a section of the League leadership was determined to block all avenues of service that I could render to the country . . . I have suffered all this in silence, hoping that wiser counsels would prevail, but the campaign of vilification and slander against me has continued with unabated fury. At the meeting on Aug. 27 the majority of the coalition party members—an absolute majority in the National Assembly—expressed their confidence in me . . I consider it a point of honour that, having decided to resign from the Moslem League, I must resign also from the Premiership."

Mr. Mohammad Ali concluded "It is my conviction that if democratic institutions are to be worked successfully, the leadership of the country must be vested in Parliament. In a parliamentary democracy it is the representatives of the people in Parliament who are primarily charged with the duty of managing the affairs of the country If parliamentary leadership is continually subjected to the caprice of personal and power politics by elements external to it, democratic concepts and constitutional practices will have lost all their relevance."

On Sept. 10 President Mirza asked Mr. H. S. Suhrawardy, the leader of the Awami League, to form a Government after Mr. Mohammad Ali had declined the task. The membership of the new Cabinet, consisting of four Awami League members and five Republicans, was announced on Sept. 12 as follows:

Mr. H. S. Suhrawardy (Awami League)—Prime Minister, Defence, Kashmir Affairs, States and Frontier Regions, Economic Affairs, Education, Health, Law, and Refugees and Rehabilitation.
Malik Firoz Khan Noon (Republican)—Foreign Affairs and Commonwealth Relations.
Mr. Abul Mansur Ahmed (Awami League)—Commerce and Industries.
Syed Amjad Ali (Republican)—Finance.
Mr. Abdul Khaleque (Awami League)—Labour and Works.
Mir Ghulam Ali Talpur (Republican)—Interior.
Mr. Dildar Ahmad (Awami League)—Food and Agriculture.
Sardar Amir Azam Khan (Republican)—Information and Broadcasting, and Parliamentary Affairs.
Mian Jaffar Shah (Republican)—Communications.

Mr. Hussein Shaheed Suhrawardy (63) was born at Midnapur (West Bengal), studied jurisprudence at Oxford, and was called to the Bar at Gray's Inn. Before partition he was a prominent Moslem League member of the Bengal Legislative Council, holding the office of Food Minister (1943-45) and Chief Minister of the Province (in 1946). In 1950 he left the Moslem League to form the Awami League, of which he became president. As Law Minister from 1954-55 he was largely responsible for the unification of West Pakistan.

Malik Firoz Khan Noon (formerly Sir Firoz Khan Noon) was Indian High Commissioner in London from 1936-41, Indian member of the British War Cabinet from 1944-45, Governor of East Bengal from 1950-53, and Chief Minister of the Punjab from 1953-55. He relinquished his British knighthood after the formation of the Dominion of Pakistan in 1947.

In a broadcast on Sept. 12, Mr. Suhrawardy stated that he would pay special attention to the Kashmir question and to the eradication of corruption.

After stressing that Pakistan desired friendly relations with all countries, and declaring that the Government's foreign policy would be based on "goodwill towards all and malice towards none," Mr. Suhrawardy declared "We stand for a speedy solution of the Kashmir dispute by the democratic method of a free and impartial plebiscite. I intend to pay special attention to the problem, with a view to finding a solution. In the meantime, this Government wishes to reassure all Kashmiris that the securing of the right of self-determination for them is an article of faith with us. Come what may, we will not fail them."

Turning to internal affairs, Mr. Suhrawardy said that the first problem facing the country was that of political stability, which could "never be obtained unless we allow free play to democratic processes, uphold the Constitution in letter and spirit, and ensure the rule of law . . . We must have a clean administration and clean politics. It is said and felt that corruption is rampant, that no-one gets even his just dues unless he stoops to unscrupulous methods. Let us all endeavour to get together and eradicate corruption from our midst . . . It is necessary that there should be general elections based on adult suffrage as soon as possible, and that these elections should be absolutely free and above-board. We shall make every endeavour to hasten elections and have as tight a time-table as possible, but I fear that there has been so much dilatoriness, and that so much initial work has yet to be done, that elections cannot be held as soon as we should wish them to be."

Declaring that food shortages in East Pakistan had reached "tremendous proportions bordering on famine," Mr. Suhrawardy gave a pledge to "rush foodgrains to that area until it is saturated."

The formation of Mr. Suhrawardy's Cabinet marked the end of the rule of the Moslem League, which had controlled both the Central and Provincial Governments from the establishment of Pakistan in 1947 to 1954. It lost control of East Pakistan after the 1954 provincial elections, and of West Pakistan when Dr. Khan Sahib formed his Republican Government in April 1956.—(Pakistan High Commissioner's Office, London - Dawn, Karachi - Times) **(Prev. rep. 15006 A.)**

B. LITERATURE. — Book Selections, August and September.

Selected books published in Great Britain, the United States, and France, are given below:

Great Britain. Cockburn, John—"The Hungry Heart." A Biography of James Keir Hardie (Jarrolds, 18s.)
Crankshaw, Edward—"Russia without Stalin: The Emerging Pattern." (Michael Joseph, 18s.)
Linklater, Eric—"The Dark of Summer" (Cape, 15s.)
Macaulay, Rose—"The Towers of Trebizond." (Collins, 13s. 6d.)
Nicholas, H. G.—"To the Hustings." An Anthology of Election Scenes from English Fiction. (Cassell, 18s.)
Phillips, C. E. Lucas—"Cockleshell Heroes" (Heinemann, 16s.)
Plumb, J. B.—"The First Four Georges" (Batsford, 21s.)
Rees, J. Tudor—"Reserved Judgement." The Autobiography of a Judge. Published posthumously. (Frederick Muller, 21s.)
Russell, Bertrand—"Portraits from Memory and Other Essays." (Allen and Unwin, 16s.)
Snow, C. P.—"Homecomings" (Macmillan, 15s.)
"The New Outline of Modern Knowledge." Edited by Alan Pryce-Jones. (Victor Gollancz, 25s.)
Toynbee, Arnold—"An Historian's Approach to Religion." (Oxford University Press, 21s.)
Trevelyan, Raleigh—"The Fortress: A Diary of Anzio and After." (Collins, 12s. 6d.)

United States. Burns, James MacGregor—"Roosevelt: The Lion and the Fox." (Harcourt, Brace and Co., New York, $5.75)
Hulme, Kathryn—"The Nun's Story." (Little, Brown and Co., Boston, $4.00)
Warren, Robert Penn—"Segregation · The Inner Conflict in the South." (Random House, New York, $1.95.)
Williams, Irving G.—"The Rise of the Vice-Presidency." (Public Affairs Press, New York, $4.50.)

France. Goudeket, Maurice—"Près de Colette." (Flammarion, Paris, 550 francs.)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 15022 A.)**

C. SOUTH AFRICA. — Commandant-General of Union Defence Forces.

Major-General H. B. Klopper, formerly Inspector-General of the Forces, succeeded Lieut.-General du Toit (retired) on Sept. 23 as Commandant-General of the Union Defence Forces, a new title (equivalent to the rank of full general) replacing that of Chief of General Staff formerly held by General du Toit and his predecessors. General Klopper commanded the 2nd South African Division in the Western Desert during the war, and was taken prisoner at Tobruk.—(Cape Times)

(Prev. rep. 10579 C.)

SEPTEMBER 29—OCTOBER 6, 1956

A. INDIA. — The Second Five-Year Plan.

An Industrial Policy Resolution, enunciating the principles which the Government intended to follow with regard to industrial development, was presented by Mr. Nehru to the House of the People on April 30, 1956. It divided industries into three categories: (1) those whose future development would be the exclusive responsibility of the State; (2) those in which the State would generally take the initiative in establishing new undertakings, but in which private enterprise would also be expected to supplement the State's efforts; (3) all the remaining industries, whose future development would generally be left to private initiative and enterprise.

The Resolution said that it was essential to accelerate the rate of economic growth, to speed up industrialization, and, in particular, to develop heavy industries and machine-making industries, expand the public sector, and build up a large co-operative sector. It was equally urgent to reduce existing disparities in income and wealth, and to prevent private monopolies and the concentration of economic power in the hands of small numbers of individuals. Accordingly, the State would progressively assume "predominant and direct responsibility" for setting up new industrial undertakings and for developing transport facilities, and would also undertake State trading on an increasing scale At the same time, however, the private sector would have an opportunity to develop and expand The principle of co-operation should be applied wherever possible, and a steadily increasing proportion of "private sector" activities should develop along co-operative lines.

The Resolution declared: "Adoption of a socialist pattern of society as the national objective, as well as the need for planned and rapid development, require that all industries of basic and strategic importance, or in the nature of public utility services, should be in the public sector Other industries which are essential, and which require investment on a scale which only the State in present circumstances can provide, have also to be in the public sector. The State has, therefore, to assume direct responsibility for future development of industries over a wider area. Nevertheless, there are limiting factors which make it necessary at this stage for the State to define the field in which it will undertake sole responsibility for further development, and to make a selection of industries in the development of which it will play the dominant role."

The following categories of industries were listed in the resolution:

Category "A". All new units in these industries, except where their establishment in the private sector had already been approved, would be set up by the State only, though this would not preclude expansion of existing privately-owned units or the possibility of the co-operation of private enterprise with the State in establishing new units when the national interest so required. Railways and air transport, arms and ammunition, and atomic energy would be developed as Central Government monopolies. Wherever co-operation with private enterprise was necessary, the State would ensure—either through majority participation in capital or otherwise—that it had the necessary powers to guide the policy and control the operations of the undertaking concerned

The following 17 industries were comprised in Category "A" (1) arms, ammunition, and allied items of defence equipment, (2) atomic energy; (3) iron and steel, (4) heavy castings and iron and steel forgings; (5) heavy plant and machinery required for iron and steel production, mining, machine-tool manufacture, and such other basic industries as might be specified by the Central Government, (6) heavy electrical plant, including large hydraulic and steam turbines; (7) coal and lignite, (8) mineral oils, (9) mining of iron ore, manganese ore, chrome ore, gypsum, sulphur, gold, and diamonds; (10) mining and processing of copper, lead, zinc, tin, molybdenum, and wolfram, (11) minerals specified in the Schedule to the Atomic Energy (Control of Production and Use) Order, 1953; (12) aircraft, (13) air transport; (14) railway transport; (15) shipbuilding, (16) telephones and telephone cables, telegraph and wireless apparatus (excluding radio receiving sets), (17) generation and distribution of electricity.

Category "B". The State would increasingly establish new undertakings in these industries with a view to accelerating their future development, though at the same time private enterprise would also have an opportunity to develop in this field, either on its own or with State participation

The following 12 industries were listed: (1) all other minerals except "minor minerals" as defined in Section Three of the Minerals Concession Rules, 1949, (2) aluminium and other non-ferrous metals not included in Category "A", (3) machine-tools, (4) ferrous alloys and tool steels; (5) basic and intermediate products required by chemical industries, such as manufacture of drugs, dye-stuffs, and plastics, (6) antibiotics and other essential drugs, (7) fertilizers, (8) synthetic rubber; (9) carbonization of coal; (10) chemical pulp, (11) road transport; (12) sea transport

Category "C". This would comprise all other industries, the development of which would be undertaken ordinarily through private initiative. The State would facilitate and encourage these industries in the private sector, would provide financial aid, and would give special assistance to enterprises organized on co-operative lines for industrial and agricultural purposes.

The draft outline of India's Second Five-Year Plan, covering the years 1956-61, was published in New Delhi on Feb. 10. The plan was presented in its final form to the *Lok Sabha* on May 15, after it had been approved by the National Development Council.

It provided for a total development outlay by the Central and State Governments of Rs.48,000,000,000, and also envisaged the investment of Rs.24,000,000,000 by the private sector. The principal objectives were laid down as: "(*a*) a sizeable increase in national income so as to raise the level of living in the country; (*b*) rapid industrialization, with particular emphasis on the development of basic and heavy industries; (c) a large expansion of employment opportunities; and (*d*) reduction of inequalities in income and wealth, and a more even distribution of economic power." National income over the five years 1956-61 was expected to increase by about 25 per cent, and *per capita* income by 18 per cent, as compared with the 11 per cent estimated during the period of the First Five-Year Plan.

A summary of the principal provisions of the Second Five-Year Plan is given below.

Approach to the Second Five-Year Plan.

The economy had responded well to the stimulus of the first plan Both agricultural and industrial production had recorded substantial increases; prices had attained a reasonable level; and India's external accounts were virtually in balance. The important targets proposed in the first plan had been realized, and some of them had been exceeded. On the other hand it had not been possible to implement the plans for a new iron and steel plant and a new heavy electrical plant except to a small extent, and there had also been shortfalls in expenditure on community projects, education, village and small industries, etc.

The principal objective of the Second Five-Year Plan was to secure a more rapid growth of the national economy and to increase the country's productive potential. The core of development was rapid industrialization, involving substantial expansion of the iron and steel industry and of the production of non-ferrous metals, coal, cement, heavy chemicals, and other items of basic importance. Industrial development along these lines required a great deal of capital, but absorbed comparatively little manpower. Studies made by the Planning Commission indicated that although the Second Five-Year Plan would not have any significant impact on the carry-over of unemployment from the previous period, it would provide employment opportunities for the new entrants to the labour force and relieve under-employment in agriculture and in village and small industries The working force in mining and factories, in construction, in trade and transport, and in services would undoubtedly increase relatively faster than in agriculture and allied pursuits.

It was emphasized that the achievement of a socialist pattern of society had been accepted as the objective of economic policy, which meant that the basic criterion for determining the lines of advance was social gain rather than private profit. The benefits of economic development should accrue more and more to the less privileged classes of society, and there should be a progressive reduction of the concentration of incomes, wealth and economic power. Nevertheless, the socialist pattern of society was not rooted in any doctrine or dogma, nor was it regarded as a fixed or rigid pattern.

As regards the financing of the plan, the task involved in making credit at reasonable rates available all over the rural areas was formidable, but the new and integrated approach involving joint and co-ordinated action by co-operative agencies, the Reserve Bank, and the State would make a rapid advance possible The provision for deficit financing in the second plan was relatively large, and even after allowing for this there remained a residual gap

Finally, it was stressed that any plan covering a five-year period must be regarded as essentially flexible The draft plan therefore had to be regarded as a framework within which more concrete and detailed plans for each year would have to be worked out and implemented.

Finance for the Plan.

Industry, mining, and railway development would account for nearly one-half of the total expenditure in the second plan, as compared with about one-third in the First Five-Year Plan. The allocations between the various sectors were shown as follows, compared with the allocations in the first plan:

	First Plan		Second Plan	
	Total Provision	Per Cent	Total Provision	Per Cent
	(million rupees)			
Agriculture and community development	3,570	15	5,680	12
Irrigation and flood control	4,010	17	4,860	10
Power	2,600	11	4,270	9
Industries and minerals	1,790	8	8,900	19
Transport and communications	5,570	24	13,850	29
Social services, housing and rehabilitation	5,330	23	9,450	20
Miscellaneous	690	3	990	2
Total	23,560	100	48,000	100

Of the total developmental outlay of Rs 48,000,000,000 in the public sector, Rs.10,000,000,000 represented current expenditure of a developmental nature and Rs 38,000,000,000 represented investment —i e. outlay on the building-up of productive assets. Investment in the private sector for the period of the second plan was envisaged at roughly Rs.24,000,000,000, of which about Rs.5,750,000,000 was expected to be in organized industries and mining; the information available in regard to plantations, private transport, and electricity undertakings did not permit anything more than a guess, but an allowance of Rs.1,250,000,000 had been made for investment in these spheres. Investment in agriculture and in village and small industries was largely non-monetary in character and had been excluded from present estimates; monetary investment in this sector was roughly estimated at Rs 2,000,000,000. Construction (houses, shops, schools, hospitals etc.), might account for as much as Rs.10,000,000,000 of investment over the five-year period.

Taking the public and private sectors together, investment in the economy over the second plan period worked out at Rs.62,000,000,000. If, as was expected, national income over the next five years increased by about 25 per cent, this programme would mean raising the rate of investment in the economy from the present level of about 7 per cent of national income to about 10 per cent by the end of the second plan, assuming that some Rs.11,000,000,000 became available from external sources.

The following "tentative estimate" of the financial resources planned to meet the public expenditure of Rs.48,000,000,000 was given :—

	(millions of rupees)	
Surplus from current revenues		8,000
(a) at existing rates of taxation	3,500	
(b) additional taxation	4,500	
Borrowings from the public		12,000
(a) market loans	7,000	
(b) small savings	5,000	
Other budgetary sources		4,000
(a) Railways' contribution to the development programme	1,500	
(b) Provident funds and other deposit sources	2,500	
External assistance		8,000
Deficit financing		12,000
Uncovered gap		4,000

It was pointed out that it was not possible at present to indicate how the uncovered amount of Rs.4,000,000,000 was to be raised, though it would have to come from domestic sources

State Plans.

The proposed outlay by the States during the period of the Second Five-Year Plan was given as Rs 22,409,000,000, divided as follows (in millions of rupees) :—

Andhra	1,190	Hyderabad	1,002	Ajmer	79
Assam	579	Madhya Bharat	673	Bhopal	143
Bihar	1,942	Mysore	806	Coorg	38
Bombay	2,662	Pepsu	363	Delhi	170
Madhya Pradesh	1,237	Rajasthan	974	Himachal Pradesh	147
Madras	1,731	Saurashtra	477	Kutch	79
Orissa	1,000	Travancore-Cochin	720	Manipur	62
Punjab	1,263	Jammu and Kashmir	339	Tripura	85
Uttar Pradesh	2,531			Vindhya Pradesh	249
West Bengal	1,537				
Totals	15,672		5,354		1,052

The total of Rs 22,409,000,000 was made up by Rs.59,000,000 for the Andaman and Nicobar Islands; Rs.95,000,000 for the North-East Frontier Agency; Rs.48,000,000 for Pondicherry, Rs. 122,000,000 for the Central Government's share of the Damodar Valley Corporation; and Rs.7,000,000 for National Extension Service and Community Projects.

Production and Development Targets.

Some of the principal production and development targets are shown in the following table, compared with 1950-51 (before the first plan) and 1955-56 (at the end of the first plan) :

	1950-51	1955-56	1960-61	Percentage increase in 1960-61 over 1955-56
Agriculture.				
Food grains (million tons)	54.0*	65.0	75.0	15
Cotton (million bales)	2.9	4.2	5.5	31
Sugar cane—raw (million tons)	5.6	5.8	7.1	22
Oilseeds (million tons)	5.1	5.5	7.0	27
Jute (million bales)	3 3	4.0	5.0	25
Irrigation and Power.				
Area irrigated (million acres)	51	67	88	31
Electricity, installed capacity (million kw.)	2.3	3 4	6.9	103
Minerals.				
Iron ore (million tons)	3.0	4.3†	12 5	191
Coal (million tons)	32.3‡	38 0‡	60 0‡	58
Large-scale Industries.				
Finished steel (million tons)	1.1	1.3	4.3	231
Pig iron—for sale to foundries (million tons)	—	0.38	0.75	97
Aluminium ('000 tons)	3.7	7.5	25.0	233
Heavy steel castings for sale ('000 tons)	Nil	Nil	15	—
Heavy steel forgings for sale ('000 tons)	Nil	Nil	12	—
Steel structural fabrications ('000 tons)	n a	180	500	178
Machine tools, graded (value in millions of rupees)	3.18	7.5	30	300
Motor cars (numbers)	16,500	25,000	57,000	128
Railway locomotives (numbers)	3	175	400	129
Tractors (numbers)	—	—	3,000	—
Cement (million tons)	2.7	4.3	13	202
Fertilizers, nitrogenous ('000 tons) §	46	380	1,450	282
Fertilizers, superphosphate ('000 tons)	55	120	720	500
Refined petroleum products (million tons)	—	3.6	4.3	19
Electric motors ('000 h.p.)	99	240	600	150
Transport and Communications.				
Railways :—				
Passenger train-miles (millions)	95	108	124	15
Freight carried (million tons)	91	120	162	35
Roads :—				
National highways ('000 miles)	12.3	12.9	13.8	7
Surfaced roads ('000 miles)	97.0	107.0	125.0	17
Shipping :—				
Coastal and adjacent ('000 GRT)	220	320	430	34
Overseas ('000 GRT)	170	280	470	68
Ports :—				
Handling capacity (million tons)	20	25	32.5	30
Posts and Telegraphs :—				
Post Offices (number in thousands)	36	55	75	36
Telegraph Offices (number in thousands)	3.6	4 9	6.3	28
Telephones (number in thousands)	168	270	450	67

*Relates to the year 1949-50. †Relates to the calendar year 1954. ‡Figures relate to calendar years. §In terms of ammonia sulphate.

Special Aspects of the Plan.

Employment. During the Second Five-Year Plan the authorities would be faced with a threefold task with regard to employment: (1) the existing unemployed in both urban and rural areas, (2) the increase in the labour force, estimated at about 2,000,000 people a year, (3) the under-employed in rural occupations and those engaged in household occupations in urban areas. The number of jobs which would have to be created in order to eradicate unemployment completely during the second plan period (quite apart from the additional jobs which would have to be created for those who were under-employed) was estimated at 15,300,000—viz., 5,300,000 representing the backlog of unemployed (2,800,000 in rural and 2,500,000 in urban areas) and 10,000,000 new entrants to the labour force (6,200,000 in rural and 3,800,000 in urban areas)

Agriculture. *Crops* During the period of the first plan the total cropped area had increased from 326,000,000 acres to 352,000,000 acres in 1954-55. The area under food crops had risen from 257,000,000 to 272,000,000 acres, and that under commercial crops from 49,000,000 to about 60,000,000 acres, but the area under other crops (20,000,000 acres) had shown little change As a result of achievements during the first plan, it was no longer necessary to place a dominant emphasis on the production of cereal crops. Aspects of land utilization which had been neglected in the past—e.g. horticulture, cultivation of fodder crops to support livestock development and dairy farming, and village plantations for the supply of fuel—should receive sustained attention. At the end of the second plan the consumption level for food grains was expected to increase from the present level of 17.2 oz. per adult to 18.3 oz.

The additional area under irrigation during the second plan would be about 21,000,000 acres (compared with 17,000,000 acres under the first plan), and the consumption of nitrogeneous fertilizers was expected to be trebled As regards particular crops, emphasis would be placed on intensive sugar-cane development schemes in non-sugar-

factory areas ; an increase in the production of long-staple varieties of cotton ; and an improvement in the quality of jute Rubber, tea, and coffee problems were being examined by the Plantation Enquiry Commission One of the more important aims in the agricultural sector was an increase in the production of fruit and vegetables.

Livestock In providing for an outlay of over Rs. 400,000,000 for animal husbandry and Rs.220,000,000 for dairying, it was hoped that greater progress would be made in these branches of agriculture during the Second Five-Year Plan Despite a cattle population of over 155,000,000, and 43,000,000 buffaloes, the net value of livestock products in 1950-51 amounted to only Rs 6,640,000,000, or about 16 per cent of agricultural income. The available supplies of cattle-feed fell considerably short of requirements and, in relation to supplies available, about one-third of the cattle population could be regarded as being surplus. This surplus was likely to increase as the effects of epidemics and famines were brought under control, and as a result of action taken in recent years to place a total ban on the slaughter of cattle After comparing the low Indian milk yields with those obtaining in other countries, and pointing to the fact that *per capita* milk consumption in India was only about half that recommended as a suitable minimum for balanced nutrition, the draft plan called for the doubling of milk production over the next 10-15 years

With regard to the development of poultry and of sheep and wool, Rs 30,000,000 and Rs 15,000,000 respectively had been provided. It had been estimated that the average egg-laying capacity of a hen in India (about 50 eggs a year) could be increased by 50 per cent over the next five years through improvement of the indigenous stock and control of disease

Forestry. As forests covered about 22 per cent of the total area of India, as against the 33 per cent recommended in the Government's resolution on forest policy, sustained efforts would have to be made in the sphere of afforestation Some Rs 270,000,000 had been provided for this purpose in the second plan, which envisaged 600,000 acres of afforestation, 300,000 acres of new plantations, and the improvement of 50,000 acres of pasture lands.

Soil Conservation. Rs.200,000,000 had been allocated for this purpose, and a comprehensive programme drawn up envisaging soil conservation measures over a total area of 3,000,000 acres

Irrigation and Power. At the beginning of the first plan the total area under irrigation from all sources was 51,500,000 acres. of which 17,900,000 acres were irrigated by Government canals, 2,800,000 acres by private canals, 14,700,000 acres by wells, 8,800,000 acres by tanks, and 7,300,000 acres from other sources. By the end of the first plan 7,000,000 acres would have been brought under irrigation by large and medium-sized projects, whilst during the second plan the additional area was expected to be 21,000,000 acres ; of the latter, 12,000,000 acres would benefit from projects undertaken during the first plan, and 9,000,000 acres from new projects included in the second plan. There would be 188 new irrigation projects under the second plan, mostly of medium or small size.

The total installed capacity of power generating plants at the beginning of the first plan amounted to only 2,300,000 kw., about half of which was held by electricity supply companies, the remainder being divided between the public sector (i e. the Central and State Governments) and industrial establishments generating their own power. During the first plan installed capacity had risen to 3,400,000 kw., of which the " public sector " share was 1,400,000 kw., in addition, work on power plants with an aggregate capacity of about 200,000 kw. had almost been completed, and these would be commissioned before the end of 1956 During the period of the first plan *per capita* consumption of electricity had risen from 14 to 25 units, and the transmission network had been more than doubled

It was estimated that over the next ten years installed capacity would need to be expanded by 20 per cent annually, which meant that the target for 1956 should be about 15,000,000 kw., it was against this background that the programme of raising installed capacity to 6,800,000 kw. by the end of the second plan had to be considered. Of the planned increase of 3,500,000 kw. between 1955-56 and 1960-61, 2,900,000 kw (including 2,100,000 kw. of hydro-electric power) would be from the public sector, 300,000 kw from electricity supply companies, and 300,000 kw. from industrial establishments generating their own power and from the lignite project In all, 44 new and extension schemes would be undertaken during the second plan, of which 25 would be hydro-electric and 19 steam-power stations *Per capita* consumption of electricity during the next five years was expected to increase from 25 to 50 units

By the end of the first plan about 95 per cent of towns with a population above 20,000 had been electrified ; the aim in the second plan was to provide electricity supplies for small towns of a population of 5,000-20,000 which were centres for the development of the adjoining rural areas In this group there were about 4,000 small towns, of which only about 40 per cent had been electrified so far ; during the second plan 80-90 per cent of these towns were expected to be provided with electricity. The large-scale electrification of villages with a population of less than 5,000 was a difficult problem, as there were over 500,000 such villages scattered all over India

Industries. A considerable proportion of the increase in industrial production under the first plan had been obtained through fuller utilization of existing capacity—e g in textiles, sugar and vegetable oil—which had been made possible mainly by the increased supply of raw materials. In some industries—for example cement, paper, soda ash, caustic soda, rayon, and bicycles—the increase in production had been accounted for both by more intensive utilization of the available capacity and by additions to production capacity In other industries—such as some of the light engineering industries—lack of domestic demand had held back production as compared with the targets. The draft referred to various industrial projects which had been completed during the first plan (see 14103 A), but said that projects relating to the iron and steel industry and to the manufacture of heavy electrical plant had taken much longer than anticipated when the plan had been drawn up

Deficiencies in the industrial sector and in the organization for achieving rapid industrial progress, which had been revealed by the experience of the first plan, would be corrected to a considerable extent under the industrial development programmes proposed for the second plan. The most important single weakness was the low level of steel production, but this was being made good by the programme for the expansion of steel production through the establishment of three new plants in the public sector and the expansion of productive capacity in the existing units (see 14792 A).

Expansion of industrial capacity during the second plan was conceived in terms of the following priorities . (1) development of iron and steel production, machine-building, heavy engineering, and heavy chemicals, including nitrogenous fertilizers , (2) expansion of capacity in respect of other developmental commodities and producer goods, e.g. cement and phosphatic fertilizers , (3) modernization and re-equipment of national industries already in existence, e.g. jute, cotton, and sugar ; (4) fuller utilization of installed capacity in existing industries wherever there were wide gaps between capacity and production ; (5) expansion of capacity for consumer goods.

The level of iron and steel production was a major factor in determining the rate of progress for the economy as a whole, and conditions in India were especially favourable for producing iron and steel at relatively low cost. Heavy engineering and machine industries were a natural corollary of iron and steel, and provided the base for large-scale industrialization It was intended that during the Third Five-Year Plan India should be able to build the essential requirements of steel plants comprising coke-ovens, blast furnaces and steel smelting shops, and machinery for power generating stations, in addition to manufacturing in her own workshops the bulk of the machinery and capital equipment needed in different industries. The establishment of a heavy machine-building industry called for action at several points ; in addition to the expansion of steel and aluminium production (which had already been taken in hand), this would include the manufacture of ferrous and non-ferrous alloys, tool steel and stainless steel, and specialized rolling facilities An integrated development programme would also have to provide for the establishment of foundries, forge and structural shops, gear-cutting shops, and the production of a wide range of machine-tools.

As regards projects in the public sector during the second five-year period, the plan referred to the construction of the three steel plants at Rourkela, Bhilai and Durgapur (see 14792 A). The programme for the establishment of heavy engineering industries included a heavy steel foundry at the Chittaranjan locomotive factory (see 14103 A), whilst for the manufacture of heavy electrical equipment a consultants' agreement had been reached with a leading British firm, whose report was to be prepared before the end of 1956 , the total investment on this project, which was expected to take seven or eight years to complete, might be of the order of Rs.250,000,000. Other projects would include the expansion of the Government's radio equipment factory at Bangalore ; of the Chittaranjan locomotive factory to increase its annual output to 300 locomotives ; of the Hindustan Shipyard ; and of the rate of construction at Visakhapatnam, where, besides the construction of a dry dock, preparatory steps for the establishment of a second shipyard were to be taken

In view of the paucity of coal deposits in southern India, high priority had been given to the multi-purpose lignite project at Neiveli, in the South Arcot area Under this project 3,500,000 tons of lignite were to be produced per annum and used for (*a*) the generation of power in a station of 211,000 kw. capacity, (*b*) the production of carbonized briquettes in a carbonization plant of about 714,000 tons annual capacity, and (*c*) the production of 70,000 tons of fixed nitrogen in the form of sulphate nitrate. Besides the fertilizer factory to be established in South Arcot, it was also proposed to set up two more fertilizer factories ; one of these, at Nangal, would produce nitro-limestone corresponding to 70,000 tons of fixed nitrogen per annum and would also produce heavy water as a by-product, whilst the other, probably at Rourkela, would produce nitro-limestone equivalent to 80,000 tons of fixed nitrogen per annum.

Minerals. The programme of industrial development in the First Five-Year Plan had called for a relatively small increase in the volume of coal production, the main problem having been the transport of coal from pitheads to consuming centres Coal production had increased from 34,300,000 tons in 1951 to 38,000,000 tons in 1955, but the transport deficiencies had never been wholly eliminated. The bulk of coal production was in the private sector, the public sector accounting for only 4,500,000 tons. On the basis of the targets proposed in the Second Five-Year Plan for industries, thermal power generation, and the railways, the demand for coal at the end of the plan was estimated at about 60,000,000 tons, representing an increase of about 22,000,000 tons over the level of production in 1955. It was proposed that about 12,000,000 tons of this amount should be produced in the public sector and about 10,000,000 tons in the private sector—though the exact distribution between the two sectors was still under consideration

As regards other minerals, the plan gave the following production targets for 1960-61 as compared with actual production in 1954, where available : iron ore, 12,500,000 tons (4,310,000 tons) ; manganese ore, 2,000,000 tons (1,410,000 tons) ; limestone, 23,300,000

tons, gypsum, 1,970,000 tons (610,000 tons); bauxite, 175,000 tons (75,000 tons). Of these totals, it was proposed to export by 1960-61 2,000,000 tons of iron ore and 1,500,000 tons of manganese ore. The exploration and development of India's oil resources was stated to be one of the important tasks of the Second Five-Year Plan.

Village and Small Industries. The plan provided Rs 2,000,000,000 for village and small-scale industries, the principal amounts within this total being Rs.595,000,000 for handloom cotton-weaving Rs.550,000,000 for small-scale industries; and Rs.555,000,000 for village industries and *khadi*- and wool-spinning and weaving.

On the general question of expanding village and small-scale industries at the expense of large-scale industry, it was stated that the balance of public advantage would determine in any individual case whether and at what level the capacity of large-scale industry should be limited, it would therefore be necessary to review the situation from time to time, and the licensing of industries should be extended to the field of agricultural processing, especially for rice mills, oil mills, flour mills, etc.

Co-operatives in village and small industries would have to be developed to the greatest extent possible, but on the whole the progress achieved so far had been slow. As regards industrial estates, a number of schemes had been included in the plans of the State Governments. The draft noted that the experience of industrial estates in Britain had been encouraging, especially since the war, but said that successful Indian experience did not yet exist to any great extent. Financial provision existed in the plan, but since the outlay involved was likely to be considerable, it was necessary that the programme should be placed on a sound basis from the start

Transport and Communications. Of the total expenditure of Rs. 13,850,000,000 provided under this heading, Rs.9,000,000,000 was for the railways, Rs 2,630,000,000 for roads, road transport, and tourism, Rs.960,000,000 for shipping, ports and harbours, lighthouses, and inland water transport, Rs 430,000,000 for civil air transport, and Rs.760,000,000 for communications and broadcasting.

Railways. The principal task for the railways in the second plan was to meet the increasing demands for both goods and passenger traffic, goods traffic was expected to increase by about 50 per cent (from 120,000,000 tons at the end of the first plan to about 181,000,000 tons in 1960-61) and passenger train services by 15 per cent. The second important task was to construct new lines, and the programme provided mainly for lines required in connexion with major industrial projects like steel plants, coal mines etc. In all, about 842 miles would be constructed during the plan period, and if additional funds became available later it might be possible to extend this programme by building more lines for opening up backward areas.

During the second plan, 2,258 locomotives, 107,247 wagons, and 11,364 coaches would be obtained, of which 1,352 locomotives, 23,852 wagons and 6,447 coaches would be for the purpose of rehabilitating over-aged stock. There would also be a large-scale renewal of obsolescent track The number of railway personnel was expected to rise from about 1,050,000 at the end of the first plan to over 1,200,000 at the end of the second

Roads. At the beginning of the first plan India had 97,000 miles of metalled roads and about 147,000 miles of unmetalled roads, whilst about 10,000 miles of new surfaced roads and about 20,000 miles of low-type roads were expected to be added during the first plan. Substantially larger resources had been provided for the road programme in the Second Five-Year Plan: in the national highways programme works begun during the first plan would be completed, and in addition work would be undertaken on 600 miles of "missing links" and 60 major bridges, the improvement of 1,700 miles of existing roads, and the widening of 3,000 miles of carriageway.

In 1955-56 almost all road goods transport and about three-quarters of road passenger transport were in private hands. The Planning Commission recommended that goods transport services should not be nationalized during the Second Five-Year Plan, and that where the State Governments did not propose themselves to operate passenger services, permits should be granted to private operators on more liberal terms than hitherto

Ports and Harbours. At the time of partition India had five major ports with a total capacity for handling 20,000,000 tons of cargo per annum During the first plan the construction of a sixth major port at Kandla had been completed (see 14209 D) and the total capacity had been raised to 25,000,000 tons. During the second plan the capacity of major ports would be increased by about 30 per cent.

Shipping. Since 1950 coastal trade had been reserved for Indian tonnage, but the shipping available was not sufficient to carry the traffic At the beginning of the first plan India had a tonnage of 390,707 G.R.T., and the target of 600,000 G.R T. laid down for the first plan was likely to be achieved. In the second plan, after allowing for the obsolescence of 90,000 G R T, the total tonnage was expected to reach about 900,000 G.R.T.

Inland Water Transport. Although the contribution of water transport to India's transport system had been steadily declining since the middle of the 19th century, it still continued to play a significant part in the north-eastern regions of the country. It was estimated that about 5,000 miles of river routes in India could be made navigable by modern power craft; 1,557 miles of rivers were navigable by mechanically propelled vessels; and 3,587 miles of river stretches were navigable by large boats and had the possibility of power development. A number of experimental projects had been undertaken during the first plan, mainly with regard to specially designed craft; during the second plan development works in the Ganga-Brahmaputra region would be carried out.

Civil Air Transport. A large number of civil aviation works had been undertaken during the first plan, including the construction of nine new aerodromes and considerable improvements at many existing ones. During the second plan eight new aerodromes would be constructed and telecommunications and other equipment provided at several aerodromes.

Communications. During the first plan the number of post offices had increased from 36,000 to 55,000, telephone connexions from 168,000 to 260,000, and public call-offices from 338 to 1,218 These and other communication programmes were to be further expanded during the Second Five-Year Plan the number of post offices was expected to increase to 75,000 and the number of telephone connexions to about 450,000

Broadcasting The broadcasting network of All-India Radio included 26 radio stations, and the expansion which had taken place during the first plan ensured that each language had been provided with at least one transmitting station, and that fairly effective coverage was available to almost all the regions The aim during the second plan was to extend the services now available for all the languages to as wide an area as it was at present possible to reach To meet the growing demands of national programmes, and to ensure nation-wide reception of national broadcasts, a 100-kw. short-wave transmitter, as well as a 100-kw medium-wave transmitter, would be set up at Delhi, and 50-kw. short-wave transmitters would be provided at Calcutta, Bombay, and Madras External services would also be expanded To promote rural listening, community receivers would be located in villages with a population of 1,000 and over; about 72,000 sets of this type were expected to be installed during the period of the second plan

Social Services. The distribution of the Rs.9 450,000,000 provided for social services was proposed as follows: education, Rs. 3,070,000,000, health, including urban water supply, Rs. 2,740,000,000, housing, Rs. 1,200,000,000; labour, Rs. 290,000,000; welfare of backward classes, Rs. 900,000,000, social welfare, Rs 290,000,000; rehabilitation, Rs 900,000,000; social schemes relating to the relief of unemployment, Rs. 50,000,000

Education. If the programmes which had been worked out were implemented, it was expected that at the end of the second plan education would be available for 63 per cent of children in the age-group 6-11 years, and for 23 per cent in the group 11-14 years, the number of pupils would increase by 7,600,000 at the primary stage and by 1,300,000 at the middle stage, requiring the establishment of 53,000 new primary schools and 3,500 middle schools. The proportion of trained teachers in primary schools (59 per cent in 1950-51) was estimated to be about 64 per cent by the end of the first plan and was expected to increase to about 79 per cent in the second plan Despite limitations of resources, every effort would be made to implement in the course of the next ten years the directive of the Constitution relating to free and compulsory education up to the age of 14

As regards secondary education, the numbers at schools in the age-group 14-17 years would increase from 2,300,000 to 3,000,000 during the next plan, or about 10 per cent of the population in that age-group. At the end of the first plan about 56 per cent of the staff in secondary schools consisted of trained teachers, and it was planned to increase this proportion to 68 per cent. The number of university and college students had risen from 420,000 at the beginning of the first plan to 720,000 at the end, though the number qualifying in degree and higher examinations in arts, commerce, and science had risen only from 41,000 to 58,000. A number of measures were being taken to improve the quality of university and college education and reduce wastage

Considerable importance was attached to the programme of social education which was now being implemented mainly through the community development and national extension programme, and through the work of non-official agencies. The 1951 census had shown that only 16 6 per cent of the population were literate. Apart from the low percentage of literacy, there was a serious disparity in literacy between men (24 9 per cent) and women (7 9 per cent) and between the urban population (34.6 per cent) and the rural population (12 1 per cent).

Health. The emphasis during the second plan would be on (*a*) the control of communicable diseases which affected large sections of the community; (*b*) the improvement of environmental hygiene, (*c*) the provision of adequate institutional facilities to serve as a base for organizing health services, (*d*) the provision of facilities for the training of medical and health personnel, and (*e*) family planning. The draft stated that the key to the extension of health services and their efficient operation was the availability of trained personnel of all kinds. On the basis of one doctor, one nurse, and one midwife for every 5,000 people, and one health visitor and one sanitary inspector for every 20,000 people, there was a shortage of 90,000 doctors, 80,000 nurses, 80,000 midwives, 20,000 health visitors, and 20,000 health assistants and sanitary inspectors. "Accelerated and sustained action" in the training of personnel was needed if even elementary services were to reach the mass of the people in any adequate degree.

With regard to the control of communicable diseases, it was stated that during the first plan an effective start had been made in combating such diseases as malaria, filiariasis, tuberculosis, leprosy and venereal diseases; as compared with Rs. 220,000,000 allotted in the first plan for the control of such diseases, the second plan provided about Rs 580,000,000.

On family planning it was stated that the programme which had been started during the first plan would be continued on a substantially increased scale; nearly Rs 50,000,000 had been provided and it was expected that 300 urban and 2,000 rural clinics would be set up during the next five years The programme would include (*a*) grants to State Governments, local authorities and voluntary organizations for opening family planning clinics, (*b*) the training of personnel, (*c*) public education on family planning and population problems, (*d*) research in human fertility and in the means of regulating it; and (*e*) demographic research, including the study of inter-relationships between social, economic and population changes, reproductive patterns, motivations affecting the size of the family, and suitable procedures for the rapid education of the people

Housing. Both in rural and in urban areas housing was "a problem of vast dimensions." Of 54,000,000 houses in rural areas, a large number needed reconditioning or rebuilding, in the villages, relief and assistance in the provision of sites was especially urgent in the case of Scheduled Castes and other backward classes. In urban areas the housing problem had grown from year to year over the past two decades. For an urban population of 62,000,000 there were in 1951 about 10,000,000 houses, and the shortage in that year was roughly estimated at 2,500,000

During the period of the first plan some 1,300,000 urban houses had been built, including about 600,000 built by private enterprise. For the decade 1951-61 the number of houses required in urban areas was estimated to be about 8,900,000, taking into account the shortage estimated for 1951, an estimated 33 per cent increase in population, depreciation of existing houses at the rate of 1 per cent per annum, and replacement of 11 per cent of existing houses. During the Second Five-year Plan 1,900,000 dwelling units were expected to be built in urban areas, so that, as far as could be estimated at present, the shortage of houses in urban areas in 1961 might be about 5,300,000—about twice as great as in 1951

Of the provisional allocation of Rs. 1,200,000,000 for housing, Rs. 450,000,000 would be for subsidized industrial housing, Rs. 400,000,000 for low-income group housing, Rs. 200,000,000 for slum clearance, Rs. 100,000,000 for rural housing, Rs. 30,000,000 for middle-income group housing, and Rs. 20,000,000 for plantation housing

Labour Policy The present trade union legislation needed to be revised with the object of (*a*) restricting the number of outsiders in the trade unions, (*b*) giving unions statutory recognition under certain conditions, (*c*) protecting office-holders against victimization, and (*d*) improving the financial basis of the trade union movement from within its own resources.

For the successful implementation of the plan increased association of labour with management was essential, and it was therefore recommended that in each undertaking there should be a Council of Management, consisting of an equal number of representatives of management and workers.

Emphasis was being placed on the provision of industrial training facilities. The facilities of the existing training centres administered by the Ministry of Labour (which were now to be transferred to the States) would be increased from 10,000 to 20,000 people a year. Employment exchanges would also be placed under the administration of State Governments, with the Central Government exercising co-ordinating functions

Rehabilitation of Displaced Persons. At the end of the first plan nearly 2,300,000 displaced persons from West Pakistan had been settled on land and their rehabilitation had been assisted with loans and grants. In urban areas, 1,200,000 people had been accommodated in evacuee houses and another 1,000,000 in 200,000 newly constructed tenements. Loans had also been made, vocational training centres established, and grants and scholarships given to displaced students

There had been a continuous influx of displaced persons from East Pakistan into West Bengal and neighbouring States Out of 3,830,000 people who had so far migrated, about 388,000 families had been settled on land and in other ancillary occupations, about 350,000 residential units had been constructed in rural areas mainly by displaced persons with loans from the Government; about 22,000 displaced persons had been given vocational and technical training and 8,000 were at present under training; and business loans had been advanced to about 88,000 families.

Under the second plan a major portion of the Rs 855,000,000 provided for rehabilitation would be used for the rehabilitation of displaced persons from East Pakistan.

Prohibition The draft plan called upon the States to institute programmes designed to discourage the consumption of alcohol. These should include the discontinuance of advertisements and public inducements relating to drink, the stoppage of drinking on public premises and at public receptions, and the setting-up of technical committees to draw up phased programmes designed to curtail consumption

One member of the Planning Commission, Mr. K. C. Neogy, specially stressed that it would be difficult to implement the plan in five years, and expressed the view that excessive deficit financing might endanger the economy and cause hardship to certain sections of the population.

The National Development Council, meeting under the chairmanship of Mr. Nehru, concluded a two-day discussion of the draft plan on May 2 by passing a resolution recording its "general approval and acceptance of the objects, priorities and programmes embodied in the Second Five-Year Plan." The Council also decided to set up a Plan Economy and Efficiency Promotion Committee (abbreviated as the PEEP Committee) for the purpose of securing the maximum possible economy and avoiding wastage owing to delays and inefficiency. The Committee will consist of the Union Ministers for Home Affairs and Finance and the Deputy Chairman of the Planning Commission.

The House of the People, after a four-day debate, adopted on Sept. 13 a resolution moved by Mr. Nehru approving the principles, objectives, and development programmes of the Second Five-Year Plan. The Council of States had unanimously approved the Plan's objectives and priorities on Sept. 7. (The Statesman, Calcutta - The Hindu, Madras - Eastern Economist, New Delhi - Indian High Commissioner's Office, London) **(Prev. rep. First Five-Year Plan, 13234 C; 12851 A; Industrial Development, 14103 A; Steel Industry, 14792 A; Nationalization Policy, 14714 A.)**

A. BECHUANALAND. — Return of Seretse Khama. - Renunciation of Claim to Chieftainship.

The British Government's decision to permit Seretse Khama, the former chief-designate of the Bamangwato tribe, to return to Bechuanaland as a private citizen was simultaneously announced on Sept. 26 in London and at a *kgotla* (tribal gathering) at Serowe. It was stated that Seretse would return within a few weeks, and would later be joined by his white wife and their two children.

The Commonwealth Relations Office stated that the Earl of Home (Commonwealth Relations Secretary) had recently received Seretse and his uncle Tshekedi Khama, who was visiting England, at their own request, and that they had handed him "a document signed by both in which Seretse Khama formally renounced for himself and his children all claim to the chieftainship of the Bamangwato tribe, and Tshekedi Khama, who had previously renounced for himself and his children all clain to the chieftainship, reaffirmed his renunciation. Both expressed the hope that Seretse would be allowed to return to the Bamangwato as a private person, and that both he and Tshekedi would be permitted to take part in the political life of the tribe. Each undertook to co-operate fully with Rasebolai Kgamane, the African Authority appointed by the High Commissioner." In these circumstances the Government had decided that Seretse should be permitted to return; that he and Tshekedi should be free to take part in the affairs of the Bamangwato, and that a Tribal Council of an advisory nature should be established, with Rasebolai as chairman.

Seretse Khama had been living in England since 1950, when Mr. Attlee's Government decided not to recognize him as chief of the tribe, and forbade him to return to Bechuanaland for five years without permission. Mr. Churchill's Government subsequently decided in 1952 to exclude him permanently from the chieftainship, and not to allow him to return until another chief had been securely established. At *kgotlas* in 1952 and 1953, however, the tribe failed to reach agreement on the choice of a new chief, whereupon the High Commissioner appointed Rasebolai (the third in succession to the chieftainship after Seretse and Tshekedi) as African Authority. Under the new settlement the chieftainship was left vacant, and was expected to be allowed to fall into abeyance.
(Times - Daily Telegraph - Manchester Guardian) **(12928 C.)**

B. ITALY. — The Cassino Memorial.

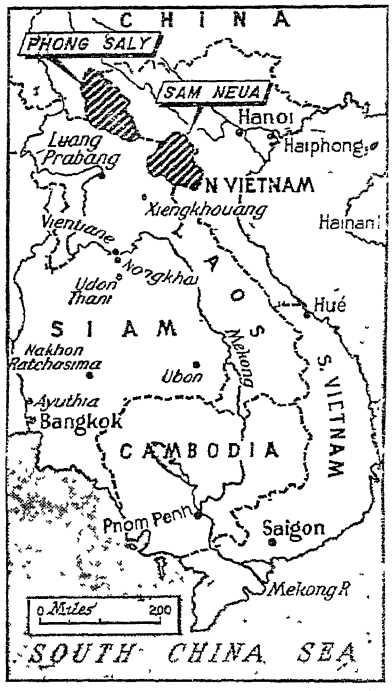
A memorial commemorating 4,068 officers and men of the British and Commonwealth forces who fell in the Battle of Cassino and have no known grave was unveiled at Cassino on Sept. 30 by Field-Marshal Lord Alexander of Tunis, Supreme Allied Commander in Italy during the war. Situated in an amphitheatre of the hills overlooking Cassino, the memorial was built by the Imperial War Graves Commission on land given by the Italian Government.

The ceremony was attended by Field-Marshal Sir Claude Auchinleck, General Lord Freyberg, V.C., and other British and Commonwealth military, naval, and air leaders of World War II, as well as by representatives of the armed forces of Canada, India, South Africa, Poland (represented by General Anders), Brazil, and Greece, and by relatives of those who lost their lives at Cassino An Italian Army contingent was also present, the Italian Government being represented by Signor Campilli (Minister without portfolio), deputising for the Prime Minister, Signor Segni.

The memorial—designed by Mr. Louis de Soissons, with sculpture by Mr. James Woodford, R.A.—consists of a formal garden surrounded by 12 marble columns on which the names of the fallen are inscribed.—(Times - Giornale d'Italia, Rome)
(Prev. rep. 14924 B.)

A. LAOS. — Political Developments, 1954-56. - Evacuation of French Union and Vietminh Troops. - Clashes between Royal and Pathet Lao Forces. - General Elections. - New Government. - Political Settlement between Government and Pathet Lao.

In accordance with the terms of the Geneva armistice agreement on Laos, all French Union and Vietminh troops in the country (except 5,000 French troops who were allowed to remain under the agreement) were evacuated by Nov. 19, 1954, whilst the *Pathet Lao* (" Free Laotian ") forces were withdrawn to the two northern provinces of Phong Saly and Sam Neua pending a political settlement The Franco-Laotian Land Forces Command had been officially dissolved on Nov. 1, 1954, following the progressive transfer of its powers to the Royal Laotian Army. The Joint Commission for the enforcement of the cease-fire agreement, on which the French, Royal Laotian, *Pathet Lao*, and Vietminh commands were represented, ceased to function on Feb 15, 1955, and was replaced by a liaison group of representatives of the Royal Laotian and *Pathet Lao* forces.



(*Economist*)

Differences between Royal Government and Pathet Lao Regime. - Abortive Negotiations. - Fighting in Sam Neua Province.

Negotiations for a settlement of the differences between the Royal Government and the *Pathet Lao* regime in northern Laos began in the autumn of 1954, but were not successfully concluded until August 1956, nearly two years later. Developments during this period are described below.

The conclusion of a political settlement was hindered by a fundamental difference of opinion between the Royal Laotian and *Pathet Lao* Governments on the interpretation of the Geneva Agreement, and of an agreement signed at Khang Khay by the two parties in the Joint Commission on Aug 29-30, 1954. The Geneva Agreement provided that there should be 12 provisional assembly areas, one for each province, for the reception of the *Pathet Lao* fighting units, whereas the Khang Khay Agreement had made no mention of assembly areas for the provinces of Phong Saly and Sam Neua. The *Pathet Lao* therefore claimed that they had been given administrative and military control of the whole of these provinces, which were already under their *de facto* control, as compensation for their agreement to withdraw from the other 10 provinces, and that all Royal troops should be withdrawn from them. The Royal Government, on the other hand, maintained that the *Pathet Lao* forces should restrict themselves to the regrouping zones in the two provinces with a connecting corridor, and that, as a sovereign authority, it had the right to move its troops anywhere in Laotian territory.

Negotiations for a political settlement had opened in September 1954, when the Prime Minister, Prince Souvanna Phouma, and the Defence Minister, M. Kou Voravong, met Prince Souphanou Vong, head of the *Pathet Lao* Government. They were delayed, however, by a Cabinet crisis precipitated by the murder of M. Kou Voravong at Vientiane on Sept. 18, during a reception at the house of the Vice-Premier, M. Sananikone. [The assailants, who had hidden in the garden, threw grenades and fired revolvers through a window before taking flight.] The crime was attributed to the " Nationalist Laotians," an anti-French terrorist organization unconnected with either *Pathet Lao* or the Vietminh.

M. Sananikone resigned in consequence on Sept. 21, the remainder of the Cabinet following his example on Oct. 19. After several unsuccessful attempts had been made to form a Government, M. Katay Sasorith (leader of the National Progressive Party, and a former Finance Minister) formed a coalition Ministry on Nov. 25 with the Independent Party, led by M. Sananikone, who became Foreign Minister in M. Sasorith's administration.

The *Pathet Lao* leaders had already announced on Nov. 4, 1954, their recognition of the authority of the Royal Government and their willingness to place the provinces of Phong Saly and Sam Neua under its administration. The opening of negotiations, however, was again delayed by a dispute over the meeting-place, and in consequence the situation deteriorated in these provinces, where a number of clashes between Royal and *Pathet Lao* troops took place between December, 1954 and March 1955. Discussions were eventually opened on Jan. 15 1955, and concluded on March 9, when both parties agreed to instruct their forces to cease all hostile acts against the other side

On April 8 the Royal Government informed the International Control Commission that political talks were being impeded because the *Pathet Lao* considered themselves as having conquered Phong Saly and Sam Neua. It accordingly suggested (i) that Royal administration should be re-established in these provinces, (ii) that the *Pathet Lao* units should be collected in assembly areas, and (iii) that, pending general elections, they should be represented in the administration of the two provinces. The *Pathet Lao* put forward counter-proposals for a Joint Political Council of three delegates from each side which would settle all disputes, including the problem of the administration of the two provinces, enforce the agreement reached on March 9, prepare for general elections, and form a national coalition Government in which the *Pathet Lao* would be represented.

Negotiations were re-opened on April 19, but a week later the Royal Government withdrew, claiming that no basis for agreement existed. The International Commission informed both parties on June 4 of its concern at the lack of progress towards a political settlement, and pointed out that the frequency and seriousness of incidents had increased in spite of the agreement concluded on March 9. In a second letter on June 15, the Commission commented that the Royal Government's right to administer Phong Saly and Sam Neua might be deduced from the Geneva Powers' recognition of the unity of Laos and of the Royal Government's sovereignty over the whole country, moreover, this right had been recognized by the *Pathet Lao* in November 1954 In view of prevailing conditions in those provinces, however, it would be difficult to establish the Royal administration there without a political settlement, and the Commission therefore suggested that talks should be resumed without delay. Discussions between military representatives of the two parties on means of preventing incidents subsequently opened on June 27

On July 7, however, fighting between the Royal and *Pathet Lao* forces broke out near Muong Peun (a post held by Royal troops about 20 miles S of the town of Sam Neua), and as a result the Royal Government broke off the military talks on July 9 The Government claimed that the *Pathet Lao* forces had begun the fighting, with the " open and direct complicity of the Vietminh " whereas *Pathet Lao* spokesmen asserted that several battalions of Royal troops had been sent to the Sam Neua area, had repeatedly attacked the *Pathet Lao* forces during June, and had been responsible for the latest fighting. Following an appeal for a cease-fire by the International Commission, the situation was reported on July 11 to have returned to normal Further clashes in the Muong Peun area nevertheless occurred during August, each side accusing the other of responsibility

Political and military talks were re-opened on Oct. 9 in Rangoon under the auspices of the International Commission, the Government delegation being led by M. Katay Sasorith and the *Pathet Lao* delegation by Prince Souphanou Vong. A new cease-fire was concluded on Oct. 11, and negotiations for the re-establishment of Royal administration in Phong Saly and Sam Neua and on arrangements for the general elections [see below] were subsequently held in Vientiane. The *Pathet Lao* delegation maintained that a political settlement should precede the integration of the two provinces, and that this should take place by stages, they also proposed that the voting-age should be reduced, that women should be allowed to vote, and that mixed control committees should be set up to supervise the elections All these proposals were rejected by the Royal Government, which insisted that it was constitutionally bound to hold elections during 1955, and that the electoral law could be changed only by the National Assembly. The Government accordingly informed the International Commission on Nov. 9 that it had been unable to reach agreement with the *Pathet Lao*, and would therefore proceed with the elections

General Elections.

The Laotian general elections had originally been scheduled for Aug. 28, 1955, but, owing to the then unresolved conflict between the Royal Government and the *Pathet Lao*, had been postponed by the National Assembly until December 25. The Laotian Government had informed the International Commission on June 7 that it would be impossible to organize elections in the provinces of Phong Saly and Sam Neua as long as the Royal administration had not been re-established in those areas, and on June 10 the National Assembly accordingly postponed the elections until December.

Voting took place on Dec. 25 in the ten provinces controlled by the Government and in those areas of Phong Saly and Sam Neua occupied by its troops; they passed off peacefully except for some sporadic fighting in the Muong Peun area. Government spokesmen claimed that about 80 per cent of the electorate had voted despite appeals by the *Pathet Lao* for a boycott of the elections. Of the 39 seats in the Assembly, 21 were won by the National Progressive Party, eight by the Independent Party, three by the Democrats, two by the National Union Party, and five by non-party candidates

The new Assembly met on Feb. 13, 1956, and M. Sasorith's Government resigned on the following day. After both M Sasorith and Prince Souvanna Phouma (also a member of the Progressive Party) had failed to secure the two-thirds majority required by the Constitution for investiture as Prime Minister, the latter succeeded in forming a Government on March 21, 1956.

Settlement between Royal Government and Pathet Lao.

The *Pathet Lao* leader, Prince Souphanou Vong, arrived in Vientiane on Aug. 1 for talks with the new Prime Minister (who is his half-brother), and on Aug. 5 a new agreement was concluded between the two parties. Its terms were as follows:

(1) The Royal Government and *Pathet Lao* would end all hostile acts against each other

(2) The Government would respect the rights and democratic liberties of all citizens without discrimination, and permit the *Pathet Lao's* political organizations to conduct their activities legally

(3) The provinces of Phong Saly and Sam Neua would be brought under Royal administration.

(4) The *Pathet Lao* forces would be integrated in the Royal Army. Pending their integration, the troops of both sides would retain their present positions and would not increase their strength in men or armaments.

(5) Two mixed commissions, civil and military, would work out detailed arrangements for the transfer of Phong Saly and Sam Neua to governmental control and the integration of the *Pathet Lao* in the Army and civilian life.

(6) Elections would be held throughout the country, on the basis of adult suffrage and secret ballot, to increase the number of deputies from 39 to 60.

(7) A Government of National Union would be formed in which the *Pathet Lao* would be represented.

(8) In foreign affairs the Laotian Government would pursue a policy of peace and neutrality, adhere to the "five principles of peaceful co-existence," and maintain good relations with all countries Moreover, Laos would not join any military alliance, nor authorize any military bases on Laotian territory except those provided for in the Geneva Agreements.

Following the conclusion of this agreement, Prince Souvanna Phouma paid a visit to Peking, where he and the Chinese Prime Minister, Mr. Chou En-lai, signed an agreement on Aug. 23 whereby Laos reaffirmed her policy of neutrality and China and Laos undertook to observe the "five principles of peaceful co-existence," to develop good-neighbourly relations, and to develop economic and cultural relations. During his return journey Prince Souvanna Phouma visited Hanoi, the capital of North Vietnam, where he signed a similar agreement on August 30 with President Ho Chi-minh.

(International Commission for Supervision and Control in Laos, Cmd. 9630 - Times - Le Monde, Paris - New York Times)

(Prev. rep. Laos, 13816 A

A. SOVIET UNION. — Opening of Boarding Schools.

The first boarding schools in the Soviet Union, 285 in number, were opened on Sept. 1, the beginning of the new school year. The official *Pravda* said that they would be the precursors of a nation-wide system of boarding schools which would "become the basic form of common secondary and technical education for the rising generation." The Government's intention to create such schools had been announced by M. Khrushchev at the 20th congress of the Soviet Communist Party in February.

The boarding schools will accommodate some 70,000 children The scheme applies at present to children between the ages of seven and 17, but will ultimately be extended to cover those of kindergarten age. Many of these schools will be connected with specific industries—e.g. mining, railways, oil plants, and collective and State farms—in furtherance of the Government's aim of the "polytechnization" of education, as expounded by M. Khrushchev at the 20th party congress (see page 14747, second column) It was officially stated that the scheme would be voluntary in character and that children would not be sent to boarding schools without their parents' consent. Parents would be required to contribute to the support of children in boarding schools, except where there were many children in the family, or where the parents' wages were small.

Other educational reforms coming into operation on Sept. 1 included compulsory secondary education (up to 17 years) throughout the U.S.S.R. and the abolition of all fees, including university fees, in conformity with the resolutions adopted at the 20th party congress. At the same time new syllabuses were widely introduced in secondary schools providing for greater practical work in workshops, laboratories, etc., in accordance with the "polytechnization" policy, and for a corresponding reduction in the time devoted to arts subjects generally. (Times)

B. LIBERIA. — Development Concessions for Italy.

It was announced in Rome on Sept. 22, after talks between President Gronchi and President Tubman of Liberia, that the Liberian Government would grant Italy concessions for exploring and exploiting some of the natural resources of Liberia, and that negotiations would be speeded up for the concession to an Italian company of part of the free port of Monrovia. President Tubman (who was on a tour of Europe) had announced an "open door" policy for trade and investment in Liberia early in 1956. The United States has at present the biggest financial investments in the republic, but there are also important German, Swedish, Spanish, and Italian interests.—(Giornale d'Italia, Rome - Financial Times)

C. SUEZ CANAL. — Traffic in 1954 and 1955.

Figures published by the Suez Canal Company on June 15 showed that 14,666 ships, of an aggregate net tonnage of 115,750,358, passed through the Canal in 1955, compared with 13,215 ships aggregating 102,498,851 net tons in 1954. Merchandize passing through the Canal in 1955 totalled 107,558,000 tons, against 99,881,000 tons in 1954.

The following table shows the comparative position of the various countries using the Canal in 1955:

	No. of Transits	Tonnage		No. of Transits	Tonnage
Great Britain	4,358	32,789,874	Costa Rica*	83	283,117
Norway	1,835	15,594,949	Finland	51	266,692
Liberia*	1,096	14,030,172	Saudi Arabia	19	242 711
France	1,217	10,826,255	Egypt	101	197,537
Italy	1,376	9,220,224	Spain	50	129,833
Panama*	904	8,074,498	Yugoslavia	52	120,491
Netherlands	687	4,774,138	Pakistan	26	106,797
Sweden	483	3,822,236	Czechoslovakia	16	78,410
United States	380	3,134,238	Indonesia	14	62,709
Denmark	379	2,897,246	China	8	32,235
Germany (W.)	377	2,458,621	Switzerland	5	31,849
Greece	273	1,387,280	Lebanon	30	25,360
Japan	147	998,498	Morocco	3	25,317
Soviet Union	171	901,244	Burma	8	19,916
Portugal	101	757,818	Ethiopia	26	18,840
India	120	616,020	Bulgaria	4	17,458
Poland	102	607,455	Rumania	6	17,214
Honduras*	38	420,695	Philippines	3	15,576
Belgium	36	367,545	Monaco*	2	13,630
Turkey	61	346,976	Other countries	18	24,704

* "Flags of convenience"—see table on page 15099

Northbound cargoes through the Canal in 1955 totalled 87,426,000 tons (against 74,551,000 tons in 1954), and southbound cargoes 20,082,000 tons (22,370,000 tons in 1954). The principal northbound traffic in 1955 consisted of petroleum products (66,893,000 tons), followed by metals and ores (5,300,000 tons), cereals (2,488,000 tons), oil seeds (1,803,000 tons), and textile material and fibres (1,744,000 tons). The main items of southbound traffic were: machinery and wrought metals (3,759,000 tons), cement (2,863,000 tons), and fertilizers (2,454,000 tons). (Annual Report of the Suez Canal Company for 1955) **(Prev. rep. 13006 A.)**

D. UNITED STATES. — Religious Affiliations.

Statistics published on Sept. 15 by the National Council of the Churches of Christ in the U.S.A. showed that 100,162,529 Americans (60.9 per cent of the population) were members of churches, temples, or synagogues in 1955—the highest figure ever recorded, and the first occasion on which the 100,000,000 mark had been passed. The figures, collated from information supplied by 258 religious bodies, showed that church membership had increased by 2.8 per cent in 1955 as compared with a 1.8 per cent increase in population. Membership of the six principal denominations was given as follows:

	1955	1954
Protestant	58,448.567	57,124,142
Roman Catholic	33,396,647	32,403,332
Jewish	5,500,000	5,500,000
Eastern Orthodox	2,386,945	2,024,219
Old Catholic and Polish National Catholic	367,370	367,918
Buddhist	63,000	63,000
Total	100,162,529	97,482,611

The 58,000,000 Protestants fell into nine general groupings, including Baptist, Methodist, Presbyterian, Lutheran, Episcopalian, Congregational, and Disciples of Christ. The largest Protestant grouping was the Baptist (18,793,097 persons in membership of 27 Baptist church bodies), followed by 11,784,060 Methodists in 22 church groups and 7,059,593 Lutherans in 19 church groups. The largest single Protestant denomination was the Methodist Church (9,292,046 members), followed by the National Baptist Convention (8,467,439), the Protestant Episcopal Church (2,757,944), and the Presbyterian Church (2,645,745). The Church of Christ, Scientist (Christian Scientists), which has many members in the U.S.A., was not included in the statistics because a regulation of that Church forbids the "numbering" of people.

It was pointed out (*a*) that the Protestant Churches usually counted only those who have attained full Church membership (mostly 13 years of age or older); (*b*) that the Roman Catholic Church counted all baptized persons, including infants; and (*c*) that members of the Jewish faith were defined as those in membership of Hebrew religious congregations.

The figure of 60.9 per cent of the population with formal religious affiliations compared with 57 per cent in 1950, 49 per cent in 1940, and 36 per cent in 1900.—(New York Times)

(Prev. rep. 14436 D.)

A. UNITED KINGDOM. — Teaching Profession. - New Burnham Scales. - The Teachers (Superannuation) Bill. - Protests by Teachers' Unions.

Increased salary scales for teachers in primary and secondary schools in England and Wales, costing some £31,000,000 a year and benefiting some 240,000 teachers, were proposed in recommendations of the Burnham Committee made public on April 30, 1956. The award was approved by the Ministry of Education on June 28 and came into force on Oct. 1.

Earlier Developments. At a meeting of the Burnham Committee (comprising representatives of teachers' organizations and education authorities) in November 1955, the local education authorities had put forward a tentative offer of a five per cent interim increase in salaries, together with a promise of a general review of salaries at a later date. These proposals were considered at a meeting of the teachers' panel of the Committee held on Dec. 20, and the panel later approached the local authorities' representatives to ask for an early opening of negotiations. The principal body represented on the teachers' panel, the National Union of Teachers (N.U.T.), had decided at its Easter conference at Scarborough in 1955 to press for the raising of the basic minimum scales (for men) of £450 rising by annual increments to £625, to £500 rising by increments to £1,050. This demand was endorsed by the Incorporated Association of Assistant Masters in Secondary Schools at its Worthing conference in January 1956.

The attitude of the Government towards the forthcoming Burnham Committee talks was set forth in the following statement issued by the Ministry of Education on Jan 5 :

" The Government would have been willing to approve the introduction of a reasonable interim increase of salaries from April 1, but they also agree that a thorough review of teachers' salaries is needed, and welcome the early start of negotiations for this purpose

" Even so, a new Burnham award would not normally come into operation for another 15 months, and the Minister has no power to make such an award retrospective But if, as a result of the early start of deliberations, a settlement is reached and agreed by all parties which can be introduced from a date earlier than April 1, 1957, the Government will sympathetically consider adopting such a date.

" It is, however, very important that this major review of teachers' salaries should be well and carefully done, and therefore if the Burnham Committee should return to the suggestion of an interim increase the Government would be prepared to consider it."

A meeting of the main Burnham Committee took place on Jan. 26, at which it was agreed that negotiations should begin at once with a view to arranging a salary increase to come into effect on or before Oct 1, 1956.

In a memorandum submitted to the Committee during March by the National Association of Head Teachers, suggesting an increase in the basic minimum for head teachers from £1,789 to at least £2,500, perturbation was expressed at the relative decline in head teachers' salaries. In spite of increased responsibilities as a result of the 1944 Education Act, differentials between the remuneration of head and class teachers had steadily decreased. Among other recommendations, the memorandum suggested the introduction of a fractional differential for head teachers which would reflect modifications in the basic Burnham awards.

Burnham Committee Recommendations. The following changes in the basic salary scales for men and women teachers were recommended by the Burnham Committee on April 30 ·

	Basic minimum	Annual increment	Basic maximum
Men	£	£	£
Existing rates .	450	18	725
Proposed rates . ..	475	25	900
Women			
Existing rates .	405	15	580
Proposed rates ..	430	20	720

Proposals were aso made for additional allowances for posts involving special responsibility, and for substantial increases in the salaries of head teachers. A " good honours graduate" headmaster of a large grammar school would have his maximum salary raised to £2,200.

The Burnham Technical Committee recommended in June increased salary scales for teachers in technical colleges and institutes, and in art colleges and schools in England and Wales, to bring them into line with the increases for primary and secondary teachers.

Teachers' Reactions to Burnham Recommendations. The recommendations of the main Burnham Committee provoked varied reactions from different teachers' associations. A special conference of members of the N.U.T. (which enjoys a majority representation on the teachers' panel of the Burnham Committee) passed on May 11 a resolution confirming their acceptance of the proposals. On the other hand, Mr. D. I. Davies, president of the National Association of Schoolmasters (N.A.S.), expressed great disappointment, observing that the " paltry increase of 10s. a week as the minimum will not prove the attraction necessary to recruit [teachers] to the profession, while at the maximum teachers will be, comparatively, £150 worse off than before the war."

Miss A. M. Pierotti, general secretary of the National Union of Women Teachers, expressed dissatisfaction that nothing had been done to reduce the difference between men's and women's salaries.

Mr. A. T. L. Rimmer, general secretary of the National Association of Head Teachers, said that the new scales recognized in some measure the necessary differential between the head teacher and the assistant teaching staff, but criticized the lack of provision for head teachers of primary schools and regretted the absence of an incremental scale by which the growing experience of the head teacher might be recognized.

New Salary Scales for Scottish Teachers. The Scottish Education Department announced on March 22, 1956, an interim increase of seven per cent in the basic part of the salary for teachers employed by education authorities. In addition, revised scales for certain honours graduates and for certain teachers in further education were published. These increases were made under the provisions of the Education (Scotland) Act, 1946.

Further increases, estimated to cost an additional £3,000,000 annually, were proposed in draft regulations issued by the Secretary of State for Scotland on Aug. 21. The effect of these increases (scheduled to come into force on Nov. 1, and to remain in operation until March 31, 1960) is seen in the following examples

	Old Rates		*New Rates*	
	Basic min	Basic max	Basic min	Basic max.
Graduate Teachers, Secondary Schools	£	£	£	£
1st and 2nd class honours .	663	1,134	675	1,200
3rd class honours .	610	984	625	1,085
Ordinary graduates . .	581	922	600	1,040
Primary School Teachers (non-graduate)				
Women with 4 years' training	486	712	500	810

The Teachers (Superannuation) Bill.

The Ministry of Education and the Scottish Education Department announced on Oct. 20, 1955, that proposals had been put to representatives of local education authorities and teachers' associations with reference to the introduction of a revised contributory pensions scheme for teachers. A similar Bill had been introduced in 1954, but had been withdrawn by the Government before its second reading after it had been subjected to strong criticism both by teachers' organizations and by M.P.s of all parties (see 13589 A).

The announcement of Oct. 20 stated · " Although, like the Bill which was dropped in 1954, the new scheme requires from teachers a contribution of six per cent instead of the present five per cent, it embodies two new features of great importance to them. The Government will accept liability to provide all (instead of only two-thirds) of the money needed for the new scheme to start without any deficiency, and secondly, the teachers are assured by the new Bill of a stable rate of contribution, even if deficiencies arise again in the future."

The proposals were immediately rejected by the N.U.T., while the N.A.S. issued a statement saying that the plan was " tantamount to a cut in salary " and that its members would continue to resist the raising of contributions.

Further details of the proposals became known when the new Bill was introduced in the House of Commons on Nov. 25, 1955. Among new benefits proposed were an increase in the lump sum payable to teachers on retirement, an increase (from 40 to 45 years) in the length of service which could be counted for pension purposes; more liberal provision for teachers whose health broke down at an early age; and a reduction in the period over which the average salary for pension purposes was calculated.

The Bill was given a second reading by the House of Commons on Dec. 6, 1955, by 299 votes to 249.

Sir David Eccles (Minister of Education) said that the new Bill was necessary to replace existing legislation on the subject, which was no longer workable. The actuarial deficit on teachers' pensions would amount to £290,000,000 for England and Wales and £34,000,000 for Scotland by March 1956, and the Bill would provide for the Exchequer to assume responsibility for this. After that time, the new rate of contribution would help to keep the fund solvent, while any deficit that might arise in the future would be met by local authorities with the aid of Exchequer grants.

Mr. Michael Stewart (Lab.), the principal Opposition spokesman, asserted that there was no real difference between the new Bill and that which had been dropped in 1954. **Miss Herbison** and other Labour Members believed that the Bill would have an adverse effect upon recruitment to the teaching profession, and called for its withdrawal.

After extensive opposition to the Bill had been expressed by members of the teaching profession (see below), Sir David Eccles tabled an amendment during the Committee stage to defer the Bill's entry into force from April 1 to Oct. 1, 1956. This, he pointed out, would mean that the increase in contributions would coincide with the salary increases recommended by the Burnham Committee, described above. The amendment was approved on Feb. 2 and the Bill was given its third reading on March 22 by 285 votes to 235. It was enacted on July 5 after passing through the House of Lords.

Teachers' Protests against Bill.

Strong opposition to the Teachers (Superannuation) Bill was expressed by all branches of the teaching profession, the N.U.T. resolving on Nov. 19, 1955, that its executive should "employ, if necessary, the full resources of the union to defeat the Bill."

Initially, the opposition to the Bill took the form of representations to M.P.s by teachers' organizations, and the publicizing of the teachers' point of view in the Press and elsewhere. After the Bill was introduced in Parliament, however, the opposition grew in intensity and the N.A.S., followed later by the N.U.T., inquired into the possibilities of imposing a ban on "extraneous duties" which were usually performed voluntarily by teachers, such as the collection of National Savings and duties in connexion with the school meals service. On Dec. 10, 1955, the N.U T. asked all its members to stop collecting school savings during the spring and summer terms of 1956 as a protest against the Bill. The N A S. supported this movement, and, as a result, teachers in membership of these two unions refused during the spring and summer terms to collect National Savings in schools. Other teaching associations, however—notably the Associations of Assistant Masters and Assistant Mistresses, the membership of which is largely drawn from grammar-school teachers—refused to take part in such action.

After the Teachers (Superannuation) Bill became law, the executive of the N.U.T. decided on July 7 to lift the ban on the collection of school savings, but issued a statement declaring that the increased pension contributions were "imposed on the profession in spite of the strong opposition of the union." The N.U.T. said that it considered the increase to be "a serious injustice to teachers," and declared that its case against it "remains unaltered by recent developments in salary negotiations and six months' postponement of the Bill's operation."

Sunderland Teachers' School Meals Dispute. - High Court Action.

Throughout the summer term some 200 N.A S. members employed by the Sunderland Education Committee refused to collect money for school meals, as a protest against the Bill. The local authority threatened all the teachers concerned with dismissal, but later decided to give notice to only five of them. Six N.A.S. members brought a test action against the local education authority, seeking a declaration that its decision to dismiss the teachers was *ultra vires* and in breach of its statutory duty under the 1944 Education Act, and that employers were not entitled to impose upon teachers duties in connexion with school meals other than actual supervision.

Mr. Justice Barry, giving judgment for the teachers on July 13, ruled that, under the provisions of the 1944 Education Act, the collection of money for school meals could only be a voluntary service by teachers, and that it was not within the statutory powers of the local education authority to dismiss teachers for refusing to undertake it.

The Sunderland branch of the N A.S. resolved on July 14 to continue the ban on the collection of school-meals money, after hearing a report by the six members involved in the High Court action. The ban was lifted, however, on July 20, and on Aug. 15 the local authority agreed to withdraw the dismissal notices issued to the teachers involved in the High Court action.—(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Teachers' Salaries, etc., 13589 A.)

A. UNITED STATES. — Presidential Election. - Labour Unions' Support for Democratic Nominees.

The executive committee of the unified American Federation of Labour and Congress of Industrial Organizations (AFL-CIO) decided on Aug. 28, by 17 votes to five, to recommend its 15,000,000 members to support the Democratic candidates (Mr. Stevenson and Senator Kefauver) in the forthcoming presidential election. The decision was confirmed by the general board of the AFL-CIO, consisting of the heads of 145 unions in membership of the organization, at a meeting in Chicago on Sept. 12. Mr. George Meany (president of the AFL-CIO) and Mr. Walter P. Reuther (president of the United Automobile Workers) were among those speaking in support of the resolution, which was adopted with only a few dissenting votes. At the executive committee's meeting on Aug. 28 Mr. Meany had pointed out that although the AFL-CIO supported the "Stevenson-Kefauver ticket", it was committed to a strictly non-partisan policy and would "not become part of any political party, attempt to dominate any party, nor permit any party to dominate us."—(New York Times - New York Herald Tribune)

(Prev. rep. AFL-CIO, 14595 A.)

B. LONDON. — New Lord Mayor.

Sir George James Cullum Welch (60), Alderman of Bridge Within, was elected Lord Mayor of London at Guildhall on Sept. 29 for the civic year 1956-57, in succession to Sir Cuthbert Ackroyd. The new Lord Mayor is a solicitor. (Times) **(14442 D.)**

C. GOLD COAST. — Independence in 1957.

The British Colonial Secretary (Mr. Lennox-Boyd) informed the Governor of the Gold Coast (Sir Charles Arden-Clarke), in a dispatch published on Sept. 18, that, subject to parliamentary approval, the Gold Coast would be granted independence within the British Commonwealth on March 6, 1957, under the name of Ghana.

In a dispatch of Aug. 23, Sir Charles Arden-Clarke informed Mr. Lennox-Boyd that Dr. Nkrumah (Prime Minister of the Gold Coast) had formally requested him to transmit to the Colonial Secretary his request that Mr. Lennox-Boyd, in accordance with his statement of May 11 (see 14890 A), would declare a firm date for the attainment of independence by the Gold Coast. A motion calling for "the independence of the Gold Coast as a sovereign and independent State within the Commonwealth under the name of Ghana" had been adopted by the Legislative Assembly on Aug 3, with the support of 72 of the 104 members (see 15072 A), and in the Governor's view this constituted the "reasonable majority" which Mr. Lennox-Boyd had stipulated as necessary before a date could be fixed for independence. [The 72 members supporting the motion consisted of 71 elected as Convention People's Party candidates and an Independent who had applied for the Government Whip immediately after election.]

In his reply, dated Sept 15, Mr. Lennox-Boyd stated that "H.M. Government will at the first available opportunity introduce into the U.K. Parliament a Bill to accord independence to the Gold Coast, and that, subject to parliamentary approval, "H M. Government intend that independence should come about on March 6, 1957." The U.N. Trusteeship Council, Mr Lennox-Boyd continued, had passed a resolution in July noting that the will of the majority of the inhabitants of British Togoland, as expressed in the recent plebiscite, was for union with an independent Gold Coast, and recommending that the trusteeship agreement should be terminated upon the attainment of independence by the Gold Coast. Provided that this resolution was endorsed by the U N. General Assembly, appropriate action would be taken to include the territory of British Togoland within the independent Gold Coast. The necessary steps would also be taken to give effect to the Legislative Assembly's desire that the name of the Gold Coast should be changed to Ghana. "It is the earnest hope of H M Government," Mr Lennox-Boyd concluded, "that at this turning-point in the history of the Gold Coast all sections of the community will be able to work together for the general good."

Dr Nkrumah's announcement to the Legislative Assembly of the date for independence, made on the same day (Sept. 18), was greeted with jubilation by Government supporters, who carried the Prime Minister from the building shoulder-high. Mr. Akoto, chairman of the National Liberation Movement (the leading Opposition party, which advocates a federal Constitution), stated on Sept. 19, however, that the Movement and its allies would pursue their demand for an agreed Constitution before the grant of independence; if this demand was not granted before March 6, 1957, they would from that date "consider the Gold Coast and Togoland as separate and sovereign States within the British Commonwealth."

Professor Busia (the Leader of the Opposition, who was in London at the time for consultations with the Colonial Secretary) urged that independence should be accompanied by effective constitutional safeguards. He appealed to Mr. Lennox-Boyd to visit the Gold Coast and "make an effort to bring the parties together to settle the constitutional dispute," declaring that this suggestion "offers the only hope . . . of securing for the Gold Coast a peaceful and happy independence and steady progress within the British Commonwealth."

Dr. Nkrumah said on Sept. 20 that the Assembly would have ample opportunity to debate the Constitution, which would be published as a White Paper, and that the Government would be willing to discuss details with the Opposition before the debate.—(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Gold Coast, 15072 A; Togoland, 14898 C.)

D. UNITED KINGDOM - CANADA - UNITED STATES. — Opening of Transatlantic Telephone System.

The first transatlantic telephone system, permitting direct telephonic conversation between Britain, Canada, and the U.S.A., was simultaneously inaugurated on Sept. 25 in London, Ottawa, and New York. Begun in 1953, it was completed two months ahead of schedule by the joint efforts of the British Post Office, the American Telephone and Telegraph Company, and the Canadian Overseas Telecommunications Corporation.

The transatlantic telephone system—the longest submarine system of its kind in the world—is described in 13282 A. Prior to its inauguration, transatlantic telephone calls were made by radio-telephone and were thus subject to atmospheric interference.—(Times - Montreal Star - New York Times)

(Prev. rep. 13282 A.)

A. AVIATION. — 1956 Session of ICAO Assembly. - Report on Sovereignty in Outer Space. - World Air Traffic in 1955. - European Civil Aviation Conference.

The tenth session of the Assembly of the International Civil Aviation Organization (ICAO) was held in Caracas (Venezuela) from June 19 to July 19. The session was attended by representatives of 58 member-countries, as well as by a number of observers. A summary of the principal decisions taken is given below.

Sovereignty in Outer Space. A report was presented to the Assembly recommending the conclusion of an agreement on the use of outer space by nations of the world. It pointed out (1) that there was good reason to believe that "mechanical contrivances" would travel beyond the earth's atmosphere in the near future, (2) that none of the rules which furnished legal guidance to States on problems of sovereignty were applicable to outer space; (3) that the Chicago Convention on International Civil Aviation, which had been ratified or adhered to by all 67 countries in membership of ICAO, gave each of these nations complete and exclusive sovereignty over the airspace above its territory, but made no mention of whether this sovereignty extended beyond the boundaries of the atmosphere, (4) that there was at present no U.N. Specialized Agency responsible for working out agreements on sovereignty, rights, and privileges beyond the atmosphere; (5) that, as space craft would have to pass through the atmosphere before reaching outer space, the matter was necessarily of interest to the ICAO. The report added, however, that the subject though of considerable legal interest, could not be discussed by the Organization until it had been officially raised by a member-state.

Professor J. C. Cooper, of the Institute of International Air Law at McGill University (Montreal), and legal adviser to the International Air Transport Association, circulated a document to ICAO members suggesting that a convention on sovereignty in outer space should:

(1) Reaffirm the Chicago Convention giving the subjacent State full sovereignty in areas of the atmospheric space above it, up to heights where "aircraft," as now defined, could be operated; such areas being designated "territorial space."

(2) Extend the sovereignty of the subjacent State upwards to 300 miles above the Earth's surface, designating this second region as "contiguous space," and provide for right of transit through this zone for all non-military devices, ascending or descending.

(3) Accept the principle that all space above "contiguous space" should be free for the passage of all "mechanical contrivances"

These solutions, Professor Cooper believed, would aid the future peaceful use of rockets and space satellites, and provide reasonable security for the subjacent State. He recognized that the physical and scientific information needed to reach sound decisions might not yet be available, but thought the information collected by the International Geophysical Year programme [see 14349 A] would help greatly

Dr. Edward Warner, president of the ICAO Council, said that "the law of the outer regions beyond those accessible to aerodynamically-supported aircraft, not long since a subject of sheer fantasy, begins to claim serious thought from serious students, and to engender discussion of the possibility that a new convention may be needed to define its status." If such discussion was needed, he thought ICAO was the proper body through which to conduct it.

Air Navigation. The Assembly recognized that in certain regions and on certain routes the inadequacy of air navigation facilities and procedures to meet the needs of civil aircraft at present in use had resulted in serious deficiencies. Increased demands had been imposed on air navigation services by (*a*) the considerable variation in the stages reached in aeronautical developments in various countries; (*b*) the constant expansion of international air transport, entailing a continuous growth in the density and frequency of air traffic; and (*c*) the introduction of jet aircraft into commercial aviation For these reasons, the Assembly instructed the ICAO Council to set up a special panel of highly qualified experts in the field of air navigation to assess the trends and main developments in international civil aviation within the next 15 years.

Technical Problems. The Assembly attached special importance to the elaboration of ICAO's technical programme. In this connexion its recommendations included: (*a*) the formulation and implementation of recommended "standard practices" for world air traffic; (*b*) regional plans for aviation facilities and services; (*c*) maintenance of proficiency in the technical staff of the ICAO Secretariat, (*d*) the joint civil and military use of air space and air navigation facilities and services; and (*e*) assistance to member-States through regional offices and through the training activities of ICAO's Air Navigation Bureau.

Simplification of Air Travel. The Assembly underlined the importance of further action to facilitate air travel by the elimination of unnecessary formalities relating to passport control, public health regulations, and Customs inspection

Council. A new Council was elected for a three-year period ending in 1959, consisting of representatives of Argentina, Australia, Belgium, Brazil, Canada, Egypt, France, India, the Irish Republic, Italy, Japan, Lebanon, Mexico, Netherlands, Portugal, Spain, Sweden, South Africa, the U.K., the U.S.A., and Venezuela.

Budget. The Assembly approved a net Budget of Can $3,567,732 for the year 1957, compared with Can.$2,826,971 for 1956.

Other recent developments connected with ICAO are described below.

Air Traffic in 1955. Figures of air traffic during 1955, published by ICAO on Dec. 29, 1955, showed that passenger traffic carried by international and domestic scheduled airline companies reached the record total of 69,000,000 passengers, against 59,000,000 in 1954 and 52,400,000 in 1953 Cargo carried also reached a record figure of 907,000,000 ton-miles in 1955, against 760,000,000 in 1954 and 710,000,000 in 1953. Comparative figures are given below

	Miles flown	Passengers carried	Passenger miles	Cargo ton-miles	Mail ton-miles
		(all figures represent millions)			
1937	165	2.5	880	n.a	n.a
1945	373	9.3	5,100	77	90
1953	1,165	52.4	28,900	710	188
1954	1,265	59 0	32,620	760	223
1955	1,407	69 0	38,530	907	257

n a =not available.

Technical Assistance. Details of ICAO's technical assistance plans for 1956 were announced by the Secretary-General, Mr. Carl Ljungberg, on Dec. 13, 1955. As a result of an allocation of $1,205,750 by the U.N. Technical Assistance Board and the Specialized Agencies, compared with $1,048,141 in 1955, technical assistance activities would be increased to the highest level ever, and would include regional projects in Latin America and the Middle East and 27 national projects

Membership. It was announced during the tenth session of the ICAO Assembly that the Sudan would become a member of the Organization on July 29, bringing the total membership to 69. Cambodia and the German Federal Republic had become members on Feb 15 and June 8 respectively

European Civil Aviation Conference.

The first session of the European Civil Aviation Conference, set up by the 1954 conference on the co-ordination of European air transport (see 13656 A), was held at Strasbourg from Nov. 29 to Dec. 16, 1955.

The conference was attended by representatives of 18 European countries (Austria, Belgium, Denmark, France, Western Germany, Greece, Iceland, the Irish Republic, Italy, Luxemburg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, and the United Kingdom), and by observers from nine other countries (Canada, Egypt, Israel, Japan, Lebanon, Liberia, Mexico, the U S A, and Yugoslavia) and from 10 international organizations. The principal decisions of the Conference are summarized below

Constitution. As regards its internal organization, the Conference decided (*a*) that it would call its own meetings and settle its own agenda, (*b*) that it would maintain close liaison with ICAO, and (*c*) that it would hold annual plenary sessions, the main task of which would be to review the development of intra-European air transport in order to promote co-ordination, better utilization of resources, and orderly development. It was also recommended that reports on the plenary sessions should be presented to the Consultative Assembly of the Council of Europe.

Draft Multilateral Agreement for Intra-European Non-Scheduled Services. The Conference prepared a draft agreement establishing freedom of operation for certain categories of non-scheduled commercial flights, such as (*a*) aircraft engaged in humanitarian or emergency missions, (*b*) transportation of passengers in "air taxis," i.e. small aircraft with a maximum seating capacity of six passengers, (*c*) charter flights where there was no re-sale of space; (*d*) isolated flights of a maximum frequency of once a month; and (*e*) all freight and passenger operations between regions with no reasonably direct connexion by scheduled air services.

"Freedom of operation" was defined as the abolition of any requirement for prior permission for the flight or, at least, the simplification of the procedure necessary to obtain such permission.

The agreement was opened for signature at the ICAO Paris Office on April 30, 1956, when it was signed by Belgium, France, Luxemburg, and Switzerland. The German Federal Republic and the Irish Republic signed the agreement on May 30

Multilateral Agreement on Intra-European Scheduled Services. There was a wide exchange of views regarding the principles which ought to serve as a basis for a multilateral agreement on the exchange of commercial rights for intra-European scheduled air services. It was recognized that the time was not yet ripe for the preparation of such an agreement to replace the bilateral agreements at present in force. Some delegations thought that the best policy would be to seek co-operation at the level both of Governments and of airlines, while others considered that co-operation between the air companies alone offered the most promising results.

Helicopter Ferries. The Conference exchanged views on the problems raised by the development of helicopter services and "heliports," and concluded that improvements were necessary as far as operating economy, safety, all-weather operation, and noise reduction were concerned.

It was announced during the tenth session of the ICAO Assembly that Dr. Edward Warner would not seek re-election as President of the ICAO Council, but would remain in office pending the appointment of a successor.—(International Civil Aviation Organization, Montreal - Council of Europe Directorate of Information, Strasbourg) (Prev. rep. 14487 C.)

A. AUSTRALIA. — The Stevedoring Industry Act and Industrial Conciliation and Arbitration Act. - Creation of Federal Conciliation and Arbitration Commission and Industrial Court.

The Federal Parliament approved during June two Bills designed respectively (1) to overcome difficulties arising from labour shortages at Australian ports and thus ensure a quicker turn-round of shipping; (2) to bring about a more expeditious system of conciliation in labour disputes.

Both Bills were based largely on recommendations contained in a report (published on March 15) of the committee appointed in 1954 to examine waterfront conditions. The report described these conditions as "chaotic," and strongly criticized (*a*) the dilatoriness of the Stevedoring Industry Board in dealing with shipowners' applications for increased labour quotas at certain ports; (*b*) the absence under existing legislation of any effective sanctions by which the Board could enforce its regulations and control labour, (*c*) the grave delay (in some cases amounting to six years) before claims submitted by the Waterside Workers' Federation were heard by the Arbitration Court; (*d*) the absence of any clear separation of functions between the Arbitration Court and the Stevedoring Industry Board.

The Stevedoring Industry Act.

The first Bill, to amend the existing Stevedoring Industry Act, included the following provisions:

(1) The replacement of the existing Stevedoring Industry Board by a new authority, to be known as the Australian Stevedoring Industry Authority, comprising an independent chairman and two other members, representing respectively the employers' and trade union sides of industry, but not drawn either from shipping or waterfront interests or from the unions actually involved.

(2) A new type of labour recruitment at "seasonal" ports (e.g. Hobart in the fruit-loading season and North Queensland ports in the sugar season), under which the new Authority would fix the number of temporary men needed, and the Waterside Workers' Union would be empowered to admit them to membership

(3) The recruitment of supplementary labour for use in the evening and at weekends, so as to meet emergencies caused by "gluts" of shipping or shortages of labour after bad weather. This labour would not be used if union labour were available, and men would not be allowed to work unless their names had been recorded with the Authority and their engagement approved by it.

(4) A guaranteed minimum wage to registered waterside workers for four weeks succeeding the last use of supplementary labour.

(5) Retention of the existing provision under which port workers' registrations may be cancelled or suspended for breaches of discipline, and the empowering of the new Industrial Court [see below] to impose on employers fines ranging from £A100 to £A1,000 for failure of discipline, or to order their registrations to be cancelled of suspended.

The Federal Minister of Labour (Mr. Holt) introduced the Bill in the House of Representatives on May 29.

Mr. Holt explained that the power of the new authority would be limited, so as to avoid impinging on employers' control over their labour and methods of working. It would be responsible for (*a*) investigating means of bringing about greater efficiency in cargo handling; (*b*) inquiring into the cause of port delays; (*c*) encouraging safe working and providing special protective clothing for men handling certain cargoes. The Bill left the primary responsibility for labour recruitment to the W.W.F., as at present It laid down that once port quotas were fixed, the union would have to provde the required labour; if it failed to do so, however, the new port authority would recruit labour itself, but both the union and the employers would have the right to object to the registration of any particular recruit.

Mr. Holt stressed that the clause providing for the recruitment of supplementary labour was not intended to provide a second labour force outside the W.W.F. The need for supplementary labour would be rare if union men were transferred from port to port to meet emergency demands, and the new provision was only in the nature of a reserve of manpower to be used, when necessary, to avoid cargo congestion or delays to shipping.

The Federal Parliamentary Labour Party decided unanimously on May 30 to demand the withdrawal of the Bill. **Dr. Evatt** (the Leader of the Opposition) denounced the measure as "a shipowners' Bill" which "contained clauses indicating an attack on the trade union movement;" he added that the Labour Party was "very disturbed" that the 1954 inquiry committee had not reported on "the notorious and extortionate profits made by shipping combines."

The Bill was also strongly opposed by the W W.F., whose secretary (Mr. Healy) declared that it would give the new stevedoring authority power to fix union fees and recognize "company unions," and who described the provision sanctioning the employment of outside labour at nights and weekends as "an attack on the 40-hour week."

The Bill was passed by the House of Representatives on June 14 after nearly three weeks of bitter debate, in which the Opposition unsuccessfully contested nearly all its major provisions and the Government repeatedly applied the closure. A large number of Opposition amendments were defeated in the Committee stage, but in order to meet the wishes of the Australian Council of Trade Unions the Government introduced an amendment (subsequently agreed to) postponing until 1957 the operation of the provisions for the use of supplementary labour in the evenings or at weekends.

During the second reading debate in the Senate (June 21) two Senators on the Government side announced that they could not support the Bill, the second reading being given by a majority of only one vote (24-23). The Bill passed its remaining stages in the Senate on the same day.

Earlier, on June 6, W.W F. members at all Australian ports except Fremantle, Port Pirie, and Port Lincoln had stopped work for 24 hours in protest against the Bill, the Sydney branch voting for a national strike unless it was withdrawn. On June 21 a conference of the A C.T.U. in Melbourne passed a resolution demanding the Bill's withdrawal, and authorizing its executive to "take whatever action it might deem proper" to prevent its implementation if it became law.

The new Australian Stevedoring Industry Authority assumed control of labour at all Australian ports on Aug. 14.

The Industrial Conciliation and Arbitration Bill.

This Bill, introduced by Mr. Holt in the House of Representatives on May 10, amended the existing Arbitration Act and provided for:

(1) The setting-up of a new Federal Conciliation and Arbitration Commission, comprising a president and deputy-president with judicial qualifications, as well as lay members drawn from the present conciliation commissioners.

The president would assign specific industries to lay members, who would deal with all disputes in those industries; but if the president thought fit, he or the deputy-president might handle major disputes themselves. Appeals from the decisions of single members would rest with three members of the Commission, including the member who made the original decision and one layman. In addition, "conciliators," having purely conciliatory functions and no power of arbitration, woud be associated with the Commission.

(2) The establishment of a new Industrial Court with disciplinary powers, in order to remedy the situation created by a recent High Court judgment declaring that the Federal Arbitration Court could not constitutionally be vested with power to impose penalties.

The new Court, replacing the existing Court, would consist of a Chief Judge and not more than two other judges. It would be empowered (*a*) to order compliance with an arbitration order and forbid persons or organizations to commit or continue to commit offences against arbitration; (*b*) to grant leave to appeal against acts or decisions of industrial registrars, (*c*) to determine an appellant's eligibility to be or remain a member of an organization registered under the Arbitration Act; (*d*) to determine points of law referred to it by the Conciliation Commissioner. The Court would have the same power to punish contempt as the High Court, wth maximum penalties of £A500 or 12 months' imprisonment.

A demand for the postponement of further consideration of the Bill until the Privy Council had decided an appeal then before it regarding the exercise of penal powers by the Arbitration Court, was put forward by the Australian Council of Trade Unions on May 17. Mr. Holt announced on May 21, however, that the Government had decided that the Bill must be passed before the end of the present session, since it was "undesirable to leave important aspects of the arbitration system unresolved" until the Privy Council had announced its decision.

During the second reading debate (May 22) **Dr. Evatt** moved an amendment calling for the withdrawal of the Bill for reconsideration. He contended that it "perpetuated the worst features of existing legislation," would contribute nothing to the problem of solving industrial unrest, and would cause only "frustration and unrest to salary- and wage-earners." The freezing of the basic wage for the past three years, he said, had "cost workers hundreds of millions of pounds," whereas at the same time they had had to bear the brunt of "an unprecedented surge of profiteering." He alleged that the Bill aimed at circumventing the High Court's decision that the Arbitration Court had no judicial power by "establishing a new court of pains and penalties which would victimize trade unionists and would have no support from decent employers." The essential feature of an effective Australian arbitration system, Dr. Evatt argued, should be "the vesting in Parliament of full powers, both in relation to industrial matters generally and to a just fixation of prices and profits on a national basis"

The Opposition amendment calling for the Bill's withdrawal was defeated by 56 votes to 31, and the Bill was passed by the House of Representatives on June 7 with two Government amendments: (1) setting out the responsibility of the Conciliation and Arbitration Commission for handling disputes at Australian ports; (2) empowering the Industrial Registrar to exempt conscientious objectors from trade union membership. After passing through all its stages in the Senate, it came into force on August 14.

Sir Arthur Fadden (the acting Prime Minister) announced on Aug. 22 that Senator Spicer, the Attorney-General, would resign from the Federal Government to become Chief Judge of the new Industrial Court, and would be succeeded as Attorney-General by Senator O'Sullivan, the Navy Minister. The other members of the Industrial Court would be Mr. Justice Dunphy and Sir Edward Morgan, both judges of the former Arbitration Court. The president of the new Conciliation and Arbitration Commission would be Mr. Justice Kirby, and the Deputy-Presidents under him would be Mr. Justice Foster, Mr. Justice Wright, and Mr. Justice Ashburner. The new Commission held its first meeting on Aug. 21.

Mr. Justice Ashburner, of the Federal Arbitration Court, on June 18 awarded port workers throughout Australia a wage increase of 8d. an hour, increasing the hourly rate to 9s. 10d., equivalent to £A14 15s. for a 30-hour week. The Waterside Workers' Federation had asked for an increase of 1s. 6½d. an hour. (Australian News and Information Bureau - Times)

(Prev. rep. 14709 A; 14188 D.)

A. SOVIET UNION. — Nuclear Weapon Tests.

A series of nuclear weapon tests was carried out in the U.S.S.R. on Aug. 24, Aug. 30, Sept. 2, and Sept. 10. The first three tests were announced by the U.S. Atomic Energy Commission before any statement was issued in Moscow, whilst the fourth test was announced by the Tass Agency a few hours after it had taken place.

A Tass announcement of Aug. 31, made after the U.S. announcements [see below], said that tests had been carried out on Aug. 24 and Aug. 30 "for the improvement of nuclear weapons" and the "evolving of new types of armament" for the Soviet armed forces. They had been carried out at a considerable height to allow "a sharp reduction in the fall-out of radioactive materials", and for the same reason "the smallest possible amounts of active substances were used in the charges." The statement recalled that the U S S.R. had "repeatedly presented in the U.N. proposals for an absolute ban on atomic and hydrogen weapons"; said that these proposals were "not meeting with support on the part of the U.S A. and some other Western Powers"; and mentioned the thermo-nuclear tests carried out by America and Britain earlier in the year.

A further announcement on Sept 10 said that the tests carried out on that date and on Sept 2 were held "in connexion with the programme of scientific research work." Like the earlier tests, they had been carried out "at great heights far removed from populated areas."

In the U.S.A., a statement by the chairman of the Atomic Energy Commission (Rear-Admiral Lewis Strauss) was issued on Aug. 26 by President Eisenhower announcing that the U.S.S.R. had detonated on Aug. 24 "a nuclear device with a yield less than a megaton at the usual Soviet proving ground." It was stated that "this proving ground, where most of the Soviet tests have occurred, is located in south-west Siberia, north of India, Pakistan, and Afghanistan and west of China. In addition to this area, the Soviets have also utilized the area of the Barents Sea for nuclear testing." [The first area mentioned would lie in Soviet Central Asia, approximately between the Aral Sea and the Chinese frontier, the Barents Sea is inside the Arctic Circle, to the extreme north of European Russia.]

The statement pointed out that this was "the 13th announcement by the U.S.A. concerning nuclear weapon tests in the U S S.R., whereas the Soviet Government had only issued three brief statements about such tests, two of which had followed U.S. announcements." It added: "Although there have been but 13 announcements by the U.S.A. regarding Soviet tests .. the actual number of Soviet detonations is significantly higher than 13 . . . This country [the U S.A.] does not disclose all the U S.S.R. shots of which it has knowledge, but limits itself to statements about explosions of special interest because of their large size . . or some other unusual fact. For example, the U S.A. stated on Nov. 23, 1955, that the explosion then announced was 'the largest thus far in the U S.S.R and in the range of megatons.' This was later confirmed by Mr. Khrushchev, when he stated in Bangalore, India, on Nov. 27, 1955, that this Soviet explosion was 'of unprecedented power.'" [See 14566 A.]

In releasing this statement, President Eisenhower said. "I wish again to emphasize the necessity for effective international control of atomic energy and of such measures of adequately safeguarding disarmament as are now feasible. This is a goal which the U.S.A. has consistently sought and which has received the support of a large majority of the members of the United Nations."

Two further U.S. statements, on Aug. 31 and Sept. 3, said that the second and third Soviet nuclear tests had taken place "in the same region" and were in "the same range of size as the previous bursts."—(Soviet Weekly - New York Times)

(Prev. rep. 14943 C; 14566 A.)

B. UNITED KINGDOM. — Proposed New Terminal at Milford Haven for Large Tankers. - Plan to make Milford Haven largest Oil Distributing Centre in Europe.

The British Petroleum Company announced on Sept. 4 that it was planning the construction at Popton Point, near Milford Haven, of a tanker terminal capable of berthing the largest tankers yet built or contemplated.

The statement said that oil from the terminal would be pumped through a 60-mile pipeline to the company's refinery at Llandarcy, near Swansea, which at present received its oil from tankers berthed in the Queen's Dock, Swansea. This dock could not accommodate tankers carrying over 16,000 tons, but the new installations at Popton Point would have two berths able to take ships up to 100,000 tons. The project (expected to cost about £5,000,000) was, however, still subject to approval by several of the authorities concerned, and no starting-date for work on the new terminal and pipeline had been fixed

A development scheme intended to make Milford Haven the principal oil-distributing centre for Britain and the Continent, including a dry-dock able to accommodate tankers of 100,000 tons deadweight, was announced on Sept. 14.

The cost of the scheme—prepared by a firm of industrial consultants at the request of the Milford Haven Development Committee—was put at £13,000,000-£15,000,000. Mr. C A. Samuels, managing director of C.A.S (Industrial Developments) Ltd., the firm concerned, explained that it had been asked by the Milford Docks Company to submit proposals for the development of a 45,000-ton dry dock and berths, as authorized by the Milford Docks Act of 1945, the estimated cost being £4,400,000. Since the Act was drafted, however, tankers of 60,000-100,000 tons had been laid down, and it was claimed that these larger ships could carry oil from the Middle East to Britain round the Cape more cheaply than smaller vessels could bring it in *via* Suez Britain's dependence on the Suez Canal for her Middle Eastern oil supplies could thus in time be ended. Except for Fawley, the Isle of Grain, and Grangemouth, however, there was at present nowhere in Europe where tankers of 60,000-100,000 tons could discharge, and there were only two dry-docks large enough to take 100,000-tonners, both of them being at present used to capacity. Mr. Samuels added that the scheme had been put before the Prime Minister and referred by him to the Minister of Transport.

The recent purchase by the Esso Petroleum Company of a 650-acre site on the north shore of Milford Haven was announced on Sept. 10. The object of the purchase was not disclosed.

(Times - Daily Telegraph - Manchester Guardian)

C. SPAIN. — Workers' Universities.

Four "workers' universities" (*Universidades Laborales*), the first of their kind in Spain, were opened at the beginning of the new academic year in October at Córdoba, Seville, Gijón and Tarragona. Intended primarily for the sons of workers, their principal function will be to provide higher education so as to prepare the students for posts as managers, engineers, technologists, etc., for the industrial and agricultural projects planned by the Spanish Government.

The *Universidades Laborales*, each planned on the lines of a "university city," were created by the Minister of Labour (Señor José Antonio Giron) in co-operation with the Ministry of Education and the Falangist Party, and were established under a statute approved jointly by the Ministries of Labour and Education. Each of the "workers' universities" will ultimately have accommodation for 2,000 resident students and some 1,000 outside students. Entrance will be by examination for boys between 10 and 18 years, and there will also be special courses for adult workers selected by the Falangist syndicates Board and lodging, books, medical treatment, etc., will be supplied free to all students

The Jesuit Order will be in charge of teaching at the *Universidad Laboral José Antonio Giron* (named after the originator of the scheme) at Gijón, while the Dominican Order will be in charge of teaching at the *Universidad Laboral Onesimo Redondo* (named after a deceased Falangist leader) at Córdoba. At the other two workers' universities—the *Universidad Laboral Virgen de los Reyes* at Seville and the *Universidad Laboral Francisco Franco* at Tarragona—teaching will be in charge of lay professors and lecturers.

(Times - A.B.C., Madrid)

D. GERMANY. — Release of Karl Dönitz.

The former Grand Admiral Karl Dönitz (65), Hitler's designated successor as "Führer" in the last days of the war, was released on Sept. 30 from Spandau prison (Berlin) after completing the ten-year sentence to which he had been condemned by the International Military Tribunal at Nuremberg. He was flown by a British plane to Dusseldorf, where he announced his intention of living in retirement.—(Frankfurter Rundschau)

(Prev. rep. 14439 C; 13989 A.)

OCTOBER 6—13, 1956

A. THE SUEZ CRISIS. — Second London Conference on Suez. - Establishment of 15-Nation Canal Users' Association. - Suez Dispute referred to Security Council by Britain and France. - Egyptian Counter-complaint to U.N. - French Criticisms of Second London Conference. - Further Anglo-French Ministerial Discussions. - Soviet and Indian Opposition to Canal Users' Plan. - Mr. Menzies on the Suez Situation. - Italian Attitude to Suez.

Developments in the Suez situation (in continuation of 15101 A) are described below under cross-headings, including the second London conference on Suez; the setting-up of a 15-Power Suez Canal Users' Association; the reference of the Suez dispute to the U.N. Security Council by the British and French Governments, and also by Egypt; and reactions in various countries to the Western Powers' proposals to set up a Canal Users' Association.

Second London Conference on Suez.

The second London conference, convened by the British, French, and U.S. Governments to discuss the proposed establishment of a Canal Users' Association, was held from Sept. 19-21 under the chairmanship of Mr. Selwyn Lloyd. It was attended by all the 18 Powers who signed the majority proposals of the first London conference—i.e. the proposals presented to President Nasser by the Menzies mission. In accepting the invitation, however, several Powers—notably the Scandinavian countries, Italy, Pakistan, and Persia—refused to commit themselves definitely to membership of the Association until its functions and purposes had been clarified.

At a meeting in Stockholm on Sept. 16 between the Prime Minister and Foreign Minister of Denmark (Hr. Hansen) and the Foreign Ministers of Norway and Sweden (respectively Hr. Lange and Hr. Undén), it was agreed that the Scandinavian countries should attend the second London conference After expressing the desire of Denmark, Norway, and Sweden for a peaceful solution of the Suez problem, the communiqué expressed the conviction of the three Governments that the question had "reached a stage where it would be appropriate to refer the matter to the United Nations." At a subsequent press conference, Hr. Undén said that the Scandinavian countries would not commit themselves in advance to membership of the proposed Canal Users' Association, but would await the outcome of the London discussions before taking a definite decision.

The new Foreign Minister of Pakistan (Mr. Firoz Khan Noon) emphasized on Sept. 16 that his Government, in accepting the invitation to the second London conference, was in no way bound to membership of the Canal Users' Association, the functioning of which was not clear at the present moment. Moreover, Pakistan "could in no case associate herself with the use of force or with any solution imposed on Egypt against her will."

In Rome, it was announced on Sept 13 that the Italian Government had requested Britain to furnish "further clarification" of the plan for setting up a Canal Users' Association.

After several plenary sessions at which the delegates expressed the views of their respective Governments (see below), the second London conference ended on Sept. 21 with (*a*) a general declaration by the 18 Powers, and (*b*) a declaration providing for the establishment of a Suez Canal Users' Association (abbreviated S.C.U.A.). The text of these documents was as follows:

General Declaration.

"(1) Representatives of the 18 Governments who joined in the proposals which were submitted to the Egyptian Government by the Five-nation Committee presided over by the Prime Minister of Australia . . . met in London from Sept. 19-21, 1956. Their purpose was to consider the situation in the light of the report of that committee and other developments since the first London conference.

(2) They noted with regret that the Egyptian Government did not accept these proposals and did not make any counter-proposals to the Five-nation Committee

(3) It is the view of this conference that these proposals still offer a fair basis for a peaceful solution of the Suez Canal problem, taking into account the interests of the user nations as well as those of Egypt. The 18 Governments will continue their efforts to obtain such a settlement. The proposal made by the Egyptian Government on Sept. 10 was placed before the conference, but it was considered too imprecise to afford a useful basis for discussion

(4) A declaration was drawn up providing for the establishment of a Suez Canal Users' Association This Association is designed to facilitate any steps which may lead to a final or provisional solution of the Suez Canal problem. It will further co-operation between the Governments adhering to it concerning the use of the Canal. For this purpose it will seek the co-operation of the competent Egyptian authorities pending a solution of the larger issues. It will also deal with such problems as would arise if the traffic through the Canal were to diminish or cease. The Association will be established as a functioning entity at an early date after the delegates to this conference have had an opportunity to consult their respective Governments.

(5) The conference noted that on Sept. 12 the Governments of the United Kingdom and France informed the U.N. Security Council of the situation, and that on Sept. 17 the Government of Egypt also made a communication to the Security Council [see below]. The conference considers that recourse should be had to the United Nations whenever it seems that this would facilitate a settlement.

(6) The 18 Governments will continue to consult together in order to maintain a common approach to the problems which may arise out of the Suez question in the future.

(7) It is the conviction of the conference that the course outlined in this statement is capable of producing by peaceful means a solution which is in conformity with the principles of justice and international law as declared in Article 1 of the U.N. Charter"

Establishment of Suez Canal Users' Association.

"(I) The members of the Suez Canal Users' Association (S.C.U.A.) shall be those nations which have participated in the second London conference and subscribe to the present declaration, and any other adhering nations which conform to criteria to be laid down by the association.

(II) The S.C.U.A. shall have the following purposes:—

(1) To facilitate any steps which may lead to a final or provisional solution of the Suez Canal problem and to assist the members in the exercise of their rights as users of the Suez Canal in consonance with the 1888 Convention, with due regard for the rights of Egypt.

(2) To promote safe, orderly, efficient, and economical transit of the Canal by vessels of any member-nation desiring to avail themselves of the facilities of S.C.U.A., and to seek the co-operation of the Egyptian authorities for this purpose.

(3) To extend its facilities to vessels of non-member nations which desire to use them.

(4) To receive, hold, and disburse the revenues accruing from dues and other sums which any user of the Canal may pay to S.C.U.A., without prejudice to existing rights, pending a final settlement

(5) To consider and report to members regarding any significant development affecting the use or non-use of the Canal.

(6) To assist in dealing with any practical problems arising from the failure of the Suez Canal adequately to serve its customary and intended purpose, and to study forthwith means that may render it feasible to reduce dependence on the Canal.

(7) To facilitate the execution of any provisional solution of the Suez problem that may be adopted by the United Nations

(III) To carry out the above-mentioned purposes:

(1) The members shall consult together in a Council on which each member will be represented.

(2) The Council shall establish an Executive Group to which it may delegate such powers as it deems appropriate.

(3) An Administrator who shall, *inter alia*, make the necessary arrangements with shipping interests, will be appointed to serve under the direction of the Council through the Executive Group.

(IV) Membership may at any time be terminated by giving 60 days' notice.

Proceedings of the Conference.

The principal speeches and statements made during the three days of the conference are summarized below:

Mr. Dulles (U.S.A.) opened the conference with a speech in which he outlined the case for a Canal Users' Association as understood by the U.S. Government. After expressing regret at Egypt's "unqualified refusal" of the 18-Power proposals conveyed to President Nasser by the Menzies mission, and declaring that "this attitude of Egypt has created a new and difficult situation," the Secretary of State said that the following facts were clear: "(1) The 1888 Convention gives our vessels the right at all times to pass through the Suez Canal as a free and open waterway. (2) Those rights are jeopardized by the action of the Egyptian Government in preventing the Suez Canal Company from exercising its agreed functions, and by Egypt itself usurping all those functions. (3) When vital rights are threatened, it is natural and elemental to join to meet the common danger."

Mr. Dulles went on to "outline the proposal for association as it is understood by the U.S. Government," speaking as follows.

"(1) It means, first of all, that we should continue our present association. This is not for the purpose of enabling one or more of us to impose our views upon any of our associates. The only basis for association is such a common will as we may freely achieve Nor is it our purpose to coerce Egypt. It is merely that the necessities of the situation make continuing association useful for ourselves and for all who depend on the Canal. Also, such association will be in the interest of Egypt whenever she is willing constructively to seek a solution with those who are chiefly concerned. Also, it is in the interest of world peace that we stand together

(2) We would, I suppose, continue to accept, as a basis for the negotiation of a permanent solution, our joint statement of Aug. 23, 1956 [i.e. the 18-nation proposals drawn up at the first London conference].

(3) We would, I suggest, find it useful to have a small operating staff which would be ready to assist our ships in operating through the Canal. We need not exclude the possibility of finding, on a provisional *de facto* basis, a measure of co-operation with the Egyptian authorities, even though Egypt may not at the present time be willing to agree upon a permanent arrangement to be embodied in treaty form.

(4) It would be useful if our association had a small governing board, chosen from among our number, who would be able to keep us informed with respect to developments; call us together whenever there was occasion; and appoint the administrative agent and fix his authority and the principles which would govern and control his action on behalf of the Association . . . There is much talk at the present time about large tankers which could go round the Cape of Good Hope with greater economy than smaller tankers passing through the Canal. There is talk of new pipelines. I would hope that the Governing Board of the Users' Association would keep in touch with all these projects and keep all members informed of any serious developments which would materially affect our economic lives.

(5) It would be useful if the Association had a modest working fund to be advanced initially by the members and reimbursed out of sums hereafter received from memberships for services rendered.

(6) Membership in the Association would not involve the assumption by any member of any obligation. It would, however, be hoped that members would voluntarily take such action with respect to their ships and the payment of Canal dues as would facilitate the work of the Association and build up its prestige and authority, and consequently its ability to serve."

Mr. Dulles concluded: "Such, in broad outline, could be the Association that we organize. The extent of its practical utility will of course depend much, though not wholly, upon Egypt's attitude But our readiness to co-operate with Egypt on a practical basis serves again to demonstrate our desire to leave no reasonable step untried in the search for a solution of the grave problem that confronts us and, indeed, the world. Our readiness to co-operate with Egypt on a *de facto* provisional basis may also suggest a provisional solution which the U N might find it useful to invoke while the search for a permanent solution goes on."

Mr. Selwyn Lloyd (U.K.) reiterated that "the British Government cannot accept unrestricted control by one Government or one man over the vital Suez waterway; we feel there can be no compromise on that principle." Colonel Nasser, having unilaterally repudiated the Canal Company's concession, might also repudiate any other concession or arrangement at any moment he chose. There had therefore to be some form of international control of the Canal. "Obviously," Mr. Lloyd declared, "we want to proceed by peaceful means We do not want to settle the matter by force. My Government have indicated their determination to act in the spirit of the U.N. Charter and in a manner consistent with its purposes . . . Unless confidence can be restored in the operation of the Canal—not just its technical operation on a short-term basis, but also its future both politically and technically—grave damage will be caused in many countries, and many painful readjustments will have to take place"

Hr. Undén (Sweden) expressed regret that President Nasser had been unable to agree to the proposals conveyed by the Menzies mission. He (Hr. Undén) nevertheless felt that the latest Egyptian proposals gave some indication that Egypt might be prepared to offer guarantees. The Swedish Government accordingly thought that endeavours should be made, by negotiations with Egypt, to find out what international guarantees the Egyptian Government would be willing to offer for securing freedom of navigation on the Canal. It should not be impossible to find an area of agreement for a solution, acceptable to President Nasser, which would give substantial international guarantees to supplement the 1888 Convention The Swedish Government also felt that the best thing at the moment was to bring the whole question before the U.N., particularly now that a serious attempt to reach a voluntary solution outside the U N had been made without success.

Dr. Ardalan (Persia) believed that one reason for the failure of the Five-Power Committee was that it had been restricted to explanation, as opposed to negotiation. He felt that the next step should be an attempt to negotiate within the framework of some agreed proposals, after which the whole question should be brought before the United Nations.

Mr. Firoz Khan Noon (Pakistan) said that his Government believed that the present proposals meant an imposed settlement, to which Pakistan had been opposed throughout. "For this reason," he declared, "I regret to inform the conference that my country cannot associate itself with this proposal" He suggested that the proposal to set up a Canal Users' Association should be dropped and that, instead, the users should invite Egypt to negotiate directly with them

Hr. Lange (Norway) stressed that Egyptian co-operation was essential for any lasting agreement, and expressed the hope that Egypt would ultimately agree to some reasonable settlement involving free passage, good management, and the non-political basis of the controlling authority. In Norway's view, the matter should be taken to the United Nations. This process, however, would take time, and he agreed with Mr. Dulles that a Users' Association should be provisionally established to help solve the many grave practical problems with which they were faced pending a final settlement.

Hr. Hansen (Denmark) reinforced the pleas of Hr Undén and Hr. Lange that the question should be immediately taken to the U.N., while **Mr. Luns** (Netherlands) and **Dr. Cunha** (Portugal) gave full support to Mr. Dulles' proposals for the Canal Users' Association.

M. Pineau (France), like Mr. Selwyn Lloyd, emphasized that control of the Canal could not be left at the mercy of a single Government or individual, or subordinated to the political aims of any single country. As long as Colonel Nasser felt he could obtain an advantage by gaining time and bringing about dissensions among the 18 countries, he would not negotiate. It was therefore essential that the "18" should agree upon "a solution for the future" (*une solution d'avenir*); only then would Colonel Nasser understand that negotiations were in his own interest.

Mr. Habtewold (Ethiopia), while not committing his Government to definite participation in the Association, stressed the need for solidarity among the Canal users. He believed that Mr. Dulles' proposals merited study, particularly as they were based on co-operation with Egypt, and said that Ethiopia favoured recourse to the U.N. if necessary.

Señor Artajo (Spain) said that, in the view of his delegation, no agreement existed as to the nature and ends of the proposed Users' Association Spain had agreed to adhere to an association in a sense emanating from the 1888 Convention, but had to express reservations about an association which assumed a larger role. It was essential to concentrate on finding a definite settlement rather than a provisional solution. While supporting the concept of a Canal Users' Association, he felt that its main duty should be to promote new negotiations with Egypt with the aim of revising the Constantinople Convention, bringing it up-to-date, and assuring freedom of navigation and operational efficiency on the Canal.

As stated above, the conference ended with a declaration of intent to establish a Suez Canal Users' Association. At the final session, however, the delegates of Pakistan, Persia, Ethiopia, Japan, and the Scandinavian countries pointed out that they could not definitely commit their Governments to membership of the S.C.U.A. until the matter had been given further consideration. The French delegate also reserved his Government's position. On the other hand, the delegates of Australia, New Zealand, Western Germany, Italy, the Netherlands, and Portugal intimated that their Governments would join the Association.

Mr. Firoz Khan Noon (Pakistan) expressed satisfaction that the document finally adopted was "quite different from the original draft," since it laid emphasis on co-operation with the Egyptian Government. The plan would be studied by his Government before it decided whether or not to join the Association.

Mr. Habtewold (Ethiopia) also reserved his Government's final position, but, like the Pakistani Foreign Minister, expressed satisfaction at the changes in the final draft as compared with the first version He stressed that Ethiopia did not wish to impose any sort of formula on Egypt.

Hr. Undén (Sweden) said that his Government was not in a position to define its final attitude, but expressed general approval of the plan drawn up; **Hr. Lange** (Norway) intimated that Norway would join the S C.U.A., though for constitutional reasons he could not commit his Government at the moment, while **Hr. Hansen** (Denmark) said that the matter would have to be laid before the Danish Parliament before a final decision was taken.

Sir Percy Spender (Australia), **Sir Clifton Webb** (New Zealand), **Herr von Brentano** (German Federal Republic), **Signor Martino** (Italy), **Mr. Luns** (Netherlands), **Dr. Cunha** (Portugal) and **Mr. Birgi** (Turkey) all indicated that they would recommend their Governments to accept the plan for setting up the Association. **Señor Artajo** (Spain) also expressed general support for the plan, with the reservations that he had made at the first London conference.

M. Pineau (France) said that he could not adhere to the declaration at the moment, as the text had been altered and would require further study by his Government. He added that if his Government's reply was positive, it would certainly contain the reservation that the document gave too much latitude to members of the Canal Users' Association, particularly as regards the payment of Canal dues.

[M. Pineau's complaint about "latitude" over the payment of Canal dues referred to the fact that the declaration provided that members of the Association "might" pay the dues to the S C.U.A. instead of to the Egyptian Government. The French delegation had urged that all dues should be paid to the Association and not to Egypt It was pointed out in the Press that most U.S., German, and Italian ships using the Canal were still paying dues direct to Egypt, these sums amounting to about 40 per cent of the dues paid by all the 18 "London conference" countries]

Together with the two documents issued at the end of the conference, there was also published a letter from Mr. Dulles to Mr. Selwyn Lloyd in which the U.S. Secretary of State said that "immediately upon my return [to Washington] steps will be taken with our Treasury officials and with representatives of owners of American vessels which largely transit the Suez Canal with a view to perfecting this co-operation in terms of actual operating practice."

Creation of Canal Users' Association.

Immediately the conference ended, Mr. Selwyn Lloyd sent out invitations to a further conference of the 18 countries, opening in London on Oct. 1, to set up the new Suez Canal Users' Association. This third conference—attended by the Ambassadors of the countries concerned, with Mr. Selwyn Lloyd in the chair—accordingly opened on that date.

During the preceding week the Danish Parliament had voted on Sept. 25, by 130 votes to seven, in favour of Denmark's adherence to the S.C.U A. The dissenting votes were cast by the Communists. It was also officially announced in the respective capitals on Sept. 27-28 that Norway, Sweden, Turkey, Persia, and the German Federal Republic had decided to join the Association.

The Suez Canal Users' Association was formally inaugurated on Oct. 1, when 15 of the 18 Governments agreed to join the Association—Great Britain, the United States, France, Australia, Denmark, the German Federal Republic, Italy, the Netherlands, New Zealand, Norway, Persia, Portugal, Spain, Sweden, and Turkey, representing together some 90 per cent of all shipping using the Suez Canal. The delegates of the three remaining countries—Ethiopia, Japan, and Pakistan—stated that their Governments had not yet reached a final decision.

The meeting decided to establish (1) an Organizational Committee to make recommendations for setting up the Association's Executive Group and define its functions and those of the Administrator, whom the Executive Group would in turn appoint; (2) an Operational Committee to deal with practical matters affecting use of the Canal, including payment of dues; and (3) a Finance Committee to deal with the Association's internal financial arrangements.

The ambassadorial conference ended on Oct. 5 by electing six of the seven members of the Executive Group—Great Britain, the U.S.A., France, Italy, Norway, and Persia. It was agreed that the election of the seventh member "should not take place immediately because certain of the 18 Governments attending the conference are still considering whether they would become members of the Association." It was also stated that the six members already elected would exercise all the functions of the Executive Group, appoint an Administrator, decide on the headquarters of the S.C.U.A., and take other relevant decisions.

The Executive Group will thus consist of the founder-members of the S.C U.A. (Britain, the U.S.A., and France), two nations west of Suez (Italy and Norway), and two east of Suez (Persia and one to be appointed from Pakistan, Japan, or Ethiopia, if any or all of those countries should decide to join the Association).

Suez Dispute referred to Security Council.

The British and French Governments sent a joint letter on Sept. 23 to the President of the Security Council (Dr. Nuñez-Portuondo, of Cuba, the Council's president during September) asking him to convene the Council to consider the following matter: "Situation created by the unilateral action of the Egyptian Government in bringing to an end the system of international operation of the Suez Canal which was confirmed and completed by the Suez Canal Convention of 1888."

Government sources in London and Paris stated that the decision to go to the Security Council had been taken immediately after the failure of the Menzies mission to Cairo. A British Foreign Office spokesman said "We believe that the time has come when recourse to the U.N. will facilitate a settlement The second London conference reaffirmed the 18-Power proposals presented to the Egyptian Government by Mr. Menzies' committee We shall seek U N. endorsement for these proposals as a fair basis for a settlement We shall maintain our full support for the Users' Association, and believe that the Association will have a useful role to play both in dealing with the Egyptian Government and in facilitating any steps which may lead to a settlement."

On the following day (Sept. 24) the Egyptian Government also sent a letter to Dr. Nuñez-Portuondo asking for a meeting of the Security Council to consider: "Actions against Egypt by certain Powers, particularly France and the United Kingdom, which constitute a danger to international peace and security and are serious violations of the U.N. Charter."

The Security Council, meeting on Sept. 26, decided to debate both the Anglo-French complaint and the Egyptian counter-complaint, and to give priority to the former. It also agreed to invite the Foreign Minister of Egypt, Dr. Fawzi, to take part in the discussions.

The decision to debate the Anglo-French complaint was taken unanimously, while the decision to hear the Egyptian complaint was taken by seven votes (the U.S.A., U S S R, Nationalist China, Cuba, Peru, Persia, and Yugoslavia) to nil, with Britain, France, Australia and Belgium abstaining A Yugoslav proposal that the two complaints should be considered concurrently was supported only by the Soviet representative. The British and French delegates (Sir Pierson Dixon and M. Cornut-Gentille) proposed that Egypt should be invited to take part in the debate without a vote, unanimous agreement being given. Sir Pierson Dixon described the Egyptian counter-complaint as an "outrageous slander" which was intended to "divert attention from the situation Egypt herself has created"

The Security Council met on Oct. 5 to consider the Anglo-French and Egyptian complaints. Britain, France, the U.S.A., the U.S.S.R., and Egypt were represented by their respective Foreign Ministers—Mr. Selwyn Lloyd, M. Pineau, Mr. Dulles, Mr. Shepilov, and Dr. Fawzi. As the presidency of the Council was held by France during October (under the month-by-month rotation of chairmanship among Council members), the meeting was presided over by M. Pineau. [The discussions in the Security Council will be summarized in a subsequent issue.—*Ed. K.C.A.*]

Before turning to the Suez dispute, the Council unanimously agreed, on the suggestion of M. Popovich (Yugoslavia), to defer consideration until a later (undetermined) date of (*a*) an Israeli request to be heard on the issue of freedom of navigation for Israeli ships through the Suez Canal; and (*b*) an application by seven Arab States to take part in the debate.

The Government of Israel had sent a letter to the Security Council on Sept. 26 saying that Israel had a "special interest" in the Suez question because of "the restrictions imposed by Egypt on the passage of Israeli goods and shipping through the Suez Canal in violation of the principles of the [1888] Convention under which the Canal has operated."

Other important developments in the Suez crisis since President Nasser's rejection of the 18-nation proposals are summarized below under cross-headings:

French Reactions. - Anglo-French Ministerial Meeting.

After a three-hour meeting on Sept. 22, the French Cabinet issued a communiqué announcing that France would join the Canal Users' Association, but reaffirming the French Government's determination "to secure the victory of the principle, as defined by the first London conference, of international control of the Canal, and to accept no compromise on this point." Regret was expressed that certain countries at the second London conference had reserved to themselves a freedom of action "which can with difficulty be reconciled with the principle of solidarity affirmed by the eighteen nations" [a reference to the wish of certain countries to pay Canal dues direct to Egypt and not to the S.C.U.A.]. "In these conditions," the communiqué added, "France reserves her liberty of action and will refuse to collaborate in measures contrary to her interests and to the purposes of the 18 nations." The statement ended with a reference to the "complete maintenance of Franco-British solidarity," which would be "given concrete form" by Sir Anthony Eden's forthcoming visit to Paris (see below).

In a speech at Lens on Sept. 23, M. Mollet dwelt on the risks inherent in leaving control of the Suez Canal to a single man or a single Government, and reiterated that "no compromise is possible on the principle of international control of the Canal" After comparing Colonel Nasser's avowed Pan-Arabist aims with the Pan-German policy of Hitler and the Pan-Slavic policy of Stalin, and declaring that the "ambition and pride of one man" might throw the whole Middle East into "ruin and despair," M. Mollet expressed France's "bitterness and anxiety at the fact that the free peoples have not appreciated the danger as we have done, and that our determination is not supported by sufficient unity among our friends and allies." Nevertheless, France was not discouraged, her determination remained unchanged, and Sir Anthony Eden's coming visit would show that "Franco-British solidarity is total."

M. Pineau, reporting to the Foreign Affairs Commission of the National Assembly on the results of the second London conference, declared on Sept. 25 that "the nations who have shown themselves weak during the past two months are those who will have to bear the responsibility for an aggravation of the situation. Those who maintained a firm attitude will have served the cause of peace." Though France had eventually accepted the solution adopted in London, she had done so with reservations and with the aim of maintaining the solidarity of the Atlantic alliance. The most serious moment of the London conference had been on Sept. 21, when Signor Martino had stated that Italy would continue to pay Canal dues to Egypt; from that moment the Users' Association had received "a mortal blow" and had "lost much of its value." M. Pineau, like M. Mollet, reaffirmed Anglo-French solidarity and said that Britain and France were considering the construction of two new pipelines in the Middle East—one through Turkey and the other through Israel.

Sir Anthony Eden and Mr. Selwyn Lloyd visited Paris on Sept. 26-27 for further discussions with M. Mollet and M. Pineau, who had visited London a fortnight earlier (see page 15082). The following communiqué was issued, stating not only that the British and French Ministers were in full agreement on the line to be followed in the U.N. and were determined to continue their close co-operation on the Suez question, but also that they had reviewed Franco-British relations in general, would seek to eliminate "minor points . . . outstanding between the two countries," and would take fresh initiatives to strengthen political, military and economic co-operation among the Western European countries:

"(1) The primary purpose of this meeting, the importance of which has been greatly increased by the latest international developments, was to strengthen Franco-British solidarity in every respect. This result was fully achieved.

(2) In particular, the Ministers defined their common position in the U N. as a result of the Franco-British decision to place the question of the Suez Canal before the Security Council. They were fully agreed on the line to be followed by them in the forthcoming debates.

(3) The Ministers expressed their determination to continue, in respect of any further developments, the close co-operation which has characterized the policy of the two Governments since the beginning of the Suez Canal crisis.

(4) The Ministers reviewed the course of the relationship between France and the U.K. in recent years, and reaffirmed the identity of aim and community of interests of the British and French peoples. They agreed on further studies designed to eliminate such minor points as may be outstanding between the two countries.

(5) Finally, they recalled the action taken by both countries since the war to strengthen political, military and economic co-operation between the nations of Western Europe. They agreed to pursue this policy and to study, in the European organizations to which they belong, or by other means, the new forms which it might take. They expressed their determination to ensure that constructive results should flow from these initiatives."

Soviet Reactions. - Denunciation of Canal Users' Association.

The Soviet Government issued a lengthy statement on Sept. 15 denouncing the Canal Users' Association as "a dangerous provocation" which was calculated to lead to "a still greater aggravation of the situation . . . and to the artificial creation of incidents which could be used as a pretext for the use of force against Egypt."

After referring to the "ever-increasing concentration of British and French armed forces in the immediate vicinity of Egypt," and defending the Egyptian Government's right to nationalize the Suez Canal, the statement alleged that the S.C U.A. was aimed at "withdrawing the operation of the Canal from Egyptian hands and putting it under foreign control." It added that "the military preparations being carried out by Britain and France, with U.S. support, are in flagrant contradiction to the principles of the U N. . . . and . . . cannot be reconciled with British and French membership of the U.N., especially as both countries are permanent members of the Security Council."

The statement reaffirmed the Soviet Government's view that freedom of navigation through the Suez Canal should be guaranteed to all countries, "taking into account the inalienable sovereign rights of Egypt"; recognized that the Canal was important to Britain and France because of the economic relations of those countries with the Eastern nations; and expressed the conviction that "the Suez question can and must be settled by peaceful means, the more so since the Egyptian Government has expressed its complete readiness to take an active part in such a settlement." In this connexion the Soviet Government welcomed the Egyptian Government's invitation to all States to take part in a conference for a revision of the 1888 Convention, and expressed its willingness to take part in such a conference with the aim of concluding an agreement which would guarantee freedom of navigation on the Canal to the shipping of all nations. In conclusion, the statement declared: "The U.S S R., as a great Power, cannot stand aloof from the Suez question . . . Any violation of peace in the Middle East cannot but affect the security of the Soviet State"

It was stated in Paris on Sept. 13 that M. Mollet had received a letter from Marshal Bulganin (the Soviet Premier) on the Suez question. Although its contents were not disclosed, it was understood that the letter was couched in friendly terms, that it denied that the U.S.S.R. had encouraged Egypt to nationalize the Suez Canal, or had any prior knowledge of President Nasser's intention, and that it contained a warning to the French Government to refrain from any action which might precipitate a conflict. It was understood that similar letters had been sent to President Eisenhower and Sir Anthony Eden.

The replies given by Marshal Bulganin to several questions put to him by a U.S. journalist (Mr. Kingsbury Smith, of the International News Service) were broadcast on Sept. 19 by Moscow Radio. Marshal Bulganin intimated that he was ready to take part in a conference of the Heads of Government of Great Britain, France, the U.S.A., the U.S.S.R., Egypt and India with a view to finding a peaceful settlement of the Suez dispute. He suggested that such a conference might be held in Geneva, and that any agreement reached should be submitted to the U.N. for ratification.

Indian Reactions. - Mr. Nehru's Criticisms of Canal Users' Association. - Mr. Krishna Menon's Visits to Cairo and London.

In a statement on Sept. 13 to the House of the People in New Delhi, Mr. Nehru expressed his "surprise and regret" at Sir Anthony Eden's speech of Sept. 12 (see 15101 A), and said that the establishment of a Canal Users' Association was "full of dangerous potentialities and far-reaching consequences."

Mr. Nehru said: "The action proposed to be taken by the three Governments [the U.K., the U.S.A., and France], which purports to be in the interests of users of the Canal and to maintain freedom of use of the Canal, seems, to say the least, surprising, and the consequences that may flow from it may well be very grave. One thing is clear—the action proposed is not the result of agreement, co-operation, or consent, but is to be taken unilaterally and is thus in the nature of an imposed decision. The Government of India deeply regret this development, which will render a peaceful settlement more difficult of realization. . . .

"I have communicated to the Prime Minister of the U.K. and the President of the U.S.A. our view that the situation that emerged after the Menzies mission, and the statement made by the Egyptian Government accepting all international obligations and inviting negotiations, has opened the way to a settlement. We appealed to both the U.K. and the U.S.A. to consider all this and to enable negotiations which will lead to a settlement. We hope that despite all that has happened, and the tensions that have been engendered, the path of peace will be followed. There is no question of appeasement of one side or another. What is to be sought, and what can in our view be obtained, is a settlement satisfactory and honourable to all concerned. The Government of India earnestly hope that the appeal we have made will not be in vain . . . To seek to impose a settlement by force or by threats of force is to disregard the rights of nations . . .

"The Government of India also regret to learn that pilots of British, French, Italian, and other nationalities are being withdrawn. This action is not calculated to promote the use of the Canal and is not in the interests of user-nations The Government of India are desirous that no statement of theirs should come in the way of efforts to diminish tensions and open a way for negotiations. But they cannot fail to point out that the steps announced—to assume the operation of the Canal without the consent and co-operation of the Egyptian Government—are calculated to render a peaceful approach extremely difficult, and also involve a grave risk of conflict.

"I have read the reports of Sir Anthony's speech with surprise and regret, as it appears to close the door to further negotiations. The action envisaged in it is full of dangerous potentialities and far-reaching consequences. I earnestly trust that even now it is not too late to refrain from any such action and to think more in terms of a peaceful negotiated settlement . . . As I have pointed out previously, the proper functioning of the Suez Canal is of vital importance to India We are convinced, however, that this can only be achieved through peacefully negotiated settlements, ensuring the rights not only of Egypt but of all user-countries."

Mr. Krishna Menon, the Indian Minister without portfolio, and Indian representative at the first London conference on Suez, arrived in Cairo on Sept. 17 at the invitation of President Nasser. During a four days' stay in the Egyptian capital he had several meetings with Colonel Nasser, and also saw Dr. Fawzi, Wing-Commander Sabry, and the Assistant Secretary-General of the Arab League. Mr. Menon arrived in London on Sept. 24 for talks with Mr. Selwyn Lloyd and other U.K. Ministers, returned to Delhi a few days later, paid another visit to Cairo during the first week of October, and on Oct. 7 flew again to London for his third visit since the Suez crisis. No statement was issued on Mr. Menon's discussions in London and Cairo, beyond informal statements by Mr. Menon stressing the need for a peaceful negotiated settlement of the Suez dispute. Both in the British and Indian Press however, Mr. Menon's missions were regarded as those of an "unofficial mediator" in the dispute.

Australian Reactions. - Mr. Menzies' Support for Canal Users' Association. - Opposition by Australian Labour Party.

In a speech on Sept. 25 to the Australian House of Representatives, Mr. Menzies defended the setting-up of the Canal Users' Association, stressed the importance of the Suez Canal to the economies of the Western nations, denounced President Nasser's "illegal and high-handed action" in nationalizing the Canal, and expressed the view that the canal users would be justified in imposing sanctions on Egypt if the U.N. could not bring about a solution.

After a lengthy recapitulation of the history of the Suez dispute, Mr. Menzies continued: "On July 26, Colonel Nasser, stung by the refusal of an American loan for the Aswan Dam, purported by a so-called nationalization decree to terminate the concession and appropriate the assets of the Suez Canal Company. In express terms, he made it clear that the Canal was being taken over so that financially it should serve the special needs and interests of Egypt. While he paid lip service to the 1888 Convention, the terms of which he had, in a judgment of the United Nations, glaringly broken in the case of Israel, he made it plain that in future the Canal was to be an instrument of Egyptian politics and the servant of Egypt's financial needs. This position he reasserted in our Cairo discussions. This high-handed and, as I believe, illegal action produced a world crisis. . .

"It would be folly to regard the Canal seizure as a single act to be dealt with in isolation . . . Colonel Nasser, acting in similar fashion to other dictators before him, has made no secret of his ambition to be the acknowledged head of the Arab world, to encourage confiscations of outside investments and installations, and to humiliate and drive out the foreigner. The Canal seizure is, in plain English, the first shot in a campaign calculated, unless it is promptly and successfully resisted, to make the peoples and economies of Great Britain and Western Europe dependent literally from week to week on one man's whim. In a literal sense, the Suez Canal issue is for millions one of survival . . .

"It was said by some that, when the crisis arose after Colonel Nasser's nationalization decree, the matter should at once have been taken to the United Nations. Strongly as we support the Charter, I cannot accept this view. The problem was urgent. The longer Nasser remained in possession of the field, the greater would be the temptation for people to say that we were dealing with an accomplished fact and that nothing could be done about it. It was essential that something should be done about it at once. The nations principally concerned, therefore, decided that they would call a conference of those countries vitally interested in the Canal in order that they might evolve fair and sensible proposals for a just settlement. Hence

the [first] London conference . . . I sincerely believe, with representatives of 17 other nations, that no fairer or more generous proposals have ever emerged from a conference . . When our proposals were rejected, a new proposal was made for the formation of a Canal Users' Association, designed to protect the interests of the nations affected. The nature and form of that Association have been under discussion at the second London conference . . . A plan for a Users' Association having been worked out and adopted, the matter is now going to the U.N. for, we hope, expeditious treatment . . .

" Before I conclude, I want to speak frankly about three matters. One is the question of force. That question calls for a cool and clear answer. There has been a great variety of vocal opinion ranging between what I will call two extreme views. One view is that force should at once have been used to defeat a confiscation by force. This view is out of harmony with modern thinking, at any rate this side of the Iron Curtain. The other is that force can never be employed (except presumably in self-defence) except pursuant to a decision of the Security Council. This I would regard as a suicidal doctrine, for, having regard to the existence of the veto, it would mean that no force could ever be exercised against any friend of the Soviet Union except with the approval of the Soviet Union, which is absurd . . . Each of these extreme views must, I believe, be rejected. The truth is that . . . force—except for self-defence—must never be the first resort, but the right to employ it cannot be completely abandoned or made subject to impossible conditions.

" The evolving history of the British Empire and the Commonwealth of Nations was not the product of any theory. It has been from first to last an inductive process, like the slow creation of common law and of all the great instruments of self-government. It would be a sad day if it allowed itself to be theorized out of existence. We need not get into a timid state of mind in which the very mention of the word ' force ' becomes forbidden. There is no community of nations which can say with clearer conscience that it has set a greater 20th-century example of using force only when forced into it, and then not for conquest but for resistance to aggression. But does this mean that we are to be helpless in the presence of an accomplished threat to our industrial and economic future ? Is it our task to ' patch up ' peace and no more ? Surely, our task is not merely to prevent hostilities but to build up a firm order of law and decency in which ' smash and grab ' tactics do not pay. We must avoid the use of force if we can. But we should not, by theoretical reasoning in advance of facts and circumstances, contract ourselves out of its use whatever those facts and circumstances may be. We must seek peace at all times, but we are not bound to carry that search so far that we stand helpless before unlawful actions which, if allowed to go unchecked, can finally dissipate our own strength and deprive the world of that power and authority, both moral and physical, which resides in the free nations and is still vital to the free world and to the human interests which the free world protects

" What then should be our programme of action in relation to the Suez Canal, that great international waterway, up to now non-political, which is the economic lifeline of hundreds of millions of people north, south, east and west of it ?

" First—Negotiation for a peaceful settlement by means of an honourable agreement So far, we have tried this without success. Our failure has not been due to any unfairness or illiberality on our side, but to a dictatorial intransigence on the other. Should we continue to negotiate on a watered-down basis in a spirit which says that any agreement is better than none ? I cannot imagine anything more calculated to strengthen Colonel Nasser's hand or weaken our own.

" Second—Putting on of pressure by a co-operative effort on the part of the user-nations. Colonel Nasser must be brought to understand that his course of action is unprofitable to his country, and that he is abandoning the substance for the shadow. This is one of the great merits of the Users' Association established by the second London conference. The more Canal revenue is diverted from the Egyptian Government, the less will the Egyptian people believe that it pays to repudiate.

"Third—Should the U.N., by reason of the veto, prove unable to direct any active course of positive action, we may find ourselves confronted by a choice which we cannot avoid making. I state this choice in stark terms ·

(*a*) We can organize a full-blooded programme of economic sanctions against Egypt, or

(*b*) We can use force to restore international control of the Canal, or

(*c*) We can have further negotiations, provided we do not abandon vital principles, or

(*d*) We can ' call it a day,' leave Egypt in command of the Canal, and resign ourselves to the total collapse of our position and interests in the Middle East, with all the implications for the economic strength and industrial prosperity of the nations whose well-being is vital to ours.

" The second matter concerns the attitude and the activities of the Soviet Union. My observations in London and since have convinced me that :

(*a*) The Soviet Union is not looking for a world war but is willing to stir up trouble in those regions where the strength of the Western democracies can be materially weakened.

(*b*) It is anxious to increase its influence in Egypt by the provision of arms and the development of economic ties. How to reconcile this with Egypt's sovereignty is a problem I will leave to Colonel Nasser.

(*c*) It has been in constant and persuasive touch with Colonel Nasser during recent negotiations. It is of great significance that, at the first London conference, Mr. Shepilov openly declared the argument for Egypt in terms which I was later to hear used word for word by Colonel Nasser at Cairo.

" The third matter concerns the impact of the Suez Canal confiscation on Australia and on the great new nations of South and South-East Asia. So far as Australia is concerned, I need hardly say that an open Canal is essential to British prosperity and that a closed Canal could mean mass unemployment in Britain, a financial collapse there, a grievous blow at the central power of our Commonwealth, and the crippling of our greatest market and our greatest supplier.

" The nations and peoples of South-East Asia, being nearer to Suez than we are, are even more dependent on it than we are . . . Colonel Nasser's policy of repudiation in the name of sovereignty is not calculated to help the very countries whose admiration and support he is now claiming. It is ironical that, in the guise of their leader, he is now taking steps to deprive some of the Middle East Powers of the natural and established market for the product of their oilwells.

" A final note of warning is necessary. In or out of the U.N., there are great principles and vital interests at stake. A matter of this kind is not disposed of by being sent to the Security Council or, under present procedures, to the General Assembly. Nothing could suit the Egyptian dictator better than for the free world to lose interest or a sense of crisis and urgency. There must be both speed and realism. We must look ahead, keep our sense of direction, and maintain our impetus.

" Should the U.N. machinery fail to produce an early settlement, are we then to wash our hands of the whole matter, saying : ' Well, it is too bad, but we can do nothing ; Colonel Nasser must be left with his spoils, retreat in the Middle East must go on.' I decline to believe it. The principle of internationally assured non-political control of the Suez Canal is vital. It cannot be watered down without being washed away. To abandon it would be suicidal.

" Therefore if the U.N., once more frustrated by Soviet action, proves ineffective, if it cannot impose economic sanctions or direct any other course of effective action, we, the user-nations, must, in the absence of willing and proper negotiations, be ready to impose sanctions ourselves. The central and unforgettable fact in all this unhappy business is that, unless the Egyptian action is frustrated and the international status of the Canal assured, a score of nations, great and small, will have put their fortunes into pawn. We are at one of the crossroads of modern history. We will take the wrong turning at our peril "

Dr. Evatt, the Leader of the Opposition, bitterly attacked Mr. Menzies' speech as " disgraceful " and " appalling " in view of the fact that the Suez dispute had now gone to the United Nations. He denounced the Canal Users' Association as " provocative," called for a solution of the dispute by negotiation, and declared that economic sanctions against Egypt would not be tolerated by the Australian, British, or New Zealand Labour parties.

A solution of the Suez dispute, Dr. Evatt declared, could not be achieved by " gunboat diplomacy " but by round-table meetings and negotiation. He would like to see an experienced mediator appointed by the Security Council—either Dr. Hammarskjöld, the U.N. Secretary-General, or his predecessor, Mr. Trygve Lie. A " full-blooded programme of economic sanctions " against Egypt would bring hardship to great numbers of people in the Nile Valley and would be condemned by world opinion, by the Security Council, and by the General Assembly. The Australian Labour Party were not opposed to economic sanctions because they might be provocative ; they were opposed to them because they would mean war.

Dr. Evatt denounced the S C.U.A. as a " provocative " organization because, he alleged, it was designed to withhold Canal dues from Egypt and to make it impossible for the Egyptian Government to pass ships through the Canal. He also made a bitter attack on the Suez Canal Company, alleging that—with the exception of the British Government, which was a shareholder—it was controlled by private interests which had made " very substantial profits " over the years, and which included " international oil cartels " and " shipping combines which exploited Australia for so long."

Statements on Italian Attitude.

Following discussions between Signor Martino and Signor Segni (the Prime Minister) a semi-official statement was issued in Rome on September 26 expressing surprise at M. Pineau's remark that Italy's decision to continue paying Canal dues to Egypt under the existing Italo-Egyptian clearing agreement represented a " serious blow " to the Canal Users' Association.

The statement pointed out that it was important for Italy to be able to pay the dues to Egypt through the clearing because Italy was a creditor on the clearing account for 7,000,000,000 lire, so that in actual fact the dues were not a payment to Egypt but a partial refund of the debt owed to Italy. Although, after the nationalization of the Suez Canal, Egypt had requested that Italian ships should pay the dues in cash, the Italian Government had refused this as it did not wish to forego the advantages of the clearing agreement.

The statement also emphasized that Italy's attitude at the London conference had been influenced by her anxiety to avoid the danger of re-routing all Western maritime traffic round the Cape. In the first place, the Government had no legal means to compel Italian ships to follow that route ; secondly, such a diversion of Italian shipping would inflict grave economic damage to Italy.

Despite the Government's statement, Signor Martino's announcement that Italy would continue to pay Canal dues to Egypt instead of to the Users' Association was strongly criticized in the Italian Press, including such influential organs as the *Corriere della Sera* (Milan), *La Stampa* (Turin), and *Resto del Carlino* (Bologna).

The *Corriere della Sera* described the arguments put forward by Signor Martino as completely wrong juridically, pointing out that the Italo-Egyptian clearing agreement of Nov. 8, 1952, was only a contract between the two Governments which could in no way affect the relations between the Italian Government and the Suez Canal Company. If, in the past, the dues payable by Italian ships had been paid into the clearing account, this had been done with the Suez Canal Company's consent. But as such consent had been withdrawn following the nationalization of the Canal, there was no legal basis for continuing to pay the dues to Egypt, and if any court action were instituted by the Suez Canal Company the dues would undoubtedly have to be re-paid to it.

Apprehension was also expressed in the Italian Press about the effect Italy's attitude might have on the solidarity of NATO, in view of the resentment caused in Britain and France.

In reply to these criticisms, Signor Martino made a statement on the Government's policy (unanimously approved by the Cabinet) to both Houses of the Italian Parliament on Oct. 2.

After emphasizing that the Government had never allowed any doubt about its unconditional condemnation of the Egyptian decision which it regarded as a unilateral and completely unjustified breach of an international agreement, Signor Martino declared that from the beginning of the crisis the Government had regarded it as its duty to defend by its attitude the integrity of the Atlantic Alliance "None the less," he went on, "Italy has at the same time formally expressed her opinion that the use of force must be excluded in the efforts to restore the order violated by Egypt. In consequence, our action has been directed at finding, not a compromise between right and wrong, but a technical formula under a settlement which would offer to the users of the Canal the same guarantees as before—i.e freedom of transit for ships of all flags in peace and war, maintenance of the efficiency of the Canal, and the prohibition of any discrimination in tariffs, etc. With this aim Italy has adhered to the Dulles plan."

Dealing with what he called "criticism of the Italian Government's intervention in approaching Colonel Nasser direct" during the presence of the Menzies mission in Cairo, Signor Martino said that by drawing the Egyptian Government's attention to the gravity of the situation in the event of a rejection of the mission's proposals, Italy had "certainly not broken the solidarity of the Canal users and still less that of the Atlantic Powers, having acted in full agreement with the U.S., French, and British Governments, one of whom has even thanked the Italian Government for its initiative."

As regards the second London conference, the Italian Government had never failed to realize that the more countries adhered to the Canal Users' Association, the better the chances would be of efficacious sanctions against Egypt's violation of the 1888 Convention On the other hand, Italy had expressed to her Allies certain legal doubts concerning the exact interpretation of that Convention, and had also told them of her "perplexity, not as regards the setting up of the Association, but about the principal tasks which would be assigned to it initially."

The Canal Users' Association (Signor Martino continued) had now been set up, not as "a provocative association as it appeared to the Egyptian Government at a certain moment," but as an organ for the protection of user-interests and their rights under the 1888 Convention, and as an instrument for negotiation. The Italian delegation, he claimed, had contributed notably to this result "It has been said that Italy remains isolated," Signor Martino added, "but the contrary is the truth, since the great majority of the countries represented at London adhered to our thesis."

Signor Martino admitted that during the second London Conference a number of divergencies had arisen which could not be settled immediately. However, it had to be borne in mind that in an organism representing free nations agreement could only be reached through discussion, and that unanimity and "lightning decisions" were the methods of totalitarian organizations only. "An alliance, if it is to serve the common cause, must have the courage of criticism when necessary. Conformism is bad, and fidelity to one's Allies does not mean obedience to all their wishes." He added that it had become clear since Egypt's unilateral action that the instruments of political collaboration between members of NATO were quite insufficient, and that under the changed world conditions Western solidarity could only be made operative in all spheres and on all occasions if there were in future a "permanent organ of vigilance and political co-operation"

Turning to the question of Canal dues, Signor Martino denied that their payment through the existing Italo-Egyptian clearing constituted any legal recognition of the Egyptian nationalization of the Canal. The contrary was correct, as Italy had refused to agree to an Egyptian request for the adaptation of the clearing agreement to the new situation and for payment in cash to the new Canal Authority

After confirming that Italy had adhered without reservations to the S.C.U.A., Signor Martino pointed to the serious effects which any closure of the Canal would have for Italy, and said that the functioning of the Canal was "a vital necessity for all the Mediterranean countries, including the Arab countries" Egypt, he added, had everything to gain from a settlement which would guarantee the use of the Canal to all users in perpetuity, free from any political interference, and there was no wish anywhere to suppress any national rights of Egypt. Italy, however, had also the fullest comprehension for the attitude and interests of France and Britain, and the Government's policy aimed at combining Italy's national requirements with the defence of certain essential conditions for the Western countries without which there would be "a series of terrible crises in the West"

The Government statement was unanimously approved by the Senate on the same date.

Shipping on Suez Canal. - The Pilot Situation.

Colonel Yunis, the Director-General of the Egyptian Canal Authority, claimed on Sept. 18 that the "pilot crisis" had been overcome, and said that shipping was passing through the Suez Canal smoothly and without incident. Asked by press correspondents what would happen if the Canal Users' Association tried to send a ship through the Canal piloted by one of the former pilots of the Suez Canal Company, he replied only: "Let them try!" He added that the regulations of the Egyptian Authority laid down that "any ship wanting to pass must ask for a pilot from our organization."

Following the resignations of the non-European pilots formerly employed by the Suez Canal Company, which came into effect on Sept 15 (see pp. 15082-83), pilotage duties as from Sept. 16 were taken over by 35 Egyptian and seven Greek pilots employed by the Egyptian Authority. A total of 42 vessels were passed through the Canal on that date without incident, and 36 on the following day. During the subsequent fortnight the number of pilots was reinforced by newly-trained Egyptian personnel, 15 Soviet pilots, and four from Yugoslavia.

It was stated in Port Said on Oct. 7 that 140 pilots were available at that date to take ships through the Canal, with 20 more in the Port Said roads and another 62 in training—making a total of 222. With further Egyptian trainees becoming available, and recruitment from abroad, it was claimed that the Egyptian Authority would have 250 pilots at its disposal by the end of the year, sufficient to take 50 ships a day through the Suez Canal.—(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - Le Figaro, Paris - Corriere della Sera, Milan - La Stampa, Turin - Soviet Weekly - The Statesman, Calcutta - Indian High Commissioner's Office, London - Australian News and Information Bureau) **(Prev. rep. Suez Crisis, 15101 A.)**

A. INDIA. — Cabinet Changes. - New Ministries.

The following Cabinet changes and ministerial reorganizations came into effect on Sept. 1:

(*a*) Mr. T. T. Krishnamachari, Minister of Commerce and Industry and of the Iron and Steel Industry, took over the Finance portfolio from Mr. Nehru, who had held it since Sir Chintaman Deshmukh's resignation in July. Mr. Krishnamachari remained Minister for the Iron and Steel Industry.

(*b*) The Ministry of Commerce and Industry was divided into a Ministry of Heavy Industries and a Ministry of Commerce and Consumer Industries. Pandit Pant, the Home Minister, took over the Heavy Industries portfolio (retaining the Home Affairs portfolio), whilst Sardar Swaran Singh, Minister of Works, Housing, and Supply, took over in addition the Ministry of Commerce and Consumer Industries.

(*c*) Mr. D. P. Karmarkar (Minister of Trade) and Mr. N. Kanungo (Minister of Consumer Industries) were attached to the new Ministry of Commerce and Consumer Industries.

(*d*) Mr. M. M. Shah (Minister of Heavy Industries) was attached to the new Ministry of Heavy Industries.

The formation of a new Ministry for Community Development under Mr. Surendra Kumar Dey, hitherto Community Projects Administrator, was announced on Sept. 18. Mr. Dey will have Cabinet rank but will not be a member of the Cabinet.

It was officially explained that the creation of the new Ministry would involve no major change in the present organization of the Community Projects Administration, that the new Ministry would maintain full co-operation with the Ministry of Food and Agriculture and would use the resources of that Ministry whenever necessary, that Mr. A P. Jain, the Minister of Food and Agriculture, would be responsible for co-ordinating the work of the new Ministry with that of his own, and that the Central Committee for the Community Projects Administration would continue to function as hitherto.

Co-ordinated development programmes under Community Projects and the National Extension Service already cover 123,000 villages and a population of 80,000,000. It is proposed that the entire country should be served by the National Extension Service during the Second Five-Year Plan period through the creation of 3,800 additional development blocks, of which 1,120 would be converted into community development blocks. A total of Rs.2,000,000,000 (£150,000,000) is provided for community development

It was also announced on Sept. 18 that Mr. Shah Nawaz Khan (Parliamentary Secretary to the Minister for Transport) had been appointed Deputy Minister of Railways and Transport.—(The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London) **(Prev. rep. Cabinet, 15035 A; Second Five-Year Plan, 15113 A; Community Projects, 14791 I.)**

A. UNITED KINGDOM.—Survey of National Income and Expenditure.

The Government's *Survey of National Income and Expenditure, 1956*, published on Aug. 20, disclosed that the U.K.'s gross domestic product in 1955 amounted to £16,639,000,000, compared with £8,743,000,000 in 1946, representing an increase of one-third in actual volume over the past decade. The increase in real terms in 1955 was 3½ per cent, as compared with 4½ per cent in 1954. Net income from abroad in 1955 totalled £145,000,000.

Incomes.

The Survey showed (*a*) that personal incomes (before deduction of tax) had risen by 79 per cent between 1946 and 1955; (*b*) that during the same period wages and salaries had both risen by 105 per cent to a total of £10,130,000,000; and (*c*) that income from rent, dividends and interest had risen by 42 per cent to £1,780,000,000. In the same ten-year period income from self-employment had risen by 50 per cent, and the total income of companies and public corporations had increased by 115 per cent. In 1955 wages rose by 9 per cent; income from rent, dividends and interest by 8½ per cent; salaries by 7 per cent; and income from self-employment by 4 per cent.

Salary-earners made up 16 per cent of the total labour force in 1948 and 19 per cent in 1955. Average annual salary earnings increased by 39 per cent in the years 1948-55, compared with an increase of 59 per cent in average annual wage earnings.

In 1955, 15,900,000 persons (counting husband and wife as one person) were in receipt of incomes of less than £500 per annum before tax; 8,850,000 received between £500 and £1,000 p.a.; 870,000 received between £1,000 and £1,500 p.a.; and 575,000 received more than £1,500 p.a. Five hundred persons received more than £6,000 p.a. after tax.

Expenditure.

Between 1946 and 1955 consumers' expenditure in real terms had increased by 19 per cent. The main increases were on private motoring and cycling (172 per cent); furniture and furnishings (116 per cent); and hardware, radio, and electrical goods (93 per cent). The principal decreases were in domestic service (36 per cent), cinema-going (29 per cent), tobacco (8 per cent), and railway travel (8 per cent). Expenditure on private motoring, in real terms, had increased by 27 per cent in 1955. Of every £ spent by consumers in 1955, 6s. 6d. went on food, 2s. 6d. on housing, fuel, and light, 2s. 0d. on clothing, 1s. 4d. on alcoholic drink, and 1s. 4d. on tobacco.

Current and capital expenditure by public authorities (central and local) totalled £6,200,000,000 in 1955, including £1,576,000,000 on defence, £1,015,000,000 on national insurance, pensions and other assurance, £764,000,000 on debt interest, £589,000,000 on education and child care, and £420,000,000 on housing.

Central Government expenditure, at £5,169,000,000, represented 30.8 per cent of the gross national product in 1955, compared with 31.4 per cent in 1954, 35 per cent in 1952, and 46.9 per cent in 1946.

Fixed Investment.

Between 1948 and 1955 fixed investment had increased from £1,435,000,000 to £2,865,000,000. Manufacturing industry accounted for 26 per cent of total fixed investment in 1955, and dwelling construction for 22 per cent.

As a percentage of the gross national product, gross fixed investment had increased from 13.8 in 1948 to 16 in 1954 and to 17.1 in 1955. Net fixed investment had risen from 5.6 per cent of the national income in 1948 to 7.7 per cent in 1954 and 8.6 per cent in 1955. At 1948 prices, net fixed investment was valued at £992,000,000 in 1955, compared with £885,000,000 in 1954 and £531,000,000 in 1948.

Details of net fixed investment by type of asset (for which official estimates were given for the first time in the 1956 *Survey*) were as follows in the period 1951-55:

	1951	1952	1953	1954	1955
		(£ million at 1948 prices)			
Plant and machinery ..	296	242	226	278	338
Vehicles, ships and aircraft	54	24	54	58	80
Dwellings .. .	138	197	307	327	291
Other	149	161	177	222	283

Savings and Investment.

Total net investment (i.e. net fixed investment, investment in stocks, and net investment abroad) was estimated at £1,504,000,000 in 1955, compared with £1,402,000,000 in 1954 and £845,000,000 in 1948. As a percentage of the national income, net investment fell from 8.9 in 1948 to 8.1 in 1951, but rose to 9.7 in 1954 and 9.9 in 1955.

Personal savings in 1955 amounted to about six per cent of personal income—a proportion substantially unchanged since 1952.—(Treasury Press Office) **(Prev. rep. 13922 C.)**

B. SOUTH CHINA SEA. — Territorial Disputes over Ownership of Nansha and Paracel Islands.

Señor Thomas Cloma, director of the Philippine Maritime Institute, laid claim on May 21 to the Nansha (Spratly) Islands, an uninhabited archipelago of islets, coral reefs and shoals in the South China Sea, between South Vietnam and the Philippine island of Palawan. He said that an expedition, led by himself, which visited the islands in March had been the first to discover, survey, or occupy them, and expressed the hope that the Philippine Government would officially sponsor his claim.

The Philippine Vice-President and Foreign Minister (Señor Garcia) stated on May 22 that Señor Cloma's expedition had been a private one, but added that he saw no reason why the islands should not belong to the Philippines "by virtue of occupation and proximity." The Chinese Nationalist Embassy in Manila, however, declared on the same date that the islands had belonged to China since the 15th century, and that any foreign claim to them infringed on Chinese territorial rights. A similar claim was made by the Chinese Communist Government on May 29.

On June 8 the South Vietnamese Foreign Minister (M. Vu Van-Mau) reiterated a claim—already put forward by the Vietnamese delegate at the San Francisco peace conference—to the Nansha as well as to the Paracel Islands farther north. The Paracels, which are equidistant from Vietnam and the Chinese island of Hainan, contain valuable phosphate deposits; the only inhabitants are some fishermen and a small South Vietnamese garrison which had taken over from the French in March 1956, after the withdrawal of the French Expeditionary Force from South Vietnam.

M. Vu Van-Mau claimed that the Paracels had formed part of the Empire of Annam since the early 19th century, and that the Nanshas had been attached to Cochin China since 1929. As Japan (which occupied both groups of islands from 1938-45) had restored them to France by the San Francisco peace treaty, French sovereignty over them had automatically reverted to South Vietnam.

The French Government subsequently recognized South Vietnam's claim to the Paracels, but maintained that Spratly Island (an outpost of the Nanshas) had not been included in the transfer and was still French territory.

A naval force from Formosa visited the Nanshas early in June and hoisted the Chinese Nationalist flag. Señor Cloma, however, returned to the islands shortly after, left 43 settlers, and removed the flag, a gesture which the Chinese Nationalist Embassy in Manila described as "a serious violation of sovereignty." An armed Chinese Nationalist force landed on Spratly Island on July 11, whilst on Aug. 27 a South Vietnamese force also landed, hoisted the national flag, and erected a mark claiming the islands. A strong protest was lodged by the Chinese Nationalist Chargé d'Affaires in Saigon on Sept. 1.

(Times - New York Times - Le Monde, Paris)

C. CHILE. — Cabinet Changes.

It was announced in Santiago on Aug. 27 (*a*) that Sr. Eduardo Urzúa (formerly Director-General of Taxes) and Sr. Alejandro Lazo (Vice-President of the *Banco del Estado*) had been appointed Ministers of Finance and National Economy respectively, succeeding Sr. Oscar Herrera Palacios, who had combined the two portfolios; (*b*) that Sr. Francisco Borquez had succeeded Sr. René Vidal Merino as Minister of Education; and (*c*) that Dr. Roberto Muñoz had replaced Sr. Alberto Araya Lampe as Minister of Health.

It was stated in the Press that Sr Herrera's resignation had been brought about by his objections to an announcement by the Minister of the Interior regarding the payment of a bonus to Government employees, and that the changes at the Ministries of Education and of Health had been made in order to bring back into the Government representatives of the Agrarian Labour Party, the main political group that supported President Ibañez in the 1952 elections. President Ibañez stated that the Cabinet reorganization would not affect the Government's economic and financial policies.

Sr. Osvaldo Sainte-Marie Sorucco (Minister of Mines) had been appointed Foreign Minister on May 24 in succession to Sr. Barbosa Balza.—(New York Times - Bank of London and South America) **(Prev. rep. 14676 B.)**

D. UNITED STATES.—Supreme Court Appointment.

Mr. William Brennan (50), Associate Justice of the New Jersey Supreme Court, was chosen by President Eisenhower on Sept. 29 as a Justice of the U.S. Supreme Court in succession to Justice Sherman Minton (65), who had announced his retirement three weeks earlier on grounds of ill-health. Justice Brennan is a lifelong Democrat and a Roman Catholic. Mr. Minton, Democratic Senator for Indiana from 1934-40, had been appointed to the Supreme Court by President Truman in 1949.—(New York Times) **(Prev. rep. 14050 A.)**

A. NICARAGUA. — Assassination of President Anastasio Somoza. - Election of President Luis Somoza.

General Anastasio Somoza (60), President of Nicaragua and virtual dictator of the country since 1935, died on Sept. 29 in hospital at Balboa (Panama Canal Zone) from gunshot wounds inflicted by an assassin on Sept. 21. While attending a reception at León (a town near Managua, the capital) on the latter date, President Somoza had been seriously wounded by four shots fired by a 27-year-old Nicaraguan, Rigoberto Lopez Perez, who was immediately killed by the Presidential guards. On the advice of U.S. specialists who flew to Managua on President Eisenhower's personal orders, President Somoza was flown to a U.S. military hospital in the Canal Zone for treatment, but died a week later.

A state of siege was proclaimed after the attack on President Somoza, constitutional guarantees suspended, and a number of Opposition leaders arrested, most of whom were subsequently released. It was stated in Managua that the assassin had recently returned to Nicaragua from El Salvador, where he was said to have associated with Nicaraguan political exiles.

Anastasio Somoza, born on Feb. 1, 1896, was the son of a wealthy landowner and grandson of Bernabe Somoza, who seized power by a military *coup d'état* in 1848. After a troubled period in the early 1930s, marked by chronic disorders and the landing of U.S. Marines to protect American lives and property, General Somoza (then Minister of War) seized power by a *coup* in 1935, was elected to the Presidency in the same year, and held office until 1947, when he was succeeded by Dr. Leonardo Arguello, one of his own nominees. President Arguello was overthrown within a short time by General Somoza, with whom he had quarrelled, and the latter then appointed one of his uncles, Señor Roman y Reyes, as nominal President. General Somoza again assumed the presidency in 1950, on the death of President Roman y Reyes, and was re-elected for a six-year term in 1951.

During the latter years of his life President Somoza was engaged in a bitter feud with the President of Costa Rica, Señor José Figueres, culminating in 1955 in a series of frontier clashes which were terminated in about three weeks through the efforts of the Association of American States.

Colonel Luis Anastasio Somoza (33), son of the late President, was elected President of Nicaragua by the National Assembly on Sept. 29, the voting being unanimous He was installed until May 1, 1957, when his father's term would have expired.

President Luis Somoza was head of the Nicaraguan National Guard at the time of his election to the presidency, and has served as President of the Chamber of Deputies and head of the Social Security Administration. From 1936-45 he studied in the U.S.A., first at La Salle Military Academy and subsequently at the University of California, where he graduated in agricultural engineering He owns extensive cattle-ranching, sugar-growing, and other interests.

The Nicaraguan Constitution (which makes no provision for a Vice-President) had been amended in 1955 to allow a second re-election of a President, and to eliminate the former ban on the election of a new President within four degrees of blood relationship to an outgoing holder of the office. Owing to the removal of that ban, Colonel Luis Somoza was legally able to succeed his father as President of Nicaragua.—(New York Times - New York Herald Tribune) **(Prev. rep. 10889 B.)**

B. INDIA. — Akali Sikhs join Congress Party.

A convention of the *Shromani Akali Dal* (the Sikh organization), held at Amritsar on Oct. 2 under the chairmanship of Master Tara Singh, unanimously decided that it was " desirable that the *Dal* should again repose confidence in the Congress and its leaders so far as its political programme is concerned." Its members were accordingly advised to join the Congress Party, with which the *Dal* had co-operated until 1950. The resolution was taken after a report by Master Tara Singh on his earlier discussions with Mr. Nehru and other Congress leaders.

The resolution stated that although the regional formula adopted for the Punjab in the States Reorganization Act fell short of Sikh demands, the *Akali Dal* had accepted it " in the larger interests of the country." After referring to the dangers inherent in attempts of the Hindu *Mahasabha*, the *Jan Sangh*, and the *Maha Punjab Samiti* to wreck the regional formula, the resolution declared that the " only other body in the field which desires to see this formula work successfully is the Congress." The Akali members of the Punjab and PEPSU Legislative Assemblies, and the three Akali representatives in the Central Parliament, were formally asked to join the Congress parliamentary parties.

It was stated in the Indian Press that the total membership of the *Akali Dal* exceeded 400,000 distributed throughout India, the majority living in the Punjab and PEPSU.—(The Statesman, Calcutta - The Hindu, Madras - Indian High Commissioner's Office, London) **(Prev. rep. 14866 A.)**

C. ATOMIC PHYSICS. — The Anti-Neutron.

The discovery of the anti-neutron, a new and hitherto unknown particle with the property of destroying matter in the ordinary state, was announced by the University of California on Sept. 14 as a result of six months' experiments carried out by a team of physicists with the Bevatron (the world's largest atom-smasher). It was stated that the most striking property of the anti-neutron was that, when it came close to an ordinary neutron in the heart of an atom, the two particles annihilated each other. At the moment of annihilation the particles released several hundred times more energy than that produced in the reaction of a hydrogen bomb.

The discovery was made by Dr Bruce Cork. Dr. Oreste Piccione, Dr. Glen R. Lambertson, and Dr. William Wenzel, working as a team under Dr. Edward Lofgren, who is in charge of the University of California's Bevatron. Professor Ernest O. Lawrence (Director of the University's Radiation Laboratory, and inventor of the original Cyclotron) said that the discovery had as yet no practical application, and that " the value of this work lies in expanding our understanding of the nature of matter." It was pointed out by other scientists, however, that when uranium atoms were first split by ordinary neutrons many years ago, no practical application was immediately foreseen, though eventually it led to the creation of the atomic bomb and to the harnessing of atomic energy for power.

The existence of " anti-matter " particles (i.e. particles whose physical properties are directly opposite to those of known matter) had been postulated by physicists for many years but had never hitherto received actual confirmation.
(New York Times) **(Prev. rep. 14960 B ; 14749 D.)**

Note. Neutrons and protons are the two particles making up the nuclei of atoms, protons carrying a positive electric charge and neutrons having no charge. The discovery of the anti-neutron, following closely upon the discovery of the anti-proton (see 14749 D), means that four atomic particles are now known to science.

D. ITALY - SWITZERLAND. — Preliminary Agreement on Great St. Bernard Road Tunnel Project.

An agreement was signed in Turin on Sept. 1 between Italian and Swiss financial groups, providing for the construction of a road tunnel linking the two countries under the Great St. Bernard Pass. The tunnel will be 5.8 kilometres (6,430 yards) long and will make possible an all-the-year-round road connexion between Martigny (Upper Rhône valley) and Aosta. In addition to the boring operations, the project will necessitate extensive improvement and widening of the approach roads, and protective measures against avalanches. The total cost of the scheme was estimated at 43,750,000 Swiss francs.

The agreement provided for the formation of a limited company whose capital of 15,000,000 Swiss francs would be taken over in equal shares by the Italian and the Swiss syndicates [two-thirds of the Italian share have already been subscribed by the Fiat Motor Works in Turin] The remaining 28,750,000 Swiss francs required for the cost of construction would be raised by a loan in Switzerland, where the sponsors include the City of Lausanne and the Canton of Valais.

The agreement is subject to approval by the two Governments.—(La Stampa, Turin - Neue Zurcher Zeitung)
(Prev. rep. Mont Blanc Tunnel, 13783 C.)

E. RELIGIOUS LIFE. — Roman Catholic Church. - Beatification of Pope Innocent XI.

Pope Innocent XI, the 17th-century Pontiff who helped to save European Christendom from the Turkish invasion, was beatified at a ceremony at St. Peter's on Oct. 7 attended by 16 Cardinals and 100 Archbishops and Bishops of the Roman Catholic Church.

In a broadcast from Castelgandolfo, Pope Pius XII described Innocent XI as " one of the most outstanding Popes of the Roman Church " He said that the beatification of Innocent XI, nearly three centuries after his death, " should not only render historical justice to a Pontiff who deserved particularly well of the Church and of Europe but also point out the paths of security, peace, and reform to the present age—an age which, like his own, is marked by an urgent need for spiritual rebirth, by the gravity and vital nature of its disputes, and by enormous dangers which threaten all."

Innocent XI (Benedetto Odescalchi), who occupied the Papal throne from 1676-1689, took the lead in forming a coalition of European nations to resist the Turkish invasion, which was driven back after reaching the gates of Vienna.
(Catholic Times) **(Prev. rep. 13622 A.)**

F. BECHUANALAND. — Seretse Khama returns to Serowe.

Seretse Khama returned on Oct. 11 to Serowe (the tribal capital of the Bamangwato) after six years' exile in England. He was enthusiastically welcomed by large numbers of tribesmen. His wife and two children will join him later.—(Times)
(Prev. rep. 15117 A.)

A. ATOMIC ENERGY.—Extension of Anglo-U.S. and U.S.-Canadian Co-operation Agreements. - Tripartite U.K.-U.S.-Canadian Agreement on Atomic Patents. - U.S. "Atoms-for-Peace" Agreements.

A number of important agreements concerning exchanges of information on atomic energy, and other related matters, were signed in the last few months and are summarized below.

Supplementary Anglo-American Agreement.

An agreement was signed in Washington on June 14 by the chairman of the U.S. Atomic Energy Commission (Rear-Admiral Strauss) and the British Ambassador (Sir Roger Makins) broadening the scope of the Anglo-American Atomic Co-operation Agreement of 1955 (see 14360 A) by providing:

(1) That Britain would send to the U.S.A. "depleted" uranium (i.e. uranium containing less than 0.7 per cent of fissionable U-235) for re-processing into usable atomic fuel. In exchange, the U.S.A. would send to Britain equivalent quantities of enriched uranium.

(2) That the U.K. and the U.S.A. would exchange information on "military package power reactors and other military power reactors for the propulsion of naval vessels, aircraft, and land vehicles."

It was pointed out in the British and U.S. press that the agreement implied that Britain would profit from U.S. experience in the building of nuclear-powered submarines. It was also pointed out that the U.S.A., in turn, was expected to benefit from British advances in using nuclear energy for the generation of electric power and in other ways.

Supplementary U.S.-Canadian Agreement.

A U.S.-Canadian agreement, supplementing that concluded in June 1955, was signed on June 28.

Similar to the U.S.-British agreement, it extended the mutual exchange of information to cover such military uses of nuclear power as atomic propulsion for ships, aircraft, and land vessels.

Canadian-U.S.-U.K. Agreement on Atomic Patents.

It was announced on Sept. 24 that the British, Canadian, and U.S. Governments had signed an agreement to interchange "rights in inventions and discoveries in the atomic energy field on which patents were held or applied for by one Government in one or both of the other countries on Nov. 15, 1955."

The U.K. Atomic Energy Authority explained that the purpose of the tripartite agreement was to allow internal use of the inventions in each country by Government and industry without interference of the other Governments. This would be done by a "cross-assignment" of rights, under which each Government assigned to the others the rights, title and interests owned by it in the other countries. Each assigning Government would retain a non-exclusive, irrevocable, paid-up licence of each invention for its own purposes and for purposes of mutual defence. The exchange gave full rights to each Government in its own country and permitted it to grant licences to industry in accordance with national policy. A non-discrimination clause in the agreement bound each Government to grant licences to nationals of the other Governments on the same terms as to its own nationals.

The agreement was expected to be of particular benefit to the growing private atomic energy industries in each of the signatory countries by avoiding questions of patent infringement Firms engaging in home manufacture would need licences only from their own Governments, whilst firms of one country engaging in business in one or both of the other countries could not be discriminated against by the Governments of those countries.

It was also pointed out that the patents or patent applications falling under the agreement were made up of (i) inventions which had arisen out of wartime collaboration among the three Governments (known as Combined Policy Committees inventions); (ii) inventions which, though within the co-operative arrangement, had been developed independently and were owned by one Government only. "CPC" inventions totalled about 50, whilst the number of patents or applications relating to work carried on independently of the wartime co-operative arrangement amounted to several hundred.

Finally, it was stated that the agreement did not commit the three Governments for the future, and would not affect inventions utilizing information communicated under the U K.-U S. Atomic Energy Co-operation Agreement of June 15, 1955.

U.S. "Atoms-for-Peace" Agreements.

The following agreements on the development of peaceful uses of atomic energy were signed by the U.S.A.:

Australia. This agreement, announced in Canberra on June 20, differed from the "atoms-for-peace" agreements signed by the U S.A. with 27 other countries in that Australia became the fourth country (after Britain, Canada and Belgium) to share in classified information on atomic energy. Valid for ten years, it provided that Australia would obtain from the U.S.A. information on the design and construction of power reactors; information on the production and refining of uranium and thorium; and up to 500 kilograms of enriched uranium when required for research purposes or for power reactors.

Most of the Uranium-235 would be enriched up to 20 per cent, but up to six kilograms of 90 per cent enriched material might be obtained by Australia for a material-testing reactor, the U.S.A. retaining the right to inspect its use for strictly non-military purposes. The agreement—which excluded all military matters—was not limited to the two Governments but covered dealings by private firms and semi-official bodies. In addition, it enabled Australian scientists to visit research establishments in the United States.

Belgium. The U.S.-Belgian agreement (July 12) expanded the co-operation between the two countries beyond the scope of their agreement of June 1955 (see 14360 A), as follows: (1) Belgium would receive eight kilograms of uranium enriched up to 90 per cent for use in the Belgian Government's high-flux material-testing reactor, which is under construction; (2) the spent fuel could be re-processed by Belgium herself, subject to approval of the regeneration facilities by the U.S. Atomic Energy Commission; (3) the field of restricted and confidential information which Belgium could obtain from the U.S.A. would be extended, and would now include techniques for the extraction and preparation of uranium and thorium [thus facilitating the processing by Belgium herself of natural uranium from the Belgian Congo] and also operational techniques of experimental reactors and nuclear power stations. The rights given to Belgium were wider than those accorded by the U.S.A. to any other European country except Great Britain.

An important innovation was a provision that Belgium, if she so desired, might transfer her rights and obligations under the agreement to an "interested group of nations." This was taken to mean that the U.S.A. would be willing to allow confidential information disclosed to Belgium to be passed on to the six-nation "Euratom" organization now under discussion by the members of the European Coal and Steel Community—France, Italy, Western Germany, and the Benelux countries.

France. The Franco-American agreement (June 19) provided: (1) the amount of Uranium-235 available to France from the U.S A. would be raised from six to 10 kilograms under an earlier bilateral agreement to 40 kilograms, some of which would be enriched to 90 per cent, but most to 20 per cent; (2) the uranium supplied by the U.S.A. could be utilized not only for research purposes, as hitherto, but also for prototype reactors for the production of electricity, whilst the 90 per cent enriched uranium would be destined for a material-testing reactor; (3) the U.S. Atomic Energy Commission and the French *Commissariat a l'énergie atomique* would exchange information on techniques, reactors, safety measures, etc., involving French access to U.S. inventions and vice versa, and covering *inter alia* the use of isotopes in agriculture, medicine, and biological research; (4) in addition to Uranium-235, France would also obtain certain quantities —"of the order of grammes"—of U-233 and plutonium for research purposes.

It was pointed out in the French press that France's requirements of natural uranium were covered from her own resources, but that she was not at present producing Uranium-235.

Irish Republic. Like the other "atoms-for-peace" agreements, that signed with the Irish Republic (March 16) provided for U.S. supplies of enriched uranium (13 lb.), the purchase of reactors in the U.S.A., and the provision by the U.S.A. of a certain amount of unclassified technical information.

Netherlands. Under an agreement signed in June, the Netherlands will receive a maximum of 500 kilograms of U-235 from the U.S.A. for the development of her atomic energy programme, as well as non-classified information and nuclear materials such as heavy water and graphite.

New Zealand. The U.S.-New Zealand agreement (June 14) contained the following provisions: (1) The N Z. Government would receive information on the design, construction, and operation of research reactors; (2) private organizations in the U.S.A. would supply to the N.Z. Government, or authorized persons under its jurisdiction, appropriate equipment and services; (3) unclassified information would be exchanged on research reactors, health and safety problems, and uses of isotopes in agriculture, industry, medicine, and biology, (4) the U.S. Atomic Energy Commission, on request, would relase to New Zealand (for use in a research reactor) up to six kilograms of U-235, enriched up to 20 per cent.

Siam. The U.S.-Siamese agreement (March 13) contained the customary provisions for co-operation in the peaceful uses of nuclear energy. In addition, it provided for U.S. aid in the construction of a Siamese experimental reactor, for the provision of a U.S. "atomic library," and for the services of a U.S. expert to help in the training of Siamese atomic scientists.

Switzerland. The U.S.-Swiss agreement (June 21) provided, similarly to the U.S.-Australian agreement (see above), that Switzerland would receive from the U.S.A. up to 500 kilograms of Uranium-235 for universities, research establishments, and private industry, as well as atomic equipment normally regarded as "classified." The uranium would be mostly enriched up to 20 per cent, but up to six kilograms of 90 per cent enriched uranium might be obtained for use in a material-testing reactor The exchange of information and experience were also covered. The agreement was valid for 10 years but could be terminated by either party after five years.

The utilization by universities or private firms of the fissionable material provided under the agreement will be controlled by a joint committee of Swiss and U.S. experts—the first occasion that Switzerland had permitted any form of foreign supervision in her territory. The Swiss Government emphasized, however, in a statement on Aug. 21 that this supervision in no way infringed Swiss sovereignty as it was based on mutual rights and obligations, and that the agreement, being of a non-military character, fully conformed to Switzerland's neutrality policy.

(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Montreal Star - Le Monde, Paris - Australian News and Information Bureau - New Zealand Dept. of External Affairs - Irish Times, Dublin - Netherlands News Agency - Neue Zurcher Zeitung) **(Prev. rep. U.K.-U.S.-Canadian Atomic Co-operation Agreements, 14360 A; U.K. Atomic Patents, 14928 A; U.S. "Atoms-for-Peace" Agreements, 14360 A; 14765 A.)**

A. BRAZIL. — Economic Development.

Recent important developments in the expansion of Brazil's economic and industrial potential are summarized below under cross-headings :

Creation of Council of Development. A decree creating a Council of Development was signed on Feb. 1, 1956, by President Kubitschek, its principal provisions being as follows .

(1) The Council of Development would consist of the Ministers of State, the Chiefs of the Military and Civil Cabinet of the Presidency, the President of the National Bank of Brazil, and the President of the National Bank for Economic Development (see 13024 D)

(2) In collaboration with the National Economic Council, the Council of Development would (*a*) study measures necessary to promote Brazil's economic development ; (*b*) draw up programmes " to increase the efficiency and activities of the Government and to promote private initiative " ; (*c*) " study changes in different sectors of the economy " ; (*d*) analyse statistical reports ; (*e*) " set up projects . . . and keep itself informed on the implementation of measures already approved."

(3) The Council would organize working groups for special economic studies, headed by civil servants or other "persons of recognized competence"

Development of Automobile Industry. A decree of June 16, 1956, set up a new organization, the Automobile Industrial Executive Group (GEIA), to regulate the conditions which should govern the development of an automobile industry in Brazil. The GEIA is headed by the Minister of Transport and is directly dependent on the new Development Council (see above). It will draw up plans for the production of motor vehicles ; negotiate and approve proposals relating to the industry ; and deal with all questions relating to finance, Customs tariffs, import categories, labour materials, and other aspects of the industry.

It was reported during the same month that General Motors (the U.S. company) was studying the possibility of producing motor-vehicles in Brazil under the general conditions offered by the Brazilian Government, and contemplated the erection of a factory at São José dos Campos (São Paulo State) to produce 100,000 vehicles a year by 1963.

Steel Production. - The Volta Redonda Plant. An official report issued in February last stated that the Volta Redonda steel plant (see 9753 C, 8202 G, 8021 B) had completed the first phase of its expansion plan and would be in full production during the present year, when all its new machinery would be in operation Studies on the second expansion programme, designed to raise the plant's annual steel production to 1,000,000 tons, were well advanced, and the loan from the U S. Export-Import Bank [see below] would supply the *Cia Siderurgica Nacional* with the foreign currency necessary to procure equipment.

The *Cia. Siderurgica Nacional*, which operates the steel plant at Volta Redonda (the biggest in Latin America), issued the following figures showing production at Volta Redonda during the past four years .

Products.	1952	1953	1954	1955
		(thousand metric tons)		
Coke	300	332	457	481
Pig-iron . .	359	370	438	498
Steel ingots	476	482	588	666
Rolled steel products ..	360	375	419	513

The output of rolled steel products in 1955 comprised rails and accessories (81,000 tons), rods and other sections (83,000 tons), heavy plates (75,000 tons), hot rolled sheet (114,000 tons), cold rolled sheet (110,000 tons), galvanized sheet (13,000 tons), and tinplate (38,000 tons).

During a visit to Brazil, the U.S. Vice-President (Mr. Nixon) announced on Feb 3, 1956, that the Export-Import Bank had granted a loan of $35,000,000 to the *Cia. Siderurgica Nacional* to enable the output of steel ingots at the Volta Redonda plant to be raised to 1,000,000 tons annually. Two earlier loans, of $45,000,000 and $25,000,000 respectively, had been made by the Export-Import Bank to the C.S N. in 1950 and 1951.

Industrial Development. During the past 12 months a number of new industries have been established in Brazil by foreign companies—American, British, French, German, and others—with the co-operation of the Brazilian Government. [Joint Brazilian-French, Brazilian-German, and Brazilian-U S. development commissions had been established in 1953-54 to promote the country's industrial development and attract foreign capital—see 13568 C, 13216 A, 13024 A]. Some of the largest of these enterprises are described below :

(1) A long-range programme designed to expand heavy industry was begun in February last by the (German) Krupp Company, which had acquired a site for factory development at Campo Olivio (São Paulo State) under a contract signed with the Brazilian Government at the end of 1954. The programme will be carried out in four stages spread over several years, comprising (i) the manufacture of all types of locomotives (steam, diesel, and electric), together with spare parts ; (ii) the manufacture of trucks (lorries) and spare parts for automobile equipment ; (iii) production of harbour and dockside equipment such as cranes, winches, etc. ; (iv) the building-up of a construction industry, including mining machinery, cement plants, stone-crushing equipment, mechanical earth-moving equipment, farm machinery, tractors, etc. The project as a whole will involve investment by the Krupp group of about $25,000,000 spread over a five-year period. The programme is designed to give not only Brazil, but the whole of Latin America, the necessary heavy-industry basis for supplying materials to the transportation, building, and constructional industries Sufficient production is planned to serve the export market as well as to satisfy Brazil's internal requirements.

(2) Plans to establish a plastics industry in Brazil by two U.S. firms—the Union Carbide & Carbon Corporation and W. R. Grace & Company—were announced in February last Union Carbide will construct a factory at Cubatão (near Santos, in São Paulo State) to supply sufficient polyethylene " to satisfy completely the most optimistic estimates " of Brazilian needs for the next ten years. The plant will be adjacent to the ethylene unit of *Petrobras* (the Brazilian Government's Petroleum Authority), with whom Union Carbide have signed a contract. W. R Grace & Co., in collaboration with a German firm (Farbwerke Hoechst A. G , of Frankfurt), will produce a new type of polyethylene developed by the German company in a new plant to be constructed in Brazil.

(3) A factory for the manufacture of boilers and other heavy equipment, established by the British firm of Babcock & Wilcox (Renfrew), went into production during the summer of 1956 Situated on a 128-acre site at Rezende, about midway between Rio de Janeiro and São Paulo, it will manufacture boilers up to medium size, together with a considerable amount of heavy equipment and special machinery for oil-refinery work. It is staffed almost entirely by local labour.

U.S. Loans for Industrial Development. In addition to the $35,000,000 loan for the Volta Redonda steel plant (see above), it was announced in Washington on July 30 that the Export-Import Bank had agreed to make a loan of $151,000,000 for Brazilian economic development generally, divided as follows : $100,000,000 for the purchase of U.S. equipment for Brazil's Federal and State-owned railways , $25,000,000 for port and dredging equipment ; $15,000,000 for the expansion of the Paulo Afonso hydro-electric project (see below) , and $11,400,000 for the expansion of another power project at Itutinga.

The loan was negotiated by Mr. Samuel Waugh, chairman of the Export-Import Bank, and Dr. Lucas Lopes, president of the Brazilian National Bank for Economic Development. It was understood that it had been discussed by President Eisenhower and President Kubitschek at the recent meeting of American Presidents at Panama City (see 15036 A).

The Paulo Afonso Project.

The Paulo Afonso hydro-electric project, referred to above, is the largest of its kind in Latin America and one of the largest in the world. When in full operation it will bring power to an area of north-eastern Brazil twice the size of France, and containing 15 per cent of Brazil's population.

The project, which was officially inaugurated in September 1954, is based on the harnessing of the water-power of the Rio São Francisco (San Francisco River), which runs through six Brazilian States and has a potential of more than 4,000,000 h.p. Four hydro-electric plants are under construction in the São Francisco Valley, the largest being situated at Paulo Afonso Falls, where the river drops nearly 300 feet in its journey from the tableland to the sea From Paulo Afonso, the hub of the project, a series of high-tension power lines will radiate to over 200 cities and towns in the five States which the project is designed to serve (Bahia, Pernambuco, Alagoas, Sergipe, and Paraíba), and, in particular, to the State capitals—respectively Salvador (Bahia), Recife (Pernambuco,) Maceió, Aracaju, and João Pessoa. About 60,000 kw. of energy will be provided at the outset, to be stepped up over a period of years until a final potential of 950,000 kw. is obtained, thereby doubling the supply of electric power in the five States concerned

The hydro-electric scheme forms part of a much larger overall plan for the development of the entire São Francisco Valley between the middle reaches of the river and the sea. In addition to the construction of power stations, the plan comprises 12 regional irrigation schemes, the laying-out of 10 airfields, the building of 11 major highways leading into and out of the Valley, the deepening of the river for navigational purposes, improvements to 27 river ports, and the construction of 33 hospitals, in addition to many schools, health centres, and other institutions.

The area covered by the plan includes some of the world's largest resources of iron-ore, manganese, quartz, mica, diamonds, nickel, and copper, in addition to large resources of phosphates, petroleum, and uranium. The extensive vegetable resources of the area, both in cultivation and in a wild state, include oilseeds, tobacco, cocoa, and vegetable fibres.

Extensive preparatory work was undertaken in the São Francisco Valley before the plan was launched, including the systematic mapping of the river valley and its tributaries by aerial photography, and a large-scale campaign to eradicate malarial mosquitos from areas previously infested by them.

The project is being carried out by a company—the São Francisco Valley Company—set up by the Brazilian Government with a capitalization of $20,000,000, shared by the Government and private investors. In addition to Government and private investment, and assistance from the U.S. Export-Import Bank, one per cent of Brazil's tax revenues for the next 20 years is earmarked for work on the project. (Brazilian Government Bulletins - Bank of London and South America) **(Prev. rep. Five-Year Plan, 14704 B ; Uranium Production, 13710 B ; Steel Industry, 9753 C.)**

A. UNITED KINGDOM. — Electricity Industry. - Report and Accounts of Central Electricity Authority, 1955-56. - Net Surplus of £12,000,000. - Agreement on Linking of British and French Electricity Grids.

The report and accounts of the Central Electricity Authority for the year ended March 31, 1956 were published on Sept. 26. They showed that the Authority itself and the 12 Area Boards had earned a combined surplus of £12,212,242 (compared with a combined surplus of £18,794,478 in the year ended March 31, 1955), bringing the aggregate surplus earned by the Authority since Vesting Day (before transfers to Reserve) to £70,740,000. For the first time the accounts did not include the results of the former South-East Scotland and South-West Scotland Area Boards, now replaced by the autonomous South of Scotland Electricity Board (see 14016 C).

The combined revenue of the Authority and the Area Boards amounted to £380,460,000 (against £365,700,000 in 1954-55), and combined expenditure to £328,300,000 (£311,250,000 in 1954-55), leaving a trading surplus of £52,100,000. The combined net surplus of £12,212,242 shown above was arrived at after deducting £39,900,000 for interest, and included about £6,900,000 earned by the Central Authority itself and £5,300,000 earned by the Area Boards as a whole. Two Area Boards, the South Wales and Yorkshire, incurred deficits during the year.

Salient points from the report are summarized below:

Revenue and Expenditure. Of the combined revenue, £309,900,000 came from the sale of electricity and £10,600,000 from other sources, including the sale or hire of meters and appliances. The principal item of expenditure was generation and purchase of electricity (£182,200,000).

Consumers and Sales. The number of consumers increased during the year by 443,000 to 14,146,585. Sales of electricity totalled over 63,000,000,000 units, or 9.4 per cent more than in 1954-55. The largest percentage increase (11.7) was again in electricity sold to farms, followed by domestic consumption (11 0), commercial consumption (9 8), consumption by industry (8.8), combined domestic and commercial consumption (8.4), public lighting (8 1), and consumption by railways (2.7). Consumption by tramcars and trolley buses declined by 4 7 per cent. Over half the sales during 1955-56 (32,431,000,000 units) were to industry, three-tenths (18,892,000,000 units) to domestic consumers, and one-eighth (8,063,000,000 units) to commercial consumers.

Prices. The average price received for electricity sold for all purposes in 1955-56 was 1 403d. per unit, or 2.3 per cent above the 1954-55 figure and 32 per cent above the figure for 1937-38. The report pointed out that the increase over pre-war prices was "very much less than the price increases for practically all other commodities and services, and far below the increases borne by the Authority and the Area Boards for plant and equipment, civil engineering works, buildings, coal, material, goods, and services."

Generating Plant and Thermal Efficiency. At March 31, 1956, the Authority owned 274 power stations. Although the number of stations had been reduced since 1954-55 by the elimination of certain smaller stations, new plant brought into service during 1955-56 provided a record additional output capacity of 1,600,000 kw., and it was planned to raise total generating capacity from the existing level of 18,800,000 kw. to 27,200,000 kw by 1961.

Although 9.4 per cent more electricity was generated in 1955-56 than in 1954-55, owing to improved efficiency coal consumption rose by only 6.6 per cent. The report stated that thermal efficiency had improved steadily from 20.91 per cent in 1947-48 (the year before nationalization) to 23.85 per cent in 1954-55 and 24.35 per cent in 1955-56, the improvement in 1955-56 over 1954-55 representing a saving of 900,000 tons of coal, or £3,200,000.

Conversion of Power Stations to Oil Burning. Arrangements had now been completed for the supply of heavy fuel oil to 17 power stations, with a total potential consumption of about 5,700,000 tons of oil per year, equivalent to about 9,000,000 tons of coal.

Capital Investment. Investment in fixed assets during 1955-56 totalled just over £213,000,000. The Authority estimated that at least a similar amount would be required in 1956-57 for the proper development of the electricity system. However, in order to keep within the figure of £195,000,000 finally sanctioned by the Minister of Fuel and Power, work on the construction of some power stations had been postponed, thus considerably reducing the amount of plant which could be brought into operation in 1958.

The report pointed out that the combined net surplus of £12,200,000 of the Authority and the Area Boards represented only about 0.6 per cent on the £1,885,000,000 invested by the Authority in fixed assets.

Lord Citrine, chairman of the C.E.A., announced on the same day (Sept. 26) that the Authority would receive tenders on Oct. 1 for the construction of the first two nuclear power stations at Bradwell (Essex) and Berkeley (Gloucestershire). It was hoped that contracts would be given out before the end of the year and that work on the two stations would start early in 1957.

Lord Citrine stated that a generating capacity of about 200,000 kw. was envisaged for these stations, but it seemed probable that the power output of reactors of a given size might be doubled or even trebled within a comparatively short time. "It must not be assumed from this," he added, "that the stations at Bradwell and Berkeley will necessarily be increased in capacity, but more powerful reactors will certainly be available in connexion with the planning and design of future stations . . . It is impossible to predict if or how the nuclear power programme may be modified within the next two decades. What is certain is that nuclear power will make an increasing contribution to the national power requirements in supplementation of the power generated in the Authority's other stations."

Lord Citrine also announced that it was "highly probable" that in the near future the Authority would be inviting tenders from three firms in the U.S.A. for the supply of large transformers. This would be the first occasion on which it had invited tenders from outside the United Kingdom.

Referring to the electricity "price freeze" announced in June (see 14930 C), Lord Citrine said that all 12 Area Boards had responded to the Authority's request that they should not increase their prices before March 31, 1957, athough this had meant straining their finances and, in the case of some Boards, incurring deficits. No deficit was anticipated during the current year for the industry as a whole, but no decision could yet be taken as to possible increases in tariffs after the "price freeze" expired on March 31 next.

Linking of British and French Electricity Grids.

It was jointly announced on Sept. 5 by the Central Electricity Authority and the French nationalized electricity undertaking (*Electricité de France*) that agreement had been reached on the linking of the British and French electricity grids by a submarine power cable across the Straits of Dover. Work on the project would begin in 1957, and the linking of the two grids was expected to be completed in 1960 at a cost of about £4,000,000, to be shared between the C.E.A. and *Electricité de France*. The installation would have a load capacity of between 120,000 and 150,000 kilowatts of direct current at 200,000 volts.

A preliminary study of the scheme had been set on foot after the war, but was dropped owing to technical difficulties. The project again came under consideration in 1951, when it was established that the peak loads in Britain and France occurred at such different times that an interconnexion would be justified. The original proposal was for transmission of about 150,000 kilowatts at 132,000 volts by alternating current, which would have involved the laying of four submarine cables. Ultimately, however, the proposed alternating-current system was dropped in favour of direct-current transmission as a result of new technical developments, and in view of the success of a 100,000-volt link between Sweden and the island of Gotland, which was opened in 1955. In view of these and other considerations, it was finally agreed that a single direct-current cable would be equal to an alternating-current connexion using four separate cables.

It was explained that the link, when completed, would make it possible for Britain to obtain additional power to meet peak demands at times when French generating equipment was not working at full capacity. In the same way, because of the differences in the times of the peak loads in the two countries, Britain could transmit power to France when French demands were heaviest.—(Times - Daily Telegraph - Manchester Guardian - Financial Times - Le Monde, Paris) **(Prev. rep. 14483 A; Atomic Power Stations, 14928 A; Price Stabilization, 14930 C; Capital Expenditure Cuts, 14705 A; U.K.-French Electricity Link, 12355 B.)**

B. JAPAN - BOLIVIA. — Immigration Agreement.

An agreement on the immigration of Japanese nationals into Bolivia, the first of its kind to be concluded by Japan, was signed in La Paz on Aug. 2.

Under the agreement the Bolivian Government will permit a maximum of 1,000 Japanese families, or 6,000 persons, to settle in Bolivia during the next five years to engage in agricultural development. The Japanese immigrants will not only be granted State lands without payment but will also receive various forms of assistance, and enjoy the same social security and labour benefits as Bolivian nationals Japanese doctors, veterinary surgeons, agricultural and industrial experts, and entrepreneurs will be included among the settlers, in order to maintain health and technical services and help the development of industries in the settlement areas.

At present there are about 1,600 Japanese nationals in Bolivia, of whom 70 per cent are engaged in small businesses in La Paz, 20 per cent in farming, eight per cent in industry, and two per cent in other occupations.
(Japanese Embassy, Press Office, London) **(Prev. rep. 13776 A.)**

C. MOROCCO. — First Ambassador to Britain.

The appointment of Prince Moulay Hassan Ben-el Mehdi Alaoui as the first Moroccan Ambassador to Great Britain was announced on Oct. 9. Prince Moulay Hassan is a second cousin of the Sultan of Morocco, and served as the Sultan's representative at Tetuan until the recent integration of the Spanish Zone into the Sherifian dominions.—(Times - Le Monde, Paris)
(Prev. rep. 14946 A.)

A. RHODESIA AND NYASALAND FEDERATION. — The Kariba Scheme. - Main Contracts secured by Italian Firms. - Further Loan Agreements.

The Federal Power Board of Rhodesia and Nyasaland announced on July 15 that a contract worth over £25,000,000 for the main civil engineering work in connexion with the Kariba project, including the building of a dam-wall 400 feet high for the first stage of the scheme, had been awarded to an Italian firm, Impresit (South Africa) (Proprietary) Ltd. A subsidiary company, to be called Impresit (Kariba) Ltd., would be formed immediately. A second contract (worth £9,935,844) for main transmission lines had been awarded to Rhodesian Power Lines (Pvt.) Ltd., a company containing a large Italian participation, which, however, would use considerable quantities of British equipment worth about £4,000,000.

The announcement explained that the Impresit Company's tender (£25,278,000) was £1,466,000 less than the next lowest one and £2,271,000 less than the third lowest, and that the firms combining to form Impresit had had considerable experience in similar work in Italy and elsewhere. The contract included: (1) the construction of a concrete-arch dam across the Zambesi 1,800 ft. long and 400 ft. high; (2) the provision of temporary access roads, and of additional cofferdams and other temporary structures to permit the completion of permanent works; (3) the construction of an underground power station and various ancillary works. The works would be carried out to a precise schedule to permit the supply of power to begin early in 1960; a temporary power plant of about 6,000 kw. capacity, other constructional work, and equipment worth at least £2,000,000 would be obtained from Britain.

It was also announced on July 15 that other contracts had been awarded to British firms as follows:

Boving and Co. Ltd., London, for 140,000 b.h.p. water turbines (£1,072,583); Metropolitan Vickers Electrical Export Co. Ltd., Manchester, for 100 water turbine-driven generators (£1,772,065); English Electric Co. Ltd., Stafford, for generator transformers (£662,500); Ferranti Ltd., Hollinwood (Lancs.) for sub-station transformers (£1,332,250). Smaller contracts, for overhead travelling cranes and shunt compensating reactors respectively, had been awarded to Babcock and Wilcox, Ltd. (London) and C. A. Parsons and Co. Ltd. (Newcastle-upon-Tyne). The award to British firms of two further contracts, together worth over £2,000,000, was announced on Sept. 3: (1) a £2,100,000 contract to the British Thomson-Houston Export Co. Ltd., for the supply and installation of a 330 kw. switchgear and transmission system at the Kariba switching station and sub-stations; (2) a contract worth £36,000 to A. Reyrolle and Co. Ltd., for the supply and installation of switchgear for the Kariba power station itself.

Contracts previously awarded by the Federal Power Board were listed on July 16 as follows: The Cementation Co. Ltd., London, for preliminary works (£1,593,780); Richard Costain (S.R.) Ltd., for housing and associated works (£3,523,175); Hubert Davies and Co. (Johannesburg) and Matthew Hall and Co. (Bulawayo), for camp electrical distribution and house wiring (a total of £237,187); John Laing and Co. (Rhod.) Ltd., A. G. Burton Ltd., and the Irrigation Department of the Southern Rhodesian Government, for access roads (a total of £1,560,000); Shell Company of Rhodesia, for petrol and diesel oil (£1,500,000); Kariba Transport Ltd. (a subsidiary of Rhodesia Transport Ltd., itself a subsidiary of the United Transport Company, a British concern) for transport of materials, supplies, and equipment (about £2,000,000). In addition, smaller contracts had been awarded to a value of about £400,000.

Agreements covering two more loans for the first stage of the Kariba scheme were signed in London on July 12 by Mr. D. Macintyre, the Federal Minister of Finance, and Mr. D. Anderson, chairman of the Federal Power Board, on the one hand, and representatives of the Colonial Development Corporation and the Commonwealth Development Finance Company on the other. The new loans comprised:

(1) £15,000,000 from the C.D.C. for 40 years, bearing interest at one per cent above the British Bank Rate current at the time. The first instalment would be drawn in September, with further drawings at quarterly intervals until the end of 1961, and the first repayment would start eight years after the first drawing.

(2) £3,000,000 from the C.D.F.C. for 20 years at six per cent interest; to be paid in three annual instalments beginning in 1956, repayments commencing in 1963.

A summary of financial arrangements made and contracts awarded in connexion with the first stage of the Kariba scheme was published by the Federal Information Bureau on July 28. The sources of loans, etc., were given as follows:

International Sources.		
World Bank Loan		£28,600,000
Rhodesian Sources.		
Copper Mining Companies	£20,000,000	
British South Africa Company	4,000,000	
Standard Bank of South Africa	2,000,000	
Barclays Bank (Dominion, Colonial and Overseas)	2,000,000	
Federal Government	6,000,000	
		34,000,000
British Sources.		
Colonial Development Corporation	15,000,000	
Commonwealth Development Finance Company	3,000,000	
		18,000,000
Total		£80,600,000

Against this, contracts already awarded (see above) or outstanding totalled £55,117,266, and in addition a total of £24,316,734 would be required for the servicing of loans, movement of Africans, and administrative expenses, etc., making a grand total of £79,434,000.

The summary pointed out that contracts already awarded included about £37,000,000 receivable by British and Rhodesian interests. Thus, out of the main contract awarded to the Impresit Company, about £15,000,000 would probably be spent on work and materials in the Federation, and Britain would supply equipment worth at least £2,000,000. The contract awarded to Rhodesian Power Lines included about £4,000,000 payable to British firms for equipment, while earlier and later contracts awarded to British firms direct accounted for £11,000,000 and £5,000,000 respectively.

The probable ratio of hydro-electric to thermal power in the Federation when the Kariba scheme was completed was officially estimated in June as 88 : 12, the figure for hydro-electric power being equal to that in New Zealand and being surpassed only in Canada, Switzerland, and Norway.

(Federal Information Department, Salisbury - Times - Manchester Guardian - Financial Times) **(Prev. rep. 14751 A.)**

Note. Impresit (South Africa) (Proprietary) Ltd. is a branch of the Impresit Company of Milan, which was founded in 1929 with powerful support from the Fiat Motor Company to co-ordinate the activities of Italian firms carrying out large works in foreign countries. Since 1930 Impresit has been working on improvements to Lisbon harbour, and is also engaged in road-building projects in France and Nigeria. The Company played an important part in the construction of the Trans-Iranian Railway (1930-36), and has carried out important work in Ethiopia and Egypt.

In addition to Impresit (South Africa), the following companies are members of Impresit (Kariba) (Pvt.) Ltd.: Impresa Ing. Lodigiani, Imprese Italiana Allestero, Impresa Umberto Girola, Dott. Ing. Giuseppe Torno, and Impresit (Rhodesia) (Pvt.) Ltd.

The Rhodesia Power Lines Company is closely linked with the *Società Anonima Elettrificazione* of Milan, which will provide the plans for the transmission lines and the steel for the towers in connexion with them. The S.A.E. has already carried out contracts in Australia, New Zealand, India, the U.S.A., Brazil, and the Belgian Congo. (Federal Information Department - Times)

B. UNITED KINGDOM. — Gold and Dollar Reserves in September. - Rise of $52,000,000.

The Treasury announced on Oct. 2 that the sterling area's gold and dollar reserves had risen by $52,000,000 during September, after taking into account (*a*) $3,000,000 received in U.S. defence aid, (*b*) $8,000,000 paid to Canada as a quarterly instalment on the Canadian interest-free loan, (*c*) $34,000,000 paid to the E.P.U. in respect of the August settlement, and (*d*) $3,000,000 paid to the creditors of E.P.U. in bilateral settlements. As a result, the sterling area's gold and dollar reserves stood at $2,328,000,000 on Sept. 30.

The figures covered the receipt of $177,000,000 from the sale of the Trinidad Oil Company to U.S. interests (see 15071 D). But for that sale, the reserves would have fallen by a further $125,000,000 in September, following the fall of $129,000,000 in August.

It was also pointed out in the Press that one of the principal factors in the loss of gold and dollars during the month had been the need for the Exchange authorities to support the official sterling rate in the market, in view of its weakness caused by the Suez crisis.

The cumulative loss during the third quarter of 1956 amounted to $57,000,000 (taking into account the Trinidad Oil receipt), compared with a fall of $335,000,000 in the exceptionally bad third quarter of 1955.

Provisional figures for the E.P.U. September settlement showed that the U.K. had a deficit of £12,000,000, which would be settled in October as to three-quarters in gold or dollars and as to one-quarter by a credit from the Union.

(Treasury Press Office, London - Times) **(Prev. rep. 15070 A.)**

C. SPAIN. — U.S. Economic Aid, 1955-56.

Details of the distribution of $60,000,000 in U.S. economic aid to Spain during the fiscal year 1955-56 were announced at the beginning of September as follows: agricultural products, $27,000,000 (including $15,000,000 for cotton); raw materials, $4,600,000; electrical material (including steel sheets, transport equipment, machinery, etc.), $8,000,000; cement industry, $1,300,000; agricultural equipment, $5,800,000; railway equipment and coal for the State railways, $9,000,000.

(Bank of London and South America) **(Prev. rep. 14742 A.)**

OCTOBER 13—20, 1956

A. EUROPEAN UNIFICATION. — Report of the Brussels Committee. - Common Market and Euratom Projects. - Venice and Brussels Conferences. - E.C.S.C. Common Assembly and French National Assembly Debates. - United Kingdom's Attitude. - Formation of Action Committee for a United States of Europe.

The Foreign Ministers of the six member-countries of the European Coal and Steel Community (France, Western Germany, Italy, Belgium, the Netherlands, and Luxemburg) met in Paris on May 6, 1956, to receive the final report of the Inter-Governmental Committee set up by the Messina Conference in June 1955 to study the question of the establishment of a Common Market and the creation of a European organization for the peaceful uses of atomic energy (see 15025 A). The Foreign Ministers decided to hold a further conference in Venice on May 29-30 for a full examination of the report.

An interim report on the Committee's work had been presented to the Foreign Ministers by M. Spaak, the chairman of the Committee, at a meeting in Brussels on Feb. 11-12. In the communiqué published at the end of that meeting, the Foreign Ministers had declared that the determination of the six countries to establish closer forms of collaboration than those adopted within the O.E.E.C. was in no way incompatible with the efforts pursued within the larger framework of that organization. The statement also said that the work of the Committee had been approved, and that the necessary directives had been given to the Committee to complete its work as soon as possible.

The Brussels Report.

The final report, which was divided into two parts, the first dealing with the Common Market, and the second with Euratom, is summarized below, under cross headings.

The Common Market.

The report said that the principal means towards the creation of a Common Market would be (*a*) the establishment of normal conditions of competition and the harmonious development of all the national economies concerned, with a view to the abolition of present obstacles to trade; (*b*) rules designed to counteract the effect of State intervention or of monopolies; and (*c*) the creation of new resources through the exploitation of under-developed regions, the use of surplus manpower, and the free movement of capital and labour. The following steps would be necessary for the implementation of this programme and the realization of a complete Customs Union:

Abolition of Internal Customs Duties. A maximum period of 15 years would be needed for the complete abolition of all internal Customs tariffs. This period would be divided into three four-year stages, with the possibility of an additional three-year stage at the end, during which all internal Customs duties would be progressively reduced.

Common External Tariff. The tariff policies of the member-countries would be unified, and a common tariff *vis-à-vis* third countries established.

Revision of Import Quotas. During the first four years the member-countries would abide by the rules of O.E.E.C. and would maintain the present level of trade liberalization. After that period quantitative restrictions would be reduced progressively on all products, instead of being completely abolished for individual products only, as laid down by O.E.E.C.

Agriculture. Special transitional provisions would be necessary for agriculture, in view of the wide variation in the stages reached in agricultural development in the member-countries.

Investment and Re-adaptation Funds. Funds would be established for investment and for the re-adaptation of redundant workers, the capital being supplied by the member-countries either directly or through financial institutions.

Institutions of the Common Market. The implementation of these proposals would be entrusted to:—(*a*) A Council of Ministers, which would co-ordinate the general policy of the different Governments. (*b*) A European Commission, which would direct the Common Market in accordance with the principles of the treaty establishing it, and would supervise its functioning and development; its President and members would be appointed by the Governments of the member-countries, and it would take its decisions by simple majority vote. (*c*) A Court of Justice which would be that of the European Coal and Steel Community.

Euratom.

The principal functions and institutions of this organization were set out as follows:

Distribution of Atomic Fuel. Euratom would be the sole supplier of atomic fuel and, as such, would have a prior claim on any uranium, plutonium, and thorium produced by member-countries. The prices of these materials would be fixed by contract. In the event of disagreement, however, the European Atomic Energy Commission (see below) would fix the price, assisted by a mixed committee of producers and consumers, and its final decision would be open to appeal before the Court of Justice of Euratom (see below). The Commission would also be authorized to lay down the conditions for other sales, i.e. exports.

Euratom would supply raw materials to the atomic energy establishments in the Community without discrimination, and in accordance with their production programmes. In the event of a deficiency, materials would be allocated "on the basis of current needs" These distributive functions would be exercised by means of a Distribution Agency, which would have financial autonomy and would be under business management. Its floating capital would be guaranteed by contributions from the consumers. The management of the Agency would be in the hands of a Director or Committee appointed by the Atomic Energy Commission.

Safety Provisions. The use of nuclear products at all atomic energy establishments would be regulated, and all stocks of unused materials would be subject to inspection by Euratom. In the event of an infringement of the regulations or of the use of products for purposes other than those originally stipulated, the materials would be withdrawn from the consumer. A convention would be prepared to provide for regulations regarding the safety of the population.

Common Market for Nuclear Industry. The Atomic Energy Commission would define which materials and equipment were of a nuclear character. Member-countries would then be obliged to abolish any trade barriers for those goods and ensure their free circulation within the Community without delay.

Common Investments. Investments would continue to be in the hands of public or private enterprises. The Commission would be empowered (*a*) to express its opinions on investment plans; (*b*) to organize a research centre for the diffusion of scientific knowledge and a college for the training of atomic technologists; (*c*) to grant, in appropriate cases, any necessary financial assistance; and (*d*) to publish current investment programmes in order to meet any deficiencies or avoid unnecessary duplication. The organization would have no power, however, to direct investments or to criticize the economic soundness of any proposals.

On the other hand, the Commission would be able to participate in enterprises established by industrial groups or by States for the industrial exploitation of atomic energy. Such common establishments would be appropriate for, *inter alia*, the separation of isotopes and the chemical treatment of radioactive uranium.

Institutions. Executive control of Euratom would be exercised by a small permanent European Atomic Energy Commission (equivalent to the High Authority of the E.C.S.C.), whose members would be appointed by agreement of the Governments of the member-countries, but who would not be representatives of any particular Government. In matters of general policy, the Commission would be responsible to a Council of Ministers and a parliamentary Assembly, analogous to those already created for the Coal and Steel Community. There would also be a Court of Justice, which would be that of the European Coal and Steel Community.

The Venice Conference.

In accordance with their decision in Paris, the Foreign Ministers of the E.C.S.C. member-countries met in Venice under the chairmanship of M. Christian Pineau (France) on May 29-30, the following communiqué being issued on the latter date:

"The Ministers noted that the six Governments agreed to take the proposals contained in this [the Brussels] Report as a basis for negotiations, to be pursued with a view to drafting a treaty establishing a Common Market as well as a treaty setting up a European organization for nuclear energy (Euratom). They decided to convene for this purpose a conference which will open in Brussels on June 26 under the chairmanship of M. Spaak At the request of his colleagues M Spaak has agreed to continue in his task of co-ordinator...

"Apart from the proposals contained in the Brussels Report, one question which particularly occupied the attention of the Ministers was that of including overseas territories in the Common Market. At the suggestion of France it was decided, in view of the complexity of this question and the varying status of the territories involved, that after a study by the national authorities concerned the Foreign Ministers would shortly be required to give their views on this problem. They will also be required to give their views on the problem of the possible use of nuclear energy for military purposes.

"The Ministers are agreed that they shall meet periodically to hear reports from the heads of delegations and to take any necessary political decisions

"In pursuance of the Messina Resolution, it has been decided that the treaties now to be drafted shall include clauses laying down the conditions of accession or association by third-party States.

"The Ministers reaffirm their hope that they may immediately welcome among them all countries ready to collaborate with them, on an equal footing, in their efforts. They instruct the chairman of the conference to keep O.E.E.C., the European Coal and Steel Community, the Council of Europe, and the European Conference of Ministers of Transport regularly informed on the progress of their work, and also to address invitations to the member-countries of O.E.E.C. with a view to obtaining their participation in or association with the treaties now to be concluded."

The Brussels Conference.

The Brussels Conference opened on June 26 under the chairmanship of M. Spaak, in accordance with the decisions taken at the Venice Conference.

The conference drew up rules of procedure and appointed (*a*) a Co-ordinating Committee composed of the heads of delegations under M. Spaak, (*b*) a Working Party on the Common Market under the chairmanship of Herr von der Groeben (Germany); (*c*) a Working Party on Euratom under the chairmanship of M. Guillaumat (France); and (*d*) a Drafting Committee at the disposal of the two Working Parties under the chairmanship of Signor Ducci (Italy). The first session of the conference ended on July 21, meetings being resumed on Sept 3. The draft treaties will, when completed, be submitted to the Parliaments of the six member-countries for ratification.

Common Assembly Debate.

The Brussels Report was debated during the first part of the Fourth Ordinary Session of the Common Assembly of the European Coal and Steel Community on May 11, when Mr. Marinus van der Goes van Naters (Netherlands, Socialist) and M. Pierre Wigny (Belgium, Christian Social) presented reports on the Common Market and Euratom respectively.

In the ensuing debate, **M. Michel Debré** (French Social Republican) attacked the Brussels Report as "a doctrinaire fairy tale promising a golden age, and forcing on Europe, not an economic, but a political choice." The Brussels experts, he asserted, had played into the hands of predominant Powers and industries, and would make it impossible for countries economically less powerful to retain their political role. Europe's real problems were being decided elsewhere, and the Brussels experts ought to have mentioned in their plan overseas investments, especially in Africa. M. Debré concluded: "Put in the balance all these European plans and discussions against one single hour of fighting by a French or Moslem soldier in North Africa, and judge which is doing more to combat the forces menacing Europe."

M. Spaak, in reply, warned France of the consequences for Europe if the plans for Euratom and a Common Market were rejected by the French Parliament. He denied that the Brussels Report was a "rehash" of the *Ad Hoc* Assembly plan (see 13021 A) or an economic version of the European Defence Community. The Messina Conference had decided, after the failure of E.D.C., that any future plan for European integration must be made in the economic field, and must be free from any doctrinaire views on the institutional framework of such plans.

Dealing with the imperative need for the economic integration of Western Europe, M. Spaak said that whilst the danger of a third world war had receded, Communist countries had launched a "colossal challenge to the economies of the Western world—a challenge to which no single Western European country could hope to reply." To meet this challenge the Messina Conference had proposed a general Common Market and a pooling of atomic resources for peaceful purposes, and both plans were necessary to make up Europe's economic time lag. In this connexion M. Spaak declared that European countries must "recognize with sadness and shame" their "terribly backward state in comparison with the U.S.A., the Soviet Union, and even Britain." Russia was said to be training 1,000,000 atomic technicians. Belgium, for one, could never hope to catch up, and the same was true of other European countries.

Answering French fears that a Common Market would weaken the economies of its weaker members, especially those with overseas commitments, M. Spaak said: "There is not a word of truth in your allegation. It seems to me that you have a curious view of your country's future—a strange mixture of grandeur and nationalism on the one hand and a terrible inferiority complex on the other. I am astonished that a Frenchman should express these fears when Belgians, Dutchmen, and Italians have shown that they are prepared to go forward. France has only to put her problems to the Community and aid will be forthcoming. The report avoided specific references to France for fear of wounding national susceptibilities."

Those who supported the Brussels Report, M. Spaak went on, wanted an independent Europe—not a neutralist third force, but one whose economic power would ensure its political role in the world. He was not satisfied with the O.E.E.C. plan for the peaceful development of atomic energy. Although its aims were the same as those of the Brussels Committee, it neglected the means, leaving everyone free to pursue his own ends, which was "a bribe for nationalist self-interest." Without majority voting and binding rules no such European institution could hope to succeed, he concluded. Euratom was based on two simple ideas the Community's first option on atomic material, and a system of absolute control. The realization of this courageous and generous plan was essential if the future of Europe was to be assured.

At the end of the debate, the Assembly adopted unanimously, but for one French vote, the draft resolution submitted by the *rapporteurs* which is summarized below.

Common Market. The resolution recalled that the aims of the Common Market were a continuous improvement in the standard of living, full employment, the improvement and harmonization of social conditions, and the development of the under-developed areas within the Community. It stressed that the Common Market would not be confined to the abolition of all discriminative measures (Customs duties, quota restrictions, foreign exchange restrictions, transport preferences, etc.), and to protective measures against monopolies, but that it "pre-supposes a solidarity between member-countries enabling each of them to adapt itself to the new organization without excessive sacrifices while obtaining all its benefits"; in this connexion the proposed re-adaptation and investment funds were of vital importance.

Within the Common Market there should be freedom of movement for goods, persons, capital, and services, but any attempt at autarchy *vis-à-vis* third countries must be avoided. Safety measures would, however, be necessary to help certain member-States to avoid a fall in their social standards in the face of increased competition, and to facilitate the co-ordination of agricultural policy in the various countries. From this it followed that the organs of the Common Market should be granted a measure of competence as regards general economic policy.

The treaty for the Common Market should ensure that social progress would go parallel with economic progress, and the decision to establish a Common Market should be irrevocable even though its realization must take place by stages

Euratom. The resolution stressed that co-operation between the European countries in atomic matters was "urgently necessary" to place those countries in the front rank of the industrial nations and ensure the continuous improvement of their standard of living, but that such co-operation could only be of permanent use if it covered all forms of atomic energy, including atomic fission, fusion, or other methods.

The resolution insisted that the proposed organization should be open to all members of the O E.E.C which agreed to its conditions; that a flexible formula should permit the participation of non-members who wished, however, to co-operate in certain scientific or industrial enterprises; that close association must be sought with Britain; that Euratom should be co-ordinated with the atomic proposals of the O.E.E.C.; and that overseas territories supplying raw materials should receive an adequate reward.

Euratom, the resolution went on, should exercise adequate military and health control, and should ensure economic security, "irrespective of different ideological, political, or economic questions," by distributing without discrimination all raw materials and fissile materials amongst all consumers within the Community. Joint economic and industrial undertakings would be indispensable, and flexible relations with the private sector were necessary to take full advantage of the technical revolution initiated by the discovery of atomic energy.

Whilst recognizing that the use of atomic energy for military purposes, either by Euratom or by some of its members, was outside the competence of the Common Assembly, the resolution stressed, however, that if atomic energy were to be used for military purposes safety control and scientific co-operation should not be allowed to be affected on grounds of secrecy.

Institutions. The new European organizations, the resolution declared, should be given "sufficient real powers" to enable them to carry out their tasks; the competence of the Assembly responsible for ensuring democratic control should be made wider than at present intended; the right balance should be found between the powers of the Council of Ministers and those of the European Commission; maximum use should be made of the existing institutions of the E.C S.C.; and the co-operation of the organizations of employers and employees should be ensured. It was also necessary within Euratom to avoid the political dangers of centralization, and thus to facilitate co-operation with third countries

The Euratom project had previously been debated on April 17 during the Eighth Session of the Consultative Assembly of the Council of Europe, when a resolution was adopted which appealed to the member-countries of O.E.E.C. to develop their co-operation to the fullest extent, and called on the "Messina Powers" to establish within an integrated economic framework a European atomic organization which would be open to all other countries either as full members or in association with it.

French National Assembly Support for Euratom.

After prolonged debate the French National Assembly, on July 11, adopted by 332 votes to 181, with 70 abstentions, a motion approving the continuation of the negotiations for the creation of Euratom on the basis of the principles of the Brussels Report.

The motion, which was put down by M. Depreux on behalf of the Socialists, had been accepted by the Government but was amended before the final vote to meet objections raised by the two Social Republican Ministers—M. Chaban-Delmas (Minister of State) and M. Lemaire (State Secretary for Commerce and Industry)—and by various speakers on the Government side It (*a*) expressed confidence that the Government would bring about efficient atomic co-operation between the largest possible number of European countries while fully developing the French national atomic effort, which was "a fundamental condition for fruitful co-operation", (*b*) authorized the Government to pursue the negotiations for the drafting of a treaty creating Euratom in conformity with the principles stated in the Prime Minister's investiture speech, and on the basis of the Brussels Report and the statements made by the Prime Minister and other members of the Government during the present debate; (*c*) asked the Government to devote itself at the same time to developing atomic co-operation within the framework of O.E E.C by making it easy for each member-country of O.E E C, or even non-member-countries, to participate in or be associated with Euratom.

Prior to the debate, on June 27, a Cabinet meeting decided that France should retain the right to manufacture atomic weapons.

The draft provisions prepared at Brussels for the Euratom treaty had envisaged (i) that the members of the Atomic Community would undertake not to carry out during the first five years any "uncontrolled explosion," i.e., not to make any nuclear armaments, (ii) that at the end of the "transitional" period the Community would decide whether or not to restore to its members their freedom to make such armaments, if three out of the six members agreed to this step.

Strong objections to these restrictions were, however, raised by M. Chaban-Delmas and M. Bourgès-Maunoury (Radical) (Minister of National Defence), and the Cabinet eventually decided that the French delegation in Brussels should insist on an amendment to the clause under (ii) above to the effect that at the end of the transitional period members would, after ordinary consultations between them, automatically regain their liberty to make atomic weapons, except for

Germany, whose position was governed by the Paris Agreements. It was also decided that, whilst not making this a condition *sine qua non*, the French delegation should try to bring about a reduction of the transitional period from five to four years In connexion with this decision, M Mollet pointed out, however, that in conformity with his investiture speech, in which he had referred to the creation of Euratom " for exclusively peaceful purposes," he would not during his premiership give orders for investigations into the use of atomic energy for military purposes

The debate was opened on July 5 on " interpellations " by M. Gouin (Socialist) and M. Pierre-Henri Teitgen (M.R.P.)—both supporters of the Euratom project.

At the Prime Minister's request, the Assembly first heard statements by M. Francis Perrin, High Commissioner for Atomic Energy, and M. Louis Armand, President of the Industrial Development Committee of the Atomic Energy Commission, who explained the urgent necessity of meeting the increasing deficiency in Western Europe's power supplies by means of the utilization of atomic energy.

M. Perrin pointed out that within 10 years French industry would be dependent upon nuclear energy. Coal requirements in 1965 were estimated at 160,000,000 tons, while national production was not expected to rise above 97,000,000 tons. The rising demand for oil fuels and the diminishing sources of hydro-electric power threatened to make France increasingly dependent on the oil supplies of the turbulent Middle East. Extensive co-operation in Western Europe's nuclear research and in the production and pooling of fissile materials would solve the problem of putting atomic energy on an economic basis, and European co-operation would supplement and stimulate the efforts of each individual nation.

In this connexion M. Perrin referred to the great cost and time required for the construction of a plant for the separation of isotopes, which alone would involve the expenditure of 40,000,000,000 francs (£40,000,000), excluding the additional cost of a power station with a capacity of 300,000 kw. to supply the plant. Through the co-operation of the European countries the cost for each of them could be brought within reasonable limits and the time needed for construction and running-in be considerably reduced. The example of the European plant at Geneva now under construction showed how the co-operation of 12 countries allowed the building of a big machine which no country, not even Britain, could have undertaken singly. It was true that France was farther advanced than other European countries as far as atomic research was concerned, but in the long run she could only gain advantages from such co-operation.

M. Louis Armand likewise emphasized that the solution of the complex technological problems in the development of nuclear power would necessitate measures on a scale far beyond the competence of individual European countries, whereas international co-operation and the pooling of materials, knowledge, and equipment would help to solve these problems " What is difficult for France," he said, " will be easy for Europe."

M. Mutter (Independent) said that he accepted that ownership of fissile materials should be granted to a European organization like Euratom which would exercise control over their utilization. He did not understand, however, how this economic and industrial problem could be mixed up with the question of the military uses of atomic energy, which would have to be studied within the framework of disarmament plans and should be kept separate from the economic question **M. Crouzier** (Independent) urged a complete change of France's defence system by adopting atomic weapons and training the armed forces to adjust themselves to the new conditions of atomic warfare. He expressed the view that both technically and financially France was in a position to make atomic weapons while not neglecting the use of atomic energy for the production of power, and declared that she must retain complete liberty to make such weapons.

Replying to these and other criticisms, **M. Maurice Faure** (State Secretary for Foreign Affairs) pointed out that while the Government were prepared to enter into a commitment not to carry out an uncontrolled atomic explosion on their own within a period of four or five years, they would not renounce the right to undertake preparatory research work for such an explosion or to utilize atomic energy for the propulsion of ships As to the manufacture of atomic missiles, this was a much more difficult problem than the construction of an atomic bomb, and the time needed for the perfection of atomic air defence weapons would in any case exceed the four-year period. After the end of that period, member-countries would regain their complete liberty of action after simple consultation with each other, and the rights of France were thus fully safeguarded M. Faure added that the question of the military use of nuclear energy had been excluded from the current Euratom discussions in Brussels at the specific request of the French delegation.

Dealing with other objections to Euratom, M. Faure stressed that the common budget of the organization, which was its " nerve centre," would allow the setting up of joint enterprises, while at the same time facilitating the execution of those national projects which technically appeared to be the most suitable ones He refuted the argument that Euratom and the Common Market were linked with each other, pointing out that Euratom could be set up rapidly whereas the creation of the Common Market necessitated a long investigation into the position of member-countries and the harmonization of their social and fiscal charges.

On the question of British participation in Euratom, M. Faure stated that Britain had never shown any intention to associate herself with any joint enterprise within the European Coal and Steel Community. " If she can be brought to re-examine the question," he went on, " this will only be as a result of a powerful European atomic community, as was the case for the Coal and Steel Community. In this respect there is a certain evolution of British thought in a favourable direction. If Britain associated herself with Euratom the chief political difficulty facing this project would be promptly removed. But we must take into account the insular mentality, and a *de facto* situation of which I became aware a fortnight ago in London [see below]—that England started her atomic work during the last war, that she was put in possession of certain American secrets, whence her considerable advance on France, and that she will next year explode her first thermo-nuclear bomb."

Turning to the question of " supranational powers," M Faure emphasized that as far as the national programmes of the member-countries were concerned, Euratom would be limited to giving advice and providing financial help, and that its power of direction would apply only to joint enterprises in the sphere of research or investments. In general, the functions of all its organs had been restricted to what was absolutely necessary to serve both the common interest and the national interests of its members.

If France were to carry on alone, he declared, she would no doubt make progress, but this would be slow and could only be achieved at a heavy cost and with painful sacrifices in other directions, as she could not do everything at the same time. Euratom, he was convinced, would allow France to reap the fruit of her efforts which had brought her to the front rank of atomic achievements, and far from being a threat to her national independence would guarantee her present and her future

M. Bokanowski explained that the Social Republicans had no objections in principle to an international organization provided with a budget and endowed with sufficient authority, and agreed that France could join such an organization without neglecting the parallel development of her national effort. However, they could not accept the implications which the partisans of the E.C.S.C. saw in European atomic collaboration, and the framework of the E C.S C. was not suitable for Euratom. The Community's experience had been " deceptive, if only because it has not resolved Franco-German differences." France's European policy did not lie in this direction, M. Bokanowski declared, and if the Government were to accept a system which transferred all or part of the rights of France to an organization like the E C S.C , it would start a " frightful political quarrel among Frenchmen."

M. Pleven (U.D.S.R.), the former Prime Minister and Minister of National Defence, expressed the hope that as large a majority as possible would declare itself in favour of the continuation of the negotiations, and appealed to the Assembly not to make its decision the occasion for a revival of animosity between the supporters and opponents of the E D.C or the E.C.S.C. Without Euratom, he said, the danger from the powerful German chemical industry would be much greater, and unity would be replaced by a system of bitter competition. He asked the Government, however, to clarify its position over the renunciation of sovereignty and the requirements of defence. As regards the attitude of Britain, M. Pleven said, he was certain that once Euratom was set up she would co-operate at some future date

M. Pierre André (Independent) thought that France had enough money and technical experience to develop her own nuclear industries, and that she would soon have enough raw materials, as according to certain technical reviews the capacity of French uranium production would reach some 6,000 tons within a few years. It was essential that she should possess the atomic bomb, he declared; without it she would be " utterly dependent upon the assistance of her allies, who would thereby become her masters." By granting priority to Euratom France would, however, lose " legally and materially " the capacity of manufacturing atomic weapons herself, and the retention, in principle, of the right to manufacture them later would be useless in practice if, because of the monopoly of Euratom, she would have insufficient supplies of fissile material for this purpose. Moreover, to wait four years for the reorganization of French defence meant that the country would commit itself to an outdated system and accept " serving as cannon-fodder."

M. Bourgès-Maunoury (Minister of National Defence) gave an assurance that Euratom would not be allowed to prejudice French defence preparations in any way. He emphasized that in his opinion it was essential for a country today to be able to reply to an atomic attack, and that within 10 years any army not possessing the atomic bomb would be outdated. The only choice for France, therefore, was between possessing atomic weapons and giving up all forms of defence. Dealing with the question whether France, either alone or in collaboration with other countries, would be able to equip her army with nuclear weapons, the Minister pointed out that only a limited effort would be required in her case to cover her principal frontier, unlike the position of the U.S.A. and the Soviet Union, which were compelled to cover themselves over vast areas and in all directions. Within these limitations, therefore, he thought that in the long run France would not find it too costly to make her own nuclear weapons.

Meanwhile, however, her only engagement under the Euratom treaty would be not to carry out an uncontrolled explosion for the next four years, and if during that period they pushed on with their research and preparations, especially for the manufacture of plutonium, and were willing to make the necessary long-term investments, " not a single moment will have been lost." Euratom, he declared, would be an aid to French military preparedness in the atomic field rather than a hindrance, as it would enable a more economic deployment of basic nuclear resources.

M. Pineau (the Foreign Minister) gave a similar assurance that France would not abandon any essential part of her national prerogatives and that she would notably retain the right to participate in the work of the International Atomic Energy Agency. In order to allay any fears to the contrary the Government had also decided to abandon the earlier plan to use, for reasons of economy, the Common Assembly and the Court of Justice of the Coal and Steel Community for Euratom, and the French delegation in Brussels would now insist that the institutions of Euratom be kept completely separate. The so-called supranational powers of Euratom, M. Pineau said, would only be economic and technical, and were intended to assure the smooth functioning of the organization.

Euratom, he went on, would remain open to the participation or the association of other O.E.E.C. member-countries. O E.E.C. and Euratom had "complementary functions," although Euratom went much farther than O.E.E C. "If we were less pressed for time," he continued, "we could wait for the good will of the other O.E.E C. countries, and especially of Britain. But Britain has made such an advance over the other countries of Western Europe and has such close links with the U.S.A. that any collaboration on her part with Euratom would create delicate, if not insoluble, problems for her That is the reason why we have not been able to obtain from her more than a promise of association."

Allaying fears that "behind Euratom there stands the shadow of the Common Market," M. Pineau declared that the Common Market plan, though to some extent associated with Euratom, was "a much more delicate matter" and that the Government was not considering it at the moment. Finally, he repeated the assurances given by M Faure and M. Bourgès-Maunoury that the undertaking not to carry out atomic explosions during the first four years would leave France free to construct engines with atomic propulsion and to continue her research into the making of nuclear weapons. Although in the present situation the Government still thought that it was not in France's interest to construct atomic or hydrogen bombs, its views would not commit its successors. In any case, it would take four years to prepare the explosion of an atomic bomb, and much longer still for a hydrogen bomb, and the continuation of French research, therefore, would not in any way pre-judge the eventual decision whether or not to proceed at that time with such an explosion.

M. Kriegel-Valrimont (Communist) declared that Euratom would be disastrous for France and would seriously endanger peace. International co-operation in atomic research was certainly desirable, but Euratom involved for France the abandonment of her sovereign right to possess fissile materials, and would place her "at the mercy of the great German chemical and heavy industrial trusts." An even graver danger was the probability that Euratom would lead to the possession of atomic weapons by the new German *Wehrmacht*, and that it would encourage the German leaders to demand for Germany the right to use atomic energy for military purposes.

M. Gaillard (Radical) denied that Euratom would threaten French independence France, he said, had already lost her military independence through her failure to take advantage of developments in the military sphere of atomic research, and she stood to lose her economic independence if she remained in isolation. Technological progress now demanded efforts on a supranational scale.

M. Paul Reynaud (Independent) felt that Western Europe should free itself from the "costly acrobatics" involved in importing coal from the U.S.A. and oil from the Middle East. Euratom and the Common Market project would help to relieve Europe of its complete dependence upon external support. He was critical of the Government's undertaking not to make the atomic bomb, and instead of the four-year ban on atomic explosions in the Euratom treaty would have preferred a unilateral declaration by France to that effect in order not to limit her future freedom of action. M. Reynaud nevertheless announced that, subject to a small amendment of the resolution, he and his friends would vote for both the Common Market and Euratom, because they did not wish "that France, which has been the initiator of the European idea, should appear as a disabused, weak, and sceptical country which can do nothing but say 'no'."

Winding up the debate in a speech which made a deep impression on the Assembly, **M. Guy Mollet**, the Prime Minister, declared that the only road to real independence lay through Europe since, "confronted by the American and Russian colossi, no European country, Britain not excepted, can hope to make its weight felt and its voice heard in isolation." Recent events in the Soviet Union had given international affairs a certain fluidity, and negotiations had become possible again, but such negotiations should not be limited to "a Soviet-American dialogue" A united Europe, in agreement with its allies, would have an immense role to play in the preservation of peace.

European integration was no less necessary for a solution of the German problem. One of the permanent objectives of Russian policy—as had been confirmed by his [M. Mollet's] talks with M. Khrushchev in Moscow—was the hope of realizing sooner or later a new German-Russian *entente*, and if Germany did not find the necessary openings in the free world she would surely be tempted to yield to the "seductions of M. Khrushchev." "It is therefore necessary to integrate Germany in Europe," M. Mollet said, "to weave between her and us such close and such numerous economic, political, and cultural links that they will prevent her from turning to the East. This has always been the foundation of my policy, and I remain attached to this idea of integration whatever the forms under which it will be carried out."

In the atomic sphere it was of "capital importance" that Germany should not remain isolated. Hitherto the U.S.A. had had confidence in the efforts to unify Europe, but if these broke down again the U.S.A. might conclude an atomic agreement with Germany alone.

In Germany already certain leaders of heavy industry, and especially the chemical industry, secretly wished for the breakdown of Euratom, which for them would be an assurance of regaining soon their economic and political power. That is why it was essential that the German nuclear industry should be organized within and under a European framework.

As regards the question posed by M. Pierre André, M. Mollet said he had asked M. Perrin and M. Armand about their opinion as to whether France, alone, could carry out the whole atomic cycle from the treatment of uranium to the production of electricity. M. Perrin had answered that this was possible, but only with the greatest efforts and at the risk of serious economic sacrifices and long delays M Armand had answered that, whilst France could carry out the task in the strictly technical sense, she was not able to do so in an economically competitive way.

From the technical point of view, he continued, far from encouraging laziness, Euratom would act as a stimulant, and the European effort would not replace, but would add to, the national effort Moreover, it would enable duplication to be avoided and would make possible the more efficient use of human, technical, and financial resources. "If we wish to unite," M Mollet added, "it is in order to do more than we could do alone."

Referring to the institutional aspects of the question, the Prime Minister stressed that the Government had not yet committed itself to any particular formula but tended to favour a procedure similar to that by which the Western European Union Assembly was drawn from among the members of the Council of Europe "Whatever the circumstances," he added, "I have adopted the following maxim · the maximum co-operation between the maximum number of countries. Thus France does not stand to limit herself to the Euratom project but will support any concrete plan likely to obtain within the framework of O.E.E C. the adherence of the principal member-countries . " In this connexion M. Mollet mentioned that everything had been tried to obtain the adherence of Britain, but her present reply left "little hope," although a change of mind was beginning to show itself.

As regards the proposed undertaking not to carry out an atomic explosion during the initial four years of Euratom, M. Mollet repeated the Ministerial assurances given during the debate concerning France's reservation of her right to produce nuclear weapons and to continue her atomic researches, so that at the end of the period she would possess, legally and materially, the capacity to make nuclear weapons. "It is naturally my personal wish," he added, "that general, including nuclear, disarmament will make such a step unnecessary." Replying to M Pleven, M. Mollet also gave an assurance, based on the "most authoritative advice" he had received, that French membership of Euratom would in no way interfere directly or indirectly, either now or in future, with France's defensive capacity, and that there was, in fact, no connexion between the Euratom plan and the future pattern of French national defence.

In conclusion, M. Mollet announced that the Government would not make the vote a question of confidence. Originally he had intended to resign should the vote go against Euratom, but had asked the Cabinet to keep this a strict secret However, as his intention had become known through indiscretions, it would mean in effect that he was making the vote one of confidence by implication. As he had no wish, however, to falsify the vote in this way and to compel deputies to support the Government in order to avoid a new Cabinet crisis, he would not resign whatever the result, and he therefore appealed to all deputies to vote on Euratom, without any other considerations, "in full liberty of conscience" He would accept and carry out whatever the decision of the Assembly might be, but he put his confidence in the Assembly's wisdom and trusted that it would not let slip this great chance for France of taking part in the atomic revolution.

By 401 votes to 180 the Assembly then accorded priority to the Socialist motion over one presented by MM. Guyot and Kriegel-Valrimont on behalf of the Communists, which condemned the Euratom project. Furthermore, the Assembly refused, by 270 to 156 votes, to discuss various amendments to the Socialist motion which had been submitted, and finally adopted that motion in the way it had been amended with the Government's consent.

In the final vote the Socialist motion was supported by 99 Socialists (out of 100), 73 Popular Republicans (M R.P.) (out of 74), 61 Independents (out of 84), 29 Radicals, 18 U.D.S.R. (out of 19), 15 Social Republicans (out of 23), 12 members (out of 14) of the R.G R. (the former Radical wing led by M. Edgar Faure), 12 *Paysans* (out of 14), 8 Overseas Independents (out of 9), 3 Poujadists, and 2 *non-inscrits*.

The opposition consisted of all the 144 Communists and 6 *Progressistes*, 27 Radicals, 3 Social Republicans, and 1 *non-inscrit*.

Twenty Independents, 3 Social Republicans, 1 U D.S R., 1 *Paysan*, and 1 *non-inscrit* abstained, whilst 44 deputies did not take part in the vote, viz., 39 Poujadists, 1 Radical, 1 R G.R member, 1 Overseas Independent, 1 *Paysan*, and 1 *non-inscrit*

Nine deputies (3 Radicals, 3 Independents, 1 R.G.R , 1 M R.P., 1 Social Republican) were on leave or unavoidably absent, and M. Le Troquer (Soc.), who presided, and M. Herriot (Radical), the Assembly's Honorary President, did not vote.

The Radicals were thus almost evenly divided. The 29 Radicals supporting Euratom included MM Billères, Bourgès-Maunoury, Maurice Faure, Gaillard, André Marie, and Queuille, while among the 27 opponents were MM. Daladier, Mendès-France, and de Moro-Giafferri. The abstaining Independents included MM. Pierre André and Crouzier.

Formation of Action Committee for a United States of Europe.

M. Jean Monnet, the former President of the High Authority of the European Coal and Steel Community, announced on Oct. 13, 1955, the formation of an Action Committee for a United States of Europe. It was announced at the same time that in reply to M. Monnet's invitation 33 political and trade union leaders in the six member-countries belonging to the European Coal and Steel Community had agreed to join the Action Committee, and had undertaken to make every effort to secure their organizations' support for M. Monnet's programme. The political leaders represented the Christian Democratic, Socialist, and Liberal parties in the six member-countries—Belgium, France, Western Germany, Italy, Luxemburg, and the Netherlands.

M. Monnet's letter of invitation, the terms of which, he announced, had been accepted by the politicians and trade unionists, said *inter alia*: "The committee will ensure the unified action of the member-organizations in order to arrive by concrete accomplishments at a United States of Europe. Its first task will be, by its own intervention, and by that of its component associations, to express to Governments, Parliaments and public opinion its determination to see that the Messina Resolution (see 15025 A) should become a true step towards a United States of Europe. This resolution called for the study of the expansion of the bases for economic development in the participating countries, notably by the utilization of atomic energy, and the progressive establishment of a European Common Market with the necessary safeguards and the harmonization of social policies. To achieve these objectives, it is necessary to put aside all specious solutions. Mere co-operation between Governments will not suffice. It is essential that States shall delegate certain of their powers to European federal institutions representative of all the participating countries. At the same time the close association of Great Britain with the new developments must be assured. The Committee will also urge that the European Coal and Steel Community . . . be given powers to enable it to develop its activities in the social field."

The following became members of the Committee:

Socialist Parties. Mr. J. A. W. Burger, chairman, Dutch Labour Party parliamentary group, M. Max Buset, chairman, Belgian Socialist Party; M. Jean Fohrmann, member of executive, Luxemburg Socialist Party; Signor Matteo Matteotti, secretary-general, Italian Social Democratic Party; M. Guy Mollet, secretary-general, French Socialist Party; Herr Ollenhauer, chairman, German Social Democratic Party.

Christian Democratic Parties. Signor Fanfani, political secretary, Italian Christian Democratic Party; Herr K. Kiesinger, member of the executive, German Christian Democratic Party, chairman of *Bundestag* Foreign Affairs Committee, M. Robert Lecourt, chairman, French M.R.P. parliamentary group; Mr. Bruins-Slott, Dutch Protestant Party; M. Théo Lefèvre, president, Belgian Christian Social Party; M. N. Margue, member of executive, Luxemburg Christian Social Party; Mr. C. P. M. Romme, president, Dutch Catholic Party parliamentary group.

Liberal and Other Parties. Herr Martin Blank, German Free Democratic Party; M. Maurice Destinay, president, Belgian Liberal Party; Herr Alexander Elbrachter, German Party, member of *Bundestag*; M. Maurice Faure, secretary-general, French Radical Party; M. Pierre Garet, chairman, parliamentary group, French Independent Republicans; Signor Ugo La Malfa, Italian Republican Party; M. René Pleven, French U.D.S.R.

Trade Unions. Mr. J. Albers, Dutch Workers' Movement; M. R. Bothereau, secretary-general, French *Force Ouvrière*; M. Maurice Bouladoux, president, French C.F.T.C. (Christian union); M. Auguste Cool, chairman, Belgian Confederation of Christian Trade Unions; Herr Walter Freitag, chairman of German Trade Union Federation (D.B.G.), Mr. C. P. Hazenbosch, secretary-general, Dutch Christian Trade Union; Herr Heinrich Imig, chairman, German Miners' Federation: Mr. H. Oosterhuis, chairman, Federation of Dutch Trade Unions; M. A. Krier, secretary-general, Luxemburg Workers' Federation; Signor Giulio Pastore, secretary-general, Italian Confederation of Workers; M. André Renard, deputy secretary-general, Belgian General Federation of Labour; Herr Heinrich Straeter, member of executive, German Metalworkers' Federation; Signor Italo Viglianesi, secretary-general, Italian Workers' Union.

The executive committee of the French Socialist Party decided unanimously on Oct. 13, 1955, to declare the party's adherence to the Action Committee. Announcing this decision, M. Guy Mollet, then the party's secretary-general and President of the Consultative Assembly of the Council of Europe, and now the French Prime Minister, declared that "European Socialism is determined to become the motive power in European development."

The Action Committee met in Paris on Jan. 17-18, 1956, and, after hearing a brief statement by M. Monnet on the general outline of the Euratom project, adopted the following declaration:

"(1) To ensure the exclusively peaceful development of atomic energy and the safety of the labour force and the populations as a whole, to facilitate the work and progress of the industries concerned, and to secure adequate supplies of nuclear fuel—it is essential that our countries should together delegate the proper authority and joint powers to a European Atomic Energy Commission by means of (*a*) financial and technical assistance; (*b*) the creation of the necessary joint services and establishments; (*c*) the creation of a Common Market for special material and equipment defined by the Commission; and (*d*) the pooling of knowledge.

(2) The Commission should establish a system of control as follows:

(*a*) All nuclear fuels produced in or imported into territories under the jurisdiction of our countries should be acquired by the European Atomic Energy Commission. This rule would not affect the fulfilment of international commitments now in force. The Commission should retain the outright ownership of nuclear fuels throughout all their processes of transformation. It should place them at the disposal of consumers on an equitable and non-discriminatory basis.

(*b*) The construction and use of nuclear plant should be subject to the prior authorization of the Commission,—such authorization to be given when the necessary conditions have been fulfilled enabling it to supervise the transformations and use of nuclear fuels and to ensure the safety of the labour force and the populations as a whole.

(*c*) Safety regulations for the transport and handling of material, the construction and operation of plant, and the disposal of waste products should be laid down by the Commission, in liaison with international organizations, particularly the United Nations. The Commission should ensure their implementation.

(3) The Commission should be under the parliamentary control of the Common Assembly and under the jurisdictional control of the Court of Justice of the European Coal and Steel Community.

The membership of the Common Assembly should be increased so that it might meet its new responsibilities.

The Special Council of Ministers should ensure harmony between the actions of the Commission and of the national Governments responsible for the general economic policy of their countries.

An Advisory Committee composed of workers, employers and consumers should be appointed to the Commission.

(4) European countries other than our own should be given every opportunity of participating in the Community.

(*a*) Such European countries must be able to play a full part if they accept the above rules. The greater the number of such countries, the greater the advantages each will derive from the common effort.

(*b*) In particular, every effort must be made to secure the full participation of the United Kingdom. Should Britain decline to become a full member, all necessary steps should at all events be taken to ensure her close association

(*c*) European non-member countries should be given an opportunity of using the joint services and establishments or participating in their creation, on the basis of special agreements to be concluded at a later date

(5) The Commission alone should be empowered to negotiate and conclude with third countries all agreements essential to the fulfilment of its task, especially as regards supplies of nuclear materials. The rights and obligations of the member-countries which stem from existing agreements on the peaceful use of atomic energy should be transferred to the Commission, subject to the agreement of the third countries with which such agreements were concluded."

At a further meeting of the Committee in Paris on Sept. 20, 1956, a resolution was published which, after emphasizing the dependence of Western Europe upon Middle East oil supplies as the main source of its energy, called on the Governments taking part in the Brussels Conference and the Parliaments of the countries concerned to take the steps necessary for the Euratom treaty to be submitted for ratification before the end of the year, and for Euratom to begin to operate at the beginning of 1957.

The resolution stated that the Suez crisis was "a grave warning" in this respect. Even if it should be settled peacefully, the fundamental disequilibrium caused by the growing dependence of Western Europe on oil for its energy supplies would remain. By developing and uniting their resources through Euratom, Western European countries would be able to produce atomic energy in sufficient quantities to keep their oil and coal imports within reasonable limits.

British Attitude towards Euratom.

M. Maurice Faure, the French State Secretary for Foreign Affairs, visited London from June 15-17 at the invitation of the British Government for informal discussions on European problems. During his stay M. Faure, who was accompanied by M. Marjolin (the former Secretary-General of O.E.E.C., now working at the Quai d'Orsay), saw Mr. Selwyn Lloyd (the Foreign Secretary), Mr. Nutting (Minister of State, Foreign Office), and Lord John Hope (Parliamentary Secretary, Foreign Office).

No statement was issued afterwards, but authoritative Press reports said that the discussions concerned future atomic energy developments in Europe, and in particular Euratom. Whilst it was denied on the French side that M. Faure had formally invited the British Government to join Euratom, and that this had been rejected by Britain, it was explained that the main purpose of his visit had been to stress the importance for Britain of giving Euratom all possible support within the limits of practical politics. It had been agreed that the establishment of Euratom was in no way incompatible

with atomic development through O E.E C , and that there should be close co-operation between Euratom and those members of O.E E C. not joining it Emphasis had also been laid on the urgent need to forward the integration of Western Europe before the Soviet economic threat developed and before, possibly, the tide turned once more through some feeling of frustration in France or Germany.

British Plan for Commonwealth Association with European Common Market.

Mr. Macmillan, the Chancellor of the Exchequer, and Mr. Thorneycroft, the President of the Board of Trade, outlined tentative proposals for the association of Britain and the Commonwealth with the European Common Market when he had a private meeting in Washington on Sept. 29 with the other Commonwealth Finance Ministers attending the annual meetings of the International Monetary Fund and the World Bank. On his return to London he explained the plan for a " partial free trade area " in Western Europe in a Press statement on Oct. 3.

" The British Government," Mr. Macmillan said, " has been considering in recent months what should be its attitude to such a Customs Union [i.e. the Common Market] if it came into existence. Of course, the United Kingdom might stand outside the Customs Union altogether—but this would involve at the least a loss of advantage for our exports to European markets. At the other extreme we might join the Customs Union—but this would involve the collapse of our system of Imperial Preference within the Commonwealth. Obviously, if such were the only choice, we could not hesitate We must choose the Commonwealth. But can we find a way of associating with this initiative in Europe in such a way as to benefit us all ? . . .

" The O.E.E C., at its Council meeting at the end of July, decided to set up a Working Party to examine possible forms of association between a Customs Union of the Six and the rest of O.E.E.C. This Working Party has just started its work , and the Government authorized the President [of the Board of Trade] and me to discuss the whole question of what our attitude should be with our Commonwealth colleagues.

" If Western Europe, including the U.K., could develop into a free trading area, this would undoubtedly be a great source of strength—a common market of nearly 250,000,000 people. It would, over a period, be able to provide for this country the full advantages of large-scale production which tend in the modern world to be associated with big economic units, such as the U.S A , and now the U.S S.R. If this group were strong and prosperous, it would, moreover, be advantageous for the Commonwealth from two points of view—as a market and as a source of capital. For it is the large units which can accumulate and export capital.

" The form of association we have in mind would be a partial free trade area, consisting of the Customs Union of the Six, the U K. and such other O E.E.C. countries as wished to join The difference between a free trade area and a Customs Union is of course that in the latter case there is a common tariff against all other countries, while in the free trade area each country is free to preserve its own tariff against other countries outside the area. Within such an area tariffs (except for purely revenue purposes) would be reduced in stages and ultimately abolished. This would happen over a long period—at least 10 years and possibly more—so that the industries concerned would have ample time to adjust themselves to the new state of affairs. Of course, the removal of tariffs must not be frustrated by protective quotas and other devices · they must go too.

" I said a ' partial ' free trade area—for this reason. We could not—and this is vital—include raw or manufactured foodstuffs, feedingstuffs, drink or tobacco in a free trade area of this kind. In any case every country, or nearly every country, maintains a certain level of agricultural production ; it is not altogether an economic decision—it is partly social, partly strategic, partly political. British agriculture and horticulture are in a special position, like those of many other countries. But there is another reason, just as important : the Commonwealth reason. For the Commonwealth farmer's special position in the U.K market is the basis of the whole preferential system which springs from Ottawa and gives us and them great material benefits. These preferences must be preserved. So the ' free trade area ' would be ' partial,' and exclude agriculture and foodstuffs generally from its scope. A system of this kind would not interfere with our own and other countries' rights to impose import restrictions to protect our respective balance of payments in times of emergency—in accordance with the accepted rules, under which we already work.

" This is the general idea that the President and I were discussing with our Commonwealth colleagues in Washington, and on which we have asked them to give us their considered views We must also have consultations at home. If such a system is workable, it has great attractions and possibilities. For it may be a way to reconcile and harmonize apparently conflicting interests and responsibilities. The Government has not yet arrived at a conclusion on this vital matter. But we have a responsibility to look for the answer, and we shall not shirk it. There is not a cut and dried plan, to which everyone can find a ready answer. It's a start of a plan, but if you don't start you don't get anywhere. The Government will not be in a position to make final decisions until all these discussions at home and abroad—both in the Commonwealth and in Europe—have gone further. "

" I would add these points. First, I have tried to show that we are considering the possibility of a further natural development of policies which have been proved successful in recent years—the policy of trying to reduce trade barriers and to build more opportunities for trade over as wide an area as possible. We aren't thinking in terms of a regional bloc with a big barrier against the rest of the world A strong Europe would be in a better position to complete the removal of the remaining quota discrimination against the dollar.

" Secondly, the policy of increasing trade—in the Commonwealth, in Europe and in the rest of the world—does indeed reflect our basic national interest as a country dependent upon international trade for our livelihood. It is essential to full employment. But we cannot maintain full employment in the long run unless we have ample foreign markets open to us and unless we are fully competitive to take advantage of them. If we are competitive in the foreign markets, as we must be to survive, we shall be competitive in the home market. The wider opportunities of a larger area of unrestricted trade should provide a sound base if we take full advantage of them for the maintenance of full employment and the development of the standard of living

" Thirdly, I do not think we can properly carry out our duties to the Commonwealth and to the Colonial dependencies unless we can increase our surplus wealth You cannot invest a deficit."

More than 50 prominent persons, including representatives of the principal political parties and trade unions, issued a statement on Oct. 8 urging direct British co-operation and participation in the proposed European Common Market.

The statement said that if Britain joined in the negotiations now she could make her voice heard in the framing of the treaty, without prejudicing her Commonwealth interests and with full safeguards, particularly in the field of agriculture. " It is considered," the statement said, " that the current economic crises of western Europe are due to the lack of balance between the great common market of the United States and the divided economies of Europe The Communist bloc also is moving towards even greater economic unity and now presents a challenge in Africa and Asia which Europe must fit itself to meet The European Coal and Steel Community, which Britain refused to join, has demonstrated the advantages of a European solution "

The signatories of the statement included Mr. E. Beddington-Behrens, Lady Violet Bonham-Carter, Lord Boyd Orr, Mr. Alan Bullock, Mr. Aidan Crawley, Sir Oliver Franks, Mr. C. J. Geddes, Mr. R. J. Gunter, Dame Florence Hancock, Mr. Roy Harrod, Lord Henderson, Mr. Christopher Hollis, Sir Stephen King-Hall, Sir Will Lawther, Lord Layton, Sir Andrew McFadyean, Lord Merthyr, Lord Perth, Lord Rea, Mr Lawrence Robson, Lord Salter, Mr. Sam Watson, Mr. Graham White, and Mr. Woodrow Wyatt.—(Le Monde, Paris - Le Figaro, Paris - Frankfurter Allgemeine Zeitung - Die Welt, Hamburg - Giornale d'Italia, Rome - Corriere della Sera, Milan - Treasury Press Office, London - Times - Daily Telegraph - Manchester Guardian - European Coal and Steel Community, Luxemburg - Council of Europe, Strasbourg)

(Prev. rep. 15025 A ; O.E.E.C. Decisions, 15097 A.)

A. ORGANIZATION FOR EUROPEAN ECONOMIC CO-OPERATION. — Facilities for Increased Trade with Yugoslavia.

The Council of the O.E.E.C. decided on Oct. 15 to recommend to member-countries to enter into bilateral discussions with the Yugoslav Government with a view to ensuring, wherever provisions to this effect did not exist already, that 10 per cent of Yugoslavia's earnings from her exports to member-countries of O.E.E C. should be freely transferable between the latter. In this way Yugoslavia would be able to use part of her earnings for purchases in any O.E.E.C. country, thus developing economic co-operation and facilitating trade between her and the members of O.E.E.C.

The Council also decided to set up a Working Party which would be instructed to study arrangements for holding discussions with the Yugoslav Government, within the Organization, on any trade, financial or economic matters of mutual interest.

Yugoslavia has been represented in the O.E.E.C. by an observer since March, 1955.—(O.E.E.C., Information Division)

(Prev. rep. 14086 A.)

B. INTERNATIONAL BANK - INTERNATIONAL MONETARY FUND. — Argentine and Vietnamese Adherence.

Argentina became a member of the International Monetary Fund and the International Bank for Reconstruction and Development on Sept. 20, and Vietnam on Sept. 21, bringing the total membership of the Fund and the Bank to 60. Argentina's quota in the Fund and her share in the capital stock of the Bank were fixed at $150,000,000 each, and Vietnam's quota and share at $12,500,000.

The adherence of these two countries brought the total of members' quotas in the Fund to $8,918,000,000, and the total subscribed capital of the Bank to $9,261,200,000.—(International Monetary Fund, Washington) **(Prev. rep. 14420 A.)**

A. PAKISTAN. — Political Developments in East Pakistan. - Resignation of Sarkar Ministry. - Temporary Suspension of Constitution. - Formation of Rahman Khan Ministry. - Repeal of East Bengal Public Safety Act.

The Governor of East Pakistan, Mr. Fazlul Huq, announced on Aug. 9 that the Provincial Assembly, which had been prorogued since May 22, would meet on Aug. 13 to discuss the Budget. In preparation for the new session, seven motions of no confidence in Mr. Sarkar's United Front Government were submitted by the Opposition parties, in addition to motions condemning the Government's food policy and the detention of members of the Assembly under the East Bengal Public Safety Act. Mr. Fazlul Huq had previously (Aug. 1) amended the Assembly's rules of procedure by increasing from 99 to 130 the number of members whose support was needed before the Assembly could consider a no-confidence motion.

On Aug. 13, four hours before the Assembly was due to meet, it was prorogued by Mr. Fazlul Huq on Mr. Sarkar's advice. Talks on the situation opened in Karachi on Aug. 18 between President Mirza and Mr. Mohammad Ali (then the Pakistani Prime Minister) on the one hand, and Mr. Fazlul Huq and Mr. Sarkar on the other, and on Aug. 20 Mr. Suhrawardy (leader of the Awami League) also met the President and the Prime Minister for discussions. The Working Committee of the East Pakistan Awami League adopted on Aug. 19 a resolution calling on the President to remove Mr. Fazlul Huq from office, on the ground that he had shown party bias in supporting a Ministry drawn from a party of which he was still the leader.

Mr Mohammad Ali issued a statement on the Central Government's attitude on Aug. 23.

He denied that the Assembly had been prorogued with the Central Government's approval or knowledge, and stated that the Government had been informed of the prorogation only after it had taken place. The Central Government had therefore counselled the Chief Minister of East Pakistan to advise the Governor that the Assembly must be summoned to meet before Aug. 31, to ascertain whether he enjoyed the confidence of the majority of its members. Budget expenditure had been authorized till the end of August, and it was the Chief Minister's duty to get the Provincial Budget for the rest of the financial year passed before Aug. 31. The prorogation of the Assembly, however, had deprived its members of an opportunity to pass or throw out the Budget, and thereby express their confidence or lack of it in the Chief Minister.

As there was therefore no time for a proper discussion before Aug. 31, the statement continued, expenditure would have to be authorized till the end of September by Presidential proclamation. If the Assembly met before Aug. 31 and the Chief Minister obtained a vote of confidence, he would present the Budget in time to have it passed before the end of September; if, on the other hand, he failed to obtain a vote of confidence or the Assembly was not summoned to meet before Aug. 31, the Governor would take immediate action to form an alternative Government. "I trust," the statement concluded, "that this exposition of the policy of the Central Government will reassure the people that it is doing everything possible to uphold democratic traditions and the conventions envisaged in the Constitution."

The United Front Parliamentary Party, after discussions lasting three days, decided on Aug. 29 to advise Mr. Sarkar's Ministry to resign; it also adopted a resolution endorsing Mr. Sarkar's advice to the Governor to prorogue the Assembly, and describing Mr. Mohammad Ali's advice to Mr. Fazlul Huq as "uncalled-for and beyond the scope of the Constitution." Mr. Sarkar consequently submitted his resignation on Aug. 30, and on the following day President Mirza provisionally suspended the Constitution in the Province and, for the second time within just over three months, proclaimed President's rule in accordance with Section 193 of the Constitution.

Mr. Fazlul Huq invited Mr. Ataur Rahman Khan, leader of the East Pakistan Awami League, to form a new Ministry on Sept. 4. The new Cabinet took office on Sept. 6 (when President's rule was ended) and was enlarged to 11 members on Sept. 18. In its enlarged form it consisted of seven Awami League members, two Congress Party members, representatives of the United Progressive Party and the pro-Communist *Ganatantri Dal* (Democratic Party), and a dissident United Front member.

The membership and distribution of portfolios was as follows. Mr. Ataur Rahman Khan (Awami League), Chief Minister, Home Affairs, General Administration, Food, Relief and Rehabilitation, Jute, and Planning, Mr. Manoranjan Dhar (Congress), Finance and Minority Affairs; Sheikh Mujibur Rahman (Awami League), Commerce, Labour and Industries, Agricultural and Industrial Development, Social Welfare, Community Development Projects, and Anti-corruption; Mr. Kafiluddin Chowdhury (Awami League), Communications, Buildings and Irrigation, Flood Control, and Forests; Mr. Mahmud Ali (*Ganatantri Dal*), Revenue, Education, State Acquisition, and Jails; Mr. Khairat Hussain (Awami League), Agriculture, and Veterinary and Animal Husbandry; Mr. Abdur Rahman Khan (Awami League), Co-operation, Rural Indebtedness, and Agricultural Marketing; Mr. Masihur Rahman (Awami League), Public Relations and Local Government; Mr. Mansur Ali (Awami League), Legislation, Judiciary, and Registration, Mr. Dhirendra Nath Dutta (United Progressive Party), Medical and Public Health; Mr. Sarat Chandra Majumdar (Congress), Excise, and Salt and Fisheries

Serious unrest had meanwhile developed in East Pakistan as a result of the food situation.

On the recommendation of the United Front Parliamentary Party, the Army had handed back control of food distribution to the civil authorities on Aug. 12, after cancelling 250,000 forged ration cards and seizing large quantities of hoarded grain. This announcement gave rise to widespread anxiety, and on Sept. 3 crowds of villagers marched on Dacca demanding rice at fair prices. An order was issued forbidding meetings of more than five people, and on the following day four people were killed and over 20 injured when the police opened fire on demonstrators. On Sept. 5 a general strike took place in Dacca as a protest against the police firing, and the Awami League threatened to organize a civil disobedience campaign unless the Central Government sent 65,000 tons of grain to East Pakistan within a fortnight.

A conference in Dacca presided over by President Mirza decided on Sept 7 to sanction the procurement from abroad of 500,000 tons of foodgrains by the end of October, instead of the 400,000 tons previously arranged to be supplied by the end of December; to call a conference of district magistrates and Food Department officials to assess the seriousness of the food position and the measures needed to meet it; to vest in district magistrates full powers to deal with food administration and offences against food regulations in their areas, and to establish local food committees in areas where they did not exist. A Foreign Ministry spokesman stated on Sept. 19 that the Indian Government had sanctioned a loan of 2,000 tons of rice to Pakistan.

The Provincial Assembly completed its first full day's business on Sept. 17, when Mr. Ataur Rahman Khan presented his Budget for the remaining six months of the current financial year. Although the Assembly was elected in March 1954, Governor's rule was imposed in the following May, and Mr. Sarkar's Government, which took office in June 1955, did not convene the Assembly until May 22, 1956, when the Speaker adjourned it *sine die*.

The Assembly repealed the East Bengal Public Safety Act on Sept. 20. The Ministry had previously ordered on Sept. 7 the immediate release of 70 political prisoners detained under the Act, the repeal of restrictive orders on 13 other prisoners, and a review of the cases of 10 foreign nationals held under the Act. (Pakistani High Commissioner's Office, London - Dawn, Karachi - Times) **(Prev. rep. 15006 A.)**

B. CEYLON - COMMUNIST CHINA. — Preliminary Agreement on Establishment of Diplomatic Relations and Closer Economic and Technical Co-operation.

Discussions opened in Peking on Sept. 9 between a Ceylonese delegation, headed by Sir Claude Corea, and a Chinese Government delegation, led by Mr. Chang Han-fu (Deputy Foreign Minister).

It was announced on Sept. 16 that both sides had agreed (*a*) to recommend to their respective Governments the establishment of diplomatic relations at ambassadorial level as soon as the necessary arrangements could be made, (*b*) that trade relations between the two countries should be expanded and negotiations for a new trade and payments agreement be commenced as soon as possible; (*c*) that economic co-operation should be developed "on a basis of mutual assistance" and, with this in view, that negotiations should be commenced as soon as possible for the conclusion of a technical co-operation agreement; (*d*) that the aforementioned negotiations should be started during the forthcoming visit of a Chinese trade delegation to Ceylon; and (*e*) that cultural relations between Ceylon and Communist China should be fostered "in order to promote closer friendship and mutual understanding between their peoples."—(Ceylon Government Information Dept., Colombo) **(Prev. rep. Diplomatic Relations, 14849 A; Ceylon-China Trade, 14533 B.)**

C. INDONESIA. — Diplomatic Appointments.

The following diplomatic appointments were announced by the Indonesian Foreign Ministry on Aug. 2: Dr. Sunario (a former Foreign Minister) to become Ambassador in London; Mr. R. Wiwoho Partowidjojo as Minister to Belgium; Mr. M. L. Latjuba as Ambassador to Egypt; Dr. Hadji Rasjidi as Ambassador to Pakistan; Dr. A. Jusuf Helmi as Ambassador to Australia; Dr. Nazir Dt. Pamuntjak as Ambassador to the Philippines; Dr. Sudarsono as Ambassador to Yugoslavia; and Mr. Bambang Sugeng (former Army Chief of Staff) as Minister to the Vatican.—(Indonesian Embassy, London) **(Prev. rep. 13590 C.)**

A. CANADA.—Post-war Financial Assistance Abroad.

A report issued by the Canadian Department of External Affairs on Oct. 15 stated that from the end of the second World War to March 31, 1957 (the end of the fiscal year 1956-57) Canada would have provided aid to other countries worth Can.$4,050,800,000. This included post-war reconstruction loans (made between 1945 and 1947) totalling over Can.$1,700,000,000; military aid to NATO countries totalling over Can.$1,400,000,000; grants to U.N. Agencies and Programmes totalling over Can.$215,000,000; Colombo Plan aid totalling over Can.$162,000,000; relief credits in former enemy-occupied countries totalling over Can.$105,000,000; subscriptions to international financial institutions totalling nearly Can.$375,000,000; and special relief grants to meet various emergencies (floods, earthquakes, storms, famine, etc.), totalling over Can.$8,000,000.

A breakdown of the total covering the period March 31, 1945-March 31, 1957 was as follows (in million Can.$):

Reconstruction Loans.

These comprised loans to Belgium, 68 8, China, 65.0; Czechoslovakia, 16.7; France, 253.4; Netherlands, 123.9; Indonesia, 15.5; Norway, 23.7; United Kingdom, 1,185.0; and U.S.S.R., 15.2; total, 1,767.2.

Military Relief.

Total to Balkan countries, Belgium, Denmark, France, Italy, Luxemburg, Netherlands, and Norway, 105.2

Grants.

(*a*) **U.N. Agencies and Programmes.** U.N. Relief and Rehabilitation Administration, 154.0; Post-UNRRA Relief, 12.1; Intergovernmental Committee on Refugees, 0.2, International Refugee Organization, 18.8; Intergovernmental Committee for European Migration, 0.1; U.N. High Commissioner for Refugees, 0 41, U.N. Children's Fund, 10.05, U N. Korean Reconstruction Agency, 7.75; Palestine Arab Refugees, 4.54; and U.N. Expanded Technical Assistance Programme, 7.2; total, 215.15.

(*b*) **Colombo Plan.** Capital and Technical Assistance, 162.3.

(*c*) **Special Relief.** Greece (wheat), 0 85, Korea (fish), 0.75; Pakistan (wheat), 5.05; Greece (earthquake relief) 0 5, India, Pakistan, Nepal (floods), 0.23; Haiti (fish), 0.03; Japan (flood relief), 0.04; Yugoslavia (fish), 0 05; British West Indies (hurricane relief), 0.05; European Flood Relief (1952), 1 0, and India (flood relief), 0.2; total, 8 6

(*d*) **NATO.** Mutual Aid (transfers from Canadian stocks, new production items, NATO aircrew training, etc.) and infrastructure, 1,417.9.

Other International Organizations.

International Bank, 70.9, International Monetary Fund, 300.0; International Finance Corporation, 3 6.

Since the inception of the Colombo Plan in 1950 Canada had contributed over $128,000,000 up to 1956, whilst for 1956-57 a further contribution of $34,400,000 had been approved by Parliament. Some of the most important projects assisted by Canadian funds were:

(*a*) an atomic reactor in India which also will be available for use by other Colombo Plan countries (see 14877 B),

(*b*) 120 steam locomotives for India to help re-equip the transportation systems (see 14651 A);

(*c*) the Canada Dam to provide flood control for the Mayurakshi River, generate hydro-electric power, and irrigate some 600,000 acres of land in West Bengal (see 14509 E),

(*d*) the modernization of the Bombay Transport System (see 12952 A);

(*e*) a cement plant in the Thal development area in Pakistan (see 14651 A; 13429 A; 12952 A);

(*f*) electrical equipment and engineering services for the Warsak Project near the Khyber Pass in Pakistan which will provide 160,000 kw. of power for West Pakistan (see 14651 A, 12952 A);

(*g*) aerial surveys of the resources of Pakistan, India and Ceylon (see 13429 A; 12952 A);

(*h*) a fisheries research and development scheme in Ceylon to assist the development of that country's fishing industry (see 14651 A; 13429 A, 12952 A);

(*i*) a hydro-electric project on the Kundah River in Madras, India.

From 1950 to March 31, 1956, Canada provided training for 340 trainees under the U.N. Technical Assistance Programme, whilst at least 77 Canadians served overseas as U.N. experts. Under the Colombo Plan, training was provided for 410 students, whilst 69 Canadian experts served abroad.—(Dept. of External Affairs, Ottawa)

B. FRANCE. — C.-in-C., French Forces in Germany.

It was officially announced in Paris on Aug. 9 that Lieut.-General Jacquot had been appointed C.-in-C., French Forces in Germany, in succession to General Noiret, who was retiring. General Jacquot (54) was one of the leading figures in the Resistance Movement in south-western France during the Second World War, and more recently was the last French Commander-in-Chief in Indo-China.—(Le Monde, Paris)

(Prev. rep. 14949 A.)

C. ISRAEL. — Canadian Sale of Jet Fighters.

The Canadian Prime Minister, Mr. St. Laurent, announced on Sept. 21 that, after consultation "with certain friendly Governments," Canada had decided to sell to Israel 24 Canadian-built F86 *Sabre* jet fighters. An Israeli request for the supply of these fighters had been under consideration by the Canadian Cabinet since May.

The Prime Minister's statement declared that the Canadian Government had now decided that it would not be justified in refusing the request, and continued "The Government has been greatly influenced in this decision by the fact that Israel's neighbour has recently received large numbers of jet fighters from the Soviet Union, and, even more important, a considerable number of modern jet bombers, of which Israel possesses none. Assurances have been received from Israel that the interceptors in question will be used solely for defence against aggression."

Mr. St. Laurent added that approval for the *Sabre* jets covered a period of six months, during which time the aircraft would normally be made available and shipped. If at any time during that period the political circumstances should change in any way to warrant a cancellation or postponement of the outstanding part of the order, such action would be taken.

The cost of the aircraft will be about Can.$6,000,000.

In Washington, a spokesman of the State Department said on the same day that Canada had consulted the U.S.A. before agreeing to the sale of fighters to Israel, and that the U.S. Government had raised no objections.—(Montreal Star - Times - Manchester Guardian - New York Times)

(Prev. rep. 14793 A, page 14797)

D. INDIA - PAKISTAN. — Canal Waters Dispute. - New Interim Agreement.

The Governments of India and Pakistan announced on Sept. 26 that a new interim agreement covering *ad hoc* transitional arrangements regarding the division of the waters of the Indus River system for the year ending March 31, 1957, had been signed in Washington on the previous day by the leaders of the delegations of the two countries. The new agreement continued the arrangements for establishing the amounts of water which India could withdraw by canal from the three eastern rivers (the Ravi, Beas, and Sutlej), on lines similar to those of previous transitional agreements. The announcement also said that the terminal date for the discussions on the preparation of a permanent comprehensive scheme had been extended to March 31, 1957.

Although the period previously envisaged for the termination of the negotiations had expired on March 31, 1956, without a permanent agreement being reached, it had been announced by the International Bank on April 30 that discussions between the two delegations were continuing.—(Indian and Pakistani High Commissioners' Offices, London) **(Prev. rep. 14551 C.)**

E. UNITED NATIONS. — Dismissal of Soviet Translator.

U.N. Headquarters in New York announced on Aug. 24 that a Soviet translator, Viktor Ivanovich Petrov, had been dismissed by the U.N. Secretary-General "on the basis of information received . . . concerning activities of Mr. Petrov not permitted under the provisions of the staff regulations relating to standards of conduct for international civil servants."

The U.S. State Department announced on the same date that Dr. Hammarskjold's action had been based on evidence furnished by the U.S. Department of Justice, showing that Petrov had unsuccessfully attempted to obtain from an employee of a U.S. aircraft company secret information on military aircraft. Petrov, who had been working for the U.N. Secretariat since 1953, had left the U.S.A. on Aug. 23.
(New York Times - New York Herald Tribune)

(Prev. rep. U.N. Staff Regulations, 13633 A.)

F. WESTERN GERMANY - YUGOSLAVIA. — German Ratification of War Claims Agreement.

The *Bundestag* approved on Sept. 27 ratification of the agreement of March 10 between Western Germany and Yugoslavia on the settlement of Yugoslavia's pre-war and war claims against Germany, as well as her post-war commercial indebtedness to the German Federal Republic.

The improvement in the relations between the two countries as a result of the conclusion of the agreement was evidenced by an official visit which a party of Yugoslav members of Parliament, led by M. Pijade (President of the Federal National Assembly), paid to Western Germany during the last week of September.—(Tanjug Agency, Belgrade) **(Prev. rep. 14839 B.)**

A. UNITED KINGDOM. — New Legislation against Restrictive Trade Practices. - Work of Monopolies Commission in 1955.

The Government's Restrictive Trade Practices Bill received the Royal Assent on Aug. 2. Preparation of legislation had been announced on July 13, 1955, by the President of the Board of Trade (Mr. Thorneycroft) during the House of Commons debate on the Monopolies Commission's report on Collective Discrimination (see 14409 A), the Bill being published on Feb. 15, 1956. It embodied the following main principles :

(*a*) the prohibition of the collective enforcement of resale prices ;

(*b*) provisions for the possibility of individual enforcement of resale prices by civil action in the courts ;

(*c*) the setting-up of a Registry of Restrictive Trading Agreements and the public registration of a wide range of agreements, to be selected in sequence by the Board of Trade, covering price rings and other restrictive practices presumed to be against the public interest ;

(*d*) the establishment of a Court, with the status of a High Court, consisting of judges and laymen (sitting in divisions each of a presiding judge and 2 laymen), to decide whether particular registered agreements were in the public interest or otherwise and should therefore be allowed or not ;

(*e*) the reconstitution of the Monopolies Commission to deal with matters affecting single-firm monopolies and with export arrangements, which were not affected by the prohibitions under (*a*) above and were outside the scope of the new Court.

The Bill enumerated the following seven grounds on which it could be pleaded before the Restrictive Practices Court that a practice presumed to be against the public interest was in fact justified :

(i) That the restriction was reasonably necessary for the protection of the public in connexion with the purchase, consumption, installation, or use of goods requiring special knowledge or skill.

(ii) That the removal of the restriction would deny to the public other specific and substantial benefits.

(iii) That the restriction was reasonably necessary as a defence against a large firm in the same trade which was itself resorting to restrictive practices.

(iv) That the restriction was reasonably necessary to enable the parties to negotiate fair terms with persons controlling a preponderant part of the trade.

(v) That the restriction was an essential part of a certified redundancy scheme.

(vi) That the removal of the restriction would be likely to have a persistent adverse effect on the general level of unemployment in an area in which a substantial proportion of the industry was situated, or would be likely to cause a substantial reduction in the volume of earnings of the export trade of the United Kingdom

(vii) That the restriction was reasonably required for the maintenance of another restriction which had been found not to be contrary to the public interest.

It would also have to be shown that the restriction had not operated and was not calculated to operate to an unreasonable extent to the detriment of persons not parties to the agreement—notably purchasers, consumers, users or sellers of the goods concerned.

Other provisions of the Bill laid down :

(*a*) That a maximum penalty of £100 could be imposed for failure to register a practice after notice had been given by the Registrar, with further penalties not exceeding £100, or £10 a day for every day for which the default continued, after a first conviction.

(*b*) That penalties up to two years' imprisonment could be imposed on indictment for making false statements or falsifying documents within the purview of the Court

(*c*) That the judgment of the Court should be reached by a majority of all the members sitting, but that the decision of the presiding judge would prevail on a point of law.

(*d*) That appeal on a matter of law against a decision of the new Court could be made to the Court of Appeal.

(*e*) That the judges appointed to the new Court should include one judge of the Supreme Court of Northern Ireland.

(*f*) That where restrictive practices had been abandoned as a result of a report by the Monopolies Commission made before the Bill came into force, the industries concerned might reinstate them only with the permission of the new Court, which could not be given until three years after the new Bill came into force.

(*g*) That patents would be exempted from registration as restrictive practices.

The second reading debate took place on March 6.

Moving the second reading of the Bill, **Mr. Thorneycroft** said the background of any Bill on this subject was a free enterprise society, and the purpose of any such Bill must be to secure that the virtues of free enterprise—initiative, adaptability, and risk-taking—were not throttled by restrictions which industry imposed on itself. Agreements between traders were tempting ways of avoiding competition ; they thrived in the thirties, when it was powerfully argued that such devices mitigated unemployment and staved off bankruptcy by avoiding cut-throat competition

To-day the problems had undoubtedly changed, but many of the practices continued. They were, indeed, widespread, and although unemployment and stagnation had given way to rising prices and inflation, new arguments had been found for the practices. It was now claimed that they ensured supplies at stable prices while the manufacturers competed in quality and service. If people were free to select where competition operated, it would tend to operate where it had the least marked effect.

All who had studied the matter agreed that some of the practices might be beneficial. But whatever benefits might flow from restrictive arrangements, whatever stability might be secured by them, a price had to be paid for them, which, in an age of rapid technical change, we could ill afford to pay , and the parties to an agreement of this character were not the right people to judge whether the practice was or was not against the public interest.

Broadly, the Bill covered all agreements and arrangements between persons under which mutual restrictions were accepted on the prices, terms, and conditions of trading, what was to be sold, to whom, and where it was to be sold. The power to register was wide, covering virtually all the known restrictive practices by rings and devices in the supply of goods

Mr. Thorneycroft, pointing out that services were excluded from the operation of the Bill, explained that services were coming very close to restrictive practices by workers, the inclusion of which seemed inappropriate to this Bill. This did not mean that nothing could or should be done about them, but the passing of an effective measure in the direction they were considering was an essential pre-requisite to any advance on the other front.

Describing the functions of the Registrar of Restrictive Trading Agreements, Mr. Thorneycroft said he would be appointed by the Crown, and his task would be to keep the register and to initiate proceedings before the Court The Registrar would be advised by the Treasury Solicitor and would be represented in court by counsel nominated by the Attorney-General. It would be his duty to ensure that all relevant facts were placed before the Court, and he would consult the Attorney-General through the Treasury Solicitor on any matters of doubt or difficulty.

Mr. Thorneycroft went on to say that the Government had adopted the principle that the practices which were to be registered were presumed to be against the public interest, and the Bill laid down what had to be established to show an exception. He was firmly of the opinion that it was right to place the onus in this matter fairly and squarely on the shoulders of industry. The parties to these agreements believed firmly, sincerely, and sometimes even passionately that far from causing harm, they would do positive good to everybody concerned. It was not unreasonable that they should be placed in a position to put forward their arguments in favour of that contention.

Discussing the clauses in the Bill making collective enforcement of resale prices unlawful while permitting individual resale price maintenance through the ordinary courts, Mr. Thorneycroft said : " While there are respectable arguments in favour of resale price maintenance, maintaining prices is surely not an end to which all other factors should be sacrificed. Rather, indeed, the reverse. There appears to be a wide measure of agreement for the conclusion that enforcement by trade associations of resale prices greatly exacerbates any evils which might flow from it. There has been a steady expansion of this system under the influence of trade associations, generally of manufacturers and retailers together, and it has led to ever more inflexible and far-reaching devices and arrangements in which everybody is expected to participate It is in this that the main danger lies. A system which could be simply a device to protect the manufacturer of branded goods against the use of his goods in loss-leading has degenerated into a system where great areas of trade are frozen into a fixed pattern of price and profit margins."

The effect of the Government's proposals would probably, perhaps certainly, be a reduction in the area of resale price maintenance, and they would remove the worst features of the system, including in particular its inflexibility. They would provide adequate means of dealing with the problem of the loss-leader, and they would get rid of both the stop list and the private court. These were important and substantial advantages in a field in which no other Government had yet dared to advance at all.

Mr. Douglas Jay (Lab) moved an official Opposition amendment " that this House. believing that consumers should be set free from exploitation by monopolies and restrictive practices operated for private gain, declines to give a second reading to a Bill which disregards the main recommendations of the Monopolies Commission Report of June 1955, and fails to provide speedy and effective action to protect the public."

He said that the Opposition wanted to secure speedy protection for the consumer and they did not believe that the Bill would provide it. " The Opposition," he declared, " take their stand on the basic principle that where there is a monopoly there ought to be public ownership, and where there is private ownership there ought to be competition Monopolistic and restrictive practices are bad because they limit experiment, innovation, progress, and trade. Private enterprise cannot be justified without competition."

Mr Jay contended that the Bill failed to carry out the main majority recommendation of the Monopolies Commission. Under the long and laborious procedure it would be years before this legislation would have any real impact on the present " dark and dense jungle of restrictive practices." It would be quicker and fairer to

apply the Monopolies Commission's recommendations as to procedure to the practices already examined and condemned, and the registration procedure to the wider group where there were admittedly grounds for further investigation

Sir Lynn Ungoed-Thomas (Lab.) said that under the Bill the Court had to decide, without definition, whether or not an agreement was in the public interest That was not the function of a Court at all, but a political or economic decision which should be taken by the executive and for which they should be responsible to Parliament. One did not convert a political matter into a legal matter merely by asking a judge's opinion about it. Judges were being dragged into a vast area of political and economic questions, and they would inevitably be criticized.

There was nothing dynamic in the Bill The Government were divided between *laissez faire* and private monopolists Mr Thorneycroft was an ardent *laissez faire* doctrinaire, and there were alongside him others who believed in restrictive practices. The Bill was a compromise between the two, and for every proposal there was a counter-proposal " It is a formula to conceal dissension and placate the vested interests in the Conservative Party," he asserted. " It is unconstitutional and bogus."

Winding up for the Government, **Mr. Derek Walker-Smith** (Parliamentary Secretary, Board of Trade) denied that there would be delays in the Government's method. They proposed to make an order for the very early registration of common prices, level tendering, and collective discrimination, which formed the great bulk of restrictive trade practices They hoped to get these agreements registered within about three months of making the order. " Those who vote against the Bill," he declared, " will be making a great tactical error They will be voting against a Bill which will do away with the whole unpopular paraphernalia of collective enforcement, which makes the first comprehensive attack on restrictive trade practices, and whose object is to make the economy freer, more flexible, more vigorous, and more vital."

The amendment was rejected by 319 votes to 252, and the Bill read a second time.

Nearly 300 amendments from both sides of the House were presented before the Bill was considered in Committee between April 11 and May 17. The principal Government amendments agreed to during the Committee stage were as follows :

(1) To increase the number of lay members of the Restrictive Practices Court from nine to ten

(2) To empower the Lord Chancellor to select one of the five judges of the Courts for appointment as President of the Court.

(3) To put registered designs, for the purposes of the Bill, into the same class as patents.

(4) To exclude from registration those agreements relating exclusively to exports, or to goods bought, sold, or delivered outside the United Kingdom

In addition, the following amendments moved by Conservative " back bench " M.P.s were agreed to (names of sponsors in parentheses) ·

(5) To enable a person, who proved that he had ceased to be a party to an agreement which was subject to registration, to have his name deleted from the register (**Mr. C. Remnant**).

(6) To ensure that the authority of the High Court should be obtained before a representative of the Registrar might enter any business or private premises for the purpose of securing information in connexion with an alleged restrictive practice (**Sir John Barlow**).

(7) To provide that regulations made under the Bill should be subject to annulment by Order of either House of Parliament (**Mr. C. J. Doughty**).

Opposition amendments rejected included the following :

(*a*) To provide that the decision as to whether an alleged restrictive practice ought or ought not to be prohibited should be made by a tribunal responsible to the President of the Board of Trade, and not by a court of law (**Sir Lynn Ungoed-Thomas**).

Sir Lynn Ungoed-Thomas argued that the question of whether or not a restrictive practice was against the public interest was essentially a political one, and not a matter for a court of law

In the debate, **Mr. E. Fletcher** (Lab.) gave a warning that the Bill, as it stood, would " bring the judges into the arena of political controversy," but **Mr. Thorneycroft** stressed that the proposed transfer of responsibility would " inevitably lead to a bottleneck at the top, since no President of the Board of Trade could give more than a fraction of his time to the study of " stacks of complicated evidence." The amendment was defeated by 209 votes to 162.

(*b*) To delete the subsection empowering the Restrictive Practices Court to allow a restriction to be retained if its removal would " deny to the public specific and substantial benefits or advantages " (**Mrs. Barbara Castle**)

Mrs Castle contended that there was nothing in the Monopolies Commission's report to justify the inclusion of this subsection, which, she said, " reflects the views of the British Industries Federation," and was so " ludicrously wide " as to " render null and void the whole attack on restrictive practices."

After **Mr. Thorneycroft** had stressed that under the Bill all such restrictions were presumed to be against the public interest unless the contrary could be proved, and that the subsection merely defined the sort of argument that might be invoked, the amendment was defeated by 225 votes to 123.

(*c*) To provide that any discount, rebate, or dividend granted by a co-operative society to its customers should not be considered a breach of resale price conditions (**Mr. Oram**).

Mr. Oram argued that, as drafted, the clause permitting individual firms to enforce resale prices constituted a threat to co-operative societies, as some manufacturers imposed bans on the payment of dividends on their products. By giving legal backing to these bans the Bill would encourage other manufacturers to impose similar bans, and the amendment was therefore intended to preserve the right of co-operative societies to pay dividends to their customers.

The amendment was defeated by 230 votes to 196 after **Mr. Thorneycroft** had pointed out that the Bill did not affect the conditions which individual suppliers could impose.

(*d*) To cancel the proposal to reduce the maximum membership of the Monopolies Commission from 25 to 10 (**Mr. George Darling**).

Mr. Darling argued that the Commission ought to be left in its present form to enable it to exercise supervisory control over the many restrictive agreements which the Court might approve. He added that what was needed was " a permanent fact-finding body to examine British industry and find out what is going on " ; in particular it might review the developments taking place as a result of the progress of automation.

After **Mr. Walker-Smith** had stated that the Government had no intention of leaving the Monopolies Commission inactive or inefficient, but considered that its size should be reduced to suit the expected volume of work, the amendment was rejected by 199 votes to 159

(*e*) To provide that the Board of Trade should publish regular reports on the work of the Restrictive Practices Court (**Sir Leslie Plummer**).

Defeated by 159 votes to 119, after **Mr. Thorneycroft** had stressed that the Court's decisions were " matters for itself, and not for the Board of Trade "

(*f*) To secure that the lay members of the Restrictive Practices Court should act as assessors only, and should not participate in the Court's proceedings in the full manner in which the judges would do (**Sir L. Ungoed-Thomas**)

Rejected by 149 votes to 108 after **Mr. Walker-Smith** had explained that the Government considered that the Court would be much more likely to get high-quality assessors if they had the status of full members rather than that of mere technical assessors

(*g*) To omit from the Bill the subsection exempting patents from registration as restrictive practices (**Mr. E. Fletcher**)

Defeated by 263 votes to 222.

(*h*) To speed up procedure by making unlawful, from a date 18 months after the enactment of the Bill, any form of collective discrimination falling within the six categories defined in the Monopolies Commission's report, unless a *prima facie* case for its continuance had been made out before the Court (**Mr. Jay**).

Mr. Thorneycroft pointed out that the amendment would automatically render illegal " any agreement which has not had the luck to be heard within the prescribed 18 months," and the amendment was thereupon negatived by 217 votes to 177

(*i*) To fix a definite date by which agreements should be registered, instead of leaving it to the Board of Trade to stipulate the periods for registration (**Mr. Jay**).

Defeated by 264 votes to 205.

(*j*) To provide that any agreement not registered by a definite date should be treated as if it had been found by the Court to be against the public interest (**Sir Lynn Ungoed-Thomas**).

Rejected by 242 votes to 199 after **Mr. Thorneycroft** had promised to consider adding a provision to enable the Registrar, where there had been a deliberate failure to register, to apply for an Order as if the agreement had been found contrary to the public interest

Other rejected amendments included the following :

(*k*) To subject the Registrar in the exercise of his functions to Board of Trade direction (**Mr. A. Holt**, Lib.)

This amendment was rejected by 243 votes to 204 after **Mr. Walker-Smith** had said that to fetter the Registrar with directives, apart from the guidance contained in the Bill, would make for bad administration.

(*l*) To provide that the Registrar should be appointed by the Attorney-General instead of by the Crown (**Sir J. Barlow**).

After lengthy debate this amendment was rejected, **Mr. Thorneycroft** declaring that to make a departmental Minister responsible for answering day-to-day questions about procedure would be " contrary to the principles of the Bill "

(*m*) To secure that the Registrar should be a barrister or solicitor of at least seven years' standing (**Mr. Remnant**).

Negatived after **Mr. Thorneycroft** had said that it would too greatly restrict the choice of a suitable person

During the Report stage on June 18, a new clause was introduced by Mr. Thorneycroft in accordance with his earlier promise (see above), enabling the new Court, where there was a wilful refusal to register any agreement, to ban it for at least two years. Mr. Thorneycroft also moved amendments to exempt from registration (i) ordinary supply agreements between two persons, (ii) arrangements entered into by a ring where the ring was itself registered, and (iii) sole agency agreements. Other Government amendments were introduced to exempt from registration certain agreements to exchange unpatented information, and inserting further provisions to prevent the collective enforcement of resale prices, e.g. by agreement to sell through a single wholesaler. These amendments were all agreed to.

The Bill was given an unopposed third reading on June 14.

Mr. Thorneycroft, moving the third reading, stressed that the Bill had come through unchanged in its principles and structure but had been improved in its clarity and in the machinery used for its implementation. Parliament would wish to pay tribute to the Monopolies Commission, without whose work it would have been impossible to construct this measure. It was based not merely on their large-scale report on collective discrimination, but on the sum total of the knowledge which they brought to bear in a large number of reports.

Mr. Jay declared that although the Opposition regarded the Bill as far from a good Bill, it had been sufficiently improved to justify their not voting against it on third reading. He added, however, that unless there were on the Restrictive Practices Court a majority of really independent members, who believed that the consumers' interest should be given the benefit of the doubt, there was a danger of a series of decisions white-washing restrictive practices.

In the House of Lords the Bill passed its second reading on June 26 and was considered in Committee on July 11-12.

Lord Bailieu moved an amendment on July 11 to provide that, for the purposes of any proceedings before the Court, a restriction accepted in pursuance of any agreement should not be deemed to be contrary to the public interest if the Court was satisfied on any one of the seven exemptions.

He said he wished to draw the attention of the House to what industry regarded as a fundamental weakness in the Bill, and to which they took great exception. The presumption underlying the Bill was that activities carried on for years by industry, often at the instigation of the Government, were labelled as contrary to the public interest. To that industry strongly demurred, and the amendment sought to remove from the Bill the stigma placed on industry.

Lord Kilmuir, the Lord Chancellor, said in reply that they had succeeded in bringing into the Bill a court which would decide these issues, which were properly justiciable issues. They had thus given to industry the advantage of the best possible machinery for arriving at justice and truth. Industry had complained about the Monopolies Commission, saying it was an inquisitorial procedure contrary to British tradition, and the Government had substituted a justiciable procedure, which was in accordance with British traditions and took one of the most difficult questions of the time out of politics. The amendment, however, would make a change which went to the root of the special solution put forward.

The amendment was thereupon withdrawn.

On July 12 Lord Mancroft (Under-Secretary, Home Office) moved a new clause to bring that part of the Bill dealing with resale price maintenance into operation three months after the passing of the Bill.

Lord Mancroft explained that the new clause would allow manufacturers, who had hitherto relied on collective resale maintenance, a short period in which to adjust their contracts of sale to take account of the prohibition of collective enforcement and powers of individual enforcement. It was recognized that manufacturers might need a breathing space to make adjustments. The rest of the Bill would come into operation immediately on enactment.

The new clause was agreed to and added to the Bill, and was approved by the House of Commons on July 30 by 220 votes to 178. Another amendment adopted by the Lords, to give industry until the end of the period allowed for registration to determine whether they would register or would vary an agreement, was also carried in the Commons by 221 votes to 180.

Registration of Restrictive Agreements.

The Board of Trade on Aug. 2 made the first Order under the Act, to come into force (subject to Parliamentary approval) on Nov. 30, 1956. The Order required that specified classes of agreements (broadly those relating to prices or other terms or conditions of sale, or involving collective discrimination) must be registered with the Registrar of Collective Trading Agreements by March 1, 1957. The Board expected about 1,200 practices to be registered.

Appointment of Registrar.

Mr. Rupert Leigh Sich (48), formerly Principal Assistant Treasury Solicitor dealing with the work of the Ministry of Fuel and Power, was appointed Registrar of Restrictive Trading Agreements on Aug. 7, with a salary of £4,250 p.a.

Winding-up of Tobacco Trade Association.

The Tobacco Trade Association (formed in 1931, and representing manufacturers, wholesalers, and retailers) announced on Aug. 9 that in view of the enactment of the Restrictive Trade Practices Bill its arrangements for the collective enforcement of prices of proprietary brands of cigarettes and tobacco, and its collective ban on gift-coupon trading, would cease as from Sept. 1. Arrangements by individual manufacturers to enforce their own prices would not be affected.

The Association also announced that, as its main functions were concerned with resale price maintenance, it was intended that it should subsequently be wound up

Monopolies Commission's Work in 1955.

The annual report by the Board of Trade on the operation of the Monopolies and Restrictive Practices Acts, 1948 and 1953, covering the year 1955, was published on Feb. 27, 1956.

During 1955 the Commission completed reports on copper semi-manufactured goods (see 14766 A), pneumatic tyres (see 14409 A), sand and gravel in Central Scotland, and hard fibre cordage (see below).

As regards action taken on previous reports, the report stated that after discussions with the Board of Trade the Federation of Calico Printers had agreed to the complete termination of the percentage quantum scheme, together with the obligation to observe minimum prices and uniform conditions of trading (see 13550 A). The Ministry of Works had also obtained confirmation from all firms on Government contracting lists that they would not follow the practices criticized by the Commission (see 14409 A).

Withdrawal of Inquiries.

Mr. Thorneycroft announced in the House of Commons on March 6, 1956, that in view of the introduction of the Restrictive Trade Practices Bill the following inquiries, previously referred to the Commission, would be withdrawn: electric batteries, street lighting equipment, steel frames for buildings, and common prices and tendering (see 14409 A). Other inquiries in progress would be completed before the Bill became law, except the inquiry into chemical fertilizers, which would be referred to the reconstituted Commission. No action would be taken on any matter which would properly come within the jurisdiction of the new Restrictive Practices Court.

The Commission's reports on Sand and Gravel in Central Scotland and on Hard Fibre Cordage were published respectively on March 22, 1956, and June 8, 1956, and are summarized below:

Report on Sand and Gravel in Central Scotland.

This report stated that in the above-named area (in which 75 per cent of the Scottish population lived) the supply of sand and gravel for plaster, cement, road surfacing, filtration, etc., was controlled by the Washed Sand and Gravel Association and the closely related Mid-Scotland Sand and Gravel Association. The common minimum prices and haulage rates fixed by these two bodies were higher than might be expected under free competition and were in the Commission's view unjustified.

The Commission considered that the "stop lists" and other methods by which these prices were supported were not in themselves contrary to the public interest. It found, however, that the system of central invoicing by the Associations, and the arrangements which prevented Association members from buying from non-Association producers and also granted special terms to Association members only, did operate against the public interest and should be withdrawn.

Report on Hard Fibre Cordage.

This report stated that the members of the Hard Fibre Cordage Association, together with certain other suppliers, restricted competition in the manufacture and supply of nearly all the hard fibre cordage sold in the United Kingdom, including manila and sisal ropes, sisal packing cords and twines, trawl twines, and agricultural binder and baler twines

The Commission's principal conclusions and recommendations were as follows:

(1) The Federation's common price system and its arrangements regarding listed dealers, aggregated quantity rebates, resale price maintenance, and exclusive dealing operated against the public interest and should be ended.

(2) Its arrangements for controlling the selling prices of hard fibre cordage imported from the Irish Republic and St. Helena, and for discouraging imports from some other sources, operated against the public interest

(3) The agreement with the National Association of Rope and Twine Merchants, by which this association's members were allowed a special discount and aggregated quantity rebates, and undertook not to buy foreign packing cords and twines, operated against the public interest and should be ended.

(4) Other Federation arrangements operating against the public interest included (i) prohibitions on the sale of "first grade manila" trawl twine or cord and twine made from waste fibre; (ii) the ban on spinning "on commission" for firms outside the Federation, (iii) the obligation to charge "delivered," instead of "ex-works" prices for certain kinds of cordage.

(5) The Federation's arrangements governing the sizes and runnages of cordage and the breaking strains to be quoted by suppliers operated against the public interest in so far as they were obligatory, but it would not be against the public interest for the Federation to issue a recommended code of practice

(6) The pool and quota system, in which most Federation members participated, operated against the public interest and should be ended

Two further reports, respectively on the supply of certain rubber footwear and on the supply of linoleum, were published by the Commission on July 31 and Sept. 18, and are summarized below:

Report on the Supply of Certain Rubber Footwear.

The report (which covered all kinds of rubber boots, including overboots, and footwear with canvas uppers and rubber soles) stated that in 1954 68.7 per cent of rubber boots and 44.3 per cent of the canvas footwear sold in the U.K. were supplied by members of the Rubber Footwear Manufacturers' Association, the Dunlop Rubber Company alone supplying 44.2 per cent of the rubber boots. The

conditions to which the Monopoly and Restrictive Practices (Inquiry and Control) Act applied therefore prevailed in the supply of both rubber boots and canvas footwear.

The Commission's leading conclusions and recommendations were as follows

(1) The Association's price consultations, and the understanding amongst members that they would not negotiate special prices with traders for large orders without notifying each other, operated against the public interest. Association members should cease to consult one another about prices and should be free to negotiate special prices for large orders without notifying one another.

(2) The understanding between Association members not to change their prices during a season operated against the public interest and should be discontinued.

(3) The former understanding between members, to allow compensation to traders in accordance with a uniform practice when prices were reduced, operated against the public interest and should not be revived.

(4) Provided that the Association's price consultations were discontinued, the uniform terms at present available to Association members for prompt payment, and the present method of maintaining resale prices, did not operate against the public interest

(5) The Association's classified list of traders entitled to wholesale prices and terms operated against the public interest and should be discontinued. There was no objection, however, to the Association's circulating to members a recommended list of traders suitable for wholesale terms, provided that it did not consult the distributive trade in compiling it and made it clear that members were not obliged to observe it.

(6) The selection by the Association of users entitled to special terms operated against the public interest and should be discontinued.

The Commission also examined (*a*) the special position of the Dunlop Rubber Company, in view of its very large share in the market for rubber boots; (*b*) practices relating to imports of rubber boots from Hong Kong. As regards (*a*) it found that, except in its capacity as a member of the Rubber Footwear Manufacturers' Association, the Dunlop Company did nothing which operated against the public interest. In regard to (*b*) it found that neither the existing arrangements between the Association of Hong Kong Rubber Footwear Importers and certain exporters, nor that Association's restrictions on the admission of new members, nor the understanding among Association members to sell only to wholesalers and multiple retailers, operated against the public interest. It would, however, see serious objection to the introduction of an exclusive list of traders, or to any understanding by traders to buy Hong Kong rubber footwear exclusively from members of the importers' association.

Report on the Supply of Linoleum.

The report stated that in the two years ended Jan. 31, 1954, about 80 per cent by value of the total home trade in linoleum was supplied by members of the Linoleum Manufacturers' Association, who participated in a common price system and in other practices which restricted competition. The Commission found that at present the common price system did not operate against the public interest, but considered that there were "serious risks" that it might do so in some circumstances if left unamended and uncontrolled. It therefore recommended that the system should continue only under certain conditions, including periodic Governmental reviews of prices, costs, and profits.

The Commission's detailed recommendations included the following:

(1) If the price system were continued, there should be a freer exchange of technical information between firms.

(2) The compulsory observance of the Association's list of wholesalers was against the public interest and should be discontinued. There would, however, be no objection to a recommended list which members could observe as they pleased.

(3) The "loyalty provisions" of the Association's pre-war agreement with wholesalers might be expected, if revived, to operate against the public interest and should be abolished.

(4) The aggregated retail turnover bonus should also be discontinued.

(5) The former scheme, under which a percentage of the invoiced price of goods in each category of linoleum sold as "job lots" below the list price was paid into a "job pool" and periodically distributed to members in proportion to all their sales in the same category, should not be reintroduced, since it might be expected to operate against the public interest.

(6) There was no objection to the Association retaining the right to expel a member for contravening its rules, provided that nothing was done to make it more difficult for a member to leave the Association.

One member of the Commission, Professor Sir Arnold Plant, signed the report with the reservation that he was not satisfied that the safeguards, recommended to prevent the common price system from operating in future against the public interest, would suffice in certain eventualities. He suggested that linoleum manufacturers might prefer to suspend the system for an experimental period.

Another member of the Commission, Mr. C. E. Wrangham, signed the report with the reservation that he did not agree that the common price system might be expected to operate against the public interest, and considered that, while some of the suggested safeguards might be desirable, the facts did not warrant their compulsory introduction.

Commission Membership.

Mr. James Archdale resigned from the Commission with effect from Jan. 1, 1956.—(Times - Manchester Guardian - Financial Times - Board of Trade Journal) **(Prev. rep. 14766 A.)**

A. UNITED STATES - CHINA. — U.S. Naval Plane shot down off Chinese Coast. - Chinese Rejection of U.S. Demand for Compensation.

The U.S. Navy announced on Aug. 22 that a patrol plane carrying a crew of 16 was missing after having been attacked 160 miles north of Formosa and about 32 miles off the Chinese coast. On the following day Peking Radio said that a "Chiang Kai-shek" plane which had "intruded" over some offshore islands 300 miles north of Formosa had been driven off by aircraft and had disappeared in the direction of Formosa after being hit. U.S. naval vessels and aircraft searched in this area on Aug. 24 and recovered wreckage from the missing plane, together with the body of one of the crew. Three other bodies were recovered later.

In reply to inquiries made through the British Chargé d'Affaires in Peking, the Chinese Communist Government stated on Aug. 27 that if the plane proved to be a U.S. naval aircraft, and not a Kuomintang plane as had been believed, they could "not but express great regret." If this were the case, however, it proved that the "manoeuvres of the U.S. Seventh Fleet in this area" and the "intrusion of large numbers of its aircraft for reconnaissance" on Aug. 23-24 were "planned provocations by violating China's territorial air and territorial sea," against which the Chinese Government must "express a serious protest."

A joint communiqué issued on Aug. 31 by the U.S. State and Defence Departments admitted that "the plane might by a navigational error have passed over or near one of the small islands lying about 37 miles to the east of the China mainland," but added that "the position of the elements found from the plane indicated that the actual attack took place over international waters." The statement said that the attack had been made without warning, and announced that compensation would be claimed.

A Chinese Government statement of Sept. 2 rejected both the U.S. protest and the demand for compensation, alleging that the plane had carried out activities over the coastal islands of China and that its "intrusion into the territorial air of China" was "by no means accidental." The statement also said that the area was continually visited by "Chiang military aircraft of the U.S. type," and that in such circumstances it was "entirely justified that the plane . . . should have been taken as a Chiang military aircraft and attacked." In conclusion, the statement reaffirmed the Chinese protest and demanded that the U.S.A. should stop its "provocative activities."

A U.S. Note demanding full compensation for the loss of life and property resulting from the attack was delivered by the British Chargé d'Affaires in Peking on Sept. 10.—(New York Times) **(Prev. rep. 14733 A.)**

B. PORTUGAL. — Development of Steel Industry.

Plans for the large-scale development of the Portuguese steel industry were announced in Lisbon during September. They will be carried out in three stages: (1) the immediate construction of an iron-smelting plant at Leixões (near Oporto) with an annual capacity of 30,000 tons of pig-iron, and of a steelworks and rolling-mill at Alcochete, south of the Tagus; (2) extension of the new Alcochete steelworks, and the erection of blast furnaces with an annual capacity of 200,000 tons of pig-iron, to be completed in 1958; (3) a final target of 300,000 tons of rolled steel per annum, to be attained in eight years by the establishment at Leixões of two Krupp-Renn furnaces with a combined capacity of 120,000 tons, and the extension of the steelworks and rolling-mill, either at Alcochete or by the construction of another plant in northern Portugal. The industry will draw on domestic supplies of iron and solid fuel. (Bank of London and South America) **(Prev. rep. Six-Year Plan, 12755 B; 12540 B.)**

C. SYRIA. — Recognition of Communist China.

Official Syrian recognition of the People's Republic of China was announced in Damascus on July 3. A commercial and payments agreement between the two countries had been signed in April whereby China undertook to supply Syria with machinery, telecommunications equipment, chemicals, steel products, and other manufactured goods, against Syrian exports to China of cotton, cereals, and other raw materials and animal products. The agreement was signed initially for one year and is renewable automatically. All payments will be made in sterling.—(Le Monde, Paris) **(Prev. rep. 14884 C.)**

OCTOBER 20—27, 1956

A. MIDDLE EAST. — Dr. Hammarskjöld's Visit to Israel, Jordan, and Egypt. - Jordanian and Egyptian Infiltration on Israeli Frontiers. - Israeli Reprisal Raids. - Israeli Withdrawal from Israeli-Jordanian Armistice Commission. - Proposal for Entry of Iraqi Troops into Jordan. - British Pledge of Support for Jordan against Possible Israeli Attack. - Vote of Confidence by Knesset in Israeli Government's Policy. - Security Council Debate on Jordanian and Israeli Complaints.

The situation on the borders of Israel, Jordan, and Egypt gravely deteriorated between July and October, as a result of frontier incidents (many of them caused by terrorist activities of Arab infiltrators) and of the Israeli Government's policy of replying to such incidents by organized reprisal raids. Details of developments on the frontiers and their international repercussions are given below under cross-headings.

Dr. Hammarskjöld's Visit to Further Middle East.

The U.N. Secretary-General, Dr. Hammarskjold, accompanied by Major-General Burns, Chief of Staff of the U.N. Truce Supervisory Organization, arrived on July 19 in Jerusalem, where he had long discussions with the Israeli Premier, Mr. Ben-Gurion. A communiqué issued on July 20 stated that they had made "a full and fruitful review of developments in this area since the last visit of the Secretary-General," and had discussed "ways and means to establish the state of affairs envisaged in the armistice agreements between Israel and her neighbours." Dr. Hammarskjold and General Burns afterwards proceeded to Amman for talks with the Jordanian Premier, M. Hashem, and thence to Cairo, where they met President Nasser, Dr. Fawzi (the Egyptian Foreign Minister), and M. Ahmed el Shukairy (Assistant Secretary-General of the Arab League) on July 22. Before leaving Cairo on July 23, Dr. Hammarskjöld stated that he had received assurances from both sides that no action would be taken that would upset the relative calm prevailing along the Israeli frontier.

Frontier Incidents, July-August.

Despite these assurances, a new series of incidents began immediately after Dr. Hammarskjold's visit, the most important of which are tabulated below.

July 24. Two U.N. observers were injured by the explosion of a mine in the Mount Scopus demilitarized zone near Jerusalem while investigating an Israeli complaint that Arab Legionaires had penetrated into the area.

July 25. An exchange of fire occurred in the Jerusalem area, several Jordanians being wounded; a third U.N. observer was wounded when Jordanian villagers fired on a U.N. team which was investigating the incident; and the Arab Legion command announced that an Israeli plane which had flown over Jordanian territory north of Jeruslaem had been shot down.

July 26. Dr. Hammarskjold announced that he had directed "a new strong appeal to all concerned to take all measures necessary for the protection of the cease-fire to which they are bound by solemn undertakings to the U.N." The incidents, he added, were "expressions of the deeply disturbed conditions which still prevail, and which render it imperative for all concerned to impose the discipline which alone can preserve peace and order."

July 27. An Israeli convoy escorting an American archaeologist was fired on in the Negev, east of El Auja, a group of Egyptians fired on an Israeli settlement in the El Auja demilitarized zone, wounding two civilians; and two Israelis were injured when their lorry struck a mine in the same area.

July 28. Hr. Rasmussen, a Danish radio operator attached to the U.N. Truce Supervisory Organization, was killed by the explosion of a mine near the Gaza strip.

Aug. 2. An Israeli patrol fired on a Jordanian patrol in the same area, killing two National Guardsmen. The Israeli-Jordanian Mixed Armistice Commission found Israel responsible for this incident on Aug. 6.

Aug. 16. Armed Jordanians ambushed a bus and two jeeps escorting it on the road to Elath, killing a woman and three soldiers and wounding seven Israelis, whilst five more Israelis were injured when a lorry struck a mine near Beersheba. Dr. Hammarskjold issued a statement on the same day condemning these attacks on Israeli civilians, and announcing that "in the light of the results of the investigations it will be decided what action should be taken by me because of these most serious acts of violence, including requests for punishment of the transgressors." This was the first occasion on which the Secretary-General had commented publicly on Israeli-Arab frontier incidents immediately after they had occurred.

Aug. 17. Israeli units entered the Gaza strip at two points, fired on an Egyptian patrol, three of whom were killed, and ambushed an Army jeep, killing six medical staff. Dr. Hammarskjold immediately issued a second statement deploring these incidents, and emphasizing that acts of retaliation could "not be considered as acts of self-defence in the sense of the U.N. Charter."

Aug. 21. An Israeli patrol which had crossed the frontier in the Jenin area clashed with a Jordanian patrol, an Israeli being killed and three Jordanians wounded. The Mixed Armistice Commission found Israel responsible for this incident on Aug. 29.

Aug. 24. Israeli and Egyptian troops exchanged fire in the Gaza strip area, two Israelis being wounded.

Aug 30. Two Israeli soldiers were killed and four injured when their vehicle was blown up by a mine in the El Auja zone.

Aug. 31. Israeli troops raided Egyptian territory at three points, two in the Gaza strip and one west of the El Auja zone, 13 Egyptian soldiers being killed and two wounded. The raids were believed to be a reprisal for the previous day's incident.

Frontier Incidents and Israeli Reprisal Raids, September-October.

The situation deteriorated further during September and October, when Israeli forces, as reprisals for murders by Arab infiltrators and other frontier incidents, carried out a series of increasingly large-scale raids on military bases on Jordanian territory.

The Rahwa and Gharandal Reprisal Raids.

The succession of incidents began on Sept. 10, when an Israeli unit was fired on by Jordanian National Guards in the Dawiyima area, and a clash ensued in which six Israelis were killed and three wounded. The Mixed Armistice Commission found Jordan responsible for this incident on Sept. 17. Also on Sept. 10, a railway line near Beersheba was blown up by Arab infiltrators, who were believed to have come from Egypt.

As a reprisal for the latter incident, an Israeli patrol crossed the Egyptian border in the El Auja area on Sept. 11, killed five Egyptian soldiers, and wounded a sixth.

Another Israeli force of battalion strength crossed the Jordanian frontier west of Hebron during the night of Sept. 11-12, attacked the police post at Rahwa, killing five policemen and 10 soldiers, and then blew up the building. Five Arab Legionaries were killed and three wounded when the Israelis ambushed a patrol coming to the aid of the police post. Before returning to Israeli territory the raiders also blew up a school building The Mixed Armistice Commission condemned Israel on Sept. 19 for this attack, which was described in the Israeli Press as a reprisal for the Dawiyima incident.

On Sept. 12 infiltrators from Jordan murdered three Druse guards at an Israeli oil-drilling camp in the eastern Negev. As a reprisal, a large Israeli force shelled and blew up the Jordanian police post at Gharandal (45 miles north of Aqaba) on Sept. 13, and also blew up a school building. Nine Jordanian policemen and two civilians were killed in this raid, and four policemen and two civilians wounded. The Mixed Armistice Commission condemned the attack on Gharandal on Sept. 24 as a "flagrant breach of the armistice agreement"

Dr. Hammarskjöld's Warning.

Dr. Hammarskjold, in a statement issued on Sept. 13, emphasized that the "mounting series of incidents" since July had not invalidated the cease-fire agreements concluded in April. These agreements could be "put out of existence only if formally repealed by one of the Governments concerned, or if challenged by actions clearly indicating that the Government does not consider itself any longer bound by the obligation," but such action would re-establish a state of war. On Sept. 14 Dr. Hammarskjold handed almost identical Notes to the Israeli and Jordanian delegates to the U.N., stating that both Israel and Jordan must be held fully accountable for "the disregard of both the appeals from the U.N. and the obligations under the armistice agreement, specifically the cease-fire obligation." The British Foreign Office issued on Sept. 13 a statement condemning the Rahwa raid as a violation of Israel's recent assurances to Dr. Hammarskjold that the cease-fire would be respected.

The Husan Reprisal Raid.

A new series of incidents began on Sept. 23, when machine-gun fire was opened from a Jordanian position on a party of archaeologists who were inspecting ruins at Ramat Rachel, south of Jerusalem, four Israelis being killed and 16 wounded. On Sept. 24 an Israeli woman was killed by Jordanian fire in the Jerusalem area, and an Israeli tractor-driver was killed and another wounded south of Lake Tiberias. The Jordanian authorities alleged that in both incidents on Sept. 24 the persons killed had crossed into Jordanian territory, which was, however, denied by the Israeli authorities.

As a reprisal for these incidents, an Israeli force (estimated by the Jordanian military authorities at 5,000) attacked a Jordanian police post near Husan (four miles west of Bethlehem) during the night of Sept. 25-26, and after fierce hand-to-hand fighting completely demolished it. Further heavy fighting took place at the nearby village of Wadi Fukin, where the raiders blew up a school building. U.N. investigators gave the number of Jordanian casualties as 37 soldiers and police and two civilians (one a 12-year-old girl) killed, and 11 wounded; Jordanian claims that 90 Israelis had been killed were denied by the Israeli military authorities, who gave their casualties as nine killed and eight wounded. The Mixed Armistice Commission condemned the Husan raid on Oct. 4, the meeting being boycotted by Israel (see below).

Israeli, Jordanian, and British Statements. - Dr. Hammarskjöld's Further Warning.

The Israeli Foreign Minister, Mrs. Meir, saw General Burns at her own request on Sept. 26. According to an official statement issued afterwards by the Foreign Ministry, she described the raid as "the inevitable consequence of the chain of murder and aggression committed by Jordanian forces against the citizens of Israel in Israeli territory"; assured General Burns that Israel's policy was "to maintain the cease-fire on a basis of reciprocity"; and requested

Dr. Hammarskjold and General Burns to "take the necessary steps to ensure the observance by Jordan of her cease-fire undertakings." The statement recalled that 36 Israelis had been killed and 51 wounded in Jordanian attacks during the past six months.

M. Rifai, the permanent Jordanian delegate to the U.N., in a statement issued later the same day, declared that the Israeli Government's avowal of its responsibility for the raid "proves that Israel is not qualified to be a member of the United Nations." "We may bring this recent brutal attack before the Security Council any minute," the statement continued, "but if the matter is going to be a further condemnation against Israel, such condemnations have previously been passed and were completely disregarded by Israel. The question therefore becomes whether the Security Council would take real action against Israel for her repeated violations, or whether we ourselves will be compelled to put an end to any such aggression."

A statement issued by the British Foreign Office on Sept. 26 deplored both the recent frontier incidents and the Israeli reprisals, pointing out that "reprisal raids have been repeatedly condemned by the Security Council," and that "the U.N. Secretary-General has expressed the view that such raids cannot be considered as within the limits of legitimate self-defence."

In the course of the same day, Dr Hammarskjold interviewed the representatives of Britain, France, the U.S.A., the Soviet Union, Jordan, and Israel. He afterwards issued a statement recommending that, if the Governments of Jordan and Israel did not bring the situation rapidly under control, "the Security Council should take the matter up in order to reaffirm its policy as established in previous resolutions, and, were the Council to find the continued deterioration to constitute a threat to peace, to decide on what further measures may be indicated."

The Qalqilya Reprisal Raid.

On Oct. 4 raiders from Jordan ambushed two cars on the Beersheba-Sodom road 10 miles from the frontier, killing five Israelis and wounding another, whilst on Oct. 9 two Israeli civilians were murdered seven miles from the frontier between Petah Tiqva and Natanya by Jordanians armed with sub-machine guns. In consequence, Israeli forces carried out during the night of Oct. 10-11 their largest reprisal raid hitherto in the area of Qalqilya (north-east of Tel Aviv), and a pitched battle ensued in which both sides suffered serious casualties.

The attack began at 9.30 p.m. on Oct. 10, when two Israeli infantry regiments, supported by armour and artillery, advanced into Jordanian territory along a six-mile front between Tulkarm and Habla, under cover of a heavy artillery barrage. The main attack was directed against the fortified police barracks at Qalqilya, which served as the regional headquarters for the Arab Legion, National Guard, and police. After a three-hour bombardment of the village amid violent hand-to-hand fighting, the Israelis stormed the barracks and blew it up, together with fuel and ammunition dumps and a pumping station. A Jordanian battalion was ambushed at Nebi Elias while on its way to Qalqilya, and fighting continued for some hours, during which an Israeli company was cut off until relieved by tanks and aircraft. Jordanian Army and National Guard centres in the villages of Habla, Soufin, and Jayous were also attacked, whilst Jordanian artillery shelled three Israeli settlements, though without causing any casualties.

When the attack began the Jordanians informed the Truce Supervisory Organization, and King Hussein hurried from Jerusalem to direct operations in person. An appeal by General Burns for a cease-fire was rejected by the Israelis, but after the demolition of the Qalqilya barracks they agreed to accept his appeal. Fighting was accordingly broken off at 4.30 a.m. on Oct. 11, when the Israelis withdrew. The Israeli military authorities admitted the death of 18 members of their forces, whilst a report issued by General Burns on Oct. 18 gave the number of Jordanians killed as 48, including three civilians. The total casualties, the report pointed out, were the highest resulting from any incident since the Israeli bombardment of Gaza in April (see 14793 A).

The Israeli Foreign Ministry, in a statement issued on Oct. 11, claimed that the raid had been directed against "a centre of Jordanian aggression," which had "reached new heights of ferocity and cruelty" during the last few days. As U.N. organs had "remained powerless before the onslaught of Jordanian aggression," the statement added, Israel had been left to face with her own means "an unbridled campaign of murderous Jordanian assaults."

Israeli Withdrawal from Israeli-Jordanian Armistice Commission.

Israel withdrew from the Israeli-Jordanian Mixed Armistice Commission on Oct. 3, following the Commission's decision concerning the circumstances of the incident on Sept. 23 in which a number of Israeli archaeologists were killed or wounded by Jordanian fire at Ramat Rachel (see above). The Jordanian military authorities maintained that the incident had been caused by a single soldier who had been mentally deranged. This explanation was accepted by the neutral chairman of the Mixed Armistice Commission on Oct. 1, but the Israeli Government contended that more than one soldier had fired, and announced on Oct. 3 that in protest against the Commission absolving Jordan from blame it would no longer participate in the Commission's work.

Dr. Hammarskjöld's Report on Frontier Situation.

A report to the Security Council by Dr. Hammarskjold on the general frontier situation, dated Sept. 12, was published by U.N. headquarters in New York on Sept. 28.

In his previous report of May 9, Dr. Hammarskjold recalled, he had pointed out the dangers arising from the tendency of each party to interpret the armistice agreement to mean "that any one infringement of the provisions of the agreement by one party justifies reactions by the other party which, in their turn, are breaches of the armistice agreement, without any limitations as to the field within which reciprocity is considered to prevail." By the new cease-fire agreements of April and May he had endeavoured to "lift the cease-fire clauses out of the armistice agreements, so as to give them an independent legal status as obligations, compliance with which was conditioned only by reciprocity in respect of the implementation of the same obligations by the other parties." None of the parties concerned, however, had taken advantage of the new situation thus established to take positive steps which would lead to a better general atmosphere. "While in many cases the parties have made energetic efforts to support the cease-fire by appropriate instructions to their forces, they have, seen in retrospect, failed to carry through a discipline sufficiently firm to forestall incidents which, step by step, must necessarily undermine the cease-fire . . . If the cease-fire is permitted continuously to be challenged by actual events, it will lose its sanctity and become a dead letter . . . Acts of violence, supposed to have been staged by one party, have been immediately followed by acts of violence which must be supposed to have been started by persons on the other side 'in self-defence,' as part of a policy of retaliation . . ."

"The efforts of the U.N., whatever the resources used," the report concluded, "can never be of appropriate effectiveness without the co-operation of the sovereign Governments directly concerned . . . I have found no reason to doubt the view formed in April that there is a general will to peace in the region, nor that the state of affairs which we have had during part of this year has been one which has offered unique possibilities for improvements of the situation. However, later developments have indicated that the will to establish peaceful conditions had not grown strong enough for any of those concerned to take the risks necessary for a use of existing opportunities. The possibilities are still there, and the U.N. must continue to impress on the Governments in the region their serious duty to use them."

Iraqi-Jordanian Military Co-operation. - Israeli Warning against Entry of Iraqi Troops into Jordan. - British and U.S. Support for Jordan.

Following the Rahwa and Gharandal raids, King Hussein of Jordan visited Baghdad on Sept. 14-15 for discussions with King Faisal and the Iraqi Premier, General Nuri es-Said. A communiqué issued after the talks said that they had discussed "the dangerous situation arising from the Zionist threats and provocations" and "the immediate measures that should be taken in accordance with the Jordanian-Iraqi defence treaty." An Iraqi military mission subsequently arrived in Amman to discuss the form which co-operation between the two countries should take, including the possibility of stationing Iraqi forces in Jordan, and following the Husan raid the Jordanian Foreign Minister, M. Abdelhadi, visited Baghdad from Sept. 26 to Oct. 1 for further talks. The Egyptian Ambassador in Amman, M. Seif Eddin, delivered a message from President Nasser to M. Hashem on Sept. 15, assuring him that Egypt "will fight if Jordan or any other Arab country is subjected to Israeli aggression, notwithstanding Egypt's preoccupation with the Suez Canal issue."

Following the Qalqilya raid, offers of military assistance to Jordan in the event of further Israeli attacks were received from all the Arab countries. President Nasser informed M. Abdelhadi on Oct. 11 that Egypt would supply Jordan with arms and financial help, and the Syrian Embassy in Amman announced on Oct. 16 that a large consignment of heavy and light arms had begun to enter Jordan as a gift from the Syrian people; this consignment, the Embassy stated on the following day, consisted of arms entirely of Western origin. In Baghdad official sources stated on Oct. 12 that Iraqi troops were ready to move into Jordan at short notice if a request for their support was received.

Grave concern was caused in Israel by this announcement, in view of the fact that Iraq had attacked Israel from Jordanian territory in 1948, had refused (unlike the other Arab States) to sign a separate armistice agreement, and was therefore technically still at war with Israel. Israeli fears were further increased by a proposal made by General Nuri es-Said on Oct. 7, in an interview with a correspondent of *The Times*, that another effort to reach a permanent Arab-Israeli settlement in the Middle East should be made by persuading Israel to negotiate "on the basis of the 1947 U.N.Palestine proposals." This suggestion was welcomed on Oct. 8 by the Foreign Office in London, where a spokesman recalled Sir Anthony Eden's

offer of Britain's good services in bringing about a compromise in his Guildhall speech last year (see 14519 A). The Israeli Foreign Ministry, however, in a statement issued on Oct. 12, gave warning that Israel would regard the entry of Iraqi troops into Jordan as a direct threat to her security and to the validity of the Israeli-Jordanian Armistice Agreement. The presence of Iraqi troops in Jordan, the statement said, would jeopardize the *status quo* in the area, whilst the Iraqi Premier's suggestion was only a move in Iraq's "expansionist drive towards the Mediterranean, which traditionally has been the basic objective of Iraqi policy." Mrs. Meir reiterated on the following day that Israel was "determined to meet the threat to Israel's integrity" which, she said, a movement of Iraqi troops into Northern Jordan would constitute.

In her statement Mrs. Meir again rejected the "British-supported" proposal of General Nuri es-Said for a settlement based on the U.N. partition plan of 1947, saying that Iraq herself had attempted to erase this plan in 1948, "not without the aid of the British Government of those days," and that the territorial changes involved in such a settlement would endanger Israel's very existence

Full support for the proposal to station Iraqi troops in Jordan was expressed by the British and U.S. Governments. Mr. Westlake, the British Chargé d'Affaires officially informed the Israeli Government on Oct. 12 that Iraqi troops were about to enter Jordan and would be stationed there indefinitely. If Israel considered such troop movements a sufficient reason for attacking Jordan, he added, the British Government would feel itself obliged to go to Jordan's assistance, by virtue of the Anglo-Jordanian treaty of 1948 and the Tripartite Declaration of 1950. The U.S. Ambassador, Mr. Lawson, told the Israeli Government on Oct. 13 that the U.S. Government had also approved the stationing of Iraqi troops in Jordan, as likely to stabilize the military situation and reduce the danger of a general conflict. In reply to Israeli inquiries, Mr. Westlake gave assurances on Oct. 14 that the Iraqi forces would be limited in number and would be stationed to the east of the River Jordan.

A communiqué issued by the Israeli Cabinet on Oct. 14 expressed "anxiety and astonishment" at the British "threat" to take action against Israel, and fully supported Mrs. Meir's declaration. The Israeli Ambassadors in London, Washington, Paris, and Moscow were recalled on the same day for consultations.

The proposal that Iraqi troops should be stationed in Jordan aroused concern in Egypt as well as in Israel Major Salem, the former Minister of National Guidance, alleged in his newspaper *Al Shaab* on Oct. 15 that this proposal was the result of a "plot" between the British, Israeli, and Iraqi Governments, and that its real aim was to enable Iraq to take over Jordan on the eve of the Jordanian elections due to be held on Oct 21

An Iraqi military mission headed by Crown Prince Abdul Illah arrived in Amman on Oct. 14 for discussions with King Hussein and the Jordanian Government. At the conclusion of the talks, a Jordanian Government spokesman announced on Oct. 15 that Iraqi troops would not enter Jordan "at this time," but would be placed strategically on the border "ready to make the fastest possible approach" if they were needed. In the event of an attack by Israel they would enter Jordan immediately, and if necessary would cross to the west bank of the River Jordan. Full agreement, he added, had also been reached on the supply of war material to Jordan by Iraq. According to the Amman correspondent of *The Times*, the Jordanian Government's decision not to call in Iraqi troops was attributed by diplomatic sources to the strength of popular feeling against Iraq, to the widespread belief that the Western Powers would use Iraqi forces to influence the voting in the elections and force Jordan to join the Baghdad Pact, and to the Government's fears that their arrival would be followed by riots.

General Ali Abu Nuwar, the Jordanian Chief of Staff, stated on Oct. 16 that if Iraqi troops entered Jordan they would be placed under the command of the Jordanian C-in-C [This decision was believed to represent a concession by the Iraqi Government, which was reported to have refused for some weeks to place its troops under Jordanian command, as a result of its suspicions of Egyptian influence in Jordan.] General Nuwar also said that R A F jet planes stationed at Amman had been put on an alert basis since the Qalqilya raid, and that arrangements had been made with Britain so that he could call on British planes "within the hour" in the event of a new Israeli attack.

Commenting on this statement on Oct 17, a Foreign Office spokesman in London, whilst reaffirming the British Government's intention "to come to the assistance of Jordan in the event of war being made against her," emphasized, however, that "if we are to take action under the treaty, we would obviously have to decide what circumstances warrant the treaty being invoked. Any decision on action would have to be taken in London" There was "no question whatever," he added, of the R A.F. in Jordan being placed under Jordanian command

Two R.A.F. jet fighters from Cyprus flew over Amman on Oct. 18, and four more on Oct 20. The British Embassy, however, described their visit as a routine practice flight

M. Abdelhadi, who had visited Baghdad, Damascus, and Cairo during the previous week, left Amman on Oct. 17 for Riyadh to open discussions with the Saudi Arabian Government on military and financial aid for Jordan.

The Knesset Debate.

A general debate in the *Knesset* on foreign affairs and security was opened on Oct. 15 by Mr. Ben-Gurion, who in his speech strongly criticized the British Government's attitude and stated that Israel reserved her freedom of action if Iraqi troops entered Jordan.

Mr. Ben-Gurion attributed Israel's security problem in recent months to the supply of Czechoslovak arms to Egypt. He scorned the Soviet Union's explanation that the arms were being supplied to Egypt in the interests of Middle East peace and to strengthen the Arab countries' independence, and said that this arms deal had actually redoubled tension in the Middle East and increased it throughout the world. The Arab countries had intensified their "feverish preparations for a second round against Israel," and all efforts by Dr. Hammarskjold and others to bring about an improvement in Egypt's relations with Israel had failed.

Explaining his earlier refusal to launch the "preventive war" advocated by some of the Opposition, the Prime Minister said that he considered war in the first place from the point of view of young people killed and their elders bereaved. His alternative to such a war had been to strengthen Israel's defences and to secure armaments capable of meeting those acquired by Egypt from Soviet sources. In its search for arms, however, the Government had "knocked on many doors and found them closed." Whilst sending heavy tanks to Egypt, the British Government had refused to sell them to Israel, although Britain was a party to the Tripartite Declaration intended to secure a military balance in the Middle East. Britain, however, had previously supplied Israel with a number of Meteor aircraft, and recently France and Canada had each supplied 24 jet fighters (see 14985 A, 15144 C) Although Israel's defences had been greatly improved since the beginning of the year, and he was confident that any Arab attack would end in victory for Israel, her enemies could only be deterred from starting a war against her if Israel received the arms she needed.

As a justification of Israel's policy of reprisals, Mr Ben-Gurion quoted numerous frontier incidents to prove his allegation that the Arab leaders consistently incited their peoples to carry out acts of murder and sabotage against Israel. All Israel's demands to the U.N. Truce Organization to compel the Arab countries to end their attacks had failed—not necessarily because the U.N. truce authorities lacked goodwill, but because they were helpless Israel had therefore had "no alternative but to take action in self-defence," in accordance with her rights under the U.N. Charter, and "murderers, and those who send them, will not be allowed to escape without severe punishment."

Describing General Nuri es-Said's proposal for a settlement on the basis of the 1947 resolution as "a disguised attack on the integrity of our borders," Mr. Ben-Gurion said: "I do not know what were the original sources of this doubtful peace initiative, but the Government of Israel has already expressed its determined attitude to the proposal, as made by the Prime Minister of Britain, on Nov 15 last" (see 14519 A; 14525 A) Although frontier rectifications by mutual agreement could be considered, he continued, "this latest plan to cut up the State of Israel, which has made its way from Baghdad to the Guildhall, or from the Guildhall to Baghdad, will never succeed, and in the form now raised by Iraq's Prime Minister can only be considered as a means of distracting the attentions of the Arab world from the grave Suez problem and diverting it towards Israel." If Iraqi troops moved into Jordan, he emphasized, Israel "feels free to act as she thinks fit," as the entry of Iraqi forces, even if only to the east bank of the River Jordan, would constitute an attack on the *status quo* as laid down in the Israeli-Jordanian armistice agreement. In conclusion, Mr Ben-Gurion referred to the Suez crisis, and observed that although Israel's rights had been affected long before the nationalization of the Canal, she had not been invited to any of the conferences called to consider the question.

During the ensuing debate, **Mr. Begin,** leader of the extreme right-wing *Heruth*, said that limited reprisals "accomplish nothing but casualties"; urged the Government to seize the opportunity to expand Israel's frontiers; and declared that "we have fought the British before and we can fight them again." **Mr. Galile,** a leading member of the left-wing *Ahdut Avodah*, who expressed the view that war with the Arab States was inevitable, advocated that reprisals should not be limited to military objectives, and that the attacking forces should not abandon positions which they had occupied. Spokesmen for the left-wing *Mapam* and most of those from the *Mapai* (Mr. Ben-Gurion's party), on the other hand, supported a policy of restraint.

Replying to the debate on Oct. 17, **Mr. Ben-Gurion** said that it would be unwise to explain with any exactness the meaning of his statement that if Iraqi troops entered Jordan Israel would consider herself free to act, as its concrete interpretation would be determined by circumstances and by the actions of Iraq and other countries. There had been a number of favourable developments in the last few days as regards the danger of Iraqi troops entering Jordan and the Suez problem, but Israel must not be led into over-optimism or rely

on verbal promises. The greatest danger still threatened from the Egyptian dictator, who dominated the other Arab States and never tired of proclaiming his intention to destroy Israel. Turning to the question of Israel's reprisals policy, Mr. Ben-Gurion said that some aspects of this called for adjustment, and the proper body to make recommendations was the *Knesset* foreign affairs and security committee. He confirmed that all recent reprisals raids had received Cabinet approval beforehand, except the Gharandal raid of Sept. 13, full details of which had, however, been known to him in advance. In conclusion, Mr. Ben-Gurion emphasized Israel's desire for peace, which, he said, could be ensured only by building up her defences to a level at which they could serve as a deterrent

A motion approving Mr. Ben-Gurion's statement was adopted on Oct. 17 by 76 votes to 13, only the *Heruth* and the Communists voting against.

Security Council Debate on Jordanian and Israeli Complaints.

The Jordanian Government requested on Oct. 15 that the Security Council should meet as early as possible to take the necessary action to deal with the "most serious situation" arising from the Israeli raids of Sept. 25 and Oct. 10-11, which constituted a "flagrant violation" of the armistice agreement and the U.N. Charter and a threat to peace and security. The Israeli Government submitted on Oct. 17 a counter-charge accusing Jordan of "persistent violations" of the armistice agreement and the cease-fire agreement concluded in April The Security Council opened its debate on the two complaints on Oct. 19.

M. Rifai (Jordan) said that the Israeli reprisal raids represented "premeditated systematic military aggression," and referred to Israel's refusal to co-operate with the Mixed Armistice Commission as "a new failure of Israel to comply with her obligations." Israel, he alleged, was taking advantage of the Arab States' preoccupation with the Suez question and with their internal problems to expand her frontiers by persistent aggression. He therefore called on the Council to apply Article 41 of the U.N. Charter, which provides for the use of economic and diplomatic sanctions to give effect to the Council's decisions, and continued . "If the Council does not take action to stop the Israeli aggression right away, then my country will have to seek other methods by which it could ensure the safety of our borders. Such a development, if it happens, will extend beyond our present local arrangements"

Mr. Kidron, who represented Israel in the temporary absence of Mr. Eban, the Israeli Ambassador to the U.S.A , contended that Jordan had been responsible in every case for "initiating these grievous sequences of bloodshed," and that the U N. Charter did not require Israel to suffer armed attacks upon her territory and population. If Jordan was prepared to put an end to attacks on Israel there would be peace along the frontier.

Sir Pierson Dixon (Britain) said that it was a matter of "very great concern" to Britain that the Council should again be dealing with the border situation, despite Dr. Hammarskjold's "tactful and persistent efforts." "The tension along the border between Israel and Jordan," he continued, "is now greater than at any time since the armistice was signed. It is due to the great restraint shown by the Government of Jordan that the situation has not got out of hand. Our Jordanian ally has our sympathy and commendation."

M. Abdoh (Persia) also praised the Jordanian Government's restraint and condemned Israel's "flagrant aggression." **M Sobolev** (Soviet Union) described as "particularly alarming" the Israeli Government's admission that they had planned and organized their "aggressive actions" as part of a policy of reprisals, although this had repeatedly been condemned by the Council, and called for "energetic intervention" to forestall such acts in the future

The Council's chairman for the month, M. Cornut-Gentille (France) adjourned the meeting until Mr. Eban could be present to put the Israeli case, and called on Israel and Jordan to show their respect for the Council's authority by abstaining from any acts that might further inflame an already dangerous situation.—(U.N. Information Centre, London - Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris) **(Prev. rep. 14985 A.)**

A. UNITED KINGDOM. — Trade Figures, Third Quarter, 1956.

Imports into the United Kingdom in August totalled £322,300,000, exports £253,400,000, and re-exports £8,200,000, the adverse visible balance thus amounting to £60,700,000. The corresponding figures for September were: imports £295,200,000, exports £222,300,000, and re-exports £9,200,000, the adverse visible balance amounting to £63,700,000.

Trade figures for the third quarter of 1956 showed that imports were £937,500,000, exports £742,000,000 and re-exports £27,200,000. The adverse visible balance was thus £168,700,000.—(Board of Trade Journal)

(Prev. rep. 15060 B ; First Half of 1956, 15023 A.)

B. UNITED KINGDOM. — Cabinet Changes. - Mr. Head succeeds Sir W. Monckton as Secretary for War.

It was announced on Oct. 18 from 10, Downing Street (*a*) that Sir Walter Monckton had resigned as Minister of Defence and would become Paymaster-General, with a seat in the Cabinet ; (*b*) that Mr. Antony Head, the Secretary for War, would succeed Sir Walter Monckton as Minister of Defence ; (*c*) that Mr. Head would himself be succeeded at the War Office by Mr. John Hare (Minister of State for Colonial Affairs) ; and (*d*) that Mr. Hare's successor at the Colonial Office would be Mr. John Scott Maclay.

Letters exchanged between the Prime Minister and Sir Walter Monckton were published on the same day. In tendering his resignation as Minister of Defence, Sir Walter wrote .

". . . The military precautions which we have had to take in consequence of the Suez Crisis have been planned and taken. I have done my best, too, to prepare the way for the vital decisions in many fields of defence which have to be made in the weeks and months which lie immediately ahead of us They are not short-term decisions but involve adopting policies which must be pursued and implemented over the next few years. I feel sure that it is essential that the Minister who makes these decisions should be prepared to continue in his office until the end of this Parliament After more than four years as Minister of Labour and the constant and mounting strain which my present office has entailed for me from the moment of my appointment, I do not feel able to carry on for as long as that If I am right in this, though I shall be personally sorry to leave the Ministry, I think that the moment has come for me to go. If you feel disposed to retain me in your Cabinet in a less arduous post, I should count it an honour to go on serving under your leadership and should welcome the opportunity of continuing to give you my loyal support . . . "

Sir Anthony Eden, in reply, accepted "with sincere reluctance" Sir Walter's wish to be relieved of the Defence portfolio, paid tribute to Sir Walter's services, first as Minister of Labour and Manpower and then as Minister of Defence, and expressed the hope that he would accept the office of Paymaster-General and remain in the Cabinet. "This," the letter said, "would relieve you of heavy departmental duties, although you would still be able to give us your help in other ways"

Sir Walter Monckton's appointment to the post of Paymaster-General increased the size of the Cabinet from 18 to 19. The post had been vacant since the major Government changes in December 1955, when the Earl of Selkirk, who had held the office, was appointed Chancellor of the Duchy of Lancaster.

Sir Walter Monckton (65), a lawyer by profession, had been Director-General of the Ministry of Information during the early part of the last World War and subsequently was Director-General of British Propaganda and Information Services in Cairo. He became Minister of Labour on the formation of Sir (then Mr) Winston Churchill's Government in 1951, retained that post under Sir Anthony Eden, and was appointed Minister of Defence in December last.

Mr. Head (50), the new Minister of Defence, served on the staff of Combined Operations during the last war and left the Army with the rank of Brigadier. When the Conservatives were in opposition he led the back-bench attack on the defence policies of the Labour Government, and in 1951 became Secretary for War—a post which he has held since uninterruptedly, first under Sir Winston Churchill and then under Sir Anthony Eden.

Mr. Hare (45), who during the last war fought in the North African and Italian campaigns, is a former Vice-Chairman of the Conservative Party Organization ; he entered the Government last December when he became Minister of State for Colonial Affairs He is a brother of Lord Listowel.

Mr. Maclay (50), is M P. for Renfrewshire West and chairman of the National Liberal group in the House of Commons. He became Minister of Transport and Civil Aviation in Sir Winston Churchill's Government in 1951, but resigned in May 1952 owing to ill-health.

The appointment of Mr. Maclay brought the number of Liberal-Conservative members in senior Government posts to three, the other two being Major Lloyd George (the Home Secretary) and Dr. Charles Hill (the Postmaster-General). (Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 15072 B ; 14601 A.)**

C. BRAZIL. — Population passes 60,000,000.

Official estimates published on July 1 showed that the population of Brazil had passed the 60,000,000 mark. The population of São Paulo State had risen to 10,585,000, followed by the States of Minas Gerais (8,404,000), Bahia (5,496,000), Rio Grande do Sul (4,782,000), and Pernambuco (3,916,000). Rio de Janeiro, the capital, had nearly 3,000,000 inhabitants. (O Globo, Rio de Janeiro) **(Prev. rep. 13876 C.)**

D. CANADA. — Resignation of Conservative Leader.

Mr. George Drew (62), leader of the Progressive Conservative Party since 1948, and formerly Premier of Ontario, resigned on Sept. 21 as a result of prolonged ill-health over the past two years. Mr. W. Earl Rowe was appointed acting leader of the party until December, when Mr. Drew's successor will be chosen at a national party convention.—(Montreal Star)

(Prev. rep. 9602 A.)

A. MALAYA.—Appointment of Constitution Commission. - Transfer of Internal Defence and Security to Federation Government. - Creation of Federation Armed Forces. - Surrender Terms for Terrorists. - Rejection of Communist Proposal for New Negotiations. - Progress of Anti-Terrorist Operations.

It was announced in London on March 9 that a Commission was to be appointed to draft a Constitution for a self-governing Malaya within the British Commonwealth. Its chairman and one other member would be from Britain, and it was hoped that its four other members would be from Canada, Australia, India, and Pakistan respectively.

The appointment of Lord Reid as chairman of the Commission was announced by the Colonial Secretary on May 16, whilst the other members subsequently appointed (those from the other Commonwealth countries on nomination by their Governments) were: Sir Ivor Jennings (U.K.), Sir William McKell (Australia), Mr. B. Malik (India), and Mr. Justice Abdul Hamid (Pakistan). As regards a Canadian member, the Colonial Office announced on July 18, the day before the Commission opened its hearings, that Canada had found herself unable to nominate a member and that it had been agreed with the Malayan Rulers that the Commission would carry on its work without a Canadian member.

Lord Reid (66), a Lord of Appeal in Ordinary, was Solicitor-General for Scotland from 1936-41, Lord Advocate from 1941-45, and Dean of the Faculty of Advocates from 1945-48. Sir Ivor Jennings, formerly Vice-Chancellor of the University of Ceylon and now Master of Magdalene College, Cambridge, was a member of the 1948 Ceylon Constitutional Commission. Sir William McKell was Governor-General of Australia from 1947-53; Mr. Justice Abdul Hamid was the chief draftsman of the Constitution of Pakistan, and Mr. Malik was appointed Chief Justice of Uttar Pradesh in 1948.

The terms of reference of the Commission were as follows:

"To examine the present constitutional arrangements throughout the Federation of Malaya, taking into account the positions and dignities of H.M. The Queen and of Their Highnesses The Rulers; and to make recommendations for a federal form of constitution for the whole country as a single, independent, self-governing unit within the Commonwealth, based on parliamentary democracy with a bi-cameral legislature, which would include provision for

(*a*) the establishment of a strong central Government, with the States and Settlements enjoying a measure of autonomy (the question of the residual legislative power to be examined, and to be the subject of recommendations, by the Commission) and with machinery for consultation between the central Government and the States and Settlements on certain financial matters to be specified in the Constitution;

(*b*) the safeguarding of the position and prestige of Their Highnesses as constitutional Rulers of their respective States;

(*c*) a constitutional *Yang do-Pertuan Besar* (Head of State) for the Federation, to be chosen from among Their Highnesses The Rulers;

(*d*) a common nationality for the whole of the Federation;

(*e*) the safeguarding of the special position of the Malays and the legitimate interests of other communities."

The appointment of the Constitution Commission had been recommended by the London Conference (see 14710 A), whose report had been accepted by H.M. Government and the Malayan Rulers on March 1.

Implementation of Other London Conference Decisions.

The following measures were taken to implement the decisions reached at the London Conference concerning the interim period pending the achievement of full independence.

Malayan Responsibility for Internal Defence and Security. The Federation Government announced on March 1 that an Emergency Operations Council had been set up, with the Chief Minister (Tengku Abdul Rahman) as chairman and Lieut.-General Sir Geoffrey Bourne as Director of Operations, and that the Tengku had also assumed the portfolio of Internal Defence and Security. This included responsibility for the Federation's military forces and volunteer forces, the police, and the Home Guard, and would cover all matters of internal security and measures to counter subversion. Immediate effect would also be given to the recommendation that an External Defence Committee should be established.

A new Malayan Army headquarters assumed command in July of all regular armed units raised in the Federation. Totalling 9,000 men, the units which form the nucleus of the new Federation Army consist of seven battalions of the Malay Regiment, one battalion of the Federation Regiment, an armoured car squadron, a field engineer squadron, three units of the Federation Signals, military police units, and headquarters and depot staff. There is also a Federation Military College.

A Federation Armed Forces Council was also set up in July, consisting of the Minister of Internal Defence and Security, a representative of the Rulers of the States, the General Officer Commanding the Federation Army, two other officers, and the civilian Secretary for Internal Defence, provision being made for the appointment of up to three additional members on the establishment of a Malayan Navy and Air Force. This Council, which met for the first time on July 26, possessed initially only advisory powers, but assumed executive authority as regards the command, discipline, and administration of all the Federation's armed forces under a Bill introduced by the Government and passed by the Legislative Council on Sept. 12-13.

Abolition of British Advisers to the Sultans. The Legislative Council of the Federation decided on July 12 to abolish the posts of British advisers to the Sultans. This decision (not applicable to the settlements of Penang and Malacca) was taken by a unanimous vote on a motion of the Chief Secretary (Mr D. C. Watherston), who described the disappearance of the advisers as "a logical step towards the independence of the States," which had developed so much in recent years.

The first British adviser had been appointed in 1874, when the British Government was asked by one of the Sultans to nominate a resident to assist him in ending disorders between Chinese and Malay tin workers. Later the other Sultans also appointed British residents. At the time of the Legislative Council's decision the posts of advisers in Selangor and Negri Sembilan were vacant, and it was left to the other Sultans concerned to arrange for the termination of the appointments of their respective advisers.

Anglo-Malayan Defence Treaty. Discussions on a treaty of defence and mutual assistance, to come into operation with the achievement of Malayan independence, began at Kuala Lumpur on April 16. The working party engaged on drafting the treaty, which was presided over by Sir Robert Scott (British Commissioner-General for South-East Asia), was composed of equal numbers of Malayan and British delegates, with observers from Australia and New Zealand. The principal British representative was Sir Harold Parker (Permanent Secretary to the Ministry of Defence), while the Malayan delegation was led by Tengku Abdul Rahman, the Chief Minister.

Government's Surrender Terms for Terrorists.

Following the abortive Baling talks with the Communists in December 1955 and the expiry of the Government's amnesty offer on Feb. 8, 1956 (see 14710 A), Tengku Abdul Rahman announced new surrender terms for Communist terrorists on March 15.

Appealing to the terrorists to stop the "senseless fighting," the Chief Minister said that the new surrender offer was directed towards those who had not committed murders or atrocities, and who had "genuinely forsworn terrorism." Such members of the terrorist movement would be helped to regain their freedom and would be reunited with their families, whilst alternatively they could choose to be sent to China. If terrorists were prepared to take orders from China rather than show loyalty towards the Malayan Government, it was clear that they were aliens, and (he added) "we should be only too glad if they would return" to China.

No direct reply was made by the Communists to this offer, but on April 1 it was announced that the terrorists had sent a letter to the Malayan Chinese Association declaring that Chin Peng, the Communist leader, was ready to resume talks on ending the emergency. As a condition for the cessation of terrorism, however, the letter demanded the recognition of the Malayan Communist Party by the Government. Tengku Abdul Rahman rejected the Communist proposal in a broadcast on April 2. He declared that he would only meet the Communists again in order to discuss their unconditional surrender, dismissed the letter as a "trick," and continued: "I refuse to be deceived a second time into carrying on talks when they have not the slightest intention of coming to any form of agreement. As soon as they can prove themselves to be law-abiding and loyal to the country they will be released to rejoin the society they have left during these eight years. If any wish to go back to their country of origin I will afford them an opportunity to do so."

General Sir Geoffrey Bourne (then Director of Operations in Malaya), commenting upon the terrorists' letter on April 4 in Kuala Lumpur, expressed the belief that Communist policy had been found to be bankrupt, and that the terrorists were "at their last gasp." He added, however, that four problems continued to confront the Emergency Operations Council, viz. (*a*) obtaining support from all Malayan citizens, (*b*) overcoming the Malayans' fears of committing themselves, (*c*) preventing supplies from reaching the terrorists, and (*d*) getting information about their organization and intentions.

Tengku Abdul Rahman made a further statement on April 25, after Chin Peng's offer to renew the peace talks had been broadcast by Peking Radio. Stressing that "they must come to talks on my terms," the Chief Minister said that he was willing to meet the Communist leader again, provided that an agreed agenda was drawn up and that there was to be no bargaining.

New measures in the Government's campaign against the terrorists were described in a statement by the Chief Minister on May 17.

Emphasizing that the object of the new methods was to enlist a wider measure of public co-operation, he announced that the number of operational units of the Federation Home Guard would be increased from 450 to 850 by Sept. 30; that food control (introduced to prevent

supplies from reaching the terrorists) would be made more efficient and better co-ordinated, and that the number of women searchers in specified areas would be increased by 1,000. On the other hand, some of the emergency regulations would be gradually lifted in certain areas in order to encourage public co-operation with the authorities

New Director of Military Operations.

Lieut.-General Sir Geoffrey Bourne was succeeded as Director of Operations by Lieut.-General Bower on May 19 (see 14931 A, page 14933). When leaving Kuala Lumpur for Britain on this date, he summed up the situation in Malaya as follows:

"First, the Malayan Communist Party in the jungle has lost all hope of victory and cannot impede independence. It can only fight on forlornly, knowing that it costs us much effort and money.

"Second, the issue has never been clearer than it is now. If the Communists in Malaya insist on fighting they have only two prospects —death or surrender. Now that they can see Tengku Abdul Rahman firmly and strongly leading the country forward there remains not the slightest element of nationalism in their cause, and I believe there must be many waverers in their ranks.

"Third, militarily the situation is promising, though the slowing down of incidents and of 'eliminations' may give a different impression It is not a stalemate which we are seeing, it may well be the nearness of victory"

General Bower, however, gave a warning on Aug. 20 against regarding the terrorists as no more than a nuisance while the "hard core" of the terrorist organization still existed. "This," said General Bower, "must be broken, and broken quickly Although almost every citizen in the country has some part to play, in the end it is only the Army, Police and Home Guard that can finish the emergency."

Terrorist Activities. - Operations by Security Forces.

Apart from a number of smaller incidents, the more serious acts of terrorism committed by the Communist rebels were the murder of an estate headman in Central Malaya (Feb. 24); the killing of three Australian soldiers when Communists ambushed a military patrol in the Sungei Siput district, north of Ipoh (announced June 23); and an attack on a police patrol in the Kedah area near the Siamese border, when one police constable was killed (Sept. 15).

Anti-terrorist operations by the security forces included the following:

Two terrorists were killed and another wounded in the Kuata Kubu district of Selangor on March 14; three Communists, including a district committee secretary, were killed in Johore on April 24, and in an engagement in Johore on July 8 security forces killed five terrorists. Large-scale operations were opened in northern Malaya on July 18 with the object of reducing the last major stronghold of the terrorists in the Federation, and on July 30 five terrorists were killed in Kelantan and Perak. On Aug. 25 the security forces scored a major success when they shot dead Yeung Kuo, the deputy commander of the terrorists, in an engagement in southern Selangor. Four terrorists were reported killed in northern Malaya on Sept 6, and another five in Negri Sembilan on Sept. 16

The total number of terrorists killed by the security forces since the beginning of 1956 was given on Sept 17 as 199

During the period under review important operations were conducted by naval and air units in support of ground forces. On June 26 the R.A.F. announced attacks involving over 60 aircraft upon targets in Johore and Negri Sembilan, and on Aug. 23 naval units shelled part of the coast of Johore

In addition to those killed or captured in military operations, numbers of terrorists deserted the Communist bands and surrendered to the authorities. These surrenders generally involved individual terrorists, but occasionally small groups submitted to the security forces, notably a party of 11 Communists who gave themselves up in Selangor on Feb. 27, and three, including two members of the Communist State committee, in Pahang in mid-September.

The successes of the security forces made possible the progressive declaration of further "white areas" [i e. parts of the country known to be free of terrorists where emergency restrictions are lifted] On April 27, 574 square miles of Kelantan inhabited by 19,000 people were declared "white", on May 20, 430 square miles of Trengganu and Kelantan with 31,500 inhabitants were freed from restrictions; and on July 26 part of the Muar area near the coast of Johore became "white."

Appointment of Malayan Commissioner in Australia.

The Colonial Office announced on Aug. 7 that the British, Australian, and Malayan Governments had approved the creation of the post of Commissioner for the Federation of Malaya in Australia. Pending the attainment of full independence, the U.K. High Commissioner in Australia would remain responsible for the representation of the Federation in Australia, but the Malayan Commissioner would be appointed at once to work in close touch with him, with special duties mainly in connexion with trade promotion, publicity, and the welfare of Malayan students.

The Colonial Office further announced that Dato Nik Ahmed Kamil bin Haji Mahmood had been appointed the first Malayan Commissioner in Australia Dato Nik Kamil was First Minister of Kelantan from 1948 to 1953, and Member of the Executive Council for Local Government, Housing and Town Planning from 1953 to 1955, when he retired from the public service

The Australian Minister for External Affairs (Mr Casey) announced on Sept. 3 that six young Malayan civil servants had arrived in Canberra to be trained for the Malayan diplomatic service. Their training would include three months spent with the Australian Department of External Affairs as well as academic studies

Economic Measures.

Tengku Abdul Rahman announced on April 22 the setting up of a special committee to plan economic development in Malaya, consisting of himself, the Ministers of Finance, Commerce and Industry, Agriculture, and Economic Resources, and an Economic Adviser.

The Legislative Council approved on March 19 certain reliefs in industrial taxation, with a view to assuring the availability of capital for investment in Malaya's industrial development The measure provided that the mining industry would be granted tax relief on expenditure incurred in unsuccessful prospecting, and that other reliefs would be granted to encourage new rubber planting and industrial building.

It was announced on June 28 that the Government had set up a 12-member working committee to consider ways of attracting overseas capital investment to Malaya. Government departments responsible for labour, trade and commerce, inland revenue, Customs, agriculture, forestry, and town planning were to be represented on the committee, which was expected to make its report in November.

As a mark of friendship towards the people of Britain, Tengku Abdul Rahman announced on Sept. 12 that Malaya would make a gift to Britain of a house and land in Kuala Lumpur, to be used as the residence and offices of the British representative there after Malaya achieved independence. (Times - Daily Telegraph - Manchester Guardian - Financial Times - Australian News and Information Bureau)

(Pre. rep. 14710 A; 14787 C.)

A. UNITED KINGDOM. — Press. - New Editor of "Manchester Guardian." - New Chairman of Observer Trust.

It was announced on Oct. 17 that Mr. A. P. Wadsworth, editor of the *Manchester Guardian* since 1944, would retire at the end of the month because of continued ill-health, and that he would be succeeded by Mr. H. A. Hetherington, at present an assistant editor and foreign editor on the paper. Mr. Wadsworth would, however, continue to be associated with the *Manchester Guardian* as Editor Emeritus and as a member of the board of the Manchester Guardian and Evening News, Ltd. Mr. Hetherington would also join the board.

Mr. H. A Hetherington (36), a son of Sir Hector Hetherington of Glasgow University, joined the *Manchester Guardian* in 1950 He was educated at Gresham School, Holt, and Corpus Christi College, Oxford, served in the Royal Armoured Corps during the war, and later held a Commonwealth Fellowship at Princeton University (U.S.A.)

On Oct. 13 it was announced that the trustees of *The Observer* had appointed Sir Ifor Evans as the next chairman of the Observer Trust as from Jan. 1, 1957.

Sir Ifor Evans (57) held professorships of English Literature at Southampton, Sheffield, and London Universities, was educational director of the British Council, and from 1946-51 was vice-chairman of the Arts Council of Great Britain

The first chairman of the Observer Trust was the late Lord Astor, who was succeeded on his death in 1952 by Mr. Dingle Foot, Q.C. Since the beginning of 1956 Mrs. Mary Stocks (formerly Principal of Westfield College, London) had been acting chairman. The other members of the Trust are Marshal of the R.A.F. Lord Portal of Hungerford, Sir Keith Murray (chairman, University Grants Committee), Mr. E. M. Nicholson (Director-General of the Nature Conservancy), and Lieut.-Colonel C. H. Golding. Mr. Arthur Mann is an honorary trustee. (Manchester Guardian - Observer) **(Prev. rep. 12756 E.)**

B. WESTERN GERMANY. — Recall of Chargé d'Affaires from Syria.

It was announced in Bonn on Oct. 13 that the German Federal Government had recalled its Chargé d'Affaires from Damascus on learning that Syria had agreed to the opening of a Consulate by the East German Government. The Federal Government's decision implemented its earlier threat that it would withdraw diplomatic recognition from any country recognizing the Government of the German Democratic Republic.—(Frankfurter Allgemeine Zeitung)

(Prev. rep. 14606 D.)

A. SOUTH AFRICA.—Social-Economic Development of the Bantu Areas. - Report and Recommendations of Tomlinson Commission. - The Government's Attitude. - Parliamentary Debate. - Report rejected by African Leaders. - National Congress on Future of the Bantu.

The report was published on March 27 of a Commission on the Socio-Economic Development of the Bantu Areas, appointed by the Union Government in 1951 under the chairmanship of Professor F. R. Tomlinson, professor of agricultural economics at Pretoria University and an authority on Bantu affairs.

The other members of the Commission, in addition to Professor Tomlinson, were Mr. C B Young, Under-Secretary for Native Affairs (Bantu Areas); Dr J H Moolman, of the Natural Resources Development Council, Mr M. D. C. de Wet Nel, M P, deputy chairman of the Native Affairs Commission. Mr. G J. Badenhorst, an industrialist; Dr. C. H. Badenhorst, an authority on missionary work; Dr. J. H. R. Bisschop, of the Onderstepoort agricultural research institute; Mr. J. H. J. van Rensburg, an authority on farming, Mr C. W. Prinsloo, head of the Information Service, Native Affairs Department; Mr F. H. Botha, secretary to the Commission.

The Commission's terms of reference were: "To conduct an exhaustive inquiry into and to report on a comprehensive scheme for the rehabilitation of the Native Areas with a view to developing within them a social structure in keeping with the culture of the Native and based on social-economic planning"

The Tomlinson Commission put forward detailed proposals for the consolidation of the Bantu Areas into seven main divisions or blocks, involving the construction of 100 new Bantu townships, and recommended the expenditure of £104,000,000 on the development of industry, agriculture, and social services in those Areas. The report was divided into four general sections, summarized below, viz., I—an introductory section reviewing the present position of the Bantu population; II—a description of the existing Bantu Areas; III—detailed recommendations for the development of the Bantu Areas; IV—recommendations for planning, finance, and development.

I—Introduction. - The Present Position.

The introductory section gave a general review of the place of the Bantu in South Africa's national economy, together with demographic and other statistical information.

Population. According to the 1951 census, the population of South Africa in that year consisted of 2,643,000 Europeans, 8,535,000 Bantu, 367,000 Asiatics, and 1,103,000 Coloureds Since 1904, while the total population had increased by 144 per cent, the Bantu and Coloured sections had remained almost static in proportion to the total (67 5 and 8.7 per cent respectively), the Europeans had decreased from 21.6 to 20.9 per cent, and the Asiatic section had slightly increased. European immigration, after a large-scale influx during 1890-1904, had diminished to about 2,000 a year, until in 1947 and 1948 it was again responsible for a total net gain of 48,000. "The most important reason for the limited scope of European immigration," the report pointed out, "is the presence in South Africa of large numbers of non-Europeans employed as unskilled labourers, with whom potential unskilled European immigrants cannot compete." In 1951 there were about 650,000 foreign-born Bantu in the Union, at least one-third of whom must be regarded as permanent residents This immigration had contributed considerably to the increase of the Bantu population.

The death-rate in 1952 was under 9 per 1,000 for Europeans, 10 9 for Asiatics, 19.9 for Coloureds, and between 27 and 32 for Bantu. Birth-rates were 45 5 per 1,000 for Coloureds, between 43 and 47 for Bantu, 38.6 for Asiatics, and 26 for Europeans The net reproduction rate was about 1.45 for Bantu, 1.54 for Europeans, 2.03 for Coloureds, and 2.12 for Asiatics

The urban population had risen from under 25 per cent of the whole population in 1904 to 42.6 per cent in 1951. In the latter year 27.1 per cent of the Bantu were living in urban areas, 42.6 per cent in the Bantu Areas, and 30 3 per cent in the remaining rural areas.

The report added "On the basis of the most acceptable population projection . . . we get the following probable population in the year 2000. 4,588,000 Europeans, 21,361,000 Bantu, 3,917,000 Coloured persons, and 1,382,000 Asiatics (total 31,248,000). The Europeans will then constitute only 14.7 per cent of the total, in comparison with 20 9 per cent in 1951. It may, however, be anticipated that the numbers of the European population will still be supplemented by migration in greater or lesser degree, so that their numerical strength will be at a level between 4,588,000 and 6,150,000."

Racial Relations. Racial relations, the report observed, were to a very large extent based on the principle of segregation, which was accepted as self-evident by the vast majority of the European population As the Bantu were introduced into non-Bantu areas and became more and more detribalized and Westernized, however, the European would be confronted with ever greater problems in regard to the maintenance of his position of authority. The principle of separation took the following forms:

(*a*) In the political sphere, government rested in the hands of the Europeans, with very limited Bantu representation in Parliament and the Cape Provincial Council. As a rule the Bantu had no representation in local authorities, and except in the Bantu Areas the administration was exercised almost exclusively by Europeans.

(*b*) In the economic sphere, managerial, professional and skilled workers were almost exclusively Europeans, and the European worker's position was protected against Bantu competition. Bantu workers might not form registered trade unions.

(*c*) There was an almost total absence of free social intercourse between races, and mixed marriages were legally prohibited.

Christian Missions. Seventy-eight recognized Churches and societies were carrying on mission work among the Bantu in 1951, the Methodist Church being the strongest. Religious sectarianism had developed among the Bantu on an unprecedented scale, so that in 1951 1,286 applications by Churches for State recognition were awaiting consideration. Bantu Christians formed 36.1 per cent of the total population, and Bantu heathens 32.5 per cent.

Bantu Education. Expenditure on Bantu education had risen from £2,200,000 in 1945 to £8,500,000 in 1956, of which the State contributed £6,500,000 and Bantu taxpayers £2,000,000. About 1,100,000 Bantu children were attending school in 1956, and over 1,600 Bantu students were attending university institutions.

Political Rights. Under the South Africa Act all male non-Europeans in the Cape who possessed the required property and educational qualifications had possessed the right to vote, whilst in the other Provinces the Bantu had been excluded from the franchise. The Representation of Natives Act of 1936 had placed Cape Native voters on a separate roll, and had provided for their representation by three Europeans in Parliament and two Europeans in the Cape Provincial Council. The Act had also provided for the election of four Senators by chiefs, headmen, Native advisory boards, etc., and for the institution of a Native Representative Council, which was, however, abolished in 1951.

The Bantu were excluded from the municipal franchise in European towns. Native Advisory Boards existed in urban areas to advise town councils on matters affecting adjoining Bantu townships.

The Bantu and the National Economy. Of the Bantu engaged in agriculture in 1946, 66 per cent were entrepreneurs (mainly small farmers in the Bantu Areas) and 34 per cent were employees Productivity in the Bantu Areas was low, the average income of a Bantu farm labourer in 1949-50 being £83 p a, whilst the annual income of farming families in the Bantu Areas was £43 (£22 from farming and £21 from outside work).

There were 427,000 Bantu employed in mining in 1946; they were preponderant in unskilled jobs and largely preponderant in semi-skilled posts. Their average remuneration in cash and kind was £90 p.a. in 1949. Mineral deposits in the Bantu Areas were either not exploited or exploited by European companies who paid royalties to the Bantu.

Of all industrial workers 50.7 per cent were Bantu in 1948-49. Five per cent of skilled workers were Bantu, 40 per cent of semi-skilled workers, and 85 per cent of unskilled. The average wage of Bantu industrial employees in 1948-49 was £110 p.a, compared with £450 in the case of Europeans.

Bantu males constituted 51.2 per cent of male workers in the wholesale and 55.7 in the retail trade in 1946-47, 89 per cent of them being unskilled. Average wages were £103 p a. in the wholesale and £90 in the retail trade. Of transport employees 51.7 per cent were Bantu, of whom the great majority were unskilled

Only 1.1 per cent of economically active Bantu were engaged in the professions, amusements, and sport in 1946, including 11,000 policemen, 4,300 ministers and priests, 14,000 teachers. 74 technicians, 43 doctors, and 13 advocates.

Of the economically active Bantu in 1946, 5 8 per cent of the males and 20.1 per cent of the females were employed in domestic service, forming 88.7 per cent of all domestic servants. Their monthly remuneration in 1952, in cash and kind, was £8 18s. for males and £8 13s. for females.

Income and Social Services. The *per capita* income of the Bantu in 1946-47 was estimated at £23 2, compared with £69.3 for all races. The income of the Bantu, however, was augmented by the amount by which expenditure on Bantu welfare from State and other funds exceeded their own contribution to these funds. In 1951-52, expenditure on Bantu welfare by Central, Provincial and local administrations, and by private organizations (after deduction of Bantu contributions) could be estimated at £28,624,000, or £3 7s. 1d per head of the Bantu population. The portion of expenditure by Union and Provincial administrations which could be allotted to the Bantu amounted to £16,157,000, as compared with a Bantu contribution of £9,677,000.

The report stated "Comparison of the *per capita* government expenditure (all races) on health and education in certain other countries with the *per capita* expenditure for the Bantu population alone in the Union . . shows that the expenditure of the Union in 1951-52 (health £1 6s. 11d, education 15s 9d.) was much higher than that of Kenya (1950. 5s. 1d. and 4s. respectively), Nigeria (1949-50 1s. 2d and 1s 8d.), Uganda (1950. 2s. 4d and 2s. 3d.), the Gold Coast (1949-50 4s 6d and 6s. 1d.), Nyasaland (1950: 1s 7d and 1s 6d.), Tanganyika (1950: 1s. 10d. and 1s 2d), and the Belgian Congo (1950 5s. 8d. and 3s. 8d).

"For Southern and Northern Rhodesia it was possible to calculate the expenditure on Bantu education separately; in Southern Rhodesia it amounted to 6s. 7d. (1951) and in Northern Rhodesia to 6s. 6d. (1950), health expenditure on all races was 13s. 9d. *per capita* in Southern Rhodesia and 12s 5d in Northern Rhodesia in the said years.

"Differences in methods of calculating price levels (as far as these are not expressed in the exchange rates), and in habits and customs, must be borne in mind in international comparisons of *per capita* income. With this reservation, it may be pointed out that the *per capita* income of the Bantu in the Union—namely £19.64 in 1946-47 according to conventional calculation, or £23.17 if that portion of the production of the subsistence sector which does not enter into the market is included in the calculation—is much higher than that of the northern neighbouring States, namely £8.59 in Southern Rhodesia (1946), £5 09 in Northern Rhodesia (1946), £5.93 in Kenya (1949), and £9.57 in the Belgian Congo (1950)"

Non-European Immigration. In 1951 the number of immigrant Natives amounted to nearly 650,000, this implied that the number of Native immigrants had averaged 21,000 a year since 1936. As far as could be established, there was no migration of Union Bantu to neighbouring territories. The main sources of Bantu immigration, according to the 1946 census, were Basutoland (almost 200,000), Portuguese East Africa (141,000), Nyasaland (61,000), Southern and Northern Rhodesia (46,000), Bechuanaland (39,000), and Swaziland (34,000). This immigration was attributable to the high tempo of development in South African mining and industry, and to the consequent fact that higher wages were offered in the Union than elsewhere in Africa south of the Sahara.

II—The Bantu Areas.

This section of the report gave a description of the Bantu Areas, shown on the map on page 15157.

Extent and Resources. The report recalled that the Natives Land Act of 1913 had prohibited the acquisition by any person other than a Bantu of any land in Scheduled Native Areas without the Governor-General's consent, and the acquisition by a Bantu of any land, or interest in land, outside a Scheduled Native Area from a person other than a Bantu. The Native Trust and Land Act of 1936 had prescribed a large number of "Released Areas"—i.e. areas released for acquisition and occupation by Bantu and by the South African Native Trust. The eventual total extent of the Bantu Areas, if the full quota of land to be acquired in each Province was obtained, was 19,422,808 *morgen*; to this must be added 188,660 *morgen* owned by Bantu outside Scheduled and Released Areas, for which provision would have to be made upon expropriation. [A *morgen* is a little over two acres.]

The Bantu Areas were situated chiefly in the eastern parts of the Union, and comprised some 260 separate areas which, taken together, formed a rough horseshoe in shape, curving round the Orange Free State and the Transvaal Their total extent, after addition of all the land provided for under the 1936 Act, would be nearly twice as large as Natal, considerably larger than the Orange Free State, and 13 7 per cent of the whole area of the Union. If the High Commission Territories (which were essentially Bantu Areas) were included, Greater South Africa would consist of 766,000 square miles, of which 348,000 square miles (45 per cent) would belong to the Bantu. Of the total Bantu population of Greater South Africa, 4,700,000 (49 per cent) lived in the Bantu Areas.

The south-eastern sector of the Bantu Areas was very favourably situated as regards water resources; in the north-western sector, however, there was insufficient permanent water, and in some parts the lack of water was so serious that there was scarcely sufficient for stock-farming. The coalfields often impinged on the Reserves, but the principal sources of power were situated within the European area. The less important minerals, such as asbestos, platinum, and chrome, were mostly derived from the Bantu Areas, the north-western sector being much richer than the south-eastern in this respect. There was no industry in the Areas, and in many parts the principal railways and roads passed between them, although no Bantu Area was far from a road or railway.

Population. At present 3,600,000 Bantu lived in the Areas, which were the most densely populated parts of the Union, apart from the large urban centres. There were no Bantu cities or towns in these Areas. At the time of the 1951 census about 569,000 persons were temporarily absent from the Areas; if this number was added to the *de facto* population of 3,633,000, it appeared that 4,202,000 Bantu, or more than half the indigenous Bantu of the Union, had their homes there. The absent males formed about 12 per cent of the total population of the Areas.

III—Development of the Bantu Areas.

Detailed recommendations for the economic and social development of the Bantu Areas were contained in this section, which also discussed the racial considerations involved.

Racial Policy. The report stated that the Commission had become convinced of the very close relationship between the existence and future role of the Bantu Areas and the so-called Native problem in general, and wished to emphasize that a "clear and purposeful policy was absolutely essential." The purpose behind the legislation of 1913 and 1936 had been to create a national home for the Bantu, while limiting their rights in the non-Bantu areas. This policy, however, had not been fully implemented, as a result of (*a*) the undeveloped state of the Bantu Areas; (*b*) the slow rate of purchase of land under the 1936 Act, (*c*) the large-scale process of economic integration over the past decade; and (*d*) the "slow and half-hearted manner" in which administrative powers had been conferred on the Bantu in the Bantu Areas The two population groups [European and Bantu] were becoming more and more interwoven, especially in the cultural, political, and economic spheres, and if this process continued the probable results would be cultural assimilation, the removal or disappearance of all economic measures differentiating between the two groups, cultural and economic equality leading to political equality, increased social contact, and ultimately complete racial assimilation.

The Commission was convinced that there was little hope of evolutionary and peaceful development occurring in South Africa along these lines The European population, if given the choice, would be willing to subordinate economic considerations and advantages to the aim of opposing any development threatening their existence as a separate racial entity, whilst on the part of the Bantu there was "a growing conviction that they are entitled to, and an increasing demand for, the fruits of integration, including an ever greater share in the control of the country" A policy of integration could therefore only lead to "problems and dangers of the greatest intensity."

The only alternative was to promote "the establishment of separate communities in their own separate territories, where each will have the fullest opportunity for self-expression and development." Although the argument was sometimes used that the Bantu Areas were not large enough, or did not possess the required potential for development, to make this policy a practical proposition, it appeared that these Areas, if properly developed, would be capable of carrying a population equal to that of the present Bantu population of the Union, and of providing them with a reasonable standard of living. The implementation of the Commission's policy of separate development, however, would have to be effected within the framework of the consolidated Bantu Areas of the Union, the native areas of South-West Africa, and the High Commission Territories.

[One member of the Commission, Dr. Bisschop, expressed doubts in a minority report about the practicability of any of the three policies which had been suggested—i.e. integration, a combination of economic integration with segregation in all other spheres, and segregation. He accordingly proposed that segregation should be tested in practice, and if, as he feared, it were found impracticable, progressive integration with its economic and political consequences should be accepted.]

Principles of Development. Development of the Bantu Areas was desirable as a means to prevent further deterioration and destruction of their natural resources, to increase the Union's food production, to use Bantu labour more productively, to provide opportunities for the free development of the Bantu, and to raise their living standards. The primary aim should be the welfare of the Bantu, and European participation should be restricted to the extent to which it did not harm Bantu interests Development should be linked with that of the Union as a whole, and should be undertaken in co-operation with the Bantu and, as far as possible, by the Bantu themselves.

Agricultural Development. "To create a stable and productive system of agriculture in the Bantu Areas," the report stated, "it will be necessary to change the present system under which all Bantu endeavour to be farmers—that is to plough, raise crops, and graze livestock—to one in which only those families who want to be full-time farmers are provided with units capable of producing a respectable living" In terms of the present standard of Bantu production, a farming family in the Bantu Areas required on the average 52.5 *morgen* of land to make a gross annual income of £70. On this basis, the Bantu Areas could carry about 307,000 farming families, or about 51 per cent of the population as recorded in the 1951 census. The further 3,000,000 *morgen* which would eventually be added to the Bantu Areas under the 1936 Act would be able to carry 50,000 more families. The Commission estimated the cost of settling 307,000 families in the present area at £46,700,000.

The Commission recommended. (1) All land within the Bantu Areas should immediately be declared "betterment areas," and stabilization (i.e. conservation) measures started. (2) Such measures should, wherever possible, be undertaken with the consent and co-operation of the inhabitants of the Reserves concerned, but where protection of the soil demanded it they should be carried out even without such consent (3) Wherever practicable, settlement should be undertaken on a basis of "economic farm units." (4) A sufficient number of Bantu farmers should be settled as soon as possible in order to test the proposed land units (5) Families for whom provision could not be made should be placed temporarily in the residential sections of the betterment areas, or in Bantu villages or towns. (6) Provision should be made for the sale only of planned and fully stabilized land, and only to settlers already living in the betterment areas. (7) Before being permitted to purchase a second unit, a Bantu should already be in full possession of a farm unit. (8) The sale of arable land and grazing rights should be subject to the condition that they were used efficiently. (9) The Lands Division of the Native Affairs Department should be the principal source of credit.

Irrigation Farming. The irrigable potential of the Bantu Areas was estimated at 63,341 *morgen*, on which it would be possible to settle 36,000 families (216,000 persons) at a cost of £3,000,000.

Sugar-cane Growing. The Commission recommended that 30,000 acres of cane should be planted in accordance with a five-year plan. From this scheme (the cost of which was estimated at £365,200) an annual production of 45,000 tons of sugar could be realized, and 3,750 families could be established in full-time farming.

Fibre-planting. The Commission recommended that an area of about 30,000 *morgen* should be planted with New Zealand hemp and sisal over a 10-year period.

Forestry. The Commission recommended that 255,000 *morgen* (538,000 acres) should be afforested, yielding a net profit of about £32,000,000 over a period of 40 years Total expenditure was estimated at £27,000,000 and gross revenue at about £59,000,000.

Mining. A Bantu Mining Section of the Native Affairs Department should be formed, and should co-operate with the Development Corporation [see below] and the Native Trust in the development of mining. Limits not exceeding 10 years should be set upon the periods for which mines were leased to European enterprises. As far as possible, all mineral rights in Bantu Areas not possessed by Bantu or the Native Trust should be purchased or expropriated by the Trust.

Industry. As examples of goods for the Union and export markets which could be manufactured in the Bantu Areas, the report mentioned cheap clothing, footwear, textile goods, and pressed metal goods. The demand for goods and services inside the Reserves was limited at present by the low income of the population, but as this was raised by general economic development a demand would be created for such industries as baking, building, clothing and textiles, footwear, furniture, and household ware The development of forestry and mixed farming, and the cultivation of fibre crops, sugar-cane. fruit, vegetables, and grain would provide the raw materials for timber, paper-making, rope-making, sugar-refining, canning, dairying, and milling industries The basic requirements for an iron and steel industry were present in or near Bantu Areas, and urban development would stimulate quarrying and cement-making Active encouragement should also be given to handicrafts

To ensure that the labour available was employed as productively as possible, the Commission recommended that technical colleges should be erected in the Areas, that the proposed Bantu University [see below] should make provision for the training of technicians and professional officers, and that existing industrial schools serving Bantu Areas should be expanded The Wage Board should be provisionally responsible for determining wages in all labour disputes in Bantu Areas, and the formation of trade unions should not be permitted at the present stage. It should be the Government's responsibility to provide the necessary basic services, such as power and water, before industries were established.

At least £25,000,000 should be provided by the Government for industrial development in the Bantu Areas over a period of five years. If, after this period, larger amounts appeared to be necessary, their size should be determined in the light of prevailing circumstances.

Everything should be done to assist the Bantu to undertake the establishment, management, and development of industry in their own Areas. For a considerable time, however, Europeans and the Government would have to act as entrepreneurs, subject to the following conditions: (i) Bantu must be employed as far as possible and in occupations in which Bantu could not be engaged within a short time provision should be made for training. (ii) Bantu investors and the Development Corporation should have the first option of taking over the share interests of European entrepreneurs who wished to withdraw (iii) European enterprenuers should aim at allowing the Bantu to participate progressively in the management of, as well as investment in, undertakings

The Government should also act as an entrepreneur through a Development Corporation, which, *inter alia*, would create a special section for the promotion of small Bantu enterprises and of co-operative production.

Location of Industry. Industrial development in European areas near Bantu Areas would enable Bantu employees to live with their families, stimulate development in the Bantu Areas, and relieve pressure on agricultural resources. It would have the disadvantage, however, that "the limitations in the industrial sphere which apply to them in all other European areas would also be in force here, and in such circumstances it will be particularly difficult to create a class of skilled workers and entrepreneurs among the Bantu"

Industrial development inside the Bantu Areas could take place through three main channels: (i) through Bantu entrepreneurs; (ii) through the Development Corporation, either by providing Bantu entrepreneurs with help and guidance or by itself acting as entrepreneur; (iii) through European entrepreneurs. Channels (i) and (ii) should be given preference, but to achieve the desired tempo of development the third channel would also have to be used. The type of industries allowed should be carefully selected so that the number of Europeans was reduced to a minimum, their number should diminish as Bantu were introduced into skilled jobs and administrative and technical positions, and the Europeans employed should be housed in existing "white spots" or temporary "white locations," no right of ownership being granted.

The Commission reached the conclusion that circumstances appeared favourable for an immediate initiation of industrial development in four of the 20 Bantu regions—the Transkei (Cape); Letaba-Shingwedzi (N E. Transvaal); Umzimkulu-Harding (Natal), and the Olifants, Steelpoort, and Blyde River blocks (E. Transvaal).

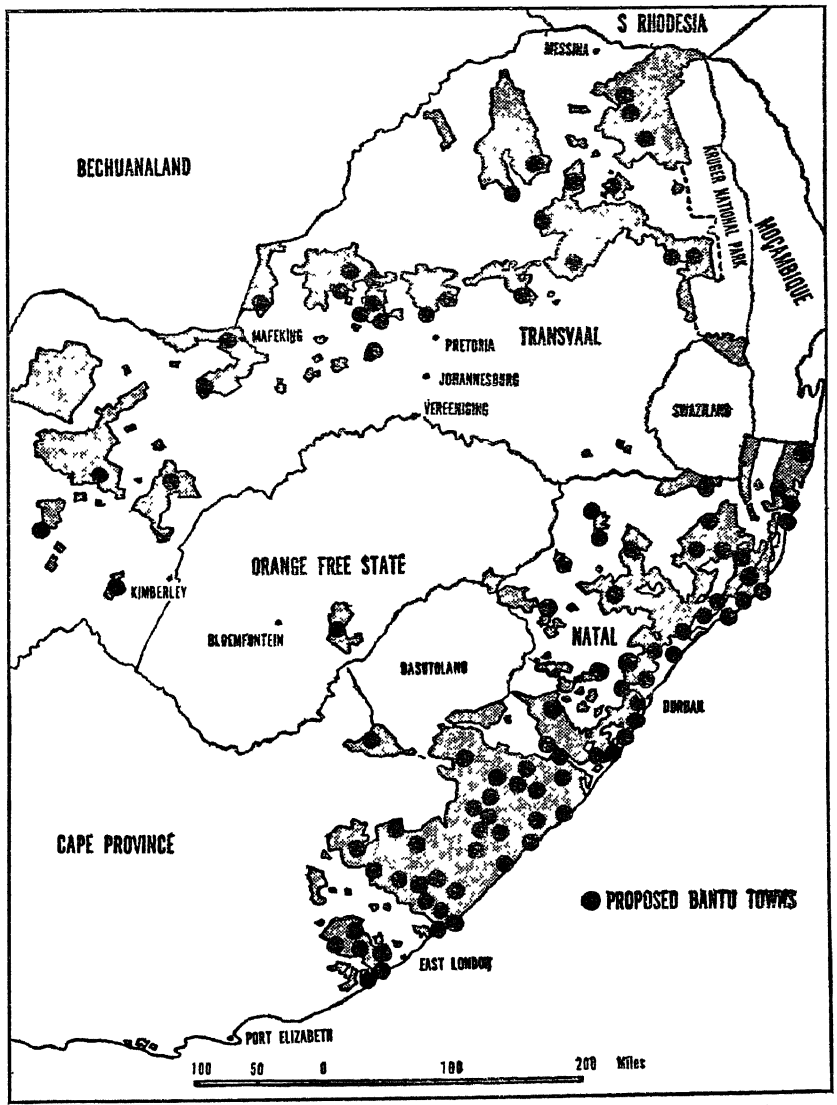
[Two of the Commissioners, Mr. Young and Mr. Prinsloo, submitted a minority report opposing the establishment of industries in the Bantu Areas by persons other than Bantu or bodies controlled by the State.]

Urban Development. - Proposal for 100 New Bantu Towns. The creation of towns was necessary as an inherent part of development, and also for the proper organization of agriculture, as more than 1,500,000 people would have to abandon agriculture in order to give those who remained the opportunity of making a living out of the land without resorting to periodic spells of work elsewhere "The Bantu towns to be established," the report emphasized, "should be towns in the full sense of the word. The Bantu inhabitants must have full proprietary rights; the businesses, the professions, the education, administration, etc., must be completely in the hands of the Bantu, or gradually handed over to them."

Specifically, the Commission proposed the building of 100 new townships in the Bantu Areas—34 in Natal, 32 in the Transkei, six in the Ciskei, 14 in the Northern Areas, and 15 in the Western Areas. Those in the Transkei would include Umtata, which at present had 3,000 European, over 5,000 Bantu, and about 800 Coloured inhabitants, and which the Commission regarded as the future capital of the largest Bantu block in South Africa. The initiative in the establishment of villages and towns should be taken by the Native Affairs Department and the Development Corporation [See accompanying map]

Trade. A special commercial section should be established in the Development Corporation to assist Bantu traders and consumers' co-operatives, e.g. by making provision for commercial training, supply of capital, etc.

Land Tenure. The Commission recommended that title-deeds to both farming and urban land in the Bantu Areas should be granted to the Bantu who purchased such land, and that this form of ownership should replace all other forms of tenure. The holding of title-deeds to agricultural land should be subject to good usage of the land.



The map shows the Bantu Areas (shaded) and the sites of the 100 new Bantu towns proposed by the Tomlinson Commission. (*State Information Office, Pretoria*)

Christian Missions. The report emphasized that the Churches should be deliberately associated with the entire development programme for the Bantu Areas, and recommended that the State should give regular financial support for the training of spiritual workers and missionaries The Commission also recommended "freezing" the further recognition of Churches for as long as the State considered it necessary, stricter supervision of the activities of sectarian movements, and the licensing of all persons wishing to do ecclesiastical work among the Bantu.

Health Services. A comprehensive and co-ordinated Health Service for the Bantu Areas should be established under the Union Health Department This service should be staffed by Bantu as far as possible, but should be operated initially under the direction of Europeans until the Bantu could assume full responsibility A network of clinics should form the basis of the service, and the Bantu should contribute to the cost of the service through a health tax.

Welfare Services. All existing welfare measures in the Bantu Areas should be continued, but should be linked to Bantu Authorities as speedily as possible. Their administration should rest with a special section connected with the Native Affairs Department. All welfare and social security measures applicable to urban Bantu in the European sector should also apply in the Bantu Areas

Education The Commission approved the Native Education Commission's proposals for (i) a lower primary school with a four-year course, (ii) a higher primary school with a four-year course; (iii) secondary and technical schools with four- or five-year courses, (iv) post-matriculation and university training. It also recommended the establishment of a Bantu University of South Africa with constituent colleges, organized on a federal basis. Schools for the training of artisans and of commercial and agricultural workers should be established in the Bantu Areas.

Information The report recommended the conversion of the existing Information Service of the Native Affairs Department into a departmental Enlightenment Service which would furnish the Bantu with information on Government policy, make a study of Bantu movements and organizations, ascertain the wishes of the Bantu and make them known to the Minister and the Department, and furnish the European public with information on the Bantu About two-thirds of the Native Commissioner units should be converted into posts of Magistrates and Inland Revenue Officers, and one-third into Liaison Commissioners, who would explain the Department's development proposals to the Bantu and obtain their co-operation.

Population Capacity. The Commission estimated that the opportunities of employment provided by the Bantu Areas would enable them to support a population of about 8,000,000. If another 1,500,000 were supported by bread-winners working elsewhere in the Union, this would give a total population of 9,500,000

Consolidation of the Bantu Areas. As at present constituted, the Bantu Areas comprised 110 units, in addition to 154 isolated Bantu lands within the European areas The Commission recommended the consolidation of these areas, together with the High Commission Territories [i e. Basutoland, Bechuanaland, and Swaziland] into seven blocks (1) the Tswana Block, with Bechuanaland as nucleus; (2) a Venda-Tsonga Block in the north-east; (3) a Pedi Block, with Sekhukhuneland as nucleus; (4) a Swazi Block, with Swaziland as nucleus; (5) a Zulu Block south of Swaziland; (6) a South-Eastern Nguni Block, with the Transkei as nucleus, (7) a South-Sotho Block, with Basutoland as nucleus.

All European areas and Crown lands situated within these areas would be declared Bantu exchange land, and all Bantu Areas outside them as European exchange areas The coming into being of the seven Bantu Areas would mean that 357,421 square miles (including 65,000 square miles of the Union)—or approximately 47 per cent of the former British South Africa—would be set aside for exclusive utilization by Bantu.

Tempo of Development. Stressing the necessity of immediate action, the report emphasized that delay would result in further deterioration of the soil in the Bantu Areas and an intensification of Bantu settlement in White urban areas. The Commission therefore proposed that development should be enforced over a period of 25-30 years, to ensure that the Bantu Areas should support a population of about 8,000,000 by 1986, in addition to a further 2,000,000 (including absent migrant labourers) who might be housed there on the basis of incomes earned in the border areas or other parts of the Union At this rate of development, the Bantu Areas could accommodate about 60 per cent of the Bantu population by 1981 and about 70 per cent by the year 2000

IV.—Planning, Development, and Finance.

The final section discussed organizational and financial questions arising out of the above recommendations.

Organization. The Commission recommended that the development of the Bantu Areas and co-ordination of the activities of other departments should fall under the control of the Minister of Native Affairs The Minister should increasingly delegate his powers with regard to the Bantu Areas to a member of the Native Affairs Commission, who should at a later stage be raised to the status of a Deputy Minister

A post of Deputy Secretary (Bantu Areas) should be instituted, and the divisions within this part of the Native Affairs Department should be expanded and, when necessary, reorganized into sub-departments, each under an Under-Secretary or Director. Where possible, the organization of the State Departments concerned should be adapted or expanded in such a way that there would be a Bantu Areas division in each. Bantu should be trained by degrees to fill all posts, as far as possible, in these divisions.

The South African Native Trust should make over its development activities to the Development Corporation or the sub-departments mentioned, but should still hold lands in trust and exercise control over matters relating to land rights in the Bantu Areas. The Native Trust Fund should serve as the central treasury for the Bantu Areas, and all parliamentary allocations for use in these Areas should be brought together in a consolidated Budget, drawn up by the Minister of Native Affairs and submitted by the Finance Minister as a separate sub-section of the Union Budget

A Development Council for the Bantu Areas, consisting of a full-time chairman and five to nine full-time members appointed by the Governor-General for their knowledge of the problems involved, should be created to advise the Minister of Native Affairs. There should also be eight part-time members, four of whom should be Bantu

A Development Corporation for the Bantu Areas should be instituted under the Native Trust, with capital funds made available *via* the Trust, and should be empowered to supplement these funds by issuing redeemable shares with restricted dividends and voting powers. Its aim would be the raising of economic and social standards in the Bantu Areas through the promotion of Bantu undertakings and the establishment of its own undertakings, which would eventually be transferred to the Bantu

Finance. The Union Government would be responsible for the financing of the Native Trust and, through it, of the State Departments and development bodies concerned Possible sources of new capital would include loans from home and foreign sources, the International Bank, the U.S. Point Four Programme, and certain of the larger U.S. philanthropic organizations The Native Trust would also receive funds from the sale or leasing of Trust land to Bantu farmers, royalties from mineral exploitation, and profits made by the Development Corporation.

Private enterprises could provide capital by locating their undertakings in the Bantu Areas, subject to certain conditions These would include. (i) that the enterprise should be organized as a separate company, (ii) that only Bantu should be employed except for managerial, technical, and certain skilled posts, and that Bantu should be trained to fill these posts as soon as practicable, (iii) that after a specific period a permit would have to be obtained for the filling of any vacancy by a European (iv) that as long as the company was under European control, it might not obtain any surface or mineral rights in the Bantu Areas without a permit from the Trust.

The Commission estimated the finance required over the first ten years of its development plan as follows

	£
Soil reclamation	27,400,000
Loan facilities for Bantu peasants	3,000,000
Sugar-cane planting	370,000
Fibre cultivation	116,000
Irrigation	3,000,000
Forestry development	3,000,000
Mining development	1,000,000
Industrial development	30,000,000
Towns and villages	12,000,000
Railways and roads	7,830,000
Electricity services	5,000,000
Hospitals and clinics	5,000,000
Welfare and information services	3,600,000
Schools and colleges	3,000,000
Total	£104,316,000

If these proposals were carried out, the present budget of the Native Affairs Department would probably be doubled over the next 10 years, and might rise to about £20,000,000. The sale of land would bring an income of £130,000,000 over 50 years; forestry would return a profit of £32,000,000 over 40 years, and the funds devoted to fibre and sugar-cane cultivation would be recoverable within 50 and 25 years respectively. The profits derived from enterprises undertaken or financed by the Development Corporation might add to development funds, and the higher earnings of the Bantu would also lead to higher income from taxation.

The Union Government's views on the Tomlinson Report were published in a White Paper on April 24, 1956.

The Government accepted the factual material provided by the Commission "as a basis for the further development of ideas and the determination of policy by the Government and the departments concerned," and welcomed the "unequivocal rejection of the policy of integration and of any theories of a possible middle course, as well as the justification by the Commission of the policy of *apartheid*." The White Paper also declared that the Government welcomed "the endorsement of its standpoint, maintained throughout the years, that sufficiently rapid progress will have been made and the further advancement of the process of separation guaranteed—in other words, that security would be ensured for White civilization and opportunities created for both racial groups in all spheres, each in its own territory or among its own people—if after a period of 50 years an approximately equal proportion of Whites and Bantu has been reached in European territory."

Many of the Commission's detailed recommendations were, however, rejected, the more important being the following:

(1) As regards the Commission's recommendation for a 10-year development programme for the Bantu Areas costing £104,000,000, the White Paper declared that "the extent and rate of development in the different fields of activity cannot be determined in advance with any degree of certainty, and the Government therefore does not deem it advisable to fix at this stage the amounts needed for the various projects." Instead, the Government would recommend to Parliament what amount should be contributed to the Native Trust Fund to begin

the process of accelerating afforestation, soil conservation, and irrigation. The White Paper expressed the conviction "that the further development of the Union's natural resources, coupled with the maintenance of a sound financial policy, will enable it to carry out at a satisfactory pace an effective programme which will convert their own areas into a prosperous homeland for the Bantu."

(2) The Commission's proposal that European enterprise should help to build up industries in the Bantu Areas was not accepted by the Government. The White Paper declared that Whites should in no circumstances be given a part to play in building up the economy of the Reserves, which would thus be left to the Bantu themselves, helped by Government funds allocated for this purpose. In this connexion it was stated that the planning, encouragement, and financial assistance required for industrial development in the Reserves should be provided by the Native Affairs Department alone.

(3) The Commission's proposal for a Development Corporation for the Bantu Areas was likewise rejected, as the Government wished to retain its control through the Native Affairs Department A special officer would be appointed in that Department, however, to assist Bantu industrialists in finding capital and to provide the necessary technical assistance.

(4) Because of the rejection of the principle of using White initiative in the economy of the Reserves, there was, in the Government's view, no room for a £25,000,000 fund to finance industrial development as proposed by the Commission Instead, the White Paper said, the financing of Bantu industries should be based chiefly on the principle of self-aid by the mobilization of Bantu capital in a Bantu Areas Investment Organization. This would be encouraged by making use of funds at the disposal of the Native Trust, from which at least £500,000 could be granted immediately for the commencement of the scheme. The Government would also provide assistance and incentives for White industrialists to set up European-owned industries near the Native Reserves—a proposal which it regarded as "of the utmost importance."

(5) Rejecting the Commission's proposal for land tenure reform in the Reserves, and for the carefully controlled sale of farmland to individual Bantus as an incentive to greater productivity and better care of the soil, the White Paper said that the Government was not prepared to abolish tribal tenure of rural land, though it accepted proposals for farming reforms in principle.

(6) On the Commission's proposal that the Native Affairs Department be greatly enlarged and reorganized, the White Paper said that the Government rejected "the idea of establishing a whole series of departments, each with its own permanent head, under one Minister ... In the case of the Native Affairs Department ... all the administrative and other activities are interwoven to such an extent that they must be carried out within a unitary organization."

(7) While agreeing with the Commission's recommendation that "the State should assist the Churches to perform their task efficiently," the White Paper said that "the Government does not see its way to subsidizing missionary work, as there are recognized denominations whose outlook is not in accordance with requirements." The idea of a special branch of the Native Affairs Department to help the Churches doing mission work in the Reserves was too ambitious, although the Government was prepared to appoint a liaison officer.

As regards other important recommendations of the Commission, the proposal for a comprehensive Health Service for the Native Reserves was noted, but the White Paper said that an inter-departmental committee must first go into the matter. The proposed reorganization and development of welfare services by the Native Affairs Department, and their eventual control by Bantu authorities, were approved in principle, though this decision would only be implemented when the Government was satisfied that the time was ripe. While sympathizing with the proposals on mining in Bantu Areas, the Government did not consider the present time appropriate for departing from the present practice.

A debate on the Tomlinson Report took place in the House of Assembly on May 14-16.

Dr. Verwoerd (Minister of Native Affairs), reiterated that the Government accepted the Report in principle but reserved the right to deal on their merits with the methods advocated in it. The crux of the Report was that the future existence of the Whites in South Africa was unpredictable if the increasing Bantu population continued to settle in European Areas. The capacity of the Bantu Areas must therefore be increased if the Whites were not to be "swamped," and those areas must become the home of the Bantu—a policy which the Government accepted, and which was the traditional policy of South Africa.

Dr. Verwoerd went on to explain the reasons for the Government's rejections of certain recommendations. As regards the Commission's proposal that £104,000,000 should be spent over 10 years, he maintained that no Government could ever budget for more than one year ahead; Britain's experience in Central Africa and elsewhere had shown that it was not possible or practicable to decide on a gigantic scheme or to decide in the beginning how much to spend on it, and it was therefore far wiser to let the matter develop and review it from year to year. He gave an assurance, however, that the country could easily afford the necessary expenditure for a policy of *apartheid* without curtailing services for the White population.

Regarding the Government's non-acceptance of the Commission's recommendation that White enterprise should be used to build up industries in the Native Areas, Dr. Verwoerd said that this proposal would lead to the establishment of vested interests for Whites in Bantu Areas, to the possible prejudice of Native rights. Moreover, such a development would promote "the partnership idea in the economic sphere, which would encourage the partnership idea in all spheres, including the political."

Mr. Strauss (Leader of the Opposition) pledged the United Party's support for "non-ideological development" of the Native Reserves, agreeing with the Government that this was one of the most important tasks facing the country. Some common basis of agreement for tackling this urgent problem should be found, and he believed that it was possible to find substantial common ground on the methods to be followed and the money to be spent, provided the Government did not insist on the Opposition accepting all the "ideological trappings of the word *apartheid*" Mr. Strauss declared: "Let us tackle the most important task first. Let us develop the Reserves agriculturally and industrially. Let us leave posterity to judge whether such development will in fact bring about territorial and economic integration."

Mr. Strydom (the Prime Minister) announced that £3,500,000 would be provided for the development of Native Reserves during the current financial year. He appealed for all-party co-operation in the development of the Reserves as a separate home for the Bantu, and the maintenance of the principle of *apartheid*.

During the debate **Mrs. Ballinger** and **Mr. Lee-Warden** (Natives Representatives) cast doubt on the Government's sincerity, whilst **Mr. Harry Oppenheimer** (U.P.) suggested that the Tomlinson Commission had under-estimated by more than half the cost of establishing industries in the Native Reserves.

Dr. Verwoerd, replying to the debate, expressed doubts about the value of the pledge of co-operation given by Mr. Strauss, as it was tied up with the Opposition's policy of integration of all races into one community. "We have no illusions," he declared, "about the difficulties which we may have to face in future in trying to arrive at a solution. No policy can bring absolute safety for the future, but there is no doubt in which circumstances South Africa is likely to have the least possible trouble. Racial integration will lead to European cities ceasing to be European cities, and ultimately to the Government's ceasing to be a White Government."

A national congress on the future of the Bantu in South Africa was held at Bloemfontein on June 28-30. It was sponsored by the South African Bureau of Racial Affairs, the Federation of Afrikaans Cultural Organizations, and the three Dutch Reformed Churches. Of the 800 delegates representing nearly 500 bodies and organizations from all parts of South Africa, the Rhodesias, and Central Africa, more than half were ministers of religion or missionaries.

The conference expressed its full support for the recommendations of the Tomlinson Report, welcomed the Government's "acceptance of the broad principles of the Report," and appealed to the delegates to enlighten the South African public on the task of implementing the policy of separate development. It appealed to the Churches to give still more attention to the problem of the relationship between Whites and Bantus, and asked them to consider the consolidation of mission work It also expressed support for the incorporation of Bantu studies and the Bantu language as full subjects in the matriculation curriculum of European schools.

The Conference was addressed by Professor Tomlinson, who summarized the conclusions of the Commission, including those rejected by the Government—e.g. the proposal for the participation of Whites in the development of the Bantu Areas, the introduction of individual Native land ownership aided by a credit system, and the recommendation that Europeans, either individually or through the State, must contribute "considerably" in capital to provide the stimulus necessary for the industrial development of the Bantu Reserves. In the latter connexion he stressed that the Commission had thoroughly investigated the possibilities for raising capital in the Bantu Areas, but had found that, initially at least, the chances were only slender. Without the stimulus which White capital could provide, therefore, the possibilities of industrial expansion on a fairly wide scale, and at the rapid pace which was an absolute necessity, were small. Reiterating his proposal that White industrial entrepreneurs should set up industries in the Bantu areas, Professor Tomlinson said that this, like the provision of capital, was an essential condition for the establishment of an industrial structure, as the Commission had found that there would not be enough suitable entrepreneurs among the Bantu for a long time to come.

A national conference of African leaders from all parts of the Union, organized by the Inter-Denominational African Ministers' Federation, was held at Bloemfontein on Oct. 4-7 to consider the Tomlinson Report. The conference declared that the Government's *apartheid* policy constituted a "serious threat to race relations in South Africa"; called upon all national organizations "to mobilize all people, irrespective of race, colour, and creed, to form a united front against *apartheid*"; appealed to the Churches to take a clear and unequivocal stand against *apartheid* "in the defence of Christian and human values now being trampled underfoot"; and rejected the Tomlinson Report in its entirety. "Implementation of the report," the resolution said, "would mean a continuation of the *status quo* ... and an aggravation of the worst evils of the present system ... denying the African the inalienable basic human rights." Though welcoming the general development of Native Reserves, the conference declared that a separate plan for development based on *apartheid*, as proposed by the Tomlinson Report, was "totally unacceptable."—(State Information Office, Pretoria - Cape Times - Die Burger, Cape Town)

A. NETHERLANDS. — Formation of New Drees Government after Prolonged Cabinet Crisis.

The longest Cabinet crisis in the parliamentary history of the Netherlands ended on Oct. 12 when Queen Juliana signed a decree appointing a new Government headed by Dr. Willem Drees, the leader of the Labour Party, who had held the premiership uninterruptedly from 1948 until his resignation on June 17 after the last general elections.

Dr. Drees' earlier attempt to form a new Coalition Government (see 14936 E) had been unsuccessful, and on July 24 it was announced that he had asked Queen Juliana to relieve him of this task because of his failure to reconcile the views of the Labour and Catholic People's parties, especially in relation to certain economic and financial questions. The Queen then asked Professor Romme, parliamentary leader of the Catholic People's Party, to try to form a new Administration, but he also returned his mandate on Aug. 1.

Next, Professor Lieftinck, Netherlands Director of the World Bank in Washington and a former Minister of Finance, was asked by the Queen on Aug. 8 to mediate between the Catholic People's and Labour parties with a view to forming a new Government. Although he investigated the position, first from the point of view of a Cabinet enjoying the support of a parliamentary majority, and then—at the Queen's request—on the basis of an "extra-parliamentary" Cabinet which would seek the support of a parliamentary majority as occasion arose, he informed the Queen on Aug. 22 that he saw no possibility of a solution to the Cabinet crisis

After Professor Romme had declined a request by Queen Juliana to make a second attempt to form a Government, the Queen appointed on Aug. 22 Professor W. F. de Gaay Fortman (Anti-Revolutionary Party) as Cabinet *informateur* After several weeks of negotiations, however, Professor de Gaay Fortman was equally unsuccessful and returned his mandate on Sept. 21.

The Queen thereupon asked Mr. J. W. A. Burger, the leader of the Labour Party in the Lower Chamber, to try to bring about the formation of a new Cabinet, and his efforts eventually succeeded in the appointment of a new Coalition Government under Dr. Drees, supported by the Labour, Catholic People's, Anti-Revolutionary, and Christian Historical parties.

The membership of the new Government was announced on Oct. 12 as follows:

*Dr. Willem Drees (Labour) ..	Premier.
*Mr. J. M. A. H. Luns (Catholic)	Foreign Affairs.
Mr. H. Hofstra (Labour) ..	Finance.
*Mr. J. G. Suurhoff (Labour) ..	Social Affairs.
*Mr. S. L. Mansholt (Labour) ..	Agriculture.
Prof. I. Samkalden (Labour) .	Justice.
Mr. A. Struycken (Catholic) ..	Home Affairs and Industrial Planning.
Miss Marga Klompe (Catholic)	Social Welfare.
*Mr. J. M. L. T. Cals (Catholic)	Education.
*Mr. H. B. J. Witte (Catholic)	Reconstruction and Housing.
*Prof. J. Zijlstra (Anti-Revolutionary)	Economic Affairs.
*Mr. J. Algera (Anti-Revolutionary)	Transport and Waterways.
*Mr. Cornelis Staf (Christian Historical)	Defence, and Realm Affairs *ad interim*.

*No change.

The new Cabinet thus consisted of 13 Ministers as against 16 in the previous Administration. [There were, however, only 15 Ministries, since the old Cabinet had two Ministers of Foreign Affairs, i.e. Dr. Beyen and Mr. Luns.] The Labour and Catholic People's parties each have five members in the new Cabinet, the Anti-Revolutionary Party two, and the Christian Historical Union one. The only important political group not represented in the new Government is the Freedom and Democracy League.

Nine of the Ministers retained the portfolios they had held in the previous Government, whilst the four new Cabinet members were Miss Klompe, Mr. Struycken, Mr. Hofstra, and Professor Samkalden.

Miss Klompe, who became the Netherlands' first woman Minister, studied mathematics and physics at Utrecht University and has been a member of the Lower Chamber since 1948. She has also been a member of the Consultative Assembly of the Council of Europe since 1949 and is the only woman member of the Common Assembly of the European Coal and Steel Community.

Mr. Struycken, a former Minister of Justice, has been Governor of the Netherlands Antilles since 1951.

Mr. Hofstra, a member of the Lower Chamber since 1945, has been manager of two workers' insurance banks; he is the Labour Party's financial expert and an advocate of a planned economy.

Professor Samkalden is a lecturer on constitutional and general law.

The Ministers who left the Government were: Professor van Oven (Justice), Dr. Beyen (Foreign Affairs), Mr. van de Kieft (Finance), and Mr. De Bruijn (Industrial Relations). Mr. Kernkamp, the former Minister for Affairs of the Realm, had died on July 18.

It was stated in the Dutch press that whilst the Ministry for Affairs of the Realm had been provisionally placed under Mr. Staf, the Minister of Defence, it was probable that it would be abolished before long in view of the fact that it was considered no longer necessary, because of the new relationship of the Netherlands with Surinam and the Netherlands Antilles, and the inclusion of Surinam and Antilles Ministers in the "Realm Cabinet" (see 14041 A; 14738 D).

Owing to the length of the Cabinet crisis, Dr. Drees, as well as eight of his Ministers and a Secretary of State, announced on Oct. 2 that they had decided to resign from the Lower House of the States-General because the period during which they could under the Constitution be Members of Parliament as well as Ministers had expired.

Cabinet Ministers and Secretaries of State in the Netherlands need not be Members of Parliament, their position automatically conferring on them the right and the duty to appear and to speak in Parliament when matters concerning their Ministry are under debate. In the place of the resigning Ministers, ten new members—selected from the respective party lists submitted at the general elections—were appointed by the President of the Central Polling Office to the Lower Chamber, in accordance with the previous distribution of seats, i.e., four Labour, three Catholic, two Anti-Revolutionary, and one Christian Historical.

It was, however, pointed out in the Dutch press that the resignation of their parliamentary seats by the Ministers concerned was of little importance because the coming expansion of the Lower Chamber to 150 members, and of the Upper Chamber to 75, would enable the Ministers to regain their seats in Parliament at an early date.—(Netherlands News Agency) **(Prev. rep. 14936 E.)**

B. SIERRA LEONE. — Constitutional Changes. - Electoral Reform.

It was announced in London on Oct. 24 that proposals for constitutional changes in Sierra Leone had been approved by the Colonial Office. The proposals, which included provision for an increase in the membership of the Legislative Council from 32 to 57, had been published by the Government of Sierra Leone in July and had later been endorsed by the Legislative Council.

The changes, which would come into effect with the approaching end of the present legislature's term of office, were as follows:

(1) The new legislature would be called the House of Representatives.

(2) In place of the president and vice-president there would be a Speaker, chosen by members from within or outside the House, and a Deputy Speaker elected from within the House, with the Governor retaining the right to address the House.

(3) The House would consist of: (*a*) four *ex-officio* members (the Chief Secretary, the Attorney-General, the Financial Secretary, and the Chief Commissioner of the Protectorate); (*b*) 14 members directly elected from the Colony; (*c*) 24 members directly elected from the Protectorate; (*d*) 12 paramount chiefs literate in English, one to be selected by each of the 12 district councils in the Protectorate; (*e*) one member elected from the Bo urban area; (*f*) two members without voting rights, nominated by the Governor to represent special interests.

The present Legislative Council, which first met in December 1951, consists of the Governor as president, a vice-president, seven *ex-officio* members, seven members directly elected from the Colony, 14 members indirectly elected from the Protectorate, and two nominated members

It was also announced that the new legislature would be elected on a revised and broadened franchise based on the recommendations of the Electoral Reform Commission, which had reported in November 1954.

The Commission, which was under the chairmanship of Mr. Bryan Keith-Lucas (a lecturer on local government at Oxford University), envisaged universal adult suffrage as the ultimate goal, and suggested that this should be reached in two stages: (*a*) until the 1961 general election the franchise should be extended to all persons in the Colony over 21 with a modest property qualification, and in the Protectorate to male taxpayers over 21 and those women over 21 who could qualify as taxpayers, property owners or literates; (*b*) for and after the general election of 1961 the franchise should be extended to all persons over 21 in both Colony and Protectorate normally resident in their electoral districts.

The proposal to introduce the above constitutional changes had earlier been criticized by sections of the Opposition in the Legislative Council, notably by the National Council of Sierra Leone, led by Dr. H. C. Bankole Bright. The opposition to the proposals largely arose from apprehension in the Colony about the increased share of representation given to the Protectorate, which covers a far greater area and is much more populous.—(Times - Manchester Guardian)

(Prev. rep. 12875 A.)

OCTOBER 27—NOVEMBER 3, 1956

A. POLAND. — New Liberalized Policy adopted by United Workers' Party. - M. Gomulka appointed First Secretary. - "Pro-Moscow" Elements dropped from Politburo. - M. Gomulka's Denunciation of Past Errors of Regime. - Emphasis on Independent Development of Polish Socialism. - Soviet Leaders' Sudden Visit to Warsaw. - Polish Resistance to Reported Soviet Demands. - "Pravda" Attack on Polish Press. - Easing of Soviet-Polish Tension. - Release of Cardinal Wyszynski. - The Poznan Trials.

The Central Committee of the Polish United Workers' (Communist) Party, at a three-day session on Oct. 19-21, took a number of important decisions which included the election of a new Politburo from which all former "Stalinist" elements were dropped, including Marshal Rokossovsky, the Minister of Defence. The new Politburo included M. Wladyslaw Gomulka, who had recently been readmitted to party membership after five years in prison on charges of "Titoism" and "nationalist deviationism," and who was unanimously elected First Secretary of the United Workers' Party in place of M. Edward Ochab. During the first day's session (Oct. 19) a dramatic intervention was made by M. Khrushchev and other leaders of the Soviet Communist Party, who flew suddenly to Warsaw and conferred for many hours with the Polish leaders.

From speeches by M. Gomulka (see below) and other political leaders, it was made clear that the Polish Government and the U.W.P. were determined to carry forward and intensify the trend towards further democratization of the country's political and economic life, and to rectify the past mistakes of the regime. In particular, it was emphasized that Poland, while continuing the policy of friendship and alliance with the U.S.S.R., was determined to pursue her own road to Socialism and to resist any Soviet or other domination in her internal affairs.

These and other developments in the Polish political situation are summarized below under cross-headings.

Central Committee Decisions. - New Politburo.

The official statement issued by the Central Committee of the U.W.P. said that discussions "on current political and economic problems and on personnel and organizational matters" had resulted in the following decisions:

(1) M. Gomulka, General Marjan Spychalski, M. Ignacy Loga-Sowinski, and M. Zenon Kliszko had been co-opted as members of the Central Committee.

(2) A new Politburo had been appointed consisting of M. Jozef Cyrankiewicz (the Prime Minister), M. Gomulka, M. Stefan Jedrichowski, M. Loga-Sowinski, M. Jerzy Morawski, M. Edward Ochab, M. Adam Rapacki (the Foreign Minister), M. Roman Zambrowski, and M. Alexander Zawadski.

(3) M. Gomulka had been unanimously elected First Secretary of the United Workers' Party.

(4) A new Secretariat of the Politburo had been appointed consisting of M. Gomulka, M. Ochab, M. Jerzy Albrecht, M. Edward Gierek, M. Witold Jarosinski, M. Wladyslaw Matwin, and M. Zambrowski.

(5) A special commission had been set up "to call to responsibility before the party those persons who in recent years controlled the activities of the security organizations."

(6) Resolutions had been adopted "on the current political and economic tasks of the party."

M. Wladyslaw Gomulka (51) was born in Polish Galicia, of a working-class family. Starting working life as a plumber, he played an active part in trade union organization and revolutionary activities, and served many terms of imprisonment during the inter-war years for illegal political agitation. During the German occupation of Poland he became General Secretary of the underground Polish Communist Party, and distinguished himself as a Resistance leader and anti-Nazi fighter. In the immediate post-war years he was one of the leading members of the Politburo and the Central Committee of the U.W.P., but from 1948 onwards was subjected to increasing attacks by M. Bierut and other political leaders for ideological "deviationism." He was expelled from the party in 1949, after the break between Yugoslavia and the Cominform, deprived of Parliamentary immunity in October 1951, and arrested on charges of "Titoism." Held in prison without trial for nearly five years, he was released in April 1956 (see page 14819) and readmitted to party membership in August (see page 15034).

Of the 11 members of the Politburo appointed in 1954, only M. Cyrankiewicz, M. Ochab, M. Zambrowski, and M. Zawadski remained; M. Boleslaw Bierut had died in March 1956 (see 14767 A), General Radkiewicz and M. Berman had been dismissed (see 14881 A, 14817 A), and M. Hilary Minc had resigned a week before the latest changes (see below). Of the new members (apart from M. Gomulka), both General Spychalski (a former Minister of Defence) and M. Kliszko (a former State Secretary) had been recently released and rehabilitated after several years' imprisonment for "Titoism" (see page 15034).

Marshal Rokossovsky, as stated above, was removed from the Politburo but remained Minister of Defence. A Pole by birth, he had lived most of his life in the Soviet Union, distinguished himself as one of Russia's leading soldiers during the Second World War, and after the war officially re-adopted Polish nationality and became Minister of Defence and a member of the Polish Government. The other outgoing members were M. Zenon Nowak, M. Mazur, M. Dworakowski, and M. Jozwiak-Witold, all of whom, like Marshal Rokossovsky himself, were members of the "pro-Moscow" group in the Politburo, as opposed to the "liberal" group led by M. Cyrankiewicz.

General Spychalski appointed Deputy Minister of Defence. - "Leave of Absence" for Marshal Rokossovsky. - Resignation of M. Hilary Minc.

Simultaneously with taking the above-mentioned decisions, the Central Committee of U.W.P. also appointed General Spychalski as Deputy Minister of Defence and concurrently head of the Central Political Bureau of the Polish Army, in place of General Kazimierz Witaszewski. On Oct. 29 Warsaw Radio announced that Marshal Rokossovsky had "gone on leave" and that General Bordzilowski, the Chief of Staff, had been appointed acting Minister of Defence. On Oct. 30 General Spychalski dismissed the Russian-born commander of the Polish Air Force, General Ivan Turkiel, and appointed Major-General Frey-Bielecki (the deputy commander) as acting commander.

It had been announced on Oct. 10 that M. Hilary Minc, a Vice-Premier and a member of the Politburo, had resigned from both positions on grounds of ill-health. M. Minc, an orthodox "Stalinist" in the economic field, had been Poland's chief economic planner during Stalin's lifetime and was responsible for the policy of intensive industrialization and for the attempts to collectivize agriculture.

The dismissal of two Deputy Ministers—M. Roman Fidelski (Engineering Industry) and M Edward Demidowski (Foreign Trade)—had been announced on Sept. 20, no reason being given nor any successors announced. M. Fidelski had taken part in the negotiations with the Poznan workers' delegation, whose complaints about low wages and illegal taxes led to the riots of June 28.

M. Gomulka's Denunciation of Past Errors of Regime.- Emphasis on "Different Roads to Socialism."

The text of a speech by M. Gomulka to the Central Committee of the U.W.P., made on Oct. 20, was broadcast by Warsaw Radio. In this speech M. Gomulka strongly denounced the past errors of the party leadership, and emphasized that the pattern of Socialism was not necessarily confined to the Soviet model but could also take other forms, as the case of Yugoslavia had shown.

M. Gomulka began his speech with a denunciation of the industrial and agricultural policy pursued during the past seven years. In the coalmining industry, for example, man-output per day had fallen by 12.4 per cent since 1949 and by 35 per cent since 1938, while in the agricultural sector it had been clearly proved that farm production by independent cultivators was far greater than on State and collective farms; e g. in 1955 independent farmers had delivered 83.9 per cent of total production compared with only 8.4 per cent by State farms and 7.9 per cent by collectives. It was essential to stop granting credits to weak and unproductive collective farms, and to realize that the construction of Socialism in the countryside was a long-term process depending on the "voluntary accession" of the individual farmer Many individual farmers had been ruined as a result of the "imbecility of agricultural policy in the past," and no pride could be taken in the "ultimate capitulation of a kulak" in the face of past policy. Moreover, the housing situation in the countryside was "catastrophic" and was growing worse year by year.

The main obstacles to Poland's economic development, M. Gomulka went on, were the impatience of the workers as a result of their poor living standards, the lack of consumer goods, and insufficient supplies of raw materials. The Poznan uprising was not due to "imperialist agents" but was a result of many years of deep discontent among the working classes. "The workers wanted to know the truth," he said, "but the party leadership was afraid of admitting its serious mistakes and errors . . . The riots were due to lies such as the juggling of pay statistics alleging that there had been a 27 per cent increase in the past six years. At Poznan the working-class gave the party a painful lesson by going into the streets and shouting 'Enough of this; it cannot go on in this way any longer!' . . . There would have been no riots if the party leadership had not concealed the truth."

M. Gomulka continued: "We are faced with the question of how it could happen that our party allowed so many perversions in the past. We shall be looking for a complete answer to this question for a long time yet, for in my opinion it embraces the problem of the ways

leading to the building of Socialism . . . What is unchangeable in Socialism is the liquidation of the exploitation of man by man. The ways to achieve this object can be different, and are dictated by various situations in time and place. The pattern of Socialism can also be different. It may be in a form such as in the Soviet Union, or as we see it in Yugoslavia, or possibly in some other forms. Only by applying the experience and achievements of various countries which are building Socialism can the best pattern of Socialism be established in given conditions . . .

" The relations between the parties and countries of the Socialist camp . . . should be based on mutual confidence and equal rights, on mutual assistance, on mutual friendly criticism, if such is necessary, and on the wise solving of controversial issues in the spirit of friendship and Socialism. Within the framework of such relations each country should have full independence and sovereignty, and the rights of each nation to sovereign self-government in an independent country should be fully and mutually respected . . . "

Turning to internal party matters, M. Gomulka stressed that the party must be "pure" and that persons who had " brought shame on its name " could no longer have a place in its ranks. He called for a committee of investigation to examine the cases of persons, now rehabilitated, who had been arrested in the past " on the instructions of the Politburo or of part of the Bureau—a practice punishable under the provisions of our criminal law . . . The results of the commission's work should finally close internal party matters connected with the activities of the ' Polish Berias.' "

" After the 20th Congress of the Soviet Communist Party," M. Gomulka continued, " people began to straighten their backs, and silent and enslaved minds to shake off the poison of mendacity. Above all, the working people wanted to know the truth, without embellishments and omissions. The people should have been told the truth, quickly and frankly, about the economic situation and the causes and sources of distortion in political life. But the party leadership failed to work out quickly a line of concrete action. Some were afraid of responsibility for the results of their policy. Others felt strongly linked to their comfortable posts. Yet others—and these were the most numerous—feared that the working-class would be unable to understand the profound essence of the truth that it demanded from its representatives. The weakening of faith among the working-class became widely apparent in the central and provincial party apparatus . . .

" Various trends are sweeping the country. But sweeping it in a most powerful way is the slogan calling for the democratization of our life, and demands for the liquidation of what we call the cult of personality. We must state, however, that the party leaders did not always manage to put themselves at the head of this sound movement and to direct it. We must tell the people that the road of democratization is the only road leading towards the construction of the best model of Socialism in our conditions. We shall not step aside from this road, and we shall defend ourselves with all means so as not to allow ourselves to be pushed away from that road . . "

As regards relations between the U.W.P. and the Soviet Communist Party, and between Poland and the U.S.S.R. generally, M. Gomulka declared : " If there are outstanding matters they should be settled calmly and amicably. This is the attitude that should govern relations between parties and States of the Socialist camp. Those who believe that anti-Soviet feelings can be kindled in Poland are deeply mistaken. We shall not allow the interests of the Polish State and the cause of building Socialism in Poland to be damaged. Polish-Soviet relations based on the principles of equality and independence will give the Polish people such deep feelings of friendship towards the Soviet Union that any attempt to sow distrust of the U S.S.R. will find no fertile soil among the Polish people."

Calling for the complete eradication of the " personality cult," M. Gomulka said . " It is necessary to combat with all our force the cult of personality and its remnants, and fight with all our might for gaining the authority to do so. I do not want to return to the black pages of the cult of personality in our country. Innocent people were sent to death, others were groundlessly imprisoned for long years. With this system we have finished once and for all."

In conclusion, M. Gomulka promised that the elections in December would be held under a new electoral law which would " allow the people to elect and not only to vote." The Seym (Parliament) would have a role of the " utmost importance " and would be " the supreme organ of the State government," exercising " supreme legislative and controlling powers."

New Liberalized Policy of United Workers' Party.

The new and more liberal " party line " approved by the Central Committee of the U.W.P. was laid down in a resolution the text of which was published on Oct. 25.

Much of the resolution recapitulated the criticisms of past policy made by M. Gomulka, and, in addition, spoke of the need to overcome the " atmosphere of disorientation and defensiveness " which had hitherto " paralysed " the party's leadership. These defects had included " lack of unanimity and consistency " in the Politburo in resolving the problems of democratization, " conservatism and pusillanimity," and " compulsive adherence to obsolete doctrine and patterns." While strong party discipline was necessary, decisions had to be accompanied by the " free exchange of views and discussion between members on party policy." It was essential, moreover, to " isolate the forces of reaction bent on exploiting democratization for their own purpose and driving a wedge between Poland and the Soviet Union "

After condemning any form of discrimination tending to promote "anti-semitism and nationalistic tendencies," the resolution called *inter alia* for (1) an increase in the power of workers' councils in factories, including association with managements in determining basic problems of production ; (2) the gradual introduction of such councils in enterprises best fitted for them ; (3) an increase in the powers of the Seym, so that it could express its opinion on all Government policy ; (4) curtailment of the Government's powers to issue executive decrees, which should be employed only in exceptional cases ; (5) restriction of planned capital investment in 1957, the resultant saving in building material to be utilized for housing ; (6) complete freedom in fixing prices ; (7) the gradual introduction of free trading in small State-run and co-operative industries ; (8) limited encouragement of small private establishments producing consumer goods ; (9) promotion of private shops and kiosks , (9) in the sphere of agriculture, assistance only to those collective farms which were soundly based and which could be strengthened further ; (11) dissolution of inefficient collective farms, and those incapable of further development ; (12) the ending of past " distortions " of agricultural policy in respect of the " middle " peasants and the so-called " kulaks."

The new liberalized programme of the U.W.P., and M. Gomulka's return to national leadership, were enthusiastically welcomed throughout Poland, thousands of messages of support being sent by factory workers, students' organizations, and committees of the armed forces, including the General Staff.

Soviet Leaders' Visit to Warsaw. - Polish Resistance to Reported Soviet Demands.

A delegation of the Central Committee of the Soviet Communist Party, comprising M. Khrushchev, M. Molotov, M. Mikoyan, and M. Kaganovich, flew to Warsaw on Oct. 19, without prior notice, for discussions with the Central Committee of the Polish United Workers' Party then beginning its three-day session. The session was immediately adjourned for talks with the Soviet leaders, those taking part on the Polish side including M. Cyrankiewicz, M. Gomulka, M. Ochab, and Marshal Rokossovsky. After a meeting lasting many hours, a communiqué was issued stating that the talks had been held " in an atmosphere of party and friendly candour," and that a delegation of the Polish Politburo would visit Moscow in the near future for further talks with the Soviet Central Committee " on problems of further strengthening political and economic co-operation between the Polish People's Republic and the Soviet Union, and the further consolidation of friendship and co-operation between the Polish United Workers' Party and the Communist Party of the Soviet Union." The Soviet leaders flew back to Moscow the same evening.

Apart from this communiqué, no official statment on the Polish-Soviet discussions was issued either in Warsaw or Moscow. It was understood, however, that the sudden arrival of the Soviet leaders in the Polish capital was prompted, firstly, by the threat to the position of Marshal Rokossovsky and the other " pro-Moscow " members of the Polish Politburo, and secondly, by the increasingly independent line taken by the United Workers' Party, as evidenced by the popular demands for democratization and for the construction of a Polish pattern of Socialism not necessarily identical with that in the U.S.S.R.

Reports from Western press correspondents in Warsaw stated that the Polish-Soviet talks had been heated and acrimonious , that M. Khrushchev had demanded the retention of Marshal Rokossovsky and the slowing-down of the democratization policy ; but that the Polish leadership had stood firm and had refused to agree to any reversal of the new policy. *The Times* commented that it was " clear that the new Polish leaders have been able to hold their ground against intense Soviet pressure, including apparently a threat of military intervention, and have succeeded in retaining full liberty of action."

"Pravda" Attack on Polish Press. - Reply by "Trybuna Ludu."

A violent attack on the Polish press, reminiscent of the attacks made on Yugoslavia at the time of her break with the Cominform, was published on Oct. 21 in *Pravda*, organ of the Soviet Communist Party.

Pravda accused " certain Polish newspapers " of publishing articles that were " shaking the very foundations of the [Socialist] regime " and " poisoning the souls of readers with the imported venom of an ideology alien to the working-class." Particular exception was taken to an article by M. Jerzy Putrament (a leading Polish journalist, and a member of the Central Committee of the U.W.P.), published in the organ of the Polish Writers' Union, in which he had said, *inter alia*, that the slogan " Proletarians of all lands, unite " had now become meaningless and should be discarded, and that Communism had been functioning in conditions of " police terror " and suppression of criticism. Expressing " amazement " that the organ of the Polish Writers' Union should contain " a frank appeal for the restoration of capitalism," *Pravda* denounced M. Putrament as a man who " could not pronounce the word 'Socialism' " and who was " openly proposing to trample underfoot the banner of proletarian internationalism and to disavow the struggle for the building of Socialism."

Trybuna Ludu, organ of the Polish United Workers' Party, published a reply in which *Pravda* was accused of using "language in which neither frank nor party nor friendly discussions are conducted," and refuting that paper's allegations against the Polish press in general and against M. Putrament in particular.

After describing the *Pravda* article as "a series of unjust and untrue formulations," *Trybuna Ludu* defended M. Putrament as a man who had fought all his life for Socialism and was "fighting for it with equal ardour in the article in question" [i.e the article attacked by *Pravda*]. "It was the distortions, errors and even crimes exposed by the 20th Congress of the Soviet Communist Party," said *Trybuna Ludu*, "that constituted a menace to Socialism . . . Polish-Soviet friendship is the cornerstone of our policy . . If today comrades in Poland criticize certain aspects of Polish-Soviet co-operation in past years, this does not mean that they are opposed to the friendship and alliance of our countries. It means that the errors which they want to see put right did harm to that friendship"

Cessation of Soviet Troop Movements in Poland. - Easing of Soviet-Polish Tension.

Though the situation was obscure at the time, and no official statements were issued either on the Polish or Russian side, it subsequently became known that Soviet tank formations had begun to move on Warsaw from their base at Lignica (Silesia) during the early stages of the crisis marked by the sudden arrival of the Soviet leaders in Warsaw. Units of the Polish Army were said to have taken up defensive positions covering the approaches to Warsaw, but no clashes occurred between the Polish and Soviet forces. It was understood that the tension had been eased as a result of telephone discussions on Oct. 23 between M. Gomulka and M. Khrushchev, who was said to have given assurances that Russian troop movements would cease and that all Soviet forces in Poland would return to their bases. It was also understood that M. Cyrankiewicz and M. Gomulka had agreed to visit Moscow at a date to be fixed. On Oct. 25 the Polish News Agency announced that all Soviet troops in Poland "have already withdrawn to their bases or are now doing so."

Addressing a huge demonstration in Warsaw on Oct. 24, estimated at 250,000 people, M. Gomulka told the crowds that he had received a communication from M. Khrushchev in which the latter had said that he saw no objection to continuing relations with Poland along the lines laid down at the recent session of the Polish Politburo. "It is a matter for our own judgment," M. Gomulka declared, "how long and how many Soviet military experts will remain in Poland. Within the next few days the Soviet Army will withdraw to their bases which they hold under international treaties, especially within the framework of the Warsaw Pact. So long as the North Atlantic Pact has bases in Germany and a new *Wehrmacht* is coming into being, the presence of the Russian Army in Germany is compatible with the security of our country."

Large anti-Russian demonstrations, mainly by students and young people, occurred on Oct. 23-24 in a number of Polish cities, including Warsaw, Cracow, Lodz, Poznan, Wroclaw (Breslau), and Szczecin (Stettin). Many of the demonstrations were directed against Marshal Rokossovsky, and also against the presence of Soviet troops in Poland generally In Warsaw a crowd of some 2,000 young people shouting anti-Soviet slogans attempted to march on the Soviet Embassy, but was dispersed by the police In his open-air speech on Oct. 24 (see above) M. Gomulka denounced all attempts to start anti-Soviet agitation, stressed that Poland wished to co-operate with the U.S.S.R. on the basis of complete equality and mutual respect and confidence, and declared that "provocateurs and reactionaries" who tried to foment discord between the two countries would not be tolerated.

Warsaw Radio stated on Oct. 25 that complete calm had been restored after disturbances "staged by hooligans" in which "provocative slogans were heard." It added. "We must understand that our unshakeable alliance with the Soviet Union is a guarantee of our Western frontiers. Everything points to the fact that the Soviet Union has understood the changes in our country and has assessed them positively."

Release of Cardinal Wyszynski.

Cardinal Wyszynski, the Roman Catholic Primate of Poland, was released on Oct. 28 and allowed to return to Warsaw to resume his ecclesiastical duties for the first time for four years. Since 1952 he had been living in a monastery near Przemysl, to which he had been banished in 1952 on charges of having "abused his authority" and of supporting "anti-State" ecclesiastics.

Negotiations for the Primate's release were begun by Roman Catholic groups with M Gomulka immediately after the latter's election as First Secretary of the U.W.P Many appeals for the Primate's release had also been made by students' and factory workers' organizations, and his liberation and return to Warsaw were enthusiastically welcomed throughout the country.

In a press interview on Oct. 30, M. Gomulka expressed his belief that a complete understanding was possible between the Government and the Roman Catholic Church, though the Government could not agree to the formation of a separate Catholic party or political organization. He claimed that Cardinal Wyszynski had given full support to the new programme of the United Workers' Party.

Foreign Reactions to the Events in Poland.

The developments in Poland were warmly welcomed in Britain, the U.S.A., and other Western countries and also in Yugoslavia, where President Tito sent "warm and hearty congratulations" to M. Gomulka on his election as First Secretary of the United Workers' Party. President Eisenhower intimated that the U.S.A. would be ready to offer economic aid to Poland if she desired it, and declared that America had a mission to "expand the areas in which free men and free governments can flourish." A spokesman of the British Foreign Office said on Oct. 22 that Britain had "always wished well to the Polish people" and would be "glad if the reforms proposed by M. Gomulka lead to greater freedom for them."

The German Federal Chancellor, Dr. Adenauer, in a speech at Dortmund on Oct. 21, said that developments were happening in Poland of which the ultimate significance could not be foreseen. No country in Europe had been so cruelly treated as Poland in the last 200 years, and he admired the unbreakable will of the Polish people and the religious basis provided by Polish Catholicism. He stressed that Germany's right to her former eastern territories now under Polish sovereignty would "never be surrendered," and expressed his conviction that an understanding on Germany's eastern frontier was possible with a free Polish Government.

A sharp reply to both President Eisenhower and Dr. Adenauer was given in a *Trybuna Ludu* editorial.

As regards President Eisenhower, who had "deemed it necessary to make statements on the situation in Poland," *Trybuna Ludu* said that "we well understand the pre-election situation in the U.S A. . . and the desire to gain votes . . We should also like to stress that President Eisenhower's position as head of a great Power does not entitle him to interfere in the affairs of smaller States . . . As regards offers of aid, we are in favour of assistance with no political strings attached . . . If anyone believes that the democratization of our internal life indicates a departure from Socialism, he is deeply mistaken . . . Our alliance and friendship with the Soviet Union . . . is and will remain the cornerstone of our policy. This matter has been settled once and for all, regardless of any election date in the United States

"The same applies to the statement by Chancellor Adenauer, who has been gracious enough to express his readiness to establish relations with a 'free Poland' . . While desiring relations with the German Federal Republic, as with all countries, it is not in the least our desire to be assisted in the development of our freedom by the conservative and capitalist forces of Western Germany. Of such 'assistance' we have had sufficient experience in the course of many centuries of our history . . . "

The Poznan Trials.

Prior to the political changes described above, the trials had opened at Poznan of a number of persons—mostly youths and young men—who had been arrested on charges of murder, robbery, looting, etc., during the Poznan riots of June 28, when 53 people were killed. Of the 154 taken into custody at the time, 22 were brought before the Voivodship Court of Poznan in three separate trials: (1) three youths charged with the "bestial murder" of a member of the security forces during the riots; (2) nine others (eight of ages between 18 to 22, and one aged 35) accused of stealing arms and taking part in attacks on the public security headquarters and other buildings; and (3) ten others, of ages ranging from 18 to 25, accused of armed assault, destruction of public property, and similar crimes.

M. Cyrankiewicz, the Prime Minister, had previously given an assurance that the trials would be conducted openly, "with scrupulous regard for the rule of law and legality" and in the presence of foreign press representatives, so that there would be no doubt of the "dignity, impartiality, and competence" of the Polish courts of law. Among foreign legal experts attending the trials were Mr. F. Elwyn Jones, Q.C., a British Labour M.P.; Professor Légal, Professor of Criminal Law in the University of Montpellier, France; M. Jules Wolff, chairman of the Belgian League for the Defence of Human Rights; and Professor Stefano Riccio, Professor of Criminal Law in the University of Naples. All the accused persons were defended by leading Polish lawyers.

First Trial (Sept. 27-Oct. 8) The three defendants in this trial—J. Foltynowicz (20), K Zurek (18) and J. Sroka (18)—were charged with having beaten and kicked to death a security policeman, Corporal Izdebny, during the riots They admitted having struck Izdebny but denied that they were responsible for his death or had committed brutalities. Witnesses for the defence said that the mob had been infuriated by rumours that Izdebny had killed a woman

and child, whilst Professor Chalasinski (a well-known psychiatrist, of Warsaw University) told the court that the rioters had "accumulated reserves of hate for the security police" which had erupted during the tense and excitable atmosphere of the riots

The prosecutor, calling for a "severe sentence commensurate with the gravity of the crime," said that the murder of Izdebny had nothing whatever to do with the justified grievances of the Poznan workers. It was necessary to make a distinction between the workers' strike and a crime such as was being tried by the court.

Counsel for the defence asked the court to be as lenient towards the accused as the Government had been towards those who were responsible for the conditions leading to the Poznan riots The excitability of the atmosphere was urged as a mitigating circumstance, and it was pointed out that the security police themselves had been guilty of crimes in the past, as had now been officially admitted.

The judge found that it had not been proved that the three defendants bore personal reponsibility for Izdebny's death, or that they had banded together with the aim of causing his death They had, however, joined in the mob attack on Izdebny and, of their own volition, had taken part in the beating of the victim for no other reason than that they were influenced by the shouts of the crowd to believe—a theory since proved wrong—that he was responsible for killing a woman and child The court had also taken into consideration the youth of the defendants and the facts that all of them were of low mental development and that one, Sroka, showed "definite sadistic tendencies and a very low moral standard." All the accused were found guilty of violent assault, Foltynowicz and Sroka being sentenced to 4½ years' imprisonment and Zurek to four years.

Second Trial (Oct 3-12) Of the nine accused (Z Urbanek, J. Pocztowy, S Jaworek, L. Wierbicki, L Piotrowski, S. Kaufmann, L. Olejniczak, J. Suwart, and J Bieganski), seven admitted stealing firearms and taking part in attacks on the security police headquarters and other public buildings, but pleaded for leniency. Nearly all of them said that they had committed the offences because of their hatred for the security police Kaufmann (20) said that he had been brutally treated, kicked and beaten by the police after his arrest, and the presiding judge ruled that the police evidence against him should be struck out because of the irregular methods used to elicit it. The prosecutor gave an assurance that such illegal methods had only been used "at the very beginning of the investigations," and said that those responsible had been called to account.

Suwart (22) broke down and wept in the dock when he said that he had taken part in the riots because his father, a veteran Communist who had spent many years in prison before the war, had been deprived of his job in 1952 and expelled from the party on false charges that he had worked for the pre-war security police This had reduced his family to poverty, had driven his mother insane and his brother to suicide, and had forced him to steal to support his mother and two young sisters, who were without any means of support. This had led to a conviction for theft in 1953.

Urbanek, Jaworek, and Wierzbicki were each sentenced to six years' imprisonment after being found guilty of stealing firearms and carbines and firing them during the riots On charges of possession of firearms, theft, and other offences, Pocztowy was given three years, Bieganski 2½ years, and Piotrowski 18 months A two-year sentence was passed on Kaufmann, who, however, had his sentence suspended for five years—i.e. he was released and placed on probation for that period. Suwart and Olejniczak were acquitted

Third Trial (Oct. 5-22) The ten defendants (J Kulas, M. Pacpomarmacki, R. Bulczynski, W. Kaczkowski, H. Zielonacki, M Joachimiak, A. Klimecki, J. Luczak, Z Majcher, Z Blaszyk) were charged with stealing arms, attacking the security police headquarters, attacking and disarming police, and destroying equipment in the Poznan radio station.

Kulas (19), a lorry-driver who said he was known to the youth of Poznan as "Eddie Polo the Italian bandit," retracted the confession he had made when arrested, declaring that it had been forced out of him by methods "similar to the Nazi S S." Though admitting that he had stolen clothes and footwear because he was poor, he denied the more serious charges brought against him, declared that he had taken part in the riots "to fight for the poor," and described his trial as a case of "the rich trying the poor"

Both Klimacki (19) and Kaczkowski (18) said that they had been brutally handled by the police, the former bursting into tears as he described the maltreatment to which he had been subjected. Kaczkowski's sister, who was present in court, also broke down and cried out "My father died fighting for Poland in 1939, my mother was killed in 1942, and now we are oppressed more than ever" The public clustered round the weeping girl to express their sympathy, causing the judge to suspend the session for a short time

The prosecutor called for heavy sentences on three of the accused (Kulas, Kaczkowski, and Zielonacki), saying their offences had been particularly serious and that none of them had shown any regret. The other eight, he suggested, should be dealt with leniently. Three of the accused were provisionally released from custody on Oct 22, when the court adjorned for a fortnight to enable more witnesses to be heard

On Oct. 23 the Prosecutor-General's Office ordered a revision of all the indictments submitted to the court on charges arising out of the Poznan riots. At the same time it asked the court to release from custody all those who were not charged with murder or robbery. Warsaw Radio announced on the following day that 94 of the detained persons had been released accordingly, but that the three men found guilty of taking part in the mob attack on the security policeman would serve their sentences.—(Polish Embassy Press Office, London - Times - Daily Telegraph - Manchester Guardian - New York Times) **(Prev. rep. Poland, Political Changes, 15033 A; 14880 A; Poznan Riots, 14967 A; Cardinal Wyszynski, 13212 A.)**

A. ARGENTINA. — Japanese Adherence to Multilateral Trade and Payments and Debt Settlement Scheme.

Under an agreement between Argentina and Japan, concluded in Buenos Aires on Sept. 9, Japan joined the multilateral trade and payments arrangements now in force between Argentina and a number of West European countries. It was also provided that Argentine commercial debts to Japan (amounting to about $60,000,000) would be repaid on similar terms to those applying to the repayment of other Argentine commercial debts—i.e. by progressively increasing annuities over a ten-year period, with an average interest rate of 3½ per cent per annum. Until such time as a permanent agreement was reached, operations between Argentina and Japan, hitherto carried out in "agreement dollars," would be conducted in transferable sterling.—(Bank of London and South America) **(Prev. rep. 15021 A.)**

B. CEYLON - SOVIET UNION. — Agreement on Diplomatic Relations and Economic Co-operation.

Discussions took place in Moscow from Aug. 28 to Sept. 1 between a Ceylonese delegation, headed by Sir Claude Corea, and a Soviet Government delegation led by Mr. Kuznetzov, First Deputy Minister for Foreign Affairs. It was announced on Sept. 3 that the two countries had agreed (*a*) to recommend to their respective Governments an exchange of ambassadors; (*b*) that trade relations between the two countries would be "reviewed to their mutual advantage"; (*c*) that a wide field existed for economic co-operation between Ceylon and the U.S.S.R. (Ceylon Government Information Department) **(Prev. rep. 15143 B.)**

C. NETHERLANDS - UNITED STATES. — Agreement on Allocation of Counterpart Funds.

An agreement between the Netherlands and U.S. Governments, announced at the end of October, provided for the use of the remaining balance of the 600,000,000 guilders counterpart fund from U.S. aid, which the U.S.A. had made available for military projects in the Netherlands. The overall allocation of the fund was given as follows: military vehicles, 175,626,000 guilders; 14 minesweepers, 76,300,000 guilders; investment in Dutch artillery works, 28,000,000 guilders, military aircraft, 116,224,000 guilders; artillery ammunition, 34,025,000 guilders; motor vehicles, trucks, etc., 48,933,900 guilders, spare parts, 112,000,000 guilders; radar, 8,891,000 guilders.—(Netherlands News Agency) **(Prev. rep. 12134 B)**

D. UNITED KINGDOM. — Royal Navy. - Earl Mountbatten promoted Admiral of the Fleet. - New Vice-Chief of Naval Staff.

The promotion of Earl Mountbatten of Burma, First Sea Lord and Chief of Naval Staff, to Admiral of the Fleet was announced on Oct. 21 by the Admiralty. Lord Mountbatten thus reached the same rank and position held by his father, who, as Prince Louis of Battenberg, was First Sea Lord at the outbreak of war in 1914.

Vice-Admiral Sir Caspar John (son of Augustus John, the painter) was appointed Vice-Chief of Naval Staff on Oct. 30 in succession to Admiral Sir William Davis, who will retire in May 1957.—(Times) **(Prev. rep. Royal Navy, 14869 A.)**

E. CEYLON. — National Planning Council.

A Bill setting up a National Planning Council was passed by the Ceylonese Parliament on Sept. 6.

The Council will consist of the Prime Minister (as chairman), the Minister of Finance (as deputy-chairman), and not more than 15 other persons appointed by the Prime Minister. It will "advise the Cabinet on the planning of agriculture, industry, commerce, education, housing, health and social services, public utilities, and all other matters pertaining to the national economy"

The Council is empowered to appoint consultative bodies or engage experts to inquire into and report on aspects of the national planning.—(Ceylon Government Information Dept.)

F. WESTERN GERMANY. — Bremen Cotton Market.

A cotton market, the only one in Europe with the exception of Liverpool, was opened in Bremen on Oct. 26 by the German Federal Minister of Economics, Professor Erhard.

(Frankfurter Allgemeine Zeitung)

A. FRANCE - WESTERN GERMANY. — Agreements on Status of the Saar and Canalization of Moselle River. - Adherence by Luxemburg. - Changes in Membership of E.C.S.C. Common Assembly.

Four agreements implementing the Adenauer-Mollet agreement on the future of the Saar, the canalization on the Moselle River, and related questions (see 14925 A), were signed by the French and West German Foreign Ministers (M. Pineau and Dr. von Brentano) in Luxemburg on Oct. 27. The Moselle canalization agreement was also signed by the Luxemburg Foreign Minister (M. Bech), whilst a separate Franco-Luxemburg agreement dealt with the question of French compensation for the consent given by Luxemburg to the canalization scheme. A sixth agreement signed by the three Foreign Ministers, as well as by the Belgian, Netherlands, and Italian Ambassadors, changed the provisions for the membership of the Common Assembly of the European Coal and Steel Community arising out of the incorporation of the Saar in the German Federal Republic.

The principal agreements were as follows.

I—Franco-German Treaty on the Saar.

Political Status and Transitional Economic Regime. The treaty provided that the Saar would be politically incorporated in the German Federal Republic on Jan 1, 1957, that a provisional economic regime would be set up for three years (i.e. until Dec 31, 1959), and that during that period French currency would remain in circulation in the Saar, and there would be no Customs frontier with France. The only change in the existing economic regime would be that during the transitional period the Saar could import capital equipment from Western Germany without Customs charges—provided, however, that such equipment would only be paid for at the end of the transitional period, would not be used for production before the end of that period, and would not produce goods which were in competition with similar French goods

Saar Coal Supplies to France. It was laid down that France would receive from the Saar 90,000,000 tons of coal during the next 25 years, of which 66,000,000 tons would be worked by her from the Lorraine side of the Warndt mines and the remaining 24,000,000 tons would be supplied by the Saar at cost price Excluding the latter supplies, one-third of the total coal production of the Saar would thus go to France. A special Franco-German organization would be set up to handle Saar coal supplies, and all expenses involved in connexion with these transactions would be borne by either side without charge to the other, except for the actual cost of the coal to be paid by France.

Special Status of France under Permanent Economic Regime. After the transitional three-year period France would be able to export freely to the Saar the same quantity of goods as in 1955, when her exports amounted to 165,000,000,000 French francs The Saar, in turn, would be able to export to France (also without Customs duties) in the same proportion—i.e. to the value of 100,000,000,000 to 110,000,000,000 francs. If French exports fell, Saar exports to France would be reduced by a similar amount.

French businesses in the Saar and Saar businesses in France would be considered as national and not as foreign concerns

Monetary Conversion. The change-over from the French currency to the West German Deutschemark would take place at a date to be determined, which would not necessarily coincide with the end of the transitional three-year economic regime and would be announced without previous notice The conversion rate for French banknotes would be the official rate of exchange, i e 83 francs =1 DM. After the operation, French banknotes to the value of 40,000,000,000 francs (£40,000,000) would be destroyed by Germany under common supervision, and would not be presented to France for exchange

Private Debts and Bank Balances. These would be honoured in full.

Personal Guarantees. A German amnesty law and corresponding French measures would guarantee the Saar population freedom from any prosecution or other penalty on the ground that they had supported the detachment of the Saar from Germany after the end of the Second World War.

Cultural Questions. The French *Lycée* in Saarbrucken would be allowed to continue functioning, and the teaching of French at other Saar schools would be guaranteed The University of Saarbrucken would cease to be a "European" institution, but a French institute would be maintained within the university.

II—Franco-German-Luxemburg Agreement on Moselle Canalization.

This agreement laid down that the Moselle River would be canalized between Thionville (Lorraine) and Coblenz (at the confluence of the Moselle and the Rhine) Two electricity stations would be constructed on the German side, with an annual output of 750,000,000 kilowatt-hours. The cost of building the stations (180,000,000 DM) would be borne by Germany, while the cost of the canal—estimated at 370,000,000 DM., or about 30,000,000,000 francs—would be divided in the proportion of two-thirds (250,000,000 DM) by France and one-third (120,000,000 DM) by the German Federal Republic It was also agreed that if this estimate were exceeded, the extra cost would be shared in the same proportions. In return for this German concession, France undertook to meet at her expense the conditions put forward by Luxemburg for her consent to the canalization scheme (see III below).

The canalization company would be a joint Franco-German undertaking Shipping dues on the canalized river would be the same as the average of those charged by the German authorities on the rivers Main and Neckar

III—Franco-Luxemburg Compensation Agreement.

In return for Luxemburg's consent to the Moselle canalization project, France released the Luxemburg Railways from certain annuities hitherto due to her She also undertook to provide certain river port installations in Luxemburg, and to supply to the Luxemburg Railways 20 electric locomotives (costing 2,000,000,000 francs) for the electrification of part of Luxemburg's railway system.

IV—Franco-German Agreement on the Alsace Canal.

France agreed to abandon her plans for a northward extension of the existing Upper Rhine Canal (the Alsace Canal), which runs between the Swiss frontier and Markolsheim, and also made certain other concessions to Western Germany to mitigate the effect of the diversion of the waters of the Upper Rhine to the existing canal, including the building of a new loop canal (see page 14925). In connexion with the latter works, it was agreed to carry out the German plan, although its cost exceeded the French plan by 16,000,000,000 francs, against this, no charges will be made by Germany for electricity supplies to France worth 700,000,000 francs per annum from stations situated in German territory.

V—Agreement on E.C.S.C. Common Assembly.

This agreement provided that, in order to maintain equality of representation between France and Western Germany in the Common Assembly of the European Coal and Steel Community, three additional members would be added to the French delegation to balance the three additional German members who would take the place of the three members hitherto representing the Saar.

In a joint statement after the signature of the agreements, M. Pineau and Dr. von Brentano declared that the day was one of "historic importance for the relations between France and Germany," and that the last outstanding questions between the two countries had now been settled.

"The agreements which have just been signed are the result of long negotiations," the statement went on. "Understanding has only been possible thanks to big concessions on both sides and because the two countries are conscious of their European responsibilities. The sacrifices to which they have agreed testify to the wish of the two Governments to open a new phase in Franco-German relations in which both nations will work in common for a better future. Henceforth there will be between them no problems other than those which arise in the normal course of friendly neighbourly relations. Both Governments regard the settlement now reached as the realization of an essential condition for the strengthening of the free world and the creation of a United Europe. They will in future pursue with still greater vigour their joint efforts towards the realization of this new Europe."

The final details of the agreements had been settled at meetings between M. Faure and Professor Hallstein (the French and German Secretaries of State for Foreign Affairs) in Paris on Sept. 12, and between Dr. Adenauer and M. Mollet in Bonn on Sept. 29.

Some of the last outstanding points were (*a*) the financial questions connected with the organization for the Warndt coal supplies to France; (*b*) the sharing of any excess cost of the canalization of the Moselle, and (*c*) the conversion rate for the forthcoming exchange of currency. The Germans had first suggested a rate of 100 francs to 1 DM. on the ground that this reflected the true purchasing power, but this proposal was subsequently dropped in favour of the official exchange rate (see above)

After the Adenauer-Mollet meeting in Bonn a communiqué was issued by both Prime Ministers announcing not only agreement on the last outstanding points in connexion with the Saar, the canalization of the Moselle River, and the Alsace Canal, but dealing also with the international situation.

The communiqué said that the Federal Chancellor and the French Prime Minister had both agreed, having regard especially to the Suez crisis, that a better co-ordination of the policy of the Western European countries was "more than ever necessary." They had also affirmed their determination to continue with the "building of Europe", had underlined the importance of active British participation; and had "noted with satisfaction the growing interest shown in this matter by the British Government and public opinion."

Both Prime Ministers had expressed their willingness to formulate jointly suggestions, to be submitted to the other interested European Governments, with a view to developing in all spheres the activities of such organizations as the Council of Europe, the O.E.E.C, and the Western European Union In particular, they had agreed to study the possibility of setting up a real Armaments Community, in conformity with the Paris Agreements.

With regard to the present negotiations on the Brussels Report on further European integration, they had expressed the wish to take up a common position on the principal matters in order to bring about a speedy drafting of the treaties for Euratom and the Common Market. Finally, because of the need to hasten the production of atomic energy in Europe, they had agreed to propose to the next conference of Foreign Ministers of the E.S.C.C. countries that three independent experts should be appointed to determine, in co-operation with M.

Spaak, the quantities of atomic energy which could be produced at the earliest possible moment in the six countries, as well as the means of implementing this plan

The Saar agreements were approved by the Saar Government on Oct. 2. An official statement said that although the agreements had not in every respect met the expectations of the Saar Government, the latter had approved them because "the financial sacrifices are borne not by the economy of the Saar but by the Federal Republic" and because they would fulfil the aim of the Saar plebiscite and bring about the political and economic union of the Saar with Germany.

The East German Government issued a statement on Oct. 8 declaring that it could not recognize the validity of any agreement on the Saar concluded between France and Western Germany, as the Saar problem was an all-German question and could only be settled with the participation of both Germnn States.—(Le Monde, Paris - Le Figaro, Paris - Frankfurter Allgemeine Zeitung - Die Welt, Hamburg) **(Prev. rep. 14925 A.)**

A. LITERATURE. — Book Selections for October.

Selected books published in Great Britain and the U.S.A. are given below:

Great Britain. Battiscombe, Georgina—"Mrs. Gladstone The Portrait of a Marriage." (Constable, 21s.).

Beaverbrook, Lord—'Men and Power, 1917-1918." (Hutchinson, 25s.)

Bullock, Alan, and Shock, Maurice—"The Liberal Tradition: Fox to Keynes" (A. and C Black, 25s.).

Crosland, C. A. R —"The Future of Socialism." (Cape, 42s.)

Durrell, Gerald—"My Family and Other Animals." (Rupert Hart-Davis, 16s.).

Freeman, Kathleen—"T'Other Miss Austen" (Macdonald, 16s.).

"From the Third Programme · A Ten-Years' Anthology." (Nonesuch Press, 21s.).

Hulme, Kathryn—"The Nun's Story." (Frederick Muller, 15s).

Jameson, Storm—"The Intruder." (Macmillan, 13s. 6d).

Maurois André—"A History of France" New and enlarged edition. Translated from the French (Cape, 25s.).

Pearson, Hesketh—"Beerbohm Tree · His Life and Laughter." (Methuen, 25s.).

Rampa, T. Lobsang—"The Third Eye" The Autobiography of a Tibetan Lama. (Secker and Warburg, 18s.)

Strang, Lord—"Home and Abroad." Diplomatic Memoirs. (André Deutsch, 21s)

United States. Horgan, Paul—"The Centuries of Santa Fé." (Dutton, New York, $5 00.).

Lewis, Grace H.—"With Love from Grace. Sinclair Lewis, 1912-1925." (Harcourt, Brace & Co., New York, $5.75)

It was announced on Oct. 18 that a 15th-century book published by William Caxton had been found in the library of the Collegiate Church of St. Mary, Warwick, where it had been housed for over 200 years without its value having been suspected. The book, *Legenda Secundum Usum Sarum*, was found by Mr. Paul Morgan (assistant librarian at Birmingham University), who described it as of national importance since it was "one of the few surviving examples of the work of England's first printer."—(Times - Ed. K.C.A.)

(Prev. rep. Book Selections, 15112 B.)

B. TRINIDAD. — New Ministry.

A new Ministry was formed in Trinidad on Oct. 28 by Dr. Eric Williams, leader of the People's National Movement which won an overall majority in the recent general elections. It was drawn exclusively from the P.N.M., portfolios being distributed as follows:

Dr. Eric Williams, Chief Minister and Minister of Finance, Planning, and Development; Mr. John O'Halloran, Industry and Commerce; Mr. Kamaluddin Mohammed, Agriculture, Lands, and Fisheries, Mr. Learie Constantine (the well-known West Indian Test cricketer), Communications, Works, and Public Utilities, Dr. Patrick Solomon, Education, and Leader of the Legislature; Dr. Winston Mahabir, Health and Social Services; Mr. G. Montado, Housing and Local Government, Mr. D. Granado, Labour.

It was explained that Dr. Williams would co-ordinate the Ministries of Industry, Agriculture, and Works, while Dr. Solomon would co-ordinate the Ministries of Health, Housing, and Labour. It was also announced that Mrs. Ada Camps-Dare, a West Indian woman doctor, had been appointed special representative of the Trinidad Government on diplomatic missions.—(Times) **(Prev. rep. Trinidad Elections, 15107 D.)**

C. CANADA. — Trade Union Movement.

At a congress on Sept. 29-30, the Canadian and Catholic Confederation of Labour decided in principle to affiliate with the unified Canadian Labour Congress, and to begin negotiations with the C.L.C. for this purpose. The C.C.C.L. has a membership of about 100,000, mainly French-Canadian workers in Quebec Province.—(Montreal Star) **(Prev. rep. 14881 A.)**

D. MIDDLE EAST. — Meeting between King Saud and King Faisal. - Riyadh Meeting of Egyptian, Syrian, and Saudi Arabian Heads of State. - Creation of Joint Egyptian-Syrian-Jordanian Military Command.

A meeting took place at the Saudi Arabian port of Dammam on Sept. 20 between King Faisal of Iraq, who was cruising in the Persian Gulf, and King Saud of Saudi Arabia, at the latter's invitation. A joint statement issued on Sept. 21 said that they had exchanged views on matters "for the good of their two countries and the Arab States generally," and had found that "their viewpoints agreed on the aims of their policies in the interests of the Arab nations now and in the future."

According to the semi-official Middle East News Agency (Cairo), the two monarchs discussed the Suez Canal problem, questions relating to oil production, and a new joint contribution to the defence of Jordan against Israel Reports in the Western Press, however, suggested that their talks were primarily concerned with means of ensuring that the Suez crisis did not interfere with the passage through the Canal of oil produced in the Persian Gulf area, on which the economies of the two countries mainly depend.

President Nasser of Egypt and President Kuwatly of Syria met King Saud at Dammam on Sept. 22, and flew to Riyadh (the capital of Saudi Arabia) on the following day to continue their discussions.

A communiqué issued at the conclusion of the talks stated that the Heads of State had reviewed, "in an atmosphere of brotherhood and solidarity," developments in the international field and in the Middle East since their previous meeting in Cairo in March, and had "adopted a single outlook" in their interpretation of events and in the conclusions reached. The conference had "studied in detail the conditions in Arab States in the light of resolutions adopted at its first meeting," and had given "a great deal of its attention to consolidating Arab security, warding off the Israeli threat, and taking such steps to complete the Arab policy drawn up in Cairo so that its implementation may continue with resolution and determination."

On the Suez question, it had been unanimously agreed that "the problem, conditions, and circumstances surrounding it were of concern to all Arab countries The conference therefore supports Egypt fully in every attitude she takes, and also backs Egypt's declared readiness to reach a peaceful settlement that would safeguard Egypt's national interests and conform with the aims of the U.N. The conference believes that the means of ensuring the interests of those concerned over navigation in the Suez Canal is to start negotiations with Egypt, the owner of the Canal, within the framework of the U.N Charter, in the spirit of the Bandung Conference resolutions, and free from pressure of any kind or intention to impose any unilateral solution" The communiqué added that the next meeting of the Arab rulers would be held in Damascus.

An agreement setting up a joint Egyptian-Jordanian-Syrian Military Command, to be headed by the Egyptian Commander-in-Chief in the event of major hostilities with Israel, was signed at Amman on Oct. 25 following talks between the Jordanian Chief of General Staff (Major-General Ali Abu Nuwar), the Egyptian C.-in-C. (Major-General Abdul Hakim Amer), and the Syrian Chief of Staff (Major-General Tewfik Nizameddin) which had opened two days earlier.

On the same date five Egyptian *Vampire* jet fighters arrived at Amman and were handed over as a gift to the Royal Jordanian Air Force, which was already equipped with a small number of aircraft of this type.

Shipments of arms and ammunition from Egypt for the strengthening of the Jordanian National Guard had earlier arrived in Jordan, according to an announcement on Sept 19 by Jordan Army Headquarters. The statement said that the shipments were in implementation of the agreement between President Nasser, King Saud, and President Kuwatly of Syria at their Cairo meeting in March (see 14793 A).

The Middle East News Agency announced on Sept. 21 that Saudi Arabia had decided to purchase from Egypt £E5,000,000 worth of Egyptian currency against payment of $15,000,000, in order to help Egypt overcome the currency difficulties arising from the blocking of her sterling balances and to facilitate the financial operations of Egyptians resident in Saudi Arabia. An earlier and similar agreement between the two countries had put $10,000,000 at Egypt's disposal.
(Times - Manchester Guardian - Le Monde, Paris) **(14793 A.)**

E. FRANCE. — Renewal of British Wool Credit.

It was announced in London on Oct. 30 that a new revolving credit of £7,500,000, which could be increased temporarily to £10,000,000 during the peak of the wool-buying season, had been arranged by Lazard Brothers and Co. with the *Groupement d'Importation et de Répartition de la Laine* for financing French wool purchases in the British Commonwealth during the 1956-57 season. The amount was the same as arranged last year. Repayment is linked with the export of French wool products, as hitherto, and will be completed in December 1957.
(Financial Times - Le Monde, Paris) **(Prev. rep. 14509 B.)**

A. RHODESIA AND NYASALAND. — British Rejection of Proposals for Semi-Dominion Status. - Lord Malvern's Criticism. - Southern Rhodesian Parliamentary Resolution. - Closer Co-operation between Federal and Territorial Governments.

Lord Malvern, Prime Minister of the Federation of Rhodesia and Nyasaland, announced in the Federal Parliament on Aug. 2 that the British Government had rejected a request, made by him during his visit to London for the Commonwealth Prime Ministers' Conference (see 14961 A), that the Federation should be granted some modified constitutional status to enable it to talk to other countries as a separate State and "not as someone else's child." He said that he was awaiting further proposals from the British Government, which would not amount to Dominion status but were likely to represent "some advance."

Reviewing the present constitutional position, Lord Malvern pointed out that it was likely that other British African territories would soon gain an international position entitling them to full membership of the Commonwealth and thus to a status higher than that of the Federation "I came to the conclusion," he added, "that the electorate of the Federation just would not stand for such a state of affairs." In 1953 he had supported Federation on the understanding that the Federal State would be able to advance constitutionally, irrespective of its component territories. On the basis of the proposals he had now made to the British Government, the Federation would have become technically independent but, in effect, would have continued on the lines of the present relationship with Britain His talks with the Secretaries for the Colonies and Commonwealth Relations had convinced him that there was no real obstacle to independence for the Federation The British attitude, said Lord Malvern, was partly due to the fact that the Federation's aspirations were seen in Britain as a step towards amalgamation, but he repudiated any suggestion that such was the intention.

On Aug. 20 the Federal Parliament approved by 22 votes to nine the action of Lord Malvern in attempting to persuade the British Government to agree to a change in the constitutional status of the Federation of Rhodesia and Nyasaland.

In his reply to the debate, Lord Malvern made it clear that he had not specifically demanded Dominion status (as some rumours circulated as a result of a leak of information in London had suggested), he had merely asked for—and obtained—a discussion of the question. He accused the British Government of wanting to retain the prerogative power in the Federation without having any of the responsibility; said that certain constitutional changes were envisaged in the Federal Constitution itself; and stressed that what he had hoped to do was provided for constitutionally

Referring to the Federation's control of its own defence force, Lord Malvern concluded. "I only hope we shall not have to use it as the North American colonies had to use theirs, because we are dealing with a stupid Government in the U.K. What I strove to do was to improve our national status It is not agreed to. All right, forget about it—we can't afford to have a row about any of these things now. Our job is to consolidate our position economically, to advance our people; and when we are strong enough we won't care, because nobody can stop us doing what we want."

Strong criticism of the Colonial Office was expressed by Lord Malvern in his presidential address on Sept. 13 to the congress of the Federal Party in Bulawayo.

Lord Malvern said that he was convinced that the whole system was wrong, and that Britain's policy in Central Africa had been a failure "by whatever standards you judge it" Asserting that colonial policy was decided by people whose qualifications and experience were "negligible," he described its underlying philosophy as varying "from misguided idealism on the one hand to outright political expediency on the other." In the field of trade unionism, for example, British policy encouraged racialism by having two separate blocks of black and white workers with conflicting interests. Lord Malvern asserted that the economic and social welfare of Africans in territories controlled by the Colonial Office was far behind that in countries not under colonial rule, and said that the Colonial Office's popularity with native Africans was due to its readiness to yield to threats and withdraw, leaving the Africans to look after themselves. "The sad fact," he concluded, "is that British colonialism is out-dated. It was very good when its people were efficiently administering tribal Africans, but it is incapable of handling politically conscious Africans who have some sort of education and who have become detribalized after contact with the European way of life."

The feeling of disappointment and bitterness which characterized Lord Malvern's speeches was also expressed by other political leaders in the Federation.

Sir Roy Welensky (the Federal Deputy Premier), speaking at Broken Hill on Oct 6, made the following observations on the question of the constitutional advance of the Federation. "Southern Rhodesia has had responsible Government for 32 years and earned the right to be considered an adult member of the Commonwealth. But this is not the basis on which the question is going to be settled. We are going to be told that the African people are against the granting of independence and therefore we cannot have it. The Gold Coast has been promised independence by March, in spite of the fact that large areas were against it. But that does not matter because it is to be an all-black State and Government, and good government is not of major consequence! Bribery and corruptive practices do not matter! What happens to the people of Ashanti and the Northern Territories in the unitary State that is to be given independence is of no consequence!"

Mr. Winston Field, leader of the Dominion Party, called on Oct. 11 for an immediate conference between the various political parties in the Federation to "thrash out" the question of Dominion status, which was one that transcended party strife. He alleged that the British Government had no intention of treating the Federation's case on its merits, but was only interested in the effect its actions would have upon the British electorate at the next general election. Mr. Field refuted the suggestion that the gaining of independence would stop the flow of capital into the Federation; on the contrary, investors would feel secure in knowing that the Government would remain in the hands of "civilized people."

A resolution adopted by the Southern Rhodesian Legislative Assembly on Aug. 9 called for the drafting of proposals for the achievement of full Dominion status, and urged joint meetings of the Federal and Territorial Governments in order to further co-operation between them. A meeting of delegations led by the heads of the Federal and the three Territorial Governments was accordingly held in Salisbury on Oct. 8 under the chairmanship of Lord Malvern. An official statement said that matters of common interest to the four Governments had been discussed, and that the meeting—which was the first attended by the heads of the four Governments since 1954—would be followed by another in the early part of 1957.
(Federal Information Department, Salisbury - Times)
(Prev. rep. 14832 B.)

B. MOROCCO. — Abrogation of International Status of Tangier. - U.S.A. relinquishes Extraterritorial Rights.

Following a conference which opened at Fedala on Oct. 8, a declaration abrogating the international status of Tangier—now part of Morocco—was signed in the latter city on Oct. 29 by M. Balafrej, the Moroccan Foreign Minister, and representatives of France, Spain, Great Britain, the U.S.A., Italy, Belgium, the Netherlands, and Portugal, members of the International Control Commission which had governed Tangier since 1925, apart from the years 1940-45 when the city was occupied by Spain during the Second World War.

The declaration and an annexed protocol provided *inter alia* (1) that the Moroccan Government would take over on Jan 1, 1957, all property formerly administered by the international administration, (2) that existing laws would remain in force until modified or abrogated by the Moroccan Government; (3) that professional persons practising in the former Tangier International Zone could continue to do so, subject to possible investigation of their qualifications and compliance with any future Moroccan legislation; (4) that banking and financial concerns in Tangier not authorized under Moroccan legislation would be given reasonable time to conform with local regulations; (5) that Civil Servants of the former International regime would be notified by theMoroccan Government, within a period of six months, whether or not their services would be required; (6) that existing cultural institutions, scientific establishments, and hospitals would be maintained, subject to compliance with Moroccan regulations; (7) that foreign wireless, telephone, postal, and telegraph services in the former international zone would be given a reasonable time either to apply for permission to continue under Moroccan sovereignty or to wind up their affairs.

It was laid down that the existing financial, economic, and commercial regime of Tangier would remain in force for the time being until the Sultan had promulgated a new economic regime by royal charter

The extraterritorial rights formerly held by the United States in Morocco were relinquished on Oct. 7, as a result of which U.S. citizens in Morocco will no longer be tried by U.S. Consular courts but by the Moroccan courts. Other nations formerly enjoying similar rights had renounced them in 1912 after the establishment of the French protectorate, but the U.S.A. had refused to relinquish privileges it had enjoyed under treaties signed in 1787 and 1836 and confirmed at the Algeciras Conference of 1906.—(Times - Le Monde, Paris - New York Times) **(Prev. rep. Tangier, 15110 A.)**

C. UNITED NATIONS. — Economic Commission for Asia and the Far East. - New Executive Secretary.

Dr. Hammarskjold, the U.N. Secretary-General, announced on July 9 that Mr. C. V. Narasimhan had been appointed Executive Secretary of the U.N Economic Commission for Asia and the Far East (ECAFE) in succession to Dr. P. S. Lokanathan, who had resigned. Mr. Narasimhan, a member of the Indian Civil Service, was Joint Secretary of the Indian Ministry of Finance in charge of the Ministry's economic affairs department, in which capacity he was responsible for the development and co-ordination of foreign aid programmes.
(U.N. Information Centre, London) **(Prev. rep. 8757 B.)**

A. BELGIUM - WESTERN GERMANY. — Dr. Adenauer's Brussels Visit. - Belgo-German Agreements on Frontier Changes, Cultural Co-operation, and Compensation for Victims of Nazism.

The Federal German Chancellor, Dr. Adenauer, accompanied by Dr. von Brentano, the Foreign Minister, arrived in Brussels on Sept. 24 on an official visit to the Belgian Government. On the same date a number of agreements between Belgium and Western Germany were signed by M. Spaak (the Belgian Foreign Minister) and Dr. von Brentano covering (*a*) a treaty on changes in the Belgo-German frontier and related questions, (*b*) a cultural agreement; and (*c*) the settlement of war damages and indemnities for German refugees resident in Belgium who had lost their properties because of the Nazi regime.

Belgo-German Frontier Treaty.

Under this treaty, Belgium returned to German sovereignty certain areas which had been placed under Belgian military administration in 1949, while Germany agreed to several minor frontier changes in Belgium's favour.

In 1949 a six-Power Commission representing Britain, France, the U.S.A., and the three Benelux countries had recommended certain rectifications of the former German frontier in favour of Belgium, Luxemburg, and the Netherlands. After approval by the six Governments, these recommendations were accepted by the Allied Council of Foreign Ministers and provisionally put into effect by Ordinances of the Occupation Powers pending the conclusion of a peace treaty with Germany. In the case of Belgium these Ordinances provided for the transfer to her of 11¼ square miles of enclaves along the frontier, but in fact Belgium took possession of only 7⅝ square miles of territory. At the time the transfer could not be ratified, and the territory therefore remained under Belgian military administration.

In the negotiations preceding the conclusion of the present treaty, both sides agreed that the final adjustment of the Belgo-German frontier should facilitate traffic arrangements, local administration, and the Customs services, and that the inhabitants should not be required to change their nationality.

Belgium agreed to return to German sovereignty the villages of Bildchen, Leykoul, Losheim, and Hemmeres, and the forests of Freyen and Bullingen, with a total population of 648, while Germany agreed that the forests of Wahlerscheid and Losscheidergraben should pass under Belgian sovereignty The 56 inhabitants of the hamlet of Losscheidergraben were given the option of retaining their German nationality or becoming Belgian citizens.

It was also agreed that work would be undertaken jointly to divert the upper course of the River Vesdre (which supplies the Eupen Dam and the textile industry at Verviers in Belgium) so as to make it flow entirely through Belgian territory

The agreement also covered various other frontier questions in the area, including the joint use by both countries of the railway line from Raeren to Kalterherberg (which runs through Belgian and German territory), the treatment of property under sequestration, and the co-operation of Belgian and German Customs personnel to facilitate control on certain roads running along or re-crossing the frontier

Finally, Germany undertook to pay to Belgium 15,000,000 Belgian francs as compensation for investments made by the Belgian military administration in the villages returned to German sovereignty.

Compensation to Refugees.

In an exchange of letters the German Federal Government undertook to speed up the handling of compensation claims by German refugees now living in Belgium in respect of property losses suffered under the Nazi regime, and to make advance payments in urgent cases of hardship from a fund to be administered by the German Embassy in Brussels, working in conjunction with a committee representing Jewish and other victims of Nazi racial measures.

A communiqué issued on Sept 25, announcing the conclusion of the agreements, declared that the frontier treaty had adjusted the Belgo-German border to "present conditions"; that it settled all differences existing between the two countries "in the spirit of the Paris Agreements of 1954 with a view to furthering the friendly co-operation between Belgium and the German Federal Republic", and that both Governments were agreed that the frontier now laid down should be of a permanent nature [i e., that it would be the frontier to be incorporated in a peace treaty with Germany.]

The communiqué also stated that the question of European integration had constituted the main subject of the discussions between the German and Belgian Ministers The German statesmen had paid tribute to M. Spaak's initiative in his capacity of chairman of the committee which drafted the Brussels Report (see 15137 A), and both sides had expressed "the firm intention to make every effort to bring to an early conclusion the negotiations at present being conducted for the creation of a Common Market and a European Atomic Community

Dr. Adenauer and Dr. von Brentano were received by King Baudouin on Sept. 25.—(Frankfurter Allgemeine Zeitung - La Nation Belge, Brussels) **(Prev. rep. 1949 Frontier Changes, 9991 B; 9926 A.)**

B. SUDAN. — The South Sudan Mutiny. - Report of Commission of Inquiry.

The report of the Commission of Inquiry into the disturbances in the Southern Sudan in August 1955 was published in Khartoum on Oct. 19. The Commission, which consisted of one Northern and one Southern Sudanese and was presided over by Judge Tewfik Cotran (a Christian Arab), had finished its work in February last.

After a review of the background and a detailed description of the mutiny and the incidents which followed, the report gave seven causes for the disturbances. These, it said, could not be understood unless it was borne in mind that there was little in common between Northern and Southern Sudanese, that for historical reasons the Southerners regard the Northerners as their traditional enemies; that British administrative policy until 1947 had been one of separation between the two parts of the country, that for political, financial, geographical and economic reasons the Northern Sudan progressed quickly in every field, while the Southern Sudan lagged far behind, and that all these factors combined had not created in the Southern Sudanese a feeling of common citizenship with the North nor of patriotism to the Sudan as a whole, and had led to the preservation of local tribal loyalties only.

The seven immediate causes of the mutiny were given as:

(1) Distribution of a forged telegram alleged to have been sent by the then Prime Minister, Mr Ismail el-Azhari, in July 1955 ordering oppression of Southerners,

(2) Loss of confidence due to interference in political affairs by some administrators in Equatoria Province,

(3) Loss of confidence due to the farcial trial of a Southern member of Parliament,

(4) Incidents at Nzara at the end of July, when troops fired on a Southern mob looting shops,

(5) Inaction when the conspiracy was discovered, and misjudgment of the situation at Torit in the days immediately before the mutiny,

(6) Extreme disappointment and frustration of Southerners as a result of Sudanization and consequent fear of political domination by the North;

(7) Circulation of false and exaggerated rumours, and a corresponding lack of effective Government propaganda to allay fears

The courts-martial which had been set up to try mutineers ended their functions at the beginning of April, among the last cases brought before them being that of Lieutenant Rinaldo Lolya, the officer who took over command of the mutiny among soldiers of the Equatoria Corps soon after the start of the uprising, and who also negotiated the surrender of the mutineers. He was sentenced to death and was executed at Juba on April 3

It was, however, reported from Khartoum that there were still between 200 and 300 former mutineers unaccounted for in Equatoria Province, where the state of emergency remained in force. Many of these men were thought to have thrown away their arms and to have reverted to civilian life, but on several occasions small bands attacked villages or Government offices in order to obtain money or food. Amongst such incidents were an attack on a remote forestry office on March 31, when a band stole £350 after exchanging fire with the police guard, and an attack on the Sudan-Uganda border, where six people were killed in disturbances by mutineers.—(Times) **(14559 A.)**

C. UNITED KINGDOM. — Sir F. Hoyer Millar appointed Head of Foreign Office. - Sir Christopher Steel becomes Ambassador in Bonn.

It was announced on Oct. 18 (*a*) that Sir Ivone Kirkpatrick would be retiring from the post of permanent head of the Foreign Office early in 1957, on reaching the age of 60; (*b*) that Sir Frederick Hoyer Millar (56), H.M. Ambassador in Bonn, would succeed him as Permanent Under Secretary of State at the Foreign Office, and (*c*) that Sir Christopher Steel (53), U.K. permanent representative on the North Atlantic Council, would succeed Sir F. Hoyer Millar as Ambassador to the German Federal Republic.

Sir Frederick Hoyer Millar became Britain's first post-war Ambassador to Germany in 1953, having previously served as Deputy High Commissioner in Germany, British permanent representative on the NATO Council, and Minister at H.M. Embassy in Washington.—(Times) **(Prev. rep. 15011 A.)**

D. NEW ZEALAND. — Population Census.

Provisional figures of a census held on April 17 last, published in July, showed that the population of New Zealand was 2,172,340, or 233,000 (12 per cent) more than at the 1951 census. The total did not include the population of the Cook Islands, Niue Islands, Tokelau Islands, and the Trust Territory of Western Samoa, or members of the N.Z. armed forces overseas. Of the total population increase, 182,000 was in the North Island of New Zealand (which contains 69 per cent of the Dominion's population) and 50,000 in the South Island. (Directorate of N.Z. Information Services, Wellington)

(Prev. rep. 1951 Census, 12086 B.)

A. UNITED KINGDOM. — The Chancellor's Mansion House Speech. - "Progress Report" on Economic Position. - Balance of Payments, First Half of 1956.

The Chancellor of the Exchequer, Mr. Macmillan, surveyed Britain's economic situation during the last few months in the traditional speech given at the Lord Mayor's dinner to the bankers and merchants of the City of London on Oct. 9. In his "progress report" he spoke as follows:

". . . First, the Exchequer account . . . As you know, I am still engaged in securing the further economies in Government expenditure which I undertook to get in my Budget speech—the £100,000,000. Of course you will say 'Not enough' I agree But it is a funny thing. Everyone is in favour of general economies in principle. Everyone is opposed to any particular economy in practice. You would be surprised to see some of the representations made to me for expenditure on some favourite scheme—of course, as a special and exceptional case—by some of the most rigid censors of public extravagance . . But I will not be weary of well-doing. The Suez crisis has, of course, involved us in extra expenditure, of which we do not know the end. But so far the revenue and expenditure returns give me no reason to fear that the broad structure of my Budget will not be maintained.

"I next approach . monetary policy. In this, as in other fields, the appellation of 'heretic' has generally been applied to the less numerous party. However, since it is not yet clear which this may prove to be, I will tread warily. I must frankly admit that I do not believe that we can solve all our problems by the monetary instrument alone. There is in practice, if not in theory, a limit beyond which the rate for money could not be driven. Nor is it efficacious today over as wide a field as in the past. At the same time, I do believe that we have done a great deal to curtail spending and encourage saving by making money both dear and scarce. It is too soon to talk of success or failure In the fight against inflation, action is taking place on a number of sectors of the front. Over the last year and more, bank credit has been constricted rapidly and substantially Last July I had to ask the bankers to continue the pressure without relaxation I am glad to see from the level of bank advances how well they have responded. Of course, the credit squeeze is unpopular. So are the hire purchase restrictions. So is the Capital Issues control. Nobody likes them But they are necessary. As the Duke said at Waterloo: 'Hard pounding this, gentlemen; let's see who will pound longest' Our fight against inflation is 'hard pounding' in a sense of which the Duke could scarcely have been thinking.

"I now turn to National Savings This year I have given them some new weapons. Already they are making good use of them. In the first six months of this financial year, net receipts from National Savings, excluding Defence Bond redemptions, amount to £29,380,000, the best result for the half-year since 1948. The income tax exemption for the first £15 of interest on Post Office and Trustee Savings Bank deposits has given encouragement to a very valuable form of saving. In addition to these conventional arms, which we have remodelled and refurbished, we have stocked our savings arsenal with a new and less orthodox missile which we are about to launch—the Premium Savings Bond. Some respected and venerable eyebrows have been raised at this innovation. But I would ask for a little charity too . . .

"From National Savings it is natural now to turn to the market, whose primary function it is to channel savings into investment. The market has shown great resilience in difficult conditions. Steady progress has been made in providing the requirements of borrowers at home and overseas I welcome the succession of loans issued or placed in the market for the local authorities This transfer of local authority borrowing from the Exchequer to the market (and I include the mortgage market as well as the stock market) has been a marked success . . The Budget estimate of Exchequer issues for this purpose for the year was £220,000,000, and even this figure showed a reduction of £100,000,000 on the estimates actually made last year. So far, with half the year gone, the issues amount to only £54,000,000, as against £217,000,000 last year

"This part of our funding strategy is working out well. Of course, the loan operations play an important part But Exchequer funding goes wider than that Our purpose is to reduce the amount of the floating debt. Our first aim is therefore to reduce the amount of the Exchequer's requirements Our second, to meet those requirements so far as possible by sales of various forms of securities to the public. This is much healthier than to do so by floating debt borrowed from the bankers. The improvement in Tax Reserve Certificates is helping us to do this, and we confidently expect to raise large sums in National Savings as the year proceeds. So please help our savings movement Please be kind to the Premium Savings Bond. If it really be a temptation, pray yield to it

"I now come to . the balance of payments In the first half of this year we checked imports Payments were a little below the last half of 1955 and very little above the first half of 1955. On the other hand, in the first half of this year, earnings from exports were over £160,000,000 larger than in the last half of 1955 and £170,000,000 above those of the first half of 1955. It would appear that exports are expanding at the annual rate of about 6 per cent in terms of volume, and about 10 per cent in value. There has also been improvement in the balance of invisible transactions, and the terms of trade have been favourable to us. As a result, we came out in the first half-year with a current surplus. I told the House of Commons at the beginning of July that this would be over £100,000,000 It will actually be more—£144,000,000.

"Of course, the first half of the year is seasonally the best time, especially as regards the non-sterling world. The trade figures for the third quarter are as usual not so good. We do not know what the fourth quarter will bring. All the same, it is good that we have a current surplus once again, both with the sterling and the non-sterling world But we must not relax. The halt in the growth of imports is due partly to reduction in some stocks and partly to a slackening in the rate of increase of production. As production increases, so will the demand for imports. More exports will therefore be necessary to pay for them. Nor must we forget the need to finance our overseas capital commitments, both to repay past debts and to maintain our contribution to the development of the Commonwealth and our place in the oil industry. All this can only be done if our savings at home and our exports abroad continue to grow and to free real resources for investment. For although many people seem quite unconscious of so obvious a fact, it is still true that you cannot invest a deficit.

"I come now to the position of sterling in the world to-day. It was a great opportunity to have in Washington a frank discussion with my Commonwealth colleagues on all our affairs . . . There are great developments afoot in the sterling area. The pace of economic development is quickening. So we must expect some drawing down of the great accumulated reserves. They will be used to finance the ambitious plans of social and industrial progress. This is a right and wise use of reserves. But all this puts a heavy burden and responsibility upon the old country to increase its external surplus. It also requires mutual consultation and mutual adjustment of policies so that the overall balance of the sterling area's trade with the rest of the world is put on a sound footing.

"During the first six months of this year our gold and dollar reserves rose by £95,000,000. It is true that during the third quarter they fell by £20,000,000 It is also true that without the sale of a particular asset which brought us a large sum [i.e. the Trinidad Oil Company] they would have fallen still further. However, it is fair to remember that, as well as selling assets across the exchanges, we also acquire them in the normal course of business. Even if you take the oil industry by itself, our total investment will be larger at the end of this year than it was at the beginning. Of course the reserves are too low. But so long as the sterling area can be kept in balance with the non-sterling world—and we are in balance—our position is not too bad. Moreover, movements in the reserves can be misleading. Recent withdrawals reflect anxiety, not about the internal position of this country, but about the international situation. They are part of the risks of banking But we should not forget that these withdrawals reduce our liabilities also. Any international financial centre must expect such an ebb and flow of funds. In a word, I would say this . we have made progress, and we are determined to secure and strengthen the position that we have won.

"I return now to the control of inflation. Since my Budget speech the boom has been slowing down. It is still true that there are more vacant jobs than there are unemployed. But there are not so many more Personal consumption has been running at very little above last year's level. People are saving more. The business community, while continuing to carry out its plans for modernization and extension, has become a little more cautious, both as to new commitments and as to the building up of stocks. Our information on all this is not as up-to-date as we would like it to be. We are making a great effort, in co-operation with business, to improve our economic statistics. We would like a better score-board and more frequent match cards. Anyway, total demand has hardly risen above last year's level, since both home production and imports have been stable. The pull of the home market on our productive resources has been reduced. We ought to have a little spare capacity in the economy. We have not yet obtained the full benefit we expect from this in our exports.

"We must do better still with our exports. We have given a lot of thought recently as a Government to the future of our export markets in the Commonwealth, in Europe, and in the rest of the world. All these matters are under discussion, and large and ambitious ideas are abroad. Here again we want to be bold but not rash. We must seize opportunities and create them. Above all, we must have faith in ourselves. But I repeat, the shifting of our resources from production for the home market to production for export is essential and must continue.

"This brings me to a theme on which I have spoken a good deal lately. Our exports must be competitive, in price as well as in quality. Consequently our purpose has been, not only to remove the overload on our resources, but to secure stability in the price level. Since the spring there has in fact been a welcome stability in wages and prices. We are still on the plateau. Retail prices in August were in fact a little lower than in April, and there is no reason why they should rise more than a point or two in the next few months. Many industrial concerns, both nationalized industries and private firms, have in recent months declared their intention of holding prices steady. Although industrial investment has increased so much in the last two years, the rate of increase in profits is falling off, and will, I believe, continue to fall. Profit margins will be squeezed. But wages and salaries form so large a part of our costs that there is no hope of stability unless they too are kept within the bounds set by our physical growth.

"I can hardly end without a reference to the problem of Suez and the future of the Middle East. So far neither the military expenditure which we have incurred nor the degree of disturbance to shipping have had a significant effect on our economy. Nevertheless, on the outcome of this affair our life and that of all Western Europe may well depend. No British Government worthy of the name can shirk or evade these responsibilities. Her Majesty's present Ministers are, I can assure you, determined to do their duty."

Mr. Macmillan's announcement of the improvement in the U.K.'s balance of payments during the first half of 1956 was confirmed by a White Paper (Cmd. 9871), published on Oct. 10, which showed that in the first half of 1956 the U.K. had paid her way in her current transactions with the rest of the world and had a substantial current surplus. This was a big improvement on 1955, when there was only a small surplus in the first half-year and a large deficit in the second.

U.K. Balance of Payments.

The U.K. had a current surplus of £144,000,000 in the half-year, compared with one of £18,000,000 (revised figure) in the first half of 1955, and with a deficit of £107,000,000 in the second half of that year. The improvement was mainly due to an increase in export earnings of £168,000,000 while imports only rose by £36,000,000. (Between the second half of 1955 and the first half of 1956 imports fell slightly).

The improvement over a year earlier was almost entirely with the non-sterling world, with which the U.K. had a surplus of £31,000,000 :

	First half 1955 *£ million*	*First half* 1956 *£ million*	*Change* *£ million*
United Kingdom current balance with :			
Rest of sterling area ..	+112	+113	+1
Non-sterling world ..	−94	+31	+125
Total . .	+18	+144	+126

This improvement in the balance with non-sterling countries was brought about (*a*) because U K. earnings from exports to them rose by £147,000,000 (18 per cent) whereas the U.K.'s payments for imports from them rose only £51,000,000 , (*b*) because the U.K s invisible balance with them (excluding Defence Aid) improved by £53,000,000 (Defence Aid fell by £24,000,000)

The improvement in net invisible earnings was due particularly to the recovery in oil and shipping incomes. Shipping income was influenced by, and followed a course similar to, that of visible trade Net shipping receipts (i.e. the excess of receipts over payments) for the first half of 1956 were £64,000,000, compared with £52,000,000 for the second half of 1955 and £74,000,000 for the first half of the same year On the debit side, payments of royalties and taxes to the Middle East States for oil were lower in the first half of 1956 U.S Defence Aid fell (see below), but " offshore " sales and expenditure by the U.S. and Canadian Forces in the U.K. increased markedly. The net effect of all these changes in the invisible account was a recovery to a surplus of £131,000,000 in the first half of 1956, compared with one of £90,000,000 in the second half of 1955 and one of £187,000,000 in the first half of that year.

U.K. and Sterling Area Balance of Payments with Non-Sterling World.

In contrast to recent experience, the improvement in the sterling area's balance with the rest of the world was almost entirely due to this improvement in the U.K. balance. The whole sterling area's balance with the rest of the world improved from £7,000,000 in the first half of 1955 to £135,000,000 in the first half of 1956. The rest of the sterling area's balance with non-sterling countries was virtually unchanged, as shown in the following table :

	First half 1955 *£ million*	*First half* 1956 *£ million*	*Change* *£ million*
United Kingdom current balance . .	−94	+31	+125
Rest of sterling area surplus	+101	+104	+3
Total	+7	+135	+128

American Aid.

U.S. Defence Aid (net) was much lower than a year earlier £9,000,000 ($25,000,000) in the first half of 1956, compared with £33,000,000 ($94,000,000) a year earlier. On the other hand, " offshire " sales to the U.S. Government were higher by £32,000,000 ($90,000,000) in the first half 1956, compared with £16,000,000 ($46,000,000) in the first six months of 1955. —

U.K. Reserves, Overseas Sterling Holdings, and Debit in European Payments Union.

There was an overall net improvement of £118,000,000 in reserves and overseas sterling holdings and the E.P.U. debit—the reserves and overseas holdings rising by £95,000,000 and the E.P.U. debit falling by £23,000,000.

(Treasury Press Office, London - Times - Financial Times - Cmd. 9871 - Board of Trade Journal) **(Prev. rep. Balance of Payments, 14810 A ; Mr. Macmillan 15070 A ; 15046 A ; Mr. Butler's Mansion House Speech, 14453 A.)**

A. AUSTRALIA. — Cabinet Reorganization.

A reorganization of the Australian Federal Government was announced by Mr. Menzies, the Prime Minister, on Oct. 18. The changes announced were :

(*a*) Mr. Beale, the Minister for Supply, would take over in addition the Defence Production portfolio previously held by Sir Eric Harrison ;

(*b*) Mr. Townley (hitherto Minister for Air) would become Minister for Immigration, taking over this Department from Mr. Holt ;

(*c*) Mr. Osborne would be Minister for Air in place of Mr. Townley ;

(*d*) Senator N. H. Denham Henty would become Minister of Customs and Excise, in succession to Mr. Osborne ;

(*e*) Mr. Holt would become Leader of the House of Representatives and chairman of what had previously been called the Vice-President's Committee of Ministers, and would remain Minister of Labour and National Service ;

(*f*) Senator O'Sullivan would become Vice-President of the Executive Council and would continue to be Attorney-General and leader of the Senate, but would relinquish the Navy portfolio ;

(*g*) Mr. Davidson, the Postmaster-General, would in addition become Minister for the Navy ;

(*h*) Sir Philip McBride would remain in the Cabinet, but the three Service Ministers would be outside it ;

(*i*) Mr. Beale and Mr. McMahon, the Minister for Primary Industry, would enter the Cabinet ;

(*k*) Senator Paltridge, the Minister of Shipping and Transport, would in addition take over Civil Aviation, thus dealing with all transport problems connected with shipping, the Commonwealth railways, and civil aviation ;

(*l*) Responsibility for uranium, atomic energy, and the development of bauxite and certain other minerals would be transferred from the Department of Supply to the Department of National Development.

Mr. Menzies explained that Mr Holt, as the new Leader of the House of Representatives and chairman of the Vice-President's Committee of Ministers, would have to perform " extremely arduous duties," and that it would therefore be impossible for him to continue to administer both the Departments of Labour and National Service and of Immigration He also said that Mr. Townley would—as Sir Eric Harrison had done—relieve him [Mr. Menzies] of a number of matters associated with the Prime Minister's Department, e g., the Office of Education, the National University, grants to universities, and the Public Service Board.

The changes reduced the number of Ministers from 22 to 21, the membership of the Cabinet remaining at 12.

Senator Henty (53), who entered the Government for the first time, is chairman of a firm of general merchants in Launceston (Tasmania) and was elected to the Senate in 1950. (Australian News and Information Bureau - Times)

(Prev. rep. Cabinet, 15123 A ; 14649 A ; 14924 F.)

B. BURMA. — Trade Pacts with India and Japan.

A five-year trade agreement was signed between India and Burma in New Delhi on Sept. 5, providing for the purchase of 2,000,000 tons of rice by India at a cost of £70,000,000 against Indian supplies to Burma of cotton textiles, jute manufactures, sewing machines, tea, and prawns.

The agreement expressed the determination of the two Governments " to take steps to achieve as near a balance in their trade as may be practicable." There was, however, provision that this desire would be " subject to prices and quality being competitive."

Arrangements had also been made by Burma with Japan and India, similar to those completed with the U.K. (see 14956 A), providing for the import of cotton textiles and yarns against payments in raw cotton made available to Burma by the U.S. Government. The arrangement with Japan, concluded on June 18, was to the value of £3,250,000, and the arrangement with India, announced on July 15, was to the value of £1,038,000.—(Burmese Government Information Dept., Rangoon - The Hindu, Madras) **(14956 A ; 13468 C.)**

C. DENMARK. — Asylum granted to Polish Pilot.

A pilot of the Polish Air Force landed in his MIG-15 jet fighter on the island of Bornholm on Sept. 25 and asked for political asylum, which was subsequently granted him by the Danish authorities. The machine, which had taken off from an airfield near Poznan, was dismantled by Danish Air Force technicians and taken to Copenhagen for examination. Two other Polish pilots had landed with their machines on Bornholm in 1953 and had been given political asylum.

(Politiken, Copenhagen) **(13135 C ; 12913 A ; 12802 A.)**

A. INDIA-UNITED STATES. — Agreement on U.S. Supplies of Surplus Products. - U.S. Economic and Technical Assistance. - Operational Agreements.

An agreement was signed in New Delhi on Aug. 29 for the purchase by India of U.S. surplus agricultural and dairy products to the value of $360,000,000 between 1956 and 1959.

The agreement, which was concluded under the U.S. Agricultural Trade Development and Assistance Act, provided for the supply of $200,000,000 worth of wheat (3,500,000 tons), $26,400,000 worth of rice (200,000 tons), $70,000,000 worth of cotton (500,000 bales), $6,000,000 worth of tobacco (6,000,000 lbs.), and dairy products, mainly skimmed milk, to the value of $3,500,000. The total amount also included a contribution of $54,200,000 toward freight costs. Other provisions were as follows:

(1) India would not be restricted to buying from the U.S. stored surplus stock and would be free to buy in the U.S. open market. While the commodities would be sold at the above export prices, their value in the books of the U.S. Commodity Credit Corporation was about $550,000,000. [The U.S. Government therefore subsidized the Indian purchase by $190,000,000.]

(2) Payment for the imports would be made by crediting the U.S. Government account in India with rupees to the value of the dollars involved. This counterpart fund would be used in India as follows

(i) Rs.1,114,000,000 would be lent on a long-term basis to the Indian Government for economic development, of which Rs. 260,000,000 would be used for loans to private enterprise. Detailed terms of the loan would be settled in due course.

(ii) Rs.257,000,000 would be a direct grant to the Indian Government for expenditure on economic development projects.

(iii) The balance of about Rs.500,000,000 would be used by the U.S. Government for various purposes in India, including the costs of the diplomatic mission, part of the costs of building of a new Embassy, the development of new markets for U.S. agricultural commodities on a basis of mutual benefit, and the financing of international educational exchange activities.

(3) The agreement also provided that India would not reduce her normal imports of rice, wheat, and cotton from other countries.

(4) All the rice, about one-fifth of the wheat, and about 30 per cent of the cotton would be shipped by June 30, 1957. The rest would be shipped by June 30, 1959.

The agreement was the largest surplus commodity disposal transaction carried out by the U.S. Government. It was also the biggest single agreement between India and the U.S., the largest previous transaction being the wheat loan of 1951, which involved $190,000,000.

U.S. Economic and Technical Assistance.

A total of $10,000,000 was allocated as U.S. assistance to India for the fiscal year 1955-56 under the Indo-U.S. Technical Co-operation Programme. Within the framework of the main Technical Co-operation Agreement, operational agreements included the following projects:

(*a*) The establishment of a steel foundry at Chittaranjan, the development of the cultivation and marketing of citrus fruits, social welfare work, the improvement of agricultural methods and education, and a nation-wide campaign for the control of malaria were projects covered by among 12 agreements signed on March 23. U.S. contribution, $2,500,000.

(*b*) Provision for consulting services to be supplied by Trans-World Airlines to Air India International for improving efficiency. U.S contribution, $33,000 (May 8).

(*c*) Expansion and rehabilitation of Indian railways. U.S. allocation of $673,582 for the purchase abroad of 4,000 tons of steel rails (May 8).

(*d*) Allocation of $260,590 to pay for the services of a professional trades training adviser to the Indian Ministry of Labour and to provide craftsmen for an Instructors' Training Institute (May 25).

(*e*) Livestock improvement schemes. U.S. contribution, $113,100 (May 25).

(*f*) Allocations to the Calcutta Milk Scheme and the National Dairy Development Programme, to the water supply and sanitation programme, and to the fisheries programme, etc, were included among 16 agreements signed on June 29. U.S. contribution, $2,400,000.

Additional operational agreements previously concluded under the 1954-55 Technical Co-operation Programme covered:

(*a*) Research in agricultural economics, determination of soil fertility and use of fertilizers, vocational training, and the construction of 350 additional tubewells under the irrigation programme in Northern India. U.S. contribution, $750,000; Indian contribution, Rs.41,261,200. (April 19, 1955).

(*b*) Assistance to technical educational institutions, importation of livestock, ground-water exploration, flood control, and modern storage of foodgrains. U.S. contribution, $1,280,000 (April 27, 1955).

(*c*) Railway rehabilitation and expansion, industrial technical services, and maintenance of training centres for electric distribution systems. U.S. contribution, $1,400,000; Indian contribution, Rs.992,000 (April 30, 1955).

(*d*) Increase in steel supplies, minor irrigation works, technical education. U.S. contribution, $7,700,000, Indian contribution, Rs.5,540,000 (May 31, 1955).

(*e*) Social welfare, education, and expansion of marine fisheries. U.S. contribution, $522,700; Indian contribution, Rs.1,100,000 (June 21, 1955).

(*f*) Aid for 250 new Community Development blocks. U.S. contribution, $680,000 (June 30, 1955).

(*g*) Agricultural education and research, assistance to industrial research and technical service organizations, exploratory mining of lignite, assistance to medical colleges and allied institutions, and crop production and development. U.S. contribution, $1,920 000; Indian contribution, Rs.3,320,000 (June 30, 1955).

The total aid authorized by the United States under the Indo-U.S. Technical Co-operation Programme between 1951-52 and 1954-55 (including development assistance) amounted to $240,000,000.—(The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London - New York Times - New York Herald Tribune) **(Prev. rep. U.S. Aid, 14742 A; 14651 A; Operational Agreements, 13526 B.)**

B. UNITED KINGDOM. — Internal Security. - The Lang Case. - Right of Appeal against Dismissal extended to Employees of Government Contractors.

Mr. Reginald Maudling, the Minister of Supply, answered questions in the House of Commons on June 11 about the Government's action in the case of Mr. J. H. A. Lang, an assistant solicitor to Imperial Chemical Industries Ltd., who had been dismissed by that company for security reasons on June 8.

Mr. Maudling said that Imperial Chemical Industries Ltd. had been informed that the Ministers responsible were not prepared to place secret contracts with them in circumstances which would enable Mr. Lang to have access to secret information disclosed in connexion with them. Any subsequent action taken in relation to Mr. Lang's employment was the responsibility of the company. The Government's decision had been confirmed after representations made by Mr. Lang, at his request, to a representative of the Ministers concerned had been exhaustively considered.

"I am not prepared, for reasons the House will appreciate," continued Mr. Maudling, "to make public the information available to H.M. Government. But I can say that H.M. Government have followed the recommendations of the Conference of Privy Councillors on Security. Mrs Lang's political associations [with the Communist Party] were one of a number of matters taken into consideration.

"When the White Paper on the Privy Councillors' Conference was published it was pointed out to Mr. Lang that, as a result, the procedure of the three advisers might be extended to people outside Government employment, and he was asked whether he would prefer to wait until it was known whether this arrangement would be put into effect and then avail himself of it. But he preferred to proceed by way of interview with a representative of the responsible Ministers.

"The policy of H M. Government in dealing with these matters is to give effect to all the recommendations of the Privy Councillors' Conference"

In reply to criticisms from Labour and Liberal Members, Mr. Maudling denied that the Government's action was a departure from precedent or from the recommendations of the Privy Councillors' Conference. Nor was it true that Mr. Lang had been informed that his wife's previous political connexions were the only matter taken into account by the Government. He reiterated that Ministers had a solemn responsibility to safeguard State secrets, and the duty to exclude from access to them people whom they did not think suitable. In such circumstances—as in this case—it was not possible to publish the information upon which a decision had been reached by Ministers.

At a press conference on June 6, Mr. Lang had alleged that he was being dismissed only because his wife had once been a Communist.

He said that he himself had been a member of the Anglo-Soviet Friendship Society for about a year. He had also been a member of the Haldane Society, and when, in 1948-49, many Socialist members had left it to form their own law society, he had remained and taken office as treasurer with the idea of countering the extreme Communist trend of that society. He had, however, severed his connexion with the Society in 1950 on account of its attitude about "germ warfare" in Korea.

The Lord Chancellor (Lord Kilmuir) announced on June 21, during a debate on the case of Mr. Lang in the House of Lords, that, as a result of discussions with the National Joint Advisory Council, the Government had decided to accept the recommendation of the Conference of Privy Councillors that contractors' employees who, as a result of a directive by a Minister, were dismissed or, in his opinion, were liable to suffer financial loss, should in future have the same right to appeal to the Three Advisers' tribunal as persons in the public service.

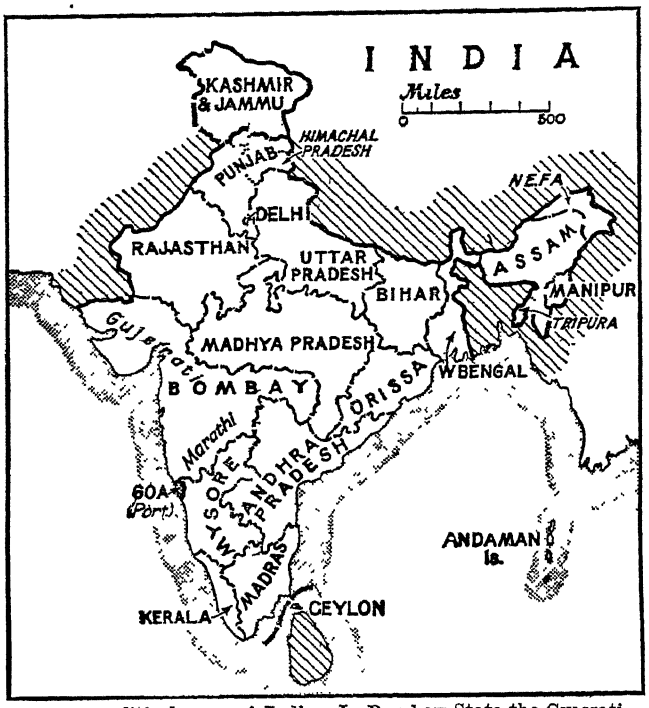
On the Lang case itself, the Lord Chancellor disclosed that Mr. Lang had been considered a bad security risk in 1951. Between then and November 1955 it had been hoped that it would be possible to ensure that his work did not bring him in contact with Government secrets, but finally the company had found that it would be impossible for a man in his position to be kept completely from them, and that was the reason for the present position.—(Times - Daily Telegraph) **(14750 A.)**

A. INDIA. — Reorganization of States in Force.

The reorganization of the Indian States under the provisions of the States Reorganization Act, the Bihar and West Bengal (Transfer of Territories) Act, and the Constitution (Seventh Amendment) Act [see below] came into force on Nov. 1, when the country was divided into 14 States and six Centrally-administered territories. The former distinction between "Class A," "Class B," and "Class C" States was ended and the institution of *Rajpramukh* abolished, all States being placed under Governors.

The 14 States of the Indian Union are: Andhra Pradesh, Assam, Bihar, Bombay, Jammu and Kashmir, Kerala, Madhya Pradesh, Madras, Mysore, Orissa, Punjab, Rajasthan, Uttar Pradesh, and West Bengal.

The six Centrally-administered areas are the Andaman and Nicobar Islands, Delhi, Himachal Pradesh, the Laccadive and Amindive Islands, Manipur, and Tripura.



The new political map of India. In Bombay State the Gujerati- and Marathi-speaking areas are shown (*Economist*)

The areas, populations, and capitals of the States are:

State	Area (sq. miles)	Population (millions)	Capital
Andhra Pradesh	110,250	32.2	Hyderabad
Assam	84,924	9.0	Shillong
Bihar	67,830*	38.9*	Patna
Bombay	188,240	47.8	Bombay
Jammu and Kashmir	92,780	4.4	Srinagar
Kerala	14.980	13.6	Trivandrum
Madhya Pradesh	171,200	26.1	Bhopal
Madras	50,170	30.0	Madras
Mysore	72,730	19.0	Bangalore
Orissa	60,140	14.6	Cuttack
Punjab	46,616	16.0	Chandigarh
Rajasthan	132,300	16.0	Jaipur
Uttar Pradesh	113,410	63.2	Lucknow
West Bengal	33,279*	26.2*	Calcutta

*Approximate figures.

The Constitution (Seventh Amendment) Act.

The Constitution (Ninth Amendment) Bill—subsequently renamed the Constitution (Seventh Amendment) Bill—providing for the necessary changes in the Indian Constitution arising from the reorganization of the States (see 14866 A), was given a first reading by the House of the People on Sept. 4 by 343 votes to nil, after it had been returned by the Joint Select Committee of both Houses.

Pandit Pant (the Home Minister) announced during the debate that the Government would introduce a number of amendments, chiefly relating to the protection of linguistic minorities, including the appointment of a Commissioner for Linguistic Minorities whose reports to Parliament would be discussed in the same way as those of the Commissioner for Scheduled Castes. He also announced that the Government proposed to introduce legislation to ensure that no-one was discriminated against in matters of employment, trade, and ownership of land and property as a result of being domiciled in a different State.

A memorandum on safeguards for minorities, which was distributed among members, stated that the Government would lay down its policy on the use of the mother tongue in secondary education in consultation with the State Governments, and would take steps to implement it. Where it was not possible to arrange affiliation of schools and colleges using a minority language to universities and other authorities within a State, the State Governments would be advised to permit affiliation to outside bodies, and to give grants-in-aid and other facilities irrespective of affiliation. The State Governments would also be advised to recognize minority languages as media for examinations for recruitment to State services.

During the third reading debate (Sept. 6) a number of amendments were adopted, the most important being as follows:

(1) The Bill was renamed the Constitution (Seventh Amendment) Bill.

(2) In accordance with a recommendation of the Joint Select Committee, a special officer for linguistic minority groups would be appointed by the President to "investigate all matters relating to the safeguards provided for linguistic minority groups," and to submit periodic reports to Parliament

(3) The President was empowered to issue directions to States to ensure that facilities for primary education in their mother tongue were provided for children belonging to linguistic minority groups.

(4) In Bombay State development boards would be set up for Marathwada, Vidarbha, the rest of Maharashtra, Saurashtra, Kutch, and the rest of Gujerat, to ensure that proper attention was given to the interests of areas which had previously formed part of other States.

Replying to the debate, Pandit Pant defended the proposal for regional councils in the Punjab against Opposition criticism, maintaining that this solution, which kept the unity of the State intact and gave every region scope to develop, was the best that could be devised He announced that special legislation setting up a corporation for Delhi would be introduced, that, as an interim measure, an advisory council for Delhi would be set up on or before Nov. 1 to advise the Home Minister; and that similar arrangements would be made for the other Union Territories of Himachal Pradesh, Manipur, and Tripura. Pandit Pant also stated that the Laccadive and Amindive Islands would be allocated one seat in the *Lok Sabha*

The Bill passed its third reading on Sept. 6 by 312 votes to nil; was given a unanimous third reading in the Council of States (*Rajya Sabha*) on Sept. 11; and subsequently received the President's assent.

Appointment of Delimitation Commission.

The Government appointed on Sept. 1 a Delimitation Commission to determine the Parliamentary and Assembly constituencies into which each new State should be divided, the number of seats to be allotted to each, and the number of seats in the *Lok Sabha* and the State Assemblies to be reserved for scheduled castes and tribes.

The commission consisted of Mr. Chandrasekhara Ayyar (a former Judge of the Supreme Court) as chairman, Mr. P. K. Kaul, and Mr. Sukumar Sen (Chief Election Commissioner).

Travancore-Cochin.

A Government resolution extending for a further six months the period of presidential rule in Travancore-Cochin was approved by the *Lok Sabha* on Sept. 1 and by the *Rajya Sabha* on Sept. 7.—(Indian High Commissioner's Office, London - The Hindu, Madras - The Statesman, Calcutta)

(Prev. rep. 15111 A.)

Corrigendum. The opening sentence of report 15111 A stating that the States Reorganization Bill had been finally passed by the *Rajya Sabha* on Sept. 11 is incorrect and should be disregarded. The Bill passed its third reading in the *Rajya Sabha* on Aug 25, as stated in the sentence following, and received Presidential assent on Aug. 31.

(Ed. K.C.A.)

B. ITALY - LIBYA. — Final Settlement of Outstanding Problems. - Italian Aid for Libyan Economic Reconstruction.

An agreement between Italy and Libya settling a number of problems outstanding since the end of the Second World War was signed in Rome on Oct. 2 by Signor Segni and M. Ben Halim, the Italian and Libyan Prime Ministers.

The agreement settled the transfer of former Italian State property when Libya formed part of the Italian Empire; regulated the status of the 42,000 Italians still living in Libya; provided for an Italian financial contribution to the economic reconstruction of Libya amounting to £L.1,000,000, payable three months after ratification of the agreement; and made provision for an Italian credit for Libyan purchases of Italian industrial products totalling £L.1,750,000, to be available in three annual instalments. The two countries also agreed to conclude in the near future a treaty of commerce and navigation and a cultural agreement, within the framework of a treaty of friendship.

Both Prime Ministers emphasized that the agreement had settled all outstanding questions between the two countries.

(Corriere della Sera, Milan - Giornale d'Italia, Rome)

(Prev. rep. 13990 B.)

NOVEMBER 3—10, 1956

A. MIDDLE EAST. — Israeli Attack on Egypt after Renewal of Egyptian Commando Raids. - Capture of Sinai Peninsula and Gaza Strip. - Anglo-French Ultimatum to Israel and Egypt to withdraw Forces from Suez Canal Zone. - Egyptian Rejection. - Anglo-French Air Offensive against Egyptian Military Targets. - Allied Occupation of Port Said Area. - Cease-fire in Operation. - Emergency Resolutions of U.N. Security Council and General Assembly. - Debates in British Parliament. - Opposition Denunciation of Anglo-French Action in Canal Zone.

The tense situation in the Middle East arising out of the prolonged Arab-Israeli dispute and Colonel Nasser's seizure of the Suez Canal erupted on Oct. 29, when the Israeli Army launched an attack on Egyptian positions in the Sinai Peninsula with the avowed aim of eliminating the *Fedayeen* (Egyptian commando) bases from which frequent attacks had been made into Israeli territory.

On the following day the British and French Governments sent 12-hour ultimatums to both Israel and Egypt which (1) called upon the two countries to cease hostilities by land, sea and air immediately; (2) called upon their military forces to withdraw to a distance of ten miles east of the Suez Canal in the case of Israel and ten miles west of the Canal in the case of Egypt; and (3) requested the Egyptian Government to allow Anglo-French forces to be stationed temporarily at three points on the Canal—Port Said, Ismailia, and Suez—with the aim of separating the belligerents and ensuring the safety of shipping using the Canal. The ultimatum was accepted by Israel but rejected by Egypt, who refused to agree to the temporary stationing of British and French forces at Port Said, Ismailia, and Suez. As a result of Egypt's refusal to comply with this request, British and French air forces based on Cyprus began an offensive against Egyptian airfields and other military installations, followed a few days later by paratroop landings in the Canal Zone.

Renewal of Egyptian Fedayeen Attacks. - Mobilization in Israel. - President Eisenhower's Appeals to Mr. Ben-Gurion.

During the fortnight preceding the Israeli attack in Sinai, a number of *Fedayeen* incursions had been made into Israeli territory, causing casualties in killed and wounded. Three Israeli soldiers were killed and 27 injured, many seriously, when a military vehicle was blown up by road-mines inside Israeli territory near El Auja on Oct. 21. A week earlier two Egyptian *Fedayeen* commandos were killed and two captured near the Israeli settlement of Sde Boker, the captives admitting that they had been sent into Israel for reconnaissance purposes by the Egyptian intelligence service.

Partial mobilization was announced in Israel on Oct. 28, an official statement saying that this had been necessitated by (1) the renewal of Egyptian *Fedayeen* activities against Israel; (2) the formation of an Egyptian-Jordanian-Syrian military alliance directed against Israel and under Egyptian command (see 15166 D); (3) declarations by the rulers of Egypt, Jordan, and Syria that their avowed intention was the destruction of Israel; and (4) the mobilization of Iraqi forces on the Jordanian frontier (see 15150 A).

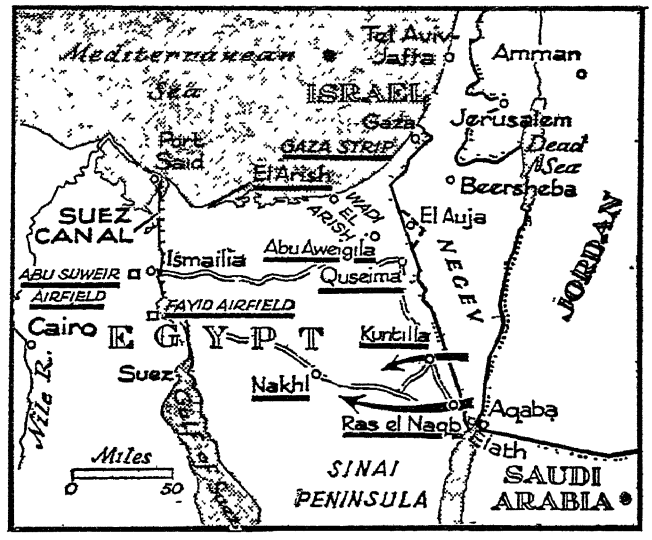
In Washington, it was announced on the same day that President Eisenhower had called for immediate talks with Britain and France on the Middle East situation, and had sent two urgent messages to Mr. Ben-Gurion expressing "grave concern" at the reports of Israeli mobilization, and asking that "no forceful initiative be taken which would endanger the peace." It was stated at the White House that reports had been received indicating that Israel's mobilization was almost completed.

Israeli Victory in Battle of Sinai. - Egyptian Evacuation of Sinai Peninsula. - Capture of Gaza.

Simultaneously with the launching of military operations by the Israeli forces, the Israeli Foreign Ministry announced that their aim was the liquidation of the *Fedayeen* bases in the Sinai peninsula from which commando units of the Egyptian Army had "spread terror in Israel by acts of indiscriminate murder, mining, and sabotage." An Israeli Army announcement said that the operation had been necessitated by "continuous Egyptian attacks on Israel's land and sea communications," aimed at "causing destruction and depriving the people of Israel of the possibility of peaceful existence."

After pointing out that the *Fedayeen* formed part of the Egyptian Army and operated under Egyptian military command, the Foreign Ministry's statement said that after some weeks of quiescence the *Fedayeen* units had again gone into action on Colonel Nasser's orders, following the ending of the Security Council's deliberations on the Suez problem. As a result, there had been 24 Israeli casualties during the preceding fortnight from *Fedayeen* attacks into Israel's territory. The statement also recapitulated the hostile actions taken by Egypt against Israel in recent years, including the blockading of the Suez Canal and the Gulf of Akaba to Israeli shipping

At the end of five days' fighting (Oct. 29 to Nov. 2) virtually the whole Sinai peninsula was under Israeli control and all Egyptian resistance had ceased, apart from "suicide squads" holding out in various areas and being mopped-up. Except for brief official communiques, no detailed information on the operations was given in Israel, where mobilization had been completed and a black-out imposed. It subsequently became clear, however, that one wing of the Israeli Army had advanced westward across the Sinai desert in the direction of the Suez Canal, while another had carried out an outflanking operation to cut off the "Gaza strip" from the Sinai peninsula.



The Sinai Peninsula, showing area of operations. (*New York Times*)

The Egyptian bases of Quesima, Kuntilla, and Nakhl (the last-named about half-way between the Israeli border and the Gulf of Suez), from all of which *Fedayeen* attacks had been launched into Israel, were captured by the Israeli Army during the first 48 hours of the campaign. The Egyptian Army fought desperately to hold Abu Aweigila (Egyptian divisional headquarters in Sinai), which only fell to the Israeli forces after a bitter two-day battle in which tanks, armoured cars, and aircraft were engaged on both sides. Meanwhile other Israeli forces, striking northward to the sea from the Aweigila area, captured El Arish and Rafa, on the coast, thereby isolating the "Gaza strip" and sealing it off from the Sinai peninsula. The town of Gaza (captured by the Egyptians eight years earlier on the day the State of Israel came into existence) surrendered with its garrison on Nov. 1, on which date the Israeli Army announced that the entire Egyptian Army in Sinai was in "full and disorderly retreat" and was being withdrawn from the peninsula on the orders of Colonel Nasser. On the following day Cyprus Radio quoted an Egyptian broadcast as saying that the Egyptian forces had been completely withdrawn from Sinai to the Suez Canal zone, where they were "awaiting the British and French forces." [The Egyptian withdrawal from Sinai was apparently ordered after the launching of the Anglo-French air offensive against Egyptian airfields—see below.]

Apart from Israeli mopping-up operations in the Sinai desert, the only operation announced after the beginning of November was the capture by Israeli paratroops of two islands at the entrance to the Gulf of Akaba (Tiran and Sharm-el-Sheikh), whose garrisons capitulated on Nov. 4-5 after offering slight resistance. Egyptian batteries on these islands had prevented Israeli shipping from sailing from the port of Elath into the Red Sea.

No official statement on the forces engaged in the Battle of Sinai was given by either side, though an Israel Army spokesman stated on Nov 1 that the Egyptian Army in Sinai had consisted of "tens of thousands of troops" grouped in two divisions, an armoured brigade group, and auxiliary units Foreign military experts believed that about half the Egyptian Army had been stationed in the Sinai peninsula During the fighting itself both the Egyptian and Israeli Commands had claimed heavy casualties inflicted on the other side and large numbers of enemy tanks, armoured vehicles, and aircraft destroyed or damaged

Egyptian military equipment abandoned during the retreat and captured by the Israelis included about 100 T-34 tanks of Russian manufacture, a number of *Sherman* tanks, an entire battery of unused 25-pdr. guns abandoned at Abu Aweigila, large numbers of vehicles and jeeps, and much miscellaneous military equipment. Reports from press correspondents said that the captured tanks and vehicles were being repaired and put into service by the Israeli Army.

The Israeli Command claimed the destruction of at least ten Egyptian planes during the campaign, including Russian-type *Mig* jet fighters, against the loss of only two *Piper Cubs* (spotter planes) on the Israeli side. It was stated that Egyptian air activity over Sinai had virtually ceased after the first two or three days The destruction of "scores" of Egyptian military vehicles in air attacks on convoys moving eastward from Ismailia was also claimed. On the other hand the Egyptian Command claimed that heavy losses had been inflicted on Israeli aircraft, armour, and convoys by the Egyptian Air Force.

Several thousand Egyptian troops were taken prisoner by the Israelis, including two generals—Major-General Yusef Abdullah Agruli, commander of the Egyptian Eighth Division, who surrendered with his staff at Khan Yunis (at the entrance to the "Gaza strip"), and Major-General Mohamed Fuad el-Digwy, the Military Governor of Sinai. In the absence of official figures, it was believed that at least 5,000 Egyptians had been captured, most of them in the triangle Rafah-El Arish-Abu Aweigila, where Egyptian resistance appeared to have been heaviest. Reports from press correspondents said that several Russian technicians—apparently training the Egyptian forces in the use of Soviet equipment—had been taken prisoner

In a despatch on Nov. 4, a *Times* correspondent with the Israeli forces in Sinai wrote:

"Thus has ended, for all practical purposes, the campaign that began dramatically [on Oct. 29] when an Israeli force was dropped by parachute into the desert west of El Nakhl. The battle moved north-westward along the whole of the Sinai border, with heavy armour and aircraft in action as the Israelis tried to open the central and coastal roads through the peninsula to the Suez Canal. This was accomplished when, first, Quesima was taken and the defences of the Abu Aweigila crossroads were encircled, and then there followed the fall of Rafa and, on Nov. 2, of El Arish.

"The heaviest fighting was around Abu Aweigila. Visiting the Abu Aweigila cross-roads, your Correspondent saw grim evidence of the battle—burnt out Israel half-tracks, scattered Egyptian positions, a still smouldering Spitfire, the debris of tents, clothes, provisions—and some hundreds of Egyptian dead . . . There were quantities of material about bearing Russian markings over old American markings—evidently former lend-lease supplies . . . Most of the El Arish garrison seems to have escaped, leaving the town to be surrendered to the Israelis by its notables. Once the coastal gap between El Arish and the sea was closed [on Nov. 2] the capture of Gaza and its 25-mile-long corridor became a matter of hours . . ."

The only naval clash between Egyptian and Israeli forces occurred on Oct. 31, when the 1,200-ton Egyptian destroyer *Ibrahim Awal* (formerly the British Hunt-class destroyer *Cottesmore*) tried to shell Haifa. No damage or casualties resulted, most of the shells falling in Haifa Bay. Attacked by Israeli warships and aircraft, the *Ibrahim Awal* began to list after being hit and hoisted the white flag. She was taken in tow by an Israeli warship, brought into Haifa, and her crew of 250 landed and made prisoners-of-war. Repairs were begun to make the warship seaworthy for the Israeli Navy.

The capture of the "Gaza strip" involved Israel in the responsibility for approximately 300,000 Arab civilians, of whom well over 200,000 were Palestinian Arab refugees who had been living in the area for the past eight years and who had been cared for by U.N. relief organizations The Israeli authorities requested these organizations to continue their relief work, a U.N. relief team leaving Beirut for Gaza on Nov. 4. Press correspondents reported that the atmosphere in the area was calm, that the town of Gaza was undamaged, that an Israeli Military Governor had been appointed, and that Egyptian policemen were maintaining order under Israeli control

It was officially announced in Tel-Aviv on Nov. 6 that Israeli casualties in the Battle of Sinai were 150 killed, 700 wounded and 20 prisoners.

Sir Anthony Eden's Announcement of Anglo-French Ultimatum to Israel and Egypt. - House of Commons Debate. - Opposition Attacks on Government Policy.

The news of the Anglo-French ultimatum to Israel and Egypt was given to the House of Commons on Oct. 30 by the Prime Minister, Sir Anthony Eden, a short time after the conclusion of discussions at Downing Street with M. Mollet and M. Pineau, the French Premier and Foreign Minister, who had flown to London earlier in the day. The Prime Minister spoke as follows:

"As the House will know, for some time past the tension on the frontiers of Israel has been increasing. The growing military strength of Egypt has given rise to renewed apprehension, which the statements and actions of the Egyptian Government have further aggravated. The establishment of a Joint Military Command between Egypt, Jordan, and Syria, the renewed raids by guerrillas, culminating in the incursion of Egyptian commandos on the night of Oct 28, had all produced a very dangerous situation.

"Five days ago news was received that the Israel Government were taking certain mobilization measures. H M Government at once instructed H.M. Ambassador at Tel-Aviv to make inquiries of the Israel Minister for Foreign Affairs and to urge restraint Meanwhile President Eisenhower called for an immediate tripartite discussion between representatives of the U K , France, and the U.S.A. A meeting was held on Oct. 28 in Washington, and a second meeting on the 29th.

"While these discussions were proceeding news was received last night that Israel forces had crossed the frontier and had penetrated deep into Egyptian territory Later, reports were received indicating that paratroops had been dropped. It appeared that the Israel spearhead was not far from the banks of the Suez Canal.

"During the last few weeks H M. Government have thought it their duty, having regard to their obligations under the Anglo-Jordan Treaty, to give assurances, both public and private, of their intention to honour these obligations. H.M. Ambassador in Tel-Aviv last night received an assurance that Israel would not attack Jordan.

"The Foreign Secretary discussed the situation with the U S. Ambassador this morning The French Prime Minister and Foreign Minister have come over to London at short notice at the invitation of H M. Government to deliberate with us on these events

"I must tell the House that very grave issues are at stake, and unless hostilities can quickly be stopped, free passage through the Canal will be jeopardized Moreover, any fighting on the banks of the Canal would endanger the ships actually on passage. The number of crews and passengers involved totals many hundreds, and the value of the ships which are likely to be on passage is about £50,000,000, excluding the value of the cargoes.

"H.M Government and the French Government have accordingly agreed that everything possible should be done to bring hostilities to an end as soon as possible Their representatives in New York have therefore been instructed to join the U S representative in seeking an immediate meeting of the Security Council. This began at 4 p m.

"In the meantime, as a result of the consultations in London to-day, the U.K. and French Governments have addressed urgent communications to Egypt and Israel In these we have called upon both sides to stop all warlike action by land, sea, and air forthwith and to withdraw their military forces to a distance of 10 miles from the Canal. Further, in order to separate the belligerents and to guarantee freedom of transit through the Canal by the ships of all nations, we have asked the Egyptian Government to agree that Anglo-French forces should move temporarily—I repeat, temporarily—into key positions at Port Said, Ismailia, and Suez The Governments of Egypt and Israel have been asked to answer this communication within 12 hours. It has been made clear to them that if at the expiration of that time one or both have not undertaken to comply with these requirements, British and French forces will intervene in whatever strength may be necessary to secure compliance"

Mr. Gaitskell (Leader of the Opposition) said that the Prime Minister had made "a statement of the utmost gravity," and that it would be unwise if they were "to plunge into any lengthy discussion or comment" until they had had an opportunity of talking over what the Prime Minister had said He continued: "I will only make a few comments which seem to me worth making in this extremely serious situation.

"We are, of course, obliged under the Tripartite Declaration to do everything we can to stop aggression, either by Israel against the Arab States or by the Arab States against Israel The Prime Minister made no reference to the Tripartite Declaration and I would like him to tell us the Government's attitude to that Declaration now. Secondly, we are bound by the U N. Charter to do everything we can to stop the conflict, and I warmly endorse those parts of his statement in which he said it was extremely important that hostilities should cease as soon as possible. I am also delighted that the matter has been referred to the U.N. and that the Security Council is now meeting to discuss it I would hope that we would at any rate now pledge our support in advance of any decisions which the Security Council may reach.

"The last part of the Prime Minister's statement is the gravest part, and on that I would not like without further consideration to make any detailed comment. But I would ask him this . we want to stop the hostilities, we want both parties to withdraw from the fighting area, but I must ask the Prime Minister under what authority and with what right he believes British and French forces are justified in armed intervention before there has been any pronouncement by the United Nations upon it."

Sir Anthony Eden replied. "Certainly the spirit of the Tripartite Declaration—and more than the spirit—operates in our minds. It is also true that Egypt's own attitude to the Tripartite Declaration has been, to say the very least, equivocal. She has made it quite clear on more than one occasion that she does not wish the Tripartite Declaration invoked on her behalf.

"As to the last part of my statement, which I fully understand is the gravest, we maintain there is nothing in the Tripartite Declaration or in the Charter which abrogates the right of a Government to take such steps as are essential to protect the lives of their citizens and vital international rights such as are here at stake."

Mr. Gaitskell then asked whether the Prime Minister would "make it plain that it is the intention of the Government, in making their proposal to the Egyptian and Israel Governments, simply to safeguard the lives of British nationals, and as soon as they are satisfied those lives are safe the forces will be withdrawn?" **Sir Anthony Eden** replied: "I used the word 'temporarily' deliberately. There are some who think we could have invoked other treaties to do what we are doing I did not want to do that. We have based this action simply on the present situation, and certainly we would not wish to keep any British troops there—and I am sure the French would not—for one moment longer than is absolutely necessary to deal with this immediate situation and the very real danger of fighting across the Canal"

Mr. Clement Davies (the Liberal leader) asked: "Do I understand the Prime Minister's view to be this—that the first desirability is the cessation of hostilities; secondly, if there is any danger to life or to shipping, that should be protected; and thirdly, any question as to who is the aggressor will be decided by the Security Council and pressure will be brought on the Security Council to deal with these matters as early as possible?"

The Prime Minister replied: "The Security Council is considering the matter now, and it would not be for me to express an opinion on what they will say. But we thought it right to express our view on the situation, and on the action we should have to take if this situation continued to develop at its present seriousness."

Mr. Shinwell (Lab) said that it was no use the Prime Minister telling them that British and French troops would only be in the Canal area temporarily. That was not the intention of the Government. The troops were going to be there a long time Israel wanted to proceed with her peaceful development. Technically she might be at fault in terms of the Tripartite Agreement and the provisions of the Charter, but had there been any other country so provoked, threatened, bullied, accused, and castigated? Hitherto, H.M. Government had been prepared to sacrifice Israel to give support to the Arab States—not so much because they wanted the support of the Arab States, but to safeguard our oil resources There was a heavy responsibility resting on the shoulders of the Government. They had brought this situation about, and they should take action which would give Israel some assurance of peace in the future.

Sir Anthony Eden replied: "I accept that there is a heavy responsibility on the shoulders of the Government . . . These decisions were arrived at after careful discussion with our French colleagues. What we hope, what we ask for, and indeed what we pray for, is that both parties to whom this appeal has been addressed will accept, because if they do we truly believe a new era can open in the Middle East."

Major Legge-Bourke (C.) recalled that in 1954 he was in considerable disagreement with the policy then outlined by the Government, but to-day he believed it was the duty of all of them, no matter what might have been their disagreements in the past, to put the most important issue first. That issue was quite simply—whether Britain stood for the preservation of the rule of law or not. He believed that what the Prime Minister had said was what he should have said, and he entirely supported it. Major Legge-Bourke added: "For Heaven's sake, let Britain speak with one voice."

Mr. Gaitskell reiterated that he did not believe any useful purpose would be served in continuing the debate at the moment, and that it was desirable that they should have time to reflect before saying anything further. He put the following two questions, however, to the Prime Minister (1) "Would the Prime Minister and the Leader of the House give an undertaking that we shall debate this matter to-morrow? (2) Would the Prime Minister also give us an assurance that until either the Security Council has reached a decision, or the House has had an opportunity of discussing this further, no further physical action will be taken by H M. Government?"

Sir Anthony Eden replied: "As regards a debate, I naturally conform to what is suggested On what I said about time, I have asked for an answer to these communications within 12 hours and it would not, therefore, be possible for me to give the undertaking the Leader of the Opposition asked for about action. The communications were made to the Governments about the same time as I rose in the House."

In reply to a further request by Mr. Gaitskell for an undertaking that no further physical action would be taken until the House had discussed the matter, the Prime Minister declared: "I am sorry I cannot give that undertaking. I must explain why. Fighting is going on at this moment in that locality—in all likelihood in the near vicinity of the Canal, perhaps at the Canal, in which we have at the moment large quantities of shipping. That is why we have thought it absolutely imperative to ask for this temporary measure to be taken now, and why we have asked for the reply by the early hours of to-morrow morning I hope they will reply to-night. Therefore, with the best will in the world, I cannot give the undertaking that we would not take action."

Mr. Sydney Silverman (Lab) supported Mr. Gaitskell's request for an undertaking by the Prime Minister not to take any action pending a full debate by the House. He added "Surely no-one in the House, whatever their views, is anxious to set the Middle East or the world afire without a few moments' pause for reflection. There are many Members with strong feelings on this matter. Mine are well known, I am sure that the interests of Israel, Egypt, the Middle East, Britain, and the world, would be better served by preserving peace in this area and in the world than by anything else that could be done"

Mr. Stanley Evans (Lab) asked for "a conditional undertaking that unless there was some special incident the Prime Minister would withhold military action until the House had had an opportunity of discussing it."

Sir Anthony Eden replied: "The difficulties are not all explicable easily. There is not only the shipping—there is also the question of stopping this fighting before it spreads more widely, and that really does affect both sides. I do not want to exaggerate too much in what I say. I want to keep the balance even. But it is fair to say, as everyone knows, that, in bombing arms, one side is well away in advance of the other. I do not say that this should weigh heavily with us. It is difficult to know what things should weigh in a situation like this. It is certainly an element in the situation which made us and the French Government come to the conclusion I announced to the House It is impossible for me to vary that Anglo-French conclusion which we agreed to."

Mr. Denis Healey (Lab.) said that there were many Members—and he was one—who had a feeling, from what the Prime Minister had said so far, that the British and the French Governments were taking the law into their own hands "Was the U.S. Government consulted when the British and French Governments took the decision which the Prime Minister has announced, and did it approve of that decision? Has the Prime Minister consulted our allies in Jordan and Iraq on the steps he proposed to take, and did they approve? Have Commonwealth Governments been consulted on this decision, and have they approved? The Commonwealth is vitally concerned, no less than we are, in the safety and security of the Canal. Finally, the British people are also vitally concerned to prevent a step being taken which might lead to general hostilities between this country and the whole of the Arab world, with a majority of the United Nations opposed to us. I cannot feel that the Prime Minister has done his duty if he has taken this step without prior consultation with the Opposition

"The step which the Prime Minister has threatened to take is a military ultimatum by two Governments against two others. If the Prime Minister is correct in suggesting that unfavourable replies may be received, and that therefore action may be taken even during the night, we may have the position to-morrow in which British tanks are shooting women and children in the streets of Port Said. If this is not the case, how do the Government propose to implement their threat to occupy the Canal? This after all is the subject we are all discussing—the question of peace and war. I think it would be both a crime and a tragedy if, at the moment when freedom and national independence are being suppressed by Russian tanks in Hungary, this Government did anything, without international support, which led to a similar impression being given to world opinion."

Sir Anthony Eden replied that the Government had been in close communication with the U S Administration and with the Security Council, to whom they had sent their proposal. They had also kept in close consultation with Commonwealth Governments. Responsibility for the decision, however, was that of the French and British Governments.

Mr. Godfrey Nicholson (C.) thought that the Government would be held very much to blame unless they took urgent and quick steps to put out the conflagration "If a house was on fire time should not be spent on discussing which fire brigade should put it out." The Prime Minister would have the support of the whole country in taking the most immediate and urgent steps to preserve peace and put out the conflagration.

Mr. John Hynd (Lab.) asserted that for a long time the Prime Minister and the Government had been determined to have some excuse for landing British troops in the Canal area The Opposition were not so simple as to believe that that was not in the Government's mind in connexion with the ultimatum. The Government should give an assurance that, in the event of the landing of British troops, and immediately there was a withdrawal of Israeli troops beyond the frontier or the situation was settled, the troops would be withdrawn from the Canal irrespective of the situation between Britain and President Nasser *vis-à-vis* the Canal.

When **Mr. Winterbottom** (Lab.) expressed the hope that the occasion would not be used to keep British troops in the Canal zone and in furtherance of the dispute between Britain and the Egyptian Government. **Sir A. Eden** indicated assent, and said he had answered the point in his earlier statement.

After the resumption of the debate the Prime Minister made a further statement to the House.

Sir Anthony Eden said: "The Tripartite Declaration in relation to Egypt has clearly to be governed by the fact that Egypt has taken as its stand that it would not accept the implications of the declaration. Besides the denunciations of the Egyptian Press and the statement by the [Egyptian] Foreign Minister that it was a 'unilateral declaration' giving rise to 'no contractual obligations and giving the Three Powers no rights to intervene,' in the agreed interpretation of the 1954 treaty Egypt has insisted specifically that we would not have the right to reactivate the base in the event of an attack on Egypt or any other Arab State by Israel The only implication of that must surely be that they did not want the Three-Power Declaration to apply to them over a conflict with Israel . . .

"Members have talked about whether British troops and other troops would be withdrawn once the present hostilities have ceased. Of course that will be so. Certainly it is the Government's intention that they would be withdrawn as soon as possible. The last thing the Government want is an enduring commitment of that kind. It is intended that their presence at key points should be merely temporary. The purpose of the intervention is to seek to separate the combatants and remove risk to free passage through the Canal, and reduce risk for those who are voyaging through the Canal. The Government hope that compliance by both sides with their appeal will enable

these objectives to be secured rapidly. Then, clearly, there will be no need for anything but token forces to make sure that what is acceptable to both sides is carried out These will be withdrawn the moment a settlement has been arrived at.

" I have been asked what guarantee could be given to Israel, if she complied with the Government's appeal, that she would not again be subject to continued threats. The answer is that I am not in a position to give such a guarantee. I devoutly wish I were, but I cannot On the other hand, the object of what we are seeking to do now is to try to bring about the immediate cessation of hostilities before the situation grows more dangerous from any point of view, owing to air activity increasing on both sides An immediate cessation of hostilities should be to everyone's interest, including Israel.

" It is on that basis we have addressed the appeal to both parties Then we think further efforts can be made to try to find a permanent settlement of this terrible problem which has haunted us for so long—relations between Israel and the Arab States. That is the object we have in mind. I admit the decision that we took with the French Government lays a heavy responsibility upon us We thought there was a fair and reasonable chance that these proposals might be accepted. If they are, they offer by far the best opportunity of preventing this from growing into a far more dangerous situation affecting the whole Middle East. The Opposition may, if they like, impugn our judgment. I hope they will not impugn our motives, because that was the decision we took and the spirit in which we took it."

Mr. Gaitskell spoke as follows · " I said earlier that we warmly welcomed the reference of this dispute to the Security Council. But I had supposed, that having been done, that we should have heard from the Prime Minister, not of independent action taken by Britain and France, but of the kind of proposals which Britain might be making in the Security Council. I had expected that we would be proposing that the Israel troops and forces should be withdrawn to the Israel frontiers. I say at once, I do not think it would have been right for us to content ourselves with that unless we had said at the Security Council something else—namely, that experience had now shown that it was not reasonable to expect the Israelis simply to return to the *status quo ante*, that their security was such that it devolved on the U N. to tackle once again this terribly difficult Arab-Israel problem.

" We have to recognize, whatever the outcome might be, that the situation in which Israel is placed is becoming impossible. Since we met this afternoon, the news has come through that the U S delegate has in fact proposed that the Israel troops should be withdrawn, not 10 miles from the Canal, but within their own frontier Will the Foreign Secretary say whether that was agreed with the United States, or what exactly is the divergence between us ?

" The difference between us here . . lies in the action announced by the Prime Minister at the end of his statement. Our first criticism is that it was taken independently by Britain and France at the very moment when this dispute was being referred to the Security Council. I cannot see any possible justification for that. Surely the right thing to have done would have been to wait for the debate in the Security Council which is taking place this afternoon."

Amidst Ministerial laughter and cries of dissent, Mr Gaitskell continued : " When Members laugh at the suggestion that we should await the outcome of a debate in the Security Council, I wonder if they realize what conclusions people who listen to them draw ? They draw the conclusion that Members who behave in that way have simply lost faith entirely in the United Nations. There is nothing in the Charter that justifies any nation appointing itself as world policeman. The great danger of the situation is that if we can do this, so can anyone else.

" My second criticism is : I cannot see any legal justification for what it is proposed to do. The Prime Minister has given a number of reasons why he felt that the Tripartite Declaration no longer applied He said that Egypt had denounced it. It is very odd he should have left it until tonight to come forward with that argument.

" The third criticism is that we are not satisfied with the degree of consultation that appears to have taken place either with the Commonwealth or the U S.A. I want to ask the Government whether other members of the Commonwealth were consulted on this, and what their reactions were. If it comes to a vote in the Security Council, can we be sure the U.S A. will side with us, or is Britain doing it off her own bat ?

" No one would accuse me of a lack of sympathy for Israel. But I am bound to say that a proposal which is intended to stop the fighting, and involves the withdrawal of the Egyptians 10 miles further within their own frontier, and the withdrawal of the Israelis 10 miles from the Canal zone—which still leaves them at some points 100 miles inside Egypt—is hardly one which I should have thought would have commended itself on equitable grounds.

" The first thing I would do, and that is what I am asking the Prime Minister to do, is to refrain from using armed force until the Security Council have finished their deliberations.

" The only other argument which the Prime Minister has put forward is that it is necessary to do this in order to protect British lives and ships in the Suez Canal Very well, but supposing the news comes through that the Israeli forces are being withdrawn towards the Israel frontier—that they are far more than 10 miles from the Suez Canal Is it still the intention of the Government, where there is clearly no danger whatever to British lives and shipping, to carry on with their ultimatum to Egypt and Israel and impose force if the ultimatum is refused ? I ask the Foreign Secretary this because I understand that in Jerusalem the Israelis have issued a statement saying that this is not intended to be more than an attempt to wipe out the bases from which these [*Fedayeen*] raids have been taking place, and that they intend to withdraw afterwards. If that is the case, how can the Prime Minister possibly justify intervening when the Israelis are no longer near the Canal at all ?

' In international law I believe there is provision, if the local authorities cannot maintain law and order, for a Government to step in and rescue their own nationals. But if that piece of international law is so interpreted as to justify armed intervention and an ultimatum of this kind announced this afternoon, I conceive that it could be used in all sorts of circumstances, and greatly to our detriment in all parts of the world. I should have thought that if this were the case, the Americans themselves would also be concerned with the safety of their nationals and shipping. Why have not they taken action of this kind ? They have been content to tell their nationals to come home They have been content to warn their shipping and personnel. I cannot see, in what has happened so far, any possible justification for the use of force which we have heard about this afternoon.

" The last thing is this—the Prime Minister has not consulted the Opposition. We have had no discussions with him. I do not blame him for that—he had very little time—but he made no attempt, if he wished to have a united country on this issue, to find out if it was possible . . . If the Prime Minister is unable to give the undertaking the Opposition want, which is a reasonable one in view of what is happening in the Security Council, then, on the ground that the Opposition do not think it right that this country should be put in grave danger of being involved in war, we shall have to divide the House."

Mr. Patrick Maitland (C.) said that this was not a case of war or peace, but of law and peace The U N. had been ineffective over and over again. There were phrases in the U.N. Charter which could be cited in support of the Government The public as a whole would be heartily relieved that at last there were Governments prepared to take some action to defend an international interest.

Mr. Christopher Mayhew (Lab.) said the Government could not escape the suspicion that the actions they had taken were not directed towards the problem of the Israeli incursion, but rather that they were fulfilling " their long-cherished desires to regain control of the Suez Canal."

Mr. Robens (Lab.) asked the Prime Minister to say whether he had been in consultation with the U.S.A., in view of a statement from the U.S State Department that they had received no prior warning of the British and French intention to move troops into the Suez area. It was " terribly important " that the House should be united when the country was " virtually going to war." The Prime Minister could avoid dividing the House if, through the Foreign Secretary, he could say that the Government would not take military action until the Security Council had met, thoroughly discussed the matter, and come to a decision Mr. Robens added

" The Prime Minister would lose nothing by postponing this decision for 48 hours, during which time the Security Council would have made its decision. I plead with him to do it. The Foreign Secretary has the opportunity to do that now, to get this country united and not have a declaration of war—because that is what this ultimatum will mean—with half this House and half the country against the action the Government has taken."

Mr. Selwyn Lloyd (Foreign Secretary), referring to complaints from the Opposition about the Government's failure to consult them before taking action, declared · " The moment the Prime Minister had finished his discussions with the French Ministers, he at once spoke to leaders of the Opposition. This idea that the Government of the day could only take action after prior agreement with the Opposition . . " [His concluding words were drowned in uproar and violent Opposition protests]

Mr. Gaitskell said that he and Mr. James Griffiths had seen the Prime Minister the same afternoon and were given copies of the Prime Minister's statement 15 minutes before the debate. This was not consultation. He had not complained about the failure on the part of the Government to consult them, but he wished to make it plain that they had not done so.

Mr. Lloyd said the Government would do what they believed to be right for the interests of the country. It was for the Opposition to do what they thought was right If the House were divided it would be the responsibility of the Opposition, and in the present serious situation that would be something which the country would not forgive.

The position as known to the Government was that Israeli forces were within a few miles of Suez. There had been an increase of air activity, and it would be commonsense to assess this as a threat to free passage through the Canal. There was a threat of conditions which required immediate action such as the Government had proposed. The proposal that the Government should give an undertaking that they would defer any action until the conclusion of the Security Council debate was an impossible and impracticable one for any Government.

" We have reserved the right," Mr. Lloyd concluded, " to take the necessary action in an emergency at the time we think fit. We have never claimed that we have acted in agreement with the U.S Government. We have certainly been in close touch with that Government throughout the controversy We have never said we have acted with their approval and authority. We believe the decision we and the French Government have had to take in our own rights is a decision in the interests of peace in that area."

The House then divided on a motion for the adjournment, the voting being 270 to 218—a Government majority of 52.

French National Assembly's Support for Anglo-French Action. - Declaration by M. Mollet.

The Anglo-French action was upheld by the French National Assembly on Oct. 30 by 368 votes to 182, the only parties opposing being the Communists and about half the Poujadist deputies. The Council of the Republic also gave its approval the same evening by 289 votes against 19.

M. Guy Mollet made the following statement:

"The aggressive policy of Egypt is known to the National Assembly. For many months military aid by the Soviet Union and its satellites has enabled Egypt to expand her armaments considerably, to the detriment of her economy and of the already miserable living standards of her population . . Recent developments have given clear evidence of Colonel Nasser's expansionist aims—the renewal of guerrilla attacks against Israel's frontiers, followed closely by the setting-up of a single military command by Egypt, Syria, and Jordan, thereby increasing the menace already weighing upon Israel

"Israeli forces crossed the frontier yesterday and are advancing towards the Suez Canal . . . We know the people of Israel—we know their resolution, the courage with which they till their difficult soil, the courage with which they maintain the independence of their country while surrounded by hostile peoples We know their attachment to the Rights of Man and to the fundamental principles of democracy. We know, finally, the repeated provocations to which Israel has had to submit from certain Arab countries. We know that these countries, acting more and more under Egyptian instigation, have openly proclaimed their intention to 'wipe Israel off the map.'

"We also know the regime of Colonel Nasser . . . We have not forgotten his repeated refusal to allow the free passage of Israeli shipping through the Suez Canal, in defiance of the United Nations Three months ago he seized the Canal in violation of international treaties. We know his intrusion into the Algerian drama . . . In view of all these facts . . . the French Government cannot see its way either to condone or to condemn Israel's action. In accordance with the U.N. Charter we have supported the U.S. demand to acquaint the Security Council with the situation I hope the Security Council's decision will be taken after an objective study of all aspects of the problem, and not only of the events of the last few hours.

"Must we, however, have sole recourse to the Security Council only? The slowness of its procedure would make such a decision unwise, apart from the fact that immediate repercussions are to be feared. The battles which are impending will be fought in the Suez Canal area, and security of transit and the free passage of shipping through the Canal are at stake Our first concern must be the restoration of peaceful conditions in the area. The fighting is not yet on a large scale . . . and resolute action can bring about a speedy ending of hostilities while assuring the regular functioning of the Canal

"This afternoon the French and British Governments addressed a solemn appeal to Israel and Egypt calling upon them to cease all operations by land, sea and air and to withdraw their forces from the Canal Zone on both sides At the same time the Egyptian Government have been requested to allow Franco-British forces to be stationed temporarily at three points on the Canal—Port Said, Ismailia, and Suez—to guarantee the free passage of shipping of all nations If, at the expiration of the time-limit, these requests are not met, the Franco-British forces will take the necessary measures to secure compliance by either side. I emphasize that the measures envisaged are temporary. They are directed neither against Egypt nor against Israel . . .

"The French and British Governments have informed the U.S Government of their preoccupations and their decisions. I have sent a personal message to President Eisenhower explaining the situation, and I hope—and all France hopes—that the Franco-British initiative will be supported by his high authority. The French Government is conscious of the gravity of the decisions taken. It is also conscious of the gravity of the consequences which the absence of these decisions would involve"

M. Mollet concluded by stressing the complete unity of views between France and Britain and the complete solidarity between the two countries. He called upon the Assembly to signify by a "massive vote" its approval of the Franco-British initiative.

The 368 votes in support of the Government comprised 99 Socialists (out of 100), 83 Independents (out of 85), 73 M.R.P. deputies (out of 74), 30 Radicals (out of 46), 21 Social Republicans, 15 U.D.S.R. deputies, all 14 Dissident Radicals, all 13 R.G.R. deputies, 11 *Paysans*, 5 Poujadists, and 4 *non-inscrits*. The 182 opposing votes included the 149 Communists and *progressistes* and 28 Poujadists, together with a few Overseas deputies. Fifteen deputies abstained from voting, including 11 Radicals (among them M. Mendès-France), whilst 18 deputies (including six of the seven Overseas Independents and seven Poujadists) did not take part in the vote.

It was understood that the Poujadists had originally decided to support the Government on national and patriotic grounds, but that M. Poujade (who is not a deptuy) had instructed them not to do so because it was "not fitting that France should fight for the Queen of England"

M. Mendès-France, the Radical leader, issued a statement on the same date calling upon the French Government to convene a meeting of the "Big Four" without delay "to prevent a conflagration in the Middle East and to save peace." Expressing the fear that "we are perhaps on the eve of general war," he said that a conflict between Israel and the Arab States could not easily be localized, and that the existing tension about the Suez Canal, now three months' old, might "set a spark to the powder."

U.N. Security Council Meeting. - Anglo-French Veto of U.S. and Soviet Resolutions. - Calling of Emergency Session of General Assembly.

The Security Council met on Oct. 30 to consider urgently an American resolution censuring Israel and demanding the immediate withdrawal of her armed forces behind the established armistice lines. The Council meeting had been called at the request of Mr. Cabot Lodge, the U.S. representative, acting on direct instructions from President Eisenhower. In spite of British requests for a postponement of the debate the U.S. delegate insisted on an immediate vote, in which Britain and France vetoed the resolution. The British and French delegates also used the veto against a similar Soviet resolution which was subsequently presented.

The text of the U.S. resolution was as follows:

"The Security Council, noting that the armed forces of Israel have penetrated deeply into Egyptian territory in violation of the armistice agreement between Egypt and Israel, and expressing its grave concern at this violation of the armistice agreement:

(1) Calls upon Israel immediately to withdraw its armed forces behind the established armistice lines.

(2) Calls upon all members . (*a*) to refrain from the use of force or threat of force in the area in any manner inconsistent with the purposes of the United Nations, (*b*) to assist the U.N. in ensuring the integrity of the armistice agreements; (*c*) to refrain from giving any military, economic or financial assistance to Israel as long as it has not complied with this resolution.

(3) Requests the Secretary-General to keep the Security Council informed on compliance with this resolution, and to make whatever recommendations he deems appropriate for the maintenance of international peace and security in the area by the implementation of this and prior resolutions."

Mr. Cabot Lodge declared that the Israeli military operations against Egypt had made it necessary for the Security Council to take urgent action, and that failure by the Council to react at this time would be "a clear avoidance of its responsibility for the maintenance of international peace and security" The U.N. had a "clear and unchallengeable responsibility for the maintenance of the armistice agreement," and the U.S. Government felt it "imperative" that the Council should act in the most prompt manner to determine that a breach of the peace had occurred, to order that the military actions started by Israel should cease immediately, and to make clear its view that the Israeli armed forces must be immediately withdrawn behind the armistice lines. "We, as members of the Council," Mr. Lodge declared, "accordingly should call upon all U.N. members to render prompt assistance in achieving a withdrawal of the Israeli forces. All members specifically should refrain from giving any assistance which might continue or prolong the hostilities. No one nation should take advantage of the situation for any selfish interests. Each of us and all members of the U.N. have a clear-cut responsibility to see that the peace and stability of the Palestine area are restored forthwith. Anything else is an invitation to disaster in this part of the world." Mr. Lodge added that the U.S. resolution, if promptly adopted, would effectively deal with the Israeli penetration of Egypt, and that if it was complied with by Israel the basis for the 12-hour "ultimatum" by Britain and France would disappear. This did not imply that the U.S.A. considered that the "ultimatum" was justifiable or in accordance with the U.N. Charter.

Mr. Sobolev (Soviet Union) asserted that Israel could not have attacked without "encouragement from those aggressive circles which are not interested in maintaining peace and are casting about for any available pretext to move their forces into the area." He alleged that the Anglo-French action was an attempt to take advantage of the situation to seize the Suez Canal and constituted aggression against Egypt. He therefore supported the U.S. resolution, declaring that the Council had the double duty of demanding that Egypt and Israel should cease hostilities and of warning Britain and France that they had no right to use the disturbances in the Middle East "for their own selfish ends."

Sir Pierson Dixon (U.K.) pointed out that in the British Government's view "the first consideration is that the fighting between Israel and Egypt must stop, and the second consideration that unless hostilities can quickly be stopped, free passage through the Canal will be jeopardized." It was with these twin purposes in mind that the French and British Governments had addressed the Israeli and Egyptian Governments and had undertaken to safeguard freedom of passage through the Canal by sending armed forces to occupy three key points temporarily.

After specially emphasizing the temporary character of the proposed action, Sir Pierson Dixon referred to allegations made in earlier debates by M. Shepilov (the Soviet Foreign Minister) that Britain and France were seeking an occasion to settle their difference with Egypt about the Suez Canal by force. "At that time we treated the allegations with the contempt which they deserved," Sir Pierson declared. "That is not our object, and it has never been our object. Mr. Sobolev insinuated something of the same kind and alleged that certain Powers had prompted the Israeli Government to take action against Egypt. The contrary is, of course, the truth.

"We have done everything in our power to lower tension in the Middle East, and if tension has increased, it is because, unhappily, neither Israel not its Arab neighbours has seen fit to listen to our advice and to that of our friends. Since this advice has not been heeded, the present explosive situation has arisen. How can we have confidence, much as we should like to, that some future injunction by the Security Council would in fact prove effective to deal in time—and time is of the essence—with a situation which is rapidly getting out of control?"

In conclusion, Sir Pierson Dixon contended that there was nothing that the Council could do in the present situation to help matters. He hoped therefore that Mr. Cabot Lodge would agree that nothing would be gained in the circumstances by pressing the U.S. resolution.

M. Brilej (Yugoslavia) supported the U.S resolution, accused Israel of contempt for the Security Council's authority, and denounced the Anglo-French move as "a unilateral application of force without authorization from the U N. and without any justification in treaty obligations." **M. Cornut-Gentille** (France) supported the arguments put forward by Sir Pierson Dixon and expressed the view that there was no point in considering the U S. resolution at the present stage.

When the U.S. resolution was put to the vote it was supported by seven members of the Council (U.S.A., U.S.S.R., Cuba, Peru, Persia, Yugoslavia, and Nationalist China) and opposed by Britain and France, with Australia and Belgium abstaining; because of the British and French veto it was therefore defeated. Mr. Sobolev then re-submitted the resolution in an amended form as suggested by Nationalist China and Persia, omitting clause (2) of the U.S. resolution [i.e. the clause calling on all U.N. members to refrain from the use or threat of force, as well as asking all countries to cut off military, economic, and financial aid to Israel until she withdrew behind the armistice lines]. Instead, the Soviet resolution, in addition to calling upon Israel immediately to withdraw her forces, called on "all the parties concerned" to cease fire immediately. Despite this change, however, the Soviet resolution was also vetoed by Britain and France, the voting being seven to two, with the U.S.A. and Belgium abstaining; the seven votes for the resolution were those of Australia, Nationalist China, Cuba, Persia, Peru, the Soviet Union, and Yugoslavia.

Mr. Lodge explained afterwards that he had abstained because he objected to the omission in the Soviet resolution of the aforementioned clauses which had formed part of the U S. resolution. **Sir Pierson Dixon** had previously explained that he would vote against the Soviet resolution for the same reason as he opposed the U S. draft—because "the sentiments of the proposals in themselves are unobjectionable, but they are not in our view appropriate to the circumstances prevailing."

During the debate the President of the Security Council received a communication from the Egyptian Government protesting against the Franco-British "ultimatum" and asking that the Council be convened immediately to consider "this Anglo-French act of aggression." The statement added: "In the meantime, and until the Security Council has taken the necessary measures, Egypt has no choice but to defend herself and safeguard her rights against such aggression."

In view of the Anglo-French veto against the U.S. and Soviet resolutions, the Security Council met again in emergency session on Oct. 31 and adopted a Yugoslav resolution calling an emergency session of the U.N. General Assembly to make recommendations on the action undertaken against Egypt.

At the beginning of the meeting **Dr. Hammarskjöld** (the U.N. Secretary-General) read a personal statement calling upon all member-nations to "honour their pledge to observe all Articles of the Charter," and stressing that the discretion and impartiality imposed on him could not degenerate into a policy of expediency. "He [the Secretary-General] must be a servant of the principles of the Charter," Dr. Hammarskjold declared, "and its aims must ultimately determine what, for him, is right and wrong. For that he must stand. Were the members to consider that another view of the duties of the Secretary-General than the one he has stated would better serve the interests of this Organization, it is their obvious right to act accordingly." [This statement was first taken to imply that Dr. Hammarskjöld intended to resign, but it was subsequently stated by U.N. officials that he had only desired to emphasize that if any member disliked the role he had played in the Palestine and Suez questions, they should make known their objections. Following Dr. Hammarskjöld's statement, however, Mr. Lodge, Mr. Sobolev, Sir Pierson Dixon, and other Council members assured him of their confidence and asked him to continue in office.

On the Yugoslav resolution Sir Pierson Dixon maintained that the proposal to call the U.N. General Assembly in emergency session was "out of order," and that the procedure adopted at the time of the Korean War for calling such sessions did not apply in the present case. His formal motion to that effect was, however, defeated by six votes (U.S.A., U.S.S.R., Peru, Cuba, Yugoslavia, and Persia) to four (Britain, France, Australia, and Belgium), with Nationalist China abstaining.

The Yugoslav resolution was then adopted by seven votes (U.S.A., U.S.S.R., Yugoslavia, Nationalist China, Cuba, Persia, and Peru) to two (Britain and France), with Australia and Belgium abstaining.

The Yugoslav resolution adopted by the Council [since the British and French veto did not apply to this decision] was as follows

"The Security Council, considering that a grave situation has been created by the action undertaken against Egypt, and taking into account the lack of unanimity of its permanent members, which has prevented it from exercising its primary responsibility for the maintenance of international peace and security in the present case,

"Decides to call an emergency special session of the General Assembly as provided in the General Assembly Resolution 377 (V) in order to make appropriate recommendations"

[The aforementioned General Assembly resolution had been adopted in 1950 for the specific purpose of enabling the Assembly to overcome the Soviet veto in the Security Council—see 11069 A.]

House of Commons Debate of October 31.

The House met again on Oct. 31 in a tense atmosphere to hear a further statement by the Prime Minister on the Middle East situation. Sir Anthony Eden gave the reasons which had led the U.K. and French Governments to oppose the U.S. resolution in the Security Council calling for an immediate cease-fire and the withdrawal of troops, and defended the action undertaken by the British and French Governments in the Canal Zone. Mr. Gaitskell, Leader of the Opposition, accused the Government of "an act of disastrous folly" which had undermined the Commonwealth, the Anglo-American alliance, and the U.N. Charter.

Sir Anthony Eden said "Yesterday morning the U.S representative at the United Nations tabled a resolution which was a condemnation of Israel as the aggressor in the events of the last few days We felt that we could not associate ourselves with this. We said so through diplomatic channels both in London and New York. The British Government did not, and do not, feel it is possible to pronounce in this way against one of the parties in the dispute for the action they have taken, regardless of the cumulative facts that went before.

"Throughout recent months, and particularly since the seizure of the Canal, the Egyptian Government has kept up a violent campaign against Israel, against this country, and against the West. The Egyptian Government has made clear over and over again its intention to destroy Israel, just as it has made plain that it would drive the Western Powers out of the Middle East That is the background to understanding what is happening. It is from the Egyptian policies that much of the present crisis has sprung. To ignore them is to shun reality. In those circumstances, is there any Member who can consider Egypt as an innocent country whom it is right to exonerate at the Security Council by condemning Israel as the aggressor?

"Moreover, the Security Council resolution simply called on the Israeli Government to withdraw within their own frontiers That seems to us, in all the circumstances that have preceded these immediate events, to be a harsh demand if it is to stand alone. It certainly could not meet the guarantees for Israel's security which were asked for by several Members during yesterday's debate.

"As for our own request to both sides to cease fire and withdraw, Israel accepted it and declared her willingness to take practical steps to carry it out. Press reports this morning that one column of Israeli troops has reached El Qusaila in an outflanking movement are, to the best of the Government's knowledge, true . . . The Press also reports that a column is well along the highway, built by Lord Allenby's forces during the First World War, which leads through the desert to Ismailia. Other columns are reported to be nearer the Canal, and some troops may be on it . . .

"In the light of these facts, can anyone say that we and the French Government should have waited for a satisfactory resolution of the Security Council authorizing definite action to stop the fighting? We have recently been to the U.N with proposals about the future of the Canal approved by 18 Powers representing more than 90 per cent of the traffic using the Canal. We received strong support for our proposals, but they were vetoed by the Soviet Government. Could we be expected to await the development of a similar procedure in the situation of much greater urgency which confronts us now in and about the Canal?

"The action we had to take was bound to be rapid I regret it had to be taken, but it was inescapable. We have no desire whatever—nor have the French Government—that the military action we shall have to take shall be more than temporary in its duration. But it is our intention that our action to protect the Canal and separate the combatants should result in a settlement which will prevent such a situation arising periodically. If we can do that we shall have performed a service not only to this country but to the users of the Canal. It is not tolerable that the greatest sea highway in the world, and one on which our Western life so largely depends, should be subject to the dangers of an explosive situation in the Middle East, which, it must be admitted, has been largely created by the Egyptian Government along familiar lines.

"We have witnessed the growth of a specific Egyptian threat to the peace of the Middle East. Everyone knows that to be true. In the actions we have now taken we are not concerned to stop Egypt but to stop war. None the less, it is the fact that there is no Middle

Eastern problem at present which could not have been settled or bettered but for the hostile and irresponsible policies of Egypt in recent years. There is no hope of a general settlement of the many outstanding problems in that area so long as Egyptian propaganda and policy continues along its present line of violence. What would the future of the Middle East have been if, while denouncing Israel, we had done nothing to check the Egyptian action? The only result would be warfare spreading through the whole area and a great increase in the strength and influence of the dictator's powers.

"In these circumstances, to have taken no action whatever would have been to betray not our interests alone but those of the free world, and, above all, of the Middle East itself. To have taken ineffective action would have been as great a betrayal as to have taken no action at all. We have taken the only action which we could clearly see effective in holding the belligerents apart, and which would give us some chance of re-establishing the peace of the area.

"In entering the Suez Canal area we are not only protecting a vital international waterway. We are also holding the only line of division possible between the combatants which is practicable for us. Even if it were fair, it would not have been possible to attempt to establish ourselves upon the armistice line itself. It is an irregular line with no facilities and no possibility of any limited force doing anything effective to control it, and would have been no assistance at all in respect of shipping in the Canal.

"I wish to say something about our relations with the United States in the matter. . . . It is an obvious truth that the safety of transit through the Canal, although clearly of concern to the U.S.A., is for them not a matter of survival as it is for us and all Europe, and many other countries. Mr. Dulles made this clear on Aug. 28, when he said that the U.S economy is not dependent on the Canal. Of course that is true. We must all accept it, and we should not complain about it But it is equally true that throughout all these months this fact has inevitably influenced the attitude of the U.S.A. to these problems, as compared to that of ourselves and the French. If anyone says that on that account we should have held up action until agreement could be reached with the U.S.A. on what to do, I can only say this would have been to ignore what everyone knows here, and in the U.S A., to have been different approaches to these vital Middle Eastern questions Of course we deplore it, but I do not think it can carry with it the corollary that in all circumstances we must secure agreement with our American ally before we can act ourselves in what we know to be in our own vital interests."

Replying to an interjection by **Mr. Philip Noel-Baker** (Lab), who asked whether the Government, in their conversations with the U.S. Government on Oct. 28-29 on the implementation of the Tripartite Declaration, had mentioned their plan, the **Prime Minister** said . "I made it quite plain that the decisions were arrived at on our responsibility and that of the French Government yesterday." When **Mr. Noel-Baker** retorted that the Prime Minister was now admitting that H.M. Government had conversations with the U.S. Government on Oct. 28 and 29 about the carrying out of the Tripartite Declaration, but had never mentioned the plan now executed, **Sir Anthony Eden** declared: "There have been a number of conversations between the U S Government and ourselves, and we have expressed our preoccupations and our reasons, dating right back to the Canal seizure, why the matter seemed to us of such overwhelming importance We have done that at all stages. Only yesterday there were talks between the Foreign Secretary and the U.S. Ambassador about action to be taken in the Security Council. . . . I repeat that the decisions taken by the French Government and ourselves were decisions which we thought it right to take at once, in the interests of our own nationals and our own shipping."

Mr. Noel-Baker asked: "Were we not bound by common obligations with the U S.A. in respect of this matter, and did we not fail to inform the U.S.A. of what we intended to do outside the Tripartite Declaration?

Sir Anthony Eden replied: "The moment the French Government and ourselves had reached the conclusions on what we should do, I authorized the dispatch of a full message to the U.S A. explaining our action before even coming down to this House. Earlier yesterday I also informed the U.S. Government of our reasons for concern, and of our anxieties whether the Security Council was the method to deal with the increasing dangers which faced us. I do not think on either of these points I have anything to repent, because it is sometimes a Government's duty to take decisions for its own country.

"I was very glad to see that Mr. Cabot Lodge, the American representative on the Security Council, said yesterday, on this very question, that it took more than one question, important though it is, to upset relations between the U S.A., Britain, and France And that is true. Throughout this period, and longer still, in the communications we have had with the U.S.A. we have done our best to make it clear why we thought that decisive action would have to be taken. While we agreed to the Security Council, we also explained that experience shows that this procedure was unlikely to be either rapid or effective.

"I conclude by repeating that our request to Egypt is still open. We are still convinced that this offer is the best opportunity there is of bringing hostilities rapidly to an end, and of preventing the conflagration from spreading widely."

Stormy scenes occurred after **Mr. Gaitskell** intervened to say: "There was at least one extraordinary omission from the Prime Minister's statement. We are still left to some extent in the dark as to what H.M. Government have done. I must ask the Prime Minister now to repair the omission from his speech and to tell us, 'yes' or 'no,' whether, on the expiry of his ultimatum, instructions were given to the British and French forces to occupy the Canal Zone. **Sir Anthony Eden** replied: "If Mr. Gaitskell will be good enough to read the statement which the French and our Government issued yesterday, he will see perfectly clearly that we made it apparent that if agreement was not reached we should consider ourselves free to take whatever action may be necessary."

Mr. Gaitskell: "Of course we all know that is true, but what the Prime Minister did not say in that statement was whether such action would be taken immediately on the expiry of the ultimatum."

Before the Prime Minister could answer, **Mr. Callaghan** (Lab.) said: "I would like to ask the Prime Minister a question that 50 million people in this country will want to know: Are British troops engaged in Egypt at this moment? Have they landed, and where are they?" Amidst loud and prolonged Opposition cries of "Answer", which prevented the Prime Minister from making himself heard, **The Speaker** called for order, after which **Sir Anthony Eden** replied: "I am not in any way prepared to give the House any details of the action which will follow the statement I clearly made yesterday—that British and French forces will intervene in whatever strength will be necessary to secure compliance."

Mr. Gaitskell: "This is really a fantastic situation. Not only Opposition members but the whole House and the whole country are waiting for an answer to this question. I ask the Prime Minister again—I do not ask him to disclose troop movements—I ask him simply to tell the House, the country, and the whole world, whether the decision has been finally taken that British and French troops shall invade the Canal Zone."

Sir A. Eden: "I made perfectly plain yesterday that if we did not receive the answer we would take military action at the expiry of the period. I am not going to give the House, and the Leader of the Opposition does not ask it, any kind of account as to what action or what those plans with our Allies might be, but I tell him—we stand by what we said, and we shall carry it out."

Mr. Gaitskell "I am at a loss to understand why the Prime Minister should be so reluctant to give this essential item of information frankly and freely to the House of Commons I can only assume that this decision has been taken, and that therefore British and French troops are at any rate on the move. If that is not so the Prime Minister ought to say so, and we can then conclude that there is still time to prevent fighting He is evidently reluctant to do that. I think Members must draw their own conclusion. All I can say is that in taking this decision, it is the view of the Opposition that the Government have committed an act of disastrous folly whose tragic consequences we shall regret for years, because it will have done irreparable harm to the prestige and reputation of our country. This action not only involves the abandonment, but a positive assault upon, the three principles which have governed British foreign policy for the last 10 years—solidarity with the Commonwealth, the Anglo-American alliance, and adherence to the U N. Charter.

"It is a remarkable and most distressing fact that Australia was unable to support us in the Security Council. Australia has said that she is still not in sufficient command of the facts to be able to make a full statement. It does not seem that all the close consultation has been so very close after all. The Canadian Government, through its Foreign Secretary, has expressed in the coldest possible language its regret at the situation which has arisen. It also made it plain to Sir Pierson Dixon [U K. representative at the U.N.] that it was not consulted in advance before this ultimatum was sent. In New Zealand the Prime Minister has said, in substantially the same words as the Canadian Foreign Minister, that he regrets the situation which has arisen and was unable to say whether or not he supports the United Kingdom. This is a tragic situation, and I cannot but feel that Conservative Members, some of whom I know to be sincerely concerned with the maintenance of this unique institution, the British Commonwealth, must feel deep anxiety at what has happened.

"The second pillar of our foreign policy I described as the Anglo-American alliance Some of us on both sides of the House have worked hard in the last 10 years to strengthen and improve that alliance, and to us at least this is a terrible situation. Of course it is true that from time to time there have been disagreements between America and Britain, but in the light of what has happened in the last 24 hours I am bound to conclude, along with the American Press, that a far greater strain has now been placed on the alliance than ever before.

"We found ourselves in the position of actually vetoing a U.S. resolution in the Security Council. If it is true, as the Prime Minister has said, that the U.S resolution contained a condemnation of Israel, why did not the Government move a different resolution which excluded that part of the U S. resolution but adopted the other part? Surely that would have been possible; and it would have been extremely likely that in these circumstances there would have been unanimous support for it. But no such action was taken, and we are bound to draw the conclusion in the light of what Sir Pierson Dixon said—that the reason why no such amended resolution was put forward by France and Britain was that it was the view of their representatives that it would serve no useful purpose at this stage, as their countries were about to take direct action to intervene. I do not think there is any doubt that the Prime Minister's flimsy explanation of why we would not support the U.S. resolution is of no value whatever. It is perfectly clear that no opportunity whatever for discussion with the U S.A. was allowed or permitted.

"But even worse is the third pillar of our foreign policy which has now been so wantonly attacked by the Government—our support for the United Nations. Indeed, it is our attack on the principles and the letter of the Charter which is the reason why our action has been

so coldly and hostilely received by both the Commonwealth and the United States. The Foreign Secretary has frequently made play with the fact that the U.N. is not much good because anything put forward is vetoed. Who was responsible for the veto this time? Only the British and French Governments. If it had not been for their action, there would have been a unanimous resolution of the Security Council. I can only describe this as a major act of sabotage against the United Nations.

"Even more serious, there is our own armed intervention. I can only say that any impartial observer must recognize that this is a clear breach of the U.N Charter. Whatever doubt there may be about the degree of aggression in the Israel invasion of Egypt, and the extent of the provocation Israel has suffered, there can be no doubt about the nature of the British and French aggression. It is clear beyond peradventure.

"The next step will be the reference of this matter to the U.N Assembly. I wonder if the Government can give us any idea of how many members of the Assembly they think they can enrol in support I very much doubt if Britain and France will have a single supporter. It is, I am afraid, only too obvious that if this matter is pressed in the U.N. Assembly, as it will be, there will almost certainly be a two-thirds majority against us The whole power of the U.N. can be invoked to stop Britain. Is that what the Prime Minister really wants? The Prime Minister has said it was necessary to take action under international law to protect British lives and property, yet the first thing we heard was not that ships were to be protected but that they had to go round the Cape. This is frankly the flimsiest possible excuse.

"In Hongkong and Singapore there have been riots and there is a substantial Chinese population. The Chinese Government could perfectly well intervene there and say it was entitled to do so under international law to protect the lives and property of its nationals. It has been set a wonderful example by the British Government. The terrible thing about what the Government has done is that it has set such an example to every potential aggressor in the world.

"There can be no doubt at all about what the view of the world as a whole is about this decision of the Government. They look on it as a transparent excuse to seize the Canal and carry out a policy of force from which they were deterred by public opinion in Britain and the world in August and September. What the Prime Minister has said about the 18-Power proposals lends further colour to that view There have been even worse stories going around. These are that the whole business was a matter of collusion between the British, French, and Israeli Governments It is also believed that the 12 hours' ultimatum was decided on precisely to prevent public opinion operating effectively to stop the action.

"What will come out of this? I cannot believe that it is in the true interests of Israel to be associated with the reoccupation of the Canal Zone. In the long run the people of Israel have somehow to live with the Arab States They are entitled to ask for security, and again and again the Opposition has asked that for them. But if they are looked upon simply as stooges of Britain and France, and as a kind of advance guard of Western imperialism, any prospect of peaceful settlement with the Arab States is gravely endangered. I appeal to the many friends I have in Israel to accept the resolution of the Security Council in so far as it calls on them to withdraw their forces within their own frontiers, and to do that forthwith.

"It is surely abundantly clear that the whole of the operation is simply another effort to dictate a policy on the Canal issue just at the point when a negotiated settlement appeared to be in sight . . . There are wider implications This reckless and foolish decision has been taken just at the moment when events in Poland and Hungary have given the free world its greatest hope and encouragement in 10 years In the battle of ideas we could legitimately feel that the ideas of democracy and liberty had won an exciting victory Now this act of the Government has done untold damage to democracy's cause throughout the world, and above all in the vital uncommitted areas of the world."

Amidst scenes of uproar, in which Conservative cheers for the Prime Minister were countered by anti-Government demonstrations from the Opposition benches, Mr. Gaitskell continued: "Conservative members may cheer their Prime Minister, jeer the Opposition, and laugh at their faith in the United Nations. Some of them may rejoice in thinking themselves back in the old days of the 19th century, but all this will not stop the wave of hatred they have stirred up. It will not rebuild the shattered fabric of Anglo-American understanding, restore the unity of the Commonwealth, or make up for the vital blow the Government has dealt the United Nations

"We as the Opposition have to consider what attitude we should adopt to the war on which the Government have so recklessly embarked. We understand the importance of the decision we have to take. We were not consulted by the Government in the matter, they did not seek our consent, and they indicated last night that the Opposition were completely free to make their own decision. I must now tell the Government and the country that we cannot support the action they have taken, and that we feel bound by every constitutional means at our disposal to oppose it. I emphasize the word 'constitutional' We shall, of course, make no attempt to dissuade anyone from carrying out the orders of the Government, but we shall seek to influence public opinion to bring every pressure to bear on the Government to withdraw from the impossible situation into which they have put us.

"As a first step to that end we shall move a vote of censure in the strongest possible terms tomorrow. We shall do this because we consider it our duty in the present crisis both to do everything in our power to save the country from the disasters we believe will follow from the course set by the Government, and to proclaim to the world loudly and clearly that there are millions and millions of British people —as we believe, the majority of the nation—who are deeply shocked by the aggressive policy of the Government and believe it both wise and right to stand by the United Nations, the Commonwealth, and the U.S alliance. We shall do this because we believe there are millions of people who think that way and have lost all faith that such policies can any longer be pursued by the present Government"

In the further debate **Viscount Hinchingbrooke** (C.) strongly supported the Government's action and expressed "profound feelings of disgust and degradation" at Mr Gaitskell's speech. "If we had not acted in this forthright way in advance of the Security Council," he declared, "Egypt and Israel would have been tearing at each other's throats today, instead of which British and French forces are placing themselves four-square across the Suez Canal to prevent these nations from engaging each other."

Mr. Arthur Henderson (Lab.) said it seemed as though the Government had completely lost faith in the U N. as an instrument for solving international problems, and that they had done something "which may destroy the moral leadership we have exercised for many years" Their action was "wrong morally and wrong legally" and they stood "condemned at the bar of world opinion"

Mr. Harold Lever (Lab), on the other hand, while expressing sympathy with the principles enunciated by Mr. Gaitskell, declared that he had drawn different conclusions. He denied that there was any legal or moral authority for the view that because Israel had crossed her own frontiers into Egypt she was an aggressor within the meaning of the Charter or of international law There was no rule of international law, good sense or morality which compelled the victim of aggression never to counter-act for its protection into the territory of an aggressive opponent The action of the Israeli Government had been dictated by the necessity for survival

He was relieved (Mr. Lever went on) that the Government had declared that, in their view, the Tripartite Declaration was not relevant to the present situation He could not see public opinion approving of British troops moving to the aid of Colonel Nasser and protecting him from the Israeli Army He also supported the Government in their use of the veto against a resolution which sought to brand Israel as an aggressor Colonel Nasser was a great force for conflagration, war, distress, and destruction in the Middle East, and he [Mr Lever] would welcome any measure which helped to bring him down. But he could not support the Government in their present military action, which was a breach of the U.N Charter

Mr. Desmond Donnelly (Lab.) said that this was "the blackest day in the history of Britain since Munich, with this difference—at that time we had a telegram of congratulations from Roosevelt" He believed that one of the reasons for the Government's action was that the Prime Minister, a genuine believer in collective security, had "become obsessed by the events of the 1930s and was still re-fighting the same battles in 1956" The Prime Minister imagined that Nasser was Hitler, but Nasser was something much less evil and much less significant—"the political barrow-boy of the Middle East"

Mr. Rawlinson (C.) said that he was glad that Israel had "grasped the nettle," and that she was fully entitled to embark on a defensive war. Commenting on Mr. Gaitskell's reference to "collusion," he asked: "What authority has Mr Gaitskell got for 'stories going round'?" When **Mr. Robens** (Lab) said that the source was an American newspaper, **Mr. Rawlinson** retorted that they were entitled to expect the Leader of the Opposition to do better than use "tittle-tattle from American commentators."

Mr. Philip Noel-Baker (Lab.), winding up for the Opposition, said it was tragic that the House should be speaking to the nation and world with a disunited voice, and that "after three months of hostile propaganda against the United Nations by Ministers and their supporters, Britain should now have challenged the whole system on which the hopes of stable peace inevitably depended." The Prime Minister had "wiped out the Tripartite Declaration with meaningless excuses" and had treated the U.S.A and President Eisenhower as though they did not exist. The proposal made to Egypt and Israel was "grotesque and unjust," since it meant that Israel had the right to keep her troops 100 miles inside Egyptian territory while Egypt had to withdraw 120 miles inside her own territory.

Britain's veto of the Security Council resolution (Mr. Noel-Baker went on) was "a declaration by ourselves that we were aggressors" and marked "a black day in British history." If Britain had voted with the U S A, Australia, and other friends, action in the Security Council would have been swift and effective The Council would have called upon Israel to withdraw. If not, the countries could have withdrawn their ambassadors, then cut communications, and, if this had not produced results, could have imposed a blockade of Israel

In conclusion, Mr. Noel-Baker appealed to the Government to cease their action, to get Israel to withdraw, and to propose in the Security Council the creation of a broad neutral zone around Israel's borders policed by the United Nations

Mr. Selwyn Lloyd, replying for the Government, pointed out that they had been trying for months and years to get more international personnel guarding the Israel-Arab frontiers, but had not succeeded He stongly denied Mr Gaitskell's allegation that the Government's action was a violation of the U.N. Charter. The effect of the Charter was that force might be lawfully used on the express authority of the United Nations or in self-defence "Self-defence undoubtedly includes a situation where the lives of the State's nationals abroad are in imminent danger. Mr. Gaitskell has suggested that armed intervention by the Chinese Government in Hongkong or Singapore

would be justified. But these sort of local disorders are not comparable to the dangers existing in the Canal Zone. It would be a travesty of the Charter to say that no intervention should take place until nationals are actually being attacked and perhaps killed. There is an imminent threat to British nationals, to British ships, and to the Canal itself, and it is to protect all these by keeping the peace that the Government were acting."

Defending Britain's action in vetoing the U.S resolution in the Security Council, Mr Lloyd declared that the effect of that resolution was to pronounce judgment at once, and to pronounce it against Israel The issue, however, was not as clear as that, and the measures proposed, if taken in isolation, were clearly insufficient to deal with the problem. He did not believe that, had the American resolution been passed, the Israeli forces would have retired without obtaining any assurance and guarantees for their future against the Egyptian threats. The Government therefore did not feel that the U S resolution was an effective way of achieving the immediate objectives, their disagreement being "on the method rather than the principle."

Mr. Gaitskell had also criticized the Government because they had not had adequate consultation with the Commonwealth. But the reason why this specific course of action could not be put to the other Commonwealth Governments was that it had only been decided shortly before the Prime Minister informed the House In an emergency, which this was, he would not have though that anyone would have denied that it was not practical to have prior agreement

Repudiating the suggestion of collusion, the Foreign Secretary said that this had been Cairo Radio's line every time there was a border incident involving Israel. He added "It is wrong to state that Israel was incited to this action by the Government There was not a prior agreement between us about it" The Israeli mobilization had given some advance warning, and the Government had urged restraint and had drawn the attention of Israel to the consequences of any attack on Jordan. When Israeli forces moved into Egypt, however, the Government felt that there could be no delay.

Reiterating that the British and French Governments intended their presence in the Canal Zone to be temporary, Mr. Lloyd said. "We shall not take advantage of it to impose our wills on other questions. When considered views are formed, I believe our action will be seen to have stopped the deterioration of the situation and to have improved the long-term prospects of a reasonable settlement."

In conclusion, Mr. Lloyd announced that Allied aircraft had begun operations against military targets in Egypt, that the operations were being strictly limited to such targets, particularly airfields; and that the civilian population had been warned to keep clear before the operation began Their aim was to obtain Egyptian compliance with the request for the cessation of hostilities, and both their extent and objectives had been limited to achieving that aim with the minimum loss of life and the minimum of destruction It was quite untrue that Cairo had been bombed [as had been alleged by the Egyptian Government]. "Our request to the Egyptian Government remains open," Mr. Lloyd concluded. "It is our hope that it will be met without the necessity for prolonged military action"

Egyptian Rejection of Anglo-French Ultimatum. - Relations broken with Britain and France. - General Mobilization and Martial Law.

The Anglo-French ultimatum was handed to the Egyptian and Israeli envoys in London and Paris on Oct. 30. Israel accepted the ultimatum on the condition that Egypt did the same, but Cairo Radio declared that the ultimatum was "unacceptable to Egypt under any circumstances" and "constitutes an attack on the rights and dignity of Egypt and a flagrant violation of the U.N. Charter."

The Cairo broadcast said that President Nasser had informed the British and French Ambassadors of Egypt's refusal to accept the ultimatum, and quoted him as saying "At a time when Egypt is defending herself against Israeli aggression, Britain and France are preparing for aggression against the victim of the attack" The President had also informed the British, French, U S, Soviet, Indian, and Yugoslav Ambassadors that "Egypt will not falter in the face of any attack and will defend her rights and honour," and had sent messages to President Eisenhower, Marshal Bulganin, President Tito, and Mr. Nehru acquainting them of the situation

On the same day (Oct 30) the Egyptian Embassy in London, on behalf of the Egyptian Government, issued a statement declaring that Israel had launched military operations in Egyptian territory "in violation of international law, the U.N. Charter, and the armistice agreement" Egypt accordingly reserved "all rights to take the measures to which she is entitled under the U.N Charter, including the right to defend herself" After accusing Israel of having misled world opinion while working out plans for a treacherous attack against Egypt," the Embassy described the Israeli military operations as "nothing but a link in the chain of aggressions extending over the last few years against the Egyptian as well as the Arab borders, the purpose of which is to create a continued state of tension and to endanger peace in the Middle East."

In a proclamation on Nov. 1, after the British and French air forces had begun operations against Egyptian airfields (see below), President Nasser ordered general mobilization, imposed martial law, and appointed himself Military Governor-General of Egypt. At the same time the Egyptian Government broke off diplomatic relations with Britain and France, whose representation in Egypt was taken over by the Swiss Government at the request of the British and French Governments. Egyptian representation in Britain and France was taken over by the Indian Government, at Egypt's request. An Egyptian spokesman at the U.N. said on the same day that Egypt considered herself "in a state of war" with Britain and France.

In a broadcast on Nov. 1, President Nasser declared that Egypt would fight "a total war from village to village" to the "last drop of blood." He accused Britain, France, and Israel of "conspiring" against Egypt and attacking her without grounds, and said that the Anglo-French ultimatum had demanded the occupation of the Suez Canal area by Anglo-French forces "at a time when navigation is continuing uninterrupted."

On the following day President Nasser announced the seizure of all property—stores, vehicles, equipment, etc.—at the British bases on the Canal, and said that it was being distributed to the Egyptian armed forces and the National Liberation Army (the para-military force organized on Home Guard lines). He claimed the value of this property as £300,000,000, but the British Foreign Secretary (Mr. Selwyn Lloyd) stated that its actual value was about £40,000,000, and that there were no guns or tanks at the bases. [The equipment taken over by Egypt consisted of vehicles, engineering and constructional equipment, and miscellaneous stores at the Base Vehicle Depot, Base Ordnance Depot, and Base Workshops at Tel-el-Kebir, and the Engineer Stores Depot and Workshops at Fanara; all these were the responsibility of Suez Contractors (Vehicles) Ltd., organized by the firms of Austins and Rootes.]

The approximately 3,000 British nationals still in Egypt included some 400 employees of the Suez civilian contractors The detention of 450 British technicians, including three of the seven general managers of the Suez Contractors' companies, was reported on Nov. 2 by the Swiss radio After hostilies had ended on Nov. 5, the British Foreign Office was informed by the Swiss Legation in Cairo that all U.K. nationals in Egypt were safe and well, and in their homes.

House of Commons Debate of November 1. - Rejection of Opposition Vote of Censure on Government.

An Opposition motion of censure against the Government was debated by the House of Commons on Nov. 1 and rejected by 324 votes to 255—a Government majority of 69. The session was marked by stormy scenes which caused the Speaker to suspend the sitting for half-the-hour—the first time a session of the House had been suspended for 20 years.

The debate began with a statement by **Mr. Head,** the Minister of Defence, who announced that the previous night bombing attacks by British aircraft had been made on four Egyptian airfields, that shore and carrier-based aircraft had carried out further attacks on other Egyptian airfields early on Nov. 1, and that H.M S. *Newfoundland* had sunk the Egyptian frigate *Domiat.*

Mr. Gaitskell asked: "Is the Minister aware that millions of British people are profoundly shocked and ashamed that British aircraft should be bombing Egypt, not in self-defence, not in collective defence, but in clear defiance of the U.N Charter? The U N. General Assembly is meeting to-day. Will he give an assurance that any decision reached by a two-thirds majority will be accepted instantly by the Government? And will he further give an assurance that pending any such decision no further military action will be taken by the Government?"

Mr. Head replied "The objects of the operations are solely aimed at one purpose—to induce the Egyptian Government to accede to the requirements put forward These operations have been restricted entirely to military targets, and the original requirement made to the Egyptian Government remains open at any time."

Mr. Silverman (Lab.) addressed the Speaker (Mr. W. S Morrison) as follows: "There is one very important practical question involved in this Some of our men may be taken prisoner by the Egyptians. If they are carrying on activities of this kind on Egyptian territory in a state of war, that is one thing, but if they are not, what is their position?"

After **The Speaker** had emphasized that it was not within his province to deal with such complex legal questions, **Mr. Gaitskell** asked the Government whether a declaration of war had been made on Egypt. **Sir Anthony Eden** replied that Government speakers would deal with all aspects of the situation in reply to the censure motion. Amidst uproar, and repeated demands by Opposition members that the Prime Minister should answer the question, the Speaker appealed unsuccessfully for calm, and, when his appeals were disregarded, suspended the sitting for half-an-hour.

After the sitting had been resumed, **Mr. James Griffiths** (Lab) moved the following motion: "That this House deplores the action of H.M. Government in resorting to armed force against Egypt in clear violation of the U N Charter, thereby affronting the convictions of a large section of the British people, dividing the Commonwealth, straining the Atlantic alliance, and gravely damaging the foundations of international order."

Mr. Griffiths said that this was for Britain "a black and tragic week." The Government, by "plunging the country into an unjustifiable and wicked war," had deeply outraged millions of people in Britain. The Prime Minister knew that his action had divided the nation more deeply and more bitterly than he (Mr. Griffiths) remembered in his lifetime. He had been present in the House when Mr. Churchill had talked of "Britain's finest hour," and he now felt deep humiliation and shame at being present at "Britain's worst hour" Mr. Gaitskell had deployed the Opposition case, which was unanswerable—that the Government's action was in violation of Britain's undertakings and pledges in the United Nations.

He (Mr. Griffiths) still believed that the greatest safeguard for Israel was embodied in the Tripartite Declaration of 1950. The Government had refused requests by the Opposition that they should enter into agreements with Israel comparable to those made with some of her Arab neighbours They had refused because they had said that the best safeguard for Israel was complete compliance with the Declaration. But now the Government had acted without consulting or even informing the U S. Government, a partner in the Declaration. Did the Declaration still stand? As a friend of Israel he said that the Government's action had been the worst thing ever done.

The Prime Minister had dealt the Commonwealth a mortal blow, and by his actions might liquidate it. How would these actions appear to the countless millions of fellow-citizens in the Commonwealth—to the millions of Moslems there and in the Colonies? It was one of the greatest indictments against the Government that it would appear to them that a powerful white country was taking armed action against a weak country of coloured people.

"For many years," Mr. Griffiths continued, "the Prime Minister has been looked upon by many people in Britain—of more than one party—as the champion of the United Nations I say to the Prime Minister that he has forfeited the trust of the millions who trusted him. He has failed to keep the faith. It has been left for the Leader of the Opposition to speak for Britain. In voting for this motion we speak for the best in Britain, and we ask the Government to get out and make way for another."

Sir Anthony Eden then moved the Government's amendment: "That this House approves of the prompt action taken by H.M. Government designed to bring hostilities between Israel and Egypt to an end and to safeguard vital international and national interests, and pledges its full support for all steps necessary to secure these ends."

The Prime Minister said: "There have been no declarations of war by us. There was also no declaration of war at any time in the Korean conflict. But the Geneva Convention applies to any state of armed conflict. We have received a formal inquiry from the International Red Cross asking us whether we will ratify the 1949 Conventions we have already signed We are replying that although certain legislation is required before we can ratify these Conventions, the British Government accept the Conventions and have every intention of applying their conditions should the occasion arise. The Egyptian and Israeli Governments have both signed and ratified the Conventions, and we shall therefore consider ourselves also entitled to receive the treatment provided by these Conventions. We are applying the provisions of the 1949 Conventions to the survivors of the Egyptian frigate. They applied in Korea although there was no declaration of war. We never admitted there was a state of war in any technical or legal sense. We are not at war with Egypt now."

Mr. Silverman (Lab.), intervening, maintained that there could be no parallel between the case of Egypt, which was a member of the U.N., and North Korea, which was not recognized by the U.N. or any nation on our side of the controversy as a State at all; therefore no question of a declaration of war could possibly have arisen. He added: "The Prime Minister has said we are not at war with Egypt. If not, what are we at with Egypt—at peace? We have delivered an ultimatum. That ultimatum contained conditions as to time. The time expired, the conditions were not accepted. It is clear in international law that in these circumstances the country which delivered the ultimatum is not entitled to carry on hostilities without a declaration of war. Since that is so, what legal justification is there for hostilities at all?"

Sir Anthony Eden, continuing after some interruptions, replied: "I wish to allay the anxiety of the House on two points I was asked. There is no declaration of war by us. Secondly, the Geneva Convention applies to any state of conflict and therefore applies in the present conditions, just as it applied in Korea. That is the position of the International Red Cross in the matter"

When **Mr. Gaitskell** asked what was the difference between war and armed conflict, the **Prime Minister** replied: "Armed conflict is a phrase I have used. There is no declaration. The important point is whether the Geneva Conventions apply to the present situation. After all the whole indignation is on: 'What about our soldiers, sailors, and airmen?' I have replied clearly that they do apply to the present situation. Therefore I have met the point raised."

Mr. Gaitskell: "Does the Prime Minister realize that we do not in the least accept his analogy of the Korean war. There was an armed attack by North Korea on South Korea, and defensive action was action taken on the unanimous decision of the Security Council. May I ask the Prime Minister to bear in mind that the treatment of prisoners in North Korea is not something which is going to commend itself to us now. Is the Prime Minister able to give an assurance, when he speaks about the status of the present situation [as] armed conflict, that any prisoners of war whom the Egyptians might capture would be treated by them as though we were in a state of war?"

Sir Anthony Eden: "The provisions of the Geneva Conventions, so far as prisoners of war are concerned, cover the present situation. We are so treating prisoners They are bound by the Geneva Conventions, and the International Red Cross is in communication with them. We are all bound—Israel, Egypt and ourselves—by the provisions of the Geneva Conventions. . . . I repeat yet again that this applies in present conditions without any declaration of war. That is the position. I say that on the best legal advice, which I have not the slightest doubt is correct."

After questioning, the Prime Minister continued: "I want to make some observations on the charges that have been made in the last few days, to reply to the invective sometimes deployed against the Government's action—action which, I repeat, we intend to be aimed at bringing hostilities to an end. In this invective there has been one notable omission To listen to some of the speeches, including that of Mr. Griffiths, one might think that the Middle East area had been securely at peace and that we and the French Government were injecting by old-fashioned imperialist methods the danger of war into an area of tranquillity.

"That ignores the whole history of the last ten years. It ignores the policies pursued by the present Government, and the Socialist Government before us, in trying to carry out responsibilities in the changed post-war conditions in an area that is vital to our interests, and also to the Commonwealth and to Europe. All these efforts have failed, and constant flurries have continued by both sides in spite of General Burns, the observers, and everything that could be done. Moreover, the Egyptians have given the world notice that they intend to encompass the destruction of Israel. For this purpose armaments are being accumulated and military conventions between Egypt and other States are being concluded.

"Immediately after the Abadan events there came an immediate reaction in Egypt—and this is how the main part of the trouble arose —the repudiation of the Anglo-Egyptian Treaty and the massacres in Cairo of which we have such a grim recollection. Just before this the Socialist Government sent large reinforcements to the Middle East, and they were right to do so. But we have the right to ask them to consider the reasons why we are sending forces there to-day to try to limit or stop hostilities The Socialist Government worked then for a new system of joint Middle East defence. We followed them in that effort. The Egyptians turned it down, but that did not prevent us seeking an agreement over the Sudan and later over the evacuation of the Suez Canal.

"If there was ever the smallest justification for a suspicion of 'British colonialism,' it surely falls to the ground in the light of these actions. What would be the fairer charge would be to say that the policy of conciliation was taken to dangerous limits, but we believe we were right to risk much to try to establish friendship and confidence and thereby build a wider area of peace.

"What then has precipitated the situation in which we consider we have been forced to intervene? The tension, in which nobody can deny that Egypt has played a leading part by acts and by propaganda in every area of the Middle East, has been increasing. I am not going to discuss the Canal negotiations to-day, but this comment in relation to the Middle East as a whole I must make. The Allied resolution was put before the Security Council embodying the 18-Power proposals which we had made much effort to get agreed. If that could have been accepted—and it would have been, but for one Power—this Canal problem itself and much of this situation, I have no doubt, would have been resolved.'

In reply to **Mr. Bevan** (Lab.) who asked how the Prime Minister connected the two matters, **Sir Anthony Eden** said: "If there had been immediate progress on that issue, I have no doubt it would have brought about a comparable relaxation in other areas of tension." After derisory remarks by several Labour Members, he added: "All I have said is to imply that if they could have carried that resolution it would, without doubt, have improved the Middle East situation I should have thought it would have been instantly obvious to anybody."

The **Prime Minister** continued: "I come back to the personal accusation that I was too much obsessed by the events of the 1930s and was, in consequence, old-fashioned. However that may be, is there not one lesson of that period which cannot be ignored? It is that you best avoid great wars by taking even physical action to stop small ones. Everyone knows that the U.N. is not yet in a position to do that. We and the French had forces available. We must face the fact that the U.N. is not yet the international equivalent of our own legal system and the rule of law.

"I admit that H.M. Government and the French Government have taken a very grave step, and it is important that the House, the country, and the world should know the objectives which we seek. This is essentially a police operation. We do not intend to stay one moment longer than is necessary. But effective action to re-establish peace will make easier an international solution to the many problems which exist in that area.

"Of course we do not delegate to ourselves any special position in that respect. On the contrary we would welcome and look for the participation of many other nations in bringing about a settlement and in upholding it. We do not seek to impose by force a solution of the Israel-Egypt dispute, or the Canal dispute, or any other dispute in that area. We do not seek to negotiate by ourselves along on any one of these disputes. The whole purpose of the Anglo-French intervention is to stop hostilities, to prevent a resumption of them, and to safeguard traffic through the Canal.

"Israel and Egypt are locked in conflict. The first and urgent task is to separate the combatants and stabilize the position. That is our purpose. If the U.N. would then be willing to take over the physical task of maintaining peace in that area, nobody would be better pleased than ourselves. Police action there must be to separate the combatants and prevent a resumption of hostilities."

The Prime Minister said that questions had been asked about the effect of the Government's action on the unity of the Commonwealth. Mr. Menzies, the Australian Prime Minister, had announced his support for Britain, and the Prime Minister of New Zealand had spoken in a similar sense and had declared that: 'The views put forward by the [U.K.] Leader of the Opposition were not the views of the New Zealand Government.'

"We have a duty, which we shall carry out," said Sir Anthony, "to restore peace and to do it as quickly as possible. We have attempted to do it in the only way in which it could possibly have been done. There was nothing in any suggestion which has been made throughout these debates which would be likely to bring an early end to hostilities except the action the Government has taken. Of course we want to go to the U.N. so far as we can. Of course we shall put our case to the Assembly today and tomorrow."

When **Mr. Robens** (Lab.) asked. "What about the decision?" the **Prime Minister** replied "I think we are entitled to judge that when we know what the decision is." **Mr. Kenneth Younger** (Lab.) asked: "Does that answer imply that, if it happens to be a decision of which the Prime Minister does not approve, he does not propose to accede to it?" **Sir Anthony Eden** replied. "We are entitled to know what we are asked to accept before we say whether we accept it or not."

After reiterating that the Government did not feel that Egypt could have called for a fulfilment of the Tripartite Declaration on her behalf "when she had so often denounced that Declaration, and had made it clear she did not want it to apply to her," Sir Anthony concluded:

"How do we envisage the future of the Middle East? Before we can answer that question we must have pacification It is a first step, an essential step; yet, important as it is, it should only be a condition for a better life in that area. The great need for the peoples of the Middle East is some form of economic improvement. It suffers from poverty as severe as any in the world. A state of war has existed in the area for the past 10 years. It has prevented the economic problems from being tackled in most areas except Iraq, which has made remarkable strides forward. Two conditions are essential. States in that area must cease to need, or feel they need, great armaments to protect themselves against each other; and the area should be sufficiently stable to encourage investment other than in the oil industry. We are convinced that if we had not taken this action, the state of war would inevitably have spread over an infinitely wider area We fully recognize the risks of the action we have taken In our full responsibility, and with full information, we believe it was the only action available to our two Governments. We stand by it, and we will see it through."

Captain Waterhouse (C.) expressed strong criticism of the U.S. attitude, declaring: "I think the U.S.A. themselves can shoulder their full share of the blame in this matter. For the last four or five years in the Middle East they have been trouble-makers rather than trouble-abaters. They have given no modicum of help to us in any of the tests we have had or any of the difficulties that have arisen. They encouraged Egypt when we were engaged in very difficult negotiations with them, condoned Persia over Abadan, and cold-shouldered the Baghdad Pact. Now we have this last series of acts by Secretary Dulles I do not know whether his thoughts were more on the expansion of oil in the Middle East or the expansion of his vote in the Middle West. Whichever it was, the result has been that we have had no support at all from the U.S.A. in these critical times."

Mr. Stanley Evans (Lab.) felt that one cause of trouble in the Middle East was Anglo-American oil rivalry. It was not realistic to expect that, in any reference to the U.N. in which British interests were concerned, Britain would get justice and fair play from the U.S. representatives. He had grave doubts about the U.N. as an impartial arbiter in international disputes. Denouncing Colonel Nasser, Mr. Evans declared. "Those who fell in the war did not die so that England should end up as a hostage to this third-rate Egyptian Hitler."

Mr. Aneurin Bevan (Lab) thought that there had never been such uneasiness in the House as now existed, or such anxiety on both sides. "There is no sense of satisfaction among the Opposition. We would much prefer that we did not have this case against the Government and that this situation had never arisen I find it hard to believe that Ministers of the experience of members of the Government could have done what they have done, or defended it so badly, unless they were in almost a distraught state of mind. I do not believe that this Government is alone in its embarrassments. It would be a great mistake for those on the Opposition side to indict the Government as though it bore exclusive responsibility for the existing state of affairs ... It would be a profound blunder if any party in the country tried to mislead the people into imagining that there is a simple solution to the problems before us.

"I have not seen from the Prime Minister in the last four or five months evidence of that sagacity and skill he should have acquired in so many years in the Foreign Office. I have been astonished at the amateurishness of his performance. There is something the matter with him. We are told that we are not in a state of war with Egypt. I have been looking up some of the precedents about this. I think I recognize some of the language in which the Prime Minister has been justifying himself."

Mr. Bevan went on to compare the ultimatum to Egypt and Israel with that given by the Germans to Belgium in August 1914 and to Norway in 1940. Amidst protests from the Government benches he declared: "We have only to substitute Egypt for Norway. It is exactly the same thing. It is the language of a bully."

Members opposite, Mr. Bevan continued, had said that the U.N. was too weak and could not be relied on. But "every gang that wanted to lynch some poor person had always pleaded that the court might not be too effective." He admitted that the institutions of the U.N. were not as effective as he would like them to be, but it was our duty to build up that strength. The Prime Minister had attempted to defend his veto at the Security Council by saying that he could not accept the condemnation of Israeli aggression. But the Government's spokesman at the Council admitted that Israel's action was aggression. The fact was that the Government's defence was confused because it had reached positions which were fundamentally indefensible.

"I do not accuse the Government of taking action independent of the United States," Mr Bevan went on "It would be a foolish thing for me to say, because I have myself been advocating independent action for some time, but rather more intelligent action. I blame them for the action itself It was the action which was wrong, not the independence. What are the Government's intentions? Do they imagine that if they overrun Egypt, that is the end of the story? Are they going to bleed Britain to death in Egypt like France is bleeding herself to death in Algeria? ... How can we hold our heads up in the counsels of the world after this? ..."

Mr. Bevan concluded It is in no sense of partisanship but with a deep sense of sorrow that I attack the Government to-night. They are not supported by the vast majority of the people of this country or the world. I beg them to retrace their steps even now. Having found that their best friends do not sustain them in this action, that their Allies are dismayed by it, that the world is shocked, it would be an act of statemanship for the Government to say 'We halt at this point, we are not going to lead mankind along this road any further.' If the Government are not able to say that, then for God's sake get out."

Mr. Butler (Lord Privy Seal) rejected Mr Bevan's accusations against the Prime Minister, saying that Sir Anthony's speech in the debate had belied Mr. Bevan's description of him as a "bully" endeavouring to cheat other nations As regards the question which had been put in the debate—whether the Government "were committing murder or waging legitimate war"—Mr. Butler gave an assurance, "after consulting the best legal experts I have been able to consult," that the laws of war applied to the situation in Egypt at the present time. The situation was governed by Article 1 of the Third Hague Convention of 1907, which said that hostilities should not be commenced without previous unequivocal warning, either in the form of a declaration of war or the use of words in the form of an ultimatum. In Oppenheim's *International War Law* it was specifically stated that failure to observe this provision did not render the war illegal, nor did it take away from the hostilities thus commenced the character of war.

"The position of the Government is this," Mr. Butler declared: "they do not regard their present action as constituting war. That corresponds broadly to the situation in Korea Nevertheless we consider that we complied fully with the spirit of Article 1 of the Third Hague Convention in warning Egypt by means of a statement of our requirements, accompanied by the additional intimation that certain points in Egyptian territory would be occupied if that requirement was not complied with."

The Opposition motion of censure was defeated by 324 votes to 255. The Government's amendment approving the policy pursued was then carried by 323 votes to 255, and the substantive motion by 320 votes to 257.

Anglo-French Air Offensive against Egyptian Airfields and Military Installations. - Destruction of Egyptian Air Force. - Landings in Canal Zone. - Allied Occupation of Port Said. - Cease-fire in Operation.

Following the rejection of the Anglo-French ultimatum, British and French air forces based on Cyprus and Malta carried out an intensive air offensive from Oct. 31 to Nov. 4 against Egyptian airfields and other military targets. This was followed by Anglo-French paratroop and commando landings in the Canal Zone on Nov. 5, as a result of which the Allied forces gained control of Port Said after heavy fighting, and also of Port Fuad, on the opposite bank of the Canal. Operations were halted as from midnight on Nov. 6-7 after both Egypt and Israel had accepted an unconditional cease-fire, and subject to the despatch of a U.N. police force to the Middle East to keep the peace between Israel and the Arab countries pending a final settlement of the political problems of the area. [The U.N. decision to raise an International Police Force for the Middle East will be given in a subsequent article on the Middle East crisis—*Ed.K.C.A.*]

Anglo-French Command established in Cyprus.

It was announced in London and Paris on Oct. 31 that General Sir Charles Keightley, formerly C.-in-C., British Land Forces in the Middle East, had been appointed C.-in-C. of the Anglo-French forces. Admiral Barjot, C.-in-C. of the French Mediterranean Fleet, was appointed as second-in-command. Subsequent announcements stated that the Allied task forces

were headed by the following officers: Naval—Vice-Admiral Durnford-Slater (U.K.), with Rear-Admiral Lancelot (France) as his deputy; Army—Lieut.-General Sir Hugh Stockwell (U.K.), with General Beaufré (France) as deputy, Air—Air-Marshal Barnett (U.K.), with General Brohon (France) as deputy.

An Allied Command Headquarters was established in Cyprus, where, by order of the Governor (Field-Marshal Sir John Harding), the radio station belonging to the Near Eastern Arab Broadcasting Service was requisitioned on Oct. 30 and put into service as a new station, the "Voice of Britain," to broadcast official announcements by the British Government in the Arabic language.

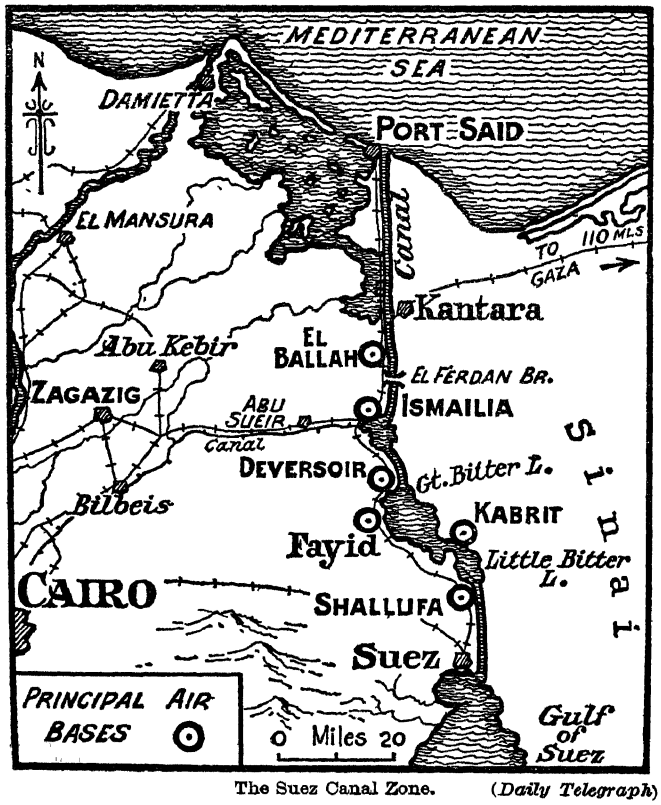
Diversion of Shipping and Air Traffic. - Ships re-routed round the Cape.

The British Admiralty warned all British vessels on Oct. 30 to avoid the Suez Canal and Egyptian and Israeli territorial waters "for the present and until further notice." As a result, all shipping—including several liners *en route* for the Canal—had to be re-routed round the Cape. [The Canal itself was closed by the sinking of Egyptian blockships during the military operations, as described below.] On the following day the British Air Ministry advised all aircraft—except those with special clearance for Cyprus—to avoid an area of 162,000 square miles in the eastern Mediterranean within a line stretching north from the Gulf of Sollum (on the North African coast) to a point 50 miles south of Crete; then eastward along a line parallel with, and 200 miles north of, the Egyptian coast; and thence northward to the limit of Turkish territorial waters.

Owing to the closing of Cairo Airport on Oct 31, B O A.C. and other airlines—U.S., French, Dutch, Belgian, etc.—had to re-route their services to Africa and the Middle and Far East B.O A.C. services to Africa were diverted *via* Tripoli and Wadi Halfa, and those to the Middle and Far East *via* Istanbul, Bahrain, and Karachi. It was at first announced that the Middle and Far Eastern services had been diverted to Beirut, but this became impossible after the Syrian Government had banned all flights over its territory after the outbreak of the crisis.

The Military Operations.

The first communiqué from Allied Forces H.Q. in Cyprus (Oct. 31) announced that "an air offensive by bomber aircraft under Allied command has been launched against military targets in Egypt." At the same time the British and French Defence Ministries announced that broadcasts and all other available means were being used to warn civilians "to keep away from all Egyptian airfields until the Egyptian Govern



The Suez Canal Zone. (*Daily Telegraph*)

ment accepts the request of the U.K. and French Governments." Throughout the entire operations these warnings were repeated at frequent intervals by the "Voice of Britain" transmitter and British and French radio stations, no military target in Egypt being attacked until ample warning had been given to the civilian population in the areas concerned.

General Keightley told press correspondents in Nicosia on Nov. 1 that his aim as Allied C.-in-C. was "to achieve only military objectives with the minimum of casualties to civilian life and property." He added: "It is indeed my aim to achieve this objective with the minimum of casualties to the Egyptian nation as a whole, both civilian and military. I shall whenever possible issue warnings to the Egyptian population which, if they heed them, will save life . . ."

Four Egyptian airfields (unnamed) were attacked by Allied planes on Oct 31, while on Nov. 1 five other airfields in the Canal Zone and the Nile Delta—Abu Sueir, Fayid, Inchass (20 miles from Cairo), Kasfareet, and Kabrit—were bombed and strafed in dawn-to-dusk low-level attacks by British and French carrier- and shore-based planes. A number of attempted interceptions was made by Egyptian fighters and anti-aircraft fire—mainly desultory—was encountered, but no Allied planes were lost As stated above, every precaution was taken to avoid civilian casualties, and Cairo communiqués that Allied planes had "carried out attacks on Cairo, Alexandria, Port Said, Ismailia, and Suez" were officially denied. On the same day (Nov. 1) the British cruiser *Newfoundland* sank the Egyptian frigate *Domiat*, which had refused to halt when called upon to do so, and which was carrying mines, the *Domiat* was sunk about 80 miles south of Suez, 69 of her crew being rescued by H M S. *Newfoundland*.

After widespread all-night raids on Egyptian airfields by R A F. *Valiant* and *Canberra* bombers, part of the Allied air effort was switched on Nov. 2 to other military targets, including a military barracks near Cairo which was left in flames after "pin-point" bombing. A small R A.F. force attacked and destroyed the transmitters of Cairo Radio, situated in the desert seven miles from the capital, the station (the "Voice of the Arabs," regularly used for anti-British and anti-Western propaganda) went off the air as a result, and transmissions were not resumed for some days.

An Allied communiqué said that photographic reconnaissance had established that about 100 Egyptian planes had been destroyed or damaged on the ground since the launching of the air offensive, of which a high proportion were MIG-15 jet fighters supplied to Egypt by Russia; in addition, a heavy toll had been taken of Soviet *Ilyushin* jet bombers, also received by Egypt from Communist sources. Cairo communiqués, on the other hand, claimed the destruction of "72 enemy planes," and also the sinking of a British warship and a troop transport.

An Egyptian blockship, apparently held in readiness by the Egyptians to sink in the Canal and block it, was attacked on Nov. 1 and believed sunk while on tow to the southern end of Lake Timseh, clear of the Canal An Allied communiqué of Nov 2, however, announced that the vessel, though damaged, had "survived the encounter" and had been "subsequently manoeuvred downstream and positioned broadside-on across the channel, here she was scuttled by the Egyptians, partially blocking the Canal."

A non-stop offensive was carried out on Nov. 3-4 in which Egyptian radar installations, coastal anti-aircraft batteries, marshalling yards, army barracks, tanks and other armoured vehicles on the roads were attacked with bombs, rocket projectiles, and cannon-fire. Military vehicles moving along the roads in the Ismailia area were shot up, the Ismailia marshalling yards bombed, an Egyptian Army barracks at Almaza attacked, and rockets and cannon-fire used to break up a concentration of tanks near the Pyramids, in which heavy losses were inflicted on Egyptian armour. The military airfield at Luxor (in Upper Egypt, 400 miles south of Cairo) was attacked by R.A F. bombers and French fighters, 18 Soviet-type *Ilyushin* bombers being destroyed on the ground. At sea, British *Seahawk* naval planes sunk three Egyptian E-boats near Alexandria and damaged a fourth. In the Gulf of Suez, a British frigate—H.M.S *Crane*—shot down an Israeli plane which was interfering with a patrol from the frigate.

An Allied communiqué of Nov. 3 said that "British and French pilots, searching the length and breadth of the country, have failed to find any but the most flimsy evidence that Egypt has any longer anything approaching an effective air force." All Egyptian airfields had been seriously damaged by high and low-level bombing and strafing, and the aircraft on them, "the majority of which had never taken off during the offensive," had been destroyed or damaged beyond repair. Loss of life had been "minimal," as the greater number of Egyptian planes wrecked on the airfields had not been manned at the time they were attacked. As the Egyptian Air Force, with one exception, had failed to establish contact with Allied planes, none of the Egyptian pilots had lost their lives. Only one Allied plane had been lost—an R A.F. *Venom* which failed to return from an attack, and which was believed to have failed to come out of a power dive

Allied Forces H.Q. announced on Nov. 4 that the Egyptian Air Force had ceased to exist, and stated that the Egyptian land forces were concentrating in the Cairo area and also near Alexandria. It was emphasized that every air attack since the start of the offensive had been preceded by photographic reconnaissance, and that "the scrupulous care exercized by the Allied air forces in selecting targets, so as to spare the Egyptian civilian population, can have no precedent in air offensive history." In many cases attacks on Egyptian armour

had not been pressed home because of the presence of civilian traffic, and as a result the Egyptians had taken advantage by deploying groups of tanks and other military vehicles in the vicinity of villages, either to escape attack or, alternatively, to bring on the attackers the odium of being responsible for civilian casualties.

It was also officially announced on the same date that air reconnaissance had shown the Suez Canal to be blocked by four ships sunk by the Egyptians at Port Said, as well as the blockship scuttled at Lake Timseh. In addition, the Egyptians had blown up the bridge at El Ferdan, south of Port Said. As a result of the blocking of the Canal, seven vessels—none of them British or French—were trapped in a subsidiary channel south of Port Said.

At dawn on Nov. 5 British and French paratroops were dropped in the Port Said area, at the northern entrance to the Suez Canal In order to avoid civilian casualties, no preliminary bombing was carried out by the Allied air forces. Later in the day three Royal Marine Commandos and supporting armour went ashore in an amphibious operation, one of the commandos being flown in by helicopters from aircraft carriers—the first time such an operation had been undertaken. Strong resistance was met both in Port Said and at Gamil Airfield outside the city, which was captured by British paratroops after hard fighting. Supporting aircraft attacked Egyptian coastal batteries, provided a fighter "umbrella" for the forces being landed, and strafed the control tower at the airfield, which was wrecked and set ablaze. Later in the day a tank action developed on a golf course outside the town. Determined opposition was encountered in Port Said from Egyptian units equipped with Soviet self-propelled guns which had been dug into houses, and heavy fighting occurred before the British forces gained control. Meanwhile French paratroops had captured Port Fuad without resistance, seized two bridges spanning the Canal backwaters, and captured the Port Said waterworks intact

In the evening of Nov 5 negotiations for the surrender of Port Said were opened by the Governor of the town and Brigadier Butler, commanding the 16th Independent Paratroop Brigade. Hostilities ceased for several hours while discussions took place on surrender terms, which were reported by the French Defence Ministry to be (1) that the Egyptian troops must hand in their arms (2) that they must regroup unarmed at places designated by the Allied Command, and (3) that they must hand over the town intact, and vital installations in good order. The Governor of Port Said at first accepted these terms, and a cease-fire was accordingly ordered. Later, however, the surrender terms were rejected—apparently on instructions from Cairo—and fighting was resumed

The capture of Port Said and Port Fuad was officially announced by Allied H.Q. on Nov. 6, on which date Sir Anthony Eden announced that a cease-fire would come into operation at midnight on Nov. 6-7, subject to unconditional acceptance of a cease-fire by Egypt and Israel, and to no further attacks being made on the Anglo-French forces in the Canal zone.

In a press statement at Nicosia on Nov. 7, made after a visit to Port Said, General Keightley announced that total Allied casualties in the operation to capture Port Said were "just over 100 killed and wounded." Before the cease-fire became effective (at 2 a.m Nov. 7) British patrols had reached a point one mile north of Kantara—i e over half-way to Ismailia and one-third of the distance down the Suez Canal from its northern entrance. There had been no fighting since the cease-fire, conditions generally in Port Said were calm, and everything was being done to restore things to normal. Some damage had been caused in the town, "but this to a large extent resulted from the stubborn fighting of the Egyptians from house to house during the day" There was no shortage of food or water, and "the French did a very good job of getting the waterworks intact quickly" The British and French fleets were standing by in the vicinity of Port Said, and were "already at work clearing the ships sunk by the Egyptians in the port and the entrance to the Canal."

In a statement on Nov 5, General Keightley said that the Anglo-French forces had faced "tough fighting" against Egyptian troops armed with tanks, recoilless guns, and mortars before the situation was brought under control. After stressing that the Egyptian defeat in the Sinai desert made it absolutely certain that the Canal Zone would have become a battlefield for a period impossible to determine, the C.-in-C. announced that the Egyptians had "sunk blockships from Port Said to Suez" and had "deliberately sunk many blockships just south of Lake Timseh." In the operations as a whole the Allied air forces had done their job "with such accuracy and selectivity that not even the pilots of the Egyptian aircraft were killed." General Keightley added: "Astonishing as it may seem, the Egyptian Air Force numbered double the Allied Air Forces during the whole of the campaign"

A British Admiralty communiqué (Nov. 6) described the contribution of the Allied navies to the operations.

It stated that over 100 ships of all types had been involved, the main naval burden having fallen on "the Anglo-French aircraft-carrier force with its accompanying close cover and escort." Over 2,000 sorties had been flown by naval aircraft, and only one British life and two naval planes lost Aircraft carriers engaged included the British carriers *Eagle, Albion, Bulwark, Ocean,* and *Theseus* and the French carrier *Arromanches*; the first three British carriers carried operational aircraft, while the *Ocean* and *Theseus* carried operational helicopters and units of the Royal Marine Commandos. The French Navy had provided the only battleship, the *Jean Bart* (35,000 tons), while the Royal Navy had provided three cruisers—the *Jamaica, Ceylon,* and *Newfoundland.* A number of Daring-class ships [super-destroyers], destroyers, frigates, landing craft, minesweepers, and submarines had also taken part in the operations.

As stated by General Keightley, the Suez Canal had been blocked by a number of vessels sunk by the Egyptians at various places. It was stated after the cease-fire that the Canal was blocked by at least eight, and possibly 12, blockships, in addition to the wrecked bridge at El-Ferdan.

U.N. General Assembly's Call for Cease-fire.

The U.N. General Assembly met in emergency session on Nov. 1 to discuss the Middle East situation, in accordance with the Security Council's decision of the previous night.

The French delegate, supported by Britain, challenged the legality of the session, contending that no formal resolution had been vetoed in the Council and that the Assembly had therefore no right to be "seized" of this item. The Assembly, however, rejected this argument by 62 votes to two (Britain and France).

During the session, which lasted nine hours, the actions of Israel, Britain, and France were condemned by the overwhelming majority of delegates, including Mr. Dulles, who introduced a resolution based on the earlier U.S. draft resolution vetoed by Britain and France in the Security Council.

Mr. Dulles spoke as follows: "I doubt whether any delegate ever spoke from this forum with as heavy a heart as I have brought here tonight. We speak on a matter of vital importance, where the U.S A finds itself unable to agree with three nations with whom it has ties, deep friendship, admiration, and respect, and two of whom constitute our oldest, most trusted, and reliable allies .. Because it seems to us that that disagreement involves principles which far transcend the immediate issue, we feel impelled to make our point of view known to the world."

After sketching the history of the Suez negotiations since the Canal Company's seizure in July, Mr. Dulles went on: "Surely, I think, we must feel that the peaceful processes which the Charter requests every member to follow had not been exhausted. Even in the case of Israel, which has a legitimate complaint due to the fact that Egypt has never complied with the 1951 resolution of the Security Council recognizing Israel's right to use of the Canal—even there, there was a better prospect because the principles adopted by the Security Council with the concurrence of Egypt called for the passage of ships and cargoes through the Canal without discrimination, and provided that the Canal could not be used or abused for the national purposes of any nation, including Egypt.

"So there seemed to be peaceful processes that were at work and which had not yet—it seemed to us at least—run their course . . . I would be the last to say that there can never be circumstances where resort to force may not be employed, and certainly there can be resort to force for defensive purposes under Article 51. It seems to us that, under the circumstances which I have described, the resort to force, the violent armed attack by three of our members upon a fourth, cannot be treated other than as a grave error inconsistent with the principles and purposes of the Charter, and one which, if persisted in, would gravely undermine our Charter and this Organization. The question then is What do we do?

"We do not, any of us, live in societies in which acts of disorder do not occur. But we all of us live in societies where, if those acts occur, something is done by constituted authority to deal with them. At the moment we are the constituted authority. And while we do not have under the Charter the power of action, we do have a power of recommendation—a power which, if it reflects the moral judgment of the world community, of world opinion, will I think be influential upon the present situation It is animated by such considerations that the United States has introduced its resolution

"If we do not act, and act promptly, and if we do not act with sufficient unanimity of opinion so that our recommendations carry a real influence, there is great danger that what is started, and what has been called a police action, may develop into something far more grave. Even if that does not happen, the apparent impotence of this Organization to deal with this situation may set a precedent which will lead other nations to attempt to take in their own hands the remedying of what they believe to be their own injustices. If that happens, the future is dark indeed."

Sir Pierson Dixon maintained that the Franco-British "emergency police action" was justified on the ground that the Soviet use of the veto had prevented the Security Council from creating a system of effective collective security, in this connexion he drew an analogy between the Anglo-French action and the U S. intervention in 1950 to defend South Korea. He also said that "if the United Nations were willing to take over the physical task of maintaining peace in the area, no one would be better pleased than the British Government" He gave a warning, however, that if the Assembly were merely to call for a cease-fire and the withdrawal of the Israeli and Anglo-French forces, the situation would "only revert to the condition of chaos which we have had to endure" in the eight years since the Palestine armistice agreements were signed.

M. Loutfi (Egypt) reiterated the allegation that Britain, France, and Israel had "agreed in advance to perpetuate this act of war," and accused the two latter countries of violating the U.N. Charter and the Constantinople Convention of 1888, which assured unrestricted use of the Suez Canal by all nations in peace or war.

Mr. Eban (Israel) reiterated that Israel had attacked in order to eliminate the bases from which Egyptian commando raids had been constantly launched into Israeli territory. He declared that the U.N. should ensure that if the frontier was designed to keep Israeli forces out of Egypt, it should also keep Egyptian forces out of Israel.

Mr. Lester Pearson (Canada) said that although approving of much of the U.S. resolution, his Government found it "inadequate to achieve the purposes we have in mind at this Assembly," and he would therefore abstain from voting He emphasized that it was essential that some provision should be made which could authorize the Secretary-General to begin making arrangements for a United Nations force large enough to keep the peace on the Arab-Israeli borders while a political settlement was being worked out He added that he would be willing to recommend Canadian participation in such a force.

Mr. Dulles (U.S.A) welcomed the Canadian suggestion for an international force in the Middle East, and asked Mr Pearson to formulate detailed proposals along the lines he had indicated.

At the end of the debate the U.S. resolution was adopted at 2 a.m. on Nov. 2 by 64 votes to five, with six abstentions and one delegation absent.

Those voting for the resolution were: Afghanistan, Albania, Argentina, Austria, Bolivia, Brazil, Bulgaria, Burma, Byelorussia, Cambodia, Ceylon. Chile, Colombia, Costa Rica, Cuba, Czechoslovakia, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Finland, Greece, Guatemala, Haiti, Honduras, Hungary, Iceland, India, Indonesia, Iraq, the Irish Republic, Italy, Jordan, Lebanon, Liberia, Libya, Mexico, Nepal, Nicaragua, Norway, Pakistan, Panama, Paraguay, Persia, Peru. the Philippines, Poland, Rumania, Saudi Arabia, Siam, Spain, Sweden, Syria, Turkey, Ukraine, the U.S.S.R., the United States, Uruguay, Venezuela, Yemen, Yugoslavia, and Nationalist China.

Those voting against were: Australia, France, Israel, New Zealand, and the United Kingdom.

The abstentions were Belgium, Canada, Laos, the Netherlands, Portugal, and South Africa, while Luxemburg was absent.

The text of the resolution was as follows:

"The General Assembly,

Noting the disregard on many occasions by parties to the Israel-Arab armistice agreements of 1948 of the terms of such agreements, and that the armed forces of Israel have penetrated deeply into Egyptian territory in violation of the general armistice agreement between Egypt and Israel;

Noting that armed forces of France and the United Kingdom are conducting military operations against Egyptian territory;

Noting that traffic through the Suez Canal is now interrupted to the serious prejudice of many nations;

Expressing its grave concern over these developments;

(1) Urges as a matter of priority that all parties now involved in hostilities in the area agree to an immediate cease-fire, and as part thereof halt the movement of military forces and arms into the area;

(2) Urges the parties to the armistice agreements promptly to withdraw all forces behind the armistice lines, to desist from raids across the armistice lines into neighbouring territory, and to observe scrupulously the provisions of the armistice agreements;

(3) Recommends that all members refrain from introducing military goods into the area of hostilities, and in general to refrain from any acts which would delay or prevent the implementation of this resolution;

(4) Urges that upon the cease-fire becoming effective, steps be taken to reopen the Suez Canal and restore freedom of navigation;

(5) Requests the Secretary-General to observe and promptly report on the compliance with this resolution to the Security Council and the General Assembly, for such further action as they may deem appropriate in accordance with the Charter;

(6) Decides to remain in emergency session pending compliance with this resolution."

Immediately after the vote Dr. Hammarskjöld appointed a three-man group of senior U.N. officials to report to him daily on how far the General Assembly's resolution was being complied with. The group consisted of Dr. Ralph J. Bunche (who negotiated the Palestine cease-fire in 1949), M. Ilya Tchernychev (an Under-Secretary in the U.N. Secretariat), and M. Constantine Stavropoulos (U.N. Legal Counsel).

House of Commons Emergency Session. - Anglo-French Conditions for Acceptance of General Assembly's Resolution.

At an emergency session of the House of Commons on Nov. 3 (a Saturday), the Prime Minister announced that the British and French Governments had informed the U.N. Secretary-General that, having given careful consideration to the General Assembly's resolution of Nov. 2, they were ready to cease military action as soon as the following three conditions were satisfied: (1) that Egypt and Israel agreed to accept a U.N. force to keep the peace; (2) that the U.N. decided to set up such a force "until an Arab-Israel peace settlement is reached and until satisfactory arrangements have been agreed in regard to the Suez Canal, both agreements to be guaranteed by the United Nations"; (3) that in the meantime, until the U.N. force was constituted, "both combatants agree to accept forthwith limited detachments of Anglo-French troops to be stationed between the combatants." The announcement was made after consultations with M. Pineau, who had flown to London in the morning of Nov. 3 accompanied by General Ely, Chairman of the French Chiefs of Staff.

Sir Anthony Eden spoke as follows I would first recall the statement I made in the House in the course of my speech on Nov. 1, when I said that the first and urgent task is to separate the combatants and to stabilize the position. That is our purpose. If the U.N. were then willing to take over the physical task of maintaining peace in the area, nobody would be better pleased than I. Since that statement was made I have had consultations in London with the French Foreign Minister. As a result, the British and French Governments are sending the following reply to the resolution of the U N. General Assembly:

'The British and French Governments have given careful consideration to the resolution passed by the General Assembly on Nov. 2. They maintain their view that police action must be carried through urgently to stop the hostilities which are now threatening the Suez Canal, to prevent a resumption of those hostilities, and to pave the way for a definite settlement of the Arab-Israel war, which threatens the legitimate interests of so many countries They would most willingly stop military action as soon as the following conditions could be satisfied . . .'

'After giving the three conditions mentioned above, Sir Anthony added: "We have been in consultation with the Governments of Australia and New Zealand. The House will understand the difficulty of timing in these consultations, but I have good reason to believe that these Governments will welcome my statement. We are also communicating the statement at once to the Governments of Canada and the United States and to the U.N. Secretary-General."

Mr. Gaitskell said: "The first paragraph of the resolution carried by 64 votes to five in the General Assembly calls on all parties involved in hostilities to agree to an immediate cease-fire and to halt the movements of military forces and arms into the area It is perfectly clear . . . that the British Government are not carrying out this recommendation. We are therefore faced with the position that our Government are defying a resolution of the U.N. Assembly carried by a majority which is larger, I believe, than any resolution carried by that Assembly before. We can only say for our part that we regard this as utterly deplorable.

"Regarding the conditions laid down by the Government, it is no part of the business of H M. Government to lay down conditions of this kind. It is their duty as loyal members—if they are loyal members—of the U.N. to accept that majority decision.

"The Canal is blocked, and all that has happened is that the intervention of H M. Government has no doubt prematurely brought the operations in the Sinai desert to a close. What H M. Government have done, undoubtedly, is to intervene against Egypt, which was clearly attacked by Israel. I do not know whether they regard that as separating the combatants or settling hostilities. What they have done is to bomb a number of civilians as well as military installations. [Ministerial protests.] What they have done is to destroy all faith in collective security. What they have done now, by refusing to accept the U N. resolution, is virtually to destroy that institution, which the Prime Minister once described as 'the hope of mankind.'

"So far as an Arab-Israel peace settlement being reached, there is, in our opinion, a strong case for a U N. force to police the armistice frontiers of the Arab States and Israel. Is it the view of H.M. Government that the U.N. police force should do that? And if they did that, what reason is there for such a police force to operate in the Canal Zone at all? Why has the Prime Minister brought in the phrase about 'satisfactory arrangements being agreed to' over the Suez Canal? Does he mean that Egypt is to be bound to accept by force the 18-Power proposals, or what does he mean by it? Why, indeed, should the settlement of the Suez Canal be brought into this matter at all? Finally, by what right is the Prime Minister now proposing that until the U.N. force is constituted, both combatants have still to accept the original ultimatum?

"All this is unquestionably in defiance of the resolution of the General Assembly. One cannot get away from that. We regard the Government's reply as the most tragic statement that has been made in this House since 1939.

"I know that passions run very high on both sides of the House in this matter. But I do beg Members to realize how terribly anxious we are about the implications of this action. No doubt it is possible and comparatively easy for British and French forces to subdue Egypt. No one ever doubted that. But do Members not reflect in their hearts that the implications of this defiance of the Assembly's resolution mean that in future the Assembly can never hope to cope with any international crisis again? Do not Members appreciate, at this time above all, when news of Russian aggression in Hungary is coming through, that it is an immense tragedy that the moral strength of this country and of the U.N., because of our action, is so gravely damaged? . . .

"I know how high passions are raised, but I do beg them [the Government] to listen to my words We represent on this issue the point of view of millions of men and women—not all Labour Party supporters, many of them of no political persuasion, and I venture to say, many of them persons who have hitherto voted Conservative. If only the Government had been prepared to accept that resolution,

much of the damage could have been repaired, but they have, unfortunately, refused. They are continuing the war against Egypt; they are continuing the bombing, the destruction, and the casualties, and all that has been put forward are niggling, haggling proposals that . . . [Mr. Gaitskell's words were drowned in loud and prolonged Ministerial cries of dissent.]

"Up to this moment, for my part, I had hoped for a change in Government policy. I had hoped originally that the Government would have accepted our first proposal to defer action. They refused. I hoped then that the pressure of world opinion upon them would make them change their minds, and I hoped finally that the passing of this resolution by such a vast majority in the U.N. Assembly would bring them to their senses. Alas, this is not so, and we can draw only one conclusion: If this country is to be rescued from the predicament into which the Government has brought it, there is only one way out—a change in the leadership of the Government. Only this can save our reputation and reopen the possibility of maintaining the U N. as a force for peace We must have a new Government and a new Prime Minister. The immediate responsibility in this matter rests on the only people who can affect the situation—Members opposite. I beg them to consider where we are being led, and the appalling international consequences of this gross error. I ask them, having done so, to do their duty."

Sir A. Eden: "It is not true that countries are not allowed to make counter-proposals or other suggestions after the General Assembly has passed a resolution. A General Assembly resolution is a recommendation to Governments, and action can only be approved by the Security Council. Therefore we are entirely within our rights in putting forward our views on the resolution. Mr. Gaitskell asked why we put in the Suez Canal. The object is to show that we should try to use this situation to deal with all the outstanding problems in the Middle East, and it would be unwise to leave any one of them unresolved. The other question Mr. Gaitskell asked was—'Why operate in the Canal Zone?' The answer is because it is in the Canal Zone that, in our judgment, the danger has lain and still lies. Mr. Gaitskell said the U.N after this would never be able to operate again. Each one of us is entitled to his judgment on that. I take exactly the opposite view. If the U.N. would take this opportunity to build up an international force and take practical action to meet a situation which cannot be met by passing resolutions, then I am sure that the future of the United Nations would be assured and peace much strengthened."

Mr. Gaitskell: "May I make one last appeal to the Prime Minister? We have a new situation now. Fighting between the Israelis and Egypt in the Sinai Desert has come to an end. The Canal is blocked. Would it not be wise, in the light of this, and of the General Assembly resolution and proposals—which we all welcome—for a U.N. police force, that instructions should now be given, in accordance with the resolution, to cease further military action? I beg the Prime Minister to understand that on his answer to this question public opinion will judge him."

Sir A. Eden: "I made plain in the debate, when we were supported by the House on a censure motion, the reasons why we were taking the action. The Government remain absolutely convinced that proceeding with this action is the best way of limiting hostilities and getting an early separation of the forces on both sides. Therefore we consider it our duty to fulfil that obligation."

After further heated exchanges between Government and Opposition supporters, the debate was wound up by **Mr. Selwyn Lloyd**, who reiterated the Anglo-French intention to separate the combatants Amidst uproar, and Opposition cries of "resign," "warmongers," and "whose finger on the trigger?" the Foreign Secretary declared: "Members opposite seem to have forgotten the history of the past ten years. We are not proposing to intervene on the side of Israel. We are intervening to separate the combatants. If the U.N. decide to constitute a force, it must also decide to remain in the area until there is a peace settlement between Israel and the Arab States. We believe that the U.N. force should stay there until satisfactory arrangements had been made in respect of the Suez Canal Certainly we should accept a settlement which conforms to the six principles unanimously agreed by the Security Council. I believe it should be possible to find such a settlement. In the meantime we intend to see that this war between these two countries is stopped. If it should come out of this situation that the United Nations equips and organizes itself so that it is in a position to act quickly in a similar situation, we will have done a good thing for the peace of the world."

The emergency session ended amidst violent anti-Government demonstrations from the Opposition benches and pro-Government demonstrations from the Government benches.

Among the leading British newspapers, the Anglo-French action in the Canal Zone was supported by *The Times*, *Daily Telegraph*, *Daily Express*, *Daily Mail*, and *Sunday Times*, but was strongly opposed by the *News Chronicle*, *Daily Herald*, *Manchester Guardian*, and *The Observer*.

(Times - Daily Telegraph - Manchester Guardian - Observer - Sunday Times - News Chronicle - Daily Herald - New York Times - New York Herald Tribune - Le Monde, Paris - Le Figaro, Paris - United Nations Information Centre, London) **(Prev. rep. Middle East, 15166 D; 15149 A.)**

Note. Further developments in the Middle Eastern situation, including international reactions to the crisis, will be described in subsequent articles. (Ed. K.C.A.)

A. POLAND - SOVIET UNION. — Agreement on Soviet Economic Assistance.

An agreement signed in Moscow on Sept.18 between Poland and the Soviet Union provided for large-scale Soviet aid to the Polish economy, as follows: (1) Poland would receive in 1956 credits totalling 100,000,000 roubles, payable partly in gold and partly through the supply by the U.S.S.R. of certain commodities essential for the Polish economy (copper, rubber, and fats); Poland would pay the two per cent annual interest on this loan in the form of deliveries of Polish goods, the deliveries to be effected between 1957 and 1960 in equal annual instalments. (2) The Soviet Government agreed to extend "for four to five years" the repayment of credits previously granted to Poland in connexion with the supply of equipment for Polish industrial projects.

Trybuna Ludu (organ of the Polish United Workers' Party) stated that that part of the Soviet credit which was to be paid out in gold would enable Poland to find the most advantageous sources of supply on the world market for goods and commodities required by her economy. It pointed out that the Polish balance of payments was strained and that the necessity to reduce Polish coal exports made it still more difficult to obtain foreign currencies, particularly free currencies. The Soviet Union's consent to the repayment of its earlier loans in Polish industrial goods, and not in gold or free currencies, was therefore of considerable help to Poland's financial situation. The article also mentioned that the total of Soviet credits granted earlier (the repayment of which had now been extended) amounted to 810,000,000 roubles.

The official announcement said that the Soviet assistance had been made available at Poland's request.
(Polish Embassy Press Office, London) **(Prev. rep. 10838 B.)**

B. PAKISTAN. — Expansion of Mr. Suhrawardy's Government. - New Ministerial Appointments.

Mr. Suhrawardy's Government was enlarged by the appointment on Sept. 17 and 26 of Mr. Zahiruddin (Awami League), who took over the portfolio of Education and Health, and of Mr. R. R. Mandal (general secretary of the East Pakistan Scheduled Castes Union), who became Minister of State for Economic Affairs.

The Official Gazette announced on July 31 that the Government had set up a Federal Reorganization Committee to examine the reorganization of the structure of the Central Government in the light of the new Constitution. Mr. G. Ahmed, a member of the Cabinet Secretariat, was appointed chairman of the committee, which included, *inter alios*, the Secretaries of the Ministries of Law, Commerce, Finance, and Defence.—(Pakistan High Commissioner's Office, London)

Corrigendum. In 15143 A, describing political developments in East Pakistan, it was stated in error that the new Ministry of Mr. Rahman Khan included a dissident United Front member. The relevant sentence in the seventh paragraph of the first column should read: "In its enlarged form it consisted of seven Awami League members, two Congress Party members, and one representative each of the United Progressive Party and the pro-Communist *Ganatantri Dal* (Democratic Party)." (Ed. K.C.A.)

C. INDIA. — Scheduled Castes. - Mass Conversion of Harijans to Buddhism.

About 200,000 men and women belonging to the Scheduled Castes, including Dr. B. R. Ambedkar (the *Harijan* leader), embraced Buddhism on Oct. 14 at a ceremony at Nagpur attended by some 300,000 people, most of them members of the Scheduled Castes. In addition to Dr. Ambedkar, other prominent personalities converted to Buddhism at the ceremony included Dr. Niyogi, a former Chief Justice of the Nagpur High Court, and Mr. Khobragade, general secretary of the Scheduled Castes Federation.

Dr. Ambedkar stated after the ceremony that he would automatically cease to be a member of the Scheduled Castes Federation. Before the elections in 1957 he intended to found a new political party, to be called the Republic Party, membership of which would be open to all.—(The Hindu, Madras) **(Prev. rep. 15069 E.)**

D. IRISH REPUBLIC. — Diplomatic Appointments.

It was announced in Dublin on Aug. 30 that Mr. F. H. Boland, Ambassador in London since 1950, had been appointed permanent representative of the Irish Republic at the United Nations.

On Aug. 31 it was announced that Mr. William Warnock, Assistant Secretary in the External Affairs Department, had been appointed Minister to the German Federal Republic *vice* Dr. T. J. Kiernan, whose appointment as Ambassador to Canada had been announced earlier in the month.
(Irish Times, Dublin) **(Prev. rep. 14119 E.)**

A. YUGOSLAVIA. — Tito-Khrushchev Discussions in Brioni and Crimea. - Reported Ideological Differences between Yugoslavia and U.S.S.R. - Soviet Criticisms of Yugoslavia in Letter to East European Communist Parties. - Discussions between Yugoslav League of Communists and Communist Parties of Poland, Hungary, Bulgaria, and Rumania.

During September and October a number of discussions, which had not been previously announced and on which no official statements were issued afterwards, took place between Yugoslav and Soviet leaders both in Yugoslavia and in the U.S.S.R. Prior to these developments, M. Mikoyan (Soviet First Deputy Premier) had visited Brioni on July 21-22 for talks with Marshal Tito and other Yugoslav leaders, including MM. Kardelj, Rankovich and Pijade, after a visit to Budapest. No communiqué was published on the Tito-Mikoyan talks, but it was commented in the foreign press that M. Mikoyan's visit to Yugoslavia had been arranged at very short notice and followed closely upon the governmental changes in Hungary which involved the resignation of M. Rakosi and his replacement by M. Erno Gero as First Secretary of the Hungarian Workers' Party.

On Sept. 19 M. Khrushchev arrived in Yugoslavia for an eight-day visit during which he had discussions with President Tito at Brioni. On Sept. 27 President Tito, accompanied by M. Rankovich and two other Yugoslav Communist leaders, flew with M. Khrushchev to the Crimea to continue the discussions, in which Marshal Bulganin and other Soviet leaders also took part. They were joined by M. Gero, who flew from Budapest to participate in the Crimea talks. On returning to Belgrade on Oct. 5, President Tito said that his visit to the Crimea, made at M. Khrushchev's invitation, had been "of a purely private character" and was "intended as a rest," but had provided an opportunity for "talks on the relations between our two countries." M. Khrushchev's earlier visit to Belgrade had also been officially described as "of a private nature for the purpose of a rest."

Although no official statement on the Brioni and Crimea talks was issued in either country, comments by the Yugoslav Foreign Ministry spokesman, M. Draskovich, and by the Yugoslav Press made it clear that the questions discussed had included a letter criticizing the Yugoslav leadership which had been sent by the Central Committee of the Soviet Communist Party to other East European Communist parties.

At a press conference on Sept. 29, M. Draskovich said that the matters discussed had included problems of "inter-State and inter-party relations" and "questions of an ideological nature." He added that "open questions and differences of view" existed between Yugoslavia and the Soviet Union, "just as there is a broad volume of agreement on a number of questions concerning international affairs and mutual relations." In reply to inquiries about the Soviet letter, M. Draskovich said that he did not know its contents as it had not been sent to Yugoslavia. In a further statement on Oct. 12, M. Draskovich described the Brioni and Crimea talks as "a friendly exchange of views," said they had not been of a kind to call for any decisions, and emphasized that they had in no way changed either the character of Yugoslav foreign policy, which remained one of "active co-existence," or the principles on which Soviet-Yugoslav relations were based.

An editorial published on Oct. 12 in *Borba* (organ of the Yugoslav League of Communists) denied that any "serious divergencies" existed between Yugoslavia and the Soviet Union, but said that it was "well known" that "in the whole development of Yugoslav-Soviet relations since their normalization there were . outstanding questions and differences of views—above all in concepts on the forces and elements of Socialism in the present world, and on views as to the methods and forms of their mutual co-operation." Referring to the Soviet letter, *Borba* stated that this had apparently expressed the opinion that the Yugoslav League of Communists was not "a purely Marxist-Leninist organization" but had certain 'Social-Democratic tendencies." It commented that the letter was not in the spirit of the declaration signed in Moscow in June on co-operation between the Yugoslav and Soviet parties.

The official Yugopress agency published on Oct. 5 a summary of the Yugoslav view on relations between Communist parties of different countries, which was believed to represent the principles laid down by President Tito in his conversations with the Soviet leaders. These were: (1) that co-operation between Communist and Socialist parties must be on a basis of complete equality; (2) that the division of the world into blocs endangered the progress towards peace which had already been achieved; (3) that there was no universal formula for the development of Socialism, and that the experience of particular countries and particular Communist and Socialist parties, though they could be useful to others, could not be imposed upon them. "For Yugoslavs," the statement concluded, "only collaboration based on these principles is acceptable, and for this reason they apply them impartially in their relations with all progressive working-class parties and movements. To wish to impose one's own opinion on others leads in the end to ideological and political stagnation."

Delegations from the Polish, Hungarian, Bulgarian, and Rumanian Communist parties visited Yugoslavia during the past three months, resulting in the formal re-establishment of relations between the Yugoslav League of Communists and the Communist parties of the "people's democracies."

Poland. A delegation from the Polish United Workers' Party visited Yugoslavia from Aug. 25-Sept. 2 for discussions with the League of Communists, and was received by President Tito. M. Mazur, secretary of the Central Committee of the Polish party, said that the purpose of the visit was to "intensify fraternal relations between the two parties" and to learn from Yugoslav achievements. A delegation from the Polish Seym visited Yugoslavia from Sept. 3-21, a return visit being paid to Warsaw by a Yugoslav parliamentary delegation in October.

Bulgaria. A delegation from the Central Committee of the Bulgarian Communist Party, led by M. Zhivkov (First Secretary), arrived in Belgrade at the end of September for discussions with M. Rankovich and other members of the Central Committee of the Yugoslav League of Communists. It was announced on Oct. 7 that it had been decided to re-establish contact between the two parties on a basis of "equality, mutual respect, and non-interference in each other's internal affairs." The Yugopress agency welcomed this decision, but commented that the talks had revealed "different viewpoints on certain important questions of theory and on the application of Socialist principles."

Hungary. A delegation from the Central Committee of the Hungarian Workers' Party, including M. Gero, M. Hegedüs (Prime Minister), and M. Kadar (secretary to the Central Committee), arrived in Belgrade on Oct. 15 for similar discussions. A communiqué issued on Oct. 23 stated that the talks had been held in a spirit of "friendship, frankness, and mutual understanding"; that the Yugoslav League of Communists had accepted an invitation to send a delegation to Hungary; and that the two parties had agreed to co-operate on "a basis of full confidence, equality, and non-interference in each other's internal affairs," which, while permitting "constructive and comradely criticism," would prevent "the repetition of past mistakes which inflicted serious harm upon the workers' movement."

Comment by the Hungarian Press and radio mentioned as factors in the improvement of relations with Yugoslavia the dismissal of M. Rakosi (who was described by Budapest Radio on Oct. 10 as "the most compromised of all Communist leaders, dead or living, in the provocative action directed against Yugoslavia"), M. Gero's earlier meeting with President Tito in the Crimea, the arrest of General Farkas, and the posthumous rehabilitation of Laszlo Rajk.

Rumania. A delegation from the Rumanian Government and the Rumanian Workers' Party, headed by the party's First Secretary, M. Gheorghiu-Dej, and the Prime Minister, M. Stoica, arrived in Belgrade on Oct. 20 for a nine-day visit, in response to an invitation extended by President Tito while in Rumania in June. A joint declaration was signed on Oct. 28 stating that the Yugoslav League of Communists and the Rumanian Workers' Party had agreed on the need for full and equal co-operation between national Communist and Socialist parties and "other workers' and progressive movements," and that they had also agreed to accept "differing forms and methods for the construction of Socialism."

The Yugoslav-Soviet discussions, the suddenness with which M. Khrushchev arrived in Belgrade and Marshal Tito left for the Crimea, and the admissions of ideological differences between the two countries, gave rise to much speculation and many conjectures in the Western press. According to one theory, it was believed possible that M. Khrushchev might have sought to obtain President Tito's support for his "de-Stalinization" policy against a group in the Soviet party leadership led by M. Molotov. It was suggested, though without any official substantiation, that this group might have been responsible for the letter to the East European Communist parties, and it was also suggested that it might have been supported by the Soviet Army leadership as a result of fears that increasing Yugoslav influence might result in the adoption of a "neutralist" foreign policy by the "people's democracies." In this connexion it was conjectured in the British, U.S. and French press that the Soviet leadership might have become alarmed at the increasingly independent line taken by some of the "people's democracies," as evidenced by the trend towards democratization in Poland following the Poznan riots and by the governmental changes in Hungary. Another question at issue was believed to be the Yugoslav Government's action in bringing to trial a number of Communists who had supported the Cominform in 1948 and had recently returned to Yugoslavia from exile.—(Tanjug Agency, Belgrade - Polish and Bulgarian Embassies, London - Hungarian Review, Budapest - Agerpres, Bucharest - Times - Manchester Guardian - New York Times - Le Monde, Paris) **(Prev. rep. 14937 A; 14954 D.)**

NOVEMBER 10—17, 1956

A. HUNGARY. — Insurrection against Communist Regime. - M. Nagy becomes Prime Minister. - Formation of All-Party Government. - Pledge of Free Elections and Democratic Freedoms. - Release of Cardinal Mindszenty. - Withdrawal from Warsaw Pact. - M. Nagy's Call for Withdrawal of Soviet Forces and Permanent Hungarian Neutrality under U.N. Guarantee. - Hungarian Democratic Government overthrown by Soviet Army. - M. Kadar forms "Puppet" Communist Government. - Soviet Armed Repression of Hungarian People's Resistance. - Mass Exodus of Refugees.

During the last week of October a nation-wide revolutionary movement against the Communist regime broke out in Hungary, leading to the formation of an all-party Government by M. Imre Nagy. In response to overwhelming popular demands, M. Nagy subsequently announced that free elections would be held; that talks would be opened with the U.S.S.R. to secure the withdrawal of Soviet troops from Hungary; that Hungary had left the Warsaw Pact; and that she intended to adopt a policy of permanent neutrality, which, M. Nagy asked, should be guaranteed by the United Nations.

Although the Soviet Government ostensibly entered into negotiations with M. Nagy's Government on the withdrawal of Soviet forces from Hungary, it suddenly moved large reinforcements of infantry, tanks, and artillery into the country and, without warning, at dawn on Nov. 4 launched a concentrated attack on Budapest and other provincial centres held by the Hungarian patriots. At the same time M. Nagy's Government was overthrown by the Soviet forces and a "puppet" regime set up at Szolnok (50 miles S.E. of Budapest) under M. Janos Kadar, who had succeeded M. Gero as First Secretary of the Hungarian Workers' (Communist) party, and who had been a member of M. Nagy's all-party government. Despite heroic resistance against overwhelming odds by the Hungarian civil population and armed forces, the Soviet Army succeeded within a few days in establishing virtual control throughout the country, apart from a few isolated centres—some in Budapest itself—still holding out. According to subsequent despatches from Hungary, over 1,000 Soviet tanks and some ten Soviet divisions had been used to crush the resistance of the Hungarian people.

The chaotic conditions in Hungary during this period, in which the situation changed almost from hour to hour, made it impossible for the outside world to obtain a detailed picture of the events while they were in progress, apart from broadcasts from Government and insurgent radio stations, eye-witness accounts by the many thousands of refugees who crossed the frontier into Austria, and despatches by press correspondents of many nationalities who were in Hungary at the time. It subsequently became clear, however, that large areas of Budapest had been devastated; that tens of thousands of Hungarians had been killed and wounded, as well as many Russian soldiers; that near-famine conditions were prevailing in the capital; and that normal life was at a standstill throughout the country. It also became clear that the Soviet intervention had been resisted by the entire working-class, as well as by the Hungarian Army; that the Soviet forces had in many cases acted with the utmost brutality in crushing the people's uprising; and that M. Kadar's "puppet" Government was completely discredited among the Hungarian people and owed its existence solely to Soviet military support.

The Hungarian insurrection, and its subsequent repression by the Soviet Army, had been preceded by the return of M. Imre Nagy to political life; the formal posthumous rehabilitation of Laszlo Rajk and other executed "Titoists", the arrest of General Mihaly Farkas, the former Defence Minister, who had been expelled from the party in July; and mass demonstrations by students, workers, and soldiers demanding political reforms, the withdrawal of Soviet troops, the release of Cardinal Mindszenty (the Roman Catholic Primate of Hungary, who had been under detention since 1948), and a new Government headed by M. Nagy.

Posthumous Rehabilitation of Laszlo Rajk. - Arrest of General Farkas. The body of Laszlo Rajk, together with the bodies of three others executed with Rajk in 1949 on charges of "treason" and "Titoism" (General Palffy, Tibor Czenye, and Andras Szalai), were given a State funeral in Budapest on Oct 6, following the posthumous rehabilitation of the executed men some months earlier Government leaders present at the ceremony declared that those responsible for "these infamous crimes"—i.e. the execution of Rajk and his colleagues—would be "called to account," particular mention being made of General Farkas. On Oct. 12 it was officially announced that Farkas had been arrested for "violating Socialist legality" and had been deprived of his military rank

M. Nagy readmitted to Hungarian Workers' Party. Budapest Radio announced on Oct. 14 that party membership had been restored to M. Imre Nagy, Prime Minister of Hungary from 1953 to April 1955, when he was expelled as a "traitor," "Trotskyist," and "Titoist." The broadcast said that an important part in M. Nagy's earlier expulsion from the party had been "played by the personal prejudices of Rakosi" [the former First Secretary of the Hungarian Workers' Party.]

Imre Nagy (60), a locksmith in his early years, served in the Austro-Hungarian Army during the First World War and was taken prisoner by the Russians. He joined the Bolshevist forces after the Russian Revolution, became a Soviet citizen in 1918, and returned to Hungary in 1919, holding a minor post in Bela Kun's Communist regime After the latter's collapse he fled to France, but subsequently returned to Hungary in the early 'twenties, being arrested and imprisoned. In 1930 he went to the U.S.S.R., where he remained throughout the Second World War. Returning to Hungary with the Soviet Army, he became Minister of Agriculture in the post-war Communist Government, was Speaker of the Hungarian Parliament from 1947-53, and in the latter year became Prime Minister in succession to M. Rakosi. On March 8. 1955, he was condemned by the Central Committee of the Party for "rightist deviationism" and, after being denounced by M. Rakosi, was deprived of the Premiership and expelled from the party on April 18, 1955. M. Nagy was "rehabilitated" in August 1956, after Rakosi's fall.

(*New York Times*)

Mass Demonstrations. - Demands for Reforms. Mass demonstrations, attended by hundreds of thousands of workers, students, and soldiers, took place on Oct. 22-23 in Budapest, Debreczen, Miskolc, Szeged, Gyor, and other cities, at which demands were made for greater democratization of the Government, the withdrawal of Soviet troops, the release of Cardinal Mindszenty, and the return of M. Nagy to political power. In Budapest, where some 200,000 demonstrators massed in the centre of the city, representatives of Hungarian universities and high schools adopted a 22-point resolution calling *inter alia* for M Nagy to be "placed at the head of the Government and the party"; for rapid progress towards democratization, changes in the party leadership, removal of Stalinists, and punishment of those guilty of past errors; for the development of Soviet-Hungarian relations on a basis of absolute equality; for the withdrawal of Soviet forces from the country; for the ending of the teaching of Russian as a compulsory language in schools; and for less time to be devoted to the teaching of Marxism-Leninism. The resolution expressed "solidarity with our Polish comrades," declaring that Poland had set "an example which our country should follow."

Heavy fighting broke out in Budapest during the night of Oct. 23-24, following the mass demonstrations of the previous 48 hours. A state of emergency was declared throughout the country, martial law, a censorship, and a curfew imposed, and all rail and air communications with the outside world cut off. At dawn on Oct. 24 it was announced that M. Nagy had taken over the Premiership from M. Hegedus, and that the Government had invoked the Warsaw Treaty and were appealing to the Soviet forces to help restore order. [It subsequently became known that M. Gero, and not M. Nagy, had been responsible for calling in Soviet troops.]

October 24. - Outbreak of Insurrection. - M. Nagy becomes Prime Minister.

3.30 a.m.—the Government banned all public meetings and called upon the armed forces to maintain order, this being the first official intimation that an insurrection had broken out; 7.13 a.m.—after an all-night meeting, the Central Committee of the Hungarian Workers' Party confirmed the appointment of M. Nagy as Prime Minister, with M. Gero remaining First Secretary of the party; 7.45 a.m.—the Government proclaimed a state of emergency; 8 a.m.—the Government invoked the Warsaw Pact and appealed to the Soviet forces to restore order; 11.09 a.m.—M. Nagy appealed to the insurgents to

lay down their arms, and promised that no action would be taken against them if they did so. This promise was repeated at intervals by Budapest radio throughout the day, and was reinforced by broadcast appeals for order by two former Presidents, M. Zoltan Tildy (the former leader of the Smallholders' Party) and M. Szakasits (the former Social Democratic leader). At 7 p.m., however, it was officially admitted that "heavy fighting" was in progress in Budapest and that "reactionary groups" were attacking Government buildings, barracks, and other places. According to reports by travellers crossing the Austrian frontier, armed groups of workers, students and even schoolboys were attacking Communist Party offices, the Karolyi military barracks, and the Budapest radio station, and had established themselves in strength on Csepel Island, an industrial area south of the city.

In his broadcast appealing to the insurgents to lay down their arms, M. Nagy promised a "broad democratization of Hungarian public life," the "construction of Socialism based on specific Hungarian characteristics." and "a basic improvement of the people's living standards." After stressing that these reforms depended on the restoration of order, he added: "Peaceful student demonstrators have been joined by hostile elements who have misguided many workers and are inciting them to actions against the people's democracy. I call on all Hungarians to be firm against these provocateurs... Our national existence and future are at stake."

October 25. - Spread of Insurrection. - M. Kadar replaces M. Gerö as First Secretary of Hungarian Workers' Party.

Despite frequent claims by Budapest Radio that the insurgents had been "liquidated," the revolt spread throughout the country and it became apparent during the day that large areas of Western Hungary were in insurgent hands. Moreover, it became clear that the bulk of the Hungarian armed forces were on the side of the insurgents and that the main strength of the revolt was being provided by the industrial workers.

Pitched battles between the insurgents and the secret police (A.V.H.) were reported from Budapest and other cities, insurgent radio stations came on the air at Pecs (the coalmining town near the Yugoslav border) and Miskolc (the second largest industrial centre, in N.E. Hungary); and "Workers' Councils" were reported to have been formed by the insurgents at these centres and also at Gyor, Magyarova, and other places in Western Hungary. Meanwhile Budapest Radio warned the population to keep indoors between 6 a.m. and 6 p.m., declared that persons breaking the curfew order would be shot at sight, and repeated its appeals to the insurgents to lay down their arms, promising them immunity from punishment if they did so.

During the morning M. Nagy announced in a broadcast (1) that a National Government would be formed "on the broadest basis" to correct "the mistakes and crimes" of the past; (2) that negotiations would be begun with the U.S.S.R., "on a basis of equality," to secure the withdrawal of Soviet forces from Hungary; (3) that the Central Committee of the party approved the formation of Workers' Councils; (4) that an amnesty would be declared for all persons laying down their arms by 10 p.m. the same evening; (5) that workers and "loyal citizens" were to "liquidate mercilessly" anyone who continued fighting after that time-limit; and (6) that the Government's programme would be aimed at creating "a sound national economy based on Socialist principles." M. Nagy admitted that there were good reasons for the popular discontent, said that the people of Budapest had been "embittered" by their bad living conditions, and declared that the Government were determined to learn from the "tragic mistakes" of the past.

It was also announced on this date that M. Janos Kadar had been appointed First Secretary of the Hungarian Workers' Party in succession to M. Erno Gero, who had been relieved of his post.

M. Kadar succeeded Laszlo Rajk as Minister of the Interior in 1948, but was arrested in 1950 on charges of "treason" and "Titoism." He was never brought to trial but was held in detention camps for several years until Stalin's death, when he was released, rehabilitated, and subsequently restored to party membership, becoming party secretary for Budapest. He had been elected to the Politburo and Central Committee on the previous day (i.e. Oct. 24), at the same meeting at which M. Nagy assumed the Premiership in place of M. Hegedüs.

October 26. - M. Nagy's Acceptance of Workers' Demands for Withdrawal of Soviet Troops from Hungary.

While fighting continued in Budapest and many provincial cities, M. Nagy received a workers' delegation from Borsod-Gomor county (Miskolc area) demanding, on behalf of the insurgents, the elimination of "mistakes" in the national economy; the withdrawal of Soviet troops from Hungary; the immediate trial of Mihaly Farkas; and greater powers for the Hungarian Parliament. The delegation stated that a general strike had been called in the area and that work would not be resumed until their demands had been met and, in particular, until the Russian forces had left Hungary.

Budapest Radio announced that M. Nagy was in agreement with the delegation's demands and had promised the formation of a new Government "representing the People's Front and corresponding to the people's will." Later in the day Budapest Radio repeated its appeals for the restoration of order, reiterated that insurgents laying down their arms would be granted an amnesty, and called for the "liquidation" of insurgent groups continuing to resist.

One of the first authoritative accounts of the events in Hungary was given on this date in a despatch by Mr. Gordon Shepherd, Special Correspondent of the *Daily Telegraph*, who was in Budapest throughout the fighting and did not leave Hungary until Nov. 5, when he crossed the Austrian frontier with other foreign press correspondents. In this despatch, carried out of Hungary by an Austrian citizen and transmitted to London, Mr. Shepherd wrote:

"This is no mere revolt of a disgruntled party junta It is no mere demonstration which has got out of hand due to trigger-happy citizens. It is an outright civil war in which 90 per cent of Hungary's anti-Communists have struggled to express their hatred for the regime and its Russian protectors The number of dead and dying is impossible to estimate. One doctor assessed it for me at more than 3,000 killed and seriously wounded But he was judging only from the state of Budapest hospitals. Every ward of these, he said, has been crammed...

"I drove slowly through the centre of the city soon after dawn to-day. It was like a front-line strongpoint in a major military campaign Tanks blocked the main Danube bridges and covered all principal cross-roads. Burnt-out lorries and cars lay on their sides in the street Broken glass glistened on the pavements and the smashed cable wires of the tram system trailed on the ground From blackened doors came that acrid war-time smell of debris mingled with spent gunfire and corpses. It was last in the air of Budapest in 1944. On that occasion the Russian troops came as 'liberators.' Now hatred against them has provided the mainspring of the uprising and the popular fury for more than 72 hours.

"From what I have seen and been told there is no doubt that the spearhead of revolt was in units of the Hungarian Regular Army itself. The Kossuth Academy, the Hungarian officers' training school, went over en bloc to the rebels Others, like the Hadik barracks, were taken by force, but after half-hearted resistance. Several military commanders are said to have shown themselves 'benevolently neutral' by taking no part, but offering the rebels free pick of their arsenal. Three independent eye-witnesses told me how they had seen Hungarian officers distributing arms to the civilian demonstrators...

"The entire armoured element of one Soviet mechanised division, numbering more than 150 tanks, is thought to have been called in with other Russian troops... It seems fair to say that in some cases the Soviet troops appeared reluctant to carry out their unpleasant job. Yet in other cases their hastiness or wilful brutality have caused needless slaughter. One of the worst massacres of the last three days happened when Russian tanks opened fire on a crowd of passive and unarmed people in Parliament Square yesterday. The total dead here alone is put at over 100. Women and children were among the dozens mown down . . The most impossible thing to convey out of the tragic Budapest scene, yet the most important, is the choking hate of the ordinary people against their present masters, and the Russians who protect them..."

October 27-28. - M. Nagy's Meeting with Russian C.-in-C. - Soviet Promise to withdraw Troops from Budapest. - Appointment of Six-Member Government Presidium. - Nagy Government accepts Insurgent Demands.

In two broadcasts in the afternoon and evening of Oct. 28, M. Nagy announced (1) that he had had talks with the Soviet C.-in-C. in Hungary, who had promised that all Russian forces would be withdrawn immediately from Budapest; (2) that negotiations would be begun with the U.S.S.R. to secure the withdrawal of Soviet forces from the whole of Hungary, (3) that the secret police (A.V.H.) had been dissolved; (4) that a new police force would be created, based on the Army and on "armed units of the workers and the youth movement"; (5) that the Communist coat-of-arms would be abolished and the former national coat-of-arms (the Kossuth emblem) restored in the national flag; (6) that March 15 (the anniversary of the Hungarian revolution of 1848, abolished as a public holiday by the Communist regime) would again become the principal Hungarian national holiday; (7) that a six-man Government Presidium had been set up as the supreme executive authority, consisting of M. Kadar, M. Antal Apro (First Deputy Premier), M. Karoly Kiss (Minister for National Planning), M. Ferenc Muennich (Minister of the Interior), M. Zoltan Szanto, and M. Nagy himself. This body (all of whom were Communists or Communist sympathizers) would hold office until the fourth congress of the Hungarian Workers' party.

M. Nagy concluded by denying that a "counter-revolution" had taken place, declaring that the uprising had been "a democratic movement which swept our whole nation in order to secure our independence, which is the only basis of a Socialist democracy."

M Nagy's announcement of the governmental and other changes was preceded by a broadcast in which he called upon all units supporting the Government to cease fire immediately, and to shoot only if attacked. He appealed to the insurgents to cease fire likewise, and promised an amnesty for all who had taken part in the fighting

Meanwhile the insurgent forces had strengthened their hold on the provinces and were reported to be in control of most of the provincial cities, including Szeged, Debreczen, Pecs, Szolnok, Miskolc, Kaposvar, Vesprzem, Szombathely, Pápa, Gyor, Magyarovar, Sopron, Hegyeshalom, Szentgotthard, and Dunafoldvar. In many of these towns, and over wide rural areas, control was being exercised by councils set up by insurgent soldiers, workers, and students. Prior to M. Nagy's broadcasts on Oct. 28, "Free Hungarian" stations at Györ and Miskolc had repeated the insurgents' demands for the withdrawal of Russian troops from Hungary, the democratization of Hungarian political life, the suppression of the secret police, and free elections and complete national independence. A manifesto by the Gyor Workers' Council said that M. Nagy was acceptable to the insurgents as Prime Minister, but that many of his Ministers were unacceptable.

Fighting had meanwhile continued in Budapest, though apparently on a somewhat reduced scale; an indication of its severity in the preceding days was given by Budapest Radio (Oct 28), which admitted that 3,500 people were lying wounded in Budapest hospitals. The position in Budapest and in Hungary generally was described in a further despatch to the *Daily Telegraph* (Oct. 28) by Mr Shepherd, who wrote as follows:

"Fighting continued in the city during the week-end [Oct. 27-28] though on a reduced and more sporadic scale. The severest actions have been on the hills of Buda, near the island of Csepel, south of the city, at an intersection of the Stalin road in the middle of the capital, and at the Maria Theresa Barracks. Here a group of students and soldiers rejected four successive orders to surrender. Soviet tanks fired at point-blank range. This afternoon the tanks resumed the bombardment.

"The Russians are using their heavy tanks purely as extermination squads. They rumble from one district to another, flattening every house where even one sniper's rifle is heard, or suspected. Moscow may restore 'order' by these means, but it will never quell the fresh waves of hate which every new action sets up. Of the dozens of moving incidents I have seen in the streets the most pathetic sight was the action of a little Hungarian boy, aged about eight or nine. He clambered into a Soviet tank and poured a little can of petrol on to its tracks in an attempt to start a blaze It is hard to think of any Communist Government reshuffle which will pacify this spirit

"Rebels in the streets of Budapest thrust into my hand slips of paper with the wavelength of 'Free Hungarian' radio stations operating allegedly in Vesprzem, Gyor, Miskolc, and Pecs. This indicates that all four regional centres are wholly or partly in rebel hands . . .

"Typical of this latest phase are a few hundred students and workmen who barricaded themselves behind stone and rubble barriers in the two main squares of Buda. As far as is known .. they had hardly any arms or food Yet they rejected surrender appeals across the barricades, even when made by friendly soldiers of the Hungarian Army. Their answer was 'We will stay here and die if necessary until the Russians agree to leave our homeland.' Later the students were dispersed. In one clash four were killed and 15 injured.

"Similar outbursts of fanatical patriotism are reported from all over the country. In the Eastern provinces a sort of peasants' guerrilla war is said to have broken out . . . At Tatabanya the colliers are reported to be on strike . . . Regional revolutionary committees have been set up in Sopron and Hegyeshalom, on the Western frontier. In all cases the main targets of hate have been the Russian troops and the political police . . ."

Other reports reaching the outside world from Hungary laid similar stress on the hatred and detestation of the population for the secret police, many members of which had been killed during the uprising. The following despatch was received in London on Oct. 28 from the Vienna Correspondent of *The Times*, who had crossed the Austrian frontier and visited the insurgent-held town of Magyarovar:

"Yesterday [Oct. 27] your Correspondent was able to cross into Hungary from the Austrian frontier town of Nickelsdorf, and go on about 10 miles to Magyarovar In Magyarovar on Friday morning [Oct. 26] some 80 people were killed and about 100 wounded when a detachment of A.V.H. (secret police) opened fire on a large unarmed crowd of demonstrators who had gone to their barracks on the outskirts of the town to tear down the red star which, for Hungarians, has become the detested symbol of Russian oppression. The people of Magyarovar took their revenge. Of the four officers of a detachment of A.V.H. about 20 strong, one was killed on the spot. The three others took refuge in a cellar of the barracks. One of the three, said to have been the commander, escaped The others were killed in the afternoon. One was lynched; the other was hanged from a plane tree in one of the main streets . . ."

The *Times* correspondent also described how he had seen the bodies of men, women, and children, including a baby of 18 months, who had been mercilessly shot down by the secret police in Magyarovar during the demonstrations.

October 29-30. - M. Nagy ends Single-Party Rule. - Promise of Free Elections. - Revival of Non-Communist Parties. - Formation of All-Party Government. - Soviet Statement on Troop Withdrawals from East European Countries.

In a broadcast on Oct. 30, M. Nagy announced the "discontinuation of the one-party system" and the formation of a National Government based on the Hungarian Workers' party, the Smallholders' party, the National Peasants' party, and the Social Democrats. Budapest Radio stated that the Hungarian Workers' party was represented by M. Nagy and M. Kadar; the Smallholders' party by M. Zoltan Tildy and M. Bela Kovacs (its former secretary-general); and the National Peasant party by M. Ferencz Erdei. [The Social Democratic member was not named, but it was subsequently announced on Nov. 3 (see page 15192, first column) that it was represented in the all-party government by Mme. Anna Kethly as Minister of State.]

M Tildy was Prime Minister of Hungary's first post-war non-Communist Government, and President of the Republic until 1948, when he was dismissed and banished. M Kovacs and M Erdei also played a prominent part in Hungarian politics in the immediate post-war years until the Communists seized power in 1948 and suppressed the former democratic parties.

M. Nagy announced in his broadcast that the new Government fully recognized the Workers' Councils and revolutionary committees set up in different parts of Hungary, called upon those bodies to support the Government, and promised the immediate release of Cardinal Mindszenty. He reiterated that the Soviet forces had agreed to withdraw unconditionally from Budapest, and ended his broadcast with the words: "Long live free and independent Hungary!" M. Nagy was followed at the microphone by M. Tildy and M. Erdei, who called for full support for the National Government, emphasized that the country's future would be decided by free and democratic elections, and called upon former party leaders in the provinces to re-form the Smallholders' party and the National Peasants' party.

On Oct. 30 and 31 Budapest Radio and the Hungarian Defence Ministry issued statements from time to time saying that the Soviet forces had begun to withdraw from Budapest, in conformity with the promise made to M. Nagy. Though the situation was obscure at the time, it subsequently became clear, however, that so far from withdrawing from Budapest, strong Soviet reinforcements of tanks and infantry had crossed the Hungarian frontiers to reinforce the troops already in the country. Rumours of a strong Soviet build-up during this period were fully confirmed when the Soviet forces suddenly launched an attack without warning at dawn on Nov. 4 (see below).

Meanwhile, the Soviet Government had issued a lengthy declaration on Oct. 30 expressing its readiness to enter into discussions with the other countries which were parties to the Warsaw Treaty for the withdrawal of Soviet forces from those countries, and referring also to the situation in Hungary. The statement said:

"It is common knowledge that Soviet units are stationed in Hungary and Rumania under the Warsaw Treaty, and in Poland under the Potsdam Four-Power Agreement and the Warsaw Treaty. With the aim of safeguarding the mutual security of the Socialist countries, the Soviet Government is ready to examine, with the other countries that are members of the Warsaw Treaty, the question of the Soviet forces stationed in those countries. In doing so, the Soviet Government bases itself on the principle that the stationing of the forces of any member-State of the Warsaw Treaty on the territory of another member-State is done . . . only with the consent of the State on whose territory and at whose request those forces have been so stationed"

With reference to the situation in Hungary, the Soviet statement said: "Developments have shown that the working people of Hungary . . . are justly raising the question of eliminating serious shortcomings in the sphere of economic development . . . and . . . bureaucratic distortions in the machinery of government. To this just and progressive movement of the working people, however, there have adhered forces of black reaction and counter-revolution which are trying to exploit the dissatisfaction of a section of the working people in order to undermine the foundations of the people's democratic system in Hungary and restore the old regime of landlords and capitalists. The Soviet Government . . . deeply deplores the fact that developments in Hungary have led to bloodshed. At the request of the Hungarian Government, the Soviet Government have agreed to the entry into Budapest of Soviet military units in order to help the Hungarian authorities to restore order in the city. Bearing in mind that the further stationing of Soviet military units in Hungary may provide a pretext for making the situation more tense, the Soviet Government have instructed its Military Command to withdraw Soviet military units from Budapest as soon as the Hungarian Government finds it necessary. At the same time, the Soviet Government is ready to enter into talks with the Hungarian People's Republic and the other parties to the Warsaw Treaty on the question of the stationing of Soviet forces in Hungary."

October 31. - Hungary leaves Warsaw Pact. - Appeal to United Nations for Neutrality Guarantee. - M. Nagy's Protest against Soviet Troop Movements. - Release of Cardinal Mindszenty.

The Hungarian Government sent a message on this date to the U.N. Secretary-General, Dr. Hammarskjöld, announcing Hungary's withdrawal from the Warsaw Treaty, appealing to the U.N. and the great Powers to guarantee Hungary's permanent neutrality, and giving notice that the Hungarian delegation would raise this matter at the forthcoming regular session of the General Assembly.

Budapest Radio announced during the day (1) that M. Nagy had seen the Soviet Ambassador, protested to him at the continuing movement of Soviet troops and armour into Hungary, and informed him that Hungary intended to leave the Warsaw Pact and pursue a policy of absolute neutrality; (2) that M. Nagy had sent a telegram to the Soviet President, Marshal Voroshilov, asking the Soviet Government to fix a date and place for negotiations on the withdrawal of Soviet forces from Hungary; and (3) that he had verbally informed all accredited diplomats in Budapest of his talks with the Soviet Ambassador. In a broadcast to the nation, M. Nagy said that the Government would demand the immediate withdrawal of Soviet forces from Hungary and the termination of Hungary's participation in the Warsaw Pact.

In conformity with M. Nagy's pledge, Cardinal Mindszenty was released from the monastery in which he had been detained under police surveillance. He returned on the same day to Budapest, where he was welcomed by great crowds.

November 1-3. - Build-up of Soviet Forces in Hungary. - M. Nagy's Protest to United Nations. - All-Party Ministry.

During the first three days of November the situation in Budapest remained relatively quiet, though extremely tense. Reports by Budapest Radio and by foreign press correspondents said that strong Russian forces were continuing to enter Hungary across the Soviet and Rumanian frontiers and were deploying in strength round the capital, which was being encircled by Soviet armour. Other Soviet tank formations were reported to be thrusting into Western Hungary, towards the Austrian frontier. On Nov. 2 the Hungarian Government ordered its armed forces to take up positions covering the Parliament building in Budapest and the approaches to the Danube bridges.

M. Nagy sent a further communication to the U.N. on the latter date drawing attention to the continued entry of strong Soviet forces into Hungary, and pointing out that they had taken control of the principal railway lines and were moving into the western part of the country. The letter reiterated Hungary's wish to leave the Warsaw Pact, to follow a policy of neutrality under U.N. guarantee, and to enter into immediate negotiations with the U.S.S.R. for the withdrawal of Soviet troops. At the same time M. Nagy protested to the Soviet Ambassador at the Russian troop movements, stating that Hungary intended to appeal to the Security Council.

A Budapest broadcast of Nov. 3 said that the all-party National Government would be headed by M. Nagy as Prime Minister, General Maleter as Defence Minister, and seven Ministers of State, including M. Janos Kadar, M. Zoltan Tildy, M. Bela Kovacs, and Mme. Anna Kethly. It was representative of all the five parties which existed in 1945 (Smallholders, National Peasants, Social Democrats, Communists, and Democrats), and was noteworthy for the inclusion of Mme. Kethly, a prominent Social Democratic leader who had been imprisoned for many years under the Communist regime. M. Muennich, whose dismissal from the previous Government had been demanded by many of the insurgent committees, was not a member of the new Government.

November 4. - Soviet Army attacks Budapest. - Overthrow of Nagy Government. - "Puppet" Communist Government set up by M. Kadar at Szolnok.

At dawn on Nov. 4 the Soviet Army, having completely encircled Budapest, launched a massive attack with tank and infantry forces to crush the national uprising. During the night of Nov. 3-4 General Maleter, the Hungarian Minister of Defence, and General Istvan Kovacs, Chief of Staff of the Hungarian Army, had been negotiating at Soviet headquarters for the withdrawal of Russian troops from Budapest, and the Soviet attack was apparently launched while these talks were still in progress. It was subsequently reported that Generals Palmeter and Kovacs had been forcibly detained by the Russians during the negotiations.

The first news of the Soviet action was given in a 6 a.m. broadcast by M. Nagy, who announced that Soviet troops had unleashed an unprovoked attack on Budapest with the aim of overthrowing the Hungarian Democratic Government, and that the Hungarian armed forces were resisting the aggression. For two hours thereafter Budapest Radio broadcast this announcement at frequent intervals in Hungarian, Russian, English, French, and German, and made repeated appeals to the United Nations to come to Hungary's assistance. At 8 a.m., after playing the Hungarian National Anthem, Budapest Radio suddenly went off the air, its last words being "Help Hungary! . . . help us! . . . help us!"

Later in the day, however, Free Hungarian radio stations in many parts of the country broadcast appeal after appeal to the outside world, calling upon "all civilized peoples" to help the Hungarian nation in its struggle for independence against Soviet aggression. The broadcasts said that the Hungarian people were fighting not only for themselves but for Europe and the whole democratic world; that men, women and children were resisting the Soviet tanks in all parts of the country; and that the entire people were prepared to give their lives for Hungary. Again and again these broadcasts asked: "What is the United Nations doing? What is the United Nations doing?"

From official information broadcast by the Government radio station, broadcasts by British and other correspondents in Budapest, and teleprinter messages sent to Vienna from the offices of *Szabad Nep* (the official Communist organ) it appeared that the Soviet Command had presented an ultimatum to M. Nagy's Government at 4 a.m. calling upon it to surrender by noon, failing which Budapest would be bombarded. This ultimatum—apparently designed to prevent M. Nagy's Government from fulfilling its promises of a free, independent, and democratic Hungary—was rejected, and M. Nagy apparently tried to get in touch with Generals Maleter and Kovacs. As stated above, they were detained by the Russians with whom they were negotiating at the time.

At noon on Nov. 4 Moscow Radio interrupted its programme to announce that a "Hungarian revolutionary workers' and peasants' government" had been formed by Janos Kadar; that it had "appealed to the Soviet Command for help in putting down the mutineers protected by the Nagy Government"; and that Soviet troops had "crushed the forces of reactionary conspiracy among the Hungarian people" and were "liquidating the counter-revolutionary gangs." The broadcast said that the Nagy Government had "disintegrated owing to the withdrawal of honest patriots from it."

As stated in the Moscow broadcast, M. Janos Kadar had defected from M. Nagy's all-party government—apparently after the Soviet ultimatum—and had set up a "puppet" government at Szolnok, headed by himself and under Soviet protection. Its membership was given by Moscow radio as: Janos Kadar, Premier; Ferencz Muennich, Deputy Premier, Armed Forces, and Security; Georgy Marosan, Minister of State; Imre Horvath, Foreign Affairs; Istvan Kossa, Finance; Antal Apro, Industry; Imre Dego, Agriculture; and Sandor Ronai, Trade. All were Communists or Communist sympathizers.

Violent fighting broke out in Budapest after the Soviet attack on the city, the Hungarian Army and great numbers of workers and students fighting desperately against Russian troops attacking the Parliament building, the Danube bridges, railway stations, and factories and strongpoints held by the patriots. Barricades were erected in the streets, and great numbers of the civilian population—including women and even children—fought the Soviet tanks with "Molotov cocktails," petrol cans, and improvised weapons. Subsequent reports by press correspondents, and by the thousands of refugees who crossed the Austrian frontier, said that the Russians had in many cases behaved with the greatest brutality and had mown down large numbers of civilians by artillery and tank fire. Particularly desperate resistance was offered by the factory-workers in the industrial areas of Budapest, while in the provinces the lightly-armed insurgent forces were similarly attempting to halt the movement of Soviet armour. A general strike, which had been in progress for some days in the areas held by the revolutionaries, spread throughout the whole of Hungary as the workers downed tools in protest against the Soviet aggression. Proclamations by the Workers' Councils in many parts of the country declared that the strike would continue until all Russian troops had left the country and democratic freedoms were restored.

November 5-10. - Hungarian People's Resistance crushed by Soviet Army. - Soviet "Hunger Blockade" of Budapest. - Soviet Deportations of Hungarian Youths.

Despite heroic resistance by the Hungarian armed forces and people, and in particular by the workers and students, the Soviet Army had succeeded by Nov. 10 in crushing the popular revolt in almost all parts of Hungary, apart from a few isolated

areas where the patriot forces were still holding out or resorting to guerrilla tactics. In Budapest, bitter fighting went on for many days in which Hungarian troops, workers' detachments, groups of students, and other civilians attempted to hold strongpoints on Csepel Island, at Buda Castle, and in other areas of the city. Outside the capital, particularly heavy fighting took place at Pecs—where, according to unconfirmed reports, the workers had destroyed the uranium mines to prevent their continued exploitation by the Russians—and at Dunapelte (a new industrial town, formerly known as Sztalinvaros, 35 miles south of Budapest), where powerful forces of Soviet tanks, artillery, and aircraft were thrown into action against steel-workers who were continuing to offer desperate resistance. On the Western frontier Soviet tanks had arrived at Gyor, Magyarovar, Hegyeshalom, and Sopron, and were preventing refugees from crossing into Austria. A few Free Hungarian radio stations remained on the air until Nov. 9, making appeal after appeal to President Eisenhower and the United Nations, and stressing repeatedly that ammunition was running low and that the situation was desperate.

The Soviet Command in Budapest issued a number of proclamations on Nov. 5-6 declaring *inter alia* that the Russian forces were in Hungary "not as conquerors but as friends" and that the sole aim of Soviet military intervention was to crush the "counter-revolutionaries" and "criminal reactionaries" and to prevent the "establishment of a Fascist dictatorship." At the same time repeated demands were made that the insurgents should cease fighting immediately and hand in their arms, under penalty of "severe punishment." An important contributory factor in the Soviet conquest of Budapest was the action of the Soviet military authorities in preventing food supplies from reaching the city, where the population was seriously short of food and large bread queues were forming.

A description of the situation in Hungary in the last stages of the people's revolt, before it was finally crushed by the Soviet Army, was given in the following despatch (Nov. 9) from Vienna by Mr. Terence Prittie, correspondent of the *Manchester Guardian*:

"Soviet brutality is contributing substantially towards the prolongation of the increasingly bitter fighting in Hungary, where the Free Hungarian forces are continuing to resist the 200,000 men of the Soviet Army and its 4,600 tanks and 2,000 aircraft for the sixth successive day. In Budapest many Free Hungarians have retreated into narrow alleys where the Russian tanks cannot follow them and are resisting all the attempts of Russian infantry to drive them out.

"The reason for the increasing bitterness of resistance which has no hope of ultimate success is the direct contravention of the rules of war by the Russians. In many parts of Hungary villagers have been shot because arms have been found on their premises, even though they had stopped fighting . . . In Budapest some Hungarian soldiers were taken, after surrendering, to Rakoczy Square, where they were shot in cold blood. The soldiers had surrendered after hearing Budapest radio broadcast the terms of an alleged amnesty for all who laid down their arms. Russian tanks have also fired several times on bread queues. This news has sent a shudder of horror through Austria . . .

"The Kadar 'quisling' Government is showing itself utterly unable to deal with the situation . . The helplessness of the regime is shown by its admission, for the first time, that the Free Forces may have been inspired by 'genuine and honourable motives' in taking up arms. Hitherto it had been calling the forces 'Fascists' and 'counter-revolutionaries.' . . . This morning Budapest radio declared . 'Never has any Government faced greater difficulties than ours. The factories and all transport services are not working. Armed bands are still fighting and looting. The population of Budapest is threatened with famine.' . . .

"Outside the capital fierce fighting is reported at Gyor, where 300 Soviet tanks are said to be taking part in the assault on the Free Hungarian stronghold. Fighting is undoubtedly going on in other parts of southern and western Hungary, but there are few authentic details . . "

Other authoritative accounts of conditions in Hungary were given on Nov. 11 by Herr Peter Strasser, a Socialist member of the Austrian Parliament and a delegate to the Council of Europe, who had been in Budapest from Nov. 3-10 and had arrived back in Austria after an adventurous journey; and on Nov. 12 by the Vienna Correspondent of *The Times*, who had returned the previous day from Budapest.

Herr Strasser laid special emphasis on three points in the Hungarian situation (1) The Hungarians had been fighting as a united people against a Soviet invasion; virtually the whole Army, the workers and peasants, and even the police were united in opposing the Soviet aggression, and there was no talk in Hungary of "Free" or "insurgent" Hungarians, as was the case in the outside world. (2) The Russians had crushed active resistance, but their occupation was inconclusive since it was opposed by the whole population. (3) The Russians had so far been unable to organize an administration commanding the loyalty of even a small part of the population

The Times Correspondent sent the following despatch to London on conditions in Budapest:

"The heavy fighting in the centre of Budapest is now over. The crowds on Lenin Boulevard [one of the main streets of Budapest] walk among the awful havoc wrought by Russian guns and mortar fire. The patriots barricaded this section of the boulevard with paving stones, tram rails, and anything else suitable they could find and turned it into a strongpoint. The Soviet commander brought tanks, mobile guns, and heavy mortars to bear upon it for more than a day, leaving a trail of ruin and desolation. The façades of houses are torn through with shell holes, and whole vertical sections of buildings have been blasted away by mortar bombs . . . Only the corpses have been removed . . .

"The repression of Budapest was carried out exclusively by armoured units, tanks supported by infantry in armoured troop-carriers, and self-propelling guns Their tactics were to neutralize resistance strongpoints with heavy concentrations of fire, leaving the rest of the city, apart from tank patrols along the main streets, much to itself Beyond the sound of distant gunfire at about 4.45 a.m., which many people took for a local engagement . . . there was nothing to indicate a major Soviet assault on Budapest on Sunday, Nov. 4, until Mr Nagy announced it over the radio . . . The surprise was all the more effective because the evening before the Russians had expressed their readiness to negotiate with the Nagy Government on the withdrawal of Soviet troops from the country, fixing 10 p.m. as the time for a meeting with the newly appointed Minister of Defence and other Hungarian emissaries. But the emissaries never returned from this meeting."

Reports reaching Vienna on Nov. 13 indicated that the Russians were deporting large numbers of young Hungarians of military age to the U.S.S.R. in sealed trains. Some of those being deported were said to have thrown messages out of the trains saying that they were being sent to Russia. Railway workers in north eastern Hungary, hearing of this, were reported to have blown up the railway lines, stopped a train, and freed some of the deportees. A British Foreign Office spokesman confirmed on Nov. 15 that deportations were in progress "on a substantial scale."

Figures of killed and wounded during the first ten days of November and the last week of October were necessarily conjectural, but the most reliable estimates stated that over 25,000 Hungarians had been killed in Budapest alone, many of them civilians taking part in the fighting, and at least 50,000 wounded. Before the Free Radio stations went off the air, they had claimed that at least 3,500 Russian troops had been killed in the fighting in Budapest

M. Kadar's Promises of Reforms. - Admission of Chaotic Conditions in Hungary. - Continuation of General Strike.

In a broadcast from Budapest Radio on Nov. 11, M. Kadar announced a number of "concessions" to the Hungarian people "in the interests of Hungary's injured national pride," including the following: (1) a promise that all political groups would be represented in a "Government of national unity based on the ideology of the people's democracy"; (2) the replacement of the Communist red star by the former national emblem in the Hungarian flag (the traditional "Kossuth emblem," abolished in 1948); (3) the restoration of the traditional uniforms in the Hungarian Army in place of the existing Soviet-type uniforms; (4) abolition of compulsory teaching of Russian in schools; (5) a "purge" of senior Communist officials; (6) confirmation of M. Nagy's promise that the secret police would be abolished. M. Kadar said that these reforms would be "undertaken immediately," and that early negotiations would be started for the withdrawal of Soviet troops from Hungary.

M. Kadar admitted that the supply position in Budapest was "serious," that many houses had been destroyed and large numbers of people were homeless, that there were no supplies of fuel or petrol in the capital, and that the provision of fuel was "one of the greatest problems." He claimed that "the weapons are silent throughout Hungary," except for "isolated armed groups still resisting, particularly at night." After blaming "the mistakes of the Rakosi regime" for the revolt which began on Oct. 24, and declaring that "the indignation of the masses was justified," M. Kadar announced that food supplies were being sent by the U.S.S.R. and the other "people's democracies," as well as by the International Red Cross and the Western countries.

In a letter to Marshal Bulganin on Nov. 5, M. Kadar had appealed for immediate assistance in "food, fuel, building materials, and medical supplies." In reply, Marshal Bulganin promised that the Soviet Government would send to Hungary 5,000 tons of grain and flour, together with other foodstuffs and supplies.

The chaotic conditions in Hungary, officially admitted by M. Kadar, were intensified by the general strike, which continued even after the Soviet Army had established its control throughout the country. On Nov. 11 (by which date the strike had lasted for 19 days) *Szabad Nep* admitted that 70 per cent of Hungary's factories were still idle. Many appeals for the resumption of work, coupled with promises of wage increases, were made by the Kadar Government, in most cases with little or no response. Reports from the Hungarian capital and other parts of the country stated that the population generally were resorting to "passive resistance" tactics, and that large numbers of civilians were wearing rosettes of the red-white-green national colours "under the noses" of the Russian troops.

Manifestos by a number of patriotic organizations were distributed in the streets of Budapest on Nov. 11-12 reiterating the demands for reforms made at earlier stages of the revolt. One such manifesto, signed by the "Workers' Councils of Budapest," expressed willingness to resume work immediately providing the Kadar Government agreed to (1) free elections, in which all parties should participate who had declared their readiness to accept "Hungary's socialist achievements"; (2) the release of M. Nagy and his colleagues, of Generals Maleter and Kovacs, and of all insurgents taken prisoner; (3) the immediate withdrawal of Soviet troops from Budapest, followed by their "orderly withdrawal from the whole of Hungary"

Similar demands were put forward in a manifesto issued on behalf of Hungarian authors, journalists, and students, as well as the entire staffs of the Hungarian broadcasting services and news agencies.

It subsequently became known that M. Nagy had taken refuge in the Yugoslav Embassy, while Cardinal Mindszenty was believed to have taken refuge in the U.S. Legation. Madame Anna Kethly, who during the early stages of the revolt had visited Vienna to make contact with Austrian Socialists, and who had been prevented by Russian troops at the frontier from returning to Budapest, subsequently flew to New York to contact U.N. headquarters. In a press statement in Budapest on Nov. 2, Cardinal Mindszenty had appealed to the U.N. and the Western Powers to support Hungary in her fight against Soviet domination, and to relieve distress. He declared that the entire Hungarian people demanded the withdrawal of the Russians, and praised the heroism shown by the insurgents.

The Refugee Exodus.

The Soviet attack, and the subsequent suppression of the people's uprising, led to a mass exodus of some 28,000 civilian refugees—many of them women, children, and aged persons—from Hungary into Austria, the great majority crossing the frontier at the Austrian border village of Nickelsdorf. Free Hungarian fighters from Gyor, Magyarovar, Hegyeshalom, Sopron, and other frontier towns, as well as Hungarian soldiers, crossed into Austria after firing their last cartridges at the Russians. Among the large numbers of child refugees brought across the frontier by their parents were many wearing labels bearing the words: "This is my child—care for him—we return to fight for freedom."

Heart-rending descriptions of the pitiful condition of the Hungarian refugees were given by the Austrian authorities, and by the many British, U.S., Swiss, Swedish, and other Red Cross officials and private individuals who went to Austria to do what they could to alleviate the distress. A picture of the conditions prevailing was given in a television relay to Britain (via the Eurovision network) direct from a refugee transit camp near Vienna. Among refugees who recounted their personal experiences were 13 young people who said that they were the sole survivors of a band of over 200 who fought the Russians in the streets of Budapest, a wounded girl who described how her 11-year-old brother and two other small boys had been killed by the Russians when they were trying to blow up a Soviet tank; and a young man, a resistance fighter from Budapest, who described how he had seen a Russian soldier deliberately machine-gun a wounded child lying in the streets, under the eyes of the child's mother.

The Office of the U.N. High Commissioner for Refugees in Geneva announced on Nov. 14 that the United States had offered to take 5,000 Hungarian refugees, Switzerland 4,000, Argentina, Australia, and the German Federal Republic 3,000 each, the United Kingdom 2,500, Italy 2,000, Sweden and the Netherlands 1,000 each, and New Zealand 500. In addition, Canada was granting immigration priority to Hungarian refugees and contributing $100,000 for relief; France had agreed to accept refugees without any limitation on their numbers; Norway had offered to take refugees who were tubercular or otherwise physically handicapped; and other countries had offered to give a home to unspecified numbers of refugee mothers and children.—(Times - Daily Telegraph - Manchester Guardian - News Chronicle - New York Times - New York Herald Tribune - Le Monde, Paris - Soviet Weekly - Neue Zürcher Zeitung) **(Prev. rep. Hungary, 15057 A.)**

Note. International and U.N. reactions to the events in Hungary will be described in subsequent issues. (Ed. K.C.A.)

A. UNITED KINGDOM. — Chester By-election.

The City of Chester by-election, caused by the appointment of Mr. Basil Nield, Q.C. (Conservative) as Recorder of Manchester, was held on Nov. 15 with the following result:

Temple, John M. (Conservative)	21,137
Carter-Jones, Lewis (Labour)	14,789
*Llewellyn, J. D. S. (Liberal)	4,942
No change. Conservative majority ..	6,348

*Forfeited deposit.

Figures at the general election were: B. Nield, 24,905, J. M. Forrester (Lab.) 13,903, J. D. S. Llewellyn (L.) 5,145—Conservative majority, 11,002.

The Conservative candidate received 51.7 per cent of the votes in the by-election (56.7 per cent at the general election), the Labour candidate 36.2 per cent (31.6 per cent), and the Liberal candidate 12.1 per cent (11.7 per cent). The Conservative proportion of the poll thus dropped by 5 per cent, the Labour proportion increased by 4.6 per cent, and the Liberal proportion increased by 0.4 per cent.

71.5 per cent of the electorate voted in the by-election, compared with 77.8 per cent at the general election. The electorate numbered 57,137, an increase of 685 since the general election.

Mr. Temple (46), a farmer, was chairman of the Chester Conservative Association prior to the by-election.
(Times - Daily Telegraph) **(Prev. rep. By-elections, 15107 A.)**

B. INDIA. — Separate Ministries of Food and Agriculture. - New Ministerial Appointments.

It was announced in New Delhi on Oct. 17 that the Indian Ministry of Food and Agriculture had been divided into separate Ministries—a Ministry of Food and a Ministry of Agriculture—with immediate effect.

The new Ministry of Food, it was stated, would be concerned with imports of foodgrains from abroad, as well as their internal procurement, the fixing of selling prices for foodgrains and their allocation to various States, the setting-up of machinery for their distribution, and all other related functions, it would also deal with sugar and vegetable oil products. All the other functions of the Ministry of Food and Agriculture would be transferred to the new Ministry of Agriculture.

A press statement issued at the same time said that the Government had always attached great importance to maintaining prices of foodgrains at a reasonable level and ensuring adequate supplies to meet the demand in different parts of the country. The increasing outlay during the period of the Second Plan carried with it the risk of a corresponding increase in the demand for foodgrains and other essential consumer goods. In order to meet this situation and prevent prices of foodgrains from increasing, it had been considered necessary to strengthen the machinery of food administration and put it under a whole-time Secretary.

It was also announced that Mr. A. P. Jain, hitherto in charge of the combined Ministry, would hold the two separate portfolios of Food and of Agriculture; that Dr. Panjabrao Deshmukh, Minister of Agriculture, would be attached to the Ministry of Agriculture; and that Mr. M. V. Krishnappa, hitherto Deputy Minister of Food and Agriculture, would be Deputy Minister of Food.—(Indian High Commissioner's Office, London) **(Prev. rep. 15130 A.)**

C. UNITED KINGDOM. — Local Authority Loans.

It was announced by the Treasury on Oct. 19 that the rate of interest charged on loans advanced to local authorities from the Local Loans Fund would be changed as follows as from Oct. 20 (previous rates shown in parentheses): (*a*) for not more than 5 years: 5¼ per cent (5¼), (*b*) for 5-15 years: 5¾ per cent (5½); (*c*) for over 15 years: 5¾ per cent (5½). These increases would only apply to future loans and were designed to keep the lending rates from the Public Works Loan Board in line with those prevailing in the market for loans to local authorities.
(Treasury Press Office) **(Prev. rep. 14821 A, page 14828.)**

D. UNITED STATES. — Increase in Bank Rate.

The Federal Reserve Banks of New York, Philadelphia, Chicago, and Richmond increased their rediscount rate on Aug. 25 from 2¾ per cent to 3 per cent, i.e. the rate which had been operative for the Federal Reserve Banks of Minneapolis and San Francisco since April 13. By Sept. 2 the six remaining Federal Reserve Banks had similarly increased the rate to 3 per cent.—(New York Times) **(Prev.rep. 14858 D; 14799 B.)**

E. ITALY - PORTUGAL. — Legations raised to Embassy Status.

It was announced on Oct. 16 that the Italian and Portuguese Governments had decided to raise their respective Legations in Lisbon and Rome to the status of Embassies.
(Giornale d'Italia, Rome)

A. JAPAN - SOVIET UNION. — Negotiations for Conclusion of Peace Treaty. - Bulganin-Hatoyama Declaration on Termination of State of War and Exchange of Ambassadors. - Protocol on Trade Relations.

At the Soviet Government's suggestion, negotiations for a peace treaty between the Soviet Union and Japan opened on June 1, 1955, but were finally suspended on Aug. 13, 1956, after the two Governments had failed to reach agreement on the future of the southern Kurile Islands, which were occupied by the U.S.S.R. in 1945. As a result of further negotiations conducted in person by the Prime Ministers of the two countries, however, a joint declaration ending the state of war between them, and re-establishing diplomatic relations, was signed in Moscow on Oct. 19, 1956. Details of the negotiations are given below.

Soviet Overtures to Japan.

Mr. Domnitsky, head of the unofficial Soviet mission in Tokio, handed an unsigned and undated document to Mr. Hatoyama (the Japanese Prime Minister) on Jan. 25, 1955, proposing discussions for the normalization of Soviet-Japanese relations. This statement recalled that a desire to restore normal relations between the two countries had been expressed by the Soviet Government on Oct. 12, 1954 (see 13855 A), by Mr. Molotov (then Soviet Foreign Minister) on Dec. 16, 1954, by Mr. Shigemitsu (the Japanese Foreign Minister) on Dec. 11, 1954, and by Mr. Hatoyama himself (see 14005 A), and suggested that negotiations should take place either in Moscow or Tokio.

After the authenticity of this document had been officially confirmed by Mr. Sobolev (head of the Soviet delegation to the U.N.), the Japanese Government decided on Feb. 4, 1955, in favour of opening negotiations. Following a protracted exchange of Notes on the venue of the meetings, it was agreed on April 25 to hold them in London.

The London Discussions—June 1955 - March 1956.

Negotiations accordingly opened on June 1, 1955, at the Soviet Embassy in London, the delegations being led respectively by Mr. Malik, the Soviet Ambassador, and Mr. Matsumoto, formerly Japanese Ambassador to Britain. The Soviet Government's proposals for a peace treaty, submitted by Mr. Malik on June 14, were described by Mr. Shigemitsu on June 16 as "almost identical" with those put forward by Mr. Gromyko at the San Francisco Peace Conference (see 11721 A), although, unlike Mr. Gromyko's proposals, they contained no reference to restrictions on Japanese rearmament. The main Soviet proposals were reported to be as follows:

(1) Japan should relinquish all claims to the Kurile Islands, South Sakhalin, the Habomai Islands, and Shikotan.

(2) Japan should undertake not to join any military alliance directed against any country which took part in the war against Japan.

(3) Only the naval vessels of countries bordering on the Sea of Japan should be allowed free passage through the Tshushima Straits (between Japan and Korea), the Tsugara Straits (between Honshu and Hokkaido), and the Soya and Nemuro Straits (dividing Hokkaido from Sakhalin and the Kuriles).

(4) Both countries would sign a mutual non-aggression pact and undertake not to interfere in each other's domestic affairs.

(5) The Soviet Union would renounce all claims to reparations

(6) The Soviet Union would support Japan's admission to the U N, provided this took place simultaneously with the entry of Communist China to the United Nations

(7) Agreements on trade and fisheries would be concluded after the signing of a peace treaty.

Mr. Matsumoto put forward on Aug. 16 the Japanese counter-proposals, which included the return to Japan of South Sakhalin, the Kuriles, the Habomais, and Shikotan, and made no provision for control over the right of entry of naval vessels into the Sea of Japan. The negotiations were temporarily broken off on Sept. 15, 1955, when Mr. Malik left to attend the U.N. General Assembly in New York and Mr. Matsumoto was recalled to Tokio to present an interim report.

Talks were resumed in London on Jan. 17, 1956, but were suspended indefinitely on March 20. Agreement had been reached on clauses dealing with the termination of the state of war; mutual respect for the U.N. Charter; renunciation of claims arising from military operations; the conclusion of a fisheries agreement after the treaty had come into effect, the means of resolving disputes over the implementation of the treaty; non-interference in each other's internal affairs, and methods of abrogating or amending pre-war treaties.

Apart from the repatriation of war prisoners (see below), the main problem at issue remained the question of former Japanese territories.

After the resumption of negotiations the Soviet Union had agreed to return the Habomais and Shikotan to Japanese sovereignty, but continued to uphold its claim to South Sakhalin and the Kuriles on the grounds (*a*) that Japan had renounced all right, claim, and title to these territories by the San Francisco Treaty (see 11681 A), and (*b*) that the Allies had agreed to their cession to the U S.S.R. at the Yalta Conference. Japan, on the other hand, maintained (*a*) that the San Francisco Treaty did not determine the ultimate ownership of South Sakhalin and the Kuriles; (*b*) that Etorofu and Kunashiri (the largest and southernmost islands of the Kurile chain) were an integral part of Japanese territory over which Japanese sovereignty had been recognised by the San Francisco Treaty, which had not defined the term "Kuriles"; and (*c*) that the Soviet Union could not claim title to these territories by virtue of a treaty which it had not signed. The Japanese Government therefore proposed that the southern Kuriles should be returned to Japan, and that the future of South Sakhalin and the northern Kuriles should be decided by a conference of the signatories of the San Francisco Treaty and the Soviet Union. In reply to a Japanese inquiry, the U S. Government had confirmed in October 1955 that neither the treaty nor the Yalta Agreement had attempted to define the Kuriles, and had suggested that a definition should be sought from the International Court.

The Repatriation Question.

At an early stage of the London talks, Mr. Matsumoto had raised the question of the return of Japanese prisoners of war still in Soviet hands, which, he maintained, was a humanitarian rather than a political problem.

In reply, Mr. Malik stated that only condemned war criminals were still held as prisoners, and insisted that the restoration of diplomatic relations was an essential condition for an amnesty. In August 1955 he submitted a list of 1,011 Japanese soldiers and 374 civilians serving sentences for war crimes, in reply to which the Japanese Government supplied a list of 11,177 missing Japanese and asked that their fate should be investigated.

Following earlier talks between representatives of the Japanese and Soviet Red Cross Societies, 1,231 Japanese nationals imprisoned for war and civil crimes had been repatriated by the U.S.S.R. between December 1953 and March 1954, and 88 more in April 1955 A further 98 were repatriated on the completion of their sentences between September 1955 and March 1956, and 62 more, including General Yamada (the former Japanese commander in Manchuria), on June 9, 1956. Negotiations on the subject were continued by Mr Malik and Mr. Nishi (the Japanese Ambassador in London) after the suspension of the London talks.

The Fisheries Agreement of May 1956.

The Soviet Government announced on March 21, 1956, that salmon-fishing off the Kamchatka coast was being "conducted on an ever-increasing scale and threatens these valuable fish with extermination." The salmon catch for both Soviet citizens and others would therefore be restricted during the spawning period (May 15 - Sept. 15) to about 25,000,000 fish in the Bering Sea, the Pacific Ocean adjoining the Kamchatka peninsula, and the Sea of Okhotsk, pending an international agreement on salmon fisheries between the U.S.S.R., Japan, Canada, and the U.S.A. This announcement aroused great concern in the Japanese fishing industry (which had caught 63,000,000 salmon in 1955), and at the Japanese Government's request negotiations for a fisheries agreement were opened in Moscow on April 29, 1956. The Japanese delegation was led by Mr. Kono, Minister of Agriculture, and the Soviet delegation by Mr. Ishkov, Minister of Fisheries.

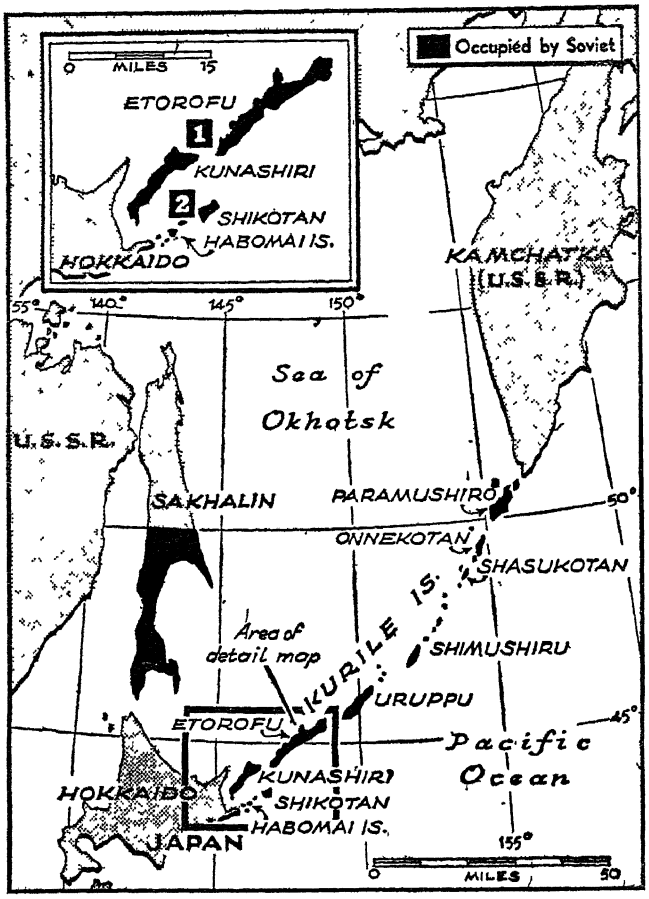
Agreement was reached on May 12 on the terms of (*a*) a 10-year fishing convention and a three-year air-sea rescue treaty, to come into effect on the conclusion of a peace treaty or an exchange of Ambassadors, and (*b*) an interim agreement governing fishing rights in the Bering Sea, the North Pacific, and the Sea of Okhotsk. When, however, the Soviet delegation proposed that the interim agreement should only come into force with the resumption of the peace treaty negotiations, Mr. Kono withdrew from the talks, and only after this Soviet proposal had been withdrawn were agreements signed on May 15. M. Kono undertook in return that the peace treaty negotiations should be resumed by July 31, 1956, either in Tokio or in Moscow.

Under the interim agreement Japanese fishermen were permitted to catch 65,000 tons of salmon annually, and both sides assumed responsibility for the enforcement of fishing regulations. The Japanese Government gave limited recognition to the Soviet mission in Tokio on June 12 as an official agency in charge of fisheries affairs.

The Moscow Talks of July - August 1956.

Negotiations for a peace treaty were resumed in Moscow on July 31, the two delegations being led respectively by the Japanese and Soviet Foreign Ministers, Mr. Shigemitsu and Mr. Shepilov. In his opening statement Mr. Shigemitsu stated that Japan had renounced her claim to South Sakhalin and the northern Kuriles, but that she could not relinquish Etorofu and Kunashiri, which had always been undisputed Japanese territory. He also appealed for a settlement of the repatriation question, in the interests of friendship between the two countries.

At the second meeting (Aug. 3) Mr. Shepilov reaffirmed the Soviet view that Etorofu and Kunashiri formed part of the Kuriles, the future of which had been decided by the Yalta Agreement and the San Francisco Treaty. In reply, Mr. Shigemitsu denied that Japan could be bound by the Yalta Agreement, to which she was not a party, and pointed out that under the Atlantic Charter and the Potsdam and Cairo Declarations



The Kuriles, showing islands whose sovereignty is in dispute between Japan and the U.S.S.R. The Soviet Government insists on the retention of Etorofu and Kunashiri, but has agreed to return the Habomai and Shikotan Islands to Japan after the conclusion of a peace treaty. (*New York Times*)

the Soviet Union had renounced territorial aggrandizement as a war aim. As both sides continued to adhere to their positions, the talks remained deadlocked, even after Mr. Shigemitsu had had a private meeting on Aug. 10 with Marshal Bulganin and Mr. Khrushchev. The talks were suspended on Aug. 13 in order that Mr. Shigemitsu and Mr. Shepilov might attend the London Conference on the Suez Canal question.

A joint statement issued after the meeting on Aug. 3 announced that 114 Japanese war criminals would shortly be released, 80 of them before the completion of their sentences. Mr. Shepilov stated that the remainder would be repatriated after the complete restoration of diplomatic relations between the Soviet Union and Japan

At a press conference in Moscow on Aug. 13, Mr. Shigemitsu said that further hesitation might lead to a rupture of the negotiations, and expressed his belief that it was advisable to conclude a treaty even on the Soviet terms. An emergency meeting of the Japanese Cabinet held on the same day, however, sent him instructions not to sign a peace treaty at the present stage. Private discussions between Mr. Shigemitsu and Mr Shepilov were continued at the Soviet Embassy in London during the Suez conference.

U.S. Note on Territorial Question.

While in London for the Suez conference, Mr. Shigemitsu asked the U.S. Secretary of State, Mr. Dulles, to ascertain the U.S. Government's views on the connexion between the territorial question and the San Francisco Treaty. The State Department accordingly defined the U.S. view in an *aide-mémoire* of September 8.

The *aide-mémoire* stated that the U.S. Government considered that the formal termination of the state of war between Japan and the Soviet Union was long overdue; that "Japan should also long since have been admitted to the U.N., for which it is fully qualified", and that "Japanese prisoners of war in Soviet hands should long since have been returned."

It continued. "The United States regards the so-called Yalta Agreement as simply a statement of common purposes by the then heads of the participating Powers, and not as a final determination by those Powers or of any legal effect in transferring territories. The San Francisco Peace Treaty (which conferred no rights upon the Soviet Union because it refused to sign) did not determine the sovereignty of the territories renounced by Japan, leaving that question, as was stated by the U.S. delegate at San Francisco, to 'international solvents other than this treaty.' It is the considered opinion of the United States that, by virtue of the San Francisco Peace Treaty, Japan does not have the right to transfer sovereignty over the territories renounced by it therein. In the opinion of the U.S.A., the signatories of the San Francisco Treaty would not be bound to accept any action of this character, and they would presumably reserve all their rights thereunder. The U.S.A. has reached the conclusion, after careful examination of the historical facts, that the islands of Etorofu and Kunashiri (along with the Habomai Islands and Shikotan, which are a part of Hokkaido) have always been part of Japan proper, and should in justice be acknowledged as under Japanese sovereignty. The U.S.A. would regard Soviet agreement to this effect as a positive contribution to the reduction of tension in the Far East."

Mr. Dulles stated on Sept. 12 that he had reminded the Japanese Government that if it concluded a treaty with another Power on terms more favourable than those of the San Francisco Treaty, the United States would be entitled under Article 26 of that treaty to claim "comparable benefits."

Termination of State of War. - Bulganin-Hatoyama Declaration.

The failure of the Moscow talks gave rise to serious divisions of opinion inside the Japanese Government and the ruling Liberal Democratic Party. Mr. Shigemitsu's recommendation in favour of accepting the Soviet terms was widely criticized, and a proposal was put forward that Mr. Hatoyama should himself visit Moscow to negotiate an interim settlement which would end the state of war and restore diplomatic relations, while leaving territorial questions for future discussion. The U.S. Ambassador in Tokio, Mr. Allison, told Mr. Shigemitsu on Sept. 10 that his Government was not opposed to such a settlement.

In a personal message on Sept. 11 to Marshal Bulganin, Mr. Hatoyama proposed that the territorial question should be temporarily shelved, and that negotiations should be resumed on the basis of a five-point plan for the ending of the state of war, the exchange of Ambassadors, the repatriation of Japanese war criminals, the renewal of the temporary fishing agreement, and Soviet support for the admission of Japan to the United Nations. Marshal Bulganin's reply (Sept. 15) accepted these terms, but did not make it clear whether the Soviet Union would be prepared to resume negotiations on territorial questions at a later date. Mr. Matsumoto accordingly left for Moscow on Sept. 20 to seek clarification on this point, and on Sept. 29 a formal agreement was reached "to continue negotiations, even after Japanese-Soviet relations are normalized, in order to conclude a peace treaty, including the territorial issue, and to establish complete peace relations."

Mr. Hatoyama's visit to Moscow was opposed by a strong section of the Liberal Democratic Party headed by the former Premier, Mr Yoshida, which contended that the proposed settlement was equivalent to abandonment of Japan's territorial claims. A meeting of Government supporters in the Diet was called on Oct. 2 to consider its proposals, but broke up in disorder without reaching a decision; the Cabinet nevertheless approved Mr. Hatoyama's mission later the same day. A man armed with a knife, who said that he wanted to "express his opinion about Mr. Hatoyama's visit to Moscow," was arrested near the Prime Minister's residence on Oct. 6, and when Mr. Hatoyama left Tokio by air on the following day protest demonstrations were staged by right-wing organizations.

When negotiations opened in Moscow on Oct. 15 it was agreed, at Marshal Bulganin's suggestion, that a joint subcommittee headed by Mr. Gromyko (the Soviet Deputy Foreign Minister) and Mr. Matsumoto should draft agreements on the five points raised in Mr. Hatoyama's letter of Sept. 11. A draft agreement on trade and navigation, submitted by Marshal Bulganin, was also referred to the sub-committee. During the next three days Mr. Kono, who had accompanied the Prime Minister, twice met Mr. Khrushchev to discuss the return of the Habomais and Shikotan, while Mr. Hatoyama also discussed territorial questions with Marshal Bulganin at a meeting on Oct. 17.

A declaration was signed in the Kremlin on Oct. 19 by Marshal Bulganin and Mr. Hatoyama terminating the state of war and re-establishing diplomatic relations between Japan

and the Soviet Union, and providing for the return of the Habomais and Shikotan on the conclusion of a peace treaty, and for the repatriation of Japanese war criminals.

The declaration was worded as follows :

" (1) The state of war between the U S.S R. and Japan ends on the day the present declaration comes into force, and peace and good-neighbourly relations are established between them.

(2) Diplomatic and consular relations between the U.S.S.R. and Japan are re-established, and the two States will exchange Ambassadors without delay. The question of the opening of Consulates in the Soviet Union and Japan will be settled through diplomatic channels

(3) The U.S S.R. and Japan confirm that they will be guided by the principles of the U.N. Charter in their mutual relations, and in particular by the following principles in Article 2 of the Charter :

(*a*) To settle their international disputes by peaceful means in such a manner as not to endanger international peace, security, and justice ;

(*b*) To refrain in their international relations from using the threat of force, or its use, against the territorial integrity or political independence of any State, or from acting in any other manner incompatible with the aims of the United Nations ,

(*c*) The U S.S.R and Japan confirm that, in accordance with Article 51 of the U.N Charter, each of the States enjoys the inalienable right of individual or collective defence ;

(*d*) The U.S S R. and Japan mutually undertake not to interfere directly or indirectly in each other's internal affairs, whether out of economic, political, or ideological motives

(4) The Soviet Union will support Japan's application for membership of the United Nations.

(5) All Japanese citizens sentenced in the Soviet Union will be freed and repatriated as soon as the joint declaration enters into force. As regards those Japanese whose fate is unknown, the U.S.S.R., at Japan's request, will continue to attempt to investigate their fate.

(6) The Soviet Union waives all claims to reparations against Japan The U.S S.R and Japan mutually waive all claims for war damages on behalf of the State, its organizations and citizens, against the other State, its organizations and citizens, which may have arisen since August 9, 1945.

(7) The Soviet Union and Japan agree to start negotiations as soon as possible for the purpose of concluding treaties or agreements with a view to placing their trade, shipping, and other business relations on a stable and friendly basis

(8) The Convention on Fishing in the Open Seas of the North-West Pacific, and the agreement between the Soviet Union and Japan on mutual co-operation in sea-rescue operations signed in Moscow on May 14, 1956, enter into force simultaneously with the present joint declaration Taking into consideration the interest of both the Soviet Union and Japan in the preservation and rational utilization of natural fishing resources and other marine biological resources, the two countries will take measures, in a spirit of co-operation, to preserve and develop the fishing resources and to regulate and limit catches in the open sea.

(9) The U.S.S R. and Japan agree to continue, after the re-establishment of diplomatic relations between them, negotiations on the conclusion of a peace treaty. In this connexion, the U S S.R., meeting the wishes of Japan and taking into account the interests of the Japanese State, agrees to hand over to Japan the Habomai and Shikotan Islands, with the reservation that the actual transfer of these islands to Japan is to take place after the conclusion of a peace treaty between the Soviet Union and Japan.

(10) The present joint declaration is subject to ratification and comes into force when instruments of ratification are exchanged. Exchange of instruments of ratification will take place as soon as possible in Tokio."

A protocol on trade relations providing for most-favoured-nation treatment was signed at the same time, with the following provisions :

" The Governments of the Soviet Union and Japan, acting in accordance with paragraph seven of the joint declaration . . . have agreed to the following .

(1) Pending the signing of the treaties or agreements envisaged in paragraph seven of the above-mentioned declaration, the contracting parties will do their best to develop trade between the two States, for which purpose each contracting party will grant to the other the following treatment :

(*a*) Most-favoured-nation treatment as regards Customs duties, formalities, and other regulations dealing with the importation of goods from, and the export of goods to, the other contracting party ;

(*b*) Most-favoured-nation treatment as regards the ships of the other contracting party in ports ; this treatment applying to the arrival, departure, and anchorage of ships, to all taxes and dues, and also to the loading and unloading of cargoes, and the purchase of fuel, water, and food.

(2) The provisions of the aforementioned paragraph will not limit the rights of each contracting party to apply any kind of prohibition or restriction for the purpose of defending interests affecting its security.

(3) The protocol will enter into force when instruments of ratification are exchanged. The instruments of ratification are to be exchanged in Tokio in the shortest possible time."

The dissident section of the Japanese Liberal Democratic Party issued a statement on Oct. 19 opposing the signing of the declaration as " a betrayal of the people's expectations," and comparing the commitments on the return of the Habomais and Shikotan to " a promissory note without time-limit." (Japanese Embassy Press Office, London - Soviet Weekly - Times - Daily Telegraph - Manchester Guardian - New York Times) **(Prev. rep. Japanese-Soviet Relations, 14005 A ; Prisoners-of-War, 13369 A.)**

A. UNITED KINGDOM. — Nationalized Gas Industry. - Report and Accounts, 1955-56.

The seventh annual report and accounts of the Gas Council and the 12 Area Boards, covering the year ended March 31, 1956, were published on Oct. 9. They showed that the gas industry as a whole earned a net surplus of £531,628 (compared with one of £2,472,553 in 1954-55), bringing the cumulative disposable surplus since Vesting Day to £11,496,872.

The net surplus was achieved after charging £20,922,000 for depreciation and £17,104,000 for interest, and after the transfer by one Area Board of £260,000 to taxation equalization reserve. Eight of the Area Boards earned surpluses together amounting to £1,552,294, but the remaining four—the Scottish, Northern, North Thames, and South-Western Boards—incurred deficits totalling £1,020,666. The largest trading surplus (£928,471) was made by the South-Eastern Board, and the largest deficit (£343,908) by the Northern Board.

Detailed information given in the report is summarized below :

Revenue. Gross revenue totalled £346,100,000 (compared with £325,800,000 in 1954-55), comprising £195,500,000 from the sale of gas, £105,700,000 from the disposal of coke and other by-products, £28,500,000 from sales and hire-purchase of appliances, and £16,400,000 from other sources.

Costs and Prices. Stressing the " considerable increases " in the gas industry's costs during 1955-56, the report stated that the 18 per cent rise in coal prices as from July 18, 1955 (see 14428 A) had cost £12,100,000 by March 31, 1956, and was expected to cost £17,800,000 in a full year, whilst wage increases had cost £5,600,000 and were expected to cost £10,600,000 in a full 12-month period Total cost increases during 1955-56 were £20,100,000, and the probable increase in a full year would be £31,700,000. Between June and September, 1955, all Area Boards had been forced to raise their prices.

Consumption. Sales of gas totalled 2,584,800,000 therms (2,572,900,000 therms in 1954-55). Industrial consumption had risen by about 30,000,000 therms (5 per cent), but domestic consumption had fallen by 28,200,000 therms in spite of an increase of 120,000 (1 0 per cent) in the number of domestic consumers.

Efficiency of Plant. During 1955-56 overall production efficiency in the industry increased from 75.7 per cent to 76 8 per cent, the latter figure comparing with an overall efficiency of 71.0 per cent in 1948 (the year of nationalization), and being equivalent to an annual saving of about 2,000,000 tons of coal.

Coke Sales. The report stated that " for the first time in many years " coal had been in good supply, enabling gasworks to increase their coke output by about 500,000 tons, to nearly 11,000,000 tons.

Capital Expenditure. This amounted to £61,000,000, compared with £55,000,000 in 1954-55. The report explained that the reduction of £3,000,000, compared with the expenditure originally planned for 1955-56, resulted from Government restrictions on hire purchase, and the consequent reduction of the amount involved. Outstanding capital commitments at March 31, 1956 totalled about £45,000,000, against £52,600,000 at March 31, 1955 and £62,500,000 at March 31, 1954. The amount approved for 1956-57 was £52,000,000, or £12,000,000 less than originally intended.

Sales of Appliances and Hire Purchase. As a result of the Government's " credit squeeze " and other financial measures, the number of gas and coke appliances sold on hire-purchase agreements fell by 37 6 per cent (from 1,101,794 in 1954-55 to 687,705 in 1955-56), though cash sales fell by only three per cent. Gross sales of appliances totalled £28,500,000 (£36,620,000 in 1954-55), of which hire-purchase sales accounted for just under £18,000,000 (£26,500,000).

Gas from Oil. Good progress had been made with the installation of plant for making gas from oil, and it was estimated that the 28 plants either in operation, or under construction, or on order would result in an annual saving of 850,000 tons of coal. In addition, agreements to purchase " tail " gases at Shellhaven and Fawley oil refineries were expected to save about 365,000 tons of coal annually.

Natural Gas. Although the Gas Council was now half-way through its 5-year programme in search of natural gas in Britain, the existence of gas in commercial quantities had not yet been proved. Meanwhile investigation was continuing into the possibility of importing liquefied natural gas from the Middle East.

Sir Harold Smith, chairman of the Gas Council, stated on Oct. 9 that he hoped, provided economic conditions did not materially change, that it would be possible to maintain stable prices for gas and coke after the present " pegging " arrangements expired on March 31, 1957. He added that although costs had risen once more since 1955-56, he expected that the gas industry would again make a small surplus in the current financial year.—(Times - Daily Telegraph - Financial Times) **(Prev. rep. 14600 A ; Prices Stabilization, 14977 A.)**

A. UNITED KINGDOM. — Mr. Nutting and Sir Edward Boyle resign from Government. - New Junior Ministers. - Conservative M.P. to sit as Independent.

Mr. Anthony Nutting, Minister of State for Foreign Affairs since 1954, in which capacity he had special responsibility for United Nations questions, resigned from the Government on Oct. 31, when he sent the following letter to Sir Anthony Eden:

"As you know, I have for some time found myself in growing disagreement with certain aspects of our foreign policy in relation to the Middle East. More especially I have advised most strongly against the decisions and actions of the Government with regard to the war now going on between Israel and Egypt For these reasons I do not honestly feel it possible for me to defend the Government's position either in Parliament or in the U.N. I therefore have no alternative but to ask you to accept my resignation . . . "

Sir Edward Boyle, Economic Secretary to the Treasury, also announced his resignation from the Government in a letter to the Prime Minister (Nov. 5) in which he said that he could not support "the recent policy of the Government in the Middle East," and felt bound to associate himself "with that body of opinion which deeply deplores what has been done."

Mr. Nutting, who had been M P for Melton (Leicestershire) since 1945, sent a letter on Nov. 14 to the chairman of the Melton Conservative Association announcing his intention of resigning his seat 'to make way for a Conservative candidate who would be able, if and when elected, to support without reservation the policies of the present Government" He emphasized that he had "advised most strongly against the recent decisions and actions of the Government in the Middle East" and "could not conscientiously defend actions which I felt . . . were in total contradiction of so much that I have stood for." The Melton Conservative Association unanimously passed a vote of confidence in the Prime Minister and the Government on Nov 16.

Sir Edward Boyle, M.P. for the Handsworth division of Birmingham, informed the Handsworth Conservative Association on Nov. 16 that he intended to sit as a back-bencher. After hearing a statement from Sir Edward, the Association expressed its disagreement with his attitude and reaffirmed its loyalty to the Prime Minister and the Government and its support for the Government's Middle East policy. At the same time it recognized the right of a Conservative member to act in accordance with his sincere convictions, expressed appreciation of Sir Edward's past services as M P. for the division; and referred to Sir Edward's intention to sit as a back-bencher "in support of the Government on all other issues"

The following junior Ministerial appointments were announced on Nov. 9 and Nov. 11:

Commander Allan Noble (48), M.P. for Chelsea, as Minister of State for Foreign Affairs in succession to Mr. Nutting. It was announced that Commander Noble would become a Privy Councillor.

Mr. Derek Walker-Smith, Q C. (46), M.P. for East Hertfordshire, as Economic Secretary to the Treasury *vice* Sir Edward Boyle.

Lord John Hope (44), M.P. for the Pentlands division of Edinburgh, as Parliamentary Under-Secretary of State, Commonwealth Relations Office, *vice* Commander Noble.

Mr. David Ormsby-Gore (38), M.P. for Oswestry, as Joint Parliamentary Under-Secretary of State, Foreign Office, *vice* Lord John Hope.

Mr. Frederick Erroll (42), M.P. for Altrincham and Sale, as Parliamentary Secretary to the Board of Trade, *vice* Mr. Walker-Smith.

Mr. Ian Harvey (42), M.P. for Harrow East, as Parliamentary Secretary to the Ministry of Supply *vice* Mr. Erroll.

[The appointment of Lord Gosford (45) as Parliamentary Secretary to the Ministry of Defence in succession to Lord Carrington had been announced on May 22, consequent on Lord Carrington's appointment as British High Commissioner in Australia—see 14876 B. Lord Gosford was a former R.A.F. station commander.]

Commander Noble, son of the late Admiral Sir Percy Noble, was a distinguished destroyer commander in the Second World War, being awarded the D.S.O. and D S C. Mr Walker-Smith, a barrister, was chairman of the Conservative 1922 Committee before his appointment in 1951 as Parliamentary Secretary to the Board of Trade, in which capacity he played an important role in carrying through the Government's Bill dealing with monopolies and restrictive trade practices. Mr. Erroll had been Parliamentary Secretary to the Ministry of Supply since April 1955, while Mr. Ormsby-Gore (son of Lord Harlech, a former Colonial Secretary) and Mr. Ian Harvey entered the Government for the first time.

Colonel Cyril Banks, Conservative M.P. for Pudsey (Yorkshire), informed his constituents on Nov. 8 of his intention to renounce the Government Whip and sit as an Independent. Colonel Banks, who had taken a special interest in Middle East affairs and had paid several visits to Egypt in the past two years, was known to have been critical of the Government's policy since the start of the Suez crisis. The Pudsey Conservative Association passed a resolution of Nov. 15 expressing full support for the Government and the Prime Minister.
(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Government Changes, 15152 B; Middle East, 15173 A.)**

B. INDIA - UNITED KINGDOM. — Termination of Sterling Balances Agreement in 1957. - Continuation of Mutual Facilities.

Mr. Macmillan, the U.K. Chancellor of the Exchequer, announced in a written parliamentary reply on Oct. 31 that the British and Indian Governments had agreed not to renew or replace, upon its expiry on June 30, 1957, the Financial Agreement regulating the release of Indian sterling balances accumulated during the Second World War. The expiry of the agreement, however, would in no way affect (*a*) India's right to draw upon her sterling balances; (*b*) the position regarding the treatment by the Government of India of remittances of savings of U.K. citizens leaving India, and of the voluntary repatriation of investments in India by U.K. residents. In this respect the Government of India would continue their present policy as laid down in its resolution of April 6, 1948.

It was reported in the British press that India had not drawn the full quota of £35,000,000 annually to which she was entitled under the Sterling Balances Agreement of 1953.

Of the £520,000,000 outstanding in 1951, it was provided that £210,000,000 would be released over the six-year period ending in 1957 and that the balance of £310,000,000 would be available as currency backing.—(Treasury Press Office, London) **(Prev. rep. 13116 B.)**

C. NEW ZEALAND. — Naval Expansion.

The New Zealand Prime Minister, Mr. Holland, announced on Oct. 12 that the Government was ordering two 30-knot anti-submarine frigates for the Royal New Zealand Navy as a further step in the naval modernization programme. The frigates, which would cost about £5,500,000 and be completed in three years, would be of the 2,200-ton *Whitby* class—designed by the Royal Navy for anti-submarine purposes, having a speed almost twice as great as the Loch-class frigates, and being "the most modern and efficient ships of their type in the world." The two new frigates would replace two of the six wartime Loch-class frigates now in service with the Royal N.Z. Navy.—(Department of External Affairs, Wellington) **(Prev. rep. 14987 E.)**

D. AUSTRALIA. — New Speaker of House of Representatives. - Death of Mr. Cameron.

Mr. John McLeay, Liberal member for South Australia, was elected Speaker of the Federal House of Representatives on Aug. 29 in succession to Mr. Archie Cameron, who had died on August 9.

Mr. Cameron (61) who started his political career in the South Australian Legislative Assembly, had been a member of the Federal House of Representatives for 22 years. He held a number of Cabinet posts, and during the Second World War was for some time a Deputy Premier in Mr. Menzies' administration. (Australian News and Information Bureau)

E. INDONESIA. — Constitutent Assembly inaugurated by President Sukarno.

The Indonesian Constituent Assembly was inaugurated by President Sukarno in Bandung on Nov. 10. In a speech to the Assembly, President Sukarno appealed to it to draw up a Constitution which would prevent the growth of a capitalist system and at the same time guarantee freedom of religion and fundamental human rights.—(Indonesian Embassy, London) **(Prev. rep. 15010 C.)**

F. YUGOSLAVIA. — Ratification of Financial Agreement with Britain.

The Yugoslav Federal Executive Council ratified on Nov. 13 the agreement with Britain, signed on March 26, 1956, concerning the interest rate on and the repayment of the loans received by Yugoslavia from the U.K. during 1949-51.
(Tanjug Agency, Belgrade) **(Prev. rep. 14803 B.)**

G. CANADA. — Further Increase in Bank Rate.

The Canadian Bank Rate was raised by another ¼ per cent. to 3½ per cent on Oct. 18, the increase being the sixth since August 1955.—(Financial Times - Montreal Star) **(Prev. rep. 15039 A.)**

A. UNITED KINGDOM. — New Session of Parliament. - The Queen's Speech. - Forthcoming Legislation.

The new session of Parliament was opened on Nov. 6 by H.M. the Queen, who announced the Government's legislative programme in the Speech from the Throne.

After announcing that she and the Duke of Edinburgh would pay State visits in 1957 to Portugal, France, and Denmark, Her Majesty continued :

" My Lords and Members of the House of Commons :—

" My Government will continue their efforts to achieve, by all possible means, a prompt and just settlement of the many problems arising from the grave situation in the Middle East To this end they will welcome the broadest measure of co-operation with the Commonwealth, with our allies in the Atlantic Alliance and in Europe, and with those international agencies of which the United Kingdom is a member.

" Fortified by the unique advances in parliamentary democracy and economic prosperity which the joint effort of the Commonwealth has already achieved, my Ministers will be concerned to further the progress and constitutional development of the territories for whose well-being they are responsible.

" A Bill will be introduced early in this session to grant independence to the Gold Coast under the name of Ghana, and it is the intention of my Ministers that independence should take effect on March 6, 1957. The Gold Coast Legislative Assembly have expressed the desire that Ghana should be an independent State within the Commonwealth.

" Orders-in-Council will be laid before you to provide for the constitution of the new British Caribbean Federation and for the inclusion of a number of elected members in the Legislature of British Guiana.

" My Ministers, while continuing to take the measures which are unhappily necessary to deal with terrorist activity in Cyprus, will spare no effort to find a solution to the problems of the island, through a new and liberal Constitution which will safeguard the rights of all communities and the essential interests of this country and our allies.

" My Government will pursue their policy of adjusting the structure of my Forces and the organization of home defence to changes in the world situation in the light of scientific and technical advances.

" It is my Government's intention to put forward during the present session proposals for reforming the composition of the House of Lords.

Members of the House of Commons :—

" Estimates for the Public Services will be laid before you in due course.

My Lords and Members of the House of Commons :—

" My Ministers will continue to seek the collaboration of employers and workers in combining full employment, rising production, and stable prices They are convinced that the wisdom and experience of my people will be a powerful aid to them in this task.

" It will be the aim of my Government to fortify the balance of payments and to extend oversea markets for our goods and services. My Ministers, while fostering the traditional and established Commonwealth preferential system, attach great importance to increasing and strengthening economic co-operation in Europe. To this end they are examining possible methods for creating in Europe an area within which restrictions on the free exchange of goods, other than foodstuffs, would be progressively removed.

" Legislation, consistent with my Government's international obligations, will be introduced to allow countervailing and anti-dumping duties to be imposed on imported goods.

" A measure will be laid before you to replace the existing emergency powers in respect of hire-purchase and hiring agreements and to regulate borrowing by hire-purchase finance companies.

" Steps will be taken to continue the lending powers of the National Film Finance Corporation and to substitute a statutory levy on exhibitors for the present voluntary levy.

" My Ministers will continue to make it their aim to promote conditions which will enable the agricultural industry to maintain its progress in increasing efficiency and to achieve the maximum economic production from our land.

" A Bill will be introduced to continue financial assistance to, and to make further provision for modernizing, certain sections of the fishing fleet.

" A measure will be laid before you to give effect to proposals arising from the recent comprehensive review of the financial and economic position and prospects of the British Transport Commission.

" My Ministers will proceed with a Bill to reorganize the electricity supply industry in England and Wales

" A measure will be introduced to provide a remedy for damage caused by subsidence resulting from coal mining.

" My Government have been reviewing the finance of local government, including the incidence of the rate burden between different classes of property. Their conclusions will in due course be announced to Parliament.

" Legislation will be laid before you to amend the laws dealing with rent control.

" Legislation will be introduced to revise Scottish housing subsidies and to facilitate the relief of congested local authority areas in Scotland.

" My Ministers will bring forward proposals to amend the law of homicide and to limit the scope of capital punishment.

" My Ministers are resolved to maintain progress in improving social and working conditions, and you will be invited to approve a Bill to amend the law about the closing hours of shops and related matters.

" Legislation will be proposed to enable increases in the pay and allowances of members of the police, fire, and probation services to be given retrospective effect.

" My Government will press on with their plans for expanding facilities for technical education They will also continue to give a high place in the building programme to new schools.

" Other measures will be laid before you in due course.

" I pray that the blessing of Almighty God may rest upon your counsels."

Among the important measures announced in the Queen's Speech were the proposals for reform of the House of Lords, and the Government's intention to introduce legislation to amend the Rent Control Acts and to limit the scope of capital punishment. In Commonwealth matters, the most important proposals were the forthcoming independence of the Gold Coast as an independent State within the Commonwealth, under the name of Ghana, and the forthcoming establishment of the British Caribbean Federation.—(Times - Daily Telegraph) **(Prev. rep. 14255 A.)**

B. WOOL. — Review of 1954-55 and 1955-56 Seasons.

A summary of the principal wool statistics for the two seasons ending June 30, 1955 and June 30, 1956 respectively is given below.

Australia. 1954-55 : Production was 1,280,000,000 lbs. greasy. Some 3,955,000 bales were sold, realizing £A352,700,000. The average price was approximately 71½d a lb.

1955-56 : Production totalled 1,480,000,000 lbs. greasy. Some 4,295,000 bales (a record number) were sold, realizing £A333,854,000, or almost £A19,000,000 less than in 1954-55, although lower average prices—at 61 46d. a lb.—were partly offset by the increased quantity sold. Japanese purchases increased but Britain remained Australia's best customer.

New Zealand. 1954-55 · Production was 455,000,000 lbs. Some 1,160,000 bales were sold, realizing £70,364,000—an average price of just over 49½d. a lb. ; 584,500 bales went to Britain, 179,400 to France, and 102,900 to Western Germany.

1955-56 : Production totalled 460,000,000 lbs. Some 1,016,555 bales of wool were sold, realizing £NZ.66,003,000, the lowest for four years. The average price fell 3½d. to 46d. per lb.

South Africa. 1954-55 Production was 295,000,000 lbs. Just over 1,000,000 bales were sold, realizing £S.A.58,833,245. Britain purchased over 55,000,000 lbs., Western Germany just over 36,500,000 lbs., and France just under 36,500,000 lbs. The Soviet Union re-entered the South African wool market, buying 8,169,000 lbs.

1955-56 : Production was 313,000,000 lbs. Just under 1,000,000 bales were sold for a total of £S.A.51,800,000, the average price realized being 43.38d a lb Of the total exports (which were 4 per cent higher than in the previous year), Britain purchased 62,805,179 lbs., France 48,622,533 lbs., Western Germany 48,434,474 lbs., and the U.S A. 25,017,491 lbs. The Soviet Union, which bought just under 13,000,000 lbs. early in the season, withdrew after South Africa had broken off diplomatic relations (see 14716 B)

Total world production in the 1955-56 season amounted to 4,800,000,000 lbs. greasy, compared with 4,500,000,000 lbs. in 1954-55. World production thus rose for the eighth season in succession after the low point reached in 1947-48.—(Australian News and Information Bureau - Reserve Bank of New Zealand - Cape Times - International Wool Secretariat, London - Bradford Chamber of Commerce Journal) **(Prev. rep. 14113 A.)**

C. INDIA. — Formation of State Trading Corporation. - State Trading in Cement.

It was announced in New Delhi on May 19 that the Government of India had set up a State trading corporation as a private limited company under the name of State Trading Corporation of India (Private) Ltd.

The objects of the Corporation will be " to organize and effect exports from and imports into India of all such goods and commodities as the Company may, from time to time, determine and purchase ; to handle the sale and transport of and general trade in such goods and commodities in India or anywhere else in the world ; and to do all such other things as are incidental or conducive to the attainment of the above objects."

The Corporation will have an authorized capital of Rs.10,000,000, of which Rs.500,000 will be subscribed immediately. All shares will be owned by the Government of India.

State trading in cement was introduced on July 1, when the Corporation was made responsible for the importation and distribution of cement through the existing selling agencies. Cement producers were directed to sell all their stocks to the Corporation at a uniform selling price of 102 Rs. 8 annas per ton.

(The Hindu, Madras - The Statesman, Calcutta)

A. JORDAN. — Dissolution of Parliament. - Resignation of Sayed el-Mufti's Government. - Caretaker Government formed by Ibrahim Hashem. - General Elections. - Victory for Nationalist Parties. - New Cabinet formed by Suliman Nabulsi. - Death of Tewfik Abdulhuda.

General elections took place in Jordan on Oct. 21 following the dissolution on June 26 of the House of Representatives because of differences between the House and Sayed el-Mufti's Government. Sayed el-Mufti himself resigned on June 30 owing to disagreements inside his Cabinet, and on July 2 a "caretaker" Government was formed by Ibrahim Hashem, the President of the Senate, to arrange for new elections.

The Lower House of the Jordanian Parliament consists of 40 members, 20 of whom are elected by Transjordan (i.e. that part of the country east of the Jordan River) and 20 by the Palestinian territories west of the Jordan. Seven seats are reserved for Christians (including one representative each for Jerusalem, Bethlehem, and Karak), two for Circassians, and two for Bedouin. The electorate numbered about 400,000, over half of whom, including refugees, were of Palestinian origin. Of the 40 seats, 37 were contested by 141 candidates, 68 of whom stood as Independents, three candidates were returned unopposed, including a Communist who was returned for Bethlehem as an Independent Christian.

The elections were fought almost entirely on international issues, the most controversial question being the Anglo-Jordanian Treaty. None of the candidates defended the treaty in its existing form, but whereas pro-Western candidates merely advocated its revision, the nationalist parties demanded its immediate abrogation, claiming that the funds which Jordan needed to maintain her economy, and which were at present provided by Britain, could be obtained from other Arab countries. [About two-thirds of Jordan's national revenues come from British payments.] The main parties contesting the elections were. (1) The Arab Constitutional Bloc, a conservative and pro-Western organization largely consisting of ex-Ministers, with 27 candidates; (2) the National Socialist party, a moderate nationalist and pro-Egyptian party, with 13 candidates; (3) the *Baath* (Renaissance) party, with 13 candidates, and the National Front—both extreme left-wing, nationalist, and pro-Egyptian parties; (4) the Moslem Brotherhood, the Arab Palestine Bloc, and the Liberation Bloc, all of which are extreme right-wing, nationalist, and anti-Western (but not pro-Nasser) organizations.

The election was described by the Amman Correspondent of *The Times* as "one of the quietest and most fairly conducted elections in the country's history." To prevent impersonation, all voters were required to carry identity cards The Army remained strictly neutral (soldiers being forbidden to vote), and stringent precautions for the maintenance of order were taken by the police

The election results, which gave the nationalist parties a clear majority, were announced on Oct. 22 as follows (distribution of seats in the previous Parliament given for comparison):

	New Parliament	Old Parliament
National Socialists	11	1
Arab Constitutional Bloc	4	9
Moslem Brotherhood	4	—
National Front	3	1
Baath Party	2	—
Arab Palestine Bloc	2	—
Liberation Party	1	1
Independents	13	27

The Government resigned on Oct. 27, and a new Cabinet, described by the *Daily Telegraph* as "the most left-wing in the history of any Arab State," was formed on Oct. 29 by Suliman Nabulsi, leader of the National Socialist party. Its membership was as follows:

Suliman Nabulsi (National Socialist), Prime Minister and Foreign Minister; Shafiq Rusheidat (Nat. Soc.), Education and Justice; Abdul Haleem el-Nimer (Nat. Soc.), Interior and Defence; Saleh Muasher (Nat. Soc.), Health and Social Welfare; Saleh el-Majali (Independent), Communications; Abdul Kader el-Saleh (National Front), Agriculture; Anwar el Khateeb (Nat. Soc.), Public Works; Naim Abdulhadi (Nat. Soc.), National Economy; Abdullah Rimawi (*Baath*), Minister of State for Foreign Affairs; Samaan Daoud (Independent), Development and Reconstruction; Salah Toukan (Independent), Finance.

Suliman Nabulsi, a former Finance Minister and Ambassador to Britain, had stated on Oct. 17 that his party's aims were to "liberate Jordan from foreign and imperialist influence," to strengthen Jordan's ties with Syria, and to strengthen the Army by increasing its numbers and supplying it with arms from the other Arab States. "We respect Colonel Nasser and consider him the saviour of Arab national interests and welfare," he said. "We have no confidence in Britain fulfilling her obligations to us while she sends arms to Israel."

Tewfik Abdulhuda (65), a former Prime Minister and a strong supporter of the British alliance, committed suicide at his home in Amman on July 1. He had been in ill-health for some time previously. A native of Palestine, he emigrated to Transjordan in 1922 and was Prime Minister at the time of the Palestine War in 1948. He subsequently held the Premiership from July 1951 to May 1953, and again from May 1954 to May 1955.—(Times - Daily Telegraph) **(Prev. rep. Cabinet, 14876 D; Parliament, 14664 D; 1954 Elections, 13853 A.)**

B. INTERNATIONAL BANK. — Recent Loans. - Bond Issue.

Recent loans by the World Bank are summarized below:

Costa Rica. $3,000,000 on Sept. 18 to the Central Bank of Costa Rica, to be re-lent for the development of agriculture and light industry. The Chemical Corn Exchange Bank of New York participated in the loan without the International Bank's guarantee to the extent of $366,000. This was the first World Bank loan to Costa Rica. Terms 4¾ per cent p.a. interest including 1 per cent commission, repayable in 7 years commencing on Oct. 1, 1958.

Austria. Two loans of $21,000,000 and $10,000,000, on Sept. 20, the first to the *Donaukraftwerke* and the second to the *Draukraftwerke*, both in conjunction with the *Verbundgesellschaft* (Austrian Electric Power Corporation), a Government-owned agency. Both loans were for electrical power expansion to meet growing industrial requirements and to provide additional power exports to neighbouring countries

The Manufacturers Trust Co. (New York) participated in the loans without the International Bank's guarantee to the extent of $449,000. Terms: 5 per cent p a including 1 per cent commission. Repayment of the first loan within 25 years commencing Jan 15, 1960, and of the second within 20 years starting Sept 1, 1959. These brought total World Bank loans to Austria for electric projects to $53,000,000.

Italy. $74,628,000 on Oct. 12 to the *Cassa per il Mezzogiorno* (the government agency for the administration of Italy's economic plan for the South) for the agricultural and industrial development of that area. Terms 5 per cent p.a interest including 1 per cent commission, repayable within 20 years beginning Sept. 1, 1959. The Bank of America participated in the loan, without the International Bank's guarantee, to the extent of $500,000.

The loan will be divided between the mainland of Southern Italy, Sicily, and Sardinia. On the mainland it will help to finance (*a*) an automobile assembly plant to be established by the Fiat Company in Naples, (*b*) a plant for the construction of bus and truck bodies in Naples, (*c*) two glass factories, one at Caserta near Naples, the other at Latina, south of Rome; (*d*) a vegetable cannery near Naples; (*e*) a hardboard factory near Avezzano, east of Rome; (*f*) a chemical fertilizer plant at Punta Fiume, on the coast between Rome and Naples, and (*g*) three hydro-electric plants, near Cassino and Salerno, with an annual capacity of 215,000,000 kwh

In Sicily, the projects to receive assistance from the loan will be (*a*) a new cement plant at Augusta with an annual output of 170,000 tons, (*b*) a plant for the production of polyethylene at Ragusa; and (*c*) a thermal power plant at Augusta which will increase generating capacity by 320,000,000 kwh. in 1958 and by 620,000,000 kwh. in 1963.

The projects in Sardinia will be: (*a*) the Flumendosa Irrigation Project, covering 123,500 acres of the Campidano di Cagliari, a plain in the S W. of the island. On completion the scheme will increase farm production by $21,000,000 p a. and the total income of the region by $30,000,000 p a. (*b*) A cement plant at Sassari.

The loan, the fourth of its kind, brought the total amount lent by the World Bank for the development of Southern Italy to $165,000,000, but this was the first time that projects in Sardinia had been included

Siam. $3,400,000 on Oct. 12 to the Port Authority of Thailand (the second loan of its kind) for the purchase of 3 dredgers and auxiliary equipment for the Port of Bangkok The First City Bank of New York participated in the loan, without the International Bank's guarantee, to the extent of $184,000. Terms · 4¾ per cent p a. interest including 1 per cent commission, repayable within 15 years

Uruguay. $25,500,000 on Oct 25 to the *Administración General de las Usinas Electricas y las Telefonos del Estado* (an autonomous government agency) for electric power development costing $58,000,000. Terms · 5 per cent p a. interest including 1 per cent commission, repayable in 25 years beginning Oct. 15, 1961.

All the loans were guaranteed by the Governments concerned.

An issue of $75,000,000 3½ per cent two-year bonds was offered by the World Bank for public sale outside the U.S.A. on Sept. 25, being subscribed by investors in 22 countries. (International Bank, Washington - New York Times)

(Prev. rep. World Bank, 15019 B.)

C. UNITED KINGDOM. — Tourist Travel Allowance.

The Treasury announced on Oct. 31 that the tourist travel allowances for the year beginning Nov. 1, 1956 would remain unchanged, but that the amount in foreign currency notes which travellers could take out of the U.K. would be increased from £25 to £100.—(Treasury Press Office, London)

(Prev. rep. 14522 B.)

NOVEMBER 17—24, 1956

A. MIDDLE EAST. — Formation of U.N. International Force for Middle East. - Cease-fire accepted by Egypt, Israel, Britain and France. - International Reactions to Middle East Crisis.

Following the emergency session of the U.N. General Assembly on Nov. 2 (see page 15186), the Assembly met again in emergency session on Nov. 3, at the request of the Egyptian Government, to consider four draft resolutions:

(1) One submitted by the U.S.A. proposing the setting-up of a committee to take measures for the immediate reopening of the Suez Canal as a secure international waterway, to prepare a plan, in consultation with Egypt, France, and the U.K., for operation and maintenance of the Canal and freedom of passage through it in accordance with the 1888 Convention and the Security Council's resolution of Oct. 13, 1956; and to put such a plan into effect.

(2) Another U.S. resolution proposing the setting-up of a five-man committee to prepare recommendations, after consultation with the parties to the Palestine armistice agreements, aiming at a settlement of the major problems outstanding between the Arab States and Israel, with a view to establishing permanent peace and stability in the area.

(3) A Canadian resolution for the setting-up of an Emergency International U.N. Force to secure and supervise the cessation of hostilities in accordance with the General Assembly's resolution of Nov. 2 (see page 15186).

(4) An Afro-Asian resolution calling for immediate compliance with the Assembly's resolution of Nov. 2, the implementation of the cease-fire, and the halting of the movement of military forces and arms into the area. This resolution was submitted jointly by Afghanistan, Burma, Ceylon, Ethiopia, India, Indonesia, Iraq, Jordan, Lebanon, Liberia, Libya, Nepal, Pakistan, Persia, Philippines, Saudi Arabia, Siam, Syria, and Yemen.

During the debate Dr. Hammarskjold read a communication from the U.K. permanent representative (Sir Pierson Dixon) which described as "quite untrue" reports which had been circulated that Anglo-French forces intended to attack Egyptian communication centres, including telephone exchanges and railway stations, where heavy civilian casualties would be inevitable. The letter pointed out that Anglo-French attacks were being switched from air to army targets, but that no attacks would be made in areas where civilian casualties would be inevitable.

M. Loutfi (Egypt) accused France and Britain of disregarding the Assembly's resolution of Nov. 2 and of continuing their "bloody and ruthless armed attack." He called on the General Assembly to take "other steps to halt aggression by Israel, France, and the U.K." and declared that Egypt was defending herself and would continue to do so. M. Loutfi was strongly supported by M. Rafik Asha (Syria) and other Arab delegates.

Mr. Cabot Lodge (U.S.A.), explaining the purpose of the resolutions proposed by the U.S.A., spoke as follows: "The instability of the armistice agreements is too well known to require comment. They have been violated repeatedly by Israel and by her Arab neighbours. The armistice, which should have led to a peaceful settlement, has instead given rise to growing provocation and increasing tension, especially since the ominous rearmament of Egypt by the Soviet Union. The abrupt seizure by Egypt of the Suez Canal Company, and the failure thus far of efforts to find a solution to this important problem, have created a situation of deep concern to many nations. The U.N. must share responsibility for what has happened. It is clear that we, the members of the U.N., have not done all that should have been done to bring about a settlement of these matters in accordance with the principles of justice and international law . . . We must try something new—something free of the technical and procedural problems—if we are to have any hope of progress toward a settlement of the major problems outstanding between the Arab States and Israel."

Mr. Schurmann (Netherlands) said that it was "negatory to try to assess or apportion the blame for the difficulties that confront us, because all of us, all members of the U.N., have to take some share in that blame." He continued: "It would be particularly unjust to single out either Israel or France and the U.K., and to reproach the one for having taken the action which it considered necessary for its self-defence and survival and the others for having stepped in where the U.N. had failed to act. What is necessary is that we should find some means of reasserting the jurisdiction of the U.N. over matters which plainly fall within its responsibilities, and that we should do so in a manner that provides not only for an immediate cease-fire but also for a just and equitable solution of the problems involved."

Referring to the Anglo-French assurances that the military action taken by them would be temporary in duration, Mr. Schurmann declared that the proposals now made by the two Governments [i.e. those announced by Sir Anthony Eden—see page 15186, first column] proved that they were sincere and prepared to act in accordance with their statements. If these proposals were accepted by Israel and Egypt, and if the U.N. force for which they called was formed and despatched to the area, then the Anglo-French intervention would cease, the U.N. would take charge of the situation, and the basis would have been laid for a final settlement of the questions which had for so long disturbed peace.

In the early hours of Nov. 4 the Assembly adopted first the Canadian resolution and then the Afro-Asian resolution—the former by 57 votes to nil, with 19 abstentions, and the latter by 59 votes to five, with 12 abstentions.

The 19 abstentions on the Canadian resolution were Albania, Australia, Austria, Bulgaria, Byelorussia, Czechoslovakia, Egypt, France, Hungary, Israel, Laos, New Zealand, Poland, Portugal, Rumania, South Africa, Ukraine, the U.S.S.R., and the United Kingdom.

The five countries opposing the Afro-Asian resolution were Australia, France, Israel, New Zealand, and the U.K., the 12 abstaining countries being Belgium, Denmark, Dominican Republic, Finland, Iceland, Laos, Luxemburg, Netherlands, Norway, Portugal, Sweden, and South Africa.

The Canadian resolution was worded as follows:

"The General Assembly, bearing in mind the urgent necessity of facilitating compliance with the resolution of Nov. 2, requests the Secretary-General as a matter of priority to submit to it within 48 hours a plan for the setting-up with the consent of the nations concerned of an Emergency International United Nations Force to secure and supervise the cessation of hostilities in accordance with the terms of the above resolution"

The Afro-Asian resolution was worded:

"The General Assembly, noting with regret that not all the parties concerned have yet agreed to comply with the provisions of its resolution of Nov. 2,

Noting the special priority given in the resolution to an immediate cease-fire and as part thereof, to the halting of the movement of military forces and arms into the area,

Noting further that the resolution urged the parties to the armistice agreements promptly to withdraw all forces behind the armistice lines, to desist from raids across the armistice lines into neighbouring territory, and to observe scrupulously the provisions of the armistice agreements;

(1) Reaffirms its resolution of Nov. 2, 1956 and once again calls upon the parties immediately to comply with the provisions of that resolution,

(2) Authorizes the Secretary-General immediately to arrange with the parties concerned for the implementation of the cease-fire and the halting of the movement of military forces and arms into the area, and, requests him to report compliance not later than 12 hours from the time of adoption of this resolution,

(3) Requests the Secretary-General, with the assistance of the Chief of Staff [General Burns] and the members of the U.N. Truce Supervision Organization, to obtain compliance of the withdrawal of all forces behind the lines;

(4) Decides to meet again immediately on receipt of the Secretary-General's report referred to in paragraph 2."

The U.N. General Assembly met again in the evening of Nov. 4 to receive a report from Dr. Hammarskjold containing detailed proposals for the setting-up of the Emergency International United Nations Force. After a brief debate the Assembly adopted (at 12.15 a.m. on Nov. 5) a resolution, submitted jointly by Canada, Colombia, and Norway, incorporating Dr. Hammarskjold's proposals and worded as follows:

"The General Assembly . . .

(1) Establishes a United Nations Command for an Emergency International Force to secure and supervise the cessation of hostilities in accordance with the terms of the Assembly's resolution of Nov. 2;

(2) Appoints the Chief of Staff of the U.N. Truce Supervision Organization, Major-General Burns, as Chief of the Command;

(3) Authorizes the Chief of the Command immediately to recruit from the Observer Corps of the Truce Supervision Organization a limited number of officers who shall be nationals of countries other than those having permanent membership in the Security Council; and further authorizes him, in consultation with the Secretary-General, to undertake the recruitment directly from various member-States, other than the permanent members of the Security Council, of the additional number of officers needed;

(4) Invites the Secretary-General to take such administrative measures as may be necessary for the prompt execution of the actions envisaged in this resolution"

The voting on the resolution was 57 to nil, with 19 abstentions—Albania, Australia, Bulgaria, Byelorussia, Czechoslovakia, Egypt, France, Hungary, Israel, Laos, New Zealand, Poland, Portugal, Rumania, Turkey, Ukraine, South Africa, the U.S.S.R., and the United Kingdom.

An important aspect of Dr. Hammarskjold's proposals incorporated in the resolution was that none of the personnel of the International Force should be drawn from the five permanent member-countries of the Security Council (i.e. Britain, France, the U.S.A., the Soviet Union, and Nationalist China). Mr. Cabot Lodge stated during the debate, however, that the U.S. Government was willing to help in "other important ways" and to provide aircraft, shipping, and other necessary supplies to facilitate the operations of the International Force. Dr. Hammarskjold announced during the debate that Colombia, Norway, and New Zealand had indicated their willingness to provide elements for the U.N. Force, while Mr. Lester Pearson announced that his Government was also ready to recommend Canadian participation.

In a further resolution, sponsored jointly by Argentina, Burma, Ceylon, Denmark, Ecuador, Ethiopia, and Sweden and adopted on Nov. 7, the General Assembly expressed approval of the guiding principles for the organization and functioning of the U.N. Force as stated in a second report by Dr. Hammarskjöld. At the same time the Assembly ordered the following steps to be taken :

(1) The Secretary-General was asked " to continue discussions with member-Governments concerning offers of participation in the U.N. Force towards the objective of its balanced composition."

(2) The Chief of Command (General Burns), in consultation with the Secretary-General, should proceed forthwith with the full organization of the Force.

(3) The basic proposals of the Secretary-General concerning the financing of the Force were provisionally approved.

(4) An Advisory Committee was set up composed of one representative each from Brazil, Canada, Ceylon, Colombia, India, Norway, and Pakistan, under the chairmanship of Dr. Hammarskjold It was requested to undertake the development of those aspects of the planning and operation of the U N. Force not already dealt with by the General Assembly, and not falling within the area of the direct responsibility of the Chief of Command

(5) The Secretary-General was authorized to issue all regulations and instructions which might be essential to the effective functioning of the U.N. Force, after consultation with the Advisory Committee, and to take all other necessary administrative and executive actions.

(6) After the fulfilment of its immediate responsibilities, the Advisory Committee would continue to assist the Secretary-General in the responsibilities falling to him under this and other relevant resolutions

(7) In the performance of its duties the Advisory Committee was empowered to request the convening of the General Assembly through the usual procedures, and to report to the Assembly " whenever matters arise which, in its opinion, are of such urgency and importance as to require their consideration by the General Assembly itself."

(8) All member-States were asked to afford any necessary assistance to the U.N. Command in the performance of its functions, including arrangements for passage to and from the area involved.

The voting on this resolution was 64 to nil, with 12 abstentions—Albania, Bulgaria, Byelorussia, Czechoslovakia, Egypt, Hungary, Israel, Poland, Rumania, South Africa, Ukraine, and the U.S.S.R.

The same night the Assembly adopted another resolution again calling upon Britain, France, and Israel to withdraw their troops from Egypt immediately. This resolution, sponsored jointly by Afghanistan, Burma, Ceylon, Ethiopia, India, Indonesia, Iraq, Jordan, Lebanon, Liberia, Libya, Nepal, Pakistan, Persia, Philippines, Saudi Arabia, Siam, Syria, and Yemen, was worded as follows :

" The General Assembly .—

Reaffirming its resolutions adopted by overwhelming majorities on Nov. 2, 3 and 4 ;

Noting in particular that the General Assembly, by its resolution of Nov. 5, has established a U.N. Command for an Emergency International Force to secure and supervise the cessation of hostilities in accordance with the terms of its resolution of Nov. 2 ;

(1) Reaffirms the above-mentioned resolutions ;

(2) Calls upon Israel once again to withdraw immediately all her forces behind the lines established by the Armistice Agreement of Feb. 24, 1949 ;

(3) Calls upon the United Kingdom and France once again to withdraw immediately all their forces from Egyptian territory, consistently with the above-mentioned resolutions ,

(4) Urges the Secretary-General to communicate the present resolution to the parties concerned, and requests him promptly to report to the General Assembly on the compliance with this resolution."

This resolution was adopted by 65 votes to one (Israel), with 10 abstentions (Australia, Belgium, France, Laos, Luxemburg, the Netherlands, New Zealand, Portugal, South Africa, and the United Kingdom).

During the preceding debate **M. Loutfi** (Egypt) strongly attacked Britain and France, comparing those responsible for the Anglo-French operations against Egypt with " the war criminals sentenced at Nuremberg." He also denounced Mr. Ben-Gurion's statement of Nov. 7 (see below), and opposed any participation of British and French technicians in the work of clearing the Suez Canal. **Mr. Cabot Lodge** (U.S A.) expressed full support for the resolution, stressing the need for the withdrawal of all foreign troops from Egypt

Sir Pierson Dixon (U.K.) welcomed the plan to create a U.N. International Force, and announced that he would support that resolution. He objected, however, to the second resolution demanding the immediate withdrawal of the Anglo-French forces, emphasizing that such a step before the arrival of the International Force would only bring about a return to the extremely dangerous situation existing before the Anglo-French intervention. As regards the clearing of the Suez Canal, Sir Pierson Dixon suggested that British and French technicians should work under the aegis of a technical organization set up by the United Nations.

M. de Guiringaud (France) spoke on similar lines, giving a formal assurance that the French forces in the Canal Zone would leave as soon as the International Force was in a position to take over its functions. On the resolution demanding the immediate withdrawal of Anglo-French forces, he expressed the French view that the questions raised by this demand should be decided by the Security Council , he therefore proposed that the Security Council should meet as soon as possible at Foreign Ministers' level **Sir Pierson Dixon** supported this proposal.

Mr. Krishna Menon (India) announced that his country was willing to contribute a battalion to the International Force, if the U.N provided air-lift facilities. He demanded that the Assembly should envisage special measures against Israel if that country resisted the evacuation of Egyptian territory occupied by it, and stressed that the resolution sought to express the view that it was not possible to think in terms of Anglo-French forces remaining on Egyptian territory " contingent upon some other element "

Mr. Lester Pearson (Canada) intervened to point out that in his view the two resolutions were " interdependent." He interpreted the resolution on the immediate withdrawal of Anglo-French and Israeli forces from Egypt as meaning " as quickly as possible " Mr. Pearson's emphasis on the inter-relation between the withdrawal of the Anglo-French forces and the arrival of the U.N Emergency Force was supported by the U.S , Brazilian, Turkish, Pakistani, and Norwegian delegates, **Mr. Cabot Lodge** stressing that the Anglo-French withdrawal should be " phased " with the arrival of the U.N. Force.

M. Kuznetsov (Soviet Union), explaining his abstention on the resolution on the International Police Force, said that this resolution constituted a " tacit acceptance " of the retention of Anglo-French and Israeli forces in Egypt pending the arrival of the International Force. He also maintained that the composition of the International Force was not in accordance with the U N Charter, which provided for the intervention of armed forces of member-countries for the maintenance or restoration of peace and international security. M Kuznetsov repeated the Soviet offer of Nov 5 [see page 15219] to place Soviet forces at the disposal of UNO for this purpose

The emergency session of the General Assembly decided on Nov. 10, by 66 votes to nil, to transfer " as a matter of priority " the question of the situation in the Middle East from its agenda to that of the Assembly's regular eleventh session, beginning on Nov. 12. There were two abstentions on procedural grounds.

During subsequent days offers of support for the U.N. Force were received from an increasing number of member-countries, and by Nov. 9 fourteen countries had offered to provide contingents for the Force—Canada, Colombia, Norway, Denmark, Pakistan, Sweden, Finland, Ceylon, India, Czechoslovakia, Rumania, New Zealand, Burma, and Yugoslavia. In addition, the U.S.A. had formally expressed its readiness to " assist in the establishment " of the Force and to help as regards air-lifts, shipping, transport, and supplies.

The Canadian offer covered a " self-contained " contingent of battalion strength with ordnance, transport, medical, and dental detachments, altogether over 1,000 strong ; it also made the aircraft-carrier H.M.C.S *Magnificent* available as a temporary mobile Canadian base (Nov. 7).

In Norway the provision of one infantry company (about 190 men) for immediate despatch to the Middle East was unanimously approved by the *Storting* on Nov. 5.

Denmark offered the immediate despatch of " one or two companies " after the Danish Parliament had unanimously agreed (Nov. 6) to place a military force at the disposal of the U.N. Command.

The Finnish offer (Nov 6) stated that voluntarily-recruited military personnel would be available, preferably for a unit consisting of troops from the Northern European countries

The Indian offer (Nov. 6) comprised a unit of " about battalion strength," subject to transport and other facilities being provided by or through the U N.

Czechoslovakia also placed one battalion at the disposal of the U.N Force (Nov 6).

The other countries, while expressing their willingness to contribute forces, had not yet specified their size.

The first contingents of the U.N. Force to arrive at Capodichino Airport, Naples—which had been made a temporary staging area with the co-operation of the Italian Government—were 51 Danish and 50 Norwegian officers and men, carried to Italy in Swiss civil aircraft on Nov. 10. They were followed by a Colombian contingent carried in U.S. aircraft.

British Acceptance of Cease-fire in Egypt. - Parliamentary Debates.

The British Foreign Secretary (Mr. Selwyn Lloyd) announced in the House of Commons on Nov. 5, that, while H.M. Government welcomed the Canadian proposal for an International Force, Franco-British operations in Egypt " with strictly limited objectives " were continuing, as neither Israel nor Egypt had so far accepted the proposal ; however, as soon as it had been accepted by these two countries and endorsed by the U.N., Britain and France would cease all military action.

Later in the debate Sir Anthony Eden announced the receipt of a signal from Port Said that a cease-fire had been ordered by the British commander, as surrender terms were being discussed with the Egyptians. Mr. Lloyd's announcement of the Franco-British attitude followed discussions the previous evening with M. Pineau and M. Bourgès-Maunoury (the French Minister of National Defence), who had flown to London.

Mr. Selwyn Lloyd said that as a result of their consultations with the French Government, H M. Government had sent a telegram to the U.N. Secretary-General " very early this morning " replying to the two resolutions of the U N General Assembly calling for a cease-fire and the setting-up of an International Force. The telegram stated that the British and French Governments had carefully studied the resolutions and warmly welcomed the idea, contained in the Canadian resolution, that an International Force should be interpolated as a " shield " between Israel and Egypt pending a Palestine settlement and a settlement of the Suez Canal question. But according to their information neither Israel nor Egypt had accepted such a proposal, nor had the plan for such a force been accepted by the General Assembly or endorsed by the Security Council. The composition and staff of such a force would be a matter for discussion.

The two Governments believed that it was necessary to introduce an International Force to prevent a continuance of hostilities between Egypt and Israel, to secure a speedy withdrawal of Israeli forces, to take the necessary measures to remove obstructions and restore traffic through the Canal, and to promote a settlement of the problems of the Canal Certain Anglo-French operations with strictly limited objectives were continuing, but as soon as the Israeli and Egyptian Governments signified acceptance of, and the U N endorsed a plan for, an International Force for these functions, Britain and France would cease all military action.

" The two Governments," Mr. Lloyd declared, ' express their firm conviction that their action was justified. To return deliberately to the system which has produced continuing deadlock and chaos in the Middle East is not only undesirable but impossible. A new constructive solution is required To that end they suggest that an early Security Council meeting at ministerial level should be called to work out an international settlement which would be likely to endure, together with the means to enforce it "

Mr. Lloyd said that this message to the Secretary-General had crossed a telegram from Dr. Hammarskjöld informing H.M. Government of the passing of the Canadian resolution and of a preliminary report from the Secretary-General on the plan to set up an Emergency International U.N. Force After reading the text of the U.N resolution [see above], the Foreign Secretary declared " The Government abstained from voting on this resolution. They fully approve the principle of an International U.N. Force. But although the steps called for in this latest resolution might be considered to be a beginning, they are not in themselves likely to achieve the purposes set out in our message to the Secretary-General. We do not know that hostilities between Israel and Egypt have ceased or that they will not be resumed. The measures to be taken under the latest resolution will not be sufficient to ensure this

" It is the policy of the Government to ensure that the Israeli forces withdraw from Egypt. We have already told the U.N that we believe it is necessary to secure the speedy withdrawal of Israeli forces ; but we cannot ensure that until we are physically in the area to keep the peace, to give the necessary guarantees, and to prevent a repetition of the events of the past few years There must also be immediate means on the spot to take the necessary measures to remove obstructions and restore navigation through the Suez Canal, and to promote a settlement of the problems of the area

" It will, of course, be a matter for the Security Council, if our proposal for an early meeting at ministerial level is accepted, to consider what part the U.K and France should play in achieving the objectives to which I have referred. Meanwhile the Government believe that the Anglo-French forces, once they are established in the area, will be the best guarantee that these purposes will be effectively and speedily achieved."

Mr. Gaitskell expressed " astonishment " that Britain had abstained from voting on the General Assembly's resolution setting up an International Force He also asked why the Government, in replying to that resolution, had suggested that the functions of an International Force were not merely to secure and supervise a cessation of hostilities, but also to secure a final settlement of the Suez Canal problem. " If the Government insist," he added, " that the purpose of the International Force must be to deal with the Canal problem, they will effectively sabotage the whole idea of that Force "

Mr. Lloyd replied · " The U.K. representative abstained because we could not vote for a proposition which excluded detachments of the forces of the permanent members of the Security Council as part of this International Force The reason for that is simple there has to be some reality about this situation. One has to consider the people who are able effectively to contribute to this force, and if Members opposite still think that a few officers—because that is all this resolution amounts to ; rather fewer than there have been in the Supervisory Truce Organization—will solve this problem, they are quite mistaken

" This resolution may be a beginning. But it will not solve this problem unless the International Force is constituted to a much greater extent than is envisaged by this resolution Mr. Gaitskell further said that we had done wrong in suggesting that the Suez Canal problem should be included in those to be settled while this International Force was there. I should have thought that he would have understood that the blockade of shipping of a certain country going through the Canal is one of the matters, a settlement of which we have tried to get out of this situation."

Mr. Gaitskell : " Are we to understand that when H.M. Government made reference, in their reply to the U.N. Secretary-General, to the settlement of the Suez Canal problem, all they had in mind was ensuring the free passage of Israel ships ? "

Mr. Lloyd " Certainly not. We had in mind all problems affecting free and open transit through the Canal, guaranteed by the 1888 Convention."

In reply to a question by **Mr. Bevan** (Lab.), **Mr. Lloyd** reaffirmed that the purposes which the Government had in mind in undertaking their action in Egypt were " to stop hostilities, prevent their resumption, and procure a settlement of the problems of the Middle East." He added that the directive to the Allied Commander had been to avoid civilian casualties—" and that is what has actually happened."

The **Prime Minister** intervened to make the following announcement : " I have had a flash signal from the C -in-C. in the Eastern Mediterranean which affects the discussion now taking place. That is why I intervene This is a flash signal which is, of course, subject to confirmation. He says : ' Governor and Military Commander of Port Said now discussing surrender terms with Brigadier Butler [commander of the parachute forces landed at Port Said] Cease-fire ordered.' "

Replying to a question by Mr Gaitskell whether it was a local or general cease-fire, Sir Anthony Eden declared that he had read out the signal as received, but did not know yet how wide or narrow was the area covered by the cease-fire.

During a further debate on Nov. 6 Sir Anthony Eden announced that, following the unconditional acceptance of a cease-fire by Egypt and Israel, and the Egyptian acceptance of an International Force, H.M. Government had ordered a cease-fire by midnight, in agreement with the French Government.

The **Prime Minister** spoke as follows " During the night we received from the U.N. Secretary-General a communication in which he informed us that both Israel and Egypt had accepted an unconditional cease-fire. With regard to the International Force, he stated his opinion that the Government of Egypt had accepted such a force. He inquired as to the attitudes of the French and British Governments about a cease-fire in the light of the Canadian resolution, and also said he was addressing the same inquiry to the Israeli Government.

" Accordingly in reply I sent the following communication to him

' The Government welcome the Secretary-General's communication, while agreeing that further clarification of certain points is necessary. If the Secretary-General can confirm that the Egyptian and Israeli Governments have accepted an unconditional cease-fire, and that the International Force to be set up will be competent to secure and supervise the attainment of the objectives set out in the operative paragraphs of the resolution passed by the General Assembly on Nov. 2, H.M. Government will agree to cease military operations.

' They wish to point out, however, that the clearing of the obstruction of the Suez Canal and its approaches, which is in no sense a military operation, is a matter of great urgency in the interests of world shipping and trade. The Franco-British force is equipped to tackle this task, and the Government propose that the technicians accompanying the force shall begin this work at once.

' Pending confirmation of the above, the Government are ordering their forces to cease fire by midnight to-night unless they are attacked. The French Government are in agreement with the terms of that reply.' "

Continuing, Sir Anthony Eden dealt with a message he had received from Marshal Bulganin in connexion with the Anglo-French action in the Middle East, and read his reply to the Soviet Prime Minister [see page 15218].

Turning to the military situation, the Prime Minister referred to the previous day's " flash message " from General Keightley on the surrender discussions at Port Said. He continued : " Four hours later a signal stated that the Egyptians had agreed to our terms ; they were laying down their arms and the Egyptian police were assisting under orders. About 1½ hours later the British commander was suddenly informed by the Governor [of Port Said] that he could not now agree to the terms and must resume hostilities. During last night Anglo-French convoys were approaching the coast fully prepared for any emergency, but under orders to cause the minimum possible casualties and damage consistent with the safety of our own troops. The landings took place successfully and on time. They appear to have been virtually unopposed, and no preliminary bombardment of any kind was ordered. Anglo-French troops proceeded to clear Port Said of scattered opposition. During this morning opposition continued and our patrols have advanced southwards from Port Said towards Kantara "

Replying to questions earlier put by Mr. Gaitskell, the Prime Minister reiterated that the Government's objective had been to put a force between the belligerents ; the Government were quite sure that until such a force was introduced, the Israeli troops would not go back for fear of further military acts by Egypt. The Government's intention was aimed at stopping not only hostilities but of preventing a resumption of them. Israeli troops were within striking distance of the Canal, which was the reason why the Canal itself offered the only line on which some neutral force could be interposed.

The Israeli Government had accepted H M. Government's requirement, and its forces remained about 10 miles from the Canal No-one who had followed the military story of recent days could have the least doubt that, had the Israeli forces wished, they could have gone very much farther forward than they did, and their acceptance of the 10-mile limit had made its contribution to dividing the combatants. The new element in the situation was that both Israeli and Egyptian forces had now ceased fire.

After welcoming the setting-up of an International Force, and saying that its composition should be a matter for discussion, the Prime Minister continued : " Mr. Gaitskell asked me why it was necessary to bring the Canal into the general settlement We had in mind that the Canal should be kept separate from the Arab-Israeli dispute. Naturally, all these questions are literally distinct one from another, but—as we said in our reply to the Secretary-General yesterday—to return to the system which has produced continuing deadlock and chaos in the Middle East is not only undesirable, but impossible. Mr. Gaitskell said ' Is it only the ships you have in mind ? ' It is a fairer way of putting the issue to say that Israel's communications form a vital part of the situation which has to be settled between Egypt and Israel. Therefore, all these elements come into the situation. Not one of them, we think, should be ignored."

Sir Anthony Eden said in conclusion : " There have been, and are no doubt still, bitter differences on the issues across the House I will lay down what I believe the action we took—with all its admitted attendant risks, and I never concealed them—has resulted in I believe it has limited the area of the conflict If Members think that is not a fair comment, I would like them to consider whether any of them, when the hostilities broke out, would have thought it possible that the other Arab countries would not all have been immediately involved in a war with Israel. I am convinced that it was only the knowledge of, and the presence of, our forces which limited the conflict in that way. The fact that the firing has now stopped, and Israel's acceptance of the 10-mile limit, has made certain, as far as it virtually can be, that the two parties shall not meanwhile re-engage in conflict. It is, I should have thought, an achievement which all of us should reckon worth while.

" I come to a more controversial—but I believe, as time passes, a more generally accepted—statement of one of the results This is that the action we took has been an essential condition for the creation, or attempted creation, of a U.N. Force to go into the Canal Zone. I ask members to look at the history of the Middle East in the post-war period and ask themselves if anything but this action would have brought the United Nations to take this step. I am absolutely sure it would not. Thus, after years of flickering war, the stage can now be set, if the U N. will put forward a Force adequate for the task, for negotiations and for a real settlement.

" As for the charge that we have broken friendships in the Commonwealth and elsewhere, I do not believe it. I believe that as we emerge from this crisis, as our motives are more understood, both the Commonwealth and our American friends will understand the reasons which motivated us in taking the course we did. As the dust settles, it may well be that out of this anxiety—acute and so widely suffered—a better opportunity will come than has ever been available before for the United Nations to prove itself a really effective international organization

" Much has been said about the effects of these events on the moral force of our country. However that may be regarded, this surely everyone has learnt that moral force alone in support of the U.N. is not effective to meet the challenges of this world ; and if, as a result of the actions we have taken, the U.N. is more ready to employ forces adequate to the duties it has to discharge, the better it will be for the peace and the future of the world."

Mr. Hugh Gaitskell said that the Opposition had heard the Prime Minister's statement " with profound relief and satisfaction," but asked whether (*a*) in accepting a cease-fire the Government were also accepting those other parts of the U.N. resolution which involved in due course the withdrawal of British forces from Egypt , (*b*) the settlement of the Suez Canal problem had been dropped from the Government's conditions ; and (*c*) arrangements would be made as speedily as possible for discussions with the Egyptian authorities about the withdrawal of the British forces and at the speediest possible clearance of the Canal.

Sir Anthony Eden pointed out that he could not make any further statement, as international discussions about the situation had been going on all day. In view of the information about the attitude of Israel and Egypt on other matters, the Government had thought that it was a " fair risk " to order the cease-fire by midnight, even if some of the questions were still under discussion. In accordance with that decision there would be no forward movement by British forces from the existing positions—" that is, no movement southwards."

Further statements about developments in the Middle East were made by Sir Anthony Eden on Nov. 7, by Mr. Head on Nov. 8, and again by Sir Anthony on Nov. 9.

The Cease-Fire. - Position in Port Said.

The **Prime Minister,** in his statement on Nov. 7, announced that since the cease-fire reports had been received that Port Said was under control, that the British troops there had taken up defensive positions, and that " the greatest efforts " were being made to clear obstructions to the harbour as quickly as possible. " I do not want to forestall what may be said at the U.N." he added, " but I wish to make it clear that we are now clearing obstructions to the Canal in the area we control. We would like to continue to clear obstructions in any other areas and would gladly do so under the authority of the United Nations."

Replying to Mr. Gaitskell, Sir Anthony said that the Government had no official intimation about the acceptance of the cease-fire by the Egyptian Government, and reports to that effect had not yet been confirmed. Meanwhile there had been some shooting in Port Said during the day, but " our position is that the cease-fire stands unless the forces are attacked. Our forces have no intention of moving forward from their present positions." After emphasizing that his statement applied equally to the French forces, the Prime Minister added that there had to be certain movements into Port Said in respect of administrative forces, but these were not forward movements " We are not going to attempt any major kind of reinforcement to enable anything further to be attempted later on," he declared. Later Sir Anthony said " Perhaps the most remarkable feature of the whole of this business has been, as far as Port Said was concerned, that the whole operation was carried out by one parachute brigade without any preliminary bombardment. Whatever the political views, as a military feat it must be unparalleled in history."

When Mr. Beswick (Lab) asked for assurances that the Government were not insisting on the inclusion of British forces in the U.N. Force, and that the Prime Minister was accepting " the spirit of the U.N. resolution " which proposed a force drawn " from uncompromised nations," Sir Anthony replied that the resolution made no mention of " uncompromised nations," and that one of the problems of the U N. was whether such a force should include the major Powers or the Powers other than the " Big Five " " I am quite clear," he added, " that our denominator of this business is whether or not an effective force can be created " Replying to Mr. Gaitskell, the Prime Minister said · " There is no question of withdrawal by the U K or our allies unless and until there is a U.N. Force to take over from us."

The Military Operations.

Mr. Head (Minister of War), in a statement about the military operations in Egypt, said that before the assault on Port Said photographic reconnaissance had shown that there were strongpoints along the sea-front with tanks and guns dug in. It was decided that 24 hours before the assault an air drop should take place to clear those strongpoints and emplacements. This task was carried out so effectively that the need for a preliminary bombardment, which would undoubtedly have caused considerable destruction and civilian casualties, was avoided The assault was carried most successfully, and organized fighting ceased during the night following the landings.

Troops were then engaged in dealing with looters, organizing public services, and administration and clearing-up. Normal life in Port Said would, it was hoped, be resumed within a few days, or sooner if the Egyptian administration co-operated.

On the day of the landings there was stubborn street fighting with Egyptian troops who resorted to sniping, and several buildings had been turned into strongpoints which had to be dealt with British troops advancing down the Canal had reached a point just north of Kantara before the cease-fire, and the French were holding Port Fuad.

Mr. Head mentioned that the previous evening the Egyptians had broken the cease-fire at El Cap, where a patrol of 35-50 men had advanced up the causeway, passed a British advanced company, (who refrained from firing) and opened fire with Bren-guns and rifles on a group of tanks , the tanks had returned the fire in self-defence, killing two Egyptians and wounding one The Egyptian patrol had then withdrawn, again passing the British advanced company—which could have wiped out the patrol but had refrained from firing because of the cease-fire.

There were two matters he wished to emphasize, Mr. Head went on. Firstly, there were considerable fixed defences with dug-in tanks facing the sea-front, and to achieve the landings and capture the town with such small casualties and with so little damage to the town and casualties to the civilian population, was a feat of considerable military skill Secondly, during all the operations by land, sea or air, British forces had exercised the greatest restraint throughout. He was sure that all Members, whatever their political views, would wish him to commend all those concerned with the operation for the way they had carried out a difficult and, in many ways, unprecedented task.

Mr. Stokes (Lab.), on behalf of the Opposition, expressed appreciation the great restraint shown by the British troops, no doubt under extreme provocation.

British Attitude to U.N. Force.

Sir Anthony Eden, in a statement on Nov 9, welcomed the Argentine resolution, for which the U.K. delegate had voted, setting up a U.N. Emergency Force He also welcomed Mr. Ben-Gurion's statement [see page 15205] on the withdrawal of Israeli forces and the intentions of the Israeli Government to co-operate with the U.N. Force.

" As soon as that force is in a position effectively to discharge its task," the Prime Minister continued, " the Government, as has been repeatedly stated, are willing to hand over to it the responsibilities which they have assumed I understand that General Burns is now in Cairo, and the U N Secretary-General has received a communication from him inquiring whether the U.K. and French Governments would agree to the entry into Port Said of some of the U N. military observers who have been ordered to proceed to Egypt in connexion with the observation of the cease-fire.

" For our part, we welcome the proposal and will give these observers all facilities. I have been in contact with the French Government and they agree with the comment I have just made. We also think it desirable that talks should begin at an early date between General Burns and the Allied Command in Egypt We are prepared for those talks to commence as soon as General Burns desires it.

"Meanwhile we are making certain alterations to the present deployment of our forces in the Eastern Mediterranean We shall retain in being the ground organization of all the R A.F squadrons previously deployed in Cyprus and Malta, but it will now be possible for many of these squadrons to fly home. In an emergency, they could be re-deployed in Cyprus and Malta in a matter of hours So far as the Army is concerned, we shall replace the assault units of paratroops and commandos with the equivalent in infantry battalions, and the former will be withdrawn from Egypt We shall also hold an additional infantry reserve in Cyprus"

Mr. Gaitskell, after welcoming Israel's acceptance of the U.N. resolution, asked the Prime Minister whether he agreed with a statement made by Mr Head the previous day that 'the whole point is that the Canal cannot and must not be solely the concern of the Egyptian Government"

Sir Anthony Eden, in reply, stressed the Government's hope that there would now be a general settlement in the Middle East—the objective which the Government had had constantly in mind. He added: "The Government have accepted the Argentine resolution [for a U N Force]. Let there be no doubt about this, and I am sure this applies to our French Allies as well—the sooner a force competent to take over in the Middle East can be created, the better we shall be pleased. There is no advantage in delay and we are certainly not going to attempt to make delays" On the Canal question, this was covered by the Argentine resolution and also by the U.S resolution

As regards the composition of the International Force, the Prime Minister reiterated that the criterion was not its size but its efficiency. This had to be worked out by the U N, and it was a matter which the Government must discuss with the U.N because it was of the first importance He saw no reason, provided goodwill were shown, why the Government should not be able to work out with the U N. what was required in the shape of that force, nor any reason why agreement should not be reached.

Sir Lionel Heald (C.) assured the Prime Minister that his statement "has greatly assured a number of us who want to support the Government, and has removed some uncertainties and ambiguities."

Replying to **Mr. de Freitas** (Lab.), the **Prime Minister** said that if the U N. Force required airfields outside Egypt he would consider letting them have airfields in Cyprus or Malta.

Mr. Philip Noel-Baker (Lab) asked (1) for an assurance that the Government would not make it a condition that there should be a British contribution to the U.N Force, and (2) whether the Government now agreed to the Secretary-General's plan for an International Force consisting of countries who were not permanent members of the Security Council?

The Prime Minister reiterated that he was not prepared for the exclusion of Britain and France from an international organization; nor did he think that any British Government could accept that. If it was proposed that the International Force should consist of small Powers as against great Powers, there was no objection in principle.

Israeli Acceptance of General Assembly Resolutions. - Mr. Ben-Gurion's Review of Sinai Campaign. - Eisenhower - Ben-Gurion Correspondence.

The Prime Minister of Israel, Mr. Ben-Gurion, stated in the *Knesset* on Nov. 7 that Israel was determined to hold the territory now in her possession as long as there was no peace settlement, and that she would not agree to the stationing of foreign troops there. In the early hours of Nov. 9, however, he announced in a broadcast that Israel was ready to withdraw her forces from the Sinai Peninsula after the entry of an international force into the Suez Canal area.

Mr. Ben-Gurion spoke as follows in his address to the *Knesset* on Nov. 7

"The glorious military operation, which lasted a week and conquered the entire Sinai Peninsula of 60,000 square kilometres, is an unprecedented feat in Jewish history and rare in the world's history. The Army did not make an effort to occupy enemy territory in Egypt proper, and limited its operation to freeing the area from northern Sinai to the tip of the Red Sea . Our forces did not attack Egypt proper, and I hope the Egyptian dictator will not compel Israelis to violate the Biblical injunction never to return to that country

"Three weeks ago I told the *Knesset* of the increased gravity of the Czech arms deal which supplied Egypt with a tremendous flow of heavy armaments It is only a week ago that our forces discovered the astonishing quantity and first-rate quality of this copious supply of Soviet arms, part of which had been despatched to the Sinai Peninsula. Neither the Egyptian dictator nor his 'peace-loving' friends in Czechoslovakia had the least doubt about the purposes of these enormous quantities of heavy arms. Certainly neither the supplier nor the recipient meant them to fall into Israeli hands On the contrary, they meant them to bring about the downfall of Israel.

"The Suez crisis has aroused the whole world, but it has not disturbed Israel to the same extent—not because Israel does not have an interest in freedom of navigation on this international waterway, but because our right of free navigation was brutally and arbitrarily violated by Egypt's ruler several years ago and continued after the Security Council's decision in 1951, which was arrogantly defied ..

"The injury inflicted and the danger posed to Israel by Egypt was not limited to the denial of our rights in the Suez Canal For Israel's economy, both the present and the future freedom of navigation on the Red Sea from Elath is no less vital than Suez Our nation's maritime trade actually commenced on the Red Sea some 3,000 years ago in the time of King Solomon, and Elath was the first Hebrew port. Up to the middle of the sixth century—that is, 1,400 years ago—Jewish independence was maintained on the island of Yotvat, south of the Gulf of Elath, which has been liberated by the Israeli Army. This is the island which is nowadays named Tiran, and which dominates passage from the Red Sea in the south to Elath in the north.

"A Greek historian of the sixth century, born in Caesarea, described Yotvat. 'There the Hebrews have lived since ancient times and govern themselves, and during the reign of Justinian in our days they were subjected to the Romans'... For centuries this island has been desolate, and only a few years ago the Egyptians occupied and garrisoned it for the purpose of interfering with Israeli shipping in the Gulf.

"The Egyptian dictator, however, did not content himself with the maritime blockade of Israel and the organization of an economic blockade against her He organized in all the Arab countries special units of murderers who crossed the borders to sow terror among workers in their fields and civilians in their homes Nasser proclaimed time and again that Egypt was in a state of war with Israel; nor did he conceal that his central purpose was to attack Israel at the first suitable opportunity and wipe her off the earth. It is no accident that among the large quantities of supplies captured by our forces in the Sinai desert, we also found copies of Hitler's *Mein Kampf*

"Since my review to the *Knesset* three weeks ago, something happened which intensified the danger and compelled us immediately to adopt special, vigorous precautionary measures. After the Jordanian elections, in which Egyptian bribery played a decisive role, a pro-Egyptian majority was elected and immediately a tripartite military alliance was concluded between Egypt, Jordan and Syria under which the armed forces of these three countries were placed under Egyptian command, with one clear goal in view—war to the death against Israel The Egyptian *Fedayeen*, who during the Suez crisis were ordered by the Egyptian dictator to suspend their murderous activities, were brought back into action as soon as it seemed to Abdul Nasser that the crisis had passed ...

'There was no room left to doubt that the noose which had been prepared for us was tightening, and it was our duty to take urgent and effective measures for self-defence. We mobilized a number of reserve battalions to guard the eastern border against attack from Jordan or Syria or both, and we mobilized a larger force of reserves, consisting especially of armour, on the southern border.

"At the beginning of our mobilization I received two messages from the President of the United States expressing concern over the mobilization of reserves In my reply to the President I reminded him of his constant efforts for peace in the region during the past year, which I supported whole-heartedly, as well as of the fact that it was the Egyptian dictator who had sabotaged these efforts. I also informed the President of the increasing gravity of the situation arising from the dictator's expansionist aims, the extent of his rearmament, his attempts to undermine the independence of the Arab countries, and, above all, his overt intention to destroy Israel, his creation of a military alliance with Jordan and Syria under Egyptian command, and the renewal of *Fedayeen* activities. I ended my reply: 'With Iraqi troops poised in great numbers on the Iraq-Jordan border, with the creation of a Joint Command by Egypt, Syria and Jordan, with the renewal of incursions into Israel by Egyptian gangs, my Government would be failing in its essential duty if it did not take all necessary measures to ensure that the declared Arab aim of eliminating Israel by force should not come about'

"That same evening a number of our units set out to put an end to the nests of murderers which were part of the Egyptian Army, and to those bases from which the murder gangs came. Into these engagements the Egyptians brought their air force, and fierce battles developed At the end of seven days the entire Egyptian force in Sinai was eliminated ... I am confident that military historians will make a thorough study of this remarkable operation, carried out by the Israeli Army in a few days, in a vast desert area against an enemy equipped and armed with the finest, most modern weapons of the Soviet bloc and elsewhere

"It is only now, after the occupation of the Gaza Strip, Abu Aweigila, El Arish, Nakhl, and the Gulf of Elath, that we have fully realized how great in quantity, how modern and excellent in quality, were the Egyptian arms and equipment. They had heavy weapons, tanks, guns, first-class communications equipment, motor transport, armoured cars, supplies immeasurably superior to anything our forces possess

"In spite of all our previous information about the flow of heavy arms which the Egyptian dictator received during the year, we had no real notion of the enormous quantities and superior quality of those arms and equipment The vast booty which fell into our hands proves beyond all doubt that Egypt's dictator squeezed dry the hungry Egyptian masses to provide his army with everything they had.

"But all this was of no avail, because there was no spirit in them. About three divisions faced Israel's Army, in addition to a number of units copiously armed and scattered throughout the length and breadth of Sinai The Egyptian troops numbered over 30,000, and heavy reinforcements arrived during the fighting—over two brigades. This great army was equipped with hundreds of Czech and British tanks and other armour, and supported by an air force equipped with *Vampire, Meteor,* and *MIG* jet planes. The Egyptian Navy also came into action.

"The first night of operations we took Kuntilla after 20 minutes of resistance, and Kusseima after 45 minutes. I know this dry description is inadequate for this extraordinary and truly heroic action, which few would believe possible. But it did not come out of the blue . in the preliminary planning we kept two principal objectives in view—to ensure speed of operation, and to minimize the number of casualties.

"I can say with deep satisfaction that both purposes were achieved more successfully than expected. Our losses were about 150 killed. Let us stand silent in glorious memory of our heroes. In deep grief and profound pride we send our love and respect to their parents." [The *Knesset* then stood in silent tribute].

In conclusion, Mr. Ben-Gurion said that there were seven principles of policy on which Israel must clarify her stand in order to bring her position "to the notice of world opinion with full moral force and unflinching determination." He enumerated these seven principles as follows :

"(1) The armistice agreement with Egypt is dead and cannot be revived. It has died because of the continuous attacks upon it by Colonel Nasser, because of his violations of its principles and purposes; by his defiance of the decisions of the U.N. Security Council, by his repeated declarations that a state of war existed between the two countries; and by his organization of murderous attacks on Israel by *Fedayeen* gangs

"(2) In consequence, the armistice line has no more validity.

"(3) Israel has no quarrel with the Egyptian people. King Farouk, followed by Nasser the dictator, brought great disaster to their people by inciting them to war against Israel. The flight of Egyptian officers and of tens of thousands of Egyptian soldiers from Sinai is unquestionable proof that they had no desire to fight Israel in the remote wilderness.

"(4) We do not wish our relations with Egypt to continue in the present anarchic state, and we are ready to enter into negotiations for a stable peace, co-operation, and good-neighbourly relations with Egypt on condition that they are direct negotiations, without prior conditions on either side and without duress from any quarter

"(5) We hope that all peace-loving nations will support our desire for such negotiations with each of the Arab States. But even if the other Arab States are not prepared to conclude a permament peace, so long as they observe the armistice agreements Israel will do so also.

"(6) On no account will Israel agree to the stationing of a foreign force, no matter how called, in her territory or in any of the areas occupied by her.

"(7) Israel will not fight against any Arab country or against Egypt unless attacked by them.

Mr. Ben-Gurion concluded : "It may be that in the future we shall have to face a difficult political struggle, perhaps something even graver. We shall not give way to the arrogance of the Arab rulers, but on the other hand we shall not humble ourselves before the powerful forces of the world when justice is not on their side."

Following a nine-hour emergency Cabinet meeting on Nov. 8, however, Mr. Ben-Gurion announced shortly after midnight (local time), in a broadcast to the nation, that Israel was ready to withdraw from Egyptian territory "as and when arrangements have been made in connexion with the entry into this area of an International Force, which is also to replace British and French forces in the Suez Canal area."

On the same day (Nov. 8) the following communication was sent by the Israeli Minister of Foreign Affairs (Mrs. Meir) to Dr. Hammarskjold :

"I thank you for your cables transmitting the two resolutions passed yesterday by the Special Session of the General Assembly I have the honour to inform you that the Government of Israel will willingly withdraw its forces from Egypt immediately upon the conclusion of satisfactory arrangements with the United Nations in connection with the Emergency International Force. At the same time, and without prejudice to this undertaking, I wish to state that while as a result of the Sinai operation we have succeeded in destroying many of the *Fedayeen* gangs and the bases from which they were planned and directed, we must repeat our urgent request to the United Nations to call upon Egypt, which has consistently maintained that it is in a state of war with Israel, to renounce that position, to abandon its policy of boycott and blockade, to cease sending murder gangs into Israel· and, in accordance with its obligations under the U N. Charter to live at peace with member-States, to enter into direct peace negotiations with Israel."

In his broadcast on Nov. 8 Mr. Ben-Gurion read the text of messages he had received from Marshal Bulganin and President Eisenhower, and of his replies, but gave no explanation of the reasons for his Government's sudden change of attitude. It was, however, generally believed that it had been brought about by the twin pressures from Moscow and Washington—the Soviet threat of armed action against Israel, as expressed in Marshal Bulganin's letter to Mr. Ben-Gurion of Nov. 5 [see page 15219], and the U.S. intimation that economic sanctions might have to be taken against Israel if she did not comply with the resolution of the U.N. General Assembly, as indicated in President Eisenhower's message [see below]. Another factor mentioned in the international Press as having been instrumental in bringing about Israel's acceptance of the U.N. resolution was said to have been a communication from the British and French Governments stating that they would not be in a position to come to Israel's help if the Russians, either directly or by means of "volunteers," intervened against the Israeli armed forces.

In his message to Mr. Ben-Gurion, which was released in Washington on Nov. 8, President Eisenhower had written as follows :

"As you know, the U N General Assembly has arranged a cease-fire to which Egypt, France, the United Kingdom, and Israel have agreed There is being dispatched to Egypt a U.N Force in accordance with pertinent resolutions of the General Assembly. That body has urged that all other foreign forces be withdrawn from Egyptian territory, and, specifically, that Israeli forces be withdrawn to the general armistice line. The resolution covering the cease-fire and withdrawal was introduced by the United States and received the overwhelming vote of the Assembly

"Statements attributed to your Government to the effect that Israel does not intend to withdraw from Egyptian territory, as requested by the United Nations, have been called to my attention. I must say frankly, that the U S A. views these reports, if true, with deep concern. Any such decision by the Government of Israel would seriously undermine the urgent efforts being made by the U.N. to restore peace in the Middle East, and could not but bring about the condemnation of Israel as a violator of the principles as well as of the directives of the United Nations.

"It is our belief that as a matter of highest priority peace should be restored and foreign troops, except for U.N. forces, withdrawn from Egypt, after which new and energetic steps should be undertaken within the framework of the U.N to solve the basic problems which have given rise to the present difficulties The U.S.A. has tabled in the General Assembly two resolutions designed to accomplish the latter purposes, and hopes that they will be acted upon favourably as soon as the present emergency has been dealt with

"I need not assure you of the deep interest which the United States has in your country, nor recall the various elements of our policy of support to Israel in so many ways It is in this context that I urge you to comply with the resolutions of the U N. General Assembly dealing with the current crisis, and to make your decisions known immediately. It would be a matter of the greatest regret to all my countrymen if Israeli policy on a matter of such grave concern to the world should in any way impair the friendly co-operation between our two countries"

Mr. Ben-Gurion's reply (Nov. 8) was worded as follows :

". . . Your statement that a U.N. Force is being dispatched to Egypt in accordance with pertinent resolutions of the General Assembly is welcomed by us We have never planned to annex the Sinai desert In view of the U N. resolutions regarding the withdrawal of foreign troops from Egypt and the creation of an International Force, we will, upon conclusion of satisfactory arrangements with the United Nations in connexion with this International Force entering the Suez Canal area, willingly withdraw our forces"

After repeating the Israeli request to the U.N. to bring about peace between Egypt and Israel, as set out in Mrs. Meier's letter to Dr Hammarskjold [see above], Mr. Ben-Gurion's letter concluded : "On behalf of my Government I express to you our gratification at your reference to the deep interest of the United States in Israel, and its policy of support for our country."

Dr. Josephthal, the secretary-general of the *Mapai* (Labour) party headed by Mr. Ben-Gurion, stated on Nov. 11 that the decision to withdraw from Sinai had been forced upon the Israeli Government by the Soviet Union, since if Israel had refused to accept the U.N. resolution "there was a very real danger that the Soviet would have bombed this country, and no-one would have come to our help."

General Yadin, Chief of Staff of the Israeli Army at the time of the signing of the armistice agreements, said in London on Nov. 13 that Israel had had "the choice of being wiped from the map of the world or of counter-attacking and attempting thereby to survive."

In support of his claim that Egypt was preparing to attack Israel, General Yadin produced copies of two documents captured in the Sinai fighting. One, signed by Major-General Ahmed Salem (Staff Officer of the Egyptian Third Division), said that the "supreme objective" was the annihilation of Israel, its wording being as follows "Every commander should prepare his troops for the unavoidable war with Israel in order to achieve our supreme objective—namely, the annihilation of Israel and its complete destruction in as little time as possible and by fighting her as brutally and cruelly as possible"

General Yadin said that the great quantity of equipment captured by the Israel Army in the Sinai Peninsula—including 100 tanks. 1,000 vehicles, 200 pieces of artillery, 100 half-tracks, and 7,000 tons of ammunition—showed that preparations were being made for an attack on Israel.

It was noted in the foreign Press that Israel's undertaking to withdraw from Egypt covered only Egyptian territory proper—i.e. the Sinai Peninsula. The "Gaza strip" had never belonged to Egypt, having been part of Palestine until its occupation by the Egyptian Army on the day the State of Israel came into existence in 1948.

By 88 votes to three the *Knesset* endorsed Mr. Ben-Gurion's statement, after it had rejected a Communist motion alleging that the attack on Egypt had "disturbed peace" and endangered Israel's security.

Communist Arms Supplies to Egypt and Syria.

Official British sources in London disclosed on Nov. 11 that within the past 12 months Egypt had received military equipment from the Soviet bloc to the value of at least £150,000,000, while Syria had received from Communist countries equipment to the value of about £20,000,000 during the same period.

Egypt. Major items of equipment received by Egypt had included at least 50 *Ilyushin* jet bombers, at least 100 *Mig* jet fighters, about 300 medium and heavy tanks, including a substantial number of T-34s, over 100 armoured troop-carriers between 400 and 500 guns of various calibres, a number of rocket launchers, and much other equipment, including mines, radar, and wireless equipment

The Egyptian Navy had received two destroyers, four minesweepers, 15-20 motor torpedo-boats, some smaller vessels, and an unestimated number of mines Delivery of at least one submarine, and probably more, from Soviet-bloc countries had been in hand before the Anglo-French intervention.

There had been heavy losses of this equipment during the recent operations in Egypt, but it was pointed out that these could be replaced from Soviet-bloc countries. There was no evidence of "volunteers" from the Soviet Union or the satellite countries going to Egypt since the beginning of the Anglo-French operations, but more than 1,000 technicians and instructors had been sent there previously from Soviet-bloc countries, some 300 Russians and Czechs, of whom a number appeared to be aircrews and mechanics, had left Egypt for the Sudan shortly after the Anglo-French intervention.

It was also pointed out in London that the *Ilyushin* bomber force had never been used by the Egyptians, and the fighters only to a very limited extent, but that most of the bombers seemed to have been flown out of Egypt Most of the Egyptian fighter force and some of the bombers had been destroyed on the ground. An Egyptian claim that only dummy aircraft had been destroyed was described as "fantastic."

The official view in London was that the presence of large quantities of Soviet arms and the large numbers of Soviet technicians in Egypt had certainly provided an opportunity for the rapid formation of Soviet units in that country

Reports from Khartoum stated that several Soviet tank- and aircrews, which had reached the Sudan from Egypt, had been flown from Khartoum on Nov. 10 to Athens and Rome for repatriation

On Nov. 10 it had been reported in Tel-Aviv that a "gigantic" secret military base had been established by the Soviet Union at several points in the Sinai Peninsula, and that one underground depot was found to contain tens of millions of dollars worth of Soviet-type equipment from Czechoslovakia.

Syria. Military equipment supplied to Syria had included at least 100 medium tanks, at least 100 armoured troop carriers, between 50 and 100 self-propelled guns, at least 100 other guns of various calibres; and large quantities of minor armaments, ammunition, radar, etc. Reports of the arrival in Syria of aircraft of Soviet design were not confirmed in London, though it was not denied that such reports might well be true.

British Reactions to Middle East Crisis.

Reactions to the crisis in Britain are described below under cross-headings.

Labour Party. The National Council of Labour (representing the Labour Party, the T.U.C., and the Co-operative movement) decided at an emergency meeting on Nov. 1 to launch a nation-wide campaign against the Government's action in Egypt under the slogan "Law—Not War." It was planned to hold mass meetings throughout the country for this purpose, beginning with a demonstration on Nov. 4 in Trafalgar Square, London.

The National Council approved a resolution saying that it was "profoundly shocked by the action of the British Government in resorting to armed force against Egypt in clear violation of the U.N. Charter," and calling on the Government "(1) to cease forthwith all military measures against Egypt; (2) to support the demands made in the U.N. for an immediate cease-fire and the withdrawal of Israeli troops to the armistice frontiers; and (3) to propose the summoning by the U.N. of a peace conference to settle the dispute between Israel and the Arab States."

The resolution also called on the British people "to bring effective pressure to bear on the Government in support of these policies through normal constitutional Parliamentary methods, and to refrain from taking industrial action as a means of influencing national policy in the present crisis."

The first protest meeting in Trafalgar Square, held on Nov 4 and addressed by Mr. Bevan, Dr. Edith Summerskill, and Mr. Anthony Greenwood, was followed by clashes between police and large numbers of demonstrators—mainly young people, and including many students—attempting to march on Downing Street, 27 persons were arrested for assaulting the police, obstruction, etc., a number of fines being imposed.

The Government's action was, however, defended by Mr. Shinwell (formerly Defence Minister in the Labour Government) in a speech at Sydney (Australia) on Nov. 13 to the Commonwealth Parliamentary Association. He declared that the Anglo-French intervention in Egypt was justified because of "the U.N. delay in taking prompt decision and action," and added: "In the absence of effective action by an international organization, no nation must be compelled to stand idly by when its interests are being jeopardized . . . I voted with my party against Sir Anthony Eden's action, but that does not necessarily mean I disagreed with everything the Government did."

Liberal Party. The Liberal Party issued a statement on Nov. 2 condemning the Government's action in Egypt; asking it to support the proposals made in the U.N. for an International Police Force for the Middle East, and urging it to press upon the U.N. the need for a negotiated peace treaty between Israel and Egypt in substitution of the armistice arrangements. It accused the Government of (1) treating the U.N. with contempt by issuing its ultimatum almost simultaneously with its reference to the Security Council; (2) ordering an attack on foreign territory without either the justification of an armed attack against Britain or the authority of the U.N.; (3) ignoring the Tripartite Declaration of 1950, (4) resorting to force without consultation with the Dominions; (5) using the veto in the Security Council to defeat a resolution calling on all States to refrain from the use of force, "thus destroying the case we have frequently made against Russia's use of the veto"; (6) undermining the U.N., disturbing Anglo-American friendship, and creating discord among Commonwealth members

Lord Russell of Liverpool, who had joined the Liberal Party in June, resigned from the party on Nov. 11 because he disagreed with its opposition to the Government's policy of intervention in the Canal Zone, which he fully supported [Lord Russell had resigned in 1954 as Assistant Judge-Advocate-General after refusing to withdraw his book about German war crimes, *The Scourge of the Swastika*.] On Nov. 11 Mr. John Creasy the author, similarly resigned from the Liberal Party, declaring that its attitude on the Suez crisis did not reflect that of the mass of Liberals in the country, and expressing his full support for Sir Anthony Eden. Mr. Creasy was Liberal candidate for Bournemouth West in 1950, polling over 9,000 votes.

The Universities. A large number of resolutions, signed by professors, students and teachers of nearly all British universities, was adopted protesting against the Government's action. On the other hand many resolutions were passed, particularly by the Conservative parties in the Universities, expressing support for the Government.

Among the resolutions criticizing the Government was one signed by 377 senior members of Oxford University (including 10 heads of colleges, 17 professors and readers, and 212 Fellows of colleges) which deplored the Government's military intervention in Egypt and expressed the view that "this action is morally wrong, endangers the solidarity of the Commonwealth, constitutes a grave strain upon the Atlantic Alliance, and is a flagrant violation of the principles of the U.N. Charter." The heads of colleges signing the resolution included Sir Maurice Bowra (Wadham), Professor K. C. Wheare (Exeter), and Mr. A. L. P. Norrington (Trinity).

On the other hand, 126 signatures—including those of five heads of colleges—were affixed to a resolution in which senior members of Oxford University expressed support for the Government in a letter sent to the Press This letter said that the "petition signed by a large number of Oxford dons, in which the Government is accused of disregarding international morality and its Middle East activities condemned . . must not be regarded as fully representative of the views of senior members of the University. . . The fact remains that . . . after the clear and repeated failures of the U.N. to act effectively in the Israeli-Egyptian dispute, a crisis was likely sooner or later to develop when one or more major Powers would feel impelled to intervene to prevent a more serious war. In their present actions the British and French Governments have chosen what seems to them the course of lesser evil, when a choice between evils was inevitable. When a fire breaks out, it must be extinguished before it spreads. It seems improper to assume . . . that these Governments are acting from unscrupulous and selfish motives or that they have no regard for the ultimate objectives of the United Nations . . . "

This letter was signed by Dr. Gilbert Murray, O.M., the eminent scholar and one of the most prominent supporters of the United Nations and the former League of Nations, as well as by the Master of Balliol (Sir D. Lindsay Keir), the Warden of Merton (Mr. G. R. G. Mure), the Warden of All Souls (Mr. John Sparrow), and the Principals of Hertford College and St. Edmund Hall.

The Churches. A statement issued on Nov. 3 from Lambeth Palace announced that a deputation representing the British Council of Churches, headed by the Archbishop of Canterbury (Dr. Fisher), had called upon the Lord Chancellor (Lord Kilmuir), representing the Prime Minister, to convey to him "the deep concern of Christian opinion in this country regarding events in the Middle East" and to urge "that every attempt should be made to secure a general cease-fire as speedily as possible"

In a debate in the House of Lords on Nov 1, when the Anglo-French action in the Middle East was approved by 82 votes to 30, the Archbishop of Canterbury had expressed his views as follows:

". . . The point to which the Christian conscience must most acutely address itself is whether or not we are standing in the spirit of the U.N. Charter. Talks about our vital interests or the vital interests

of Israel is not the main point, since under the Charter we have bound ourselves in honour not to be judges in our own cause, or to constitute ourselves sole guardians of the interests of other nations or of international order

"It is impossible to feel that we are on secure ground Most people seem to feel that we are standing on slippery ground. Christian opinion is terribly uneasy and unhappy, and even those most convinced that the Government have taken the right action would be wise to take heed, not only to the uneasiness here, but to the hostile reaction which the Government's action is receiving in all parts of the world.

"Is there anything we can do? Can we now as a nation make a new proposal? Objectively, Egypt is at present within her own borders; Israel is out of bounds; and the British and French Governments propose to be out of bounds also. The immediate task is to bring everyone back within his own rightful place, so that nobody is trespassing.

"Can we say to Israel that if she will withdraw her forces within their own bounds, France and ourselves will not intrude into Egypt? Can we say to Israel that the whole world is demanding that, both of her and of ourselves, and that therefore we are willing to do so? With that standstill arrangement we can surely say that the statesmen of the world will see that Israel will not suffer for her obedience, and no longer have to live under continuous threats."

The following statement was issued on Nov. 5 by the Archbishop of York, Dr. Ramsey. "Many people are eager that the Christian Church in this country should give a lead in the present time of international strain. Some assume the lead should take the form of a denunciation of the policy of the Government In my judgment the necessary lead cannot rightly take that form, since the policy of the Government, no less than the policy of the Opposition, can be supported with Christian conviction. Honest conviction dictates the Opposition's policy of conformity to the letter of U.N.O.'s decisions, but an equally honest conviction inspires the Government's belief that by its urgent action to stop war between Egypt and Israel it is making it possible for U.N.O. to take effective action itself The first duty of Christian people is to stand firmly for patience, charity, and rational discussion against hysterical passion and the loathsome imputation of motives which are poisoning the minds of many people"

Sir Winston Churchill's Support for Government. Sir Winston Churchill sent the following letter on Nov. 3 to the chairman of the Conservative Party in his constituency (Woodford) expressing his support for the Government's action

"The British connexion with the Middle East is a long and honourable one. Many of the States there owe their origin and independence to us. In peace we have assisted them in many ways—financially, technically, and with our advisers in every sphere. In war we have defended them at great cost. Above all, we have endeavoured to confer on them the benefits of justice and freedom from internecine wars. In the last few years the U S A., France, and we ourselves have been principlally concerned with keeping the peace between Israel and her neighbours.

"In spite of all our endeavours, the frontiers of Israel have flickered with murder and armed raids Egypt, the principal instigator of these incidents, had openly rejected and derided the Tripartite Declaration by which we, the French, and the Americans sought to impose restraint The last few days have brought events to a head. Israel, under the gravest provocation, erupted against Egypt. In this country we had the choice of taking decisive action or admitting once and for all our inability to put an end to strife

"Unfortunately, recent months have shown us that at present it is not possible to hope in this area for American co-operation on the scale and with the promptness necessary to control events. H.M. Government and the Government of France have reacted with speed. I regret profoundly that the Egyptian reaction has forced the present course on us. But I do not doubt that we can shortly lead our course to a just and victorious conclusion.

"We intend to restore peace and order to the Middle East, and I am convinced that we shall achieve our aim. The American alliance remains the keystone of our policy. I am confident that our American friends will come to realize that, not for the first time, we have acted independently for the common good World peace, the Middle East, and our national interest will surely benefit in the long run from the Government's resolute action. They deserve our support."

Resignations from Observer Trust. *The Observer* (the well-known Sunday newspaper, which had taken a strong anti-Government line on the Middle East crisis) announced on Nov 11 that Marshal of the R.A.F., Viscount Portal of Hungerford, Sir Keith Murray, and Mr. Arthur Mann were resigning from The Observer Trust (see 15154 A) It was stated that Lord Portal had resigned because of "fundamental disagreement" with an expression of editorial policy contained in the issue of Nov. 4; that Sir Keith Murray felt that the *Observer's* leading article on that date was "intemperate," and was retiring from the Trust at the end of the year; and that Mr Arthur Mann had resigned because he felt that "the style of our leading article was not in keeping with the kind of journalism that he himself had stood for and that *The Observer* had hitherto upheld."

The Conservative Central Office stated on Nov. 10 that over 1,000 telegrams containing resolutions of support for the Government's action in the Middle East had been received by the Prime Minister, whereas telegrams disagreeing with the Government had numbered seven only.

Commonwealth Reactions.

While the British Government's policy was supported by Australia and New Zealand, a critical attitude was adopted in Canada, the South African Government remained non-committal, and the Anglo-French action was strongly denounced in India, Pakistan and Ceylon.

Australian Support for Britain. - Mr. Menzies' Speech.

The Prime Minister, Mr. Menzies, defended the action taken by Britain and France in a speech on Nov. 1 to the Federal House of Representatives. Extracts are given below:

"... There can be little doubt that around the Israeli frontiers the faults have by no means been all on one side The plain fact is that Israel exists in a state of international tension Egypt claimed months ago to be at war with Israel and has, in fact, used that as her justification for her exclusion of Israeli ships from the Canal. Following upon his recent coup in respect of the Suez Canal, the Egyptian President has increasingly felt that he can defy the great and interested nations. It is well known that he has established military contacts with Syria and has been actively developing his own position by propaganda in the States east of Jordan. It is not my intention at the present time to examine whether the Israeli invasion of Egypt falls within either the letter or the spirit of the relevant agreements, but it seems to be only just to point out that the geographical and political situation of Israel is such as to give the Israeli people the greatest feeling of apprehension . ."

After recapitulating the resolutions presented in the Security Council, Mr. Menzies continued "The disability attending the Security Council's deliberations is not so much that there were vetoes, since these are to be expected in cases where international tension is high and where the permanent members do not find themselves all on one side But it is, in our opinion, a great misfortune that differences of view should have occurred between Britain and France on the one hand and the U.S A on the other ... We have, in these circumstances, heard with pleasure the statement made this morning by President Eisenhower [see "American Reactions" below]. True, in that statement he has maintained the American view that force in the Middle East is both unwise and improper, but he went on to say that that was in no way to minimize American friendship for Britain and France, and American determination to maintain that friendship He added, no doubt with lively recollection of the events in August and September, that Britain and France have been subject to repeated provocation ...

"I now proceed to say something about the two questions which will present themselves to the minds of members in relation to the actions of Britain and France.

"First, is the United Kingdom at fault in not having engaged in a pre-consultation with the other Commonwealth countries? Our answer to this question is that she was not at fault at all. The circumstances were those of great emergency Hostile armed forces were rapidly approaching each other and extensive combat was imminent In that combat, vital interests in the passage of the Canal were quite likely to suffer the most serious damage . . There was literally no time to be lost if action was to be taken to keep the combatants out of the Canal area and afford it proper protection. Effective consultation—and I say 'effective' because a mere form of consultation would have been quite useless—would plainly have occupied considerable time, and the urgent position might have fallen into irretrievable disaster In our opinion, therefore, Britain, whose Canal and other Middle East economic interests are so vast, was correct in proceeding upon her own judgment and accepting her own responsibility We are not living in an academic world The normal processes of consultation should always be followed wherever possible, but there are instances, like the present one, in which events move too fast for normal processes.

"The second great question that arises is the propriety of the action taken by Britain and France. Upon this point, the Government of Australia believes that the action was proper It had already been demonstrated in the case of the Israeli ships that a resolution passed by the Security Council condemning Egypt can be set at naught in the absence of strong executive action ... It was quite clear that the procedures of the Security Council were such that, even assuming that some resolution could be carried, the Canal would have been involved in war long before any U.N action could become effective. Britain and France, therefore, decided that they would, so to speak, 'hold the pass.' Their purpose, as they plainly state, was to have the Israeli and Egyptian forces withdrawn from the Canal for a distance of 10 miles on either side so that the operation of the Canal would not be menaced. Their action was a police action taken in a state of great emergency and was, in fact, calculated to keep the combatants apart and to enable counsels of moderation thereafter to prevail ...

"I could perhaps sum the matter up by saying that the Anglo-French action represents an emergency measure by two of the great democratic Powers. Their object is not to make war, but to prevent war by separating two belligerents They are not seeking territorial advantage or subjugation of peoples, but are aiming to assure to the whole world the treaty rights of continued free access to the international waterway by protecting its installations, the ships that use them, and the people who travel in those ships They are not seeking to impose an arbitrary settlement in the Egypt-Israel dispute, but to discharge a limited function which will enable a settlement to be reached. They have made it clear that they are not seeking to maintain forces permanently in Egypt, but will withdraw them as

soon as the immediate purpose has been achieved. They are not seeking to usurp the right of the Security Council to attempt to settle the Egypt-Israel dispute but are determined to ensure that, when choosing a method of settlement, the Security Council will not have to face the fact of the prior destruction or dislocation of the Suez Canal. Above all, there is no desire to involve or confuse a settlement of the dispute about the operation of the Suez Canal with other Middle East disputes, but to prevent that involvement."

New Zealand Support for Britain. - Statement by Mr. Holland.

The Prime Minister, Mr. Holland, issued the following statement on Nov. 1 after a meeting of the N.Z. Cabinet.:

"While several features of the present situation are disturbing, I have full confidence in the U.K. intentions in moving forces into the Canal Zone. The U.K. Government has given an undertaking that its operations are designed solely to protect the Canal and to halt fighting between Israeli and Egyptian forces, and that this emergency police action is intended to be of limited duration. It is nevertheless a matter of grave concern that a situation should have arisen in which there are serious differences of viewpoint between the U K and one of her principal allies, the U S.A. The New Zealand Government will continue to give the closest attention to developments and is prepared to make whatever contribution it can, through the U N. or in other directions, to secure a lasting solution of Middle East problems—an objective towards which the Commonwealth and the U.S.A have been working in close unity for many years"

Replying to questions at a press conference, Mr. Holland said that New Zealand had not been consulted by the U.K. before the Anglo-French ultimatum to Egypt and Israel was issued He added that the views put forward by Mr. Gaitskell, the Leader of the Opposition in Britain, were "not the views of the New Zealand Government."

Attitude of Canadian Government. - Statements by Mr. Lester Pearson and Mr. St. Laurent.

The Minister for External Affairs, Mr. Lester Pearson, made a press statement on Oct. 31 expressing "regret" that Britain and France had found it necessary to deliver an ultimatum backed by force at a time when the Security Council was considering the Middle East situation. He added that Canada had not been consulted by Britain and France before taking their action.

The Prime Minister, Mr. St. Laurent, said in a speech on Nov. 4:

"Because we believe that a permanent settlement of Israel's relations with its neighbours and of the future of the Suez Canal should be reached by peaceful negotiations under the aegis of the U N., the Canadian Government regrets that Israel used force against Egypt, although we recognize that Israel has been subject to grave threats and provocations during the last few years. Though we recognize the vital importance of the Canal to the economic life and international responsibilities of the U.K. and France, we could not but regret also that, at a time when the Security Council was seized of the matter, the U.K. and France felt it necessary to intervene with forces on their own responsibility"

It was announced in Ottawa on Oct. 31 that the Canadian Government had suspended the export of 24 *Sabre* jet planes to Israel (see 15144 C), and that no arms would be sent either to Israel or to Egypt.

South Africa.

No statement was issued by the Union Government, but Mr. Louw (Minister of External Affairs) said on Oct. 31 that South Africa had been neither officially informed nor consulted before the Anglo-French ultimatum was issued.

India. - Mr. Nehru's Denunciation of Anglo-French Action.

The following official statement was issued in New Delhi on Oct. 31:

"The Government of India have learned with profound concern of the Israel aggression on Egyptian territory, and the subsequent ultimatum delivered by the U.K. and France to the Egyptian Government, which was to be followed by an Anglo-French invasion of Egyptian territory. They consider this a flagrant violation of the U.N. Charter and opposed to all the principles laid down by the Bandung conference. This aggression is bound to have far-reaching consequences in Asia and Africa, and may even lead to war on an extended scale The Government of India are conveying their views to the Governments concerned, and earnestly trust that, even at this late hour, this aggression will be halted and foreign troops withdrawn from Egyptian territory. They hope that the world community as represented in the U.N. will take effective action to this end."

In addition, the following message was sent by the Prime Minister, Mr. Nehru, to the U.N. Secretary-General:

"We have been profoundly shocked by recent developments in the Middle East and, more particularly, by the Anglo-French invasion of Egypt after their rejection of the Security Council resolution moved by the United States. It is clear that Israel has committed large-scale aggression against Egypt. Instead of trying to stop this aggression, the U K and France are themselves invading Egyptian territory. This is not only an affront to the Security Council and a violation of the U.N. Charter, but also likely to lead to the gravest possible consequences all over the world. Egypt, which has suffered from Israel aggression, has in addition to suffer grievously by the Anglo-French invasion of her territory. The argument that this invasion is meant to protect the Canal and to ensure free traffic has no force, as the first result of this invasion is for this traffic to cease. In view of the disastrous consequences of the invasion of Egyptian territory, I earnestly trust that the U.N. will take strong steps in this matter to prevent the world plunging into war, and demand the immediate withdrawal of all foreign troops from Egypt. The procedures of the U.N. must be swifter than those of invasion and aggression In sending you this message I am not only reflecting the unanimous views of my Government and people but also, I am sure, of a large number of other peoples."

In a speech at Hyderabad on the same day (Nov. 1) Mr. Nehru described the Anglo-French action in Egypt as "naked aggression" which would not be tolerated by "the self-respecting and independent nations of Asia and Africa." After declaring that India's sympathies were entirely with Egypt, he went on: "There has been the sudden invasion of Egypt by Israel in breach of an armistice and of the U N. Charter. In these disputes our sympathies have been for the Arab nations. They have had a raw deal and this must be remedied. But we have no enmity towards Israel. I am not thinking of Israel being wiped out. The fact remains that is is a case of clear and naked aggression on Egypt by Israel. Every member of the U.N. should try to stop it and resist it. But Britain and France issued an ultimatum to Egypt.... The Suez Canal was functioning properly. If there was any danger to the Canal it was from Israel, which advanced 90 miles inside Egypt. Britain has been a force for peace in the past two years, and because of this my sorrow and distress is all the greater for the amazing adventure which Britain and France have entered into."

During a day of intensive political activity in New Delhi, Mr. Nehru had two meetings with the U K. High Commissioner (Mr. Malcolm Macdonald) and also saw the U.S., Soviet and Egyptian Ambassadors and the French Chargé d'Affaires. A message expressing India's full support for Egypt was sent by Mr. Nehru to President Nasser on Oct 31.

Pakistan. - Mr. Suhrawardy's Denunciation of Anglo-French Action. - Anti-British and Anti-French Demonstrations.

Mr. Suhrawardy, the Prime Minister of Pakistan, issued the following statement on Nov. 3:

"Ever since the invasion of Egyptian territory by Israel and the subsequent action of Britain and France, feelings in this country have been understandably running high. The Security Council resolution sponsored by the U.S A., aimed at bringing about a cessation of hostilities and the removal of all foreign troops from Egyptian soil, has been vetoed by Britain and France; and there has been bombing of military targets in Egypt by British and French aircraft as a prelude to landing British and French forces to occupy Suez in defiance of the U.N These developments have created a very grave situation. Not only have these events incited and helped Israel in her aggressive designs on Egyptian territory, but the violation by these two Powers of Egyptian sovereignty by the use of force, in disregard of the appeals of the other members of the U.N., has shocked world opinion and placed the very concept of the World Organization in jeopardy. . . .

"What is happening in Egypt today constitutes a threat to the entire Moslem world. The Government of Pakistan unreservedly condemns this aggressive action. They will continue to endeavour, by every means within their power, to bring about an early peaceful settlement of this conflict. With that end in view, I personally have been in almost constant touch with the principal Powers concerned. At our instance, a meeting of the Prime Ministers and Foreign Ministers of Turkey, Persia, Iraq and Pakistan will shortly take place in Teheran. . . .

"During the last two or three days public opinion in Pakistan has been gravely perturbed. Demonstrations have taken place in Karachi, Dacca, Lahore, Peshawar, and elsewhere in the country. While on the whole these demonstrations have been peaceful, there have also been ugly incidents. I earnestly ask our people to remain calm and refrain from violence. . . On occasions such as this certain elements are inclined to take advantage of the situation and resort to lawlessness. We must not allow such elements to exploit this situation for their own nefarious ends. . . ."

As mentioned by Mr. Suhrawardy, anti-British and anti-French demonstrations broke out in a number of cities in protest against the Anglo-French action in Egypt. On Nov. 3 crowds of demonstrators set fire to the premises of the British Information Service in Karachi, which was completely destroyed with all its books and equipment, and smashed the windows of the French Consulate in Dacca. On the following day some 10,000 students demonstrating against Britain and France tried to storm the office of the U.K. High Commissioner in Karachi, the police using lathis and tear-gas to disperse the rioters. A number of students were injured, as well as several policemen.

Ceylon. - Statement by Mr. Bandaranaike.

The Prime Minister of Ceylon, Mr. Bandaranaike, issued the following statement at a press conference on Nov. 1:

"The invasion of Egyptian territory by Israel, followed by British and French military action against Egypt, has created a very grave international situation. World opinion has already expressed itself in no uncertain terms at the U.N. I am addressing to the President of the U.S A., to the Prime Ministers of Britain and France, and to

the United Nations, an urgent appeal that British and French troops should, even at this late stage, be withdrawn from Egyptian territory before the situation worsens "

Asked whether he felt that Israel's invasion of Egypt was "inspired," Mr. Bandaranaike said: "It seems a strange coincidence that Israel should have taken this action and that Britain and France should have got the opportunity from it to do what they had been wanting to do all the time—take control of the Canal." He added that nothing would be done by his Government to infringe Ceylon's neutrality.

American Reactions. - President Eisenhower's Broadcast.

The Anglo-French ultimatum to Egypt, the subsequent military operations, and the Anglo-French veto of the U.S. resolution in the Security Council caused widespread dismay, bewilderment, and anger in official circles in Washington and in the U.S. Press. Many allegations were made in the U.S. Press and radio accusing Britain, France, and Israel of collusion, and the view was widely expressed that these developments had placed a severe strain on the NATO alliance and created bitterness and dissension among the Western allies. Particular exception was taken to the fact that the Anglo-French ultimatum to Egypt and Israel had been sent off without any prior notification to the U.S. Government or to President Eisenhower, as confirmed by the President's press secretary on Oct. 30 and by the President himself in a broadcast on the following day (see below).

The following statement was issued from the White House on Oct. 30, after a meeting between President Eisenhower, Mr. Dulles, and Admiral Radford, chairman of the U.S. Joint Chiefs of Staff:

"At this meeting the President recalled that the U S A., under this and prior Administrations, has pledged itself to assist the victim of any aggression in the Middle East. We shall honour our pledge The U.S.A. is in consultation with the British and French Governments, parties with us to the Tripartite Declaration of 1950, and it plans, as contemplated by that declaration, that the situation shall be taken to the U.N. Security Council."

During the evening President Eisenhower sent urgent personal messages to Sir Anthony Eden and M. Mollet which, it was understood, urged them to exercise restraint in the Middle East crisis and not to resort to force. Meanwhile Mr. Dulles had seen the French Ambassador (M. Alphand) and the British Chargé d'Affaires (Mr. Coulston) at the State Department; although no official statement was issued, it was reported by press correspondents that the Secretary of State had expressed "extreme displeasure" at the Anglo-French action.

The following nation-wide broadcast on the Middle East crisis was made by President Eisenhower on Oct. 31, in the course of which the President described the Anglo-French action as an "error":

"The Middle East was, as we all know, an area long subject to colonial rule. This rule ended after World War II, when all countries there won full independence. Out of the Palestinian mandated territory was born the new State of Israel. These historic changes could not, however, instantly banish animosities born of the ages. Israel and her Arab neighbours soon found themselves at war with one another. And the Arab nations showed continuing anger toward their former colonial rulers, notably France and Britain

"The United States, through the years since the close of World War II, has laboured tirelessly to bring peace and stability to this area. We have considered it a basic matter of U.S. policy to support the State of Israel and at the same time to strengthen our bonds both with Israel and with the Arab countries. But unfortunately, through all these years, passion in the area threatened to prevail over peaceful purpose, and in one form or another there has been almost continuous fighting.

"This situation was recently aggravated by Egyptian policy, including rearmament with Communist weapons. We felt this to be a misguided policy on the part of the Egyptian Government. Israel, at the same time, felt increasing anxiety for her safety. And Britain and France feared more and more that Egyptian policies threatened their lifeline of the Suez Canal.

"These matters came to a crisis on July 26 of this year when the Egyptian Government seized the Suez Canal Company. For 90 years, ever since the inauguration of the Canal, that company had operated the Canal, largely under British and French technical supervision. There were some among our Allies who urged an immediate reaction to this event by use of force. We insistently urged otherwise, and our wish prevailed, through a long succession of conferences and negotiations, for weeks—even months—with participation by the United Nations. There in the U.N., only a short while ago, it seemed that an acceptable accord was within our reach on the basis of agreed principles But the relations of Egypt with both Israel and France kept worsening to a point at which first Israel, and then France and Britain, determined that, in their judgment, there could be no protection of their vital interests without resort to force.

"Upon this decision events followed swiftly. On Oct. 28 the Israeli Government ordered mobilization. On Oct. 29 their armed forces penetrated deeply into Egypt and to the vicinity of the Suez Canal—nearly 100 miles away. On Oct 30 the British and French Governments delivered a 12-hour ultimatum to Israel and Egypt, now followed up by armed attack against Egypt. The United States was not consulted in any way about any phase of these actions. Nor were we informed of them in advance.

"As it is the manifest right of any of those nations to take such decisions and actions, it is likewise our right, if our judgment so dictates, to dissent. We believe these actions to have been taken in error, for we do not accept the use of force as a wise or proper instrument for the settlement of international disputes. To say this, in this particular instance, is in no way to minimize our friendship with these nations, nor our determination to maintain those friendships

"We are fully aware of the grave anxieties of Israel, Britain, and France. We know that they have been subjected to grave and repeated provocations. The present fact nonetheless seems clear. The action taken can scarcely be reconciled with the principles and purposes of the U.N., to which we have all subscribed. And, beyond this, we are forced to doubt that resort to force and war will for long serve the permanent interests of the attacking nations.

"Now we must look to the future In the circumstances I have described, there will be no U.S. involvement in these hostilities. I have no plan to call Congress in special session . . At the same time it is—and will remain—the dedicated purpose of our Government to do all in its power to localize the fighting and to end the conflict.

"We took our first measure in this action yesterday. We went to the U.N. with a request that the forces of Israel return to their own lines and that hostilities in the area be brought to a close. This proposal was not adopted because it was vetoed by Britain and France It is our hope and intent that this matter will be brought before the U N. General Assembly There, with no veto operating, the opinion of the world can be brought to bear in our quest for a just end to this tormenting problem In the past the U.N. has proved able to find a way to end bloodshed We believe it can and will do so again.

"As I review the march of world events in recent years, I am ever more deeply convinced that the U N. represents the soundest hope for peace in the world For this very reason I believe that the processes of the U N need further to be developed and strengthened. I speak particularly of increasing its ability to secure justice under international law. In all the recent troubles in the Middle East there have been injustices suffered by all nations involved. But I do not believe that another instrument of injustice—war—is a remedy for these wrongs.

"There can be no peace without law. And there can be no law if we work to invoke one code of international conduct for those who oppose, and another for our friends. The society of nations has been slow in developing means to apply this truth. But the passionate longing for peace on the part of all peoples of the earth compels us to speed our search for new and more effective instruments of justice. The peace we seek and need means much more than mere absence of war. It means the acceptance of law and the fostering of justice in all the world. To our principles guiding us in this quest we must stand fast. In so doing, we can honour the hopes of all men for a world in which peace will truly and justly reign."

The Washington Correspondent of *The Times*, in despatches on Oct. 31 and Nov. 1, said that President Eisenhower's "restrained declaration" was "hardly reflected in the bitter denunciation and anger vented by most American commentators on Britain and France for intervening in the hostilities." The Correspondent referred *inter alia* to "open allegations of collusion with Israel"; to "hot resentment felt at the lack of advance information of the Anglo-French ultimatum"; to the "severe strain" which the crisis had placed on Anglo-American relations; and to the charges of "trickery," "deceit," and "imperialism" which were being "hurled by radio and television" against Britain and France.

Mr. James B. Reston, head of the Washington Bureau of the *New York Times*, said in a despatch to that paper on Oct. 31:

"There was no attempt in official quarters to conceal the disappointment of the U.S. Government in the sudden—and what is felt here [in Washington] to be the provocative—action of the British and French Governments. . . . So sharp were the feelings here on this question that officials of the U.S. Government lent some credence to reports that the Israeli Government not only had informed the French and British in advance of the plan to invade Egypt, but that the Israeli officials were encouraged to believe that they would have the support of France and perhaps even of Britain if they did move . . . Consequently the capital was full to-night of charges of 'collusion' between Israel and France, and to a lesser extent between Israel and Britain."

It was announced in Washington on Nov. 2 that the U.S. Government had halted all shipments to arms to Egypt and Israel, in conformity with the U.N. resolution calling upon all members to "refrain from introducing military goods into the area of hostilities."

Reactions in the Middle East.

Reactions in the countries of the Middle East are summarized below:

Jordan. - Mobilization and State of Emergency. - Relations broken with France. - Boycott of French Goods.

The Jordanian Government proclaimed a state of emergency on Oct. 31, imposed a censorship, and announced a general mobilization of the armed forces. On the following day the Government presented Notes to the British and French Ambassadors in Amman protesting against the Anglo-French "aggressive attack" against Egypt, and announced that British aircraft would not be allowed to use the two R.A.F. bases in Jordan for operations against Egypt.

Diplomatic relations with France were broken off on Nov. 1, and an economic boycott imposed two days later on all goods from France or French colonial territories. French cultural and educational institutions in Amman were placed under Government control on Nov. 10. [The French Consulate in Amman had been sacked and burned out on Oct. 28 by mobs protesting against the arrest of five Algerian nationalist leaders.]

A royal decree issued on Nov. 11 provided for the formation of a "resistance force" for young men aged 18 and over who volunteered "to fight aggression or invasion." The force was placed under the command of the Jordanian Army.

The British War Office announced on Nov. 8 that "in view of the possibility of disturbances resulting from the present situation in the Middle East," it had been agreed with the Jordanian authorities that British Army personnel in Jordan would "temporarily discontinue their technical and advisory duties." [According to a written answer in the House of Commons on Oct. 24, there were 12 British officers serving with the Jordanian Army, formerly the Arab Legion.]

The Iraq Petroleum Company's pipeline was blown up at Irbid (northern Jordan) on Nov. 12 by unknown persons, an official inquiry being instituted. The pipeline runs from Kirkuk (Iraq) to Haifa (Israel), but had been unused since 1948, when Iraq stopped the flow of oil to Israel.

Syria. - Mobilization and State of Emergency. - Relations broken with Britain and France - Demolition of Oil Pipelines.

Following a general mobilization and the proclamation of a state of emergency on Nov. 1, the Syrian Embassy in Washington informed the U.S. Government on the following day that Syria was placing her armed forces under the command of the Egyptian C.-in-C. "in implementation of the Egyptian-Syrian defence pact." Diplomatic relations were broken off with Britain and France on Nov. 2.

The Iraq Petroleum Company announced on Nov. 3 that the pumping of crude oil through Syria had been suspended as a result of the blowing-up of the company's three pumping stations in that country. A spokesman of the I.P.C. said that extensive damage had been done to all three stations—one just inside the Syrian-Iraqi border, the second some way east of Palmyra, and the third between Palmyra and Homs. [The pipelines affected run from the Iraqi oilfields to the Mediterranean ports of Tripoli and Banias, and carry 25,000,000 tons of oil a year.]

The British Foreign Office stated on Nov. 5 that, according to information available, the pipelines had been blown up by units of the Syrian Army. H.M. Government held the Syrian Government "directly responsible for these acts of sabotage" and had called upon it to take immediate action to repair the damage and ensure the continued operation of the pipeline.

The Syrian Minister of Public Works denied on Nov. 6 that the Syrian Army had been responsible for the demolitions, and said that the necessary measures would be taken to repair the damaged stations.

Iraq. - Martial Law. - Iraqi Forces moved into Jordan. - Relations broken with France. - Demand for "Liquidation" of Israel.

The Iraqi Foreign Minister informed the British, French, and U.S. Ambassadors on Oct. 30 of his Government's "deep concern" at Israel's attack on Egypt. Martial law was imposed on the following day, the decree speaking of Iraq's intention to "extend military assistance to Jordan." A Baghdad announcement of Nov. 4 stated that Iraqi troops had entered Jordan in response to a request by King Hussein, but no further information was given owing to the censorship both in Iraq and Jordan.

On Nov. 9 the Iraqi Government broke off diplomatic relations with France, and announced that it would not take part in any further meetings of the Baghdad Pact Council if Britain attended. On Nov. 13 a Note was handed to all diplomatic representatives in Baghdad declaring that the only solution of the Middle East problem, in the opinion of the Iraqi Government, was the liquidation of Israel as a State, the return of its inhabitants to "their former homes," and the re-entry of the Palestine Arab refugees. The statement said that Iraq intended to call on the United Nations to take such action.

Saudi Arabia. - Relations broken with Britain and France. - Ban on Flow of Oil to Bahrein Refinery.

Saudi Arabia broke off diplomatic relations with Britain and France on Nov. 6 because of their "armed aggression" against Egypt. At the same time the Saudi Arabian Government cut off the flow of oil through the pipeline from Saudi Arabia to the Bahrein refinery, and banned British and French tankers from using Saudi ports.

Officials of the Arabian-American Oil Company (Aramco) said in Washington on Nov. 3 that reports had been received from the Middle East indicating that its oil pipeline from Saudi Arabia to the Mediterranean had been blown up at several points. The pipeline runs from the Saudi Arabian oilfields near the Persian Gulf through Saudi Arabia, Jordan, and Syria to the Mediterranean coast in Lebanon. It is over 1,000 miles long and normally carries 315,000 barrels of oil a day.

Persian Gulf Sheikhdoms.

Gangs of rioters in Bahrein burned down several buildings on Nov. 5, attacked a Government office, and attempted to set fire to a Roman Catholic Church. A curfew was imposed, police action taken against the rioters, and order restored after the arrest of four leaders of a "Committee of National Union," the body fomenting the disturbances. The Ruler of Bahrein announced that the organization had been dissolved, emphasizing that it had persistently obstructed Government efforts at reform and had threatened people accepting membership of Government committees.

Demonstrations against Britain and France in Kuwait led to a ban on meetings, demonstrations, or strikes.

U.S. Nationals evacuated from Middle East. - British Nationals evacuated from Jordan.

American nationals in the Middle East countries (about 5,000 in all) were instructed on Oct. 29 to leave Egypt, Syria, Jordan, and Israel unless there were compelling reaons why they should remain. During succeeding days U.S. civil and military planes organized an airlift of U.S. citizens from Cairo, Alexandria, Tel-Aviv, Amman, and other cities. British subjects in Jordan were also advised by H.M. Government to leave the country "until conditions improve."

Soviet Reactions. - Moscow Demonstrations against Britain, France and Israel. - Threat of Soviet "Volunteers" to aid Egypt.

The Anglo-French intervention in Egypt was bitterly attacked by the Soviet press and radio and in Soviet official circles, being described by Mr. Shepilov (at a Belgian Embassy reception on Nov. 1) as an "act of gangsterism." The Soviet Government announced on the same day that it would call for a conference of the "Bandung Powers" to demand the withdrawal of British, French and Israeli forces from Egypt.

On Nov 2 the Soviet Government sent Notes to Britain and France accusing them of establishing a "naval blockade" in Eastern Mediterranean and Egyptian waters, of closing the Red Sea and parts of the Mediterranean to shipping, and of contravening the 1888 Convention providing for free navigation on the Suez Canal. The Notes added that Britain and France bore the full responsibility for "acts of aggression affecting not only Egypt but also other States."

Several thousand persons—most of whom appeared to be students and factory workers—demonstrated on Nov. 5-6 outside the British, French and Israeli Embassies in Moscow, shouting slogans such as "Hands off our Egyptian brothers" and "Get out of Egypt." Petitions demanding the immediate withdrawal of Anglo-French and Israeli forces from Egyptian territory were handed in at the British and French Embassies. One group of demonstrators pushed their way into the British Embassy in an attempt to see the Ambassador, Sir William Hayter, who subsequently made a strong protest to the Soviet Government at this violation of diplomatic immunity. The demonstrations—the first of their kind in Moscow—were apparently organized with official approval.

The official Tass Agency issued a statement on Nov. 10 saying that many Soviet citizens, including "great numbers of pilots, tank personnel, artillerymen, and officers who took part in the Great Patriotic War" [i.e. the Second World War] had "asked to be allowed to go to Egypt as volunteers so as to fight together with the Egyptian people to throw out the aggressors from Egypt." After declaring that "the Soviet people will not stand passively by at the spectacle of international banditry," Tass quoted "leading Soviet circles" as saying that "if Britain, France, and Israel, contrary to U.N. decisions, do not withdraw their troops from Egyptian territory

. . . and delay the implementation of the [U.N.] decisions . . . the U.S.S.R. will raise no obstacles to the departure of Soviet volunteers who wish to take part in the struggle of the Egyptian people for their independence."

The Egyptian Ambassador in Moscow stated on Nov. 12 (at a Swedish Embassy reception) that over 50,000 Soviet reservists had volunteered for service in Egypt; he also told press correspondents that 250,000 volunteers had been offered by Communist China and 50,000 by Indonesia. On Nov. 15, however, the Syrian Minister in Bonn (Dr. Istuani) issued a press statement saying that there were no Soviet volunteers in the Middle East; that the Egyptian Government had decided that foreign volunteers were no longer required because the cease-fire was in force; and that the question of volunteers had thus become "irrelevant." Dr. Istuani said that he spoke on behalf of all Arab Governments having diplomatic missions in Bonn (Egypt, Syria, Jordan, Iraq, and Yemen).

Chinese Communist Support for Egypt.

The Chinese Communist Government issued a statement on Nov. 8 declaring that it could "not stand idly by while Egyptian sovereignty and territory are subjected to encroachment," and promising Egypt "all effective measures within our ability, including material aid." In addition to attacking Britain and France, the statement also accused the United States of "taking advantage of the Anglo-French aggression to establish its own control over Egypt," and declared that the U.S.A., Britain and France wanted an international force in the Canal Zone "to realize their vile scheme of depriving Egypt of her sacred sovereignty over the Suez Canal."

Despatches from Peking said that registration offices were being opened for Chinese "volunteers" who wished to fight for Egypt, in this connexion the Egyptian Ambassador in Peking, like the Ambassador in Moscow, said that 250,000 Chinese "volunteers" had offered their services Mr. Chou En-lai (the Chinese Premier) sent a message to President Nasser on Nov. 12 congratulating him on Egypt's resistance to Anglo-French "gunboat policy," and offering a gift of 20,000,000 Swiss francs (about £1,600,000) to Egypt.

Indonesian Demonstrations against Britain and France. - Attacks on British and French Embassies.

Tens of thousands of persons, including large numbers of students, took part in a mass meeting in Jakarta on Nov. 7 to protest against the Anglo-French intervention in Egypt. Placards were carried bearing the words "Death to Eden and Mollet," effigies of Sir Anthony Eden were burned, and resolutions were conveyed to the Indonesian Prime Minister (Dr. Sastroamidjojo) and the Foreign Minister (Mr. Abdulgani) denouncing the actions of Britain, France, and Israel.

After the meeting, mobs of young demonstrators attacked the British and French Embassies, smashed the windows, and tore down the British and French flags. Other demonstrators sacked the offices of the British Information Service in Jakarta, smashed furniture, and tried to set fire to the premises. Dr. Sastroamidjojo subsequently apologized to the British and French Ambassadors for these incidents.

Egypt breaks off Relations with Australia.

Egypt announced on Nov. 6 that she had broken off diplomatic relations with Australia. It was announced in Ottawa on the following day that Canada had agreed to protect Australian interests in Egypt.

Switzerland, which had already agreed to act as protecting Power for British and French interests in Egypt, announced on Nov. 4 that she would also protect the interests of both countries in Syria and French interests in Jordan —(Times - Daily Telegraph - Manchester Guardian - News Chronicle - Daily Herald - Observer - Sunday Times - New York Times - New York Herald Tribune - Le Monde, Paris - United Nations Information Centre, London - Australian News and Information Bureau - New Zealand Directorate of Information - Indian and Pakistan High Commissioners' Offices, London)

(Prev. rep. Middle East, 15173 A.)

A. UNITED STATES. — Mr. Dulles' Illness.

Mr. Dulles (68), the U.S. Secretary of State, was taken suddenly ill during the night of Nov. 2-3 and underwent an emergency intestinal operation at the Walter Reed Army Hospital in Washington on Nov. 3, when it was found that the colon (the large intestine) was perforated. On the following day it was announced that medical examination of that part of the colon which had been removed had revealed a cancerous condition (*adenocarcinoma*), although it was emphasized that there was "no evidence whatsoever" that the malignancy had spread to any other organ.

Mr. Herbert Hoover jr., the Under-Secretary of State, was placed in charge of the State Department as acting Secretary during the illness of Mr. Dulles.

(New York Times - New York Herald Tribune)

B. NOBEL PRIZES. — Awards for 1956.

The Nobel Prize awards for 1956 were announced during October and November as follows:

Literature. The Literature Prize was awarded to Juan Ramón Jimenez (74), the eminent Spanish poet, for his "lyrical poetry which in the Spanish language sets an example of high spiritual quality and artistic purity" The last occasion on which the Nobel Prize for Literature had been awarded to a Spaniard was in 1922, when the recipient was the dramatist Jacinto Benevente

Señor Jiménez, regarded as the leading contemporay Spanish poet, left Madrid during the Civil War and has since lived in voluntary exile in Puerto Rico He is the author of some 40 books, nearly all in verse, and is famous in Spanish letters for his odes to his donkey, "Platero"

Medicine. The Prize for Medicine and Physiology was awarded jointly to three heart specialists—two American and one German—for their discoveries of new techniques in the diagnosis and treatment of heart disease The recipients were Dr. Andre F Cournand (61), Professor of Medicine at Columbia University, New York; Dr. Dickinson W. Richards, also of Columbia, and Dr. Werner Forssmann (52), of Bad Kreuznach, Western Germany.

Dr. Forssmann, at great risk to his own life, pioneered a technique of getting information about the heart by an operation which he performed on himself in 1929 He opened an artery in his arm, inserted a catheter (thin tube) which he pushed up and beyond his shoulder until it entered the right chamber of the heart, and then had the results photographed by X-rays In subsequent years he performed many other dangerous experiments on himself, obtaining data as a result of which Drs Cournand and Richards developed new techniques which have been used with great success in the treatment of congenital heart disease

The official citation said that Drs Forssmann, Cournand and Richards had been honoured for "discoveries concerning heart catheterization and pathological changes in the circulatory system," and that their investigations have meant that "diagnosis can now be made earlier and with greater certainty than before"

Chemistry. The Prize for Chemistry was awarded jointly to a British and a Russian scientist—Professor Sir Cyril Hinshelwood, president of the Royal Society and Dr Lee's Professor of Chemistry at Oxford, and Professor Nikolai Semenov, Director of the Institute of Chemical Physics of the Soviet Academy of Sciences Dr. Semenov was the first Soviet citizen to be awarded a Nobel Prize.

Professors Hinshelwood and Semenov, working independently but on parallel lines, have made important discoveries in the field of chemical kinetics (the study of the rates at which chain reactions proceed), and the results of their work have had important practical applications in the plastics industry and in the production of more efficient automobile engines. In spite of the "Iron Curtain," the two scientists have been in close personal touch for the past 25 years.

Physics. The Prize for Physics was awarded jointly to three American scientists engaged on research work in telephonics at the Bell Laboratories—Dr William Shockley, Dr. Walter H Brattain, and Dr. John Bardeen. They were honoured for their invention and development of the transistor—a tiny but highly efficient substitute for the vacuum tube in electronics

The transistor (or transfer-resister) has proved itself highly efficient as a detector and amplifier in telephonics, and as a regulator and timer of electrical-current flow. As compared with the vacuum tube, it is about one-thousandth as large, one-hundreth as heavy, and requires only one-tenth the amount of electrical power for its operation.

Peace Prize. For the second successive year, no award was made of the Nobel Peace Prize.

The Literature Prize is awarded by the Royal Swedish Academy of Literature; the Medicine and Physiology Prize by the Royal Carolinian Medico-Surgical Institute of Stockholm; the Chemistry and Physics Prizes by the Royal Swedish Academy of Science; and the Peace Prize by the Norwegian Parliament. The value of the Nobel Prizes for 1956 is £13,000 to £14,000 each.—(Svenska Dagbladet, Stockholm - Aftenposten, Oslo - Times - Manchester Guardian - New York Times)

(Prev. rep. Nobel Prizes, 14509 D.)

C. FRANCE. — Memorial to Unknown Jewish Martyr.

A memorial to the Unknown Jewish Martyr, commemorating the 6,000,000 Jews who were exterminated by the Nazis during the Second World War, was unveiled in Paris on Oct. 30 in the presence of M. Le Troquer, President of the French National Assembly (deputizing for President Coty), other French dignitaries, and delegates from 24 countries. The project for such a memorial had been launched in 1952 with the support of prominent personalities in many countries, including Queen Elisabeth of the Belgians, Sir Winston Churchill, M. Vincent Aurol (then President of France), and Mrs. Eleanor Roosevelt, widow of the late President Franklin D. Roosevelt.

(Le Monde, Paris)

D. SOVIET UNION. — Further Nuclear Test.

The Tass Agency announced on Nov. 17 that a successful nuclear test had been carried out on that date "at a great height over Soviet territory." No further details were given.

(Manchester Guardian) **(Prev. rep. 15124 A.)**

A. COLOMBO POWERS. — Prime Ministers' Conference on Middle East and Hungarian Situations. - Denunciation of Anglo-French Action in Egypt and Soviet Action in Hungary.

At the suggestion of the Indonesian Prime Minister, the Prime Ministers of four of the five Colombo Powers met in Delhi on Nov. 12-14, the meeting being attended by Mr. Nehru (India), U Ba Swe (Burma), Mr. Bandaranaike (Ceylon), and Dr. Sastroamidjojo (Indonesia). The Prime Minister of Pakistan (Mr. Suhrawardy) did not participate, explaining beforehand that he was flying to Teheran to attend a conference of "Baghdad Pact" Premiers on the Middle East situation.

The following joint statement was issued on Nov. 14 at the end of the conference:

"(1) . . . This meeting of Prime Ministers was convened more especially to consider the grave situation that had arisen on account of the Israeli attack on Egypt and the military operations by the U.K. and France against Egypt The Prime Ministers considered also the situation in Hungary and the grave developments in the international situation which threaten the peace of the world Each of them individually had already given expression to his concern at these developments, and had expressed his strong disapproval and distress at the aggression of and intervention by Great Powers against weaker countries. .

"(2) The Prime Ministers note with satisfaction the impressive expression of world opinion both within and outside the United Nations against the aggression on Egypt They welcome the resolution of the U.N. General Assembly adopted on Nov. 2, 1956, and reaffirmed and reinforced by its resolutions of Nov. 4 and 7, directing the cessation of hostilities and the withdrawal of the forces of Israel, the United Kingdom, and France from the territory of Egypt They note also with satisfaction that these resolutions have largely resulted in a cease-fire in the area of hostilities and in assurances being given on behalf of the Governments of the United Kingdom, France and Israel that their armed forces will be withdrawn from Egypt.

"(3) The Prime Ministers, however, regret that these armed forces have not yet been withdrawn and that various conditions have been laid down by the Governments of the aggressor countries which, according to them, should be fulfilled prior to withdrawal The Prime Ministers strongly disapprove of any such conditions being laid down, and consider such reservations as contrary to the directions of the U.N General Assembly. They are of opinion that the Assembly's resolutions should be implemented in their entirety forthwith, and all foreign forces withdrawn from Egyptian territory.

"(4) The Prime Ministers welcome the creation of an International United Nations Force. This force should be a temporary one and its functions should be strictly confined to the directions laid down in the General Assembly's resolution Any delay in the implementation of this resolution and in the withdrawal of foreign forces will lead to further complications and an aggravation of the present serious situation. There can be no approach to normality and no consideration of any other problems so long as foreign forces have not been completely withdrawn from Egypt

"(5) The Prime Ministers have watched with deep distress the tragic events in Hungary. The large-scale violence used on all sides has resulted in the killing of thousands of people and has brought misery and destruction to that country. They regret that the Soviet forces, which had been withdrawn in accordance with the policy laid down in the statement issued by the Government of the U.S.S.R. on Oct 30, were reintroduced into Budapest a few days later The Prime Ministers consider it the inalienable right of every country to shape its own destiny for itself, free from all external pressures They are of opinion that the Soviet forces should be withdrawn from Hungary speedily and that the Hungarian people should be left free to decide their own future without external intervention from any quarter.

"(6) The Prime Ministers have watched with great interest and appreciation the new forces towards democratization in the countries of Eastern Europe. They welcome the peaceful changes brought about in Poland. Unfortunately the process of change in Hungary was accompanied by violence which not only led to misery and destruction but also impeded that process

"(7) The Prime Ministers commend the U.N. resolution appealing for immediate aid to Hungary for the relief of distress. The need for such relief in Egypt is equally urgent. They are recommending to their Governments to give such assistance as is possible in both these areas . . .

"(8) While the Prime Ministers welcome the slight improvement in the international situation, they are conscious of grave dangers and the ever-present possibility of conflict breaking out again. There is evidence of armed forces being marshalled and the spirit of war being encouraged The immediate issue is the avoidance of a World War, which would be a crime against humanity. They earnestly urge that no step should be taken by any country which could add to the tension and to the possibility of conflict

"(9) Recent events have demonstrated . . that powerful nations can still commit aggression on weaker countries and attempt to impose their will upon them . . . There are other examples also in Colonial countries where the peoples' will to freedom is sought to be crushed by armed force. In Algeria the struggle for freedom continues in spite of repression. Recently a number of Algerian leaders were arrested by the French authorities as they were travelling by air as guests of the Sultan of Morocco to consider possibilities of a settlement This has shown to what extraordinary lengths a great Power can go in its attempt to suppress the urge to freedom.

"(10) In the course of the past year many developments had taken place which indicated a relaxation of the fears and tensions that afflict the world. The Prime Ministers had hoped that the co-operative spirit of Bandung and the Five Principles of peaceful co-existence would help in removing these fears and tensions. It has therefore come as a great shock to them that aggression can be committed and ruthless suppression take place in spite of the widespread desire of the peoples for peace and freedom. Neither peace nor freedom can come if strong nations, trusting to their armed power, seek to compel weaker countries to obey their will. This reversal of a historic process has particular significance for the countries of Asia and Africa, who have no great military strength and who have to rely on the justice of their cause and the determination of their peoples.

"(11) Many of the countries of Asia and Africa have recently become independent and emerged from a colonial or semi-colonial status, while others are struggling to attain freedom. To all these countries a revival of the spirit and methods of Colonialism is a matter of great concern. Intervention in the affairs of another State, though meant to protect special interests, is sometimes justified on the plea of international co-operation. The Prime Ministers are opposed to any such intervention and are determined to resist any resurgence of Colonialism whatever form it may take. They have every confidence that the United Nations will support the cause of freedom and oppose every attempt to revive or continue Colonialism.

"(12) The Prime Ministers are firmly of opinion that world peace can only be assured on the basis of freedom and disarmament. Military pacts and alliances, in particular those intended to serve the interests of great Powers, encourage fear and a race in armaments. Recent history has shown that such pacts, instead of bringing security to any region, have brought apprehension, trouble and conflict. The Prime Ministers earnestly trust that this policy of military pacts and of stationing troops of one country in the territory of another will be abandoned The real and urgent need is that the under-developed countries of the world should be helped to progress and to raise the standard of living of their peoples

"(13) The Prime Ministers recall the final communiqué of the Asian-African Conference held in Bandung in April 1955, and the ten principles embodied therein to enable nations to live together in peace as good neighbours and to develop friendly co-operation with each other. They are convinced that the only way to peace is through the practice of the Bandung principles. They reaffirm their adherence to these principles, which embody the Five Principles of *Panch Sila*.

"(14) The Prime Ministers consider that every effort should be made to support and strengthen the United Nations in its task of preserving peace. They welcome the continued close collaboration between the nations of the Asian-African group at the U.N. Recent events have cast the shadow of war over the world The Prime Ministers hope that the situation will improve, but in any event grave dislocations have already taken place and are likely to continue for some time in the economic sphere and in trade, shipping and supplies. It is desirable that there should be joint and co-operative action in this matter among the Colombo countries, and that any machinery necessary for joint consultation should be set up.

"(16) While much has happened recently which the Prime Ministers deplore, the dangers and difficulties confronting the world are too great to be dealt with merely by disapproval or condemnation. It is in an earnest attempt to help the cause of peace and freedom at this critical juncture in history that they have met together. It is in this spirit that they wish to appeal to the leaders and peoples of other countries—who, they feel sure, must be equally anxious to preserve peace and freedom—to co-operate in removing the spectre of war and the impediments that have come in the way of peace and friendly relations between nations."

The Prime Minister of Indonesia, Dr. Sastroamidjojo arrived in Karachi on Nov. 15 for discussions with Mr. Suhrawardy, at the latter's invitation.—(Indian and Ceylonese High Commissioners' Offices, London - Indonesian Embassy, London) **(Prev. rep. Middle East, 15201 A; 15173 A; Hungarian Situation, 15189 A.)**

B. ITALY. — Supply of U.S. Surplus Agricultural Products. - Italo-American Agreement.

An agreement for the supply of U.S. surplus agricultural products to Italy was signed in Rome on Oct 20 by Signor Martino, the Italian Foreign Minister, and Mrs. Clare Luce, the U.S. Ambassador. The agreement, covering supplies worth $60,800,000, provided for U.S. shipments of cotton ($29,400,000), vegetable oils ($20,000,000), wheat ($7,000,000), and tobacco ($2,000,000), with a further $2,000,000 allocated to freight costs.

It was stipulated that payment would be made in Italian lire, but that the equivalent of $45,600,000 would be made available by the U.S.A. to Italy out of the counterpart fund as a 40-year loan to help finance Italy's economic development programme. Moreover, lire to the value of another $5,000,000 would be used as an additional loan to finance Italian exports to countries in the Middle East and Far East receiving U.S. aid.
(Corriere della Sera, Milan - New York Times)
(Prev. rep. 14207 B; 14121 B.)

A. UNITED KINGDOM. — Sir Anthony Eden's and Mr. Gaitskell's Broadcasts on Middle East Crisis. - The Prime Minister's Guildhall Speech.

Broadcasts on the Middle East crisis were made by the Prime Minister on Nov. 3 and by the Leader of the Opposition on Nov. 4, the texts being given below :

Broadcast by Sir Anthony Eden.

" For 10 years there has been fighting, trouble and turmoil in the Middle East. Ever since the armistice of 1949 between Israel and Egypt, Egypt has been insisting that she is still at war with Israel. Again and again the United Nations has tried to bring a settlement and peace, but without result. All the time this country has worked tirelessly for agreement, and we have tried to prove our desire for friendship with Egypt. We withdrew from the Canal Zone We made an agreement about the Sudan. We have certainly gone to the limit in our efforts for friendship, and all these friendly approaches have failed."

Sir Anthony went on to quote from two statements by the Egyptian Government in which it had clearly proclaimed its intention to exterminate Israel and to drive Britain out of the Middle East The first statement declared " There will be no stability until this small but vile State is stifled." The second statement said . " We must not lose sight of our goal to fight the British serpent and expel it utterly from our lands "

The Prime Minister continued " Lands, of course, means the whole of the Middle East. It was the Egyptian threat, openly and publicly proclaimed. Deeds speak louder than words. We have seen the purchase of arms from behind the Iron Curtain. In early August, when Nasser seized the Canal, Mr Gaitskell called the threat to Israel ' clear notice of aggression to come.' He went on to say . ' This is all very familiar. It is exactly the same as we encountered from Mussolini and Hitler before the war ' Strong words, but justified

" Then a few days ago came the entry of Israeli troops into Egypt In the judgment of the Government this was a situation likely to lead to a widespread flare-up in the Middle East, and likely to endanger widespread British and international interests It was not possible to go on arguing who was the aggressor. But that was not the real issue for us If you see a fire, the first question is not how it started but how to put it out. In the depths of our conviction we decided that here was the beginning of a forest fire of immense danger to peace. We decided that we must act, and act quickly. What we did was to take police action at once—action to stop the fighting and to separate the armies We acted swiftly and reported to the Security Council I believe that before long it will become apparent to everybody that we acted rightly and wisely

" Our friends inside the Commonwealth and outside could not in the very nature of things be consulted in time You just cannot have immediate action and extensive consultation as well But our friends are coming—as Australia and New Zealand have already done, and I believe that Canada and the United States will soon come—to see that we acted with courage and speed to deal with a situation which just could not wait We cannot allow the conflict in the Middle East to spread Our survival as a nation depends on oil. Nearly three-quarters of our oil comes from that part of the world. Chaos in the Middle East would permanently lower the standard of life in this country, in Europe, and in many poorer countries in the world.

" All my life I have been a man of peace—working for peace, striving for peace, negotiating for peace. I have been a League of Nations man and a United Nations man I am still the same man, with the same convictions and the same devotion to peace. I could not be other, even if I wished But I am utterly convinced that the action we have taken is right. Over the years I have seen, as many of you have, the mood of ' peace at any price ' Many of you will remember that mood in our own country, and how we paid for it.

" There are times for courage, times for action, and this is one of them in the interests of peace I do hope we have learned our lesson. Our passionate love of peace, our intense loathing of war, has often held us back from using force, even when we knew—in our heads if not in our hearts—that its use was in the interests of peace. I believe with all my heart and my head that this is a time for action, effective and swift. Yes, even by the use of some force to prevent the forest fire from spreading, to prevent the horror and devastation of a larger war. The Government knew this action would shock and hurt some people . . . I think it is better to destroy machines on the ground than let them destroy people from the air It was our duty to act and act swiftly, if by such action we were to secure peace."

" The Government has learned that the Israel forces have captured the Egyptian Army in Sinai. It has also learned that the U N. Truce Organization is trying to arrange contact between the two sides to establish terms of surrender. We hope this organization will be able to arrange for the return of all captured Egyptians to Egypt. It seems that Israel has succeeded in destroying the bases in Sinai and Gaza at which Egyptian Commandos were trained for attacks on Israel. Once British and French forces have occupied key positions on the Canal, the British Government will ensure that the Israeli forces will withdraw from Egyptian territory. I believe this is their intention. But they will not do so unless we are there to keep the peace and to give the necessary guarantees.

" First and foremost, we want to stop the fighting, separate the armies, and make sure there is no more fighting. We have stepped in because the United Nations could not do so in time. If the U.N. will take over this police action, we shall welcome it. Indeed, we have proposed that course to them. Police action aims not only to end the fighting but to bring lasting peace to the area. Until the United Nations is ready to take over, we and France must be ready to go on with the job until the job is done. Let us hope the outcome will be not only peace in the Middle East, but a strengthened United Nations —one with power to act as well as to talk, a real force for peace in the world."

Mr. Gaitskell's Broadcast.

' It has been a tragic, terrible week Indeed, a tragic and terrible day with the news coming in about Hungary. It has been, I think, by far the worst week for the world and for our country since 1939.

" Last Monday evening came the news of the Israeli attack on Egypt. Israel had been threatened and provoked She was entitled to better guarantees of her security But there is no denying that the large-scale invasion of Egypt was an act of aggression The Prime Minister says we could not afford to wait. We had to act, he said, immediately on our own before the Security Council could decide or do anything. Yet what are the facts ? By Tuesday evening, even before the 12-hour ultimatum to Egypt had expired, the Council had met, reached a clear decision, and been blocked by the Prime Minister's own veto There was no lack of speed here The trouble was obstruction—obstruction by Britain

" What should have been done ? If only we had supported that resolution and followed it up by proposing that a United Nations police force should see that the resolution was carried out ! We could have offered to be part of the police force ourselves. This would not have been intervening on one side or the other. We should have been acting on behalf of the U.N., with their full authority and with world opinion behind us. But this is not what happened. Having rejected the U N resolution, we carried out our threats We went to war with Egypt. Make no mistake about this—it is war. We are doing all this alone except for France, opposed by the world and in defiance of the world. It is not a police action

" The Prime Minister says it was done to safeguard the Canal and free passage through it. What has happened to the Canal ? It is blocked because of what we have done. The real reason for going to war with Egypt was different I have seen the text of the first broadcast of the Allied Command to the Egyptians This is what it said, in Arabic of course : ' Oh, Egyptians, why has this befallen you ? First because Abdul Nasser went mad and seized the Suez Canal.' The broadcast was right. It was this which really induced the Prime Minister to decide on invasion.

" The U.N. Assembly, messages pouring in from everywhere, confirm the general opinion that Britain and France used the attack on Egypt by Israel as a barefaced excuse to seize the Canal. We have violated the U.N. Charter In doing so we have betrayed all that Britain has stood for in world affairs. To-day we stand as the aggressors. What are the consequences ? A deep division in the Commonwealth Only Australia and New Zealand support us

" I cannot but feel, hearing to-day's heartbreaking news from Hungary, how tragic it is that at the very moment when the whole world should be united in denouncing this flagrant, ruthless, savage aggression by Russia against a liberty-loving people, we by our criminal folly should have lost the moral leadership of which we were once so proud.

" Many of you will be saying, I am sure, ' What can we do about it ? '—many of you who feel just as strongly as I do how terribly wrong this whole policy has been, and how terribly dangerous in the long run to our own security. I do not think there is any doubt as to what the policy should be now. We should surely, without qualification, argument or conditions, accept the resolution of the U.N. Assembly calling for an immediate cease-fire Egypt has already said that she accepts this resolution. There is reason to believe that Israel will accept the cease-fire also. Why should not Britain and France do likewise ?

" We should do something else. We should also give full support to the new resolution, on which we abstained, for a United Nations Force to police the Arab-Israel borders until a proper peace settlement has been reached. But make no mistake : this means abandoning the idea which has been at the root of this policy, the idea of trying to solve the Suez Canal problem by force. It means going back to negotiating a settlement of this issue.

" I do not believe the present Prime Minister can carry out this policy. I bear him no ill-will. We have been personally quite friendly, but his policy this last week has been disastrous, and he is utterly discredited in the world. Only one thing now can save the reputation and the honour of our country Parliament must repudiate the Government's policy. The Prime Minister must resign.

" The Labour Party cannot alone achieve this We are a minority in the House of Commons. So the responsibility rests with those Conservatives who, like us, are shocked and troubled by what is happening, and who want a change I appeal to them especially. Theirs is a difficult decision, and I want to say to them that our purpose, too, in this matter rises above party I give them indeed this pledge. We undertake to support a new Prime Minister in halting the invasion of Egypt, in ordering the cease-fire, and complying with the decisions and recommendations of the United Nations. In that way only can the deep divisions in the country on this matter be closed I appeal to those who can bring this about to act now and save the reputation of our country and the future peace of the world."

The Prime Minister's Guildhall Speech.

Sir Anthony Eden spoke of both the Middle East and the Hungarian situations in his Guildhall speech of Nov. 9, at the traditional banquet given to the Prime Minister by the new Lord Mayor of London, Sir Cullum Welch.

"There is in the minds of free men, the world over, shock and horror at the tragic spectacle of what has happened in Hungary," the Prime Minister declared. "We are seeing the liberty and national existence of a heroic people stamped out by ruthless repression The world has stood powerlessly by, unable to help except with such medical supplies as it may be possible to distribute. We must face the fact that so long as such things can happen, the United Nations is very far from becoming the world order we would wish it to be

"There has now been a generous and helpful proposal from the Swiss Government [see 15216 B] for a meeting of a number of Heads of Governments. Clearly the response to this must depend on others besides myself. But for my part, as one of those invited, I say I am prepared to go anywhere and meet anybody to help in a situation of such danger in Europe and the Middle East"

The Prime Minister went on to recall his Guildhall speech of 1955 [see 14519 A], speaking as follows. "I know you will forgive me if I remind you of some of the words I then used I said, in speaking of the Middle East: 'Beneath the volcanic crust of the smouldering dangers lies a deeper peril still. The hostility between Israel and her Arab neighbours is unreconciled Time has proved no healer' I gave a warning of the new danger of the influx of arms from behind the Iron Curtain. These words were true then How much deeper meaning have they since acquired! I urged a search for common ground. I said that we had only one desire, to find a means which would enable the two peoples to dwell side by side My words on that occasion did not pass without some criticism. . And lately I have been even more vigorously belaboured. But long experience has taught me that to be criticized is not always to be wrong

"We all know what has happened since last year Tension in the Middle East has grown Arab has attacked Jew, Jew, Arab. Passion, hatred, murder—we have seen them all. We have seen violent evidence of the smouldering dangers which lie beneath the volcanic crust. And no-one can deny that upon the shoulders of Egypt and her ruler rests much of the responsibility.

"The Egyptian Government again and again has proclaimed its intention to crush Israel. By threats and propaganda it has poured out its hostility to Britain and to the West. Armed with weapons from behind the Iron Curtain, Egypt has clearly been preparing for the day when her deeds would match her words And then, two months ago, she seized the Suez Canal. This, briefly, was the background of the events which led to the outbreak of hostilities on a major scale between Egypt and Israel.

"It is not for us at this moment to name an aggressor. What on that day seemed virtually certain was that the whole of the Middle East would be set alight, and who can say where the fire would have stopped? These are matters which no-one can determine with absolute certainty. What is beyond dispute is that these events presented a mortal danger to British and international interests and to the peace of the world.

"In these circumstances the British and French Governments decided on a swift and decisive intervention. We alone of all the nations had forces in the area prepared for instant action in such an emergency. It rested upon our two Governments to take a decision. We did so together If there had been a general conflict, sooner or later this country would have been involved That was the prospect before us, and the Government's conclusion was reached with a solemn sense of the burden of our responsibility.

"We had two choices. We could have referred the matter to the Security Council and awaited the outcome, or we could have intervened as we did Had we contented ourselves with a reference to the Security Council, does anyone think that any more positive action would have been taken than has been taken over all these years in the Middle East before? Has not the Security Council on no less than 200 occasions discussed the Palestine problem? Is not the heart-rending struggle in Hungary yet another tragic and humiliating example of an incapacity to do more than express the horror and indignation which the world is feeling?

"And while discussions were proceeding, the war in the Middle East would have continued to flame, with consequences no man can foretell. H.M. Government were faced with harsh alternatives There was grave peril in any decision, but to do nothing would have been the worst of all. A decision was taken to act swiftly, to send a police force to end the fighting and pave the way for a new settlement of the problems of the area.

"I know that many had heavy hearts when they learned that Britain and France had taken independent action. But we did what the United Nations without a police force could not do in the time. After a lifetime spent in foreign affairs, I am sincerely and deeply convinced that if we had not acted, the whole Middle East would be in flames to-day.

"I recall that when the United Nations was set up, it was intended that the Security Council should have military forces at its disposal This was in the days of high hopes just after the war. That conception foundered because of the deep divide which has cleft the world in two. The Prime Minister of Australia, Mr. Menzies, a true friend, has truly said that the purpose of the U.N. is not to make great Powers impotent and small Powers truculent, but to reconcile the strength of great nations with the strength of an international organization.

"If the great Powers are unwilling or unable to preserve the peace, as it formerly fell to them to do, then the United Nations must be able to take their place. It must at least be endowed with the strength to protect the peace and uphold the law. If the result of our action in the Middle East is to bring the world face to face at last with that reality, we shall not have acted in vain.

"For the present there are certain events of which we can take account The fighting has ceased—that was our first purpose The principle of a U.N. Force has been approved, it is now being translated into a reality. If, as seems possible, the outcome is a new and stronger United Nations, capable of enforcing as well as resolving, the gain to the world will be beyond price

"Whatever our differences, we can all unite to pay a tribute to the three Services and to those of our French ally for the way in which they have carried out the operations in the Middle East. The most remarkable feature about our military action has been that an organization designed for destruction has been used to destroy weapons, not men. It is almost unique in history to use armed forces in the controlled way employed in this operation. The highest credit is due to General Keightley and to all ranks who served under him.

"The Services have loyally accepted and brilliantly executed orders which were designed to cause the minimum loss of life and the minimum damage to civilian property They have had to forgo the opportunity to exploit one of the most brilliant technical operations of modern times. All the more honour to them. In this great City of London we salute and thank them.

"Let me conclude with this reflection To-day there is a truce over the whole of that area. World statesmanship now has the chance to use this truce to make a firm and lasting peace, to settle the problems of these lands. We must pray that the opportunity will not be lost We will play our part constructively, fearlessly, and in good faith"

In a speech on Nov. 17 to a national rally of young Conservatives in London, Sir Anthony Eden declared that "we make no apology and will never make one for the action which we and our French allies took together." He maintained that the Anglo-French intervention in Egypt, however drastic and unpopular it might have been, had in fact limited the conflict, extinguished it, and given the world a chance to work for a solution of Middle East problems on a basis of reality. The Prime Minister also denounced the "nauseating hypocrisy" of the Soviet Government in condemning the Anglo-French action in Egypt while it was itself engaged in enslaving the Hungarian people and destroying their liberties.

"I repeat," Sir Anthony declared, "that we make no apology. Still less do we accept comparison with those who have slaughtered God knows how many thousands of the brave and unhappy people of Hungary. Now that the Press Correspondents who were covering events in Budapest have reached Vienna, the story of the Hungarian people's incredible gallantry has been told to the world, and the Soviet attack has been exposed for what it is—a brutal onslaught on a people whose only wish was to be free Compare that with our action Every conceivable precaution was taken by our forces to avoid bloodshed We welcome United Nations observers among us. They are there now. . But U.N. observers have not been allowed on Hungarian soil, let alone a United Nations force. If they were, those long trains with their tragic loads would not go rumbling eastwards. ."

It was announced from Downing Street on Nov. 19 that the Prime Minister was suffering from severe overstrain and had cancelled his immediate public engagements, and that Mr. R. A. Butler would preside over the Cabinet in the Prime Minister's absence. On the advice of his doctors, Sir Anthony Eden left England on Nov. 23 for a three weeks' holiday in Jamaica for complete rest and recuperation, accompanied by Lady Eden. (Times - Daily Telegraph) **(Prev. rep. Middle East, 15201A; 15173 A; Hungary, 15189 A; Guildhall Speech (1955), 14519 A.)**

A. NORWAY. — Lifting of Ban on Jesuit Order.

The Norwegian *Storting*, by 111 votes to 31, decided in the first week of November to repeal a provision in the Norwegian Constitution (dating from 1814) under which the Jesuit Order had been banned in Norway.

During a protracted debate, opponents of repeal argued that Jesuits more than any one else believed that "the ends justify the means," and alleged that the Jesuit Order had always opposed freedom of thought On the other hand, those supporting the lifting of the ban pointed out that, apart from Switzerland, Norway was the only country in which such a ban was still maintained. The Minister of Justice, Hr. Haugland, expressed the view that maintenance of the ban "accorded ill with the ideas of liberty now current in the world."

The opponents of repeal included the deputies of the Christian People's Party, as well as the former leader of the Conservatives, Hr. C. J. Hambro.—(Norwegian Embassy Press Office, London) **(Prev. rep. Switzerland, Repeal of Ban, 14312 B.)**

B. BULGARIA - INDONESIA.—Diplomatic Relations.

Bulgaria and Indonesia established diplomatic relations during October and agreed to set up diplomatic missions in Sofia and Jakarta. (Bulgarian Legation, London)

A. UNITED KINGDOM. — Further Reductions in Government Expenditure. - Estimates of Additional Defence Expenditure on Suez Operations.

The Chancellor of the Exchequer, Mr. Harold Macmillan, informed the House of Commons on Oct. 25 of further reductions in Government expenditure amounting to £17,250.000, bringing total savings during the current financial year to £93,250,000 towards the target of £100,000,000. Of the £17,250,000 saved, £9,000,000 was on the Defence programme and £8,250,000 on the Civil Estimates.

In his statement Mr. Macmillan announced:

(1) As from Dec. 1, the method of charging for National Health Service prescriptions (the cost of which was at present running at nearly 5s an item) would be altered to 1s. per item instead of 1s per form—a saving of £750,000 this year and £5,000,000 in a full year. Existing arrangements for refunds would be continued.

(2) A seasonal increase in the retail price of milk from 7½d. to 8d a pint would be made, as from Jan. 1, 1957, for the remainder of the winter—a net saving this year of £4,500,000 after taking into account the increased cost of school and welfare milk, for which the charge would remain unchanged.

The Chancellor concluded his statement by reminding the House that on the one hand all these decisons on Government expenditure ignored additional necessary expenditure not provided for in the original Estimates, and on the other did not take credit for underspending during the year, apart from the cuts deliberately planned. As regards additional expenditure, Civil Supplementary Estimates had been presented in July amounting to £15,000,000, excluding Post Office expenditure to be covered by self-balancing revenue. On defence. additional expenditure would be incurred by the Services in connexion with the Suez crisis, but it was not yet possible to estimate the amount involved.

Fuller details of the proposed economies were given in a statement circulated by Mr.Macmillan on the same date, some of the principal items being as follows:

Royal Navy. £1,725.000 from revision of the programme for refitting ships; and £75,000 from the review of major works at home and abroad.

Army. £2,550,000 from manpower reductions and adjustments; and £750,000 from reductions in stores purchases and certain works services.

R.A.F. £2,420,000 from manpower reductions and adjustments, and £1,480,000 from reductions in equipment and supplies.

Defence Expenditure by Civil Departments. £250,000 from reduced expenditure on equipment, railways and ports.

Commonwealth and Foreign Offices. £2,000,000, mainly through the reduction of loans to the Governments of Jordan and Kenya, and cuts on miscellaneous services.

National Health Service (in addition to the increased prescription charge): £500,000 from the run-down of hospital stocks.

Miscellaneous. £250,000 from the reduction of travelling expenditure and subsistence allowances.

Agricultural and Food Services. £5,190,000 from the seasonal increase in retail milk prices.

In reply to Opposition allegations that the proposed increases would chiefly hit old-age pensioners, Mr. Macmillan stressed that the existing arrangements for reimbursement of prescription charges for all war pensioners requiring treatment for their disabilities, all persons in receipt of National Assistance, and all old-age pensioners who could not meet the charges without hardship, would be continued.

The last annual report of the National Assistance Board showed that over £300,000 was refunded to pensioners, etc, for prescription charges. According to latest figures, the total cost of prescriptions was £59,000,000 a year and the revenue from the 1s. charge at present made was only £7,600,000. Average cost of each item was 5s.

The British Medical Association issued a statement on Oct. 26 declaring that whilst it recognized the need to reduce total expenditure on drugs, the new charges discriminated unfairly between different classes of patients. Sufferers from diabetes, varicose ulcers, and certain types of cancer, for example, continuously required drugs in several forms in addition to other medical supplies.

Economic Effects of Suez Operations.

Both Mr. Maudling (the Minister of Supply) and Mr. Macmillan made statements on the effects of the Middle East events on the British economy, in reply to an Opposition amendment moved during the debate on the Address in the House of Commons on Nov. 12.

The amendment regretted, "in view of the serious economic problems facing the country, which have been aggravated by the effects of the Government's policy in the Middle East," that the Speech from the Throne "gives no indication that Ministers intend to pursue policies to deal with the situation."

Mr. Harold Wilson (Lab.), moving the amendment, contended that the cost of the Suez crisis must have been big enough to upset the whole basis of the Budget presented last April, and that the Chancellor's £100,000,000 economy programme had turned out to be "an entire illusion."

Mr. Maudling, in reply, stated that the estimated cost of the Government's intervention in Egypt in the current financial year would be between £35,000,000 and £45,000,000 This figure, though large, was not big enough—particularly in the light of the present level of savings—to upset the disinflationary balance of the April Budget He conceded that the present situation in the Middle East would have an adverse effect on Britain's dollar reserves as she would have to pay dollars for oil and would also lose some oil revenues, though it would not be possible at present to give an accurate assessment of what that cost would be

Mr. Macmillan said that apart from the £35,000,000 to £50,000,000 additional expenditure on military arrangements arising out of President Nasser's seizure of the Canal and of subsequent events, he could see no reason why his estimated Budget surplus of £460,000,000 should not be largely realized In the first seven months of this year the Government had made real progress towards holding inflation and maintaining employment, with the result that "the position of the mass of the people has been better almost than ever before in living memory." The Suez trouble, however, and the resulting world uncertainty, had caused a loss on sterling in August, September, and October totalling $328,000,000 This, the Chancellor indicated, had nothing to do with the events of the past fortnight but reflected that the world thought Britain was faced with a serious new threat

After debate, the Opposition amendment was defeated by 321 votes to 259.—(Treasury Press Office - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 14977 A.)**

B. SWITZERLAND. — Swiss Government's Call for Five-Power "Summit" Talks.

It was officially announced in Berne on Nov. 6 that the Swiss Federal Council had decided to send telegrams to President Eisenhower and the Prime Ministers of France, Britain, India, and the Soviet Union calling for an immediate Five-Power Conference to preserve world peace. The telegram to the Heads of Governments was worded as follows:

"The threat of a third world war with all its tragic consequences is weighing on mankind Peace can and must be saved The Swiss Federal Council therefore urgently appeals to the four Heads of Government who met in Geneva in July, 1955—that is, those of France, the United Kingdom, the Soviet Union, and the United States—to hold a conference without delay They might be joined by the head of the Government of India as the representative of the Bandung Powers. This conference could be held on Swiss territory. The Federal Council offers its good offices for organizing it"

The Swiss invitation was accepted by the Soviet Union and welcomed by India, but was declined by the U.S.A., Britain, and France.

Soviet Union. Marshal Bulganin sent the following reply on Nov. 11: "The Soviet Government, convinced of the need for settling all disputed issues peacefully, and of the benefit to the cause of peace which may be derived from direct talks between the heads of various Powers, takes a favourable attitude towards Switzerland's proposal for .. a conference of the Heads of Government of the United States, France, the United Kingdom, the Soviet Union, and India, and expresses its readiness to take part in this conference."

U.S A. President Eisenhower's reply (on Nov. 10) was as follows: "The Federal Council's suggestion for a meeting in Switzerland of the five chiefs of Government has received urgent and sympathetic consideration here. I appreciate the sincerity of the Swiss proposal and share the concern for the preservation of peace which inspired it. However, the United Nations is actively seized with the various problems posing as a threat to world peace, and I believe that the interests of all will be best served by carrying these initiatives to a successful conclusion"

Britain. Sir Anthony Eden's reply, issued on Nov 15 from Downing Street, read "I thank you for your message proposing a conference of the five Heads of Government I recognize the desire of the Swiss Government to help in improving the present international situation, and I am grateful for your offer to make available facilities for a conference I said in a speech on Nov. 9 [see page 15215], with reference to your generous proposal, that I was prepared to go anywhere and meet anybody if that would help A meeting such as you have suggested could, however, only be fruitful if all concerned agree that the moment is ripe for it. It seems that this is not so and in these circumstances we must, I think, recognize that a meeting could not be expected to be fruitful"

France. M. Mollet's reply [the text was not published] was reported to be on similar lines, expressing the view that a "summit" conference was not a practical possibility at present.

It was announced in New Delhi on Nov. 7 that Mr. Nehru had replied to the Swiss Government, welcomed its proposal, but pointed out that if the conference was to yield useful results Britain, France, the U.S.A., and the Soviet Union must first express their willingness to participate.—(Neue Zurcher Zeitung - New York Times - Times - Manchester Guardian - Le Monde, Paris - Indian High Commissioner's Office, London)

C. NETHERLANDS. — Bank Rate increased.

The Netherlands Bank Rate was raised on Oct. 22 from 3¼ to 3¾ per cent—the third increase since February last. The rate had previously been increased from 3 per cent to 3¼ per cent on Aug. 24.—(Netherlands News Agency) **(Prev. rep. 14716 D.)**

A. SOVIET UNION - UNITED STATES - UNITED KINGDOM - FRANCE - ISRAEL. — Marshal Bulganin's Messages to President Eisenhower, Sir Anthony Eden, M. Mollet, and Mr. Ben-Gurion on Middle East Situation. - Replies by Western and Israeli Leaders. - U.S. Rejection of Soviet Proposal for Joint Soviet-American Action in Egypt. - President Eisenhower's Message to Marshal Bulganin on Hungarian Situation.

During the first ten days of November a number of messages were sent by Marshal Bulganin to President Eisenhower and the Prime Ministers of Great Britain, France, and Israel on the Middle East situation. These messages, and the replies thereto, are given below, together with the text of a letter sent by President Eisenhower to Marshal Bulganin on the Hungarian situation.

Marshal Bulganin to President Eisenhower.

In this letter (Nov. 5) Marshal Bulganin proposed that Soviet and U.S. naval and air forces should co-operate, with other U.N. members, in taking decisive "measures" to check Anglo-French "aggression" in Egypt and restore peace in the Middle East. It was worded as follows:

"In this troubled and responsible moment for the cause of peace, I approach you on behalf of the Soviet Government. A whole week has passed since the armed forces of Britain, France and Israel attacked Egypt . . . Inhuman bombardment by the British and French Air Forces of Egyptian airfields, ports, installations, towns and inhabited localities is taking place. Anglo-French troops have landed on Egyptian territory . . . An aggressive war against Egypt and the Arab people is unfolding before the eyes of the whole world.

"The situation in Egypt calls for immediate and resolute action on the part of the United Nations. If such action is not undertaken, the U.N. would lose its prestige in the eyes of mankind and would disintegrate.

"The Soviet Union and the U.S.A. are permanent members of the Security Council and the two great Powers which possess all modern types of arms, including atomic and hydrogen weapons. We bear particular responsibility for stopping war and re-establishing peace and tranquillity in the Middle East. We are convinced that if the Governments of the U.S.S.R. and the U.S.A. would firmly declare their will to ensure peace and oppose aggression, the aggression will be ended and war will cease.

"At this menacing hour when the loftiest moral principles and the foundations and aims of the U.N are being put to the test, the Soviet Government approaches the U.S Government with a proposal of close co-operation in order to put an end to aggression and stop further bloodshed. The U S.A. has a strong navy in the Mediterranean. The Soviet Union also has a strong navy and a powerful air force. The joint and immediate use of these means by the U.S A. and the Soviet Union, backed by a U.N. decision, would be a sure guarantee of ending the aggression against the Egyptian people and the peoples of the Arab East

"The Soviet Government calls upon the U.S. Government to join their forces in the United Nations for the adoption of decisive measures to put an end to the aggression . . . Such joint steps by the U.S A. and the Soviet Union would not threaten the interests of Britain and France The peoples of Britain and France do not want war. Like our peoples, they desire to maintain peace.

"Many other States, besides Britain and France, are interested in immediate pacification and in the resumption of the normal functioning of the Suez Canal, which has been interrupted by the military operations The aggression against Egypt has been committed, not for the sake of free navigation on the Canal, which was safeguarded, but as a robbers' war launched with the aim of restoring colonial rule in the East, which had been overthrown by the people. If this war is not stopped, it contains the danger of turning into a third world war.

"If the Soviet Union and the U.S A. support the victim of aggression, other member-States of the United Nations will join us in these efforts Thereby the authority of the United Nations will be considerably enhanced and peace will be restored and strengthened

"The Soviet Government is ready to enter into immediate negotiations with the U S. Government on the practical realization of the above-mentioned proposals, so that effective action in the interests of peace can be taken At this tense moment of history, when the fate of the whole of the Arab East and also of the world is being decided, I expect a positive reply from you"

In reply, the White House published on Nov. 5 (*a*) a statement on Marshal Bulganin's letter, which, it was pointed out, had been released in Moscow before it was received in Washington; and (*b*) a letter from President Eisenhower to Marshal Bulganin, sent on Nov. 4, dealing with the Hungarian situation.

White House Statement.

This statement described Marshal Bulganin's proposal for joint Soviet-U.S. military action in the Middle East as an "unthinkable suggestion" and as "an obvious attempt to divert world opinion from the Hungarian tragedy." It pointed out *inter alia* that the U.N. had already called for a cease-fire and the withdrawal of foreign forces from Egypt, and that the Soviet Union was at that very moment "brutally suppressing the human rights of the Hungarian people" and defying U.N. resolutions to withdraw her forces from Hungary. The text was as follows.

"The President has received a letter from Chairman Bulganin which had been previously released to the Press in Moscow. This letter—in an obvious attempt to divert world attention from the Hungarian tragedy—makes the unthinkable suggestion that the United States should join with the Soviet Union in a bipartite employment of their military forces to stop the fighting in Egypt

"The Middle East question—in which there has been much provocation on all sides—is now before the United Nations. That world body has called for a cease-fire, a withdrawal of foreign armed forces, and the entry of a U.N. Force to stabilize the situation pending a settlement

"In this connexion, it is to be regretted that the Soviet Union did not vote in favour of the organization of the U.N. Force. All parties concerned should accept these U.N. resolutions promptly and in good faith.

"Neither Soviet nor any other military forces should now enter the Middle East area, except under U N mandate. Any such action would be directly contrary to the resolution of the United Nations, which has called for the withdrawal of those foreign forces which are now in Egypt. The introduction of new forces under these circumstances would violate the U.N Charter, and it would be the duty of all U.N. members, including the United States, to oppose any such effort.

"While we are vitally concerned with the situation in Egypt, we are equally concerned with the situation in Hungary Soviet forces are at this very moment brutally repressing the human rights of the Hungarian people. Only last night the General Assembly, in emergency session, adopted a resolution calling on the Soviet Union to cease immediately its military operations against the Hungarian people and to withdraw its forces from that country.

"The Soviet Union voted against this resolution, just as it had vetoed an earlier resolution in the Security Council. The Soviet Union is, therefore, at this moment in defiance of a decision of the United Nations, taken to secure peace and justice in the world.

"Under these circumstances, it is clear that the first and most important step that should be taken to ensure world peace and security is for the Soviet Union to observe the U.N. resolution to cease its military repression of the Hungarian people and withdraw its troops. Only then would it be seemly for the Soviet Union to suggest further steps that can be taken toward world peace.

"Since Chairman Bulganin has already released his letter to the President, it is proper to release a letter written by the President yesterday to the Chairman about the situation in Hungary."

President Eisenhower to Marshal Bulganin.

The U.S. President wrote

"I have noted with profound distress the reports which have reached me from Hungary. The declaration of the Soviet Government of Oct. 30, 1956, which re-stated the policy of non-intervention in the internal affairs of other States, was generally understood as promising the early withdrawal of Soviet forces from Hungary. Indeed, in that statement the Soviet Union said that it considered the further presence of Soviet Army units in Hungary 'can serve as a cause for an even greater deterioration of the situation.' This pronouncement was regarded by the U S. Government and myself as an act of high statesmanship. It was followed by the express request of the Hungarian Government for the withdrawal of Soviet forces.

"Consequently, we have been inexpressibly shocked by the apparent reversal of this policy. It is especially shocking that this renewed application of force against the Hungarian Government and people took place while negotiations were going on between your representatives and those of the Hungarian Government for the withdrawal of Soviet forces.

"As you know, the Security Council has been engaged in an emergency examination of this problem. As late as yesterday afternoon the Council was led to believe by your representative that the negotiations then in progress in Budapest were leading to agreement which would result in the withdrawal of Soviet forces from Hungary, as requested by the Government of that country. It was on that basis that the Security Council recessed its consideration of this matter.

"I urge in the name of humanity and in the cause of peace that the Soviet Union take action to withdraw Soviet forces from Hungary immediately, and to permit the Hungarian people to enjoy and exercise the human rights and fundamental freedoms affirmed for all peoples in the U N. Charter.

"The U.N. General Assembly is meeting in emergency session this afternoon to consider this tragic situation. It is my hope that your representative will be in a position to announce that the Soviet Union is preparing to withdraw its forces from Hungary and to allow the Hungarian people to enjoy the right to a Government of their own choice."

Marshal Bulganin's Reply to President Eisenhower.

The following reply to President Eisenhower's letter was sent by Marshal Bulganin on Nov. 7:

"The question of the withdrawal of Soviet troops from Hungary comes completely and entirely within the competence of the Hungarian and Soviet Governments The programme of the Revolutionary Workers' and Peasants' Government of Hungary [i.e the Kadar regime] . . . gives complete information on any questions that may interest you.

"As to the Soviet Government's statement of Oct. 30, 1956, which was mentioned in your letter, there is absolutely no reason to doubt that the Soviet Government's policy has been and will be guided by the principles outlined in that declaration."

Marshal Bulganin to Sir Anthony Eden.

In a strongly worded letter to the British Prime Minister (Nov. 5) Marshal Bulganin called for the immediate cessation of Anglo-French "aggression" against Egypt, and asked what Britain and France would say if they were attacked by "rocket weapons." The text was as follows:

"The Soviet Government considers it necessary to draw your attention to the aggressive war which is being waged by Britain and France against Egypt, which has the most dangerous consequences for the cause of general peace.

"The special session of the General Assembly adopted a resolution for the immediate cessation of hostilities and the withdrawal of foreign troops from Egyptian territory. Ignoring this, Britain, France and Israel are intensifying their military actions, continuing their barbaric bombardment of Egyptian towns and villages, and landing troops on Egyptian territory The British Government, together with France and Israel, have thus embarked on a path of unprovoked aggression against Egypt.

"The reasons given by Britain to justify the aggression are completely unacceptable. The British Government declared that it had intervened in the Israeli-Egyptian conflict to prevent the Suez Canal zone from becoming a theatre of hostilities. With the Anglo-French intervention, the Suez Canal zone has become a theatre of war Traffic on the Canal has been disturbed, bringing harm to the interests of States using the Canal.

"The aggression against Egypt cannot be justified by the special interests of France and Britain in navigation on the Canal The Governments of Britain and France cannot usurp the right of decision in matters concerning freedom of navigation on the Canal, because there are also other interested Powers. These Powers condemn the aggressive actions of Britain and France and demand that peace and order should be preserved in the Middle East. It is well known that freedom of navigation on the Canal has been fully ensured by Egypt. The problem of the Suez Canal was merely a pretext for Anglo-French aggression, the aims of which are more far-reaching than appears

"It cannot be concealed that an aggressive war is being waged against the Arab peoples, against the national independence of the States of the Near and Middle East, for the purpose of restoring the regime of colonial slavery rejected by those peoples. Nothing can justify the fact that the armed forces of Britain and France—two great Powers, both permanent members of the Security Council—have attacked a country which only recently gained its independence and which does not have sufficient means for its defence.

"In what position would Britain have found herself if she had been attacked by more powerful States possessing every kind of modern destructive weapon? There are countries which need not have sent a navy or air force to the coasts of Britain but could have used other means, such as rocket techniques If rocket weapons had been used against Britain and France, they would probably have called it a barbarous action. Yet in what way does the inhuman attack made by the armed forces of Britain and France on Egypt differ from this? . .

"We maintain that the British Government must . . . put an end to the war in Egypt We call upon you, upon Parliament, upon the Labour Party, upon the trade unions and the people of Britain—stop aggression, stop the bloodshed. War may spread to other countries and become a third world war

"The Soviet Government has approached the United States with a proposal to use naval and air forces, together with other U.N. members, to stop the war in Egypt and to restrain aggression. We are fully determined to crush the aggressors and restore peace in the East through the use of force We hope at this critical moment you will display due prudence and draw the corresponding conclusions from this."

Sir Anthony Eden to Marshal Bulganin.

Sir Anthony Eden's reply to this letter was read by him to the House of Commons on Nov. 6, the text being as follows:

"I have received with deep regret your message of yesterday. The language which you used in it made me think at first that I could only instruct H M. Ambassador [in Moscow] to return it as entirely unacceptable But the moment is so grave that I feel I must try to answer you with those counsels of reason with which you and I have in the past been able to discuss issues vital for the whole world

"H.M. Government have repeatedly said that the essential aim of the action taken by the British and French Governments was to stop the fighting between Israel and Egypt and to separate the combatants. This aim has now been virtually achieved. As regards the future, you know that the Canadian Government have proposed the establishment of an Emergency International United Nations Force in the area The General Assembly has taken the first steps to organize such a force. H.M. Government fully approve the principle of an International U.N Force Indeed, we suggested this ourselves . .

"If your Government will support proposals for an International Force whose functions will be to prevent the resumption of hostilities between Israel and Egypt, to secure the withdrawal of the Israeli forces, to take the necessary measures to remove obstructions and restore traffic through the Suez Canal, and to promote a settlement of the problems of the area, you will be making a contribution to peace which we would welcome

"Our aim is to find a peaceful solution. not to engage in argument with you. But I cannot leave unanswered the baseless accusations in your message. You accuse us of waging war against the national independence of the countries of the Middle East. We have already proved the absurdity of this charge by declaring our willingness that the United Nations should take over the physical task of maintaining peace in the area.

"You accuse us of barbaric bombardment of Egyptian towns and villages. Our attacks on airfields and other military targets have been conducted with the most scrupulous care in order to cause the least possible loss of life. Some casualties there must have been. We deeply regret them When all fighting has ceased it will be possible to establish the true figure We believe they will prove to be small. They will in any event be in no way comparable with the casualties which have been and are still being inflicted by the Soviet forces in Hungary.

"The world knows that in the past three days Soviet forces in Hungary have been ruthlessly crushing the heroic resistance of a truly national movement for independence—a movement which, by declaring its neutrality, proved that it offered no threat to the security of the Soviet Union.

"At such a time it ill becomes the Soviet Government to speak of the actions of H M. Government as barbaric The United Nations have called on your Government to desist from all armed attack on the people of Hungary, to withdraw its forces from Hungarian territory, and to accept United Nations observers in Hungary. The world will judge from your reply the sincerity of the words which you have thought fit to use about H M Government"

Marshal Bulganin to M. Mollet.

The Soviet Prime Minister's letter to the French Prime Minister (issued on Nov. 5) was similar to that to Sir Anthony Eden. The text was as follows:

"I deem it my duty to address you concerning the situation which has arisen in connexion with the Franco-British aggression in Egypt. I must state with all frankness that the war against the Egyptian state, launched by France and Britain with Israel as their tool, may have extremely dangerous consequences for general peace

"An overwhelming majority of U.N. member-states, at the special session of the General Assembly, supported the immediate cessation of military operations and the withdrawal of foreign troops from Egyptian territory. Nevertheless, military operations in Egypt are being extended. Egyptian towns and villages are being subjected to barbarous bombing. French and British troops have landed on Egyptian territory. The blood of innocent people is being shed. By acting in this manner the Government of France, jointly with the Governments of Britain and Israel, entered the path of unprovoked aggression against Egypt . . . It is obvious that what is involved is not freedom of navigation on the Suez Canal, which was safeguarded by Egypt and which has now been interrupted by the armed operations of France and Britain, but by the wish of the colonizers to reimpose the yoke of colonial slavery upon the peoples of the Arab East fighting for their national independence and freedom.

"During our meeting in Moscow last May we spoke of the fact that in your actions you are inspired by Socialist ideals. But what has the bandit-like attack against Egypt, which looks like an open colonial war, to do with Socialism? How can one reconcile Socialist ideals with the treacherous attack by France against a country which had only recently achieved its independence and which is not sufficiently armed to defend itself?

"We are deeply convinced that the colonial war against Egypt runs counter to the fundamental interests of the French people, who, just as fervently as the peoples of Britain and of the Soviet Union, desire to preserve peace and to develop economic and cultural co-operation with other peoples What would be the position of France if she were attacked by other States having at their disposal modern and terrible means of destruction?

"In the interests of preserving peace, we appeal to you, to the Parliament, to the Socialist Party, to the trade unions, to the entire French people—put an end to armed aggression, stop the bloodshed

"One cannot help but see that the war in Egypt may spread to other countries and develop into a third world war. I consider it my duty to inform you that the Soviet Government has already addressed the United Nations and the President of the United States with a proposal to use naval and air forces, jointly with other members of the U.N., to stop the war in Egypt and curb aggression. The Soviet Government is fully determined to apply force in order to crush the aggressors and restore peace in the East.

"There is still time to use prudence and to prevent the bellicose forces from gaining the upper hand. We hope that at this decisive moment the French Government will show soberness in the evaluation of the situation which has arisen, and will draw the appropriate conclusions from it"

M. Guy Mollet to Marshal Bulganin.

The French Prime Minister replied as follows to Marshal Bulganin on Nov. 8:

"I am no less conscious than yourself of the grave risks involved in recourse to force in the modern world. I also share your desire that the entire world should be at peace. I doubt, however, whether in present circumstances this can be achieved by menaces and by references to the possibilities of long-range weapons [a reference to Marshal Bulganin's "rockets" threat.] I also doubt whether the Soviet Government has any authority to speak of the shedding of 'innocent blood' when it is itself shedding rivers of blood in Hungary.

" The operations we have been forced to undertake, the limited character of which you do not seem able to appreciate, are not operations of war against Egypt. They are designed solely to remedy certain aspects of the state of permanent insecurity which has been established in the Middle East—a state of affairs largely brought about by the encouragement given by certain Governments, including your own, to the Egyptian Government It is perfectly clear that for many months the Egyptian Government has done everything in its power to promote insecurity in that region. In spite of protracted negotiations designed to reach a satisfactory solution of the Suez question, the Egyptian Government has rejected any acceptable arrangement. It is certain that if the U.S.S.R. had exerted a moderating influence in Cairo, corresponding to the policy of peace and *detente* which it professes to uphold, the situation to-day would have been very different

" If the U S.S.R. has any real respect for the authority of the United Nations, it can show it by taking action, in conformity with the General Assembly's resolution, to bring to an end the operations it has launched in Hungary in violation of the laws of humanity, of justice, and of human rights.

" With regard to the Middle East, the position of France is as follows We are ready to accept a definite cease-fire if it is accepted also by Egypt and Israel, and if the International Force, the creation of which has been decided upon by the United Nations, is able to carry out the tasks assigned to it by the General Assembly's resolution of November 2

" We desire also that the Security Council should meet at Ministerial level to ensure the observance of the cease-fire and to regulate the problems of the Middle East "

Marshal Bulganin to Mr. David Ben-Gurion.

In a threatening letter to the Prime Minister of Israel (Nov. 5) Marshal Bulganin alleged that Israel had acted as a " tool " of Britain and France, announced the recall of the Soviet Ambassador in Tel-Aviv, and said *inter alia* that the continued existence of Israel as a State had been " placed in jeopardy." The text was as follows :

" The Soviet Government has already expressed its condemnation of the armed aggression by Israel, as well as by Britain and France, against Egypt, which was a direct and open violation of the Charter and principles of the United Nations.

" The overwhelming majority of the nations of the world, at the special session of the General Assembly, also condemned the aggression against Egypt and called upon Israel, Britain, and France to cease military operations forthwith and withdraw the invading troops from Egyptian territory.

" All peace-loving mankind indignantly brands the criminal actions of the aggressors who have attacked the territorial integrity, sovereignty, and independence of the Egyptian State Disregarding this, the Government of Israel, acting as a tool of foreign imperialist powers, continues the foolhardy adventure, challenging all the peoples of the East who are struggling against colonialism for their freedom and independence

" Such actions by the Government of Israel plainly show how much all the false assurances of Israel's love of peace and its desire to co-exist peacefully with the neighbouring Arab States were worth. By these assurances the Government of Israel was in fact merely striving to lull the vigilance of other nations while preparing a treacherous attack against its neighbours.

" Carrying out the will of other people, acting according to instructions from abroad, the Government of Israel is toying with the fate of peace and with the fate of its own people, in a criminal and irresponsible manner It is sowing such hatred for the State of Israel among the peoples of the East as cannot but affect the future of Israel, and which will place in jeopardy the very existence of Israel as a State.

" We appeal to the Government of Israel to come to its senses before it is too late and to halt its military operations against Egypt. We appeal to you, to the Parliament, to the working-people of Israel, to the entire people of Israel : Stop the aggression, halt the bloodshed, withdraw your troops from Egyptian territory

" In view of the situation which has arisen, the Soviet Government has decided to advise its Ambassador in Tel-Aviv to leave Israel and return immediately to Moscow. We hope that the Government of Israel will duly understand and appreciate our warning."

Mr. Ben-Gurion to Marshal Bulganin.

The Prime Minister of Israel replied to this letter as follows :

" I have received your Note and have read it carefully, and I must point out that some of your arguments are based on incomplete and incorrect information that you have received.

" More than two years ago the ruler of Egypt organized a special force, under the name of *Fedayeen*, whose purpose was to penetrate surreptitiously within the boundaries of our country, and to murder our citizens working in the fields, travelling along the roads, and dwelling in their homes At the beginning, these groups operated only from areas occupied by Egypt, such as the Gaza Strip. Lately he [Colonel Nasser] has organized such groups of murderers in Jordan, Lebanon, and Syria, and the lives of our farmers along the borders are subject daily to their murderous onslaught. During the Suez crisis, the activity of these groups ceased. Three weeks ago, however, their activity was intensified.

" In an order dated Feb 15, 1956, by the Commander of the Third Egyptian Division in Sinai, Major-General Ahmed Salem—a photostatic copy of which is enclosed herewith—it is written *inter alia* : ' Every commander is to prepare himself and his subordinates for the unavoidable war with Israel for the purpose of fulfilling our exalted aim—namely the annihilation of Israel and her extermination in the shortest possible time and by fighting her as brutally and cruelly as possible.'

" The ruler of Egypt, in contravention of the U.N. Charter, organized an economic boycott against Israel. He established a blockade against our freedom of the navigation in the Suez Canal and the Straits of Elath [Straits of Tiran], and for five years violated a decision of the Security Council concerning freedom of passage of Israeli shipping in the Suez Canal. After the Security Council, on 13 October this year, again forbade discrimination with regard to freedom of navigation on the Suez Canal, Egypt's ruler announced that discrimination against Israel would be continued

" About two weeks ago the Egyptian ruler concluded a military pact with Jordan and Syria against Israel. Therefore the action that we carried out at the end of October was necessitated by self-defence, and was not an action dictated by foreign wishes as you allege. In response to the appeal of the special U.N. Assembly of the United Nations, we ceased fire, and for several days past there has been no armed conflict between us and Egypt.

" Yesterday I stated in the *Knesset* [Parliament], in the name of the Government of Israel, that we are willing to enter immediately into direct negotiations with Egypt to achieve a stable peace without any prior conditions and without any compulsion. We hope that all peace-loving States, and especially those that maintain friendly relations with Egypt, will use their influence in Egypt to bring about peace talks without further delay.

" I am constrained, in conclusion, to express my surprise and sorrow at the threat against Israel's existence contained in your Note. Our foreign policy is dictated by our essential needs and by our yearning for peace. It is not and will not be decided by any foreign factor As a sovereign State we decide our path ourselves, and we join with all other peace-loving peoples of the world in striving for relations of peace and justice in our area and throughout the entire world."

Soviet Proposal for Armed U.S. and Soviet Intervention in Egypt against Anglo-French " Aggression." - Rejection by Security Council.

The Soviet delegation at the U.N. presented a resolution in the Security Council on Nov. 5 proposing (*a*) that Britain, France, and Israel should " immediately, and not later than 12 hours after the adoption of this resolution, cease all military operations against Egypt and withdraw their troops from Egyptian territory within three days " ; (*b*) that the U.S.A., the Soviet Union, and other U.N. members having at their disposal " powerful air and naval forces " should " give armed and other aid to the victim of aggression—the Republic of Egypt—by sending naval and air forces, military units, volunteers, military equipment, and other types of aid," unless Britain, France and Israel complied with the resolution " by a fixed date." The resolution said that such action should be taken in conformity with Article 42 of the U.N. Charter, and added that the Soviet Government was " ready to make its contribution toward the task of curbing aggression and re-establishing peace by sending to Egypt the air and naval forces needed for that purpose."

The Security Council, meeting on the same day, refused to put the resolution on its agenda, the voting being four against (the U.S.A., Britain, France, Australia) and three in favour (U.S.S.R., Yugoslavia, Persia), with four abstentions—Belgium, Nationalist China, Cuba, and Peru. Mr. Cabot Lodge (U.S.A.) said that the Soviet proposal would " turn Egypt into a still larger battlefield," adding that the U.S.S.R. had set a " new record of cynicism and disregard of the values of international morality " by presenting such proposals at a time when its own troops were carrying out " butchery " in Budapest.

President Eisenhower on U.S. Opposition to Soviet " Volunteers " in Egypt.

At a press conference at the White House on Nov. 14, Mr. Robert E. Clark (of the International News Service) recalled that President Eisenhower had said that it would be the duty of all U.N. members, including the United States, to oppose " the introduction of any new forces in the Middle East," and asked the President whether this would " apply to intervention on the side of Egypt by so-called volunteers from the Soviet Union or Communist China." In reply, President Eisenhower said that " it would be the duty of the United Nations, including the United States, to oppose such an effort." (New York Times - New York Herald Tribune - Times - Manchester Guardian - Le Monde, Paris - Soviet Weekly) **(Prev. rep. Middle East, 15201 A ; 15173 A ; Hungarian Situation, 15189 A.)**

A. INDIA. — Mr. Nehru's Visits to Western Germany, France, Ireland, and Saudi Arabia. - Indo-Arabian Statement on Suez Canal. - Increased German Technical Aid for Indian Economic Development.

In response to an invitation extended during King Saud's visit to India in 1955 (see 14641 A) Mr. Nehru paid an official visit to Saudi Arabia from Sept. 24-28, during which he had informal talks with King Saud at Riyadh.

A statement issued on Sept. 28 said King Saud and Mr. Nehru had discussed recent international developments and the promotion of friendship and co-operation between their two countries, and had reaffirmed their adherence to the declaration issued by the Bandung Conference (see 14181 A). "Both Saudi Arabia and India," the statement continued, "are deeply interested in a peaceful settlement of the dispute relating to the Suez Canal, a waterway of vital importance to their own economic well-being as also to that of many other countries. There can be no settlement of the dispute by methods of conflict or by denial of the sovereign rights of Egypt over the Canal. The right of all countries to free navigation through the Canal on payment of reasonable dues has been accepted. H M the King and the Prime Minister are convinced that, in spite of difficulties and tension that have arisen over this question, it is possible to reach a negotiated settlement between the parties concerned without any derogation from Egyptian sovereignty, and which would maintain the interests of other countries in the unrestricted use of the Canal as an open waterway. They share the hope that there will be no recourse to political and economic pressure in dealing with this matter, as such pressure would only retard a peaceful settlement, apart from having other undesirable and far-reaching consequences."

Prior to visiting Saudi Arabia, Mr. Nehru had visited Yugoslavia for discussions with Presidents Tito and Nasser (see 15008 A) during his return journey from the London Conference of Commonwealth Prime Ministers. In addition, he also visited Western Germany, France, and the Irish Republic before returning from the London conference.

During his visit to Bonn (July 13-16) Mr. Nehru had talks with Dr. Adenauer and other West German leaders, including Herr von Brentano (Foreign Minister), Dr. Blucher (Vice-Premier), and Professor Erhard (Minister for Economic Affairs). Before leaving for Paris he visited Hamburg to receive honorary doctorates.

A joint communiqué issued in Bonn (July 16) announced *inter alia* that the German Federal Republic would increase its technical assistance for Indian economic development and would also increase the number of scholarships for Indian students studying at German technical colleges. After stating that Dr. Adenauer and Mr. Nehru had had "detailed, frank and friendly" discussions on "political questions of mutual interest," the communiqué continued:

"Both heads of Government emphasized their belief in a democracy based on the principles of personal freedom and the rule of law . . . There was agreement that respect for national sovereignty and independence, territorial integrity, and non-intervention in the internal affairs of other States form the basis for friendship and peaceful collaboration between all peoples

"The heads of Government discussed the general international situation, with special attention to existing tensions and to measures which could be taken to bring about a progressive improvement They confidently hope that present developments are leading toward a reduction of these tensions They agreed that a comprehensive disarmament agreement, based on suitable inspection and control measures, is of the greatest importance for securing world peace and the economic and social progress of all countries.

"The two heads of Government discussed the German question in connexion with the general world situation The Indian Prime Minister expressed his understanding and sympathy for the wish of the German people for the peaceful restoration of their national unity, which would materially contribute to an improvement of the European and general international situation

"The German side emphasized the Federal Republic's great interest in the economic development of India. The two Heads of Government noted with satisfaction that for several years German industry has to a considerable extent been called upon in the realization of the great Indian development projects, and that it is ready to continue to co-operate in future. The Federal Government has absolute confidence in the economic future of India and is ready to make available for the realization of Indian economic plans the technical experience available in the Federal Republic. It will, as far as the Government of India desires it, increase its co-operation.

"The Federal Government is convinced that the collaboration of German and Indian scientists, experts, and technicians . . . serves not only the Indian economy and the strengthening of relations between the two countries, but also human relationships and mutual understanding between the two peoples The two Heads of Government agreed that a technological teaching institution is to be set up in India, for which the Federal Government will make available teaching staff and equipment. The Federal Government will further endow scholarships for a greater number of Indian students to study at German technical colleges."

Disappointment was expressed in Western Germany at the non-committal attitude shown by Mr. Nehru on the question of German reunification.

At a press conference in Bonn on July 14, Mr Nehru declined to answer a question whether India would offer her good offices with the four great Powers to bring about German unity if such a request was made by the German Federal Government, he said that the question was "hypothetical" and that he saw "no reason why India or I should be approached in this way." He recognized the desire of the German people for unity as a natural one, but added "The question is, how it can be obtained. All I can say is that it should be obtained by peaceful methods and peaceful negotiations" Asked whether India intended to recognize the East German Government, Mr. Nehru said that, though there were some trade contracts, there was no diplomatic contact at present: he did not know what future developments would be, and he could not commit his Government.

During his visit to Paris (July 17-18) Mr. Nehru had discussions with President Coty, M. Mollet, and M. Pineau on Algeria, disarmament, and East-West relations. At a press conference Mr. Nehru stressed that there were no outstanding problems between India and France, and that "on many matters our viewpoints are very similar and there is a good deal of agreement."

While in Dublin from July 7-10 Mr. Nehru had discussions with Mr. Costello and other members of the Irish Government, and received an honorary degree from the University of Ireland.—(Indian High Commissioner's Office, London - Frankfurter Allgemeine Zeitung - Le Monde, Paris - Irish Times, Dublin) **(Prev. rep. Mr. Nehru, 15008 A; King Saud's Visit to India, 14641 A.)**

B. AUSTRALIA. — Tasmanian Elections.

Elections to the Tasmanian House of Assembly took place on Oct. 13. The dissolution of the previous Assembly had followed the defeat of Mr. Cosgrove's Government on an Opposition censure motion after the former Minister for Housing, Mr. Bramich, had resigned from the Labour Party and joined the Liberal Opposition, thus giving the Liberals 16 seats against 14 for Labour.

The election resulted in a tie, both the Labour and Liberal parties returning 15 members. Under Tasmanian constitutional law, however, the Labour Party retained the right to form a Government because it secured an overall majority of the primary votes. Mr Cosgrove accordingly remained State Premier, but two of his Ministers—Mr. Madden (Treasurer and Minister for Transport) and Mr. Hand (Minister for Forests)—were defeated in the election.

When the new House of Assembly met for the first time on Oct. 29 it elected Mr. Kevin Lyons (Liberal) as its Speaker. Mr Lyons (33) is the son of the late Mr. Joseph Lyons, formerly Prime Minister of Australia.—(Australian News and Information Bureau) **(Prev. rep. 14151 D.)**

C. SOVIET UNION. — Mr. Molotov appointed Minister of State Control.

It was announced in Moscow on Nov. 21 that Mr. Molotov, First Deputy Prime Minister and formerly Foreign Minister, had been appointed Minister of State Control in succession to Mr. V. G. Zhavoronkov.

The Ministry of State Control supervises and controls the work of other Ministries, administrative organs, and State property, ensuring that Government decrees and instructions are implemented. Its functions include control of the economic and financial activities of State, co-operative, and public organizations and enterprises and of the expenditure of financial and material resources allocated to State organizations. It also submits to the Government questions of general economic importance emerging from audits and revisions.

The organizational apparatus of the Ministry parallels that of the State Administration, its controllers having the right to examine all administrative records and to carry out audits The Ministry may also issue reprimands, levy fines of up to three months' salary, and order the removal of personnel considered to have offended against Government regulations.

The post was held by Stalin from 1919-22. A more recent holder was Mr. Merkulov, who was arrested and executed in December 1953 as an accomplice of Beria

The appointment of Mr. Molotov as head of the Ministry of State Control, while retaining his First Deputy Premiership, was regarded by foreign correspondents in Moscow as significant inasmuch as Mr. Molotov was believed to be one of the leaders of the "Stalinist" group in the Kremlin.—(Times - Manchester Guardian - Le Monde, Paris) **(Prev. rep. Council of Ministers, 15083 B; Mr. Molotov, 14900 B.)**

NOVEMBER 24—DECEMBER 1, 1956

A. HUNGARY. — Security Council Meeting on Hungarian Situation. - Soviet Veto of U.S. Resolution. - Emergency Sessions of General Assembly. - Adoption of Resolutions for Withdrawal of Soviet Troops, Entry of U.N. Observers, and Free Elections under U.N. Auspices. - Non-compliance by Soviet Government and Kadar Regime. - International Reactions to Events in Hungary. - Large-scale Resignations from Communist Parties in Western Countries. - 100,000 Hungarian Refugees enter Austria. - National and International Relief Aid.

At the urgent request of the U.S., British and French delegates, the U.N. Security Council met in emergency session on Oct. 28 to consider "the situation created by the action of foreign [i.e. Soviet] military forces in Hungary in violently repressing the rights of the Hungarian people, which are secured by the treaty of peace to which the Governments of Hungary and of the Allied and Associated Powers are parties."

The request was made under Article 34 of the U N Charter, which authorizes the Security Council to "investigate any dispute or situation which might lead to international friction, in order to determine whether the continuance of the dispute or situation is likely to endanger the maintenance of international peace and security"

The Hungarian Peace Treaty (see 8512 B) lays down in Article 2 that the Hungarian Government has the obligation to take "all measures necessary to secure to all persons under Hungarian jurisdiction, without distinction of race, sex, language, or religion, the enjoyment of human rights and fundamental freedoms, including freedom of expression, press and publication, religious worship, political opinion, and public meeting."

The Allied and Associated Powers signing the Hungarian Peace Treaty were the Soviet Union, the United States, Great Britain, France, Australia, Canada, India, New Zealand, South Africa, Czechoslovakia, Yugoslavia, Byelorussia, and the Ukraine.

Despite strong Soviet protests, the Security Council decided on Oct. 28 to hold an emergency debate on Hungary; the only dissenting vote was cast by the Soviet delegate, while Yugoslavia abstained. The President of the Security Council (M. Cornut-Gentille, of France, who held that post during October) received letters from the Italian, Turkish, and Argentine Governments associating themselves with the three Western Powers, while the Spanish Government sent a separate communication to the U.N. Secretary-General (Dr. Hammarskjold) protesting against "the bloody intervention of Soviet troops in the internal affairs of Hungary."

Mr. Sobolev (U S.S.R.) bitterly attacked the U S.A., France and Britain for "interference in the internal affairs of Hungary," accusing the Western Powers of inciting "the armed uprising of a reactionary underground against the legitimate Hungarian Government" and of making "an unprecedented attempt to afford U.N protection to reactionary elements in Hungary which have come out against the democratic achievements of the Hungarian working people." Declaring that support of the "reactionary undergrounds" in Eastern Europe had long been "a major principle of the ruling circles in the U.S.A.," Mr Sobolev accused the U.S. Congress of having appropriated many millions of dollars to support "subversive elements" who were trying to "overthrow legitimate governments" and supplant them by "reactionary regimes" He described the events in Hungary as "an uprising of criminal fascist elements against the legitimate Hungarian Government"; maintained that the Hungarian Government's action in asking for help from the U.S S.R. to suppress these "fascist elements" was entirely within its own jurisdiction; and asserted that the U.N. could "in no circumstances" intervene in what was a "purely internal matter"

Sir Pierson Dixon (U.K.) said that foreign forces were at that moment engaged in repressing the rights of the Hungarian people guaranteed under the Peace Treaty, that Hungarian men, women and children were being killed and wounded, and that the situation required "immediate consideration in the world forum of the United Nations." **Mr. Cabot Lodge** (U.S A.), speaking in support, declared that the U.N. could not remain indifferent to the fate of Hungary.

Mr. Brilej (Yugoslavia) said that his Government were watching events in Hungary with grave concern, but were confident that the Hungarian Government could handle the situation and restore normal conditions A debate on Hungary in the Security Council might only aggravate the situation, and Yugoslavia would normally have opposed it As, however, his Government were opposed to the use of foreign troops on the territory of other countries, he would abstain from voting.

The Security Council—which, together with the General Assembly, was then urgently considering the situation in Egypt—received a message on Nov. 1 from Mr. Imre Nagy, the Hungarian Prime Minister, drawing attention to the continued entry of Soviet troops into Hungary, and stating that his Government had urgently demanded the withdrawal of Soviet forces. On the following day Mr. Nagy sent another letter to Dr. Hammarskjold asking the Security Council to instruct the Soviet and Hungarian Governments to begin immediate discussions on the withdrawal of Soviet forces.

Security Council Meeting. - Soviet Veto of U.S. Resolution for Withdrawal of Soviet Troops.

In the morning of Nov. 4 the Security Council met in specia emergency session to discuss a resolution, tabled by Mr. Cabot Lodge (U.S A.), which (1) called upon the Soviet Union to desist immediately from its military action in Hungary and to withdraw its troops without delay from Hungarian territory; (2) reaffirmed the right of the Hungarian people to a Government "responsive to their national aspirations"; (3) requested Dr. Hammarskjold to explore the needs of the Hungarian people for food, medicine, and other supplies, and (4) asked all U.N. members and humanitarian organizations to co-operate in making such supplies available.

The resolution was adopted by nine votes to one (the U.S.S.R.) with Yugoslavia abstaining, and was thus blocked by the Soviet veto—the 79th cast by the U.S.S.R. in the Security Council. Mr. Lodge then moved that the special emergency session of the General Assembly (already discussing the Middle East situation) should meet later the same day to consider the Hungarian situation, and this was adopted by 10 votes (including Yugoslavia) to one (U.S.S.R.).

Emergency Session of General Assembly. - Adoption of Resolutions for Withdrawal of Soviet Forces from Hungary, Free Elections, and Entry of U.N. Observers.

The General Assembly accordingly met in emergency session during the afternoon of Nov. 4, and, after debate, adopted a U.S. resolution—by 50 votes against eight, with 15 abstentions—worded as follows:

"The General Assembly —

"Considering that the United Nations is based on the principle of the sovereign equality of all its members;

"Recalling that the enjoyment of human rights and fundamental freedoms in Hungary was specifically guaranteed by the Peace Treaty signed at Paris on Feb. 10, 1947, and that the general principle of these rights and freedoms is affirmed for all peoples in the U.N. Charter,

"Convinced that recent events in Hungary manifest clearly the desire of the Hungarian people to exercise and to enjoy their fundamental rights, freedoms and independence;

"Condemning the use of Soviet military forces to suppress the efforts of the Hungarian people to reassert their rights,

"Noting moreover the declaration by the Soviet Government of Oct 30, 1956, of its avowed policy of non-intervention in the internal affairs of other States;

"Noting the communication of Nov. 1, 1956, of the Government of Hungary to the Secretary-General regarding demands made by that Government to the Government of the U.S S.R for the instant and immediate withdrawal of Soviet forces;

"Noting further the communication of Nov. 2, 1956, from the Government of Hungary to the Secretary-General asking the Security Council to instruct the Soviet and Hungarian Governments to start negotiations immediately on the withdrawal of Soviet forces;

"Noting that the intervention of Soviet military forces in Hungary has resulted in grave loss of life and widespread bloodshed among the Hungarian people, and taking note of the radio appeal of Prime Minister Imre Nagy of Nov. 4, 1956;

(1) Calls upon the U.S S.R. to desist forthwith from all armed attack on the people of Hungary and from armed intervention in the internal affairs of Hungary,

(2) Calls upon the U.S.S.R. to cease the introduction of additional armed forces into Hungary, and to withdraw all its forces without delay from Hungarian territory;

(3) Affirms the right of the Hungarian people to a Government responsive to its national aspirations and dedicated to its independence and well-being;

(4) Requests the Secretary-General to investigate the situation caused by foreign intervention in Hungary; to observe this situation directly through representatives named by him, to report thereon to the General Assembly at the earliest moment; and, as soon as possible, to suggest methods to bring an end to the foreign intervention in Hungary;

(5) Calls upon the Governments of Hungary and the U S.S.R. to permit observers designated by the Secretary-General to enter the territory of Hungary, to travel freely therein, and to report their findings to the Secretary-General,

(6) Calls upon all Members of the United Nations to co-operate with the Secretary-General and his representatives in the execution of their functions;

(7) Requests the Secretary-General, in consultation with the specialized agencies, to enquire on an urgent basis into the needs of the Hungarian people for food, medicine, and other supplies, and to report to the General Assembly as soon as possible;

(8) Requests all U N. Members, and invites national and international humanitarian organizations, to co-operate in making available such supplies as may be required by the Hungarian people."

The eight opposing votes were cast by the Communist countries, while the 15 abstentions included India, all the Arab nations, and other countries of the Afro-Asian bloc.

Mr. Cabot Lodge spoke as follows in presenting the U.S. resolution: "At dawn this morning Soviet troops in Hungary opened fire in Budapest and throughout the country . . . Prime Minister Nagy has appealed to the United Nations for help After several days of ominous reports, the situation in Hungary has become all too clear. What is revealed is a sickening picture of duplicity and double-dealing.

"While this wholesale brutality was being perpetrated by the Soviet Government, the Soviet representative here in this hall was praising peace and non-aggression and raising his hands in horror against bloodshed in the Middle East. All of us who are striving with every fibre of our being for peace in the Middle East can never forget this unutterable cynicism.

"For the last few days Soviet troop movements in Hungary have been reported. These reports have been accompanied by Soviet assurances to the U.N. and to the Hungarian Government that their troops in Hungary had not and would not be reinforced. On Oct. 29 the Czechoslovak Communist Party sent a message to the Hungarian Communists—it will be recalled that Nagy himself is a Communist who has sought to lead his country to freedom from Soviet enslavement—in which it expressed its support for Nagy's efforts to 'achieve progress' and 'deepen Socialist democracy.'

'That is what they were saying on Oct 28 and 29 What could have changed the situation in so short a time? The desire of Prime Minister Nagy to govern Hungary for the Hungarians? Does the Soviet Union fear this? The reinforcement of Soviet troops in Hungary during these fateful days shows that it does.

"Prime Minister Nagy and other members of his Government are now under arrest. General Maleter, the Minister of Defence and heroic defender of the Maria Theresa barracks against Soviet assault, who only yesterday was engaged in negotiations with Soviet military representatives for troop withdrawals, is also under arrest. A Soviet ultimatum was issued calling for the capitulation of Budapest by noon, and threatening the bombing of the city if it did not capitulate.

"Cardinal Mindszenty has sought refuge in the U S. Legation in Budapest. I think it appropriate to quote a broadcast made only yesterday by Cardinal Mindszenty on Radio Budapest. " . We Hungarians want to live and act as the standard-bearers of the peace of European nations, a peace not artificially proclaimed but one based on true friendship between the nations We, the small nations, desire to live in friendship and mutual respect with the great United States and the mighty Russian Empire alike; in good neighbourly relations with Prague. Bucharest, Warsaw, and Belgrade. In this respect I must mention that every Hungarian has taken Austria to his heart for its brotherly understanding in our present suffering"

"That," Mr. Lodge added, "is what could, in all solemn truth, be called the spirit of peaceful co-existence, as uttered by Cardinal Mindszenty, in the best sense of the word—if Soviet hypocrisy had not robbed that phrase of all honest meaning.

Mr. Lodge continued. "A small group of Soviet men announced their own formation as a government at the moment that Soviet troops began their attack. We have seen no passage of governmental authority from one Hungarian Government to another, but the creation of a puppet clique and the overthrow of a liberal Socialist Government responsive to popular will in its desire to see these troops go Two hours after the attack began, the puppet group appealed to the Soviet Union to come to its assistance. It cannot be maintained, therefore, that the Soviet action is undertaken in response to any request for assistance. The 'assistance,' and I put that word in quotes, arrived long before the call

"We must take drastic and decisive action in this Assembly to answer the appeal of the Hungarian Government . . . We cannot stand idly by while the Hungarians are dragged bodily back into servitude even as they were re-emerging to independence and freedom. The principles set forth in the U.N. Charter are at stake . . If we fail to act, it will constitute a base betrayal of the people of Hungary who have appealed to us for aid."

Mr. Sobolev (U S S R.), after saying that Mr. Cabot Lodge had given "an entirely fallacious account of events," spoke as follows "Counter-revolutionary elements, taking advantage of the mistakes of the past and assuming the mask of freedom, attempted to delude the workers and drag them in their wake. They took up arms against the legitimate Government of Hungary and succeeded in deluding the workers by mendacious propaganda.

"The actions of the reactionary forces in Hungary were the result of long-standing subversive activities by the Western Powers, primarily the United States, against the people's democratic regime in Hungary. The U.S A. has adopted as one of its guiding principles a policy of gross intervention in the domestic affairs of the people's democracies and of inciting and financing counter-revolutionary elements, in order that they can carry out subversive activities against the Soviet Union and the people's democracies The actions of the reactionary forces in Hungary are the result of long-standing preparation by the imperialist countries With funds supplied by the imperialists, a slanderous campaign was launched and the reactionary underground was helped and encouraged in every way . . . Imre Nagy has shown himself the accomplice of the reactionary forces. .

"By foisting upon the General Assembly the discussion of the so-called Hungarian question, in violation of the U N Charter, the the United States, United Kingdom, and France are seeking to divert the attention of public opinion from the merciless suppression of peoples who are seeking democratic freedoms and independence in Algeria, Malaya, Cyprus, and other parts of Asia and Africa. Finally, the raising of the issue of the so-called situation in Hungary is designed as a smoke-screen behind which the armed aggression of France and Britain against Egypt could be concealed . . ."

Mr. Sobolev ended with an assurance that, after "establishing peace and order in Hungary," the Soviet and Hungarian Governments, together with the other participants in the Warsaw Pact, would enter into negotiations "with a view to discussing the question of the presence of Soviet troops in Hungary"

Among other speakers, **Mr. Lester Pearson** (Canada) said that the United Nations had "witnessed in Hungary one of the greatest betrayals in history." By its armed intervention and its "shameless disregard of its obligations under the Charter," the Soviet Union had not only killed Hungarians but had betrayed the principles and ideals of the United Nations.

"We have heard a great deal in recent days from the Soviet representative," Mr. Pearson added, "about the iniquities of aggression, the unpardonable sin of force by big countries against small countries. There is no need for me to dwell on the hypocrisy of Soviet concern for one small nation when its own tanks and bombers are compelling an even smaller nation, which has briefly but gloriously raised its head, to put on the chains again

"The Soviet representative made a parallel between the situation in Egypt and the situation in Hungary. I would reply that there is no parallel between the intentions of free democratic nations, with a long history of respect for the rights of other nations, with those of a dictatorial regime which has not shown the slightest understanding of international collaboration or consideration for the rights of others.

"The United Kingdom and France have stated firmly and publicly that they are prepared to hand over [in Egypt] to a United Nations force—a force we are now trying to organize. It is quite true that there remain differences between the British and French on the one hand, and a majority of the Assembly on the other, on the conditions in which this transfer can take place Nevertheless a transfer has been accepted as necessary and desirable, and a promise has been given that it will take place.

"Yesterday my Government proposed the intervention of a U N. Force for peaceful purposes in the Middle East. That proposal secured the overwhelming majority of this Assembly. No single vote was cast against it. Why should we not establish a U N mission or U.N. supervisory machinery of an appropriate kind for the situation in Hungary? . "

Second Emergency Session of General Assembly.

The General Assembly held a second emergency session on Hungary on Nov. 8-9, when three resolutions were presented: one submitted jointly by Italy, the Irish Republic, Pakistan, Cuba, and Peru; a second presented by the United States; and a third moved by Austria. Their provisions were as follows:

Five-Power Resolution.

"The General Assembly —

"Noting with deep concern that the provisions of its resolution of Nov. 4 have not yet been carried out, and that the violent repression by Soviet forces of the efforts of the Hungarian people to achieve freedom and independence continues,

"Considering that the events in Hungary clearly manifest the desire of the Hungarian people to exercise and enjoy fully their fundamental rights, freedom, and independence,

"Considering that foreign intervention in Hungary is an intolerable attempt to deny to the Hungarian people the exercise and enjoyment of such rights, freedom and independence, and in particular to deny to the Hungarian people the right to a government freely elected and representing its national aspirations;

"Considering that the repression undertaken by the Soviet forces in Hungary constitutes a violation of the U.N. Charter, of the Hungarian Peace Treaty, and of the Convention on Genocide,

"Considering that the immediate withdrawal of the Soviet forces from Hungarian territory is necessary;

(1) Calls again upon the U.S.S.R. to withdraw its forces from Hungary without any further delay;

(2) Considers that free elections should be held in Hungary under United Nations auspices, as soon as law and order have been restored, to enable the people of Hungary to determine for themselves the form of Government they wish to establish in their country,

(3) Reaffirms its request to the Secretary-General to continue to investigate, through representatives named by him, the situation caused by foreign intervention in Hungary, and to report at the earliest possible moment to the General Assembly;

(4) Requests the Secretary-General to report in the shortest possible time to the General Assembly on compliance."

U.S. Resolution.

"The General Assembly .—

"(A) Considering that the military authorities of the U S S.R. are interfering in the transportation and distribution of food and medical supplies urgently needed by the civilian population in Hungary;

(1) Calls upon the U.S.S.R. to cease immediately actions against the Hungarian population which are in violation of the principles of international law, justice, and morality;

(2) Calls upon the Hungarian authorities to facilitate, and the U.S.S.R. not to interfere with, the receipt and distribution of food and medical supplies to the Hungarian people, and to co-operate

fully with the U.N. and its specialized agencies, and other international organizations, such as the International Red Cross, to provide humanitarian assistance to the people of Hungary,

(3) Urges the U.S S.R. and the Hungarian authorities to co-operate fully with the Secretary-General and his duly appointed representatives for the carrying-out of the tasks referred to above.

" (B) Considering that, as a result of the harsh and repressive action of the Soviet armed forces, increasingly large numbers of refugees are being obliged to leave Hungary and seek asylum in neighbouring countries,

(1) Requests the Secretary-General to call upon the U.N. High Commissioner for Refugees to consult with other appropriate international agencies and interested Governments with a view to making speedy and effective arrangements for emergency assistance to refugees from Hungary;

(2) Urges member-States to make special contributions for this purpose."

Austrian Resolution.

" The General Assembly .—

" Considering the extreme suffering to which the Hungarian people is subjected;

" Urgently wishing to eliminate this suffering;

" Convinced that these humanitarian duties can be fulfilled most effectively through the international co-operation stipulated in the U.N. Charter;

" Resolves to undertake on a large scale immediate aid for the affected territories by furnishing medical supplies, foodstuffs, and clothing;

" Calls upon all member-States to participate to the greatest extent possible in this relief action;

" Requests the Secretary-General to undertake immediately the necessary measures,

" Urgently appeals to all countries concerned to give full assistance to the Secretary-General in the implementation of this task, to let all relief supplies pass without hindrance, and to give the persons and organizations entrusted with the implementation of this relief action free access to the affected areas."

During the Assembly's second emergency session the Soviet action in Hungary was denounced by delegates of over 30 countries, including some of the Asian nations—Burma, Siam, Laos, the Philippines, and Nationalist China. The great majority of the Afro-Asian countries, however—including India and all the Arab States—made no condemnation of the Soviet repression in Hungary. The only direct support for the Soviet Union came from the other countries of the Communist bloc, though reservations were made by Poland and, in particular, by Yugoslavia.

Mr. Michalowski (Poland) said that his country supported the right of all nations to solve their own problems and have governments of their own choosing He believed, however, that the U.N. should not interfere in the settlement of the Hungarian situation by direct negotiations between the Soviet and Hungarian Governments. Although Poland had voted against the U S. resolution of Nov. 4, she would have supported certain parts of it had it been put to a paragraph-by-paragraph vote

Mr. Brilej (Yugoslavia) said that " the less interference there is in Hungary's internal affairs, from whatever source, the better it will be for the Hungarian people and for the peace of the world." Referring to the " involvement of Soviet troops in the internal affairs of Hungary," he declared · " There can be no doubt where my Government stands We have always opposed the intervention of foreign armed forces in the internal affairs of any country . . . We hope . . . that the Soviet troops will be withdrawn." Like the Polish delegate, he would have supported parts of the U.S resolution had it been voted upon paragraph by paragraph.

Dr. Janos Szabo (Hungary) protested " on behalf of his Government " [i.e. the Kadar regime] at the Assembly's decision on Hungary, as the situation there was solely an " internal matter." He said that Mr. Nagy's appeal to the United Nations and the Secretary-General had been " declared invalid by the new Government headed by Premier Kadar and therefore cannot be considered official."

Dr. Nuñez-Portuondo (Cuba) said that the Assembly had witnessed " a spectacle that cannot be described in any language—a man comes to the rostrum to give his blessing to the murder of thousands of his fellow-countrymen." The massacre of tens of thousands of Hungarians by Soviet troops was a flagrant violation of the United Nations Convention on Genocide, to which the U S S R. was a signatory with 53 other countries " The action taken by the Soviet Army," the Cuban delegate declared, " was directed not only against Hungarian troops but against doctors, nurses, and other civilians . . Soviet barbarism has no parallel in modern times " Among other Latin American delegates, **Señor Olivieri** (Argentina) said that his Government would propose that all U.N. members should break off diplomatic relations with the U S S.R. if it continued to defy the General Assembly's resolution of Nov 4.

Mr. Frederick Boland (Irish Republic) said that any mention by Soviet spokesmen in future of " self-determination " or " national independence " or " anti-colonialism " would evoke only one word in reply—Hungary.

Dr. Tsiang (Nationalist China) deplored the fact that 15 Asian and African nations had refused to condemn Soviet aggression in Hungary, though condemning Anglo-French aggression in Egypt. He asked whether those countries believed that the principles of the U.N. Charter " apply only to Asia and Africa."

Sir Pierson Dixon (U.K.) refuted the suggestion that the Soviet action in Hungary had been prompted by the disruption of peace in the Middle East, declaring in this connexion " In Hungary, the situation which has come into being stems from Hungary's incorporation into the Soviet Empire after the Second World War In the Middle East, the problems of these last weeks stem from the ambitions of the Soviet Union to extend its influence in that area also. These Russian ambitions go back a long time—back to the days of the Tsarist regime."

Mr. Cabot Lodge (U S.A) said that the world had witnessed the " sickening spectacle " of the Hungarian people fighting for their liberty " with small arms, pitchforks and bare hands against massive formations of Soviet tanks," and the " revolting sight of Soviet tanks firing at a literally unarmed population." In particular, he denounced the " hideous callousness " of the Soviet forces in interfering with food and medical aid for the Hungarian civilian population, preventing the carrying-out of legitimate Red Cross activities, setting hospitals ablaze, and attacking Red Cross units engaged on errands of mercy. He called upon the Assembly to demand that the U.S.S.R. should immediately cease its repression of the Hungarian people, withdraw its troops without delay, and allow food and medical supplies to be sent into Hungary without interference.

Mr. Kuznetsov (U S.S R) delivered a violent attack on America, Britain, France, and " those countries which do the dirty work of the United States " He described the Assembly's debate on Hungary as " interference in the internal affairs of a sovereign State " and therefore " illegal " ; said that the " fascists and reactionaries " in Hungary had failed to overcome the " progressive forces " ; and accused the Western Powers of desiring to restore in Hungary the " former regime of landlords and capitalists." Mr. Kuznetsov denounced the U.S. resolution as a " manoeuvre " which was aimed at " diverting world attention from the aggression by Britain, France and Israel against Egypt, abetted by the U.S.A." He also attacked the five-Power resolution on the ground that it " denied the right of the Hungarian people to hold free elections without outside interference "

Mr. Krishna Menon (India) similarly opposed the holding of elections in Hungary under U N. auspices, declaring that " we cannot say that a sovereign member of this Assembly can be called upon to submit its elections to the United Nations without its agreement." Moreover, the Indian delegation could " not subscribe to any phraseology or proposals before the Assembly which disregard the sovereignty of States represented here " He added that the Indian Government had been " informed that Soviet troops are to be withdrawn from Budapest in agreement with the Hungarian Government as soon as order is restored."

All three resolutions were adopted by the Assembly on Nov. 9—the five-Power resolution by 48 votes against 11, with 16 abstentions; the U.S. resolution by 53 votes against 9, with 13 abstentions; and the Austrian resolution by 68 votes to nil, with 7 abstentions.

The 11 countries voting against the five-Power resolution comprised the nine Communist-bloc countries (Albania, Bulgaria, Byelorussia, Czechoslovakia, Hungary, Poland, Rumania, Ukraine, and U S S.R), together with India and Yugoslavia The 16 abstaining countries comprised 13 from the Afro-Asian bloc (Afghanistan, Burma, Cambodia, Ceylon, Egypt, Indonesia, Jordan, Lebanon, Libya, Nepal, Saudi Arabia, Syria, and Yemen), together with Austria, Finland, and Haiti.

The opposing votes on the U.S. resolution were cast by the above-mentioned nine countries of the Communist bloc. The 13 abstentions comprised 12 countries of the Afro-Asian bloc (Afghanistan, Burma, Cambodia, Ceylon, Egypt, India, Indonesia, Jordan, Lebanon, Saudi Arabia, Syria, and Yemen), together with Yugoslavia.

The seven countries abstaining on the Austrian resolution were Albania, Byelorussia, Bulgaria, Czechoslovakia, Rumania, Ukraine, and U.S.S.R —all of the Communist bloc.

On Nov. 10 the emergency session agreed that both the Hungarian and Middle East questions should be transferred as " matters of priority " to the agenda of the regular (eleventh) session of the General Assembly, which opened in New York the same day.

Kadar Government's Refusal to permit U.N. Observers to enter Hungary. - Investigating Group set up by U.N. Secretary-General.

On Nov. 11 Dr. Hammarskjöld released the texts of (1) a message sent by him to Mr. Kadar's Government on Nov. 8 in connexion with the resolution of Nov. 4 adopted by the General Assembly; (2) an *aide-mémoire* sent by him to the Hungarian Government on Nov. 10; and (3) a message sent by him to the Soviet Government on the same date.

Message to Hungarian Government. In his communication of Nov. 8, the U.N. Secretary-General asked the Kadar Government whether, in conformity with the General Assembly's resolution of Nov. 4, it was willing " to permit observers designated by me to enter the territory of Hungary for the purpose prescribed [in the

resolution], to travel freely within Hungary, and to report to me on their findings." After requesting an early reply, Dr. Hammarskjold announced (1) that he intended "to proceed with the selection of observers on the assumption that the Government of Hungary will meet the request of the General Assembly"; and (2) that he would also take steps "to investigate the situation caused by foreign intervention in Hungary," as the General Assembly had requested him to do.

Aide-Memoire to Hungarian Government. In his *aide-memoire* of Nov. 10, Dr. Hammarskjold noted with disappointment that he had received no reply from the Hungarian Government, "although the situation is one of urgency." He asked for a reply "without further delay."

Message to Soviet Government. Apart from his two messages to the Hungarian Government, the Secretary-General also asked the Soviet Government, in conformity with the General Assembly's resolutions of Nov. 4 and Nov. 9, "to support my demand to the Government of Hungary for permission for observers to enter the territory of Hungary, travel freely therein, and report their findings to me." Dr Hammarskjöld said that he felt entitled "to count on the assistance of the Government of the U.S.S.R." in this matter.

In a message to the Secretary-General on Nov. 12, the Kadar Government refused to allow U.N. observers to enter Hungary on the grounds (1) that "the situation in Hungary falls exclusively within the internal legal competence of the Hungarian State"; and (2) that the General Assembly's resolutions "constitute an interference in Hungarian internal affairs." It agreed, however, to "facilitate by every means the receipt of food and medicine sent for the Hungarian people," and expressed its willingness to co-operate with the United Nations and the International Red Cross in relief work.

The Soviet delegation at the U.N. also sent a message to the Secretary-General saying that the despatch of U.N. observers to Hungary was "a matter falling exclusively within the jurisdiction of the Government of the Hungarian People's Republic."

The Hungarian Note said that "in past weeks mass demonstrations took place in Hungary, the democratic and patriotic demands of which have been accepted by the Revolutionary Workers' and Peasants' Government [i.e. the Kadar regime] as its own." It continued: "The participants in these demonstrations included organized Fascist elements and, later, ordinary criminals who escaped from prison. These persons gradually took the lead and murdered hundreds of progressive-minded people . . . In the serious situation that arose the Revolutionary Workers' and Peasants' Government could restore law and order only by requesting the aid of Soviet troops. After the complete restoration of order, the Hungarian Government will begin negotiations with the Soviet Government for the withdrawal of these troops from Hungary."

The Note went on to say (1) that the Hungarian and Soviet Governments were "exclusively competent" to negotiate on the withdrawal of Soviet troops, "which are here only for the purpose of restoring law and order and which do not take any measures against the population contrary to international law and the principles of humanity"; (2) that as the Soviet troops were in Hungary "at the request of the Hungarian Government," the despatch of U.N. observers to Hungary was "not warranted"; (3) that the holding of elections in Hungary was "entirely within the competence of the Hungarian authorities."

On Nov. 13, however, the Hungarian Government sent a second message to Dr. Hammarskjold saying that it "valued very highly" the offer of U.N. relief aid, and offering "to conduct talks on the best means of providing the assistance required, as well as how representatives appointed by the Secretary-General may participate in organizing assistance on the spot." In reply (Nov. 14), Dr. Hammarskjold informed the Hungarian Government of his satisfaction at its willingness to co-operate with U.N. agencies "for the humanitarian ends to which these [U.N.] resolutions are directed," but expressed disappointment at its refusal to allow U.N. observers to enter Hungary. He asked the Hungarian Government "to reconsider its decision in the light of the opposite view so widely expressed in the General Assembly and reflected in the vote," and to "co-operate in the clarification of a situation which has given rise to such concern in the General Assembly."

Dr. Hammarskjöld received a further message from the Hungarian Government on Nov. 16 stating that "representatives of the Hungarian People's Republic would be glad to meet you in Rome . . . to discuss the aid to Hungary proposed by you and to exchange views on the U.N. resolutions concerning Hungary." The Secretary-General had previously expressed his willingness to go personally to Budapest for discussions with the Hungarian Government.

It was announced at U.N. Headquarters on Nov. 16 that the Secretary-General had set up a three-man committee "to investigate the situation caused by foreign intervention in Hungary" and to report to the General Assembly. It consisted of Dr. Alberto Lleras (Colombia), formerly Secretary-General of the Organization of American States; Judge Oscar Gundersen, of the Norwegian Supreme Court; and Mr. Arthur Lall, of India.

International Reactions to Events in Hungary.

The suppression of the Hungarian people's uprising by the Soviet Army evoked intense indignation throughout the entire Western world and led to mass resignations from the Communist parties in Britain, France, Italy, and other countries. The Soviet action in Hungary was also denounced in a number of Asian countries, notably in Turkey, Pakistan, and Indonesia. International reactions are summarized below under cross-headings.

Great Britain.

A statement issued on Oct. 28 from 10, Downing Street, said that H.M. Government had followed "with sympathy and admiration the struggle of the Hungarian people for their rights and freedom," and was making an immediate donation of £25,000 to the International Red Cross to help relieve the suffering and distress in Hungary.

Labour Party. A deputation from the National Council of Labour, headed by Mr. Gaitskell and including Mr Morgan Phillips (secretary of the Labour Party) and Sir Vincent Tewson (general secretary of the T.U.C.), called at the Soviet Embassy on Nov. 9 and presented to the Ambassador (Mr. Malik) a statement calling upon the Soviet Government "instantly to abandon its policy of aggression and bloodshed in Hungary."

After declaring that the events in Hungary "mark a return to the worst practices of the Stalinist period," the statement added: "As a pretext for brutal repression, the Soviet Government has cited the need to subdue 'Fascists' and 'landlords' But the unity and gallantry displayed by the Hungarian people in the face of overwhelming odds, the leading part played in their struggle for freedom by students and workers, and the pathetic evidence of the refugees streaming across the Austrian borders, makes nonsense of this odious pretence . . ."

Mr. Malik, in reply, said that the Labour Party had "misinterpreted" the events in Hungary, which had been caused by "fascists" and "reactionaries" Mr. Gaitskell later described the Ambassador's remarks as "an obvious piece of Soviet propaganda."

Liberal Party. The Liberal Party Committee, meeting on Nov 6, expressed its "horror at the Russian military action in Hungary" and its "contempt for the hypocrisy of the letter sent by Marshal Bulganin" to the Prime Minister [see page 15218]. It urged the Government to call for immediate diplomatic and economic sanctions against the Soviet Union unless she obeyed the U.N. resolutions calling on her to cease the repression of the Hungarian people and to withdraw her troops from Hungary immediately.

Trade Unions. The T.U.C. launched a "Help for Hungarian Workers" Fund on Oct. 30, and appealed for support to all affiliated unions, trade councils, and individual members A sum of £10,000 was voted by the General Council as a first contribution to the Fund, and considerable sums—including £1,000 from the National Union of Railwaymen—were donated by individual unions.

The executive of the National Union of Mineworkers, by an overwhelming majority, passed a resolution on Nov. 22 condemning "the cruel and criminal aggression" carried out in Hungary by the Soviet Government A letter was sent to the Soviet miners' union emphasizing that the Soviet action had rendered "confidence between our two unions very much less likely than might have been the case but for the terrible events in Hungary, where the workers have risen against their oppressors." The letter paid tribute to the heroic resistance of the Hungarian coal-miners and uranium-miners in fighting for their liberty against Soviet tanks and guns, and denounced the "brutal slaughter" by Soviet troops of men and women who desired only to be free.

Similar resolutions expressing support for the Hungarian workers and abhorrence at the Soviet brutalities were passed by many other unions. The Liverpool dockers refused to unload the Russian cargo ship *Ryazan*, which was forced to return to Riga with her cargo of rubber

The Nottinghamshire area council of the N.U.M (representing 47,000 miners in 40 pits) decided on Nov. 17 that Communists would no longer be eligible for full-time union posts, including those of president, general secretary, and financial secretary. The area secretary said that this action had been taken because "men who are prepared to support Soviet atrocities in Hungary are not fit to hold key positions in industry." On the previous day the Lancashire, Cheshire, and Westmorland branch of the Fire Brigades Union had decided that no past or present member of the Communist party should hold office in the union.

The T.U.C. General Council decided on Nov. 28 to advise its 190 affiliated unions to abandon any plans they might have made for members to visit the Soviet Union.

Resignations from Communist Party and "Daily Worker" Staff. A number of prominent British Communists resigned from the party in protest against the Soviet action in Hungary, among them many leading officials of the Electrical Trades Union (E.T.U.) and the Fire Brigades Union (F.B.U.)—two unions in which Communist influence had been particularly strong

The resignations included those of Mr. John Horner, general secretary of the F.B.U. and a party member of many years' standing, Mr. Alex Moffat, a party member for 32 years and brother of Mr. Abe Moffat, the Communist president of the Scottish area of the N.U.M.; Mr. Leslie Cannon, chief education officer of the E.T.U.; Mr. A. A.

Wallis, secretary of the East and West Ridings area of the E.T.U.; Mr. Jack Grahl, assistant secretary of the F.B.U , Mr. Leo Keely, North Midlands area officer of the F.B.U.; Mr. R. Gunter, Mr. T. Parry, and Mr. C. Sampson, members of the F.B U. executive; Mr. Kilburn, Birmingham district secretary of the F.B.U , and Mr. E. Thompson and Mr J. Saville, lecturers at the Universities of Leeds and Hull respectively. Mr. Thompson and Mr. Saville had been joint editors of *The Reasoner*, an unofficial Communist publication which had been suspended by the Communist party after three issues.

Mr Horner, in his letter of resignation to Mr John Gollan (secretary of the Communist Party), recalled that he had visited Hungary twice in recent years and said that he felt responsible "for propagating and advancing policies which have led to this latest tragedy." Mr. Alex Moffat said that he had found himself "so much in conflict with the policy, attitude, and tactics of the leadership that I find it impossible to continue membership of the party." Mr. Wallis said that the "brutal" Russian actions in Hungary made it impossible for him to remain a party member, Mr. Cannon, Mr Grahl, and Mr. Keely issued a joint statement urging the dissolution of the Communist party and declaring that the only way to Socialism in Britain was through the Labour Party, and Mr. Thompson and Mr. Saville issued a joint statement saying that they had resigned because the Communist party had suspended *The Reasoner* because of an editorial article condemning the Soviet action in Hungary.

Several members of the staff of the *Daily Worker* also resigned from the Communist Party and severed their connexion with the paper in protest at its attitude to Hungary. [The *Daily Worker*, following the "Moscow line," had attributed responsibility for the events in Hungary to "counter-revolutionaries," "fascists" "reactionaries," etc.] They included the paper's cartoonist, "Gabriel" (Mr. J. Friel), and its film critic, Mr. Patrick Goldring.

Mr. Peter Fryer, special correspondent of the *Daily Worker* in Budapest, also resigned from the paper (but not from the Communist party) after it had refused to publish his dispatches from the Hungarian capital Before Mr. Fryer was sent to Hungary, the editor of the *Daily Worker* (Mr J. R. Campbell) had written an article saying that the paper was interested only in facts and was therefore sending Mr Fryer, an "experienced and skilled reporter" with special qualifications, "to cover the Hungarian story" The following letter—the text of which was published in the *Manchester Guardian*—was sent to Mr. Campbell by Mr. Fryer on Nov 5:

"As special correspondent of the *Daily Worker* in Budapest I filed three dispatches to my paper. Two of them . . . were not used The other . . . was severely cut. The editor would not even allow the staff of the paper to read the story I sent on arrival in Vienna from Budapest For almost nine years I was proud to work for the *Daily Worker*. But no journalist can continue to work for a newspaper which sends him on a major foreign assignment and refuses to use what he writes. I am therefore compelled to resign from the *Daily Worker* and to seek other means of putting the truth about events in Hungary before British Communists and Socialists.

"This was my fourth visit to Hungary since 1949. I spent over a fortnight there and I am convinced that Soviet intervention was both criminal and unnecessary . . Nor did the Soviet troops which entered Budapest fight Fascists; they fought workers, soldiers, and students and they could find no Hungarians to fight alongside them . . . No honest Communist can now ignore the truth about Hungary The Hungarian people were the victims of tyranny and oppression masquerading as Socialism. A corrupted Communist party, swollen by an influx of careerists; a highly paid secret police which jailed, tortured, and murdered dissenters, a State machine warped by bureaucracy: these were the means by which the worst features of Soviet society were imposed on Hungary. Yet the whole police dictatorship was so rotten and so universally detested that it collapsed like a house of cards the instant the people rose to their feet. Most of the revolutionaries—Communists and non-Communists—hoped to win an independent, democratic, and genuinely Socialist Hungary But their hopes were crushed by Soviet intervention.

"In Vienna I was offered £1,000 on behalf of an American newspaper chain if I would write for them on Hungary as a renegade. I answered that I had no intention of resigning from the Communist party. I will fight inside the party for a return to Socialist principles, for political honesty, and for real international solidarity. These imply as outspoken a condemnation of crimes committed by those who call themselves Communists as of crimes committed by imperialism . . . "

The executive committee of the British Communist Party decided on Nov. 10-11 to convene a special congress in 1957 to discuss "tendencies" which could "weaken the party's organizational principles." Mr. Gollan, after an apologia for the Soviet action in Hungary, appealed for "unity" and "discipline" among party members, admitting that there were "acute differences" over the events in Hungary The party's Political Committee issued a statement on Nov. 15 denouncing "fascist and counter-revolutionary elements inside and outside Hungary," claiming that the "great majority" of party members were "standing firm," and declaring that "those who have resigned are profoundly mistaken . . . and . . . will deeply regret that they took this step."

On Nov. 29 the Communist party suspended Mr Peter Fryer from party membership for three months "for publishing attacks on the Communist party in the capitalist Press." It also threatened to take "further action" against Mr. Fryer if he "should resort to the capitalist Press or a capitalist publication to carry forward his attacks on the party."

Student Demonstrations. Strong support for the Hungarian people was expressed by the student bodies of all British universities, several large-scale anti-Communist demonstrations taking place in London. A petition signed by 27,000 members of the London University Students' Union, protesting at the Soviet military action in Hungary and calling for the immediate withdrawal of Soviet troops, was presented at the Soviet Embassy on Nov. 9; mounted police were called in to prevent students from breaking into the building. On Nov. 11, after a meeting in Hyde Park at which students from London, Leeds and Nottingham Universities passed resolutions condemning "Russian atrocities and treachery" in Hungary, large crowds of student demonstrators smashed the windows of the Communist Party headquarters in King Street, shouting slogans such as "Down with Communism," "Burn the *Daily Worker*," and "Freedom for Hungary"

The Communist Club at Oxford University dissolved itself on Nov. 9, declaring that the Communist Party was "completely discredited" and that "the sooner it gets out of British politics the better."

Archbishop of Canterbury's Denunciation of Soviet Government. Speaking at a mass meeting at the Albert Hall (London) on Nov. 28 in support of Hungary, the Archbishop of Canterbury (Dr. Fisher) denounced the present leaders of the U.S.S.R. as "the instruments and slaves of the Devil" and described the Soviet Government as "the universal enemy of mankind." "We stand amazed," Dr. Fisher declared, "before an act altogether evil . . . Because the rulers of Russia have expelled God from their belief, they are able in this day and age to violate and outrage not only all the laws of God but all the hopes and aspirations of the human spirit. Having left themselves nothing to worship but themselves, they have become to a unique degree the instruments and slaves of the Devil. . In this day of Hungary's crucifixion we can see through the darkness signs to sustain our faith. Hungary's sufferings even now are not in vain. The Soviet Government is known throughout the world as never before to be the universal enemy of mankind . . "

United States.

In his broadcast of Oct. 31 in which he criticized the Anglo-French intervention in Egypt (see page 15210), President Eisenhower also referred to the situation in Hungary as follows:

"After World War II the Soviet Union used military force to impose on the nations of Eastern Europe governments of Soviet choice—servants of Moscow It has been consistent U.S. policy to seek to end this situation. We have sought to fulfil the wartime pledge that these countries should once again know sovereignty and self-government.

"We could not, of course, carry out this policy by resort to force. This would have been contrary both to the best interests of the East European peoples and to the principles of the United Nations. But we did help to keep alive the hope of these peoples for freedom . . .

"Recently, the will of these peoples for national independence has become more and more insistent A few days ago the people of Poland, with their proud and deathless devotion to freedom, moved to secure a peaceful transition to a new Government. This Government, it seems, will strive genuinely to serve the Polish people. More recently, all the world has been watching dramatic events in Hungary, where this brave people, as so often in the past, have offered their very lives for independence from foreign masters.

"We cannot yet know if these avowed purposes will be truly carried out But two things are clear. First, the fervour and sacrifice of the peoples of these countries, in the name of freedom, have brought real promise that the light of liberty will soon shine again in the darkness Second, if the Soviet Union indeed faithfully acts upon its announced intention [i.e. to withdraw its troops] the world will witness the greatest forward stride toward justice, trust and understanding among nations in our generation . . .

"Only yesterday, the Soviet Union issued an important statement on its relations with the countries of Eastern Europe [see page 15191, second column]. This statement recognized the need for a review of Soviet policies, and the amendment of these policies to meet the demands of the people for greater national independence and personal freedom. The Soviet Union declared its readiness to consider the withdrawal of Soviet advisers who have been the effective ruling force in Soviet-occupied countries; and also to consider the withdrawal of Soviet forces from Poland, Hungary, and Rumania.

"The U.S A. has made clear its readiness to assist economically the new and independent governments of these countries. We have already been in contact with the new Polish Government on this matter. We have also publicly declared that we do not demand of these governments their adoption of any particular form of society as a condition for economic assistance. Our one concern is that they should be free—for their sake, and for freedom's sake.

"We have also—with respect to the Soviet Union—sought to remove any false fears that we would look upon new governments in these Eastern European countries as potential military allies. We have no such ulterior purpose. We see these people as friends, and we wish simply that they should be friends who are free."

The President's broadcast was made four days before the Soviet attack on Budapest and the subsequent suppression of the Hungarian freedom movement. In a statement on Nov. 8, President Eisenhower denounced "the brutal purge of liberty conducted by imperialist Communism"; declared that the heroic struggle of the Hungarian people to win liberty for themselves and their children would be "long and sorrowfully

remembered" by all Americans; and announced that 5,000 Hungarian refugees would be admitted to the U.S.A. as an "extraordinary measure" without regard to existing immigration legislation. The President had previously offered $20,000,000 worth of food and medical supplies to relieve suffering in Hungary.

Demonstrations in support of Hungary included a mass meeting at Madison Square Garden (New York) on Nov. 8, attended by 10,000 people and addressed by Miss Anna Kethly (the Hungarian Socialist leader, and a member of M. Nagy's Government before its overthrow) and Governor Averell Harriman. Messages of support were sent by President Eisenhower, ex-President Hoover, and Mayor Wagner of New York.

Western Europe.

Reactions in the Western European countries are summarized below:

France. After a ceremony on Nov. 7 at the Arc de Triomphe in Paris, where 10,000 people paid homage to the victims of Soviet tyranny in Hungary, great crowds of demonstrators attacked the headquarters of the French Communist Party, broke into the building, set fire to the premises, and hurled furniture, office equipment, and documents into the street. Order was eventually restored by the police, and the flames put out by the fire brigade Student demonstrators also attacked the offices of *Humanité* (the Communist organ), smashed the windows, but were prevented by the police from breaking into the building.

Further disturbances occurred on the following day, when an attempted Communist demonstration near the Place de la République was broken up by counter-demonstrators Many people were injured in fierce street fighting (two subsequently dying from their injuries), the police using batons and tear-gas to restore order.

In the Provinces, Communist party offices were sacked in Marseilles, Strasbourg, Alençon, and other centres; 50 people were injured in a pitched battle at Nice between Communists and anti-Communists; and local Communist leaders at Bastia (Corsica) were besieged for hours in their headquarters before being rescued by the police from hostile crowds. Mass resignations from the French Communist Party were reported in many parts of the country.

The Soviet repression in Hungary was denounced by many writers, artists, professors, and other intellectuals, a number of whom had maintained friendly relations with the Communist Party in the past. They included M. Jean-Paul Sartre, the existentialist philosopher, who announced that he was breaking off all relations with Soviet writers and with French Communists in protest against Soviet brutalities in Hungary. M. Sartre also resigned from the Franco-Soviet Friendship Society, describing the present Soviet Government as "going further than Stalinism after having denounced it."

Amidst constant interruptions and jeers from the Communist deputies, the President of the French National Assembly (M. Le Troquer) paid tribute on Nov. 6 to "the Hungarian workers, peasants, students and patriots who died in defence of liberty" At the request of M. Le Troquer, all deputies (except the Communists) stood in silence for one minute as a tribute to those who had fallen. Violent altercations between Communist and anti-Communist deputies later led to the suspension of the sitting.

Italy. As in France and Britain, large numbers of Communists resigned from the party in protest against the Soviet action in Hungary. Anti-Communist demonstrations took place in many Italian cities, all Communist offices in Rome and other centres being guarded by strong forces of police to prevent incidents On Nov. 11 a bomb was thrown into the garden of the Soviet Embassy in Rome, causing no casualties and no damage apart from broken windows.

The Italian Chamber of Deputies, like the French National Assembly, observed a one-minute silence on Nov. 6 in memory of the Hungarian patriots—the Communists remaining seated. Signor Nenni, the leader of the Left-wing Socialists, paid tribute with other members of his party, having previously issued a statement denouncing the Soviet repression in Hungary and referring to the "deep disagreement" between himself and the Italian Communist Party on this issue. Signor Nenni (who had collaborated closely with the Communists for many years) had earlier announced that he was giving his Stalin Prize, amounting to 16,000,000 lire (£9,600), to Hungarian refugee families

Switzerland. The Swiss Federal Council issued the following statement after an emergency session on Nov. 4 "The Federal Council has been shocked by the events in Hungary. It knows it is representing the sentiments of the Swiss people when it expresses sadness at the suppression of the independence, liberty, and self-determination of the Hungarian people These events show that those principles of international law and international morality which have been recognized by the U.N. Charter and other inter-State treaties are being violated, and that right is once more being suppressed by might . ."

Nation-wide anger and indignation at the Soviet brutalities in Hungary, and in particular at the deportations, was expressed in a three-minute silence observed throughout Switzerland on Nov. 20. Earlier, large protest demonstrations took place in many Swiss cities on Nov. 5-7, thousands of signatures were affixed to petitions calling for the breaking-off of diplomatic relations with the U.S.S.R.; and the University of Zürich severed all cultural and scientific contacts with Soviet academic institutions on Nov. 8. The Swiss Trade Union Federation, on Oct. 30, rejected an invitation by the All-Union Council of Soviet Trade Unions proposing the visit of a Swiss trade union delegation to the Soviet Union. In its reply, the Swiss Federation said that "the bloody intervention by Soviet troops against the Hungarian people fighting for their liberty and human dignity has unmasked the true nature of the hypocritical Soviet statements on 'peaceful co-existence'"

Hundreds of demonstrators broke into the grounds of the Soviet Embassy in Berne on Nov. 5, burned the Soviet flag, and hoisted the Hungarian flag The police used tear-gas to restore order

Leading members of the Swiss Communist Party (the Party of Labour) resigned from the party in protest at its support for Soviet intervention in Hungary They included the former president of the Communist youth organization, and several Communist members of the Cantonal Assemblies of Zurich and Basle.

Western Germany. Mass demonstrations in support of the Hungarian people were held on Nov. 5-6 in Bonn, Hamburg, Cologne, and other West German cities, and also in West Berlin. Flags were flown at half-mast on all Government buildings in honour of the Hungarian patriots, and the 6,000,000 members of the West German Trade Union Federation observed a three-minute silence The Soviet Embassy in Bonn was stoned by student demonstrators

In West Berlin over 100,000 people—many from the Soviet sector of the city—demonstrated before the City Hall on Nov 5 in support of Hungary Some 3,000 Berlin students marched to the Soviet war memorial in the British sector of the city, broke through police cordons, and laid a wreath in the Hungarian national colours. The Communist authorities in East Berlin sent strong reinforcements of "People's Police" to the border between the eastern and western sectors of the city, but no incidents occurred

Netherlands. A three-minute silence was observed throughout the Netherlands on Nov 8, all work in offices, shops and factories being stopped and all transport coming to a standstill. All parties in the States-General—except the Communists—expressed their abhorrence of the Soviet Government's action in Hungary. Among nation-wide manifestations of support for the Hungarian people, some 60,000 Roman Catholics marched in silent prayer through Amsterdam, the dockers at Rotterdam refused to unload Soviet ships in the harbour; and angry crowds stoned the Soviet Embassy in The Hague and the Soviet commercial mission in Amsterdam. Other demonstrators wrecked the offices of the Dutch Communist newspaper.

Belgium. The Foreign Minister (M. Spaak) sent a letter to Mr. Shepilov on Nov. 7 emphasizing that the Belgian people were deeply moved by the fate of the Hungarian people, and calling upon the Soviet Government to end its intervention in Hungary and permit the Hungarian people to choose their own regime Anti-Russian demonstrations occurred in different parts of Belgium, a nation-wide five-minute silence being observed on Nov 7 in memory of the Hungarian freedom fighters

Luxemburg. Some 2,000 students forced their way into the Soviet Embassy in Luxemburg on Nov. 6 and broke up a party celebrating the 39th anniversary of the Russian Revolution. While the Soviet Ambassador fled to the cellar and locked himself in, the demonstrators set fire to the premises with torches, smashed furniture, threw it out of the windows, and burned it in the garden outside Many students were injured in clashes with the police before order was restored.

Scandinavian Countries. Mass protest demonstrations took place during the first week of November outside the Soviet Embassies in Oslo, Stockholm, and Copenhagen, leading to several clashes with the police A home-made bomb was thrown at the Soviet Embassy in Copenhagen, causing no damage or casualties.

Iceland. Hundreds of student demonstrators stoned the Soviet Legation in Reykjavik on Nov. 8 and tore down the Red Flag. Soviet officials who tried to argue with the crowds were pelted with mud.

Portugal. Large crowds demonstrated against the Soviet Union in Lisbon, Oporto, and other Portuguese cities The Portuguese Government expressed its condemnation of Soviet aggression in Hungary, while the Cardinal Patriarch of Lisbon appealed for prayers for the Hungarian people.

Other Countries.

Reactions in other countries are summarized below.

Turkey. The Soviet action in Hungary was strongly condemned by the Turkish Press, the following extract from *Cumhuriyet* (one of Turkey's leading newspapers) being typical of many press comments: "The bloody tragedy that has been enacted on Hungarian soil has finally revealed the true face of the Soviet Union—a face which up to now has been masked by the Russian claim to be the protector of small nations . . . The Budapest events prove that the people who condemned Stalin's tyranny possess the ability to apply the same principles with even greater thoroughness and cruelty"

Pakistan. Sympathy with the Hungarian people was also expressed by the Pakistani press and by leading personalities The Prime Minister, Mr. Suhrawardy, appealed to Marshal Bulganin on Nov. 5 to desist from the use of force in Hungary and to allow the Hungarian people to "decide for themselves, without coercion, the form of government they wish to establish in their country."

Pakistan was a co-sponsor (with Italy, the Irish Republic, Peru, and Cuba) of the resolution, adopted by the special emergency session of the General Assembly, calling for the immediate withdrawal of Soviet troops from Hungary, the entry of U.N. observers, and the holding of free elections under U.N. auspices [see above].

Indonesia. The Indonesian Government issued a statement on Nov. 9 which (1) regretted the "involvement of Russian troops" in Hungary; (2) declared that the presence of Soviet forces in Hungary was not in accordance with the spirit and principles of the Bandung Conference, (3) pointed out that the Hungarian people were unable in present circumstances to choose their form of government freely; and (4) expressed the 'earnest hope" that "every opportunity may be given to the people of Hungary to determine the nature and structure of their own national Government"

Indonesian political leaders of all parties denounced the Soviet aggression in Hungary in as strong terms as those used to condemn the Anglo-French intervention in Egypt. Mr. Natsir, chairman of the Masjumi (Moslem) party, declared that Indonesia must stand firmly behind Hungary if she wished to pursue a truly independent foreign policy; Mr. Sutomo, chairman of the Indonesian People's Party, and a leader of the Indonesian national struggle for independence, accused Russia of committing aggression against Hungary and violating the U.N. Charter, and Mr Hamid Alfagri, a leader of the P.S I. (Socialist Party), said that Soviet Communism had "clearly shown its colonial characteristics"

Soviet Union. Denunciations of the Hungarian freedom fighters as "counter-revolutionaries," "reactionaries" and "fascists" were accompanied by bitter attacks on America, Britain and France in the Soviet press and radio Moscow broadcasts accused the intelligence services of the Western Powers, and particularly of the U.S A., of being behind the "revolt against the Hungarian People's Government," and denounced the U S. Congress and Radio Free Europe for inciting "subversive activities against the Socialist countries."

Diplomatic representatives of all the NATO Powers and of Israel walked out of a Kremlin reception on Nov. 17 after Mr. Khrushchev had violently attacked the Western Powers and Israel They also walked out of a Polish Embassy reception on Nov. 18 when Mr Khrushchev spoke in similar terms In the course of his remarks Mr. Khrushchev denounced the "piratical attacks" against Egypt by Britain and France and "their puppet Israel", said that "fascist bands" were making "furious attacks on Communists and other progressives" in France, Italy, and other Western countries; and declared that the "counter-revolution" in Hungary had been "shattered." Addressing the Western representatives directly as "the capitalists and their representatives," Mr. Khrushchev said: "It does not depend on you whether we continue to exist If you do not like us, do not accept our invitations and do not invite us to visit you. History is on our side whether you like it or not—we will bury you." Press correspondents reported that President Voroshilov, Mr. Mikoyan, and other Soviet leaders present had been greatly embarrassed at Mr Khrushchev's outbursts and had unsuccessfully tried to restrain him

Communist China. The official Chinese Communist organ supported the Soviet action in Hungary as "entirely just," declaring that Soviet troops had entered Hungary "to restore order at the request of the Hungarian Government and in accordance with the genuine desire of the Hungarian people."

Czechoslovakia. A similar pro-Moscow line was followed in Czechoslovakia, where declarations of support for the Kadar regime in Hungary were accompanied by fulsome adulations of the Soviet Union in *Rude Pravo* (the Communist organ) and by Prague Radio. In a speech in Prague on Nov. 7, the Prime Minister (Mr. Siroky) pledged "eternal and indestructible friendship" for the Soviet Union, threatened that an "iron fist" would be used against anyone attempting to create disorders in Czechoslovakia, and declared that the Czechoslovak people had "fury in their hearts" at the "criminal attack" by Britain, France and Israel against Egypt.

A joint declaration was issued on Nov. 16 by the Czechoslovak and Hungarian Governments declaring that the United Nations had no right to intervene in the Hungarian situation, which was solely an internal matter. It supported the Soviet Government's action in sending troops to Hungary to put down a "revolt" aimed at the "restoration of capitalism," and asserted that these troops had been called in by the Hungarian Government in the "exercise of its sovereignty and by virtue of international law." The statement followed a brief visit to Budapest on Nov. 15 by a Czechoslovak Government delegation led by Mr. Siroky.

Poland. The Central Committee of the United Workers' Party issued a cautiously-worded statement on Nov. 2 [i e. before the final Soviet attack on Budapest] saying that the Polish people were following "with tremendous tension the tragic course of Hungarian events" After referring to the "errors" of the Hungarian Communist leadership in the past, the statement said that the decision to call in Soviet troops had resulted in "tragic consequences" and "fratricidal strife." It went on to refer to "reactionary elements" who were "more and more gaining the upper hand"] in Hungary, and expressed confidence that "the working masses of Hungary will succeed in repelling the forces of reaction."

Press correspondents in Warsaw reported that the Soviet attack on Budapest and the suppression of the Hungarian freedom movement had come as a great shock to Polish opinion, and that there was nation-wide sympathy for the Hungarian people and detestation of the Soviet action. *Trybuna Ludu* wrote that "events in Hungary have shaken the conscience of every honest man in Poland."

Yugoslavia. In a speech on Nov. 11 at Pula (Pola), President Tito spoke of the Hungarian situation and at the same time disclosed the existence of sharp divisions in the Soviet leadership between Stalinists and anti-Stalinists. [This speech will be summarized in a subsequent issue.—*Ed. K.C.A.*].

India. The attitude of the Indian Government in denouncing the Anglo-French intervention in Egypt while abstaining in the U.N General Assembly from condemning Soviet aggression in Hungary was strongly criticized in many leading Indian newspapers Particular criticism was directed against Mr. Krishna Menon, combined with demands for his recall or dismissal. [These developments will be described in subsequent issues, together with statements by Mr. Nehru on his Government's attitude toward the Middle East and Hungarian situations.—*Ed. K.C A.*].

Mass Exodus of Hungarian Refugees.

The number of Hungarian refugees crossing the frontier into Austria, which had totalled about 30,000 by mid-November, increased greatly during the last fortnight of that month and by Dec. 1 had amounted to over 100,000—more than one per cent of Hungary's total population. Despite Soviet military control of the Western frontier, tens of thousands of refugees succeeded in crossing into Austria at great risk to their lives, and in many cases after narrowly avoiding capture by Russian patrols. They included large numbers of young persons who fled the country to avoid the mass deportations to Russia, and many mothers and young children. The great majority of the refugees arrived in an exhausted condition, possessing only the clothes they were wearing. Many of them had entered Austria after swimming across a canal on the frontier—in some cases under fire from Russian troops—while others crossed the border through woods and fields and by unfrequented paths.

Many refugees, however, were intercepted by Russian patrols before they could cross the frontier, a number being shot dead by Soviet soldiers. It was officially announced in Vienna on Nov. 23 that a Soviet soldier who crossed the Austrian border in an attempt to seize an 18-year-old Hungarian refugee girl had been shot dead by an Austrian frontier guard, and two other Soviet soldiers arrested. A sharp protest at the violation of Austrian territory was made by Austria to the Soviet Government.

As announced on Nov. 14 by the Office of the U.N. High Commissioner for Refugees (see page 15194, first column), a total of 25,000 refugees had been offered asylum in the U.S.A. (5,000), Switzerland (4,000), Argentina (3,000), Australia (3,000), Western Germany (3,000), the United Kingdom (2,500), Italy (2,000), the Netherlands (1,000), Sweden (1,000), and New Zealand (1,000), in addition to offers from France (without limit), Canada, and Norway. On Nov. 22, however, the Austrian State Secretary (Dr. Kreisky) emphasized that the refugee situation had become "catastrophic," that refugees were continuing to pour into Austria, and that the Austrian Government were facing the gravest difficulties in accommodating them in transit camps and providing food, clothing, and medicine. He appealed to the U.N. and the Western countries for rapid help and "quick action to provide a solution in a matter of hours," stressing that Austria did not possess the facilities for coping with the flood of refugees.

Dr. Kreisky's plea was reinforced by the Director of the Inter-Governmental Committee for European Migration (ICEM), Mr. Harold Tittmann, who described the situation on the Austro-Hungarian border as "tragic" and who added: "They [the refugees] crossed the border in appalling conditions; many are wounded owing to Soviet shooting, all are hungry and soaked to the skin, and the temperature is below freezing-point."

Although thousands of refugees had left Austria by rail and air for countries which had offered them asylum, some 60,000 were still in Austrian reception centres by the end of November, their number being continually increased by further groups crossing the frontier. The U N Secretary-General, Dr Hammarskjold, issued an appeal on Nov. 29 to all countries, whether U.N. members or not, to provide financial assistance for the Hungarian refugee problem, which had become "of the utmost urgency." Previously (Nov. 13), at a meeting in Geneva, representatives of 22 voluntary associations, international organizations, and governmental and inter-governmental bodies had agreed that the extensive but hitherto disparate efforts for the relief of Hungarian refugees should be co-ordinated by the Office of the U.N. High Commissioner for Refugees.

Apart from aid rendered by the International Red Cross and other international bodies, extensive aid for the refugees was provided by the Governments, Red Cross societies, and voluntary organizations of a large number of Western countries, including Switzerland, Great Britain, France, Italy, Belgium, the Netherlands, Western Germany, Norway, Sweden, Denmark, the Irish Republic, and the United States.

In Britain, a Hungarian National Relief Fund set up by the Lord Mayor of London (Sir Cullum Welch) on Nov. 9 had raised over £1,000,000 by the beginning of December, contributions in large and small amounts being made by all sections of the population. Among the contributors were H M. the Queen, other members of the Royal family, and Sir Winston Churchill, who donated £1,000. Relief funds were also instituted by the British Red Cross (£245,000

raised by Dec 1), the United Nations Association. the Save the Children Fund, the Oxford Committee for Famine Relief, the Churches, and the trade unions (miners, railwaymen, etc.). Complementary with the National Relief Fund. relief funds were instituted by the Mayors and Lord Mayors of towns and cities throughout the country and by urban and rural district councils, extending to the smallest villages; by the end of November amounts raised by Lord Mayors' and Lord Provosts' Funds in the leading cities included £18,500 in Liverpool, £12,000 in Glasgow. £12,000 in Leeds, £10,600 in Edinburgh, and £9,000 in Manchester. Schools throughout the country collected money, clothing, and toys for the Hungarian refugee children, while Dr. Barnardo's Homes, the Church of England Children's Society, and other charitable organizations offered to take homeless child refugees.

With the concurrence of H M Government, the British Red Cross Church organizations, and the U.N. High Commissioner's Office for Refugees, a British Council for Aid to Refugees was set up to co-ordinate all aspects of British aid to refugees; *inter alia*, it was agreed that temporary hostel accommodation would be provided by the London County Council; that the W V S would co-ordinate the collection of clothing throughout the country; that the B.C.A R. would have primary responsibility for the reception and welfare of refugees, and for finding them employment; and that appeals for funds would be directed as far as possible into three main channels—the Lord Mayor of London's Fund, the U N.A. campaign, and Church appeals. H.M Government announced on Nov. 21 that it was making an immediate contribution of £20,000 to the Austrian Government's Refugee Fund and of £30,000 to funds for refugee relief set up by the U N. Secretary-General. Together with £50,000 already granted to the Red Cross for aid to Hungary, and £10,000 to the B C A R, the Government had thus contributed £110,000 to Hungarian relief.

National relief committees for assistance to the Hungarian refugees, similar to that in Britain. were set up in many other countries, supplemented by large-scale assistance from the national Red Cross societies and voluntary organizations. The British, Belgian, Netherlands, Swiss, Swedish, and West German Governments sent special trains to Vienna to take thousands of refugees to those countries. while the British Red Cross organized a regular air-lift of three planes a day (beginning on Nov. 18) to fly refugees to Britain.

The New Zealand Government announced on Nov. 23 that, in addition to £10,000 already contributed, it would give a further £30,000 for refugee relief, to be divided between the Office of the U.N. High Commissioner for Refugees, the Inter-Governmental Committee for European Migration, and the special fund for relief inside Hungary set up by the U N. Secretary-General. Moreover, a special grant of £25,000 would be made, additional to the normal New Zealand contribution to the High Commissioner's 1957 programme.

President Eisenhower announced on Dec. 1 that 21,500 Hungarian refugees would be admitted to the U.S.A. instead of 5,000 as originally planned, and that Congress would be asked to give all the refugees permanent residence status so as to allow them to remain in the United States. On Nov. 23 the British Government had announced that it would waive the limit of 2,500 refugees entering the United Kingdom, and that "plans are being worked out on an emergency basis to accommodate large numbers of refugees . . . and steps being taken to provide for them temporarily until proper arrangements can be made for their disposal." Among aid rendered by other countries, the Netherlands agreed to take 5,000 refugees, instead of 1,000 as earlier announced; Denmark offered to accept 1,200; and Norway offered to take 2,000 refugees, who were temporarily accommodated in a large hostel near Linz (Austria) bought by the Norwegian Government. The U S. and Canadian Governments organized air-lifts to bring refugees to North America, a similar air-lift being set up by the British Red Cross as stated above. As a result of the British Government's action in waiving the previous limit of 2,500, a total of over 6,000 Hungarian refugees had been admitted to the United Kingdom by the beginning of December. Many homeless mothers and children were offered accommodation by British families, while a number of refugees were temporarily housed at Donington Hall, an unused 80-room mansion in Leicestershire.

On Oct. 28 the Hungarian Red Cross had sent an urgent message to the International Red Cross in Geneva appealing for immediate aid in foodstuffs in medical supplies for "between 10,000 and 50,000 people" in Hungary. In response to this appeal, large quantities of relief supplies—blood plasma, penicillin and other anti-biotics, drugs, bandages, tinned foods, condensed milk, special food for infants, etc.—were sent from Britain, France, Italy, Switzerland, Western Germany, Belgium, the Netherlands, Denmark, Norway, Sweden, and other countries by road, rail and air to Vienna, from where they were partly sent by road and partly flown to Budapest by air-lifts organized by the International Red Cross with the co-operation of the Hungarian Government. Poland, Yugoslavia and Eastern Germany also sent food and medical supplies to Hungary.

Despite the desperate plight of the Hungarian population and the urgent need for food and medical aid, the Soviet Army prevented the entry and distribution of relief supplies for about a week after its final assault on Budapest. This inhuman action was strongly denounced in the Western countries and at the United Nations, notably by Mr. Cabot Lodge in the General Assembly's emergency session of Nov. 8-9 (see page 15233, second column).

An agreement was signed in Geneva on Nov. 18 between the Kadar Government, the International Red Cross, and the Hungarian Red Cross whereby all relief offered to Hungary by Governments, national Red Cross societies, U.N. agencies, and private bodies was channelled through the International Red Cross, which was made responsible for distribution in Hungary "without distinction." The Hungarian Government undertook to provide all necessary facilities and to ensure the safety of I.R.C. personnel distributing supplies in Hungary. This was the first time since the war that the International Red Cross had been permitted to carry out its humantarian activities in any Communist country.—(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - United Nations Information Centre, London - Le Monde, Paris - Neue Zürcher Zeitung - Netherlands News Agency - Berlingske Tidende, Copenhagen - Norwegian Embassy, London - Turkish Embassy, London - Indonesian Embassy, London - Polish Embassy, London - Australian, New Zealand, and Pakistan High Commissioners' Offices, London)

(Prev. rep. Hungary, 15189 A.)

A. INDIA. — Cabinet. - Mr. Desai's Appointment. - Resignation of Mr. Shastri. - The Ariyalur and Mahbubnagar Train Disasters.

It was announced on Nov. 14 that Mr. Morarji Desai, Chief Minister of Bombay State before the recent reorganization of States, had been appointed a member of the Indian Cabinet and would take over the Ministries of Heavy Industries and of Commerce and Consumer Industries from Pandit Pant and Sardar Swaran Singh respectively. Mr. Desai is not a member of the Union Parliament but, under the Indian Constitution, he can be a Minister for a six-month period without being a member, and can participate in the proceedings of both Houses without, however, being able to vote.

Mr. Lal Bahadur Shastri, the Indian Railway Minister, resigned on Nov. 26 because of a serious train disaster which had occurred near Ariyalur (Madras) on Nov. 23, when the Tuticorin express plunged from a bridge which was believed to have been weakened by floods, causing the deaths of 137 people and injuries to another 108. A similar disaster had occurred nearly three months earlier (Sept. 2), when two coaches of a train from Secunderabad to Dronachalam fell into a swollen stream near Mahbubnagar (60 miles from Hyderabad City) after a bridge which had been weakened by floods had collapsed as the engine passed over it, 112 people were killed and 22 injured. This had been the second accident of its kind in the Hyderabad area, following one in 1954 near Jangaon (about 100 miles from Hyderabad) in which 139 persons were killed when a train plunged into a flooded river after the collapse of a bridge. (The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London - Times - Manchester Guardian)

(Prev. rep. Cabinet, 15130 A.)

B. NORWAY. — The Fridtjof Nansen Institute.

The establishment of a Fridtjof Nansen Institute for Humanist and Social Research was announced in Oslo on Oct. 10, the anniversary of the birth of the famous Norwegian explorer, scientist, humanist, and statesman. The creation of the Institute was made possible by a gift of £20,000 from *Norsk Hydro*, the Norwegian chemical concern. It was stated that the Institute would carry out research in the field of human relations, particularly into the problems of working life, and also in the field of international relations, with particular reference to the problems of small nations.

(Norwegian Embassy Press Office, London)

C. UNITED KINGDOM. — Arms Exports to Egypt and Israel, 1951-1956.

The President of the Board of Trade (Mr. Thorneycroft), in a written parliamentary reply, gave the following details on Nov. 23 of military and certain other goods exported by Britain to Egypt and Israel between January 1951 and June 1956: (*a*) explosives (including industrial explosives)—£1,171,000 to Egypt, £444,000 to Israel; (*b*) arms, ammunition, and military stores—£3,193,000 to Egypt, £1,443,000 to Israel; (*c*) aircraft and parts (including civil aircraft—£4,689,000 to Egypt, £1,372,000 to Israel. (Daily Telegraph)

A. AUSTRALIA - UNITED KINGDOM. — Principles of New Trade Agreement.

A joint statement issued in London on Nov. 12 by Mr. Peter Thorneycroft (President of the Board of Trade) and Mr. McEwen (Australian Minister for Trade) announced that the British and Australian Governments had signed the heads of a new five-year trade agreement which would replace the Ottawa Agreement of 1932, and whose final text would be drawn up early in January 1957. The new agreement was the outcome of prolonged negotiations which had commenced last June during the Commonwealth Prime Ministers' Conference in London (see 14961 A.).

The principal points covered by the heads of agreement and its four annexes were as follows :

(1) Both Governments would immediately act "in conformity with the intention of the heads of agreement."

(2) The U K would maintain the duty-free entry of Australian goods which were at present free of duty, except in cases where there was no active Australian trade interest

(3) The U.K. would maintain the existing guaranteed margins of preference for Australian exports of butter, cheese, fruit, eggs, canned meat and milk, honey, leather, tallow, zinc, barley, wheat, flour, eucalyptus oil, copra, sugar, light wines, coconut oil, currants, jam, etc

(4) As regards other Australian goods, the U.K. would consult Australia about any proposals to reduce margins of preference on goods where there was an active Australian trade interest

(5) The provisions of the 1932 Agreement in respect of U.K meat imports from Australia would not be affected.

(6) The Australian and British Governments expressed the "desire and expectation" that sales of Australian wheat and flour in Britain (made on commercial terms between representatives of U.K. flour-millers and the Australian Wheat Board) should amount to 750,000 tons per annum. Both Governments agreed to consult each other if British purchases fell below that figure, and an inter-governmental committee would be set up in London "to consider the reasons for the shortfall and the possible solutions" If deadlock resulted, either Government might call for a re-negotiation of the terms of the new agreement.

(7) Australia would maintain the existing tariff preferences on the Australian market for British goods, but would reduce the margins of preference to a minimum of 7½ per cent on capital goods and a minimum of 10 per cent on most other goods.

The list of capital goods included, *inter alia*, iron and steel; aluminium and nickel, tinplate, non-ferrous alloys, agricultural and other machinery, machine tools, ball- and roller-bearings, metal-working lathes, sewing-machines, road-making and cement-making machinery; cranes, conveyors; tractors, locomotives, internal combustion engines, steam turbines; certain electrical and power-station equipment; dyestuffs, cement; insecticides and disinfectants, certain drugs and chemicals; plastic moulding materials; packing materials; cotton, rayon and artificial silk yarns; sewing cottons; and ships

[The former preference rate on capital goods from Britain was 12½ per cent On other goods it varied from 10-17½ per cent, although on some items it was as high as 27½ per cent]

(8) Any decision on the alteration of Customs preferences that would normally apply would remain with the Australian Government, but the U K. Government would be given full opportunity to express their views in each case. [Mr McEwen explained that a preference normally applying could be suspended by Australia if the goods in question were not commercially available from U.K. production.]

(9) Australia would continue tariff policies that would ensure that : (*a*) protection by tariffs would be afforded only to industries which were reasonably assured of sound opportunities for success on the basis of the relative cost of economical and efficient production; (*b*) the Customs tariff would be based on the principle that protective duties would not exceed a level that would give U K producers full opportunity of reasonable competition, provided that in the application of this principle special consideration might be given to industries not fully established, and to industries essential for defence purposes, (*c*) subject to certain international obligations, no new protective duty would be imposed and no existing protective duty increased on U K. goods to an amount in excess of the recommendations of the Tariff Board; (*d*) U.K. producers would be entitled to full rights of hearing before the Tariff Board

(10) Australia agreed to maintain all existing preferences in respect of imports from British Colonial territories pending further discussions in 1957 between the two Governments, in consultation with the territories concerned. Conversely, the U.K. would invite the Colonial Governments to maintain for the time being the preferential tariffs at present applying to imports from Australia.

(11) Close consultation would take place between the two Governments on other matters affecting their mutual trade, such as agricultural production, marketing and import policies, subsidized imports, the disposal of surpluses, restrictive practices, and transport and communications.

(12) Both Governments agreed to introduce legislation as soon as possible enabling them to impose anti-dumping or countervailing duties against "dumped" or subsidized exports from third countries

In a press statement on the same date, Mr. McEwen said that while Australia still accepted the principle of Imperial preference, the pattern of trade between the two countries had changed so much in the last 25 years that Britain now derived greater benefits from the 1932 Agreement than Australia.

Allowing for price changes (Mr McEwen continued) Australian imports from the U.K. were almost 100 per cent higher post-war than pre-war, while Australian exports to the U.K. had declined by 20 per cent. In addition, Australia had been faced with balance-of-payments problems which had finally forced her to negotiate both for reductions in the preferential tariff granted on British goods (which would enable her to obtain new or improved markets for Australian exports in other countries) and for increases in the sales of Australian foodstuffs to Britain. By the new arrangement on tariffs Australia had gained "more freedom and flexibility in the costs field and in negotiations for trade expansion in other markets," while the wheat arrangements constituted a "new and valuable base" for Australian wheat exports.

[According to statistics published in the British press, Australian wheat sales to the U.K. had fallen from an average of 2,000,000 tons before the Second World War to one of 650,000 tons in the post-war period The overall trade figures show that whilst in 1938 Australian exports to Britain totalled £71,800,000, and British exports to Australia £38,900,000, the comparable figures in 1955 were £265,000,000 for Australian exports to Britain and £286,000,000 for British exports to Australia]

It was pointed out in the British press that the new agreement favoured Australian rather than British trade and would expose many British industries—notably motor manufacturing—to sharper competition on the Australian market. On the other hand, 90 per cent of British exports to Australia would still enjoy preference, although at reduced rates.
(Times - Financial Times - Australian News and Information Bureau - Daily Telegraph - Manchester Guardian - Board of Trade Journal - The Economist) **(Prev. rep. 14961 A.)**

B. ISRAEL. — Municipal Council for Gaza.

A new municipal council for Gaza, consisting of a mayor and six councillors, was appointed on Nov. 26 by the Israeli Military Governor of Gaza, Colonel Gaon, who had been appointed to that post after the capture of the "Gaza strip" during the Sinai campaign. The new mayor, an Arab, had served as mayor of Gaza for 15 years before 1951.

In a speech at the ceremony, and in a subsequent press statement, Colonel Gaon said that conditions in the Gaza area had become normal to such an extent that local government could again operate; that the U.N. Relief and Works Agency (UNRWA) had resumed its work of caring for the approximately 210,000 Arab refugees in the "Gaza strip"; and that food supplies, including quantities of flour, were also being distributed by the Israeli authorities.—(Manchester Guardian) **(Prev. rep. 15173 A.)**

C. BRAZIL. — Freeing of German Pre-war Assets.

Under a decree signed by President Kubitschek in September, all German pre-war assets and rights which had been taken over by Brazil during the Second World War were restored to their owners. Deliveries will be made according to instructions by a private German consortium which had negotiated the agreement with the Brazilian Government, and which had deposited with the *Banco do Brasil* an amount corresponding to the claims for Brazilian war damages still outstanding. Assets and rights which had already been liquidated or incorporated into the Brazilian economy were excluded from the releases, as well as assets belonging to persons who had been condemned for crimes against Brazil's national security.
(Bank of London and South America)

D. ASIA. — Formation of Seven-Nation Asian Legal Consultative Committee.

It was announced on Nov. 15 in the capitals of the seven countries concerned that the Governments of Burma, Ceylon, India, Indonesia, Iraq, Japan, and Syria had set up an Asian Legal Consultative Committee, to which other Asian Governments might adhere. The committee, whose secretariat will be in New Delhi for the time being, will examine legal matters of common interest and make necessary recommendations.
(Indian High Commissioner's Office, London)

E. ARGENTINA. — New Minister of Labour.

Dr. Horacio Aguirre Legarreta was appointed Minister of Labour in General Aramburu's Government on Sept. 25 in succession to Dr. Migone, who had resigned on the grounds of excessive work and ill-health. Dr. Migone had been criticized by both employers and workers in his attempts to find an acceptable solution to current wage and labour questions.
(New York Times) **(Prev. rep. 14967 A.)**

A. BAGHDAD PACT. — Four-Power Discussions on Middle East Crisis. - Mr. Suhrawardy's Call for Moslem Unity against External Subversion. - Turkish Warning on Soviet Penetration of Syria. - Turkish Minister recalled from Israel. - U.S. Support for Baghdad Pact.

The situation in the Middle East was discussed on Nov. 7 at a meeting in Teheran of the Prime Ministers of four of the five member-countries of the Baghdad Pact—General Nuri-es-Said (Iraq), Mr. Suhrawardy (Pakistan), Mr. Hussein Ala (Persia), and Mr. Adnan Menderes (Turkey). Britain, the fifth member-country, was not invited. The meeting had been called on the initiative of the Shah of Persia and the President of Pakistan during the latter's State visit to Teheran (see below).

The following communiqué was issued at the conclusion of the four-Power discussions :

" (1) As a result of the negotiations between H.M. the Shah and the Pakistani President, the Imperial [Persian] Government invited the Premiers and Foreign Ministers of Pakistan, Turkey, and Iraq to visit Teheran to consider the situation created by (*a*) Israeli aggression against Egypt and the occupation of Egyptian territory by Israel, and (*b*) military intervention by Britain and France in Egypt.

" (2) The Premiers of Persia, Turkey, Pakistan and Iraq considered the critical situation created in this zone and unanimously reached the following decisions

(*a*) They condemned the Israeli act of aggression against Egypt, and deemed it necessary for the Israeli forces to return immediately to the cease-fire line and for all Egyptian prisoners to be repatriated

(*b*) On the basis of the U.N. recommendations concerning the regrettable armed intervention of the British and French forces . . they decided to ask the British and French Governments to end hostilities immediately, to withdraw their forces from Egypt, and to respect fully the sovereignty, independence and territorial integrity of Egypt.

(*c*) To ensure a permanent peace in this zone, the four Governments stated that the Israeli-Arab dispute must be settled immediately on the basis of the 1947 resolution of the United Nations.

(*d*) The four Governments . . state that the Suez Canal problem must be settled under the auspices of the U.N. by negotiations with Egypt. Freedom of navigation through the Canal must be safeguarded, fully respecting Egyptian sovereignty.

" (3) The four Governments were pleased that the British Ambassador in Teheran had stated that the joint action by the four Governments and the British Government on Nov. 5 [see below] affected the decision for a cease-fire order at midnight on Nov. 6. They welcomed this decision and expressed the hope that there would be no delay in the implementation of the U.N. resolution for the establishment of an International Force.

" (4) The four Governments appreciated the prompt action of America in the U.N. for safeguarding peace and supporting U.N. principles.

" (5) They confirmed their promise to respect the principles of the U.N. Charter, and declared that aggression, in whatever manner, is resented by them. The independence and sovereignty of all nations must be respected and safeguarded

" (6) The four Governments were informed of the efforts made jointly or individually by them to safeguard peace. Emphasizing that their alliance has no aggressive nature, they reiterated their desire to strive for the peace and security of this zone. They expressed their distaste for the false statements made by some circles for the purpose of hampering peace and security in this zone."

A statement issued by the British Foreign Office on Nov. 8, with regard to approaches made by the other Baghdad Pact members, said that H.M. Government had "listened with close attention to the friendly and constructive advice offered," and that the proposals put forward " are consonant with H.M. Government's views." It added . " As regards a settlement of the Palestine problem, H.M. Government's views are well known, and were stated by the Prime Minister in his Guildhall speech on Nov. 9, 1955."

In a press statement on his return to Karachi, Mr. Suhrawardy disclosed on Nov. 10 that before the issue of the joint communiqué, and as a result of " preliminary and urgent discussions " between the four Baghdad Pact countries, a joint approach had been made to H.M. Government on Nov. 5, " which, we have been told, influenced the decision for a cease-fire at midnight the following day."

Mr Suhrawardy added : " The four Powers, since the issue of the joint communiqué, have urgently represented to H.M. Government that only by prompt action to implement the conclusions mentioned in the communiqué would it be possible to prevent the conflagration from spreading and to restore peace and stability in the Middle East. We await anxiously, but with confidence, a quick acceptance by H.M. Government of the proposals. I must, however, emphasize that we do not wish to see a situation created in this area of which Israel could take advantage to the detriment of Egypt's interests. It is for this reason that Pakistan was among the first to offer to contribute to the International Police Force

" We have taken the opportunity, while at Teheran, to re-emphasize the essentially defensive and non-aggressive nature of the alliance [i.e. the Baghdad Pact]. I must point out that whatever action H.M. Government thought fit to take was not taken in her capacity as a member of the Baghdad Pact. On the contrary, the other members of the Pact, realizing their duty to safeguard the peace and stability of the region and to uphold the principles of the U.N. Charter, have throughout, individually and collectively, done their very best to prevent hostilities from spreading and to bring the conflict to a speedy end . . . "

Asked by press correspondents whether Pakistan's relations with the Commonwealth had been affected by the Anglo-French intervention in Egypt, Mr Suhrawardy replied : " Pakistan is fully in the Commonwealth."

At the request of Mr. Menderes, the British and U.S. Ambassadors in Ankara (Sir James Bowker and Mr. Fletcher Warren) met him in Istanbul on Nov. 10 to discuss the Teheran meeting, as well as economic problems. It was reported in the press that Mr. Menderes had emphasized to Sir James Bowker that the fact that Britain had not been invited to the Teheran meeting was only " a temporary expedient." M. Nuri Birgi, Secretary-General of the Turkish Foreign Ministry, declared on the same day that the Teheran meeting had " saved the unity of the Baghdad Pact."

The Prime Ministers of Iraq, Pakistan, Persia, and Turkey, together with the President of Pakistan (General Iskander Mirza), met again in Baghdad on Nov. 19 to review further developments in the Middle East crisis. The talks were temporarily adjourned on Nov. 21, when President Mirza flew to Riyadh (Saudi Arabia) to meet King Saud, while Mr. Suhrawardy flew to Beirut for talks with President Chamoun of the Lebanon. The Baghdad discussions were resumed on Nov. 22, following President Mirza's and Mr. Suhrawardy's return to Iraq, and ended in the early morning of Nov. 23 after King Faisal of Iraq had also taken part in the discussions. The following communiqué was issued :

" (1) The meeting . . was held for the following reasons

(*a*) To discuss the gravity of the situation in the Middle East and . . . to harmonize the foreign policies of the four countries in order to preserve the peace and security of the Middle East area.

(*b*) To review the progress achieved in the application of the recommendations contained in the joint communiqué published at the conclusion of the Teheran talks.

" (2) The representatives of the four nations . . reiterated their belief that the recommendations contained in the Teheran communiqué were the only means to solve Middle East problems in a just, honourable, peaceful, and lasting manner

" (3) They drew attention to the similarity between their views and those expressed in the communiqué published in Beirut on Nov 16, after the end of the conference between the Heads of State of Arab countries [see page 15236].

" (4) They scrutinized with anxiety and a sense of vigilance the destructive activities taking place in the Middle East, and decided to take all necessary measures to counteract this dangerous situation in accordance with the U.N. Charter.

" (5) They . . . expressed their firm belief in the necessity for continued discussions and sustained co-operation."

Mr. Suhrawardy's Warning against External Subversion.

The seriousness of the subversive activities being carried out by foreign Powers [i.e. the Soviet Union] in certain Middle East countries, to which the communiqué referred, was emphasized by Mr. Suhrawardy in a press statement on his return to Karachi (Nov. 23).

Referring to his visits to Teheran, Baghdad, and Beirut, Mr. Suhrawardy said : " There is every reason to think that my mission will prove successful, and that the Moslem nations will work in unison to secure peace and stability in the Moslem world and save it from internal subversion and external aggression. These meetings have proved so successful that I hope others will be held from time to time to evaluate the results of our co-operative efforts, and to take steps to meet the dangers and conspiracies designed to enslave us. It is only by close co-ordination and co-operation that we can successfully avert the danger to the independence of ourselves and other Moslem countries.

" Although the chances of a major conflict seem to have receded—at least for the present—with the timely arrival of the U.N. Force in Egypt, the situation in the Middle East does not warrant complacency. It is encouraging to find that the British have begun to fulfil their promise to withdraw their forces from Egypt. We hope that when they are replaced by the U.N. Force, the Palestine problem and the problem of the Suez Canal will be successfully solved . . .

" The Palestinian problem must be settled soon. If the great Powers really desire such a consummation and do not keep alive this problem—which, I am sure, they must realize is a danger to the peace of the world—there is no reason why the smaller States immediately concerned with these issues should not be able to settle the matter among themselves or accept the verdict of the United Nations.

"The Suez Canal must be cleared as soon as possible and the U.N. must see to it that all hindrances and obstructions are removed. We are beginning to feel the results of its closure, and our economy will be seriously disturbed if the Canal is not cleared soon. Our entire economic policy may well have to be reorientated to meet the new situation. Indeed, there are many countries who, with us, wonder what requirements of military strategy or tactics necessitated the sinking of so many ships in the Canal, thereby adversely affecting the lifeline of so many countries who depend upon it for their trade and their essential supplies

"I feel that I must take my countrymen into my confidence and sound a note of warning and caution against the activities of certain interested Powers who, having failed to disrupt our unity, are trying to destroy us from within Taking advantage of the noble sentiments and emotions aroused in support of a Moslem country [i.e. Egypt], they are attempting to create disorder and confusion in the Middle East and are seriously threatening its security and stability.

'I would have tried—and indeed for a long time I have tried—to avoid this unpleasant subject, but the danger is growing. It is getting nearer and nearer, and it is too real for us to close our eyes to it Money is being lavishly distributed to forces of disruption, offensive weapons of war are being supplied in large quantities to countries incapable of using them; subversive activities by paid enemy agents are playing upon the sentiments of innocent youths, bombs, explosives and arms are being supplied to saboteurs taking advantage of diplomatic immunities, persons are hired to destroy, kill and assassinate; demonstrations are being engineered with violence and disorder, and innocent lives sacrificed; and a new technique of subversion and terrorization is being evolved by external Powers to produce fear and chaos, to overthrow existing regimes, and to replace them by puppets

"I think it is necessary to appraise my countrymen of these trends and happenings, and to caution them against falling a prey to the activities of these enemy agents, many of whom are parading as patriotic citizens. I appeal to our people not to be carried away by their unrestrained emotions If they do so, they will find themselves in a trap ingeniously laid by Powers anxious to see Pakistan weakened, isolated, and friendless, and liable to be enslaved if not eliminated altogether."

Mr. Suhrawardy also said that "paid enemy agents" in the country were attacking the Baghdad Pact because they wanted Pakistan to be isolated and weak, they were also taking the line that Britain should be expelled from the Pact, as they wanted to take advantage of the situation in the Middle East. He added that the Lebanon was also being subjected to "lots of pressure from within and without." and deserved help.

In conclusion he declared. "Let me reiterate my policy. I shall never allow Pakistan to be weakened and isolated I shall continue to seek new friends and endeavour to establish cordial relationships with all. I shall make no enemies, but neither shall I give up the just claims of our country. Nor shall I betray our friends and allies in the hour of their need . . ."

Turkish Minister recalled from Israel. - Turkish Warning on Soviet Penetration of Syria.

It was announced in Ankara and Jerusalem on Nov. 26 that the Turkish Minister to Israel (Mr. Istinyeli) had been recalled. Reports from Jerusalem said that Mr. Istinyeli had explained to the Israeli Foreign Ministry that the move was intended to strengthen the Baghdad Pact, which was not directed against Israel; that Turkey did not intend to hamper friendly relations or impede trade with Israel, and that the Turkish Legation in Tel-Aviv would continue to work under the Counsellor as Chargé d'Affaires. The official Turkish announcement said that Mr. Istinyeli would not return to Israel "until the Palestine question has been finally settled with justice."

A semi-official statement broadcast by Ankara Radio on the same date outlined Turkish policy on this matter, and also drew attention to the danger of Communist infiltration in the Middle East countries, particularly in Syria and Egypt.

The statement explained that the Teheran and Baghdad meetings had not been held under the auspices of the Baghdad Pact, but had been simply meetings between four members of the Pact to discuss matters of local interest. This was the reason why Britain had not taken part in those meetings, and her non-attendance should not be considered as a weakening of the Pact any more than the holding of private consultations between some members of NATO would be considered a reflection on the solidarity of NATO itself

Turning to the present unrest in the Middle East, which had been caused by Communist penetration in Syria and Egypt, the statement accused those two countries of fomenting trouble among their neighbours, as proved by recent incidents in the Lebanon In Syria, Communist influence and Soviet armaments were creating a situation fraught with dangers to peace in the whole Middle East, and Turkey, Persia, Pakistan, and Iraq, as well as some other Arab countries, were fully alive to this danger.

Amongst information about Communist infiltration in the Middle East, particularly in Syria and Egypt, and attempts to establish pro-Communist regimés in Syria, Lebanon, and Jordan, it was reported in the Turkish Press that 501 Soviet ships aggregating 2,330,000 tons had passed through the Dardanelles in 1955, and 504 Soviet ships aggregating 2,714,000 tons during the first eight months of 1956.

As stated above, the decision to call the Teheran meeting of the four Baghdad Pact Powers had been taken by the Shah of Persia and President Mirza of Pakistan during a visit by the Pakistani President to Persia from Nov. 4-10. In the course of this visit President Mirza and Mr. Firoz Khan Noon (Foreign Minister of Pakistan) had discussions with the Shah and Persian Ministers, while the Pakistani President also addressed the Majlis and visited the holy city of Meshed. President Mirza had earlier paid an official visit to Turkey from July 15-29.

American Support for Baghdad Pact.

The U.S. State Department, with the approval of President Eisenhower, announced on Nov. 29 that it would view "with the utmost gravity" any threat to the territorial integrity or political independence of Turkey, Pakistan, Iraq, and Persia, and reaffirmed the U.S. Government's support "for the collective efforts of these nations to maintain their independence." The statement was regarded in the U.S. press as a warning to the Soviet Union following the reports of increasing Soviet infiltration in the Middle East, and particularly in Syria.—(Pakistan High Commissioner's Office, London - Turkish Embassy, London - Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune) **(Prev. rep. 15201 A; Baghdad Pact, 14873 A.)**

A. UNITED KINGDOM.—Resignation of Mr. Stanley Evans, M.P. - Denunciation of U.S. Policy in Middle East.

Mr. Stanley Evans, Labour M.P. for Wednesbury (Staffordshire), announced his resignation on Nov. 20 in compliance with the wishes of the Wednesbury Divisional Labour Party, which had objected to his abstention on the Opposition's vote of censure on Nov. 1 (see pp. 15181-83) and to his speech during the debate. Mr. Evans issued the following statement:

". . . My attitude on the Suez question has caused offence to the Wednesbury Labour Party, who demand that I surrender my seat in the House and resign from the Labour Party . . . I propose to comply . . It ill accords with the strength of the nation that an M.P., in order to survive, has to set loyalty to his party before his own conscience and what he considers to be the well-being of the country.

"My speech and abstention on Nov. 1 came as no bolt from the blue to the constituency party. Explaining my views at Wednesbury on Sept. 8, I said · 'Britain is faced with a challenge in the Middle East potentially no less mortal to her standard of living and status as an industrial nation than that in the Europe of 1938. In these circumstances she can no longer act in accordance with her own peaceful principles, but only in accord with what experience of dictators has taught her to expect.'

"I also made my position clear at meetings of the Parliamentary Labour party before the debate in the House. To the credit of the Parliamentary party, it was accepted that I could not vote for the censure motion. and that under the party's Standing Orders I was entitled to abstain. There has never been any question of action being taken against me at Westminster

"Beyond all this, however, is the larger issue. Military operations having been started by a freely elected Government of the people, backed by a substantial Parliamentary majority, it seemed to me to be against the best interests of the British people to divide the House of Commons while fighting was still in progress—particularly as everyone knew that hostilities would be merely a matter of days, and that there would be plenty of time for argument when the guns stopped firing The knowledge that British parachutists and commandos were due to go about their business at any minute reinforced my conviction that this was the moment to unite the nation, not to divide it on party political lines . . .

"I do not wonder that the British and French Governments finally lost their temper The perfidy of Mr. Dulles over Suez has made Machiavelli look like a saint. When events in Guatemala were held by the Pentagon to threaten the Panama Canal, America's life-line, Mr. Dulles did not summon a conference of 22 nations, urge caution, or refer the matter to U N O. Lethal weapons in the shape of guns, planes, bombs and bullets were his instruments of persuasion, and a revolt which had nothing to do with the United States was pulverized overnight. The United Nations, the 'hope of the people,' was left to think what it liked.

"I saw Suez as a bid to strengthen Britain's friends in the Middle East, and to wrest a little elbow-room within the Anglo-American partnership. I am afraid that the bid has failed. All that can be hoped for now is that the Americans will grant us the same benevolent twilight that the Romans accorded the Athenians. . .

"As it is, the outlook for Britain, France and Israel could hardly be more bleak. The Egyptian dictator, militarily deflated by Israel, is now stronger than ever and all that has been achieved in Egypt is a very uneasy armistice. We have agreed to get out of Egypt without waiting for a settlement, and the terms for a settlement of the Suez and Palestine problems have not even been discussed—all because of an artificially engendered hysteria which at no time found an echo in the hearts and minds of the people.

"For this calamitous state of affairs the Shadow Cabinet and the leader-writers of the *Manchester Guardian*, *The Observer*, and *The Economist* bear a heavy burden of responsibility . . ."

Mr. Evans also announced his resignation from the Labour Party.—(Times - Daily Telegraph - Daily Herald) **(15198 A.)**

A. CHINA. — Eighth Communist Party Congress. - The Second Five-Year Plan.

The eighth national congress of the Chinese Communist Party—the first held since 1945—met in Peking from Sept. 15-27. Its main decisions were the election of a new Central Committee, the adoption of a revised party constitution, and the approval of the Government's proposals for the Second Five-Year Plan. Statements were also made by Government and party leaders on foreign policy, industrial development, the armed forces, legal reforms, and other matters, as summarized below.

President Mao Tse-tung, in his opening speech as party chairman, claimed that the " triumph of the revolution " since the last congress had proved the political maturity of the party, which was now " more united and consolidated than at any time in the past " Although there were over 10,000,000 party members, they constituted only a very small minority of the population, and it was therefore necessary to " strengthen unity among all our nationalities, democratic classes, democratic parties, and people's organizations, and to consolidate and expand a people's democratic united front."

Turning to the international situation, Mao Tse-tung said that the recent relaxation of tension had made the situation inside China more favourable to peaceful constructive work. He continued : " To achieve lasting peace in the world we must develop our friendship and co-operation with fraternal countries in the camp of Socialism and strengthen our solidarity with all peace-loving countries. We must endeavour to establish normal diplomatic relations on a basis of mutual respect for territorial integrity and sovereignty, equality, and mutual benefit with all countries willing to live peacefully together with us We must give active support to national independence and liberation movements in Asia, Africa, and Latin America . . We firmly support the entirely lawful action of the Egyptian Government in taking over the Suez Canal Company, and resolutely oppose any attempt to encroach upon the sovereignty of Egypt and to start armed intervention against that country."

Mao Tse-tung went on to criticize the " bureaucratic and sectarian " outlook of many party members, and referred to the criticisms made at the 20th Congress of the Soviet Communist Party as an example to be followed. " In transforming China from a backward agricultural country into an advanced industrialized one," he added, " we are confronted with many heavy tasks, and our experience is far from being sufficient So we must be good at studying , good at learning from the Soviet Union, from the people's democracies, from fraternal parties in other parts of the world, as well as from peoples the world over. We must never adopt the conceited attitude of great-nation chauvinism and become arrogant and complacent because of the victory of the revolution and some successes in the construction of the country . . . Humility helps one to progress, whereas conceit makes one blind . . . "

Liu Shao-chi (chairman of the standing committee of the National People's Congress) presented the Central Committee's political report. This stated that the occupation of Formosa by " American imperialists " was the greatest threat to China's security ; that China was willing to negotiate on this issue ; and that she would use force only if there was no longer any possibility of peaceful negotiation, or if such negotiation had failed. After attacking the U.S.A., Britain, and France, he reiterated that unity between China and the Soviet Union was " unbreakable."

Reviewing the First Five-Year Plan, Liu Shao-chi reported that by 1957 China would produce over 60 per cent of the machinery and equipment needed for her economic development, and that 110,000,000 peasant households had been organized into 1,000,000 producer co-operatives of varying sizes. Industrialization would require three Five-Year Plans, or even longer, but the transition to Socialism would be completed during the second plan. Most capitalist industries and commerce were now jointly owned, and small traders and fishermen were organized in co-operatives. The majority of former capitalists, with a few exceptions, had accepted the transformation to Socialism, and it was possible for them to be " remoulded into working people worthy of the name "

Teng Hsiao-ping (a Vice-Premier, and chief secretary of the party) presented a revised party constitution. Recalling that in 1949 it had been decided, at Mao Tse-tung's suggestion, to prohibit public celebrations of party leaders' birthdays or the naming of towns, streets, or factories after them, he emphasized that " love and support for leaders . . has nothing in common with the worship of any individual." Under the new constitution, he went on, party members would have the right to reserve their opinions, to criticize any party organization or official at party meetings, to be present when their own work was discussed, and to send their views to higher bodies, including the Central Committee. " If the truth turns out in the end to be on the side of the minority," he added, " then the protection of the minority's rights will help the party to discover the truth." Delegates to the National Congress would be elected for five years, and would meet at least once a year, while provincial congresses would meet three times and municipal congresses four times a year.

Marshal Peng Teh-huai (Defence Minister) stated that 5,000,000 men had been demobilized from the Army since 1949, which meant that, counting newly conscripted men, its strength was 2,700,000 lower than in that year. As a result, military expenditure had been reduced from 48 per cent of national expenditure in 1951 to 19 9 per cent. China supported the Soviet Union's disarmament proposals, and, if agreement was reached on that basis, was willing to reduce her forces still further. The chief tasks of the armed forces were to defend China and to be " prepared to liberate Formosa at any time."

Marshal Peng announced that the armed forces, which in the past had been essentially made up of infantry, were now divided into five separate commands—the Army, Navy, Air Force, Anti-aircraft, and Public Security Forces. The Army itself was divided into infantry, artillery, armoured troops, engineers, a railway corps, a signal corps, and an anti-chemical-warfare corps. Party committees would continue to exercise collective leadership over the Army's work, and officers were required to accept the criticisms of lower officers and soldiers.

Tung Pi-wu (President of the Supreme Court) emphasized the need for a new legal system, including a new criminal code, civil code, law of procedure, labour laws, and laws on land utilization. Since the revolution China had had a " people's democratic legal system," which had served the needs of the time but had not always been observed. One reason for this, he suggested, was that hatred of the old legal system had created a " psychology of contempt " for all legal systems, and this contempt had been increased by mass revolutionary movements in the past, which had given rise to an indiscriminate disregard for the law. To eliminate this tendency it was necessary to formulate the laws clearly, and for Government officials and party members to set an example of obedience to them. Drafts of the criminal code and the code of criminal procedure would soon be completed, and would be submitted to the public for consideration.

General Lo Jui-ching (Minister of Public Security) denounced the use of torture or disguised torture to extract confessions, which—he admitted—had sometimes been practised, although officially forbidden Stressing the continuing need for vigilance, he said that although the " period of intense class struggle " was past, special agents were still being sent into China and had committed a number of assassinations in recent weeks In dealing with counter-revolutionaries, the basic principle must be " punish few and reform many."

Chen Yun (a Vice-Premier and economic expert) gave details of the Government's proposals for the establishment of a free market within the framework of a planned economy Grain, cloth, and other essential consumer goods would continue to be purchased and marketed only by the State, but the free market would include a little over one-quarter of the total value of retail consumer goods Temporary price increases would be necessary if the quality and variety of goods were to be increased and production of new lines encouraged, although this should not give rise to any apprehension.

Admitting serious economic shortcomings, Chen Yun said that rigid adherence to the system of supply of raw materials by the Government, which contracted to buy the finished goods, had resulted in indifference to quality in some factories, whilst the handling of goods by State wholesale organizations had caused a piling-up of goods in some areas and shortages in others In addition, State control of the market, which had restricted private merchants from buying raw materials, had led to a monopoly by State organs and to lack of competition, with the result that some agricultural products and subsidiary goods had not been produced in sufficient quantities because the retail price was too low.

To correct these mistakes, which were due to lack of experience, the following measures would be adopted :

(1) Factories would purchase their own raw materials and sell their own commodities, except in the case of products essential to the national economy and in which there was no great variety, such as cotton yarn, cloth, and sugar Shops would be encouraged to buy direct from factories, in order to ensure a variety in grades and quality.

(2) The production and management of a large part of industry, handicrafts, agriculture, and commerce would be decentralized. Small factories should no longer be merged into larger organizations ; very large co-operatives should be turned into small group co-operatives ; and small traders should continue to manage their own businesses within the co-operative group. Former private wholesalers should be employed to establish wholesale stores for different trades, and the Ministry of Foreign Trade should organize former private importers to form State import companies Members of large agricultural co-operatives should be allowed to have more land for themselves on which to grow fodder and subsidiary products.

(3) Methods of market management originally designed to prevent speculation in basic goods should be maintained, but State and co-operative stores should purchase some consumer goods freely to avoid keeping down production because of too low prices.

(4) Price policy must be determined in the interest of raising production.

(5) Factories should fix their own plans according to market requirements, and not be restricted by State plan targets.

General Chang Kuo-hua, the Tibetan delegate, advocated a cautious policy of gradual reforms in Tibet, in view of the gulf created between the Tibetan and Chinese peoples by the oppressive policies of China's ruling classes in the past. He emphasized that the very great influence of religion in the life of the Tibetan people must be recognized.

Mme. Tsai Chang (first secretary of the women's affairs section of the Central Committee) urged the party to give its full support to birth control, which would benefit women's health, child care, home life, and national prosperity.

Marshal Chen Yi (a Vice-Premier), dealing with foreign policy, said that "attempts by certain countries to pretend that Formosa was a separate country with an independent existence" constituted "an encroachment on Chinese sovereignty," which the Chinese people were determined to oppose. China, however, was prepared to hold a conference with the U.S.A., at Foreign Ministers' level, to discuss the situation in the Formosa area. Marshal Chen emphasized that China's policy of co-existence excluded nobody, that revolution in China was "not for export," and that China would never launch aggression against other countries or interfere in their internal affairs.

New Central Committee. - Party Membership.

The congress elected a new Central Committee, adopted the revised party constitution, and approved the proposals for the Second Five-Year Plan. The new Central Committee consisted of 97 full and 73 alternate members, as against 41 full and 30 alternate members previously. At its first meeting (Sept. 28) Mao Tse-tung was re-elected chairman, Liu Shao-chi, Chou En-lai, Marshal Chu Teh, and Chen Yun vice-chairmen, and Teng Hsiao-ping secretary-general.

The party's membership was stated to be 10,734,385, or 1.74 per cent of the population, in addition to 20,000,000 members of the Communist Youth Alliance. The total included 1,500,000 workers, 1,250,000 intellectuals, 5,360,000 small peasants, 2,050,000 "middle peasants," and 550,000 persons from other sections of the population. About 10 per cent of party members were women

The Second Five-Year Plan.

Details of the Government's proposals for the Second Five-Year Plan (1958-62) are given below.

Heavy Industry. The Prime Minister, Chou En-lai, stated in his report to the congress that investment in capital construction would increase from 35 per cent of the overall national revenue to about 40 per cent Because of the increase in revenue expected under the plan, the actual amount invested would be twice that spent on the First Five-Year Plan. [The 1952-57 investment target was about £10,000,000,000]

The value of industrial production in 1962 would be double that originally planned for 1957, which had already been surpassed Priority would be given to heavy industry, and the steel-production target for 1962 would be 10,500,000 to 12,000,000 metric tons [The original 1957 target, 4,100,000 tons, had already been surpassed and had been raised to 5,500,000 tons] Special attention would be given to the machine-building and metallurgical industries, and when the plan was completed 70 per cent of all machinery and equipment needed for construction would be made in China The largest increase envisaged was in metal-cutting machine tools, production of which would increase six-fold

Other 1962 targets for industrial production included the following . aluminium, 100,000-120,000 metric tons , metallurgical equipment, 30,000-40,000 tons ; machine-tools, 60,000-65,000 units , cement, 12,500,000-14,500,000 metric tons (1955 production, 4,500,000 tons).

Light Industry. Capital investment in light industries would also be increased to meet expanding consumption, and the amount of retail consumer goods available in both town and countryside would increase by 50 per cent over the 1957 targets The 1962 targets for light industry included . cotton-piece goods, 235,000,000-260,000,000 bolts (1957 target, 163,721,000 bolts) ; cotton yarn, 8,000,000-9,000,000 bales , salt, 10,000,000-11,000,000 tons ; edible vegetable oils, 3,100,000-3,200,000 tons , sugar, 2,420,000-2,500,000 tons.

Power. The 1962 target for electrical power output was 40,000,000,000-43,000,000,000 Kw -hours, as compared with the 1955 figure of 12,100,000,000 Kw.-hours and the 1957 target of 18,000,000,000 Kw.-hours. The plan envisaged the ultimate use of atomic energy and automation.

Mining. Coal production for 1962 would be 190,000,000-210,000,000 metric tons (1957 target, 120,000,000 tons), and crude oil production 5,000,000-6,000,000 tons (1957 target, 2,010,000 tons).

Agriculture. Grain production for 1962 would be 250,000,000 tons (1957 target, 193,000,000 tons), raw cotton output 2,400,000 tons (1957 target, 1,653,000 tons), and soya-bean production 12,900,000 tons (1957 target 11,220,000 tons). Output of chemical fertilizers would be increased from the 1957 target of 573,000 tons to over 3,000,000 tons.

Communications. The plan provided for the construction of about 5,000 miles of new railways and 10,000 miles of trunk roads.

Living Standards. It was claimed that the plan, if fulfilled, would enable workers, employees, and peasants to increase their average earnings by 25 to 30 per cent.

Education. To meet the need for skilled workers, technicians, and other specialists, about 500,000 students would graduate during 1958-62. The total enrolment in higher educational institutes would reach 850,000 in 1962, or about twice the figure planned for 1957.

Concessions to Private Enterprise.

Chen Yun stated in the National People's Congress on June 18 that the minimum interest paid to former owners of private enterprises now under joint private and public ownership would be raised from 1 to 5 per cent. The State Council announced on July 21 that all investments in private enterprises would be repaid before their transfer to joint ownership.

Artistic and Scientific Policy.

Lu Ting-yi (head of the Communist Party's propaganda department), addressing a meeting of writers, artists, and scientists in Peking on June 14, stated that the party advocated "freedom of independent thinking in literature, art, and scientific research, freedom of debate, freedom of creative work, and freedom to criticize," as academic development would stagnate in the absence of free discussion.

Ideological problems, he stated, could not be solved by administrative orders but only through open debate, and therefore the party's policy was to "let flowers of all seasons blossom together and let diverse schools of thought contend" He denounced in particular the practice of attaching "class labels" to scientific theories, declaring that it was wrong to describe the Mendel-Morgan theory of heredity as "capitalist" and Pavlov's and Michurin's theories as "socialist" "Natural sciences have no class character," he added. "They have their own laws of development. Their relation with social systems is only that under bad social systems these sciences develop slowly, and under better social systems they can develop quickly." Similarly, in philosophy there should be freedom to propagate both idealist and materialist systems of thought , and in literature and art, although "Socialist realism" was the best method of creation, it should not be regarded as the only one.

Lu Ting-yi's attack on "class labels" in scientific studies referred to Professor Lysenko's methods of controversy, which had recently been criticized in the Soviet Union.—(Times - Daily Telegraph - Manchester Guardian - New York Times - Le Monde, Paris - The Economist) **(Prev. rep. 14817 A; First Five-Year Plan, 14403 A.)**

A. UNITED KINGDOM. — Coal Industry. - Production and Developments, Third Quarter of 1956.

The following table shows the average weekly rates of coal production and consumption, and of manpower, output, and absenteeism in the third quarter of 1956 :

	Saleable Mined Coal Produced Tons	Plus Opencast Tons	Total Production Tons	Inland Consumption Tons	Overseas Shipments & Bunkers Tons
July	3,509,900	270,300	3,780,200	3,598,500	195,250
August	3,188,640	191,620	3,380,260	3,265,000	164,000
September	4,016,000	231,800	4,247,800	3,830,250	179,250
3rd Quarter	3,571,513	231,243	3,802,753	3,654,583	179,500

	Wage-earners on colliery books		No. of shifts worked per wage-earner	Output per manshift		Percentage of absenteeism
	Total	at coal-face		at coal-face Tons	overall Tons	
July	702,375	286,050	4.05	3.434	1.230	12.32
August	702,320	285,460	4.04	3.128	1.146	12.78
September	702,900	285,125	4.72	3.256	1.208	12.96
3rd Quarter	702,532	285,545	4.26	3 273	1.194	12.69

Other recent developments in the coalmining industry are summarized below :

Opencast Mining Compensation. Mr. Aubrey Jones, Minister of Fuel and Power, stated in a written reply on Nov. 1 that in view of the necessity of maintaining opencast coal production at a high level for at least 10 years, the Government had decided to increase the compensation paid to owners and occupiers of requisitioned land as follows (1) rental compensation paid to occupiers would, in general, be increased by 300 p.c. ; (2) rehabilitation allowances equal to three years' rental compensation would be paid to owners on derequisitioning of their land; (3) the rehabilitation allowances paid to landowners on derequisitioning to cover loss of full beneficial use of the land, on condition that the benefit was passed to the occupiers, would in future be paid in every case, instead of in some cases only as hitherto. In general, compensation would be the equivalent of one year's rental compensation, but in certain cases it might be increased to two years' rental compensation.

Underground Coal Gasification. The National Coal Board announced on Oct. 3 that an executive had been set up to supervise the planning and construction of a pilot plant for underground coal gasification (see 15059 A). Mr. J. Norval would be full-time chairman of the executive, and its five part-time members would include Dr Bronowski, director of the N.C.B 's research establishment.

Reconstruction of Scottish Pits. The N.C.B. further announced on Oct. 22 that, following the setting-up of a reconstruction department at headquarters (see 15059 A), a reconstruction department for the Scottish Division would be established on Nov. 1

Mr. Aubrey Jones made an Order on Oct. 5 fixing Jan. 1, 1957 as the date when the Mines and Quarries Act (see 14269 A) would come into operation.—(Times - Daily Telegraph) **(Prev. rep. 15059 A.)**

B. ETHIOPIA. — Expulsion of Egyptian Military Attaché.

The Egyptian Military, Naval, and Air Attaché in Addis Ababa, Lieut.-Colonel Hilmy, was ordered by the Ethiopian Government on Nov. 26 to leave the country. No reason was given for the expulsion of Lieutenant-Colonel Hilmy, who had been in Addis Ababa for about three years. (Times)

A. UNITED KINGDOM. — Civil Aviation. - Reports of British European Airways and British Overseas Airways Corporations for 1955-56. - B.E.A. to share in Irish Services.

The reports and accounts of the British European Airways and British Overseas Airways Corporations for the financial year ended March 31, 1956 were published on Aug. 22 and Aug. 31 respectively. They showed that whilst B.E.A. increased its net profit more than nine-fold as compared with 1954-55, the net profit earned by B.O.A.C. in 1955-56 was less than half the 1954-55 figure. The reports are summarized below.

British European Airways Corporation.

Gross revenue on operating account totalled £21,599,494 (compared with £17,141,314 in 1954-55), and operating expenditure £20,500,620 (£16,589,000), resulting in a gross profit on operations of £1,098,874 (£552,314). B.E.A.'s share of the profits of associated companies amounted to £70,656, and profit on depreciation account to £56,274. After adding these, and deducting salaries of the chairman and Board members (£11,087) and a loss on helicopter experimental operations account (£13,148), the gross profit for the year amounted to £1,201,569. Interest on capital and other financial charges totalled £597,955, making a net profit of £603,614, compared with £63,039 in 1954-55.

The net profit earned in 1955-56 wiped out the accumulated deficiency of £539,086 brought forward from 1954-55 (representing the excess of past losses over Exchequer grants) and enabled a credit balance of £64,528 to be carried forward.

The report gave the following detailed information:

Traffic Revenue. This amounted to £20,852,031 (£16,594,461 in 1954-55), made up as follows: passengers £17,870,636 (£14,203,085), mail £1,554,241 (£1,249,727), freight £1,290,669 (£1,047,232); charters £136,485 (£94,417). Of the total revenue from scheduled services, £16,205,299 (77.7 per cent) was contributed by the international services and £4,646,732 (22.3 per cent) by the domestic services.

The average revenue rate for all services increased from 62.6d. per load ton-mile in 1954-55 to 63 6d. in 1955-56.

Operating Expenditure. The report explained that the increase over 1954-55 reflected substantially higher aircraft standing charges, increased flying costs, exceptional charges for *Elizabethan* fatigue testing and modification, higher payroll expenditure, and the continued inflationary trend at home and on the Continent.

Traffic. Traffic on B.E.A. international routes increased by 23 per cent to 59,030,392 load ton-miles, and on domestic services by 24 per cent to 19,640,072 load ton-miles.

The total number of passengers carried increased by 18 per cent to 2,244,747 and the number carried on domestic services by 20 per cent to 1,029,488, this being the first year in which these totals exceeded the 2,000,000 and 1,000,000 marks respectively. Revenue passenger-miles increased from 577,077,730 to 708,769,182, and the passenger load factor from 68.4 per cent to the record figure of 69.4 per cent. The largest percentage increases in passenger mileage on international routes were recorded for the Provincial-Continental routes (86), Scandinavian services (41), Iberian routes (39) and Austro-Swiss and Milan services (32). A 5 per cent decrease on the London-Paris route was attributed to a strike of French air traffic control workers. In domestic services, the largest percentage increases were shown on the London-Scottish route (36 per cent) and the London-Belfast route (24 per cent).

As the result of an intensified freight drive, cargo carried during 1955-56 increased by 24.9 per cent to 18,586 tons, and freight ton-miles by 31 8 per cent to 7,547,708. Cargo carried by B.E A 's international services increased by 29 per cent, against an average increase for other principal European operators of 17 per cent. Although 73 per cent of all B.E.A. freight traffic was carried on passenger services, and the Corporation would continue to aim at carrying as much freight as possible by passenger aircraft, the all-cargo services would still be developed to deal especially with bulky loads.

Mail carried increased during the year by 13.4 per cent to 7,895 tons, and mail ton-miles by 24.9 per cent to 3,745,538.

Load Factor and Costs. The revenue load factor decreased from 64.7 per cent in 1954-55 to 63 2 per cent in 1955-56, the report explaining that although both mail and freight had increased considerably during the year, they had not kept pace with the additional cargo space made available by the extra frequencies operated by the larger aircraft. The "break even" load factor (i e. the load factor required to cover expenditure), however, had decreased from 64.5 to 61.4 per cent, and the profit margin had therefore increased from 0.2 per cent to 1.8 per cent

Fares Policy. The report stated that whereas the cost-of-living index had risen by about 30 per cent since 1950-51, B.E.A. fares had actually been reduced by an average of 6.9 per cent, and now stood at an average for all routes of 5 945d a passenger-mile More cheap night services had been provided by *Viscounts* on international routes, thus bringing air transport to a wider public and increasing aircraft utilization. More such services would be introduced during 1956-57, and fare inducements would also be introduced to encourage mid-week travel in order to reduce week-end congestion.

On domestic routes, the policy of holding down fares had led to a major development of traffic, but in spite of a good load factor these routes did not yet show a profit on total costs, including their share of overheads; it might therefore be necessary to raise domestic fares somewhat.

Route Mileage. During 1955-56 route mileage increased from 21,190 miles to 25,367 miles.

Aircraft Fleet. Fixed-wing aircraft in service at March 31, 1956 numbered 101, comprising 28 *Viscounts*, 19 *Elizabethans*, 38 *Pionairs*, 6 *Islanders*, 2 *Herons*, and 8 *Pionair-Leopard* freighters Because of a serious shortage of aircraft, a special effort had been made to step up aircraft utilization, and utilization of *Viscounts* and *Elizabethans* had increased by 18.3 per cent and 32.5 per cent respectively since 1953-54.

Helicopter Experimental Unit. During the year the B.E A. helicopter experimental unit flew a total of 1,554 hours, a 46 per cent increase on 1954-55. The London Airport-Eastleigh (Southampton) service ended in May 1955 and the London Airport - South Bank (Waterloo) service on May 31, 1956. A new scheduled passenger service linking Nottingham, Leicester, and Birmingham was opened on July 2, 1956.

Staff. At March 31, 1956 B E A staff totalled 10,072, compared with 9,117 at March 31, 1955. Productivity (measured in terms of capacity-ton-miles produced per employee) increased by 20.2 per cent.

Future Plans. The report stated that in view of the probable doubling of B.E.A. traffic in the next five years, the Corporation was negotiating orders for 24 *Viscount V802* 58-seaters, 14 *Viscount V806's* (capable of 350 m p.h. on service), and 20 *Vanguard V951's*, whilst it was also negotiating options for 7 *Viscount V810's* and 12 *Viscount V840's* (the latter able to average 400 m p.h.). The first *Viscount 802's* would be in service in the autumn of 1956, and the whole batch would be delivered by the summer of 1957. The *V806's* would begin to come into service later in 1957, and if the options were taken up *V810's* and *V840's* would come into service in 1958 and 1959 After these, the 96-seater *Vanguards*, with a service speed of 425 m p.h., would be delivered from 1960 onwards and would "usher in a new era of B.E A turbine-engined aircraft." The Corporation believed that this aircraft fleet, as well as giving adequate productive capacity, would "meet the main competitive, economic, and operational problems of B.E A.'s network into the early 1960's."

The publication of the report followed closely on the tenth anniversary of B.E.A.'s formation on Aug. 1, 1946. The report pointed out that during the decade it had "grown from a modest operation with a small fleet of ex-R.A.F. *Dakotas* to one of the world's great airlines," having carried over 12,000,000 passengers and flown nearly 4,000,000,000 passenger-miles. Comparing 1955-56 with 1947-48, the first full financial year of operation, revenue had risen fourfold and volume of traffic fivefold, while the unit cost of production had been halved.

British Overseas Airways Corporation.

Operational revenue amounted to £42,706,852 (compared with £36,860,199 in 1954-55) and operational expenditure to £41,264,980 (£37,727,099), resulting in a gross profit on operating account of £1,446,602 (£1,139,100). After adjusting for the results of ancillary and subsidiary undertakings, and deducting board members' and auditors' fees, the net profit (before remuneration of capital) totalled £1,295,525, compared with £1,362,180 in 1954-55. After deducting £1,177,794 for interest, the net surplus amounted to £117,731, against £261,687 in 1954-55.

The addition to the net profit, a surplus of £412,124 on the disposal of stores, etc., and of £350,000 brought in from the Taxation Equalization Account enabled B.O.A.C. to wipe out the deficit of £861,974 brought forward from previous years and, for the first time in its history, to carry forward a small credit balance of £13,881.

The report stressed that the disruption of B O.A.C.'s plans for substantial re-equipment with *Comets* had again seriously affected the revenue-earning ability of its services Although with the available fleet and with aircraft chartered from other operators the Corporation had succeeded in providing 21 per cent more capacity than in 1954-55, this percentage was nine per cent less than had been planned for 1955-56 with the *Comets* in service. Moreover, the only aircraft available for immediate delivery as substitutes for the *Comets* were no match in passenger appeal for the more modern aircraft owned by competing airlines. It was therefore the more creditable that the number of passengers carried by the Corporation should have increased by 32 per cent over 1954-55.

Detailed information given in the report is summarized below:

Revenue. Passenger revenue on scheduled services rose from £22,900,117 in 1954-55 to £27,306,419, freight revenue from £3,453,042 to £3,796,000, and revenue from mails from £8,800,730 to £9,482,436. Passenger revenue from non-scheduled services increased from £705,099 to £1,017,813

Traffic. The number of passengers carried rose from 291,136 in 1954-55 to 385,778; 53 per cent of the total were tourist class passengers, compared with 45 per cent in 1954-55. The passenger load factor rose from 61.6 per cent to 62.2 per cent.

Cargo carried rose from 6,000 tons to 7,050 tons, and mail from 3,407 tons to 3,815 tons.

Capacity-Ton-Miles and Load Factor. The capacity provided by the Corporation rose from 214,924,282 capacity-ton-miles in 1954-55 to 260,286,387 in 1955-56. The volume of traffic (all services, scheduled and non-scheduled) rose from 139,000,648 ton-miles in 1954-55 to 163,681,577, but the overall load factor fell from 63.7 per cent to 61 per cent.

Costs. Operating costs fell from 39.9d per capacity-ton-mile in 1954-55 to 38.0d., considerably below any figure achieved since the Corporation's formation. Operating costs per revenue-mile, however, increased from 22s. 8d. to 22s 11d.

Staff. The Corporation's staff at March 31, 1956, numbered 18,411 (14,352 at home and 4,059 overseas), compared with 17,062 a year earlier.

Fleet. The Corporation's revenue-earning fleet at March 31, 1956, numbered 57 aircraft (21 *Argonauts*, 16 *Constellations*, 16 *Stratocruisers*, and 4 *Yorks*), compared with 47 at March 31, 1955. At the end of the year it had either placed or was negotiating orders for 15 Bristol *Britannia 102s* (of which four had already been delivered), 7 *Britannia 302s*, 11 *Britannia 312s*, 20 De Havilland *Comets*, 10 Douglas *DC7s*, and 14 Vickers *Viscounts* The remainder of the *Britannia 102s* were promised for delivery by March 1957, but the Corporation were considering replacing the order for the *Britannia 302s* by one for an additional seven of the longer-range *312* version.

Relations with Associated Companies and Independent Operators. In furtherance of the Corporation's policy of encouraging the development of strong local companies in the Middle East, a new organization—Associated British Airlines Ltd.—had been registered as a holding company for its investments in Aden Airways Ltd., Arab Airways (Jerusalem) Ltd., British International Air Lines Ltd., Gulf Aviation Ltd., and Middle East Airlines Ltd. British European Airways and Hunting-Clan Air Holdings Ltd. had also acquired shares in the new holding company, whose formation would facilitate the co-ordination of British aviation interests in the Middle East.

Future Prospects. Mr. Gerard d'Erlanger, the Corporation's chairman, in a note on the prospects for 1956-57, stressed that the heavy expenditure involved in the introduction of the *Britannias* and *Douglas DC7's* would not be accompanied during the year by a compensatory increase in revenue, since neither aircraft would be in flying service for more than two or three months in 1956-57. The expenditure, moreover, would be increased by the fact that the *Proteus* engines powering the *Britannias* would initially have a very low overhaul life, necessitating the engagement and training of considerably more maintenance staff than would be needed later on. "The prospect of immediate future operations," continued Mr. d'Erlanger, "is that B O A.C. will be operating no less than five different types (*Britannias, Stratocruisers, DC7s, Argonauts*, and *Constellations*) The complications arising from this situation, together with the inevitable waste of resources and manpower, are bound to have a continuing adverse effect on the economics of the Corporation until such time as this complex can be resolved. In the years immediately after 1956-57 we face the future with good prospects The long-range *Britannias* should be in service late in 1957 and the *Comet IVs* a couple of years later. With these British aircraft the Corporation should have two outstanding types in operation ahead of other international airlines"

Mr. Harold Watkinson, the Minister of Transport and Civil Aviation, announced in a written parliamentary reply on Oct. 24 that, as an exceptional measure to bridge the gap until a new type of British airliner was produced, the Government had agreed to the purchase by B.O.A.C. of 15 *Boeing 707* jet aircraft, to be powered by Rolls-Royce *Conway* engines. The cost of the aircraft and initial spares would be about £55,000,000, including £35,000,000 to be paid in dollars. To enable the Corporation to meet the expenditure involved, the Government intended to increase its borrowing powers [see below]

Mr. Watkinson explained that the Corporation was urgently discussing with the de Havilland Aircraft Company details of a new airliner to meet its special requirements, but this aircraft could not be available by 1959-60, when *Boeing 707's* would already be in service with foreign airlines on the North Atlantic routes. The purchase was therefore necessary to enable B.O.A.C. to maintain its competitive position on that route.

The Aeronautical Correspondent of *The Times* stated on Oct. 24 that, of the three versions of the *Boeing 707* in existence, that to be supplied to B.O.A.C. would be the largest and longest-ranged, the *707-320 Intercontinental*. It would be able to carry up to 170 passengers at a cruising speed of 550-600 m.p.h. and, it was claimed, would fly non-stop from New York to London and from Chicago to Paris in five and seven hours respectively, from London to Johannesburg non-stop in under 11 hours, and from London to Sydney *via* Cairo and Calcutta in just over 21 hours

A spokesman for the de Havilland Company said on the same day that the new aircraft planned, at present known as the *DH 118*, would have a cruising speed of 550 m.p.h. and a range comparable with that of any large U.S. airliner. It would, however, be somewhat smaller in passenger capacity, and in consequence would be considerably more flexible and more suitable for most world air routes. If the de Havilland Company were given an immediate "go ahead," the aircraft could be ready for service early in 1962.

It was announced on Aug. 31 that, after protracted negotiations since 1953, agreement had been reached between the British and Irish Governments for a revision of the arrangement by which *Aer Lingus* had had a monopoly of air routes between the two countries since 1946.

Under the new arrangement (1) B.E.A. acquired the right to operate, equally with *Aer Lingus*, on the London-Dublin, Manchester-Liverpool-Dublin, and Birmingham-Dublin routes; (2) *Aer Lingus* retained a monopoly of certain existing routes, including the Dublin-Glasgow, Dublin-Edinburgh, Dublin-Isle of Man, and Dublin-Jersey services, (3) *Aer Lingus* acquired the right to operate new services from Dublin *via* Manchester to Brussels, Frankfurt, Düsseldorf, Amsterdam, Zurich, and Rome, (4) routes were provided for several new services, two of these—Newcastle-Dublin and Haverfordwest-Dublin—being reserved for British companies, (5) B E A.'s capital investment in *Aer Lingus* was reduced from 40 per cent to 10 per cent, the difference to be paid for at par by the Irish holding company, *Aer Rianta*, over an agreed period; (6) B.O.A.C. retained the right to operate its North Atlantic services *via* Shannon Airport, as hitherto.

B.E.A. explained on the same day that it would not open its services on the Irish routes until April 1957, and that it intended, gradually and as traffic increased, to build up its services to an equality with *Aer Lingus*.

The Air Corporations Bill, increasing the respective borrowing powers of B.O.A.C. and B.E.A.C. from £80,000,000 to £160,000,000 and from £35,000,000 to £60,000,000, was given unopposed second and third readings in the House of Commons on Nov. 22-23.—(B.E.A. and B.O.A.C. Reports and Accounts - Times - Daily Telegraph - Manchester Guardian - Irish Times, Dublin) **(Prev. rep. B.E.A. Report for 1954-55, 14631 A; B.O.A.C. Report, 14558 A; Aer Lingus Agreement, 7863 B.)**

A. CANADA. — Equal Pay for Women Workers covered by Federal Labour Legislation.

The Female Employees Equal Pay Act, which had been passed by the Canadian Parliament in July, came into effect on Oct. 1, 1956. It provided that female employees coming under Federal labour laws who performed work identical, or substantially identical, to that performed by male employees would be paid on the same basis. The 72,000 women workers benefiting from the new legislation included those employed by the railways, in navigation and shipping, and in telegraphic communications, airlines, broadcasting, banking, and other activities of an inter-provincial or international nature.
(Montreal Star)

B. TURKEY. — Cabinet Changes.

Mr. Çavusoglu, the Minister of Public Works, resigned in October through ill-health and was succeeded by Mr. Ethem Menderes, who remained acting Foreign Minister but relinquished the portfolio of the Interior. The Minister of Justice, Mr. Gokturk, was appointed acting Minister of the Interior. On Nov. 27 the Minister of Economy and Commerce, Mr. Mandalinci, also resigned and was succeeded by Mr. Abdullah Akar.

Mr. Ökmen, the Minister of Finance, had resigned in August, the Finance portfolio being taken over *ad interim* by the Prime Minister, Mr. Adnan Menderes. (Turkish Embassy, London)
(Prev. rep. 14926 B.)

C. BURMA - SIAM. — Friendship Treaty.

A treaty of "perpetual peace and everlasting friendship" between Burma and Siam was signed on Oct. 15 at Bangkok by the Siamese Foreign Minister, Prince Wan Waithayakon, and the Burmese Ambassador. It provided *inter alia* that nationals of either country would enjoy in the other reciprocal rights of residence, of engaging in professions, trade, and industry, and of acquiring property. Both countries agreed to conclude as soon as practicable treaties of commerce and navigation, consular rights and privileges, cultural relations, and extradition. (Burmese Government Information Department)

D. NETHERLANDS. — Dismissal of Court Officials.

It was announced in The Hague on Nov. 23 that three members of the Royal Household had been released by Queen Juliana from their duties—Baron van Heekeren van Molecaten (formerly head of the Secretariat), Dr. J. G. van Maasdijk (a Court chamberlain), and Miss Martine de Jong (formerly private secretary to the Queen). Changes in the Dutch Court had been foreshadowed a fortnight earlier by the Prime Minister, Dr. Drees, following the recent investigation into the position of Miss Greet Hofmans, the faith-healer, with whom the Queen had earlier broken off relations.
(Algemeen Handelsblad, Amsterdam) **(15055 A; 14975 B.)**

A. MIDDLE EAST. — Beirut Conference of Arab Heads of State.

A conference of Arab heads of State and their Ministers was held at Beirut from Nov. 13-15 on the initiative of President Chamoun of the Lebanon. Those present (in addition to President Chamoun) included King Feisal of Iraq; King Hussein of Jordan; King Saud of Saudi Arabia; President Kuwatly of Syria; the Crown Prince of Yemen; the Prime Ministers of Jordan, Syria, the Lebanon, and Libya (respectively M. Nabulsi, M. Sabri Assali, M. Yaffi, and Mustafa ben-Halim); and the Egyptian Ambassador in Beirut (M. Ghalib), representing President Nasser.

A statement issued on Nov 15 said the participants were unanimously agreed on the need to apply the U.N resolutions on the Middle East, and had demanded "the immediate and unconditional withdrawal" of the Anglo-French forces in Egypt, as well as the withdrawal of the Israeli forces to the armistice lines. If, however, Britain, France, and Israel adopted an attitude which led to a resumption of hostilities against Egypt, they would be held jointly responsible for "collaborating to continue their aggression." In that event all the Arab States represented at the conference would 'immediately take effective measures of legitimate defence" in accordance with Article 41 of the U.N Charter and Article 2 of the Joint Arab Defence Treaty.

The communiqué went on to say that the Suez Canal question should be solved separately by negotiation in a manner which complied with the requirements of Egypt's sovereignty and dignity, within the framework of the United Nations, and on the basis of the 1888 Convention and of the Security Council's resolutions of Oct. 13, 1956. The statement also expressed the support of the Arab leaders for the demands of the Algerian people in their "struggle for the realization of their national aspirations to independence and sovereignty"

[Article 2 of the Joint Arab Defence Treaty lays down that aggression against any one of the signatories would be considered as aggression against all participating countries, which would undertake to employ all means, including armed force, to repulse it.]

It was reported in the British press that President Kuwatly of Syria had unsuccessfully tried to persuade the Lebanon to break off diplomatic relations with Britain and France. President Chamoun was understood to have been supported in his opposition by King Feisal of Iraq and King Saud, who had been gravely concerned by the threat to their countries' oil interests through Syria's action in blowing up the pipelines from Iraq, as well as by the closing of the Suez Canal.—(Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris)

(Prev. rep. Middle East Crisis, 15201 A.)

B. UNITED KINGDOM. — Retail and Wholesale Prices, April-October 1956.

The movement of the retail prices index for "all items" for each month from April to October, taking the level of prices at Jan. 17, 1956 as 100, was as follows: at April 17 and May 15 the figure was 103, at June 12, July 17, Aug. 14 and Sept. 18 it remained stable at 102, whilst at Oct. 16 it rose again to 103.

The Ministry of Labour explained that the increase between Sept. 18 and Oct. 16 was due mainly to higher prices for bread, and to certain increases in rents and rates and in the average price of beer

The Board of Trade Basic Materials index for the same period (June 30, 1949=100) was 155.2 (revised) in April and 155.8 in May. In June it fell to 155.4, fell again in July to 154.7, rose in August and September to 155.8 and 156.6 respectively, but fell to 155.5 in October.—(Board of Trade Journal - Ministry of Labour Gazette) **(Prev. rep. 14923 A.)**

C. CANADA. — Expulsion of Soviet Diplomat.

The Canadian External Affairs Department disclosed on Sept. 24 that the Canadian Government had asked on July 12 for the withdrawal of Mr. G. F. Popov, Second Secretary at the Soviet Embassy in Ottawa, on the grounds that he had "engaged in activities incompatible with his continued presence in Canada." Mr. Popov had left Canada on Aug. 12.

The Canadian press reported that the reason for the Canadian request was that Mr. Popov had tried to obtain from a civilian employee of the Royal Canadian Air Force (Mr. J. S. Staples) information regarding the top-secret CF-105 jet fighter now nearing completion, and that Mr. Staples had reported the matter to the authorities.—(Montreal Star)

D. INDIA. — New Army Chief of Staff.

It was announced in New Delhi on Nov. 24 that Lieut.-general K. S. Thimayya, G.O.C.-in-C., Eastern Command, had been appointed Chief of Army Staff (with the rank of full general) and would succeed General Srinagesh on the latter's retirement in May, 1957.—(The Statesman, Calcutta)

(Prev. rep. 14050 B.)

E. RHODESIA AND NYASALAND FEDERATION. — Resignation of Lord Malvern. - Sir Roy Welensky becomes Prime Minister. - New Cabinet.

Lord Malvern announced on Oct. 31 his resignation as Prime Minister of the Federation of Rhodesia and Nyasaland, but stated that he would retain his seat in the Federal Assembly. His 23 years of unbroken office as Prime Minister, first of Southern Rhodesia (1933 to 1953) and then of the Federation, had never been equalled by any other Commonwealth Prime Minister.

Giving the reasons for his resignation, Lord Malvern said in a press statement "When the Governor-General appointed me interim Federal Prime Minister and Sir Roy Welensky and Sir Malcolm Barrow as interim Ministers, I informed my colleagues that I was prepared to carry on as Prime Minister for two years [see 13133 A]. When I was in London towards the end of that period my early retirement was discussed in Southern Rhodesia, and it seemed that if I retired then there would have been some political repercussions which were highly undesirable at that time At a Rhodesia and Nyasaland Club dinner in London I announced that I was not retiring then and so long as I was in office I should decide the right time to retire—when I considered it in the best interests of the Federation. I consider that time has now arrived, and therefore I have placed my resignation in the hands of the Acting Governor-General (Sir Robert Tredgold), to take effect from Nov 1 as soon as my successor is appointed The main reason why I think it is in the country's best interests is because it would enable the new Prime Minister, as leader of the Federal Party, to have adequate time to make his arrangements to win the next general election, which must take place before the end of 1958 "

Sir Roy Welensky, the Federal Minister of Transport and Communications, was appointed Prime Minister on Nov. 1. The new Cabinet was sworn in on the same day, distribution of portfolios being as follows.

Sir Roy Welensky	Prime Minister, External Affairs, and Defence.
Sir Malcolm Barrow .	Home Affairs and Power.
Mr. D. Macintyre	Finance and Posts.
Mr. J. M. Caldicott ..	Agriculture, Health, and Public Service.
Mr. J. M. Greenfield ..	Law and Education.
Mr. F. S. Owen . ..	Commerce and Industry.
Mr. W. H. Eastwood .	Transport and Works.

Sir Roy Welensky also announced the creation of two new posts of Parliamentary Secretaries who would, in effect, be "Under Ministers"—Mr. B. D. Goldberg in the Ministry of Home Affairs, who would deal with immigration problems; and Mr. G. W. R. L'Ange in the Ministry of Transport and Works, who would specialize in such matters as buildings and costs. In addition, Sir Roy announced that the new Secretary for Defence would be Mr. T. G. Gisborne (previously Secretary for Defence and External Affairs), and that the Department of External Affairs would be reorganized and combined with the Cabinet Office under a Permanent Secretary.

Sir Roy Welensky (49), the son of a Polish immigrant of half-Jewish origin and of an Afrikaans mother, worked as a young man as a mine storekeeper, hotel barman, and engine-driver. He took an early interest in trade union work, being elected in 1933 chairman of the Broken Hill branch of the Rhodesia Railway Workers' Union and a member of the National Council of Railwaymen In 1938 he was elected to the Northern Rhodesian Legislative Council as member for Broken Hill, became a member of the Colony's Executive Council in 1940, served as Director of Manpower during the Second World War; and in 1947 became leader of the unofficial Members in the Legislative Council He was knighted in June 1953 and became Minister of Transport and Communications after the formation of the Federation in September 1953.

Sir Malcolm Barrow, the only Minister from Nyasaland, had formerly been Minister of Power, Commerce, and Industry; Mr. Owen was Minister of Home Affairs, and Mr Macintyre had been Minister of Finance The Public Service portfolio, now given to Mr. Caldicott, had previously been under the care of the Prime Minister. Mr Eastwood was the only new member of the Cabinet.

Mr. Eastwood (65), who was born in London and settled in Southern Rhodesia in 1922, is M.P. for Bulawayo Suburbs. During the Second World War he was Director of Supplies, Rhodesia Air Training Group. He left the United Party in 1947 to join the Rhodesia Labour Party, to which he belonged until the 1953 election, when he was returned for the Federal Party.

It was announced on Nov. 3 that Mr. Greenfield would succeed Sir Roy Welensky as Leader of the House in the Federal Assembly.

In a message to the new Federal Prime Minister, Mr. Garfield Todd (Prime Minister of Southern Rhodesia) declared that Sir Roy Welensky could "count upon the support of Southern Rhodesia and its Government."—(Federal Information Department, Salisbury - Times) **(Prev. rep. Cabinet, 14549 C; Constitutional Question, 15167 A.)**

DECEMBER 1—8, 1956

A. UNITED STATES. — The Presidential and Congressional Elections. - Re-election of President Eisenhower. - Democratic Majorities in Senate and House of Representatives.

General Dwight D. Eisenhower was re-elected President of the United States in the presidential election held on Nov. 6, winning 41 States with a combined total of 457 votes in the Electoral College, whereas Mr. Adlai Stevenson won only seven States with a combined electoral vote of 74. President Eisenhower became the first Republican since 1900 to win the presidential election twice in succession—the last Republican President to do so being William McKinley, in 1896 and 1900.

Although losing the presidential elections, the Democrats retained control of the Senate and increased their majority in the House of Representatives, and will thus control the new (85th) Congress which meets on Jan. 3, 1957.

The Presidential Election.

The 41 States won by President Eisenhower and the seven won by Mr. Stevenson were as follows:

For Eisenhower: Arizona, California, Colorado, Connecticut, Delaware, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming.

For Stevenson: Alabama, Arkansas, Georgia, Mississippi, Missouri, North Carolina, South Carolina.

The Electoral College consists of 531 members, each State having as many electoral votes as it has members of the U.S. Senate and the House of Representatives.

Since each of the 48 States is represented by two Senators, the variations in their electoral vote spring from differences in their membership of the House of Representatives, which is proportionate to the population of each State. For example, Nevada—the least populated State—has three electoral votes (one for its Representative and two for its Senators), while New York, the most populous State, has 45 electoral votes (43 for its Representatives and two for its Senators). In addition to New York, which has the largest number of electoral votes, other "pivotal" States which can swing a close election are Pennsylvania and California (each with 32 electoral votes), Illinois (with 27), Ohio (with 25), Michigan (with 20), and Massachusetts and New Jersey (16 each).

The Presidential candidate obtaining the highest number of votes ("plurality") in each State is considered as the choice of the entire State, and, as a result, gets the State's entire block of votes in the Electoral College. To win an election, a candidate must obtain at least 266 votes in the Electoral College—i.e. a simple majority of the total of 531.

The popular votes (i.e. the total of votes polled) for President Eisenhower and Mr. Stevenson, together with the number of votes obtained by them in the Electoral College, is set forth below, comparison being given with the 1952 election:

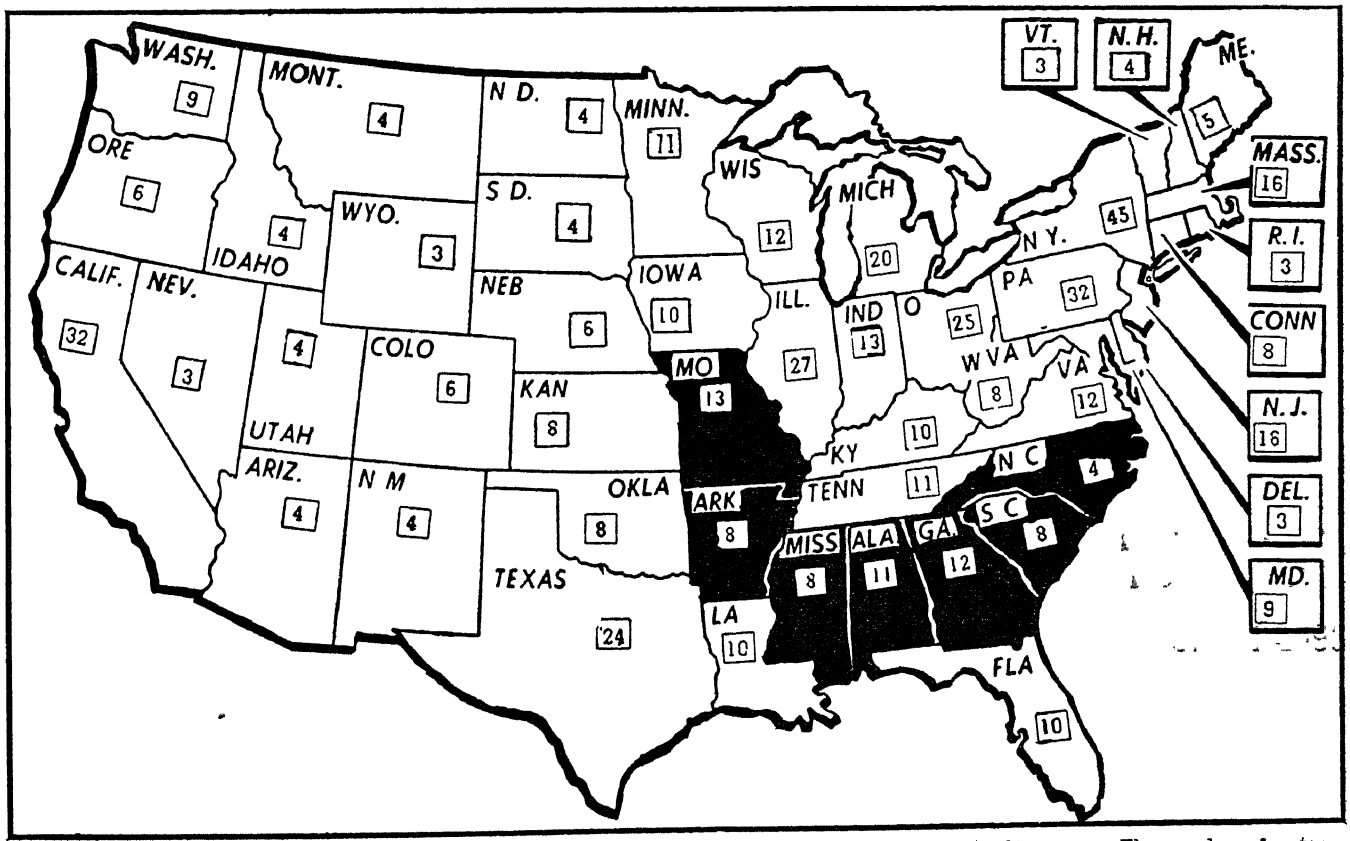
	Popular Vote		Electoral Vote	
	1956*	1952	1956	1952
Eisenhower	34,803,159	33,927,549	457	442
Stevenson	25,511,717	27,311,316	74	89

*Virtually complete figures, covering over 98 per cent of all electoral districts. Definitive figures will be given when published in Washington. (*Ed. K C.A.*).

As shown above, President Eisenhower polled nearly 1,000,000 more votes than in 1952, whilst Mr. Stevenson's vote fell by nearly 2,000,000. President Eisenhower's proportion of the total votes rose from 55.4 per cent in 1952 to 58 per cent in 1956, whereas Mr. Stevenson's fell from 46.6 per cent to 42 per cent. General Eisenhower's majority of over 9,000,000 votes had been exceeded only by President Franklin D. Roosevelt's majority of 10,797,000 in 1936, while his electoral vote of 457 had been exceeded only by President Roosevelt's record of 523 in the same election.

The difference between the Eisenhower and Roosevelt victories, however, was that the Democrats obtained large majorities in both Houses of Congress in 1936, whereas in 1956 the Republicans, though winning the Presidential election, failed to win control of either House in the Congressional elections. This was the first time a successful Presidential candidate had failed to carry at least one House with him since 1848, when General Zachary Taylor was elected President for the Whig Party but the Democrats captured both Houses of Congress

Mr. Stevenson retained his majority in six of the nine Southern States won by him in 1952 (Alabama, Arkansas, Georgia, Mississippi, North Carolina, and South Carolina), but lost the other three—Kentucky, Louisiana, and West Virginia—to the Republicans. On the other hand, Missouri, which returned a majority for President Eisenhower in 1952, was won by Mr. Stevenson in 1956. On balance, therefore, the Democrats lost two States as compared with the last presidential election.



White areas indicate the States won by President Eisenhower; black areas, those won by Mr. Stevenson. The number of votes possessed by each State in the Electoral College is also shown. (*New York Herald Tribune*)

The Electoral College votes since 1928 have been as follows (R., Republican; D., Democrat):

1956	Eisenhower (R.)	457	1940	Roosevelt (D.)	449
	Stevenson (D.)	74		Willkie (R.)	82
1952	Eisenhower (R.)	442	1936	Roosevelt (D.)	523
	Stevenson (D.)	89		Landon (R.)	8
1948	Truman (D.)	303	1932	Roosevelt (D.)	472
	Dewey (R.)	189		Hoover (R.)	59
	Thurmond ("Dixiecrat")	39	1928	Hoover (R.)	444
				Smith (D.)	87
1944	Roosevelt (D.)	432			
	Dewey (R.)	99			

The Senatorial Elections.

The elections—for one-third of the Senate's membership, plus vacancies caused by deaths or resignations—resulted in the Democrats maintaining their overall majority of two, as in the former Senate. There was thus no change in the political composition of the Senate, which remained as follows:

	New Senate	Old Senate
Democrats ..	49	49
Republicans ..	47	47

The Republicans gained four seats from the Democrats, who, in turn, gained four seats from the Republicans.

The four Republican gains were (i) in New York, where Mr. Jacob K. Javits (the State Attorney-General) defeated Mr. Robert F. Wagner (Mayor of New York City) for the seat previously held by Senator Herbert H. Lehman (78), who had retired from political life after having been for many years one of the leading Democratic Senators, (ii) in West Virginia, where Mr. Chapman Revercomb defeated Governor C. Marland for the seat left vacant by the death of Senator Harley M Kilgore; (iii) and (iv) in Kentucky, where the Republican candidates won both Senate seats—Mr. John Sherman Cooper (a former Ambassador to India, and well known as a "liberal" Republican) defeating Mr Lawrence W. Wetherby for the seat left vacant by the death of Senator Alben W. Barkley; and Mr. Thurston B Morton (a former Assistant Secretary of State) unseating Senator Earle C. Clements.

The four Democratic gains were (i) in Ohio, where Mr. Frank J. Lausche (the former State Governor) defeated Senator George H. Bender; (ii) in Idaho, where Mr. Frank Church beat Senator Herman Welker, a leading right-wing Republican; (iii) in Pennsylvania, where Mr. Joseph S. Clark jr. unseated Senator James H. Duff, and (iv) in Colorado, where Mr. John Carroll defeated Mr. Dan Thornton for the seat left vacant by the retirement of Senator Eugene D. Millikin.

In all, there were nine new members of the Senate as a result of the elections—the four Democrats and four Republicans mentioned above, and Mr Herman Talmadge, the former Governor of Georgia, who was elected as a Democratic Senator for that State.

Among leading Democratic Senators re-elected were James D. Fulbright (Arkansas), Warren G. Magnuson (Washington), and Wayne Morse (Oregon), the last-named defeating Mr. Douglas Mackay, who had resigned as Secretary of the Interior to contest the Senatorial elections in Oregon (see 14896 B). Incumbent Democratic Senators (i e those whose terms had not expired, and who will thus sit in the 85th Congress) include John J. Sparkman (Alabama), John L. McClellan (Arizona), A. J. Ellender (Louisiana), John F. Kennedy (Massachusetts), Hubert Humphrey (Minnesota), Stuart Symington (Missouri), Clinton Anderson (New Mexico), Estes Kefauver, the Democratic Vice-Presidential candidate (Tennessee), and Lyndon Johnson (Texas).

Leading Republican Senators re-elected included Everett Dirksen (Illinois), Homer Capehart (Indiana), Burke B Hickenlooper (Iowa), and Alexander Wiley (Wisconsin) Incumbent Republican Senators include William F. Knowland, the Republican leader in the Senate (California), Henry Dworshak (Idaho), William E. Jenner (Indiana), Margaret Chase Smith, the only woman Senator (Maine), Leverett Saltonstall (Massachusetts), Styles Bridges (New Hampshire), William Langer (North Dakota), John W. Bricker (Ohio), Karl Mundt (South Dakota), and Joseph McCarthy (Wisconsin).

The composition of the Senate since 1928 has been as follows:

	Democrats	Republicans	Others
1928	39	56	1
1930 . ..	47	48	1
1932	59	36	1
1934	69	25	2
1936	75	18	3
1938	69	23	4
1940	66	27	3
1942	57	38	1
1944	57	38	1
1946	46	50	—
1948	54	42	—
1950	49	47	—
1952	47	48	1
1954	49	47	—
1956	49	47	—

Elections to House of Representatives.

In the elections to the House of Representatives (in which all 435 seats were contested) the Democrats made three gains from the Republicans, thereby increasing their majority in the House to 35, as shown:

	New House	Old House
Democrats ..	235	232
Republicans ..	200	203

The membership of the House since 1928 has been:

	Democrats	Republicans	Others
1928	164	270	1
1930	214	220	1
1932 . . .	313	117	5
1934	322	103	10
1936 . .	333	89	13
1938	262	169	4
1940 . ..	267	162	6
1942	222	209	4
1944	243	190	2
1946 . ..	188	246	1
1948 . .	263	171	1
1950	235	199	1
1952	213	221	1
1954	232	203	—
1956	235	200	—

Gubernatorial Elections.

Thirty of the 48 State Governorships were up for election, of which 16 had been held by the Republicans and 14 by the Democrats. The Democrats won 15 Gubernatorial contests and the Republicans 14, with one result outstanding—Rhode Island, where counting of Servicemen's postal ballots had not been completed by the beginning of December. Excluding Rhode Island (which had a Democratic Governor prior to the elections) the Democrats hold 28 State Governorships and the Republicans 19, whereas before the elections the Democrats held 27 Governorships and the Republicans 21. The Democrats gained five State Governorships from the Republicans (in Massachusetts, Iowa, Kansas, Oregon, and Washington), while the Republicans gained three from the Democrats (in Ohio, New Mexico, and West Virginia).

In Ohio, the Republican candidate—Mr. C. William O'Neill, the State Attorney-General—was returned in place of ex-Governor Frank J. Lausche (Democrat), who had been elected to the Senate as stated above. The unsuccessful Democratic candidate was Mr. Michael J. DiSalle, who directed Federal price controls during the Korean war. In Massachusetts, the Democratic candidate—Mr. Foster Furcolo, a former member of the House of Representatives—was elected in succession to Governor Christian A. Herter (Republican) who did not stand for re-election. Iowa and Kansas elected Democratic Governors for the first time for 20 years, while West Virginia elected a Republican Governor for the first time for 28 years.

In accordance with custom, the elections in Maine (for a State Governor and three members of the House of Representatives) were held nearly a month in advance of the rest of the country. The Maine elections (Sept. 10) resulted in two Republicans and one Democrat being returned to the House of Representatives, and in the re-election of Mr. Edmund Muskie (Democrat) as State Governor.

The electoral campaign was vigorously conducted by both parties, extensive nation-wide "barnstorming" tours being made by Mr. Adlai Stevenson and Senator Kefauver, the Democratic presidential and vice-presidential candidates, and by Vice-President Nixon for the Republicans. President Eisenhower, who was stated by his doctors on Oct. 28 to be in excellent health, confined his campaign tours to the Middle West and the Pacific coast, in addition to delivering a number of radio and television broadcasts. The final stages of the campaign, however, were completely overshadowed by the crisis in the Middle East and the uprising in Hungary.

Apart from the differences between the two parties—largely on internal issues—as set out in the party programmes (see 15089 A, 15073 A), Mr. Stevenson made a special issue of nuclear weapon tests. In a speech on Oct 15, and a number of subsequent speeches, Mr. Stevenson accused the Republican Administration of lack of imaginative leadership in removing the threat of atomic destruction, and pledged himself, if elected President, to open negotiations with the U S.S R and Britain for the immediate suspension of tests of hydrogen bombs and other nuclear weapons. Mr. Stevenson's charges against the Administration were refuted in a statement issued from the White House on Oct. 23.

In conceding the presidential election to President Eisenhower, Mr. Stevenson sent a telegram to the President offering his "warm congratulations" and wishing him "success in the years that lie ahead." Mr. Stevenson announced on Dec. 4 that he would not be a candidate at any subsequent presidential election.—(New York Times - New York Herald Tribune)

(Prev. rep. 15089 A; 15073 A; 1952 Presidential and Congressional Elections, 12667 A; 12523 A.)

A. UNITED KINGDOM. — Large Fall in Gold and Dollar Reserves. - Mr. Macmillan's Announcement of Steps to maintain the Pound. - Increase in Petrol Duty.

The Treasury announced on Dec. 4 that the sterling area's gold and dollar reserves had fallen by $279,000,000 during November, after taking into account (*a*) $4,000,000 received in U.S. defence aid, (*b*) $28,000,000 paid to the E.P.U. in respect of the October settlement, and (*c*) $3,000,000 paid to the creditors of E.P U. in bilateral settlements. As a result, the sterling area's gold and dollar reserves stood at $1,965,000 000 on Nov. 30, 1956.

The fall in the reserves during November followed one of $84,000,000 during October after taking into account (*a*) $7,000,000 received in U.S. defence aid, (*b*) $25,000,000 paid to the E.P.U in respect of the September settlement, and (*c*) $3,000,000 paid to the creditors of the E.P.U. in bilateral settlements. As a result, the sterling area's gold and dollar reserves had stood at $2,244,000,000 on Oct. 31.

Provisional figures for the E P.U. October settlement showed that the U.K had a deficit of £13,000,000, while provisional figures for the November settlement showed a U K deficit of £24,000,000. The October deficit was settled in November, whilst the November deficit will be settled in December—in both cases as to three-quarters in gold or dollars and as to one-quarter by an increase in the U.K. debt to the European Payments Union

In announcing the November fall in the gold and dollar reserves to the House of Commons on Dec. 4, the Chancellor of the Exchequer (Mr. Macmillan) spoke on the causes of the fall, stressed the Government's determination to maintain the pound sterling at its present parity, and announced measures which H.M. Government had decided to take, both externally and internally, to deal with the situation. These measures were: (*a*) an approach to the International Monetary Fund with a view to drawing, if necessary, on part of the U.K. quota; (*b*) the possible use, if necessary, of the Government-owned dollar securities in U.S. industrial and commercial undertakings as collateral for a loan, and the partial sale of the Government's holdings of short-term U.S. Government securities, (*c*) applications to the U.S.A. and Canada for a waiver of the interest on the loan instalments due on Dec 31, 1956, and (*d*) an increase of 1s. a gallon in the petrol duty.

Mr. Macmillan spoke as follows:

"The customary monthly announcement of the gold and dollar reserves shows a fall of $279,000,000 in the reserves to $1,965.000,000, and a deficit of £24,000,000 in the E P U I think it is right that the House should have an immediate explanation both of the significance of these figures and of Government policy

"First, the figures During the first half of this year our gold and dollar reserves rose by $265,000,000 For a number of reasons of which the House is well aware the pressure on the reserves is always greater in the second half of the year, but at the end of July I had no reason to suppose that this would be more than normal In fact, in the third quarter the fall was $57,000,000 and would have been about $230,000,000 had it not been for the special receipt from the sale of the Trinidad Oil Company In October the fall was $84,000,000 and in November, as I have said, the figure was $279,000,000

"These falls in the reserves and the deficit in the E.P U started after Colonel Nasser's seizure of the Suez Canal, and have not been caused by any weakness in our trading position The U K. trading position has been and continues to be essentially sound But the closure of the Suez Canal and of the Iraq Petroleum Company pipelines must adversely affect our balance of payments, especially if these interruptions are prolonged The most realistic forecast which I can at present give the House is that over the year July 1, 1956 to June 30, 1957, our external current trading account will be roughly in balance. The events of the past four months and the international tension they have caused have increased the pressure on sterling. It is this factor which has been almost entirely responsible for the recent losses As the House knows, sterling is particularly affected by movements in world confidence because it is so widely held and used. It finances half the world's trade and payments

"It would be wrong to minimize the seriousness of the losses which the reserves have suffered It would be equally wrong not to view them against their proper background On this I wish to make three points

"(1) Since the losses have arisen primarily from the international situation, they should not be permanent, the trend will reverse itself as the position improves

"(2) For some time now there has been a consistent reduction in the total sterling balances, especially those held by non-sterling-area countries Normally when the reserves rise the liabilities rise as well. But in fact in the first half of this year the reserves rose by £95,000,000, and the liabilities fell by £22,000,000. Thus our capital position had been strengthened when the Suez Canal crisis broke

"(3) If we take the necessary steps—as we intend to do—to keep our trading position strong, the surplus that we may earn as traders must in due course reflect itself in our improved capital position as financiers I have no doubt that the rest of the sterling area will face the difficulties in the same spirit.

"In brief, therefore, the immediate problem which faces us is short-term pressure on the pound rather than long-term defects in our trading position. The immediate task is to repel the attack on the pound sterling This requires action both externally and internally.

"In these circumstances the broad lines of our economic policy are clear. They are as follows:

"(1) We will maintain the rate for the pound sterling at its present parity; to this end we will take all necessary action to fortify the reserves and to strengthen the internal economy.

"(2) We must do all in our power to maintain industrial production. The country depends for its livelihood on exports, and these depend in turn on the volume and efficiency of our production.

"(3) We must do everything possible to maintain and increase the volume of world trade on which we, perhaps more than any other country, depend For this reason, apart from any others, I would regard it as wrong to resort to import controls in present circumstances.

'I now deal more specifically with the actions which I propose to take We must fortify our gold and dollar reserves. We shall mobilize, to supplement these reserves, some of the other resources which are available to us

"First, there is access to the International Monetary Fund. Each country has a quota in the I M F. Ours amounts to $1,300,000,000. Of course, the whole of this quota is not available on demand. It consists of a number of *tranches* to which different rules and terms apply. We are making an immediate approach to the I.M.F. with a view to drawing on part of these resources.

"Secondly, H.M. Government own U.S dollar securities to the value of between $750,000,000 and $1,000,000,000. These could be a substantial reinforcement of the reserves, and I am prepared to use them for this purpose Our general policy has been, and remains, to retain the industrial and commercial securities which form almost all the portfolio, and not to sell them. If the need arises. I should be perfectly prepared to use them as collateral for borrowing to fortify the reserves; and I am assured that, if requested, support in the form of a loan against these securities will be promptly available for dollar requirements from the appropriate U.S agency. The same objections to sale do not apply to the short-term U S Government securities which form the small balance of the portfolio These amounted to $60,000,000, of which just over half have now been sold and credited to the reserves.

"These are substantial reinforcements. We shall use to the maximum every means at our disposal to maintain sterling as a sound and stable currency and means of payments and exchange. I repeat that this is vital, not only in our own interests and those of the sterling area generally, but in the interest of the trade of the free world as a whole

"I now turn to the payments due on Dec. 31 to the U.S Government of some $143,000,000, and to the Canadian Government of some $38,000,000 Under our respective Agreements with them dated December 1945 and March 1956, there are provisions under which the annual instalments of the interest included in some of these payments may be waived I wish to inform the House that H.M. Government have submitted a claim for this waiver of interest to the American Government, as they consider that under all the terms of the agreements they are entitled to it This subject has been under discussion between the U.K. and the U.S. Treasuries during the past two years. We have received a reply from the U.S Treasury informing us that, since there have been no changes in the conditions envisaged at the time the agreement was signed, they will present the matter to Congress with the definite recommendation that appropriate modification of the present language be made to carry out the spirit of the original intention. The conditions of the Canadian Agreement do not call for a waiver unless the interest payment under the U.S. Agreement is waived. We have informed the Canadian Government that, on the assumption that a waiver of interest is granted by the United States, we are also formally claiming a waiver of interest on the Canadian loan

"We shall, therefore, be paying only the principal on these loans on Dec. 31 next, amounting to U.S $56,200,000 and Canadian $15,500,000, as compared with the full payments under the loans subject to waiver which, including interest, would amount to U S. $137,800,000 and Canadian $37,700,000 As the question of the waiver cannot be settled before the payment date, we propose, in order to show clearly that we shall not in any circumstances default on our obligations, to pay the interest instalments out of the reserves into a special account

"But it is not enough to mobilize our external resources. We must fortify our own economy, on which recent events have put new strains. The measures to control inflationary tendencies, which the Government have been pursuing since 1954, have met with considerable success Nevertheless the interruption of oil supplies from the Middle East and the dislocation caused by the Suez Canal crisis will add a fresh burden to our balance of payments We must therefore increase our external income, and at the same time keep internal demand under restraint

"First of all, the control over bank and other forms of credit, which has played so important a part already, must be firmly maintained and, if need be, strengthened. The Hire Purchase restrictions will continue. There will be no relaxation in the critical scrutiny of applications by the Capital Issues Committee. And I ask the banks and all those who provide finance or control its sources to restrict effectively the supply of credit.

"I next come to fiscal measures. It is notoriously hard to form a complete judgment of the Budget out-turn at this time of the year. But all the information available to me indicates that the national accounts will still show a very large surplus 'above the line'; and the deficit 'below the line' will fall short of the original estimate by more than £150,000,000. Taking the figures 'above the line' and 'below the line' together, the overall out-turn of the Budget will be better, not worse, than I forecast last April.

"I do not intend to introduce an interim Budget. At the same time it would be wrong of me not to convey to the House some considerations relevant to the preparation of the 1957 Budget.

"The traditional tax upon which the country relies in times of difficulty and crisis has been for many years the Income-tax. Fortunately, during the last four years it has been possible to reduce it by one shilling on the standard rate. Owing to the complicated form in which Income-tax is now levied, largely through pay-as-you-earn, it would not in any case be possible at this time of the year to make an increase in the tax without serious difficulties and hardships: for any substantial rise in this year's rate of tax, when it came to be levied in what remains of the financial year, would fall too heavily upon the weekly wage-packet. It would also mean a readjustment of several million direct assessments of tax which have already been made, and that might well lead to serious delays in the regular collection of revenue I do not, therefore, propose to take any immediate steps on the Income-tax, but I must warn the House that the Government will not hesitate to use this weapon if needed when the time comes. What will be required can far more easily be judged in three or four months' time, when it should be possible more precisely to judge the impact of the last four months on the economy.

"But in the field of indirect taxation there is one commodity which is of particular importance at the present time—oil. I believe that the House and the country will accept that it is right that in present circumstances a commodity as precious as oil now is, should effectively be guarded by taxation as well as by rationing. Moreover, it is estimated that when petrol rationing takes effect the revenue will drop at a rate of £6,000,000 a month. It is essential to the Exchequer that this should be made good. I therefore propose, as an emergency measure, to raise the Customs duty on petrol and other light hydrocarbon oils and on Derv—that is, heavy oil used as fuel in road vehicles—by 1s. 0d. a gallon: an increase in the duty from 2s. 6d to 3s. 6d This will be in addition to the increases in the wholesale and retail prices of these products, which I understand the oil companies are announcing today, on account of higher costs—that is, a wholesale price increase of 3½d. a gallon on motor spirit and 3d on Derv, with an additional 1½d a gallon in each case on retail sales.

"I shall to-morrow move a Ways and Means Resolution preliminary to a short Bill giving effect to the increased tax. The Resolution will provide that the tax increase is to come into effect from 6 p.m. to-day. Following the precedent of earlier changes in this duty, I expect that the new retail prices will be charged at the garages from tonight. There will be corresponding adjustments in the rates of duty on indigenous oils and on one or two minor products which traditionally move in step with the main rate of petrol duty The increase in duty will bring in extra revenue of about £30,000,000 in the remaining four months of this financial year.

"To sum up, I have described to the House the immediate measures which we are taking to fortify sterling, and the reinforcements which we have at our command. How far we shall have to draw upon them in fact, or for how long, depends upon the future course of events. To strengthen your reserves does not mean that you must necessarily call upon them With regard to the internal measures, the same considerations apply. In particular, I regard the new petrol tax as a temporary measure during the present oil shortage. As for the future, it is too early yet to judge of the length or character of all that we may have to do, but it is clearly right to act now on both external and internal policy. In addition recent events have re-emphasized the need for a wide review of our Government expenditure, our defence policy, and our future energy policy in this country. This will be done."

Replying to **Mr. Harold Wilson** (Lab.), **Mr. Macmillan** said that the effect of the increase in the price of petrol was calculated to be less than one-third of one point in the cost-of-living index, and that the extra duty would be about ½d. or ¼d. on a 3d bus fare Although there would be a charge on industry, he did not believe that it would be in any sense a crushing charge, and it would have very small effect on prices.

In reply to a question by **Mr. Gaitskell** on the nature of the fall in the reserves, **Mr. Macmillan** said that in the first six months of the year the reserves had been rising without any corresponding increase in liabilities, while at the same time the Government had paid off long-standing debts, so that the rise of £95,000,000, coupled with the fall in liabilities of £22,000,000, represented a considerable increase on capital account. Until a more precise analysis was made, however, it was difficult to say what proportion of the gold and dollar losses in recent months represented payments for authorized oil purchases (which had been considerable in the last month), and what proportion reflected "world confidence movements, which make so quick an impact on sterling, of which so enormous a volume exists, and which finances so large a part of world trade."

Replying to **Mr. Shepherd** (C.), who asked whether the Chancellor would give an assurance that as soon as petrol rationing was over, or at some convenient time, the additional petrol tax would be removed, **Mr. Macmillan** said: "I used the word 'temporarily' advisedly.. I regard it as an emergency tax. If the flow of oil returns in full, the revenue will be sustained at the old rate of tax."

In reply to **Mr. Ernest Davies** (Lab), who asked whether the Chancellor would consider exempting public service vehicles from the increased tax, **Mr. Macmillan** replied he could not do so because that part of the oil which the Government most wanted to preserve was the one most used—viz , Derv.

Mr. Harold Wilson pledged the Opposition's support for any appropriate measures which the Chancellor chose to put forward with the aim of strengthening the sterling area's gold and dollar reserves and sterling.

The 1s. rise in the petrol duty and the 5d. increase by the oil companies (of which 3½d. will go to the companies themselves and 1½d. to the dealers) brought petrol prices up to 5s. 7½d. a gallon for "commercial" grades, 6s. 0½d. for premium grades, and 6s. 5d. for the highest grades. The increases caused deep concern in many branches of industry, the Federation of British Industries stating on Dec. 4 that the higher costs arising at many points from the large increase in fuel prices were bound to have "a serious effect." An official of the National Union of Manufacturers, on the other hand, described the rise as a "minor irritation" while petrol rationing continued, although he emphasized that costs would rise steeply if the increase remained after the ending of rationing.

British Road Services announced on Dec 5 that a surcharge of 7½ per cent would be added to all charges for general haulage, parcels, and tank haulage as a result of the increased cost of fuel oil British Railways announced on Dec 6 that for the same reason a surcharge on their cartage services would be made on the basis of 6d. a ton for each service of collection or delivery The National Conference of Road Transport Clearing Houses (whose haulier members operate more than 8,000 long-distance lorries) recommended their members on the same day to make a minimum increase of 7½ per cent in charges forthwith.

On Dec. 7 the Road Haulage Association, representing 17,000 private haulage firms, announced that a 10 per cent emergency surcharge would be added to their members' rates immediately, British European Airways announced that passenger fares for flights within the British Isles would be increased by the addition of a temporary surcharge of 1s. in the £, because of the rise in fuel costs, and the minimum fares of all London Transport services (buses and the Underground) were raised from 2½d. to 3d.—as from Jan. 1, 1957—to offset the extra 1s. tax on fuel oil.

The Financial Secretary to the Treasury (Mr Henry Brooke) stated in the House of Commons on Dec. 5 that the Government would introduce a Bill empowering all road passenger operators, including municipal authorities, to make strictly limited and temporary increases in bus fares to meet the higher operating costs. He explained that bus concerns were generally working on small profit margins, that not all of them could absorb the extra costs, and that normally they could not increase their charges except through a lengthy procedure laid down by statute. He added, however, that it would be reasonable to expect that operators would take into account "any operating factors in the present situation which told in the opposite direction" when deciding how much they could increase their fares

Mr Brooke also announced that the Minister of Health proposed to increase the allowances for disabled persons in respect of the running costs of invalid carriages.

It was announced in Washington on Dec. 4 that the British request for a waiver of the present year's interest payment under the American loan agreements had been formally presented to the U.S. Treasury, and that the Administration had agreed to ask Congress to grant the waiver. In Ottawa, the Federal Minister of Trade (Mr. Howe) indicated on the same day that the Canadian Cabinet had agreed to Britain's request for a waiver of the interest due on the Canadian loan.

The Chancellor's announcement led to a demand for sterling, the spot rate against New York moving up from the level of $2.78½ for the first time for at least a month, though closing at not more than $2.78 1/16 —(Treasury Press Office - Times - Daily Telegraph - Manchester Guardian - Financial Times) **(Prev. rep. Gold and Dollar Reserves, 15136 B; Mr. Macmillan, 15169 A; Sterling, 14979 A.)**

Note. The Automobile Association issued on Dec. 4 the following list of the latest-known prices of petrol in other European countries:

	s.	d.	s.	d.
	Ordinary.		Super.	
Austria	3	11¾	4	7½
Belgium	4	2	4	4½
France (Paris area)	6	3	6	7½
Greece	4	5		—
Holland	3	2	3	5
Italy	4	6	5	0
Luxemburg	4	2	4	4½
Norway	4	3½	4	4½
Portugal	5	1½		—
Spain	4	6½		—
Sweden	3	10	4	0½
Switzerland	3	8¾	4	3
Western Germany	4	9¾	5	2

Some of these prices, however, did not reflect the latest price increases in a number of countries, notably West Germany and Italy. (Manchester Guardian)

A. PAKISTAN.—The Electorate Act. - Joint Electorate for East Pakistan and Separate Electorates for West Pakistan. - Report of Electoral Reforms Commission.

The Pakistan National Assembly reached a compromise settlement on Oct. 12 of the question whether Moslems and non-Moslems should form a single electorate, or whether the minorities should return separate representatives in national and provincial elections. When the Constitution was drafted no agreement could be reached on this issue, and it was therefore laid down that the National Assembly should reach a final decision after taking into consideration the views of the Provincial Assemblies (see 14769 A). The West Pakistan Assembly had recommended separate electorates and the East Pakistan Assembly joint electorates, and, to bridge the gap between these divergent views, the National Assembly passed a Bill providing for a joint electorate in East Pakistan, (where 25 per cent of the population are non-Moslems) and separate electorates in West Pakistan (where non-Moslems form a much smaller minority).

A resolution in favour of separate electorates was moved in the West Pakistan Assembly by the Chief Minister, Dr. Khan Sahib, and was adopted on Aug. 4 by 122 votes to 10 after a four-hour debate. The resolution was supported by the Republican Party and the Moslem League, and opposed by the Awami League, four Hindu members from Sind, and Mr. S. A. Hussain, of the Azad Pakistan party.

In the East Pakistan Assembly a resolution recommending joint electorates, moved by the Chief Minister (Mr. Rahman Khan), was adopted on Oct. 1 by 159 votes to one, with 84 Opposition members abstaining.

An amendment supporting joint electorates in principle, on condition that a number of seats were reserved for the Scheduled Castes, was moved by a group of Scheduled Caste representatives. The Speaker, however, refused to admit amendments on the ground that the Provincial Assemblies had been asked to make recommendations solely on the issue of joint or separate electorates, whereupon the sponsors of the amendment walked out in protest.

After the session, a joint statement was issued by the United Front, the *Nizam-e-Islam*, the Moslem League, and other Opposition groups asserting that the whole procedure was irregular and did not represent the Assembly's considered opinion. Serious disorders occurred in Dacca on Oct 7 at a meeting in favour of separate electorates organized by the Moslem League and other Moslem organizations, 13 people being arrested and several injured.

The deep division of opinion on this issue subjected the Central Government (a coalition between the Awami League and the Republicans) to severe strain. The secretary-general of the Republican Party, Mir Abdul Qaiyum, declared on Sept. 28 that the party was committed to separate electorates in both provincial and national elections, and was prepared to co-operate even with the Moslem League against the Awami League on this issue. As the Awami League—which draws its main support from East Pakistan—had consistently supported joint electorates, a Cabinet crisis was averted only by the decision, adopted at a meeting of Government supporters in the National Assembly on Oct 9, to accept a compromise.

Mr. Suhrawardy accordingly introduced the Government's Electorate Bill on Oct. 10 in the National Assembly, which was meeting in Dacca for the first time. The Bill provided that elections to both the National Assembly and the Provincial Assemblies should be held on the basis of a joint electorate in East Pakistan and separate electorates in West Pakistan.

Mr. Suhrawardy pointed out that no preparations for the return of a directly elected Parliament could be made until this question was settled. He expressed regret that it had not been found possible to have one system of electorate for the whole of Pakistan in both the Provincial Legislatures as well as the National Assembly However, although the Constitution did not require the National Assembly to endorse the views of the Provincial Legislatures, the Assembly, which had not been elected directly by the people, could not ignore or lightly override the views of the bodies which formed its own electorate, and the Bill therefore endorsed the views of the two Legislatures within their own territorial jurisdiction.

To those who had not been able to adopt themselves to the change in political outlook resultant on the creation of Pakistan (Mr Suhrawardy continued) it might seem strange that he, who had advocated the "two-nation theory" and separate electorates in undivided India, should advocate a joint electorate in Pakistan. Although separate electorates had formed "the cardinal creed of the Moslems of undivided India," it had not, however, been based on the "two-nation theory" as such—it had been a device to secure proper representation in the Legislatures for the Moslem minority, and had never been meant to be a device to safeguard the interests of a majority population.

"The two-nation theory," he continued, "was advanced by the Moslems as a justification for the partition of India and the creation of a State made up of geographically contiguous units where the Moslems were numerically in a majority. Once that State was created, the two-nation theory lost its force even for the Moslems. If it is still persisted in, it will logically lead to the partition of Pakistan and the creation of a State made up of contiguous areas where non-Moslems are in a majority—a contingency from which every Pakistani must recoil with horror The Moslems, who were a nationality in undivided India, are now citizens in their own country, Pakistan, in which every citizen, whatever his religion, is a member of the Pakistani nation . .

"Circumstances thus have changed, and so must our political outlook change with the establishment of Pakistan. Today we do not want to develop fissiparous tendencies within the country, but must create a single nation. I therefore advocate joint electorates because this will help in welding all the people together into one great Pakistani nation . . . and in destroying the seeds of suspicion, distrust, and hatred between citizens professing different religions . . I want our citizens to have only one ideal—namely, service to Pakistan, each according to his own religious convictions, but all united in advancing the stability, integrity, and glory of Pakistan."

Rejecting the view that joint electorates were "un-Islamic," Mr. Suhrawardy pointed out that all other Moslem countries had such electorates. Ridiculing the argument that under such a system "the Hindus will dominate the Moslems, capture all the seats, corrupt the Moslems, and so on," he pointed out that in districts of East Pakistan with large Hindu minorities the number of Moslems on local government bodies returned by joint electorates was in fact disproportionately large. "Joint electorates, if they do any harm at all in the matter of representation," he declared, "will harm the Hindus. I deliberately use the words 'in the matter of representation,' for I think they will gain otherwise from the point of view of creating identity of interest and a sense of common endeavour in a common cause for a common country, which is so vital to a minority community for its safety, dignity, and future progress."

"It may therefore well be asked," Mr Suhrawardy went on, "why, if the Hindus stand to lose so much in representation, do they advocate joint electorates? I have already given the answer, but there are other answers as well . . . The Hindus find that in a system of separate electorates they will remain for all time a constitutional minority subject to a minority complex. It is always in the interest of minorities if these complexes are removed, the idea of one nation takes its place, and the term 'minority community' loses significance." Under a system of separate electorates, he pointed out, the Hindus in East Pakistan would be entitled to such a large number of seats that they would always be able to hold the balance of power between rival Moslem groups by playing off one against the other. They realized, however, that this situation would inevitably create hostility against them, and therefore they preferred "to reap the benefits of trust, co-operation, and one nationhood rather than scramble for representation on the basis of numbers."

After an all-night session the Bill was passed on Oct. 12 by 48 votes to 19, the Republicans and the Awami League voting in favour and the Moslem League and the United Front party opposing. It received President Mirza's assent on Oct. 30.

Report of Electoral Reforms Commission.

The report of the Electoral Reforms Commission appointed by the Government in 1955 was published on April 25, 1956.

The Commission recommended that the preparation of electoral registers should be entrusted to a staff under the direct control of the Election Commission, and not of any executive authority; that lists of voters should be posted in conspicuous places, and that the electorate should be afforded sufficient time for presenting claims and objections to the revising authority, which, with the returning officers, should be drawn from the Judicial Service or the Pakistan Civil Service Nomination papers should not be rejected on "flimsy or capricious" grounds such as clerical errors. As far as possible, not more than 1,000 voters should be assigned to one polling station, and electors should not be required to travel more than three miles to vote. Presiding officers should be responsible persons not connected with the candidates, and should not normally be drawn from the Executive or Revenue departments

On the ballot papers each candidate should be assigned a symbol, and the voter should make a mark against the name and symbol of the candidate of his choice, all ballot papers being put into one box. The use of symbols with religious or sentimental associations, e.g. a mosque or the national flag, should be forbidden. To prevent impersonation, the report proposed that elections should be confined to a single day; that all male voters should be required to hold identity cards bearing their photographs; that women should vote separately, and that each elector, before voting, should be marked on his left fore-finger with indelible ink.

To prevent the use of "undue pressure and influence," the Commission suggested that all Ministries should be dissolved on the eve of general elections, and suitable alternative arrangements made for carrying on routine business; that wives and children of Government employees should not be eligible for election; and that the question should be considered whether Government contractors or their near relations should be permitted to stand. Petitions arising from provincial elections should be dealt with by a district judge, and those arising from national elections by a serving or retired High Court judge. Appeals against the former's decision could be made to the High Court, and against the latter's to the Supreme Court

Mr. Mohammad Ali, then Prime Minister, had announced on June 24 that a Delimitation Commission had been appointed to arrange for the holding of general elections as soon as possible, with the Chief Justice of the Supreme Court as chairman.—(Pakistan High Commissioner's Office, London - Dawn, Karachi - Times) **(Prev. rep. Constitution, 14769 A.)**

A. POLAND. — Polish-Soviet Discussions in Moscow. - Agreement on Status of Soviet Troops in Poland. - Soviet Economic Aid to Poland. - Resignation of Marshal Rokossovsky. - Cabinet Changes. - Dismissal of Soviet Officers in Polish Army. - Abolition of Public Security Committee. - Release of Poznan Rioters. - Changes in Trade Union Leadership. - New Five-Year Plan. - Further Reduction in Armed Forces.

A delegation from the Polish Government and the United Workers' Party (U.W.P.) visited Moscow from Nov. 15-18 for talks with the Soviet Government and Communist Party. The delegation was led by Mr. Gomulka, First Secretary of the U.W.P., and included Mr. Zawadzki, president of the Council of State (a position equivalent to Chief of State), Mr. Cyrankiewicz, the Prime Minister, and Mr. Jedrychowski, chairman of the State Commission for Economic Planning. On the Soviet side the talks were conducted by President Voroshilov, Mr. Khrushchev, Marshal Bulganin (Prime Minister), Mr. Mikoyan and Mr. Saburov. Marshal Zhukov, the Soviet Minister of Defence, also attended the meeting.

An agreement was signed on Nov 18, at the conclusion of the talks, whereby Soviet troops would remain in Poland for the time being on the understanding that they would not interfere in Poland's internal affairs and would not be moved from their stations without the Polish Government's consent. The joint statement issued by the Polish and Soviet leaders is summarized below under cross-headings :

International Affairs. The statement said that the talks had taken place in a cordial and friendly atmosphere ; had revealed a mutual desire to base relations between the two countries on " the Leninist principles of equal rights of nations " ; and had shown " the convergence of views of the U.S.S.R. and the Polish People's Republic in the appraisal of fundamental problems of the present international situation." Both parties agreed in condemning the Anglo-French and Israeli attack on Egypt, expressed " full support for Egypt's just claims," and demanded that Britain, France, and Israel should withdraw their forces in accordance with the U.N. resolution The U S.S.R. and Poland would do everything possible to achieve the " restoration of the lawful rights " of the Chinese People's Republic in the United Nations.

The statement called for an international agreement on disarmament, the banning of atomic and hydrogen weapons, the abolition of military bases on foreign territories, and " an essential reduction of the armed forces of the U.S S R , Britain, France, and the U S A. in Germany." Declaring that " a ban on tests of atomic and hydrogen weapons might constitute an important contribution to the lessening of international tension and the creation of an atmosphere of international confidence," the statement alo expressed the view that an understanding on disarmament would " help to create conditions indispensable for the settlement of such international problems as the German question and European collective security."

Hungary. Both sides expressed " confidence that the Hungarian working class and the whole Hungarian nation will discover in themselves sufficient strength to defend the gains of the people's democratic system." Both countries would support the " Revolutionary Workers' and Peasants' Government " in Hungary [i.e. the Kadar Government], and considered that " certain U.N. resolutions on Hungary were designed to divert world opinion from the aggression against Egypt "

Polish-Soviet Relations. Both delegations had " examined in detail and discussed all the aspects which have gone to make up the relations between the Polish and Soviet States." They considered that the Soviet Government's declaration of Oct. 30 on the " principles for further developing and strengthening friendship and cooperation between the Soviet Union and other Socialist countries " [see page 15191, second column] was of " great importance," and that these principles were " in keeping with the recent decisions of the Central Committee of the Polish United Workers' Party and the policy of the Polish Government."

" In the course of the negotiations," the statement continued, " the two sides paid particular attention to the further development and strengthening of friendship between their two countries, and expressed their conviction that the unbreakable alliance and fraternal friendship between the Polish People's Republic and the U S.S.R. will broaden and consolidate, developing on the principles of full equality of rights, respect for territorial integrity, State independence and sovereignty, and non-interference in internal affairs The Polish-Soviet alliance . constitutes a lasting guarantee of their security. This alliance is the most important factor in the strengthening of the independence of the Polish People's Republic and the integrity of the Oder-Neisse frontier . . . "

Economic Relations. Both sides had expressed their determination " to develop and consolidate economic co-operation between the two countries on the basis of equal rights, mutual advantage, and mutual fraternal assistance " It had been agreed that the Polish debt as at Nov. 1, 1956, which had arisen from the use of credits granted to Poland by the Soviet Union in previous years, should be regarded as settled by the Polish coal supplies made available to the U.S.S.R during the years 1946-53. Agreement had also been reached on the settlement of financial accounts in connexion with railway transport, non-commercial, and other payments

The Soviet Union had undertaken to deliver 1,400,000 tons of grain to Poland in 1957 on a credit basis, and to grant long-term credits to Poland to the amount of 700,000,000 roubles for commodities to be delivered by the U S.S R. under mutual arrangements.

Soviet Troops in Poland. Both sides had acknowledged " that so far it had not been possible to reach concerted decisions that would give sufficient guarantees against the rebirth of German militarism," and that the " continued rejection by *revanchist* forces of the existing boundaries in Europe,and in particular of Poland's Western frontier," was " an essential factor impeding the normalization of relations in Europe." The statement added " Both parties reached the conclusion that this state of affairs, and also the present international situation, still make the temporary presence of Soviet Army units on Polish territory desirable—a fact which is also connected with the necessity for the presence of Soviet troops in Germany in conformity with international treaties and agreements "

It had been agreed, however, that both sides would " consult each other on the problems connected with the presence of Soviet Army units on Polish territory, their number and their composition," and that the status of these forces should be determined by certain principles to be embodied in a formal agreement to be concluded ' in the near future."

These principles were that " the temporary presence of Soviet troops must in no way infringe Polish sovereignty or lead to their interference in the internal affairs of the Polish People's Republic " , that " the location and strength of the Soviet troops is determined by special agreements " , that any movements of Soviet Army units would need the consent of the Polish Government or other competent Polish authorities , that Soviet soldiers in Poland and their families would have to " respect and abide by the provisions of Polish law " , that the limits of Polish and Soviet jurisdiction with regard to the personnel of Soviet military units in Poland would be established by a special agreement , and that agreements between both countries would also lay down the time, communication routes, and method of transit of Soviet forces passing through Polish territory.

Repatriation of Poles in Soviet Union. The Soviet Government had agreed to the repatriation of Poles in the U S S R having families in Poland, and also Poles who " for reasons beyond their control " could not make use of their right to repatriation on the basis of the Soviet-Polish agreements of 1945 Poles in prison in the Soviet Union would be released or handed over to the Polish authorities, and a meeting of the competent authorities of both sides would take place in the near future to agree on the times and methods of repatriation

Cultural Relations. The statement referred to an agreement on Polish-Soviet cultural co-operation signed in Warsaw on June 30, 1956, and stressed that such co-operation would " continue effectively to promote the consolidation of the sincere fraternal friendship between the Soviet and Polish peoples."

Both parties would make " every effort to inform their peoples on the political, economic, and other measures undertaken or being realized by the other," and on " their mutual achievements in the construction of Socialism "

The Polish-Soviet agreement was unanimously ratified by the Seym on Nov. 20, following a statement by M. Cyrankiewicz in which he spoke of certain aspects of the agreement.

M. Cyrankiewicz told the Seym that the Polish debts cancelled under the agreement totalled over 2,000,000,000 roubles (over $500,000,000), which Poland would otherwise have had to repay between 1957 and 1965. In connexion with their cancellation, Poland would also be freed from interest payments on that part of the credits not yet repaid, which sum should be added to the capital amount cancelled As regards the Polish coal supplies to the Soviet Union between 1946-53, M Cyrankiewicz explained that by an agreement of Aug 16, 1945, Poland had committed herself to deliver a certain quantity of coal " at a special price," whilst in a protocol signed in March 1947 the quantity originally envisaged at this price had been cut by half , not until November 1953 had another protocol been signed providing for the termination of further coal deliveries at the special price The Polish Government had considered the 1945 agreement as prejudicial to Polish interests, and this view had now been accepted by the Soviet Government.

As regards Soviet assistance to the Polish balance of payments, the grain promised by the U.S S.R for 1957 would be supplied on a long-term credit basis and would not be payable until 1961-62, whilst the 700,000.000 rouble credit for commodity supplies need not be repaid until 1963-65.

Speaking of the " feelings of joy and enthusiasm " with which the results of the Moscow talks had been received in Poland, M Cyrankiewicz declared · " There are peoples who gained sovereignty centuries ago and for whom sovereignty is a matter of course, something accepted as a natural thing There are other peoples, however, which have shed rivers of blood in their fight for freedom . . . Our nation is one of them Hence this particular sensitivity to injuries inflicted on its national pride, a sensitivity which has nothing in common with megalomania or nationalism. Hence this great joy and unity when the people feel that their legitimate aspirations have been fulfilled under the leadership of the working-class and the party. The people have sensed the truth that the entire party has risen to stand guard over their rights . . . This has not always been so . . . There were often no complete bonds between the party and the masses . . ."

Changes in Government and Army Command.

Immediately before the Polish delegation's visit to Moscow, a number of major changes had been made in the Government and the Army Command. M. Cyrankiewicz announced in the Seym on Nov. 13 that Marshal Rokossovsky had resigned his post as Minister of Defence and Deputy Premier; would return to the Soviet Army; and would be succeeded in both posts by General Spychalski, the new Commander-in-Chief and Deputy Defence Minister.

A number of other ministerial changes were accepted by the Seym at the same time. M. Wladyslaw Bienkowski, a supporter of M. Gomulka, who was expelled from the United Workers' party in 1948, succeeded M. Feliks Baranowski as Minister of Education; Professor Rajmund Baranski, a well-known physicist with no political affiliations, succeeded Dr Sztachelski as Minister of Health, Dr. Boleslaw Darski, a former director of the Gdynia-America Shipping Line, and politically an independent, succeeded M. Popiel as Minister for Shipping; General Janusz Zarzycki (a former head of the youth union and chairman of the Warsaw City Council, in which capacity he helped to mobilize students and workers in support of the new leadership) became Deputy Defence Minister; and M. Eugeniusz Szyr resigned as Minister of Buildings Among new Deputy Presidents of the Council of State were M. Wycech, a leading member of the pre-war Peasant party, who had taken no part in Polish politics for many years, and M. Stanislaw Kulczynski, Rector of Wroclaw University and a member of the Democratic party.

The governmental changes were regarded as a compromise between M. Gomulka's supporters and the pro-Soviet group in the leadership of the U.W.P. On the one hand, the representation of the "Gomulka group" was strengthened and the basis of the Government broadened by the inclusion of Independents and members of minority parties; on the other, three members of the pro-Soviet group were retained, including a Deputy Premier, M. Nowak

M. Zawadzki presented decorations on Nov. 13 to 18 Soviet generals and 20 other high-ranking officers who had been relieved of their posts, prior to their return to the Soviet Union; the Soviet generals included General Ivan Turkiel, C.-in-C. of the Polish Air Force since 1951, and General Yevski, commander of the Warsaw garrison. As a result of these dismissals, which coincided with the reinstatement of a number of Polish officers previously dismissed for political reasons, the number of Soviet officers still attached to the Polish Army was believed to be not more than twenty.

Plenary Session of the U.W.P. Central Committee.

Fuller details of the plenary session of the Central Committee of the U.W.P. held on Oct 19-21 (see 15161 A) became available with the publication of the October issue of the party monthly *Nowe Drogi*, which gave the committee-members' speeches.

It was disclosed that **M. Leon Wudzki**, a member of the party's Control Committee, had made a violent attack on M. Berman, a former Deputy Premier and member of the Politburo, for tolerating atrocities by the security police Mr Wudzki alleged that M. Rozanski, the former Director of Investigation at the Ministry of Public Security, had himself torn off prisoners' fingernails, and that other prisoners had been tortured by making them "remain standing in their own excrement for three weeks on end," or by pouring water over them and then putting them outside in the winter frost to freeze M Wudzki said that he had a suitcase full of letters giving details of the use of such methods, as a result of which prisoners had sometimes been driven mad after seven days' interrogation He had tried to protest to M. Zambrowski (a member of the Politburo) and the late M Bierut (the former First Secretary), but both had avoided seeing him, while M. Berman had refused to intervene even when his own secretary Miss Duracz, had been arrested

In reply, **M. Berman** attributed many of these excesses to Beria's influence, and claimed that he had opposed both the arrest of M. Gomulka and General Spychalski and Beria's repeated demands for their trial. He explained that Miss Duracz had been arrested on Stalin's personal orders because she had met Mr Noel Field (a U.S. State Department official who was mentioned during the Slansky trial—see 12685 A) in Paris in 1945 He himself had opposed her arrest, and in consequence had himself been under suspicion for several years, being saved only by M Bierut's protection

Democratic and Peasant Parties' Demands for Reforms.

During a debate on the political situation in the Seym on Oct. 24, M. Leon Chajn (a Democratic party deputy) demanded changes in the Constitution which would bring the Government under parliamentary control by giving the Seym the exclusive right to appoint and recall the Government, as well as individual Ministers. He also criticized the draft electoral law [see below] on the ground that certain Articles maintained the wrong principle of the previous electoral system, providing not for elections but for "a kind of plebiscite."

The Supreme Committee of the United Peasants' Party, meeting on Oct. 18, adopted a resolution emphasizing that the U.P.P. was an independent party, and demanding increased representation for it in the Government. The resolution also demanded the abolition of the Presidium of Government, a reduction in the number of Ministries, changes in price and taxation policy to enable the peasantry to make greater capital investments from their own financial means, increased supplies of fertilizers, building materials, machines, and agricultural implements, and a considerable increase in investment in agriculture under the Five-Year Plan.

Release of Political Prisoners. - Restriction of Powers of Security Police. - Abolition of Public Security Committee. - Rehabilitation Procedures. - Application of Amnesty Law.

M. Gomulka announced on Nov. 2 that the Public Security Committee [which replaced the former Ministry of Public Security in 1954] would be abolished, and responsibility for public security entrusted to the Ministry of Internal Affairs. A Bill implementing these changes was unanimously approved by the Seym on Nov. 13.

It was announced on Nov. 6 that all outstanding indictments in the Poznan courts arising from the riots of June 28 had been annulled, together with all cases under investigation, and that persons awaiting trial would be released. An official statement explained that this decision had been taken because the riots were a consequence of the "errors and distortions of the past era" and of the "incorrect behaviour of certain authorities," and because the atmosphere in Poznan on the day of the riots had considerably influenced the actions of the participants.

A report on the implementation of the amnesty law adopted in April was presented to the Seym on Oct. 13 by Mme. Wasilkowska, the Minister of Justice. She announced that during the period May 1-20 the number of persons in prison had fallen from 69,000 to 34,824, and that those who had benefited from the amnesty included 5,847 persons imprisoned for "crimes against the State," 1,063 found guilty of "Fascist activities before the war," and 52 who had recently returned from exile.

The Prosecutor-General (M Rybicki), reporting on the rehabilitation of persons wrongly convicted, stated that 1,708 applications for rehabilitation had been received between May 1 and Oct. 1, many from persons released from prison, and that 364 had so far been rehabilitated. In many cases the sentences on persons who were believed to be guilty had been reduced or the Council of State had been asked to grant a pardon, whilst in cases where there was strong suspicion that the sentence was unjust, the prisoner had been conditionally released.

The first cases dealt with, M. Rybicki stated, had been those of persons sentenced on political charges by military courts, mostly between 1949 and 1953, as the worst miscarriages of justice had taken place in connexion with cases of this type. In particular, the trials which had taken place on false charges of collaboration with the German occupation forces had created an "atmosphere of terror" among members of the wartime resistance movements, both Communist and non-Communist. The main causes of these miscarriages of justice, he suggested, had been the lack of independence of the courts, the subordination of the Prosecutor-General to the Ministry of Public Security, and the secrecy in which trials had been held.

In a press interview on Nov. 5, M. Rybicki stated that persons recently released included 17 members of the Seym (among them M. Gomulka and General Spychalski) who had been imprisoned during 1949-51, and four former members of the Socialist Party executive, who had been imprisoned in 1948. Investigation had shown that the officials primarily responsible for wrongful detentions were the former Deputy Minister of Public Security, M. Romkowski, and senior high officials of the Ministry, MM. Rozanski, Fejgin, and Swiatlo; all of these were under arrest except Swiatlo, who had fled the country (see 13883 A).

M. Rybicki had previously stated on June 18 that the Supreme Military Court had quashed the sentences on four high Army officers convicted of espionage in 1951, on the ground that the evidence against them had been obtained by "unauthorized methods," and had also rehabilitated M Mazurkiewicz (a former colonel in the Home Army) and a number of persons arrested with him in 1949-50. Accommodation and work were being provided for rehabilitated persons, as well as medical treatment where necessary. The sentence of five years' imprisonment passed in December 1955 on M Rozanski for abuse of his powers had been criticized in the Seym as too lenient, and it had therefore been decided to try him again, especially as new evidence had since come to light To prevent similar abuses in future, the Prosecutor's Office would pay strict attention to the regulations that a suspect must immediately be told the charges against him and must not be detained for more than 48 hours without a warrant.

Preparations for General Elections.

The Council of State announced on Sept. 24 that general elections would be held on Dec. 16, 1956. The Seym, however, adopted on Oct 24 a motion postponing the elections to Jan. 20, 1957, on the ground that the original date gave too short notice.

A parliamentary committee of 48 members, drawn from all parties, had previously been appointed in September to amend the electoral law. At its first meeting on Oct. 6, it was agreed not to amend the existing law, but to draw up a new one. The preliminary draft provided for constituencies of three to seven seats; laid down that the number of candidates must exceed the number of seats, and that representatives of organizations nominating candidates, and of the Press, should have the right to be present during the voting; and made secret voting compulsory, instead of optional as in the past.

M. Gomulka stated on Nov. 2 that the U.W.P. favoured the nomination of candidates by all parties and organizations.

Relations between Church and State.

Large crowds assembled inside and outside the Holy Cross Church in Warsaw on Nov. 4 to hear the first sermon delivered by Cardinal Wyszinski since his release from confinement in a monastery. In his sermon the Cardinal welcomed the change in the Government's attitude towards the Church, announced that four bishops had recently been allowed to return to their dioceses, and declared that the Church "forgives and forgets." He added: "In these difficult days we must speak less about our rights and more about our duties; Poland needs heroic work more than heroic death . . ."

The four bishops mentioned by Cardinal Wyszinski were Bishop Baraniak of Gniezno, Bishop Adamski of Silesia, and Bishops Bednosz and Bieniek.

A joint commission was set up in November to consider relations between the Government and the Roman Catholic episcopate, the Government being represented by M. Morawski, a member of the Politburo of the U.W.P., and Dr. Sztachelski, the former Minister of Health.

Ending of Radio Jamming.

The Ministry of Communications and the State Radio Committee announced on Nov. 24 that, in accordance with a Government decision, all those Polish radio stations jamming Polish-language transmissions from foreign stations had ceased to operate; that the equipment and technical installations used for jamming would be handed over for use in Polish radio communications and broadcasting; and that the liquidation of the "jamming stations" would make work possible on a number of local radio transmitters.

The Warsaw daily *Zycie Warszawy*, commenting on this decision, said that it was "a victory of the correct principle that foreign radio stations should be countered by factual arguments and not by noise" Moreover, the closing-down of the "jamming stations" would save some 60,000,000 zlotys annually and would make sufficient power available to provide electric light for a large town.

Adoption of Five-Year Plan. - Merger of Ministries of Agriculture and State Farms. - Legislation for Workers' Councils in Industry.

A report on the Five-Year Plan for the years 1956-60 was presented to the Seym on Nov. 7 by M. Jedrychowski, chairman of the State Commission for Economic Planning.

M. Jedrychowski accepted a proposal by the Seym's Finance and Budgetary Committee that the present Seym should endorse the draft plan and that the newly elected Seym should endorse the final law on the plan. This was necessary, he stated, because a number of premisses hitherto held inviolable, especially in the field of agricultural policy, were now being re-examined The draft plan provided for a 53.2 per cent increase in the output of socialized industries, as compared with a 118 per cent increase during 1951-55, in view of the higher starting level, however, the annual production increase would be no smaller than under the previous plan. A high rate of advance in industrial production and in industrialization was an absolute necessity, in view of the fact that the rate of population increase in Poland (over 19 per 1,000) was one of the highest in Europe

Under the new plan, capital expenditure on industry and transport would be reduced from 46.8 and 12 9 per cent respectively to 43.4 and 10 per cent. Expenditure on agriculture, on the other hand, would be increased from 7 6 to 11 9 per cent, on housing from 11.6 to 14.4 per cent, on public services from 2.5 to 3.2 per cent, and on the expansion of social and cultural facilities from 4 8 to 6 4 per cent The production of capital goods would increase by 57 3 per cent and that of consumer goods by 48.7 per cent, the difference between the rate of increase in these two sections of industry (8.6 points) being the smallest in any of the "people's democracies." The increase in output of agricultural produce and consumer goods would be sufficient to meet the 30 per cent increase in real wages and in the real incomes of the peasantry provided for in the plan.

Coal output was planned to increase by 15,000,000 tons to 110,000,000 tons, steel output would rise by 63 per cent, reaching 7,200,000 tons in 1960; and output in the engineering industry by 100 per cent

The State Commission for Economic Planning would be replaced by a Planning Commission of the Council of Ministers. Central planning would not be abandoned, but would be combined with greater autonomy for individual enterprises and with workers' self-government in the factories.

The Seym approved the revised Five-Year Plan on Nov. 13, after a debate in which many deputies outspokenly criticized various Government measures. In a resolution accompanying its decision, the Seym stated that all the proposals of the plan should be subordinated to the task of improving living standards. It called on the Government to make a special effort to improve Poland's export trade; emphasized the importance of the merchant navy for the balance of payments; requested the Government to prepare a Bill for financing the merchant navy's expansion; and stressed the need to amend the plan as far as agriculture was concerned, with special emphasis on assistance to individual peasant farmers.

On the same date the Seym passed a Bill merging the Ministries of Agriculture and State Farms. The Bill for the liquidation of the State Commission for Economic Planning and the formation of a Planning Commission of the Council of Ministers was approved on Nov. 15.

Another Government-sponsored Bill providing for the setting up of Workers' Councils in all industrial undertakings was unanimously passed by the Seym on Nov. 19. In adopting this Bill, the Seym called upon the Government to take further steps to extend the principles of economic self-government and to introduce basic changes in central economic planning.

Changes in Trade Union Leadership and Policy.

A plenary session of the Central Council of Trade Unions was held in Warsaw from Nov. 16-18, being attended by over 1,000 delegates who had been spontaneously elected by factories and other enterprises, in place of the 120 union officials normally taking part. The members of the Presidium of the C.C.T.U., who had already tendered their resignation, absented themselves from most of the meeting, as did the majority of "Stalinist" union officials.

A report by an interim committee set up to inquire into trade union practice and policy stated that there had been in the past a system of "bureaucratic centralism" whereby the leadership had become completely isolated from members and had taken decisions without consulting them. The principle that the interests of the unions were identical with those of the Government and the U.W.P. had been accepted as a dogma, with the result that the unions had been more concerned with the Government's economic aims than with the workers' just demands It was necessary that the unions should in future be independent organizations, with the defence of workers' rights and conditions as their main task, and that the U.W.P. should not interfere in union questions except through the individual votes of its members The unions should also be represented in the Seym and should put forward their views on the Budget, employment policy, economic development, and all matters affecting living standards. A report presented by the auditing commission stated that it was impossible to discover how union funds had been spent in the past.

In the ensuing debate M. Klosiewicz, the chairman of the C C.T U., was denounced as "the man most responsible for the bad state of affairs in the trade unions." It was pointed out that he received a salary of 40,000 zlotys a month, in addition to the use of a villa, whereas a lorry-driver earned only 1,400 zlotys a month. A representative of the Zispo metal works (where the demonstrations began which led to the Poznan riots) declared that the Council's repeated failure to listen to the Poznan workers' complaints had been "responsible for the bloodshed that followed."

A comprehensive resolution demanding far-reaching changes in the status and organization of the trade unions, and also putting forward important economic demands, was adopted by the Council of Polish Trade Unions on Nov. 18.

The resolution demanded *inter alia* that the trade unions should have their own representatives in the Seym in order to establish "correct relations with State organs", that "decisions of fundamental importance"—e.g. the distribution of the national income, economic plans, wages, and employment—should not be made without taking their opinion into account, that the living standards of all working people should be raised as a matter of urgency; that all wrongs arising from violations of the law, of collective agreements, or of "just privileges" of workers should be completely righted; and that old-age pensions and family allowances should be defined. The resolution also called upon the Government to solve the problem of manpower surpluses, to liquidate "administrative over-growths," and to provide unemployment allowances. Other demands concerned the decentralization of trade union leadership, the autonomy of trade unions in the various industries; trade union assistance to works personnel in the establishment of Workers' Councils in factories.

The meeting accepted the Presidium's resignation and elected an entirely new one headed by M. Loga-Sowinski, a member of the Politburo of the U.W.P. and a supporter of M. Gomulka, who had only been released in October after several years' imprisonment. During the session M. Jaroszewicz, Deputy Chairman of the Council of Ministers, announced that the Government and the U.W.P. would shortly put forward proposals for wage increases, especially for workers who had not already received increases earlier in the year. It was also

announced that councils of shop stewards in every large enterprise would receive increased power to decide wages and conditions, and that 70 prominent trade unionists who had been expelled from their unions would be rehabilitated.

M. Klosiewicz was expelled from the Council of State on Nov 13, after he had demanded in the Seym that the Prime Minister should deny foreign radio reports that he (M. Klosiewicz) had been associated with a conspiracy to arrest M Gomulka and some 700 other persons and to carry out a *coup d'état* The Politburo of the U W P. described his conduct as "irresponsible," and stated that it would recommend his expulsion from the party's Central Committee.

Changes in Polish Merchant Navy.

The secretariat of the United Workers' Party decided in November to dissolve the political organization in the merchant navy, the fishing industry, and inland navigational enterprises.

As a result of these measures it was reported on Nov 24 that the Polish m s. *Batory* had sailed from Gdansk with some changes in her crew, in accordance with proposals made by the Sailors' Union. These were for the withdrawal from the ship of over a dozen members of the crew who did not possess the necessary qualifications and had only been employed "on the instructions of superior authorities," or who had "discredited themselves in the past by their attitude"

The director of the Central Board of the Polish Merchant Navy (M. Gronowicz) stated in November that the Board had no objection to the ma \ demands put forward by Polish sailors at recent meetings for permis ion to seek employment on foreign ships, in keeping with the provisions of international conventions to which Poland was a party.

Soviet Repatriation of Polish Citizens.

It was reported from Warsaw in November that over 28,000 persons had returned to Poland from abroad since 1955, of whom more than half had arrived during the past four months. The total included some 24,000 who had returned from [i.e been released by] the Soviet Union, among them a number of former members of the Polish Home Party, as well as former aristocrats. All repatriates were being helped to obtain work corresponding to their qualifications.

Further Reduction in Armed Forces.

The Government announced on Aug 18 that it had decided to reduce the armed forces by 50,000 men as "a new contribution to the cause of disarmament." This was the second such reduction within a year, 47,000 men having been demobilized from the Polish Army in September 1955 (see 14441 A).

Fate of Home Army Leaders.

Details of the fate of the 16 leaders of the Home Army (the anti-Communist resistance movement during the German occupation), who were tried in Moscow in June 1945 on charges of "diversionary activities in the rear of the Soviet Army," were given in September by *Radio Kraj*, the Polish radio service for Poles living overseas.

It was stated that 12 of the defendants had been sentenced to terms of imprisonment, three acquitted, and the case against one dropped. As regards the fate of the 16 leaders concerned, General Oculicki (C.-in-C. of the Home Army) had died in 1946 while serving his sentence, as was already known (see 14478 C); M Jankowski, the former Vice-Premier of the Polish Government in London and head of the "underground Cabinet" in Poland, had died in the U.S S.R in 1953; M. Jasiukiewicz, a Minister in the underground Government, had been sentenced to five years, subsequently returned to Poland, and died "a few years ago,"; M. Puzak, chairman of the underground Parliament and secretary of the underground Socialist Party, had been sentenced to 18 months, returned to Poland in 1945, been sentenced again to 10 years' imprisonment for "illegal activities against the People's Poland," and had died in 1950; MM Urbanski, Czarnowski, and Chacinski, sentenced to four months, had returned to Poland in 1945 and had died in 1951, 1952, and 1954 respectively; M. Zwierzynski (sentenced to eight months), M. Mierzwa (four months) and MM. Stemmler and Michalowski (acquitted) had returned in 1945, M. Kobylanski (acquitted) had returned in 1946; M. Bien, a Minister in the underground Government (five years), had returned in 1948; and M. Pajdak (the Socialist member of the underground Government, the case against whom was dropped) had returned in 1955. All the seven last-named were still living and working in Poland, while MM. Stypulkowski and Baginski (sentenced to four and 12 months respectively) were living abroad.

The Polish Council in London issued a statement alleging that M. Jasiukiewicz and several others had died in the U.S.S.R. or after their release as a result of ill-treatment; that M. Pajdak had been sentenced to five years' imprisonment at a secret trial, and had been held in Soviet labour camps even after his term had expired; and that M. Mierzwa (who had been sentenced to 10 years' imprisonment at the same time as M. Puzak) and most of the others who had returned to Poland had been persecuted and imprisoned after their repatriation. (Polish Embassy Press Office, London - Soviet Weekly - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris) **(Prev. rep. Poland, 15161 A.)**

Corrigendum. The name of the Polish Home Army is, in Polish, *Armja Krajowa* and not *Armja Krakowa* as incorrectly stated on page 15034, first column. (Ed. K.C.A.).

A. UNITED KINGDOM. — Atomic Energy. - Opening of Calder Hall Nuclear Power Station. - "Lido" and "Dido" Reactors started at Harwell.

The world's first nuclear power station—Calder Hall, in Cumberland—was formally opened on Oct. 17 by H.M. the Queen in the presence of members of the Government and representatives of 39 countries, among them many eminent scientists. When her Majesty put the station in operation by turning a switch, part of the initial 28,000 kilowatts of electricity generated was diverted from the nearby Windscale plutonium factory (which had been taking the load since the station began operations some weeks earlier) and about 10,000 kilowatts of electricity were fed directly into the national grid for consumption—equivalent to a saving of about ten tons of coal an hour. In opening the station, the Queen said: "As power from Calder Hall begins to flow into the national grid, all of us here know that we are present at the making of history."

Calder Hall is the only large-scale atomic power station in the world at the present time, and, when completed, will be 15 times bigger than any other in existence. Only one reactor went into operation when the station was inaugurated on Oct. 17, but the second came into service at the beginning of December. When both are running at full power in 1957, they will produce a total amount of electricity of the order of 90 megawatts [a megawatt is 1,000,000 watts], sufficient to supply power to a community of 100,000 people. The northern group of the U.K. Atomic Energy Authority will in due course comprise four stations of the Calder Hall type, in addition to the plutonium factory at Windscale.

Two recent important developments at Harwell were the inauguration on Sept. 21 of Britain's first "swimming-pool" reactor ("Lido"), and on Nov. 7 of Britain's first large heavy-water reactor ("Dido"). The "Lido" reactor is intended primarily for shielding studies, one of its major tasks being to assist in the development of the British submarine propulsion unit. "Dido," when operating at full power, will have a total heat output of about 10 megawatts and a very high neutron intensity, making it the most powerful experimental reactor in Western Europe. It is the first British reactor to be operated by heavy water, others having used a pure form of graphite. (Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Calder Hall, 14928 A.)**

B. LEBANON. — New Government.

The Lebanese Prime Minister, M. Abdullah Yafi, and the Minister of State, M. Saeb Salam, tendered their resignations on Nov. 16 to President Chamoun, who called upon M. Sami Solh to form a new Government. M. Sohl (71), who became Prime Minister for the sixth time, formed a new administration on Nov. 19 in which he took over the portfolios of the Interior, Justice, and Information in addition to the Premiership. The other Ministers were Dr. Charles Malik (Foreign Affairs), General Fuad Chebab (Defence), M. Nasri Maalouf (Finance, Economy, and Social Affairs), M. Mohamed Sabra (Public Works, Planning, and Posts), and Emir Majid Arslan (Health and Agriculture).

Although no official statement was issued, it was understood that M. Yafi's Cabinet had been sharply divided on the policy to be pursued by Lebanon in the Middle East crisis. Whereas M. Yafi and M. Salam—both of whom were known to be supporters of Colonel Nasser's policies—were believed to have urged the breaking-off of diplomatic relations with Britain and France, following the similar action taken by Syria, other Ministers were understood to have opposed such action. It was commented abroad that M. Yafi had resigned almost immediately after the Beirut meeting of Arab Heads of State (see 15236 A), at which President Chamoun was understood to have resisted Syrian pressure to break off relations with the British and French Governments.

M. Solh is regarded as a moderate and, according to *Le Monde*, is an advocate of Franco-Lebanese friendship and of *rapprochement* with Iraq and Turkey. Dr. Malik, the new Foreign Minister, has been Ambassador in Washington and head of the Lebanese delegation at the United Nations. (Le Monde, Paris - Daily Telegraph) **(Prev. rep. 14803 A.)**

C. JAPAN. — Departure of U.K. and Australian Forces. - Evacuation of Kure Base.

The last Commonwealth contingent in Japan—200 British troops—left for the United Kingdom on Nov. 23, thereby ending the 11-year occupation by British Commonwealth troops of the Kure base, which was handed over to the new Japanese naval defence force. The last contingent of Australian troops in Japan—about 215 officers and men—had left three weeks earlier.—(Times - Australian Information Bureau) **(Prev. rep. 14982 A.)**

A. INDONESIA. — President Sukarno's Visits to North America, Western Europe, and Communist Countries. - Soviet Economic Aid for Indonesia.

President Sukarno of Indonesia, accompanied by the Foreign Minister (Mr. Abdulgani), arrived in Washington on May 16, 1956, on the first stage of a tour of North America and Western Europe, having had a brief meeting *en route* at Manila with President Magsaysay of the Philippines.

Addressing a joint session of the U.S. Congress on May 17, President Sukarno stressed the importance which the Asian and African peoples attached to nationalism. "For us of Asia and Africa," he said, "nationalism is a young and progressive creed. We do not equate nationalism with chauvinism, and we do not interpret nationalism as meaning the superiority of our peoples over others . Nationalism may be an out-of-date doctrine for many in this world, for us of Asia and Africa it is the mainspring of our efforts Understand that, and you have the key to much of post-war history. Fail to understand it, and no amount of thinking, no torrent of words, no Niagara of dollars, will produce anything but bitterness and disillusionment . . . "

President Sukarno spoke as follows on the question of U.S aid to Asian nations: "The approach to the question of foreign aid should be based upon different principles in different countries. Without adequate knowledge of those countries, even if your motives in granting aid were solely the stability of this region [i e. Asia], the results could be adverse and the flow of even billions of dollars could lead only to strained relations. Certainly military aid is no substitute for Asian stability. It will serve only to make countries accepting it more dependent upon the U.S A , and their worth as genuine partners in the struggle for liberty, peace, and prosperity will consequently decline. The main aim should be for the people of Asia, like the Western nations, to become not only economically stable but also politically stable, and thus to be able to defend their freedom against all assaults . . We are determined that no material advantage will buy from us any part of our hard-won freedom, for that freedom is more dear to us than the products which any country can give or sell. We welcome assistance on terms of mutual benefit. We reject the idea of exchanging intellectual and spiritual independence or physical liberty for momentary advantage."

After a five-day visit to Canada, where he addressed a joint session of the Canadian Parliament on June 5, President Sukarno flew to Rome, where he had discussions with President Gronchi, Signor Scelba (the Italian Prime Minister) and Signor Martino (the Foreign Minister) on technological, industrial, and cultural co-operation ; he was received on June 13 by the Pope, with whom he discussed the position of Roman Catholic missionaries in Indonesia. On June 18 he proceeded to Bonn, where he met President Heuss and the Federal Chancellor, Dr. Adenauer, the Foreign Minister, Dr. von Brentano, and the Minister of Economic Affairs, Professor Erhard. Preliminary discussions took place on a German-Indonesian economic treaty, as a result of which it was agreed that German technical experts should visit Indonesia. During his stay in Western Germany, which ended on June 26, President Sukarno also visited Berlin and Heidelberg, addressing professors and students of the University of Heidelberg on the principles of Indonesia's foreign policy. After a brief visit to Switzerland, President Sukarno returned to Indonesia on July 3.

President Sukarno's Visits to Communist Countries.

President Sukarno, again accompanied by Mr. Abdulgani, left Jakarta on Aug. 26 on a second tour covering the Communist countries, arriving in Moscow two days later. After visiting Leningrad and a number of other Soviet cities he returned to Moscow for discussions with the Soviet leaders. Before leaving the U.S.S.R. he received the Order of Lenin from President Voroshilov.

A joint communiqué signed in Moscow on Sept. 11 by Mr. Abdulgani and M. Gromyko, Deputy Soviet Foreign Minister, stated that the two Governments held identical views on disarmament, the "struggle against colonialism," and the prohibition of atomic and thermo-nuclear weapons, and were agreed that "military pacts do not lead to a reduction of international tension, which is most needed to achieve world peace." They were also agreed that the Suez question should be solved peacefully "on the basis of complete respect for Egypt's sovereignty and dignity." The statement also called for the admission of the Chinese People's Republic to the United Nations.

From Sept. 12-18 President Sukarno paid a state visit to Yugoslavia, during which he had discussions with President Tito and other Yugoslav leaders

A communiqué signed on Sept. 17 by Mr. Abdulgani and M. Popovich, the Yugoslav Foreign Minister, reaffirmed both countries' support for the principles of peaceful co-existence laid down at the Bandung Conference, and their agreement on the following points : (1) All nations, both large and small, should participate in international life on a basis of complete equality. (2) Technical and economic aid, "without any strings whatsoever," should be extended to "those countries which have been prevented or hampered in their economic development by colonialism or other specific historical conditions." (3) Every effort should be made to solve the problem of the emancipation of still dependent peoples, such as Dutch New Guinea. (4) The Suez problem should be solved "in a peaceful way, without any threat of force, and on the basis of the principle of respecting the sovereignty and dignity of Egypt and of taking into account the freedom of navigation Both parties consider that the solution of this problem cannot be achieved by unilateral action of only one group of users of the Canal, and therefore appeal to all States . . . to render assistance actively and in an organized way to achieve a corresponding negotiated settlement" (5) All non-member States entitled to U N. membership, and Communist China in particular, should be admitted to the U N without delay (6) Incessant efforts should be made, primarily through the U N , to achieve disarmament and the prohibition of atomic and thermo-nuclear weapons

In a press statement on Sept. 18 President Sukarno expressed his conviction that Socialism of the Yugoslav type, "full of revolutionary dynamism," was the best way of achieving the progress of Indonesia Western Socialism, he declared, had become an "outmoded pattern because it lacks revolutionary ideas, and as such cannot provide any feasible platform for the people to work upon. That is the reason why the Western type of Socialism cannot flourish in Asia and Africa, including Indonesia."

On leaving Yugoslavia President Sukarno paid a private visit to Austria, and subsequently visited Czechoslovakia, Mongolia, and China, returning to Jakarta on Oct. 16. During his tour he invited Presidents Voroshilov, Tito, and Mao Tse-tung to visit Indonesia.

Addressing a teachers' conference at Bandung on Oct. 31, President Sukarno said that he had profited more from his tour of the Communist countries than from his earlier visits to the U S A and Western Europe. He appealed to the Indonesian political leaders to "bury" the existing 40 political parties, and suggested that after their dissolution it could be decided whether Indonesia should have a single-party system or a limited number of "rational" parties. He denied that he wanted to abolish democracy, said that he aimed at a "guided democracy," and also advocated the formation of "cadres" on the Soviet model, to help in the country's development

Soviet-Indonesian Economic Agreement.

Under an agreement signed in Jakarta on Sept. 15, the Soviet Government undertook to provide economic and technical aid to Indonesia to the value of $100,000,000 (about £35,000,000) by supplying capital goods, machinery, and heavy industrial equipment on a credit basis. The credit would bear 2½ per cent interest per annum and would be repayable after three years in 12 annual instalments, either in U.S. dollars, pounds sterling, or raw materials. The agreement also provided for the assistance of Soviet technicians in certain Indonesian projects, and for Soviet-Indonesian co-operation in the peaceful uses of atomic energy, including the training of Indonesian technicians in nuclear research The principal projects envisaged were the Umbilin coal mines in central Sumatra, nickel mines at Lake Towuti, the asphalt industry on Butin Island, hydro-electric power stations at Malibi (Celebes), and coal mines at Muara (Borneo).—(Indonesian Embassy Press Department, London - New York Times - Tanjug Agency, Belgrade - Times) **(Prev. rep. Relations with U.S.A., 14840 A ; Soviet Union, 13315 C ; Yugoslavia, 13877 G.)**

B. RHODESIA AND NYASALAND FEDERATION. — Proposed Merger of Federal and United Rhodesia Parties. - Dissolution of Commonwealth Party. - Sir Roy Welensky elected President of Federal Party.

A congress of the Federal Party, held in Bulawayo, agreed in principle on Sept. 15 that the Federal and United Rhodesia parties should become a single party to operate both in the Federal and territorial spheres, in accordance with a recommendation made by a negotiating committee of representatives of both parties. The United Rhodesia Party is the Government party in Southern Rhodesia, its leader being the Southern Rhodesian Prime Minister, Mr. Garfield Todd. The Federal Party had hitherto not contested Southern Rhodesian elections, while the United Rhodesia Party had operated only in Southern Rhodesia.

On Sept. 14 the congress unanimously elected Sir Roy Welensky (now Federal Prime Minister) as president of the party in succession to Lord Malvern, who had expressed the wish not to be re-nominated.

Mr H. E. Davies, who had succeeded the late Rev. Percy Ibbotson in 1955 as Specially Elected Member for African interests in Southern Rhodesia, announced on Sept. 9 that he would join the Federal Party.

Mr. G. F. M. van Eeden, M.P. for Kafue in the Federal Assembly, announced in Lusaka on Oct. 22 that he had dissolved the Commonwealth Party (of which he was leader) and had joined the Dominion Party.—(Federal Information Department, Salisbury) **(Prev. rep. Political Parties, 14832 B ; Federal Assembly, 14492 B.)**

A. FRANCE. — Split in Radical Socialist Party. - Formation of Dissident Radical Socialist Party in National Assembly. - M. Herriot's Resignation from Party Presidency.

The annual congress of the Radical Party, held at Lyons from Oct. 11-14, resulted in the secession of a number of deputies and senators who disagreed with M. Mendès-France's leadership of the party and his policy on the Algerian question. The most important decisions of the congress, whose proceedings were marked by heated exchanges between "Mendèsians" and "anti-Mendèsians," are summarized below:

Expulsion of M. Edgar Faure. By 924 votes to 333 the congress confirmed the expulsion from the party of M Edgar Faure, the former Prime Minister, because of his action in dissolving the National Assembly in November 1955 against the views of the majority of the Radical members of his Cabinet (see 14577 A).

Leadership of Party. The minority group, led by two former Ministers (M. Andre Morice and M. Tony Révillon), presented a motion demanding a return to joint direction of the party instead of the "one-man" direction which had been introduced at the congress of May 1955, when M. Mendès-France was elected First Vice-President of the party with three other Vice-Presidents to assist him A majority motion presented by M. Milani censured the minority for having "systematically tried to impede the activities of its leaders and thereby gravely endangered the unity of the party to the sole benefit of its enemies"

During the debate each side accused the other of responsibility for the threatened party split. MM. Révillon and Morice alleged that M. Mendès-France wished to set up "a monolithic and totalitarian régime" within the party, and that, through his attacks on the Government's Algerian policy, the party had ceased to be "a guarantor of French grandeur." M Mendès-France, however, maintained that by its progressive policy under his leadership the party was "prosperous and vigorous" and had attracted large numbers of young people. The congress eventually adopted M. Milani's motion by 1,006 votes to 426.

Re-election of M. Mendès-France. M. Pierre Mendès-France was re-elected as First Vice-President of the party, obtaining 1,298 votes against 202 cast for other candidates, notably M. Daladier [The three representatives of the parliamentary group in the party bureau had all been elected from the majority supporting M. Mendès-France.]

Algerian Policy. The congress approved a motion demanding a "clear, realistic, and resolute policy" in Algeria; complaining that "nothing efficacious" had so far been done to solve the Algerian problem; and stressing that the links between France and Algeria could "not be those of military domination" and that an "immediate change in the psychological climate" was the essential pre-condition for pacification The wording of the resolution had been amended to meet objections by the Radical Ministers in M. Mollet's Government (M. Bourgès-Maunoury, M. Maurice Faure, and M. Billères), who had expressed concern lest excessive criticisms of M. Mollet in the original text of the motion might lead to an open rupture with the Socialists and the breakdown of the present coalition. A minority motion supporting the actions of M Lacoste (the Socialist Minister-Resident in Algeria) was defeated, M. Lacoste being strongly attacked by M. Mendès-France and other members of the majority group

Following the vote on the Algerian motion, M. Morice announced on Oct. 13 that he and his friends would leave the party. Three days later they announced that they had constituted a new parliamentary group in the National Assembly which would call itself the "Radical Socialist Party." In addition to M. Morice, it comprised the following deputies: MM. Arrighi, Badie, Bruelle (a deputy for Madagascar), Devinat, Faggianelli, Gaborit, Emile Hugues, André Marie (a former Prime Minister), Morève, de Pierrebourg, Henri Queuille (also a former Premier), Ramonet, and Tony Révillon. It was also announced that about 20 members of the Council of the Republic would join the new party, including Senators André Cornu and Delpuech.

A manifesto published by the new party on Oct 17 explained that one of the chief reasons for its formation had been the majority's Algerian policy, as well as the "totalitarian methods" which gave the actual leader of the party [i.e M Mendès-France] so much power that "everyone had to comply with the chief's wishes"

M. André Morice was elected secretary-general of the new party, and M. Tony Révillon chairman of its parliamentary group. Several Radical federations joined the new party after its formation, and on Oct. 26 M. Morice announced that it had already formed 30 federations throughout the country.

The old Radical Socialist Party announced on Oct. 17, after a meeting held under M. Mendès-France's chairmanship, that it would apply to the courts to prevent the new party from calling itself the "Radical Socialist Party"—the name under which the old party had been known for over 50 years.

Following the break between the two groups, M. Edouard Herriot announced on Oct. 13 his resignation from the position of honorary life president of the party. He told the party congress that he had tried unsuccessfully to effect a reconciliation between the two factions, and added: "In these circumstances I must regretfully maintain the decision which I have taken. I have been too long the president of a unified party to become the president of a party which has been torn apart." (Le Monde, Paris - Le Figaro, Paris)

(Prev. rep. 14577 A; M. Mendès-France, 14933 A.)

B. LITERATURE. — Book Selections for November. - Prix Goncourt Award for 1956.

Selected books published in Great Britain, the United States, and France are given below:

Great Britain. Churchill, Sir Winston—"History of the English-Speaking Peoples: Volume II—The New World." (Cassell, 30s.)

"Dying We Live. The Final Messages and Records of Some Germans who defied Hitler." (Harvill Press, 16s)

Evans, Charles—"Kangchenjunga: The Untrodden Peak." (Hodder and Stoughton, 25s.)

Keller, Werner—"The Bible as History." Translated from the German (*Und die Bibel hat doch recht*). (Hodder and Stoughton, 25s.)

Low, David—"Low's Autobiography." (Michael Joseph, 30s.)

Pawle, Gerald—"The Secret War, 1939-1945." (Harrap, 18s.)

Reitlinger, Gerald—"The S.S. · Alibi of a Nation, 1922-1945." (Heinemann, 35s)

Rowse, A. L.—"The Early Churchills: An English Family." Volume I. (Macmillan, 36s.)

Shuster, George N.—'In Silence I Speak: Cardinal Mindszenty and Hungary's 'New Order.'" (Victor Gollancz, 21s.)

United States. Lapp, Ralph E.—"Atoms and People." (Harpers, New York, $4 00)

"New York City Folklore." Edited by B. A. Bodkin. (Random House, New York, $5.00.)

Stone, Irving—"Men to Match my Mountains: The Opening of the Far West, 1840-1900." (Doubleday, New York, $5.95.)

France. Gary, Romain—"Les racines du ciel" (Nouvelle Revue Française, Paris)

The *Prix Goncourt*—the leading French literary prize—was awarded by the *Académie Goncourt* on Dec. 3 to M. Romain Gary, French Consul-General at Los Angeles, for his novel *Les racines du ciel* (see above). M. Gary (42) was born in Lithuania in 1914 and came to France at the age of 14 with his French mother. He served with distinction in the Free French Air Force during the war, and later entered the French diplomatic service.—(Ed. K.C.A. - Le Monde, Paris)

(Prev. rep. 15166 A; Prix Goncourt, 14606 B.)

C. TURKEY - UNITED KINGDOM. — London Discussions with Turkish Acting Foreign Minister.

Mr. Ethem Menderes, the Turkish Acting Foreign Minister, visited London from Nov. 30-Dec. 2 for conversations with Mr. Selwyn Lloyd, the Foreign Secretary. No official statement was issued, but the talks were reported to have dealt with the threat to peace in the Middle East through the growing Soviet infiltration of Syria, as well as the Cyprus question. In a brief statement before leaving London, Mr. Menderes said that there had been "complete understanding" on all the questions discussed.—(Times - Daily Telegraph) **(Prev. rep. 15230 A.)**

Corrigendum. The participants in the second meeting of the four Asian members of the Baghdad Pact, held in Baghdad from Nov. 19-23, were the Prime Ministers of Iraq, Pakistan, and Turkey and the Foreign Minister of Persia—not the Prime Minister of Persia as erroneously stated in 15230 A. (Ed. K C.A.)

D. LONDON. — The Smuts Memorial.

A statue of the late Field-Marshal Jan Christiaan Smuts, the former Prime Minister of South Africa, was unveiled in Parliament Square, London, on Nov. 7 by the Speaker of the House of Commons (Mr. W. S. Morrison) in the absence of Sir Winston Churchill, who was unable to be present on the advice of his doctors. British Cabinet Ministers, the South African High Commissioner (Dr. J. E. Holloway), and other Commonwealth representatives were present at the ceremony. The statue, by Sir Jacob Epstein, is a ten-foot bronze figure on a granite plinth.—(Times - Daily Telegraph) **(Prev. rep. 12231 B; 11553 B.)**

E. BRITISH WEST INDIES. — New Governors of the Bahamas and Leeward Islands.

Two appointments to Colonial Governorships were announced during October—Mr. Oswald R. Arthur, Governor of the Falkland Islands, as Governor of the Bahamas in succession to Lord Ranfurly, retiring; and Mr. Alexander T. Williams, Chief Secretary of Northern Rhodesia, as Governor of the Leeward Islands *vice* Sir Kenneth Blackburne, whose term of office was expiring.—(Times) **(Prev. rep. 13909 A; 12296 A.)**

A. AUSTRALIA. — British Atomic Weapon Tests at Maralinga.

Following the tests held in the Monte Bello Islands in May and June, four further tests of British atomic devices were held at the Maralinga proving ground, in the South Australian desert, on Sept. 27, Oct. 4, Oct. 11, and Oct. 21. The tests were directed by Sir William Penney, head of the Atomic Weapons Research Establishment of the U.K. Atomic Energy Authority.

The U.K. Ministry of Supply had announced on Aug. 7 (i) that "the decision to fire in each case will be made only after eminent Australian scientists forming the Australian Government's Safety Committee have . . . agreed that conditions are safe", (ii) that major support to the tests would be given by the Australian armed forces; (iii) that "responsibility for the necessary measurements and for the conduct of the tests . . . will be in the hands of scientific teams drawn from the Atomic Weapons Research Establishment, supported by representatives of the [U.K.] Ministry of Supply, the U.K. Services, the Medical and Agricultural Research Councils, U.K. Civil Defence departments, and from Australia and Canada"; (iv) that Air Commodore C. T. Weir, R.A.F., with the agreement of the Australian Government, had been appointed Services commander to exercise operational control, having under him "an air task force from the R.A.F. for the necessary supporting effort to the tests." The announcement added that the Australian Government had given full co-operation, and that various Australian Government Departments had contributed valuable assistance under the co-ordinating direction of Mr. Howard Beale, Australian Minister for Supply.

In a press statement at Sydney on Aug. 14, Sir William Penney said that two of the explosions would be from the tops of towers, the third would be a ground-burst, and the fourth an operational device dropped from an aircraft. He added that no hydrogen bombs would be tested in Australia.

The new proving ground at Maralinga (an aboriginal word meaning "field of thunder") was completed in time for the latest series of atomic-weapon tests. It replaced the unsuitable Emu Field, on the Woomera range, and was built in 12 months at a cost of about £4,000,000. The Maralinga tests were witnessed not only by British and Australian scientists but by the chairman of the Canadian Defence Reserach Board (Mr. A. H. Zimmerman) and other Canadian scientists. British, Australian, New Zealand, and Canadian ground troops took part in the tests, in addition to the Royal Air Force.

First Test (Sept. 27). An atomic device was detonated from the top of a steel tower in brilliant sunshine, the test being observed by 1,500 scientists, Servicemen, and press correspondents. Although the explosion was heard at distances of 300 miles, and the typical mushroom cloud observed, there was no appreciable shock-wave, the explosion being described by press correspondents as in the range of "only a very few tens of kilotons." [The *Daily Telegraph* correspondent said that the absence of a noticeable shock-wave had "strengthened the impression that Sir William Penney is developing economical weapons with an increasingly smaller critical mass."] Two *Canberra* bombers flew through the mushroom cloud within seven minutes of the explosion, while some 250 British, Australian, New Zealand, and Canadian Servicemen wearing protective clothing subsequently entered the area to examine the remains of military and civil equipment which had been exposed to the blast. Steel frames of sheds 1¼ miles from the point of explosion were standing, but had their sides blown out; others closer to the detonation-point were flattened.

Press correspondents who entered the area stated that no trace of the tower was found, nor any appreciable crater, but only an ash-grey circle about 500 yards in diameter. Outside this area, all desert herbage and scrub had been destroyed over a radius of about a mile, leaving only the red soil.

Second Test (Oct. 4). An atomic weapon was exploded at ground level—also in daylight—with the aim of producing conditions similar to those of an atom-bomb hitting the earth. Eye-witnesses 70-80 miles away saw a bright red flash and clouds of reddish-brown dust surging upwards into the typical mushroom shape. The explosion was on a smaller scale than that of Sept. 27, however, and was not heard more than 80 miles away. The test was watched from a distance by members of the Australian Parliament and the Federal Minister of Supply, Mr. Beale, but no press correspondents were allowed to be present.

Third Test (Oct. 11). A nuclear weapon was dropped from an R.A.F. *Valiant* in daylight and burst some distance above the ground, the height not being disclosed for security reasons The characteristic mushroom cloud rose, expanded, and dispersed in a manner similar to the earlier bursts. Whereas the sound of the explosion frightened schoolchildren 200 miles away, other people living less than 100 miles from Maralinga heard nothing—an anomaly which was attributed by scientists to atmospheric differences causing wide variations in intensity.

Fourth Test (Oct. 21). In the final test—the only one of the four to be carried out at night—a nuclear device was detonated from the top of a tower, as in the first test. Press correspondents were not present, but people at a great distance saw a tremendous white flash which made the desert brighter than day, followed by a brilliant fireball and a mushroom cloud rising to a height of five miles. The explosion, officially described as being "for purely scientific purposes," was believed to have been the most important of the series.

Before leaving Australia for Britain, Sir William Penney said that the Maralinga tests had gone very much as expected and had yielded valuable information both from the military and civil defence points of view.—(Times - Daily Telegraph - Australian News and Information Bureau)

Prev. rep. Monte Bello Tests, 14940 A.)

B. HONDURAS. — Deposition of President Lozano.

The President of Honduras, Dr. Julio Lozano, was deposed on Oct. 21 by a bloodless military coup in Tegucigalpa carried out by the armed forces. The presidential powers were provisionally vested in a three-man military junta consisting of General Roque Rodriguez, Colonel Hector Carracioli (commander of the Honduran Air Force), and Major Roberto Galvez Barnes, Minister of Development in President Lozano's government.

Shortly before the coup, elections to a Constituent Assembly had been held on Oct. 7 at which the National Union party—the Government party supporting President Lozano—claimed to have won all 56 seats. The Opposition parties—the Liberals and Nationalists—alleged that the elections had been fraudently conducted, and protested strongly against the atmosphere of violence and intimidation in which they had been carried out. [Eleven people were killed in clashes during the elections]. In a proclamation issued on Oct. 21 the military junta said that the armed forces had decided to depose President Lozano "when it became apparent that the elections of Oct 7 were opposed by the great majority of the people," and because the armed forces "did not want to be placed in a position whereby they would have had to enforce the laws of a Government that did not represent the will of the people." Assurances were given that the Government would be returned "to a civilian element that has authentic popular support"; that the junta would remain in command "only during the time that democratic criteria and the national interest necessitate"; and that it intended "to govern democratically with the support of all Hondurans of good faith."

The junta issued a decree on Oct. 25 which abrogated the Constituent Assembly elections on the ground that they had been carried out "under circumstances which cannot be considered as a genuine expression of the will of the Honduran people."

Dr. Lozano, formerly Vice-President of Honduras, had taken over the presidency in October 1954, after the presidential elections held in that month had failed to secure an absolute majority for any of the candidates.—(New York Times)

(Prev. rep. Honduras, 13955 B.)

C. FRANCE. — Elections to French Academy.

The *Académie Française* was restored to its full complement of 40 members on Nov. 29, when M. Robert Kemp, dramatic critic of *Le Monde*, and M. Jacques Chastenet, the historian, were elected to fill vacancies caused by the deaths of M. Louis Madelin (the historian) in August 1956 and of Admiral Lacaze in March 1955. M. Kemp is regarded as the *doyen* of French dramatic critics, while M. Chastenet, co-editor from 1931-42 of the newspaper *Le Temps*, is the author of several books on English history.

Three earlier vacancies in the *Académie* had been filled during the past year as follows. (*a*) M. André Chamson, the well-known novelist, in place of the late Baron Sèilleres (May 17, 1956); (*b*) M. Vladimir d'Ormesson, French Ambassador to the Holy See, and formerly a distinguished journalist on the staff of *Le Figaro*, in place of the late M. Paul Claudel, the poet (May 3, 1956); and (*c*) M. Jérôme Carcopino, the historian, internationally known for his works on ancient Greece and Rome, in place of the late M. André Chaumeix (Nov. 24, 1955). (Le Monde - Le Figaro)

(Prev. rep. 14251 B.)

D. SOUTH AFRICA. — Sir de Villiers Graaff succeeds Mr. Strauss as Leader of United Party.

Sir de Villiers Graaff (43), chairman of the Cape branch of the United Party, was elected leader of the party on Nov. 21 in succession to Mr. J. G. N. Strauss, who had been in ill-health for several months and was recuperating in France. The decision was taken at a special party congress held *in camera* at Bloemfontein and attended by U.P. members from all parts of the Union. Mr. Strauss had succeeded the late Field-Marshal Smuts as leader of the United Party in June 1950. (Cape Times)

(Prev. rep. Mr. Strauss, 10871 D.)

E. UNITED KINGDOM. — First Woman Recorder.

Miss Rose Heilbron (42), Q.C., became Britain's first woman Recorder on Nov. 26, when she was appointed by the Lord Chancellor as Recorder of Burnley. The wife of Dr. Nathaniel Burstein, of Liverpool (her birthplace), Miss Heilbron was called to the Bar in 1939, took silk in 1949, and has appeared in many notable trials. (Times - Manchester Guardian)

DECEMBER 8—15, 1956

A. PETROLEUM. — Measures against Oil Shortages in Europe through Middle East Crisis. - British and Continental Restrictions. - Temporary Withholding of Additional U.S. Oil Supplies pending Anglo-French Withdrawal from Egypt. - Subsequent U.S. and O.E.E.C. Emergency Supply Arrangements.

The Anglo-French military intervention in the Israeli-Egyptian conflict had important repercussions on Western Europe's oil supplies owing to the blocking of the Suez Canal by Egypt, the interruption of oil supplies from Iraq through the sabotage of the Iraq Petroleum Company's pipeline through Syria, and Saudi Arabia's refusal to export her oil in British and French tankers and to supply crude oil to the Bahrein refinery. This meant that two supply channels carrying together 90 per cent of Western Europe's oil (7,750,000 tons per month) were cut, necessitating the diversion round the Cape of all tankers carrying Middle East oil. The anticipated oil shortage caused Britain, France, and other European countries to take stringent measures to conserve oil stocks and supplies until the normal flow could be restored, while the U.S. Government later put into effect an emergency plan for increasing Western Hemisphere oil supplies to Europe.

Restrictions in Great Britain.

Powers were taken by the Government under a new Defence Regulation (No. 3 of 1956), issued on Nov. 1, to control petroleum production, distribution, and consumption.

Cut in Oil and Petrol Deliveries. The Minister of Fuel and Power (Mr. Aubrey Jones) announced on Nov. 7 that the oil companies had been ordered to enforce a 10 per cent cut in normal deliveries of motor fuels, fuel oil, gas oil and diesel oil, affecting supplies to garages and factories and for heating purposes, and expected to result in savings of 2,500,000 tons of oil a year.

Exemptions from the motor fuel cuts would apply to police, fire, hospital, ambulance, and public passenger transport services, which, however, were expected to economize wherever possible. Exemptions from the oil cuts would apply to agriculture, fishing and essential coastal shipping, and such buildings as hospitals The gas and electricity industries were being asked to make bigger savings and reduce their oil requirements to the maximum extent without affecting their production.

To prevent hoarding by motorists he (the Minister) had made an Order prohibiting the sale of motor fuel otherwise than into the tank of a vehicle or for immediate use.

Deliveries of other petroleum products such as aviation fuel, vaporizing oil, lubricants and paraffin, which made up only a small proportion of the total oil consumption, would continue normally for the present, but the Government asked all users of these products to exercise restraint.

In a press statement on the same day Mr. Aubrey Jones stated that 70 per cent of Britain's total annual oil consumption of 21,000,000 tons came either *via* the Suez Canal or through the Iraq Petroleum Company's pipeline; after allowances had been made for Middle East supplies diverted round the Cape, the shortfall in oil supplies would be 25 per cent.

Creation of Oil Emergency Advisory Committee. Mr. Aubrey Jones also announced on Nov. 7 that he had set up an Oil Emergency Advisory Committee under the chairmanship of Mr. B. R. Jackson, of the British Petroleum Company. The other companies represented were Royal Dutch Shell and the *Compagnie Française des Pétroles*. The committee's function would be to advise on oil supply problems arising from the Suez emergency and, if required, to assist Governments in fulfilling any plans to achieve the optimum of available supplies and tanker tonnage.

Petrol and Oil Rationing. It was announced on Nov. 20 that petroleum and diesel oil fuel would be rationed from Dec. 17; public transport services cut by 10 per cent; and fuel oil for domestic heating further restricted These measures—details of which are given below—aimed at equating demand and supply with minimum effects on industry:

Basic Ration. Under these arrangements private motorists would be given a basic allowance equivalent to 200 miles' motoring a month —a cut of 30 per cent in the average driver's motoring. The monthly basic allowance for cars and motor-cycles would accordingly be:

Motor-Cars.

Up to 1,100 c.c., including three-wheel vehicles (one to nine h.p.)	6 gallons
1,101 c.c. to 1,600 c.c. (10 to 13 h.p.)	7½ gallons
1,601 c.c. to 2,400 c.c. (14 to 19 h.p.)	9½ gallons
2,401 c.c. and over (20 h.p. and over)	10½ gallons

Motor-Cycles.

Up to 250 c.c.	3 gallons
Over 250 c.c.	4½ gallons

Owners of motor-scooters (e g. the Lambretta and Vespa) and of motor-assisted bicycles would get the basic allowance for motor-cycles of up to 250 c.c.

Supplementary Allowances. These would be made for essential purposes only—doctors, midwives, veterinary surgeons, invalids, disabled drivers, market gardeners, and for a miminum of business journeys.

Public Transport. The cut would vary from 5 to 6 per cent on buses to 50 per cent on goods vehicles, coaches, and private hire vehicles. For goods vehicles the weekly basic petrol ration would be 2 gallons for every half-ton unladen weight, while for diesel goods vehicles it would be enough to cover the same mileage as petrol-driven goods vehicles.

Domestic Heating. Following the 10 per cent cut already announced, oil supplies for domestic heating would be further reduced on Dec. 1 to 33⅓ per cent on gas-diesel oil and 25 per cent on fuel oil. Hospitals and similar institutions would continue to be exempted, and the latest cuts would not apply to schools.

Industry. While no further reductions would be made in industrial fuel oil, industrial gas-diesel oil would be cut by a further 10 per cent—making a total cut of 20 per cent. Diesel oil for agriculture and fishing vessels, hitherto supplied in full, would be cut by 10 per cent. Minimum requirements for railways and coal production would, however, be maintained.

Aviation. Airlines would continue to receive normal supplies of aviation spirit, but those for clubs and private flying would be curtailed.

The Minister added that he anticipated increases in oil and petroleum prices to meet extra freight charges owing to the long haul round the Cape and higher distribution costs under rationing conditions.

Supplementary Petrol Allowances. Further details of supplementary petrol allowances for motorists were announced by Mr. Aubrey Jones on Nov. 29, as follows:

(*a*) For business and professional purposes the maximum allowance would be 300 miles a month, including the basic ration.

(*b*) A priority class with a maximum allowance of 600 miles a month, including the basic rate, would comprise farmers, clergymen, and, *en bloc*, local authorities and public utilities for a restricted number of persons responsible for public health, sewerage, water, and maintenance of overhead lines and pipelines.

(*c*) A top priority class—including doctors, midwives, home nurses, veterinary surgeons, invalid-carriage users, and disabled drivers —would receive allocations according to needs.

All motor fuel dealers were requested to ensure that their stocks of petrol on Dec. 17 would be sufficient for them to collect enough coupons to cover their first ration delivery. The oil companies would deliver to every dealer, over the period Dec. 1-16, 60 per cent of December's allocation due under the existing restrictions.

Supplementary Allowances for Goods Vehicles. The Minister of Transport and Civil Aviation gave instructions to Regional Transport Commissioners on Dec. 4 that supplementary allowances for goods vehicles should be issued only where the use of road transport could not be avoided. Special consideration would be given, *inter alia*, to feeder services to and from railways or ports; traffic requiring specially constructed vehicles which could not be transferred to other forms of transport, the bulk movement of essential foods; seeds and raw materials necessary for food production; milk deliveries and those of essential medical supplies; materials for the steel industry; and newsprint

In so far as petrol supplies allowed, the needs of other traffic would be met by supplementary issues first to "A" and "B" and secondly to "C" licensed vehicles; small "C" licensed vehicles of one ton and under, however, would be granted supplementary allowances only in exceptional circumstances.

Suspension of Driving Tests. Bookings for driving tests were discontinued on Nov. 12, and tests suspended from Nov. 23 except for persons suffering from a physical disability.

Oil to Coal Conversion. All industrial firms which had recently converted their plant from coal- to oil-burning were urged on Nov. 17 to revert temporarily to the use of coal if possible.

Northern Ireland and Isle of Man. In Northern Ireland petrol and oil rationing would come into force on Dec. 17, provisions being the same as those announced in the U.K. In the Isle of Man, petrol rationing would not come into force until January 1957.

Restrictions in Continental Europe and Irish Republic.

Restrictions in Continental countries and in the Irish Republic are summarized below:

France. Petrol and oil deliveries by refineries were reduced by 20 per cent on Nov. 11, and by 25 per cent on Nov. 15. The production of high octane petrol was prohibited on Nov. 10.

The radius of private motoring was restricted to departments bordering those in which individual cars were registered (Nov 7); petrol deliveries to dealers were cut by one-third, and the sale of petrol in cans and other receptacles prohibited (Nov. 11); motorists were asked to cut their consumption voluntarily by 30 per cent (Nov. 17); and petrol pumps were ordered to be closed from midday on Saturday to midday on Monday, except at a few authorized garages for persons engaged on essential services. Petrol rationing was introduced from Nov. 29 throughout the country.

Diesel and fuel oil was rationed from Nov. 10, users being divided into nine categories, with ordinary allowances equivalent to two-thirds of consumption in the last quarter of 1955, and supplementary allowances for the railways, ports, inland shipping, and the Navy. Gas oil was rationed from Nov. 21 at 80 per cent of consumption in the last quarter of 1955.

The French National Railways reduced consumption of fuel oil by 12 per cent, 20 long-distance oil-fuelled train services being cancelled.

Belgium and Luxemburg. Petrol deliveries to dealers were cut by 10 per cent, and Sunday pleasure motoring banned.

Diesel oil for central heating was cut by 20 per cent and fuel oil for industry by 10 per cent.

Denmark. Fuel oil was rationed on Nov. 16, the scheme being administered by the rail companies; deliveries were cut by 20 per cent, (retrospectively from July 1, 1956) to avoid adverse effects of hoarding. Petrol rationing came into force from midnight of Nov. 28, and the prices of petrol and all other oil products were raised on Dec. 11.

Irish Republic. Petrol rationing for all vehicles (excluding public transport) was ordered on Dec. 1, to take effect from Jan. 1, 1957. The monthly basic allowance (smaller in some cases than in the U.K.) varied according to category and horsepower rating of vehicles, e.g. for a 10 h.p. private car, 7½ gallons or 250 miles' motoring a month. Small supplementary allowances were authorized for essential purposes—doctors, clergymen, midwives, veterinary surgeons, and carriers of essential foodstuffs and fertilizers.

Petrol sales by garages were restricted with immediate effect, and the retail price of petrol and fuel oil increased by 3½d. a gallon and of paraffin, gas and diesel oil, and vaporizing oil by 3d. a gallon.

Italy. Fuel oil consumption was cut by 10 per cent, and the retail price of petrol raised by 11 per cent.

Netherlands. The Rationing Act of 1939 was re-enacted; petroleum exports banned; and all firms using oil products were obliged to register (Nov. 13).

Petrol deliveries to dealers were cut by 15 per cent (Nov. 20), Sunday pleasure motoring banned; and motorists were asked to cut consumption voluntarily by 10 per cent.

Diesel oil for central heating was cut 20 per cent and fuel oil for industry by 10 per cent (Nov. 20).

Norway. Deliveries of petrol were reduced by 10 per cent, based on 1955 consumption; priority users included taxis and commercial and public transport vehicles (Nov 16). A similar reduction was enforced for diesel oil for central heating.

Poland. Petrol was rationed from Dec. 3 with the aim of cutting consumption by 20 per cent.

Spain. Limited rationing of fuel oil for lorries came into force in Madrid Province on Nov. 12.

Sweden. A 13-week ban on week-end pleasure motoring came into force from Nov. 16 with the aim of reducing consumption by 13 per cent.

Deliveries of petrol were cut by 13 per cent, and of diesel oil for central heating by 20 per cent.

Switzerland. Pleasure motoring was banned on Sundays and public holidays from Nov. 25, but the ban was lifted on Dec. 10 because of improved stocks and fresh imports.

Turkey. Private Sunday motoring was banned, and petrol rationed from Nov. 20 for all users except public service vehicles.

Western Germany. No petrol rationing was imposed since only one-third of West German supplies come from the Middle East; refinery output, however, was cut by 10 per cent. Petrol prices were increased by 5 pfennigs (1d) a gallon on Dec. 3.

Other measures included the rationing of diesel and fuel oil by oil companies; a 20 per cent cut in deliveries of diesel oil and of 30 per cent in fuel oil; and a 12½ per cent increase in the price of fuel oil.

Saar. Petrol was rationed from Nov. 22.

The proportion of total energy used represented by oil in 1955 was 20 per cent in France, 16 per cent in Belgium and Luxemburg, 37 per cent in Denmark, 33 per cent in Italy, 26 per cent in the Netherlands, 25 per cent in Norway, 44 per cent in Sweden, 29 per cent in Switzerland, 30 per cent in Turkey, and 9 per cent in Western Germany.

Formation of O.E.E.C. Petroleum Emergency Group.

Following a resolution on Nov. 8 whereby the 17 member-countries of the O.E.E.C. agreed that in the event of a European oil shortage the "resulting burden would be shared on an equitable basis," and due consideration given to countries particularly dependent on oil, the O.E.E.C. Oil Committee requested all member-countries on Nov. 13 to draw up reports on their short-term oil supplies, which would form the basis of a common distribution policy. Mr. Maudling, the U.K. Minister of Supply, announced in the House of Commons on Nov. 12 that an interim agreement had already been reached among the O.E.E.C. countries to cut their oil consumption by 10 per cent, but with the proviso (insisted on by Greece and other members) that Rumanian and Soviet oil supplies should be excluded from any allocation system.

On the recommendation of the O.E.E.C. Oil Committee, the Council of the O.E.E.C. decided on Nov. 30 to set up a Petroleum Industry Emergency Group (O.P.E.G.) comprising representatives of the European international supplying companies, including the British Petroleum Company, Royal Dutch Shell, and the *Compagnie Française des Pétroles*. The Group would advise the Oil Committee on the availability of oil for Europe, and assist in the allocation of available supplies between members.

Apart from the O.P.E.G. and the Oil Committee, two other permanent O.E.E.C. committees—the Economic and Maritime Committees—were dealing with the economic and shipping aspects of the oil problem. In addition, a series of national committees (comprising representatives of the oil distributors in each country) were supplying statistics on national oil stocks and anticipated arrivals.

A report by the Oil Committee, approved by the Council of the O.E.E.C. on Nov. 30, said that the overall effect of the restrictions taken by member-countries to date had been to reduce oil consumption by 20 per cent. Member-countries had also agreed not to implement measures affecting the general aim of making the fullest possible use of available oil stocks and tankers.

The statement pointed out that a tanker employed on the Persian Gulf-Europe route *via* the Cape could only carry 60 per cent of the oil normally carried in a given period *via* the Suez Canal. Moreover, the carrying capacity of tankers normally loaded at the Eastern Mediterranean pipeline terminals, if re-routed *via* the Cape, would be only 25 per cent of their normal capacity. After taking account of supplies normally obtained from the Western Hemisphere, and of indigenous production, Europe as a whole could therefore count on receiving little more than 60 per cent of her requirements, unless "the most strenuous measures" were taken to increase Western Hemisphere supplies.

To make up this deficiency it had been estimated that an increase in Western Hemisphere production of about 1,700,000 barrels a day (about 85,000,000 tons a year) would be required, but it was impossible to tell whether an increase of this magnitude would be possible. In any case it would take many months to achieve, and might be impossible on a sustained basis.

Technical advice suggested that, in order to maintain the supply at 75 per cent of normal, Western Hemisphere production would have to be increased by 600,000 to 800,000 barrels of oil a day—the reason being that to secure an extra ton of oil for Europe, production would have to be increased by two extra tons, since it was necessary to offset the loss of Middle East oil which would otherwise have been transported to the U.S.A. by tankers diverted to the shorter North American run. Even if this increase in production could be secured, however, the co-operation of the oil companies and the most efficient use of tanker tonnage would be essential to raise the level of Europe's oil supplies from 60 to 75 per cent of normal

Expert opinion suggested that the required increase in Western Hemisphere production was within the capability of producers in the U.S.A. and Venezuela, but that in present circumstances "more than commercial incentive alone" was needed to bring forth the additional oil. Until such a major increase in Western Hemisphere production was achieved, European stocks would fall rapidly, despite the introduction of severe restrictions on oil consumption in member-countries.

U.S. Government suspends Middle East Emergency Committee. - Restrictions on Oil Supplies for Europe until Anglo-French Withdrawal from Egypt.

The Middle East Emergency Committee, appointed by President Eisenhower on Aug. 9 to deal with any shortage in oil supplies for Europe arising from the Suez Canal crisis (see 15041 A, page 15045), was suspended by the U.S. Administration on Nov. 1 following the Anglo-French intervention in Egypt—a step interpreted by the U.S. press as a move to dissociate the U.S. Government from the British and French action. As a result, European countries were compelled to negotiate individually with U.S. oil companies for additional supplies; but co-ordinated action by these companies, or any large-scale increase in American oil output, was prevented by the U.S. anti-trust laws.

Meanwhile the U.S. State Department insisted that it could not initiate any official aid—both as regards oil supplies and the additional dollar finance required to pay for them—until the Anglo-French forces had been withdrawn from Egyptian territory. However, in response to a joint appeal by Austria, Greece, Italy, Switzerland, and Turkey, who were threatened with rapidly diminishing stocks, the Acting U.S. Secretary of State (Mr. Herbert Hoover jr.) gave an assurance on Nov. 20 to the Italian Ambassador (Signor Brosio), who had made representations on behalf of those countries, that the U.S.A. would help Europe in the emergency. Mr. Hoover added, however, that such help would be extended only through the O.E.E.C. and not by direct negotiations with individual countries. A similar assurance of U.S. assistance was given by Mr. Hoover to Dr. Luns, the Netherlands Foreign Minister, on November 23.

It was reported in the *New York Times* that Mr. Hoover had made four main points in his reply to Signor Brosio: (1) The O.E.E.C. should make the maximum use of oil supplies available to its member-countries, and then submit its further emergency needs to the U.S.A.; (2) increased U.S. oil production could be achieved without "activating" the Middle East Emergency Committee, (3) the U.S. Government would take some tankers out of its reserve fleet to help overcome transportation difficulties, which it regarded as the most serious aspect of the problem; and (4) the O.E.E.C. should study the financial burden created for European countries by taking increased supplies of dollar oil, and should then discuss the financial problem with the U.S. Government "on a European level."

The U.S. refusal to make any positive moves towards closer co-operation with Western European countries on the question of emergency oil supplies, and Mr. Hoover's insistence that negotiations should be conducted through the O.E.E.C. only, were attributed in the British, French, and U.S. press to the Administration's desire not to alienate Arab and Asian opinion by appearing to support the Anglo-French intervention in Egypt or by dealing directly with Britain and France while their troops were still on Egyptian territory. The Administration's attitude, however, met with growing criticism in the U.S.A., especially after the Anglo-French acceptance of the U.N. demand for the withdrawal of their forces from Egypt. Concern was also expressed at the effects of the U.S. policy on West European countries not connected with the Anglo-French action. Moreover, several leading U.S. newspapers, including the *New York Times* and the *New York Herald Tribune*, commented that the U.S. Government, by its attitude, appeared to wish to punish only its allies, although having refrained from applying any economic sanctions to Egypt after the illegal seizure of the Canal. Apprehension was also widely expressed in the U.S.A. at the strong anti-American feeling which had been aroused in Britain and France through the policy of the U.S. Administration, and at the open breach in the Atlantic alliance at a time when the Soviet intervention in Hungary had shown the North Atlantic Treaty Organization to be an indispensable element of American security.

U.S. Emergency Plan to relieve Oil Shortage in Europe. - Reactivation of Middle East Emergency Committee. - "Tanker Pool" for transporting Oil to Europe.

In the light of these developments, and following the announcement of the "phased withdrawal" of British and French troops from Egypt, President Eisenhower issued instructions on Nov. 30 for the immediate implementation of the Government's emergency plans to relieve the oil shortage in Europe. A statement issued by his Press Secretary said that the President, after consultation with Mr. Dulles and Mr. Hoover, had "authorized the Director of the Office of Defence Mobilization [Mr. Flemming] to request the Secretary of the Interior [Mr. Seaton] to permit the U.S. petroleum industry to co-ordinate the efforts they had been making individually to assist in handling the oil supply problem resulting from the closing of the Suez Canal and some pipelines in the Middle East."

Immediately afterwards Mr. Flemming announced that he had requested Mr. Seaton to authorize the 15 U.S. oil companies to proceed with the plans they had drafted as members of the Middle East Emergency Committee. The announcement added: "The U.S.A. desires to co-operate as fully as possible in lessening the effects of the present situation in both producing and consuming countries . . . but there will remain in all probability some shortages in certain consuming areas which cannot be overcome as long as the Suez Canal remains closed and the pipelines are unrepaired."

The President's orders meant that the U.S. oil companies would be exempted from the provisions of the anti-trust laws and thus enabled to co-ordinate their efforts to make the fullest possible use of their oil resources and available tankers. The latter would be achieved through the creation of a tanker "pool," whilst arrangements were also made for the release of 39 tankers from the U.S. Reserve Fleet.

The 15 oil companies concerned were American Independent Oil, Standard Oil of California, Tidewater Oil, Getty Oil, Gulf Oil, Standard Vacuum Oil, Arabian American Oil, Caltex Oil Products, Cities Services, Creole Petroleum, Sinclair Oil, Socony Mobil Oil, Standard Oil of New Jersey, the Texas Company, and Venezuelan Petroleum.

Following a meeting of the Middle East Emergency Committee on Dec. 3, and a joint meeting of its representatives with the O.P.E.G. in Paris on Dec. 6, the U.S. Government announced on Dec. 11 that arrangements had been worked out whereby the "tanker pool" would carry 850,000 barrels of oil a day to Europe with immediate effect.

Under this plan the 15 companies were formally "invited" to join in the effort, and were temporarily exempted from anti-trust action during the voluntary pooling of their resources, the re-routing of their tanker fleets, and the allocation of markets. The 850,000 barrels a day for Western Europe would be made available in the following manner. (*a*) 500,000 barrels a day would be shipped direct to Europe from the Western Hemisphere, (*b*) 350,000 barrels a day from the Middle East oilfields would be carried by the "tanker pool" to Europe instead of being shipped to U.S. and Canadian refineries. To make up for this shortfall, an additional 350,000 barrels a day would be carried to American and Canadian refineries from U.S. Gulf and Caribbean ports.

It was pointed out in the British press that the net effect of this aid would be to bring West European oil supplies back to 75 per cent of normal. A spokesman of the U.K. Ministry of Fuel and Power, however, gave a warning that it would take a considerable time to bring the U.S. scheme into full operation and that it was "much too early" to talk about ending restrictions on oil supplies in Britain, since it would be "well into the New Year before any effects of the American effort would be felt."—(Times - Daily Telegraph - Manchester Guardian - Financial Times - O.E.E.C. Information Division, Paris - New York Times - New York Herald Tribune - Le Monde, Paris - Neue Zurcher Zeitung - Frankfurter Allgemeine Zeitung - Corriere della Sera, Milan - Irish Times, Dublin) **(Prev. rep. Middle East Crisis, 15201 A.)**

A. ICELAND - UNITED KINGDOM. — Settlement of Fisheries Dispute.

The Organization for European Economic Co-operation announced on Nov. 14 (*a*) that representatives of the British and Icelandic fishing industries had signed an agreement providing for the immediate resumption of landings at U.K. ports of fish caught by Icelandic trawlers, thus ending the dispute between Icelandic and British trawler owners which began in 1952; (*b*) that the two Governments had reached agreement on other aspects of the dispute.

Fishing Industries Agreement. This agreement was designed to run for 10 years from Nov. 15, 1956, subject to review after two years at the wish of either party. It (*a*) limited the value of Icelandic trawler landings to £1,800,000 a year, spread equally over four three-monthly periods; (*b*) provided that within each period supplies of the permitted amounts must not exceed 40 per cent of haddock and flat fish and 60 per cent of cod or other varieties.

Imports into the U.K. of frozen and boxed fish from Iceland remained outside the agreement. It was laid down, however, that if such imports appeared at any time likely to affect adversely the British market's capacity for absorbing fresh fish, the fishing industries of the two countries would hold mutual consultatons and would refer the matters in dispute to the O.E.E.C. if they failed to agree.

[The Icelandic Government pointed out that owing to the development of the fish-processing industry in Iceland since the beginning of the boycott of Icelandic fishing landings in Britain, no definite quantity of fresh fish exports could in future be guaranteed.]

Governmental Agreement. The Council of the O.E.E.C. noted statements by the Icelandic and U.K. delegations on other aspects of the settlement—e.g. on the extension of fisheries limits and the safety of vessels entering them.

The Icelandic Government had undertaken (*a*) not to extend the existing fisheries limits while the report of the International Law Commission on the Law at Sea was under consideration by the U.N. General Assembly; (*b*) to take no new steps for the further extension of the fisheries limits in the meantime; and (*c*) to re-examine the matter after the conclusion of the General Assembly's debates. The British Government had stated that its acceptance of this Icelandic declaration did not imply a recognition of the existing fisheries limits [see 12489 B].

On the question of the safety of foreign fishing vessels entering Icelandic fisheries limits, the Icelandic Government had stated that the practice would be continued of not applying either the law governing the stowing of gear within these limits, or the rules forbidding the sale of catch by foreign fishing vessels seeking shelter because of bad weather or other reasons of *force majeure*.

The agreements were based on proposals made by an O.E.E.C. group headed by M. Gérard Bauer (Switzerland), which had been set up in November 1954 to try to settle the dispute.—(O.E.E.C. Information Division, Paris - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 12760 A.)**

B. NEW ZEALAND. — Riccarton By-election.

Labour retained the Riccarton seat in the N.Z. House of Representatives in a by-election held on Oct. 29 and caused by the death of Mr. Angus McLagan, a former Minister of Labour under the Labour Government. The results were: M. Connelly (Labour), 6,310; B. G. Dingwall (National), 2,549; W. B. Owen (Social Credit), 1,355; others, 38. At the general election in 1954 Mr. McLagan polled 8,195 votes against 3,852 for Mr. Dingwall and 2,599 for Mr. Colechin (Social Credit).—(N.Z. Directorate of Information, Wellington) **(Prev. rep. 13328 D.)**

A. SUEZ CANAL DISPUTE. — Anglo-French-Egyptian Agreement on "Six Principles" for Suez Canal Regime. - Security Council Approval. - Soviet Veto of Anglo-French Resolution on 18-Power Proposals. - Indian Compromise Plan. - Israeli Memorandum on Egyptian Blockade. - London Meeting of Canal Users' Association. - Appointment of S.C.U.A. Administrator. - Anglo-U.S. Differences on Payment of Canal Dues.

Prior to the Israeli military operations against Egypt and the Anglo-French intervention in the Suez Canal zone, the U.N. Security Council had discussed the dispute over the Egyptian nationalization of the Canal from Oct. 5-13.

At the beginning of the discussions (Oct. 5) Britain and France had submitted a joint resolution requesting the Council to recommend (*a*) that the Egyptian Government should join in negotiations to work out a system of operation for the Canal, based on the 18-nation proposals adopted at the London Conference, and (*b*) that, pending the outcome of the negotiations, Egypt should co-operate with the newly-established Suez Canal Users' Association (S.C.U.A.).

Mr. Selwyn Lloyd (U.K. Foreign Secretary), introducing the Anglo-French resolution, declared that though the Canal was geographically part of Egypt and under Egyptian sovereignty, that did not give Egypt the right to destroy the international rights which existed, and which had been assured both by the setting-up of the Universal Suez Canal Company "on an obvious international basis" and by the 1888 Convention. The Company had operated under statutes and concessions designed to secure the impartial and non-political operation of the Canal on a non-discriminatory basis and in the interests of vessels of all nations without distinction of flag, and this concession, together with the 1888 Convention, constituted "a balanced scheme" The Egyptian Government had now "destroyed the balance of the scheme" by taking out of it the operation of the Canal by the Company, and thus removing one of the guarantees afforded under the Convention to user-interests. This action was contrary to the basis of the Convention, and the Egyptian Government could not require the user-countries to recognize the consequences of its action, to accept a purely Egyptian authority for the operation of the Canal, or to pay transit dues to that authority.

It followed that the user-countries, as they were not obliged to accept an Egyptian authority as the operating entity in lieu of the Company, were entitled, within the limits of the relevant international instruments, to set up their own association to safeguard their passage rights, and to call upon Egypt to restore the guarantees which she had impaired by nationalizing the Company. If the Company itself could not be restored, it should be replaced by an operating authority of an international character which would serve the same purpose. This was the legal foundation of the Anglo-French proposals to the Security Council.

"We have no quarrel with the right to nationalize as such," Mr. Lloyd declared. "That is not an issue . . . The real issue is the sanctity of treaties and respect for international obligations. But it was not merely disregard for a treaty, not merely the repudiation of an agreement made six weeks earlier, that worried us. The reasons given by the President of Egypt were most disturbing to any future confidence or reliance upon the undertakings of his Government. In an angry speech he said that the action taken was because the U.S. Government had refused aid to Egypt to build the Aswan Dam. He made it clear that this action against the Canal Company was a form of retaliation He described it as a 'triumph,' announced his intention to 'score triumph after triumph,' and indicated that the revenues of the Canal would be used to build the Aswan Dam. In other words, he was indicating that action with regard to the Canal was being taken for political reasons, and that in future its finances would be conducted for the benefit of one country—Egypt That was not all. The decision was taken without notice, without any discussion with other Governments or with the Canal Company. It was staged in the manner of a *coup d'état*, with armed personnel occupying the Company's premises In the nationalization decree the employees of the Company were told that they would be liable to imprisonment if they did not remain at their posts . .

"All this is extremely relevant when considering what international guarantees should be sought for the conduct of a Government and for its respect for its legal obligations. I say quite frankly that we do not feel, after what has happened, that any chances can be taken in the future Guarantees for the users must be clear, the methods for ascertaining breaches must be defined, and the consequences if guarantees have been broken must be clearly specified

"The second matter at stake is the economic future of many countries east and west of Suez This is not an issue between Great Britain, France, and Egypt, between East and West, between so-called 'colonial' Powers and others The patterns of trade and economic development have been set in their present forms in many countries because of the existence of the Suez Canal, and reliance upon its free and open use. If one Government is to have the power to control the Canal, the confidence of those countries that the present patterns of their trade and economies can be maintained will be shaken. If, according to the transient impulses of the President of Egypt, ships with cargoes from or to particular countries are to be stopped, if some complicated process of international ligitation has to be undertaken to get a ship through with a particular cargo, then there will be no confidence in the Canal.

"Of course, to some extent alternative means of transportation can be devised. Other pipelines, very large tankers to go by alternative routes, changed patterns of trade—all these are possible, and may indeed be necessary. But they are extremely costly and may cause great hardship to many people . . . The oil-producing countries in the Middle East must regard with grave disquiet the possibility that the direct route for their oil supplies to Western Europe may be interrupted. If this oil is to go round the Cape, less of it can be moved; and there is a virtual certainty that Western Europe will look increasingly to the Western Hemisphere, and that production in the Middle East will fall.

"But much more is at stake even than economic dislocation. The whole future of the rule of law and respect for international obligations is in jeopardy . . . Let us not forget that Egypt had already put herself in the wrong over the Canal by flagrantly disregarding the Security Council's resolution of 1951 about the passage of Israeli ships"

Mr Lloyd then enumerated the steps which Britain had taken in an effort to establish basic principles and practical methods that would ensure that the international aspects of the Suez Canal system were preserved in future. He recapitulated the convening of the London Conference; the 18-nation proposals—which, he remarked, "were not presented as an ultimatum" but put forward "as a basis for discussion," and which still stood, the "summary rejection" of these proposals by President Nasser, and the second London Conference which had decided that the matter should be brought before the Security Council In conclusion, Mr. Lloyd called upon the Council to preserve the rule of law, to uphold justice, to redress a situation which endangered the economic life of many nations, and to lay down a just and fair basis for negotiations

M. Pineau (the French Foreign Minister) similarly stressed that the question was not one of sovereignty but of respect for international treaties. He recalled the circumstances under which President Nasser had carried out the nationalization of the Suez Canal, declared that President Nasser's "acts, speeches and methods" justified the precautionary military measures taken by the British and French Governments, and said "If aggressive intentions had occupied our moves, we would not since July 26 have displayed such patience as we did, we would not have made repeated attempts at negotiation and would not have appealed to the Security Council"

After recalling the Egyptian Government's rejection "in very violent terms" of the various proposals placed before it by the user-nations, M. Pineau declared that "the acts and methods of Colonel Nasser have done irreparable harm to international confidence without thereby protecting the real interests of the Egyptian people" He continued "Twenty years ago we were unwilling to understand the warnings clearly given to us Upwards of 20,000,000 men and women paid with their lives for our heedlessness . . In the face of a problem whose features are so clear and unequivocal, no half-measures will do. No admissible settlement can be arrived at on the mere pretext that it will keep the peace for the time being . . . We are eager for a peaceful settlement, but we can accept no solution which will enshrine a *fait accompli* and recognize a Chief of State's right to release his country from international undertakings to which it has freely subscribed."

Dr. Fawzi (the Egyptian Foreign Minister), speaking on Oct 8, accused Britain and France of desiring to "amputate the Suez Canal and sever it from Egypt" He also denounced the manner in which the proposed U.S aid for the Aswan Dam had been withdrawn, saying that it had been "accompanied by a vicious campaign against the reputation of the Egyptian economy, aimed at shaking world confidence in it." He defended the Egyptian Government's nationalization of the Suez Canal Company, claimed that navigation through the Canal had been proceeding regularly and efficiently since nationalization, "in spite of French and British acts of sabotage" such as the refusal to pay tolls to the Egyptian Authority and the "instigation of French and British pilots to abandon their duties", and denied that the Egyptian action had caused any danger to international peace and security.

Dr. Fawzi proposed that the Security Council should establish "a negotiating body of reasonable size" and lay down for the guidance of that body "a set of principles to work on and of objectives to attain" In this connexion he declared: "The principle of guaranteeing the freedom of navigation on the Suez Canal to all and for all time is the most basic among the principles which should guide the work of the negotiating body. Foremost in importance among the objectives to be attained are:

"(1) A system of co-operation between the Egyptian Authority and the users of the Canal, taking into full consideration the sovereignty and rights of Egypt and the interests of the users of the Canal.

"(2) A system of tolls and charges which guarantees for users of the Canal fair treatment free from exploitation.

"(3) A reasonable percentage of the revenues of the Canal to be allotted for improvements"

The Egyptian Foreign Minister also made a new offer regarding the payment of compensation to shareholders of the Suez Canal Company. Recalling his Government's earlier offers of compensation at the value of the shares as quoted on the Paris Bourse on July 25 [the day before President Nasser issued his nationalization order], he said that Egypt would now be ready "to pay compensation according to the average value of the shares during the five years preceding nationalization," or, if no agreement were reached on this basis, to agree to arbitration. When Dr. Fawzi referred to the Five-

Power mission to Cairo led by Mr. Menzies, and described it as a "take it or leave it affair," **Dr. Walker** (Australia) intervened to stress that the Menzies Committee had presented no ultimatum to the Egyptian Government but had sought to explore the possibilities of bringing Egypt and the user-countries together on the basis of the 18-Power proposals.

Mr. Shepilov (Soviet Union) devoted the major part of his speech to violent attacks on Britain, France, and the U.S.A., speaking as follows: "What we are witnessing now is the collapse of the corrupt imperialist colonial system, a system which has outlived itself . . . Reactionary elements, under the slogan of the so-called internationalization of the Suez Canal, want to revive the old colonialist ways in Egypt, to force Egypt to her knees, and to impose their will on her . . . This is the true reason for the artificial complication and aggravation of the Suez problem."

In another reference to the same subject, Mr. Shepilov said later: "Colonialist acts are nowadays often cloaked in the snow-white robes of disinterested financial and technical aid to economically backward countries. Such acts are often called 'non-political,' and the motives behind them are passed off as altruism. Experience shows, however, that no matter in what form foreign domination is brought about, either in the form of a political and military *diktat* or in the camouflaged form of financial control, the essence of colonialism does not change."

After denouncing the Anglo-French "policy of sabre-rattling and economic sanctions against Egypt," and declaring that large forces had been concentrated by Britain, France, and the U.S.A. in the eastern Mediterranean, Mr. Shepilov asserted that it was Egypt rather than Britain and France which had reason to complain to the Council of actions constituting a danger to international peace. Referring to reports of a plan by U.S. oil and shipping companies to set up a consortium to finance technical improvements on the Canal, he said: "In reality it is not technical problems that the sponsors of this project are concerned with. The U.S. monopolists are bent on taking over the Suez Canal and establishing *de facto* control over its administration, with the intention of nullifying the nationalization of the Suez Canal Company in this roundabout way." These plans, Mr. Shepilov added were aimed not only against Egypt but also against the interests of Britain and France, as the "American oil monopolies" had "far-reaching projects of their own which were designed to dislodge their British and French rivals from the positions they now held."

Mr Shepilov alleged that the Canal Users' Association in its original form had been "designed to interfere directly in Egyptian internal affairs," that the third London Conference to set up the Association [see below] had ended in 'dismal failure," and that "the facts show that there is no unity on this question among the three Western Powers supporting the Association."

Mr Shepilov went on to propose the creation of "an authoritative committee of the Security Council" entrusted with the tasks of "finding an acceptable basis for agreement on the settlement of the Suez problem," of drafting a new Convention to replace that of 1888, and of arranging an international conference to consider and approve the new instrument The committee should tentatively be composed of Egypt, Great Britain, India, France, the Soviet Union, and the U.S.A., although the Soviet Union did not intend "to insist categorically on this precise membership," which might be increased to eight by the addition of Yugoslavia and Persia, or of Indonesia and Sweden The most important requisite was that the committee should be "balanced in such a way as to forestall the prevalence of some one point of view"

The Soviet Foreign Minister said that the "possible functions" of such a body could be

(*a*) To provide for consultations with the Egyptian Canal Authority on the implementation of freedom of navigation, and the question of tolls;

(*b*) to render, whenever necessary, adequate assistance to Egypt in maintaining the Canal in proper navigable condition;

(*c*) to maintain appropriate contacts with the United Nations and the international organizations concerned with world shipping;

(*d*) to settle disputes or, if necessary, refer them to the United Nations.

The Soviet Government believed that the following principles could form a basis for an agreement

"(1) Freedom of passage through the Suez Canal for merchant vessels and warships of all countries on the basis of equality in regard to navigational and commercial tolls

"(2) Egypt, who exercises her rights of sovereignty, ownership, and operation in regard to the Canal, shall undertake to ensure full freedom of passage through the Canal, security of the Canal and its installations, maintenance of the Canal in a proper navigable condition, improvement of conditions of navigation in order to improve the capacity of the Canal, and regular information to the U.N. on the functioning of the Canal

"(3) All parties to the agreement shall undertake not to commit acts which might infringe on the inviolability of the Canal or inflict material damage to its installations The Suez Canal shall never become a theatre of hostilities, nor subjected to a blockade.

"(4) Establishment of appropriate forms of co-operation between Egypt and the users of the Canal."

In this connexion Mr. Shepilov recalled the Indian proposal at the first London conference for the setting-up of a consultative body to represent the interests of the Canal users and to exercise advisory, consultative and liaison functions.

Mr. Dulles (U.S.A.), speaking on Oct. 9, declared that the possibilities of a settlement by peaceful means—"the first aspect of the problem"—were "good." Nearly 2½ months had elapsed since Egypt had seized the Suez Canal Company and "physically prevented it from discharging the responsibilities which had been conferred upon it in 1868 to run until 1968." "Yet," he added, "the nations which are deeply aggrieved and endangered by this action have made no forcible response. They have scrupulously lived up to their obligation under the Charter to seek first of all a solution by negotiation or other peaceful means."

Mr. Dulles recalled that six peace moves had been made so far They were (1) the tripartite meeting in London four days after the seizure, and its decision to call the first London conference; (2) agreement on the 18-Power proposals at the first London conference, (3) the five-Power Menzies mission; (4) the mission's talks in Cairo; (5) the second London conference and the decision to set up the Canal Users' Association; and (6) the French and British decision to bring the matter to the Security Council.

"In the light of this history," Mr. Dulles declared, "no-one can fairly question the peaceful desires of those who are aggrieved by Egypt's action Rarely, if ever, have comparable efforts been made to settle peacefully an issue of such dangerous proportions . . ."

Turning to the "second aspect of our problem—to find a solution which will conform to the principles of justice and international law," the Secretary of State recalled the provisions of the 1888 Convention. He declared in this connexion that although the Canal was "Egyptian in the sense that it goes through what is now Egypt," it "is not and never has been a purely internal affair of Egypt with which Egypt could do what she wanted" The Canal had always been an international waterway from the day of its opening, and this had been "guaranteed for all time by the 1888 Convention." Egypt could not rightfully stop any vessel or cargo from going through the Canal. For the Canal-users to combine to secure the observance of their rights was therefore no violation of Egyptian sovereignty "but a clear exercise of their rights accorded by international law, namely, by the Convention of 1888." This legal view, Mr. Dulles added, had been accepted by Egypt and, in fact, been expounded by her before the Security Council on several previous occasions, specifically in 1947 and in 1954.

After reviewing the 18-Power proposals in detail, Mr. Dulles said only one of the four basic principles—the insulation of the operation of the Canal from the politics of any nation—had been disputed, and that by the Soviet Union This principle, however was "the essence of the matter." "If such a waterway may be used as an instrument of national policy by any Government which physically controls it," Mr. Dulles declared, "then the Canal is bound to be an international bone of contention No nation depending on the Canal could feel secure, for all but the controlling nation would be condemned to live under an economic sword of Damocles That would be to negate the 1888 Convention and to violate both justice and law."

Referring to the proposals made by Dr. Fawzi and Mr. Shepilov, Mr. Dulles denounced the Soviet proposal that the proposed Security Council committee should be "balanced in such a way as to forestall the prevalence of some one point of view." He said in this connexion: "Mr. Shepilov obviously believes it unfortunate that 18 nations, representing more than 90 per cent of the traffic and a diversified user interest, could agree on a solution, so he wants to make a fresh start by establishing a committee so constituted that it will never agree. It is not without precedent that a Government feels that it can gain by perpetuating controversy. We have a proverb about 'fishing in troubled waters,' but it is considered respectable to veil such a purpose. Rarely has a scheme to perpetuate differences been so candidly revealed." Dr. Fawzi's proposal, however, was "in a more constructive vein," and a similar procedure had been followed at the London Conference, where "a set of principles was formulated and certain objectives outlined."

"The heart of the problem," said Mr Dulles, "is whether acceptance can be obtained of the principle that there should be a system to ensure that the Canal cannot be used by any country as an instrument of its national policy If Egypt accepts that simple and rudimentary principle of justice, I believe that the subsidiary problems can be resolved But if the principle be repudiated, than it is difficult to foresee a useful role for a negotiating body. Indeed, under those conditions it is difficult to foresee any settlement in accordance with the principles of justice and international law. And if this case cannot be so settled, then the whole system of peace with justice sought to be established by the U.N. Charter will have been undermined. Surely we can do better than that"

In conclusion, Mr. Dulles expressed support for the Anglo-French resolution, which in his opinion embodied the basic principles he had mentioned.

Mr. Popovich (Yugoslav Foreign Secretary) maintained that the Anglo-French resolution could not provide a basis for an agreement, partly because it had already proved unacceptable to Egypt, and partly because it tended to "pre-judge" a settlement which could only be reached through negotiations conducted on a basis of equality and through a *rapprochement* of views. He considered Mr. Shepilov's proposal as "worthy of consideration as a line of advance that might usefully be followed"; said that the terms of the committee proposed by Mr. Shepilov should also include a study of the ideas set forth by Dr. Fawzi, and suggested that the committee should be "so composed as to ensure the greatest possible measure of objectivity and efficacy."

In accordance with a suggestion by Mr. Selwyn Lloyd, and supported by M. Pineau, Mr. Dulles, and other members, the Council then went into secret session. These private meetings took the form of closed sessions of the Council and of meetings between Mr. Selwyn Lloyd, M. Pineau, and Dr. Fawzi, at which Dr. Hammarskjold (the U.N. Secretary-General) was also present. The first such meeting between the principal parties to the dispute took place on Oct. 9, further meetings being held on Oct. 10, 11, 12, and 13. On Oct. 10 there was also a special meeting between Mr. Lloyd and M. Pineau, followed by discussions between the British and French Foreign Secretaries and Mr. Dulles; between Mr. Selwyn Lloyd and Mr. Krishna Menon (India), who had arrived in New York on the previous day; and between Mr. Lloyd and M. Spaak, the Belgian Foreign Minister. A communiqué issued after the Lloyd-Pineau meeting said that they were "in complete agreement both in their analysis of the situation and on the need for further clarification of certain aspects of the Egyptian position," and would "continue to work together for a solution on the basis of the principles set out in the 18-Power proposals."

Anglo-French-Egyptian Agreement on "Six Principles." - Incorporation in Anglo-French Resolution.

As a result of these discussions, Britain, France, and Egypt agreed on six principles which were incorporated as the first part of a revised Anglo-French resolution, when the Security Council resumed its public session in the afternoon of Oct. 13. The second part of the Anglo-French resolution incorporated the original proposal by those two countries asking the Council to endorse the 18-Power proposals and to recommend that Egypt should co-operate in working out a system of operation for the Canal based on those proposals.

Mr. Dulles opened the meeting by suggesting that Israel and the Arab countries, which had asked to be allowed to present their views to the Council, should be invited to do so in writing. This was unanimously approved.

Mr. Selwyn Lloyd then presented the revised Anglo-French resolution. He pointed out, however, that the private discussions between the three Foreign Ministers had been "exploratory only," and that "it would be wrong to think of them as negotiations in the proper sense of the term." He believed, nevertheless, that "a beginning has been made in the process of finding a basis for negotiation." Although the exploratory conversations had not established such a basis, there was now agreement on the basic requirements which any settlement should meet, and there had "thus been established, so to speak, the framework within which such a basis for negotiation can perhaps be constructed."

Mr. Lloyd expressed satisfaction that Egypt had now accepted the six basic requirements, especially the principle of "insulating the operation of the Canal from the politics of any country," but stressed that it was no good having principles, however valid, unless means for implementing them were specified. The means of implementation suggested in the 18-Power proposals represented so far the only system which had been precisely formulated and laid before the Security Council. It was now for Egypt, if she still rejected these peoposals, to show more clearly how the basic requirements—which they all now recognized—could be met by means as effective as the 18-Power proposals.

In conclusion, Mr. Lloyd declared that another positive achievement of the private discussions had been a general acceptance of the principle that the Canal users were entitled to associate together to maintain and protect their rights under the 1888 Convention.

M. Pineau similarly emphasized that although they had agreed on principles, there was not yet agreement on the way to implement them. "The time for such agreement, apparently, is not yet at hand," he added, "and more exploratory talks are called for." Like Mr Lloyd, he emphasized that the revised resolution should not be considered as superseding the original Anglo-French resolution.

Dr. Fawzi supported the first part of the Anglo-French resolution outlining the "six principles." Referring to the provision to insulate the operation of the Canal from politics, he expressed the view that this could best be guaranteed by a solemn and international binding commitment in the form of a reaffirmation or renewal of the 1888 Convention. He added that on the previous day he had handed to Mr Selwyn Lloyd and M. Pineau proposals on two important matters (1) the questions of tolls and charges, and (2) the recourse to be taken in case of a violation of the convention on the code of navigation of the Canal. This proved the readiness of Egypt to negotiate a peaceful, satisfactory, and adequate settlement.

Dr. Abdoh (Persia) spoke in support of the Anglo-French resolution, but suggested an amendment—accepted by Mr Selwyn Lloyd and M. Pineau—saying that the Council, while considering that the 18-Power proposals were suitably designed to bring about a settlement, also recognized "that other proposals, corresponding to the same requirements, might be submitted by the Egyptian Government."

Mr. Shepilov said that the second part of the Anglo-French resolution had been a "complete surprise" to members of the Security Council. He contended that it "in no way stems from the conversations which have taken place, or from the work done by the Security Council in various ways," and asserted that its adoption would mean that the 18-Power proposals would "be imposed on Egypt in the name of the Security Council." These proposals, "based on the principle that Egypt should be deprived of her right to operate the Suez Canal," would "destroy the sovereignty of the Egyptian State," and their approval "would mean making future negotiations purposeless and determining their outcome in advance . . "

The Soviet Union did not reject the idea of an organized expression of the views of Canal users, and of certain forms of liaison between them and the Egyptian Authority However, the Association referred to in the resolution was far from being representative of all users of the Canal, and (Mr Shepilov asserted) represented only "a narrow group of States without grounds to express the views of all users."

Mr. Popovich also thought that the second part of the Anglo-French resolution contained "points which do not stem from what we thought had been accepted" He presented another resolution which, he said, was "limited to noting what has actually occurred." [This resolution, however, was not pressed to a vote.]

Mr. Dulles expressed gratification at the "large measure of progress" already made, welcomed Dr. Fawzi's statement, and in particular the fact that Egypt had made certain concrete proposals in the course of the confidential talks; and supported the Anglo-French resolution, which, he said, contained "nothing which should be in the slightest degree offensive to Egypt, or which is derogatory to Egypt or Egyptian sovereignty" "As we read it," he added, "it represents an honest attempt to advance our pursuit of peace and justice through the next stage." In particular, the statement that the 18-Power proposals were "suitably designed to bring about a settlement in conformity with justice" was "accurate and indeed conservative."

Unanimous Acceptance of "Six Principles." - Soviet Veto of Second Part of Anglo-French Resolution.

After the other Council members had expressed support of the Anglo-French resolution (incorporating the Persian amendment) it was put to the vote in two parts. The first part, incorporating the "six principles" agreed upon between Mr. Selwyn Lloyd, M. Pineau, and Dr. Fawzi, was approved unanimously. The second part of the resolution, though approved by nine votes to two (U.S.S.R. and Yugoslavia), was nullified by the Soviet veto—the 78th to that date.

The first part of the resolution, unanimously adopted, was worded as follows:

"The Security Council . . . agrees that any settlement of the Suez question should meet the following requirements:

(1) There should be free and open transit through the Canal without discrimination, overt or covert—this covers both political and technical aspects,

(2) The sovereignty of Egypt should be respected,

(3) The operation of the Canal should be insulated from the politics of any country,

(4) The manner of fixing tolls and charges should be decided by agreement between Egypt and the users;

(5) A fair proportion of the dues should be allotted to development,

(6) In case of dispute, unresolved affairs between the Suez Canal Company and the Egyptian Government should be settled by arbitration, with suitable terms of reference and suitable provisions for the payment of sums found to be due"

The second part of the resolution, vetoed by the Soviet Union, read as follows:

"The Security Council considers that the proposals of the 18-Powers correspond to the requirements set out above and are suitably designed to bring about a settlement of the Suez Canal question by peaceful means in conformity with justice;

"Recognizes that other proposals, corresponding to the same requirements, might be submitted by the Egyptian Government,

"Notes that the Egyptian Government, while declaring its readiness in the exploratory conversations to accept the principle of organized collaboration between an Egyptian Authority and the users, has not yet formulated sufficiently precise proposals to meet the requirements set out above,

"Invites the Governments of Egypt, France, and the United Kingdom to continue their interchanges and, in this connexion, invites the Egyptian Government to make known promptly its proposals for a system meeting the requirements set out above and providing guarantees to the users not less effective than those sought by the proposals of the 18 Powers,

"Considers that, pending the conclusion of an agreement for the definite settlement of the regime of the Suez Canal on the basis of the requirements set out above, the Suez Canal Users' Association, which has been qualified to receive the dues payable by ships belonging to its members, and the competent Egyptian authorities, should co-operate to ensure the satisfactory operation of the Canal and free and open transit through the Canal in accordance with the 1888 Convention"

After the vote was taken Mr. Dulles pointed out that it was "understood" that the Council "remained seized of the Suez problem" and that Dr. Hammarskjold might "continue to encourage" direct interchanges between Egypt, France, and the United Kingdom.

Indian Proposals for Revision of 1888 Convention.

On Oct. 24 the Government of India released the text of proposals which had been circulated to the Governments principally concerned by Mr. Krishna Menon after his arrival in New York during the discussions in the Security Council (see above). It was suggested in these proposals that the day-to-day running of the Canal should be vested in the Egyptian Suez Canal Authority, but that there should be joint meetings of the Authority with representatives of the Users' Association to discuss tolls, the condition of the Canal, and other matters, and recourse to the International Court or to arbitration in the event of disagreement.

The Indian draft envisaged the following five principles as a basis for discussion:

"(1) Recognition of the Suez Canal as an integral part of Egypt and as a waterway of international importance. (2) Free and uninterrupted navigation for all nations in accordance with the 1888 Convention (3) Just tolls and charges, and equitable facilities on the Canal to all nations without discrimination. (4) Maintenance of the Canal at all times in proper condition, and in accordance with modern navigational requirements. (5) Co-operation between the Egyptian Authority and the Canal users"

It was also recalled that the Convention of 1888 had defined its purpose as the establishment of "a definite regime with a view to guaranteeing for all time and for all Powers free use of the Suez Canal."

On this basis the Indian Government had put forward the following proposals for a peaceful settlement:

Revision of 1888 Convention.

(1) The 1888 Convention should be reaffirmed, and also reviewed and revised to bring it up-to-date.

(2) Review and revision of the Convention should provide for (*a*) the maximum of tolls leviable by Egypt as under the former agreement between the Egyptian Government and the Suez Canal Company, (*b*) Egyptian responsibility for maintaining and developing the Canal in accordance with modern requirements—more particularly in carrying out as a minimum the eighth and ninth programmes [of the Suez Canal Company] for Canal improvements during the period set out in those programmes, (*c*) Egypt should transmit to the U.N., for information, the annual report of the Suez Canal Authority (*a*) and (*b*) above should be incorporated in schedules or annexes to the Convention.

(3) The signatories to the Convention should affirm their respect for the purposes and principles of the U.N Charter "in the observance and execution of the Convention by each and all of them."

(4) (*a*) Disputes or disagreements arising between parties to the Convention should be settled in accordance with the U N. Charter; (*b*) differences arising in respect of interpretation of the Convention should, if not otherwise resolved, be referred to the International Court of Justice or, by agreement, to the appropriate organ of the United Nations.

(5) The Convention as thus reviewed and revised should be registered with the United Nations.

Payment of Compensation.

The question of compensation to be paid by Egypt, and claims by Egypt against parties arising out of nationalization, would be referred to and settled by arbitration, unless otherwise agreed between the parties concerned.

Co-operation between Canal Users and Egyptian Authority.

(1) The administration, operation, and management of the Canal would be vested by the Egyptian Government in the Egyptian Suez Canal Authority

(2) (*a*) The Canal Authority, with the approval of the Egyptian Government, should recognize the Users' Association for the purpose of promoting co-operation between the Canal Authority and Users; (*b*) the functions of the Association would be consultation and liaison.

(3) (*a*) Joint sittings would be held between representatives of the Canal Authority and the Users' Association, either periodically or at the request of either side.

(*b*) Representatives of the Users' Association would include all principal users, and provide also for geographical representation, on the following basis: the United Kingdom, France, the U S.A., the U S.S R, Egypt, India, Japan, one representative from Australia, one from South-East Asia, one from the Middle East, one from Africa, one from Eastern Europe, one from Southern Europe, one from Northern Europe, one from Western Europe, and one from Latin America

(*c*) The purpose of holding joint sittings would be to promote co-operation between the Canal Authority and the users.

(*d*) Users' representatives at joint sittings could discuss and make recommendations on all matters affecting user interests, more particularly (i) tolls, (ii) the condition of the Canal, (iii) observance of the Canal Code and breaches thereof by either side.

(*e*) The Canal Authority could refer to Users' representatives, at joint sittings, any matter for discussion or advice.

(*f*) The Users' Association, or its representatives at joint sittings, would not interfere in any way with the administration of the Canal.

(*g*) The constitution of the Canal Authority, to be regulated under Egyptian law, would not be within the competence of the Users' Association or its representatives.

Canal Tolls.

The Canal Authority, in effecting any increase in tolls beyond the agreed limit (e g within any 12 months), would do so only by agreement at joint sittings. In the event of disagreement, the matter would be referred to arbitration.

Prevention of Discrimination.

Allegations or complaints of discrimination would be referred to the Canal Authority by the aggrieved party; if not resolved, the aggrieved party might take such allegations or complaints either (*a*) to the appropriate court in Egypt, or (*b*) to the Users' representatives at joint sittings. If the matter was not resolved at joint sittings, either side (the Egyptian Canal Authority or representatives of the users) might refer it to arbitration.

Canal Code.

Regulations governing the Canal, including details of its operation and obligations of the Authority and Users, as well as penalties for breaches thereof by either side, would be contained in a Canal Code which would be "the law of the Canal"

U.N. Participation.

The Egyptian Government in the exercise of its authority would appoint high-level experts through the United Nations to three main departments of the Canal Authority, for three years in the first instance.

Following his informal discussions in New York, Mr. Menon visited London from Oct. 16-18 for talks with Sir Anthony Eden, Mr. Selwyn Lloyd, and Sir Walter Monckton, Minister of Defence. He flew to Cairo on Oct. 19 for further discussions with President Nasser, returning to Delhi on Oct. 22.

Mr. Nehru told a press conference on Oct. 25 that the Suez Canal dispute was now "definitely in the negotiation stage," and that the Indian plan represented "an earnest effort on our part, after prolonged talks with the people most concerned and taking into consideration the realities of the situation, to meet the various demands made" He added that it was "now up to the countries directly concerned to deal with each other."

When a press correspondent suggested that the Indian plan lacked the guarantees desired by the Western Powers, Mr. Nehru replied. "In the ultimate analysis there can be no guarantee except the normal kind of international guarantees when two nations agree to come to terms; when the U N. also comes into the picture the guarantee is a very powerful one"

Israeli Memorandum to Security Council.

On Oct. 13 the Israeli Government submitted to the Security Council a memorandum on the Suez Canal question in which it demanded equal rights with all other countries in any plan for revising or reinforcing the 1888 Convention.

The memorandum reviewed events since May 1948, when Egypt established a general blockade of Israel and began to obstruct the passage of vessels of other countries in transit to or from Israel. It quoted the relevant passages of the Egyptian decree of Feb. 6, 1950, and its subsequent amendments, under which ships of various countries had been subjected to search, seizure, and even confiscation, mentioning in this connexion that confiscations from ships exercising lawful passage through the Canal had amounted to $5,600,000.

After accusing Egypt of having "consistently violated the 1888 Convention and the Security Council's resolution of 1951" by her blockade of Israeli shipping, the statement continued. "Egypt's reliance on Articles IX and X [of the 1888 Convention] to justify her blockade restrictions is decisively closed by Article XI, which reads: 'The measures which shall be taken in the cases provided for in Articles IX and X of the treaty shall not interfere with the free use of the Canal. .

"In observations outside this Council, Egyptian representatives have fallen back on a new argument. They admit that the 1888 Convention provides for free passage through the Suez Canal even in time of war, and even to 'belligerents.' They assert, however, that this freedom applies only to 'belligerents' who are at war with countries other than Egypt. There is no foundation for this theory. It is specifically ruled out by Article IV of the 1888 Convention, which reads: 'The Maritime Canal remaining open in time of war as a free passage, even to ships of war of belligerents . . the High Contracting Parties agree that no right of war, no act of hostility, nor any act having for its object to obstruct the free navigation of the Canal, shall be committed in the Canal and its ports of access . . . even though the Ottoman Empire should be one of the belligerent powers' It is, of course, a truism that in terms of the 1888 Convention, Egypt is the equivalent of the Ottoman Empire.

"The conclusion is clear: even if Egypt possessed rights of 'belligerency,' she would not be legally permitted to perform 'any act having for its object to obstruct the free navigation of the Canal.'

"If Egypt is entitled to interfere with ships, cargoes, or crews bound for Israel, she is equally entitled to interfere with the ships, cargoes, or crews of every other State This is clear from the fact that any distinction between Israel's rights and those of other States has been specifically repudiated by the Security Council itself.

"The Egyptian violations inflict a great injury on Israel, which she is not bound passively to endure. Since the Security Council's resolution of 1951 it is estimated that Israel has paid $44,000,000 more for her fuel supplies than she would have paid if a situation of law had prevailed in the Suez Canal.

"In any new projects designed to ensure and guarantee respect for the 1888 Convention, the Government of Israel claims specific guarantees for its own rights. It has been gratifying in recent weeks to observe a strong surge of world opinion in favour of guaranteeing freedom of navigation in the Suez Canal for the ships of all nations without distinction of flag. But in view of the special experience of the past eight years, the general statement of this doctrine is not adequate unless it is specified that the principle applies to Israel as to every other State."

In an earlier statement on Oct. 8 Israel had published a "black list" of 103 ships from at least 14 countries which had been prevented by Egypt from using the Suez Canal because they had carried immigrants or cargoes for Israel; they included 45 British, eight U.S., and eight Panamanian vessels. This statement was published in reply to Dr. Fawzi's contention in the Security Council that Egypt had always kept the Canal open to all international shipping.

In a letter to the Security Council on Sept. 19 Israel had also drawn attention to the fact that the Israeli vessel *Bat Galim* [see page 14159], which had been seized by the Egyptian authorities at the southern entrance to the Suez Canal on Sept. 28, 1954, had since been confiscated by the Egyptian Government. The letter described the Egyptian action as "piracy," "arbitrary and illegal," and "a flagrant violation" of the Security Council's resolution of 1951.

Decisions of Canal Users' Association. - Hr. Bartels appointed Administrator of S.C.U.A.

The Council of the Suez Canal Users' Association held its first meeting in London on Oct. 18-19 under the chairmanship of Mr. Selwyn Lloyd. It elected Dr. Stikker (Netherlands Ambassador in London) as its vice-chairman, and decided to appoint Hr. Eyvind Bartels, the Danish Consul-General in New York, as Administrator of the Canal Users' Association.

Hr Bartels, an economist, had been Danish permanent delegate to the O.E.E.C., a member of the O.E.E.C.'s Steering Board for Trade, and Danish representative at the European Coal and Steel Community before becoming Consul-General in New York in 1954.

At its second meeting on Oct. 25-26 the Council agreed, subject in certain cases to parliamentary approval, (*a*) to the creation of an initial fund of £50,000 for the administrative expenses of the Association, to be shared equally among its members; (*b*) to the opening of two banking accounts in the name of the Association, the first to cover administrative expenses and the second to receive, hold, and disburse the dues and other sums paid to the Association; (*c*) to a formula for sharing future expenses under which the U.K. and the U.S.A. would each pay 20 per cent and France 15 per cent, the other 12 members dividing the remaining 45 per cent between them in a manner to be worked out later.

No agreement was reached between Britain and France on the one hand, and the U.S.A. on the other, about the amount which the Association should pay over to Egypt from the dues received, nor was any decision taken as to when members should start to pay Canal dues to the Association.

Differences in the approach to the Suez problem (especially the U.S. attitude on the question of payment of Canal dues), as well as certain statements by Mr. Dulles on "colonialism," caused increasing resentment both in Britain and France during October, although President Eisenhower officially denied that he had received any complaints from either Government.

Mr Dulles, in a press statement on Oct 2, had admitted that there were differences of a fundamental nature between the U.S.A. and her European allies over the Suez Canal question, and had indicated that these differences stemmed from the "independent" position of the United States on the "colonial" issue.

In his original remarks (which were widely distributed by the news agencies) Mr. Dulles had said that a difference of approach towards Suez existed, that it was connected with fundamental matters, and that "in questions of colonialism" the U.S.A. must "play an independent role." Subsequently, the official transcript of his remarks was amended to read that there had been "some difference in our approach to this problem of the Suez Canal" and that there were "also other problems where our approach is not identical." As an example Mr. Dulles was said to have quoted the "so-called problem" of colonialism in Africa and Asia, where "the United States plays a somewhat independent role"

On the question of the Canal Users' Association, Mr. Dulles denied that there was any split with Britain and France, and stressed that the final version of the scheme was the same as had been planned originally. In the original version of his statement he had denied that he had "pulled the teeth" from the plan at the second London Conference, but the amended version issued subsequently quoted him as saying that "there were never 'teeth' in it, if that means the use of force."

In a further press statement on Oct. 16 Mr. Dulles said that the U.S.A. was "awaiting moves by Britain and France to make the Suez Canal Users' Association a going concern" He also emphasized that the U.S position on the Canal Users' Association had always been clear—viz, that it should be the agents for the ships, collect dues, and pay "an appropriate share" to Egypt. These views, he observed, were also those of Sir Anthony Eden. He (Mr. Dulles) had pledged that when the Association was a "going concern" the U.S.A. would bar the payment of dues to Egypt for ships sailing under the U.S. flag, and would assume that shipowners would pay the Association instead.

The general tolls question, however, presented "very considerable complications" [Mr. Dulles continued], as the status of the Suez Canal Company and its right to collect Canal dues was not entirely clear, which might create a problem of "double liability" There were also problems in the different policies on Canal dues of the Association's member-countries, and, moreover, the question of what would be "an appropriate share" for Egypt. In connexion with the American practice, he explained that U.S. ships had always paid "on the barrel-head" as they went through the Canal, and were continuing this method of payment—the effect being that about one-half of all the Canal dues were going to the Egyptian authorities directly, and the other half were being collected elsewhere under the practice of paying dues into the account of the Suez Canal Company, as Britain and France were doing

As regards the general prospects of a settlement with Egypt, Mr Dulles expressed satisfaction with the progress made, and his hope that exchanges of views between Britain, France, and Egypt would continue and that relations with Egypt would develop along the lines outlined in the second part of the Anglo-French resolution—which, having obtained the votes of nine of the 11 members of the Security Council, had received "substantial moral support"

It had been reported from Washington on Oct. 7 that Mr. Selwyn Lloyd, at a meeting with Mr. Dulles, had urged the U.S. Government to take immediate action to stop American ships from paying Canal dues to the Egyptian Canal Authority, even if the Canal Users' Association was not yet functioning. On Oct. 19, however, it was reported that Mr. Dulles had told the British Government that the U.S. Administration would not order American ships to pay the dues to the Users' Association until, firstly, the Association was complete and had made arrangements with the Egyptian Canal Authority on payments, and, secondly, a common procedure for payment of tolls had been agreed upon by the users themselves.

In the face of increasing bitterness in Britain and France about what was regarded as a vacillating policy on the part of Mr. Dulles, President Eisenhower said at a press conference on Oct. 11 that it was an "error" to contend that U.S. policy in the Suez crisis "has not been clear and firm." American policy, he stressed, had been based throughout on the principles outlined in the 18-Power agreement at the first London Conference, especially the principle that any final solution must guarantee that "the Canal could not be operated for the political purposes of any one single country." The President denied that either he or Mr. Dulles had ever heard "any intimation from anyone in British officialdom" that Britain was "dissatisfied with our stand in this thing," and if there was criticism of the U.S. position he thought it must have arisen out of "misunderstanding." He added that American friendship with Britain was "very, very important," not only for sentimental reasons but also for diplomatic and economic reasons. The same was true of France.

Attitude of Suez Canal Company.

A general meeting of shareholders of the Suez Canal Company, held in Paris on Oct. 15, approved by 520 votes to 27 the action taken by the Company's board since the Egyptian nationalization decree. It also expressed confidence in the steps which the board proposed to take.

The board's report, which was read at the meeting, recalled that only two months before President Nasser's nationalization decree the Egyptian Government had signed a new financial agreement with the Company covering the next 12 years The report described the seizure of the Canal as "arbitrary and unjustified," and said that it had been effected by "a brutal police operation." It outlined the various steps taken by the Company to obtain reinstatement of its rights for the remainder of the concession period, and declared that in default of such reinstatement the Company must obtain adequate compensation French holdings of the Company's shares, it was stated, amounted to 100,000,000,000 francs (£100,000,000), even if calculated on the unjustly low prices of today. These holdings, some 350,000 shares in all, were very widely spread among different categories of the French people, and one-half of the more than 100,000 holders did not possess more than two shares each.

The report rejected the Egyptian offer of paying compensation based on the Stock Exchange value of the shares on the eve of the nationalization decree, saying that this was totally unequitable. The basic indemnity, it said, must include (*a*) a special compensation to make up for the losses incurred by the termination of the concession, which should have run until 1968; and (*b*) payments for the Company's stocks, buildings, and other items which Egypt would have had to buy had the concession expired normally. In addition, the Company's cash holdings, which were seized or frozen following the nationalization, should be handed back to it.

M. Georges-Picot, the Company's director-general, stated that the Company's assets outside Egypt amounted to between 60,000,000,000 and 65,000,000,000 French francs (£60,000,000 to £65,000,000), comprising 25,000,000,000 to 30,000,000,000 French francs, £20,000,000 in sterling, 1,000,000 Belgian francs, and $30,000,000 Liabilities outside Egypt were estimated at about 27,000,000,000 French francs During the past quarter the Company's receipts had been between £3,500,000 and £4,000,000, while its expenditure had been £2,000,000

Replying to shareholders, M. Georges-Picot said that press reports that the Company had paid its pilots £10,000 each to induce them to leave the Canal were completely untrue. The pilots had been given temporary leave with pay while looking for other work, but what the Company had done for their employees had been much less, for example, than what the British Government had done for members of the Indian Civil Service after 1947.

M Charles-Roux (president of the Company), stressed that the Company would continue to maintain its rights and would refuse to regard its concession as having been terminated by the Egyptian act of nationalization.

The Company had announced on Sept. 5 that it was unable to pay interest on some of its bonds or to redeem others because its funds had been blocked in Egypt.

Mr. Mikoyan upholds Israeli Transit Rights on Canal.

Mr. Mikoyan, Soviet First Deputy Prime Minister, said in Moscow on Oct. 15 that all States, including Israel, should have equal freedom to send their ships through the Suez Canal. He conceded that Israeli ships had been barred by Egypt for "a long time," but was optimistic that these obstacles would now be removed following the nationalization of the Suez Canal Company.

Anglo-French Ministerial Discussions.

Mr. Selwyn Lloyd returned from New York to London in the morning of Oct. 16, and the same evening he and Sir Anthony Eden flew to Paris for consultations with M. Mollet and M. Pineau; they returned to London early on Oct. 17.

A joint communiqué issued on Oct 17 said that the British and French Ministers had examined the situation resulting from the recent votes in the Security Council on the Anglo-French resolution, and continued: "They resolved to adhere to the requirements set out in the first part of the resolution and unanimously approved, and noted with regret that these were already being questioned in certain Egyptian quarters As regards the implementation of these requirements, they also resolved to stand by the second part of the resolution, which received nine votes but was vetoed by the Soviet Union.

"According to the resolution, the 18-Power proposals, including the international operation of the Canal, should constitute the basis for settlement unless the Egyptian Government produce other proposals for a system meeting the requirements of and affording equivalent guarantees to the users The two Governments are ready to consider together any proposals of this nature.

"They also had a general exchange of views on the other problems of the Middle East and decided to maintain constant contact on these questions in the spirit of the closest Anglo-French friendship."

M. Pineau flew to London on Oct. 23 for further urgent talks. On the same date Mr. Selwyn Lloyd stated in the House of Commons that although the Egyptian Government had been called upon to put forward their proposals promptly after the Security Council's meeting, they had not done so.

He said that there seemed to be "a gap between Egypt's acceptance of the six principles and the definition on her part of the means to apply them," and added: "What has to be done is to construct a system to provide the users of the Canal with adequate guarantees of efficiency and non-discrimination to replace the system which has been destroyed by the Egyptian Government. For this we need proposals, not the mere acceptance of principles We still await these proposals." Replying to a question by Mr. Gaitskell, Mr Lloyd said that he had received a copy of the Indian proposals, but there were "certain matters" on which they needed "clarification and precision," and "the first question to consider about them is whether they constitute the proposals of the Egyptian Government."

No further progress had been made by the time of the launching of Israeli military operations against Egypt and the Anglo-French intervention in the Israeli-Egyptian conflict. (United Nations Information Centre, London - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times - New York Herald Tribune) **(Prev. rep. 15125 A.)**

A. CANADA. — Bank Rate to be fixed Weekly.

The Bank of Canada announced on Nov. 2 that as from that date the Bank rate would be fixed on a weekly basis, at a margin of ¼ per cent above the latest weekly average tender rate for 91-day Treasury bills—a step which would make the Bank rate more flexible and responsive to changing conditions in the short-term money market, and help to control inflationary tendencies. The Bank rate for the week Nov. 2-8 was 3.59 per cent, a fraction higher than the record rate of 3½ per cent announced on October 18.—(Financial Times)

(Prev. rep. 15198 G.)

B. HONG KONG. — The Kowloon Riots. - Protests by Chinese Communist Government.

Serious rioting broke out in Kowloon (the mainland area of Hong Kong) on Oct. 10, the anniversary of the foundation of the Chinese Republic, which is celebrated as the Chinese National Day. The disturbances began when an official removed Nationalist flags which, contrary to regulations, had been pasted on the walls of Government buildings, whereupon mobs carrying Nationalist flags attacked Europeans, looted shops, and set fire to cars, schools and other buildings. Looting, arson, and attacks on individuals continued on the following day, and fighting between Nationalist and Communist supporters broke out when the mob raided the offices of Communist-led trade unions and burned documents and furniture. The police, who had hitherto used only batons and tear-gas to disperse the rioters, were compelled to open fire on several occasions, while troops equipped with tanks and armoured cars were sent to Kowloon, which was placed under a curfew. Only minor incidents occurred on Oct. 12, the curfew being lifted three days later.

The number of casualties was officially given as 51 killed and 358 injured, including 21 soldiers and police. Among those killed was Mrs. Ernst, wife of a Swiss consular official, who received fatal burns when rioters set fire to the taxi in which she and her husband were travelling. About 4,500 people were arrested, many for breaches of the curfew regulations. An official statement, issued on Oct. 12, attributed the riots to the Triads (criminal secret societies which extort money by means of "protection rackets"), and said that there was no evidence that they had been planned by any political organization.

At an interview on Oct. 13 with Mr. O'Neill, the British Chargé d'Affaires in Peking, the Chinese Premier (Mr. Chou En-lai) expressed indignation and concern at the riots—which he attributed to "Kuomintang agents"—and demanded that the British authorities should take immediate steps to punish those responsible and to protect the Chinese population.

At a press conference on the following day Mr. Chou En-lai said that his Government could "not permit such disorders on the doorstep of China," and rejected the British explanation that gangsters were responsible He alleged that the Hong Kong authorities had intended to use the Nationalist agents responsible for the disorders to weaken the influence of the Chinese People's Republic in Hong Kong and Kowloon.

In his reply, delivered to Mr. Chou En-lai on Oct. 16, Mr. O'Neill stated that the Hong Kong authorities had done their utmost to protect both domestic and foreign interests in very difficult circumstances, and that severe action would be taken against those found responsible when investigations into the causes of the riots were completed.—(Times - Daily Telegraph)

C. UNITED STATES. — President Eisenhower's Assurance of U.S. Friendship for Britain and France. - Reaffirmation of Atlantic Alliance.

The following statement was issued from the White House on Nov. 27 with the authority of President Eisenhower, then on holiday in Georgia:

"The President considers that the North Atlantic Treaty Organization, as always, is a basic and indispensable element of America's defence alliances against the continuing Soviet Communist threat to the peace and security of the world. As the President has previously pointed out, differences that have arisen between the United States and her traditional friends and allies are those arising from a particular international incident. These differences should in no way be construed as a weakening or disruption of the great bonds that have so long joined our nation with the United Kingdom and the Republic of France and our other allies in assuring that peace, justice, and freedom shall prevail."

The President's statement was warmly welcomed in the British and French press, and also in the United States itself. (New York Times - New York Herald Tribune)

(Prev. rep. 15201 A, page 15210.)

D. FINE ARTS. — First International Prize for Painting. - Award to Mr. Ben Nicholson.

The first international prize for the best painting selected by an international jury was announced in Paris by the Guggenheim Foundation on Nov. 28, the recipient being a British painter, Ben Nicholson, who was one of 99 candidates from 17 countries. The prize of $10,000 (£3,750) was awarded to Mr. Nicholson for his painting *August 1956—Val d'Orcia*, chosen by an international jury of museum curators and authorities on modern art. The national prizes established by the Guggenheim Foundation were awarded at the same time. (New York Times - Le Monde, Paris) **(Prev. rep. 14792 B.)**

A. YUGOSLAVIA. — President Tito's Pula Speech. - Statement on Hungarian Crisis. - Criticisms of Soviet Policy. - References to "Stalinist" and "Anti-Stalinist" Elements in Soviet Leadership. - Controversy between Soviet and Yugoslav Press. - Arrest of M. Djilas.

President Tito defined the Yugoslav Government's attitude towards the Hungarian crisis in a speech to a Communist party meeting at Pula on Nov. 11, in which he suggested that a division of opinion existed within the Soviet leadership between "Stalinists" and advocates of democratization. He went on to condemn the first Soviet intervention in Hungary (that of Oct. 24), but justified the second intervention of Nov. 4 as a "lesser evil" on the ground that it had averted counter-revolution and a third world war. The speech nevertheless revealed important differences in outlook between the Yugoslav and Soviet Communist parties.

When the leaders of the Soviet Communist party condemned Stalin's policy, President Tito said, they had laid the blame on the "cult of the individual" The Yugoslav party, however, had maintained from the beginning that "it was not merely a question of the cult of the individual but of a system which made the cult of the individual possible"—a system which had its roots in "the bureaucratic apparatus, the method of leadership and so-called 'uniformity,' and in ignoring the role and aspirations of the working masses"

The Belgrade and Moscow declarations on Soviet-Yugoslav relations [see 14265 A, 14937 A], he continued, "should have had a significance not only for our mutual relations but for the relations between all Socialist countries" The Soviet leaders, however, had not appreciated this and had tended to treat Yugoslavia as a "special case." During the recent discussions in the Crimea [see 15188 A] it had become clear that certain Soviet leaders had a "mistaken outlook" on relations with Poland, Hungary, and other Eastern European countries "We saw that this attitude had been imposed by those men who had generally stood, and still stand, on Stalinist positions," President Tito declared, "but that nevertheless there were possibilities of the victory of those elements in the Soviet leadership who favoured a more forceful and rapid development in the direction of democratization, the abandonment of Stalinist methods, and the creation of new relations between Socialist States." This development however, was being hindered by Western propaganda in favour of the "liberation" of Eastern European countries, which had aroused fears in the U S S.R lest "reactionary forces" should triumph if those countries were granted a status similar to that of Yugoslavia. "This means," he added, "that they [the Soviet leaders] have not enough confidence in the internal revolutionary forces of those countries. In my opinion this is wrong, and the root of all later mistakes lies in their lack of confidence in the Socialist forces of those peoples."

Speaking of the situation in Poland, President Tito said · "Thanks to the fact that there still remained in Poland, despite all persecutions and Stalinist methods, a nucleus of leaders headed by Gomulka who managed to take things into their own hands, to strike out boldly on a new course toward democratization, full independence, and good relations with the Soviet Union, and to offer resolute resistance to interference in their internal affairs—thanks to all this, the reactionary forces in Poland which certainly exist, and which had hoped to come to the surface in the event of a conflict among Communists, were unable to do so. Thanks to the mature reasoning and attitude of the Soviet leaders, who ceased to interfere at the right moment, Polish affairs have stabilized themselves and are developing fairly well"

"I cannot say that this positive development in Poland, which is very similar to ours, has met with a warm reception in the other countries of the Socialist camp," President Tito continued. "No—it is being criticized, stealthily and in private, but to some extent openly as well. Among these countries Poland did not meet even with as much support as she found among the Soviet leaders. Among various leading personalities in some countries of the Socialist camp, and even among some Communist parties in the West, Poland did not meet with understanding because Stalinist elements are still sitting there" In this connexion President Tito particularly criticized the French Communist leadership, and also referred contemptuously to Enver Hoxha, the Albanian Communist leader, as "a would-be Marxist who only knows the word 'Marxism-Leninism' and nothing else."

During his visit to Moscow in June, President Tito said, he had warned the Soviet leaders that M. Rakosi [then First Secretary of the Hungarian Workers' party] "had no qualifications whatever to lead the Hungarian State . . . Unfortunately the Soviet comrades did not believe us. They said that Rakosi was an old revolutionary, and honest. I grant he is old, but from my knowledge of him I could not admit that he is honest, especially after the Rajk trial . . Because we are opposed to interference in other people's internal affairs, and because we did not want to come again into conflict with the Soviet comrades, we did not press the point sufficiently with the Soviet leaders to have the Rakosi-Gero team removed . . . When there appeared increasing discontent in Hungary, even among the ranks of the Communists, and demands that Rakosi should go, the Soviet comrades realized that things could not go on like that and agreed to his removal. However, they made the mistake of not permitting the removal of Gero and other followers of Rakosi who had compromised themselves in the eyes of the people. They made it a condition that Rakosi should go only if Gerő remained. This was a mistake, because Gerő differed in no way from Rakosi."

President Tito recalled that he had met M. Gero during the Crimean talks, where Gero had "heaped ashes on his head" and had promised to correct his previous mistakes After saying that he [President Tito] had agreed at the time to hold talks between the Yugoslav and Hungarian Communist parties in the hope of influencing the developments in Hungary, Marshal Tito continued :

"Immediately after my return to Yugoslavia, however, Gero, finding himself in a difficult situation, again showed his old face. He called hundreds of thousands of demonstrators—who at that stage were still only demonstrators—a 'mob', and insulted almost the entire nation . . . When all was in turmoil and when the whole nation was dissatisfied, he dared to fling the word 'mob' at a vast number of people, many of whom—perhaps even the majority—were Communists. This was enough to set fire to the powder and cause the explosion. Thus the conflict ensued.

"There is no point now in investigating who fired the first shot. The Soviet Army was called in by Gero—a fatal mistake at a time when the demonstrations were still in progress . . The result was still further to enrage the people, and a spontaneous uprising followed in which Communists found themselves, even against their will, alongside various reactionary elements. . . These reactionary forces very quickly revealed their true face . . The justified revolt and uprising against a clique turned into an uprising of the entire nation against Socialism and against the Soviet Union, and the Communists who were in the ranks of the rebels finally found themselves in a struggle, not for Socialism, but for a return to the past . . .

"Had Nagy's Government been more energetic, had it not wavered this way and that, had it stood firmly against anarchy and the murder of Communists by reactionary elements, had it offered decisive resistance to the reactionaries, perhaps matters would have taken the right turn, and perhaps there would not have been any intervention by the Soviet Army But what did Nagy do? He called the people to arms against the Soviet Army and appealed to the Western countries to intervene . . Thus renewed fighting took place. Soviet troops were reinforced. Nagy fled and a new Government was set up. I know these people in the new Government, and in my opinion they represent all that is most honest in Hungary They were persecuted under Rakosi, they were in prison, and they stand sincerely for a new development .

"The question may be asked—was the Soviet intervention necessary? The first intervention was not necessary; coming at Gero's invitation, it was absolutely wrong The mistake [of the Hungarian leaders] consisted in the fact that men in responsible positions, instead of waiting for the second intervention, did not do at once what they did later on, when the second Soviet intervention took place—that is, set up a new Government and issue a declaration. Had they set up a new Government and issued such a declaration, the working-class and Communist elements would probably have separated from the reactionary elements, and it would have been easier to find a way out of the critical situation . . .

"Many people are asking why the second Soviet intervention occurred We have said, and will continue to say, that we are opposed to interference and the use of foreign armed forces. What was the lesser evil—chaos, civil war, counter-revolution, and a new world war, or the intervention of Soviet troops which were on the spot? The former would be a catastrophe, the latter was a mistake. But if it saves Socialism in Hungary, then, although we are against interference, we can say that the Soviet intervention was necessary. But had they [the Soviet leaders] done everything they should have done earlier, there would have been no need for military intervention. This error arose, unfortunately, as a result of their idea that military force settles everything. But it does not Look how a bare-handed and poorly-armed people offers fierce resistance when it has one goal—to free itself and to be independent It is no longer interested in what kind of independence it will gain, in whether a reactionary bourgeois system will be restored, but only in its national independence.

"I can only say now that the first thing was the worst that could have happened The second, the intervention of Soviet troops, was also bad, but if it leads to the preservation of Socialism in Hungary, to the further building-up of Socialism in that country, and to peace in the world, then one day this will become a positive thing, on condition that the Soviet troops withdraw the moment the situation in Hungary is settled and quiet . .

"It should be borne in mind that the Soviet Union is now in a difficult situation. Their eyes have been opened, and they realize that not only Horthyites are fighting, but also workers from the factories and the mines—that the whole nation is fighting . . . I am deeply convinced that the blood which has flowed in Hungary and the terrible sacrifices made by the Hungarian people will have a positive effect, and that the Soviet Union, even the Stalinist elements, will realize that it is no longer possible to act in this way The tragedy is that Socialism has received a terrible blow and has become compromised . . ."

Reverting to the general situation in Eastern Europe, President Tito said that it was necessary to help the Kadar Government in Hungary and also to co-operate closely with the Polish Government. "Together with the Polish comrades," he went on, "we shall have to fight such [Stalinist] tendencies which crop up in various other parties, whether in the Eastern countries or in the West This struggle will be difficult and long, for what is actually involved is whether the new trend will triumph in the Communist parties, the trend which really began in Yugoslavia . . . or whether the Stalinist course will prevail again . . ."

The Pravda-Borba Controversy.

The publication of President Tito's speech on Nov. 15 gave rise to a sharp controversy between *Pravda* and *Borba*, the official organs of the Soviet and Yugoslav Communist parties.

A *Pravda* article of Nov. 19 rebuked President Tito for suggesting that the Yugoslav road to Socialism was the only possible one, described his Pula speech as exhibiting "tendencies to interfere in the affairs of other Communist parties," and compared his "attempt to divide Communist parties into Stalinists and non-Stalinists" with the "fabrications of reactionary propaganda." President Tito was also accused of trying to extend his influence beyond Yugoslavia and of adopting a position "which radically contradicts the Marxist-Leninist tenet that each country can have its own methods, forms, and tempo of transition to Socialism." An attack in similar terms appeared on the same day in *Rude Pravo*, the Czechoslovak Communist organ *Borba* repudiated these allegations on Nov 21, accusing *Pravda* of taking phrases from President Tito's speech out of their contexts.

In a 5,000-word *Pravda* editorial on Nov. 23, President Tito was again attacked for "obvious interference" in the internal affairs of other countries, for his remarks on the "cult of personality," and for his references to differences between Stalinist and anti-Stalinist elements in the Soviet leadership. With regard to the Hungarian situation, *Pravda* said that the former Hungarian leaders had mechanically copied the Soviet industrialization policy, despite Soviet advice to the contrary, admitted "petty-bourgeois nationalist elements and careerists" to the Communist party, ignored the national traditions of the Hungarian people; and failed to recognize the people's justified dissatisfaction. It went on to accuse M. Nagy of pursuing a "double-faced policy," alleging that "on the one hand he announced that the entry of Soviet troops into Budapest was necessary in order to suppress the counter-revolutionary forces, and on the other he encouraged the active resistance of the counter-revolutionaries and remained in touch with them." In conclusion, it appealed for unity and collaboration between Socialist countries, and said that "questions in dispute must be discussed and cleared up in a calm and friendly atmosphere."

Borba's reply, published on Nov. 27, accused *Pravda* of inconsistency in calling for free discussion while criticizing President Tito's speech on the ground that it could be exploited by "international reaction" There were only two courses open to the Soviet Union in her relations with the Eastern European countries: either a reversion to Stalinism, or democratic relations of full equality between Socialist countries.

Arrest of M. Djilas.

M. Djilas, the former Vice-President of Yugoslavia, who had been living in retirement since his dismissal because of his "pro-Western bourgeois liberalism," and in recent months had written several articles on international affairs published in the foreign press, was arrested in Belgrade on Nov. 19 on a charge of spreading hostile propaganda against the State. M. Dedijer, who had been tried with M. Djilas on a similar charge in 1955, protested against the latter's arrest on Nov. 22 in an open letter to President Tito sent to the Yugoslav and foreign press.

The basic principles of Yugoslavia's struggle for independence M. Dedijer suggested, had been a belief in justice and law against brute force, and in the free exchange of opinion and mutual persuasion between States, movements, and individuals These principles had inspired both "the defenders of Port Said" and "the Hungarian working class and the entire Hungarian nation in its magnificent resistance to naked Soviet force" The arrest of M Djilas, however, was inconsistent with these principles and had weakened Yugoslavia in face of "the new Stalinist danger."

M. Dedijer stated that he had addressed President Tito through the Press because he had learned that previous letters which he had sent him had not been delivered.

(Tanjug Agency, Belgrade - Times - Manchester Guardian)

(Prev. rep. Yugoslavia, 15188 A; Hungary, 15189 A; MM. Djilas and Dedijer, 14092 A.)

A. RELIGIOUS LIFE. — Roman Catholic Church. - Dr. Godfrey appointed Archbishop of Westminster.

It was announced from the Vatican on Dec. 6 that Dr. William Godfrey (67), Roman Catholic Archbishop of Liverpool, had been appointed by Pope Pius XII as Roman Catholic Archbishop of Westminster in succession to the late Cardinal Griffin.

Dr. Godfrey (67) was born in Liverpool, studied at Ushaw College (Co. Durham) and the English College in Rome, and took doctorates in philosophy and theology at the Gregorian University. He was ordained in 1916, held a curacy in Liverpool, and returned to Ushaw as Professor of Classics, Philosophy, and Dogmatic Theology from 1919 to 1930. In the latter year he succeeded the late Cardinal Hinsley as Rector of the English College in Rome, holding that post until his appointment in 1939 as Apostolic Delegate to Great Britain with the titular title of Archbishop of Cius. In 1953 he succeeded the late Dr. Downey in the See of Liverpool

During the Second World War Dr. Godfrey was Papal Chargé d'Affaires to the Polish Government in exile.—(Times)

(Prev. rep. Cardinal Griffin, 15056 C.)

B. WESTERN GERMANY. — Atomic Energy Programme. - Atomic Agreement with Britain.

Two Bills forming the legislative basis of the German Federal Government's atomic energy programme were approved by the Federal Cabinet on July 25, 1956. The first Bill introduced changes in the Basic Law laying down the division of responsibility between the Federal and *Länder* Governments, while the second dealt with the main principles of atomic development and the necessary safety and security regulations, etc. The legislation had been unanimously approved by the Atomic Energy Commission presided over by Herr Strauss, the Minister for Atomic Energy.

In a press statement on the same date (July 25) Herr Strauss explained that the State would not have a monopoly of atomic energy development, and that the widest scope would be given to private initiative The import and export of fissionable material, its transport within the Federal Republic, and the handling of fissionable material in private hands, would, however, have to conform to strict safety regulations. The proposed legislation did not deal with military matters, and if the German forces eventually received nuclear weapons that matter would be the responsibility of the Ministry of Defence.

The Government's atomic energy programme for the financial year ending March 31, 1957 (Herr Strauss explained) comprised three stages. (1) the fostering of atomic research and development at universities, technical high schools. and special institutions; (2) the setting-up of reactors at the Universities of Munich, Frankfurt, Cologne, Hamburg, and Berlin, as well as the construction of a multi-purpose research reactor at Karlsruhe; (3) the economic exploitation of atomic energy, including the development of uranium deposits within the Federal Republic and the chemical treatment of uranium ores.

Herr Strauss said that 44,000,000 DM. would be spent on atomic development in the present financial year, including 17,000,000 DM. for research reactors, over 7,200,000 DM. as the German contribution to the European Organization for Atomic Research in Geneva, 3,700,000 DM. for the training of atomic physicists, engineers, and technicians, 2,500,000 DM. for uranium mining operations, and 1,220,000 DM for research grants.

Of the reactors proposed to be built, the one at Karlsruhe would cost a minimum of 40,000,000 DM. and would be financed partly by the *Land* Government of Württemberg-Baden and partly by private industry. The Cologne reactor would be mainly devoted to industrial research, and the Munich reactor to technical and scientific research, in which connexion it would be linked with the Max Planck Institute in that city The reactors for Munich, Frankfurt, and Berlin had already been ordered The programme also made provision for a large breeder reactor which would be available to scientists throughout the Federal Republic, it was estimated to cost 20,000,000-40,000,000 DM., and might be built in Hamburg.

The first West German uranium mine in the Fichtelgebirge, N E. Bavaria [where the main German deposits so far known are located] would be expanded during the current year to enable the production of at least 10 tons of pure uranium for nuclear purposes. Uranium deposits had also been found in the Black Forest, and the whole territory of the Federal Republic was being prospected for such deposits, especially in Hesse and Lower Saxony.

It was also announced on July 25 that the West German Atomic Energy Commission had decided to set up a sub-committee of experts to work out proposals for the protection of the population against radiation.

Anglo-German Atomic Energy Agreement.

A 10-year Anglo-German atomic energy agreement was signed on July 31 by Mr. Selwyn Lloyd, the U.K. Foreign Secretary, and Herr von Herwarth, the Federal German Ambassador in London. Its principal provisions were:

(1) The German Federal Republic would obtain from Britain, on terms to be agreed, "research reactors and the necessary fuel elements, and unclassified information . . concerning the design, construction, and operation of these reactors",

(2) The U.K Atomic Energy Authority would provide facilities for training German scientists,

(3) Britain and Western Germany would "help each other to obtain the research quantities of materials needed for their atomic energy programmes";

(4) The German Federal Republic would "probably purchase from British industry a research reactor of the swimming-pool type and a high-flux research reactor for testing materials similar to the 'Pluto' reactor under construction at Harwell",

(5) Reactors, materials, and information supplied under the agreement would be used for peaceful purposes only;

(6) The British and German Federal Governments expressed their intention to support the proposed International Atomic Energy Agency when it came into operation.

It had been announced on June 5 that an order for a research reactor of the swimming-pool type, similar to that at the Aldermaston atomic energy establishment, had been placed with Associated Electrical Industries Ltd., by the German Ministry of Economics and Transport. (Die Welt, Hamburg - Frankfurter Allgemeine Zeitung) **(Prev. rep. 14628 A.)**

A. INTERNATIONAL MONETARY FUND.—Arrangements for Large-scale Dollar Drawings by Britain.

It was announced in London and Washington on Dec. 10 that the British Government had made arrangements with the International Monetary Fund under which it might purchase, with sterling, dollars and other foreign currencies up to the full amount of the U.K. quota of $1,300,000,000. It was stated that the arrangements fell into two parts: (1) an immediate drawing of $561,470,000; (2) a stand-by arrangement under which the equivalent of $738,530,000 in foreign currencies might be purchased from the Fund with sterling at any time during the next 12 months.

The British Treasury announcement added: "As regards the first part of the arrangements, the sum of $561,470,000 to be drawn will become part of the gold and dollar reserves. Under the second part of the arrangements, the Government has the automatic right to draw on a further sum equivalent to $738,530,000. Thus the effect of the two halves of the arrangements is to strengthen the reserves by $1,300,000,000, and to bring their *de facto* level to over $3,000,000,000."

The rules of the I.M.F. permit borrowing under several credit *tranches*, as described below:

(*a*) All members are allowed to draw semi-automatically to the extent of their gold subscription, provided that this does not bring the Fund's holding of their currency to more than 100 per cent of their respective quota.

(*b*) It has been the Fund's policy in recent years to permit additional drawings of up to 25 per cent of quota "when necessary." The U.K., therefore, has been able to draw at once the sum of $561,000,000, made up of the $236,000,000 gold *tranche* and the $325,000,000 which represents 25 per cent of her $1,300,000,000 quota.

(*c*) The further sum of $739,000,000, sufficient to bring total drawings up to 100 per cent of quota, is being made available under the "stand-by" arrangements introduced in 1954 (see 13479 D). It will be available for drawing for a period of 12 months, and not for six months as specified in the original clause.

Interest on these advances is payable as follows: On the $236,000,000, a once-for-all service charge of ¼ per cent; on the $325,000,000 which represents 25 per cent of quota, a charge varying with the period for which it is outstanding and rising from 2 per cent after three months to 5 per cent after three years; on the $738,000,000 "stand-by" credit, a charge of ¼ per cent until drawn, when the charge rises as already described.

Britain has had recourse to the Fund on four previous occasions. In September, 1947, she purchased $60,000,000; in October, 1947, $120,000,000; in November, 1947, $60,000,000; and in March, 1948, a further $60,000,000—making a total during these six months of $300,000,000. This drawing was repaid partly by other members of the Fund—Brazil, Japan, Turkey, and the Netherlands—drawing sterling from it and reducing the U.K. repayment obligation, and partly by the U.K. itself repaying $112,000,000 in August, 1954.

The British request to the I.M.F. for the sale of dollars against sterling up to the U.K. quota had been made on Dec. 4, immediately after Mr. Macmillan's announcement of the measures which the Government were going to take to counter the heavy drain on the gold and dollar reserves. The request was approved by the Executive Board of the Fund on Dec. 10.

As a result of the arrangements with the I.M.F., sterling immediately improved in the world's exchange markets on Dec. 11, the spot rate for the pound rising at one time to $2.78¼ and closing at $2.78 11/16, against $2.78½-2.78¾ previously. The dollar premium on forward buying of sterling also narrowed, and transferable sterling closed in New York at $2.7480-2.7495, compared with $2.7410-2.7425 previously.

The Economic Secretary to the Treasury (Mr. Walker-Smith) stated on Dec. 10 that Britain had undertaken to repay the dollars to the Fund within three years.—(Financial Times - Times - International Monetary Fund, Washington)

(Prev. rep. 15239 A.)

B. FRANCE. — Revival of Order of Military Merit.

A Bill for the revival of the Order of Military Merit (*Ordre du Mérite Militaire*), which had existed under the French monarchy but had been suppressed in 1830, was presented in the National Assembly on Nov. 16 by M. André Monteil (M.R.P.) and adopted unanimously. It will be awarded in time of peace for voluntary services rendered by reservists. (Le Monde, Paris)

C. SOVIET UNION.—Marshal Rokossovsky appointed Deputy Minister of Defence.

It was announced in Moscow on Nov. 19 that Marshal Konstantin Rokossovsky, lately Minister of Defence in Poland, had been appointed Deputy Minister of Defence in the Soviet Government.—(Times) **(Prev. rep. 15242 A; 15161 A.)**

D. UNITED STATES. — Administration. - Mr. Christian Herter succeeds Mr. Herbert Hoover as Under-Secretary of State.

It was announced on Dec. 8 that President Eisenhower had accepted the resignation of Mr. Herbert Hoover jr. as Under-Secretary of State and had appointed Mr. Christian A. Herter (61), lately Governor of Massachusetts, as his successor.

After serving in the U.S. Diplomatic Service during and after the First World War (his posts including that of Attaché at the Berlin Embassy in 1916-17), Mr. Herter spent some time in journalism before entering politics in 1931 as a member of the Massachusetts State Legislature, of which he was a member for 12 years and Speaker for four years. In 1943 he was elected to the U.S. House of Representatives, and as a member of the House Foreign Affairs Committee headed an important study of the post-war Marshall Plan programme, of which he was one of the strongest Congressional advocates. He left Congress in 1952 to become Governor of Massachusetts, holding that office for two terms until the recent gubernatorial elections (see page 15238, column two), at which he did not seek re-election. A leading liberal and "internationalist" Republican, he was one of General Eisenhower's earliest supporters for the Presidential nomination in 1952. Before the recent Presidential elections Mr Herter had declined Mr. Stassen's efforts to nominate him as Vice-Presidential candidate in preference to Mr Nixon (see 15089 A).

Mr. Herbert Hoover jr., who had held the post of Under-Secretary of State since 1954, resigned to return to his profession of mining engineer. A son of Mr. Herbert C. Hoover, Republican President from 1929-32, he played an important role in helping to solve the Abadan crisis when the Persian Government nationalized the Anglo-Iranian Oil Company in 1953. In contrast to Mr. Herter, he was regarded as belonging to the ultra-conservative side of the Republican Party.

Mr. Herter's appointment to the important post of Under-Secretary of State (in which capacity he will be second-in-command to Mr. Dulles at the State Department) was regarded in the U.S., British, and French press as an indication of a more "internationalist" trend in American foreign policy. Taken in conjunction with President Eisenhower's declaration of Nov. 27 (see 15257 C), it was also regarded as foreshadowing greater future co-operation between America and her Western allies following the severe strain resulting from the Suez crisis.

Mr. Herter will take up his post at the State Department on Feb. 1, 1957.—(New York Times - New York Herald Tribune) **(Prev. rep. Mr. Herter, 15089 A; Mr. Hoover, 13766 F.)**

E. JAPAN. — Ending of State of War with Soviet Union. - Admission to United Nations.

The agreements signed in Moscow on Oct. 19 by Mr. Hatoyama and Marshal Bulganin—the joint declaration ending the formal state of war between Japan and the U.S.S.R., and the related conventions on trade and fisheries—were unanimously approved by the Lower House of the Japanese Diet on Nov. 27, and by the Upper House on Dec. 5 by 224 votes to three. They came into force on Dec. 12, when instruments of ratification were exchanged in Tokio by Mr. Shigemitsu, the Japanese Foreign Minister, and Mr. Fedorenko, Soviet Deputy Foreign Minister.

Fifty-eight Liberal Democrats absented themselves from the debate in the Lower House, in protest against the omission from the agreements of any provision for continued Japanese-Soviet negotiations on the return of Etorofu and Kunashiri islands to Japan. There were no Liberal Democratic abstentions in the Upper House. The Socialists supported the Government in both Houses.

Consequent upon the formal ending of the state of war between Japan and the U.S.S.R., and the restoration of full diplomatic relations between the two countries, a Japanese application for membership of the United Nations was unanimously approved by the Security Council on Dec. 12. Japan will become the 80th member of the U.N. Organization when her membership is formally approved by the General Assembly, at present holding its 11th session in New York.

An application from the Mongolian People's Republic (Outer Mongolia) for U.N. membership was considered by the Security Council at the same time, but failed to receive the seven affirmative votes needed for acceptance. The Mongolian application was supported by the Soviet Union, Yugoslavia, Persia, and Peru and opposed by Cuba and Nationalist China, with the U.S.A., Great Britain, France, Belgium, and Australia abstaining.—(Japanese Embassy Press Office, London - Times - United Nations Information Centre, London)

(Prev. rep. 15195 A.)

F. UNITED KINGDOM. — October Trade Figures.

Imports into the United Kingdom in October totalled £354,300,000, exports £294,900,000, and re-exports £12,700,000, the adverse visible balance thus amounting to £46,700,000. (Board of Trade Journal) **(Prev. rep. 15152 A.)**

DECEMBER 15—22, 1956

A. UNITED NATIONS. — Final Approval of Draft Statute for International Atomic Energy Agency.

The draft statute of the International Atomic Energy Agency, which had been adopted unanimously by a 12-power conference in Washington in April (see 14921 A), was submitted for final approval to a general conference of member-countries of the U.N. and its specialized agencies held at U.N. headquarters from Sept. 20 to Oct. 26 under the chairmanship of Senhor João Carlos Muñiz (Brazil).

The conference was attended by representatives of 72 member-countries of the U.N. and of 10 States which belonged to one or more of the specialized agencies, but not to the U.N. itself (Western Germany, Japan, South Korea, Monaco, Morocco, San Marino, Switzerland, Tunisia, the Vatican, and Vietnam). Invitations had been sent to 87 Governments and had been declined by five only—Finland, the Irish Republic, Laos, Luxemburg, and the Sudan. No reply was received from Nepal.

Following the conclusion on Oct. 2 of a general debate on the draft Statute, the conference began consideration of the 68 amendments which had been submitted by representatives of various countries. The principal decisions taken during the general debate and arising from the consideration of the proposed amendments are summarized below under cross-headings.

Membership. The conference decided to make no change in the provisions of the draft Statute dealing with the initial membership of the Agency, and rejected by 45 votes to 19, with 16 abstentions, a Soviet amendment proposing that no limitation should be placed on membership The effect of this amendment would have been to extend membership of the Agency to such countries as Communist China and Eastern Germany, which were neither members of the U.N. nor of its affiliated agencies. The Conference also refused (by 53 votes to 18, with 9 abstentions) to vote on a Soviet amendment questioning the existing inclusion of Nationalist China among the conference members.

Atomic University. Considerable discussion was devoted to a proposal by Bolivia and Ecuador—subsequently dropped—that the Agency should set up a "World University of the Atom" to conduct research and train nuclear scientists. The U.S. delegate (Mr. James Wadsworth) expressed the view that although the objective was very praiseworthy, it might "involve very large financial outlays"; the project would also raise difficult problems of location, structure, and staffing, and it would be premature to include it in the basic constitution of the Agency.

Safeguard Clauses. The clauses concerning the imposition of control and inspection regulations over materials supplied by the Agency (Article 12) led to controversy over the possible dangers of interference with the national economic life and sovereignty of recipient nations. The opposition to these provisions came from those countries which were not large producers of fissionable materials and would be future borrowers from the Agency's "bank." Criticisms were based on (*a*) the nature of the powers which the draft Statute conferred on nations that would provide atomic materials and "know-how" to under-developed countries, and (*b*) the lack of authority assigned to the "general conference" of the member-countries.

The Indian delegate (Dr. Bhabha) stated that his country would prefer to treat source material and special fissionable material as two distinct categories to be dealt with separately. The present safeguards were devised to ensure that no country should, as a result of aid from the Agency, come into possession of fissionable material at any stage in the future, except with the Agency's permission and approval; such a provision, however, would make a country whose economy depended on atomic power subject to international pressure. Dr. Bhabha therefore urged that, instead, a provision should be incorporated in the Statute laying down that the Agency would give no aid whatsoever to any country developing atomic energy for military purposes.

Agreement was finally reached on a compromise amendment, proposed by France and Switzerland, which stated that controls on the "chemical processing of irradiated materials" should be applied "solely to ensure that this chemical processing would not lend itself to diversion of materials for military purposes." The International Atomic Energy Agency should also be empowered to demand that the by-products of such chemical processing should be applied by the recipient countries to peaceful programmes, or be re-deposited with the Agency.

This compromise proposal was adopted by the conference, after the U.S.A. and India had withdrawn conflicting proposals for inspection—the former seeking to ensure that all by-products of fissionable materials supplied by the Agency should be open to complete inspection, and the latter objecting that such controls would be too sweeping and would interfere with the internal economy of recipient countries. In its amended form, Article 12 was intended as a "means to prevent stockpiling" of by-products for non-approved purposes

Headquarters. The Conference approved a resolution that the headquarters of the International Atomic Energy Agency should be established in Vienna, and requested the Preparatory Commission to be guided by this preference when making recommendations to the general conference.

The text of the draft Statute of the International Atomic Energy Agency, as finally approved, is summarized below:

Objectives. The Agency would seek to accelerate and enlarge the contribution of atomic energy to peace, health, and prosperity throughout the world It would ensure, so far as it was able, that assistance provided by it, or at its request, or under its supervision or control, was not used in such a way as to further any military purpose (Article 2).

Functions. The Agency was authorized:

(*a*) to encourage and assist research on and the development of atomic energy for peaceful uses throughout the world, and to act as an intermediary between members for the performance of services or the supply of materials, equipment, or facilities;

(*b*) to make provision for the materials and services needed for the development of atomic energy for peaceful purposes, with due consideration for the needs of under-developed areas of the world;

(*c*) to foster the exchange of scientific and technical information on the peaceful uses of atomic energy;

(*d*) to encourage the exchange and training of scientists and experts;

(*e*) to establish and administer safeguards designed to ensure that special fissionable and other materials made available by the Agency should not be used in such a way as to further any military purpose;

(*f*) to acquire or establish any facilities, plant, and equipment necessary for the execution of its authorized functions.

In carrying out these functions the Agency would:

(1) Conduct its activities in accordance with the purposes and principles of the U.N. to promote peace and international co-operation;

(2) establish control over the use of special fissionable materials received by the Agency to ensure that they would be used only for peaceful purposes;

(3) allocate its resources in such a manner as to secure efficient utilization and the greatest possible general benefit in all areas;

(4) submit reports on its activities annually to the U.N. General Assembly and, when appropriate, to the Security Council;

(5) submit reports to the Economic and Social Council and other U.N. organs on matters within their competence;

(6) assist members without any political, economic, military, or other conditions incompatible with the provisions of the Statute;

(7) show due respect for the sovereign rights of States. (Article 3).

Membership. At the outset this would be limited to any member of the U.N. or its specialized agencies which signed the Statute within 90 days after it was opened for signature. Thereafter the admission of further members would be subject to the approval of the General Conference upon the recommendation of the Board of Governors. In making this recommendation, and in approving membership, the Board of Governors and the General Conference "shall determine that the State is able and willing to carry out the obligations of membership in the Agency, giving due consideration to its ability and willingness to act in accordance with the purposes and principles of the U.N. Charter." (Article 4).

Organization. The principal organs of the Agency would be a General Conference and a Board of Governors.

General Conference. This would consist of all member-countries, each represented by one delegate. Its sessions would ordinarily take place annually, but provision was made for the convening of extraordinary sessions. The Conference's functions would comprise chiefly (*a*) the admission of new members, (*b*) the election of certain members of the Board of Governors [see below]; and (*c*) the approval of the Agency's budget, and such reports as it might make to the United Nations. The Conference would also have authority to take decisions on any matters specifically referred to it for this purpose by the Board. (Article 5).

Board of Governors. This would be composed of representatives of 23 member-countries, each with one vote, and distributed in five categories as follows:

(1) The five members most advanced in the technology of atomic energy, including the production of source materials (Canada, France, the Soviet Union, the United Kingdom, and the U.S.A.),

(2) The member most advanced in the technology of atomic energy in each of the following areas not represented by the aforesaid five: North America, Latin America, Western Europe, Eastern Europe, Africa and the Middle East, South Asia, South-East Asia and the Pacific, and the Far East [with North America, Western Europe, and Eastern Europe represented in the first category, there will thus be five members representing the other areas in this category];

(3) Two members nominated by the Board from among the following producers of source materials—Belgium, Czechoslovakia, Poland, Portugal.

(4) One member nominated by the Board as a supplier of technical assistance;

(5) Ten members elected by the General Conference, with the aim of ensuring equitable regional representation on the Board.

The ten elected members would serve for a two-year period and the remainder would serve for one year. Initially, all the designated members would be named by an 18-nation Preparatory Commission, which would commence work as soon as the Statute was opened for signature [see below]. (Article 6).

Secretariat. The staff of the Agency would be headed by a Director-General, appointed by the Board of Governors with the approval of the General Conference for a four-year term. In the performance of their duties the Director-General and his staff should not seek or receive instructions from any source external to the Agency; should

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refrain from any action which might reflect on their positions as officials of the Agency, and, subject to their responsibilities to the Agency, should not disclose any secret or other confidential information coming to their knowledge by reason of their official duties (Article 7).

Exchange of Information. Member-countries would be obliged to submit to the Agency all scientific information acquired as a result of assistance received from it. They would also be requested to submit any other information which, in the judgment of the member, would be of use to the Agency. The Agency would then make available the information received in an accessible form for the benefit of all members. (Article 8).

Supply of Materials. Members would make available to the Agency such quantities of fissionable materials "as they deem advisable, and on such terms as shall be agreed with the Agency." They might also make available source materials in such quantities as the Agency might be willing to accept. The provision of materials for the Agency by a member would always be for the calendar year following notification of its willingness to supply them. Members might, however, change the quantities, form, and composition of materials made available by them with the approval of the Agency's Board of Governors

At the discretion of the supplying member, materials would be stored either by the member itself or in the Agency's depots. The Agency would ensure the geographical distribution of materials entrusted to it "in such a way as not to allow concentrations of large amounts in any one country or region of the world," and would be free to distribute materials as it should think fit. As regards materials in its possession, the Agency would be responsible for safeguarding them against weather hazards, unauthorized removal or diversion, damage or destruction, including sabotage, and forcible seizure

Countries receiving assistance in the form of materials or equipment would be supplied either directly by the Agency from its own stocks, or, at the Agency's request, by another member holding stocks at its disposal. (Article 9).

Provision of Services and Equipment. Members would also make available to the Agency services, equipment, and facilities which might be of assistance in the fulfilment of its objectives and functions. (Article 10).

Agency Projects. Any member or group of members desiring to set up any project for the development of atomic energy for peaceful purposes might request the Agency's assistance in securing the necessary materials, services, equipment, and facilities. Such requests, which should be accompanied by an explanation of the purpose and extent of the project, would be considered by the Board of Governors. If requested, the Agency would also assist any member to secure the necessary finance for such projects from outside sources In extending such assistance, however, the Agency would not provide any guarantees or assume any financial responsibilities for the project concerned.

At the discretion of the member making the request, the Agency would either arrange for the supply of materials, services, equipment, and facilities by other members, or undertake to supply them directly.

Before approving the project, after its examination by the Agency, the Board of Governors would give due consideration to the following factors :

(1) The usefulness of the project, including its scientific and technical feasibility ;
(2) the adequacy of plans, funds, and technical personnel to assure the effective execution of the project ;
(3) the adequacy of proposed health and safety standards for handling and storing materials and for operating facilities ;
(4) the inability of the member making the request to secure the necessary financial or material assistance ;
(5) the equitable distribution of the materials and other resources available to the Agency ;
(6) the special needs of the under-developed areas of the world.

Following the approval of a project, the Agency would enter into an agreement with the member concerned for the allocation of any necessary materials, the transfer and shipment of materials under the applicable health and safety regulations ; the terms and conditions under which the assistance would be granted, undertakings that such assistance would not be used in furtherance of any military purpose ; the rights and interests of the Agency and members concerned in any inventions or discoveries, or any patents therein, arising from the project ; and the settlement of disputes. (Article 11).

Control and Inspection. In any Agency project, or in any other arrangement where the Agency was requested by the parties concerned to apply safeguards, it would have the following rights and responsibilities :

(1) To examine the design of specialized equipment and facilities and to approve it on condition that it would not further any military purpose, that it would comply with applicable health and safety standards, and that it would permit effective application of the safeguards provided for in the Statute ;
(2) To require the observance of any health and safety measures prescribed by the Agency ;
(3) To require the maintenance and production of operating records to assist in ensuring accountability for source and special fissionable materials used or produced in the project,
(4) To call for and receive progress reports ;
(5) To approve the means to be used for the chemical processing of irradiated materials in order to ensure that this processing could not lend itself to diversion of materials for military purposes, and complied with applicable health and safety standards ;
(6) To require that special fissionable materials recovered or produced as a by-product should be used for peaceful purposes under continuing Agency safeguards for research or in reactors specified by the member concerned ;
(7) To require deposit with the Agency of any excess of any special fissionable materials recovered or produced as a by-product over what would be needed for the above-mentioned uses, in order to prevent stockpiling of these materials, provided, however, that at the request of the member concerned, those materials would be promptly returned afterwards for use under the same provisions ;
(8) To send into the territory of the recipient States inspectors, designated by the Agency after consultation with the States concerned, who would have access at all times to all places and data necessary to account for the materials supplied and produced, and to ensure compliance with the undertaking against use in furtherance of any military purpose,
(9) To suspend or terminate assistance and withdraw any materials and equipment made available by the Agency in the event of non-compliance or failure by the recipient State to take requested corrective steps within a reasonable time (Article 12).

Finance. The Agency's administrative expenses would be covered by contributions from member-countries, while its other expenses would be defrayed out of its revenue for services rendered by it. The Board of Governors would be required to "establish periodically a scale of charges, including reasonable uniform storing and handling charges, for materials, services, equipment, and facilities furnished." The proceeds from these charges would be used to pay contributing member-countries for materials or services supplied by them, and to meet certain technical expenses incurred by the Agency.

Subject to rules and limitations approved by the General Conference, the Board of Governors would have authority to exercise borrowing powers on behalf of the Agency without, however, imposing on members any liability in respect of such loans. The Board would also be authorized to accept any voluntary contributions made to the Agency.

Decisions, both of the General Conference and of the Board of Governors, on financial questions would require a two-thirds majority of those present and voting. (Article 14).

Legal Status. The Agency would enjoy in each member's territory such privileges and immunities as would be necessary for the exercise of its functions. (Article 15).

Relationship with United Nations. The Board of Governors, with the approval of the General Conference, would be authorized to enter into an agreement or agreements establishing an appropriate relationship between the Agency and the U.N. and any other organization whose work was related to that of the Agency.

The Agency would submit reports to the U.N General Assembly, the Economic and Social Council, and to other U.N. organs on matters within their competence, and to the Security Council "when appropriate." (Article 16).

Settlement of Disputes. Any question or dispute concerning the interpretation or application of the Statute which could not be settled by negotiation would be referred to the International Court of Justice, unless the parties concerned agreed to another mode of settlement. (Article 17).

Amendments and Withdrawals. The question of a general review of the Statute's provisions would be placed on the agenda of the fifth annual session of the General Conference following the entry into force of the Statute. On approval by a majority of the members present and voting, the review would take place at the following General Conference. Thereafter, proposals for a general review of the Statute would be submitted for decision by the General Conference under the same procedure.

Amendments to the Statute might be proposed by any member, and would come into force after approval by a two-thirds majority of those present and voting in the General Conference, and after acceptance by two-thirds of all the members in accordance with their respective constitutional processes.

A member might withdraw from the Agency by notice in writing at any time after five years from the date when the Statute came into force, or whenever it was unwilling to accept an amendment to the Statute. Withdrawal from the Agency would not effect a member's contractual obligations in any Agency project, or its budgetary obligation for the year in which it withdrew. (Article 18)

Suspension of Privileges. A member whose financial contributions were in arrears for at least two years would automatically lose its vote. but permission to vote could be granted by the General Conference if it was satisfied that the failure to pay was due to circumstances beyond the member's control.

A member which had persistently violated the provisions of the Statute, or any agreement concluded under it, might be excluded from the rights and privileges of membership by the General Conference, acting by a two-thirds majority of members present and voting, upon recommendation by the Board of Governors. (Article 19).

Entry into Force. The Statute would come into force after ratification by 18 member-countries, provided these included at least three of the five major atomic Powers. Instruments of ratification would be deposited with the U.S. Government. (Article 21).

Preparatory Commission. An Annex attached to the Statute provided for the formation of a Preparatory Commission, consisting of representatives of 18 nations, whose major task would be the establishment of the new Agency. This Commission would be

composed of one representative each of Australia, Belgium, Brazil, Canada, Czechoslovakia, France, India, Portugal, South Africa, the Soviet Union, the United Kingdom, and the United States (the 12 "Sponsoring Powers"), and one representative each of six other States to be elected by the international Conference [The Conference subsequently elected Argentina, Japan, Egypt, Peru, Indonesia, and Pakistan to membership of the Commission.]

The Commission was expected to meet in Europe early in 1957, and it was hoped that the International Agency would come into being by the end of that year.

In a message to the final meeting of the conference on Oct. 26, President Eisenhower announced that the U.S.A. would make available to the Agency 5,000 kilogrammes (11,000 lbs.) of Uranium-235 from the 20,000 kgs. of such material allocated by the U.S. Government in February last for peaceful uses by friendly nations. In addition to this initial amount, which was designed to enable the Agency to start atomic research and power programmes without delay, the U.S.A. would continue to make available to the Agency up to July 1, 1960, nuclear materials which would match the total quantities of such materials made similarly available by all other members of the Agency, and which would be supplied on comparable terms.

The Statute of the International Atomic Energy Agency was opened for signature on Oct. 26.—(U.N. Information Centre, London - New York Times) **(Prev. rep. 14921 A.)**

A. JORDAN. — Decision to end Treaty with Britain. - Iraqi Troops withdrawn from Jordan. - Anti-Iraq Demonstrations in Amman.

The Prime Minister of Jordan, Mr. Soliman Nabulsi, informed the Chamber of Deputies in Amman on Nov. 27 that the Government intended to abrogate the Anglo-Jordanian treaty of 1948 and to arrange for the evacuation of British forces. A week earlier (Nov. 20) the Chamber had unanimously approved a resolution by its Foreign Affairs Committee calling for the abrogation of the treaty with Britain and the establishment of diplomatic relations with the Soviet Union and the People's Republic of China.

In his statement on Nov. 27, Mr. Nabulsi accused Britain of having violated the spirit of the 1948 treaty "in many ways," and said that his Government had decided in principle to accept the offer of financial aid from Egypt, Syria and Saudi Arabia in place of the annual British subsidy. After a tribute to "the struggle of President Nasser and the Egyptian Army and people," he announced that Jordan would maintain her military alliance with Egypt and Syria and would seek closer political, economic and cultural ties with those countries with the aim of achieving an Arab federal union.

A British Foreign Office spokesman rejected Mr. Nabulsi's allegation that Britain had violated the spirit of the 1948 treaty, pointed out that the treaty was valid for 20 years and contained no provision for unilateral abrogation, and said that no official communication had been received from the Jordanian Government on this matter.

It was announced in Amman and Baghdad on Dec. 9 that Iraq had decided to withdraw her troops from Jordan at the request of the Jordanian Government. The Syrian and Saudi Arabian forces which entered Jordan at the same time as Iraqi forces (see page 15211, first column), were believed to be still in Jordan.

A two-hour general strike in protest against the policy of the Iraqi Prime Minister, General Nuri es-Said, took place throughout Jordan on Dec. 17, and simultaneously in Egypt. Telegrams were sent to King Faisal of Iraq demanding the resignation of General Nuri, Iraq's withdrawal from the Baghdad Pact, and the release of Iraqi political prisoners. The Iraqi Embassy in Amman was strongly guarded against several thousand persons demonstrating against the Baghdad Pact and denouncing General Nuri as a "traitor" for aligning Iraq with the "imperialists." (Times - Daily Telegraph)
(Prev. rep. Jordan, 15200 A.)

B. UGANDA. — New Rail Link.

A 208-mile railway extension from Kampala westward to Kasese, in the foothills of the Ruwenzori mountains, was opened on Nov. 26 by the Governor of Uganda, Sir Andrew Cohen. The extension, costing over £5,000,000, will help to develop the important resources of the Kilembe copper and cobalt mines and to open up hundreds of square miles of fertile land. The copper-ore deposits in the Kilembe area are estimated at 15,000,000 tons.—(Times - Manchester Guardian)

C. UNITED KINGDOM. — Sir Anthony's Eden's Return from Jamaican Holiday.

The Prime Minister, accompanied by Lady Eden, returned to London on Dec. 14 from the three-weeks' holiday in Jamaica which he had taken on the advice of his doctors (see 15214 A, final paragraph). He said on arrival at London Airport that he was completely reinvigorated and felt "absolutely fit" to resume his duties.—(Times) **(Prev. rep. 15214 A.)**

D. CANADA. — Provincial Elections in British Columbia, Newfoundland, and Nova Scotia.

Provincial elections were held in British Columbia (Sept. 19), Newfoundland (Oct. 2), and Nova Scotia (Oct. 30), the results being as follows:

British Columbia. The Social Credit Government of Mr. W. A. C. Bennett gained the largest majority since it came into power in 1952, capturing 39 seats out of 52 in the Provincial Assembly. Party strengths were as follows, comparison being shown with the 1953 provincial elections:

	1956	1953
Social Credit	39	28
C C F. (Labour)	10	11
Liberals	2	4
Independent Labour	1	1
Progressive Conservatives	0	1
Totals	52*	48*

* Four new seats had been added to the Legislature.

Mr Bennett and all members of his Ministry were re-elected, as was Mr. Robert Strachan (C.C F), Leader of the Opposition. The Liberal and Progressive Conservative leaders (Mr. Arthur Laing and Mr. Deane Finlayson respectively) were defeated, the Progressive Conservatives losing the only seat they held in the previous Assembly. The election was one of the most bitterly contested in the history of the Province

The Social Credit party increased its poll from 38 per cent in 1953 to 46 per cent, while the C C.F. poll fell from 31 to 29 per cent.

Newfoundland. In the third Provincial election since Newfoundland joined the Canadian Federation in 1949, the Liberal Government of Mr. Joseph Smallwood was returned to power with a greatly increased majority, results being as follows:

	1956	1951
Liberals	32	23
Progressive Conservatives	4	5
Totals	36*	28*

* Eight seats added in a redistribution in 1955.

Four of the 36 seats were uncontested—those of three Liberals and of the Progressive Conservative leader, Mr. Malcolm Hallett. All the eight new seats were captured by the Liberals. The C C.F lost the only seat they had held in the previous Assembly—that of Mr. Drover (White Bay), who had left the Liberal Party and joined the C C.F in 1954.

Nova Scotia. The elections resulted in a decisive victory for the Progressive Conservatives, led by Mr. Robert L. Stanfield, and the defeat of the Liberal Administration which had been in office for 23 years Results were as follows:

	1956	1953
Progressive Conservatives	24	12
Liberals	18	23
C C.F.	1	2
Totals	43*	37*

* Six new seats added in a redistribution in 1955.

Mr. H D. Hicks, the Liberal Premier, was re-elected, but four of his Ministers were defeated—Mr. Colin Chisholm, Agriculture, Mr. Malcolm Paterson, Attorney-General; Mr. Wilfred Dauphinee, Trade, and Mr Arthur W. MacKenzie, Highways. The C C.F. leader, Mr. Michael McDonald, was also returned. Progressive Conservative gains from the Liberals included five of the six industrial constituencies.

Of the total poll, the Progressive Conservatives obtained over 49 per cent, against 44 per cent in 1953; the Liberals just under 48 per cent, against 49 per cent; while the C C.F. poll fell from six per cent to three per cent.

Mr. Stanfield (42), a lawyer, and the son of a former Lieutenant-General of Nova Scotia, became leader of the Progressive Conservatives in the Province in 1948, when the party was unrepresented in the Legislature Mr Hicks had assumed the Premiership in 1954 following the death of Mr. Angus Macdonald.

These elections brought the number of Provincial elections held during 1956 to six—a record since 1890. Nova Scotia was the only province where the Government in office was defeated. (Canadian Department of External Affairs, Ottawa)
(Prev. rep. Provincial Elections 15078 A.)

E. BRAZIL. — Purchase of British Aircraft Carrier.

The British Admiralty announced on Dec. 14 that the aircraft carrier H.M.S. *Vengeance* (13,190 tons) had been purchased by Brazil and would be recommissioned in the Brazilian Navy after modernization. The *Vengeance* was one of six carriers of the *Glory* class, two of which had also previously been sold—H.M.S. *Venerable* to the Netherlands in 1948 and H.M.S. *Colossus* to France in 1951. By acquiring H.M.S. *Vengeance*, which will be renamed the *Minas Gerais*, Brazil became the first Latin American nation to have a carrier-borne air arm. The purchase price was not disclosed but was understood to be in the region of £6,000,000 to £7,000,000.
(Daily Telegraph - Manchester Guardian)

A. UNITED KINGDOM. — Road Haulage. - The Transport (Disposal of Road Haulage Property) Act. - Reorganization of British Road Services. - Final Report of Road Haulage Disposal Board.

The Royal Assent was given on Aug. 2 to the Transport (Disposal of Road Haulage Property) Bill, which, *inter alia*, implemented the Government's decision (announced on Aug. 18, 1955) to retain with the British Transport Commission a larger number of road haulage vehicles for its road trunk services. The main provisions of the Bill were as follows :

(1) The number of " general service " lorries and vans which the British Transport Commission might retain for its trunk services was increased from 2,341, as fixed by the Transport Act of 1953, to 7,750.

[Under the 1953 Act the Commission was allowed to retain a maximum of about 3,500 vehicles, viz. 2,341 " trunk service " vehicles and 1,159 vehicles used for special loads Including the latter, the Bill therefore permitted a total of nearly 9,000 vehicles to be retained for these purposes.]

(2) The Transport Levy imposed under the Transport Act to recoup the Commission for any losses incurred in disposing of its road haulage assets (see 12394 A) would be abolished from Dec. 31, 1956.

[It was estimated that the levy would have yielded about £12,500,000 by the latter date.]

(3) To facilitate the sale of the subsidiary companies set up by the Commission to take over its road haulage property pending its resale to private enterprise hauliers or others, the Bill provided that the securities in these companies might take the form of either shares or loan capital, and might be sold in one or more " parcels."

[The Transport Act had required these securities to be in the form of shares, and to be sold in one " parcel " only.]

(4) These subsidiary companies would be exempted from the need to obtain the Minister of Transport's consent to capital reductions made under the terms of the Bill, and were also authorized (subject to his consent) to withhold their securities from offer if it seemed that a better price could be obtained later. The Bill stipulated, however, that, if the Minister subsequently withdrew his consent, the securities must be offered " as soon as reasonably practicable."

(5) The Minister of Transport was authorized (*a*) to direct the Commission, if he thought fit, to end hire contracts in cases where it had power to do so ; (*b*) to require the Commission to alter a subsidiary company's capital structure , (c) to appoint a minority of a subsidiary company's directors. The Bill also stipulated that the Commission must secure the Minister's approval before making over property to a subsidiary company for sale.

(6) The Commission was prohibited from operating road services at " below cost " rates.

The Bill had been given a second reading in the House of Commons on Feb. 9, and a third reading on April 16.

Mr. Molson (Parliamentary Secretary, Ministry of Transport and Civil Aviation), moving the second reading, claimed that the Bill was a compromise between the " whole-hog " advocates of transport nationalization, who underestimated the importance of small units and of flexibility of local and " feeder " services, and those who wanted complete denationalization, who overlooked the value of a co-ordinated system of trunk services. He explained that of the 24,569 vehicles put up for sale by May 31, 1955, 15,008—covering the smaller units—had been sold, but that when the trunk services had been put up, only 528 out of 6,115 vehicles had been disposed of, as it had proved impossible to sell the remainder without breaking up the services. Believing that the trunk services were " a vital form of transport for industry and commerce," the Government had therefore decided after careful consideration that, as private enterprise was unwilling or unable to take the lots as going concerns, there was no alternative to the vehicles remaining with British Road Services. Mr. Molson said that the Government considered that the general policy of the Transport Act had been justified by experience, that competition between public and private enterprise had led to improved services, and that the Bill represented " a sensible settlement which should give the industry certainty, security, and stability."

In the Report stage (April 16) several Labour amendments were defeated, including one intended to increase the number of vehicles actually retained by the B.T.C. in service (moved by **Mr. McLeavy,** and rejected by 207 votes to 156), and one to provide that sales of road haulage property should normally cease one year after the passing of the Bill, and that if sales had to be continued beyond that date an Order would have to be laid before Parliament for approval (moved by **Mr. Sparks,** and defeated by 209 votes to 155.).

The Bill was given a second reading in the House of Lords on May 1, 1956.

In the Committee stage (May 15) an amendment by **Lord Lucas of Chilworth,** to provide that the disposal of securities in the parcels and meat transport companies should cease on Dec 31, 1956, was defeated by 56 votes to 23. A further amendment by **Lord Lucas,** to increase the number of vehicles to be retained by the Commission, was rejected in the Report stage on June 5.

Plans for the reorganization and operation of the British Transport Commission's haulage services as a result of the enactment of the Bill were announced on Aug. 2, 1956.

It was stated that from Sept 9 the 15,000 vehicles still controlled by the Commission (including those still to be disposed of) would be operated through five companies, whose shares would be owned by it. It was intended, however, to retain eventually only three of the companies, and to offer the other two, together controlling about 4,900 vehicles, as going concerns The five operating companies would be British Road Services Ltd. (operating general haulage), with 7,750 vehicles , B.R S (Pickfords) Ltd. (special traffic and some contracts), with 1,350 vehicles ; B.R S. (Contracts) Ltd., with 1,000 vehicles ; B.R S. (Parcels) Ltd , with 4,400 vehicles , and B.R S. (Meat Haulage) Ltd., with 500 vehicles. The last two companies would be operated for sale when their trading position had been established.

The present members of the board of management of British Road Services would be reconstituted as a new board of five members (including one part-time) to manage the undertaking as a whole, Major-General G. N. Russell continuing as chairman. The new Board of Management would control the five operating companies through their boards of directors, on which its members would serve, and the general pattern of management would remain unchanged.

The country would be divided into six areas, with a separate Pickford's division for special traffic The areas, with their headquarters, would be South-Eastern (London) , Scottish (Glasgow) ; North-Western (Manchester) ; North-Eastern (Leeds) ; Midland (Birmingham) ; Western (Cardiff).

The seventh and final report of the Road Haulage Disposal Board, published on Oct. 31, gave the number of vehicles sold as 19,903 and the amount realized from the sale of vehicles (including premises and associated assets) and companies as £24,557,000. The important items not sold were the parcels and meat transport companies, which the Minister of Transport had indicated should not be offered at present. Apart from these companies and contract hire vehicles, the only vehicles remaining to be sold were a number of " non-runners " and service vans, which were being offered as chattels. A large number of premises, some trailers, and small quantities of stores and other miscellaneous assets also remained for sale.
(Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. 14998 A ; 14316 A ; B.R.S. Board of Management, 13104 B ; Transport Act, 12594 A.)

B. SOUTH VIETNAM. — Compulsory Naturalization of Chinese born in Vietnam.

President Ngo Dinh-Diem issued a decree on Aug. 21 declaring that all Chinese born in Vietnam were Vietnamese citizens, with the rights and obligations of such citizenship, and must adopt Vietnamese names. A second decree issued at the same time made it illegal for foreigners to own 11 types of business, and excluded them in particular from the transport industry and many branches of retail trade. Chinese secondary schools were forbidden to continue except under Vietnamese management, and were ordered to follow the normal Vietnamese secondary school curricula and to use the Vietnamese language as the basic medium of instruction.

The 800,000 Chinese living in South Vietnam, some 500,000 of whom were born there, largely control the country's trade, and especially the rice trade. Under the Treaty of Nanking, concluded between France and China in 1930, they were granted far-reaching economic privileges, commercial and administrative autonomy, and the right to run their own schools. The object of the decrees was to abolish the privileged status of the Chinese, which had long been resented by the Vietnamese, while avoiding serious disturbance to the country's economy by enabling the majority of them to remain in business. Strong resentment was nevertheless aroused among the Chinese colony; the withdrawal of their deposits by Chinese merchants caused a serious run on the banks, and some Chinese migrated to Cambodia.

The Chinese Nationalist representative in Saigon, who had been recalled to Taipeh for consultation, was reported on Oct. 1 to have lodged a strong protest against President Ngo Dinh-Diem's failure to consult the Chinese Nationalist Government before issuing the decree of compulsory nationalization.
(Le Monde, Paris - New York Times)

C. SWITZERLAND. — New Federal President.

Dr. Hans Streuli, head of the Department of Finance and Customs, was elected President of the Swiss Confederation for 1957 at a meeting of the Joint Federal Assembly (i.e. the two Houses meeting in joint session) on Dec. 13. Herr Thomas Holenstein, head of the Federal Department of Economy, was elected Vice-President. Dr. Streuli (64), who belongs to the Radical Party, is an architect by profession and was a member of the Zurich Cantonal Government from 1935 until 1954, when he entered the Swiss Federal Government.
(Neue Zürcher Zeitung) **(Prev. rep. 14611 B.)**

A. KASHMIR. — Adoption of State Constitution. - Kashmir proclaimed Integral Part of India. - Protests by Sheikh Abdullah, Opposition Leaders, and Mr. Suhrawardy. - Pakistani Appeal to Security Council.

A draft Constitution for Kashmir, declaring the State to be "an integral part of the Union of India," was presented to the Kashmir Constituent Assembly on Oct. 10 by Mr. G. L. Dogra, the Finance Minister and chairman of the drafting committee. Its main provisions are summarized below.

Relationship with India. The Constitution declared that "the State is and shall be an integral part of the Union of India" and that its territories "shall comprise all territories which on Aug 15, 1947, were under the sovereignty or suzerainty of the Ruler of the State." All sovereignty rested with the State, which had executive and legislative powers in all matters "except those in respect of which Parliament [i e. the Indian Parliament] has power to make laws for the State under the provisions of the Constitution of India."

Head of State. The Head of State (*Sadar-i-Riyasat*) would be elected by the Legislative Assembly for a five-year term, subject to confirmation by the President of India. He would have power to issue ordinances while the Legislature was in recess, and, in the event of a breakdown of the constitutional machinery, he might by proclamation (issued with the President of India's concurrence) assume any or all of the functions of government for a period of six months. The President might remove him from office at the request of two-thirds of the members of the Legislative Assembly.

Council of Ministers. The *Sadar-i-Riyasat* would exercise his functions only on the advice of the Council of Ministers, which would be collectively responsible to the Legislative Assembly.

Legislature. The Legislature would consist of two Houses—the Legislative Assembly and the Legislative Council. The Legislative Assembly would consist of 100 members elected for five years, 25 seats being reserved for the Pakistani-held areas. The *Sadar-i-Riyasat* might nominate two women members if he considered that women were not adequately represented. For a five-year period, seats for the Scheduled Castes would be reserved to them proportionate to their numbers. Only the Assembly would have the right to deal with money Bills.

The Legislative Council would consist of 36 members, one-third of whom would retire every two years. Of the 36 members, 22 would be elected by the Assembly; two by members of municipal committees, two by permanent residents teaching in recognized educational institutions; and four by members of *panchayats* (village councils) and other local bodies Of these 30 members, 15 would represent Kashmir province and 15 Jammu. The remaining six would be nominated by the *Sadar-i-Riyasat*, and would consist of representatives of the socially and economically backward classes and persons having special knowledge of literature, science, art, the co-operative movement, and social service.

Elections. The Legislative Assembly would be directly elected by adult suffrage, the minimum voting age being 21. Preparation of electoral rolls and the conduct of elections would be supervised by a Commissioner appointed by the *Sadar-i-Riyasat*.

Judiciary. The judiciary would be completely independent of the executive branch of government

Language. The official language of the State would be Urdu, but English would continue to be used for all official purposes unless the Legislature provided otherwise.

Citizenship. Every Indian citizen who was a subject of the State on May 14, 1954, or owned immovable property in the State and was normally resident there for at least 10 years before that date, would be deemed a permanent resident. Any State subject who had migrated to Pakistani territory after March 1, 1947, and who returned under a permit for resettlement, would on his return be considered a permanent resident. Permanent residents would have all the rights guaranteed them by the Indian Constitution.

Directive Principles of State Policy. The primary object of the State would be "promotion of the welfare of the mass of the people by establishing and preserving a Socialist order of society wherein all exploitation of man has been abolished, and wherein justice... shall permeate all the institutions of national life."

The State would secure to every citizen the right to free education up to university standard; provide within 10 years compulsory education for all children up to the age of 14; and ensure to all workers and employees adequate facilities for adult education and part-time technical, professional, and vocational training.

The State would also organize and develop agriculture and animal husbandry, take steps to organize village councils, and promote cottage industries. Within the limits of its economic capacity and development, it would make effective provision for securing to all citizens the right to work and to reasonable, just, and humane working conditions.

Women were guaranteed equal rights with men. Special care would be taken to promote the educational, material, and cultural interests of the socially and educationally backward sections of the people, and to protect them against social injustice.

Amendment of the Constitution. The Constitution might be amended by a Bill introduced in either House, and passed by a two-thirds majority in both Houses The provisions dealing with the State's relationship with India, the extent of the State's executive and legislative powers, and the provisions of the Indian Constitution as applicable to the State, would not be subject to amendment.

State Flag. The State would have its own flag.

Discussion of the draft Constitution opened on Oct. 22, the Assembly adopting it finally on Nov. 17 and also passing a resolution which fixed Jan. 26, 1957 [i.e. Indian Independence Day] as the date when the Constitution would come into force and the Assembly would be dissolved. The Constitution was formally signed by 67 of the 75 members of the Assembly on Nov. 19, the Opposition having withdrawn from the debates on Oct. 24 (see below). A resolution accepting the jurisdiction of the Indian Auditor-General over the State's accounts, thus integrating Kashmir financially with India, was adopted on Nov. 14.

The Assembly adopted on Sept. 29 a resolution urging the Government to prepare electoral rolls with a view to holding general elections as early as possible in 1957. The State Premier, Bakshi Ghulam Mohammed, had previously announced (during a visit to Delhi in July) that elections under the new Constitution would probably be held at the same time as the next general elections in India, or soon after. All political parties in Kashmir would be free to take part, provided their actions were not "opposed to the basic concept of the integrity and security of the State."

Reactions in Pakistan. - Mr. Suhrawardy's Protest against Integration of Kashmir with India. - Demand for Indian Compliance with U.N. Resolutions. - Note to Security Council.

The Prime Minister of Pakistan, Mr. Suhrawardy, issued the following statement on Nov. 17:

"The so-called Constituent Assembly of Occupied Kashmir, the hollowness of whose claim to speak for the peoples of the State has been demonstrably proved by the real leaders of the people of Jammu and Kashmir, and whose status has not been accepted by the U N. Security Council, is reported to have finalized a Constitution for the State in which it has been described as an 'integral part of India.' I wish to make it clear that Pakistan has not recognized and will never recognize the right of this or any other such body to represent and legislate on behalf of the people of Jammu and Kashmir State. As a matter of fact, the Government of India itself has also repudiated the validity of any pronouncement by this spurious Assembly on the question of accession.

"When this matter was debated in the Security Council, India's representative, Sir Benegal Rau, categorically assured the Council that this Assembly would not 'come in the way of the Security Council' [see 11457 A]. The question of accession is open, and will remain open until it is decided by a free and impartial plebiscite held in accordance with the U.N. resolutions dated Aug 13, 1948 and Jan. 5, 1949. The Governments of India and Pakistan, and the U.N. Security Council, are all parties to this international agreement, which cannot be repudiated by one party to suit his own ends.

"This latest move of the Government of India to secure from this self-styled Assembly a verdict which has no juridical value, in order to give itself an excuse for not holding a plebiscite to ascertain the wishes of the people, is both pathetic and mischievous. After having failed to get the people of the State on its side, the Government of India have started taking shelter behind such subterfuges.

"What do the Government of India gain by such devices, and whom do they hope to mislead? They must be conscious of the fact that if they break their international agreement they will stand condemned before the bar of world opinion, and will endanger the peace of this part of the world. They are also fully aware of the reactions of the Security Council to their attempts to wriggle out of their international commitments. They are also aware of the hostility of the people of the State, whom they are suppressing under the heel of the Indian Army of occupation. The only result of such action will be the deterioration of Indo-Pakistani relations and further aggravation of the situation in Kashmir.

"I have instructed our representative at the United Nations to protest against this move to the Security Council. I am confident that the Security Council will not permit this challenge to its authority to remain unanswered, and will take concrete steps to meet the situation."

Pakistan's permanent representative at the U.N., Mohammed Mir Khan, sent a letter to the president of the Security Council on Nov. 18 asking that India should be reminded of her obligations under the U.N. resolutions on Kashmir, and reserving the right to raise the matter before the Council. In a second letter (Nov. 28) he pointed out that Kashmir had been integrated with India, and requested the president of the Security Council to "seek clarification from the Government of India in this regard."

Opposition Protests.

The new Constitution was strongly criticized by Sheikh Abdullah, the former Premier of Kashmir, who had been held in preventive detention since Aug. 9, 1953. Although his term of detention was extended for a further six months on Aug. 5, he had been granted permission to correspond with Ministers of the Indian and Kashmir Governments.

In a letter on Aug. 16 to Mr. G. M. Sadiq, president of the Constituent Assembly, **Sheikh Abdullah** denied the Assembly's representative character, and questioned its competence to frame a Constitution on the ground that since his "unconstitutional and illegal" removal from office it had "completely forfeited the confidence of the electorate." He declared that the Government would have collapsed but for the "repressive measures" of the Indian Army and the "Peace Brigade" (the Government's private militia), and asserted that the people would revolt if the Constitution were "foisted" on them. He therefore urged that general elections should be held under neutral auspices, and that the leaders of the State Government should contest these elections to test their popularity.

Mr. Sadiq, in reply, said that the absence of Sheikh Abdullah and "a handful of his followers" did not make the Assembly unrepresentative or incompetent, and that the opportunity to test the Government's popularity would be available to any individual or party during the elections which would follow the adoption of the Constitution. Commenting on the suggestion for neutral supervision of the elections, he asked: "Am I justified in reading into your suggestion the old desire to import by the backdoor foreign intervention in our internal affairs? . . ."

It was reported on Nov. 8 that Sheikh Abdullah had written to Mr. Nehru, the Indian Premier, asking him to intervene in Kashmir to prevent a further deterioration of the situation and to ensure strict application of the basic principles of democracy, one of which was toleration of various viewpoints.

The activities of the Opposition parties in Kashmir—the Plebiscite Front, the Praja Socialist party, the Kashmir Political Conference, the Kashmir Democratic Union, and the *Kisan Mazdoor* conference—were greatly hampered throughout 1956 by the repeated arrest of their leaders, the number of detainees being estimated at about 100.

Four successive presidents of the Plebiscite Front were arrested between Nov. 19, 1955, and Sept 29, 1956. However, following an announcement on Oct. 3 by the newly-elected president of the Front (Mr. Vakil) that he would continue the struggle for a free plebiscite by strictly constitutional means, Mr. Mirza Afzal Beg (the founder and first president of the Front) was released on Oct. 19 after 11 months' imprisonment, together with four other supporters of Sheikh Abdullah.

Four of the five Opposition members of the Assembly still at liberty had boycotted the session on Oct. 10 at which the draft Constitution was presented, but after Mr. Beg's release they decided to take part in the Assembly's proceedings. On Oct. 22 Mr. Beg presented a motion for the adjournment of the Assembly for two weeks, so as to give the Government time to arrange for Sheikh Abdullah to be present. When Mr. Sadiq ruled the motion out of order, Mr. Beg announced that the Opposition would boycott the debates on the Constitution, as the Assembly had lost its representative character after Sheikh Abdullah's arrest and was not competent to ratify Kashmir's accession to India. On Oct. 25 Mr. Beg was again arrested (only six days after his release), together with two other members of the Assembly, Hakim Habibullah and Mr. Mobarak Shah.

New "Azad Kashmir" Government.

Following the resignation of the "Azad Kashmir" Government [i.e. the administration in the Pakistani-held area] led by Colonel Sher Ahmed, Mr. Waiz Mohammed Yusuf Shah took office on May 30 as a one-man "caretaker" Government. Mr. Waiz Shah had previously headed the "Azad Kashmir" Government in 1951-52.

Settlement of Nekowal Incident.

Mr. Nehru announced on July 24 that the Pakistani Government had agreed in principle to pay Rs.100,000 for the relief of the families of the 12 persons killed in the Nekowal incident (see 14303 A). The Pakistani Government, however, denied on Aug. 4 that it had accepted any liability to pay compensation, and Mr. Nehru confirmed on Aug. 10 that Pakistan did not accept responsibility for the incident but had offered to make an *ex gratia* contribution "as a special case."—(Indian and Pakistani High Commissioner's Offices, London - The Hindu, Madras - The Statesman, Calcutta) **(Prev. rep. Constitution, 12603 A; Relationship with India, "Azad Kashmir" Government, 13636 A; Indo-Pakistani Dispute, 14894 A; Kashmir Opposition Parties, 14656 A.)**

A. UNITED KINGDOM. — Fiduciary Issue Changes.

The following changes were made in the fiduciary issue during 1955: Jan. 11, £1,850,000,000; Jan. 18, £1,825,000,000; March 21, £1,875,000,000; May 23, £1,900,000,000; June 27, £1,950,000,000, July 18, £2,000,000,000; Aug. 22, £1,950,000,000; Sept. 5, £1,925,000,000; Dec. 5, £1,975,000,000; Dec. 14, £2,025,000,000. The December level was the highest ever recorded, comparing with £1,900,000,000 at the end of 1955.—(Economist - Financial Times) **(Prev. rep. 14636 C.)**

B. SWEDEN. — Bank Rate increased.

The Swedish Bank Rate was raised on Nov. 22 from 3½ to 4 per cent.—(Svenska Dagbladet, Stockholm) **(14175 D.)**

C. CANADA. — Education and Culture. - Proposed Creation of Canada Council for the Arts, Humanities, and Social Sciences. - Increased University Grants.

The Canadian Prime Minister, Mr. Louis St. Laurent, announced on Nov. 13 a number of important decisions by the Federal Government in the spheres of education and culture. They were:

(1) The Cabinet would recommend to Parliament that annual federal grants to the Canadian universities, at present provided on the basis of 50 cents *per capita* per province, should be doubled to help the universities to meet their present financial difficulties, which prevented their adequate development. Moreover, all federal grants would in future be handed over for distribution to the National Conference of Canadian Universities, instead of being distributed directly to individual universities as hitherto.

Mr St. Laurent explained that the latter decision had been taken in order to dissipate fears, especially prevalent in Quebec, that the Federal Government intended to tamper with the freedom of individual institutions or wished to encroach on the jurisdiction of Provincial Legislatures in the field of education.

(2) The Cabinet would propose to Parliament the creation of a Canada Council for the Arts, Humanities, and Social Sciences, as recommended by the Royal Commission under the chairmanship of Mr. Vincent Massey which reported in 1951 (see 11724 B).

Mr. St. Laurent explained that the Council would be an independent body with the functions of stimulating and helping voluntary organizations in the fields of the arts, the humanities, and the social sciences; of devising and administering a system of scholarships in these fields, so as to foster Canada's cultural relations with other countries; and of performing the functions of a national commission for Unesco. To meet the Council's expenses, the Federal Cabinet would ask Parliament to approve an endowment of $50,000,000, thus enabling the Council to finance its activities from the annual income derived from the investment of that capital.

In addition, the Council would take over another function not envisaged by the Massey Commission—viz., of making capital grants to Canadian universities equal to 50 per cent of the cost of specific building or capital equipment projects, with proper regard to the population of each province. For this purpose the Government would recommend another appropriation of $50,000,000 to be given to the Council and to be distributed by it over a 10-year period.

According to reliable estimates (Mr. St. Laurent added), Canadian universities would have to devote over $350,000,000 to capital expenditures during the next ten years. The Federal Government felt it its duty to assist them to meet this urgent need, and to encourage others who might also be dependent on the services of university graduates to do likewise. The Federal Government was also confident that all provincial Governments would continue to increase their contributions in this field.

(3) In order to broaden the scope and functions of the National Museum, two museums would be created in the near future—the Canadian Museum of Natural History, and the Canadian Museum of Human History. The latter would portray the development, history, and activities of man in the Canadian environment, and would also include the National War Museum.—(Montreal Star) **(Prev. rep. 11724 B.)**

D. UNITED KINGDOM. — Monopolies Commission.

Mr. Richard Francis Levy, Q.C., Recorder of Margate, was appointed chairman of the reconstituted Monopolies Commission on Oct. 19 in succession to Sir David Scott Cairns, Q.C., who had relinquished the post at his own request in order to return to his legal practice.

The President of the Board of Trade (Mr. Thorneycroft) announced on Nov. 23 that the following persons would serve as part-time members of the Commission for the periods stated: Professor G. C. Allen (Nov. 1, 1956, to Nov. 23, 1961); Sir Thomas Barnes (Nov. 1, 1956 to Nov. 22, 1959), Mr J A. Birch (Nov. 1, 1956, to Nov. 22, 1959); Mr. Brian Davidson (Nov. 1, 1956, to Jan. 19, 1960); Dr. L. T M Gray (Nov. 15, 1956, to Nov. 14, 1960); Mr. I. C. Hill (Nov. 1, 1956, to Oct. 16, 1957); Sir Frank Shires (Nov. 13, 1956, to Nov 12, 1959).

Apart from Dr Gray and Sir Frank Shires, the part-time members were all members of the former Monopolies and Restrictive Practices Commission—which, in accordance with the Restrictive Trade Practices Act, 1956, is now known as the Monopolies Commission.

Mr. Thorneycroft also announced on Nov. 23 that he had referred the following new subjects to the Commission: (*a*) the supply of cigarettes and of manufactured cigarette and pipe tobacco; (*b*) the supply of machinery for the manufacture and packaging of these commodities; (*c*) the supply of certain electrical equipment for motor vehicles.
(Board of Trade Journal) **(Prev. rep. 15145 A.)**

A. EASTERN GERMANY. — Political Developments, 1953-1956. - Ministerial and Party Appointments, Dismissals and Purges. - Government Reorganization. - The East Berlin Uprising. - Economic Concessions by East German Government. - Mass Exodus of Refugees. - Soviet Cancellation of Reparations, Return of German Industrial Enterprises, and Reduction of Occupation Costs. - Recognition of East German Sovereignty.

Political and other internal developments in Eastern Germany during the past three years are described below under cross-headings :

Governmental and Party Changes.

A number of leading personalities in the Government were dismissed, imprisoned, or replaced in a series of purges carried out from time to time by Herr Grotewohl, the Prime Minister, and the Socialist Unity (Communist) party, as summarized below.

Arrest and Imprisonment of Georg Dertinger. Herr Georg Dertinger, Foreign Minister in the East German Government since its formation in 1949, and a leading member of the Christian Democratic Union in Eastern Germany, was arrested on Jan. 15, 1953, on charges of " hostile activities against the German Democratic Republic carried out on behalf of imperialist espionage agencies " The State Secretary in the Foreign Ministry, Herr Anton Ackermann (a member of the Socialist Unity party), was appointed Foreign Minister *ad interim*, responsibility for decisions of basic importance being taken over by Herr Grotewohl.

Nothing further was known of the fate of Herr Dertinger until June 8, 1954, when it was officially announced that he had been sentenced to 15 years' hard labour on charges of " espionage for U S. and British intelligence agencies." It was also announced that a number of alleged accomplices of Herr Dertinger had been found guilty on similar charges and sentenced to the following terms of imprisonment : Dr. Eberhard Plewe, a retired judge—13 years ; Fräulein Ilse Bubner, private secretary to Herr Dertinger—11 years ; Dr. Helmuth Brandt, State Secretary in the Ministry of Justice—10 years , Herr Fritz Jentsch, financial manager of the Christian Democratic Union in Eastern Germany—seven years , Herr Zinsser, a former *Wehrmacht* officer and a personal friend of Herr Dertinger—three years. The announcement did not state when the trial of Herr Dertinger and the other accused persons had taken place.

Dismissal and Expulsion of Franz Dahlem. Herr Franz Dahlem, head of the organizational and staff department of the Socialist Unity party, and one of the leading East German Communists, was expelled from the party on May 13, 1953, for " political laxity towards the activities of imperialist agencies " and " an un-partylike attitude towards his own mistakes and shortcomings " He was simultaneously deprived of all his posts in the party, including membership of its Politburo and central committee. Herr Dahlem had been a well-known figure in the international Communist movement, having been leader in Paris of the exiled German Communists before the war

Dismissal and Expulsion of Max Fechner. - Dr. Hilde Benjamin appointed Minister of Justice. Herr Max Fechner, Minister of Justice since 1949, and a member of the central committee of the Socialist Unity party, was dismissed from his post on July 15, 1953, for " activities hostile to the State." He was succeeded as Minister of Justice by Dr Hilde Benjamin (known in Eastern Germany as " Red Hilde "), vice-president of the East German Supreme Court. A lifelong Communist, she was described by the Berlin correspondent of the *Manchester Guardian* as " the owner of an unequalled reputation for judicial savagery "

On July 27, 1953, the central committee of the Socialist Unity party proclaimed Herr Fechner " an enemy of the State and the party," and deprived him of party membership

Dismissal and Expulsion of Wilhelm Zaisser. Herr Wilhelm Zaisser, Minister of State Security since 1950, and Herr Rudolf Herrnstadt, Editor-in-Chief of *Neues Deutschland* (organ of the Socialist Unity party), were relieved of their posts on July 24, 1953 At its meeting on July 27 at which Herr Fechner was deprived of party membership (see above), the central committee of the Socialist Unity party issued a statement describing Herr Zaisser and Herr Herrnstadt as persons " hostile to the party and pursuing a defeatist line contrary to party unity." Both were formally expelled from the party—of whose Politburo they had been members—on Jan. 23, 1954

Wilhelm Zaisser (60), a veteran Communist, played a leading role during the Spanish Civil War under the name of " General Gomez." A close friend and associate of Lavrenti Beria (the former Soviet Minister of the Interior and secret police chief), he built up a secret police in Eastern Germany on lines laid down by Beria, whom he frequently visited in Moscow. Zaisser's disgrace followed the arrest and subsequent execution of Beria in the Soviet Union.

Simultaneously with Zaisser's dismissal, it was announced that the Ministry of State Security would become a State Secretariat in the Ministry of the Interior, headed by Herr Ernst Wollweber, a prominent Communist

Dr. Bolz appointed Foreign Minister. Dr. Lothar Bolz (a member of the National Democratic party), hitherto Minister of Construction, was appointed Foreign Minister on Oct. 1, 1953, in succession to Herr Dertinger, who had been arrested nine months earlier [As explained above, Herr Ackermann had been acting Foreign Minister during this period, though actual responsibility for foreign relations had rested with Herr Grotewohl.]

Herr Georg Handke, Minister of Foreign Trade and formerly East German Ambassador to Rumania, was appointed State Secretary and Deputy Foreign Minister on Oct. 29, 1953, in succession to Herr Ackermann. At its meeting on Jan. 23, 1954, at which Zaisser and Herrnstadt were expelled from the Socialist Unity party (see above), the central committee administered a strong reprimand to Herr Ackermann, accused him of assisting Zaisser and Herrnstadt, and expelled him from the central committee, though allowing him to retain his party membership.

Imprisonment of Dr. Hamann. An official announcement on July 14. 1954, said that Dr. Karl Hamann, formerly Minister of Supply, had been sentenced to ten years' hard labour for having " sabotaged the nation's food supply " by deliberately issuing false instructions, misdirecting large quantities of foodstuffs and consumer goods, and disorganizing the administrative work of his department. He was also accused of having had " criminal contacts with imperialist agents " The announcement added that Herr Paul Bender, formerly State Secretary in the Ministry of Agriculture, had been sentenced to six years' imprisonment, and three other officials to lesser terms. No indication was given of where or when the trial of Dr. Hamann and his staff had taken place.

Dr Hamann had been arrested and deprived of his ministerial post in December, 1952, after being blamed for food shortages Nothing further was known of his fate until the above-mentioned announcement of his trial and sentence. Prior to his arrest in 1952 he had been co-chairman with Dr Hans Loch of the Liberal Democratic party in Eastern Germany, but was relieved of that post after Dr. Loch had accused him of responsibility for the deteriorating food situation.

The Free Democratic Party in Western Germany announced on Oct. 16, 1956, that Dr. Hamann had been pardoned and released from prison. It was stated in Bonn that this information had been conveyed by the East German public prosecutor in a letter to Dr. Dehler, the leader of the Free Democrats in the Federal Republic [The Free Democrats—who maintain contacts with the Liberal Democrats in the Eastern zone—had for some considerable time been pressing for Dr Hamann's release.]

Government Reorganization. A reorganization of the East German Government was announced on Nov. 24, 1955, involving the following changes . (1) the Ministry for Heavy Industries was divided into three separate Ministries—for Mines and Foundries, the Chemical Industry, and the Coal Industry ; (2) Herr Walter Ulbricht, secretary-general of the Socialist Unity party, was appointed First Deputy Prime Minister (Herr Ulbricht had hitherto been one of seven Deputy Premiers, all theoretically possessing equal status) ; (3) Herr Fritz Selbmann, formerly Minister for Heavy Industry, was appointed chairman of a new co-ordinating Commission for Industry and Transport ; (4) Professor Fred Oelssner, a leading Marxist theoretician, became chairman of a new Consumer Goods Commission ; (5) Herr Willi Rumpf (a Communist), State Secretary in the Finance Ministry, succeeded Dr Hans Loch (Liberal Democrat) as Minister of Finance , (6) Dr Loch (who remained a Deputy Premier) was placed in charge of questions relating to All-German Affairs—a new post corresponding to the Ministry of All-German Affairs in Western Germany headed by Herr Jakob Kaiser ; (7) the State Secretariat for Internal Security reverted to its former status as a Ministry (i.e. to the status it held prior to Herr Zaisser's dismissal), headed by Herr Wollweber as Minister for State Security. The number of Deputy Premiers was raised from seven to nine by the appointment of Herr Selbmann and Professor Oelssner to that post.

The above-mentioned changes were followed on Jan. 20, 1956, by the appointment of Herr Willi Stoph as Minister of National Defence (see 14701 A), after the *Volkskammer* had approved legislation for the creation of a " people's army." Herr Stoph had relinquished his former post of Minister of the Interior on June 30, 1955, when he was succeeded by Herr Karl Maron (Inspector-General of the People's Police), but had remained a member of the Government as one of the Deputy Premiers.

Present Composition of East German Government. Consequent upon all the above-mentioned changes, including the appointment of Herr Stoph as Minister of National Defence, the composition of the East German Government was as follows in February 1956 : (abbreviations—SED , Socialist Unity Party (*Sozialistische Einheitspartei*) , CDU , Christian Democratic Union ; N.D.P., National Democratic Party ; L.D P., Liberal Democratic Party ; D.B.P , Democratic Peasant Party) ,

Herr Otto Grotewohl (SED) ..	Prime Minister.
Herr Walter Ulbricht (SED) .	First Deputy Premier.
Herr Willi Stoph (SED) .	Deputy Premier and Minister of National Defence.
Herr Otto Nuschke (CDU) .	Deputy Premier (no portfolio).
Dr Hans Loch (LDP) ..	Deputy Premier (All-German Questions).
Herr Heinrich Rau (SED)	Deputy Premier and Minister for Internal and External Trade.
Dr. Lothar Bolz (LDP) .	Deputy Premier and Foreign Minister.
Professor Fred Oelssner (SED)	Deputy Premier and Chairman of Consumer Goods Commission.
Herr Bruno Leuschner (SED) .	Deputy Premier and Chairman of State Planning Commission.
Herr Fritz Selbmann (SED)	Deputy Premier and Chairman of Industry and Transport Commission.
Herr Paul Scholz (DBP) ..	Deputy Premier and Chairman of Agricultural Commission.

Herr Karl Maron (SED) ..	Interior.
Herr Ernst Wollweber (SED) ..	State Security.
Herr Willi Rumpf (SED) ..	Finance
Herr Erich Apel (SED) ..	Heavy Engineering.
Herr Helmut Wunderlich (SED)	General Engineering.
Herr Richard Goschuetz (SED)	Coal and Power.
Herr Rudolf Steinwand (SED)	Mines and Foundries.
Dr. Hilde Benjamin (SED) .	Justice.
Herr Kurt Wach (SED) ..	Trade and Supply.
Herr Hans Reichelt (SED) ..	Agriculture and Forestry.
Herr Erwin Kramer (SED) .	Transport.
Herr Kurt Westphal (SED) ..	Food Industry.
Herr Friedrich Macher (SED)	Labour.
Herr Wilhelm Feldmann (NDP)	Light Industry.
Herr Luitpold Steidle (CDU) ..	Health.
Herr Heinz Winkler (CDU)	Construction.
Herr Friedrich Burmeister (CDU)	Posts.
Herr Fritz Lange (SED) ..	Education.
Herr Johannes Becher (SED) .	Culture.

The list of Cabinet Ministers given above, issued in February 1956 by the East German News Agency (A.D.N.), excluded the Minister for the Chemical Industry, who had not been appointed at the time.

"Rehabilitation" of Party Members. As stated on page 15088 (first column), the central committee of the Socialist Unity party decided in July 1956 to rehabilitate a number of former party members against whom disciplinary action had been taken in recent years. They included—of those mentioned above—Herr Franz Dahlem and Herr Anton Ackermann. Among others "rehabilitated" were Frau Elli Schmidt (formerly head of the German Democratic Women's Federation, a Communist organization), who had been appointed on Feb. 2, 1953, as chairman of a new State Commission for Trade and Supply, with ministerial rank, but who was subsequently reprimanded and removed from that post.

The East Berlin Rising of June 1953.

Demonstrations on June 16, 1953, by East Berlin workers protesting against an increase in their working "norms" developed on the following day into mass demonstrations against the Soviet occupation authorities and the Communist regime, in which tens of thousands of workers took part. Strong forces of Soviet tanks and infantry were called out, a curfew and martial law restrictions imposed by the Soviet Commandant in East Berlin, and many arrests made. Similar anti-Soviet and anti-Communist demonstrations occurred at the same time in many East German cities, a number of demonstrators being killed and injured in clashes with Soviet troops and the Communist "People's Police."

Some 3,000 building workers in East Berlin downed tools on June 16 in protest against the introduction of new "norms" which required 10 per cent more work from them without any corresponding wage increase. After marching in unorganized columns from the Stalinallee to the centre of the city, and being joined *en route* by large numbers of people, they demonstrated outside the East German Government's headquarters in the Leipzigerstrasse, calling for Herr Grotewohl and Herr Ulbricht and demanding free elections, the abolition of the "people's police," the abolition of the new working "norms," and increased food rations. Herr Selbmann, then Minister for Construction, was shouted down when trying to address the demonstrators, but no incidents occurred and the crowds dispersed peacefully.

In the morning of June 17, however, thousands of factory workers, railway workers, and employees of public utilities—joined during the day by large numbers of the population, including many office- and shop-workers—again demonstrated in East Berlin for greater political and economic freedom, union with Western Germany, the withdrawal of Russian forces, the abolition of the Communist regime, free elections, and increased food supplies. The demonstrators—estimated at tens of thousands—again marched on the Government offices in the Leipzigerstrasse, shouting such slogans as "Down with Communism," "Down with Grotewohl and Ulbricht," "We want freedom," and "Russians go home." Strong forces of "People's Police" repeatedly charged the demonstrators and many clashes occurred, in which a number of people were injured.

When it was becoming apparent that the People's Police were losing control of the situation, the Soviet Commandant in Berlin (Major-General Dibrova) sealed off the Eastern sector from the rest of the city and called out strong forces of Soviet tanks, armoured cars, and lorry-borne infantry to restore order Later in the day he imposed a curfew from 9 p.m. to 5 a.m., banned all demonstrations, and announced that groups of more than three persons would be liable to arrest and immediate punishment under martial law regulations The curfew and other restrictions were maintained by the Soviet authorities for nearly a month, being lifted on July 12, 1953.

Stringent Soviet control of the borders of East Berlin and Eastern Germany made it difficult at the time to obtain precise information about the situation in the eastern sector of the city and in the Soviet zone generally. Although no large-scale clashes occurred in East Berlin between Soviet forces and the demonstrators, reports from West Berlin said that Soviet tanks had been stoned and that there had been a number of casualties, some fatal, when People's Police and Soviet troops opened fire on the crowds.

Reports of disturbances in a number of other East German cities, notably in Magdeburg, were confirmed on June 21 by the East German Minister of Railways (then Herr Kramer), who said that "provocateurs and bandits" had attacked "loyal" railway workers at Magdeburg, Halle, Gera, Stralsund, and Saalfeld. The East German News Agency announced on the same day that a large factory for converting brown coal (lignite) into briquettes, situated near Magdeburg, had been burned down in a fire caused by "hostile elements" Although the whole of Eastern Germany was sealed off by the Russian forces, reports continued to reach Western Germany of pitched battles in Magdeburg between anti-Communist demonstrators and People's Police, and of strikes and protest marches at Magdeburg, Leipzig, Dresden, Chemnitz, Halle, Jena, Brandenburg, Erfurt, Rostock, and other cities. *Neues Deutschland* said on June 19 that "Western agents" had "succeeded in persuading part of the population of the German Democratic Republic—in some cities a large number of the inhabitants—to cease work and demonstrate." The paper added that "groups of provocateurs" had tried without success to "assume control" of these demonstrations.

The East German Government issued a statement on June 18, 1953, saying that the disturbances in East Berlin "and in some parts of the Democratic Republic" had been "organized by fascist agents of foreign Powers, supported by the American radio station in West Berlin."

The statement said that the building workers, "with considerable justification," had protested against "the bureaucratic imposition of new working norms"; that these "norms" had been immediately withdrawn, thereby "removing the causes of the complaints"; and that in the meantime "fascist rowdies and agents, flooding into East Berlin by road, took advantage of the situation to try to provoke incidents, leading to a number of clashes." After the People's Police had been "repeatedly attacked by fascist rowdies," the Soviet Commandant had been obliged to intervene and declare a state of emergency. The statement accused "mercenary elements, agents of foreign States, and their German big business allies" of fomenting the disturbances, which, it was alleged, had been carried out "in accordance with a central plan drawn up in West Berlin." The threat was made that "provocateurs cannot expect lenience" and that the East German Government would "punish severely those guilty of causing the disturbances."

The East German News Agency announced on June 25 that 25 people had been killed and 378 injured in the disturbances. It was stated that the fatal casualties comprised 19 demonstrators, two civilian bystanders, and four members of the People's Police, while the number wounded consisted of 191 policemen, 126 demonstrators, and 61 bystanders.

Reports of mass arrests of anti-Communists, and of the execution of many demonstrators by the Soviet military authorities, continued to reach Western Germany from the Eastern zone during the last fortnight of June. No statements on these reprisals were issued either by the Soviet zonal authorities or the East German regime, except for an official announcement by the East German News Agency (June 18) that the Russians had executed a West Berliner, Willi Goettling. It was stated that General Dibrova had ordered Goettling's execution on the ground that he had acted "on the orders of a foreign Power as an active organizer of provocations and disturbances in the Soviet sector of Berlin."

The U.S., British, and French Commandants in Berlin sent a strong protest to General Dibrova on June 18, 1953, condemning "the irresponsible recourse to military force which resulted in the killing or serious wounding of a considerable number of citizens of Berlin, including some from our own sectors" The joint letter added: "We protest against the arbitrary measures taken by the Soviet authorities, which have resulted in the interruption of traffic between the sectors. We formally deny that Willi Goettling, executed after a travesty of justice, was an *agent provocateur* of a foreign Power. His condemnation to death and execution on an empty pretext appear to us as acts of brutality which will shock the conscience of the world . . . "

In his reply (June 21), General Dibrova rejected the Western Commandants' protest and alleged that the disturbances in East Berlin had been caused by "fascist agents in West Berlin." He said that the Soviet authorities would be ready to restore the normal life of the city if the Western Powers, on their side, took action to stop "criminal elements" from entering East Berlin.

Four West Berliners alleged to have been "the main organizers of the fascist *putsch* of June 17" were sentenced to long terms of imprisonment by the East German Supreme Court on June 14, 1954, after a four-day trial. All the accused persons had been missing from their homes in West Berlin for several months, and were believed to have been kidnapped and abducted to the Eastern sector.

The two principal accused, each of whom was given 15 years' hard labour, were Dr. Wolfgang Silgrad and Herr Werner Mangelsdorf. Dr. Silgrad, a refugee from Eastern Germany, was a member of the anti-Communist League of Human Rights in West Berlin, and had disappeared in February. Herr Mangelsdorf, formerly a police officer in Eastern Germany, released a number of prisoners from gaol during the Magdeburg uprising, subsequently fled to West Berlin, and had been sentenced to death *in absentia* by the Soviet military authorities. He had been missing from his home in West

Berlin since January, after going out to post a letter. Of the other two accused, Herr Fuldner (a merchant) was given ten years' hard labour, and Herr Gassa (an employee) was sentenced to five years. The Chief Public Prosecutor (Dr. Melsheimer) alleged that Silgrad, Mangelsdorf, Fuldner, and Gassa had acted on the orders of "espionage organizations" in West Berlin.

West German Reactions to Uprising in Eastern Zone.

The Soviet suppression of the East Berlin uprising aroused intense indignation in the German Federal Republic, where flags on all Government buildings were flown at half-mast for three days (June 18-20) in memory of those who had lost their lives. A memorial service for the victims, at which President Heuss delivered a commemorative oration, was held in the *Bundestag* on June 21 in the presence of Dr. Adenauer and all Cabinet Ministers, members of all West German parties except the Communists, Western diplomatic representatives, and the Papal Nuncio. In his memorial oration President Heuss described the East Berlin uprising as "an incalculable plebiscite" against the present rulers in the Soviet zone.

The West German *Bundestag* decided on July 1, 1953, to commemorate the East Berlin uprising by making its anniversary (June 17) a memorial day each year. During the debate, Dr. Adenauer said that although definite figures were not available, there was reason to believe that 62 people in Eastern Germany had been sentenced to death and 25,000 imprisoned after the uprising.

Dr. Adenauer, Herr Kaiser (Federal Minister for All-German Affairs), and members of both Houses of the Federal Parliament visited West Berlin on June 23, 1953, to attend the funeral service of seven victims of the uprising of July 17. The five-mile processional route to the cemetery was lined by 500,000 Berliners, many from the Eastern sector of the city, and a five-minute silence was observed throughout West Berlin and the Federal Republic at the moment of interment. Dr. Adenauer, in a funeral oration at the graves of the victims, gave a solemn pledge "in the name of the whole German people" that the Federal Government "will not rest or desist until Germans behind the Iron Curtain are free and united with us in freedom and peace."

Telegrams were sent by Dr. Adenauer on June 22, 1953, to President Eisenhower and the British and French Prime Ministers (then Sir Winston Churchill and M René Mayer) appealing to them to do all in their power to realize the unity of the German nation. The Federal Chancellor said that the uprisings in East Berlin and the Soviet zone represented "a passionate outcry against the ruling regime of terrorism and force Not even tanks and machine-guns prevented the tormented people from openly demanding freedom and justice. Many paid with their lives for their courage and bravery . . ."

In their replies, President Eisenhower, Sir Winston Churchill and M Mayer paid homage to the heroism of the people of East Berlin and Eastern Germany in their uprising against Communist oppression. They assured the Federal Chancellor that they would do all in their power to bring about the unification of Germany in peace and freedom, on the basis of free all-German elections.

U.S. Food Aid for Eastern Germany.

In a message to Dr. Adenauer on July 10, 1953, President Eisenhower offered $15,000,000 of American foodstuffs (grain, sugar, lard, and other commodities) to relieve the serious food shortage in Eastern Germany, and simultaneously appealed to the Soviet Government to co-operate in its distribution. The offer was rejected by the Soviet Government, and also by the East German Government.

In response to President Eisenhower's message, M. Molotov presented a Note to the U S. Embassy in Moscow on July 12 saying that the President was "incorrectly informed about the situation in Eastern Germany" and had obtained his information from "sources such as the U S. High Commissioner in Germany and Adenauer, the Bonn Chancellor, who are among those chiefly responsible for the violation of public order in East Berlin." The offer of U S foodstuffs for the East German people was described as "behaviour which would offend even the population of a colony, let alone the people of a lawful democratic government," and as "a propaganda manoeuvre which has nothing in common with the true interests of the German people."

Herr Grotewohl issued a statement on the same day describing President Eisenhower's offer as "an insult," "a provocation," and an attempt "to use U.S. aid in order to organize espionage rings" in Eastern Germany.

Despite the Soviet rejection of his offer, President Eisenhower nevertheless ordered large quantities of foodstuffs to be despatched by sea and air to Germany, for distribution by the authorities in West Berlin. Depots and stockpiles were accordingly established by the West Berlin City Government, which invited people in East Berlin and in the Eastern zone to collect food parcels from the Schöneberg Town Hall and other distributing centres.

The food distribution programme was launched on July 27 and ended on Oct. 10, 1953, during which period over 3,000,000 people from East Berlin and other parts of Eastern Germany crossed to the Western sectors and collected food parcels for themselves and their families. At the end of the 11-weeks' programme a total of 5,000,000 food parcels had been distributed, and it was estimated that 80 per cent of the people of East Berlin had obtained two rations per person. Of the total number of East Germans crossing into the Western sectors to collect parcels, 34 per cent were from East Berlin and 68 per cent from other parts of Eastern Germany. Many of the latter had come long distances—in some cases over 100 miles from Saxony, Thuringia, and other areas—bringing with them four or five identity cards enabling them to collect foodstuffs for relatives and friends as well as for themselves.

In the early stages of the food distribution programme the East German authorities made intensive but unsuccessful efforts to prevent the people of East Berlin and the Soviet zone from entering West Berlin to collect food parcels. Preventive measures included the tightening of border controls, the cancellation of rail tickets to West Berlin stations, and warnings to the population not to cross into the Western sectors In a number of cases members of the Socialist Unity party and the Communist "Free Youth" movement attempted to confiscate food parcels from persons re-entering East Berlin from the Western sectors, leading to clashes from time to time. In view of the popular anger at these methods, the East German authorities lifted the rail and border restrictions in the middle of August, and thereafter made little or no attempt to prevent people from crossing into West Berlin to collect food parcels.

Economic Concessions by East German Government.

In a speech to miners at Bohlen on June 24, 1953, Herr Grotewohl said that "fascist bandits and Western provocative elements" could not have met with success in East Berlin "if the dissatisfaction of the working masses had not provided the inflammable material." After declaring that "the guilt for the events of the past days rests with us," and not solely with "Western agents," he admitted that serious food shortages had been caused by the flight of "hundreds of thousands" of farmers to Western Germany; that the Government had pursued a mistaken policy in concentrating on industrial production at the expense of consumer goods; and that there was widespread and justified dissatisfaction with the existing economic conditions. Herr Grotewohl added that the Government had "drawn the necessary conclusions" from its mistakes and would take immediate measures to ameliorate the condition of the people.

In a statement on June 11, 1953, the East German Government had announced a series of measures "designed to correct the mistakes made by the Government and the administrative services in various fields, and to improve the standard of living of the workers and intellectuals, together with the farmers, craftsmen, and other sections of the middle class" It was admitted that "mistakes" in the distribution of ration cards, the collection of agricultural produce, and the collection of taxes had resulted in a "difficult situation" which, however, would be "immediately corrected." The specific measures announced were as follows :

(1) Existing restrictions on the issue of food ration cards would be lifted, and ration cards would be "distributed to all citizens of the German Democratic Republic and the Democratic sector of Berlin, as was done earlier."

[On May 1, 1953, ration cards had been withdrawn from large sections of the middle classes—including independent farmers, craftsmen, shopkeepers, employers of more than five persons, independent professional people, and house- and property-owners—on the ground that they were "non-productive." About 2,000,000 people were thereby threatened with starvation, and large numbers fled to Western Germany with their families An important contributory factor in the serious food shortage was the flight of large numbers of independent farmers to the West, as admitted by Herr Grotewohl in his Bohlen speech]

(2) "Forcible measures for the collection of overdue taxes and social security contributions" would be suspended "throughout the entire economy." This would apply "to farmers, craftsmen, shopkeepers, wholesalers, and private firms."

(3) Craftsmen, retail and wholesale traders, and owners of private building, industrial, and transport enterprises would have their concerns returned to them on application, and would be given short-term credits.

(4) "Harshnesses" in the social security system would be abolished, and benefits restored to their previous levels.

(5) Farms which had been expropriated on the basis of a decree issued on Feb 19, 1953, would be returned to their original owners.

(6) Persons who had fled to Western Germany and West Berlin would receive their property back if they returned, and would be reinstated in economic and social life "with full civil rights."

(7) Farmers who had "encountered difficulties in carrying on their activities and had thus left their holdings and fled the Republic" would have their farms restored to them if they returned. If, this was not possible, they would receive full compensation.

(8) The Ministry of Justice would "immediately review all arrests, prosecutions, and sentences in order to eliminate possible harshnesses."

[In conformity with this pledge, some 4,000 political prisoners were released during the following week.]

Further concessions were announced on June 22, 1953 (i.e. a week after the East Berlin riots), as follows :

(1) Rates of pay for workers would be restored to the levels prevailing on April 1, 1953, and the new working " norms " imposed on that date would be abolished.

[The " norms " introduced on April 1 had called for an additional 10 per cent increase in the output of every worker, with no corresponding increase in wages ; moreover, workers whose " norm " was not raised by the required 10 per cent became liable to forfeit 10 per cent of their wages]

(2) Old age, disability, and widows' pensions were increased by 15 to 20 per cent, and cheap travel fares restored for workers.

(3) A sum of 600,000,000 marks (about £50,000,000) would be diverted from investment in heavy industry to a new social housing programme.

(4) Another 70,000,000 marks (about £6,000,000) would be diverted to the improvement of sanitary conditions in State socialized industries, and to the construction of " hygienic and cultural institutions."

(5) The supply of electrical current to heavy industry would be cut in order to eliminate power-cuts for private households.

(6) Time spent away from work because of ill-health would not be deducted from paid holidays.

Exodus of Refugees to Western Germany.

Whereas 122,000 refugees from East Berlin and the Soviet Zone fled to the West in 1952, the figure totalled over 300,000 in 1953, over 184,000 in 1954, and over 252,000 in 1955. Up to the autumn of 1954 the great majority of the refugees fled in the first instance to West Berlin, whence large numbers were flown by air to Western Germany. The Federal Minister for Refugees, Professor Oberländer, announced in February 1956 that over 1,500,000 refugees from Eastern Germany had entered the Federal Republic since 1950.

The refugees from the Eastern zone included great numbers of young persons who fled to avoid conscription in the East German armed force or the People's Police, or forced labour in the Soviet-run uranium mines in Saxony. They also included tens of thousands of farmers, professional people, shopkeepers, and businessmen who had been dispossessed by the Communists, or were threatened with starvation by the withdrawal of their ration cards in May 1953 ; senior officials of Ministries and other Government departments, among them many Communists ; great numbers of workers ; and many engineers, technicians, and other scientific personnel.

A significant feature of the refugee exodus was the flight to the West of many thousands of members of the People's Police, both officers and men—over 2,300 in 1952, over 5,000 in 1953, and thousands more in 1954 and 1955, bringing the total to more than 10,000 by the end of the latter year. Particularly large numbers of People's Police fled to the West during and after the uprising of 1953 ; many of them expressed disgust at the brutal repression of the uprising by the Soviet forces and the Communist authorities, and at the complete subservience of the Communist regime to the Soviet occupation forces.

Among prominent individual refugees entering Western Germany were Colonel Siegfried Gerber, Chief of Shore Establishments in the East German naval forces (May 1953) ; Herr Hans Wermund, formerly chairman of the Liberal Democratic party, who had been removed from his post as State Secretary in the Ministry of Construction after the arrest of Dr. Hamann (July 1953) ; and Professor Johannes Herdegen, a Liberal Democratic member of the *Volkskammer* and professor of physics at Halle University (November 1955).

Colonel Gerber (37), the most senior East German official to seek refuge in the West, and a Communist of long standing, had been imprisoned in a concentration camp during the Nazi regime. Escaping to Russia, he joined the Red Army, became an officer in a Soviet tank unit, and after the war became Chief of People's Police in Rostock and later in Ludwigslust. In 1950 he was transferred to the embryonic East German naval administration, and at the time of his escape had been placed in charge of all East German coastal defences. He said that he had escaped because he was disgusted at the anti-semitic tendencies in the Soviet Union and Eastern Germany following the so-called " doctors' plot " in the U.S.S.R. (see 12728 A), and at the methods used to extract " confessions " from the defendants. These developments, the existence of concentration camps in Eastern Germany, and the enforced collectivization of agriculture, had made him finally realize that there was no difference whatever between Nazism and Communism.

Following the Slansky trial in Czechoslovakia (see 12685 A) and the " doctors' plot " trial in the U.S S.R., the Socialist Unity party launched a vicious campaign against " Zionists," " Titoists " and " Trotskyists," declaring that the " lessons " of those trials would be applied in Eastern Germany. The leaders of the small Jewish community in Eastern Germany, as well as many non-Jewish Communists, were denounced as " imperialist and Zionist agents " and accused of maintaining relations with the American-Jewish Joint Distribution Agency—the charitable organization known as " Joint," which had been bitterly attacked during the Slansky and " Jewish doctors' " trials in Czechoslovakia and the Soviet Union.

As a result of these threats, some 1,300 Jews from Eastern Germany —about one-half of all the Jews in the Soviet zone—fled to West Berlin during January 1953. They included Dr. Leo Zuckermann, head of President Pieck's Chancellery from 1949-51 ; Herr Julius Meyer, head of all Jewish communities in Eastern Germany, and a Socialist Unity deputy in the *Volkskammer* ; and the heads of the Jewish congregations in East Berlin, Leipzig, Dresden, Halle, Magdeburg, Erfurt, and Eisenach, accompanied in nearly all cases by their families. On arrival in West Berlin Dr. Zuckermann, Herr Meyer, and the other Jewish communal leaders said that they had fled to avoid arrest after being subjected to prolonged interrogation as to whether they maintained any contacts with Western organizations, received parcels from " Joint," etc

The Socialist Unity party's campaign against " Zionism " was subsequently dropped after M. Khrushchev's disclosure that the so-called " doctors' plot " had been " fabricated from beginning to end " by Stalin (see page 14995, second column).

In December, 1955, the new " political crime " of " incitement to flee the Republic " (*Republikflucht*) was added to the East German penal code on the initiative of Dr. Hilde Benjamin, the Minister of Justice. Aimed at checking the mass flight of East Germans to the West, it provided that anyone aiding or encouraging East German citizens to flee the country would become liable to severe penalties, including long terms of imprisonment with hard labour, without the right of appeal.

The first trial under this new law took place on Jan. 27, 1956, when the East German Supreme Court imposed the death sentence on three persons accused of espionage for the Western Powers and of aiding seven technicians and scientific workers to flee from Eastern Germany. The condemned persons were Max Held, a chemical engineering specialist, Werner Rudert, a shop steward, and Eva Halm, a typist. A fourth defendant (Joachim Sachse, a computer operator), tried for violation of the *Republikflucht* law but not for espionage, was given eight years' hard labour. In passing sentence, the presiding judge said that all four defendants had "incited" the technical and scientific workers concerned to flee to the West, an act which constituted " a crime against the State " and was tantamount to " economic sabotage." On Feb. 10 President Pieck commuted the death sentences against Held, Rudert, and Eva Halm to life imprisonment.

The addition of the new crime of *Republikflucht* to the East German penal code was regarded in Western Germany, and by Western press correspondents in Germany, as indicating the growing alarm of the East German Government at the mass exodus of refugees, and particularly of workers vital to the East German economy. Commenting on the sentences passed by the East German Supreme Court, the Bonn Correspondent of the *Manchester Guardian* wrote on Jan. 27, 1956 : " There can be little doubt that the trial, which lasted only a few hours and amounted to the travesty of justice usual in East Germany, has been inspired by the Government's desire to stop the flow of refugees to the West. The monthly average last year [i e. in 1955] of East Germans fleeing to the West was 20,000, and in the last four years some 250,000 young people of under 24 have come over to the Federal Republic. During recent months 45 per cent of the refugees have been under 24. East Germany simply cannot afford this exodus of young people. Nearly one-third of them have left jobs in industry, and another 15 per cent were agricultural workers The loss of increasing numbers of technicians may have been the most cruel cut of all for the economically shaky East German State . . . "

Criticisms of Administration of Justice. - Reprimanding of Dr. Benjamin, Herr Wollweber, and Dr. Melsheimer.

Following the new " anti-Stalinist " line adopted in Eastern Germany after M. Khrushchev's disclosures at the 20th Soviet party congress, Herr Grotewohl strongly criticized Dr. Hilde Benjamin and Dr. Melsheimer (the Chief Public Prosecutor) for failing to ensure strict regard for the law [see pages 14818-19], and announced that the Socialist Unity Party was setting up a special committee to investigate the administration of justice—which, he admitted, had frequently been "arbitrary" in the past. In its report, published in *Neues Deutschland* on June 21, 1956, this committee sharply rebuked Dr. Benjamin, Herr Wollweber (Minister for State Security) and Dr. Melsheimer for alleged malpractices in their departments, and, in particular, for allowing unfounded and unsubstantiated charges to be brought against innocent people, for classifying minor offences as serious crimes, and for introducing into trivial offences an " ideological element " which was completely inapplicable.

The report mentioned that ordinary factory accidents, or mistakes made by scientific and technical workers in all good faith, had occasioned many haphazard and unsubstantiated charges of " sabotage " by the Ministry of State Security, without any investigation of the circumstances. Moreover, such minor matters as driving offences and infringements of the traffic regulations had been dealt with by the Ministry of Justice as " an expression of the class struggle," and persons accused of such offences had been treated as if they had indulged in " class warfare." After severely censuring these two Ministries, and demanding that Dr. Benjamin and Herr Wollweber should rectify their mistakes, the report emphasized that all future accusations of " sabotage " must be carefully examined to

ensure that "no allegations are made against innocent and good-willed intellectual workers" merely on such external evidence as, for instance, a factory accident.

Herr Ulbricht announced on the same day (June 21,1956), that nearly 20,000 persons had been released since the amnesties announced in April 1956 (see page 14881). *Neues Deutschland* stated that they comprised 11,896 persons who had been convicted of ordinary civil or criminal offences, 3,308 war criminals, 3,169 persons serving sentences for minor political offences, and 691 Social Democrats imprisoned for "political crimes"—a total of 19,064.

Soviet Economic Concessions to Eastern Germany.

As a result of discussions between Soviet and East German leaders held in Moscow on Aug. 20-22, 1953, shortly after the rising in East Berlin, an agreement was signed whereby the U.S.S.R. undertook to cancel all reparations payments from Eastern Germany, to return industries taken over after the war, and to reduce Soviet occupation costs.

The talks were conducted on the East German side by Herr Grotewohl, Herr Ulbricht, Herr Otto Nuschke, Dr. Lothar Bolz, and a number of other Ministers, and on the Soviet side by M. Malenkov (then Prime Minister), M. Khrushchev, M. Molotov, Marshal Bulganin, M. Mikoyan, M. Kaganovich, and other members of the Soviet Government.

A joint communiqué, signed by Herr Grotewohl and M. Malenkov, said that "complete agreement" had been reached on "a number of political and economic measures aimed at assisting the further development of the economy of the German Democratic Republic and at raising the material well-being of its population." After stating that "the German Democratic Republic has conscientiously fulfilled its obligations towards the Soviet Union and . . is a major factor in the struggle for peace in Europe," the communiqué announced the following concessions by the Soviet Union to the German Democratic Republic

(1) The cessation of reparations payments from Eastern Germany as from Jan. 1, 1954.

(2) The transfer to the German Democratic Republic, without indemnification, of Soviet enterprises in Germany.

(3) A reduction in the costs of the Soviet occupation forces to "an amount not exceeding five per cent" of the East German State Budget

(4) The release of the German Democratic Republic from the payment of arrears for occupation costs incurred since 1945.

(5) The release of the German Democratic Republic from the payment of post-war State debts to the Soviet Union.

In addition, Herr Grotewohl and M. Molotov signed (1) agreements on economic and political questions, and (2) an economic protocol arising out of the above-mentioned concessions (the cancellation of reparations, etc.).

Political and Economic Agreements.

(1) The U.S.S.R. undertook to supply Eastern Germany during 1953 with goods to the value of 590,000,000 roubles ($147,500,000), including foodstuffs, coal, ferrous metals, copper, lead, aluminium, cotton, and other commodities.

(2) The Soviet Government would grant credits to Eastern Germany totalling 485,000,000 roubles, bearing 2 per cent interest per annum and repayable in two years, beginning in 1955.

(3) At the request of the East German Government, the U.S.S.R. would release German prisoners of war sentenced for war crimes, "with the exception of those who committed particularly wicked crimes against peace and humanity."

(4) Both Governments agreed to raise the status of their diplomatic missions in Berlin and Moscow to the status of embassies, and to exchange ambassadors.

Economic Protocol.

The Soviet Government, in agreement with the Polish Government, would cease as from Jan. 1, 1954, to exact reparations from the German Democratic Republic, whether "in the form of deliveries of goods or in any other form." The amount of reparations outstanding was given as $2,537,000,000 at 1938 world prices

(2) The Soviet Government would hand over to the G D.R. on Jan. 1, 1954, without compensation, 33 machine-building, chemical, metallurgical and other enterprises situated in Germany which had become the property of the U S.S.R. in payment of reparations, of a total value of 2,700,000,000 marks.

[The East German News Agency stated that the 33 enterprises to be handed over by the U.S.S.R. were amongst the largest in Eastern Germany and would include the former I.G. Farben synthetic petrol plant, the Leuna Chemical Works near Halle (also formerly belonging to I.G. Farben), and the former Krupp engineering works in Magdeburg.]

(3) The Soviet Government would "reduce the amount of expenditure of the German Democratic Republic connected with the presence of Soviet troops in Germany so that the sum of these expenses is not more than 5 per cent per annum of the revenue of the German Democratic Republic State Budget, and in any case not more than the total of occupation costs in 1949." In this connexion, the expenses of the German Democratic Republic for the maintenance of Soviet troops in Germany would total 1,600,000,000 marks in 1954, as compared with 1,950,000,000 marks in 1953 and with 2,820,000,000 marks in 1949.

(4) The Soviet Government would "completely free the German Democratic Republic from payment for debts for external occupation expenses which accumulated after 1945" The U.S S.R would also relieve the German Democratic Republic of the payment of State post-war debts to the Soviet Government

The Polish Government issued a separate statement announcing its agreement to the cancellation of reparations from Eastern Germany.

Soviet Recognition of East German Sovereignty. - Ending of Occupation Regime. - Retention of Soviet Occupation Forces in Eastern Germany.

It was announced in Moscow on March 25, 1954, that the Soviet Government recognized the German Democratic Republic as a sovereign and independent State conducting its own internal and external affairs; that the functions of the Soviet High Commissioner in Eastern Germany would be limited to security questions and to liaison with the Western Allied authorities on all-German questions; and that Soviet occupation forces would remain in Eastern Germany under four-Power agreements. The announcement said:

". . . Despite the efforts of the Soviet Union, no steps were taken at the Berlin Conference of Foreign Ministers [see 13433 A] to restore the national unity of Germany and to conclude a peace treaty In view of this state of affairs, and as a result of negotiations between the Soviet Government and the German Democratic Republic, the U.S S.R. believes it necessary to take . . . the following steps in the interest of the German people:

"(1) The Soviet Union assumes the same relations with the German Democratic Republic as with other sovereign States.

"(2) The German Democratic Republic will be at liberty to make its own decisions in internal and external affairs, including the question of relations with Western Germany. The Soviet Union will retain in the German Democratic Republic the functions connected with the guaranteeing of security arising from obligations resting upon the U S S.R. under Four-Power agreements.

"(3) The supervision of the activity of the State organs of the German Democratic Republic, hitherto exercised by the Soviet High Commissioner in Germany, will cease. In accordance with this decision, the functions of the Soviet High Commissioner will be limited to questions connected with security, and to liaison with the occupation authorities of the U.S A., the United Kingdom, and France on questions of an all-German character arising from Four-Power agreements on Germany."

M. Georgi Maximovich Pushkin, a former Ambassador in Budapest, was appointed Soviet Ambassador to the German Democratic Republic and High Commissioner in Germany on July 19, 1954, in succession to M. Semeonov, who had assumed ambassadorial status in September 1953 (see 13181 C). M. Pushkin informed Herr Grotewohl on Aug. 5, 1954, that the Office of the Soviet High Commission (at Karlshorst, the Soviet H.Q.) would be transferred to the Soviet Embassy in Berlin, all the buildings at Karlshorst being returned to the East German authorities. On the following day the Soviet Government annulled all decrees and ordinances issued by the Soviet military authorities in Eastern Germany between 1945 and 1953.

The West German *Bundestag* unanimously adopted a resolution on April 7, 1954, refusing to recognize the right of the Soviet Union "to create an East German State," and emphasizing that the Federal Government was the only freely-elected body of its kind in Germany and therefore had the sole right to represent the German people.

On April 8, 1954, the three Western High Commissioners in Bonn, on behalf of the British, French, and U.S. Governments, issued a declaration in connexion with "the statement issued on March 25 by the Soviet Government purporting to describe a change in its relations with the Government of the so-called German Democratic Republic." This stated (1) that the Soviet statement "does not alter the actual situation in the Soviet zone," where the Soviet Government "still retains effective control"; (2) that Britain, France, and the U.S.A. would continue to regard the U.S.S R. as the Power responsible for the Soviet zone of Germany, but would not recognize the sovereignty of the East German regime nor deal with it as a Government; (3) that they would continue to regard the German Federal Government as "the only freely elected and legally constituted Government of Germany."
(Der Telegraf, Berlin - Frankfurter Allgemeine Zeitung - East German News Agency, A.D.N. - Soviet Weekly - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times - New York Herald Tribune) **(Prev. rep. Eastern Germany, 15087 A; 14880 A; 14817 A; East German Government, 11090 A.)**

A. INDONESIA. — Corruption Charges against Mr. Abdulgani. - Rejection by Inquiry Commission. - Alleged Army Plot against Government. - Arrest of Conspirators. - Flight of Deputy Chief of Staff. - Surrender of Dar-ul-Islam Insurgents in Celebes.

Indonesian Army officers acting on the orders of the commander of the West Java Military District, Colonel Kawilarang, attempted to arrest the Foreign Minister, Mr. Abdulgani, at his house in Jakarta in the early hours of Aug. 13 on charges of alleged corruption. On being informed of this by Mrs. Abdulgani, the Prime Minister (Dr. Sastroamidjojo) immediately telephoned the Chief of Staff, Major-General Nasution, who ordered Mr. Abdulgani's release. Later the same day Mr. Abdulgani left for London to represent Indonesia at the first Suez Canal conference. The Deputy Chief of Staff (Colonel Lubis), however, publicly expressed his support for Colonel Kawilarang's action and condemned General Nasution's intervention.

Colonel Kawilarang, who was empowered to order arrests under martial law regulations in force in West Java, had ordered Mr. Abdulgani's interrogation in connexion with the case of Lie Hok-tay, the deputy director of the State Printing Office, who had been arrested on corruption charges. Mr. Makmur, Minister of Information in the Harahap Government of 1955-56, and Mr. Piet de Queljoe, director of the State Printing Office, were arrested in connexion with the same case on Aug. 14. Both Mr. Makamur and Mr. de Queljoe, as well as Mr. Lie Hok-tay, had alleged that Mr. Abdulgani was implicated in the matter.

[This was not the first occasion on which the Army had taken action against alleged corruption in Government circles; Mr. Gondokusumo, Minister of Justice in Dr. Sastroamidjojo's previous Cabinet, was arrested by military police in August 1955 (see 14448 A) and sentenced to 12 months' imprisonment in January 1956 for accepting a bribe. He was released on Aug. 27, his sentence having been reduced by President Sukarno.]

Dr. Sastroamidjojo warned Parliament on Aug 15 that certain groups were using the difficulties faced by the Government for political purposes, in order to overthrow it "in a non-parliamentary way." The allegation of corruption against Mr. Abdulgani, he said, was purely "sensational"—as was shown by the fact that the police investigating the Lie Hok-tay case had not even considered questioning him—and was obviously intended to weaken the Government. Every effort was being made to combat corruption, and the Minister of Justice was drafting an anti-corruption Bill which would shortly be placed before Parliament.

On his return from London Mr. Abdulgani made a statement before an inquiry commission of five Cabinet Ministers, none of whom was a member of the Nationalist Party, to which Mr. Abdulgani belongs. Dr. Mohamed Rum (First Deputy Premier, and a member of the *Masjumi*), who acted as chairman, announced on Aug. 31 that the commission had completely exonerated Mr. Abdulgani, who left two days later to join President Sukarno in his tour of the Soviet Union (see 15246 A). The Attorney-General, who was present at the inquiry, expressed complete agreement with the commission's findings.

In a broadcast on Oct. 5 General Nasution gave warning that there was a danger of a military *coup d'état* against the present Government.

The Chief of Staff said that many people were complaining because the welfare of the troops had been neglected, ex-servicemen were not being rehabilitated, and there was much talk of Government corruption. Some wanted a change of President, Government, or Chief of Staff, whilst others believed that "improvements can be brought about by arresting persons suspected of corruption, or by seizing power through a military junta." Colonel Nasution went on to attack unnamed persons who believed in "military rule as a means of bargaining power," and declared that Press reports of public dissatisfaction were one-sided, giving the impression that "all politicians, parties, and law enforcement officials were corrupt, and that corruption had pervaded the whole body of the Government." In reality, a special committee had already taken action to wipe out corruption in the Army, and the Government was discussing the draft of its anti-corruption Bill.

On Oct. 9 the Army's official spokesman, Lieut.-Colonel Pirngadie, announced the arrest of a number of officers who were alleged to have planned the overthrow of the Government and the setting-up of a military junta. The officers concerned, he stated, were drawn from all the seven military districts into which Indonesia was divided, and included senior officers at Jakarta and Bandung. According to unofficial reports, those under arrest included Major Djuhro, military commander of Jakarta, who had carried out the attempt to arrest Mr. Abdulgani. Lieut.-Colonel Pirngadie and Lieut.-Colonel Hassan, head of the Army intelligence department were subsequently relieved of their posts on Oct. 15, no reason being given for their dismissal.

Colonel Lubis, who had been charged with disobeying military orders, was ordered to appear before General Nasution for questioning on Nov. 9, but instead went into hiding. Two other officers accused of plotting to overthrow the Government were relieved of their posts at the same time. Army headquarters officially announced on Nov. 21 that documentary and other evidence showed that Colonel Lubis had organized a plot to overthrow the Government by armed force and to "change the ideology of the State," and that he would be charged with desertion. [Colonel Lubis was the leader of the officers' movement which forced the resignation of Dr. Sastroamidjojo's previous Government in 1955—see 14448 A].

The pro-Government newspaper *Merdeka* reported on Nov. 15 that the plot had been formed by a group of officers at Army headquarters and of units in West Java, with the support of politicians who had been defeated in the general elections. Its aims were stated to be the overthrow of Dr. Sastroamidjojo's Government, the removal of President Sukarno, and the arrest of a number of political leaders. The attempt to arrest Mr. Abdulgani, it stated, had been the conspirators' first move, and after its failure they had postponed the date for their intended *coup* first to Oct. 5 and then to Nov. 20.

During 1955-56 Government troops gained a number of successes against the various insurgent forces still active, notably in Celebes, where the majority of the *Dar-ul-Islam* rebels surrendered.

The *Dar-ul-Islam* revolt in South Celebes had begun in 1951 under the leadership of Kahar Muzakhar, a former lieutenant-colonel in the Army, who proclaimed the island part of an "Indonesian Islamic State" and established contact with similar Moslem rebel groups in Java and Sumatra. The rebel forces, which were believed to number 40,000 to 50,000, pursued a policy of systematically destroying villages and forcing their inhabitants to join them. On March 30, 1955, it was reported in Jakarta that 20,000 people had been rendered homeless by rebel raids, bringing the total number of refugees in South Celebes to about 1,200,000. The insurgents were said to be in control of large coastal areas at that time.

Combined operations by naval, land, and air forces in November 1955 expelled the rebels from these areas and forced them to take refuge in the hills. On May 15, 1956, Army headquarters reported that a rebel attempt to seize Macassar with the aid of sympathizers inside the city had been defeated with heavy casualties. Following these setbacks, some 35,000 insurgents forming the bulk of the rebel army agreed on June 1956, to lay down their arms in return for an amnesty. (Indonesian Embassy Press Office, London - Times - New York Times) **(Prev. rep. Army, 14533 A; Dar-ul-Islam Insurgents, 13364 B.)**

B. INDIA - PERSIA. — Cultural Agreement.

A cultural agreement between India and Persia was signed in New Delhi on Dec. 1 by Dr. Azad, the Indian Minister of Education, and Dr. Hekmat, the Persian Ambassador.

The agreement provided for exchanges of university teachers and members of scientific and cultural institutions; facilities for students of each country to study in the other; training facilities in either country's scientific, technical, and industrial institutions for Government employees of the other; the setting-up of cultural institutes; the award of scholarships; collaboration between Indian and Persian scientific, artistic, and literary societies; translations from Persian literature into the Indian languages, and *vice versa*, the establishment of University Chairs in subjects pertaining to the other country; distribution of books and periodicals, exhibition of films, exchange of radio programmes, etc.; encouragement of sports exchanges; and the non-application of Customs restrictions for the free movement of books (except undesirable literature of an obscene, subversive, or otherwise objectionable nature).

Article 7 of the agreement provided that both Governments would, "so far as it lies within their power," ensure that text-books prescribed for educational institutions, and history books in particular, did not contain any "errors or misrepresentations" about the other country, and that "due deference would be shown to the respective Heads of either country" Under Article 8 the two Governments agreed to facilitate the mutual recognition of university degrees, diplomas, and certificates.

The agreement will come into force 30 days after ratification. It will remain in force for 10 years, and will be continued thereafter until either party gives six months' notice of abrogation.—(The Statesman, Calcutta - The Hindu, Madras)

C. UNITED KINGDOM. — Remembrance Sunday.

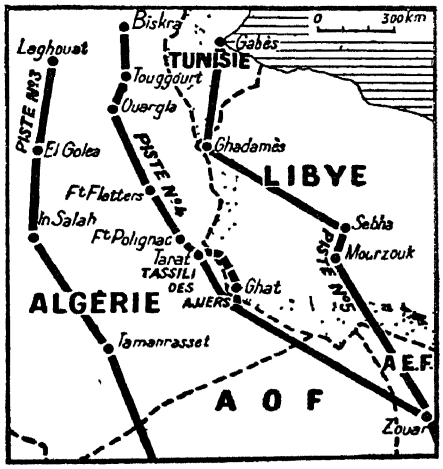
In accordance with an announcement made by the Prime Minister on June 21, 1956, with the approval of H.M. the Queen, Remembrance Sunday was observed on the second Sunday in November, and will always be commemorated on that day in future. Sir Anthony Eden had explained that the change was being made to avoid inconvenience resulting from the previous arrangement, under which Remembrance Sunday was sometimes observed on the first Sunday in November and sometimes on the second Sunday.—(Times) **(Prev. rep. 7959 D.)**

DECEMBER 22—31, 1956

A. FRANCE - LIBYA. — French Ratification of Franco-Libyan Treaty.

The French National Assembly voted on Nov. 22 in favour of ratification of the Franco-Libyan treaty of "friendship and good-neighbourliness" which had been signed on Aug. 10, 1955. A motion by M. Dronne (Social Republican *apparenté*) calling for the reopening of negotiations was rejected by 463 votes to 103, but the Assembly accepted by 433 votes to 150 an amendment by M. Isorni (Independent) providing that instruments of ratification of the treaty should not be deposited until agreement had been reached on the delimitation of the Algerian-Libyan frontier. The final voting on the ratification Bill was 411 to 120.

M. Daniel Mayer (Socialist), chairman of the Assembly's Foreign Affairs Commission, and **M. Pierre André**, on behalf of the National Defence Commission, both pointed out that ratification was "the lesser evil" because any French refusal to evacuate the Fezzan, as provided in the treaty, might lead to a Libyan complaint to the United Nations and might endanger the oil concessions granted by Libya to French petroleum interests. M. Mayer stressed, moreover, that in the Middle East crisis the Libyan Government had shown "considerable moderation compared with the extremist attitude of the majority of the Arab countries", had tried to stop the arms traffic to Algeria, and had even expelled the Egyptian Military Attaché. M. Pierre André, on the other hand, emphasized, that ratification without certain assurances on the delimitation of the Libyan-Algerian frontier would endanger French defence strategy.



The map shows the roads (*Piste No 4* and *Piste No 5*) which the French forces will be allowed to use under the Franco-Libyan treaty so as to maintain communications with French West and Equatorial Africa. The frontier in the Tarat-Ghat area will be rectified in favour of France to enable *Piste No. 4* to pass entirely through French-controlled territory. (*Le Monde*, Paris)

While Socialist and M.R P. spokesmen expressed support for the ratification of the treaty—though, in the words of M Briffod (Socialist), "without any particular enthusiasm"—ratification was strongly opposed by the Social Republicans and the Poujadists. For the Social Republicans, M Jacques Soustelle (the former Governor-General of Algeria), gave a warning that evacuation of the Fezzan would play into the hands of the Algerian rebels. Both he and M Pierre André expressed widely-felt resentment in the Assembly when he complained that although France was being asked to evacuate 450 men from a remote desert area in Southern Libya, Britain and the U.S.A were allowed to retain forces numbering 20,000 in Northern Libya, as well as airfields [see map] which would complete the direct link between Algeria and French West and Equatorial Africa. The Libyan Government had been asked to agree to a rectification of the frontier in that area which would leave the new road in Algerian territory

M. Maurice Faure (Secretary of State for Foreign Affairs), replying to the debate, emphasized that under the treaty no foreign troops would be allowed to replace the French garrisons in the three Fezzan oases, that France would still be allowed to use the important airfield linking Tunisia with the Chad territory in French Equatorial Africa; that the number of convoys and men that could use the route through Libya corresponded to what the French defence services had themselves proposed, and that France retained the right for a number of years to use three aerodromes. Moreover, Libya had agreed to renounce the rights inherited by her under the Laval-Mussolini agreement of 1935, and to recognize French rights in the Tibesti area [on the frontier with French Equatorial Africa], and negotiations were in progress on the delimitation of the frontier with Algeria, which was important both from the strategic and the economic points of view, especially because of the oilfields at Edjelé Ratification of the present treaty would, he thought, favourably influence these negotiations.

M. Faure also referred to the danger of a condemnation of France at the U N. if the treaty was not ratified, pointing out that France had no argument in her favour to justify the continued presence of her troops in the Fezzan. He stressed that Libya had shown herself friendly and had maintained a moderate position during the recent crisis in the Middle East.

M. Lejeune (State Secretary for the Armed Forces) stated that the Government had already taken a number of defence measures to make up for the loss of the Fezzan and to protect the Eastern Sahara. In particular, certain posts in S E. Algeria had been considerably reinforced; roads and aviation facilities greatly improved; and preparations made to build a new road between Tarat and Ghat

Article 4 of the Franco-Libyan treaty provides that both countries will take all necessary measures to maintain peace and security in the frontier areas, while Article 5 lays down that in the event of one of them being engaged in armed conflict or threatened by aggression, both countries would enter into consultations for the defence of their respective territories. Article 6 provides for the reinforcement of economic and cultural relations between the two countries.

Among the conventions annexed to the treaty, the most important referred to certain military questions Article 1 of this convention laid down that all French military forces would be evacuated from the Fezzan by Nov 30, 1956, at the latest. Under Article 2, the French forces would be replaced exclusively by Libyan forces. Article 3 stated that the Libyan Government would favourably consider French requests for transit facilities for military convoys coming from or going to the Chad territory. Under Article 4 the Libyan Government permitted France to use roads passing through Libya for the replacement, maintenance, and supply of the French posts at Fort Saint and Djanet. Article 5 laid down that the French Government would return to Libya the aerodromes at Seba, Ghat, and Ghadames, with all technical installations; that French technicians would, however, remain at these aerodromes; that Libya would grant transit and landing rights at the Seba aerodrome for five years, and at Ghat and Ghadames for two years; and that after the five-year period Libya would favourably consider any French request for the continuation of such rights at Seba

Another annexe to the treaty provided for rectifications of the Libyan-Algerian frontier in favour of France, while the other conventions referred to economic co-operation, good-neighbourly relations, and cultural questions.

The Council of the Republic approved ratification of the treaty on Nov. 29 by 196 votes to 92—the day before the time-limit for the evacuation of French forces from the Fezzan. (Le Monde, Paris) **(Prev. rep. 14570 B; 14376 C.)**

B. YUGOSLAVIA. — Three-Year Sentence of Imprisonment on M. Djilas.

M. Milovan Djilas, the former Vice-President of Yugoslavia, was sentenced to three years' imprisonment by a Belgrade court on Dec. 12 after being found guilty of conducting hostile propaganda and misrepresenting Yugoslav foreign and domestic policies in articles contributed to the foreign Press. Most of the two-day trial was held *in camera* at the request of the Public Prosecutor, on the ground that the case concerned Yugoslavia's foreign policy and her relations with foreign Powers.

The charges related to (*a*) a statement made by M Djilas to the *Agence France-Presse* on Oct 29, and (*b*) an article contributed to an American Socialist periodical—the *New Leader*, of New York—on Nov. 19. The Prosecutor alleged that in both cases M. Djilas had "discredited Yugoslavia at a time of serious international tension in Egypt and Hungary" by accusing the Yugoslav Government of "abandoning" Hungary and of betraying its own principles and national interests In his statement to the *Agence France-Presse* M. Djilas had criticized Yugoslavia's abstention at the U.N on the question of military intervention in Hungary, and had said that Yugoslavia was "threatened by the same imperialism which menaced the independence of Hungary," while in his *New Leader* article he had said that the events in Hungary marked "the beginning of the end of world Communism" Moreover, the Prosecutor alleged that M. Djilas had declared that power in Yugoslavia was in the hands of a bureaucratic class—an allegation described by the Prosecutor as "slander."

In calling for a "severe sentence" on M. Djilas, the Prosecutor read a statement, alleged to have been made by M Djilas during the preliminary investigation, in which he had said that his interview to the *Agence France-Presse* and his *New Leader* article were designed to influence world public opinion and, if possible, to cause the Government to change its attitude over Hungary. By his actions, the Prosecutor declared, M Djilas had "slandered the efforts made at developing democracy and Socialism in Yugoslavia," supplied "enemies of Socialist Yugoslavia with material to encourage them to exercise pressure on Yugoslavia from outside," and "damaged the basic interests of the Yugoslav people." In passing sentence, the court said that "the material sent abroad by Djilas for publication was mostly incorrect and helped certain foreign quarters to intensify their efforts to intervene in the internal affairs of Yugoslavia."

M. Djilas was defended by three Belgrade lawyers and, it was understood, received full facilities for his defence.

M. Djilas was sentenced to two years' hard labour on the above-mentioned charges. In addition he will also have to serve a third year in connexion with a sentence imposed on him in January, 1955, for criticizing the Government in an interview with a foreign newspaper, but suspended at the time.
(Tanjug Agency, Belgrade - Times - Manchester Guardian)
(Prev. rep. M. Djilas, 15258 A.)

A. UNITED KINGDOM. — National Health Service. - Guillebaud Committee Report on Cost of Service. - New System of Charges for Prescriptions.

The committee appointed in 1953 to inquire into the cost of the National Health Service published its report (Cmd. 9663) on Jan. 25, 1956. The report rejected any suggestion that there was widespread extravagance in the running of the N.H.S., and recommended a reduction in the charges for dental treatment and spectacles when financial conditions permitted, as well as an increase in capital expenditure on hospitals.

The committee consisted of Mr. C. W. Guillebaud, the Cambridge economist (chairman); Professor J. W. Cook, Principal of the University College of the South-West, Exeter (now the University of Exeter); Miss B. A. Godwin, a member of the T.U.C. General Council; Sir John Maude, Permanent Secretary to the Ministry of Health, 1940-45; and Sir Geoffrey Vickers, a former member of the National Coal Board. Its terms of reference were "to suggest means, whether by modifications in organization or otherwise, of ensuring the most effective control and efficient use of such Exchequer funds as may be made available, and to advise how, in view of the burdens on the Exchequer, a rising charge upon it can be avoided while providing for the maintenance of an adequate service."

The committee's findings and recommendations are summarized below:

The report pointed out that in practice there was no objective and attainable standard of "adequacy" in the health field. If the test were that the N.H.S. should be able to meet every demand justifiable on medical grounds, it was already inadequate, and considerable additional expenditure would be required to make it adequate. The Government must decide each year what amount of national resources might be allocated to the Service, having regard to the competing claims of other social services and national commitments, and once this had been done the aim must be "to provide the best service possible within the limits of the allocation."

"We have found no opportunity for making recommendations which would either produce new sources of income or reduce in a substantial degree the annual cost of the Service," the report stated. "In some instances, and particularly with regard to the level of hospital capital expenditure, we have found it necessary, in the interests of future efficiency, to make recommendations which will tend to increase the cost" While recognizing defects in the Service's organization and administration, the committee found that any charge of widespread extravagance, either in expenditure of money or use of manpower, was not borne out by the evidence

Charges. Reviewing the various charges imposed, the committee's conclusions were · (*a*) The 1s. prescription charge did not hinder the proper use of the Service by the great majority of the population, and its removal would not improve the Service to an extent commensurate with its cost. (*b*) The present charges for dentures should be retained so long as the number of dentists remained insufficient to meet the potential demands on their services. (*c*) The charge for dental treatment (£1 or the authorized fee, whichever was less) was impeding some people from using the Service, and a reduction of this charge should have the highest priority when additional resources became available. At present the committee did not recommend the abolition of the charge, but they strongly favoured the proposal that, if financial conditions permitted, it should be refunded to patients who had received comprehensive treatment, been made dentally fit, and sought treatment again within 12 months. This would overcome many objections to the existing charge, and also make an effective contribution to preventive health (*d*) The charge for spectacles constituted a barrier to some people who needed them, and it was therefore recommended that when resources became available a substantial reduction should have priority after an adjustment of the dental charge.

Organization. The committee were strongly of the opinion that it would be altogether premature at the present time to propose any fundamental change in the structure of the Service, as it was only beginning to grapple with the problems confronting it. What was most needed was a period of stability. The report rejected proposals for the appointment of statutory *ad hoc* authorities to administer hospital, practitioner, and local authority services; for transferring the hospitals to local health authorities, and for the appointment of a national board or corporation to administer the N H.S. "A service which costs the Exchequer more than £400,000,000 a year," the committee declared, "must be accountable, through a responsible Minister, to Parliament."

Hospitals. *Control.* The committee rejected the proposal that teaching hospitals should be transferred to regional hospital boards, on the ground that their separate status was a safeguard against the dangers of over-standardization and uniformity.

Finance. The main weakness of the present system of allocating funds to hospital authorities was the apparent lack of a consistent long-term objective. The committee were, however, opposed to block grants to hospitals for three- to five-year periods, as rises in wages, salaries, and prices of supplies, which could not be foreseen over such a period, could completely upset budgeting.

Capital Expenditure. The report emphasized that the present rate of capital expenditure, which averaged only one-third of the pre-war rate, was "totally inadequate" and "cannot be allowed to continue much longer without serious harm." In view of the advanced obsolescence of many hospitals and the large arrears of building work, £30,000,000 annually would be a desirable rate of capital expenditure in the seven years following 1957-58. At present boards had to seek Ministry approval of capital works costing more than £10,000, and the Ministry had to obtain Treasury approval of works costing more than £30,000; these limits, the committee recommended, should be raised to £50,000 and £100,000 respectively.

Hospital Charges. The committee felt that the case for a hospital boarding charge had not been made out, in view of the relatively low yield likely to be obtained, the cost of collecting the charge, and the strenuous opposition which would be aroused on humanitarian grounds. They accepted the provision of private accommodation in National Health Service hospitals for patients who needed it on medical grounds or were prepared to pay for it, and also the principle that the user of a pay bed, having contracted out of the free hospital service, should pay the full cost of the accommodation and services provided, while making his own arrangements for paying the consultant of his choice

Administration. The report recommended that there should be national provision for recruitment and training of administrative staff.

Family Doctors. The committee rejected a proposal that there should be a limited list of prescribable drugs. Every effort, however, should be made to stimulate doctors to review carefully their prescribing of expensive drugs and the quantities prescribed.

Duplication of names on doctors' lists was causing inflation at the rate of 300,000 to 350,000 cases annually, and in some areas the number of people on doctors' lists exceeded the estimated population. The existing central register was inadequate, and a central alphabetical index would appear desirable.

Dental Services. The report rejected the proposal that responsibility for the clinic dental services should be transferred from the local authorities to the health departments, but regarded it as essential that some balance should be kept in the levels of remuneration of the local authority services and the general dental service. In view of the increasingly acute shortage of dentists, the committee believed there was a *prima facie* case for the employment of dental ancillaries. Because of limitations imposed by finance, however, it would be impossible to contemplate an expansion of the service sufficient to meet all desirable needs, whether by training more dentists or by dental ancillaries.

Local Authority Services. *Old People's Homes.* The committee noted that the welfare authority had the responsibility of providing residential accommodation (including nursing care in certain circumstances) for aged persons who were unable to live in their own homes but were not in need of hospital treatment. There was a marked shortage of such accommodation, and further progress might be hindered by some local authorities' unwillingness to increase their rate burden. The committee therefore recommended that as soon as financial circumstances permitted, there should be a 50 per cent Exchequer grant towards capital and current expenditure on this type of accommodation.

Chiropody. When more resources became available, chiropody should be developed under the National Health Service.

Maternity and Child Welfare. The report expressed the view that maternity and child welfare services appeared to be "in a state of some confusion," and that the time had come for an appropriate body to review the whole of this field to find out precisely what services, medical and educational, were needed for mothers and young children, and how they could best be provided through the framework of the National Health Service

Cost of the Service. A detailed survey prepared for the committee by the National Institute of Economic and Social Research showed that the total public cost of the Service in England and Wales had increased from £339,600,000 in 1948-49 (including capital expenditure of £11,800,000) to £439,100,000 in 1953-54 (including capital expenditure of £8,800,000) When allowance was made for the falling value of money, this was equivalent to an increase in the net current cost (i e. excluding capital expenditure) from £327,800,000 in 1948-49 to £380,800,000 (at 1948-49 prices) in 1953-54, and the share of the gross national income required for the current cost had fallen from 3.51 per cent in 1948-49 to 3.24 per cent in 1953-54. Such figures, the report observed, disproved the widespread belief that there had been a vast increase in the cost of the Service, especially when it was taken into consideration that the population had increased by nearly two per cent between 1949 and 1953.

Forecasting future trends in Health Service costs, the report stated, was an impossible task. But if medical techniques, social conditions, and the character of the service were all to remain as at present, population changes between 1951 and 1971 might raise the cost of the Service by 8 per cent Of this increase, 4¼ per cent would be due to increased population and 3¼ per cent to changes in the balance of age groups within the population.

Minority Views. Reservations by two members of the committee were appended Miss Godwin recommended the abolition of all charges except that for dentures, and the integration of teaching hospitals into the general regional system, at least outside London. Sir John Maude advocated a single financial system covering the hospital and local authority services.

The Guillebaud report was debated on May 7 in the House of Commons, which adopted a motion taking note of it after hearing a statement by Mr. Turton, the Minister of Health.

Mr. Turton observed that the report had made it clear that economy and efficiency had increased since the Service began in 1948. Perhaps its greatest problem was the tripartite division of the administrative structure, as the problem of co-operation between the different branches, and even within them, was not yet fully solved. The Government agreed that there should not at the present time be (*a*) any transfer to other authorities of responsibility for hospital or general practitioner services, or any creation of new central or local authorities as recipients of particular functions; (*b*) any changes in regional hospital board areas, or any transfer to the boards of responsibility for teaching hospitals, or (*c*) any transfer of dental clinic services from local to dental health departments.

The committee had made a number of recommendations which, if adopted, would increase the charge falling on the Exchequer. It had long been felt, however, that expenditure was falling behind the need, and the Chancellor of the Exchequer had announced in February that the programme of hospital capital expenditure would not be affected by the cuts in capital expenditure. The Government was studying the question of what capital resources could be made available for further developments of the Hospital Service, as well as the committee's recommendations for modifications in the arrangements for charges, and for an Exchequer grant towards the cost of old people's homes.

Of an estimated total expenditure of £560,000,000 on the Health Service in England and Wales in 1956-57, about £320,000,000 was for the Hospital Service. A departmental costing system for hospitals of the acute or mainly acute types with an annual expenditure of £150,000 or more would be introduced from April 1, 1957.

One of the main causes of anxiety was the growing drug bill, the Minister continued. Expenditure on the pharmaceutical service had risen from £31,500,000 in 1949-50 to an estimated £52,750,000 in 1956-57, and the average cost of a prescription had risen during the same period from 3s 1d. to 4s 6d. The latter increase was due mainly to an increase in the proportion of proprietary prescriptions prescribed, which had risen from 16 per cent in 1949 to 36 per cent in 1956, and to the introduction of new drugs and preparations. A substantial saving would be possible if doctors did their best to see that, while no patient was deprived of necessary medicine, the medicines prescribed were no more expensive than was really required.

The quality of administration in the Service must depend on the quality of the hospital administrators, and schemes had been launched to ensure that the pool of administrative talent available was nation-wide and that every administrative officer had an opportunity to train and improve himself to the limit of his capacity.

As long as unlimited financial resources were not available, Mr. Turton concluded, the question of priorities would arise. There were in his opinion three main priorities: (1) the improvement of inadequate hospitals and the provision of new hospital accommodation, (2) the improvement of the mental and mental deficiency health services, and (3) the care of old people.

A new system of charging for National Health Service prescriptions—1s. for each item on a prescription, instead of 1s. for each prescription as hitherto—was announced by the Chancellor of the Exchequer on Oct. 25 (see 15216 A) as one of the Government's economy measures. Regulations for the increased charges for N.H.S. prescriptions were subsequently approved by the House of Commons, by 303 votes to 231, after Dr. Edith Summerskill (Lab.) had moved their rejection on the ground that they constituted "a discriminatory tax... imposed on the infirm and sick... in an arbitrary manner completely divorced from social and medical considerations."
(Cmd. 9663 - Times - Daily Telegraph) **(Prev. rep. 12941 A.)**

A. CHINA - PAKISTAN. — Mr. Suhrawardy's Visit to Peking. - Discussions with Mr. Chou En-lai.

The Prime Minister of Pakistan, Mr. Suhrawardy, visited Peking at the Chinese Government's invitation from Oct. 18-29, during which he had discussions with President Mao Tse-tung and the Chinese Prime Minister, Mr. Chou En-lai.

A joint statement issued by the two Prime Ministers on Oct. 23 said that the talks, held in an "atmosphere of cordiality," had covered "a wide range of subjects" and had "contributed greatly to the strengthening of the existing friendly relations between the two countries." The statement affirmed their determination to assist in the maintenance of peace and the relaxation of international tension, and expressed the conviction that, given goodwill and sincerity, there were no international disputes that could not be settled peacefully. They reaffirmed their faith in the resolutions adopted at the Bandung Conference, and their readiness to promote friendly co-operation among the Asian and African countries. As a result of the talks, they had "reached a further appreciation of their respective problems," and were "prepared to do their best to facilitate their settlement on a basis of peace and justice." With a view to strengthening friendship between their two countries, they recognized "the need for the development of commercial and cultural relations, as well as friendly contacts."

The statement also announced that Mr. Chou En-lai had accepted an invitation to visit Pakistan.
(Pakistan High Commissioner's Office, London)

B. POLAND - SOVIET UNION. — Agreement on Status of Soviet Forces in Poland.

In conformity with the principles agreed upon during the Soviet-Polish talks in Moscow in November, an agreement regulating the status of Soviet troops in Poland was signed in Warsaw on Dec. 17 by M. Rapacki (Foreign Minister) and General Spychalski (Defence Minister), on behalf of Poland, and by M. Shepilov (Foreign Minister) and Marshal Zhukov (Defence Minister) on behalf of the U.S.S.R. The Polish Prime Minister, M. Cyrankiewicz, and the First Secretary of the Polish United Workers' Party, M. Gomulka, were present at the signing ceremony.

The agreement specified (1) that the numbers and locations of Soviet troops in Poland would be defined by special agreements between the two countries, (2) that no troop movements outside these locations would be permitted without Polish authorization; (3) that Soviet troops in Poland, and their families, would have to respect Polish law and would be subject to the Polish courts; (4) that persons committing crimes against Soviet military personnel would bear the same responsibility as for crimes committed against the Polish forces; (5) the Soviet Government would pay for any material damage which might be caused by the actions or negligence of Soviet military personnel in Poland, (6) the Polish Government, in return, would compensate the U.S.S.R. for damage to Soviet property caused by Polish nationals; (7) any disputes would be examined by a Mixed Commission, (8) the two Governments would appoint representatives to deal with any current problems arising out of the presence of Soviet troops in Poland.

The agreement stressed that "the temporary stay of Soviet troops in Poland can in no way affect the sovereignty of the Polish State and cannot lead to any interference in the domestic affairs of Poland."

The pact will remain in force as long as Soviet troops stay in Poland, but can be amended by agreement between the two countries at any time.—(Soviet Weekly - Polish Embassy Press Office, London) **(Prev. rep. 15242 A.)**

C. UNITED KINGDOM. — Melton By-election.

Polling took place on Dec. 19 in the Melton division of Leicestershire, the by-election being caused by the resignation of Mr. Anthony Nutting (Conservative), formerly Minister of State for Foreign Affairs, owing to his disagreement with the Government's Suez policy (see 15198 A). The result was as follows:

Pike, Miss Mervyn (Conservative) .. .	19,133
Masters, E. J. (Labour)	16,771

No change. Conservative majority 2,362.

Figures at the general election were: H. A. Nutting (C.) 30,074, K. F. Urwin (Lab.) 19,294—Conservative majority, 10,780.

The Conservative candidate received 53.29 per cent of the votes in the by-election and the Labour candidate 46.71 per cent, compared with general election percentages of 60.92 and 39.08 respectively—a Conservative decline of 7.63 per cent.

56.52 per cent of the electorate voted in the by-election, compared with 80.94 per cent at the general election. The electorate numbered 63,516, an increase of 2,530 since the general election.

Miss Mervyn Pike (38) is managing director of a firm of pottery manufacturers. She will be the 25th woman member of the House of Commons.—(Times - Daily Telegraph)
(Prev. rep. By-elections, 15194 A.)

D. SOUTH KOREA. — Treaty of Friendship, Commerce and Navigation with the United States.

A treaty of friendship, commerce and navigation between the Republic of Korea and the U.S.A. was signed in Seoul on Nov. 28 by the U.S. Ambassador, Mr. Walter C. Dowling, and the acting Foreign Minister of South Korea, Mr. Cho Chung Hwan. The treaty is based on the principle of "most-favoured-nation" treatment, with the following reservations: (*a*) each party reserved the right to place a limit on business activities in transport, communications, public utilities, banking (involving depository or fiduciary functions), or the exploitation of land or natural resources within its territories; (*b*) exchange restrictions could be imposed if either party to the treaty had difficulties in its balance of payments; (*c*) either party could impose restrictions on the entry of foreign capital.
(New York Times)

E. INDIA. — Akali Dal Constitution amended.

A general meeting of the *Akali Dal*, held at Amritsar on Nov. 24 under the chairmanship of Master Tara Singh (president of the *Dal*), decided that the *Dal* would in future "concentrate on and confine itself to the religious, educational, cultural, social, and economic betterment of the Sikhs." The meeting also decided to delete from the *Dal's* constitution a clause providing that no member of the *Dal* could join other political organizations without permission from the *Dal's* working committee.—(The Hindu, Madras) **(Prev. rep. 15132 B.)**

A. INDIA. — The Naga Rebellion.

Serious disorders, beginning in the spring of 1955, culminating in the summer of 1956, and continuing intermittently during the last months of the year, occurred among the Naga tribes in remote areas of Assam, leading to the despatch of Indian Army units to the area to restore order. The disturbances first broke out in the Tuengsang division (on the frontier of India and Burma), which is administered by the North-East Frontier Agency (N.E.F.A.), and subsequently spread to the Naga Hills district of Assam from January 1956 onwards. The affected area, most of which is mountainous and thickly forested, covers over 4,000 square miles and has a population of about 215,000. The disturbances were organized by a section of the Naga National Council—a body which, under the leadership of Mr. Zapu Phizo, has for some years been demanding the establishment of an independent Naga State.

The Nagas of India number about 400,000, divided into over 20 tribes differing widely in language and customs. The 150,000 Nagas of the Tuengsang division are the most primitive, and have not entirely abandoned the practice of head-hunting. Those of the Naga Hills district are more advanced, having been strongly influenced by Christian missionaries, and are the strongest supporters of the demand for independence. There is also a Naga minority in northern Manipur, and about 100,000 in the adjoining areas of Burma; neither of these latter groups gave active support to the separatist movement.

During the period of British rule, proposals for forming the hill tribes of the Indo-Burmese frontier into a separate British colony (the "Copeland plan") were put forward in 1946, in which year the Naga National Council was founded with official encouragement After the achievement of Indian independence the Council agreed to accept Indian suzerainty for a trial period of 10 years, but when the Indian Constitution (which provides for autonomous districts in the tribal areas of Assam) was adopted in 1949 the Naga leaders denounced it as a breach of faith. The Council thereupon adopted a policy of non-co-operation with the Government; no candidates for the three seats allotted to the Naga Hills in the Assam Legislative Assembly were put forward at the 1952 general elections, and it proved impossible to establish a district council in the Naga Hills, such as were formed in the five other autonomous districts The separatists' attitude was attributed to fears that the extension of Government control and improvement of communications might result in interference with their tribal way of life, and to the traditional hostility between the hill tribes and the Assamese. The Council's policy, however, was not universally supported among the Nagas, a large proportion of whom co-operated with Government projects for community development.

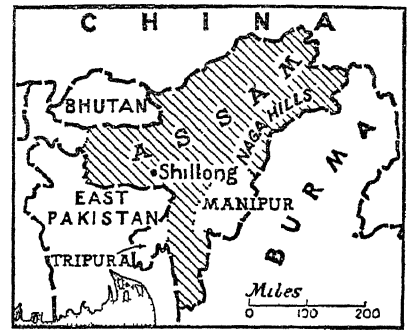
After visiting the North-East Frontier Areas in 1952, Mr Nehru had drawn up a report for the guidance of N E F.A. officials on relations with the tribal peoples, including the Nagas [The N.E F A is a direct responsibility of the Ministry of External Affairs, the strategic areas under its control being administered by the Governor of Assam on behalf of the President of India] In his report, which was placed before the House of the People on Sept. 30, 1955, Mr Nehru pointed out that the tribes differed greatly from each other, some being "rather primitive" and others "remarkably developed and advanced" He also emphasized that under British rule the tribal areas had been "almost completely cut off from the rest of India," and in consequence had "never experienced a sensation of being in a country called India." In these remote areas "New Delhi, with all its paraphernalia of government, seemed to be very far away"; on the other hand, in New Delhi itself there was "no intimate appreciation" of the existence, difficulties, and problems of the Naga tribal areas.

Criticizing the "legalistic and bureaucratic approach" of certain officials, which had led to "a certain lack of confidence among the tribal folk," Mr Nehru suggested that "the situation in the Naga Hills would have been much better if it had been handled a little more competently by local officers, and if some officers who were notoriously unpopular had not been kept there." While describing the demand for an independent Naga State as "absurd," Mr Nehru said that if the right type of officers were appointed the Nagas would respond fairly easily to a friendly approach; he added, however, that they were "proud and sensitive, and do not like being treated as subject people or being looked down upon in any way"

The disorders in the Tuengsang division began in March 1955 under the leadership of a certain "Hongking" (who was suspected to be Mr. Phizo himself), taking the form of attacks on members of the Assam Rifles—a semi-military border police force—and on loyal village headmen. Troops were sent to the district in April, and on July 20, 1955, following an increase in terrorist activities by armed gangs, it was officially declared a "disturbed area." After military operations extending over many months, in which nearly 300 people were killed, Mr. Nehru stated in March 1956 that conditions in the affected areas had returned to normal.

Mr. Phizo, who disclaimed all connexion with the disturbances, had met the Chief Minister of Assam (Mr. Medhi) at Shillong on Aug. 13, 1955, and, together with other Naga leaders, had signed a declaration condemning terrorism and promising that the Naga National Council would use peaceful methods only. In January 1956, however, shortly before the date fixed for a general meeting of the Council, Mr. Sakhrie, leader of the faction opposed to Mr. Phizo's methods and separatist aims, was kidnapped and murdered, and terrorist activities broke out in the Naga Hills district The Assam Government declared the district a "disturbed area" on Jan. 31, and subsequently issued a warrant for Mr. Phizo's arrest on charges of murder, rioting, abduction, and complicity in the murder of Mr. Sakhrie. New military operations were begun on Jan. 31 by the Assam Rifles and Indian police, and in March 1956 Army units were sent to the area at the Assam Government's request.

The rebels' activities took the form of the kidnapping or murder of headmen and teachers, the burning of schools and loyal villages, and attempts to disrupt communications by damaging roads, bridges, and telegraph lines Opposition to these methods led to a split among the Naga leaders, the dissolution of the Naga National Council by Mr. Phizo in May 1956, and the formation of a "Federated Naga Government" with its own "Parliament," under the nominal leadership of "Hongking" Mr Vilhoume, leader of the Naga "Home Guard Army," surrendered on May 27, and subsequently issued a statement, together with 14 other prominent Naga leaders, appealing for the reorganization of the Council on its original basis of non-violence



The Indo-Burmese border, showing areas affected by the Naga rebellion (*Economist*)

Mr Medhi told the Assam State Assembly on March 12 that Mr Phizo had issued leaflets promising his followers that he would obtain arms and ammunition "from outside," capture Shillong, and establish a Naga State completely independent of India In the Indian House of the People, Mr. Nehru said on April 3 that the rebels numbered about 1,500 and were estimated to possess some 500 serviceable guns and six light machine-guns, these had been taken from dumps left behind in the area after the war, and there was no reason to believe that arms had been obtained from any foreign source The local armed forces, he announced, would be placed under Army command, but the civilian authorities would remain responsible for the administration.

During April and May, 1956, Army and police forces under the command of Major-General Kochner carried out a number of successful operations, destroying three of the rebels' strongholds before operations were slowed down by the onset of the monsoon Mr. Nehru stated on May 30 that the general strategy for the present would be to post the armed forces in centres where they would be easily available to assist the population against intimidation, to organize loyal villagers for self-defence, and to enlist the active co-operation of the Nagas During June, however, the rebels intensified their activities around Kohima, General Kochner's headquarters, a civilian motor convoy was attacked near the town on June 11, and Kohima itself was raided during the night of June 13, six people being killed

The rebels, who were believed to be suffering from a shortage of supplies, made no offensive move between August and October, 1956, and on Aug 13 fighting broke out near Kohima between rebel factions who favoured and those who opposed the continuation of violence The number of persons surrendering to the authorities showed a marked increase during this period, and in the last week of September, for the first time, two villages submitted collectively, handing over the rebels in their midst together with their weapons. Other villages had consistently remained loyal despite intense rebel pressure, notably Khonoma (Mr Phizo's birthplace), the inhabitants of which held out successfully for several weeks although their water supply had been cut off by the rebels Nevertheless, several serious incidents were reported in November and December.

The Indian Home Minister, Pandit G. B. Pant, visited Assam from June 29 - July 1, 1956 for discussions on the situation with Mr. Medhi and high-ranking civil and military officials. New measures announced during July included the enrolment of a special constabulary, drawn from Naga volunteers; the creation of a new armed police force, the Naga Hills Battalion, to be permanently stationed in the area; the appointment of Mr. Kapoor (Educational Secretary in Assam) as Civil Commissioner to maintain liaison between the Army and the civil authorities; and the publication of a newspaper in several Naga dialects.

Pandit Pant stated in the House of the People on July 31 that 371 rebels had been killed, whilst the Army and police had lost 68 killed and 234 wounded. Strict instructions had been issued to ensure that the innocent should not suffer; villages which had been destroyed by the rebels or as a result of military operations were being rebuilt

with Government assistance. medical aid, food, clothing, and rehabilitation grants were being issued where needed; and relief camps had been opened. He emphasized, however, that there could be no political negotiations, either on the basis of Naga independence or before the Nagas abandoned violent methods Nevertheless, the Government's offer of an amnesty for those who surrendered their weapons remained in force, and any legitimate proposals would receive favourable consideration, as it was the Government's policy to encourage distinctive cultures and not to interfere with traditional ways of life

During a debate on Aug 23, **Mr. Reishang Keishang** (Socialist), the only Naga member of the *Lok Sabha*, appealed for a general amnesty, for talks with Naga leaders on the creation of an autonomous administration for the Naga areas, and for the despatch of a parliamentary delegation to the Naga districts The Naga National Council, he said, had repeatedly attempted to meet Mr. Nehru, but the Prime Minister had always insisted on conditions before a meeting Mr. Keishang also alleged that the Army had indulged in an "orgy" of rape, pillage, and murder, that 2,000 people whose villages had been burned down were starving in the jungle, and that over 500 were in prison.

In reply **Mr. Nehru** stated that most of the villages destroyed had been burned down by the rebels or had accidentally caught fire during military operations, and that the only villages burned by the Army had been those occupied by rebels The Army, he declared, had shown "remarkable patience in the face of considerable provocation," and all incidents had been investigated and the guilty punished He himself had met Mr. Phizo and other Naga leaders half-a-dozen times in the past, and each time Mr Phizo had subsequently represented the meeting as a concession to his claim for independence In consequence, he (Mr Nehru) had insisted that violence and the demand for independence must be abandoned before there could be any further meetings. An amnesty had already been proclaimed, the only persons excluded from it being those who had committed murder Mr. Nehru described the suggestion of a parliamentary delegation to the Naga areas as impracticable, since "a battalion would have to be sent to protect it."

Six Naga leaders who had repudiated Mr. Phizo's violent methods, and the demand for independence, met Mr. Nehru in Delhi on Sept. 15 and put forward proposals for the unification of all Naga areas in the Tuengsang division, Assam, and Manipur under a single administration. They claimed that nearly half the Naga people shared their views, and that, given the necessary facilities, it would be possible to win over the majority of the remaining half, with the exception of about 500 who formed the "core" of the rebel movement Mr. Nehru gave an assurance that as soon as peace was restored the Government would be willing to consider any change in the present set-up in full consultation with the Naga people, subject to the unity, integrity, and security of the Indian Union

Complaints against Mr. Phizo, for whose capture a reward of Rs. 5,000 had been offered, and 37 other rebels, four of whom were under arrest, were filed in a magistrate's court at Kohima on Oct. 1, 1956 A number of the offences charged against them were liable to the death penalty.—(The Statesman, Calcutta - The Hindu, Madras - Indian High Commissioner's Office, London - Times - Daily Telegraph - Manchester Guardian)

A. UNITED KINGDOM. — "Chambers's Journal" ceases Publication.

Chambers's Journal, the monthly magazine founded in 1832 and published in Edinburgh, appeared for the last time on Dec. 7, the decision to discontinue publication having been taken because of increased costs of production.

For 124 years *Chambers's Journal* had been distinguished by the high quality of its stories, verse, and essays, its many famous contributors having included George Meredith, Thomas Hardy, Maria Edgeworth, Miss Mitford, Harriet Martineau, Mrs Gaskell, Sir Walter Besant, Andrew Lang, W H Hudson, Stanley Weyman, and W W Jacobs. Its circulation, about 80,000 at the turn of the century, had dropped to 10,000

Chambers's Journal was the second oldest surviving magazine in Britain, the oldest being *Blackwood's Magazine* (founded in 1817), which, like *Chambers's*, made its first appearance in Edinburgh.—(Times - Daily Telegraph) **(Prev. rep. 10463 B.)**

B. GREECE. — Nationalization of Installations of Cable and Wireless Ltd.

It was announced in Athens on Dec. 17 that the installations in Greece of Cable and Wireless Ltd., the British-owned company which has operated Greek external telegraphic communications since 1866, would be taken over by the Greek Government on Jan. 1, 1957, in accordance with an agreement in 1952 which provided for the ending of the company's privileges by that date. Submarine cables to Malta and Alexandria would, however, remain the property of the company.—(Times)

C. FRANCE - EGYPT. — The "Athos" Incident. - French Allegations of Egyptian Aid to Algerian Insurgents. - Recall of French Ambassador in Cairo. - French Complaint to Seecurity Council.

A 400-ton motor yacht, the *Athos*, was intercepted by the French Navy off the Algerian coast on Oct. 16 while on its way to the Moroccan port of Nador, and was found to have on board 70 tons of arms intended for the Algerian insurgents. The French Foreign Ministry announced on Oct. 19 that, according to the evidence of the crew, the arms had been loaded in Alexandria during the night of Oct 4-5 by Egyptian soldiers in uniform, under the supervision of Egyptian Army officers. In addition to the crew, six young Algerians were discovered on board, who were reported to have admitted that they had received military training in Cairo and were on their way to take up commands in the Oran area with the rebel forces, for whom the arms were intended. This was the first occasion on which the French Navy had intercepted a large-scale attempt at gun-running in Algerian waters, only a few guns concealed in fishing-boats having been discovered previously

The *Athos*, a British-built vessel, had been used during the war as a minesweeper in the Royal Canadian Navy. Her nominal owner, a Sudanese, told the French authorities that the Egyptian Government had bought the yacht from him in 1954, and that he had previously taken part in an unsuccessful gun-running expedition in another yacht, the *Dina*, which was wrecked off the Algerian coast in February 1955. The cargo of the *Athos* included over 2,250 rifles, mostly of Canadian origin, 242 Italian machine-pistols, 74 Bren guns of British make, 40 machine-guns, mostly of German origin, 75 mortars, over 500,000 rounds of rifle ammunition, 1,860 grenades, over 2,000 rounds of mortar ammunition, anti-tank shells, mines, and other military equipment The material, worth 600,000,000 French francs (£600,000) at ordinary prices, and 2,000,000,000 francs at prices ruling in the international arms contraband market, would have been sufficient to equip over 3,000 men.

The French Government demanded an explanation from the Egyptian Embassy in Paris, which denied all knowledge of the matter. A communiqué issued by the Embassy on Oct. 20 pointed out that the mortars and almost all the rifles found on the *Athos* were Canadian, and that Egypt, unlike Israel, had never received any arms from Canada. The French Prime Minister, M. Mollet, announced in the National Assembly on Oct. 23 that as no satisfactory explanation had been received from the Egyptian Government, the French Ambassador in Cairo would be recalled He added that the French Navy had been ordered to patrol the Mediterranean systematically in order to intercept any further attempts at gun-running.

A formal complaint against Egypt was lodged with the Security Council on Oct. 25 by M. Cornut-Gentille, the French representative, who gave details of the seizure of the *Athos* in a letter addressed to the U.N. Secretary-General, Dr. Hammarskjold. "The facts," his letter concluded, "provide irrefutable evidence of the Egyptian State's direct responsibility in the rebellion in Algeria The Egyptian Government's intervention constitutes an attack on French sovereignty in flagrant violation of the fundamental rules of international law, which stipulates non-interference in the internal affairs of other States."—(Le Monde, Paris - Le Figaro, Paris)

D. UNITED STATES. — Suspension of Cultural Exchanges with Soviet Union.

The U.S State Department announced on Dec. 3 that, with the personal approval of President Eisenhower, the U.S. Government had suspended its programme of cultural exchanges with the U.S.S.R. in protest against the Soviet suppression of the Hungarian uprising. Under this programme (which had been started in the summer under a Presidential directive of June 29), over 100 Soviet nationals had been permitted to visit the U.S.A. in 1956, while 2,500 U.S. tourists had been granted visas to visit the Soviet Union. A State Department spokesman added that the cultural exchange programmes arranged with other East European countries (chiefly Poland) would continue to be carried out.—(New York Times) **(Prev. rep. Geneva "Summit" Conference, 14325 A, page 14330.)**

E. FRANCE. — Abolition of Homework.

A decree abolishing homework for school-children between the ages of six and 11 was issued by the French Government on Nov. 29, with effect from Jan. 1, 1957. Teachers were required to set aside one hour a day so that children could do the same work in class, and to furnish weekly progress reports to parents. (Le Monde, Paris)

A. SPORT. — Review of Sporting Events in 1956.

A review of the principal sporting events during 1956 is given below, covering cricket, association and rugby football, lawn tennis, rowing, athletics, and horse-racing.

Cricket.

County Championship. Surrey became county champions for the fifth successive year, the final Championship table being .

	P.	W.	L.	D.	First innings lead in match No. dec.	L.	D.	Pts.
Points awarded	—	12	—	—	—	4	4	—
Surrey	28	15	5	6	2	1	4	200
Lancashire	28	12	2	12	2	0	9	180
Gloucestershire	28	14	7	5	2	1	1	176
Northamptonshire	28	8	5	15	0	2	11	148
Middlesex	28	11	9	7	1	1	2	144
Hampshire	28	9	6	10	3	1	7	140
Yorkshire	28	8	7	10	3	4	6	136
Nottinghamshire	28	7	4	15	2	1	9	128
Sussex	28	7	10	9	2	2	5	112
Worcestershire	28	8	4	14	2	0	4	112
Essex	28	6	10	9	3	5	4	110
Derbyshire	28	7	6	11	4	0	4	102
Glamorganshire	28	6	9	9	4	2	5	100
Warwickshire	28	5	11	9	3	3	2	80
Somerset	28	4	15	8	1	3	4	76
Kent	28	4	12	10	2	1	2	60
Leicestershire	28	3	12	9	4	1	4	56

Surrey's feat in winning the County Championship five years in succession was unequalled since the inception of the Championship. Although Nottinghamshire shared the title with Lancashire in 1882 and won it outright in the four following years, no county had previously been champions for five years in succession. Surrey also achieved the distinction of being the first county since 1912 to defeat a touring side from Australia (see below).

England v. Australia Test Matches. The Australian touring team visited Britain during the summer and played five Test matches, of which England won two, Australia one, and two were drawn—England thus retaining the "ashes."

First Test. Match drawn. Scores · England 217 for 8 dec. (P. E. Richardson 81, P. B. H. May 73) and 188 for 3 dec.; Australia 148 (R. N. Harvey 64, J. C. Laker 4-58) and 120 for 3 (J. W. Burke 58 not out). Played at Trent Bridge, Nottingham.

Second Test. Australia won by 185 runs. Scores: Australia 285 (C. C. McDonald 78, J. Burke 65) and 257 (R. Benaud 97, F. S. Trueman 5-90, T. E. Bailey 4-64); England 171 (P. B. H. May 63, K. R. Miller 5-72) and 186 (P. B. H. May 53, K. R. Miller 5-80, R. G. Archer 4-71). Played at Lord's.

Third Test. England won by an innings and 42 runs Scores · England 325 (P. B. H. May 101, C. Washbrook 98); Australia 143 (J. C. Laker 5-58, G. A. Lock 4-41) and 140 (R. N. Harvey 69, J. C. Laker 6-55). Played at Headingley, Leeds.

Fourth Test. England won by an innings and 170 runs Scores . England 459 (Rev. David Sheppard 113, P. E. Richardson 104, M. C. Cowdrey 80); Australia 84 (J. C. Laker 9-37) and 205 (C. C. McDonald 89, J. C. Laker 10-53). Played at Old Trafford, Manchester.

J. C. Laker, of Surrey, performed the unprecedented feat for a Test match of taking 19 Australian wickets for 90 runs, including all ten wickets in Australia's second innings. [In the match in which Surrey beat the Australians, referred to above, J C. Laker took all 10 Australian wickets in one innings for 88 runs.]

Fifth Test. Match drawn. Scores . England 247 (D Compton 94, P B. H. May 83 not out, R. G. Archer, 5-53) and 182 for 3 dec. (Rev. David Sheppard 62); Australia 202 (K. R. Miller 61, J C. Laker 4-80) and 27 for 5 wickets (J. C. Laker 3-8). Played at The Oval.

The Australian touring team consisted of I. W. Johnson (Victoria), capt., K. R. Miller (New South Wales), vice-capt, R. G. Archer (Queensland), R. Benaud (N.S.W.), P. Burge (Queensland), J. Burke (N.S.W.), I. D. Craig (N.S.W.), P. Crawford (N.S.W.), A. K. Davidson (N.S.W.), R. N. Harvey (Victoria), G. Langley (South Australia), R. R. Lindwall (Queensland), K. Mackay (Queensland), L. Maddocks (Victoria), C. C. McDonald (Victoria), J. Rutherford (Western Australia), and J. Wilson (South Australia).

University Match. The 112th University cricket match was drawn. Scores: Cambridge 303 for 7 dec. (R. O'Brien 146) and 134 for 5 dec; Oxford 247 for 9 dec. (M. J. K. Smith 117, G. Goonesena 5-77) and 58 for 5 wickets.

M. J. K. Smith, the Oxford captain set up two new records in this match: (i) by becoming the first player to score a century in three consecutive University matches, and (ii) by scoring 477 runs in University matches, thereby exceeding the previous highest aggregate of 457 runs set up by the Nawab of Pataudi.

Retirement of Sir Leonard Hutton. Mr. Leonard Hutton (39), the Yorkshire and England captain, announced his retirement from first-class cricket on Jan. 17, 1956, on the advice of an orthopaedic specialist. In the course of his career he captained England in 23 Test matches against Australia, South Africa, New Zealand, India, Pakistan, and the West Indies; scored 39,950 runs for an average of 55.56; and hit 129 centuries. His biggest innings was his 364 against Australia in the fifth Test at The Oval in 1938. He was succeeded in the England captaincy by Mr. Peter May, of Surrey, who led England in the five Test matches against Australia in 1956. A knighthood was conferred on Mr Hutton in the last Birthday Honours List (see 14905 A)

Association Football.

Football League. League champions—Manchester United, runners-up—Blackpool; promoted to Division I—Sheffield Wednesday and Leeds United, promoted to Div. II—Grimsby Town and Leyton Orient (from Divisions III North and South respectively); relegated to Division II—Huddersfield Town and Sheffield United; relegated to Division III—Hull City and Plymouth Argyle.

Scottish League. League Champions—Glasgow Rangers; runners-up—Aberdeen, promoted to Division A—Queen's Park and Ayr United; relegated to Division B—Clyde and Stirling Albion.

International Championship. The international championship was shared for the first time by all four home countries, the final table being as follows .

	P.	W.	D.	L	Goals F.	A	Pts.
England	3	1	1	1	5	3	3
Scotland	3	1	1	1	4	3	3
Wales	3	1	1	1	3	4	3
Ireland	3	1	1	1	3	5	3

Results of championship matches were as given below:
Ireland 2, Scotland 1 (Belfast).
Wales 2, England 1 (Cardiff).
England 3, Ireland 0 (Wembley).
Scotland 2, Wales 0 (Hampden Park, Glasgow).
Wales 1, Ireland 1 (Cardiff).
Scotland 1, England 1 (Hampden Park, Glasgow).

International Matches against Foreign Countries. International matches were played by England against Brazil, Denmark, Finland, Germany, Spain, and Sweden, and by Scotland and Wales against Austria, with the following results:

England 4, Brazil 2 (Wembley).
England 5, Denmark 1 (Copenhagen).
England 5, Finland 1 (Helsinki).
England 3, Germany 1 (Berlin).
England 4, Spain 1 (Wembley).
England 0, Sweden 0 (Stockholm).
Scotland 1, Austria 1 (Hampden Park, Glasgow).
Wales 1, Austria 2 (Wrexham).

F.A. Cup. Won by Manchester City, who beat Birmingham City 3-1 at Wembley on May 5, 1956.

Scottish Cup. Won by Heart of Midlothian, who beat Glasgow Celtic 3-1 at Hampden Park on April 21, 1956.

F.A. Amateur Cup. Won by Bishop Auckland, who beat Corinthian-Casuals 4-1 at Middlesbrough (April 14, 1956) after a 1-1 draw at Wembley. Bishop Auckland won the Amateur Cup for the second year in succession and for the ninth time in the club's history.

Rugby Union Football.

International Championship. Won by Wales, the final table being as follows:

	P.	W.	L.	D.	Points F.	A.	Pts.
Wales	4	3	1	0	25	20	6
England	4	2	2	0	43	28	4
France	4	2	2	0	31	34	4
Ireland	4	2	2	0	33	47	4
Scotland	4	1	3	0	31	34	2

Results of the championship matches were as given below ·
Scotland 12 points, France nil (Edinburgh)
England 3 points, Wales 8 points (Twickenham)
France 14 points, Ireland 8 points (Paris).
Wales 9 points, Scotland 3 points (Cardiff).
England 20 points, Ireland nil (Twickenham).
Ireland 14 points, Scotland 10 points (Dublin).
Ireland 11 points, Wales 3 points (Dublin)
Scotland 6 points, England 11 points (Edinburgh).
Wales 5 points, France 3 points (Cardiff).
France 14 points, England 9 points (Paris).

County Championship. Won by Middlesex, who beat Devon by 13 points to 9 points at Twickenham on March 10, 1956.

University Match. Won by Oxford, who beat Cambridge by 9 points to 5 points at Twickenham on Dec. 6, 1955.

Lawn Tennis.

Wimbledon Championships. The Wimbledon Championships for 1956 ended as follows

Men's Singles—L. A. Hoad (Australia) beat K. R. Rosewall (Australia) 6-2, 4-6, 7-5, 6-4.

Women's Singles—Miss Shirley Fry (U.S A.) beat Miss Angela Buxton (Great Britain) 6-3, 6-1.

Men's Doubles—L A. Hoad and K. R. Rosewall (Australia) beat N Pietrangeli and O. Sirola (Italy) 7-5, 6-2, 6-1.

Women's Doubles—Miss Angela Buxton (Great Britain) and Miss Althea Gibson (U S.A.) beat Miss F. Muller and Miss D. G. Seeney (Australia) 6-1, 8-6.

Mixed Doubles—V. Seixas and Miss Shirley Fry (U.S.A.) beat G. Mulloy and Miss Althea Gibson (U.S A.) 2-6, 6-2, 7-5.

Rowing.

Henley Royal Regatta. The winners of the various trophies in the 1956 Royal Regatta were as follows :

Grand Challenge Cup—French Army beat Three Towns (Sweden) by one length in 7 min. 6 seconds.

Ladies' Plate—Peterhouse (Cambridge) beat Magdalene College (Cambridge) by a quarter of a length in 7 min. 41 seconds.

Princess Elizabeth Cup—Eton College beat St Paul's School by two-thirds of a length in 7 min. 25 seconds

Thames Cup—Princeton University (U S.A) beat the Royal Air Force by one length in 7 min. 10 seconds.

Stewards' Cup—Thames R C. beat London R C. by 3½ lengths in 8 min. 6 seconds

Visitors' Cup—Merton College (Oxford) beat Magdalene College (Cambridge) by two lengths in 7 min. 47 seconds.

Wyfold Cup—Royal Engineers beat Brockville R C. (Canada) by four feet in 7 min 56 seconds.

Silver Goblets—R. J. Thompson and G. M. Wolfson (Pembroke College, Cambridge) beat A. M Clay and W. H. Findlay (Marlow R.C.) by three lengths in 8 min. 45 seconds.

Double Sculls—S. C. Rand and W. H Rand (Royal Air Force) beat J. Marsden and D. V. Melvin (London R.C.) by 1½ lengths in 7 min. 47 seconds.

Diamond Sculls—T. Kocerka (Poland) beat T. A. Fox (London R.C.) by four lengths in 8 min 37 seconds

University Boat Race. The 102nd University Boat Race (March 24, 1956) was won by Cambridge, who beat Oxford by a length and a quarter in 18 minutes 36 seconds—the fourth fastest time in the history of the race

Athletics.

The Four-Minute Mile. Derek Ibbotson (Britain), competing at the White City on Aug. 6, 1956, in an athletics match against Czechoslovakia, equalled Dr Roger Bannister's record of 1954 by running the mile in 3 minutes 59 4 seconds Nine athletes have now run the mile in under four minutes :

J M. Landy (Australia) .	3 min. 58 sec.
W. Baillie (Australia) .	3 min. 58.6 sec.
Dr. Roger Bannister (Britain)	3 min. 58.8 sec.
L. Tabori (Hungary)	3 min. 59 sec.
R. Delaney (Eire) .	3 min. 59 sec.
G. Nielson (Denmark)	3 min. 59.1 sec.
G. D Ibbotson (Britain) .	3 min. 59 4 sec.
C. H. Chataway (Britain) . .	3 min. 59.8 sec.
B. S. Hewson (Britain) .	3 min. 59.8 sec.

Horse Racing.

The results of the five "classic" races and the Grand National were as follows :

The Derby. M Pierre Wertheimer's *Lavandin* (W. R. Johnstone) beat *Montaval* by a neck, with *Irish Ronstar* third. Run at Epsom on June 6, 1956

The Oaks. Madame L. Volterra's *Sicarelle* (F Palmer) beat *Januari* by three lengths, with *Yasmin* third. Run at Epsom on June 8, 1956.

St. Leger. Mr. R B. Strassburger's *Cambremer* (F. Palmer) beat *Hornbeam* by three-quarters of a length, with *French Beige* third. Run at Doncaster on Sept. 12, 1956.

2,000 Guineas. Mr. Anthony Samuel's *Gilles de Retz* (F. Barlow) beat *Chantelsey* by a length, with *Buisson Ardent* third. Run at Newmarket on May 2, 1956.

1,000 Guineas. Sir Victor Sassoon's *Honeylight* (E. Britt) beat *Midget II* by two lengths, with *Arietta* third. Run at Newmarket on May 4, 1956.

Grand National. Mrs. L Carver's *E S.B* (D. Dick) beat *Gentle Moya* by ten lengths, with *Royal Tan* third. Run at Aintree on March 24, 1956.

(Times - Daily Telegraph - Manchester Guardian) **(14610 A.)**

A. PAKISTAN. — Visit of Afghan Prime Minister.

The Afghan Prime Minister, Prince Mohammad Sardar Daud Khan, visited Karachi from Nov. 24 - Dec. 1 as the guest of the Pakistani Government, thereby returning the visit to Kabul by President Mirza in August last. During his stay Prince Daud Khan had important discussions with President Mirza and Mr. Suhrawardy, the Pakistani Prime Minister.

A joint communiqué issued on Dec 1 stated that the conversations had taken place "in an atmosphere of warmth and cordiality" and had "proved the value of personal contacts" The statement went on "These conversations have substantially contributed to a better appreciation of the respective views held in regard to the question of 'Pushtoonistan,' which has been a subject of discussion between the Afghan Prime Minister and the leaders of Pakistan. It is the intention of the two Governments to continue their efforts to remove all differences between the two countries through friendly discussions." It was also stated that Mr. Suhrawardy had accepted an invitation from Prince Daud Khan to visit Afghanistan.

A Foreign Office spokesman in Karachi said that the reference to "Pushtoonistan" merely took note of the fact that the Afghan Government regarded this "concept," which was "purely their own," as "the only political difference between Afghanistan and Pakistan." It had, however, been made clear to the Afghan Prime Minister that this concept was entirely unacceptable to Pakistan, since no such problem in fact existed.—(Pakistan High Commissioner's Office, London) **(Prev. rep. 15071 C.)**

B. RHODESIA AND NYASALAND FEDERATION. — Denationalization and Development of Rhodesian Iron and Steel Industry.

The Southern Rhodesian Government announced on Oct. 17 that it had reached agreement in principle with leading British steel manufacturers, the Messina (Transvaal) Development Company, and other British and Rhodesian financial interests to denationalize the Rhodesian iron and steel industry, which had been nationalized in 1942 (see 5632 C) when the Rhodesian Iron and Steel Commission (RISCOM) was set up.

The statement said that the Government, after a "most detailed investigation" which had included three independent technical reports, was satisfied that the denationalization of the Southern Rhodesian iron and steel industry, accompanied by an expansion programme in keeping with the country's development, was "in the best interests of the Federation," as it would not only give the greatest impetus to industrial expansion but would also enable the Federation to produce steel at a price comparing favourably with other world steel producers.

The technical reports had indicated that not only could this be achieved once a balanced unit had been created, but that when this stage of development had been reached profits could be made that would give a fair cash return to shareholders and at the same time would be sufficient to make an extensive contribution to the financing of further development as the Federation expanded. This policy, which conformed to that of all large steel concerns in the world, including those in South Africa, would be adopted by the new organization with the full support of the Southern Rhodesian Government The "vast improvement in production and management at RISCOM" had been "a major factor in bringing the present negotiations to a successful conclusion."

The main points covered in the agreement were as follows :

(*a*) Subject to the approval of the interested parties, a new public limited liability company, the Rhodesian Iron and Steel Corporation, would be formed as from Jan. 1, 1957, to control and develop the Rhodesian iron and steel industry. The participating interests would probably include the Lancashire Steel Corporation Ltd., Stewarts and Lloyds Ltd , the Colonial Development Corporation, the Anglo-American Corporation, Messina (Transvaal) Development Company, the Rhodesian Selection Trust, the British South Africa Company, and the Southern Rhodesian Government.

(*b*) The new corporation would be headed by a board of directors on which the Southern Rhodesian Government would be represented.

(*c*) No single participating company would have a controlling interest in the corporation.

(*d*) An initial development programme costing £8,000,000, the finance for which had already been secured, would be put in hand immediately. It contemplated the completion within four to five years of a well-balanced unit producing 150,000 tons of ingots a year and 500-600 tons of pig-iron for sale a week, rising later to 250,000 tons of finished steel. The programme, which had been timed to coincide with the production of power from the Kariba project, would include the erection of coke ovens, sintering plant, a large blast furnace, two additional open-hearth furnaces, and extensive alterations to existing rolling mills, as well as the acquisition of the Bukwe ore reserves

(*e*) The Lancashire Steel Corporation, together with Stewarts and Lloyds, would be directly responsible to the board of directors of the new Corporation for the development of the iron and steel works at Redcliff (Que Que) and Bulawayo.

(*f*) The Redcliff township, with the exception of the club and sports fields, would be retained by the Government, but the new corporation would hold a five-year option to purchase it at its book value of £800,000.

(*g*) The Rhodesian Steel Sales Co. Ltd , would continue to operate so as to ensure that iron and steel products were fairly distributed to consumers. A Government representative would join its board.

(*h*) A detailed independent investigation into the assets and stock of RISCOM had shown that, "subject to very minor adjustments," the Southern Rhodesian Government's present investment was fairly represented by physical assets. This investment would be re-invested in the new corporation, partly in equity shares and the balance in 4 per cent second debenture Stock maturing in 30 years. To assist the corporation in financing the new development programme, the Government had agreed to re-invest all the interest accruing to it during the first five years.

(*i*) The Government's iron-ore reserves would not be sold but, in lieu, a royalty would be paid by the Corporation on all iron-ore and lime extracted.

It was reported in the British press that the main objective of the scheme was to develop Southern Rhodesia's large iron-ore deposits, owned by the Government through RISCOM and by the Messina (Transvaal) Development Company. During the past two years production of finished steel had risen from 25,000 tons a year to 50,000 tons, while during October RISCOM had exported over 2,000 tons of pig-iron to South Africa for the first time.—(Federal Information Department, Salisbury - Times - Financial Times) **(Prev. rep. Steel Nationalization, 5632 C; Kariba Power Project, 14125 A; RISCOM, 14751 A.)**

A. UNITED KINGDOM. — The 1956 Trades Union Congress. - Abandonment of Wage Restraint Policy.

The 88th Trades Union Congress was held at Brighton on Sept. 3-7 under the presidency of Mr. W. B. Beard. The most important decision taken by the Congress was the outright rejection of the Chancellor of the Exchequer s appeal for wage restraint (see 15070 A) and the assertion of the trade unions' right to use their full bargaining strength, thus ending the period of co-operation between the T.U.C. and the Government which began in 1939. Other subjects discussed included automation, the 40-hour week, the Suez Canal dispute, the Cyprus situation, and the period of National Service

In his presidential address Mr. Beard emphasized the need for increased output and greater industrial efficiency, urged the Government to be more resolute in tackling the question of industrial investment, and outlined "the elementary principles of industrial decency" which should be put into practice in dealing with problems of labour redundancy.

Mr. Beard asserted that the "Tory policy of injecting money into the private purse," together with the elimination of physical controls, had increased luxury spending and inflationary difficulties, whilst the Government's encouragement of manufacturers to "rake the easy line of supplying the home market" had brought about a reduction in exports and made the balance-of-payments position more precarious. One way to greater industrial efficiency was a high level of industrial investment, but many firms and industries appeared unwilling to provide an adequate amount for this purpose. "There is no direction of investment by the Government," he declared, "or any evidence of compelling pressure on private industry to be up and doing in the markets of the world . The Government must be more resolute in tackling this question of investment, or must make way for those who will. Investment policy should involve full consultations with the trade unions, not only on the question of productivity, but also on its effects on employment, prices, profits, working conditions, and labour mobility. If a worker has to change his job or learn a fresh one, he should know as long a time ahead as possible If he has to leave his firm he should in some cases have fair compensation in line with previous service. These are elementary principles of industrial decency and must be put into common practice."

The more important subjects discussed and resolutions adopted by the Congress are summarized below under cross-headings

Abandonment of Wage Restraint Policy. The announcement that the General Council had rejected the Government's appeal for the continued exercise by unions of restraint in wage demands was made by Mr. Wilfrid Heywood, chairman of the T U.C Economic Committee, who introduced the section of the General Council's report dealing with economic policy and organization

After asserting that the Government's reliance on monetary instruments to reduce the pace of economic activity had already "yielded a crop of unemployment" in many industries, Mr Heywood recalled that the T.U.C had given repeated warnings that this policy involved "unnecessary hardships, discrimination against social investment of the best kind, and the rendering idle of some of the country's economic resources at a time when there is overwhelming need for higher production." He added : "It is plain that if our economic fortunes are to be determined by the pressure of market and financial forces, the efficient use of our resources and the continuation of full employment are bound to be in jeopardy. It is necessary to maintain a framework of controls as a protection against the fluctuations in world trade to which we are always exposed"

As regards the Government's "*sotto voce* suggestions that there should be wage restraint even in the past year, when prices have been rising," the General Council had replied that it was beyond their power "to devise measures which would prevent applications from being submitted if prices continue to rise." After attributing about one-third of the increase in the cost-of-living index since 1951 to changes in taxation policy and the reduction of subsidies, Mr Heywood referred to the Government's appeals to industry to stabilize prices, declaring that promises given by nationalized industries and other employers to hold prices constant could not be regarded as a reason for the withholding of wage demands. He added "We welcome action by the Government which effectively keeps down the general level of prices and relieves the pressure of the cost-of-living on the poorer section of the community But if this policy is to be the excuse for rejecting applications for better conditions without regard to the merits of those applications, then we are opposed to it. Congress will not at present accept a Government-induced wage restraint policy brought up the backstairs"

At the same time Mr. Heywood stressed, however, that union executive committees must act with responsibility, since trade unionists would admit, if they were honest, that much of their efforts in the past 10 years had been self-defeating "Generally, wages which leave us all where we were are an advantage to no-one except our competitors," he declared. "But equally a wages 'standstill' when prices are rising is out of the question So the General Council say that wage applications must be considered prudently and sensibly in the light of all the facts . We have the confidence to believe that our unions will conduct their affairs prudently and sensibly. That is the safeguard for full employment—reliance on the good sense of our members and executive committees."

Mr Frank Cousins, general secretary of the Transport and General Workers' Union, thereupon moved a composite resolution on wages policy, sponsored by the T G W U and supported by 11 other unions

The resolution (*a*) placed "a large measure of responsibility for recent inflationary trends" on the Government's "failure to maintain and improve the export trade", (*b*) declared that by abandoning economic controls the Government had "deprived itself of the most effective means of recovering control in a crisis", (*c*) asserted labour's right to bargain with capital on equal terms in order 'to protect the workers from the dislocations of an unplanned economy"; (*d*) rejected proposals "to recover control by wage-restraint and by using the nationalized industries as a drag-anchor for the drifting national economy", (*e*) warned the Government that reliance on monetary controls could not increase production but would "inevitably lead to erratic markets and to damage over wide fields of industry", and (*f*) instructed the General Council to make renewed representations to the Government for a return to a planned economy, based on effective economic controls

Mr Cousins maintained that the resolution did not represent "a sudden upheaval of thought within the trade union movement," but was "the result of a cumulative development." He complained that the Government had ignored representations about its economic policy made by the trade unions through the T U.C and the Joint Advisory Council, and stressed that the T G W U did not intend to rest content with passing resolutions Speaking of labour's claim to bargain with capital on equal terms, Mr Cousins declared "We say that in a period of freedom for all we are part of that all We are not prepared to stand down and see our conditions worsening . We are determined to reject proposals for controls by wage restraint, but we are not 'going on the rampage' "

In the ensuing debate Mr J Campbell (National Union of Railwaymen) said the Government's "*laissez faire* philosophy" was "incompatible with wage restraint," and declared that any union agreeing to the Chancellor's proposals would "cease to be a trade union and become a mere Government appendage" After Mr Arthur Horner (National Union of Mineworkers) had warned the Government that the N U M would not hold back claims because of price stabilization undertakings given by the National Coal Board, support for the motion was expressed on behalf of many other unions, including the Furniture Trade Operatives, the Chemical Workers, Tailors and Garment Workers, Constructional Engineers, Boilermakers, and Foundry Workers Mr Beard thereupon intimated that the General Council also supported the resolution, which was carried unanimously.

Automation. Opening the debate on this subject, Mr James Crawford (chairman of the T U.C. Production Committee) stressed that in the coming "period of quickening industrial advance" it would be fatal for Britain to lag behind, and that responsibility for keeping the economy healthy and buoyant rested with the Government, the employers, and the trade unions The unions favoured technical change, provided that in the transfer the conditions of their members were safeguarded Their greatest difficulty would probably be with the employers, and the field in which human relations problems could arise should be narrowed by bringing these problems as far as possible within the scope of formalized agreements between unions and management Meanwhile, the Government should encourage wise capital investment and more technical training "The unions want to co-operate if they can be brought in on the ground floor," Mr Crawford declared. "If the Government and the employers act in the right spirit, organized labour will face the change with courage, knowing that its members are being protected."

Congress then debated two composite resolutions, moved respectively by Mr. H L Haxell (Electrical Trades Union) and Mr A H. Knight (Association of Supervisory Staffs and Technicians). Mr Haxell's resolution (*a*) recognized that automation could bring about better living standards and greater leisure, (*b*) stressed, however, that trade union interests must be safeguarded against any "ruthless application of automation" by employers, and (*c*) called for full discussions between employers and workers before automation was introduced, so as to ensure proper consideration of recruitment and training policies, avoidance of redundancy, and maintenance of earnings.

Mr Haxell argued that the aspect of automation which would induce employers to invest their capital in it was the possibility of reducing labour costs by producing the same goods with fewer workers, and that it was "futile to imagine" that they would be motivated by "a desire to increase the size of the national cake or to improve the country's financial position." "It is sheer humbug to suggest that automation in a capitalist society will improve the lot of the people or the country's economy," he went on "On the contrary, in spite of the possibility of an apparent temporary improvement, ultimately it may well lead to higher profits, a reduction in the labour force required and in the purchasing power of the people, unemployment, and the economic crises which inevitably flow from these conditions Only under a planned economy can one expect the benefits of improved methods of production to be enjoyed by the whole community" The Labour movement must therefore force the Government and the employers to adopt measures that would simultaneously bring increased wages, improved purchasing power, lower prices, and a reduction of profit-margins.

Mr Knight's resolution (*a*) deplored the Government's "negative and muddled attitude" on automation; and (*b*) asked the General Council to call on the Prime Minister to set up a permanent Commission or National Planning Board for automation, under the control of a responsible Minister and including representatives of the T.U.C., employers, and scientists. The Commission should be charged

with (i) deciding when and where automation could be most efficiently introduced in the national interest, (ii) bringing about standardization of electronic equipment and control mechanisms, (iii) agreeing on procedures for joint consultation before new plant and equipment was introduced, (iv) proposing measures for compensation and protection against hardship

After debate, Mr Crawford stated that the General Council were investigating the probable impact of automation on industrial conditions, and advised the Congress to support the first resolution but to reject the second The E T U resolution was thereupon adopted with only two dissenting votes, the resolution of the Association of Supervisory Staffs and Technicians being rejected by 6,418,000 votes to 1,766,000

The 40-hour Working Week. The debate on this subject was initiated by Mr J Jarvie (Blacksmith, Forge and Smithy Workers' Society), who moved a resolution declaring the time opportune to achieve a 40-hour week Mr Jarvie argued that the present conditions of full employment placed the unions in a better bargaining position than they would occupy if unemployment returned and trade union organization became weakened Supporters of the motion included three Communist delegates—Mr Scott (Amalgamated Engineering Union), Mr Foulkes (Electrical Trades Union), and Mr Abe Moffat (National Union of Mineworkers)—whilst the main opposition came from the Transport and General Workers, General and Municipal Workers, and the Shop, Distributive, and Allied Workers.

Mr Frank Cousins, for the General Council, asked that the resolution should be withdrawn and redrafted He explained that although the General Council were in favour of the 40-hour week, it did not consider the time ripe for it and was not prepared to give immediate and automatic support to any union which sought to reduce working hours, regardless of circumstances

The resolution was nevertheless carried by 4,209,000 votes to 3,683,000

The Suez Canal Dispute. An emergency resolution, submitted by Mr C J Geddes (vice-chairman of the General Council) (*a*) affirmed that guaranteed freedom of navigation of the Canal to ships of all nations was essential to the maintenance and improvement of workers' living standards at home and overseas, (*b*) expressed the hope that the 18-Power plan to solve the Suez problem would lead to a speedy and satisfactory settlement, (*c*) demanded that if the talks failed, however, force should not be used until the question had been referred to the U.N Organization and its consent obtained The resolution was carried unanimously

The Cyprus Situation. The debate on Cyprus centred on a motion (sponsored by the National Union of Shale Miners and Oil Workers) calling for a peaceful solution of the problem based on (*a*) an end to repressive measures; (*b*) the release of all political and trade union detainees, (*c*) the return of Archbishop Makarios, (*d*) the withdrawal of British troops from Cyprus The motion was defeated by a large majority after Sir Vincent Tewson, for the General Council, had pointed out that the problem was not only a colonial one, and that the interests of Turkey had also to be considered

National Service. Mr. John Wood (National Union of Mineworkers) charged the General Council with failure to carry out the terms of the 1955 resolution calling for an immediate reduction in the National Service period. He called on Congress to instruct the General Council to "waste no more time waiting upon the Tory Government" and to make it clear that the T U C was "prepared to use the full powers of Congress to implement the resolution" A motion was thereupon moved by Mr. A G Tomkins (National Union of Furniture Trade Operatives) calling for a "speedy and progressive reduction in the period of compulsory service," and urging the Government to press actively for disarmament through the United Nations After debate, Sir Thomas Williamson accepted the motion on behalf of the General Council, and it was carried accordingly.

Relations with Trade Unions in Communist Countries. Sir Vincent Tewson reaffirmed that the T U C's "present limited contacts with unions in Communist countries must preclude association with the Communist-dominated World Federation of Trade Unions and trade union centres behind the Iron Curtain" He stressed that Communist unions were not free to determine their policies independently of the State, and that the T.U C must remain loyal to the non-Communist I C F.T U and avoid giving unions in the Colonies and underdeveloped countries the impression that it had "departed from its historic role of supporting democracy."

Congress then debated a resolution, sponsored by the United Society of Boilermakers and supported by the Association of Engineering and Shipbuilding Draughtsmen and the Constructional Engineering Union, which claimed that the disbanding of the Cominform and recent developments in the U.S.S.R made the time opportune for re-considering the relationship between the I C F T U. and the W F.T.U., "as many matters of common purpose could be resolved by discussions between these two organizations." After Sir Vincent Tewson had declared that the T U C.'s efforts to build up democratic unions in underdeveloped countries were being "deliberately sabotaged by the W.F.T.U," the resolution was defeated by 6,052,000 votes to 1,922,000.

Two further motions proposing closer relations with Soviet unions were discussed together. The first, sponsored by the Amalgamated Society of Woodworkers and supported by the Fire Brigades Union, proposed an approach to the Soviet unions "with a view to establishing closer relations" The second (sponsored by the National Union of Public Employees) suggested that a T.U C team should visit the U.S.S.R to examine Russian industrial techniques, and that Russian trade union leaders should pay a reciprocal visit to Britain. Sir Vincent Tewson pointed out, however, that both motions were contrary to the General Council's report, which distinguished between exchange visits to Russia for technical and cultural purposes and contacts in the organizational field; the motions were thereupon defeated, the first on a show of hands and the second by 4,638,000 votes to 3 412,000

All the members of the General Council were re-elected for 1956-57. The General Council elected Sir Thomas Williamson, general secretary of the National Union of General and Municipal Workers, as its chairman for the ensuing year in succession to Mr. Beard.—(Times - Manchester Guardian - Daily Herald)
(Prev. rep. 14440 A.)

A. AVIATION. — I.C.A.O. Conference. - New North Atlantic Joint Support Agreements on Greenland, the Faeroe Islands, and Iceland.

Two new agreements on the joint financing of certain air navigation services in Greenland, the Faeroe Islands, and Iceland were approved on Sept. 25 by a 14-nation conference convened in Geneva by the Council of the International Civil Aviation Organization (ICAO). The conference had opened on Sept. 6 under the chairmanship of M. Daniel Haguenau (France), being attended by representatives of Belgium, Canada, Denmark, France, Western Germany, Iceland, Israel, Italy, the Netherlands, Norway, Sweden, Switzerland, the U.K., and the U S.A.

The main features of the new agreements were as follows:

(1) The total cost of services for one calendar year would not exceed $1,076,562 for the Icelandic services and $1,234,525 for the Danish services The contracting Governments agreed to share 95 per cent of the approved actual costs of services in proportion to the "aeronautical benefits" derived by each Government, with Denmark and Iceland together paying 5 per cent of the charges in return for certain indirect benefits received. Proportions for each participating Government would be determined each calendar year by the number of complete crossings performed by its civil aircraft on routes between North America and Europe, north of the 40th parallel In this connexion, flights (*a*) between Greenland and Canada, the U S A. and Iceland, and between Iceland and Europe, would represent one-third of a crossing, and (*b*) between Greenland and Europe, Iceland and Canada, and Iceland and the U.S A., would represent two-thirds of a crossing.

(2) Provision was made for the joint financing, manning, and operation of air traffic, meteorological, aeronautical and telecommunication services, for radio navigation aids in Iceland, Greenland, and the Faeroe Islands, and for maintenance expenses of various services and stations

(3) The Council of the International Civil Aviation Organization would act in a purely administrative capacity, whereas previously it had itself concluded the financing agreements with Denmark and Iceland

The new agreements, which will come into effect on Jan. 1, 1957, supersede the agreement of Sept. 9, 1949, between the ICAO Council and Denmark (see 10068 D), and the agreement of Sept. 16, 1948, between the ICAO Council and Iceland (see 9514 B). It was announced by the Paris office of ICAO on Dec. 10 that both agreements had been signed by all the interested States.—(International Civil Aviation Organization, Montreal) **(Prev. rep. ICAO, 15122 A; North Atlantic Joint Support Agreements, 10068 D; 9514 B; 9007 A.)**

B. UNITED KINGDOM. — Press. - Merger of Birmingham Post and Birmingham Gazette. - Yorkshire Observer ceases Publication.

It was announced on Nov. 2 that the Birmingham Gazette and Despatch group of newspapers had been amalgamated with the Birmingham Post and Mail Ltd., that the *Birmingham Gazette* would cease publication as an independent newspaper on Nov 3; and that the combined paper would appear under the name of the *Birmingham Post and Birmingham Gazette.*

The *Birmingham Gazette*, founded in 1741 and Birmingham's oldest newspaper, was owned by Westminster Press Ltd. The other papers belonging to the Birmingham Gazette and Despatch group were the *Evening Despatch, Sunday Mercury, Sports Argus*, and *Sporting Buff.* The *Birmingham Post* was founded in 1857, the chairman of Birmingham Post and Mail Ltd is Lord Iliffe

The *Yorkshire Observer* in Bradford, which also belonged to the Westminster Press group, ceased publication on Nov. 3.

A statement by its proprietors, the Bradford and District Newspaper Company Ltd, said that for some years, "notwithstanding a steadily increasing circulation," the paper had been published at a substantial loss, and that the recent heavy increase in costs, mainly wages, had created a situation in which it was "no longer possible for the other newspapers published by the company to give the support necessary to enable the *Yorkshire Observer* to continue." As from Nov. 5 its title would be incorporated in that of the firm's evening paper, the *Telegraph and Argus*, which would include some of the main features of the morning paper, whilst the *Yorkshire Observer Budget*—a weekly—would also cease publication

The *Yorkshire Observer* had been founded in 1834 as a weekly and became a morning paper in 1868.—(Times - Daily Telegraph)
(Prev. rep. 14550 A.)

A. INDIA. — Governors of Reorganized States and Administrators of Union Territories. - New Ministries in Andhra Pradesh, Bombay, Madhya Pradesh, Mysore, Punjab, Rajasthan, and Orissa. - Economic Effects of Reorganization of Indian States.

The appointment of new Governors for several Indian States, including those reconstituted under the States Reorganization Act, was announced on Oct. 18, together with the Administrators of the Union Territories.

Gubernatorial Appointments.

Mr. Sri Prakasa (Governor of Madras) became Governor of Bombay in place of Dr. Mahatab, the new Chief Minister of Orissa; Dr. B. Ramakrishna Rao (Chief Minister of Hyderabad) became Governor of Kerala; Mr. Gurmukh Nihal Singh (Chief Minister of Delhi) became Governor of Rajasthan; and Miss Padmaja Naidu (a daughter of the late Mrs. Sarojini Naidu) became Governor of West Bengal in succession to the late Dr. H. C. Mukherjee.

Mr. C. M. Trivedi, Dr. Pattabhi Sitaramayya, and Dr. C. P. N. Singh (Governors of Andhra, Madhya Pradesh, and the Punjab respectively) continued in office as Governors of those States in their enlarged form, while the *Rajpramukh* of Mysore (Maharaja J. C. Wadiyar Bahadur, the former Maharaja of Mysore) became its first Governor. Mr. A. J. John, the former Chief Minister of Travancore-Cochin, was appointed Governor of Madras on Nov. 19.

Appointments in Union Territories.

The Government decided on Oct. 30 that its representatives in the Union Territories should bear the titles of Lieutenant-Governor in Himachal Pradesh, Chief Commissioner in Delhi, Manipur, Tripura, and the Andaman and Nicobar Islands, and Administrator in the Laccadive, Amindive, and Minicoy Islands.

Mr. Bajrang Bahadur Singh was appointed Lieutenant-Governor of Himachal Pradesh; Mr. K. P. Bhargava (Chief Commissioner of Bhopal) became Chief Commissioner of Tripura; Mr. T. G. N. Aiyar (Chief Commissioner of Coorg) became Chief Commissioner of the Andaman and Nicobar Islands, and Mr. T. Mone (Assistant Commissioner of the Andaman and Nicobar Islands) became Administrator of the Laccadive, Amindive, and Minicoy Islands. Mr. A. D. Pandit and Mr. P. C. Mathur retained the posts of Chief Commissioners of Delhi and Manipur respectively.

An advisory committee was subsequently appointed by the President to assist the Home Minister in the administration of Delhi. The committee, which will meet at least every three months under the chairmanship of the Home Minister, consists of the Chief Commissioner, all members of Parliament representing Delhi, the Vice-Chancellor of Delhi University, the president of the Delhi Municipal Council, and the senior vice-president of the Municipal Council. Similar advisory committees will be set up for Himachal Pradesh, Manipur, and Tripura.

New State Governments.

New Ministries were formed on Nov. 1 in the reconstituted States of Andhra Pradesh, Bombay, Madhya Pradesh, Mysore, the Punjab, and Rajasthan. In Kerala (formerly Travancore-Cochin), however, Presidential rule remained in operation. The Congress Central Parliamentary Board had advised the leaders of Congress Legislature parties in these States not to include more than 12 members in their Cabinets, and to give greater representation to minorities (including Moslems and Christians), women, the scheduled castes, and regional interests. The new Ministries are given below, together with a new Ministry in Orissa (which was not affected by the States reorganization):

Andhra Pradesh. Mr. N. Sanjeeva Reddi (Deputy Chief Minister of Andhra) was elected leader of the Legislature Congress Party on Oct. 21, defeating the Chief Minister of Andhra (Mr. Gopala Reddi), and formed his Ministry on Nov. 1. Mr. Gopala Reddi joined Mr. Sanjeeva Reddi's Ministry on Nov. 30, the final membership and allocation of portfolios being as follows: Mr. Sanjeeva Reddi (Chief Minister, General Administration, Information, Publicity, Elections Accommodation Control, All-India Services, Planning, and Transport); Mr. B. Gopala Reddi (Home Affairs, Courts and Prisons); Mr. K. V. Ranga Reddi (Revenue); Mr. K. V. Rao (Finance and Land Reforms); Mr. J. V. Narsinga Rao (Electricity and Irrigation); Mr. D. Sanjeeviah (Co-operation and Social Welfare); Mr. V. B. Raju (Industries, Commerce, and Labour), Mr. P. Thimma Reddi (Agriculture, Forests, Animal Husbandry, Fisheries, and "Grow More Food" Campaign); Mr. S. B. P. Pattabhirama Rao (Education); Nawab Mehdi Nawaz Jung Bahadur (Health); Mr. G. V. R. Naidu (Law and Religious Endowments); Mr. K. Brahmananda Reddi (Local Administration); and Mr. M. Narsinga Rao (Buildings, Highways, Excise, and Prohibition).

Bombay. Mr. Yeshwantrao Balwantrao Chavan was elected leader of the Legislature Congress Party on Oct. 16, defeating Mr. B. S. Hiray (Revenue Minister) after the Chief Minister, Mr. Morarji Desai, had refused to seek re-election. Mr. Chavan formed his Cabinet on Nov. 1 as follows: Mr. Chavan (Chief Minister); Mr. J. N. Mehta (Finance); Mr. Rasiklal Parikh (Revenue); Mr. M. M. Naik-Nimbalkar (Public Works); Mr. G. D. Tapase (Local Government), Mr. S. H. Shah (Education and Law); Mr. M. S. Kannamwar (Health); Mr. Dindayal Gupta (Labour); Mr. R. M. Adani (Prohibition, Village Councils, and Cottage Industries), Miss Indumati Chimanlal Seth (Social Welfare); Mr. B. J. Patel (Development, Electricity, and Housing), Mr. Mustafa Faki (Agriculture); Mr. V. P. Naik (Co-operation), Mr. B. G. Gadhe (Forests); and Mr. V. K. Sathe (Civil Supplies, Industry, and Printing Press).

Madhya Pradesh. A new 12-man Cabinet was formed by the 80-year-old Chief Minister, Pandit Ravi Sankar Shukla. Distribution of portfolios was announced on Nov. 3 as follows: Pandit R. S. Shukla (General Administration, Home, Publicity, Complaints, Planning, Development and Co-ordination); Mr. Takhtmal Jain (Commerce and Industries, including Road Transport, State Industries, and Agriculture), Mr. S. N. Shukla (Forests and Natural Resources); Dr. S. D. Sharma (Education, Law, Physical Education, and Tourism), Mr. Mishrilal Gangwal (Finance, Revenue, Economics, Statistics and Registration); Mr. B. R. Mandloi (Revenue, Survey and Settlement, Land Records, Land Reforms and Local Self-Government); Mr. S. L. Tewari (Roads and Buildings, Irrigation, and Electricity), Mr. V. V. Dravid (Labour, Rehabilitation, Housing, and Chambal Project), Mr. N. C. Singh (Tribal Welfare); Maulana Tarzi Mashriqui (Food, Civil Supplies, and Jails); Mr. Ganesh Ram Anant (Social Welfare, excluding Physical Education, and Co-operation), and Rani Padmavati Devi (Public Health). There will be 14 Deputy Ministers.

Mysore. Mr. S. Nijalingappa, who had been unanimously elected leader of the Mysore Legislature Congress Party, formed a Cabinet with the following members. Mr. Kadidal Manjappa, Mr. A. B. Naik, Mr. C. M. Poonacha, Mr. M. P. Patel, Mr. Jagannathrao Chandarki, Mr. R. Channigramaiah, Mr. A. B. Shetty, Mr. M. V. Rama Rao, Mr. H. K. V. Gowda, Mr. T. Mariappa, and Mr. H. S. Rudrappa. Two more Ministers were to be appointed later.

Punjab. A new Cabinet was formed by Sardar Pratap Singh Kairon, the former Chief Minister of the Punjab, who had been unanimously elected leader of the Legislature Congress Party of the enlarged State. Distribution of portfolios was announced on Nov. 12 as follows: Sardar Pratap Singh Kairon (Chief Minister, General Administration, Law and Order, Transport, Publicity, Anti-Corruption, Social Welfare, and Local Government); Mr. Brish Bhan (Planning, Community Projects, Justice, and Chandigarh Project); Mr. Sher Singh (Irrigation and Power); Mr. Mohan Lal (Finance, Industry, Food and Civil Supplies); Mr. M. C. Jain (Public Works, Excise, and Taxation), Mr. Gurbanta Singh (Agriculture, Animal Husbandry, Forests, Scheduled Castes); Mr. A. N. Vidyalankar (Labour, Labour Co-operatives, and Health); Mr. G. S. Bajwa (Education), Mr. Darbara Singh (Consolidation, Co-operatives [excluding Labour Co-operatives] and Political Sufferers); Mr. Harcharan Singh (Revenue and Panchayats), Mr. Prabodh Chandra (Relief and Rehabilitation, and Jails), and Mr. P. Singh Prem (Housing, Printing and Stationery, Language, and Sports). There will be eight Deputy Ministers.

Rajasthan. A new 10-man Cabinet was formed by the former Chief Minister of the State, Mr. Mohanlal Sukhadia. The other Ministers were: Mr. Ram Kishore Vyas, Mr. Bhogilal Pandya, Mr. B. S. Sharma, Mr. Amritlal Yadav, Mr. R. M. Mirdha, Mr. D. L. Vyas, Mr. B. P. Gupta, Mr. Ramchandra Chaudhry, and Mr. B. M. Sharma. There were four Deputy Ministers.

The new Cabinet included all the Ministers of the former Rajasthan State. Mr. Sharma was a Minister in the former Ajmer State.

Orissa. Following serious dissensions in the State Congress Party, the Chief Minister of Orissa (Mr. Nabakrushna Chaudhuri) resigned on Oct. 15 and was succeeded by Dr. Harekrishna Mahatab, who had resigned the State Premiership in 1950 to become Minister of Industry and Supply in the Central Government, and had been Governor of Bombay since 1955.

Dr. Mahatab formed a Ministry on Oct. 19 with the following members: Mr. Radhanath Rath, Mr. Satyapriya Mahanti, Raja Bahadur Kishore Chandra Deobhanj of Daspalla, and five Deputy Ministers. The membership of the new Ministry was the same as that of its predecessor, except that, in addition to the change of Chief Minister, one Minister and two Deputy Ministers were dropped.

Economic Effects of States Reorganization.

The effects of the States Reorganization Act on the linguistic position in certain States, and on their economic life, are summarized below.

Andhra Pradesh contains the vast majority of the 33,000,000 people speaking Telugu, which is the mother-tongue of more people in India than any other language except Hindi. The State's economy is largely dependent on two river systems, the Krishna and the Godavari, and the union of Andhra and Telengana will enable the two systems to be brought under unified control. Projects in progress or contemplated provide for the irrigation of about 5,700,000 acres, and for the development of Telengana's hydro-electric resources to reinforce Andhra's hitherto inadequate power supply.

Bombay in its reconstructed form contains about 26,000,000 people speaking Marathi and about 16,000,000 speaking Gujerati. Its position as a leading textile-producing State will be strengthened by the inclusion of Vidarbha, a fertile cotton-growing area with a flourishing textile industry centred on Nagpur. The new State also contains India's only atomic reactor plant, as well as important oil refineries.

Kerala, the smallest State in the Indian Union, has the highest population density per square mile and the highest literacy rate of any State It produces plantation crops such as rubber, tea, coffee, and pepper, and has large water resources which will permit the development of hydro-electric power. The Malayalam-speaking area transferred from Madras contains valuable forest lands

Madhya Pradesh possesses rich resources of iron, manganese, and other minerals, as well as large areas of forest land. An important part in the economic development of the State will be played by the Narmada Valley and the Bhilai Steel Projects (see 14103 A).

Madras, which was reduced in area by about one-sixth, became a compact linguistic unit, with less than 5,000,000 of its population of 30,000,000 speaking languages other than Tamil The areas transferred from Travancore-Cochin produce rice and salt and contain valuable thorium deposits.

Mysore gained an outlet to the sea for the first time by the transfer of certain coastal areas formerly included in Bombay and Madras. The State produces a wide variety of food and commercial crops, and is rich in hydro-electric power. It is the only State where gold is mined, and contains 80 per cent of India's silk industry.

The Punjab is expected to become an important grain-producing area with the completion of the Bhakra canal system (see 13789 A).

West Bengal was enlarged by the transfer from Bihar of 2,398 square miles of the Manbhum district and 709 square miles of the Purnea district. This transfer of territory, which did not materially affect the economy of either State, was not primarily based on linguistic considerations, but was dictated by the need to provide a connecting link between the northern and southern sectors into which West Bengal was divided by the partition of the former province of Bengal in 1947 The readjusted boundaries of West Bengal will facilitate direct communications between Darjeeling and Calcutta

The final decision of Mr. Viswanathan, the special commissioner appointed by the Government to demarcate the boundary in the Purnea district, was published on Oct. 30. (Hindustan Times, Delhi - The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London).

(Prev. rep. 15172 A.)

A. UNITED KINGDOM - UNITED STATES. — $500,000,000 Export-Import Bank Credit to Britain.

The U.S. Export-Import Bank announced on Dec. 21 that it had authorized a loan of up to $500,000,000 to the British Government. It was stated (*a*) that the loan, which would be in the form of a "line of credit," would be available "for the U.K.'s dollar requirements for U.S. goods and services, including dollar requirements for petroleum"; (*b*) that it would be made against the British Government's holdings of U.S dollar securities; and (*c*) that it would be available for 12 months. Repayments would begin three years after each disbursement, and would be made in semi-annual instalments over a period of 4½ years thereafter. The interest on each disbursement from the credit would be at 4½ per cent, payable semi-annually.

A spokesman of the Export-Import Bank (which is a U.S. Government agency for financing U.S. exports) stated that the loan could also be used for the purchase of oil from Venezuela; this was an exception to the Bank's normal procedure, but the bulk of Venezuelan oil was marketed by U.S. firms.

Negotiations for the loan had opened on Dec. 12, following the announcement by Mr. Macmillan (the U.K. Chancellor of the Exchequer) on Dec. 4 that he was prepared to use the British Government's holdings of U.S. dollar securities as collateral for a loan in the United States. The U.S. decision to grant the loan was preceded by the arrangements made between the British Government and the International Monetary Fund for large-scale dollar drawings by Britain against her quota in the Fund.—(Times - Financial Times - New York Herald Tribune)

(Prev. rep. 15260 A; 15239 A.)

B. EUROPEAN TRANSPORT. — Establishment of "Eurofima" Company.

The European Company for the Financing of Railway Stock (Eurofima) was formally constituted in Basle on Nov. 20, in the presence of representatives of the 14 participating European railway administrations. M. de Vos, Director-General of the Belgian Railways, was elected president of the Council of Administration, while M. Louis Armand (president of the French Railways) and Dr. Werner Hilpert (of the German Federal Railways) were elected vice-presidents Herr Fritz Schneider, a former departmental head of the Swiss Federal Railways, was appointed Director-General of Eurofima.

At its first meeting, held on the same day, the Council of Administration approved a purchase programme totalling 22,700,000 Swiss francs and covering the construction of 2,000 goods trucks.—(Neue Zurcher Zeitung - Le Monde, Paris)

(Prev. rep. 14521 C.)

C. RUMANIA - SOVIET UNION. — Moscow Discussions. - Retention of Soviet Troops in Rumania. - Soviet Economic Aid.

Following a week's discussions in Moscow between a Rumanian Government delegation led by M. Chivu Stoica (Prime Minister) and M. Gheorghiu-Dej (First Secretary of the Rumanian Workers' Party), on the one side, and Marshal Bulganin, M. Khrushchev, and other Soviet leaders on the other, a joint statement was issued on Dec. 3 announcing that full agreement existed on "the further development of economic relations and co-operation between the two fraternal Socialist States." The statement said, *inter alia*, that "in view of the international situation in Europe, the two Governments consider it expedient to maintain Soviet military units on Rumanian territory for the time being, in accordance with the provisions of the Warsaw Treaty."

After saying that the Soviet-Rumanian talks had been held "in a spirit of hearty friendship and complete mutual understanding," the statement mentioned the following matters on which full agreement had been reached:

(1) Both countries would "develop their mutually advantageous political, economic and cultural ties on the basis of full equality, independence and sovereignty, and non-interference in each other's internal affairs."

(2) After expressing support for the Soviet Government's declaration of Oct. 30 on the relations between the U.S.S.R. and other Socialist States (see page 1519, column 2), the statement added that "these principles are fully in line with the aims which the Rumanian People's Republic also sets for itself."

(3) The delegations recorded "full unanimity" of views on the present international situation, and were agreed that "disputed international issues must be resolved only on the basis of the principle of peaceful co-existence of States and by patient negotiations."

(4) After condemning the "aggression" of Britain, France, and Israel against Egypt, "which has only recently cast off the yoke of colonialism and is striving to consolidate her freedom and national independence," and demanding the immediate withdrawal of the British, French and Israeli forces in accordance with U.N. resolutions, the statement said that the U.S.S.R. and Rumania "support Egypt's just demand that the parties guilty of aggression should be punished and that she should be compensated for the damage caused by the hostilities"

(5) The two Governments called for the admission of the People's Republic of China to the United Nations, and described her continued barring from the U.N. as "intolerable."

(6) The U S S R. and Rumania were agreed that "reactionary forces in Hungary, taking advantage of the desire of the Hungarian people to correct the mistakes and shortcomings revealed in internal policy," had "attempted to destroy the Socialist system and to set up in Hungary a breeding-ground for Fascism, thus endangering peace in Europe." They expressed satisfaction that "the healthy forces of Hungary" had "rallied round the Revolutionary Workers' and Peasants' Government and, relying on the assistance of the other Socialist countries, have succeeded in upholding the gains of the people's democratic system." The Rumanian delegation agreed that the Soviet Government's "assistance to the Hungarian Government" had been in discharge of its "international duty to the working people of Hungary and of the other socialist countries."

(7) On European security, both Governments stressed the danger of a division of Europe into opposing blocs, and their readiness "to make fresh efforts with the object of creating a system of general European security which would unite the European States without distinction as to their political and social systems." In the existing situation, however, the "peace-loving countries" were threatened by "an aggressive military bloc in Western Europe, the remilitarization of Western Germany, the growth of revenge-thirsty forces, and the numerous U S. and NATO bases close to the Socialist countries." Under these circumstances the Rumanian and Soviet Governments agreed that it was "appropriate" that Soviet armed forces should be temporarily stationed in Rumania under the Warsaw Treaty.

(8) Economic relations between the U.S.S.R. and Rumania would be strengthened "on the basis of equality, respect for national sovereignty, fraternal mutual assistance, and mutual benefit."

(9) Cultural relations between the two countries would similarly be expanded and intensified.

It was also announced that the Soviet Government had agreed to make 450,000 tons of wheat available to Rumania during the first half of 1957, in addition to 60,000 tons of fodder grain to be paid for under the existing Soviet-Rumanian trade agreement, in connexion with the failure of the Rumanian grain crop. In addition, the U.S.S.R. had agreed to render technical assistance in the construction of chemical and oil installations, and to postpone the payments due by Rumania during 1957-59 for certain long-term credits granted by the Soviet Government to Rumania.—(Soviet Weekly) **(15275 B.)**

D. **Corrigendum.—U.K. Fiduciary Issue.** The figures in report 15266 A refer to the year 1956, not 1955 as incorrectly stated. (Ed. K.C.A.).

A. UNITED KINGDOM. — The Queen's Christmas Broadcast to the Commonwealth.

H.M. the Queen broadcast the following Christmas message to the Commonwealth from Sandringham on Dec. 25:

"Once again messages of Christmas greeting have been exchanged around the world From all parts of the Commonwealth and from the remote and lonely spaces of Antarctica, words and thoughts taking their inspirations from the birth of the Child in Bethlehem long ago have been carried between us upon invisible wings of twentieth-century science.

"Neither the long and troubled centuries that have passed since that Child was born nor the complex scientific developments of our age have done anything to dim the simple joy and bright hope we all feel when we celebrate His birthday That joy and hope find their most complete fulfilment within the loving circle of a united family.

"You will understand me, therefore, when I tell you that of all the voices we have heard this afternoon, none has given my children and myself greater joy than that of my husband. To him I say: 'From all the members of the family gathered here today our very best good wishes go out to you on board *Britannia*, as you voyage together in the far southern seas. Happy Christmas from us all.'

"Of course, it is sad for us to be separated on this day and, of course, we look forward to the moment when we shall again be together. Yet my husband's absence at this time has made me even more aware than I was before of my own good fortune in being one of a united family. With that consciousness in mind, I would like to send a special message of hope and encouragement to all who are not so blessed, or for any reason cannot be with those they love today: to the sick who cannot be at home; to all who serve their country in foreign lands, or whose duty keeps them upon the oceans; and to every man or woman whose destiny it is to walk through life alone. Particularly on this day of the family festival, let us remember those who, like the Holy Family before them, have been driven from their homes by war or violence. We call them refugees: let us give them a true refuge; let us see that for them and their children there is room at the inn

"If my husband cannot be home on Christmas Day, I could not wish for a better reason than that he should be travelling in other parts of the Commonwealth. On his journey he has returned to many places that we have already visited together, and he has been to others that I have never seen. On the voyage back to England he will call at some of the least accessible parts of the world, those islands of the South Atlantic separated from us by immense stretches of the ocean, yet linked to us with bonds of brotherhood and trust.

"One idea above all others has been the mainspring of this journey. It is the wish to foster and advance concord and understanding within the Commonwealth. No purpose comes nearer to my own desires, for I believe that the way in which our Commonwealth is developing represents one of the most hopeful and imaginative experiments in international affairs that the world has ever seen. If, as its Head, I can make any real personal contribution towards its progress, it must surely be to promote its unity

"We talk of ourselves as a family of nations, and perhaps our relations with one another are not so very different from those which exist between members of any family. We all know that these are not always easy, for there is no law within a family which binds its members to think or act alike. And surely it is this very freedom of choice and decision which gives exceptional value to friendship in times of stress and disagreement. Such friendship is a gift for which we are truly and rightly grateful.

"None the less, deep and acute differences involving both intellect and emotion are bound to arise between members of a family, and also between friend and friend, and there is neither virtue nor value in pretending that they do not. In all such differences, however, there comes a moment when, for the sake of ultimate harmony, the healing power of tolerance, comradeship, and love must be allowed to play its part.

"I speak of a tolerance that is not indifference, but is rather a willingness to recognize the possibility of right in others; of a comradeship that is not just a sentimental memory of good days past, but the certainty that the tried and staunch friends of yesterday are still in truth the same people today; of a love that can rise above anger and is ready to forgive.

"That each one of us should give this power a chance to do its work is my heartful message to you all upon this Christmas Day. I can think of no better resolve to make nor any better day on which to make it. Let us remember this during our festivities, for it is part of the Christmas message, 'Goodwill toward men.'"

The Queen's broadcast had been preceded by a broadcast by the Duke of Edinburgh from the Royal yacht *Britannia*, then in the South Pacific. The Duke had left Britain some weeks earlier for an extended tour of the Commonwealth. (The Listener - Times) **(Prev. rep. 14612 B.)**

B. NEW ZEALAND. — Decimal Coinage Report.

The New Zealand House of Representatives adopted on Aug. 29 a "most favourable" report submitted by a parliamentary committee which had considered a petition for an inquiry into the adoption of a decimal coinage system. The committee's chairman, Mr. J. Barnes, M.P., stated that a decimal coinage system had the strong support of the N.Z. Treasury.—(Directorate of Information Services, Wellington)

C. JAPAN. — Resignation of Mr. Hatoyama. - Mr. Ishibashi becomes Prime Minister.

Mr. Tanzan Ishibashi (72), Minister of International Trade and Industry, was elected president of the Liberal Democratic party, and thus became Prime Minister-designate, on Dec. 14 in succession to Mr. Ichiro Hatoyama (73), who had announced his intention of resigning the Premiership owing to ill-health and also because he had achieved his two principal objectives—the normalization of Japanese-Soviet relations and the admission of Japan to the United Nations (see 15260 E, 15195 A).

Mr. Ishibashi was elected to the party leadership on the second ballot, in which he received 258 votes against 251 for Mr. Nobosuki Kishii, secretary-general of the Liberal Democratic party. As the first ballot (in which there were three candidates) was inconclusive, none of the nominees obtaining an overall majority of the 511 delegates, the second ballot was confined by agreement to the two leading candidates, Mr. Ishibashi and Mr. Kishii.

Mr. Ishibashi, the son of a Buddhist priest, was born in 1884, studied economics at Waseda University, and entered journalism after graduation. He joined the staff of the *Oriental Economist* (Tokio), became managing editor of the paper, and made a reputation as one of Japan's leading economists, publishing several books on economic and financial problems. He did not enter political life until 1946, when he became Finance Minister in the first Yoshida Cabinet.

Mr. Hatoyama formally submitted his resignation and that of his Cabinet to the Emperor on Dec. 20. On the same day the Lower House of the Diet elected Mr. Ishibashi as Prime Minister by 291 votes against 151 for Mr. Suzuki, the Socialist leader.—(Japanese Embassy, London - New York Times) **(Prev. rep. Mr. Hatoyama, 14133 A; 14055 A.)**

D. CHINA - SOVIET UNION. — Plan for Joint Development of Amur-Argun River Basin.

Peking Radio announced on Aug. 19 that the Chinese and Soviet Governments had reached agreement on plans for the joint development of the Amur-Argun river basin, which forms the boundary between Manchuria and the Soviet Union. According to details subsequently published in the Soviet Press, the plan provided for the building of a series of hydro-electric power stations, with an annual output of 70,000,000,000 kilowatt-hours, on the Amur, the Argun, and their tributaries. These stations would supply power for the Chinese cities of Harbin, Mukden, Anshan, and Peking, and, in the Soviet Union, for the Chita, Amur, and Birobidjan regions and part of the Khabarovsk territory, as well as for the electrification of the Trans-Siberian Railway from Irkutsk to Vladivostok.

The Soviet Government proposed to develop this area industrially, and it was estimated that coking coals from South Yakutia and iron-ore from the Aldan plateau and the western part of the Amur region could be exploited to produce 3,000,000 tons of pig-iron annually. Geologists surveying the area were reported to have found rich mineral deposits, notably of tin, in the Little Khingan mountains of north-western Manchuria.

The plan also proposed a new outlet for the Amur River, which is not deep enough for large ships and is frozen at its mouth for much of the year. Three possible channels were being studied, of which one would reach the sea south of the present estuary, another would enter the Pacific near Vladivostok, and the third would pass through Manchuria and enter the sea at Liaotung Bay.—(Soviet Weekly - New York Times)

E. UNITED STATES. — Population Figures.

The U.S. Census Bureau reported on Nov. 17 that the population of the United States was 167,191,000 as at July 1, 1956—an increase of 16,493,000 (10.9 per cent) since 1950, when the last census was taken.

The most populous States were New York (16,195,000), California (13,433,000), and Pennsylvania (10,964,000), followed by Illinois (9,432,000), Ohio (9,096,000), Texas (8,925,000), and Michigan (7,526,000) New York, Ohio, Texas, and Michigan all increased their population by over 1,000,000 during the five-year period, while the Californian increase was 2,846,000 (26.9 per cent)—the highest in the United States

The least populated State was Nevada (247,000), which, however, showed the largest percentage gain of any State—an increase of 54.6 per cent since 1950, when its population was 160,083. Other States with populations under half a million were Delaware (402,000), Vermont (370,000), and Wyoming (321,000).

The population of Hawaii was 526,000, of Alaska 161,000, and of Puerto Rico 256,000—increases of 48.6 per cent, 10.2 per cent, and 2.3 per cent respectively since 1950.
(New York Times) **(Prev. rep. 14522 A; 12331 B.)**

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